COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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BRITISH TEXTILE INDUSTRY

THE criticism that the British cotton textile industry suffers from "complacency, apathy and lack of urgency in applying methods to raise the level of productivity," which has been made by the U.S. productivity team on the British industry, carries yet another piece of ready advice to which the British industry has been treated so frequently in the past. For more than two decades now, the industry has been told from time to time to set its house in order, to modernise its equipment. In 1930, the Clynes Committee emphasised the need for quicker introduction of improved machinery. In 1944, Sir Frank Platt drew the attention of the British textile industry to the relatively high levels of productivity reached in the U.S. and also emphasised the need for the use of better machinery. The Cotton Working Party, under the chairmanship of Sir George Schuster, made out again, a case for rapid modernisation in its report submitted in 1946. About two years later, the late Sir Stafford Cripps, then a member of the British Government, backed his advice to the industry by a scheme of subsidies for modernisation. In 1950, the reports of the British productivity teams that visited the U.S., sang the same refrain—the need for re-equipment and modernisation. Thus, the British textile industry has stood in no need of fresh advice. Rather, it has had a surfeit of it already.

A look at the words of well-meant advice, contained in the Report of the U.S. productivity team, shows that there is little that is new in this advice. The Report says that, although some firms are spending very large sums on modernisation, one cannot escape the conclusion that the British mills are "too apathetic to establish the conditions necessary for labour to work at high productivity," and that labour has not responded to the exhortations to appreciate the advantages of increased productivity. It would also appear that some firms have under way re-equipment projects which "do not seem to have been planned in the best way." Methods and standard engineering principles, according to the team, have not been applied to assure the advantage of the higher productivity attainable through use of modern machinery. The Report says that, although it was told that Britain's industry was horizontal in structure, the team could find "nothing in the present-day operation of the horizontal set-up that had any bearing on productivity, except where it resulted in loss of control of quality and contributed to waste." The U.S. team found that the system caused some unnecessary shipping and packing expenses, and therefore duplication of overhead expenses as compared with vertical operations.

All this criticism cannot be dismissed lightly, if only because the U.K. still earns a sizable part of its foreign exchange through cloth and yarn exports. The continued prosperity of its textile industry is vital to the U.K.'s economy. In 1951, for instance, the U.K. earned as much as £490 million through textile exports. It is, of course, true that at present domestic consumption absorbs a larger proportion of its total textile output than in the past, as will be seen from the following two tables, but exports are still quite large for a country of the size of the U.K. The table immediately below shows the balance of textiles left for home consumption:

(In million yards)

	Output	Imports	Total	Exports	Balance for home trade
1937 ..	3,640	50	3,690	1,921	1,769
1950 ..	2,123	287	2,410	822	1,588
1951 ..	2,201	377	2,578	865	1,713
1951 (nine months) ..	1,631	265	1,895	672	1,223
1952 ..	1,257	138	1,390	526	864

The following table gives the proportion of cotton textile production consumed in domestic and overseas markets to total production between 1910 and 1950:

	% of U.K. production exported	% of U.K. production consumed in home markets	U.K. % of world production	U.K. % of world exports
1910-13 ..	80	20	32.8	70.2
1926-28 ..	75	25	19.0	46.1
1936-38 ..	50	50	9.8	26.7
1950-51 ..	30	70	6.1	15.3

It will be seen from the tables above that the home market has begun to absorb an increasingly larger share of the U.K.'s textile output. Even the comparatively small exports that are now made are absorbed mainly by the markets where the U.K. enjoys a preferential advantage. Thus, out of 865.2 million square yards, which were exported abroad in 1951, the Commonwealth markets took 661.5 million yards, inclusive of West Africa (129.2 million square yards), South Africa (114.8 million square yards). Thus, the British textile industry is insulated from the world's markets to a larger extent than it was formerly. This is at once its strength and its weakness. Because of the sheltered market, it is likely to suffer less through a world economic recession. But the sheltered nature of the market is apt to engender in the industry a sense of complacency, so fatal to progress. That the industry is not satisfied with its present state of affairs, and is anxious to export larger quantities of textile goods is clear from the fact that it worked for the acceptance of a target of 1,350 million yards at the recent Buxton Conference.

If this target has to be translated into reality, then it is essential that the British textile industry must be more fully alive to the dangers of world competition. This is not to suggest that the industry merits all the criticism that has been made by the American team. The team spent only three weeks in Lancashire, and it is unlikely that it could have visited all the good mills. Many mills have already modernised their equipment; since the end of the war, the industry has spent nearly £60 million on its modernisation plans. Further, the physical limitations of space, and the lack of dollars make it difficult for the British industry to embark upon ambitious plans of reconstruction. Moreover, the British industry caters to a varied export market where diversity and quality, and not mere standardisation and mass production are the chief considerations. This characteristic feature of the markets for Lancashire goods places a limit on the use of highly developed technical equipment. And this also explains Lancashire's preference for mule spindles. The team has itself admitted that the British textile industry lacked no technical information that would increase productivity.

Nevertheless, it is true that the success of the British textile industry to meet the growing competition in world trade will depend on textile cures itself of "complacency, reluctance to depart from the things of the past and lack of duty incentives." But knowing the character of the British, as we do—the traits of practical, dogged perseverance, and ability to adapt cotton through evolutionary rather than revolutionary methods—we have no doubt that it will be long before the Lancashire mills organised in other selves into highly developed units and Indian of the world. It is necessary to sound this ing, lest the Report of the U.S. productivity should lull the Government and the millowners in India into the complacent belief that the technical efficiency of Lancashire mills is not as high as is generally supposed to be and that, as such, they need have no fear of effective competition from that quarter. Any such impression will amount to a gross underestimate of the

competitive capacity of the British textile mills. If proof of this were needed, it could be found in the rapid recovery of this industry from the slump in the first four months of 1952. The point to be borne in mind by the textile interests and the authorities in this country is that, while the mills in Lancashire may not be as efficient as the mills in the U.S., they are far more efficient and highly organised, in several respects, than the mills in India. If the same American productivity team that visited Lancashire were to examine the conditions of Indian mills, its findings would doubtless be more damaging than in the case of the British cotton mills.

SIR GEORGE SCHUSTER ON FIVE-YEAR PLAN

SIR George Schuster, who presided over the economic destiny of this country at one of the critical periods in its history, is in India again, at the request of the Federation of Indian Chambers of Commerce and Industry. Surely, his past experience entitles him, in a way, to judge, perhaps more correctly than many others, the economic situation in the country. If it is true that spectators see more of the game than the players, it is only reasonable to expect that this distinguished visitor, with his administrative experience, should be able to assess economic issues facing the country in a less passionate and, certainly, in a more detached manner than many others. It was, therefore, the more pleasant to be told by this ex-Finance Member of the Government of India that the Five-year Plan was a "first class example of an attempt to map out a general plan of action based on a realistic appreciation of the country's resources and requirements." Addressing the Bureau of Industrial Statistics at Calcutta, Sir George said that the Plan was an "intellectual achievement of which all Indians can justly be proud." This is high tribute. And it would be cynical in the extreme to dismiss it merely as a foreigner's well-meant attempt at praising the country which has chosen to play the host to him. But then, he was also critical in his appraisal of the task before the country. He did not, for instance, seek to minimise the complexity of the immense task which awaits this country. This is clear from his remark that the translation of the Plan into action demands that "all must gird themselves to a special effort as a nation does in war."

Although Sir George did not subject the entire Plan to an extensive critical examination —no one could have done it in a short public address—he did make certain remarks which deserve the attention of a much wider audience than the one to which they were addressed. The first main division of the Plan, the major Government projects, he stressed, should be kept under the "watchful eye of an enlightened public opinion." These projects, he urged, would have to be made a "pattern and example of high standards and progressive outlook." Presumably, his reference to "enlightened public opinion" stems from the recognition of the need for keeping Government expenditure under constant scrutiny without necessarily interfering too obtrusively with Government's initiative and drive. How alive he was to the need for flexibility and drive in governmental undertakings is clear from the emphasis he laid on the prevention of red-tape in the administration of development and community projects. He said:

"There can be no substantial economic advance, unless the standard of production for the agricultural masses is revised. It seems that the objectives of the community development projects are of overriding importance. ere one gets to a part of the task for which nan factors and human motives are all portant. It is a task which cannot be done n the Centre."

ts, however, the industrial part of the Plan, that evoked some of the most omments which Sir George made in his He recognised that there could be no ndation for industrial expansion unless l situation in the country could be put gain. he said, he did not like the "idea of small-scale industries unlimited support xing large-scale industrial undertakings." agreed that such a measure might sometimes have to be adopted, but warned that the "process should not be carried too far," since there were, after all, "other ways of assisting small-scale industries." It is to be hoped that this warning, coming as it does from a person who has no axe to grind, will turn our Central and State Governments away from the folly of their ways in dealing with the present controversy between the cottage and the large-scale power-driven industries.

A striking feature of the whole Plan, according to Sir George, was that, apart from the major projects which were so large as to require the mobilisation of Government resources, the development of industry was to be left to private enterprise. In this context, he sounded a warning and gave some advice to private enterprise, which need to be heeded by the business community in this country. He observed:

"Those who believe in private enterprise—as I do—and who are frightened—as I am—of the danger of the whole range of economic activity coming under the centralised direction of Government have got to recognise that the system of private enterprise is on trial for its life. This is its last chance."

This may sound a little ominous, if not frightful, but it is true. Either private enterprise comes out of this ordeal unscathed or it perishes. Since it was Sir George's view that it deserved to triumph, he was concerned with indicating the lines on which it should work. In the first place, private enterprise ought to be able to show that it could "render a service to the public better than any practicable alternative system." Secondly, it should recognise that it had to work "in conformity with Government plans, for the old ideas that they could do as they liked were outmoded." Thirdly, there was need to adopt "an entirely new outlook about the relations between management and labour." Fourthly, there was need in India, as in Britain, to devise a "new basis of co-operation between private enterprise and Government." Finally, he urged that it was in the interests of private enterprise to "work for the formation of a strong and responsible trade union movement."

These are wise words and no industrialist with a progressive outlook will dispute that view. It is by enlisting the support of—and not through opposition to—the chief economic interests, the Government, the consumers, and the workers, that private enterprise can vindicate itself before the bar of public opinion. Because of the constructive attitude which the British industrial leaders have adopted in the recent past, even the trade union leaders in that country, as Sir George pointed out, have recognised that "there can be no foundation for improving the standards of wages except by improving standards of the productive efficiency of labour." This is the reward of enlightened support of the labour movement by industrial management. Free enterprise in India has now been told by one of its experienced and enlightened confreres in another country, which believes in the same ideals that we in this country cherish, as to what it should do to earn for itself a coveted place in the country's economy. And it has also been warned of the penalty that it must pay for not facing the realities of the new era. Surely, if it still fails to read the writing on the wall, the fault will be its own.

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SALES TAX IN SAURASHTRA

THE unconstitutional anti-sales tax agitation in the Saurashtra State has gone on for the past five weeks now. In the past few days, it has taken a grave turn. Peaceful means have yielded place to violent methods and even the fair sex has been drawn into this campaign. If this agitation means anything at all, it is no more than the fact that a set of misguided people has walked into the trap of mischief-mongers and reactionary elements. This attempt to tear laws made by the legislature, this scant respect for the constitution of the land, this unjust tendency to stage such violent protest even against a modest taxation measure deserves to be universally condemned, if the country has to achieve economic progress and establish democratic traditions. The irresponsible elements must be made to realise that payment of taxes constitutionally imposed is an inherent obligation which no citizen should try to escape and much more so the merchant.

The present agitation in certain urban areas of Saurashtra has as its target the coercion of the State Government into withdrawing the General Sales Tax Act passed by the State Legislative Assembly on 29th September, 1952 and given effect to from 1st December last year. The Act provides for a general sales tax, at the rate of six pies in the rupee, on all articles save those mentioned in the list of exceptions and a special tax of one anna in the rupee of luxury. The special tax is liquor, motor vehicles includi and cycles; motor parts and acc ing tyres and tubes, clocks, t watches and parts thereof, ciga table oil, cloth of all kinds not less than Rs. 3 per yard, domestic appliances other than torches, torch cells, bu and fans, photographic and other cameras, shoes and footware costing not less than Rs. 15 per pair, and certain luxury goods. The list of the exempted articles includes cereals and other foodstuff, cotton, cotton seed, yarn and cotton cloth woven on handlooms, medical drugs, articles of cottage industry produced in the State and a host of other articles of daily necessity.

From the foregoing account it will be noted that the sales tax law in Saurashtra follows closely the lines of that which was in force in this State before the recent introduction of the multi-point tax system. To those who are conversant with the present Bombay Sales Tax Act, the Saurashtra measure should doubtless appear to be a relatively more reasonable and practicable measure. It has none of the vexatious features of the sales tax levied in this State, namely, that it is multi-point, regressive, burdensome, and highly complicated. The Saurashtra measure, on the other hand, provides for a levy on sales at only one point and a list of exemptions which is, perhaps, the largest in India. The rules for the recovery of the tax are considered to be very liberal, as they have been framed by the authorities bearing in mind that direct taxation is a new thing to the people of the State. Further, the authorities seem to have fully taken into consideration the possibilities of effecting economies in the Administration, and it is reassuring to note that the Chief Minister has promised a further reduction in the expenses of Administration almost to the same extent as the increased revenue from the present sales tax which is estimated at no more than Rs. 50 or Rs. 60 lakhs. Having given his word thus, it behoves the Minister to keep it, as only then can be evoked the confidence of the public. The business community for its part should bear in mind that the tax is not an arbitrary impost to which it was accustomed before the merger of the State with the Indian Union. On the contrary, it must remember that the measure has now a statutory status given to it by the State Legislature, composing, as it does, of the accredited representatives of the people. The Legislative Assembly took nearly a week to affix the seal of its approval to the measure and any refusal to accept its verdict now tantamounts to flouting the authority of a constitutionally established Government. All those who feel that democracy should be firmly established in this country will, we have no doubt, decry the present agitation in Saurashtra, which until recently was a land of feudal lords. An important point that must be borne in mind here is that it has not even that moral ground, namely, taxes being pushed up to punitive levels which justify sympathy to the forms of protests that were recently adopted in the Bombay State against multi-point sales tax.

Again, those who are at the back of this agitation seem to underrate the significance of the object of the present tax measure. Under the old regime, the burden of taxation used to fall almost exclusively on the tiller of the soil, who forms the backbone of the economy, while, in the absence of direct taxation, the business community and rich people escaped lightly. This is a system under which no democratic Government can hope to build a sound and balanced economy with the willing co-operation of the majority of people. It is, therefore, quite appropriate that the State Government should bring about the required balance between the two sectors by modifying the taxation system. Secondly, Saurashtra is one of the economically backward States and no economic development will be possible without some additional taxation being imposed on the people. The Central Government cannot be expected to bear its share of cost of financing development schemes, unless the State itself does its level best to increase its revenues which it has now sought to do by means of the sales tax levy. When poorer States such as Assam and Orissa have a system of sales tax, a State like Saurashtra, with a prosperous mercantile community, can hardly be expected to abandon a measure calculated to rationalise its tax structure and help develop its economic resources. It is to be hoped that saner counsel will prevail on those who are responsible for the anti-sales tax campaign and make them accept the present measure which is by no means improper or unjust.

ORIENTAL LIFE TO BE MUTUALISED?

NEW CAPITAL ISSUE—SPURT IN BULLION—REDUCTION IN EXPORT DUTY ON TEXTILES

THURSDAY, 5 P.M.

THE New Year has begun well with all the markets. Although there has been no spectacular increase in prices in any of the markets, values are higher all round than they were three weeks ago. The Share Market is steady to firm, with the leading counters commanding better prices. The volume of business, of course, has not shown any sizable improvement, but support for some selected shares has been fairly good. The reduction in the export duty on coarse and medium cotton textiles from 25 per cent. to 10 per cent. soon after the commencement of the new year has imparted a certain amount of strength to the shares of mills like Bombay Dyeing which are well established in export markets. The bright possibility of a further increase in the ex-factory (retention) price of steel for the Tata Iron and Steel Co., Ltd., has given some stimulus to the shares of this Company. Any such increase will, however, only offset the rise in cost of production and freight and is, therefore, unlikely to result in any higher margin of profit to the Company. This is a point on which the Government seems to have more or less made up its mind, that is, that on no account should the margin of profit of the Company be allowed to increase further. It is, however, true that to the extent the rise in costs is offset by an increase in retention prices, there will be no diminution in the profit margin of the Company.

* * * *

Between Tata Deferreds and Tata Ordinaries, the former have, once again, been evoking more attention than the latter. This is due to renewed expectation that the ratio of conversion that may be recommended by the Mediator, who will be having a meeting with the spokesmen of both the classes of shareholders in the course of the next few days, may not be so low as was thought possible at one time in the immediate past. Unlike Tata Deferreds, Indian Irons have made no fresh headway; on the contrary, they are a shade quiet. In view of the low yield on these shares and the heavy increase in the volume of floating stocks of these, the chances of any appreciable rise in their value seem remote. A usually well-informed source places Rs. 25 as the ceiling for this scrip. Evidently, it feels that, whenever this scrip tends to go above this level, the company which is holding the large block of shares taken over from the SCOB will try to lighten its holdings.

* * * *

During the week under review, the shares of the Oriental Life Company registered a strident advance in refreshing contrast to the other scrips on the Stock Exchange. After remaining dull at about Rs. 4,500 for a long time till yesterday, these shares suddenly flared up to Rs. 5,000 to-day. Market circles observe that there was some buying by interested quarters, in this scrip ever since the beginning of the new year. The sudden rise to-day is attributed to revival of rumours that the Directors have approved of a scheme for converting the Company into a mutual undertaking and that the Company's management will soon approach the Government for its permission. This is not the first time that this rumour has engaged the attention of the market. It held the stage for a long time in the summer of 1951 and led to a sharp rise in the value of the Company's Rs. 100 paid-up ordinary shares. Thus, between 1st May 1951 and 5th June, 1951, these shares sky-rocketed from Rs. 4,650 to Rs. 5,700. Our enquiries reveal that this time the rumour is not without any foundation, and that more will be heard about it in the near future. There are many estimates in the market of the compensation payable to the shareholders of the Company, some placing it at as high as Rs. 9,000 per share. That seems to be an unduly optimistic estimate. It should not be forgotten, in this connection, that there are definite provisions in the insurance law which provide a basis for calculating such compensation. Further, the Indian Insurance Companies Act clearly lays down the procedure for the mutualisation of proprietary insurance companies. So, there need be no wild guesses about the compensation payable to shareholders. According to an estimate prepared by a competent authority the compensation may be anything between Rs. 6,500 and Rs. 7,000.

* * * *

Be that as it may, what is it that has induced the Directors of the Oriental Life to plump for mutualisation? Some wonder whether it is the broad hint given by the Prime Minister, in the course of his speech in the Council of States on the Five-year Plan, to the effect that socialisation of insurance and banking might be necessary to find the resources required for financing the Plan. There are, of course, many, belonging to the left wing group, in this country, who have been suggesting nationalisation of insurance and banking for a long time. The hint thrown by Mr. Nehru seems to have encouraged many others to support that suggestion. For instance, Mr. A. D. Gorwala, who needs no introduction to our readers, is one of them. Even Dr. V. K. R. V. Rao seems to hold that view. He feels that one way of obtaining additional resources for financing the Plan will be for the State to extend its activities to the sphere of trading. Thus, he states, in the course of his address delivered at the sixth session of the Indian Commerce Conference held in Delhi a few days ago, as follows:

"State trading is not only a means for more effectively operating controls and guiding the economy to travel in planned paths, but it will also enable Government to intercept at the source a good part of the surplus accruing from economic development. State trading may commence with important articles of exports and imports and later extend to those commodities which are most likely to rise in price as a result of the rise in purchasing power following development. A national chain of State-owned and State-operated consumer stores would provide the most effective means of tapping at the source the surplus necessary for financing development. My third suggestion is for the State, through the agency of the Reserve Bank or its subsidiary specially created for the purpose, to enter into the field of commercial banking and either take over some of the existing banks or start new ones. These extensions of the public sector, together with the existing ownership by the State of railways, communications, power plants and some basic industries, would enable the State to obtain at source an appreciable share of the national surplus accruing from economic development."

* * * *

It is possible that this new trend of thinking may have induced the Directors of the "Oriental" to give early effect to the idea of mutualisation with which some of them had been toying for quite a few years now. It is, of course, needless to add that mutualisation of insurance takes the wind out of the sails of those who have been pleading for socialisation of insurance. In fact, the principle underlining mutual insurance is more in keeping with the ideals of the Indian Constitution, which lays more emphasis on co-operation than on the principle of State-ownership. If our reading of the circumstances in which the Directors of the "Oriental" have decided to mutualise their concern is correct, then it can be safely expected that many other insurance companies will follow the lead given by the "Oriental." There are, of course, many other weighty reasons in favour of mutualisation of proprietary insurance companies with which insurance men are familiar and into which we do not propose to go here.

* * * *

In the money market, demand for bank credit has been steadily increasing since the middle of last month, with the result that to-day there are more borrowers than lenders in the short-term sector. Inter-bank call money is fetching as high a rate as 3 per cent., which is the same as that for three to six months. The Treasury Bill rate has gone up further to very nearly 2½ per cent., in spite of the Government reducing its offtake from Rs. 2 crores per week to Rs. 1 crore. There are, however, no signs of acute stringency yet, but it is still too early to say whether the present busy season will pass off without the business community feeling the pinch as it did last year. Already the floating supplies have shrunk to such an extent that a few of the banks have had to look to "the lender in the last resort," namely, the Reserve Bank, for some accommodation. Despite this state of affairs, the Gilt-edged market continues to remain fully steady, with all the 4 per cent. issues finding keen buyers. Some of the State loans issued last year have been in request even at a premium of As. 6 to As. 8 over their issue price. Since the commencement of the new year, the 4 per cent. Bombay Municipal 1964 Loan has gone up by As. 9 and that of Bombay State Transport by As. 6 to Rs. 99-9 and Rs. 99-6 respectively. Still, sellers are scarce; to-day, a broker was unable to get even Rs. 50,000 of Bombay State Transport issue. All this is due to paucity of stocks and search for sources of investment by those who are chary of investing their spare funds in equities, as they consider the outlook for industries uncertain. The same explanation holds good for the steady demand for first class fixed yielding industrial scrips, that is, debentures and cumulative preference shares.

* * * *

The Ahmedabad Municipality, we believe, will have the distinction of being the first local authority to offer, in the current year, a new issue to the long-term capital market. It would appear that recently this Municipality decided to raise a little over a crore of rupees for financing some urgently needed projects. Of this amount, it will be offering to the investment public Rs. 75 lakhs in a week's time. The issue carries interest at the rate of 4½ per cent. per annum, taxable, but guaranteed by the Bombay Government. It will be repayable in 10 to 15 years. The issue price will be at par. It would appear that no underwriting has been done, in view of the present encouraging state of affairs in the Gilt-edged market, and that many investors, who were informally approached, have agreed to take a substantial portion of the issue.

* * * *

The improvement in prices of bullion in the past three weeks has been far more impressive than in those of either shares or commodities, as will be seen from the following table:

	18-12-52	8-1-53	*Change*
	Rs. a.	Rs. a.	Rs. a.
Gold			
Ready	80 7	85 4	+4 13
Forward	80 1	84 2	+4 1
Silver			
Ready	150 6	153 8	+3 2
Forward	150 2	153 4	+3 2

The rise in bullion prices is only as it should be, for earlier they had been depressed to unduly low levels. The exact causes that led to this rise are explained in our Market Reports section. It is, therefore, needless to repeat them here. Nevertheless, attention must be drawn to the fact that the premium for ready gold over forward has widened to as much as Re. 1-2, which reflects, to a large extent, the fall in the volume of floating stocks of gold. Informed circles say that, although there are still some short-sales in gold as well as in silver, the volume of speculation is within reasonable limits.

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The substantial improvement in the price of gold, as noted above, is by no means confined to this country alone. In other parts of the world also, there has been a similar increase in the price of gold. In the international free markets, for instance, the value of gold in terms of U.S. dollars has shot up from $36⅛ in the middle of December, to as high as $37.90. At one time, on the 6th inst. to be precise, it had actually crossed the $38 level. At this price, gold is more expensive than it has been at any time since the early months of 1952. The extent of increase in prices in terms of rupees during the past 15 days is nearly Rs. 7-8 per fine ounce. As a result of this increase, the parity for smuggled gold into this country has also automatically gone up. According to market circles, even the current price of Rs. 85-4 for ready gold offers little incentive for smuggling gold into India. So long as this state of affairs continues, arrivals will fall short of offtake.

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London bullion circles have advanced three reasons for the rise in the free market price of gold. These are: (1) seasonal and technical factors, (2) heavy hoarding demand in France which has followed in the wake of the French political crisis; and (3) the growing belief that sooner or later there will be an increase in the official dollar price of gold. Explaining the third factor, the *Financial Times'* City Correspondent says:

"The *communique*, issued after the close of the Commonwealth Economic Conference, made no mention of the subject of gold. But it is generally believed that the Conference decided that the possibility of increasing the price to help the sterling area countries solve their dollar problem was one of the questions that should be raised during the coming discussions with the American authorities. And, whereas earlier on, there was a tendency to argue that nothing was likely to come of such an approach, the more popular view now seems to be that there is some hope that the Americans will be moved. The theory is that the new Republican administration may see, in an adjustment of the official gold price, a way of reducing foreign aid, without running the risk of materially weakening the economic position of sterling area countries. A substantial increase in the world price would, of course, have the effect of adding to the sterling area's dollar receipts, since well over one-half of the output of newly-mined gold originates within the area. And and this being so, such a change might make it possible for the sterling countries to make do with less direct dollar aid, though it should be noted in this connection that the main initial benefit of the change in terms of dollar income would fall on a country which does not fully participate in the sterling area dollar-pooling scheme—South Africa. Even, however, if the idea does make a sufficiently strong appeal to the Republican leaders, it may be some little while before the change becomes effective. The notion that has gained a hold on the international gold markets during the past day or two that an adjustment may take place immediately after Mr. Churchill's talks with Mr. Eisenhower need hardly be taken seriously."

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In keeping with the assurance given by the Commerce and Industry Minister at the recent meeting of the Export Advisory Council, the Government of India reconsidered the question of export duty on coarse and medium counts early this month and reduced it from 25 per cent. *ad valorem* to 10 per cent. *ad valorem*, with effect from the 5th inst. It will be recalled, in this connection, that this duty was increased in the first week of June, 1951, from 10 per cent. to 25 per cent. Accordingly, the reduction made by the Government this week takes the duty back to the level that was in force in the first half of 1951. The one question that is now being asked is whether this reduction is sufficient and whether it would not have been better if the entire duty had been abolished. There is, of course, a certain measure of satisfaction in the textile trade and industry over the Government's action. But that is due chiefly to the fact that the Government reduced the duty at a time when none was expected and partly to the feeling that something is always better than nothing. The correct answer to the question whether what the Government has done is adequate will, however, be apparent if the present state of world trade in textiles is compared with that which prevailed in the first half of 1951 when there was an export duty of 10 per cent. During this period, it will be recalled, the export trade in textiles was booming and the sellers' market was strong. But, to-day, the reverse is the case. It is true that prices of cotton have fallen since then, but so has it done all over the world. Further, a good part of the advantage flowing from relatively lower prices for Indian cotton has been neutralised by increase in other elements of cost. It would have, therefore, been more in consonance with the present trend of world textile markets had the Government abolished the entire export duty on medium counts and retained a duty of only 5 to 7½ per cent. on coarse counts all of which are made out of the low-priced Indian cotton. The relief now given by the Government is thus inadequate and, if the present state of affairs in the export markets was to persist for some time more, the clamour for a further reduction in or abolition of export duty would start once again, which, in turn, would have an unsettling effect on India's export trade in piecegoods.

CAUTIOUS TRADING IN SHARES

UNDERTONE REMAINS STEADY

(From Our Own Correspondents)

BOMBAY, *8th January*

THE Bombay Stock Exchange wound up the year 1952 on a subdued note. During the last week of trading, just before the market was closed for the Christmas and New Year holidays, activity thinned out. Business was mainly confined to squaring up operations. Occasionally, cheerful advices from Calcutta, where Indian Irons were concerned in some speculative deals, following the closure of the *jatka* market in jute, imparted bullishness in trading here. In the absence of sustained influences, however, the closing sessions witnessed some liquidation and equities finished the year with moderate losses all-round over the week.

The resumption of operations for the New Year after the holidays failed to arouse enthusiasm on the opening day. Activity was restricted because of settlement on the next day. Subsequently, however, firm advices from the Calcutta market, especially the steel section of the market, the reduction of export duty on cloth from 25 per cent. to 10 per cent. and the revival of talk of increased retention prices for steel gave an impetus to trading on the Stock Exchange. Equities rallied under the leadership of Tata Steel shares. Textiles also responded quickly on optimistic hopes of increased exports. Operators, however, became cautious on second thoughts about prospects of textile exports. Dwindling hopes of any substantial benefit from the reduction in duty restrained activity in textile shares. A feature of the trading in steel shares in the last three days was a sharp fall in Tata Ordinaries which were subjected to heavy pressure by a few operators who converted a sizable part of their holdings of Ordinaries to Deferreds. On balance, Tata Deferreds showed a fair gain, while the other equities disclosed minor variations.

In the steel section, Tata Deferreds, which closed at Rs. 1,710 on 18th December, rose to Rs. 1,728-12 the next day in sympathy with Indian Irons. But soon a downward trend was in evidence and the scrips closed the year at Rs. 1,695. On the opening day of the current year, (2nd January) Deferreds slipped down to Rs. 1,687-8, but renewed rumours of an increase in retention prices of steel lifted up the shares to Rs. 1,732-8 on Monday this week. The higher level attracted some liquidation and the scrips drifted lower to Rs. 1,700 yesterday. To-day, however, a slightly better feeling prevailed and Tata Deferreds finished at Rs. 1,718-12. Tata Ordinaries, which moved down from Rs. 367 to Rs. 302-8 in the last week of December, made a sharp recovery to Rs. 320 on the 5th inst., but reacted to Rs. 299-12, before closing at Rs. 301-12. Indian Irons showed a net drop of As. 10½ over the two weeks at Rs. 23-13.

Barring a short-lived cheerfulness immediately after the announcement of a reduction in export duty on cloth, textile shares were, in the main, featureless, but the undertone was steady. Bombay Dyeings dropped from Rs. 357-8 to Rs. 355 on 24th December, but after a recovery to Rs. 367-8 on the 5th inst. slipped back to Rs. 359-6 at the close to-day. Kohinoors closed at Rs. 263-12, as against Rs. 263 on 19th December. Central Indias were unchanged at Rs. 145. Century disclosed a loss of but Rs. 3-8 over the two weeks at Rs. 247-8. Finlays were better by a rupee at Rs. 281. New Greats were lower by Rs. 2-8 at Rs. 151. Simplex receded from Rs. 176 to Rs. 174-8. Standards were lower by Rs. 5 at Rs. 260, Svadeshis by Rs. 4 at Rs. 237. India United Deferreds were placed at Re. 1-8¾, as against Re. 1-9, and Ordinaries at Rs. 8-8, as compared with Rs. 8-10.

Bank shares ruled quiet with minor losses in almost all the counters. Centrals finished Re. 1-4 lower at Rs. 64 and their 'A' shares showed no change at Rs. 69. Imperial Fully Paids reacted from Rs. 1,792-8 to Rs. 1,775 and Contributories from Rs. 440 to Rs. 436-4. United Commercials were a fraction lower at Rs. 35. Barodas were unchanged at Rs. 117-8. Indias, on the other hand, were a shade better at Rs. 157-4.

A feature of trading in insurance shares was the sharp rise in Orientals to-day on revival of rumours about the mutualisation of the Company. The shares which had dropped from Rs. 4,690 to Rs. 4,475 at one time rallied to-day to Rs. 5,000. The other shares were generally quiet. Thus, New Indias moved down from Rs. 43-8 to Rs. 41-12. British India Generals lost As. 3 to Rs. 13-4. Vulcans were maintained at Rs. 11-2. Empires were unchanged at Rs. 450, while Indian Mercantiles looked up to Rs. 38 from Rs. 37-8.

Electric shares presented a mixed pattern. Ahmedabads rose from Rs. 108-2 to Rs. 110-10. Andhra Valleys advanced from Rs. 1,362-8 to Rs. 1,373-12. Tata Hydros were better by a rupee at Rs. 148, Bombay Suburban by As. 8 at Rs. 121-4, and Surat Electrics by As. 10 at Rs. 116-14. Tata Powers, on the other hand, disclosed a loss of Rs. 7-8 at Rs. 1,487-8 and Amalgamated Electrics As. 11 at Rs. 10-10.

In the miscellaneous section, Associated Cements were featureless, but steady. The shares closed with a fractional loss at Rs. 177-12 although at one time this week they touched a high of Rs. 179-12, Belapurs were a strong feature with a rise of Rs. 10 to Rs. 217, after the shares were listed *ex*-dividend on 24th December. On the basis of *cum*-dividend, the closing rate (at Rs. 233 *cum-div.*) compares well with Rs. 225 on 18th December. Bombay Burmahs which were taken up from Rs. 386-4 *cum-div.* to Rs. 391-4 *ex-div.* on the 5th inst. latterly found little support on suggestions that the Company would not be able to maintain the dividend this year. The quotations, therefore, dropped to Rs. 371-14 *ex-div.* at the close to-day. Scindias evinced good support and they were lifted to Rs. 15, after they had declined from Rs. 14-13 to Rs. 14-8. B.I.Cs. were steady around Rs. 9-4½. Indian Coppers were fractionally lower at Rs. 3-2½. National Rayons were in favour to go up from Rs. 61 to Rs. 64-8. Premier Constructions were steady round about Rs. 85-12. Tata Chemicals were done at Rs. 8-15, as against Rs. 9-1 on 18th December. Tata Oils drifted lower from Rs. 34-12 to Rs. 32-12, Wimcos were brought down from Rs. 216-14 to Rs. 215.

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Calcutta Stock Exchange

CALCUTTA, *6th January,*

Dull conditions marked the closing of the old year, as well as the opening of the new year, on the Calcutta Stock Exchange. In tact during the long period after our last report, i.e., from 17th December up to now, only nominal interest was in evidence and this was no surprise at all since nothing remarkable occurred that could lead to a broadening of activity. Caution was writ large on the faces of operators, and transactions were naturally limited. Quotations just fluctuated at lower levels, and during the last two days a definite downtrend developed in the speculative counters, but the feature was the active interest shown in selected miscellaneous shares.

No doubt, the reduction in the export duty on cloth was welcome news but, in the present dullness and in the light of the slump in world textile markets, shares can pick up an upward trend only if the revision shows signs of increased export activity, because trade circles believe that the complete withdrawal of the duty is the need of the hour. The liberalised import policy for the current six months and the fixation of token quotas for certain items in which domestic production is self-sufficient mean that Indian industry should attach more and more importance to quality and price. Operators would take this factor into consideration when entering into long-term commitments.

Sectionally, during the week under review, which was short of two working days on account of the holidays on Wednesday and Thursday, textiles were shown some interest. Elgin mills improved fractionally from Rs. 14-14 to Rs. 15-8 last Friday, while Bengal Nagpurs gave way from Rs. 13-4 to Rs. 12-14. Bowreahs were transacted at Rs. 212.

Coals were quiet. Burrakurs remaining unchanged at Rs. 10-6. East Indias were hammered down from Rs. 20-11 to Rs. 20-4, while new Beerbhooms and Raneegunges recorded business at Rs. 18-4 and Rs. 7-2 respectively.

There was little activity in jute shares, and this was not surprising in view of the lack of a definite uptrend in the prices of jute goods. Howrahs were transacted yesterday at Rs. 24-1, as against Rs. 23-15 over the week-end. Chitavalsahs were yesterday slashed to Rs. 28-2 from a previous quotation of Rs. 30. Champdanies changed hands at Rs. 172, and Unions, at Rs. 189, showed a loss of eight points. However, Nationals were maintained at Rs. 25-7. The feature yesterday was the rise in Deltas from Rs. 242 to Rs. 245.

On bear-covering Indian Irons rose from Rs. 23-8 to Rs. 24-5, but eased to Rs. 23-11 yesterday. Braithwaites were done between Rs. 9-13 and Rs. 10. On good support Burn & Cos. were four points better at Rs. 247. Kumardhubis, on the other hand, eased from Rs. 7-11 to Rs. 7-8, Marshalls recorded business at Rs. 6-3, and Indian Galvanizing (New) at Rs. 10.

Advances in the quotations of selected counters in the miscellaneous group were a feature this week. Indian Cables received consistent support, and the rate improved to as high as Rs. 18-10 from Rs. 17-8 last Friday. The quotation on 17th December was Rs. 16-14. The advance since our last report was fractional at each successive stage, and it was remarkable that the push-up at each stage followed stabilisation. F. & C. Osiers at Rs. 3-12 represented an improvement of As. 10 since Friday last. Indian Wood Products were attended at Rs. 48-4, and India Steamships were steady at Rs. 6-5 following the encouraging note struck by the Company's Chairman at the recent meeting of shareholders.

Dunlop Rubbers were traded at Rs. 28-13 and Assam Saws were fractionally better at Rs. 6-4. Sone Valley Cements changed hands at Rs. 6-9 and Indian Coppers at Rs. 3-3. Titaghur Papers evinced interest at the improved rate of Rs. 34-2, but U.P. Sugars eased from Rs. 13-2 to Rs. 13. B.I. Corporations were around Rs. 9-5, while Martin Burns were fractionally lower at Rs. 18-6.

On Reports that the Government's Plan for the merger of the Indian airlines to form a nationalised Indian airways corporation would be implemented in a few months' time, shares of airways companies received moderate attention. Indian National Airways found buyers up to Rs. 3-2 from Rs. 2-12. Bharat Airways were sought at Rs. 2-12 and Airways India at Rs. 7.

Interest in tea shares was confined to selected counters at lower levels. Hantaparas realised Rs. 101 and Bisnauths changed hands at Rs. 20-2, as against a previous rate of Rs. 19-12. Brooke Bonds were asked for at Rs. 10-4, Tukvars at Rs. 4-12 and Rajgarhs at Rs. 17-6.

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Madras Stock Exchange

MADRAS, 6TH *January*

The notable developments which were of significance to the Madras Share Market during the past three weeks since we reported last on 16th December, 1952, were further relaxation of cloth controls and reduction in export duties on cloth. But these failed to enthuse operators even in the textile section, let alone others. For in the face of accumulated cloth stocks in consuming centres on lack of demand, textile shares sagged and prices disclosed sizable losses. In the circumstances, the other sections could not but sag in sympathy with textiles. Teas were the most depressed with very little buying activity in evidence. Rubbers, however, were barely steady. But coffees proved no exception to the generally bearish sentiment, especially in view of lower bids at pool auctions in India and in London. Miscellaneous scrips were dull. Banks, however, met with selective buying. As a result, volume of trading in these scrips was limited and prices generally were lower than they were three weeks ago.

During the period under review, textiles were almost out of favour. There was a feeling that the adverse effects of the power cut imposed recently would be far more than expected. As a result textile shares looked downwards. Radhakrishnas, Rs. 150 paid-ups, declined from Rs. 160 to Rs. 150 and Rs. 50 paid-ups from Rs. 80 to Rs. 75. Janardhanas sustained a loss of Rs. 10 to Rs. 58. Ashers feel from Rs. 76 to Rs. 72, following the declaration of a lower dividend of only 4 per cent. (tax-free) on the ordinary shares for the year ended 30th June, 1952, as against 6 per cent. (tax-free) for the previous year. Coimbatore Spinnings eased by Rs. 4-8 to Rs. 37-8, owing to passing over of dividend for the year ended 30th June, 1952. The only bright scrip in the market was Buckinghams, which put on Rs. 2-4 to Rs. 116-12.

On continued lack of adequate overseas demand and plans to cut next year's production, teas fell flat. Peermades had a fall of Re. 1 to Rs. 40 and Stanes Amalgamated of As. 12 to Rs. 9-6. Devashalas and Twyfords were lower by As. 8 each to Rs. 15 and Rs. 9-8 respectively. T.R. & Ts. went down by As. 4 to Rs. 6. Periakaramalais were enquired at Rs. 23-10 ex-div. as against Rs. 25-15 *cum-div.*

On reports that world production of rubber in 1952 was lower than in 1951, Malankaras in the rubber section gained As. 8 to Rs. 90. Cochin Malabars gathered As. 2 to Rs. 6-5. Thirumbadis were fractionally higher at Rs. 3-2½. Rajagiris, however, lost As. 3 to Rs. 9-13 and Anandamans As. 2 to Rs. 8-8. Vaikundams changed hands lower by an anna and a half to Rs. 14-13½. Be Bes were dealt in at Rs. 2-1 *ex-div.* as against Rs. 2-6 *cum-div.*

Coffees ruled dull on account of stalemate in coffee trade due to decline in selling prices and accumulation of stocks. Puthuthottams slipped by As. 3 to Rs. 4-15. Consolidated Coffees were done at Rs. 15-14 *ex-div.* as against Rs. 18 *cum-div.* and Coffee Lands at Rs. 9-5 *ex-div.* as compared with Rs. 10-6 *cum-div.*

With the exception of a few scrips, the rest in the miscellaneous section disclosed a downward trend. Singarenis declined by As. 4 to Rs. 6-8. Mettur Chemicals had a loss of As. 5 at Rs. 4-11 and India Cements As. 3 at Rs. 16-15. However, Andhra Cements 'A' were up by Rs. 3-12 to Rs. 90 and 'B' As. 6 to Rs. 9. Mysore Sugars were picked up at Rs. 42-12 *ex-div.* as against Rs. 44-12 *cum-div.* The Company has maintained the dividend of 20 per cent. for the year ended 30th June, 1953.

Banks put on a mixed trend. Bank of Mysore was higher by Rs. 4 to Rs. 297-8, and Indian Overseas by Rs. 3 to Rs. 94. Indian Banks Rs. 80 paid-ups gained Rs. 2 to Rs. 126, but Rs. 55 paid-ups lost Rs. 3-8 to Rs. 90-8. Indo-Commerce too dropped Rs. 2 to Rs. 87.

Latest Quotations

Bullion ..	Gold Ready (.999) ..	Rs.	85- 4-0
	Gold Forward ..	,,	84- 2-0
	Silver Ready (.996)	,,	153- 8-0
	Silver Forward ..	,,	153- 4-0
Cotton ..	Vijay	Rs.	800- 0-0
	Ankaleswar	,,	830- 0-0
	California	,,	1,415 -0-0
	Seagaon Jarilla ..	,,	676- 0-0
Sugar ..	27.E	Rs.	28- 0-0
Jute ..	Raw Jute. Assam Bottoms per maund ..	Rs	23- 8
	Hessians. (40" 10 ozs.)100Yds.	Rs.	43- 0
	Heavy Goods B. Twill, (per 100 bags) Ready ..	Rs.	97-0-0
Tea ..	For Internal Consumption per lb.		
	Medium Dooars Dust ..	Re.	1 -5-6
	Best Assam C. T. C. Dust ,,	1-13 to 1-14	
Produce ..	Linseed Bold (Cwt.)	Rs	27-12-0
	Groundnuts (Kh.) (Cwt.)	,,	33- 0-0
	Castor Seeds (Madras) (Cwt.)	,,	31- 4-0

NEWS IN BRIEF

INDIA and Ceylon are negotiating a new trade agreement, the previous agreement having expired on 3rd December, 1952.

The P.E.P.S.U. Government has decided to set up its own tractor organisation to expedite reclamation of the States' vast tracts of waste land.

The Government of India has decided to continue free licensing of mustard oil exports to all permissible destinations including Pakistan upto June, 1953.

The Tariff Commission will hold a public enquiry in Bombay next week into the question of granting protection or assistance for the encouragement of the automobile industry in India.

At a meeting held recently at Cochin, the National Harbour Board is said to have recommended to the Government of India the inclusion of the Ganga Barrage Scheme in the First Five-year Plan for the protection of Calcutta Port.

Negotiations are in progress between the Standard-Vacuum Oil Co., Ltd., and the Government of India for oil prospecting operations in Bengal basin. An aerial survey of the region has revealed immense possibilities of oil deposits there and the Company has decided to invest Rs. 10 crores in prospecting the region in the next five years.

The Bombay State Rural Development Board has ceased to function. In view of the establishment of the District Development Boards, in all the districts, which are charged with the work of securing co-ordination of all development activities in the districts, the Government does not consider it necessary to continue the State Rural Development Board.

A supplementary Five-year Plan for Coorg costing Rs. 37 lakhs has been prepared by the State Government. The original Five-year Plan was estimated to cost Rs. 63 lakhs. The Government of India has agreed to raise the limit of expenditure in the Five-year Plan to Rs. one crore to the State. The additional schemes relate to expansion of dairying, pasteurisation of milk, seasoning of timber, provision of minor irrigation, expansion of rural communications etc.

The Government of Bombay has decided to organise training classes for labour leaders and industrial workers in the principles of co-operation in order to enable them to help and promote the co-operative movement among industrial workers. The training classes will be conducted by the Bombay Provincial Co-operative Institute, Bombay, in Bombay and Ahmedabad. The medium of instruction for the class in Bombay will be Marathi and for that in Ahmedabad Gujarati.

The Government of India has decided to purchase the Barsi Light Railway on 1st January, 1954. The entire length of this narrow gauge line is about 202 miles of which a section of 36 miles known as the 'Latur extension' belongs to the Government of India while the rest of the line is owned by the Barsi Light Railway Co., Ltd., of England. The line serves an important area of Maharashtra and is at present operated by the said British company to which a notice has accordingly been served.

Coorg will have electric power in about 30 months from now according to an agreement reached on the 5th inst. between the Governments of Mysore and Coorg. The work of extending the lines from Krishnarajanagar to Periyapatna on the Mysore-Coorg border will commence as soon as the agreement, which is initially for period of five years, is signed. The cost of laying the new lines is estimated at Rs. 20 lakhs which the Coorg Government will advance to Mysore.

The Government of Madras has appointed two executive engineers to carry out "further investigations" recently decided upon by the Planning Commission for the utilisation of Krishna waters. One of them has taken up the work relating to the investigation of the remodelling of the Kurnool-Cuddappah canal and the other the work relating to the canal system under the proposed Nandikonda dam. The Government may shortly depute a third executive engineer for the investigation of the construction of the dam on the Pennar river.

A three-day conference of agricultural engineers in various states and representatives of firms manufacturing agricultural implements in the country on agricultural implements and machinery began in New Delhi on the 8th inst. The Conference has been considering among other things, reasons for the disproportionately low use of improved agricultural implements in India, the steps taken for improving the implement industry, the scheme for mechanising rice cultivation, the progress made in the adoption of power-driven farm machinery and the need for introducing improved agricultural implements and popularising their use.

The recently appointed High Power Expert Famine Committee, with Mr. P. C. Bhattacharya as Chairman, will study the conditions in famine stricken areas, hear and receive representations from the public and pass them on to the Government of India. Speaking on the scope of the Committee at Cuddappah last week, the Chairman said that the Committee was interested only in examining suggestions and schemes which sought to eradicate famine and to provide for immediate and permanent relief. He revealed that the members of the Committee were no experts and as such its name was misleading.

The month-long discussions between civil aviation officials of India and Pakistan on the dispute over the Indian air services to Kabul are understood to have led to a tentative formula. The formula envisages a free corridor over Pakistan territory to enable Indian civil aircraft overfly Pakistan direct from Delhi to Kandahar (Afghanistan) and then to Kabul. It may mean an additional flight of only 135 miles as compared with the direct flight from Delhi to Kabul. The Government of India is said to have considered the present formula as a matter of considerable improvement on the existing position, whereby air services to Afghanistan follow a circuitous route involving an additional 1,700 miles flight which avoids flying over Pakistan altogether.

From Abroad

Trading in zinc on the London Metal Exchange was resumed on 2nd January after an interval of 13 years.

China took over the control of Changehun railway in Manchuria on 31st December, when the Soviet Union surrendered all its rights in the joint administration of the railway.

World oil production in 1952 is expected to have exceeded the 1951 output of 610 million metric tons by 30 million metric tons. Production in the U.S. alone accounted for more than half of the total for the year under reference.

There are at present more than four million tractors on American farms—twice the number in use in 1943. The largest percentage increase has taken place in south-eastern U.S., where Government projects have turned marginal lands into fertile fields.

The Ford Foundation has announced a new programme to help familiarise young Americans with the cultures of problems of the Near East and Asia. Fellowships, financing one to three years of training, will be granted to young persons having special interests in these areas.

The T.W.A. has made available added comfort and service to the travelling public on its Trans Atlantic and International flight routes. It has equipped a number of its Constellations with new seating arrangements which provide additional room for passengers to stretch out.

The U.S. Government has turned down requests by the copper industry to raise or suspend ceilings on domestic copper. This is due, according to Mr. Michael Disalle, the new Economic Stabiliser, to continuing critical shortage of this basic material and the favourable current earnings position of the industry.

The Canadian Pacific Airlines and the Air France have proposed to start jet services this year by introducing British made comets on their routes. The former will start its first jet air service between Honolulu and Australia and the latter has planned to fly jets along its routes in Europe, Africa, the Middle and the Far East.

Manganese-Nickel-Cobalt Committee of the International Raw Materials Conference has accepted a distribution plan for primary nickel and oxides for the first quarter of 1953. The Plan has been forwarded to all interested Governments for implementation. The estimated availability of nickel for the first quarter of 1953 is 37,270 metric tons which is 219 tons higher than the quota for the fourth quarter of 1952. The allocation still falls considerably short of requirements.

Steel production in the U.K. during November was at an annual rate of 17,951,000 tons. This is the highest rate recorded in the history of the industry. The previous best month was in November, 1950, when an annual rate of 17,472,000 tons was reached. Production is now being steadily maintained at above the previous peak rates established in 1950. This advance follows the progressive fulfilment of the industry's Post-war Development Plan which was started in 1946 and is due for completion by mid-1953.

Latest reports from Jakarta reveal that Indonesia has accepted full membership of the Colombo Plan—the Commonwealth's Programme for aid to underdeveloped countries. Indonesia is the sixth country outside the Commonwealth to join the Plan. The other five are Burma, Nepal, the Associated States of Indo-China, Laos, Cambodia and Vietnam. Already a party of five senior officials of the Indonesian Ministry of Labour is undergoing training in all aspects of labour relations in the U.K. under the Technical Co-operation Scheme of the Colombo Plan which extends training facilities even to countries which are not full members of the Plan. At present there are about 150 officers taking training in the U.K. under the Technical Co-operation Scheme. Of them 74 are Indians, 25 Pakistanis, 43 Ceylonese and one Nepali.

World output of natural rubber in 1952 is estimated at 1,750,000 tons or 125,000 tons below the post-war peak of 1,875,000 tons achieved in 1951. The output in 1950 was 1,860,000 tons. Consumption during the year under review is

(Continued in next column)

PERSONAL

MR. J. V. Joshi, who is at present acting as Deputy Governor, Reserve Bank of India, in the place of Mr. Sundaresan, now on leave, will hold a new post, namely, Director in charge of Economic Affairs, Reserve Bank, when the latter resumes duty on the 12th inst.

Mr. P. M. Agerwala who handed over charge as General Manager of Bombay Telephones to Mr. M. Sundaram on 19th December, has again taken over as General Manager on Mr. Sundaram proceeding on leave preparatory to retirement.

Sir Harry Greenfield, C.S.I., C.I.E., a director of the Tobacco Securities Trust Co., Ltd., who was Chairman of the Indian Board of Revenue until 1947, has been elected a member of the Court of Directors of the Chartered Bank of India, Australia and China, in succession to Mr. Archibald Rose, C.I.E., who has retired.

Mr. John Marsh, Director of Industrial Welfare Society, London has arrived in India on a six-week-visit at the invitation of the Tata Iron and Steel Co., Ltd. He will study the Company's industrial relations and welfare arrangements and advise it on these subjects. Mr. Marsh has been the Director of the Industrial Welfare Society since 1950.

Mr. Robert Smith Simpson has assumed charge as the executive and political officer in the American Consulate General in Bombay. Prior to his assignment in Bombay, he was the first Secretary at the U.S. Embassy in Mexico city. An authority on labour problems, he was for sometime adviser to the international representative of the American Federation of Labour.

Mr. Rufus T. Burton has assumed charge as General Manager of the Standard-Vacuum Oil Company, India Division, following the retirement of Mr. M. H. Banks. Mr. Burton has served the Standard-Vacuum Oil Company in different capacities for a long time.

Mr. Harry F. Prioleau, whose appointment as President and Chief Executive Officer of the Standard-Vacuum Oil Company with effect from the beginning of this year, has been announced in New York, has been the Vice-President of the Company since 1949. A graduate of the University of Virginia, Mr. Prioleau has had 31 years of experience in international oil business. Following several years of work in the oil business in the U.S. itself, he went to The Hague in 1929 and in 1934 became the General Manager there for the Standard-Vacuum's Indonesian refining interests. After a short break of eight years, during which he was a Director of the Creole Petroleum Corporation, he rejoined Standard-Vacuum in 1949.

Mr. C. B. Marshall has been made Vice-Chairman of the Company's Executive Committee.

Both Mr. Prioleau and Mr. Marshall, it is noteworthy, are familiar with Indian conditions; the former having visited this country in November last to study at first-hand business conditions here and the latter having held the post of General Manager of the India Division.

The retiring President, Mr. Philo W. Parker, has had a distinguished record of over 40 years' service in the oil business. He was elected President in 1934 and in 1946, became Chairman of the Board, which was, at that time, the chief executive post.

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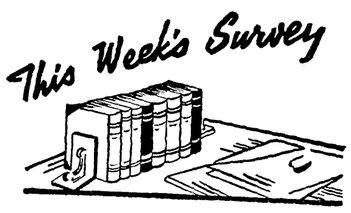
expected to be 1,440,000 tons, some 60,000 tons less than the 1,500,000 million tons in 1951 and the post-war peak of 1,700,000 tons. Thus a surplus over commercial demand by 300,000 tons is indicated, but this is said to have been absorbed by the U.S. under its stockpile programme.

In the opinion of the Newsprint Association of Canada, world newsprint demand and supply have come into approximate balance. Based on data covering over 100 countries, with a combined newsprint consumption exceeding 10.5 million tons, the Association in its report newsprint data, estimates that the total 1952 supply is within 10,000 tons of apparent requirements. It foresees an increase of roughly 5.3 million tons in world requirements over the next 23 years to 1975, as compared with an increase of 5.2 million tons in the 1925-52 period.

Mr. Mulgrue, a spokesman of the Food and Agricultural Organisation, disclosed at a Press interview in London recently that the *indica* group of rice varieties of tropical areas gave a fair yield under high temperatures in India, Pakistan, Indonesia and Malaya, but did not respond well to the application of chemical fertiliser. The *Japonica* variety which was more suited to temperate conditions, gave very large yields and responded to fertiliser, but did not do well in tropical conditions. Referring to a scheme, in which F.A.O. was co-operating with the Government of India, for combining the qualities of the two groups, Mr. Mulgrue disclosed that a major difficulty standing in the way of the success of the scheme was that the two varieties grew at different dates and flowered at different dates. Experts had to synchronise flowering dates. He further said that over 120,000 rice flowers had already been crosspolinated. The first generation plants were also grown and the seeds from them sent back to contributing countries. From these hybrids, each country would select one that seemed to suit it best and it was hoped that, in the end, each country would have the highest possible yield from its rice and would have at the same time a breed resistant to various diseases and insects.



ASIAN ECONOMY

THE economy of the Asian countries is in a ferment. Awakened only recently from a long period of economic slumber, the nations which constitute this region have bestirred themselves with a new enthusiasm seldom seen in the past. Their new-found freedom has been to them a most exhilarating experience. It is only natural that they should want to use their energy, time and human resources, formerly utilised in an unequal contest with their political masters, towards the more constructive task of economic development. This explains why Mr. S. P. Jain devoted so large a part of his stimulating address, at the first session of the Commission on Asian and Far Eastern Affairs, held at Calcutta, to purely economic issues. The Commission, it may be mentioned here, was set up in April last under the ægis of the International Chamber of Commerce with a view to studying the problems of Asian and Far Eastern countries. The session under reference was inaugurated by Mr. T. T. Krishnamachari, Minister for Commerce and Industry, Government of India.

The depressingly low level of the living standards of the people of the region, which accounts for more than half the world's population and for only one-tenth of the world's national income, is a shocking example of the world's economic disequilibrium. Mr. Jain pointed out how Asia, Africa and South America, which have nearly two-thirds of the world's population, share between them only about one-sixth of the world's income. The North American Continent, on the other hand, accounts for nearly 45 per cent. of the world's national income, although it has less than 10 per cent. of the world's population. The rate of annual increase in production, both agricultural and industrial, is only of the order of 1½ to 2 per cent. in Asia, as compared with an increase in industrial production of 8 per cent. in the U.S. in 1951.

It is vital to the economy of this region, which is a major source of food and raw materials, that its present deficiency in food must be made good and that it should be assured of a stable level of reasonable prices. Before the war, it provided almost all the world's exports of jute and rubber, more than three-quarters of tea, almost two-thirds of tin and one-third of the oils and fats. Again, before the war, the region used to export about 8.2 million tons of cereals and import about 6.4 million tons, leaving an export balance of nearly two million tons. Now, this position has so changed that the region is a net importer of foodgrains—of rice alone to the tune of 2½ million tons. Mr. Jain rightly emphasised that this deficiency should first be corrected.

The next great problem is that of achieving some stability in prices. Mr. Jain recalled how the index of raw material prices fell from 100 in 1929 to 39 in 1935 and recovered only to 42.5 in 1938. Relatively speaking, the fall in prices of industrial articles was smaller, and the recovery more rapid. In post-war years, the region has witnessed "seeming prosperity," and has certainly had a better experience in balance of trade; in 1951, for instance, the region had a favourable balance of $770 million. But this prosperity has been largely founded on the quicksands of the Korean boom. And there is sufficient evidence to show that the boom has already tapered off. An important consideration for this region, as Mr. Jain recognised, is the achievement of a certain measure of stability in prices and a steady flow of essential capital goods necessary for securing a balanced economy by reducing its heavy dependence on agriculture.

The flow of capital goods will, however, depend on the ability of this region to absorb them, which, in its turn, is dependent upon the maintenance of a high level of savings and investment. The low level of incomes in this region precludes the possibility of large-scale investment. Mr. Jain pointed out how the U.S. invests 20 times as much as is proposed for India in the Colombo Plan. Hence the need for external aid. And the Asian region has unfortunately not figured very prominently as a recipient of external assistance. Out of the total foreign aid to the tune of $33 billion, provided by the U.S. in post-war years, the countries in Asia and the Pacific region received hardly $7 billion, the balance of over $30 million going chiefly to Europe. Even this small aid was shared largely by only three countries, Japan (about $2½ billion), China (about $2 billion) and Korea (about $½ million). Again, out of the total loans of $1,434 million granted by the I.B.R.D. upto July, 1952, no less than $1,105 million was granted to Europe, Asia and the Far East received only $266 million. Mr. Jain emphasised that it was not his intention to create the impression that there was "deliberate neglect" of the Asian region. Only, he stressed that a "much larger flow of foreign funds" was necessary if the "vast problem of poverty" in this region had to be tackled properly and quickly. In this connection, he pleaded for "some thought" to be given to the terms on which foreign capital could be secured—terms, favourable alike to the lenders and the borrowers—to the development of commercial relations within the region, and to the more extensive use of arbitration in the settlement of commercial disputes.

The comprehensive survey of the major economic problems of the Asian region attempted by Mr. Jain, led him to the conclusion that their very complexity makes it difficult to attempt a "simple or quick" solution. This is a major conclusion, not any the less important because it has been stated so frequently in the past. But those who talk, in heroic terms, of raising the standards of living in this region will do well to bear in mind the hard task that lies ahead of them. An equally important consideration—and one which has not received adequate emphasis, much less, adequate recognition—is that, in the solution of the region's economic problems, "private initiative and enterprise have as much a part to play as the Governments of the region." Mr. Jain deserves high praise indeed for his correct appraisal of a very difficult problem.

INDIAN SHIPPING

Three chief obstacles facing the development of the Indian shipping industry figured prominently in the illuminating address of Mr. A. Ramaswami Mudaliar, Chairman, at the annual general meeting of the Indian Steamship Company, Ltd., held recently in Calcutta. First, there has been intense competition along overseas routes following contraction of world maritime trade and restrictions on movement of cargo. There has also been some vexations over flag discrimination in this connection. Secondly, port facilities in the country, particularly at Calcutta, have been inadequate. Thirdly, the go-slow tactics of port and stevedore labour have created a difficult problem for the shipping industry.

The gradual shrinkage of world trade, coupled with the delay in turnround of ships at the various international ports and absence of any sizable decline in bunker charges, has accentuated the difficulties facing the Indian shipping industry. It is, however, hoped that the depression in the world maritime market is only a temporary phase and better conditions will return at an early date for, fundamentally, the demand for goods still remains unabated and the major reason for decrease in world trade is balance of payment difficulties which, however, are now slowly disappearing. It is encouraging to note that the Indian Steamship Company, Ltd., and the Scindia Steam Navigation Company Ltd., the only two Indian shipping companies engaged in India-U.K.-Continental trade, have come to an understanding whereby an integrated service, which enables the ships of the two companies to call more frequently at the various ports and thus give better service to shippers, has been organised. Evidently, much of the credit for this understanding goes to the Chairman of the India Steamship Company, Ltd. The Chairman condemned the attitude taken by established maritime countries towards new entrants and spiritedly denied the charges levelled against them in the name of "flag discrimination." He declared that newcomers in the shipping world had come to stay and that they would stay at all costs; he rightly favoured State intervention in cases where big shipping companies combined against new entrants.

That the Indian ports are inadequate to meet the demands of India's maritime requirements and that they need modernisation have been recognised long before. In fact, discussion on these subjects has been going on for some years past. Calcutta is the main port of India, being responsible for nearly 50 per cent. of the freight to and from India. But it is at this port that the delays in turnround of ships have been the heaviest. There is a woeful lack of facilities at the port for storage and other purposes. But these again may turn out to be things of the past in the near future. For the Government of India has already approved a Rs. 40-crore plan for rehabilitation and modernisation of the five major ports, namely, Bombay, Madras, Calcutta, Cochin and Visakhapatnam and for the construction of the major port of Kandla. It has also under consideration a scheme for financing intermediate and minor ports. In this connection, Mr. Mudaliar urged the Government to provide an opportunity for the shipping companies to discuss the Government's plans for modernisation of ports; he gave convincing reasons to support this suggestion.

The delays in the turnround of ships in Indian ports are largely due to the practice of go-slow tactics adopted by labour, both stevedore and port. The go-slow tactics are being adopted by labour, according to Mr. Mudaliar, not to get redress of legitimate grievances but to avoid retrenchment of surplus labour. The shipping companies, he declared, were ready to grant any reasonable amenities for labour. He requested the States and the Centre to take special note of port labour problems and to provide for measures whereby, "while labour is kept contented, the work-load of a labourer is fair and adequate." It is to be hoped that wiser counsels will prevail in labour ranks, and that they will help evolve a satisfactory solution of this problem.

MERGER OF AIRLINES

A Bill for integrating the civil aviation companies into a single corporation will, according to reports from New Delhi, be introduced in the forthcoming Budget session of Parliament. It is also stated that 1st April has been fixed as the date for taking over the control of all air transport companies by the Centre and bringing into existence the Indian Airways Corporation to operate India's civil airlines, both internal and external. Considering that no Press note has been issued by the Government so far, it would appear that it has no intention of letting the public know the scheme, just yet.

It is, however, only reasonable to expect that the proposed legislation will follow the recommendations of the Planning Commission, which has suggested the formation of a statutory corporation in which the shareholders of the existing companies might be allowed to participate *pro rata*, if they wished to do so, in exchange for their present holdings. The Commission has further recommended that the value of their holdings should be determined on an equitable basis. The Central Government's share, it has suggested, should be large enough to ensure control over the industry. In that case, it is proposed to give the shareholders of the existing companies, stocks with guaranteed interest in return for their present holdings. The amount required for payment of compensation is estimated, according to Press reports, at between Rs. 3.5 and Rs. 4.75 crores. The behaviour of the airline shares on the Stock Exchange to change in recent weeks shows that they have not been adversely affected by the merger proposals. On the contrary, some of the scrips have risen with some buying enquiry. This is evidently due to the feeling that reasonable compensation will be paid by the Government.

A study of the procedures adopted by the Governments in other countries for acquiring the assets of private companies shows that no single method has been followed for purposes of fixing the terms of compensation. Sometimes, compensation has been fixed on the basis of market quotations of shares on a specified date, and at other times, on their book values.

The proposal to merge air companies into a single corporation is viewed with mixed feelings. While the elimination of too many units is welcomed, it is feared that State control of civil aviation may not be in the country's interest. A leading economist, Prof. C. N. Vakil, has expressed the view that it is a wasteful investment on the part of the Government. It is so, obviously because payment of compensation for acquiring the assets of private companies would only stimulate avoidable inflationary forces. Surely, at a time when investment should be wholly and immediately productive, it is unwise to utilise large sums for nationalisation of private enterprise.

In any case, if the Government decides to take over the airlines, either completely or in

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partnership with the existing companies, it is necessary to emphasise the need for maintaining the spirit of commercial enterprise, for, as the Air Transport Enquiry Committee has rightly pointed out, "air transport, being a highly technical industry of a very highly specialised character, requires on the part of management maximum initiative and technical efficiency to keep pace with developments, exceptional readiness to take financial risks in replacing equipment and constant personal attendance on the part of staff dealing with the customer and an endeavour to please and serve him."

PRIVATE SECTOR

Mr. Begraj Gupta's address at the annual meeting of the Western India Chamber of Commerce contains a notable reaction to the Five-year Plan. Since he spoke as the President of the Chamber, Mr. Gupta's views deserve attention as representing those of an important section of the business community. And his address left no one in doubt as to where the community stands in relation to the Plan. He welcomed it. He admitted that the targets and priorities fixed by the Plan were "more realistic now" than they were in the Draft version. If he had any misgivings at all, they were primarily due to a fear that the private sector may not be left with sufficient resources to carry on its work of economic development. He said: "It is a moot point whether, after the Government have skimmed off the cream of available funds for investment by the measures envisaged by them for financing their scheme, adequate funds will be left over for the many industries which are to remain in the private sector." This is an impression which seems to be gaining ground in the country, despite some effective disclaimers by Government spokesmen. Thus, the Finance Minister stated in Parliament recently, that, out of the total resources of about Rs. 3,500-3,600 crores, available for investment, the development programme in the public sector would absorb a little over 50 per cent., leaving the balance of a little under 50 per cent. of the total resources for the private sector. If, despite this explanation, doubts continue to be expressed whether the private sector will ever be able to command the resources it needs, it is because of the belief that the Commission's estimate of resources is rather optimistic. Doubts have also been expressed as regards the validity of the Commission's assumptions relating to the arrears of depreciation in industry. The Finance Minister conceded that the estimate of Rs. 150 crores, in this connection, was only a "rough one," and that a "more detailed investigation" was necessary to assess the precise nature and magnitude of the problems of each industry. It is to be hoped that this investigation will not be delayed any longer, if only because it will set at rest the doubts that continue to be expressed about the availability of resources for the private sector. After all, if the private sector has to play its role effectively, it is only reasonable to expect that it should be given the facilities it needs.

Again, it is necessary that if, on further examination, the private sector is found to need more resources for development than are available to it, then it is clearly the duty of the Government to be more realistic in its attitude towards the demand for tax relief. On this question, Mr. Gupta offered quite a few suggestions. He pleaded for a more "human" approach to tax collection. He held the view that the evil of tax evasion cannot be checked through investing the income-tax officers with more powers than they possess now. The income-tax officers, he said, should be made to recognise that it is their duty to be "fair and just." This suggestion would have carried some weight had Mr. Gupta appealed, at the same time, to the business community not to evade taxes but pay them promptly and in full.

GOVERNOR'S APPEAL

Just after the cyclone which caused serious damage to several parts of the Madras State comes news of another calamity in the shape of one of the worst famines stalking 15 districts of the Deccan region in the Bombay State. Four and a half million people and a large number of cattle in the area have been affected severely by drought. The State Government has granted Rs. 1.75 crores for relief and in addition placed a sum of Rs. 2.85 crores to be utilised for granting *tacavi* loans to agriculturists in the area. Besides loans and relief, the scarcity region is in urgent need of medicines, nourishing food for

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children and fodder for cattle. As the procurement of these requirements is beyond the State Government's resources, the Governor of the State, Mr. G. S. Bajpai, has lost no time in organising a Central Committee for collecting funds for relief work. As Chairman of this Committee, he has made a fervent appeal to every citizen of Bombay to come forward and do his bit towards lightening the burden of the people stricken with famine. The appeal should meet with a generous response from one and all not only in this State but also in other parts of India. It is a call to which no one can fail to respond, for the call is for saving a section of our people in great distress for no fault of its own.

OFF THE RECORD

(By "ROVER")

I FEAR that something secret and sinister is being done to my meagre daily allowance of sugar. Being a rank layman, I cannot claim to understand anything about the intricacies of sugar manufacture or marketing. As such, I am also not able to fathom the complexities of controls. Apart from appreciating a liberal helping of it in my morning coffee and in my afternoon tea, I know precious little about this highly elusive and temperamental commodity; but it looks as if this little weakness of mine is being exploited to the utmost by all concerned—manufacturers, the traders and the Governments.

I remember having read some time ago in *Commerce* that we were supposed to have a huge surplus from our 1951-52 season's production. This surplus was also believed to have created a heavy headache both for the authorities and this industry. If my information be correct, it was held that this surplus was there only because the price of Indian sugar was too high for the impoverished consumers at home. With the best of intentions, therefore, our benevolent Food Minister, Mr. Rafi Ahmed Kidwai, had arranged things in such a way as to reduce the price of sugar of the new season's production.

The Government had, however, given a guarantee with regard to the price of the previous season's production and till this was exhausted the consumer was not likely to get any benefit from the ultimate reduction in price which was bound to come. To effect this transition smoothly now, instead of abruptly at some future date, from the high-priced sugar to the low-priced supply and to ease the situation immediately for us, consumers, the inventive brain of the Food Minister had devised an expedient of levying an additional excise duty, on sugar of 1952-53 season's production. From this income, he proposed to reimburse the sugar factories the difference between the price of sugar in 1951-52 and 1952-53 and to ask them forthwith to sell the old stocks at a reduced rate. Thus, without putting the Government to any extra expenditure and by asking us to pay a little more for our sugar during the whole of 1953, Mr. Kidwai's programme was to supply us sugar at lower rates immediately from 1st December, 1952.

The Food Minister was so confident of the success of his scheme that he announced repeatedly in the House of the People and the Council of States, at the time his Bill for additional excise duty was under fire there, that sugar would sell from 1st December at about rupees four per maund lower than the then current price. All who were credulous like me were impressed. A Minister's word naturally carried weight with the people. We all waited expectantly for this auspicious day to dawn. How bitter has been our disillusionment in this respect is now a matter of common knowledge. Instead of the price of sugar going down, as the month advanced, it began to mount up till it was higher by rupees four per maund instead of lower. Even though January and with it the new year is now a week old, there are no signs of sugar prices going down, at least in Western India.

There is no reason for us mere citizens to entertain any doubts regarding Mr. Kidwai's good intentions. He did really mean to do us a good turn. But it looks as if his good intentions happened to be just of the type with which hell is commonly believed to be paved. Poor Mr. Kidwai, it is obvious, was no match for the crass incompetence and ineptitude of his secretariat and for the clever machinations of a certain breed of business men, who have infested this country for the last ten years and brought untold misery for the people. The former planned their releases of sugar from factories in such a way that the markets in the west and the south of the country were virtually starved and placed at the mercy of the factories in U.P. and Bihar and the railway authorities. There was plenty of sugar with the factories in Maharashtra and in the south. But only a little of this was released for the markets by the Food Ministry, on some strange and inexplicable plea of maintaining stocks on a uniform basis of production with all the factories in the country. With the competition from this cheaper local sugar eliminated, the factories in the North found it to their advantage to restrict sales and supplies to these parts. Our national railways co-operated with them by allowing sugar to reach Bombay, Saurashtra and Travancore-Cochin in a small trickle.

So far all this was only a result of incompetence and lack of forethought and foresight. But it is now revealed that, about the last week of December a prominent business firm dealing in sugar had a brain wave. There was price control for sugar only so far as releases from the factories were concerned. There was no price control for the distribution trade. If the cheaper stocks from the nearby factories in the State of Bombay could be cornered, high prices could be maintained indefinitely for want of competition. This firm is, therefore, believed to have offered to the Food Ministry to take over the stocks with the Deccan factories at the old controlled rate and suggested to the Food Ministry that this would save it the subsidy equal to the difference in the old and the new reduced price, which it had agreed to pay to the factories. It was to pay this very subsidy that the excise duty on the new sugar had been enhanced. And this Ministry, working obviously against the policy of its Chief of bringing down the price of sugar in the country, walked into this clever trap. They thought they were getting something for nothing. I wonder whether all these highly paid officers in the Ministry of Food and Agriculture were so ignorant as to believe that a firm which offered to buy up large stocks of sugar at a price considerably higher than what they had fixed for it from 1st December, 1952, would sell it in the market at the same price at which this sugar would have been retailed in the market, if it had been released from the factories at the controlled price of Rs. 28 per maund.

This action of the Food Secretariat is clearly not only diametrically opposed to the announced policy of the Government in Parliament, but a virtual betrayal of the consumers. In the first place, they are asked to pay a higher excise duty on the 1953 sugar so that they may get the balance of the 1952 production at a lower price, and, on the other, a part of this very sugar, which was to be supplied to the public at a lower price, has been issued in a large block at a much higher price for a consideration, for retailing it to the public at whatever price this party chooses to charge. Two thousand years ago, Judas is believed to have sold his soul for thirty pieces of silver. These thirty silver coins would, perhaps, be equivalent to about two lakhs of rupees in purchasing power to-day. It is only for a couple of lakhs of rupees that the Government of India have traded their word to the public and to Parliament. The saving to the Government on this infamous deal at about rupees five per bag on forty thousand bags would be about two lakhs of rupees, but the people in Bombay and Western India would be robbed of over a crore or more, as it would prevent the price of sugar going down in these parts for yet another month, because this has induced the factories in Bombay also to apply for the release of the small balance still left with them on the same terms. They had to do this in sheer self-defence.—*All Rights Reserved.*

BUDGETARY POSITION AND PROSPECTS

LARGE DEFICIT SEEMS INEVITABLE

(From A Special Correspondent)

NEW DELHI, *6th January*

THE new year was ushered in in the capital with light winter rains, considered auspicious in these parts, inasmuch as they were timely and essential for the prosperous growth of the *rabi* crops. The good beginning is indicative of the fact that the Government of India is expected to pull through this crucial year in the economic sphere rather successfully. The new year is important in more than one respect. It is the third year of the Five-year Plan, the implementation of which could be assured only in case Government were able to carry out its development plans according to the schedule through necessary financial allocation. It also marks the commencement of a new constructive era in the history of the country, with the Government determined to proceed with its work on a planned basis, having been able to cross a number of hurdles during the last five years.

DELHI LETTER

The Government has begun the new year with a certain amount of confidence. There are already signs that the food problem is not after all intractable. The carry-over of foodgrains from last year, estimated at about 20 lakh tons, together with the already contracted imports amounting to about 25 lakh tons, is expected to stand in good stead and help the country to tide over the difficulties on the food front this year. Stocks of rice amounting to about 1.6 lakh tons can be regarded as satisfactory and the Government is confident of creating a reserve of at least 7.5 lakh tons, if not more, from the imports during the current year, supplying the deficit States from procurement within the country, particularly from the surplus States of U.P., West Bengal, Orissa and Madhya Pradesh where the outturn of rice this year is reported to be exceedingly good. By next year, the country's food position is expected to improve further, for, by then, many of the minor irrigation projects, which have been under execution during the last few years, will begin to yield results.

The headache in regard to raw jute supply from Pakistan has practically disappeared with the gradual increase in the output of raw jute in the Indian Union, which is now placed at 50 lakh bales. Further, with the sharp decline in the prices of raw jute during the course of the last six months, the value of the minimum raw jute imports from Pakistan will be considerably less. The supply position in respect of raw cotton has become comfortable and there will be no difficulty in securing good quality cotton from foreign countries at favourable prices. The balance of payments position continues to be comfortable, the total sterling balances having gone up by about Rs. 30 crores during the last six months. It is mainly this factor that induced the Government to liberalise its import policy to some extent for the current half-year. These favourable factors will enable the Government to implement its economic policy this year without much difficulty

No Bumper Revenues

On the financial front, however, the Government of India is not in a comfortable position. The days of bumper revenue are gone and it would not be surprising if it were to report at the end of 1952-53 a small deficit, as against a nominal surplus of Rs. 3.73 crores estimated in May last. On the revenue side, the total revenues were estimated at Rs. 494.98 crores as compared with Rs. 497.67 crores in 1951-52. Customs and Union excise were placed at Rs. 165 crores and Rs. 86 crores, respectively. For the first six months of 1952-53, the total customs revenue amounted to Rs. 93.07 crores. Taking into consideration the gradual shrinkage in imports during the second half of 1952-53 and the sharp reduction in the export duty on cloth, raw cotton, etc., the yield from customs is expected at about Rs. 75 crores for the second half-year, taking up the annual figure to Rs. 168 crores. The small surplus of about Rs. 3 crores in this respect is likely to be wiped out by the deficit under the Union excise. For instance, during the first six months of 1952-53, the yield from excise aggregated Rs. 41.41 crores as compared with Rs. 48.24 crores for the same period a year ago. If the downward trend were to continue during the current half-year, the total realisation under this head may recede to about Rs. 80 crores. Although the budget estimate for 1952-53 has provided for a lower realisation from income and corporation taxes at Rs. 164.16 crores, as against Rs. 122.30 crores in the preceding year, it is possible that, in view of the better industrial production trend and reduction in tax evasion, the yield from this source will show an improvement to the last year's level, indicating an increase of about Rs. 13 crores. Other sources of revenue may give a yield of Rs. 5 crores more from the estimated figure, with the result that the total revenue realisation during 1952-53 will exceed Rs. 425 crores.

Rise in Expenditure

On the expenditure side, actual expenses are expected to exceed, to some extent, the budget estimates, particularly in those concerning refugees, foodgrain subsidies and extraordinary items owing to the recurrence of famine in some parts of the country. The defence expenditure might not disclose any decline; on the other hand, it might have exceeded the original estimates by a few crores due to the continuance of the Kashmir tangle and the hostile attitude displayed by Pakistan from time to time on the other fronts. It is, therefore, possible that higher revenues derived from income and corporation taxes will be more than offset by the increased expenditure resulting in a small deficit. A year ago, when the total revenue was marked up to the record figure of Rs. 497.67 crores, the Government was able to report a substantial surplus of Rs. 92.61 crores.

Prospects of revenue for the next fiscal year are not promising. Now that imports into and exports from India have declined below the Rs. 40-crore mark each, the yield from customs will come down appreciably; perhaps it may be no more than Rs. 130 crores. Revenue by way of export duty alone may come down to about Rs. 30 crores only, that is, to about one-third of the actuals of 1951-52 when they stood at nearly Rs. 95 crores. The Union excise might also decline to some extent in case the Government were to decide to refund the excise duty on sugar in order to encourage the export of surplus sugar. There might be a moderate setback in respect of income and corporation taxes in view of the reduced profit margin of industry. It is, therefore, possible that the budget estimates will be framed taking the total revenues at Rs. 375 crores. On the expenditure side, unless the Government were able to effect a marked reduction in defence, it will have to show a substantial deficit.

Heavy Deficit and Capital Expenditure

On the capital account, the budget estimate may be expected to show a sizable deficit during 1953-54. In the course of his speech in the Council of States in mid-December on the Final Report of the Planning Commission, the Finance Minister, Mr. C. D. Deshmukh, stated that, during the planning period, the capital expenditure (Union and States) would increase by Rs. 50 crores per year, the figure for 1950-51, 1951-52 and 1952-53 being Rs. 232 crores, Rs. 285 crores and Rs. 346 crores, respectively. For the next year, the total sum may stand at Rs. 400 crores. Besides this expenditure, the Union Government will have to pay back Rs. 114.61 crores in respect of the 1953-55 loan. In view of the sizable loan repayment, it is doubtful whether

(*Continued on page* 51)

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PAKISTAN NOTES

COTTON TEXTILE CONFERENCE

COST OF LIVING REMAINS STEADY

A HIGH-LEVEL Conference of the Government of Pakistan and the cotton mill industry was held in Karachi recently, under the chairmanship of the Minister for Industries, Sardar Abdur Rab Nishtar. Among the several questions discussed at the Conference, mention must be made of the reduction in the price of cloth and increase in the production of cotton yarn. Talks on the latter, it is reported, proved inconclusive as the suggestions put forward by the millowners did not find favour with the Minister. On the question of augmenting production of yarn, the Minister assured the Government's assistance to the industry.

In the course of the discussions at the Conference, the millowners emphasised the fact that, with 237,000 additional spindles which were shortly to start operations on three-shift basis, it would be possible to increase the aggregate output of yarn to about 5,00,000 bales per day. This quantity, it is stated, is sufficient to meet the requirements of the country on the basis of 10 yards of cloth per head.

Availing themselves of the opportunity provided by the Conference, the millowners submitted to the Government a detailed memorandum, drawing its attention to the several problems confronting them and suggesting measures for improvement. According to the memorandum, the price of yarn manufactured in Pakistan, which was formerly lower than imported Japanese yarn, has not increased by more than 16 per cent., despite the suspension of the O.G.L. Even this rise in prices would not have occurred, but for the anti-social activities indulged in by a section of traders. As a result of this, the handloom weavers have been made to pay higher prices for yarn supplied to them. With a view to enabling the weavers to get yarn at lower prices, the millowners have offered to give 5 per cent. discount and also to supply direct, thereby avoiding the middleman's profit.

The review of the progress of the cotton mill industry, as contained in the memorandum, reveals that the total number of spindles in production in Pakistan is at present 465,000, which compares with 176,000 at the time of Partition. Another 100,000 spindles are under installation at Karachi and Sind alone and these are expected to be in production by July next. The indigenous production is meeting the country's requirements of yarn to the extent of 40 per cent. If the installed capacity is fully utilised, it is claimed, it will meet 60 per cent. of the requirements immediately and the country's entire requirements in about six to seven months' time. The millowners urged the Government to adopt measures designed to increase production. These include permission to work the spindles on Sundays and free import of spare parts, raw materials, sizing materials, wool-tops, and dyes and chemicals. Replying to the memorandum, the Minister assured the millowners that his Government would give careful consideration to the suggestions.

Cost of Living

The most significant feature revealed by the latest official figures relating to the cost of living is that, in spite of occasional shortages in both domestic and imported commodities, the general trend in the cost of living in Pakistan since 1948 compares favourably with that in other countries. Thus, the index for Karachi in September, 1952, was 101, that is only one point above the base year 1948. In Lahore, it actually stood lower at 98. These compare with 142 for Colombo and 169 for Paris. In Narayanganj (East Pakistan), however, the index was higher at 114, due mainly to the rise in food costs. The chief factor responsible for the remarkable steadiness in the cost of living has been that the procurement and rations programme of domestic foodcrops have assisted in maintaining food costs within reasonable levels in most areas, although occasional scarcities have caused temporary rises in the local markets.

Iron Ore Deposits

The preliminary report of the German geologists, who recently investigated the extent of the iron ore deposits discovered in some of the districts of the Punjab, just submitted to the Government of Pakistan, has evinced more than ordinary interest. In the opinion of these experts, iron ore deposits at Kalabagh are well developed and contain thick seams—about 9 ft. on the average. The deposits are claimed to contain about 40 per cent. iron content. In the southern part of the area, 3.7 million tons of visible iron ore are said to exist. The experts estimate the deposits at 10 million tons. The deposits in the whole of the Kalabagh area are placed at 20 million tons.

The report is at present under the active consideration of the Pakistan Government. It is expected to decide shortly the question of undertaking a large-scale and intensive survey of the area, with a view to exploiting the iron ore deposits on a commercial scale.

Foreign Trade

In official circles, it is claimed that Pakistan has been able to pull itself out of the six-month old economic crisis and setback to its foreign trade, following the world-wide depression in commodity markets. This claim is based on the ground that the balance of trade on private account during recent months has been quite favourable. Thus, during November, 1952, Pakistan had a favourable balance of trade to the extent of Rs. 6.15 crores, with exports and imports accounting for Rs. 13.49 crores and Rs. 7.34 crores, respectively. In the previous month, the balance of trade was favourable to the extent of Rs. 2.42 crores. The improvement in trade position has been due chiefly to the steep rise in exports.

It is, however, difficult to say whether the happy position noted above holds good in respect of Pakistan's overall balance of trade. But there is one indication to suggest that it does not. For the imports on Government account of defence equipment, foodgrains, coal and sugar have been very heavy; the official figures relating to these imports are not made available. One can, therefore, expect that the heavy drain on foreign exchange resources still continues. Pakistan's external assets have declined from Rs. 82.84 crores as on 14th November, 1952, to Rs. 81.14 crores on 19th December last. This level compares unfavourably with that of Rs. 150.52 crores as on 4th January, 1952.

Be that as it may, for the 11 months of 1952, the seaborne trade exports (on private account) aggregated Rs. 142 crores and imports Rs. 147.57 crores. During the month of November, Pakistan exported 477,069 bales of jute valued at Rs. 5.7 crores and 116,463 bales of cotton worth Rs. 6.11 crores. Other principal exports were wool (Rs. 68 lakhs), tea (Rs. 38 lakhs), and hides and skins (Rs. 27 lakhs). On the imports side, machinery items led the list with Rs. 1.26 crores, followed by mineral oils with Rs. 93 lakhs. Cotton piecegoods accounted for Rs. 56 lakhs and cotton twist and yarn for Rs. 48 lakhs. It will be interesting to note that imports of these goods are very low as compared to those a year before, when they were valued at Rs. 2.33 crores and Rs. 2.63 crores. The Karachi Port handled Rs. 12.79 crores of cargo and Chittagong Rs. 5.66 crores.

Pakistan Railways

An integrated programme of rehabilitation, improvement and modernisation of Pakistan's railways is fast being executed. The programme, which has been accorded the highest priority in the development plans of the Pakistan Government, envisages the replacement of obsolete and worn-out locomotives and rolling stock and rehabilitation of track. Already, 23 diesel electric locomotives, 25 oil-burning locomotives, 45 modern carriages and 1,666 wagons have arrived in the country. Orders have been placed for 19 broad-gauge and 40 metre-gauge diesel electric locomotives, 235 modern carriages and about 6,000 wagons. During the financial year 1951-52, a sum of Rs. 4.66 crores was sanctioned for the rehabilitation of track and bridges on the North-Western Railway and the Eastern Bengal Railway.

It will be noted that Pakistan inherited a track of over 7,000 miles which was badly worn-out, due to severe operating conditions during the war. Intensive use of railways and lack of labour and material during the war period were responsible for the renewal of rails and sleepers having fallen in heavy arrears. Much of the usual maintenance was not carried out for years. After the Partition, the renewals of track became an immediate necessity and had to be given high priority in the rehabilitation programme.

On the North-Western Railway, which has a route mileage of over 5,000, Rs. 3.03 crores were earmarked for rehabilitation of track and Rs. 11,54,000 on the maintenance of bridges.

(*Continued in previous column*)

ECONOMIC OUTLOOK FOR THE STERLING AREA

SEVERAL DIFFICULT TASKS AHEAD

(By JOHN KINGSLEY)

THE year 1952 has seen the restoration of a balance in the sterling area's payments with the rest of the world and also of a surplus in the international payments of the United Kingdom. Consequently, the gold reserves of the sterling area will have risen by the end of the year to about $100 million above the dangerously low level reached in the middle of 1952, even after making the payments due at the end of the year, on account of the American and Canadian loans.

The United Kingdom's exports have recovered somewhat from the low level they reached in the middle of the year, largely because of the recent reversal of the earlier recession in world demand for textiles. British industrial production and employment have also, it seems, returned to about the level they were 12 months ago, before the decline set in. Although the indications are that most of the recent recovery has been in textiles and other industries catering mainly for the home market, the recent figures for iron and steel output and for car production give grounds for hope that production is rising also in some of those industries, upon which depend the United Kingdom's ability to expand its exports.

In short, the industrial picture in the United Kingdom at the end of 1952 is of a high level of employment and production; the task for 1953 is to ensure that manpower and output are primarily devoted to increasing those exports that the world wants to buy. The Chancellor of the Exchequer said recently that "we have now established a base camp from which we must start the really arduous climb back to security and prosperity." He also stated that, if the United Kingdom were to maintain her standard of living and, at the same time, to achieve an export surplus of the size that was essential for her future prosperity, United Kingdom exports would have to rise to a fifth above the volume they attained in 1951 (which probably means an even greater increase over the 1952 volume—though the figure for this is not yet known).

International Competition

This will be no small task in the face of growing international competition, from Germany and Japan, in particular. But, without a considerable increase in the U.K. exports of capital goods, the overseas sterling countries will not be able to expand their production of dollar-earning and dollar-saving commodities which the *communique*, issued after the recent Commonwealth Economic Conference, showed to be so essential.

The United Kingdom has expressed the intention of shouldering a large share in the financing of these developments in overseas sterling countries, and the City of London has shown its desire to contribute to this task by announcing plans for a Commonwealth Development Corporation which will help secure finance for important dollar-saving and dollar-earning developments in the Commonwealth. The World Bank has shown interest in this project and has also sent missions to several countries of the Commonwealth.

How far are the favourable changes of the last few months likely to be continued during 1953?

The improvement in the gold and dollar reserves has been brought about largely by reductions in the imports of the sterling countries from the dollar area and from Western Europe. It is to be hoped that 1953 will see a relaxation in U.K. restrictions against imports from Western European countries at any rate, for many of these have been hard hit by the fall in their exports to the sterling area in the second half of 1952.

In any event, there seems little likelihood of the sterling area earning gold from Europe in 1953 on the scale of the last few months. The improvement in the balance with the dollar area in recent months can only continue so long as the level of activity in the United States does not decline; the sterling area's reserves are still not high enough to withstand even the strain of only a small recession in the United States without a severe crisis resulting.

Immediate Prospects

Fortunately, the immediate prospects are fairly cheering; in particular, American demand for the two biggest dollar-earning commodities of the sterling area—rubber and wool—has been well maintained recently and their prices have risen somewhat. As the prosperity of the United Kingdom depends, to a considerable extent, upon that of the other sterling countries and of all of them upon the level of American imports of their products, this seems to afford grounds for a cautious prophet to say that the first half of 1953 seems likely to bring a world economic situation that is, at any rate, no less favourable than that of the second half of 1952.

The last few years have shown, however, how changes in the world economic weather can occur very suddenly and rapidly; he would be a foolish prophet, therefore, who would dare to rush in with a longer-term prophecy where the Commonwealth Economic Conference rightly refused to tread.

The outlook for 1953, then, will depend largely upon how far the United Kingdom and the other sterling countries can adapt themselves to the demands of the international economic situation. In terms of harsh fact, this means a readiness to forgo less important and less economic developments and immediate increases in their standard of living in order to increase their savings and thus release resources for building up essential primary production in the overseas sterling countries and the equally essential capital goods industries in the United Kingdom.

Striking Change

Perhaps the most striking single economic change in the United Kingdom during 1952 has been the dramatic fall in the level of bank advances to industry. But the disinflationary effect of this has been offset by the equally striking rise in Government expenditure on defence, housing and other purposes. The transfer of resources to the essential export industries is likely to prove very difficult so long as this state of affairs continues. But, perhaps, the recently announced slowing down of the rate of expansion of the rearmament programme may permit an increasing amount of savings to be devoted to increasing exports and to the no less essential task of maintaining and modernising British industry.

The year 1953 promises us a series of tasks, at least as difficult as any that have been faced since 1945. The prospects of facing these tasks successfully depend almost entirely upon the realism, the energy and the enterprise of the Government and individuals of the United Kingdom, as well as of the other sterling countries.

(*Concluded from next column*)

The E.B.R.—this has a route mileage of about 1,700—claimed Rs. 1.41 crores for track and Rs. 10,16,000 for bridges. During the five-year period ended March, 1952, the railways have spent about Rs. 11 crores on the rehabilitation of tracks and bridges.

RAW MATERIAL PRODUCTION IN BRITISH COLONIES

The large contribution that is being made by the British colonies to the world production of many important commodities is outlined in the *Economic Survey of Colonial Territories*, just published in London. The survey shows that Malaya produces two-thirds of the world supply of tin and over one-third of the world supply of rubber. Half the cocoa produced in the world comes from the Gold Coast and Nigeria; one-fifth of the bauxite for aluminium from British Guiana; nearly half of the sisal from British East Africa, and one-seventh of the production of diamonds from Tanganyika, the Gold Coast and British Guiana.

The Gold Coast is the largest exporter of manganese, supplying 15 per cent. of the total output. Nigeria produces almost the whole of the world's supply of niobium—an alloy used for jet engines—and Northern Rhodesia ranks third among world producers of copper.

Among the minor products of which the colonies are the main or sole suppliers are pimento (Jamaica), angostura bitters (Trinidad), cloves (Zanzibar), frankincense and myrrh (British Somaliland), and arrowroot (St. Vincent).

Exports of the main commodities produced in British colonial territories have been at a higher level than since before the war, and there was a rising trend in the volume of exports during 1947-50. The largest increases were in the production of bauxite, asbestos, rum, petroleum and timber. Malaya and British Borneo are among the main producers of "dragon's blood," a group of resins used in varnishes and lacquers.

RESERVE BANK APPOINTED BANKERS TO MYSORE STATE

ONE MORE STEP TOWARDS FINANCIAL MERGER

THE Government of Mysore is the latest among the Part 'B' States to appoint the Reserve Bank of India as its banker. Thus with effect from 1st January, 1953, the Reserve Bank of India has become the sole banker to the Government of Mysore. According to an agreement reached between the Bank and the Government, on 24th December last, the Bank will now conduct, on behalf of the Government of Mysore, all its money and banking transactions. Besides, it will be in charge of its remittance and exchange facilities, issue its new loans, if any, receive its cash balances and deposits and, when the need arises, grant the Government ways and means advances in accordance with the prescribed procedure. In order to enable the Reserve Bank to discharge some of these functions, the requisite number of currency chests will be gradually established in the State. The Reserve Bank also proposes to open a branch in Bangalore as early as possible. When this is done, all Government work will be taken over by it. At other centres in the State, the Treasury work will, for some time to come, be conducted by the State Government departmentally. Meanwhile, the existing arrangements for the conduct of the Government cash work at that centre will continue, according to certain transitional provisions made in the agreement. The purpose of these provisions is to see to it that *no sudden dislocation is caused in the normal activities of the Government.* It has also been agreed, in *principle, that the Bank of Mysore which was handling the State funds hitherto, will be appointed the agent of the Reserve Bank of* India in the State. The appointment will become effective as soon as certain preliminary arrangements are completed.

Rural Banking Enquiry Committee

The appointment of the Reserve Bank of India as the sole banker to one more State Government, namely, the Government of Mysore, takes the country a step further towards the achievement of its goal of federal financial integration. It may be noted that the Rural Banking Enquiry Committee had suggested in 1951, as part of the extension of banking facilities to rural areas, that proper environment should be created for (*a*) co-operative banks to extend their sphere beyond the town and the village and commercial banks beyond the bigger to the smaller towns; (b) the Imperial Bank to extend its operations beyond banking treasuries to non-banking treasuries, and (c) the Reserve Bank to extend beyond Part A States to Part B States. This threefold approach of the Committee was accepted by the Government and action has since been taken by the Reserve Bank of India. With regard to the third proposal, the Committee suggested a cautious approach on the part of the Reserve Bank authorities in persuading Part B States to appoint the Bank as their sole banker, lest any sudden change in the existing relations between the State Governments and banks in their jurisdiction should cause damage to public confidence in banking. In making a move in this direction, the Reserve Bank had to take note of the agreements between the former rulers of these States and the banks which operated in them. As the financial integration of these States meant taking over the cash work of the Governments concerned, it was suggested that arrangements should be made to carry on, for some time, the cash work with the existing machinery, effecting, in the meantime, only such adjustments as were incidental to federal financial integration and to the appointment of the Reserve Bank as banker to State Governments.

As a preliminary step to give effect to the suggestions of the Committee, section 21A of the Reserve Bank of India Act, 1934, was amended in 1951, so that the Bank may by agreement with the Government of any Part B State, undertake the functions of a sole banker of the State. Since then, the Bank has been carrying on negotiations with State Governments, on the one hand, and the existing banks doing the banking work of these States on the other, to bring about a smooth change-over from the existing set-up to the new set-up under the integrated plan. So far it has been able to effect agreement with only three State Governments, including the Mysore Government, mentioned at the outset. The other two are the Madhya Bharat and Travancore-Cochin Governments. Agreements with these States were reached last year and the new arrangement has been in operation since 1st July, 1952. In Madhya Bharat, the cash work of the Treasuries is still being conducted by the State Government in all places except Gwalior, Indore, Ratlam, and Ujjain where the Imperial Bank has branches. At these places, the Imperial Bank is functioning as the agent of the Reserve Bank under the general agreement between the two banks. In Travancore-Cochin, it has been agreed that the treasury work will be conducted by the State Government departmentally for a period of three years, after which the position will be reviewed. After this period, it is likely that the Travancore Bank would be appointed as the agent of the Reserve Bank in the State. Meanwhile, selected treasury officials of the States concerned have been trained in the procedure relating to ways and means advances, currency chests, etc. The training is conducted partly in convenient district treasuries of Part A States and partly in the appropriate departments of the Reserve Bank of India. It may be noted here in passing, that, whereas the Indian Constitution definitely lays down that all Part A States should have the Reserve Bank as their banker, it only says that Part B States *may appoint the Reserve Bank as their* banker.

Position in Hyderabad

Discussions are also being conducted with other Part B States, with a view to reaching a settlement on the different issues involved in the process of federal financial integration. A large measure of agreement is understood to have been reached with many of the remaining States. In fact, negotiations with the State Government of Hyderabad are stated to have been successfully concluded and according to the agreement, the Reserve Bank of India will assume the functions of sole banker to the State Government from 1st April next, the date on which the Government has declared its intention to withdraw the *Halli* currency, that is, coins and notes in circulation issued by the Nizam's Government under the old regime. On the same date, the State Bank of Hyderabad will act as the agent of the Reserve Bank and will be permitted to manage cash work at treasuries and sub-treasuries at centres where it has its branch. The cash work of the Government of India at Hyderabad and Secunderabad and the custody of the Reserve Bank chests at these places will be transferred from the Imperial Bank of India to the Hyderabad State Bank. In fact, the currency chests of the Reserve Bank have already been placed in the custody of the Bank at all its branches. These chests will have to be expanded further, as has been pointed out by D. G. S. Melkote, Finance Minister, Government of Hyderabad, in the course of his speech at the recent annual meeting of the Bank.

Saurashtra

Negotiations are stated to be in progress with the Saurashtra Government in order to bring the State under the financial integration scheme. The main difficulty in the way lies in the fact that the State Bank there, which was created under an ordinance of the State Government of the old regime, has certain legal drawbacks. Besides, the Bank has also no suitable constitution of its own and, therefore, the State Government of Saurashtra has been requested that the Bank should be converted into a joint-stock company. Accordingly the question of giving constitutional status to the Saurashtra State Bank either by converting it into a joint-stock bank or by means of special legislation passed for the purpose by the Central Government is now under the consideration of the authorities. As soon as a decision is reached, arrangements are expected to start for the Reserve Bank to take over the treasury work of the Saurashtra Government.

A somewhat similar difficulty is being experienced with regard to the PEPSU State. *The State Government's treasury work is being handled by the Bank of Patiala. This Bank,* too, has no separate constitutional status of its own, being a department of the State Government. *In this case, too, it has been suggested that the Bank should be given a legal existence* by converting it into a joint-stock company. This question as well as the question of appointing the Reserve Bank as the banker of the Government is still under the process of negotiations.

Rajasthan

As regards another Part B State, namely, Rajasthan, the State Government is experiencing certain difficulties owing to the existence, as has been pointed out in detail in an earlier issue of this journal (*vide Commerce* dated 6th September, 1952, page 431), of three different banks, namely, the Bank of Jaipur, the Bank of Bikaner and the Bank of Rajasthan Ltd. Keen competition among these Banks leading to heavy cost of operation, has reduced their capacity to spread out into the rural areas. Further, the State is unable to obtain short-term financial assistance directly from these Banks, for none of them is in a position to render such assistance individually. Even the Co-operative Movement has not been a success. In view of this, as well as of the other considerations mentioned by us in a previous issue, as already stated, it is being increasingly felt that an amalgamation of the three Rajasthan banks is not only imperative but urgent. Consequently, it is gratifying to hear that the Government of Rajasthan has already made a move in this direction. It is reported to have circulated to the three Banks concerned a scheme for their amalgamation, pointing out how a unified bank is necessary for the healthy growth of banking and for all-round development of the State. The Government is further understood to have intimated the banks concerned that the Reserve Bank of India is willing to appoint the proposed "United Bank of Rajasthan" as its agent to handle the treasury work of the State Government on the same terms as those offered to the Imperial Bank of India in other States. It is further learned that the Rajasthan Government's move to bring about an amalgamation of the three Banks has been fully supported by trade and industry in the State. The Rajasthan Chamber of Commerce, for instance, has passed a resolution favouring the integration of these banks. According to our information, while the Banks of Jaipur and Rajasthan are in favour of the suggestion, the Bank of Bikaner is not. It is said to be very reluctant to join the merger scheme. It is understood that the Reserve Bank authorities propose shortly to hold discussions with the three managements of the Banks to bring about a settlement. In view of the benefits that will accrue, as also of the prospect of keeping the treasury work of the State Government for themselves, it is to be hoped that the Banks concerned will lose no time in coming to a settlement on the terms of

A THOUGHT FOR 1953

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BANKING IN TRAVANCORE-COCHIN

PLEA FOR RELAXATION OF LAW

THE unsuitability of the present banking legislation in India to the conditions prevailing in Travancore-Cochin was stressed by Mr. K. George Thomas, a Director of the Palai Central Bank Ltd., and President of the Travancore-Cochin Bankers' Association, while proposing the toast at a tea party to the delegates attending the All-India Economic Conference held at Trivandrum last month. He likened the effects of this legislation on the banking structure of the State to what would have happened if there had been one banking legislation "for the plains of Lombardy, for the Iberian Peninsula, for the basins of the Rhine and the Danube and for the isles north of the English Channel." It was against such a difficulty, he said, that the hundred and odd Travancore-Cochin joint-stock banks were up against, as a result of the present banking legislation for the country as a whole. He said that the problems of the country were diverse, different and difficult as one passed from State to State and from region to region. To find a fair equitable solution to them, one should aproach with an imaginative mind. "We know," he observed, "*chitties* were satisfying a social need for centuries together in Travancore. So were *kuries* in Cochin and *nidhis* in Tamil Nad. But *chitties, kuries* and *nidhis* should not be taboo simply because Adam Smith, Ricardo, or Marx did not mention them, or merely because these systems of rural credit did not find a place in the plans of Owen Young or Marshal." That, in brief, forms the grouse of Mr. George Thomas against the present banking law in the country.

Proceeding, the President of the Association mentioned above drew the attention of his audience to the work being done by the small banks in the State. With high percentage of education, it was possible, in the last four decades, to develop joint-stock banking in the Kerala State and to carry such banking into the remotest villages. The result was, he said, any villager in the area can walk into a banking office and obtain a loan on reasonable terms in a few minutes. As a result usurious moneylending, which in the past, caused the borrower to lose his honour and his homestead, had been eliminated in Kerala, he claimed. With the help of these institutions, there had been an all-round development of agriculture, trade and industry in the State. He asserted that the only region where banking had developed on any uniform and wholesome scale was Travancore-Cochin and this development was made possible without any bank failure. Yet no assistance was, he complained, being rendered to these small banks, although the Government showed favour to small units in other spheres such as cottage industries and co-operative credit societies. "We can definitely and unequivocally say," he declared, "that big banks can never go to and serve the Indian villages. Big banks could not do so for the last 76 years. Their large establishment charges, their stiffness of behaviour and ponderous accounting methods and their total inability to make personal contacts with the villagers will stand in their way of penetrating into our countrywide for many more decades to come."

The strong plea—with bitter disappointment as noted above—put forward on behalf of small banks in Travancore-Cochin by Mr. Thomas is compelling enough to attract the attention of those in authority. It is well known that these small banks have played a prominent role in building up the economy of Kerala as it exists at present and are capable of playing a still larger role, provided suitable assistance is forthcoming from the Centre. For, as has been pointed out by Mr. Thomas, the region grows rare spices known throughout the globe, namely, pepper, cardamom, ginger, lemon-grass, etc. No research has been tried in the cultivation of these, which can bring untold wealth. Again, the development of cashewnut is of comparatively recent origin needing financial assistance. Rubber grows only in this part of the Indian Peninsula and there is vast scope for its extension. Back water reclamation for paddy cultivation is considered to be an adventure in which the Kerala agriculturist is unrivalled. For the development of all these money is needed and this can be supplied through small banks. Unfortunately, it is held that the banking law now in force is against such assistance. In fact, this question figured prominently in the speech of Mr. C. R. Srinivasan, Chairman of the Local Board, Southern Circle, Reserve Bank of India, delivered at the recent annual meeting of the Association of which Mr. Thomas is the President. Mr. Srinivasan assured then that the authorities would certainly relax the law if a proper case was made out for such relaxation. From his speech it would appear that some of the banks are indulging in spheres beyond the capacity of their resources and are therefore exposing themselves to dangers of unsound banking practices. It is, therefore, necessary that they should desist from such practices at all costs. But it is also necessary that facilities must be provided for their sound functioning and further expansion. They seem to entertain a strong feeling, as is evident from Mr. Thomas's speech, that certain provisions of the existing law need to be modified. As correspondence is being carried on between the Reserve Bank and the Association, it is to be hoped that a way will be found to enable the banks to expand their activities within the framework of the banking legislation.

RECOVERY IN STERLING AREA RESERVES

The sterling area's gold and dollar reserves had a deficit of $40 million during December, 1952, due mainly to repayment of $181 million towards capital and interest on the U.S. and Canadian loans. This deficit was preceded by a surplus of $128 million in November, and of $82 million in October, thus making net surplus of $161 million for the last quarter of 1952.

The reserves stood at $1,846 million at the end of 1952. These compare with the year's low of $1,662 million on 30th April and with $2,335 million on 31st December, 1951.

During December Britain received $31 million from the U.S. as defence aid and $80 million from the European Payments Union, representing that part of the November surplus of £36.3 million which was settled in gold or dollars. A notable feature is that Britain's position in the European Payments Union improved again during December, when the U.K. recorded a surplus of £29.5 million. This surplus compares with that of £36.3 million in November and £34.2 million in October.

The United States defence aid to Britain in the second half of 1952 was only $89 million although the British Chancellor of the Exchequer had placed it at $322 million last July.

The following table shows the overall position of sterling area payments and receipts in the third and fourth quarters of 1952.

(Dollars in millions)

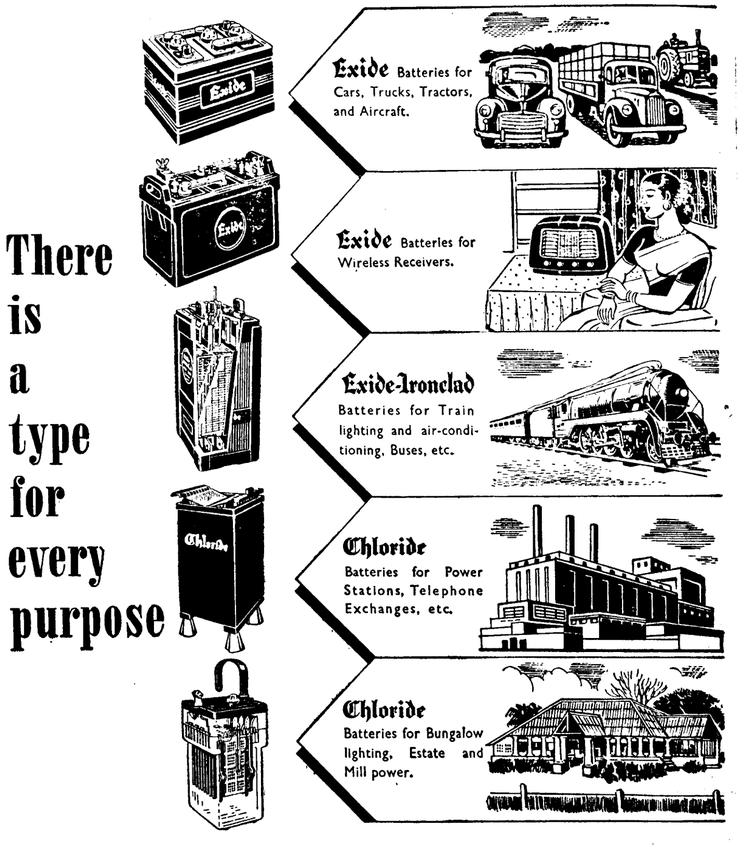
	3rd quarter	4th quarter	2nd half
Trade and payments	+ 19	+176	+195
U.S. aid	+133	+ 98	+231
Gold paid or received from E.P.U. ..	—127	+213	+ 86
Debt payments to U.S. and Canada ..	..	—181	—181
Commodity arbitrage cost in dollars ..	— 25	—145	—170
Sterling area gold and dollar surplus.. ..	..	+161	+161

It will be seen from the table above that the sterling area has ended the second half of 1952 with a surplus. The sterling area countries have also earned a surplus of $195 million in the fourth quarter of 1952, an improvement of $176 million on the result for the preceding three months at £19 million. The *Financial Times* says that, in spite of this improvement, "the sterling area still remains vulnerable, for some time to come, to a drop in its dollar income such as could be anticipated by an American business recession.

NATIONAL CITY BANK OF NEW YORK

Mr. Howard C. Shepherd has been appointed Chairman of the Board and Chief Executive Officer of the National City Bank of New York as also Chairman of the Board of Directors of the City Bank Farmers Trust Company, a trust affiliate of the former Bank. In holding both the appointments, Mr. Shepherd succeeds Mr. William Brady Jr. who is retiring as Director of the Bank and its affiliates.

Mr. Richard S. Perkins, President and Director of the City Bank Farmers Trust Company, has been appointed as a Director of the National City Bank of New York.



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FLAX GOODS INDUSTRY IN INDIA

CLAIM FOR PROTECTION UNDER CONSIDERATION

THE Indian flax goods industry is the latest to be added to the list of industries seeking tariff protection. A public inquiry into this industry's demand was held in Bombay last week, Dr. B. V. Narayanaswamy Naidu Member of the Tariff Commission, presiding. In the course of his opening speech, Dr. Naidu made an informative survey of the developments in the sphere of flax goods and posed some of the most pressing problems confronting this sector of the textile industry.

The flax goods industry in India is of recent origin. It was only three years ago, in 1949, that the manufacture of flax goods was started, for the first time, by Messrs. Jay Shree Textiles Ltd., Calcutta, said to be the only factory equipped to manufacture flax goods. The progress of the industry during this brief period has not been inconsiderable. In fact, the industry may be said to have won for itself a place in the industrial economy of the country and can, as Dr. Naidu aptly put it, contribute towards meeting certain specific requirements of consumers. Thus, although the Indian textile industry is broadbased on two principal fibres, viz., cotton and jute, in certain lines and for certain specific uses, flax can hold its own. Flax twines and threads are put to a variety of industrial and other uses such as the manufacture of shoes, fishing nets, sports goods, stitching of canvas articles, making of jacquard harness, fastening of a variety of packages, etc. Flax canvas is used for the manufacture of tarpaulin, in making bags, tents, sails, as packing material and artist's canvas and in bookbinding. Flax piecegoods are used as household linen and dress material, especially where durability is important, as also for filtering in filter presses. Flax hose is used for fire-fighting, as well as for water-supply to roads, gardens, etc.

The foregoing brief account will indicate that prospects for the development of the flax goods industry are indeed bright. Despite this, the progress of the industry of late has not been satisfactory. This is mainly due, according to Dr. Naidu, to increasing competition from other types of textile goods. The world of textiles is often highly changeful and large shifts of demand can occur not only in response to price changes but also by the process of substitution over a wide area of demand and under the influence of changing prices. This aspect is of particular significance, now that the question of protection is under consideration, and it was but appropriate that Dr. Naidu should have stressed the importance of arriving at well-considered and balanced conclusions.

The Crucial Issue

In the considered opinion of Dr. Naidu, the crucial issue of the inquiry is the question of reducing the import duty on flax fibre. It has been represented by the indigenous industry that, although its principal competitors in the U.K. import flax fibres from the same countries from which the indigenous industry is getting, that is, Holland and Belgium, they have the advantage of importing it without paying any import duty. The industry, therefore, has asked fourfold protection or assistance through (1) abolition of customs duty on imported flax fibre—both line and tow,—(2) refund of import duty already paid, (3) imposition of a protective duty on all imports of finished flax goods at the rate of 45 per cent. *ad valorem*, and (4) imposition of restrictions on imports of flax goods.

The question whether or not protection to the indigenous flax goods industry is justified depends on satisfactory answers to a number of issues. For one thing—and this applies as much to any other industry—the question of protection arises only when it is clearly established that the present import duty on flax fibre is a handicap to the industry in expanding its production and increasing the sale of its products. In this connection, two aspects, to which Dr. Naidu drew particular reference, have to be considered. First, whether the import duty on flax fibre, by raising the price of the finished product, leads to consumers resistance? Secondly, whether it reduces the competitive capacity of flax goods with that of other types of textiles. Another related question is whether the removal or reduction of duty will enable the indigenous industry to seek and find markets in other countries. These are issues which merit the most careful consideration and there is no doubt that the Tariff Commission will be able, to quote Dr. Naidu, "to arrive at well-considered and balanced conclusions."

Incidentally, it may be noted that flax fibre is not produced in India at present; the requirements of the industry are being met entirely from imports, particularly from Belgium, Holland and Egypt. Dr. Naidu did well to stress the fact that the flax goods industry should have a raw material base. It is gratifying to be told that a beginning in this direction has already been made. Thus, the Jay Shree Textiles Ltd. has acquired 18,000 acres of land in the Mysore State for experimental cultivation of flax. Initial experiments, it is stated, have indicated that there is a possibility of having medium flax fibre grown in the country and large-scale cultivation is expected to be undertaken in about ten years' time, although it is considered doubtful whether flax of Grade 1 quality can be grown in India.

Present Position

As already stated, the flax goods industry is faced with several difficulties. The Jay Shree Textiles Ltd. has virtually suspended manufacture of flax goods and is utilising its machinery and equipment for the production of woollen and staple fibre goods. This raises the question of whether it is not necessary to assist and preserve the industry in the national interest. There is said to be a wide gap between the annual rated capacity and the actual production of Jay Shree Textiles. The annual rated capacity is estimated at 1.8 million lbs. for flax yarn and twine, 4.8 million lbs. for canvas buckram and other piecegoods, and 300,000 ft. for flax hose pipes. As against these, in 1951, the Company's actual production amounted to 252,813 lbs. flax yarn, 110,880 lbs. canvas, 11,110 lbs. piecegoods, 27,224 lbs. twines, etc., and 24,590 lbs. hose. Production during 1952 was on the downtrend; the actual output during the first 10 months was 87,192 lbs., 38,889 lbs., 119 lbs., 45,338 lbs., and 3,437 lbs., respectively.

In view of this wide gap between capacity and actual production, the question naturally arises whether there exists sufficient demand in the Indian market for all that the indigenous industry can produce under favourable conditions. The question also arises as to whether the industry could be developed, at least partially, as an export industry, catering, like jute or cotton, to overseas markets. As these questions are closely linked to the demand aspect, a reference to it may be made. According to Dr. Naidu, it is difficult to arrive at satisfactory estimates of demand for the different types of flax goods in India. A rough estimate has, however, to be made on the basis of imports. There have been virtually no imports of twist and yarn and piecegoods since 1950-51; imports of canvas were 133,000 yards in 1949-50 but dropped to a fractional amount in 1950-51 and amounted to only 54,000 yards in 1951-52.

The annual demand for flax canvas is placed by one importer at 10 lakh yards. As regards flax piecegoods, no satisfactory estimate is available, as imports are under a ban and indigenous production is meagre. The demand for fire hose, which was placed at 5 lakh running feet in 1947 by the former Tariff Board, is now estimated at 7.5 lakh ft. and is expected to increase to 10 lakh ft. in the next three years.

The question of demand depends, to a great extent, on quality. Referring to this, Dr. Naidu alluded to the opinions expressed by a large number of importers and consumers. These opinions generally showed that, except in the case of flax hose, the indigenous production had shown a steady improvement in quality, though it had not yet come up to the standards of the imported product in all cases. If, therefore, the indigenous product is to enjoy a broader market—indigenous and foreign—it is imperative that the industry should devote more attention to the question of enhancing the quality of its products than it does at present.

(*Concluded from next column*)

reduction of these imposts, the demand for mill cloth cannot be expected to register improvement. If this position is not corrected, the mills may be forced to effect a substantial curtailment of output. There is, however, one silver lining in the Government's latest cotton textile policy, namely, the substantial reduction in the export duty on cloth—a reference to which is made elsewhere in this issue. But the extent to which this will result in an improvement in the offtake of cloth by export markets cannot be assessed at present, in view of the changed and rapidly changing conditions on the world cotton textile front.

GOVERNMENT'S COTTON TEXTILE POLICY

CONTROLS RELAXED FURTHER

WITH the removal of price control in respect of twills, coatings, and the categories of superfine cloth falling within Groups XII, XIV and XV, with effect from the 1st inst., the Government of India's policy of restoring freedom of trade to the cotton textile industry may be said to have been carried a stage further. It will be recalled that the Government had lifted, on 1st October, 1952, the price control over a number of popular varieties, including *dhotis, saris*, mulls, voiles, poplins, crepes, drills, mazuri cloth, dosuti, bed-cloth, etc. The further relaxation made towards the close of 1952 is the result of a fresh review of the demand and supply position. Control at present is retained only in respect of five varieties of cloth, namely, sheetings, longcloth, shirtings, leopard cloth and suci. But the price control on all varieties of yarn is still being continued.

The above decision of the Government of India to relax control on cotton piecegoods further is no doubt to be welcomed as a step in the right direction. But, in itself, it does not go far enough, especially, in the present context of the buyers' market in textiles the world over. What is required is, therefore, not piecemeal removal of controls on the textile industry and trade, but complete decontrol. For it is only then that the industry would be able to adjust itself to the changed circumstances and place its production to suit the exact needs of the market. Now that the overall supply position of cloth is fairly comfortable and bids fair to be so in the coming months, one fails to understand why the Government of India should still hesitate to abolish all controls in respect of production, distribution and price of not only cloth but also of yarn.

Revision of Price Policy

If, however, the Government is not prepared to remove control over those varieties which are still under price control, for fear of a rise in prices, it should at least revise the prices of these goods in accordance with the Tariff Board formula. The Government's reluctance not to raise the prices of coarse and medium cloth made out of Indian cotton according to this formula is not understandable. It does not, as we pointed out on an earlier occasion, reflect well on the Government's sense of fairness to follow the Tariff Board formula only when a downward revision of prices is indicated and ignore that formula, under some pretext or other, whenever an upward revision of prices has to be made. The only reason which the Government has, once again, advanced for the non-application of the accepted formula is that it is no longer appropriate, as a very substantial proportion of all varieties of cloth has been decontrolled. This is indeed a strange argument. Rightly did Mr. Hanumanprasad Nevatia, Chairman of the Madhya Pradesh Millowners' Association, ask, in the course of his address at the Association's annual meeting held at Nagpur the other day: Is it seriously contended that the mills should cover up the loss on controlled varieties of cloth by putting up the prices of the decontrolled varieties? If the mills did it, would it be in the interest of consumers? What is the justification for the Government refusing the due increase in the prices of yarn? How does Government expect almost all the mills manufacturing surplus yarn to recoup the loss in supplying yarn at the arbitrarily enforced prices? Whichever way the issue is looked at, the Government's decision to withhold application of the formula is, to quote the Chairman's own words, "unjust and unilateral."

Moreover, the problem before the cotton textile industry is not only one of revision of prices or of decontrol. It also includes the issue of taxation on the industry. As Mr. G. D. Somani, Chairman of the Bombay Millowners' Association, rightly pointed out at Nagpur, while inaugurating the Madhya Pradesh Millowners' Association meeting, it is very unfair to load the prices of cloth with excise duty, sales tax, etc., on the present scale, and that at a time when the mill industry has been compelled to foot a heavier bill following the all-round rise in wages and manufacturing expenses. It is scarcely necessary to mention that the price factor has stood in the way of normal demand for mill cloth. There is no doubt that the various taxes levied by the Government have made cloth dearer to the consumer. Unless, therefore, immediate relief is given by way of

(*Continued in previous column*)

OUTLOOK FOR TEXTILE INDUSTRY

PROFITS FOR 1952 LIKELY TO BE LOWER

(From A Special Correspondent)

MANCHESTER, 23rd *December*

MANCHESTER LETTER

AS the year 1952 draws to a close traders in Lancashire and surrounding counties can legitimately feel that it has been a period which they do not wish to see repeated in a hurry. A year ago, the prospects were bleak and the impending storm was everywhere in evidence. Only a few optimistic spirits clung to the outside chance that some miracle would come along to divert the approaching catastrophe.

As events proved, they were, of course, far too hopeful. Extended stoppages over the Christmas holiday did little to ease the situation and in the first half of the year there were very few firms which were able to boast that they had worked full-time throughout that period. The history of widespread unemployment, empty order books and the inevitable drift from the mills needs no repetition here. It is preferable to turn to the future.

Two or three months ago it might have been possible to prophesy a more favourable outlook for 1953 than now appears on the surface. Since the late summer there has been a revival in activity which has been particularly noticeable in the rayon trade. Opportunities for extending order lists have again been offered and taken, and early in November the situation seemed to be clearing for the better.

Unfortunately, the lower trend of prices in the final weeks of the year has halted the progress which at one time looked like lifting the industry out of the depression which was so marked in earlier months. The confidence of buyers, which was slowly being regained, has now largely evaporated. As in the past, it will take some time for their cautious attitude to be changed.

Order Lists

There are a number of factors in the situation, however, which give rise to the possibility of more favourable conditions prevailing in Lancashire early next year. Despite the inevitability of further stoppages in the mills over the next week or two, the basis on which the industry is working is more stable than for some months back. Order lists are no longer extended out of all proportion as they were in the latter post-war years. Prices for raw materials are at a more equitable level, although they are still about six times as high as they were before the war. The industry recognises that an era of competition is ahead which may eventually be fiercer than that of 20 years ago.

Few traders anticipate that the coming months will see a startling improvement in the general position of the cotton and rayon industries, but the basis for some expansion in activity is there. The most important single factor is the course of raw material rates, which are now the exclusive prerogative of the New York cotton market. The majority of those countries which consume raw cotton have no say in the trend of prices and they must wait impatiently for stabilising influences before the confidence of buyers can be regained.

Fluctuations in values, however, are always more likely in the closing months of any year, as the reports on the progress of the American crop are received. The first quarter usually brings more steadiness, and if this can be achieved in 1953 the offtake in Lancashire-made yarn and cloth may well take a more favourable turn.

Cotton Mills' Earnings

From a first quick glance at preliminary details of the 1952 annual stocktakings of cotton mill companies it would appear that the picture will not look as gloomy as many people might have guessed. But first and foremost it must be recognised that the figures refer to company results announced during the past 12 months and, therefore, some of the earnings are those made at the peak of the post-war boom in 1951.

In addition, there is a preponderance of public companies in the spinning section of the industry which have maintained a profitable rate of trading, despite the accompanying depression. Final figures have not yet been drawn up but the general trend at the moment indicates that the 1951 profit average has been exceeded, and the average dividend paid by spinning mills has also been slightly higher than in the previous year.

In general, company reports have followed a similar pattern, at any rate in the second half of the year. Reduced trading profits have been to some extent offset by smaller provisions for taxation, but the net earnings of those firms whose accounts have covered the greater part of the slump period have been around the same level as two years ago. Dividends have been well maintained but smaller allocations have been placed to reserves. In nearly every instance, however, the balance carried forward has been larger than 12 months ago.

The experience of the leading spinning combines has followed the same trend as the rest of the trade, although those whose results are received late in the year have naturally shown a bigger decline in earnings. Out of 13 of these important concerns, only two have reduced their total dividend and their credit balances this year have, without exception, been higher than in 1951.

Although the producing sections of the trade have fared better during the slump than firms concentrating on distribution, it would be surprising if the present average profits were to be maintained next year. Not only will forthcoming figures reflect the lower level of trading by quantitative standards but the profitability of the industry is now running at a reduced level. Margins have been extensively trimmed and, although still enabling spinners to cover their costs, they no longer provide the handsome returns of recent years.

Direct Delivery

Since the Raw Cotton Commission has had to compete with private importers of the raw material, one of the factors which has weighed against the centralised buying organisation in comparing prices has been the persistence of the Commission in always passing its supplies through warehouses before transporting them to the ultimate consumer. A change in this policy has now been announced, and the Commission is offering terms to spinners providing for cotton to be delivered direct to the mill from the port.

According to the official memorandum circulated to contracting-in spinners, the normal saving in cost compared with the ex-warehouse contract will be from 50 to 90 points for American cotton and from 60 to 100 points for Egyptian styles. For the moment business on the new terms is restricted to American and Egyptian cotton only.

This alternative contract will enable spinners using the Commission to take advantage of the slightly cheaper price and will mainly be used when overseas shippers are prepared to offer cotton suited to the requirements of individual firms. It has its disadvantages in that any loss brought about by delays or irregularity in transit must be borne by the consumer. In the standard ex-warehouse contract all imports of cotton are examined, warehoused, and classed by the Commission, and the spinner is not bothered by quality disputes, arbitrations and the numerous formalities connected with the arrival of supplies at the port.

The move, however, should be welcomed as it provides an additional freedom for the consumer of cotton to choose how his supplies should be delivered. It has come about as a result of the advantage gained by contracting-out spinners who have been able to get cheaper cotton direct from the quay through the facilities offered by merchant firms.

Bank Advances Fall

Indebtedness to the banks among firms in the cotton industry is declining from the high levels recorded earlier in the year. According to the latest figures issued by the British Bankers' Association, advances to cotton companies in November amounted to £14,594,000 compared with the peak of £19,657,000 in May.

The current figure is only slightly more than the £13,780,000 owing to the banks which was recorded a year ago. At that time it represented 0.7 per cent. of the total indebtedness of the country and the present total is 0.8 per cent. of the whole. Since the beginning of this year the cotton trade's share of advances has been steady at 1 per cent. of the total.

Advances to industry in general have been declining since the beginning of 1952, borrowings in February totalling £2,055,763,000. This total has now fallen to £1,815,429,000. Among the main groups borrowing from the banks are agriculture and fishing with £194,456,000, the retail trades with £174,161,000 and engineering with £157,250,000.—*All Rights Reserved.*

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E.I.C.A. PRESIDENT WARNS COTTON TRADE

ARTIFICIAL SUPPORT TO HANDLOOMS DEPLORED

IT was on the whole a wholesome and necessary warning that Mr. Purshotamdas Thakurdas gave, as the President of the East India Cotton Association, at its recent annual meeting, when he said that he would like to caution the trade that any "lapse on their part" would jeopardise the future of the cotton trade. Those who are acquainted with the past in the cotton trade and the recent events in the other forward markets, will appreciate both the timeliness and the significance of this warning. And when it comes from a person who has the best interests of the cotton trade at heart and the undisputed reputations of being a wise judge of men and things, of being a sage counsellor in matters economic, the warning deserves to receive the earnest attention of all those who are engaged in the country's cotton trade, for, if the newfound freedom to carry on futures trading in cotton must become the abiding possession of the cotton trade, it is vital that the men engaged in it should display a keen sense of realism, a sense of moderation and of social responsibility.

Appropriately enough, Mr. Purshotamdas prefaced his address by a reference to the unexpected bereavement, caused not only to the cotton trade but to the business community, through the death of Seth Ramdeo Podar. The cotton trade has special reasons to mourn his death, for almost the last great service that he rendered to it, in his life, was the evolution of an acceptable form of forward trade contract in cotton, in the making of which he gave himself so ungrudgingly as the Chairman of the Sub-Committee appointed for that purpose. Mr. Purshotamdas referred to the fact that Mr. Podar was "always ready to shoulder responsibilities and render constructive help." He spoke appreciatively of his work as Chairman of the Sub-Committee on new contract and of the Building Sub-Committee, and stated these were "only two of several services rendered by the late Raja Ramdeo." Many who have known the life and personality of the late Mr. Podar will readily reciprocate the fine sentiments which Mr. Purshotamdas expressed at the annual meeting and to which the resolution passed at the meeting also gives expression by referring to the "great distress" felt by the trade at the premature death of him who had given "ungrudging help" to the trade.

Review of Changes

Mr. Purshotamdas next reviewed the recent changes in the sphere of the cotton trade. With the experience of the previous two seasons, the Textile Commissioner's office, he said, had made preparations for exercising control in a more stringent manner. But in cotton, he added, "history did not repeat itself." He pointed out that there was a "useful lesson in this for those who plan in respect of commodities and prices." Explaining the point that no single administrative method will suit all occasions, he said:

"Within two months of the running of the season in Madhya Pradesh the nominee system had to go, and further in Broach and Surat the nominee system, so carefully devised, had to be given up. Measures had been taken to prevent the apprehended rush of buyers on cotton, but exactly the contrary happened; and in February-March this year, cotton, far from piercing the ceiling, threatened to—and in some places in the interior actually did—go to the 'floor' with the result that an entirely different set of measures had to be devised to remedy this situation. The complicated and unworkable licensing system, with the categories of A, B, C, had to be given up. Quotas to mills had to be liberalised—rather the Textile Commissioner's staff had to go out persuading the mills to take up the quotas, etc. The latest phase has been that the Government have made up their mind to relax the control on cotton. I have already had to say something about this before now.

"One would have thought that everybody in the cotton trade who had no personal interest to serve would approve of and support this step of Government, but as in everything else, there were vested interests in favour of the continuation of control which were created by the control itself. In spite of the objections which may have been raised by such interests, it is some consolation that the Minister in charge and the Textile Commissioner have been firm in their attitude and have substantially relaxed the control on cotton and also permitted trading in Hedge Contract. The absence of this latter facility has amply demonstrated how the smooth marketing of the country's cotton crop has suffered in the past on this score. I have, however, thought fit to take the first opportunity of cautioning the trade here and all over the country that any lapse on their part would be exaggerated and made much of by vested interests. I repeat that warning again with all deference."

This excellent summing up of the changes in the sphere of cotton controls, during recent months, carries its own moral for the administrators as well as the traders. If it is the duty of the former to exercise moderation in the use of the powers which law invests them with, it is also the duty of the traders to eschew unbridled speculation which will put an end to all efforts at building up a continuing form of forward trade in cotton, beneficial to all the interests concerned. It is, therefore, to be hoped that the traders will pay heed to this timely warning given by one who is rightly regarded as the doyen of the cotton trade in this country.

Target for Cotton

The ultimate solution to the problem of speculation in cotton, or, in fact, of the cotton problem itself, lies in increasing the output of cotton. And on this question, Mr. Purshotamdas said:

"India still has to a considerable extent to depend upon imports of cotton; its foreign exchange position and the maintenance of the price level in India also depend upon foreign supplies. It is for this reason that the Planning Commission has laid down the target for cotton production in India by 1955-56 at 42.2 lakhs of bales. In order to ensure realisation of this target, it is necessary for the Government of India not to make any more ill-conceived experiments with their cotton-growing policy or with the price policy in regard to cotton. They should go on lines which can be understood by the public so as to ensure the fullest co-operation of the cotton-grower in order to increase cotton production."

A pointed reference to the handloom *versus* mill industry controversy was also made by the President of the E.I.C.A. Although many will perhaps wonder whether the Association provides the right platform to make a critical review of this controversy, there is no doubt that, from the long-term standpoint of the cotton economy, any factor "which adversely affects the textile industry will adversely affect the cotton trade and the cotton grower." Mr. Purshotamdas rightly felt that the effect of the two measures, namely, the reservation of certain lines of manufacture for the handloom industry and the levy of a cess on the production of cloth produced by the mills, will cripple the future of the mill industry. In this connection, he said:

"Neither the Government of Madras nor the Central Government can be said to have short memories, but if they look up the records in their Secretariats they will find that this question of helping the handloom weavers has not been overlooked in the past. In fact, when the present Chief Minister was at the head of the Government of Madras in 1937-39, this question was certainly in existence and was in an equally parlous state then as it is to-day. Only, at that time, the handy threat of communism was not available. Attempts to bolster up the handloom industry by means of such remedies remind me of the time when the *Khaddar Movement* was at its height under the inspiration of Mahatma Gandhi and the people were so enthusiastic that they wanted to export all mill-made cloth and all stocks of foreign cloth lying in India. In spite of the best efforts of a very strong committee, with no less a person than the late F. E. Dinshaw on it, the idea had to be given up and those who backed it lost money. Attempts to support the handloom industry by handicapping the textile industry appear to me to be self-defeating in their nature, as sooner or later a crisis is bound to overtake the textile industry, partly owing to world conditions and partly owing to the increasing imposts heaped upon it."

Aid to Handlooms

Although Mr. Purshotamdas was thus extremely critical of the wisdom of these artificial measures to develop the handloom industry, he was anxious to point out that he was not opposed to the policy of helping the handloom weaver. Only, he was opposed to the policy of imposing a "handicap" on the mill industry in order to help the handloom weavers. After warning the Government against the unwisdom of burning the candle at both ends—one, by experimenting in prohibition and the other by experimenting in the revival of handloom industry on 'sentimental' grounds—and also against its playing the 'saviour' to the handloom industry at the expense of the mill industry, he said: "What odd irregularities this may lead to before long, I will not try to describe, but I would like to know in what other countries such effort has succeeded." He added:

"It has taken India the best part of half a century to be a respectable competitor with Lancashire and other countries regarding the quality and output in piecegoods. I think it would be a definite disservice, most short-sighted if I may say so, if the textile industry is to be artificially put back or rather pushed back on any ground. What the hand spinning and weaving industry needs most is well considered and sustained guidance in devising their administrative machinery, particularly in regard to finance, methods of production, and marketing."

It would be a pity if the Government were to persist in its erroneous policy of providing artificial stimulus to the handloom industry by inflicting a grave injury on the mill industry, which would definitely harm the future of the cotton economy in this country. Mr. Purshotamdas has done a real service to the country by crying halt to this quixotic experimentation in mediæval economy.

UGANDA COTTON

The estimate of the 1952-53 Uganda crop has been revised to 3,41,000 bales. The break-down by varieties is as under:

	Bales
A.R. B.P. 52	1,22,000
Busaga	65,000
Bukedi Budama	45,000
Jinja	92,000
West Nile	9,000
Bunyoro	8,000
	3,41,000

EAST AFRICAN COTTON

Out of the 15,000 bales of East African cotton earmarked for auctions on 17th December, at Kampala, about 8,000 bales have been sold, of which about 5,000 bales were bought by India, about 1,500 bales by the U.K., and the rest by Japan and other countries.

U.S. COTTON EXPORTS

U.S. cotton export prospects for the 1952-53 season, according to the International Cotton Advisory Committee, are not so favourable as a year ago. Private traders estimate exports to reach no higher than a bare four million bales level.

The total stock of cotton held by the Egyptian Government in the middle of December, 1952, was 223,676 bales, consisting of 93,965 bales Karnak, 89,440 bales Ashmouni, 15,518 bales Giza 30, 14,480 bales Zagora and 10,273 bales Menoufi.

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TATA IRON AND STEEL COMPANY

PROBLEM OF CONVERSION RATIO

(By Dr. Miss SHANTA PANANDIKAR)

THE question of reorganising the capital structure of the Tata Iron and Steel Company, Ltd., so as to eliminate deferred shares from it, first engaged the attention of the Board of Directors of the Company in 1941. Since that time, it has been felt that these shares have become one of the most speculative counters on the Stock Exchange and that, consequently, as long as this feature of the capital structure of the Company remains, it will be difficult for the Company to obtain the large capital needed for its expansion either from the capital market or from the Government. The question, however, has eluded solution for a decade. The reason is that, although the holders of the deferred shares are prepared for their conversion into ordinary shares of the Company, they have been demanding a ratio for conversion which has been regarded as too high by the holders of the ordinary shares. In the last three years, the solution of the question has come to be regarded as urgent, because the Company requires a large amount of additional capital for the urgently and vitally needed expansion in its production. In its report of 1949, the Tariff Board recommended the conversion of the deferred shares into ordinary ones at an early date and in its resolution dated 20th May, 1949, the Government of India indicated its acceptance of the recommendation. The question is no longer the concern merely of the shareholders of the Company. The public also is vitally interested in it, because the Company is a national asset, an expansion in the production of which is vitally needed for the nation. As, however, the holders of the deferred and ordinary shares have been unable to agree to a ratio for the conversion of the deferred shares into ordinary ones, Mr. M. C. Setalvad has been appointed as a Mediator by the Company. The holders of the two classes of shares have appointed two informal committees to place their respective cases before the Mediator. It is reported that the two Committees have submitted memoranda to the Mediator, that the Committee of deferred shareholders has proposed a ratio of 11 to 1 for conversion, that the Committee of ordinary shareholders has proposed a ratio of 5 to 1 and that their spokesmen will argue their respective cases before the Mediator in a few days. As the public also is vitally interested in the solution of the problem, it will be useful to consider the arguments that are reported to have been advanced by the two sides before the Mediator in support of the two ratios proposed by them.

Deferred Committee's Contention

The following arguments are said to have been urged before the Mediator on behalf of the holders of deferred shares in support of the 11-to-1 ratio:

(1) In raising the capital of the Company, the promoters maintained the ratio of 1 deferred share to 10 ordinary shares with regard to the allotment of shares.

(2) If the dividends paid on the two classes of shares from time to time are to be taken into account in determining the ratio, the proper basis for doing so would be not the amounts of dividends actually paid but the percentages of dividends paid on Rs. 75 representing the face value of each ordinary share and on Rs. 30 representing the face value of each deferred share. According to the Articles of Association, the ordinary shares receive 8 per cent. dividend, then the deferred shares receive 25 per cent. dividend and the balance of divisible profits is divided equally among ordinary and deferred shares. This means that, if a dividend of Rs. 30 is declared on an ordinary share, a deferred share would receive Rs. 179-12-11. The percentage of Rs. 30 dividend to the face value of Rs. 75 of an ordinary share is 40, while the percentage of Rs. 179-12-11 dividend to the face value of Rs. 30 of a deferred share is 600. This would give a ratio of 40 to 600, i.e., 1 to 15.

(3) Large amounts of the net profits of the Company have been carried to reserves and other funds every year or ploughed back in other ways into the Company. Had they been distributed, the difference between the amounts of the dividends received by each ordinary share and each deferred share would have been far greater and the difference between the percentages of the dividends on the two shares calculated in the way indicated above would have been still greater. Further, the very large reserves and other funds of the Company, built up out of undistributed profits at the expense of the holders of deferred shares, have increased greatly the capital assets of the Company, which in turn have increased the profits of the Company. This has enabled the ordinary shareholders to obtain higher dividends than they could have done otherwise. These considerations should be kept in mind in determining the ratio of conversion.

(4) The ratio between the market values of the ordinary and deferred shares can give no guidance for determining the ratio of the intrinsic values of the shares and the ratio of conversion, because the market values have fluctuated widely under the influence of several extraneous factors, such as the political situation, economic disturbances within and outside the country, changes in the budgetary policies of the Government of India (Liaquat Ali budget, for instance), Partition of the country, bull and bear raids, etc. Moreover, the market values of the two classes of shares have fluctuated without much relation to each other. Thus, the ratio of the market values has fluctuated as far between as 1 : 15.8 and 1 : 2.5. Furthermore, the market values have gone down heavily since August 1946, although the value of the assets of the Company has gone on increasing.

(5) According to the Memorandum of Association of the Company, if the Company is taken into liquidation, its surplus assets, after meeting all liabilities, must be divided between the holders of ordinary and deferred shares in the proportion of 40 per cent. to 60 per cent. As conversion of deferred shares into ordinary shares would mean extinction of the former shares and, therefore, liquidation of the Company so far as these shares are concerned, the correct way to find out the ratio of conversion would be to divide the surplus assets of the Company between the two classes of shares in the above proportion. The ratio between the amount of surplus assets and the paid-up value to which each ordinary share and each deferred share would be entitled would give the correct ratio of conversion.

Taking the valuation of the fixed assets of the Company, made by an American firm, and adding the valuation of the ore mines, quarries and collieries owned by the Company, and the valuation of the assets of the Company other than fixed assets and the goodwill of the Company, the total value of the assets of the Company would be about Rs. 150 crores. The total liabilities of the Company, including its capital, would be about Rs. 29 crores. The surplus assets divisible among the holders of ordinary and deferred shares would, therefore, be about Rs. 121 crores. If 40 per cent. of this amount is divided among holders of 350,000 ordinary shares and if the paid-up value of Rs. 75 of each share is added, each ordinary shareholder would receive Rs. 1,458. If 60 per cent. of the surplus assets are divided among holders of 48,750 deferred shares and if the paid-up value of Rs. 30 of each share is added, each deferred shareholder would receive Rs. 14,922. The ratio of conversion on the basis of the two figures would come to 1:10.2. This ratio does not take into account the value of minerals and coal contained in the mines and collieries of the Company.

(6) The holders of the deferred shares have borne very heavy risks of losing their entire capital from the inception of the Company, because the Company has had to face several severe crises. Although the paid-up value of each share is Rs. 30 only, a majority of the shares were subscribed to at a premium of Rs. 370 per share in 1917. Moreover, the present holders of a large proportion of the shares have acquired them subsequently at high prices prevailing in the market. All these circumstances should be taken into account in fixing the conversion ratio.

Ordinary Committee's Reply

The above arguments are said to have been challenged by the spokesmen of ordinary shareholders on the following grounds:

(1) The prospectus of the Company shows that one deferred share was offered with 10 ordinary or 20 preference shares. If, for this reason, one deferred share is to be regarded as equal to 10 ordinary shares, as suggested in the first argument mentioned above, it will have to be regarded as equal to 20 preference shares. But none can take the latter stand. What happened was merely that the Company, in order to sell the ordinary and preference capital, offered a deferred share to a person, only if he took up either 10 ordinary shares or 20 preference shares, so that the holders of deferred shares would have stakes also in the other capital of the Company.

(2) The principle of percentage of dividend to paid-up capital in ascertaining the value of a share, advocated in the second argument mentioned above, is fanciful and has no relation to reality, because the value of a share to the buyer depends upon the *amount* of dividend which he receives and not upon the percentage which the dividend bears to the paid-up value of the share.

(3) Reserves are a first charge on the profits of the Company, according to the contract included in its Memorandum and Articles, which have laid down that dividends are payable out of the profits available for distribution, after carrying necessary amounts to reserves. Hence, complaints regarding the creation of reserves, contained in the above third argument, are unjustified. Failure to build up adequate reserves would have reduced the profits of the Company and this would have adversely affected the dividends of deferred shares more than those of ordinary ones.

(4) As regards the fourth argument given above, it may be stated that the prices at which shares change hands in the ordinary course of business on the Stock Exchanges, when no abnormalities are affecting the market, are an indication of their true value. There have been several periods during which this has been true of the ordinary and deferred shares.

(5) As regards the fifth argument mentioned above, it may be asserted that the proper consideration in tackling the conversion problem is not an estimated valuation of separate assets of the Company. Replacement values or break-up values have no relevance in a scheme of conversion, which does not involve any sale or break-up of the Company. The proper consideration in the problem is the earning capacity and the trend of profits. Profits are likely to show a declining trend in the immediate future, as Government is not likely to make an adequate allowance for increasing cost of labour resulting from the grant of various benefits, in fixing retention prices of steel. Moreover, the figures given in the argument are merely a rough estimate of the costs of items and not a statement of replacement values of the Company's works, viz., replacement costs new less depreciation. Further, goodwill has no separate value here, because its advantages are reflected in the profits and because it produces nothing separately. Similarly, all the advantages of mines are comprised in the profits of the Company and the mines produce no separate profit. The deferred shareholders would not be prepared to buy the ordinary shares at anything like the value of Rs. 1,458 given to each of them in the above calculation.

(6) If 1 to 11 is adopted as the conversion ratio, grave injustice would be done to the holders of ordinary shares, because the dividends and market values of these shares would go down by one-third. At this ratio, 536,230 new ordinary shares would have to be issued in place of the existing 48,750 deferred shares. Thus, the total number of ordinary shares would go up to 886,250. Even if the Company's distributable profits do not decline in the future, the dividend on all the 886,250 ordinary shares would come to about Rs. 14-8 per share, as against Rs. 21 paid during the last two years. This reduction in the dividend by about one-third would bring down the market value of the shares roughly to the same extent. On the other hand, the holders of the existing deferred shares would get about Rs. 22 lakhs more by way of dividend and the market value of the 11 ordinary shares which they would obtain for 1 deferred share would be substantially greater than the present market value of a deferred share.

Ordinary Shareholders' Case

The following arguments are reported to have been advanced before the Mediator on behalf of the holders of ordinary shares in support of the 1-to-5 ratio:

(1) The ratio of total dividends paid so far by the Company on ordinary and deferred shares comes to 1 to 5.1.

(2) The ratio of market values of ordinary shares and deferred shares during the last 15 years, which have passed through good as well as bad periods, has fluctuated between 1 to 3.9 and 1 to 5.7. The Government in India, as well as in England, has paid for the shares of going companies acquired by it, on the basis of their stock market prices. Quotations of the sale of the ordinary and deferred shares of the Tata Company, with all rights attached to them, including those in the winding-up, on the Stock Exchanges over a number of years, month by month, are the best evidence or test of the fair value of the shares. Replacement value or break-up value cannot be taken as the basis, because the holders of the deferred shares do not have sufficient voting strength to take the Company into liquidation or to enforce a sale. Moreover, the Company is a gigantic concern and cannot have a fair buyer. A scheme of conversion involves neither a winding-up nor a sale of the concern. Even if a sale at replacement value is supposed, the Company will have to pay a huge amount by way of tax for the excess over the written-down values and compensation to managing agents and to the holders of preference shares, which will have to be valued for the purpose. These shareholders are entitled to high dividends and have enough voting rights to prevent a winding-up or a sale unless large compensation is paid to them.

(3) A scheme of conversion should be based on earning capacity, that is, the estimated future earnings based on past earnings adjusted reasonably to future contingencies affecting future earning capacity, because the value of a business is determined by its earning power, the object of an investment being to earn income. Assets have no importance apart from their earning capacity and their value depends upon this capacity.

(4) The published accounts of the Company show that, during the last 12 years, while the revenue has gone on increasing, the ratio of gross profits to revenue has been declining. The reason is that the expenses have increased more rapidly than the revenues, on account of increased payment to labour in the form of annual grade increases, bonus, dearness allowance and other benefits, and of higher prices of raw materials and stores. This declining trend in profits is likely to persist so long as the Company has to work under a regime of control. Further, the demands for depreciation, taxes and reserves for the modernisation of plant, industrial housing, etc., are likely to be higher in future. Furthermore, the new Provident Fund Act and the Employees' State Insurance Act will increase the expenses of the Company still further.

(5) The benefits in the form of the initial equity of 8 per cent. dividend and the larger voting rights enjoyed by the holders of ordinary shares must be taken into account in determining the ratio of conversion.

Deferred Committee's Reply

The above arguments may be challenged by the spokesmen of deferred shareholders on the following grounds:

(1) The answer to the first argument is contained in the second argument of the deferred

(Continued on page 51)

SOME PROBLEMS OF SUGAR INDUSTRY

IMPORTANCE OF RAISING SUGAR RECOVERY STRESSED

THE fear of a fall in sugar output during the current (1952-53) sugar season, expressed in many quarters, is clearly not shared by Mr. A. G. Bandi Gowda, Chairman and Managing Director of one of the most progressive sugar factories in India, namely, the Mysore Sugar Company Ltd. On the contrary, in the course of his address at the Company's annual general meeting held at Bangalore last week, Mr. Bandi Gowda struck an optimistic note regarding the future of the sugar industry in India. The Government of India's latest sugar policy, he maintained, contained several drastic changes and might be expected to succeed in maintaining production and restoring healthy conditions in the sugar market. He also held out the hope that the reduction in the price of sugarcane would enable the consumer to get sugar at a "considerably lower price" after the existing stock of dearer sugar was exhausted.

The above statement, however, should not be construed to mean that all is, and will be, well on the Indian sugar front. For, as the Mysore Sugar Company Chairman rightly remarked, with tariff protection gone, production outstripping internal demand necessitating exports to foreign countries, and a buyers' market ruling in the country, the hope of the Indian sugar industry lies in its ability to recover more and more sugar not only from the cane within the factory but also from the cane on the field. Thus, the country should aim at higher percentage of sugar recovery and also larger yield of cane from land. It is certainly gratifying to be told that the Mysore Sugar Company is aiming at this very objective. That their efforts have already met with success is borne out by the fact that the recovery percentage of sugar from cane in the factory during the previous season was as high as 11.51, which favourably compares with the all-India average figure of 9.78. Similarly, the yield of cane per acre obtained by the growers in the Mysore State amounted to 38 tons—the yield in one farm was as high as 104 tons—as against 12 tons in the U.P. and 10 tons in Bihar. It is to be hoped that the sugar factories elsewhere, more particularly in the U.P. and Bihar, would emulate the example of the Mysore Sugar factory for attaining a high degree of efficiency of operations and of the high sucrose content of cane.

Disposal of Stocks

Proceeding, Mr. Bandi Gowda referred to what he characterised as the most urgent problem facing the Indian sugar industry, namely, the "profitable disposal of the huge carry-over stock of the previous sugar season." There is, according to him, no ready internal demand for sugar and as such export offers the only solution. But the comparatively high price of sugar stands in the way and "not much headway," to quote him, "has been made in this direction so far." Citing the instance of such a small island as Cuba, which produces nearly 6.2 million tons of sugar per annum and which is able to export the major portion to foreign countries at competitive prices, Mr. Bandi Gowda pointed out that it should not be difficult for India to build an export market for its small surplus. This, of course, depends on whether the trend of production of sugar in the coming years will be maintained at the present rate of about 1.5 million tons per annum. Appropriately enough, Mr. Bandi Gowda remarked that the record output of sugar during the 1951-52 season, after a series of years of underproduction and scarcity of sugar, went to show to what height the industry was capable of rising, given favourable conditions.

A disquieting problem confronting the Mysore Sugar factory is the continued shortage of water-supplies for sugarcane cultivation, following the failure of the monsoon and the drying up of the Krishnarajasagar Reservoir. Fresh planting of sugarcane, we are told, has been stopped since September, 1952. There is still standing sugarcane crop over an area of 1,600 acres awaiting harvest and supply to the factory. The closure of the factory at this stage for want of water will result in a large amount of cane being condemned on the fields, causing heavy loss to the peasants. In view of the gravity of the situation, the irrigation authorities, it is noteworthy, have allowed the storage of water in some of the tanks in Mandya for the exclusive use of the factory. This, however, is only a temporary measure. As a permanent measure, the factory has undertaken the construction of what is called a spray pond. The construction of the tank, it is stated, also fits in with the long-range scheme of drawing the minimum quantity of water from the canal. In view of these measures, the factory's crushing operations may not suffer a serious setback during the current year. On the other hand, the year 1952-53 will, perhaps, turn out to be, as Mr. Bandi Gowda himself confidently expects, a normal one for the Mysore Sugar factory.

SUGAR DESPATCHES TO BE ACCELERATED

For some time past, a general shortage of sugar supplies is said to have been experienced in several consuming centres, particularly in the Bombay region and in South India. This is indeed surprising, considering the highly satisfactory stock position; the aggregate stocks of sugar lying unsold with the mills and the godowns are of the order of more than four lakh tons. What then are the factors responsible for the paradox of scarcity conditions in the midst of plentiful supplies? The chief factor is that, owing to transport difficulties, the movement of sugar from one centre to another has been adversely affected, resulting in an artificial scarcity in several centres. It is, therefore, gratifying to note that the Standing Committee of the Central Board of Transport has decided to accelerate the movement of sugar from factories to the different consuming centres.

Another important reason for the scarcity conditions in respect of sugar has been the eagerness, on the part of some traders, to replenish their depleted stocks. Yet another factor has been the general improvement in the offtake of sugar in all important centres. This is the result of an increase in demand for sugar both for domestic consumption and export trade. Some export business is reported to have been done with Japan, while negotiations are going on with Egypt for a barter deal of cotton and sugar; Egypt's requirements of sugar are said to be fairly large.

Because of the shortage of sugar, as noted above, sugar prices developed a hardening tendency recently. Thus, the price of sugar in Bombay swiftly advanced from Rs. 84 for ready delivery in the beginning of December to Rs. 90 towards the end of the month. The rate for *Maha* delivery, which had touched a low of Rs. 78-10 early in December, stood at Rs. 83-12 on 26th December. Similarly, in Calcutta, the free sugar market registered a swift advance in prices.

Following the rise in sugar prices, the Government of India released on Saturday last a further quantity of 104,000 tons of sugar from the controlled stocks of the 1951-52 production. This is in addition to the 99,470 tons released early last month. The quota now released is to be sold by the factories to buyers of their own choice at the reduced ex-factory control prices. The release of sugar is in accordance with the Government of India's policy, announced on 25th September, 1952, that, if the market prices of sugar tend to rise to unreasonably high levels, the Government will release sugar from the reserve stocks. Following the release of an additional quantity, the upward trend in the price of sugar has been arrested; in fact, there has been a decline. In Bombay, sugar is now being quoted at Rs. 89-3 for ready delivery and Rs. 82-12 for *Maha* delivery.

SUGARCANE PRICES

The following are the average prices of cane (per maund) paid by the sugar factories in the different regions during the month of November, 1952, as compared with the corresponding month in the previous year:

	Delivery at factory		*Actually received by grower*	
	Nov., 1952	Nov., 1951	Nov., 1952	Nov., 1951
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
All-India ..	1 6 3	1 13 3	1 4 7	1 12 1
U.P.	1 6 10	1 13 6	1 4 5	1 11 9
Bihar	1 5 6	1 13 4	1 4 2	1 12 0
Bombay ..	1 7 6	1 12 2	1 5 0	1 13 10
Madras ..	1 5 0	1 12 0	1 5 0	1 12 0

It may be noted here that the minimum prices payable for sugarcane by the vacuum pan factories in the current season is fixed at Re. 1-5 per maund for gate delivery and Re. 1-3 for delivery at railway centres.

THE COLOUR OF "GUR"

The role of tannins present in cane juice in the development of colour in *gur* has been the subject of a research study undertaken at the Central Sugarcane Research Station, Pusa, Bihar, with the financial assistance, of the Bihar Government, and the Indian Central Sugarcane Committee. Colour is considered to be the most important factor in assessing the quality of *gur*. Manufacturers have not, however, succeeded in eliminating the colouring matter completely from the final product. Several reasons have been advanced for the development of colour. Sugarcane grown under heavy dressings of nitrogenous manures, it is suggested, yield *gur* of inferior quality. Another suggestion is that amino-acids and glucose present in the cane juice react with each other at the high temperatures obtaining during the boiling process to produce dark-coloured compounds. More recently, the colour of *gur* has been attributed to colloidal constituents present in the juice.

STOWING IN COAL MINES

HIGH COST OF TRANSPORT OF SAND, THE MAIN OBSTACLE

THE importance of stowing in coal mines in India not only as a means of conserving coal but also of preventing accidents arising from collapses, fires and mishaps, was stressed by Mr. K. C. Reddy, Minister for Production, Government of India, in his inaugural address to the Mining Conference and Exhibition of the National Association of Colliery Managers, held on 20th December last at Disergarh, near Asansol. He expressed concern at the absence of facilities for stowing in the majority of coal mines in India. At present, only 58 collieries are carrying on stowing, the total quantity of coal mined with the aid of stowing accounting for only 2.74 million tons out of an aggregate production of 34 million tons annually. This proportion is negligible in the case of metallurgical coal, the need for conservation of which is not questioned. Thus, out of 8 million tons of metallurgical coal produced in this country, only 0.8 million tons is met by stowing. Consequently, vast quantities of coal, especially high grade and metallurgical coal, are being wasted through the ordinary process of mining. The amount of coal that will be lost in the next few years, if suitable measures for stowing in all the collieries are not adopted, is estimated at quite a few million tons. The loss of coal, owing to inadequate stowing will be as high as 50 per cent. of the output; in the Jharia Coalfields the loss is said to be even more. It is needless, therefore, to stress that stowing should receive the urgent consideration of the authorities concerned.

That the progress of stowing in Indian coal mines has been poor will be evident when it is remembered that stowing was begun some four decades ago. To be precise, it was first introduced in Ballarpur Collieries in the Chanda District of Madhya Pradesh as far back as in 1914. Five years later, it came to be practised in the Jharia Coalfields. Till recently, it was mostly being used as a measure of safety. Latterly, however, a number of mines have been resorting to it for purposes of maximum extraction also. It is true that stowing adds to the cost of extraction, but mining interests have not been slow to recognise that without stowing only a small fraction of available coal resources in any mine could be extracted and that, as such, stowing is a profitable proposition in the long run.

Most Successful Technique

The most successful technique developed so far is hydraulic sand stowing. Sand has been found to be the most suitable material for stowing and lends itself particularly to hydraulic stowing. It is, however, a costly technique, inasmuch as sand has to be transported over wide distances. At times, the distances are so vast that it makes the use of sand for stowing purposes uneconomic. In fact, the cost of transport of sand to areas where it is needed most for stowing is a formidable obstacle to the widespread adoption of stowing, despite improvements in the methods of transport, as, for instance, the aerial ropeway system.

There is also one more difficulty to which attention needs to be drawn. Although the availability of sand for stowing at present is considerable, it is not unlimited. This is because of the time factor and the length of the bank or area from which it is to be gathered. The sand that is removed for stowing is replaceable only by rivers. The rate at which it can be gathered, therefore, depends on the rate at which it is replaced by rivers every year. This factor as well as the cost of transport, clearly spotlights the need for research to find out suitable and cheap materials to replace, wholly or partially, sand for stowing purposes. It is gratifying to note that Mr. Reddy recognised this need in his address to the Conference.

CONSUMPTION OF COAL

As is generally known, due to the overall traffic requirements exceeding the present availability of wagons, considerable difficulty is being experienced by Government in meeting the requirements of coal of the various mills and manufacturing concerns in the country. The difficulty is being accentuated by the industrial units which have not been using coal suddenly changing their process of manufacture, involving increase in coal consumption, without ascertaining whether increased supplies could be had. The Government of India has, therefore, cautioned the industrial units against this practice which has on occasions resulted, and is likely to result, in disappointment to them due to their demands for increased supplies of coal not being met fully.

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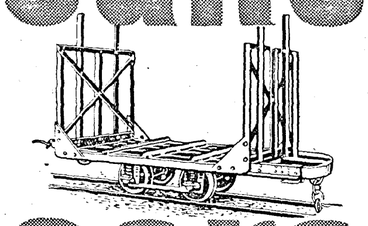
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CLOSURE OF FUTURES TRADING IN JUTE GOODS

MEASURES TO STABILISE RAW JUTE PRICES

SINCE we last referred to the hectic behaviour of the trade in jute and jute goods in Calcutta (*vide* page 1083, *Commerce* dated 13th December, 1952), much water has flown in the Ganges. Reference must particularly be made here to two developments that took place since then, one relating to the Government of India's jute policy and the other the closure of the *fatka* market in Calcutta and subsequent events.

The steady fall in raw jute prices which had been noticed in November, 1952, and thereafter, had evoked fears that a further fall in prices might endanger the drive for self-sufficiency in jute. These fears found full expression in the Union Parliament which led to a statement of the Government of India's policy regarding the jute industry by the Minister for Commerce and Industry, Mr. T. T. Krishnamachari, on 19th December. He stated that the Government had been watching with concern the falling price of jute, and, as a first step to deal with the situation, decided that the *fatka* market in jute should immediately be closed. This would be followed, said the Minister, by other measures to cope with the situation and these included (1) a survey by the Indian Jute Mills' Association of the availability of jute in outlying areas, particularly in Bihar, (2) a readjustment of freights if possible, to assist the growers in relatively remote areas, and (3) a suggestion by the Government to the I.J.M.A., that the latter must increase its purchases of Indian raw jute in spite of the fact that it was in possession of about 10 week's stocks. As a result of these steps, the Minister hoped that prices of raw jute would materially improve. He further assured the House that the Government would not hesitate to take further steps if such became necessary. The behaviour of the market since then shows that, although prices of raw jute have not appreciably risen, the downward tendency has been arrested. Raw jute is now (4th January) being quoted at Rs. 24 as against Rs. 23-4 on the 21st December. In the jute goods section, hessians 40" × 10 oz. are ruling at Rs. 43-4 per 100 yards and B twills at Rs. 97 per 100 bags, as compared with Rs. 43-8 and Rs. 93-8, respectively, a fortnight before.

Now to return to the other points in the statement of the Minister. He gave statistics to deny that depression in prices was due to free imports from Pakistan. Thus, while the deliveries to mills from July to November in 1951, in India amounted to 14 lakh bales, imports from Pakistan aggregated 11 lakh bales. But during the same period of 1952, the delivery amounted to 17 lakh bales, of which Pakistani jute accounted for only about 5.75 lakh bales. He agreed that prices of jute had dropped in other areas. In the second fortnight of November, 1952, the price of raw jute in Bihar, for instance, had tumbled to Rs. 13-8 in Saharsa, and Rs. 15-8 in Darbhanga, though it was a little higher in Purnea. This was attributed by the Minister partly to quality and partly to freight and transport charges which from the outlying areas to Calcutta amounted to as much as Rs. 7 per maund. He stated further that the Government was asking the I.J.M.A. to send a representative to make a survey of the jute in outlying areas, especially in Bihar, so that direct contact might be established between mills and the growers. He revealed also that the railway administration was looking into the question of moving raw jute from the outlying areas and to see whether it was possible to adjust freight rates to assist the growers in remote areas. The various Ministries of the Government were considering the question whether growth of inferior jute such as *mesta* and *bimli* should be encouraged or not.

Asked if the Government had any idea of controlling the imports of jute from Pakistan, Mr. Krishnamachari stated that only half the quantity of raw jute imported in 1951 had been imported in 1952. In regard to better quality hessian, the Continental mills, which were obtaining their supply from Pakistan, would get an advantage over India, if this country did not import some of the high quality jute from Pakistan. It was this consideration that made the Government of India allow the import of jute from Pakistan, but, if subsequent events were to show that the import of jute from Pakistan interfered with the offtake of Indian jute, the Government would, he said, consider all steps necessary for the purpose. He, however, felt that according to present indications, no such steps were necessary. Asked about the economic price for raw jute, the Minister said that, if the price of rice was taken to determine the economic price of raw jute in Bengal, he understood that the economic price for the better quality of Assam jat bottom produced in India might be somewhere in the region of Rs. 22 to Rs. 24 per maund in Calcutta. He could not, however, say anything on the subject with authority. If as a result of the closure of the *fatka* market jute goods prices rose to the position that obtained before the hectic activity, then automatically the price for raw jute might rise to Rs. 27 per maund. That would be, he said, an economic price under the present conditions.

On the same day when Mr. Krishnamachari made his statement on jute policy as above, the Governor of West Bengal issued an ordinance in exercise of the powers conferred by sub-section (1) of section 3 of the West Bengal Jute Goods Act, 1950, prohibiting futures trading in jute goods. This was in response to the persistent demands from the trade for the closure of the *fatka* market on the ground that excessive speculation in that market was engineering violent fluctuations in prices in such a manner as to produce an unhealthy and artificial slump in the raw jute market, as well as to unsettle the overseas demand for jute manufactures. In fact, at a meeting of the hessian and gunny brokers held on 9th December, a resolution was passed calling upon the Government to suspend futures trading which had been reopened only in April, 1952 after a lapse of more than two and a half years.

The Ordinance, however, led to a piquant situation, because it failed to distinguish between forward delivery contracts and futures trading. This lapse on the part of the Government gave rise to doubts about the legality of forward delivery contracts and the jute mills were, therefore, unwilling to enter into such contracts. Further, there was a serious apprehension that, taking advantage of this position, the forward commitments which had already been entered into might be disowned by the opportunist elements in the trade. The West Bengal Government, however, soon realised its mistake and dispelled all doubts and confusion by issuing another ordinance—this was done on 23rd December, 1952—which added an appropriate explanation to the Act making clear, with retrospective effect, that normal forward contracts were not affected by the earlier ordinance. This action by the West Bengal Government enabled the jute goods market to function again, and forward business in delivery contracts, as distinguished from futures trading, was resumed again. The volume of business, however, has remained greatly restricted since then, as speculative futures operations are banned.

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cumstances, but whatever happened, this stock must be available so that the Board could deal immediately with any mischievous speculative movement. In the present conditions of consumption and production it is doubtful if a buffer stock can be built up, unless, of course, exports are completely banned, at least till such time as internal production is considerably raised. The Minister, however, promised the Coffee Board that he would consider any proposal in this direction. Clearly, it is now the responsibility of the Board to submit proposals acceptable alike to the producers, consumers and the Governments.

Coffee dealers have, however, suffered somewhat through the swift fall in prices. The Indian Chamber of Commerce, Coimbatore, has made a representation to the Government urging the need for permitting the export of 2,500 tons of accumulated coffee stocks. This measure, it is held, would compensate the losses so far sustained by dealers. It is true that the dealers have suffered on the stocks they hold through the Board's rejection of higher bids at the auctions. But the remedy certainly does not lie in permitting exports, for it would curtail internal supply and raise prices. After all, the chief objective is to reduce coffee prices. The dealers will naturally do well to work on a lower margin of profit and hope for increased turnover.

BRINGING DOWN COFFEE PRICES

OFFICIAL POLICY OUTLINED

THE decline in coffee prices since October last from the peak levels touched in September, has been naturally enough greeted with a sigh of relief by the consumers all over the country. The prices of Plantation A and Arabica Cherry Flats, which had stood at Rs. 196-7 and Rs. 135-7 per cwt., respectively, in March last, touched a peak of Rs. 316-11 and Rs. 268-10 in September. In October, when the recession started, the price of Plantation A dropped by about Rs. 12 per cwt. and that of Arabica Cherry by Rs 9. The latest quotations available, as on 22nd December, 1952, show that Plantation A has declined as much as to Rs. 252-8 and Arabica Cherry Flats to a low of Rs. 165. This fall in coffee prices has been caused by two factors. In the first place, the Government did well to order the cancellation of the export quota of 2,000 tons reserved for 1952-53. The second factor was the adoption of the system of arbitrary selection and declaration of bids in coffee auctions by the Indian Coffee Board in recent months. Although coffee prices have declined by a fair measure, it is clear that they are, nevertheless, far above those that ruled in April. This explains why the decline has not yet been greeted with pronounced enthusiasm by consumers.

The question of preventing any rise in coffee prices and of bringing the prices to more reasonable levels was, therefore, discussed at an informal meeting of the Indian Coffee Board held in Bangalore last week. The meeting was also attended by Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry. The details of the discussion that took place at the meeting are not, however, available, but at a Press interview in Madras, the Minister explained the Government's policy on coffee and indicated the lines on which the Government sought to approach this difficult question.

The basic cause for the rise in prices of coffee, during the months April to September, was the artificial scarcity created as a result of the export policy followed in the past, which was exploited by traders in coffee. But the Government of India would appear to have changed its export policy, as witness the cancellation of the export quota for 1952-53, as already indicated. This is further borne out by the Minister's statement that the Government's present policy was not to starve the local markets, even though the higher prices outside India might hold out temptations for export. This is a realistic policy in the interests of domestic consumers, for, as the Minister himself pointed out, they had suffered greatly by the recent rise in prices.

The decline in coffee prices naturally raises the question of an economic price for the producer. When this subject came up for discussion at the Coffee Board meeting, the Minister is stated to have impressed upon the Board that while the producer should get a fair price, the entire benefit of price reduction should go to the consumer, and in this process the intermediaries should have no place. At the same time, the Minister stressed the need for increasing the yield of coffee which had touched a low level. An idea of the disappointing yield of estates in India can be gained from the following statistics of the Coffee Board. The average yield of estates of 5 to 10 acres is only .87 cwt. of coffee per acre; 10 to 25 acres: .93 cwt.; 25 to 50 acres: 1.12 cwt.; 50 to 100 acres: 1.35 cwt.; 100 to 150 acres: 1.66 cwt.; 150 to 200 acres: 1.88 cwt.; 200 acres and above: 2.28 cwts. It may be noted that while the average yield of 2.28 cwts. from estates of 200 acres and above is itself disquieting, the vast majority of the estates in India have a small acreage.

The system of auctions has been the subject matter of public criticism since it is held that the system was mainly responsible for the high level of coffee prices. The continuation of this system is, therefore, undesirable if the object of the Government is to be achieved. The Commerce Minister, accordingly, called for alternative proposals from the Board, which would ensure some control over prices. No decision to fix an *ad hoc* price was taken at the meeting, though a number of suggestions was made towards that end. One of the suggestions made was to build up a buffer stock which would enable better control over prices. In this connection, it may be recalled that when a similar situation arose in 1948, it was agreed that a buffer stock of coffee should ordinarily be carried by the Board at the end of every surplus year to be released on the market as soon as this could safely be done. The volume of this stock was left to be decided according to cir-

(*Continued in previous column*)

PLASTICS INDUSTRY DURING 1952

DECLINE IN PRICES AFFECTS PRODUCTION

(*By R. C. SHAH*)

THE year 1952 has been a year of great many difficulties for the plastic industry in India. Though the raw material supply position eased considerably during the year, the demand for finished goods tapered off so substantially that a serious crisis has developed in the industry.

The liberal import policy for plastics raw materials, such as polystyrene, polyethylene, cellulose acetate, poly-vinyl chloride, etc., was extended during the first half of the year 1952. There was open general licence for these materials even from dollar areas. Also, the prices for these materials from the U.S. and Canada, which had soared to high levels in 1951, declined. There was a continuous fall in the prices of raw materials and by the beginning of 1952, prices came very near to pre-Korean war levels. However, because of the new dollar-rupee ratio, the prices in Indian money worked much higher than before. The supply position in the U.S. and Canada became very easy, on account of more and more styrene, which was formerly being utilised largely for the manufacture of synthetic rubber, was being made available for production of polystyrene. During the last two months of the year 1951 and the first two months of 1952, the imports of plastics raw materials from the United States and Canada have been the heaviest.

The manufacture of raw materials developed considerably in the U.K., and with advices for better supplies, and on account of deteriorated dollar exchange position, the open general licence for plastics raw materials was cancelled for dollar areas for the second half of the year 1952, and this was replaced by open general licence for soft currency areas only. As a result of this change, the imports of raw materials, which formerly came mainly from the U.S. and Canada, were now available from the U.K. The U.K. emerged during the second half of 1952 as the biggest exporter of plastics raw materials to India.

Heavy Imports

On account of unprecedented heavy imports of raw materials and easy supply position from soft currency areas, and due to fall in actual consumption, because of restricted demand, and slump conditions for finished goods, the prices, at times, for raw materials in India, declined to low levels and were even below actual landed cost.

Plastics raw materials, of late, are also being offered from Germany and Italy. Germany has replaced the U.K. in the European market and has made a formidable bid for the Indian market also. The following figures for imports of plastics raw materials from the U.S. and the U.K. are interesting:—

(In tons)

	U.S. 1951	U.K. 1950	U.K. 1951	U.S. Jan. to Aug., 1952
Alkayds	35	..	..	..
Vinyls	24	..	..	..
Phenolics	19	..	..	..
U.F. and melamine	6	..	..	..
Polystyrene	739	..	..	..
Cellulose acetate moulding powder	141	..	..	..
Other materials	17	..	..	..
Total	981	1,231	2,744	1,616

The demand for plastics goods shrunk considerably. The slump, which came during February-March, 1952, affected the plastics industry also. Because of the tight credit conditions, the carrying capacity of dealers suffered heavily, and the sales by the factories declined. Stocks in the market and with the dealers lasted from end of February to May, 1952, and during the period, the factories had very little sales.

Further, on account of the losses due to reduction in prices, suffered by the dealers, the merchants became very cautious and even when the trade was resumed, the actual offtake by the market has been substantially lower than usual. In face of losses suffered, the dealers refused to carry large stocks and risk, and the factories thus lost an important support.

Prices of Finished Goods

As a result of the slump, the prices for finished products went down further. The margins were reduced and even with reduced margins, the volume of turnover was very low.

These conditions created a difficult situation for the factories. Many factories faced financial crisis. Purchases of raw materials were planned in the usual way. But on account of the unforeseen slump, the sales ceased all of a sudden. It became difficult to take delivery of imported raw materials and to finance the purchases. The selling prices saw new 'lows,' while expenses continued to soar high. Stocks for finished goods accumulated. This made it impossible for factories to continue production. Consequently, many factories closed down, and all curtailed production.

The slump conditions also affected the production of P.F. moulding powder. The demand for P.F. moulding powder was also on a very low level. The thermoplastics goods, on account of new low level of prices, presented serious competition to thermosetting plastics goods; and the actual consumption for P.F. moulding powder has been very low. The units consuming this powder found it absolutely uneconomic to consume it, as the prices for finished products became totally unremunerative. As against the average production of 38,300 lbs. of P.F. powder per month in 1951, the average for locally produced P.F. powder for the year 1952 works out to about 50,000 lbs. The slight improvement in local manufacture is due to easy availability of raw materials, and restricted imports of foreign P.F. moulding powder. During the year, medium shock resistance P.F. moulding powder has been satisfactorily manufactured in the country. The Indian Standards Institute has convened a sub-committee to fix the standards for phenol formaldehyde moulding powder. As the initial task, the Committee has started collecting data for the locally manufactured P.F. moulding powders.

It has been possible to export plastics products to Ceylon, Burma, Indonesia and Africa. In May to September, there were better exports and they were much higher than in any previous year. There is good possibility of developing the export trade. However, to make Indian products competitive, it is very necessary to obtain a refund of duty on raw materials, which are used in the manufacture of exported items. The All-India Plastics Manufacturers' Association, at its annual meeting, held at Calcutta, drew the attention of the Government to the necessity of the refund of duty on raw materials used for exports and requested early and timely action, before the markets are lost to other countries.

The new Sales Tax Act, which has come into force in Bombay as from 1st November, 1952, has raised the tax on sale of plastics goods. Plastics goods are subjected to a special tax levy of 0·0-9 in a rupee. This new impost has been, in the context of continuous difficulties, like the last straw on the camel's back. The industry has no capacity to bear the additional burden. Because of this tax, Bombay has been losing ground as a distributing centre, and the trade is actually being directed to other States.

No Fresh Development

In the face of these difficulties, it is small wonder that there has been no new development. The manufacture of electrical accessories also received a setback on account of high foreign imports and unfavourable market conditions. Even in items like bottle caps, there has been new competition from the manufacturers of aluminium bottle caps. During 1952, a factory was started at Hyderabad for the manufacture of laminated sheets.

The need for better and new products has resulted in the wider use of cellulose acetate and polyethylene moulding powders in place of polystyrene. There has, on the whole, been no addition in injection and compression moulding capacity. No new plants and processes have been introduced. No new lines have been developed.

Outlook for the Industry

There is a possibility of getting urea technical from the Sindri Fertiliser Factory. This might facilitate the manufacture of urea formaldehyde moulding powder within the country. When the proposed oil refineries are finally set up, it may be possible to obtain phenol locally. If phenol is available locally, the production of P.F. moulding powders will be greatly helped. It might also prove to be a stepping stone for the development of P.F. resins and varnish industry. Again, when urea and phenol become available locally, the manufacture of urea and phenolic synthetic glues may be possible. These glues, it may be mentioned here, are widely used in bonding tea chests and plywood. There has been a large-scale increase in the fabrication of poly-vinyl chloride cloth and sheetings also. This line is also likely to be further developed.

The manufacture of plastics moulds, which is the foundation of the plastics industry, has shown good progress during the year. More and better moulds are produced locally. The question of protection to manufacture of moulds is likely to come up before the Tariff Commission at the time of the next enquiry, which is likely to be held in 1953. Research in high polymers and the suitability of indigenously available chemicals for use in the manufacture of plastics raw materials is being conducted at the National Chemical Laboratory at Poona. Because of bad conditions, the industry, by itself, has not been able to devote much attention to research. Difficult market conditions have compelled the manufacturers to explore new lines. With the possibility of development of other industries and with the prospect of opening up new lines, the plastics industry is likely to witness more and new developments in the new year.

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HOUSING IN TROPICAL COUNTRIES

UTILISATION OF LOCAL MATERIALS EMPHASISED

THE symposium on scientific principles and their application to tropical building design and construction, organised recently under the joint auspices of the U.N.E.S.C.O., and the National Institute of Sciences at New Delhi, served as a refresher course to the engineers assembled from the South Asian region. The symposium was attended by consultants from the U.K., Holland and Israel and observers from the I.L.O., W.H.O., and the E.C.A.F.E., besides 150 delegates from Burma, Ceylon, Indonesia and various States of India. Dr. S. L. Hora, President of the National Institute of Sciences, presided over the occasion.

The symposium laid stress on the utilisation of local resources in materials as well as traditional knowledge in building houses in the South Asian region. It made it clear that planning should take into consideration not only the soil and climatic conditions but also the social and economic background of the persons for whom houses were to be built. This means that a study of human oecology should precede house building programmes. There was a general desire among the delegates that considerable research should be undertaken on the existing village huts and on the traditional materials that were being utilised in the villages. Nearly every one spotlighted the importance of ancillary services such as water-supply, drainage, sewage disposal, light, etc. They recommended that national committees should be formed in the various regions to co-ordinate research on housing.

Apart from these general conclusions, the delegates stressed the importance of layout in relation to physical features of the site, particularly contours, for economic and sanitary reasons and of the use of bamboo as a substitute for steel in reinforcing concrete and as building material for walling, etc. The utilisation of laminated and treated timber in building operations, it was held, ought to be encouraged. They also favoured research into soil conditions. It will be recalled that the Working Party of the E.C.A.F.E. on Housing and Housing Materials met in November, 1952, at New Delhi. The Party examined the possibilities of increasing the use of bamboo and secondary wood species as substitutes for steel and timber as well as of utilisation of forestry wastes like bagasse, saw dust and wood chips as substitute building materials and recommended two pilot plant operations—one for investigation into the treatment of bamboo and wood species in building houses and the other for the survey of clay suitable for making bricks and tiles. It is gratifying to note that experiments in the use of bamboo in reinforcing concrete are already being conducted in India. Prof. H. Neumann, one of the consultants of the U.N.E.S.C.O., from Israel, however, revealed that experiments conducted so far on the utilisation of bamboo in reinforcing concrete had unfortunately given only negative results. He conceded that if it proved to be a success in India, it would be a very important asset not only for India but also the South Asian countries in their house building programmes.

Provision of housing facilities is one of the chief problems facing the powers-that-be of South Asian countries. In India alone, even at a conservative estimate, about 3 million houses are required to house the population in the urban areas alone. What is standing in the way of more houses is not only lack of finance but also lack of designs for building houses at costs that are within the means of the countries concerned. Besides, there is also the problem of building houses that can withstand the climatic conditions of the regions. In the tropical regions bordering the equator the need of the hour is hurricane-resisting buildings. The disastrous effects of the hurricanes in Jamaica and Fiji, which occurred in 1951, are still fresh in our memory. It was proved then that only such houses as were provided with anti-hurricane shutters could stand the blasts of the hurricane to a considerable extent. In the prevention of hurricane damage a factor that is overlooked, according to Mr. Atkinson, the U.K. Colonial Liaison Officer at the Government's Building Research Station in London, is that "corrosion or rusting around nails is often considerable after a number of years." He says: "With corrosion comes lack of strength and particularly on the lee side of houses where there is considerable suction during a hurricane, walls can easily be torn away." Surprisingly, these aspects did not receive the proper attention they deserved. It is, however, noteworthy that these aspects are expected to occupy a prominent place on the agenda of the E.C.A.F.E. Conference on Tropical Buildings and Materials to be held in New Delhi in January, 1954.

Many of the South Asian countries are only just beginning to realise the importance of the use of local raw materials in building houses. It is true that the use of earth as a building material in the construction of cheap houses is not new, but its utility is being increasingly realised only latterly. Again, it was only during the recent war that soil stabilisation in the construction of airfields was used and the same principle of leavening the earth with cement is now being carried over to the sphere of building construction.

It is not possible to lay down absolute standards of housing for the South Asian region. For one thing, the specific requirements, which need to be met in order to safeguard health and to assure a given standard of health vary greatly in the different parts of South Asia and they are mainly dependent on weather conditions. And more important, what is regarded as an adequate standard of comfort will be determined according to local customs and local levels of income and changes in taste and social conscience. All these require on-the-spot study. Small wonder, therefore, that there is emphasis on the constitution of national committees in the region to conduct study of and research into housing problems, including habits, and tastes of the people.

The housing problem of South Asia can be solved only with the willing co-operation of the public. An important untapped potential factor for increasing the volume of house-building is self-aid housing programmes. Since approximately half the building costs is spent on labour, the utilisation of the spare time of the workers and of the available members of their family will have the effect of practically doubling the volume of house-building activity from a given supply of funds for housing. It is true that such self-help techniques may not be appropriate in the construction of apartment buildings in large cities but they do offer real possibilities in rural areas.

ANGLO-CANADIAN CO-OPERATION AIDS BOMBAY TRANSPORT

One of the contributions Canada is making to India under the Colombo Plan is a big fleet of transport vehicles for Bombay State. As a result, the people of the State and city will have an extra 450 buses, 70 tractors, 60 trailers, and 835 trucks. All these vehicles will be powered with British-made, six-cylindered diesel engines. One reason for the contract for the engines going to a United Kingdom company is that the existing transport system of Bombay is powered by its diesels.

The firm that is making these diesels is the biggest producer of this type of engine in Britain —perhaps in the world. It is S. Perkins, Ltd. of Peterborough, already a well-established firm when it built its new Eastfield works in 1947. The works opened in November of that year. In less than five years since, Perkins have made more than 100,000 six-cylindered diesel engines there. It is not only in the cold countries that these diesels give good service. In the heat of India and Africa, at sea in life-boats and other craft in the dust of the desert, and in all kinds of applications from excavators to crawler tractors and luxury coaches, they have a world-wide reputation for reliability and trouble-free running. They provide the power for many bus services in India quite apart from the State of Bombay. When the new fleet now being built for Bombay is complete it will be the largest of its kind running on Perkins diesels in the world. It will actually consist of about 2,150 passenger and goods vehicles.

The engines are to be mounted in Canadian-built vehicles—both buses and trucks—and will be finally assembled in Bombay. The engines will not meet their chassis until they arrive in Bombay for they are going direct from England just as the chassis are going direct from Canada. To ensure smooth and easy assembly in Bombay, representatives of the Perkins Company are in Canada for any consultation that may be necessary. The engines will be fitted into the vehicles by Perkins technicians.

The total cost of the scheme will be about four and a half million dollars, of which the cost of the engines will be about one and a quarter million dollars. Officials of the Bombay State Transport organisation visited the works of Perkins at Peterborough in April, 1952, to watch the progress of the scheme.

OVERSEAS COMMUNICATIONS

At a Press interview the other day in Poona, Mr. S. R. Kantabet, General Manager of the Overseas Communications Services, disclosed that a Rs. 1-crore scheme for the expansion of Overseas Communications Services over a period of five years had been planned by the Communications Department of the Government of India. He further said that top priority had been accorded to a transmission station at Calcutta which was expected to be put into operation early this year. A similar station at Madras was also likely to be completed by the end of the year.

Mr. Kantabet expressed the opinion that a vast country like India should have modernised stations at every important place. At present only Bombay and, to some extent, Delhi were able to transmit overseas telegrams but the pressure on these two stations was so heavy that it was desirable to build up regional stations at places like Bombay, Calcutta, Madras and Delhi.

Proceeding, he said that top priority was given to Calcutta in the matter of establishment of a direct overseas transmitting centre because jute and tea, two of India's greatest dollar earners, were the principal commercial commodities in the Calcutta market. At present inland telegrams are being sent from Calcutta to Bombay and from there to the U.S. and the U.K. involving considerable delay in transmission.

HIRAKUD DAM

The estimates of the cost of construction of the Hirakud Dam Project are likely to go up. It is stated that the first stage of the project, estimated to cost Rs. 69 crores, some time back, will now cost more than this figure. The second stage was estimated to cost Rs. 38 crores. The first stage envisages construction of a dam at Hirakud which provides facilities for irrigation for about 6 lakh acres in the Sambalpur District. But, if we are to exclude 2.5 lakh acres that would be submerged in the first stage, the net addition to the irrigation area will be 3.5 lakh acres. The second stage provides for irrigation facilities below Cuttack. The Government of India has decided, in view of past experience, that the question of taking up the second stage should be considered only after relevant data based on accurate facts and figures are gathered and estimates prepared on that basis. The data, it is stated, are now being gathered by a special investigating circle of engineers and the estimates of the entire project would be available in due course.

Meanwhile, it is understood that the reports of the departmental committees, which had gone into the question of financial and technical control of the Hirakud Dam Project and which had recommended that the engineers of the project should be able to incur expenditure without the intervention of a financial adviser have not been accepted by the Government of India. It is pointed out, in this connection, that the Government is in the meanwhile awaiting the report of the Public Accounts Committee which is at present enquiring into the Hirakud Project.

GENERAL ENGINEERING DRAWINGS

The draft of an Indian Standard Code of Practice for general engineering drawings has just been circulated for comments to industrial and engineering interests in the country by the Indian Standards Institution. The draft, which runs into 48 standard size printed pages, lays down recommendations for sizes and lay-outs of drawings; methods of projection; sectioning and sectional views; thickness of lines and sizes of lettering; dimensioning symbols for machining; surface finish for machining, surface finish and welding; conventions for drawing screw threads and rivets, graphs and abbreviations used in general engineering practice. The draft standard, one of the longest to be formulated, does not, however, cover detailed requirements peculiar to different branches of engineering. The draft code, apart from laying down its own standard sizes of drawings, also details alternative sizes of drawings which are being considered by the International Organization for Standardization.

Trans World Airlines are expected to begin their new service to Tokyo and other cities in the Far East by July, 1953. They are awaiting permission by the Civil Aeronautics Board to add the Bombay-Tokyo link to their certified route.

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MACHINERY AND ERECTION INSURANCE SCHEME

ITS IMPORTANCE TO NATIONAL ECONOMY

IT is symptomatic of the times in which we live, in this country, of the growing consciousness of the need for rapid industrial expansion that two leading insurers, the New India Assurance Company, Ltd., and the Oriental Fire and General Insurance Company Ltd., have ventured to provide cover for risks which Indian insurers had not chosen to undertake hitherto. This new form of insurance is called the "Machinery and Erection Insurance Scheme." Although this scheme, a special variety of accident insurance, is a recognised method of protection against accidental breakdown of machinery, and has been in existence in the West for close upon half a century now, this is the first time that Indian insurers have made anything like a systematic attempt at covering the risks involved in the erection and maintenance of industrial equipment and machinery.

Inaugurating the new scheme at a special function, arranged recently by the management of the New India Assurance Company, Ltd., Mr. B. K. Shah, General Manager of the Company, pointed out how the scheme was designed to meet several hazards involved in the erection of machinery—the hazards which arise through sheer accident or through lack of training and experience of workers engaged in the erection of machinery. It is these risks that will be covered by the scheme. Mr. Shah emphasised that it was the intention of the management that the scheme should be organised as a national unit; that is, in co-operation with other insurers. He outlined three possible ways in which the scheme would, in course of time, acquire a national significance. In the first place, the management desires to maintain a research laboratory where the problems connected with the erection of machinery and causes of breakdown could be studied at expert level. Secondly, the management hopes to be able to undertake regular surveys of machinery breakdown which will provide the clue for prevention of such breakdown and for increase in production. Thirdly, it is the intention of the management to create a "brains trust" of expert engineers whose services will be available to the industrialists who are interested in setting up new factories.

The "Machinery and Erection Insurance Scheme" comprises, as the name itself suggests, two forms of insurance—machinery insurance and erection insurance. Machinery insurance covers machinery and plant already installed and in operation. The basic objects of a machinery insurance scheme are: (1) proper layout of plants, to reduce damage to the minimum, (2) full indemnity in case of loss or damage, and (3) investigation of all accidents of loss or damage to prevent their recurrence.

A modern machinery insurance policy gives, it is stated, comprehensive protection, guarding the machinery against almost every conceivable form of damage, other than normal wear and tear. Thus, it protects the industrialist against accidents caused by faults in casting and defective material, lack of skill in operation, explosion of boilers, sabotage, rupture due to centrifugal force. It is noteworthy that not only is the actual damage paid for by the insurer, but also such necessary incidental expenditure as that connected with the dismantling of machinery and freight charges to and from repair shops and re-erection.

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The importance of protection against risks to machinery can be illustrated by taking the specific example of electrical machinery. The scheme covers risks which arise, among others, from: (1) over voltage, (2) over-current, (3) arcing, (4) travelling waves, (5) shorted windings, (6) faults in insulation, (7) faulty working of measuring, regulating or protection devices, (8) vibrations, (9) insufficient or unsuitable oil, (10) atmospheric influences, (11) vermin and animals, and (12) the human element or any mishap which might occur in the course of the daily routine work.

Erection insurance, unlike machinery insurance, is a short-term proposition and operates only until the newly installed machinery is satisfactorily tested. Despite its short-term nature, erection insurance covers a large variety of risks. An erection insurance policy will cover against loss or damage caused by any of the following: (1) earthquake, (2) landslide, (3) rockslide, (4) flood, (5) inundation, (6) storm, (7) fire, (8) lightning, (9) explosion, (10) tearing of centrifugal forces, (11) short circuit, (12) riots, civil commotion, strikes and lockouts, (13) defects in casting and material, (14) faults of construction, (15) faults at workshop, (16) faults in erection, and (17) lack of skill, carelessness, sabotage, burglary and theft.

The importance of machinery and erection insurance to India's national economy will be readily understood when it is realised that this country imports about Rs. 100 crores worth of machinery every year. During 1951-52, India imported machinery worth Rs. 104.06 crores. The chief among the varieties of machinery imported by India were: Railway locomotive engines and parts, Rs. 2.11 crores; oil engines, Rs. 14.79 crores; electrical machinery of all kinds, Rs. 16.20 crores; agricultural machinery, Rs. 7.82 crores boilers, Rs. 4.11 crores; metal working machinery, Rs. 2.52 crores; mining machinery, Rs. 1.32 crores; paper mill machinery, Rs. 1.65 crores; pumping machinery, Rs. 2.23 crores; sugar machinery, Rs. 0.69 crore; and textile machinery, Rs. 13.34 crores; consisting, among others, of cotton textile machinery, Rs. 7.31 crores; jute machinery, Rs. 1.66 crores; and wool machinery, Rs. 0.43 crore.

These figures refer only to imports of machinery during the year 1951-52. The next few years will necessarily see much larger imports, thanks to the impetus which the Five-year Plan is bound to give to the country's industrial expansion. The possibility of financial loss due to defects in imported machinery or to defects in the erection of this machinery cannot be ruled out. Because it covers a variety of possible damage to all machinery, whether imported or locally manufactured, the machinery and erection insurance scheme is bound, as indeed it deserves, to commend itself to industrial managements.

PROFITS INSURANCE

Among the many benefits conferred by insurers on those engaged in the commercial life of a country there is no more notable example of genuine service than the insurance of profits. Although insurance of property against risks, such as fire or storm or riots, does confer considerable benefit to the person who takes out such insurance, it does not protect him against the consequential loss, that is, the loss of profit, caused through damage by fire or other unforeseen accident. The object of profits insurance is precisely to cover the loss of profits that may occur through damage caused by fire. Reviewing the scope and significance of the profits insurance scheme, now becoming popular in the U.K. and other countries, the *Investors' Chronicle* writes:

"The nature and extent of the insurance cover necessary to provide complete protection must vary according to the peculiarities of the particular business to be insured. Normally, a three-fold indemnity is provided: (a) loss of net profit; (b) payments in respect of standing charges; and (c) increase in cost of working due to the fire. If desired, however, any combination of these indemnities can be effected.

"An idea may have formed that, in order to take advantage of this essential protection, detailed information of an intimate character relating to a firm's business is required to be divulged. This is not so, for, in ascertaining the sum to be insured, the annual net profit and standing charges are added together and insured in one sum, so that there is no necessity to disclose particulars of salaries, mortgage interest, or actual net profits when effecting the insurance. It may also have been assumed that, by the nature of the insurance, it cannot be equitably adjusted to the requirements of a new and expanding business, or one subject to a seasonable trade, but it is only necessary to place a definite proposition before the insurance companies to appreciate the technique that they have brought to bear on this subject. Further, the policy is equally adaptable to the 'one-man' business or small retailer as it is to large manufacturing concerns.

"The net profit represents that part of the profit of the year from which dividends to shareholders and allocations to reserve are normally disbursed. It could be defined as the amount remaining after proper provision has been made for all standing and other charges, and for all items properly chargeable to capital and depreciation. The net profit figure can be based on the last financial year, or the average for the past two or three years, or, when previous results do not afford a reliable basis, an estimated figure will be accepted.

"Although standing charges must of necessity vary with individual circumstances, they will, in general, be made up from the following: (a) rent, rates and taxes; (b) mortage interest, interest on loans and debentures; (c) directors' fees; (d) salaries to permanent staff and wages to skilled employees; (e) advertising contracts, etc. Whatever the range required, the policy can be made to embrace them, provided they are specified and approved by the insuring company."

The foregoing account gives some idea of the immense benefit which accrues to the person or company who takes out a profits insurance policy.

CALCUTTA INSURANCE LTD.

The report of the valuation of the assets and liabilities of the Calcutta Insurance Ltd. (Manager: Mr. P. K. Sen, Calcutta), as at 31st December, 1951, reveals a surplus of Rs. 5.88 lakhs, being the excess of the balance of life assurance fund of Rs. 99.89 lakhs over the net liability of Rs. 94.01 lakhs. The Company's Actuary, Mr. T. Ghosh, has recommended the payment of a simple reversionary bonus of Rs. 9 per Rs. 1,000 assured for the calendar years 1948, 1949, 1950 and 1951 on all policies in full force on 31st December, 1951. This is certainly a creditable achievement, considering that no bonus was declared at the last valuation.

The report also discloses considerable improvement in new business, annual premium income, total business in force and life assurance fund during the intervaluation period under review, namely, 1st January, 1948, to 31st December, 1951, as the table below will show:

(Rs. in lakhs)

	Average sum assured per year	Average premium income	Business (a)	Life fund (a)
1-1-38 to 31-12-42 ..	21.82	24.92	99.73	23.38
1-1-43 to 31-12-47 ..	78.02	58.40	329.85	55.63
1-1-48 to 31-12-51 ..	130.82	87.47	473.51	99.89

(a) As at the end of each period.

The net rate of interest earned during the period varied from 3.42 per cent. to 3.77 per cent., the average for the whole period being 3.61 per cent. There was some rise in the expense ratio from 1948 to 1949 but thereafter the tendency was downward. The average renewal expense ratio for the 1948-51 period is 18.46 per cent. In 1951, the ratio was as low as 17.04 per cent., as compared with 19.16 per cent. in 1950 and 20.00 per cent. in 1949. The Actuary rightly considers the results of the valuation to be "highly satisfactory," and believes that, if expenses were kept under control, the next valuation will "produce even better results."

INSURANCE DIRECTORY

The 1952 edition of the *Life Insurance Directory* (edited by Mr. Ashutosh Banerjea, Calcutta, and published by Chaya Publications Ltd., 2/1, Mission Row, Calcutta, price Rs. 3-8), maintains the high informative quality of its predecessors. Besides the names and addresses of insurers working in India and the actuaries in this country, and the text of the Insurance Act, the *Directory* gives a summarised version of the working of each insurance company. Thus, it gives, in respect of each company, the names of directors, the conditions under which surrender value is quoted and loans against policies given and a summary of the latest available valuation report. It also gives the rates of premiums for whole life and endowment policies for ages 20-45. There is no doubt that the publication is a useful guide to all workers in the field of life insurance, as also to those who are generally interested in insurance whether for academic or personal reasons.



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PAKISTAN'S ECONOMY IN 1952

ALL-ROUND SETBACK NOTED

(From A Correspondent)

DURING 1952, Pakistan's economy was principally dominated, as in 1951, by international developments. The stockpiling and rearmament programmes undertaken by the various nations, following the outbreak of war in Korea in June, 1950, and the consequent scramble for raw materials had brought unprecedented prosperity to Pakistan in 1951. The prices of her staple export commodities had also reached record levels in March/April, 1951. With the slackening in the demand for stockpiling purposes and the spreading of rearmament over a longer period, there was a reversal in the demand for Pakistan's exports. Their prices also fell appreciably. Between January and November, 1952, the prices of jute and cotton declined by some 45 per cent. and of hides and skins by 39 per cent. The price of wool also, which had crashed from its peak level of Rs. 300 per maund in April, 1951, to Rs. 131 by December, 1951, declined further to Rs. 100 in the first quarter of 1952, though it showed some steadiness subsequently.

This sharp fall in the demand for, and the prices of, Pakistan's exports resulted in considerably reducing the earnings of foreign exchange during 1952. Imports, on the other hand, showed only a moderate decline owing to the Government's economic policy. The Government not only did not cut down the imports till at a very late stage but, by sustaining internal incomes through their "support" schemes, actually helped to keep up the demand for them. Pakistan's balance of payments position, therefore, turned sharply adverse during the year. It may be remembered that, in 1951, Pakistan earned a huge surplus of Rs. 52 crores. As against this, in the first nine months of 1952 for which figures are available, Pakistan incurred a deficit to the tune of Rs. 78 crores. Moreover, as will be seen from the table below, this deficit was increasing from quarter to quarter and reached a record level of Rs. 40 crores in the quarter July-September, 1952.

Pakistan's Overall Balance of Payments

(In crores of rupees)

	1952		
	Jan.-Mar.	Apr.-June	July-Sept.
Exports	71.00	38.49	20.89
Other receipts	7.39	5.32	4.73
Total receipts ..	78.39	43.82	25.62
Import on private account ..	62.71	46.58	43.57
Imports on Government account ..	15.75	16.09	14.94
Other payments	9.99	8.48	7.08
Total payments ..	88.44	71.15	65.59
Deficit	—10.05	—27.33	—39.96
Level of gold, dollar and sterling reserves at the end of the period..	134.50	104.57	66.23

Budgetary Deficit

Such a sharp swing in the balance of payments has had far-reaching adverse effects on the entire economy of Pakistan. First and foremost, it reacted sharply on the budgetary position of the country. The decline in the demand for exports by itself would have normally resulted in reduced revenues from export duties. The growing unfavourable balance of payments made the position still worse, because it necessitated, in course of time, a substantial reduction (and in some cases even complete abolition) in the export duties in most of Pakistan's important export commodities. The reduction in imports also probably affected, to some extent, the income from import duties notwithstanding some increases in the duties on such items as textiles, vegetables, fruits, etc. The actual customs realisations were, therefore, much behind the levels contemplated in the Budget for 1952-53. What such a fall in the customs revenues means to the financial position of the Government would be better appreciated if it were mentioned that customs duties account for nearly 60 per cent. of the entire revenues of the Government of Pakistan. Moreover, the Government's "price support schemes" for cotton and jute involved the locking up of considerable funds and also some loss to the Treasury in view of the subsequent reduction in the prices of both jute and cotton. As a result of all these factors, the Central Government's balances with the State Bank, which stood at Rs. 58 crores at the beginning of the year, fell continuously and reached such a perilously low level at the end of September, 1952, that recourse had to be had to an advance of Rs. 15 crores from the State Bank. This was the first time that the Pakistan Government had to approach the State Bank for a loan. Further, it also appears that the recently floated 2½ per cent. Pakistan loan 1957-58, which was claimed to have been a complete success, was, in fact, subscribed by the State Bank itself. But for these extensions of credit, the level of the Government balances would have by now (end November) gone down to less than Rs. 15 crores. This compares with the figure of Rs. 65 crores reached at the end of March, 1952. The decrease of Rs. 50 crores over the period could, subject to a small adjustment, if any, for the money locked up in jute, be taken as a rough indicator of the magnitude of the budgetary deficit during the first eight months of the current financial year. It may be noted, in passing, that the budget for 1952-53 provided for an overall deficit of Rs. 32 crores.

Liquidity of the Banking System

The recession in exports had its repercussions on the banking system of the country which may now be briefly noticed. The following table brings together the necessary data to facilitate this study:

Scheduled Banks in Pakistan

(In crores of rupees)

	End of the period					
	June, 1950	Dec., 1950	June, 1951	Dec., 1951	June, 1952	Nov., 1952
Demand liabilities ..	101.9	94.8	111.2	121.2	114.7	112.7
Cash and balances with the State Bank ..	17.9	14.4	22.6	21.0	16.9	12.5
Excess of balances with the State Bank over the legal minimum	7.7	4.1	11.2	7.3	4.1	2.5
Advances and bills discounted ..	49.1	77.0	55.0	91.9	78.0	76.8
Advances and bills as percentages to total liabilities	40.2	65.3	39.5	61.3	55.9	55.4

It will be observed that, at the end of June, 1952, which could be regarded as the end of the slack season, a large portion of the advances extended by the Scheduled Banks in the preceding busy season remained unpaid owing mainly to the poor offtake of cotton and jute by foreign countries. Consequently, the busy season of 1952 started with a much higher level of advances. As a percentage to total liabilities, they stood at nearly 56 per cent. at the end of June, 1952, as compared with 39 and 40 per cent., respectively, at the end of June, 1951 and June, 1950. The Scheduled Banks' cash and balances with the State Bank also showed a decline of Rs. 6.6 crores over the year July-June, 1952, the excess of their balances with the State Bank over the required minimum being only Rs. 4 crores at the end of June, 1952, as against Rs. 11 crores a year earlier.

During the current busy season, the total advances of Scheduled Banks have not so far shown any rise partly because some of the advances made earlier have been perhaps cleared as and when the Cotton and Jute Boards made payment for their purchases of last year's crops of cotton and jute and partly because a part of the new crop of jute is being purchased by Government agencies, co-operative societies and the like. The Scheduled Banks' cash and balances position, however, has shown further deterioration.

Governmental Policy for Meeting the Crisis

Despite the rapidly deteriorating economic situation, the Government was hesitant for a long time to take the necessary steps to meet the crisis. In fact, their first steps—the price support schemes—only helped to worsen the situation by preventing the free play of economic forces which would have brought about a natural adjustment in prices. The prices at which support was extended by the Government to both cotton and jute were higher than those offered by other nations. Consequently, large stocks of cotton and jute which should have otherwise been exported to foreign countries at lower prices found their way to the godowns of the Cotton and Jute Boards. Exports, therefore, suffered. Further, assisted by the "price support," the internal boom and the high level of incomes continued. The demand for imports, therefore, was unabated.

The Government first of all tried to curb imports by introducing some monetary measures like the insistence on opening of letters of credit for all imports, asking for higher margins for opening letters of credit and for granting advances. These were found to be ineffective, partly because of the sustenance, as noticed earlier, of internal incomes by the "support" schemes and partly because of black market money. The Government then proceeded by stages to reduce the export duties and prices of both jute and cotton in order to stimulate exports and increase the foreign exchange earnings. Initially, the Government permitted cotton to be sold at 10 per cent. below the minimum price, itself undertaking to suffer the loss. Then, the duty on jute was cut down by about 50 per cent. Simultaneously, the minimum price of jute was reduced by Rs. 6 per maund, though in the case of India a special licensing fee of Rs. 2-8 per maund was imposed. In the beginning of September, the export duty on Desi varieties of raw cotton was completely abolished, while that on other varieties was reduced by 50 per cent. The price support scheme for cotton was also later discontinued. Meanwhile, imports under the O.G.L were slashed by about 50 per cent. and customs duties on textiles, which accounted for a sizable share of the total private imports, were raised by about 25-30 per cent. Towards the end of November, the O.G.L. was cancelled and all imports, including even such items as newspapers, were subjected to licence.

This brief review of Government's export-import policy during the year would indicate that in its actions the Government was halting and piecemeal. Apparently, the Government was reluctant to take any specific measure unless it was inevitable. Thus it reduced the export duties on jute and cotton only when the new crop started coming in. Meanwhile, it was saddled with substantial quantities of both jute and cotton which would only add to the difficulties of the current year. The Government was also very hesitant to slash down imports and did it only at a very late stage. The result was that, while income from exports fell steeply in the second and third quarters of the year, imports continued to come in on a fairly large scale.

Future Prospects

Pakistan is now facing, along with other primary producing countries, the problem of a buyers' market, increased consumer resistance and adverse terms of trade. Her position is highly vulnerable because of her dependence on only two commodities—jute and cotton—and large carry-overs of both of these from last year. The carry-over of jute at the end of June, 1952, was estimated at 15 lakh bales and of cotton at 4 lakh bales. The current year's production of jute and cotton is placed at 70 lakh bales and 19 lakh bales, respectively. The domestic consumption of cotton would be about 2 lakh bales and of jute practically nothing. The exportable surplus of jute and cotton during the current year is, therefore, of the order of 85 lakh bales and 21 lakh bales, respectively. At the end of November, it was reported that 34 lakh bales of jute had been either sold or contracted for, while practically the whole of the old cotton crop had been disposed of. If this claim is correct, then there are 51 lakh bales of jute and about 17 lakh bales of cotton awaiting disposal. As against this, the world demand for these commodities is now likely to be very limited in view of the general recessional tendencies.

Moreover, both Pakistan's foreign exchange reserves and the Central Government's balances have reached such a low level that it would not be possible to wait any longer for something to turn the corner. Only courageous and realistic policies would save the situation. It is inevitable that, in a recession of the kind which the world is facing to-day, primary producing countries will be the worst sufferers. But it is no use attempting to insulate the internal economy from the effects of such a recession as was sought to be done by the Pakistani authorities last year. Any such attempt merely has the effect of transferring the balance of payments deficit to the State revenues and this cannot be done indefinitely; nor is such a result advisable either. What is required is the adoption of more rational budgetary and economic policies. It is necessary to balance the budget even if it means cutting down the expenditure on development schemes. Imports have to be slashed at least to such a level as could be paid for by the earnings from exports. Finally, what is most important is that export policy and prices will have to be adjusted to the changing requirements. Old prejudices must be given up. Attempts at artificial diversification of trade will have to be modified and the old but natural pattern of trade restored.

ANNUAL MEETING OF DALMIA CEMENT LIMITED

MR. J. DALMIA ON INDUSTRIAL DEVELOPMENT UNDER FIVE-YEAR PLAN

THE recommendations of the Planning Commission, in its final version of the Five-year Plan, in regard to the industrial development, in general, and the expansion of the cement industry, in particular, were commented upon by Mr. J. Dalmia, Chairman of the Dalmia Cement Ltd., in the course of his address at the Fourteenth Annual General Meeting of the Company held at Dalmiapuram on 31st December, 1952. The initiative and responsibility for securing the necessary expansion of the bulk of industries having rested with private enterprise, under the Five-year Plan, the major question that arises in this context is the availability of finance needed for development in the private sector. In Mr. Dalmia's opinion, the Plan has overlooked the necessity for adequate incentive for stimulating capital formation. Further, the restrictions on distribution of profits and issue of bonus shares suggested in the Plan, Mr. Dalmia said, would further aggravate the difficulties of securing fresh capital.

Another question of topical interest which figured prominently in Mr. Dalmia's address was the selling price of cement. The recent reduction in the controlled selling price of cement in India was characterised by him as inopportune, as it resulted in a loss to the industry because of the large stocks of high-priced packing material held.

The following is the full text of Mr. Dalmia's address:

"GENTLEMEN,

"I welcome you to the Fourteenth Annual General Meeting of your Company. The balance-sheet and profit and loss account with the Report of your Directors for the year ended 31st December, 1951, are in your hands. You will agree that the working results for the year under review have been quite satisfactory.

Five-year Plan

"The Five-year Plan recently presented to the country has placed the cement industry high in the order of priorities of industrial development. The Plan anticipates additional demand for basic commodities like cement, as a result of the general development during the five-year period. Emphasis has been laid generally on the fuller utilisation of existing capacities and in respect of the cement industry, expansion of the capacity is also planned. The rated capacity and actual production of the industry according to the Planning Commission in the year 1950-51 have been 31.94 lakh tons and 26.92 lakh tons respectively and the target for expansion under the Plan is to attain by 1955-56, the rated capacity of 50.16 lakh tons and actual production of 45.50 lakh tons, involving an estimated investment of Rs. 15.4 crores. The cement industry has already registered a substantial increase in the production capacity and the rated capacity at present is approximately 40.25 lakh tons. Together with the rise in consumption of cement inside the country, it is estimated by the Planning Commission that the exports of cement will also increase from .30 lakh tons to 3 lakhs ton a year.

"Under the Five-year Plan, the initiative and responsibility for securing the necessary expansion over the bulk of the field of industry rests with private enterprise. The total capital investment needs for industrial expansion in private sector have been estimated at Rs. 233 crores, besides Rs. 150 crores required for replacement and modernisation of the existing plant capacity. The major question in this context is the availability of finance needed for development in the private sector.

Capital Formation Under The Plan

"The Plan appears to have overlooked to provide facility for capital formation. The recommendations of the Plan, placing restrictions on distribution of profits and issue of bonus shares, will further aggravate the difficulties of securing fresh capital. Such a policy is likely to make investment shy. Even the expectations of the Plan that new capital to the extent of Rs. 90 crores would be available, may not materialise in the absence of any constructive and positive attitude towards investment.

"The main source of finance according to the Plan is the accumulation of undistributed profits of corporate industry, which are estimated, exclusive of depreciation reserve, at Rs. 200 crores. The quantum of undistributed profits is expected to increase by exercise of restraint in dividend policies and by enforcing agreed price increases in selected lines. Considering the depression which has overcome the market and the increasing competition which the industry is facing, it is unsafe to expect that the industries will earn such profits that these may be accumulated and ploughed back in adequate measure in expansion schemes.

Labour Welfare Schemes

"Labour welfare schemes are good and they should be enforced, but the enormity of these schemes in such a short spell of time coupled with labour tribunals is giving a trying period to the industry. This strain on the industry can be substantially reduced if labour determines to improve efficiency and production. Otherwise, in the long run, both labour and capital are bound to suffer severely. The Plan accepts that the rate of progress has to be determined not only by the needs of workers but also by the limitations of the country's resources and that, too rapid changes or changes on a wide scale may result in financial, administrative and other difficulties which endanger new reforms and retard further development. It is, therefore, hoped that the Government will exercise care and caution and defer for at least the Plan period any new schemes likely to burden the industries with further expenditure.

"As already stated by me, the Plan has recommended agreed price increase in selected lines, as a means to increase the undistributed profits. While the recommendation is welcome and will be helpful, it may be pointed out that such increases can only be effected in respect of commodities which are under price control. Then there are also certain limitations upon the extent to which these increases can be sustained without affecting the consumption, which also has to be secured if the increased production is to be maintained.

Reduction in Price of Cement Inopportune

"Recent reduction in the controlled selling price of cement in India due to fall in prices of packing materials, has been inopportune and resulted in loss to the industry because of the large stocks of high-priced packing material held. The industry has represented to the Government regarding the increases in the production cost resulting from increased labour costs, compulsory statutory amenities, increase in raw material cost and transport freight, etc. The newly set up units and factories situated in the South are particularly hard hit. The Tariff Commission has now been entrusted with the fixation of fair selling price and all the cost increasing elements will be examined in detail by it. The industry is also placing before the Tariff Commission the need for making adequate reserves for replacement and modernisation of the old plant and equipment which has been subjected to heavy utilisation. In this connection the Plan has failed to envisage and has not made any recommendation for revision of the existing practice of allowing depreciation on the basis of original cost of the plant and equipment, even though the Plan has taken note of the high prices at which replacements have to be obtained, prices four times the original cost of the equipment. Thus, the industry is being taxed on the reserves needed for replacement which is against accepted principles of taxation besides being inequitable.

"It has also recommended the standardisation of wages in as large a field as possible. These measures, I am sure, will be conducive to the attainment of an industrial truce which is necessary for achieving the targets of production.

"The Plan has also taken notice of the imperative need to reduce costs by rationalising industrial processes. A major difficulty in the way of increased production is the large surplus of labour which is on the pay-roll of industries. Assistance should be forthcoming in implementing schemes of rationalisation. Recently, we were compelled to discharge about 125 workers at Dalmiapuram factory, who had been taken in temporary employment for hand-packing of cement. They were employed on the clear understanding that they will be discharged as soon as the packing machine was installed. Now, even though the machine is ready to function, the workers oppose the discharge of these temporary workers and even resorted to a stay-in strike without any notice. If the workers' unions are to serve the cause of labour in a sincere manner they should assist, rather than oppose, any scheme of rationalisation. The Five-year Plan has drawn pointed attention to the need for higher level of productivity and the responsibility of labour in achieving it. The Plan exhorts labour to accept greater regularity in attendance, disciplined behaviour and meticulous discharge of duties. I hope the workers of the country will act up to this advice and conduct themselves in a more responsible manner.

Industrial Tribunals

"There is general agreement that it is desirable to ensure avoidance of disputes by internal settlement, failing which voluntary arbitration may be accepted. The recommendation of the Plan regarding the recruitment and training of personnel of tribunals and the provision of technical help to them is welcome. Experience has shown that the existing tribunals manned by retired judicial personnel have been guided more by political thought than by the merits of the dispute in the adjudication proceedings. The personnel to be recruited and trained for the tribunals should be persons with sufficient insight into the problems of both labour and capital. If there are competent persons constituting the tribunals and they are kept free from executive interference and dependence the recommendation of the Plan limiting the right of appeals to exceptional cases, would be justified.

Plan Should be Made a Success

"Before I close my address, I would like to say that it is easy to find fault with any plan, but we must realise that with all its limitations it is the first planned effort towards the development of the country's resources and towards increasing the standard of living of our people and we must all strive hard and contribute our maximum effort towards the success of the Plan. It is the effort of each one of us which is needed to make our Five-year Plan a success. This Plan is the country's revolution. It is our ambition; the outside world is going to judge us by our achievement in this sphere. The country's reputation and prestige are involved in it and so are our welfare and prosperity.

"In the end, I would like to express the Company's sincere appreciation of the services rendered by our workers and staff in different factories and offices.

"I now move that the balance-sheet and profit and loss account and the Directors' report for the year ended 31st December, 1951, be approved and adopted by you."

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Issued Capital	.. Rs.	5,77,50,000
Subscribed Capital	.. Rs.	5,76,66,125
Paid-up Capital	.. Rs.	3,14,54,250
Reserve Fund and Other Reserves	.. .. Rs.	3,98,68,767
Deposits as at 30-6-1952	Rs.	1,28,58,31,903

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SIR A. RAMASWAMI MUDALIAR'S ADDRESS AT ANNUAL GENERAL MEETING

APPEAL FOR FRATERNAL CO-OPERATION IN INTERNATIONAL SHIPPING

THE cause of new-comers to the shipping world in international trade was ably championed by Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon), Chairman, India Steamship Company Ltd., in the course of his address to the shareholders of the Company at their Annual General Meeting held in Calcutta on 30th December, 1952. He drew pointed attention to certain prejudices which a few 'irreconcilables' in the world Shipping Conferences had created against the new-comers. He showed how reluctant were the old-established shipping lines to give the new-comers a reasonable share in the carriage of world maritime trade. He felt that it was high time these Lines realised the change that had come over the world and agreed to let the new-comers have a fair share in world shipping trade. Appealing for reasonable understanding and a new approach to the problems of nascent shipping, he observed that the policy of "live and let live," enunciated many years ago, seemed to be still the correct and, indeed, the wisest policy.

Sir Ramaswami Mudaliar also referred to the inadequate facilities in the various Indian ports, particularly in Calcutta, and the delays that occur in ports, both in India and abroad, causing considerable loss to shipping companies.

The following is the full text of Sir Ramaswami's speech:

"GENTLEMEN,

"The audited accounts and the Directors' report for the period ended 31st March, 1952, have been in your possession for some time. With your permission, I shall take them as read.

"In my last annual address, I referred to the progress that the Company had made in getting admission to regular full membership of some of the Conferences. I emphasised the importance of membership of these Conferences and pointed out that, owing to the nature of the working of these Conferences, a non-member is affected adversely in several ways. I expressed the hope then that the right and privilege of becoming members of the Colombo-Continent Conference and the Colombo-U.K. Conference would be recognised by the other Lines very shortly. I pointed out that it was most anomalous that Indian vessels starting from Calcutta should not freely carry freight from Colombo to the U.K. ports and the Continent, having regard to the naturally close, geographical and other relationship between India and Ceylon and bearing in mind that the Ceylon ports were part of the Coastal Conference ports in the past. I regret I am unable to report any progress in the direction of our admission to these Conferences. On the other hand, there is a tendency to show preference to foreign Lines on the basis that, before the last war, they were carrying trade with these ports. I shall refer to this extremely unsatisfactory aspect of international shipping a little later.

Trading Experience

"I am glad to be able to report that the Company has progressively increased the amount of cargo that it has carried in spite of various difficulties and obstacles connected with international trade and the freight earnings have also tended to show an increase. The Directors' report shows that the freight earnings for the year under review amounted to Rs. 384 lakhs, an increase of more than a crore over the earnings of the previous year. It is true that conditions during the year were comparatively favourable, partly owing to the increase in freight rates and partly owing to the demand for shipping space as a result of the Korean situation. It must, however, be pointed out that delays and detentions at ports, both Indian and foreign, were longer than even in the previous year, with the result that a round voyage for a ship took much more time than was scheduled or was the case in the previous year. These delays are becoming an increasingly serious problem for all shipping companies and particularly for the Indian shipping companies which have as yet a very limited number of ships plying in the overseas trade.

"In spite of the difficulties mentioned above, I am in the happy position to state that the financial results of the year under review have been fairly satisfactory and the hope that I expressed last year that the Company had turned the corner has proved fairly accurate. It must be a source of gratification to you, as indeed it is to me as Chairman and to my fellow-Directors, that the Company is in a position to pay a dividend this year for the first time after setting apart various sums of money for depreciation and reserves and wiping out the losses of previous years. The cash resources of your Company being quite satisfactory, your Board has decided to redeem the entire series of the mortgage debentures of the face value of Rs. 25 lakhs and notice has already been given that they will all be paid on 1st March, 1953.

Coastal Trade

"Your Company, while mainly concerned with overseas trade, has not neglected the importance of the coastal trade which is now the sole concern of Indian-owned shipping companies. During the last few months, one of the ocean-going vessels, the *Indian Importer*, has been put on the coastal trade without, however, diminishing the number of vessels engaged in overseas trade. Your Company is a member of the Coastal Conference and hopes to play a more active part in the near future in the coastal trade.

Port Facilities and Delays

"The facilities afforded, according to modern ideas, to shipping companies in the various Indian ports, and particularly in Calcutta, has been the subject of comment for some years. Calcutta is the main port of India, catering for nearly 50 per cent. of the freight to and from India. Owing to lack of finances in the past, the modernisation of this port, which will continue to play a leading part, has been considerably delayed. It is a matter of gratification, therefore, that the Planning Commission has specifically referred to the need for improvement, modernisation and development of the major ports and has, in its Five-year Plan, set apart a fair sum for the purpose. I hope that, with this finance and with what the Port Authorities are expected to find out of their reserves and resources, the implementation of the proposals for modernisation and proper equipment at these ports will be effected speedily. While I recognise that the Port Authorities at various ports have expert knowledge and are qualified to suggest methods of improvement and while the Port Trust in each port is composed of unofficial advisers connected with commerce, industry and shipping, I would suggest that, before these plans for modernisation are finally accepted, an opportunity may be given for the representatives of shipping companies to discuss such plans and to suggest the directions of improvement to meet their special needs.

"Go Slow" Tactics

"I referred earlier to the delays that occur in ports both in India and abroad. Confining myself to these delays in Indian ports, I would like to point out that the policy adopted by some of the labour union leaders, particularly some of those connected with stevedore labour and port labour, is not conducive to the proper working of the port and severely militates against the interests of shipping companies and business concerns. The delays at some of these ports can be largely ascribed to the policy of 'go-slow' that some of this labour has adopted, unfortunately under wrong leadership. I made it clear, in my last speech, that any reasonable proposal for amenities to such labourers will be readily recognised by shipping companies and by stevedore agents but that the reason for such 'go-slow' tactics is not to get increased amenities but for different objectives altogether.

"It is, indeed, unfortunate that some leaders of labour, desiring to keep as many workers as possible on the employment roll in industry, have steadily advised their members to resort to such tactics without regard to the consequences. That this feature is not peculiar to the shipping industry but that it is to be found in some of the other industries where such kind of labour leaders have gained dominance makes it all the more necessary that the Governments, States and Central, should take special note of this fact and should provide measures whereby, while labour is kept contented, the work-load of the labourer is fair and adequate. I understand that experts on production problems in the country are now examining the problem and trying to ascertain the proper work-load which, under given conditions, a worker can undertake. Knowing the interest which the Minister of Labour has taken in this aspect of the question and the advice that he has given from time to time ever since he assumed office, I feel confident that a remedy may be found for the grave state of affairs that now exists in several ports so far as shipping is concerned, and in many industries all over the country.

Shipping Industry

"As a result of the recent General Elections, a new Minister is in charge of Transport in the Central Government. Transport includes shipping and I feel confident—in fact, the experience of the last few months proves—that the problems of shipping are receiving and will continue to receive increased attention both from the Minister and from the Secretariat of the Ministry. There have been two meetings of the Consultative Committee on Shipping under the presidentship of the Minister of Transport and the views of the representatives of Indian shipping companies have been freely expressed and I am glad to state that the Minister and his advisers have made every effort to understand the point of view of the shipping companies.

Government Decision

"The Planning Commission has stated that the total gross registered tonnage of Indian shipping should be about 600,000 tons by 1955-56. When it is remembered that the present tonnage is a little over 400,000, the increase proposed is extremely modest. We must be thankful to the Government that, at long last, a decision has been arrived at regarding the policy of granting loans and the terms and conditions under which such loans may be granted to Indian shipping companies who wish to augment their fleet by the purchase of second-hand ships or by ordering new ships both for the coastal and overseas trade. The loan is to be granted for a portion of the cost price at concessional rates. This request for loans at a concessional rate of interest has been pending before the Government for the last few years; and, without looking back on the past and reflecting on the great good that such a loan, if it had been granted a couple of years earlier, could have done, the Indian companies must still be thankful that, ultimately, this decision has been arrived at. Your Company proposes to take advantage of the offer of the Government and proposals for augmenting the fleet are under consideration before your Board. The details of how the tonnage should be acquired and how soon that tonnage will be available if the benefit of the loan from the Government is availed of, are matters which are receiving the earnest consideration of your Board.

International Competition

"The prospects for the current year are hopeful. Though it has been noticed that there has been some shrinkage of trade and restriction in the movement of cargo, it is the general impression that this is only a temporary phase, because, fundamentally, the demand for goods is still unabated. Your Company is being run as economically as possible and, on the operation side, every effort is being made to check and control the high cost of operations, but, in some items of expenditure, the Company is helpless, as these items are beyond its control. I would, however, like to emphasise that the difficulties which your Company and other Indian shipping companies are experiencing in the overseas trade are on the increase instead of diminishing. These difficulties are specially accentuated in a period when freights are not freely offering, when charges for bunkering do not show much decrease and delays in the turnround of ships and port and harbour dues show no sign of decline. It is at these times of competition that Indian shipping, with its small number of ships, finds itself at a peculiar disadvantage. The infrequency of services of Indian shipping at particular ports, the time taken for freight to move from the port to its ultimate destination and the number of ports at which such ships call are all factors which are utilised for adverse propaganda against Indian shipping.

"Your Company and the Scindia Steam Navigation Company are the two shipping companies that are engaged in the India-U.K.-Continental trade. With a view to overcome some of this propaganda and to give better service to shippers at certain of the Continental ports where competition is most keen, the managements of the two companies have come to an understanding whereby an integrated service enabling ships of the two companies to call more frequently at such ports has been arrived at.

"As Chairman of your Company, I have tried to foster the idea of friendly understanding and helpful co-operation between the two Indian shipping companies engaged in the overseas trade. It is a matter of personal satisfaction to me that this understanding has been arrived at and I would offer my congratulations to the management of both the companies on their wisdom in arriving at such an understanding and trust that this will be the precursor of even greater co-operation between the two companies.

Flag Discrimination

"I have referred only to one kind of propaganda regarding the frequency of service or delays in delivery of goods at destination. There are various other methods which are frequently resorted to by some of the Lines engaged in the competitive trade, which are not calculated further the healthy development of Indian shipping. I must refer particularly to accusations of flag discrimination which are freely made further at meetings of International Chambers of Commerce or of the International Shipping Federations where a majority of well established shipping companies show extreme concern at what they regard as flag discrimination. I should like to be quite frank on this subject, as it is true that the views held by the 'have-nots' in the shipping world should be as clear as those constantly expressed by the 'haves.' The prejudice against a new-comer into the shipping world is formidable and cannot be lightly regarded. It is sometimes pointed out that shipping companies, which have long carried on business with countries and have thereby fostered international trade and commerce, should be treated with grateful respect and that newcomers must have due regard to the many services that such old and well-established companies have rendered in the past. In fact, the new-comers are thought to be unreasonable, if they claim that they should have opportunities for a fair share in such trade. It may be true that well-established old shipping companies have promoted international trade but the exact nature of the truth depends very much on the angle of vision which one brings to bear on such questions. Another view is possible and may express the truth equally clearly, the view that old and well-established companies, having had a monopoly in the past of all the international trade of the country concerned, should now gracefully yield some place at least to newcomers who have a right as shipping companies of maritime countries or of countries which have a fair amount of export and import trade to partake to a reasonable and an ever-increasing extent in such trade. I have had opportunities of attending more than one Conference and I must confess sometimes to the depressing feeling that the *status quo* is too often desired by some at least of the well-established old shipping companies and the need and wisdom of providing a small niche in the shipping world for new entrants is often ignored. The world has changed enormously, not merely between the two world wars but more so after the Second World War. Kingdoms have disappeared, empires have disintegrated, colonial possessions have shrunk. A new international economic understanding and policy is being advocated by those who have the vision to see the trends of the future clearly and, in particular, the problem of the undeveloped and underdeveloped countries is rising more prominently on the horizon of the international world. It is somewhat disheartening to find on occasions the echo of the voice that 'as things were they should continue to be.' To make comparisons of pre-war tonnage of well-established shipping companies with their present tonnage and to express dissatisfaction that the present tonnage has not yet come up to the pre-war standard or, if it has come to that standard, to take umbrage at the fact that the percentage of freight carried is not as much as it was before the Second World War is to ignore the realities of the situation and naively to challenge the position of new-comers into the shipping world. I feel certain that the large body of shipowners of the international shipping world recognise that changes are inevitable and that new-comers have come to stay and must be reasonably accommodated. But it is the few irreconcilables that create the biggest obstacle to fraternal co-operation in international shipping.

Government Intervention

"I have struck this note not by way of criticism or complaint of any shipping company or any member of any Conference but by way of an appeal to all concerned for reasonable understanding and a new approach to the problems of nascent shipping all over the world. The policy of 'live and let live,' enunciated many years ago, seems to be still the correct and, indeed, the wisest policy. Indications are not wanting where a short-sighted approach to this problem, making it difficult for the nascent industry to develop, has resulted in some at least of the Governments concerned taking a more active part in the protection of their shipping and in nullifying thereby the policy which Conferences wish to adopt of commercial agreements alone functioning in this sphere of mutual adjustment.

"Business restrictive practices do not always come to the surface, their meandering ways being often difficult to expose. Intervention by Governments, on the other hand, are open and much more easily discernible, thanks particularly to the democratic forms of government and free publicity in legislatures. But discrimination through restrictive business practices are far from effective, particularly where a business community through years of experience, has become strongly unified and completely integrated. As Chairman of your Company, I share the feeling that, as far as possible, international shipping should be allowed to develop on the basis of its own resourceful activities, far-sighted management and devoted service and that satisfactory arrangements at a commercial level should be arrived at in a fair and equitable manner. I feel, however, that State intervention will be inevitable in many countries, if instead of such helpful and understanding agreements nascent shipping comes against a dead wall or prejudice either artificially created or prevalent almost as a habit among certain communities. If the chances of fair treatment are not bright, a state of affairs would arise which could only lead to the antidote of direct Governmental intervention.

Thanks

"I have already referred to the increased attention which the Ministry of Shipping is paying to the problems of Indian shipping, coastal and overseas. The Director-General of Shipping and his office have maintained their interest during the year and the Company has availed itself of the very generous and helpful advice that the Director-General and his staff have given from time to time. I should also refer to the co-operation that has been extended to us by the staff at various ports and particularly in Calcutta and the advice and assistance which the Chairman of the Calcutta Port Trust has in particular rendered to us. I would like to congratulate the Chairman of the Calcutta Port Trust on his well deserved promotion to the responsible office he will hold in the new year. The Shipping Industry will have in him a well-equipped and understanding official.

"If the results of the working of your Company during the last year have been satisfactory, the main credit goes to the shippers who have patronised our fleet, to the staff of your Company both overseas and on land and to your representatives abroad, general agents and port agents. All of them have shown even greater interest in your Company's affairs and I would like to record the thanks of your Directorate to all of them who have so consistently safeguarded and promoted the interest of your Company."

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JUNAGADH
KOZHIKODE
(Late Calicut)
MADRAS
NAGPUR
Kingsway
Itwari Bazar
PALANPUR
POONA
POONA CITY
RAJKOT
SURAT
SHOLAPUR
VERAVAL

Branch in Pakistan:—KARACHI
Branches in Japan:—TOKYO AND OSAKA
Branch in Malaya:—SINGAPORE
London Branch:—17 MOORGATE, LONDON, E.C. 2.

DIRECTORS

SIR COWASJEE JEHANGIR, BARONET, G.B.E., K.C.I.E. (Chairman).
MR. AMBALAL SARABHAI.
SIR JOSEPH KAY, K.B.E.
MR. DINSHA K. DAJI.
MR. RAMNIWAS RAMNARAIN.
SIR KIRABHAI PREMCHAND.
MR. BHAGVANDAS CHUNILAL MEHTA.
MR. KRISHNARAJ M. D. THACKERSEY.
MR. A. D. SHROFF.

Current Deposit Accounts.—Except at certain places interest is allowed on daily balances from Rs. 500 to Rs. 1,00,000 at 2% per annum. No credit will be given for interest amounting to less than Rs. 5 per half-year

Fixed, Short and Savings Bank Deposits received on favourable terms. Rates on application.

Foreign Exchange Business Transacted, and Letters of Credit opened for approved customers.

The Bank acts as *Executor and Trustee under Wills and Settlements* and undertakes Trustee business generally.

General Banking Business transacted.

A. C. CLARKE, *General Manager*

THE
HONGKONG & SHANGHAI BANKING CORPORATION

(Incorporated in the Colony of Hong Kong)
The liability of Members is limited to the extent and in manner prescribed by Ordinance No. 6 of 1929 of the Colony

Head Office: HONG KONG
BOMBAY OFFICE OPENED 1869

Capital .. .. .. Hkg. $20,000,000
Reserve £6,000,000
Reserve liability of Proprietors Hkg. $20,000,000

Banking and Exchange business transacted.

Offices at:

GREAT BRITAIN: London.
UNITED STATES OF AMERICA: New York, San Francisco.
FRANCE: Lyons. GERMANY: Hamburg
INDIA: Bombay, Calcutta. CEYLON: Colombo.
BURMA: Rangoon. SIAM: Bangkok.
MALAYA: Singapore, Cameron Highlands, Ipoh, Johore, Kuala Lumpur, Malacca, Muar, Penang, Sungei Patani, Teluk Anson, Orchard Road (Singapore).
INDO-CHINA: Haiphong, Saigon.
STATE OF BRUNEI: Brunei Town, Kuala Belait.
BRITISH NORTH BORNEO: Jesselton, Sandakan, Tawau.
INDONESIA: Djakarta, Surabaia.
PHILIPPINE ISLANDS: Manila, Iloilo.
HONG KONG: Hong Kong, Kowloon, Mongkok
CHINA: Shanghai
JAPAN: Tokyo, Kobe, Osaka, Yokohama.

And through our Correspondents throughout the World.

The Bank's Offices at LONDON, HONG KONG SINGAPORE undertake Trusteeship and Executorships

Current Accounts opened and Deposits at Call on Short Notice and Fixed Deposits
received on terms available on application.

LONDON OFFICE: 9 Gracechurch Street, E.C. 3.
CALCUTTA OFFICE: 31, Dalhousie Square.
BOMBAY OFFICE: 16, Churchgate Street.

A. F. JUDD, *Manager*

THE
UNION BANK OF INDIA LTD.

Estd. 1919

Head Office:
APOLLO STREET, FORT
BOMBAY

Capital Paid-up .. Rs. 40,00,000
Reserve and other Funds Rs. 28,25,000

Chairman:
M. S. CAPTAIN, Esq.

OVERSEAS BUSINESS
Special Department at the Bank's Head Office is fully equipped to handle every description of Overseas Banking Business.
INQUIRIES ARE INVITED

London Agents:
WESTMINSTER BANK LTD.
NATIONAL CITY BANK OF NEW YORK

Australian Agents:
AUSTRALIA & NEWZEALAND BANK LIMITED

F. K. F. NARIMAN,
General Manager.

THE MYSORE SUGAR COMPANY, LIMITED

MR. A. G. BANDI GOWDA'S SPEECH AT ANNUAL GENERAL MEETING

POLICY OF SUGAR DECONTROL COMMENDED

THE Nineteenth Annual General Meeting of the Mysore Sugar Company, Limited, was held at the Company's Registered Office at Bangalore on Tuesday the 30th December, 1952, at 4-35 p.m. The following is the text of the speech made on the occasion by Mr. A. G. Bandi Gowda, B.A., B.L., Chairman and Managing Director of the Company:

"It gives me great pleasure to welcome you to this the nineteenth annual general meeting of the shareholders of the Mysore Sugar Company, Limited. From the Directors' report and audited statements of accounts, already in your hands, you would have observed, with satisfaction, how favourable the year was for your Company, especially when it is remembered that the year preceding had been a year of loss. The year has been an eventful one and I venture to say that it is bound to go down as probably the very best year in the history of the Company. The results obtained, both on the manufacturing side and on the trading side, have excelled all previous records.

"In accordance with usual practice, I shall now make a brief review of the more important events connected with the working of your Company during the year under report and of the conditions of the sugar industry, in general, as well as of the immediate problems confronting us.

"Sugarcane crushing operations in our Mandya factory started on 12th July, 1951, and lasted up to 24th March, 1952, spread over 341 milling days. Right from the commencement, the mills began to crush at over 1,500 tons of cane per day and, on many days, as much as 1,800 tons and more of cane was crushed and over 200 tons of sugar recovered. Cane supply was both abundant and steady and, over and above the contracted supplies, a considerable quantity of extra cane was purchased and milled with the object of maximising production of sugar, in consonance with the policy of the Central Government. The fixation of a ceiling price for jaggery, in parity with sugar price, and the subsequent slump in the jaggery market, following the general recession in prices from the early part of 1952, led to the factory getting more than adequate supply of sugarcane.

Higher Sugar Recovery

"The quality of the cane was also uniformly good and the yield showed a marked improvement, the average yield obtained by growers during the year being 38 tons per acre, as compared to the normal yield of 30 tons. This is an encouraging sign. The yield in our farms, too, registered an increase and you will be pleased to hear that a two-acre plot recently harvested in our Kodihally farm gave a yield of 104 tons per acre. During the year, a total quantity of 3,22,475 tons of cane was crushed. The quantity of sugar produced was 37,155 tons, which constitutes a record and amounts to 2½ per cent. of the total output of sugar by all the 138 sugar factories in the country. This high production of sugar is largely due to the exceptionally good recovery of 11.51 per cent of sugar from cane, which, in turn, speaks of the high degree of efficiency of operations and of the high sucrose content of the cane received at the factory.

"Out of the year's production of 37,155 tons of sugar, 32,040 tons were sold for controlled distribution and 960 tons were sold in the free market. The quota released for free sale was 3,075 tons. It would have been much higher, had it not been for the fact that the Ministry of Food and Agriculture, Government of India, reckoned our 1951-52 crushing season as from 1st November, 1951, to be in line with the normal crushing season in other parts of India. By this change in the reckoning of our official crushing season, we lost the benefit of free sale quota on the production from July to end of October, 1951. The minimum cane price fixed by the Government of India was Re. 1-12 per maund and, on this basis, a price of Rs. 47-10 per ton was paid on the entire quantity of cane purchased during the year. Over and above this, a cess at the rate of Rs. 6 per ton of cane was paid to the Government of Mysore.

Most Urgent Problem

"The policy of partial decontrol of sugar, in force during the season 1951-52, succeeded beyond all expectations in achieving the objective of increased sugar production. Indeed, the policy has succeeded so well that, to-day, there is a large surplus of sugar in the country, which has given rise to new and unexpected problems. Production touched the peak level of 15,00,000 tons, as against 11,14,000 tons in the preceding season. This record production, after a series of years of underproduction and scarcity of sugar, goes to show to what height the industry is capable of rising, given favourable conditions. Strangely enough, with plentiful supply of sugar in the country, demand failed to register an increase, with the result that the offtake has been poor and below expectations. This may be attributed to the availability of jaggery in abundance and at comparatively cheaper prices and to a certain amount of decline in the purchasing power of large sections of the population. The result is that the new 1952-53 season has started with a heavy carry-over stock of about 5 lakh tons of sugar. The most urgent problem facing the industry is the profitable disposal of this surplus, for which there is no ready internal demand. Export to foreign countries offers the only solution. But the comparatively high price of the sugar stands in the way and not much headway has been made in this direction so far. Even a small island country like Cuba produces nearly 62 lakh tons of sugar in a year and is able to export a major portion of it to foreign countries at competitive prices, and it should not be difficult for India to build an export market for her small surplus.

"The recently announced sugar policy for the season 1952-53 aims at correcting the situation that has arisen by the excess production in the previous season and the difficulty in its disposal by reason of its high cost, and lays emphasis on the export of two lakh tons out of the new season's cheaper sugar, or out of the carry-over stock on a replacement basis. The new policy contains several drastic changes and it is to be hoped that it will succeed in maintaining production and in restoring healthy conditions in the sugar market which is now undergoing a transition. Control over price and distribution of new season's sugar has been withdrawn, though control over releases from factories is continued so as to ensure a reserve stock of 3 lakh tons with the industry. The price of sugarcane is reduced from Re. 1-12 to Re. 1-5 per maund and the effect of this will be that the consumer will be able to get sugar at a considerably lower price after the existing stock of dearer sugar is exhausted.

Accumulation of Stocks

"The cane and sugar prices and the sugar control policy are fixed by the Government of India for each crushing season. As the practice with regard to sugarcane planting and harvesting in Mysore is different from what obtains in other parts of India, there has been a certain amount of confusion over the term 'crushing season.' Pending clarification of the position, the release of our sugar produced since 12th July, 1952, was deferred and this led to rapid accumulation of stocks in the factory, presenting serious storage problem. Fortunately, the timely action taken by the Central Government, to depute to Mandya the Joint Secretary of the Ministry of Food and Agriculture to study the situation on the spot, has helped to resolve a crisis which was causing anxiety not only to your Company but also to the cane-growers. The representative of the Central Government held discussions with the Government of Mysore, the representatives of the cane-growers, and the Company, as a result of which satisfactory decisions acceptable to all the parties have been arrived at. I tender our grateful thanks to the Government of India, as well as to the Government of Mysore and to others, for their kind and sympathetic assistance in this behalf.

Financial Results

"Gentlemen, I shall now say a few words about the financial results of the year's operations and the proposals for the appropriation of profits. Your Directors are indeed very happy to report that the manufacturing and trading operations of the Company during the year 1951-52 have yielded a gross profit of Rs. 72,70,218-7-1, which is nearly twice the highest profit realised in any year previously. The factors that have contributed to the earning of this handsome profit are the comparatively greater production and greater sales of sugar, the uniformly high rate of daily crush and the benefit of the higher sugar price of Rs. 33 per maund which the Ministry of Food and Agriculture was good enough to allow on our production up to 31st October, 1951, by treating it as part of the 1950-51 season. We are grateful to the Ministry for this concession, though the benefit was, to some extent, offset by the production during this period being excluded in determining our free sale quota. But it is the exceptionally high percentage of sugar recovered from cane during the year's crushing that is largely responsible for the profit shown in the accounts. I am sure this will be considered to be a creditable achievement. With tariff protection gone, production outstripping internal demand necessitating exports to foreign countries, and a buyers' market ruling in the country, the future hope of the industry lies in its ability to recover more and more of sugar not only from cane within the factory but from the cane on the field. That is to say, along with higher percentage of sugar recovery, higher tonnage of cane from land is to be raised. This is the objective which your Company is aiming at and the results obtained in both these directions are encouraging. The confectionery department, which earned a profit of Rs. 97,301 last year, was forced to remain idle for a major part of the year under review and its working has resulted in a loss. Similarly, the oil mill also had an unfavourable time. I am, however, glad to say that the distillery has done well and has given a profit of Rs. 5,55,272-6-7, the highest ever obtained from this department. This is largely due to the satisfactory sales of denatured spirits at favourable rates.

"After meeting management expenses and after providing for depreciation for two years, that is, the year under report and also the preceding year for which depreciation could not be provided for for want of profits, adding Rs. 4 lakhs to the reserve for bad and doubtful debts, and setting apart Rs. 32 lakhs towards payment of income and super taxes, there is a net profit of Rs. 25,29,266-6-3. We started the year with a deficit of Rs. 2,54,083-7-8, being the balance of net loss brought forward from the previous year and, after deducting this deficit, the amount of net profit available for distribution comes to Rs. 22,75,182-14-7.

Distribution of Profit

"Your Directors have given careful consideration to the question as to how to distribute the profit in the best manner. Consistent with their policy of maintaining dividend at a stable level, irrespective of fluctuations in the fortunes of the Company from year to year, your Directors recommend a dividend of 20 per cent. free of income-tax, for the year 1951-52. No doubt, this absorbs only a fraction of the distributable profit, but, bearing in mind the paramount need for consolidating the position of the Company to enable us to face the vicissitudes of the future, your Directors consider that it would be wise to utilise the surplus for augmenting the various reserves or for carrying forward to the next year to meet unforeseen contingencies. With this end in view, they propose, first, that the sum of Rs. 4,35,856 drawn from the dividend equalisation fund last year be put back into it, restoring the fund to its original level of Rs. 7,50,000. Secondly, they recommend the transfer of Rs. 3,26,174-9-6 to the general reserve, raising it to a round figure of Rs. 60 lakhs; and thirdly, the addition of Rs. 2,50,000 to the cane price stabilisation fund. As shareholders are aware, a cane price stabilisation fund has been in existence since the year 1942. The fund has been created with the object of ensuring to cane-growers a reasonable price in years when sugar prices are low. The fund now stands at Rs. 8,50,000 and it would be a good gesture on our part to strengthen it so as to infuse sufficient confidence in the minds of the cane-growers in the ability of the Company to safeguard their interests. There is still a balance of Rs. 8,27,296-5-1, which it would be well to carry forward to the next year.

Capitalisation of Reserves

"You will, perhaps, expect me to say something about the question of capitalisation of a portion of our reserves by the issue of bonus shares, to which I had made a reference in my speech last year. Well, it has not been possible to make any headway in regard to this matter and all that I can now say is that your Directors are fully alive to the urgency of this issue and hope to take up the matter for fresh consideration.

"In the balance-sheet presented to you last year, there was an item of bank overdraft to the extent of Rs. 22,19,284-6-2. You will be glad to note that we have been able to repay the entire loan in the course of the year under review.

Shortage of Water Supplies

"I would now like to touch upon a matter which is causing deep concern to your Directors. How intimately the fortunes of our industry are bound up with Nature was painfully brought home to us during the year 1950-51, when, due to failure of monsoon and the drying up of the Krishnarajasagar Reservoir, sugarcane crops in Mandya perished, resulting in closure of the factory and loss to our Company. Due to poor monsoon, the reservoir has failed to fill to its maximum capacity this year too, and fresh planting of cane had to be stopped from the month of September, 1952, on receipt of advice from the irrigation authorities about the precarious water-supply position. It is too early to say anything at this stage as to how this poor planting will affect the working of your Company in 1953-54, or as to what measures are proposed to be adopted to meet the threatened crisis. Operations during the current year, however, are not expected to be affected to any great extent and we can confidently hope that the year 1952-53 will turn out to be a normal one.

"The shortage of water in the reservoir has confronted us with an immediate problem. The north-east monsoon also having failed to bring sufficient inflow of water into the reservoir, the irrigation authorities have notified stoppage of water in the canal by the end of this month. There is still standing sugarcane crop over an area of 1,600 acres awaiting harvest and supply to the factory, and closure of the factory at this stage for want of water would result in a large amount of cane being condemned on the fields, causing heavy loss to the ryots. In view of the gravity of the situation, the irrigation authorities have been good enough to comply with our request to store water in some of the tanks in Mandya for the exclusive use of the factory, as a temporary measure. As a permanent measure aimed at solving the problem of water-supply to the factory, especially during times of crisis, your Directors have decided upon the construction of what is called a spray pond. The work is already under execution and is pushed through on top priority so as to make the tank available for use during the present emergency. It is almost nearing completion. The whole scheme, consisting of a huge tank measuring 250 ft.×150 ft.×3 ft. deep and gunited all over and fitted with necessary pumps, motors and pipes to facilitate cooling and circulation of the same water over and over again, is estimated to cost three and odd lakhs of rupees. This outlay, high as it is, will be money well spent, considering the uncertainty of water-supply to which the factory is subjected now and then. With the help of this tank, it is expected that all the 1951 planted cane will be crushed in the normal course. The construction of the tank also fits in with our long-range scheme of drawing the minimum quantity of water from the canal.

Plant Expansion

"The plan for the conversion of our factory so as to make it a balanced unit capable of dealing with 2,000 tons of cane per day has been finalised. The scheme is being taken up in stages and progress is being made according to schedule. The machinery required for the first and second stages has been ordered and is expected to be received before the end of 1953. Certain additional equipments intended to modernise the factory and to effect saving of time and labour are contemplated in the third and fourth stages spread over the next two or three years. The original 450-ton mill, which was intended to be transferred to Shimoga, is being retained at Mandya to form part of the expanded factory, as there appears to be no prospect of a new factory coming up at Shimoga under the present altered conditions of the sugar industry. A new 2,000-k.w. turbo-alternator has been ordered for delivery two years ahead to ensure adequate power supply to the expanded factory. It may here be added that the frequency of electric power supply to the factory has been changed from 25 to 50 cycles to fall in line with the universally adopted system of power generation. This change-over entailed considerable additional work in effecting necessary alterations to our existing 1,000-k.w. generator and in replacing or re-winding the coils of over 100 motors. It is remarkable that the whole operation was carried through smoothly during the last shut-down period, in addition to the normal shut-down jobs.

Labour Situation

"Before concluding, I wish to make a brief reference to the labour situation. Time and again, it has been made clear that it is the declared policy of the Company to see that everything possible is done to promote the welfare and contentment of our employees, and it is perhaps unnecessary for me now to detail the various measures we have taken, from time to time, to improve the service conditions and expand the amenities provided in the shape of housing, educational, medical and recreational facilities. A bonus of two months' pay was granted to all the employees during the year 1950-51, even though the year's operation showed a net loss of about Rs. 8 lakhs. Recently, certain demands have been put forward by the Employees' Association and these are now pending before the Industrial Tribunal. In this connection, it is gratifying to note that our Union Minister for Labour, Mr. V. V. Giri, who is himself a distinguished labour leader with life-long experience in this field, has set his heart on introducing a reorientation to the approach of labour problems, emphasis being laid on settlement of disputes by mutual negotiations and conciliation rather than by adjudication. It is to be hoped that the efforts made in this direction will result in simplifying the machinery for achieving swift settlement of industrial disputes and will ultimately lead to better employer-employee relationship.

"I take this opportunity to express my grateful thanks to my colleagues on the Board for the valuable advice and guidance that they have given me throughout. A special word of praise is due to our General Manager and to all the officers and staff, down to the humblest worker, both in the factory and in the other sections at Mandya as also in the head office at Bangalore, for their loyal and willing co-operation, which has contributed, in no small measure, to the successful working of the Company. Lastly, I wish to express the gratitude of the Company to the Ministers and various Departments of Government at the Centre and in the Mysore State for their sympathy and support. Particularly, we are deeply indebted to the Ministry of Food and Agriculture at New Delhi, the excise authorities and the authorities of the Southern Railways for their ready assistance at all times.

"Gentlemen, I have now great pleasure in moving the adoption of the report and accounts."

The meeting was attended by a large number of shareholders, who spoke in appreciative terms of the efficient management of the Company during the year under report. After the Chairman furnished the information required by some of the shareholders, the motion for the adoption of the report and accounts was unanimously passed.

Approval was also conveyed to the declaration of a dividend of 20 per cent. free of income-tax.

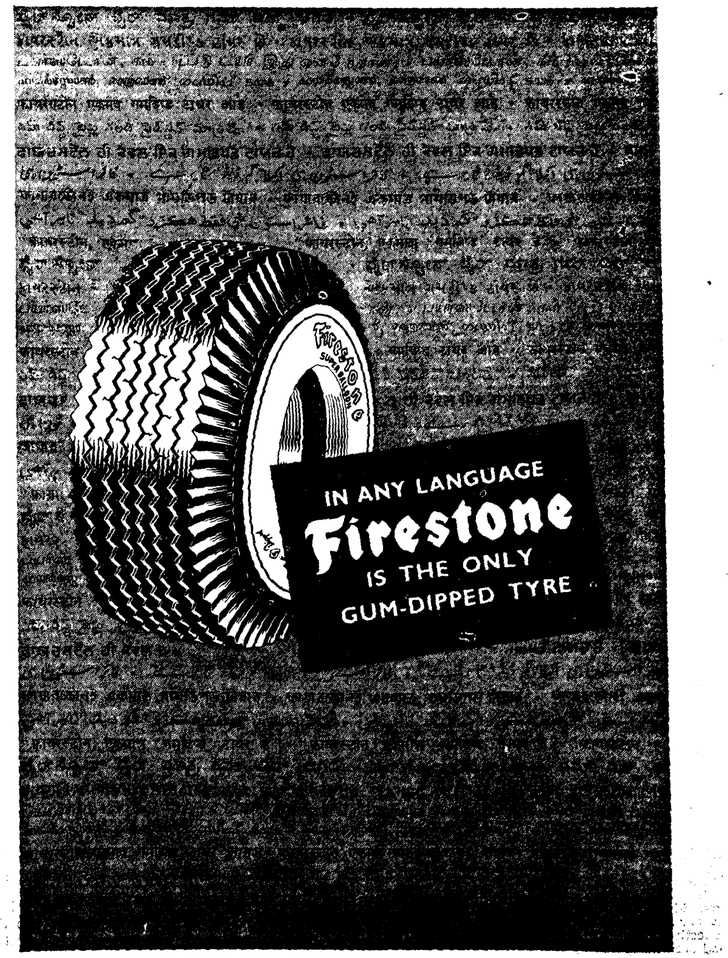
As a result of the poll, Mr. H. F. Marker, the retiring Director, was re-elected.

The existing Auditors, Messrs. B. K. Ramadhyani & Co., Mr. S. R. Mandre, and Messrs. Brahmayya & Co., were re-elected as Auditors for the year 1952-53 on a remuneration of Rs. 1,500 each.

The meeting terminated with a vote of thanks to the chair.

V. M. LINGIAH,
Secretary.

BANGALORE, 1st *January* 1953.



NEW PUBLICATIONS

Digest of Labour Law Cases. By Mr. V. B. Kher. Publishers: Messrs. Thacker & Co., Ltd., Bombay. Price: Rs. 20.

MR. V. B. Kher has done well in compiling a digest of labour law cases. This is, perhaps, the first comprehensive and serious attempt made to prepare a digest of labour law cases in a methodical manner. Small wonder then that the book has been praised by legal luminaries like Mr. Justice G. S. Rajadhyaksha, Sir Jamshedji B. Kanga and Sir Harsidhbhai Divatia, who have all expressed high opinions about the *Digest* and commended it as a useful book of reference to those interested in industrial relations.

The importance of such a digest as the one under review has been felt for a long time. The large volume of case law, built through the awards and decisions of statutory labour tribunals and courts, points to the need for a comprehensive digest for use by company and trade union officials as well as conciliation officers who are connected with the day-to-day maintenance of peaceful relations in industries. Mr. Kher's *Digest* presents the whole gamut of case law in a logical and straightforward manner. It is also characteristically thorough.

The *Digest* is divided into three parts. The first part covers the decisions under the Bombay Industrial Relations Act. This Act, which is the first of its kind in India, is of special interest to the textile industry in the Bombay State. It is noteworthy that a separate chapter has been devoted to this Act. The second part is devoted to the decisions under the Central Government's Industrial Disputes Act, 1947, and other State Acts (which to a large extent retain the provisions of the Central Act), the Payment of Wages Act and the Industrial Employment (Standing Orders) Act. The third part gives an abstract of the decisions of the Labour Appellate Tribunal. The decisions in the first and second parts have been brought up to July, 1951, while those in the third part have been brought up to February, 1952. The value of the *Digest* is enhanced by the addition of a series of appendices containing (1) table of awards classified industry-wise; (2) table of awards relating to standardisation of wages in the State of Bombay; (3) table of minimum wages paid at some industrial centres in the State of Bombay; (4) table of rates of dearness allowance at some industrial centres in the State of Bombay, and (5) table of awards in the matter of bonus in the cotton textile industry. The *Digest* is, indeed, an invaluable guide to those who are concerned with the problem of industrial relations.

In his brief foreword to the book, Mr. P. S. Bakhle, former member of the Industrial Court, Bombay, traces the history of labour legislation in India and discusses the question whether the time is opportune to give up compulsory arbitration by the State in favour of collective bargaining. Since the issue is of topical nature, in the context of what is popularly known as the "Giri approach," it is worthwhile quoting the views of Mr. Bakhle, who has had considerable experience in settling industrial disputes. Justifying the need for State interference in these disputes without the consent of the parties to the dispute, Mr. Bakhle observes:

> "Constant and increasing conflicts between the workers and the employers lead to severe dislocation and the public as consumers are directly affected thereby. The State cannot, therefore, remain unconcerned and has to see that such conflicts are prevented as far as possible. When parties to the dispute are not in a mood to settle their differences, the State must in the interest of the general public intervene and refer the dispute to compulsory arbitration."

Commenting on the issue of collective bargaining *vs.* compulsory arbitration, he remarks:

> "It may be argued that the State should have left the settlement of an industrial dispute to the parties themselves through collective bargaining. It cannot, however, be overlooked that for an efficient and successful working of collective bargaining, the parties to the dispute must possess equal or very nearly equal strength. There is no doubt that the employers have been sufficiently organised. The same cannot, however, be said of the workers. Notwithstanding the fact that it is now over 30 years since the trade union movement was started in India, the working classes have not been sufficiently organised. This would be clear from the fact that out of the cotton textile workers in Bombay, hardly 33 per cent. are members of one or the other unions of the textile workers in Bombay. Mr. Richard A. Lester has, in his book *Labour and Industrial Relations*, pointed out that collective bargaining on the railroads in the U.S., had been hampered by the existence of 21 standard craft unions with inter-union jealousies. The position in India is not very different. In the absence of a strong union, the most able labour leader would find himself powerless to enforce bargaining. It is, therefore, clear that compulsory arbitration in industrial disputes must remain for some time to come."

Economic Development of the United States. By John R. Craf. Published by Messrs. McGraw-Hill Book Co., Inc., New York. Price: $5.

The opulence of the United States has now become proverbial. Few can deny that but for the bountiful aid provided by the U.S., the economic and political structure of Europe outside the Iron Curtain would not have attained its present status. Small wonder, therefore, that there is keen interest, particularly among the educated populace of the free world, to know the factors that have been responsible for the economic strength of the U.S.

Economic Development of the United States serves this purpose creditably. Mr. John R. Craf presents, in an interesting and readable style, the factors that have made the United States a great nation. Being Professor of Economics in the University of Louisville, the author has kept the needs of the student in mind. The book thus covers development of transport, land policies, banking and finance, agriculture, industry, science and labour. The author has prefaced the book by an explanation of the basis of the American economy which includes mass production, distribution and other essentials, its advantages, shortcomings and peculiarities. At the end of each chapter he gives a summary and a few discussion questions and problems. The problems are intended to stimulate further study through use of reference material.

Mr. Craf has made an attempt to show how large-scale American business enterprise did not appear suddenly on the horizon but arose from the hard and sustained efforts of the settlers over several years. The book describes how the U.S. remained an agricultural nation for more than 200 years, and how the revolutionary war stimulated manufacturing in the United States. It further gives a brief account of the achievements of the U.S. in the twentieth century. It is in the twentieth century that the U.S. witnessed a rapid rise in the field of scientific development, as, for example, production of atomic energy, and advances in industry and agriculture which have improved the economic life of the U.S. in a countless number of ways. The book also includes a chapter on natural resources of the U.S. and their importance to its industrial economy. It further sets forth the rights and obligations imposed upon the Federal Government in relation to business, discusses the functions of the United Nations and explains the activities of its Economic and Social Council. Besides, it covers the influence of foreign events on the U.S. economy, particularly during and since World War II. The book is a valuable account of the economic progress of the U.S. and deserves to be widely read in this country which is aspiring to be the America of the East.

Income-tax Law and Practice (in Hindi). By C. B. Gupta. Publishers: Ram Prasad and Sons, Hospital Road, Agra. Price: Rs.15.

The assessment of personal incomes is, as is well known, beset with practical difficulties arising out of the conflicting interests of the assessor and the assessee. Anybody familiar with the working of income-tax law knows only too well that the soil is fertile with diverse controversies in and out of tribunals and courts. The present book, *Income-tax Law and Practice*, does not pretend to be a scholarly analysis of the subject, written as it is to cater to the needs of the student preparing for the degree course. It is a simple but clear exposition of the income-tax law as it exists in India and of its practical application and working. Opening with a background of the history of the levy, it proceeds to explain various concepts and definitions to make them intelligible to the unsophisticated reader and analyses the law, giving simple illustrations of a practical nature. The author has also explained the accounting procedure for assessment purposes in various circumstances. Oversimplication, especially in such complicated subjects like income-tax matters where the problems present worse confusions than the proverbial Gordian knot even to acclaimed experts, is bound to prove misleading. To that extent the book errs, like any other elementary introduction of its nature, where the method adopted and the purpose in view make such a commission of fault inevitable. But one can say Prof. Gupta has handled the exposition like a master with a firm grip on the subject. Along with his expert knowledge of the income-tax law he has brought to bear on the work his vast teaching experience.

The special merit of the book lies in the fact that its medium is the *lingua franca*. Hindi has yet to evolve an acceptable terminology for technical purposes like the present one. The 176 pages of the book would be a valuable contribution to Hindi literature in furthering this task and in giving the lead to similar work in allied fields.

The Law Relating to Service in India. Vol. I Master and Servant. By Messrs. N. Barwell and S. S. Kar. Published by Orient Longmans Ltd., Bombay. Price: Rs. 30.

The chief justification for the study of the law relating to service is that every person in some sense is employed by or is an employer of someone else in this modern industrial world. Messrs. N. Barwell and S. S. Kar have set themselves to the task of writing a comprehensive treatise, in three volumes, on the law relating to service in India. The first volume, published recently, deals with the general law of master and servant and allied topics of apprenticeship and the like. It explains the degree to which the Common Law of England has been adopted in this country to suit Indian conditions and the extent to which the Indian Statute Law has modified the Common Law doctrines. It is gratifying to note that the authors have tried to avoid, as far as possible, legal and technical phraseology which makes it difficult for the layman to understand the implications of the law on subjects which concern him.

The authors have also quoted extensively from important decisions. Where judicial interpretations on any given aspect of the law have been found to lack uniformity, the authors have sought to present, with fairness, the evidence of conflict and have also made their own assessment of the cases. The book is of value not only to trade unionists and social workers but also to students of law. We look forward with interest to the other two volumes (now under preparation) which relate to various aspects of the law relating to service in industry and under the State, respectively.

The "Eastern Economist"—Annual Number, 1952. Edited by Mr. E.P.W. da Costa. Published by "Eastern Economist" Ltd., 52, Queensway, New Delhi. Price: Rs. 5.

The chief feature of the *Eastern Economist—Annual Number*, 1952, is the presentation of almost every facet of Indian economy against the world background. Among the notable articles of the Annual Number, which is more in the nature of a world stocktaking, special mention must be made of "International Trade—a World Picture," "The Problem of Payments" and "Indian Industry in the World Scale." This sumptuous publication carries an interesting collection of tabulated economic data relating to a wide range of economic subjects, such as industrial and mineral production in the free world, world trade, and nutrition and food supply. The immense distance which India has still to traverse before it can catch up with the industrial West is everywhere emphasised; but at the same time, our contemporary is realistic enough to appreciate the "inevitability of gradualness," in economic progress. The Annual Number makes stimulating reading and is a most handy and useful reference work.

Records and Statistics—Quarterly Bulletin of the "Eastern Economist." Edited by Mr. R. V. Murthy and Published by the "Eastern Economist" Ltd., 52, Queensway, New Delhi. Price: Rs. 4.

The latest issue of *Records and Statistics*, the quarterly publication of the *Eastern Economist*, provides an interesting and varied statistical fare. Under the distinguished editorship of Mr. R. V. Murthy, this publication has gained both in bulk and in quality. The topics treated in this publication include agricultural and industrial production, trade, banking and other miscellaneous statistics. A notable feature of this valuable record is the graphical representation of several important statistical data, which enables the reader to get a clearer picture of the changes in the country's economic scene.



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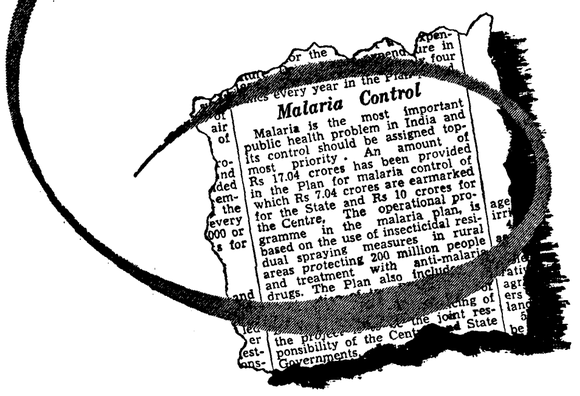

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IMPORT POLICY FOR JANUARY-JUNE, 1953

MORE CONSUMER GOODS ALLOWED

LIBERALISATION of imports covering over a hundred items, some modification of the O.G.L., partial or full restoration of import quota cuts effected on a number of items in the preceding licensing periods, grant of token quota licences for certain consumers' goods for which no quota had been given for over a year, reduction in the import quotas of certain items in which there has been improvement in indigenous manufactures, and withholding announcement of import policy in respect of certain items, these are the main highlights of the import policy of the Government of India for the first half of the current year, namely, January-June, 1953. By and large, the new import policy for the half-year, announced in the *Gazette of India Extraordinary* dated 31st December, 1952, follows, broadly speaking, the pattern of the policy for the corresponding period in the last year and favours the consumers' interest generally. In evolving the policy for the current half-year, the Government seems to have taken into account trade prospects and improvements in indigenous manufactures as also the availability of goods in the country. The policy, as a whole, has been welcomed by the trade. Says Mr. Chinoobhai C. Javeri, President, All-India Importers' Association, Bombay: "On the whole, the Government has acted wisely in liberalising import, because now is the time to relax import controls, since the danger of foreign exchange being frittered away by excessive imports is remote due to the trade depression and shrinkage of the purchasing power of the people." He feels that the policy would have been appreciated by the trade even more, had the quotas for such items like lead pencils, primus stoves and parts thereof been increased and the continued ban for the last three consecutive periods of sago flour, which the textile industry and trade had resented, had also been lifted.

O.G.Ls. XIV and XVI expired on 31st December last. O.G.L. XXVII replaces O.G.L. XIV and in O.G.L. XXVIII an effort has been made to bring together all the essential items fied in O.G.Ls. XVI, XXIV and XXV requiring ing to s orders for long periods of delivery. Only Bombay ms have been dropped from the O.G.L. some indu ude ball bearings, power-driven dubay; (4) tal readle printing machines and some some indust stores. The import of these items and (5) tablated, be regulated on a quota basis. in the cotto indeed, an

A More Liberal Policy

concerned alysis of the policy statement shows relations. is a category of a hundred items over more liberal policy has been followed. In hared with that for the second half of Bakhle, esides, in view of substantial stocks in Bombay ntry and uncertain foreign exchange in Indi ts, import quotas for a number of items time been cut down in the preceding licensing arbi od. It is stated that it has now been possible b5 restore these cuts partially in some cases and fully in others, on account of the improvement in the balance of payments position in the last half of the year. Although the official payments for the second half of last year are not yet available, it is presumed from the trade figures that the large imports surplus of the first half must have been considerably reduced in the subsequent half of the last year. Published figures show that between July and October, 1952, India's total imports were approximately of the value of Rs. 212 crores, while exports were about Rs. 209 crores. The improvement in trade shown by these figures is expected to have been more or less maintained in the last quarter of the calendar year. It is, therefore, assumed that, with other receipts from invisibles, the second half of 1952 was a period of even balance in payments. It may even possibly indicate a small surplus as compared with a balance of payments deficit in the first half of 1952 of Rs. 98 crores. In entertaining these assumptions, account is taken of the fact that in the second half of 1952, there was a decline in the imports of food, raw cotton and raw jute, while exports of tea, cotton and textiles showed improvement over the figures of the previous half. It is further noted that there was also an improvement in the sterling balances which amounted to about Rs. 706 crores towards the close of 1952 as against Rs. 683 crores at the end of June that year. These considerations obviously explain the liberal import policy followed for the current half-year.

The cuts in imports which have been partially or fully restored relate in the main to items which are of importance to Indian industries. These items include twist drills and reamers, power-driven pumps, garage tools, machinery and parts thereof. Cuts have also been restored in the case of certain goods which are of interest to the general consumer. These include infant foods, writing and printing paper, drugs and medicines, blankets and rugs, building and engineering materials.

Of considerable importance to certain indigenous industries is the reduction in the import quota for goods the manufacture of which in the country has progressed sufficiently so as to satisfy the requirements of the domestic market. Thus, the favourable effect of industrialisation on the balance of payments position of the country is beginning to be felt. These include iron and steel structures, bolts, nuts, rivets, wire netting, wire mesh, leather belting, pruning knives, some items required for textile and jute industry such as shuttles, and cotton ropes and bindings, leather cloth, aluminium, tea chests linings, umbrella fittings, torch bulbs, brake fluids and geometry boxes. The industries concerned also stand to benefit by this action of the Government, inasmuch as it will help them to consolidate their position in the home market.

Token Imports

The Government has, however, decided to allow token imports of about 15 articles, the import of which had been banned before. These token imports, which form only a small percentage of the quantity allowed in the past, are intended not only for the use of discriminating consumers, but for serving a competitive purpose, namely, to bring about an improvement in the quality of the indigenous products. This policy of allowing imports with a view to influencing the quality and price of domestic manufactures in favour of consumers has been adopted for the first time since independence and is to be welcomed from the point of view of the consumer. In fact, it was long overdue. The list of items for which token quotas have been fixed is as follows: Confectionery, including chocolate covertures in 1½ lb. slabs, 5 per cent.; chocolates 5 per cent.; biscuits and cakes 5 per cent.; perfume spirits 10 per cent.; fireworks, 10 per cent.; translucent porcelainware 10 per cent.; brushes (excluding artists' brushes, toilet, paint and varnish brushes), 10 per cent.; playing cards and other sports goods 10 per cent.; games and sports requisites unspecified 10 per cent.; metal buttons 20 per cent.; smokers' requisites 20 per cent.; vulcanised fibre suit cases 10 per cent.

In addition to the above items, it has also been decided to grant licences to newcomers for the following items: Iron and steel valves, wood screws, asbestos manufactures, electrical instruments and accessories, safety lamps and parts, textile chemicals, spices, camphor, cotton thread including sewing and darning thread, glass building blocks, motor vehicle parts, motor cycles, scooters and auto-attachments, photographic goods, arms and ammunition, chemicals, glass wool, fibre, and products thereof.

The import policy for a few more items remains to be announced. These include ball bearings, diesel engines and tractors, flashlight cases, betel-nuts, cycles and parts, tea chests, caustic soda and soda ash, fibre boards and art silk yarn. It is stated that the position in regard to these items is under review and an announcement of policy will be made as soon as practicable. Most of these articles are on the protected list and the fact that the Government has not taken a decision makes one feel that the Government is administering import controls for purposes of protection—a procedure which is against its own profession or article of faith. In order to avoid the creation of such an impression, it will always do well to declare its policy in regard to these items along with the general announcement.

Over a large field, imports are proposed to be maintained at the July-December, 1952, level. The policy in respect of 70 per cent. of the items remains unchanged. These include non-ferrous metals, metal manufactures, motors and generators, cables and wires, spices, liquors, raw materials for paints, stationery, clocks and watches and motor cycles.

The procedure for the issue of import licences remains substantially unaltered. The only noteworthy change—which is in keeping with the promise made by the Minister for Commerce and Industry at the meeting of the Import Advisory Council early last month—is that established importers are no longer required to prove two years' imports as evidence to entitle them to grant of import licences. For the Government will now accept one year's imports as proof for issuing licences. Further, the list of items licensable to actual users has been enlarged and an opportunity has been given to newcomers to participate in the import trade of a wide variety of items, as stated already.

CENTRAL FERTILISER POOL

The Government of India has, according to a Press note, decided to continue the Central Fertiliser Pool during the current year. The Pool, which is operated by the Ministry of Food and Agriculture, meets the needs of State Governments and others in respect of chemical fertilisers, mainly sulphate of ammonia. Allocations are made on the basis of annual demands received from the State Governments and interests like tea estates in N.E. India, the United Planters' Association of South India and the Indian Coffee Board.

In view of the satisfactory supply position of sulphate of ammonia as a result of the Sindri production and imports, it was at one time felt that the Pool should be disbanded in 1953 and the Sindri factory be allowed to sell its production in the open market at reasonable rates. On further consideration of the matter it has now been finally decided to continue the Pool during 1953. The Pool price of sulphate of ammonia has been reduced from Rs. 365 to Rs. 335 per ton with effect from 1st January, 1953.

The phosphatic part of the Fertiliser Pool dealing with distribution of superphosphate has already been discontinued with effect from 15th August, 1952.

The major portion of supplies which will be available to the Pool for allotment during 1953 will be contributed by the Sindri factory, though some imports will also be necessary to supplement local production. As in 1952, allotment of Sindri sulphate of ammonia will be in favour of the State Governments who will furnish despatch instructions to the Sindri factory against their quotas. The retail distribution to the cultivators within States will be arranged by the State Governments. In view of this procedure, there will be no necessity, says the Press note, for the Food and Agriculture Ministry to appoint agents for Sindri sulphate of ammonia.

Press reports from New Delhi indicate that, out of the 1952 allocation, about 10,000 tons still remain to be lifted from the Pool. The reason for this poor offtake is stated to be the failure of the monsoon in the South. It is also pointed out that even after the reduction of Rs. 30 per ton in the Pool price as above, the Sindri fertiliser is costlier than the imported fertiliser, the Japanese material selling at Rs. 240 per ton. Among other causes for the accumulation of stocks is stated to be lack of co-ordination in respect of sale and distribution of fertilisers between the Ministries of Agriculture and Production.

IMPORT OF TRACTORS

The licensing policy for the import of agricultural tractors has been announced through a public notice in a *Gazette of India Extraordinary* dated 6th January, 1953. Until 31st December, 1952, agricultural tractors were being licensed under a special scheme, whereby blanket licences were issued to accredited agents of approved makes of tractors. It had become necessary to adopt this scheme of blanket licences, because, owing to meagre import of tractors in the past, the normal system of quota licensing to established importers would not have enabled the import of large numbers of tractors needed for meeting essential requirements. Now that imports at a fairly high level have been coming in for the past three years, it has been decided that, with effect from the licensing period January-June, 1953, import licences for agricultural tractors will be granted to importers on a quota basis.

Under the new policy, both general and soft currency licences will be granted on the basis of a quota of 100 per cent. of half of best year's imports from the dollar area and the soft currency area, respectively. The quota licences will be subject to certain conditions—these have been specified in the public notice—and will not be valid for import of makes of tractors other than those imported by the importers concerned in the past; for tractors having a h.p. of less than 15 at the draw bar and for tractors operated by petrol or gasoline. Similar conditions were applicable to the blanket licences issued under the special scheme.

The import policy in respect of tractor service tolls, tractor trailers, tractor attachments and spare parts of tractor trailers and tractor attachments, has also been announced.

MOTION PICTURE INDUSTRY IN INDIA

India has an investment of Rs. 42 crores in the motion-picture industry, of which Rs. 26 crores are in theatres, according to a report of the Indian Motion Picture Producers' Association.

About 3,500 motion-picture theatres were reported in operation, of which 800 are touring exhibitors. Total seating capacity of all theatres is estimated at 1,600,000, the average seating capacity per theatre being 630. Average daily attendance is estimated at 2,000,000, and the total annual gross box-office collections, including entertainment tax, was reported to be Rs. 25 crores.

Average annual imports of raw stock film amount to 200,000,000 feet, valued at Rs. 1.3 crores.

About 90,000 persons are employed in the industry. Sixty studios use 140 sound stages, on which some 300 producers turn out 250 feature films each year. Pictures produced in Bombay and Calcutta average 12,000 feet in length, and those completed in Madras average 15,000 feet.

The average production cost of a feature film ranges from Rs. 4 lakhs to Rs. 5 lakhs, and it takes from 6 to 12 months to complete a full-length feature.

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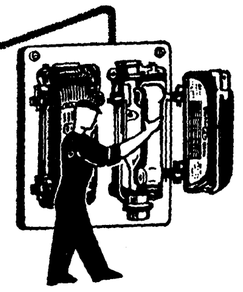

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RESEARCH IN AGRICULTURAL ECONOMICS

WHAT IS WRONG WITH OUR UNIVERSITIES?

"IT is a tragedy that a country which is spending crores of rupees for the development of scientific and technological studies and research and can boast of some of the most imposing structures with the most well-equipped laboratories in the world, neglects the basic facts of our life in the field of agricultural economics and allows such vital problems to be the playthings of the politician, who thereby treats the vast mass of the population in the country as a living laboratory on which to experiment with his fads, which though exalted by the term practical wisdom, are sometimes based even on intuition." These strong remarks of Professor C. N. Vakil, in the course of his presidential address delivered at the Thirteenth Agricultural Economics Conference held at Trivandrum on the 26th ultimo, appear to be couched in very mild language considering the way in which research in agricultural economics has been neglected by those in authority. The country is predominantly agricultural. The population depending on this occupation is steadily growing. The problem of feeding the people, as also of supplying raw materials to industry, is assuming huge proportions. The country has now a Five-year Plan which proposes, among others, the use of more than 40 per cent. of the total expenditure on agricultural development, a new land policy, irrigation schemes and river valley projects. The implementation of all these measures for improving the agricultural economy needs to be kept under close and careful watch. The results need to be checked and measured. The economic policies must be suitably adjusted, if the progress aimed is to be achieved. But all this will only be possible, if correct data on all agricultural problems is systematically collected and analysed and interpreted on scientific lines. Besides, there must also be a continuous examination of the interrelationship of different agricultural problems *inter se* as well as with the other sectors of the economy. Unfortunately, in India research in agricultural economics has been greatly neglected by the Government. In drawing the attention of the public most spiritedly to this neglect of an important subject in the course of his address referred to above, Prof. C. N. Vakil has rendered a signal service to agriculture, the backbone of Indian economy.

The instances given by Prof. Vakil go to show how the question of collecting and interpreting the statistics relating to agriculture has been badly handled make sad reading. One of the instances given by him relates to the enquiry into the condition of agricultural workers which the Ministry of Labour, Government of India, undertook in June, 1949. This enquiry was intended to collect data regarding unemployment, earnings, cost and standard of living and indebtedness of agricultural workers. After a preliminary enquiry which covered 27 villages and 3,000 families, the method of enquiry was revised and the rest of the enquiry was conducted with the help of the State Governments. The total expenditure is stated to have exceeded Rs. 10 lakhs. The organisation created by the Ministry to conduct the survey was to ask university professors and students to give voluntary assistance in the collection of data, and the person in charge of the Bombay office of this organisation is said to have possessed neither the knowledge to deal with the enquiry nor the humility in seeking the assistance of the university authorities, some of whom are far better equipped to handle such enquiries than officials of the Government.

Weakness of Data Collecting Agencies

Apart from neglecting the proper channels for conducting agricultural economic research, the Government seems to have taken no serious steps to remove certain weaknesses in the existing organisation intended for the collection of basic information. The persons in charge of the work at the village level are ill-qualified and low paid. The work of collection and presentation is done by them mechanically. Further, in all this the research angle is completely absent. Referring to this feature in the present set-up, Prof. Vakil observes that there is a tendency among Government Departments to confuse collection of economic statistics with economic analysis and interpretation. Recently, a series of laws relating to agriculturists has been passed, but no attempt is being made to have a re-examination of the working and the effectiveness of these new laws. Instead, the Government has been following a trial-and-error method in formulating economic policies in the field of agriculture. In the circumstances, it is not at all surprising that Prof. Ashby, Director of the Oxford Institute of Agricultural Economics, who visited India in 1949 at the invitation of the Indian Society of Agricultural Economics, found it necessary to observe thus: "Having regard to (a) the area of agricultural land, (b) the size of the agricultural population, and (c) the importance of agriculture in the national economy—its actual and potential contributions to national wealth—I am appalled at the small provision made for investigation and research in agricultural economics. Recognising that India is a relatively poor country, it is still true that, in comparison with other applied sciences of agriculture, agricultural economics has been starved."

Government and Universities

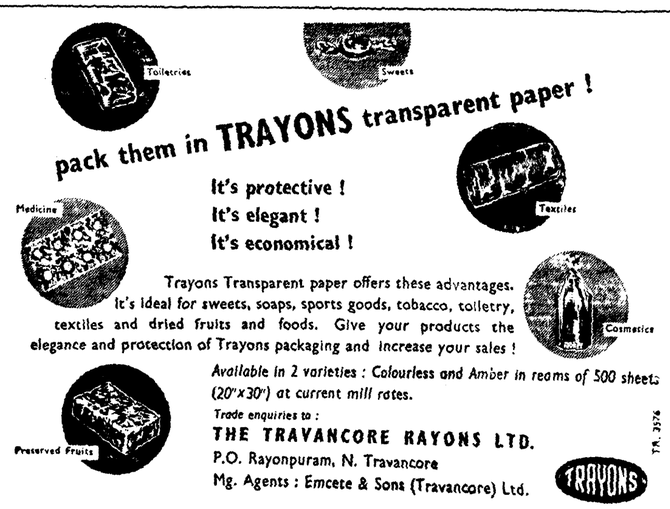
In the address mentioned above, Prof. Vakil has not only made some pointed remarks on the role of agricultural economics in the Indian economy but he has also made various suggestions calculated to bring about an improvement in the efficiency of statistical information and the quality of analysis which goes into the making of economic policy. With the broad point made in Prof. Vakil's argument, namely, that the policy-maker should be guided by more accurate knowledge and by more methodical analysis, no one can disagree. That the record of the Government of India and of certain State Governments in this respect has not been as good as could be wished for is also beyond dispute. That the Government has, on the whole, had more bias in favour of supporting research in natural sciences and has neglected giving the attention that is due to the development of social sciences in general and of economics in particular is also true. These are all matters on which Prof. Vakil will find several people to support his views warmly.

Proceeding from this to the various criticisms made by him in regard to certain specific instances of neglect of research or of the Government's neglect, generally, to take into account the resources available in the universities which could have been exploited for the purpose of obtaining better economic analysis, we wish we could agree with all the observations made by the learned Professor. Here he is undoubtedly on less sure ground. Since he has said things, some of which are worth saying in regard to the Government Departments and other research institutions, it would have been fair if he had also said something about the nature and quality of the research work that goes on in Indian universities. If his address is intended to illuminate the dark corners in various places outside the universities, he might have been objective enough to turn the light on to the so-called temples of learning themselves. It is true that, in one place Prof. Vakil admits that he is fully aware of the existing deficiencies in the universities. But that is hardly enough, especially when he has devoted so much of his address to the inefficiency of administration and the neglect of research in economics.

Responsibility of University Men.

We have no doubt that, in a properly organised society, the number of University Departments in Economics in our country ought to be made good use of by the Governments and it is important that this aim should be kept before them constantly, both in the States and in the Centre. We also agree that, in the more advanced Western countries, the degree of such co-operation between the Government and the universities is more intimate and fruitful than it is in India. To some extent, it is possible that a part of the explanation for this lack of co-operation in this country is the arrogance of the politician and the shortsightedness of departmental service men. Admitting this, we cannot altogether absolve the universities and the men in charge of the University Departments from responsibility for the sad state of affairs.

Our universities, although supposed to be temples of learning and are expected to cater purely for the promotion of academic excellence and objective research, do, in actuality, fall far short of expectations in regard to these matters. Particularly, in recent years, universities, like local boards, have become cesspools of personal, linguistic and communal politics and considerations other than those of academic excellence have seized hold of the thinking and behaviour of men in high places in a number of universities. No wonder that these places have ceased to be of interest to men of ability and conscience who for lack of opportunity for free expression in an atmosphere surcharged with these unholy purposes, have tended to depart from the life of the universities to other quarters. The level of graduates produced from the universities of late has deteriorated. The level of research work done, except in a few departments here and there, is almost of no proportionate significance to the size of the departments or the number of men engaged. In various ways, the lesser things in the university life like examinerships, elections to the university bodies, unthinking support of certain people and parties in and outside the universities and the desire to capture and dominate certain learned bodies and associations—these constitute the main preoccupations of some of our eminent University Professors. If the usefulness of the universities to the country is to be improved, there is need for getting rid of these elements in our university life. It is needless to add that the extent to which the universities can make themselves felt and indispensable to the needs of the nation will depend on their establishing a tradition for producing work of real quality and value. Such co-operation as is commanded on the solid foundation of merit and by the quality of work produced in the universities provides a more dignified basis for ensuring co-operation between the policy-makers and the University Departments rather than the straightforward demands, no matter how well-couched, which are mingled with some frustrated ire on unthinking Governments for not co-operating with universities. Some of these are not themselves doing much constructive thinking anyway.



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- ★ **It is an invaluable hair tonic for the prevention of dandruff and falling hair**



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Subscribed	.. ..	,, 72,00,000
Paid-up	.. ..	,, 55,40,000
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N. GOPALA IYER,
Secretary.

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PROFITS OF A.C.C. WELL MAINTAINED

COSTS, HOWEVER, CONTINUE TO RISE

THE financial results of the Associated Cement Companies Ltd. (Managing Agents: Cement Agencies Ltd., Bombay) are of special significance for two reasons. One is that the Company constitutes the largest group of units scattered over the various parts of the country and, secondly, it has already launched its own master plan of development by modernisation of plants embracing all its units, the period of development being spread over five to seven years. Thanks to the expansion programme undertaken a few years ago, the Company has been able to report a progressive rise in its earnings from year to year. The results for the year ended 31st July, 1952, disclose a gross profit of Rs. 410.10 lakhs which surpasses the previous year's record profit, albeit by a small margin. In the previous year, it will be recalled, the profit had gone up from Rs. 322.15 lakhs for 1949-50 to a record level of Rs. 406.87 lakhs. Thus, the profit for the year under review exceeds the previous peak by about Rs. 4 lakhs.

A scrutiny of the Company's accounts, however, shows that the strident advance in earnings made in the previous year has been seriously impaired by sizable increase in expenses during the year under review. Nonetheless, the Company's reserves have been strengthened by a sum larger than that in the previous year and the dividend has been more than comfortably maintained at 9½ per cent., free of income-tax.

An idea of the striking progress made by the Company during the last three years can be had from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st July			
	1952	1951	1950	1949
Sale proceeds	14,30.91	12,09.95	10,85.43	9,62.50
Stocks	37.62	35.96	41.37	48.09
Other income	39.33	40.99	37.32	35.56
Expenses	11,10.91	8,38.76	7,03.78	6,64.20
Gross profit	4,10.10	4,06.87	3,22.15	2,98.53
Managing Agents' commission	30.05	30.21	23.15	21.91
Provision for—				
Taxation	1,16.90	1,28.75	85.30	96.60
Depreciation	66.69	54.93	51.22	50.62
Net profit	1,96.46	1,92.98	1,62.48	1,29.49
Transfer—				
To reserves	60.10	55.09	55.26	34.91
To contribution to Gandhi Memorial Fund				3.15
To bonus to employees	31.00	38.10	17.30	15.00
Dividend	1,00.37	1,00.37	89.80	70.88
	(9.5%)	(9.5%)	(8.5%)	(7%)
Carry forward	7.09	2.09	2.67	2.58

The expansion programme taken in hand by the Company some years ago yielded results during the year under review in the shape of larger production. The offtake also was good. This is reflected in sale proceeds which have risen by Rs. 2.10 crores and the value of stocks which show practically no change, as will be seen from the foregoing table. The benefit of higher production was offset to a large extent by heavier working costs. It is true that for some years now the cost of production has been going up, but the increase during the year under review was far more steep than in the preceding year. This rise reflects the increase in railway freight rates since April, 1952, particularly on coal, and substantially higher prices the Company had to pay for jute bags, two factors over which the Company had no control. There was also an upward revision in the scales of basic wages and dearness allowance during the year. A breakdown of manufacturing costs reveals that the Company's operation expenses in the year amounted to Rs. 797.63 lakhs, as compared with Rs. 570.66 lakhs in the previous year and salaries and wages Rs. 221.42 lakhs, as against Rs. 192.51 lakhs.

It will be noted from the foregoing table that while the provision for taxation has been reduced by Rs. 11.85 lakhs, that for depreciation has been increased by nearly as much, so that the total allocation to these two essential provisions has remained unchanged at the previous year's level. The net profit, therefore, shows a small increase of Rs. 3.48 lakhs to stand at Rs. 196.46 lakhs. The transfer to the reserves has been raised from Rs. 55.09 lakhs to Rs. 60.10 lakhs. Of these, the reserve for plant reinstatement receives Rs. 5 lakhs more at Rs. 50 lakhs, while that for gratuities is unchanged at Rs. 10 lakhs. The provision for bonus to employees has been cut from Rs. 38.10 lakhs to Rs. 31 lakhs. But this does not mean that the amount of bonus relating to the year under review is smaller than that for the previous year. On the contrary, it is Rs. 1.50 lakhs more than that for the previous year. The additional sum of Rs. 8.60 lakhs provided last year represented the extra bonus relating to the year 1949-50.

The dividend has been comfortably covered, as witness the increase of Rs. 5 lakhs in the sum proposed to be carried over. Although the rate of dividend has been maintained at the 1950-51 level of 9.5 per cent., it actually shows a fall from 6.7 per cent. to 6.5 per cent. in terms of the invested capital. In 1936-37, it may be noted here, when the Company paid a dividend of only 7½ per cent., the return on capital invested was as high as 7.4 per cent. In other words, although the quantum of profit for the year under review is a fresh record in the history of the Company, the increase in profit has not been in consonance with the rise in the Company's productive capacity, as the profit margin per unit has been steadily falling.

The following summary of the Company's latest balance-sheet reflects the strength of its financial position:

LIABILITIES	Rs.	ASSETS	Rs.
Capital	10,56,20,438	Gross block	16,18,82,450
Reserves and surplus	5,02,15,850	Less—Depreciation	6,52,61,468
Reserve for taxation	2,44,79,284		
Liabilities	3,36,29,175	Net block	9,66,20,982
		Stores, spares, etc.	6,25,92,617
		Stock-in-trade	37,61,847
		Debts, deposits and advances	1,35,28,258
		Investments	2,85,50,220
		Cash	88,81,843
	Rs. 21,39,44,747		Rs. 21,39,44,747

The reserves and surplus include a sum of Rs. 175.44 lakhs representing the premium on shares. They also consist of general reserve Rs. 76 lakhs, reserve for plant replacement Rs. 190 lakhs, investment depreciation Rs. 17 lakhs and reserve for gratuities Rs. 35 lakhs. The reserve for taxation does not take into account the provision for tax on the amounts of initial and extra depreciation allowances. It includes the amount set aside from the year's profit less advance payments in India for the year 1950-51 and in Pakistan for 1951-52. During the year under review the additions to the fixed capital expenditure amounted to Rs. 131.01 lakhs.

An idea of the progress so far made in regard to the Company's development programme and the future plans can be had from the following extract from the Directors' report:

"Duplication of the Sevalia Cement Works, which went into production last year, was completed in April this year. The triplication of the Bhupendra Cement Works of the Patiala Cement Company, Ltd., as well as the modernisation of the Dwarka Works and the extension to the Lakheri Works, have been completed during the year. Work on the modernisation and expansion of the Shahabad Factory, undertaken last year, is making good progress. In addition, further expansion has been decided upon, which is expected to be completed by the end of 1954. As a result of continuous attention to replacements and renewals, it has been possible to keep the factories of the Company in good repair, thereby maintaining efficiency at the required high level. Further programme of large-scale rehabilitation of the works is at present engaging the attention of the Directors."

For some time past, the Company has been conducting negotiations with the Pakistan Industrial Development Corporation for the formation of a new company to take over its two factories in Pakistan. These negotiations have now reached the final stage and the Pakistan Industrial Development Corporation's reply is awaited and, if it is received in time and the terms are finalised, the matter will be placed before the shareholders at the forthcoming annual general meeting on 23rd January, 1953.

The Company's Rs. 100 paid-up ordinary shares are currently being quoted at Rs. 179, at which rate the proposed dividend gives a yield of 5.3 per cent. per annum, free of income-tax.

(Concluded from next column)

to effect retrenchment until the end of July. The sulphate recovery plant was running intermittently during the latter months of the half-year under review. Some teething troubles were experienced which prevented any reduction in chemical costs. The Directors are, however, confident that the difficulties so far encountered can be overcome. A disquieting fact disclosed by the Directors' report, which will have an important bearing on the Company's earnings for the half-year ended 31st December, 1952, is a sit-down strike by the labour which has led to the closure of the mills since mid-October.

The Rs. 25 paid-up ordinary shares of the Company are currently being quoted at Rs. 46-8, at which rate and on the basis of the latest dividend, the yield works out to 6.7 per cent. per annum, free of income-tax.

PRODUCTION OF BENGAL PAPER GOES UP

HIGH COSTS AND LABOUR TROUBLE AFFECT EARNINGS

THE statement of accounts of the Bengal Paper Mills Ltd. (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) for the half-year ended 30th June, 1952, discloses a decline of Rs. 3.67 lakhs in gross profit as compared with that for the previous half-year. The gross profit for the half-year ended 31st December, 1951 itself (at Rs. 12.30 lakhs) was lower by Rs. 1.30 lakhs than that for the preceding six months, so that the gross profit of Rs. 8.63 lakhs for the latest half-year represents a fall of Rs. 4.97 lakhs from that for the corresponding half-year of 1951. The net profit, at Rs. 3.76 lakhs, shows a drop of Rs. 1.67 lakhs, from that for the six months ended 31st December, 1951, and Rs. 2.62 lakhs from that for the first half of 1951. As a result of this shrinkage in profit, the Directors have not been able to set aside anything to the reserves. The return to shareholders has, however, been well maintained at 12½ per cent. per annum.

At first, the setback in profit, though not of a serious nature, may appear surprising in the context of substantially higher production which the Company achieved during the half-year. Thus, the output of paper during the half-year under review was 500 tons more than in the previous half-year and 100 tons more than in the corresponding period of 1951. The decline in profit, despite this encouraging rise in production, was due to a number of factors. In the first place, there was a fall in the demand for paper. The Directors say that sales were only equal to those in the previous period and that stocks at the close of the half-year were nearly 400 tons above normal owing to "go-slow" tactics by labour in the finishing houses. Secondly, the manufacturing costs were higher, by approximately Rs. 40 per ton than those for the previous half-year. This increase was almost entirely due to a rise in the cost of raw materials. Thirdly, the average sale price of paper produced by the Company declined by Rs. 17 per ton in consequence of the high proportion of paper made on the demand of the Government. It is true that there was an increase of 2½ pies per lb. in the provisional basic price of paper supplied to the Government early in the half-year under review, but this was more than offset by the large quantity of paper taken up by the Government. The prices of paper supplied for civilian consumption were, however, more remunerative than those paid by the Government.

The salient features of the Company's results are highlighted in the following comparative table against the background of those for the previous three half-years:

(In lakhs of rupees)

	For the half-year ended			
	30-6-52	31-12-51	30-6-51	31-12-50
Sale proceeds	86.16	86.05	87.47	82.37
Stocks	5.08	1.06	2.06	1.12
Expenses	81.44	72.74	74.81	67.09
Gross profit	8.63	12.30	12.60	6.05
Agents' commission	0.57	0.89	1.02	0.56
Provision for—				
Depreciation	3.50	4.12	4.08	4.05
Taxation	0.71	1.86	2.12	...
Net profit	3.76	5.43	6.38	1.44
Other income	...	0.86	...	2.01
Reserves	...	2.75	2.00	3.40
Dividend—				
7% preference	0.21	0.21	0.21	0.21
6% preference	0.60	0.60	0.60	0.60
Ordinary	2.81	2.81	2.81	2.25
	(12½% p.a.)	(12½% p.a.)	(12½% p.a.)	(10% p.a.)
Carry forward	3.22	3.08	3.16	3.02

The financial position of the Company is quite satisfactory. The latest balance-sheet discloses that the paid-up capital of Rs. 71 lakhs is supplemented by reserves and surplus amounting to Rs. 32.57 lakhs. Mortgage debentures, including interest accrued on them, amount to Rs. 5.36 lakhs. Current liabilities, including provision for taxation, aggregate Rs. 43.43 lakhs. The gross block of the value of Rs. 194.47 lakhs has been written down to Rs. 67.57 lakhs, that is, by nearly two-thirds. The current assets aggregating Rs. 84.79 lakhs are represented by stocks and stores of the value of Rs. 62.66 lakhs, debts, deposits and advances Rs. 20.06 lakhs, investments Rs. 84,408 and cash Rs. 1.20 lakhs. It will be noted from these figures that current assets exceed current liabilities by Rs. 41.36 lakhs.

The new grass and steam boiler plants of the Company are now said to be in full commission and working satisfactorily. This, however, resulted in a redundancy of the Company's labour force, but the management was not able

(Continued in previous column)

Points From The Chair

Prejudice Against New-comer in Shipping World

THE prejudice against a new-comer into the shipping world is formidable and cannot be lightly regarded. It is sometimes pointed out that shipping companies, which have long carried on business with countries and have thereby fostered international trade and commerce, should be treated with grateful respect and that new-comers must have due regard to the many services that such old and well-established companies have rendered in the past. In fact, the new-comers are thought to be unreasonable, if they claim that they should have opportunities of a fair share in such trade. It may be true that well-established old shipping companies have promoted international trade, but the exact nature of the truth depends very much on the angle of vision which one brings to bear on such questions. Another view that old and well-established companies, having had a monopoly in the past of all the international trade of the country concerned, should now gracefully yield some place at least to new-comers who have a right as shipping companies of maritime countries or of countries which have a fair amount of export and import trade to partake to a reasonable and an ever-increasing extent in such trade. I have had opportunities of attending more than one Conference and I must confess sometimes to the depressing feeling, that the status quo is too often desired by some at least of the well-established old shipping companies and the need and wisdom of providing a small niche in the shipping world for new entrants is often ignored."

SIR A. RAMASWAMI MUDALIAR,
India Steamship Co., Ltd.

Woes of Low-grown Tea Estates

"Much has already been written and said of the difficulties which the tea industry, and particularly producers of low-grown teas like ourselves, are suffering, and it was with some satisfaction that we saw the Government of India set up a committee to inquire into these difficulties with a view to obtaining recommendations as to how some form of relief could be granted to the industry. This satisfaction was certainly tempered when we read in the Press of statements made by different Ministers of Government, whilst the committee was conducting its inquiry, 'that neither would that committee make nor would Government accept any recommendation that would jeopardise the position of labour to the tiniest extent. This obviously meant that we could expect no relief whatever from the burden of high labour costs which have been the main cause of our cost of production rising to such alarming heights. The Committee's report and recommendations, which have recently been published, have justified our fears that this is, in fact, the case, and the reliefs suggested by them are woefully inadequate and betray a lack of appreciation of the seriousness of the crisis. Such reliefs as have been suggested are aimed at the reduction in future costs of production, whereas what we are concerned with is some form of assistance which will give immediate relief to the industry and will reduce current costs of production which are now completely out of line with the prices obtained for our teas. We have no desire to shirk our duties as employers of labour but obviously the stage has been reached where producers of low-grown tea are paying more than they can afford to labour, both by way of wages and other amenities. Therefore, Government must be prepared for wholesale unemployment arising from closure of estates or they must enable these poorer yielding estates to continue in business by giving them adequate protection immediately. Government cannot have it both ways and the sooner a realistic view of the critical position of low-yielding estates is taken, the better for all concerned."

W. W. KILGOUR,
Chembra Peak Estates, Ltd.

Sugar at Lower Price

"The recently announced sugar policy for the season 1952-53 aims at correcting the situation that has arisen by the excess production in the previous season and the difficulty in its disposal by reason of its high cost, and lays emphasis on the export of two lakh tons out of the new season's cheaper sugar, or out of the carry-over stock on a replacement basis. The new policy contains several drastic changes and it is to be hoped that it will succeed in maintaining production and in restoring healthy conditions in the sugar market which is now undergoing a transition. Control over price and distribution of new season's sugar has been withdrawn, though control over releases from factories is continued so as to ensure a reserve stock of 3 lakh tons with the industry. The price of sugarcane is reduced from Re. 1-12 to Re. 1-5 per maund and the effect of this will be that the consumer will be able to get sugar at a considerably lower price after the existing stock of dearer sugar is exhausted."

A. G. BANDI GOWDA,
Mysore Sugar Co., Ltd.

Five-year Plan Should be Worked

".... It is easy to find fault with any plan but we must realise that with all its limitations it is the first planned effort towards the development of the country's resources and towards increasing the standard of living of our people and we must all strive hard and contribute our maximum effort towards the success of the Plan. It is the effort of each one of us which is needed to make our Five-year Plan a success. This Plan is the country's revolution. It is our ambition; the outside world is going to judge us by our achievement in this sphere. The country's reputation and prestige is involved in it and so is our welfare and prosperity."

J. DALMIA,
Dalmia Cement Ltd.

Notices

BALLY JUTE COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixty-ninth Ordinary General Meeting of the Shareholders of the Bally Jute Company, Limited, will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, on Friday the 6th February, 1953, at 11-30 a.m., for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 30th September, 1952, and the Balance Sheet as at that date.
(2) To declare a Dividend on the Preference Shares.

The Share Transfer Books of the Company will be closed from the 23rd January, 1953, to 6th February, 1953, both days inclusive.

By Order of the Directors,
JARDINE HENDERSON, LTD.,
G. M. MACKINLAY,
Managing Director,
Managing Agents.

4, CLIVE ROW,
CALCUTTA, 26*th December*, 1952.

Note.—Payment of any Dividend declared will be made only to those members whose names are registered in the Books of the Company on the 6th day of February, 1953, or to their Mandatees.

No applications for warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

THE RELIANCE JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-second Half-yearly Ordinary General Meeting of Shareholders of The Reliance Jute Mills Co., Ltd., will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, on Friday the 6th February, 1953, at 12-00 noon, for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 30th September, 1952, and the Balance Sheet as at that date.
(2) To declare a Dividend on the Preference Shares.

The Share Transfer Books of the Company will be closed from 23rd January to 6th February, 1953, both days inclusive.

By Order of the Directors,
JARDINE HENDERSON, LTD.,
G. M. MACKINLAY,
Managing Director,
Managing Agents.

CALCUTTA, 26*th December*, 1952.

Note.—Payment of any Dividend declared will be made only to those members whose names are registered in the Books of the Company on the 6th day of February, 1953, or to their Mandatees.

No applications for warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

HOWRAH MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One hundred and Twenty-fourth Half-yearly Ordinary General Meeting of Shareholders of Howrah Mills Co., Ltd., will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, on Friday the 6th February, 1953, at 12-10 p.m., for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 30th September, 1952, and the Balance Sheet as at that date.
(2) To declare Dividends.

The Share Transfer Books of the Company will be closed from 23rd January to 6th February, 1953, both days inclusive.

By Order of the Directors,
JARDINE HENDERSON, LTD.,
G. M. MACKINLAY,
Managing Director,
Managing Agents.

CALCUTTA, 26*th December*, 1952.

Note.—Payment of any Dividend declared will be made only to those members whose names are registered in the Books of the Company on the 6th day of February, 1953, or to their Mandatees.

No applications for warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

THE ASSOCIATED CEMENT COMPANIES, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Eighteenth Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office, Clive Buildings, Netaji Subhas Road, Calcutta, on Thursday the 29th January, 1953, at 4-30 p.m., for the following purposes:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended the 31st March, 1952.
2. To declare and confirm dividends.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. To transact any other ordinary business of the Company.

Notice is also hereby given that the Register of Members of the Company will be closed from the 22nd to the 29th January, 1953, both days inclusive. Dividend Warrants will be sent only to Registered Shareholders or to their Mandatees.

By Order of the Board,
For GILLANDERS ARBUTHNOT & COMPANY,
LIMITED,
K. R. FETTES,
Managing Director.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, 10*th January*, 1953.

GILLANDERS ARBUTHNOT AND COMPANY, LIMITED

NOTICE

THE SIXTEENTH ANNUAL GENERAL MEETING of the Shareholders of THE ASSOCIATED CEMENT COMPANIES, LIMITED, will be held at the Registered Office of the Company at 1, Queen's Road (opposite Churchgate Railway Station), Fort, Bombay, on Friday the 23rd January, 1953, at 3-30 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st July, 1952.
2. To sanction the declaration of a Dividend.
3. To elect Directors.
4. To appoint Auditors for the current year and fix their remuneration.

By Order of the Board,
For THE ASSOCIATED CEMENT COMPANIES LTD.,
CEMENT AGENCIES LTD.,
Managing Agents,
J. H. PATEL,
Managing Director.

BOMBAY, 28*th November*, 1952.

Note.—The Transfer Books of the Company were closed from Monday the 3rd November to Saturday the 29th November, 1952, both days inclusive.

The Dividend when sanctioned, will be made payable on and after Thursday the 29th January, 1953, to those Shareholders whose names stand on the Register on Saturday the 29th November, 1952.

O.G.L. XXVIII

The attention of the Government of India has been drawn to reports appearing in certain newspapers to the effect that Open General Licence No. XXVIII, published on 31st December, 1952, is not applicable to Japan. These reports, which are presumably based on the typographical error in the copy of the O.G.L. are not correct. The correct version of the O.G.L. No. XXVIII has been published in a *Gazette of India Extraordinary* issued on 31st December, 1952 and the typographical error found at page 171 of the Red Book has also been corrected in the *errata* published in Public Notice No. 144-ITC(PN)/52, dated 31st December, 1952, published in a *Gazette of India Extraordinary* of even date. The correct position, as notified for information, is that Japan is included in the soft currency area and O.G.L. XXVIII is applicable to imports from that country also.

RESULTS OF MYSORE SUGAR GOOD

INADEQUATE WAGON SUPPLIES AFFECT BIRD-HEILGERS GROUP COAL COMPANIES

Mysore Sugar Co., Ltd.

THE directors of the above Company (Managing Director: Mr. A. G. Bandi Gowda, Bangalore) submitted the audited accounts of the Company for the year ended 30th June, 1952.

The accounts disclose a net profit of Rs. 25,29,266 (Rs. 8,12,151) after setting apart the sums needed for depreciation of fixed assets and provision for taxation. They report that the balance of loss sustained during the year 1950-51 has been wiped out and, the depreciation for the year 1950-51 which was not provided for last year has now been provided for in addition to the depreciation for 1951-52. After deducting the balance of loss of last year amounting to Rs. 2,54,083 the surplus of Rs. 22,75,183 was disposed of as follows:

To declare a dividend of 20 (20) per cent. on the paid-up share capital of the Company, free of income-tax Rs. 4,35,856 (Rs. 4,35,856), to reimburse the dividend equalisation fund with the amount drawn therefrom last year to declare a dividend Rs. 4,35,856 (*nil*), to transfer to reserve fund raising the same to Rs. 60,00,000, Rs. 3,26,174 (*nil*), to transfer to the cane price stabilisation fund Rs. 2,50,000 (*nil*) and to carry forward Rs. 8,27,296 (deficit of Rs. 2,54,083).

The factory commenced crushing of cane on 12th July, 1951, and continued milling till 24th March, 1952, when it closed down for the annual overhaul, the total number of milling days being 243. The quantity of cane crushed during the period was 3,19,268 tons and that of sugar produced was 37,155 tons, giving a recovery of 11.51 per cent. The distillery continued to work satisfactorily during the year. The oil mill and confectionery sections did not work continuously owing to adverse conditions prevailing during the year. It is, however, hoped that they would show good results in the coming year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,79,280	Block ...	34,99,547
Reserves ...	79,27,969	Stock ...	26,66,072
Provision for taxation ...	36,49,994	Stores, spares, etc. ...	43,77,664
Liabilities ...	53,71,888	Debts, deposits and advances ...	70,74,257
Profit and loss account ...	22,75,183	Investments	26,07,562
		Cash ...	12,39,212
Rs.	2,14,64,314	Rs.	2,14,64,314

Bharat Sugar Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. The Cotton Agents, Ltd., Calcutta) submitted the report for the year ended 30th June, 1952, together with the audited statements of accounts. The profit and loss account, after payment of interest, managing agents' remuneration, providing for depreciation and taxation and after transferring Rs. 1,50,000 to general reserve (Rs. 4,00,000 to renewals and replacement reserve) and taking into account the balance of profit of the previous year, shows a net profit of Rs. 2,84,180 (Rs. 3,11,706). The directors propose to dispose of the amount as under:

Dividend on 5,000 C.R. Preference shares of Rs. 100 each at 5 per cent. subject to tax Rs. 18,437 (Rs. 18,437), dividend on 1,50,000 ordinary shares of Rs. 10 each at Rs. 1-8 per share free of tax Rs. 2,25,000 (Rs. 2,25,000) leaving to be carried forward Rs. 40,742 (Rs. 68,268).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	5,08,321
Reserves ...	10,81,739	Stock ...	20,55,342
Provision for taxation ...	6,90,585	Stores, spares etc. ...	3,32,015
Liabilities	31,05,264	Loans, debts, deposits and advances	18,16,376
Profit and loss account ...	40,742	Investments	21,40,750
		Cash ...	65,326
Rs.	69,18,330	Rs.	69,18,330

Elgin Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Begg Sutherland & Co., Ltd., Kanpur) submitted the audited accounts of the Company for the year ended 30th September, 1952.

The result for the period, including the amount received (after deduction of income-tax) in respect of excess profits tax refund, Rs. 8,83,890 and after making the usual provisions, shows a profit of Rs. 26,05,262 (Rs. 26,55,001). From this has been deducted depreciation Rs. 5,50,000 (Rs. 7,00,000), rehabilitation reserve Rs. 10,00,000 (Rs. 6,00,000) and to which has to be added the carry forward from the previous year Rs. 1,22,091 (Rs. 1,21,090) leaving at credit of profit and loss account Rs. 11,77,353 (Rs. 11,76,091). This balance, the directors disposed of as follows:—

In payment of a dividend on the preference shares of 8 per cent. per annum for the year ended 30th September, 1952 Rs. 88,000 (Rs. 88,000), in payment of a dividend on the 'B' preference shares of 5 per cent. per annum free of income-tax, for the year ended 30th September, 1952 Rs. 21,000 (Rs. 21,000), in payment of a dividend at the rate of Re 1-8 (Re. 1-8) per share for the year ended 30th September 1952 Rs. 88,000 (Rs. 88,000), in shares Rs. 9,45,000 (Rs. 9,45,000) and carry forward to next account Rs. 1,23,353.

In the last report, reference was made to the creation of a rehabilitation reserve *in order to* meet the high replacement cost of plant and machinery. Out of this reserve, a sum of Rs. 8 lakhs was transferred to the capital reserve. In order to meet the cost of further capital replacements, the directors deemed it prudent to utilise the excess profits tax refunds and interest on E.P.T. deposits received during the year, by transferring from the profits for the year the round sum of Rs. 10 lakhs to rehabilitation reserve.

Raw materials and manufactured goods have been taken at (or under) cost or market value, whichever is the lower.

The Company's property has been maintained in a proper state of repair.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	78,20,000	Block ...	25,05,021
Reserves ...	43,00,000	Stocks ...	1,17,90,253
Provision for taxation ...	25,820	Stores ...	17,23,770
Liabilities ...	50,12,584	Debts, deposits and advances ...	20,50,254
Profit and loss account ...	11,77,353	Investments	1,68,540
		Cash	1,27,914
Rs.	1,83,35,757	Rs.	1,83,35,757

Burrakur Coal Co., Ltd.

The directors of the above Company (Messrs. Bird & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June, 1952.

5,26,900 tons of coal were raised and 4,81,989 tons were despatched in comparison with 4,88,187 tons raised and 5,04,332 tons despatched during the previous half-year. These figures reveal the seasonal fluctuations which are a regular feature in the coal industry. That is, the higher outputs in the first half of the year achieved by a stronger labour force were offset by a fall in the number of wagons made available for coal traffic.

The Loyabad Ropeway transported 2,95,358 tons of sand for stowing purposes compared with 3,64,397 tons in the previous half-year, and 2,74,299 tons during the same period of 1951. The excavation of sand from the bed of the Damodar River is more difficult during the dry-weather period.

Loyabad Coke Plant.—During the half-year 33,908 tons of coke were manufactured and 33,756 tons were despatched, in comparison with 33,307 tons manufactured and 34,641 tons despatched in the previous period. The plant *continued to* operate satisfactorily. The oven repairing programme was continued.

The daily average wagon-loading figure for the Bengal and Bihar coalfields in the period under review was 3,016, compared with 3,172 in the previous half-year. This drop in wagon availability was reflected in the heavy fall in stocks held by most important internal consumers, many of whom found themselves in a precarious condition owing to inadequate and irregular coal supplies caused solely by insufficient rail transport.

It may be pointed out that throughout this period of extreme stringency many consumers were compelled by the Coal Commissioner's organisation *to accept a proportion of inferior coal*, although ample supplies of the better grades were available. It is beyond argument that the transport of inferior, high-ash coal, often over long distances, represents a highly uneconomic use of transport facilities; it is undeniable that had consumers been permitted to purchase coals of their own choice, substantial numbers of wagons would thus have been released, and these would have gone far to relieve the shortage.

Attention is drawn here to the fact that although the railways were permitted to increase freights on the carriage of coal by an estimated average of Rs. 2-8 per ton, the industry's repeated requests for the restoration of the cut of As. 9 imposed by Government in 1949 on the controlled selling prices of coal have so far not been granted.

The rising trend of coal production referred to in the last report has continued. Unfortunately, although the demand for industry and exports has also risen, there is some room for apprehension that the present level of coal production in India is in excess of the actual demand. Moreover, present transport facilities are insufficient to move all the coal being produced, with the result that colliery stocks will inevitably rise above the current high level.

Although the integration of the railways serving the Bengal-Bihar coalfields may in the long run prove to have been beneficial, the only permanent solution of the chronic coal transport problem is the provision of more wagons, and the elimination of existing bottlenecks caused by inadequate junction and marshalling facilities at certain key-points. The authorities are understood to be fully aware of these factors, and it is to be hoped that early remedial action will be taken.

The demand from abroad for Indian coal was maintained, but could not be met in full owing to the transport difficulties referred to above. Not only did orders have to be refused but the regular flow of exports was hampered by a severe congestion of coal shipping in the Port of Calcutta. Owing to the shortage of wagons for carrying export coal the docks were not employed to their full capacity, and thus steamers were held up for long periods awaiting cargo.

The Company again shared in the export trade from Calcutta, but in common with other shippers was compelled to meet heavy demurrage claims from steamer owners.

Relations with the labour at the collieries were on the whole satisfactory, despite the anxiety for the future displayed by the workers at those collieries which have been subjected to Government's conservation plans.

The Ministry of Labour correctly continues to place increasing emphasis upon the necessity for housing labour. The Company has been in the lead in its efforts to provide new accommodation conforming to the standards laid down by the authorities, but here again Government's short-term conservation plans do not permit the Company to formulate schemes.

During the half-year *under review* the Coal Board and the industry were actively engaged in endeavouring to implement Government's policy on conserving metallurgical coal. The section of the industry most deeply involved, and to which the Company belongs, was unable to reach agreement with the Coal Board in these negotiations, chiefly because the industry required assurances for the future safeguarding of its interests which the Board were not prepared to give.

Subsequently, the Board took matters into its own hands, and issued orders restricting the level of production for 1952 at all collieries, raising selected grade coking coals. The output targets originally fixed for some of the Company's collieries were totally inadequate, and adherence to them would have involved the closure of these collieries before the end of the current year. Following representations by the Company, the Coal Board has twice granted increased targets in respect of the collieries concerned which will permit them to continue the present rate of output until the end of the year.

At the time of writing the Board's final intentions regarding 1953 and subsequent years have not been made known. It is hoped, however, that the Company's substantial contribution to conservation by the best method known, i.e., sand-stowing, will be appreciated by the Board, and that its future decisions will pay due regard to the necessity of permitting an economic level of output to collieries which are sand-stowing.

World rearmament has made the speedy replacement of machinery and plant a difficult matter, owing to the lengthy delivery periods stipulated by manufacturers abroad.

The profit and loss account, after providing Rs. 2,57,585 (Rs. 2,13,072) for depreciation, Rs. 4,25,207 (Rs. 5,50,298) for taxation, transferring Rs. 1,00,000 (Rs. 1,25,000) to tax contingency reserve, Rs. 50,000 (Rs. 50,000) to debenture redemption reserve, Rs. 50,000 (Rs. 50,000) to ropeway rope replacement reserve, Rs. 1,00,000 (Rs. 25,000) to bad debts reserve and Rs. 1,00,000 (*nil*) to general reserve, and including the sum of Rs. 1,93,860 (Rs. 2,06,058) brought forward from last half-year, shows an available balance of Rs. 5,86,120 (Rs. 6,43,731) which the directors disposed of as follows:—

In paying a dividend on the 1st preference shares of 7 per cent. per annum without any deduction for income-tax paid by the Company Rs. 30,493 (Rs. 30,493); in paying a dividend on the 2nd preference shares of 6 per cent. per annum after deduction of income-tax paid by the Company Rs. 9,956 (Rs. 9,956); in paying a dividend on the ordinary shares at the rate of 7½ (7½) per cent. per annum without any deduction for income-tax paid by the Company Rs. 3,40,968 (Rs. 3,40,968) and in carrying forward Rs. 1,54,703 (Rs. 2,12,314).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,18,42,280	Block ...	2,43,29,008
Reserves ...	1,65,53,222	Stock ...	20,07,925
Debentures ...	20,00,000	Stores and spares ...	35,48,867
Provision for taxation ...	9,80,409	Debts, deposits and advances ...	1,62,31,455
Liabilities ...	1,66,31,911	Investments	19,65,469
Profit and loss account ...	1,54,703	Cash ...	1,39,801
Rs.	4,81,62,525	Rs.	4,81,62,525

Borrea Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June, 1952.

81,634 tons of coal were raised and 81,216 tons were despatched in comparison with 79,302 tons raised and 79,398 tons despatched during the previous half-year. These figures reveal the seasonal fluctuations which are a regular feature in the coal industry. That is, the higher outputs in the first half of the year achieved by a stronger labour force were offset by a fall in the number of wagons made available for coal traffic.

The profit and loss account, after providing Rs. 42,747 (Rs. 42,691) for depreciation, Rs. 1,59,741 (Rs. 1,51,330) for taxation, transferring Rs. 5,000 (*nil*) to tax contingency reserve, Rs. 10,000 (Rs. 10,000) to stock adjustment reserve, Rs. 30,000 (Rs. 55,000) to development reserve and Rs. 25,000 (*nil*) to general reserve, and including the sum of Rs. 1,07,544 (Rs. 1,25,591) brought forward from last half-year, shows an available balance of Rs. 2,32,578 (Rs. 2,56,041) which the directors disposed of as follows:—

In paying a dividend on the preference shares at the rate of 6½ per cent. per annum without any deduction for income-tax paid by the Company Rs. 13,000 (Rs. 13,000); in paying a dividend on the ordinary shares at the rate of 20 (20) per cent. per annum without any deduction for income-tax paid by the Company Rs. 75,000 (Rs. 75,000); in paying a bonus of As. 8 (As. 8) per share on the ordinary shares without any deduction for income-tax paid by the Company Rs. 37,500 (Rs. 37,500) and in carrying forward Rs. 1,07,078 (Rs. 1,30,541).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	11,50,000	Block ...	17,63,482
Reserves ...	18,31,000	Stock ...	35,325
Provision for taxation ...	3,14,931	Stores ...	3,53,369
Liabilities ...	10,30,660	Debts, deposits and advances ...	12,00,942
Profit and loss account ...	1,07,078	Investments	10,66,068
		Cash ...	14,483
Rs.	44,33,669	Rs.	44,33,669

Bhulanbarace Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June, 1952.

80,355 tons of coal were raised and 65,691 tons were despatched in comparison with 92,829 tons raised and 96,216 tons despatched during the previous half-year. These figures show how Government's policy of restricting the despatch of certain types of coal to non-metallurgical consumers has affected the working of a colliery which is following the best known method of conservation, namely, extraction with sand-stowing.

The profit and loss account, after providing Rs. 26,503 (Rs. 28,955) for depreciation, transferring Rs. 6,000 (*nil*) to tax contingency reserve, Rs. 15,000 (*nil*) to stores reserve, Rs. 10,000 (Rs. 10,000) to stock adjustment account, and including the sum of Rs. 8,270 (Rs. 22,488) brought forward from last half-year, shows an available balance of Rs. 21,312 (Rs. 34,539) which the directors disposed of in paying a dividend at the rate of 5 (5) per cent. per annum without any deduction for income-tax paid by the Company Rs. 17,875 (Rs. 17,875) and in carrying forward Rs. 3,437 (Rs. 16,664).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,15,000	Block ...	15,46,970
Reserves ...	14,64,077	Stock ...	3,05,549
Provision for taxation ...	69,314	Stores ...	2,58,887
Liabilities	4,82,299	Debts and advances ...	5,54,217
Profit and loss account ...	3,437	Investments	62,118
		Cash ...	6,386
Rs.	27,34,127	Rs.	27,34,127

Ondal Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June, 1952.

The profit and loss account, after providing Rs. 1,09,517 (Rs. 60,645) for taxation, and including a sum of Rs. 1,49,680 (Rs. 1,81,140) brought forward from last half-year, shows an available balance of Rs. 2,05,352 (Rs. 2,65,156) which the directors disposed of as follows:—

In paying a dividend on the preference shares at the rate of 6¼ (6¼) per cent. per annum without any deduction for income-tax paid by the Company Rs. 6,500 (Rs. 6,500); in paying a dividend on the ordinary shares at the rate of 20 (D. 20 plus B. 5) per cent. per annum without any deduction for income-tax paid by the Company Rs. 75,000 (Rs. 93,750) and in carrying forward Rs. 1,23,852 (Rs. 1,64,906).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,50,000	Block ...	1,20,000
Reserves ...	9,76,866	Investments ...	22,88,187
Provision for taxation ...	5,78,908	Debts and advances ...	4,75,849
Liabilities ...	4,19,069	Cash ...	1,64,659
Profit and loss account ...	1,23,852		
Rs.	30,48,695	Rs.	30,48,695

Standard Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1952.

The programme of sand-stowing for safety referred to in the last report was completed during the half-year to the satisfaction of the Chief Inspector of Mines. All pits and openings were sealed, and removal of the remaining items of plant and equipment continued.

Plant and machinery to the value of nearly Rs. 3½ lakhs were sold during the half-year, and further sales are continuing.

The hearing before the Industrial Tribunal referred to in the last report has not yet been given, and as the appointment to the Dhanbad Tribunal is still vacant, it is impossible to forecast when the case will be disposed of finally.

After adjustment of over-provision for depreciation amounting to Rs. 22,982 the profit on sale of plant and machinery of Rs. 1,74,258 (net) has been transferred to capital reserve.

The profit and loss account, after providing Rs. 77,482 (Rs. 28,825) for taxation and including the sum of Rs. 4,903 (Rs. 40,495) brought forward from last half-year shows an available balance of Rs. 1,14,094 (Rs. 80,707) which the directors disposed of in paying a dividend at the rate of 10 (10) per cent. per annum without any deduction for income-tax paid by the Company Rs. 40,000 (Rs. 40,000) and in carrying forward Rs. 74,094 (Rs. 40,707).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	13,39,303
Reserves ...	19,31,041	Stores ...	2,750
Provision for taxation ...	1,37,379	Investments	5,69,731
Liabilities ...	3,41,815	Debts, deposits and advances ...	12,49,589
Profit and loss account ...	74,094	Cash ...	1,22,956
Rs.	32,84,329	Rs.	32,84,329

Karanpura Development Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June, 1952.

The rising trend in income from coal property royalties was maintained during the half-year. This is a reflection of the increasing popularity of Karanpura coals owing to restrictions applied by Government in other fields.

Owing to higher labour costs the profit from sales of fireclay, lime and limestone shows a decrease.

The volume of analytical work carried out at the Company's laboratory has again increased, and a satisfactory profit has resulted.

The Company's appeal to the Supreme Court against the decision of the Patna High Court is still pending. Prior to the hearing of the case brought by the Raja of Ramgarh in the Hazaribagh Court for the execution of the Patna High Court's decree, the respondents applied for leave to withdraw the case pending the decision of the Supreme Court referred to above. Since the last report the Supreme Court has upheld the validity of the Bihar Land Reforms Act and in pursuance of this measure the Bihar Government has taken possession of the Ramgarh Estate.

During the half-year 4,04,771 tons of coal were raised and 4,06,331 tons were despatched.

Following previous practice and on advice of the Company's lawyers, the directors did not recommend the payment of any dividend. For the same reason the Managing Agents did not draw their commission for the half-year and the amount in question will be carried forward in suspense. The profit and loss account, after providing Rs. 5,987 (Rs. 6,780) for depreciation and Rs. 37,215 (Rs. 31,882) for taxation, and including the sum of Rs. 1,29,079 (Rs. 1,24,508) brought forward from last half-year, shows an available balance of Rs. 1,15,795 (Rs. 1,31,337) which was carried forward.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	31,52,002
Reserves ...	26,66,878	Laboratory equipment	21,394
Provision for taxation ...	1,25,252	Investments	24,77,126
Liabilities ...	18,20,491	Debts and advances ...	10,21,771
Profit and loss account ...	1,15,795	Cash ...	56,123
Rs.	67,28,416	Rs.	67,28,416

N.B.—Figures within brackets relate to the corresponding period of the previous year.

METAL CORPORATION PAYS MAIDEN DIVIDEND

The Metal Corporation of India Ltd. (Managing Agents: The Eastern Smelting and Refining Co., Ltd., Calcutta), is one of the war-time ventures formed for the purpose of acquiring the assets of the Eastern Smelting and Refining Co., Ltd., and to carry on the business of lead ore mining and smelting and other non-ferrous mining and metallurgical operations. The smelting works of the Company is situated at Tundoo, near Katrasgarh, E.I. Railway. The factory is fully equipped for a regular production of about 6,000 tons of lead per annum. The Company is at present developing the extensive lead, zinc and silver deposits at Zawar in Udaipur, partially developed by the Central Government.

The Company's results for the 12 months ended 31st March, 1952, suggest that the year must have been a successful one. Production of flotation concentrates during the year amounted to 1,344 tons of lead and 2,571.6 tons of zinc, as compared with 365 tons and 937 tons respectively, in the preceding year. Lead ingots produced show an increase from 773.92 tons to 1,000.22 tons. The gross profit has risen from Rs. 3.06 lakhs to Rs. 17.12 lakhs. The profit for the year 1950-51 was just sufficient to provide a sum of Rs. 2.50 lakhs towards part of the depreciation and pay the dividend on the 5 per cent. cumulative preference shares. But the profit for the year under review permits of providing for arrears of depreciation and declaring a maiden dividend of 7½ per cent. on the ordinary shares and 20 per cent. on the deferred shares.

Out of the gross profit of Rs. 17.12 lakhs, a sum of Rs. 1.67 lakhs has been provided for Managing Agents' commission and Rs. 4.25 lakhs for depreciation, including arrears. While no provision for taxation was made in the previous year, a sum of Rs. 5.25 lakhs has been set aside for this purpose this year. The Directors have also placed Rs. 3 lakhs to the credit of dividend fund. A sum of Rs. 1.78 lakhs has been utilised for preliminary expenses, share placing commission, etc., leaving Rs. 59,819 to be carried over. From the dividend fund, the Directors have paid the dividends on the preference, ordinary and deferred shares at the aforesaid rates.

The zinc concentrates produced by the Company were exported to European countries in terms of the Government notification. The Company enjoys credit facility from the Industrial Finance Corporation of India. It has taken in hand plans

(*Continued in next column*)

COMPANY MEETINGS AND DIVIDENDS

PREMCHAND JUTE MILLS LTD. Half-yearly General Meeting, Calcutta, 12th January, 1953. Transfer books closed from 6th to 12th January, 1953, both days inclusive.

BENGAL PAPER MILL CO., LTD. Half-yearly General Meeting, Calcutta, 16th January, 1953. Dividend: Re. 1-9 per share. Transfer books closed from 5th to 16th January, 1953, both days inclusive.

ASSOCIATED CEMENT COMPANIES LTD. Annual General Meeting, Bombay, 23rd January, 1953. Dividend: Rs. 9-8 per share. Transfer books closed from 3rd to 29th November, 1952, both days inclusive. Dividend payable on and after 29th January, 1953.

WESTERN INDIA SPINNING AND MANUFACTURING CO., LTD. *Ad-interim* dividend: Rs. 40 per share for the half-year ended 30th September, 1952. Transfer books closed from 8th to 17th January, 1953, both days inclusive. Dividend payable on and after 3rd February, 1953.

INDIAN MANUFACTURING CO., LTD. *Ad-interim* dividend: Rs. 40 per whole share and Rs. 20 per half-share for the half-year ended 30th September, 1952. Transfer books closed from 8th to 17th January, 1953. Dividend payable on and after 3rd February, 1953.

HINDOOSTAN SPINNING AND WEAVING MILLS CO., LTD. *Ad-interim* dividend: Rs. 40 per whole share and Rs. 10 per quarter share for the half-year ended 30th September, 1952. Transfer books closed from 8th to 17th January, 1953, both days inclusive. Dividend payable on and after 3rd February, 1953.

MYSORE SPINNING AND MANUFACTURING CO., LTD. *Ad-interim* dividend: Rs. 3 per share for the half-year ended 31st August, 1952. Transfer books close from 23rd January to 3rd February, 1953, both days inclusive. Dividend payable on and after 9th February, 1953.

COMPANY REGISTRATIONS

NEW FRIENDS FILMS CORPORATION LTD. (First Director: Mr. M. A. Aziz Shukh, Bombay.) Private. Authorised capital: Rs. 5,00,000. Business: Film and Cinematograph Trade and Industry. Address: 73, Sheikh Buran Kamudin Street, Bombay 8.

LAKME LTD. (First Director: Mr. K. A. Dadabhai Naoroji, Bombay.) Private. Authorised capital: Rs. 10,00,000. Business: Manufacturers of Pharmaceutics, Chemicals and Perfumery. Address: Bombay House, Bruce Street, Fort, Bombay.

TROPICAL INDUSTRIAL CORPORATION LTD. (First Director: Mr. Damodarlal Jaipuria, Bombay.) Private. Authorised capital: Rs. 5,00,000. Business: Importers, Exporters and Manufacturers. Address: 357, Kalbadevi Road, Bombay 2.

JUHU INVESTMENTS LTD. (First Director: Sir Sultan Chinoy, Bombay.) Private. Authorised capital: Rs. 25,00,000. Business: Investment. Address: Radio House, Apollo Bunder, Bombay.

DHRUVA WOOLLEN MILLS LTD. (First Director: Mr. Tejnarayan Khaitan, Bombay.) Private. Authorised capital: Rs. 50,00,000. Business: Manufacturers and Dealers in Woollen Goods. Address: Peeramal House, Pochkhanwalla Road, Worli, Bombay.

FINANCIERS ORIENTAL LTD. (First Director: Mr. T. C. Jain, Bombay.) Private. Authorised capital: Rs. 5,00,000. Business: Investors and Brokers. Address: 79, Paltan Road, Bombay 1.

SAHU FILMS LTD. (First Director: Mr. Kishore Sahu, Bombay.) Private. Authorised capital: Rs. 5,00,000. Business: Cinematograph Trade and Industry. Address: Chembur, Bombay.

BRADMA (INDIA) LTD. (First Director: Mr. H. J. E. Marr, Bombay.) Private. Authorised capital: Rs. 25,00,000. Business: Manufacturers, Importers and Exporters of Calculating, Registering and Typewriting Machines. Address: Lakshmi Building, Sir Pherozshah Mehta Road, Fort, Bombay 1.

BOMBAY CREDIT CORPORATION LTD. (First Director: Col. Naval D. Gandhy, Bombay.) Private. Authorised capital Rs. 5,00,000. Business: Financiers and Merchants. Address: Fazalbhoy Building, 45/47, Mahatma Gandhi Road, Bombay 1.

(*Concluded from previous column*)

to increase the crushing capacity of the mill, to raise the overall recovery of lead and to recover the silver content of pig lead which is said to be fairly high. Some of the machinery has already arrived. During the year, the Company conducted negotiations with the leading lead-zinc ore mining and smelting company of Japan for technical collaboration with it. As a result of this negotiation, the Company was able to secure the services of one of the most experienced mining engineers of the Japanese firm, as a first step towards technical collaboration. The Company has asked for a further loan of Rs. 20 lakhs from the Industrial Finance Corporation of India to enable it to buy additional power plants, ore-dressing machinery and additional mining machinery, which will enable it to increase the capacity of mining and milling to 500 tons per day by stages.

The following is a synopsis of the Company's latest balance-sheet:

Liabilities	Rs.	Assets	Rs.
Capital ...	35,63,350	Gross block ...	50,18,405
Debentures ...	35,00,000	*Less*—Depreciation ...	8,25,334
Reserves and surplus...	1,47,293		41,93,071
Reserve for taxation...	5,25,000	Net block ...	28,75,061
Liabilities ...	13,49,472	Stock ...	1,20,680
		Tools, implements, etc.	
		Debts, deposits and advances ...	13,67,412
		Cash ...	4,13,151
		Fictitious assets* ...	1,15,749
Rs.	90,85,124	Rs.	90,85,124

* Preliminary expenses, etc.

MONEY ACTIVE

(From Our Own Correspondent)

BOMBAY, *7th January*

Since our last report on the money market three weeks ago, slightly stringent conditions have come to prevail. Supplies of floating funds are short, while the demand has improved. As a result the inter-bank call money rate among the Exchange Banks and big Indian banks, which stood at 2 per cent. in the second week of December, soon shot up to 3 per cent. and is still standing at that level.

During the closing weeks of 1952 the tight position was accentuated to some extent by year-end requirements of banks. The turn of the year, however, has not eased the situation to any perceptible extent, as the seasonal demand has gathered further momentum. Notwithstanding the fact that there was no sale of Treasury Bills during two out of the three weeks and that during these two weeks there was actually an influx of Rs. 4 crores by way of maturing Treasuries, the supply of funds is short, there being more borrowers than lenders. In fact, a few banks have had to borrow sizable amounts from the Reserve Bank

The liberalisation of import restrictions for the half-year January-June, 1953, has not yet begun to have any effect on the money market. Nor is there much demand for funds for financing export business. Most of the present demand for funds is for meeting internal trade requirements.

House money is being offered 2¾ per cent. Short-term deposit rates are 3 per cent. for 1 to 6 months and at 2½ per cent. for 12 months.

There were no weekly sales of the Government of India three months' Treasury Bills during the latter half of December, 1952, the last sale having taken place on 16th December. When the sale was resumed yesterday, the amount offered was Rs. 1.45 crores, as against an invitation for Rs. 1 crore. At the previous sale, it may be remembered, the offerings amounted to Rs. 2.62 crores, against an invitation for Rs. 2 crores. The average rate of accepted tenders, which was Rs. 2-5-11 per cent. per annum at the previous sale, rose to Rs. 2-6-5 per cent. at yesterday's sale. The percentage of allotment at minimum rate declined from 88 per cent. to 55 per cent.

The statement of affairs of the Reserve Bank of India for the week ended 2nd January, 1953, as compared with that for the week ended 12th December, 1952, discloses a rise of Rs. 7.62 crores in notes in circulation. Notes held in the Banking Department are lower by Rs. 7.34 crores, so that the total notes issued are almost unchanged. On the liabilities side of the Banking Department, the deposits of the Central Government have risen during the three weeks under review by Rs. 12.58 crores, while those of other Governments have declined by Rs. 10.17 crores. Deposits of banks disclose an increase of only Rs. 51 lakhs and so also deposits of others of Rs. 3.47 crores. On the assets side, cash balances reveal a shrinkage of Rs. 7.42 crores. An improvement of Rs. 12.04 crores is noted in balances held abroad. Loans and advances to Governments are unchanged. Other loans and advances have gone up by Rs. 8.77 crores. This increase is probably due to borrowings by banks against Government securities, inasmuch as the outstanding loans against usance bills remain unchanged at the negligible level of Rs. 98.76 lakhs.

The Gilt-edged market presented a dull appearance throughout the past three weeks under review. Activity was at a very low ebb. In the absence of fresh buying support, some of the loans recorded small losses. 3 per cent. 1953-55 remained unchanged at Rs. 100-3. 3 per cent. 1957 was placed an anna lower at Rs. 98-9. 3 per cent. 1958 was stagnant at Rs. 98-6 and 3 per cent. 1959-61 at Rs. 96. 3 per cent. 1963-65 was maintained at Rs. 92-7. 3 per cent. 1964 had some sellers and lost an anna to stand at Rs. 92-7. 3 per cent. 1966-68, on the other hand, had enquiries at Rs. 90-7, as against Rs. 90-6. 3 per cent. 1970-75 declined by As. 6 to Rs. 86-10. 3 per cent. 1986 Conversion Loan moved down by As. 2 to Rs. 82-13.

SOFT TENDENCY IN PEPPER

(Messrs. Parekh & Co.)

BOMBAY, *7th January*

The pepper market during the last fortnight of the year 1952 showed a sagging tendency, with prices marking down from Rs. 2,650 to Rs. 2,300 at Alleppey and from Rs. 2,200 to Rs. 1,925 at Bombay, owing to poor enquiries from foreign countries where business remained dull and turnover poor owing to Christmas and New Year holidays. Pressure of sales in the primary markets, particularly from Travancore-Cochin areas, was more pronounced as the Christian growers there wanted cash for their Xmas and New Year festivities.

Since the beginning of the New Year, though sales in pepper in the primary markets have improved, as the exporters are covering their previous sales, the demand from foreign countries has, so far, failed to pick up. The prices are moving both ways without showing any definite trend. Growers, on the whole, are, however, expecting better demand during the coming week. New York showed some improvement in "spot price," owing to fear of impending Dock Strike, but business in forward remained dull with occasional business at lower limits. A clearer picture of the foreign market will be available during the next week when business there is expected to be resumed in a more serious mood. In A.S.T.A. section, some business was reported done at as low as $1.08 for January and $1.10 for the first half of January. Market at Cochin is showing heavy fluctuations almost daily, as speculators are reported active in the "garble." January and

(*Continued in next column*)

BULLION REACTS AT CLOSE

(From Our Own Correspondent)

BOMBAY, *7th January*

The Bombay bullion market opened the New Year very promisingly with bullish sentiment predominating in both silver and gold. There was active support and heavy short-covering during the major part of the week under review, and the values of silver and gold recorded sizable advances. But towards the close of the week, a slight setback was witnessed and the closing rates were well below the best levels of the week.

The earlier bullishness was attributed to reports of good offtake of silver in Kanpur and Delhi, news of heavy re-export of gold from Pondicherry to Indo-China and suggestions that the Commonwealth countries might bring pressure on the U.S. for raising the international price of gold. The increase in price of silver in the London market from 72¾*d.* to 72¾*d.* on the 3rd inst. and still further to 73*d.* on the 5th also aided the bullish sentiment.

During the preceding two weeks, that is, in the latter half of December, 1952, the trend of the market was irregular, though the undertone remained fairly steady due to recurrent speculative buying against sales in up-country markets.

Silver for forward delivery in January, which stood at Rs. 150-10 on 17th December, after touching Rs. 152-2 on 22nd December, reacted to a low of Rs. 147-12. Renewed bull support and short-covering helped a steady advance. As the closing rate on Tuesday, 30th December, at Rs. 151-15 was more than Rs. 5 above the previous clearing rate, an interim clearing in both silver and gold was enforced. The January settlement, however, ran out on 31st December at Rs. 151-11. The business in February settlement opened at Rs. 151-1 and a bullish sentiment was soon in evidence, resulting in a rise in the rate to Rs. 154-12 on Monday this week. But profit-taking at the bulge brought about a reaction to Rs. 151-10 today; the closing rate was a shade higher at Rs. 152.

Ready silver (.996 Mint) was quoted at a premium of As. 4 over the forward rates in both the settlements. The floating stocks in silver are placed at 2,500 bars. The daily average offtake was estimated at 80 bars.

After an initial reaction from Rs. 80-8 to Rs. 79-2, gold for forward delivery in January presented a steady tone with offtake and arrivals balancing each other. Towards the close of December, reports of large re-exports of gold from Pondicherry and a drop in arrivals imparted a bullish sentiment, and the yellow metal wound up the year at Rs. 82-11, at which rate the settlement also ran out. Business in new settlement opened on 2nd January at Rs. 82-9 and, after advancing to Rs. 85-1, the yellow metal reacted to Rs. 83-8 at the close to-day.

Ready gold, which commanded a premium of As. 6 over the forward on 17th December, came to be quoted at a premium of As. 13 at the close. The floating stocks of gold are estimated at 40,000 tolas. The daily average arrivals were 8,000 tolas and the offtake also was 8,000 tolas on an average.

The following comparative table shows the trend of the market during the week under review:

	7-1-53	Highest	Lowest	17-12-52
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	84 5	85 11	79 7	80 14
Forward	83 8	85 1	79 2	80 8
Sovereign	58 12	59 4	57 0	57 8
SILVER				
Ready (.996 fine Mint)	152 4	155 0	148 0	150 14
Forward	152 0	154 12	147 12	150 10
London Ready ..	73*d.*	73*d.*	72¾*d.*	72¾*d.*
London Forward ..	73*d.*	73*d.*	72¾*d.*	72¾*d.*
New York Ready ..	83½c.	—	—	83½c.

HIDES AND SKINS DULL

(From Our Own Correspondent)

MADRAS, *5th January*

Dull conditions prevailed in the hides and skins market during the last fortnight, due partly to the Xmas and New Year holidays and partly to the failure of a prominent Indian shipper and to the U.K. importers' price resistance. Prices declined by a penny or two per lb., temporarily owing to lack of buying support. There were some enquiries for tanned cow calf, buff calf and buff hides but at 5 per cent. below Madras prices.

Tanned skins market ruled dull. Stocks are accumulating in the local bazaar, following limited offtake.

Shipment during December, 1952 were: To the U.K. 3,727 bales tanned cow hides, 206 tanned cow calf, 146 tanned buff hides, 152 tanned buff calf, 621 tanned goat, 881 tanned sheep, 24 D/S. goat and 2 bales tanned snake skins; to the Continent: 5 bales tanned buff hides, 5 tanned buff calf, 169 tanned goat, 69 tanned sheep and 6 bales D/S. goat skins; to the U.S. ports: 121 bales tanned cow hides, 5 tanned cow calf, 202 tanned buff hides, 48 tanned buff calf, 117 tanned goat, 20 tanned sheep, 287 D/S. goat and 32 bales tanned snake skins.

(*Concluded from previous column*)

February deliveries for the garbles are changing hands at price ranging from Rs. 435 to Rs. 420 and Rs. 410 to Rs. 420 per cwt. respectively. With the increase of arrivals in Alleppey and fear of competition from North Malabar, the tendency at present is soft and may become softer still, if no good demand is coming forth from the exporters.

Following are to-day's nominal quotations:—Ready delivery Rs. 2,000, January Rs. 2,015/45, and February Rs. 2,045/75 per candy of 5½ cwts.

FORWARD COTTON STEADY

(From Our Own Correspondent)

BOMBAY, *7th January*

With the turn of the year, things appear to be well with cotton. Prices have been very steady both in the forward and ready markets and they are likely to rule firm partly because of the reports of reduced crop yield from important cotton producing areas and increased consumption by textile mills during the coming months as a result of the reduction of export duty on cloth. Already, this announcement has had a highly bullish factor of lifting the rate in private last Sunday afternoon in the forward market by nearly Rs. 9 to Rs. 10, though the market gave way later on technical considerations. Spot prices being still higher, it is expected that forward rates would with technical reactions sooner or later go still higher during the coming months. There is a fear that a greater movement of crop in some of the production areas like Gujerat with higher hedge pressure might bring about a reaction in cotton prices. This is not likely to be the case as by that time pressure in other areas where cotton picking will be over will be reduced.

In spite of the warnings of the President of the E.I.C.A., the trend, at least during earlier months of the season, in the forward section is likely to be bullish, especially as Calcutta operators have started taking interest in the Bombay cotton futures market. This purely speculative interest is not likely to be a welcome feature of the forward market in cotton, because, as it is, there is enough speculative activity in this market to which Mr. Purshotamdas Thakurdas was constrained to refer in his address to the annual general meeting of the E.I.C.A. With the jute *fatka* operators invading this field, unhealthy conditions and combines are likely to be created at Kalbadevi at no distant date. Genuine operators in the market are disturbed by this development because they fear that the tempo of business as well as the morale might deteriorate to the level of those prevailing in the bullion market which is only a stone's throw from the cotton market. One should not be surprised if prices are pushed up at some stage to about Rs. 700 per candy in a mad rush for collecting contracts. The following is the trend of prices in the forward section since 2nd January.

	Opening	*High*	*Low*	*Closing*
I.C.C. Feb. (Rs.) ...	656½	666	640½	649½
I.C.C. *May* (Rs.) ...	665	679	669	662½

The latest quotations from the spot market are: Bengal *Deshi* (new) Rs. 450-500; (old) Rs. *380-415*; *Berar Jarilla* (old) Rs. 600; (new) Rs. 675; Vijay (new) Rs. 780.

On the export front, things have been naturally quiet, because of the Christmas holidays. But shippers are not discouraged by this lull, as they expect good business from the Continent in the coming weeks. The prices of exportable varieties have been steady, in spite of absence of enquiries from abroad, because of steadiness in the staple varieties in the spot markets. It has been the same with imports though the interest here is more broad-based so far as higher staple varieties are concerned. There is no demand for U.S. cotton, but mills have been active buyers of both Egyptian and East African cotton and this interest is likely to increase if the volume of export increases as a result of the Government's announcement regarding export duty on cloth. Internal consumption of cloth, however, is not rising even though cloth prices show some increases. Now that the prices in New York have reached fairly attractive levels for buyers, mill interest here is likely to revive in Californian cotton.

At Karachi, Europen buyers are slowly returning to the market. The U.K., which had stopped buying for a long time now, has made some purchases both in the staple and Deshi varieties, though the quantity so purchased are not substantial. Italy, Germany and France are also interested in Pakistan styles. But Pakistan's effort to find markets in the Eastern European countries do not seem to have materialised so far. Japan also, one of the biggest buyers of this cotton, has kept quiet. Now that the controversy regarding devaluation seems to have been temporarily suspended, it is likely that buyers might appear in the market for their immediate requirements. Prices after the recent fall are, therefore, likely to rule steady in the near future at Karachi. The latest available quotations are: N.T. R. G. Rs. 63-67; S.G. Rs. 67-71; Bengal *Deshi* Rs. 52-54; 4F Punjab R.G. Rs. 59; S.G. Rs. 62; L.S.S. Punjab R.G. Rs. 63; S.G. Rs. 66½.

At Alexandria also there has been a revival of interest from the Continent apart from the purchases made by India. The Egyptian Government is sending out a mission to India and East Asian countries to find markets for Egyptian cotton in this field. It is believed that the Government has already entered into some kind of a barter deal with Spain for supplying cotton against sugar. It is not known how far the efforts of the Government of India to strike a similar deal with Cairo for the supply of surplus sugar in India to Egypt have been successful. There is obviously a feeling of bitterness against the U.K. in Egyptian cotton and political circles because it is believed that the British Government are trying to disorganise Egyptian economy by withholding its customary support to the cotton market at Alexandria.

At New York, it is believed that the bearish trend has come to an end and revival of prices is expected in the New Year. It is believed that about a million bales will find their way into the Government loan scheme, if the prices don't look up soon. The real snag in the New York cotton market is the absence of foreign interests. Unless demand for exports shows appreciable increase, the New York market cannot maintain a sustained rally in prices. Another reason for a steadier price trend at New York is that the production next season will be of a similar volume.

The following are the latest available quotations from New York, as compared with those of a week and a fortnight before:

	(In cents per lb.)		
	6-1-53	31-12-52	24-12-52
Spot	33.10	33.60	33.75
March	33.13	33.78	33.97
May	33.66	34.14	34.42
July	34.02	34.54	34.69
October	33.73	34.22	34.39

ART SILK YARN IMPROVES

(From Our Own Correspondent)

BOMBAY, *7th January*

Since we reported last on the 17th ultimo, the values of art silk (and also staple fibre) yarn have registered distinct improvement, mainly on account of the delay in the announcement of policy governing import of art silk yarn. Good demand in the ready section, and removal, with effect from 22nd December, 1952, of all restrictions on trading, including floor prices and margins, by the Yarn Merchants' Association, have also hardened the sentiment of operators. The buying support that ensued as a consequence has taken up the quotations of yarn to levels higher than those prevailing three weeks ago.

The improvement in values has been in marked evidence particularly in the forward section. Thus, 150 January contract opened at Rs. 710 and swiftly advanced to Rs. 736 on the 5th inst., although, towards the close, it was slightly lower at Rs. 729. This compares with Rs. 667 quoted for the December contract on 17th December. February contract rose from Rs. 714 to Rs. 736, but finished slightly lower at Rs. 731. In the ready section, 120 Japan moved up from Rs. 4 to Rs. 4-6. 120 and 150 Italy gained As. 4 each to Rs. 4-2 and Rs. 3-10, respectively. 150 Japan was taken up to Rs. 4-5, as against Rs. 4-2.

The table below gives the prices of art silk yarn quoted in the local market to-day, as compared with those on the 31st and 17th December, 1952:

	7-1-53	31-12-52	17-12-52
	Rs. a.	Rs. a.	Rs. a.
150D January (per case of 200 lbs.) ..	729 0	710 0	—
150D February ,, ..	731 0	—	—
120 Japan .. (per lb.)	4 6	4 2	4 0
150 Japan .. ,,	4 5	4 4	4 2
120 Italy .. ,,	4 2	3 15	3 14
150 Italy .. ,,	3 10	3 9	3 6

The postponement of announcement of import policy in respect of art silk yarn for the January-June, 1953 period has utterly disappointed the trade. It feels that the stocks of yarn are at present very low. In a telegram addressed separately to the Secretary, Central Ministry of Commerce, and Chief Controller of Imports, the Yarn Merchants' Association has urged the grant of liberal licences to established importers for the import of art silk yarn. It thinks that, if no licences are given, the prices of yarn would shoot up, causing thereby difficulties for handloom weavers in getting supplies of their yarn requirements.

In sympathy with the art silk section, the staple fibre section also has remained fully firm in the last three weeks. The firmness is due to the Government's decision not to grant import licences to those other than actual users. Staple fibre (2 x 40) January and February contracts have recorded handsome improvement, from Rs. 701 and Rs. 690, respectively, on the 2nd inst., to Rs. 727 and Rs. 723. It will be interesting to note that the price of December contract was quoted as low as Rs. 651 a month before.

OILSEEDS STEADY

(From Our Own Correspondent)

BOMBAY, *7th January*

The oilseeds and oils market maintained a generally steady trend during the three weeks since we last reported on 17th ultimo. This was due to renewed demand from overseas countries following the announcement of export quotas. In addition, the groundnut section met with buying support on reports of a smaller crop from Moglai districts. Linseeds also were bright owing to scarcity of floating stocks and continued expectation of reduction in export duty on linseed oil. The castorseeds section too put on a bright appearance early in the period turned subsequently easy. The easiness was attributed to fears regarding Brazilian sales of castor oil abroad at free exchange rates rather than at official rates as such might render Indian castor oil to lose its advantage over that from Brazil. As a result, castorseeds showed a tendency to decline while prices in all sections recorded sizable gains.

The export quota in the groundnut section is considered to be more than market expectations. But, owing to heavy demand and low crop prospects, the steady trend is expected to continue in spite of heavy arrivals in terminal centres. During the period under review, Bold ready fluctuated between Rs. 31 and Rs. 33-2, before closing at Rs. 32-8. Khandesh quality was enquired at Rs. 32-12. Groundnut oil ready and railway receipts gathered As. 2 each to Rs. 17-4 and Rs. 17 respectively. January and February deliveries closed a gain of As. 5 and As. 4 to Rs. 16-15 and Rs. 17-1 respectively. On the Continent, groundnut oil is quoted at £129 per ton. Canada is interested in H.P.S. groundnuts at £130.

There have been no notable developments in the linseed section. The reduction in export duty on cloth has induced a feeling that export duty on linseed oil also will be shortly announced. Translated actions during the period revealed that Bold ready improved from Rs. 26-4 to Rs. 27-8 and Indores Rs. 26-8 to Rs. 27-10. Linseed oil was done higher by As. 4 at Rs. 14-8.

Following rumours that further export quota in castor oil would be announced in February, the market put on a bright appearance almost up to a couple of days back, when selling pressure set in. This was occasioned by the lack of interest among U.S. dealers in distant deliveries, that is beyond February. May delivery which opened at Rs. 148 as against Rs. 147, fluctuated between Rs. 138-8 and Rs. 152, and finally closed at Rs. 140-8. F.A.Q. eased by As. 12 to Rs. 31 and Madras As. 4 to Rs. 31-8. Castor Oil I Pressure and Commercials were enquired at Rs. 18-4 and Rs. 18 as against Rs. 18-14 and Rs. 18-4 respectively. The U.S. was interested in castor oil I Pressure at 20.5 cents and Commercial at 19.5 cents per pound.

The following table shows the prices of oilseeds and oil on the 7th inst., as compared with those at the close of preceding two weeks.

	7-1-53	31-12-52	24-12-52
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Bold Ready New (per cwt.) ..	32 8	32 8	31 0
Khandesh New (per cwt.) ..	32 12	33 0	32 4
Linseeds—			
Bold Ready (per cwt.) ..	27 8	27 0	26 10
Castorseeds—			
May (per candy of 5 cwts.) ..	140 8	143 0	145 4
Madras (per cwt.)	31 8	33 0	32 0
Groundnut oil—			
Ex-mill Ready (per quarter)	17 4	16 14	16 12

JUTE GOODS IMPROVE

(From Our Own Correspondent)

CALCUTTA, *6th January*

Jute markets were dull throughout the period from 16th to 30th December, and although prices for raw jute were not searching further lower levels, the rates for finished goods suffered from a gradual decline. However, during the three working days of the New Year so far, the goods market firmed up due to moderate covering demand, especially for heavy goods. Shippers secured substantial quantities; quotations in heavy goods could not, however, go up to such a level as to enable mills to enter into business without incurring losses. B. twills closed on 30th December at Rs. 93-12 but after re-opening following the New Year holidays, an impressive recovery was made to Rs. 97-8, the January-March and April-June positions quoting Rs. 98 and Rs. 99 as against Rs. 93-8 and Rs. 94-8, respectively, a week ago. Hessian 40" 10 oz. ready sympathised by moving up by a point to Rs. 43-4. America and Canada gave moderate support.

The closure of the hessian futures market following a Government order has been welcomed both by the industry and the trade. The industry had expressed the undesirability of a futures market even when it was reopened early last year; despite this the *fatka* was permitted and although the functioning of the hedging system was in no way contributory to bring down prices of hessian to such low levels as existed prior to 19th December, yet the wide fluctuations, which were an impediment to stable prices, could have been avoided. Time and again, it has been proved that American buyers desire to enter into commitments after prices in offers are steady for a time. No doubt, opinions are conflicting as to whether the United States would have lifted more hessian in recent months than it had done, had the futures market not functioned.

The raw jute market ruled firm during the period since our last report. Although, no upward movement in prices was recorded, yet the maintenance of rates meant welcome relief to cultivators and stockists. Conditions in the goods market being as they were, mills could only give limited support to raw jute, but did not use the opportunity thus afforded to cause to impart a decline. Such a behaviour fully demonstrated that mills did desire that Indian cultivator should be given an economic price for his produce. No wonder, no more misinformed allegations that mills are buying Pakistani jute in preference to Indian are heard. Assam bottoms maintained Rs. 24 a maund for January delivery. Business in *Jungli* took place at Rs. 18-8, and *bimli f.a.q.* at Rs. 17-8.

LINSEED SUPPLIES SCARCE

(Messrs. A. Bradley & Co.)

CALCUTTA, *5th January*

Prices have remained almost unchanged during the past week, with a steady undertone prevailing, while small-scale trading is being recorded daily. Supplies of ready goods have been rather scarce; sellers appear to be more interested for forward delivery, but the local mills are showing very little interest at present and there has been limited daily turnover at lower rates. The oil section has been dull; present prices are still out of parity with overseas markets and only small local business has been reported. Latest quotation is Ready: Rs. 20 per maund.

MERCURY DEPRESSED

(From Our Own Correspondent)

CALCUTTA, *6th January*

The local metal market was quiet during the week under review and consumers limited their purchases to day-to-day requirements in expectation of a further decline in prices. It, however, remains to be seen whether this expectation would materialise in the light of news from Korea, from where, following the Russian Commander's reported visit to the battlefront, reports have originated regarding the forthcoming offensive under preparation by both sides. But consumers will not be in a hurry to begin to stock as much raw material as possible at the present low prices, since past experience has proved that forecasts from the Korean front invariably prove difficult of materialisation.

The feature during the week was the slight improvement recorded in the price for zinc, following encouraging advices from abroad. Electrolytic zinc was steady at Rs. 68, although business passing was limited and enquiries dwindled. Tin receded to Rs. 636 from Rs. 638. Following the change of hands of a moderate quantity for re-export commitments during recent weeks, mercury exhibited a note of quietness and the quotation was somewhat depressed at Rs. 525. Copper remained unchanged at Rs. 190 and lead at Rs. 68.

FANNINGS WELL SUPPORTED

(From Our Own Correspondent)

CALCUTTA, *6th January*

Demand for tea being moderate, prices during yesterday's export sale recorded increase. Offerings aggregated 48,600 chests, 50 per cent of which consisted of lots from previous offerings. Prices for fannings, especially for those possessing bright liquors or black leaf with some tip, advanced by As. 2 to As. 4 above brokers' valuations. Moderate attention was paid to commons and low mediums, which improved by As. 2 while those of the lots, having poorest leaf appearance, were featureless. Leaf grades were steady and those having stylish leaf commanded better attention. Moderate support was also given to best liquorings and prices advanced by As. 2. The rates were: good Assam C.T.C. B.P. Re. 1-13, medium Assam B.P. As. 15, clean black pekoe Re. 1-5, and clean common B.P. As. 14-6. Offerings during the next auction are expected to aggregate 55,000 chests.

HIDES EASY

(From Our Own Correspondent)

KANPUR, *4th January*

During the week under review, conditions in the local hides and skins market ruled easy. The sheep section, however, proved an exception. New arrivals were up to expectation. The main parties behind the transactions were the local tanneries and some Madras dealers.

The latest quotations are: Wet salted cow, 1st grade: Rs. 340 and 2nd grade: Rs. 300 per score; wet salted buff, 1st grade: 1 lb. 10 ozs. and 2nd grade: 2 lb. 2 ozs. per rupee; goat skins, 1st grade: Rs. 300 and 2nd grade: Rs. 260 per 100 pieces; sheep Rs. 275 per 100 pieces.

SUGAR STEADY

(From Our Our Correspondent)

HAPUR, *6th January*

Free sugar markets remained very steady. Owing to very restricted loading of sugar stocks from sugar mills in Northern India, sugar shortages developed in Madras, Assam and many other States. This resulted in a rise in price in those States, which, in turn, stimulated enquiry for sugar in surplus areas and there was increased offtake almost everywhere. The Government of India has released a further quantity of 104,000 tons of sugar from the controlled stocks of the 1951-52 season's production. The quantity released will be sold by factories to buyers of their own choice at the reduced ex-factory control prices.

The Standing Committee of the Central Board of Transport has decided to accelerate the movement of sugar from factories in Northern India to different consuming areas, where, for some time, general shortage has been experienced.

Free sugar market at Calcutta remained steady and there was brisk demand from Madras, Cochin, Tuticorin and Assam sides. Besides, stockholders there were eager to replenish their depleted stocks of sugar resulting in buying activities with considerable advance in both spot lot and ex-mill prices of sugar. Price of free sugar at Madras ruled high, due to low stocks. The Government of India has directed that the ex-factory price of E-27 grade of crystal sugar produced during 1951-52 season by the vacuum pan sugar factories in Madras State should be reduced to Rs. 28-1 per maund with effect from 1st December, 1952. At Bombay, free market ruled firm, due to the stocks having gone down. Demand was very good and an appreciable amount of sugar has been exported to Malabar and Calicut.

The second all-India estimate of sugarcane puts this year's acreage and production at 4,248,000 acres and 5,035,000 tons of raw sugar against the adjusted second estimate of 4,326,000 acres and 5,288,000 tons respectively for 1951-52.

The average wholesale prices of free sugar in different markets are: Ambala Rs. 29-11-7, Amritsar Rs. 30-10, Delhi Rs. 30-6, Jullundur Rs. 28-8, Agra Rs. 29-5, Hapur Rs. 28-4, Kanpur Rs. 28-12, Mathura Rs. 29-7, Meerut Rs. 29-6, Muzaffarnagar Rs. 27-12, Patna Rs. 29-12, Calcutta Rs. 29-12, Gauhati Rs. 35-1, Madras Rs. 35 and Bombay Rs. 33-12.

FOOD SUPPLY POSITION COMFORTABLE

(From Our Own Correspondent)

HAPUR, *6th January*

1953 has begun with a happy augury so far as foodgrains supplies in the country are concerned. There is a carry-over of about two million tons of foodgrains. Prices have been falling, as a result of higher production and the assurance of securing the bulk of the 2.5 million tons of imports, the target for the year. Nearly 3.9 million tons of grains, 2.5 million tons of wheat, 700,000 tons of rice and 600,000 tons of milo were imported during 1952. At one stage, it had been hoped to dispense with any millets imports in 1953, but now a million ton deficit is estimated now, owing to the failure of winter rains and the consequent dama

(*Continued on page 51*)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	26th D., 1952	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation.	172.44	1,092.12	1,088 78	1,073.66	1,141.09
Notes held in Banking Department.	35.05	20.78	24 15	39.89	19 22
Foreign Securities.	39.50	538.15	538.15	538.15	583.15
Rupee Securities . .	37.39	450 06	450 07	450.07	468.13
Banking Department					
Deposits of :					
Government of India	14 89	174.79	173.63	157.11	210.49
Other Governments.	..	3.55	1 27	15 08	10 19
Balances held abroad	10.08	167.24	164.03	156 78	197.94
SCHEDULED BANKS					
Demand Liabilities.	134.37	530 46	529.98	544 10	576.06
	..	(13 01)	(12.35)	(11.78)	(22.32)
Time Liabilities . .	102 84	317.06	317.48	318 78	293.21
Borrowings from		(3.79)	(4.32)	(5.07)	(0 75)
Reserve Bank . .	..	4.54	2.93	1.74	9.66
		(0.99)†	(0 99)†	(0.99)†	(N.A.)†
Borrowings from Imperial Bank‡	..	5.15	4 85	3.47	N.A.
Cash in India.	..	34.95	32 64	32.07	43.95
Balances with Reserve Bank . .	6.71	43.58	42.00	54.82	45.89
Excess over statutory limits . .	25.28	10 72	9.15	21.24	11.20
Balances with other banks in current account in India.	16.52	11.20	11.69	12.39	14.21
Money at call and short notice in India . .	..	16.70	16.07	18.42	11 96
Investments (at book value)	..	323.20	328 95	324.99	307.48
Advances and bills.	..	468.33	461.79	451.56	542 52
IMPERIAL BANK	105.09				
Deposits . .	..	206.15	207 09	213 64	232.26
Investments . .	87.76	97.25	102.17	100.60	86.97
Advances . .	51.99	111.51	109 31	104.59	130.00
Cash . .	30.37	17.13	15.13	22.24	30.16

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets). N.A. = Not available.
† Borrowings against usance bills and promissory notes.
‡ Figures prior to 18th April, 1952, not available.

CLEARING HOUSE RETURNS

Centre	2nd January, 1953 Number of Cheques	2nd January, 1953 Amount Rs.	26th December, 1952 Number of Cheques	26th December, 1952 Amount Rs.
Bombay . .	1,72,202	43,08,90,000	1,89,593	45,24,72,000
Calcutta . .	1,15,270	44,21,69,222	1,03,521	32,21,02 263
Madras . .	50,917	5,92,00,032	59,811	7,00,70,567
All Centres				
August 1952 . .			22,74,000	5,03,86,00,000
Sept., ,, . .			23,60,000	5,27,06,00,000
Oct., ,, . .			25,38,000	5,30,29,00,000

Reserve Bank of India

Statement of Affairs for the week ended 2nd Jan.. 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government		176,06,84,000
(2) Other Governments		3,54,43,000
(b) Banks		47,84,80,000
(c) Others		61,22,90,000
Bills Payable		5,39,83,000
Other Liabilities		20,38 23,000
	Rupees . .	324,47,03,000

ASSETS	Rs.	Rs.
Notes		13,62,53,000
Rupee Coin		8,67,000
Subsidiary Coin		1,57,000
Bills Purchased and Discounted—		
(a) Internal		38,40,000
(b) External		
(c) Government Treasury Bills . .		8,84,47,000
Balances held abroad*		172,60,28,000
Loans and Advances to Governments . .		3,32,00,000
Other Loans and Advances		19,47,30,000
Investments		99,44,79,000
Other Assets		6,67,02,000
	Rupees . .	324,47,03,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 98,76,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) No Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13,62,53,000	
Notes in circulation	1099,29,96,000	
Total Notes issued		1112,92,49,000
Total Liabilities		1112,92,49,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion :		
(a) Held in India . .	40,01,71,000	
(b) Held outside India . .		
Foreign Securities . .	538,15,11,000	
Total of A . .		578,16,82,000
B. Rupee Coin		84,69,43,000
Government of India Rupee Securities . .		450,06,24,000
Internal Bills of Exchange and other commercial paper . .	....	....
Total Assets . .	....	1112.92 49,000

Ratio of Total of A to Liabilities: 51.950 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 26th Dec., 1952

		Rs.
1.	Demand Liabilities in India :	
	(i) Borrowings from banks	13,00,80,000†
	(ii) Other demand liabilities	517,45,64,000
2	Time Liabilities in India :	
	(i) Borrowings from banks	3,79,00,000†
	(ii) Other time liabilities	313,26,66,000
3.	Cash in India	34,94,00,000
4.	Balances with the Reserve Bank in India . .	43,58,46,000
5.	Balances with other banks in current account in India	11,20,42,000
6.	Money at call and short notice in India . .	16,70,48,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	323,19,60,000
8.	Advances in India	438,82,77,000
	Inland Bills purchased and discounted in India	29,49,87,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.

†Excludes borrowings from the Reserve Bank, and with effect from the 18th April 1952 also those from the Imperial Bank.

EXCHANGE RATES

		16th December, 1952	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	a.	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months . .	a.	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months . .	a.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months . .	a.	1-6 1/16	1-6 1/16
Bombay on New York—			
Sellers T.T. D.D. . .	Rs.	477 1/4	477 1/4
Buyers T.T. . .	Rs.	473 1/4	473 1/4
London on New York . .	$	2.80 3/8	2.80 3/8
London on Paris . .	Fcs.	987-988	987-988
London on Berne . .	Sw Fcs.	12.18 1/4–12.18 1/2	12.18 1/4
New York on London . .	$	2.80 3/8–2.80 1/2	2.80 3/8–2.80 1/2

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	3rd July, 1952	5	6
Belgium	12th Sept., 1951	3 1/2	3 1/2
Canada	17th Oct., 1950	1 1/2	2
Denmark	2nd Nov., 1950	4 1/2	5
Finland	16th Dec., 1951	7 1/2	5 1/2
France	9th Nov., 1951	8	4
Greece	12th July, 1948	10	12
India	16th Nov., 1951	3	3 1/2
Italy	6th April, 1950	4 1/2	4
Japan	1st Oct., 1951	6.11	5.84
Netherlands	1st Aug., 1952	3 1/2	3
New Zealand	26th July, 1941	2	1 1/2
Norway	9th Jan., 1946	3	2 1/2
Portugal	12th Jan., 1944	3	2 1/2
South Africa	27th Mar., 1952	3 1/2	4
Spain	18th Mar., 1940	4 1/2	4
Sweden	1st Dec., 1950	2 1/2	3
Switzerland	26th Nov., 1936	4	1 1/2
Turkey	26th Feb., 1951	2	3
United Kingdom . .	12th Mar., 1952	2 1/2	4
U.S.S.R. . . .	1st July, 1936	8	4
U.S.A. . . .	*N.B.*	1 1/2	1 1/2

N.B.—Dates vary from 21-8-1950 to 25-8-1950 from Bank to Bank.

State Bank of Pakistan

Statement of Affairs for the week ended 26th Dec., 1952

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :	
(a) Central Government	37,71,20,000
(b) Provincial Governments	84,58,000
(c) Banks	10,12,52,000
(d) Others	3,81,85,000
Bills Payable	14,80,000
Other Liabilities	3,51,00,000
Rupees . .	62,16,04,000

ASSETS	Rs.
Notes	4,80,35,000
Rupee Coin	4,000
Subsidiary Coin	8,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	31,86,000
Loans and Advances to Governments. . .	15,25,00,000
Provincial Governments Debtor Balances . .	48,14,000
Other Loans and Advances	7,30,99,000
Investments	25,49,96,000
Other Assets	8,49,72,000
Rupees . .	62,16,04,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	4,80,35,000	
Notes in circulation	200,82,10,000	
Total Notes issued		205,62,45,000
Total Liabilities . .		205,62,45,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion . .	7,91,42,000	
Silver Bullion . .		
Sterling Securities . .	39,27,55,000	
Government of India Securities . .	11,87,77,000	
India Notes representing assets receivable from the Reserve Bank of India. .	29,98,96,000	
		89,05,70,000
B. Rupee Coin . .	6,45,52,000	
Government of Pakistan Securities . .	105,86,48,000	
Internal bills of exchange and other commercial paper . .	....	
		112,32,00,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion . .	19,02,000	
Sterling Securities . .	3,06,12,000	
Government of India Securities . .	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets . .		205,62,45,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation 45.23 per cent.

TREASURY BILLS

Date of Tender	Amount (in crores of Rs.) Offered	Applied For	Allotted	Average rate of allotment	Allotted at minimum rate
				Rs. a. p.	%
1952					
14th Oct. . .	2.00	2.06	2.00	2 2 0	97
21st ,, . .	2.00	4.26	2.00	2 2 0	98
28th ,, . .	2.00	4.05	2.00	2 2 0	98
4th Nov. . .	2.00	4.10	2.00	2 2 0	95
11th ,, . .	2.00	5.12	2.00	2 1 11	75
18th ,, . .	2.00	2.02	2.00	2 1 6	90
25th ,, . .	2.00	2.03	2.00	2 3 0	99
2nd Dec. . .	2.00	2.01	2.00	2 4 0	99
9th ,, . .	2.00	2.15	2.00	2 5 11	93
16th ,, . .	2.00	2.62	2.00	2 5 11	88
6th Jan. 1953 . .	1.00	1.45	1.00	2 6 6	55
Total . .	21.00	32.77	21.00	..	..

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	Per capita income (Rs.)
India . .	1948	342 42			8,730	255
Pakistan . .	1949	75 01			1,671	223
Burma . .	1951	18.67	Kyats	3,166	317	167
Ceylon . .	1951	7.74			451	584
Japan . .	1951	84.30	¥.	4,564,000	6,036	72
Philippines . .	1951	20.25	Ps.	7,586	1,820	856
New Zealand . .	1951	1.95	£ (N.Z.)	615	820	4,206
Australia . .	1951	8.41	£ (A.)	3,238	3,454	4,317
U.K. . .	1951	50 56	£	11,284	15,179	2,076
U.S.A. . .	1951	154 35	$	277,600	132,190	8,583
Canada . .	1951	14 01	$	17,220	8,552	6,106
France . .	1951	42 24	F. Fr.	9,082,000	12,372	2,929
W. Germany . .	1951	48 11	Dm.	90,200	10,227	2,126
Italy . .	1951	46 60	Lr.	7,740,000	5,902	1,267
Norway . .	1951	3 29	Kr.	15,504	1,055	3,206
Sweden . .	1951	7 07	Kr.	36,900	3,439	4,864
Netherlands . .	1951	10 26	Fl.	16,040	2,151	2,096
Denmark . .	1951	4 34	Kr.	29,716	1,439	3,315
Switzerland . .	1951	4 75	S. Fr.	19,500	2,166	4,556

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source : United Nations Monthly Bulletin of Statistics, November, 1952.

Imperial Bank of India

Statement of Affairs for the week ended 2nd Jan., 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid . .	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves. . . .		6,35,00,000
Deposits and other Accounts		206,90,87,000
Borrowings from other Banking Companies Agents		10,26,41,000
Bills Payable		3,48,44,000
Bills for Collection being Bills Receivable as per contra		53,30,000
Acceptances, Endorsements and Other Obligations as per contra		49,000
Other Liabilities (including Inter-Office Adjustments)		2,68,33,000
Total . .	Rs.	235,85,84,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank . .		14,39,18,000
Balances with other Banks		3,75,15,000
Money at Call and Short Notice . .		1,29,23,000
INVESTMENTS—		
Government and other Trustee Securities	83,52,00,000	
Other Authorised Investments . .	13,74,45,000	
		97,26,45,000
Advances—		
Loans, Cash Credits and Over drafts, etc. . . .	107,06,27,000	
Bills Discounted and Purchased. .	7,54,37,000	
		114,60,64,000
Bills Receivable being Bills for Collection as per contra		53,30,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		49,000
Premises less Depreciation		1,81,21,000
Furniture and Fixtures less Depreciation . .		30,52,000
Other Assets (including Inter-Office Adjustments).		2,39,22,000
Total . .	Rs.	235,85,84,000

SMALL SAVINGS

(Amounts in lakhs)

	Cash Certificates Receipts	Cash Certificates Out-standings* @	†Defence Savings Certificates @ * Out-standings	National Savings†† Certificates Receipts	National Savings†† Certificates Out-standings*	Savings Bank Deposits Receipts	Savings Bank Deposits Out-standings*	Defence Savings Bank Deposits Out- * @ standings	2½ per cent. Ten-year Treasury Savings Deposits‡ Receipts	2½ per cent. Ten-year Treasury Savings Deposits‡ Out-standings*
1950-51 . .	..	—15,91	—1,79	23,68	57,86	1,01,04	61,33	—4,64	5,31	5,31
1951-52 . .	1	—20,20	—2,55	24,59	75,38	1,08,79	71,16	—4,74	13,10	18,39
January . .	..	—14,97	—1,63	1,95	54,60	8,17	55,31	—4,62	..	..
February . .	..	—15,42	—1,70	2,10	56,16	8,09	56,59	—4,63	2,95	2,95
March 1951 . .	..	—15,91	—1,79	2,29	57,91	13,37	61,36	—4,64	2,35	5,31
April ,, . .	..	—16,29	—1,85	2,21	59,61	9,10	62,70	—4,65	2,38	7,69
May ,, . .	..	—16,66	—1,91	1,99	60,90	9,51	63,16	—4,66	1,28	8,97
June ,, . .	..	—17,06	—1,96	1,92	62,31	8,75	64,27	—4,67	86	9,83
July ,, . .	..	—17,44	—2,05	2,05	63,87	8,98	66,08	—4,67	1,17	11,00
August ,, . .	..	—17,84	—2,09	2,10	65,51	8,89	67,61	—4,67	1,13	12,13
September ,, . .	1	—18,19	—2,16	2,01	67,10	7,98	68,15	—4,69	1,16	13,29
October ,, . .	..	—18,53	—2,23	1,95	68,44	7,88	69,06	—4,70	1,36	14,65
November ,, . .	..	—18,90	—2,30	1,98	69,77	7,85	67,95	—4,71	1,39	14,88
December ,, . .	..	—19,25	—2,36	1,83	71,08	7,66	67,91	—4,71	94	15,82
January 1952 . .	..	—19,56	—2,42	1,71	72,25	7,75	68,04	—4,73	70	16,51
February ,, . .	..	—19,86	—2,46	1,82	72,52	8,21	68,27	—4,73	66	17,17
March ,, . .	..	—20,20	—2,55	3,02	75,83	11,28	71,16	—4,74	53	17,70
April ,, . .	..	—20,51	—2,60	2,47	77,67	10,01	73,50	—4,74	71	18,39
May ,, . .	..	—20,81	—2,64	2,32	79,44	9,95	74,83	—4,74	95	19,33
June ,, . .	..	—21,09	—2,68	2,00	80,95	9,88	77,01	—4,74	69	19,84
July ,, . .	..	—21,37	—2,73	2,28	82,58	10,29	79,52	—4,75	74	20,58
August ,, . .	..	—21,57	—2,77	1,96	83,98	8,60	80,73	—4,75	65	21,25
September ,, . .	..	—21,79	—2,80	1,97	85,30	8,78	81,87	—4,75	52	21,80
October ,, . .	..	..	..	..	..	..	..	..	58	22,38
									56	22,92

† Were replaced by National Savings Certificates from 1st October, 1943. * At the end of period. ‡ Issued from 1st February 1951.
†† Including 5 year and 7 year National Savings Certificates Issued from 1st June 1948.
@ Progressive net repayments from 15th August, 1947.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)

I. All-India

Group and Sub-Group	Week Ended 29-12-'51	29-11-'52	20-12-'52	27-12-'52
(A) Government and Semi-Government Securities				
1. Government of India Loans . .	91.5	92.3	92.3	92.3
2. Municipal, Port Trust and Improvement Trust Loans . .	96.5	86.2	86.4	86.4
GROUP INDEX ‡	91.7	92.2	92.2	92.2
(B) Fixed Dividend Industrial Securities				
1. Electricity . .	75.9	76.1	75.3	75.9
2. Cotton . .	135.2	128.4	127.7	128.0
3. Jute . .	82.9	82.0	82.0	82.0
4. Coal . .	102.7	97.4	95.1	94.5
5. Iron and Steel . .	83.1	82.5	82.8	82.9
6. Sugar . .	105 2	91.5	91.4	91.4
7. Paper . .	90.1	85.6	86.9	86.9
8. Plantations . .	108.3	100.5	100.6	100.6
GROUP INDEX	93.6	90.7	90.6	90.7
(C) Variable Dividend Industrial Securities				
1. Banks . .	112.6	102.6	102.9	102.7
2. Insurance . .	103.7	97.7	97.0	97.6
3. Investment Trusts . .	143.3	139.2	140.6	140.1
4. Electricity Companies and Tramways . .	86.1	81.9	81.8	81.9
5. Shipping and Other Transport Companies	89.7	84.9	85.7	85 4
6. Railways . .	83.8	74.2	73.0	72.7
7. Plantations . .	168.0	118.6	113.0	112.0
8. Cotton, Woollen and Silk . .	161.9	128.9	128.9	128.8
9. Jute . .	94.5	79.8	76.6	76 5
10. Coal . .	115.3	90.6	89.3	89.4
11. Mining and Oil . .	73.5	62.9	62.6	62.8
12. Iron and Steel . .	144.7	130.9	127.5	127.2
13. General Engineering . .	157.7	138.3	136.8	137.7
14. Sugar . .	96.6	82.3	79.7	79.3
15. Breweries . .	67.9	55.6	55.4	55.0
16. Chemicals . .	107.7	129.9	126.1	124.9
17. Paper . .	123.7	115.3	114.4	114.3
18. Cement . .	146.9	142.6	144.7	145.1
GROUP INDEX	121.7	108.9	104.9	104.7

II. Regional

Region and Group	Week Ended 29-12-'51	29-11-'52	20-12-'52	27-12-'52
(A) BOMBAY—				
Government and Semi-Government Securities	91.8	91.8	91.9	91.9
Fixed Dividend Industrials . .	91.6	90.4	90.4	90.7
Variable Dividend Industrials . .	131.0	122.4	122.9	122.8
(B) CALCUTTA—				
Government and Semi-Government Securities	92.1	92.8	92.8	92.7
Fixed Dividend Industrials . .	91.7	89.1	88.9	88.9
Variable Dividend Industrials . .	109.2	94.0	92.3	92.1
(C) MADRAS—				
Government and Semi-Government Securities	90.6	92.0	91.9	91.9
Fixed Dividend Industrials . .	113 8	105.3	105.2	105.1
Variable Dividend Industrials	153.4	129.7	129.2	128.7

*Source: Department of Research and Statistics, Reserve Bank of India.
‡ Including Part 'B' State Loans.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950 . .	814	719,883	12,806,704
1951 . .	1,071	691,321	3,818,928
May 1950 . .	111	74,337	313,451
June ,, . .	88	47,635	322,944
July ,, . .	54	21,188	134,911
August ,, . .	75	240,518	2,948,978
September ,, . .	71	249,445	4,954,161
October ,, . .	78	288,849	2,226,894
November ,, . .	94	58,736	313,837
December ,, . .	68	41,061	163,718
January 1951 . .	120	93,696	370,990
February ,, . .	61	44,025	205,950
March ,, . .	79	47,723	317,869
April ,, . .	120	95,747	331,232
May ,, . .	109	56,804	277,814
June ,, . .	146	93,446	448,258
July ,, . .	130	72,454	671,705
August ,, . .	108	64,884	289,907
September ,, . .	88	24,777	98,109
October ,, . .	108	47,396	190,757
November ,, . .	125	54,147	189,374
December ,, . .	118	76,196	365,149
January 1952† . .	96	306,781	691,542
February ,, . .	89	54,080	216,507
March ,, . .	87	42,480	142,493
April ,, . .	134	59,457	234,846
May* ,, . .	118	80,093	254,395
June* ,, . .	101	59,381	257,062
July* ,, . .	82	40,764	171,263
August* ,, . .	85	48,292	145,595
September* ,, . .	88	57,156	458,581
October ,, . .	90	77,391	346,071

† Figures for 1952 are provisional * Revised.

ELECTRIC ENERGY : GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51 . .	545	5,279.9	4,225.9
1951-52 . .	573	5,948.1	4,849.0
February 1951 . .	539	436.7	356.1
March ,, . .	545	474.5	376.5
April ,, . .	548	470.0	379.7
May ,, . .	549	505.1	404.9
June ,, . .	541	501.2	408.8
July ,, . .	546	507.7	412.0
August ,, . .	551	506.8	409.4
September ,, . .	554	506.9	412.8
October ,, . .	556	508.9	409.8
November ,, . .	557	491.7	409.6
December ,, . .	561	500.9	414.3
January 1952 . .	568	500.8	409.7
February ,, . .	571	480.7	391.0
March ,, . .	578	481.8	392.9
April ,, . .	577	488.8	392.8
May ,, . .	581	514.4	413.1
June ,, . .	583	500.1	408.8
July ,, . .	588	534.0	429.7
August ,, . .	592	531.6	428.7

* Excluding railway, military and factory power stations; Chola Power Station being interconnected with Tata Power System, has been included. ‡ Including purchases from non-electric utilities
§ At the end of period

INDEX NUMBERS OF WHOLESALE PRICES—WEEKLY VARIATIONS

(Base: Year ended August, 1939=100)

Particulars	20th Dec., 1952	13th Dec., 1952	22nd Dec., 1951	November, 1952	November, 1951	Percentage of increase (+) or decrease (—) in Nov., 1952 as compared with Nov., 1951
Food Articles . .	344.5	342.7	400.4	363.4 (R)	401.9	— 9.6
Cereals . .	430	428	466	447 (R)	469	— 4.7
Pulses . .	544	548	511	551	506	+ 8.9
Others . .	208	204	288	227	288	—21.2
Industrial Raw Materials . .	424.0	419.9	577.5	429.3	583.8	—26.5
Fibres . .	397	393	603	400	594	—32.7
Oil seeds . .	479	469	628	495	642	—22.9
Minerals . .	456	467	443*	457	453	+ 0.9
Others . .	372	371	432	367	487	—24.6
Semi-Manufactures . .	341.2	343.1	373.4	348.1	377.9	— 7.9
Leather . .	418	429	334	416	386	+ 7.8
Mineral oils . .	223	223	209	226	205	+10.2
Vegetable oils . .	427	416*	628	441	646	—31.7
Cotton yarn . .	434*	434*	445*	444*	495*	—10.3
Metals . .	228	227	207	226	207	+ 9.2
Oil cakes . .	390	391	515	441	511	—13.7
Others . .	251	251	325	253	314	—19.4
Manufactured Articles . .	388.7	388.3	401.3	374.3	400.2	— 6.5
Textiles . .	400	403	472	412	472	—12.7
Jute . .	393	393	535	449	791	—43.2
Cotton . .	406*	406*	410*	406*	410*	— 1.0
Rayon and Silk . .	421*	453*	500*	445*	536*	—17.0
Woollen . .	280	280	388	280	439	—36.2
Metal products . .	342	342	298	342	294	+16.3
Others . .	290	290	303	294	303	— 3.0
Miscellaneous . .	626.9	625.5	747.3	633.3	750.9	—15.7
All Commodities . .	372.7	371.9	433.6	383.4 (R)	435.8	—12.0

* Estimated.

WORKING CLASS COST OF LIVING INDICES (ALL-INDIA)

Base	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944	Calcutta August 1939
December 1950 . .	310	235	281	435	376	326	129	165	127	157	168	352
January 1951 . .	318	239	296	440	376	326	134	171	127	158	171	344
February ,, . .	321	253	294	441	388	327	138	176	129	157	169	347
March ,, . .	332	268	301	439	390	329	138	174	139	157	166	356
April ,, . .	335	270	304	440	391	333	139	173	140	159	166	365
May ,, . .	335	278	314	443	394	335	140	176	141	158	166	374
June ,, . .	337	271	313	447	394	337	144	178	138	158	169	382
July ,, . .	333	270	318	454	394	337	145	182	140	155	173	385
August ,, . .	328	261	322	459	392	338	146	181	143	161	171	387
September ,, . .	325	253	319	470	389	340	144	179	150	161	170	375
October ,, . .	325	254	323	469

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.	Acreage		Outturn	
	1951-52 Estimated.	1950-51 Final.	1951-52 Estimated.	1950-51 Final.
Rice (Final) tons	73,553	75,990	20,562	20,269
Wheat (Final) tons	23,234	24,133	5,768	6,373
Jowar (Final) tons	38,367	38,447	5,519	5,408
Bajra (Final) tons	21,877	22,313	2,156	2,557
Barley (Final) tons	7,800	7,694	2,136	2,338
Maize (Final) tons	7,955	7,717	1,965	1,723
Ragi (Final) tons	5,291	5,442	1,166	1,407
Gram (Final) tons	16,746	18,984	3,160	3,698
Other millets (Final) tons	23,494	26,448	3,142	3,858
Total foodgrains	218,317	227,168	45,594	47,631
Jute (Final) bales	1,951	1,454	4,678	3,301
Cotton (Fourth) bales	15,125	13,859	3,041	2,926
Sugarcane (2nd) tons	4,246‡	4,727‡†	5,935‡	5,895‡†
Groundnut (First) tons	5,215†	11,755††		3,037††
Linseed (Final) tons	3,298	3,447	309	361
Castorseed (Final) tons	1,423	1,378	104	104
Rape and Mustard Seed (Final) tons	5,707	5,097	900	748
Sesamum (2nd) tons	2,915†	5,731††		441
Tobacco (Final) tons	731	880	214	256
Pepper (Final) tons	192	197	28	31
Ginger (Final) tons	42	41	15	15

Source: Ministry of Food and Agriculture.

† Relates to 1952-53. †† Relates to 1951-52

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During October, 1952	76.8
	Corresponding month 1951	69.1
	July to October, 1952	304.8
	Corresponding period 1951	282.5
Stocks	At the end of October, 1952	94.9
	Corresponding month 1951	72.0
		(In 000 bags)
Exports (Jute Bags)	Week ended 22nd Nov., 1952	29.58
	Corresponding week 1951	1,04.74
	From 1st Jan. to 22nd Nov., 1952	38,52.27
	Corresponding period 1951	48,49.40
		(In 000 yds.)
Exports (Jute Cloth)	Week ended 22nd Nov., 1952	1,15.61
	Corresponding week 1951	1,16.77
	From 1st Jan. to 22nd Nov., 1952	96,89.83
	Corresponding period 1951	101,26.87
	RAW JUTE	(In 000 bales)
Exports*	Week ended 22nd Nov., 1952	—
	Corresponding week 1951	—
	From July to September, 1952	—
	Corresponding period of 1951	—
Consumption by Mills†	October, 1952 (in lakh bales)	4.45
	Corresponding month 1951	4.01
	Four months ended Oct., 1952	17.67
	Corresponding period 1951	16.40

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
ar ended 31st March, 1940	917,800	906,700	671,000
Do. 31st March, 1950	1,041,700	927,500	720,000
Do. 31st March, 1951	11,15,200	10,62,100	7,76,500
Do. 31st March, 1952	11,30,000	10,57,100	7,99,200
Nine months ended December, 1952	8,65,800	7,97,800	5,94,700
ne 1951	84,100	80,500	55,600
ly ,,	98,000	85,400	66,700
gust ,,	99,600	91,500	66,200
ptember ,,	92,300	84,600	63,100
tober ,,	94,100	88,800	63,800
vember ,,	92,700	85,200	65,900
ne 1952	88,400	83,100	64,800
ly ,,	93,400	91,000	66,500
gust ,,	1,00,700	90,500	67,700
ptember ,,	94,200	88,300	64,500
tober ,,	99,400	90,100	67,300
vember ,,	1,03,500	93,700	68,700
cember ,,	98,200	91,400	69,700

SEA- AND AIR-BORNE TRADE : INDIA.

Particulars	September		Six Months April to Sept.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:—				
Foodstuffs	14,46	23,41	129,85	109,72
Raw materials	12,82	15,23	101,30	129,21
Manufactures	19,37	27,92	145,45	165,90
Other items	19	33	2,61	1,88
Total Imports*	46,84	66 89	379,21	400,71
Exports:—				
Foodstuffs	12,05	17,66	67,84	73 26
Raw materials	10,93	7,73	73,44	83,01
Manufactures	22,00	34,42	141,07	229,14
Other items	35	32	2,00	1,59
Total Exports	46,42	60,19	288,35	376.27
Total Re-exports	32	32	2,21	10,48
Balance of trade in merchandise	— 11	— 6,38	— 88,65	— 13,96
Balance of transactions in private treasure	— 2	— 3	— 3	— 1
Total Visible Balance of Trade	— 13	— 6,41	— 88,68	— 13,97
Imports :—				
Total C'wealth Countries	21,17	22,76	136,20	148.44
Total Foreign Countries	25,67	44,12	243,00	252.28
Exports:—				
Total C'wealth Countries	21,98	31,54	135,23	192.71
Total Foreign Countries	24 43	28,6.	153,11	183,57

* Excludes value of certain special imports of foodgrains and tores, full particulars of which are not yet available.

LAND-BORNE TRADE : INDIA

Particulars	September,		Six months April to Sept.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	97	1,81	14,69	9,45
Imports	1,39	8,23	8.86	48,10
Balance of trade in merchandise	—42	— 6,42	+ 5,83	+ 38,65

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES JULY AND AUGUST 1952

(Base Jan. to Dec. 1944 = 100)

Name of Centre	Cereals				Pulses				Other articles of Food				All articles of Food				Fuel and Lighting				Clothing				Miscellaneous			
	Aug., 1951	July, 1952	Aug., 1952	Aug., 1951	July, 1952	Aug., 1952	Aug., 1951	July, 1952	Aug., 1952	Aug., 1951	July, 1952	Aug., 1952	Aug., 1951	July, 1952	Aug., 1952	Aug., 1951	July, 1952	Aug., 1952	Aug., 1951	July, 1952	Aug., 1952	Aug., 1951	July, 1952	Aug., 1952	Aug., 1951	July, 1952	Aug., 1952
Eastern Zone																												
Bamra	196	219	219	111	85	93	181	130	136	172	137	143	96	104	104	166	219	219	193	175	182							
Malhang	166	x	x	133	x	x	172	x	x	165	x	x	102	x	x	164	x	x	160	x	x							
Shankargarh	182	159	173†	166	164	166	206	154	156	194	158	164	101	108	98†	142	149	140	138	139	139							
Sonaili	257	277	271	181	158	160	254	194	197	243	202	203	125	125	125	256	234	234	316	278	278							
Northern Zone																												
Multapi	213	124	124	187	127	146*	188	174	172*	191	155	161*	115	123	123†	138	155	162	186	195	197							
Nana	281	293	303†	241	302	302	247	196	192	247	228	227	142	140	140	210	206	206	208	222	222							
Salamatpur	268	262	x	278	280	x	226	204	x	244	229	x	106	129	x	134	139	x	256	259	x							
Southern Zone																												
Krishna	279	190	187	174	174	172	200	154	159	212	162	165	151	114	114	158	139	149†	222	206	206							
Lakh	179	224	120	173	158	158	168	126	128	171	149	151	86	92	93	132	138	138	144	138	143							
Malur	160	171	171	174	128	128	184	138	136	177	143	142	89	100	100	198	244†	244	216	163	163							
Muniguda	142	208	211	270	194	215†	133	190	198	325	194	203	105	145	147	213	215	217	218	266	268							
Kudehi	123	157	157	136	146	153	204	154	166†	183	154	161	100	127	127	142	147	145	163	192	192							

x Returns not received. † Revised. * Provisional

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 1st Jan., 1953	35,934
	Corresponding week, 1952	59,512
	1st Sept. 1952 to 1st Jan., 1953	4,25,969
	Corresponding period, 1951-52	2,93,213
Cotton Exports	Week ended 1st Jan., 1953	5,817
	Corresponding week, 1951-52	
	1st Sept. 1952 to 1st Jan., 1953	1,12,219
	Corresponding period, 1951-52	111
Mill Consumption	1st Sept. 1952 to 1st Jan., 1953	3,09,414
	Corresponding period, 1951-52	3,52,972
Stock (with exporters dealers and mills)	On 1st Jan., 1953	3,36,938
	Corresponding date, 1951-52	2,38,781
Karachi (Pakistan)*		
Receipts	Week ended 6th Dec., 1952	44,143
	Corresponding period, 1951	72,740
	1st Sept. to 6th Dec., 1952	3,29,019
	Corresponding period, 1951	3,08,607
Exports	Week ended 6th Dec., 1952	48,000
	Corresponding period, 1951	16,300
	1st Sept. to 6th Dec., 1952	2,94,000
	Corresponding period, 1951	1,00,000

* As reported by the Karachi Cotton Association Ltd.

Particulars	Details of Period	From 1st Sept., '52 to 4th January, 1953 Bales	From 1st Sept., '51 to 5th January, 1952 Bales
Indian Union			
Cotton Exports to—			
United Kingdom		2,621	—
Continent		37,315	—
China		321	—
Japan		63,351	—
U.S.A.		7,125	—
Other Countries		2,343	111
Total to all foreign countries		1,13,118	111
Coastal Ports		33,236	21,134

Period		Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	October, 1952	2,81,347
Foreign		4,20,054
Indian	Two months September—October, 1952	5,53,958
Foreign		1,63,718
Indian	Same Period 1952	4,50,721
Foreign		1,85,154
Stocks (Mills and Elsewhere)—		
Indian	As on 31st Oct., 1952	10,16,476
Foreign		3,50,311
Indian	As on 31st Oct., 1951	9,74,402
Foreign		2,41,112
Cotton Pressed†	Week ended 19th Dec., 1952	30,877
	Corresponding week, 1951	58,202
	1st Sept. to 19th Dec., 1952	2,66,492
	Corresponding period, 1951	4,37,805

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½ % Loan	1928	9,05,64,000	1955-60	103¼
3 % Bonds	1926-33	63,30,26,000	1960-70	101½
3 % Loan	1938-39	1,16,17,46,000	1963-65	92⅞
3 % Loan	1943	1,14,60,58,000	1951-55	100⅝
3 % Loan	1950	30,33,10,000	1964	92¼
3 % Loan	1943	1,10,11,78,000	1966-68	90¾
3 % V. Loan	1944	1,14,06,89,000	1970	98¾
2½ % Loan	1945	1,15,05,83,000	1970-75	86¾
2½ % Loan	1945	1,13,65,64,000	1959-61	96
3 % Loan	1951	50,00,00,000	1958	98¾
2½ % Loan	1946	45,61,97,000	1960	93¾
2½ % Loan	1946	57,06,69,000	1961	90¾
2½ % Loan	1946	35,06,06,000	1954	98⅜
2½ % Loan	1946	14,77,48,000	1976	82¼
2½ % Loan	1947	75,86,72,000	1962	91¼
2½ % Loan	1948	60,45,01,000	1955	98⅜
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,36,000	At option of Government after three months, notice.	82⅜
			On 1st September, 1986 or later at option of Government after three months, notice.	
3 % Loan	1946	2,48,91,90,000		82⅜
REPATRIATE STERLING LOANS				
3½ % Loan	1933	12,85,66,000	1954-59	100½
4½ % Loan	1928	5,85,20,000	1958-68	105½
PROVINCIAL LOANS				
3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1962	97½ N
3 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100¼
3 % Madras	1938	1,42,08,300	15th Sept. 1953	100-0⅛
3 % Madras	1939	1,29,76,600	21st June 1959	95
3 % Madras	1942	1,23,25,000	14th Sept. 1956	98½
3 % Madras	1943	1,25,10,000	15th Aug. 1958	98⅛
3 % Madras	1944	1,08,00,000	15th Aug. 1958	96¼
3 % Madras	1945	2,82,19,000	14th Sept. 1960	94¼
2½ % Madras	1946	1,70,93,200	1st Sept. 1961	90¾
3 % Madras	1950	4,47,00,000	31st July 1960	94¼
3½ % Madras	1951	3,00,00,000	17th Sept. 1962	98
4 % Madras	1952	5,00,00,000	1st Aug. 1964	100½
3 % U.P.	1936	1,69,39,800	15th Sept. 1961-66	90¾
3 % U.P.	1944	3,23,96,800	1st Aug. 1958	96
3 % U.P.	1945	3,96,31,800	14th Sept. 1960	94
2½ % U.P.	1946	2,41,19,800	1st Sept. 1961	95N
3½ % U.P.	1951	2,00,00,000	17th Sept. 1962	97¼
4 % U.P.	1952	2,00,00,000	1st Aug. 1964	100⅛
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99¼
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	98¼
3 % Mysore(†)	1930	1,63,41,300	1st Nov. 1955	105¼
4 % Mysore(†)	1933	2,95,85,200	1st Dec. 1953-63	101½
4 % Mysore	1936	5,99,72,900	30th April 1956-61	98⅜
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	98⅛
3 % M.P.	1942	50,00,000	18th Sept. 1955	98¼
3 % M.P.	1943	50,54,200	14th Sept. 1956	98
3 % M.P.	1944	52,69,800	15th Aug. 1958	96
3 % M.P.	1948	2,03,00,000	15th Sept. 1964	91¾
3 % M.P.	1950	1,00,28,900	31st July 1960	94
3½ % M.P.	1951	1,00,00,000	17th Sept. 1962	97¼
3½ % Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95
3 % Bombay	1942	3,54,23,300	18th Sept. 1955	98¼
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	98¼
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97¼
3 % Bombay	1949	6,00,00,000	1st Aug. 1962	92¼
3 % Bombay	1950	3,00,00,000	31st July 1960	94¼
3 % Bombay	1951	3,00,00,000	17th Sept. 1962	98
4 % Bombay	1952	3,50,00,000	1st Aug. 1964	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	97½
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	98½
88,25,000	4	1914	1975	100⅜
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1925*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936	1966	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
STERLING LOANS				
£1,600,000	6	1922	1952	£101½
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	97½
76,90,100	4	1915	1975	97½
68,02,300C	3†	1921	1981	79N
1,24,05,300	6	1925	1955-85	105½
98,21,600	5½	1926	1956-86	104½
99,84,500B	5	1926	1956-86	103½
1,49,49,500B	5	1927	1957-87	103½
1,49,30,000C	5	1928	1958-88	104
80,00,000C	4½	1931	1991	92½
21,75,000C	3	1933	1954	99
60,00,000	3½	1935	1965	95½
25,00,000C	3	1939	1963-68	88
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82½
50,00,000	3	1946	2006	70N
50,00,000C	2†	1947	1977	78½
30,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79N
1,50,00,000	3¼	1951	1961	97½
STERLING LOANS				
£892,600	5	1923	1953-83	£83
£1,000,000	5	1924	1954-84	£85
£835,100	5½	1932	1962	£97
MADRAS				
Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,889	4	1918	1982	A
3,42,951	5	1918	1982	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug. 3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	
STERLING LOAN				
£330,000	5½	1923	1953	£100

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	97½
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	4	1919	1957-79	113
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115
25,00,000	4	1927	1961-70	98
10,00,000	3½	1936	1966	96½
STERLING LOANS				
£566,600	4	1909	1969	£93½
£333,000	4	1910	1970	£95½
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	105½
25,00,000	5½	1929	1959	107½
50,00,000	4	1934	1964	98½
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	90
20,00,000	3	1938	1963-68	88
80,00,000	4	1952	1962	99½
STERLING LOANS				
£700,000	5½	1923	1953	£96¼

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
43,00,000	4	1886-91	1953	100
49,40,000	4	1913-14	1954	98½
20,60,000	4	1911-15	1974	98½
20,00,000	4	1913-15	1955	100
10,00,000	5	1920	1980	113
1,60,00,000	6	1924	1954	103¾
25,00,000	5	1928	1958	
26,14,000	5	1929	1949-59	105
8,45,500	5	1929	1954-59	103
26,21,500	5	1929	1959	
8,25,00,000	3½	1947	1977	84¾
2,50,00,000	3½	1948	1979	85
4,00,00,000	3½	1950	1965	91¼
2,50,00,000	4	1952	1964	99⅜
CALCUTTA				
Rs.				Rs.
34,45,500	6½	1925	1955	106
84,70,000	5	1925	1955	105
36,00,000	5	1928	1958	103½
25,00,000	5	1929	1957	103½
25,00,000	5	1929	1958	103½
10,00,000	5½	1932	1962	108
33,91,000	3½	1935	1965	93¾
72,92,000	3	1936	1953	100N
5,19,000	3	1936	1953	99¾
60,00,000	3	1936	1966	88½
1,46,100	3	1936	1953	99¾
3,11,400	3	1937	1954	98¾
4,67,100	3	1937	1954	98¾
1,62,500	3	1937	1954	98¾
4,18,100	3	1937	1954	98
47,50,000	3	1938	1968	88
10,67,700	3	1938	1955	97
15,56,800	4	1939	1956	99¼
15,56,800	4	1940	1957	99½
17,64,400	3½	1942	1959	96¾
21,10,000	3½	1942	1972	92
15,49,000	3½	1951	1960	96
16,33,000	3½	1951	1961	96
66,88,000	3½	1951	1966	96
STERLING LOAN				
£5,000,000	6	1923	1953	£98
MADRAS				
Rs.				Rs.
5,00,000	4	1903	1953	101
5,00,000	6	1923	1953	107
3,40,000	7	1925	1955	107½

ABBREVIATIONS.—M=Held by Government of Madras. N=Nominal. ‡=Various Issues repayable to Government.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners. * Loans held entirely by the
(a) This includes the amount of loan converted into First Development Loan 1970-75. (f) Income-tax free. A=Held by Government of
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June, 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935

PREFERENCE SHARES

Company	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation Rs.	Paid-up per Share Rs.
BANKS							
Allahabad Bank	15,00,000	1901	6	Mar.	Sept.	129	100
BREWERIES AND SUGAR							
Carew & Co.	8,00,000(b)	1875	6½	Mar.	Sept.	81	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb.	Aug.	146	100
Upper Ganges	12,00,000	1932	5	Dec.	..		100
Do	15,00,000	1946	5(a)	Dec.	..	118½	100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July	Apr.	Sh. 15½d	£1
‡East India Distilleries	6,75,000(c)	1940	7B	Dec.	..	70	100
Gwalior Sugar	5,00,000	1940	7B	Dec.	..	16	10
Do. (Non-redeem.)	6,00,000	1922	6	Aug.	..	103	100
Partabpore Co.	4,00,000	1933-36	5	Aug.	..	70	100
Rammuggar Cane	20,00,000	1943	5½	Oct.	Apr.	75N	100
Ravalgaon Sugar	5,00,000	1916	7(a)	Oct.	..	6½	10
South Behar Sugar	14,99,135	1946	5	Dec.	..		100
Tirumayur	5,00,000	1931	5	Dec.	..		
Bharat Sugar							
COAL							
Bengal-Nagpur	1,12,500	1905	7	Jan.	July	118	100
Barrea	4,00,000	1896-97	6½	Oct.	Apr.	113	100
Burrakur (1st)	4,50,000	1901-19	7	Apr.	Oct.	121	100
Do. (2nd)	4,00,000	1895	6(a)	Mar.	Sept.	115	100
Equitable	7,50,000	1946	5½(a)	..	..	8¼	10
Karanpura Collieries	1,93,000	1931	5	Mar.	Sept.	11N	10
††Khas Kajora	2,00,000	1920	7	Jan.	July	12½	100
New Beerbhoom	2,00,000	1898-99	6½	Apr.	Oct.	113	100
Ondal							
COTTON							
Ahmedabad Advance	10,00,000	1939	5	Apr.	Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan.	July	137	100
Basanti Cotton	6,00,000	1938	6½	Nov.	..	6¼	10
Benares Cotton	1,05,200	1919	7	July	Jan.	55	100
Bengal-Nagpur	3,00,000	1896	7	Apr.	Oct.	117½d	100
Bowreah 'A'	6,00,000	1900	7	Feb.	Aug.	128	100
Do. 'B'	6,00,000	1919	7	June	Dec.	306½	250
Bradbury	14,75,000	1919	7½	Jan.	July	142½d	100
Buckingham & Carnatic	21,30,200	1920	7	Apr.	..	131	100
Cambodias	1,00,000	1928	7	Apr.	Oct.	503½d	500
Central India	50,00,000	1912	5	Apr.	Oct.	130½	100
Coimbatore Pioneer	1,00,000	1935	6½	Nov.	..	145	100
Elgin	11,00,000	1912	8	May	Nov.	10½	10
Do. 'B' Pref.	25,00,000	1943	5	July	Jan.	95	100
Elphinstone	25,00,000	1919	7(a)	May	Nov.	122	100
Kesoram	10,00,000	1923	7	June	Dec.		100
Khatau Makanji	29,92,500	1947	6	Nov.	..	85	100
Do (2nd)	12,00,000	1937	6	Nov.	..	10	10
Kothari	16,00,000	1896	5(a)	..	..	241½d	250
Lakshmi Cotton (Bombay)	17,25,000	1947	6	..	January	72xd	100
Mararjee Goculdas Sps. & Wts.	30,00,000	1900	6	Jan.	July	10s	100
Muir Mills	7,45,050	1944	4½	..	..		50
Mysore Spg.	8,00,000	1913	5½(a)	Mar.	..	185	200
New Great	26,05,500	1929	6	Apr.	Oct.	2¾	100
New Victoria	10,05,000	1943	4	Apr.	..	80	100
Podar Mills	2,00,000	1932	6½	Apr.	..	58	50
Rajalakshmi	4,80,000	1944	4	..	..	..	100
Shree Niwas Cotton

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. G=Guaranteed shares. P=Preference shares. P.O.=Preferred Ordinary shares. R=Rebate shares. Y=Accounts published yearly. H=Accounts published Haf-yearly. Q=Accounts published once 15 months. T=Company has Debentures. R.L.=Reserve Liability on shares. N=Nominal Quotation. i=Interim Dividend. f=Dividend for first half-year, y=Dividend for the year. x=Ex. Dividend. c.d.=Cum. Dividend.

Shares:—If a company has different classes of shares—as, for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under "Paid-up Per Share."

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12 indicate the months of June and December, respectively. "Reserves" includes general and other reserves and all other funds which a company may have as also depreciation on block items, when this is charged to separate account "Block" represents actual cost of land, buildings, machinery, and all such other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends:—Dividends for completed years are calculated at per cent. per annum, but, where quoted for portion of a year, they represent percentages of the dividend on the paid-up share value. For companies closing the books half-yearly in the first three months of the year, and for companies closing their books yearly during the first half of the year dividends are shown as for the previous year.

COTTON MILLS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	¶Number Installed: Spindles	Looms	Mill	Latest Available Quotation. Rs.	Paid-up Per Share Rs	Dividends (per cent.) 1949	1950	1951	1952	Accounts closed	References
BOMBAY CITY AND ISLAND															
50,00,000	35,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	45,500	898	Apollo	2-9	2	12½	12½	15§		12	Y.
40,00,000	96,25,655	1,22,39,883	45,646	B. R. Sons, Ltd. ..	50,336	1,021	Beharilal Ramcharan Cotton Mills	55	100	6	7	—		3	T.P.Y.
2,50,98,000	3,77,07,567	3,45,45,592	2,49,666	Nowrosjee Wadia & Son, Ltd. ..	1,10,136	3,224	Bombay Dyeing, etc. ..	358‡	250	16	7	8		12	Y.
10,00,000	68,56,275	52,02,609	2,59,868	Ramnarain Sons, Ltd. ..	38,048	850	Bradbury Mills	620	250	24	40	40		3	P.Y.
1,09,42,800	3,39,71,172	2,24,04,685	2,02,457	—	1,09,320	2,685	Century	247	100	15	18	20		12	Y.
49,00,000	76,78,063	1,06,30,358	5,066	V. J. Pilani, Esq. (Chairman) ..	39,408	698	Colaba Land & Mill	71‡	100	—	—	4		12	Y.
26,00,000	53,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd. ..	27,308	680	Coorla	110	100	7½	7½	7½		3	Y.
16,00,000	61,03,791	61,88,798	2,30,356	Ramnarain Sons, Ltd. ..	42,204	..	*Dawn*	59¼	50	4	—	12		12	Y.
34,00,000	83,85,000	63,06,555	91,036	Puranmal Radhakishan & Co. ..	50,296	928	Edward Textiles	245	200	7½	7½	7½		12	Y.
25,00,000	82,92,517	1,09,92,288	64,188	Chidambaram, Mulraj & Co., Ltd.	43,740	887	Elphinstone	40‡	50	10	8	—		12	Y.
40,00,000	1,20,24,649	75,61,616	4,37,206	James Finlay & Co., Ltd. ..	46,072	784	Finlay	282	100	15	15	20		12	Y.
50,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	74,184	1,227	Hind Mills		100	5	4	5		6	P.Y.
12,00,000	1,28,45,400	94,23,444	24,337	Thackersey Mooljee & Co. ..	45,332	1,216	Hindustan	3,300	1,000	17½	20	20*		3	P.Y.
2,00,00,000D	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	8	10	7½	7½	10½		12	P.Y.
50,00,000D								8	10	7½	7½	25			
8,65,000	1,33,65,320	98,10,275	7,671	Damodhar Thack. Mooljee & Co.	49,580	1,119	Indian Manufacturing ..	1‡	1	12½	12½	—		3	Y.
35,000								3,300	1,000						
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co. ..	77,404	1,517	Khatau Makanjee		500	17½	20	20*		3	P.Y.
1,00,00,000	3,30,54,713	2,81,07,386	2,47,768	Killick Industries Ltd. ..	1,11,464	1,846	Kohinoor	170	100	12	14	10		6	Y.
								263	100	27½	18	25*		12	
28,32,800															
1,75,500D	57,98,225	13,97,883	2,76,256	Vastra Vyavasaya Ltd. ..	39,112	838	Madhowji Dharamsy ..	—	100					3	P.Y.
28,80,000								—	100A						
3,60,000B	62,72,416	4,58,523	11,567	Hall & Anderson Ltd. Props. ..	61,400	1,742	Madhusudan Mills	77½	100A	7½				6	Y.
								—	20B						
51,75,000	1,65,94,653	1,71,00,015	2,80,686	Piramal Gangadhar & Others ..	60,652	1,650	Morarjee Goculdas ..	165XD	100	17	15*	12		6	P.Y.
24,00,000	64,02,788	64,16,514	81,791	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay ..	171½	100	11	12½	15		12	T.Y.
30,00,000	77,89,079	77,63,429	68,583	W. H. Brady & Co., Ltd. ..	46,884	1,018	New Great Eastern ..	151	100	6‡	10	12½		12	T.Y.
12,70,100	27,38,754	13,13,391**	941	Mafatlal Chandulal & Co. ..	31,905	853	New Union	23½	10	—	5	10		12	Y.
48,00,000	1,14,83,245	1,34,29,555	2,40,353	Ramnarain Sons, Ltd. ..	48,128	1,160	Phoenix	122½	100	6	10	10		12	Y.
40,00,000	45,61,000	23,31,581	1,35,988	Podar Sons, Ltd.	32,600	930	Podar	122½	100	9	9	10		12	Y.
5,00,000	27,64,626	29,73,962	3,162	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk ..	23½	10	26‡	20	20		12	Y.
25,00,000	35,63,793	17,86,230	1,316	M. G. Investment Corpn. ..	60,240	1,254	Sassoon Spinning ..	20‡	10	—	7½	10		12	Y.
60,00,000	93,52,612	65,79,388	3,19,198	Marwar Textiles (Agency) Ltd.	66,472	1,640	Shree Nivas	171½	100	12½	14	17½		12	T.Y.
31,50,000	1,00,00,000	76,05,952	50,222	Forbes, Forbes, Campbell & Co., Ltd.	36,456	1,276	Simplex	174	50	28	34	30‡		3	P.Y.
36,00,000	1,84,55,730	1,14,25,462	17,129	Mafatlal Gagalbhai & Sons ..	50,414	1,646	Standard	260	100	15	15	26×		12	P.Y.
75,00,000	1,97,81,673	92,45,129	70,099	Tata Industries Ltd. ..	63,248	1,800	Tata	46‡	25	8	8	16		12	P.Y.
24,00,000	99,65,496	54,00,802	5,62,977	James Finlay & Co., Ltd. ..	35,804	552	Swadeshi	236	100	14	16	18		12	P.Y.
32,54,438	92,22,538	66,88,347	25,338	Tata Industries Ltd. ..	63,248		Swan	398	100	20	20	25		12	P.Y.
12,00,000	1,00,31,933	84,86,085	21,363	Thackersey Mooljee Sons & Co. ..	45,508	1,308	Western India Spinning ..	3,150	1,000	17½	20			3	T.Y.
AHMEDABAD															
20,00,000	84,99,543	51,95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	137½	100	8	12	10		6	P.Y.
24,90,150	1,76,92,721	93,49,718	93,168	Haribalabhdas Kalidas & Co. ..	71,796	1,383	Ambica Mills	287½	50	25y	30	36		12	Y.
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Huthesing & Sons Ltd. ..	39,964	912	Aruna	382½	100	13*	15*	20*		12	Y.
21,00,000	2,76,11,769	99,37,517	1,37,004	Narottam Lalbhai & Co.	62,448	1,216	Arvind	697	100	22½	25	25		12	P.Y.
10,00,000	93,20,000	70,77,166	92,811	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning	535	200	15	15	17½		12	P.Y.
12,00,000	1,48,97,000	79,36,000		Lalbhai Dalpatbhai & Co. ..	37,368	912	Asoka	391	100	15*	17	22		12	Y.
1,24,74,017	3,42,43,180	3,39,18,894	2,89,575	Karamchand Premchand & Co. ..	1,37,056	2,370	Calico	289½	125	8	10	14–2/5		12	Y.
30,00,000	1,00,20,000	83,66,716	748	Tricumlal Bhogilal & Co.	39,316	866	New Commercial	1,007½	500	10	11	12		12	P.Y.
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agency Ltd., ...	14,108	356	Basanti Cotton	4	10	—	—	3½		12	P.T.Y.
6,00,000	74,31,075	77,07,829	—28,432	K. Bullen & Co., Ltd.	42,872	841	Bowreah	250	100	—	—	—		6.12	P.Y.
19,00,000	96,49,451	96,66,017	—27,794	K. Bullen & Co., Ltd.	42,944	1518	Dunbar	127	100	5‡	—	7		6.12	H.
80,00,000	3,31,49,845	2,91,09,646	85,759	Birla Bros., Ltd.	69,352	1,190	Kesoram	18‡	10	12½	12½			3	P.Y.
33,96,097B	71,09,841	79,53,833	51,255	Chakravarti Sons & Co.	23,112	439	Mohini	—	25	—	—	—		12	Y.
									10	12½§	7½	7½			
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills ..	5	10	9	3	—		12	T.Y.
15,00,000	26,53,246	39,15,375	2,736	Ramlal & Co., Ltd.	44,306	..	Alagappa Textiles	6‡	10	—	9	6		12	P.Y.
71,95,030oa	91,90,031	1,69,30,772	27,626	Ind. Trust Fund	19,944	440	Azam Jahi Mills	65	100	15*	5§	6‡		9	P.Y.
40,50,000	2,88,78,779	2,57,74,244	2,47,495	Binny & Co., (Madras), Ltd. ..	40,068	1,085	Bangalore	214‡	100	14½	17½	20		6.12	P.H.
27,00,000	71,21,986	69,56,823	40,045	Shaw Wallace & Co., Ltd. ..	31,476	766	Bengal Nagpur	12‡	10	5	1½	7	5f	6.12	P.T.H.
60,00,000	74,37,942	97,51,247	1,58,253	Binodiram Balchand Ltd.	56,144	1,340	Binod Mills	100N	100	17	7	10		12	Y.
15,00,000	1,33,79,264	84,27,674	4,60,089	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	58xdN	10	25	25	30		3	P.Y.
1,78,47,800	3,22,27,970	4,49,59,308	2,39,158	Binny & Co., Ltd. (Madras) ..	1,19,916	2,799	Buckingham & Carnatic ..	116	100	6‡	6‡	7½		6.12	H.
20,00,000	32,17,315	27,32,911	55,358	Peirce, Leslie & Co., Ltd. ..	37,536	4	Cambodia	10‡	10	7½	—	12½		12	P.Y.
30,00,000	64,46,347	47,79,878	32,599	Begg Sutherland & Co., Ltd. ..	27,388	591	Cawnpore Textiles	8	5	11½	11½	11½		3.9	T.Y.
46,87,500	2,25,77,600	2,00,84,126	—16,28,224	Tata Industries Ltd.	1,15,188	2,168	Central India	141½xd	100	6	6	2		6	P.Y.
12,00,000	33,42,813	23,08,393	1,52,180	R. Beema Nayudu & Co.	28,864	..	Coimbatore Cotton	160	100	12½	12½	12½		12	Y.
20,00,000	17,94,432	20,04,313	9,816	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills ..	97	100	7	6	—		6	P.Y.
20,76,900	70,83,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg. ..	37½	100	5	10	10		6	Y.
24,30,900	24,06,482	33,32,938	55,387	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi	185	100	25	25	20		12	Y.
2,89,84,925	3,84,95,614	5,77,14,605	1,63,862	Bharat Ram, Esq.	75,604	1,830	Delhi Cloth (inc. Lyallpur Mills).	31‡	25	—	—	—		6	P.Y.
1,00,503									25						
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd. ..	52,652	1,198	Elgin	15‡	10	12½	10	11‡	15	9	P.T.Y.
39,04,700	97,00,000	78,42,355	93,393	F. Forbes Campbell & Co., Ltd. ..	73,248	2	Gokak	197	100	15	10	14		12	Y.
50,00,000	84,17,977	1,21,16,721	6,989	Govindram Seksaria (Indore) ..	50,020	1,420	Indore-Malwa United	85	100	4	10	14		12	Y.
8,90,000	22,88,977	18,75,134	487	G. V. Naidu & Co.	20,760	..	Janardhana	58	50	4	4	5		12	Y.
6,50,000	17,20,576	40,18,454	7,677	A. L. A. R. A. Chettiar and another	50,612	295	Kaleeswarar	372½	100	7	10	15		12	T.Y.
24,00,000	25,50,000	43,66,106	54,377	Kothari & Sons	13,824	..	Kothari	10‡	10	7	7½	7½		6	P.Y.
32,00,000	1,52,51,325	1,35,66,651	2,77,976	The Bombay Co., Ltd.	51,924	1,213	Lakshmi Cotton	575XD	250	15	15	20*		12	Y.
35,64,100								69	50						
17,82,050A	90,51,492	78,03,494	7,921	G. K. Naidu & Co.	67,424	200	Lakshmi Mills	33½	25	8	8	10		3	Y.
1,75,02,480	5,58,18,568	3,97,87,371	12,62,148	A. & F. Harvey Ltd.	4,65,324	..	Madura	33	15	17½	15	20		12	Y.
12,00,000	20,47,239	23,90,961	—15,121	A. L. A. R. S. Chettiar and 2 others.	21,956	603	Malabar	150	200	7½	4	6		12	Y.
60,00,000	93,17,047	52,62,343	50,249	W. A. Beardsell & Co., Ltd ..	24,252	476	Mettur Industries	170	100	25	12½	12½		3	Y.
29,80,884	71,79,459	55,78,942	22,669	N. Sirur & Co., Ltd.	34,016	952	Minerva	91	100	8*	6	3		6	Y.
94,91,850	96,08,512	1,34,73,361	29,643	B. Abirchand Dadabhoy & Co. ..	52,408		Model Mills, Nagpur	150	250	6	3	3		6	Y.
30,00,000	1,55,94,651	1,53,39,271	7,77,290	Indian Textile Syndicate Ltd. ..	86,318	1,301	Muir	215	100	24½	—	—		12	P.Y.
9,71,850	4,06,541	20,43,991	—2,16,536	A. Sambha Moorty, Esq.	69	..	Mysore Silk Filatures	1‡	10	—	—	—		12	Y.
19,86,800	1,15,59,739	82,55,416	38,347	N. Sirur & Co., Ltd.	49,696	500	Mysore Spinning	14‡	50	20	18*	20*		2	P.Y.
13,61,780	22,98,130	27,85,556	—4,60,000	R. Suryanarayana Rao, Esq. ..	6,000	..	Mysore Spun Silk	4‡	10	5d	6‡	—		3	Y.
22,89,882	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd. ..	48,236	1,148	New Victoria	1‡	2½	—	—	—		12	P.D.Y.
3,07,095O								DP	DP						
86,93,300	1,16,62,352	1,46,35,293	1,161	Ind. Trust Fund	26,016	640	Osmanshahi Mills	87	100	14*	5§	6§		9	Y.
4,00,000A	19,98,937	20,58,777	19,670	Raghavalakshmi & Co.	22,800	..	Palani Andavar	52	50	4	10	16		12	Y.
15,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills	70	100	4	7½	5		12	P.Y.
25,30,420	36,19,473	40,65,619	11,306	A. G. G. Naidu & Co.	36,464	..	Radhakrishna	150	100	15	16	16		12	Y.
15,00,000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	25,896	..	Rajalakshmi	75	50	9	9	10		12	Y.
15,02,500	26,26,362	24,78,957	4,770	P. S. G. Nayudu & Sons ..	28,972	88	Ranga Vilas	45‡	50	6	7			12	Y.
60,00,000	89,59,172	1,04,60,739	5,506	Sir J. P. S. & Sons (Rampur), Ltd.	28,436	440	Raza Textiles	5–3‡	10	—	—	—		12	P.Y.
16,00,000	1,58,55,370	2,03,51,339	—78,03,793	M. J. Divekar, Esq.	1,05,296	2,234	Sholapur	1,600	1,000	—	—	—		3	P.Y.
22,41,300	9,49,500	25,98,011	66,528	*Gopaldas Liladhar & Co., Ltd.* ..	15,824	440	Shree Sajjan	75	100	6	—	—		3	Y.
17,79,700	17,05,383	21,30,229	3,083	T. R. A. Ayyar & Bros., Ltd. ..	17,216	416	Sitaram	40‡	50	8‡	8*	6*		3	Y.
36,69,700	53,91,188	62,29,128	26,556	B. S. Visweswaraiya, Esq. ..	25,200	285	Sri Krishnarajendra Mills ..	39	50	8	8	8		3	Y.
1,57,30,000P.O.	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,13,204	1,979	Swadeshi (Cawnpore)	9‡	10	5	5	5		12	P.Y.
9,32,990	20,80,396	12,56,097	61,026	M. R. & Sons	16,000	..	Trichinopoly	9‡	10P.O.	9	9	10			
21,00,000	53,78,057	44,54,040	38,800	R. K. S. Chetty & Bros.	33,704	270	Vasanta	9‡	10	10	10	10		12	Y.T.
32,00,000	1,27,03,612	1,16,39,613	2,69,813	The Bombay Co., Ltd.	54,280	1,495	Vishnu	143‡	100	7	9	10		12	P.Y.
								160	100	10	9	14		12	P.Y.

* Includes Bonus. I. On Increased Capital. ‡ Only Depreciation. ¶ As on 31st August 1951. †† Does not include depreciation.

× Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46. — Nil Dividend. md=Ex. Dividend, C.d.=Cum. Dividend,

(h) Includes Rs. 11-6 paid out of deferred Dividend Amount. § On old capital of Rs. 19,95,731. † Subject to tax ** Net Block.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	References
ART SILK AND RAYON MILLS													
1,60,42,600	37,92,725	4,15,55,170	4,66,206	Chinai & Co., Ltd.	National Rayon Corporation	64½	100	—	—	—		12	P.Y.
99,92,020	46,91,585	2,65,93,471	4,93,263	Emcete & Sons (Travancore) Ltd.	Travancore Rayons	3-6	10	—	—	—		12	P.Y.
BREWERIES AND DISTILLERIES													
13,28,000	63,05,499	85,57,255	1,10,217	Parry & Co., Ltd.	Deccan Sugar & Abkhari	28	25	11½	11½Q			5	P.Y.
6,64,000	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	11½	10	—	—			3	Y.
16,20,630	£915,047	£1,010,005	£55,705	Parry's Holdings Ltd.	East India Distilleries and Sugar ..	22½	20sh.	10	{10	10		9	P.Y.
£330 000	8,54,296	7,56,660	—7,87,632	S. P. Smith, Esq.	Murree Brewery	10	15	—	15	—		8	Y.
24,00,000	21,13,586	12,13,593	3,951	B. A. Mallya Esq.	United Breweries	153½	75	15	10	20		3	Y.
6,00,000													
CEMENT													
51,19,724	21,33,493	67,56,656	15,850	The Andhra Engineering Co. Ltd. ..	Andhra Cement Co.	90	100	3½	3½	7½		12	P.Y.
43,14,600	16,94,310	17,14,992	1,01,035	Eastern Corporation Ltd.	Assam Bengal Cement	3‡	10	3	—			3	Y.
4,70,976G							1						
10 56 20,438	11,11,06,440	15,65,68,404	7,68 841	Cement Agencies, Ltd.	Associated Cement Companies .. .	177½	100	7	8½	9½	9½	7	Y.
10,56,20,438						6‡	10	—	8	6½		12	Y.T.
86,49,312	95,24,901	1,45,62,309	61,188	Hari Bros. Ltd.	Dalmia Cement	1	1						
5,00,000D						16‡	25	—	—	5		3	P.Y.
61,01,180	27,27,600	1,26,09,755	90,853	Essen Ltd.	India Cements Ltd.	3–0‡	5D	—	—	—			
7,50,000D						69	5	3	4	8		12	Y.
75,00,000	1,46,20,109	1,65,80,416	81,840	Martin Burn Ltd.	Sonevalley Portland Cement								
CERAMIC; MINING AND QUARRYING													
31,70,655	17,17,762	56 44 142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2‡	2½	2½	5	6½		12	Y.
10,00,000	37,00,990	51,64,271	28,729	Bird & Co.	Bisra Stone Lime Co.	29	10	16‡	17‡	17‡		3 9	H.
30,00,000		50,93,341	12,332	Ram Kumar Agarwala & Bros. ..	Chrestien Mica Industries	9‡	10 O	10	10	10		12	P.Y.
15,00,000D	17,91,749					6‡	5 D	15	15	7½			
£914,200	£1,650,110	£1,643 983	£85,540	Gillanders Arbuthnot & Co., Ltd. ..	Indian Copper Corporation	3‡	2sh.	12½†	12½†	12½		12	Y.
15,00,000	38,79,403	43,65,527	1,29,079	Bird & Co., Ltd.	Karanpura Development	16½	10	—	—	—		6.12	H.
5,00,000F							10	—	—	—		6.12	H.
6,00,000	6,40,199	7,98,882	9,812	Mysore Industrial Development Co. ..	Mysore Stoneware Pipes & Potteries	9‡	10	5‡(d)	10	10		3	H.
6,00,000	24,28,739	25,13,779	27,403	Andrew Yule & Co.	Reliance Firebricks	18	10	10	10	11½		2 8	H.
6,99,390	20,61,475	17,98,676	3 427	Killick Industries Ltd.	Shivrajpur Syndicate..	54	10	15	17½	35		11	Y.
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	23,14,270	1,02,937	S. V. S. Iyer, Esq.	Kemp & Co.	236½xd	200	10	10	10		3	Y.
92,14,870	55,77,268	2,53,78,334	8,595	Tata Chemicals	Tata, Sons, Ltd.	8‡	10	—	—	—		6	T.Y.
1,12,500	1,38,486	61,178	4,101	B. D. Nagar, Esq.	Thompson & Taylor	4½	5	5½	12½			3	Y.
Other Centres													
25,00,000	54,68,041	63,66,814	59,559	Bhailal Amin & Sons., Ltd.	Alembic Chemical Works Co.	105	100	—	8	8		12	P.Y.
62,00,000	84,01,723	1,58,12,617	3,82,049	Imperial Chem. Industries (India), Ltd.	Alkali and Chem. Corpn. of India ..	13½	10	—9	4			9	Y.
22,24,700P.O.	68,00,287	78,49 987	40,67,406	S. P. Sen, Esq.	Bengal Chemical & Phar.	102	100	6	6			4	P.T.Y.
21,50,000	45,64,469	38,97,031	1,09,732	Sahu Bros (Saurashtra) Ltd.	Dhrangadhra Chemicals	140xd	100	6	15	15		5	Y.
4,95,000	1,28,550	1,11,731	4,660	D. C. Collaco, Esq.	Frank Ross & Co.	2‡	6	5†	4‡			2	P.Y.
3,45,97,740	86,89,264‡	4,01,40,091	—10,83,735	*Seshasayee Bros (Travancore) Ltd.*	F.A.C.T.	4	10	—	2½	—		12	Y.
40,49,345	30,74,302	83,46,263	21,842	Seshasayee Bros Ltd.	Meenr Chemicals	4	10	—	—	3½		5	Y.
24,81,220	34,32,111	40,15,501	14,741	E. V. Ganapati Iyer, Esq.	Mysore Chemicals and Fertilisers ..	8‡	10	4½	9	9		5	Y.
3,00,000	6,18,752	4,52,143	29,283	Krishna & Co.	Mysore Chemical Mfrs.	12½	10	5	12½	10		5	P.Y.
5,00,000	19,82,894	15,88,659	48,158	C. A. Buxton, Esq.	Smith, Stanistreet & Co.	6	5	10	10	10		6	P.Y.
ELECTRICS (Bombay Presidency)													
4,19,41,930	1,63,09,143	6,03,41,957	3,113	Killick Industries Ltd.	Ahmedabad Electric Co.	110‡	100	6	6	6½		9	T.Y.
2,12,77,000	2,28,03,288	5,23 55,938	35,587	Tata Hydro-Electric Agencies	Andhra Valley Power Supply Co. ..	1,

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
					OIL; PETROL, ETC.								
67,50,000	21,354,070	62,154,086	—69,83,025	J. C. H. Glass, Esq.	British Burma Petroleum Co.	1	4sh.	—	—	—		3	P.Y.
22,50,000	81,89,204	52,69,225	1,85,955	N. C. Alcock, Esq.	British Ceylon Corporation	15½	7½	20†	24†	32†		12	P.Y.
1,00,00,000	2,27,04,997	1,10,70,867	2,10,329	Steel Brothers & Co.	Jodo-Burmah Petroleum Co.	49½	40	10	10	10		12	P.Y.
70,07,475	1,02,93,586	1,32,15,713	10,002	Tata Industries Ltd.	Tata Oil Mills	35	25	4	6	8		1	P.Y.
6,00,000	10,79,394	2,42,234	7,038	Andrew Yule & Co.	Tide Water Oil Co. (India)	15½	10	13	15	17½		1.10	D.
					PAPER								
45,00,000	1,56,25,500	1,94,47,651	3,21,991	Balmer Lawrie & Co.	Bengal Paper Mills	46½	25	10	10	12½	440	6.12	P.D.H.
3,00,000	88,28,718	87,45,203	1,00,750	Andrew Yule & Co.	India Paper Pulp	350	100	7	10	11		3.9	H.
25,00,000	48,30,215	47,51,895	52,615	P. N. Balakrishnan, Esq.	Mysore Paper Mills	122	10	5sh	7½	10*		3	Y.
41,95,000	2,47,61,003	3,22,58,806	1,68,019	Birla Bros., Ltd.	Orient Paper	27½	10	15	25	20		3.9	P.T.H.
50,06,895	1,10,93,378	84,10,902	1,86,014	Karamchand Thapar & Bros.	Shree Gopal Paper Mls.	16	10	9½	11½	15	740	6.12	P.T.H.
20,00,000 A 10,00,000 A 4,37,500 PO	31,49,465	48,58,730	6,430	Bajoria & Co.	Star Paper Mills	78	10	—	—	5		3.9	P.T.H.
36,00,000 56,04,800	4,80,99,030	4,68,21,511	4,75,418	P. W. Hollgers & Co.	Titaghur Paper	44 44½ 84½	2½ A10 B10	10 20	10 18½	10 20*		3.9 3.9	P.H.
					PLANTING ; PRODUCE AND RUBBER								
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	65	3	10	20	20		2	P.Y.
47,70,000	48,44,853	83,16,900	4,37,564	R. C. Paterson, Esq.	Consolidated Coffee Estate	15½	10	17	20	18		6	P.Y.
4,00,000	2,29,554	4,47,925	13,951	Associated Planters, Ltd.	Cottanad Plantations	87.50	10	7½	10			3	T.Y.
8,28,950	1,46,540	4,67,078	1,389	A. V. Thomas & Co., Ltd.	Fringford Estates	30	10	—	—	—		4	P.Y.
6,00,000	19,08,079	19,81,715	66,448	A. V. Thomas & Co., Ltd.	Highland Produce	30	10	25	45	45		12	P.Y.
4,00,000	9,67,558	7,20,390	43,506	A. V. Thomas & Co., Ltd.	Kalpetta Estates	18	10	17½	20			4	Y.
4,50,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Malankara Rubber and Produce Co.	50	10	17½	30	35		3	Y.
27,00,000	25,83,648	64,90,888	83,433	A. V. Thomas & Co., Ltd.	Midland Rubber and Produce Co.	30	10	6	10	10		3	P.Y.
3,35,000	94,301	7,53,389	29,921	A. V. George & Co., Ltd.	Nennimy Rubber	85	10	6	12½	15		3	P.Y.
2,00,000	1,93,721	4,72,600	2,305	Associated Planters, Ltd.	Nilambur Rubber Co.	92	10	3	4½			12	P.Y.
19,45,980	48,35,083	28,14,428	1,78,110	Peirce, Leslie & Co., Ltd.	Quebrabetty Valley Estates	30	10	6	10	10		12	P.Y.
40,00,000	5,82,973	38,05,590	31,101	A. V. Thomas & Co., Ltd	Rajagiri Rubber and Produce Co.	30	2	25	25	45		10	T.Y.
3,50,000	3,36,390	21,56,824	936	East India Agencies, Ltd.	Teekoy Rubbers (India) Ltd.	30	10	9	12½	15		6	P.Y.
2,05,000	4,20,985	5,11,395	66,520	A. V. George & Co.	Thamaravally Rubber	32.8	10	—	7½	9		7	P.Y.
5,00,000	1,17,222	5,12,989	37,480	Peirce, Leslie & Co., Ltd.	Thirumbadi Rubber Co.	32.8	10	6½	8½	15		12	P.Y.
41,00,000	14,90,322	7,40,149	3,953	K. C. Cheriyan, Esq. (Secretary)	Travancore Rubbers	1.25	1	17½	20	25		9	Y.
80,00,000	1,51,49,5††	67,61,827	3,75,086	Aspinwall & Co. (Travancore) Ltd	Travancore Rubber and Tea Co. Ltd.	33½	10	3½	10	20		12	Y.
2,20,000	51,094	(8,47,082	2,273	P. T. Thomas, Esq.	Travancore Rubber and Tea Co. Ltd.	65	10	2½	6	10		12	Y.
9,28,580	2,18,338	6,69,435	7,609	A. V. George & Co.	Tropical Plantations Co.	20.25	25	10	—	—		12	Y.
1,62,000	78,624	3,43,636	14,082	Harrisons & Crossfield Ltd.	Udayagiri Rubber	30	10	5	<			12	Y.
				M. K. Thomas & Co.	Vaikundam Co.	15	10	10	12½	20		12	Y.
					Woodland Estates	7½	10	7½	9½			3	Y.
					PRESSING								
3,80,000	18,78,066	19,01,857	2,322	Andrew Yule& Co.	Calcutta Hydraulic Press	80	100	3	3			3	Y.
4,30,000	5,58,036	6,89,525	1,116	Pyke and Sons.	Cameerdown Pressing	87½	100	4	6	7		5	Y.
8,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Central Hydraulic Press	95sd	100	3	5	5		6	Y.
					PROPERTY AND LAND								
60,00,000	34,67,735††	83,61,045**		David Sassoon & Co., Ltd.	Port Canning Land	21	100	2	1½	3		4	Y.
34,00,000	44,45,015	6,67,141	93,514	Andrew Yule & Co.	Midnapore Zemindary	37½	100	—	3			4	P.Y.
					SAW MILLS AND TIMBER								
13,00,000	29,73,877	10,38,508	60,887	Bird & Co.	Assam Saw Mills and Timber	63	3	16½	16½	15½		9	Y.
50,00,000 42,00,000	4,89,22,437	2,47,99,361	1 57,498	Wallace & Co.	Bombay-Burmah Trading	380§	325	12	30	18		8	Y.
6,00,000	7,05,037‡	7,80,451	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	145	30	12	30	18		8	Y.
15,00,000	25,59,349	15,51,606	73,653	G. Arbuthnot & Co.	Indian Wood Products	55N	100	5	—	—		6	P.Y.
						47½	10	25	35	35		9	
14,00,000	34,47,875	37,27,464	18,412	Begg Sutherland & Co.	**SUGAR (U. P. and Bihar)** Balrampur Sugar	64	3	—	20	—		6	Y.
12,00,000	28,96,740††	15,70,694**	2,81,000	Narang Bros.	Basti Sugar	135N	100	6½	10			6	Y.
19,49,050	20,10,694	26,89,188	2,24,418	Bangur Bros., Ltd.	Belsund Sugar	6.6	10	7½	—	8½		9	
5,00,000	21,11,580	15,38,162	40,743	Cotton Agents Ltd.	Bharat Sugar	12½	10	10	15	15		6	
12,00,000	99,90,130	1,26,88,817	—5,15,881	Gladstone Lyall & Co., Ltd.	Carew & Co.	44	10	5	—	—		6	P.T.Y.
18,00,000	1,26,16,104	93,62,330	26,276	Begg Sutherland & Co.	Champaran Sugar	268	10	15	20	30		10	P.Y.
40,00,000	57,00,000	56,47,253	1,615	Bachhraj & Co.	Hindustan Sugar Mills	176	10	15	15	20		6	
12,00,000	41,78,374	68,10,159	—4,15,271	Kilachand Devchand & Co.	Kesar Sugar	120N 70N	10 80	3½	4			6	P.Y.
6,00,000 11,00,000	27,48,180	36,39,370	3,895	Karam Chand Thapar & Bros., Ltd.	New Bavan	40 52sd	40 10	—	3 5	4 6½	—	3	Y.
12,89,375	58,13,266	53,06,760	5,31,015	Cotton Agents, Ltd	New Swadeshi Sugar Mills	166N 40N	100 25	15	20			5 6	Y.
97,45,550	1 03,98,359	1,56,10,992	1,981	Cotton Agents, Ltd.	Oudh Sugar Mills	95N 20N	100 25	3½	3½				P.Y.
12,00,000	29,31,078	26,43,844	71,500	Narang Bros	Punjab Sugar Mills	15N 12½	100 100	—	6			9	Y.
9,00,000	41,82,893	83,28,406	20,249	Begg Sutherland & Co.	Purtabpur Company	16½	10	—	10	20		10	P.Y.
8,00,000	26,05,463	24,18,182	15,410	Begg Sutherland & Co.	Ryam Sugar	24½xd	10	15	25	10		6	P.Y.
11,99,000	38,06,835	36,11,360	23,281	Begg Sutherland & Co.	Samastipur Central Sugar	11½	10	10	20	20		9	Y.
20,00,000	57,25,582	93,96,898	27,889	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10½	10	—	—	10		6	P.Y.
9,99,952	11,66,752	21,41,729	10,162	H. K. Ghose, Esq. & R. N. Datta.	Shripore Sugar	7.4	10	—	3½	10		9	P.Y.
6,50,000D 1,75,000D	11,94,395	27,92,174	—14,73,656	N. K. Jain & Co., Ltd.	South Behar Sugar	13N	10	—	—	5		6	Y.
8,00,000	54,46,474	70,75,580	57,216	Cotton Agents, Ltd.	Upper Ganges	24 20N	10 30	17½	20	20		10 6	Y.
					(Indian States and Other Centres)								
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Balapur Co	216xd	50	16½	25	28	32	9	Y.
15,93,300	16,19,655	36,20,048	9,275	J. P. Srivastava & Sons (Rampur), Ltd.	Gwalior Sugar	45	100	—	5	—		9	Y.
13,00,000	38,42,751	22,63,689	2,71,331	India Sugar Agencies Ltd.	Indian Sugar & Refineries	17½	10	12½	15	25		9	Y.
23,57,350	46,47,852	38,47,284	4,64,528	Govan Bros. (Rampur), Ltd.	Buland Sugar	11½	10	7	15	25		9	Y.
1,01,00,000	98,10,992	1,59,79,831	1,94,491	Premier Construction Co., Ltd.	Walchandnagar Industries	137½	100	15½	12½	10		9	P.T.H.
31,79,280	3,49,74,559	97,24,607	8,27,296	Jd. Mallikarjuna, Esq.	Mysore Sugar	42½xd	10	20	20	20		9	Y.
80,00,000	96,62,468	1,03,54,086	3,18,596	Maffatlal, Apte & Kantilal, Ltd.	Phaltan Sugar Works	95	10	20	20	20		6	Y.
16,59,820	22,08,765	43,79,429	73,041	Anderson Wright Ltd.	Ramnuggar Cane & Sugar	50	10	14	16	16		6	Y.
80,00,000	54,70,896	92,38,442	1,80,893	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	158	10	10	14	16		6	Y.
19,99,580	50,82,224	42,94,120	6,05,982	Govan Bros. (Rampur), Ltd.	Rana	80N	10	7	14	18		6	Y.
						12½xd	10	6	10	12½		9	
89,94,944	23,77,076	60,45,892	45,076	Parry & Co., Ltd	Travancore Sugars	4½	10	—	—	—		9	Y.
					UNCLASSIFIED (Bombay)								
1,50,00,000	1,14,37,216	1,46,81,706	—4,88,411	Tata Industries Ltd.	Air-India Ltd.	54	100	—	—	—		12	Y.
2,40,000	4,90,364	5,64,538	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	705xd	100	15	15	15	17½	12	Y.
59,89,550	1,24,67,534	3,69,55,375	—13,98,897	Scindia Steam Navigation Co., Ltd.	Bombay Steam Navigation Co., Ltd.	50	25	—	—	—		9	P.Y.
2,98,860	1,24,208	2,19,255	32,663	Parakh Agencies Ltd.	Bombay Uganda	53	25	—	—	—		9	P.Y.
45,00,000	43,07,108	1,24,608	59,679	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	375N	150	5	5	5		6	Y.
25,00,000	1,50,000	24,37,096(k)	12,787	Dena Bank Ltd.	Walchandnagar Investment Co.	30½	25	8-5/6	13½	13½		12	Y.
14,98,360	17,39,560	16,69,107	4,425	F. H. Mehta	Estrela Batteries	30	3	3	3	3		12	Y.
99,99,250	17,07,072	1,25,54,784(k)	1,66,116	Premchand Roychand & Sons	Industrial Investment Trust	71½	100	5	5	5		3	Y.
84,98,865	15,91,304	12,58,924	2,833	K. G. Mithu, Esq.	Kilick Industries	144xd	100	38	8	4½		12	Y.
2,06,71,500A 10,00,000 B	65,85,939	2,20,52,503	4,52,797	Aero-Auto Ltd.	Premier Automobiles Ltd.	38½	100	8	8½	10		6	Y.
6,59,50,378	8,41,28,322	14,46,67,572	—89,04,956	Narottam Morarjee & Co.	Scindia Steam Navigation Co., Ltd.	14½	10 15	—	—	—		6	Y.
1,50,000	3,71,437	2,25,590	3,145	R. B. Bandekar	Thacker & Co	50N	50	—	—	—		6	Y.
10,21,200	16,42,904	14,61,299	55,330	Sir Joseph Kay, K.B.E.	United Motors (India)	34	20	7½	10	10		6	Y.
2,00,00,000	2,06,24,172	2,01,24,774	2,84,210	T. H. Rydin Esq.	Western India Match Co.	215	100	7½	10	15		3	Y.
					Other Centres			11*	11*	15*		12	
47,90,000	4,90,364	5,64,538	702	J. K. Industries Ltd.	Aluminium Corporation	3½	10	—	—	—			
2,50,000D 80,00,000	81,43,512	30,89,332	3,31,018	Turner Morrison & Co., Ltd.	Angelo Bros.	21	10	—	—	—		3	P.Y.
80,00,000	23,25,002	22,15,452	1,00,602	T. H. Rydin Esq.	Assam Match	20	10	10	17½*	25*		8	Y.
80,00,000	30,61,088	92,32,652	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	51xd	10	12½	12½	12½*		12	Y.
30,00,000						30N	1000	5	6	6		3	
10,00,000	15,57,826	45,95,360	5,19,159	O. T. Jenkins, Esq.	Balmer Lawrie & Co.		1000	20*	20*	25*			
1,00,00,000	1,00,01,435	2,26,31,139	1,16,835	Dinshaw Ltd.	Bharat Line	82	100	15	15	20		12	
2,25,00,000	3,93,27,829	2,23,39,029	4,13,662	Sir Robert Menzies, Kt., O.B.E.	Britannia Biscuit	17½	10	3	3	4		12	
1,60,00,000	2,13,52,458	3,57,89,351	6,77,697	Cecil Stack, Esq.	British India Corporation	9½	5	12½	12½	7½-1		12	
51,76,000	45,06,847		2,43,195	Bird & Co., Ltd.	Dunlop Rubber Co. (India)	28½	10	11½	15	15		12	
7,00,000	29,85,208	24,09,208	17,900	Macneill & Barry Ltd.	Eastern Investments	137	10	80	20	15-1		12	
30,00,000	37,25,649	60,01,406	6,213	Ganges Rope	Great Eastern Hotel Co.	180	100	8	8	8		12	
13,42,800	36,42,049	54,49,206	12,214	Birla Brothers, Ltd.	Hind Cycles Ltd.	245	100	20	22½	20		12	
4,96,12,650	59,65,559	2,61,39,292	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	100N	100	6	6	6		3.9	
10,00,780	22,78,499	40,09,523	—	H. B. Marshall Esq.	Humayan Properties	3½	10	7½	7½	12½		12	
1,60,00,000	1,33,45,017	2,82,89,199	—	J. W. E. Johnson, Esq.	Indian Aluminium Co.	10½	10	—	—	—		12	
1,57,89,120	1,31,92,732	57,92,390	9,29,554	D. J. McIntosh, Esq.	Indian Cables	118	100	—	—	6		9	
83,75,000 D 5,00,000 P	51,91,428	75,82,228	—15,72,246	Govan Bros., Ltd	Indian National Airways	18½	10	2½	3½	5		9	
1,25,000D 6,27,470	12,79,395	14,27,460	39,038	George Spencer Moulton & Co. (India).	Indian Rubber Manufacturers	2½ 3½	10 10	—	10*	10*		2	
2,25,00,000	1,60,38,685	3,87,93,801	2,26,066	Lionel Edwards Ltd.	India Steamship Co., Ltd.	1	1	—	—	—		12	
2,40,000	4,33,028	67,247	36,496	G. V. Swaika, Esq.	Ivan Jones	13	10	10	10	10		3	
2,00,00,000	52,39,843	27,16,446	9,86,448	J. D. K. Brown, Esq.	Jardine Henderson	6½	10	—	—	5		3	
6,34,000	9,69,698	6,65,110	—54,713	James & Co., Ltd.	Macfarlane & Co.	3½	2	21½	21½	21½		9	
40,00,000 D 5,00,000 D	48,13,867	18,37,435	1,23,673	J. M. Paton, Esq.	McLeod & Co.	12½ 2½	100 5	10	10	10		3 9	
6,35,190	4,30,333	7,47,410	10,548	Ogale Glass Works Ltd.	Mysore Glass & Enamel Works	158N	O. 100	10	12½			12	
3,75,000	7,74,553	8,79,835	3,666	R. Bharatiah, Esq.	Mysore Lamp Works	—	D. 10	5	7½	—		12	
10,00,000	3,95,997	11,45,855	1,11,329	V. S. Arunachalam, Esq.	Mysore Tobacco	5	10	—	6½	—		12	
90,00,000	43,42,911	49,45,057	25,207	Associated Industrial Development Co., Ltd.		18½	10	10	10	—		12	
79,97,000	65,83,352	1,04,50,524	8,86,347	B. N. Elias & Co., Ltd.	National Insulated Cable Co. of India	8½	10	—	10	10		12	
14,85,787	4,14,107†	17,19,230**	3,326	S. P. Ogale & Co.	National Tobacco Co.								
40,00,000	36,64,322	60,88,006	1,94,446	Parry's Holdings Ltd.	Ogale Glass Works	10½	10	5	5	5		3	
1,14,00,000	2,29,15,252	5,78,03,905	33,67,941	Sahu Jain Ltd.	Parry & Co.	10	10	—	2½			12	
40,00,000	1,53,82,620	1,19,47,722	5,61,628	C. W. Stephenson, Esq.	Rohtas Industries	3	5	2½	20	30		10	
15,00,000	22,00,000	1,74,74,498	2,62,158	R. H. Campbell, Esq.	Spencer & Co.	6½	2	62½	—	32½		12	
9,95,150	2,77,075	8,09,929	2,269	Govan Bros., Ltd.	Travancore Ogale Glass	5½	10	10	10	7½		12	
						13½	10	10	10	10		6	
						13½	10	10	10	10		12	

†† Does not include depreciation.
‡ Only depreciation.
* Includes Bonus.
—Nil Dividend.
K—Investments.
** Net Block.
† Less income-tax.
C.D—Cash Dividend
On increased ed.
(c) For six months ended June.
(d) For nine months ended Ma

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs	Block Account Rs	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1948	1949	1950	1951	Accounts Closed	Reference
						ASSAM								
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	450N	100	9	20	25	—	12	P.Y.
3,50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd.	400§	Anandang	23½	10	16	25	40	30	12	Y.
3,50,000	10,61,192	12,05,096	—89,152	McLeod & Co., Ltd	573	Baghmari	7½	10	10	12½	17½	—	12	Y.
3,40,000	9,12,884	7,05,721	44,989	Andrew Yule & Co., Ltd.	360	Basmatia	19½	10	15	20	30	—	12	Y.
3,30,600	7,23,887	8,38,278	71,941	Williamson Magor & Co.	556	Bateli	8	10	25	25	30	25	12	Y.
3,20,000	6,19,012	6,72,711	54,942	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	21½	10	25	20	35	10	12	Y.
16,50,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co.	4,004	Bishnauth	20½	10	30	35	50	5	12	T.Y.
6,00,000	4,80,316	9,75,429	—1,90,802	Octavius Steel & Co., Ltd.	493	Bokakhat	5½	10	10	5	5	—	12	Y.
7,50,000	5,06,950	3,64,836	22,297	McLeod & Co., Ltd.	450	Borelah Jan Tea Co., Ltd.	12	10	15	15	15	15	12	P.Y.
35,00,000	22,58,491	87,990	76,96,925	Brooke Bond India Ltd.	2,670	Brooke Bond	10½	10	7½	10	10	10	6	P.Y.
1,40,000	3,06,715	3,66,080	—29,101	McLeod & Co., Ltd	292	Depoo Valley	8½	10	6½	6½	15	—	12	Y.
6,00,000	22,17,578	24,29,303	53,461	James Warren Ltd.	1,341	Dessai & Parbattia	170	100	5	15	30	22½	12	Y.
17,33,440	7,15,593	19,11,105	11,132	James Finlay & Co., Ltd.	613.17	Dhalekhat	8½	10	10	10	16	12	12	P.T.H.
4,68,970	8,90,863	13,71,610	25,724	James Finlay & Co., Ltd.	458	Dhunseri	10½	10	6½	10	20	10	12	T.Y.
4,50,000	6,57,795	9,86,619	15,389	McLeod & Co., Ltd.	611	Dibrugarh Co., Ltd.	6½xd	10	7½	—	10	3	12	Y.
2,36,700	6,75,511	7,95,511	35,408	Williamson Magor & Co., Ltd.	669	Dimakus	26xd	10	40	40	45	20	12	P.Y.
3,60,500	12,72,787	15,08,787	1,01,960	Williamson Magor & Co., Ltd.	1,157	Duffla bhur	26	10	25	35	40	40	12	Y.
10,00,000	10,31,120	18,91,120	45,079	Williamson Magor & Co.	1,177	East India Tea	13	10	15	20	25	22½	12	Y.
3,60,000	6,41,852	7,69,087	16,947	Andrew Yule & Co., Ltd.	407	Gillapukri	15	10	15	17½	22½	10	12	Y.
3,30,000	3,58,221	6,52,259	—55,845	Gillanders Arbuthnot & Co., Ltd.	520	Gohpur	23	10	30	35	40	30	12	P.T.Y.
5,00,000	11,66,302	13,01,963	52,704	Duncan Bros. & Co., Ltd.	1,259	Hatkhata	14½	10	30	35		30	12	Y.
24,00,000	22,43,494	29,93,705	1,52,707	Davenport & Co., Ltd.	2,427	Mantapara	102	100	15	17½	22½	25	12	P.Y.
32,00,000	71,32,054	82,51,935	3,41,502	Davenport & Co., Ltd.	4,175.81	Hazimara	19½	10	27½	32½	40	15	12	Y.
8,45,000	13,30,237	13,53,087	1,08,098	Davenport & Co., Ltd.	1,386	Huldibari	19½	10	20	17½	25	—	12	Y.
8,50,000	8,99,645	7,60,929	28,894	Andrew Yule & Co., Ltd.	807	Jaybirpara	17½	10	33½	17½	17½	17½	12	Y.
9,00,000	2,08,765	11 44 014	1,082	Duncan Bros. & Co., Ltd.	936.7	Kilkoti	13	10	17½	15	20	2½	12	Y.
9,00,000	2,07,048	4,00,640	99	Duncan Bros. & Co., Ltd.	632.9	Manabarrie	—	100N	100	—	17½	—	12	Y.
2,00,000	9,08,130	12,92,419	53,778	Andrew Yule & Co., Ltd.	1,125	Nahabarrie	23	10	12½	17½	20	22½	12	Y.
9,60,000	1,50,000	1,86,828	12,098	Octavius Steel & Co., Ltd.	1,107.6	New Dooars	200N	100	5½	5	20	—	12	Y.
8,00,000	18,59,665	11,83,034	12,098	Duncan Bros. & Co., Ltd.	576	Oodlabari	24	10	10	12½	20	—	12	P.Y.
3,20,000	2,50,000	2,66,446	3,754	Duncan Bros. & Co., Ltd.	348	Phaskawa	100N	100	12½	10	10	10	12	Y.
2,50,000	2,77,032	2,86,356	3,754	McLeod & Co., Ltd.	764	Rajabbhat	12½	10	—	5	15	15	12	Y.
6,00,000	9,95,145	9,37,046	20,652	McLeod & Co., Ltd.	1,635	Ranicherra	8	10	—	—	17½	—	12	Y.
7,65,000	10,80,903	10,57,537	18 80 537	Jardine Henderson Ltd.	1,619	Rydak	50	10	15	20	30	6	12	Y.
7,46,400	37,43,594	37,96,387	80 132	Andrew Yule & Co., Ltd.	656	Saregaon	15	10	15	—	12½	12½	12	Y.
8,46,400	7,11,760	9,74,939	23,187											
						SYLHET §								
3,00,000	6,03,868	7,31,751	24,749	Octavius Steel & Co., Ltd.	555	Dhundeecherra	8	10	10	15	7½	12	Y.
6,00,000	5,80,016	5,29,575	10,134	Duncan Bros. & Co., Ltd.	538	Dauracherra	3½xd	10	10	5	2½	12	Y.
12,60,000	19,31,485	26,34,079	21,767	Octavius Steel & Co., Ltd.	2,153	Hattikhata	2½	10	10	5	15	7½	12	Y.
2,40,050		2,57,747	—2,44,350	Octavius Steel & Co., Ltd.	412	Kalisi	2	10	10	—	—	—	12	Y.
4,00,000	6,52,341	7,29,084	1,07,142	Gillanders Arbuthnot & Co., Ltd.	1,040	Lackatoorah	4½	10	10	7½	7½	5	12	Y.
5,83,890	1,11,163	7,11,181	—2,00,704	Octavius Steel & Co., Ltd.	1,110	Loobah	1½	10	10	—	—	—	12	Y.
4,00,000	8,23,864	5,51,520	1,72,117	Shaw Wallace & Co., Ltd.	988	New Samanbagh	7	10	15	—	—	—	12	P.Y.
16,00,000	26,60,283	31,60,520	2,389	Duncan Bros. & Co., Ltd.	5,858	Patrakola	75	100	15	15	12½	—	12	P.Y.
3,20,000	4,95,524	7 33 324	20,717	Sha

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
60,00,000	90,11,129	94,76,923	3,11,246	879	B. N. Elias & Co., Ltd.	Asarpara	21¼	10	10	15	20		3.9	P.T.H
12,00,000	52,96,368	45,00,787	89,936	498	Sahu Jain Ltd.	Albion	220	100	—	14	30		5.11	P.H.
50,00,000	85,82,864	1,17,03,966	—3,29,636	446	McLeod & Co., Ltd.	Alexandra	200	100	—	5	5	—f	6.12	T.P.H.
49,20,700	2,31,84,144	2,24,03,099	—13,63,074	1,264	McLeod & Co., Ltd.	Alliance	180	100	—	2½	—	—f	6.12	P.H.
40,00,000	1,18,05,035	1,44,601	1,44,601	2,561	Duncan Bros. & Co.	Anglo-India	216	100	—	20	20	10‡	3.9	P.H.
91,96,901	96,96,59,456	1,30,94,009	61,145	810	Bird & Co., Ltd.	Auckland	128	100	1¼	10	10		3.9	P.T.H.
275,000	£1,680,379	48,903	30,474	959	Jardine Henderson & Co.	Bally	169	100	7	12	1		3.9	P.H.
28,00,000	82,01,627	£1,328,460	£91,091	1,890	Jardine Henderson & Co.	Barnagore	55	20	20	20	20		3	P.Y.
45,00,000	78,51,305	87,37,598	3,65,214	820	Andrew Yule & Co.	Belvedere	219	100	33	17	27½		6.12	P.H.
30,42,000	3,71,54,151	51,03,385	4,07,701	600	Sourajmull Nagarmull	Bengal	171	10	11¼	15	30		6	T.P.Y.
36,00,000	98,17,668	3,06,60,933	1,38,294	1,373	Birla Bros.	Birla	37½	10	25	30	30		3	P.Y.
7,47,380	26,23,266	38,35,679	9,583	991	Andrew Yule & Co., Ltd.	Budge-Budge	190	100	7	13	22		4.10	H.
18,00,000	65,04,789	75,27,158	6,895	502	Dayaram & Sons	Calcutta Jute Manufacturing	21	10	—	—	—		6.12	T.P.H.
57,16,400	2,04,30,470	2,646	2,646	616	Andrew Yule & Co.	Caledonian	188	100	5	14	22	6f	5.11	P.H.
15,95,000	79,98,514	1,61,35,843	1,52,215	1,400	James Finlay & Co., Ltd.	Champdany	172	100	3	8	7f		3.9	P.H.
10,05,000	83,89,114	55,21,773	19,870	530	Andrew Yule & Co., Ltd.	Clavert	221	100	13½	16	22	6f	5.11	P.H.
16,00,000	80,29,460	77,89,914	60,392	500	McLeod & Co.	Chitavalsah	284	10	12½	15	60	25f	6.12	T.P.H.
			1,01,979	969	Shree Krishna Investment Co., Ltd.	Clive	27	10	12½	35	20		3	P.H.
31,49,200	1,23,69,592	1,22,21,907	80,807	766	Bird & Co., Ltd.	Dalhousie	167	100	1	11	12		3.9	P.H.
28,00,000	86,35,708	73,68,012	21,890	779	Andrew Yule & Co.	Delta	245	100	11	17½	32½		5.11	P.H.
15,00,000	82,75,460	74,82,092	45,656	500	McLeod & Co.	Empire	224xd	10	10	20	25	5f	6.12	T.P.H.
14,00,000	2,47,73,040	2,58,81,253	25,700	1,884	Kettlewell Bullen & Co.	Fort Gloster	325	100	2½	32½	22½		3.9	P.H.
84,32,400	48,25,115	69,94,729	—8,32,397	1,014	G. C. Bamber, Esq.	Fort William	305N	100	—	10	—		3.9	P.H.
10,80,000	71,71,252	2,02,49,392	82,922	1,709	Macneill & Barry Ltd.	Ganges	80	100	—	5	24f		3.9	P.H.
24,00,000	2,02,41,185	67,20,135	25,156	607	G. Arbuthnot & Co.	Gondalpara	930	300	—	15	30		12	T.P.H.
40,00,000	81,93,062	2,18,72,990	89,236	1,394	Macneill & Barry Ltd.	Gouripore	310	100	2½	25	31½		3.9	P.Y.
16,80,000	58,02,116	81,94,127	3,06,824	1,078	Bangur Bros. Ltd	Hastings	140N	100	10	10	10		3	P.Y.
65,62,500	1,52,67,130	1,54,75,550	64,417	720	G. Arbuthnot & Co.	Houghly	32½	10	10	30	15		3	P.Y.
30,00,000	1,74,30,109	2,25,00,109	1,43,871	1,940	Jardine Henderson Ltd.	Howrah	24½	10	7½	17½	18‡		3.9	P.H.
87,00,000			3,91,968	2,272	Ramdutt Ramkissendas	Hukumchand	45	10	7½	66‡	66‡		3	T.P.Y.
30,000	87,45,632	1,10,99,740	1,43,281	1,076	Mackinnon Mackenzie & Co.	India	130	{O. 125	5½	10	32		3.9	P.H.
								{D. 10	5½	5½	32		3.9	P.H.
54,00,000	1,35,11,140	1,36,47,095	67,132	1,797	Jardine Henderson Ltd.	Kamarhatty	212	100	—	8½	22½	8‡f	6.12	P.H.
21,00,000	1,13,89,109	91,56,930	1,07,129	1,527	Jardine Henderson Ltd.	Kankinarrah	138	100	—	—	12½	6f	6.12	P.H.
54,00,000	1,18,86,997	1,59,17,038	1,07,129	703	McLeod & Co.	Kelvin	240xd	100	10	20	25	7½f	6.12	P.H.
48,00,000	1,91,36,763	2,14,06,298	1,65,736	1,530	Anderson Wright Ltd.	Khardah	176	100	—	25	16		3.9	P.H.
24,48,000	1,22,41,880	1,35,16,655	1,65,736	1,250	F. W. Heilgers & Co.	Kamoon	210	100	2½	14	19		3.9	P.T.H.
28,00,000	1,18,69,789	1,13,74,198	53,319	931	Bird & Co., Ltd.	Lansdowne	160	100	2	21	15		3.9	T.P.H.
10,00,000	66,00,427	30,18,904	52,655	840	Bird & Co., Ltd.	Lawrence	196	100	6	21½	22		3.9	P.H.
81,65,200	1,35,61,586	1,95,64,756	57,142	558	Andrew Yule & Co.	Lothian	230	100	—	15	32½	15f	5.11	P.H.
29,98,900	1,28,87,159	1,55,16,608	1,02,068	1,008	Mackinnon Mackenzie & Co.	Meena	106	100	4½	8½	38		3.9	H.
12,00,000	29,95,424	24,75,180	58,615	815	F. W. Heilgers & Co.	Naihati	134	100	—	15	12		3.9	P.T.H.
25,00,000	50,36,405	27,42,753	52,447	425	Howrah Trading Co., Ltd.	Naskarpara	17	10	11¼	13½	15f		4.10	T.P.H.
7,50,000	52,11,917	24,37,663	5,264	852	Andrew Yule & Co.	National	25⅝	10	11¼	15	25		4.10	P.H.
10,50,000	58,04,933	45,71,347	21,345	316	McLeod & Co.	Nellimarla Jute	31¼	10	25	30	75	20	6.12	T.P.H.
16,79,880	90,35,938	1,18,43,622	1,16,973	709	Sahu Jain Ltd.	New Central	235	100	6	14	30		6.12	P.H.
66,79,500	1,73,80,223	2,06,76,876	46,833	567	Bird & Co., Ltd.	Northbrook	23⅛	10	—	—	10f		3.9	P.H.
24,91,000	71,47,003	68,55,552	72 170	1,092	Macneill & Barry Ltd.	Noddea	463	50	—	5½	43		3.9	T.H.
			3,591	601	Andrew Yule & Co., Ltd.	Orient	199	100	9	14	18	1	5.11	H.
25,00,000	63,83,642	80,79,256	—4,76,887	400	McLeod & Co.	Presidency	5⅝	5	—	—	2½	—f	6.12	T.H.
20,00,000	7,67,993‡	26,12,793	—2,40,537	305	Macneill & Co.	Rameshwara	7½	10	—	1½	—		3.9	H.P.
49,50,000	52,85,998‡	1,23,21,764	40,818	1,276	Jardine Henderson Ltd.	Reliance	13⅜	10	—	—	—		3.9	P.H.
60,00,000	£9,99,994	£11,96,402	£76,498	2,013	Thomas Duff & Co. (India) Ltd.	Samnuggur	sh 15	11	6‡‡	10‡‡	10		12	P.Y.
30,00,000	68,57,466	95,49,412	87,40,952	911	Shree Ambica (Adamjee)	Shree Ambica (Adamjee)	18½	10	—	15	10f		3.9	P.H.
7,00,000	45,17,785	48,14,456	2,73,383	403	Hindustan Investment Copn.	Soorah	19N	10	—	10	—		12	P.Y.
25,19,400	1,07,90,629	94,08,329	1,24,587	650	Bird & Co., Ltd.	Standard	169	100	4	15	16		3.9	P.H.
£6,00,000	£8,36,994	£9,76,287	£1,29,393	1,794	Thomas Duff & Co. (India) Ltd.	Titaghur	sh 15	11	6‡‡	10‡‡	10		12	Y.H.
35,98,600	1,82,27,935	1,74,17,294	34,682	1,326	Bird & Co., Ltd.	Union	189	100	2	19½	21		3.9	P.T.H.
£4,00,000	£6,35,795	£10,47,385	£1,00,239	1,331	Thomas Duff & Co. (India) Ltd.	Victoria	sh 15½	11	6‡‡	10‡‡	10		12	Y.H.
2,50,000	32,89,383	55,48,403	—47,909	465	McLeod & Co.	Waverley	6¾	1	—	5	5	—f	6.12	P.T.H.

(f) For ten months ended 31st December, 1951. ‡‡ Subject to foreign Income-tax. ‡ Only Depreciation • Includes bonus.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
25,50,000	58,63,382	61,83,382	33,891	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	20	10	17½	20	13‡		3.9	H.
12,00,000	41,76,885	37,08,981	57,055	Jardine, H. & Co., Ltd.	Bararee Coke	17½	10	14‡	13‡	14‡		3.9	H.
1,00,00,000	4,16,30,103	4,91,93,899	7,25,389	Andrew Yule & Co., Ltd.	Bengal	509	200	33½	17½	18‡•		4.10	P.H.
4,49,230	5,82,303	8,49,159	3,152	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	2¼	10	2½	2½	2½	1‡f	6.12	H.
2,25,000	27,12,507	25,84,461	4,280	Andrew Yule & Co., Ltd.	Bengal-Nagpur	19	10	22½	16‡	10	3‡f	6.12	P.H.
15,97,000	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	4¼	10	—	2‡	1‡		9	Y.
7,15,000	50,04,831	50,17,715	3,437	F. W. Heilgers & Co., Ltd.	Bhulanbarasee	12⅝	10	—	6‡	6‡	2‡f	6.12	H.
16,00,000	53,46,046	67,83,723	—1,37,184	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	7	10	5	—	—f		6.12	T.H.
7,50,000	42,42,776	40,82,736	1,07,078	F. W. Heilgers & Co., Ltd.	Borrea	32	10	20	30	30•	15f•	6.12	P.H.
90,92,480	3,23,04,936	3,94,53,208	1,54,703	Bird & Co., Ltd.	Burrakur	10⅛	10	10⅛	7½	7½	3‡f	6.12	P.T.H.
8,00,000	44,73,086	48,99,835	6,672	Anderson Wright & Co.	Central Kurkend	13N	10	17½	12½	—		6.12	P.H.
6,00,000	1,40,000	7,50,000k	28,918	F. W. Heilgers & Co., Ltd.	Churulia	2⅛	4	6½	4⅜	1⅛	⅜f	6.12	P.H.
16,00,000	30,19,961	43,00,861	11,699	Macneill & Barry Ltd.	Dhemo Main	10⅛	10	10⅛	10	12½		6.12	H.
£120,000	£1,084,338	£872,414	£78,839	Jardine Henderson Ltd.	East Indian	20½	£1	13½	37½	37½		4	Y.
10,00,000	3,07,47,993	2,96,10,834	1,90,766	Macneill & Barry Ltd.	Equitable	40½	10	25	25	25		6.12	H.
8,00,000	8,41,725	66,865	21,14,376	Bhatter's Agency Ltd.	Ghusick and Muslia	17⅛	3	20	5	—		3	Y.
8,00,000	21,14,376	21,51,521	15,633	Macneill & Barry Ltd.	Hurriladih	14⅜	10	12½	15	15		6.12	H.
2,50,000	11,63,346	12,53,839	40,107	Andrew Yule & Co., Ltd.	Kalapahari	47N	10	26‡	35	35•	17½f	2.8	H.
20,00,000	68,340‡	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	93	100	—	—	—		2	Y.
5,00,000	42,58,631	42,08,253	1,46,012	Andrew Yule & Co., Ltd.	Katras Jherriah	42⅜	10	27½	35	37½	20f	2	H.
1,38,400	5,20,519	11,63,519	1,063	Beriwala Bros.	Khas Kajora	20N	10	11¼	10	5f		1.7	P.H.
11,00,240	10,19,288	15,64,007	5,201	H. V. Low & Co., Ltd.	Kuardi	6⅛	10	3⅛	3⅛			6.12	Y.
9,00,000	32,02,177	27,71,130	510	H. V. Low & Co., Ltd.	Lakurka	12½N	10	10	10			6	Y.
5,63,750	11,41,018	22,31,077	2,691	Beriwala & Co.	Mandulpoor	10	10	5	7½	6¼		4	Y.
7,46,240	10,34,138	11,24,142	14,690	Associated Commercial Co., Ltd.	Nazira	6⅜	10	5	2½	5½		6.12	H.
7,00,000	3,77,590	9,53,321	4,597	Amritlal Ojha & Co., Ltd.	New Bansdeopur	5N	10	6¼	7½	6¼		6.12	H.
17,76,230	89,43,381	1,14,69,344	39,912	Andrew Yule & Co., Ltd.	New Beerbhoom	18½	10	3	6	—		3.9	H.
												4.10	
6,00,000	24,61,802	30,92,604	—2,10,056	Octavius Steel & Co. Ltd.	New Manbhoom	12	10	12½	7½	—		3.9	P.H.
2,50,000	6,84,984	5,45 859	1.387	Jatia Bros. Ltd.	North Damuda	4N	2½					3.9	H.
1,15,000	10,51,298	12,32,197	1,985	Andrew Yule & Co., Ltd.	North West	17½N	10	16½	13⅜	5		3.9	H.
1,57,500						13½N	7½						
7,50,000	12,54,532	3,97,666	1,23,852	F. W. Heilgers & Co., Ltd.	Ondal	26	10	12½	25	22½•	10f	6.12	P.H.
10,00,000	14,15,045	32,73,178	46,739	K. C. Thapar Bros. Ltd.	Oriental Coal	10	10	10	10	10		12	T.Y.
8,34,000	5,98,486	16,29,203	70,339	Deepchand Kishenlall	Parsora	3½	10	—	—	—f		6.12	H.
13,75,000	32,58,026	37,63,026	22,099	Shaw Wallace & Co., Ltd.	Pench Valley	22	10	16½	12½	10		2.8	H.
23,99,500	88,51,193	1,02,79,253	—8,92,750	B. N. Elias & Co., Ltd.	Ramagunge	7½	10	—	—	—		6.12	H.
13,50,000	28,66,087	29,99,087	35,349	Shaw Wallace & Co., Ltd.	Rewa	17	10	8‡	12½	10	7½f	6.12	H.
20,00,000	15,10,518	28,07,516	165	Jalpuria Sons Ltd.	Samla Collieries	6¼	10	—	5	14f		6.12	H.
1,25,000	12,44,124	13,05,188	18,451	Gillanders Arbuthnot & Co., Ltd.	Searsole	10½	2½	20	20	20		6.12	H.
2,80,000	18,31,795	27,82,403	26,724	Andrew Yule & Co., Ltd.	Seebpore	26‡	7	35-5/7	32-1/7	28-4/7		1	T.
8,00,000	34,57,222	36,96,604	10,379	F. W. Heilgers & Co., Ltd.	Sendra	13	10	5	5	3⅛	—f	6.12	P.H.
												6.12	M.
63,21,450	2,13,85,164	3,04,98,616	23,658	Industrial Trust Fund	Singareni	5⅞	10	4⅜	5	5		12	T.Y.
17,50,000	23,75,231	34,59,256	93,675	Bird & Co., Ltd.	South Karanpura	13⅜	10	18½	10	7½		2.8	H
8,00,000	39,93,119	39,43,816	74,094	F. W. Heilgers & Co., Ltd.	Standard	14½	10	16‡	15	10	5f	6.12	H.
10,00,000	15,41,499	29,34,045	—2,46,174	Villiers Ltd.	Talcher	23	2½	—	—	—		9	Y.
5,50,000	17,36,513	18,94,910	74,927	Williamson Magor & Co., Ltd.	Union	17½	10	20	27½	27½	12½f	6.12	H.
7,00,000	26,05,667	33,34,98•	32,735	Macneill & Barry Ltd.	West Jamuria	6¾	1	—	5	5	—f	6.12	H.

• The following explanatory notes relate to the abbreviations and marks shown on page 52 in the debentures section:—

(a) Option to repay on six months' notice, on any interest date after 31st December, 1951, at 102 per cent Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 102 per cent.

(c) Option of repayment at any time at 3 per cent. premium.

(b) Bearer bonds of Rs. 1,000 each repayable at par.

Bearer bonds of Rs. 1,000 each repayable on 31st July, 1959.

(d) Bearer bonds of Rs. 1,000 each with option of edemption in whole or in part at par on 30th June, 1952, or on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months not in each case

(f) Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ½ per cent. premium, 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March, 1957

(h) Option of redemption on or after 1st July, 1949, at par.

(i) Option of repayment at any time at par at any time on or after 30th June 1947 on six months' notice.

ALL-INDIA ECONOMIC CONFERENCE

(From A Special Correspondent)

THE All-India Economic Conference, which concluded its thirty-fifth session, a few days ago in Trivandrum, under the presidentship of Prof. P. A. Wadia, was doubtless, a success. Prominent economists including Prof. C. N. Vakil, Dr. V. K. R. V. Rao, Prof. Karve, besides several representatives of the Central and State Governments, the Planning Commission and Universities attended the session. Important problems such as, productivity in industries, welfare State, incidence of taxation and decontrol of food were on the agenda of the Conference.

Mr. A. Ramaswami Mudaliar, Vice-Chancellor of the Travancore University, welcomed the delegates, while the Rajapramukh of Travancore-Cochin inaugurated the session. The Rajapramukh made a plea for the re-examination of the foundations and development of Western economic thought and its suitability to the conditions in India. Re-orientation of economic doctrines with a view to adopting them to the needs of under-developed countries was, according to him, necessary. Concluding, he said, "while it is highly essential to perfect the technique of analysis, it will be a self-defeating process, if the ends in view are lost sight of. The economist and the work he does will be judged by the economic man by his capacity to promote the well-being of the community. The task of the economist is to plan for a proper utilisation of our resources so that the standard of living of all our people may be raised."

The presidential address of Professor Wadia revealed erudition and covered as many as 26 pages. Even though, he is old and is the *guru* of veteran economists, his handling of the contemporary problems and their solution revealed that he was behind none in keeping himself abreast of current economic developments in the country. "All through the human history," he remarked "the one great problem that challenged man is the biological problem of adjusting the species to which he belongs to the environment." Referring to planning, he said that it implied organisation, the arrangement of parts in the service of a desired end.

He was very vehement in his emphasis on the need for centralisation of controls in planning. He referred to inter-State bans which have created comparative plenty in some places and scarcity and high prices in others, giving rise to a dangerous form of economic provincialism. He also emphasised the need for co-operation between the Government and agricultural population. Projects to be successful, should have the co-operation of the public. The policy of compulsory procurement had resulted in cultivators abstaining from producing more than their personal requirements. This according to him, accounted for the discrepancy in the yield per acre in different areas. He opined that procurement prices should be so high as to stimulate production, as after all the increase in the amount of subsidies may be less burdensome than the huge sums spent abroad in the purchase of grains. The need for disinterested co-operation of the personnel of the administrative machinery was also emphasised by him.

Papers were read on recent developments in welfare economics. In the discussion, Dr. D. T. Lakdawala (Bombay) observed that welfare economics was but an extension of the concept of positive economics. Dr. V. K. R. V. Rao said that it served as a norm for economic policy and formed the basis of planning, as, after all, it meant preference of one set of utilisation of resources to the other set, considering the larger interests of the people.

Productivity in Industries

On the subject of productivity, Dr. R. Balakrishna, Mr. S. D. Mehta, Dr. R. V. Rao, and several others read papers. Dr. Balakrishna gave figures relating to comparative productivity in a few industries. Dr. R. V. Rao, referred to the work of the I.L.O. in regard to studies relating to payments by results and productivities in industries.

The incidence of taxation was thoroughly discussed at the session. Papers were read by a number of economists including, Mr. N. K. Kulkarni, Dr. B. Singh and others. The discussion that ensued was of a high order. Prof. R. N. Puduval pointed out that India was a country of low taxation. Prof. J. J. Anjaria of the Planning Commission, on the other hand, remarked: "It will be correct to pay that the coverage of taxation is low. The incidence is higher in urban rather than in rural areas. Our income-tax does not cover a large enough sector. We should give up the idea that taxes on necessaries are bad." Referring to sales tax, he said that while the incidence falls on the consumers, he did not know why multi-point sales tax, which makes evasion difficult, is being opposed. He referred to the urgent need for State trading and capital formation. Prof. C. N. Vakil referred to the need for a comprehensive review of the incidence of taxation, in which direction he hoped that the National Income Committee and the National sample survey would give adequate information.

The next year's session will be held in Jaipur. The members unanimously elected Prof. S. Kesava Iyengar as President for the year and Dr. Lakdawala as Secretary. It was decided to run the *Indian Economic Journal* under the auspices of the Association from Bombay under the editorship of Prof. C. N. Vakil who, it must be said, is the guiding spirit behind the Association.

TATA IRON AND STEEL COMPANY

(Concluded from page 15)

shareholders, mentioned above, regarding the percentages which the dividends bear to the face value of the shares, and not the amounts of the dividends, being the proper basis for determining the ratio of conversion.

(2) The answer to the second argument is contained in the fourth argument of deferred shareholders, mentioned above. Moreover, the conditions and factors governing nationalisation of companies in England or India are not applicable to the problem of the conversion of the deferred shares into ordinary shares. Further, the quotations of shares on the Stock Exchanges do not represent a valuation of a company by reference to its assets and its earning potential. They result only from the actions and opinions of private and institutional investors all over the country, based on hope, well- or ill-informed guesswork, good or bad investment policy, etc. Furthermore, the quotations may move upwards or downwards, to a considerable extent, although no known changes may have taken place in the capital value or the earning potential of the assets, which they represent. Hence, the quotations cannot be a fair and equitable basis for determining the ratio of conversion. Again, the enforcement of any conversion scheme upon the deferred shareholders amounts to a liquidation of the deferred shares, and, therefore, to a liquidation of the Company, so far as these shares are concerned.

Neither the Company nor the shareholders would have to pay any taxes on the completion of the conversion scheme, because the Company would not be selling any part of its assets to any outsider. Besides, a company would have to pay tax only if, as a going concern, it sells some of its assets at a price above their written-down value, and not if it is first wound-up and ceases to carry on its business and then sells its assets. The question of paying compensation to the preference shareholders does not arise, because there would be no winding-up or sale of the Company.

(3) As regards the third argument, it may be asserted that the value of the net tangible assets of a company and the nature of its business are more important than its earning capacity and that not only the dividends declared but also the profits carried to reserve have to be taken into account.

(4) As regards the fourth argument, it may be asserted that the ratio of profits to paid-up capital should be taken into account and not the ratio of profits to revenue, because the latter ratio is likely to come down if the turnover is very quick. It may be stated that the former ratio in the case of the Tata Company has been upward. Further, there is the possibility of decontrol of the selling price of steel after some time and also of a fall in the cost of production due to trade recession.

The above arguments and counter-arguments of the spokesmen of the two classes of shareholders clearly show that the problem of determining the conversion ratio is a very complex one and that the task of the Mediator is by no means easy. In the midst of this complicated situation, the two practical factors which deserve to be taken into consideration in arriving at a fair ratio are the present book value of the net block of the Company plus the surplus of its liquid assets over its current liabilities and the profits of the Company. Mr. H. T. Parekh has worked out the ratio of conversion with reference to the first factor and has given it as 1 to 7 in an article published in the issue of *Commerce* dated 20th December, 1952. He has also calculated the ratio with reference to the second factor and has given it as 1 to 6. As the Committee of ordinary shareholders has suggested a ratio of 1 to 5, these shareholders should be prepared to accept a ratio which is a little more unfavourable to them than the one suggested by their spokesmen, as such a ratio seems to be warranted by relevant and practical considerations. The same considerations would probably make the deferred shareholders realise ultimately that the ratio suggested by their Committee, namely, 1 to 11, is unduly favourable to them and that they should accept a lower ratio. It is to be hoped that both the classes of shareholders would realise the necessity of placing national interests above their own interests and of accepting the ratio that might be awarded by the Mediator. If they do not do so voluntarily, there is a likelihood of the Government of India enforcing the Mediator's award by an ordinance.

DELHI LETTER

(Concluded from page 8)

Government will be able to canalise even a part of it back into some conversion loan, unless it tries to raise the rate of interest. Both for financing the heavy sums required for the implementation of the Plan and also to pay back the maturing 1953 loan, Government may have to resort to deficit financing during the forthcoming fiscal year.

The appointment of a compact committee under the chairmanship of Mrs. Kripalani, an Opposition leader, to probe into the charges of nepotism and favouritism in the grant of loans by the Industrial Finance Corporation, bespeaks high of Mr. C. D. Deshmukh, Finance Minister. It also indicates that he has nothing to hide from members of Parliament in regard to the transactions of the Corporation. During the last few years of its existence, the Corporation has granted loans to the extent of Rs. 14·03 crores to various industrial concerns. The cotton textile industry has secured Rs. 2.05 crores (the number of mills benefited by the loan being 14), while the chemical industry is the next in order, the loan granted to it being Rs. 1.86 crores. Textile machinery, mechanical engineering and electrical engineering industries have absorbed loans to the extent of Rs. 64 lakhs, Rs. 68 lakhs and Rs. 115 lakhs, respectively. Among other industries that have taken loans from the Corporation, mention may be made of woollen textiles, rayon, cement, ceramics and glass, light engineering, mining, aluminium, sugar, automobiles, electric power industries, etc. From these particulars, it will be seen that a number of consumer industries have been helped by the Corporation while machinery manufacturing industries and other key industries have not taken loans on a large scale, presumably because their capital requirements are large. Besides investigating the charges of favouritism, etc., the Committee will do well to examine afresh the role of the Corporation in financing the future industrialisation of the country.

MARKET REPORTS

(Concluded from page 41)

to crops in South India. Half of this deficit is to be met from increased internal procurement from the surplus States. The remaining half a million tons will have to be imported from the U.S. or China. The carryover of rice into 1953 is estimated at 160,000 tons—a record figure—and it is hoped to increase the internal procurement of rice by about a million tons.

The overall food position in the U.P. continued to be satisfactory during the last three weeks. There were light showers here and there, but, generally, rains were inadequate for standing crops the progress of which has not been quite satisfactory. The State Government has started purchasing rice from the free market, with a view to contributing as much as possible to the central pool. The Nepal Government has lifted restrictions on export of rice to India, following improved political situation. Further, the Government is believed to have fixed a quota of 25,000 tons of rice for Uttar Pradesh, which will be shortly made available.

Maharashtra is facing famine conditions; this is described as "unprecedented in scale in recent years" in at least eight districts. Bright prospects of *kharif* crop were entertained at the beginning of October, but the total absence of rains thereafter have presented a grim picture, with food crops being a total failure.

The Madhya Pradesh Government has increased the procurement price of *jowar* by Re. 1-10 per maund with effect from January.

ENQUIRY INTO WORK OF THE I.F.C.

The Government of India has appointed a committee with Mrs. Sucheta Kripalani, Member,

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
16,00,000	1,08,36,418	9,95,123	Allahabad Bank	360	100	18‡	18‡	18‡	9‡	12	Y.P.
14,50,000				173	50						
1,01,000	11,73,500	2,21,655	Andhra Bank	105	100						
23,99,000				52½	50	5	6	6	3‡	6.12	H.
1,00,00,000	1,28,00,000	2,14,790	Bank of Baroda	117½	50	12‡	12‡	12‡	5‡	12	Y.
50,00,000	10,00,000	7,107	Bank of Bikaner	20	25		1	1		12	Y.
2,48,86,250	3,49,76,065	5,60,616	Bank of India	157	50	14	14	14	6‡	6.12	R.L.Y.
15,30,375	23,00,000	62,955	Bank of Indore	55	25	12‡	12‡	12‡		12	Y.
50,00,000	85,00,000	38,635	Bank of Mysore	247½	100	16‡	16‡	16‡	8‡†	12	Y.
59,18,600	42,61,693	25,280	Bombay State Co-operative Bank	58‡	50	5‡	5	5		6	Y.P.E.
7,50,000	10,73,000	19,505	Canara Banking Corporation Ltd.	90	50	9‡	10‡	10‡		12	Y.P.
3,14,54,250	3,98,30,808	17,65,629	Central Bank of India	64‡	25	14	14	14	6‡	12	R.L.Y.
50,00,000	22,00,000	1,38,594	Devkaran Nanjee Banking Co.	34	50	3	3	3‡		12	Y.
1,25,00,000	1,00,00,000	10,48,196	Habib Bank (P)	88	20	6‡	10	20		12	Y.
50,00,000	15,20,000	65,220	Hindustan Commercial Bank	10½	50	—	—	—		12	Y.
75,00,000	1,00,000	3,806	Hindustan Mercantile Bank	11	50	—	—	—		12	Y.
3,75,00,000	62,50,000	1,36,832	††Hyderabad State Bank	108N	100	5	5			9	Y.
1,87,50,000	6,35,00,000	46,40,590	Imperial Bank of India	1,775	500	14	16	16	8‡	6.12	R.L.H.
23,95,961				476½	125	14	16	16	8‡	6.12	R.L.H.
15,00,000	70,00,000	92,545	Indian Bank	173½	100					6.12	R.L.H.
14,00,000				126	75	11‡	12‡	12‡		6.12	R.L.H.
47,35,750	15,50,000	2,22,825	Indian Overseas Bank	90½	50					12	Y.
6,25,000				94	100	44‡	5‡	6		6.12	R.L.H.
2,50,000	9,50,000	6,231	Indo-Commercial Bank	87	100(A)	9	9‡				
10,00,000				20‡	25(B)	9	9‡			6.12	H.
50,00,000	12,65,000	1,21,370	Jaipur Bank	41½	50(C)	6	6‡			12	Y.
4,55,266	30,61,350	60,357	Punjab and Sind Bank	18‡	50	3	3	3		12	Y.
87,50,000	87,50,000	5,33,829	Punjab National Bank	34	25	7‡	7			6.12	Y.
1,00,00,000	15,50,000	1,49,593	Travancore Bank	22‡	25	6	6	4	3‡	12	Y.
40,00,300	28,25,000	2,09,737	Union Bank of India	10‡	25	Nil	Nil	—		12	Y.
2,00,00,000	67,50,000	1,70,952	United Commercial Bank	6‡	5	6‡	6‡	6‡		12	Y.
				35	50	3‡	4	4		6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3,000,000	£4,000,000	£397,433	Chartered Bank of India, Australia and China	£10‡	£5	12	14	14	7‡	12	R.L.Y.
£1,000,000	£800,000	£69,917	Eastern Bank	£5‡	£5	6†	6†	6†	2½	12	R.L.Y.
H.K.$20,000,000	H.K.$96,000,000	H.K.$8,075,332	Hongkong and Shanghai Banking Corporation	H.K. $125	H.K. $125	5%*	5%*	5%*	2%*	12	Y.
£14,372,956	£14,800,000	£596,803	Lloyds Bank	£2 8-0	£1	12½†	12½†	12††	6‡	12	R.L.Y.
£1,437,296				£1 7-0		5½†	5††	5††	2½‡	12	R.L.Y.
£375,000	£1,500,000	£200,130	Mercantile Bank of India	£19½	A £12½						
£300,000				£19½	B £12½	12½†	12†	12†	6‡	12	R.L.Y.
£2,281,250	£3,738,892	£318,652	National Bank of India	£10½	C £5						
				£27½	£12½	16½†	16†	16†	8‡	12	L.Y.

‡Includes Bonus. †Less Tax.
‡‡Subject to taxation.
(c) Paid-up Capital increased.

(a) There are also Rs. 67,08,155 partly paid Ordinary Shares.
††O.S. Currency.
(I) Interim
(P) Pakistan Currency. *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £		Principal Repayable	
BREWERIES AND SUGAR							
19,50,000	5½	1st December and 1st June	Carew & Co.	1938	97	1st June	1953(b)
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90½	28th February	1960(f)
6,00,000	5½	30th June and 30th December	Ramnugger Canc & Sugar Co., Ltd.	1936	97½	30th December	1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102	27th December	1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	88	1st November	1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	103	1st April	1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	90	1st November	1959-64
COTTON							
6,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April	1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	95	15th November	1956(a)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99‡	1st January	1967-72
13,68,000	5½		Jayshree Textiles	1949	78N	1st January	1956-59
ELECTRICS							
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	95	31st March	1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		101	14th June	1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100‡	1st October	1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	93	31st December	1964
2,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	99‡	1st January	1970
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	84	31st December	1970
15,00,000	5	1st January and 1st July	Sijua (Dherrian) Electric Supply Co., Ltd.	1951	94	30th June	1976
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	1940	97‡		1957-61
2,00,000	5‡	1st May and 1st November	South Madras Electric Supply	1939	95		1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94‡		1953-63
9,25,000	4½	1st April	South Madras Electric Supply		94		57-61,53-4 56-61
49,23,000	4	1st April and 1st October	Tata Power	1940	100‡	15th September	1951-55(b)
1,00,00,000	4	1st April and 1st October	Tata Power		94‡	15th September	1965-70
ENGINEERING							
5,00,000	5	30th June and 31st December	Britannia Engineering	1945	94‡	31st December	1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	90	30th June	1958
30,00,000	5‡	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	99‡	1st July	1957-62
£1,284,550	4	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1916	£79‡	31st December	1966(88)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84‡	31st May	1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	101	1st October	1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	94	31st December	1960
JUTE							
12,00,000	4‡	1st October and 1st April	Agarpara	1939	96	31st March	1954
6,00,000	4‡	30th June and 31st December	Alexandra	1939	94	30th June	1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	92	31st December	1964
10,00,000	4‡	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	94	30th June	1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90	30th June	1960
10,00,000	5	31st January and 31st July	Calcutta	1949	92	31st July	1959(c)
12,00,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	97	30th June	1966
8,94,000	5	30th June and 31st December	Empire Jute Mill Co., Ltd.	1951	97	15th July	1966
25,00,000	3‡	1st January and 1st July	Hukumchand	1947	88	30th June	1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	98	31st December	1964
25,00,000	5‡	30th June and 31st December	Naihati	1952	100	31st March	1967
5,00,000	3‡	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1947	89N	31st March	1954
5,00,000	4‡	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May	1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	89	31st December	1964
8,00,000	4	30th June and 31st December	Presidency	1943	89	30th June	1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	95	5th September	1965
8,00,000	4‡	14th March and 14th September	Sourah Jute	1937	92	14th September	1957
12,00,000	4‡	30th June and 31st December	Union	1937	94	30th June	1957(d)
10,00,000	3‡	31st January and 31st July	Waverley	1925	83	31st July	1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS							
4,00,000	6	31st March and 30th September	Bankura Damodar River Railway Co., Ltd.	1931	100N	9th March	1961
4,00,000	3‡	31st March and 10th September	Bankura Damodar River Railway Co.	1938	97	31st March	1953
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1936	84	1st July	1956
2,00,00,000	4‡	10th November and 10th May	Bombay Steam Navigation Co.	1945	97‡	1st November	
3,50,000	5	31st March and 30th September	Burdwan-Cutwa Railway Co.	1938	97‡	31st March	1943-53
£350,000	4‡	1st January and 1st July		1900	£100N	At 105% at any time on 6 months' notice or at par or every seventh year.	
			Calcutta Tramways				
£226,500	5	1st April and 1st October		1933	£102N	1st October	1974
3,00,000	3‡	30th September and 31st March	Kalighat-Falta Railway	1934	96	30th September	1953
6,50,000	3‡	30th June and 31st December	Katakhal-Lalabazar Railway	1945	89	31st December	1959
£200,000	4‡	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£90‡N		
5,00,00,000	4‡	1st March and 1st September	Scindia Steam Navigation		96‡	1st September	1963
PLANTING							
4,80,000	5	1st January and 1st July	Blue Mountain Estates	1943	100		1945-55
4,68,500	5‡	Half-yearly	Teekoy Rubber Estates	1944	100		1949-59
1,50,000	5	30th June and 31st December	Waterfalls Ltd.	1943	101‡		1945-55
MISCELLANEOUS							
15,00,000	5‡	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	102	30th September	1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	99	31st December	1965
27,00,000	4‡	1st April and 1st October	Associated Hotels of India	1948	86	31st December	1962
4,90,500	4‡	30th June and 31st December	Bengal Paper Mills	1937	94‡	30th June	1957(1)
21,00,000	5‡	1st February and 1st August	Chowringhee Properties	1915	92	1st February	
22,50,000	4‡	1st July and 1st January	Clive Buildings	1936	89	1st July	1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	86	13th September	1960
30,00,000	5	1st January and 1st July	Dunlop Rubber	1950	102	1st January	1971
40,00,000	5	2nd January and 2nd July	Mettur Chemical Industries	1949	97		1964
39,87,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	450	30th September	1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	(per note) 410	31st December	1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	(per note) 94N	1st April	1971
00,00,000	5‡	31st March	Orient Paper Mills Ltd.	1951	85‡	31st March	1961
00,00,000	4	30th June and 31st December	Ruhtas Industries Ltd.	1946	80‡	31st December	1959

Note—See page 50 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREN

THE following quotations indicate the tren transactions on the Bombay Stock Excha during the week ended 8th January, 1953.

	Opening quotations	High	Low	Clos quot
BANKS	Rs	Rs.	Rs.	Ra
Bank of India (50)	156½	157½	156½	15
Bank of Baroda (50)	117½	117½	117½	11
Central (25)	6¾	6¾	6¾	4
Imperial (L. Pd.) (500)	1,742½	1,792½	1,725	1,77
Imperial (P. Pd.) (125)	440	440	436½	43
Union Bank (25)	6⅜	6⅜	6⅜	3
United Com. (50)	35	35	35	
COTTON MILLS				
Ahm. Adv. (100)	137½	137½	137½	13
Apollo (2)	2 7/16	2 1/16	2	2
Bombay Dyeing (250)	356½	367½	353½	359
Central India (100)	141½	147	142	145
Century Mills (100)	252½	254½	249	247
Colaba (100)	71½	71½	71½	70
Edward Textile (200)	245	245	245	245
Elphinstone (50)	40½	40½	40½	40
Finlay (100)	281	283	281	281
Gokak (100)	198½	200½	196½	197
Ind Unid Defd (1)	1 3/16	1⅛	1⅛	1
Ind Unid. Ord (10)	8 3/16	8 1/16	8⅛	8
Indore Malwa (100)	82½	90	81⅛	85
Khatau (100)	170	170	170	170
Kohinoor (100)	262	268	259	263
Lakshmi (250)	586½	586½	575	575
Madhusudhan (100)	76½	76½	76½	76½
B. R. Cotton Mills (100)	50	50	50	50
Minerva Mills (100)	91	91	91	91
Model Nagpur (250)	150	150	148½	148
Morarji (100)	170	170	165	165
Mysore (50)	127½	127½	127½	127
New City (100)	171½	171½	171½	171
New Great (100)	153	156	150	151
Phoenix (100)	122½	122½	122½	122
Podar Mills (100)	125	125	123½	123
Sassoon Silk (10)	23½	23½	23½	23
Sassoon Spg. (10)	20½	20½	20½	20
Sholapur (1,000)	1,600	1,600	1,600	1,600
Simplex (50)	177½	177½	174	176
Swadeshi (100)	237	237	237	237
Swan (100)	237½	243	234½	390
Tata M I (25)	390	390	390	466
Vishnu (100)	45½	46½	46	160
Western India (1,000)	161½	163½	160	3,150
	3,150	3,150	3,150	
ELECTRIC COS.				
Ahmedabad (100)	110	111½	110	110
Amalgamated (10)	10½	10½	10½	10
Andhra Valley (1,000)	1,373½	1,373½	1,373½	1,373
Bom. Sub-El. (100)	121⅜	121⅜	121½	121
Surat (100)	117½	117½	116½	116
Tata Hydro (100)	147½	148	146½	148
Tata Power (1,000)	1,490	1,495	1,485	1,487
INSURANCE COS.				
British India (10)	13⅜	13⅜	13½	13
Empire of India (100)	450	450	450	450
Ind. Mercantile (20	37½	38	37½	38
Jupiter (15)	8½	8½	8½	8
New India (15)	43	42½	42½	41
Oriental (200)	4,690	5,000	4,475	5,000
Universe (10)	7⅛	7⅛	7⅛	7
Vulcan (10)	11½	11½	11	11
STEAMER COS.				
Bom. Steam (25)	34½	34½	32½	32
Scindia (15)	14-10½	15-3½	14½	15
STEEL COS.				
Ind. Iron (10)	23-11½	24⅛	23-7½	23
Tata Steel Defd. (30)	1,692½	1,723½	1,687½	1,710
Tata Steel Ord. (75)	303	309	302	301
MISCELLANEOUS				
Alcock Ashdown (100)	297½	297½	295	297
Associated Cts. (100)	178½	179½	177½	177
Belapur Sug. (5)	209½	217½	209½	217
Bom. Burmah (125)	386½	390	370	371
Do. (New) (30)	145	145	145	145
Bk. & Petrol (4 sh.)	1	1⅛	0-15½	14
Br. I. Corpn. (5)	9-3½	9-4½	9-3½	9
Indian Copper (2 sh.)	3-3½	3½	3-2½	3
Ind. Inv. Tr (100)	71½	71½	70	70
Port Canning (100)	21	21	21	21
Premier Con (30)	86½	87½	85½	85
Shivrajpur (10)	53½	54½	53½	54
Tata Chemicals (10	9	9⅛	8⅞	8
Tata Oil (25)	33½	33⅝	32½	32
Walchand Ind. (100	145	146½	145	146
W. I. Match (100	215	215½	215	250

GOVERNMENT SECURITIES	Rs	Gross Yield Earlier Redemption	Later Redemption	Rs
2½% 1954	98½	—	3 26	98
2½% 1955	98⅛	—	3 20	98
2½% 1961	90	—	3 91	90
2½% 1960	93 3/5	—	3 91	93
2½% 1962	91⅛	—	3 93	91
2½% 1978	83	—	3 89	82
3% 1953-55	102½	2 67	2 92	100
3% 1957	98⅛	—	3 40	98
3% 1959-61	98⅛	—	3 36	98
3% 1964	92½	3 75	3 58	96
3% 1963-65	92	—	3 79	92
3% 1966-68	92⅛	3 92	3 85	92
3% 1970-75	90⅛	3 95	3 85	86
3% 1986 Con. Loan	87	4 10	3 91	86
3½% 1954-59*	82-12½	—	3 62	82
4% 1960-70	100½	3 37	3 46	100
4½% 1955-60	101⅛	3 80	3 90	101
4½% 1958-68*	101½	3 11	3 96	103
	104½	3 30	4 01	102

BRITISH GOVERNMENT SECURITIES	2-1-53 £	High £	Low £	7-1-5 £
2½% Brit. Consols	58⅜	58½	58⅜	58
3 ½ Savings Bonds 1952-54	99 11/16	—	—	99
3 ½ War Loan 1955-59	100	100½	100	100
3½% War Loan 1952	77⅛	77½	77⅛	77
3½% Brit. Iron and Steel 1979-81	88½	88½	88½	88
4 % Funding Loan 1960-90	98½	—	—	

xd: Ex-dividend.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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AUTOMOBILE INDUSTRY

AFTER facing, for several months past, extremely critical conditions bordering on a crisis, the Indian automobile industry appeared this week before the Tariff Commission with a request for grant of protection and assistance. The public enquiry into this question, which began on Monday this week, was preceded by a lengthy and closely reasoned address by the Commission's Chairman, Mr. M. D. Bhat, in which he elucidated the problems facing the industry and their causes. The Chairman stated, in so many words, that this infant industry was the most difficult of the problem-industries that had appeared before the Commission so far. It is now for the Commission to consider—and for the industry to help the Commission in the task—whether the industry has merely been a victim of circumstances over which it had no control and also to determine what measures are needed for ensuring healthy and rapid growth of this infant industry. This task is undoubtedly difficult. And it is not, therefore, surprising that Mr. Bhat found it necessary to preface his introduction by saying: "During the last eight years, the Indian Tariff Board and its successor, the Tariff Commission, have held enquiries into a large number of industries of various kinds, but I do not think they have had to deal with any industry which presented a complexity of structure or an intricacy of issues or a variety of problems as has been presented by the automobile industry."

It is unfortunate that the Indian automobile industry, the establishment of which was looked forward to with fervent national interest in the pre-war years, should have fallen on evil days, so soon after its birth. Perhaps, no Indian industry was watched with such keen interest; and there is certainly no industry which has disappointed the country more than the automobile industry. Although the first car was imported into India as far back as in 1898, it was only in 1920 that the first tentative attempt at assembling cars in this country was made. It took several years even for the assembly plants themselves to be firmly established. It was only in 1928 that General Motors India Ltd. commenced assembling trucks and cars from imported components and parts. This was followed by Ford Motor Co., Ltd., a Canadian subsidiary, two years later. The formation of a national venture with a programme for the complete manufacture of cars, mooted during the mid-thirties and seriously tried in 1940, was hotly opposed and discouraged by vested interests. There was a prolonged controversy between the Indian promoters and the powers-that-be then. It was only in 1944 that the Indian demand for establishing a motor car manufacturing industry in the country was conceded. Thus, in that year, Hindustan Motors Ltd., Calcutta, and Premier Automobiles Ltd., Bombay, were started with a programme for the manufacture of complete automobiles. Since then, several assembly plants of different sizes have also been set up. Along with these full-fledged assemblers and manufacturers, there has come to the fore a small ancillary industry which manufactures parts needed by the car manufacturers. Among the several units of this ancillary industry, mention must be made of the piston ring and cylinder liner industry.

The chief problem of the industry is the slow offtake of its goods. Demand for vehicles has fallen to a low ebb. Although no reliable estimate has been made of the demand for vehicles in this country, one estimate places it at 20,000 (divided equally between cars and commercial vehicles), as against the existing capacity for production of over 70,000 vehicles. This is an unenviable plight for an industry in which a capital of over Rs. 9 crores has so far been invested. There is no use casting wistful glances at the high level of automobile offtake in the U.S. and the U.K. and comparing it with the low level of the offtake in India. It is true that the number of persons served by one vehicle in India is on the average 1,350, as against 3 in the U.S., 15 in the U.K., 16 in France, 47 in New Zealand and 110 in Brazil. Again, the number of vehicles per 1,000 miles of road is 14.874 in the U.K., 12,144 in the U.S. and 829 in India. It is also true that the potential demand for cars in India is large; but it is the effective demand that counts.

The fact that the industry is before the Tariff Commission only just now does not mean that it has not been having any protection all along. Any such impression is clearly wrong. It will be recalled that, some three years ago, representations were made to the Government by companies with manufacturing programmes that, unless they were given sufficient protection against foreign competition, it would not be worthwhile to embark on manufacturing schemes. The Government of India examined this demand and, after scrutinising their manufacturing programmes, revised the import duties on automobile components in an upward direction. This, however, led to strong protests even in Parliament and, in June, 1950, the Government appointed an Expert Committee to go into this question. This Committee submitted its report in January, 1951, suggesting certain modifications in the Government's revised import duties. These modifications meant some reduction in duties but, by and large, they were still quite high. These were accepted by the Government in June, 1951, and the present high level of duties is in accordance with the recommendations of the Expert Committee.

Thus the industry has had the protection of high import duties for over a year and a half now. But it has not helped the manufacture of motor vehicles in India to any appreciable extent. A large part of the existing capacity still remains idle—clearly, a national waste—and the industry has again come forward with its claims for assistance and this time before the Tariff Commission. In view of this past experience, the terms of reference to the Commission are broad-based, giving the Commission a wide choice. Accordingly, it has been asked to examine almost every conceivable set of the industry's many problems. Apart from scrutinising the two chief producers' manufacturing programmes for their soundness and efficiency, the Commission will also examine the possibility of either integration or mutual assistance. The Commission has also been asked to consider whether any change in the rates of duties on components of motor vehicles is required. The suitability of the alternative of a subsidy has also to be examined and the conditions which should be attached to the grant of such subsidy have to be laid down. It is left to the Commission to examine whether a combination of these methods should be adopted. Further, the Commission has to look into the arrangements for the import of vehicles, accessories and raw materials necessary to meet the requirements of the industry and the public. Finally, it has to investigate and report on the economics of diesel-driven transport vehicles and the desirability of taking measures to restrict, regulate or co-ordinate their use with the use of petrol-driven vehicles. Each one of the issues, as Mr. Bhat rightly observed, embraces several knotty problems which are bound to tax the ingenuity of the Commission.

Whichever way the matter is looked at, there is no getting away from the fact that the

industry's chief problem is the low level of demand for cars. Mr. Bhat attributed this to three causes—the average low income of the people, the high cost of manufacture and the backwardness of the road system. To these he might have added the high incidence of taxation on motor vehicles. It is ironical that, while the inadequacy of roads affects the demand for motor vehicles, the vehicle-user is being forced to pay higher taxes to remedy this defect; and these higher taxes, in their turn, lower the demand for cars. Another reason for the industry's sad plight is that there are too many units, considering the limited nature of the domestic market. And it is a sad reflection on the administrative acumen of those in charge of licensing of industrial undertakings, that they should have brought the industry to a sorry pass by permitting more units to function than the country has need for. Now that several units have been started, the question is how best they may be protected both against each other and against foreign competition.

It would appear that some witnesses stressed the need for both subsidy and protection. It may be recalled that the Motor Vehicle Taxation Enquiry Committee argued in favour of a system of subsidies in view of the fact that the nation as a whole, and not merely, the motor vehicle user, as now, should pay for the cost of protection to the automobile industry. Mr. Bhat himself recognised the national importance of the industry when he emphasised the following considerations which compel the establishment of an automobile industry in India:

"(1) India spent during the five years ended 1951-52 foreign exchange exceeding Rs. 55 crores and Rs. 37 crores, respectively, on motor vehicles and motor parts. It goes without saying that, if the domestic industry is developed, a large portion of the foreign exchange can be saved and utilised for capital goods and machinery for the new industry. (2) The automobile industry will create a demand for products of a large number of engineering and other industries and accelerate the process of industrial development. (3) The automobile industry, besides opening up a fresh field of employment, will be in a position to provide the skill and technical knowledge for the establishment of other allied industries such as tractor manufacture, etc. (4) The automobile industry will serve as a medium to further national integration by providing facilities for communication between different parts of the country, thus increasing opportunities for contacts between rural and urban communities. (5) In times of national emergency the automobile industry can be switched over to the production of vehicles, ammunition, etc., required for defence."

It is, therefore, vital to India's national economy that the automobile industry should get more firmly established in this country. From this point of view, the present enquiry will be watched with keen interest all over the country.

Mr. Bhat outlined the broad lines on which the Commission would approach this question. Thus, the Commission would first consider "as to what might be a fair estimate of the total demand for motor vehicles." The Commission would next consider whether all the types and models, now in use, are needed by the country. The related question of diesel *versus* petrol engine will also be considered. The problem of co-ordination of manufacturing activities—if such co-ordination is possible, at all—would be taken up for discussion. Other questions which will be considered by the Commission are: (1) growth of ancillary industries, (2) the estimated cost of production of vehicles and their selling prices, (3) quality of vehicles and components, and (4) subsidies, import control and import duties. All this discussion, when it is completed, will, it is to be hoped, lead the Commission, which is being assisted by a German expert on technical issues, to arrive at some workable and sound scheme for the protection and assistance to the industry.

Conceivably, the Commission might find, at the end of its elaborate enquiry, that no mere alteration in duties or even in the method of protection will avail the industry anything. If it is conceded that, despite the control supposed to have been exercised by the Government, the industry has come to be established in a haphazard fashion and is oversized, it is obvious that either the various units must undergo a process of amalgamation—this would raise some engineering and financial problems—or the demand for cars should somehow be stimulated. Bound up with the question of stimulating the demand for vehicles are such thorny issues as nationalisation of road transport, motor vehicle taxation, and the consumers' prejudice against indigenous manufactures. Correct solutions to these problems must be evolved and enforced firmly. Considerations of loss of prestige, or of revenue, should not be allowed to stand in the way. Nor should vested interests and false notions of consumer interests. So long as the question is not tackled on these lines, the automobile industry will continue to remain the problem-child of the Indian economy.

FOOD POSITION

FOR nearly a decade now, the country has scraped through the food battle. With its belt tightened, it has lived all these days on a hand-to-mouth basis. Ordeals of high prices, poor quality of grains and inadequate supplies are all still there, at any rate in rationed urban areas which, however, are fewer than they were a year ago. Nature, too, has been unkind again, creating near-famine conditions in some areas of the country. Despite this picture, the position is not as hopeless as it was this time last year when it was generally felt that the country would require imports of no less than 5 million tons of foodgrains. It is, therefore, surprising to be told that the States Food Ministers' Conference, held at New Delhi on the 8th and 9th inst., was no better than its predecessors and that, while the deficit States continued to pitch their demand for supplies at high levels, the surplus States were reluctant to disclose the true position of their surpluses. Perhaps, the one redeeming feature of this Conference was that both the Prime Minister, Mr. Nehru, and the Minister for Food and Agriculture, Mr. Kidwai, took care to stress that the food position now was not so bad as that of last year.

Food statistics continue to be an enigma. Confusion has been worse confounded with the publication of the conclusions of the National Sample Survey (N.S.S.) conducted by the Indian Statistical Institute (I.S.I.). The N.S.S. has tentatively concluded that in the official estimates of domestic production of foodgrains, there is a discrepancy of anything between 12 and 16 million tons! It may be noted here that the official figures estimated the output for 1949-50 at 44 to 48 million tons, whereas the N.S.S. places it as high as 60 million tons! The difference between the two estimates is, however, not so disturbing as the reported discountenance of the N.S.S.'s conclusion by the Planning Commission and the Finance Minister. The work of verifying food statistics was entrusted to the I.S.I., the head of which is an acknowledged authority on statistics. After expending on this work large sums, time and energy, to be told now that its findings are not reliable and no better than the official estimates, is to strike at the root of confidence itself.

The confusing nature of food statistics in this country became obvious at the States Food Ministers' Conference also, at which the absurdity of some of the Ministers' estimates of surpluses and deficits were exposed by both Mr. Kidwai and Mr. Punjabrao Deshmukh, Minister for Agriculture. Let us take the demands of some States. Both in Assam and Bihar production of rice has been good; yet they pitched their requests for rice high. In 1952, Assam imported only 18,000 tons, but it wanted 30,000 tons for 1953. In the same year, Bihar imported 12,000 tons but asked for an allocation of 47,000 tons for 1953. Even the Bombay State was not free from this tendency. In 1952, Bombay distributed 2.74 lakh tons of rice, of which 1.55 lakh tons were locally procured. This year, the Government expects to procure 1.25 lakh tons or 1.49 lakh tons less than what it distributed last year. But it has a stock of 1.1 lakh tons. Its requirements should, therefore, be no more than 60,000 tons, but it demanded two lakh tons. Again, last year, forward promises of grain by surplus States to the Centre amounted to 3.7 lakh tons, as against which the actual offers were 5.5 lakh tons. Similarly, deficit States demanded 7.1 million tons but got on well with an allocation of 3.9 million tons. This divergence between the actuals and the estimated requirements discloses that, while preparing their estimates, the States were completely ignoring the previous actuals.

Why should the States continue to present exaggerated figures? It is due to the fear that, if they were to tell the Centre the

"The reference I have made above to the fall in production must have made you anxious to learn more about it. Since 1948-49, when 52,313 bags were produced, there has been a continuous decline in production of the Company and during the year under report your factory produced only 36,289 bags. The main reason for decrease in production has been the shortage of rainfall in areas round about Sehore and short supply of cane by cultivators last year. The production was further affected by the very poor quality of cane supplied by the cultivators. The milling test of such cane showed that the recovery from cultivators' cane was less than 7.5 per cent. as against 10 per cent. obtained from cane grown on your Company's own farms. The Government of India and the Bhopal Government were naturally apprised of the bad quality of cane supplied by the cultivators, but I regret to say that nothing has been done so far to bring about improvement in quality.

"The policy of fixing a flat rate for supplies of cane irrespective of quality is very defective, as it leaves no incentive to the cultivator for improving the quality of his produce. If prices of cane are fixed according to the recovery obtained, the cultivator would attempt to improve the quality of his supplies in order to get a better rate for the same.

"Due to complete failure of rain during 1951-52, there was hardly any plantation of cane last year and, as mentioned last year, there will be no crushing during the 1952-53 season owing to non-availability of cane. However, you will be pleased to learn that the rainfall in the current year has been fairly satisfactory. The Bhopal Government and your Company are doing their best to distribute the available seed for multiplying the area under cane. Adequate sums of money have been made available by the Bhopal Government for purchasing cane seed and your Company, together with the co-operative societies, are endeavouring to distribute the available seed among the cultivators. Whilst it is too early to say what area will be available next year, it is hoped that the distribution of seed will help in restoring the area under cane and your factory will be able to work next year. Your Company would be planting in all 1,260 acres, including ratoon and adsali cane, on your own farms. The area under plantation this year would be slightly more than what it was in previous years.

Generally speaking, bank earnings may be taken as an index of commercial prosperity. From this point of view, the year 1952 presents a paradox. The year was by no means the most prosperous one for trade and industry. Nevertheless, bank profits in the U.K.—a country which was as much affected by slump conditions as any other—have touched a high level. Thus, the profits of the seven leading British banks, the Big Five and the District and Martins, add up to £10.4 million for the year 1952, as compared with £9.7 million for 1951 and £9.8 million for 1950. The increase in profits, in the context of admittedly difficult conditions for trade and industry must be attributed to the hardening of interest rates, following the increase in the Bank rate. The table

(*Continued on page 95*)

It is encouraging to note that the Food Ministers from a number of States, in which controls have been relaxed, were able to state at the Conference that the results of their experiment had been one of general satisfaction among the people. It is stated that grain prices in open markets have shown a definite tendency to fall, as compared to the pre-relaxation period. This trend is daily being confirmed by reports in the Press from various States. In West Bengal, for instance, the downward trend in rice prices for some time now has led the State Government to withdraw the modified form of rationing in areas where such trends are in evidence. In Madras, in spite of offering rice at progressively reduced rates, merchants are not able to attract any worthwhile business. These tendencies must be comforting to the States concerned, especially as their policy of gradual relaxation of food controls had come in for bitter criticism at the hands of certain sections of the public in the name of planning. It is admitted on all hands that planned economic development presupposes certain measure of controls but these controls should not be such as to defeat the very purposes for which they are meant. The type of foodgrain controls we have had hitherto undoubtedly belonged to this category.

SHARE MARKET IN STALEMATE AGAIN

TREND OF STERLING—BRITISH BANK PROFITS

THURSDAY, 5 P.M.

THE mild enthusiasm, displayed by the bulls in Share Markets soon after the dawn of the New Year, seems to have ebbed out. The upward trend in equities has stopped, for want of fresh support. Excepting for a fractional fall in a few leading speculative counters, values, however, have managed to remain unaltered. Nevertheless, a feeling of uncertainty has come to prevail among operators over Budget prospects. Many of them are now proceeding on the assumption that the forthcoming Central budget will disclose a heavy deficit and that additional taxation, in some form or other, will be the lot of the public. More and more operators now seem to view the implications of the Five-year Plan to Share Markets on the same lines as those indicated in these columns a few weeks ago. They feel that at least the near-range prospects for the markets, under the Plan, are not bullish, as the volume of savings available for investment in shares in the next two or three years will show no worthwhile improvement over the existing state of affairs.

MARKET GOSSIP

* * * *

The keen interest evinced in the shares of Oriental Life in the past week has receded to the background. After going up from Rs. 5,000 last week to Rs. 5,500 early this week, these shares are being currently quoted at Rs. 5,400. To be precise, there are only sellers at this price, but buyers are willing to pay no more than Rs. 5,300. As the reports of the Company desiring to become a mutual concern have not been denied by the management, more credence is being attached to it now than in the past. If, in spite of it, the value of the shares has not gone up further, it is because of the realisation that the scope for further capital appreciation is not as large as it was popularly believed earlier.

* * * *

If "Orientals" had the distinction of recording a smart rise in price last week, that distinction goes to the shares of aviation companies this week. Thus, Air-India has gone up from Rs. 53-12 to Rs. 71, Air-India International from Rs. 78 to Rs. 90 and Air Services of India from Rs. 3 to Rs. 3-4, no sellers. This improvement reflects the belief in informed circles that the compensation payable by the Government to the shareholders of the civil airlines when they are taken over will be fairly satisfactory. Mr. J. R. D. Tata, who is reported to have had a hard time in convincing the Government of the fairness of the companies' compensation claim, himself advised the shareholders of the companies concerned, before he left for Europe early this week for a short holiday, not to part with their shares until the details of compensation were announced. While there is no news as yet about the exact terms of compensation, it is learned that the Government will pay such compensation in 3½ per cent. five-year bonds, which, it must be conceded, is a security quite popular with institutional investors.

* * * *

Unlike the Bombay Share Market, the Calcutta market has continued to be a little more active. There has been some enquiry for coal and tea shares. There are reports that the Government is making a more practical and less harmful approach to the problem of conservation of coking coal. It is stated that the Government has relaxed the restriction on the output of coking coal in the case of those factories which are taking steps to conserve their reserves by adopting the positive method of sand-stowing. Full particulars of this new approach of the Government are not available at the time of writing, but Calcutta advices suggest that the colliery interests are gratified at it. It is now believed that the prospects for the shares of companies producing coking coal have distinctly improved.

* * * *

There has been some selective buying in tea shares also. This is attributable partly to the slightly higher prices realised in the recent tea auctions and partly to the possibility of the Government providing some tangible relief to the tea industry. Already, the Bengal Government has relaxed some of the restrictions on tea gardens in regard to supply of rice to workers at concessional rates. Tea garden workers in Darjeeling, for instance, will be supplied rice at Rs. 17-8 per maund, instead of at Rs. 8 per maund, for two months from January. It is believed that a similar step may be taken by the Assam Government also, at least in respect of those gardens which have been hard hit. Then, there have been further consultations between the tea industry and the Government of India. Mr. H. V. R. Iyengar, the new Secretary of the Commerce and Industry Ministry, visited Calcutta last week and discussed with the representatives of the industry, the West Bengal Government and the tea trade, the problems facing the industry. Although Mr. Iyengar's visit to Calcutta is described to be a routine one, market circles feel that it may yield some encouraging results. One does not know whether this is just wishful thinking or is something based on inside information. Be that as it may, in the last sale of tea for export at Calcutta, keen demand was reported at hardening rates. In some cases, prices advanced by quite a few annas on the previous week's sale. In the sale for domestic consumption also, even the commonest sorts of tea gained As. 2 to As. 3 per lb. In the Cochin market also, prices realised in the latest auction were As. 5 to As. 7 above those in the previous auction in the case of high grown fannings and As. 2 to As. 4 in the case of B.O.P. Although even these improved prices are well below the cost of production, the fact that the downward trend has been reversed has itself been sufficient to lift the gloom that had descended over tea shares and evoke enquiries for first class scrips offering attractive yields at current prices. Another factor that has infused confidence among investors in tea shares is the decision of the tea industry to restrict voluntarily the crop for next season by 8 per cent. This restriction will mean a cut of 50 million lbs. in India's tea crop and is expected to stimulate buying demand for the balance of 1952 crop, a large proportion of which still remains to be sold.

* * * *

One of the explanations for the good export demand for tea is that Britain will require more tea in the current year than was anticipated a few months ago, in view of the large number of visitors expected in that country for the Coronation. Another explanation is that Egypt is now a good buyer of Indian tea, as it has not got enough foreign exchange to pay for Ceylon tea which was being favoured till recently. The spokesmen of the tea industry, however, point out that all these are only temporary factors and that the supply of tea in the world is still in excess of the demand. They, therefore, feel that no sustained benefit can be expected by the industry from these factors and that, as such, they do not in any way obviate the necessity for a reduction in the export duty on tea in order to increase its competitive capacity.

* * * *

Options in India are illegal, though quite a large number of people indulge in them daily in all the forward markets unofficially. There is a school of thought in this country which feels that, since the authorities have failed to stamp out this form of futures trading, considered to be unhealthy and undesirable, they will do well to recognise it as an inevitable concomitant of forward markets, so that they may at least get some revenue by way of stamp duty. This school will be interested to know that several operators on the London Stock Exchange are now making a fresh effort to revive option dealings which fell into disuse during the war through the peremptory closure of this business by the Defence regulations. For some time now, there has been a demand for the resumption of option dealings. Brokers are, of course, vitally interested in this, since it will bring in a larger volume of business. Option dealings are defended on other grounds too. It is held that option dealings restrict the margins within which fluctuations may take place, and that they are, therefore, a healthy form of speculation. A deputation of the broker-members of the Stock Exchange waited upon the Chairman of the Council of the London Stock Exchange recently and discussed the question with him. Because the whole question concerns banks also, without the co-operation of which it cannot certainly be decided, the deputation has held discussions on the resumption of option dealings with the Bank of England too. The intricate nature of this question, which is understood clearly only by the experts on Stock Exchange operations, makes it extremely difficult for any body of men, save the Council, to arrive at a correct decision. The brokers' campaign for option business is now being carried on on all fronts; presumably, the final decision will rest with the Treasury.

* * * *

There have been no outstanding developments in the money market since last week. Rates of interest for inter-bank call money and short-term deposits are the same as those a week ago. Demand for money is good and lenders are scarce. A feature of the trade demand for bank credit so far is that most of it is still from up-country centres. City traders as such are not yet very much interested in bank accommodation, evidently because they are still chary of entering into commitments on any large scale. Most of them are said to be buying or selling only on a hand-to-mouth basis, as they are labouring under the belief that a further fall in prices of commodities and manufactured goods cannot be completely ruled out. Whatever that might be, the supply of funds in the money market is limited and some of the banks have again found it necessary to approach the Reserve Bank for loans against Government securities. Banks prefer to borrow against these securities, despite the fact that the rate of interest on such loans is higher at 3½ per cent. per annum than that on loans against usance bills which carry interest at only 3 per cent. per annum, because the former loans can be repaid at any time and is more convenient. Banks are not yet certain as to how long the present demand for money will continue. It is true that loans against usance bills also can be repaid whenever the borrowing banks feel like doing so, but they (the banks) do not desire to ask their clients to draw these bills and discount them with the Reserve Bank only to find themselves again with surplus cash in a week or 10 days. It, therefore, looks as though the usance bills will come into vogue only if conditions in the money market become as stringent as they were this time last year.

How have the sterling area's gold and dollar reserves fared through the year 1952? It is needless to say that the maintenance of these reserves at a comfortably high level is vital to the economy of this region. From this point of view, there is comfort in the thought that the year 1952 left the reserves at $1,846 million. This figure is, no doubt, a far cry from the level of $3,867 million, which was touched in June, 1951, following the devaluation of sterling in September, 1949, and the Korean boom. But the level of $1,846 million, at which the area's gold and dollar reserves stood at the end of December, 1952, is certainly well above the level of $1,662 million touched in April, 1952. The reserves had then fallen to this low level from $2,036 million at which they stood towards the end of January, 1952. They were dark days for sterling. And there were many who predicted—and not without reason—that sterling would enter another round of devaluation. They had said it before in 1949 and had been proved right. This time, they were fortunately proved wrong. The reserves have since then looked up. During the eight months ended December, 1952, the reserves have risen at the end of every month, save at the end of August and December. In August, the fall was due to heavy payments by way of settlement with E.P.U. In December, it is indeed creditable that the fall was only $49 million, considering that a payment of $181 million had to be made for the service of the U.S. and Canadian lines of credit and the U.S. lend-lease loan and the E.R.P. loan. All indications, however, point to the conclusion that the worst is over. Lest too great a reliance on this improvement in the area's reserves should be placed by those who are unacquainted with the mechanism of the functioning of these reserves, it is necessary to point out that, during the year 1952, the area received American aid to the tune of $428 million.

* * * *

An index of the sterling area's economic strength is furnished by a study of the rates at which sterling is quoted in the free exchange markets. The spot rate for sterling in the New York market is quoted around $2.81, as against the lower limit of $2.78, at which it stood at the beginning of 1952. Transferable sterling, that is, "free" sterling, which most countries in the soft currency area, outside the U.K., use for trading among themselves and with the sterling area, is now quoted around $2.73, whereas, a year ago, it fetched only $2.43. Similarly, security, or switch sterling, has also improved from $2.33, early in 1952, to $2.63 now. These are encouraging signs. At any rate, they do strengthen the hands of those who would like to see sterling become convertible at no distant date. Discussing, in a recent issue of the *News Chronicle*, the question of convertibility of pound sterling, in the light of the recent movements in the exchange market for this currency, Mr. Oscar Hobson wrote:

"An essential condition of the restoration and maintenance of sterling convertibility is that the open market rate for transferable sterling should be substantially equal to the official rate. (If the discount on security sterling is also negligible that will be all to the good, since it will mean that there is no pressure of foreign capital invested here to escape.) To this extent the omens for the successful restoration, during 1953, of convertibility to sterling held by non-residents of the Sterling Area are good. This does not mean that all sterling owned by residents of this country or of the rest of the Sterling Area could likewise be made unconditionally convertible. Arrangements would have to be made for tying up the greater part of the £4,000 million of "sterling balances" held by the Commonwealth, Egypt, etc. That should be a very much easier task than it appeared in 1947; no doubt the means for accomplishing it were discussed by the recent Conference of Commonwealth Ministers.

"It may be asked whether the withdrawal of import restrictions must not precede the restoration of convertibility. I do not think that any unconditional answer to that question can be given. Convertibility hedged about by a virtually impenetrable wire entanglement of prohibitions and quotas would rightly be regarded as a mockery and a fraud. On the other hand, there is no such thing as absolute freedom of trade, I think the practical policy should be to remove the most irksome of the recently imposed restrictions first, and then to give precedence to convertibility. Other restrictions should then be withdrawn, as the establishment of full internal monetary control permits. If a flexible rate for sterling is adopted, that would enable somewhat greater risks to be taken in removing specific restrictions than otherwise. That is the main, perhaps the sole, justification for the floating rate. It could be no substitute for a genuinely balanced Budget and the cessation of the present inflationary 'spill over' from the public to the private sector. We may hope that, in April, when Budget time comes round, Mr. Butler will be able to announce a definite plan for convertibility—but only if his Budget itself is such as to create confidence."

* * * *

Generally speaking, bank earnings may be taken as an index of commercial prosperity. From this point of view, the year 1952 presents a paradox. The year was by no means the most prosperous one for trade and industry. Nevertheless, bank profits in the U.K.—a country which was as much affected by slump conditions as any other—have touched a high level. Thus, the profits of the seven leading British banks, the Big Five and the District and Martins, add up to £10.4 million for the year 1952, as compared with £9.7 million for 1951 and £9.8 million for 1950. The increase in profits, in the context of admittedly difficult conditions for trade and industry must be attributed to the hardening of interest rates, following the increase in the Bank rate. The table

(*Continued on page 95*)

LETHARGIC CONDITIONS IN SHARE MARKETS

GRIP OF PRE-BUDGET FEARS

(From Our Own Correspondent)

BOMBAY, 15*th January*

THE Stock Exchange is dominated by pre-Budget fears—as it usually is, at this time of the year. The forthcoming Budget is of greater significance than the earlier ones, inasmuch as this will be the first Budget following the publication of the final version of the Five-year Plan and is, therefore, likely to contain proposals for financing the Plan. There was, therefore, some understandable apprehensions about the forthcoming Budget in the share market during the week under review. In this process, the market even appeared to have revised its earlier ideas about the business outlook under the Five-year Plan. Prospects of heavier taxation, heavy death duties, regulation of profits and dividend, all these factors have chilled the enthusiasm of the operators on the Stock Exchange. The confident note, struck by the market during the opening week of the New Year, was conspicuous by its absence this week and lethargic conditions came to prevail. Investors were chary of extending support to the market. The market was, therefore, completely under the influence of a handful of professional operators. There was no enthusiasm on their part to enter into fresh commitments. Prices tended to be on the low side in most of the counters. There was, however, no short-sales. On balance, equities, over a wide front, disclosed small variations.

In the steel section, Tata Deferreds opened the week on a quiet note at Rs. 1.711-4, but recovered to Rs. 1.721-4 on Friday. Thereafter, a distinctly soft tendency developed which took the quotation down to Rs. 1,690 yesterday. To-day, there was small improvement on small speculative purchases and the shares finished at Rs. 1 701-4. Tata Ordinaries were relatively more steady and closed a fraction better at Rs. 302. Indian Irons were subjected to some selling pressure and steadily fell from Rs. 23-13 to Rs. 22-13 yesterday, but stabilised to-day at Rs. 23.

Barring a few select scrips, textile shares failed to attract sufficient backing to hold ground. However, renewed enquiries at lower levels helped them to minimise their losses. Bombay Dyeings improved from Rs. 359-6 to Rs. 363-2 early in the week, but reacted to Rs. 355-10 on Monday this week only to recover to Rs. 359-6 at the close to-day. Kohinoors were done upto Rs. 266 early in the week, as against the previous week's closing of Rs. 263-12. After receding to Rs. 263, the shares picked up strength to close at Rs. 266-4. It is stated that some of the operators who had earlier sold these shares and bought Central Indias were now selling their holdings of the latter shares to cover their earlier sales in Kohinoors. As a result, Central Indias declined over the week by Rs. 2 to Rs. 143. Centurys moved down from Rs. 247-8 to Rs. 245-8. New Great was a rupee lower at Rs. 150 and Simplex were fractionally lower at Rs. 174. Svadeshis receded from Rs. 237 to Rs. 234. Tatas declined by a rupee. India United Ordinaries shed As. 4¼ to Rs. 8-3¼ and Deferreds half an anna to Re 1-8. Khataus reacted from Rs. 170 to Rs. 162-8 and Swans by as much as Rs. 12 to Rs. 378. Gokaks were, however, a feature with a rise of Rs. 2-8 to Rs. 195. Bradbury gained Rs. 10 to Rs. 630, though Ahmedabad Advances receded from Rs. 137-8 to Rs. 131-14.

Conditions in the bank section were quiet, and in the absence of interest prices tended to drift downwards. To some extent, sentiment was affected by fears about a further rise in the British Bank rate. Centrals Old were done a rupee lower at Rs. 63 and the New scrips Rs. 2 down to Rs. 67. Indias lost As. 8 to Rs. 156-12 and United Commercials half a rupee to Rs. 34-8. Barodas were steady at Rs. 117-8. Imperials F.P., however, emerged Rs. 2-8 better at Rs. 1 777-8 and the Contributories advanced by Rs. 2-8 to Rs. 438-12.

Insurance shares found sellers on fears of nationalisation. British India Generals were marked down from Rs. 13-8 to Rs. 13-4, Empires dropped precipitously from Rs. 450 to Rs. 403-12. Jupiter drifted lower by a rupee to Rs. 7-4. New Indias after an initial uptrend from Rs. 41-12 to Rs. 42-4, slipped back to Rs. 41. Orientals which picked up considerable strength in the previous week advanced further to Rs. 5,500 this week, but reacted to Rs. 5,400.

A steady tone characterised trading in electric shares. Though the turnover was small, prices showed modest rises in most counters. Ahmedabad Electrics (old) moved up fractionally to Rs. 110-15 and the New shares to Rs. 107-8. Poona Electrics swung up from Rs. 116-14 to Rs. 121-4. Surat Electrics rose from Rs. 116-14 to Rs. 117-8. Andhra Valleys were unchanged at Rs. 1.373-12 in the absence of sellers. Tata Powers gained Rs. 2-8 to Rs. 1.490. Amalgamated Electrics were quiet at Rs. 10-8 and Bombay Suburbans at Rs. 120-10.

Small variations were noted in the miscellaneous shares. Associated Cements met some selling pressure and the quotations dropped by Rs. 2 to Rs. 175-12. Belapurs, after touching Rs. 219, moved down to Rs. 214-8, but towards the close gained strength to Rs. 217-4. Fears about the outlook for Bombay Burmah induced selling in these shares which sagged from Rs. 371-14 to Rs. 359-6, but recovered to Rs. 363-12 at the close. Their new shares shed Rs. 6-14 to Rs. 138-2. B.I.Cs. were maintained round about Rs. 9-6. Killick *Industries* were fractionally lower at Rs. 143-8 and National Rayons at Rs. 64. Tata Oils finished As. 4 lower at Rs. 33 and Tata Chemicals As. 5 down at Rs. 8-10. Winros *gained* Re. 1-4 to Rs. 216-4.

In the transport group, aviation shares continued to be in the limelight, Air-Indias registering an advance from Rs. 53-12 to Rs. 71 and Air-India Internationals from Rs. 78 to Rs. 90, on the encouraging statement by Mr. J. R. D. Tata who advised the investors in aviation shares not to part with their holdings. Scindia Steams were quiet at Rs. 14-14 and Bombay Steams lost Rs. 2 to Rs. 30-8. The Directors of the Bombay Steam have passed over the dividend for the year ended 30th June, 1952. India Steamships eased from Rs. 6-13¾ to Rs. 6-5. Bharat Lines eased fractionally to Rs. 84.

Among the mining and engineering shares, B.B. Petrols were firm with a rise of As. 2¾ to Re. 1-2¾, but Indian Coppers were quiet at Rs. 3-2. Shivrajpurs dropped a rupee to Rs. 53. Alcocks declined by Rs. 4-6 to Rs. 293-2. Premier Constructions moved down Re. 1-4 to Rs. 34-8. Tata Locomotives were in request at Rs. 92.

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Calcutta Stock Exchange

CALCUTTA, 14*th January*

Although quotations remained at lower levels, the feature on the Calcutta Stock Exchange during the week under review was a change in sentiment leading to an improvement in the volume of transactions. The market had witnessed downward levels for several months now, so that any recovery must necessarily be slow; but in this process, stabilisation at every stage of the recovery would be a redeeming feature.

The trend of the jute goods markets was far from cheerful, and jutes could not provide the customary leadership. The improvement in miscellaneous industrials and selected teas provided a general stimulus. The change of outlook for tea shares would appear to be due to expectations of further relief to the industry following the keen interest, which the new Secretary of the Commerce and Industry Ministry, Mr. H. V. R. Iengar, has been taking in the problems facing this industry. No doubt, the industry would consider only a reduction in the excise and export duties as relief which alone can stimulate foreign demand and reduce stocks in gardens and with exporters.

The Indian Commerce Minister's assurance, while speaking at the annual meeting of the Engineering Association of India here last week, that private enterprise would receive encouragement in the starting of new industries and in the expanding of existing ones also generally contributed to the sense of cheerfulness. However, Mr. Krishnamachari's reply to the demand for a reduction in taxes and export duties was a counter-demand on industrialists for a reduction of industrial overhead costs even temporarily! It remains to be seen, therefore, whether the forthcoming Central Budget would contain any relief measure to industry which feels that, without a revision in the duties, the rate of exports cannot even be maintained at current levels. Operators will naturally take this factor into consideration when entering into commitments.

The feature in the textiles section was a broadening of activity. Muir Mills jumped to Rs. 225 from Rs. 206, and New Victorias were wanted at Re. 1-5. Elgin Mills were maintained at Rs. 15-10 while Dunbars were a point lower at Rs. 123. Kesorams realised Rs. 18-6, and Swadeshis came to business at Rs. 9-12.

Notice

SRI KRISHNARAJENDRA MILLS LIMITED, MYSORE

INTERIM DIVIDEND FOR THE HALF-YEAR ENDED 30th SEPTEMBER, 1952

AT THE MEETING OF THE BOARD OF Directors held on 27th December, 1952, the Directors have resolved to pay an interim dividend at the rate of rupee one and annas eight per share, free of income-tax, for the period of six months ended 30th September, 1952.

The transfer books of the Company will be closed from 31st January, 1953, to 3rd February, 1953, both days inclusive.

The interim dividend warrants will be posted on and after 21st February, 1953, to all the shareholders whose names stand on the Register of Members of the Company on 31st January, 1953.

By Order of the Board,
B. S. VISWESWARAIYA,
Secretary.

MYSORE, 27*th December*, 1952.

In sympathy with the general improvement, coals were also better at the beginning of the week but later lacked enthusiasm. The Coal Board's decision to relax output ceilings on collieries carrying out stowing operations had a stimulating influence earlier in the week. New Beerbhoomi were raised to Rs. 18-12 from Rs. 17-11, and East Inmans varied between Rs. 20-7 and Rs. 20-11. Raneegunges, however, were stagnant at Rs. 7-2, and Burrakurs were dealt with at the lower level of Rs. 10-3. Talchers at Rs. 3 added As. 2, and Bengals were transacted at Rs. 508.

Interest in jute shares was at lower levels, and this was a natural sequence to the depression in the jute goods market following supply exceeding demand. Traders were indeed cautious. Speculative Howrahs opened at Rs. 23-14 and after being traded lower at Rs. 22-15 were entertained at Rs. 23-5. Nationals closing at Rs. 24 were 1¼ points lower on balance, and Indias were quiet at Rs. 122. Ganges were lowered to Rs. 68-8 from a previous rate of Rs. 81, and Unions were hammered down to Rs. 180 from Rs. 189. There were enquiries for Orients at the lower rate of Rs. 183, and Deltas eased to Rs. 231 from Rs. 240.

Although Indian Irons, after being steady earlier at Rs. 23-11, weakened to Rs. 23, general support was given to other coalers in the engineering section but this did not lead to any pronounced rises. Braithwaites, in transactions, were raised fractionally to Rs. 10-6. Jessops were attended at Rs. 22-12 while Texmacos, after being higher at Rs. 4-1, were pulled down to Rs. 3-15. Similarly, Indian Galvanizing (New) eased to Rs 13 from Rs. 13-8, while Indian Standard Wagons, picking up strength, improved to Rs. 82 from Rs. 79.

As stated earlier, support to tea shares was maintained this week also, and market men have noted New York reports relating to new efforts to increase tea consumption in the United States. From Rs. 5 Tukvars found their way up to Rs. 5-10, and Singtoms at Rs. 2 added As. 5. Hantaparas strengthened to Rs. 104 from Rs. 101-8, while Ethelbaris eased to Rs. 3-12 from Rs. 4-2. Rajathats were steady at Rs. 13-12. Bishnauths at Rs. 22, and Hasimaras at Rs. 22-4. Other counters of interest included Seajulis and Brooke Bonds, while Banarhats, East Indians, and Sonai Rivers were among those that eased fractionally.

Shares of airlines were again in the limelight, and accounted for impressive advances. Indian National Airways hardened to Rs. 3-4. Airways India finding buyers even at Rs. 6-6 as against Rs. 7 in the previous week. Bharat Airways were between Rs. 2-10 and Rs. 2-13.

Among miscellaneous shares, Indian Cables were dealt with at Rs. 18-10. Martin Burns recovering to Rs. 18-10 from Rs. 18-8. Calcutta Electrics found support at Rs. 13-10, India Steamships changing hands at Rs. 6-6. Titaghur Papers were unchanged at Rs. 34-2.

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Madras Stock Exchange

MADRAS, 13*th January*

The Madras Stock Exchange was closed to-day owing to *Sankranti* festival. During the remaining sessions of this week, the market displayed a slightly easy trend. Operators were in a restive mood and preferred to keep aloof from trading. There was also absence of the usual demand for cloth and other goods in important consuming centres at this time of year. The tea position too showed no improvement and the shares were quiet for lack of support. As a result, business activity all round was limited and prices generally looked downward and disclosed minor losses over the week.

In the absence of any encouraging development, textiles ruled almost sluggish. Vasantas lost Rs. 4-8 to Rs. 141 on lack of demand. Balasubramanias, Rs. 40 paid-ups, disclosed a loss of Re. 1 to Rs. 34 and Rs. 70 paid-ups, Re. 1-12 to Rs. 63. Ranga Vilas and Jawhars were fractionally lower at Rs. 45 and Rs. 5 respectively. Buckinghams, however, ruled bright and put on Re. 1 to Rs. 117. There is a feeling in certain sections that despite reduction in export duties, there seems to be no prospect of Indian textiles maintaining themselves against Japanese competition in the South and South-East Asian markets.

Operators in the tea section were inclined to await the outcome of the International Tea Conference, comprising the U.S. tea intersets and the Governments of Ceylon, India and Indonesia. The discussions of this Conference, which commenced on the 12th inst., are aimed at promoting larger consumption of tea in the U.S. But the underlying feeling that any immediate increase in U.S. purchases of tea, despite the Conference, is remote, induced some selling pressure. As a result, Fringfords lost As. 6 to Rs. 3 and Periakaramalais Rs. 4 to Rs. 23-8. T.R.T. and Chemras were slightly lower at Rs. 6-6½ and Rs. 2-10 respectively.

Rubbers ruled quietly steady. Although the Indian market is insulated from those of overseas, yet the report that the consumption of rubber in the U.S. was on the increase had a salutary effect on the trend in the market. Malankaras gained As. 8 to Rs. 90-8. Anandams were higher by As. 2 at Rs. 8-10. Pullangodes were unchanged at Rs. 2-4. But Rajagiris lost As. 2 to Rs. 9-11.

Coffees ruled easy. There seems to be no likelihood of prices firming up unless exports are allowed. Nil Neergundi had a fall of As. 5 to Rs. 3-7. Consolidated Coffees slipped by As. 2 to to Rs. 15-12. Coffee Lands, however, were unchanged at Rs. 9-5.

Miscellaneous shares met with selective buying. There was a woeful lack of demand for Vanaspati shares with the result that Madras Vanaspati declined from Rs. 25 to Rs. 20. Mettur Chemicals and Mysore Chemicals and Fertilisers were each lower by As. 2 to Rs. 4-9 and Rs. 8-8 respectively. Binnys were higher by Re. 1 to Rs. 119. Ballis gathered As. 8 to Rs. 76-8 and Mysore Tobaccos As. 2 to Rs. 9. Guntur Electrics rose by Rs. 5 to Rs. 65.

NEWS IN BRIEF

THE budget session of the House of the People will commence on 11th February, 1952.

The Deccan Airways will commence its Bangalore-Mangalore daily Air Services on 20th January, 1952.

Work on another batch of 55 blocks of community projects is expected to be started shortly in addition to 72 blocks on which work has already commenced.

The fourth annual meeting of the Indian Central Arecanut Committee will be held on 21st January at Calicut. Important schemes relating to agricultural research are expected to be discussed there.

The Government of West Bengal has decided to purchase cottage industry products in preference to manufactured goods of equal standards even if the price of the former is higher, but subject to a maximum of 15 per cent.

The Committee set up last year by the Government of India to examine the existing system of civil air pilot training in all its aspects and recommend measures for its improvement has now completed its report which will be submitted to the Government shortly.

A special delegation, consisting of the members of the Indian Central Coconut Committee, will shortly be in the Andamans to implement the coconut development scheme on the islands which was sanctioned at its annual meeting held recently. Under the scheme, a nursery will be started in the Andamans for the supply of quality seedlings. Propaganda and demonstrations will be conducted in order to impress on the islanders the importance of modern methods of coconut cultivation.

The High Power Committee constituted by the Madras Government for concerting measures of relief for handloom weavers has decided that the scheme of relief for handloom weavers now in force should be extended for another six months. The present scheme, which will expire on 31st January, provides for money advances to weavers to help them become members of weavers' co-operatives, supply of yarn to weavers on easy terms and payment of subsistence wages at As. 6 per knot to weavers which works out to Rs. 15 a month.

A technique for the extraction of sulphur from the low-grade pyrites found in Chitaldrug, Mysore State, has been elaborated by a research project undertaken at the National Metallurgical Laboratory, Jealgora, with the financial assistance of the Geological Survey of India. The sample from Chitaldrug assayed 34.69 per cent. sulphur. Indian consumption of sulphur is about 63,000 tons. As against this, the allocation from the International Materials Conference is about 44,000 tons only per year. India has no deposit of native sulphur.

The Madras Government is now prepared to implement that part of the Krishna-Pennar Project which will bring immediate relief to chronic famine areas of Rayalaseema, portions of Nellore and Guntur. It is of the considered opinion that a dam at Siddesvaram and a reservoir at Gandikota would be of very great benefit to Rayalaseema and portion of Nellore. It is not considering any project for carrying the waters from the Krishna and Pennar to any area in Tamilnad to the detriment of Rayalaseema and other Andhra areas.

It is learned that a factory for processing uranium ore and producing uranium and thorium compounds will be installed in Chota-Nagpur under the four-year plan of atomic development approved by the Government of India. The factory will be an adjunct to the uranium plant proposed to be installed first in Bombay. It is also said to have been decided to set up a reactor. Recent survey conducted by the Raw Materials Unit of the Atomic Energy Commission has disclosed extensive deposits of uranium and thorium in Bihar.

The tenth session of the Labour Ministers' Conference will be held in New Delhi on 6th and 7th February next. The agenda of the Conference will be (1) legislation on industrial relations and trade unions; (2) problem of surplus labour in tea plantations; (3) strengthening of factory inspectorates and appointment of medical inspectors of factories; and (4) uniform standards for national and festival paid holidays in private undertakings. The main item for consideration will, however, be "legislation on industrial relations and trade unions." The other items will be taken up in the order in which they have been placed on the agenda in case there is time for their consideration.

The State Government of Saurashtra is reported to have announced a series of concessions under the General Sales Tax Act to provide relief to the merchant community. Thus, with effect from the 10th inst., the annual turnover for compulsory registration has been raised from Rs. 15,000 to Rs. 30,000. Secondly, the list of exempted articles now includes edible oils, shoes, medical instruments, appliances and accessories. The sales tax on vanaspati has been reduced from one anna to six pies. The rate on cloth too is reduced to six pies in the rupee and on gold and silver ornaments to one-fourth per cent. Merchants are free to conduct business without obtaining a registration number, if their trade is confined to non-taxable goods.

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From Abroad

The Voekswagen Works Agency, the biggest motor vehicle manufacturers in Germany, hope to export 1,000 tons to Japan this year.

The anti-monopoly criminal proceedings against five major oil companies in the U.S. has been ordered to be dropped by President Truman, provided the companies co-operated with the Government on a civil action.

Trans World Airlines will inaugurate direct flights from New York to Colombo, Ceylon on 3rd February, 1953, subject to approval of a revised pattern filed on 8th January with the Civil Aeronautics Board.

Pakistan has decided to reduce production of jute from 6.8 million bales during the current season to 4.2 million bales in view of the big carry-over of the current season crop and the poor prices offered for jute by overseas buyers.

The South-East Asia Regional Conference of the International Civil Aviation Organisation will open next week at Melbourne. The Conference will discuss measures to facilitate air travel in South-East Asia.

The United Mutual Security Agency has announced a $20 million grant to Yugoslavia which is still suffering from last summer's drought to enable it to import more food. The drought destroyed almost half of Yugoslav's corn crop which is normally exported in exchange for many items of imports, including food.

Raw cotton production in the non-Communist world this season, according to the International Cotton Advisory Committee, will aggregate 28.1 million bales as against 26.5 million bales last season. The total free world supply is placed at 41.4 million bales or 2.4 million bales more than in the 1951-52 season.

The newly constructed Italian refinery at San Martino di Trecate, situated between Milan and Turin, has begun operations. This major refinery started with the co-operation of the U.S. organisation, Caltex, is owned by the Societe Azioni Raffinerie Padana Olii Minerali ("SARPOM") and the Fiat Company, the Italian partner of Caltex. The formal opening ceremony of the refinery is planned for the spring of this year.

The United States and Indonesia concluded, on the 12th instant, a new agreement covering only economic and technical assistance. This replaces the agreement entered into last January which included military aid also. Indonesia received from the U.S. technical and economic aid aggregating $16 million during the fiscal year 1951-52. Approximately $6 million had gone to increase food production and $4 million to improve public health.

Ceylon and China have concluded a long-term trade agreement which now awaits formal ratification by both the Governments. Under this agreement, China has reduced the price of rice from £56 to £54 a ton and made another important concession by agreeing to buy low grade sheet rubber which it had originally refused to take. The Ceylon Government will reserve the trade with China to nationals in keeping with its policy of Ceylonisation of trade.

The London Conference on Central African Federation decided on 5th January to set up a Working Party under the U.K.'s Lord President of the Council, Lord Salisbury, to "consider what arrangements would be necessary under the federal scheme during the period before the holding of the federal election and the installation of the federal Government. One of the questions the Working Party will study is whether to install a Governor-General or some other form of interim Government.

The Japanese Foreign Ministry has announced the renewal of the sterling payments agreement with Britain. The agreement, which was signed in August, 1951, was originally to last for 12 months, but last August, it was extended for a further four months at the request of Japan. The agreement provides for the settlement in sterling of payments between residents of Japan and of the sterling area. It was designed to pave the way for expanded trade between the two countries, and to relax payments restrictions between Japan and the sterling area. The Foreign Ministry said the agreement would be extended for 12 months until 1st December, 1953.

Egypt has entered into an agreement with the U.K. for sharing the cost of the Owen Falls dam which would control the source of the river Nile at Lake Victoria in East Africa. It is the first agreement to be signed since Egypt abrogated the Anglo-Egyptian Treaty in October, 1951. The construction of the dam will serve two purposes. First, it will provide Uganda with a source of hydro-electric power and, secondly, it will assist irrigation projects in the Sudan by enabling the flow of water from Lake Victoria to be regulated and the lake itself will be used as a reservoir. The agreement sets at rest the suspicion of Egypt that the U.K. was planning to maintain an imperialistic hold on Egypt through the control of the Nile waters in the Sudan.

PERSONAL

MR. J. R. D. Tata, chief of the House of Tatas, left for Europe on the 13th inst. for a short holiday.

Dr. Alberto Berio, presently Italian Ambassador at Santiago (Chile), has been appointed as Italian Ambassador to India, in succession to Mr. Sidney Prina Ricotti.

Mr. J. A. Thivy, Indian Commissioner in Mauritius, has been concurrently appointed Consul General in Madagascar. The Consulate General will be opened shortly and the staff will include a Vice-Consul.

Mr. H. C. Captain, Managing Director, Central Bank of India Ltd., who recently proceeded to London to make arrangements for the opening of a branch of the Bank in that city, returned to Bombay last week.

Mr. R. N. Philips, Deputy Secretary, Ministry of Commerce and Industry, who has been appointed Joint Chief Controller of Imports and Exports, will leave New Delhi for Bombay on the 19th inst. and take over charge from Mr. Kochar on 21st January. Mr. Kochar is expected to join the headquarters at New Delhi as Joint Chief Controller of Imports and Exports.

Dr. Alexander Fleming, discoverer of penicillin and a Nobel Prize winner, and Prof. Corneille Heymans of Ghent, Holland, who won a Nobel Prize for his work on respiration, will arrive in India in February next to give higher training to medical students in the universities of Bombay and Madras for two months under a scheme organised by the World Health Organisation.

Mr. Neville N. Wadia, Chairman of the Bombay Dyeing and Manufacturing Co., Ltd., has been elected Chairman of the Millowners' Association, Bombay, for the year 1953-54. Mr. Wadia has been a member of the Committee of the Association for no less than 18 years. He was its Deputy Chairman thrice, in 1948, 1949 and 1950.

Mr. Purshotamdas Thakurdas (Bombay), Mr. B. M. Birla (Calcutta), Lala Sri Ram (New Delhi) and Mr. C. R. Srinivasan (Madras) have been reappointed as Directors of the Central Board of the Reserve Bank of India.

The Directors of the four local Boards of the Bank are:

Western area: Messrs. Purshotamdas Thakurdas, M. M. Parekh, V. P. Varde, Mohanlal Tandan and K. C. Mahindra.

Eastern area: Messrs. B. M. Birla, Jiwan Krishna Mitter, O. T. Jenkins, Yyare Mukerji and Dr. Bimal Chura Law.

Northern area: Lala Sri Ram, Mr. Satypal Varman, Sahu Jagdish Prasad, Sardar Gurdal Singh Uppal and Rishi Narayan Shahstri.

Southern area: Messrs. C. R. Srinivasan, Ramanathan Chettiar, P. Suryanarayana, S. Anantaramakrishnan and Bikkini Venkata Ratnam Chowdhury.

"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 14*th January*

Banking in India

The time has now arrived for settling the broad outlines on which the future banking organisation of India should develop. In this connection, the writer of the Money Market article in the *Statesman* makes a suggestion which, in our opinion, goes to the root of the problem. According to the writer, "the Banking Commission, if and when appointed, would do well to bear in mind one fundamental fact which emerges from an impartial examination of the present banking situation, namely, that India has now enough of commercial banking facilities and that the real need is for a properly co-ordinated network of agricultural and co-operative banks, working, as far as possible, under local management and catering for local needs." Private enterprise in Indian banking has been tried and found wanting. For obvious reasons, it is undesirable to multiply commercial banks of the type which are functioning at present. They foster unhealthy competition by concentrating their activities in big cities which are already well equipped in regard to commercial banking amenities. They are either unable or unwilling to devote any serious attention to rural banking and, by their policy of dealing only with financial middlemen, are not in a position to render any help to the agriculturists and small industrialists who are groaning under the weight of chronic indebtedness. Banks of the future should, therefore, be started by the people and for the people. Government should declare it as their deliberate policy that they desire to see co-operative banks established in every town and village and should do everything in their power to further the object in view. The imperial Bank, in return for its employment as Government banker, should be made to render all possible assistance to co-operative banks on reasonable terms. This Bank was established for the specific purpose of developing banking in India on healthy lines and has already achieved the first stage of its objective by opening no less than one hundred new branches. It should now be allowed some breathing space to consolidate the ground it has already covered before being called upon to launch on a further programme of branch development.

This Week's Survey



TWO MORE RESEARCH INSTITUTES

THE Central Electro-Chemical Research Institute at Karaikudi and the Central Leather Research Institute at Madras, which were opened this week, are the latest—and also notable—additions to the network of research institutes created by the Council of Scientific and Industrial Research, under the direction of Dr. S. S. Bhatnagar. Electro-chemistry has an important bearing on industrial techniques. The need for a central institute for conducting research into the various aspects relating to this industry cannot be stressed too strongly. Thus, electro-chemical industry covers a wide field, including, as it does, the production of numerous basic materials such as aluminium, magnesium, zinc, electrolytic lead, caustic soda and chlorine, calcium carbide, fertilisers, abrasives, special steels, carbon and graphite products, dye-intermediaries, etc. These, in turn, serve as raw materials for tertiary industries, as, for example, aircraft, automobiles, locomotives, agricultural machinery, machine tools, paper, rayon and the like. The possibilities of the establishment and expansion of different electro-chemical industries in India are, indeed, bright, particularly because of the availability of the required raw materials in the country itself.

Appropriately enough, the field of activity of the Research Institute is broad-based. The Institute is to have a number of major divisions dealing with electro-metallurgy and electro-furnace products, electrolytic cells, electro-deposition and allied processes, electro-chemistry of gases, etc. Apart from the usual laboratory services and general chemical measuring instruments, the authorities propose to provide certain special work facilities and equipment, such as liquid air plant, X-ray diffraction equipment, and apparatus for repair and standardisation of precision instrument. Provision, too, has been made for a general workshop, a lecture theatre and a well-equipped library and space provision for accommodating an exhibition of products and equipment of interest to electro-chemists.

As in respect of the electro-chemical industry, so in that of the leather industry, the importance of a central research institute needs no emphasis. The leather industry plays a vital role in Indian economy. Besides giving employment to a large number of workers and meeting the domestic demand for leather products, the industry earns for the country precious foreign exchange to the tune of about Rs. 36 crores per annum. Despite its importance, it is unfortunate that the industry has, by and large, been allowed to remain backward, without access to modern methods of processing and manufacture. Proper tanning and finishing of leather will almost double the value of raw hides and skins. That apart, being a large exporter of hides, skins and semi-finished leather, India should improve the quality of leather, if it is to compete in foreign markets, which, incidentally, have had a lead of over a century and a half in scientific techniques of production. The biggest problem before the leather industry is, therefore, rationalisation. And it is gratifying that the Madras Institute has primarily been entrusted with this task.

Although the Institute was formally opened this week, the days that have gone by since the foundation-stone was laid on 24th April, 1948, have been days of intense research activity. Work on 26 research projects was started early and nine have already been successfully completed. The Institute has patented a chemical process for treating the mirobalan tannin extract, which not only gives a lustrous colour to leather but also protects the extract from fermentation. A number of synthetic tanning materials has also been prepared from extracts of bhilwan nuts and cashewnut shells and also from coal-tar distillation products. Research has also resulted in the preparation of highly basic aluminium sulphates. Methods have been evolved for the preparation of chrome-aluminium sulphates and other combination tanning agents. Research on tanning processes abroad has been adapted to suit Indian conditions. Methods have been worked out for the economic utilisation of divi-divi pods, which are rich in tannin, for eliminating waste in South Indian tanning processes, for the manufacture of East India tanned kips, goat and sheep skins for export, and also for rendering the tannery effluents clear and odourless. These are, indeed, creditable achievements attained during a brief span of about four years and for which the Institute can legitimately feel proud.

Since both the Institutes are manned by eminent scientists and research workers, there is no doubt that the Central Electro-Chemical and Leather Research Institutes will acquit themselves creditably. They should be the centres not only for research and training but also for the dissemination of technical knowledge to the industries, including the issue of technical bulletins, contributions of articles to scientific and trade journals and answering technical enquiries, etc. Needless to say that the success of these Institutes will be judged by the extent to which the results of scientific investigation conducted by them are applied to practical use, thereby bringing about an improvement in the economics of the existing industries.

CULTIVATION OF PADDY

The Japanese method of cultivation of paddy has attracted considerable interest in this country. This method has yielded 8,000 lbs. of paddy per acre, as against the normal 1,000 lbs. Last year, over 6,000 lbs. of paddy were obtained at the Agricultural School Farm at Kosbad in the Bombay State. High yields have also been obtained at Kora Gram Udyogic Kendra at Borivli, near Bombay. Addressing the Convocation of the Indian Council of Agricultural Research, held recently at New Delhi, Mr. Nehru exhorted the agricultural experts to study thoroughly the Japanese method of rice cultivation with a view to popularising it among agricultural labour. It is gratifying to note that the Gandhi National Memorial Trust and the Kasturba National Memorial Trust have set apart a sum of Rs. 9 lakhs for the popularisation and propagation of this system of cultivation among the farmers.

The tremendous success of the Japanese method of cultivation of paddy is due to the adoption of correct transplanting methods and to the use of adequate organic manures and fertilisers to the field. Inter-culturing and weeding also play a very great part in the success of this method. The Japanese method does not invoke costly foreign equipment and can be followed by any industrious farmer. Under it, the nursery area is usually ploughed to a depth of three or four inches. The plot is well weeded and farmyard manure at the rate of one cartload per 1/40th of an acre is added and well mixed into the soil. The seed beds are raised 2 to 3 inches above the field level in order to facilitate inter-culturing of the beds and also drainage of water from the beds. A bed prepared thus will promote growth of paddy seedlings in loose and pulverised soil. On top of the bed, compost is applied about an eighth of an inch in thickness. This will enable the roots of seedlings to remain in top soil, thereby facilitating easy pulling out for transplantation. Over the layer of compost, a thick layer of ash is spread, in order to promote the growth of seedlings. At the time of sowing, the seeds are mixed with manure in the proportion of 1:2. The seed rate adopted in Japan is 5 to 6 lbs. per acre sown in 1/40th to 1/27th of an acre of the bed.

Although India is the second largest rice-producing country in the world and has the largest area of over 76 million acres under rice, it is not self-sufficient in rice which is the staple diet of a large proportion of its population. It is true that, even in pre-war years, India was importing about 15 lakh tons of rice from Burma and other countries. But conditions have since changed and India finds it difficult to meet its deficit by foreign imports, partly because of the high price and partly because of non-availability of this grain. Even if this country can procure rice from other countries, the foreign exchange involved in importing rice will run into several crores. In 1951 alone, it was as high as Rs. 42.8 crores.

One of the reasons for India's rice shortage is the normally low yield of the crop. The urgent need to-day is, therefore, the improvement in cultural practices over as large an area as possible in the shortest possible time. The Japanese method is simple and cheap. It requires nothing more than heavy manuring, systematic cultivation and diligent labour. It should not be difficult for the Indian farmer to produce adequate quantities of compost, farmyard and green manures to meet his essential requirements. Following the establishment of the Fertiliser Factory at Sindri, his requirements of sulphate of ammonia can also be met in part from domestic production. In fact, India's position in regard to fertilisers has now considerably improved. But it is not only lack of purchasing power but ignorance of the new methods of cultivation that are the main obstacles to high productivity of paddy crop. Here is a challenge thrown to the powers-that-be not only to supply the finance required but also to dispel the ignorance and the traditional prejudice against new methods of cultivation.

U.S. BUDGET

The U.S. Federal Budget for the next financial year, ending 30th June, 1954, which the outgoing President, Mr. Truman, presented to the Congress this week, is dominated almost entirely by defence considerations. The budget provides for a total expenditure of $78,600 million, of which 73 per cent. will be spent at home or abroad on defence. If other expenditure, such as the sums spent on the care of veterans were included, the total sum spent on war and defence would reach $68,300 million or 87 per cent. of the budget. He said that defence expenditure this year should be $57,300 million, as compared with $53,200 million last year and $17,800 million in 1950. He proposed to spend $2,700 million on atomic development during the year, an increase of $700 million over the present year. He indicated that much of the cost of defence was for new weapons, including atomic weapons, and possibly hydrogen bombs, expensive equipment for aviation and guided missiles. Referring to off-shore purchases, which have incidentally provided dollar income to many countries experiencing dollar scarcity, he said that these would be doubled in the present fiscal year over last year and would increase still more in 1954. During the fiscal year 1952, contracts for off-shore procurement aggregated $621 million. He also outlined an expenditure of more than $8,000 million in the foreign field.

Mr. Truman admitted that, in the long run, the budget must be altered to allow more funds for the improvement of the social conditions of the people. He, however, thought that defence expenditure in 1954 might be the peak and that military cost would begin to drop by as much as $15,000 million after two or three years. Defending the large size of the defence budget, Mr. Truman emphasised the need for building military strength. Much progress had, according to him, been achieved in this sphere. But he warned that their "gratification at the progress of defence must be sobered by the realisation that parallel developments are undoubtedly under way behind the Iron Curtain." In defence of the large sums he demanded under the head "international security and foreign relations," Mr. Truman said that they were required to meet the most urgent needs of each individual country. Referring to foreign aid, he added: "In some instances it consists largely of weapons necessary for the expansion of military strength; in others, it takes the form of goods, services and technical skill needed to help millions of people in their struggle against poverty, disease and starvation—conditions which create unrest and invite subversion."

Mr. Truman struck the same happy note of the need for liberal aid to the rest of the free world in his final State of the Union message to the U.S. Congress. He spoke of the Marshall Plan as the "grand design" of the U.S. to set the free countries on their economic feet. He referred also to the Point Four Programme designed to help the economic progress of the underdeveloped countries. He contrasted the positive American approach to economic development of backward economies with the Russian attitude when he said:

> "The U.S. has sought to use its pre-eminent position of power to help other nations recover from the damage and dislocation of the war. We did not want satellites but partners. The Soviet Union, however, took exactly the opposite cause. Its rulers saw in the weakened condition of the world not an obligation to assist in the great work of reconstruction but an opportunity to exploit misery and suffering for the extension of their power."

Mr. Truman's budget proposals are, of course, subject to revision by the Congress. The Republican Party may conceivably effect alterations in the budget after Mr. Dwight Eisenhower takes control of the Government (on 20th January). Indeed, the party's fiscal specialists declared that the budget was "fantastic," and said that they would cut the budget and also reduce taxes. It is, however, believed that no sweeping changes will be made in the budget as now formulated by Mr. Truman, and that the Republican Party will consider the introduction of a new pattern for the budget only in the fiscal year 1954-55.

PRODUCTIVITY STUDIES

A team of international labour experts has been in Bombay for some days now and is conducting combined pilot projects in systems of payment-by-results and productivity studies in the textile industry of the State. The projects cover assistance for the introduction of systems of payment-by-results and for improvement where such systems are in vogue, with a view to increasing productivity. They also seek to provide help for the application of modern methods of work-study and organisation in a limited number of cases, where it would not be desirable to apply systems of payment-by-results. The team will make a thorough analysis on the existing organisation and methods of work, job classification and wage scales. Both the employers' and the workers' organisations have evinced keen interest in this move and have offered their full co-operation.

A substantial and continuing increase in productivity of workers is certainly essential for the development of economically underdeveloped countries like India. For a variety of reasons, the textile industry is likely to be one of the industries in which the greatest efforts will have to be made to raise productivity; in India, the textile industry gives direct employment to nearly 700,000 workers. A significant degree of success in the effort to increase productivity is bound to have a profound effect not only on the living standards of the underdeveloped countries but also on the pattern of world trade.

Systems of payment-by-results are now widely used in many countries. The recognition of the need to raise the productivity of labour has led to a growing interest in the possibilities of such systems. The essential characteristic of these systems is the direct linkage of earnings to output as against systems of payment-by-time. The results which should be taken as the basis for payment under a system of payment-by-results will depend upon the output, quality, machine utilisation and material usage which are directly under the influence of the individual or group of workers concerned. A system of payment-by-results will yield its full benefits only if all possible steps are taken, both before and during its application, to improve the production process, the layout of the plant and equipment and production control procedures. Available information the world over discloses that payment-by-results is being successfully applied, especially in the textile industry. The Indian textile industry represents a typical example of the cost conditions of textile industries in most of the less developed countries. Low productivity, accompanied by low wages, is a factor which helps neither the industry nor the workers. Systems of payment-by-results are now extensively adopted in the weaving departments. But these systems, it is stated, are not based on scientific principles. It is also held that the non-replacement of outmoded textile machinery is militating against higher productivity. Automatic looms have yet to become popular in the industry. But there is also opposition from labour to the extensive introduction of automatic looms for fear that it may lead to large-scale retrenchment.

Labour cost is an important element in total cost of production. It is one of the factors that determine differences in textile production costs in different countries and in particular the cost differences between the advanced industrial countries and the less developed countries. Adequate information regarding productivity in India is lacking and so it is not possible to make a systematic international comparison of unit of labour cost in the textile industry. It is, however, clear, from the way in which Indian textile goods are being priced out of overseas markets, that the Indian textile industry has yet to reach the minimum standards of efficiency. Basic wages of textile labour, in general, are determined in India by Industrial Courts and dearness allowances by the costs of living indices. They are not related to productivity in any way.

The I.L.O. team, it is gratifying to note, will analyse the existing levels of wages and methods of wage payment, with a view to suggesting improvements designed to increase efficiency and productivity and to improve working conditions. Already, the first meeting of the Joint Consultative Committee on Productivity in the Textile Industry in Bombay, Karnatak and Maharashtra regions, consisting of representatives of the millowners, the Government and the workers, has been held. It would appear that several problems relating to the work of the I.L.O. experts was discussed at this meeting. The experts will now engage themselves in an intensive study of the problem of productivity.

OFF THE RECORD

(By "ROVER")

THE United Kingdom has been traditionally regarded as a country losing almost all the battles but winning the war. Something akin to this can be discerned in India's relations with the U.S.A. On a large number of individual questions, essential as well as those of mere details, you will find India and the States ranged on the opposite side. But, in the main, the relations between the peoples of these two countries, as well as their Governments, in spite of this running stream of differences, have been very cordial and mutually helpful. In a way, this is a great testimony to the broadmindedness and basically humanitarian outlook of the two nations. This is highly remarkable, inasmuch as the people of India are still used to looking back to the traditions and teachings more than two thousand years old in subconsciously basing their response to new problems, while the Americans, though living in the nineteen-fifties, are stretching out their eyes and even their hands to A.D. 2000 and beyond. You will find nothing of this sort in the countries behind the Iron Curtain. Tolerance and understanding of the other fellow's mode of life and thought and absence of any desire for forcible imposition of one's own conceptions on others, which distinguish civilised man from the brutes living on an exclusively physical plane, are neither known nor appreciated and valued in the Communist half of the world.

Nevertheless, the necessity for minimising occasions for misunderstandings and differences of public opinion on important questions of policy in the free democratic world is imperative. It is being increasingly recognised that the U.S.A. amongst the Western nations and India amongst the Eastern half are the real bastions of this form of human freedom. The need for better and more harmonious adjustments on as many points as possible between these two leading peoples of the world and the lessening of superficial friction and causes for tension is, therefore, self-evident. There have been frequent squalls and tempests punctuating the last five years and threatening to disturb the otherwise amiable run of smooth and satisfactory, if not always very warm and cordial, Indo-U.S. relations, both on the political and cultural planes. More recently, however, such occasions have been fewer and much of the credit for this improvement must go to the tact and very transparent sincerity of the U.S. Ambassador to India, Mr. Chester Bowles. The greatest proof of this is that the Indian people have surprisingly overlooked the not very creditable part played by the U.S. delegation in the U.N. and the spokesman of the American Government on the Security Council on the Kashmir question and have not allowed it to mar these relations. It is a tribute as much to the head of the U.S. diplomatic mission at New Delhi as to the restraint usually exercised by the people of this country that, unlike Teheran or Cairo, there were no popular demonstrations or bitterness in the country's Press here against what amounted to not only unfair but unfriendly attitude of the Truman Administration at Washington on the Kashmir problem. Perhaps, this aspect of the question has been lost upon the State Department.

It is this background which makes a radical change of personnel at the American Embassy in India highly unfortunate just at present. Mr. Val Peterson, one-time Governor of Nebraska, who is authoritatively tipped as the new Ambassador, might prove an equally or even more successful successor to Mr. Chester Bowles, but, in diplomacy, personal equation counts for much. In any case, any new man would take some time to establish his standing with the people in India. He will necessarily have to begin from scratch and much of the fine work accomplished during the recent past is bound to be lost during the interruption that is inevitable. Neither the Government nor the people here would dream of our questioning the right of the new (Eisenhower) Administration to nominate its own representative in this country, so long as he was acceptable to our Ministry of Foreign Affairs. All the same, one cannot help observing that President Eisenhower would make a very good beginning so far as Indian public opinion is concerned, if he pays it the compliment of humouring it by retaining Mr. Chester Bowles in his present post. I know it for a fact from my usual contacts that the business community in India, though generally undemonstrative in such matters, is also solidly behind public opinion in this country in this respect. In any case, it would be advisable for the new U.S. Administration to defer taking a final decision on this important question, till after the intended visit of Mr. Dulles to India and other countries in South East Asia and the Middle East.

A Herd Of White Elephants!

I do not know whether it is because I am temperamentally so constituted that I cannot help being overwhelmed by a feeling of gloom and depression these days about the economic future of our country. But it is a fact that every step taken by the Government of India or State Governments which hold key positions in the economic set-up of the country appears to me as contributing to the inevitable disaster and break-up of morale on the business and industrial front at no very far off date. After all, it is the thousand and one small things that go to give shape to the economy of a country and not a few grandiose and ambitious schemes on paper, which are all going wrong when brought to the stage of implementation. I also find that this pessimism on my part is being shared by a number of prominent persons whom my occasions bring me in touch with frequently.

In view of my natural tendency, I am careful to record any evidence or opinion to the contrary for the benefit of the readers of this column, when I come across it, as a corrective to my own impression from which I cannot escape, however much I try. I did so once, a couple of months or so ago, when I heard Sir Joseph Kay, the head of the House of Brady, at a gathering of sugar manufacturers in Bombay. Sir Joseph was robustly optimistic about the future of Indian industry in the foreseeable future and deprecated all talk of depression round the corner, condemning it as likely to produce a psychological prelude to and cause of real depression. More recently, I happened to meet an old friend of mine, Mr. Lakshmipat Misra, who is exceptionally well placed, both by his present responsible position as head of one of the biggest automobile manufacturing concerns in the country and by his lifelong and intimate experience of the Indian railways, to have a more or less accurate gauge of the economic barometer and to sense any signs of an impending storm. I found Mr. Misra also very sanguine about the Indian economy in general.

Mr. Misra based his hopeful outlook for the future, first on the increased production in several important spheres of industry such as sugar, textiles, cement, steel. Another reason for his rosy dreams of the future was the large investment of about four hundred crores during the last five years in the private sector of industry, which, in its turn, must bring additional production and comparative prosperity to the people. Next, he enumerated to me all the new industries such as the machine tools factory at Ambarnath, opened that very day by the Prime Minister and the Chittaranjan Locomotive Works, being established by the Government, which would lead to a stoppage of drain on our foreign exchange and open up new and profitable avenues of employment for our younger people. In addition to all these, he asked me to visualise the development that would follow both in industry and agriculture after the completion of the various river valley projects and the additional wealth these would pour into the country.

It is very wholesome, indeed, to meet people of advanced age, who have resisted the entry of bitterness and the onset of disillusionment in their lives, which seem to be the common heritage of most of us in these days. For a while, I really felt ashamed of myself, because, though a younger man in comparison, I had succumbed to the devastating effect of the last five years and lost all my enthusiasm and robust outlook. For the time being, I was also infected by this unusual cheerfulness, because whatever might be the position with people engaged in other industries, one who had anything to do with the manufacture or assembly of motor cars and commercial vehicles had little to feel cheerful about. But, after I escaped from his contagious cheerfulness and had time to reflect on the dazzling treasures he had displayed before me which were to bring great prosperity to our unhappy land, I could not help reflecting that the owner of a large herd of white elephants was not necessarily a rich and prosperous man. If past experience is any guide, what we are breeding in the country may turn out to be not milch cows but costly and unremunerative white elephants. All the same, I really feel grateful to people like Sir Joseph Kay and Mr. Lakshmipat Misra for their well-meant efforts to keep up our morale, and for freeing us from an atmosphere of gloom and oppression, even though it be only for a short time.—*All Rights Reserved.*

TRUTH ABOUT FERTILISER PRICES

MORE LONG-STAPLE COTTON LIKELY TO BE GROWN IN 1953-54 SEASON

(From A Special Correspondent)

NEW DELHI, 12*th January*

DELHI LETTER

THERE was a certain amount of subdued confidence among Food Ministers who met in conference this week in the capital. Although the deficit States continued to exaggerate their demand from the Centre for an allocation of higher quantum of foodgrains and the surplus States were trying to scale down, in the same proportion, the availability of procured foodgrains in their areas, the atmosphere of the conference was totally free from anxiety and gloom as was the case a year or two ago. The conference held three sittings and, despite the fact that no clear-cut decisions were taken regarding the food budget, an understanding was arrived at to the effect that, in no circumstances, should the Central Government be made to import more than three million tons of foodgrains, including 600,000 tons of rice and 500,000 tons of milo and coarse grains during the current year. The Centre was somewhat keen that a moderate quantity of foodgrains should be earmarked to build up, during the course of the year, an emergency reserve and buffer stock of three million tons and more.

The Food Minister, Mr. Kidwai, could not effectively participate in the discussions on account of his illness. He, however, got circulated a note in which he drew the attention of State Ministers to the fact that the Indian Union produced enough foodgrains to satisfy the minimum requirements of the country and that, on account of defective distribution, a moderate quantity of imports had become necessary. He also impressed on State Ministers the necessity for taking adequate measures to prevent smuggling, hoarding and profiteering. The Prime Minister, Mr. Nehru, also addressed the conference and struck an optimistic note when he stated that, within the remaining three years of the duration of the Five-year Plan, the country would achieve self-sufficiency in foodgrains. He placed greater emphasis on intensive and scientific cultivation on a co-operative scale to augment the quantity of foodgrains. He echoed similar sentiments earlier when he presided over the convocation of the Indian Council of Agricultural Research to present a tractor and *Krishi Pandit* certificates to six farmers who had achieved unique success in producing maximum food crops in their respective fields.

The Food Conference did not evolve any new food policy. The Government is expected to extend its policy of establishing fair-price shops in respect of rice and wheat in a number of places where these foodgrains are sold over and above the ration to card holders at some profit. These shops are already in vogue in Delhi and Calcutta. It is also expected to consider favourably the policy of gradual food decontrol whenever and wherever feasible. By all these means, the Government is anxious to maintain a stable price level, and, if possible, to bring it down slowly in future.

Fertiliser for Rice

One notable announcement by the Central Food Minister related to the distribution of fertilisers. Mr. Kidwai stated that the Government would give rice cultivators any amount of fertilisers in exchange for an equal weight of rice to be collected after the harvest. According to the proposal, fertilisers, whether produced in the Sindri Factory or imported, would be given to the cultivator without either the cultivator or the State Government having to pay the Central Government anything except one maund of rice per acre at harvesting time. The proposal has a double objective, to produce more rice by intensive cultivation through the application of nitrogenous fertilisers and also to ensure a steady market for the growing output of ammonium sulphate from Sindri and other centres.

It may be mentioned here that, in recent weeks, the Agriculture Ministry of the Government of India has been faced with the problem of orderly distribution of nitrogenous fertilisers owing to a remarkable increase in the output. The Sindri Factory alone is now producing well over 1,000 tons per day, at times the output moving upto 107 per cent. of the installed capacity. Besides, other producers in the South and elsewhere have begun to produce increased quantity of ammonium sulphate. For the current year, the output from Sindri alone is placed at 300,000 tons, while other producers are expected to turn out another 100,000 tons. It is generally known that the U.S.A., under the Indo-Technical Agreement concluded last year, had agreed to supply about 175,000 tons of ammonium sulphate within a period of two years with a view to bringing about increased output of foodgrains and other commercial crops in the various Community Project centres. The U.S. has been able to purchase a substantial quantity of ammonium sulphate at relatively cheap prices from Japan, the c.i.f. rate at Madras being computed at between Rs. 235 and Rs. 240 per ton. It appears that Japan, with a view to earning more dollars, is stated to be selling this fertiliser far lower than its production cost in this country. It is also reported that a fairly large quantum of ammonium sulphate has been accumulating in various centres without being lifted by agriculturists.

In these circumstances, the reduction in the pool price of ammonium sulphate by Government from Rs. 365 to Rs. 335 per ton is not expected to cut much ice, since this rate is nearly 40 per cent. higher than that supplied by Japan. Even now some indigenous producers are not members of the Government pool not only because, until recently, their production has been negligible but also because they have been able to market their production profitably due to the prevalence of a sellers' market. Production costs of these factories are reported to be higher than the pool price and hence Government has now to evolve a scheme whereby production is kept at the maximum level and no producer is allowed to suspend the output of this vital raw material. While the Government has to restrict imports appreciably on account of the fact that the installed capacity of ammonium sulphate production is now standing at nearly five lakh-ton level as against the present absorbable capacity of about four lakh tons, it has to spread, by propaganda and other ways, the habit of the use of fertilisers among agriculturists. It is reported that even to-day the use of ammonium sulphate is confined only to a few areas and also to a few commercial crops, particularly tea, sugarcane, etc. The tea industry has now been hit by the sharp recession in prices during the last few months, with the result that it is not likely to absorb increased quantity of ammonium sulphate. The sugar industry's position too is not quite happy. The Government must, therefore, take adequate measures forthwith to popularise the use of this fertiliser with rice growers. At the same time, it should enlarge the pool and admit all the members who are willing to join the scheme, so as to maintain production at the maximum, at the same time taking other steps to increase the competitive capacity of the producers. The Government has already a precedent in the iron and steel industry, which it can apply with profit to the fertiliser industry as well.

India Loses Rank

The latest action of the Government of India to extend the period of free shipment in respect of cloth is an indication of its anxiety to safeguard the export trade in cloth. Only a few days ago, it reduced the export duty on cloth from 25 to 10 per cent. *ad valorem*. All the same, it is doubtful whether India will be able to step up cloth exports to about 1,000 million yards as desired by it a few months ago. It is generally known that, in 1950, India occupied the pride of place in the shipment of cloth, exporting well above 1,000 million yards. During 1951, its exports declined to 711 million yards and thus gave its place to Japan. During 1952, its exports declined still further, taking it down to the fourth place. Thus exports from Japan for 1952 are now placed at 769.13 million yards, as compared with the U.S. total of 754.00 million yards. Shipments from the U.K. are estimated to reach a total at 704.10 million yards, while India's exports are computed at about 570 million yards. Meanwhile, Japan has already begun to plan for the stabilisation of textile prices by the formation of an association consisting of leading producers in order to push up sales of cloth in foreign countries. It has therefore become imperative for the Government of India as well as for exporters of cloth to watch the whole situation carefully and to take necessary measures to ensure the competitive position of Indian cloth in the overseas markets.

More Long-staple Cotton in 1954

There is considerable significance in the report emanating from the Punjab Government that efforts are being made to make available the water from the Bhakra Dam to the cultivators from May next year, that is, ahead of the schedule by a year. Such an event will not only increase the output of wheat and other foodgrains in that area but also good-fibred cotton. For instance, it will be possible for the Punjab, PEPSU and Rajasthan to augment the output of long-staple 216F and 320F cottons substantially, from the next cotton season, that is, 1954-55. In the same season, long-staple cotton from the other newly irrigated areas of the Tungabadhra, Tapti, Bhavani, etc., will also become available to the country, with the result that the Planning Commission's target of 42 lakh bales will be more than achieved by that year. In the 1951-52 season, the output of cotton in the country was very near 39 lakh bales, while for the 1952-53 season, unofficial estimates are placing the outturn at about 36 lakh bales. From next year onwards, it will be possible for India not only to reduce imports of American cotton appreciably but also to export more of the much coveted Oomra cotton to Japan, European countries, etc.

(Concluded from next column)

cations to the availability of indigenous road materials and equipment), sending of a team of Pakistan specialists to the U.S., accompanied by the survey crew, to observe road building in areas which have similar climate and geographical characteristics to those of East Pakistan, and a comprehensive training of road building crews in actual construction and in care and maintenance of equipment, as also acquisition of sufficient road building equipment for such training. The U.S. will make available $1,100,000 and Pakistan Rs. 4,25,000 for the joint project.

PAKISTAN NOTES

PAK GOVERNMENT'S FINANCES

CUT IN EXPENDITURE LIKELY

THE Pakistan Government's finances seem to present a gloomy picture. Thus, if Press reports are correct, there has been a marked shrinkage in revenues, on the one hand, and a big rise in expenditure, on the other. The former is the result of a severe setback to the export trade, thanks to the world-wide recession in commodity markets. The rise in expenditure is necessitated by the huge imports on Government account, especially of military equipment and foodgrains. Consequently, the gap between the revenue receipts and expenditure of the Government of Pakistan is reported to have widened considerably. Not only will the surplus of Rs. 7.84 crores estimated for the current (1952-53) fiscal year not be realised, but, in fact, there is expected to be a sizable deficit. Incidentally, it may be noted that the estimates of revenue and expenditure for the year are placed at Rs. 174.73 crores and Rs. 168.89 crores, respectively.

The Central Government, according to a report from Karachi, is contemplating drastic cuts in expenditure, with a view to balancing the nation's "slump-ridden" economy. The economy programme is to have a fairly wide range, covering Government expenditure in both civil and other fields of administration. Among other measures, the Government is reported to be contemplating retrenchment of staff. While effecting retrenchment, care will be taken to see that efficiency of administration will not be adversely affected.

A number of industries, together estimated to cost about Rs. 2 crores, is proposed to be set up by the Hyderabad Trust in Pakistan, in order to rehabilitate the refugees. A match factory, at a cost of Rs. 80 lakhs, has already been started at Karachi. The factory is expected to produce about a million match boxes per annum; within the next few months, production will be stepped up to 3 million boxes. When the factory goes into full production, three-fourths of the match requirements of Pakistan will be met, thereby resulting in the saving of much precious foreign exchange. The imports of matches are at present of the order of Rs. 2.5 crores per annum. Among other industries proposed to be set up by the Hyderabad Trust are those for the manufacture of bicycles, ceramics and bricks. The expenditure involved in these projects amounts to Rs. 50 lakhs, Rs. 30 lakhs and Rs. 10 lakhs, respectively. The bicycle factory will be established at Karachi within the next six months. The capacity of this factory is 50 cycles per day, which will gradually be increased to 300 cycles. After five years, the factory will manufacture motor cycles also.

Crisis in Tea Industry

It is not the Indian tea industry alone that is passing through very critical times; the crisis has caught the tea industry in Pakistan too. According to reports from Sylhet (East Bengal), the tea growers there have decided to close down 23 tea estates during the next season. The chief factor responsible for this disquieting situation has been the marked fall in tea prices. Lack of adequate banking facilities is another problem. Despite the suspension, by the Pakistan Government, of the export duty on tea till the end of the current financial year, the tea industry continues to sell at a loss.

In view of these developments, the Pakistan Tea Association—this is claimed to represent 94 per cent. of all tea estates in East Pakistan—recently recommended to all the 107 membergardens to adopt economy measures, including reduction of dearness allowance to adult and child labourers by As. 2 and one anna, respectively, and to sell all foodstuffs to workers at landed cost. The supply of foodgrain at prices below what it costs to obtain has resulted in a loss of Rs. 10 lakhs per annum. The Association also suggested reduction of 5 per cent. in the basic salaries of managerial and clerical staff and of 10 per cent. in agency remuneration. These suggestions have been given effect to from the 1st inst.

Raw Jute Exports

During the first half of the current jute season (July-December, 1952), Pakistan sold nearly 38 lakh bales of raw jute to foreign buyers. Of this, 28 lakh bales have already been shipped, while firm commitments of sale stand against the balance. About 36 countries, including those in the dollar areas, were interested in the jute market during the period under review. India emerged as the largest buyer of jute, accounting for 11.25 lakh bales, followed by the U.K. with 4.5 lakh bales. Other important buyers of jute from Pakistan were Belgium, Italy, West Germany, France, and the U.S. The U.S.S.R. lifted 1.22 lakh bales under the jute-wheat barter pact. The quantity of jute which still remains to be marketed amounts to 30 lakh bales.

Road Development in East Bengal

The United States Technical Co-operation Administration has agreed to provide, under the Point Four Programme, technical assistance for development of roads in East Pakistan. The East Pakistan road development programme includes a review of the road building problems in delta and marsh areas by a U.S. survey crew, which will submit specifications of road building equipment needed for building roads in such areas (consideration will be given in preparing the specifi-

(Continued in previous column)

OUR AMERICAN LETTER

OUTLOOK FOR U.S. ECONOMY

BUSINESS SENTIMENT OPTIMISTIC

(From Our Special Correspondent)

NEW YORK, 3*rd January*

SINCE the nomination and election of General Dwight D. Eisenhower to the Presidency of the United States, business and financial psychology has improved immeasurably, and this sentiment is continuing, as the nation awaits the General's inauguration on 20th January. Underlying this changed attitude, have been the sound appointments to the new Cabinet which the President-elect has made.

Contributing factors were the correct handling of his trip to Korea, the constant consultations with leaders in all fields and also the statement by Premier Stalin of Soviet Russia that he would be willing to meet with the new head of the American Government. It may be remembered, in this connection, that General Eisenhower is well and favourably known in Moscow for his straight-forward co-operation with the Russian General Staff in the defeat of Nazi Germany.

Like often in the past, confidence in the future has a profound influence on people's actions in the United States. Thus, retail sales in the Christmas month of December are reported to have an estimated $16,400 million last year. After final figures are completed, American consumers will probably have bought $1,000 million more than they did in the corresponding holiday month of 1951.

Business Activity in 1953

Moreover, previous apprehensions regarding the future course in business in 1953 have been disappearing gradually. The other day, sustained high level of activity for the entire year was seen by the majority of distinguished economists participating in a forum held under the auspices of the National Industrial Conference Board.

According to present plans for defence spending and private, State and municipal building schedules, there is, indeed, no reason to expect anything in the way of a drastic decline throughout the year. What might happen, though, is that, in the first half, there will be an appreciable increase in activity, which is likely to decline in the second half, because of a levelling off in armament expenditures, so that, in twelve months from now, production indices may be back at levels where they are to-day. In no circumstances could such a development be regarded as being unfavourable.

Prospects are bright, in other words, and there is no reason for any apprehension in the outside world that a serious American recession should occur and have similar repercussions elsewhere.

In this connection, it may be well to point to a few year-end milestones by various American industries. Most railroads took in more in 1952 than in the year before, despite last summer's steel strike which cut freight traffic between 5 and 6 per cent., according to William T. Faricy, President of the Association of American Railroads. The some 130 Class I rail carriers netted about $775 million in 1952, against $693 million in 1951. This was equal to a return of about 4 per cent. on their net property investment, as compared with 3.69 per cent. for 1951.

So far as aluminium is concerned, there will be plenty of supplies for all who want them before the middle of 1953, unless there is an extension of hostilities, according to Richard S. Reynolds, Jr., President of Reynolds Metals Co. He predicted an easier situation than at any time since the Korean war began. Although 1952 production, estimated at close to 1,900 million pounds, sets a new peak and is 11 per cent. higher than the 1951 output, "it does not yet fully reflect the expansion already completed," he said.

Oil Industry Happy

The oil industry is also happy. Indications are that 1953 will be a good year, owing to adequate supplies and, apparently, vigorous demand. Eugene Holman, President of Standard Oil Co. (New Jersey), described 1952 as a satisfactory year for the industry as a whole, due, in large part, to successful efforts to provide a safety margin in most major products. However, a serious worry, internationally, is the possible reopening of the Persian oilfields. So much has been accomplished in making good the original deficiency caused by the shutdown of Abadan that, now, there is apprehension of what should be done with the surplus of petroleum, if Iranian production and refining should be consumed. Moreover, the 1952 increase in consumption was only 3 per cent., which is appreciably lower than in previous years.

Savings Rise

Savings continue to rise in the United States, which is a healthy economic omen. While savings banks and life insurance figures are available now till the end of November last, overall national statistics go back only to 30th September.

During the third quarter of last year, American individuals saved $5,600 million in so-called liquid form, according to quarterly estimates of the Securities and Exchange Commission. This includes checking and savings accounts, currency, United States savings bonds, life insurance, corporate and municipal securities, as well as share accounts in savings and loan associations. The savings of $5,600 million in those areas for the third quarter was the highest since the last three months of 1945. The S.E.C. attributes this large volume to "an increase in disposable income and to a moderate drop in consumer expenditures."

Another notable development is the gradual disappearance of most premium prices for non-ferrous metals. Owing to easier supplies, prices dropped in 1952 for aluminium, antimony, foreign copper and nickel. The only premium markets in existence to-day here are for steel castings, platinum, some nickel, and such exotic minerals as titanium. All of these, too, have dropped in price, however.

No major change in the money market is in the cards for 1953. The new regime of fiscal managers in the Eisenhower Administration are more orthodox than their predecessors. What they will probably attempt is to refund many short-term Government securities by long-term obligations, so that they may be withdrawn out of the commercial banking system where they have an inflationary impact, and so that they may be lodged with private and institutional investors where such funds may not be inflationary. The overall outlook for U.S. economy is thoroughly sound at this moment and facts are backed by a most favourable popular psychological attitude.—*All Rights Reserved.*

U.S. VIEWS ON GOLD PRICE

The key question for the U.S. bullion market is whether the official price of gold is to be changed, states Mocatta and Goldsmid, in its annual review. Discussing the prospects of any alteration, the review points out that the new Administration may not have such strongly preconceived notions as President Truman or Mr. Snyder. At the same time, in the absence of fresh emergency legislation, power to make a change rests with Congress and not with the President alone. The future of the gold-mining industry will largely turn on the visit to Washington of British representatives in the spring.

As regards the silver market, the review points out that industrial consumption in the U.K. and on the Continent has fallen and little new silver has been used in coinage. In addition, the Japanese Government has begun to liquidate its stock of silver, estimated at about 10 m. ozs. Some of this has come to London, but it has mainly gone to the U.S. With the market for foreign silver in New York freely supplied by Mexico and by Cuban demonetised silver, it appears that the tendency is likely to be downward. An incalculable element is the as yet unknown attitude of the U.S. Government to the difficulties involved in the return of 410 m. ozs. of silver supplied to Allied Governments on Lease Lend. Repayment is due five years from 28th April, 1952. If the U.S. Government insists on this repayment in kind, the review continues, it will have a violent effect on the market outside the Western Hemisphere.

(Concluded from next column)

ings from Coronation visitors, neither is there any reason why it should be any better—except the good psychological one that, in a cheerful atmosphere, things tend to get better by themselves! Any economists who try to prove otherwise for the time being will have difficulty in finding a receptive audience in Britain at the start of this New Year.—*All Rights Reserved.*

PROSPECTS FOR U.K.

WILL NEW YEAR BE HAPPY?

(From Our Own Correspondent)

LONDON, 2*nd January*

LONDON LETTER

IT seems that, for all Mr. Butler's deflation and for all the dismal news both from home and abroad which is all that the Press has been able to find for weeks past, the British public were determined to enjoy their Christmas. They showed this by making up for their shop-shyness earlier this year by spending in an unprecedented manner. The note circulation, as a result, hit a new "high" at £1,550 million, as compared with the Christmas peak of £1,438 million last year and £1,358 million the year before. Moreover, this new "high" represented an increase of £107 million over the post-holiday low point in October, which is substantially higher than the increase a year ago. But, a great deal of the extra money for this spending spree came out of savings, the net withdrawal of which over the year amounted to no less than £131 million or £40 million more than a year ago. However, the shopkeepers were not concerned with whether or not the public were spending wages or savings, and the general conclusion was that a good deal of the lag in retail sales, which so sadly distinguished the first ten months of this year (a shortfall of 8 per cent., as compared with the same period in 1951) had been made up by the time the shops shut on Christmas Eve.

The truth of the matter appears to be that the public have got so used to being told that they are living in grim days of crisis that they are beginning to take it all with a grain of salt, unless they have something positive to fasten their fears to. Earlier this year, there was the very real textile slump, prices had been advancing at a speed that set up a consumer's resistance, and unemployment had risen steeply to a total for Great Britain of 470,000 out of work in April. Since then, unemployment has decreased and ends the year with 406,000, or only 27,000 more than a year ago, while, even in the heavily-hit textile trades, employment is within 10 per cent. of its figure of a year ago. Drastic price cutting has been one thing helping to restore demand and big Government orders another.

Government Spending

Government spending indeed—in spite of the policy of deflation—has contributed to the recovery in the level of production to nearer the level of a year ago, for, oddly enough, the Government, by running a deficit for the first nine months of the financial year approaching £1,000 million (half as much again as a year ago) has reversed, in practice, a good deal of deflationary principle. It is true that, by the end of the year, the Government estimates that the overall deficit, including capital expenditure, will be less than in 1951-52 by some £125 million, but ordinary expenditure has already increased by £230 million for the nine months, against the budgetted increase of £130 million. On the other hand, income is down and looks likely to stay down, as a result of the business recession earlier in the year, and the delayed action of the tax changes in the last Budget.

So, though in the first full year of the new Government's credit restrictive policy, bank advances to business are down by £200 million or 9 per cent., the Government's own deficit is up by £350 million and, over the whole economy, there is very little deflation to be felt. The production index is now running within 5 per cent. of its level last year, commodity prices have dropped 10 per cent. over the year, retail prices have stopped rising, and even the industrial share index has been bumping happily along the top of its recovery to pretty near the level at the start of 1952. There is not much in this to stop either public or business men from going about their business in a reasonably hopeful spirit, and even the Government has been regaining some of its lost post-election popularity.

But what of the future? A good deal of the prosperity is based on rearmament and the fear of war itself threatens the prosperity. The cynics are inclined to say that, provided the cold war gets no hotter and the Government is content to boost industrial activity with just the right amount of rearmament and provided the U.S. continues to trickle dollars in, there is no reason why 1953 should be any worse than 1952. But, apart from the prospect of currency earn-

(Continued in previous column)

BANK ADVANCES IN SECOND QUARTER OF 1952

HIGHEST QUARTERLY REDUCTION FOR PAST THREE YEARS

THE customary survey of bank advances for the second quarter of 1952 prepared by the Reserve Bank of India's Research Department and published in the Bank's *Bulletin* for December, 1952, makes interesting reading. The highlight of the survey is the sharp decline of Rs. 69 crores to Rs. 606 crores in the total advances of commercial banks. This decline is the highest to be witnessed in any quarter for the past three years, and is the cumulative effect of a series of factors such as, the March slump, the cautious policy followed by banks in their lending operations and the early onset of the 1952 slack season. The fall was particularly heavy in advances to wholesale trade, which is only as it should be, considering the depressed state of markets in that period. Industrial advances also declined and the bulk of such decline was confined to cotton and jute manufacturing industries. Security-wise, the fall was the heaviest against merchandise, followed by those against "other" agricultural commodities and Government securities. Another feature revealed by the survey is the increase in bad and doubtful debts, probably reflecting the business difficulties arising from the fall in prices which had been particularly steep in the first quarter of the year. Thirdly, as the total deposits of commercial banks increased during the quarter by Rs. 23 crores, the ratio of advances to deposits dropped to a much greater extent than the volume of advances itself. Thus, from 77 per cent. in March, 1952, the ratio declined to 67 per cent. in June, 1952. Last but not the least is a rise of Rs. 9 crores in the documentary bills purchased and discounted, amounting to Rs. 67 crores. This rise compares with that of only Rs. 3 crores in the previous quarter and of Rs. 1 crore in the corresponding quarter a year ago and indicates conversion of some advance into bills under the new bill scheme introduced in January, 1952. Clean bills, on the other hand, declined by Rs. 12 crores to Rs. 10 crores.

Scheduled Banks

The total advances (including bills purchased and discounted) of Scheduled Banks alone declined, during the quarter under review, by Rs. 68 crores to Rs. 564 crores. A year before they stood at Rs. 584 crores. The ratio of advances and discounts to deposits came down to 67 per cent. from the record level of 77 per cent. in the previous quarter.

A purpose-wise analysis of these advances discloses that commercial advances fell substantially by Rs. 50 crores, as compared with a decline of Rs. 16 crores and Rs. 21 crores during the corresponding quarters of 1951 and 1950, respectively. Their proportion to total advances also declined, but only by three points from 50 per cent. to 47 per cent. There was a marked drop in advances to wholesale trade in agricultural commodities of Rs. 15 crores, in contrast to a rise of Rs. 7 crores in the corresponding quarter of 1951. Advances to shroffs fell by two-thirds to Rs. 4 crores and to banking and financial institutions by Rs. 9 crores to Rs. 25 crores. Advances to wholesale trade in non-agricultural commodities receded by Rs. 10 crores to Rs. 78 crores.

In the structure of Scheduled Bank credit, advances to industries are increasing in importance. Although during the quarter under review, the absolute volume of advances declined by Rs. 22 crores to Rs. 211 crores, their percentage to total advances rose from 35.7 to 37.4. The fall in advances to cotton and jute industries amounted to Rs. 8 crores. The drop was also visible in advances to other textiles and sugar industries. But there were minor increases of Rs. 1 crore each in advances to engineering, chemicals, dyes and paints industries and industries connected with public utility services. Agricultural (including plantation) advances formed 4 per cent. of the total, the bulk of them being against commercial crops. Personal and professional advances declined by Rs. 2 crores to about Rs. 41 crores.

The secured advances of Scheduled Banks formed 87.6 per cent. of the total, as against 88.8 per cent. at the end of June, 1951. Advances secured against merchandise receded by Rs. 30 crores to Rs. 315 crores. The fall was mainly noticed in respect of advances against "other" agricultural commodities and non-agricultural commodities. Advances against foodgrains rose by Rs. 5 crores to Rs. 20 crores. This is presumably due to greater recourse to banks in the wake of relaxation of food controls. Advances against Government securities dropped by Rs. 13 crores to Rs. 40 crores. Loans against shares of joint-stock companies were again lower by Rs. 4 crores. There was a rise in the number of borrowing accounts against ornaments, suggesting an expansion in the number of persons needing credit for consumption purposes. The volume of such advances, as well as those against gold and silver bullion, was, however, smaller.

Major Indian Scheduled Banks

As much as 62 per cent. of the total reduction in Scheduled Bank credit was accounted for by the 11 major Indian Scheduled Banks. The share of these banks in the total advances remained steady at 57 per cent. The actual fall in the advances of these banks was Rs. 25 crores to Rs. 130 crores. Half of this fall was in respect of advances to banks and financial institutions. The major banks' advances to industry represented 65 per cent. of the total Scheduled Bank credit to industry. They fell by Rs. 15 crores to Rs. 143 crores during the quarter. Personal and professional advances declined by Rs. 1 crore to Rs. 24 crores. Their advances against merchandise decreased by Rs. 18 crores to Rs. 187 crores. Their advances against Government and trust securities also declined by Rs. 12 crores to Rs. 36 crores. Unsecured advances went down by Rs. 8 crores, while advances against documentary bills rose by Rs. 15 crores to Rs. 34 crores.

Exchange Banks

Advances of Exchange Banks amounted to Rs. 179 crores, as against Rs. 199 crores at the end of March, 1952, a decline of Rs. 20 crores. Their share in the total Scheduled Bank advances, however, increased further by three points from 29 per cent. to 32 per cent. The ratio of loans and discounts to their deposits declined from 122 per cent. in the first quarter to 105 per cent. in the second quarter. This indicates the repayment of funds transferred earlier from abroad. The entire deduction in advances took place in commercial advances and that too mostly in advances to wholesale trade in cotton, and oilseeds. Advances to jute trade, however, increased from Rs. 8 crores to Rs. 12 crores, and to banks and financial institutions from Rs. 7.4 crores to Rs. 8.4 crores. Industrial advances, however, declined by Rs. 6 crores to Rs. 51 crores. The fall was mainly in respect of loans to cotton, jute and other textile industries. Production credit to agriculture doubled to Rs. 17 crores and formed 74 per cent. of the total Scheduled Bank credit to agriculture. This high percentage is due to the great interest taken by Exchange Banks in the plantation industry.

The percentage of secured advances to total advances was 82. Two-thirds were against merchandise, amounting to Rs. 107 crores. Documentary bills purchased and discounted by Exchange Banks declined by Rs. 7 crores to Rs. 29 crores and clean bills by Rs. 2 crores to Rs. 1 crore.

Advances made by smaller Scheduled Banks amounted to Rs. 65 crores, as against Rs. 71 crores in March, 1952. Their industrial advances were more or less steady, while commercial advances declined by Rs. 5 crores, chiefly under wholesale trade. Almost the entire increase in the number of borrowing accounts under "other" agricultural credit and personal and professional advances noticed in respect of Scheduled Banks, as a whole, is accounted for by these banks.

Non-scheduled Banks

Total advances of Non-scheduled Banks amounted to Rs. 41.4 crores or 7 per cent. of the total advances of all commercial banks. The ratio of their advances to deposits at 66 per cent. was more or less the same as for Scheduled Banks as a whole. Two-fifths of their advances were commercial, while industrial advances accounted for less than one-fifth. Commercial advances, were steady at Rs. 17 crores, while industrial advances declined by Rs. 148 lakhs to Rs. 7.6 crores. Advances to wholesale trade in agricultural commodities increased by Rs. 15 lakhs to Rs. 3.8 crores. A feature of note in the case of these banks is that although personal and professional advances remained unchanged at Rs. 11 crores, the number of borrowing accounts declined by Rs. 25,000. This suggests that these banks must have been following a more cautious policy in the extension of personal loans. Nearly three-fourths of their advances were secured. Their advances against merchandise declined by Rs. 19 lakhs to Rs. 8.1 crores. Their merchandise and real estate loans each accounted for one-fifth of their total advances and gold, silver and ornaments for about one-sixth.

By and large, the rates of interest charged by Exchange Banks hardened further, while those of major Indian Scheduled Banks remained steady. The increase in rates reported by Exchange Banks ranged from ½ to 1 per cent. in respect of advances against Government and trustee securities, shares, merchandise, real estate and fixed deposits with the lending banking company. Major Indian Scheduled Banks also reported higher rates of interest on loans against shares, real estate and fixed deposits, the general structure of rates, however, remaining unaltered. In spite of the increase during the quarter under review, the rates of interest charged by Exchange Banks on loans against all the principal types of securities were lower than those charged by Indian banks by ½ to 1 per cent., as will be seen from the following table:

(Rate Per cent.)

Type of Security	End of	Exchange Banks	Major Indian Banks
Government and Trustee Securities	June 1951	1¼–4	3½–6
	June 1952	4–6	4–6
Bullion including gold and silver ornaments	June 1951	2½–7½	4½–6
	June 1952	3½–6	4½–6
Shares of joint-stock companies	June 1951	3½–6	4½–7½
	June 1952	4½–6	4–6
Merchandise			5–6½
(i) Pledged	June 1951	3–5	3½–7
	June 1952	4–6	
(ii) Hypothecated	June 1951	3–6	4–7
	June 1952	3½–6	3½–6½
Real Estate: other properties	June 1951	4–6½	3½–7
	June 1952	4½–6	3½–7
Other secured advances	June 1951	3½–6	3½–8
	June 1952	3½–6	4–6
Clean advances	June 1951	1½–6	4–9
	June 1952	2½–6	4½–9

A THOUGHT FOR 1953

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HONGKONG AND SHANGHAI BANKING CORPORATION

The Directors of the Hongkong and Shanghai Banking Corporation have, subject to audit, declared a final dividend of £3 per share, free of Hong Kong corporation profits tax, for the year ended 31st December, 1952, which is the same as that paid for the previous year. As in the previous year, a sum of H.K.$3,000,000 has been written off Bank premises, leaving to be carried forward about H.K.$9,489,000 to the next year.

HYDERABAD STATE BANK

MORE CREDIT EXTENDED TO AGRICULTURE

THE year 1952 may well be termed a period of difficult working conditions for banks in India, especially for banks with modest resources. The tight money conditions witnessed during the first four months of the year, the fall in commodity prices, the general shake-out of confidence among business men, the decline in the purchasing power of the public, the prolongation of the slack season, were all factors which were not conducive to increase the profitability of banking. The financial results of the Hyderabad State Bank (Managing Director: Mr. K. P. R. Menon, Hyderabad-Deccan) for the year ended 30th September, 1952 (which coincides with a major part of the year 1952), reflect to a large extent the effects of these factors. The gross profit of the Bank for the year under review shows a shrinkage from Rs. 26.41 lakhs for 1950-51 to Rs. 21.56 lakhs. The additions to the Bank's reserves have, therefore, to be reduced and the return to the shareholders pruned from 6 per cent., made up of a dividend of 5 per cent. and a bonus of 1 per cent., to a dividend of 5 per cent. which is the same as that paid for 1948-49.

The following comparative table presents the Bank's progress in recent years:

(In lakhs of O.S. rupees)

	For the year ended 30th September			
	1952	1951	1950	1949
Interest and discount	43.69	42.45	42.92	
Commission and exchange	11.65	8.67	6.83	N.A.
Interest paid	8.29	1.43	1.29	20.61
Expenses	25.33	23.31	22.59	16.94
Profit	21.56	26.41	25.87	1.03
Depreciation	1.38	0.98	0.85	1.75
Taxation	5.50	3.75	3.50	7.50
Reserve fund	7.50	13.25	13.00	
Pension fund	0.50	0.50	0.50	
Bonus to staff	2.70	3.15	3.15	3.18
Dividend	3.75	4.50	4.50	3.75
	(D. 5%)	(D. 5% + B. 1%)	(D. 5% + B. 1%)	(D. 5%)
Carry forward	1.50	1.37	1.09	0.73
	As on 30th September			
	1952	1951	1950	1949
Paid-up capital	75.00	75.00	75.00	75.00
Reserve fund	70.00	62.50	49.25	28.75
Deposits from—				
Public	7,61.58	8,59.51	9,79.46	9,35.93
Government	6,24.75	9,70.77	7,66.89	5,12.75
Total deposits	14,36.33	18,30.28	17,46.35	14,48.68
Borrowings	4,00.00	..	3,16.67	7,29.17
Advances and bills discounted	8,92.60	8,10.21	6,39.16	4,34.51
Ways and means advances to Government	..	..	1,16.67	7,29.17
Investments	6,36.58	5,42.02	5,68.68	5,69.99
Cash	4,73.23	6,45.47	7,02.36	6,48.01
Balance-sheet total	20,67.11	20,89.59	22,45.45	23,27.03

N.A.—Not available.

A study of the balance-sheet of the Bank, as on 30th September, 1950, the main particulars of which are given in the above table, and the Chairman's address to the shareholders, shows to what extent the activities of the Bank have been extended in order to help the agriculture and trade of the State. The deposits of the Bank as at the end of the year, show a contraction of Rs. 3.94 crores. The deposits from the public have fallen by Rs. 97.93 lakhs, while those of the Government have fallen much steeper, by Rs. 2.96 crores to be precise. This, according to the Chairman, Dr. G. S. Melkote, is due to the "manifold drafts on Government's financial resources which have had to be met and to the shorter supply of money." As a consequence and in order to maintain the Bank's ability to provide the finance, for which the agricultural and business community of the State are dependent upon the Bank, it had to borrow large sums from other banks, the outstandings on that account at the end of the year being Rs. 4 crores. These borrowings were all secured by the Bank's investments in Government securities.

The Bank's advances show a rise of Rs. 82.39 lakhs over the year. "Prudence and elasticity" characterise the Bank's lending policies in respect of advances in the districts for the finance of agricultural commodities. "Customers have been largely saved," we are told, "from the consequences of the steep fall in prices and have been enabled to meet their liabilities in full." Investments of the Bank are higher by Rs. 94.56 lakhs. Of the total investments of Rs. 6.37 crores, those of the State Government amount to Rs. 5.61 crores. Though the market for the State Government securities is limited, the Bank is endeavouring the make them popular over a wider area and some important measures in this direction will be taken in the current year. In the meantime, the Bank continues to purchase these securities, though on a very restricted scale, when it is satisfied that the sale is justified by the tenderer's personal circumstances. These securities at their present market rates are, it is stated, much superior, in point of yield, to Central Government and other State loans.

The future role of the Bank in the State is better described in the words of its Chairman, Dr. Melkote, who referred to it in his speech at the recent annual general meeting of the Bank:

"Government have declared that it is their intention to withdraw Halli currency as from the 1st April, 1953. This, of course, cannot be brought about merely by the saying and it will take some time. In the whole arrangement, the Hyderabad State Bank occupies the central position. I.G. Currency chests of the Reserve Bank have already been placed in the custody of the Bank at all its branches; these chests will have to be expanded. Further, the negotiations with the Reserve Bank of India mentioned by my predecessor last year on the basis of the Rural Banking Enquiry Committee's Report are now at an advanced state. Although I am not at present free to disclose the trend of these talks, I may assure you that the Bank will continue to have a very important place."

BANK PROFITS

The preliminary statements of bank profits of some leading banks for the year ended 31st December, 1952, published so far, confirm our conclusion, indicated in our latest *Annual Review Number*, namely, that profits, especially of big banks, for 1952 would not show any marked setback necessitating a cut in their dividends. It is true that the trend of profits is not uniform, but whatever the variation, such has not been marked. Thus, of the three banks, namely, the Imperial Bank of India, the Bank of India Ltd. and Devkaran Nanjee Banking Co., Ltd., which have published their results for 1952, only the Imperial Bank of India has been able to report a slightly higher profit, while the profits of the other two are a shade lower. But all of them have maintained their dividends at the rates paid for 1951.

Imperial Bank of India

Although the Imperial Bank of India publishes only half-yearly profit figures, a compilation of the figures for the whole of 1952 discloses that the profit has gone up by Rs. 3.27 lakhs, as compared with that for 1951. The profit for the half-year ended 31st December, 1952, amounts to Rs. 63,27,500, as compared with Rs. 62,36,700 for the corresponding half-year of 1951, thus bringing the profit for the whole of 1952 to Rs. 1,33,34,600 which compares well with Rs. 1,30,07,600 for 1951. With the sum of Rs. 43,17,000, as against Rs. 48,72,000 brought in from the previous year the distributable sum is, however, now lower at Rs. 1,76,51,600, as compared with Rs. 1,78,80,200 a year before.

The following statement reveals how the profits for the two years have been appropriated:

	1952 Rs.	1951 Rs.
Net profit	1,33,34,600	1,30,07,600
Brought in	43,17,000	48,72,600
Total ...	1,76,51,600	1,78,80,200
Reserve fund ...	—	2,50,000
Pension fund ...	5,44,200	5,63,200
Bonus to staff ...	39,00,000	37,50,000
Dividend	90,00,000 (16%)	90,00,000 (16%)
Carry forward ...	42,07,400	43,17,000

It will be noted that the Directors have not added anything to the reserve fund, whereas in the previous year they had added a sum of Rs. 2.50 lakhs out of the profit for the first half of 1951. For the third year in succession, the dividend has been maintained at 16 per cent. per annum.

Bank of India Ltd.

The profit of the Bank of India Ltd. amounts to Rs. 77,50,937 which falls short of that for the previous year, at Rs. 79,55,048, by Rs. 2,04,111. The provision for taxation has been raised from Rs. 25,00,000 to Rs. 31,00,000. The increase in the provision for tax, in spite of a fall in the profit, is probably due to the absence of any loss suffered by way of depreciation in the value of Government securities which in the previous year might have reduced the tax liability of the Bank. Whereas in the previous year the provision for investments in Government and other securities absorbed a sum of Rs. 12,00,000, there has been no such provision this year. The interim dividend of 6 per cent. paid for the half year ended 30th June, 1952, took up Rs. 15,00,000, that is, Rs. 3,00,000 more than that distributed for the corresponding period of 1951, on account of the increase in capital from Rs. 2 crores to Rs. 2.49 crores. The final dividend proposed for the half-year ended 31st December, 1952, is the same as that paid for the second half of 1951, but it is again on the increased capital of Rs. 2.50 crores, as against Rs. 2.49 crores, so that the amount required for this purpose is Rs. 20,00,000, or Rs. 14,970 more than that a year ago. A sum of Rs. 17,11,553 is proposed to be carried forward which compares with Rs. 5,60,616 brought in; but this is subject to the payment of bonus to staff, for which purpose a sum of Rs. 10,00,000 was utilised in the previous year.

Dena Bank

The profit of the Devkaran Nanjee Banking Co., Ltd., subject to audit, amounts to Rs. 6,14,969, which represents a decline of Rs. 41,626 from that for 1951. After bringing in Rs. 1,38,594 (Rs. 81,992), the Directors have appropriated the distributable sum by placing Rs. 1,50,000 (same as in the previous year) to the reserve fund, Rs. 50,000 (Rs. 50,000) to investment reserve, Rs. 25,000 (Rs. 25,000) to bank premises depreciation, Rs. 55,755 (Rs. 49,992) to furniture depreciation and Rs. 1,50,000 (Rs. 1,50,000) to taxation account. A sum of Rs. 1,75,000 is proposed to be utilised for paying a dividend of Re. 1-12 per share or 3¾ per cent. per annum, free of income-tax, which is the same as that paid for 1951. The sum left to be carried forward is Rs. 1,47,808 (Rs. 1,38,594).

SAVINGS AND INCENTIVES

NEW IDEA MOOTED IN BRITAIN

(*From Our Own Correspondent*)

LONDON, 10*th January*

RECENTLY, the *Economist* has begun a campaign on the importance of additional savings to the industrial development of the country and this campaign has been taken up in several other journalistic quarters. The crux of the argument is that national investment last year was under £2,000 million gross, approximately 15 per cent. of the total national income and that this amount was by no means sufficient to provide all the additional industrial equipment which the nation needs, particularly to maintain its competitive efficiency in exports. Similarly, it is low, as compared with the estimated volume of national investment in, for example, the United States of America and the U.S.S.R.

It is argued that there is a growing danger that investment will come increasingly out of Government budget surpluses; but, although the *Economist* saw a danger here that funds would be available for nationalised industries to the exclusion of other forms of enterprise, this is not so, for a budget surplus is used automatically in the redemption of one form or another of Government debt. Accordingly—unless the Government wishes to supply funds directly to some other purpose—the money represented by the surplus finds its way to the money market, using this phrase in its widest sense. That is, a Government budget surplus automatically means the replacement of debt in the hands of the public by funds. From a national point of view, there is, therefore, nothing disadvantageous about this form of forced saving. The Government is, in fact, saying to the nation that one way in which it can be sure that money will be saved is to do the saving itself out of taxation and then, by drawing on Government debt, oblige the former holders of that debt to think again as to where they shall put their money.

The second principal form of savings to-day is institutional saving which is necessarily made out of the residue of taxed profits. This saving is one of the principal ways in which companies finance their own development and naturally it is not an important contributor to the capital of industries other than those in which the saving takes place.

We are finally left with savings by private individuals which may take the form of Stock Exchange investment, but, the small savings usually take the form of investment through the Post Office or one or other of the Government channels provided. It is this form of saving which the *Economist* wants to see expanded. Money saved through these channels naturally can only find its way to industry in the same way as money saved through a budget surplus and it is somewhat illogical to find the *Economist* decrying the first form while advocating the second.

New Idea

What does cause general concern is that this last form of national savings is at present negative. In the nine months April/December of 1951, dis-saving under this head totalled £90 million, and, in the same period of 1952, £120 million, principally as a result of withdrawals from Post Office savings greater than new savings. There are two reasons for this lack of interest in saving. The first is the obvious one, that the public have not enough spare cash to save; but the second is that the incentives to save are absent at a time of rising prices. The National Savings movement in this country is constantly advocating greater and greater savings, but, in the last five years since 1947, the cost of living has risen by one-third, reducing the capital value of £100 savings to £67 and more than wiping out the interest accumulated over that period (£12½). At a time of rising prices, there is a natural reluctance to hold on to savings which are a depreciating asset and the suggestion has been put forward, from time to time, that the best way to encourage small savings through Government channels is by linking them to a cost of living index so that their capital value, should they be realised, can be calculated periodically to relate them to changes in the cost of living. Thus, the £100 invested at the end of the war would now be repaid as £133, the extra £33 being treated as capital and not as income. After all, saving is a matter of weighing the advantages of holding on to money against the desirability of spending it and an incentive which ensured that the money saved would not depreciate in value might be a remarkable impetus to new savings.

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OUTLOOK FOR WOOL BRIGHT

RISING TREND IN WORLD CONSUMPTION

THE wool textile industry had to face till recently depressed conditions. The offtake had not been particularly encouraging. Apparently, this situation has already changed for the better, considering that the expert body, the International Wool Study Group, which met recently in London, was unwilling to concede that there was any urgent problem to be solved. This decision has no doubt been prompted by the improvement in the demand for wool, which has been perceptible in more recent weeks. Presumably, the Group takes a more optimistic view of the future, at least of the immediate future of the wool textile industry.

The consumption of wool, according to the latest figures available, has been running at an annual rate of 2,260 million lbs. (clean), which compares with 2,050 million lbs. per annum in the third quarter of 1951. Wool consumption in the 11 chief manufacturing countries, which had touched the lowest point, namely, 338 million lbs. during the recession in the third quarter of 1951, rose to 380 million lbs. in the same period last year. At that point, world consumption was officially estimated at 16 per cent. more than the annual average for five years before the war, but 16 per cent. below the peak year of 1950.

Consequent on the improvement in the world demand for wool, conditions in the world market for wool have remained fully firm. Thus, the first half of the Australian wool selling season has closed on a very strong note, while South African wools are extremely firm and New Zealand cross breds are now back to the strong opening levels of early November, 1952. Against such firm raw material background, the Bradford market for tops and yarns is one of the strongest seen this season and has been displaying a progressive price trend against buyers. Yorkshire had led the world buyers during the past four months, followed by the Continent and Japan. The market has shown "generally firm and stable" conditions, despite the fact that the U.S. buying influence has been less powerful. The wool textile business in Britain is reported to be staging a progressive, though unsensational, recovery, for mill output is sold for several months ahead. The price for oilcombed tops at Bradford on 22nd December, 1952, was, on an average, 24 per cent. above that on 20th March, 1952, but, as compared with the peak levels prevailing in March, 1951, they were still lower by as much as 64 per cent.

It will, however, be difficult to say precisely whether the present trend in world wool prices will be maintained for long. Equally difficult is the task of predicting whether or to what extent there will be a further recovery in prices. In the immediate future, however, the stability of the wool market will be determined by the rate of liquidation of the South American stocks. Argentine and Uruguay together are believed to hold about 200 million lbs. (clean) of wool in excess of their normal carry-over. This, coupled with the current (1952-53) season's wool clip of 2,325 million lbs., will result in the total supplies available rising to over 2,500 million lbs., as against the present rate of consumption of 2,350 million lbs. Thus, only a modest further increase in consumption is needed to maintain the balance between production and consumption.

Will this balance be maintained? There are some indications to suggest that it will be. For instance, stocks of wool, especially Dominion wool, have been reduced. Wool warehouses in consuming countries carry less than their normal requirements, as importers, having lost large sums of money on stocks during the period of the fall in prices, are extremely cautious in their approach to the market. One result of this is that many firms may not be able to obtain delivery as quickly as they wish and this very fact will tend to stimulate further demand. The quantity that will be purchased by the stockholders to replenish their stocks is estimated at about 50 million lbs.

Another factor that reflects a rise in the demand for wool is the rising tide of trade and employment in wool textiles. Thus, the wool textile industry of Britain has found it necessary to recruit several thousand more workers. Further, at the close of 1952, many mills were found selling their output up to the middle of 1953 and, in some cases, even beyond. This, it is claimed, represents a return to more seasonal buying. To quote the International Wool Secretariat, "the British wool textile industry is as well employed as at any stage of the previous two years and orders already on the books ensure healthy activity for some months ahead. This situation has its counterpart in several other of the leading wool consuming countries, though not in all instances is the improvement as marked as in Britain." Incidentally, it may be noted that the British Government intends to buy about 50—60 million lbs. of wool for its stockpile. This will certainly help bridge the gap between world consumption and supplies of wool.

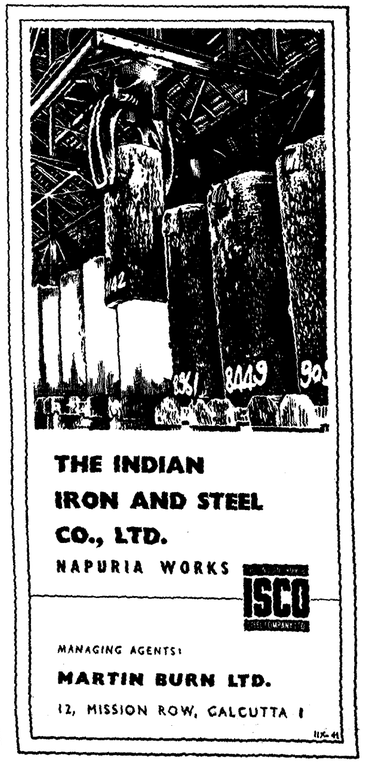
But to revert to the trend of world wool consumption. The total quantity of wool consumed during the year 1952 amounted to 2,250 million lbs. (clean). The U.S. remains the world's largest area of wool, with an estimated consumption of 468 million lbs. per quarter. The U.K. takes second place with 368 million lbs., followed by France with 188 million lbs. For the next three places, there is close competition between Japan, the German Republic and Italy, which account for 118 million lbs., 115 million lbs. and 106 million lbs., respectively. The rise in the consumption of wool in Japan has been very rapid, the rate of consumption being almost double that in early 1951. Among the other important wool consuming countries are: Belgium (54 million lbs.), Australia (34 million lbs.), the Netherlands (26 million lbs.), Canada (25 million lbs.) and Sweden (11 million lbs.).

An interesting feature of the increases in world consumption of wool is that it does not necessarily imply an exactly similar increase in the world output of wool textile products. For the latter has been accompanied by a somewhat corresponding fall in the use of alternative fibres by the wool textile industry. The inference here is that, as wool prices have subsided to lower and more attractive commercial levels, the wool textile industry has used larger proportions of virgin wool in its products and smaller quantities of alternative fibres which are usually used as "cheapening elements" during the period of extremely high wool prices.

EXPORT OF CLOTH

The Government of India has extended the duration of the free licensing of cloth for exports by a further period of three months, that is, upto the end of June next. This decision is one more indication to suggest—it was only the other day that the export duty on coarse and medium cloth was reduced from 25 per cent. to 10 per cent. ad valorem—that the Government is anxious that exports should reach the target of 1,000 million yards.

The chief consideration which has weighed with the Government in taking the above decision is evidently the considerable improvement in the internal cloth supply position. The production of all varieties of cloth has been very much better and this trend may be expected to be maintained in the coming months, thanks to the possibilities of raw cotton supplies being available in sufficient quantities. In view of this, and also of the buyers' market the world over, there is little danger of cloth supply falling below demand or of prices rising to higher levels. It is, therefore, strange that the Government of India should have limited the duration of the free export policy only up to the end of June next. The Government will do well to examine the question of continuing the present policy even beyond that date. An early announcement to this effect will enable Indian exporters of cloth to book, in advance, large orders for cloth in overseas markets.



JAPAN'S TEXTILE EXPORTS

Renewed efforts are being made, by both the Government of Japan and the cotton mill industry in that country, to regain the predominant position which Japan once held in the world textile trade. One of these efforts relates to the establishment of a Government "purchasing agency", with a view to stabilising textile prices and promoting exports. The proposed agency, according to Mr. Kojiro Abe, Chairman of the Japan Cotton Spinners Association, is to be "unlimited partnership", composed of the "Big Ten" spinning companies and others. The agency will be entrusted with the sole task of purchasing cotton goods; it will specialise in purchasing and not financing. For conducting its operation, the agency will require, it is estimated, about 10,000 million yen. This amount will be raised through commercial channels, as the Government credit is said to be not available immediately.

Simultaneously with the above decision, the Japanese Government has also announced its policy in regard to raw cotton purchases for the current year (beginning July, 1952). Accordingly, the original schedule of raw cotton purchases has been lowered by 50,000 bales to 1,800,000 bales. The reduction applies only to American cotton, the quantity to be purchased being 1,050,000 bales, as against 1,150,000 originally fixed. The purchase target for non-American cotton, however, has been placed higher at 750,000 bales, as against 700,000 bales. This target comprises 400,000 bales of Pakistani cotton, 80,000 bales of Brazilian, 20,000 bales of Argentinian, and 250,000 bales of Egyptian, Indian and other varieties. An important change in the procedure governing imports of non-American cotton has been made (with retrospective effect from 26th October, 1952) namely, the transfer of authority from the automatic import approval system to the foreign exchange allocation system.

It will be interesting to note, in this connection, that, despite the heavy and continued fall in sales, Japan is reported to have topped the list of world cotton cloth exports in 1952. The aggregate quantity which this country exported in 1952 is estimated at 789.13 million yards, which compares with 754.00 million yards by the U.S., 704.10 million yards by Britain, and 467.70 million yards by India.

TEXTILE STORES AND MACHINERY DIRECTORY, 1952-53

So scattered is the information relating to textile stores and machinery that to bring out an all-India directory, dealing with the various subjects connected with this important sector of textile economy, is by no means an easy task. The efforts of the Association of Merchants and Manufacturers of Textile Stores and Machinery, India (Bombay), in publishing a directory of this kind are, therefore, very commendable. The *Directory* is a comprehensive publication on the subject, inasmuch as it covers, not merely the stores and machinery aspect, but the whole of the textile industry itself, cotton, wool and silk. The special articles contributed to this *Directory* fall under three categories, namely, the general section, the trade and industry section, and the section devoted to the study of technical subjects. Among articles in the general section, special mention must be made of two interesting ones on textile finance and handloom industry, written by Mr. R. V. Murthy and Dr. B. V. Narayanswamy Naidu, respectively.

The *Directory* contains a comprehensive article-wise list of manufacturers and sellers of textile stores and machinery, classified according to countries. The utility of the publication is also enhanced by the inclusion of trade information relating to associations, technical institutions, banks, insurance and steamship companies, etc. Indeed, the *Directory*, besides being an addition to the already existing literature, is also a useful book of reference on textile stores and machinery. Copies of the *Directory* (Price: Rs. 15) can be had from the Association of Merchants and Manufacturers of Textile Stores and Machinery, India, Wadia Building, Dalal Street, Bombay, 1.

The Government of India has informed the Madras Government that the latter's share from the proceeds of the cess on mill cloth for assistance to the handloom industry will amount to Rs. 1.25 crores. The State Government has been asked to utilise the amount for promoting research, investigating methods of popularising handloom products by introducing new patterns and popular designs and varieties. Subject to this requirement, the Government of Madras, it is stated, will be free to draw up schemes and take steps for the utilisation of the funds.

REACTIONS TO U.S. PRODUCTIVITY TEAM'S REPORT

SPINNERS SHOW BETTER PROFITS THAN WEAVING FIRMS

(From A Special Correspondent)

MANCHESTER LETTER

MANCHESTER, 6th January

HOWEVER accustomed they are to native bluntness and freedom of speech in criticising each other, many traders in Lancashire were indignant over the comments made by the American productivity team, whose report on our local industry was published immediately after the Christmas holiday. The first impression of the document was that the United States visitors had seen only the bad and none of the good in the industry. This opinion was emphasised by the rather one-sided reports which were available before the document itself came into the hands of the trade.

Now that the comments of the American team have been more widely digested, a more moderate view on the report can be taken. It certainly pulls no punches and the visitors state quite clearly what they think about parts of the Lancashire industry which, to their eyes, seem hopelessly out of date and opposed to change.

Whether the report contains constructive criticism is a point which the leaders of the Lancashire industry have questioned. Many people feel that the Americans have confined themselves too much to generalities and have failed to appreciate many of the problems which have arisen in a country beset by economic difficulties arising to a large extent from the aftermath of war. It is easy to criticise the absence of automatic weaving machinery in Lancashire, but even if the machines themselves could be obtained quickly, the finance to install them is beyond the reach of a trade which up to a dozen years ago was labouring through very adverse circumstances. The heavy burden of taxation in post-war Britain and the necessity to maintain an armaments programme of the present magnitude is a natural deterrent to unlimited spending of assets.

The different outlook among management and workers in American industry has been stressed in practically every productivity team report from Britain which visited the United States. It is, therefore, not surprising that the first team making the return trip sees the situation in reverse. They are alarmed at the "inertia" which they say they found in Lancashire. They comment on the "protection of the least efficient producers and the preservation of antiquated arrangements." Maybe there is some truth in these arguments, but the attitude of mind of men who spend a quick three weeks looking on the surface of our mills must of necessity be very different to the viewpoint of those who vividly remember the 20 years of depression which still haunts the cotton towns from the days before the war.

Not So Simple

Considering the difficulties involved, Lancashire has made a very commendable effort in re-equipping her staple industry in the post-war years. Mill profits have been high during this period but so has taxation, and managements have naturally wanted to build up reserves after the grim experience of the 1930's. It is not as simple a matter as our visitors from across the Atlantic seem to believe to scrap an industry based on non-automatic machinery in the weaving branch and on a very substantial proportion of mule spindles in spinning, and simultaneously replace the outmoded plant with new machinery. Both financially and from the viewpoint of production, it is an impossible project.

Despite the criticism which the report has aroused in certain quarters, it should not be thought that the Americans are wholly dissatisfied with what they saw. Their visit was necessarily a short one and in the time at their disposal the team could only visit a limited number of mills.

Average Profits

Despite the textile slump, average profits announced during 1952 by Britain's cotton spinning mills were almost as high as in the record-breaking year of 1951, and the average dividend paid out was bigger than in any year since 1920.

Average profits remained at £20,000 per company above the 1950 level and were more than double the gains made in 1949. This was mainly the result of good returns at the beginning of the year reflecting the final stages of the post-war boom. Reports in the second half of 1952 showed a sharp drop in earnings due to short-time and mill stoppages.

An analysis of trading results of cotton companies shows that the average profit of 83 spinning firms was £55,154 per company in 1952 compared with an average of £55,541 for 80 companies in 1951 and £35,166 for 74 concerns in 1950. The average dividend of 87 spinning mills last year was 21.51 per cent. against 21.26 per cent. for 86 companies in 1951. For the first time for many years all the mills concerned paid dividends.

Average dividend paid by 17 concerns combining spinning and weaving was 19.98 per cent. last year against 23.03 per cent. for the same companies in 1951. The whole of the 104 firms made an average distribution of 21.26 per cent. in 1952 against 21.68 per cent. in the previous year. All these companies now have credit balances aggregating £11,651,320, an average of £112,032. In 1951, 99 firms had credit balances amounting to £8,165,027 an average of £82,475.

That spinning companies weathered the textile storm better than purely weaving firms is shown by an analysis of 21 manufacturing firms whose total profits last year amounted to £1,676,574 against £2,530,369 in 1951. Average profits were £79,837 per company compared with £120,494 per company.

Dividends paid by these weaving concerns averaged 24.99 per cent. last year against 31.79 per cent. in 1951. Credit balances amounted to £1,963,012 against £1,720,972, an average of £93,477 per company compared with £81,951.

Earnings of the 13 leading cotton spinning and weaving combines and their subsidiaries fell last year from an overall total of £9,654,210 in 1951 to £6,942,055 in 1952. Average profit made by these groups, controlling more than 200 mills, was £534,004 last year, against £742,632. Their average dividend was 17.42 per cent. against 18 per cent., and credit balances amounted to £5,283,657 against £4,458,192.

Keeping Exports Up

Earnings from British cotton goods exports in November amounted to £10,963,131, a slight drop on the previous month and very substantially below the £18,442,283 recorded a year previously. For the 11 months exports of cotton yarns and manufactured goods were valued at £136,893,469 against £194,937,858 in the same part of 1951.

Overseas sales of piecegoods continued the revival noted since August by shipping 63,004,000 square yards of cloth in November. The total for 11 months reached 650,195,000 square yards, valued at £93,270,401, compared with 812,912,000 square yards worth £123,236,925 a year previously. The table below gives details:

Monthly average—	Piecegoods Sq. yds.	Value £	Average price per sq. yd. d.
1939	116,115,000	2,565,000	5.51
1949	75,298,000	8,869,000	28.07
1950	68,539,000	8,358,000	29.26
1951	72,096,000	11,595,000	38.67
1952 (11 months' average)	59,108,000	8,470,127	34.43
January	77,171,000	12,224,452	38.20
February	64,159,000	9,904,063	37.08
March	70,316,000	10,919,994	37.27
April	59,224,000	9,039,895	36.63
May	50,765,000	7,941,401	37.54
June	52,257,000	7,950,884	34.73
July	60,125,000	8,080,460	32.25
August	41,710,000	5,859,023	33.71
September	49,711,000	6,265,326	29.96
October	61,331,000	7,950,302	29.47
November	63,004,000	7,666,061	29.20

Empire markets continued to dominate the consumer field and main buyers for the 11 months were (in square yards, with 1951 comparisons): West Africa 155,351,000 (117,557,000); Australia 70,081,000 (156,359,000); South Africa 53,597,000 (110,588,000); Pakistan 41,465,000 (38,187,000) and New Zealand 29,192,000 (41,654,000).

Overseas Yarn Trade

Yarn shipments in November tended to fall away, although they remained better than the very low figures recorded in the middle of the year. Exports of 2,812,000 lbs. brought the 11-month total to 32,418,800 lbs., valued at £16,281,580—only just over half the 61,709,300 lbs., recorded a year previously when the value was £29,713,764. Latest position is shown below:

Monthly average—	Yarn Lbs.	Value £	Average price per lb. d.
1939	9,471,800	745,500	18.89
1949	6,838,400	1,962,500	68.86
1950	5,915,300	2,127,900	86.33
1951	5,547,900	2,548,500	110.46
1952 (11 months' average)	2,947,200	1,480,144	120.53
January	4,408,200	2,280,168	124.14
February	3,953,700	2,151,012	130.57
March	3,828,600	2,004,504	125.68
April	3,021,600	1,621,651	128.80
May	2,364,100	1,276,440	129.56
June	1,944,500	938,188	115.79
July	2,125,000	991,259	111.95
August	1,963,300	970,050	118.55
September	2,577,200	1,284,420	115.14
October	3,235,200	1,458,712	108.21
November	2,812,000	1,246,823	106.41

Main buyers of yarn spun in Lancashire mills for the 11 months were (with 1951 comparisons): Irish Republic 2,876,400 lbs. (4,802,300 lbs.); Pakistan 2,784,100 lbs. (3,268,000 lbs.); Australia 2,655,200 lbs. (9,158,900 lbs.); India 2,080,200 lbs. (452,200 lbs.) and West Africa 2,003,600 lbs. (1,887,500 lbs.).

Drastic measures to curtail imports have now caused arrivals of cotton grey cloth to shrink to around the level recorded before the post-war scheme of purchasing material abroad for processing in this country was established. In November imports were only 2,795,000 square yards, the lowest monthly total since May, 1947.

Imports in the 11 months totalled 142,028,000 square yards compared with 323,322,000 square yards a year previously. The current total is around the same quantity of cloth as was imported in 1947 and the suppliers are not dissimilar to that year. Japan has so far provided 68,382,000 square yards, Germany 21,712,000 square yards and Belgium 11,528,000 square yards. Supplies from India fell from 104,796,000 square yards in 11 months of 1951 to 9,872,000 square yards in 1952.

Imports of yarn have been equally restricted, arrivals in November being only 125,282 lbs., bringing the total for the 11 months to just over 7,000,000 lbs. compared with nearly 30,000,000 lbs. in the corresponding period of 1951. These imports cost below £2,000,000, whereas in the previous year they were worth nearly £10,000,000.—*All Rights Reserved.*

THE ANDHRA BANK, LIMITED
Estd: 1923
Head Office: MASULIPATAM
(A Scheduled Bank)
Paid-up Capital and Reserves over .. Rs. 36,73,500
Total Working Funds exceed .. .. Rs. 6,00,00,000
BRANCHES AT MADRAS
Mylapore Office — 77, Kutchery Road
Madras Branch — 322-23, Linghi Chetty Street
Thyagarayanagar Office — 87, Pondy Bazar
OTHER BRANCHES
Amalapuram, Anakapalli, Arundelpet (Guntur), Bapatla, Bhimavaram, Chirala, Eluru, Governorpet (Vijayavada), Gudivada, Gudur (Nellore Dt.), Guntur, Kakinada, Masulipatam, Narasaraopet, Nellore, Ongole, Palakol, Rajahmundry, Srikakulam, Tenali, Tuni, Vijayavada, Visakhapatnam, Vizianagram City.
SUB-OFFICES
Amadalavalasa (Srikakulam Dt.), Challapalli (Krishna Dt.), Duggirala, Gollaprolu, Gandhinagar (Vijayavada), Ichhapuram (Srikakulam Dt.), Jaggayyapet, Maharanipet (Vizag), Narasannapet (Srikakulam Dt.), Nidadavolu, Parvatipuram, Pedana (Krishna Dt.), Peddapuram, Pithapuram, Ramaraopet (Kakinada), Salur, Samalkot, Tirupati, Vinukonda, Kurnool, Anantapur, Cuddapah, Bellary.
ALL KINDS OF BANKING BUSINESS INCLUDING FOREIGN EXCHANGE TRANSACTED
T. ADEPALLY SRIRAMULU, Managing Director.
E. RAMACHENDRAMURTI, M.L. C.A.I.I.B., General Manager.

WORK OF EMPIRE COTTON GROWING CORPORATION

EMPHASIS LAID BOTH ON QUALITY AND QUANTITY OF CROP

THE impressive record of work carried out by the Empire Cotton Growing Corporation, during the last 31 years (it was first established in 1921) shows clearly that the Corporation has fulfilled, in ample measure, the high expectations with which it was brought into existence by the far-sighted pioneers in the cause of cotton. Although the Corporation was founded primarily to increase the quality and supply of cotton in Empire territories, in Africa in particular, it is noteworthy that the Corporation's work, especially in the research field, is of wider significance, in that it has proved of value to the cotton economy as a whole.

Some idea of the immense amount of good work which the Corporation has been able to do during the three decades of its existence, is provided by an illustrated pamphlet, *Empire Cotton Growing Corporation*, brought out by the Secretary to the organisation. Describing the genesis of this organisation, the pamphlet refers to the early years of the 20th century when the U.S. dominated the cotton position to an even greater extent than it does now. During 1902-06, the U.S. produced annually some 11.86 million bales or 82 per cent. of the total world production of 19.2 million bales of cotton. The only other producers of any note were India with 3.7 million bales, and Egypt with 1.26 million bales. Production in Africa, apart from Egypt, was only 8,000 bales or less than 0.05 per cent. of the world production.

It was to correct the excessive dependence of Lancashire on U.S. cotton that the Empire Cotton Growing Corporation was established in 1921 by a Royal Charter. It was stated in this charter that the Corporation was being established with the "object of extending and promoting, in the interests of our Empire, the growing and cultivation of cotton in our Dominions, Colonies, Protectorates, Protected States and in any country or place over which we have or may have any mandate or control." Thus, the Corporation's two main objectives are: (1) to increase production of cotton in the Empire, (2) to reduce the U.K.'s dependence on the U.S. for supplies of cotton. The Corporation has succeeded in achieving both these objectives. The production of cotton in countries, with which the Corporation is connected, has expanded to seven times the output in the period before the establishment of the Corporation as the table below will show:

(In bales of 400 lbs. each)

Years	Production
1918-21	117,000
1921-24	183,000
1924-27	382,000
1927-30	411,000
1930-33	459,000
1933-36	680,000
1936-39	829,000
1939-42	766,000
1942-45	595,000
1945-48	578,000
1948-51	923,000

The production of cotton, as the table above shows, increased steadily up to the outbreak of war, the reduction during and immediately afterwards being due to the need for devoting more land to foodcrops. The upward trend has since been resumed, however, and, in the year 1950-51, production was over a million bales for the first time on record. The following table shows the output of cotton in individual Empire countries with which the Corporation is connected:

(In bales of 400 lbs. each)

Territory	Production in 1950-51
Sudan	526,500
Uganda	346,400
Tanganyika	44,500
Kenya	13,800
Nyasaland	3,800
N. Rhodesia	*Nil*
S. Rhodesia	4,100
S. Africa and Swaziland ...	16,500
Nigeria	76,600
West Indies	6,100
Other Areas	14,700
Total ...	1,053,000

The increase in the output of Empire cotton, together with the increase in the cotton output in other countries, has reduced the dependence of the U.K. on American cotton supplies. Imports of cotton into the U.K. from the U.S at the beginning of the century represented some 75 per cent. of the total imports. This figure fell to an average of 64 per cent. in the five years 1921-25 and to 52 per cent. in 1928-32. Since the war, when financial considerations played such an important part, the reduction has been more marked. Imports from the U.S. during 1946-50 were only 27 per cent. of the U.K.'s total cotton imports. The importance of the territories with which the Corporation is concerned as a supplier of cotton to the U.K. has increased steadily with years, as will be clear from the fact that, whereas they supplied only 1 to 2 per cent. of the U.K.'s cotton requirements in 1921, they contributed no less than 23 per cent. of these requirements during the year ended 31st July, 1951.

The Corporation's total expenditure in the 31 years since it was first established has amounted to nearly £2½ million, of which some three-quarters of a million was contributed by the cotton industry by means of a levy, or in the form of a grant from the Cotton Board. Of the total of £2½ million, some £150,000 has been spent on cotton development in Sudan, £189,000 in East Africa (excluding the cost of the new Research Station), £250,000 in Central Africa, £73,000 in Nigeria and £25,000 in Australia; while the cost of the long-range research work in Trinidad amounted to £220,000 and that of the experimental and plant breeding work in South Africa was £418,000. Grants have also been made to research institutions in the U.K., where basic work is being undertaken which is likely to benefit agriculturists overseas. The Corporation, however, is not the only source of supply of funds for the development of cotton, for the Colonial Government themselves set apart funds for the improvement in cotton cultivation.

The Corporation is, of course, not interested only in increasing output of cotton. Its aim is to improve the quality of cotton also. On this aspect of the Corporation's work, the pamphlet says:

"The ultimate aim of the Corporation is to increase the yield of cotton lint whilst retaining the lint quality unchanged where it already meets the market demand, and improving quality where it does not do so. Much of the work of the Corporation has dealt with the production of new strains and there is good reason for this. Farmers everywhere, and the African is no exception to this, are quite naturally reluctant to adopt new methods, until they are certain in their own minds that they are an improvement on their present well-tried practice. It is, therefore, a slow and laborious task, involving much propaganda and supervision, to persuade the African peasant to change his method of cultivation, to use farmyard or artificial manures, or to spray or dust his cotton to reduce the damage from pests or disease. On the other hand, the introduction of a new and higher yielding variety calls for no change at all in existing methods, and as in Africa the seed is in nearly every case distributed free of charge by the Government, no question of extra cost to the farmer arises. Such methods, therefore, especially in the early stages, offer the greatest chance of an immediate return with the least dislocation to existing arrangements.

"Whenever new strains are being produced, it is essential to make sure that the lint will be suitable for the requirements of spinners and samples are sent to the Shirley Institute for spinning tests and reports on fibre characteristics. The results of these tests enable the cotton breeders to eliminate plants with poor lint and to concentrate their efforts on the most promising strains."

Such, in brief, are the activities of the Empire Cotton Growing Corporation which, during the three decades of its existence, has been able to make a notable contribution to the world's cotton economy. A special feature of this work is the emphasis on the quality of cotton, produced in the territories with which the Corporation is concerned, and this has been widely recognised by the requests which have been received for members of the staff to make advisory visits to report on cotton prospects or problems.

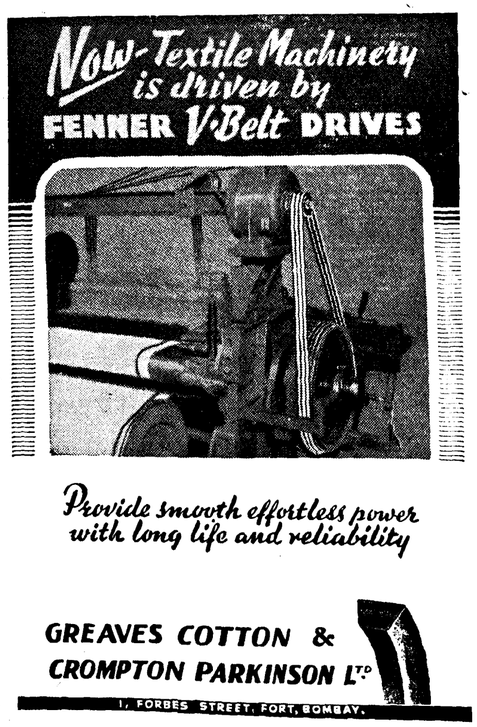
INDIAN COTTON CROP

The area under cotton for the 1952-53 season, according to the second estimate of the Ministry of Food and Agriculture, Government of India, is 12,304,000 acres, as against 12,343,000 acres of the adjusted corresponding second estimate for last year. Details, according to trade descriptions, for the current and last year, are as under:

(000's omitted)

Variety	1952-53	1951-52
Bengals	1,112	1,007
Americans	643	656
Oomras	4,287	4,097
Broach	853	810
Surti	489	367
Dholleras	1,314	1,170
Others	3,606	4,236
Total ...	12,304	12,343

The decrease in acreage under cotton has been shared mainly by Hyderabad, Madhya Bharat and Mysore and has been attributed to some decline in sowings due to lack of adequate rains from the middle of July to the third week of September, 1952. The decrease in acreage has, however, been offset considerably by increases registered mainly in Madhya Pradesh, Bombay, Uttar Pradesh, Saurashtra, Punjab and PEPSU, due partly to the efforts made to grow more cotton under the Integrated Production Programme and partly to favourable weather conditions at the time of sowing. This estimate mostly covers the period upto the end of September, 1952.



PROBLEMS FACING BRITAIN AND INDIA

SIR GEORGE SCHUSTER DRAWS PARALLEL AND SUGGESTS LINES OF CO-OPERATION

IT is seldom that this country gets the benefit of the impressions which a former British administrator of this country forms during his second visit. Not many of those old administrators visit India; and when they do, it is not always that they view our problems in the correct perspective and even if they do so, they do not give public expression to their views in this country. But Sir George Schuster, the ex-Finance Member of the Government of India, who is here again, seems to be a rare exception. His speeches in Calcutta and Bombay in the last few days entitle him to the distinction of one who knows this country and is capable of taking a detached view of Indian affairs, especially its economic affairs.

Here is a foreigner, who is aware of the enormity of our problems, and who is rightly unwilling to minimise it. But he is by no means a pessimist who believes that the problems cannot be solved merely because they are complex. Speaking at the Rotary Club, Bombay, this week on "India and Britain in the Modern World," Sir George addressed himself to three questions: Where do we stand? Where do we want to go? Can we help each other? He stated the problems which both countries face simply, frankly and in a forthright manner. He offered no quick solutions, no "cure-all" remedies. Both India and Britain, according to him, need to "become working communities and be guided by a philosophy of life which sees in work well done, the surest foundation for human happiness."

Where Do We Stand?

Answering the question, where Britain and India stand to-day, he referred to the abnormal transitional period through which both the countries had passed. He said:

"We both stand to-day at the end of an abnormal transitional period and at the beginning of a new phase. We both stand confronted with the need to make a supreme effort in conditions which may be different from those of the last few years. So far as concerns India, you have had a double transition—first, the transition from the old regime to Independence, secondly, the transition from war to peace conditions. You have had to contend with an overwhelming load of special problems: the problems of setting up a new system of administration throughout this vast sub-continent, the problems created by Partition, the problem of the refugees with its crippling financial burden, and all these on top of the accumulated arrears of tasks, resulting from the years of war and their effects on the indian economy. In spite of all this, your Government has produced order out of chaos, has maintained orderly administration and has been able not only to cope with the day-to-day tasks, but also to give profound and constructive thought to planning for the future. This, I feel, represents an achievement which deserves the admiration of the world, and which should give you confidence in your power to face new problems.

"But when one turns to economic results, one must remember that the conditions of post-war shortages and sellers' markets have provided during these last years opportunities for high profits and for the easy disposal of every kind of product, which cannot be regarded as normal. In the new period, which lies ahead, profitable operation will be much more difficult, and this will determine the character of your economic tasks in the new period which lies before you.

"To turn to the position of Britain. I do not want to weary you with a lot of figures, but I do wish to put before you a broad picture of the British achievement in these post-war years. Sometimes, we have been regarded by outside observers as a 'tired old country.' This is a totally wrong view. We have, in these last years, shouldered immense burdens—the burdens resulting from the war, the burdens of a most costly programme of social services, and the burdens of a vast programme of rearmament. We have shouldered these burdens and simultaneously we have accomplished something like a second Industrial Revolution.

"While some of our older industries such as cotton textiles have suffered a decline, both in production and exports, there has been a complete transformation in the group which I can describe as the metal using industries. In agricultural machinery, for example, something like a new industry has been created—output has been increased ten times (agricultural tractors from 18,000 to nearly 180,000 tractors, drawn ploughs from 6,000 to 62,000, and so on). Or, take the whole vehicle industry export figures. For commercial vehicles, annual exports have increased from 13,500 to 164,000, passenger cars from 54,000 to 410,000. Then there is the creation of a vast new oil refining industry, with all the ancillary developments for producing petroleum chemicals, solvents, detergents, plastics, new synthetic fibres, etc. Enterprise and initiative has not been confined to new industries. Steel production has been increased by nearly 50 per cent. over pre-war and our oldest industry—shipbuilding—has been very progressive. In agriculture, too, there has been revolutionary change. In 1939, we had 18 million acres of grassland and 13 million of arable; now the figures are exactly reversed, with 18 million of arable and 13 million grass. Finally, to complete the picture, we have been able to work up to an increase in exports of about 75 per cent. in volume over pre-war figures; the increase in value, of course, has been many times greater. These are not the achievements of a tired old country. They are the signs of energy and enterprise as great as any that we have shown in the past.

"But—and here I come to the crucial point—all this has been achieved in the abnormal post-war years when the whole world was short of goods and every producer could enjoy the easy conditions of a sellers' market. Now we stand at the beginning of a new era, and we have to ask ourselves: Can we maintain the volume of exports (on which our very life depends) in the conditions which lie ahead? And so I come to the close parallel between your position and ours when I try to answer my first question 'Where do we now stand?.' We both stand now confronted by the need to make a supreme intensive effort in the next few years."

Difference Between U.K. and India

Although Sir George agreed that there was a close parallel between India's position and Britain's, there was yet a difference, he pointed out, for India's problems were essentially 'internal,' whereas Britain's were essentially 'external.' He said:

"You in India, have essentially an internal problem. You have got to make a gigantic effort to build a new structure of production and lift yourselves up through a full and fruitful utilisation of your man-power to a higher standard of living. We, in Britain, have essentially an external and international trading problem and we have got to make a gigantic effort to improve and reorientate our existing structure of production to meet new conditions in our relations with the external world.

"In both cases, our two countries have managed to surmount a series of special problems in the abnormal conditions of the post-war years, but, in both cases, we stand now face to face with our fundamental problem which can no longer be evaded. Both of us have got to realise that present conditions have given a dominating significance to the need for improving material production and that we cannot meet this need unless we can organise an integrated national effort which will ensure the best utilisation of all our available resources."

Welfare State

Proceeding, Sir George pointed out how both countries wanted to establish a "welfare State," the destination to which both the countries wanted to travel. In this connection, he urged that the danger to-day was that welfare might be interpreted merely in terms of "material welfare." Giving his own ideas of a "welfare State," he remarked:

"I believe that the true meaning is best brought out by considering the contrast between 'Welfare States' and 'Power States.' The Power State thinks in terms of the greatness and power of the State; the Welfare State in terms of the welfare or happiness of its individual citizens. The danger to-day is that 'welfare' should be interpreted merely in terms of material welfare—that it should be regarded as a static condition which can have no reality unless a certain material *standard* is reached. Of course, certain minimum standards are necessary, and a great effort is now needed (especially in India) to improve material standards. But the essential spirit of a Welfare State can start to work even in a very poor country; and that essential spirit may be destroyed in a very rich one. According to my conception, a poor country in which every individual citizen is consciously and freely playing a worthy part in a collaborative effort to improve material conditions for the community, is much more truly a 'Welfare State' than a rich country in which high standards of material benefits are distributed to all by a Government acting as a beneficent Providence. We in Britain have certainly erred on the side of the second interpretation; but I think we are beginning now to move away from that error."

Emphasising the importance of what he called the dynamic conception of a welfare State and the dangers inherent in the static conception of mere material welfare, he said:

"The dangers are indeed of two kinds. The first is obvious and practical. If we start by laying down standards of material welfare, which—although they may be quite reasonable—may nevertheless involve an expenditure which is more than what a country is—at that stage—actually earning, then we may, at the very outset, bring our countries to economic ruin. Attempts to build a structure of social benefits before the economic foundations are soundly laid can bring nothing but disaster. The second danger goes deeper. If we concentrate only on material welfare, if all our actions are governed by purely materialistic conceptions, then, however successful we may be, we may destroy all that gives true meaning and purpose to human life—individual liberty, human affections and the appreciation of spiritual values.

"When I talk like this, I clearly get into the realm of ideas which cannot be adequately covered by easy and commonplace general phrases such as I have used. But I believe you will understand what I mean. And then I think you will agree with me that, on this matter, your people and mine have fundamentally the same outlook. We both think that the objective of Government should be conceived in terms of welfare of the individual citizens rather than of the power and greatness of the State. We both feel that true 'welfare' means something much more than mere material possessions."

Growing Population

Both Britain and India are faced with the problem of feeding their growing populations. Here is another parallel problem. Elucidating it, Sir George said:

"You have a population which is increasing at the rate of 4½ millions a year. You have no room to employ more people in agriculture and yet you are not to-day producing enough food to feed your existing population. If you cannot provide fruitful employment in industry for the working class of the 4½ millions that are added every year and produce the food on which they can live, then India must come to disaster. That would be true even if there were no threat of communism in the world. We in Britain have a comparable problem. We have to support 50 million people in our small island. We cannot live on our present basis, unless we can maintain a vast flow of exports to pay for our essential imports and, owing to our war losses, our exports need to be 75 per cent. greater in volume than pre-war. So for both of us, our bare living is at stake; for both of us, the problem of improving our material production must so dominate all our activities as to set the pattern of our culture and our society."

The problem gives rise to two questions. Stating these and answering them, our former Finance Member observed:

"The first (question) is: How can we concentrate all our energies on our material tasks, without becoming so obsessed with them that we neglect higher values—spiritual values? The second is: How can we ensure the co-ordination of the whole national effort, which is necessary if we are to make the best of our resources without creating rigid over-centralised control which will destroy individual enterprise and initiative?

"How to answer these two questions? First, and above all, there is a need for a complete change of outlook, especially for new outlook on productive work. This must be seen not as a mere sordid money-making business. People must see in productive work, including manual work, opportunities for personal achievement and public service just as honourable as can be found in any other activity. Our countries need the best qualities of intelligence, education and character to go into this work. And they need it for a double purpose; first, for the sake of the efficiency of the work, and, secondly—and this, in a way, is even more important—so as to ensure that the work is handled in a way which affords the basis for a worthy human life.

"Both India and Britain to-day need to become working communities and to be guided by a philosophy of life which sees in work well done, the surest foundation for human happiness. My belief, therefore, is that it is only by concentrating on how to meet this need that we can get on to the road to the right conception of the Welfare State."

Sir George emphasised that the practical measures that were necessary for producing the "co-ordinated national effort," fell under three main heads: (1) right relations between Government and private enterprise, (2) right conception of the functions of private enterprise, and (3) education. He said that private enterprise had no chance of survival unless it could effectively collaborate with Government in the fulfilment of national purposes. It must also adopt progressive methods for improving productive efficiency, including right handling of human relations in industry. The Government must, on its part, create conditions in which it would be possible for private enterprise to collaborate with it. The educational system should be so reorganised as to create a closer and more understanding contact between the world of education and the world of practical business.

Indo-British Co-operation

Finally, Sir George dealt with the question whether both the countries could help each other and said:

"In the first place, I believe we can help you by the lessons of our experience in regard to the problems which I have just been discussing. During these last years, there has in Britain been considerable progress in dealing with such matters as education, training, and selection for all the different kinds of work involved in industry. In the handling of human relations generally, there have been many interesting experiments in developing what I can describe broadly as methods of 'Industrial Democracy.' Above all, there has been a great advance in the understanding by the Trade Union leaders of our national economic problems and all that is involved in the improvement of productive efficiency as a foundation for higher standards of wages. On all these matters, I believe that you are likely to find in British experience lessons which

(*Continued on page 95*)

QUALITY OF SUGAR IN INDIA

IMPROVEMENT WELL MAINTAINED

THE efforts of the Bureau of Sugar Standards —a body established as far back as in 1935 to specify standards for sugar produced and to advise the factories to conform to specifications laid down by it—to secure an improvement in the quality of sugar have met with not inconsiderable success. Evidence of this is provided in the distinct improvement in the production of sugar of superior quality in respect both of colour and grain size. The improvement has been particularly marked in the past two years, as is indicated by the latest review by the Director of the Indian Institute of Sugar Technology, Kanpur, covering the sugar seasons 1950-51 and 1951-52.

According to the review, the share of I.S.S. colour grade No. 29, the highest colour standard, in the aggregate production of sugar during 1951-52 was substantially high at 20.46 per cent., as compared with 13.5 per cent. in 1950-51. The quantity of sugar of this grade actually produced was 3,01,589 tons, out of a total output of 14,73,982 tons, as against 1,45,505 tons, out of a total of 10,91,497 tons, in the previous season. I.S.S. colour grade No. 28 continued to be the most predominant type of sugar produced during 1951-52. Thus, although its share in the total was slightly lower at 51.08 per cent., as against 55.90 per cent., the quantity produced rose from 6,10,101 tons to 7,52,845 tons. The next grade of sugar in 1951-52 was the I.S.S. No. 27; the production of this type amounted to 3,48,390 tons or 23.6 per cent. of the total, as compared with 3,15,308 tons or 28.9 per cent.

The table below gives the comparative figures relating to the production of different colour grades of sugar in the past two seasons:

I.S.S. colour grade	Quantity 1951-52	Quantity 1950-51	Percentage 1951-52	Percentage 1950-51
	Tons	Tons		
29	3,01,589	1,45,505	20.5	13.4
28	7,52,845	6,10,101	51.1	55.9
27	3,48,390	3,15,308	23.6	28.9
26	48,023	17,209	3.3	1.6
Below 26	11,863	1,171	0.8	0.1
Kori and other ungraded sugar	10,889	771	0.7	0.1
Crushed sugar	378	1,129	..	0.1

It will be seen from the above table that production of sugar of colour standards below I.S.S. 26 staged a rise during the 1951-52 season, as compared with the previous season. Although these have been dropped from the schedule of Indian Sugar Standards since 1949-50, a number of factories still continues to report production of this low grade sugar, the actual figure for the season under review being 36. As regards unsold sugar, the production which had been progressively falling for some years, declined further during the season under review. Production of upgraded sugar (*kori*, dust and others), on the other hand, shows an increase, although its share in the total is negligible. The total quantity of sugar of low grades, however, constitutes only a negligible percentage of the total. If, in terms of volume, it is a little higher than in the previous year, it is mainly because of the large increase in the total output itself.

Sugar in Grain Sizes

As already stated, the progress towards production of better qualities of sugar was in evidence in respect of grain size also, although there was no marked deviation from the previous season's record. The bulk of production continued to be represented by I.S.S. grain sizes C, D and E, which together accounted for as much as 95 per cent. of the total production. There was a small decrease in the share of production under I.S.S. grain D and E, i.e., from 50.84 per cent. and 15.32 per cent. in 1950-51 to 48.18 per cent. and 14.93 per cent., respectively, in 1951-52. There was, however, a rise in the percentage share of production of I.S.S. grain E, which is inferior in quality as compared with the previous two grades, from 28.68 per cent. in 1950-51 to 31.90 per cent. in 1951-52. The quantity and the percentage share of sugar of different grain sizes produced during the season under review, as compared with the previous season, are given below:

I.S.S. grain size	Production 1951-52 Tons	Production 1950-51 Tons	Percentage 1951-52	Percentage 1950-51
AA	292	..	..	..
A	15,108	11,171	1.0	1.0
B	35,571	35,295	2.4	3.2
C	2,20,000	1,67,174	14.9	15.3
D	7,10,089	5,54,981	48.2	50.8
E	4,70,199	3,12,986	31.9	28.7
F	9,010	7,956	1	1
G	2,446	36	..	..

As regards the number of grades of sugar produced, the position in 1951-52 shows an improvement over that in the preceding season. The largest number of grades produced was only 15, as against 23. Twelve factories produced only one grade of sugar. The number producing five grades of sugar was the highest, such being 25, as against 22 in the previous season.

Checking up Quality

The one conclusion that emerges from the foregoing account is that sustained efforts are being made by the sugar factories to improve their technical efficiency, with a view to producing better quality sugar. In fact, the quality of sugar produced at present in the country is claimed to compare favourably with that produced elsewhere. Nevertheless, much remains to be done, especially in the present context when India has to fight for a share in world sugar trade. It is here that the role of the scientists and technologists connected with the sugar industry assumes special significance. Further, there is need for maintaining the accuracy and consistency in regard to the quality of sugar supplied by the factories to consumers. Numerous instances have been cited to show that the sugar supplied by the factories does not, in many cases, conform to the grade paid for. A section of the sugar trade, therefore, feels that arrangement must be made for setting up an organisation in certain important centres, such as Bombay, Madras and Calcutta, to check the quality of sugar by drawing samples from bags.

SUGAR PRODUCTION AND STOCKS

The total production and despatches of sugar for the season 1952-53 (up to 15th December, 1953) amounted to 113,264 and 111,721 tons, respectively, as against 165,355 and 98,834 tons in the corresponding period of the previous season.

The opening stock, production, despatches and closing stock of sugar during the fortnight ended 15th December, 1952, were 457,119, 68,013, 44,948 and 480,184 tons, respectively. The figures for the corresponding fortnight of the previous season were 164,066, 96,256, 36,013 and 224,309 tons respectively. Figures for the current fortnight relate to 133 factories, representing 97.44 per cent. of the total cane crushing capacity, while those for the previous year relate to 129 factories, representing 94.67 per cent. of the total cane crushing capacity.

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consumption. Considering that the industry cannot raise the capital needed, he has made out a case for Government loans or taxation relief to industrial concerns to do away with their obsolete equipment, causing heavy fuel or energy consumption. The Government of the U.K., it will be recalled, has proposed to arrange for one year in the first place, at full commercial rates, a loan of £1 million to firms which are not in a position to finance installation fuel-saving equipments.

After giving a brief review of the measures needed for a plan of fuel economy, Dr. Sanjana discussed the composition and the scope of the central body required to implement it. In the U.S. as well as in various European countries, the central organisations are assisted by competent fuel engineers, who have not only academical qualifications but also practical experience in responsible positions of the industry. Dr. Sanjana feels that India needs a central organisation with sub-offices in every State in order to ensure that the picture of fuel economy is viewed from an all-India angle and the chances of the policy being influenced by any local interest are eliminated. The central organisation, he opines, must have under its jurisdiction all matters pertaining to fuels—solid, liquid and gaseous.

If the fuel economy policy were to succeed, the railways should render better service than they are doing now. It is true that, during the last two years, it has improved its services, but a good deal still remains to be done. When coal is stocked at pitheads for want of wagons, thereby rendering large amounts of capital stagnant, and when both capital and labour suffer due to non-availability of coal, one is bound to feel pessimistic about the future of industrial development of India. It is to be hoped that shortage of wagons will be overcome in a short time and that railways will function more efficiently than hitherto in moving the coal to consumers spread all over this big country.

IMPORTANCE OF FUEL ECONOMY

WANTED A NATIONAL POLICY

THE presidential address of Dr. J. S. Sanjana, Chief Fuel Engineer, Messrs. Tata Iron and Steel Co., Ltd., to the annual general meeting of the Mining, Geological and Metallurgical Institute, held recently at Calcutta, on fuel economy—a subject which is much discussed in Europe but rarely dealt with in India—was highly illuminating. Dr. Sanjana made a fervent plea for the enunciation of a national fuel policy and the constitution of a central unified organisation to enforce that policy. He strengthened his plea by drawing pointed attention to the findings of the Mahendra Committee, 1946, which recommended, among others, the need for the creation of a new central department of fuel and power.

The need for economising the use of fuel is not confined to India alone but extends to the whole world. In Germany, for instance, fuel economy measures were initiated as far back as 35 years ago, following the loss of a number of collieries in the Saar, Upper Silesia and elsewhere. The necessity to supply an appreciable amount of coal as reparations to allied nations was another reason that forced that country to take measures of economy in the use of coal. The 1939-45 war brought home to the rest of the European countries—both the victor and the vanquished—that, without fuel economy, the nations, in general, were bound to suffer. It is high time, therefore, as was observed by Dr. Sanjana, that India recognised the importance of economising fuel utilisation and evolved measures for it.

The importance of fuel as an essential commodity for the industrial development of a nation in particular needs no emphasis. And fuel is a wasting asset. There is, therefore, a bounden obligation on the part of the present generation to the future to see that it is not hard hit by the present short-sighted policies of squandering fuels that are being followed in many of the countries.

Absence of Deposits of Oil

So far as India is concerned, there are as yet no known deposits of oil in sizable quantities. It is true that there are innumerable rivers, the waters of which can be harnessed to generate electric energy, but the utility of rivers for this purpose is dependent upon monsoons especially in the Deccan area, which in recent years have been behaving in an erratic fashion. India is, however, blessed with considerable quantities of coal resources, but there is danger of their depletion at an alarming rate, unless fuel economy measures are initiated without any further delay.

The general object of a national fuel policy is clearly the optimum utilisation of a given unit of fuel. It involves also economic recovery of the fuels concerned. The experiences gathered in European and other industrialised countries, including the U.S., disclose that, if a national policy of fuel economy were to be of any utility, it should make allowance for the following:

(1) Proper treatment of coal at pits. It is true that this involves a large investment. Dr. Sanjana is not unaware of it, but he feels that it is worthwhile, for, in the long run, it will be a paying proposition;

(2) provision for proper equipment. This involves ban on import of obsolete industrial equipment. The approval of the central authority must be obtained to enable any private or public concern to purchase industrial equipment which absorbs heavy consumption of any type of fuel;

(3) utilisation of existing equipment at its highest efficiency. This can be achieved through propaganda as to the way in which the existing machinery can be used to optimum advantage;

(4) instrumentation of industrial fuel consuming furnaces;

(5) prevention of costly transport of low grade fuel and consumption of low-grade fuels for combustion purposes. The recent development of boiler design has proved that there is no solid fuel bad enough for combustion. One has only to choose the proper type of boiler and any solid fuel can be burnt;

(6) electrification of railways and use of oil in locomotives where electrification cannot be had;

(7) carbonisation of coal; and

(8) research designed to increase the efficiency of fuel consumption and to widen the use of particular grades and sizes of coal.

Dr. Sanjana did not stop at merely indicating the measures needed for economising fuel

(Continued in previous column)

HYDERABAD STATE BANK

(CONSTITUTED UNDER THE HYDERABAD STATE BANK ACT, 1941. THE LIABILITY OF THE MEMBERS IS LIMITED.)

Balance-sheet as at 30th September, 1952

CAPITAL AND LIABILITIES	O.S. Rs. a. p.	O.S. Rs. a. p.
1. Capital—		
AUTHORISED CAPITAL— 1,50,000 Shares of Rs. 100 each	1,50,00,000 0 0	
ISSUED AND SUBSCRIBED CAPITAL— 75,000 Shares of Rs. 100 each fully paid		75,00,000 0 0
2. Reserve Fund and Other Reserves		70,00,000 0 0
3. Deposits and Other Accounts—		
Fixed Deposits	88,15,342 14 10	
Savings Bank Deposits	58,37,903 14 2	
Government Accounts	6,74,74,903 0 2	
Current Accounts, Contingency Accounts, etc.	6,14,55,193 7 6	14,36,33,403 4 8
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	4,00,00,000 0 0	
(ii) Outside India	....	4,00,00,000 0 0
PARTICULARS—		
(i) Secured by Hyderabad Government Securities per contra	4,00,00,000 0 0	
(ii) Unsecured	....	
		39,13,175 8 1
5. Bills Payable		
6. Bills for Collection Being Bills Receivable as per contra—		
(i) Payable in India	14,95,148 5 10	
(ii) Payable outside India	2,891 10 10	14,98,040 0 8
7. Other Liabilities—		
Unclaimed Dividend	37,165 5 0	
Rebate on Bills discounted	18,870 0 10	56,035 5 10
		25,76,729 6 8
8. Acceptances, Endorsements and Other Obligations per contra		
9. Profit and Loss—		
Profit as per last Balance Sheet	5,86,832 4 8	
LESS—Appropriation thereof—		
Dividend at 5 per cent. and Bonus at 1 per cent. declared free of Income Tax *for the year ended* 30th September, 1951	4,50,000 0 0	
	1,36,832 4 8	
Balance Brought Forward	20,17,294 9 7	
Profit for the year as per Profit and Loss Account	21,54,126 14 3	
LESS— Rs. a. p.		
Amount transferred to Reserve Fund.. 7,50,000 0 0		
Amount transferred to Pension Fund.. 50,000 0 0		
Amount transferred to Taxation .. 5,50,000 0 0		
Amount set aside for Taxation .. 2,70,000 0 0		
Bonus to Staff	16,20,000 0 0	5,34,126 14 3
10. Contingent Liabilities— Rs. a. p.		
Claims against the Banking Company not acknowledged as debts .. 7,94,440 6 4		
Bills of Exchange re-discounted		
Outstanding Forward Exchange Contracts		
Guarantees given on behalf of Directors or Employees of the Banking Company. 3,37,047 10 10		
Guarantees given on behalf of others		
Total .. Rs.		20,67,11,510 7 9

PROPERTY AND ASSETS	O.S. Rs. a. p.	O.S. Rs. a. p.
1. Cash—		
In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		4,72,17,162 10 9
Current Account		
2. Balance with Other Banks—		
(i) In India	1,05,814 6 2	
(ii) Outside India	....	1,05,814 6 2
3. Money at Call and Short Notice		....
4. Investments (Securities valued in accordance with Bye-Law 22 at cost or Market value)—		
(i) Central Government Securities	59,63,258 5 4	
(ii) Hyderabad Government Securities*	5,60,96,114 13 0	
(iii) Other Authorised Securities	15,40,583 5 4	
(iv) Other Investments	58,333 5 4	6,36,58,284 13 0
* Of which Hyderabad Government Securities of the *face value of* O.S. Rs. 4,00,00,000 have been *lodged* towards Borrowings from other Banking Companies, Agents, etc., as per contra.		
5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of Auditors)		
(i) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(a) In India 7,40,71,922 10 5		
(b) Outside India		
	7,40,71,922 10 5	
(ii) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(a) Payable in India .. 1,51,58,731 14 8		
(b) Payable outside India .. 29,029 2 11	1,51,87,761 1 7	
Particulars of Advances (see separate statement appended)		8,92,59,683 12 0
6. Bills Receivable Being Bills for Collection as per contra—		
(i) Payable in India	14,95,148 5 10	
(ii) Payable outside India	2,891 10 10	14,98,040 0 8
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		25,76,729 6 8
8. Premises Less Depreciation—		
Total cost up to 30th September, 1951	4,00,000 0 0	
Depreciation for the year ending 30th September, 1952	10,000 0 0	3,90,000 0 0
9. Furniture and Fixtures Less Depreciation—		
Total cost up to 30th September, 1951	13,93,149 1 3	
Additions during the year ended 30th September, 1952	1,44,413 15 7	
	15,37,563 0 10	
LESS—Sales during the year	20,912 10 5	
	15,16,650 6 5	
Total Depreciation written off up to 30th September, 1952	6,31,511 7 9	8,85,138 14 8
10. Other Assets—		
Adjusting Account of Interest, Commission, etc.	34,097 9 4	
Stationery, Stamps and Suspense	8,10,520 10 8	
Advance Payment of Income-tax	2,76,038 4 9	11,20,656 8 8
11. Non-Banking Assets Acquired in Satisfaction of Claims		....
Total .. Rs.		20,67,11,510 7 9

Particulars of Advances

	O.S. Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured	6,89,64,737 9 4
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	50,52,906 9 8
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	1,52,42,039 9 5
(iv) Debts considered doubtful or bad, not provided for	....
	8,92,59,683 12 0

	O.S. Rs. a. p.
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	15,12,054 0 4
(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as members (including Rs. 4,25,91,805-13-5 on account of advances made to Companies in which the Directors are interested only as Government nominees.)	4,67,11,379 0 0
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	16,27,472 9 3
(viii) Maximum total amount of advances, including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members (including Rs. 4,38,62,303-11-9 on account of advances made to Companies in which the Directors are interested only as Government nominees.)	4,94,43,134 14 1
(ix) Due from Banking Companies	49,39,990 9 3

Profit and Loss Account for the year ended 30th September, 1952

EXPENDITURE	O.S. Rs. a. p.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	O.S. Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	8,29,209 15 11	1. Interest and Discount	43,82,826 8 1
2. Salaries and Allowances and Pension and Provident Funds (including Salaries and Allowances of Managing Director Rs. 36,500*)	19,40,017 0 8	2. Commission and Exchange	11,55,185 12 6
3. Directors' Fees	10,200 0 0	3. Rents	....
4. Rent, Taxes, Insurance, Lighting, etc.	1,85,878 1 3	4. Net Profit on sale of investments, gold and silver, land, premises and other assets not credited to Reserves or any particular Fund or Account)	....
5. Law Charges	6,018 1 4	5. Net Profit on revaluation of investments, gold and silver, land, premises and other assets (not credited to Reserves or any particular Fund or Account)	....
6. Postage, Telegrams and Stamps	95,485 4 6	6. Income from non-banking assets, and profit from sale of or dealing with such assets	....
7. Auditors' Fees	8,000 0 0	7. Other Receipts	....
8. Depreciation on and repairs to the Banking Company's Property	1,38,555 11 3	8. Loss (if any)	....
9. Stationery, Printing, Advertisement, etc.	1,52,382 11 7		
10. Loss from Sale of or Dealing with Non-banking Assets	1,163 4 0		
11. Other Expenditure	1,33,747 8 6		
12. Balance of Profit	20,17,294 9 7		
* In addition provision has been made for a Bonus amounting to Rs. 9,625. Total .. Rs.	55,18,012 4 7	Total .. Rs.	55,18,012 4 7

NOTE.—Indian and Pakistan Government Rupee Currencies have been converted into Osmania Sicca Currency at the Government Standard rate (116-10-8%).

REPORT OF THE AUDITORS.

TO THE SHAREHOLDERS,
OF THE HYDERABAD STATE BANK.

We, the undersigned Auditors of the Hyderabad State Bank, elected under Regulation 58 (1) of the Hyderabad State Bank Act of 1941 (1350 F.), do hereby report to the Shareholders upon the Balance Sheet and Accounts of the Bank as at 30th September, 1952 (30th Aban, 1361 F.).

We have examined the above Balance Sheet as at 30th September, 1952 (30th Aban, 1361 F.), and the Profit and Loss Account for the period ended upon that date with the accounts and vouchers relating thereto and with the Returns submitted and certified by the Branch Managers which Returns are of Head Office and incorporated in the above Balance Sheet, and report (i) that we have obtained all the information and explanations we have required and that they have been found to be satisfactory; (ii) that the transactions of the Bank which have come to our notice have been within the powers of the Bank; (iii) that the Returns received from Branch Managers have been found adequate for the purposes of our audit; (iv) that in our opinion the Balance Sheet and Profit and Loss Account are drawn up in conformity with the law; (v) that correct view of the state of the Bank's affairs according to the best of our information and explanations given to us and as shown by the Books and Returns of the Bank; (vi) that in our opinion the Profit and Loss Account shows a true balance of profit for the period covered by the account; and (vii) that in our opinion Books of Account have been kept by the Bank as required by law.

SASTRI AND SHAH, Chartered Accountants,
V. K. DHAGE & CO., Chartered Accountants. } Auditors.

HYDERABAD-DECCAN,
Dated, 1st November, 1952.

G. S. MELKOTE, President.
NAOSHIR S. CHENOY, Vice-President.
DILSUKH RAM
C. DAMODAR REDDY
MOHD. AHMED MIRZA } Directors
M. R. PATNY
PINGLE VENKATRAMA REDDY

M. H. LATIF, Chief Accountant.
K. P. R. MENON, Managing Director.

PAKISTAN JUTE EXPORTS TO INDIA

TRADE FIGURES SHOW STEADY DECLINE

SOME interesting trends are disclosed by the latest figures relating to raw jute arrivals in Calcutta and mill stations during the July-November period of the current season as compared with the corresponding period of the preceding two seasons, namely, 1951-52 and 1950-51. Thus, total arrivals of raw jute of both domestic and Pakistani origin in the five-month period under review aggregated 22.90 lakh bales, as against 23.79 lakh bales in 1951-52 and 23.22 lakh bales in 1950-51. These figures reveal that the offtake of raw jute in the period this season was lower than that in the preceding two seasons. The lower offtake is due to high prices of raw jute which rose in sympathy with the speculative increase in the *fatka* market for jute goods. Secondly, in view of the improved supply position of raw jute, mills were not anxious to go long in jute, especially as orders for jute goods from overseas countries early this season were most discouraging.

A source-wise analysis of the arrivals during the five-month period under review discloses that, of the total of 22.90 lakh bales, Indian jute accounted for as much as 16.82 lakh bales and Pakistan jute for 6.08 lakh bales. The shares of the two countries in 1951-52 were 12.16 lakh bales and 11.63 lakh bales and in 1950-51, 8.64 lakh bales and 14.58 lakh bales, respectively. A significant feature of these figures is that, while the offtake of Pakistani jute has gradually declined in the three periods, that of Indian jute has steadily increased. This will be even more clear from the table below:

Imports of Raw Jute into Calcutta and Mill Stations

(In lakh bales)

Months.	1952-53		1951-52		1950-51	
	India	*Pakistan*	*India*	*Pakistan*	*India*	*Pakistan*
July	2.69	0.22	0.37	1.92	0.44	2.47
August ..	2.37	0.58	1.18	2.13	0.88	4.08
September ..	3.31	0.46	2.00	2.93	1.26	3.01
October ..	4.07	2.20	4.47	2.51	2.69	3.26
November ..	4.38	2.62	4.14	2.41	3.37	1.75
Total ..	**16.82**	6.08	**12.16**	11.63	**8.64**	14.58

It will be noted from the table above that, in the five-month periods of the three years, while the offtake of Pakistani jute has declined by as much as 58.2 per cent., that is, from 14.58 lakh bales in July-November 1950-51 to 6.08 lakh bales in the corresponding period of 1952-53, the purchases of Indian jute have shot up by 94.6 per cent., that is, from 8.64 lakh bales to 16.82 lakh bales. The reasons for this change in the trend of offtake of jute are not far to seek. It is worthwhile recalling them here, although at the risk of some repetition. For against the background of the huge jute crop in 1952-53, they underline the distinctly opposite trends of State policy of jute adopted in both Pakistan and India. The seeds of the policy were sown by the Partition.

Effect of Partition

The Partition meant parting of the ways of mills in India and raw jute in East Bengal. The mills then had to depend on indigenous sources of raw jute, as the Government was not willing to allow a free flow of jute to India, owing to political prejudices. The production of jute in the Indian Union was then only 20.5 lakh bales. With a view to becoming independent of Pakistan supplies, a policy of self-sufficiency aiming at growing more jute in different areas of the country was followed. In the result, in 1951-52, the production rose to 47 lakh bales. In this season, it is expected to amount to at least 48 lakh tons, if not more. This leaves the country still in want of about 10 to 12 lakh bales, especially of the superior variety of jute. In fact, some gap has always existed, although the necessity to rush to Pakistan for buying jute is not so urgent now as it was in 1948-49. Consequently, the Government of India has always taken care to impose no impediments in the way of supplies of jute from Pakistan. Although, in recent months, the price of raw jute has been so low as to adversely affect the Indian grower, the Government, as stated by the Commerce Minister in Parliament last month, does not propose taking any action to control jute imports from Pakistan. Meanwhile, it has also tried to accommodate, as liberally as possible, Pakistan's requirements from India under the series of trade agreements signed between the two countries during the past four or five years. Of course, Pakistan has a grouse against India on the ground of surcharge on exports of coal to Pakistan; but this owes its origin to the need for offsetting exchange disadvantages, arising out of the devaluation of the Indian rupee and non-devaluation of the Pakistan rupee.

Pakistan's jute policy in so far as trade with India was considered was just the reverse of that of India towards the trade with Pakistan. During the past two or three seasons production of jute in Pakistan maintained an upward trend. It was 44.5 lakh bales in 1950-51, 63.31 lakh bales in the following season and 68.23 lakh bales estimated for the current season. Carry-over too remained high, such at the commencement of this season being as high as 15 lakh bales. Thus, the quantity available for disposal this season is 83.23 lakh bales. This quantity, along with Indian production of 48 lakh bales, gives a total availability of jute from these two countries in this season of about 131.23 lakh bales. In the light of these substantial stocks, Pakistan should have, in sheer self-interest, provided inducements instead of impediments in the way of exports to such an important customer as India. Instead, it is seen that political prejudices are allowed to override people's safety and the economic well-being of Pakistan. In order to cause as much injury to the economy of India, the Pakistan Government has not kept its promises; trade agreements have not been fulfilled, flow of jute has been impeded or arrested, and discriminatory imposts amounting to P. Rs. 3-4 or Rs. 5 per maund in Indian currency on jute exports to India, contravening the G.A.T.T. terms, have been levied. All this was done to make Pakistan jute dearer to Indian than to its competitors. In this attempt at hurting India, Pakistan itself has now been badly bruised. Thus, its stocks have accumulated, price support policy has failed, raw jute prices have sunk, the grower is on the verge of ruin and the country has suffered a heavy loss of foreign exchange. Even in spite of all these repercussions on its economy, as a result of following a policy of spite against India, there seems to be no indication of a change in the policy of the Pakistan Government for the better.

EXPORT DUTY ON JUTE GOODS

The Gunny Trades Association of Calcutta has urged the Government of India to reduce the export duty on jute goods "and restore their competitive power."

According to Mr. Ramsunder Kanoria, President of the Association, the present duty of Rs. 275 per ton on hessians and Rs. 175 per ton on sacking constituted about 18 per cent. of the value of the goods. Stocks of jute goods with Indian mills, were, he said, rising at an alarming rate, and godowns were "jammed to capacity". Stocks at the end of December, 1952, were the highest for the last three years. Foreign demand was falling and the holding power of the gunny market had been smashed by repeated slumps in prices. Continental jute mills were buying raw jute from Pakistan at a much lower rate than India was. For a ton of Pakistani raw jute, India had to pay Rs. 129 (Indian) more than her Continental competitors.

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Subscribed Capital „ 50,00,000
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Head Office:
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Fort, BOMBAY

CONTROL OVER TEA INDUSTRY

SALIENT FEATURES OF CENTRAL ACT

THE Bill to enact the Tea Act, 1952, which was recently introduced in the House of the People and is now before the Select Committee, seeks, in essence, to replace the two existing enactments relating to the Indian tea industry, namely, the Indian Tea Control Act, 1938, and the Central Tea Board Act, 1949. The Indian Tea Control Act, 1938, provides for control over export and extension of the cultivation of tea, while the Central Tea Board Act covers the development of the tea industry under Central control. As the objects of both these enactments are inter-related, the former being "in a sense ancillary to the latter," the Government of India has sought to combine the provisions of the two existing enactments, with a view to achieving simplicity and administrative convenience.

The Bill provides for the constitution of a statutory board, called the Tea Board, which will be entrusted with the functions now assigned to the Indian Tea Licensing Committee and the Central Tea Board under the existing Acts, as well as few additional functions, such as the regulation and control of tea sold by auction or otherwise, the registration and licensing of brokers and blenders and the implementation of quality control. The Board will promote the development of the tea industry under the control of the Central Government, by promoting the sale and increasing the consumption in India and elsewhere of Indian tea by carrying on propaganda for that purpose. At the same time, the Board will also undertake such measures as to increase the production of tea in India. With a view to achieving these objects, the Board will assist the producers in the control of insects and other pests and diseases affecting tea, as also promote co-operative efforts among growers and manufacturers of tea. Remunerative returns to the growers and manufacturers are essential parts of the promotion of sale and this will be ensured by the Tea Board. Another important function of the Board is to control the quality of tea and to license blending. It will, at the same time, fix grade standards and provide training in tea tasting. Registration and licensing of manufacturers, brokers and tea waste dealers and regulation of sales and auctions form part of the functions of the Board. The Board has also been entrusted with the tasks of improving the marketing of tea in India and elsewhere, preventing unfair competition, regulating and controlling the sale of tea for internal consumption or export, whether by auction or otherwise. The Board will promote the adoption of measures for increasing the productivity of labour, including measures for securing safer and better working conditions, and the provision of incentives and improvement of amenities for workers.

One of the objects of the Bill is, as already stated, to exercise control over the extension of the cultivation of tea. Under the provisions of the Bill, no one will be permitted to plant tea on any land not planted with tea on the date of commencement of this legislation, without the permission of the Tea Board in writing. No tea area will be allowed to be replaced by planting tea on area not planted with tea, unless permission is granted by the Board. However, in-filling or supplying of vacancies on land planted with tea on the date of commencement of the Act or the replanting of tea will be permitted, provided the land was planted with tea either on 31st March, 1950, or on 31st March, 1948, and from which the original bushes have been uprooted. The total area of land in respect of which permission will be granted will not exceed such an area as may be determined by the Board with the previous approval of the Central Government. The Board will publish the total area determined for India, as well as the total areas determined for the various States by notification in the *Gazette of India*.

Under the proposed Act, the Tea Board will retain control over the export of tea and tea seed. No tea will be allowed to be exported, unless covered by a licence issued by the Board. No tea seed can be exported without a permit issued therefor by the Central Government. The Central Government will, after consultations with the Tea Board, and paying due regard to all interests concerned and to the standard export figure, declare by notification in the *Gazette*, the export allotment for each financial year. The Central Government may,

(Continued on page 83)

THE
HONGKONG & SHANGHAI
BANKING CORPORATION
(Incorporated in the Colony of Hong Kong)
The liability of Members is limited to the extent and in manner prescribed by Ordinance No. 6 of 1929 of the Colony

Head Office: HONG KONG
BOMBAY OFFICE OPENED 1869

Capital .. .. .. Hkg. $20,000,000
Reserve £6,000,000
Reserve liability of Proprietors Hkg. $20,000,000

Banking and Exchange business transacted.

Offices at:

GREAT BRITAIN: London.
UNITED STATES OF AMERICA: New York, San Francisco.
FRANCE: Lyons. GERMANY: Hamburg
INDIA: Bombay, Calcutta. CEYLON: Colombo.
BURMA: Rangoon. SIAM: Bangkok.
MALAYA: Singapore, Cameron Highlands, Ipoh, Johore, Kuala Lumpur, Malacca, Muar, Penang, Sungei Patani, Teluk Anson, Orchard Road (Singapore).
INDO-CHINA: Haiphong, Saigon.
STATE OF BRUNEI: Brunei Town, Kuala Belait.
BRITISH NORTH BORNEO: Jesselton, Sandakan, Tawau.
INDONESIA: Djakarta, Surabaja.
PHILIPPINE ISLANDS: Manila, Iloilo.
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And through our Correspondents throughout the World.

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A. F. JUDD, *Manager*

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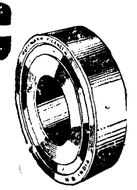

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ENGINEERING INDUSTRY IN INDIA

SOME IMPORTANT PROBLEMS

THE problems facing the infant engineering industry were limelighted by Mr. P. R. Bagri in his capacity as President of the Engineering Association of India at its seventh annual session held in Calcutta last week. The chief of them relate to slackening demand for engineering products, the import and export policy of the Government of India and control over steel. He was critical of the Government's export policy in regard to scrap and deplored the apathy of the defence services towards the Indian engineering industry. He condemned the stores purchase policy of the Government of India which, he alleged, had undergone a change, of late, in so far as preferential treatment to Indian products was concerned. He stated that the Government was placing large orders for manufactures in overseas countries which could as well be obtained locally. The Commerce and Industry Minister, Mr. T. T. Krishnamachari, who inaugurated the session, met most of the criticisms of Mr. Bagri in his inimitable style of informality.

The engineering industry is almost in a state of depression, due partly to slackening of demand for its products consequent on the slowing down of rearmament programmes in the U.S. and Europe and partly, according to Mr. Bagri, to liberal imports of competing manufactured goods. Thus, the automobile industry is faced with a crisis. The nut and bolt manufacturers have had to resort to a programme of large-scale retrenchment. The manufacturers of diesel engines and power-driven pumps have almost reached the stage when they are faced with prospects of having to close down. The foundry industry is working only to half of its capacity. Giving an instance where large imports have adversely affected the domestic industries, Mr. Bagri pointed to the recent orders for 500 deep tube wells placed with some overseas countries, as well as to the large overseas orders by the Defence Ministry for its engineering requirements.

Import and Export Policy

The situation is, indeed, disquieting. Some way must be found to save the indigenous Indian industry. In Mr. Bagri's opinion, a way can be found by suitably revising the Centre's import and export policy. The import policy should be so framed as to divert purchasing power of the consumers from foreign to local-made manufactures. Exports should be encouraged through (1) simplification of export procedure, (2) refund of import duties on raw materials and of excise duties on finished goods actually exported, (3) a preferential allocation of additional raw material purely for the purpose of export, (4) abolition of such export duties as are detrimental to increased exports and (5) formation of export promotion groups to study local conditions and foreign markets for developing exports.

Mr. Krishnamachari conceded that the engineering industry was passing through critical days, but he asked the interests concerned not to be unduly perturbed over it and hoped that the future would not be as bad as some imagined. He said that the Government's import and export policy was based on a consideration not merely of the interests of producers but also of those of the consumers, the merchants and the country as a whole. He said that the industry was partly responsible for the present critical situation by deplorably failing to effect reduction in costs. He cited the instance of the automobile industry, which when it started production expected the price per car to be Rs. 5,000, but actually the completed car cost Rs. 10,000. He added that this was a case of local production stifling demand instead of aiding further production. He wanted the industry to reduce its overhead costs and be prepared to reduce the profit-margin even to "vanishing point" if conditions demanded it. After all, there were bound to be periods of plenty and scarcity, he said, and it was almost a natural phenomenon. It should not be beyond the competence of private enterprise to overcome them, he added. Alluding to the import of tube wells, he said that they came under foreign aid programme and observed that gift-horses had to be accepted without looking in their mouths. Answering the criticisms on the Government's export policy, the Commerce and Industry Minister said that recently the Government had agreed to liberalise export of articles manufactured out of iron and steel. The supply of these articles was very limited, but, while the Government did encourage such exports, he declared that it could not altogether starve the internal market. Iron and steel, for instance, was in short supply and if they were to be imported, a "terriffic price" would have to be paid. The moment there was an abundant supply of iron and steel articles, their export would be liberalised.

Exports of Scrap

The Centre's policy relating to exports of scrap came in for strong criticism at the hands of Mr. Bagri. Expressing alarm at the rate of export of iron and steel melting scrap, he said that, while all the important countries of the world were conducting vigorous campaigns for the collection of steel scrap in their regions to feed their steel plants, India was following a very dangerous policy of encouraging exports of such scrap. Small trading gains, he maintained, were blinding the vision to the potential loss of future electric steel production which ran at present to nearly 50,000 to 60,000 tons per year. Before the export drive was started, steel melting scrap was freely available in adequate quantities at about Rs. 60 per ton at the ports, but nothing could be had now from the free market even at three times the price—a development which, the President maintained, had made the future prospects of electric furnace industry very insecure. Only due to undeclared surplus stocks of steel scraps in the hands of railways, this industry, he said, had been enabled to continue its working, but the days were not far off, he opined, when the country would have the important source of steel production almost completely closed, if the exports of steel scrap continued at the present rate. He, therefore, pleaded for a contraction in the exports of scrap usable in the country. Replying to these remarks, Mr. Krishnamachari claimed that the Government's scrap export policy was not inconsiderate. In this, it was quite likely, he felt that the Government had not been properly advised by the interests concerned. Trading interests wanted greater export of scrap while industries were against it. He, however, assured the latter that the Government would tighten the controls over scrap exports after reviewing the situation.

Another important aspect Mr. Bagri referred to was steel controls. While controls had been the subject of much criticism, sometimes well-deserved, he had no hesitation to say that the iron and steel control as a whole had worked more efficiently than many others. Nevertheless, he offered a few suggestions on the policy underlining the control. They were that representation should be given to the engineering industry on the Steel Allocation Committee, that distribution control should be revised so as to leave distribution at the stockist stage free from restrictions of permits and quota-certificates, that allotment of tinplates to individual factories should be based on productive capacity as in the case of other steel processing industries and the like. From the reported version of the speech of Mr. Krishnamachari, it is not clear whether he dealt with this aspect at all.

Finally, Mr. Bagri dealt with the problems of special steels industry. The tool and alloy steels industry has not got adequate productive capacity to meet the existing demand. The development of the automobile, the ball bearing, the electrical and machine tools units, among many others, the importance of which has been appreciated by the Planning Commission, will need more of these steels. As the Government was not anxious to enter this field directly, there is some scope for private enterprise to develop it. Mr. Bagri suggested that the Industrial Finance Corporation should extend its helping hand. The Government, too, should create a climate suitable for the private *entrepreneur* to enter this rather difficult field by giving an assurance of suitable assistance and patronage at all stages of its development.

BALL BEARINGS AND STEEL BALLS INDUSTRY

The Government of India's resolution on the Tariff Commission's report on the ball bearings and steel balls industry has been published in the *Gazette of India* dated 10th January, 1953. The Government has accepted the recommendation of the Commission that protection to the ball bearings industry be granted for a period of two years by (i) converting into protective duties the existing revenue duties on ball bearings not exceeding 2" bore diameter and adapted for use as parts and accessories of motor vehicles other than motor cycles and motor scooters, and (ii) imposing a protective duty of 94½ per cent. *ad valorem* on ball bearings not exceeding 2" bore excluding those specified above.

The rate of duty on adapter bearings not exceeding 2" bore diameter which are specially designed for use exclusively with power-driven machinery has also been increased to 10 per cent. *ad valorem* and converted into protective duty, following the recommendation of the Tariff Commission.

The Government has also agreed with the Tariff Commission that as the existing rate of import duty on steel balls combined with import restrictions obtaining at present adequately safeguards the position of steel balls industry, no protection need be granted to this item.

CRUDE STEEL PRODUCTION

Crude steel production in Europe (excluding the Soviet Union) established a new record in 1952 at 73,870,000 metric tons. The break up of the figure shows that production in Western Europe increased from 58,103,000 tons in 1951 to 62,970,000 tons in 1952, an increase of 8 per cent. In Eastern Europe, the extent of increase in steel output was higher, being 14 per cent., that is from 9,536,000 tons in 1951 to 10,900,000 tons in 1952.

The production of steel in the U.S., however, was more than 10 per cent. below the 1951 level owing to prolonged strike in the industry during summer. Current U.S. steel otutput is, however, estimated at an annual rate of 105 million tons, the highest on record.

Crude steel production in Soviet Union is estimated to have increased from 31 million tons in 1951 to 35 million tons in 1952, a 12 per cent. increase.

ALCOHOL-PETROL BLENDS AS FUELS

Conflicting reports have appeared from time to time with regard to the use of alcohol as motor fuel. With a view to assessing the correct position, an investigation by the Central Laboratories for Scientific and Industrial Research, Hyderabad (Dn.), was undertaken to determine the performance of alcohol-petrol blends as fuel in I.C. engines without altering the engine setting. The results of this investigation reveal that the maximum power output is nearly the same for pure petrol and 20 per cent. blend; it is about 15 per cent. less for blends containing higher amounts of alcohol. The specific fuel consumption decreases slightly up to 20 per cent. alcohol in the blend, and then gradually registers about 4-6 per cent. increase for every 10 per cent. increase of alcohol in the blend. The starting and acceleration of the engine are satisfactory with blends containing alcohol up to a maximum of 40 per cent.

The desire for self-sufficiency with respect to liquid fuels, on the part of countries deficient in indigenous petroleum resources, has assumed importance in recent years and has brought the problem of alcohol-petrol blends as fuel in I.C. engine to the forefront. Thus, countries like England, Germany, France, Italy, Sweden, Japan and India have all encouraged the admixture of alcohol with petrol for use as fuel and it is estimated that alcohol thus used the world over amounts to more than 200 million gallons. India produces over 5 million gallons of power alcohol annually, out of which about 4 million gallons are used for blending with petrol. The production of alcohol from molasses and agricultural wastes can provide an immediate cash return, apart from cutting down imports of petrol.

TRAINING NAVIGATION APPRENTICES IN SWEDEN

A special edition of the *Swedish Shipping Gazette* recently issued commemorates 10 years of training navigation or engine room apprentices on board the specially built Albatross, private training ship of the Gothenburg Brostrom Group. The Albatross, which is unique in design and rigging, represents the latest trends in modern economic cargo ship design and is fitted with an auxiliary engine big enough to class it as a full-powered motorship. During its 10 years it has sailed about 236,000 miles,—a little more than the distance between the earth and the moon—and has visited 98 ports. It has trained 119 would-be navigating officers and 87 engine room officers. The idea of imparting training on board the Albatross was originally based on the desire to achieve improved relations between the navigating and the engine room departments and to provide better training facilities for boys with restricted economical resources. No fees whatsoever are charged on board, and the apprentices receive a fair amount of pocket money. Notwithstanding the considerable economic consequences involved, the Brostrom people think that what they have achieved with this vessel was worth the sacrifices.



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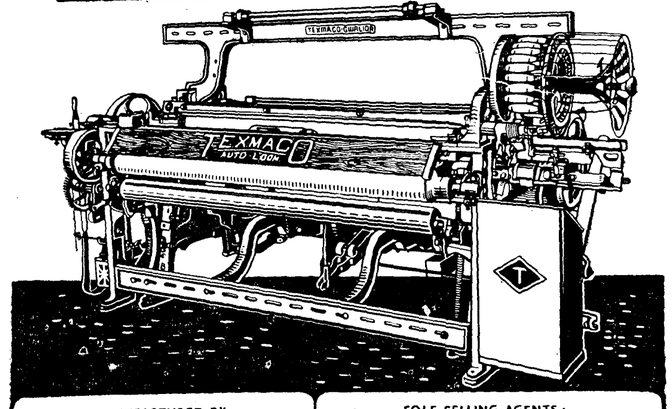

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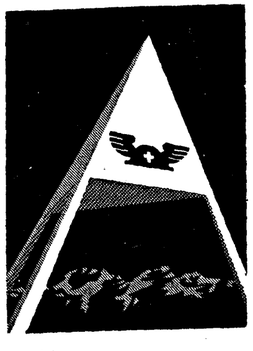

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BENEFITS OF MUTUAL INSURANCE

NEED FOR EDUCATING POLICYHOLDERS

THE reported move of the management of the Oriental Government Security Life Assurance Co., Ltd., to convert the company into a mutual company follows closely the modern trend towards mutualisation, which is to be found in many countries. Even so, if this Company were to mutualise itself it would be the first instance of a really important proprietary insurance company going mutual. And it is needless to emphasise that it will have far-reaching repercussions on the insurance structure in the country.

Although the importance of forming mutual insurance companies has been known in this country for a long time now, it is a fact that mutual insurers form only a small proportion of the total number of insurers in the country. Thus, out of about 270 insurers, only 35 are mutual insurance companies or co-operative insurance societies. Many of the mutual insurers included in this list are not active members, and transact only a small volume of business. The accession of the "Oriental" to their list will mean a tower of strength to the mutual insurers.

The *raison d'etre* for mutualisation of insurance lies in the argument that the business transacted by an insurer is out of all proportion to the share capital, and that the policyholders have, therefore, a more vital stake in the management of the company than the shareholders. Again, it must be emphasised that mutualisation is often the best answer to the clamour for nationalisation. For, if insurance is organised on a "mutual" basis, and not from a profit or dividend motive, the argument that, as insurance is a social service, it must come under Government control, loses the greater part of its force. If the policyholders, who have the largest and the only real, stake in the company, decide to manage the affairs of the Company in the way they think best, the argument that the State should take over insurance ceases to carry any conviction. After all, State ownership of insurance, with all its red-tape and administrative rigidity, is hardly a substitute for control by the policyholders themselves. Again, it will be fatal, to the progress of this social service, if political influences are brought to bear on insurance. And there is no getting away from the fact that nationalisation of insurance means the invasion of insurance by politicians who, through their inexperience or their anxiety to promote political ends, may cause irreparable damage to the savings of millions of small families, accumulated through decades of self-denial.

Its Advantages

So much for the significance of mutualisation, and its advantages. Now about the method of carrying mutualisation into effect. The Indian Insurance Act provides for the conversion of a company limited by shares into a company limited by guarantee. Section 6C of the Act provides that, where a public company limited by shares carrying on insurance business, has passed a special resolution for converting itself into a public company limited by guarantee, it may apply to the Central Government with a scheme for putting the special resolution into effect, including any provision for the alteration of the memorandum or articles of association in so far as it may be necessary for this purpose. The Central Government will give its sanction to the scheme provided it is satisfied with regard to the following considerations:

(1) The scheme makes a suitable provision with respect to the repayment, conversion or liquidation of the paid-up capital of the company;

(2) the consent of the creditors has been obtained, or suitable provisions have been made for discharging, determining or securing the debts or claims of such creditors; and

(3) the scheme is otherwise reasonable.

The Act also provides that any person who feels "aggrieved" by the conversion scheme may, within 90 days of the date of the order sanctioning the scheme, prefer an appeal to the "High Court within whose jurisdiction the registered office of the insurer is situate." The decision of the High Court where an appeal has been preferred to it or of the Central Government where no such appeal has been preferred shall be final and binding on all persons concerned.

The legal formalities involved in the conversion of a limited insurance company into a mutual company are fairly simple, though the actual scheme for extinguishing the share capital may present some knotty problems. If the "Oriental" decides to mutualise itself, the scheme, which it may evolve for the taking over of the share capital, will naturally enough be studied with interest, since it may well provide the model for similar efforts which other insurers may choose to make.

It must, however, be pointed out, in this connection, that a mutual insurance company is not necessarily an improvement on a company limited by shares if the policyholders do not take a lively interest in the Company's affairs. After all, there is much to be said in favour of continuity of management, which is ensured through keeping a company limited by shares. And the Insurance Act imposes, fortunately, many healthy restrictions on the management of insurance companies, which are clearly designed to prevent misuse of funds. Mutual insurance can, therefore, become popular, only if it combines its "no profit" motive with efficient and continuous management. This demands that the policyholders should be educated into a sense of their responsibility so that they may elect the right type of Directors. Otherwise, the control of mutual insurance company may pass into the hands of undesirable elements among policyholders and the Company may lose the prestige it possessed before it was mutualised. It is to be hoped that, if the "Oriental" is mutualised, the present management, which has managed the affairs of the Company so successfully till now, will be returned by its policyholders with a thumping majority to continue its good work.

BRITISH INSURANCE

British insurance withstood immense claims in 1952, a year of 10 major accidents. Yet such is its wealth and resilience that it remained unshaken.

Insurance firms are expecting to pay out over £500,000 (Rs. 67 lakhs) on the Harrow rail smash. Underwriters have already settled a £160,000 (Rs. 21 lakhs) claim on the *Flying Enterprise* and another £150,000 (Rs. 20 lakhs)) on the big mail-bag robbery.

British insurance has an annual premium income of some £1,000,000,000 (Rs. 1,333 crores). Lloyd's underwriters alone deal with business worth £190,000,000 (Rs. 253 crores).

On the credit side, American commerce has placed insurance worth $600,000,000 (Rs. 286 crores) in the City. This confidence stems from the Great Fire of San Francisco in 1906, when British firms paid up with a promptness not matched by their American competitors.

(*Concluded from next column*)

charge of Community Development Projects bring home to the areas which they serve the value and utility of buying insurance.

The pamphlet describes the growth of Indian insurance—of its teething troubles, of its conflict with foreign companies, and of the part the *Swadeshi* Movement played in the development of insurance. This saga of Indian insurance does certainly make stimulating reading, particularly because the place which it has won to-day in the Indian economy, is largely due to its own efforts. The pamphlet says:

"All other infant industries get Government protection. Tariff walls are raised to nurse them in the face of competition. But Indian insurance never got that understanding sympathy from the authorities. It was left to fend for itself. Not only that. The Government went to the other extreme of burdening the industry even to the extent of the proverbial last straw. In the circumstances, the industry is more or less forced to depend upon the patriotism of the people. It must be said to their credit that though the Government denied it protection, the people extended their preferences to Indian insurance. It is only as it should be. Cheap insurance cannot be a substitute for your own insurance."

The pamphlet makes an appeal to the patriotic sense of the people and urges them to support Indian insurance. While there is no doubt that Indian insurance has developed largely through patriotic support, which the people gave to it in early stages, it would be unwise to lean too heavily on this support. Indian insurance should, in fact, now learn to stand on its feet. After all, insurers in this country also are now going abroad to find a market for themselves. In these countries, they cannot count upon the support of the people, if the domestic insurers also invoked the patriotic fervour of the people to get business for themselves. The best way to get more business is to learn to offer efficient, sympathetic and prompt service. There is no doubt that the Indian insurers, who have practically passed the stage of infancy, will eventually be able to hold their own against their rivals.

VALUE OF INSURANCE PUBLICITY

CUT IN ADVERTISEMENTS SHORT-SIGHTED POLICY

ALTHOUGH it is now over five years since the Post-war Sub-Committee of the Insurance Advisory Committee (Chairman: Mr. L. S. Vaidyanathan) emphasised the need for undertaking an extensive campaign of insurance publicity, it is a pity that no genuine effort has been made in this direction. It is true that advertisements are being inserted in the leading Indian journals and newspapers to further the cause of Indian insurance but even these are being steadily curtailed as a part of insurers' efforts to reduce their expenses. Further, no sustained effort has been made to enable the public to appreciate the value of Indian insurance. We, therefore, gladly welcome the well-written pamphlet, entitled "Buy Indian Insurance," issued by the Indian Insurance Institute, Calcutta, with a view to popularising insurance.

Even the countries which have a very well developed insurance service to cater to all the widely divergent needs of human society, find it necessary to publicise the value of insurance. This is because insurance is a commodity which has to be sold—and sold from door to door—and which cannot be expected to be bought even by those people who need it and have the means to pay for it. If there is, therefore, any commodity, the utility of which deserves to be widely publicised, it is insurance. The need for such publicity is the more urgent in this country where insurance is still in its infancy. Referring to the importance of insurance publicity, the Post-war Sub-Committee, for instance, said:

"Of all the civilised countries of this world, India has the lowest *per capita* insurance. While this is no doubt due mainly to the poor economic condition of the masses, the fact that the general population has not been well informed about the benefits of insurance is also a contributory factor. Concerted measures are, therefore, necessary to make the public acquainted with benefits of insurance and to make them more 'insurance-minded'."

It is unfortunate that, despite this sound advice, the space taken up by most of the insurers in newspapers and journals should have been curtailed in order to save something in expenditure. Almost the first victim of the statutory limitation on expenses has been insurance advertisements in the Press. As anyone who knows the value of publicity will readily admit, this is a short-sighted policy and is not at all conducive to the achievement of an insurer's main objective of selling maximum amount of insurance. Economy in expenditure is, of course, important but that should be effected by curtailing other expenses. After all, the amount spent on publicity constitutes only a small percentage of the total expenses of an insurer. To effect a substantial cut even in that item of expenditure, primarily designed to ensure a steadily expanding market, tantamounts to cutting the market itself.

To return to the pamphlet "Buy Indian Insurance," it sets forth, at the outset, the value of insurance as such. Life assurance, it says, is a landmark in the progress of human society and is the "greatest social service, universal in appeal and application." Nevertheless, it is a fact that, in this country, people have to be persuaded to purchase this personal need. This is largely due to the low level of personal incomes in this country. An index of the prosperity of a nation is the *per capita* insurance in that country. From this point of view, it is noteworthy that, while the *per capita* insurance is Rs. 1,600 in the U.K. and Rs. 7,100 in the U.S., it is only Rs. 22 in India. In this connection, the pamphlet says:

"While it may be confidently expected that an increase in the *per capita* income of the people will, in due course, be reflected in a corresponding increase in the *per capita* insurance, the fact remains that poverty should not be allowed to stand in the way of consumption of insurance on a more generous scale. Poverty can be largely liquidated through insurance.... This is exactly why the rural people in India should profit through insurance. This would enable them to make an egg of their small savings."

The special emphasis which the pamphlet places on the need for spreading the gospel of insurance in rural areas is noteworthy, because the implementation of the Five-year Plan is bound to result in higher personal incomes for the people in the rural region. It should, therefore, be possible to enlist their support in the cause of insurance. Indeed, it would greatly add to the property of the people if those in

(*Continued in previous column*)

IMPORTANCE OF MACHINERY AND ERECTION INSURANCE

ITS VALUE TO INDUSTRIES STRESSED

(By T. K. DESAI)

IN this age of industrialisation, insurance institutions have the responsibility of guarding industrial organisations against the occurrence of losses from a variety of causes. The more popular forms of insurance thus take care of the normal hazards which an industry has usually to face. There are a number of risks in respect of his plant and machinery which an industrialist would prefer to be cared for by insurers.

However vigilant a manufacturer may be or however skilful his operators may be, numerous accidents take place in factories and power plants due to an unfortunate combination of unforeseen circumstances. These occurrences are a source of anxiety to the management of the enterprise as they will not only disorganise the working but bring disaster to the undertaking. It is beyond the capacity of an individual manufacturer to carry these risks himself. These risks are best cared for by insurers so that the industrialist could conduct his activities freed from the fear that his plans will not be upset by any unforeseen occurrence.

The importance of comprehensive machinery insurance has been readily recognised in Western countries where a special form of insurance is obtainable for the plant and machinery of industrial undertakings. In India, proper facilities to secure insurance protection do not exist at present. The establishment of machinery insurance with all its incidental services is already long overdue. This is largely due to an absence of an organised effort, as the business is recognisedly highly technical and calls for expert skill for its successful working.

Certain leading Indian insurers have now decided to embark on machinery insurance in the same manner as is done in Western countries. Their present move is accompanied by a plan to provide the full technical service which is much appreciated by industries. For this purpose, these Indian companies have secured the aid of foreign experts, who, with the assistance of well-qualified Indian engineers, will look after the technical aspects of the business.

The value of machinery insurance should be appreciated by industrialists because its underlying objectives are:

(a) To provide an effective inspection of plant and machinery at expert hands before granting insurance to reduce the possibility of accidents to a minimum;

(b) to offer indemnity to the industrialist in respect of any loss caused to the machinery by unforeseen circumstances;

(c) to investigate fully into the causes of accidents to prevent their recurrence.

Thus, machinery insurance will not only provide proper indemnity, but will be a potent agency for the prevention of accidents and consequent national wastage. It will be a valuable aid to the proper function of plants and to stabilised production. Its technical services will be of a high standard which will be of great assistance to industrialists in the rationalisation and reorganisation of their plants.

Loss Prevention

Isolated cases of unforeseen occurrences are taken as inevitable by industrialists. A machinery insurer operating with the above objective and carrying out detailed investigations both at the time of effecting insurance and when claims arise comes into possession of considerable data from various industries for scrutiny by its experts. For instance, in a country where machinery insurance is popular, a leading insurer is called upon to handle over 15,000 claims in a single year. An analysis of these claims goes to the root of the problem of loss prevention. These investigations are backed by a scientific approach with all available means of modern material testing such as spectral analysis, magnetic flooding, ultra-sound waves, etc. The elimination of accidents in industry resulting from these efforts will doubtless mean greater efficiency and greater production. Machinery insurance will thus play an important role in industrial progress.

The cover granted by a modern machinery policy is comprehensive. It covers the plants against all unforeseen damage or sudden physical loss and excludes normal wear and tear which is inherent in the working of the machinery. For example, it offers insurance protection against loss or damage by:

Faults in costing and material; faulty construction; faults at workshop or in erection; lack of skill and carelessness; sabotage; shortage of water in case of boilers; explosion of boilers; tearing apart on account of centrifugal forces; any kind of circuit; storm and tempest of every intensity.

The cover is thus wide and well planned and has been adjusted to meet the needs of our country. In order that this new branch of insurance may not encroach upon the more popular forms of insurance for which wide facilities for cover already exist, risks such as fire, riot and lightning or earthquake are excluded. The only other exclusions relate to the risks of war and similar events which are really uninsurable except at Governmental level.

Machinery insurance not only pays for the damage caused but also the cost of dismantling, freight charges to and from repair shops, and re-erection costs. Where new parts are required to be replaced in the place of old ones, they are paid for without making any deduction for depreciation thereon. This is a valuable help to the industrialist in these days of inflation when the normal depreciation provisions are grossly inadequate to meet depreciation. When a machine is totally destroyed, in order to uphold the principle of indemnity, the settlement is on the basis of the actual value of the machine that is destroyed. The sum required to be insured for machinery insurance is the replacement value on the commencement of the policy, including freight, customs duty, if any, and erection cost.

Machinery insurance is a useful addition to the popular forms of cover. It is being undertaken by certain Indian insurance companies with the special object of providing a comprehensive insurance service to the industry. At a time when various new industries are being established, machinery insurance is the real need of the time and whilst Indian insurance companies have rightly come forward to play their role, industries will not lag behind in taking full advantage of its benefit.

Erection Insurance

Closely allied to machinery insurance is erection insurance. One of the major difficulties that an industrialist has to face whilst ordering his plant is that the supplier is reluctant to offer reasonable quotations on account of his ignorance of the conditions under which the plant would be required to be erected. If the supplier were assured that the various risks of which he hears so much could be guarded against by an erection policy, he would not overload his price out of extraneous considerations. The machinery department of the Indian companies, therefore, cater for erection insurance and facilitate installation of plants at economic prices.

An erection policy insures the manufacturers of machines or steel construction firms, or any other firm making such plant or machinery against all damages arising from and occurring during erection work. Erection insurance covers loss or damage through:

Earthquake; subsidence; landslide; rockslide; flood; inundation; storm; fire; lightning; explosion; tearing by centrifugal forces; short circuit; riots; civil commotion; strikers; locked-out workers; defects in casting and material; faults of construction; faults at workshops; faults in erection; lack of skill; carelessness; sabotage; burglary and theft.

Extensive Coverage

The insurer practically pays all loss or damage which may occur during erection. The enumeration of the above possibilities of loss or damage does not mean that all of them may occur on every erection site. They are listed by way of examples to show how extensive and complete is the insurance cover. The erection policy can be extended to include insurance cover against third party claims upto the maximum amount insured on such risks.

If desired, the insurance can also include the costs arising out of debris clearance as a consequence of loss or damage. Generally the erection policy is to commence after the individual parts have arrived and been unloaded at the erection site. It is to end only after the test operation or the test load which is limited to four weeks has been completed.

This insurance covers all costs to be incurred in order to restore the damaged machine or steel construction to its state immediately before the occurrence of the damage. Included in these costs are—just as in the case of machinery insurance—repair costs, freight charges, customs duty, if any, and re-erection costs. The sum insured for this kind of insurance should always be the full cost price including all freight, customs duty and erection costs. It is hoped that these two types of insurance which are new to our country will soon gain a position in our insurance economy, which they deserve on the strength of their scope and importance.

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GOVERNMENT AID NECESSARY

PRODUCTIVITY in industry depends considerably on the working condition of plant and machinery in factories. Wear and tear caused by high pressure operation without essential repairs or timely replacements and renewals renders machinery inefficient, and, with it output declines, costs increase and competitive ability suffers. In India, intensive war effort, deferred repairs, difficulty of obtaining timely supplies and abnormal rise in costs have considerably affected the work of renewals and replacement of plant and machinery. Besides, big sums, already spent on partial replacements in certain cases, have resulted in the utilisation of existing funds. The widening gap between original costs and replacement costs, on the one hand, and the depleted reserves, on the other, have caused the problem of finding finance for replacement programmes in industry a baffling one. The difficulties confronting industries have compelled many to give considerable thought to the subject of assessing the actual financial needs of the industrial sector as a whole.

The Planning Commission also has bestowed some attention on the question of assessing the amount required by industry, both in the public and the private sectors, for carrying out replacement and renewal programmes in the Plan. The estimates made by it are based on certain preliminary studies undertaken by it. It says that, so far, no systematic enquiry has been undertaken in regard to the needs of industry for replacement and modernisation. Only in regard to the Indian textile industry, it observes, this question was examined by the Working Party connected with cotton textiles. The Commission, however, considers that, in view of the inadequacy of resources and the high cost of machinery and capital goods, it might not be possible, within the period of the Plan, to clear all the arrears of replacement and to carry through modernisation to the fullest extent necessary.

The Commission has estimated the total investment necessary for financing the expansion plan in the public and the private sectors at Rs. 327 crores. Of this, the public sector accounts for Rs. 94 crores and the private sector for Rs. 233 crores. In addition, the expenditure on replacement of plant and machinery and modernisation in the various industries which have a large backlog of arrears of depreciation to make up is placed on rough estimates at about Rs. 150 crores for the five-year period ending March 1956. The aggregate requirements by way of finance for fixed capital thus work out to Rs. 477 crores. The industry would also require, according to the Commission, considerable sums by way of working capital and for covering current depreciation. These have been placed at Rs. 230 crores, taking the total estimated requirements to Rs. 707 crores.

The Commission has also suggested the ways and means of covering the requirements. The investment in the public sector, that is, Rs. 94 crores, is to be met out of its own resources supplemented by a measure of foreign investment and domestic private resources. The estimated foreign investment in industries is placed tentatively at Rs. 100 crores. In the private sector, the profits of corporate enterprises engaged in industries assessed to income-tax in 1950-51, were about Rs. 98 crores. Of this, after allowing for tax and dividends, about Rs. 34 crores are estimated to have been ploughed back. The Commission considers that with the better availability of raw materials and the higher level of production envisaged in the Plan, the undistributed profits of corporate enterprises are likely to go up. Accordingly, for the Plan period these savings have been estimated at Rs. 200 crores. (This estimate is arrived at on the understanding that there should be agreed price increases in selected lines and restraint in dividend policies.) These savings are expected to be supplemented by new issues of the order of Rs. 90 crores, loans from Government and Industrial Finance Corporation to the extent of about Rs. 25 crores, refunds of E.P.T. deposits of the order of Rs. 60 crores, banks and other sources of short-term finance, Rs. 150 crores. The Commission thinks that, although the above estimates are only approximations, the targets indicated by them are capable of achievement.

The staff of the Federation of Indian Chambers of Commerce and Industry has also made an attempt at assessing the replacement of machinery plant and industry. The study relates to the balance-sheets of 138 companies. These companies represent about 20 per cent. of the private industrial sector. On the basis of this sample study, the Federation has estimated that, over a period of five years ended 1949-50, capital investments by industry in India as a whole rose by Rs. 233 crores and working capital by Rs. 252 crores. This total expenditure of Rs. 485 crores was financed by (*a*) capital resources (including transfers to reserves but excluding appreciation reserve) to the extent of Rs. 133 crores and (*b*) by depreciation funds (including transfers to reserves but excluding depreciation reserve) to the extent of Rs. 130 crores. The balance was met from (*c*) depletion of cash resources and investment amounting to Rs. 60 crores and (*d*) current finance, borrowing and credits to Rs. 156 crores. While further availability of resources under items (*c*) and (*d*) are limited, the need for additional capital resources is expected to be higher because of backlog in replacement. Assuming that the increase in expenditure on replacement of assets or otherwise on account of higher prices offsets any advantage that might arise from reduced requirements of working capital, the aggregate fresh capital requirements of Indian industries over the next few years is estimated at Rs. 100 crores per annum. The study of balance-sheets referred to above also indicates that, if the replacement requirements are spread over the next 12 years, the annual requirements of additional finance over and above depreciation allowed under existing income-tax rules will be between Rs. 50 and Rs. 65 crores, a sum which industry cannot cope with, unless assistance from the Government is forthcoming.

On the strength of these studies, the Federation has appealed to the Government for assistance. The following is a summary of the main points of the suggestions made by the Federation:

"The Committee (of the Federation) realise that any assistance that can be sought from Government should be justifiable on grounds of public interest. They also realise that while the burden of rehabilitation of plant and machinery must remain the prime responsibility of industry under normal circumstances, they can ask for governmental assistance only to the extent justified by the rise in prices of the fixed assets. Even this will have to be qualified by a number of other considerations which are dealt with below.

"It is necessary first of all to make a distinction between needs which are strictly replacement needs and needs which are more in the nature of expansion of existing units. It is only with regard to the former that the Committee recommend that Government should come to the aid of industry. Further, such assistance should be limited to the replacement of pre-1947 assets only; and even in those cases, assistance need not be for the entire difference between original and replacement costs. In normal circumstances the replacement of an asset involves, in addition to the original cost, a certain element of obsolescence due to technical progress. In the absence of a significant change in the level of prices, the additional finance required for replacing an older asset by a new and improved one is legitimately a charge on industry itself. The Committee believe that an addition to the original cost to the extent of about 50 per cent. on this account would be a legitimate one to be borne by industry. At present, however, the prices of capital equipment are nearly three to four times the pre-war level. Government assistance, therefore, is to be sought only with regard to what may be termed as the 'net differential cost' of replacement at the present level of prices, i.e., replacement cost minus (original cost+50 per cent.).

"As regards the form of assistance, the Committee feel that no one method alone will suffice inasmuch as the requirements would be different in the case of different industries, different units, and the varying age of the machinery to be replaced. While in all cases, it will be necessary to grant additional depreciation allowances on a tax-free basis, at least to the extent of half the net differential cost, something will have to be done towards the ways and means problem for immediate replacement of assets which have been written down completely since the additional depreciation allowances will be earned only over a period.

"Such replacement loans may be charged at the normal borrowing rate of Government and the terms of repayment should be such as would enable industry to make repayment without undue financial strain. The fact that the industries concerned are willing to borrow from Government for replacement requirement would by itself be an assurance that the needs of funds for the purposes of rehabilitation are genuine. Moreover, if the grant of such loans were canalised through the Industrial Finance Corporation, the Government of India could ensure that they were granted only in proper cases and only upto the limit already indicated; the Corporation could also ensure that the loans were expended only for replacement of plant and not for expansion or other purposes.

"In respect of assets on which full depreciation allowances have not been drawn and the replacement problem does not arise until some years later, assistance in the form of loans would have to be extended when the time comes for actual replacement and funds available are inadequate. The extent of such assistance would be comparatively small as additional depreciation allowances would have been earned. The Committee also suggest that any net relief out of tax-free additional depreciation allowances may remain with Government to be made available to the units concerned only for the purpose of replacing the assets. This can be done as in the case of refunds of E.P.T. deposits. Besides loans and higher depreciation allowance Government may also consider giving assistance to industry generally by charging a lower rate of tax on any profits ploughed back into industry. Government are now giving a rebate of one anna in the rupee on such undistributed profits. It will encourage further ploughing back of profits into industry if relief to a more substantial degree is granted to profits retained by the company."

A similar plea has also been put forward by the Employers' Association, Calcutta, in a pamphlet published this week. This pamphlet, entitled *Depreciation Allowances and Replacement Costs*, also deals with 138 companies referred to in the Federation's Study above, and emphasises that: "In order to be able to maintain the rate of progress achieved in 1947-52 and help the industries to reduce costs through rationalisation, there is need for immediate action on the part of the Government."

IMPORT-EXPORT TRADE CONTROL OFFICE FOR COCHIN

The Government of India has decided to establish a separate import-export trade control office at the Port of Cochin. This office will work under a Deputy Controller of Imports and Exports and will start functioning from this week (15th inst.). The jurisdiction of the office will extend to the State of Travancore-Cochin and the districts of Malabar, South Canara and Coimbatore in the Madras State. Applications for import licences from these areas should be sent to this office and not to the office at Madras as hitherto. The Madras office will be transferring all applications from this area pending disposal to the Cochin office.

It has also been decided to transfer the jurisdiction over Hyderabad area from the Joint Chief Controller of Imports, Bombay, to the Deputy Chief Controller of Imports, Madras. Applications for the period January-June, 1953, will be disposed off by the Madras office, while applications for previous periods will continue to be handled by the Bombay office.

These decisions will be welcomed by trade and industry in India, as they are designed to secure quick disposal of applications. They will also give some relief to the Bombay office which had been put to severe strain on account of heavy concentration of applications. They are undoubtedly an important step forward in the direction of decentralisation of trade controls which began a few years ago when the Port Offices were started at Calcutta, Bombay and Madras.

PLEA FOR MORE PEPPER PRODUCTION

An appeal to the Government of India for taking steps to intensify the production of pepper in India was made by Mr. Vallabhdas V. Mariwala, President, the Pepper and Ginger Merchants' Association, Bombay, at its thirteenth annual meeting held on the 10th inst. Unless pepper production showed improvement, there were no prospects, said Mr. Mariwala, of this country enhancing its exports from India. The Planning Commission has placed an export target of 300,000 cwts. or 15,000 tons of pepper per annum to be achieved by 1955-56. Mr. Mariwala referred to this point and stated that the target was actually hit in 1950-51 and that exports in subsequent years were well maintained around these levels. He said that it was not a question of reaching the target but maintaining it and striving further to increase it by producing more pepper at lower cost to the benefit of the country.

Alluding to the question of introducing compulsory inspection of pepper before shipment, Mr. Mariwala stated that such questions had been discussed many times in the past and the idea had been abandoned in the case of several other articles which figure in India's export trade. He was opposed to any invidious treatment to pepper exports alone, especially as the standard of deliveries in this commodity had been exceptionally high and, if statistics were collected and compared, it would be realised, he declared, that the percentage of bad deliveries would be fractional and much lower than in other commodities. "If, therefore, there is no case for compulsory inspection for other articles of export," he remarked, "there is no case for bringing pepper under compulsory inspection." He feared that, if such inspection system were introduced, it might lead to red-tapism and administrative delays, ultimately affecting the quality of the produce which had so far been maintained at a high level. He wanted the Government to abandon the proposal.

In this context, Mr. Mariwala referred to the stricter scrutiny to which pepper shipments from India were put last year by the Food and Drug Administration of the U.S.A. As a result of this, almost all consignments of pepper were detained and subjected to recleaning at a heavy expense to the shippers and caused a loss of about Rs. 9 to Rs. 10 lakhs. This question was discussed at a conference at Cochin to find out ways and means of preventing the recurrence of infestation of pepper with psocids and mites. A Standing Committee was appointed to contact the American Spices Trade Association and adopt measures, in consultation with it, to eliminate chances of exporting contaminated pepper. Mr. Mariwala drew the attention of the trade to the need for refraining from trading during the monsoons, unless they were sure of the dry condition of their stuff which should not contain more than 9 to 10 per cent. moisture.

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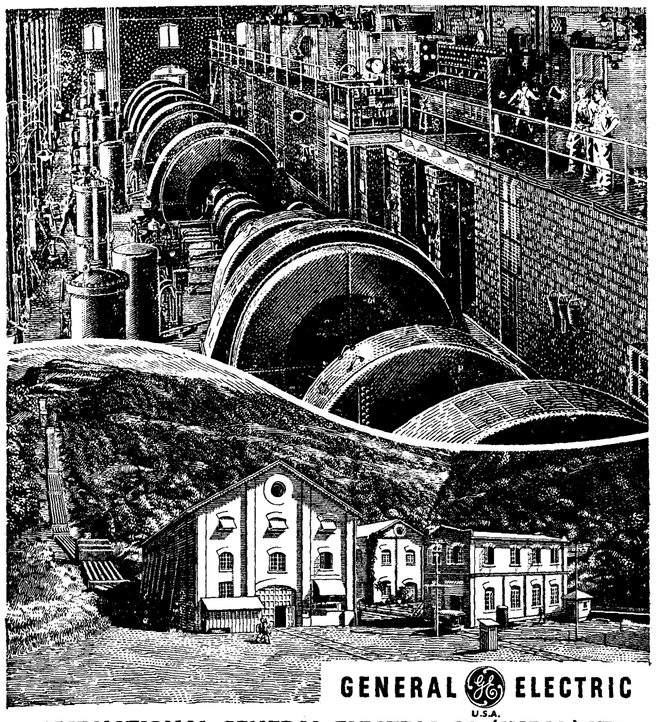
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HOLIDAYS WITH PAY

NEW RECOMMENDATION IN THE OFFING

THE International Labour Organisation has brought out a report* on the subject of holidays with pay which is the fourth item on the agenda at the next session of the International Labour Conference. The I.L.O. is also preparing another report, on the basis of replies received to a questionnaire which it circulated some time back, eliciting the views of the various States the world over on the question, whether or not there is need for a new Recommendation on holidays with pay. The forthcoming conference will discuss the report under reference, as well as the one under preparation, in the light of the various replies received and then evolve a new Recommendation, if found necessary.

The present report discusses the law and practice relating to holidays for workers in different countries and gives detailed information on the scope of holiday provisions, the duration of the holidays, the qualifying period of service for holidays, the remuneration for the holidays and various other questions including special provisions for certain categories of workers such as young persons, apprentices and workers in dangerous or unhealthy occupations. The report further surveys the facilities existing in the various countries which help the workers enjoy their holidays.

The practice of allowing employees several consecutive days of rest each year without loss of earnings has become a widely recognised condition of employment to-day. The practice has grown from the privilege of a few at the beginning of the century to a popular measure of welfare enjoyed by tens of millions. It is true that still many workers are not receiving this benefit as, for instance, certain workers who are unorganised or employed in small undertakings or working in areas where the system of annual holidays with pay has not been introduced. Nevertheless, the Convention adopted in 1936 as a standard for future achievement is in operation in several parts of the world. In fact, following the achievement of political independence, a large number of countries have more than fulfilled the requirements of this Convention.

The introduction of paid holidays for workers both in law and in practice is based on the workers' right to leisure and to the opportunity of developing his personality on the one hand and on the necessity of preserving or restoring his health and strength in the interests of production, on the other. As to the first aspect, it is a well-known fact that, if holidays with pay are properly utilised, it may provide a real escape from the monotonous environment in which one is normally obliged to work. Workers generally undertake factory work, because of the necessity for existence, and it is outside their work that true liberty begins in which the individual can devote himself to that cultivation of talents and personality which is his proper end. As to the second aspect of the subject, it has been proved that workers return to their jobs with fresh enthusiasm and renewed reserves of strength after spending their holidays under suitable restful conditions. This is confirmed by the conclusions reached in many recent studies of the physiology and psychology of work, especially in the field of productivity. The quicker industrial rhythm and the monotony of work caused by modern mechanisation render it essential to grant regular rest periods if workers are not to succumb to physical overstrain and to weakening of their moral and if their health and working capacity are to be preserved.

Although the workers' right to holidays with pay has come to be widely recognised, there are certain difficulties in the way of the proper utilisation of paid holidays for the purpose for which they were introduced. The income of workers' families, in the first place, is not often such as to encourage the saving which is necessary in order to meet the expenses of a holiday. Secondly, when such savings are made, their effective utilisation for the purpose of true physical and mental relaxation meets a common obstacle in the uncertainty of many people as to the real usefulness of such expenditure, how and under what conditions it should be made. Thirdly, the question of providing cheap and comfortable transport and accommodation for workers who want to enjoy their holidays in areas a little far away from their residence is formidable. Finally, there is need to see that workers enjoy ample and real freedom of choice among the various ways of spending their holidays which are not harmful to his health.

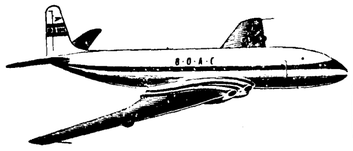
Various measures are being taken to see that the workers have the necessary resources and facilities for enjoying their holidays to the maximum possible extent. Some of the measures, so far as resources are concerned, relate to creation of trade union funds fed by the resources of their members—which are drawn upon at the time of holidays or which are used for the payment of holiday bonuses or credits to certain of their members, or else for several similar purposes at the same time. There are also measures which make for grant of credit repayable in several instalments and the like. In certain countries, measures again are being taken to provide suitable accommodation, cheaper and comfortable transport by organising travel under special conditions, or providing workers with facilities for travel abroad and the like. But these fall far short of requirements.

It is too early to forecast the nature of the Recommendation likely to be adopted at the ensuing session of the International Labour Conference. If, however, a new Recommendation on holidays with pay were to be adopted, it would take into account the variations in national conditions and suggest principles of action to suit these differing conditions. In addition, it may give more specific recognition to the importance of holidays with pay provisions in collective agreements and arbitration awards as a means of extending the benefits of holidays with pay, step by step, to increasing number of workers. The recommendation may also suggest that, where holidays are regulated by collective agreements, full consideration should be given to the principles enunciated in the Collective Agreements Recommendation adopted in 1951, which deals with machinery for collective bargaining and in particular with the interpretation, supervision and extension of collective agreements.

*Holidays With Pay. Publishers: International Labour Office, Geneva. Available at Oxford Book and Stationery Co., Scindia House, New Delhi.

WORLD LABOUR STATISTICS

A study of the *Year Book of Labour Statistics for* 1951-52, recently published by the International Labour Organisation, discloses that about a tenth of the world's population enjoys some kind of social security protection. About 150 million bread-winners in 45 countries have insurance policies covering old age and invalidity; about 125 million workers are protected against loss of income resulting from sickness or maternity; about 90 million persons are entitled to unemployment compensation; and about 200 million persons have the right to medical care. Allowances are being paid at present for more than 35 million children in 24 countries.



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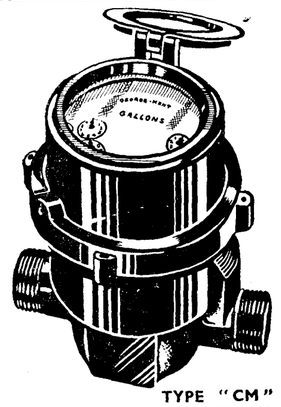

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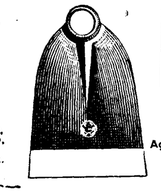

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AG-3359

BUMPER PROFIT OF PERIA KARAMALAI TEA AND PRODUCE COMPANY

RECORD DIVIDEND ON HIGHER CAPITAL

THE distribution of a bonus scrip and a higher dividend on the enhanced capital, these undoubtedly constitute a generous treatment that any company could extend to its shareholders. The shareholders of the Peria Karamalai Tea and Produce Co., Ltd. (Managing Agents: Messrs. Peirce Leslie & Co., Ltd., Kozhikode, Malabar), have been fortunate enough to receive such rare treatment recently, following the excellent financial results for the year ended 31st March, 1952. Early in the year under review, in April, 1951 to be more precise, the Directors capitalised a sum of Rs. 10.86 lakhs out of the amount standing to the credit of the Company's general reserve by the issue of 1,44,872 ordinary shares of Rs. 7-8 each, at a *pro rata* basis of one share for every two held by the then existing shareholders. The final dividend of 25 per cent. for the year 1950-51 itself was paid on the capital thus increased, namely Rs. 32.60 lakhs, the interim dividend of 10 per cent. having been on the old capital of Rs. 21.73 lakhs. For the year under review, the Directors paid two interim dividends of 10 per cent. each and a final one of 25 per cent. making a total of 45 per cent. for the whole year; all these distributions were on the enhanced capital. It may incidentally be noted that this was the third time that the capital of the Company was raised by capitalisation of reserves and issue of bonus shares and that the latest dividend is a record one in the history of the Company.

The distribution of a higher dividend on the increased capital was facilitated by a substantial rise in earnings, the gross profit showing a rise from Rs. 22.05 lakhs (for 1950-51) to a record high of Rs. 34.52 lakhs, that is, a rise of 56.5 per cent. Even after providing larger sums for depreciation and taxation, the net profit, at Rs. 23.06 lakhs, is Rs. 8.45 lakhs more than that for the previous year. The reserves have been considerably strengthened, the amount of Rs. 7 lakhs added now being Rs. 3 lakhs more than that set aside out of the previous year's profit.

Many favourable factors combined together to yield the bumper results as noted above. In the first instance, the tea crop for the year, at 36.25 lakh lbs. was a record one, and represented an increase of 7.77 lakh lbs. over the previous year's output. As a result, the yield per acre has gone up from 836 lbs. to 1,069 lbs. This speaks very highly of the cultural methods employed by the Company at the present day and is a typical example of what can be achieved in the sphere of Indian agriculture, if care and attention is paid to methods of increasing the yield per acre. Secondly, the cost of production of tea was lower at As. 15.35 per lb., as compared with As. 16.63 per lb. for the year 1950-51. Thirdly, the Company was able to get a better price for its tea. Thus, the average price realised on sale of tea showed an increase from As. 29.36 to As. 31.04 per lb. Fourthly, the coffee produced by the Company, though slightly less in output, fetched a sizably higher price. Thus, the coffee output amounted to 190 cwts., as against 210 cwts., for which the average price realised was Rs. 179 per cwt., as compared with Rs. 152.92.

The following comparative table highlights the Company's results for the year against the background of those for the previous three years.

	For the year ended 31st March			
	1952 Rs.	1951 Rs.	1950 Rs.	1949 Rs.
Sale proceeds	59,58,111	49,21,898	42,03,078	34,13,439
Expenditure on estates..	36,68,591	30,73,563	28,82,234	23,65,355
Gross profit	34,52,036	22,04,834	17,68,923	13,66,990
Managing Agents' commission ..	1,23,458	1,03,857	84,931	77,664
Other expenses	3,68,160	1,68,615	1,22,795	86,169
Depreciation	2,00,322	1,97,233	1,58,856	1,05,251
Taxation	4,80,000	3,00,000	1,75,000	1,50,000
Net profit	23,06,409	14,61,722	12,36,714	9,75,566
Reserves	7,00,000	4,00,000	4,50,000	4,50,000
Pension fund	30,000	30,000	30,000	30,000
Dividend	14,66,829 (45%)	10,32,213 (35%)	8,69,282 (40%)	5,21,539 (24%)
Carry forward	1,81,295	71,715	72,206	1,84,724
Tea crop in lbs. ..	36,25,059	28,47,665	28,58,417	24,12,829
Coffee crop in cwts. ..	190	210	265	..
Cost of production per lb. of tea	As. 15.35	As. 16.63	As. 15.71	As. 16.66
Average price realised— Tea per lb. ..	31.04	29.36	25.52	23.71
Coffee per cwt. Rs.	179	152.92	148 02	..

The foregoing table reflects the excellent progress made by the Company in recent years, in terms of both output and profit margin. Thus, the output of tea has gone up by more than 50 per cent. in the course of the last three years and the average price realised has steadily advanced year after year by 31 per cent. Another feature disclosed by the table is that cost of production is a shade lower. This is, however, due to an increase in production. There has been no fall in the rate of expenditure pound for pound. On the contrary, it has been, according to the Company's Chairman, higher, and a considerable increase in it must be expected in the current year, reflecting the effect of minimum wages. The coffee crop, no doubt, shows a decline, but the fall has been offset by the increase in price realised. The estate expenditure has gone up by nearly 56 per cent. and other expenditure more that four times. The gross profit has gone up by about 153 per cent. The increases in essential provisions, such as depreciation and taxation, are only in consonance with the improvement in earnings. It will also be noted that sizable sums have been utilised to strengthen the reserves during the last four years. The shareholders also have been benefited to a considerable extent.

The Company's financial position is quite comfortable. The latest balance-sheet shows that even after the issue of bonus shares in April, 1951, the reserves and surplus stand at Rs. 17.45 lakhs or nearly 54 per cent. of the paid-up capital of Rs. 32.60 lakhs. There is also a 5 per cent. debenture capital of the value of Rs. 10 lakhs. Taxation reserve amounts to Rs. 2.42 lakhs and other current liabilities to Rs. 22.18 lakhs. The gross block of the value of Rs. 57.29 lakhs has been written down by Rs. 14.94 lakhs. The current assets aggregating Rs. 42.29 lakhs provide ample cover to current liabilities.

As regards the outlook for the Company, the following extracts from the Chairman's speech at the annual meeting will give some indications:

"In the current season, markets for common teas slumped badly during the period April-September but I am pleased to inform you that our teas sold fairly easily throughout and have secured an average price of As. 27.72 to date which excludes the season's quality teas.

"At the present moment markets are rather variable and the world surplus tea production makes further price reduction almost inevitable. The immediate prospects of the industry are consequently not altogether reassuring . . . .

"In the new season I am pleased to say that crop is again coming in in fine fashion and gives promise of exceeding even last year's record performance. At end November, crop secured was 27,31,934 lbs. ahead of estimate. We were unable to fix any forward contract for our exportable grades in the current year. This arrangement appears to be paying us and the Company's reputation in the Cochin market has been well maintained. A sample break from each estate was tried out in the London auctions, but proved unprofitable, and, although we have not again patronised Mincing Lane, these markets are carefully observed, and teas sold to the best advantage. Dust and fannings grades have again been sold on forward contract at favourable prices."

The Company's Rs. 7-8 paid-up ordinary shares are currently being quoted at Rs. 23-10 *ex-div.* at which rate the dividend for the year gives a yield of 14.3 per cent. per annum, free of income-tax.

(Concluded from next column)

The balance-sheet as on 31st December, 1951, shows that the Company's reserves and surplus stand at Rs. 21.39 lakhs, as against a paid-up capital of Rs. 150.22 lakhs. Reserve for taxation amounts to Rs. 27.08 lakhs. The gross block of the value of Rs. 145.62 lakhs has been written down to Rs. 71.16 lakhs. Current assets aggregating Rs. 296.61 lakhs more than adequately cover the current liabilities at Rs. 142.08 lakhs. They include stock-in-trade of the value of Rs. 11.06 lakhs, stores, etc., Rs. 40.27 lakhs, debts, deposits and advances Rs. 194.09 lakhs, investments Rs. 2.09 lakhs and cash balance Rs. 49.10 lakhs. The aforesaid debts, deposits and advances include a sum of Rs. 125.98 lakhs due from Dalmia Cement (Bharat) Ltd., the new company formed for transferring the assets and liabilities of the Dalmia Cement Ltd. The scheme of transfer was sanctioned by the Madras High Court on 4th December, 1951, and the adjustments consequential to exchange of shares for shares in Dalmia Cement (Bharat) Ltd. were effected in 1952.

The Directors have now changed the accounting period of the Company to end on 30th September, instead of 31st December, so that the statement of accounts for the period ended 30th September, 1952, might be attached to those of Dalmia Cement (Bharat) Ltd. for the year ended 31st December, 1952. This process will continue so long as Dalmia Cement Ltd. remains the subsidiary of the other.

RESULTS OF DALMIA CEMENT FOR 1951

DIVIDEND LEVEL RAISED

THE striking progress made by the Dalmia Cement Ltd. (Managing Agents: Messrs. Hari Brothers Ltd., New Delhi) in 1950 was well maintained during the subsequent year, namely, the year ended 31st December, 1951, also. Indeed, 1951 was the most prosperous year so far experienced by the Company. The Company's gross profit (before providing for depreciation and taxation), which had gone up from Rs. 28.70 lakhs for 1949 to Rs. 63.57 lakhs in 1950, made an *impressive rise to a record level* of Rs. 91.82 lakhs in the year under review, the increase over the previous year being 44.4 per cent. The net profit of Rs. 27.26 lakhs also compares well with that of Rs. 17.45 lakhs for 1950 and is in distinct contrast to a deficit of Rs. 4.69 lakhs for 1949. This encouraging result enabled the Company to add to the reserves a sizable sum of Rs. 18.50 lakhs, as compared with a mere Rs. 1 lakh set aside last year, and also to enhance, at the same time, the dividend level from 5 per cent., paid for 1950, to 6¼ per cent. Though the gross profit for the year under review is a record one, the dividend on the ordinary shares, however, falls short of the 7½ per cent. paid for the years 1944, 1945 and 1946.

The smart improvement in profit, as noted above, was essentially due to the expansion of the Company's factory at Dalmiapuram (South India) and the better utilisation of the productive capacities of all the factories. The Dalmiapuram factory was expanded towards the close of 1949 to raise the rated capacity from 250 tons to 750 tons per day. The old plant, as well as the new one, worked to their respective capacities during the period they remained under operation. The factory could have been worked to the fullest possible extent but for the power cut in South India. The working of the Company's factories in Pakistan was at its best, since Partition, during the year under review. The demand for cement in both Pakistan and India, coupled with increase in the selling price of packed cement granted by the Government of India during the year, also contributed to the Company's prosperity in the year under review. The increased production and higher prices are reflected in the substantial rise in sale proceeds from Rs. 228.20 lakhs to Rs. 358.97 lakhs.

The following table brings out clearly the salient features of the Company's working during 1951, as compared with those for the previous three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1951	1950	1949	1948
Sale proceeds	358.97	228.20	186.92	190 91
Other receipts	11.41	2.87	11.08	2.96
Stock	22.88	36.12	23.41	22.89
Manufacturing cost ..	253.73	174.11	155.74	138.21
Other expenses ..	5.12	8.76	9.46	10.52
Gross profit	91.82	63.57	28.70	27.87
Managing Agents' commission ..	6.47	3.72	..	2.44
Depreciation	31.09	30.41	33.39	7 44
Taxation	27.00	12.00	..	8.50
Net profit (+) or loss (—)	+27.26	+17.45	—4.69	+9.49
Reserves	18.50	1.00	..	3.00
Dividend— 6% cum. preference ..	3.53	7.05*	..	3.53
Ordinary	5.41 (6¼%)†	4.32 (5%)	..	4.32 (5%)
Carry forward	0.01	0.78	—4.28	0.41

* Includes arrears of dividend for the year 1949.
† Represents interim dividend. Final dividend *nil*.

One of the features disclosed by the foregoing table is the sharp rise in manufacturing cost, due to increases in cost of stores, materials, transport and labour. The provision for depreciation was not raised to any worthwhile extent, but taxation absorbed Rs. 15 lakhs more than in 1950. As regards the taxation on the Company's income in Pakistan, the final assessment for the year 1946 only has been completed, following the agreement between the members of the two-man committees appointed by the Governments of India and Pakistan over the principles to allocate profits of the Company between the two countries for purposes of income-tax assessment. The percentage of income assessed for the year 1946 (assessment year 1947-48) in India and Pakistan was 28.90 and 71.10, respectively.

Out of the net profit of Rs. 27.26 lakhs, as much as Rs. 15 lakhs were transferred to the general reserve and Rs. 3.50 lakhs to reserve for bad and doubtful debts, as against Rs. 1 lakh provided last year. No sum was added to the general reserve in the previous two years. The dividend of 6¼ per cent. paid on the ordinary shares was the interim one paid in August, 1952. The Directors did not wish to pay any further dividend for the year under review, in the absence of remittance of funds from Pakistan.

(Continued in previous column)

SUBSTANTIAL RISE IN EARNINGS OF SCINDIA STEAM

ACCUMULATED DEFICIT WIPED OUT—PAYMENT OF DIVIDEND RESUMED

QUITE favourable results are disclosed by the audited accounts of the Scindia Steam Navigation Co., Ltd. (Agents: Messrs. Narottam Morarjee & Co., Bombay) for the year ended 30th June, 1952. The Company's gross profit for the year shows a sharp increase from Rs. 88.03 lakhs for 1950-51 to Rs. 242.79 lakhs.. After providing Rs. 72.68 lakhs (as against Rs. 64.47 lakhs in the previous year) for depreciation and Rs. 10 lakhs (Rs. 10 lakhs) for debenture sinking fund, the net profit works out to Rs. 143.10 lakhs, as compared with a mere Rs. 4.75 lakhs for the preceding year. The profit for the year under review stands in more refreshing contrast to the net losses of Rs. 38.73 lakhs and Rs. 58.28 lakhs suffered in the years 1949-50 and 1948-49, respectively. As a result of the impressive performance, the Company has been able to wipe off the accumulated deficit of Rs. 89.05 lakhs brought forward from the previous year, write off the loss of Rs. 41.02 lakhs on the sale of the Company's shipyard to the Government of India and pay a dividend of As. 8 per share after a break of three years, but not without taking credit for Rs. 10.55 lakhs being the provision for taxation no longer required.

The encouraging results of the Company for the year under review are due, in the main, to (1) adequate employment of the Company's fleet, (2) employment of tonnage in the Pacific for bringing foodgrains and (3) general increase in freight rates, particularly for carriage of bulk cargo. The total cargo lifted was actually lower at 17,22,559 tons, as compared with 18,44,934 tons in the previous year, but the freight earned increased from Rs. 6.99 crores to Rs. 8.74 crores, following the upward revision in freight rates in the U.K. and the U.S. services in March, 1951 and in the coastal services in May, 1951. There was no worthwhile increase in passage money, but the shipyard revenue declined from Rs. 172.49 lakhs to Rs. 112.81 lakhs. Although the total expenses show a slight drop from Rs. 855.69 lakhs to Rs. 823.67 lakhs, operating costs in respect of wages, oil, stores, repairs and insurance were higher. The average cost of fuel oil rose by Rs. 20 per ton. There was an increase of over Rs. 8 lakhs in management expenses mainly on account of increase in the salaries and wages account. The increase on these accounts was, however, more than offset by a sizable drop of Rs. 48.87 lakhs in hire of chartered steamers, etc.

Results Compared

The following comparative table presents the salient features of the year's results, as compared with those for the previous three years:

(In lakhs of rupees)

	For the year ended 30th June			
	1952	1951	1950	1949
Freight and passage money ..	934.07	756.00	607.44	620.33
Shipyard revenue ..	112.81	172.49	60.44	54.56
Other income	19.07	12.69	12.54	14.54
Total income ..	1,064.95	941.18	680.43	689.71
Expenses	823.67	855.69	733.85	780.55
Gross profit (+) or loss (—) ..	+242.79	+88.03	+29.18	—5.39
Agents' commission ..	17.01	8.80	2.33	..
Provision for— Depreciation	72.68	64.47	55.54	47.06
Taxation	10.00	10.00	10.00	5.00
Debenture sinking fund ..	+143.10	+4.75	—38.73	—58.28
Net profit (+) or loss—				
Provision for taxation written back ..	10.55	..	..	..
Loss on sale of shipyard ..	41.02	..	..	..
Dividend	22.00 (31%)	..	..	..
	+1.58	—80.05	—93.80	—55.07
Carry forward				

N.B.—Expenses include the amounts transferred to capital account which are: Rs. 1.52 lakhs, Rs. 2.54 lakhs, Rs. 82.60 lakhs and Rs. 85.45 lakhs for the years 1951-52, 1950-51, 1949-50 and 1948-49.

The profit for the year under review is arrived at after taking into consideration the sum of Rs. 7.27 lakhs being the commission forgone by the Managing Agents on the amount of depreciation provided. The assessments of the Company for E.P.T. have not yet been finalised, as there are certain questions still to be decided. Meanwhile, the Company had made a representation to the Central Board of Revenue in respect of its claim for deferred repairs, against which a substantial relief was sanctioned. Taking this and other factors into consideration, the Directors found that the balance that remained at the credit of provision for taxation at the close of the year was no longer required. Accordingly, they decided to appropriate the entire balance in that account by transferring Rs. 20 lakhs to fleet replacement reserve, Rs. 3 lakhs to deferred taxation reserve and Rs. 10.55 lakhs to the profit and loss account. As already indicated, the Directors had to write off a loss of Rs. 41.02 lakhs on account of the sale of its shipyard to the Government of India. According to the agreement with the Government of India, the assets of the shipyard were to be valued at their written down value calculated in accordance with the Income-tax Act, i.e., after taking into account the entire depreciation admissible under the Act. It was not, however, the Company's practice to provide any initial or double normal depreciation. Accordingly, the difference between the normal depreciation actually provided by the Company and the depreciation calculated on the aforesaid basis, amounting to Rs. 41.82 lakhs, had to be written off by drawing on the profit for 1951-52. The dividend of As. 8 per share proposed to be paid for the year under review is the same as that paid in 1948, but the dividend for 1948 was on the lower capital before the issue of new shares in 1947.

Financial Position

The following synopsis of the Company's latest balance-sheet reflects its financial position:

Liabilities	Rs.	Assets	Rs.
Capital ..	6,59,62,018	Gross block	12,98.97,421
Reserves and surplus ..	6.87,57,618	*Less*—Depreciation ..	3,04,50,000
Debentures	5,07,72,650	Net block ..	9,94,47,421
Provision for taxation	—	Stores and spares ..	37,62.100
Liabilities ..	3,82,42,048	Investments	3,77,17,002
		Debenture Trustees account	82,40,728
		Debts, deposits and advances ..	5,00.03,124
		Cash ..	2,26,00,272
Rs.	22,37,34,334	Rs.	22,37,34,334

The Company's reserves have been considerably strengthened, the increase over the year being Rs. 147.05 lakhs, of which fleet replacement reserve accounts for an increase of Rs. 128.89 lakhs, made up of Rs. 80 lakhs being the sum received from the Government of India by way of construction subsidy in the form of an ex-gratia capital grant, Rs. 28.89 lakhs being the excess over the written-down value of ships sold during the year and Rs. 20 lakhs being the transfer from the provision for taxation. The gross block account, at Rs. 12.99 crores, shows a decline of Rs. 1.48 crores, in the main due to sale of ships, slipways, wharf buildings, plants and machinery and labour colony, despite the additions to the Company's fleet to the extent of Rs. 1.53 crores. During the year under review, four ships were added to the Company's fleet, two of them having been built at Visakhapatnam and the other two purchased in the U.K. as second-hand ships. Three ships were sold during the year, one of them being an old passenger ship. Orders have been placed with the Hindustan Shipyard Ltd. for five motor vessels of 7,000 dw.t. each. Out of the amount of Rs. 5 crores shown under debts, deposits and advances, Rs. 2.73 crores are due from the Hindustan Shipyard Ltd. This due is secured to the extent of Rs. 1.67 crores and the balance unsecured.

The Rs. 15 paid-up shares are currently being quoted at Rs. 14-15 each, at which rate the proposed dividend gives a yield of about 3.35 per cent. per annum, free of income-tax.

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Points From The Chair

Government Expenditure Needs to be Cut

"THE Government has to find ways and means of reducing expenditure in order to ease the burden of taxation and I am sure most of us who are in contact with Government departments, are of the opinion that substantial economies can be made in administration. So far, the Government seems unwilling to face this, but even in our comparatively small sphere of activity, we know of many instances of flagrant waste of public money. Further, we cannot afford the luxury of hosts of so-called experts and administrative officers who are engaged in profitless studies which can never be used and are often out of date before they are even completed. I would admit that industry itself can and does suffer on occasions from these self-same failings, but the very necessity of having to make a profit draws attention to these matters. Unpleasant and unpalatable as it may be, the Government must give this matter attention or necessity will force the issue in due course, but meanwhile the nation and industry suffer."

J. L. BROCKHOUSE,
J. Brockhouse & Co., Ltd.

Export Trade of Indian Textiles

"Our export market in textiles has largely dried up. I do not wish to enter into the details of any controversy as to the need for abolishing the export duty on cloth or as to the alleged large margin of profits on our export trade because of the low price of Indian cotton. Not that the industry has no case on these points; but I do suggest that, on a long view, an export duty on what is not a monopoly cannot be sustained. Anyway, we cannot afford to forget the fact that with the partition of Pakistan, the pattern of Indian trade has changed permanently, and that India must export manufactured goods if she is to survive. Obviously, cotton textiles must be an important item in such exports, and all possible steps should be taken to foster the trade. The Planning Commission themselves, I understand, have envisaged this development. It should, for instance, be possible, quite apart from other justifiable relief, to give a rebate of custom duty on exports of manufactured articles from imported cotton. One can foresee administrative difficulties in a matter of the kind, but they cannot be insuperable. Export business is not only subject to risks but involves extra cost in ensuring quality, e.g., cloth free from faults. I do hope that the Government will do something for the export trade before powerful competitors like Japan and the U.K. extinguish it."

LALA SHRI RAM,
Delhi Cloth and General Mills Co., Ltd.

Trading Conditions in U.K. Woollen Industry

"Even now trade in the industry is not normal. To a large extent, heavy commitments which have not yet been fully absorbed, have had the effect of stopping or seriously curtailing normal forward buying, especially in the home trade. The export trade, which has recently tended to improve, is very competitive and in some markets is severely handicapped by import restrictions of one kind or another. Then, too, and perhaps this is the most serious problem, while, on the one hand, there is a definite reluctance to place orders for cloth very far in advance of requirements, on the other hand, manufacturers, such as ourselves, have to order some six months ahead of delivery, with yarn prices by no means stable—they have risen by some shillings a pound during the past few months. You will appreciate the element of risk involved in such a position, but you may be sure that your Directors have this aspect continually under review."

C. J. WILSON,
Wilson, Smith & Sutcliffe Ltd.

Importance of Tramp Shipping

"The important role that tramp shipping plays in the economies of advanced maritime countries, such as the U.K., is well known and development of tramp shipping should, therefore, be given due recognition by the Government. There cannot be two opinions on the need for the growth of tramp shipping. These ships play a useful role in peacetime and their undoubted importance in emergencies for movement of foodgrains and other vitally essential requirements cannot be overemphasised. The criteria for making finance available for the purchase of 'overseas ships' should not, therefore, be that these ships should be operated only on overseas liner routes. The finance should be made available freely also to those who want to purchase ships for tramping in overseas trades. It is hoped that this will be borne in mind whilst deciding allocation of finance for the purchase of 'overseas ships.'"

A. H. BHIWANDIWALLA,
Great Eastern Shipping Co., Ltd

Canada's Potential Wealth

"Canada needs very large sums indeed of capital to develop her vast potential wealth; she is in equal need of men—of population. Only with the building up of these two essential elements can she attain to that high degree of commercial prosperity to which she is destined by virtue of her mineral and other wealth. Such a building up is not accomplished within one year or in two—it is a much more lengthy process; and in the meantime caution must be the watchword where investment is concerned."

PHILIP B. FRERE,
Berkeley Property and Investment Co., Ltd

BOMBAY STEAM NAVIGATION WIPES OFF LOSS

KALAPAHARI COAL MAINTAINS DIVIDEND

Bombay Steam Navigation Co., Ltd.

THE directors of the above Company (Managing Agents: Scindia Steam Navigation Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th June, 1952.

The directors are glad to report that the Company's working during the year under review has resulted in a profit of Rs. 14,32,504 (Rs. 2,84,596), after providing Rs. 18,43,644 (Rs. 19,00,255) as normal depreciation and Rs. 10,50,000 (*nil*) as deferred taxation reserve. Adjusting the loss of Rs. 13,98,897 (Rs. 16,83,493) brought forward from last year, the balance of profit amounting to Rs. 53,607 (loss Rs. 13,98,897) is proposed to be carried forward.

The Managing Agents have been good enough to forgo 50 per cent. of the commission due to them. The directors are grateful to them for this generous gesture on their part.

Some of the ships of the Company had to be diverted, under instructions from the Government of India, for purposes of refugee evacuation from Pakistan to India; and the Company had submitted a claim for compensation in respect of this. The directors are glad to report that the Government have, after protracted negotiations, ultimately sanctioned an ex-gratia payment of Rs. 7,00,000 during the year under review.

The year under review recorded a further rise in operational costs, especially in fuel and stores.

Due to the reduced traffic on the Konkan lines and in the Harbour services, the directors laid up not only the s.s. *Xavier* but also some of the launches, viz., *Bajune*, *Sita*, *Vijaylaxmi* and *Kankeshwar*. Passenger traffic and earnings on the cargo-cum-passenger lines, viz., the Karachi, Mangalore and Saurashtra lines, have also continued to decrease. The directors have, therefore, taken necessary action with a view to rationalise the passenger services on these lines also.

The workshop revenues of the Company for the year have increased, as compared with the last year; and it is hoped that this trend will continue with the expansion and modernisation of the workshop and with more and more repair work of the Scindia Company coming to it.

The Company's fleet has been insured for Rs. 4,52,79,000 against both marine and war risks.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	74,89,550	Block ...	2,41,93,997
Reserves and surplus ...	1,36,45,962	Stores, spares, etc. ...	16,58,598
Debentures ...	2,06,97,582	Investments ...	72,05,426
Provision for taxation ...	26,55,453	Debts, deposits and advances ...	34,44,395
Liabilities ...	75,97,316	Debenture Trustee account ...	29,00,442
Profit and loss account ...	53,607	Cash ...	1,27,36,612
Rs.	5,21,39,470	Rs.	5,21,39,470

Kalapahari Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st August, 1952.

The accounts show that, after providing Rs. 7,500 (Rs. 7,000) for depreciation, Rs. 20,000 (Rs. 35,000) for cesses and Rs. 50,000 (Rs. 1,15,000) for taxation, there is a balance of Rs. 1,01,357 (Rs. 1,00,091) at the credit of profit and loss account, out of which the directors paid a dividend of Re. 1 (Re. 1) per share and a bonus of As. 12 per share, absorbing Rs. 61,250 (Rs. 61,250) leaving to be carried forward Rs. 40,107 (Rs. 38,841).

Raisings during the half-year were 40,148 tons, as compared with 47,969 tons during the previous half-year and despatches were 36,666 tons, as against 46,465 tons.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,50,000	Block ...	6,40,493
Reserves ...	5,50,000	Stock ...	59,373
Provision for taxation and cesses ...	5,16,021	Stores ...	41,248
Liabilities ...	4,26,716	Debts, deposits and advances ...	7,43,074
Profit and loss account ...	40,107	Investments	3,85,848
		Cash ...	12,808
Rs.	18,82,844	Rs.	18,82,844

Investment and Finance Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st August, 1952.

Including the sum of Rs. 14,239 (Rs. 19,104) brought forward from the previous half-year, providing Rs. 3,500 (Rs. 1,000) for taxation and special reserve and utilising Rs. 29,818 (Rs. 13,658) to write off depreciation on investments, there is an available balance of Rs. 33,579 (Rs. 41,157). It is proposed to dispose of the available balance as follows:

In paying a dividend on the first cumulative preference shares at the rate of 5 per cent. per annum, without any deduction for income-tax paid by the Company Rs. 5,000 (Rs. 5,000); in paying a dividend on the second cumulative preference shares at the rate of 6 per cent. per annum less income-tax at 48 pies plus 5 per cent. surcharge on income-tax Rs. 4,425 (Rs. 4,425); in paying a dividend on the ordinary shares at the rate of 5 (5) per cent. per annum without any deduction for income-tax paid by the Company Rs. 12,500 (Rs. 12,500); and in carrying forward Rs. 11,654 (Rs. 19,232).

The downward trend of share prices, indicated in the previous report, continued throughout the period under review. Numerous factors contributed towards this recess and still persist, resulting in a low level of activity on the Stock Exchange. The Company's portfolio stands at a conservative figure and book values have been written down to market values wherever necessary.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,00,000	Investments	10,58,631
Reserves ...	1,29,500	Debts ...	2,069
Reserve for taxation ...	24,304	Cash ...	42,690
Liabilities ...	37,932		
Profit and loss account ...	11,654		
Rs.	11,03,390	Rs.	11,03,390

General Investment and Trust Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st August, 1952.

Including the sum of Rs. 1,590 (Rs. 1,724) brought forward from the previous half-year, providing Rs. 5,500 (*nil*) for taxation and special reserve and utilising Rs. 10,337 (Rs. 7,587) to write off depreciation on investments, there is an available balance of Rs. 13,275 (Rs. 11,404). It is proposed to dispose of the available balance as follows:

In paying a dividend on the first cumulative preference shares at the rate of 5 per cent. per annum, without any deduction for income-tax paid by the Company Rs. 2,500 (Rs. 2,500); in paying a dividend on the second cumulative preference shares at the rate of 6 per cent. per annum less income-tax at 48 pies plus 5 per cent. surcharge on income-tax Rs. 2,212 (Rs. 2,212); in paying a dividend on the ordinary shares at the rate of 5 (5) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 5,625 (Rs. 5,625); and in carrying forward Rs. 2,938 (Rs. 1,067).

The downward trend of share prices, indicated in the previous report, continued throughout the period under review. Numerous factors contributed towards this recess and still persist, resulting in a low level of activity on the Stock Exchange. The Company's portfolio stands at a conservative figure and book values have been written down to market values wherever necessary.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,25,000	Investments	4,48,910
Provision for taxation ...	39,513	Debts ...	1,808
Liabilities ...	19,727	Cash ...	36,460
Profit and loss account ...	2,938		
Rs.	4,87,178	Rs.	4,87,178

Dehri-Rohtas Light Railway Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Sahu Jain Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st March, 1952.

The gross earnings amounted to Rs. 11,35,824 (Rs. 7,59,999) and working expenses to Rs. 5,07,133 (Rs. 4,61,288) leaving a surplus of Rs. 6,28,691 (Rs. 2,98,711) and by adding Rs. 483 (Rs. 2,209) as interest from banks, etc., the amount came to Rs. 6,29,174 (Rs. 3,00,926). After deducting managing agents allowance Rs. 9,000 (Rs. 8,500); directors fees Rs. 384 (Rs. 646); depreciation reserve Rs. 4,22,092 (Rs. 1,04,222); debenture interest Rs. 39,375 (Rs. 39,375); other interest Rs. 9,250 (*nil*); bad debt Rs. 74 (*nil*); Rohtas-Rohtas-Fort extension written off Rs. 55,777 (*nil*); Government cess Rs. 16,628 (Rs. 16,496) and managing agents commission Rs. 45,207 (Rs. 24,512), there remained a balance of Rs. 31,386 (Rs. 1,07,170). Adding the sum of Rs. 2,47,950 (Rs. 53,952), being the balance of last account, the total at the credit of profit and loss account as on 31st March, 1952, amounted to Rs. 2,79,336 (Rs. 1,61,122) and after providing Rs. 90,000 (Rs. 25,000) for income-tax, the balance was Rs. 1,89,336 (Rs. 1,36,122) which the directors disposed of as follows:

Payment of dividend at As. 10 (As. 8) per share on 2,25,000 shares of Rs. 10 each, free of income-tax for the year ended 31st March, 1952 Rs. 1,40,625 (Rs. 1,12,500), transfer to general reserve Rs. 45,000 (*nil*) and balance carried forward Rs. 3,711 (Rs. 23,622).

The goods traffic during half-year ended 31st March, 1952 reached to 3,41,000 tons and during half-year ended September, 1952 to 2,71,000 tons. The directors hope the traffic will be maintained at about 6,00,000 tons per year. The Company has got 14 locomotives and 480 goods wagons on line and because some of the old locos are getting out of age, the directors thought it wise to place order for two new Z.B. locomotives, delivery of which is expected by the end of December, 1953. The Company has also paid attention to the better amenities for the passenger traffic by making improvements at several stations and three more passenger coaches are under construction. To maintain rolling stock in better working order, the Company has been trying to have a still better equipped workshop and several modern machineries have been added to the workshop. The directors hope that the improvements will be kept up.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	22,52,600	Block ...	44,07,240
Reserves ...	10,75,000	Stores and coal ...	5,16,344
Debentures ...	15,44,625	Debts, deposits and advances ...	9,36,986
Reserve for taxation ...	1,19,175	Investments	25,861
Liabilities ...	8,20,542	Cash ...	1,14,847
Profit and loss account ...	1,89,336		
Rs.	60,01,278	Rs.	60,01,278

Teekoy Rubbers (India), Ltd.

The directors of the above Company (Managing Agents: East India Agencies Ltd., Palai, Travancore) submitted the audited accounts of the Company for the year ended 31st March, 1952.

The area of the Company's properties was unchanged, viz., 1,178 acres seedling rubber, 276 acres budded rubber and 416 acres reserve land. Production during the year amounted to 5,10,018 lbs. rubber—an increase of 64,217 lbs. compared to the previous year. The average price obtained was Rs. 126-8 per 100 lbs. The price obtained last year was Rs. 122-4. Estate expenditure increased from Rs. 57 per 100 lbs. last year to Rs. 57-8 this year.

After meeting all charges and expenses, the net profit available was Rs. 2,55,187 (Rs. 3,72,478). Including Rs. 34,499 (Rs. 1,021) brought forward from the previous year's account a sum of Rs. 2,89,686 (Rs. 3,73,499) was available for disposal. Out of this, the directors paid Rs. 36,000 (Rs. 36,000) as dividend on preference shares for the year ended 31st March, 1952. They also provided Rs. 87,750 (Rs. 1,28,000) towards taxes. The balance left was Rs. 1,65,936 (Rs. 2,09,499) from which the following appropriations were made:—

To dividend at 9 (7½) per cent. on ordinary shares Rs. 90,000 (Rs. 75,000); to debenture redemption fund Rs. 75,000 (Rs. 1,00,000); and to carry forward Rs. 936 (Rs. 34,499).

Rubber reached the peak price of Rs. 4 per lb. in March 1951 in the world market. Now it remains stationary at around Re. 1-4 per lb. Such varied landscapes of peaks and valleys have been a common feature in the history of rubber. But basing on an inevitable rising consumption, world demand should absorb all available new rubber. In support of this, one has only to realise the many thousands of tons of rubber that will be called for by the slightest rise in *per capita* consumption, or by some relatively new application of the commodity, such as rubber on roads.

Rubber production in India is still short of indigenous manufacturing requirements by 6,000 tons a year. So whatever the production and consumption figures outside be, the Indian producer has an assured market for several years to come. With effect from 28th October, 1952, Government of India fixed the price of rubber at Rs. 138 per 100 lbs. This price holds good for three years.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,00,000	Block ...	20,55,034
Reserves ...	2,34,600	Stock-in-trade	5,19,861
Debentures	2,63,300	Stores and spares ...	42,683
Reserve for taxation ...	2,11,467	Debts, deposits and advances ...	20,074
Liabilities ...	3,54,063	Investments	1,08,897
Profit and loss account ...	1,65,936	Cash ...	82,817
Rs.	28,29,366	Rs.	28,29,366

Sendra Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June, 1952.

75,461 tons of coal were raised and 65,889 tons were despatched in comparison with 69,091 tons raised and 74,036 tons despatched during the previous half-year. These figures reveal the seasonal fluctuations which are a regular feature in the coal industry. That is, the higher outputs in the first half of the year achieved by a stronger labour force were offset by a fall in the number of wagons made available for coal traffic.

The profit and loss account, after providing Rs. 25,333 (Rs. 30,444) for depreciation, Rs. 5,000 (*nil*) for tax contingency reserve, and including the credit balance of Rs. 17,899 (Rs. 27,779) brought forward from last half-year, show an available balance of Rs. 10,379 (Rs. 25,966) which the directors carried forward.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	11,08,961
Reserves ...	8,68,370	Stock ...	1,90,658
Debentures	2,00,000	Stores ...	1,71,523
Provision for taxation ...	44,908	Debts, deposits and advances ...	7,44,221
Liabilities ...	4,70,367	Investments	1,75,000
Profit and loss account ...	10,379	Cash ...	3,661
Rs.	23,94,024	Rs.	23,94,024

N.B.—Figures within brackets relate to the corresponding period of the previous year.

COMPANY MEETINGS AND DIVIDENDS

ANGELO BROS. LTD. Annual General Meeting, Calcutta, 21st January, 1953. Transfer books closed from 11th to 24th January, 1953, both days inclusive.

BIRD INVESTMENTS LTD. Annual General Meeting, Calcutta, 27th January, 1953. Transfer books closed from 14th to 27th January, 1953, both days inclusive.

BRITISH INDIA ELECTRIC CONSTRUCTION CO., LTD. Half-yearly General Meeting, Calcutta, 27th January, 1953. Transfer books close from 21st to 27th January, 1953, both days inclusive.

GILLANDERS ARBUTHNOT & CO., LTD. Annual General Meeting, Calcutta, 29th January, 1953. Transfer books close from 22nd to 29th January, 1953, both days inclusive.

INVESTMENT AND FINANCE CO., LTD. Half-yearly General Meeting, Calcutta, 30th January, 1953. Transfer books closed from 16th to 30th January, 1953, both days inclusive.

GENERAL INVESTMENT AND TRUST CO., LTD. Half-yearly General Meeting, Calcutta, 30th January, 1953. Transfer books closed from 16th to 30th January, 1953, both days inclusive.

HOWRAH MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 6th February, 1953. Transfer books close from 23rd January to 6th February, 1953, both days inclusive.

RELIANCE JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 6th February, 1953. Transfer books close from 23rd January to 6th February, 1953, both days inclusive.

BALLY JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 6th February, 1953. Transfer books close from 23rd January to 6th February, 1953, both days inclusive.

BHOPAL SUGAR INDUSTRIES LTD. Annual General Meeting, Sehore, 7th February, 1953. Transfer books close from 24th January to 7th February, 1953, both days inclusive.

SCINDIA STEAM NAVIGATION CO., LTD. Annual General Meeting, Bombay, 11th February, 1953. Dividend: As. 8 per share. Transfer books close from 23rd January to 21st February, 1953, both days inclusive. Dividend payable on and after 9th March, 1953.

SRI KRISHNARAJENDRA MILLS LTD. Interim dividend: Re. 1-8 per share for the half-year ended 30th September, 1952. Transfer books close from 31st January, to 3rd February, 1953, both days inclusive. Dividend will be payable on and after 21st February, 1953.

BRITISH INDIA CORPORATION LTD., Kanpur. Transfer books close from 26th February to 28th March, 1953, both days inclusive.

CHAMPDANY JUTE CO., LTD. Dividend: Rs. 8 per share for the half-year ended 30th September, 1952.

COMPANY REGISTRATIONS

BOMBAY BOARD AND PAPER MILLS LTD. (First Director: Mr. Amirali Habib Rawjee, Bombay). Private. Authorised capital: Rs. 5,00,000. Business: Manufacture of Paper and Boards. Address: Hamam House, Hamam Street, Fort, Bombay.

DERUSTIT (BOMBAY) LTD. (First Director: Mr. G. M. Pandya, Bombay.) Private. Authorised capital: Rs. 5,00,000. Business: Iron and Steel Foundry, Tool-making, etc. Address: Alice Building, 339, Hornby Road, Bombay 1.

MEATTLES AGENCIES (INDIA) LTD. (First Director: Mr. Bisheshar Dayal Meattle, Bombay.) Private. Authorised capital: Rs. 5,00,000. Business: General Contractors, Commission Agents. Address: Krishna Mahal, 63, Marine Drive, Bombay, 1.

VAISHYA TRADING CORPORATION LTD. (First Director: Mr. V. R. Berde, Bombay.) Public. Authorised capital: Rs. 5,00,000. Business: Manufacturers and Dealers in Tobacco Products. Address: 362B, Thakurdwar, Bombay, 2.

EASTERN COAL AGENCY LTD. (First Director: Mr. K. P. Rathore, Calcutta.) Private. Authorised capital: Rs. 5,00,000. Business: Dealers in Coal, Coke, etc. Address: 111, Chittaranjan Avenue, Calcutta.

PREMIER METROPOLITAN CONSTRUCTIONS LTD. (First Director: Capt. A. S. Narang, Calcutta.) Private. Authorised capital: Rs. 5,00,000. Business: Manufacture of Bricks, Tiles, etc. Address: 22, Canning Street, Calcutta.

INDO FINANCIERS LTD. (First Director: Mr. B. L. Dhandh, Calcutta.) Private. Authorised capital: Rs. 5,00,000. Business: Brokers. Address: 161/1, Harrison Road, Calcutta.

INDO-NATIONAL INVESTMENT LTD. (First Director: Mr. C. Bhutoria, Calcutta.) Private. Authorised capital: Rs. 5,00,000. Business: Investors. Address: 161/1, Harrison Road, Calcutta.

ROCKHARD ENGINEERS LTD. (First Director: Mr. R. K. Seth, Calcutta.) Private. Authorised capital: Rs. 5,00,000. Business: Modern Engineering. Address: 135, Canning Street, Calcutta.

SATYANARAYAN KHAITAN LTD. (First Director: Mr. Satyanarayan Khaitan, Calcutta.) Private. Authorised capital: Rs. 10,00,000. Business: Importers and Exporters. Address: 138, Canning Street, Calcutta.

N. K. PATKAR & CO., LTD. (First Director: Mr. N. K. Patkar, Calcutta.) Private. Authorised capital: Rs. 10,00,000. Business: Importers and Exporters. Address: 138, Canning Street, Calcutta.

(Concluded from next column)

demand. If warehousing accommodation could be increased, priority for sale of teas which are more favoured by overseas buyers would be possible and this in turn will help quick shipment of teas, whilst they are in good condition. Dusts and poorer quality brokens, which have limited overseas appeal, but are taken up in internal markets, could be spread for auction evenly throughout the whole year without in any way adversely affecting the interests of the producers of such teas.

PLANTING

(Concluded from page 70)

by subsequent notification at any time during the financial year, alter the export allotment. Each tea estate will receive an export quota, subject to alteration in accordance with the change in export allotment. The total of export quotas allotted to tea estates at any time during any financial year will not exceed the export allotment for the time being for that year. Special export licences will also be granted in cases where the tea, in respect of which an export licence has been granted under the Act, has not been exported before the end of the financial year. The licence will be granted only to cover the unexported quantity of tea.

As regards the finances required by the Board, the Bill seeks to continue the existing practice of collecting a cess not exceeding Rs. 2 per 100 lbs. on all exports from India, that is, a little less than 4 pies per lb. The net proceeds of this cess will be credited to a fund called Tea Improvement Fund. All fees levied and collected in respect of licences, permits and permissions issued under the Act and any other fee that may be levied and collected under the Act will also be credited to the Fund, which will be utilised, as its name itself indicates, for development of tea industry under the ægis of the Board, as mentioned above.

The Central Government takes power, under the Act in the offing, to fix the wholesale and retail prices at which tea may be sold. It will fix the price or prices at which tea may be sold wholesale or retail, by auction or otherwise, whether for the Indian market or for export. The Central Government will issue directions to the Tea Board, so that it may function as an effective machinery for implementing Government policies. All acts and proceedings of the Board will be subject to the control of the Central Government.

TEA OUTPUT TO BE CUT

A decision of considerable import to the future of Indian tea was taken by tea producers in this country last month. At a conference of all North and South Indian Tea Associations held on 18th December, 1952, the representatives of tea producers unanimously accepted the principle of voluntary crop restriction for the year 1953 by about 8 per cent. of last year's production. As the production during the year 1952 is about 620 million lbs., this decision means that the output in 1953 will be reduced to about 570 million lbs. The principle of voluntary reduction was accepted in order to prevent overproduction and improve the quality of the tea manufactured.

It is common knowledge that tea producers are passing through a difficult period and that their products are fetching prices which are not sufficient even to meet the cost of production. In recent weeks, a considerable portion of the offerings in auctions had actually to be withdrawn. In the circumstances, the foregoing decision to reduce production is understandable. It is, however, to be hoped that it is only a temporary measure and that there will be no need to continue it once the present emergency comes to an end. From the experience of the tea market in recent months when prices dropped considerably, it can be reasonably concluded that good quality tea will always be in good demand and can be marketed at reasonable prices. Accordingly, the need for such a negative solution as restriction on production will not arise, if care is taken to produce good quality tea. Producers of tea must, therefore, concentrate their attention on improving the quality of their product. That apart, continuation of this negative solution will result in placing a premium on inefficient and uneconomic units. As such, it will not be in the long-range interests of the industry.

Quality tea is in demand not only in foreign markets but also in domestic markets. Although most of the teas taken up by the internal market consists of dust varieties, the thick liquoring Assam dusts are said to be popular with hotels and hot tea shop trades and fetch a good price. Further, there is ample scope for expanding consumption in the internal market, because of the higher cost of other beverages. There is thus fair prospects of a better offtake by external as well as internal markets.

Besides improving the quality of tea, there is also the need for better marketing arrangements. At present, for want of warehousing accommodation, teas are imprinted for auction in the order of their arrival in the warehouses, irrespective of the nature and extent of current

(Continued in previous column)

Notices

THE ASSOCIATED CEMENT COMPANIES, LIMITED

NOTICE

THE SIXTEENTH ANNUAL GENERAL MEETING of the Shareholders of THE ASSOCIATED CEMENT COMPANIES, LIMITED, will be held at the Registered Office of the Company at 1, Queen's Road (opposite Churchgate Railway Station), Fort, Bombay, on Friday, the 23rd January, 1953, at 3-30 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st July, 1952.
2. To sanction the declaration of a Dividend.
3. To elect Directors.
4. To appoint Auditors for the current year and fix their remuneration.

By Order of the Board,

FOR THE ASSOCIATED CEMENT COMPANIES LTD.,
CEMENT AGENCIES LTD.,
Managing Agents,
J. H. PATEL,
Managing Director.

BOMBAY, 28*th November*, 1952.

Note.—The Transfer Books of the Company were closed from Monday the 3rd November to Saturday the 29th November, 1952, both days inclusive.

The Dividend when sanctioned, will be made payable on and after Thursday the 29th January, 1953, to those Shareholders whose names stand on the Register on Saturday the 29th November, 1952.

GILLANDERS ARBUTHNOT AND COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Eighteenth Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office, Clive Buildings, Netaji Subhas Road, Calcutta, on Thursday, the 29th January, 1953, at 4-30 p.m., for the following purposes:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended the 31st March, 1952.
2. To declare and confirm dividends.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. To transact any other ordinary business of the Company.

Notice is also hereby given that the Register of Members of the Company will be closed from the 22nd to the 29th January, 1953, both days inclusive. Dividend Warrants will be sent only to Registered Shareholders or to their Mandatees.

By Order of the Board,

FOR GILLANDERS ARBUTHNOT & COMPANY, LIMITED,
K. R. FETTES,
Managing Director.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, 10*th January*, 1953.

THE BRITISH INDIA CORPORATION LIMITED

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Corporation will be closed from 26th February, 1953, to 28th March, 1953, both days inclusive.

By Order of the Board,
E. C. CALDWELL,
Registrar.

KANPUR, 8*th January*, 1953.

MONEY RATES STEADY

(From Our Own Correspondent)

BOMBAY, 14th *January*

During the week under review, there was no notable change in the conditions of the short-term money market described in this column last week. Interest rates remained steady. Thus, the inter-bank call money rate was the same as that in the previous week, namely, 3 per cent. The same rate was offered for one to six months' deposits, and 2½ per cent. for 12 months. House money was quoted at 2¾ per cent.

From Monday this week onwards, banks appeared to be able to meet the demand from the trade either out of their previous borrowings from the Reserve Bank or out of their funds in overseas offices, as in the case of some of the Exchange Banks. Thus, the position was fairly comfortable.

If the result of this week's sale of three months' Government of India Treasury Bills is any indication, the response to these bills seems to be gradually waning. As against an invitation for Rs. 1 crore, as in the previous week, the amount offered was no more than Rs. 1.21 crores, which fell short of that tendered last week by about Rs. 24,000. The average rate of accepted tenders was Rs. 2-6-9 per cent. per annum, which compares with Rs. 2-6-5 in the preceding week.

A sharp expansion of Rs. 17.32 crores in notes in circulation is the outstanding feature of the statement of affairs of the Reserve Bank of India for the week ended 9th January, 1953, as compared with that for the previous week. Notes held in the Banking Department too show a rise of Rs. 1.59 crores. The consequent increase of Rs. 18.91 crores in total notes issued is covered on the assets side by an increase of Rs. 20 crores in foreign securities and a decline of Rs. 1.09 crores in rupee coin. The rise in the former has been brought about by a reduction in balances abroad. In the Banking Department, the liabilities side reveals a decline in deposits of Governments, those of the Central Government going down by Rs. 2.33 crores and those of the other Governments by Rs. 2.04 crores. A fall of Rs. 4.66 crores in deposits of banks also is disclosed which is obviously due to the spurt in demand for funds on banks. Deposits of others, on the other hand, have gone up by Rs. 1.42 crores. On the assets side, cash balances have improved by Rs. 1.65 crores. Balances held abroad show a depletion of Rs. 16.19 crores. Loans and advances to Governments do not show any worthwhile variation, but other loans and advances have dropped by Rs. 2.54 crores.

The consolidated statement of position of Scheduled Banks for the week ended 2nd January, 1953, as compared with that for the previous week, discloses an increase of Rs. 1.14 crores in demand deposits and a decline of Rs. 1.25 crores in time deposits. Inter-bank borrowings repayable on demand have dropped by Rs. 37.16 lakhs and those of a time nature by Rs. 1.85 crores. Advances have risen by Rs. 4.31 crores and inland bills purchased and discounted by Rs. 3.25 crores. This follows the increases of Rs. 4.68 crores and Rs. 1.85 crores, respectively, noted in the previous week. Investments, which fell by Rs. 5.75 crores in the previous week, have further gone down by Rs. 2.83 crores in the week under review. Cash on hand is higher by Rs. 42.56 lakhs and balances with the Reserve Bank by Rs. 2.49 crores.

The Gilt-edged market was in a cheerless mood during the week under review also. There was no institutional enquiry and business was restricted, with prices generally showing a tendency to decline. 3 per cent. 1953-55 did not make any headway despite the payment of interest to-morrow, the issue was unchanged at Rs. 100-3. 3 per cent. 1957 was placed an anna lower at Rs. 98-8. 3 per cent. 1958, 3 per cent. 1959-61 and 3 per cent. 1963-65 were unchanged at Rs. 98-6, Rs. 96 and Rs. 92-7, respectively. 3 per cent. 1964 was stagnant at Rs. 92-7 and 3 per cent. 1966-68 at Rs. 90-7. 3 per cent. 1970-75 encountered some selling and fell by As. 3 to Rs. 86-7. 3 per cent. 1986 Conversion Loan was unchanged at Rs. 82-13. Some of the State loans, which have been in demand for some time now, however, continued to evoke some enquiries. 4 per cent. 1964 Bombay and Madras loans were an anna better at Rs. 100-6. 4 per cent. 1964 U.P. improved by an anna to Rs. 100-2. Among the Corporation bonds, 4 per cent. 1974 Bombay spurted by As. 8 to Rs 99 and 4 per cent. 1964 by Rs. 7 to Rs. 99-10. 3½ per cent. 1977 rose by As. 8 to Rs. 85. 4 per cent. Bombay State Transport 1964 loan advanced by As. 4 to Rs. 96-6.

In the foreign exchange market, there were some minor variations in the rupee-U.S. dollar rates but, on balance, the rupee showed a little strength. This gain, however, was in consonance with the trend of sterling in the New York market, where the pound improved from $2.80⅜ on 23rd December last to $2.80⅞ on the 6th inst. and, after a setback, to $2.80⅝ on the 8th, regained to stand at $2.81-1/16 yesterday. The rupee, in consequence, showed the following variations:

	23-12-52	8-1-53	9-1-53	13-1-53
SELLING	Rs.	Rs.	Rs.	Rs.
T.T./D.D. (other than B.C.'s for amounts $2,000 and over:				
Ready and within 5 days ..	476¼	476¼	477	476¼
Delivery within 3rd month ..	478¾	477¾	478¼	477¼
,, ,, 6th ,, ..	480¼	479	479¼	479
T.T./D.D., B.C.'s and amounts under $2,000:				
Ready and within 5 days ..	477¼	477	477¼	477
Delivery within 3rd month .	479¼	478¼	478¾	478¼
,, ,, 6th ,, ..	481¼	479¾	480½	479¾
BUYING				
T.T. Clean:				
Ready and within 1st month .	472¼	} 472¼	472¼	472¼
Delivery within 3rd month .	473			
,, ,, 6th ,, ..	473¼			
T.T. Documentary:				
Ready and within 1st month .	472	} 471¼	472	471¼
Delivery within 3rd month .	472¼			
,, ,, 6th ,, ..	473			

SPURT IN GOLD

(From Our Own Correspondent)

BOMBAY, 14th *January*

The bullion market displayed an extremely bullish trend during the week under review. The strength was more pronounced in gold than in silver. This was due to the dwindling stocks of gold, good demand for gold throughout the country and absence of arrival of smuggled gold. The Commissioner for French India gave permission to the Banque De L'Indo-Chine of Pondicherry for re-export of 1,107,083 ozs. of fine gold imported earlier into the settlement. Further, the French India Government announced that, in future, it would not allot any foreign exchange for the import of gold. Foreign advices indicated that there was a fresh spurt in gold prices in international free markets, the European price for gold, for instance, going up from $37.85 on the 8th inst., to $38.10 per oz. on the 13th inst. All these factors accentuated the bullish fervour that began in the previous week and forced the short-sellers to cover their outstandings. In the result, forward gold rose by Rs. 3 per tola over the week and ready gold by nearly Rs. 4. On account of this spectacular rise in gold, bulls were at one time forced to pay margin and an automatic clearing was also ordered.

Silver also recorded a sizable rise of Rs. 3-3 per 100 tolas over the week, in sympathy with gold and on reports of better offtake in upcountry centres. The increase in price of silver in the New York market to-day from 83¼ cents to 83¾ cents also aided the bullish sentiment.

Silver for forward delivery (February settlement) began in a promising way with a jump from Rs. 152 to Rs. 153-7 and steadily advanced to a high of Rs. 156-10 to-day, the highest level to be touched since 28th October last. The higher level, however, induced some profit-taking and the white metal finished the week at Rs. 155-3.

Ready silver (.996 Mint) was quoted at a premium of As. 4 over the forward rate throughout the week. The floating stocks of silver are estimated at 2,400 bars. The daily average offtake was 35 bars.

Gold for forward delivery in February opened at Rs. 83-13, as against the previous closing of Rs. 83-8, and touched a high of Rs. 85 the very next day. As the closing rate on that day, that is, Rs. 84-14 was more than Rs. 5 above the starting rate of Rs. 79-13 for the current settlement, automatic margin came into force on that day. This, however, did not halt the advance; on the contrary, gold forged ahead further to Rs. 86-6 on Saturday. After a setback to Rs. 84-15 on Monday, it soon resumed its uptrend and moved up to Rs. 87-11 yesterday. With the spurt in prices, automatic clearing was enforced yesterday in both gold and silver and the clearing rates were fixed at Rs. 85-12 for gold and Rs. 155 for silver. To-day, there was a further rise to Rs. 87-15, the highest since 13th October last, but the closing was slightly lower at Rs. 86-8.

Ready gold, which was quoted at a premium of As. 13 over the forward at the close of last week, came to be quoted at a premium of Rs. 2 this morning. But, at the close, the premium narrowed down a little to Re. 1-12. The floating stocks of gold are estimated at 25,000 tolas. The daily average arrivals were 8,000 tolas, while the offtake was 10,000 tolas on an average.

The following comparative table shows the trend of the market during the week under review:

	14-1-53	Highest	Lowest	7-1-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	88 4	89 15	84 12	84 5
Forward	86 8	87 15	83 12	83 8
Sovereign	61 0	61 8	59 0	58 12
SILVER				
Ready (.999 fine Mint)	155 7	156 14	152 9	152 4
Forward	155 3	156 10	152 5	152 0
London Ready ..	73*d.*	—	—	73*d.*
London Forward ..	73*d.*	—	—	73*d.*
New York Ready ..	83¼c.	83¾c.	83¼c.	83¼c.

LEAF GRADES IN GOOD REQUEST

(From Our Own Correspondent)

CALCUTTA, 13th *January*

Steady conditions prevailed during yesterday's export auction where offerings aggregated 54,374 packages. The feature was that, while there were impressive price advances in respect of some types, at the same time others realised values below their output costs. Leaf grades, particularly those with stylish leaf, were in good demand and prices for these were up by an anna. Orange fannings and medium B.O.Ps. were raised by As. 3 from last rates, while commons and low mediums were firm. Thus, good Assam C.T.C. B.Ps. were quoted at Re. 1-14 to Re. 1-15 clean black pekoe Re. 1-6, clean common B.P. As. 14-6 to As. 15, and medium Assam B.P. As. 15-6.

Although moderate demand featured the opening of last week's internal sale, where dusts offered amounted to 14,119 packages, at the time of closing prices moved down. In the result, rates were irregular generally. While the clean grainy and the small neat leafy types of dusts were raised by As. 2 to As. 3, commonest varieties fell by As. 3. Flavoury Darjeelings were steady. Thus, good medium Assam CTC types were quoted at Re. 1-13 to Re. 1-14, medium grainy Assams Re. 1-9, and medium Dooars Re. 1-5-6. Leafy grades were throughout steady, offerings totalling 3,245 packages. Green teas were buyers' favourites.

SPOT COTTON STEADY

(From Our Own Correspondent)

BOMBAY, 13th *January*

It is now a month since the forward market in cotton resumed trading at Kalbadevi. The behaviour of the market, though not disappointing, has certainly been very baffling during the course of this month. While fluctuations have been wide and often erratic, those responsible for controlling its general activity are naturally gratified that the market has not developed a tendency, as feared at one time, of either running away with the prices or hammering them down to the floor levels. In the early stages, the bullish tendency looked as if it would take the bit between its teeth and bolt, but the wise words of the E.I.C.A. President, Mr. Purshotamdas Thakurdas, arrested this development at a very psychological moment. At this stage, there was a reactionary effort to hammer down prices, but this also was arrested and prices have again resumed a more healthy steadiness than on previous occasions. After the February settlement passes off smoothly, the market is likely to stabilise itself and trading in futures is likely to be of a much less hectic nature than during the opening period.

In the spot market, steady demand has continued even though the tendency on the part of some mills not to overburden themselves with stocks of cotton so early in the season is visible. The supply position during the year is not likely to be so easy as to cause a withdrawal of this demand and it is expected that both the supply and the demand will be well regulated over the whole season. The spot dealers, who had entertained hopes of a rapid advance in prices, due to fears of shortage of supplies owing to a much smaller crop than anticipated, are naturally disappointed at the absence of a scramble for cotton on the part of textile mills. From the point of view of distribution and marketing, however, it is a sign of health to have a consistently visible demand all over the season than a rush for buying at one stage with its absence later on. With no imports coming from the dollar areas, steadiness in the spot cotton market is bound to continue for some time. It may be that if Karachi can adopt a more sensible currency and exchange policy with India, there may be a good market in this country once again for American seed varieties grown in Pakistan.

There is little activity on the export front. Because apart from Bengals there is no enquiry for the other exportable varieties. Once the quota for Bengals for export is disposed of, the Government will find it necessary to reduce export duty on Dholleras, Mathias and Oomras also, if it is really keen on exports of these. With export duties reduced, as in the case of Bengals, these varieties are also likely to find ready buyers in certain selected centres abroad. The Government would be well advised, in view of the fall in prices all round, to take this step when a modest demand is still there for these varieties.

The trend of prices in the forward section over the week ended to-day was as follows:

	Opening	High	Low	Closing
I.C.C. Feb. (Rs.) ...	650	661	647½	652
I.C.C. May (Rs.) ...	668	671½	661½	664

The following are the latest quotations from the Sewri market: Vijay (new) Rs. 800; Berar Jarilla (new) Rs. 450-500 (old) Rs. 380-415.

There have been interesting developments also in Uganda. Kampala has considered it necessary to offer more concessions to foreign countries interested in its cotton. The Lint Marketing Board at Kampala has now adopted a new system of sales on a "on call" basis, under which buyers will be able to hedge their purchases at Kampala in the New York market. This new hedging facility, which will allow buyers to make provisional contracts with the actual price-fixing taking place at the buyers' choice at the time of delivery, based on the difference in the U.S. price during the time the contract has been in force, will naturally minimise the risk of buyers in the present highly fluctuating state of world markets and attract more buyers from abroad for the quarter of a million bales still remaining unsold with the Board. Having already bought about 60,000 bales from this source, India's participation in this new system may not be as great as in the previous months, but the U.K. is likely to take advantage of this facility on a much larger scale.

With cotton futures tumbling headlong at New York and cotton producing countries like Egypt, Uganda, Brazil trying to push their cotton in the world markets and giving concessions for it, the Government of Pakistan are hard put to it to devise ways and means of disposing of its cotton at economic rates. With about a lakh of bales of old cotton, which are still left with the Cotton Board of Pakistan for which there are no buyers except at very low rates, this season's cotton is finding it difficult to make any headway. The U.K.'s interest is confined only to one or two varieties and is of a very limited nature. The other Continental countries are all being drawn by Brazil because of the special exchange facilities given by it to buyers of cotton. France has even refused permission for the import of cotton already purchased by its nationals at Karachi. Eastern European countries have also become very lukewarm because of the nearness of the Egyptian market. Karachi has, therefore, once again to court buyers in China and Japan who are cleverly playing Karachi against Alexandria to hammer down prices. With these bleak prospects for Karachi cotton during 1953, the day is not far off when prices there might crash to levels which alone can make large stocks of cotton saleable. The following are the latest quotations from the Karachi market:

N.T. R.G. Rs. 56; S.G. Rs. 59; 289F R.G. Rs. 59; S.G. Rs. 63½; L.S.S. R.G. Rs. 55; S.G. Rs. 58½; 4F R.G. Rs. 54; S.G. Rs. 57; Sind *Deshi* Rs. 50½; Punjab *Deshi* Rs. 49½-50.

From the Indian point of view, the most important development at Alexandria is the reported decision of the Egyptian Government to allow Indian mills as purchasers of Egyptian cotton to have a say in the Alexandria Cotton Arbitration Committee. It is believed that the Government, in order to induce Indian mills to use more Egyptian cotton, would soon agree to have two representatives of the Indian purchasers and consumers of Egyptian cotton to be on the Committee. Compared to Pakistan, the Cairo Government are meeting with greater success in their efforts to popularise Egyptian cotton in other countries. A barter deal with Spain was already reported in this column last week. China is likely to be another big buyer of Egyptian cotton on a barter basis. This form of trading is also likely to be extended to Russia, Eastern Germany and Czechoslovakia. The statistical position with regard to exports at Alexandria so far is satisfactory and it is likely to improve, it some of the deals mentioned above materialise. If the political tangle over the Middle East Defence Organisation is satisfactorily resolved, the U.K.'s interest in Egyptian cotton may also revive in the future. In any case, it looks as if the Egyptian cotton market has turned the corner.

There has been a veritable slump in prices at New York during the week under review. The appraisal of the economic situation which is likely to result from the transition of the Democratic Administration to a Republican one, with sharp internal differences amongst the leaders of the latter party on important economic questions of policy, has led to a feeling of depression. This coupled with absence of export enquiry is mainly responsible for this crash.

The following are the latest available quotations from New York, as compared with those of a week and a fortnight before:

(In cents per lb.)	14-1-53	6-1-53	31-12-52
Spot	32.55	33.10	33.60
March	32.40	33.13	33.78
May	32.94	33.66	34.14
July	33.30	34.02	34.54
October	33.50	33.73	34.22

ART SILK YARN REACTS AT CLOSE

(From Our Own Correspondent)

BOMBAY, 14th *January*

After remaining firm during the first three sessions of the week, the forward section of the art silk yarn market reacted towards the close. Postponement in the announcement of import policy for art silk yarn, strong continental and Japanese advices, reduction of export duty on cloth and encouraging reports from almost all consuming centres provided stimulus to the market in the initial stages. Buying support, as a consequence, ensued and yarn prices rallied substantially.

The improvement noted above could not, however, persist long. For, on Saturday, reaction set in under pressure of profit-taking and reported poor offtake in rayon cloth market. Not only were the previous gains lost, but the closing quotations to-day stood slightly lower than those at the end of last week. 150D January contract advanced from Rs. 729 to Rs. 742 on the 10th inst., but reacted to close lower at Rs. 778, the loss over the week being a rupee. Likewise, February contract, after rising by Rs. 14 to Rs. 745, receded to Rs. 730 to-day.

In the ready section, values remained fully steady. 120 Japan was slightly up by As. 2 to Rs. 4-7, 150 Italy was a shade higher at Rs. 3-10½, 150 Italy and 120 Italy were steady at Rs. 4-5 and Rs. 4-2, respectively.

The import policy for art silk yarn has not yet been announced. The Government, it is reported, is closely studying the situation, in the light of the arrivals of yarn imported against confirmed, but unutilised, licences worth about Rs. 2 crores, and also of yarn to be imported by the Art Silk Mills' Associations. Market expectation is that the import policy will not be declared at least for the next several weeks.

In contrast with the trend of the art silk section, the staple fibre section was in a cheerful mood practically throughout the week. Staple fibre (2×40) January contract rallied 33 points to Rs. 760, although, at one time, it had touched even Rs. 767. February contract firmed up from Rs. 723 to Rs. 740.

The table below gives the prices of art silk and staple fibre yarns quoted to-day, as compared with those on the 7th inst. and 31st December, 1952:

	14-1-53 Rs. a.	7-1-53 Rs. a.	31-12-52 Rs. a.
Art Silk Yarn—			
150D January (per case of 200 lbs.)	728 0	729 0	710 0
150D February ,,	730 0	731 0	.. ..
150D February ,,	4 7	4 6	4 0
120 Japan (per lb.)	4 5	4 5	4 2
150 Japan ,, ...	4 2	4 2	3 14
120 Italy ,, ...	3 10½	3 10	3 6
150 Italy ,, ...			
Staple Fibre Yarn—			
2×40 January (per case of 200 lbs.)	760 0	727 0	.. ..
2×40 February ,,	740 0	723 0	.. ..

CASTORSEEDS EASY

(From Our Own Correspondent)

BOMBAY, 14th *January*

As was anticipated, the Government of Brazil decided to free its exchange rate. The decision nerved operators in the castorseeds and oil section in the Bombay market as it did in other Continental markets. The only moderating influence was the reported approximation between the black market rates (prevailing for some time past at which Brazilian exports have been alleged to be taking place in considerable volume) and the free market rates. In other words, there would be no radical change in prices of exports as a result of the decision to free the exchange rate which would become effective shortly. But for this disturbing development, there was no other notable event in the market. Operators were reluctant to enter into commitments, and, therefore, a steep decline was witnessed in castorseeds. Other sections moved in sympathy with these seeds. Consequently, prices disclosed small losses all-round while oil ruled quietly steady.

On exaggerated fears that the Brazilian castor-oil and seeds would seriously compete with those of Indian castor oil in the U.S. and Continental markets, May, 1953, delivery staged a precipitous fall from Rs. 140-8 to Rs. 130-8 thereby registering a loss of Rs. 10 over the week. Madras quality sustained a loss of Re. 1-2 to Rs. 30-6 and F.A.Q. Re. 1 to Rs. 31. There were reports that shippers had sold castor oil commercial quality at 19.20 cents to U.S. and at £166 for B.S.S. and at £154 for commercial quality to the Continent. Operators awaited the U.S. and Continental reactions to the Brazilian decision to free its exchange rate. It was felt that the Government of India should keep a close watch on the developments and be ready to reduce export duty on castor oil, if Brazilian competition were to turn as acute as to undermine Indian exports. Castor oil I Pressure was placed at Rs. 18-4, as against Rs. 18-14 and Commercials at Rs. 17-4, as compared with Rs. 18.

The groundnuts section ruled quiet. Bold ready lost As. 4 to Rs. 32-4. Business in Khandesh quality was done at Rs. 32-8, as against Rs. 32-12. There is, however, no prospect of the easiness developing further in view of the small crop and encouraging export demand. Business in H.P.S. was being put through with Canada. It is gathered that a major portion of the groundnut oil quota for the first quarter has been covered. Groundnut oil ready ruled steady at Rs. 17-4 and railway receipts at Rs. 17.

Business in linseeds was very limited. Operators have become tired of representing to the Government regarding the need for reduction in export duties and have almost reconciled to the situation. Bold ready fell by As. 2 to Rs. 27-8. Satnas were lower by As. 4 to Rs. 26-12. Linseed oil was, however, unchanged at Rs. 14-8.

The following table shows the prices of oil-seeds and oil on the 13th inst., as compared with those at the close of preceding two weeks.

	13-1-53 Rs. a.	7-1-53 Rs. a.	31-12-52 Rs. a.
Groundnuts—			
Bold Ready New (per cwt.) ..	32 4	32 8	32 8
Khandesh New (per cwt.) ..	32 8	32 12	33 0
Linseed—			
Bold Ready (per cwt.) ..	27 6	27 8	27 0
Castorseeds—			
May (per candy of 5 cwts.) ..	130 8	140 8	143 0
Madras (per cwt.)	30 6	31 8	33 0
Groundnut oil—			
Ex-mill Ready (per quarter)	17 4	17 4	16 14

STRONG GENERAL DEMAND FOR TEA

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 10th *January*

Sale No. 1.—There were approximately 13,00,000 lbs. on offer in sale No. 1 which was held on Tuesday, 6th January. Quality generally showed improvement and there were some useful flavoury high-grown teas on offer. From the outset there was a very strong general demand for all types. Commonest kinds advanced by As. 2 to As. 3, whilst medium brokens were irregularly As. 3 to As. 4 dearer. Good liquoring brokens were As. 2 to As. 3 dearer, with improved quality sometimes as much as As. 8 above last prices. Fannings met a particularly keen market and were occasionally as much as As. 5 dearer. Whole leaf teas were well supported at rates As. 2 to As. 3 higher than last prices.

The following were the quotations:—

	1953 Rs. a.
Low grown Travancore B.O.P.	1 2
Medium grown Travancore B.O.P.	1 8
Anaimallais B.O.P.	1 14
Best liquoring Nilgiris B.O.P.	3 2
Well-made black leaf	2 1 to 2 2

London Market:—Strong demand all descriptions. Medium Assam brokens 3*d.* dearer. Common brokens and fannings generally 3*d.* to 6*d.* higher.

Colombo Market: 5,250,000 lbs. Quality improving. Active and dearer demand all grades. Tip very strong.

Calcutta Market.—Export.—48,000 packages. Good general demand with exception of Assam broken pekoe. Rates generally dearer, especially fannings, tippy teas and whole leaf grades, which were often As. 2 to As. 3 higher. Where Egyptian demand was pronounced rates were even higher.

Dust.—14,000. Stronger general demand. Most types are irregular As. 1 to As. 1-6 dearer.

Export Quota.—Although business has been done in the past week at 3 pies to-day's quotation stands at 3½ pies sellers, 3 pies buyers.

Forthcoming Auctions.—Sale No. 2 will be held on Tuesday, 20th January, 1953.

As we go to Press, Messrs. Forbes, Ewart and Figgis wire:

"*Dust Sale A.*—3,75,000 lbs. Market irregular. Milled and fine dusts As. 2 to As. 3 dearer, others about steady."

JUTE PRICES LOWER

(From Our Own Correspondent)

CALCUTTA, 13th *January*

Mills gave limited support to the raw jute market during the week under review, but prices remained at low levels. Assam bottoms changed hands at Rs. 23 for January-February delivery, Pakistan jute being quoted at Rs. 28. Murshidabad tossa was dealt in at Rs. 21, *jungli* being enquired at Rs. 18-4 and *bimli* at Rs. 17-8. Pucca bales firsts were priced at Rs. 140. Stockists and cultivators would welcome a greater measure of support, but the position of mills themselves is embarrassing. They have got stocks of the raw material for about two months' consumption, and the fact that a portion of the daily output of mills is going to stocks, controls purchases of the raw material by mills. Faced with such a situation, there seems no surprise in the demand put forward by the Jute Balers' Association for permitting exports of raw jute. The Association's demand carries with it a sense of fairness and modesty in that it only asks the Government to withdraw the export ban as far as *bimli* and *mesta* qualities are concerned.

Bimli and *mesta* varieties are two of the poorer qualities available in plentiful quantities in this country, and are generally mixed with superior types before mills can consume them. Since the availability of these two varieties can be said to exceed domestic requirements, the fixation of a small export quota will be considered a great relief both to the balers and cultivators, in addition to earning foreign exchange. If and when exports are permitted, there is, of course, the danger of superior varieties being mixed with *bimli* and *mesta* and exported as the two inferior types. Such a situation can be prevented by a suitable administrative machinery which should scrutinise consignments minutely at the port of embarkation. Costs for the functioning of such a system can be met from the export duties. Foreign requirements of these two varieties would also be small, so that whether an export quota is fixed or not, large exports are overruled and no domestic shortage can develop on this account.

The jute goods market was equally weak, and in the absence of business, the recovery reported in our last report proved only a temporary phase, as during the week under review, rates stuck to a declining trend. From Rs. 97-8 B twills leaped down to Rs. 94-8 and forward quotations eased by two points. Hessians 40" 10 oz. 11 porters ready were transacted yesterday at Rs. 42-2 f.a.s., representing a decline of Re. 1-4 during the week. The f.o.b. rate was Rs. 50-10. Nine porters 40" 8 oz. could interest buyers only at Rs. 34 f.a.s. and at Rs. 40-14 f.o.b. The publication of December-end stock figures of jute goods with mills which at 115,500 tons showed an increase of 11,100 tons compared to the previous month, was an additional factor which invited dullness and made buyers hesitate.

That stocks of jute goods are increasing and foreign buyers are not taking as much as they should or could have been cited as conclusive causes resulting in a demand for a reduction of the export duties, put forward by the Gunny Trades Association. The case for revision has naturally been put forward, and before turning down the same Government would be advised to give weight to all aspects of the current trends in the gunny trade. No doubt, on the last occasion when a drastic revision to Rs. 275 a ton on hessian and Rs. 175 a ton on sacking took place, Government had made the market understand that that revision was final. However, circumstances have considerably changed since then, and the desperate situation now prevailing needs a desperate remedy. A reduction in the duties even for a temporary period would, therefore, be welcome.

METALS DULL

(From Our Own Correspondent)

CALCUTTA, 13th *January*

Dull conditions prevailed in the local metal market during the week under review, and prices moved down. Lack of business and of consumers' interest was the main cause while the fluctuations in the prices of zinc in the London market was a factor which made operators to adopt a policy of buy less and watch. Mercury at Rs. 520 a flask showed a further decline, but the recession should be considered natural after the recent weeks of hectic activity. It is quite possible that the rate may again move up following a correct appreciation of the unutilised portion of the re-export quota. Electrolytic copper eased to Rs. 184 from Rs. 187, but stockists were not alarmed at this decline which was attributed to the satisfactory stock position of consumers for meeting their day-to-day requirements. Tin at Rs. 626 lost as much as ten points. Star metal antimony, although lower at Rs. 225, failed to attract buyers' attention. Dealers in zinc were alarmed at the falling rates in London, and the local quotation was featureless at Rs. 66-8. Lead fell to Rs. 68 from Rs. 69.

BOMBAY'S FOOD POSITION DISQUIETING

(From Our Own Correspondent)

HAPUR, 12th *January*

The long-awaited State Food Ministers' Conference was held this week and dispersed on the second day. According to responsible quarters, it did not produce any finality regarding the "food budget" for the current year. Mr. Kidwai evidently won the second round in the food battle. The Conference unanimously endorsed his policy of relaxation of food controls, wherever possible. All the Ministers seemed to agree that this policy, fathered by Mr. Kidwai in the teeth of the opposition of the Planning Commission and orthodox economic opinion, had conferred real benefit on the people. It is reported to have been agreed that the import target, is not to exceed, in any case, a maximum of 30 lakh tons, including 6 lakh tons rice and 5 lakh tons milo and coarse grains. The rice imports are exclusively for building up reserves and so, only 24 lakh tons of imports plus whatever is forthcoming from the surplus States—only 3.7 lakh tons have been offered so far—will be available for allocation to the deficit areas.

Addressing the Conference, the Prime Minister said that, though the need for imports still existed and near-famine conditions prevailed in some areas, by and large, the position was much more hopeful than it was a year ago. He was hopeful that, within the remaining three years of the duration of the Five-year Plan, the country would have completed the task of self-sufficiency in food.

The food position in U.P. continues to be quite satisfactory, but, recently, there has been steady

(*Continued on page* 95)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	2nd Jan., 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,099.30	1,092.12	1,087.06	1,155.33
Notes held in Banking Department	35.05	13.62	20.78	25.77	16.38
Foreign Securities	39.50	578.17	588.15	538.15	593.15
Rupee Securities	37.39	450.06	450.06	450.07	468.13
Banking Department					
Deposits of :-					
Government of India	14.89	176.07	174.79	153.63	20.12
Other Governments	...	3.54	3.55	13.71	10.65
Balances held abroad	10.08	172.60	167.34	159.84	188.86
SCHEDULED BANKS					
Demand Liabilities	134.87	531.23	530.46	541.98	576.15
		(12.64)	(13.01)	(12.28)	(25.47)
Time Liabilities	102.84	3,13.96	317.06	318.58	292.77
		(1.94)	(3.79)	(6.0)	(0.75)
Borrowings from Reserve Bank	...	11.27	4.54	2.18	21.39
		(0.99)†	(0.99)†	(0.99)†	(N.A.)†
Borrowings from Imperial Bank‡		5.72	5.15	4.51	N.A.
Cash in India		35.37	34.95	33.04	39.13
Balances with Reserve Bank	6.71				
Excess over statutory limits	25.28	46.07	43.58	47.56	47.83
Balances with other banks in current account in India	16.52	13.23	10 72	14.10	13.17
Money at call and short notice in India	...	11.69	11.20	12.04	13.39
Investments (at book value)	...	16.38	16.70	16.64	11.58
Advances and Bills	...	320.36	323.20	329.28	293.60
IMPERIAL BANK	105.09	475.88	468.33	455.64	558.97
Deposits	...	206 91	206.15	212 01	232 39
Investments	37.76	97.26	97.25	102 27	86.85
Advances	51.99	114 61	111.51	105 91	133.16
Cash	30.87	18 14	17.13	17.08	25.04

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets). N.A.—Not available.
† Borrowings against usance bills and promissory notes.
‡ Figures prior to 18th April, 1952, not available.

CLEARING HOUSE RETURNS

Centre	9th January, 1953 Number of Cheques	9th January, 1953 Amount Rs.	2nd January, 1953 Number of Cheques	2nd January, 1953 Amount Rs.
Bombay	2,48,422	56,55,03,000	1,72,202	43,08,90,000
Calcutta	1,02,776	50,06,97,718	1,15,270	44,21,69,222
Madras	73,735	9,02,90,605	50,917	5,92,00,032
All Centres Nov., 1952	...	...	24,01,000	4,93,07,00,000
1952	...	...	1,0641,941	26,70,51,57,000
1951	...	...	1,0594,122	31,80,56,86,359

Reserve Bank of India

Statement of Affairs for the week ended 9th Jan., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government		173,74,10,000
(2) Other Governments		1,49,80,000
(b) Banks		43,18,44,000
(c) Others		62,65,21,000
Bills Payable		5,26,78,000
Other Liabilities		20,27,01,000
	Rupees	317,03,43,000
ASSETS		Rs.
Notes		15,21,73,000
Rupee Coin		14,17,000
Subsidiary Coin		2,02,000
Bills Purchased and Discounted—		
(a) Internal		38,40,000
(b) External		...
(c) Government Treasury Bills		17,92,40,000
Balances held abroad*		156,41,61,000
Loans and Advances to Governments		3,99,00,000
Other Loans and Advances		16,93,50,000
Investments		99,29,80,000
Other Assets		6,71,35,000
	Rupees	317,03,43,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 98,76,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) No Advances have been availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	15,21,73,000	
Notes in circulation	1116,61,42,000	
Total Notes issued		1131,83,15,000
Total Liabilities		1131,83,15,000
ASSETS	Rs.	Rs.
A. Gold Coin and Bullion :		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	558,15,11,000	
Total of A		598,16,82,000
B. Rupee Coin		83,60,09,000
Government of India Rupee Securities		450,06,24,000
Internal Bills of Exchange and other commercial paper	...	...
Total Assets		1131,83,15,000

Ratio of Total of A to Liabilities: 52.850 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 2nd Jan., 1953

		Rs.
1.	Demand Liabilities in India :	
	(i) Borrowings from banks	12,63,64,000†
	(ii) Other demand liabilities	518,59,72,000
2.	Time Liabilities in India :	
	(i) Borrowings from banks	1,94,00,000†
	(ii) Other time liabilities	312,01,56,000
3.	Cash in India	35,37,25,000
4.	Balances with the Reserve Bank in India	46,07,07,000
5.	Balances with other banks in current account in India	11,69,18,000
6.	Money at call and short notice in India	16,38,21,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	320,36,27,000
8.	Advances in India	443,13,40,000
9	Inland Bills purchased and discounted in India	32,74,78,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.

†Excludes borrowings from the Reserve Bank, and with effect from the 18th April 1952 also those from the Imperial Bank.

EXCHANGE RATES

		13th January, 1953	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	₹.	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	₹.	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	₹.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	₹.	1-6 1/16	1-6 1/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476 1/4	476 1/4
Buyers T.T.	Rs.	4721	4721
London on New York	$.	2.80 1/2-2.81	2.80 1/2
London on Paris	Frs.	987-988	9874-988
London on Berne	Sw. Frs.	12.10 1/2-12.20 1/2	12.18 1/2-12.18 1/2
New York on London	$.	2.81 1/2-2.81 1/2	2.80 1/2-2.81

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	3rd July, 1952	5	6
Belgium	13th Sept., 1951	3 1/2	3 1/2
Canada	17th Oct., 1950	1 1/2	2
Denmark	2nd Nov., 1950	4 1/2	5
Finland	16th Dec., 1951	7 1/2	5 1/2
France	9th Nov., 1951	2	4
Greece	12th July, 1948	10	12
India	16th Nov., 1951	3	3 1/2
Italy	9th April, 1950	4 1/2	4
Japan	1st Oct., 1951	5.11	5.84
Netherlands	1st Aug., 1952	3 1/2	3
New Zealand	26th July, 1941	2	1 1/2
Norway	9th Jan., 1946	3	2 1/2
Portugal	12th Jan., 1944	3	2 1/2
South Africa	27th Mar., 1952	3 1/2	4
Spain	18th Mar., 1949	4 1/2	4
Sweden	1st Dec., 1950	2 1/2	3
Switzerland	26th Nov., 1936	4	1 1/2
Turkey	26th Feb., 1951	2	3
United Kingdom	12th Mar., 1952	2 1/2	4
U.S.S.R.	1st July, 1936	8	4
U.S.A.	*N.B.*	1 1/2	1 1/2

N.B.—Dates vary from 21-8-1950 to 25-8-1950 from Bank to Bank.

State Bank of Pakistan

Statement of Affairs for the week ended 2nd Jan., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	36,83,67,000
(b) Provincial Governments	51,40,000
(c) Banks	10,09,60,000
(d) Others	3,42,55,000
Bills Payable	15,29,000
Other Liabilities	4,76,51,000
Rupees	61,79,02,000
ASSETS	Rs.
Notes	4,32,00,000
Rupee Coin	2,000
Subsidiary Coin	14,000
Bills Purchased and Discounted :—	
(a) Internal	...
(b) External	...
(c) Government Treasury Bills	31,86,000
Loans and Advances to Governments	15,33,00,000
Provincial Governments Debtor Balances	1,28,87,000
Other Loans and Advances	9,95,99,000
Investments	23,45,23,000
Other Assets	7,11,91,000
Rupees	61,79,02,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	4,32,00,000	
Notes in circulation	204,24,81,000	
Total Notes issued		208,56,81,000
Total Liabilities		208,56,81,000
ASSETS	Rs.	Rs.
I. A Gold Coin and Bullion	7,91,42,000	
Silver Bullion		
Sterling Securities	39,27,55,000	
Government of India Securities	11,87,77,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,96,000	
B. Rupee Coin	6,39,88,000	89,05,70,000
Government of Pakistan Securities	108,86,48,000	
Internal bills of exchange and other commercial paper	...	115,26,36,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
Total Assets		4,24,75,000
		208,56,81,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation 44.59 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1952				Rs. a. p.	%
21st Oct.	2.00	4.26	2.00	2 2 0	88
28th ,,	2.00	4.05	2.00	2 2 0	98
4th Nov.	2.00	4.10	2.00	2 2 0	95
11th ,,	2.00	5.12	2.00	2 1 11	75
18th ,,	2.00	2.92	2.00	2 1 6	60
25th ,,	2.00	2.03	2.00	2 3 0	99
2nd Dec.	2.00	2.01	2.00	2 4 0	99
9th ,,	2.00	2.15	2.00	2 5 11	93
16th ,,	2.00	2.62	2.00	2 5 11	88
6th Jan. 1953	1.00	1.45	1.00	2 6 5	55
13th ,,	1.00	1.22	1.00	2 6 9	79
Total	20.00	31.93	20.00	...	...

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	September 1952	September 1951	Six months—April-Sept. 1952	Six months—April-Sept. 1951
Import Duties				
Revenue	8,16	11,72	57,37	63,24
Protective	68	93	4,11	5,49
Less surplus disposals	1	7	1	16
Total import duties	8,85	12,67	61,49	68,89
Export Duties	3,80	6,99	29,55	45,72
Land Customs	23	21	1,40	1,25
Miscellaneous	10	13	69	60
Gross total customs	12,98	19,95	93,07	116,46
Refunds and downbacks	23	31	1,58	1,59
Net Customs	12,75	19,64	91,49	114,87
Gross excise	5,62	8,37	41,41	48,25
Refunds	8	13	84	86
Net Excise	5,54	8,24	40,57	47,39
Net total of customs and excise	18,29	27,88	132,06	161,96

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	*Per capita* income (Rs.)
India	1948	342.42	...	...	8,730	255
Pakistan	1949	75.04	...	...	1,67	223
Burma	1951	18.67	Kyats	3,166	317	167
Ceylon	1951	7.74	...	...	451	564
Japan	1951	84.30	Y.	4,564,000	6,036	72
Philippines	1951	20.25	Ps.	7,586	1,820	856
New Zealand	1951	1.95	£ (N.Z.)	615	820	4,206
Australia	1951	8.41	£ (A.)	3,238	3,454	4,317
U.K.	1951	50 56	£	11,384	15,179	2,970
U.S.A.	1951	154.35	$	277,600	132,190	8,583
Canada	1951	14.01	$	17,229	8,552	6,108
France	1951	42.24	F. Fr.	9,082,000	12,329	2,929
W. Germany	1951	48.11	Dm.	90,200	10,227	2,126
Italy	1951	46.60	Lr.	7,746,000	5,902	1,267
Norway	1951	3.29	Kr.	15,504	1,055	3,200
Sweden	1951	7.07	Kr.	36,980	3,439	4,864
Netherlands	1951	10.26	Fl.	16,940	2,151	2,096
Denmark	1951	4.34	Kr.	29,716	1,439	3,315
Switzerland	1951	4.75	S. Fr.	19,500	2,166	4,556

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, November, 1952.

Imperial Bank of India

Statement of Affairs for the week ended 9th Jan., 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,35,00,000
Deposits and other Accounts		206,08,76,000
Borrowings from other Banking Companies		4,90,45,000
Bills Payable		2,65,71,000
Bills for Collection being Bills Receivable as per contra		52,26,000
Acceptances, Endorsements and Other Obligations as per contra		47,000
Other Liabilities (including Inter-Office Adjustments)		4,03,16,000
Total	Rs.	230,18,31,000
PROPERTY AND ASSETS	**Rs.**	**Rs.**
Cash in hand and with Reserve Bank		11,04,33,000
Balances with other Banks		4,75,87,000
Money at Call and Short Notice		1,29,23,000
INVESTMENTS—		
Government and other Trustee Securities	79,46,19,000	
Other Authorised Investments	13,64,91,000	
Advances—		93,11,10,000
Loans, Cash Credits and Over Drafts, etc.	109,22,63,000	
Bills Discounted and Purchased	7,04,48,000	
Bills Receivable being Bills for Collection as per contra		116,26,51,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		52,26,000
Premises less Depreciation		47,000
Furniture and Fixtures less Depreciation		1,31,53,000
Other Assets (including Inter-Office Adjustments)		30,66 000
		1,56,55 000
Total Rs.		230,18,31,000

SMALL SAVINGS

(Amounts in lakhs)

	Cash Certificates Receipts	Cash Certificates Out-standings* @	†Defence Savings Certificates @ * Out-standings	National Savings†† Certificates Receipts	National Savings†† Certificates Out-standings*	Savings Bank Deposits Receipts	Savings Bank Deposits Out-standings*	Defence Savings Bank Deposits Out- * @ standings	3½ per cent. Ten-year Treasury Savings Deposits‡ Receipts	3½ per cent. Ten-year Treasury Savings Deposits‡ Out-standings*
1950-51		—15,91	—1,79	23,88	57,86	1,01,04	61,33	—4,64	5,31	5,31
1951-52	1	—20,20	—2,55	24,59	75,88	1,03,79	71,16	—4,74	13,10	18,39
October 1951	...	—18,53	—2,23	1,95	58,44	7,83	68,06	—4,70	1,39	14,88
November ,,	...	—19,90	—2,30	1,98	69,77	7,85	67,96	—4,71	94	15,82
December ,,	...	—19,25	—2,36	1,88	71,08	7,66	67,91	—4,73	70	16,51
January 1952	...	—19,56	—2,42	1,71	72,25	7,75	68,04	—4,73	66	17,17
February ,,	...	—19,86	—2,46	1,82	73,52	8,21	68,27	—4,78	53	17,70
March ,,	...	—20,20	—2,55	3,02	75,88	11,28	71,16	—4,74	71	18,39
April ,,	...	—20,51	—2,60	2,47	77,37	10,01	73,50	—4,74	64	19,53
May ,,	...	—20,81	—2,64	2,32	79,44	9,95	74,88	—4,74	56	19,56
June ,,	...	—21,09	—2,68	2,00	80,95	9,38	77,01	—4,74	60	20,58
July ,,	...	—21,37	—2,78	2,26	82,58	10,29	79,52	—4,75	74	21,25
August ,,	...	—21,57	—2,77	1,96	83,96	8,60	80,73	—4,75	65	21,89
September ,,	...	—21,79	—2,80	1,97	85,30	8,79	81,87	—4,75	52	22,38
October ,,	...	...	...	...	...	...	...	...	58	22,92
November ,,	...	...	...	...	...	...	...	...	58	23,43

† Were replaced by National Savings Certificates from 1st October, 1943. * At the end of period. ‡ Issued from 1st February, 1951
†† Including 5-year and 7-year National Savings Certificates issued from 1st June, 1948.
@ Progressive net repayments from 16th August, 1947

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)

I. All-India

Group and Sub-Group	Week Ended 3-1-'53	27-12-'52	6-12-'52	5-1-'52
(A) Government and Semi-Government Securities ‡	**92.1**	**92.2**	**92.2**	**91.7**
1. Government of India Loans	92.3	92.3	92.4	91.5
2. Municipal, Port Trust and Improvement Trust Loans	86.4	86.4	86.2	92.8
(B) Fixed Dividend Industrial Securities	**90.4**	**90.7**	**90.5**	**93.5**
1. Electricity	76.0	75.9	74.7	75.9
2. Cotton	127.4	128.0	128.4	135.5
3. Jute	81.9	82.0	82.0	83.4
4. Coal	94.5	94.5	97.2	102.4
5. Iron and Steel	82.7	82.9	82.6	83.6
6. Sugar	91.4	91.4	91.4	104.3
7. Paper	86.1	86.9	86.1	90.1
8. Plantations	98.7	100.6	100.6	106.0
(C) Variable Dividend Industrial Securities	**104.5**	**104.7**	**105.1**	**121.1**
1. Banks	102.6	102.7	102.7	112.3
2. Insurance	97.2	97.6	97.4	103.5
3. Investment Trusts	140.3	140.1	138.8	141.5
4. Electricity Companies and Tramways	81.6	81.9	81.4	85.7
5. Shipping and Other Transport Companies	84.2	85.4	84.3	89.6
6. Railways	72.7	72.7	74.2	83.3
7. Plantations	115.5	112.0	117.1	167.3
8. Cotton, Woollen and Silk	128.7	128.8	127.5	162.5
9. Jute	76.3	76.5	78.9	93.7
10. Coal	88.8	89.4	89.8	114.6
11. Mining and Oil	62.8	62.8	62.0	72.3
12. Iron and Steel	125.5	127.2	128.2	141.0
13. General Engineering	137.9	137.7	137.7	158.0
14. Sugar	79 8	79.3	83.0	97.4
15. Breweries	54.2	55.0	56.1	67.9
16. Chemicals	124.1	124.9	127.8	166.9
17. Paper	113.6	114.3	114.6	123.8
18. Cement	145.1	145.1	142.1	147.1

II. Regional

Region and Group	Week Ended 3-1-'53	27-12-'52	6-12-'52	5-1-'52
(A) BOMBAY—				
Government and Semi-Government Securities	91.9	91.9	91.8	91.9
Fixed Dividend Industrials	90.0	90.7	90.1	91.9
Variable Dividend Industrials	122.4	122.8	121.5	130.2
(B) CALCUTTA—				
Government and Semi-Government Securities	92.7	92.7	92.9	92.1
Fixed Dividend Industrials	88.7	88.9	89.1	92.0
Variable Dividend Industrials	92.0	92.1	93.2	108.6
(C) MADRAS—				
Government and Semi-Government Securities	91.9	91.9	92.0	90.6
Fixed Dividend Industrials	104.0	105.1	105.2	112.1
Variable Dividend Industrials	128.0	128.7	129.3	153.3

*Source: Department of Research and Statistics, Reserve Bank of India.
‡ Including Part 'B' State Loans.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	691,321	3,818,928
1951	1,071	74,337	313,451
May 1950	111	47,536	322,944
June ,,	83	21,188	134,911
July ,,	54	240,518	2,948,978
ugust ,,	75	249,445	4,954,181
September ,,	78	288,549	2,266,894
October ,,	58	56,736	313,837
November ,,	34	41,061	163,718
December ,,	120	93,098	370,990
January 1951	61	44,025	203,660
February ,,	79	47,723	317,889
March ,,	120	95,747	331,232
April ,,	109	56,604	277,314
May ,,	141	93,445	448,258
June ,,	130	72,454	671,705
July ,,	108	64,884	289,907
August ,,	88	24,777	93,109
September ,,	108	67,396	190,761
October ,,	125	64,147	189,374
November ,,	118	76,196	365,149
December ,,	96	306,731	681,540
January 1952†	89	64,080	216,507
February ,,	87	52,430	142,493
March ,,	116	69,437	234,346
April ,,	118	80,093	254,885
May* ,,	101	59,331	257,062
June* ,,	82	40,754	171,263
July* ,,	82	43,292	145,895
August* ,,	85	57,156	458,591
September* ,,	88	57,156	346,671
October ,,	90	77,391	...

† Figures for 1952 are provisional * Revised.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated ‡	Units Sold
1950-51	545	5,279.9	4,225.9
1951-52	573	5,948.1	4,849.0
March 1951	545	474.5	376.5
April ,,	548	470.0	379.7
May ,,	541	501.2	404.9
June ,,	546	507.7	412.0
July ,,	551	506.8	409.7
August ,,	554	494.5	403.4
September ,,	556	506.0	412.8
October ,,	557	509.4	409.8
November ,,	557	500.9	414.3
December ,,	568	500.8	409.7
January 1952	571	480.7	391.0
February ,,	571	481.8	392.9
March ,,	573	488.8	393.8
April ,,	577	514.4	413.1
May ,,	581	514.4	408.8
June ,,	583	500.1	429.7
July ,,	588	534.0	428.7
August ,,	592	531.6	430.6
September ,,	597	530 3	...

* Excluding railway, military and factory power stations; Chola [illegible] interconnected with the Tata Power System, has [illegible] utilities.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	27th Dec., 1952	20th Dec., 1952	29th Dec., 1951	December, 1952	December 1951	1952	1951	Percentage of increase (+) or decrease (—) in Dec., 1952 as compared with Dec., 1951
Food Articles	**346.1**	**344.5**	**400.6**	**344.5**	**399.1**	**359.8**	**409.8**	**—13.7**
Cereals	428	430	466	431	464	456	483	— 7.1
Pulses	547	541	514	541	513	483	506	+ 5.4
Other	212	208	288	207	287	225	290	—27.9
Industrial Raw Materials	**428.2**	**424.0**	**573.6**	**421.7**	**574.1**	**453.8**	**608.2**	**—26.5**
Fibres	402	397	603	394	599	454	622	—34.2
Oil seeds	482	479	615	476	618	484	679	—23.0
Minerals	475	456	445	458	444	438	426	+ 3.1
Others	373	372	420	372	439	341	533	—15.5
Semi-Manufactures	**342.2**	**341.2**	**370.4**	**342.6**	**373.6**	**346.5**	**377.5**	**— 8.3**
Leather	413	418	419	422	359	345	453	+24.5
Mineral oils	223	223	209	223	207	221	197	+ 7.7
Vegetable oils	429	427	620	422	627	459	679	—32.7
Cotton yarn	434*	434*	495*	439*	495*	465*	483	—11.3
Metals	229	228	206	228	207	211	197	+ 5.3
Oil Cakes	413*	396	502	400	212	440	500	—21.8
Others	251	251	324	251	327	273	330	—23.5
Manufactured Articles	**368.1**	**366.7**	**371.4**	**367.6**	**402.1**	**377.5**	**395.5**	**— 8.3**
Textiles	403	400	407	402	474	423	468	—15.2
Jute	397	393	421	392	508	503	803	—37.2
Cotton	406*	406*	406	406*	410*	401*	400*	— 0.9
Rayon and Silk	440*	421*	442	442*	526*	485*	611*	—15.9
Woollen	280	280	280	280	397	346	378	—29.5
Metal products	342	342	342	342	298	321	285	+14.8
Others	291	290	294	290	302	298	300	— 3.9
Miscellaneous	**625.0**	**626.9**	**627.9**	**625.3**	**752.1**	**635.6**	**729.8**	**—16.8**
All Commodities	**374.5**	**372.7**	**378.2(R)**	**372.7**	**433.1**	**388.9**	**439.3**	**—13.9**

R=Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

Base	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
December 1950	310	235	281	435	376	352	326	129	165	127	157	168
January 1951	318	239	296	440	376	344	326	134	171	127	158	171
February ,,	321	253	294	441	388	347	327	138	176	129	157	169
March ,,	332	268	301	439	390	356	329	138	174	139	157	166
April ,,	335	270	304	440	391	365	333	139	173	140	159	166
May ,,	335	278	314	443	394	374	335	140	176	141	158	166
June ,,	337	271	313	447	394	382	337	144	178	138	158	169
July ,,	333	270	318	454	394	385	337	145	182	140	155	171
August ,,	328	261	322	459	392	387	338	146	181	143	161	171
September ,,	325	253	319	470	389	375	340	144	179	150	161	170
October ,,	332	254	323	469	393	375	336	144	181	145	165	171
November ,,	333	252	325	464	397	374	337	147	182	155	168	165
December ,,	331	252	325	449	397	370	337	144	181	150	166	158
January 1952	331	246	323	442	393	357	338	142	179	147	162	156
February ,,	324	241	318	441	382	343	336	141	175	145	155	155
March ,,	313	229	300	412	378	340	333	136	177	140	150	145
April ,,	345	262	321	415	377	339	326	145	169	139	153	144
May ,,	339	264	310	412	376	339	327	148	169	143	153	143
June ,,	338	263	300	373	342	330	345	171	141	153	148	
July ,,	330	263	304	456	377	354	331	143	175	143	154	155
August ,,	340	267	312	460	380	369	330	143	176	149	153	157
September ,,	341	269	310	463	381	365	328	145	178	144	155	150
October ,,	345	274	311	466	381	363	327	..	..	..	.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.	Acreage		Outturn	
	1951-52 Estimated.	1950-51 Final.	1951-52 Estimated.	1950-51 Final.
Rice (Final) tons	73,553	75,990	20,562	20,269
Wheat (Final) tons	23,234	24,133	5,768	6,373
Jowar (Final) tons	38,367	38,447	5,519	5,408
Bajra (Final) tons	21,877	22,313	2,156	2,557
Barley (Final) tons	7,800	7,694	2,136	2,338
Maize (Final) tons	7,955	7,717	1,985	1,723
Ragi (Final) tons	5,291	5,442	1,166	1,407
Gram (Final) tons	16,746	18,984	3,160	3,698
Other millets (Final) tons	23,494	26,448	3,142	3,858
Total foodgrains	218,317	227,168	45,594	47,631
Jute (Final) bales	1,951	1,454	4,678	3,301
Cotton (Fourth) bales.	15,125	13,859	3,041	2,926
Sugarcane (2nd) tons.	4,248†	4,727††	5,035†	5,895††
Groundnut (First) tons	5,215†	11,755††	...	3,037††
Linseed (Final) tons	3,298	3,447	309	361
Castorseed (Final) tons	1,423	1,378	104	104
Rape and Mustard Seed (Final) tons	5,707	5,097	900	748
Sesamum (2nd) tons.	2,945†	5,731††	...	441
Tobacco (Final) tons.	731	880	214	256
Pepper (Final) tons	192	197	28	31
Ginger (Final) tons	42	41	15	15

Source: Ministry of Food and Agriculture.
† Relates to 1952-53. †† Relates to 1951-52
N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During October, 1952	76 8
	Corresponding month 1951	69.1
	July October, 1952	304.8
	Corresponding period 1951-52	282. 5
Stocks	At the end of October, 1952	94. 9
	Corresponding month 1951	72.0
		(In 000 bags)
Exports (Jute Bags)	Week ended 22nd Nov., 1952	29.58
	Corresponding week 1951	1.04,74
	From 1st Jan. to 22nd Nov., 1952	38,52,27
	Corresponding period 1951	48,49,40
		(In 000 yds.)
Exports (Jute Cloth)	Week ended 22nd Nov., 1952	1,15,61
	Corresponding week 1951	1,16,77
	From 1st Jan. to 22nd Nov., 1952	96,89,83
	Corresponding period 1951	101,26 87
	RAW JUTE	(In 000 bales)
Exports*	Week ended 22nd Nov., 1952	—
	Corresponding week 1951	—
	From July. to September, 1952	—
	Corresponding period of 1951	—
Consumption by Mills†	October, 1952 (in lakh bales)	4.45
	Corresponding month 1951	4 01
	Four months ended Oct., 1952	17.67
	Corresponding period 1951	16.40

† Estimated. * From Calcutta

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Year ended 31st March, 1940	917,800	906,700	671,000
Do. 31st March, 1950	1,041,700	927,500	720,000
Do. 31st March, 1951	11,15,200	10,82,100	7,76,500
Do. 31st March, 1952	11,30,000	10,57,100	7,99,200
Do. Nine months ended December, 1952	8,65,800	7,97,800	5,94,700
June 1951	84,100	80,500	65,900
July "	98,000	95,400	66,700
August "	99,600	91,500	66,200
September "	92,300	84,600	63,900
October "	94,100	88,800	63,800
November "	92,700	85,200	65,900
June 1952	88,400	83,100	64,800
July "	93,400	91,000	66,300
August "	1,00,700	90,500	67,700
September "	94,200	88,300	64,500
October "	99,400	90,100	67,900
November "	1,03,500	93,700	68,700
December "	98,200	91,400	69,700

SEA- AND AIR-BORNE TRADE : INDIA.

Particulars	September		Six Months. April to Sept.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :—				
Foodstuffs	14.46	23.41	129.85	109.72
Raw materials	12.82	15 23	101.30	120.21
Manufactures	19,37	27,92	145,45	168,90
Other items	19	33	2.61	1,88
Total Imports*	46.84	66.89	379,21	400,71
Exports :—				
Foodstuffs	13.05	17.66	67.84	73 26
Raw materials	10.93	7.79	74.44	81.01
Manufactures	22,08	34.42	144.07	220 41
Other items	36	32	2.00	1.69
Total Exports	46.42	60,19	288,35	376.27
Total Re-exports	32	32	2,21	10,48
Balance of trade in merchandise	— 11	— 6,38	— 88,65	— 13,96
Balance of transactions in private treasure	— 2	— 3	— 3	— 1
Total Visible Balance of Trade	— 13	— 6,41	— 88,68	— 13,97
Imports :—				
Total C'wealth Countries	21,17	22,76	136,20	148.44
Total Foreign Countries	25,67	44,12	243,00	252,28
Exports:—				
Total C'wealth Countries	21,98	31,54	135,23	192.71
Total Foreign Countries	24 43	28.65	153.11	183,57

* Excludes value of certain special imports of foodgrains and stores, full particulars of which are not yet available.

LAND-BORNE TRADE : INDIA

Particulars	September,		Six months April to Sept.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	97	1,81	14,69	9,45
Imports	1,39	8,23	8.86	48,10
Balance of trade in merchandise	—42	— 6,42	+ 5,83	+ 38,65

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES—JULY AND AUGUST 1952

(Base Jan. to Dec. 1944—100)

Name of Centre	Cereals			Pulses			Other articles of Food			All articles of Food			Fuel and Lighting			Clothing			Miscellaneous		
	Aug. 1951	July, 1952	Aug., 1952	Aug. 1951	July, 1952	Aug., 1952	Aug. 1951	July, 1952	Aug., 1952	Aug. 1951	July, 1952	Aug., 1952	Aug. 1951	July, 1952	Aug., 1952	Aug. 1951	July, 1952	Aug., 1952	Aug. 1951	July, 1952	Aug., 1952
Eastern Zone																					
Bamra	196	219	219	111	85	93	181	130	136	172	137	143	96	104	104	166	219	219	193	175	182
Mubang	166	x	x	133	x	x	172	x	x	165	x	x	102	x	x	164	x	x	100	x	x
Shankargarh	182	159	173†	186	164	166	206	154	156	194	158	164	101	108	98†	142	149	140	138	139	139
Sonaili	257	277	271	181	158	160	254	194	197	243	202	203	125	125	125	256	234	234	316	278	278
Northern Zone																					
Multapi	213	124	124	187	127	146*	188	174	177*	191	155	161*	115	123	123	138	155	162	186	195	197
Nana	281	293	303†	241	302	302	237	196	192	247	228	227	142	130	130	210	206	206	208	222	222
Salamatpur	268	262	x	278	280	x	226	204	x	244	229	x	106	129	x	134	139	x	256	259	x
Southern Zone																					
Krishna	279	190	187	174	173	172	200	154	159	212	162	165	153	114	114	158	139	149†	222	206	206
Lakh	179	224	120	173	158	168	126	128	171	149	151	86	92	93	132	138	138	144	138	144	144
Malur	160	171	171	174	128	128	184	138	136	177	143	142	89	100	198	244†	244	216	163	163	163
Muniguda	142	208	211	270	194	215†	333	190	198	325	194	203	105	145	137	233	215	217	218	266	268
Kudchi	123	157	157	136	146	153	204	154	166†	183	154	161	100	127	127	142	147	145	163	192	192

x Returns not received. † Revised. * Provisional

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 1st Jan., 1953	36,934
	Corresponding week, 1952	39,542
	1st Sept. 1952 to 1st Jan., 1953	4,25,999
	Corresponding period, 1951-52	2,93,218
Cotton Exports	Week ended 1st Jan., 1953	5,817
	Corresponding week, 1951-52	—
	1st Sept. 1952 to 1st Jan., 1953	1,12,219
	Corresponding period, 1951-52	111
Mill Consumption	1st Sept. 1952 to 1st Jan., 1953	3,69,414
	Corresponding period, 1951-52	3,52,972
Stock (with exporters dealers and mills)	On 1st Jan., 1953	3,46,038
	Corresponding date, 1951-52	2,38,781
Karachi (Pakistan)*		
Receipts	Week ended 6th Dec., 1952	44,143
	Corresponding period, 1951	73,740
	1st Sept. to 6th Dec., 1952	3,29,019
	Corresponding period, 1951	3,68,607
Exports	Week ended 6th Dec., 1952	48,000
	Corresponding period, 1951	16,300
	1st Sept. to 6th Dec., 1952	2,94,000
	Corresponding period, 1951	1,95,000

Particulars	From 1st Sept., '52 to 5th January, '53 Bales	From 1st Sept., '51 to 6th January, 1952 Bales
Indian Union		
Cotton Exports to—United Kingdom	2,624	—
Continent	37,348	—
China	324	—
Japan	63,331	—
U.S.A.	7,128	—
Other Countries	2,348	111
Total to all foreign countries	1,13,118	111
Coastal Ports	33,236	21,188

Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—Indian	2,84,347
Foreign	74,254
Indian	5,58,958
Foreign	1,62,718
Indian	4,50,721
Foreign	1,85,164
Stocks (Mills and Elsewhere)—Indian	10,16,476
Foreign	3,50,311
Indian	9,74,662
Foreign	2,44,112
Cotton Pressed†	30,877
	58,926
	2,66,492
	4,37,896

October, 1952 / Two months September—October, 1952 / Same Period 1952

As on 31st Oct., 1952 / As on 31st Oct., 1951

Week ended 10th Dec., 1952 / Corresponding week, 1951 / 1st Sept. to 10th Dec., 1952 / Corresponding period, 1951

* As reported by the Karachi Cotton Association Ltd. † Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	103¾
4 % Bonds	1926-33	63,30,26,000	1960-70	101½
3½% Loan	1938-39	1,16,17,46,000	1963-65	92½
3 % Loan	1943	1,14,60,58,000	1953-55	100⅞
3 % Loan	1950	30,33,10,000	1964	92½
3 % Loan	1943	1,10,11,78,000	1966-68	90½
3 % V. Loan	1944	1,14,06,89,000	1957	98½
3 % Loan	1945	1,15,05,83,000	1970-75	86⅜
3 % Loan	1945	1,13,65,54,000	1959-61	96
3 % Loan	1951	50,00,00,000	1958	98⅛
2½% Loan	1946	45,63 07,000	1960	93⅞
2½% Loan	1946	57,00,69,000	1961	90⅜
2½% Loan	1946	33,06,06 000	1954	98⅛
2½% Loan	1946	14,77,48,000	1976	82½
2½% Loan	1947	75,86,72,000	1962	91½
2½% Loan	1948	60,45,01,000	1955	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,36,000	At option of Government after three months, notice	82⅛
			On 1st September, 1986 or later at option of Government after three months, notice.	82⅛
3 % Loan	1946	2,48,91,90,000		
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,85,66,000	1954-59	100½
4½% Loan	1928	5,85,20,000	1958-68	105½

PROVINCIAL LOANS

3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	97¼N	
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½	
3 % Madras	1938	1,42,08 300	15th Sept. 1953	100-0½	
3 % Madras	1939	1,29,76,600	21st June 1954	95	
3 % Madras	1942	1,23,25,000	18th Sept. 1955	98½	
3 % Madras	1943	1,23,10,000	14th Sept. 1956	98⅜	
3 % Madras	1944	1,08,00,000	15th Aug. 1958	96½	
3 % Madras	1945	2,82,19,000	14th Sept. 1960	94½	
2½% Madras	1946	3,90,93,200	1st Sept. 1961	90½	
2½% Madras	1950	4,47,00,000	31st July 1960	94½	
3½% Madras	1951	3,00,00,000	17th Sept. 1962	98	
4 % Madras	1952	5,00,00,000	1st Aug. 1964	100⅛	
3 % U.P.	1939	1,69,39,800	15th Sept. 1961-66	90⅜	
3 % U.P.	1944	1,23,96,800	1st Aug. 1958	96	
3 % U.P.	1945	2,36,31,900	14th Sept. 1960	94	
2½% U.P.	1946	2,41,19,800	1st Sept. 1961	95N	
3½% U.P.	1951	2,00,00,000	17th Sept. 1962	97⅞	
4 % U.P.	1952	2,00,00,000	1st Aug. 1964	100⅜	
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99	
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅛	
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99	
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	98½	
3 % Mysore(f)	1930	1,63,44,300	1st Nov. 1955	103½	
3 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	103½	
3 % Mysore(f)	1936	5,99,72,900	30th April 1956-61	98⅜	
3½% Mysore	1947	5,08,05,700	25th Jan. 1958	98½	
3 % M.P.	1942	50,00,000	18th Sept. 1955	98½	
3 % M.P.	1943	50,54,200	14th Sept. 1956	98	
3 % M.P.	1944	52,69,800	15th Aug. 1958	96	
3 % M.P.	1948	2,03,00,000	15th Sept. 1964	91½	
3 % M.P.	1950	1,00,28,800	31st July 1960	94	
3½% M.P.	1951	1,00,00,000	17th Sept. 1962	97½	
4½% Howrah Bridge (New)	1936-37	2,31,07.100	1956-66	95	
3 % Bombay	1942	3,54,23,300	18th Sept. 1955	98½	
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	98½	
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97½	
3 % Bombay	1949	6,00,00,000	1st Aug. 1962	92½	
3 % Bombay	1950	3,00,00,000	31st July 1960	94½	
3½% Bombay	1951	3,00,00,000	17th Sept. 1962	98	
4 % Bombay	1952	3,50,00,000	1st Aug. 1964	100⅛	

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1966	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	97½
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,300	3½	1960	1973	D
80,00,000	4	1913	1974	98½
88,25,000	4	1914	1975	100½
10,00,000	4	1915	1975	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1927	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
STERLING LOAN				
£1,600,000	6	1922	1952	£101½
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	97½
76,90,100	4	1915	1975	97½
68,02,300C	3†	1921	1981	74N
1,50,00,000C	4½	1921	1981	144N
1,24,06,300	6	1923	1953-85	105½
98,21,600	5½	1926	1956-86	104½
99,84,500B	5	1926	1956-86	104½
1,49,49,500B	5	1927	1957-87	103⅜
1,49,30,000	5	1928	1958-88	104
80,00,000	4½	1931	1991	92½
21,75,000C	3	1933	1954	99
50,00,000	3½	1935	1965	95½
25,00,000	3	1935	1965-68	88
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82½
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78½
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94½
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79N
1,50,00,000	3½	1951	1961	97½
STERLING LOANS				
£892,600	5	1923	1953-83	£83
£901,000	5	1924	1954-84	£85
£835,100	5½	1932	1962	£97
MADRAS				
Rs.				Rs.
46,50,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,480	4	1918	1982	A
3,42,951	4	1918	1982	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug.				
3,32,322	4½	1922	1952	
4,47,597	5½	1923	1952	M
STERLING LOAN				
£330,000	5½	1923	1953	£100

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Latest Available Quotation. Rs.	Paid-up per Share Rs.
Rs.				Rs.	
BOMBAY					
50,00,000	4	1899	1959	100	
30,00,000	4	1901	1961		
30,00,000	4	1902	1962		
60,00,000	4	1903	1963		
50,00,000	4	1904	1964		
30,00,000	4	1905	1965	97½	
20,00,000	4	1906	1966		
15,00,000	4	1907	1967		
30,00,000	4	1908	1968		
25,00,000	4	1912	1972		
18,00,000	4	1913	1973	97½	
50,00,000	4	1914	1974		
25,00,000	4	1916	1976		
40, 90,000	4	1919	1957-79	113	
66,00,000	6	1920	1955-80		
25,00,000	5	1926	1956-86	115	
25,00,000	5	1927	1957-70	98	
10,00,000	3½	1936	1966	96½	
STERLING LOANS					
£566,600	4	1909	1969	£95½	
£333,000	4	1910	1970	£95½	
CALCUTTA					
Rs.				Rs.	
50,00,000	6	1922	1955	105½	
25,00,000	5½	1929	1959	107½	
50,00,000	4	1934	1964	98½	
35,35,000	3½	1935	1965	94	
30,00,000	3	1936	1966	89	
50,00,000	3	1937	1962	90	
20,00,000	3	1938	1963-68	88	
80,00,000	4	1952	1962	99½	
STERLING LOANS					
£700,000	5½	1923	1953	£96⅝	

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Latest Available Quotation. Rs.	Paid-up per Share Rs.
Rs.				Rs.	
BOMBAY					
43,00,000	4	1886-91	1933	100	
49,40,000	4	1913-14	1954	100	
20,60,000	4	1913-14	1954	98½	
20,00,000	4	1913-15	1955	100	
20,00,000	5	1926	1956	113	
1,60,00,000	5	1924	1954	103⅜	
25,00,000	5	1928	1958		
26,14,000	5	1929	1949-59	105	
25,00,000	5	1930	1954-59	100	
26,21,500	5	1929	1959	103	
8,25,00,000	3½	1947	1977	84½	
2,50,00,000	3½	1949	1979	85	
4,00,00,000	3½	1950	1980	91½	
2,50,00,000	4	1952	1964	99	
CALCUTTA					
Rs.				Rs.	
34,45,500	6½	1925	1955	106	
84,70,000	6	1925	1955	105	
36,00,000	5	1928	1958	103½	
25,00,000	5	1929	1957	103½	
20,00,000	5	1929	1958	103½	
10.00	5½	1932	1962	103½	
33,91,000	3½	1935	1965	93½	
7,92,000	3	1936	1953	100N	
3,19,000	3	1936	1953	99½	
60,00,000	3	1936	1966	88	
1,46,100	3	1936	1953	99½	
3,11,400	3	1937	1954	98½	
4,67,100	3	1937	1954	98½	
1,62,500	3	1937	1954	98½	
4,18,100	3	1937	1954	98	
47,50,000	3	1938	1968	88	
10,67,700	3	1938	1955	97	
15,56,800	3	1938	1956	97	
15,56,800	4	1940	1957	99½	
17,64,400	3½	1942	1959	96½	
21,10,000	3½	1942	1972	92	
15,49,000	3½	1951	1960	96	
16,33,000	3½	1951	1961	96	
66,88,000	3½	1951	1966	96	
STERLING LOAN					
£5,00,000	6	1923	1953	£98	
MADRAS					
Rs.				Rs.	
5,00,000	4	1903	1953	101	
5,00,000	6	1923	1953	107	
3,40,000	7	1925	1955	107½	

ABBREVIATIONS.—M=Held by Government of Madras.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable N=Nominal. †=Various Issues repayable to Government.
(a) This includes the amount of loan converted into First Development Loan 1970-75. C=Held by Commissioners. * Loans held entirely by the Trustees.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June, 1944 (f) Income-tax free. A=Held by [illegible]
‡ Rate of [illegible]

PREFERENCE SHARES

Company	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	129	100
BREWERIES AND SUGAR						
Carew & Co.	8,00,000(b)	1875	6½	Mar Sept.	81	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	146	100
Upper Ganges Do	15,00,000	1932	5	Dec. ..		100
	15,00,000	1946	5(a)	Dec. ..		100
Dacca Sugar & Abkhar 'A'	7,00,000	1920	7	July Apr.	118½	100
[East India Distilleries	£200,000	1897	7	Jan. July	Sh. 15[illegible]d	£1
Gwalior Sugar	6,75,000(c)	1940	7⅜	Dec. ..	70	100
Do. (Non-redeem.)	5,00,000	1940	7⅜	Dec. ..	70	100
Parrakpore Co.	6,00,000	1922	10	Oct. ..	16	10
Rammuggur Cane	4,00,000	1933-36	6	Aug. ..	103	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	70	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	75N	100
Travancore	14,99,135	1946	5	Dec. ..	6½	10
Bharat Sugar	5,00,000	1931	5	Dec. ..		100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	118	100
Berrea	4,00,000	1896-97	6½	Oct. Apr.	113	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	117½	100
Do. (2nd)	4,50,000	1948	6(a)	.. ..	8½	10
Equitable	4,00,000	1895	6	Mar. Sept.	115	100
Karanpura Collieries	7,50,000	1946	5½(a)	.. ..	86	73pp
[illegible]Khas Kajora	1,93,000	1931	5	Mar. Sept.	11N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12½	10
Oudal	2,00,000	1898-99	6½	Apr. Oct.	113	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan. July	137	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	6½	10
Benares Cotton	1,05,200	1919	7	July Jan.	55	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	117½xd	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	128	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	80	100
Bradbury	14,75,000	1919	7½	Jan. July	142½xd	100
Buckingham & Carnatic	31,30,200	1920	7	Apr. ..	131½	100
Cambodias	1,00,000	1928	7	Apr. Oct.	503½xd	500
Central India	50,00,000	1912	5	Nov. ..	130½	100
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	145	100
Elgin	11,00,000	1912	8	May Nov.	104	10
Do. 'B' Pref.	4,20,000	1943	5	July ..	95	100
Elphinstone	25,00,000	1919	7(a)	May Nov.	122	100
Empress	25,00,000	1919	7	June Dec.	—	100
Khatau Makanji	10,00,000	1925	6	Nov. ..	85	100
Do. (2nd)	29,92,500	1947	6	Nov. ..	10	10
Kothari	12,00,000	1937	6	.. ..	241½xd	250
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	.. January	72	100
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	6½	Jan. July	108	100
Muir Mills	30,00,000	1900	6	.. ..	..	50
Mysore Spg.	7,45,050	1944	4½	.. ..	..	100
New Great	8,00,000	1913	5½(a)	Mar. ..	185	200
New Victoria	26,05,500	1943	4	Feb. ..	80	100
Podar Mills	10,00,000	1932	6½	Apr. ..	58	50
Rajlakshmi	2,00,000	1932	6	.. ..	..	100
Rajas Niwas Cotton	4,80,000	1944	3(c)	.. ..	80	100
Sholapoor	32,00,000	1935	5	Apr. Oct.

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. G=Guaranteed shares. P=Preference shares. P.O.=Preferred Ordinary shares. R=Rebate shares. Y=Accounts published yearly. H=Accounts published Half-yearly. Q=Accounts published once 15 months. T=Company has Debentures. R.L.=Reserve Liability on shares. N=Nominal Quotation. i=Interim Dividend. f=Dividend for first half-year, y=Dividend for the year. x=Ex. Dividend. c.d.=Cum. Dividend.

Shares:—If a company has different classes of shares—as, for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under "Paid-up Per Share."

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12 indicate the months of June and December, respectively "Reserves" includes general and other reserves and all other funds which a company may have as also depreciation on block items, when this is charged to separate account "Block" represents actual cost of land, buildings, machinery, and all such other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends:—Dividends for completed years are calculated at per cent. per annum, but, where quoted for portion of a year, they represent percentages of the dividend on the paid-up share value. For companies closing the books half-yearly in the first three months of the year, and for companies closing their books yearly during the first half of the year dividends are shown as for the previous year.

COTTON MILLS

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	¶Number Installed		Mill	Latest Available Quotation.	Paid-up Per Share	Dividends (per cent.)				Accounts closed	References
					Spindles	Looms				1949	1950	1951	1952		
Rs.	Rs.	Rs	Rs.					Rs.	Rs						
BOMBAY CITY AND ISLAND															
50,00,000	55,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	45,500	898	Apollo	2–9	2	12½	12½	15½		12	Y.
40,00,000	96,25,655	1,22,39,883	45,646	B. R. Sons, Ltd. ..	50,336	1,021	Beharilal Ramcharan Cotton Mills	55	100	6	6	—		3	T.P.Y.
2,50,98,000	3,77,07,567	3,45,45,592	2,49,666	Nowrosjee Wadia & Son, Ltd. ..	1,10,136	3,224	Bombay Dyeing, etc.	357½	250	16	7	8		12	Y.
10,00,000	68,56,275	52,02,609	2,59,868	Ramnarain Sons, Ltd. ..	38,048	850	Bradbury Mills	530	250	24	40	40		12	Y.
1,09,42,800	3,39,71,172	2,24,04,685	2,02,457	—	1,09,320	2,685	Century	245½	100	15	18	20		12	Y.
49,00,000	76,78,063	1,06,30,358	5,066	V. J. Pilani, Esq. (Chairman) ..	39,408	698	Colaba Land & Mill ..	72¼	100	—	—	4		12	Y.
26,00,000	53,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd. ..	27,308	680	Coorla	99½xd	100	7½	7½	7½		3	Y.
16,00,000	61,03,791	61,88,798	2,30,356	Ramnarain Sons, Ltd.	42,204	..	Dawn	59½	50	4	—	12		12	Y.
34,00,000	83,85,000	63,06,555	91,036	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	230	200	7½	7½	7½		12	Y.
25,00,000	82,92,517	1,09,92,288	64,188	Chidambaram, Mulraj & Co., Ltd.	43,740	887	Elphinstone	404	50	10	8	—		12	Y.
40,00,000	1,20,24,649	75,61,616	4,37,206	James Finlay & Co., Ltd. ..	46,072	784	Finlay	280	100	15	15	20		12	P.
50,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	74,184	1,227	Hind Mills	—	10	5½	4½	5½		6	P.Y.
12,00,000	1,28,45,400	94,23,641	24,337	Thackersey Mooljee & Co. ..	45,332	1,216	Hindustan	3,300CD	1,000	17½	20	20*		3	P.Y.
2,00,00,000G	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	8¼	10	7½	7½	10½		12	P.Y.
50,00,000D								1¼	1	12½	12½	25			
8,65,000	1,33,65,320	98,10,275	7,671	Damodhar Thack, Mooljee & Co.	49,580	1,119	Indian Manufacturing ..	3,300CD	1,000	17½	20	20*		3	Y.
35,000								—	500						
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co. ..	77,404	1,517	Khatau Makanjee	170	100	12	14	10		6	P.Y.
1,00,00,000	3,30,54,713	2,81,07,386	2,47,768	Killick Industries Ltd. ..	1,11,464	1,846	Kohinoor	264½	100	27k	18	25*		12	Y.
28,32,800	57,98,225	13,97,883	2,76,256	Vastra Vyavasaya Ltd. ..	39,112	838	Madhowji Dharamsy ..	—	100					3	P.Y.
1,75,500D								—	5						
28,80,000	62,72,416	4,58,523	11,567	Hall & Anderson Ltd. Props. ..	61,400	1,742	Madhusudan Mills	77½	100A	7½				6	Y.
3,60,000B								—	20B						
51,75,000	1,65,94,653	1,71,00,015	2,80,686	Piramal Gangadhar & Others ..	60,652	1,650	Morarjee Goculdas	160	100	17	15*	12		6	P.Y.
24,00,000	64,02,788	64,16,514	81,791	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay ..	171½	100	11	12½	15		12	T.Y.
30,00,000	77,89,079	77,63,429	68,583	W. H. Brady & Co., Ltd. ..	46,884	1,018	New Great Eastern ..	148½	100	6½	10	12½		12	P.Y.
12,70,100	27,38,754	13,13,391**	941	Mafatlal Chandulal & Co. ..	31,905	853	New Union	23½	10	—	5	10		12	Y.
48,00,000	1,14,83,245	1,34,29,555	2,40,353	Ramnarain Sons, Ltd. ..	48,128	1,160	Phœnix	122½	100	6	10	10		12	Y.
40,00,000	45,61,000	23,31,581	1,35,988	Podar Sons, Ltd.	32,600	930	Podar	122½	100	9	9	10		12	P.Y.
5,00,000	27,64,626	29,73,962	3,162	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk ..	23½	10	26½	20	20		12	Y.
25,00,000	35,63,793	17,86,230	1,316	M. G. Investment Corpn. ..	60,240	1,254	Sassoon Spinning ..	20½	10	—	7½	10		12	Y.
60,00,000	93,52,612	65,79,388	3,19,198	Marwar Textiles (Agency) Ltd.	66,472	1,640	Shree Nivas	171½	100	12½	14	17½		12	P.Y.
31,50,000	1,00,00,000	76,05,952	50,222	Forbes, Forbes, Campbell & Co., Ltd.	36,456	1,276	Simplex	174	50	28	34	30†		3	T.Y.
36,00,000	1,84,55,730	1,14,25,402	17,129	Mafatlal Gagalbhai & Sons ..	50,414	1,646	Standard	260	100	15	15	26×		12	P.Y.
75,00,000	1,97,81,673	92,45,129	70,099	Tata Industries Ltd.	65,040	2,000	Svadeshi	233	100	14	16	18		12	P.Y.
24,00,000	99,65,496	54,00,802	5,62,977	James Finlay & Co., Ltd. ..	35,804	552	Swan	233	100	20	20	25		12	P.Y.
32,54,438	92,22,536	68,80,347	25,338	Tata Industries Ltd.	63,248	1,800	Tata	45½	25	8	8	16		12	P.Y.
12,00,000	1,00,31,933	84,86,085	21,363	Thackersey Mooljee Sons & Co. ..	45,508	1,308	Western India Spinning ..	3,150CD	1,000	17½	20			3	T.Y.
AHMEDABAD															
20,00,000	84,99,543	31,95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	131½	100	8	12	10		6	P.Y.
24,90,150	1,76,92,721	93,49,718	93,168	Haribalabhdas Kalidas & Co. ..	71,796	1,383	Ambica Mills	287½	50	25%	30	36		12	Y.
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Hutheesing & Sons Ltd. ..	39,964	912	Aruna	382½	100	13%	15*	20*		12	Y.
21,00,000	2,76,11,769	99,37,517	1,37,004	Narottam Lalbhai & Co. ..	62,448	1,216	Arvind	697	100	22½	25	25		12	P.Y.
10,00,000	93,20,000	70,77,166	92,811	Mangaldas & Bros., Ltd. ..	35,884	884	Atyodaya Ginning	535	200	15	15	17½		12	P.Y.
12,00,000	1,48,97,000	79,36,000		Lalbhai Dalpatbhai & Co. ..	37,368	912	Asoka	391	100	15*	17	22		12	Y.
1,24,74,017	3,42,43,180	3,39,18,894	2,89,575	Karamchand Premchand & Co. ..	1,37,056	2,370	Calico	289½	125	8	10	14–2/5		12	Y.
30,00,000	1,00,20,000	83,66,716	748	Tricumlal Bhogilal & Co.	39,316	866	New Commercial	1,007½	500	10	11	12		12	P.Y.
39,00,000	1,17,35,075	88,73,039	19,706	Mafatlal Chandulal & Co. ..	47,952	863	New Shorrock	510	125	28	28	28		12	Y.
5,00,000	84,57,251	41,66,135	466	Jagabhai Bhogilal Nanavati & Co.	20,840	506	Nutan	540	100	25*	28*	28*		12	Y.
10,00,000	1,51,40,293	65,80,292	68,792	Lalbhai Dalpatbhai & Co. ..	37,320	637	Rajnagar	695	100	22½	25	25		12	Y.
12,00,000	50,40,334	63,41,241	1,09,340	Mangaldas Girdhardas Parekh Ltd.	45,568	1,127	Rajnagar	485	250	6	6	8		12	P.Y.
32,50,000	58,29,453	74,07,003	3,873	Lallubhai Gordhandas Ltd. ..	68,188	648	Rohit	106½	100	8	8	9		12	P.Y.
28,00,000	59,44,524	80,38,656	20,958	Haridas Acharatlal & Co., Ltd. ..	28,816	680	Vijaya	455	400	11½*		8½*		12	P.Y.
WEST BENGAL															
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agency Ltd., ...	14,108	356	Basanti Cotton	4	10	—	5	3½		12	P.T.Y.
6,00,000	74,31,075	77,07,829	—28,432	K. Bullen & Co., Ltd. ..	42,872	841	Bowreah	250	100	—	—	—		6.12	P.Y.
19,00,000	96,49,451	96,66,017	—27,794	K. Bullen & Co., Ltd. ..	42,944	838	Dunbar	127	100	—	—	7		6.12	H.
6,00,000A	3,31,49,845	2,91,09,646	85,759	Birla Bros., Ltd.	69,352	1,190	Kesoram	18§	10	12½	12½			3	P.Y.
33,96,097B	71,09,841	79,53,833	51,255	Chakravarti Sons & Co.	23,112	439	Mohini	—	10	12½‡	7½	7½		12	Y.
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills ..	5	10	9	3	—		12	T.Y.
15,00,000	26,53,246	59,15,375	2,736	Ramlal & Co., Ltd.	44,306	..	Alagappa Textiles	6½	10	9	9	6		12	P.Y.
71,95,030os	91,90,031	1,69,30,772	27,626	Ind. Trust Fund	19,944	440	Azam Jahi Mills	65	100	15*	31‡	61		9	Y.P.
40,50,000	2,88,78,779	2,57,74,244	2,47,495	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	214½	100	14½	17½	20		6.12	P.H.
27,00,000	71,21,986	69,56,823	40,045	Shaw Wallace & Co., Ltd. ..	31,476	766	Bengal Nagpur	122	10	5	1½	10		12	P.T.H.
60,00,000	74,37,942	97,51,247	1,58,255	Binodram Baldhand Ltd. ..	36,144	1,340	Binod Mills	100N	100	17	—	—		12	Y.
15,00,000	1,33,79,264	84,27,674	4,60,089	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	58·6N	10	25	25	30		3	P.Y.
1,78,47,800	3,22,27,970	4,49,59,308	2,39,158	Binny & Co., Ltd. (Madras) ..	1,19,916	2,799	Buckingham & Carnatic ..	117	100	6½	6½	7½		6.12	H.P.
20,00,000	32,17,313	27,32,911	55,358	Peirce, Leslie & Co., Ltd. ..	37,536	4	Cambodia	10	10	7½	—	12½		12	P.Y.
30,00,000	64,46,347	47,79,878	32,599	Begg Sutherland & Co., Ltd.	27,388	591	Cawnpore Textiles	8	5	11½	11½	11½		3.9	T.Y.
46,87,500	2,25,77,600	2,00,84,126	—16,28,224	Tata Industries Ltd.	1,15,188	2,168	Central India	142	100	6	6	2		6	P.Y.
12,00,000	33,42,813	25,08,393	1,52,180	R. Beema Nayudu & Co. ..	28,864	..	Coimbatore Cotton	160	100	12½	12½	12½		12	Y.
20,00,000	17,94,432	20,04,313	9,816	T. R. N. Naidu & Co. ..	19,700	..	Coimbatore Pioneer Mills ..	97	100	7	6	—		6	P.Y.
20,76,900	70,83,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co. ..	72,188	407	Coimbatore Spg. & Wvg.	37½	50	5	10	—		6	P.Y.
24,30,900	34,08,672	33,52,938	55,387	M. N. Chettiar & Sons ..	29,500	201	Dhanalakshmi	185	100	25	25	20		6	Y.
2,89,84,925	3,84,95,614	5,77,14,605	1,63,862	Bharat Ram, Esq. ..	75,604	1,830	Delhi Cloth (inc. Lyallpur Mills).	31½	25	2½	4	10		6	P.Y.
1,00,503									25	2½					
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd.	52,652	1,198	Elgin	15½	10	13½	11½	15	15	9	P.T.Y.
39,04,700	97,00,000	78,42,395	93,393	F. Forbes Campbell & Co., Ltd.	73,248	2	Hukumchand	197	100	15	10	14		12	Y.
50,00,000	84,17,977	1,21,16,721	6,989	Govindram Seksaria (Indore)	50,020	1,420	Indore-Malwa United ..	83½	100	4	5	10		12	Y.
8,00,000	22,88,977	18,75,134	487	G. V. Naidu & Co.	20,760	..	Janardhana	58	50	16	10	15		12	T.Y.
6,50,000	17,20,576	40,18,454	7,677	A. L. A. R. A. Chettiar and another	50,612	295	Kaleswarar	347½	100	7	7½	7½		12	Y.
24,00,000	25,50,000	43,66,106	54,377	Kothari & Sons	13,824	..	Kothari	9‡	10	7	7½	7½		6	P.Y.
32,00,000	1,52,51,325	1,35,66,651	2,77,976	The Bombay Co., Ltd.	51,924	1,213	Lakshmi Cotton	575XD	250	15	15	20		12	P.Y.
35,64,100								69	50						
17,82,050A	90,51,492	78,03,494	7,921	G. K. Naidu & Co.	67,424	200	Lakshmi Mills	33½	25	8	8	10		3	Y.
1,75,02,480	5,58,18,568	3,97,87,371	12,62,148	A. & F. Harvey Ltd.	4,65,324	..	Madura	33½	15	17½	15	20		12	Y.
12,00,000	20,47,239	23,90,961	—15,121	A. L. A. R. S. Chettiar and 2 others.	21,856	..	Malabar	150	200	7½	4	6		12	Y.
60,00,000	93,17,047	52,62,343	50,249	W. A. Beardsell & Co., Ltd. ..	24,252	603	Mettur Industries	179	100	25	12½	12½		12	Y.
29,80,884	65,78,942	71,79,459	22,669	N. Sirur & Co.	34,016	676	Minerva	91	100	6*	6	6		3	Y.
94,91,850	96,08,512	1,34,73,361	29,643	B. Abirchand Dadabhoy & Co. ..	52,408	952	Model Mills, Nagpur ..	141½XD	250	6	3	3		6	Y.
30,00,000	1,55,94,651	1,53,39,271	7,77,290	Indian Textile Syndicate Ltd. ..	86,318	1,301	Muir	225	100	24½	—	—		12	P.Y.
9,71,850	4,06,541	20,43,991	—2,16,536	A. Sambha Moorty, Esq. ..	69	..	Mysore Silk Filatures ..	1‡	10	—	—	7½		12	Y.
19,86,800	1,15,59,739	82,55,416	38,347	N. Sirur & Co., Ltd.	49,696	500	Mysore Spinning	141½	50	20	18*	20*		12	Y.
13,61,780	22,98,130	27,85,556	—4,60,000	R. Suryanarayana Rao, Esq. ..	6,000	..	Mysore Spun Silk	4‡	10	5%	6½	—		2	P.Y.
22,89,882														3	Y.
8,07,0950	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd	48,236	1,148	New Victoria	1‡	24	—	—	—		12	P.D.Y.
86,93,300	1,16,62,352	1,46,35,293	1,161	Ind. Trust Fund	26,016	640	Osmanshahi Mills ..	DI	DI						
4,00,000A	19,98,937	20,58,777	19,670	Baghyalakshmi & Co. ..	22,800	..	Palani Andavar	87	100	14*	5½	6½		9	Y.
15,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills	52	50	4	10	16		12	P.Y.
25,30,420	36,19,473	40,65,619	11,306	A. G. G. Naidu & Co. ..	36,464	..	Radhakrishna	70	100	4	7½	5		12	P.T.Y.
15,00,000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	25,896	..	Rajalakshmi	150	100	15	16	16		12	Y.
15,02,500	26,26,362	24,78,957	4,770	P. S. G. Nayudu & Sons ..	28,972	88	Ranga Vilas	75	50	9	9	10		12	P.Y.
60,00,000	89,59,172	1,04,60,739	5,506	Sir J. P. S. & Sons (Rampur), Ltd.	28,436	440	Raza Textiles	45	50	6	7	—		12	Y.
16,00,000	1,58,55,370	2,03,51,339	—78,03,793	M. I. Divekar, Esq.	1,05,296	2,234	Sholapur	5-3½	10	—	—	—		12	P.Y.
22,41,300	9,49,500	25,98,011	66,528	Gopaldas Liladhar & Co., Ltd.	15,824	440	Shree Sajjan	1,600	1,000	—	—	—		3	P.Y.
17,79,700	17,05,383	21,50,229	3,083	T. R. A. Ayyar & Bros., Ltd.	17,216	416	Sitaram	75	100	6				3	Y.
36,69,700	53,91,188	62,29,128	26,556	B. S. Visweswaraiya, Esq. ..	25,200	285	Sri Krishnarajendra Mills ..	40‡	60	6½	—	5		3	Y.
17,50,000								39	50	8*	8*	6*		8	Y.
1,57,50,000P.O.	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,13,204	1,979	Swadeshi (Cawnpore) ..	9‡	10	3	5	5		3	Y.
9,32,990	20,80,396	12,56,097	61,026	M. R. & Sons	16,000	..	Trichinopoly	9½	10P.O.	9	9	9		12	P.Y.
21,00,000	33,78,057	44,54,040	38,800	R. K. S. Chetty & Bros. ..	33,704	270	Vasanta	9‡	10	10	10	10		12	Y.T.
32,00,000	1,27,03,612	1,16,59,613	2,69,813	The Bombay Co., Ltd.	54,280	1,495	Vishnu	141	100	7*	9	10		12	P.Y.
								160	100	10	9	14		12	P.Y.

* Includes Bonus. I. On Increased Capital. ‡ Only Depreciation.

× Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46.

(k) Includes Rs. 11·6 paid out of deferred Dividend Amount. § On old capital of Rs. 19,95,731.

¶ As on 31st August 1951.

— Nil Dividend.

† Subject to tax

†† Does not include depreciation.

xd = Ex. Dividend. C.d. = Cum. Dividend.

** Net Block

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.)				Accounts Closed	References
								1949	1950	1951	1952		
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
ART SILK AND RAYON MILLS													
1,60,42,600	37,92,725	4,15,55,170	4,66,206	Chinai & Co., Ltd.	National Rayon Corporation ..	6‡	100	—	—	—		12	P.Y.
99,92,020	46,91,585	2,65,93,471	4,93,263	Emcete & Sons (Travancore) Ltd.	Travancore Rayons	3⅛	10	—	—	—		12	P.Y.
BREWERIES AND DISTILLERIES													
13,28,000	63,05,499	85,57,255	1,10,217	Parry & Co., Ltd.	Deccan Sugar & Abkhari	28	25	11½	11½Q			5	P.Y.
6,64,000						11½	10						
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	5	5	20	10	—		3	Y.
						15½	A 16sh.						
£330,000	£915,047	£1,010,005	£55,705	Parry's Holdings Ltd.	East India Distilleries and Sugar ..	22½	B 20sh.	10	10	10		9	P.Y.
24,00,000	8,54,296	1,56,660	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4	10	—	—	—		8	Y.
6,00,000	21,13,586	12,13,593	3,951	B. A. Maliya Esq.	United Breweries	153½	75	15	10	20		3	Y.
CEMENT													
31,19,724	21,33,493	67,56,656	15,850	The Andhra Engineering Co. Ltd.	Andhra Cement Co.	90	100	3½	3½	7½		12	P.Y.
43,14,600						3½	10						
4,70,976D	16,94,310	17,14,992	1,01,035	Eastern Corporation Ltd.	Assam Bengal Cement	‡	‡	5	—	—		3	Y.
10 56,20,438						175½	100	7	8½	9½	9½	7	Y.
10,56,20,438	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.	Associated Cement Companies ..								
86,49,312						6‡	10	—	8	6½		12	Y.T.
5,00,000D	95,24,901	1,45,62,309	61,188	Hari Bros. Ltd.	Dalmia Cement	‡	‡						
61,01,180						16½	25	—	—	—	5	3	P.Y.
1,50,000D	27,27,600	1,26,09,755	90,853	Essen Ltd.	India Cements Ltd.	3–6‡	5D	—	—	—			
75,00,000	1,46,20,109	1,65,80,416	81,840	Martin Burn Ltd.	Sonevalley Portland Cement ..	6⅜	5	5	4	5		12	Y.
CERAMIC; MINING AND QUARRYING													
31,70,655	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2⅜	2½	2½	5	6½		12	Y.
10,00,000	37,00,990	51,64,271	28,729	Bird & Co.	Bisra Stone Lime[Co.	29	10	16½	17½	17½		3 9	H.
30,00,000						9½	10 O	10	10	5‡			
15,00,000	17,91,749	50,93,341	12,332	Ram Kunar Agarwala & Bros.	Chrestien Mica Industries	6‡	5 D	15	15	7½		12	P.W.
15,00,000D						3½	2ah.	12½†	12½†	12½		12	Y.
69,14,200	41,650,110	£1,643 983	£85,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	14½	10	—	—	—		6.12	H.
15,00,000							10	—	—	—		6.12	H.
8,00,000F	38,79,403	43,65,527	1,29,079	Bird & Co., Ltd.	Karanpura Development	9⅛	10	—	—	—		3	Y.
6,00,000	6,40,199	7,98,882	9,812	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	18	10	10	10	11½		2 8	H.
6,00,000	24,28,739	25,13,779	27,403	Andrew Yule & Co.	Reliance Firebricks	53½	10	15	17½	35		11	Y.
6,99,390	20,61,475	17,98,676	3,427	Killick Industries Ltd.	Shivrajpur Syndicate								
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	23,14,270	1,02,937	S. V. S. Iyer, Esq.	Kemp & Co.	2361xd	200	10	10	10		3	Y.
92,14,870	55,77,268	2,53,78,334	8,595	Tata Sons, Ltd.	Tata Chemicals	8⅜	10	—	—	—		6	T.Y.
1,12,500	1,38,486	61,178	4,101	B. D. Nagar, Esq.	Thompson & Taylor	4‡	5	8½	12½			3	Y.
Other Centres													
25,00,000	54,68,041	63,66,814	59,559	Bhailal Amin & Sons., Ltd.	Alembic Chemical Works Co. ..	100‡	100	—	8	8		12	P.Y.
60,00,000	84,01,721	1,58,12,617	3,82,049	Imperial Chem. Industries (India), Ltd.	Alkali and Chem. Corpn. of India	13½	10	—5	4			9	Y.
54,700"B" O.	68,00,287	78,49,987	16,67,400	S. P. Sen, Esq.	Bengal Chemical & Phar.	102	100	6	6			4	P.T.Y.
21,30,000	45,64,469	38,97,031	1,09,732	Sahu Bros. (Saurashtra) Ltd. ..	Dhrangadhra Chemicals	140xd	100	6	15	15		5	Y.
4,95,000	1,38,590	1,11,731	4,660	D. C. Collaco, Esq.	Frank Ross & Co.	2‡	4	3†	4½			2	P.Y.
3,45,97,740	86,89,264‡	4,01,40,091	—10,63,735	Seshasayee Bros. (Travancore) Ltd.	F.A.C.T.	3‡

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
					OIL; PETROL, ETC.								
£750,000	£1,354,079	£2,154,086	—£6,83,025	I. C. H. Glass, Esq	British Burma Petroleum Co.	1¼	4sh	—	—			3	P.Y.
22,50,000	81,89,204	52,69,225	1,85,955	N. C. Alcock, Esq.	British Ceylon Corporation	15½	7½	20†	24†	32†		12	P.Y.
1,00,00,000	2,27,04,997	1,10,70,867	2 10,829	Steel Brothers & Co.	Indo-Burma Petroleum Co	49½	40	10	10	10		12	P.Y.
70,07,475	1,02,93,586	1,52,15,713	10,002	Tata Industries Ltd.	Tata Oil Mills	35	25	4	6	8		3	P.Y.
6,00,000	10,79,394	2,42,234	7,038	Andrew Yule & Co.	Tide Water Oil Co. (India)	18½	10	15	15	17½		4.10	H.
					PAPER								
45,00,000	1,56,25,500	1,94,47,651	3,21,991	Belmer Lawrie & Co.	Bengal Paper Mills	46½	25	10	10	12½	6½f	6.12	P.T.H.
3,00,000	88,28,718	87,45,203	1,00,750	Andrew Yule & Co.	India Paper Pulp	150	100	7	10	11		3.9	H.
25,00,000	48,30,215	47,81,895	52,615	P. R. Balakrishnan, Esq.	Mysore Paper Mills	12½	10	5d	7½	10*		3.9	P.T.H.
41,95,000	2,47,61,003	3,22,48,806	1,68,019	Birla Bros., Ltd.	Orient Paper	27½	10	15	25	20		6.12	P.T.H.
50,06,895	1,10,93,378	84,10,902	1,86,914	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	16½	10	9½	11½	15	7½f		P.T.
20,00,000 } 10,00,000'A' }	31,49,465	48,58,730	6,430	Bajoria & Co.	Star Paper Mills	7½	10	—	—	5		3.9	P.T.H.
4,37,500PO } 36,00,000O } 56,04,800O }	4,80,99,030	4,68,21,511	4,75,418	F. W. Heilgers & Co.	Titaghur Paper	4½ 34½ 34½	25 A10 B10	10 20 20	10 28 20	10 18½ 18½	20* 20*	3.9 3.9	P.H.
					PLANTING; PRODUCE AND RUBBER								
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	6-4½	3	10	20	20		2	P.Y.
47,70,000	48,44,853	83,16,040	4,37,964	R. C. Paterson, Esq.	Consolidated Coffee Estate	15½	10	17	20	18		6	P.Y.
4,80,000	2,29,884	4,49,625	13,951	Associated Planters, Ltd.	Cottanad Plantations	8½xd	10	7½	10			3	P.Y.
2,38,990	1,46,540	4,67,078	1,389	A. V. Thomas & Co., Ltd.	Fringford Estates	7½	10	—	—	—		1	P.Y.
6,00,000	19,08,079	19,81,715	66,448	A. V. Thomas & Co., Ltd.	Highland Produce	9½	10	25	45	45		12	P.Y.
4,00,000	9,67,558	7,20,390	43,506	A. V. Thomas & Co., Ltd.	Kalpetta Estates	18	10	17½	20	25		4	Y.
4,50,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Malankara Rubber and Produce Co.	18	10	17½	30	35		3	Y.
27,00,000	25,83,648	64,90,888	83,433	A. V. Thomas & Co., Ltd.	Midland Rubber and Produce Co.	90	10	30	35	35		3	P.Y.
1,35,000	94,534	7,53,389	29,921	A. V. George & Co., Ltd.	Nenmony Rubber	8½	10	6	12½	15		12	P.Y.
2,00,000	1,93,721	4,72,600	2,305	Associated Planters, Ltd.	Nilambur Rubber Co.	9½	10	5	6½			12	P.Y.
13,50,000	5,82,973	38,05,590	31,101	Peirce, Leslie & Co., Ltd.	Ouchterloney Valley Estates	8½	10	6	10	10		12	P.Y.
10,80,000	3,36,390	21,56,824	936	A. V. Thomas & Co., Ltd.	Rajagiri Rubber and Produce Co.	3½	10	25	25	45		12	P.Y.
2,50,000	1,81,279	5,11,395	66,320	East India Agencies, Ltd.	Teekoy Rubbers (India) Ltd.	3½	10	9	12½	15		12	P.Y.
2,05,100	4,20,985	5,12,969	97,480	A. V. George & Co.	Thamarapally Rubber	12½	10	6½	6½	15		12	Y.
4,00,000	1,17,222	7,40,149	3,953	Peirce, Leslie & Co., Ltd.	Thirumbadi Rubber Co.	1	10	17½	20	25		12	Y.
41,00,000	14,90,372	67,61,827	3,25,086	K. C. Cheriyan, Esq. (Secretary)	Travancore Rubbers	11½	10	3½	10	20		12	P.Y.
80,00,000	1,31,493††	18,47,082	1,275	Aspinwall & Co., (Travancore) Ltd	Travancore Rubber and Tea Co., Ltd.	6-6½	10	2½	6	10		12	Y.
8,20,000	31,096	3,18,571	7,609	P. T. Thomas, Esq.	Tropical Plantations Co.	20½N	25	10	—			12	P.Y.
6,28,580	2,18,338	6,99,135	28,140	A. V. George & Co.	Udayagiri Rubber	7½	10	5	6½			12	Y.
1,65,000	78,624	3,43,636	14,082	Harrisons & Crossfield Ltd	Valkundam Co.	15	10	10	12½	20		12	Y.
					Woodland Estates	7½	10	7½	6½	—		1	
					PRESSING								
5,00,000	18,78,066	19,01,857	2,322	Andrew Yule & Co.	Calcutta Hydraulic Press	80	100	3	3			3	Y.
4,50,000	5,58,036	6,89,525	1,116	Pyne and Sons.	Camperdown Pressing	87N	100	4	6	7		7	Y.
8,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Central Hydraulic Press	95xd	100	3	5	5		6	Y.
					PROPERTY AND LAND								
60,00,000	34,67,735††	83,61,045**	—	David Sassoon & Co., Ltd.	Port Canning Land	21	100	2	1½	1		4	Y.
94,00,000	44,45,015	1,67,141	93,984	Andrew Yule & Co.	Midnapore Zemindary	37½	100	—	3			4	P.Y.
					SAW MILLS AND TIMBER								
13,99,998	29,73,877	10,38,508	60,887	Bird & Co.	Assam Saw Mills and Timber	6½	8	16½	16½	16½		9	
50,00,000 } 42,00,000 }	4,89,22,437	2,47,99,361	1 57,498	Wallace & Co.	Bombay-Burmah Trading	386½ 145	125 50	12 12	30 30	18 18		5 5	Y. Y.
6,00,000	7,04,037‡	7,80,451	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	55N	100	5	—	—		6	P.Y.
15,00,000	25,94,349	15,51,606	73,653	G. Arbuthnot & Co.	Indian Wood Products	47½	10	25	35	35		9	Y.
					SUGAR (U. P. and Bihar)								
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co	Balrampur Sugar	6½	5	—	20	—		6	Y.
12,00,000	28,96,740††	15,70,684**	2,81,000	Narang Bros.	Basti Sugar	100	125N	6½	10			4	Y.
19,49,050	20,10,694	26,89,188	2,24,418	Bangur Bros., Ltd.	Belsund Sugar	6½	7½	—	—	8½		9	Y.
5,00,000	21,11,580	15,38,162	40,743	Cotton Agents Ltd.	Bharat Sugar	12½	10	10	15	15		6	P.Y.
92,00,000	99,90,130	1,26,88,817	—5,15,881	Gladstone Lyall & Co., Ltd.	Carew & Co.	4½	10	5	—	—		6	P.Y.
48,00,000	1,26,16,104	93,62,339	26,236	Begg Sutherland & Co.	Cawnpore Sugar	75	10	15	20	30		10	P.Y.
18,00,000	78,43,538	60,37,156	17,488	Begg Sutherland & Co.	Champarun Sugar	161	10	15	15	20		6	
90,00,000	97,00,000	56,47,253	3,615	Bashbiraj & Co.	Hindustan Sugar Mills	120N	100	5½	6			6	P.Y.
22,00,000 } 6,00,000 }	41,78,374	68,10,159	—4,15,271	Kilachand Devchand & Co.	Kesar Sugar	70N 80 30N	80 40	—	3	4	—	7	P.Y.
11,00,000	27,48,180	36,39,370	3,895	Karam Chand Thapar & Bros., Ltd.	New Savan	35	10	5	6½	5		3	Y.
13,89,375	58,13,366	53,06,760	6,31,019	Cotton Agents, Ltd	New Swadeshi Sugar Mills	17xd 160N 40N	100 25	15	20			6	Y.
77,45,350	1,08,98,159	1,56,10,992	1,981	Cotton Agents, Ltd.	Oudh Sugar Mills	95N 20N 15N	100 25 12½	3½	3½			3	P.Y.
12,00,000	29,31,078	26,43,844	71,500	Narang Bros	Punjab Sugar Mills	100N	100	—	6			10	Y.
9,00,000	41,82,893	33,28,406	36,240	Begg Sutherland & Co.	Purtabpore Company	16½	10	—	10	20		12	P.Y.
8,00,000	26,05,463	24,18,182	15,410	Begg Sutherland & Co.	Ryam Sugar	24½xd	10	15	25	10		6	P.Y.
11,89,000	38,06,835	36,11,360	23,281	Begg Sutherland & Co.	Samastipur Central Sugar	111	10	10	20	20		7	P.Y.
28,00,000	57,29,582	93,96,808	27,889	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10½	10	—	—	3½		7	P.Y.
9,99,950	11,66,782	21,41,729	10,162	H. K. Ghose, Esq & R. N. Datta,	Sitalpore Sugar	5½	10	—	—	5		6	Y.
6,50,000O } 1,79,000D }	11,94,395	27,92,174	—14,73,656	N. K. Jain & Co., Ltd.	South Behar[Sugar]	33N 1N	100	—	—	—		10	Y.
8,00,000	54,46,474	70,75,580	57,216	Cotton Agents, Ltd.	Upper Ganges	20N	30	17½	20	20		6	Y.
					(Indian States and Other Centres)								
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Belapur Co.	215½	50	16½	25	28	32	9	Y.
18,93,900	16,19,655	36,20,048	2,275	J. P. Srivastava & Sons (Rampur), Ltd.	Gwalior Sugar	45	100	5	10			9	P.Y.
13,00,000	38,42,751	22,63,689	2,71,331	India Sugar Agencies Ltd.	India Sugar & Refineries	17½	10	12½	15	25		9	Y.
33,57,350	46,47,856	38,47,284	4,64,518	Govan Bros. (Rampur), Ltd.	Buland Sugar	11½	10	7	7½	10		9	Y.
1,01,00,000	98,10,952	1,39,79,833	1,94,491	Praneer Corporation Co., Ltd.	Walchandnagar Industries	137½	10	17½	13	14		6	P.T.W.
31,79,280	1,49,74,559	97,24,107	8,27,296	M. Mallesshayya, Esq.	Mysore Sugar	42½xd	10	20†	20	20		6	Y.
80,00,000	96,62,468	1,03,94,086	3,18,594	Mahalal, Apte & Kantilal, Ltd.	Phalan Sugar Works	95	50	14	16	16		9	P.Y.
16,59,820	52,08,765	43,79,429	73,041	Anderson Wright Ltd.	Ramnuggur Cane & Sugar	145	10	15	4	7½		9	P.Y.
90,00,000	54,70,896	72,10,442	1,80,913	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	80N	50	7	14	18		9	P.T.Y.
19,99,580	50,82,224	42,94,120	6,05,982	Govan Bros. (Rampur), Ltd.	Rasa	12½xd	10	6	10	12½		9	P.H.
					UNCLASSIFIED (Bombay)								
1,50,00,000	1,14,37,216	1,46,81,706	—4,88,411	Tata Industries Ltd.	Air-India Ltd.	54	100	—	—	—		12	Y.
2,40,000	4,90,364	5,64,538	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	705	200	15	15	15	17½	9	Y.
59,89,550	1,24,67,534	3,69,55,375	—13,98,897	Scindia Steam Navigation Co., Ltd.	Bombay Steam Navigation Co., Ltd.	30½	25	—	—	—		6	P.Y.
1,78,860	1,28,287	19,19,255	22,663	Parekh Agencies Ltd.	Bombay Uganda	5½	10	5	5	5		12	Y.
48,00,000	43,07,108	1,24,608	39,679	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	375N	100	8-5/6	13½	13½		12	Y.
25,00,000	1,50,000	24,37,096(k)	12,787	Dena Sons Ltd.	Devkaran Nanji Investment Co.	10½	25	3	3	3		6	Y.
14,98,360	17,39,540	10,49,107	3,425	F. H. Mehta	Estrela Batteries	30½N	50	6	6	6		12	Y.
99,99,290	17,07,072	1,25,54,783(k)	1,66,116	Premchand Roychand & Sons	Industrial Investment Trust	70	100	3	4½	6½		12	Y.
84,98,865	15,91,304	12,58,924	2,833	K. G Milne, Esq.	Killick Industries	143½xd	100	8	8½	10		12	Y.
06,71,500A	65,85,939	2,20,52,503	4,52,797	Aero-Auto Ltd.	Premier Automobiles Ltd.	38½	100	—	—	—		9	Y.
10,00,000 B } 6,59,50,378	9,89,24,387	12,98,97,421	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co., Ltd.	14-12½	10 15	—	—	3½		6	Y.
1,50,000	3,71,437	2,21,590	3,145	R. B. Bandukar	Thacker & Co.	50N	50	10	10	10		3	Y.
16,21,300	16,45,904	14,61,299	55,350	Sir Joseph Kay, K.B.E.	United Motors (India)	34	20	7½	10	15		12	Y.
2,88,00,000	2,06,24,172	2,01,34,774	2,86,210	T. H. Rydin Esq.	Western India Match Co.	216½	100	11*	11*	11*		12	Y.
					Other Centres								
47,50,000 } 2,50,000D }	4,90,364	5,64,538	702	J. K. Industries Ltd.	Aluminium Corporation	3½	10	—	—	—		3	P.T.Y.
80,00,000	81,45,513	30,59,332	5,31,618	Turner Morrison & Co., Ltd.	Angelo Bros.	21	10	10	17½*	85*		8	Y.
80,00,000	23,25,002	22,18,452	1,00,602	T. H. Rydin Esq.	Assam Match	20	10	12½*	12½*	12½*		8	Y.
80,00,000	50,63,088	92,32,652	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	54xd	10	7½	6			3	P.T.Y.
50,00,700 } 50,00,000 }	15,57,826	45,95,360	5,19,159	O. T. Jenkins, Esq.	Balmer Lawrie & Co.	304 —	100O 40D	20*	20*	25*		12	Y.
1,00,00,000	1,00,01,435	2,26,31,139	1,16,835	Dinshaw Ltd.	Bharat Line	82	100	15	15	20		12	Y.
30,64,680	80,81,266	83,30,736	1,82,277	A. P. Chanda Esq.	Britannia Biscuit	17½	10	12½	12½	7½–I		12	P.Y.
3,25,00,000	3,93,27,829	2,23,59,029	4,13,662	Sir Robert Menzies, Kt., O.B.E.	British India Corporation	9½	10	11½	15	15		12	P.Y.
1,60,00,000	3,13,52,458	3,97,89,351	6,77,697	Cecil Stack, Esq.	Dunlop Rubber Co. (India)	28½	10	20	20	15–I		12	P.Y.
51,26,000	45,06,847		2,43,195	Bird & Co., Ltd.	Eastern Investments	137	100	8	9	9		12	P.Y.
7,00,000	29,85,208	24,09,208	17,908	Macneill & Barry Ltd.	Ganges Rope	361	100	20	22½	15†		12	P.Y.
38,00,000	37,25,649	60,01,406	6,213	B. P. R. Syndicate	Great Eastern Hotel Co.	245	100	6	6	6		5.9	H.
12,42,800	36,42,049	54,49,206	12,214	Birla Brothers, Ltd.	Hind Cycles	100N	100	5	6½	7½		12	P.T.Y.
4,96,17,650	39,45,319	2,61,59,292	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	32	10	—	—	—		12	P.T.Y.
10,00,780	22,78,499	40,09,525	—	H. B. Marshall Esq.	Himayun Properties	10½	10	—	—	—		9	Y.
1,60,00,000	1,33,45,017	2,82,89,199	—	J. W. E. Johnson, Esq.	Indian Aluminium Co.	118	100	—	3½	6		9	P.Y.
1,52,89,220	1,31,92,732	57,92,390	9,29,554	D. J. Melanesh, Esq.	Indian Cables	18½	10	25	10*	10*		5	P.Y.
83,75,000O } 5,00,000P } 1,25,000D }	51,91,428	75,82,228	—15,72,246	Govan Bros., Ltd.	Indian National Airways	2½ — 3½	10	—	—	—		12	P.Y.
5,27,970	12,79,385	14,27,460	39,038	George Spencer Moulton & Co. (India)	Indian Rubber Manufacturers	6	1	—	—	—			
2,25,00,000	1,60,38,685	3,87,93,801	2,26,066	Lionel Edwards Ltd.	India Steamship Co., Ltd.	13	10	10	10	10		3	P.Y.
2,40,000	4,33,028	67,247	36,496	G. V. Swalka, Esq.	Ivan Jones	6½	10	—	—	5		3	P.T.Y.
2,00,00,000	53,39,843	27,16,440	8,86,448	J. D. K. Brown, Esq.	Jardine Henderson	34	2	21½	21½	21½		9	Y.
4,34,000	9,69,698	6,65,110	—54,713	Macfarlane & Co.	Macfarlane & Co.	126	100	10	10	10		9	P.Y.
40,00,000O } 5,00,000D }	48,13,867	18,37,435	1,23,673	J. M. Paton, Esq	McLeod & Co.	24 158N	5 10	10	12½			12	P.Y.
6,35,190	4,30,533	7,47,410	10,548	Ogale Glass Works Ltd.	Mysore Glass & Enamel Works	—	10	—	7½			12	P.Y.
2,75,000	7,74,593	8,79,856	3,666	R. Bharaniah, Esq.	Mysore Lamp Works	5	10	—	6½			12	P.Y.
10,00,000	3,95,997	11,45,855	1,11,329	V. S. Arunachalam, Esq.	Mysore Tobacco	18½	10	10	20			3	P.Y.
30,00,000	43,62,911	49,43,057	25,307	Associated Industrial Development Co., Ltd.		10½	10		10	10		3	P.Y.
79,97,000	65,83,352	1,04,50,524	8,86,347	B. N. Elias & Co., Ltd.	National Insulated Cable Co. of India	10½	10	5	5			3	Y.P.Y.
14,83,287	6,14,310††	17,19,230**	3,526	S. P. Ogale & Co.	National Tobacco Co.	10	10	—	2½	5		12	P.T.Y.
40,00,000	36,64,522	60,88,006	1,94,446	Parry & Co.	Ogale Glass Works	3	5	—	—	—		12	P.Y.
1 14,00,000	2,29,15,252	3,78,03,905	33,67,941	Sahu Jain Ltd.	Parry & Co.	6½	2	62½	80–I	32½		12	P.T.Y.
40,00,000	1,53,82,620	1,19,47,722	6,61,628	C. W. Stephenson, Esq.	Rohtas Industries	12½	10			7½		12	P.T.Y.
75,00,000	22,00,000	1,75,74,498	9,62,158	R. N. D. Campbell, Esq.	Spencer & Co.	15½	10	10	10			6	P.Y.
9,93,150	2,77,075	8,99,929	2,289	Ogale Bros., Ltd.	Shaw Wallace & Co., Ltd.	13½	10	10	10			12	Y.
					Travancore Ogale Glass	3½	10	—	4			12	Y.

†† Does not include depreciation. ‡ Only depreciation. * Includes Bonus. —Nil Dividend. K = Investments. ** Net Block. † Less income-tax, C.D.—Cum Dividend On Increased Capital. (c) For six months ended June, 1949. (d) For nine months ended March, 1950.

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1948	1949	1950	1951	Accounts Closed	Reference
						ASSAM								
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	450N	100	9	20	25	—	12	P.Y.
3,50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd.	400½	Anandabag	23½	10	16	25	40	30	12	Y.
3,50,000	10 64 192	12 05,396	—89,152	McLeod & Co. Ltd.	573	Baghmari	8	10	12½	12½	17½	—	12	Y.
3,40,000	9,12,881	7,05,321	44,989	Andrew Yule & Co., Ltd.	360	Basmatia	8	10	18¾	30	30	25	12	Y.
3,30,000	7,24,887	8,38,278	71,941	Williamson Magor & Co.	556	Bateli	25	25	25	25	30	10	12	T.Y.
3,20,000	6,19,032	6,72 711	54,942	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	25	20	20	20	35	15	12	Y.
16,50,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co.	4,004	Bishnauth	30	10	30	35	50	5	12	T.Y.
8,00,000	4,80,346	9,76,429	—1,90,802	Octavius Steel & Co., Ltd.	493	Bokakhat	5½	10	10	5	5	—	12	Y.
7,50,000	5,06,959	7,64,836	22,297	McLeod & Co., Ltd.	450	Bormah Jan Tea Co., Ltd.	10½	10	15	15	15	15	12	P.Y.
35,00,000	22,18,001	70,96,923	87,990	Brooke Bond India Ltd.	2,670	Brooke Bond	10½	10	7½	10	10	10	6	P.Y.
1,00,000	3,06,715	3,66,030	—29,101	McLeod & Co., Ltd	282	Dejoo Valley	8½	10	6¼	6¼	15	—	12	Y.
6,00,000	22,17,578	24,24,301	25,545	Jardine Henderson Ltd.	1,341	Dessai & Parbattia	170	100	5	15	30	22½	12	Y.
17,35,440	7,15,393	19,11,105	54,461	James Warren Ltd.	426	Dalaikhat	8½	10	10	10	10	10	12	Y.
4,68,970	8,90,863	13,71,610	14,389	McLeod & Co., Ltd.	613.37	Dhunseri	10½	10	6¼	10	20	10	12	Y.
4,50,000	6,57,785	9,86,816	25,794	McLeod & Co., Ltd.	458	Dibrugarh Co., Ltd.	61xd	10	7½	—	10	5	12	Y.
2,46,700	6,75,511	7,95,511	35,408	Williamson Magor & Co., Ltd.	611	Dunsakai	26xd	10	10	25	40	45	15	12
3,60,500	12,72,787	15,08,787	1,01,960	Williamson Magor & Co., Ltd.	669	Dufflaghur	26	10	25	35	40	40	12	Y.
10,10,000	10,31,120	18 91 120	45 079	Williamson Magor & Co.	1,157	East India Tea	13½	10	10	15	20	22½	12	Y.
3,60,000	6,43,852	7,69,087	16,947	Andrew Yule & Co., Ltd.	407	Gilapukri	15	10	15	15	15	17½	12	Y.
3,38,000	9,01,149	12,09 149	1,11,346	Williamson Magor & Co.	520	Golpur	23	10	30	35	40	30	12	P.T.Y
4,94,360 } 2,40,790 }	17,46,514	17,08,255	82,387	Octavius Steel & Co., Ltd.	1,284	Grob	15½ 6	A 10 B 5	30	35	30	20	12	Y.
2,00,000	8,16,550	5,82,005	58,806	Andrew Yule & Co., Ltd.	436½	Hoografuli	23½	10	23½	30	40	30	12	Y.
4,35,000	15,78,587	17 95,269	35,208	Andrew Yule & Co., Ltd.	1,133	Hoolungooree	260N	100	25	25	25	17½	12	Y.
7,50,000	7,46,486	11,98,156	29,063	Gillanders Arbuthnot & Co., Ltd.	866	Jutlibari	8½	10	5	2½	12½	5	12	Y.
2,40,000	8,88 549	2,47,119	15,953	Shaw Wallace & Co., Ltd.	1,576	Kingsley Goalpara	200N	100	5v	5	20	—	12	Y.
6,50,000	6,32,416	6,29,717	496	Duncan Bros. & Co., Ltd.	1,047½	Ledo	8½	10	7½	2½	20	—	12	Y.
4,00,000	6,33,416	6,29,717	286	Duncan Bros. & Co., Ltd.	675	Mohoema	—	10	—	—	—	—	12	P.Y.
4,00,000	9,95,930	8,52,930	30,594	Kettlewell Bullen & Co., Ltd.	435	Meithola	850N	100	58	40	45	35		Y.
1,50,000	2,97,754	3,37,106	30,206	Andrew Yule & Co., Ltd.	315	Murphulani	16½ 19	10 10	12	25	30	20	12	Y.
2,00,000 PO. }	8,21,124	8 59,324	32,644	Andrew Yule & Co., Ltd.	539	Naga Hills	13½	10	3½	10	10	22½	12	P.Y.
4,00,000	7,00,011	5,75,550	20,262	S. C. Sen Esq.	810	Namburnad	4½	10	6	7½	10	—	12	Y.
3,45,000	4,65,893	9 85 893	4,000	Shaw Wallace & Co., Ltd.	940	New Clonsteilah	65¾	100	12½	2½			12	Y.
5,00,000	5,47 275	11,75,520	10,346	Duncan Bros. & Co., Ltd.	337	Rajgarh	17½	10	21½	25	30	17½	12	Y.
2,00,000	6 31,010	5,89,739	29,091	Andrew Yule & Co., Ltd.	878	Sapon	9	10	10	7½	2½	—	12	Y.
6,00,000	9,49,606	15,32,152	18,568	James Finlay & Co.	547	Seajuli	12½	10	40	35	15	—	12	Y.
2,40,000	4,52,119	4,72,119	20,594	Williamson Magor & Co.	512.71	Teen Ali	17½	10	16½	20	20	17½	12	Y.
3,00,000	9 13,201	35,335	35,335	Octavius Steel & Co., Ltd.	493	Teloilan	8½	10	5	5	17½	10	12	Y.
5,98,000	6 99 202	9 06,941	23,495	McLeod & Co., Ltd.	489	Tengpani	16½	10	16	20	30	15	12	Y.
4,00,000	6,45,641	7,11,227	36,083	Gillanders Arbuthnot & Co., Ltd.	2,101	Terpore	12½xd	10	20	25	35	7½	12	Y.
15,86,310	22,86,352	31,23,352	35,915	Shaw Wallace & Co., Ltd.	1,705	Tongani	10	10	12½	15	15	—	12	Y.
5,98,000	8,71,287	5,93,309	43,516	Duga & Co., Ltd.	1,050	Tyroon	24	10	18	25	25	20	12	Y.
5,20,000	15,37,483	17,65,879	15,567	McLeod & Co., Ltd.										
						CACHAR								
3,00,000	3,38,383	5,00,750	—2,77,756	Gillanders Arbuthnot & Co., Ltd.	861	Arcuttipore	3½	10	—	—	—	—	12	Y.
18,00,000	4,30,000	12,00,105	33,604	Jardine Henderson Ltd.	1,322	Central	52	100	7½	10	25	10

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
60,00,000	90,11,129	94,76,923	3,11,246	879	B. N. Elias & Co., Ltd.	Agarpara	21¾	10	10	15	20		3.9	P.T.H
12,00,000	52,96,368	45,00,787	89,936	498	Sahu Jain Ltd.	Albion	220	100	—	14	30		5.11	P.H.
6,00,000	30,55,572	47,33,264	—3,29,636	446	McLeod & Co., Ltd.	Alexandra	200	100	—	5	5	—f	6.12	T.P.H.
30,00,000	85,82,864	1,17,03,966	—13,63,074	1,264	McLeod & Co., Ltd.	Alliance	180	100	—	2½	—	—f	6.12	P.H.
49,20,700	2,31,84,144	2,24,03,099	1,44,601	2,561	Duncan Bros. & Co.	Anglo-India	223	100	—	20	20	10f	3.9	P.H.
40,00,000	1,18,05,035	1,30,94,009	61,145	810	Bird & Co., Ltd.	Auckland	129	100	1½	10	10		3.9	P.T.H.
91,96,901	96,96,59,456	48,203	30,474	958	Jardine Henderson & Co.	Bally	169	100	7	12	1		3.9	P.H.
275,000	£1,680,379	£1,328,460	£91,091	1,890	Jardine Henderson & Co.	Barnagore	156	£5	20	20	20		3	P.Y.
28,00,000	82,01,627	87,37,598	3,65,214	820	Andrew Yule & Co.	Belvedere	219	100	13	17	27½		6.12	P.H.
45,00,000	78,51,305	51,03,383	4,07,701	600	Sooraimull Nagarmull	Bengal	171	10	13½	15	30		6	T.P.Y.
30,42,000	3,71,54,151	3,06,60,933	1,38,294	1,373	Birla Bros.	Birla	37½	10	25	30	30		3	P.Y.
36,00,000	98,17,668	1,07,34,059	9,583	991	Andrew Yule & Co., Ltd.	Budge-Budge	188	100	7	13	22		4.10	H.
7,47,380	26,23,266	38,35,679	6,895	502	Dayaram & Sons	Calcutta Jute Manufacturing	21	10	—	—	—		6.12	T.P.H.
18,00,000	65,04,289	75,27,158	2,646	616	Andrew Yule & Co.	Caledonian	188	100	5	14	22	6f	5.11	P.H.
59,16,400	2,04,30,476	1,61,35,843	1,52,215	1,400	James Finlay & Co., Ltd.	Chamdany	170	100	3	8	7f		3.9	P.H.
15,95,000	79,98,514	78,92,619	19,870	530	Andrew Yule & Co., Ltd.	Cheviot	221	100	13½	16	22	6f	5.11	P.H.
10,05,000	83,89,114	55,21,722	69,392	500	McLeod & Co.	Chitavalsah	27	10	12½	15	60	25f	6.12	T.P.H.
16,00,000	80,24,460	77,89,914	1,01,979	969	Shree Krishna Investment Co., Ltd.	Clive	27	10	12½	35	20		3	P.H.
31,49,200	1,23,69,592	1,22,21,907	80,807	766	Bird & Co., Ltd.	Dalhousie	167	100	1	11	12		3.9	P.H.
28,00,000	86,35,708	73,08,012	21,890	779	Andrew Yule & Co.	Delta	231	100	11	17½	32½		5.11	P.H.
15,00,000	83,75,460	74,82,092	45,656	500	McLeod & Co.	Empire	22½xd	10	10	20	25	5f	6.12	T.P.H.
21,00,000	2,47,73,040	2,58,81,253	25,700	1,884	Kettlewell Bullen & Co.	Fort Gloster	325	100	2½	32½	22½		3.9	P.H.
14,00,000	48,25,115	69,94,729	—8,32,397	1,014	G. C. Bangur, Esq.	Fort William	305N	100	—	10	—		3.9	P.H.
84,32,400	1,47,91,840	2,02,49,392	82,922	1,709	Macneill & Barry Ltd.	Ganges	69	100	—	5	21f		3.9	P.H.
10,80,000	71,71,252	67,99,135	25,156	607	G. Arbuthnot & Co.	Gondalpara	930	300	—	15	30		3.9	T.P.H.
24,00,000	2,02,41,185	2,18,72,990	89,236	1,394	Macneill & Barry Ltd.	Gourepore	310	100	2½	25	11½		3.9	P.H.
40,00,000	81,93,062	81,94,127	3,06,824	1,078	Bangur Bros. Ltd.	Hastings	110N	100	10	7	10		3	P.H.
16,80,000	55,02,116	64,29,355	64,417	720	G. Arbuthnot & Co.	Hooghly	32½	10	10	30	15		3	P.Y.
65,62,500	1,52,67,350	1,54,75,550	1,43,871	1,940	Jardine Henderson Ltd.	Howrah	23⅞	10	7½	17½	18¾		3.9	P.H.
30,00,000	1,74,30,109	2,25,06,109	3,91,968	2,272	Ramdutt Ramkissendas	Hukumchand	45	10	7½	15	30		3	T.P.Y.
87,00,000 / 30,000	87,45,632	1,10,99,740	1,43,281	1,076	Mackinnon Mackenzie & Co.	India	123	466½ / {O. 125 / D. 1	66¾ / 5½	66¾ / 5½	66¾ / 3¾		3 / 3.9 / 3.9	P.H. / P.H.
43,20,000	1,35,11,140	1,36,47,095	67,132	1,797	Jardine Henderson Ltd.	Kamarhatty	212	100	—	8½	22½	8½f	6.12	P.H.
54,00,000	1,13,89,109	91,56,930	1,07,129	1,527	Jardine Henderson Ltd.	Kankinarrah	135	100	—	—	12½	6f	6.12	P.H.
21,00,000	1,13,89,109	91,65,930	1,07,129	703	McLeod & Co.	Kelvin	240xd	100	10	20	25	7½f	6.12	P.H.
54,00,000	1,18,86,997	1,59,17,038	2,06,473	1,530	Anderson Wright Ltd.	Khardah	178	100	—	25	16		3.9	P.H.
48,00,000	1,91,36,763	2,14,06,298	1,65,736	1,250	F. W. Heilgers & Co.	Kinnison	210	100	2½	14	19		3.9	P.T.H.
24,48,000	1,22,43,884	1,35,16,655	53,319	931	Bird & Co., Ltd.	Lansdowne	152	100	2	21	15		3.9	T.P.H.
28,00,000	1,18,69,789	1,13,74,198	32,655	840	Bird & Co., Ltd.	Lawrence	188	100	6	21½	22		3.9	P.H.
10,00,000	66,00,427	50,18,904	57,142	558	Andrew Yule & Co.	Lothian	230	100	—	15	32½	15f	5.11	P.H.
81,65,200	1,35,61,586	1,95,64,756	1,02,068	1,008	Mackinnon Mackenzie & Co.	Meghna	104	100	4½	8½	3½		3.9	H.
29,98,900	1,28,87,159	1,55,16,608	58,615	815	F. W. Heilgers & Co.	Naihati	134	100	—	15	12		3.9	P.T.H.
12,00,000	29,95,424	24,75,180	52,447	425	Howrah Trading Co., Ltd.	Naskarpara	17	10	11½	13½	15f		4.10	T.P.H
35,00,000	50,36,405	27,42,753	5,264	852	Andrew Yule & Co.	National	24	10	11½	15	25		4.10	P.H.
7,50,000	52,11,917	24,37,663	21,345	316	McLeod & Co.	Nellimarla Jute	10	10	25	30	75	20	6.12	T.P.H.
10,50,000	58,04,933	45,71,347	1,16,973	709	Sahu Jain Ltd.	New Central	235	100	6	14	30		6.12	P.H.
16,79,880	90,35,938	1,18,43,622	46,833	567	Bird & Co., Ltd.	Northbrook	23⅛	10	—	—	10f		3.9	P.H.
66,79,500	1,73,80,223	2,06,56,876	72 170	1,092	Macneill & Barry Ltd.	Noddea	46½	50	—	5½	4½		3.9	T.H.
24,91,000	71,47,003	68,55,552	3,591	601	Andrew Yule & Co., Ltd.	Orient	183	100	9	14	18	1	5.11	H.
25,00,000	63,83,642	80,79,256	—4,76,887	400	McLeod & Co.	Presidency	5½	5	—	—	2½	—f	6.12	T.H.
20,00,000	7,67,993‡	26,12,793	—2,40,537	305	Macneill & Co.	Rameshwara	7⅛	10	—	1½	—		3.9	H.P.
49,50,000	52,85,994‡	1,23,21,764	40,818	1,276	Jardine Henderson Ltd.	Reliance	13⅜	10	—	—	—		3.9	P.H.
£6,00,000	£9,99,994	£11,96,402	£76,498	2,013	Thomas Duff & Co. (India) Ltd.	Samnuggur	6‡‡	10‡‡	10	10	10		12	P.Y.
30,00,000	68,57,466	95,49,412	87,40,952	911	Bagaria More Co., Ltd.	Shree Ambica (Adamjee)	18⅜	10	—	15	10f		3.9	P.H.
7,00,000	45,17,785	48,14,456	2,73,383	401	Hindustan Investment Copn.	Soorah	19N	10	—	10	—		12	P.Y.
25,19,600	1,07,90,629	94,08,329	1,24,587	650	Bird & Co., Ltd.	Standard	166	100	4	15	16		3.9	P.H.
£6,00,000	£8,36,984	£9,78,287	£1,29,393	1,794	Thomas Duff & Co. (India) Ltd.	Titaghur	6‡‡	10‡‡	10	10	12		12	Y.H.
35,98,600	1,82,27,935	1,74,17,294	34,682	1,326	Bird & Co., Ltd.	Union	181	100	2	19½	21		3.9	P.T.H.
£4,00,000	£6,35,795	£10,47,385	£1,00,239	1,331	Thomas Duff & Co. (India) Ltd.	Victoria	6‡‡	10‡‡	10	10	12		12	Y.H.
2,50,000	32,89,383	55,48,403	—47,909	465	McLeod & Co.	Waverley	6½	1	—	5	5	—f	6.12	P.T.H.

(f) For ten months ended 31st December, 1951.

‡‡ Subject to foreign Income-tax. ‡ Only Depreciation. • Incudes bonus.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference*
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
25,50,000	58,63,382	61,83,382	33,891	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	20	10	17½	20	13½		3.9	H.
12,00,000	41,76,885	37,08,981	57,055	Jardine, H. & Co., Ltd.	Bararee Coke	17½	10	14½	13½	14½		3.9	H.
1,00,00,000	4,16,30,103	4,91,93,899	7,25,389	Andrew Yule & Co., Ltd.	Bengal	507	200	33½	17½	18¾*		4.10	P.H
4,49,350	5,82,303	8,49,159	3,152	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	10	10	2⅜	2½	2½	1½f	6.12	H.
2,25,000	27,12,507	25,84,461	4,280	Andrew Yule & Co., Ltd.	Bengal-Nagpur	19	10	22½	16½	10	3½f	6.12	P.H
15,97,000	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	4⅜	10	—	2½	1½		9	Y.
7,15,000	50,04,831	50,17,715	3,437	F. W. Heilgers & Co., Ltd.	Bhulanbarasee	12⅜	10	—	6¼	6¼	2½f	6.12	H.
16,00,000	53,46,046	67,83,723	—1,37,184	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	7	10	5	—	—f		6.12	T.H.
7,50,000	42,42,776	40,82,736	1,07,078	F. W. Heilgers & Co., Ltd.	Borrea	32	10	20	30	30*	15f*	6.12	P.H.
90,92,480	3,23,04,936	3,94,53,208	1,54,703	Bird & Co., Ltd.	Burrakur	10⅜	10	10⅜	7½	7½	3½f	6.12	P.T.H.
8,00,000	44,73,086	48,99,835	6,672	Anderson Wright & Co.	Central Kurkend	13N	10	17½	12½	—		6.12	P.H.
6,00,000	1,40,000	7,50,000k	28,918	F. W. Heilgers & Co., Ltd.	Churulia	2½	4	6¼	4⅜	1⅜	⅛f	6.12	P.H.
16,00,000	30,19,961	43,00,861	11,699	Macneill & Barry Ltd.	Dhemo Main	10⅛	10	10⅛	10	12½		6.12	H.
£120,000	£1,084,338	£872,414	£78,839	Jardine Henderson Ltd.	East Indian	18½	£1	13⅛	37½	37½		4	Y.
29,63,760	3,07,47,993	2,96,10,834	1,90,766	Macneill & Barry Ltd.	Equitable	40¼	10	25	25	25		6.12	H.
10,00,000	4,83,963	8,41,725	66,865	Bhatter's Agency Ltd.	Ghusick and Muslia	17⅛	3	20	5	—		3	Y.
8,00,000	21,14,776	21,51,521	15,633	Macneill & Barry Ltd.	Hurriladih	14½	10	12½	15	15		6.12	H.
3,50,000	11,63,346	12,53,839	40,107	Andrew Yule & Co., Ltd.	Kalapuhari	47N	10	26⅛	35	35*	17½f	2.8	H.
20,00,000	68,340‡	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	93	100	—	—	—		2	Y.
5,00,000	42,58,631	42,08,253	1,46,012	Andrew Yule & Co., Ltd.	Katras Jherriah	42¼	10	27½	35	37½	20f	1.7	H.
1,38,400	5,20,519	11,63,519	1,063	Beriwala & Co.	Khas Kajora	2uN	10	11½	10	5f		6.12	P.H.
11,00,240	10,19,288	15,64,007	5,201	H. V. Low & Co., Ltd.	Kuardi	6¼	10	3⅛	3¼			6	Y.
9,00,000	32,02,177	27,71,130	510	H. V. Low & Co., Ltd.	Lakurka	12½N	10	10	10			4	Y.
5,65,750	11,41,667	22,37,077	2,691	Beriwala & Co.	Mandulpoor	10	10	5	7½			6.12	H.
7,48,240	10,34,138	11,24,142	14,690	Associated Commercial Co., Ltd.	Nazira	6⅜	10	5	2½	5½		6.12	H.
7,00,000	3,77,590	9,53,321	4,597	Amritlal Ojha & Co., Ltd.	New Bansdeopur	5N	10	6¼	7½	6¼		3.9	H.
17,76,230	89,43,381	1,14,69,344	39,912	Andrew Yule & Co., Ltd.	New Beerbhoom	18⅛	10	3	6	—		4.10	H.
6,00,000	24,61,802	30,92,604	—2,10,056	Octavius Steel & Co. Ltd.	New Manbhoom	12	10	12½	7½	—		3.9	P.H.
2,50,000	6,84,984	5,45 859	1.387	Jatia Bros. Ltd.	North Damuda	4N	2½					3.9	H.
1,15,000 / 1,57,500	10,51,298	12,32,197	1,985	Andrew Yule & Co., Ltd.	North West	{17¼N / 13¼N}	10 / 7½	16½	13½	5		3.9	H
7,50,000	12,54,532	3,97,666	1,23,852	F. W. Heilgers & Co., Ltd.	Ondal	26	10	12⅜	25	22½*	10f	6.12	P.H.
10,00,000	14,15,045	32,73,178	46,739	K. C. Thapar Bros. Ltd.	Oriental Coal	10	10	10	10	10		12	T.Y.
8,34,000	5,98,486	16,29,203	70,539	Deepchand Kishenlall	Parasea	14½	10	—	—	—f		6.12	H.
15,75,000	32,58,026	37,63,026	22,099	Shaw Wallace & Co., Ltd.	Pench Valley	3⅜	10	20½	10	10		2.8	H.
23,99,500	88,51,195	1,02,79,253	—8,92,750	B. N. Elias & Co., Ltd.	Raneegunge	16¼	10	7⅛	12½	10		6.12	H.
13,50,000	28,66,087	29,99,087	35,349	Shaw Wallace & Co., Ltd.	Rewa	17	10	—	—	—		6.12	H
20,00,000	15,10,118	28,07,516	165	Jaipuria Sons Ltd.	Samla Collieries	8⅔	10	8⅔	12½	10	7½f	6.12	H.
1,25,000	12,44,124	13,05,188	18,451	Gillanders Arbuthnot & Co., Ltd.	Searsole	6⅜	10	—	5	11f		6.12	H.
2,80,000	18,31,795	27,92,403	26,724	Andrew Yule & Co., Ltd.	Seebpore	10½	2½	20	20	20		1	Y.
8,00,000	34,57,222	36,96,604	10,379	F. W. Heilgers & Co., Ltd.	Sendra	26⅜	7	35-5/7	32-1/7	28-4/7		6.12	P.H
						13	10	5	5	3½	—f	6.12	M.
63,21,450	2,13,85,164	3,04,98,616	23,658	Industrial Trust Fund	Singareni	6⅜	10	4½	5	5		12	T.Y.
17,50,000	23,75,231	34,59,256	93,675	Bird & Co., Ltd.	South Karanpura	13½	10	18½	10	7½		2.8	H
8,00,000	35,43,816	39,93,119	74,094	F. W. Heilgers & Co., Ltd.	Standard	14⅛	10	16⅛	15	10	5f	6.12	H
10,00,000	15,41,499	29,34,045	—2,46 174	Villiers Ltd.	Talcher	3	2½	—	—	—		9	Y
3,50,000	17,36,513	18,94,910	74,927	Williamson Magor & Co., Ltd.	Union	27½xd	10	20	27½	27½	12½f	6.12	H
7,00,000	26,05,667	33,34,989	32,735	Macneill & Barry Ltd.	West Jamuria	17½	10	15	15	15		6.12	H.

* The following explanatory notes relate to the abbreviations and marks shown on page 96 in the debentures section:—

(a) Option to repay on six months' notice, on any interest date after 31st December, 1951, at 102 per cent Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 102 per cent.

(a) Option of repayment at any time at 3 per cent. premium.

(b) Bearer bonds of Rs. 1,000 each repayable at par.

Bearer bonds of Rs. 1,000 each repayable on 31st July, 1959.

(d) Bearer bonds of Rs. 1,000 each with option of redemption in whole or in part at par on 30th June, 1952, or on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months notice in each case

(f) Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ½ per cent. premium, after 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March, 1957

(h) Option of redemption on or after 1st July, 1949, at par.

(i) Option of repayment at any time at par at any time on or after 30th June 1947 on six months' notice

MARKET GOSSIP

(Concluded from page 55)

below gives the profits of the individual banks included in the group total:

(£ million)

	Bank			Profits Dis.	1952	1951	1950
Barclays				(14 p.c.)	2.14	1.91	1.97
Lloyds				(12 p.c.)*	1.96	1.81	1.76
Midland				(16 p.c.)	2.07	1.92	1.99
Nat. Prov.				(16 p.c.)†	1.53	1.47	1.45
Westminster				(18 p.c.)	1.44	1.41	1.47
District				(18¾ p.c.)	0.52	0.51	0.51
Martins				(15 p.c.)	0.74	0.72	0.73
				Total	10.41	9.76	9.89

* 12 per cent. on 'A' shares and 5 per cent. on 'B' stock.
† 15 per cent. in earlier years.

* * * *

Despite the increase in profits, the British banks, true to their tradition, have followed a conservative dividend policy; they have only maintained the dividends. The solitary exception to this general tendency is, however, provided by the National Provincial which has increased its dividend rate from 15 per cent. to 16 per cent. This created quite a flutter on the London Stock Exchange, for the operators were inclined to see in this decision some hopes of an increase in the dividends of Midlands and Lloyds which came out with their results only a few days later. When these two banks announced the same dividends, the operators were, of course, disappointed. But then, the National Provincial's decision to raise the dividend has created a controversy. Many hold that it was unwise, and that since the banks are creators of credit, they ought not to take advantage of a rise in interest rates, which the Government takes in the national interest, to distribute higher dividends. Those who support the National Provincial, however, ask why banks' shareholders alone should be compelled to remain content with fixed dividends, while all other classes of shareholders are allowed to reap the harvest of higher returns when the going is good.

* * * *

The Government of Brazil has upset the trend of at least two commodity markets in the world by juggling with its foreign exchange rates in order to facilitate disposal of its large stocks of cotton and castorseeds and oil. The Brazilian Government proposes to so amend its foreign exchange rules as to permit the sale of these two commodities at lower prices, under a system of multiple exchange rates. Total stocks of cotton with that country are believed to be as large 900,000 bales of 500 lbs. each and, if these are to be offered at attractive rates, it is bound to tell on the offtake of American cotton. It is this possibility that took the prices of cotton in New York to a low level early in the week, when March position touched 32.29 cents per lb. Currently, the rate is a shade higher at 32.88 cents. but, over the week, it shows a loss of 0.47 cent and the tone of the market is quiet. The loss is as high as one full cent per lb., or $5 per bale, as compared with the rate at the close of 1952. The drop in U.S. cotton has adversely affected the other cotton markets, more especially the Karachi market, where the rates have touched new low levels for the past five years. Still buyers are holding back in the belief that, with the supply of cotton in Pakistan being very large and with the Pakistan Government's capacity to support the market having been crippled, there is bound to be a further fall in prices.

* * * *

Although the present prices of cotton in Karachi are the lowest since Pakistan came into being, they are not attractive enough to Indian mills, the only prospective buyers now who can absorb a good part of Pakistan cotton. The rates are still about Rs. 330 to Rs. 400 higher than those for the comparable varieties of Indian cotton. It is true they are a little cheaper than East African cotton but the latter is far superior in quality to Pakistan cotton. The only way, therefore, that Pakistan can dispose of its huge surplus of cotton is to devalue its rupee and bring it in par with the Indian rupee. The earlier it does so the better, for delay may result in the loss of the Indian market also, for the Indian mills may, in the meantime, cover their needs with other countries. In the domestic cotton market, prices of better staple varieties have hardened a little, in refreshing contrast to the general downward trend in other parts of the world. This is due to the cessation of issue of licences by the Government of India for imports of cotton from the dollar area and to the increase in the output of cloth to a record high level—426 million yards—in December, 1952. Further, it is stated that stocks of Indian cotton with mills are not large and that the 1952-53 crop will not be more than 33 lakh bales. These considerations too have helped the spot section for better varieties of Indian cotton to rule firm. The futures market, however, has been ruling a shade quiet, because the supply of tenderable varieties of cotton is relatively greater than the demand. Export enquiries for the permitted varieties of short-staple cotton continue to be poor, in view of the fact that the comparable varieties of Pakistan cotton are cheaper. Certain sections of the trade have, therefore, renewed their agitation for a reduction in the export duty on varieties other than Bengals also, such as Mathias and C.P. Oomras.

MARKET REPORTS

(Concluded from page 85)

rise in wheat, gram, peas and rice prices. Since the U.P. Government's start of rice procurement, there has been slight advance in prices. Wheat supplies in the free markets continue to be poor. Peas and grain stocks in West U.P. are poor, while there is good demand for both. [illegible] while there is good demand. The food position in West Bengal in 1953 is expected to be definitely more comfortable as compared to last year. The new levy system of procurement, which came into operation from the 1st inst., has eliminated many irksome aspects of the previous system.

Reports from Madras indicate a steady decline in prices. This is officially explained as being due to a bumper rice crop in some parts of the State and free flow of rice in the free market zones constituted as a result of decontrol.

GOOD DEMAND FOR SUGAR

(From Our Own Correspondent)

HAPUR, 12th January

Free sugar markets remained generally steady and very active. Demand was good. The recent release of a big quota of sugar for free sale and the Government's efforts to accelerate movement of sugar stocks have tempted stockists in deficit areas to replenish their depleted stocks. Railway loading difficulties still continue at some places, but there is the hope that sugar scarcity patches will be removed before long.

Local stocks of free sugar at Calcutta were meagre and sellers were anxious to liquidate their old commitments as early as possible. Buyers for Madras were reported to be active; but most of the purchases were confined to near needs, as a large quantity of North Indian sugar was expected to reach there shortly. The release of free sale quota had a very damping effect on the Bombay sugar market.

The following are the average quotations in different markets: Ambala Rs. 29-15, Amritsar Rs. 30-3, Delhi Rs. 30-10, Jullundur Rs. 28-11, Agra Rs. 29-15, Hapur Rs. 28-8, Kanpur Rs. 21-1, Mathura Rs. 29-11, Meerut Rs. 28-10, Muzaffarnagar Rs. 27-12, Patna Rs. 29-7, Calcutta Rs. 29-12, Gauhati Rs. 35-8, Madras Rs. 32-14 and Bombay Rs. 34-3.

Gur markets remained quiet to steady. Production is in full swing these days and there are normal arrivals in the markets. There has not been any big stock building in West U.P. *mandies* and despatches have been fairly regular. Since the sugarcane crop was extensively damaged in the western districts, it is expected that *gur* arrivals may not be maintained at present level for any length of time. The latest quotations in different markets are: Delhi Rs. 12 to Rs. 13, Mogha Pansera Rs. 13 to Rs. 13-8, Khurpapar Rs. 13-12, *desi* Rs. 12 to Rs. 12-12, Ludhiana Pansera Rs. 13 to Rs. 14, Meerut Pansera Rs. 12-4 to Rs. 12-8, Khurpapar Rs. 12-8 to Rs. 12-12, Khurja Rs. 12 to Rs. 12-12, Agra Rs. 14, Hatras Rs. 12 to Rs. 13-8, Kanpur Rs. 12-8 to Rs. 13, Ghaziabad Rs. 12-12 to Rs. 13, and Hapur Rs. 12-14.

KIPS STEADY

(From Our Own Correspondent)

MADRAS, 12th January

Arrivals of kips have been moderate and the market has ruled steady. Clearances have been small. Enquiries have been selective and superior marks have met with good call. Arrivals of buff calf have increased, but demand has been poor. There was some demand for tanned cow calf and buff hides at reduced prices from the U.K. and for buff calf and lights from the U.S.

Prices of tanned goat and sheep have been dull, despite heavy clearance by shippers. In the next London Public Auctions, which commence on the 26th inst., 330,000 tanned goat skins and 450,000 sheep will be available for sale. Raw skins market has ruled steady.

HIDES PRICES RECEDE

(From Our Own Correspondent)

KANPUR, 11th January

During the week under review, there was a downward tendency in prices of all the important categories of hides and skins. This was the result of the prevailing general slump in the market. The arrivals were up to expectations. The fall in the prices of wet salted cow is of particular significance, because, already, the fresh weekly supplies have been comparatively small, in view of the movement for banning cow slaughter. Latest quotations are: Wet salted cow 1st grade Rs. 290, 2nd grade Rs. 200 and 3rd grade Rs. 160 per score; wet salted buff 1st grade 1 lb. 13 ozs., 2nd grade 2 lbs. 4 ozs. per rupee; goat skins 1st grade Rs. 270 and 2nd grade Rs. 230 per 100 pieces; sheep skins Rs. 250 per 100 pieces.

LINSEED STEADY

(Messrs. A. Bradley & Co.)

CALCUTTA, 12th January

Trading has been reported on a fair scale and a steadier tendency has prevailed during the past week with a generally firm undertone apparent throughout. Upcountry markets are keeping steady and arrivals to this centre have been rather scarce; ready stocks are, therefore, low, and sellers appear to be reserved even for forward delivery. Local crushers have been showing a fairly keen interest, but trading has, on the whole, been limited. Activity in the oil section has been exceedingly small and confined to small requirements from local buyers.

The latest quotation is as follows: Ready Rs. 20-8 per maund.

PROBLEMS FACING BRITAIN AND INDIA

(Concluded from page 67)

are more in harmony with your own atmosphere and problems than would be the case with experience in the United States and other countries.

"Beyond this, there are the possibilities of direct practical help. As to these, I will only give a bare statement of some of my own personal beliefs. I believe that our two countries can greatly help each other by working for some measure of co-ordination in their economic and production policies over the next few years. I believe, further, that it will be of advantage to both if this co-ordination extends over the whole sterling area. I believe it will be of advantage to India to remain a member of the sterling area, and I believe it will be of advantage to the sterling area countries that she should do so.

"I believe that the pace of industrial development in the Five-year Plan will be greatly affected by the extent of the facilities which will be available for the import of capital goods. I believe, further, that Britain—in spite of the tremendous strain imposed now upon her economy by the rearmament programme—will be able, over the next few years, to develop strength to help India with the supply of capital goods for Indian industrial development. I believe it is of true benefit to India that some of our first-class industrial companies—and I do not want to see any but our really first-class people coming here—should continue the process of establishing themselves in India, since I believe that to have them working side by side with you will give your people the benefit of learning something from what is best in the practical experience and methods which the best of our industrial companies have developed.

"Finally, I see a more significant way in which our mutual interests are interconnected. I believe, in fact, that the chief way in which we can help each other is by each of us making a success of our own form of society. We are both of us striving to develop the same system—a system which one can call a mixed economy. We are both of us trying to ensure central direction for the sake of a clearly conceived national purpose, while, at the same time, preserving scope for individual enterprise and initiative. For both of us, success depends on two things—first, the extent to which central direction can be given, without imposing over-centralised rigid controls, and, secondly, the extent to which individual enterprise and initiative is ready of its own free will to work for the national purpose.

"We are both seeking a middle way between two extremes on either side. I believe profoundly it is the right way—the way which offers the best hope for true progress in the modern world. We are both seeking, too, to preserve a right scale of values and to put material production in its proper place, not as an end in itself but merely as one of the conditions for true social progress.

"I will venture one concluding reflection. We, in Britain, have no longer the leadership in power and wealth which marked our position in the past, but, looking back over the nineteenth century, I believe it was only partly because of our power and wealth that our ideas and systems had such an influence on the world. It was also because of the very vigour of those ideas and the intensity of the life which produced them.

"Looking around to-day and casting one's eyes towards the future, it seems to me that a new path of opportunity is opening up. I believe that, if we in Britain can find a way of sympathetic collaboration with the new Independent India, if working as friends together, interchanging our ideas, and sharing our ideals for human liberty and spiritual values, we can together find workable solutions for the material problems of our times, then we can build something quite new in human history and influence the civilisation of the whole world—a world in which the old racial divisions will be forever gone. That is a chance which our past history—whatever faults and errors it may contain—has given us. Let us not throw that chance away."

NEW MACHINE TOOL FACTORY

The Machine Tool Prototype Factory, which was opened at Ambarnath, Bombay, early in the week by the Prime Minister, Mr. Nehru, has a vital role to play in the development of new defence weapons and equipment in India. It is claimed that it is not only the first of its kind in India but that it compares favourably with similar factories in Europe and America both in design and equipment. It will help save the large amount of foreign exchange now being spent on imports of machine tools for defence purposes.

The erection of this factory within a period of three years is a notable ach

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
16,00,000	1,08,36,418	9,95,123	Allahabad Bank	360	100	18‡	18‡	18‡	9i	12	Y.P.
14,50,000				173	50						
1,01,000				105	100						
23,99,000	11,73,500	2,21,655	Andhra Bank	52‡	50	5	6	6	3i	6.12	H.
1,00,00,000	1,28,00,000	2,14,790	Bank of Baroda	117‡	50	12‡	12‡	12‡	5i	12	Y.
50,00,000	10,00,000	7,107	Bank of Bikaner	20	25	..	3	3		12	Y.
2,48,86,250	3,49,76,065	5,60,616	Bank of India	157	50	14	14	14	6i	6.12	R.L.Y.
50,00,000	85,00,000	38,635	Bank of Indore	55	25	12‡	12‡	12‡		12	Y.
59,78,600	42,61,693	25,780	Bank of Mysore	297‡	100	16‡	16‡	16‡	8‡f	12	Y.
7,50,000	10,73,000	19,505	Bombay State Co-operative Bank	58‡	50	5‡	5	5		6	Y.P.T.
3,14,54,250	3,98,30,808	17,65,629	Canara Banking Corporation Ltd.	90	50	9‡	10‡	10‡		12	Y.P.
50,00,000	22,00,000	1,38,594	Central Bank of India	64‡	25	14	14	14	6i	12	R.L.Y.
1,00,00,000	1,00,00,000	10,48,196	Devkaran Nanjee Banking Co.	34	50	3	3	3‡		12	Y.
1,25,00,000	15,20,000	65,220	Habib Bank (P)	88	20	6‡	10	20		12	Y.
50,00,000	1,00,000	3,806	Hindustan Commercial Bank	9‡	50	—	—	—		12	Y.
75,00,000	62,50,000	1,36,832	Hindustan Mercantile Bank	11	50	—	—	—		12	Y.
3,75,00,000			††Hyderabad State Bank	105N	100	5	5	—		9	Y.
1,87,50,000	6,35,00,000	46,40,590	Imperial Bank of India	1,775	500	14	16	16	8f	6.12	R.L.H.
23,99,961				436‡	125	14	16	16	8f	6.12	R.L.H.
15,00,000	70,00,000	92,545	Indian Bank	173‡	100						
14,00,000				126	75	11‡	12‡	12‡		6.12	R.L.H.
47,35,750	15,50,000	2,22,825	Indian Overseas Bank	90‡	50						
6,25,000				94	100	4‡‡	5‡	6		6.12	R.L.H.
2,50,000	9,50,000	6,231	Indo-Commercial Bank	87	100(A)	9	9				
10,00,000				20‡	25(B)	9	9			6.12	H.
50,00,000	12,65,000	1,21,370	Jaipur Bank	41‡	50(C)	6	6				
4,55,266	30,61,350	60 357	Punjab and Sind Bank	18‡	50	3	3	3		12	Y.
87,50,000	87,50,000	5,33,829	Punjab National Bank	34	25	7‡	7			6.12	Y.
1,00,00,000	15,50,000	1,49,583	Travancore Bank	22‡	25	6	4	4	3i	12	Y.
40,00,000	28,25,000	2,09,737	Union Bank of India	10‡	25	Nil	Nil	—		12	Y.
2,00,00,000	67,50,000	1,70,952	United Commercial Bank	6‡	5	6‡	6‡	6‡		12	Y.
				34‡	50	3‡	4	4		6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3,000,000	£4,000,000	£397,433	Chartered Bank of India, Australia and China	£10‡	£5	12	14	14	7i	12	R.L.Y.
£1,000,000	£800,000	£69,917	Eastern Bank	45‡‡	£5	6†	6†	6†	2‡i	12	R.L.Y.
H.K.$20,000,000	H.K.$96,000,000	H.K.$8,075,332	Hongkong and Shanghai Banking Corporation								
£14,372,956				£80‡	H.K. $125	5%*	5%*	5%*	2%i	12	Y.
£1,437 296	£14,800,000	£596,803	Lloyds Bank	£2 8-3		12%†	12%†	12†‡	6i	12	R.L.Y.
£375,000				£1-7-0	£1	5%†	5%†	5†	2‡i	12	R.L.Y.
£375,000	£1,500,000	£200,130	Mercantile Bank of India	£19‡	A £12‡						
£300,000				£19‡	B £12‡	12%†	12†	12†	6i	12	R.L.Y.
£2,281,250	£3,738,892	£318,652	National Bank of India	£10‡	C £5						
				£27‡	£12‡	16%†	16†	16†	8i	12	L.Y.

‡Includes Bonus. †Less Tax.
‡‡Subject to taxation.
(c) Paid-up Capital Increased.

(a) There are also Rs. 67,08,155 partly paid Ordinary Shares.
††O.S. Currency.
(I) Interim
(P) Pakistan Currency *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	5‡	1st December and 1st June	Carew & Co.	97	1st June .. 1953(b)
5,50,000	5‡	1st March and 18th September	Carew & Co. (2nd mortgage)	90‡	28th February .. 1960(f)
6,00,000	5‡	30th June and 30th December	Ramnugger Canc & Sugar Co., Ltd.	97‡	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	102	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	88	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	103	1st April .. 1956-61
25,00,000	4‡	1st May and 1st November	Walchandnagar Industries (New)	90	1st November .. 1959-64
COTTON					
6,00,000	5‡	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April .. 1964
4,00,000	4‡	10th May and 10th November	Bengal-Nagpur	95	15th November .. 1956(a)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	99‡	1st January .. 1967-72
13,68,000	5‡		Jaysbree Textiles	78N	1st January .. 1956-59
ELECTRICS					
10,00,000	4‡	30th June and 31st December	Agra Electric Supply Co., Ltd.	95	31st March .. 1965
1,25 000	4‡	15th June and 15th December	Ahmedabad Electric Co., Ltd.	100‡	14th June .. 1960
98.28.000	4	1st April and 1st October	Andhra Valley Power Supply Co.	100‡	1st October .. 1959
12,00,000	4‡	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	93	31st December .. 1964
2,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101	1st January .. 1970
25,00,000	4	30th June and 31st December	Gouripore Electric Supply Co., Ltd.	84	31st December .. 1970
15,00,000	5	1st January and 1st July	Sijua (Dherriah) Electric Supply Co., Ltd.	94	30th June .. 1976
4,95,000	5‡	1st January and 1st July	South Madras Electric Supply	97‡	 1957-61
2,00,00	5‡	1st May and 1st November	South Madras Electric Supply	95	 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94‡	 1953-63
9,25,000	4‡	1st April	South Madras Electric Supply	94	57-61,53-56
49,23,000	4	1st April and 1st October	Tata Power	100‡	15th September .. 1951-55(b)
1 00,00,000	4	1st April and 1st October	Tata Power	94‡	15th September .. 1965-70
ENGINEERING					
5,00,000	5	30th June and 31st December	Britannia Engineering	94‡	31st December .. 1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India) Ltd.	90	30th June .. 1958
30,00,000	5‡	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	99‡	1st July .. 1957-62
£1,284,550	4	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	£79‡	31st December .. 1966(§§)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	84‡	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	101	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	94	31st December .. 1960
JUTE					
12 00,000	4‡	1st October and 1st April	Agarpara	96	31st March .. 1954
6,00,000	4‡	30th June and 31st December	Alexandra	94	30th June .. 1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	92	31st December .. 1964
10,00,000	4‡	30th June and 31st December	Bengal Jute Mill Co., Ltd.	94	30th June .. 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	90	30th June .. 1960
10,00,000	5	31st January and 31st July	Calcutta	92	31st July .. 1959(c)
12,00,000	5	30th June and 31st December	Chitavalsah Jute Mills	97	30th June .. 1966
8,94,000	5	30th June and 31st December	Empire	97	15th July .. 1966
25,00,000	3‡	1st January and 1st July	Hukumchand	88	30th June .. 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	98	31st December .. 1964
25,00,000	5‡	30th June and 31st December	Naihati	100	31st March .. 1967
5,00,000	3‡	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	89N	31st March .. 1954
5,00,000	4‡	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	89	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	89	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	89	5th September .. 1965
8,00,000	4‡	14th March and 14th September	Soorah Jute	95	14th September .. 1957
12,00,000	4‡	30th June and 31st December	Union	92	30th June .. 1957(d)
10,00,000	3‡	31st January and 31st July	Waverley	94	31st July .. 1960(e)
				83	
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,00,000	6	31st March and 30th September	Bankura Damodar River Railway Co., Ltd.	1931 100N	9th March .. 1961
4,00,000	3‡	31st March and 10th September	Bankura Damodar River Railway Co.	1938 97	31st March .. 1953
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1936 84	1st July .. 1956
2,00,00,000	4‡	10th November and 10th May	Bombay Steam Navigation Co.	1945 97‡	30th November ..
3,50,000	3‡	31st March and 30th September	Burdwan-Cutwa Railway Co.	1938 97‡	31st March .. 1943-53
£350,000	4‡	1st January and 1st July		1900 £100N	At 105% at any time on 6 months' notice or at par or every seventh year.
£226,500	5	1st April and 1st October	Calcutta Tramways	1933 £102N	1st October .. 1974
3,00,000	3‡	30th September and 31st March	Kalighat-Falta Railway	1934 96	30th September .. 1953
6,50,000	3‡	30th June and 31st December	Katakhal-Lalabazar Railway	1945 89	31st December .. 1959
£200,000	4‡	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906 £90‡N	
5,00,00,000	4‡	1st March and 1st September	Scindia Steam Navigation	96‡	1st September .. 1963
PLANTING					
4,80,000	5	1st January and 1st July	Blue Mountain Estates	1943 100	 1945-55
4,68,500	5‡	Half-yearly	Teekoy Rubber Estates	1944 100	 1949-59
1,50,000	5	30th June and 31st December	Waterfalls Ltd.	1943 101‡	 1945-55
MISCELLANEOUS					
15,00,000	5‡	31st March and 30th September	Aluminium Corporation of India Ltd.	1946 102	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948 99	31st December .. 1965
27,60,000	4‡	1st April and 1st October	Associated Hotels of India	1948 86	31st December .. 1962
4 90,500	4	30th June and 31st December	Bengal Paper Mills	1948 86	30th June .. 1962
21,00,000	5‡	1st February and 1st August	Chowringhee Properties	1937 94‡	30th June .. 1957(i)
22,60,000	4‡	1st July and 1st January	Clive Buildings	1915 92	1st February .. 1964
20,00,000	4	15th March and 15th September	Dalhousie Properties	1936 89	1st July .. 1986
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	1946 86	15th September .. 1960
40,00,000	5	2nd January and 2nd July	Mettur Chemical Industries	1950 102	1st January .. 1971
39,87,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1949 97	 1964
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1946 450 (per note)	30th September .. 1976
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1947 410 (per note)	31st December .. 1972
1 00,00,000	5‡	31st March	Orient Paper Mills Ltd.	94N	1st April .. 1971
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1951 85‡	31st March .. 1961
				1946 80‡	31st December .. 1959

Note—See page 94 for explanations to abbreviations used.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 15th January, 1953.

	Opening quotations	High	Low	Closing quotations
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	157‡	157‡	156‡	156‡
Bank of Baroda (50)	117‡	—	—	117‡
Central (25)	63‡	64	62‡	63
Imperial (F.Pd.) (500)	1,175	1,177‡	1,175	1,178‡
Imperial (P.Pd.) (125)	436‡	440	437‡	438‡
Union Bank (5)	6‡‡	6‡	6‡	6‡
United Com. (50)	35	35	34‡	34‡
COTTON MILLS				
Ahm. Adv. (100)	137‡	137‡	131‡	131‡
Apollo (2)	2-9‡	2-9‡	2-8‡	2‡
Bombay Dyeing (250)	358‡	363‡	355‡	359‡
Central India (100)	144‡	145‡	141	143
Century Mills (100)	247	249‡	245	245‡
Colaba (100)	72‡	—	—	72‡
Edward Textile (200)	245	245	230	230
Elphinstone (50)	40‡	—	—	40‡
Finlay (100)	280	280	279	280
Gokak (100)	196‡	197	193	195
Ind. Untd. Defd. (1)	1-8‡	1-8‡	1-7‡	1-8‡
Ind. Untd. Ord. (10)	8-7‡	8‡	8‡	8-3‡
Indore Malwa (100)	83‡	85	83‡	85
Khatau (100)	170	170	162‡	162‡
Kohinoor (100)	263‡	266‡	263	266‡
Lakshmi (250)	575	—	—	575
Madhusudhan (100)	76‡	—	—	76‡
B. R. Cotton Mills (100)	44	—	—	44
Minerva Mills (100)	91	—	—	91
Model Nagpur (250)	148‡	—	—	148‡
Morarji (100)	165	—	—	160
Mysore (50)	127‡	—	—	127‡
New City (100)	171‡	—	—	171‡
New Great (100)	152	152	148	150
Phoenix (100)	122‡	—	—	122‡
Podar Mills (100)	122‡	—	—	122‡
Sassoon Silk (10)	23‡	—	—	23‡
Sassoon Spg. (10)	20‡	—	—	20‡
Sholapur (1,000)	1,600	—	—	1,600
Simplex (50)	174	175	173	174
Swadeshi (100)	236	237‡	232‡	234
Swan (100)	390	390	378	378
Tata M I (25)	45‡	46	45	45‡
Vishnu (100)	160	—	—	160
Western India (1,000)	3,150	—	—	3,150
ELECTRIC COS.				
Ahmedabad (100)	111‡	114‡	110‡‡	110‡‡
Amalgamated (10)	10‡	—	—	10‡
Andhra Valley (1,000)	1,373‡	—	—	1,373‡
Bom. Sub-El. (100)	121‡	—	—	120‡
Surat (100)	116‡	—	116‡	117‡
Tata Hydro (100)	148	147	147	147
Tata Power (1,000)	1,485	1,490	1,482‡	1,490
INSURANCE COS.				
British India (10)	13‡	—	—	13‡
Empire of India (100)	403‡	—	—	403‡
Ind. Mercantile (20	38	38‡	38	38‡
Jupiter (15)	8‡	—	—	8‡
New India (15)	41‡	42‡	40‡	41
Oriental (200)	5,500	5,500	5,400	5,400
Universa (10)	7‡‡	—	—	7‡‡
Vulcan (10)	11‡	—	—	11‡
STEAMER COS.				
Bom. Steam (25)	32	32	30‡	30‡
Scindia (15)	14‡‡	15‡	14	14‡
STEEL COS.				
Ind. Iron (10)	23‡	23‡‡	22‡‡	23
Tata Steel Defd. (30)	1,117‡	1,117‡	1,690	1,701‡
Tata Steel Ord. (75)	300‡	302‡	300‡	302
MISCELLANEOUS				
Alcock Ashdown (100)	297‡	297‡	293‡	293‡
Associated Cia. (100)	177	177	175‡	175‡
Belapur Sugar (5)	217	219	214‡	217‡
Bom. Burmah (125)	370‡	372‡	359‡	363‡
Do. (New) (50)	145	145	137‡	138‡
Br. B. Petrol (4 sh.)	1‡	1-3‡	1‡	1-3‡
Br. I. Corpn. (5)	9‡	9‡	8-4‡	9‡
Indian Copper (2 sh.)	3-2‡	3‡	3‡	3‡
Ind. Inv. Tr. (100)	70	—	—	70
Port Canning (100)	21	—	—	21
Premier Con. (30)	85‡	85‡	83‡	84‡
Shivraj Sugar (10)	53‡	53‡	52‡	53
Tata Chemicals (10	8‡‡	8‡‡	8‡	8‡‡
Tata Oil* (25)	32‡	33‡	32‡	33
Walchand Ind. (100	146‡	146‡	144‡	146‡
W. I. Match (100	215	216‡	216‡	216‡

GOVERNMENT SECURITIES	Rs	Gross Yield Earlier Redemption	Later Redemption	Rs
2½% 1954	98‡	—	3 26	98‡
2½% 1955	98‡	—	3.23	99‡
2½% 1961	90‡	—	3.91	90‡
2½% 1960	93‡	—	3.83	93‡
2½% 1963	91‡	—	3.91	91‡
2½% 1976	82‡	—	3.89	82‡
3 % 1953-55	102‡	2.67	2.92	100‡
3 % 1957	98‡	—	3.40	98‡
3 % 1958	98‡	—	3.36	98‡
3 % 1959-61	96	3.75	3.58	96
3 % 1964	92‡	—	3.79	92‡
3 % 1963-65	92‡	3 92	3 85	92‡
3 % 1966-68	90‡	3 95	3.85	90‡
3 % 1970-75	86‡	4.11	3 93	86‡
3 % 1986 Con. Loan	82‡	—	3 62	82‡
3½% 1954-59*	100‡	3.37	3 46	100‡
4 % 1960-70	101‡	3.80	3 90	101‡
4½% 1955-60	101‡	3.11	3.96	101‡
4½% 1958-68*	105‡	3.30	4.01	105‡

BRITISH GOVERNMENT SECURITIES	7-1-53 £	High £	Low £	14-1-53 £
2½% Brit. Consols	58‡	58‡	58‡	58‡
3 % Savings Bonds 1952-54	99‡‡	99‡	99‡‡	99‡
3 % War Loan 1955-59	100‡	100‡	100‡	100‡
3½% War Loan 1952	77‡	77‡	77‡	78
3½% Brit. Iron and Steel 1979-81	88‡	89	87‡	87‡
4 % Funding Loan 1960-90	98‡	98‡	98‡	98‡

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent Who else must sweat and toil and gain but scanty fare."
William Blake

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SOME PROBLEMS OF COAL INDUSTRY

IF there is any industry in India to-day which is unanimously of the opinion that price control over its product should not be abolished on any account, it is the coal industry. This may sound surprising to many, especially because producers have been complaining that the prices fixed by the Government are unremunerative, two main reasons which are generally mentioned in support of the case for abolition of controls. But anyone who carefully studies the present economic position of the coal industry will find that there is considerable force in the industry's plea for the continuation of price control. And to those who are keen on knowing the relevant facts about this industry we commend the memorandum submitted by the Indian Mining Association (I.M.A.), Calcutta, to the Government of India last week.

The main reason why coal producers want the retention of price control is that their experience under a controlled economy has been far happier than under free economy. Ever since price control was introduced about a decade ago, this basic industry has been enjoying a large measure of stability, in refreshing contrast to the cut-throat competition and constant price fluctuations which characterised the affairs of the coal industry during the pre-war years. But for this relative stability, it is doubtful whether production would have recorded a progressive increase as it has done. Ten years ago, production of coal was just under 23 million tons; now, it is running at the rate of 36 million tons per annum, an increase of 13 million tons or 56.5 per cent. It is true that a large part of this increase includes coal of lower grades which the consumers have had to accept, thanks to the control on distribution also. But that is a price which the country has to pay in the interest of the utilisation of the available coal resources and of maintaining employment of labour. It is, perhaps, not sufficiently known that much of the coal found in this country is a good deal inferior to what is mined in the principal coal-producing countries in the world. That is what Nature has endowed us with and there is no getting away from the fact that we will have to make the best use of it.

If the existing controls, more especially price control, were removed, the industry would again be involved, as the I.M.A. has rightly warned the Government, in a vicious circle of depression, collieries exploiting their resources in a reckless fashion and increasing production in order to lower rising costs, the lower costs leading in turn to fiercer competition and reduced selling prices and the circle being completed by the encouraging effect of lower prices on further exploitation and yet fiercer competition. As a result of this competition, consumers of coal will doubtless benefit, but the benefit will only be temporary. For, in the competition that will ensue, uneconomic and marginal units will finally succumb and production will shrink, resulting, once again, in scarcity of coal and that at a time when the country will require more coal to meet the needs of increased production in all spheres under the Five-year Plan. And when output of coal declines below the demand, prices will rise again compelling reintroduction of controls. Then, there is also the human factor to be taken into consideration. Competition of the type referred to above will ultimately lead to heavy unemployment and suffering to workers engaged in this industry. Considering all this, even consumers of coal will admit that the continuation of price controls on the industry is the lesser of the two evils.

It would, however, appear that the industry's anxiety to see that price control is not abolished and its notable production performance are being exploited by the Government. Otherwise, it is difficult to appreciate the failure of the authorities to comply with the request of the industry for the restoration of the cut in prices which was voluntarily agreed to by it in November, 1949, in response to an appeal from the Government for assistance in its efforts to combat the inflationary pressure then prevailing. This request has been put forward by the industry several times before and, though the Government has recognised the justice of this demand, it has so far failed to restore the cut. Nor has the Government fulfilled its promise to give relief in such matters as the rationalisation of foodgrain concessions to colliery labour. Moreover, while the Government has restored similar cuts undertaken by other controlled industries, notably cotton textiles, it persists in refusing the coal industry's demand. This is doubtless unfair discrimination. The injustice of it has been enhanced by the fact that the cost of production of coal has increased very considerably since the cut in selling price was effected in November, 1949. The main factors that have led to this increase in costs are: (a) sharp rise in the cost of distributing foodgrains at concession prices to colliery labour and their families and dependents, the difference between purchase price and issue price of foodgrains being as much as Rs. 18 per maund; this is resulting in a loss to the industry of Rs. 6 or Rs. 7 lakhs per week, that is, about Rs. 3.5 crores a year; (b) increase in the cost of benefits following liberal interpretations of the provisions of the Conciliation Board Award; (c) an increase of about eight or nine annas per ton in the price of colliery stores; (d) higher railway charges; and (e) the burden of State taxes and cesses. It will thus be seen that the industry's case for the restoration of the cut in prices is irrefutable.

The economic position of the coal industry has deteriorated to such an extent that it cannot now bear the cost of liberal concessions in regard to the supply of foodgrains which it undertook to provide during the war years as part of its contribution to war effort, and the generous bonus scheme, agreed to in the relatively more prosperous days of 1947, both of which constitute a great drain upon the industry's resources. Further, these facilities are being provided to labour in a manner which has no bearing on the output per worker. Rations at concession rates are being issued not only to the worker but also to his dependents. This has led to an enormous influx into the colliery areas of hangers-on who are there merely for the benefit of food concession; in fact, this amounts to the worker and his family being fed at the colliery's expense. The second defect in the present practice is that foodgrain concessions are linked only to attendance and not to output. This has, to a large extent, destroyed the will to work and boosted the turnover of labour, thereby directly contributing to diminishing output per man-shift. Consequently, the I.M.A. feels convinced that the only effective answer to this problem is to link the issue of foodgrains to production. There need be no difficulty, in its opinion, in evolving an equitable and workable formula for this purpose. Indeed, it has a formula ready which is on the following lines:

"A basic minimum wage will require to be averaged by the labourer during the working week. The worker will receive one day's cash concession and free rice (subject to a maximum of six such payments in a week) for every unit of basic wages earned in the week, irrespective of the number of days he works, i.e., an overburden coolie on an assumed basic of As. 8 will receive cash concession and free rice for every As. 8 basic he earns. If he works hard and achieves the figures in four days, he will still get the full week's cash concession and free rice. It is, of course, clearly understood that no worker will be penalised for not producing a basic minimum by reason of non-supply of tubs, breakdowns, etc."

The foregoing proposal is based on the principle that "a worker should be asked to do a fair day's work for a fair remuneration"—a principle which is at once equitable and just. This very same principle underlines the I.M.A.'s demand that bonus to colliery labour should be linked directly to production and should be paid annually instead of quarterly. These suggestions will, of course, not be agreeable to workers. Nevertheless, it is to be hoped that labour will recognise that everyone has to make some sacrifice, if the Five-year Plan has to succeed, and that its refusal to collaborate with management in improving productivity and bringing down costs will bring disaster to itself and to the country as a whole. It will do well to appreciate that, at one time, the employers obliged it by agreeing to the present methods of paying foodgrain concessions and bonus, even though they knew full well that they were accepting something which was wrong in principle. The time has now come for labour to reciprocate this spirit of accommodation. The alternative will be loss of occupation for a large number of workers. Already many collieries are working at a loss and, unless the Governments, which have been imposing more and more burdens on the industry without regard to its capacity to bear, and the workers, who are not putting forth their best, realise that there is a buyers' market now and suitably readjust their demands on the industry, these units will eventually be forced to close down. It may be that some units are still working at a profit and paying decent dividends. But these are exceptions and, therefore, the experience of these companies should not delude one into the belief that the industry is prosperous. It must be borne in mind that the industry's margin of profit should be sufficient not only to pay a

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reasonable dividend to shareholders but also to provide adequate sums for investment on development. If this criterion is applied to the coal industry, it will be found that the industry is "most unprosperous" at present. A recent analysis of the working results of 50 coal companies made by the I.M.A. revealed, we are told, that the ordinary dividends paid by them amounted to no more than 2½ per cent. of their total working funds. If this state of affairs is allowed to continue in the case of an industry the assets of which are of a wasting nature, there is no exaggeration in the I.M.A.'s melancholy conclusion that the coal industry "seems destined for permanent depression and impoverishment."

INSURANCE IN 1951

FOR Indian insurers, the year 1951, as the *Indian Insurance Year Book* 1952, published this week, shows, was by no means a prosperous one. New life business declined, as compared with 1950, by Rs. 1.92 crores to Rs. 116.46 crores; consequently, the premium income from this business was also lower by Rs. 8 lakhs at Rs. 6.38 crores. It is significant that, during the same period, the foreign insurers were able to show an increase of Rs. 2.76 crores in their new life business which improved to Rs. 16.46 crores, yielding a premium income of Rs. 96 lakhs, an improvement of Rs. 14 lakhs over premium income from new business in 1950. The net effect of these changes is that new business done in 1951 reached a total of Rs. 132.9 crores, as against Rs. 132.1 crores in the previous year. It now looks as though the new life business will not again reach, in the foreseeable future, the record level of Rs. 144.3 crores, touched in 1946, unless there is a steady improvement in economic conditions in the country, especially in the incomes of the middle class.

Indian insurers had, at the end of 1951, on their books a total life business of Rs. 677.02 crores, with a premium income of Rs. 33.32 crores. The corresponding figures for non-Indian insurance companies are Rs. 115.92 crores and Rs. 6.42 crores, respectively. This is by no means a very high level for a country of India's size. Actually, this level gives a low *per capita* insurance of about Rs. 25, as against Rs. 1,600 in the U.K. or Rs. 7,100 in the U.S. It is not, of course, true that insurance levels between countries are strictly comparable, in view of the fact that there may be large sections of people who just do not take out insurance because they are oblivious of its benefits. At any rate, this is true of the underdeveloped countries where insurance companies have to face two sets of problems—the problem of low living standards which prevent the people from taking out insurance on their lives or on the lives of their dependents, and of selling insurance in outlying areas to people who have neither knowledge nor appreciation of the value of insurance.

Against this background, the question of making insurance attractive to the prospects through cheapening the premium rates assumes special significance. The movement towards lower premium rate is gaining momentum in the West. Whether a similar movement could be initiated at all in this country would depend on three factors which influence premium rates, namely, mortality experience, interest yield and expense ratio. Some of the recent valuation reports of the more well established Indian insurers shows that their mortality experience is much better than what it was formerly. The latest *Year Book* throws, as usual, some new light on the changes in interest yield and expense ratio. Experience in respect of both these factors is definitely encouraging. The net rate of interest realised on mean life insurance funds by Indian insurers in 1951 was as much as Rs. 3.30 per cent. as compared with Rs. 3.16 per cent. and Rs. 3.05 per cent. in 1950 and 1949, respectively. Their expense ratio was also lower at 26.8 per cent. as compared with 28.9 per cent. in 1950 and 29.2 per cent. in 1949. It is noteworthy that the smaller Indian insurers have been able to effect much larger reductions in their expense ratio, thanks to the statutory restrictions on expenses. Thus, the average expense ratio of the smaller insurers—that is, after excluding the expense ratios of six insurers having the largest premium income—was 28.2 per cent. in 1951, as against 32.5 per cent. in 1950 and 33.2 per cent. in 1949. All available indications suggest that the experience of insurers in 1952 in respect of both interest yield and expense ratio must have been even better.

The assets of Indian insurers of all classes have now reached an impressive total of Rs. 249.82 crores, of which the major portion, namely, Rs. 141.09 crores is held in Government securities and Municipal and Port Trust and Improvement Trust securities, the investments in Indian Government securities alone being Rs. 121.60 crores. The balance represents other investments, such as mortgages on property, investment in shares of Indian companies and in land and house property, cash and deposits.

Although the report deals almost exclusively with the trends in insurance business during the year 1951, the section dealing with the number of insurance companies registered under the Insurance Act gives relatively more recent information. Thus, the number of insurance companies, as on 7th October, 1952, was 324, of which 222 were Indian and the rest non-Indian companies. Of the Indian companies, 49 were engaged in life and other classes of business and 59 in purely non-life business. Unlike in the life business, Indian general insurers were able to secure a larger volume of business than in 1950 in all branches of general insurance business—fire, marine and miscellaneous insurance. Thus, the fire income improved from Rs. 5.54 crores to Rs. 7.12 crores, marine income from Rs. 2.03 crores to Rs. 2.48 crores, and miscellaneous income from Rs. 2.98 crores to Rs. 3.49 crores. The experience of non-Indian insurers in the field of general insurance, however, was not so happy as in the sphere of life insurance. Thus, as compared with 1951, the volume of business secured by them declined from Rs. 2.45 crores to Rs. 2.27 crores in fire business, from Rs. 1.80 crores to Rs. 1.64 crores in marine business and from Rs. 1.81 crores to Rs. 1.24 crores in miscellaneous business. The income of all insurers, both Indian and non-Indian, from each of these three sources was Rs. 9.39 crores, Rs. 4.12 crores and Rs. 4.85 crores, respectively. The claims experience in fire insurance was unchanged; the claims ratio was 31 per cent., the same as in 1950. In both marine and miscellaneous insurance, it was distinctly unsatisfactory, the claims ratio in the former having gone up from 37 per cent. to 55 per cent. and in the latter from 45 per cent. to 51 per cent.

The broad picture that emerges from this survey is that, while life insurance business seems stationary, general insurance business is steadily expanding. The 1951 figures are, of course, not the correct basis for predicting trends, inasmuch as the year 1952 was in many ways different from 1951, while the current year is more like the year 1952 than like the year 1951. There would, therefore, be little surprise if most of the insurers fail to maintain in 1952 their earlier records in turnover. On these and other intricate problems of Indian insurance, the authors of the *Year Book* do not throw any light. The *Year Book* continues to be a dull and drab document of unexplained figures. One may legitimately look for some guidance, or at least a more systematic review of the trend in insurance and the problems of insurance companies in a document which comes from the office of the Controller of Insurance, equipped with men of sufficient experience and knowledge. But neither guidance nor adequate information is vouchsafed to us. Figures are not even strictly comparable, for there is still a large number of insurers who do not submit their returns. It is not clear whether any action is being taken against the habitual offenders. Surely, some more information about other vital aspects of insurance could be collected and presented every year in a readable form. The relative popularity of whole life and endowment policies and of the public limited, and mutual and co-operative insurers, review of mortality experience and of premium rates, analysis of new trends in insurance such as pension schemes, children's policies, marriage or educational policies, enquiry into motor accident insurance—these are only a few of the many diverse subjects which a central organisation such as the Controller's Office should be able to study and report on. There is not even a special section on the affairs of companies which are under Administrators' control, a matter of great public interest. One need only compare the Annual Report on banking in India, which the Reserve Bank is statutorily required to publish every year, with this *Year Book* to know the world of difference between the two publications. Insurance, it is needless to add, is as important as banking. Yet the manner in which the concerned department of the Government is neglecting this essential service to the public is simply appalling. In fine, the *Indian Insurance Year Book* is one of those blue books, issued from New Delhi, which refuse obstinately to improve the quality or quantum of information which they supply. We thought that, with the transfer of this subject to the Finance Department things would improve, but we are disappointed to find that the *status quo* persists, even when such an able administrator as Mr. Deshmukh is in charge of this Department. Indeed, the jibe seems to be fully justified that, if a person finds that his actuarial knowledge is an inconvenient part of his intellectual equipment, he may well get rid of it by joining the office of the Controller of Insurance, New Delhi.

DEMISE OF CONTROLS IN U. K.

THE U.K. Government's decision to end the 14-year-old controls on prices and supplies of cereals and feeding stuffs is perhaps the biggest nail that has been driven into the coffin of controls. The Government has announced that it will end the subsidy on food and feeding stuffs with effect from 1st April, 1953. The imports of cereals and feeding stuffs will be returned to private trading. It would appear that 22 trade associations connected with the grain trade were consulted on this policy and that the overwhelming majority of these associations have accepted the broad principle of decontrol. It is stated that a major consideration which has weighed with the Government is that the longer the delay in the restoration of cereal trading and cereal importing to private trade the more difficult it would be for the trade to resume its pre-war activity, in view of the fact that for 14 years now the traders have never had a chance of conducting their business with a full measure of individual responsibility.

The U.K. imports every year about 17 million tons of food and feeding stuffs—India imports on an average three million tons of foodgrains per annum, the import trade being handled by the Government alone—of which feeding stuffs account for 3½ million tons. The value of this trade is estimated at £1,308 million, of which the value of feeding stuff imports is placed at £275 million. It is this trade, that is, the trade in food and feeding stuffs, which will now revert to private hands. The Government, however, will retain the control over imports of cereals from outside the sterling area with a view to safeguarding the country's balance of payments position. The Government hopes to keep a strict watch over prices. Thus, it will permit ample supply from the dollar area if it finds that its restrictions on imports of dollar cereals lead to a rise in the cereal prices in non-dollar countries. An incidental consequence of the decontrol decision is that the Government hopes to effect a large saving on the staff—the saving is estimated at over £1,500 000—who are now being employed on the importation and control of cereals and feeding stuffs.

The decision to end the price control on food is the latest—even as it is the most important—of the series of decisions which the British Government has taken towards a decontrolled economy. In the beginning of 1952, the Government returned the import of softwood to private trade. On 1st July, 1952, private trade was asked to handle the imports of fertilisers. On 1st October, lead joined tin, which had been freed earlier, and since then, zinc has been returned to private trading. The system of allowing cotton spinners to contract out of bulk buying was introduced last year. Tea was derationed and decontrolled on 5th October. In August, private traders were permitted to take over coffee imports. More recently, the tallow trade and the trade in bananas have ceased to be a Government monopoly. The Government is no longer the sole buyer of aluminium produced in the U.K. The utility cloth scheme has been abandoned. Many of the restrictions on the use of non-ferrous metals have been given up. In August last, the price control on newsprint was ended. This was followed by the removal of control on jute goods in September.

The demise of controls in the U.K. has naturally enough, been accompanied by the withdrawal of a large number of Governmental notifications. It was stated, in October last, that 1,024 Statutory Instruments of general application had lapsed. Both trade and industry are now coming into their own. No longer need the decontrolled sector be obsessed by the fear of offending some regulation or other. No longer need it spend innumerable number of man hours in filling up forms required by the control authorities. With the freedom and leisure to trade and industry has come a new responsibility—the responsibility for meeting the challenge of a buyers' market. There is no doubt that the grant of this long-denied freedom will enable the concerned trades and industries to brace themselves up for a vigorous battle for survival and expansion.

INCREASE IN DIRECT TAXES UNLIKELY

TATA DEFERRED CONVERSION—NO PAR VALUE SHARES—F.B.I. ON TAX RELIEF

THURSDAY, 5 P.M.

STALEMATE in share markets continues for the third week in succession, but the trend is fairly steady. In the absence of any fresh developments, speculators are idle. Price fluctuations are narrow and the volume of business negligible. There is some selective buying in textile shares, with Kohinoors in the lead. Steels are a shade quiet. Among public utilities, electric shares have locked up a bit, on some small investment enquiry. In Calcutta, jute and coal scrips are quiet, while good tea shares are still in favour. On the whole, the Calcutta Share Market is more listless than the Bombay market. In neither of the markets has any speculation about the forthcoming budget started yet. The consensus of opinion is that the budget will show a heavy deficit and contain additional taxation.

MARKET GOSSIP

* * * *

The prospect of additional taxation, however, is not having any depressing effect. One explanation for this is probably the feeling that the additional taxation will be in the form of indirect taxes rather than direct taxes. If that is the market's hunch, it is a good guess, in our opinion. There is little scope for further direct taxation. The death duty is, of course, certain. Perhaps, Mr. Deshmukh may impress upon the State Governments the need for subjecting the land to some additional taxation, as has been recommended by the Planning Commission. Those State Governments which are strong and confident enough to face the initial opposition to such a measure are bound to make a move in that direction. Barring these two forms of direct taxes, none seems likely.

* * * *

That Mr. Deshmukh is thinking mostly in terms of indirect taxation is obvious from his reference to Prohibition in his Press Conference at Poona yesterday. Evidently, he sees nothing wrong in taking off or modifying substantially the Prohibition programme. If Bombay and Madras take away Prohibition, his task will be considerably lightened. He can give a larger quota of foreign exchange for imports of liquor which will help to raise his customs revenue, now considerably reduced. Now that Mr. Deshmukh has started advising the Bombay Government to reconsider its Prohibition policy, one can justifiably presume that he must be favourably inclined to reintroduce the salt duty. It is just possible that he may decide to brave the sentiment-dominated Parliament with that proposal. A few more taxes on consumption must be expected, especially now that his advocacy of physical controls has not received much support except from inconsequential economists. His search for goods which he can tax further will naturally turn to luxury articles. He may decide to tax tobacco further. He may not even hesitate to impose further burden on fine and superfine cloth.

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The Gilt-edged market is colourless. Here, too, the forthcoming budget has not yet cast its shadow. Market circles do not expect the Finance Minister to throw any significant light on his borrowing programme in his budget speech, apart from a broad hint at the amount he hopes to borrow this year both by way of small savings and issue of new loans. It is, however, certain that the Government of India will have to approach the capital market this year, at least in connection with the repayment of the 3 per cent. 1953-55 loan, the outstandings of which are as large as Rs. 114.60 crores. It is said that half of this is already with the Reserve Bank, so that the actual additional capital required will be about Rs. 60 crores. This is not too big a sum to tax the ingenuity of Mr. Deshmukh and Mr. N. Sundaresan, the Deputy Governor of the Reserve Bank, who is in charge of the Bank's open market operations. Nevertheless, they cannot hope to borrow without offering something better than the yields prevailing at the time of the issue. The nearest and convenient years which are free from heavy maturities are 1958 and 1964. In the former year, there is a maturity of Rs. 50 crores, while, in the latter, it is even less at Rs. 30.33 crores. It should, therefore, be possible for the Government to offer a short- as well as a medium-dated loan. The existing loans of these maturities are now yielding about 3.4 per cent. and 3.80 per cent., respectively. Even making allowance for the ability of the Reserve Bank to pull up the market before the issue of new loans, it looks very doubtful whether the Government can hope to borrow at rates of interest which will be appreciably below the current yields referred to above. In fact, it will not be surprising if it finds that it has to pay an effective rate of 4 per cent. for a medium-dated loan and 3.5 per cent. for a short-dated loan.

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It is, however, absolutely too early to discuss the rates of interest on Government's new borrowings which are not likely to be known before June or July next. That the market is not bothering itself now with this question is evident from the continued enquiry for the 4 per cent. State and Municipal loans, some of which are now so well above their par value that the yields on them are distinctly below 4 per cent. The Bombay State Loan, for instance, is at present standing at Rs. 101, yielding 3.90 per cent. Much of this demand is on account of provident funds which are steadily increasing in number. In fact, the turnover in 4 per cent. loans would appear to be greater than even in Government of India loans. Another reason for this is that it pays the dealers also to keep some stock of the 4 per cent. loans, for they can get finance for this purpose from banks at a cost of 3.5 per cent. In view of all this, it looks as though the new Ahmedabad Municipal Loan, offering 4.25 per cent., announced this week will be a success. The demand for fixed-yield first class securities has evidently encouraged the Britannia Biscuit Co., Ltd., to come out with a debenture issue of Rs. 15 lakhs. The rate of interest offered is 5½ per cent. for 1963-68, the issue price being at par.

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Last week saw the conclusion of the hearings by the mediator on the question of the conversion of Deferred shares of the Tata Iron and Steel Co., Ltd., into Ordinary shares. The Committees of the shareholders of both classes of shares put forward their respective case through their counsel. After the hearings were over, Mr. M. C. Setalvad, the mediator, left for New Delhi. Before he left, he advised the chairmen of both the Committees to get together and see whether they could not hit upon a mutually agreed ratio for conversion. Nobody expects anything to come out of it. Indeed, it will be a miracle if something good materialises from this meeting. Perhaps, it is just a formality or an attempt to show to the public that one more chance was given to the shareholders to reach a mutual agreement. It is not known when the mediator will give his award, but it is generally expected that it will be in the second or the third week of next month. Of course, only the mediator knows what he is going to say. Nevertheless, rumour-mongers are busy. It is said, for instance, that the mediator was very much impressed with the arguments advanced by the Committee of the Ordinary shareholders and that even the demand by the Deferred shareholders' Committee for a ratio of 1:7 failed to make him feel that it was a reasonable one. The popular expectation is that the mediator may fix the ratio at 1:6. There are, however, some who feel that it may be a little higher, either 1:6.25 or 1:6.5. This figure has been arrived at on the basis of the recent market value of both the shares which works out to a ratio of about 1:5.7 *plus* 15 per cent. by way of compensation to deferred shareholders for acquiring by the Company of their rights under the Company's Articles of Association. It is presumed by this school of thought that the mediator will approach the task before him as though the ordinary shareholders are acquiring the rights of deferred shareholders. Viewed thus, the compensation payable will be calculated on the basis of the market value of deferred shares *plus* a fixed percentage. This school of thought has taken the figure of 15 per cent. for this purpose, since that is what is usually allowed by the Government whenever it acquires land.

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There is both in this country and abroad, an insufficient appreciation of the difference between share capital and real resources, employed by a company. Trained accountants and balance-sheet analysts do, of course, know that a company's earnings are determined as much by the share capital as by the working funds employed by it in its business. Leftist propagandists often press attacks on "exorbitant" profit of companies, little realising that very often, the profits form only a small percentage of the company's working capital, although the profits, expressed as a percentage of the share capital, may appear large. The Indian Mining Association has spotlighted this species of erroneous calculation by a sample survey of the results of coal companies. The Association's memorandum on the economic position of the coal industry draws attention to the fact that the high dividends, declared by certain coal companies, are no real indication of their prosperity. It says: "They are old-established companies, some of them a century or more old, and, in course of many years, have re-invested large profits in their enterprises, with the result that to-day the face value of their share capital bears no relation to the money actively employed in their business; their dividends, therefore, expressed as a percentage of their share value, give a totally false idea of their earning capacity." It would appear that the Association made an analysis of the working results of 50 coal companies and found that the ordinary dividends which they paid amounted to only 2½ per cent. of their total working funds.

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Working funds are always larger than the paid-up capital. They may consist of capital, reserves and borrowings. In the case of well-established companies, the difference between paid-up capital and working capital is generally made up of reserves, representing the past sacrifices of the shareholders who have built them through years of self-denial. It is only fair and just that the shareholders should, in a subsequent period, when the results of their companies are favourable, be entitled to a reward for their past sacrifices. But, if they lay public, uninstructed in the details of company finance, cannot appreciate the difference between "share capital" and "real resources," then something must be done to correct the distorted view which one gets through expressing the dividend as a percentage of the paid-up value of the share. A happy solution to this problem is the issue of no par value shares, or n.p.v. shares, for short. Such shares have already become popular in the U.S. and Canada, though, in other countries, they have not made much headway. In the U.K., n.p.v. shares have for long been dismissed as a new-fangled idea. The question did come up before the Cohen Committee, the report of which (in 1945) formed the basis of legislation for the Companies Act, 1948. At that time, the Cohen Committee felt that there was "little demand for, and considerable opposition" to the legislation for shares of no par value. In February, 1952, a private Bill to make the issue of n.p.v. shares permissible in the U.K. was "talked out" in the British Parliament. But now, the subject is once again receiving some attention and support, largely because the vast majority of shareholders feel that the n.p.v. shares are an effective reply to the misleading socialist propaganda against "exorbitant" dividend. The British Government has decided to appoint a committee, with Mr. Montague Gedge as Chairman, to consider whether it is desirable to permit the issue of shares of no par value and, if so, to suggest what safeguards would be necessary in the public interest.

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To those in this country, who are unacquainted with this new device in company finance, namely, n.p.v. shares, it may be pointed out that, if a company seeks to change over from share capital to n.p.v. shares, the shareholder's interest remains what it was: he will receive so many shares of *no par value instead of the same number of shares* of a fixed denomination. He will have the same rights as before. Only, dividends will no longer be expressed as percentage of paid-up capital but in terms of money per no par value share. The value of the share will, of course, fluctuate on the Stock Exchange. But there is no question of its being quoted at a premium or discount, in relation to its paid-up value, for there is no paid-up value as such. The shareholder has 100 or 200 shares of a company: he becomes entitled to the dividend which will be declared as so many rupees per share.

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The U.K. Government's decision to appoint a committee to go into the question of n.p.v. shares is a new development of much interest to the London Stock Exchange. The Stock Exchange men are apparently willing to absorb new ideas from the new world. But they are, of course, not willing to give up their tried old practices either. For instance, they are agitating for the restarting of the option business. The question of the resumption of option dealings has, as we stated in these columns recently, assumed a new importance in the London Stock Exchange in view of the fact that the supporters of the demand for option business have discussed it in all its aspects with the principal authorities, the Council of the Stock Exchange and the Bank of England officials. It is now held likely that option dealings will be resumed at no distant date. Since the "option mechanism" has lain idle for thirteen years in the U.K., the following account of the working of the mechanism, given by the London *Economist*, will be read with interest:

"Briefly, before the war, investors were allowed to purchase an optional right to buy or sell a specific security within a given period (usually of three months) at a fixed price, known as the "striking price." A "call" option gave the investor the right to buy, a "put" option the right to sell, and a "put or call" option the right to do either. More complicated facilities were provided by the "call and more" and the "put or more" options, but dealings in these options were not very common. The "striking price" represented the market price of the security at the time the option was secured, plus a premium to cover the contango cost of delaying purchase or sale over the life of the option. In fixing the price of the option, known as "option money," a dealer took account of his own commitments and of his estimate of the probable fluctuations in the price of the security during the life of the option."

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The Government of India has not enhanced its reputation for foresight by declaring, at first, the abolition of the excise duty on tea waste and then withdrawing this concession about nine weeks later. On 18th November, 1952, it announced the abolition of the duty; this measure was adopted to *give some direct and immediate relief* to the producer of the poorer quality tea and was withdrawn on 23rd January, 1953, because the Government found that this "relief" had the totally unintended effect of encouraging the export of stalky tea. Surely, the Government might itself have foreseen the consequences of its action. Or, it might have consulted the tea interests, before announcing the concession. That this measure would lead to the export of undesirable tea, under the pretext of tea waste exports, was the opinion expressed by the tea interests, as soon as it was announced. But the point is that the Government failed to appreciate, before it embarked on this "relief," the effect of its action. That the Government has learned wisdom at least after the event does not, of course, take away the truth of the criticism that it might have so easily foreseen the result of its action, so obvious even to a layman with some common sense. What has now suffered is not only the Government's reputation for foresight but also the Indian tea's reputation for quality. This is another instance of loss to the country arising from interference in the affairs of trade by a Government which has neither adequate knowledge of the intricacies of business nor the desire to consult others who are well versed in them.

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Attention needs to be drawn to two developments in the sphere of cotton during the week under review. One is the allotment of quotas to mills up to 100 per cent. of their purchases in the basic year. This has stopped the downward trend in prices in the local market, though mill buying has not been on any appreciable scale. The second development which has also had a steadying influence on the market, especially on the Con-

(Continued on page 183)

DULL CONDITIONS PERSIST ON STOCK EXCHANGE

ELECTRIC SHARES IN FAVOUR

(From Our Own Correspondents)

BOMBAY, 29*th January*

THE Stock Exchange failed to shake off its lethargic tendency this week also. Of course, there were feeble rallies backed up by professional support on possibilities of increased trade between India and Pakistan following the reported correspondence between the two Governments on Indo-Pakistan trade relationship. Some improvement was also visible in textile shares, as some buying was induced by the slump in the cotton market and the announcement regarding grant of limited export quota of cotton yarn to mills. In spite of the mild rally, conditions were not strong enough to give pep to the market. In the face of general reluctance to follow up, progress was very slow. Baseless rumours that the ratio of conversion of Tata Deferreds into Ordinaries would be less favourable to the Deferred holders than expected earlier had a restraining influence. Operators were restrained in entering into commitments. The turnover, therefore, continued to be small and fluctuations were confined to a narrow groove. The undertone, however, remained steady with aviation scrips making further smart advances. Electric shares too were seen persisting in their slow and steady rise noted in the past several weeks.

In the steel section, Tata Deferreds opened at Rs. 1,705, with a small overnight gain, but failed to hold ground and declined to Rs. 1,690. After a minor rally to Rs. 1,695, the scrips receded to Rs. 1,677-8 yesterday on rumours about unfavourable conversion ratio. To-day, however, they displayed a slight hardening tendency with a rise to Rs. 1,687-8 at the close. Tata Ordinaries came up to Rs. 300-4, after a mid-week recession to Rs. 297 from Rs. 298-8, but wound up the week at Rs. 299-8. Indian Irons closed at Rs. 23-1½ with a fractional loss over the week, after being done up to Rs. 23-6.

Textiles presented a steady front. Bombay Dyeings dropped from Rs. 358-2 to Rs. 355-10, but regained to Rs. 358-2 at the close. Kohinoors finished with a gain of Rs. 2 at Rs. 271-4, Finlays were marked up by a rupee, on balance, to Rs. 287, and Gokaks by as much as Rs. 4 to Rs. 200. Indore Malwas changed hands Rs. 2-8 higher at Rs. 87-8, and Morarjis Rs. 3-2 higher at Rs. 155-10. Centurys put on no more than As. 8 to Rs. 246, but Simplex hardened by Re. 1-12 to Rs. 173-12 and Standards by Re. 1-4 to Rs. 263-12. Sholapoors staged a spurt on small enquiry from Rs. 1,600 to Rs. 1,695. Swans responded well to a fresh enquiry with a rise of Rs. 16 to Rs. 394. Central Indias were quiet at Rs. 144, as against Rs. 145-8. Dawns found sellers to go down by Rs. 3-4 to Rs. 56-4 and Phoenix by Re. 1-4 to Rs. 121-4. New Greats were a shade lower at Rs. 150-8. Sassoon Cottons met with some demand and, therefore, strengthened by Rs. 3 to Rs. 23-12. Sassoon Silks were, however, weak at Rs. 21-8, as against Rs. 23-2.

Bank shares were in the background with small recessions in some of the counters. Barodas were lower by As. 8, at Rs. 116. Centrals were a shade better at Rs. 63-8, while their New shares were maintained at Rs. 66-12. Imperials Fully Paids finished Rs. 2-8 lower at Rs. 1,735, but the Contributories were better by as much at Rs. 423-12. Indias showed no variation at Rs. 155, while United Commercials disclosed a loss of As. 8 at Rs. 34. Hindustan Commercials were marked down from Rs. 10-8 to Rs. 8-12.

The insurance section was noted for a small turnover and restricted movements. Orientals, however, provided a notable exception with a smart rise of Rs. 220 to Rs. 5,710. New Indias were quiet at Rs. 40-4. Vulcans dropped a fraction to Rs. 11-2. Jupiters were maintained at Rs. 7-4, as also Empires at Rs. 403-12.

In the public utility section, a revival of investment demand for Ahmedabad Electrics lifted the old shares from Rs. 112-3 to Rs. 113-2 and the new ones from Rs. 109-1 to Rs. 110-10. Andhra Valleys advanced from Rs. 1,372-12 to Rs. 1,392-8, Bombay Suburbans hardened from Rs. 121-4 to Rs. 121-14, and Surats from Rs. 117-8 to Rs. 118-2. Tata Hydros, however, shaded off from Rs. 147 to Rs. 146. Tata Powers were marked down from Rs. 1,487-8 to Rs. 1,482-8.

Dull conditions characterised trading in miscellaneous shares. But Associated Cements displayed slightly hardening tendency with a rise from Rs. 175-12 to Rs. 176-8, before being listed *ex*-dividend to-day at Rs. 167. Belapurs advanced from Rs. 215 to Rs. 217 before receding to Rs. 215-8 at the close. Bombay Burmahs Old put on Rs. 3-12 to Rs. 363-12, but the New shares were stagnant at Rs. 140. National Rayons were strong with a rise of Rs. 3 to Rs. 69, on account of the delay in the announcement of import policy in regard to art silk yarn and short supplies of yarn in the local market. Tata Chemicals were a fraction up at Rs. 8-13¼, but Tata Oils were down by As. 12 at Rs. 32-8. Wimcos were higher by Re. 1-4 at Rs. 215. Ralli's slumped from Rs. 76 to Rs. 67, following the Directors' decision to pass over the dividend for the year ended 31st August, 1952.

In the transport group, Air-Indias, after receding from Rs. 84 to Rs. 82, recovered to Rs. 85. Air-India Internationals rose by Rs. 5 to Rs. 102. Scindias were steady round about Rs. 14-10, India Steamships at Rs. 6-4 and Bombay Steams at Rs. 31-8. Hindustan Motors were taken at Rs. 3-12.

Among the mining and engineering shares, Alcocks were stagnant at Rs. 291-4, but B.B. Petrols were quiet at Re. 1-5. Indian Coppers were steady at Rs. 3-2 and Shivrajpurs at Rs. 33. Premier Constructions lost As. 12 to Rs. 82, but Tata Locomotives had buyers at Rs. 92.

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Calcutta Stock Exchange

CALCUTTA, 28*th January*

Two holidays, one on Friday and the other on Monday, made the week under review a short one. During the remaining working days, buying interest was at a low ebb, and quotations, excepting for selected miscellaneous shares, teas and steels were marked down. There was hardly any activity in yesterday's session, which was short owing to the death of Mr. N. R. Sarkar last Sunday. Note was taken of the reports of Indo-Pakistani correspondence for including jute, cotton and coal in the trade pact between the two countries. If cotton is included, it would mean cheaper imports from Pakistan, since the export price there would have to be revised in view of the mounting stocks in Pakistan and the declining price-trend for cotton in world markets. Less interest is attached to the possibility of inclusion of jute and coal, since India has plenty of the former and Pakistan is getting plenty of Indian coal, despite its non-inclusion in the existing trade agreement. Reports of increased industrial production during the better part of 1952 could not provide any stimulus in view of the existing buyers' markets.

In the textile section, Elgin Mills were again a feature and rose to Rs. 16-8 from Rs. 16, Basantis remaining unchanged at Rs. 3-14. Cawnpores came to business at Rs. 8-5, and Kesorams were sought at Rs. 17-5.

There was a reduction in the volume of transactions in the coal section. Burrakurs were traded at the lower level of Rs. 10-3, while East Indians forged ahead to Rs. 20-14 from Rs. 20-8. South Karanpuras were quiet at Rs. 12-12 as were New Beerbhooms at Rs. 18-8. Equitables were interested at Rs. 39-2 and Bharat Collieries at Rs. 6-1.

Only nominal interest was seen in jute shares, and the depression in the prices of jute goods and the lack of adequate overseas enquiries explain why jutes could not provide the customary leadership to the market. Howrahs hovered around Rs. 22-3, and Ganges were lowered to Rs. 69 from a previous quotation of Rs. 74-8. Kinnisons at Rs. 202 lost three points, and Orients were dull at Rs. 181, as against Rs. 183 previously. Anglo-Indias, at Rs. 214, shed five points, but Fort Glosters were a feature for their steadiness at Rs. 271, representing an improvement of Rs. 2 over the week.

In the engineering section, Indian Irons opened at Rs. 23-1 and improved to Rs. 23-5 over the week-end but yesterday were down at Rs. 23-2. Braithwaites were noted for a further improvement to Rs. 10-11 and Burn & Cos. were interested at Rs. 250. Indian Galvanizing (New) changed hands at Rs. 13-2, while India Machineries came to business at Re. 1-4.

Tea shares maintained their liveliness, but in view of the general dullness only a lower volume of transactions could be put through. The Prime Minister's interest in the foodgrains supply position to tea estates has been noted. The steady demand for tea in the export auctions and the consequent upward trend in prices also contributed to the cheerfulness in shares. Hasimaras were better at the higher rate of Rs. 24-4, and Tezpurs climbed to Rs. 15-4 from Rs. 14-8.

Miscellaneous shares maintained their usual steadiness, and airlines again provided the features. Airways India were bought at Rs. 9 as against Rs. 8-7 a week ago. Indian National Airways maintained the improvement at Rs. 3-8. Indian Wool Products attracted buying at the higher rate of Rs. 49. Assam Saws showing moderate strength at Rs. 6-9. Titaghur Papers were fractionally better at Rs. 34-6. In the mining section, Indian Coppers were put through at Rs. 3-2 and great interest was shown in Burma Mines at Re. 1-6, and Non-ferrous Metals at As. 15.

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Madras Stock Exchange

MADRAS, 27*th January*

Trading on the Madras Stock Exchange was lifeless during the week under review. Textiles came in for selling pressure on reports of accumulation of stocks of yarn with the various mills owing to lack of demand from handloom weavers. In plantings, rubbers and coffees ruled virtually quiet, in the absence of any encouraging factors. Teas, however, met with some selective buying on consistent improvement in the prices of tea at auctions in Calcutta and Cochin both for internal and external consumption. A considerable improvement in London auctions also helped the trend. But the miscellaneous section proved no exception to the generally easy trend of the market. The cumulative effect was an almost all-round decline in prices on balance.

The easiness witnessed last week in textiles gathered further momentum. Radhakrishnas lost Rs. 10 to Rs. 140 for lack of buying support. Pankajas fell by Rs. 6 to Rs. 66. Coimbatore Pioneers changed hands at Rs. 90, as against Rs. 97. Bargains were, however, struck in Buckinghams, which gained As. 8 to Rs. 117-8. Venkateshas were also higher by a similar fraction to close at Rs. 66-8.

Tea shares emerged slightly better on fair export demand for tea. Talyars improved from Rs. 7 to Rs. 8. Kil Kotagiris rallied an anna to Rs. 4-14. Neelamalais was slightly higher at Rs. 3-6. Stanes Amalgamated and Periakaramalais were, however, lower by As. 4 and As. 2 at Rs. 9-2 and Rs. 23-2 respectively.

Among rubbers, Vaikundams and Thirumbadis rallied As. 2 each to Rs. 15 and Rs. 3-5½ respectively. Pullangodes were fractionally better at Rs. 2-5½. With the exception of these, the rest of the scrips in this section were dull. Thus, Cochin Malabars were unchanged at Rs. 6-5, Be Bes at Re. 1-15 and Malankaras at Rs. 91.

Coffee shares remained neglected. Puthuthottams sustained a loss of As. 2 to Rs. 4-12 and Nilgiri Nirgundies an anna to Rs. 3-6. Consolidated Coffees were slightly lower at Rs. 15-7. Coffee Lands were quiet at Rs. 9-5 and Shevroys at Re. 1-4.

Miscellaneous scrips came in to share no better fate. For Rallis fell from Rs. 75-8 to Rs. 69. Andhra Cements 'B' eased by As. 2 to Rs. 3-14. Spencers were enquired As. 2 lower at Rs. 15-8. Mettur Chemicals lost an anna at Rs. 4-8. India Cements were a shade down at Rs. 16-14 and F.A.C.Ts at Rs. 3-11.

Latest Quotations

Bullion	Gold Ready (.999)	Rs.	88-9-0
	Gold Forward	,,	87-12-0
	Silver Ready (.996)	,,	160-1-0
	Silver Forward	,,	159-13-0
Cotton	California St. Mg.	Rs.	1,500-0
	Vijay	,,	780 to 790
	Berar Jarilla	,,	662 to 670
	Bengal *deshi*	,,	390 to 435
Sugar	27.E	Rs.	28- 0-0
Jute	Raw Jute. Assam Bottoms per maund	Rs	22- 8
	Hessians. (40" 10 ozs.) 100 Yds.	Rs	42-14
	Heavy Goods B Twill, (per 100 bags) Ready	Rs.	93-10
Tea	For Internal Consumption—per lb.		
	Medium Dooars Dust	Re.	1-7 to 1-8
	Best Assam C. T. C. Dust	,,	1-14-6
For Export	Clean Black Pekoe	Re.	1-6
	Clean C. B. Pekoe	Re.	0-14½ to 0-15
	Medium Assam Pekoe	Re.	0-15½
	Good Assam Pekoe	Re.	1-14 to 1-15
Produce	Linseed Bold (Cwt.)	Rs	26 14-0
	Groundnuts (Kh.) (Cwt.)	,,	35-4-0
	Castor Seeds (Madras) (Cwt.)	,,	30-8-0

MANAGING AGENCY OF CENTURY MILLS

The Government of India has modified the draft agreement between the Century Spinning and Manufacturing Co., Ltd., Bombay, and Messrs. Birla Brothers Ltd., appointing the latter as the managing agents of the former Company. The draft agreement, it will be recalled, was approved by the shareholders of the Company in November last, subject to the approval of the Central Government. The revised draft agreement, embodying the suggestions made by the Government, will again be placed before the shareholders at an extraordinary general meeting to be held on 7th February, 1953.

In a circular to the shareholders, the Company says that the modifications required to be made by the Government are more in favour of the Company than the provisions contained in the draft agreement approved earlier by the shareholders. For one of the modifications suggested by the Government is the reduction in the tenure of office of the managing agents from 20 years to 10 years. Again, the Government's approval of the terms of remuneration is subject to the condition that the managing agents will not supplement their earnings with buying or selling commissions or otherwise even with the sanction of the Company at its general meeting. The appointment of Messrs. Birla Brothers Ltd. as managing agents of the Company, on the terms of the said revised draft agreement, has also been approved by the Government.

ANDHRA BANK LTD.

The net profit of the Andhra Bank Ltd. for the year ended 31st December, 1952 (subject to audit), after payment of half a month's salary as bonus to staff, amounts to Rs. 3,68,253, as compared with Rs. 5,15,322 in the previous year. The *ad-interim* dividend at 6 per cent. per annum, free of income-tax, paid for the half-year ended 30th June, 1952, absorbed Rs. 75,000, the same as in the previous year. Together with the sum of Rs. 3,977 (as against Rs. 25,982) brought in from the previous year, the amount available for final appropriation is Rs. 2,97,231, as compared with Rs. 4,66,305 in the previous year.

NEWS IN BRIEF

THE Travancore State coins will be demonetised with effect from 1st April, 1953.

The hydro-electric power station of the Koyna Project is expected to be an underground one.

The Government of India has withdrawn the exemption from excise duty granted to tea waste in November last. The exemption is stated to have encouraged production and export of inferior tea.

The P.E.P.S.U. Utilisation of Lands Act and the P.E.P.S.U. Reclamation of Lands Act, which were passed during the last session of the State Legislature, came into force on 21st January, 1953.

The rice crop in the recent *kharif* season in Uttar Pradesh is estimated to yield about 300,000 tons, that is 20 per cent. more than last year's yield, though the area under paddy cultivation is lower by about 9 per cent.

A research scheme for better utilisation of the by-products of arecanut has been undertaken by the Gauhati University. The scheme is sponsored by the Indian Central Arecanut Committee and is estimated to cost Rs. 15,000.

The Government of India is reported to have agreed to advance a loan of Rs. 2 crores to the Madhya Pradesh State for minor irrigation works. The demand made by the State Government for this purpose was Rs. 3.38 crores.

The Seventh Annual General Meeting of the Indian Confectionery Manufacturers' Association Calcutta, will be held in New Delhi on 14th February, 1953. Mr. D. Allerton, President of the Association, will preside over the meeting.

The Government of India is expected to constitute two State-owned aviation corporations instead of one as was orginally proposed, to administer, organise and develop separately Indian international and internal air services.

The twenty-sixth annual meeting of the Federation of Indian Chambers of Commerce and Industry will be held in New Delhi, on 7th and 8th March, 1953. Mr. Jawaharlal Nehru, Prime Minister, will deliver the inaugural address.

A team of French experts, representing the French firm with which the Government of India has signed an agreement for technical assistance in setting up a wireless products factory, has arrived in New Delhi for preliminary talks with the Defence Ministry.

The Kanpur Electricity Supply Administration, U.P.'s largest nationalised undertaking, has commissioned its thirteenth boiler. The boiler, costing Rs. 32.27 lakhs, is expected to generate 15,000 kilowatts of electricity which will go a long way towards meeting the increasing demand of the city.

The West Bengal Government has appointed a nine-man Committee to investigate the possibility of revising the minimum wages of tea garden labour in Terai and Dooars districts. The Committee will also examine whether the present food concessions given by the managements should be continued.

The West Bengal Government has decided to set up a statutory Corporation for the management and running of the State Transport Services in Calcutta and its suburbs. The service, limited only to the running of buses, has been showing considerable loss to the Government since its introduction about three years ago.

The Twentieth Annual General Meeting of the Indian Sugar Mills' Association, Calcutta, will be held in New Delhi on 13th February, 1953. Mr. R. P. Nevatia, M.P., President of the Association, will preside over the meeting which will be inaugurated by Mr. Rafi Ahmed Kidwai, Minister for Food and Agriculture, Government of India.

A Bill, known as the West Bengal Jute Goods (Amendment) Bill, 1953, seeking to ban *fatka* markets in jute goods with a view to checking speculation and fluctuation in prices, will be introduced in the State Legislature during the ensuing session in order to replace the Ordinance issued towards the close of last year.

The possibility of underdeveloped countries not receiving assistance from the F.A.O. on the same scale as before was indicated by Sir Herbert Broadley, Deputy Director-General of F.A.O., in Lucknow last week. Countries and States already included in the F.A.O.'s programme, however, would not be affected by the proposed cut.

A new kind of mineral, very rich in the radio-active elements, thorium and uranium, has been discovered in India. The mineral contains 31 per cent. thorium oxide and 4 per cent. uranium oxide. The mineral is named Cheralite, after Chera, the ancient name for the State of Travancore, where it was found. The deposit of the mineral is, however, much too small to be of any commercial importance.

In a communication to the Union Ministry of Commerce and Industry, the All-India Starch Manufacturers' Association, Bombay, states that any import of sago and foreign starches at this juncture will toll the death-knell of the national industry manufacturing maize starch. The temporary shortage of maize starch in Bombay, it adds, is due entirely to the railway booking difficulties and the short-sighted purchase policy followed by some textile mills.

The Government of India has decided to grant to established importers of unset and uncut diamonds licences for the import of these goods from the soft currency area on the basis of a quota of 20 per cent. of the best year's imports of diamonds, unset and uncut, during the basic period 1945-46 to 1951-52. This is subject to the condition that each licensee enters into a bond to export processed diamonds, after cutting and polishing, of the value equal to the imports, within the following half-year.

The total value of minerals produced in the Indian Union during the year 1948 was over Rs. 70 crores and that of metals manufactured was of the order of Rs. 40 crores, as compared with Rs. 21.5 crores and Rs. 18.2 crores, respectively in 1939. The corresponding figures for 1947 were Rs. 64 crores and Rs. 31 crores. These figures are contained in the *Mineral Production of the Indian Union during* 1948, just published by the Geological Survey of India.

The Government of India has asked the Madras Government to ascertain from pepper merchants whether they are willing to set up fumigation plants. Otherwise, the Government will set up such plants and recover the cost from exporters by a compulsory levy. The cost of a fumigation plant is estimated at Rs. 20,000 to Rs. 30,000. This move on the part of the Central Government has been prompted by complaints from U.S. importers that certain Indian pepper consignments contained live or dead insects.

A seven-man official trade delegation from Indonesia is now holding trade talks with the representatives of the Government of India. The Indonesian delegation is headed by Dr. R. A. Asmaun, head of the Directorate of Foreign Economic Relations of the Indonesian Government. Mr. H. V. R. Iengar, Secretary, Commerce and Industry Ministry, is the head of the Indian delegation which includes representatives of the Ministers of External Affairs, Finance, Defence, Transport, Production, Works, Housing and Supply and Railways and the Planning Commission. The previous trade agreement with Indonesia expired in June, 1951.

* * * *

From Abroad

A 10-day trade promotion conference, sponsored by the E.C.A.F.E., will open at Manila on 23rd February, 1953. The Conference will mainly discuss means of increasing trade among Asian nations and between Asia and the rest of the world.

Purchases of new life insurance by Americans reached a new yearly record of $33 billion in 1952. This represented an increase of 12 per cent. over 1951. Benefits paid by life insurance companies to policyholders and beneficiaries also set a new record of more than $5 billion. About 88 million policyholders had a record $275 billion of life insurance in force at the end of 1952.

The Standing Finance Committee of the Pakistan Constituent Assembly (Legislature) has approved a scheme for the development of Chittagong port, to provide water supply, drains and market places in the port area. Other schemes approved by it include the establishment of a food processing industry and the formation of an electrical division for East Pakistan at Dacca.

The French India Representative Assembly has asked the local administration to approach the French Government at Paris for financial aid to the extent of Fr. 500 million per annum to tide over the economic crisis in French India. The commerce and industry of the French settlement are stated to have been completely paralysed and the agricultural population impoverished due to failure of the monsoon.

The Turkish Government has signed a contract with an American firm for the construction of a refinery at Ramadagh (Turkey). The new refinery will be constructed within two years at a cost of about $7 million. It will have a refining capacity of 6,250 barrels of crude oil daily, from which will be obtained paraffin, petrol, jet fuel gas, oil bitumine and fuel oil for local consumption.

Long-term credits granted by Sweden to foreign countries showed an increase of Kr. 51.6 million to Kr. 1,325.1 million (£91.3 million) in 1952. Of the total credits, the Soviet Union accounted for Kr. 555.1 million under the 1946 credit agreement, Finland for Kr. 455.1 million, Denmark for Kr. 144.4 million and Norway for Kr. 125 million. Smaller credits were granted to Poland and France. The Netherlands and Ethiopia fully repaid their post-war loans through their 1952 amortisation payments.

The restrictions on alcohol consumption at present in force in Sweden are to be revised and relaxed, following the recommendations of the Committee set up in 1944 to investigate Swedish drinking habits. The prevailing rationing system has failed to prevent the spread of the drinking habit, especially to young people, according to the Committee. It has recommended a large-scale "re-armament" of temperance and social welfare organisations in order to tackle the problem of abuse.

The Department of Commerce, U.S., announced last week its steel, copper and aluminium export quotas for the second quarter of 1953. The second quarter quota for carbon steel (exclusive of tin-plate) is 757,000 short tons; for alloy steel (excluding stainless) 20,850 short tons; for stainless steel 1,754,000 lbs., for copper and copper base alloy products 11,785,000 lbs. and for aluminium 8,750,000 lbs.

PERSONAL

MR. Chinubhai Kilachand, of Messrs. Kilachand Devchand & Co., has been elected Vice-President of the Cotton Buyers' Association, Bombay.

Mr. M. G. Kapadia, Managing Director, Merchants' Steam Navigation Co. has been elected President of the National Steamship Owners' Association.

Mr. Jwalaprasad Tiwari has been re-elected President and Mr. Haryantlal Narandas Sonavala Vice-President of the Bombay Bullion Association for the current year.

Mr. Richard Lyman, Director of the Asian Field Office of the I.L.O. at Bangalore, returned from Geneva after attending the meeting of the I.L.O. Field Directors held there recently.

Mr. Jain Narain Vyas, Chief Minister of Rajasthan, has taken over the portfolio of Finance, which was until recently held by the State's Education Minister, Mr. Nathu Ram Mirdha.

Mr. D. N. Shroff and Mr. Murarji J. Vaidya have been elected President (*vice* the late Mr. Ramdeo A. Podar) and Vice-President, respectively, of the Silk and Art Silk Mills' Association, Bombay.

Dr. Horace Thornton, Consultant in Food Hygiene to the W.H.O. and the F.A.O., has arrived in India to advise the Government of India on the introduction of modern and scientific approach to the inspection of foods of animal origin, slaughter house construction and food market practices.

Mr. G. S. Bajpai, Governor of Bombay, will leave for Geneva to-morrow to lead the Indian delegation at the Kashmir demilitarisation talks to be held there. Mr. Mangaldas Pakwasa, former Governor of Madhya Pradesh, will act as Governor of Bombay.

Mr. C. P. N. Singh, a former Vice-Chancellor of the Patna University and India's Ambassador at Kathmandu until recently, has been appointed Governor of the Punjab(I). It is understood that Mr. Singh will serve only for a short period and not the full term of five years.

Mr. S. K. Sen, Chairman of Sen-Raleigh Industries Limited, left for Bandoeng (Indonesia) to represent the Commission of Asian and Far Eastern Affairs of the International Chamber of Commerce at the Ninth Conference of the E.C.A.F.E. commencing there on 6th February, 1953.

Mr. J. C. Jain, General Manager, Messrs. Bennett Coleman & Co., Ltd., and Mr. S. N. Guha-Ray of Calcutta, have been elected President and Vice-President, respectively, of the All-India Federation of Master Printers. Mr. Parmanand Sugnomal Mehra and Mr. K. C. Raman have been elected General Secretaries.

Dr. V. Subramanyam, Director, Central Food Technical Research Institute, Mysore, left for the U.K. last week to study the availability of suitable machines for processing Indian materials, tapioca, and peanut cake flour for the production of synthetic rice. Dr. Subramanyam is also to visit the several synthetic rice manufacturing units on the Continent, particularly in Switzerland and Italy.

Messrs. Neville N. Wadia (Chairman), Vithal N. Chandavarkar, (Dy. Chairman), T. V. Baddeley, Dharamsey Mulraj Khatau, Krishnaraj M. D. Thackersey, J. C. Burns, G. D. Somani, L. F. H. Goodwin, Ramnath A. Podar, R. S. Khaitan, Radhakrishna Ramnarain Ruia, M. L. Tapuriah, S. P. Jain, E. D. Sheppard, Pratap Bhogilal, R. W. Bullock, F. Edwards, Arvind N. Mafatlal, Naval H. Tata, and B. L. Bubna have been elected to serve on the Committee of the Millowners' Association, Bombay, for the year 1953.

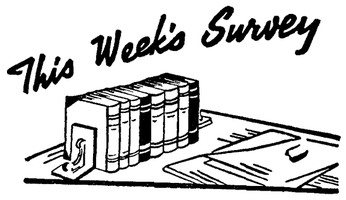
"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 28*th January*

Trade Prospects for 1928

Although the Indian Trade Commissioner's report for the past financial year, issued early this month, caused considerable anxieties as to the loss sustained by Great Britain in her trade in India, optimism prevails with regard to British trade prospects in general for 1928, the encouraging features being increase in exports, decrease in unemployment, and atmosphere of greater trust and friendliness between employers and the employed. Reports available for guidance indicate that, following the disastrous period in 1926, when prolonged industrial troubles caused a severe setback to the trade of the country and the few months of stagnation which were experienced last year, after the accumulation of old orders had been worked off, signs of improvement became apparent about last August. We must also take into consideration the fact that the volume of exports of British produce and manufactures in the year 1913 marked the culmination of one of the greatest periods of trade expansion in the economic history of the country. Yet the volume for the first nine months of 1927 was 77.4 per cent. of that period in 1913. The falling-off in volume needs also to be qualified by the consideration that any given quantity of textile goods now exchanges far more of other goods than before the war; cotton, wool, silk and flax having all advanced notably in price, as compared with raw materials in general. Thus, while there has been a marked improvement in secondary industries, the depression continues in some principal branches of the nation's industrial activity, notably in the cotton trade.



PRINTING INDUSTRY

MR. J. C. Jain, President of the All-India Printers' Conference, which held its first session in Bombay last week, was certainly not exaggerating the importance of the printing industry when he said that the "invention of printing, like the art of lighting a fire, is one of those basic achievements of the human mind on which the whole edifice of modern civilisation and culture really rests." In India, the printing industry owes its development to the pioneering efforts of Missionary institutions. Even so, the size, though impressive in absolute terms, is small when measured against the needs of the country's large population. There are now about 100,000 printing presses. By any test, India's literacy standards are dismally low. And when these standards improve, more presses will be needed to cope with the demand for almost every conceivable variety of printed word in this multi-lingual country. The printing industry has no mere academic interest in the spread of literacy; its future and its fortunes are vitally linked with the literacy standards of the country.

The deliberations of the First Printers' Conference show that the industry is becoming alive to its social responsibility. At this Conference was formed the All-India Master Printers' Federation, with Mr. J. C. Jain as President. The Federation will, it is to be hoped, give a real lead to the industry, unify the industry under its banner and promote its welfare. That it has a very difficult task ahead will be clear from the topics covered by the Conference. Technical training, imports of machinery and equipment, manufacture of printing machinery and allocation of Government's printing orders were some of the subjects which figured prominently in the resolutions passed at the Conference. Thus, the Conference pleaded for "adequately equipped" printing schools and technological institutions, for a central research association on the lines of the Printing and Allied Trades Research Association of the U.S. and for a well regulated system of apprenticeships in printing. It called upon the Government to permit the importation of sufficient quantities of printing materials such as paper, bonds, inks and machinery, though it recognised the need for adequate protection to manufacturers of these products in India. It suggested that the Government should render "substantial assistance, through the Industrial Finance Corporation or otherwise, for the rehabilitation and modernisation of the machinery and equipment and for the expansion of the industry."

An important resolution dealt with the question of the manufacture of printing machinery. It urged the Government "to establish or encourage the establishment of industries for the manufacture of printing machines and such other equipment and material needed by the industry in India," and also to incorporate a special schedule in the import regulations so as to bring all printing machinery and spare parts under one heading. The Conference made two other important suggestions for the expansion of the volume of business handled by the printing industry. In the first place, it suggested that the foreign firms working in India should not be allowed to import books, price lists, cartons, labels, calendars and other promotion literature. Secondly, it asked the Central and State Governments and other public bodies to distribute, in consultation with the Federation, their printing orders on a "rational" basis.

As the development of the printing industry along scientific lines is vital to the country's progress, it is to be hoped that the many constructive suggestions made by the Conference will receive the attention of the Central and State Governments. The industry, on its part, will do well to modernise its equipment, to strike out new and bold lines of improvement in all branches of this ancient craft so that Indian "print" may gain both in freshness and individuality.

CEMENT INDUSTRY

Mr. Dharamsey M. Khatau has again emphasised the difficulties of industrial expansion and rehabilitation of equipment in the face of the high cost of replacement of machinery and the heavy incidence of taxation. This time, he has done so in his capacity as Chairman of the Associated Cement Companies Ltd. Speaking at the annual meeting of the Company, held in Bombay last week, Mr. Khatau deplored that depreciation for taxation purposes was related to the originally installed costs of machinery rather than to "present-day replacement costs," and that in spite of the "transparent necessity to correct this state of affairs," nothing had yet been done by the Government. Mr. Khatau had special reasons to feel sore over the continued neglect of this problem by the Government. He has pleaded before—and pleaded in vain—for liberal relief in taxation which alone will facilitate the transfer of funds for replacement purposes. Also, the A.C.C. has a special extension programme which it finds it cannot carry out without setting apart an unduly large portion of its profit for purposes of replacement. During the past year, the Company had spent Rs. 1.49 crores as an "initial start to this programme," under which its production is to be raised to 31.3 lakh tons by 1960-61, an increase of 9.35 lakh tons and 6.78 lakh tons over the production in 1950-51 and 1951-52, respectively. This year, the Company has set apart Rs. 50 lakhs as plant reinstatement reserve.

Whether the A.C.C.—or, for that matter, other cement producing units—is able to complete its modernisation programme with relatively less sacrifice by the shareholders will depend on at least two factors. In the first place, much will depend on the question of cement prices. Secondly, there is the wider question of tax relief to enable the units to plough back their profits into capital equipment. The more immediate issue is, of course, cement prices. With a promptness which it seldom shows on other occasions, the Government revised, with effect from 1st December, 1952, the price chargeable to consumers of packing materials; this step was taken, following the downward trend in the jute market. The A.C.C. Chairman pointed out that this measure had resulted in a substantial loss to the Company on the large stocks of bags held by it. Apart from this loss, the Company has had to face a rise in other elements of costs of cement production. The upward revision of the basic wages and dearness allowance has cost the Company Rs. 19 lakhs. Prices of raw materials have gone up. Fuel oil has gone up during the last few years by over 100 per cent. The burden of the 45 per cent. increase in coal freight on the Company is estimated at Rs. 38 lakhs. Surely, these shifts in costs deserve to be taken into account in the case of a controlled industry, to which class the cement industry belongs. It is to be hoped that the Tariff Commission, to which the question of cement prices has been referred by the Government, will examine the question from the point of view of both the rise in manufacturing costs and the need for enabling the industry to retain sufficient funds for purposes of rehabilitation and expansion.

CONCRETE ASSOCIATION

The forethought with which the Concrete Association of India was established in 1927, as a technical service organisation of the A.C.C., has been paying good dividends. If Portland cement has established itself as the principal construction material in India, it is due as much to the quality of the Indian cement as to the Concrete Association's sustained publicity campaign on behalf of Indian cement. The popularity of the Indian cement is also due to the co-operation of the engineering profession in India in utilising Indian-made cement and thereby helping to fight the prejudice against Indian manufacture. Appropriately enough, the Silver Jubilee Celebrations of this organisation were held simultaneously with the annual general meeting of the Institution of Indian Engineers.

The Concrete Association of India has been rendering valuable service to the cement industry through its free technical advice to consumers. The Association has carried on considerable work in development of new techniques, improved designs and construction methods and thereby opened new fields of application for concrete. It is gratifying to note that the Association's activities have been expanded by the formation of a Research and Development Department. A development which shows great promise for the future of concrete construction is the use of prestressed concrete in construction. The Association, therefore, initiated last week a Pre-stressed Concrete Development Group. The Association is also conducting experiments in shock concrete—a process of manufacturing exceptionally strong precast concrete components of houses and buildings.

A notable activity of the Association is its work in connection with village improvement schemes. It will be recalled that, in 1945, it carried out the pilot survey for the Indian Roads and Transport Development Association and demonstrated how the opening up of roads could bring prosperity to the country. The survey showed that the return to the community would be 277 per cent. of the cost of developing new roads in the rural areas. The Association has contributed towards the establishment of engineering standards and codes, too, in co-operation with the Indian Standards Institution, the Institution of Engineers and other bodies. With a number of multi-purpose projects and other constructional works already under way and with more of these awaiting execution, cement has an important role to play in India's Five-year Plan. The Association has, therefore, plenty of scope for useful work.

RE-ROLLING INDUSTRY

The problems relating to steel re-rolling industry figured prominently at the annual meeting of the Steel Re-rolling Mills Association of India, held on Tuesday last at New Delhi. Inaugurating the meeting, Mr. D. P. Karmarkar, Minister for Commerce, Indian Union, urged that greater attention should be paid to self-sufficiency in the supply of billets; this implies the acceptance of the need for the establishment of open hearth furnaces and the collection of suitable scrap to feed them.

The re-rolling mill industry in India is yet in the infant stage. Although the registered section of the industry was able to establish during 1951 a production level of about 110,000 tons of bars and rods, which was a very significant advance over that in 1947, it represented only a small part of India's requirements. The production of the main producers of billets is just sufficient to feed their own rolling mills. It is high time, therefore, that self-sufficiency in the supply of billets is achieved without undue dependence on main producers. Mr. Karmarkar advised the re-rollers collectively to set up their own open hearths or electric furnaces at suitable locations for producing their own billets and assured them all possible aid by the Government. This will facilitate the utilisation of regional "arisings" of suitable melting scrap, against the exports of which both the Association and other interests have been protesting. The experiences of Japan in this regard might be studied with advantage. The Japanese industry is in a position to satisfy domestic requirements of different sizes of reinforcing bars and rods. This position, which has been achieved by setting up small open hearths for producing raw material from scrap, has placed the industry at an advantage over the large integrated steel plants.

The re-rolling industry has a bright future before it, provided it is based on sound foundations. As is common knowledge, the major portion of the development envisaged in the Five-year Plan pertains to the field of agriculture and this is bound to give, in due course, great fillip to the production of various types of agricultural implements all over the country. Thus, the Plan provides the re-rolling industry an opportunity to expand its capacity, provided it is equipped with its own raw material producing capacity. Clearly, it would be a waste of railway carrying capacity in the country, if the demand for steel sections from the many small manufacturers of agricultural implements, who are established in several small centres, has to be met by the main producers; this will involve long railway haulage. The industry has a significant advantage over the main producers in its capacity to adapt its production schedules to meet small demands for unusual sections and shapes which the main producers cannot hope to satisfy as economically as the small re-rolling units can do.

U. S. AID TO INDIA

The inaugural address of President Eisenhower is of some special significance to India, inasmuch as he assured, in the course of that address, that the new Republican Administration would carry on the Point Four Programme. He promised to follow policies which would encourage the productivity and profitable trade of the Free World. And, according to officials of the U.S. Technical Co-operative Administration, the general pattern of this address is favourable to technical co-operation with friendly countries; in fact, Mr. Eisenhower's views on this subject are expected to strengthen the case for technical aid appropriation in the Congress.

The U.S. technical co-operation with India is of considerable importance, in view of the fact that it represents an effective aid to this country's economy. Again, this measure will, as has been pertinently remarked by the officials referred to above, demonstrate to all the free Asian countries "the possibilities of building a society based on democratic institutions and an expanding productive economy." This remark must be viewed against the background of the enormous population which will benefit through the aid programme; the population of India alone represents almost a third of the total population of the underdeveloped areas of the world which the U.S. Technical Aid Programme is designed to assist. It is no wonder, therefore, that India should have been regarded as the keystone in the U.S. efforts to help democracy in Asia. A striking testimony to this is borne out by the notable progress of the Point Four Programme in India during the last three years. Initiated on a modest scale in the fiscal year ended June, 1950, with an allocation of a bare $600,000 (Rs. 28.50 lakhs), the Programme has expanded during the subsequent two years, with allocations amounting to $53 million (Rs. 25.01 crores) and $45 million (Rs. 20.26 crores), respectively. The Government of India has supplemented the U.S. aid by rupee equivalents.

The Programme lays primary emphasis on the "balanced development" of villages, with priority given to improving agricultural efficiency. This is only as it should be, in view of the extreme backwardness of the rural areas, especially in the agricultural sphere. Thus, in October, 1952, the Government of India and the Point Four Administration launched 55 projects, covering about 16,500 villages with a total population of about 11 million. The projects amply provide for teaching and demonstration in agriculture, health, education and village industries. Under the Point Four Programme, the U.S. Government is helping India to augment output of fertilisers as a means of raising food production, particularly in the village development areas. It is drilling 2,000 deep wells, with a view to improving water-supply, and providing steel to village workshops for the production of small farm implements, besides giving technical advice for improved designs and workers' efficiency. It is also assisting in the development of the fishing industry.

The economic aid so far received by India from the U.S. Government has no doubt served to supplement India's efforts to implement the Five-year Plan. But, considering the enormous resources required, the extent of U.S. aid, it must be admitted, has not been considerable.

MR. N. R. SARKER

In the death of Mr. Nalini Ranjan Sarker on Sunday the 25th inst. at Calcutta, the country has lost a great business man and an able statesman. It is not often that the business community in this country produces a person of Mr. Sarker's versatile abilities; he was an economic thinker, a bold administrator, a tried political leader and a sound business organiser. Although Mr. Sarker owed his early reputation to his position as the President of the Hindustan Co-operative Insurance Society, Calcutta, to the great progress of which he had so largely contributed, his many-sided personality was not to be contained within the confines of an insurance office. Whether as Mayor of Calcutta (1934), or as the first Finance Minister of undivided Bengal under Provincial Autonomy (1937), or as Member of the Viceroy's Executive Council in charge of Commerce, Industry and Food, or as Finance Minister of the present Bengal Government, Mr. Sarker always displayed administrative abilities of a very high order. Even after he retired from public life mainly owing to ill-health, he did not remain idle, but continued to bestow thought on the problems facing the country, although his health was by no means good enough for undertaking such tasks. Readers of *Commerce* will recall the article on "The Pattern of India's Tax Structure"—a most painstaking, comprehensive and intelligent survey of India's fiscal problems—which he wrote for the last *Annual Number* of this journal. It was not the last of his contributions to any paper or journal. Shortly after that, he wrote a very well-balanced article on the financing of the Five-year Plan for the *Statesman* and followed it up by another on "Deficit Financing" for the same paper. He wrote these articles in spite of his delicate health, which few would have cared to do. And the articles were none the worse for it. They are the latest instances to show that he was a person of remarkable sobriety of judgment.

OFF THE RECORD

(By "ROVER")

THAT the Indian automobile industry, or whatever there is of it, is passing through a critical stage has become patent, with the reference of the question of protection and assistance to it by the Government of India to the Tariff Commission. This inquiry has been on a fairly comprehensive scale and it is likely to be concluded this week, if it did not do so by the end of last week. The question, so far as I could gather from the various aspects dealt with during that portion of it which was open to the public, is being examined with the customary thoroughness and open-mindedness characteristic of all such tasks undertaken by this important body in the past. Both the Commission's review of the industry and its recommendations in the case of this basic and key industry are naturally being eagerly awaited by the business community, in general, and the large number of investors who have courageously put in their money in it, in particular.

But apart from those immediately concerned professionally, technically or economically, interest in the proper establishment and functioning of this industry should not be confined only to those who are actively associated with it. Never having had any say in the matter for hundreds of years, it is too early to expect the ordinary citizen in the country to be defence-conscious or to be interested in and informed about the basic aspects of the country's defence organisation. At the same time, the impenetrable barriers that used to stand between the public and the armed forces of the country have not only gone, but the people are getting enthusiastic about our *jawans*. For this transformation from the dread and distrust of, to pride in, the national army, the army itself and more than anyone else, individually, General Cariappa, the first Indian Commander-in-Chief of the Indian Army, who retired recently, deserve all the credit. But this is not enough. As citizens of the Republic, it is necessary that we should be more enlightened and better informed about the needs of the defence forces. There is a woeful ignorance about these matters not only amongst the people, but even State Governments and Central legislators are indifferent to them.

Even industry has its responsibility to discharge in the matter of suitably equipping the armed forces, with the thousand things they need, apart from arms and ammunition. One of the most important items of this equipment, and one, on which the efficiency and usefulness of the army at a time of crisis depend, is the motor vehicle for the quick transport of men and materials. An army which has to depend for the supply of its transport vehicles and motor spirit on other countries is as good as immobile, whenever the world is engaged in a major conflict. In any such crisis, the number of peace-time vehicles with the forces are not enough. As many as possible have to be requisitioned for this purpose from those used for civil needs. In the final analysis, therefore, after all other relevant facts and aspects have been considered, it is imperative that the nature, the type, the size and the pattern of passenger and goods vehicles generally to be adopted, encouraged and used in the country should be such as could be dovetailed into the requirements of the Army, Navy and the Air Force.

Purely economical and theoretical considerations cannot be allowed to decide these important issues. Just as self-preservation must precede individual saving, economics only begins where defence ends. I have, therefore, always opposed the use of diesel vehicles by the State and municipal road transport services, not only because they are not really economical in the long run, if you consider the total cost of their use to the country and not merely to the user, but because diesel vehicles, as a rule, are of no use for defence purposes. I was, however, not very much surprised when the Tariff Commission allowed so much time and importance to the discussion on this controversy, at the time of the public enquiry last week, because it had, perhaps, to do so under its terms of reference. The controversy should have been set at rest long ago by the Central Executive by taking a firm decision on this question and informing the State Governments and City Corporations, which aspire to undertake these services about it. Even where such services are in private hands, the system of licensing of such vehicles should aim at the early elimination of diesel vehicles from the roads and their replacement by petrol-motived buses and trucks of a size and pattern conforming to the standards prescribed by the Defence Ministry. In all such matters, the last word must always be with the Defence authorities and the utilitarian considerations of cost and convenience must give way to those of emergency.

Similarly, for a country like ours, standing only at the threshold of industrial development, the variety of size, pattern and quality of cars and other road vehicles is bewildering and wasteful. These should have been standardised and restricted to a very narrow circle a long time ago. The longer we allow the imports or assembly of varying patterns and makes of vehicles in the country, the longer and more difficult it would be for us to create and promote a truly national automobile industry. Technically and economically, there is really little to choose between the various makes and patterns of these imported and assembled vehicles, just as there is little to choose between fifty brands of washing and toilet soaps within a given price pattern. It is more a matter of indulging in individual fancy or social fashions, the same as we do in the matter of dress.

Even industrially advanced countries like the U.K., Germany, Japan, do not allow this perpetual fashion parade of vehicles on its national highways. It is symptomatic of our chaotic and unregulated economic thinking to make this restriction in the choice of transport vehicles an issue either of individual civic liberty or of our catholicity of tastes and an open door-for-all hospitality to foreign manufacturers of motor vehicles. It is all very well to give free play to our fancy for the cut and colour and style with regard to coat, bush shirt or bodice. Such pageantry in apparel may be classed as harmless, though it does not make for the growth of national sentiment and unity. But, in the field of road transport, this licence, which has led to the appearance on our roads of a few units of every make and shape of motor cars and buses and trucks ever made in any country on earth, has hampered the growth of an important key industry and will go on doing so, till the time we wake up to the need for strict standardisation and austerity.

If we seriously mean to build up an automobile industry, which we must purely out of consideration for the defence requirements of the country, the first step which we have to take out of the present chaos is to restrict henceforth the licensing of motor vehicles for any purpose to a few set makes and types. With regard to motor cars, this should prove very easy. I cannot see why just three types should not do for us; a small run-about for professionals in the towns and cities, a medium-sized family car and an expensive and roomy one for our Ministers, millowners and millionaires in general, whose class-consciousness makes them stand aloof from us commoners. Imagine how it would simplify the manufacture and distribution of motor cars and vehicle parts in the country and reduce the capital required to be invested in the industry. It would also tend to make them cheaper for the users, which is no small consideration in this age of suave, scholarly but highly acquisitive and predatory Finance Ministers, who lie awake every night thinking of the ways and means of extracting all the loose change left with us, citizens, after they have helped themselves to the bulk of our meagre earnings. The field for choice might have to be a little more extensive in the matter of commercial vehicles with regard to size and power, but, even here, there is ample scope for pruning of needless variety.

And now I come to the nature of protection and assistance necessary for the rapid growth of the automobile industry in the country. If we take all the frills and frivolities off, if we concentrate on the purely utilitarian aspects of the question and forget, for the time being all the theoretical niceties of abstract justice and international susceptibilities, our path is straight and clear in this direction as well. Our past experience has taught us that tariff barriers in the form of high duties on imports of cars or parts for the assembly plants here have not been of much avail even for the slow and gradual building up of this industry. The latitude shown about this in the past four years has only complicated the situation further and resulted in draining away the resources of the couple of concerns concentrating on the manufacturing of parts.

We have been unduly tender to importers in the past; we have given them enough time and more to progress along the line of manufacturing important parts. Henceforth, work of assembling imported parts must only be allowed to those plants which have genuinely striven to increase their manufacturing activity and which put forth a guaranteed plan for making not a 60 per cent. Indian-made motor car or commercial vehicle but a cent per cent one, within a stipulated period. The rest must close down or take to specialising in the manufacture of some selected parts of duly standardised vehicles for supply to those licensed to manufacture and assemble. This will give them an honoured, honourable and useful part in the industry as a whole and allow them to keep on functioning, with only a little change in mechanical equipment and to keep their individual identity intact and their staff and workers in employment. We need not be frightened by the bogey of resulting unemployment if they are forced to close down, because the volume of employment both for the technical and trained personnel and for manual workers will actually increase to the extent that the purely assembled vehicles will be replaced by those partly manufactured and only partly assembled from imported parts. What is wanted is a ruthless and unswerving implementation of the policy already evolved and accepted by our Government in this respect at the very outset, undeflected by any sentimental considerations or the combined pressure from vested interests, national as well as non-national. If this is done, there will be ample protection afforded to our already partly established industry which has so far given a good account of itself.

There is no need to pamper it further with subsidies which would only turn out to be so many chimeras and would be easily set at naught by powerful producer corporations abroad, while proving a burden to the already overtaxed citizen. Timely adjustment of subsidies and/or import duties to suit the steps taken by manufacturers of motor cars abroad from time to time to get round these protective measures would not be possible and the infant industry here will be required always to run to the Government to press its case for making these adjustments, instead of paying undivided attention to its appointed task of manufacture. It will not, therefore, be in a position to plan ahead in an assured manner for increased production. On the other hand, an assured and effective output of twenty thousand vehicles a year of a few restricted patterns, together with the number required by the Defence services annually, should give full scope and protection to the two or three units which come forward to push on with its manufacturing side, without any additional bait of increased import duties or substantial subsidies. This policy, to my mind, will protect all—the industry, the consumer and the public exchequer.

BUSINESS BEFORE PARLIAMENT

TRADE NEGOTIATIONS WITH INDONESIA

(From A Special Correspondent)

NEW DELHI, *27th January*

DELHI LETTER

THE Capital has been in a festive mood. The Republic Day celebrations have passed off well, the colourful and pompous pageantry of the innumerable folklore dancing styles representing the diverse types of immemorial Indian culture, being the outstanding feature of the day. The interlude provided by these festivities, and previously by the Congress session at Nanalnagar, Hyderabad State, would appear to have provided the necessary diversion to the Ministers from the routine and prepared them to face the strenuous work in the impending budget session of Parliament.

Parliament is scheduled to begin on 11th February, when the President of the Indian Union will address both the Houses. There will be a separate sitting of the Lower House on that day for the transaction of Government business only for about half an hour after the conclusion of the President's address. In the present context, the President is not expected to traverse much new ground in his forthcoming address to Parliament. Apart from giving a brief resume of the work awaiting the members of Parliament, the President will presumably reiterate what he spoke on the eve of Republic Day. He would probably emphasise that every Indian should take an active part in the "new era of national reconstruction and regeneration" as embodied in the Five-year Plan and work for its success.

The President observed in his broadcast speech on the eve of the Republic Day: "There has been silent but steady progress in the expansion and improvement of our transport, industrial and irrigational systems during 1952. Such inaccessible parts as Cutch have now been connected to the main railway system of our country. Steady improvement continues to be made in the position of locomotives and rolling stock not only by imports from abroad but also by manufacture in the country itself. Similarly, our industrial production has been growing. The production of sugar, cloth, cement and steel has increased and we have succeeded in making larger quantities of these available for the consumption of the people. In the matter of the production of jute and cotton also, we have made a great headway towards self-sufficiency."

Important Bills

For the present, the House of the People is scheduled to sit from 11th February to 8th May next. It is possible that it may be asked to sit for a few days more to complete the official business. Only four days have been allotted to private business. The Commerce and Industry Ministry has seven Bills, out of which six have been pending before the House. The Tea Bill is now in the Select Committee stage while Amendment Bills relating to the Coffee Market Expansion Board, the Rubber (Production and Marketing) Board and the Central Silk Board, the Industries (Development and Regulation) Bill, the Collection of Statistics Bill and *khadi* and other Handloom Industries (Development) Cess Bill are in different stages. The Indian Tariff (Amendment) Bill will come before Parliament in order to obtain the assent of the House for the grant of protection to the ball bearings industry. Other Bills in connection with the Iron and Steel Control, Control of Royalties, the Coir Board and a Bill to amend the Indian Patents and Designs Act, 1911, are in the preparatory stage.

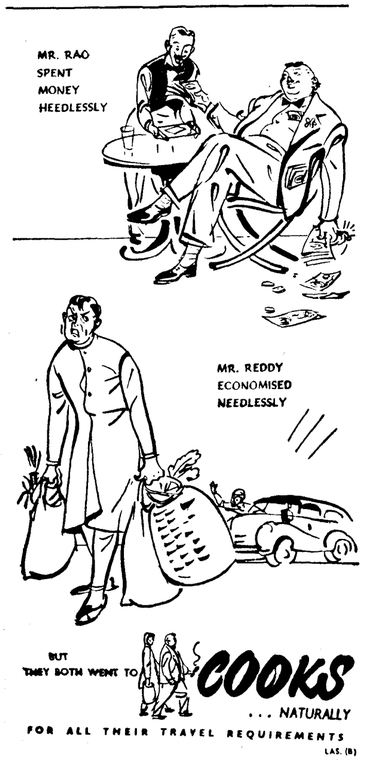
Besides the above, important pending Bills relating to other Ministries are the Estate Duty Bill, the Income-tax (Amendment) Bill, the Food Adulteration Bill, the Rehabilitation Finance Administration (Amendment) Bill, and the Administration of Evacuee Property (Amendment) Bill.

New Steel Plant Still in Discussion Stage

Indications are that there will be a considerable delay in the establishment of the new steel plant in the country. A year ago, the Central Budget provided a token sum of Rs. 1.75 crores for the early implementation of a steel plant with a view to producing more iron ore, in the first instance, to feed the country's steel rolling mills. The last one year has been spent only in discussions with Krupps, Japanese interests, etc., and the final outcome of these talks has been the inability of the Government to agree to their demands in the matter of control, profits, remuneration for technical advice, etc. Now that the negotiations with the Japanese firm have broken off, the Government now seems to be considering whether it will be worthwhile, in the present high prices for plant and machinery, to take up the venture of establishing the new mill at its own cost initially and then to approach the World Bank for adequate help for making the whole scheme a success. For this purpose, the Government has decided to appoint a technical mission to investigate and submit recommendations regarding the size and scope of the proposed plant. The members of the mission, apart from Government personnel, will include, for the present, nominees of Messrs. Koppers of the U.S.A., the World Bank, etc. They will advise the Government on its location, capital cost, cost of production, etc. In these circumstances, it will be many more months before the whole scheme takes a definite shape.

Jute Under Difficulty

The problems of the jute industry continue to draw the attention of the Government of India. Despite the fact that the industry has been working only on the basis of 42 hours per week, stocks of jute goods with the mills have been mounting up. In the sacking section, export demand has not been up to the mark. In the meanwhile, a section of the trade has begun to demand an appreciable reduction in the export duty on jute goods. Perhaps, if the present dull conditions continue to stagnate the industry and trade in the coming weeks, it may be that Government might reconsider the whole question at the time of the presentation of the Central Budget. The industry has also been considering the question of modernisation of its plant and machinery at a cost of Rs. 80 to Rs. 100 crores spread over a period of ten years. Further, the Planning Commission has fixed the target for jute goods at 12 lakh tons, but, in view of the difficulties experienced by the industry during the last few months, even to market its limited output, it is doubtful as to whether the industry will be able to reach the target, especially as it has to face growing competition from the Continental and Pakistani manufacturers.



Problems concerning raw jute have also to be looked into. Despite the fact that the Government of India had taken steps to bring in more area under jute in the 1952-53 season, the result has been a moderate decline in the area for the period under reference. A year ago, prices of raw jute were well above 100 per cent. over the current rates, although they were markedly lower than the peak levels of May and June, 1951. In view of the sharp decline in the present prices of raw jute, it is doubtful whether the jute growing States will be successful in inducing their cultivators to produce more jute without providing some fresh incentives. Now that there has not been any decline in the price of rice, it is unlikely that peasants will take to jute cultivation in preference to the more profitable rice. Further, during the last season, jute growers are stated to have experienced great difficulty in marketing their produce at the opportune moment. In order to suggest ways and means to solve the problems confronting this premier exchange earning industry, the Government of India will be shortly appointing a small expert committee. It may be mentioned here that most of present troubles of this industry have been largely due to the disproportionate rise in the prices of raw jute and jute goods during the hectic days following the Korean War.

Indonesian Trade Delegation

Trade negotiations are now being carried on by the Commerce and Industry Ministry with the Indonesian delegation which arrived in the capital a few days ago. Although India has a close understanding and friendship with Indonesia on the political plane, the economic ties between these two countries are not as close as it should be. Perhaps, they are due to the fact that the economy of both these countries are largely agrarian in character. Again, in the pre-war period, Indonesia had close trade relationship with Japan and Holland which used to supply it with most of its requirements of manufactured goods. During 1951-52, India's imports from Indonesia amounted to Rs. 3.07 crores, as compared with its exports valued at Rs. 4.5 crores. It must, however, be noted here that a part of India's exports to the free port of Singapore finds its way into Indonesia ultimately.

As a result of the present discussions, both countries may be able to enlarge their trade items to their mutual advantage. India is now in a position to supply more cotton piecegoods, in view of the sharp increase in its output, as well as jute sacks, rubber tyres and manufactures, some chemicals, constructional cement, porcelain ware, diesel engines, electric motors, and various other types of machinery. It can import from Indonesia valuable raw materials such as copra and coconut oil, palm oil, raw hides and skins, quinine, tin, petroleum, etc. Instead of trade flowing through the free port of Singapore, it will be advantageous to both the countries if more direct trade relationship is established between the two. The limited success of the previous trade agreement, it needs to be mentioned here, was due primarily to trade contacts and direct lines of communications. It will be in the interest of both countries to find out the reasons for the limited volume of trade between them and to devise remedial measures.

Trade with Egypt

Among other countries that are likely to come to an understanding with India in the sphere of trade, mention may be made of Egypt. In view of the shortage of sterling, that country appears to be interested in the conclusion of a barter deal with the Government of India. An indication of this is already provided by the sudden spurt in the prices of black tea both in Calcutta and Cochin auctions since Egypt used to import this particular type of tea from Ceylon. If reasonable prices are quoted, India can import nearly five lakh bales of long-staple cotton from that country and relieve it of a part of its heavy stocks. India can now supply sugar and many other consumer articles to Egypt at competitive rates. In all these, the ultimate result will be decided by the price factor. Meanwhile, there are reports of resumption of trade talks between India and Pakistan. At present, India's bargaining position is a little better than before, in view of the adequate supply position in cotton and jute, while Pakistan has been carrying heavy stocks of these goods. Unless and until Pakistan abandons its unilateral policy in regard to the levy of a licence fee on the export of raw jute to India and quotes a reasonable price in respect of raw cotton, the chances of a trade agreement between the two countries are remote.

PAKISTAN NOTES

CRISIS IN PAKISTAN TEA INDUSTRY

NEED FOR AVERTING IT STRESSED

THE crisis which the Pakistan tea industry, in common with the industry in other tea-producing countries, is facing to-day was spotlighted by Mr. I. T. Carmichael, Chairman of the Pakistan Tea Association, in the course of his address at the Association's annual meeting held recently in Chittagong. The Pakistan tea industry, Mr. Carmichael, declared, was in the midst of a crisis, the like of which had never been known before; in fact, the very existence of many tea gardens was at stake.

That this statement is not at all exaggerated will be evident from the reported decision of the tea growers in Sylhet (East Bengal), to close down 23 tea estates during the ensuing season (1953-54). The crisis has been brought about, on the one hand, by the precipitous fall in tea prices and, on the other, by the enormous rise in the cost of production, thanks to larger expenditure on labour in the form of wages, dearness allowance, food concessions, medical welfare and the like. The conditions are so critical that they call for drastic remedies. It is precisely this consideration that weighed with the Pakistan Tea Association to recommend to all its members to adopt—with effect from the 1st inst.—measures such as reduction (by As. 2) in the labourers' daily dearness allowance, sale of foodstuffs by gardens at cost price, instead of at concession rates, and 5 per cent. reduction in managerial and clerical staff salaries and of 10 per cent. in agency remuneration.

These economy measures cannot by themselves remedy the ills of the Pakistan tea industry. The real solution, it is stated, lies in either a further reduction in costs or a substantial rise in prices. If, however, prices of tea do not meet, or preferably exceed, the cost of production, what are the tea companies to do? This is the difficult question now posed before the tea industry and the authorities in Pakistan. According to the Pakistan Tea Association Chairman, there are only two alternatives: the companies must either go into liquidation or "further reduce costs to arrive at a figure roughly parallel to that which they receive for their teas." The former course of action is certainly undesirable, inasmuch as it will lead to widespread unemployment. For reduciton in costs, the scope seems somewhat limited. The tea gardens in Pakistan, it is stated, are now undertaking only those works which are absolutely essential for the production of the 1953 crop.

Government Assistance

In the circumstances, one naturally expects the Government to come to the rescue of the tea industry. There are several ways in which such assistance could be given and these were particularly stressed by the Chairman. They include (1) continuance of suspension of export duty on tea beyond 31st March, 1953, (2) relaxation of controls within the border area and the shouldering of responsibility by the Government for the feeding of tea garden labour, (3) supply of rice and salt to the Association on a no-profit-no-loss basis in the event of section 144 remaining in force, (4) abolition of import duty and sales tax on tea chests—these account for a total levy of 43 per cent. on the landed cost of the article, (5) downward revision of the present rates of freight for tea as applicable on the E.B. Railway, and (6) suspension of cess on tea (Re. 1-6 per 100 lbs.).

Referring to these suggestions, East Bengal's Commerce and Industry Minister gave the assurance that if there was no improvement in the outlook for tea, it was quite likely that the export duty might be suspended for a further period. As for the abolition of import duty on tea chests, he said that the Pakistan Tea Board had already recommended it to the Centre and the matter was under the Government's active consideration. While on the suspension of tea cess, the Minister pointed out that the cess was intended for the financing of the Licensing Committee, the establishment of a research station and for purposes of tea propaganda. Besides, the Tea Board, which was carrying on intensive publicity both at home and abroad, was being financed entirely from the cess. The Minister emphasised the need for tea producers effecting further economies, but, at the same time, warned that if reduction in costs were to tell on the efficiency of those employed in production, it would be doubtful wisdom to introduce such measures.

Mr. Carmichael pointed out that the world surplus of tea was small and that it might be eliminated before long. He warned, however, that it should not lead the industry into a sense of complacency, since the elimination of surplus tea did not necessarily mean that the producers were going to get fancy prices for tea. In his considered opinion, the accent now is most definitely on quality, without, if possible, any appreciable loss of crop; with the experience of the last two years, it should be obvious to all tea producers concerned that a clear, well-made tea always fetches a reasonable price.

Training of Village Project Personnel

Eight institutes for the training of village project personnel are to be established in Pakistan shortly. A decision to this effect was taken at an inter-Ministerial meeting held in Karachi recently. Of the proposed institutes, three will be located in East Pakistan, two in the Punjab and one each in Sind, the N.W.F.P., and Baluchistan. An evaluation unit is also proposed to be set up to evaluate the progress of each project area. The first batch of trainees is expected to be ready by the end of this year; these will be sent out to 2,400 villages covered by either project areas.

The meeting also considered further steps for the implementation of the village Agricultural Industrial Development Programme. Discussions centred round the procedure to be adopted for finalising the shape of the Programme and the proposed allocation of expenditure between the Central and Provincial Governments. More details are being worked out and a further meeting of the Central Committee is expected to be held in the second week of next month.

Export Policy Liberalised

With a view to stimulating exports, the Government of Pakistan has further liberalised the export policy. The scope of the open general licence has accordingly been widened to include as many as 56 items, bringing the total number of items on the O.G.L. to 94. These include soap, raw silk, cotton linters, woollen carpets and rugs, leather goods other than footwear, conchshell products, surgical and veterinary instruments, furs and manufactures thereof, sports goods, etc.

Farm Labour Conditions

The Government of Pakistan and the I.L.O. have signed an agreement under which the I.L.O. has agreed to make available to Pakistan the services of an expert who will survey the economic and working conditions of agricultural labour. The expert is no other than Sir Malcolm Darling. Sir Malcolm is not new to Pakistan; he had spent a considerable time in the Punjab and is the author of a number of reports on various agricultural and co-operative problems. The proposed survey, although to be handled separately, is complementary to the survey of industrial workers, which has already been carried out by a team of I.L.O. experts whose report is expected to be ready shortly. The results of these two surveys will fully reflect the labour conditions in Pakistan as a whole and form the basis of the Pakistan Government's labour policies in future.

The Pakistan Government believe, according to an official Press Note, that there is no further scope for the establishment of woollen and worsted mills of any size in Pakistan. The aggregate quantity of raw wool annually available in the country is not more than 30 million lbs. and the quality of indigenous wool is unsuitable for the production of worsted yarn or fabrics.

(Concluded from next column)

tible. Saving is too low and taxation is too high. That also is fact. Unless the State is to take responsibility more and more for production (the capital for which can then be found out of taxation), private saving must be made possible —and it is not made possible under a system which takes 47 per cent. upwards of all company profits and gives unrealistic obsolescence allowances on capital. If the Bank speeches give the political exponents of private enterprise who are now in power, the material for some hard thinking before Budget day, they will not have been in vain as a contribution towards a sounder capitalist economy.—*All Rights Reserved.*

TOWARDS SOUNDER CAPITALIST ECONOMY

BRITISH BANKERS' CONTRIBUTION

(From Our Own Correspondent)

LONDON, *24th January*

LONDON LETTER

THE City limelight this week has been stolen by the Chairmen of the joint-stock banks who have made their annual surveys of the state of the nation. Though they had much to say on the advantages of convertibility—which is generally favoured—and looked anxiously on the slow building-up of the sterling area reserves, with scarcely an exception the substance of their speeches was the Welfare State. Not that it was anywhere mentioned by name, but they were against it and raised aloft the banners of rugged individualism in a "back to 1939" crusade.

All roads led swiftly to this conclusion. There was the National Provincial spokesman who dwelt on convertibility and pointed out that this involved and active export balance which was only possible with lowered prices and increased efficiency. But the latter would only be obtained through higher private investment which was not possible without reduced taxation. At present, taxation was absorbing 40 per cent. of the national income and this had got to be reduced. The logic of this argument is impeccable (on the premises given) and the conclusions inescapable.

The Chairman of Barclays made his approach through the dangers of inflation. While he had welcomed the Chancellor's approach to deflation and approved the strengthening of the 4 per cent. Bank rate, he feared that the continued rise in Bank deposits indicated that economies in other directions were being more than offset by increased Government spending. This imperilled the recent movement towards lowered prices and was particularly dangerous in the face of rising export competition—from Germany which worked hard and from Japan which worked cheaply. Our answer must be increased technical efficiency which required additional investment and investors have to have confidence. The problem was how to give investors sufficient confidence.

Doing Too Much With Resources

The Midland Chairman saw our economy overloaded by our attempts to do too much with our resources. Either production must be increased or consumption reduced—and increased production meant more new capital. Moreover the excessive competition for resources arose from excessive taxation (which permitted the Government to spend more than it ought from the point of view of the private and productive sector of industry) which in turn caused undersaving. The whole world required more investment—that is, more risk capital; but an excess of social security, combined with high taxation reduced both the attractiveness and the ability to save.

The District Bank's speech made an even more direct approach: taxation to-day was penal, but the re-equipment of the national productive machine demanded higher investment. There was a need to increase both personal and corporate saving, which in itself would combat inflation and reduce costs. The worry of inflation also governed the very forthright speech from Lloyds. What was the use of a high Bank Rate if the budget was "soft"? (This implied that, when the Chancellor cut some of the social expenditure, he gave it back in benefits in other directions.) Consumption was maintained high and investment kept low. Indeed savings now came only from high company profits—which in turn were highly taxed. If we were to have more capital goods—both for export and for investment—the productive industries must be encouraged to renew plant and wipe out obsolescent equipment. This meant drastic economies in national spending in favour of these industries. Subsidies must be cut and "free" services paid for. "Full employment" was not to mean that workers must be tied to complete job security—they must move where the economy required.

There is great substance in these arguments —although, as will be seen, they did not point directly the combative question: Can the Welfare State exist in a capitalist economy? Britain's need is for increased exports and for more capital investment: that is incontrovertible.

(Continued in previous column)

RISING GOVERNMENTAL EXPENDITURE IN BRITAIN

BANKERS ON PREREQUISITES FOR CONVERTIBILITY

THE annual statements of British bank Chairmen to their shareholders, circulated last week, are, as usual, notable for their comments on current economic problems. The observations of these bankers are of interest not merely to the British public but to a much wider public in many parts of the world in view of the fact that sterling is an international currency ranking next only to the U.S. dollar. Further, they are of especial importance to all Commonwealth countries in view of their close relations with Britain politically and economically. The studied remarks of the British bankers, known for their caution, keen sense of economic realism and insight into international developments, are eagerly looked forward to by students of economics and business men in this country. A reference here to the salient features of these statements will not, therefore, be out of place.

We have so far received the statements of Lord Balfour of Burleigh of Lloyds Bank, Sir Eric A. Carpenter of William Deacon's Bank, Mr. A. W. Tuke of Barclays Bank, Mr. A. Harold Bibby of Martins Bank, and Sir Thomas D. Barlow of the District Bank. All these Chairmen have expressed satisfaction over the performance of Britain in many economic spheres under the leadership of the Conservative Government. They are particularly gratified at the accession of strength to the pound sterling. They are, however, unanimous in their view that there is no room for complacency and that much yet remains to be done to restore the pound sterling to its pre-war status. All of them have welcomed the rise in the Bank rate and appear to be keen on impressing upon the country how, in their loan policy, they have responded in full to the call of the Treasury for caution. Again, all of them are rather critical of the increase in Government expenditure which they fear would, if it were to persist, neutralise the beneficial effects of the steps taken so far to check inflation. Another subject on which they are all agreed is convertibility of sterling. They all feel that convertibility is essential but they do not minimise the enormity of the task in reaching this cherished goal. There is no indication in their statements to suggest that they are nursing any illusions about it. They would appear to agree that there is no short cut for Britain to achieve convertibility.

Lord Balfour concedes that the achievements of Britain last year were great. Thus the alarming drain on gold reserves ceased earlier than was expected. In the first half of the year, the country was able to restore balance in its overseas accounts and the world-wide fears of a collapse of sterling were dispelled. These are, according to Lord Balfour, important gains. He seems to be confident that, so far, there are no signs of losing the ground that has already been gained, provided the country did not slacken its efforts. In line with Lord Balfour's views are those of Sir Eric, who observes that it is comforting to look back over the last six months and see the small but steady improvement each month in the gold and dollar reserves. He, however, sounds a note of caution that there is no room for the slightest complacency.

The need for caution in the future has been well brought out by Lord Balfour. He says that, as one turns to the future, the picture is less pleasing. The sterling area gold reserves touched the bottom of $1,662 million in April 1952, the losses in the preceding 10 months being as much as $2,205 million. It is true that by the end of the year the area had recovered something, after meeting the payments towards American and Canadian debts, but the gain was no more than $184 million, a fraction of what had been lost earlier. The reserves at the end of the year were, according to Lord Balfour, not only wholly inadequate to free the sterling and make it a world currency but inadequate even for safety, if the tide were to turn against the country. He desires the necessity to bear in mind—and this piece of advice is intended for those who are socialists—that Britain's progress so far has been limited and that even this restricted improvement rests not on secure foundations of "fundamental changes of policy" but on a favourable change in world conditions and on stop-gap expedients resorted to by the Government to stem the tide—a first-aid treatment but not a cure for restoring the patient to health.

This takes Lord Balfour to the change in monetary policy made by the present Government towards the end of 1951 and pursued further in the following year. He says that the raising of the Bank rate dampened the demand for bank accommodation and thus checked inflation. If account is also taken of the sharp reduction in the clearing banks' holdings of commercial bills, some £300 million of credit were withdrawn over a period of a few months. In spite of this withdrawal, in November, 1952, the combined deposits of clearing banks were almost exactly unchanged on the year. This means that the initial contraction during the first six months of the new policy had been completely reversed by fresh creation of credit during the second six months. "It is, in fact, the case," says Lord Balfour, "that during the summer, for every pound of credit that the banks were in the process of withdrawing from the private sector of the economy, they were required to extend nearly two pounds of additional credit to the Government." In the result, the decline in bank advances and commercial bill portfolios was more than offset by fresh acquisition of Treasury Bills, and deposits rose instead of falling.

Describing in a more detailed manner the process referred to above, Mr. Tuke pertinently points out that, as the Government expenditure had been outrunning estimates so pronouncedly, it was found necessary in October, 1952, to make a further issue of short-term funding stocks in order to remove some of the additional Treasury Bills and to reduce the liquidity of the banks more nearly to its traditional proportions. "This had the effect of increasing," he remarks, "our ratio of investments to deposits to an unprecedented level, the final figure for the year being 34.8 per cent., but owing to our low ratio of advances our liquidity ratio is still high at 40.2 per cent. or at 35.8 per cent., if we exclude cheques in course of collection from other banks."

Commenting on Government expenditure, Mr. Harold Bibby states that the Government revenue and expenditure account for the first nine months of 1952-53 shows an overall deficit of £951 million. Twice within 13 months Government expenditure has, he says, outrun its income and the floating debt has had to be funded. He insists that the Government should initiate drastic cuts in its expenditure and provide relief in taxation to industry to re-equip itself, a conclusion which is strongly emphasised by Lord Balfour too.

The increase in deposits resulting from expansion in Governmental expenditure has forced Lord Balfour to think of the future trend of bank deposits. He feels that deposits may fall in the coming peak season this year, but the question which appears to worry him is what is to happen after the peak season; "whether the new financial year will bring further massive demands for short-term finance on the part of the Treasury, or whether on this occasion the basic volume of deposits can be held stable or reduced?" The answer to this, he says, depends on a strong budgetary policy quite different from the one followed by the Government last year, when preferences to stop building factories yielded place to that of building houses for pleasing the consumer. "This policy of maintaining consumption," he observes, "while allowing our industrial capital to run down is a mere stop-gap. It could not be repeated without jeopardising our ability to compete in world markets."

Lord Balfour points out that the Chancellor's task in the next budget should be to help increase savings and cause capital to flow to export industries, especially the engineering industry. In fine, he should create the right financial climate in which enterprise can, once again, flourish. This can be achieved by a drastic cut in Government expenditure, by a reduction in taxes and by basing taxable profits not upon the cost of acquiring capital goods at some time in the past, but upon the cost of replacing them at current prices. His considered opinion, with which every industrialist will agree, is that, unless adequate allowance is made for depreciation, many industries cannot hope to maintain their physical capital, far less to improve their productive apparatus.

The question of the convertibility of sterling has, as is only to be expected, received prominent attention at the hands of the Chairmen of some of the Banks referred to above. A striking feature of their observations on this subject is that everybody sees the need for building up adequate reserves before freeing the sterling. Lord Balfour emphasises that no task is more urgent than the rebuilding of the exchange reserves of the sterling area as a prelude to the restoration of convertibility. He, along with Sir Eric, welcomes the decisions of the Commonwealth Conference held in London last December and stresses the importance of freeing foreign trade from restrictions. Says Sir Eric: "We must applaud the agreement for each member to work for internal stability and to concentrate on developing those projects which will improve the area's balance of payments with the rest of the world. It is to be hoped that the policies agreed upon will, in fact, lead to an increase in the reserves of the area during 1953, an indispensable prerequisite for the exploration of the possibility of convertibility." Commenting on the same problem, Mr. Tuke observes that convertibility cannot be undertaken with any hope of lasting success until a firm equilibrium on current account is achieved by the sterling area. He thinks that this problem is related to sterling balances, on account of the war debts being intermixed with outstanding balances of current trade and states that more information is needed as to the share of each in the total sterling liabilities of the area, now running at £4,000 million.

As the building up of foreign exchange reserves is closely associated with exports, attention is also focussed not only on encouraging the flow of savings into export industries, as stated already, but also on the necessity for producing more goods which the foreigner wishes to buy at prices which he is willing to pay. In this connection, both Mr. Bibby and Mr. Tuke remind Britain of the prospect of keen competition from Germany and Japan. As regards increased trade with the United States, the consensus of opinion among bank Chairmen favours the views of the U.K. Chancellor of the Exchequer, Mr. Butler, who has compressed them in one phrase, namely, "trade, not aid." Mr. Tuke particularly thinks that although the U.S. standard of living is already high, there is no reason why it should not be higher still. By lowering customs tariffs, the U.S. can pave the way for the flow of more goods from Europe, so that the latter may earn more dollars it needs. In this context, it is necessary to refer here to the views of Lord Balfour, for the simple reason that he does not share the view, generally held in many parts of the sterling area, that the U.S. is mainly responsible for the balance of payments difficulties of the area in 1951-52. He observes:

"It simply is not true that the supply of dollars created by American purchases of goods and services has been so constricted as to cause the outside world grave inconvenience. In 1951, the dollar supply created by such purchases was of the order of $15,000 millions—about half as much again as in 1948 although in the meantime the total of money incomes in the United States had risen by only about a quarter. And those dollars were sufficient to enable the outside world to buy more than twice as much from the United States as before the war.

"Nor is it true that American policies have been placing pressure on the monetary reserves of the rest of the world. Towards the end of 1952, the U.S. monetary gold stock was a little lower than in the middle of 1948. Over the same period, the sterling area also lost exchange reserves on balance: but other countries, taken as a group, increased their reserves by some 20 per cent. This fact alone should suggest that the sterling area's problem is not entirely of American origin."

Realising that all talk of real freedom of trade or convertibility without adequate reserves will be idle talk, Lord Balfour draws attention to the need for establishing a clearing union. He draws attention, in this connection, to the useful lessons learned from the working of the European Payments Union, in which member-countries are assigned "quotas" which might be regarded as an attempt to supplement inadequate gold reserves by mutual extension of credit. The advantages of such a clearing union are described by him as follows:

"The secret of that success is surely the fact that in a clearing union the sanctions against persistent creditors can be made as effective as those against persistent debtors. In any system based purely on gold, there lurks a certain danger of deflation; for, while countries losing gold are placed under strong pressure to improve their trade balance, there is no correspondingly strong pressure upon the recipients of the gold to increase their imports. Success in the working of such a system depends upon creditors no less than debtors observing the rules of the game. In recent years, as I have pointed out, we cannot complain of any reluctance on the part of the United States to allow money incomes to expand; but many people would breathe more easily, if world prosperity could be made less directly dependent upon the continuance of expansionary policies within the U.S.A.

"In a clearing union, the sanctions for deficit and surplus countries can be more evenly balanced. While debtor countries are spared the full rigours of the gold standard, the obligation to cover some proportion of a deficit in gold gives them an incentive to put their house in order, without encroaching on their sovereignty. On the other hand, creditors receive only part payment in gold, but a country running a persistent surplus and unwilling to extend further credit always has the remedy in its own hands; it can liquidate its claim at any time by increasing its purchases from the remaining members of the system."

A THOUGHT FOR 1953

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THE DOLLAR PRICE OF GOLD

SHOULD IT BE RAISED?

SINCE the end of the Second World War, rumours have been spread again and again in the civilised world about an impending increase in the U.S. official price of gold of $35 per ounce, in spite of repeated denials by the U.S. Treasury authorities. Since the end of the British Commonwealth Economic Conference in London last month, the rumour has been revived once again. Consequently, prices of gold shares have risen, some central banks have converted a portion of their dollar holdings into gold in order to protect themselves, and the U.S. monetary gold stock fell by $150 million during the fortnight ended 23rd December, 1952. Although gold production is important to South Africa, Australia, Canada and Southern Rhodesia, the Conference referred to above did not issue any official statement in favour of raising the price of gold, on account of a regard for possible unfavourable repercussions on American opinion and the impending change in the U.S. Administration, the views of the Republican Party on the question being undeclared.

A higher gold price is being advocated on the ground that it would increase international liquidity by building up the value of monetary gold stocks in the hands of central banks and Governments. It is maintained that gold reserves of central banks and new production of gold have failed to keep pace with the great expansion of incomes and bank credit and the rise in prices of commodities that have taken place since the Second World War. Hence, it is argued that there is not enough gold to support this superstructure of credit and prices and that, therefore, a higher price of gold is necessary to avoid world-wide depression.

It is contended that a higher price of gold would help to build up world monetary gold stocks by (1) increasing the value of existing monetary reserves, (2) increasing the value of annual gold production and stimulating production, and (3) discouraging private hoarding of gold, which in 1951 absorbed three-quarters of the world output, and encouraging disgorgement of the large private stocks held in Western Europe, the Middle East and India.

In order to examine the international liquidity argument, the January, 1953, *Monthly Letter* of the National City Bank of New York gives the following table on the assumption that the official price of one ounce of gold is raised from $35 to $52, that is, an increase of 50 per cent. which is not only far above the current free market price of bar "transit" gold on the Continent but even above the level at which gold coins have been selling lately in Paris.

(In millions of dollars)

	September, 1952	
	At $35 per oz.	At $52 per oz.
Dollar area—		
United States	23,525	35,288
Canada	892	1,338
Latin America (dollar area)	951	1,427
Total	*25,377	*38,066
European "hard currency" countries—		
Switzerland	1,404	2,106
Belgium	718	1,077
Portugal	277	415
Total	2,399	3,598
Sterling area—		
Great Britain (sterling area pool)	1,685	2,527
South Africa	158	237
Other sterling area	451	677
Total	2,294	3,441
Other areas—		
France	573	860
Italy	346	519
Other Western Europe	842	1,263
Latin America outside dollar area†	884	1,326
All other countries	1,629	2,443
Total	4,274	6,411
Grand total	34,344	51,516
Grand total outside U.S.	10,819	16,228

* Including the Philippines.
† Argentina, Brazil, Chile, Peru, Paraguay, Uruguay.

The above table shows that if the price of gold is increased from $35 to $52 per ounce, the increase in the value of gold reserves held in countries other than the U.S.A. would be $5.4 billion. While this would be a substantial increase, it would be only a fraction of the amount of dollars supplied by the U.S.A. to the other countries by means of loans and grants-in-aid since the end of the war. More important than this is the consideration that the gains would accrue principally to countries which possess large stocks of gold but which are not necessarily the most in need. It will be seen from the above table that about 40 per cent. of the gold held outside the U.S.A. is in the possession of Canada, the countries of Latin America belonging to the dollar area and Switzerland, Belgium and Portugal which are the hard currency countries of Europe. The value of the gold stocks of the sterling area would increase by about $1.1 billion. France, Italy and other countries of the European Continent would gain little, certainly less than the amounts which they have received annually through various forms of economic aid from the U.S.A.

The table below compares gold production by major areas in the peak year, 1940, with the 1951 figures, valued both at $35 and $52 an ounce.

(In millions of dollars)

	1940	1951	
	At $35 per oz.	At $35 per oz.	At $52 per oz.
Dollar area—			
Canada	186	153	230
United States	170	66	99
Latin America (dollar area)	73	41	62
Total	*468	*274	*411
Sterling area—			
South Africa	492	403	604
All others	164	94	141
Total	656	497	745
Other areas—			
Belgian Congo	20	12	18
Japan and Korea	59	7	11
All others	61	35	53
Total	140	54	82
Grand total	1,264	825	1,238
Grand total outside U.S.	1,094	759	1,139

* Including the Philippines.

This table shows that the increase in the price of gold applied to the output in 1951 would increase the value of the annual output of gold in countries other than the U.S.A. only by about $380 million. Even if it is assumed that the increase in the price of gold would stimulate the production to the peak level of 1940, the increase in the value of the output in countries other than the U.S.A. would amount to $880 million per annum. Even this amount would be far short of the grants-in-aid amounting to $4.5 billion annually given by the U.S. Government during the last two years. Further, only a part of this hypothetical increase would be available for export to the U.S. Furthermore, the purchasing power of these extra dollars would probably not be proportionate to their number, because the devaluation of the dollar would probably lower its purchasing power.

Position of Sterling Area

Then there is the question of the distribution of the possible benefits accruing from an increase in the price of gold. The above table shows that about 60 per cent. of the world gold production originates in the sterling area, chiefly South Africa. But the bulk of South African gold is sold in free markets or is sent to the U.S. in payment of dollar imports and does not go to the sterling area pool. The sterling area's ability to secure this gold depends on Britain's ability to supply that Dominion with appropriate goods. It is very doubtful whether Britain has these goods and, even if she has them, whether she can supply them in sufficient quantities, especially if the price of gold is raised.

Again, the above table shows that about one-third of the world output of gold is provided by countries which have more or less freely convertible currencies and which have no general balance of payments problems, viz., Canada, the U.S.A., Latin America and Belgian Congo. Countries of Continental Europe would not benefit from an increase in the price of gold, as they produce little or no gold. Like Britain, they too would have to pay more in goods for gold purchased from other sources. Thus, apart from South Africa, Russia, which is a large gold producer, would be one of the principal beneficiaries of a higher gold price.

It is very doubtful whether an increase in the price of gold would discourage hoarding and encourage dishoarding. The dishoarding in India and other Asian countries in 1934, following upon the increase in the price of gold, was due to the distress caused by the very low prices of commodities. But now the bulk of hoarded gold is held not in India, but in France and other countries of Continental Europe which are threatened by inflation. The people of these countries, having seen increases in the price of gold several times in the past, would regard a further increase as only a prelude to yet another increase and would, therefore, distrust their paper currencies all the more. The only way to coax gold from them would be to show them, by means of firm policies, that there would be no further increase in the price of gold.

Dr. J. M. Williams, Professor of Political Economy at Harvard University and adviser to the Federal Reserve Bank of New York, has pointed out that the real cause of the world currency disequilibrium, of which the dollar problem is a manifestation, is the failure of several countries to readjust their pattern of production, so as to be able to offer the goods that the outside world is now willing to buy from them and to offer the goods at suitable delivery dates, in the right markets and with the right degree of persistent sales pressure. The real solution of the problem lies not in the magic of raising the price of gold but in suppression of inflation, a fundamental reshaping of the composition of production and trade, willingness on the part of creditor nations to accept payment in goods and services and encouragement of a favourable climate for international investment. Britain, for instance, should move away from textiles and the light consumer goods, whose production tends to be multiplied in the younger countries, and towards the engineering industries, whose products are in great demand by countries seeking to industrialise. The overseas sterling area should expand the production of raw materials for sale in the American market. On the contrary, an increase in the price of gold, by applying the poultice of inflation to the world disequilibrium, would discourage efforts to apply the true solution indicated above.

The reasoning that the price of gold must be raised because there is not enough gold to go round at its present price is not sound. Gold provides a means of settling temporary differences in an international system of exchange in which goods and services essentially pay for each other. Its role cannot be that of settling huge differences that persistently run in one direction. Great Britain managed the old international Gold Standard up to the First World War with small reserves amounting to no more than £35 million ($170 million at that time). This shows how little gold is required when conditions are in harmony with the principle that trade must settle itself. In recent times, unfortunately, the world has ignored this principle. Hence, the huge amounts of dollars provided in international loans and grants have been swallowed up and the cry is for still more dollars.

One of the factors which enabled Great Britain to manage the old Gold Standard with a small gold reserve was the maintenance by other countries of a large part of their currency reserves in the form of sterling balances. They did so because sterling, being universally acceptable, was equivalent to gold. To-day, the dollar has taken the place of sterling in performing the same function of economising gold. Hence, it is necessary to maintain international confidence in the stability of the value of this key currency. Any increase in the dollar price of gold would impair this confidence. Further, if the price of gold, which serves as the standard for measuring the prices of all other commodities, is raised, because other prices have risen, gold ceases to be a good standard of value.

Effects on U.S.A.

So far we have considered the effects of an increase in the price of gold on countries other than the U.S. Let us now examine the effects on the U.S.

First, an increase in the price of gold would provide the U.S. Treasury with a huge windfall "profit" on its present gold holdings and would also encourage far larger imports of gold by the Treasury. Both would expand the monetary base and supply increased potential for inflation. In theory, such inflationary potential could be offset by keeping the Treasury gold profit untouched and by Federal Reserve open market operations in Government securities. In practice, however, this would be difficult on account of the temptation to Congress to spend all available funds and the complicating effects of heavy Federal Reserve open market operations on the management of the national debt. In fact, some advocates of raising the price of gold propose to use the Treasury profit as a "painless" way of extending foreign aid.

It is also urged that the increased purchasing power made available to the countries selling gold to the U.S. would serve as a "painless" substitute for aid to them by the U.S. The answers to this argument are that, firstly, no method that results in inflation is painless and, secondly, so long as the U.S. has to give aid to other countries, she should determine the apportionment and should not allow it to be determined by the amounts of gold held and produced by the other countries, including Russia.

Secondly, the psychological effects of a further increase in the price of gold and devaluation of the dollar may be such as to start a new inflationary conflagration. The

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COTTON MILL INDUSTRY IN INDIA

FURTHER EXPANSION IN SIZE

THE cotton year ended August, 1952, was yet another year of expansion for the Indian cotton mill industry which began in the wake of the Second World War. The extent of such expansion was, however, smaller than in the preceding year. The increase in the number of mills working during the year under review, according to the customary annual Mill Statement published by the Millowners' Association, Bombay, was only eight, as against as many as 20 in 1950-51; the increase is accounted for solely by new mills erected. This has resulted in a fall in the number of mills in course of erection and/or registered from 26 at the end of the 1950-51 season to 22 at the end of the 1951-52 season.

As a result of the fewer additions to the list of mills working, and also of the slow pace of expansion of the units already existing, the number of spindles installed during the year under review was higher by a bare 186,399, which is less than half of the increase, namely, 391,609 spindles, in the year ended August, 1951. Similarly, the increase in the number of looms installed was only 2,302, as against 2,709 in the previous year. The expansion in the size of the mill industry was also accompanied by an increase in the paid-up capital of the mills, from Rs. 103.89 crores in 1950-51 to Rs. 106.93 crores in 1951-52. Almost the whole of this addition must have been due to capitalisation of reserves.

The table below shows the details of the expansion of the cotton mill industry during the year under review, as compared with the previous year:

	As on 31st August		
	1952	1951	1950
No. of mills	453	445	425
Paid-up capital (in crores of Rs.) ..	106.93	103.89	97.24
Spindles installed	11,427,034	11,240,035	10,849,026
Spindles working	10,104,719	9,798,260	9,517,980
Looms installed	203,786	201,484	199,775
Looms working	187,282	183,045	181,196
Quantity of cotton consumed (bales)	4,132,632	3,687,154	3,739,494
No. of hands employed (day shift)	432,588	425,032	433,816

It will be interesting to note, in this connection, that, next to the U.K. and the U.S., India possesses the largest number of spindles in the world. Out of the aggregate world cotton spindleage amounting to more than 128 million, India accounts for nearly 11.5 million spindles, against 28 million spindles for the U.K. and 23 million spindles for the U.S.

Trend of Expansion

A study of the expansion in the size of the cotton mill industry during 1951-52, as compared with that in the previous year, discloses that much of the expansion took place in Madras and West Bengal. The number of new mills in the Madras State increased from 85, with 1,894,178 spindles and 8,295 looms in 1950-51, to 90, with 1,968,590 spindles and 8,520 looms. The net additions to the spindles and looms installed during the year were thus 64,412 and 225, respectively. Similarly, West Bengal accounted for a sizable expansion, with the number of mills rising from 33 to 36. Spindles installed were higher by 36,895 at 469,830 and looms by 500 at 9,862. These figures indicate that the expansion in the size of the cotton mill industry in Madras was more on the side of spinning, while that in West Bengal on the side of weaving. In the State of Bombay, although the number of mills (212) during the year under review was the same as in the previous year, spindles and looms installed registered a rise of 23,435 and 196 to 6,362,451 and 135,251, respectively. This increase was accounted for solely by mills in Ahmedabad. In the case of Bombay City and Island, however, there was actually a fall in the spindles and looms installed, the former from 2,939,162 to 2,920,509 and the latter from 65,384 to 65,379. But the average number of spindles and looms at work daily was higher at 2,688,330 and 61,690, respectively, as against 2,655,637 and 60,874 in 1950-51. While the fall in spindles and looms installed suggests that worn-out machinery must have been scrapped, the rise in the daily average of spindles and looms working reflects the absence of any such major strike in the city as the one which was witnessed between 15th August, 1950, and in mid-October, 1950, and the increase in production facilitated by favourable trading conditions.

Among the other States which recorded a rise in the number of spindles installed during 1951-52 were Punjab(I) and Delhi (+18,000), Bihar and Orissa (+14,798), Mysore (+11,935), U.P. (+10,432), Hyderabad (+8,848), and Madhya Bharat and Bhopal (+4,342). With regard to looms, Rajasthan, Ajmer and the P.E.P.S.U. witnessed a rise of 298, Bihar and Orissa 254, Travancore-Cochin 225, Mysore 176, Madhya Bharat 165 and Punjab and Delhi 97.

Utilisation of Capacity

The increase in the installed capacity of the cotton mill industry in India witnessed during the year under review was followed by a rise in the capacity actually utilised. Thus, the number of spindles and looms (working) increased from 9,798,260 to 10,104,719 and from 183,045 to 187,282, respectively. These increases reflect an impressive rise in the production of yarn and cloth due to several encouraging factors to which we referred in these columns only last week. It is gratifying to note that the number of idle mills also recorded a fall from 26 on 31st August, 1951, to 19 on 31st August, 1952. Of the latter, Uttar Pradesh accounted for six as against seven in the previous year, and Bombay for seven, as against as many as 10. In West Bengal, there were no idle mills at all, whereas, in 1950-51 there were three of them.

The marked rise in production of cloth and yarn is indicated by the quantity of cotton consumed, which, during 1951-52, amounted to 4,132,632 bales (of 392 lbs. each), as compared with 3,687,154 bales in the previous year. The average number of workers engaged in the day shift alone increased from 425,032 to 432,588, that is, a rise of 7,556.

The pattern of distribution of cotton textile mills in the different areas, as on 31st August, 1952, is indicated below:

Situation	No. of mills	Spindles installed	Looms installed	Average No. of hands employed
Bombay—				
Bombay City and Island	65	2,920,509	65,379	112,468
Ahmedabad	74	2,023,552	42,371	73,235
Saurashtra	12	157,368	3,253	7,479
Other areas	61	1,261,022	24,248	50,416
Total Bombay State ..	212	6,362,451	135,251	243,598
Madras	90	1,968,590	8,520	55,007
W. Bengal	36	469,830	9,862	21,454
U.P.	29	807,406	13,068	26,253
Madhya Pradesh ..	11	369,538	7,179	17,765
Rajasthan, Ajmer and P.E.P.S.U. ..	12	162,464	3,707	8,576
Punjab (I.)	11	209 900	5,038	7,039
Mysore	11	223,028	3,052	11,912
Travancore-Cochin ..	10	133,265	726	3,384
Hyderabad	7	122,444	2,055	7,163
Bihar and Orissa ..	3	75,732	1,431	2,937
Pondicherry	3	83,228	1,992	5,238
Grand Total ..	453*	11,427,034	203,786	432,588

* The figure does not include 22 mills which have been registered and/or are in course of erection. Nineteen mills were not working.

The above table clearly brings out the important place which Bombay occupies on the textile map of India. The share of this State in the country's aggregate spindles and looms is of the order of 50 per cent. and 60 per cent., respectively, the number of mills actually working being 212. This explains why the mills in Bombay account for the largest production of both yarn and cloth. Bombay also accounts for the largest labour force, the actual proportion to the total being as much as 56 per cent. An interesting feature revealed by the table is that the mills in Madras are predominantly yarn-producing units.

Progress in Pakistan

The rapid pace at which the cotton mill industry in Pakistan expanded during the cotton year ended August, 1951, was well maintained during the year under review also, although no new mills was added to the list of 27. Thus, the number of spindles and looms installed in 1951-52 was higher at 362,148—according to more recent figures (unofficial), the number is placed at 465,000—and 5,895, respectively, which compare with 336,810 and 5,562 in the previous year. The industry's paid-up capital increased from Rs. 3.07 crores to Rs. 3.38 crores. The capacity actually utilised was also larger, the spindles and looms working advancing from 176,507 and 4,641 to 207,818 and 5,099, respectively. Consequently, there was an increase in the mill consumption of cotton, from 43,568 candies to 48,929 candies.

The expansion in the size of the Pakistan cotton mill industry is fully reflected in the marked rise in the improvement of production of cloth. Cotton mills in Pakistan are at present producing at a rate of nearly 130 million yards per annum, as against 88 million yards four years ago. There is, besides, the production of cloth by handlooms—numbering about 500,000—which amounts to 70 million yards. The aggregate production of cloth thus comes to about 200 million yards per annum (the quantity actually produced during the first seven months of 1952 was 96 million yards), which falls short

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SERICULTURE INDUSTRY

SOME OF ITS PROBLEMS STATED

DESPITE Government protection and the liberal grants-in-aid given by the Central Silk Board, the Indian sericulture industry does not seem to have come out of the wood yet. In fact, the industry, it is complained, is passing through very difficult times. Foreign competition, fall in demand for silk goods, lack of proper organisation of the filature section, absence of legislation for compulsory testing, and inclusion of silk reelers and handloom silk fabrics within the purview of the Sales Tax Acts are some of the chief causes for the depressed state of the industry. These aspects of the industry figured prominently in the discussions at the second Mysore Silk Conference held in Bangalore last week.

Welcoming the delegates to the Conference, Mr. H. Siddaveerappa, Mysore's Home Minister, drew particular attention, in the course of his address, to foreign competition and pleaded for a temporary ban on raw silk imports. In the absence of a detailed version of the speech of Mr. Siddaveerappa, it is difficult to say on what grounds this plea has been based. Considering, however, the wide gap between the estimated domestic demand for 4 million lbs. of raw silk per annum and the actual indigenous production of 2.1 million lbs., the demand for a total ban on imports is untenable. Moreover, a certain amount of raw silk imports is necessary, at least as a stabilising factor for the markets of raw silk in the country. After all, imports of silk (raw and cocoons) have not been large, in spite of the fact that the import duty has been reduced, with effect from 1st April, 1952, from 30 per cent. *ad valorem* plus Rs. 6-8 per lb. plus 5 per cent. of the total duty to 30 per cent. *ad valorem* plus Rs. 3-14 per maund. Thus, during the six months ended September, 1952, these imports amounted to 144,162 lbs., valued at Rs. 32,10,394, as against 506,265 lbs., valued at Rs. 1.20 crores, in the corresponding period of the previous year.

It is not surprising, therefore, that the suggestion for imposing a ban on raw silk imports has not found favour with the Government of India, which has rightly laid greater emphasis on stabilising the sericulture industry. Presiding over the Mysore Silk Conference, Mr. D. P. Karmarkar, Central Minister for Commerce, emphasised that the sericulture industry should stabilise itself. He hoped that a day might soon come when there would be no need for imports of silk. He assured, in this connection, that protection would be continued as long as it was necessary.

Efficiency to be Raised

Protection itself, it is needless to add, cannot solve the problems of the sericulture industry. What is urgently required is an improvement in the industry's efficiency to reasonable levels within a certain period of time. Mr. Karmarkar, therefore, did well to stress that the industry has to reach its goal of comparable efficiency in production as early as possible, so that its product may be in a position to compete with that imported from abroad. It is only then that the industry can be said to have attained a healthy standard. The Commerce Minister's assurance that the Government would only be too happy to do all that it could to promote the development of sericulture is, indeed, reassuring.

But the initiative in this respect rests largely with the State Governments concerned. The Government of Mysore has been showing keen interest in the development of the sericulture industry. This is only as it should be, in view of the important place which Mysore occupies as a producer of silk. The State accounts for the production of a substantial amount of silk in India. Out of a total of 4,636 filature basins, Mysore claims 1,236 and, out of a total of 7,233 *charkas*, 5,000 are to be found in Mysore. The share of Mysore in the aggregate annual production capacity of 3,321,400 lbs. is about 1,650,000 lbs. The development of the sericulture industry in Mysore (and in India) is imperative also on account of the employment which the industry affords to a large number of people engaged in it; over 55,000 families, we are told, owe their livelihood to this industry.

A new record for foreign earnings from exports of textile machinery made in Lancashire and Yorkshire engineering works was established in 1952, when shipments were valued at over £50 million. The chief buyers of British-made textile plant were India with 19,762 tons, Brazil with 13,257 tons, Italy with 11,246 tons, and Pakistan with 10,774 tons. The quantity of textile machinery shipped abroad aggregated 112,690 tons—the largest volume since 1929. This was an increase of over 7,000 tons, as compared with the 1951 total.

SLUMP AFFECTS TEXTILE OUTPUT

GUARDED OPTIMISM REGARDING PROSPECTS FOR CURRENT YEAR

(From A Special Correspondent)

MANCHESTER, 20*th January*

LAST year's depression overtook the weaving trade in Lancashire later than the spinning branch, but its effect so far as profit margins are concerned was more serious. There are signs that the labour force in weaving sheds is being rebuilt more slowly than in the spinning trade.

MANCHESTER LETTER

The following table shows weekly average output of cotton, rayon and mixture cloths during the first 11 months of last year and the comparative figures for 1951. The sharp decline in the labour force available for employers in spinning, doubling and weaving in the first six months of 1952 is also displayed, together with the subsequent revival.

(Production in 100 yards)

Month	No. of weeks	Production Weekly average 1952	Production Weekly average 1951	Man-power in Spinning Doubling and Weaving 1952	Man-power in Spinning Doubling and Weaving 1951
January ..	5	55,220	53,700	313,030	315,660
February ..	4	55,480	58,530	304,130	316,320
March ..	4	52,820	55,030	293,170	316,840
April ..	5	42,330	60,920	281,370	316,840
May ..	4	42,750	57,720	270,210	315,870
June ..	4	36,390	60,830	265,050	314,920
July ..	5	27,190	47,750	262,800	315,030
August ..	4	39,000	56,610	263,250	317,650
September ..	4	40,350	56,200	265,880	319,700
October ..	5	46,450	62,600	269,030	320,880
November ..	4	48,480	62,800	272,000	320,460

In weaving alone the number of operatives on the books of employers at the beginning of last year was almost 155,000. By the end of August, manpower in this section had fallen by about 25,000 but in the following three months a net gain of nearly 4,000 in the labour force was recorded, the figure at the end of November being 134,370.

The full effect of the slump on output last year can now be more accurately assessed. Yarn production aggregated 770,670,000 lbs., against 1,076,700,000 lbs. in 1951, representing 71.6 per cent. of output in that peak post-war year. Estimates put the cloth output total at nearly 700,000,000 yards below 1951 as in the first 11 months the aggregate was 2,110,490,000 linear yards against 2,750,440,000 yards a year previously.

Few Failures

It would have been strange if such a year as 1952 had been allowed to pass without any financial difficulties concerning textile firms in Britain. The industry, considering the state of trade, did well to avoid more trouble and in fact the total number of bankruptcies, deeds of arrangement, liquidations and receiverships during the year was 68, which compared with 22 liquidations in 1951 and 45 in 1950.

For the first time since 1941 bankruptcies were experienced, there being three such failures, all affecting merchants and agents. In the same branch of the trade one deed of arrangement was made and one receiver was appointed. Among company liquidations four were compulsory, the same number as in 1951, and again the merchanting section of the trade provided three of these, the other being under the heading of miscellaneous traders.

Creditors' voluntary liquidations last year numbered 12, against none in 1951, affecting one firm of spinners and manufacturers and 11 merchant companies. Members' voluntary liquidations totalled 46, against 18 in the previous year and mainly concerned 19 finishing firms and 14 manufacturers. In the past two or three years the number of voluntary liquidations in the finishing section of the industry has increased, owing to the action of the Redundancy Boards, which have been set up to rationalise the textile dyeing, bleaching and printing trades.

While some companies have been disappearing from the lists, the number of registrations of new limited companies has increased from 164 in 1951 to 197 last year. The nominal capital involved, however, has been very much smaller at £883,200 against £2,054,825 in 1951. The majority of firms seeking registration were merchants and agents, numbering 168 against 125 in the previous year.

Overseas Prospects

Surveys of the trade position, annually rendered to members of the various sections of the Manchester Chamber of Commerce, provide a useful background to events of the previous year. Twelve months ago the reports were almost uniformly foreboding and their gloomy forecasts were fully borne out in subsequent events. The general trend of this year's documents is one of guarded optimism about the future after comment on the depth of depression reached early last year.

Individual reports can put on record a slight improvement in trade in cotton goods with particular markets. The growth of business with British West Africa is a source for satisfaction and the increased spending power of the natives in this area has created the possibility of further expansion if Lancashire goods can be provided at competitive prices and on reasonable delivery terms. The findings of the recent Lancashire mission to West Africa will be studied with great interest by all concerned with this market.

Another area where sales of British textiles have increased in the past year has been the Middle East. It is believed that the authorities are increasingly anxious to stimulate trade in this direction, and although the quantities so far involved are not large there is scope for freer operations. A better offtake for Turkey, Iran and Jordan has offset restricted imports into Egypt, Greece and other countries in this part of the world.

The position of India as a consumer and also a supplier of cotton goods still causes concern in Lancashire, although any hope of reviving the former facilities for shipments is now completely gone. Yet in view of the enormous population in the Indian sub-continent even its limited purchasing power should be sufficient to create demand for a modest quantity of Lancashire cloth, particularly the better grade qualities. Shipments of little more than 5,000,000 yards annually to India seem grotesque when the possibilities are considered, should import restrictions be withdrawn.

A small increase in export cloth sales to Pakistan took place last year, but Japan remains the chief supplier of cotton goods to this market, sending more than four times as much cloth as Lancashire. The inroads made by Japan into other eastern markets such as Malaya are clearly indicated in the sectional reports. Lancashire supplies were halved and there was also a severe decline in imports from India, but the Japanese maintained their trade with the area in spite of very much reduced total imports.

Most damaging of all interferences with normal trading last year were the import controls imposed by Australia and New Zealand. Reports since the beginning of this year indicate that the Australian Government may be considering some relaxation of its restrictions in view of the country's more favourable economic position. Any change for the better will, of course, be welcomed in Lancashire, but it will take a considerable time for the lost ground to be recovered.

Trade with the Continent last year declined to only half the 1951 level and competition between the various producing countries became intense. In many cases export incentive schemes, which were in effect an indirect subsidy, assisted European countries not only to sell goods to each other but to attack other markets outside the Continent. In particular, such trading methods were widely used to stimulate business with the United States in the eternal quest for dollars.

Mill Shift-work

Two-shift working in the mills—advocated by several leading figures in the industry as a means of lowering prices to more competitive levels—is to be discussed by leading representatives of both sides of the Lancashire cotton industry. The talks may lead to more widespread adoption of the two-shift system, now operated in only a few Lancashire mills.

The Cotton Board announced this week that its 1953 work-study conference, to be held at St. Annes from 20th to 22nd February, is to be devoted to double day-shift working. Sir Walter Monckton, the Minister of Labour, will address the opening session and papers on their experiences of double shifts in spinning, weaving and doubling will be given by qualified speakers from the industry. Mr. H. A. Clegg, a Fellow of Nuffield College, Oxford, who presented a paper on the subject to the Cotton Board's 1952 Harrogate Conference, will preside at an open forum.

Lancashire's three main rivals in world textile markets—Japan, India and America—all operate on a shift basis but wider application of shift working in Lancashire has made little headway because of the family life upset it would cause in an industry where a high percentage of the operatives are married women.—*All Rights Reserved.*

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WORK OF COTTON TECHNOLOGICAL LABORATORY

INCREASE IN QUALITY TESTS

THE Technological Laboratory of the Indian Central Cotton Committee, which has played a notable role in the past as a technical adjunct to the Committee, continues to render good and efficient service to cotton growers and consumers in the country. The Laboratory is designed to test the staple length and other spinning qualities of the different varieties of cotton grown in India. The results of these tests, carried out under expert supervision of the Laboratory's highly qualified staff, provide the Government, the cotton growers and other cotton interests, the basis for correct judgment of the qualities of the different styles of cotton.

During the year ended 31st May, 1952, the Laboratory received more than two thousand samples of cotton for testing their fibre properties and spinning characteristics. This was an increase of 17 per cent. over the previous year and of 61 per cent. over the number of samples received in 1949-50. Most of the testing work related to new strains and to improved varieties sent by State Agricultural Departments and the cotton trade. The Laboratory's assistance was also sought for selecting suitable strains for further propagation.

The tests conducted at the Laboratory included experiments on crossing perennials with annuals with a view to inducing productivity, improved quality and longevity. Two of the promising strains, local x 135 and 9-3 S1, were spun to 60s which gave a lea test of 36 lbs. and 34 lbs. respectively. The latter hybrid, when raised from budgraft, was also found to be longer in staple and gave better lea test when raised from the seed. The Raichur naked perennial was found suitable for spinning 60s standard counts. Sea Brook and Sea Island varieties, which are being grown at Hawalbagh (Almora), had a mean length of 1.28" and gave a lea test of 30 lbs. for 60s yarn. Sea Islands grown in the west coast of Madras State are slowly spreading and mill tests are being done on them. Tests, which were made on all improved varieties from distributed seed at various stages of multiplication, showed that most of them had nearly maintained the same quality up to the fifth stage; *Jarilla*, Laxmi, Jayadhar and Madras Uganda, however, had shown a small decline in quality in the later stages.

Technological bulletins on standard Indian cotton grown in experimental stations and on trade varieties of fair average quality were, as formerly, published for general information. These bulletins have been of considerable help to the mills and the cotton trade. Both the cotton mill industry and the cotton trade continued to take full advantage of the facilities offered by the testing house of the Laboratory. Numerous enquiries from mills and textile firms seeking expert advice on the difficulties encountered by them in processing cotton were successfully tackled by the Laboratory staff. These enquiries related, among others, to the improvement in spinning quality by spraying a patent liquid, causes of tendering in cloth, classification of cotton waste and air permeability of parachute cloth. The total number of fibre, yarn and fabric samples and various miscellaneous products made of other fibres handled by the Testing House was as high as 588.

A conference between the representatives of carders, spinners and mill managers nominated by the Bombay Millowners' Association and the research staff of the Laboratory was held during the year under review. This conference was of mutual benefit to the Laboratory and the mill industry, inasmuch as several topics of technical importance figured prominently at this conference. There was also free exchange of technical information.

Among the technological investigations, which were carried out at the Laboratory, mention must be made of pre-cleaning and ginning tests which were carried out on Laxmi and Karunganni cottons with a view to arriving at the best settings in ginning operation. Preliminary tests carried out on double action single-roller gin when converted to single action showed that, for long-staple cottons, single action would be beneficial from the point of view of outturn. A lint cleaner for economically cleaning lint after ginning is also being designed.

Experiments for determining the strength of attachment of fibre to the seed were conducted with an apparatus specially designed for the purpose. Regression formulæ connecting the spinning value of irrigated cottons grown in the Punjab and Madras with their chief fibre-properties are being worked out at present. For the measurement of fibre-bundle strength at different twists and gauge lengths, a special device to hold the Pressley clamps has been designed. Tests were made on the produce obtained from individual plants with a view to ascertaining the behaviour of their progenies in respect of neppiness. A technique for counting neps in raw cotton is being standardised.

The Laboratory has successfully fabricated a simple machine for spinning small samples. This consists of a small ring frame with eight spindles, capable of spinning yarn direct from finisher draw frame sliver. A miniature card is also being fabricated. Considerable progress was made in the main problem of the Laboratory—the evaluation of spinning value of cotton from its fibre properties. The causes for the failure of the existing formulæ to give correct estimation of spinning value were examined in detail. The applicability of a general theoretical method to cotton is being studied by making suitable tests.

Other investigations carried out by the Laboratory included the determination of fibre-maturity of cotton by differential dyeing methods. Experiments on the sugar contents of Indian cottons indicated that it varied from 0.03 per cent. to 0.25 per cent., depending on the variety of cotton.

COTTON YIELDS

In most cotton-growing regions, cotton, as is well known, is grown by the farmers after they have raised some other crop in the off-season. An interesting experiment was conducted by Mr. N. N. Bhide, Institute of Plant Industry, Indore, with a view to finding what varieties of crops, when grown before cotton is sown, give better yields of cotton. The experiment was also designed to estimate the effect of phosphate manuring to previous leguminous crops on the yield of the succeeding cotton crop. The results of this experiment, which have been published in the October, 1952, issue of the *Indian Cotton Growing Review*, Journal of the Indian Central Cotton Committee, show that nearly all leguminous crops, when grown before cotton is sown, have the effect of increasing the yield of cotton. A comparison of the effects of previous legumes on the succeeding cotton crop shows that all the leguminous crops increase the yield of cotton over that of cotton following *juar* on both poor and rich soils but the increase was significant only in the case of the rich field. It is also interesting to note that on both soils the cotton yields were highest when grown after soya-bean, groundnut and cowpea which are relatively shallow rooted legumes. With regard to residual effect of phosphate manure applied to previous legumes on the succeeding cotton crop, it was found that, in a poor field, there was a significant increase in the yield of cotton, while, in the case of a rich field, the increase in yield was not significant. Among different legumes, cotton following groundnut and cowpea gave increased yield on both rich and poor soils owing to the residual effect of the phosphate applied previously. Direct application of nitrogen to cotton also increased the yield significantly.

IMPORTS OF U.S. COTTON

The Government of India announced, early this month, that no application for licences to import raw cotton from the dollar area would be entertained. This decision is attributed to the fact that mills and traders are unwilling to avail themselves of the permission, given recently, to import two lakh bales of American cotton. The Government has, however, extended the shipment period to June, 1953, in respect of last year's unshipped balance of some 140,000 bales of U.S. cotton. It would appear that the arrivals of U.S. cotton against last year's import target of 900,000 bales (500 lbs. each) aggregate about 760,000 bales. The Government has also permitted the conversion of the import licences relating to outstanding quantity of American cotton for importing equivalent quantities of cotton from the sterling area.

"RAYALASEEMA I"

The new cotton strain, 881F, has been renamed "Rayalaseema I." This new strain was evolved under the Indian Central Cotton Committee's scheme for improvement of Mungari cotton in Madras State. In the year 1951-52, the strain yielded 13 per cent. more than the local Mungari. As the new strain has shown very promising results, there is a great demand for its seed from the cultivators. Arrangements have been made by the Government to multiply the seeds on a larger scale than hitherto at Panjam where 200 acres of land have been set apart for this purpose.

DECLINE IN KARACHI COTTON MARKET

GOVERNMENT FIXES FLOOR PRICES

THE Pakistan Government's decision to fix floor prices for export sales in the different varieties of cotton grown in the country is of a piece with the attempts made by the Governments of several other cotton-growing countries to protect the cotton prices from slumping below what they consider to be fair levels. In Egypt, in Brazil and in many other countries, the Governments are faced with the problem of maintaining the cotton prices at reasonably high levels. And each country is, in its own way, trying to protect its economy from collapse through a rapid fall in cotton prices. But all available indications are that, unless there is a dramatic improvement in demand, their efforts are bound to end in failure.

After watching patiently the slow decline in cotton prices in the Karachi market over the last three months, the Government of Pakistan announced last week a schedule of prices, below which it will not permit export sales. The floor prices (per maund) are: 4F R.G. Rs. 58; N.T. R.G. Rs. 58; 289F R.G. Rs. 61. The premium for saw-ginned varieties is Rs. 3 per maund. It is announced that the State Bank of Pakistan will not register, under the export price check procedure, any transactions at prices below those fixed by the Government. There is, however, no guarantee that the Government of Pakistan will take up cotton at these prices as it did in the previous season. Since the Government is thus not willing to back the minimum prices with its promise to buy and no export sales will be allowed at below the minimum prices, the holders of cotton must be in a difficult position. There is no means by which they can cover against a further slump in future. The effects of such an artificial barrier against the world-wide downtrend in cotton markets on producers and merchants of cotton in Pakistan may turn out to be disastrous.

Be that as it may, the afforesaid prices are slightly above the levels at which cotton was being quoted in the Karachi market prior to price fixation, though they are well below the levels at which cotton was being quoted in the early part of the present cotton season. Thus, N.T. R.G. was then being quoted at as high a level as Rs. 104 per maund, as against the present controlled price of Rs. 58. Again, 4F R.G. was, at the beginning of the season, being sold at Rs. 94 as compared with the present price of Rs. 58. This comparison will show the steep fall which has occurred in the last three months.

Although some indications of a fall in prices were available even at the beginning of the present cotton season, the Government of Pakistan had evidently hoped that it would be possible to hold the prices at reasonable levels through the adoption of certain well-conceived measures, such as the abolition of export duty on certain varieties and reduction in that of others. Thus, when the Government announced, on 10th September, 1952, its new cotton policy for 1952-53, it abolished the export duty on Comillas and other *Deshi* cotton, and reduced the duty on other varieties from Rs. 180 per bale to Rs. 90 per bale. There was no mention whatever of floor prices for cotton. Apparently, the Government thought that it would be able to weather the storm in the cotton market without resorting to such a device.

The Government's hopes, it is now clear, had no real foundation. At any rate, events have proved them false. All the world over, cotton prices are declining. Export availability of cotton in the free world is now estimated at 15.6 million bales (of 478 lbs. each) as compared with the actual exports of 11.1 million bales in 1951-52. Pakistan itself has a surplus of 1.45 million bales (of 478 lbs.) as against its actual exports of 0.92 million bales.

The pressure of cotton supply is now acting as the chief depressing influence on cotton prices. It is now felt that, unless there is good export demand, it will be difficult to maintain the prices at the levels at which they have now been fixed. China and Japan are mentioned as possible buyers. But it remains to be seen whether these two countries will lift substantial quantities of cotton and help maintain cotton prices in Pakistan, because these countries are now being wooed by other countries too.

The Government of India has decided to give cotton textile mills 100 per cent. quota of cotton on the basis of the 1951-52 consumption, it is stated. This decision, it is further stated, is prompted by a desire to check the present downward trend in cotton prices in the country.

WORLD CRUDE OIL POSITION

OUTPUT TOUCHES A RECORD OF 618 MILLION TONS

WORLD crude oil production in 1952 increased by 5 per cent., or about 31 million metric tons, reaching a new record of 618 million tons, as compared with 587 million tons in 1951. The climb continued throughout the year, notwithstanding fluctuations in various countries. About 302 million tons were produced in the first half of 1952 and 316 million tons in the second half. The rate of production, which, early in 1952, was equivalent to only 600 million tons a year, reached nearly 640 million tons towards the end of the year. The free world's production rose from 537.1 to 562.9 million tons, or by 4.9 per cent., and accounted for five-sixths of the world increase; the Communist countries' output rose by over 5 million tons to 55.3 million tons.

Excepting Persia, where Anglo-Iranian's operations ceased in mid-1951, none of the world's 44 oil-producing countries produced substantially less in 1952 than in 1951. Many increased their output and the three foremost producing areas—the U.S.A., the Caribbean area and the Middle East—which, for a long time past, have accounted for over nine-tenths of the free world's total petroleum production, were responsible for slightly under nine-tenths of the free world's production gains last year. Despite the continued loss of Persian production, formerly at a rate of 32 million tons a year, the total output in the Middle East rose by a further 9 million tons (over 9 per cent.), which represents an increase of 20 million tons, 50 million tons, and 70 million tons as compared with 1950, 1948 and 1946, respectively. Production went up by more than 7 million tons in the U.S.A. and by about 6 million in the Caribbean area. Over the whole post-war period (1946-1952), production has trebled in the Middle East, increased by two-thirds in the Caribbean area, and by one-third in the U.S.A.; in absolute figures, the increase in the U.S.A.—76 million tons—was the largest, but was closely followed by that in the Middle East. But, during 1946-1952, oil production in the Middle East countries, excluding Persia, has, in fact, gone up by 90 million tons a year. Outside these three main areas, the U.S.S.R. achieved last year the next largest increase, estimated at 4.6 million tons, followed by Canada with an increase of 1½ million tons.

Still Higher Production Expected in 1953

The overall increase of 31 million tons in the world production of oil in 1952, was less than the average annual increase in the preceding five-year period of about 42 million tons, and was less than half the record increase of 63½ million tons attained in 1951. The flattening of the upward curve was, however, to be expected with the tailing-off of post-war reconstruction and the gradual slowing-down of the Korean War boom. The *Petroleum Press Service*, in its leading article a year ago, forecast an overall increase in world production of 35 million tons during 1952, of which 30 million tons was in the free world; the increase in the free world was, in fact, over 25 million tons. Taking into account the developments now under way and the likely course of demand, an increase of output in the free world in 1953 of about the same order as in 1952 may be expected.

Petroleum production after the Second World War (in 1946) was about 40 per cent. higher than in 1937-38, though the level of production in manufacturing and mining industries as a whole was not very much above the pre-war record reached in 1937. But, from 1946 onwards, the rates of growth of crude oil production and of general industrial production have been moving on almost exactly parallel lines. The index (Base: 1948=100) for crude oil production rose from 81 in 1946 to 127 in the second quarter of 1952, while that for industrial production from 82 to 125 over the same period.

With oil imports also at a record level, the U.S.A. again achieved a new production record for the year, the quantity actually produced being 310 million tons, though its share in world production declined from 52 per cent. in 1951 to 50 per cent. in 1952, as compared with over 60 per cent. both before and immediately after the Second World War. The U.S. reached, late in November, a new peak level of crude oil output of about 6,600,000 barrels daily. The effects of the few weeks' strike of refinery workers in May and of the steel workers' strike in June and July have, however, been fully overcome. Stocks are at high levels and, thanks to State regulation, total crude oil production is still far short of the potential of the country as a whole. But, in California, the second largest oil producing State, production has almost ceased to expand. The sustained growth of the U.S.A.'s already massive output of oil over so many years is a remarkable performance, which, however, will be considerably exceeded in future, when continued expansion to considerably higher levels is expected to occur.

Western Canada now ranks as the world's eighth oil producer. Output in this country rose by 1½ million tons to 8 million tons in 1952, and has recently been running at a rate of nearly 10 million tons a year. With the opening of the pipeline from Edmonton (Alberta) to Lake Superior in May, 1951, production rose sharply and there will be another substantial leap forward next spring when the new pipeline to Vancouver will come into use.

The increase of 6 million tons in oil production in the Caribbean area in 1952 is chiefly accounted for by Venezuela, where production in the spring attained—in keeping with earlier forecasts—a rate equivalent to over 100 million tons a year. Venezuela's oil output is always closely affected by seasonal and other developments in the U.S.A. and it suffered, to some extent, from last year's U.S. refinery strike, when production temporarily fell below a rate of 90 million tons a year. The rise of current output by 40 million tons a year, as compared with that in 1946, has occurred, despite the fact that no new concessions have been granted by the Government since 1945.

There was little change last year in the level of output in other Latin American countries. Last year's increase in Mexico was barely 100,000 tons, or less than one per cent. Past increases have come mainly from the rich Poza Rica field, output of which is now expected to remain stationary. Output has now virtually reached the maximum level possible from existing fields. New fields are not likely to keep pace with rising inland demand and a decline in exports seems inevitable.

Production in Middle East

Towards the end of 1952, the Middle East reached a production rate equivalent to well over 110 million tons per annum, as compared with about 105 million tons in the Caribbean area. It is again, as was before the Persian crisis, the world's largest oil-producing region outside North America. Last year's production in the Middle East, excluding Persia, rose by nearly 25 million tons, that is, from 80.3 million tons in 1951 to 105.1 million tons in 1952. This followed a similar jump forward during 1951. Persia is now producing oil for its own use at a probable rate of 1 million tons a year, which compares with Anglo-Iranian's output of over 32 million tons in 1950. Out of the increase in the Middle Eastern oil production (outside Persia), Saudi Arabia accounted for 3½ million tons, Kuwait for over 9 million tons, Iraq for over 10 million tons, and in Qatar for one million tons. In Saudi Arabia, output has risen from only 1 million tons in 1945 to 41½ million tons in 1952. This is the area's largest producer, followed by Kuwait—with an output of 37½ million tons last year—which only joined the ranks of oil-producing countries in 1946 and still draws all its production from a single field—Burgan. The rate of production in mid-1952 both in Saudi Arabia and Kuwait was somewhat higher than that of the year's total. An increasing proportion of Saudi Arabia's output now comes from the new large oilfields of Ain Dar and Ithmaniya.

Development in Iraq is now in full swing. With the opening of the new pipeline to the new Mediterranean terminal at Banias (Syria), output from the prolific Kirkuk field leapt ahead and, as already mentioned, the country's production rose by over 10 million tons within the year—a performance, which, incidentally, also occurred in both Saudi Arabia and Kuwait in 1951. Iraq's total production is at present running at a rate of over 25 million tons per annum and a rate of 30 million tons may be expected by the end of 1953.

Among the smaller oil producers of the Middle East, only Qatar made any substantial gain last year, reaching, in the last few months, a production rate of about 3½ million tons. Production in Bahrein and Egypt remained virtually unchanged. In Egypt, the existing fields are expected to go into decline in the near future, while exploration work is unfortunately at a standstill in view of the unfavourable legislation.

Oil in the Far East

In the Far East, Indonesia achieved an increase of about 1 million tons, partly as a result of the opening of the Minas field in central Sumatra. Total output is now at a rate of about 9 million tons per annum, as compared with the highest pre-war output of 8 million tons, but a further half to one million tons of crude a year could be available, if the fields in northern Sumatra were to be brought back into production. Production in British Borneo—mainly Brunei—remains at about 5 million tons a year, and there have been no major changes in the smaller oil-producing countries of the Far East—Japan, India, Pakistan, Burma and Western New Guinea.

Production in the European area, outside the Iron Curtain, is now slightly above 3 million tons. Thanks to intensive prospecting, output in West Germany is now approaching a rate of 2 million tons per annum. Production in the Netherlands remained virtually unchanged, while that in Metropolitan France, Morocco and Algeria went up by 125,000 tons to reach a total figure of 500,000 tons. Contrary to official forecasts, Yugoslavia's 1951 level of production of about 150,000 tons was barely maintained last year, though the authorities continue to be optimistic with regard to the future.

Production in the U.S.S.R. is officially stated to have risen to about 47 million tons, during the year under review, as compared with about 42½ million tons in 1951, 21½ million tons in 1946 and 31 million tons in 1940. This increase comes mainly from the "eastern districts," share of which in the country's oil production has risen from 12 per cent. in 1940 to over 50 per cent. in 1952. The share of the Second Baku area—the largest of the eastern districts—amounted to 40 per cent. of the country's production. The current Five-year Plan, which started in 1951, foresees an output of 70 million tons by 1955.

Crude oil production in Rumania is believed to be slowly decreasing, but that in Austria—all in the Eastern Zone and under direct control of the U.S.S.R.—continues to expand sharply, as a result of the development of three new fields discovered in 1949-51. Production last year, at 3 million tons, was approximately twice that of 1950 and, if present trends continue, Austria may before long take Rumania's place as the largest oil producer in Europe west of the U.S.S.R. Hungary's production now appears to be virtually stable at about 500,000 tons a year. Production in Poland, Albania and Czechoslovakia is much smaller, but is increasing.

China's Oil Output

Recent statements of the Chinese Communist Government indicate that oil production—presumably including both crude oil and shale oil—has substantially risen during the past few years and will increase four-fold in 1953. Production of oil from all sources, which may be estimated at 250,000 tons for 1951 and somewhat higher for 1952, may, therefore, be over 1 million tons in 1953. This goal appears highly optimistic, though a substantial increase in shale oil production appears feasible.

The foregoing reveals not only a few notable developments in world oil production in 1952 but the promise of continued expansion in some areas in 1953. In the world's two main exporting regions—the Middle East and the Caribbean—the oil reserves are abundant and the technical conditions for rise in output are excellent. This would also apply to Persia. But, as the Persian episode shows, a suitable political setting is an equally indispensable factor. At present, the free world's oil importing countries as a whole now depend upon the output of four countries—Venezuela, Saudi Arabia, Kuwait and Iraq—for nearly nine-tenths of their imported supplies. In to-day's conditions, more widely spread sources of oil supply are obviously desirable and the greatest support is, therefore, needed for exploration work wherever promising conditions exist.

PARIS-LE HAVRE OIL PIPELINE

The first important pipeline ever built in West Europe, with the exception of the famous war-time "Pluto," is to come into operation between Le Havre and Paris shortly. The pipeline, which will be some 150 miles long with a diameter of 10", will connect the three oil refineries of the Havre region (Shell, Standard Oil and Ste. Francaise des Petroles) with the storage depots of Paris. Its annual capacity will be in the neighbourhood of 1.5 million tons of petrol, gas-oil and crude oil—a quantity which represents more than the consumption of the Paris region—but it could be easily expanded to 2 to 3 million tons simply by increasing the speed at which the fuel is pumped through the pipeline. According to present plans, the pipeline will operate at a speed of between 2 and 3 miles an hour only, which still represents a gain in time, as compared with traditional transport by means of river barges.

The building of the Paris-Le Havre pipeline was first contemplated in the Monnet Plan in 1946, but work on it did not start until five years later—in 1951. The sponsors of the venture emphasise the many advantages of a pipeline, in particular, the lower cost of transport (33 per cent. on the basis of 1 million tons of petroleum products carried every year). It is calculated that, otherwise, it would have been necessary to expand the barge fleet by some 50 per cent., or 70,000 tons, so as to cover the consumption needs of the Paris region and that, since demand has considerable seasonal variations, it would be impossible to run such an increased fleet economically. The existing barges will henceforth be used almost exclusively for the transport of heavy oils. The total cost of the construction of the pipeline is estimated at Frs. 4,000 million. (£4 million).

French petroleum experts visualise the construction of other pipelines at a later stage. They contemplate, in particular, a pipeline which will connect the refineries of the Marseilles region (on the etang de Berre) with Lyons.

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WHY ARE SUGAR PRICES STILL HIGH?

MUDDLE OVER RELEASES OF STOCKS

FOR some days now, sugar has been in the news again. The reason for this is that, despite heavy stocks of this commodity, certain parts of the country have been experiencing scarcity of supplies and higher prices. Who is responsible for this extraordinary state of affairs? Three weeks ago, our columnist, "Rover," discussed this question in his inimitable style and came to the conclusion that it was due chiefly to bungling by the Ministry of Food at the Centre and partly to the clever manipulations of a group of sugar merchants. Shortly after we went to press last week, an explanation for this muddle appeared in the daily Press. This explanation is attributed to an "official spokesman." One does not know why this official spokesman chose to remain anonymous. Why is it that the Food Ministry itself has not come forward with a Press statement explaining the reasons for this development? Surely, there is no need for secrecy in these matters. Further, even the explanation by the so-called "official spokesman" is by no means satisfactory and does not answer some of the most important points. In view of all this, the explanation under reference has given rise to the impression that it is a move on the part of some official to cover his actions, in anticipation of some inconvenient questions being asked in the forthcoming session of Parliament on the developments leading to higher prices for sugar.

The reported explanation of the official spokesman does not answer the question: Why did the Government of India sell a large block of sugar, believed to be about 34,000 tons, out of controlled stocks at a price higher than the price which it said should prevail from 1st December, 1952? Was not this action against the declared policy of bringing down the price of sugar? While selling this sugar at a higher price, did not the Government realise (a) that the group of merchants buying it would pass on that additional cost to consumers, (b) that, if the biggest holder of stocks were to demand a price slightly higher than the previously declared price, it would lead to a bullish fervour in the market, and (c) that, if the Government itself were to demand a higher price for its stocks, the factories and merchants would be encouraged to do the same? Having thus given a bullish twist to the sugar situation and whetted the appetite for hoarding, what is the point in pointing an accusing finger at the sugar mills and saying that some of them are refusing to part with the stocks held by them, in spite of issue of release orders?

We have no idea whether any of the mills are deliberately withholding delivery of sugar to the merchants. But considering that the mills have all along been complaining of heavy stocks, of their inability to finance them, etc., it sounds rather odd to hear of this complaint against the mills. Are we to believe that the stock position of sugar in this country has eased to such an extent as to permit the industry to indulge in hoarding practices? Or are we to believe that the storage and financial capacity of the sugar industry has improved to such an extent as to enable them to withhold large stocks in expectation of higher prices? It is common knowledge that in U.P. sugar factories have had to delay crushing of sugarcane this season by a month for want of finance and place for storing their production. In raising all these points, we have not the least intention of trying to protect those mills that want to resort, once again, to anti-social activities. If any of them are trying to do so, they must, of course, be firmly dealt with. Our anxiety, however, is only to make sure that the official spokesman is not trying to cover his questionable actions by throwing the blame on the sugar mills. It is easy to blame the sugar mills nowadays and expect the public to believe in such accusations, in view of the fact that the name of the industry has been besmirched by the anti-social activities of a section of it on a number of occasions in the past.

Another typical instance of the official spokesman's attempt at explaining away the whole incident is provided by his reference to prices. Answering the criticism that, instead of prices of sugar declining by Rs. 4 per maund, they have actually gone up, this spokesman observes that it was wrong to have expected a uniform decline of Rs. 4 in the price of sugar all over India. Everybody connected with the sugar industry knew that. And there was no need for this spokesman to mention it, as though the public was not aware of it. The real point here, which the official has not answered, is that, instead of prices going down, as they were expected to do, they actually went up. Thus, as against a low of Rs. 80 per bag in the beginning of December and the control price of Rs. 82-6 per bag (including railway freight, town duty, standing and carting charges aggregating Rs. 4-4), the price of sugar in the Bombay market touched a high of Rs. 100 per bag early this month. Even now, after the release of the entire Government-guaranteed stocks of last season's sugar, amounting to 304,470 tons in all, and the steps taken by the Government to accelerate the movement of sugar stocks, the average price of sugar in the Bombay market is in the neighbourhood of Rs. 90 per bag. This upward trend in prices has been contrary to the expectation of not only the public and the sugar industry but also of the Bombay Government. Expecting that prices would go down, this Government had sold away, to certain sections of the trade, not only all the stocks it had but also something more, with the result that it has had to cover its excess sales at a loss. As to why the Bombay Government sold in excess of its stocks is another question with which we are not concerned here. It may be a question of inefficiency so common with our Governments.

Another point that emerges from the present state of the sugar market and to which there is no answer in the statement of the "official spokesman" referred to at the outset is that, even after the large releases of Government-controlled sugar, prices are standing at a level higher than the controlled price. We are told that the present high prices, coupled with reports that the production of sugar in the next two seasons would be lower than the estimated consumption in the country, have tempted some of the stockists in deficit areas to replenish their depleted stocks even by paying a premium over the control prices. Whatever the reason for it, does not the continuation of high prices mean that the method followed by the Government for keeping down the price of sugar through sales from its buffer stock is defective? The answer is obvious. It cannot but be in the affirmative. Apparently, the Government seems to have thought that the very fact that the country had large stocks of sugar would be sufficient to keep prices down. That it was a complacent attitude to take is now crystal clear. In fact, that should have been clear to the Government even when the prices started moving up a few weeks ago. The authorities, while releasing the quotas for sale in the free market, should have taken steps to ensure that the factories would sell their stocks of sugar at the reduced ex-factory control price. Failure to do so, coupled with the freedom given to the mills to sell sugar to buyers of their own choice, has provided an easy way to some of the mills to sell at higher prices. There is, of course, no justification for the mills doing so, inasmuch as the Government is paying to all the factories the difference between the previous control price and the reduced price. The Government of India has, of course, realised its mistake now in a way and has warned the factories to withhold sale of sugar to any dealers who have an unsold balance in stock with them. Any mill which does so will be doing so at the risk of losing the subsidy. The Government has also taken, according to a news agency message, certain effective steps to prevent hoarding of sugar by factories. But the mischief has alrady been done and we do not know to what extent this warning and the other reported measures can undo it. As usual, the Government has come to lock the stable after the horse has bolted.

SUGAR PRODUCTION AND STOCKS

The aggregate production and despatches of sugar for the season 1952-53 cut to the end of December, 1952, amounted to 240,943 and 167,907 tons, respectively, as against 302,796 tons and 140,546 tons during the corresponding period of the previous season.

The opening stock, production, despatches and closing stocks of sugar during the fortnight ended 31st December, 1952, were 451,392 tons, 127,325 tons, 55,379 tons, and 523,338 tons, respectively. The figures for the corresponding fortnight of the previous season were 233,035 tons, 135,767 tons, 41,829 tons, and 306,973 tons. Figures for the current fortnight relate to 126 factories representing 91.32 per cent. of the total cane-crushing capacity, while those for the previous year relate to 127 factories representing 90.57 per cent. of the total cane-crushing capacity.

UTILISATION OF COAL

SOME THOUGHTS OF A FUEL TECHNOLOGIST

THERE are few addresses on the utilisation of coal that have come in for so much criticism as that of Dr. S. K. Sircar, a fuel technologist and chemical engineer, delivered at the recent Lucknow session of the Engineering and Metallurgy Section of the Indian Science Congress in his capacity as its President. We do not have the full text of his speech, but it is clear from Press reports that some of his categorical statements are conflicting with each other. One is, therefore, not able to understand what exactly was the subject of his address.

At one place, Dr. Sircar says that he is concerned more with the energy contained in coal in the form of heat units than with the coal itself irrespective of whether it is of X or Y or Z class. This statement gives one an impression that he is for the utilisation of low grade coal so long as it contains sufficient units of heat. But, in another place in his address, he condemns low grade coal in no mild terms. He even goes to the extent of saying that it would be better to use muck instead of low grade coal. He criticises, in very strong terms, the attempts that are being made by lower grade collieries to make out a case in favour of the use of low grade coal by railways. This sounds strange, in view of the fact that it has been clearly established that, with certain changes in boiler design, etc., low grade coals could be utilised by railway locomotives with no adverse effects on them. Does Dr. Sircar mean to suggest that this established fact is not beyond dispute? It would not be surprising if, in view of these conflicting statements in the body of the same address, the audience were confounded as to what was the thesis of Dr. Sircar's speech.

It is true that the reserves of high grade coal in India are not such as to cause any anxiety. But it is also equally true that this impression should not lead to the indiscriminate use of high grade coal and that, wherever feasible, the use of such coal should be replaced by coal of lower grades. Throughout the world, it is more or less the policy of Governments to conserve the high grade coal and encourage the maximum use of lower grade coal. Dr. Sircar also recognises this in one place of his address. He says, "to a properly trained fuel engineer or technician, no quality of coal is worthless or unsuitable as long as he can apply proper method and as long as economic considerations are not beyond his control."

Dr. Sircar makes certain recommendations with regard to the use of coal with which there will be general agreement. The chief of them are that coal should be beneficiated to the extent possible; that super-power plants should be set up throughout the coalfields, wherever conditions permit but not far off from railways, in order to utilise washery sludge and part of the middlings from coal-cleaning plants most conveniently placed; that such power stations should be linked in the form of a grid to supply power for traction to railways, and that power thus generated should be made available over wide areas to replace coal to the maximum extent. Other suggestions of Dr. Sircar relate to the setting up of low temperature carbonisation plants, utilisation of surplus gas, elimination of steam locomotive traction as far as possible and utilisation of coke breeze for gasification and steam rising on a much wider scale.

Dr. Sircar condemns restriction on the output of metallurgical coal as a negative way of securing conservation of coal. He emphasises that the right way of conserving this precious variety of coal lies in proper methods of stowing and beneficiation of lower grade coal. He, therefore, feels that the Government should encourage proper research for this purpose, so that the most economic ways of following these methods can be found.

COAL STATISTICS FOR NOVEMBER, 1952

Eight coke plants and 811 collieries worked during the month of November, 1952. On an average, 323,482 persons were employed daily and 7,855,905 man-shifts were worked. The overall percentage of absenteeism was 12.85. The output per man-shift for miners and loaders was 1.12 ton, for all persons employed in underground and open-working 0.59 ton and for all persons employed 0.36. As much as 2,884,368 tons of coal were produced during the month. Besides, 111,131 tons of soft coke, 178,801 tons of hard coke and 13,335 tons of other kinds of coke were manufactured. Despatches during the month accounted for 2,684,362 tons of coal, 107,068 tons of soft coke, 43,663 tons of hard coke and 3,720 tons of other kinds of coke. The coal stocks at the collieries on the last day of the month were 2,976,253 tons.

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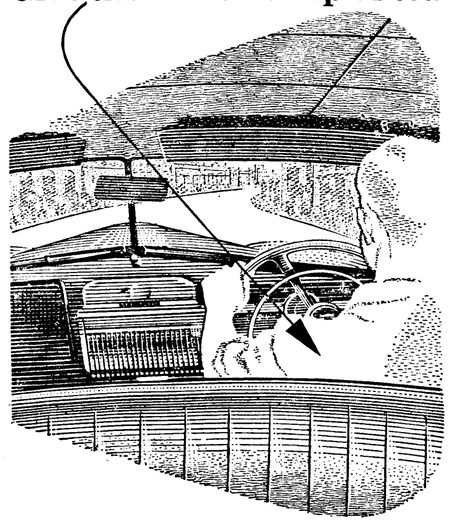

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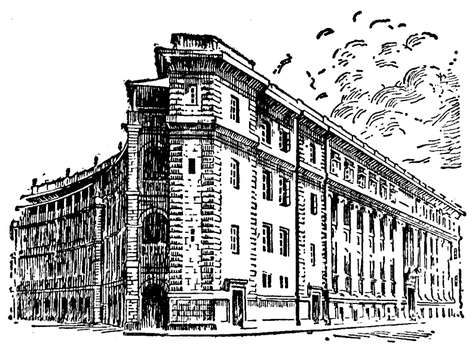

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TREND OF JUTE GOODS MARKET

SUPPLIES EXCEED DEMAND

(From Our Calcutta Correspondent)

FOR the jute goods and the raw jute markets, the year 1952 was remarkable, in that the prices returned to natural levels for the first time after the last World War. Supply of jute goods exceeded world demands, and selling in international markets was subject to keen competition. For a time, Indian jute goods were not wanted by foreign consumers on account of the high export duties levied by the Government of India. It took rather a long time for New Delhi to accede to the demand of the trade for slashing the duties to realistic levels. In the process of gradual revision of the duties, Indian hessians and heavy goods lost considerable ground in foreign markets. However, after the reductions, Indian goods are again slowly capturing lost markets, and in this the assistance which the Indian Jute Mills Association is able to provide by way of publicity in foreign countries is much appreciated by both the Government and the trade. The following tables show how prices moved during the 12 months of the year under review.

TABLE I

Price Trends of Jute Goods During 1952

	Ready hessian 40" 10 oz. Per 100 yards		*Ready B. twills Per 100 bags*	
Opening on 2-1-1952 ..	Rs. 77-8		Rs. 258-0	
	Rs. a. H.	Rs. a. L.	Rs. a. H.	Rs. a. L.
January	77 8	64 0	258 0	212 0
February	65 4	57 8	211 0	165 0
March	59 0	46 0	174 0	137 0
April	53 8	46 4	159 0	143 0
May	49 14	43 0	141 0	114 0
June	48 0	45 0	127 0	114 0
July	45 8	40 8	112 0	93 0
August	47 8	42 0	114 0	98 0
September ..	51 4	46 13	120 0	112 8
October	54 12	49 5	118 8	113 8
November	50 14	47 8	117 8	93 8
December	49 4	42 0	97 8	87 0

H. = Highest. L. = Lowest.

TABLE II

Prices of Jute Goods During 1952

	Opening on 2-1-52	*Highest*	*Lowest*	*Closing on 30-12-52*	*Loss*
	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready hessian 40" 10 oz. (per 100 yards) ..	77 8	77 8	40 8	42 8	— 35 0
Ready B. twills (per 100 bags)	258 0	258 0	87 0	93 12	—164 4

In January the markets opened on a firm note, and expectations that America would soon be requiring a huge quantity of hessian encouraged speculative enthusiasm. Hessians 40" 10 oz. were dealt with at Rs. 77-8 and B. twills at Rs. 258 which, it may be noted, were the highest rates for the year. However, firmness was only a temporary phase and the expected business with the United States did not take place. Quotations searched for lower levels, and on the last day of the month hessians were down at Rs. 64 and B. twills at Rs. 212. These conditions were reflected in raw jute, and Assam bottoms closing at Rs. 37-8 accounted for a loss of Re. 1-8. The fall in raw jute would have been even more pronounced, but cultivators, who were able to fall back on the moderate funds they had made previously as a result of buoyant conditions, were holding on to their stocks in anticipation of an increase in raw jute prices. Mills, however, knew that this would not happen, and they, therefore, gave only limited support to the market.

Export Duties Reduced

February, on the whole, turned out to be a better month, and although quotations did not cross January's opening levels, some headway was made from the lowest rates. This was only possible following the reduction of the export duty on hessian from Rs. 1,500 to Rs. 750 a ton, and although this did not revive American demand, expectations of increased business aided the market sentiment. Meanwhile, production showed a tendency to increase, following the resumption of full working hours by mills. This made mills eager to secure business, and buyers put on a hesitant feeling. Quotations were, therefore, naturally marked down.

March witnessed a further recession in the prices of both raw material and goods. The jute trade and industry were of the same view, that a healthy revival of foreign demand could only follow a further reduction in the hessian duty and a revision to a reasonable level in the duty of heavy goods which, remaining at Rs. 350 a ton, compared with Rs. 50 in force in 1950. No time was lost in making strong representations to New Delhi which was, however, reluctant to agree to the trade demand. In the meantime, market conditions took a turn for the worse, and mills took all steps in their power to ensure that prices did not fall below the economic levels. With this end in view, mills cut short their working hours to 42½ a week as from 31st March. This announcement put up prices for a time; but Americans were not moved to enter the market and were not worried by the coming reduction in production. This was because Continental mills continued to under-cut Indian quotations, and high export duties were a standing hindrance against mills' attempts to dispose of stocks which at the end of February were as high as 105,169 tons, representing an increase of 16,767 tons compared to the figure at the end of January. Stocks at 111,600 tons in March showed a further increase. Towards the end of March, Assam bottoms gained ten points to Rs. 40, as sellers became reserved, following the fixation of minimum prices in East Bengal.

The Government of India's continued silence in regard to the trade demand for a sizable reduction in the duties caused surprise to market circles. What was, however, more amazing was official statements which indicated that the recession in American demand was a normal feature of trading during this part of the year, and that an order for ten million yards of hessian which was placed by the United States on Continental manufacturers during April was nothing unusual, since, as the Minister of State for Finance put it, the hessian ordered was a Continental speciality and was not manufactured in this country. However, traders took a different view and stated that the hessian ordered was for making camouflage strips and that previously Indian hessian had been bought in America for the very same purpose. The trade, therefore, stated that at least a part of the huge order could have been secured by India, had lower duties been in force. Foreign buyers were confident that a reduction in Indian duties should come about, and that was why Indian quotations were not responded to. In the middle of April, a note of steadiness was, however, in evidence, following New York advices that, for the first time since the hessian duty was halved, quotations for Indian burlap were competitive compared to those for osnaburg cloth. Hessian 40" 10 oz. firmed up to Rs. 53-8, and B. twills to Rs. 153. At the end of April, speculators cheerfully noted the resumption of trading in jute goods at the East Indian Jute and Hessian Exchange after the lifting of the ban against futures transactions by the West Bengal Government. Raw jute prices were easy, as arrivals from up-country were increasing, and the balers' request to Government for permission to export some raw jute was not granted by New Delhi for good reasons. Assam bottoms fell to Rs. 34 from Rs. 38.

At long last, it was early in May when the Government of India reduced the duty on hessian to Rs. 275 a ton and that on sacking to Rs. 175 a ton. The announcement was hailed in the market. The immediate reaction was an uptrend and 40" 10 oz. hessian moved to Rs. 49-14 and B. twills to Rs. 141. However, lack of moderate business with foreign buyers imparted an easy feeling and quotations tumbled to Rs. 43 and to Rs. 118, respectively. U.S. buyers realising that only limited purchases would keep down quotations, gave restricted support to the market; however, stockists were not alarmed and mills also were reluctant to offer at the low rates. It was noted that the announcement, unlike the previous ones, clearly indicated that there was no likelihood of a further revision, since the revised duties were stated to be the appropriate levels of normal revenue duties. This sense of finality was welcome relief to the market, since prior to the final revision buyers had postponed entering into commitments in anticipation of the duty reduction.

U.S. Demand

Conditions in both the goods and the raw jute markets in June were steady, and a larger quantity changed hands. There were ample signs of a forthcoming increase in the American demand, and for this reason speculators began to increase their stocks. Mills were anxious that speculators should not raise quotations to such levels as to make the Indian goods again to be priced-out of world markets. Mills realised that market conditions could become normal to them only after they had disposed of the stocks processed from raw jute purchased at higher levels prior to the decline in prices. There were talks of the possibility of mills resuming normal working hours. But many realised that this would be possible only if mills could make sure that foreign demand would be maintained at the higher level. Plenty of raw jute was available in the market, as hoarders realised that no useful purpose would be served by holding on to stocks and that there was no possibility of a spectacular rise in prices. Assam bottoms were offered at Rs. 28 a maund. In East Bengal, markets were uneventful as support from Indian mills was insignificant in view of the fact that Indian jute was much cheaper. It was expected that Karachi would soon revise the export prices, as this was the only method by which East Bengal could dispose of the huge stocks of raw jute. Karachi was, however silent apparently because there was a feeling that the chances of the Jute Board incurring huge losses would be more in the event of a revision, as it had purchased a moderate quantity at higher prices.

The Pakistani Government announced, early in July, its new policy on jute which reduced the minimum prices and lowered the export duty. Naturally, sellers in East Bengal put through moderate business with foreign buyers. Business with Indian mills came to a standstill, as mills desired that, before they could purchase from East Bengal, the discriminating export fee on all jute, except cuttings, sent to this country, should be discontinued. With plentiful quantities of the indigenous jute being available, Indian mills advised New Delhi that the abolition of the special licensing fee could only be the basis of inclusion of raw jute in another Indo-Pakistani trade agreement for which negotiations were proceeding in the capital. Following Pakistan's insistence on its own terms and India's reluctance to accept same, raw jute was not included in the trade pact which followed the negotiations. This naturally imparted a steadier sentiment to the raw jute market in August. Mills were, however, cautious in purchases lest prices should reach levels uneconomic for manufacture. In August, the goods market was also steady. Purchases by foreign importers were satisfactory, and 40" 10 oz. hessian shot up to Rs. 46-8 from Rs. 42-8, and B. twills to Rs. 116 from Rs. 100. Pakistan's announcement that, in view of the possibility of a large carry-over of jute to the next season, jute acreage would be cut down drastically did not have any effect on mills which had taken note of the possibility of the 1952-53 Indian crop reaching near self-sufficiency.

September was a month of firm conditions for all markets. It was during this month that the continued rumours of a huge order on behalf of Argentina became a reality. The order was for 40,000 tons of hessian. The fact that the order went to mills directly instead of through the market, damped speculative enthusiasm. On the announcement of the order, 40" 10 oz. hessian looked up at Rs. 51-4 which, was, however, pulled down to Rs. 49-12 owing to bull liquidation. Mills had practically little or nothing to offer for the near delivery position, and forward goods for both hessian and heavy goods carried a premium. The insistence of Pakistan on continuing the discriminatory licensing fee on jute exports to India lent strength to the local market where stockists noted cheerfully the changing prospects for the jute industry. This naturally encouraged cultivators also to release stocks in small quantities. Pakistani official spoksemen made it abundantly clear that the licensing fee was discriminatory both in character and substance as, in the words of the Pakistani Commerce Minister, Pakistan could not consider India as a "reliable" buyer of the East Bengal fibre, since India was attempting self-sufficiency in raw jute.

Two lively items of news were cheerfully noted in the market in October. Figures of the stock position of mills as at the end of September showed that hessian had fallen by 3,400 tons to 32,800 and as against anticipations of a moderate increase, sacking stocks were only up by 1,900 tons to 58,300. News from America indicated that during September, burlap consumption in that country amounted to 91.5 million yards representing an impressive increase of 5.5 million yards over the figure for August. The increase in consumption for the three quarters ended September was stated to be 59 million yards at 590 million yards. The expectation that Indian mills were unlikely to face competition from the Continent during the period to December, inasmuch as the production of the Continental mills, up to the end of the year had been covered up by orders, was also a factor which made both hessian and heavy goods look up. Hessian 40" 10 ozs. rose to Rs. 54-12 and B. twills to Rs. 118-12.

Prices Decline

Conditions in all sections of the market in November were far from active. Prices for both hessian and heavy goods fell, those for the former more markedly than for the latter. There was temporary enthusiasm following cabled advices from New York that burlap consumption in America during October aggregated 88 million yards which, although lower by 3.5 million yards compared to September, was higher than earlier expectations of the market. It should be said that, despite the declining tendency in hessian, business with America was on a moderate scale.

The feature during the month of December was the closure of the hessian futures market as from the 19th December, following an edict of the West Bengal Government to that effect. This was welcomed both by the mills and the trade, as the wide fluctuations in the prices of hessian had been attributed to the functioning of the hedging system. Although this allegation may not be entirely correct, and opinions on the same are conflicting, it has to be recognised that hedging can play a useful role, especially when goods are in abundant supply, only if operators follow healthy trade practices and eschew the idea of making big profits in as short a time as possible. Overseas importers preferred to buy from a stabilised market, and thus wide fluctuations in prices at home prevented them from entering the market for fear of heavy losses at one time or another. During the month, jute goods were subject to moderate activity. The interest shown in hessian and sacking by America and Britain respectively was considered satisfactory. Heavy goods, for a time, carried impressive gains, and B. twills rose to Rs. 97-8 from Rs. 87 although the closing for the month was at Rs. 93-12. As the month was approaching its end, support to the market was guarded in view of the holidays; but the earlier support encouraged mills to buy a moderate quantity of Indian raw jute. Raw jute prices, which had at the beginning of the month touched very low uneconomic levels and which were a source of anxiety to the mills, cultivators and the Government alike, recorded some fractional gains. Assam bottoms, January delivery, advanced to Rs. 24-8 from Rs. 21 a maund. It was recognised on all hands that the maintenance of a fair price for raw jute was alone a guarantee to ensure that cultivators would not change over to other commercial crops and foodgrains but that they would attempt to increase the existing acreage under jute. Mills had repeatedly stated that they were only eager to buy as much Indian jute as possible, and it was unfortunate that certain sources had stated that mills were buying jute from East Bengal in preference to Indian jute. The fact that mills bought a considerable quantity of Indian jute during the month at a time when support to the market was desperately needed, disproved, if proof was needed, the earlier allegation.

Production of both hessian and sacking has outpaced the demand, and as such any possibility of mills resuming full working hours is ruled out. The availability of good quality jute of Indian origin is limited, and a premium has to be paid for the superior variety of East Bengal jute the E.P.C. prices of which have been raised. Anxiety over the raw material position would continue till the next Indian crop comes to the market. In the meantime, it is to be hoped that Pakistan would make it possible for Indian mills to purchase more raw jute than at present.

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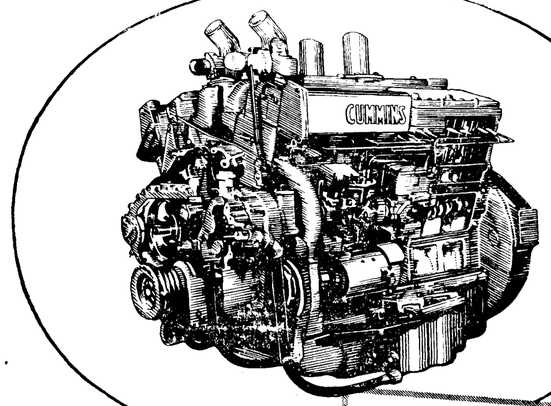

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NATIONALISATION OF ELECTRICITY UNDERTAKINGS

VIEWS OF MR. RAJAGOPALACHARI

THE Chief Minister of Madras, Mr. C. Rajagopalachari, spoke with refreshing candour on the subject of nationalisation of electricity undertakings while addressing the Madras Presidency Electricity Licensees' Conference held at Madras last week. He elucidated the theory of nationalisation both from the philosophical and the practical angle in a notable manner. An analysis of his speech confirms the doubts of the industry and the intelligent public about the wisdom of rushing through nationalisation of public utility undertakings at a time when economic and political conditions were not conducive for it. He expressed his considered view that there was no need to hurry through nationalisation, especially in Madras, and predicted, as a "pavement astrologer," to quote his own words, that when the Andhra State was being born and the residuary State would have suffered the pangs of child-birth and would be in the state of a mother left behind in the lying room, they could not expect the State to find funds to pay compensation and take over electricity undertakings. He was, of course, modest enough to add that he was making that prediction only in his individual capacity, because nothing was certain in this world, especially in places where democracy has established or almost established itself.

These remarks on nationalisation of electricity undertakings, which were in response to the request of Mr. P. Natesan, President of the Conference, to make a statement of the Madras Government's policy in this regard, represent the honest conviction of the Chief Minister, based on the study of the "climate" of the times. Speaking with particular reference to the undertakings in Madras, Rajaji said: "It is not the whims and fancies of ministers that decide policies but the circumstances of the country and the particular part of the country in which we live. If there is no climate for nationalisation, it does not matter how fond the Government is of nationalisation, nationalisation will not come." This statement is, however, to be taken with a pinch of salt, at least in regard to other States and the Centre. For, although the economic climate in these States as well as in the Centre is by no means better than that in Madras, they seem to be bent upon pursuing the policy of nationalisation. How else can one view the move of the Central Government to nationalise civil aviation, especially when the far more important projects like multi-purpose river valley schemes and the like are wanting funds. Again, it may be asked as to what justification there is for the Government of Bombay to proceed further with the nationalisation of road transport when it has no money even to consolidate the progress which it has already made. In these cases, it is, indeed, the whims and fancies of certain individuals rather than practical considerations or priority of needs that seem to be the determining factors in regard to nationalisation. It, therefore, looks as though the predictions of this "pavement astrologer" will not prove correct so far as these States are concerned.

The Philosophy

The most brilliant part of Rajaji's speech was that pertaining to the philosophy of nationalisation. He said that, if he were master of himself and the world accepted his view, he would say there was no hurry for nationalisation. The world was marching forward and he might be left behind. The world believed in and, everybody talked of, nationalisation. Because some undertakings gave large profits, many public men thought they could reap all the profits by nationalisation. It was a hurried conclusion. If in an industry, proper amenities were not provided for the workers, there was a belief that once such industries were nationalised, everybody would get proper amenities. Also, if any industry was badly managed, people thought Government management would be good. As against these, there were other points for consideration, observed Rajaji. Generally public management was not so vigilant, or watchful every moment, as private management was. Public management depended for its success on the civic sense of those who looked after the undertakings. In private management, greed was working all the time—to make as much as possible and to give as little as possible. So it happened that "everyman's business was no man's business." If the proper staff was found and if that staff was patriotic and became as good as *Bhagavad Gita* wanted people to become, believing in the doctrine that work was in itself an end, then they could have nationalisation. "Nationalisation or Socialism or Communism depends upon the full assimilation of the doctrine of the *Gita* by every citizen. Otherwise it will be defective nationalisation, Socialism or Communism." The people had not yet adopted the *Gita* doctrine. That time might come and nationalisation might advance as against private management. The *Gita* wanted everything to be done for the community and wanted the man born to his work to get early training in the particular work to which he was to be attached, because there was no question of private or self interest. Speaking in a humorous vein, the Chief Minister of Madras added that some public men thought that, by eating the goose, they themselves would lay the golden eggs. That was the reasoning behind the nationalisation of industries. Women did not lay golden eggs. They brought forth children, and added to their problems. Men, of course, could lay no eggs. Therefore, the goose was dead and there was no golden egg to come. "It is a humorous way of looking at it; but nevertheless true."

Danger of Nationalisation

Looking at nationalisation "philosophically and analytically," Mr. Rajagopalachari asked what it was they hoped to achieve by nationalisation. They would be asking the people to invest money in Government securities in order that the Government might run nationalised industries. In this process, they tried to make citizens moneylenders and technicians Government employees. Was it good? People would become moneylender-minded and would not be satisfied with 3 per cent. or even 4 per cent. interest. By everybody becoming Government servants, there would be no sense of freedom. That was a dangerous thing for the Government also. It would be like putting all the eggs in one basket. "Let us, therefore," said Rajaji "distribute our risks and worries among a number of people. Secondly, let us decentralise vigilance also. Decentralised responsibility and risks—that is the case for private undertakings. I do not say the Government hold that view. We may have to adopt a different policy and wait till the legislators learnt the result of that policy. The Government are likely to follow a middle path; they would be careful and watchful."

Finally, Mr. Rajagopalachari gave a piece of sound advice to private enterprise. Making particular reference to private enterprise engaged in electricity production and distribution, he cited the example of Tatas, who had shown to the public how efficiently and cheaply power could be supplied by private enterprise. If private enterprise worked honestly and efficiently and eschewed the greed for excessive profit, there would be no case for nationalisation. If they (private enterprise) did their best with a sense of consciousness, there would be no need to beg of the Government. If the undertakings were well managed, the Government would be at their doors. He expressed the hope that "this Government or any succeeding Government" would be sensible enough to make full use of the private enterprise's "spirit of adventure," its "capacity to manage" and its "ability to be vigilant, watchful and honest."

MERCHANT FLEET TONNAGE

Japan, Italy and Germany added more ships to their merchant fleet in the year ended July, 1952, than any other country, according to statistics published by Lloyds Register of Shipping last week. Japan added 605,000 tons, raising its total merchant shipping to 2,787,000 tons; Italy 372,000 tons, bringing its total to 3,289,000 tons, and Germany 367,000 tons, making its merchant fleet total 1,398,000 tons. But both Japan and Germany had less ships in service than in 1939, when the former accounted for 5,630,000 tons and the latter 4,483,000 tons. Among others, the U.K. increased its merchant fleet by 73,000 tons while the U.S. decreased its by 87,000 tons. The U.S., however, was still well ahead of the rest of the world in its aggregate tonnage which amounted to 27,245,000 though, of this an estimated 12.5 million tons were in the reserve "moth ball" fleet not in commission. The U.K. has most of its 18,624,000 tons in commission. The Commonwealth, including the U.K., increased its tonnage by 163,000, thereby making a total of 22,327,000 tons.

PROBLEM OF TRANSPORT CO-ORDINATION

ADVISORY COUNCIL'S DECISIONS

TWO principal items were discussed at the Annual Session of the Transport Advisory Council held last week in New Delhi. First, proposals for the amendment of the Motor Vehicles Bill, 1939, were considered with a view to bringing it up to date in the light of developments in road transport. Secondly, the report of the Technical Committee of the Council on the recommendations of the Motor Vehicles Taxation Enquiry Committee, 1950, were considered. The main object of the session was to make recommendations towards developing a co-ordinated transport system in the country.

The details of the Motor Vehicles (Amendment) Bill, submitted for consideration by the Council's Sub-Committee consisting of representatives of ten State Governments under the chairmanship of Dr. Jivraj Mehta, Minister of Finance, Bombay, have not yet been made available to the public. But it is reported that the draft Bill, as revised by the Council, will be circulated to all State Governments before it is finalised for introduction in Parliament. The amendment to the present Act has become necessary in order to close certain loopholes in the Act which have led to a number of malpractices. These malpractices are alleged to be impeding the efficient working of transport in a few parts of the country. It is pointed out that in their zeal to serve the State Transport Corporations some Regional Transport Authorities have been acting in contravention of the provisions of the Act and to the detriment of private enterprise. It is argued that the intention behind the Act, namely, to provide State and Regional Transport Authorities independent powers for all purposes and thereby facilitate the issue of permits free from political considerations, has been defeated to a great extent.

Taxation of Motor Vehicles

The recommendations of the Technical Committee of the Council, appointed to suggest ways and means for implementing the report of the Motor Vehicle Taxation Enquiry Committee, have also not been published. Reports from New Delhi reveal that, in view of the controversial nature of the issues involved, affecting, as they do, the finances of both the Central and State Governments, the Council decided to refer the recommendations of this Committee for a detailed examination by another committee of the Council consisting of 16 State Ministers. This Committee is expected to meet in Bombay shortly.

The Council adopted the recommendations of its Technical Committee on standardisation of bus-body designs which can be adapted in the interest of economy and the promotion of the indigenous bus-body building industry. The Technical Committee is said to have recognised the need for variations in design in order to suit the peculiar conditions of the regions where owing to hilly nature of the country or other conditions, such are necessary.

The question of mode of operation of nationalised road transport undertakings was also discussed by the Council. It came to the conclusion that operation of these undertakings should be through the Road Transport Corporation Act of 1950. It decided that, so far as the question of restricting the types of transport vehicles in the light of the manufacturing capacity available in India is concerned, the existing practice should continue till the report of the Tariff Commission, now enquiring into the matter, became available. As, however, certain State Governments have not had the opportunity of presenting their view to the Tariff Commission, it was agreed that a Committee of nine members of the Council should collect and forward them to the Tariff Commission after correlation. The Council also agreed upon certain measures for the simplification of procedure for (*a*) countersigning permits for vehicles proceeding from one State to another, (b) reciprocal arrangements with contiguous States for the operation of services on common routes, and (c) provision of special facilities for the benefit of tourists.

DAMODAR VALLEY PROJECT

The World Bank has announced a loan of $19.5 million for further development of the Damodar Valley Project. The loan is for a term of 25 years and bears interest at the rate of 4½ per cent. It will be recalled that the Bank had advanced, in 1950, a loan of $18.5 million for a steam power plant at Bokhara, a transmission system and a storage dam at Konar. The present loan will be utilised for the construction of two multi-purpose dams, each with a hydro-electric plant and an extension of irrigation system. The primary purpose of these multi-purpose dams is flood control.

NATIONALISATION OF AIRLINES

IS IT NECESSARY?—IS THERE NO ALTERNATIVE?

(By RUDDERBAR)

ALTHOUGH one of the avowed objectives of the present Congress Government is to make India a Welfare State and progressively to take under State control various commercial and industrial activities in the country, yet it also proclaims its adherence to a "mixed economy," leaving a certain field of enterprise to private capital and initiative. Why then, one may ask, this rush to nationalise air transportation, a field which up to date has been exclusively in the hands of private enterprise?

The answer surely lies in political motives. The aviation industry is, comparatively speaking, very small. It is also at its lowest ebb financially. To nationalise it at this juncture presents few, if any, difficulties and will involve very little finance. At the same time, it can be made to appear a major step forward in the implementation of Socialist, or, if you prefer it, Welfare State policy. Moreover, it is the first step on that road and it is the first step that counts. Industry in general should note the writing on the wall and all that it betides.

It is, of course, true that the air transport industry itself is facing a crisis. The present fleet of Viking and Dakota aircraft cannot last indefinitely. The time-lag between order and delivery of new aircraft is to-day prodigious. If, therefore, replacement is to be effected within the next three to five years, or even if the process of replacement is to commence on a small scale within that period, orders will have to be placed almost immediately. Modern aircraft are extremely expensive and a small order for, say 10 new aircraft, against the 80 or so aircraft employed to-day, will involve a sum approximating four to five crores of rupees, which the industry, in its present straits, is in no position to find.

Reasons For Industry's Plight

It is probably equally true to say that the main reasons for the present financial situation of the air companies are attributable to Government policies. In the first place, far too many companies were originally licensed to operate scheduled air services, with the result that, even during the boom years from 1945 to 1949, very few companies were able to establish themselves on a sound foundation and all, in one degree or another, suffered from the effects of wasteful and unnecessary competition.

Secondly, the levy of a tax of nearly one rupee per gallon on aviation spirit has proved to be a heavy burden on the industry as a whole, bearable during the early years after the war, when traffic was good and aviation spirit approximately one rupee cheaper per gallon than it is to-day, but crushing now, as traffic has fallen off and all costs of operation have risen. Had a reasonable number, perhaps three or four companies only, been licensed to operate, each with an adequate route mileage, then, by this date, they would all have been firmly established and if not making large profits would at least be financially sound. Under those circumstances, they would probably have had no difficulty in raising the additional finance necessary for replacement of fleet over the next four to seven years.

As it is, the Government is obviously taking advantage of a situation which has arisen almost entirely as a result of its own mishandling of the air transport industry, on the one hand, and its unreasonable demand for petrol duty, on the other. If some take exception to the word "unreasonable" as applied to Government's collection of duty on aviation spirit, they should refer to facts regarding the aid given by other Governments towards the establishment of civil air transport, both domestic and international, and whether under private enterprise or nationalised. They would, perhaps, be surprised at the vast sums of money spent towards this objective.

In this connection, it is useful to recall that the Government of India itself recognised, in 1949, the necessity to alleviate this burden of petrol duty by giving a rebate of nine annas out of the 15 annas nine pies paid in such duty per gallon of petrol. If this was necessary, and it certainly was, in 1949, when traffic was some 25 per cent. better than it is to-day and when petrol was at least 11 annas per gallon cheaper than it is to-day, it is difficult to appreciate the reasoning behind the gradual reduction of this rebate to eight annas in 1951 and six annas in 1952.

An Alternative

Be that as it may, the fact still remains that nationalisation of the industry is only one possible path out of the present situation. There are other solutions of which the most obvious are as follows:

(1) The partial nationalisation of the industry, leaving those units strong enough to survive, even in present circumstances, under private enterprise.

(2) Abolition of the present customs duty on aviation spirit.

(3) Loans to operators, considered to be financially sound, for the purpose of gradual fleet replacement.

A judicial mixture of these solutions would provide good results. For example, Government might amalgamate into one unit and, at the same time, nationalise four of the existing eight operators. This would leave one domestic and one international operator in Bombay, who could conveniently form one complete unit, particularly as these two companies already operate under one management.

The remaining two companies could either continue to operate as separate units or combine as one company, still under private enterprise. These measures would result in three, or at the most four, separate companies for whom adequate route mileage would be available. These measures would also have other advantages. The nationalised section of the industry would provide a useful yardstick for the measurement of efficiency *vis-a-vis* the two or three private enterprise companies. In addition, there would be no monopoly of air transport operation and healthy competition would be maintained, thus ensuring to the public the lowest possible fares and the best possible service.

Political Move

The fact that Government did not call the leaders of the industry together to discuss these and other alternatives seems to substantiate the charge that nationalisation is a political move. Indeed, it is understood on good authority that, when Government did see fit to consult the industry on the question of nationalisation, no discussion or criticism of the policy was permitted. The industry was told that it had to accept nationalisation and was invited only to offer suggestions as to how this was to be brought about expeditiously.

The reasons advanced by Government spokesmen, so far as any Government spokesmen have condescended to illuminate the situation, are founded on the prevailing uneconomical circumstances of the various companies with partciular emphasis on the need of fresh capital for fleet replacement. That these circumstances exist has already been stated. In the light of the circumstances mentioned above, that the industry to-day could raise fresh capital is, of course, out of the question. When, however, it is sought to show that the integration of the airlines into one corporation and their complete nationalisation is the only possible course to pursue, then issue must be joined.

Very lately the airlines in Brazil faced exactly similar circumstances. The situation was met, however, by Government loans and increased aid to the industry and nationalisation, although considered, was discarded. Various courses which might profitably be pursued here have already been outlined and it is not proposed to dilate further on that subject.

The patient reader who has reached this point may well ask: "What's wrong with nationalisation any way? It's as good a solution of the difficulty as any other." Well, possibly it is, but opinions on this subject are bound to differ widely. This writer confesses his fundamental dislike of any form of nationalisation. He believes, as so aptly summed up by Melville, that "the only duty of a Government is to preserve peace and observe contracts." What, after all, is sacrosanct about nationalisation? The people do not really own a nationalised industry and, indeed, they have less opportunity to conduct the affairs of a nationalised concern than those of private enterprise, where, as shareholders, they have a voice in policy. Nationalisation of certain forms of industry can certainly be defended on the grounds that Government control is an essential factor if Government planning is to be effective. The politician's soothing syrup regarding public ownership is, however, pure humbug.

Some Instances

Turning to practical considerations, it surely cannot be claimed that nationalisation elsewhere has proved to be resoundingly successful. Take railways in the U.K., for example, or, for that matter, airways. The general complaint regarding the former is that fares have steadily mounted since nationalisation and service has steadily deteriorated. Regarding airways, the British taxpayer has had to find millions of pounds to cover losses made by the two nationalised Corporations and the end of such losses is not yet in sight. Private enterprise companies, on the other hand, have made astonishing progress and that despite the manifold disadvantages under which they suffer. This is not to decry the services of the nationalised Corporations which are undoubtedly efficient. It is, however, to say that private enterprise could have done it just as well and far more economically.

It is, moreover, becoming increasingly evident that labour is no better off under nationalisation than under well-run private enterprise. Trades union leaders, indeed, appear to be awakening to the fact that Trades Unionism and nationalisation are not compatible. These trends are clear for all to see and may have a profound effect on the next general election in Britain.

In these circumstances and with these examples before us, it is strange that nationalisation still seems to exert such fascination on our political leaders, as if it were the end all and be all of national existence. It seems to this writer that it and similar policies, which tend to make the whole population dependent on the State for employment, are in reality the "end all" of initiative, character and that independence of spirit on which, in the final analysis, the whole existence and welfare of the State must and does depend.

Heavy Retrenchment will Follow

To return to practical matters, it can be argued, with justice, that the integration and nationalisation of our airlines will at least lead to profitable working. This is beyond dispute. One corporation operating on the domestic routes in India will certainly make a profit. The point is, however, whether it will be run as economically and efficiently as under private enterprise. A further point is whether it is necessary to be so drastic. Could not three or even four companies operate with profit, thereby increasing the potential defence reserves of the country and providing more employment in the industry? As it is, the integration of all the scheduled airlines into one or even two corporations is bound to lead to a very large measure of retrenchment among present employees, probably in the order of 30 per cent.

It is at any rate good news to hear that Government have listened to the advice of the top-ranking leader of Indian aviation and have agreed, or so it is understood, to form not one corporation but two and have also agreed that both corporations will be run as fully autonomous entities, with, it is hoped, the very minimum of Government interference. Had Government decided to run the Corporation or Corporations departmentally, that indeed would have been the end.—*All Rights Reserved.*

ALUMINIUM AIRCRAFT HANGAR

Finishing touches are now being put to an aluminium aircraft hanger with a clear span of 200 ft.—the world's largest in aluminium—at the Hatfield works of de Havilland, makers of the Comet, as part of the Company's expansion plans. With an area of 66,000 sq. ft. it can comfortably accommodate six or seven of the great airliners. It was built by the British firm of structural engineers which also built the 342 ft. span of the Dome of Discovery for the Festival of Britain in 1951, as well as the three-bag hangar at London Airport with three 150 ft. spans.

Aluminium alloy was chosen for the new hangar because of the economic advantage that that metal offers in relation to other materials. In a span of this width, the structural weight is only about one-seventh that of an equivalent steel structure. Moreover, apart from the saving in material, the light weight of the structure permits the fabrication and transport of very large subassemblies, and their erection with a minimum of labour and equipment. The main structure of the new Comet hangar was erected by 18 men in 13 weeks, using only two 5-ton hand-operated cranes, practically without scaffolding.

ALARMING INCREASE IN WATCH SMUGGLING

Smuggling and illicit trading in watches has, says a news report, become one of the most serious problems facing the customs authorities in India. It is officially announced that the number of watches confiscated during 1950-51 amounted to nearly 60,000. Trade circles apprehend that the year 1952-53 may show an even greater increase.

One watch dealer commented—"Black market peddlers and 'private enterprise' smugglers devote themselves assiduously to providing the public with the products it wants, but cannot legitimately have. Such law-breakers are faced with prosecution and punishment, the animosity of the retail trade and the distrust of buyers, but such is the demand for watches that they are not deterred." Unfair competition from persons having little or no knowledge of watches and no sense of responsibility to their gullible customers has become a serious threat to the established watch trade, this dealer added.

EXPENDITURE-PATTERN OF RURAL HOUSEHOLDS IN INDIA

NATIONAL SAMPLE SURVEY'S ESTIMATES

STATISTICALLY speaking, India's rural areas have, for long, remained an unexplored territory. Isolated attempts at surveying a village or a group of villages have no doubt been made by some of the University authorities or the State Governments. But no organised survey, on an all-India scale, has ever been undertaken. Perhaps, the first significant attempt at studying the rural economic conditions was the one made recently by the Government of India to compile a series of rural price index numbers. But even this information is strictly limited in scope. For this reason as well as for the reason that no economic picture of this country could be regarded as complete unless it dealt with the rural areas where over 65 per cent. of the population live, the report of the National Sample Survey (N.S.S.), which deals exclusively with these areas, will be widely welcomed. This article, which is based on the N.S.S. Report, noticed editorially by us last week, seeks to summarise briefly the results of that nation-wide survey.

The scheme for organising the survey, which is described as the biggest and the most comprehensive enquiry undertaken in any country in the world, was approved by the Government of India early in 1950. Actual work on the survey started in October, 1950. In the first round of investigations, a sample of 1,633 villages was selected. These villages were divided into two groups, the first group of 1,189 villages being covered by the Indian Statistical Institute and the second group of 644 villages by the Gokhale Institute of Politics and Economics, Poona. The present report relates to the former group, and deals with the year ending June, 1950. Although information has been obtained on many subjects, such as land utilisation, agricultural prices, demographic conditions, and economic and employment statistics, the report gives only a few results of major importance.

The survey of rural households discloses that each household consists, on an average, of 5.21 persons, of whom a little over one-fourth are earners, one-sixth earning dependents and more than half non-earning dependents. The consumer expenditure in rural areas was about Rs. 220 per person per year in 1949-50. The following table reveals the expenditure-pattern in an average rural household and also expenditure per person.

TABLE 1
Consumer Expenditure

Items	Rs. per household	Rs. per person	Percentage of total
Foodgrains	442.61	85.03	38.70
Pulses	40.89	7.86	3.58
Edible oil	43.31	8.32	3.79
Vegetables	26.72	5.13	2.34
Milk and its products	88.82	17.06	7.77
Meat, egg and fish	24.57	4.72	2.15
Fruits	12.15	2.33	1.06
Refreshments	14.10	2.71	1.23
Salt	4.82	0.93	0.42
Spices	31.00	5.95	2.71
Sugar	29.28	5.62	2.56
Food total ..	758.27	145.66	66.31
Pan	9.17	1.76	0.80
Tobacco	20.46	3.93	1.79
Intoxicants	8.96	1.72	0.78
Fuel and light	37.14	7.14	3.25
Men's clothing	36.01	6.92	3.16
Women's clothing	42.36	8.14	3.70
Children's clothing	9.84	1.89	0.86
Miscellaneous clothing	6.35	1.22	0.56
Head-gear	4.61	0.89	0.40
Bedding	9.92	1.91	0.87
Tailoring	11.43	2.20	1.00
Footwear	9.66	1.86	0.84
Cobbler service	1.12	0.21	0.10
Toilet	3.35	0.64	0.29
Toilet service	5.74	1.10	0.50
Amusements	6.04	1.16	0.53
Education	2.92	0.56	0.26
Educational service	4.95	0.95	0.43
Newspapers, etc.	0.50	0.10	0.04
Medical expense	9.19	1.77	0.80
Medical service	5.35	1.03	0.47
Miscellaneous household articles ..	8.25	1.59	0.72
Domestic service	10.41	2.00	0.91
Food service	1.68	0.32	0.15
Furniture	2.87	0.55	0.25
Furniture service	0.73	0.14	0.06
Utensils	7.24	1.39	0.63
Ceremonials	82.46	15.84	7.21
Non-recurring expenses	3.01	0.58	0.26
Miscellaneous	17.20	3.30	1.50
House rent and taxes	6.51	1.25	0.57
Total ..	1,143.70	219.72	100.00

Although the average expenditure per person works out to Rs. 220, there are, of course, wide differences. It varies from Rs. 313.88 in North-West India to Rs. 197.73 in Central India. In North India it is Rs. 205.11, in East India Rs. 210.44, in West India Rs. 253.01 and in South India Rs. 202.82. It will be seen from the table above that food, clothing and ceremonials account for 84.07 per cent. of the total expenditure, and that, if house rent and taxes are added, the proportion of these three items is 84.64 per cent. of the total expenditure. This shows how little is left for other items such as better education or better food or more furniture or even utensils, the items which are indicators of a higher standard of living.

The expenditure on food item varies from zone to zone. The all-India average of 66.31 per cent. of total expenditure is the average of 69.65 per cent. for North India, 71.01 per cent. for East India, 67.37 per cent. for South India, 54.01 per cent. for West India, 62.79 per cent. for Central India and 67.94 per cent. for North-West India. Based on the replies received from the households, the estimated consumption of foodgrains was 26.38 maunds (0.97 ton) per household, whereas the estimated production was 19.86 maunds (0.73 ton). This discrepancy, according to the report, is "palpably absurd." The report says that the growers must have underestimated the production figures. Further, it estimates the consumption of foodgrains in India at 63.17 million tons for 1949-50. Deducting from this figure the net supply of foreign foodgrains of 3.01 million tons, the production of foodgrains in India is estimated at about 60 million tons. The official figures place foodgrain production at 44 million tons. These figures, according to the report, are "underestimates by something between roughly 20 and 25 per cent. in round numbers."

Because milk, sugar and edible oils are universally regarded as energy-giving items of food, it would be instructive to subject the figures relating to their consumption to some scrutiny. The value of consumption of milk and milk products per person per annum is nearly Rs. 60 in North-West India, Rs. 25 in West India, Rs. 18 in North India, Rs. 14 in Central India, Rs. 9 in South India and only Rs. 7 in East India. The all-India average of milk consumed per person per year is 21.9 seers (or less than 2 seers per month). Milk consumption was highest, 66.1 seers per year in North-West India, and lowest in East India where it was only 11.7 seers per person. In West India it was 30.1 seers, in North India 24.2 seers, in Central India 18.1 seers and in South India 13.1 seers. The following table gives the consumption of milk and milk products in different zones:

TABLE 2
Milk and Milk Products

Zones	Rs. per household	Rs. per person	Percentage of total expenditure
North India	96.53	18.32	8.93
East India	37.41	6.98	3.52
South India	45.20	9.08	4.48
West India	134.86	24.67	9.76
Central India	70.85	14.23	7.20
North-West India	314.70	59.71	19.03
All-India	88.82	17.06	7.77

The value of the all-India consumption of sugar per person per year is Rs. 5.62. But this figure should be interpreted with caution, in view of the fact that "sugar" here includes *gur* also. The following table gives the consumption of sugar, including *gur*, in different zones:

TABLE 3
Sugar Consumption

	Rs. per household	Rs. per person	Percentage of total expenditure
North India	31.80	6.03	2.94
East India	14.74	2.75	1.31
South India	22.72	4.57	2.25
West India	61.53	11.26	4.45
Central India	24.29	4.88	2.47
North-West India	53.45	10.14	3.23
All-India	29.28	5.62	2.56

The consumption of vegetable oils, which constitute a fairly cheap source of fat for the villagers, is relatively high in West India. This item includes vegetable oils like mustard oil, coconut oil, *til* oil, groundnut oil and also vegetable oil products like *vanaspati*. Ghee has been excluded from the group and treated as a milk product. The following table gives the value of consumption of edible oils in different zones:

TABLE 4
Edible Oils

	Rs. per household	Rs. per person	Percentage of total expenditure
North India	41.88	7.95	3.87
East India	43.09	8.05	3.82
South India	47.79	9.61	4.74
West India	57.56	10.53	4.16
Central India	34.80	6.99	3.54
North-West India	35.02	6.64	2.12
All-India	43.31	8.32	3.79

Salt occupies a relatively minor place in the food expenditure of the people. The expenditure of salt forms only 0.42 per cent. of the total expenditure. On food as a whole, a person in rural areas spends Rs. 145.66 per year. Of this amount, the money spent on salt is only Re. 0.93. Surely, if other items of food such as sugar, foodgrains, pulses, and edible oils, are subject to sales tax and other imposts, there is no reason why salt should be treated differently, considering that it occupies a minor place in the expenditure-pattern of the people and that a duty on this commodity can be a good source of revenue. Here, sentiment and political considerations, rather than reason, seem to influence official policies. The average quantity of salt consumed per household is 39.09 seers and per person it is 7.51 seers. The following table gives the expenditure on salt in different zones.

TABLE 5
Consumption of Salt

	Rs. per household	Rs. per person	Percentage of total expenditure
North India	4.24	0.80	0.39
East India	5.43	1.01	0.48
South India	5.05	1.01	0.50
West India	3.76	0.69	0.27
Central India	4.97	1.00	0.51
North-West India	4.57	0.87	0.28
All-India	4.82	0.93	0.42

The minor place which salt occupies in the expenditure-pattern of the rural household will become clear when expenditure on salt is compared with *pan*. The value of the consumption of *pan* per household is Rs. 9.17 or Rs. 1.76 per person. It constitutes 0.80 per cent. of the total expenditure, as against the 0.42 per cent. for which salt accounts.

Even tobacco is a costlier item, accounting, as it does, for 1.79 per cent. of the total expenditure. The following table gives the value of the consumption of tobacco (in all its forms—chewing, snuff, cigarettes and *bidis*):

TABLE 6
Consumption of Tobacco

	Rs. per household	Rs. per person	Percentage of total expenditure
North India	19.34	3.67	1.79
East India	17.24	3.22	1.58
South India	23.05	4.63	2.28
West India	28.69	5.25	2.07
Central India	17.03	3.42	1.73
North-West India	22.91	4.35	1.38
All-India	20.46	3.93	1.79

An analysis of the expenditure on clothing reveals certain interesting features. Women's clothing is, as a reference to Table I shows, costlier than men's. So, the traditional jibe that the woman spends more on her wardrobe than man seems to be true of the Indian villagers too. Bedding is a costlier item than even children's clothing, though, in most parts of India, a mattress often serves both as a bed and as a floor-spread for guests. Tailoring service is, as in towns, a very costly item. It costs more than even children's clothing. It may be possible to reduce the cost of this item if the villagers are themselves taught to do a little sewing in their spare time.

There is unmistakable evidence to show that the importance of handloom cloth as an item of wearing apparel is not so great as is sometimes claimed for it. Handloom cloth accounts for only 20.43 per cent. of the total expenditure on cloth, whereas mill-made cloth accounts for 74.01 per cent. of such expenditure. *Khaddar* has ceased to be an important item; it accounts for only 2.81 per cent. of the expenditure on cloth. The following table gives the expenditure on cloth:

TABLE 7
Expenditure on Clothing
(Per household)

	Mill-made cloth	Handloom	Khaddar	Other types	Total
North India .. Rs.	85.38	6.33	5.49	4.24	101.44
Percentage of total ..	(84.17)	(6.24)	(5.41)	(4.18)	(100)
East India .. Rs.	64.78	16.11	0.37	1.59	82.85
Percentage of total ..	(78.19)	(19.44)	(0.45)	(1.92)	(100)
South India .. Rs.	53.54	42.52	0.05	1.10	97.21
Percentage of total ..	(55.08)	(43.74)	(0.05)	(1.13)	(100)
West India .. Rs.	135.21	28.77	3.16	4.55	171.69
Percentage of total ..	(78.75)	(16.76)	(1.84)	(2.65)	(100)
Central India .. Rs.	74.95	24.42	1.47	2.51	103.35
Percentage of total ..	(72.52)	(23.63)	(1.42)	(2.43)	(100.0)
North-West India .. Rs.	126.74	13.20	16.14	8.37	165.15
Percentage of total ..	(76.74)	(7.99)	(10.20)	(5.07)	(100.0)
All-India .. Rs.	80.74	22.20	3.06	3.00	109.00
Percentage of total ..	(74.01)	(20.45)	(2.81)	(2.75)	(100.00)

Great care was taken to collect the statistics relating to intoxicants. It would appear that the investigators were instructed "not to ask the question bluntly right at the beginning but to raise the issue in a general way first." The report is not certain that the estimates are really correct. Under "intoxicants" were clubbed together such items as toddy, *ganja*, opium, country liquor of all sorts and foreign liquor. The expenditure per household on this item comes to Rs. 8.96 (or Rs. 1.72 per person) and accounts for only 0.78 per cent. of the total expenditure. The highest expenditure per household on intoxicants seems to be in North-West India (Rs. 17.37) and the lowest in West

(*Continued on next page*)

ASSOCIATED CEMENT COMPANIES LIMITED

MR. DHARAMSEY KHATAU'S SPEECH AT ANNUAL MEETING

PRESENT HIGH LEVEL OF TAXATION NEEDS TO BE LOWERED

THE Sixteenth Annual General Meeting of the Associated Cement Companies Ltd. was held on Friday, 23rd January, 1953, at the Company's premises at 1 Queen's Road, Bombay. Speaking at this meeting, Mr. Dharamsey M. Khatau, Chairman of the Company, referred to the issue of plant reinstatement, and said:

"It will be seen from the statement of accounts that a sum of Rs. 50 lakhs has been set aside from the profits made this year as plant reinstatement reserve. This reserve is necessary for providing the additional finance required for replacing old machinery and equipment as and when they become worn out. I have, in previous years, referred to the high prices of new machinery, and to the increasing price gap between the cost of the originally installed machine and the machine which has to take its place when the former has completed its useful life. The first duty of industry is to maintain the operation of its plant at the highest peak of mechanical and organisational efficiency, and naturally the first charge that should legitimately be made against the trading profits of a company is the setting aside of adequate finance to enable this peak of mechanical efficiency to be maintained. At present, however, depreciation for taxation purposes is still related to the originally installed costs of machinery rather than the present-day replacement costs, while the appropriation to plant reinstatement reserve has to be met from the profits after they have been taxed. The attention of the Government has been drawn to this anomalous position but nothing has yet been done. I submit that, if industry is to maintain, and increase its present level of production and efficiency, then Government must give this matter their immediate and serious consideration. Unless there is some easing in the present high level of taxation, and a realistic approach to this vital question of making available the requisite finances to replace old and worn out machines with modern and up-to-date ones, then it is difficult to see how industry can be expected to play the part which it is anxious and eager to do in the development and progress of our country."

Production and Despatches

Reviewing the rapid progress of the cement industry in India and A.C.C.'s contribution towards it, the Chairman said: "The total cement production in India has more than doubled during this period —from 14.8 lakh tons in the 1947-48 to nearly 34 lakh tons during 1951-52. In this rapid growth of the industry, your Company has naturally played a prominent role. Our production, excluding our factories in Pakistan, but including the Bhupendra factory, our subsidiary, has risen from 12.91 lakh tons to 20.17 lakh tons during the same period. In fact, it is in a large measure due to your Company's policy of continuous expansion that the industry is to-day able to meet the demands made on it by the Government and the public."

After referring to the pre-eminent position cement enjoys among building materials, the Chairman continued: "I consider that the demand for cement in India is likely to go on increasing. Large quantities of cement will be required for the development projects included in the Five-year Plan. Moreover, with the increase in population and the development of a higher standard of life in the country, there will be a constant demand for new and better houses. It is the intention and the determination of your Company to achieve the target set in the Five-year Plan, especially in so far as it deals with the requirement of cement."

"In order to provide for the increased requirements of cement which I have enumerated above, your Company has planned a programme of rehabilitation, modernisation and expansion to be implemented over a period of ten years. This programme will be implemented by stages, each stage having been determined in order to achieve a definite objective, and in accordance with the finances which we hope will be available to us. I am glad to be able to report to you that, during the past year, we have spent Rs. 1.49 crores as an initial start to this programme, and that, as a result, our effective capacity has increased from 21.95 lakh tons to 24.52 lakh tons."

The Chairman then referred to the successful conclusion of the negotiations with the Government of India regarding the new cement factory at Sindri and said that this new Works, when finally completed, will add another 2 lakh tons to the A.C.C.'s rated capacity. "With the completion of this programme of modernisation, plant rehabilitation and expansion," the Chairman said, "we hope to raise our capacity to 31.3 lakh tons by 1960-61."

Five-year Plan

Alluding to the Five-year Plan, the Chairman said: "The Plan is essentially a democratic approach to the solution of the complex economic problems confronting the country, and a well-thought-out effort towards building a new economic structure on a sound basis. It is in this perspective that we should view this plan for national development and work wholeheartedly towards fulfilment of the targets set by it."

Cement Prices

Coming to the question of cement prices, the Chairman said: "The price increase granted by the Government of India to compensate for the steep rise in the cost of packing materials was operative throughout the year 1951-52. Recently, following the downward trend in the jute market, the Central Government revised the price chargeable to consumers for packing materials with effect from 1st December, 1952. This has resulted in a substantial loss to the Company on the large quantities of bags which are normally held in stock. Further, the Government has not taken into consideration the increase in cost which has recently taken place in the manufacture of cement.

"In spite of increased production and despatches and despite all efforts of the management to keep the cost of production in check, there has been a further rise this year in the manufacturing cost of cement, on account of factors totally beyond our control. The prices of raw materials and consumable stores and spares have substantially increased. The railway freight on coal has gone up by about 45 per cent. since April, 1952, and we estimate that the burden of this increase alone is of the order of Rs. 38 lakhs per annum at our present level of production. Also, during last few years, fuel oil has registered an increase of over 100 per cent. There has also been an upward revision in the scale of basic wages and dearness allowances by about 12 per cent. As these increases in costs affect the whole industry, all the different interests in the industry have been obliged to approach Government for a suitable adjustment in the selling price of cement and the question has been referred by Government to the Tariff Commission for enquiry.

Labour Relations and Welfare

"During the year under review, welfare activities were undertaken on the usual scale. Your Company's policy of providing modern amenities such as houses, hospitals, canteens, clubs for its employees, is continuing and their maintenance costs your Company considerable sums of money year after year. The true measure of all these amenities to workers and your Company's concern for their welfare is best reflected in the increase in the *per capita* income of our workers and in the general improvement in their living standards. Judged purely in terms of wages earned by our workers, you will be happy to learn that there has been an increase of over 24 per cent. in the minimum average earnings per month of unskilled workers in your factories between the years 1949-50 and 1951-52.

"Unfortunately, our labour relations during the year could not be described as altogether satisfactory. We had our share of labour disputes, strikes, and adjudications. There are, however, signs of improvement in industrial relations in the country, thanks to the new approach to the labour problems—the shift of emphasis from legislative action to voluntary settlement in industrial disputes and the correlation of workers' responsibilities to benefits secured by them. If workers want higher wages and greater benefits and welfare measures, they must also recognise that their Company cannot give these, unless they provide the Company with the means—in the shape of increased production. It should also be borne in mind that the advantage of every economy, invention, new tool, or capital expenditure cannot be claimed exclusively for the benefit of labour but has to be shared by the various contributing factors, such as investors, management, workers and the consumers. Let us hope that the will to work hard will replace mere material incentives, so that the prosperity of our country and the consequential rise in our national standard of living may be attained. Your Company has all along advocated this progressive labour policy and it is heartening to note that we have, in our Union Labour Minister, a champion of voluntary settlement of disputes."

The Chairman then announced that "the Board has recommended this year the payment of a bonus equivalent to three months' basic earnings to all its employees" and concluded by referring to the Company's appreciation of the loyalty and efficiency of the staff and operatives.

The report and the audited statement of accounts for the year ended 31st July, 1952, were then adopted.

EXPENDITURE-PATTERN OF RURAL HOUSEHOLDS IN INDIA

(*Concluded from previous page*)

India (Re. 0.06). It was Rs. 2.67 in North India, Rs. 16.60 in East India, Rs. 5.85 in South India, and Rs. 8.60 in Central India. Even if there has been an underestimate in these figures, it seems as though the expenditure on intoxicants is grossly exaggerated in quarters which are wedded to the policy of Prohibition.

If footwear, toilet articles, utensils and furniture are regarded as items which are an index of higher living standards, it is noteworthy that the expenditure on these items forms only a very small part of the rural household's expenditure. This shows that little surplus income is left after money has been spent on essential items such as food and clothing. Footwear accounts for 0.84 per cent. of the total expenditure, utensils for 0.63 per cent. and furniture for 0.25 per cent. The expenditure on utensils was the highest in South India, where it was Rs. 10.43 per household, and the lowest in North India, where it was Rs. 3.94. Perhaps the relative popularity of cheap aluminium utensils in North India accounts for the low level of expenditure on this item in the North. The annual expenditure on toilet articles is only Rs. 3.35 in an average rural household, or a little over one-quarter per cent. of the total expenditure. Central India shows the highest expenditure on toilet products, about 0.33 per cent. The lowest expenditure on this item is to be found in North-West India (about 0.20 per cent.). In other zones, it varies from 0.28 to 0.31 per cent.

A very clear picture of a rural household emerges from these figures. It is a household where most of the income earned by the chief bread-winners of the family is spent on providing the admittedly low standards of food and clothing. The household cannot afford any of such modern amenities as the radio, nor even the modern semi-necessary equipment like a bicycle. This is a depressing picture. But there it is. Unless the rural household is lifted out of its low living standard, there is no hope of building up industrial prosperity. If the rural household could, on the other hand, be enabled to consume a couple of pounds more sugar every year, buy a couple of yards more cloth or cover their feet with another pair of *chappals* or wash themselves with an extra cake of soap it would make a tremendous difference to the fortunes of India's industries. It remains to be seen whether even this modest improvement would be realised in the near future. But the organisers of the National Sample Survey must be congratulated on their efforts at bringing out a report which shows clearly where we stand now. That we stand very low in the economic and social scale should spur us to greater endeavour.

FUTURE OF ECONOMIC CONTROLS

MODIFICATIONS TO SUIT PRESENT CONDITIONS URGED

THE questionnaire issued by the Commodity Controls Committee, in order to ascertain the views of the various institutions and individuals on the present position of controls on trade and industry in India, has evoked some valuable comments and suggestions from the Federation of Indian Chambers of Commerce and Industry, New Delhi. It will be recalled that last year the Government of India appointed this Committee to examine and review the working of the three Acts, namely, (*a*) the Essential Supplies (Temporary Powers) Act, 1946, (*b*) the Supply and Prices of Goods Act, 1950, and (*c*) the Drugs (Control) Act, 1950. Welcoming the appointment of this Committee, the Federation, in the course of its reply to the questionnaire, has not only drawn the attention of the Committee to some of the problems which need detailed examination but has offered certain well-thought-out suggestions for its consideration. The mass of details with which the Federation has sought to substantiate its suggestions is doubtless the result of keeping a careful track of the developments which have followed the various orders passed by the Governments. Even those who examine the suggestions of the Federation with a critical eye, bearing in mind the changes which have taken place in the sphere of production, distribution, prices and transport since the introduction of these controls, will find it hard to disagree with the well-reasoned conclusions of the Federation on the future of controls. In fact, its views may be said to echo not only the voice of industry and trade but also of the thinking section of public opinion.

At the outset, the Federation has made it clear that it is not at all for complete freedom from all controls. It concedes that some of the controls have been helpful to increased production in the country. Its emphasis is more on the necessity for simplifying and modifying the various control orders issued by the State and Central Governments than on abolition of all controls. It has drawn the attention of the Commodity Controls Committee to the changes that have taken place in the country's economy, rendering many provisions of the various Acts obsolete. The increase in agricultural and industrial production, existence of more rigid monetary controls, the continued stringency in the money market, and the low purchasing power of the people are some of the factors in the present situation that require to be taken note of in arriving at any decisions on the future of controls. There are also a few more notable factors to be taken into consideration. First, controls were, to a certain extent, necessitated, by transport bottlenecks. Now, there has been a marked improvement in internal transport, as well as in international shipping. Secondly, the supply position in the international commodity markets too is favourable and could help in fighting inflationary tendencies. The country is thus emerging from a shortage economy to an economy of relatively plenty. Instead of too much money chasing too few goods, there is at present a definite lack of effective demand for the increased availability of goods. In fact, the position to-day is such that the Government may have to adopt schemes for discriminatory price support to some of the commodities such as raw cotton and raw jute. The question at present is one of marketing production rather than of measures designed to prevent increase in prices and to curtail consumption.

Indirect Controls

In view of this change in the economy of the country, the Federation rightly feels that the controls which are still necessary should be of the indirect type and not of the direct type which involves the maintenance of an expensive machinery, breeds corruption, aggravates red-tapism, kills initiative and enterprise and impedes production. In other words, the time has come when the economy of the country could be easily regulated through appropriate changes, from time to time, in the fiscal monetary and commercial policies of the Government. A few controls on some items of production, movement and allocation may be necessary to maximise utilisation of scarce supplies and to ensure the realisation of approved plans for economic development. But even these, as the Federation has taken care to add, should be subject to periodical review in the light of changed conditions. While endorsing the Planning Commission's view that planning presupposes controls, the Federation pertinently remarks that the types of commodity controls needed in a planned economy will be substantially different from the present controls.

The Federation has done well in singling out for some special comment the Planning Commission's views regarding the expansion of public enterprise in the field of distributive trade. The Federation thinks that the existence of control should not be regarded as a sound reason for nationalising a distributive trade. The reasons given by it in support of this stand are convincing enough. The incursion by the State into the trade will cause great hardship and harassment to the people engaged in it, without giving relief to the consumer. It will not serve the object of checking a diversion of investment on a large scale to trade from other sectors where it is needed. Profit margins of distributive trade at present are by no means large and not commensurate with the difficulties of administering an extensive system of controls. There is a dearth of efficient personnel to handle the schemes under the Five-year Plan, let alone the requirements of the trade. The Federation, therefore, strongly feels that the Government should not embark on nationalising any sector of the distributive trade.

Overlapping to be Avoided

Dealing with the Essential Supplies (Temporary Powers) Act, 1946, the Federation says that, besides this Central order, there are other similar Acts passed by certain States. These Acts include the Bombay Essential Commodities and Cattle (Control) Act, 1946, the Madras Essential Articles (Control and Requisitioning) Act, 1949, and the U.P. Control of Supplies (Temporary Powers) Act, 1947. Besides, there are certain Acts in respect of specific commodities such as the West Bengal Jute Goods Act, 1950. The provision of these various State Acts overlap with those of the Centre and cause confusion. The Commodity Controls Committee has accordingly been requested to go into these controls in detail and suggest ways and means for simplifying them. It has taken strong exception to the practice of using the Essential Supplies (Temporary Powers) Act for State trading by some State Governments, as in the case of trading in milk powder and oilcakes by the Government of Bombay.

The Federation is definitely of the view that the Supply and Prices of Goods Act, 1950, need not be continued. In support of this view, the Federation states that most of the controls exercised under this Act were designed to meet temporary situations due to a sudden price spurt as a result of the deterioration in the international situation. Since the position in this respect has considerably improved, the Federation feels that the Act can be replaced by suitable adjustments in the import policy of the Government and by necessary arrangements in respect of distribution of certain essential raw materials with the interests concerned. As suitable adjustments in the import policy of Government and the necessary arrangements in respect of distribution of certain essential raw materials can, it is stated, be devised in consultation with the interests concerned, the Act may be discontinued. For our part, however, we feel that the total repeal of this Act at present is not advisable. In the past this legislation has served the interests of industry as well, a fact admitted by the Federation itself. In this uncertain world, no one can say with certainty that similar situations will not arise again. Consequently, the Government will do well to retain this Act on the Statute Book and use it sparingly whenever an emergency arises and warrants its use. These observations apply with equal force to the Drugs (Control) Act as well. But the Federation feels that the Commodity Controls Committee should examine the feasibility of recommending the repeal of the Act. As an alternative, the Committee is requested to investigate the possibility of enacting a Central Drug Control legislation applicable to all parts of the country.

Improve Efficiency of Controls

In conclusion, the Federation has laid emphasis, rightly in our view, on the need for improving the efficiency of controls wherever their retention is found necessary. It has also advocated the continuation of the existing Advisory Committees for specific commodities and the revival of the Iron and Steel Advisory Committee. These Advisory Committees, in the opinion of the Federation, are doing useful work and are essential to secure the co-operation of the commercial community in the administration of controls and to ensure efficient working. Besides the proper functioning of these Advisory Committees, the Federation feels that controls should be administered, wherever possible, through recognised associations, or at least in full co-operation with them.

Recognising that much of the criticism against controls has emerged from the failure of the Government to fix just and fair prices, after taking into account the frequent changes in cost of production, the Federation has urged upon the Committee the necessity for fixing prices on a rational basis. This is a very pertinent point, because there are numerous instances where the Government has followed the policy of "heads I win, tails you lose" in the matter of fixing prices of controlled articles. There are cases as, for instance, textiles, where even the recommendations of an impartial body like the Tariff Commission have been ignored by the Government for political reasons. There are also cases as, for example, sugarcane, where the Government has been more liberal than need be, again for political reasons. Then, there are several instances where the State Governments have not hesitated to use economic controls for purposes of augmenting their revenue. All these unfair practices should cease once and for all, if controls on trade and industry are to be retained as an instrument for stimulating the economic development of this country.



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"TRADE, NOT AID" POLICY

MR. R. A. BUTLER'S OBSERVATIONS

ALL eyes are now turned towards the U.S., for everybody is anxious to know what sort of economic policy the new Administration, under the Presidency of Mr. Eisenhower, will follow in the coming months. It is common knowledge that the shape of economy of the "free world" will depend on what the U.S. does. Of course, each country has to play its own part in setting its house in order. But the economy of the rest of the "free world" is so closely related to that of the U.S. that whatever happens in that country or whatever is done by it has widespread repercussions on others. The Commonwealth countries, for their part, have resolved so to order their internal economies as to get high production, high savings and a surplus on overseas trade account. But this requires a certain measure of co-operation and assistance from the U.S. The ways and means of securing them will figure prominently in the forthcoming discussions which Mr. Anthony Eden, British Foreign Secretary (and possibly also Mr. R. A. Butler, Chancellor of the Exchequer) proposes to hold with the new U.S. Administration in Washington. In view of these proposed discussions on economic matters, considerable importance is attached to Britain's new thesis, "Trade, not aid." Explaining this thesis in an interview published in a recent issue of the *U.S. News and World Report*, Mr. Butler made a few interesting observations, extracts of which are given below:

"The slogan 'trade, not aid', does symbolise my conviction that economic aid is neither a sound nor enduring basis for co-operation between the U.S.A. and the United Kingdom. For the success of 'trade, not aid', we need the right atmosphere in the world; and the right policies in debtor countries and in America. The right atmosphere is one of expanding trade and production; and that would require, among other things, a high level of activity in the U.S.A., since it is the giant which can rock—or steady—the whole boat. The right policies for a creditor country like the U.S.A., include readiness to receive imports and to let foreign goods compete in their domestic markets without artificial obstructions.

U.S. Investment in the Commonwealth

"We hope to see a great deal more of it. Reasonably steady American purchases of raw materials at reasonably stable and economic prices would be a very great help in maintaining equilibrium between the U.S.A. and the rest of the world. So the 'trade, not aid' policy can certainly be made a reality, but this requires some very strenuous efforts by the debtor countries and some bold decisions by the creditor one. New policies and new trade patterns cannot be brought into full effectiveness overnight. But the results of those policies, if they were adopted, would be very striking in the not-so-very-long run. And I have reason to think that debtor countries, like Great Britain, will be ready to play their part."

To the suggestion that Britain is devoting 10 per cent. of the gross national product to defence and the U.S.A. 17 per cent., Mr. Butler stated: "If you have a figure of 17 per cent. for the U.S.A., the comparable figure for Britain's present effort would be about 12 or 13 per cent., not 10. In the U.S.A., the national income per head of population is two or three times as large as in Britain. Perhaps the more practical way of comparing the relative efforts of the two countries is to consider the impact of rearmament on their economies and on their civilian standards. The U.S. economy is so strong and self-contained, with such vast resources for expansion, that it has been able to take a tremendous rearmament programme in its stride without seriously interfering with civilian production, though some temporary shortages were experienced in the early stages. The result is that civilian consumption and investment are both higher than before the Korean War, with plenty left for export. In Britain, on the other hand, rearmament has left the Government no alternative but to impose severe restraints on civilian uses of resources at home in the interest of the overseas balance of payment. Civilian consumption this year is expected to be two or three per cent. lower than 1950, while civilian investment has had to be held down at about the 1950 level, in spite of the urgent need for development and modernisation, if industries are to remain competitive. Even so, the U.K.'s most promising export industries—producing capital goods—have been badly obstructed. Never forget the big difference between our two countries. With the U.S.A., external trade is relatively unimportant. But the whole of our economy, industry and food depend upon imports and, therefore, upon a high level of exports.

"On British commitments, Korea is only one item. There are nearly five divisions permanently stationed in Western Europe. In the Middle East, we are the only Western power with the strength to protect the area from external aggression. If we dropped that burden, the southern flank of the N.A.T.O. Command would be wide open to attack. . . . The cost of maintaining bases here is a heavy annual item and we spend a good deal too on social and economic development to help maintain stability in the area. Forces maintained in Malaya, also essential to the defence of the free world, were also costly. And apart from military efforts, Britain has done a great deal to foster the economic development of South and South-East Asia. Months before the Korean War began, we started to work out the Colombo Plan for that area.

"All our outlay on military activity is not only a burden on our budget, but falls on the economy at its weakest point, the balance of payments. It is an important reason why we must earn by exports a great deal more than we spend on imports. It is a weighty element in British 'austerity.'

"Rearmament uses the resources of precisely those industries in which our best export prospects lie. The amount of resources used for defence in the metal-using industries would be enough, if we could use them for exports, to increase the total exports by about 20 per cent.—which would solve our balance of payments problem comfortably.

Changes in Output

"The largest fall in industrial output was in the consumer goods industries (the same industries suffered in other countries), but the capital goods industries, whose products are so badly needed for exports, defence and expansion at home, continued on the whole to increase their output, though more slowly than they would have done if they had not been short of steel. But the steel difficulty has been corrected by our own efforts and imports from the U.S.A. and the latest steel production figures are a record. So, we can expect a healthy rise in the output of the metal-using industries and, with some signs of recovery in consumption goods, we enter 1953 with a better general situation than we had six months ago. Already, the fall in industrial production has been stopped and our total output is nearly back to 1951.

"Our aim under the plan referred to in last month's *communique* (issued after the Commonwealth Conference) would be to move, by stages, towards a greater freedom of currencies and trade . . . the success of such a plan would lead ultimately to a progressive removal of import restrictions on American goods. The rate of the removal must depend on the rate of the advance towards a lasting balance between the U.S.A. and the rest of the world.

"Britain has incurred debts of about $12 billion to finance the war and has sold overseas investments of over $4 billion. To use capital of the remaining investments for current needs or regard them as usable would be 'eating the seedcorn.'

"With regard to the competitive power of Britain's exports, I see plenty of reason to keep on our toes, but none for despondency. There is one important field where overseas demand remains very buoyant—in capital goods. Our export prices for plant and equipment are fully competitive. The recent award of a contract for over one million dollars' worth of electrical equipment for the North Dakota Dam Project to a British firm is a good illustration. Prices are not, of course, the whole story. Quality and delivery dates are both a part of competitive power."

Foreign Competitors

"The Germans were formidable rivals and the relative freedom of their industry from defence burdens helps them. But, in recent months, Britain has secured many important export orders on the strength of her very competitive prices, even in the face of earlier delivery dates and longer credit terms offered by her competitors.

"Britain is not at all afraid of competition. What we are afraid of, though, is action taken by other countries to limit the field of free competition to our disadvantage. Take, for instance, the question of money loaned through a Government institution, like your Export-Import Bank, which is tied to the purchase of goods from the lending country. Tied loans of this kind have had the effect of protecting commercial interests in the U.S.A. against free commercial competition from their rivals in Britain and other countries, and they have seriously limited the opportunties for our exporters to enter some of the dollar markets, for instance, in Central and South America. I won't here go into the extraordinarily long credit terms offered by the same institutions on behalf of American exporters.

"If a satisfactory solution is to be found for the dollar problem through 'trade, not aid,' it is vitally important that dollars put out into the world in the form of U.S. loans and of grants to under-developed countries, should be put out in ways that would give Britain and other countries a fair opportunity to compete for them.

Inflation Control

"The facts suggest little, if any, inflation in British economy to-day. . . . Available facts taken together point to the conclusion that good progress has been made towards a sound domestic economy in the U.K. and that this progress is being maintained. We hope that the total civil spending will be no higher this year than the last, in spite of the fact that prices average nearly 10 per cent. higher.

"We expect total welfare spending in the wide sense to be held this year at a point well below the level that would reflect the 10 per cent. increase in prices."

(*Concluded from next column*)

a method which any small manufacturer of Europe can adopt for selling his wares in the U.S. Trade paper advertising is another channel in extensive use, as it is considered powerful, effective and respected. The real secret of the continuous success of the small manufacturer in the U.S. is, however, considered to be his ability to plan his sales and distribution on a local basis. In other words, instead of trying to cover every market in every region in every State, he localises his sales and advertising efforts.

INDUSTRIAL UNITS IN THE U.S.

95.8 PER CENT. COMPOSED OF SMALL FACTORIES

FIGURES representing any sphere of industrial activity in the U.S. commonly run not in six or seven digits but in troops. This has been responsible for conveying a world-wide impression that anything done in America is always on a gigantic scale. This feeling is pronounced especially in regard to American industry. The industrial system there is particularly taken to mean that it consists of huge factories employing thousands of men. The frequent use of the term "American big business," is also responsible for the belief that industries in America are of giant stature. But how this impression is far from the real position there is evident from the analysis conducted by the Foreign Business Promotion Department of the *New York Times*. This leading daily paper of the U.S., which has been conducting a continuous campaign abroad to show foreign business men as to how they can sell their goods in the American market, recently published certain facts in a booklet entitled *The Business Climate of America* to impress upon the world the simple truth that "American business is small business."

The contents of this booklet are of special topical significance, in view of the pronouncement reported to have been made by Mr. Jawaharlal Nehru, decrying the importance of small units by stating that the odd little factories now dotting the country were money-making propositions for individuals, that they did not add to the nation's wealth and that, therefore, he was not interested in them.

The analysis conducted by our American daily contemporary reveals that 95.8 per cent. of the American manufacturing plants employ less than 250 people. What is more, the manufacturing establishments in the United States employing less than ten people constitute half of all the manufacturing establishments. The actual dollar value of the products turned out by them is phenomenal. Plants employing less than 250 employees account for $29,392 billion of the value added by manufacture. Incidentally, value added by manufacture is the value added to the product from the time it comes into the plant until it leaves the plant. The value added by plants with more than 1,000 employees each was just $5 billion less at $24.389 billion.

Considered industry-wise, the figures are equally revealing. In the brewing industry there are 440 breweries producing approximately 80 million barrels of ale and beer a year. Only four breweries produce 4 million barrels each, the remaining 72 million barrels being produced by 336 companies. Again, in the wearing apparel industry, more than 59 per cent. of the manufacturers employ fewer than 20 people. These examples are stated to be typical of practically every industry in America.

The story does not end there. The Ford Motor Company is a striking example to show how "odd little factories" too are contributing to the wealth of the nation. For 30 years the name "Ford" has been synonymous with "big" business. But the Company buys $700 million worth of products from more than 7,000 independent manufacturers and dealers in 43 States throughout America. The booklet observes in this connection: "So we see, the phrase 'American business' really means small business. And the American business man, the small American manufacturer—and retailer for that matter—is not much different from the small manufacturer in Europe when it comes to selling his merchandise in the U.S."

Explaining further the similarity between the manufacturer in Europe and his counterpart in Portland, Oregon, in the Far West of America, with regard to selling their respective wares in New York, the booklet says that problems of sale are the same in both cases. Time and space, once formidable obstacles to both, are no longer the serious problems to either of the two. There is little basic difference in their approach to selling to the agent, selling to the wholesaler, selling to the retail shop, or even in selling to the ultimate consumer, except that the manufacturer in Europe may have a currency and import duty problem which the manufacturer in Portland does not have. It is beyond the ability of both to conduct large market surveys, and adopt extensive sales promotion measures and similar steps to make their selling more profitable. The small manufacturer in the U.S., however, uses direct-selling methods, that is, having his own sales office at the centre,

(*Continued in previous column*)

PROGRESS OF LLOYDS BANK LIMITED

LORD BALFOUR OF BURLEIGH'S STATEMENT

THE Annual General Meeting of Lloyds Bank Limited will be held in London on 13th February, 1953.

In his statement accompanying the Report and Balance-sheet of the Bank, the Chairman, the Rt. Hon. Lord Balfour of Burleigh, D.C.L., D.L., states that "the profit for 1952 is £148,807 higher, at £1,964,665. Increased earnings have been to an appreciable extent offset by higher running expenses and by the increase in the rate of interest allowed on deposits. In view of the uncertain economic outlook and the wide fluctuations which we have experienced in the Gilt-edged market, it has been considered desirable and prudent to strengthen the external reserves of the Bank. A sum of £1,200,000 has, therefore, been allocated to general reserve which, together with the share premium account, will make the total reserve fund £16,000,000. Current, deposit and other accounts, at £1,169 million, show a reduction of less than £2 million.

"Loans and Advances have decreased by £32 million, substantial increases in advances to many industries essential to the well-being of the community having been more than considerably offset by reductions in other directions.

India, Pakistan and Burma

"The year 1952 proved a difficult one for our Eastern Branches as a result of the heavy fall in price of the primary products upon the export of which both India and Pakistan so largely depend; Pakistan suffered, particularly, through the lack of demand for her large jute and cotton crops, which made it necessary for her to impose stringent import restrictions. The reduced *tempo* of business activity was naturally reflected in a reduced demand for the services of the Exchange Banks; nevertheless, our branches in both India and Pakistan have fully maintained their position.

"There is little to report about Burma; politically the country is more settled, but our business in Rangoon, although maintained, shows little expansion.

"Once again, I should like to offer my warm thanks to the officials and staff of all our branches in the East for the standard of service they have maintained during a year of more than usually difficult conditions."

Important Ground Gained

Recalling the critical state of the U.K.'s affairs a year ago, Lord Balfour of Burleigh observes, "we must be thankful for the progress made during 1952. Important ground has been gained and there is, moreover, no sign of its being lost again in the immediate future. Unfortunately, the evidence suggests that in the recovery of the past year far too large a part has been played by purely stop-gap expedients and a favourable change in world conditions, far too little by fundamental changes of policy.

"There can be no doubt, to my mind, that the raising of the Bank Rate dealt a psychological shock to the domestic public that could not have been administered half so effectively in any other way. This alone helped to dissipate a great deal of inflationary froth, damped down the demand for bank accommodation for the less essential purposes, and so made it far easier for the banks to restrict its supply. Moreover, this move convinced overseas opinion, as nothing else could have done, of the new Government's determination to put our financial house in order, and so helped to break the speculative movement against sterling in world markets."

A great deal of the good done by monetary policy has so far been undone by Government spending. There can be no hope of keeping a tight rein on the supply of money unless the Government is able to keep its own finances in order. "If the new monetary policy is to fulfil its purpose, it requires the support of a strong budgetary policy; yet it will be much more difficult this year to produce a balanced budget."

The Chancellor's Task

"Our greatest need is to speed up the production of those capital goods—mainly engineering products—so urgently required, both for export and for the modernisation of our own factories. To promote the necessary shift of resources and to create the necessary saving are, therefore, the supreme tasks of financial policy at this juncture.

"In a country which still spends nearly three times as much on drink, tobacco and amusements as on rent, it is absurd to suggest that the mass of the people would suffer real hardship if they had to pay more as consumers for various benefits now provided 'free' or at subsidised prices, and paid less for them as taxpayers."

Drastic economies—and they must be drastic—are a prior condition of any lightening of the load of taxation. It is equally clear that productive industry has the prior claim to any tax concessions which are thereby made possible. So far as personal incomes are concerned, relief from taxation must come mainly from a reduction in public expenditure, though, in addition, it should be possible to devise concessions that would promote additional saving rather than additional spending.

Inflationary Symptoms

"There was a perceptible slackening of inflationary pressures during the spring and summer. In the later months of the year, however, the picture was rather different. Consumer expenditure seems to be running at fully the same level as a year ago, the consumer trades are picking up again and manpower is moving back into the same employments from which it was released earlier in the year.

"The thesis that inflation has now been definitely mastered cannot be squared with some other features of the situation, such as the severe limitation of imports, the forcible diversion of goods to the export market, the long delays still imposed on some of our overseas customers. Most significant of all is the admitted fact that a wages spiral is still a real danger. So long as that is true, the country must, indeed, feel great thankfulness for the restraint and deep sense of responsibility exhibited by the leaders of the trade union movement. That such restraint is necessary, however, is itself proof of the persistence of inflation.

"A real policy of disinflation is still the central need, if we are to put our economy in proper shape; but there will remain one problem which cannot be solved by our own efforts alone. For Britain and for the world at large, no task can be more urgent than to rebuild the exchange reserves of the sterling area, as a prelude to the restoration of convertibility, and, for this, a capital operation of some kind is indispensable.

Essentials for Prosperity

"Our vital need now is to rebuild our financial and economic strength so that we may with certainty pay our way abroad and earn our keep, and that can only be through increased and more efficient production of the right things.

"But as long as our solvency is menaced by excessive expenditure, as long as our industry is strangled and incentive choked by overtaxation, and as long as our people remain unaware that they are now sacrificing the future to the present, so long will our standard of living, including the maintenance of our social services, continue to be in mortal danger.

"For future prosperity," Lord Balfour of Burleigh concludes, "some painful decisions are now necessary. The question is whether modern democratic party leaders dare have the strength of purpose to take them. I am optimistic to believe that the sound sense of the British people would accept any required temporary sacrifice, the necessity for which they could be made to understand. And only so can our country's future be made secure."

RISE IN NEPAL RUPEE EXCHANGE RATE

The Nepal-Indian rupee exchange rate is reported to have firmed up last week-end to Rs. 152 (Nepal) to Rs. 100 (Indian), which is Rs. 24 more than the official exchange rate of Rs. 128 (Nepal) to Rs. 100 (Indian). The main cause for this rise, according to reports from Kathmandu, is the flow of money from import trade to speculation in the exchange market. The other reasons are stated to be the heavy drawing on Indian currency by air companies, hoarding of Indian currency by local traders, flight of capital from Nepal in the form of Indian currency, and increasing imports of luxury goods and foreign liquor. As a result of this in unofficial exchange rate, the prices of commodities are said to have risen by 15 per cent. The Finance Ministry of Nepal Government has decided to check the records of importers and action will be taken against those found investing money in speculation.

LABOUR MINISTERS' CONFERENCE

THREE VITAL ISSUES ON AGENDA

THREE important problems will be discussed at the Labour Ministers' Conference to be held at Delhi next week. The first one relates to settlement of industrial disputes through negotiation, conciliation and voluntary adjudication instead of through compulsory arbitration. The second one refers to reorganisation of trade unions with a view to basing them on sound foundations. The third one relates to legislation for enforcing awards of labour tribunals on employers.

The settlement of labour disputes through methods other than compulsory adjudication is still a subject of high controversy. While some have extolled its virtues, others have expressed certain misgivings over it. Mr. V. V. Giri, the propounder of this new approach to labour problems in India, is of the opinion that industrial disputes, like the more familiar ones in the domestic sphere, are invariably unsuited for settlement by a third party, let alone a judicial authority. Compulsory arbitration encourages, according to him, litigation and forces the parties to the dispute to run from pillar to post and from tribunal to tribunal. There is, however, another school of thought which considers that the situation in the country is not suitable for changing the present system of dealing with industrial disputes. Mr. P. S. Bakhle, a former member of the Industrial Court, Bombay, for instance, opines that compulsory arbitration cannot be ruled out, on the ground that whereas the employers are sufficiently organised, labour is not so. Mr. Richard A. Lester, a well-known authority on industrial disputes, points out in his book *Labour and Industrial Relations* that collective bargaining on the railroads in the U.S. has been hampered by the existence of 21 standard craft-unions with inter-union jealousies. In these circumstances, it is no wonder that the Tripartite Conference held at Naini Tal in October last failed to arrive at an agreed solution on the question of enacting a new labour law seeking to eschew compulsory arbitration except for a few industries and services of public utility type. It is, however, gratifying to note that the differences between employers and labour on this question have been narrowed down following the efforts of the Committee constituted at the Naini Tal Conference.

The reorganisation of trade unions is one of the knottiest problems facing India. The Trade Union movement has been disrupted by a number of rival central associations. First of all, there is the Indian National Trade Union Congress (I.N.T.U.C.) affiliated to the International Conference of Federation of Trade Unions. Then, there is the All-India Trade Union Congress dominated by the Communists and affiliated to the World Federation of Trade Union Congress. Again, there is the *Hind Mazdoor Sabha*, run by the Socialist Party. Besides, there are several other minor unions. The Trade Union leaders are mostly political figures who have been utilising the unions more for their own political and selfish ends than for the utility of the workers as a whole. It is after seeing this state of affairs that the leaders of the U.K. trade unions who visited India last year, strongly advised the unions to disentangle themselves from political alignments and base their ethics on purely economic considerations. All these must have doubtless influenced Mr. Giri to propose a new trade union law, which would serve the unions and the nation as a whole better.

In the course of a statement at Coimbatore last week, Mr. Abid Ali Jafferbhoy, Deputy Minister for Labour, Government of India, is reported to have stated that the forthcoming Conference of Labour Ministers would finalise a Central legislation for enforcing awards of Labour Tribunals on employees. We wonder whether Mr. Abid Ali has been correctly reported. But, if the report is correct, then we should say that we do not see the necessity for any such legislation. Are there any instances where employers have refused to implement the decision of a tribunal? Or does Mr. Abid Ali anticipate any such possibility in future and wants to provide against it? This leads us to the question whether there are any loopholes in the present labour laws through which an employer can seek to evade the decision of a tribunal.

A careful review of the Industrial (Appellate Tribunal) Act, 1950 and the Industrial Disputes Act, 1947, as amended in 1951 and again in 1952, discloses that, so far as any money is due from an employer as a result of

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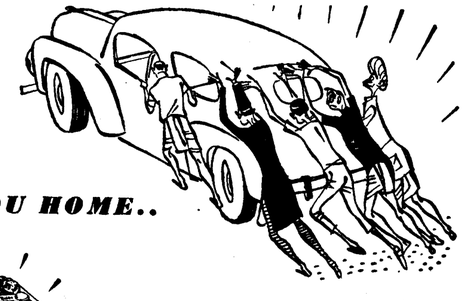


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PROCEEDINGS OF THE A.C.C. MEETING

POSITION OF PAKISTAN FACTORIES EXPLAINED

THE annual general meeting of the Associated Cement Companies Ltd., held on Friday the 23rd inst., was, as usual, a lively one and well attended. A large number of shareholders evinced keen interest on the working of, and the prospects for, the Company. The meeting lasted well-nigh three hours. The shareholders sought elucidation on a number of points which the Chairman, Mr. Dharamsey M. Khatau, had referred to earlier in his address to them. The most important of these related to the financing of the Company's expansion programme, the future of the Company's factories in Pakistan, the investment in the Burma Cement Company, the loss to the Company on account of the revision of prices for packed cement, etc. The shareholders also elicited information from the Chairman on a number of other points, such as the issue of bonus shares, the dividend policy, getting higher price for cement produced at the Sindri factory, the higher profit margin of the Patiala Cement Company. The Chairman did his best to satisfy the shareholders and gave useful information to enable them to assess the Company's future.

Mr. Khatau's detailed reference, in his address, to the Company's expansion and modernisation programme naturally raised the curiosity of the shareholders about the finances required for the purpose. Some of them wanted to know whether the Directors had any idea of borrowing from the World Bank. Mr. Khatau told them that the expansion programme was planned to be spread over a period of ten years and that the expenditure would aggregate Rs. 11.5 crores. He made it clear that the Directors did not like to borrow funds required for this purpose from sources outside India, if they could help it. The Company would rely on its own resources and on borrowings from within the country.

Pakistan Factories

The future of the company's two factories in Pakistan was briefly referred to by the Chairman in his address. He said that for some time past, negotiations had been proceeding with the Pakistan Industrial Development Corporation for the formation of a new company there, which would take over the Company's undertakings in that country. He added that negotiations would soon be completed and the matter would be placed before the shareholders at an extraordinary general meeting. In reply to questions from more than one shareholder about the nature of the negotiations, Mr. Khatau threw considerable light on this point. He informed them that the Pakistan Government wanted to take over the assets of the Company's two factories at their written-down book value. A new company would be formed for that purpose and shares of that company would be issued to the A.C.C. to the extent of the assets taken over. The Pakistan Industrial Development Corporation would hold the majority of shares of that company and would be the managing agents of the new company. The P.I.D.C. would, however, enter into an agreement with the Cement Agencies Ltd.—the Managing Agents of the A.C.C. —under which the Cement Agencies Ltd. would act as agents of the P.I.D.C. for the purpose of looking after the factories. The shareholders expressed their concern over the question of remission of dividend from Pakistan to India. They doubted whether the remittance of dividends would be freely allowed by the Pakistan Government and urged upon the Chairman that any agreement with the Pakistan Government should be subject to this facility. The Chairman assured them that this point would be pressed during the negotiations.

The Chairman told the shareholders that considerable progress had been made towards the Burma Government's participation in the financial reconstruction of the Burma Cement Co., Ltd. The factory had gone into production and had despatched cement to the extent of about 55 to 60 per cent. of its capacity during the last calendar year. It may be noted here that the A.C.C's investment in the Burma Cement Co., Ltd., amounts to Rs. 15 lakhs. This investment, Mr. Khatau assured the shareholders, was safer than before, but the Directors were looking at it cautiously. It was, therefore, necessary to keep the investment reserve intact which was created when the Burma Company was in difficulties.

Loss on Jute Bags

The downward revision of price chargeable to consumers for packing materials with effect from 1st December, 1952, would, according to the Chairman, result a loss of Rs. 8 lakhs to the Company during 1952-53 on the large quantities of bags which were normally held in stock.

In answer to the shareholders' queries on rumours regarding the formation of a joint marketing union and the Company's case for higher price for its cement, Mr. Khatau chose to remain silent on the first. As regards the second, he said that he could not deal with it at length as the matter was now before the Tariff Commission. He, however, disclosed that it was agreed among the various cement interests that each company should submit its case separately to the Tariff Commission. As regards the question of higher price for the cement produced at Sindri, Mr. Khatau said it was not possible, as the price would be fixed for the whole company and not for individual units.

As in the previous year, the shareholders raised this year also the question of issuing bonus shares out of the premium on shares account. The Chairman reiterated that this was being kept in mind by the Directors and that, when a suitable opportunity presented itself, the amount would be disbursed in the form of bonus shares or in any other suitable form.

Dividend Policy

The Directors' dividend policy was criticised by many a shareholder. They contended that the Directors could have easily raised the dividend by half a rupee, which would mean the absorption of another Rs. 5.28 lakhs or so out of the profit, instead of carrying over as large a sum as Rs. 7.09 lakhs. But Mr. Khatau very politely commended to their consideration the need for a cautious policy in the matter of dividend. It was the Directors' policy, he said, to maintain a steady dividend, instead of raising it in one year when the profit permitted such a step and reducing it in another year when the profit was lower. This year, in particular, the Directors had to carry over a large sum in view of the reduction in the price of cement, and the rise in costs mentioned in Mr. Khatau's speech, extracts from which are published elsewhere. In this connection, he welcomed the suggestion of a shareholder to create a dividend equalisation reserve.

One of the shareholders drew the attention of the Chairman to the higher profit margin of the Patiala Cement Co., Ltd. *vis-a-vis* that of the A.C.C. To this, Mr. Khatau replied that the former Company was a separate entity by itself and its overhead charges were proportionately less than that of the A.C.C. which comprises several new and old units.

In reply to a shareholder who wanted to know the difference in prices of Indian cement and foreign cement and whether cement could be exported, Mr. Khatau said that the price of cement in foreign countries was higher, except in the U.K., where it was Rs. 61 per ton. In the U.S., it was Rs. 97 per ton, in Bangkok, Rs. 120 per ton and in Japan Rs. 114 per ton. Export of Indian cement was not possible on a large scale as demand within the country continued to exceed production. However, some small quantity of cement was being exported by the Company in order to maintain contacts with the neighbouring countries. The difference in prices between the Indian cement and foreign cement could not be strictly assessed, he added, unless India was in a position to be competitive.

(Concluded from next column)

orders have recently been placed with machinery makers in the United Kingdom for the requisite items of plant. The cost of this rehabilitation programme is about Rs. 50,00,000, which together with the order for new machinery for Wellington Mill, referred to above, will involve the Company in a total capital outlay of some Rs. 70,00,000 which will be found from the Company's own resources."

The Company enjoys a sound financial position, thanks to the judicious policy of appropriation of profits followed by the management in the past. The reserves and surplus, amounting to Rs. 106.59 lakhs (made up of a capital reserve of Rs. 75.71 lakhs, rehabilitation reserve of Rs. 20 lakhs and other reserves and surplus Rs. 10.88 lakhs), is nearly 180 per cent. of the paid-up capital of Rs. 59.16 lakhs. The loans from banks, amounting to Rs. 25.90 lakhs, outstanding at the close of March, 1952, have been completely repaid, thanks to the substantial improvement in the liquid resources of the Company. The gross block, of the value of Rs. 162.22 lakhs, has been written down to nearly a third, that is, Rs. 56.19 lakhs to be more precise. The current assets aggregate Rs. 163.40 lakhs, of which cash balances amount to Rs. 67.80 lakhs. These cash balances alone more than adequately cover the current liabilities (including provision for taxation amounting to Rs. 25.50 lakhs) aggregating Rs. 53.84 lakhs. Six months before, the cash balances stood at no more than Rs. 83,170, the substantial improvement that has taken place in the course of the year under review being due to a decline in stocks of jute and manufactured goods, as well as in book debts.

The outlook for the industry as a whole, and the Company in particular, is described by the Company's Directors as follows:

"Owing to the fall in demand for the Company's manufactures from overseas markets and the consequent general recession in prices for jute manufactures coupled with the fact that this fall in rates has depressed the price of raw jute to generally uneconomic levels for the primary producer of the raw commodity, the outlook for the industry in India, as a whole, is once again passing through a phase of uncertainty."

The Rs. 100 fully paid up shares of the Company are being currently quoted at Rs. 169, at which rate the latest dividend gives a yield of 9.5 per cent. per annum.

HEARTENING RESULTS OF CHAMPDANY JUTE

DIVIDEND ENHANCED

THE Directors' report and audited accounts of the Champdany Jute Co., Ltd. (Managing Agents: Messrs. James Finlay & Co., Ltd., Calcutta) for the half-year ended 30th September, 1952, make refreshing reading, for the results disclosed by them show a substantial improvement over those for the previous half-year, which is in distinct contrast to the results of some of the jute mills to which we referred in these columns last week. The Company was able to secure, during the half-year under review, adequate quantities of raw jute of the qualities required and maintain production at a profitable level. The gross profit, which had dwindled from Rs. 21.70 lakhs to Rs. 13.53 lakhs in the previous half-year, has risen to Rs. 17.99 lakhs in the six months under review. The net profit has jumped up from Rs. 4.22 lakhs (excluding the sum of Rs. 2.50 lakhs which the Directors took into account in arriving at the profits for the six months ended 31st March, 1952) to Rs. 8.20 lakhs, representing an increase of nearly 95 per cent. The Directors have availed themselves of this opportunity to make sizable additions to the reserves. At the same time, they have also allowed the shareholders to enjoy the benefits of higher profit by raising the dividend from 14 per cent. to 16 per cent. per annum.

The comparative table below sets out the results of the Company for the half-year under review, against the background of those for the previous three half-years:

(In lakhs of rupees)

	For the half-year ended			
	30-9-52	31-3-52	30-9-51	31-3-51
Sale proceeds	222 47	220.18	244 89	160 83
Stocks of gunnies ..	14 68	34 30	10 69	7 39
Manufacturing expenses.	149 23	186 10	203 76	112 64
Other expenses	35.93	35.15	31.34	30.50
Gross profit	17.99	13.53	21.70	6.84
Provision for—				
Managing Agents' remuneration ..	3 88	4 43	4 45	2.77
Depreciation	1 28	1 35	1 34	1 34
Taxation	4 58	3 85	6 25	1.35
Net profit	8 20	6.72†	8 27	1 62
To reserves	3 00	3 21	2 05	..
Dividend	4 73 (16% p.a.)	4 14 (14% p.a.)	4 14 (14% p.a.)	2 06 (10% p.a.)
Carry forward	1.35	0.88	1.52	0.05

† Includes E.P.T. post-war refund Rs. 2.50 lakhs.

The most striking feature disclosed by the above table is that the manufacturing expenses, which had declined considerably in the half-year ended 31st March, 1952, have gone down further during the six months under review. Sale proceeds, however, have gone up as compared with those for the previous half-year. A part of this increase reflects the reduction in the stocks brought in from the preceding half-year, as is evident from the fall in closing stock figures. Other expenses, the major portion of which represents salaries and wages, have gone up slightly in distinct contrast to the fall in manufacturing expenses, brought about mainly by the recession in the cost of raw material. On the whole, the profit margin during the half-year under review has been better than in the previous half-year. On a comparison with the results for the corresponding half-year of 1951, the experience of the Company during the half-year under review is not so favourable, as will be seen from the table above.

It is noteworthy that the Managing Agents have again voluntarily decided to forgo a sum of Rs. 1.25 lakhs from the remuneration due to them, despite the improvement in the earnings. The net profit shown in the foregoing table has been arrived at after taking into consideration this sacrifice by the Managing Agents. This sum, together with a sum of Rs. 1.75 lakhs from the profit, making in all Rs. 3 lakhs, has been placed to the rehabilitation reserve so as to help conserve the Company's resources to meet the expected cost of the capital replacements which the Directors have decided to undertake and to which a reference is made below. In the previous half-year a sum of Rs. 3.05 lakhs was added to this specific reserve from out of the post-war refund of E.P.T. and interest thereon.

The following extract from the Directors' report gives an account of the rehabilitation programme which the Directors propose to undertake:

"The new machinery on order for Wellington Mill is expected to arrive during the second half of 1953. Bearing in mind the need to reduce the cost of production in order to meet the stiffer competition expected in the future, it has been decided to install new machines to replace very largely the old and obsolete units in the preparing and spinning sections of the Champdany Mill and

(Continued in previous column)

Points From The Chair

Responsibility of Workers

"THERE are, however, signs of improvement in industrial relations in the country, thanks to the new approach to labour problems—the shift of emphasis from legislative action to voluntary settlement in industrial disputes and the correlation of workers' responsibilities to benefits secured by them. If workers want higher wages and greater benefits and welfare measures, they must also recognise that their company cannot give these unless they provide the company with the means—in the shape of increased production. It should be also borne in mind that the advantage of every economy, invention, new tool, or capital expenditure cannot be claimed exclusively for the benefit of labour, but has to be shared by the various contributing factors, such as investors, management, workers and consumers. Let us hope that the will to work hard will replace mere material incentives, so that the prosperity of our country, and consequential rise in our national standard of living, may be attained."

DHARAMSEY M. KHATAU,
Associated Cement Cos., Ltd.

U.S. Economy

"Throughout that period the United States has enjoyed fabulous prosperity and for the greater part of the time has been in the throes of an inflationary boom. In itself, nothing could be more favourable to the expansion of world trade than the growth of American production on a rising price level. And other countries are scarcely entitled to call upon the United States to inflate still more rapidly, in order that they in turn may follow inflationary courses in greater comfort. In any case, it simply is not true that the supply of dollars created by American purchases of goods and services has been so constricted as to cause the outside world grave inconvenience. In 1951, the dollar supply created by such purchases was of the order of $15,000 millions—about half as much again as in 1948 although in the meantime the total of money incomes in the United States had risen by sufficient to enable the outside world to buy more than twice as much from the United States as before the war."

RT. HON. LORD BALFOUR OF BURLEIGH,
Lloyds Bank Ltd.

Commonwealth Finance Corporation

"That the city and industry are interested in the Commonwealth Finance Corporation demonstrates that this country sees the urgent need for channelling the flow of savings into investment, so that sound development plans may get quickly under way. Since the World Bank is said to be sympathetic towards the aims of the new project for merging British and foreign capital, it is a good augury for development planning becoming an accomplished fact. But, assuming that we are able to find the requisite finance, the translation of this into exports will have its complications, unless there is a mutual adjustment to avoid economic strain. As the Commonwealth looks to us for so large a part of its capital equipment, even the most acceptable development plans, those relating to natural resources and food, will make heavy demands on our capital goods industries. To allow too great a concentration of demand in this section would, however, lead to such congestion that we should be unable to supply what was needed quickly enough."

SIR THOMAS D. BARLOW,
District Bank Ltd.

Every One Should Become a Skilled Worker

"If we are to take full advantage of our higher intellectual abilities, every one who has the required intelligence should become a skilled worker, as the unskilled worker produces little more than his unskilled brother worker abroad and, economically, does not earn any higher standard of living. The old apprentice principle must be increased and encouraged so that the vast majority of the population of these islands become skilled craftsmen capable of producing high-grade products which are beyond the capabilities of their less skilled competitors. In engineering, in all its many branches, in farming and practically every trade, science, and mechanisation demand from those engaged in these industries a much higher degree of study, knowledge and application than ever before. The old prayer, 'Oh Lord, give me knowledge and wisdom to apply it' could never be more urgent than it is to-day."

A. HAROLD BIBBY,
Martins Bank Ltd.

Germany and Japan Competitors to U.K.

"Increasing our exports involves our producing more goods which the foreigner wishes to buy at prices which he is willing to pay. This is, in any case, a difficult proposition when the world is no longer in a sellers' market, and the prospect is not made any brighter by the likelihood, indeed the certainty, of increased competition from Germany and Japan, who are sure, for different reasons, soon to be formidable competitors in many of our export markets; Germany, because she works so hard, and Japan, because she works so cheaply."

A. W. TUKE,
Barclays Bank, Ltd.

AGRARIAN REFORMS IN BOMBAY

THE Bombay Tenancy and Agricultural Lands (Amendment) Act, 1952, has been published in the *Bombay Government Gazette* dated 12th January. The Amendment Act provides for the automatic continuance of a tenancy after every 10 years, except when the landlord terminates it at the end of such a period on grounds of personal cultivation. It also requires the landlord to give three months' notice before terminating a tenancy. Thus, the Act protects the tenants against illegal evictions by landlords who try to deprive the tenants of their tenancy rights by taking advantage of the loopholes in the Bombay Tenancy and Agricultural Lands Act, 1948.

The Amendment Act is the latest of the land reforms enacted by the State of Bombay. This Act regularises the relations between the landlord and the tenant, while the other enactments, legislated since India attained independent status, relate chiefly to abolition of intermediaries between the Government and the tiller of the soil and all alienation in land and cash with the exception of *devasthanam* and *dharmada* grants. Although land in Bombay State is mostly governed by the *ryotwari* system, under which the State is the ultimate owner and the occupant pays the rent, there have been non-*ryotwari* systems which provide ample scope for rack-renting and landlordism. The policy of the State Government in regard to these systems of tenure, known as *bhagadari, narwadari, maleki, mehwasi, talukdari, khoti* (Konkan) salsette *khoti, inams, watans,* etc., has been to end the special rights and privileges in land and land tenure. These privileges include semi-proprietary rights in waste lands, share of revenues realised in any area, the privilege to appoint *talatis* (revenue officers of the rank of *patwaris*), etc. A number of legislative measures have been taken—and a few more are contemplated—with a view to abolishing these special tenures. Mention may be made of a few of them such as the Bombay *Bhagadari* and *Narwadari Tenures* Abolition Act, 1949, the Bombay *Khoti* Abolition Act, 1949, the Salsette Estates (Land Revenue Exemption) Abolition Act, 1951, and the Bombay Personal *Inams* Abolition Bill, 1952.

A gratifying feature with regard to abolition of the special rights and privileges of landlords in Bombay is that the question of compensation has not proved as great an obstacle as in other States. Compensation has been and is being paid in cash, annuities and non-transferable bonds.

An analysis of the progress of land legislations in Bombay discloses that, whereas *there was practically no difficulty in the abolition of bhagadari* and *nawadari* tenures since they were merely a mode of collecting revenues, the abolition of Panchmahals *mehwassi* tenures was a somewhat complicated issue. Compensation had to be awarded to meet *mehwasdars* claims. The question of compensation in the case of *maleki* tenure is being enquired into. Work is going on with the abolition *talukdari* tenure on all estates, except the three in respect of which the *talukdars* have obtained a stay order from the Supreme Court. There are no impediments at present to the implementation of the *Khoti* Abolition Act, except a civil suit filed by the Kolaba *khots*. Claims for compensation in regard to the abolition of *vajifdari* rights in Watwa (Ahmedabad District) are also under investigation. The work of replacement of *kulkarnis,* under the Bombay *Pargana* and *Kulkarni Watans* Abolition Act, is practically completed. The survey and settlement needed for the implementation of the Salsette Estates (Land Revenue Exemption) Abolition Act, 1951, is yet to be introduced. Recently, the Government has issued the rules for resumption of saranjam and political *inams* in the pre-merger Bombay State with effect from 1st November, 1953. The Bill to abolish personal *inams* in Bombay State is awaiting the President's assent. More recently, a scheme has been drawn up with a view to framing legislative proposals for the abolition of the special land and *inam* tenures in the States which have been merged with Bombay.

These measures, when fully implemented, are bound to have far-reaching effects. They will stabilise the relations between the Government and landlord and also remove intermediaries between the Government and ryots. They are at the same time expected to increase agricultural production. But tenancy reform by itself will not bring about increase in agricultural output. This will depend on whether or not the tenants have the necessary resources and intelligence for implementing other measures for increasing the yield from land.

LABOUR

(Concluded from page 166)

an award, it can be recovered as land revenue. This will be clear from section 20(I) of the Appellate Tribunal Act which provides that "any money due from an employer under any award or decision of an industrial tribunal may be recovered as land revenue by the appropriate Government on an application made to it by the person entitled to the money under that award or decision." The Industrial Disputes (Amendment) Act, 1952, also contains a similar provision. As regards other offences involving breach of settlement or award, the Industrial Disputes Act provides for conviction. Section 29 reads thus: "If any person commits a breach of any term of any settlement or award, which is binding on him under this Act, he shall, on his first conviction therefor, be punishable with fine which may extend to two hundred rupees and, in the event of a second or subsequent conviction, with fine which may extend to five hundred rupees."

Are there any loopholes in these provisions through which an employer can try to evade the implementation of an award? A correct answer to this can be provided only by a legal luminary and we have no hesitation in saying that we are not one. But we can say this much. We have so far not heard of any instance where an employer has disobeyed an award of the Tribunal. An employer knows that in spite of the fact that an award is against his interest, it is better to obey it in the interest of maintaining peaceful relations between himself and the employees on the one hand and the Government concerned on the other than reject it and face all the unpleasant consequences. If anyone has disregarded an industrial award, it is a State Government. We have particularly in mind here the recent decision of the Travancore-Cochin State Government to set aside the award of the Appellate Tribunal on retrenchment of 45 workmen employed by the Tata Oil Mills Ltd. The State Government has, of course, powers to do so. Nevertheless, the action of the T.-C. Government is the first instance of that type and tantamounts to breach of a well-established convention.

In the absence of full details of Mr. Abid Ali's statement, it is not possible for us to say what exactly he had in his mind or what exactly is the proposal of the Government. Perhaps, he might have meant the enhancement of the status of the awards to that of a civil decree which is directly enforceable by the Court, without having to wait for the consent of the Government. In other words, this will mean raising the status of labour tribunals themselves to that of civil courts.

Notice

RALLIS INDIA LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE Fourth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office, No. 16, Hare Street, Calcutta, on Monday, 23rd February, at 3-30 o'clock in the afternoon, for the following purposes:—

(1) To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st August, 1952, and the Balance Sheet as at that date.
(2) To declare a Dividend on Preference Shares.
(3) To elect Directors.
(4) To appoint Auditors and to fix their remuneration.
(5) To transact such other competent business as may be brought before the meeting.

The Share Transfer Books of the Company will be closed from the 9th February, 1953, to the 23rd February, 1953, both days included.

By Order of the Board,
K. SHEPPARD,
Secretary.

16, HARE STREET,
CALCUTTA, 22nd January, 1953.

Note.—Dividend Warrants will be issued and posted to Registered Shareholders or their mandatees only. Persons holding shares on blank transfers are advised to submit their shares for registration in their names before 9th February, 1953.

HIGH COST OF SULPHUR AFFECTS INDIA PAPER PULP

SUBSTANTIAL FALL IN PROFITS OF CAWNPORE AND PURTABPORE SUGARS

India Paper Pulp Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1952.

During the half-year the Company received an E.P.T. post-war refund amounting, less income-tax, to Rs. 2,25,452 (*nil*). After transferring this refund to repairs and replacements reserves and after providing Rs. 90,000 (Rs. 95,000) for depreciation and Rs. 85,000 (Rs. 2,30,000) for taxation and transferring Rs. 50,000 (Rs. 50,000) to reserve, there is a balance at the credit of profit and loss account of Rs. 1,63,439 (Rs. 1,29,690), to which falls to be added the balance brought forward of Rs. 1,00,750 (Rs. 1,16,059). The directors recommend the payment of a dividend of Rs. 5 (Rs. 5) per share, absorbing Rs. 1,50,000 (Rs. 1,50,000) and leaving Rs. 1,14,188 (Rs. 95,749) to be carried forward.

Although production and sales were satisfactory the results for the half-year were seriously affected by high sulphur costs. The sulphur supply position has recently shown signs of improvement and prices have fallen considerably.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Block ...	21,98,726
Reserves ...	25,44,805	Stocks ...	16,48,806
Provision for taxation ...	1,95,225	Coal and stores ...	14,09,585
Liabilities ...	12,64,421	Goods in transit ...	77,079
Profit and loss account ...	1,14,189	Debts, deposits and advances ...	17,31,327
		Cash ...	53,117
Rs.	71,18,640	Rs.	71,18,640

Cawnpore Sugar Works Ltd.

The directors of the above Company (Managing Agents: Messrs. Begg Sutherland & Co., Ltd., Kanpur) submit the audited accounts of the Company for the year ended 31st October, 1952.

The results for the year, after making the usual charges, including provision for taxation, show a profit of Rs. 8,35,655 (Rs. 23,01,463). From this has been deducted depreciation Rs. 3,00,000 (Rs. 5,00,000); rehabilitation reserve Rs. 2,00,000 (*nil*); stock and stores reserve Rs. 1,00,000 (*nil*); capital reserve *nil* (Rs. 6,69,800); general reserve *nil* (Rs. 5,50,000) and book debts and advances reserve *nil* (Rs. 1,00,000); and to which has to be added transfer from equalisation of dividends reserve Rs. 1,50,000 (*nil*) and carry forward from the previous year Rs. 26,236 (Rs. 74,573) leaving at credit of profit and loss account Rs. 4,11,891 (Rs. 5,56,236). This balance, the directors recommend, should be disposed of as follows:—

In payment of a dividend on the preference shares at 8 per cent. per annum, for the year ended 31st October, 1952, free of income-tax, Rs. 80,000 (Rs. 80,000); in payment of a dividend on the ordinary shares of Rs. 2 (Rs. 3) per share, free of income-tax, Rs. 3,00,000 (Rs. 4,50,000); and carry forward Rs. 31,891 (Rs. 26,236).

While the quantity of cane crushed in Marhowrah Factory in the year under review was much less than that crushed in the season 1950-51, it was more than that crushed in many of the preceding seasons. This fact, coupled with an improvement in the sugar recovery, resulted in a sugar production only 67,000 maunds less than that of the previous season. In Gauri Factory, the quantity of cane crushed was the highest in the past nine years. The actual figures were as follows:

	Cane crushed Maunds	*Yield* Per cent.
Marhowrah Factory ...	29,22,907	10.60
Gauri Factory	17,88,214	10.57

The improvement in the quality of cane was in a large measure a reflection of the satisfactory quality of seed supplied from the Company's estates.

Marhowrah Factory started crushing operations on 3rd December, 1951 and finished on 30th April, 1952; while Gauri Factory started on the same date and finished on 9th March, 1952. The cane price and the sugar price fixed by the Government of India remained the same as in the previous year. A modified scheme of partial decontrol was again introduced in the hope of stimulating production. The slump in general commodity prices which occurred in the early part of 1952 was responsible for diverting large quantities of cane from *gur* manufacture to the sugar factories, and this, in part, explains the larger crops taken off.

The modified system of partial decontrol, combined with excessive production of white sugar in India, tended to make the market nervous. Government nominees in many cases failed to take up their allotments, and such sugar was, at the option of the factories, diverted to the free market. Lack of confidence in the market, particularly in view of the announcement by Government that the control price of sugar would be reduced from some Rs. 31 per maund to Rs. 27 per maund, forced the Company's factories to sell free sugar at prices below the control rates.

The Company's distilleries worked intermittently throughout the year. In the early part of the year, the Cawnpore distillery was short of molasses used as raw material, but later the Excise Commissioner increased the molasses allotment. Both distilleries, however, were compelled to stop production at various times during the year when the spirit sales declined as a result of Government's preference for spirit produced from power alcohol distilleries.

Reference was made in the last report, to the creation of a rehabilitation reserve. The directors have deemed it prudent, under the powers conferred by Regulation No. 155 of the Articles of Association, to transfer Rs. 2,00,000 from the profits for the year under report to rehabilitation reserve. A sum of Rs. 2,66,203 representing the expenditure on capital account incurred during the year under report has been transferred from the rehabilitation reserve to the capital reserve.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,00,000	Block ...	20,93,802
Reserves ...	55,34,712	Stock-in-trade	58,21,948
Provision for taxation ...	4,74,205	Stores, spares, etc. ...	27,59,656
Liabilities ...	51,96,990	Debts, deposits and advances ...	24,28,634
Profit and loss account ...	4,11,891	Investments ...	7,87,934
		Cash ...	2,25,804
Rs.	1,41,17,798	Rs.	1,41,17,798

Purtabpore Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Begg, Sutherland & Co., Ltd., Kanpur) submit the audited accounts of the Company for the year ended 31st October, 1952.

The results for the year, after making the usual charges, including provision for taxation and taking into account obsolete stores consumed during the year now written back amounting to Rs. 99,472, show a profit of Rs. 2,08,186 (Rs. 9,95,641) from which has been deducted depreciation Rs. 65,000 (Rs. 1,00,000), addition to reserves *nil* (Rs. 6,55,403) and to which has to be added the amount brought forward from the previous year Rs. 26,249 (Rs. 26,011) leaving at credit of profit and loss account Rs. 1,69,435 (Rs. 2,66,249). This balance, the directors recommend, should be disposed of in payment of a dividend of 10 (10) per cent. on the preference shares, free of income-tax, for the year ended 31st October, 1952 Rs. 60,000 (Rs. 60,000), in payment of a dividend of Re. 1 (Rs. 2 per share free of income-tax, on the ordinary shares for the year ended 31st October, 1952 Rs. 90,000 (Rs. 1,80,000) and in carrying forward Rs. 19,435 (Rs. 26,249).

The factory commenced crushing operations on the 3rd December, 1951 and finished on 27th March, 1952, having crushed a normal quantity of cane amounting to 19,04,375 maunds, with an extraction only slightly less than that recorded in the previous year, viz., 10.32 per cent. Supplies of cane from the Company's Estates assisted materially in maintaining the quality of cane supplied to the Mill.

Excessive production of sugar in India, along with the heavy carry-over of sugar stocks from the previous season, resulted in a revision of the Government of India's policy of partial decontrol. Thereafter, all controlled sugar allotted to Government nominees and not taken up, was diverted, at the option of the factory, to the free market, and this tended to have a depressing effect on sugar prices.

The Government of India announced in November last that the price of sugar would be reduced from 1st December, 1952 to Rs. 27 per maund. The Government has undertaken to compensate factories for losses arising from stocks of controlled sugar held at that date from an additional excise duty on sugar which is being levied in the current season. The Company will, however, have to face the depreciation in value on stocks of free sugar held on 31st October, 1952.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Block ...	5,93,714
Reserves ...	14,71,701	Stock-in-trade	23,74,323
Provision for taxation ...	2,12,536	Stores, spares, etc. ...	10,05,517
Liabilities ...	13,50,113	Debts, deposits and advances ...	6,15,504
Profit and loss account ...	1,69,435	Investments	63,286
		Cash ...	51,441
Rs.	47,03,785	Rs.	47,03,785

Bhopal Sugar Industries Ltd.

The directors of the above Company [Managing Agents: Messrs. A. H. Bhiwandiwalla & Co. (Bombay) Ltd., Sehore (Bhopal)] submit the audited accounts of the Company for the year ended 30th September, 1952.

The accounts show a net profit of Rs. 4,23,869 (Rs. 2,84,361) subject to taxation. Adding to this the sum of Rs. 36,550 (Rs. 1,08,440) being the balance brought forward from last year's account, the total comes to Rs. 4,60,419 (Rs. 3,92,800) which the directors propose to dispose of as follows:—

Dividend on preference shares at 5 per cent., free of income-tax, Rs. 62,500 (Rs. 62,500); dividend on ordinary shares at Re. 1 (Re. 1-4) per share free of income-tax Rs. 1,75,000 (Rs. 2,18,750); provision for income-tax Rs. 75,000 (Rs. 75,000); transfer to general reserve Rs. 1,00,000 (*nil*); and balance to be carried forward to next year Rs. 47,919 (Rs. 36,550).

In spite of reduced production, the profits of the Company have been maintained due to the fact that all the accumulated stock of molasses was disposed of by the Company during the year, after it was released by the Court, as a result of the settlement of the suit with Central India Chemicals Ltd. The entire sale proceeds of this molasses, amounting to Rs. 1,36,094 has been credited during the accounting year.

Incidentally, the directors mention that the suit with C.I.C. Ltd. has been very satisfactorily settled without the Company having to pay anything to the plaintiff Company and the large item of contingent liability which appeared in the previous balance-sheet has now been cleared and now there is no such liability against the Company.

During the year, the Company has sold cut old machinery and old car, cycle, etc., for Rs 7,919.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Block ...	13,20,341
Reserves ...	12,25,000	Crop-in-progress ...	1,34,808
Reserve for taxation ...	1,48,491	Stock-in-trade	11,32,776
Liabilities ...	5,13,654	Stores, etc.	7,16,015
Profit and loss account ...	4,60,419	Debts, deposits and advances ...	4,73,578
		Investments ...	7,96,605
		Cash ...	7,73,441
Rs.	53,47,564	Rs.	53,47,564

North-West Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1952.

After providing Rs. 15,000 (Rs. 10,000) for depreciation and Rs. 3,000 (*nil*) for taxation and cesses and transferring Rs. 15,000 (*nil*) to dividend equalisation reserve, there remains a balance at the credit of the profit and loss account of Rs 19,050 (Rs. 14,407 after bringing in Rs. 35,000 from provision for cesses no longer required) out of which the directors recommend a dividend at 5 (5) per cent. per annum absorbing Rs. 6,813 (Rs. 6,813) leaving to be carried forward Rs. 12,237 (Rs. 7,594).

Raisings during the half year were 45,720 tons compared with 46,758 tons and despatches 35,587 tons, as compared with 26,150 tons during the last half year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,72,500	Block ...	5,26,378
Reserves ...	3,51,003	Stock ...	1,33,757
Provision for taxation ...	13,469	Stores ...	99,748
Liabilities ...	8,50,865	Debts, deposits and advances ...	4,32,735
Profit and loss account ...	12,238	Cash ...	7,457
Rs.	15,00,075	Rs.	15,00,075

Churulia Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June, 1952.

Karanpura Mining Syndicate.—During the year ended 31st March, 1952, 1,34,015 tons were raised and 1,30,909 tons were despatched in comparison with 1,15,387 tons raised and 1,17,556 tons despatched in the previous twelve-month period.

The Secretaries again report disappointing wagon supplies for a colliery fitted out to raise and despatch almost twice the tonnages shown above. In view of the fact that it is Government's policy to relieve the transport congestion in the two main coalfields by obtaining supplies from outlying areas, pressure is being maintained on the authorities which it is hoped will give better results in the near future.

The Secretaries decided to forgo their office allowance of Rs. 12,000 for the year.

The profit and loss account, after including the sum of Rs. 24,215 brought forward from last half-year, shows an available balance of Rs. 33,606 (Rs. 26,128) which the directors disposed of in paying a dividend of 6 ps. (6 ps.) per share without any deduction for income-tax paid by the Company Rs. 4,688 (Rs. 4,688) and in carrying forward Rs. 28,918 (Rs. 21,440).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Investments	7,51,245
Reserve ...	1,40,000	Debts ...	17,741
Provision for taxation ...	19,664	Cash ...	34,038
Liabilities ...	14,442		
Profit and loss account ...	28,918		
Rs.	8,03,024	Rs.	8,03,024

Port Canning and Land Improvement Co., Ltd.

The directors of the above Company (Secretaries, Treasurers and Agents: Messrs. David Sassoon & Co., Ltd., Bombay) submitted the audited accounts of the Company for the year ended 30th April, 1952.

In the year under review the rains started later than in the previous year and, consequently, cultivation operations were delayed. Throughout the year the rains were very scanty and the cultivation suffered a good deal for want of rains. As a result of drought, about 42,899 *bighas*, as against 8 870 *bighas* in the previous year, of cultivable lands in both the divisions remained fallow. There was also no cultivation in the inundated Lot 56. The yield of crop was very poor and the price of paddy ruled low due to Government control and transport restrictions. These factors were naturally reflected in the Company's collections which amounted to Rs. 6,67,000, as against Rs. 8,67,000 during the previous year. Salami realised also showed a fall of nearly Rs. 54,000, as compared with last year, on account of the smaller number of settlements of *khas* lands due to the poor quality of lands now available for settlement and people being unwilling to take up lands owing to the pending acquisition of *zamindaries* by Government. The figure of salami this year amounts to Rs. 38,379 and has, as usual, been transferred to the reserve fund.

During the year under review the Company's profit has shown an increase to the extent of Rs. 53,441 over that of last year. Adequate precautions have, however, been taken for the safety of the estates against any eventuality that may arise due to the silting up and the changing course of rivers particularly in the Sunderban area. During the year under review the directors succeeded in their efforts in recovering the payment of capital gains tax amounting to Rs. 91,578, paid under protest on salami receipts.

As assured by the Chairman at the last annual meeting and in view of the fact that there was constant and inordinate delay in getting replies from Canning office to the queries sent from head office and with a view to establish a greater direct contact between the head office and the Canning office, the directors decided to arrange for more frequent visits to the estates. With this purpose in view, in all four visits have been paid up to now to the estates by a member of the Board and the representatives of the head office. As a result of these visits the directors found that the working of the Canning office was not satisfactory. The directors also invited a representative of the Calcutta auditors' firm for a discussion on the affairs of the Canning office. After a long discussion with him the directors came to the conclusion that it was necessary to have a more detailed enquiry into the working of the Canning office, for which suitable steps are being taken.

After making provisions of Rs. 56,000 (Rs. 81,000) for taxation, Rs. 7,319 (*nil*) for gratuities, and Rs. 6,000 (Rs. 6,000) for depreciation of buildings at Canning, the accounts show a profit amounting to Rs. 68,009 (Rs. 89,569 after transferring Rs. 75,000 from the reserve fund) and after adding to this figure the balance of Rs. 277 (Rs. 708) brought forward from the last year's account, the total figure of profit comes to Rs. 68,286 (Rs. 90,277). From this the directors paid a dividend (free of tax) for the year ended 30th April, 1952 at the rate of Re. 1 (Re. 1-8) per share, which absorbed Rs. 60,000 (Rs. 90,000) and left a balance of Rs. 8,286 (Rs. 277) and the directors transferred this amount to the tube-well sinking and contingency fund in order to build up a fund to meet any possible contingent liability that may arise in respect of lands admeasuring about Bgs. 697-10-10, leaving to be carried forward *nil* (Rs. 277).

The directors report that the land leases purchase account has been further reduced by Rs. 757 as they have been able to resettle land to that extent, which was previously purchased by the Company for *khas* cultivation in auction through the courts.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	60,00,000	Block ...	83,61,045
Reserves ...	34,67,735	Stores ...	6,250
Reserve for taxation ...	2,78,508	Debts, deposits and advances ...	7,94,978
Liabilities ...	2,02,978	Investments ...	5,08,357
Profit and loss account ...	68,286	Cash ...	3,46,877
Rs.	1,00,17,507	Rs.	1,00,17,507

Rampur Distillery and Chemical Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Govan Bros. (Rampur) Ltd., Rampur, U.P.) submitted the audited accounts of the Company for the year ended 31st March, 1952. The net profit for the year under review after meeting all the working expenses and deducting Rs. 1,10,634 for depreciation, amounted to Rs. 1,27,050. This was appropriated towards the loss of Rs. 1,16,553 brought forward from the last year's account, thereby leaving a net surplus of Rs. 10,497 which the Directors carried forward to the next year's accounts.

During the year under review the distillery had a run of 280 days, as compared to 264 days during the year 1950-51. The stoppages during the year under review, exclusive of the usual stoppages for boiler inspection, cleaning and repairs extending to a period of 16 days were due to want of storage space for weaker spirits for a temporary period only. As against last year there was no shortage of molasses during the year under review.

During the year under review 2,57,128 maunds of molasses were consumed with a total production of 4,95,668 bulk gallons of rectified spirit including power alcohol giving an average yield of 1.93 bulk gallons per maund of molasses and an overall efficiency of 75.9 per cent. The run showed an average daily production of 1,770 bulk gallons, as against 1,747 bulk gallons last year.

As already reported last year, during the year under review the company continued to make supplies of bottled rum to military personnel through the Canteen Stores Department, Bombay, as also bulk and bottled rum to the Defence Services through the Ministry of Food and Agriculture, Government of India.

Supplies of country liquor, including spiced spirit, continued during the year under review to the bonded warehouses in the districts of Garhwal, Bijnor and Rampur.

Supplies of medicines and pharmaceuticals were made from the Company's pharmaceutical section to hospitals and dispensaries of Uttar Pradesh Government. Two new areas, viz., States of Bombay and Saurashtra for supply of the Company's pharmaceuticals were opened up on 1st March, 1952 by entering into an agency agreement with a big stockist there, and sales of pharmaceuticals during the current year to these two States, as also in Delhi and Uttar Pradesh, increased.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,98,725	Block ...	12,17,205
Reserves ...	4,62,063	Stock ...	2,26,920
Liabilities ...	2,47,044	Stores, spares, etc. ...	3,71,610
Profit and loss account ...	10,497	Debts, deposits and advances ...	3,68,246
		Investments	3,36,984
		Cash ...	1,97,364
Rs.	27,18,329	Rs.	27,18,329

Coimbatore Spinning and Weaving Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. R. G. S. Naidu & Co., Coimbatore) submitted the audited accounts of the Company for the period ended 30th June, 1952.

The year's trading without providing for depreciation on the assets of the Company and after reducing the value of the stock of cotton on 30th June, 1952 by more than Rs. 10 lakhs resulted in a net loss of Rs. 2,73,634 (profit Rs. 9,77,131) and deducting therefrom Rs. 2,635-6-8 (the previous year's balance profit), the balance was net loss of Rs. 2,70,999 (profit Rs. 9,85,325) which the directors carried forward to next year. The Directors regret to report that extraordinary circumstances prevailed during the year; the Company had purchased American and Egyptian cotton at fairly very high rates which had come down considerably low at the end of the year which had absorbed almost all the profits of the Company made during the year under review. The usual expenses had to be incurred and in the face of all these circumstances which were beyond the control, the Directors feel that the loss as shown in the balance-sheet is fairly very low. Further, the Directors report that substantial initial depreciation and vi (a) depreciation had been provided for in the previous year; but as there are no sufficient profits during the year, no depreciation has been provided for on the assets of the Company this year. The Directors are now glad to report that in view of having valued the cotton at market rate there are every chances of making some decent profits during the coming year provided the market conditions improve. Further, the prices of yarn are also coming down and in certain counts of yarn the prices are ruling much below the ceiling rates.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,76,900	Block ...	44,61,056
		Stock-in-trade	70,18,100
Reserves ...	4,40,358	Stores, spares, etc. ...	5,76,294
Provision for taxation	4,54,691	Debts, deposits and advances ...	15,36,021
		Investments	13,615
Liabilities	1,09,94,819	Cash ...	90,683
		Profit and loss account ...	2,70,999
Rs.	1,39,66,768	Rs.	1,39,66,768

Reliance Firebrick and Pottery Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st August, 1952.

After transferring Rs. 90,000 (Rs. 45,000) to reserve for replacements and providing Rs. 95,000 (Rs. 39,000) for taxation and Rs. 52,109 (Rs. 83,850) for depreciation, there was a balance of Rs. 47,379 (Rs. 57,941) at the credit of profit and loss account. The Directors paid a dividend of As. 8 (As. 8) per share, absorbing Rs. 30,000 (Rs. 30,000) leaving a balance of Rs. 17,379 (Rs. 27,941) to be carried forward.

Production for the half-year again showed improvement, being 2,261 tons higher than the previous half-year and the net value of sales also showed an increase.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	7,98,203
Reserves ...	7,87,360	Stocks ...	2,97,782
Provision for taxation ...	1,06,208	Stores, etc. ...	9,77,099
Liabilities	11,76,190	Debts, deposits and advances ...	4,99,287
Profit and loss account	17,379	Investment ...	50,000
		Cash ...	64,766
Rs.	26,87,137	Rs.	26,87,137

N.B.—Figures within brackets relate to the corresponding period of the previous year.

Notice

INDIAN RAILWAYS CENTENARY EXHIBITION

4th MARCH 1953—17th APRIL 1953

VALUABLE SITES ARE AVAILABLE FOR neon-signs commercial advertisement and publicity within the Exhibition grounds. Firms and publicity agents interested in renting poster and sign space are requested to apply immediately to or call upon D. Sandilya, Secretary, Indian Railways Centenary Exhibition Committee, Railway Board, New Delhi.

COMPANY MEETINGS AND DIVIDENDS

PURTABPORE CO., LTD. Annual General Meeting, Kanpur, 6th February, 1953. Dividend: Re. 1 per share. Transfer books closed from 21st January to 6th February, 1953, both days inclusive.

NORTH-WEST COAL CO., LTD. Half-yearly General Meeting, Calcutta, 9th February, 1953. Dividend: As. 4 per share of Rs. 10 fully paid-up and As. 3 per share of Rs. 7-8 paid-up. Transfer books close from 1st to 9th February, 1953, both days inclusive.

CAWNPORE SUGAR WORKS LTD. Annual General Meeting, Kanpur, 10th February, 1953. Dividend: Rs. 2 per share. Transfer books closed from 24th January to 10th February, 1953, both days inclusive.

INDIA PAPER PULP CO., LTD. Half-yearly General Meeting, Calcutta, 12th February, 1953. Dividend: Rs. 5 per share. Transfer books closed from 30th January to 12th February, 1953, both days inclusive.

RALLIS INDIA LTD. Annual General Meeting, Calcutta, 23rd February, 1953. Transfer books close from 9th to 23rd February, 1953, both days inclusive.

MADURA MILLS CO., LTD. Dividend: Rs. 3 per share for the year ended 31st December, 1952.

ALUMINIUM INDUSTRIES LTD. *Ad-interim* dividend: As. 10 per share for the year ending 31st March, 1953. Transfer books close from 14th to 28th February, 1953, both days inclusive.

DECCAN SUGAR AND ABKHARI CO., LTD. Dividend: *Nil* for the year ended 31st May, 1952.

DEVASHOLA (NILGIRI) TEA ESTATES CO., LTD. *Ad-interim* dividend Re. 1 per share for the year ended 31st December, 1952. Transfer books closed from 28th January to 3rd February, 1953, both days inclusive.

BUDGE-BUDGE JUTE MILLS CO., LTD. Dividend: Rs. 6-8 per share for the half-year ended 31st October, 1952.

NATIONAL CO., LTD. Dividend: Re. 1 per share for the half-year ended 31st October, 1952.

ORIENT JUTE MILLS CO., LTD. Dividend: Rs. 6 per share for the half-year ended 30th November, 1952.

CHEVIOT MILLS CO., LTD. Dividend: Rs. 6 per share for the half-year ended 30th November, 1952.

DELTA JUTE MILLS CO., LTD. Dividend: Rs. 10 per share for the half-year ended 30th November, 1952.

CALEDONIAN JUTE MILLS CO., LTD. Dividend: Rs. 6 per share for the half-year ended 30th November, 1952.

COMPANY REGISTRATIONS

MEATTLES AGENCIES (INDIA) LTD. (First Director: Shri Bisheshar Dayal Meattle.) Business: Exporters, Importers, General Merchants and Commission Agents. Authorised capital: Rs. 5,00,000. Private company. Address: Krishna Mahal, 63, Marine Drive, Bombay 1.

HARSHADRAY LTD. (First Director: Mr. B. P. Shah.) Business: Manufacturers, Repairers and Dealers in Diesel Engines, Dynamos, Motors, Armateurs, Boilers, Turbines, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Advani Chambers, Sir Phirozshah Mehta Road, Fort, Bombay.

SAHEB SINGH AGENCIES (BOMBAY) LTD. (First Director: Sirdar Shamsher Singh.) Business: Manufacturers, Agents, Distributors, Dealers, Exporters and Importers of Stores, Consumable Articles, Beauty Aids, Perfumery, Toilet, Patent Medicines, General Merchandise, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Jiwan Vihar, 72, Marine Drive, Bombay.

INDIAN INSULATION INDUSTRIES LTD. (First Director: Shri Percy Jal Vakil.) Business: Manufacturers and Dealers in Insulation Wires and Heavy and other Cables from Copper, Aluminium, etc., and Paints, Varnishes, Oils, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Raja Bahadur Bansilal Mansion 22, Apollo Street, Fort, Bombay.

MONEY STEADY BUT DULL

(From Our Own Correspondent)

BOMBAY, 28*th January*

The short-term money market was steady, but dull, during the week under review. The inter-bank call money rate among the Exchange banks and big Indian banks slightly hardened from 2½ per cent. to 3 per cent. with borrowers over. Among the smaller Indian banks the rate stood at 3 per cent. Trade demand for funds did not improve to any appreciable extent during the week, but still outstripped the limited volume of floating funds in the market. As a result, some of the banks had to seek funds from the Reserve Bank. Short-term deposits were in request at 3 per cent. for one to five months and at 2½ per cent. for over 6 months. House money fetched 3 per cent.

This week's sale of three months' Government of India Treasury Bills held yesterday brought an offer of no more than Rs. 100.25 lakhs, as against an invitation for Rs. 100 lakhs. The amount offered was lower by Rs. 23 lakhs than the sum tendered last week. The average rate of accepted tenders was, however, unchanged at Rs. 2-7 per cent. per annum. Tenders at Rs. 99-6-3 were accepted.

The statement of affairs of the Reserve Bank of India for the week ended 23rd January, 1953, as compared with that for the previous week, discloses a contraction of Rs. 5.15 crores in notes in circulation. This follows the decline of Rs. 1.27 crores in the previous week. The decline during the week has been more than offset by an expansion of Rs. 5.30 crores in notes held in the Banking Department, so that the total notes issued is higher by Rs. 14.72 lakhs. This is covered on the assets side by a corresponding increase in rupee coin. The decline in deposits of the Central Government, noted in the previous two weeks, persists, the fall during the week under review being Rs. 6.19 crores. Deposits of other Governments, on the other hand, are higher by Rs. 4.78 crores. Deposits of banks are lower by Rs. 98.37 lakhs, while those of others are better by Rs. 90.94 lakhs. On the assets side, cash balances show an improvement of Rs. 5.30 crores, but balances held abroad have dropped by Rs. 1.70 crores. Loans and advances to Governments have gone down by Rs. 90 lakhs and other loans and advances by Rs. 58.66 lakhs. There have again been no fresh borrowings by Scheduled Banks against usance bills in the week under review, nor has there been any maturity of these bills. Investments are better by Rs. 51.82 lakhs.

The consolidated statement of position of Scheduled Banks for the week ended 16th January, 1953, as compared with that for the previous week, shows a rise of Rs. 1.61 crores in demand deposits and Rs. 76.99 lakhs in time deposits. Inter-bank borrowings also have risen, those repayable on demand by Rs. 1.44 crores and those of a time nature by Rs. 31 lakhs. Borrowings from the Reserve Bank have declined by Rs. 2.68 crores, but those from the Imperial Bank have gone up by no more than Rs. 18 lakhs. Advances are almost unchanged, but inland bills purchased and discounted are lower by Rs. 86.86 lakhs. Investments, which had been declining in the previous three weeks, have further dropped by Rs. 5.06 crores. Cash-on-hand shows an improvement of Rs. 77.62 lakhs, balances with the Reserve Bank of Rs. 1.97 crores, balances with other banks in current account of Rs. 76.97 lakhs and money at call and short notice of Rs. 2.05 crores.

The Gilt-edged market was devoid of any outstanding development during the week under review, except for slightly better rates for long-dated and undated issues and selective buying for some State and Municipal loans. 3 per cent. 1959-55 was a shade quiet at Rs. 100-0½. 3 per cent. 1957 and 3 per cent. 1958 were unchanged at Rs. 98-8 and Rs. 98-6, respectively. 3 per cent. 1959-61 was an anna lower at Rs. 95-15. 3 per cent. 1963-65 and 3 per cent. 1964 were both maintained at Rs. 92-7, as also 3 per cent. 1966-68 at Rs. 90-7. 3 per cent. 1970-75 put on an anna to Rs. 86-8. 3 per cent. 1986 Conversion Loan rose by As. 4 to Rs. 83-1. 4 per cent. 1964 Bombay was enquired up to Rs. 101, that is As. 4 over the previous week's closing. Both 4 per cent. 1964 West Bengal and 4 per cent. U.P. were better by As. 2 at Rs. 100-10.

In the foreign exchange market, there was a further slight hardening of the rupee in terms of the U.S. dollar, in banks' selling rate, by half-a-rupee per $100 for ready delivery and by a quarter rupee for forward deliveries upto six months, as the table appended below shows. The banks' buying rate, however, remained unchanged. The improvement was in sympathy with the continued accession of strength to sterling in the New York market, where this week the pound went up from $2.81.7/16 to $2.81.9/16 for ready and from $2.81½ to $2.81.3/16 for three months. The rate for six months, however, receded a bit from $2.81.1/16 to $2.80⅞.

SELLING	13-1-53 Rs.	20-1-53 Rs.	27-1-53 Rs.
T.T./D.D. (other than B.C.'s for amounts $2,000 and over :			
Ready and within 5 days	476¼	476	475¼
Delivery within 3rd month	477¼	477½	477
,, ,, 6th ,, ...	479	479½	478½
T.T./D.D., B.C.'s and amounts under $2,000 :			
Ready and within 5 days	477	476¾	476½
Delivery within 3rd month	478½	478	477½
,, ,, 6th ,, ...	479¾	479½	479
BUYING			
T.T. Clean :			
Ready and within 1st month ..	} 472¾	471¾	471¾
Delivery within 3rd month ..			
,, ,, 6th ,, ...			
T.T. Documentary :			
Ready and within 1st month ..	} 471¾	471	471
Delivery within 3rd month ..			
,, ,, 6th ,, ...			

SILVER FIRM

(From Our Own Correspondent)

BOMBAY, 28*th January*

Trading on the Bullion Exchange during the week under review was characterised by the revival of bullish fervour in silver, which was rather very pronounced in the last two days. The firmness of the white metal was attributed to speculative buying by professionals induced by an expansion in offtake. This forced the shorts to cover their sales. In the result, the white metal made a brisk advance to touch (to-day) a high of Rs. 158-13 (for forward delivery), which is Rs. 4-5 more than the previous week's closing of Rs. 154-8. Incidentally, it may be noted that this is the highest level to be seen since 22nd October last. As the closing rate for forward delivery, namely, Rs. 158-11 was well over Rs. 7 above the opening rate of Rs. 150-8 for the current settlement, the automatic margin system came into operation to-day.

In distinct contrast to silver, the upward trend in gold, noted in the previous few weeks, was checked during the week under review. In fact, the yellow metal finished the week a shade lower than a week ago. This was due to the weakness of the ready section, which, in turn, was adversely affected by an expansion in arrivals. This state of affairs is reflected in the narrowing down of the premium which the ready position commanded over the forward, from Re. 1-8 early in the week to As. 14 at the close.

The decline in gold prices, albeit small, was not the feature of the Bombay market alone. Even in Europe, the international free market price of gold experienced a slight setback from $37.95 on the 21st inst. to $37.80 on the 23rd, at which level it stood till yesterday.

Silver for forward delivery in February settlement opened the week at Rs. 154-3 and staged a rise to Rs. 155-12 on Friday (23rd inst.), following reports of better offtake. After a temporary recession to Rs. 154-8, it picked up strength, on short covering, to touch successively fresh high levels every day, until it reached Rs. 158-13 to-day, before closing at Rs. 158-11. Business in the March settlement was being done during the week at a carry forward rate of As. 1 to As. 2 in favour of bulls.

Ready silver (.996 Mint) commanded a premium of As. 4 over the forward rate for the February settlement. The floating stocks of silver are estimated at 2,000 bars. The daily average offtake was of the order of 45 bars.

Gold for forward delivery in February settlement began the week at Rs. 87-5 and, after moving up to Rs. 88-4 on Friday, receded to a low of Rs. 86-6 yesterday. To-day, however, it tended to look up a little, in sympathy with silver, and touched Rs. 87-5, but closed a shade lower at Rs. 87-1. Business in March settlement was put through at a carry forward charge of As. 14 in favour of bulls early in the week. As the week progressed, however, the carry forward charge fell to As. 6 in favour of bulls.

Ready gold, which was done at Re. 1-8 over the forward at the close of last week, came to be quoted at a premium of only As. 12 this morning, but, just at the close, the premium again widened to As. 14. The floating stocks of gold are estimated at 20,000 tolas. The daily average arrivals were 10,000 tolas. The offtake was no more than 8,000 tolas on an average.

The following comparative table shows the trend of the market during the week under review:

	28-1-53	Highest	Lowest	21-1-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	87 15	89 11	87 3	88 14
Forward	87 1	88 4	86 6	87 6
Sovereign	60 12	60 12	60 8	60 8
SILVER				
Ready (.996 fine Mint)	158 15	159 1	154 2	154 12
Forward	158 11	158 13	153 14	154 8
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½*c.*	—	—	85½*c.*

GOAT AND SHEEP SKINS FIRM

(From Our Own Correspondent)

MADRAS, 27*th January*

Arrivals of kips, and also clearance, have been moderate. Enquiries have been selective and sellers are reserved, in view of the excesses involved which will remain unsold for some time or be sold at poor prices. Demand for cow calf and buff calf has been patchy, while that for buffs negligible.

The market for tanned goat skins has ruled firm, with prices advancing by As. 2 per lb. Tanned sheep skins were also in good demand, with prices rising by As. 4 per lb. The London public sales commenced yesterday, and prices of goat skins declined by 6*d.* to 15*d.*, as compared with the December 1952 levels; this decline has already been discounted in the prices now current in the Periamet *bazaar*.

HIDES FEATURELESS

(From Our Own Correspondent)

KANPUR, 25*th January*

The hides and skins market was rather featureless this week. Upper grade cow and buff were readily disposed of. New arrivals were considerable. The main purchasers were Madras dealers and local tanners. The country tanners went in mainly for dead *sukti* items.

Latest quotations are: Wet salted cow 1st grade Rs. 300 and 2nd grade Rs. 250 per score; wet salted buff 1st grade 1 lb. 10 ozs. and 2nd grade 2 lbs. 2 ozs. per rupee; goat 1st grade Rs. 300 and 2nd grade Rs. 250 per 100 pieces; and sheep Rs. 225 per 100 pieces.

MODERATE DEMAND FOR SPOT COTTON

(From Our Own Correspondent)

BOMBAY, 28*th January*

The hour before dawn is the darkest. Though there is little concrete evidence which can be pointed to, to support the contention that the cotton markets all over the world have turned the corner and that the worst for the time being is over, the observation is, nevertheless, true. Demand for cotton all over the Continent, induced by rockbottom prices, has revived. Spain, France, Germany, Italy and even the U.K. have started making purchases beyong their immediate needs. There is more activity in Alexandria. East Africa has very nearly sold its crop for this year. Interest in Sudanese cotton, absent during the last few weeks, has revived. South American countries, such as Brazil and Peru, are more in the picture with some constructive schemes for the disposal of their sluggishly moving crops. Turkey and Syria are also finding buyers and the crash at Karachi has also been averted for the time being, with the timely assistance of some of the purchasers in the U.K. Barter deals between cotton producing and consuming countries are also on the increase. All these signs, though each one in itself insignificant, go to show that the shadow of gloom and depression over the cotton markets is being gradually lifted. However, it must be admitted that this is only an impression and not a statement of tangible fact.

It would be interesting to compare conditions in the Indian markets in view of the improving trends abroad. Judging by prices, the market here seems to be disorganised, if not actually demoralised. This is more evident in the forward market than in the spot market and to that extent it can be interpreted as a good sign. Consumption of Indian cotton by the mills continues apace and though this is not reflected in the demand for contracts in the forward market, the selected styles are being enquired for in the spot market at Sewri. Perhaps, the grounds for slump in prices in the forward market are more technical and temporary.

Once the February settlement is over, trading will not be subjected to the same pressure as at present and will to that extent be more normal, even though the danger of overtrading in this highly speculative market will always be there. Even a 33 lakh bales crop, considering the requirements of the industry here, need not depress prices. But such a result is inevitable when contracts are held by weak parties who are in no position to take deliveries. Wide fluctuations in prices bearing no relation to actual stock position and demand can only point to unhealthy conditions in the market, against which the newly started forward market in cotton has to guard constantly. Perhaps, the opening of forward trading in cotton at Indore which has been applied for by the Bada Saraf Cotton Association there might provide some corrective to the trading at Kalbadevi in Bombay.

There is little activity on the import and export fronts. The pressure of existing stocks of imported cotton is still being felt and so long as these stocks are there, interest in foreign cotton is bound to be slack. Perhaps, a position will arise when India may ignore fresh purchases when rates are low and then rush later in the season to acquire cotton in outside markets when stocks are depleted and prices high. There is obviously a lack of planning on the part of the industry, trade and the authorities in the matter of foreign purchases of cotton. On the export front also things are naturally very quiet, especially with Karachi once again coming into the picture.

Amongst official measures, mention must be made of the withdrawal by the Government of India of the concession allowing conversion of unutilised balance of licences issued for import of U.S. cotton into that of equivalent quantities of cotton from any non-dollar areas. These outstanding licences will remain valid for shipment only of U.S. cotton up to the end of June. So far as East African cotton is concerned, imports will be permitted freely within the overall ceiling fixed for import of cotton from non-dollar areas and such imports will not be debited to the ceiling fixed for each importer, importing cotton on his own account.

The following is the trend of prices in the forward section of the market over the week ended to-day:

	Open	*High*	*Low*	*Closing*
I.C.C. Feb (Rs.) ...	626	638½	625½	636½
I.C.C. Sept. (Rs.) ...	639½	651	638½	646

The following are the latest quotations for the Sewri market: Bengal *Deshi* (new) Rs. 440; Berar Jarilla (new) Rs. 660; Vijay (old) Rs. 710; (new) Rs. 790; Khandesh (old) Rs 650; (new) Rs. 720; Mogalai Rs. 600.

At Karachi, the downward slide in prices has been interrupted by the Government fixing minimum prices for exports. Curiously enough, instead of discouraging buyers from abroad this measure has brought forth certain tentative enquiries. There are talks of expanding the scope of the trade agreement between India and Pakistan. But it must be pointed out that in the articles mentioned for such trade, cotton does not figure. The following are the latest quotations from the Karachi market: 4F Punjab R.G. Rs. 51¼ to Rs. 52½; S.G. Rs. 54½ to Rs. 55½; L.S.S Punjab R.G. Rs. 54½; S.G. Rs. 58; N.T. R.G. Rs. 54½; S.G. Rs. 56½ to Rs. 57½; 289F Punjab R.G. Rs. 58; S.G. Rs. 63 Punjab Deshi Rs. 55½.

Alexandria reports more activity in the spot market than in exports. But the Government machinery dealing with cotton is slow in functioning and as the process for the passing of cotton from the grower via the private buyers to the Government and from it again via the shippers to the outside world has become complicated and smothered in red-tape, and is slow and cumbersome, transactions naturally are fewer than in a market functioning normally. However, the movement has started and now that New York can be said also to have turned the corner, it is likely to gather some momentum. India has on the whole given good support to the Egyptian cotton market when others appeared to have deserted it. There is appreciation of this support at Alexandria, both amongst official and trade circles, resulting in the removal of India's grievances with regard to the arbitration proceedings in case of differences of opinion.

At New York, there is a feeling of revived steadiness in the cotton markets after the change in the Administration which took place last week. This revival appears to be healthy inasmuch as it is not entirely of a speculative nature, but backed by mills and shippers to a certain extent, though a bulk of it could be attributed to bear-covering. As usual, the persistence of the withdrawal of this improving trend will depend largely on whether there is fresh foreign buying of cotton in the U.S.A., cotton markets or not during the next few days.

The following are the latest available quotations from New York as compared with those of a week and a fortnight before:

(In cents per lb.)

	27-1-53	20-1-53	14-1-53
Spot	33.60	32.85	32.55
March	33.08	32.59	32.40
May	33.42	33.11	32.94
July	33.70	33.50	33.30
October	33.60	33.60	33.50

CEILING FOR STAPLE FIBRE YARN

(From Our Own Correspondent)

BOMBAY, 28*th January*

The most outstanding development in the staple fibre yarn market during the week under review was the fixation of a ceiling for 2 × 40 variety, at Rs. 800 per bale of 400 lbs., by the Committee of the Yarn Merchants' Association. This was a sequel to the meteoric rise in prices of the yarn during the past three weeks, following speculative buying, occasioned by depletion of stocks in the market, consequent on persistent offtake and poor supplies from South Indian markets. Thus, the value of 2 × 40 staple fibre yarn January contract, which was as low as Rs. 701 early in the month, gradually advanced to touch a high of Rs. 805 on the 22nd inst. During the same period, February contract rallied from Rs. 690 to Rs. 775.

With a view to arresting a further rise in prices, the Committee of the Yarn Merchants' Association decided, as stated at the outset, to fix a ceiling with effect from Saturday last. It also decided to postpone commencement of business in March contract. These decisions would not appear to have had any effect on the market; to-day's closing quotations were more or less at the same levels which prevailed prior to the fixation of ceiling prices. Thus, 2 × 40 January contract rose from Rs. 785 to Rs. 805 on Saturday. After the ceiling was fixed, it declined to Rs. 795 yesterday, but finished higher at Rs. 800 to-day. February contract fluctuated between Rs. 761 and Rs. 775 before ending the week at Rs. 776.

The art silk yarn section was, on the contrary, distinctly bearish during the first two sessions of the week, on reports of a reduction in yarn prices effected by the Italian producers in the deal recently signed with the Silk and Art Silk Mills' Association, Bombay, under the latter's bulk purchase system. This led to a sharp break in prices on Friday. The sentiment of the market, however, changed for the better during the subsequent sessions and values registered a gradual improvement, which persisted till the close to-day. The improvement was brought about by good demand in the ready section, rise in cotton yarn prices, and firm conditions in the staple fibre yarn section. There was also the expectation of the non-availability of the actual supplies of Italian yarn, now contracted for, at least for the next few weeks. Consequently, not only the previous losses were recovered but the closing rates stood higher than those at the end of last week.

In the forward section, 150D January contract receded from Rs. 705 to Rs. 682 on the 23rd inst., but gradually picked up strength to close at Rs. 713, the net gain over the week being Rs. 8. Likewise, February contract, after losing Rs. 22 to Rs. 687, finished higher at Rs. 714. In the ready section, 120 Japan was specially favoured and registered a rise of As. 3 to Rs. 4-9. 150 Japan and 120 Italy gained an anna each to Rs. 4-7 and Rs. 4-3, respectively. 150 Italy was steady at Rs. 3-9, although, at one time, it had gone down to Rs. 3-7.

The table below gives the prices of art silk and staple fibre yarns quoted to-day, as compared with those on the 21st and 14th inst.

	28-1-53 Rs. a.	21-1-53 Rs. a.	14-1-53 Rs. a.
Art Silk Yarn—			
150D January (per case of 200 lbs.)	713 0	705 0	723 0
150D February ,,	714 0	709 0	730 0
120 Japan (per lb.)	4 9	4 6	4 7
150 Japan ,, ...	4 7	4 6	4 5
120 Italy ,, ...	4 3	4 2	4 2
150 Italy ,, ...	3 9	3 9	3 10½
Staple Fibre Yarn—			
2×40 January (per bale of 400 lbs.)	800 0	785 0	760 0
2×40 February ,,	776 0	765 0	740 0

As was briefly reported last week that the Silk and Art Silk Mills' Association has finalised a deal with an Italian firm of producers—Itaviscosa —for the bulk purchase of 41*d.* per lb. (for second yarn at a reduced rate of 41*d.* per lb. (for second quality yarn of 120D and 150D), which is more or less the same price prevailing prior to the Korean war. It is interesting to note here that the price of 120D yarn quoted by Italian producers in November, 1952, was as high as 52*d.* per lb. Under the agreement, the Italian firm has agreed to supply the deniers, qualities and make up as required by the member mills. Besides, over and above 1½ per cent. usual discount, it has agreed to give to the Association a special discount of 3 per cent., the Fall Clause and even several other facilities to the member mills, such as to cancel and reject the ordered goods within a certain period after arrival in Bombay and also to store the same.

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, 28*th January*

The three principal sections of the oilseeds market depicted three distinctly different trends during the week under review. The groundnuts section ruled firm, following heavy demand for seeds from *vanaspati* interests and inadequate stocks. There were also enquiries from Hong Kong for groundnut oil. Prices, therefore, moved forward. But in the castorseeds section, a more or less steady tone was visible in the absence of encouraging overseas advices. Bull operators were reluctant to commit themselves, in the face of increased arrivals, while shorts pressed sales. Linseed were a shade easy on bleak prospects of any reduction in the export duty on oil.

The upward trend in groundnuts noticed last week gathered further momentum. Support from crushers and *vanaspati* interests induced hectic bear-covering in a rising market. Consequently, Bold readys improved from Rs. 33-4 to Rs. 34-12. Khandesh quality had a gain of Re. 1-8 to Rs. 35-4. Groundnut oil ready rallied As. 8 to Rs. 18-12 and Railway receipts As. 4 to Rs. 18-8. Hong Kong was interested in groundnut oil at £131 to £132. The Bombay Government's decision to acquire 50 per cent. of groundnut oil cake at Rs. 100 per ton was strongly resented by the trade interests. The Seed Crushers' Association has urged the withdrawal of the decision and offered to provide 5,000 tons of oilcake per month as cattle feed at Rs. 25 less than the prevailing market rates.

Quiet U.S. advices for castor oil softened the trend in the castorseeds section this week. The expected demand for the oil from the Continent did not also materialise. May delivery, which opened at Rs. 136-4 as against Rs. 135, fluctuated between Rs. 133 and Rs. 137-8 before closing at Rs. 135-12. Madras delivery, however, lost As. 8 to Rs. 31. F.A.Q. was steady at Rs. 30-8. Castor oil Commercials, were quoted at Rs. 17-12, as against Rs. 18-2. U.S. advices for commercial oil were placed at 19.5 cents for February delivery, 18.5 cents for April and 19 cents for March delivery.

The Linseed section spent a dull week. Operators have lost all hopes of Indian linseed entering again the overseas market at competitive rates. Bold ready lost As. 2 to Rs. 26-14. Indores changed hands at Rs. 27, as against Rs. 27-4. Linseed oil ready eased by As. 8 to Rs. 13-8.

The following table shows the prices of oilseeds and oil on the 28th inst., as compared with those at the close of preceding two weeks.

	27-1-53 Rs. a.	21-1-53 Rs. a.	13-1-53 Rs. a.
Groundnuts—			
Bold Ready New (per cwt.) ..	34 12	33 4	32 4
Khandesh New (per cwt.) ..	35 4	33 12	32 8
Linseed—			
Bold Ready (per cwt.) ..	26 14	27 0	27 6
Castorseeds—			
May (per candy of 5 cwts.) ..	135 12	135 0	130 8
Madras (per cwt.)	30 8	31 0	30 6
Groundnut oil—			
Ex-mill Ready (per quarter)	18 12	18 4	17 4
Castor Oil—			
Commercial (per quarter) ..	17 12	18 2	17 4

NARROW MOVEMENTS IN PEPPER

(Messrs. Parekh & Co.)

BOMBAY, 28*th January*

Pepper market during the week under report moved within a narrow grove both at Alleppey and at Bombay. Whenever exporters are in the market, the growers generally are disposed to raise their price by Rs. 50 to Rs. 100, according to the tempo of demand. Conversely on the withdrawal of buyers, growers, in order to attract business again are willing to lower their price, with the result that the market at the end of the week fails to show any gain in the price. The undertone of the market, therefore, appears to be indecisive but suggests that there is a resistance at a price line of Rs. 2,250 to Rs. 2,300 at Alleppey. Obsessed with certain sets of rules based on precedents, such as that the market in Malabar should go down during February of each year, given normal conditions, because the month is considered a period of competition between Alleppey and Tellicherry varieties, American buyers are reported waiting for a still lower price before putting in a fresh large buying. As against this growers know that if they can maintain a certain price line during February or the latest in the early part of March, foreign buying should come at sellers' price. Therefore, in spite of poor foreign enquiries, big planters who are basically always bullish, are sitting tight allowing small growers who are in need of cash to liquidate their stock. In delivery section, the price for the month of January is now being quoted at discount of Rs. 40 from the price for February, as bulls are reported liquidating for fear of heavy tenders on fresh arrivals of Pepper to the extent of about 2,000 bags from the Coast.

In A.S.T.A. section, there was very small business reported done during the week as New York is reported to have withdrawn, after doing fair buyings for January shipment during the earlier part of the week. Indian exporters are reported sellers for January or early February at $1.07 but so far no business is reported. March is neglected by both buyers in New York and sellers in India.

Indian exporters seem to be hesitating to make large bear sales at the present price, owing to uncertain policy of the new President with regard to the Korean war. If New York decides for a stern action towards China or Russia to put a stop to the present Cold War there is a possibility of a buying spree as was witnessed during the beginning of the Korean conflict.

Following are to-day's nominal quotations:—Ready delivery Rs. 2,100, January Rs. 1,940-70 and February delivery Rs. 1,980-2,010 per candy of 5¼ cwts.

MEDIUM TEAS STRONG

(Messrs. Forbes, Ewart & Figgis Ltd.)

COCHIN, 24*th January*

The offerings at Sale No. 2, which was held on Tuesday, 20th January, 1953, amounted to 9,15,000 lbs.

Quality from all districts again showed some improvement, particularly amongst the high grown teas.

From the outset, there was a very strong and excited demand for all types. Common and low medium brokens advanced by As. 2 to As. 4, while low fannings were generally As. 4 to As. 5 dearer. Medium teas met a very strong market and all grades advanced by As. 6. Good medium brokens and fannings were irregularly As. 2 dearer, but best liquoring teas met extremely keen competition and sold up to As. 8 to As. 10 above last prices. Whole leaf grades were fairly well supported and were occasionally dearer. The quotations are: Low grown Travancore B.O.P. Re. 1-5, Medium Travancore B.O.P. Re. 1-13, Anaimallais B.O.P. Rs. 2-0-6, Best liquoring Nilgiris B.O.P. Rs. 3-12 and Well made black leaf O.P. Rs. 2-3.

London Market.—Market dearer. Medium fannings about steady. Medium Assam brokens and common teas generally 1*d.* to 3*d.* dearer.

Colombo Market.—About 4¾ million lbs. Low grown occasionally dearer. Others quality improving. Sharp advance in the prices of leaf and lower grades.

Calcutta Market—Export.—About 55,000 lbs. Market firm to dearer. Strongest features were the whole leaf grades and common tea. C.T.C. fannings were irregularly dearer and appreciable increases in price obtained.

Dust.—About 15,352 lbs. With the exception of good liquoring and powdery sorts which were about firm, all descriptions showed an irregular advance.

Export Quota.—The market remains steady at 3 pies and small business has been done.

Forthcoming Auctions.—Sale No. 3 will be held on Tuesday, 3rd February, 1953.

As we go to Press, Messrs. Forbes, Ewart and Figgis Ltd., wire as follows:

"103 dust sale B 220,000 lbs. Market opened strongly. Prices generally As. 2 to As. 3 up, but closed irregular."

FOODGRAINS ARRIVALS POOR

(From Our Own Correspondent)

HAPUR, 26*th January*

Contrary to the past practice, annual food allocations are not being made now. The same position is expected to continue in future also, according to New Delhi reports. It is understood that supplies will be sent to needy States, as and when demanded, after a scrutiny of their claims, keeping in view the Centre's overall supply target of 2.4 million tons for the year.

In the meantime, the Government of India has decided, in consultation with some State Governments, to co-ordinate all arrangements for the purchase and despatch of surplus coarse grains on behalf of deficit States. This decision will eliminate the danger of uncontrolled and unco-ordinated purchases by deficient State Governments in a surplus State. As a result of relaxation in control of millets and other coarse grains, there will be no restriction on their movement within a State, though inter-State cordons will continue to exist. States in need of coarse grains are Madras, Bombay, Mysore and Saurashtra, while those which are said to be surplus are Madhya Pradesh, Orissa, Hyderabad, P.E.P.S.U. and the Punjab (I).

Mr. Rafi Ahmed Kidwai, India's Food Minister, toured the famine-affected areas this week. The districts of Bijapur, Banaskantha and Ahmedabad seemed worst affected. The Food Minister has indicated that, as enough milo is not available from America this year too, the Government is forced to issue more wheat and cut down the quantum of coarse grains in cities still under statutory rationing. It has been decided to give *jowar*, *bajra* and other cheap coarse grains to labourers employed in the scarcity works in the State of Bombay.

In the Punjab State, the recent rains are expected to benefit all the standing crops of wheat and grain, but they cannot make good the loss due to reduced sowings. Two months ago, the State had contributed 29,000 tons of wheat to the central pool, out of its total commitment of 60,000 tons. Before the rains came, the drought upset all calculations and it is said to be impossible for the State now to spare the balance.

Procurement operations in West Bengal are yielding excellent results. About 22,425 tons of paddy have been procured upto 17th January, 1953. Out of this, 9,913 tons account for procurement by levy and 12,512 tons for that on voluntary basis. Last year, during the same period, 14,653 tons had been procured.

Rabi crops in east Uttar Pradesh districts have suffered great damage by severe hailstorms. The districts which have been worst hit, according to

(*Continued on page* 183)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	16th Jan., 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,115.35	1,116.61	1,088 78	1,157 02
Notes held in Banking Department	35.05	16 33	15 22	24 15	12 35
Foreign Securities	39.50	558 15	558 15	538 15	563 15
Rupee Securities	37.39	450 06	450 06	450.07	408.13
Banking Department					
Deposits of :					
Government of India	14.89	170 22	173 74	173 63	200.16
Other Governments	..	2 37	1 50	1 27	5 94
Balances held abroad	10.08	159 22	156 42	164 04	173 69
SCHEDULED BANKS					
Demand Liabilities	134.37	524 44	521 40	529 08	570 09
		(13 14)	(11 70)	(12 35)	(27 75)
Time Liabilities	102.84	3,16 29	315 24	317 48	253 19
Borrowings from Reserve Bank	..	(2 15)	(1 87)	(4 32)	(0 38)
	..	5 71	8 39	2 93	28 38
		(0 99)	(0 99)†	(0 99)	(N.A.)
Borrowings from Imperial Bank‡		6 18	6 00	4 85	N.A.
Cash in India	..	34 66	33 88	32 64	35.05
Balances with Reserve Bank	6.71	44 99	43 02	42.00	47.68
Excess over statutory limits	25.28	12 44	10.65		
Balances with other banks in current account in India	16.52	11.36	10 50	11 69	11.27
Money at call and short notice in India	..	16 75	14.70	16 07	11 41
Investments (at book value)	..	310 91	315 97	328 95	300 87
Advances and bills	..	482 05	482.86	461 79	563 22
IMPERIAL BANK	105.09				
Deposits	..	208 01	203 09	207 09	231.40
Investments	87.76	85 24	93 11	102 17	85 38
Advances	51.99	115 51	116 27	109 31	137 73
Cash	20 37	20 29	15 80	13 13	12 66

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets). N.A.=Not available.
† Borrowings against usance bills and promissory notes.
‡ Figures prior to 18th April, 1952, not available.

CLEARING HOUSE RETURNS

Centre	23rd January, 1953		16th January, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	2,24,216	52,52,87,000	2,29,624	55,44,82,000
Calcutta ..	98,750	30,36,53,541	1,46,005	47,05,12,851
Madras ..	69,758	8,67,90,524	84,317	5,82,25,664
All Centres				
Nov., 1952 ..	..	..	24,01,000	4,93,07,00,000
1952 ..	..	..	1,0841,941	26,70,51,57,000
1951 ..	..	..	1,0994,122	31,30,56,36,359

Reserve Bank of India

Statement of Affairs for the week ended 23rd Jan., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	164.03.42.000
(2) Other Governments	7,14,31,000
(b) Banks	46,04,72,000
(c) Others	62,96,57,000
Bills Payable	5,26,71,000
Other Liabilities	21,91 21,000
Rupees	318,36,94,000

ASSETS	Rs
Notes	21,62,55,000
Rupee Coin	15,18,000
Subsidiary Coin	2,55,000
Bills Purchased and Discounted—	
(a) Internal	38,40,000
(b) External	..
(c) Government Treasury Bills	14,89,20,000
Balances held Abroad*	157,52 08,000
Loans and Advances to Governments	3,02,00,000
Other Loans and Advances	13,55 54 000
Investments	99,79 47,000
Other Assets	6.79 97,000
Rupees	318,36,94,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 98,93,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 74,18,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	21,62 55,000	
Notes in circulation	1110,19,65,000	
Total Notes issued		1131,82 20,000
Total Liabilities		1131,82,20,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion :		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	558,15,11,000	
Total of A		598,16,82,000
B. Rupee Coin		83,59,37,000
Government of India Rupee Securities		450,06,01,000
Internal Bills of Exchange and other commercial paper	....	
Total Assets	....	1131,82,20,000

Ratio of Total of A to Liabilities : 52.850 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 16th Jan., 1953

	Rs.
1. Demand Liabilities in India :	
(i) Borrowings from banks	13,13,76 000†
(ii) Other demand liabilities	511,30,52,000
2. Time Liabilities in India :	
(i) Borrowings from banks	2 15,00,000†
(ii) Other time liabilities	314,14,15,000
3. Cash in India	34,55,64,000
4. Balances with the Reserve Bank in India	44,98,95,000
5. Balances with other banks in current account in India	11,36,34 000
6. Money at call and short notice in India	16,74,00,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	310,01,30,000
8. Advances in India	450,08,96,000
9. Inland Bills purchased and discounted in India	31,36,53,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.

†Excludes borrowings from the Reserve Bank; and with effect from the 18th April 1952 as also those from the Imperial Bank.

EXCHANGE RATES

		27th January, 1953	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot.	s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	s.	1-5 31/32	1-5 31/32
Buyers T.T. spot to nine months	s.	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	s.	1-6 1/32	1-6 1/32
Bombay on New York	..	..	..
Sellers T.T. D.D.	Rs.	475¼	476
Buyers T.T.	Rs.	471¼	471¼
London on New York	$	2 81⅛-2 81⅛	2 81⅛-2 81⅛
London on Paris	Fcs.	9874-988	9874-988
London on Berne	Sw. Fcs.	12 10-12 10½	12 10½-12 20
New York on London	$	2 81⅛ 2 81¼	2 81⅛ 2 81¼

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (In millions)		In terms of rupee (Crores)	*Per capita* income (Rs.)
India ..	1948	342.12	..	..	8,730	255
Pakistan ..	1949	75 04	..	..	1,671	223
Burma ..	1951	18 67	Kyats	3,166	317	167
Ceylon ..	1951	7 74	..	..	451	564
Japan ..	1951	84 30	Y.	4,564,400	6,008	716
Philippines ..	1951	20 25	Ps.	7,586	1,820	856
New Zealand ..	1951	1 95	£ (N.Z.)	615	820	4,206
Australia ..	1951	8 41	£ (A.)	3,258	3,454	4,817
U.K. ..	1951	50 56	£	11,384	15,179	2,976
U.S.A. ..	1951	154 36	$	277,690	132,190	8,564
Canada ..	1951	14 01	$	17,220	8,552	6,108
France ..	1951	42 24	F. Fr.	9,082,000	12,272	2,929
W. Germany ..	1951	48 11	Dm.	99,200	10,227	2,126
Italy ..	1951	46 60	Lr.	7,746,000	5,502	1,207
Norway ..	1951	3 20	Kr.	15,504	1,035	3,206
Sweden ..	1951	7 07	Kr.	36,800	3,439	4,864
Netherlands ..	1951	10 26	Fl.	16,940	2,151	2,096
Denmark ..	1951	4 30	Kr.	20,716	1,439	3,346
Switzerland ..	1951	4 75	S. Fr.	19,500	2,166	4,556

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source : United Nations Monthly Bulletin of Statistics, December, 1952.

State Bank of Pakistan

Statement of Affairs for the week ended 16th Jan., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	33,61,55,000
(b) Provincial Governments	1,05,83,000
(c) Banks	9,70,28,000
(d) Others	3,46,78,000
Bills Payable	9,06,000
Other Liabilities	4,35,46,000
Rupees	58,29,86,000

ASSETS	Rs
Notes	7,13,81,000
Rupee Coin	2,000
Subsidiary Coin	20,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	1,88,000
Loans and Advances to Governments	33,00,000
Provincial Governments Debtor Balances	82,65,000
Other Loans and Advances	8,45,32,000
Investments	31,72,05,000
Other Assets	9,81,52,000
Rupees	58,29,86,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs
Notes held in the Banking Department	7,13,81,000	
Notes in circulation	206,36,13,000	
Total Notes issued		213,49,94,000
Total Liabilities		213,49,94,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,01,42,000	
Silver Bullion	..	
Sterling Securities	39,27,55,000	
Government of India Securities	11,87,77,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,96,000	
B. Rupee Coin	6,33,01,000	89,05,70,000
Government of Pakistan Securities	113,86,48,000	
Internal bills of exchange and other commercial paper	....	120,19,49,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	4,24,75,000
Total Assets		213 49 94,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation : 43.56 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment Rs. a. p.	Allotted at minimum rate %
1952					
4th Nov. ..	2.00	4.10	2.00	2 2 0	95
11th ,, ..	2.00	5.12	2.00	2 1 11	76
18th ,, ..	2.00	2.92	2.00	2 1 6	60
25th ,, ..	2.00	2.61	2.00	2 3 0	99
2nd Dec. ..	2.00	2.01	2.00	2 4 0	99
9th ,, ..	2.00	2.15	2.00	2 5 11	93
16th ,, ..	2.00	2.62	2.00	2 5 11	88
6th Jan. 1953 ..	1.00	1.45	1.00	2 6 5	55
13th ,, ..	1.00	1.22	1.00	2 6 9	79
21st ,, ..	1.00	1.23	1.00	2 7 0	81
27th ,, ..	1.00	1.00	1.00	2 7 0	100
Total ..	18.00	25.85	18.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria ..	3rd July, 1952	5	6
Belgium ..	12th Sept., 1951	3½	3½
Canada ..	17th Oct., 1950	1½	2
Denmark ..	2nd Nov., 1950	4½	5
Eire ..	18th Dec., 1951	7½	5½
Finland ..	9th Nov., 1951	8	4
France ..	12th July, 1948	10	12
Greece ..	15th Nov., 1951	3	5½
India ..	9th April, 1950	4½	4
Italy ..	1st Oct., 1951	5.11	5.84
Japan ..	1st Aug., 1952	8	5
Netherlands ..	26th July, 1941	2	1½
New Zealand ..	9th Jan., 1946	3	2½
Norway ..	12th Jan., 1944	3	2½
Portugal ..	27th Mar., 1952	3½	4
South Africa ..	27th Mar., 1952	4	4
Spain ..	16th Mar., 1949	4½	4
Sweden ..	1st Dec., 1950	2½	3
Switzerland ..	26th Nov., 1936	4	1½
Turkey ..	26th Feb., 1951	2	3
United Kingdom ..	12th Mar., 1952	2½	4
U.S.S.R. ..	1st July, 1936	8	4
U.S.A. ..	16th Jan., 1953	1½	2

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	September 1952	September 1951	Six months—April-Sept. 1952	Six months—April-Sept. 1951
Import Duties :				
Revenue ..	8,16	11,72	57,37	63,24
Protective ..	68	93	4,11	5,49
On surplus disposals ..	1	2	1	16
Total Import duties ..	8,85	12,07	61,49	68,89
Export Duties ..	3,80	6,09	20,55	45,72
Land Customs ..	23	21	1,40	1,25
Miscellaneous ..	10	8	63	60
Gross total customs ..	12,98	19,05	93,07	116,46
Refunds and dowbacks ..	23	31	1,58	1,89
Net Customs ..	12,75	19,04	91,49	114,57
Gross excise ..	5,62	8,37	41,41	48,25
Refunds ..	8	13	84	86
Net Excise ..	5,54	8,24	40,57	47,39
Net total of customs and excise ..	18,29	27,88	132,06	161,96

Imperial Bank of India

Statement of Affairs for the week ended 23rd Jan., 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	5,62,50,000
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		6,85,00,000
Deposits and other Accounts		208,37,62,000
Borrowings from other Banking Companies Agents		31 64 000
Bills Payable		2,96,21,000
Bills for Collection being Bills Receivable as per contra		63,89,000
Acceptances, Endorsements and Other Obligations as per contra		47,000
Other Liabilities (including Inter-Office Adjustments)		1,90,73,000
Total ..	Rs.	226,18,06,000

PROPERTY AND ASSETS	Rs.	Rs
Cash in hand and with Reserve Bank		15,28,56,000
Balances with other Banks		4,22,65,000
Money at Call and Short Notice		1,29,23,000
INVESTMENTS—		
Government and other Trustee Securities	74,33,80,000	
Other Authorised Investments	10,88,71,000	85,22,51,000
Advances—		
Loans, Cash Credits and Over drafts, etc.	109,21,41,000	
Bills Discounted and Purchased	7,15,21,000	116,36,62,000
Bills Receivable being Bills for Collection as per contra		63,89,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		47,000
Premises less Depreciation		1,32,13,000
Furniture and Pictures less Depreciation		32,64,000
Other Assets (including Inter-Office Adjustments)		1,49,36,000
Total ..	Rs.	226,18,06,000

SMALL SAVINGS

(Amounts in lakhs)

	Cash Certificates Receipts	Cash Certificates Out-standings* @	†Defence Savings Certificates @ * Out-standings	National Savings†† Certificates Receipts	National Savings†† Certificates Out-standings*	Savings Bank Deposits Receipts	Savings Bank Deposits Out-standings*	Defence Savings Bank Deposits Out-* @standings	3½ per cent. Ten-year Treasury Savings Deposits‡ Receipts	3½ per cent. Ten-year Treasury Savings Deposits‡ Out-standings*
1950-51 ..	..	—15,91	—1,79	23,68	57,86	1,01,04	61,33	—4,64	5,31	5,31
1951-52 ..	1	—20,20	—2,55	24,59	75,83	1,03,79	71,16	—4,74	15,10	18,39
October 1951 ..	..	—18,53	—2,36	68,44	7,83	68,06	68,06	—4,70	1,39	14,85
November ,, ..	..	—18,90	—2,30	1,98	69,77	7,85	67,95	—4,71	94	15,23
December ,, ..	..	—19,25	—2,36	1,83	71,06	7,66	67,91	—4,72	70	15,51
January 1952 ..	..	—19,56	—2,45	1,71	72,25	7,75	68,04	—4,73	66	17,17
February ,, ..	..	—19,86	—2,46	1,82	73,56	8,21	66,27	—4,73	68	17,70
March ,, ..	..	—20,20	—2,55	5,02	75,83	11,28	71,16	—4,74	71	18,39
April ,, ..	..	—20,51	—2,60	2,47	77,67	10,01	73,50	—4,74	95	19,33
May ,, ..	..	—20,81	—2,64	2,32	79,44	9,95	74,83	—4,74	86	19,84
June ,, ..	..	—21,09	—2,68	2,00	80,80	9,86	77,01	—4,74	69	20,53
July ,, ..	..	—21,37	—2,73	2,28	82,58	10,29	79,52	—4,75	74	21,25
August ,, ..	..	—21,57	—2,77	1,96	83,95	8,60	80,73	—4,75	65	21,89
September ,, ..	..	—21,79	—2,80	1,97	85,80	8,78	81,87	—4,75	52	22,38
October ,, ..	..	..	..	..	..	..	..	..	56	22,92
November ,, ..	..	..	..	..	..	..	..	..	58	23,45

† Were replaced by National Savings Certificates from 1st October, 1943. * At the end of period. ‡ Issued from 1st February, 1951.
†† Including 5-year and 7-year National Savings Certificates Issued from 1st June, 1948.
@ Progressive net repayments from 15th August, 1947.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)

1. *All-India*

Group and Sub-Group	Week Ended 17-1-'53	10-1-'53	20-12-'52	19-1-'52
(A) Government and Semi-Government Securities ‡	92.1	92.1	92.2	91.4
1. Government of India Loans ..	92.2	92.2	92.3	91.4
2. Municipal, Port Trust and Improvement Trust Loans ..	86.6	86.4	86.4	87.6
(B) Fixed Dividend Industrial Securities	90.5	90.4	90 6	93 5
1. Electricity ..	76 5	76 1	75.3	74 4
2. Cotton ..	127.1	127.4	127.7	135.9
3. Jute ..	81 8	81 8	82 0	83 6
4. Coal ..	94 5	94 5	93 1	98 7
5. Iron and Steel ..	83 3	82 9	82 8	84 1
6. Sugar ..	91 4	91 4	91.4	104 8
7. Paper ..	84 4	85 0	86.9	93 8
8. Plantations ..	99.5	99.4	100.6	105.2
(C) Variable Dividend Industrial Securities	103.3	104 1	104.9	121.8
1. Banks ..	102 0	102 2	102.9	111.7
2. Insurance ..	95 2	96 5	97 0	104 3
3. Investment Trusts ..	139.2	139.7	140.8	141.8
4. Electricity Companies and Tramways	81.7	81.6	81.8	86.1
5. Shipping and Other Transport Companies	83.7	84 5	85.7	91 3
6. Railways ..	72.5	72.6	73 0	81 0
7. Plantations ..	110.3	110.6	113 0	165.9
8. Cotton, Woollen and Silk ..	127.7	128.7	128 9	166.0
9. Jute ..	74 1	75 5	76 6	94 3
10. Coal ..	86 9	87 3	89 3	113 1
11. Mining and Oil ..	60.9	62 6	62 6	72 2
12. Iron and Steel ..	123 4	125 6	127 5	147 8
13. General Engineering ..	137 1	137.6	136 8	157 6
14. Sugar ..	73 6	79 1	79 7	94 4
15. Paper ..	52 7	53 0	55 4	73 3
16. Breweries ..	122 7	124 0	126 1	172 0
17. Chemicals ..	112 9	112 9	114 4	123 4
18. Cement ..	142.5	144.0	144.7	160.7

II. Regional

Region and Group	Week Ended 17-1-'53	10-1-'53	20-12-'52	19-1-'52
(A) BOMBAY—				
Government and Semi-Government Securities	91.9	91.9	91.9	93.1
Fixed Dividend Industrials	91.2	90.7	90.4	91.8
Variable Dividend Industrials	121.1	122.1	122.9	133.9
(B) CALCUTTA—				
Government and Semi-Government Securities	92.6	92.6	92.8	91.6
Fixed Dividend Industrials	88.5	88.6	88.9	92 2
Variable Dividend Industrials	91.0	91.7	92.3	107.6
(C) MADRAS—				
Government and Semi-Government Securities	91.8	91.9	91.0	90.5
Fixed Dividend Industrials	103.4	103.8	105.2	111.5
Variable Dividend Industrials	127.0	127.3	129.2	153 1

*Source: Department of Research and Statistics, Reserve Bank of India.
‡ Including Part 'B' State Loans.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage or work.	Number of workers involved.	Number of man-days lost.
1950 ..	814	719,883	12,806,704
1951 ..	1,071	661,321	3,818,928
May 1950 ..	111	74,337	313,451
June ..	82	47,535	322,946
July ..	54	21,188	134,911
August ..	76	240,518	2,948,978
September ..	71	249,445	4,954,161
October ..	78	238,349	5,268,994
November ..	84	58,738	315,327
December ..	98	41,061	163,718
January 1951 ..	120	93,696	370,990
February ..	61	44,025	203,950
March ..	79	47,723	317,869
April ..	120	95,747	331,232
May ..	109	56,604	277,314
June ..	146	93,446	449,356
July ..	130	72,454	671,705
August ..	108	64,884	289,907
September ..	88	24,777	93,109
October ..	108	37,996	190,761
November ..	125	64,147	169,374
December ..	118	76,196	255,149
January 1952† ..	96	208,781	681,540
February ,, ..	99	64,080	216,507
March ,, ..	87	42,430	142,493
April ,, ..	134	80,693	234,346
May* ,, ..	101	59,384	257,062
June* ,, ..	82	40,754	171,293
July* ,, ..	85	48,292	145,595
August* ,, ..	88	57,156	458,581
September,, ..	90	77,391	346,671
October ,, ..	..	..	..

† Figures for 1952 are provisional * Revised.

ELECTRIC ENERGY : GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51 ..	545	5,279.9	4,225.9
1951-52 ..	573	5,948.1	4,849 0
March 1951 ..	548	470.0	376.5
April ,, ..	549	505.1	404.9
May ,, ..	541	501 2	402.8
June ,, ..	545	507.7	412.0
July ,, ..	551	506.8	409.7
August ,, ..	554	504.5	408 4
September ,, ..	556	506.0	412.8
October ,, ..	557	491.7	402.8
November ,, ..	561	500.9	414.3
December ,, ..	568	500.8	409.7
January 1952 ..	571	480.7	391 0
February ,, ..	573	498.8	392.9
March ,, ..	577	513.4	413.1
April ,, ..	581	498.8	402.8
May ,, ..	587	500 1	429.7
June ,, ..	588	534 0	429.7
July ,, ..	592	531 9	430.6
August ,, ..	597	533 3	..
September ,, ..	..	..	..

* Excluding railway, military and colliery power stations : Chola Power Station, being interconnected with the Tata Power System, has drawings from non-electric utilities

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	10th Jan., 1953	3rd Jan., 1953	13th Dec., 1952	December, 1952	December 1951	Percentage of increase (+) or decrease (—) in Dec., 1952 as compared with Dec., 1951	1952	1951
Food Articles	356.2	348.0	342.1	344.5	398.1	—13.7	359.8	409.8
Cereals	436	431	428	431	464	— 7.1	450	483
Pulses	598	575	548	541	513	+ 5.5	483	506
Other	219	210*	204	207	257	—27.9	225	290
Industrial Raw Materials ..	433.6	425.4	419.9	421.7	574.1	—26.6	453.8	608.2
Fibres	411	398	393	394	599	—34.2	454	622
Oil seeds	454	479	469	476	618	—23.0	484	679
Minerals	441	466	457	458	444	+ 3.2	458	426
Others	374	372	371	372	439	—15.3	341	533
Semi-Manufactures	344.1	343.1	343.1	342.8	373.6	— 8.3	346.5	377.5
Leather	406	411	429	422	339	+24.5	345	453
Mineral oils	223	223	223	223	207	+ 7.7	221	197
Vegetable oils	414	439*	440*	422	527	—19.7	450	679
Cotton yarn	437*	437*	444*	439*	495*	—11.3	465*	485
Metals	228	229	227	228	207	+10.1	211	197
Oil Cakes	405	398*	391	400	212	—21.9	300	393
Others	250	251	251	251	327	—23.2	273	330
Manufactured Articles ..	398.1	397.1R	398.3	397.6	402.1	— 8.2	377.5	395.5
Leather	401	401	403	402	474	—15.2	423	498
Jute	398	389	393	392	838	—53.2	506	803
Cotton	406*	406*	406*	410*	400	— 1.9	401*	406*
Rayon and Silk	415*	440*	453*	442*	526*	—16.0	485*	611*
Woollen	280	280	280	280	397	—29.5	346	378
Metal products	342	342	342	342	298	+14.8	321	285
Others	287	290	290	302	292	+ 4.0	298	300
Miscellaneous	621.6	636 9	625.5	625.3	752.1	—16.9	635.6	729.8
All Commodities	378.2	376.7	371.9	372.7	433.1	—13.9	386.9	439.3

R=Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

Base	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
January 1951 ..	318	239	296	440	376	344	326	134	171	127	158	171
February ,, ..	321	253	294	441	388	347	327	138	176	129	157	169
March ,, ..	332	268	301	439	390	356	329	138	174	139	157	166
April ,, ..	335	270	304	440	391	365	333	139	173	140	159	166
May ,, ..	335	278	314	443	394	374	335	140	176	141	158	166
June ,, ..	337	271	313	447	394	382	337	140	178	138	158	169
July ,, ..	333	270	318	454	394	385	337	145	182	140	155	173
August ,, ..	328	261	322	459	392	387	338	146	181	143	161	171
September ,, ..	325	253	319	470	389	375	340	144	179	150	161	170
October ,, ..	325	253	323	469	393	375	336	144	181	145	165	171
November ,, ..	332	254	323	469	397	374	337	147	182	155	168	165
December ,, ..	331	252	325	449	397	370	337	144	181	150	166	158
January 1952 ..	331	252	325	442	393	357	338	142	179	147	162	156
February ,, ..	324	246	322	441	382	343	336	141	175	145	155	153
March ,, ..	318	241	318	441	382	343	336	141	175	145	155	153
April ,, ..	313	229	300	412	378	340	333	136	177	140	150	145
May ,, ..	315	243	300	412	377	339	326	145	169	139	153	144

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final.	1951-52 Final	1950-51 Final.
Rice	tons	73,595	75,975	20,767	20,295
Wheat	tons	23,235	24,134	5,768	6,374
Jowar	tons	38,329	38,419	5,509	5,403
Bajra	tons	21,856	22,267	2,153	2,549
Barley	tons	7,800	7,701	2,136	2,341
Maize	tons	8,003	7,794	1,959	1,701
Ragi	tons	5,296	5,444	1,167	1,407
Gram	tons	16,719	18,709	3,157	3,593
Other millets & pulses	tons	39,725	39,770	6,386	6,401
Total foodgrains	..	234,558	240,213	49,002	50,064
Jute	bales'	1,834†	1,951††	4,695†	4,678††
Cotton	bales	16,213	14,556	3,134	2,971
Sugarcane (2nd)	tons.	4,248†	4,727††	5,035†	5,895††
Groundnut (First)	tons	5,215†	11,755††	...	3,037††
Linseed	tons	3,298	3,447	309	361
Castorseed	tons	1,423	1,378	104	104
Rape and Mustard Seed	tons	5,707	5,097	900	748
Sesamum (2nd)	tons	2,945†	5,731††	...	441††
Tobacco Supplementary	tons	764	902	225	263
Pepper	tons	192	197	28	31
Ginger	tons	42	41	15	15

Source: Ministry of Food and Agriculture.

† Relates to 1952-53. †† Relates to 1951-52

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During December, 1952	78.8
	Corresponding month 1951	84.2
	July to December, 1952	455.8
	Corresponding period 1951	448.6
Stocks	At the end of December, 1952	115.5
	Corresponding month 1951	81.1
		(In 000 bags)
Exports (Jute Bags)	Week ended 13th Dec., 1952	42,93
	Corresponding week 1951	2,01,80
	From 1st Jan. to 13th Dec., 1952	39,88,53
	Corresponding period 1951	52,39,47
		(In 000 yds.)
Exports (Jute Cloth)	Week ended 13th Dec., 1952	1,22,83
	Corresponding week 1951	79,06
	From 1st Jan. to 13th Dec., 1952	107,34,79
	Corresponding period 1951	107,52,63
	RAW JUTE	(In 000 bales)
Exports*	Week ended 13th Dec., 1952	—
	Corresponding week 1951	—
	From July, to September, 1952	—
	Corresponding period of 1951	—
Consumption by Mills†	December, 1952 (in lakh bales)	4.57
	Corresponding month 1951	4.88
	Six months ended Dec., 1952	26.44
	Corresponding period 1951	26.02

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

		Pig Iron	Steel Ingots	Finished Steel
Year ended	31st March, 1949	917,800	906,700	671,000
Do.	31st March, 1950	1,041,700	927,500	720,000
Do.	31st March, 1951	11,20,200	10,62,100	7,76,500
Do.	31st March, 1952	11,30,000	10,57,100	7,99,200
Do.	Nine months ended December, 1952	8,65,800	7,97,800	5,94,700
June	1951	84,100	80,500	55,600
July	,,	98,000	85,400	66,700
August	,,	99,600	91,500	66,200
September	,,	92,300	84,600	63,900
October	,,	94,100	88,800	63,800
November	,,	92,700	85,200	65,900
June	1952	88,400	83,100	64,800
July	,,	93,400	91,000	66,800
August	,,	1,00,700	90,500	67,700
September	,,	94,200	88,300	64,500
October	,,	99,400	90,100	67,900
November	,,	1,03,500	98,700	68,700
December	,,	98,200	91,400	69,700

SEA- AND AIR-BORNE TRADE : INDIA.

Particulars	October,		Seven Months, April to Oct.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:—				
Foodstuffs	6,74	25,06	136,58	134,78
Raw materials	14,65	11,87	115,94	132,08
Manufactures	21,68	27,70	167,13	196,61
Other Items	26	30	2,88	2,18
Total Imports*	43,33	64,93	422,53	465,65
Exports :—				
Foodstuffs	17,13	13,23	85,10	86,40
Raw materials	11,72	7,40	80,05	88,41
Manufactures	23,33	25,41	167,59	245,82
Other Items	31	24	2,31	1,84
Tota Exports	52,69	46,28	341,05	422,56
Total Re-exports	66	21	2,75	10,69
Balance of trade in merchandise	+ 10,02	— 18,44	— 78,73	— 32,40
Balance of transactions in private treasure	— 1	..	— 4	— 7
Total Visible Balance of Trade	+ 10,01	— 18,44	— 78,77	— 32,47
Imports :—				
Total C'wealth Countries	20,19	21,34	156,38	169,78
Total Foreign Countries	23,14	43,59	266,15	295,87
Exports:—				
Total C'wealth Countries	24,51	26,83	159,76	219,55
Total Foreign Countries	28,18	19,45	181,29	203,01

* Excludes value of certain special imports of foodgrains and stores, full particulars of which are not yet available.

LAND-BORNE TRADE : INDIA

Particulars	October,		Seven months April to Oct.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	60	2,13	15,29	11,58
Imports	3,45	7,30	12,30	55,40
Balance of trade in merchandise	— 2,85	— 5,17	+ 2,99	— 43,82

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES—JULY AND AUGUST 1952

(Base Jan. to Dec. 1944 = 100)

Name of Centre	Cereals			Pulses			Other articles of Food			All articles of Food			Fuel and Lighting			Clothing			Miscellaneous		
	Aug., 1951	July, 1952	Aug., 1952	Aug., 1951	July, 1952	Aug., 1952	Aug., 1951	July, 1952	Aug. 1952	Aug., 1951	July, 1952	Aug., 1952	Aug., 1951	July, 1952	Aug., 1952	Aug., 1951	July, 1952	Aug., 1952	Aug., 1951	July, 1952	Aug., 1952
Eastern Zone																					
Bamra	196	219	219	111	85	93	181	130	136	172	137	143	96	104	104	166	219	219	193	175	182
Maibang	166	x	x	133	x	x	172	x	x	165	x	x	102	x	x	164	x	x	100	x	x
Shankargarh	182	159	173†	186	164	166	206	154	156	194	158	164	101	108	98†	142	149	140	138	139	139
Sonaili	257	277	271	181	158	160	254	194	197	243	202	203	125	125	125	256	234	234	316	278	278
Northern Zone																					
Multapi	213	124	124	187	127	146*	188	174	177*	191	155	161*	115	123	123	138	155	162	186	195	197
Nana	281	293	303†	241	302	302	237	196	192	247	228	227	142	130	130	210	206	206	208	222	222
Salamatpur	268	262	x	278	280	x	226	204	x	244	229	x	106	129	x	134	139	x	256	259	x
Southern Zone																					
Krishna	279	190	187	174	173	172	200	154	159	212	162	165	153	114	114	158	139	149†	222	206	206
Lakh	179	224	120	173	158	158	168	126	128	171	149	151	86	92	93	132	138	138	144	138	144
Malur	160	171	171	174	128	128	184	138	136	177	143	142	89	100	100	398	244†	244	216	163	163
Mumiguda	142	208	211	270	194	215†	333	190	198	325	194	203	105	145	137	233	215	217	218	266	268
Kudchi	123	157	157	136	146	153	204	154	166†	183	154	161	100	127	127	142	147	145	163	192	192

x Returns not received. † Revised. * Provisional

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 22nd Jan., 1953	57,975
	Corresponding week, 1952	68,795
	1st Sept. 1952 to 22nd Jan., 1953	5,85,849
	Corresponding period, 1951-52	4,51,700
Cotton Exports	Week ended 22nd Jan., 1953	10,340
	Corresponding week, 1951-52	—
	1st Sept. 1952 to 22nd Jan., 1953	1,33,165
	Corresponding period, 1951-52	111
Mill Consumption	1st Sept. 1952 to 22nd Jan., 1953	4,58,527
	Corresponding period, 1951-52	4,11,772
Stock (with exporters dealers and mills)	On 22nd Jan., 1953	3,70,041
	Corresponding date, 1951-52	2,67,486
Karachi (Pakistan)*		
Receipts	Week ended 17th Jan., 1953	82,779
	Corresponding period, 1952	54,976
	1st Sept. to 17th Jan., 1953	7,41,418
	Corresponding period, 1952	8,06,053
Exports	Week ended 17th Jan., 1953	43,200
	Corresponding period, 1952	31,800
	1st Sept. to 17th Jan., 1953	5,01,600
	Corresponding period, 1952	4,25,100

Particulars	From 1st Sept., '52 to 26th January, 1953 Bales	From 1st Sept., '51 to 26th January, 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	4,149	—
Continent	46,237	—
China	318	—
Japan	71,837	—
U.S.A.	12,483	—
Other Countries	2,643	111
Total to all foreign countries	1,37,667	111
Coastal Ports	43,216	31,992

Period		Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	October, 1952	2,84,347
Foreign		74,254
Indian	Two months September—October, 1952	5,58,958
Foreign		1,83,718
Indian	Same Period 1952	4,50,721
Foreign		1,85,154
Stocks (Mills and Elsewhere)—		
Indian	As on 31st Oct., 1952	10,16,476
Foreign		3,50,311
Indian	As on 31st Oct., 1951	9,74,862
Foreign		2,44,112
Cotton Pressed†	Week ended 16th Jan., 1953	13,416
	Corresponding week, 1952	34,312
	1st Sept. to 16th Jan., 1953	5,53,312
	Corresponding period, 1952	8,08,196

* As reported by the Karachi Cotton Association Ltd. † Incomplete.

GOVERNMENT SECURITIES

TERMINABLE LOANS

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½ % Loan	1928	9,05,64,000	1955-60	103¼
4 % Bonds	1926-33	63,30,26,000	1960-70	101⅛
3 % Loan	1938-39	1,16,17,46,000	1963-65	92⅛
3 % Loan	1943	1,14,66,58,000	1953-55	100-0⅛
3 % Loan	1950	30,33,10,000	1964	92⅛
3 % Loan	1943	1,10,11,78,000	1966-68	90⅜
2½ % V. Loan	1944	1,14,06,89,000	1957	98⅛
2½ % Loan	1945	1,15,05,83,000	1970-75	86⅛
2½ % Loan	1945	1,13,65,64,000	1959-61	95⅛
2½ % Loan	1951	50,00,00,000	1958	98⅛
2½ % Loan	1946	45,63,07,000	1960	93⅛
2½ % Loan	1946	57,00,69,000	1961	90⅜
2½ % Loan	1946	35,06,06,000	1954	98⅛
2½ % Loan	1946	14,77,48,000	1976	82⅛
2½ % Loan	1947	75,86,72,000	1962	91⅛
2½ % Loan	1948	60,45,01,000	1955	98⅛

NON-TERMINABLE LOANS

Loan				
3 % Loan	1896-97	8,93,36,000	At option of Government after three months, notice. On September, 1986 or later at option of Government after three months, notice.	83⅛
3 % Loan	1946	2,48,91,90,000		83⅛

REPATRIATE STERLING LOANS

3½% Loan	1933	12,85,66,000	1954-59	100⅛
4½% Loan	1928	5,85,20,000	1958-68	105⅛

PROVINCIAL LOANS

3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1962	98N
3 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100‡
3 % Madras	1938	1,42,08,300	15th Sept. 1953	100-0⅛
3 % Madras	1939	1,29,76,600	21st June 1959	95
3 % Madras	1942	1,23,25,000	14th Sept. 1955	98⅛
3 % Madras	1943	1,25,10,000	14th Sept. 1956	98⅛
3 % Madras	1944	1,08,00,000	15th Aug. 1958	96⅛
3 % Madras	1945	2,82,19,000	14th Sept. 1960	94⅛
2½ % Madras	1946	2,90,93,200	1st Sept. 1961	90⅛
3 % Madras	1950	4,47,00,000	31st July 1960	94⅛
3½ % Madras	1951	3,00,00,000	17th Sept. 1962	97⅛
3 % Madras	1952	5,00,00,000	1st Aug. 1964	100‡
3 % U.P.	1936	1,69,39,800	15th Sept. 1961-66	90⅛
3 % U.P.	1944	3,23,96,800	1st Aug. 1958	96⅛
3 % U.P.	1945	2,36,31,900	14th Sept. 1960	94⅛
2½ % U.P.	1946	2,41,19,800	1st Sept. 1961	95N
3½ % U.P.	1951	2,00,00,000	17th Sept. 1962	97⅛
4 % U.P.	1952	2,00,00,000	1st Aug. 1964	100‡
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅛
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	98⅛
3 % Mysore(f)	1930	1,63,44,300	1st Nov. 1955	105⅛
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100⅛
4 % Mysore(f)	1936	5,99,72,900	30th April 1956-61	99⅛
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	98⅛
3 % M.P.	1942	50,00,000	18th Sept. 1955	98⅛
3 % M.P.	1943	50,54,200	14th Sept. 1956	98⅛
3 % M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 % M.P.	1948	2,03,00,000	15th Sept. 1964	91⅛
3 % M.P.	1950	1,00,28,800	31st July 1960	94⅛
3½ % M.P.	1951	1,00,00,000	17th Sept. 1962	97⅛
3½ % Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95
3 % Bombay	1942	3,54,23,300	18th Sept. 1955	98⅛
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	98⅛
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97⅛
3 % Bombay	1949	6,00,00,000	1st Aug. 1962	92⅛
3 % Bombay	1950	3,00,00,000	31st July 1960	94⅛
3½ % Bombay	1951	3,00,00,000	17th Sept. 1962	98⅛
4 % Bombay	1952	3,50,00,000	1st Aug. 1964	101

PORT TRUST LOANS

BOMBAY

Amount Rs.	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
36,50,000	4	1904	1964	Rs. 100
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	97⅛
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	98⅛
88,25,000	4	1914	1975	98⅛
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1925*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	

STERLING LOAN

£1,600,000	6	1922	1952	£101⅛

CALCUTTA

Rs.				Rs.
90,24,300	4	1914	1974	97⅛
76,90,100	4	1915	1975	97⅛
68,02,300C	3†	1921	1981	79N
1,50,00,000C	6‡	1921	1981	144N
1,24,04,300	6	1925	1955-85	105
98,21,600	5½	1926	1956-86	104
99,84,500B	5	1926	1956-86	103
1,49,49,500B	5	1927	1957-87	103⅛
1,49,30,000	5	1928	1958-88	104
80,00,000	4‡	1931	1991	92⅛
21,75,000C	3	1933	1954	99
40,00,000	3‡	1935	1965	94⅛
25,00,000	3	1938	1963-68	88
50,00,000	3	1945	1965	70N
50,00,000	3	1945	1975	82⅛
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2‡	1947	1977	78⅛
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94⅛
50,00,00C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79N
1,50,00,000	3‡	1951	1961	97⅛

STERLING LOANS

£892,600	5	1923	1953-83	£83
£901,000	4	1924	1954-84	£85
£835,100	5‡	1932	1962	£97

MADRAS

Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	4	1918	1882	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug.				
3,32,322	4‡	1922	1952	
4,47,597	5‡	1923	1952	M

STERLING LOAN

£330,000	5‡	1923	1953	£100

IMPR. TRUST LOANS

BOMBAY

Amount Sanctioned Rs.	Interest per cent.	Year of Issue	Repayable	Rs. 100
50,00,000	4	1899	1959	
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97⅛
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97⅛
25,00,000	4	1916	1976	
50,00,000	5	1919	1957-79	113
66,00,000	6	1920	1958-80	..
25,00,000	5	1926	1956-86	115
25,00,000	4	1927	1961-70	98
10,00,000	4½	1936	1966	96⅛

STERLING LOANS

£566,600	4	1909	1969	£95⅛
£333,000	4	1910	1970	£95⅛

CALCUTTA

Rs.				Rs.
50,00,000	6	1925	1955	104
25,00,000	5⅛	1929	1959	107⅛
50,00,000	4	1934	1964	99⅛
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	90
20,00,000	3	1938	1963-68	88
80,00,000	4	1952	1962	99⅛

STERLING LOANS

£700,000	5⅛	1923	1953	£100⅛

MUNICIPAL LOANS

BOMBAY

Rs.				Rs.
43,00,000	4	1886–91	1953	100
49,40,000	4	1913–14	1954	100
20,50,000	4	1913–15	1974	99⅛
20,00,000	4	1913–15	1955	100
10,00,000	5	1920	1980	113
1,60,00,000	6	1924	1954	103
25,00,000	5	1928	1958	..
26,14,000	5	1929	1949–59	105
8,45,500	5	1929	1954–59	to
25,21,500	5	1929	1959	103
8,25,000.00	3‡	1947	1977	84⅛
2,50,00,000	3‡	1949	1979	85
4,00,00,000	3‡	1950	1965	91⅛
2,50,00,000	4	1952	1964	100‡

CALCUTTA

Rs.				Rs.
34,45,500	6⅛	1925	1955	106
34,70,300	6	1925	1955	104
36,00,000	5	1925	1958	103⅛
25,00,000	5	1929	1957	103⅛
25,00,000	5	1929	1958	103⅛
10,00,000	5⅛	1932	1962	108
33,91,000	3⅛	1935	1965	93⅛
7,92,000	3	1936	1953	100N
17,64,400	3	1936	1953	99⅛
60,00,000	3	1936	1966	88⅛
1,46,100	3	1936	1953	99⅛
3,11,400	3	1937	1954	98⅛
4,67,200	3	1937	1954	98⅛
1,62,500	3	1937	1954	98⅛
4,18,100	3	1937	1954	98
47,50,000	3	1938	1968	88
10,67,700	3	1938	1955	97
15,56,800	4	1939	1956	99⅛
15,56,800	4	1940	1957	99⅛
17,64,400	3‡	1942	1959	96⅛
21,10,000	3‡	1942	1972	92
15,49,000	3‡	1951	1960	96
16,33,000	3‡	1951	1961	96
66,88,000	3‡	1951	1966	96

STERLING LOAN

£5,00,000	6	1923	1953	£100⅛

MADRAS

Rs.				Rs.
5,00,000	4	1903	1953	101
5,00,000	6	1923	1953	107
3,40,000	7	1925	1955	107⅛

ABBREVIATIONS.—M—Held by Government of Madras. N=Nominal. ‡=Various Issues repayable to Government.
B—Taken up by Imperial Bank of India. D—Domestic Loan not marketable C—Held by Commissioners. ⁂ Loans held entirely by the Trustees.
(a) This includes the amount of loan converted into First Development Loan 1970-75. (f) Income-tax free. A—Held by Government of India.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June, 1944.
‡ Rate of interest reduced from 6⅛ to 4 per cent. with effect from 1st April, 1935 ** Quotations in Pak Currency.

PREFERENCE SHARES

Company	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	129	100
BREWERIES AND SUGAR						
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	81	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	138xd	100
Upper Ganges	12,00,000	1932	5	Dec. ..		100
Do	15,00,000	1946	5(a)	Dec. ..		100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July Apr.	118¼	100
East India Distilleries	£200,000	1897	7	July ..	Sh. 15/3d	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	63xd	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	63xd	100
Puraipore Co.	6,00,000	1922	10	Oct. ..	15xd	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	103	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	70	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	75N	100
Travancore	14,99,135	1941	5	Dec. ..	6⅜	10
Bharat Sugar	5,00,000	1931				100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	114½xd	100
Berrea	4,00,000	1896-97	6½	Oct. Apr.	113xd	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	117xd	10
Do. (2nd)	4,50,000	1946	6(a)		8½xd	10
Equitable	4,00,000	1946	5½(a)	Mar. Sept.	115	100
Karanpura Collieries	7,50,000	1931	5	Mar. Sept.	84	75pp
††Khas Kajora	1,93,000	1920	7	Jan. July	11¼xd	10
New Beerbhoom	2,00,000	1920	7	Apr. Oct.	110xd	100
Ondal	2,00,000	1898-99	6½			100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108½	100
Bangalore	6,00,000	1938	6½	Nov. ..	55	100
Basanti Cotton	5,00,000	1919	7	July Jan.	117¼xd	100
Benares Cotton	1,05,200	1896	7	Apr. Oct.	128	100
Bengal-Nagpur	3,00,000	1900	8	Feb. Aug.	80	100
Bowreah 'A'	6,00,000	1900	7	Feb. Aug.	306½	250
Do. 'B'	6,00,000	1919	7	June Dec.	142½xd	100
Bradbury	14,75,000	1929	7½	Jan. July	131⅛	100
Buckingham & Carnatic	21,30,200	1928	7	Apr. ..	505	500
Cambodias	1,00,000	1912	5	Apr. Oct.	130⅛	100
Central India	50,00,000	1935	6½	Nov. ..	137xd	100
Coimbatore Pioneer	1,00,000	1912	8	May Nov.	10xd	10
Elgin	11,00,000	1943	5	July Jan.	95	100
Do. 'B' Pref.	4,20,000	1919	7(a)	May Nov.	115xd	100
Elphinstone	25,00,000	1919	7	June Dec.	..	100
Kesoram	10,00,000	1925	6	Nov. ..	85	100
Khatau Makanji	10,00,000	1947	6	Nov. ..	10	100
Do. (2nd)	29,92,500	1937	6		24½	250
Kothari	12,00,000	1896	5(a)	.. ..	72	100
Lakshmi Cotton (Bombay)	16,00,000	1947	4½	January	108	100
Morarjee Goculdas Spg. & Wvg.	17,25,000	1919	6	Jan. July		30
Muir Mills	30,00,000	1944	4½	.. ..	185	200
Mysore Spg.	7,45,050	1913	5½(a)	Mar. ..	3⅜	5
New Great	8,00,000	1920	6	Apr. Oct.	80	100
New Victoria	26,05,500	1943	4	Feb. ..	58	50
Podar Mills	10,00,000	1932	6½

STOCK & SHARE QUOTATIONS

Abbreviations:—D = Deferred shares. G = Guaranteed shares. P = Preference shares. P.O. = Preferred Ordinary shares. R = Rebate shares. Y = Accounts published yearly. H = Accounts published Haf-yearly. Q = Accounts published once 15 months. T = Company has Debentures. R.L. = Reserve Liability on shares. N = Nominal Quotation. i = Interim Dividend. f = Dividend for first half-year. y = Dividend for the year. x = Ex. Dividend. c.d. = Cum. Dividend.

Shares:—If a company has different classes of shares—as, for example A shares and 'B shares—these are indicated by the same letters 'A' and 'B under "Paid-up Per Share"

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12 indicate the months of June and December, respectively. "Reserves" includes general and other reserves and all other funds which a company may have as also depreciation on block items, when this is charged to separate account. "Block" represents actual cost of land, buildings, machinery, and all such other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends:—Dividends for completed years are calculated at per cent. per annum, but, where quoted for portion of a year, they represent percentages of the dividend on the paid-up share value. For companies closing the books half-yearly in the first three months of the year, and for companies closing their books yearly during the first half of the year dividends are shown as for the previous year.

COTTON MILLS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	¶Number Installed: Spindles	¶Number Installed: Looms	Mill	Latest Available Quotation. Rs.	Paid-up Per Share Rs	Dividends (per cent.) 1949	1950	1951	1952	Accounts closed	Reference
BOMBAY CITY AND ISLAND															
50,00,000	55,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	45,500	898	Apollo	2½	2	12½	12½	15½		12	Y.
40,00,000	96,25,655	1,22,19,883	45,646	B. R. Sons, Ltd. ..	50,336	1,021	Beharilal Ramcharan Cotton Mills	42½	100	6	6	—		3	T.P.Y
2,50,98,000	3,77,07,567	3,45,45,592	2,49 666	Nowrosjee Wadia & Son, Ltd. ..	1,10,136	3,224	Bombay Dyeing, etc.	360	250	16	7	8		12	Y.
10,00,000	68,56,275	52,02,609	2,59,868	Ramnarain Sons, Ltd. ..	38,048	850	Bradbury Mills	642½	250	24	40	40		3	P.Y.
1,09,42,800	3,39,71,172	2,24,04,685	2,02,457	—	1,09,320	2,685	Century	246	100	15	18	20		12	Y.
49,00,000	76,78,063	1,06,30,358	5,066	V. J. Pilani, Esq. (Chairman) ..	39,408	698	Colaba Land & Mill	72½	100	—	—	4		12	Y.
26,00,000	53,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd. ..	27,308	680	Coorla	100xd	100	7½	7½	7½		3	Y.
16,00,000	61,03,791	61,88,798	2,30,356	Ramnarain Sons, Ltd.	42,204	..	Dawn	59½	50	4	—	12		12	Y.
34,00,000	83,85,000	63,06,555	91,036	Puranmal Radhakishan & Co. ..	50,296	928	Edward Textiles	223½	200	7½	7½	7½		12	Y.
25,00,000	82,92,517	1,09,92,288	64,188	Chidambaram, Mulraj & Co., Ltd.	43,740	887	Elphinstone	39	50	10	8	—		12	Y.
40,00,000	1,20,24,649	75,61,616	4,37,206	James Finlay & Co., Ltd.	46,072	784	Finlay	285	100	15	15	20		12	P.
50,00,000	26,24,725	99,79,691	16,168	Hind Agents Ltd.	74,184	1,227	Hind Mills	—	10	5½	4½	5½		6	P.Y.
12,00,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co. ..	45,332	1,216	Hindustan	3,300	1,000	17½	20	20*		3	P.Y.
2,00,00,000O } 50,00,000D }	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	8-6½	10	7½	7½	10½		12	P.Y.
8,65 000 } 35 000 }	1,33,65,320	98,10,275	7,671	Damodhar Thack. Mooljee & Co.	49,580	1,119	Indian Manufacturing	1½ / 3,30(CD	1 / 1,000	12½	12½	25		3	Y.
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co.	77 404	1,517	Khatau Makanjee	162½	500 / 100	12	14	10		6	P.Y.
1,00,00,000	3,30,54,713	2,81,07,386	2,47,768	Killick Industries Ltd.	1,11,464	1,846	Kohinoor	272	100	27k	18	25*		12	Y.
28,32,800 } 1,75,500D } 28,80,000 } 3,60,000B }	57,98,225	13,97,883	2,76,256	Vastra Vyavasaya Ltd.	39,112	838	Madhowji Dharamsy	— / —	100 / 5					3	P.Y.
	62,72,416	4,58,523	11,567	Hall & Anderson Ltd. Props. ..	61,400	1,742	Madhusudan Mills	81½ / —	100A / 20B	7½				6	Y.
51,75,000	1,65,94,653	1,71,00,015	2,80,686	Piramal Gangadhar & Others ..	60,652	1,650	Morarjee Goculdas	155½	100	17	15*	12		6	P.Y.
24,00,000	64,02,788	64,16,514	81,791	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay	175	100	11	12½	15		12	T.Y.
30,00,000	77,39,079	77,63,429	68,583	W. H. Brady & Co., Ltd.	46,884	1,018	New Great Eastern	150	100	6½	10	12½		12	P.Y.
12,70,100	27,38,754	13,13,391**	941	Mafatlal Chandulal & Co. ..	31,905	853	New Union	22½	10	—	5	10		12	Y.
48,00,000	1,14,83,245	1,34,29,555	2,40,353	Ramnarain Sons, Ltd.	48,128	1,160	Phoenix	122½	100	6	10	10		12	Y.
40,00,000	45,61,000	23,31,581	1,35,988	Podar Sons, Ltd.	32,600	930	Podar	118½	100	9	9	10		12	P.Y.
5,00,000	29,73,962	27,64,626	3,162	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk ..	21½	10	26½	20	20		12	Y.
25,00,000	35,63,793	17,86,230	1,316	M. G. Investment Corpn.	60 240	1,254	Sassoon Spinning	20½	10	—	7½	10		12	Y.
60,00,000	93,52,612	65,79,388	3,19,198	Marwar Textiles (Agency) Ltd.	66,472	1,640	Shree Nivas	171½	100	12½	14	17½		12	P.Y.
31,50,000	1,00,00,000	76,05,952	50,222	Forbes, Forbes, Campbell & Co., Ltd.	36,456	1,276	Simplex	172xd	50	28	34	30†		3	T.Y.
56,00,000	1,84,55,730	1,14,25,402	17,129	Mafatlal Gagalbhai & Sons ..	50,414	1,646	Standard	261½	100	15	15	26 x		12	P.Y.
75,00,000	1,97,81,673	92,45,129	70,099	Tata Industries Ltd.	65,040	2,000	Swadeshi	231½	100	14	16	18		12	P.Y.
24,00,000	99,65,496	54,00,802	5,62,977	James Finlay & Co., Ltd.	35,804	552	Swan	378	100	20	20	25		12	P.Y.
32,54,438	92,22,538	68,88,347	25,338	Tata Industries Ltd.	63,248	1,800	Tata	441	25	8	8	16		12	P.Y.
12,00,000	1,00,31,933	84,86,085	21,363	Thackersey Mooljee Sons & Co. ..	45,508	1,308	Western India Spinning ..	3,150CD	1,000	17½	20			3	T.Y.
AHMEDABAD															
20,00,000	84,99,543	51 95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	132½	100	8	12	10		6	P.Y
24,90,150	1,76,92,721	93,49,718	93,168	Haribalabhdas Kalidas & Co. ..	71,796	1,383	Ambica Mills	297½	50	25y	30	36		12	Y.
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Hutheesing & Sons Ltd. ..	39,964	912	Aruna	382½	100	13*	15*	20*		12	Y.
21,00,000	2,76,11,769	99,37,517	1,37,004	Narottam Lalbhai & Co.	62,448	1,216	Arvind	697	100	22½	25	25		12	P.Y
10,00,000	93,20,000	70,77,166	92.811	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning	535	200	15	15	17½		12	P.Y
12,00,000	1,48,97,000	79,36,000		Lalbhai Dalpatbhai & Co. ..	37,368	912	Asoka	391	100	15*	17	22		12	Y.
1,24,74,017	3,42,43 180	3,39,19,864	2,89,575	Karamchand Premchand & Co. ..	1,37,056	2,370	Calico	289½	125	8	10	14-2/5		12	Y.
30,00,000	1,00,20,000	83,66 716	748	Tricumlal Bhogilal & Co.	39,316	866	New Commercial	1,007½	500	10	11	12		12	P.Y
39,00,000	1,17,35,075	88,73,039	19,706	Mafatlal Chandulal & Co. ..	47,952	865	New Shorrock	510	125	28	28	28		12	Y.
5,00,000	84,57,251	41,66,135	466	Jagabhai Bhogilal Nanavati & Co.	24,840	5283	Nutan	540	100	25*	28*	28*		12	Y.
10,00,000	1,51,40,293	65,80,292	68,792	Lalbhai Dalpatbhai & Co. ..	31,120	637	Rajnor	1,100	100	22½	25	25		12	Y.
12,00,000	50,40,334	63,41,241	1,09,340	Mangaldas Girdhardas Parekh Ltd.	45,568	1,127	Rajnagar	485	250	7	6	8		12	Y.
32,50,000	58,29 453	74,07,003	3,873	Lallubhai Gordhandas Ltd. ..	68 188	648	Rohit	485	250	8	8	9		12	P.Y
28,00,000	59,44,524	80,38,656	20,958	Haridas Acharatlal & Co., Ltd. ..	28,816	680	Vijaya	455	400	11½*		84*		12	P.Y
WEST BENGAL															
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agency Ltd., ...	14,108	356	Basanti Cotton	4	10	—	5	3½		12	P.T.Y
6,00,000	74,11,075	77,17,829	—28,432	K. Bullen & Co., Ltd.	42,872	841	Bowreah	212	100	—	—	—		6 12	P.Y
19 00 000	66,49,451	96 66 017	—27,794	K. Bullen & Co., Ltd.	42,944	518	Dunbar	122	100	5½	—	7		6 12	H.
1,20 00 000	3 29,31,362	3 04 56 320	84,976	Birla Bros., Ltd.	69,352	1,190	Kesoram	173xd	100	12½	11½‡	—		3	P.Y.
6,00,000A } 33,96,097B }	71,09,841	79,53,833	51,255	Chakravarti Sons & Co.	23,112	439	Mohini	—	25 / 10	12½§	7½	7½		12	Y.
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38 366	C. Samuel Aaron, Esq.	12.300	374	Aaron Spg. & Wvg. Mills ..	5	10	9	3	—		12	T.Y.
15,00,000	26,53 246	59,15,375	2,736	Ramlal & Co. Ltd.	44.306	..	Alagappa Textiles	6½	10	—	9	6		12	P.Y.
71,95,030os	91,90,031	1,69,30,772	27,626	Ind. Trust Fund	19,944	440	Azam Jahi Mills	65	100	15*	5½‡	61		9	Y.P.
40,50,000	2,88,78,779	2,57,74,244	2,47,495	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	214	100	14½	17½	20		6 12	P.H.
27,00,000	71,21,986	69,56,823	40,045	Shaw Wallace & Co., Ltd. ..	31,476	766	Bengal Nagpur	133xd	10	5	5½	10	5†	6 12	P.T.F
60,00,000	74,17,942	97,51,247	1 58,253	Binodram Baldhand Ltd. ..	56,144	1,340	Binod Mills	100N	100	17	3	10		12	Y.
15,00,000	1,33,79 264	84,27,674	4.60 089	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	58 dN	10	25	25	30		3	P.Y.
1,78,47,800	3,22,27,970	4,49,59,308	2,39,158	Binny & Co., Ltd. (Madras)	1,19,916	2,799	Buckingham & Carnatic ..	117	100	6½	6½	7½		6 12	H.P
20,00,000	32,17,315	27,32,911	55,358	Peirce, Leslie & Co., Ltd. ..	37,536	4	Cambodia	10	10	7½	—	12½		12	P.Y.
30,00,000	64,46,347	47,79,878	32,599	Begg Sutherland & Co., Ltd.	27 388	591	Cawnpore Textiles	8½	5	11½	11½	11½		3 9	T.Y.
46,87,500	2,25,77,000	2,00,84,126	—16,28 224	Tata Industries Ltd.	1,15,188	2,168	Central India	144	100	6	6	2			T.Y.
12,00,000	33,42,813	25,08,393	1,52,180	R. Beema Naidu & Co. ..	28,864	..	Coimbatore Cotton	160	100	12½	12½	12½		12	P.Y.
20,00,000	17,94,432	20,04,313	9,816	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills	97	100	7	6	—		12	Y.
20,76,900	70,83,677	31,11,04,375	—2,70 999	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	39	50	5	10	—		6	P.Y.
24,30,900	34,08,672	33,32,938	55,387	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi	180	100	25	25	20		12	P.Y.
2,89,84,925 } 1,00,503 }	3,84,95,614	5,77,14,605	1,63,862	Bharat Ram, Esq.	75,604	1,830	Delhi Cloth (inc. Lyallpur Mills)	31½	25 / 2½	4	10			6	P.Y.
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd.	52,652	1,198	Elgin	16 xd	10	12½	11½	15	15	9	P.T.Y
39,04,700	97,00,000	78,42,395	93,393	F. Forbes Campbell & Co., Ltd	73,248	2	Gokak	198	100	15	10	14		12	Y.
50,00,000	84,17,977	1,21,16,721	6,989	Govindram Seksaria (Indore)	50,020	1,420	Indore-Malwa United ..	85	100	4	4	12		12	Y.
8,90,000	22,88,977	18 75,134	487	G. V. Naidu & Co.	20,760	..	Janardhana	58	50	16	10	15		12	Y.
6,50,000	17,20,576	40,18,454	7,677	A. L. A. R. A. Chettiar and another	50,612	295	Kaleeswarar	347½	100					12	T.Y.
24,00,000	25,50,000	43,66,106	54,377	Kothari & Sons	13,824	..	Kothari	92	10	7	7½	7½		12	Y.
32,00,000	1,51,31,325	1,35,66,651	2,77,976	The Bombay Co., Ltd.	51,924	1,213	Lakshmi Cotton	573½	250	15	15	20*		12	P.Y.
35,64,100 } 17,82,050A }	90,51,492	78,03,494	7,921	G. K. Naidu & Co.	67,424	200	Lakshmi Mills	69 / 33½	50 / 25	8	8	10		3	Y.
1,75,02,480	5,58,18,568	3,97,87,371	12,62,148	A. & F. Harvey Ltd.	4,65,324	..	Madura	34½	15	17½	15	20		12	Y.
12,00,000	20,47,239	23,90,961	—15,121	A. L. A. R. S. Chettiar and 2 others	21,856	..	Malabar	150	100	7½	5	5		12	Y.
60,00,000	93,17,047	52,62,343	50,249	W. A. Beardsell & Co., Ltd. ..	24,252	603	Mettur Industries	178½	100	25	12½	15		12	Y.
29,80,884	65,78,942	71,79,459	22,669	N. Sirur & Co. Ltd	34,016	476	Minerva	91	100	8*	6	6		12	Y.
94,91,850	96,08,512	1,34,73,361	29,643	B. Abirchand Dadabhoy & Co. ..	52,408	952	Model Mills, Nagpur	141½	250	6	3	3		6	Y.
30,00,000	1,55,94,651	1,53,39,271	7,77,290	Indian Textile Syndicate Ltd.	86,318	1,301	Muir	215	100	24½	—	—		12	P.Y.
9,71,850	4,06,541	20,43,991	—2,16,536	A. Sambha Moorty, Esq.	69	..	Mysore Silk Filatures ..	11	10	—	—	—		12	P.Y.
19,86,900	1,15,59,739	82,55,416	38,347	N. Sirur & Co., Ltd.	49,696	500	Mysore Spinning	178	100	15	15	7½		12	Y.
13,61,780	22,98,130	27,85,556	—4,60,000	R. Suryanarayana Rao, Esq. ..	6,000	..	Mysore Spun Silk	126 xd	50	20	18*	20*		2	P.Y.
22,89,882 } 3,07,095O }	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd.	48,236	1,148	New Victoria	4½ / 1½	10 / 2½	5d	6½	—		3	Y.
86,93,300	1,16,62,352	1,46,35,293	1,161	Ind. Trust Fund	26,016	640	Osmanshahi Mills	DI	—	—	—	—		12	P.D.Y
4,00,000A	19,98,937	20,58,777	19,670	Raghavendra & Co.	22,800	..	Palani Andavar	87	100	14*	5½	6½		12	Y.
15,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills	52	50	4	10	16		12	P.Y.
25,30,420	36,19,473	40,65,619	11,306	A. G. G. Naidu & Co.	36,464	..	Radhakrishna	66	100	4	7½	5		12	Y.
15,00 000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	25,896	..	Rajalakshmi	150	100	15	15	16		12	P.Y.
15,02,500	26,26,362	24,78,957	4,770	P. S. G. Nayudu & Sons ..	28,972	88	Ranga Vilas	76	50	9	9	16		12	P.Y.
60,00,000	89,39,172	1,04,60 739	5,506	Sir J. P. S. & Sons (Rampur), Ltd.	28,436	440	Raza Textiles	45	50	6	7	10		12	P.Y.
16 00 000	1,58,35,370	2,03,51,339	—78,03,793	M. J. Divekar, Esq.	1,05,296	2,234	Sholapur	5-3½ / 1,69½	10 / 1,000	—	—	—		12	P.Y.
22,41,300	9,49,500	23,98,011	66,528	Gopaldas Lilladhar & Co., Ltd.	15,824	440	Shree Sajjan	75	100	—	—	—		12	P.Y.
17,79,700	17,05,383	21,50,229	3,083	T. R. A. Ayyar & Bros., Ltd.	17,216	416	Sitaram	42½	60	6	—	—		3	Y.
36 69,700	53,91,188	62,29,128	26,556	B. S. Visweswaraiya, Esq. ..	25 200	285	Sri Krishnarajendra Mills	38cd	50	6§	—	—		3	Y.
17,50,000	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,13,204	1,979	Swadeshi (Cawnpore)	95 / 9½	10 / 5	8*	—	—		12	Y.
1,57,50,000P.O	9,32,990	20,80,396	12.56,097	M. R. & Sons	16,000	..	Trichinopoly	9½	5	5	5	5			P.
21,00,000	33,78,057	44,54,040	38,800	R. K. S. Chetty & Bros. ..	33,704	270	Vasanta	9½	10P.O.	5	5	5		12	P.
32,00,000	1,27,03,612	1,16,59,613	2,69.813	The Bombay Co., Ltd.	54,280	1,495	Vishnu	140	100	10	10	10		12	Y.
								160	100	7	9	10		12	P.
								160	100	10	9	14		12	P.

* Includes Bonus. ‡ Only Depreciation. ¶ As on 31st August 1951. †† Does not include depreciation.

x Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46, — Nil Dividend.

† Subject to tax. xd=Ex. Dividend. C.D.=Cum. Dividend.

(h) Includes Rs. 11-6 paid out of deferred Dividend Amount. ‖ As on 1st January, 1953. ** Net Block.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
ART SILK AND RAYON MILLS													
1,60,42,600	37,92,725	4,15,55,170	4,66 206	Chinai & Co., Ltd.	National Rayon Corporation	68½	100	—	—	—		12	P.Y.
99,92,020	46,91,585	2,65,93,471	4,93,263	Emcete & Sons (Travancore) Ltd.	Travancore Rayons	5½	10	—	—	—		12	P.Y.
BREWERIES AND DISTILLERIES													
13,28,000 } 6,64,000 } 16,20,630	63,05,499	85,57,255	1,10.217	Parry & Co., Ltd.	Deccan Sugar & Abkhari	26½	25	11½	11½Q			5	P.Y.
					Dyer Meakin Breweries	5½	10 / 5	20	10	—		3	Y.
	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	East India Distilleries and Sugar ..	15½	A 16ab. B 20ab.	10	10	10		9	P.Y.
£330 000	£915,047	£1,010,005	£55,705	Parry's Holdings Ltd.	Murree Brewery	10	—	—	—	—		8	Y.
24,00,000	8,54,296	7 56 660	—7,87,632	S. P. Smith, Esq.	United Breweries	153½	75	15	10	20		3	Y.
6,00,000	21,13,586	12.13,593	3,951	B. A. Maliya Esq.									
CEMENT													
51,19,724	21,33,493	67,56,656	15,850	The Andhra Engineering Co. Ltd. ..	Andhra Cement Co.	89	100	3½	3½	7½		12	P.Y
43,14,600 } 4 70,97613 }	16,94,310	17,14,992	1,01.035	Eastern Corporation Ltd.	Assam Bengal Cement	3½ / 1½	10 / 1	5	—			3	Y.
10 56 20 438 } 10,56,20,438 } 86 49,312 }	10,11 06,440	15,65 68,404	7,18 841	Cement Agencies, Ltd.	Associated Cement Companies ..	176½	100	7	8½	9½	9½	7	Y.
			61,188	Hari Bros. Ltd.	Dalmia Cement	6 / 16½	10 / 1	—	—	8		12	Y.T.
5,00,000D } 61,01,180 } 7,50,000D } 75,00,000	95,24,901	1,45,62,309			India Cements Ltd.	25 / 3-0½	5D	—	—	—	5	3	P.Y.
	27,27,600	1,26,09,755	90,853	Essen Ltd.	Sonevalley Portland Cement	6½	5	3	4	8		12	Y.
	1,46,20,109	1,65,80,416	81,840	Martin Burn Ltd.									
CERAM'C; MINING AND QUARRYING													
81,70,655	17,17,762	56 44 142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2½	2½	2½	5	6½		12	Y.
10,00,000	37 00,990	51,64,271	28,729	Bird & Co.	Bisra Stone Lime Co.	28	10	16½	17½	17½		3 9	H.
38,00,000			12,332	Ram Kumar Agarwala & Bros.	Chrestien Mica Industries	9½ / 6¼	10 O / 5 D	10	10	5i		12	P.Y.
18,00,000D	17,91 749	50,93,341	£85 540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3-1½	2alb.	12½†	12½†	12½		12	Y.
£914,200	£1,650,110	£1.643 983	1,29,079	Bird & Co., Ltd.	Karanpura Development	14½	10	—	—	—		6 12	H.
8,00,000	38,79,403	43,65,527	9,812	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	9 ¼	10	5½(d)	10	10		3	Y.
6,00,000	6,40,199	7 98,882	27,403	Andrew Yule & Co.	Reliance Firebricks	17xd	10	10	10	11½		2 8	H.
6,00,000	24,28,739	25,13,779	3.427	Killick Industries Ltd.	Shivrajpur Syndicate	53½	10	15	17½	35		11	Y.
6,99,390	20,61,475	17,98,676											
CHEMICAL (Bombay Island)													
11,66,300	15,26 935	23,14,270	1,02,937	S. V. S. Iyer, Esq.	Kemp & Co.	237½xd	800	10	10	10		3	Y.
92,14,870	55 77,268	2,53,78,334	8,595	Tata Sons, Ltd.	Tata Chemicals	8⅜	10	—	—	—		6	T.Y.
1,12,500	1,36,486	61,178	4,101	B. D. Nagar, Esq.	Thompson & Taylor	4½	5	6½	12½			3	Y.
Other Centres													
25,00,000	54,68,041	63,66,814	59,559	Bhailal Amin & Sons., Ltd.	Alembic Chemical Works Co.	100½	100	—	8	8		12	P.Y.
62,00,000	84,01,721	1 58,12,617	3,82,049	Imperial Chem Industries (India), Ltd.	Alkali and Chem Corpn. of India ..	12½	10	—	4			9	Y
82,54,700 'B' O	68,00,287	78,49 987	83,67,446	S. P. Sen. Esq.	Bengal Chemical & Phar.	103	100	6	6			4	P.T.Y.
31,50,000	45,64,469 D.	38,97 031	1,09,732	Sahu Bros (Saurashtra) Ltd. ..	Dharangadhra Chemicals	140xd	100	6	15	15		5	P.Y.
4,95,000	1,26,150	1,11,731	—44 61	D. C. Collaco, Esq.	Frank Ross & Co.	24	6	5†	4½			2	P.Y
3,45,97,740	86,89,264‡	4,01,40,094	—10,83,735	Seshasayee Bros (Travancore) Ltd.	P. A. C. T.	3-11½	10	—	2½	—		12	Y.
40,49,345	30,74,302	83,46,263	21,842	Seshasayee Bros Ltd.	Mettur Chemicals	4 ⅝	10	—	—	3½		5	Y.
24,81,220	34,32,111	40.15.501	14,741	E. V. Ganapati Iyer, Esq. ..	Mysore Chemicals and Fertilisers	8½	10	4½	9	9

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs	Reserves Rs	Block Account Rs	Carried Forward Rs	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
					OIL; PETROL, ETC.								
£750,000	£987,630	£257,232	—£718,934	I. C. H. Glass, Esq.	British Burma Petroleum Co.	1½	4sh.	—	—	—		3	P.T.Y.
22,50,000	81,89,204	52,69,225	1,85,955	N. C. Alcock, Esq.	British Ceylon Corporation	14½	7½	20†	24†	32†		12	P.Y.
1,00,00,000	2,27,04,997	1,10,70,867	2,10,329	Steel Brothers & Co.	Indo-Burma Petroleum Co	49½	40	10	10	10		12	P.Y.
70,07,475	1,02,93,586	1,52,15,713	10,002	Tata Industries Ltd.	Tata Oil Mills	32½	25	4	6	8		3	P.Y.
6,00,000	10,79,394	2,42,234	7,038	Andrew Yule & Co.	Tide Water Oil Co. (India)	17	10	15	15	17½		4.10	H.
					PAPER								
45,00,000	1,56,25,500	1,94,47,651	3,21,991	Balmer Lawrie & Co.	Bengal Paper Mills	44xd	25	10	10	12½	6½f	6.12	P.T.H.
30,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	150	100	7	10	11	5f	3.9	H.
25,00,000	48,30,215	47,81,895	52,615	P. R. Balakrishnan, Esq.	Mysore Paper Mills	12–12½	10	5d	7½	10*		3	Y.
41,95,000	2,47,61,003	3,22,48,806	1,68,019	Birla Bros., Ltd.	Orient Paper	27½	10	15	25	20		3.9	P.T.H.
50,06,895	1,10,93,378	1,06,10,902	1,86,914	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	16½	10	9½	11½	15	7½f	6.12	P.T.H.
20,00,000													
10,00,000 'A'	31,49,465	48,58,730	6,430	Bajoria & Co.	Star Paper Mills	7½	10	—	—	5		3.9	P.T.H.
4,37,500 PO													
56,00,000 O	4,80,99,030	4,68,21,511	4,75,418	F. W. Heilgers & Co.	Titaghur Paper	44½	4½	10	10	10		3.9	P.H.
56,04,800 O						34½	A10	20	18½	20*		3.9	
							B10	20	18½	20*			
					PLANTING ; PRODUCE AND RUBBER								
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	6½	3	10	20	20		2	P.Y.
47,70,000	48,44,853	83,16,040	4,37,964	R. C. Paterson, Esq.	Consolidated Coffee Estate	15½	10	17	20	18		6	P.Y.
4,80,000	2,29,864	4,49,625	13,951	Associated Planters, Ltd.	Cottanad Plantations	8½	10	7½	10			3	T.Y.
2,28,950	1,46,540	4,67,078	1,389	A. V. Thomas & Co., Ltd.	Fringford Estates	3	10	—	—			4	P.Y.
6,00,000	19,08,079	19,81,715	66,448	A. V. Thomas & Co., Ltd.	Highland Produce	9½	10	25	45	45		12	P.Y.
4,80,000	9,67,558	7,20,398	43,506	A. V. Thomas & Co., Ltd.	Kalpetta Estates	18	10	17½	20			6	Y.
4,50,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Malankara Rubber and Produce Co.	91	10	17½	30	35		3	P.Y.
27,00,000	25,83,648	64,90,888	83,433	A. V. Thomas & Co., Ltd.	Midland Rubber and Produce Co. ..	8½	10	6	12½	15		2	P.Y.
3,35,000	94,534	7,53,389	29,921	A. V. George & Co., Ltd.	Nenmony Rubber	9½	10	5	6½			12	P.Y.
2,00,000	1,93,721	4,72,600	2,305	Associated Planters, Ltd.	Nilambur Rubber Co.	8	10	6	10	10		12	P.Y.
19,45,980	48,35,083	28,14,428	1,78,110	Peirce, Leslie & Co., Ltd.	Ouchterlony Valley Estates	3½	10	2	25	45		6	P.Y.
13,50,000	5,82,973	38,05,590	31,101	A. V. Thomas & Co., Ltd.	Rajagiri Rubber and Produce Co.	9½	10	9	12½	15		6	P.T.Y.
3,36,390	3,36,390	21,56,824	936	East India Agencies, Ltd.	Teekoy Rubbers (India) Ltd.	10	10	—	7½	9		3	P.Y.
2,50,000	1,81,279	5,11,395	66,520	A. V. George & Co.	Thamarapally Rubber	12½	10	6½	6½	15		12	P.Y.
2,05,100	4,20,985	3,12,969	37,480	Peirce, Leslie & Co., Ltd.	Thirumbadi Rubber Co.	3 3/4	1	17½	20	25		9	Y.
6,00,000	1,17,222	7,40,149	3,953	K. C. Cheriyan, Esq. (Secretary)	Travancore Rubbers	11½	10	3½	10	20		12	Y.
41,00,000	14,90,372	67,61,827	3,25,086	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber and Tea Co., Ltd.	6½	10	2½	6	10		12	T.Y.
90,00,000	1,51,493††	18,47,082	1,275	P. T. Thomas, Esq.	Tropical Plantations Co.	19½	25	10	—			12	Y.
8,20,000	51,096	8,18,571	7,609	A. V. George & Co.	Udayagiri Rubber	7½	10	5	—			12	P.Y.
8,28,580	2,18,580	6,99,135	28,140	Harrisons & Crossfield Ltd.	Valkundam Co.	14½	10	10	12½	20		12	Y.
1,68,000	78,624	3,43,636	14,082	M. K. Thomas & Co.	Woodland Estates	7½	10	7½	6½	—		3	Y.
					PRESSING								
8,00,000	18,78,066	19,01,857	2,322	Andrew Yule & Co.	Calcutta Hydraulic Press	80	100	3	3			3	Y.
4,30,000	5,58,036	6,89,525	1,116	Pyne and Sons.	Cameodown Pressing	90N	100	4	6	7		7	Y.
8,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Central Hydraulic Press	95	100	3	5	5		6	Y.
					PROPERTY AND LAND								
60,00,000	34,67,735††	83,61,045**	—	David Sassoon & Co., Ltd.	Port Canning Land	23xd	100	2	1½	1		4	Y.
94,00,000	44,45,018	1,87,141	93,944	Andrew Yule & Co.	Midnapore Zemindary	33	100	—	3			4	P.Y.
					SAW MILLS AND TIMBER								
13,99,998	29,73,877	10,38,508	60,887	Bird & Co.	Assam Saw Mills and Timber ..	6¾	3	16½	10½	16½		9	Y.
50,00,000													
42,00,000	4,89,22,437	2,47,99,361	1 57,498	Wallace & Co.	Bombay-Burmah Trading	359½	125	12	30	18		5	Y.
						140	50	12	30	18		5	Y.
6,00,000	7,04,037‡	7,80,451	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	55N	100	5	—			4	P.Y.
15,00,000	25,94,349	15,51,606	73,653	G. Arbuthnot & Co.	Indian Wood Products	49	10	25	35	35		9	Y.
					SUGAR (U. P. and Bihar)								
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co.	Balrampur Sugar	52	5	—	20	—		6	Y.
12,00,000	28,96,740††	15,70,684**	2,81,000	Narang Bros.	Basti Sugar	120N	100	6½	10			4	Y.
19,49,050	20,10,694	26,89,188	2,24,418	Bangur Bros., Ltd.	Belsund Sugar	6 6/16	7½	—	—	8½		9	Y.
5,00,000	21,11,580	15,38,162	40,743	Cotton Agents Ltd.	Bharat Sugar	11xd	10	10	15	15		6	Y.
12,00,000	99,90,130	1,26,98,817	—5,15,881	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	4½	10	5	—			6	P.L.Y.
15,00,000	1,30,69,452	96,28,542	31,891	Begg Sutherland & Co.	Cawnpore Sugar	26xd	10	15	20	30	20	10	P.Y.
18,00,000	78,43,538	40,37,156	17,488	Begg Sutherland & Co.	Champarun Sugar	17½xd	10	15	15	20		6	
80,00,000	87,00,000	56,47,253	3,613	Bachhraj & Co.	Hindustan Sugar Mills	120N	100	5½	6			6	P.Y.
3,00,000	41,78,374	68,10,159	—4,15,271	Kilachand Devchand & Co. ..	Kesar Sugar	70N	80					7	P.Y.
						30N	40	—	3	4	—		
11,00,000	27,48,180	36,39,370	3,895	Karam Chand Thapar & Bros., Ltd.	New Savan	5½d	10	5	6½	5		5	Y.
						160N	100						
13,89,375	58,13,366	52,06,760	8,31,015	Cotton Agents, Ltd	New Swadeshi Sugar Mills	40N	25	15	20			6	Y
						95N	100						
77,45,350	1 08,98,159	1,56,10,992	1,981	Cotton Agents, Ltd	Oudh Sugar Mills	20N	25	2½	3½			P.Y.	
						15N	12½						
12,00,000	29,31,078	26,43,844	71,500	Narang Bros.	Punjab Sugar Mills	100N	100	—	6			10	Y.
9,00,000	42 50 793	33,72 806	19,435	Begg Sutherland & Co.	Purtabpore Company	15½xd	10	—	10	20	10	18	P.Y
8,00,000	26,05,463	24,18,182	15,410	Begg Sutherland & Co.	Ryam Sugar	24½xd	10	15	25	10		6	P.Y.
11,99,000	38,06,835	36,11,360	23,281	Begg Sutherland & Co.	Samastipur Central Sugar	11½xd	10	10	20	10		6	Y.
20,00,000	57,29,582	93,96,808	27,889	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	10½	10	—	3½	10		7	P.T.Y.
9,99,995	11,66,782	21,41,729	10,162	H. K. Ghose, Esq. & R. N. Datta.	Sitalpore Sugar	5½	10	—	—	5		6	Y.
6,50,000						3N	10						
1,75,000 D	11,94,395	27,92,174	—14,73,656	N. K. Jain & Co., Ltd.	South Behar Sugar	1N	2½	—	—	—		10	Y.
8,00,000	54,46,474	70,75,580	57,216	Cotton Agents, Ltd.	Upper Ganges	20N	30	17½	20	20		6	Y.
					(Indian States and Other Centres)								
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Belapur Co.	215	50	16½	25	28	32	9	Y.
18,93,900	16,19,653	36,20,048	9,275	J. P. Srivastava & Sons (Rampur), Ltd.	Gwalior Sugar	41xd	100	—	5			6	P.Y.
13,00,000	38,42,751	22,63,689	2,71,331	India Sugar & Refineries	India Sugar & Refineries	17½	10	12½	15	25		6	P.Y.
33,57,350	46,47,856	38,47,284	4,64,518	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	11½	10	7	7½	10		5	Y.
1,01,00,000	98,10 952	1,59,79 833	1,94,491	Premier Construction Co., Ltd.	Walchandnagar Industries	144½	100	17½	12	14		9	P.T.Y
81,79,280	1,49,74,559	97,24,107	8,27,296	M. Mallikarjuna, Esq.	Mysore Sugar	43xd	10	20*	20	20		6	Y.
50,00,000	96,62,468	1,03,94,086	3,18,594	Maffatlal, Apte & Kantilal, Ltd	Phaltan Sugar Works	95	50	14	16	16	16	9	Y.
16,59,820	22,08 765	43,79,429	73,041	Anderson Wright Ltd.	Ramnugger Cane & Sugar	14½	10	15	6	7½		8	P.Y.
20,00,000	54,70,896	72,10,442	1,80,913	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	80N	50	7	14	18		9	P.T.Y.
19,99,580	50,82,224	42,94,120	6,05,982	Govan Bros. (Rampur), Ltd. ..	Rana	12½cd	10	6	10	12½		5	Y.
29,94,944	23,77,076	60,45,892	48,076	Parry & Co., Ltd.	Travancore Sugars	4½	10	—	—	—		7	Y.
					UNCLASSIFIED (Bombay)								
1,50,00,000	1,14,37,216	1,46,81,706	—4,88,411	Tata Industries Ltd.	Air-India Ltd.	84	100	—	—			12	Y.
2,40,000	2,60,364	3,64,338	702	Forbes, Forbes, Campbell & Co., Ltd	Bombay Safe Deposit	705	1000	15	15	15	17½	9	Y.
59,89,550	2,64,61,962	3,70,82,313	53,607	Scindia Steam Navigation Co., Ltd.	Bombay Steam Navigation Co., Ltd.	31½	25	—	—	6		6	P.Y.
1 · 48,860	1,28,267	2,19,255	32,663	Parakh Agencies Ltd.	Bombay Uganda	54	80	5	5	5		12	Y.
41 00,000	43,07,108	1,24,608	59,679	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	375N	150	8 5/6	13½	13½		12	Y.
25,00,000	1,50,000	24,37,09,645	12,787	Dena Sons Ltd.	Workmen Nivesh Investment Co.	9	25	3	3	3			
14,98,360	17,39,540	10,69,107	4,425	F. H. Mehta	Estrela Batteries	303N	30	6	6	5		3	P.Y.
99,99,250	17,07,072	1,25,54,783(k)	1,66,116	Premchand Roychand & Sons ..	Industrial Investment Trust	69	100	3½	4	4½		12	Y.
84,98,865	15,91,304	12,58,924	2,833	K. G. Milne, Esq.	Killick Industries	143xd	100	8	8½	10		6	Y.
2,06,71,300 A							100						
10,00,000 B	65,85,939	20,52,503	4,52,797	Aero-Auto Ltd.	Premier Automobiles Ltd.	39	10	—	—	—		3	Y.
6,59,62 018	9,89,24,387	12,98,97,421	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co., Ltd.	14–10½	15	—	—	3½		6	Y.
1,56,400	3,71,437	2,21,590	3,145	R. B. Bankar	Thacker & Co	50N	50	10	10	10		3	Y.
40,21,400	16,42,904	14,61,299	55,330	Sir Joseph Kay, K.B.E.	United Motors (India)	34	20	7½	10	15		12	Y.
2,20,00,000	2,06,24,172	2,01,34,774	2,86,210	T. H. Rydin Esq.	Western India Match Co.	214½	100	11*	11*	11*		12	Y.
					Other Centres								
47,50,000	4,90,364	5,64,538	702	J. K. Industries Ltd.	Aluminium Corporation	3½	10	—	—	—		3	P.T.Y.
2,50,00,000 D													
30,00,000	81,43,512	30,39,332	5,31,016	Turner Morrison & Co., Ltd. ..	Angelo Bros.	183xd	10	10	17½*	25*		8	Y.
90,00,000	23,25,002	22,18,452	1,00,602	T. H. Rydin Esq.	Assam Match	20	10	12½*	12½*	12½*		12	Y.
30,00,000	50,63,088	92,32,652	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	5xd	10	3½	6			3	P.T.Y.
30,00,700						301	100	20*	20*	25*		12	W.
10,00,000	15,57,826	45,95,360	5,19,159	O. T. Jenkins, Esq.	Balmer Lawrie & Co.	—	40	15	15	20			
1,00,00,000	1,00,01,435	2,26,31,139	1,16,835	Dinshaw Ltd.	Bharat Line	84	100	3	3	4		12	Y.
30,64,680	50,81,266	83,30,736	1,82,277	A. P. Chanda Esq.	Britannia Biscuit	17	10	12½	12½	7½–I		3	P.Y.
8,25,00,000	2,93,27,829	2,23,59,029	4,13,662	Sir Robert Menzies, Kt., O.B.E.	British India Corporation	9½	5	11½	15	14*		12	P.Y.
1,60,00,000	2,13,52,458	3,57,89,351	6,77,697	Cecil Stack, Esq.	Dunlop Rubber Co. (India)	28	10	20	20	15–I		12	P.T.Y
51,26,000	45,06,847	—	2,43,195	Bird & Co. Ltd.	Eastern Investments	137	100	8	9	9		12	P.Y
7,00,000	29,85,208	24,09,208	17,900	Macneill & Barry Ltd.	Ganges Rope	367	150	20	22½	15*		12	H.
30,00,000	37,25,649	60,01,406	6,213	B. P. R. Syndicate	Great Eastern Hotel Co.	245	250	6	6	6		3	Y.Y.
12,42,800	3,62,049	54,49,206	12,214	Birla Brothers, Ltd.	Hind Cycles	100N	100	5	7½	7½		12	P.T.Y.
4,96,12,650	59,45,519	2,61,59,292	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	3 3/8	10	—	—	—		6	P.Y.
10,00,780	22,78,499	40,09,525	—	H. B. Marshall Esq.	Humayan Properties	10½	10	—	—	6		9	P.T.Y.
1,60,00,000	13,45,0217	2,82,89,190	—	J. W. E. Johnson, Esq.	Indian Aluminium Co.	112	100	—	3½	5		9	P.Y.
1,52,89,220	1,31,92,732	57,92,390	9,29,554	D. J. Melcheth, Esq.	Indian Cables	18½	10	25	10*	10*		9	P.Y.
83,75,000 O						3½	10	—	—	—			
5,00,000 P	51,91,428	75,82,228	—15,72,246	Govan Bros., Ltd.	Indian National Airways	3½	10	—	—	—		12	P.Y.
1,25,000 D						1	1	—	—	—			
8,27 970	12,79 395	14,27,460	39,038	George Spencer Moulton & Co. (India)	Indian Rubber Manufacturers ..	13½	10	—	—	—		3	P.Y.
2,25,00,000	1,60,38,685	3,87,93,801	2,26,066	Lionel Edwards Ltd.	India Steamship Co., Ltd.	6½xd	10	10	10	10		3	P.T.Y.
2,40,000	4,33 028	67,247	36,496	G. V. Swaiks, Esq.	Ivan Jones	3½	2	21½	21½	21½		9	Y.
2,00,00,000	53,39,843	27,16,440	8,86,448	J. D. K. Brown, Esq.	Jardine Henderson	125	100	10	20	10		3	P.Y.
6,34,000	9.69,698	6,65,110	—44,713	James & Co., Ltd.	Macfarlane & Co.	2½	5	—	—	—		3	P.Y.
40,00,000 O						143xd	O. 100	10	12½			12	P.Y.
5,00,000 D	48,13,867	18,37,435	1,23,673	J. M. Paton, Esq.	McLeod & Co.	—	D. 10	5	7½			12	P.Y.
6,35,190	4,30,533	7,47,410	10,548	Ogale Glass Works Ltd.	Mysore Glass & Enamel Works ..	5	10	—	6½			12	Y.
3,75,000	7,74,553	8,79,858	3,666	R. Bharaniah, Esq.	Mysore Lamp Works	18½	10	10	6½			12	Y.
10,00,000	3,95,997	11,45,855	1,11,329	V. S. Arunachalam, Esq.	Mysore Tobacco	9	10	—	10	10		3	P.Y.
38,00,000	43,42,911	49,43,057	25,207	Associated Industrial Development Co. Ltd.									T.Y.
79,97,000	65,83,352	1,04,50,524	8,86,347	B. N. Elias & Co., Ltd.	National Insulated Cable Co. of India	11½xd	10	8	5			3	Y.P.T.
14,83,287	6,14,310††	17,19,230**	3,326	S. P. Ogale & Co.	National Tobacco Co.	10	10	—	2½	5		12	P.T.Y.
40,00,000	36,64,522	60,88,006	1,94,446	Parry's Holdings Ltd.	Ogale Glass Works	3	5	—	—			12	Y
1,16,00,000	2,29,15,252	5,78,03,905	31,67,941	Sahu Jain Ltd.	Parry & Co	6½	10	62½	80–I	32½		12	P.T.Y.
68,00,000	1,53,82,620	1,19,47,722	8,61,628	C. W. Stephenson, Esq.	Rohtas Industries	8½	10	—	—	7½		12	P.T.Y.
75,00,000	22,00 000	1,75,74,498	2,62,138	R. H. D. Campbell, Esq.	Spencer & Co.	15½	10	10	10			6	P.Y.
9,95 150	2 77 075	8 99 929	2,249	Ogale Bros. Ltd.	Shaw Wallace & Co., Ltd.	13	10	10	10			12	Y
					Travancore Ogale Glass	3½	10	—	4			12	Y.

†† Does not include depreciation. ‡ Only depreciation. * Includes Bonus. —Nil Dividend. K = Investments. ** Not Block. † Less income-tax. C.D.—Cum Dividend. On Increased Capital.

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1948	1949	1950	1951	Accounts Closed	Reference
						ASSAM								
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	450N	100	9	30	25	—	12	P.Y
3,50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd.	4004	Anagadang	10	10	16	25	40	30	12	Y.
3,50,000	10,64,192	12,05,396	—89,152	McLeod & Co., Ltd.	573	Baghmari	8½	10	12½	12½	17½	—	12	Y.
3,40,000	9,12,881	7,05,721	44,989	Andrew Yule & Co., Ltd.	360	Basmatia	22½	10	15g	30	30	25	12	Y.
3,20,000	7,24,887	8,38,278	71,941	Williamson Magor & Co.	556	Bateli	8	10	5	25	25	10	12	T.Y.
3,20,000	6,19,032	6,72,731	54,942	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	21	10	25	25	20	35	15	12	Y.
16,50,000	35,99,417	44,88,333	2,08,010	Williamson Magor & Co.	4,004	Bishnauth	23½	10	30	35	50	5	15	T.Y.
6,00,000	4,80,346	9,78,429	—1,90,802	Octavius Steel & Co., Ltd. ..	450	Borbam Jan Tea Co., Ltd.	4½	10	5	15	15	15	12	Y.
7,50,000	5,06,959	7,64,836	22,297	McLeod & Co., Ltd.	2,670	Brooke Bond	10½	10	7½	10	10	10	6	P.Y.
35,00,000	22,18,001	70,96,925	87,980	Brooke Bond India Ltd.	282	Dejoo Valley	8	10	6½	6½	15	—	12	Y.
1,40,000	3,06,715	3,66,030	—29,101	McLeod & Co., Ltd.	1,341	Dessai & Parbattia	170	100	5	15	30	22½	12	Y.
6,00,000	22,17,578	24,24,301	25,545	Jardine Henderson Ltd.	426	Dhelakhat	8½	10	10	10	16	12	12	Y.
17,33,440	7,15,393	19,11,105	54,461	James Warren Ltd.	613.37	Dhunseri	9½	10	6½	10	20	10	12	T.Y
4,68,970	8,90,863	13,71,610	25,794	James Finlay & Co., Ltd.	458	Dibrugarh Co., Ltd.	7½	10	7½	—	10	5	12	Y.
4,50,000	6,57,785	9,86,816	14,389	McLeod & Co., Ltd.	611	Dimakus	23	10	40	40	45	15	12	P.Y.
2,36,700	6,75,511	7,95,511	35,408	Williamson Magor & Co., Ltd.	669	Dufflaghur	27½	10	25	35	40	40	12	Y.
5,60,500	12,72,787	15,08,787	1,01,960	Williamson Magor & Co., Ltd.	1,157	East India Tea	15½	10	15	15	20	22½	12	Y.
10,00,000	10,31,120	18 91 120	45 079	Williamson Magor & Co.	407	Gillapukri	15	10	15	15	17½	22½	10	Y.
3,60,000	6,43,852	7,69,087	16,947	Andrew Yule & Co., Ltd.	520	Gohpur	23½	10	30	35	40	30	12	P.T.Y
3,36,000	9,01,149	12,09,149	1,11,346	Williamson Magor & Co.			15xd	A 10	30	35		30		
4,94,360	17,46,514	17,08,255	82,387	Octavius Steel & Co., Ltd. ..	1,284	Grob	71xd	B 5	7½	10	30	20	12	Y.
2,40,790							23½	10	23½	30	45	30	12	Y.
2,00,000	8,16,550	5,82,005	58,806	Andrew Yule & Co., Ltd.	436½	Hoograluli	26xN	100	25	25	25	17½	12	Y

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
60,00,000	90,11,129	94,76,923	3,11,246	879	B. N. Elias & Co., Ltd.	Agarpara	19½	10	10	15	20		3-9	P.T.H.
12,00,000	52,96,368	45,00,787	89,936	498	Sahu Jain Ltd.	Albion	200	100	—	14	30		5 11	P.H.
6,00,000	30,55,572	47 33,264	—3,29,636	446	McLeod & Co., Ltd. ..	Alexandra	200	100	—	5	5	—f	6 12	T.P.H.
30,00,000	85,82,864	1,17,03,966	—13,63,074	1,264	McLeod & Co., Ltd. ..	Alliance	155	100	—	2½	—	—f	6 12	P.H.
49,20,700	2,31,84,144	2,24,03,099	1,44,601	2,561	Duncan Bros. & Co. ..	Anglo-India	215xd	100	—	20	20	10f	3-9	P.H.
40,00,000	1,18,05,035	1,30,94,099	61,145	810	Bird & Co., Ltd.	Auckland	128	100	1½	10	10		3 9	T.P.H.
20 00 000	92,46,901	97,14,511	55,967	959	Jardine Henderson & Co. ..	Bally	152	100	7	12	1	—f	3-9	P.H.
£275,000	£1,680,379	£1,328,460	£91,091	1,890	Jardine Henderson & Co. ..	Barnagore	149	£5	20	20	20		3	P.Y.
28,00,000	82,01,627	87,37,598	3,65,214	820	Andrew Yule & Co. ..	Belvedere	205	100	13	17	27½		6 12	P.H.
45,00,000	78,51,105	51,03,385	4,07,701	600	Soorajmull Nagarmull ..	Bengal	16	10	†13½	15	30		6	T.P.Y.
30,42,000	3,71,54,151	3,06,60,933	1,38,294	1,373	Birla Bros.	Birla	35	10	25	30	30		3	P.Y.
56,00,000	98,17,668	1,07,34,059	9,583	991	Andrew Yule & Co., Ltd. ..	Budge-Budge	178	100	7	13	22		4 10	H.
7,47,380	26,23,266	38,35,679	6,895	502	Dayaram & Sons	Calcutta Jute Manufacturing	201xd	10	—	—	—		6 12	T.P.H.
18 00,000	65,04,289	75,27,189	2,646	616	Andrew Yule & Co.	Caledonian	176	100	5	14	22	6f	5 11	P.H.
39,16,400	2,11,26,602	1,62 21,807	1,35,299	1,400	James Finlay & Co., Ltd. ..	Chamdany	170	100	3	10	14	8f	3 9	P.H.
18 95 000	79,98,514	78,92,619	19,870	530	Andrew Yule & Co., Ltd. ..	Cheviot	205	100	13½	16	22	6f	5 11	T.P.H.
10 05,000	83,89,114	55,21 773	60,392	500	McLeod & Co.	Chitavalsah	27	10	12½	15	60	25f	6 12	P.H.
16,00,000	80,24,460	77,89,914	1,01,979	969	Shree Krishna Investment Co., Ltd.	Clive	25½	10	12½	35	20		3	P.H.
31,49,200	1,23,69,592	1,22,21,907	80,807	766	Bird & Co., Ltd.	Dalhousie	155	100	1	11	12		3 9	P.H.
28,00,000	86,35,708	71,68,012	21,890	779	Andrew Yule & Co.	Delta	217	100	11	17½	32½		5 11	T.P.H.
15,00,000	83,75,460	74 82,092	45,656	500	McLeod & Co.	Empire	21	10	10	20	25	5f	6 12	P.H.
21,00,000	2,47,73,040	2,58,81,253	25,700	1,884	Kettlewell Bullen & Co. ..	Fort Gloster	270	100	2½	32½	22½		3 9	P.H.
14,00,000	48,25,115	69,94,729	—8,32,397	1,014	G. C. Barker & Sons	Fort William	305N	100	—	10	—		3 9	P.H.
84,32,400	1,47,91,840	2,02,49,392	82,922	1,709	Macneill & Barry Ltd. ..	Ganges	70	100	—	5	21f		3 9	T.P.H.
10,80,000	71,71,252	67,99,135	25,156	607	G. Arbuthnot & Co.	Gondalpara	900	300	2½	25	10		12	P.H.
24,00,000	2,02,41,185	2,18,72,990	89,236	1,394	Macneill & Barry Ltd. ..	Gouripore	260xd	100	2½	25	11½		3-9	P.H.
40,00,000	81,93,062	81,94,127	3,06,824	1,078	Bangur Bros. Ltd	Hastings	233N	100	10	30	10		3	P.Y.
16,80,000	58,02,116	64 29,355	64,417	728	G. Arbuthnot & Co.	Hooghly	37	10	10	30	15		3 9	P.H.
65,62,500	1,56,21,640	1,59,50,625	1,71,001	1,940	Jardine Henderson Ltd. ..	Howrah	223xd	10	7½	17½	18½	8½f	3	T.P.Y.
30,00,000	1,74,38,109	2,25,00,109	3,91,968	2,272	Ramdutt Ramkissendas	Hukumchand	35	7½	46½	66½	66½		3	P.H.
87,00,000	87,45,632	1,10,99,740	1,43,281	1,076	Mackinnon Mackenzie & Co. ..	India	122	{ O. 125	5½	10	3½		3 9	P.H.
30,000								{ D. 1	5½	5½	3½		3 9	P.H.
43,20,000	1,35,11,140	1,36,47,095	67,132	1,797	Jardine Henderson Ltd. ..	Kamarhatty	202	100	—	8½	22½	8½f	6 12	P.H.
54,00,000	1,13,89,109	91,56,930	1,07,129	1,527	Jardine Henderson Ltd. ..	Kankinarrah	135	100	—	—	12½	6f	6 12	P.H.
21,00,000	1,13,89,109	91,65,930	1,07,129	703	McLeod & Co.	Kelvin	220	100	10	20	25	7½f	3 9	P.H.
54,00,000	1,18,86,997	1,59,17,038	2,06,473	1,530	Anderson Wright Ltd. ..	Khardah	165	100	—	25	16		3 9	P.T.H.
48,00,000	1,91,36,763	2,14,06,298	1,65,736	1,250	F. W. Heilgers & Co.	Kinnison	205	100	2½	14	19		3 9	T.P.H.
24 48,000	1,22,43,884	1,35,16,655	53,319	931	Bird & Co., Ltd.	Lansdowne	138	100	2	21	15		3 9	P.H.
28,00,000	1,18,69,789	1,13,74,198	32,655	840	Bird & Co., Ltd.	Lawrence	230	100	6	21½	22½	15f	5 11	P.H.
10,00,000	66,00,427	50,18,904	57,142	558	Andrew Yule & Co.	Lothian	230	100	—	15	32½		3 9	H.
81,65,200	1,35,61,586	1,95,64,756	1,02,068	1,008	Mackinnon Mackenzie & Co. ..	Megna	104	100	4½	8½	3½		3 9	P.T.H.
29,98 900	1,28,87,159	1,55,16,608	58,615	815	F. W. Heilgers & Co.	Naihati	128	100	—	15	12		4 10	T.P.H.
12,00,000	29,95,424	24,75,180	52,447	425	K. C. Thapar Bros. Ltd. ..	Neskarpara	16	10	11½	15	13½	15f	4 10	P.H.
35,00,000	50,36,405	27,42,753	5,264	852	Andrew Yule & Co.	National	24½	10	11½	15	25		4 10	P.H.
7,50,000	52,11,917	24,37,663	21,345	316	McLeod & Co.	Nellimarla Jute	31	10	25	30	75	20	6 12	T.P.H.
10,50,000	58,04,933	45,71,347	1,16,973	709	Sahu Jain Ltd.	New Central	220	100	6	14	30		6 12	P.H.
16,79,800	90,35,938	1,18 41,622	46,833	567	Bird & Co., Ltd.	Northbrook	20½	10	—	—	10f		3 9	P.H.
66,79,500	1,73,80 223	2,06,56 876	72 170	1,092	Macneill & Barry Ltd.	Nuddea	44½xd	50	—	5½	4½		3 9	H.
24,91,000	71,47,003	68,55,552	3,591	601	Andrew Yule & Co., Ltd. ..	Orient	185	100	9	14	18	1	5 11	H.
25,00,000	63,83,642	80,79,256	—4,76,887	400	McLeod & Co.	Presidency	4½	5	—	—	—	—f	6 12	T.H.
20,00,000	7 67,993‡	26,12 793	—2,40,537	305	Macneill & Co.	Rameshwara	6	10	—	1½	—		3 9	H.P.
49,50,000	55,07 248	1,23,45 796	58,685	1,276	Jardine Henderson Ltd. ..	Reliance	13½	10	—	—	—		3 9	P.H.
66,00,000	£9,99,994	£11,96,402	£76,498	2,013	Thomas Duff & Co. (India) Ltd. ..	Samnuggur	15	11	6‡‡	10‡‡	10		12	P.Y.
30,00,000	68,57,466	95,49,412	87,40,952	911	Bagaria More Co., Ltd. ..	Shree Ambica (Adamjee)	17xd	10	—	10‡‡	10f		3 9	P.H.
7,00,000	45,17,785	48,14,456	2,73,383	401	Hindustan Investment Corpn. ..	Sonrah	19N	10	—	10	—		12	P.Y.
25,19,600	1,07,90 629	94,08,329	1,24,387	650	Bird & Co., Ltd.	Standard	154	100	4	15	16		3 9	P.H.
60,00,000	£8,36,984	£9,78,287	£1,29,393	1,794	Thomas Duff & Co. (India) Ltd. ..	Titaghur	14	11	6‡‡	10‡‡	10		12	Y.H.
35,98,600	1,82,27,935	1,74,17,294	34,682	1,326	Bird & Co., Ltd.	Union	178	100	2	19½	21		3 9	P.T.H.
64,00,000	£6,35,795	£10,47,385	£1,00,239	1,331	Thomas Duff & Co. (India) Ltd. ..	Victoria	26xd	10	6‡‡	10‡‡	10		12	Y.H.
2,50,000	32,89,383	55,48,403	—47,909	465	McLeod & Co.	Waverley	15½	11	—	5	5	—f	6 12	P.T.H.
							6	1	—	5	5			

(y) For ten months ended 31st December, 1951. ‡‡ Subject to foreign income-tax. ‡ Only Depreciation. • Includes bonus.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
25,50,000	58,63,382	61,83,382	33,891	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	20½	10	17½	20	13½		3 9	H.
12,00,000	41,76,885	37,08,981	37,955	Jardine, H. & Co., Ltd.	Bararee Coke	17	10	14½	13½	14½		3 9	P.H.
1,00,00,000	4,16,30,103	4,91,93,899	7,25,389	Andrew Yule & Co., Ltd. ..	Bengal	510	200	33½	17½	18½*		4 10	H.
4,49,350	5,82,303	8,49,159	3,152	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee	23N	10	2½	2½	2½	11f	6 12	P.H.
2,25,000	27,12,507	25,84,461	4,280	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	18½xd	10	22½	16½	10	31f	6.12	
15,97,000	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	31	10	—	2½	6½		9	Y.
7,15,000	30,04,831	30,17,715	3,437	F. W. Heilgers & Co., Ltd. ..	Bhutanbararee	12½xd	10	—	—	—	2½f	6 12	H.
16,00,000	53,46,046	67,83,723	—1,37,184	Anderson Wright (Ramparhi), Ltd.	Bokaro-Ramgur	7	10	5	—	—f		6 12	T.H.
7,50,000	42,42,776	40,82,736	1,07,078	F. W. Heilgers & Co., Ltd. ..	Borrea	28½xd	10	20	30	30*	15f*	6.12	P.H.
90,92,480	3,23,04,936	3,04,53,208	1,54,703	Bird & Co., Ltd.	Burrakur	10 & xd	10	10½	7½	7½	3½f	6 12	P.T.H.
8,00,000	44,73,086	48,99,835	6,672	Anderson Wright & Co.	Central Kurkend	13N	10	17½	12½	—		6 12	P.H.
6,00,000	1,40,000	7,50,000k	28,918	F. W. Heilgers & Co., Ltd. ..	Churulia	2½xd	4	6½	—	4½	1f	6.12	P.H.
16,00,000	30,19,961	43,00,861	11,699	Macneill & Barry Ltd.	Dhemo Main	9½	10	10½	10	12½		6.12	H.
£120,000	£1,084,338	£872,414	£78,839	Jardine Henderson Ltd.	East Indian	20½xd	£1	13½	37½	37½		4	Y.
29,63,760	3,07,47,993	2,96,10,834	1,90,766	Macneill & Barry Ltd.	Equitable	39	10	25	25	25		6 12	H.
10,00,000	4,83,963	8,41,725	66,865	Bhatter's Agency Ltd.	Ghunick and Muslia	17½	3	20	5			3	Y.
8,00,000	21,14,376	21,51,521	15,633	Macneill & Barry Ltd.	Hurriladih	14½	10	12½	15	15		6 12	H.
3,50,000	11,63,346	12,53,839	40,107	Andrew Yule & Co., Ltd. ..	Kalapahari	44xdN	10	26½	35	35*	17½f	2 8	H.
20,00,000	68,340‡	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	90	100	—	—	—		1 7	Y.
5,00,000	42,58,631	₹2,08,253	1,46,012	Andrew Yule & Co., Ltd. ..	Katras Jherriah	40½xd	10	27½	35	37½	20f	1 7	H.
1,38,400	5,20,519	11,63,519	1,063	Berriwala Bros.	Khas Kajora	20N	10	11½	10	5f		6.12	P.H.
11,00,240	10,19,288	15,64,007	5,201	H. V. Low & Co., Ltd.	Kuardi	11N	10	10	10			6	Y.
9,00,000	32,02,177	27,71,130	510	H. V. Low & Co., Ltd.	Lakurka	7N	10	5	7½			4	H.
5,65,750	11,41,667	22,27,077	2,691	Berriwala & Co.	Mandulpoor	6½	10	5	2½	5f		6 12	H.
7,48,240	10,34,138	11,24,142	14,690	Associated Commercial Co., Ltd.	Nagina	5¾	10	5	2½	6½		6 12	H.
7,00,000	3,77,590	9,53,321	4,597	Amritlal Ojha & Co. Ltd. ..	New Bansdeopur	18½xd	10	3	7½	—		3 9	H.
17,76,230	89,43,381	1,14,69,344	39,912	Andrew Yule & Co., Ltd. ..	New Beerbhoom				6			4 10	
6 00,000	24,61,802	30,92,604	—2,10,056	Octavius Steel & Co. Ltd.	New Manbhoom	10½	10	12½	7½	—		3.9	P.H.
2,50,000	6,84,984	5,45 859	1 387	Jatia Bros. Ltd.	North Damuda	4N	2½					3.9	H.
1,15,000	10,81,297	12,56 672	12,237	Andrew Yule & Co., Ltd.	North West	15½N	10	16½	13½	5	2½f	3.9	H.
1,57,500						12N	7½						
7,50,000	12,54,532	3,97,666	1,23,852	F. W. Heilgers & Co., Ltd. ..	Ondal	20xdN	10	12½	25	22½*	10f	6.12	P.H.
10,00,000	14,15 045	32,73,178	46,739	K. C. Thapar Bros. Ltd. ..	Oriental Coal	14	10	10	10	10		12	T.Y.
8,34,000	5,98,486	16,29,203	70,539	Deerchand Kishenlall	Parasea	3½	10	—	—	—f		6.12	H.
15,75,000	32 58,026	37,63,026	22,099	Shaw Wallace & Co., Ltd.	Pench Valley	21½	10	16½	12½	10		2 8	H.
23,99,500	88 51,195	1,02,79,253	—8,92,750	B. N. Elias & Co., Ltd.	Raneegunge	7	10	—	—	—		6 12	H.
13,50,000	28,66,087	29,99 087	35,349	Shaw Wallace & Co., Ltd.	Rewa	16½xd	10	8½	12½	10	7½f	6 12	H.
20,00,000	15,10,118	28,07,516	165	Jaipuria Sons Ltd.	Samla Collieries	6½	10	—	5	11f		6 12	Y.
1,25,000	12 44,124	13,05,188	18,451	Gillanders Arbuthnot & Co., Ltd.	Searsole	10½N	2½	20	20	20		1	P.H.
2,80,000	18,31 795	27,82,403	26,724	Andrew Yule & Co., Ltd. ..	Seebpore	26	7	35-5/7	32-1/7	28-4/7		6 12	H.
8,00,000	34,57,222	36,96,604	10,379	F. W. Heilgers & Co., Ltd. ..	Sendra	13	10	5	5	3½	—f	6.12	
63,21,450	2,13,85 164	3,04,98,616	23,658	Industrial Trust Fund	Singareni	6½	10	4½	5	5		12	T.Y.
17,50,000	23,75,231	34,39,256	93 675	Bird & Co., Ltd.	South Karanpura	12½	10	18½	10	7½		2 8	H.
8,00,000	35,43,816	39,93,119	74,094	F. W. Heilgers & Co., Ltd. ..	Standard	15xd	10	16½	15	10	5f	6 12	H.
10,00,000	15,41 499	29,34,045	—2,46 174	Villiers Ltd.	Talcher	2½	10	—	—	—		9	Y.
3,50,000	17,36,513	18,54,910	74,927	Williamson Magor & Co., Ltd.	Union	26xd	10	20	27½	27½	12½f	6.12	H.
7,00,000	26,05,667	33,34,989	32,735	Macneill & Barry Ltd.	West Jamuria	17½	10	15	15	15		6.12	H.

• The following explanatory notes relate to the abbreviations and marks shown on page 182 in the debentures section:—

(a) Option to repay on six months' notice, on any interest date after 31st December, 1951, at 102 per cent. Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 102 per cent.

(c) Option of repayment at any time at 3 per cent. premium.

(b) Bearer bonds of Rs. 1,000 each repayable at par.

Bearer bonds of Rs. 1,000 each repayable on 31st July, 1959.

(d) Bearer bonds of Rs. 1,000 each with option of redemption in whole or in part at par on 30th June, 1952, or on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months no in each case.

(f) Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ½ per cent. premium, 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March, 1957

(h) Option of redemption on or after 1st July, 1949, at par.

(j) Option of repayment at any time at par at any time on or after 30th June 1947 on six months' notice.

MARKET GOSSIP

(Concluded from page 143)

tract, is the fixation of tender basis for various qualities at levels calculated to discourage large tenders against the February delivery. A section of the trade complains that the Rates Committee has fixed the room rates Rs. 30 to Rs. 35 below the rates prevailing in the ready market. A number of appeals have been preferred to the Board against the decision of the Rates Committee.

* * * *

In the Karachi cotton market, the fixation of minimum rates for export sales has not prevented the downward trend. The ruling rates are some Rs. 50 below the minima, the difference being still wider in the interior. Another interesting feature of this market which arises directly from the ridiculous attempt of the Pakistan Government to dictate prices to importing countries in a buyers' market is that the prices of better staple cotton are lower than even those of short-staple *deshi* cotton. Thus, while Sind and Punjab *deshis* the staple length of which is no higher than 5/8", are commanding a price of Rs. 55 to Rs. 56 per maund, N.Ts. and 4F., the staple length of which is about 7/8", are going abegging at Rs. 52 to Rs. 53 per maund. If this state of affairs were to continue for long, it would have a disastrous effect on the quality of Pakistan cotton next year. The least that the Pakistan Government should do to end this anomaly is to abolish the export duty on the staple varieties as well.

* * * *

Elsewhere in this issue will be found a closely-reasoned plea by Mr. Dharamsey M. Khatau, Chairman of the A.C.C., for tax relief, which alone will facilitate the expansion of industries. From London comes the report that a nearly identical demand has been made by the spokesmen of British industry. A statement, issued jointly by the Federation of British Industries and the National Union of Manufacturers, points out that British goods are facing keen competition at a time when the vital need is for increased exports. With the "fullest sense of responsibility," the statement says that a permanent increase in production and exports will not be achieved until taxation has been materially reduced. It adds: "Taxation is so exacting into profits as to leave industry with insufficient funds efficiently to maintain even the existing scale of operations, because of the inability to set aside enough to replace fixed assets at enhanced costs and find the working capital to match the rise in price levels." It sums up the whole position by saying that, under the present fiscal system, the net return for successful ventures is low, whereas for unsuccessful ventures the "consequences may be disastrous."

* * * *

A similar note was struck by the Right Hon. The Earl of Selborne, Chairman of the National Provincial Bank, when he said, at the recent annual meeting of the Bank, that the present level of taxation, which absorbed about 40 per cent. of the U.K.'s national income, should be reduced—and reduced substantially—if "we are to re-establish a sound and solvent economy." Perhaps, one explanation for the renewed vigour with which the spokesmen of British industry are representing the case for relief in taxation—apart from the fact that a new budget is now shortly to be presented—is that the U.K. is more than ever convinced that the new administration in the U.S. will be averse to the grant of aid. Already, the British slogan is "Trade, not aid"; the emphasis is on facilities for trade. If such facilities are given, British industry should be prepared to compete on equal terms with American industry. And here, British industry is at a serious disadvantage because it is unable to re-equip and modernise itself as fast as American industry is doing. Analysing the figures relating to the U.K.'s national income and capital formation, Mr. S. P. Chambers, a Deputy Chairman of Imperial Chemical Industries, says that, although "gross" capital formation in the U.K. appears to be as high as £3,349 million, out of the national income of £13 000 million, a closer scrutiny of the former figure shows that it is largely fictitious. By a series of calculations, in which he makes allowances for such factors as extensions in mere trading activity, increase in value of stocks resulting from an increase in prices, replacement of worn-out machinery and plant, he arrives at a figure of some £1,000 million, which represents, according to him, the "true increase in the amount of fixed capital in British industry." This level, he regards, is "much too small, if British industry is to keep its place in the hard competitive conditions of the modern world." He draws particular attention to the fact that American industry invests per worker no less than ten times the amount of extra capital invested per person in the U.K. The relative backwardness of capital formation in the U.K., he says, is due to high taxation. In conclusion, he observes: "The year 1952 has shown that the world is no longer hungry for British goods and we must hurry up, if we are to beat our competitors."

* * * *

Although similar calculations have not been made in this country, the Planning Commission estimates that the re-equipment of industry would demand about Rs. 150 crores. Industry's spokesmen have dismissed this figure as a serious underestimate. In any case, India has to face both sets of problems—the immediate problem of merely keeping the productive efficiency intact through replacement of worn-out machinery, and the less immediate but no less important problem of expansion. Perhaps a serious defect of the Five-Year Plan is that in its preoccupation with the needs of the public sector, no attempt has been made to gauge, much less to provide for, the requirements in the private sector.

MARKET REPORTS

(Concluded from page 173)

reports received, are Gorakhpur, Deoria, Basti, Azamgarh and Gauda.

The local market quotations are: Wheat Rs. 22-8, gram Rs. 18-8, barley Rs. 16-8, *bejhar* Rs 16-8, maize Rs. 14, *bajra* Rs. 14, *jowar* Rs. 12-4 to Rs. 13, *guwar* Rs. 13, rice: *basmati* Rs. 34, *hansraj* Rs. 30, sela Rs. 28 and coarse Rs. 22, peas Rs. 18-8, *arhar* Rs. 18, *urd* Rs. 22 and *moong* Rs. 23.

SUGAR QUIETLY STEADY

(From Our Own Correspondent)

HAPUR, 27*th January*

Sugar markets remained quietly steady during the week under review. The recent rise in the free market prices of sugar, particularly in the South, is attributed to the delay in the replacement of ready stocks in deficit areas, caused, among other factors, by the unavailability of adequate number of wagons. Those *mandis* which were far removed from the purchasing centres experienced shortage of sugar. It was officially stated this week that this rise in prices was not due to restricted releases by the Government of India. The State Government, it is reported, had ample stocks with them last month, and there were not able to clear their stocks of controlled sugar owing to transport bottleneck.

The following were the free market quotations: Ambala Rs. 30-10, Amritsar Rs. 30-8, Delhi Rs. 31-2, Jullundur Rs. 29-8, Agra Rs. 29, Hapur Rs. 29-2, Kanpur Rs. 28-12, Mathura Rs. 30, Meerut Rs. 29-8, Muzaffarnagar Rs. 28-14, Patna Rs. 30-14, Calcutta Rs. 29-15, Gauhati Rs. 35-14, Madras Rs. 32-10, Bombay Rs. 33-2, and Bhavnagar Rs. 34-11.

DUSTS IN KEEN DEMAND

(From Our Own Correspondent)

CALCUTTA, 27*th January*

Keen competition was a feature of last week's internal sale No. 31, where dusts offered amounted to 14,932 packages and other grades 779. Prices for all varieties rose satisfactorily, and dusts were quoted as follows: good Assam C.T.C. Re. 1-14-6, medium grainy Assam Re. 1-9-6 to Re. 1-10, and medium Dooars Re. 1-7. Darjeelings were favourites of buyers, and prices advanced As. 2 above brokers' valuations. There was a steady demand for the black grainy varieties, and C.T.C. types. Good medium powdery teas were firm, and prices for leafy commons and mediums were well maintained. The leaf market was also steady.

JUTE DULL AGAIN

(From Our Own Correspondent)

CALCUTTA, 27*th January*

Jute markets were again dull during the week under review, which was made short by three holidays on last Tuesday and Friday and yesterday. Rather than sitting tight watching inactive markets, sellers preferred the holidays with the hope that the accumulated demand during the holidays would change the sentiment for the better on re-opening. Even if this expectation materialises, it is hardly likely that any upward trend in prices, both for raw jute and the finished products, would be pronounced.

During the week, hessian 40" 10 oz. ready remained at Rs. 41-12 throughout, the February-March offers being fractionally better at Rs. 41-14 and the April-June at Rs. 42. B. twills were quiet at Rs. 91-8. Specialities received buyers' attention, and, at lower rates, changed hands.

With a satisfactory stock position of raw jute with mills and with the need for stockists and cultivators to dispose of their large holdings, markets evinced little or no interest in the Karachi report about correspondence between the Indian and the Pakistani Governments for an extension of the trade pact to include jute among other commodities. No doubt, high grade jute is hardly available in India now, but mills would show interest only if prices in East Bengal declined or jute goods here firmed up. Prices for raw jute were featureless, and sellers could not meet with any business. Assam Bottoms were, therefore, nominally placed at Rs. 22-8.

TEXTILES

(Concluded from page 152)

of the country's total annual requirements, on the basis of 18 yards *per capita*, amounting to 1,211 million yards, by more than a thousand million yards. The wide gap between its production and its requirements has compelled Pakistan to import considerable quantities of cotton textiles, spending, every year, foreign exchange to the tune of Rs. 30 crores.

With a view to achieving self-sufficiency in cloth, earnest efforts are being made by the cotton textile interests in Pakistan to expand the size of the industry through the addition of new units and expansion of the existing ones. The Central and Provincial Governments, it is stated, have been giving active encouragement and assistance to the industry. The overall target for spindleage has been raised from 1 million to 2 million, the target to be reached in the next five years. Already, 237,000 additional spindles are shortly to start operations on a three-shift basis. Another 100,000 spindles are being installed at Karachi and Sind alone; these are expected to go into production by July next. These additions, it is estimated, will raise the aggregate output of yarn to about 500,000 bales per day.

To revert to the Mill Statement issued by the Millowners' Association. Priced at Rs. 5 each, the Statement contains the names of cotton spinning and weaving mills—erected or projected—in the two countries, as also those of agents or owners, particulars of share capital, number of looms and spindles erected and the number actually working in each equipped mill, quantity of cotton consumed and average daily number of hands employed and the number of days worked by each mill during the year. The utility of the Statement is also enhanced by the statistical summaries showing the growth of the industry in India as a whole, with particular reference to the growth in Bombay City and Island, Ahmedabad, and the rest of the State, since 1910.

BANKING

(Concluded from page 151)

increase would encourage the speculator and discourage the business man, the saver and millions of ordinary persons already struggling to pay their monthly bills. Most of the people would not attach any value to the contention that inflation could be controlled in spite of debasement of the dollar. A great reduction in the sale of U.S. savings bonds and increase in their redemption, refusal of the public to purchase U.S. Government obligations and other fixed income investments, a new flight of capital and a hectic search for hedges against inflation, with consequent forcing up of prices of commodities, equity securities and real estate, are likely to be the results. If Government becomes unable to finance its needs, including large refunding operations, it would have to rely greatly upon the banking system, thereby bringing about inflation of b

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
16,00,000	1,08,36,418	9,95,123	Allahabad Bank	347½	100	18‡	18‡	18‡	9i	12	Y.P.
14,50,000				173	50						
1,01,000				105	100						
23,99,000	11,73,500	2,21,655	Andhra Bank	52‡	50	5	6	6	3i	6.12	H.
1,00,00,000	1,28,00,000	2,14,790	Bank of Baroda	116‡	50	12‡	12‡	12‡	5i	12	Y.
50,00,000	10,00,000	7,107	Bank of Bikaner	20	25	..	3	3		12	Y.
2,48,86,250	3,49,76,065	5,60,616	Bank of India	156	50	14	14	14	6i	6.12	R.L.Y.
15,30,375	23,00,000	62,955	Bank of Indore	55	25	12‡	12‡	12‡		12	Y.
50,00,000	85,00,000	38,635	Bank of Mysore	295	100	16‡	16‡	16‡	8‡f	12	Y.
59,18,600	42,61,693	25,280	Bombay State Co-operative Bank	58‡	50	5‡	5	5		6	Y.P.T.
3,14,54,250	3,98,30,808	17,65,629	Canara Banking Corporation Ltd.	90	50	9‡	10‡	10‡		12	Y.P.
50,00,000	22,00,000	1,38,594	Central Bank of India	63‡	25	14	14	14	6i	12	R.L.Y.
1,00,00,000	1,00,00,000	10,48,196	Devkaran Nanjee Banking Co.	35	50	3	3	3‡		12	Y.
1,25,00,000	15,20,000	65,220	Habib Bank (P)	88	20	6‡	10	20		12	Y.
50 00,000	1,00,000	3,806	Hindustan Commercial Bank	9	50	—	—	—		12	Y.
75,00,000	62,50,000	1,36,832	Hindustan Mercantile Bank	11	50	—	—	—		12	Y.
3,75,00,000			††Hyderabad State Bank	105N	100	5	5			9	Y.
1,87,50,000	6,35,00,000	46,40,590	Imperial Bank of India	1,730xd	500	14	16	16	8f	6.12	R.L.H.
23,95,961				422½xd	125	14	16	16	8f	6.12	R.L.H.
15,00,000	70,00,000	92,545	Indian Bank	173½	100						
14,00,000				126	75	11½	12‡	12‡		6.12	R.L.H.
47,35,750	15,50,000	2,22,825	Indian Overseas Bank	91	50						
6,25,000				96	100	43‡	5‡	6		6.12	R.L.H.
2,50,000	9,50,000	6,231	Indo-Commercial Bank	83	100(A)	9	9				
10,00,000				20½	25(B)	9	9			6.12	H.
50,00,000	12,65,000	1,21,370	Jaipur Bank	41½	50(C)	6	6				
4,55,266	30,61,350	60,357	Punjab and Sind Bank	18	50	3	3	3		12	Y.
87,50,000	87,50,000	5,33,829	Puniab National Bank	34	25	7‡	7			6.12	Y.
1,00,00,000	15,50,000	1,49,583	Travancore Bank	22‡	25	6	4	4	3i	12	Y.
40,00,000	28,25,000	2,09,737	Union Bank of India	11	25	Nil	Nil	—		12	Y.
2,00,00,000	67,50,000	1,70,952	United Commercial Bank	6‡	5	6‡	6‡	6‡		12	Y.
				34	50	3‡	4	4		6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3,000,000	£4,000,000	£397,433	Chartered Bank of India, Australia and China	£10‡	£5	12	14	14	7i	12	R.L.Y.
£1,000,000	£800,000	£69,917	Eastern Bank	£5‡	£5	6†	6†	6†	2½	12	R.L.Y.
H.K.$20,000,000	H.K.$96,000,000	H.K.$8,075,332	Hongkong and Shanghai Banking Corporation	€79½	H.K. $125	5y*	5*	5*	2*i	12	Y.
£1,437,296	£14,800,000	£596,803	Lloyds Bank	£2 6-9	£1	12y†	12y†	12†	6i	12	R.L.Y.
£375,000				£1-7-0		5y†	5†	5†	2½	12	R.L.Y.
£175,000	£1,500,000	£200,130	Mercantile Bank of India	£19‡	A £12½						
£300,000				£19‡	B £12½	12y†	12†	12†	6i	12	R.L.Y.
£2,281,250	£3,738,892	£318,652	National Bank of India	£10¼	C £5						
—	—	—		£28	£12½	16y†	16†	16†	8i	12	L.Y.

‡Includes Bonus. †Less Tax.
‡‡Subject to taxation.
(c) Paid-up Capital Increased.

(a) There are also Rs. 67,08,155 partly paid Ordinary Shares.
††O.S. Currency.
(i) Interim
(P) Pakistan Currency. *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company		Latest Available Quotations (per hundred) Rs. or £	Principal Repayable	
BREWERIES AND SUGAR							
19,50,000	5‡	1st December and 1st June	Carew & Co.	1938	97	1st June	1953(b)
5,50,000	5‡	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90‡	28th February	1960(f)
6,00,000	5‡	30th June and 30th December	Ramnugger Canc & Sugar Co., Ltd.	1936	97‡	30th December	1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102‡	27th December	1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91	1st November	1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	103‡	1st April	1956-61
25,00,000	4‡	1st May and 1st November	Walchandnagar Industries (New)	1944	92	1st November	1959-64
COTTON							
6,00,000	5‡	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April	1964
4,00,000	4‡	10th May and 10th November	Bengal-Nagpur	1897	95	15th November	1956(a)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99‡	1st January	1967-72
13,68,000	5‡		Jayashree Textiles	1949	78N	1st January	1956-59
ELECTRICS							
10,00,000	4‡	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	95	31st March	1965
1,25 000	4‡	15th June and 15th December	Ahmedabad Electric Co., Ltd.		101	14th June	1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100‡	1st October	1959
12,00,000	4‡	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	92	31st December	1964
2,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	101	1st January	1970
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	84	31st December	1970
15,00,000	5	1st January and 1st July	Sinia (Cherriah) Electric Supply Co., Ltd.	1951	94	30th June	1976
4,95,000	5‡	1st January and 1st July	South Madras Electric Supply	1940	97‡		1957-61
2,00,000	5‡	1st May and 1st November	South Madras Electric Supply	1939	95		1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94‡		1953-63
9,25,000	4‡	1st April	South Madras Electric Supply		94		57-61,53+56-61
49,23,000	4	1st April and 1st October	Tata Power	1940	100‡	15th September	1951-55(b)
1,00,00,000	4	1st April and 1st October	Tata Power		94‡	15th September	1965-70
ENGINEERING							
5,00,000	5	30th June and 31st December	Britannia Engineering	1945	94‡	31st December	1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	95	30th June	1958
30,00,000	5‡	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	100‡	1st July	1957-62
£1,284,550	4	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	£79‡	31st December	1966(§§)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84‡	31st May	1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	100‡	1st October	1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	94	31st December	1960
JUTE							
12,00,000	4‡	1st October and 1st April	Agarpara	1939	97	31st March	1954
6,00,000	4‡	30th June and 31st December	Alexandra	1939	96	30th June	1954(h))
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	92	31st December	1964
30,00,000	4‡	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	96	30th June	1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90	30th June	1960
10,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July	1959(c)
12,00,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	97	30th June	1966
8,94,000	5	30th June and 31st December	Empire	1951	97	15th July	1966
25,00,000	3‡	1st January and 1st July	Hukumchand	1947	90	30th June	1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	98	31st December	1964
25,00,000	5‡	30th June and 31st December	Naihati	1952	100	31st March	1967
5,00,000	3‡	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1947	95N	31st March	1954
5,00,000	4‡	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May	1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	86	31st December	1964
8,00,000	4	30th June and 31st December	Presidency	1943	90	30th June	1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	95	5th September	1965
8,00,000	4‡	14th March and 14th September	Soorah Jute	1937	93	14th September	1957
12,00,000	4‡	30th June and 31st December	Union	1937	94	30th June	1957(d)
10,00,000	3‡	31st January and 31st July	Waverley	1925	83	31st July	1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS							
4,00,000	6	31st March and 30th September	Bankura Damodar River Railway Co., Ltd.	1931	100N	9th March	1961
4,00,000	3‡	31st March and 10th September	Bankura Damodar River Railway Co.	1938	99	31st March	1953
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1936	84	1st July	1956
2,00,00,000	4‡	10th November and 10th May	Bombay Steam Navigation Co.	1945	98	1st November	
3,50,000	3‡	31st March and 30th September	Burdwan-Cutwa Railway Co.	1938	99	31st March	1943-53
£350,000	4‡	1st January and 1st July	Calcutta Tramways	1900	£100N	A 105% at any time on 6 months' notice or at par or every seventh year.	
£226,500	5	1st April and 1st October		1933	£102N	1st October	1974
3,00,000	3‡	30th September and 31st March	Kalighat-Falta Railway	1934	98	30th September	1953
6,50,000	3‡	30th June and 31st December	Katakhal-Lalabazar Railway	1945	89	31st December	1959
£200,000	4‡	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£90‡N		
5,00,00,000	4‡	1st March and 1st September	Scindia Steam Navigation		96‡	1st September	1963
PLANTING							
4,80,000	5	1st January and 1st July	Blue Mountain Estates	1943	100		1945-55
4,68,500	5‡	Half-yearly	Teekoy Rubber Estates	1944	100		1949-59
1,50,000	5	30th June and 31st December	Waterfalls Ltd.	1943	101‡		1945-55
MISCELLANEOUS							
15,00,000	5‡	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	102	30th September	1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	99	31st December	1965
27,60,000	4‡	1st April and 1st October	Associated Hotels of India	1948	86	31st December	1962
4,90,500	4‡	30th June and 31st December	Bengal Paper Mills	1937	94‡	30th June	1957(i)
21,00,000	5‡	1st February and 1st August	Chowringhee Properties	1915	92	1st February	1964
22,60,000	4‡	1st July and 1st January	Clive Buildings	1936	89	1st July	1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	86	15th September	1960
1,50,00,000	5	1st January and 1st July	Dunlop Rubber	1950	102	1st January	1971
40,00,000	5	2nd January and 2nd July	Mettur Chemical Industries	1949	97		1964
39,87,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	435	30th September	1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	(per note) 410	31st December	1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	(per note) 94N	1st April	1971
1,00,00,000	5‡	31st March	Orient Paper Mills Ltd.	1951	85‡	31st March	1961
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	80‡	31st December	1959

Note—See page 182 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 29th January, 1953.

	Opening quotations	High	Low	Closing quotations
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	154½	155½	154½	155
Bank of Baroda (50)	116½	116½	116	116
Central (25)	63½	63½	63½	63½
Imperial (F.Pd.) (300)	1,737½	1,737½	1,700	1,735
Imperial (P.Pd.) (125)	423½	425	421½	423½
Union Bank (5)	6½	6½	6⅝	6⅜
United Com. (50)	34	34½	34	34
COTTON MILLS				
Ahm. Adv. (100)	132½	133½	132½	133½
Apollo (2)	2-8½	2⅞	2-8½	2⅞
Bombay Dyeing (250)	358½	360	355⅝	358½
Central India (100)	143	145	142	144
Century Mills (100)	245½	247	243½	246
Colaba (100)	72½	—	—	72½
Edward Textile (200)	231½	231½	223½	225
Elphinstone (50)	39	39	38½	38½
Finlay (100)	286	287	285	287
Gokak (100)	196	201	195	200
Ind. Untd. Defd. (1)	1½	1-8½	1-7½	1-8½
Ind. Untd. Ord. (10)	8-3½	8 6⅛	8⅛	8⅛
Indore Malwa (100)	85	87½	83½	87½
Khatau (100)	162½	—	—	162½
Kohinoor (100)	269	272½	269	271½
Lakshmi (250)	572½	575	572½	573½
Madhusudhan (100)	76½	81½	76½	81½
B. R. Cotton Mills (100)	44	44	42½	42½
Minerva Mills (100)	91	—	—	91
Model Nagpur (250)	148½	—	—	148½
Morarji (100)	155	155½	155	155½
Mysore (50)	127½	—	—	127½
New City (100)	175	—	—	175
New Great (100)	150	150½	148	150½
Phoenix (100)	122½	122½	121½	121½
Podar Mills (100)	122½	—	—	122½
Sassoon Silk (10)	23½	23½	21½	22½
Sassoon Spg. (10)	20½	23½	20½	23½
Sholapur (1,000)	1,600	1,695	1,600	1,695
Simplex (50)	171	173½	170	173½
Svadeshi (100)	230½	233	229½	229½
Swan (100)	378	394	378	394
Tata M. (25)	44	44½	44	44½
Vishnu (100)	160	—	—	160
Western India (1,000)	3,150	—	—	3,150
ELECTRIC COS.				
Ahmedabad (100)	112⅞	113½	111½	113½
Amalgamated (10)	10¼	—	—	10½
Andhra Valley (1,000)	1,373½	1,395	1,373½	1,392½
Bom. Sub-El. (100)	121½	122½	121½	121½
Surat (100)	117½	118½	117½	118½
Tata Hydro (100)	147	147	146	146
Tata Power (1,000)	1,487½	1,487½	1,482½	1,482½
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	403½	—	—	403½
Ind. Mercantile (20	38½	—	—	38½
Jupiter (15)	7½	—	—	7½
New India (15)	41	41	40½	40½
Oriental (200)	5,500	5,710	5,500	5,710
Universa (10)	7⅜	—	—	7⅜
Vulcan (10)	11½	11½	—	11½
STEAMER COS.				
Bom. Steam (25)	31½	—	—	31½
Scindia (15)	14⅜	14⅜	14-8½	14½
STEEL COS.				
Ind. Iron (10)	23-5½	23½	23-0½	23-1½
Tata Steel Defd. (30)	1,705	1,705	1,672½	1,687½
Tata Steel Ord. (75)	298½	300½	297	299½
MISCELLANEOUS				
Alcock Ashdown (100)	291½	291½	290	291½
Associated Cts. (100)	175½	176½	166½	167xd
Belapur Sugar (5)	215½	217	214½	215½
Bom. Burmah (125)	359½	365	357½	363½
Do. (New) (50)	140	—	—	140
Br. B. Petrol (4 sh.)	1-5½	1-5½	1-4½	1½
Br. I. Corp. (5)	9⅛	9⅛	9⅛	9⅛
Indian Copper (2 sh.)	3½	3½	3-1½	3½
Ind. Inv. Tr. (100)	68½	—	—	68½
Port Canning (100)	24	—	—	24
Premier Cons. (30)	82½	82½	81½	82
Shivaram (10)	52½	53½	52½	53
Tata Chemicals (10	8½	8½	8-10½	8-15½
Tata Oil (25)	32½	33	32½	32½
Watchand Ind. (100	144½	—	—	144½
W. I. Match (100)	214½	215	214½	215

GOVERNMENT SECURITIES	Rs	Cross Yield Earlier Redemption	Later Redemption	Rs
2½% 1954	98½	—	3.30	98⅛
2½% 1955	98½	—	3.23	98½
2½% 1961	90½	—	3.91	90½
2½% 1960	93⅛	—	3.83	93⅛
2½% 1962	91½	—	3.91	91½
2½% 1976	82½	—	3.89	82½
3% 1955-55	100⅛	2.88	2.99	100-0
3% 1957	98½	—	3.40	98½
3% 1958	98½	—	3.36	98½
3½% 1959-61	96	3.75	3.59	95⅝
3½% 1964	92⅛	—	3.79	92⅛
3½% 1963-65	92⅛	3.92	3.85	92⅛
3½% 1966-68	90⅛	3.95	3.85	90⅛
3½% 1970-75	86⅛	4.11	3.93	86½
3½% 1986 Con. Loan	82½	—	3.61	83⅛
4% 1954-59*	100⅛	3.37	3.46	100½
4% 1960-70	101½	3.77	3.86	101⅛
4½% 1955-60	103½	3.11	3.96	103½
4½% 1958-68*	105½	3.30	4.01	105½

BRITISH GOVERNMENT SECURITIES	22-1-53 £	High £	Low £	28-1-53 £
2½% Brit. Consols	59	59⅛	59	59⅛
3 ½ Savings Bonds 1965-75	83⅛	83⅛	83⅛	83⅛
3 % War Loan 1955-59	100⅛	100⅛	100⅛	100⅛
3½% War Loan 1952	78⅛	78⅛	78⅛	78⅛
3½% Brit. Iron and Steel 1979-81	87⅛	88	87⅛	87⅛
4 % Funding Loan 1960-90	98⅛	99	98⅛	98⅛

xd: Ex-dividend. cd: Cum-dividend.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake

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KHADI ECONOMICS

THE inaugural meeting of the All-India Khadi and Village Industries Board, which was held in New Delhi this week, found the Government spokesmen in one of those expansive moods in which they permit themselves to express some inconsequential inanities. In his message to the meeting, the Union President, Dr. Rajendra Prasad, described the hand-spinning and hand-weaving industry as the "miraculous fountain from which flowed the river of gold and silver" into this country for centuries until it was ruined by alien rulers. Mr. Krishnamachari, Union Minister for Commerce and Industry, said that "Khadi and work in regard to Khadi" will have to be there for a "long time to come in this country." Mr. Jawaharlal Nehru, Prime Minister of India, was emphatic that the *charkha* had "tremendous potentialities" as a weapon with which to fight unemployment.

In the past, many extravagant claims, such as those that were made at the meeting of the Board, have been made for Khaddar. So long as it was a political symbol, associated with the name of the trusted leader of the country, Mahatma Gandhi, few, however, ever cared to examine too minutely the economics of this cloth. But then, the very fervour with which Khaddar is now being defended by Government spokesmen shows that it requires all the external aid which the Government can give it to enable it to commend itself to the public. But it is doubtful whether with all this support Khaddar will be able to survive for long. Already, it is fighting a losing battle. And the day may not be far off when it will be regarded as an anachronistic survival, sustained by only a few sentimentalists and blind followers of Mahatma Gandhi. Clearly, it was unnecessary for the Government to dig up the old arguments in its favour which no longer hold good and to dress them anew for the solemn occasion of the inaugural ceremony of the Khadi Board.

None of the arguments referred to above will stand the test of economic logic. There is, however, one argument which deserves to be countered, because it has a semblance of reason to commend it. Khadi, it is asserted, gives employment to people. In a sense, this is true. But then, if the provision of employment—and employment, at any cost—is the sole aim of the Government, it might just as well ask the whole country to go back to the days of the bullock cart when there were no means of power locomotion. The use of machinery for any purpose or in any form leads to displacement of labour. So why use machinery at all? Elimination of the use of machinery will certainly provide plenty of scope for employment. Only, it would be a monstrous distortion of the principle of full employment. Employment means—at least, ought to mean—productive and efficient employment and the goods produced by such effort should be cheap and durable. By no stretch of logic could Khaddar production be included under this category. Its production involves an extravagant waste of human energy.

The price of Khaddar is simply beyond the means of the common man, despite the fact that its production is exempt from the many duties, taxes and special imposts to which the mill cloth is subjected. Its finish is poor and unsatisfactory to all, except perhaps to ascetics. And in durability, it is very much inferior to mill-made cloth; in fact, it requires to be replaced more often than mill-made or handloom cloth. Accordingly, even if it is conceded, for argument's sake, that some great social advantage is to be gained through the propagation of Khaddar, there is little doubt that it will not be preferred by the vast majority of the people of this country. There is enough evidence to show that the rural folk will have none of it. The National Sample Survey, for instance, reveals that, in rural areas, Khaddar accounts for no more than 2.81 per cent. of the total expenditure on cloth. The urban citizens, already suffering from high costs of living, cannot certainly be induced to prefer Khaddar to mill cloth, even though, in the past, a sizeable percentage of them used to patronise Khaddar in their zeal for achieving freedom from alien rule. These are simple facts which should be obvious even to a layman with some common sense. It is, therefore, difficult to believe that the top-ranking leaders who are in charge of the administration are so innocent and ignorant as not to realise them. Yet, if they still choose to propagate production of Khaddar, as though it could be made a commercially economic proposition, and decide to spend large sums as subsidy at a heavy cost to the consumer, one is forced to draw the irresistible conclusion that they have not the courage of their conviction.

If the Government's policy towards Khadi were only an isolated instance of indulgence in antediluvian economics, it would be less tragic. But it seems to be part of a wider confusion in policy-making. Strenuous attempts are being made to put the clock of economic progress backwards. The handloom industry is being subsidised at the expense of the mill industry, and the *ghani* industry at the expense of the oil-crushing industry. In every country, the Government creates the right climate in which the efficient producer may come on top. But in this country, the efficient producer is penalised for being efficient. There is a naive assumption that all this will promote employment. And yet, the Government, which swears by employment standards, is steadily closing the avenues of employment through nationalisation of transport, through controls over commodities and through attempts at State trading. Nor does the Government seem to be certain that it must aid the small men in trade and industry. Mr. Nehru declared the other day that he had no sympathy for the small industries which were dotted all over the country. Further, the Government is very slow and slipshod in implementing schemes which it has drawn up for providing employment and increasing production. In Uttar Pradesh, Bihar and the Punjab (I), for instance, we are told that over 500 tube wells out of a total of 965 in the first tube-well scheme have been sunk. But, surprisingly enough, only 33 of these have been energised, the rest remaining unused and probably deteriorating due to silting. The reason for this deplorable state of affairs is that the other steps for the utilisation of these wells, such as acquiring of land for transmission lines and power houses, are being taken slowly and in a leisurely fashion. What a waste of resources, time and manpower!

While the Government is thus not alert and energetic in regard to the implementation of measures which are sure to increase the fruitful sources of employment, it is wasting its time and resources in evolving policies and making pronouncements of dubious value. It is not yet clear, for instance, whether the Government stands for cottage industries, small-scale industries, or for big industries. It has so far succeeded in creating the impression that it is everything to everybody. Its industrial policy, despite many statements and reports, lacks clarity: it is neither fish nor fowl nor good red herring. And this certainly does not augur well for the country's economic future.

STERLING STRONG

THE strength of the pound sterling in recent weeks has been remarkable. There has been a steady improvement in the spot rate of exchange both in London and New York, since the conclusion of the Commonwealth Economic Conference in London in November last. From the beginning of November till the third week of December, the spot rate ruled quite steady at about $2.80. But, ever since the beginning of the New Year, it has been gradually edging forward and, after being held steady in the neighbourhood of $2.81⅝ by the Exchange Equalisation Fund last week, it touched the upper gold point of $2.82 yesterday, that is, the level at which the Bank of England is under an obligation to buy all dollars offered to it for sterling. What is remarkable about this is that the ceiling has been touched, despite the widespread belief that the Exchange Equalisation Fund intervened in the market last week and bid for dollars at slightly below the upper point. This means that the demand for sterling against dollars has been stronger than that expected by the authorities.

The improvement has not been confined to spot sterling alone but has extended to the various types of cheap sterling also. The rate for transferable sterling, for instance, which stood at $2.44 at the beginning of 1952 and which had gone down to $2.40 a year ago, has steadily risen to $2.68½. It is true that, early in January, this sterling was bid up to as high as $2.73½ and that, since then, there has been a fall in it. But this slight decline does not, in any way, run counter to the strength of spot sterling, for it only reflects the narrowing down of the scope for the use of transferable sterling by the would-be commodity-shunters in Europe. The point that needs

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to be noted here is that the discount on transferable sterling is only about 4 per cent, which is not large enough for the Continental operators to make commodity shunting a paying proposition. Another form of cheap sterling supply, security sterling, has made an even more striking recovery, the rate for it having risen from $2.34 a year ago to $2.63½.

The improvement as noted above reflects the complete return of confidence in sterling among the Continental and American operators. A part of the rise may have been due to bear covering. But a good part of it must be attributed to a distinct improvement in Britain's balance of payments position. A few days ago, Mr. R. A. Butler, Chancellor of the Exchequer, confidently stated at Leeds that there was good reason to hope that, in the second half of 1952, Britain had achieved a balance in its current account not only with the rest of the sterling area but also with the non-sterling area as a whole, and that too, after excluding American aid. This is an achievement of which Britain can justly feel proud, considering the serious crisis that faced it this time last year. Two factors have helped Britain to establish this record. One was the effective cut in imports and the other a substantial improvement in the terms of trade, especially in Britain's trade with the non-sterling world. An interesting point that deserves to be noted, in this connection, is that, whereas the principal dollar area commodities have been experiencing a slump in recent months, the sterling area commodities such as wool, rubber, tin, cocoa and tea, that are exported to the dollar area, have staged a slight recovery since the last quarter of 1952.

While the strength of sterling reflects a fundamental improvement in Britain's foreign trade position, there are quite a few other causes for the continued firmness of this currency. One is the seasonal factor. Usually, at this time of year, there is heavy demand for sterling to cover purchases of the sterling area commodities. Another is the relaxation of economic controls and the reopening of some of the commodity and metal exchanges, both of which have helped London to regain a part of its pre-war importance as a great Clearing House for Europe's foreign trade. This has led to greater "usability" of sterling, to use the phrase of the Midland Bank's Chairman, which marks a stage further to complete convertibility. This point has been very convincingly brought out by Dr. Per Jacobson, the well-known Swedish economist who regularly contributes to the *Quarterly Review* of the Skandinaviska Banken. He observes that, in the pre-war years, sterling used to be held by foreigners not primarily as a means of obtaining dollars of gold, but as a means of buying commodities in London and sterling area markets. Now that the British commodity markets are opening again, he says, "it may well happen that, through the functioning of these markets, sterling will almost imperceptibly attain a position in which it becomes *de facto* convertible."

A third reason for the strength of sterling is the growing belief that the sterling area will be greatly helped by the U.S. and the World Bank in its efforts at increasing production of raw materials and finished goods which will reduce the dependence of this area on dollar imports. The World Bank's two recent loans to India, aggregating 51 million dollars, for the development of the iron and steel industry and power and irrigation developments, are instances which support this view. The World Bank is also reported to be interested in providing funds for the development of railways in Northern Rhodesia which will help Britain to implement its plan for exploiting the large mining resources of copper, cobalt and chrome. And, finally, the fourth factor contributing to the advance in sterling-dollar exchange rate is the substantial increase of $132 million during January, 1953 in the sterling area's gold and dollar reserves, bringing the total reserves to $1,978 million. Of the increase registered last month—the largest gain for any month in 1952—defence aid from the U.S. accounted for $44 million and gold receipts from the E.P.U. for $48 million, leaving a net addition of $40 million as the result of trade surplus with the dollar area. Although it looks as though this favourable trend will continue in the coming months also, the position is still not comfortable enough for restoring free convertibility to sterling. For, even if the present level of reserves were to double itself in the course of this year, it would still be not far above the level that prevailed just before the Korean war. Accordingly, convertibility can be attempted only if some clear understanding is reached with the U.S. on the role which it will have to play as the world's biggest creditor country.

INDIAN SPICES INDUSTRY

THE emergence of pepper as an important dollar earner in the post-war period seems to have opened the eyes of the Central Government to the importance of the spices industry in the West Coast to the economy of this country. This is evident from the appointment of the Cash Crop (Spices) Committee, now familiarly known as the Spices Enquiry Committee. The object of this Committee is to examine the problems of rationalisation of cultivation and trade and to devise means for augmenting production, improving market practices, enforcing quality control and regulating the trade in such small plantation crops as pepper, cashewnuts, lemongrass, ginger, and cardamom. The Committee, headed by Mr. K. R. Damle, Vice-Chairman of the Indian Council of Agricultural Research, has finished its tour of Travancore-Cochin, Coorg, Mysore and Madras States and has now reached almost the concluding stages of the task allotted to it. Its report to the Government of India is expected to be submitted by about the end of March next. The findings and the recommendations of this Committee are being eagerly awaited by the interests concerned, especially because for some months now these industries have been passing through lean days. The recommendations of the Committee will also be of some interest to the country in general, inasmuch as these crops are one of India's best dollar earners.

The cash crops of Malabar, namely, pepper, cardamom, cashewnuts, ginger, turmeric and lemongrass are among the chief sources of livelihood for the bulk of the rural population in the West Coast of the Peninsula. Unfortunately, like their confreres in other agricultural areas of the country, the growers of spices too are not organised. Cultivation is still being carried on on primitive lines, and the small uneconomic plots hardly lend themselves to the adoption of extensive as well as intensive cultivation necessary for improving the crop. The quality is generally poor and the yield is comparatively too low to make cultivation a gainful occupation. As in other areas, the spice cultivators in the West Coast are handicapped by want of finance which, in turn, forces them into the hands of middlemen who generally reap the advantage of high prices. Despite these handicaps, two of these crops, namely, pepper and cashewnuts, have been able to figure prominently in India's export trade in post-war years.

At present India and Indonesia are the only two countries supplying these cash crops, particularly pepper and cashewnuts, to the world markets. An idea of India's place in these markets can be had from the fact that, of the total demand for 60,000 tons of the two crops, as much as 40,000 tons, or two-thirds of the total, are accounted for by India. In fact, in the season 1950-51 (November to October), Indian exports of pepper reached the peak of over 320,000 cwts. valued at nearly Rs. 24 crores. In the following season, that is, 1951-52, however, the exports declined to 270,000 cwts. valued at about Rs. 19 crores. This decline is attributed to both poor quality and competition from Indonesia. In the case of cashewnuts, on the contrary, the export position appears to be encouraging, but it is capable of further expansion. Both in volume and in value, cashewnut exports have shown a steady improvement during the past three seasons. Thus, from 23,000 tons valued at Rs. 7.21 crores in 1949-50, the exports rose to 24,000 tons worth Rs. 9.54 crores in 1950-51 and to 25,000 tons valued at Rs. 11.45 crores in 1951-52. In spite of this increase, the demand for cashewnuts in the world markets remained unsatiated.

Lack of complete statistics of the cash crops of the West Coast prevents a precise assessment of the contribution of these crops to the wealth of the area. Of course, official figures are available in the *Agricultural Situation in India*, but such relate only to the production of black pepper and ginger. The output of the latter in 1951-52, estimated at 15,000 tons, is the same as in the previous year, suggesting thereby no improvement in production. With regard to pepper, however, there is wide disparity between the official figures and trade estimates. While the former place the production of pepper at about 30,000 tons this season, trade estimates of it vary between 18,000 and 24,000 tons. For other cash crops such as cashewnuts, lemongrass, etc., no reliable figures for the country as a whole are available. However, the figures for the six districts of Madras, namely, Malabar, South Kanara, Salem, Coimbatore, Nilgiris and North Arcot, furnished to the Spice Enquiry Committee, will give an idea of the production of these commodities. According to the Malabar Chamber of Commerce, the annual production of pepper is 8,000 to 10,000 tons, ginger 4,000 tons, cashewnuts 23,000 tons, lemongrass 80 tons, cardamom 100 tons, and turmeric 15,500 tons. These figures exclude the output in the other States, namely, Coorg, Mysore, and Travancore-Cochin. In view of the incomplete nature of statistics, it is hardly possible to evolve the right kind of policies. Consequently, one of the chief problems to be solved by the Spices Enquiry Committee is to suggest measures for the collection of correct data regarding spices in India.

The primary task before the Spices Enquiry Committee, however, is to recommend measures necessary for increasing the production of the West Coast cash crops. As already stated, there is a large demand for these crops, as also for some of their by-products, both from internal and external markets. Although exports of pepper from Indonesia have tended to improve, they are still far below their pre-war volume and with political and economic conditions in that country still not being normal, the prospects are that Indian pepper will be in good demand and that India can easily manage to retain the place it has won in recent years, provided steps are taken to improve the quality and quantity of pepper. Cashewnuts too can hope to sustain the mark it has attained in the export trade of India. But this also requires an increase in supplies. Not only the domestic production needs to be increased but also the facilities for processing the nuts imported from Africa for re-export. Lemongrass, a valuable raw material for perfumery and aromatic industry, is grown widely in Malabar, Travancore-Cochin and in South Kanara, but the prices now prevailing are so low that they are below the cost of production. In order to make this crop remunerative, its cultivation on scientific lines has to be encouraged. Cardamom, besides being an important spice for domestic consumption, is a raw material for the essential oils industry, with considerable export demand. As regards ginger, the country is in an ironical position. It is importing ginger oil and oyleo resin ginger for preparing ginger beer out of extracts from ginger exported from India to foreign countries. There is no reason why this state of affairs should not be ended, by encouraging the manufacture of these by-products within the country. There is also considerable scope for the distillation of essential oil from rejected pepper berries which contain all the qualities of pepper. As the development of all these essential oils industries in the area depends to a large extent on the quality and quantity of these crops, there is every need to see to it that they are cultivated on scientific methods of agriculture. Even otherwise, there is no reason why efforts should not be concentrated on securing better and more production, as it will mean a more remunerative return to those who are engaged in it.

The consensus of opinion among those interested in the West Coast cash crops favours the establishment of a Spices Board on the lines of the Indian Coffee Board. The economic importance of the crops underlines the need for some such organisation to look after their interests and the appointment of a Spices Board answers this need. To this Board can be entrusted the work of bringing about an increase in production and improvement in the quality of these crops. There is plenty of land now lying fallow in the West Coast. It is stated that about 28,000 acres of abandoned coffee area could be conveniently utilised for cultivation of pepper. In other words, the increase in acreage for spices will hardly interfere with production of food crops. Besides, bunding and terracing of land on hills can be of much help in augmenting the acreage under spices. Production on these lands can be improved by adopting methods of intensive cultivation such as selective manuring, growing of good vines, and preventing the incidence of pests and diseases, which are by no means a few, by encouraging the use of pest-resisting seeds.

Frequent booms and depressions have been the bane of the trade in spices. Prices have violently fluctuated, causing a good deal of harm to the grower. Several illegal trade practices have been responsible for these unhealthy oscillations in values. Such can be brought under control by bringing the commodities under the Madras Commercial Crops Act which has considerably assisted growers in getting the benefit of higher prices. A Marketing Committee should be set up under the supervision of the proposed Board, in order to improve marketing facilities and to eliminate undesirable practices such as adulteration, underweight, etc. The proposed Spices Board can also organise research on cultivation of spices and arrange for timely financial assistance through co-operatives and State *taccavi* loans. Given these facilities, one can look forward to a substantial increase in the value of the spices industry to the country's economy.

IKE SCARES BEARS IN MARKETS

TWO MILL DIVIDENDS—FUNCTIONS OF STOCK EXCHANGE—FUTURE OF LIVERPOOL COTTON TRADE

THURSDAY, 5 P.M.

MARKET GOSSIP

THE credit for ending the stalemate on the stock exchanges goes to the U.S. President, Mr. Eisenhower, whose pronouncements on Formosa and the Far East, in the course of his State of the Union message, have revived the war scare not only in this country but also in many others. More than the stock exchanges, it is the other markets which have reacted sharply and perceptibly to Mr. Eisenhower's speech. The bulls in bullion derived considerable inspiration from this speech and made a determined attempt to exploit the technical position of the market to their advantage. Mr. Eisenhower may or may not have scared the Russian bear and its companion in China, but there is no doubt that he has scared the bears in the bullion market. The bears in the other markets also are on the defensive and playing for safety. The talk of peace by the Chinese Prime Minister shortly after Ike's statement has made some of the bulls to pause a little, but, as there is no indication that he really means peace, the general feeling is that chances of the cold war turning out a bit warm are still there. Consequently, the bullish fervour persists in almost all the markets.

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Despite the excitement created by Mr. Eisenhower's statement, some of the market-men have been careful enough not to ignore the significant remarks of Mr. C. D. Deshmukh at Hyderabad early this week. In the course of an interview to the Press, the Finance Minister indicated that the revised estimates for the current year may show a deficit of Rs. 74 to Rs. 75 crores and stated that revenue receipts were falling everywhere and that even railways were now earning very much less than expected. His observations on the state of the capital market, interest rates, money circulation and price levels suggested that he was trying to reconcile himself to the necessity of having to resort to deficit financing on a larger scale than envisaged in the Five-year Plan. It looked as though he was preparing the public to face such a prospect. Thus, he is reported to have stated: "There is, perhaps, a certain amount of deflation at the moment. It is not apparent over all sectors of national activity, but it is sufficient to affect the success of loan flotations. The only remedy is expenditure on development." Proceeding, he is said to have remarked that conditions would not be the same this year as last year and that next year "we may be able to put more money into circulation and, perhaps, there will be more money for floating loans." If these remarks mean anything, it is that, by next year, the little deflation that we see now will disappear and that there will be inflation again. In other words, prices will go up again. These hints of Mr. Deshmukh have also been responsible for the buoyancy of markets, especially of the bullion and commodity markets, and it looks as though speculators will have pushed up the prices even before Mr. Deshmukh's deficit financing begins to have its effect. Look at what is happening in sugar. The pity of it is that the Government itself is greatly responsible for the high level of prices by keeping back more than 500,000 tons of sugar from the markets, which in turn is accentuating artificial scarcity of sugar in certain parts of the country.

* * * *

The Brady Group cotton mills have always had the distinction of being the first among the Bombay mills to announce their dividend results. True to this tradition, the Directors of New Great and New City decided, at their meeting held today, on the dividends for 1952 which they would recommend at the forthcoming annual meetings of these companies. The ordinary shareholders of both the companies will get, according to the Directors' proposal, a dividend of Rs. 10 per share (of Rs. 100 each). As compared with the dividends for 1951, this represents a fall of Rs. 2-8 per share for the shareholders of New Great and Rs. 5 per share for those of New City. In terms of percentage, the decline is 20 in the case of New Great and 33⅓ in the case of New City. A comparison with the previous dividend records of these companies shows that, in the case of New Great, the proposed dividend is the same as that paid for 1949 and 1950, while, in the case of New City, it is the lowest since 1948, as will be seen from the following figures:

	(Per share of Rs. 100 each)	
	New Great	*New City*
	Rs. a.	Rs. a.
1947	10 0	10 0
1948	8 1*	11 0
1949	10 0	11 0
1950	10 0	12 8
1951	12 8	15 0
1952	10 0	10 0

* Capital was doubled in this year by the issue of bonus shares and the dividend for this year and subsequent years are on the increased capital.

* * *

The reduction in the dividends of these two companies could hardly be regarded as surprising, considering the heavy losses suffered by the industry consequent on the slump in March-April, 1952, as well as in September of the same year. In fact, if there is anything surprising about it at all, it is that the cut in dividend is not as sharp as was expected. Our own information is that it would have been so, had the Directors decided to base the dividends on the actual profit earned by the companies. It is understood that the profits of New Great and New City have sustained a shrinkage of no less than 55 per cent. and 68 per cent., respectively. If, in spite of such a big recession in profit, they have made only a modest reduction in dividend, it is obvious that they must have drawn from the undistributed surplus of the previous years. They may have done this either by a straight withdrawal from the reserves or by crediting the refund of E.P.T. to the appropriation account. When the full statements of accounts of these companies are published, we will know what exactly they have done.

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News about the Brady group dividends, referred to above, has, however, had no effect on the textile section of the Stock Exchange. The value of New City has remained unchanged, evidently because these shares are well held. New Great has lost Rs. 2-8, from Rs. 157, the rate prevailing just before the dividend was known to the market, to Rs. 154-8, the day's closing rate. As regards other textile shares, the trend has actually been upward. Apart from the general improvement in the tone of the market engendered by fears of the extension of the Korean war to other countries in South-East Asia, the chief reason for the spurt in textile shares is the encouraging report about the trend of the cloth market. It is stated that the offtake of cloth is gradually improving and that the current prices of cloth and yarn offer a fairly reasonable margin of profit. Export enquiries from Australia, New Zealand, Burma, and some of the Middle East countries, it is further stated, have revived. Market circles, are of the view that the possibility of lower dividends by mills for 1952 has already been discounted and that the market is now looking ahead.

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Occasionally, one hears it suggested in this country that a stock exchange serves no social purpose and that it is only a gamblers' den. Although there can be no arguing with those who will not only refuse to be convinced but will regard their ignorance of financial institutions as a virtue in itself, a clear account of the major functions of a stock exchange is available for disinterested students in the address, which Mr. John Braithwaite, Chairman of the London Stock Exchange, delivered in London. Being the Chairman of the foremost of the world's stock exchanges and also the oldest—the London Stock Exchange, on which 10,000 different securities of the value of £25.000 million are quoted, had several years of unorganised existence before it occupied its present site in Throngmorton Street, in 1801—Mr. Braithwaite is certainly well qualified to speak with authority on the immensely beneficial role which an institution, such as the stock exchange, plays in the national economy. Referring to the London Stock Exchange, Mr. Braithwaite said that its chief functions were: (1) to provide a market and market facilities for keeping in efficient circulation the great mass of existing securities; (2) to provide facilities and assistance in the raising of fresh capital for Government and industry; and (3) to assist the assessment and the collection of Estate Duty. Now, all these functions do serve a social purpose. If there were no marketability for shares, people would not risk their savings by investing them in shares. The stock exchange, as Mr. Braithwaite said, is a very big part of the machinery through which the public provided new capital. Again even the socialist agitators against stock exchanges must realise that the State would find it extremely difficult to collect Estate Duty, if there were no stock exchanges. It is the official list of quotations that provides an index for the valuation of estates. The stock exchange provides the market through which the estate could be liquidated and the money raised to pay the duties. Thus, if governments find it easy to wield the great weapon, the Estate Duty, it is because there is a stock market where investments could be assessed and sold, if necessary.

* * * *

Will the Liverpool cotton market be reopened? The recent decision of the Association to admit private limited liability companies to full trading membership of the Association has raised the hope that this Association, closed for over a decade now, may re-open for trading. In a circular addressed to the members, the Directors of the Association said: "The first step should be taken now as a matter of urgency to give potential new trading members time to reorganise their affairs in readiness for a possible reopening of the futures market, which, in rapidly changing world conditions, might come with unexpected suddenness." The Directors have now followed up this circular letter by getting the members agree to their proposal to admit limited liability companies to membership of the Association. The importance of this change will be clear when it is realised that the Association has, in the past, limited its membership to partnerships. This restriction was intended to ensure personal financial responsibility for business transacted in the market. But it is now felt that, unless the Association has a broader financial base, it cannot possibly work a futures market successfully enough. Individual traders, who were the backbone of the futures trade in cotton, have now either left the trade or are too poor to take up personal financial responsibility. Also, cotton is now a much dearer commodity than it was in pre-war years and trading in cotton, therefore, demands larger financial resources than in the past. These two factors explain the change that has been effected in the Constitution of the Association—the change, which now permits limited liability companies to become its members. Another change, which has been effected, is the one which relates to settlements. There will be daily settlements, in contrast with the weekly settlements which prevailed in pre-war years. This change, it is believed, will provide the necessary safeguard to replace the former personal responsibility.

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Liverpool, it may be recalled, was one of the vertices of the cotton triangle in pre-war years; the other two being New York in the West and Bombay in the East. The New York cotton market has, despite frequent interruptions, continued to function through the war and post-war years. The Bombay cotton market had a chequered career during this period but was finally re-opened early this year. The Liverpool cotton market, closed since 1942, is the only important cotton market of the pre-war years, which has not yet been re-opened. Although cotton has remained a controlled commodity in the U.K. for over a decade now, many steps have been taken to give greater freedom for trading in that commodity. Last year, spinners were allowed to make their own arrangements for importing their cotton requirements; they were allowed to "opt out" of the Raw Cotton Commission. Free imports of cotton were permitted in September, 1952. Now, the users of about 30 per cent. of the cotton requirements of the British textile mills have exercised their right to make their own arrangements for the import of cotton. And it is now confidently predicted that more and more spinners will leave the tender fold of the R.C.C. Early this year, the Government followed up its earlier measures, designed to give freedom to cotton trade, by announcing that private merchants would be permitted to build up reserve supplies of non-sterling cotton for contracting-out spinners. Thus, the trend is towards gradual decontrol of cotton. Judging by this trend and also by the more general desire of the present British Government to restore freedom to trade and industry, it seems as though it will not be long before the Liverpool cotton market begins functioning. The one factor, which, however, seems to deter the British Government from agreeing straightaway to this starting of a futures market in cotton, is the fact that for the U.K., as for many other cotton-consuming countries, cotton is primarily a dollar commodity. Any large imports of cotton will constitute a serious threat to the country's dollar reserves. If sterling gathers more strength—or the dollar becomes less scarce than now—the Government will be in a much better position to take a favourable decision on this question of the resumption of forward trading in the Liverpool cotton market.

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Brazil is now desperately trying to find buyers for its cotton stocks. Although no precise figures of the stocks which that country's cotton marketing authority, the Bank of Brazil, holds are known, it is estimated that the Bank has over 400,000 bales of unsold 1951-52 cotton. Another 1,600,000 bales are anticipated from the current crop. The Bank has advertised its readiness to sell abroad supplies of the 1951-52 cotton crop. In London, it has advertised in the Press inviting tenders for the purchase of cotton. Last year, the U.K. took only 2,500 bales of Brazilian cotton, as against 300,000 bales in 1951. It was reported recently that Brazil was negotiating for a barter deal with the U.K. for the supply of aircraft against its own cotton. From recent reports, it would appear that the barter deal has not yet been concluded. The quantity of cotton involved in this deal is only 80,000 bales, so that, even if the deal were concluded, it would still leave Brazil with sizable stocks to dispose of. The chief difficulty with Brazilian cotton is its price. The cotton held by the Bank has been quoted at prices some 50-60 per cent. above world parity. Brazil's customers paid high prices so long as there was a world scarcity in cotton supplies. But now, the world supply position has improved. Among others, Pakistan and Turkey have large stocks to dispose of. It is, therefore, unlikely that Brazil will be able to realise any premium over world parity levels, even if its advertisement for tenders finds an adequate response from British cotton merchants. Pakistan too is trying to arrange barter deals for disposing of its huge cotton stocks, but these too will not succeed, since everyone knows the desperate position in which it finds itself to-day. Feelers are being sent across the borders to India and reports of a trade agreement are in the air. India should not fall a victim again to the manœuvres of the Pakistan Government. The Indian Government should keep aloof and allow the trade between the two countries to take place in the normal course; and there is no doubt that it will take place when conditions for it become favourable. There is, in any case, no great urgency for India to enter into a trade agreement with Pakistan.

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Men engaged in India's foreign trade and others abroad, who have business relations with India, will be delighted to learn that Indian insurers are now providing better facilities—and that, over a wider area—than formerly. Because foreign business, transacted by Indian insurers, constitutes an important part of invisible earnings which accrue to this country, any attempt made by the insurers to develop this business deserves to be welcomed. It is, of course, essential that only the best organised among our insurers should be allowed to go abroad, if they are to fulfil their role as the unofficial ambassadors of this country. If an Indian concern failed abroad, it would give a serious setback to our country's commercial reputation. From this point of view, it is, perhaps, just as well that it is the leading Indian insurer, the New India, that has ventured into foreign fields, formerly unknown to Indian insurers. Addressing its last annual meeting, the Company's Chairman, Mr. A. D. Shroff, said: "I am happy to inform you that the response for New India in all the countries where we have entered has been most encouraging." It is learned that Mr. Shroff, who is on a business tour of the Eastern and Far Eastern countries will inspect the business operations of the Company. It is further learned that the management will soon widen its present network of foreign branches and agencies by opening new branches in Germany and Italy and by placing its present services in Indonesia on a firmer basis.

STOCK EXCHANGE ACTIVE

SPURT IN IMPERIALS TEXTILES FIRM

(From Our Own Correspondents)

BOMBAY, *5th February*

THE three-week old spell of listlessness on the Stock Exchange was thrown off during the week under review which was shorter by two sessions when the market did not function. Thus, on Friday the 30th January, it observed the death anniversary of Mahatma Gandhi, and Saturday, being the day following the fortnightly settlement, it remained closed. In the remaining sessions the market displayed a buoyant tone under the stimulus of several helpful influences. The chief bullish factor was the fear of a possible war, as indicated by President Eisenhower's dramatic announcement that he was ordering the withdrawal of the U.S. Seventh Fleet from Formosa and that he would denounce the Yalta Pact. Besides, bright prospects of an early trade agreement between India and Pakistan resulting in exchange of Indian cotton textiles and coal for Pakistani jute and cotton also aided the bullish sentiment. Good enquiries for textile shares on reports of substantial improvement in offtake and from some foreign countries imparted additional strength to the market. Bulls lending fresh support and bears coming in to cover their sales, a fairly brisk trading set in and equities advanced smartly over a wide front. Advices from Calcutta that the market at that centre was also responding favourably fanned the enthusiasm of speculators.

There was, however, no spectacular and unhesitating advance, as at high levels profit-taking set in to prune the top values. This was more in evidence in the course of to-day's trading because of the new cease-fire move in Korea, proposed this time by the Chinese Prime Minister. Equities, therefore, finished the week below the best levels of the week. Nonetheless, the list recorded fairly useful gains on balance.

In the steel section, Tata Deferreds opened the new account on Monday with a striking advance from Rs. 1,687-8 to Rs. 1,701-4 on rumours about a favourable conversion ratio. Further headway was made to Rs. 1,720 on short-covering and fresh support. After softening again to Rs. 1,712-8, the scrips gained fresh ground to Rs. 1,735 yesterday. But to-day they chose to close quiet at Rs. 1,725. Tata Ordinaries gained strength from Rs. 299-8 to Rs. 305 before finishing at Rs. 303-8. Indian Irons firmed up from Rs. 23-1¼ to Rs. 24-9, but shed part of the gain to close at Rs. 24-4.

Textile shares formed the most conspicuous section with spirited advances in active trading. Bombay Dyeings exhibited considerable cheerfulness with a rise from Rs. 358-2 to Rs. 373-12, before closing at Rs. 369-6. Kohinoors provided the best feature, having been concerned in some fresh buying orders and spurted from Rs. 271-4 to Rs. 284-8, but closed at Rs. 283. Century appreciated by Rs. 6-4 to Rs. 252, Central Indias by Rs. 3-8 to Rs. 147-8, Finlays by Rs. 5 to Rs. 292 and Gokaks by Rs. 4-8 to Rs. 204-8. Simplex gained Rs. 2-4 to Rs. 176, but Standards were more prominent with a gain of Rs. 11-4 to Rs. 275, as also Svadeshis which rallied from Rs. 229-8 to Rs. 239. New Greats, after being done up to Rs. 157, closed at Rs. 153-8, with a gain of Rs. 3 over the week. Indore Malwas gathered Re. 1-4 to Rs. 88-12, Tata Mills Re. 1-8 to Rs. 45-12. New Citys were, however, dormant at Rs. 175. Sholapurs which came into the limelight last week met with some profit-taking and shed Rs. 45 to Rs. 1,650. Favourable reports that the art silk mills had been able to clear off their accumulated stock gave fresh life to Sassoon Silks which hardened by Re. 1 to Rs. 22-8.

The spotlight in the bank section was provided by Imperial Banks, which strengthened on revival of rumours about issue of bonus shares. As a consequence, the Fully Paid scrips at one time touched a high of Rs. 1,860 yesterday, as against the previous week's closing of Rs. 1,735, but reacted to Rs. 1,812-8. The Contributories rallied from Rs. 423-12 to Rs. 461-4, but finished lower at Rs. 453-12. Centrals (Old) recorded a gain of Re. 1 to Rs. 64-8 and the New shares Re. 1-4 to Rs. 68. Bank of Indias disclosed no change at Rs. 155, as also Barodas at Rs. 116. United Commercials gained As. 4 to Rs. 34-4.

In the insurance section, the upward trend in Orientals noted in the last two weeks gathered considerable momentum this week with a further rise of Rs. 290 to Rs. 6,000. New Indias were better by As. 4 at Rs. 40-8. British India Generals were steady at Rs. 13-4. Jupiters were quiet at Rs. 7-2.

Sustained investment support to select scrips was a feature of the electric shares. Ahmedabad Electrics were well favoured and they rose by Re. 1-6 to Rs. 114-6, Andhra Valleys hardened from Rs. 1,392-8 to Rs. 1,396-4, Tata Hydros from Rs. 146 to Rs. 148-4 and Tata Powers from Rs. 1,482-8 to Rs. 1,491-4. Bombay Suburbans moved ahead from Rs. 121-14 to Rs. 124-6 and Surat Electrics from Rs. 118-2 to Rs. 119-6.

Miscellaneous industrials also participated in the general buoyancy with fair gains all round. Alcocks put on Rs. 6-4 to Rs. 297-8, Associated Cements Rs. 2-8 to Rs. 169-8, Belapurs Rs. 2-8 to Rs. 218 and Bombay Burmahs Rs. 6-4 to Rs. 370. B.I.C.'s gathered As. 3 to Rs. 9-8, Indian Coppers As. 1½ to Rs. 3-3½ and Premier Constructions Rs. 2-8 to Rs. 84-8. Shivrajpurs were taken up from Rs. 52 to Rs. 54-8. Tata Chemicals changed hands higher at Rs. 9-5, as against Rs. 8-13½, and Tata Oils looked up from Rs. 32-8 to Rs. 33. Wimcos were bid Rs. 5 higher at Rs. 220.

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Calcutta Stock Exchange

CALCUTTA, 4*th February*

Trading during Saturday and the last two days on the Calcutta Stock Exchange presented a cheerful appearance, and although the volume of transactions was limited, gains recorded, especially yesterday, wiped out the losses witnessed on Wednesday and Thursday last. In some cases, yesterday's quotations were the highest for the week. Friday was observed as a holiday in view of the lunar eclipse. One of the major incentives for the change in sentiment would appear to be fears of a possible war following the withdrawal of the American fleet from the Formosan waters.

Anticipations of a revision in the export duties on jute goods were reflected in a slight rise in jute shares. The improvement was however, not very pronounced, as operators were cautious in buying. Even if the national exchequer were to take a decision to revise the duty on sacking or hessian or both, an immediate announcement to that effect is overruled since, with the Budget so near, the Finance Minister would naturally like to include any such announcement in his budget speech to Parliament on 27th February.

The Government of India's decision to extend the free licensing period for export of cotton piecegoods up to the end of June caused a mild upward trend in the textile section. Business was sought in Elgin Mills up to Rs. 17-2, and Muir Mills held firm ground at Rs. 215. New Victorias realised Re. 1-4, but Cawnpores were easy at Rs. 8.

A feature in coals was the jump in Bengals to Rs. 520 from Rs. 305. Burrakurs, which had earlier been smashed to Rs. 10-1, gradually rose to Rs. 10-10 during the last three sessions.

Yesterday proved to be a hectic day for jutes, and a good number of shares changed hands at advancing rates. The gains in comparison with the previous easiness should be described as modest. Speculative Howrahs closed yesterday at Rs. 23-8, showing a gain of Re. 1-4 during the week. Anglo-Indias had buyers at the higher rate of Rs. 226 as against Rs. 214 earlier, while Barnagores were rushed to Rs. 158 from Rs. 149. Dalhousies ascended by two points to Rs. 233, Orients were steady at Rs. 183 and Nationals were wanted at Rs. 24 as against Rs. 23-10 earlier. Kinnisons were better at Rs. 199 as were Champadanies at Rs. 162-8. From Rs. 18-14, Agarparas improved to Rs. 19.

Indian Irons, in the engineering section, were strongly supported yesterday, and the improvement to Rs. 23-14 from Rs. 23-8 was impressive; the opening last Wednesday was Rs. 22-14 and the week-end closed at Rs. 23-3.

Tea shares were steady. Hantaparas advanced to Rs. 118 from Rs. 113-8, and Tezpurs at Rs. 15-10 added As. 8. Hasimaras remained unchanged at Rs. 24-4, East Indias coming to business at Rs. 16-14. Interest was shown in Basmatias at Rs. 22, and Dufflaghurs featured with a rise to Rs. 29-4 from Rs. 27-14.

In the miscellaneous section, Airways India further spurted to a high of Rs. 10-15 from Rs. 9-12, and Indian National Airways advanced impressively to Rs. 3-14 from Rs. 3-7. Rallis received attention at Rs. 71, while Indian Cables were steady at Rs. 18.

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Madras Stock Exchange

MADRAS, 3*rd February*

Following the announcement of a further power cut by 15 per cent. (aggregating in all 50 per cent.) from 1st Fsbruary, in areas served by the Papanasam-Pykara-Mettur hydroelectric grid, the Madras Stock Exchange presented colourless conditions. Textiles having been adversely affected by the cut, ruled easy. Lack of demand for cloth from important consuming centres was an additional depressing factor in this section. Coffees and rubbers too remained featureless in the absence of any encouraging developments. Tea shares, however, came in for some selective buying on encouraging demand for good quality teas from the U.S., Canada and the Continent. But miscellaneous shares lacked strength for want of enquiries. On balance, a general decline in prices in almost all sections was noticeable, with the volume of business done being relatively small.

Despite the announcement of export quotas in yarn for mills, textile scrips sagged. This was because the quantity allowed for export is considered to be not large enough to benefit the textile mills. As a result, Radhakrishnas, Rs. 100 paid-ups, declined by Rs. 6 to Rs. 134 and Rs. 50 paid-ups by Rs. 2-8 to Rs. 67-8. Dhanalakshmis and Balasubrahmanias were lower by Rs. 2 each to Rs. 178 and Rs. 28 respectively. Rangavilas lost Re. 1 to Rs. 41-8. Maduras were lower only by As. 6 to Rs. 33-12, although the mills are unaffected by the power cut, being rumby steam. Metturs, however, put on Rs. 2-8 to Rs. 181 and Bangalore Woollens Re. 1 to Rs. 215.

There has been greater demand for better quality teas not only for export but also for internal consumption. The demand was reflected in Nonsuch Teas which gathered As. 4 to Rs. 22, Periakaramalais and Haileyburias were each higher by As. 2 to Rs. 23-4 and Rs. 12-6 respectively. Chembras were better at Rs. 2-9½.

But for a few scrips which spurted on speculative demand, rubbers generally ruled almost quiet on reports of accumulation of stocks in growing centres. Nemmenys lost As. 2 to Rs. 9 and Cochin Malabars an anna to Rs. 6-3.

PUNJAB NATIONAL BANK LTD.

The Punjab National Bank Ltd. has earned a profit (subject to audit) of Rs. 34,12,477 for the year ended 31st December, 1952, thus almost maintaining the profit for 1951, which amounted to Rs. 34,17,567. Out of this sum, the Directors have paid Rs. 5,48,462 as bonus to staff, which compares with Rs. 377,201 paid for 1951. The sum set apart for charity has been enhanced from Rs. 20,374 to Rs. 42,256. The amount utilised for scaling down Pakistan assets, under the Displaced Persons (Debts Adjustments) Act, 1951, is Rs. 7,92,275, as against Rs. 8,98,673 appropriated in the previous year. Last year, the Directors placed, it may be recalled, a sum of Rs. 10,67,864 for reducing the book value of the Bank's investments in Government securities and debentures and Rs. 1,25,208 for writing down the other assets. A sum of Rs. 10,00,000 has been set aside for taxation, which is Rs. 9,00,000 more than what was provided a year ago. An *ad-interim* dividend of 6 per cent. per annum, free of income-tax, was paid for the half-year ended 30th June, 1952, which absorbed Rs. 2,62,500. No interim distribution was made last year or, for that matter, in any of the years since 1946 when an interim dividend of 12 per cent. per annum was paid. The appropriations now made, leave a sum of Rs. 7,66,983 which, together with the unappropriated surplus of Rs. 5,33,829 (Rs. 55,583) brought in from the previous year, makes available a sum of Rs. 13,00,812 (Rs. 8,83,829) to be further appropriated.

GILLANDERS ARBUTHNOT AND CO., LTD.

The accounts of the Pakistan subsidiary of Messrs. Gillanders Arbuthnot and Co., Ltd. will be closed, in future, on 31st December every year, instead of on 31st March as hitherto, and not the accounts of the Indian Company, as was reported on page 126 of our issue of 24th January, 1953. This will enable the Indian Company to submit its accounts, which are closed as on 31st March, very much earlier than in the past.

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NEWS IN BRIEF

A SPECIAL conference of General Managers of Railways will be held in New Delhi on 5th and 6th March, 1953.

Twenty-five pending Bills will be discussed and 41 new Bills will be introduced in the Budget session of Parliament.

Supply of electricity to all industrial loads in Travancore-Cochin State has been cut by 20 per cent. with effect from the 1st inst.

The P.E.P.S.U. Government expects to complete its programme of consolidation of land holdings in the State by the end of the year 1955-56.

The Himalayan Airways Ltd. will shortly be starting a weekly air service to Teheran from Bombay. The necessary permission has been granted by the Government of India.

The Community Development Programme will be extended during the next financial year to 55 more development blocks, in addition to the 75 blocks in which field operations began all over the country on 2nd October, 1952.

The North-Eastern Railway has decided to give top priority for transportation of tea in and out of Assam and has agreed to take immediate steps to clear the surplus stocks of tea now lying in different centres for want of proper transport facilities.

The U.P. Government proposes to install an animal-driven electricity generating machine in the community project areas of Gazipur and Azamgarh Districts. This will generate about 2 kw. of electricity if driven by a goat and about 8 kw. if driven by a bullock or camel.

The U.N. Technical Assistance Administration Board has offered to the Government of India the services of two Canadian experts to advise the Transport Ministry on problems connected with the dredging of minor ports and their approaches. The Government is considering the offer.

The Union Finance Ministry is taking steps to strengthen its organisation dealing with economic problems and company and insurance administration. It proposes to set up a full-fledged Economic Adviser's organisation to advise the Ministry on matters affecting the daily life of the country.

The Government of Assam has decided to take over all *zamindaris* of the Goalpara District from 15th April, 1953, under the Assam Management of Estates Act. This will be the first stage of liquidation of *zamindaris* in Assam. The annual income of the *zamindaris* in the aforesaid district is Rs. 35 lakhs.

The Central Food and Technological Research Institute, Mysore, has evolved a process of manufacture of blended curd which will cost less than As. 10 per seer. It has also evolved a process for manufacturing synthetic milk which will have all the qualities of milk. It will cost As. 3 to As. 4 per seer.

The Punjab (I) Government has announced the establishment of an Industrial Finance Corporation. The Corporation will have an authorised capital of Rs. 2 crores, of which Rs. 1 crore will form the issue capital. It will start functioning at Jullundur shortly and will make available medium and long-term credit to new industries, as well as the existing ones.

A draft Bill seeking to abolish *Jagirdari* in Bhopal State has been submitted to the Union President for his assent. The *Jagirdari* Abolition Committee, set up last year by the Government of India, has recommended payment of compensation to hereditary *jagirdars* in one lump sum on a sliding scale, and to those holding life tenure *jagirs* in cash grants during their lifetime.

The Orissa High Court held last week that the Orissa Estates Abolition Act, taken in its whole aspect, was valid and not open to any constitutional objections which were raised in the writ applications filed by eight *zamindars* of Ganjam District. The Court granted leave to the *zamindars* to appeal to the Supreme Court against the High Court's dismissal of their applications.

The Government of Assam has issued a circular to private and Government contractors asking them to stop recruiting workers from outside Assam and to employ for their work the surplus tea labourers from various tea estates of the State. The Government itself will try to absorb surplus labour in their new road and other construction projects. It is also encouraging inter-garden movement of tea labourers, so that those gardens that experience labour-deficit might absorb the jobless tea labourers, instead of recruiting from outside the State.

The Government of India will extend the period of implementation of the Minimum Wages Act in respect of scheduled employments, other than agriculture, by one year, that is, upto 31st December, 1953. The date has already expired on 31st December, 1952. An amending Bill for this purpose will be introduced in the Budget session of Parliament. With the exception of a few, many of the States have fixed minimum wages for employments under the Act. In regard to fixation of minimum wages for agricultural labour, the date has already been extended upto 31st December, 1953.

The Hyderabad Government will shortly constitute a seven-man land commission to advise it on fixing the extent of basic and family holdings under the Hyderabad Tenancy and Agricultural Land (Amendment) Bill, 1953. The Bill will be discussed in the ensuing Budget session of the State Assembly. The Bill defines the holding of a family of five members, including the agriculturist himself, as an area that could be cultivated by it personally and which will yield a net income of Rs. 800 per annum, according to the price levels prevailing at the time of determination. The rent payable by a tenant to his landlord is fixed at four to five times the land revenue. The Bill enables a protected tenant to purchase the land and become the owner by paying to the landholder compensation 15 times the rent in the case of dry land and 12 times in the case of other lands. The minimum area of an economic holding is defined as three times the area of a family holding.

Indian plywood products are technically good and the industry, as a whole, has a bright future, according to Dr. Drotto Kraemer, Plywood Expert of the United Nations, who has just completed a visit to all the plywood factories in India at the invitation of the Government of India. His suggestions for upgrading the Indian plywood products are: (1) care should be taken in the selection of timber used for manufacturing tea chests; (2) Government should take steps for reafforestation of softwood species for plywood and reserve suitable ply logs for the industry; (3) a training centre should be established near Baliapatam where training in different branches of the industry could be imparted; (4) it would be better to have fewer but well-equipped units instead of tiny uneconomical ones; and (5) the bigger units could produce quality plywood and compete successfully with foreign manufacturers and smaller units could combine themselves and buy the necessary machinery and use them jointly.

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From Abroad

Newsprint production in Canada reached a record level of 5,687,051 tons during 1952. This quantity compares with 5,516,279 tons produced in 1951. Output during 1953 is expected to go up further to 5,722,640 tons. The U.S.A. imported 4,835,065 tons from Canada last year.

The International Bank for Reconstruction and Development has granted a loan of 18 million Swedish Crowns ($3.15 million) to Finland for the purchase of woodworking machinery. This is the fourth loan that Finland has received from the World Bank. The first loan of $2.3 million has been re-paid.

The British Government proposes to seek sanction of Parliament for £500,000 as contribution this year to the United Nations' extended programme of technical assistance to underdeveloped countries. The contribution will be in addition to the technical aid Britain will furnish to overseas territories and to members of the Colombo Plan.

The K.L.M. airlines will introduce cheap tourist-class fares on all its European air routes next summer. These fares, which have been fixed by the International Air Transport Association and are from 5 to 25 per cent. lower than the standard fares, will come into force on 1st April this year, subject to the approval by the Governments concerned.

The fifth German Handicraft and Trade Fair will be held in Munich from 9th to 19th April, 1953. The railway managements of 10 foreign countries are granting a fare reduction of 25 to 50 per cent. to visitors on presentation of the Fair pass. The German railways are granting to the exhibitors a 50 per cent. reduction for the return freight of their goods.

Natural gas constitutes four-fifths of all U.S. gas supply. U.S. gets its supply of natural gas from an area, which is one per cent. of the total area of the U.S., through a network of pipelines 325,000 miles long and costing $3,000 million. Two out of every five homes and more than 1,250,000 commercial and industrial establishments are being served with natural gas.

Trans World Airlines inaugurated this week the first direct air service between the U.S. and Ceylon. T.W.A. is the only U.S. airline now serving Ceylon. The service will serve Bombay also. The first East-bound flight began on Tuesday last from New York, arriving in Colombo on Thursday. The West-bound flight began on Friday and will reach New York on Sunday morning.

Burma has signed an agreement with the U.S. under which the former will get $1.2 million under Point-Four aid for five new projects in 1953. $950,000 will be spent on public health schemes, $40,000 for equipping an agricultural college, and $41,000 for survey of mineral resources. Burma has already spent $216,000 of American aid for survey of Kalewa Coalfields in Lower Chidwin in Central Burma. The survey has shown the possibility of Burma becoming self-sufficient in its coal requirements.

A general economic survey mission organised by the International Bank for Reconstruction and Development left for British Guiana last week. It will undertake a study of the territory's economic potentialities, and will make recommendations designed to help the Government formulate and carry out a long-term development programme. The mission was organised at the request of the Governor of British Guiana. Mr. E. Harrison Clark, of the Bank's Department of Operations for the Western Hemisphere, will be the mission chief. The mission also includes two other members of the Bank's staff; a consultant on water resources; a transportation expert; and three agricultural specialists. The Food and Agriculture Organisation nominated the agricultural specialists and is sharing the cost of their services. Three of the mission members are American; two are British, two are Dutch and one is French.

PERSONAL

SIR George Schuster, former Finance Member of the Viceroy's Executive Council, who was on a six weeks' visit to India, left for London last week.

Mr. Francois-Didier Gregh of France has been appointed Director of the World Bank's Department of Operations for Asia and the Middle East.

Mr. J. N. Bhan has been elected President of the Indian Non-Ferrous Metals Manufacturers' Association for 1952-53, in place of Mr. G. L. Gabriel.

Dr. Marcolino Candau of Brazil has been nominated as the Director-General of the World Health Organisation, *vice* Dr. Brock Chisholm who has resigned.

Messrs. M. V. Krishnamurthy and M. V. Veerappa have been elected President and Vice-President of the Mysore Chamber of Commerce for the year 1953.

Mr. Cyril Havker, Chief Accountant of the Bank of England, arrived in Bombay last weekend for routine talks with officials of the Reserve Bank of India.

Mr. Vinayaklal Damodardas Jariwala and Mr. Vajeram Reshamwala have been elected President and Vice-President, respectively, of the Surat Chamber of Commerce for 1953.

Mr. R. S. Mani, until recently Counsellor in the Indian High Commission in London and for some time *Charge d'Affaires* in the Indian Embassy at Rome, has been appointed Joint Secretary in the Ministry of External Affairs.

Mr. Pranlal Patel of the Malleable Iron and Steel Castings Co., Ltd., and Mr. Sankalchand G. Shah of the Bharat Tool Manufacturing Co., Ltd., have been elected Chairman and Vice-Chairman, respectively, of the Engineering Association of India, Bombay Region, for the year 1953.

Mr. D. P. Karmarkar, Minister for Commerce, Government of India, left Delhi on Tuesday last to join the Indian Delegation to the fifth meeting of the Committee on Industry and Trade and the ninth session of the Economic Commission for Asia and the Far East, which opened at Bandoeng on 26th January. Mr. Karmarkar is the leader of the delegation.

Mr. I. P. Coats and Mr. C. H. Mackenzie, two Directors of Messrs. J. & P. Coats, Ltd., the well-known thread manufacturers of the U.K., have arrived in Bombay, in connection with the official opening of the Jumra Thread Mills' new factory at Koratti in the State of Travancore-Cochin, on 16th inst. This new factory has been established in co-operation with Messrs. J. & P. Coats, Ltd.

Dr. S. S. Bhatnagar, Secretary, Ministry of Education and Natural Resources and Scientific Research, is the Chairman and Government Director of the Hindustan Housing Factory, New Delhi, which was incorporated as a private limited company on 27th January, 1953. Mr. K. R. P. Aiyangar, Joint Secretary, Ministry of Works, Housing and Supply, is the other Government Director. The representatives of the Indo-Swedish firm on the Board of Directors are Sardar Basaka Singh and Sardar Daya Singh.

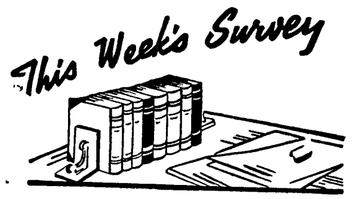
"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 4*th February*

Protection for Petroleum

In view of the proposal that is being seriously mooted for granting protection to the Indian oil companies, it is worth our while to enquire into the form it can take and the resources we have at our command. The companies concerned can seek only one form of protection, namely, an import duty on oil and petrol. It may, however, be assumed that, before any protective duty could be imposed, the question would be examined by the Indian Tariff Board which exists to determine if, and what measure of, State aid should be vouchsafed to any particular industry. The first question which Sir George Rainy, the Commerce Member, will have to decide is whether a case for such an enquiry exists at present. The position of the smaller oil companies is no doubt serious, owing to the rate-war which is straining their powers of competition, but the interests of the consumer who depends more upon imported than indigenous production cannot be left out of consideration by the Government. Let us, therefore, turn our attention to our resources. The figure published last year as the world production of petroleum in 1925—over 151¼ million tons—proved to be an overestimate, the revised figure working out at 147,746,251 tons. The estimate for 1926 is thought to approximate to 150 million tons; of this, India contributed not quite 0.8 per cent. India is now ninth on the list of petroleum-producing countries, but is being rapidly overtaken by the Argentine. One of the features of the year was the advent of the new prolific sands of the Seminole field of Oklahoma. This, combined with an enormous expansion in the amount of light petroleum distillates obtained by cracking and from casing-head sources, was the cause of an almost unprecedented overproduction in the United States and a consequent fall in the world's price levels.



U. S. ECONOMIC POLICY

PRESIDENT Eisenhower has certainly not started off very well in his new career as President of the U.S., considering the storm of protest which has greeted his proposal for the neutralisation of Formosa. But his "State of the Union" message to the Congress where he gave public expression to this proposal was not, on that account, bereft of all idealism. On most other issues, of vital importance to the "free" world, he expressed himself with commendable earnestness of purpose, becoming the great military leader. His statement that the U.S. would "never acquiesce in the enslavement of any people in order to purchase fancied gain for ourselves" will be read with satisfaction by the now greatly diminished colonial peoples of the world who are still fighting their battles of freedom. It is, however, doubtful whether the President had these people in mind, or was merely referring to possible or actual invasion by countries dominated by Communist ideology. In any case, it is a noble sentiment, and is in perfect accord with the American traditions of sympathy for the politically oppressed people.

Mr. Eisenhower's other references, especially his reference to foreign and domestic economic policies, were, as could be expected from a Republican leader, marked by great caution. He said that the U.S. foreign policy would recognise the importance of "profitable and equitable trade." But he seemed to think that other countries, notably Europe, could give a lead by creating "broader markets and more dependable currencies to allow a greater exchange of goods and services among themselves." Evidently, by this he meant that the European countries should make their currencies freely convertible. It is significant that the only help he promised was a revision of the U.S. "customs regulations to remove procedural obstacles to profitable trade." There was no reference to tariff revision—the sort of help which those anxious to sell their goods to the U.S. have been clamouring for. He was, however, willing to recommend to the Congress the study of the Reciprocal Trade Agreement Act and its extension by appropriate legislation. He also pledged his Government's help to stimulate private American investments abroad, though he qualified his statement by reference to the need for other countries to create a "hospitable climate for such investment." The U.S. would also encourage the economical production of manufactured articles abroad. But he hedged this promise with two conditions: the articles should be such as are needed for mutual defence and as are not competitive with the normal peace-time production in the U.S.

On the domestic economic front, Mr. Eisenhower was less circumspect, more direct and definitely more realistic. The "first order" of business will be the elimination of the annual deficit which, in the budget presented by his predecessor, runs to $5.9 billion. The other aspects of the new Government's economic policy will be: (1) proper handling of the burden of defence debt and other obligations, (2) checking inflation, (3) reducing tax burden, (4) evolving constructive plans to encourage the "initiative of our citizens." He said: "As the budget is balanced and inflation checked, the tax burden that to-day stifles initiative can and must be eased." He revealed that the Government was undertaking a study of the entire tax structure and added:

"We must develop a system of taxation which will impose the least possible obstacle to the dynamic growth of the country. This includes, particularly, real opportunity for the growth of small business. Many readjustments in existing taxes will be necessary to serve these objectives and also to remove existing inequalities. Clarification and simplification in the tax laws as well as the regulations will be undertaken."

The American President outlined the basis of the new agricultural and labour policy he proposed to pursue. He would aim at economic stability and full parity of income for American farmers. Only, it would be achieved with minimum "Governmental interference in the farmers' affairs." and through encouraging farmers to use their initiative in meeting changing economic conditions. The emphasis will shift, he said in so many words, from a mere price support programme to the provision of facilities for credit, marketing, rural electrification, soil conservation and other measures of assistance to agricultural economy. Referring to labour policy, he said:

"Especially must we remember that the institution of trade unionism and collective bargaining are monuments to the freedom that must prevail in our industrial life. They have a century of honourable achievement behind them. Our faith in them is proven, firm and final. Government can do a great deal to aid the settlement of labour disputes without allowing itself to be employed as an ally of either side. Its proper role in industrial strife is to encourage the processes of mediation and conciliation. These processes can successfully be directed only by a Government free from the taint of any suspicion that it is partial or punitive."

Such, in brief, is the new economic policy which is being initiated in the U.S. It is not difficult to discern its distinguishing feature—its emphasis on minimum Governmental interference, on simplification of commercial laws, on rationalisation and simplification of tax structure and on reduction of tax burdens. Mr. Eisenhower's address may well be regarded as a model of cautious "rightist" approach to economic problems. If this approach is to be described in one sentence, it cannot be better expressed than in the President's own words, for, he said: "We are concerned with the encouragement of competitive enterprise and individual initiative, purely because we know them to be our nation's abiding sources of strength."

ROLE OF TECHNICAL EXPERTS

India's industrial progress has suffered in the past for lack of facilities for technical training. India would have done well to learn from the West, where technical science has been applied to every aspect of economic life—production, distribution and transport of goods. Indeed, technological progress and technical training are the root causes for the improvement in the standard of living of Western countries. Dr. J. C. Ghosh, Director, Indian Institute of Technology, Kanpur, was certainly not exaggerating the role of technicians when he said, at the twelfth annual general meeting of the Association of Principals of the Technical Institutions of India held at Hyderabad early this week, that "in creating a world of plenty, whether under free enterprise or under mixed economy, no body of men can play a more important part than experts in production engineering and in industrial management."

According to Dr. Ghosh, the soundness of the American system of blending technological education with science and the humanities in the undergraduate stage is proved by the steady advancement of engineering graduates through positions preponderantly technical in nature to those involving administrative and executive responsibility. In fact, more than 80 per cent. of administrative jobs in industry in the U.S. is now held by men who are basically students of technology. Industrial administration in the U.S. is recognised as a profession for which training is necessary and the best background of such a training is a "liberal" engineering education.

The success of India's Five-year Plan depends on how best technical education is provided for the workers. After all, for translating the Plan into action, as Dr. Ghosh aptly remarked, they must have men and women to implement it; it is as much a "human" problem as a problem in supply of physical equipment. No one will deny the fact that, in the field of industrial administration, efforts have not gone beyond the stage of discussion. It was only recently that Sir George Schuster, a former Finance Minister of India, laid particular stress on the need for a proper administrative cadre in India for rapidly expanding industry and emphasised that industrial organisations should develop good recruitment techniques and proper training methods. Dr. Ghosh did well to refer to this aspect and minced no words when he said that the industrial organisation must introduce promotion policies which recognised merit and eliminated favouritism. It was only by following such methods that Indian industry could hope to secure the right type of leadership.

The learned doctor emphasised, in this connection, the need for rapid Indianisation of superior staff of non-Indian concerns in India. He suggested that the representative industrial organisations and educational authorities should come together and take steps to create facilities for studies in industrial administration. In his considered opinion, the present-day world of free enterprise was being assailed by new ideologies and, in self-defence, was developing new doctrines. Industries could not survive in this competitive world, if they were not improved by "continued research." Stressing the importance of the managerial side of industry, Dr. Ghosh hoped that the I.L.O. Expert Committee, constituted with Prof. Mathews as Chairman to examine the efficiency of Indian textile and engineering industries, would suggest steps for not only industrial efficiency but also proper training of staff engaged in production and administration. It is gratifying to be told that the Kharagpur Institute of Technology would offer, with effect from August, 1953, a full-time one-year course in industrial engineering. A useful beginning could be made by other engineering institutions by enlarging the course in industrial economics, which many of the institutions now give as part of engineering education, so as to include industrial administration.

FOOD INDUSTRIES

Inaugurating the symposium on technical aid to food industries, held at Mysore on Wednesday last under the auspices of the Central Food and Technological Research Institute, Mr. K. D. Malaviya, Deputy Minister for Natural Resources and Scientific Research, Government of India, subjected the problems facing the different food industries to a critical review. Technical aid to food industries, Mr Malaviya said, should be planned in such a way that the urgent problems could be approached in an objective manner. Specific problems facing the industries—fruit preservation or biscuit or bakery or meat and fish processing or discovery of new synthetic food—should be investigated, as Mr. Malaviya rightly suggested, from a "practical point of view."

The need for developing the food industries cannot be stressed too strongly, considering the overall deficiency in respect of food supplies. Earnest efforts have been, and are being, made to solve the food crisis, but these have not met with adequate success. On top of this, there is the rapid increase in population, which has brought to the fore the need for bringing larger area under food crops. The basic problem of increasing the land under cereals to meet the demands of a growing population which is almost exclusively dependent on cereals is further complicated by the people's adherence to outmoded conventional methods of cultivation. To effect all the changes needed to meet this problem will require vast sums of money. But financial resources are strictly limited. The scientist could certainly help, if he could provide some short cut, as it were, to the goal of self-sufficiency in food. Explaining the challenge which the food scientist had to meet, Mr. Malaviya said: "Scientific knowledge can alone solve the riddle by processing the unused food materials, using waste products for converting them into edible forms, and by increasing the general nutritive level of our national diet."

Mr. Malaviya made a particular reference to the synthetic rice and hoped that all doubts about its practical utility and nutritive quality would be removed and that there would be a universal acceptance of this nutritive and palatable food. In this connection, he referred to the objection against calling the synthetic product by the name 'rice,' and said that, if anything in the shape of rice possessed the food value and the taste of rice, there was no reason why it should not be called rice. Besides this synthetic rice, the Research Institute has also produced a nutritious drink, "milk", with an agricultural base. The Institute also proposes to effect nutritive improvement in *vanaspati* ghee by compulsory provision of adding vitamin 'A' to this vegetable product. It is now established that vegetable ghee does not contain any harmful element and that it is not injurious to health. In fact, pure *vanaspati* ghee, as Mr. Malaviya said, is "far more beneficial and dependable than impure and adulterated ghee." Naturally enough, he asked as to why we should "not then accept *vanaspati* and be happy about it."

The Deputy Minister for Natural Resources and Scientific Research exhorted the scientists and technologists to consider the score of issues relating to the expansion of the food industry. There are, for instance, issues like the provision of cheaper and more nutritious biscuit for the poor and school-going children and of "cheap and ready energy food" for the worker by blending yeast with cereals and vegetables in a palatable and presentable form. Fruit canning and preservation industry has to be developed in such a way as would make available cheaper and nutritious products. These problems are no doubt being tackled by the Institute. Even so, there is need for carrying the results of its research to factories so as to improve the quality and variety of the products turned out by the food industry.

FILM INDUSTRY

Dr. B. V. Keskar, Union Minister for Information and Broadcasting, referred, in his address to the South Indian Film Chamber of Commerce, Madras, last week, to the film industry's problems and also elucidated the Government's policy towards this industry. He revealed that the Government was considering the suggestions of the Film Enquiry Committee relating to the constitution of a Film Council and a Production Code. He explained, too, the difficulties which stood in the way of establishing a Film Finance Corporation and of introducing a uniform system of tax on entertainments throughout the country.

That the film industry is in a disorganised state is now common knowledge. The Patil Committee on the Indian Film Industry, which submitted its report early in 1951, suggested measures to place the industry on a firm basis. It is a pity that, even after nearly two years, no decisive action has been taken on its recommendations. This is unfortunate, considering that the film industry is a major industry and that it contributes so largely to the revenues of the Central and State Governments.

The need for a Film Council is born of a desire to have a central authority to superintend and regulate the film industry and advise the Central and State Governments on the various problems of the industry on its organisational side. Such a Council, representative of the interests concerned, is expected to assist the progress of the industry on healthy lines. Dr. Keskar explained that the setting up of such a body as the Council involved certain complications, legal and otherwise. But they will not prove insurmountable, if the Government is really interested in the proposal.

The establishment of a Production Code, similar to the one in the U.S., will help evolve certain standards, social customs and conventions. The film industry has made a beginning to export its films to countries in the Middle East, South East and the Far East. If Indian culture is to be properly represented, it is of utmost importance that strict control should be exercised on the quality of films exported. It must not be forgotten that visual impressions are far more difficult to erase than the impressions created by other forms of publicity.

The idea of a Film Finance Corporation for the industry is gaining an increasing volume of support. The Film industry is unable to finance production. Box office collections are dwindling. And many producers are compelled to borrow at very high rates of interest. This position is aggravated by the fact that the cost of film production has increased. Dr. Keskar explained how the Government could not, in the context of its present financial position, be expected to set apart Rs. 1 crore for the purpose of setting up a Film Finance Corporation. Perhaps, the industry would itself be well advised to make a beginning in this direction and thereby strengthen its claim for Governmental assistance.

The demand for a uniform system of entertainment tax throughout the country has been made for a long time now. The entertainment tax is a purely State subject and the Centre cannot be expected to influence the States in this matter. Further, it is a debatable point whether uniformity in entertainment taxes throughout the country is possible at all, considering that there is no uniformity in the purchasing power of the people in different parts of the country. If what the industry demands is the acceptance of certain norms in this sphere by the State Governments, it is a reasonable demand. But then, it is up to the representatives of the industry to place concrete proposals before the State Governments for their approval and support.

(Concluded from third column)

Ceylon, Burma and Malaya has deteriorated considerably. Besides, Mr. Jawaharlal Nehru has to carry a heavy burden of work and responsibility as the Prime Minister and President of the Congress, apart from his daily work at the Ministry of External Affairs. So long as he is there, the Ministry is bound to be more preoccupied with the fate of the Koreans or the aspirations of the Moroccans and Tunisians than the difficulties of the Indians settled abroad. If Mr. Rajagopalachari is destined to stage a return to New Delhi and to all-India politics, why not entrust him with the work of this Ministry. As a realist, with his feet firmly planted on the soil of India, he may restore this much needed balance at the Ministry of External Affairs.

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OFF THE RECORD

(By "ROVER")

WHEN those who have to fill in allotted columns in newspapers and periodicals, day after day or week after week, fail to find a suitable topic to comment on, they fall back on the highly interesting and speculative pastime of reconstructing a State or the Central Cabinet. Apart from helping them to do the required number of words for their column in a highly irresponsible and because of that the only enjoyable manner, this game gives us, columnists, a fleeting illusion of both political power and social position. Ministry-making, to a Prime Minister or a Chief Minister, must be a real headache, because, to him, it is anything but a pastime. It is a task, just as much as playing cricket, soccer or tennis is dull drudgery and not a game to the professional. I have seen tiny girls bathing and dressing their dolls and putting them to bed with great ecstasy and rare absorption, growing up into angular and frustrated young matrons scolding and spanking their progeny. On the other hand, I have an old friend, who, creaking in every joint at sixty-five, puts in more laborious and concentrated work in his garden than his own sullen scamp of a paid gardener and getting great joy out of his exertions, which cannot but be painful physically.

But, if Ministry-making is a hard and back-breaking job for a harassed politician, there is one thing even harder and more hazardous as well. This is reconstituting a Ministry which is already made and in harness. An average potter can easily make a workable pot out of a lump of clay. I have yet to come across a potter who can put together a broken pot or render a cracked one sound. But, oddly enough, we columnists take a greater delight in the make-believe game of repairing an unsound and ill-functioning Cabinet than putting together a new one. Perhaps, the reason for this lies in the fact that, while you indulge in playing Government-making only at rare and long intervals, there is nothing to prevent you from engaging in the nursery game of re-arranging the portfolios of some of the pompous do-nothings or sending out a couple of duds as Governors or Ambassadors and adding a favourite man or two of your choice into nice little sinecures at New Delhi, at any time during the long interval between the general elections.

Though, individually, our Ministers are too cold-blooded or much too tightly glued to their chairs of office to resign merely because some of their pet policies are reversed or some of their choice adventures in welfare legislation declared *ultra vires* the Constitution or as beyond their competence or that of their easily controlled party majorities in the legislatures, death and illness are no respecters of persons and potentates and offer us welcome opportunities for kite-flying from time to time. When one's heart is set on some engaging pursuit, any pretext is good enough to serve as an occasion. You must, therefore, not take it amiss if I stray for a while into an idyllic fairyland and indulge in day-dreams. Writing about money is far more boring and taxing than making it and one, who is forced by his circumstances to do this spartan and unsavoury job, deserves a good deal of latitude, when his soul rises in revolt and wants to run away from the sight, smell, rustle or sound of rupees, or even dollars, as purely algebraic entities and not something on which he can lay his hands and decamp with on a grand spree. And, in any case, I am not at all selfish about it but propose to take you also on the jaunt to share in my day-dreams.

Besides, there is already a touch of spring in the air, which, whatever it might do to young men's fancies, is known to have stimulating effect on the speculative faculties of persons like me, who are beyond their prime and who are incorrigibly interested in the affairs of other people. Fortunately, Mr. N. Gopalaswami Ayyangar, the Defence Minister at the Centre, has provided an excuse for the speculative reconstruction of the Union Ministry by his prolonged illness. Mr. K. N. Katju, too, is reported to be keeping indifferent health, and straining at his leash. He is also believed to be not feeling quite happy about the way affairs are going in the Government of India and credited with a desire to seek an honourable exist without having to adopt the course taken by Dr. John Matthai or Dr. S. P. Mookerjee. Mr. Kidwai is already feeling restless, because the Food Ministry does not offer him enough room for political manœuvring, while the quiet-looking Mr. Lal Bahadur Shastri is nothing if not ambitious and regards the Transport Ministry as only a stepping stone for his vaulting ambitions. And finally there is a powerful section seeking promotion for Bombay's Chief Minister, Mr. Morarji Desai, not out of any feelings of personal regard or esteem for him, but to free Bombay from his baleful and baneful influence. All this provides enough ammunition for clever sniping and taking a few pot-shots at high celebrities, whom their very eminence make good targets.

Habit dies hard and my eyes turn first to the Finance Ministry and then on to that of Commerce and Industry. With regard to the former, nobody, not even those who cannot bring themselves to see eye to eye with Mr. C. D. Deshmukh on many an important aspect of public finance, desires a change. Mr. Deshmukh may not have pleased many; few Finance Ministers can. But he has never given offence to any and that is a great thing in democratic politics. It is greatly to his credit that even dyed-in-the-wool Congressmen have reconciled themselves to his occupying one of the key-posts in the official hierarchy. At any rate, they do not try to ambush him, as they did his predecessors in office or, perhaps, he is too wary to give them a chance to assail him. Besides, there is hardly anybody in the motley crowd who would dare to draw upon himself the ire of the Prime Minister by throwing stones at his right-hand man.

Mr. T. T. Krishnamachari, on the other hand, believes in aggressiveness, but is ready to cave in if he meets with formidable opponents. For a politician, he speaks too much and too often, but, on the whole, the business community has more to complain against the words he utters than against his actions. Bombay is his *bete noire* and he is unwisely apt to frown upon the textile trade and, to a certain extent, even on the textile industry. But, on the whole, he is a harmless man and certainly less negative than his predecessor. Mr. Nehru has made him his Commerce and Industry Minister, so let him be.

Mr. Rafi Ahmed Kidwai has not done at all badly, even though the elements have been dead against him. In any case, he has got all the State Governments on a string, which is more than any of the Food Ministers could do. If Mr. Deshmukh could take a tip or two from him about getting the State Finance Ministers to fall in line with him and to listen to his wise advice, the country's economy would certainly be greatly benefited. But Mr. Kidwai wants something more important than the Ministry of Food and Agriculture; he is sure to get it in his own silent way. I doubt if he wants to go back to his first love, the Railways. I very much suspect that he will not feel happy till he is installed in the Home Ministry and he has enough influence with the Prime Minister to get him to bestow it on him, if Mr. Katju really wants to be relieved of this burden. One would, however, wish Mr. Kidwai to continue for some time more at this rather difficult post, though one would, at the same time, wish that he would not be guided so implicitly by the voice of his secretariat in important administrative matters.

Mr. Lal Bahadur Shastri is a comparatively younger man, though one must concede that, unlike many Congress leaders, he is also an able and conscientious administrator. A little more polish and a little more punctuality in his public engagements might even shape him later into a good politician as well. But he can certainly afford to wait and, in his own interest, he should not be in a hurry to climb up higher. Many people go to the top of the Kutub Minar near Delhi, but all come down and some who get badly rattled by the height, are even known to come down more precipitately than safely.

And having disposed of the Ministries more intimately allied to the economy of the country, let me look at the others, since there is still some space left at my disposal. Being innocent of any myself and *Commerce* not being interested in it, I do not feel competent or called upon to evaluate the policies and the activities of the Ministry which deals mainly with Culture. Education being in the States' Schedule, I cannot imagine why a whole independent Ministry should be maintained for this illusive and indefinable entity called Culture, but then Maulana Abdul Kalam Azad has naturally to be provided for and he certainly is out of harm's way in this Ministry. The same might be said of the Ministry of Health and the gracious lady who presides over it. With so much talk these days of an artistic revival in the country, one must not grudge a little æsthetic touch even to the Government of India and few would question that the Maulana and the Rajkumari do provide it, even though it be at considerable expense. When there is so much waste all round, a few crores on knick-knacks would not make an appreciable difference.

Every day brings in a fresh name for the Ministry of Defence. There are already six kites flying in the sky. I, therefore, do not see any reason why I should not add one more of my own, as it would in no way overcrowd the heavens. If Bombay is to be robbed of the services of Mr. Morarji Desai and if New Delhi is really enamoured of him, the ideal place for him would be the Defence Ministry. Though he claims to be a man of peace, temperamentally he should feel more at home in the more circumscribed world of the three defence services. While the strong and well established conditions of armed forces would be able to keep some of his fervour in check, Western India, in general, and Bombay, in particular, will experience some relief and regain a part both of its lost gaiety and glory. Commerce and Industry, too, will escape the feeling of asphyxia and be able to breathe more freely and function more normally. Now that there are really two candidates in the field to lead the Bombay Ministry—Mr. S. K. Patil and Mr. N. V. Gadgil—Mr. Desai also will be able to leave with an easy mind, unobsessed by his own indispensability. It would be cruel to ask Mr. V. T. Krishnamachari to shoulder the burden of an important Ministry like that of Defence at his age and the right recognition for his great services during the last five years would be to make him a Governor of one of the major States. Mr. Chandulal Trivedi, on the other hand, though ideally fitted to be Home Minister, is just the man for the Planning Commission for seeing that the Plan does not go all awry.

It is not without a good deal of misgiving and trepidation that I approach the most august of all the Ministries of the Government. The Ministry of External Affairs has undoubtedly worked wonders with regard to the enhancing of our country's prestige abroad. The Prime Minister is, however, too much of an internationalist by early training and convictions, not to devote himself more to general questions of war and peace in the world than to look after the interests of the Indian nationals living in foreign and none-too-friendly countries. While India's prestige in the comity of nations has gone up, the condition of Indians in Pakistan, South Africa, East Africa,

(Continued in first column)

WATER DISPUTE WITH PAKISTAN LIKELY TO BE SETTLED

INDIANISATION OF STAFF IN FOREIGN FIRMS

(From A Special Correspondent)

NEW DELHI, *3rd February*

DELHI LETTER

THE conclusions of the tripartite talks between the representatives of India, Pakistan and the World Bank this week on the exploitation of the water resources of the Indus Basin, when released for publication, will go a long way towards the removal of misunderstanding between the two countries on this particular issue. Although it is stated that a joint Press *communique* would be issued shortly by both the countries, it will be more appropriate if the Government of India were to give wide publicity to the full report along with maps and necessary particulars, so that the public and the politicians of Pakistan will get themselves fully apprised of the whole problem from different angles. At any rate, the world at large will know that the fulminations of Pakistan on this issue, as also on many others, are not only unfounded but greatly magnified and exaggerated.

Among the many Indo-Pakistan disputes, three issues stand out prominently. These are: Kashmir, refugee property and the division of the water resources of the Indus Basin. While the first is largely a political issue, the latter two are mainly economic, affecting millions of destitute refugees, and in respect of which Pakistan has been enjoying a preponderant advantage. It is mainly as a result of this that the Pakistan Government is extremely reluctant to come to a reasonable settlement on these questions. It is obvious that, once Pakistan agrees to a reasonable agreement, it will have to pay Indian refugees many hundreds of crores of rupees by way of compensation.

Canal Water Dispute

Take, for instance, the canal water dispute. As a result of the Partition, the irrigated area in the Indus Basin that fell to the share of the Indian Union amounted to scarcely 4 million acres, as compared with 18 million acres to Pakistan. Not only this: more than 80 per cent. of these irrigated lands were owned by the prosperous Sikh and Hindu peasantry. These lands have been and are being exploited by the Pakistanis for the last five years without paying a single pie by way of compensation or rent.

Be that as it may. According to the available statistical data, Pakistan is now using nearly 39.3 per cent. of the Indus waters for purposes of irrigation, as against hardly 6 per cent. utilised by the Indian Union. After the completion of the Bhakra Dam and allied projects, the percentage of the utilisation by India will go up to about 20 per cent. of the total, which will still be half of Pakistan's present usage. Allowing for seepage, etc., of the running rivers through the Pakistan territory, estimated at about 12 per cent. of the total, the balance of water-supplies available for exploitation, by both Pakistan and India at a future date, works out to slightly above 28 per cent. There is, therefore, no meaning in Pakistan crying hoarse on the construction of the Bhakra Dam for the expansion of irrigation in East Punjab. On the contrary India has every reason to plan for the greater utilisation of the Indus waters and this can be done without injuring the interests of Pakistan.

Waterlogging in West Pakistan

There is another aspect of the problem which both the Governments have to take into account on the division of the Indus waters. For instance, one of the serious problems which West Punjab has been facing during the last decade and more is what is known as waterlogging. As a result of plentiful supplies of underground water, only a few feet below surface, cultivation is being hampered, valuable fertile land is being laid waste and, what is worse, this waterlogging is gradually spreading, to the considerable anxiety and annoyance of thoughtful Pakistan statesmen and engineers.

The only way to prevent waterlogging by Pakistan is to construct hundreds of tube wells for pumping this water out and utilising it for irrigation. Pakistan need not depend on water from Madhopur and Ferozhpur headwork canals, the former taking from the Ravi and the latter from the Sutlej on the Indian side. It can, with little effort, supplement these sources from canals constructed from the Chenab, the Jhelum and the Indus. Thus, it can bring more area under irrigation without unnecessarily accusing India. The Indian Union can also help towards this desideratum by supplying electric power to Pakistan tube wells at nominal costs from the Nangal and Bhakra Dams. In this way, India can be in a position to utilise fully the waters of the Sutlej, the Beas and the Ravi, all tributaries of the Indus from the Indian side. This solution will enable India to bring in under irrigation vast areas of desert lands in the Bikaner, Jodhpur and other divisions of Rajasthan. Since the public in India is still ignorant of the whole aspect of the canal dispute, it will be useful if the Government of India brings out a small handbook, presenting the Indian standpoint from all angles.

Obligations on Foreign Firms

The Commerce and Industry Ministry will, in the coming months, be taking some constructive measures with a view to promoting the policy of Indianisation in foreign firms. The Ministry has recently been able to obtain relevant statistics regarding the employment of Indians in the higher ranks in these firms and has found that the percentage is extremely negligible. It will be remembered that, at the recent annual meeting of the Associated Chambers of Commerce in Calcutta, the Commerce and Industry Minister, Mr. Krishnamachari, did some plain speaking to the foreign business community. He then drew the attention of the gathering to the fact that the granting of rights by the Government to non-nationals also imposed obligations on the recipients of those rights. He urged that non-Indian firms should go ahead with the Indianisation of their staff, both technical and administrative, and that they should "encourage Indian firms engaged in insurance, shipping and in the manufacture of ancillary products which can be used by the industries they control." In regard to insurance and shipping, he desired that at least 50 per cent. of the business should go to Indian concerns. Although it may take some time for the Government to implement its policy fully on these lines, a hint has already been given that foreign firms seeking licences and permits from Government will be required in future to give an undertaking that they will not recruit any more foreigners on their staff except with the permission of the Government. Employment of foreign technical personnel is expected to be restricted on a contract basis for a stipulated period, so that foreign firms will be induced to accelerate the pace of training well qualified Indians in positions of responsibility and skill. The whole subject is expected to crop up during the forthcoming session of Parliament when the Citizenship Bill is discussed. It is understood that this aspect of the question in British firms was informally discussed with Sir George Schuster, the late Finance Member of the Government of India, and it is possible that an understanding will be reached between the Government and the British firms. If this materialises, as, indeed, it should, there will be a gradual increase in the number of people employed in the higher ranks of these firms.

Commission For Backward Classes

The appointment of a ten-member Commission by the Government of India, to investigate into the conditions and difficulties of the backward classes of the country, is in pursuance of its policy to provide facilities for their economic development. The Commission is to be presided over by Mr. Kalelkar. Its functions are to determine the criteria on the basis of which any particular class or section of people can be described as "socially or educationally backward"; to prepare a list of such backward classes for the whole of India; to examine the conditions and difficulties of such classes and make specific recommendations as to the steps which the Central Government or State Governments should take to remove those disabilities and to improve the condition of the backward classes in general. Among other things, the recommendations of the Commission will contain some indication of the financial assistance that should be given in the form of grants by the Central and State Governments for the uplift of the backward classes.

PAKISTAN NOTES

NEW STEPS TO MEET COTTON CRISIS

PRIVATE BARTER ARRANGEMENTS CONTEMPLATED

A PROPOSAL to permit private barter arrangements involving import of cotton yarn, artificial silk, sugar, coal, iron and steel, etc., in exchange for cotton exports is, according to reports from Karachi, under the consideration of the Pakistan Government. The proposal will apply to both the dollar and sterling areas. An official announcement to this effect is expected shortly.

The foregoing proposal is one more step—it was only recently that fixation of floor prices for export sales in cotton was announced—in the Government's efforts to solve the most critical position of Pakistan's silver fibre. The quantity of cotton now lying unsold with the traders is as large as 1,500,000 bales (of 478 lbs.). With foreign buyers holding off and internal prices having dropped to very low levels, the cotton trade is faced with an acute crisis. When the Government announced floor prices for export, it was hoped that the banks would assist the trade by liberalising credits and reducing the credit margin from 25 to 10 or 15 per cent. This hope is reported to have since been belied; the banks have expressed their unwillingness to undertake the responsibility until the Government gives guarantee against losses. Large stocks of cotton are also expected to arrive in Karachi from up-country centres, which will further aggravate the already strained storage facilities. Consequently, the holding power of the trade has been reduced.

In the circumstances, the plea for the reintroduction of the Support Scheme has found growing support from the public. There is a section of trade which feels that the Government's efforts to help the cotton trade by fixing export prices, cannot succeed, if nothing is done to stabilise local prices. These suggestions are, however, reported to have been rejected by the authorities who seem to feel that private barter agreements would have a salutary effect on the cotton market and boost up prices.

Assistance to Tea Estates

In our last week's notes, a reference was made to the crisis through which the Pakistan tea industry has been passing. It has since been reported that the Regional Office of the Pakistan Agricultural Development Finance Corporation at Dacca is busy working out preliminaries to give financial assistance, in the form of loans, to the "unencumbered" tea estates. Even those tea estates which, though mortgaged, have a margin for a further charge on their assets are expected to be eligible for obtaining loans. The Corporation will also grant loans for purposes of general agriculture on lands which form part of the tea estates but are not required for tea cultivation, provided, of course, conditions relating to security are fulfilled.

Fertiliser Factory

Arrangements are being made, it is stated, for setting up a fertiliser factory at Daud Khel (Multan Division) in the Punjab. The construction work of the factory, which is to be taken in hand by the Pakistan Industrial Development Corporation shortly, is expected to be completed within three years. The cost of the factory is estimated at Rs. 5.5 crores. The U.S. Technical Co-operative Administration will provide $4 million initially to finance the project. In West Pakistan, it is pointed out, there are large coal and good quality gypsum deposits which will provide the raw materials for the manufacture of fertilisers.

A Pakistan trade mission is expected to leave for Japan shortly to negotiate a trade agreement with that country. The prospects of a trade agreement between Pakistan and Japan are considered to be bright. Japan, it is stated, has been eager to retain its market in Pakistan for cotton piecegoods and yarn, while Pakistan is interested in selling its raw cotton.

About Rs. 30 crores have, according to the latest figures available, so far been spent on refugee rehabilitation by the Central and Provincial Governments. This, however, does not include the cost of evacuation and the sums advanced by Provincial Governments and the Pakistan Refugee Finance Corporation as *taccavi* and loans, respectively. A housing finance Corporation has also been set up by the Pakistan Government with a capital of Rs. 5 crores, which would advance loans to individuals for construction of houses.

AMERICAN LETTER

WAVE OF OPTIMISM IN EISENHOWER ADMINISTRATION

WILL LABOUR CO-OPERATE?

(From Our Own Correspondent)

NEW YORK, *28th January*

THE United States is experiencing at the present time an Eisenhower confidence boom, very similar to the wave of confidence which followed the election of Franklin D. Roosevelt to the Presidency in 1933.

The different status of the U.S. now and then, can readily be seen from the two inaugural addresses. General Eisenhower's speech, in its main emphasis, was international which is in line with both the Korean war and the new world role America has to play.

President Roosevelt's speech, during the depth of the great depression, centered around the theme "the only thing we have to fear is fear itself." Hitler was just coming to power then, too, and war clouds were indiscernible below the horizon.

The General's inaugural message was very well received. In the eyes of Americans, it should have dispelled any fear abroad that the internationalist foreign policy of Washington would be superseded by a certain degree of isolationism. It should have also removed any apprehensions that the previous protectionist policy of the Republican Party would be revived.

Both, it is felt, were valid reasons for the world at large to look with caution upon the new Administration. The hope here is, therefore, that the domestic confidence boom for Eisenhower will develop into a similar international movement throughout the Western world.

It may be enquired: "On what is the American wave of optimism based?"

In the first place, it's essentially a honeymoon feeling. A new man, new surroundings, new leadership, new ideas. Beyond that, General Eisenhower's past accomplishments are such that future hopes are naturally great.

Really encouraging at the moment is the fact that all constructively thinking elements in the United States, individually and collectively, plead for a sane economic policy.

For example, it is becoming more and more evident that the economic and financial leaders of the new Administration are rejecting emphatically the previously held conviction that only a continual spiral of mild inflation can satisfy labour, business and Government revenue.

The new ideas are exemplified by Allan Sproul, President of the Federal Reserve Bank of New York, who advocates an economy which emphasises increased productivity, "taking some related ups and downs in its stride and fitting into place those economic and social improvements which the rate of growth of productivity permits."

It is based on the history of American mass production. The theory is that by greater output, prices can be reduced and goods can be made available for more people. At the same time, profits may rise and permit higher wages.

The practice in the past twenty years has been for Washington to encourage the unions to ask for higher wages which led to a permanent cycle of price inflation. In many phases, productivity was unable to catch up, until the next round of wage raises was granted and only emergency output has made that possible.

In other words, the Republicans propose to put the production horse before the wage cart and they are willing to provide incentives such as lower taxes in order to stimulate civilian output in all lines.

To supplement this plan, and to prove that the previous official inflationary bias is a thing of the past, the new leaders in the United States Treasury are inclined to refund a part of the huge short-term bank-held debt with long-term obligations to be placed in the hands of individual and institutional savers. Obviously, this would reduce the money supply and have a disinflationary effect. In order to achieve this end, the Treasury management seems quite prepared to adjust its rates to that of the market which would mean probably that a new 3 per cent. Government loan may be floated in the near future.

Since my last despatch, the twelve Federal Reserve Banks, with approval of the Board of Governors of the Federal Reserve System, have raised the re-discount rate from 1½ to 2 per cent. It was done before the inauguration of President Eisenhower, but I assured myself that it was done with full approval of the incoming Administration.

Not that consent was necessary since the Federal Reserve System, as the watchdog of the country's credit, is supposed to act independently from political considerations of the Treasury, but the fact is that the new Treasury officials liked it, because it plays into their hands by reducing the inflationary Government debt of the banks and putting an ever so mild damper on commercial borrowings as well.

So far, these developments have found the full approval of nearly everyone in the country. There is also a well sustained move for U.S. tariff reductions and adjustments regardless of individual consequences on the theory, "trade is less expensive in the long run than aid." How individual industries will testify before Congress in specific instances of duty cuts, remains to be seen, of course. But the general acknowledgement is encouraging just the same. It is all part of the confidence boom and honeymoon.

How long will this boom last? It seems to me that that will depend on the President's legislative proposals to Congress and on the overall policy as it may unfold itself over the next few weeks and months.

To my mind, one big question mark will be labour. While millions of workers must have voted for the General in order for him to be elected so overwhelmingly, labour organisations, with few exceptions, were for the Democratic Party, not the Republicans and leaders follow Republican moves with some apprehension. Moreover, the powerful Congress of Industrial Organisations (C.I.O.) which was the White House favourite for the past twenty years, has now been superseded in this role by the more conservative American Federation of Labour (A.F.L.). One member of the latter group, in fact, has been appointed Secretary of Labour in the new Cabinet.

Theoretically, labour could cause a lot of trouble. U.S. trade union balance-sheets total some $500 million. In other words, there are ample strike funds if fights should loom. And relentless pressure for higher wages all around before higher productivity is achieved, could well upset the Republican economic problem. That's why the possibility of a fight cannot be ruled out.—*All Rights Reserved.*

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BRITISH BANKING BALANCE SHEET

NO FALL IN VOLUME OF MONEY SUPPLY

(From Our Own Correspondent)

LONDON, *31st January*

LONDON LETTER

THIS week, the last of the "Big Five" Bank Chairmen made his speech, and running true to form brought out the necessity, time and time again, of reducing the consumer subsidies in order to get the economy back on a normal price level and enable taxation to be reduced and thus increase national savings—and, as a corollary, capital investment. This argument followed the same general lines as that of the Chairman's other banking colleagues. Like the others, he also had a good deal to say on exchange control and the desirability of making sterling convertible. He introduced, however, a curious point regarding the U.K.'s dollar payments: we are now repaying annually the interest on the dollar loans incurred since 1946 and Lord Aldenham, the Chairman, declared that we should not request, while our gold and dollar reserves are low, to be allowed to buy "1 oz. of tobacco, 1 ft. of cinema film, $1 worth of non-essential goods," where these purchases might imperil our ability to meet the debt payment. He seemed to ignore the uproar that would arise in the United States if the U.K. were indeed to place an embargo on staple American exports. This country has had quite enough difficulty in making some cuts in tobacco and film imports (non-essential goods have been more easily dealt with and their flow reduced to a token level), but the trade in these goods is so important to the United States that they would prefer to see it carried on and to defer the debt payments if that were necessary.

Changes in Bank Assets

The publication of the Westminster Bank's accounts now enable one to prepare a balance-sheet for all the "Big Five" Banks put together. Total deposits at the end of 1952 were £5,542 million—an increase of well over £100 million from the year before, so that the drive against inflation has not succeeded in reducing the total volume of money available. The reason for this is ascribed to increased Government spending. It is interesting to see the changes that have taken place in bank assets over the past year. The following table picks out the main items:—

(In £ million)

	End 1952	*End* 1951
Cash	470	454
Call money	424	466
Bills	1,098	885
Total liquid assets	1,992	1,805
Investments	1,809	1,753
Advances	1,516	1,674
Total non-liquid assets ...	3,325	3,427

Over the year, the cash ratio rose slightly from 8.4 to 8.5 per cent., though call money dropped from 8.5 to 7.6 per cent. The big rise—and this is indicative of Government borrowing—was that of £213 million in bills; however, these being liquid assets, the total of liquid assets to deposits rose over the year from 33 to 36 per cent. This increase in liquidity could have caused a rise in the longer term investments and it is only because the banks have rigorously applied the Chancellor's restrictions that this has not happened. Advances indeed have fallen from about 31 per cent. on deposits to 27 per cent. As a matter of historical interest, one form of Government borrowing introduced during the war—the Treasury Deposit Receipt—which was straight borrowing from the banks against what amounted to a Treasury note-of-hand has now been dropped.

Summarising the above, cash, call money and advances, that is, commercial and financial business, have gone down £183 million, and, on the other hand, bills and investments, that is Government business, have gone up £267 million, the difference, plus an additional £2(million or so on other assets, going to swel deposits and raising them to an all time "high." Seen this way, it is clear that the deflation in the business world has, indeed, been matched by excess spending on public account.—*All Rights Reserved.*

OWNERSHIP OF BANK DEPOSITS

HALF THE TOTAL HELD BY BUSINESS CONCERNS

THE Reserve Bank of India's study of the trends in ownership of bank deposits makes illuminating reading. And incidentally, it provides also an interesting illustration as to how the statistics collected under the Banking Companies Act are being put to good use. The study, which forms the subject matter of the article in the Bank's *Bulletin* for January, is comprehensive in both scope and coverage. As compared with earlier studies the present survey, dealing, as it does, with eight half-year periods ended December, 1951, reveals that there has been an increase in the number not only of the banks covered but also of the categories of ownership of deposits included in it. Thus, the survey as at the end of December, 1947, related to only 89 Scheduled Banks, while the latest survey, as at December, 1951, deals with 85 Scheduled Banks and as many as 125 Non-scheduled Banks. Further, the earlier survey was restricted only to demand deposits other than inter-bank deposits of Scheduled Banks, whereas the present study includes the demand liability portion of savings deposits, saving deposits and time deposits, with elaborate ownership classification. In the result we are to-day in a better position to know the variations in cash balances of individuals and companies and how they influence consumption pattern and the level of prices.

The total deposits, comprising (a) demand, (b) savings and (c) time deposits as at the end of December, 1949, stood at Rs. 826.4 crores. In the following two half-years, they advanced steadily, to Rs. 840.1 crores as at 30th June, 1950, and to Rs. 849.4 crores at the end of December that year. The rise of Rs. 23 crores in the total deposits over the year was mainly due to improvement in the balance of payments position arising out of (a) reimposition of import controls in May, 1949, (b) increased exports after the devaluation of the rupee in September, 1949, and (c) the emergence of inflationary pressure all over the world following the outbreak of the Korean War. Besides, speculative withholding of stocks by traders became widespread and the cost of living rose as, for instance, in Bombay where it touched 321 in June, 1951, as compared with 297 in June, 1950. In the subsequent two half-years, that is, six months ended 30th June, 1951 and 31st December, 1951, a reaction followed. The balance of payments position turned adverse and with that the total deposits dropped by as much as Rs. 27.8 crores to Rs. 821.6 crores. The fall would have been steeper still had there not been an improvement in time deposits which in this period rose by as much as Rs. 14 crores from Rs. 226.8 crores to Rs. 230 crores. This marked rise in time deposits is attributed to the higher rates of interest offered by banks on time deposits and also to the uncertain outlook for Gilt-edged securities that prevailed towards the close of 1951.

Demand Deposits of Scheduled Banks

Of the total Scheduled Banks' deposits of Rs. 821.6 crores, demand deposits accounted for as much as Rs. 456.3 crores or 55.5 per cent. Of the remaining deposits, the share of savings deposits was Rs. 135.4 crores and of time deposits Rs. 230 crores, or 16.5 per cent. and 28 per cent. respectively, of the total.

An analysis of the ownership of Scheduled Bank demand deposits (classified under (1) business, (2) personal, (3) others and (4) accounts of less than Rs. 500) as at the end of December, 1951, discloses that business deposits account for as much as Rs. 235.79 crores or 51.67 per cent. of the total demand deposits. The percentage share of the total, however, shows a decline, as compared with 52.40 at the end of December, 1950, and 52.02 at the end of the previous half. Of these business deposits, those owned by trading concerns accounted for 25.18 per cent. or Rs. 114.89 crores, an overwhelming portion of these, namely, Rs. 73.53 crores, being held by trading concerns "other" than companies. Next in importance to trading concerns were the financial concerns (banks, insurance companies, co-operative societies and others) which accounted for Rs. 52.37 crores or 25.18 per cent. of the total demand deposits. Of these, the share of banking companies was the highest at Rs. 30.84 crores or 6.76 per cent. of the total. Demand deposits held by insurance companies amounted to Rs. 10.57 crores. A notable feature is that the share of these companies has been registering a steady increase from 1.43 per cent. of the total in June, 1949, to 2.32 per cent. in December, 1951. This increase reflects the uncertainty of investment prospects that prevailed during this period. Demand deposits owned by manufacturing concerns accounted for Rs. 49.26 crores or 10.80 per cent. of the total, the share of companies engaged in manufacturing being as high as Rs. 42.38 crores. Among other categories of owners of business demand deposits are public utility concerns with a share of Rs. 8.10 crores, mining concerns with Rs. 3.49 crores and plantation companies with Rs. 7.68 crores.

The major portion of the non-business demand deposits consisted of personal deposits. At Rs. 238.43 crores, such deposits represented nearly 40 per cent. of all demand deposits in December, 1947. In the four years from that date, personal demand deposits had fallen by as much as Rs. 114.51 crores, while unclassified demand deposits, that is, deposits in accounts of less than Rs. 500 which were mostly personal dropped by only Rs. 9.85 crores. The greater part of the decline in these items is attributed to the exclusion of demand liability portion of savings deposits from demand deposits which from December, 1949 onwards, were shown under savings deposits most of which were personal. After making the necessary adjustments, the fall in the two items together works out to about Rs. 42 crores. This decline is presumably taken to represent withdrawals of deposits by individuals, particularly by those who were affected by changing business conditions.

Demand deposits held by "others," that is, clubs, local authorities, etc., on the other hand, increased relatively to the total from 11.29 per cent. in 1947 to 18.93 per cent. in 1951, when their share stood at Rs. 86.39 crores. Unclassified deposits (consisting of accounts below Rs. 500) rose from Rs. 20.06 crores in December, 1947, to Rs. 28.94 crores in June, 1949.

Savings Deposits

Contrary to the general belief about the trend of savings in the country, savings deposits displayed a remarkable stability during the period under review, the amount varying within a narrow margin, between Rs. 134 crores and Rs. 137 crores. Since almost the whole of these deposits are personal deposits, this trend may be taken as an indication that there has been no fall in savings by the middle classes, in spite of the high cost of living and high rates of taxes.

Time Deposits

This conclusion is strengthened by the trend of time deposits owned by individuals. The major portion of time deposits as at the end of December, 1951—53 per cent. to be precise—constituted personal deposits and they fell, as compared with December, 1949, by only Rs. 4 crores to stand at Rs. 122.97 crores. This fall is negligible as compared with the rise in cost of living during the two-year period.

There was a rise of 6 per cent. in the total of time deposits between the end of 1949 and of 1951. The whole of this increase was accounted for business time deposits, which went up by Rs. 14 crores to a total of Rs. 64.59 crores. Of these, the share of trading concerns amounted to Rs. 45.49 crores or 70 per cent. The share of financial concerns increased during the two years by Rs 5 crores. Time deposits of other business concerns, including manufacturing, etc., rose by Rs. 5.43 crores to Rs. 13.34 crores by the end of June, 1951. Subsequently, however, they declined to stand at Rs. 7.33 crores by December, 1951. Other time deposits stood at Rs. 41.01 crores.

Deposits Held by Class of Banks

Of the total deposits of Scheduled Banks in December, 1951, amounting to Rs. 822 crores, as much as Rs. 500 crores, or 61 per cent., were held by eight major Indian Scheduled Banks. Deposits of Rs. 164 crores were held by 15 Exchange Banks, while other Scheduled Banks accounted for the balance.

In December, 1949, out of total demand deposits of Rs. 478 crores, as much as Rs. 282 crores were with the major Indian Scheduled Banks, Rs. 119 crores with Exchange Banks and about Rs. 78 crores with other Scheduled Banks. In other words, although the volume of demand deposits held by all the three groups of banks declined, the fall was quite substantial in the case of the major Indian Scheduled Banks and the other Scheduled Banks only, such in the case of Exchange Banks being negligible, hardly a crore of rupees.

Most of the savings deposits as at the end of December, 1951, were held by Indian banks (major banks Rs. 97.60 crores and others Rs. 27.49 crores), the Exchange Banks' share being about 7 per cent. of the total or Rs. 10.26 crores. In respect of time deposits also, Indian banks predominated over their foreign counterparts, the exact share of major Indian banks, Exchange Banks and other banks being Rs. 137.68 crores, Rs. 35.86 crores and Rs. 56.42 crores respectively. Further, the demand deposits of both Exchange Banks and major Indian Scheduled Banks were larger than their savings and time deposits put together. Demand deposits of other Scheduled Banks, however, were slightly smaller than their savings and time deposits.

As compared with December, 1949, while the savings deposits of the major Indian banks and other Indian Scheduled Banks show only a fractional improvement, those of exchange banks reveal a relatively better rate of improvement. The time deposits of all the groups of banks disclose an improvement, but, here again, the extent of increase is relatively greater in the case of Exchange Banks than in the case of the two groups of Indian banks. Thus, whereas the time deposits of the major Indian Scheduled Banks and other Indian Scheduled Banks rose from Rs. 133.78 crores and Rs. 53.90 crores in December, 1949, to Rs. 137.68 crores and Rs. 56.42 crores, respectively, in December, 1951, those of Exchange Banks shot up from Rs. 26.43 crores to Rs. 35.86 crores. The better experience of Exchange Banks thus is, perhaps, the result of the relatively higher rates of interest offered by them for time deposits.

Deposits by Accounts

In December, 1951, total demand deposits amounting to Rs. 456.31 crores were held in 10,17,045 accounts. Of this, about Rs. 205 crores were held in 5,496 large-sized accounts, about Rs. 152 crores in 61,456 medium-sized accounts and about Rs. 99 crores in 9,50,693 small-sized accounts. The tendency has been for deposits in smaller accounts to increase and in bigger ones to decline in the two years between 1949 and 1951. Saving deposits are mostly held in accounts of over Rs. 500. In time deposits, too, small-sized accounts predominated. These trends are in consonance with the popular belief about the change in the distribution of income in the country.

Non-Scheduled Banks

Contrary to the pattern of Scheduled Bank deposits, demand deposits of Non-scheduled Banks account for a much smaller figure than do time and savings deposits of these banks. Their demand deposits declined almost continuously from 29 per cent. of total deposits in December, 1949, to 22 per cent. in December, 1951. The proportion of time deposits, however, rose correspondingly from 53 per cent. to 61 per cent. Savings deposits maintained their position at between 17—19 per cent. of the total. This seems to indicate that, in the case of Non-scheduled Banks, the depositors' preference for time deposits was governed by the facilities and return offered by these banks.

The total deposits of Non-scheduled Banks as at December, 1951, amounted to Rs. 28.40 crores. Of these, the share of time deposits amounted to Rs. 17.26 crores or 60.77 per cent. Of the remainder, the share of demand deposits was of the order of Rs. 6.37 crores or 22.43 per cent. and that of savings deposits was Rs. 4.77 crores. About 46 per cent. of the total deposits were business deposits and a third personal, and the rest unclassified and other deposits. Out of the business deposits, more than half was accounted for by trading concerns, mostly small traders, and another one-fifth by financial concerns.

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NATIONAL SAVINGS FORTNIGHT

The National Savings Fortnight, organised by the Provincial Savings Organisation, Madras, was inaugurated on the 2nd inst. by Mr. C. Subramaniam, Minister of Food and Finance. Addressing the gathering, the Provincial National Savings Officer stated that the net investments under the first seven months of the current financial year was Rs. 24.7 crores and that collections in the Madras State during April to December, 1952, amounted to Rs. 2.1 crores. In order to popularise the scheme in rural areas, steps were being taken to appoint extra-departmental branch postmasters as authorised agents for the sale of 12-year National Savings Certificates.

It may be mentioned here that out of the Rs. 2,069 crores of capital required during the five years to implement the Five-year Plan, not less than Rs. 250 crores are expected to come from the small savings of the people. It is not known whether a drive for small savings, such as the one undertaken in Madras, is being made in other States.

MERCHANT BANK OF SCHACHT

The Merchant Bank of Schacht & Co. was opened on 29th January last by Dr. Hjalmar Schacht, the former Finance Minister of Hitlerite Germany, in Dusseldorf, the industrial and financial capital of Western Germany. It would appear that Dr. Schacht wanted to start this bank in Hamburg, but the Senate refused him permit.

The Merchant Bank of Schacht has its first branch started already in a small town of Aumuhle, only a few miles outside the city. This will act as the link between the new bank in Dusseldorf and the overseas markets which he proposes to tap, particularly in the Middle East. Dr. Schacht hopes to finance the development of iron-ore mines in Syria. Preliminary investigations have shown that there are sufficient quantities of high-grade ore to make their development a commercial proposition. His talks with the Egyptian Government are reported to have revolved round the possibility of an exchange of German machinery for Egyptian cotton.

PRINCIPLE OF "TRADE—NOT AID"

LARGE MEASURE OF AGREEMENT BETWEEN THE U.S. AND THE U.K.

(In our last issue, we published an account of the British Chancellor of the Exchequer, Mr. R. A. Butler's exposition of his new phrase "trade—not aid". He indicated therein as to what was expected of the creditor and debtor countries for depending less on charity and more on trade as a basis for balancing international payments account. In the article published on this page, the Guaranty Survey, published by the Guaranty Trust Company of New York, examines the implications to the U.S. and other free nations of the world of the new approach to the balance of payments problem. The views expressed therein are reasonable and practicable and may be taken as representative of the attitude taken by the enlightened section of Americans. On a comparison of the views stated in this article with those of Mr. Butler, it will be seen that there is a large measure of agreement between the two.—Ed.)

"TRADE—Not Aid" is a summary phrase much used in current discussions of what the foreign economic policy of the United States should be under the incoming Federal Administration. The new Government will face few problems more complex than this. Obviously, the solution will have vital importance, not only for its bearing on global economic welfare but also because of its political overtones affecting the defence of the free world.

"Trade—not aid" sloganises what seems to be a consensus in business and Governmental circles here and abroad that further continuation of the practice of subsidising American exports by means of dollar grants to other nations would be unsound and mutually disadvantageous in the long run. To-day a more normal, healthy basis of trade relationships is needed, even though the transition may involve some temporary adverse effects and uncertainties. Like other forms of Governmental intervention, foreign assistance illustrates the broad truth that it is easier to become embroiled in artificial and unwholesome situations than it is to escape from them. The problem now is to balance the good and bad features, short-term and long-term, of alternative plans.

The magnitude of the problem and the harm that could be done by wrong decisions are clear enough. During the last seven years, exports from the United States have exceeded imports by roughly $5 billion annually, on the average. Net aid to foreign nations has amounted to approximately the same figure. The total for the seven years, $35 billion, is equal to more than 11 per cent. of all Federal revenues and more than 10½ per cent. of all Federal expenditures for the period.

These figures mean that almost all of the American export surplus since World War II has been unreal in the sense that it has not been sold but given away. It has been given by the American taxpayer to the foreign consumer and has accounted for about one-ninth of the total Federal tax burden in the United States.

Obviously, this is not a foundation upon which a sound and lasting structure of foreign trade can be built. It was defensible, as an emergency device, to save Europe from dire hardship, threatening totalitarian domination, with economic and political isolation of the United States. No such emergency now exists. Military assistance under the collective-security programme may still be needed, but economic aid should be discontinued as quickly as possible. Unless it is, what began as a temporary relief programme may become an ingrained habit of dependence, and the longer such a habit continues the harder it will be to break.

Europeans, as well as Americans, recognise the need for a change. Ivar Rooth, Managing Director of the International Monetary Fund, recently told the National Foreign Trade Convention that the problem of the dollar deficit "has been held at bay throughout the post-war period by extremely generous aid from the United States Government. . . It is clear, however, that the solution to the problem cannot be found in the continuation of United States aid. This aid is at best a scaffolding to assist in the erection of a permanent structure."

The dollar deficit still exists, of course, in the sense that many foreign countries would still like to import more American goods than they are able to pay for. The responsibility for this situation has been the subject of controversy and some mutual recrimination, with a measure of truth on both sides.

Foreigners (and some Americans) stress that the United States has become a creditor nation, yet has clung to attitudes and practices appropriate to a debtor nation. As evidence they cite the persistent reluctance to accept larger imports and the disinclination of most Americans to invest abroad.

Americans (and some foreigners) reply that the United States has made substantial foreign investments, that it is creating enough dollar exchange by importing to pay for about twice as much in exports as before the war, that industrial production in Western Europe in 1951 was about a third greater than in 1938, and that the apparent dollar deficit is due, in large measure, to arbitrary insistence upon standards of living which national economies cannot support, and especially upon social programmes that Governments find politically difficult to give up.

The United States cannot and should not assume sole responsibility for the world-wide supply or shortage of dollars. The problem facing this country is to decide, in the light of intelligent self-interest and with due regard to the international obligations of a leading commercial nation, what policies will be most conducive to an orderly and not too painful transition from the regime of "aid" to one of "trade."

Three broad types of solution would seem to be available. One would be to let exports decline to the level of imports. Another would be to allow imports to rise to the level of exports. The third would be to maintain an export surplus by means of foreign investments.

Smaller Exports or Larger Imports?

The chief argument in favour of letting exports fall to the level of imports is that this course would avoid the necessity of exposing American industries to increased foreign competition. In other respects, it would be an unsatisfactory alternative. It would injure export industries, which are geared to a high level of foreign demand. Such injury would presumably be offset, to some extent, by the additional domestic purchasing power made available by the cessation of foreign aid. Not all of the new purchasing power, however, would be used for buying the products that had lost their foreign markets.

Letting exports drop would deprive foreign countries of badly needed American goods, besides preventing American consumers from buying in the cheapest market. It would be a step toward economic isolation, a denial of the advantages of international trade. It would make the United States unpopular abroad and would probably provoke retaliation, with a tendency toward higher trade barriers generally. It would weaken foreign economies and reduce the strength of the free world.

Most of these objectionable consequences of a drop in exports would be avoided by the second alternative—to permit a rise in imports. This would be a step toward freer and more natural trade conditions throughout the world. It would enable the United States and foreign countries to enjoy the advantages inherent in international trade. The chief objection to it has just been mentioned: It would expose American industries to increased foreign competition, which would be relieved, to some extent, by the additional domestic purchasing power due to the cessation of foreign aid.

The question of increasing imports into the United States is not one for the United States to face alone. The limited exporting capacity of foreign countries is due in part to the insistence of such countries upon "social gains" which restrict output, raise costs of production, and weaken their competitive position in world markets. This is a problem that must be solved by the foreign countries themselves, not by Americans.

The question facing the United States is—conditions being what they are—to what extent would it be in this country's interest to lower its trade barriers in order to admit more imports? In considering this question, it is a grievous error to think of the United States' self-interest solely in terms of the domestic market for domestic products, as some extreme protectionists tend to do. The United States cannot close its domestic market to foreign goods, without, at the same time, and to the same extent, closing foreign markets to American goods. Unless this basic fact is recognised, no intelligent consideration of the foreign-trade problem is possible.

Re-stated, the question becomes: Is it in this country's interest to encourage or restrict its *two-way* foreign trade? It is necessary to bear in mind that sustained prosperity in the United States depends to a large extent on a generally strong and healthy world-wide economic situation.

To permit a substantial rise in imports, legislative action would probably be necessary. Some help is likely to be obtained from enactment of the Customs-Simplification Bill, which almost passed at the last session of Congress. Another constructive step would be to repeal the "Buy-American" Act, which raises the cost of rearmament, besides weakening and irritating America's allies. A third would be to abolish import quotas. A fourth would be to broaden Executive authority under the reciprocal-trade programme, which has done good service in combating the trend toward international trade restrictions but which seems to have exhausted most of its usefulness under the law as it now stands. If all these measures should prove inadequate, the question of general tariff reduction could be considered.

The statement that exports and imports must balance contains one possibly important loophole. The United States could maintain an export surplus in commodity trade for some time if Americans could and would invest more heavily abroad. In some respects, this is the most desirable alternative of all. It cannot provide a permanent solution of the trade problem as it now exists, because income from the foreign investments would ultimately increase the pressure upon the United States to accept larger imports—would, in fact, eventually result in an almost unavoidable import surplus. Nevertheless, sufficiently large foreign investment would temporarily meet the trade problem and, at the same time, would contribute to global economic development.

Unfortunately, the obstacles to large-scale capital investment at present are formidable and, for the most part, are beyond the control of the United States. Extreme nationalism, which is rampant in many parts of the world, fears and distrusts outside capital. Debtor nations have compiled an unhappy record of expropriation and nationalisation of resources in recent years, to the serious detriment of foreign investors as well as their own industrial development.

This is a problem to be solved by foreign nations that desire to promote their economic development with the aid of American capital. The "climate" for international investment has been improved, in some cases, by treaties guaranteeing certain types of fair treatment of foreign capital by debtor countries. Progress in this direction thus far has not been sufficient to produce a really large-scale flow of capital, and it is questionable whether such a flow could take place in the present disturbed state of international relations.

The most likely prospect seems to be that a new trade equilibrium will emerge from a combination of the three alternative readjustments just outlined—smaller exports, larger imports, and heavier foreign investment. In any case, the transition will probably involve some difficulty. An untenable situation has been allowed to develop, and it is too much to expect that a painless way out can be found. The challenging (this article was written and published before President Eisenhower assumed office—Ed.) task that faces the incoming Federal Administration is to promote, in so far as it can, a solution that will entail as little immediate damage as possible and that will assist the free peoples in their continuing struggle against authoritarian encroachment from within and from without.

HIND BANK LTD.

The preliminary results of the working of the Hind Bank Ltd. during the year ended 31st December, 1952, disclose that the profit for the year, as compared with that for 1951, has declined to the extent of 28.7 per cent. This recession is only in consonance with the general trend of bank profits for 1952. Thus, the profit of the Bank for the year under review amounts to Rs. 6,74,923, as compared with Rs. 9,47,813 for the preceding year. With the sum of Rs. 86,262, brought in from the previous year's accounts (as against Rs. 68,449), the amount available for appropriation is Rs. 7,61,185, which compares with Rs. 10,16,262 of the previous year. The Directors have raised the appropriation for taxation from Rs. 2,70,000 to Rs. 2,90,000 and for reserve fund from Rs. 2,25,000 to Rs. 2,50,000. Whereas a sum of Rs. 3,35,000 was transferred to investment account in the previous year, no provision has been made now. Bonus to staff has been provided with Rs. 35,000 (*nil*). The Directors propose to maintain the dividend at Re. 1 (free of income-tax) per share of Rs. 50 each which will absorb Rs. 1,00,000, leaving to be carried over Rs. 86,185, as compared with Rs. 86,262 brought in.

EXPORTS OF COTTON YARN

QUOTA SYSTEM ANNOUNCED

THE Government of India has decided to allow, upto 31st August next, exports of cotton yarn on a quota basis. The allotments of quotas are, however, to be made only to mills and the quotas for them will be on the basis of yarn sold by them in the internal market during the calendar year 1952, as indicated below.

In the case of counts upto and including 36s (including doubled yarn), the quota will be 2.5 per cent. of the deliveries given upto 3,000 bales; where deliveries were over 3,000 bales but upto 6,000 bales, the quota will be 3.5 per cent. of such excess deliveries, and where deliveries were over 6,000 bales, 4 per cent. of such excess deliveries.

In the case of counts from 37s to 78s (including doubled yarn), the quotas will be as follows: Deliveries upto 750 bales, 5 per cent., deliveries over 750 bales but upto 1,800 bales, 6¼ per cent. of such excess deliveries; and deliveries over 1,800 bales, 7½ per cent. of such excess deliveries.

The allotments of quotas to the mills will be made for the licensing period January-June, 1953, the last date for effecting shipment being 31st August, 1953. With a view to facilitating the mills utilising their quotas, restrictions on packings for exports have been relaxed from 12½ per cent. to 25 per cent. Restrictions on count groups have also been removed. The mills may export either directly or through exporters nominated by them upto the limit of their quotas. The last date for applying for quotas is 21st of this month. The composite mills which have not sold in the market, during the calendar year 1952, the quantities of yarn required to be sold under clause 12(1) of the Cotton Textile (Control) Order, 1948, will not be eligible for receiving any export quotas whatsoever. Exports will be allowed to any permissible destination other than Nepal, Tibet, Portuguese and French Possessions in India for which separate licensing procedures already exist.

Needs of Handlooms

The needs of the handloom industry have always weighed with the Government in allowing exports of yarn. This feature dominates the Government's latest decision also, as is evident from the quota being based on yarn sold in the internal market. By linking the quota to the sale made in the country, the Government seeks to ensure a steady flow of yarn for handlooms. There is, of course, nothing new in this method. It was followed in 1950; only the method adopted then was far more simple than the present one. It is, however, an improvement over the practice that was being followed upto now, since May, 1952, when a beginning was made in exports of yarn again, after a break of 16 months. It will be recalled here that the Government had completely stopped exports of yarn from early January, 1951 to the beginning of May, 1952, with a view to conserving the supply of all available free yarn for the use of handlooms. The slump in March-April, 1952, however, forced the authorities to remove the ban a little and allow small quantities of yarn. Permission was first given in May, 1952, to export a limited quantity of yarn produced out of foreign cotton. In June, 1952, this concession was extended to certain varieties of yarn manufactured out of Indian cotton also. In subsequent months, exports of foreign cotton yarn were freely licensed but only after carefully ensuring that the domestic demand had been fully met. This was sought to be done by giving licences only for those yarns that were packed months earlier and lying unsold in the market.

The present decision marks an improvement over the one in force till now not only in the matter of procedure followed for permitting exports of yarn but also in regard to the quantity available for export. Under the method just discarded, only those varieties of yarn for which there was no demand from the domestic consumers were available for export. These were mostly old, inferior in quality and unwanted stocks, with the result that the export demand for them was limited and halting. The quantity of yarn exported upto the end of October, 1952, was, therefore, only 18 million lbs., as against 65 million lbs. in the first ten months of 1950, when exports of yarn were regulated on a more simple and scientific basis. But now that a mill can sell a certain quantity of all varieties of free yarn as and when they are produced, the importing countries may evince greater interest in Indian yarn.

The main factors responsible for the liberalisation of restrictions on exports of yarn are the increase in production and continued poor demand from handloom weavers, resulting in accumulation of heavy stocks. The average monthly production of yarn is now as much as 135 million lbs., as compared with 117 million lbs. in 1951 and 97 million lbs. in 1950. The quantity of yarn actually produced during 1952 was as high as 1,448 million lbs., which compares with 1,289 million lbs. and 1,175 million lbs. in the preceding two years, respectively. The rise in yarn output has not been followed by a corresponding increase in offtake; in fact, the offtake of yarn by handlooms is reported to have been poor, thanks to poor demand for handloom cloth *vis-a-vis* mill-made cloth. Consequently, stocks of yarn have accumulated with the mills.

Exporters' Suggestion

As is only to be expected, the Government's decision to give export quotas for yarn only to mills (or their nominees) has caused great disappointment among exporters. This decision, it is pointed out, is highly discriminatory and harmful to the long-established trade channels which have been instrumental in building up trade connections with overseas market for the past several years. It is contended that the present policy of the Government may encourage those mills which are not exporting directly to quote exorbitant prices to exporters. It is feared that, owing to the cumbersome procedure involved, it will be difficult to develop export markets. In their opinion, the Government would have done well, had it given an equal opportunity to established exporters to cater to the needs of export markets. Incidentally, enquiries made in a section of the mill industry reveals that the mills will have no objection to the Government revising the yarn export policy in such a way as to include established exporters also. One of the methods suggested, in this connection, is the fixation of an overall export target of 30,000 bales—a quantity almost equal to the one now envisaged —and allotting quotas on first-come-first-served basis, subject, if need be, to the stipulation that the actual shipment should be made within a specified period.

The implementation of this suggestion may, however, lead to some complications in regard to the distribution of quotas to the various mills which are eligible for selling a part of their surplus yarn for export markets. The best thing to do will be to revert to the simple scheme that was being followed in 1950 and early in 1951. It is not clear as to why the Government chose to prefer the latest method to the former one which was quite consistent with its desire to secure for the handlooms the major part of the "free" yarn available from the mills.

EXPORT OF CLOTH

The Government of India, while announcing its decision on 10th January, 1953, to extend the duration of the free licensing of cloth export by a further period of three months, upto the end of June, 1953, had merely stated that all varieties of cloth would be licensed freely for shipment. The Joint Chief Controller of Exports has since announced details of the licensing procedure governing cloth exports. The scope of the free licensing policy covers all varieties of mill-made and powerloom cloth other than certain specified exceptions. These exceptions are: (1) olive green cloth of all shades; (2) any fine or superfine cloth (other than flannelette and furnishing fabrics made up of folded yarn of fine counts for warp and yarn of coarse or medium counts for weft), where the count of warp and weft yarn does not conform to certain specifications given in the notification; (3) *lungi* cloth of 42" to 48" width; (4) filter cloth; (5) mineral khaki cloth; (6) mosquito netting; and (7) umbrella cloth of coarse and medium counts.

It may be noted, in this connection, that the export of the first three aforesaid varieties of cloth was already under ban. Export of filter cloth is allowed freely up to the end of this month. As regards mineral khaki cloth, exports are being allowed only up to 25 per cent. of the production. In the case of mosquito netting, 2,000 nets had been allowed for export during the second half of 1952. With regard to umbrella cloth of coarse and medium counts, exports had been banned till the end of August, 1952. A slight relaxation was made subsequently, under which exports were allowed in respect of cloth purchased from the State Textile Controller.

As regards cotton apparel, the only variety that has been banned for export is that made out of olive green cloth of all shades. The variety of apparel which is restricted for export is the one produced from mineral khaki cloth, for which a separate licensing procedure exists. All other items of apparel will continue to be licensed freely for export up to 30th June, 1953.

The free licensing policy is not, however, applicable to exports to Nepal, Tibet and Portuguese and French possessions in India. The Deputy Chief Controller of Exports for Madras or Cochin will be the licensing authority for the export of cloth to French possessions. As regards exports to Portuguese possessions, a separate procedure already exists. With regard to exports to Tibet, the licensing procedure is expected to be announced shortly. The licensing procedure for Nepal is still under consideration.

FURTHER POWER CUT TO MADRAS MILLS

Thanks to the depletion of water in the hydro-electric system, following the continued failure of the monsoon, the Government of Madras has cut, with effect from the 1st inst., the power supply to the area served by the Papanasam-Pykara-Mettur hydro-electric grid by a further 15 per cent., raising the total cut to 50 per cent. This cut in power supply will severely affect the textile mills in Madras, resulting in underemployment to 30 per cent. of the 20,000 textile workers employed in the local spinning mills. The production of yarn will fall by 10 to 15 per cent. About 2,500 textile workers in the smaller mills will suffer a wage-cut to the extent of nearly 50 per cent.

There are, however, certain mills in Madura which will not be affected by the power cut. These include the Madura Mill and the Meenakshi Mill. The former, which employs 14,000 workers, is run by steam. Similarly, the units of the Madura Mill at Ambasamudram and Tuticorin, which together have 11,000 workers, also will not be affected, since they have their own power generators. The Meenakshi Mill—this employs 2,500 workers—has recently installed two generating sets which has enabled it to make up half the power cut. Two more are expected to be erected and these, it is said, will start working by the beginning of next month.

The effect of the power cut has, however, been severe in the case of mills in the Coimbatore District. As many as 35 mills, with 30,000 workers, have slashed their working hours by 50 per cent. Production, as a consequence, is expected to fall by almost half. Great concern has, therefore, been caused among the management of textile mills and workers. Representatives have, once again, been made to the authorities to install thermal plants in this region for keeping the mills running at full load.

DEVELOPMENT OF HANDLOOMS

It will be recalled that the reconstituted All-India Handloom Board had elected, at its inaugural meeting held in Bombay on 13th December, 1952, a Standing Committee to examine, in detail, the series of development schemes submitted by the States, and also the scheme relating to the development of markets—indigenous and foreign—for handloom products. With a view to discussing the same, the Standing Committee held a meeting here last week, with Mr. T. Swaminathan, Textile Commission to the Government of India, presiding. The most important question that came up for consideration was that of developing foreign markets for Indian handloom products. The Committee approved the principle underlining this and, as the first step in the implementation of the same, agreed to the appointment of four commercial travellers in the Middle East and South-East Asian countries. It also approved the schemes for the development of internal markets for handloom products, with special reference to their marketing the organisation of the various elements in the industry, rationalisation and standardisation of production, and consolidation of existing markets, besides emphasising the need for exploring fresh avenues for consumption of handloom products.

This Committee further approved a few schemes of certain State Governments—together costing Rs. 3 crores—while, in respect of others, it called for more details. Commending the steps taken by the Madras Government to relieve the present hardships of handloom weavers, the Committee decided to address, on behalf of the Board, the other State Governments suggesting the adoption of similar measures.

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DEMAND FOR WAGE RISE REJECTED

REPLY TO U.S. CRITICS OF BRITISH TEXTILE INDUSTRY

(From A Special Correspondent)

MANCHESTER, *27th January*

THE demand by Lancashire's 270,000 cotton spinning and weaving operatives for a wage rise of 10 per cent. on current earnings has been rejected by the Industrial Disputes Tribunal, London. The Tribunal's decision, announced to employers and trade unions at the week-end, came as a shock to union leaders who were confident that an arbitration award would be made in their favour. An official announcement said: "The Tribunal has given careful consideration to the statements and finds that the claim has not at present been established."

MANCHESTER LETTER

The dispute was referred to the Tribunal when negotiations between millowners and unions reached deadlock on 18th November last. The millowners had rejected the claim outright. More than 30 representatives of millowners and workers travelled to London on 13th January to give evidence before the Tribunal.

Union leaders argued that the cost of living had risen by more than 7 per cent. since the cotton workers' last increase. Millowners claimed that with a return to tougher selling conditions in world markets and keener competition from overseas rivals a further wage increase at the present time would create serious difficulties for the textile industry. If the full claim had been granted it would have added an average of 15*s.* 6*d.* weekly to the pay packets of men in weaving mills and 10*s.* 4*d.* of women. In spinning, the amount claimed was equal to 14*s.* 6*d.* for men and 8*s.* 8*d.* for women.

Exports in 1952

Lancashire's reputation as a manufacturer of cotton goods, built up in years of plenty when the world clamoured for its products, was established upon its export trade. It is only in recent years that the quantities of cloth for the home market have exceeded shipments overseas—and in more recent days still, imports of foreign cloth have been accepted in Britain in any quantity.

In hard facts, Lancashire's export business last year declined still further from the post-war peak reached in 1949. The value of cotton yarns and manufactured goods was £148,071,860, against £209,356,216 in the previous year. Cotton cloth shipments amounted to 710,803,000 square yards, valued at £100,855,759, and yarn exports totalled 35,721,900 lbs., worth £17,749,951.

In December, overseas trade was fairly well maintained, shipments of cotton cloth being 60,872,000 square yards at a value of £7,650,644, the final quarter of the year being the best since the first three months. The following table shows annual exports of piecegoods in recent years:—

	Piecegoods (in 000 sq. yds.)	*Value* £	*Average price per sq. yd.* d.
1938	1,336,235	31,961,174	5.53
1939	1,393,375	31,982,988	5.51
1940	975,778	32,142,055	7.90
1941	783,109	29,912,910	9.17
1942	485,250	24,395,037	12.07
1943	374,278	20,279,765	13.00
1944	434,231	24,162,772	13.36
1945	441,095	28,778,816	15.66
1946	514,505	40,384,004	18.84
1947	522,887	49,677,616	22.37
1948	761,565	85,701,945	27.03
1949	903,578	105,706,322	28.07
1950	822,473	100,296,904	29.26
1951	864,375	132,153,774	36.69
1952	710,803	100,855,759	34.05

The most striking achievement by Lancashire exporters of cotton cloth last year was the big expansion of business with Nigeria, to which market 115,421,000 square yards were sent, compared with 64,794,000 square yards in 1951.

In view of the continued interruption in trade with these major consuming areas, the advances secured in other smaller outlets were not sufficient to offset the general decline. Bigger sales, however, were recorded for British East Africa, Pakistan, Canada, the West Indies and the Sudan. In general, European countries took smaller quantities of cloth from Lancashire, although 1951's trade with Turkey was doubled at 15,252,000 square yards. Twice as much cloth was also shipped to French West Africa, the total being 14,920,000 square yards.

The chief markets for Lancashire cotton cloth in 1952 were (in square yards, with 1951 comparisons):—British West Africa 175,491,000 (149,142,000); Australia 72,963,000 (167,252,000); South Africa 59,413,000 (114,509,000); Pakistan 42,144,000 (39,523,000); Malaya 33,354,000 (48,524,000) and New Zealand 30,493,000 (45,286,000).

Yarn Shipments Halved

Overseas trade in cotton yarn is still suffering from the effects of the restrictions placed upon it by the Government early in 1951. At that time trade with foreign countries was lost which would now be extremely valuable to Lancashire mills. The declining tendency in shipments first noted in 1950 was accentuated last year when total exports barely exceeded half the volume of 1951, as the table below shows:—

	Yarn lbs.	*Value* £	*Average price per lb.* d.
1938	122,950,200	9,674,911	18.88
1939	113,661,700	8,946,248	18.89
1940	66,706,100	7,446,238	26.79
1941	23,851,800	4,483,002	37.29
1942	18,751,700	3,394,346	43.44
1943	19,216,800	3,342,329	41.74
1944	19,619,000	3,986,395	40.20
1945	16,102,500	2,915,856	43.47
1946	19,371,100	3,783,422	46.88
1947	26,666,500	6,767,214	61.09
1948	59,018,000	16,747,785	68.10
1949	82,061,000	23,550,385	68.88
1950	70,986,000	25,534,372	86.33
1951	65,491,100	31,777,004	116.46
1952	35,721,900	17,749,951	119.25

The principal markets for Lancashire cotton yarn in 1952 were (with 1951 comparisons):—Irish Republic 3,199,200 lbs. (5,183,900 lbs.); Australia 2,942,800 lbs. (9,993,000 lbs.); Pakistan 2,801,000 lbs. (3,667,300 lbs.); India 2,363,200 lbs. (535,500 lbs.); Hong Kong 2,186,900 lbs. (1,540,200 lbs.); British West Africa 2,175,900 lbs. (2,012,600 lbs.) and Canada 2,132,600 lbs. (3,616,300 lbs.).

Curb on Imports

Twelve months ago, when the industry was considering the export returns for 1951, imports of foreign grey cloth were arriving at such a pace that producers in Lancashire were rising in protest, particularly as their own machinery was widely stopped due to shortage of orders. Subsequently the position has changed and although exports in 1952 failed by some 150,000,000 square yards to reach the 1951 totals, the quantity of imports has fallen to a much larger degree.

Mainly as a result of the restrictions imposed on arrivals of cloth from abroad, the imports of unbleached cotton fabric in 1952 were only 144,272,000 square yards, against 339,988,000 square yards in the previous 12 months. Nearly 100,000,000 square yards of these imports arrived in the first half of last year.

From the balance of payments viewpoint the rise in cost of these goods is unfortunate, as despite the cut in quantity, the value of all types of cotton yarn and manufactured goods imported last year was £40,548,945 against £56,259,206 in 1951. Of this, grey cloth accounted for nearly £24,500,000 compared with £32,000,000 in the previous year.

Japan was the leading supplier of grey cloth, sending 68,534,000 square yards, against 84,981,000 yards, but shipments from India fell from 105,573,000 square yards in 1951 to only 10,079,000 square yards last year. German manufacturers provided 22,123,000 square yards and Belgium 11,534,000 yards.

In line with the drastic reduction in imports of every kind, supplies of cotton yarn from abroad fell substantially, particularly in the closing months of the year. In 1952, imports totalled only 7,264,674 lbs., valued at £2,037,353, compared with 31,666,945 lbs., costing £10,447,472 in the previous year.

U.S. Critics Attacked

Defending the Lancashire cotton industry against recent criticisms by an American textile productivity team, Sir John Grey, Chairman of the Lancashire Cotton Corporation, the world's largest spinning group, at the annual meeting in Manchester this week called for the United States to remove their tariffs on all textiles. He said:

"These critics come from a country which is protected by high tariff walls. They have a population which can itself absorb more than 90 per cent. of the production from its own cotton industry. Their industry was not closed down by a third to assist the last war effort, nor did they have the kind of continuous slump suffered by Lancashire in the 1930's. The losses then incurred in this country absorbed the industry's assets and did not permit the purchase of new machinery, nor could this be bought until the end of the last war.

"These facts should be recognised by critics who arise from feather beds. Let the United States remove its tariffs on all textiles and see what the effect of this so-called Lancashire inertia will do for them."

Sir John said the Lancashire cotton industry had been subject to more enquiries, investigations, criticisms and strictures than any other over the past 25 years. He suggested that the industry be left alone and allowed to work out its own salvation free from interference by those on the fringe who had no responsibility

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EGYPTIAN COTTON MISSION COMES TO INDIA

FACTORS LEADING TO RESTRICTED BUYING

AN outstanding event of the last week, from the point of view of the country's cotton economy, is the tour of the Egyptian Cotton Goodwill Mission headed by Mr. Hassan Mawardi. This mission which is primarily interested in promoting Egypt's cotton exports to this country, has already met the leading spokesmen of the cotton trade and textile interests in this country. The mission has been told, as is only to be expected, that, while India is generally interested in Egyptian cotton, any further expansion in Indo-Egyptian trade in cotton will materialise only if the Egyptian Government follows a realistic policy in regard to prices and export duties on cotton. Indeed, these two questions, according to all reports, figured prominently in the formal as well as the informal talks which the mission has had with the cotton interests in India.

Although India is even to-day an important customer of Egyptian cotton, the consumption of that country's cotton has declined heavily in the recent past. Thus, during the 1951-52 season, the consumption of Egyptian cotton by the Indian mills aggregated no more than 157,524 bales, as compared with over three lakh bales in the previous season. Again, the imports of Egyptian cotton from the beginning of the present season up to 24th December, 1952, are estimated at only 14,000 bales, as compared with 24,300 bales during the same period last season. The decline in the consumption and imports of Egyptian cotton is due to several factors. In the first place, the majority of the Indian mills, which were spinning superfine counts in the past, has now switched over to the manufacture of coarse and medium counts. It is true that enquiry for superfine goods does flare up occasionally. But, by and large, Indian mills interest in Egyptian cotton has tended to decline because the demand for superfine goods has fallen appreciably and this is due mostly to the high price of the raw material and also to the high excise duty on superfine cloth, to some extent. Secondly, the frequent changes in Egypt's cotton policy, and more particularly in the policy which relates to the export of cotton, are a serious deterrent to the purchase of Egyptian cotton.

Methods of Control

Many and varied have been the methods by which the Egyptian Government has interfered with the free functioning of the cotton market mechanism. But its latest measure, closing down the Alexandria market, with effect from 23rd November, until further notice, beats all previous records of interference with the cotton market. The Government fixed arbitrary prices for cotton, and announced that it would buy the cotton offered to it at these prices. The Government also announced that it would sell its stocks to exporters at reserve prices which would be based on the previous New York middling 15/16" Spot closing prices, increased by 10 per cent. for Ashmouni and 30 per cent. for Karnak, minus the respective export taxes. It was also announced that the Government would fix, from time to time, differentials for other grades.

These measures were taken after other methods at controlling cotton prices had failed. Actually, cotton prices in Egypt were declining to reasonable levels before these Government measures for cotton were announced. Perhaps, if world forces had been allowed to exert their influence on the prices of cotton in the Alexandria market, these prices would have by now reached a level at which they would have become competitive and induced the outside world to purchase more Egyptian cotton. The fact of the matter seems to be that, whereas the Government is generally inactive when cotton prices are abnormally high, it is quick to seize every opportunity to maintain prices at artificial levels when the prices tend to adjust themselves to world conditions. This is hardly the policy which should be adopted in the case of cotton, the exports of which are vital to the Egyptian economy. It is to be hoped that, at least now, the Egyptian Government will view the cotton export problem in the light of the altered world conditions which are now less favourable to the maintenance of high prices, whether for cotton, or for any other commodity. Another reason, which should compel the Government to take a realistic view of its cotton problems, is the fact that it still has on hand large stocks of cotton, for which buyers have to be found. A recent estimate placed these stocks at over 200,000 bales, inclusive of about 90,000 bales each of Karnak and Ashmouni. And more stocks are also being acquired.

Barter Deals

Strenuous attempts are no doubt being made to dispose of these stocks. Barter deals are also being conducted with other countries; exchanging cotton for other commodities. A helpful decision, from the viewpoint of the customers of Egypt's cotton, is the one which permits the sterling area countries now to pay half the price of Egyptian cotton they purchase, in sterling and the other half either in Egyptian currency on an export account or in barter-goods. This marks a departure from, and on improvement upon, the Government's earlier decision which allowed the export of cotton and other Egyptian products against payment of half the price in dollars and the other half in Egyptian pounds on an export account.

Mr. Hassan, the leader of the Egyptian Cotton Mission in India, said last week, at a Press Conference in Bombay, that Egyptian cotton was of exceptional quality and that the demand for it had increased considerably of late. He added: "We are confident of disposing normally all the cotton as we have managed to do in the past. If some of our customers have restricted their purchases this season, fortunately others have bought and will buy more." Referring to the relatively high prices of the Egyptian cotton, Mr. Hassan said:

"We have no need to point out to our Indian friends the fact that the spinning value of Egyptian cotton, compared to practically any other foreign growth, is higher and it definitely pays them to pay the small difference in price.

"We have to point out that there is no advantage in price likely to be gained by further delaying purchases. Nobody has now any control on the prices of Egyptian cotton.

"Naturally, economic factors will have a bearing on the future policy of production in Egypt as anywhere else. The Egyptian Government being this year the holder of most of the present supply, the offer of sales will be more in harmony with demand."

Emphasis on Quality

Mr. Hassan's emphasis on the quality of Egyptian cotton was, of course, unnecessary, for this is a factor which needs no special publicity nor emphasis. It has been conceded by spinners all over the world. But the spinners cannot certainly pay too high a premium for this one consideration, a premium fixed arbitrarily by the Egyptian Government. This point was rightly stressed by Mr. N. Shrodhan, Vice-Chairman, Ahmedabad Millowners' Association, who told the Egyptian Mission at Ahmedabad that, if free marketing facilities were accorded and prices stabilised according to the laws of supply and demand, there would be a "greater buying" of Egyptian cotton in India. He said that this country might have consumed a "lot more" of Egyptian cotton in the last two years had it not been for the "artificial and varying levels of prices, maintained by vested interests in Egypt," which had resulted in India importing a million bales from the U.S. He also protested against the Egyptian Government's policy of revising the export duty on cotton "in season and out of season."

Apart from these two questions, the question of correct prices and that of export duties —there is another problem which stands in the way of larger offtake of Egyptian cotton by India. This is the problem of evolving an acceptable arbitration machinery—that is, acceptable alike to the buyers and the sellers. Last year the Egyptian cotton exporters decided that all arbitration would be done only in Alexandria. This unilateral decision was naturally enough resented by the cotton interests in this country. It is contrary to established international practice under which the buyer has the option to get his cotton arbitrated at any place in mutual agreement with the seller. Leading cotton importers in the city are, it is stated, examining the whole question of evolving an acceptable machinery of arbitration. It would appear that the Egyptian Mission has expressed its desire to accommodate Indian opinion on this issue. Broadly speaking, Indian importers would like to see that this country is represented adequately on the bodies which deal with arbitration in cotton disputes. Thus, they would like to see that Indian buyers are allowed to nominate an additional member to the three-member Arbitration Board which the Egyptian Government proposes to set up. Again, they would like to see that Indian buyers are represented by an addition of two more members in the five-member Appeal Board, which the Egyptian Government proposes to set up. The representatives of Indian interests on these bodies will be selected from a group of leading Egyptian firms of cotton exporters. The scheme, which the Indian interests are sponsoring, envisages that the representatives will work on these two bodies by rotation as and when cotton is surveyed prior to shipment or as and when any quality dispute is submitted by Indian buyers for arbitration in Alexandria. But, if the representatives are themselves interested in the cotton under dispute, they will not, of course, be present at the time the arbitration issue is being discussed. Again, the representatives of Indian interests will be chosen only if they answer the qualifications which are laid down for the representative of the International Federation of Master Cotton Spinners and Manufacturers' Association on these two bodies. It is, however, stipulated that, if an Indian firm opens a branch in Alexandria, at any time in future, this firm should be given preference in the matter of representation on the arbitration bodies. It is to be hoped that the scheme, or a similar scheme, will commend itself to the Egyptian authorities. In any case, it must be clear that any failure to accord recognition to India, which is the second largest buyer of Egyptian cotton, in the arbitration bodies, would certainly act as a serious deterrent to Indian offtake of that country's cotton.

WORLD CONSUMPTION OF COTTON

The average monthly rate of consumption of cotton in the "free" world during the first three months of the 1952-53 season, which begins on 1st August, was, according to the International Cotton Advisory Committee, 25.1 million bales, which compares with 26.1 million bales in the corresponding period of the previous season. The following table gives the consumption of cotton in the leading cotton consuming countries of the "free" world:

Cotton Consumption
(In 000 bales of 478 lbs. each)

	1948-49	1950-51	1951-52	1952-53 Aug.	Sept.	Oct.
Canada	22	40	29	23	29	36
U.S.	572	876	766	782	793	842
France	108	101	101	63	102	106
W. Germany	96	87	80	67	86	
Italy	55	82	74	11	77	78
U.K.	224	178	141	93	116	126
India	255	245	275	301	295	294
Japan	223	133	151	161	169	172
World (million bales)	22.9	26.6	25.4	23.9	25.5	25.9

It may be noted here that the world consumption of cotton in the later months of 1952 was distinctly better than in July of that year, when cotton consumption was as low as 21.1 million bales. Discussing the prospects of the consumption of cotton in the January issue of its monthly review, *Cotton*, the Committee says:

"Demand for raw cotton over the long period depends on the level of cotton consumption, which in turn is governed by the demand for cotton textiles. In this respect, the outlook is still uncertain but the recovery initiated at the beginning of the present season, although cautious, continues. International trade in 1953, according to the recent Textile Conference, should rise somewhat, while most countries expect domestic demand to be at a fairly high level, in view of the high level of employment and investment. On present prospects, therefore, cotton consumption in the free world during the 1952-53 season is not expected to vary much from the 25.1 million bales consumed last season, unless there is a very radical change in the economic and political scene. A final point on cotton demand in the long period is that the future competitive position of cotton *vis-a-vis* rayon is greatly improved by the decline in world cotton prices. Cotton in many countries is now selling at a heavy discount on rayon and cotton in many instances is now a cheaper raw material, even if allowance is made for the waste factor in spinning cotton. This change in relative values should be important in the drive towards greater sales promotion in cotton textiles."

SUDAN COTTON

Sudan's 1952-53 cotton crop is estimated by the Ministry of Agriculture at 1.8 million kantars as against 1.2 million kantars in the 1951-52 season.

METHODS OF SECURING INDUSTRIAL PEACE IN INDIA

COLLECTIVE BARGAINING VS. COMPULSORY ARBITRATION

(By "LIBRA")

THE growing *tempo* of industrial expansion in India has brought in its wake all the attendant evils and problems. The greatest of them all is the problem of the human factor in production. It is no more than a platitude to say that, although theoretically labour as an agent of production is free to offer its services and withdraw them whenever it likes, in practice, this freedom, in a capitalist society, only means freedom to starve. Effective organisation of labour is the only safeguard against victimisation by the powerful employer. It is only thus that the worker can bargain on terms of equality with his employer.

It is no wonder then that, during its chequered career of 30 years, the Indian trade unions have neither gathered the strength nor the prestige which unions in Western countries with a much earlier start have achieved. The reasons for this state of affairs are legion and this is not the place for their exhaustive enumeration. The most important of these reasons, of course, is that the trade union movement is still dominated by the "outside agitator" who is more intent on attaining his political ambitions than on the welfare of the worker. The Indian worker wants quick results and, unless he is assured of a quick wage increase or other monetary benefits by his union, he will migrate to a rival union or will save his subscription for more fruitful purposes. Thus the unions, which have to justify their existence by ceaseless demands on the employers, have functioned more as strike committees than as welfare organisations for the uplift of the worker. There are, of course, rare exceptions, like the Textile Labour Association of Ahmedabad, which has started co-operative housing societies, co-operative credit societies, hospitals, dispensaries, etc., and has thus materially contributed towards the raising of the standard of living of its members.

It would not be far from the truth to say that, until the advent of the era of Industrial Courts and Industrial Tribunals, Indian unions had little to show by way of achievement and that little was achieved by strikes which wasted enormous human energy and caused misery and travail to thousands. The weakness of the unions was exploited by the employers and it was hardly, if ever, that an employer recognised a union. Recourse had, therefore, to be taken to a trial of strength.

Compulsory Arbitration

The Bombay Industrial Disputes Act, 1938, which introduced compulsory arbitration in India for the first time in the case of disputes, the continuance of which were likely to cause serious or prolonged hardship to a large section of the community, or seriously affect an industry and the scope for employment in it or cause a breach of public peace, also brought compulsory recognition by employers to the union which commanded a membership of 25 per cent. of the total number of workers employed in an occupation or an industry. The Bombay Industrial Court, constituted under this Act, has set up a tradition of progressive judgments and has justified itself as the pioneer institution of its kind in India. It has brought into realisation the cardinal principle of compulsory arbitration enunciated by the International Labour Organisation, namely, that "its object is not the application of existing rules of law but the creation of new law for the parties."

The award of the Bombay Industrial Court, made in the month of June of 1947, fixing minimum basic wages for the least skilled workers in the cotton textile industry of Bombay, has served as a guiding star to the adjudicators in various parts of the country in fixing minimum wages in various industries. Its dictum on the grant of bonus that, "so long as the living wage standard has not been attained, the bonus partakes primarily of the character of the satisfaction, often partial and temporary, of the deficiency in the legitimate income of the average worker in an industry, and that, once such income has been attained, it would also partake of the character of profit-sharing," has had far-reaching influence on the concept of bonus in the country and has been quoted with approval by the Labour Appellate Tribunal. Wages in the cotton textile industry in the Bombay State have been standardised by the Court; wages in the silk textile industry standardised by awards of the Wage Board are now before the Court for consideration in appeal; and references regarding standardisation of wages in the sugar industry are also pending before the Court. Principles regarding retrenchment, compensation, reinstatement, dearness allowance, night-shift allowance, etc., have now been well settled by judicial pronouncements, so far as the industries over which the jurisdiction of the Bombay Industrial Court extends under the Bombay Industrial Relations Act, 1946, namely, cotton textile, silk textile and woollen textile industries, sugar industry, B.E.S.&T. Undertaking and banks which do not have branches outside the State of Bombay.

The Industrial Tribunals constituted under the Industrial Disputes Act of the Central Government which governs the labour-management relations in the industries not covered by the Bombay Industrial Relations Act in Bombay State and other Provincial Acts in other States, have also formulated and laid down guiding principles regarding wages, dearness allowance, bonus, retrenchment, provident fund, gratuity, leave and various other matters of vital import in industrial relations.

Duty of the State

Thus, it will be seen that what the trade unions could not achieve during the past 25 years with the greatest weapon in their armoury, has been achieved by the awards of the Courts and the Tribunals within the narrow span of six years. There is no attempt, in this statement, to belittle the value of the unions in adjusting human relations in industry. Negotiations between the employer and the union representing the workers should, of course, be the first step towards settling of disputes in an undertaking or an industry. But, if the employers and the unions do not arrive at peaceful and amicable settlements, culminating into trade agreements, it is the duty of the Government to intervene and not to allow them to dislocate the industry by their trial of strength to the detriment of the interests of the consumer, the public and national production.

Strike, as a weapon, may succeed during a boom period, but, during periods of recession and depression, it is likely to rebound like a "boomerang" on the workers and sometimes may even be deliberately exploited by the employers to discredit a union. The untold misery and loss of morale that a fizzled strike entails are more harmful than anything else to the trade union movement. The service of mediation offered by the Government is thus a face-saving device to both parties. A mediator does not determine the rights and wrongs of a situation and pass judgment on it. His function is to coax the parties to arrive at some mutually acceptable, though not always mutually satisfactory, adjustment. Employers, who are adamant towards union representatives for fear that easy concession on one demand may lead to further demands, are generally agreeable to give in when goaded by an impartial Government official. Experience also shows that union leaders are prepared to modify their demands before a conciliator rather than during negotiations with the employers, as, in the latter case, they would be liable to be dubbed "turn-coats" sponsoring "yellow dog" agreements.

The next two stages in the achievement of industrial peace are: voluntary arbitration and compulsory arbitration. In voluntary arbitration, the parties agree to submit their dispute to the adjudication of an impartial adjudicator. The acceptance of the award of the arbitrator is purely voluntary, unless the agreement provides for its compulsory acceptance. In compulsory arbitration, the legislature empowers the Government to refer a dispute to an arbitrator, whenever it finds, or its attention is drawn to, the existence of such a dispute. During the period of adjudication the parties are prevented from indulging in strikes or lockouts.

Blind Imitation of West

The habit of drawing inspiration from Western countries in all matters, which is so strong in us, is likely to be a deceptive and tricky guide, especially due to the human factor involved in industrial disputes. Transplanting methods from the West which may not be suited to the social and economic climate of India will only bring failure and disaster. In education, outlook, race, historical development and standard of living, the Indian worker is miles behind his Western counterpart. Broadly speaking, the union leadership does not also come up to Western standards. There is also a great deal of diversity in the national characteristics. Blind following by one country of institutions in another country has proved to be unsuccessful even in the West. Britain has been pre-eminently successful in settling its industrial disputes by negotiations and mediation. But, in the words of Prof. Kirkaldy, "the U.S.A. is, perhaps, the only country which has endeavoured to achieve most in the shortest time in the field of collective bargaining and, in its haste, has failed to realise that a willing spirit cannot be inculcated by an Act of Congress."

Compulsory arbitration has functioned satisfactorily in Australia and New Zealand. According to Professors Watkins and Dodd, "the machinery of compulsory arbitration does not prove disadvantageous to the workers in the Australasian countries, because there, a strong Labour Party is often in active control of the Government and is always a powerful opposition when not actually in control." A strong Labour Party is also functioning in Great Britain to-day, but that has not changed its reliance on collective bargaining as the chief method of prevention and settlement of industrial disputes.

Just as in the case of any other piece of social legislation, the framers of industrial legislation must, therefore, take into account the characteristics and the genius of a people, whose behaviour and relations they seek to regulate; and, in doing this, it is always necessary to tread warily in drawing parallels and similarities. Prof. Kirkaldy has aptly illustrated this point in his book *The Spirit of Industrial Relations*. He says, "Possibly the two countries which are closest in ancestry and thought, are the United States of America and Britain; ... yet what works and works reasonably well in Britain has failed in America; methods which have been tried and which have succeeded in the United States would undoubtedly fail in Britain. It is, therefore, important to avoid slavish imitation of the methods and procedures of other peoples ... without first examining whether the methods and procedures are the best suited to the stage of industrial and political development in one's own country."

Position in India

In India, to-day, the two most important pieces of industrial legislation for the settlement of disputes are the Bombay Industrial Relations Act, 1946, and the Industrial Disputes Act, 1947, of the Central Government. Under both these Acts, the final step in the settlement of disputes is compulsory adjudication. Of the two Acts, the Bombay Industrial Relations Act is undoubtedly the more comprehensive. In fact, with a few modifications, it would be an ideal Act. But, according to some critics, these modifications are of a fundamental character. It is proposed to consider them at a later stage after briefly enumerating the salient features of the Act.

The Act secures recognition for a union which has a membership of not less than 15 per cent. of the total number of employees employed in an industry in any local area as a representative union for the industry in such local area. Any employer intending to effect any change concerning retrenchment, rationalisation, withdrawal of recognition to unions, wages, hours of work, and other matters mentioned in the Second Schedule attached to the Act, has to give notice of his intention to the representative union. An employee or a representative union, desiring a change in these matters will also have to give a notice to the employer. The parties are free to arrive at an agreement after negotiations. If, within a fixed time-limit an agreement is not arrived at, the party which gave the notice can forward a statement of its case to the conciliator, who will have to direct his efforts towards inducing the parties to arrive at a fair and amicable settlement. During the conciliation or thereafter, the parties may agree to submit their dispute to the arbitration of the Labour Court or the Industrial Court. This is a form of acceptance of voluntary arbitration. If, however, Government

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SUGAR AND "GUR" EXPORTS BANNED

GOVERNMENT'S EXPLANATION LEAST CONVINCING

THERE seems to be something radically wrong somewhere in the Ministry of Food at the Centre, as will be clear from the way in which the sugar policy is now being handled. It was only some four weeks ago that the Food Ministry advised the sugar factories that they could sell sugar for export at specially reduced prices, the extent of reduction allowed being Rs. 2 per maund or Rs. 54-8 per ton. In communicating this decision to the factories, it had clearly expressed the hope that "this concession will result in *appreciable* (italics ours) exports of sugar". But now the Ministry has decided to ban exports of sugar, as well as *gur*; the ban, however, does not apply to cases where firm commitments have already been made. The chief consideration that has weighed with the authorities in taking this decision, we are told, is the fear of the production of sugar during the current (1952-53) sugar season being less than that originally estimated. This fear, we are further told, is reinforced by the prevailing high prices of sugar and *gur*.

Whether or not the ban on sugar exports is really justified is a different question and will be dealt with presently. But the point we want to make here is that the Government is a poor judge of business conditions. This point needs to be driven home, because there are some who believe that the State should take to trading activities in order to earn enough money for implementing the Five-year Plan. The Government observes that it expects a fall in sugar output during this season. This expectation is perfectly right. But one would like to ask as to why this consideration did not weigh with the Government when it reduced the export price of sugar four weeks ago and expressed the hope that there would be an "appreciable" export. Surely, even at that time, the Government must have had an idea of what the production of sugar this season would be like. The aggregate output of sugar for 1952-53 up to the end of December, 1952, when the Government decided to encourage exports by offering a subsidy, was 240,943 tons, as compared with 302,796 tons during the corresponding period of the previous season. In fact, during the fortnight ended 31st December, 1952 itself, the production was as low as 127,325 tons, as against 233,035 tons in the corresponding fortnight ended 31st December, 1951.

High Prices

The Government's explanation for the prevailing high prices of sugar and *gur* is not at all convincing. These high prices, as was clearly pointed out in these columns last week, are the result, not of the total supplies of sugar being lower than demand, nor of the expectation of a fall in sugar output this season, but mostly of the Food Ministry's own bungling over the releases of stocks and partly of the clever manipulations of a group of sugar merchants. It was not, in any case, due to the Government's decision to encourage exports of sugar by paying a subsidy, because there was hardly any demand for export even at the reduced price.

In criticising the Government thus, we should not be misunderstood to mean that the Government's present decision to ban exports of sugar is ill-advised, though we have our own doubts whether it was wise in banning the exports of *gur*. The statistical position of sugar may not support the Government's decision to ban exports of white sugar. For even supposing that the production of sugar in the current season would be no more than 1,200,000 tons, as one section of the sugar industry estimates, the supply position might not be so very uncomfortable as to require a complete ban on exports. On the basis of a production (estimated) of 1,200,000 tons, plus the sizable surplus of 468,108 tons brought in from the previous season, the total supply of sugar available during the current season will aggregate 1,668,000 tons, against the country's estimated requirements of 1,300,000 tons. There will thus be, at the end of the season, a surplus of 368,000 tons. Allowing for a margin of 300,000 tons which the Government desires to hold as a buffer stock, there is a balance of some 68,000 tons which can be exported. It is true that some sugar has been exported but, even after making allowance for it, there is scope, from the supply point of view, for exporting another 50,000 tons. But all this argument is only of academical importance, because, with prices of sugar in the world markets going down, it is doubtful whether India can export any sugar at all. It is, however, just possible that, if it is made known to the public that the Government will not permit any export of sugar it may have a psychological effect on the market and discourage hoarding by speculators. Moreover, in view of the possibilities of sugar production in the 1953-54 season being lower than even those of the current season, it will be prudent for the Government to conserve supplies and keep a firm hold over the market. Viewed thus, the Government's decision to ban exports of sugar will be welcomed.

In so far as exports of *gur* are concerned, there is no need to ban them. The supply of cane during the current season is expected to be as large as in the past season, while the production of white sugar will be smaller than last season. This means that more cane will be available for *gur* making than in the past season. That being so, it is not understood why the authorities have extended the export ban to *gur* also. *Gur* is after all a cottage industry and, if there are any chances of helping that industry by developing export markets, the authorities should exploit such chances to the fullest advantage.

FIRST SUGAR PRODUCTION ESTIMATE

The total production of sugar in India during the current (1952-53) sugar season is estimated at 13.1 lakh tons, as against the actual production of 14.8 lakh tons in the preceding season, according to the first forecast of the production of sugar directly from cane. The total quantity of cane to be crushed is, therefore, estimated lower, at about 132 lakh tons, as against 155 lakh tons. These estimates for the current season are likely to go down still further, as the factories started late during the season by about three weeks, as compared with the previous season. An all-round decrease in production is expected, except in Bihar, Hyderabad and West Bengal.

The percentage recovery of sugar from cane is expected to be higher during this season in all the States, except in Bihar, P.E.P.S.U., Mysore and Orissa. The all-India figure for the recovery is thus estimated at 9.95, as against 9.57 in 1951-52.

Out of the 155 existing sugar factories in India, 136 factories are expected to work during the current season, as against 139 that actually worked in the preceding season. Two factories in Madhya Bharat and one each in Rajasthan and Bhopal are reported to be not working, while one more factory is working in Madras.

The duration of the crushing season is expected to be shorter in almost every State, except in Bihar, Bengal and Hyderabad. In U.P., only 26 factories had started crushing by 5th December, 1952, as against as many as 60 on the corresponding date last season. Similarly, the closing of the season is also expected to be earlier this year; by 5th May, 1953, all except 16 factories are likely to finish off their season in the whole of India, as against 58 in the preceding season. The all-India duration of the season is put at 113 days, as against 133 days in the last season.

COMPLAINT AGAINST SUGAR MILLS BASELESS

Referring to the factors responsible for the artificial scarcity and high prices of sugar in some parts of the country, we observed in these columns last week that the complaint of the sugar mills deliberately withholding delivery of sugar stocks to merchants was baseless. That this conclusion was not unfounded is evident from the convincing reasons, given by the Committee of the Indian Sugar Mills' Association, Calcutta, in the course of a statement issued to the Press recently, extracts from which are reproduced below:

". . . . The Committee are rather surprised at the above imputations, which, they feel, are entirely uncalled for. Because the factories have nothing to gain by withholding sale of sugar. On the contrary, they are very much keen on selling not only the last season's stock but also the current season's production, if that is at all feasible. For it is only through quick disposal of their stocks that they can have the necessary finance and storage facilities to maintain current season's production. As a matter of fact, the factories have been reporting the difficulties they are faced with, due to accumulation of stocks, both to the Government and this Association. It is, therefore, unfortunate that the factories have been wrongly associated with this phenomenon of short supply and rise in prices of sugar at certain consuming centres. As has been pointed out in the Press report, there has recently been a large quantity of sugar released for sale. Between 1st December and 16th January, more than 400,000 tons of sugar have been released which should be more than sufficient to meet the requirements of the country.

"But slight rise in prices of sugar in the South and some other consuming centres was due to short supply. This shortage has been owing to transport difficulties, and the industry itself has for some time past been trying to impress upon

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PROVIDENT FUND FOR COAL MINERS

CONTRIBUTION TO BE RAISED?

THE unanimous decision of the Board of Trustees of the Coal Mines Provident Fund, under the chairmanship of Mr. V. K. R. Menon, Secretary to the Ministry of Labour, on 28th January, to lift the Coal Mines Provident Fund Scheme to a level on par with the Employees' Provident Funds Scheme is regretted by the industry. For this means that the contribution to the provident fund of coal workers will in future be on the basis of basic wage plus dearness allowance. At present, the contribution is based on basic wage only. The increase in cost to the industry as a result of the Board's decision will be anything between 125 per cent. and 130 per cent. It is variedly estimated that the payment will increase the cost of raising of coal by about As. 2½ to As. 3½. This burden, at a time when the industry is already passing through difficult times is, indeed, unjustifiable. It was only last week that pointed attention was drawn in this journal to the state of economic conditions in the industry. It would have been noted therefrom that already a large number of collieries are working at a loss and that the industry requires the restoration of the voluntary price cut agreed to in November, 1949, and relief in foodgrain concessions which are costing the industry heavily. If the latest proposal in regard to the contribution to provident fund were to be implemented, it would require a further rise in the price of coal, in addition to the restoration of the voluntary price cut. But such a development will affect all the industries where coal constitutes a major factor in the cost of their production and give rise either to a fresh wave of rising prices or accentuate the depression in industries. The increase in freight on coal effected last year has already led to a series of claims for price increases in the various industrial sectors. The principal industries that will be affected are steel, cement, ceramics and shipping.

Adverse Effect

If the implementation of the proposal of the Board of Trustees of Coal Mines Provident Fund were not followed by a proportionate increase in the price of coal, even granting that the voluntary 1949 price cut is restored, the adverse effect of such a development on the coal industry would be considerable. Reports from Bengal and Bihar disclose that there are many marginal units which are on the verge of closure, if no immediate relief is given. But, instead of giving relief, the present burden will only precipitate their crash. It is, therefore, to be hoped that the Government will not give its consent to the decision of the Board of Trustees.

It is not suggested that better amenities for labour should not be provided. They should, of course, get all the benefits that help rise their standard of living. But the capacity of the industry and the interests of the consumer too should be taken into consideration in determining such benefits. Further, such benefits should bear some relation to the efficiency of workers also.

Incidentally, it may be mentioned that the coal industry has been complaining about the employers' obligations to bear the entire administrative charges of the provident fund. At present, the employer and worker are each contributing 6¼ per cent. of basic wages to the fund; the employer has to pay, in addition, an administrative charge of 5 per cent. of the aggregate contribution. The Indian Mining Association contends that "it is unfair that the onus of paying the entire administrative charges should be placed on the employer alone, for in effect it means that he pays 10 per cent. of his own contribution." It has, therefore, urged that the administrative charges should be debited to the fund and paid out of the interest accruing, as is done in all private provident funds. Alternatively, it has suggested that the charges could be shared equally by the employer and the worker each paying a set percentage of his contribution. A pertinent point to be noted here is that the charge proposed under the recently introduced Employees' Provident Funds Scheme, which applies to various sectors of industry, is only 3 per cent. It is, therefore, not understandable as to why the coal industry alone should be subjected to a service charge which is very much higher than that collected from other industries.

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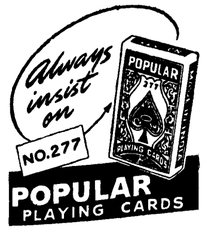

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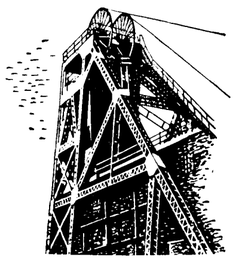

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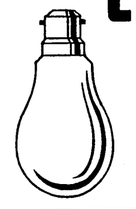

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JUTE CROP IN 1952-53

SMALL INCREASE REPORTED

THE final forecast of the outturn of jute crop for the season 1952-53, released last week, discloses a fall of 6 per cent. in area and a rise of 0.4 per cent. in production. The acreage devoted to jute during the season aggregated 1,834,979 which compares with 1,951,148 acres in the previous season. The estimated output for 1952-53 is 4,694,954 bales (of 400 lbs. each), as against 4,677,541 bales for the preceding season.

Official sources attribute the decline in acreage under jute during the current year to the general depression in the loose jute market prior to sowing and to want of timely rains from the middle of June to the third week of July, 1952. The fall is reported to have taken place in Orissa, West Bengal, Bihar, Assam and Tripura. There was, however, some increase in Uttar Pradesh.

It is noteworthy that in spite of the decrease in the total acreage, there has been a small increase of 17,413 bales in production of jute during 1952-53 over the output of the preceding season. This increase, therefore, reflects an improvement in the yield per acre and is shared by Assam, West Bengal and the U.P. Official circles attribute the increase partly to the efforts made to grow more jute under the integrated production programme and partly to better climatic conditions towards the end of August 1952. This increase in outturn would have been much more than what it is but for decrease registered in Orissa, Bihar and Tripura owing partly to a fall in area and partly to scarcity of rains towards the end of October, 1952. In parts of Assam and West Bengal, the crop also suffered, it is stated, to some extent by insect pests.

The area under jute cultivation in West Bengal is officially estimated at 836,300 acres, a decrease of 49,800 acres over that in the previous year. The total yield of the crop is estimated at 2,412,600 bales, as against 2,330,000 bales last year. The average yield per acre is estimated at 2.88 bales. In Assam, the jute crop was lower by 16,350 bales, the average yield being about 2.6 bales per acre.

For the whole country, the average yield on the basis of the final estimate, works out to 2.56 bales per acre. This compares favourably with 2.18 bales per acre for 1951-52 and 2.24 bales for 1950-51. Although the increase is welcome it must be pointed out that the average yield is still far below the yield in East Pakistan, estimated at 3.56 bales per acre. It may be that there is some exaggeration in the latter figure. Nevertheless, one should admit that that is the level which may be considered as satisfactory for making jute cultivation a profitable venture in India. Further, the average yields for West Bengal and Assam at 2.88 bales and 2.6 bales per acre, respectively, are disappointing considering that they are the two States where the real jute is grown. Unless further intensive efforts are made to raise the yield per acre of jute and to supply the raw material at relatively more remunerative prices, Indian mills can scarcely be expected to compete with the Continental mills in world jute goods markets. Besides, it must be noted that the quality of the jute supplied is not of a high order and when mixed with substitute fibres such as *mesta* and *bimli*, the finished product compares unfavourably with the Continental product made of superior Pakistan jute. There is, therefore, need for far more vigorous efforts from the Indian Central Jute Committee to increase the yield than at present.

The current season's output placed at 4.7 million bales, along with a carry-over of 1.15 million bales at the commencement of the season, makes the total availability of raw jute to mills within India 5.85 million bales. To this should be added receipts from Pakistan which upto the end of January amounted to 877,000 bales, although India has purchased 1.15 million bales from that country. Granting that all the purchases made so far reach the country, the total availability will be of the order of 7 million bales which are considerably larger than the requirements of the mills, estimated at 6.18 million bales. The supply position of raw jute is thus comfortable.

It is against this background of jute supply position that one should view the reports envisaging a new Indo-Pakistan trade pact which will include jute. It is stated that a compromise formula for a long-term Indo-Pakistan trade pact, now under the consideration of the Pakistan Government, envisages the abolition of the discriminating cess on India-bound raw jute. In return for this gesture, the Government of India is expected to rationalise the system of surcharge on coal exports to Pakistan. It is not known how far these reports are correct. They may be no more than just wishful thinking on the part of some in Pakistan, from where these reports have emanated, or at best an indication of the latest inclination of the Pakistan Government. But the fact is that the latter has done nothing so far to meet India's complaint of discrimination lodged with the G.A.T.T. at the seventh session held in Geneva last October. The complaint will, therefore, be heard at the current sittings of the Inter-sessional Committee which began on Monday this week. According to a Geneva report, this dispute will probably be turned over to a working party which may report back to the Committee or to the next full meeting of the G.A.T.T. which may be held some time next month or in April.

While thus the charge against Pakistan is still pending, reports from East Bengal speak of continued distress in jute trade. There is still in Pakistan about 5 million bales of raw jute unsold out of a total estimated supply of about 9 million bales. So far the country has sold only 4.1 million bales of which a little over 3 million bales have left the country. With still five months to go in the current season, Pakistan expects to sell about another 3 million bales. However, as a result of the heavy stocks, the ruling price for raw jute is about Rs. (P) 14 to Rs. (P) 15 per maund, as against the minimum price fixed by the Government at Rs. (P) 23 per maund. The adverse effects of this crisis could have been considerably mitigated had the Government followed a realistic jute policy in the earlier years by not ignoring the interests of the single largest market for its jute, namely, India.

With jute's return to its competitive cheapness as a packaging material, U.K. farmers are compelling animal food manufacturers to revert to the use of jute bags, says the Indian Central Jute Committee.

Large animal feeding-stuff manufacturers throughout the country have intimated, it is stated, the jute trade that they will require jute bags as soon as their present stocks of emergency substitute bags are exhausted. Four main reasons are given for this step: Jute bags have a resale value; they can be used time after time, and, therefore, in the long run are cheaper; they can withstand rough usage and bad weather; they can be repaired quickly and returned to circulation.

(Concluded from next column)

mand which has developed in recent weeks. A similar trend at Cochin auctions has been noticed, where U.S. and Canadian buyers have been most active. The British and the Continental tea markets have also been reported to be keen buyers.

Statistics of shipments of South Indian tea from Cochin during the year (January-December) 1952 are now available. These statistics show that so far as shipments from Cochin are concerned, Indian tea has done exceedingly well during the past year. Thus, the quantity of tea shipped in 1952 amounted to 71.6 million lbs., as compared with 65 million in 1951 and 60.4 million in 1950. The rise of 6.6 million lbs. in exports during 1952 compares very favourably with that of 4.6 million in 1951. Exports to U.K., which had risen from 31.13 million lbs. in 1950 to 39.27 million lbs. in 1951, rose further to 46.6 million lbs. in 1952. Australia, which reduced its offtake of South Indian tea from 7.44 million lbs. in 1950 to 2.05 million lbs. in 1951, showed a preference for Indian tea with an increase in its offtake to 3.67 million lbs. in 1952. All other foreign countries took less than what they had bought in the previous year. Among these, U.S.A. accounted for 8.20 million lbs., as against 8.31 million lbs. in 1951, Canada for 6.24 million lbs. (6.60 million), Ceylon 12,156 lbs. (211,180 lbs.) and other countries 2.44 million los. (3.14 million). Shipments to other Indian ports declined from 5.42 million lbs. to 4.44 million lbs.

In distinct contrast to this trend in shipments of South Indian tea, North Indian tea shipments have slackened. Thus, tea shipments during the period 1st April, 1952, to 17th January, 1953, amounted to 269.17 million lbs., as compared with 278.69 million lbs. and 301.65 million lbs. in the corresponding periods of 1951-52 and 1950-51. The following table shows the offtake of Indian tea by its chief customers during the last three years:

(In million lbs.)

	1st April to 17th January		
	1952-53	1951-52	1950-51
Britain	184.32	193.64	204.66
Australia	6.03	3.20	8.05
Canada	11.98	9.60	11.50
U.S.	16.09	12.67	20.42
Eire	8.98	19.82	24.10
Persian Gulf ...	10.37	4.60	9.32
Red Sea Ports ...	7.54	2.18	3.33

It will be noted that the offtake by Australia shows a marked rise in the current year. The U.S., Canada, Persian Gulf countries and Red Sea ports have shown encouraging preference for North Indian tea.

RUBBER OUTPUT AT PEAK LEVEL

FALL IN CONSUMPTION

THE production of raw rubber in India reached a record level of 19,863 tons during 1952, representing an increase of 2,715 tons or 16 per cent. over that in 1951. As compared with the output in 1950, the latest production shows an impressive rise of 4,264 tons or 27.3 per cent. This uptrend in production is satisfactory in itself, inasmuch as it has exceeded the Tariff Commission's estimate of 19,000 tons. Indeed, the producers themselves were not hopeful of being able to raise production to the high level which it has touched now, despite the fact that an increase in price of raw rubber was then anticipated. This record level of production, it is noteworthy, will go a long way to meet the entire demand for rubber in this country.

The improvement in production, however, has brought in its wake a severe slump, thanks to the accumulation of heavy stocks with both the producers and manufacturers who held between them 10,351 tons at the end of 1952. Of this, 6,181 tons were held by growers and dealers, and 4,170 tons by manufacturers. Stocks of raw rubber accumulated mainly because rubber consumption has not kept pace with the marked increase in production. Thus, rubber consumption, during the year 1952 amounted to 21,061 tons, as against 22,427 tons in 1951 and 17,735 tons in 1950. The Tariff Commission, at its enquiry in August, 1952, however, estimated that the consumption would aggregate 25,300 tons in 1952. The Commission's estimate of consumption, which was the same as that of the Tariff Board which conducted the previous enquiry in 1951, was based on the statements of monthly consumption since January, 1951 submitted by the Indian Rubber Board. But the consumption of rubber in 1952 has not only been lower than the previous year's level but has also fallen very much short of the Tariff Commission's estimate. The lack of sufficient offtake from manufacturers is understandable in view of the fall in demand for manufactured goods and the heavy accumulation of stocks at factories.

Planters in Travancore are very much concerned over the situation that has arisen as a result of the accumulated stocks of raw rubber. They are stated to have been greatly handicapped in raising the necessary finance for running their estates and to pay taxes and other commitments. The Association of Planters of Travancore has, therefore, sought the permission of the Union Government for immediate export of 1,500 tons of raw rubber from India to counteract the artificial slump created by the lack of demand for rubber within the country at controlled rates. Many producers and dealers have, according to the Association, been forced to resort to distress selling at prices well below the statutorily fixed prices, in order to raise funds for immediate requirements. Even the larger estates are now reported to be finding it difficult to hold their stocks. The situation in the rubber market is described as "serious." In these circumstances, the Association says, immediate export of the accumulated stock in india will enable the rubber industry to tide over the present artificial slump.

Though the accumulation of stocks may prove to be a handicap for rubber producers, it may be doubted whether the export of rubber would materialise at all, considering that Indian rubber prices are not competitive *vis-a-vis* foreign prices. Thus, in London the latest quotation for spot rubber, stands at 23*d.* per lb. *c.i.f.* London or Rs. 127 per 100 lbs., as compared with the Indian price of Rs. 138 *f.o.b.* Cochin for Grade I rubber. In the U.S., the current quotation is 28 cents per lb. for March delivery or about Rs. 134 per 100 lbs. and in Singapore it is quoted at 22d. per lb. *f.o.b.* February or Rs. 122 per 100 lbs.

A special meeting of the Indian Board is scheduled to be held this week to consider the situation arising out of the present slump in the rubber market. The Indian Rubber Board is reported to have decided not to recommend any further import of foreign rubber for the current half-year. If the rubber imports are to be banned, then India will become self-sufficient in rubber provided the present trend in production is maintained. In this connection, Mr. A. V. George, Vice-Chairman of the Indian Rubber Board, says that despite the prevailing slump in the raw rubber market owing to increased production and fall in demand, the current year promises to be an "eventful" one in the annals of the raw rubber industry. The gap between production and consumption has narrowed and if the present level is maintained, he adds, the country will be self-sufficient in this strategic commodity this year and it will not have to depend on imports as hitherto. There is no doubt that this increase in production is a notable achievement, of which the raw rubber industry may well be proud. Only, it is to be hoped that this level will be maintained, and that the Government wil assist the industry to tide over the slump so as to enable it to maintain current production levels.

TEA EXPORTS

During the past few weeks, Indian tea has been shaping well, with substantial recovery in prices both in export sales and internal sales. Thus, at the last export auctions held in Calcutta clean black pekoe fetched Re. 1-6½ to Re. 1-7, as against Re. 1-4½ early in December. Clean common broken pekoe showed a recovery from As. 12 to As. 15½ and medium Assam broken pekoe from As. 12 to Re. 1-1. In the internal auctions, medium Doars dust was placed at Re. 1-7, as against Re. 1-1½, medium Assam grainy dust at Re. 1-10 (Re. 1-6½) and best Assam C.T.C. dust Re. 1-14½ (Re. 1-12½). The recovery in prices is attributed to strong de-

(Continued in previous column)

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CLAIM FOR PROTECTION TO AUTOMOBILE INDUSTRY

IS SUBSIDY PREFERABLE TO HIGH TARIFFS?

THE three-day public enquiry by the Indian Tariff Commission into the question of granting protection and/or assistance to the Indian automobile industry, held recently in Bombay, disclosed a variety of views on the subject. While there was general agreement on the need to develop the automobile industry, there were two prominent schools of thought on the method to be adopted for the purpose of such development. One school advocated the slow method and the other the quick method. Those who advocated the former contended that there was not sufficient volume of demand for undertaking complete manufacturing of motor vehicles in India at a reasonable price. They were of the view that assembly of vehicles imported from abroad should continue until the volume of demand increased to such an extent as to make the manufacture of complete motor vehicles economical. They suggested that, in the meantime, ancillary industry should be followed and encouraged for the manufacture of as many components and parts as possible and that the manufacturers and assemblers should be required to use these components and parts in motor vehicles assembled by them. They also suggested that import duties on cars and parts of cars should be reduced substantially so that motor vehicles could be sold at prices lower than they are at present.

On the other hand, those who advocated the quick method contended that there were already well-established units for the manufacture of motor vehicles in India and that, if necessary assistance and protection were given to those units, it should be possible for them to manufacture motor vehicles at a reasonable price. They felt that, though the volume of demand was low, it was bound to expand in the coming years, consequent on the efforts that are being made to raise the living standards in the country. They were also in favour of taking steps for the promotion of as many ancillary industries as possible. There were also sharp differences of opinion among those who took part in the enquiry regarding the types of models to be manufactured in India and the encouragement that is being given to diesel-engined vehicles.

Keen Controversy

The controversy over the question of imposition of high import duties *vs.* low import duties and subsidies was very keen. Mr. Lalchand Hirachand, of Premier Automobiles Ltd., and a host of other interests connected with automobile manufacturing units defended the existing import duties; under the classification of parts, as adopted by the Government of India in 1950, high level of protection is ensured particularly to items under Customs Schedule 75(10) through a duty of 90 per cent. plus a surcharge. Justifying the maintenance of the duties on this group of parts at the present high level, Mr. Penday, of the Automobile Manufacturing Association, pointed out that revenue from import duties was only Rs. 2 crores, as compared with Rs. 52 crores from internal taxation. He was evidently trying to prove that it was not the high level of import duty that constituted so much burden on users of vehicles as the penal level of internal taxation. Stressing this point, Mr. S. L. Kirloskar of Kirloskar Bros. Ltd. held that the need of the hour was reduction in internal taxation rather than reduction in import duties. He advocated a stable import policy which provided for gradual restriction of imports until a total ban was imposed on the import of foreign vehicles over a period of three years. Mr. L. P. Misra of Hindustan Motors expressed the view that the present high price of automobiles partly manufactured in India could be brought down, if the industry was given an opportunity to produce to its maximum capacity over a period of years. Mr. Lalchand Hirachand agreed with this view.

Subsidies Favoured

There were others who held that a reduction in the import tariff was necessary in order to bring down the initial price of motor vehicles and to give relief to motor vehicle users from the crushing incidence of taxes they now have to bear. They favoured subsidies to indigenous manufacturers and quoted, in support of their case, the views of the Fiscal Commission (1950) which had observed:

"Instead of raising the price of the imported commodity to the level of the fair selling price of the domestic product through a protective duty, Government may choose to reimburse the domestic producer through a subsidy for any loss that he may sustain by having to sell his product at the landed cost of imports. As a general rule, subsidies would be preferable to tariff protection in the following cases:

(1) When domestic production meets only a small fraction of domestic demand;
(2) When the commodities concerned are essential raw materials or adjuncts of production. . .

it is possible to reduce the burden on the exchequer by combining subsidy with a low protective duty. The rate of the protective duty should be so fixed and regulated from time to time that its yield is sufficient to cover the subsidy."

Dealing with this question, Mr. J. M. Benzimra, of French Motors, pleaded for a reduction in both the import duties and internal taxation on vehicles and said: "India has in human beings a great potential—give them an inexpensive product by reducing import tariffs and internal taxation." Mr. Lobo Prabhu, Secretary for Development, Government of Madras, who agreed with Mr. G. W. Withell of Ford Motors, said that the Government should enunciate a long-term policy. He wanted complete exemption of duties on parts which cannot be manufactured in India. He was of the opinion that the present time was not conducive to embark on the manufacture of automobiles.

Development of Ancillary Industries

The importance of the development of ancillary or subsidiary industries received considerable attention at the hands of those who participated in the public enquiry. Some warned against attempts towards complete manufacture of motor vehicles without establishing ancillary industries. It was pointed out that any attempt at manufacturing all the components of vehicles—although theoretically feasible—would keep the cost of production at such high levels that very few could afford to buy the finished product. Mr. Mahindra, of Mahindra and Mahindra Ltd., opined that it would be unwise to force the pace of the growth of ancillary industries and that they would develop of their own accord when the main industry was developed. Mr. Lalchand Hirachand assured all co-operation in aiding the ancillary industries.

The question of restricting the number of models attracted a good deal of attention. Mr. Misra held that, only by the elimination of too many models and by restricting them to the minimum necessary, would it be possible to render any effective assistance for the growth of automobile industry. Extending a helping hand to Mr. Misra, Mr. Mandlekar, Deputy Director of Industries, Government of Bombay, said that, in Sweden, the models of indigenous manufacture were restricted to two only. Mr. N. J. Stork of General Motors India Ltd. said that it was unfair to force upon the consumer the manufacturers' choice. He felt that the consumer should have the freedom of choice. He further observed that restriction of models was a retrograde step and would kill competition which alone could give the necessary fillip to the industry.

Diesel-engined Vehicles

Finally, the encouragement now being given to the use of diesel-engined vehicles came in for considerable discussion. Referring to the vehicles India received under the Colombo Plan, Mr. Lalchand said: "The merits and demerits of diesel oil and petrol engines are still a matter for discussion and the undue patronage extended to the former is slowly killing the petrol car industry." Mr. G. Morarji, Chairman of the B.E.S.T. Company, stated that diesel oil engines had been found to be more economic to run and had been found suitable in all respects for services which were required to be operated for the convenience of the public. He urged that the Government must encourage the manufacture of diesel oil engines equally, as they would in the case of petrol engines. Mr. Staples, of Messrs. Simpson & Co., Madras, could not understand why there should be any prejudice against diesel oil engines. He revealed that his Company was engaged in the progressive manufacture of diesel engines.

An agreement was signed, in New Delhi on 31st January, between representatives of the Punjab and P.E.P.S.U. State Governments and Messrs. Harold T. Smith (Inc.) of Washington for the construction of a total of 355 tubewells in these two States. An agreement with the U.P. Government for the construction of 200 tubewells was signed at Lucknow on 4th February. The construction of the total number of 755 tubewells in the three States will be completed by 31st December, 1955.

NON-FERROUS METALS INDUSTRY

PLEA FOR A STABILISED METAL MARKET

ADDRESSING the sixth annual general meeting of the Indian Non-ferrous Metals Manufactures' Association, Mr. G. L. Gabriel, the outgoing President, made a few thought-provoking suggestions for the establishment of non-ferrous metals industry in India on sound lines. He first stressed the need for building up a strong metal market. Secondly, he pleaded for subsidising the aluminium and lead industry and imposing a ban on imports of anti-friction bearing metals which are being manufactured in sufficient quantities in India. Finally, he spotlighted the need for improving the quality of products manufactured in India.

The non-ferrous metals industry is still in a nebulous stage. The production in 1952 in the main section of the industry, with the exception of virgin lead, was far below that in 1951. The production of copper, antimony and aluminium were 6,079 tons, 161 tons and 3,564 tons, as against 7,083 tons, 328 tons and 3,867 tons in the previous year. Lead production, however, rose from 838 tons in 1951 to 1,124 tons in 1952.

The chief factor for the fall in output was the decline in demand, brought about by a cut in the periodical indents of various Government departments for non-ferrous alloys, restrictions on credit and hasty imports under a liberal exports policy. Small wonder then that the metal market during the year came under a general spell of bearish activity. Indigenous copper accumulated in large quantities even though it is well known that copper produced in India is not enough to meet the demand. There were also reports of accumulation of stocks of antimony and aluminium.

Few would deny the need for a stable metal market, especially when the industry is still in an infant stage. Mr. Gabriel held that a liberal export policy for manufactured and semi-manufactured items as well as for scraps and pure metals would go a long way towards ensuring a stable market in India. He also expressed the view that the Government, by regular purchases from the market, could contribute to the building up of a stable market. He further felt that the creation of a regulated and strong metal market would be facilitated greatly by the formation of single organisation of all sections of industry and trade in metals.

Demand

With industrialisation making steady progress in India, the demand for non-ferrous metals and its products is bound to increase. The Five-year Plan recommends a thorough examination of all occurrences of copper, lead, zinc and tin ores in India. Mr. Gabriel urged upon the Government to expedite the implementation of this suggestion and added that prospecting and exploration work should also include efforts at establishing workable deposits of antimony in the country. The President further suggested that the Government proposal for the establishment of a refinery for refining ore scraps and residues should be proceeded with taking care of India's present bare needs and future requirements.

Dealing with the question of protection to the indigenous industry, Mr. Gabriel said that there was, unfortunately, still some prejudice against indigenous products in India. He did not find any reason as to why there should not be a complete ban on imports of items, the indigenous capacity of which was sufficient to meet home demand. Under this category came anti-friction bearing metals, namely, rosin-cored solders, aluminium foils, aluminium paste, rods, tubes and sections of copper and brass. In regard to primary aluminium, in respect of which considerable further development is visualised at private initiative, the policy should be to ensure an adequate return on the capital already invested and to be invested further. This, the President felt, called for subsidies on a heavy scale for some time to come. He also expressed his considered opinion that the production of existing lead producing plant should be similarly accentuated.

The question of improving the quality of products produced should receive constant attention in the face of world developments. Mr. Gabriel urged the various units of non-ferrous metals industry to co-operate more and more with the Indian Standards Institution in maintaining and improving standards in manufacture and trade. He further added that testing facilities available at the Government Test House should be manned by adequate technical personnel so that test results could be made available speedily.

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BASIS FOR VALUING GILT-EDGED

ADOPTION OF BOOK VALUE METHOD

THERE is one problem which is common to both banks and insurance companies. It is the problem of the correct method of the valuation of Government securities for balance-sheet purposes. Among commercial institutions, both banks and insurers hold a large part of their investments in Gilt-edged securities. The controversy relating to the valuation of Gilt-edged securities centres round the question whether the valuation of these securities should be made at book value or at market prices (as on the date on which the balance-sheet is drawn up). Indian insurers have for some time now been complaining that they are compelled to value their Gilt-edged investments at market prices, although this value is largely fictitious in view of the fact that they are likely to hold these securities till the date of maturity when they will be able to realise the face value in full. And the cause of their complaint arises, as readers are aware, from the fact that they have to provide from their current profits, a large sum to meet any depreciation which such valuation may show. They accordingly contend that the market price is an irrelevant consideration. They will, therefore, be interested to learn that the leading British banks, which have till now followed the traditional method of valuing the investments at market prices, have now broken the tradition and are now showing their Gilt-edged investments at their book value, though the market price is also shown as a footnote to the balance-sheet. This, of course, is the basis which the banks have to follow in this country, under the provisions of the Banking Companies Act. But since this represents a clean break with tradition, followed by the British banks for decades and decades, the Chairmen of some of these leading banks have availed themselves of the opportunity presented by their annual statements to their shareholders, to explain at length the reasons which prompted them to effect the change in the method of valuation.

The arguments by which this change in accounting practice is defended by the bank chairmen may be urged with equal, if not greater, force by the insurers also. In view of the great importance of this question, it would be useful to set down in brief the reasons which are given by the chairmen of the banks for changing over from the market price method of valuation of Gilt-edged securities to the book value method.

Change in Accounting Practice

Of all the chairmen of the British banks, Lord Harlech, Chairman of the Midland Bank, has taken great pains to justify the change in accounting practice relating to the method of valuation of Government securities for balance-sheet purposes. He points out how the market price of these securities has suffered a steady decline in recent years. It is a striking fact, he says, that, whereas, over the 5½ years to the middle of 1952, the nominal amount of the British Government securities quoted on the London Stock Exchange increased by more than 26 per cent., the aggregate value thereof, on the basis of recorded prices, actually declined by 2 per cent. The magnitude of this fall will be apparent when it is realised that, while the total volume of these securities increased by more than £3,400 million, their aggregate market value fell by £300 million. The banks have naturally been among the worst sufferers from this fall since the major portion of their investment portfolio consists of Government securities. It is this factor—the continuous fall in the prices of Government securities—that has prompted them to reconsider the question of the valuation of these assets. Analysing the problem of the fall in the value of these securities and its relation to the method of valuing them for balance-sheet purposes, Lord Harlech said:

"The records show that, in recent post-war years the Gilt-edged market has proved to be more erratic, more irrational in the short-term variations of supply and demand, and more incalculable in its price fluctuations than it formerly was. Further, the return to conditions in which the fact or the possibility of fluctuations in bank rate had to be reckoned with increased the hazards to which any substantial holder of Gilt-edged investments is subjected—hazards which, however, are largely irrelevant to the position of a holder until maturity. We cannot be sure that this uncertainty of the market is a passing phase; it is traceable largely to factors already mentioned, but experts attribute it in part also—to quote one authoritative statement—to a 'new sensitivity in private investors,' whose relatively small but irregular operations, now one way and now another, have an effect on prices grossly disproportionate to their size. The inability of the free market to smooth out these fluctuations, as was its natural function in times past, results in part from the vast expansion of the total value of Government debt, and also from the diminished power of jobbers, with capital resources depleted by severe taxation to absorb stock on a falling market with the expectation of releasing it on any upward turn. All these elements in a situation of marked fluidity showed the absurdity of attaching to a British Government security, held by a bank and having a date of maturity quite near at hand or only a few years ahead, a value for accounting purposes fixed by the accident of the ebb and flow of Stock Exchange business on a particular day, twice a year—a value determined largely by factors almost entirely unrelated to the real value of the security in the portfolio of a bank.

"It is difficult to see what practical purpose is to be served nowadays by the process of writing down, which had been followed for many years by tradition and established accounting practice. The practice had no particluar harm in it under former conditions, but had become unsettling and therefore something worse than purposeless under the conditions now prevailing. More particularly, it came to entail heavy drafts, to cover nominal losses; on internal reserves which ought to be held available to meet, in case of need, far more real contingencies.

"It was with all these considerations in mind that we decided, in common with other banks, to find a method of valuation for balance-sheet purposes which, while strictly in accord with the spirit and the letter of the law, would avoid the disadvantages of the old system and be better suited to modern conditions. The method adopted has the result of giving the public, in fact, more information than before, for when—as at 30th June last—the total value at which the investments stand in our books is above the total computed at market prices on the stated date both the figures are plainly shown. As already explained, the difference between the two totals has little or no significance for the Bank as a healthy, going concern, and, by reason of past writing down, the book value of the securities is well below the redemption value. Nevertheless, it is thought right thus to reveal the existence, and the amount, of even nominal 'depreciation.' If, on the other hand, as at the end of 1952, the market value should be above book value, then the fact will be stated.

"I have thought proper to set forth this full explanation of the change in practice, to which only one thing need be added. Unlike some of the banks which adopted the new basis of valuation of investments last June, we felt it to be a logical extension of the step to refrain from making any allocation, either from reserves or from current profits, to writing down their book values. It seemed to us that a clean break should be made with the old system, and that it was more important to fortify our inner reserves against real contingencies than to minimise the difference shown between market and book values on a particular date. As events turned out, the end of June happened to coincide with the lowest level of values recorded during the entire year, and the book value of our investments on 30th June was shown to be £13 million above their market value; since then, however, the trend has been upward, so that in the past six months the difference between market and book value has been entirely wiped out, without, however, altering by one penny the revenue derived from the investments or affecting in the slightest degree their redemption value. Recent developments have thus further underlined the objections in both principle and practice to valuation on a basis that is more accidental than real."

Such, in brief, are the reasons which have prompted the British banks to alter the basis of the method of valuing their securities. And these reasons might, with equal force, be urged in the case of insurance companies. The old and traditional practice of showing Government securities at their market price and of providing for their fall, when it occurs, through reserves for depreciation of investments may, however, be defended on the ground that this practice helps to build up secret reserves—a consideration which is as important to insurance companies as to banks.

FIRE LOSSES IN U.S.

Fire losses in the U.S. during November, 1952, amounted to $65,129,000, according to the estimate of the National Board of Fire Underwriters. This figure compares with $63,958,000 in October, 1952 and $60,064,000 in November, 1951, bringing the total for the past 12 months to $779,032,000, compared with $730,019,000 in the previous twelve months, an increase of $49,013,000 or 6.7 per cent.

(*Concluded from next column*)

foreign business is only a fraction of their total business. Even so, it is interesting to note that their foreign business is a steadily expanding portfolio. Thus, the net premium income from their business outside India increased from Rs. 4,84 lakhs in 1950 to Rs. 6,32 lakhs in 1951. Many of the Indian offices have been taking particular care to develop their foreign business. And it would not be surprising if their income from this source shows a further increase in future.

PROGRESS OF GENERAL INSURANCE

SIZABLE EXPANSION IN FIRE INCOME

AN analysis of the expansion of the business of general insurers in this country during the year 1951, for which year complete statistics are now available in the latest *Insurance Year Book*—the *Year Book* for 1952—reveals that there has been a significant increase in their income, particularly under fire. Thus, as compared with 1950, the net premium income from fire business increased by as much as Rs. 139.72 lakhs to Rs. 939.44 lakhs in 1951. Although the increase in their marine insurance business and in their miscellaneous insurance business was less spectacular, it is noteworthy that the incomes from these two classes of business showed a slight improvement. Thus, the income from marine insurance moved up by Rs. 28.62 lakhs to Rs. 411.78 lakhs and from miscellaneous insurance by Rs. 4.91 lakhs to Rs. 484.76 lakhs.

The claims experience of general insurers was also relatively more favourable in fire business than in either marine or miscellaneous business. The following table gives the claims ratio, commission ratio and expense ratio of general insurers:

Insurers constituted in	*Claim ratio* 1951	*Commission ratio* 1951	*Expense ratio* 1951
FIRE INSURANCE			
India	31	14	27
U.K.	26	7	35
Dominions and Colonies ..	47	1	50
U.S.	31	10	50
Switzerland	31	35	36
Indonesia	24	19	..
France	9	15	27
Total ..	31	13	29
	(31)	(24)	(28)
MARINE INSURANCE			
India	60	..	24
U.K.	50	13	20
Dominions and Colonies ..	43	18	21
U.S.	43	6	35
Indonesia	16	14	28
France	37	8	24
Total ..	55	5	23
	(37)	(11)	(24)
MISCELLANEOUS INSURANCE			
India	50	15	27
U.K.	49	15	26
Dominions and Colonies ..	67	13	36
Total ..	51	15	27
	(45)	(17)	(27)

Figures in brackets show the corresponding ratios in 1950.

The table above shows how the claim ratio in the fire business remained unchanged at 31 per cent. whereas the same ratios in the marine and miscellaneous business were higher at 55 per cent. and 51 per cent. respectively. General insurers the world over have experienced an increase in the claims ratio in miscellaneous insurance. That Indian general insurers are no exception to this rule need cause no surprise.

The main items under the "income" and "outgo" for the fire business of Indian insurers, which constitutes the most important class of general insurance business, were as follows:

Fire Insurance Income and Outgo

(For 1951)

(Rs. in 000)

INCOME	
Reserves at the beginning of year	3,29,94
Premium income in India	2,98,57
Premium income outside India	4,13,83
Net interest, dividends, etc.	6,84
Other receipts	1,07
Loss transferred to profit and loss account ..	2,97
Claims less re-insurances	2,21,65
Commission	1,02,60
OUTGO	
Expenses of management	1,89,97
Miscellaneous	8,43
Profit transferred to profit and loss account ..	1,28,42
Reserves at end of year—	
Reserve for unexpired risks	3,12,78
Additional reserve	89,37

The figures corresponding to those given above are not available for non-Indian insurers. But it is known that their income through premium (less re-insurance) was Rs. 2,27 lakhs. The claims (less re-insurance paid and outstanding), commission and expenses of management were respectively Rs. 66 lakhs, Rs. 16 lakhs and Rs. 86 lakhs.

Several Indian insurers, as is well known, operate outside India too. It is true that their

(*Continued in previous column*)

SUGGESTIONS FOR WORLD TRADE PROMOTION

DISABILITIES OF INDIAN BUSINESS MEN IN E.C.A.F.E. REGION

(By S. K. SEN)

THE change from a sellers' to a buyers' market does not promise a good outlook for world trade unless the basis of prices and profits is changed in the European and American exporting countries. While on the one hand the prices of raw materials supplied by the Asiatic countries are being brought down, sometimes through artificial means, the prices of export commodities and consumer goods are being continually increased and shortages created, even artificially. The strength of their banking institutions, their organised auction markets, their unified shipping confederations, and all their centuries-old trading experience are utilised to depreciate prices of raw materials and to increase prices of manufactured goods, machinery and capital goods. Unless a rational and legitimate basis of profit is adhered to, international business is bound, in the long run, to suffer, since every country would try for autarchy or self-sufficiency, even if the particular industries they specialise in may not suit their economy.

It is, therefore, incumbent on all those who wish to encourage free international trade to ponder over this problem. If the buying power of the Asiatic countries and the countries offering raw materials to the industrial countries is to be reduced by paying insufficient purchase prices, how do these developed countries expect to sell their goods to underdeveloped countries or prevent them from producing those goods in order to avoid having to pay exorbitant prices for the commodities manufactured in the industrially advanced countries?

Stabilising Prices

A rational long-term system of stabilising prices of raw products, consistent with maintaining a decent standard of living and with giving the workers a chance to increase their purchasing power, is therefore indicated. Something on the lines of the "Cocoa Reserve" from the Gold Coast and West Africa may be adopted for the raw materials from the Eastern and the Asiatic countries, such as jute, tea, rubber, tin, mica, shellac, oilseeds, cotton, hides and other products, for which the West is mainly dependent on the East. In the same way, if, at a time of high prices, export duties are charged by any Government, they should be considered as a reserve to cover losses to the agricultural interests in times of depression. Actually, both depression and excess profits should be discouraged and a long-term stability should be the aim. The trade outlook can improve, only when the exporting countries meet the requirements of the underdeveloped importing countries at prices within the purchasing power of these countries through increased production and reduction in costs. They must also stick to legitimate profits, and should not create artificially high prices.

Larger and Freer Trade

The restrictions, imposed on Japan and Germany during the last five years on their production and on their use of raw materials, helped Europe and America to maintain high prices for their manufactures and created a shortage of supplies owing to the lack of exports from these two countries. Again, the artificial currency restriction and multipliers, which were used to bring prices to the level of the occupation countries, made export difficult for these two countries, thus creating a vacuum in supplies. I am not concerned with the rights or wrongs of this method, nor with its political aspects but only wish to consider the cause of high prices and shortage of supplies. I, therefore, hope that now that five years have elapsed since the armistice, we will get together and see how we can get to a larger international trade and freer trade, and attain it through rational methods.

To increase the trade with Europe and the U.S.A., the first essential step is to supplement the Government efforts with the efforts of the manufacturers and exporters. A method, which may be employed, is to have an organisation which follows up enquiries, secures business, helps importers in foreign countries and carries full range of samples and which is responsible for a complete publicity programme. Such an organisation might be built up by one manufacturer from each group, combining together and maintaining an outpost, as it were. There may be individual organisations, several such organisations; in the case of big manufacturers, their own, and in the case of small manufacturers, several organisations, each of them financed by a particular group of manufacturers.

The manufacturers in the region of the E.C.A.F.E. (Economic Commission for Asia and Far East) should show that they can produce as good articles as are produced in Europe and America. It is also essential that the banking activities of the Indian banks should be extended to foreign countries in the E.C.A.F.E. region. Shipping and insurance companies should also be able to help the manufacturers. Again, all foreign branches of the Indian or C.A.F.E.A. companies should, as far as possible, keep in touch with each other; there should be a group of banking, shipping, insurance, import and export companies. The methods, by which certain countries have small community centres, consisting of these companies, along with barbers, bakers, doctors, lawyers, dentists, laundries, general merchandise shops, restaurants and tea shops and a small colony of their own, might be usefully adopted. This method was adopted by Japan and Germany in pre-World War I days. A reciprocal international arrangement could also be made.

Quality Goods

The production of quality goods and maintenance of correct standards and quality are essential for this purpose. Selected firms and experienced firms should be given preference to open branches in foreign countries and necessary currency permits should be provided. At present, the paucity of currency even for business men is a great deterrent to any extension of trade; it prevents people from undertaking travel in foreign countries. While in Europe, as much as £10 a day is given to business men when touring foreign countries for business, the niggardly way that foreign currency is doled out to business men does not enable any traveller to do justice to his business. Developing business in foreign countries may often be a losing concern during the first year, when expenses run disproportionately to the business obtained, but this early work pays in the long run. To expect immediate results is to be too optimistic.

If it is not possible to have a group or community settlement in a foreign country, experienced men may be sent out to organise local agents. This is a less expensive and more popular method with certain exporting countries, and the local importers or representatives derive considerable benefit thereby. This also can be developed much more fruitfully. Handbooks on each special trade or raw material exported, with full information of the trade in each country, are often found very useful. Special export journals, advertising the products of principal manufacturers, are useful in securing trade from overseas countries, if they contain interesting information about manufacturers and manufactures.

The Government should allow more facilities for samples to be imported or exported, either with nominal duties or duty-free, provided these are not for sale. Less stringent passport regulations and less difficulty in obtaining visas is necessary. For approved business men, there may be less formalities in the grant of visas and permits. In many cases, it takes even three weeks to get an ordinary visa to attend international conferences of the I.C.C., and that too, after taking out as many as seven photographs and spending heavy charges for air mail or cable expenses. For one country, the fingerprints of all the fingers seems to be necessary. These are some of the defects which should be remedied, if international trade is to be free and better results are to be obtained. The Government should encourage foreign travel for business men, render assistance through their commercial attaches in foreign countries, ease the visa and passport regulations, make more liberal currency allotments for business men and develop growth of communities in foreign countries to increase mutual knowledge and develop business. I do not ignore cultural contacts; there should be a cultural organisation.

Disabilities in Other Countries

The disabilities of Indian business men in the E.C.A.F.E. region are many. To mention one country, Pakistan, the Evacuee Act, with its retrospective effect on registered companies and on Indian nationals, discriminates against Indian nationals. In Malaya, Burma, and Ceylon there are also many disabilities. These are matters which must be tackled by the Government.

The Indian delegation should ask for complete reciprocity and freedom in trade and for facilities to go about freely and stay for such length of time as they need in order to develop and establish their business. They should also adopt or ask for: (i) Uniform arbitration rules to apply equally to all E.C.A.F.E. countries, (ii) security of capital without discrimination and remittance of profits, subject to the laws for their own nationals; (iii) reciprocity in transport, air and shipping rules; (iv) freedom of trade, subject only to any currency control due to balance of payments or tariff findings to protect nascent industries; (v) acceptance of G.A.T.T. agreements; (vi) facilities for railway and transport traffic through different countries in the C.A.F.E.A. (Commission on Asia and Far Eastern Affairs) or E.C.A.F.E. region; (vii) fixing of more reasonable insurance rates; (viii) uniform practices for bills of lading, Consular certificates and other Government control measures. These may be developed for the E.C.A.F.E. region, on International Chamber of Commerce lines, by the C.A.F.E.A.

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SALT CONTROLS IN INDIA

NEED FOR MODIFICATION

THE question of salt controls acquires some special importance now that the Commodity Controls Committee is reviewing the position of all economic controls in India. Salt controls, as they are being administered both by the Central and State Governments, have given rise to a number of difficulties and it is only appropriate that the attention of the Controls Committee should be drawn to them, so that the Committee may make suitable recommendations to the Government for the elimination of the irksome features of these controls. In fact, the supply position of salt in the country is now so comfortable that some of these controls have become superfluous, while the rest need to be modified to suit the present conditions. There has been a progressive increase in the production of salt in recent years. Thus, it has increased from 55.6 million maunds in 1949 to 71.3 million maunds in 1950, and to 74.4 million maunds in 1951. In 1952, it is expected to have reached a record figure of 90 million maunds. As against this production, consumption in the country is estimated at no more that 70 million maunds. India, in fact, has been exporting large quantities of salt to Pakistan, Burma, Japan, etc. In the seven months ended October, 1952, despatches of Indian salt, both by land and sea amounted to about 166,000 tons valued at about Rs. 45 lakhs, as against 10,000 tons worth Rs. 3.85 lakhs in the corresponding period of the previous year. The latest indications are that the offtake of Indian salt this year would be relatively lower in view of the competition from Aden, Egypt and Spain. The main problem of the salt industry to-day, therefore, is one of finding markets for its increased production by improving the quality, and a solution to this problem will be difficult so long as the industry's hands are tied by unsuitable controls. The table below gives a picture of the availability of salt in 1952, as estimated by the Secretary, the Salt Merchants' Association Ltd., Sambhar Lake:

(In lakh maunds)

	Government factories	Percentage to total	Private factories	Percentage to total
Opening stock (1-1-52) ...	103	32.8	211	67.2
Production during the year ...	152	19.9	613	80.1
Total available stock in 1952 ...	255	23.6	824	76.4
Despatches including exports ...	156	21.3	577	78.7
Carry over at the end of 1952 ...	99	28.6	247	71.4

It will be seen from the table above that slightly over 80 per cent. of the salt produced in India is from private factories, while the Government factories account for slightly under 20 per cent. The Government factories include the salt sources of Sambhar Lake, Pachbadra and Didwana (in Rajasthan) and Kharagodha (in Ahmedabad district). Prior to 28th April 1950, the entire supplies of salt from the Government factories were despatched, by the Salt Department, through the limited companies of the locally registered salt merchants, at a fixed rate of commission to the State's nominees. Early in 1950, the Salt Advisory Committee, taking into consideration the rising production of salt, recommended the ending of registration of firms at Government salt sources and the district nominee system in the consuming markets so that complete free trade could be resorted. The first part of the recommendation was accepted by the Government but the nominee system was retained. This decision was given effect to as from 28th April, 1950.

The private factories are, however, allowed to despatch their salt to dealers of their own choice, if the receiving State has no salt control in its borders. But, in States where statutory control on salt exists, the private factories have to send their output to the Government nominees who account for an offtake of 25 per cent. of the private production.

The nominee system prevails in quite a few States including Assam, U.P., Bihar, Punjab, etc. In the U.P., the Government does not grant nominee licences to persons who are residents of other States, even though such persons have been in the trade for over a long time. The nominee system has thus given rise to a sort of monopoly in salt trade which in some cases is confined only to a select few. It is true that there are differences of opinion on this question, but there is no doubt that the nominee system wherever it exists has prevented sale of salt to the consumer at competitive rates at a time when salt supply is plentiful. The Commodity Controls Committee should, therefore, go into this question in detail and see whether there is any need at all for continuing the nominee system prevailing in the various States. The Federation of Chambers of Commerce and Industry which recently studied the position is of the opinion that, with a view to creating competitive conditions, at least "some percentage of quota allowed to the State nominees may be made free to the general traders as is done in Madhya Pradesh." The Chamber further feels that the Government of India should only have an overall control on the movement of salt to guard against scarcity in certain areas served by the metre-gauge of the O.T.R. and Assam Rail Link.

Another type of central control on salt is the salt (Reserve Stocks) Order issued in March, 1950. This order enjoins importers of salt at Calcutta to store always 25 per cent. of their imports in the Government depot at Calcutta as reserves. This salt is permitted to be removed only after the sanction of the Salt Controller. This order, which owes its origin to the days of salt scarcity early in 1950, still continues even though there has been a marked rise in supply. The importer is required to bear the godown rent and other incidental expenses and a part of his capital remains blocked, thereby putting him to some inconvenience. It is, therefore, felt that the order should be withdrawn as early as possible. As the stock position in the country is comfortable, thanks to the improvement in the production of salt, the continuation of any order seems to be superfluous and unnecessary.

The zonal scheme of distribution of salt, on the basis of which wagon allocations are made by the Salt Controller, is another order to which the salt trade has been opposed for a long time. This order was introduced in 1949 and there was considerable justification for it then, when the wagon position was very bad. But now that transportation has improved, it is felt that the scheme requires some modification. It is stated that, under the scheme of movement control, after meeting the zonal requirements, salt factories are allowed to move their surplus production by rail on ordinary booking but this concession, we are told, could be hardly availed of by the trade, as consuming markets have not been placing regular indents even for the zonal quota. The Commodity Controls Committee should examine this question also and suggest suitable means whereby the zonal controls do not stand in the way of competitive markets in salt coming into existence in all parts of the country.

INDO-INDONESIAN TRADE PACT

A trade agreement was signed between India and Indonesia last week. The agreement will be retrospective from 1st January, 1953, and will come into force after exchange of notes to that effect between the two Governments. It will remain in force till the end of December, 1953, and for such successive periods as may be mutually agreed upon before its expiry.

The schedule of exports from India includes jute goods, tobacco manufactured and unmanufactured, handloom goods, cotton piecegoods, woollen piecegoods, coal, cement, soap, chemicals and pharmaceutical products, tea chests, sports goods, industrial machinery, handicrafts, etc. The schedule of imports from Indonesia includes copra, coconut oil, palm oil, spices, betelnuts, timber, tin, rubber, barks for tanning, tobacco wrappers, etc.

India's exports to Indonesia during the seven months ended April to October, 1952, amounted in value to Rs. 310.45 lakhs, as against Rs. 268.07 lakhs and Rs. 116.19 lakhs in the corresponding periods of 1951 and 1950, respectively.

The value of imports of merchandise from Indonesia during April-October, 1952, at Rs. 35.69 lakhs was far below that of goods imported in the corresponding period of 1951 when such aggregated Rs. 189.73 lakhs. In the same period of 1950, the value of imports was Rs. 153.17 lakhs.

CHANGES IN TARIFF VALUES OF COPRA AND CERTAIN OTHER ARTICLES

The Government of India has announced certain changes in the tariff values of certain commodities. Of considerable interest to the Indian soap industry is the change in tariff values of copra and copra oil. At present, the tariff values of copra and copra oil are Rs. 64 and Rs. 96, respectively, per cwt. It has now been decided to reduce, as from the 1st inst., the tariff value of copra to Rs. 50 per cwt. and that of copra oil to Rs. 75 per cwt. This reduction to the extent of 21.8 per cent. in the tariff value will be welcomed by the Indian soap industry, as it will reduce the incidence of import which is based on the tariff value.

The tariff values of coconuts have, however, been increased from Rs. 160 to Rs. 170 per thousand for those imports from Ceylon and from Rs. 150 to Rs. 160 for others, except the Maldives. The increase will be welcome to the indigenous coconut grower, inasmuch as it provides him with slightly greater protection against imports than before.

Among the other changes, mention must be made of a reduction in the tariff values of almonds from Rs. 240 to Rs. 200 per cwt. for almonds without shell and from Rs. 90 to Rs. 70 per cwt. for other almonds. But the tariff value of soft-shell almonds has been raised from Rs. 110 to Rs. 120 per cwt.

Similarly, the tariff value for cloves has been raised from Rs. 280 to Rs. 325 per cwt; for naked diesel oil in bulk from Rs. 160 to Rs. 175 per ton; for naked furnace oil in bulk from Rs. 80 to Rs. 100 per ton; for caustic soda from Rs. 26 to Rs. 28 per cwt. and for soda ash from Rs. 13-8 to Rs. 16 per cwt.

The tariff value for nutmegs has, however, been halved from Rs. 3 to Re. 1-8 for those in shell and from Rs. 4 to Rs. 2 for those without shell.

For the first time, tariff values have been announced for moist alizarine exceeding 20 per cent. powder vats, black sulphur, azodyes and ultra zols.

Usually new tariff values take effect from the beginning of every calendar year, but this year there has been a month's delay.

F.B.I. OVERSEAS SCHOLARSHIPS SCHEME

The first Indian to go to Britain for training under the Federation of British Industries (F.B.I.) overseas scholarships scheme has just begun his two-year course. He is Mr. L. S. Srinath, 26, an engineering graduate from Bombay, whose subject is aircraft design and construction, and he is being trained at the works of Blackburn and General Aircraft Ltd. at Brough, Yorkshire.

Two other Indian engineers are expected to arrive in Britain shortly for training under the scheme. They are Mr. C. Bose, from Calcutta, who will be going to the Metropolitan-Vickers Electrical Company at Manchester; and Mr. A. S. Sanyal, of Bombay, also an electrical engineer, who will spend a year with the British Electricity Authority and a year with the General Electric Company. In addition, arrangements are being made for a fourth Indian student to take up training in the near future.

It was about four years ago that the F.B.I. decided to establish an overseas scholarships scheme which would include graduates from countries which are now in process of development. With the ready co-operation of British engineering firms, supplemented by a grant from the Board of Trade, those taking part in the scheme may receive scholarships of a value approaching £1,000 each for a two-year course.

Industry's contribution consists of a minimum payment of £300 a year for the maintenance of each scholar, plus the administration and provision of the necessary training facilities. Under the original provisions of the scheme, the total industrial contribution is some £20,000 a year, and the Board of Trade makes a maximum grant of £10,000 for each of the first five years, conditional on a minimum number of scholarships being awarded each year.

It is hoped eventually to train every year in British engineering works from 150 to 250 selected overseas graduates. Pakistan was the first Commonwealth country to take advantage of the scheme. In May, 1950, it sent four students, who will thus be completing their training with British firms in four months' time, and, in the second half of last year, two more Pakistanis went over.

BOMBAY SALES TAX RULES AMENDED

The Government of Bombay has amended the Bombay Sales Tax Rules, 1952, contained in the Bombay Sales Tax (No. 2) Ordinance, 1952, by a notification which has appeared in the Bombay Government Gazette, of 2nd February, 1952.

Rule 5 has been amended to allow commission agents a maximum commission of 2½ per cent., excluding incidental charges in respect of brokerage when paid to a person employed as a broker, loading and unloading, cost of packing, storage and transport, insurance during storage, telegrams, telephones, local taxes and dues, freight or postal charges for consigning the goods, insurance on such consignment and interest up to 9 per cent. per annum. Certain changes have also been made in Form I of the authorisation for commission agents under Rule 7. Other amendments include exemption from general tax for (i) sales of bullion to a registered dealer for refining where the bullion is sold back to the same dealer and is despatched by him to another dealer in India outside the State of Bombay; (ii) sales by canteen contractors to members of armed forces; (iii) sales of crude oil, diesel oil, fuel oil for bitumen by Burmah-Shell Refineries Ltd. to Burmah-Shell and Standard-Vacuum Oil Companies, and (iv) sales of yarn for manufacture of bleached, dyed or twisted yarn.

Rule 6 has been amended to exempt from special tax (i) sales of all special goods to licensed dealers buying for exporting the goods outside India or for selling the goods to dealers carrying on business in other States of India; (ii) sales of raw silk, raw wool, wool-tops and silk or woollen yarn for preparing cleaned wool, silk or woollen yarn, bleached, dyed or twisted yarn; and (iii) sales of special goods to licensed dealers intended for re-sale after processing or for use as raw materials or component parts in the manufacture of any special goods for sale.

A new Rule 51-A has been inserted to provide for refund of tax paid in excess where a revised return has been furnished showing a smaller amount of tax as due. It, is, however, provided that one-fourth of the excess amount or Rs. 100, whichever is more, would not be refunded; and the refund of the balance would be subject to any order of assessment passed under section 14 or 15.

Entry 37 in Schedule II of the Ordinance has been amended to exempt from special tax articles made of stainless steel used as parts of industrial machinery or plant.

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PRESSURE OF POPULATION ON LAND IN INDIA

INCREASE IN YIELD PER ACRE MAIN SOLUTION

THE most important problem facing Indian economy is the pressure of population on land. The continuous rise in the growth of population during the past five decades has been alarming indeed. The population of the Indian Union was 235.50 million in 1901. It shot up by 13.55 per cent. to 249.05 million in 1911. Owing to the epidemic of influenza the rate of increase, however, declined to 0.87 per cent. in the next decade, the total population in 1921 being 248.18 million. Since then, there has been a rapid rise in the rate of growth. At 275.52 million in 1931, the total population represented a rise of 27.34 per cent. over the previous census. The rising trend not only persisted but made alarming strides in the following two decades, to reach a total of 314.88 million in 1941 and 356.83 million in 1951, an increase of 39.36 per cent. and 41.95 per cent. respectively, over the figures for the immediately preceding censuses. It is estimated that the population may very well reach the figure of 450 million in the next two decades. Commenting on this rise in the rate of growth, Dr. S. R. Sen, Economic and Statistical Adviser, Ministry of Food and Agriculture, Government of India, observed, in the course of his address at the eighth session of the International Conference of Agricultural Economics held at East Lansing, U.S.A., last year: "What is really disturbing, however, is the huge absolute increment on the top of the very massive existing population. The addition of about 109 million mouths during the last 30 years and the prospect of greater increments in the future cannot but cause most serious misgivings."

The reasons for this tremendous growth of population are well known to need any detailed discussion. Suffice it to say here that it is due, in large measure, to political stability for several decades, control of famines, introduction of modern public health services and the absence of concerted preventive measures to check the growth. In fact, it is the relatively greater fall in the death rate which is responsible for the rise in the population of the Union.

Consequence of Pressure

The consequence of the prolific increase in population has worked itself out on the land economy of the country with relentless pressure. To quote Dr. Sen, "Land became increasingly chopped up into smaller and smaller fragments. The law of diminishing returns tended to manifest itself more and more strongly and the class of landless labourers swelled in numbers. Density of population to-day amounts to as much as 281 persons per square mile which may be lower than the density in some of the industrial countries such as Japan, but is certainly very high relative to the present state of Indian economic development." This average density of population is not, however, a good economic criterion, because of the wide divergence of density between State and State. Thus, it is 34 per person per square mile in Kutch and as high as 1,015 persons in Travancore-Cochin. Density is also influenced by numerous factors such as soil fertility, amount of rainfall, irrigation facilities and general development of agricultural resources. On account of the difference in these resources, Kutch, with a density of 34 persons only, has a very low standard of living. This is due to small rainfall and poor yield per acre. On the contrary, in West Bengal, where all the factors noted above are present, the standard of living is comparatively higher than that of Kutch, although West Bengal has a density of 806 persons per square mile.

A study of correlation of the density of farm population per acre of "standard farm land" with agricultural productivity reveals certain interesting facts. Although agriculture is the main occupation in all the States, the distribution of farm population as related to the "standard farm land" among the different States is very uneven. The density varies from 35.91 persons per hundred acres of "standard farm land" in P.E.P.S.U. to 98.95 persons per hundred acres of "standard farm land" in Bihar. There seems to be also a definite inverse correlation between agricultural productivity and density of farm population per acre of "standard farm land." With every increase in the density of farm population, there is known to be a fall in productivity per acre.

Increasing Dependence on Agriculture

Dr. Sen's study, referred to above, deals also with the changes in the proportion of the The nomi dependent on agriculture for livelisort of mor ough a straight answer is not cases is confi es has not been uniform, an attempt that there are at arriving at certain general conquestion, but th from 1911 to 1921, the proportion system wherev rs dependent on agriculture insalt to the cor 82 per cent. to 71.61 per cent. The time when sal lassification, while the 1941 census modity Contro cupational distribution of populainto this ques g to the 1951 census, 70 per cent. of the total population still depends upon agriculture for its livelihood. "This shows a rather alarming trend" says Dr. Sen, "because, although, in 1951, the percentage may be almost the same as it was in 1901, the total number dependent on agriculture is much larger. This only proves that all the industrialisation and urbanisation during the last 50 years have not really been able to reduce the pressure on land in the slightest degree, although it must be admitted that the situation might have been worse but for the secondary and tertiary employment which was thus created." A study, in this connection, based on the comparable figures available for eight major States of the Indian Union shows that net area sown *per capita* of population dependent on agriculture declined from 1.1 acres in 1901 to one acre in 1951.

The increasing pressure of population on land has led to two social and economic consequences. First, it has caused a deterioration in the position of the actual tiller of the soil. The reason for this is that the farmer is not organised and the systems of land tenure gives him no special protection. There is keen competition for land, and by far the largest share of the income from land goes into the hands of middlemen such as merchants, moneylenders and landlords. There is thus little improvement in the technique of production, the standard of cultivation and in the economic position of the ryot. The second consequence is the creation of a host of problems by the settlement of land and the numerous gradation of rights on the soil. The upper layers of society have lost organic touch with the actual production and contented themselves with the collection of their share of the produce without performing corresponding service, while the actual tiller has lost the will and capacity and the capital to improve the land.

Low Yields

A recent study made by the Indian Council of Agricultural Research shows that the yield per acre has tended to remain stationary during the last few decades. While in the case of cash crops, there is clear evidence of a general increase in the yield per acre, in the case of food crops in particular the yields do not show any definite trend either way. "The only valid conclusion," observes Dr. Sen, "is that, while the fertility of the soil or standard of husbandry has not perhaps gone down, it has also not gone up either. All the attempts at agricultural improvement during the last few decades have been able merely to postpone the diminishing returns which inevitably follow increasing pressure of population on land."

The Five-year Plan, which has given priority to agriculture over other schemes, is considered primarily as a basic plan for clearing the decks and laying the foundation for more fruitful plans in the future. Of course, in carrying out the Plan, there are certain basic difficulties. Thus, the area available for cultivation per head is low. The yield per acre is much lower than in many other countries with comparable climatic and soil conditions. Limitations on availability of water have been the greatest single factor responsible for the low yield. Of the total 266 million acres under cultivation, only 49 million are under controlled irrigation. On account of long successive cropping, the soil, too, has a low level of fertility. The bulk of the cattle dung is used for burning. These factors can, however, be gradually overcome by planning over a certain number of years. For experiments all over India have shown that the application of nitrogenous and phosphatic fertilisers either singly or in combination may increase yields by as much as 20 to 100 per cent. Improving the yield per acre is absolutely necessary, because there are no more than 10 million acres capable of being brought under the plough in the near future. For, although statistical tables show that large areas are culturable, bulk of these areas cannot be brought under the plough owing to the various difficulties such as transport, water-supply, nature of the soil, etc. Moreover, increasing the yield per acre becomes an urgent task, in view of the fact that India's population is expected to reach a mark of 450 million by 1971. The country will then require about 63 million tons of cereal at the rate of 14 ozs. per adult per day and about 72 million tons at the rate of 16 ozs. per adult per day.

The solution of the food problem is not the real solution to the problem of India's population. For there is the pressing problem of surplus labour, estimated, on a conservative basis, at about 15 to 20 million agricultural workers. This problem has to be tackled not only by means of large-scale industrialisation but by means of establishing small-scale agro-industries all over the country. This work needs to be supplemented by the encouragement of family planning on a country-wide scale.

(Concluded from next column)

seas. He also recommends international conventions and the adoption of an international migratory code. Racial discrimination has been condemned as a wrong and unsound approach. A "spirit of mutual sympathy and understanding" and "a spirit of toleration," as has been pointed out in the concluding paragraphs of the volume, can alone be of avail in the final analysis.

NEW PUBLICATIONS

Indians Overseas (1838-1949). By C. Kondapi. Published by the Indian Council of World Affairs. Price: Rs. 20.

MUTUAL needs have always brought men closer and movements of populations have taken place mainly because of economic and commercial needs. It was especially so in the case of the traditionally conservative and home-loving Indians who migrated to other countries when their own homeland no longer could provide them with the means of sustenance and when the plantation owners had to find an alternative to slave labour after its abolition during the early decades of the last century. No doubt, early emigration of Indians was largely engendered by high commercial or cultural motives. In striking contrast, the later movements disclose a pathetic picture, because Indians were driven to plantations in British, French and Dutch colonies by famines, decline of handicrafts and lack of protection to their tenancy rights. The emigrant population has had to face considerable difficulties in the countries to which they emigrated. Attempts were made to suppress the Indians from demanding equality of rights and rights of citizenship. From the start, systematic suppression was resorted to deny any privileges to these people who were wanted only as labourers, but never as free men. The chief object of the labour policies in the immigree countries has been the maintenance of the cheap production methods of European settlers in tropical and sub-tropical regions. Gradual change-over from the primitive economy in colonies, resultant competitive rivalries, rise of native classes, growing unemployment in colonial countries, fear of economic and political domination and racial corruption by Indians, aggravated by assumption of racial and hence socio-cultural superiority by Europeans and unfortunate political subordination of India till recently, have all created surprisingly diverse problems ranging from parliamentary representation to that of ceremonial cremation.

For over a century, the conditions of labour have been intolerable both in regard to wage rates and minor matters of social welfare. Educational facilities have been either denied or discriminated against Indians. They have been suffering under various disabilities with regard to settlement and occupation on land, marketing and trading, employment and service, and other matters of religious and social customs, such as marriage and cremation. Except in certain countries like the U.K., U.S., Canada or New Zealand, where the immigrant Indian population is almost microscopic and non-labouring, Indians have been denied the right of domicile in one way or another and excluded from any political status as free citizens. Latterly, in these countries, with the ending of the open door policy of immigration, Indians (and non-Europeans) have been singled out for unjustifiable restrictions on entry. The most blatant manifestation of this is the South African *apartheid*. But pressure of progressive world opinion is causing systematic colour bar to disappear in the rest of the world.

The book under review must be read against this background. The first nine chapters trace this sad story from the beginnings of the Indian emigration till the first two years of independent India. These chapters, as indeed, the rest of the book, are a testimony to Mr. Kondapi's painstaking research into the subject which he first took up as far back as 1940.

Experience gained over subsequent years, in his capacity as Assistant Secretary of the Indian Council of World Affairs and in various international fields, has lent authority and weight to the book. The last chapter sets out some suggestions in broad outline as solutions to the problems. While believing that emigration does not offer a solution to the country's population problem, the author advocates the moulding of labour policies in immigree countries to enable and promote permanent settlement of emigrant Indians and abolition of present systems of recruitment and control. As a more positive and effective means, he recommends effective control on emigration by the Government of India the conclusion of bilateral treaties and agreements and the imposition of reciprocal restrictions, where necessary, as effective bargaining weapons to secure fair and equitable treatment to Indians over-

(Continued in previous column)



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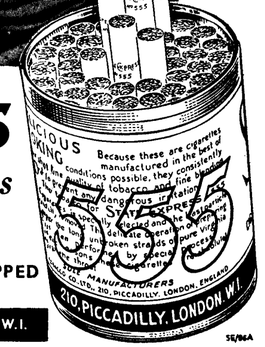

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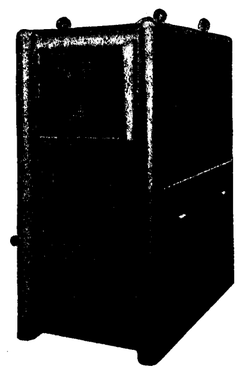

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SETBACK IN EARNINGS OF B.E.S.T. UNDERTAKING

LOSS ON TRAMWAYS CAUSES CONCERN

THE year ended 31st March, 1952, was the fourth full year of working of the Bombay Electric Supply and Transport Undertaking since these services were municipalised in August, 1947. The financial results of the Undertaking for the year under review reflects the great strain to which all the three services, namely, electric supply, tram and omnibus, were put to by the unprecedented growth of population and expansion of industries in the city of Bombay and the merged areas of Greater Bombay, during the post-war period and more particularly in the last four years. Nonetheless, the results reveal that the Undertaking has been able not only to balance its budget but also to contribute to the municipal exchequer a handsome sum and strengthen its own resources for providing better and useful services to the public.

The working of the Undertaking during the year 1951-52 resulted in a surplus of Rs. 70.87 lakhs (after providing for depreciation and debt charges), as against Rs. 84.10 lakhs in 1950-51, representing a fall of Rs. 13.23 lakhs or 15.7 per cent. As compared with the estimated surplus of Rs. 37.78 lakhs under the budget for 1951-52, the actual surplus for the year shows an impressive rise of Rs. 33.09 lakhs. This surplus of Rs. 70.87 lakhs, however, represents a return of no more than 5.2 per cent. on the capital expenditure. This would be very much less—approximately 3 per cent.—if the Undertaking were to pay taxation just as any other commercial concern under the management of private enterprise. The loss to the Central Government as a result of the municipalisation of the Undertaking, according to our estimate, is of the order of Rs. 50 lakhs per annum, if not more. That is one of the disadvantages to the public consequent on the transfer of the Undertaking from the hands of private enterprise.

Despite the shrinkage in surplus, as noted above, the Undertaking has had to contribute to the municipal funds, under its statutory obligation, no less a sum than Rs. 28 lakhs, that is, Rs. 3 lakhs more than that transferred last year. In accordance with the B.E.S.T. Committee's decision to make available larger provisions for depreciation in order to cover the deficiency in depreciation allowance made in earlier years on the original purchase price of the Undertaking, a sum of Rs. 21.50 lakhs was set aside last year towards additional depreciation. But this allocation has had to be reduced sizably to Rs. 16.70 lakhs in the year under review. This policy of allocation of surpluses is certainly injurious to the long-term interest of the Undertaking. Full provision for depreciation should be the first charge and it is only thereafter that the Municipality's claim on the surplus should be met. Any other policy would amount to living on capital, a policy which will ultimately lead to bankruptcy.

The following comparative table gives an idea of the Undertaking's progress since 1948-49.

(In lakhs of rupees)

	For the year			
	1951-52	1950-51	1949-50	1948-49
Income—				
Electric Supply	252.05	260.06	241.75	213.39
Tramways	142.61	131.49	121.77	106.89
Omnibuses	234.54	197.49	166.98	117.77
Total ..	629.20	589.04	530.50	438.05
Working expenditure	409.01	375.02	320.82	284.94
Depreciation and debt charges ..	149.32	129.92	124.34	91.88
Excess of income over expenditure	70.87	84.10	85.32	61.22
Statutory payment to municipal fund	28.00	25.00	10.00	10.00
Additional depreciation ..	16.70	21.50	..	..
Other essential appropriation ..	29.44	24.92	64.80	45.83
To other statutory funds ..	5.04	5.04	7.89	5.39
Carry forward	2.97	11.28	3.64	1.00

The fall in the Undertaking's income from electric supply was due to the rationing of power supply introduced in September, 1951, for the first time in the history of Bombay's electric supply. Following this, stricter controls and curtailment in the development of all classes of load were introduced. The result was that, in addition to the unpleasant task of implementnig Government orders on rationing at enormous cost, the B.E.S.T. Undertaking suffered an average reduction of about 25 per cent. in the consumption of electricity with a corresponding loss of revenue. It will be observed from the foregoing table that a significant part of the increase in the Undertaking's total income was contributed by the encouraging working of the omnibus section. Of the total working expenditure of Rs. 409.01 lakhs, which records a rise of Rs. 34 lakhs over the previous year, that on electric supply accounted for Rs. 130.23 lakhs (as against Rs. 128.73 lakhs), tramways for Rs. 127.01 lakhs (Rs. 116.70 lakhs), and omnibus for Rs. 151.75 lakhs (Rs. 129.60 lakhs). The depreciation and debt charges on account of the three sections were Rs. 68.71 lakhs, Rs. 41.35 lakhs and Rs. 39.86 lakhs, respectively. The working of the electric supply and omnibus departments in 1951-52 resulted in a surplus of Rs. 53.70 lakhs and Rs. 42.92 lakhs, the corresponding figures for the previous year being Rs. 74.11 lakhs and Rs. 30.17 lakhs. The working of the tramways section resulted in a deficit of Rs. 25.75 lakhs, as compared with that of Rs. 20.19 lakhs for 1950-51. Thus, the shrinkage in total surplus from Rs. 84.10 lakhs to Rs. 70.87 lakhs, as noted at the outset, is directly attributable to the drop in the surplus of the electricity supply department and the widening of the deficit in the tramways section. It may incidentally be noted that not a single year had passed, since the municipalisation of the three services, without the Undertaking incurring a loss on its tramways. It is, therefore, not surprising to be told that the financial losses on the tramways are causing grave concern to the B.E.S.T. Committee.

The efforts of the B.E.S.T. Undertaking to maintain the three essential services and expand the same, ever since these services came under the control of the Municipal Corporation, is reflected in the successful financial working of the Undertaking during the last few years. The total net cost of capital expenditure during the last four years, taking into account the major works only, amounted to Rs. 4.34 crores, out of the total fixed capital expenditure of Rs. 13.55 crores as on 31st March, 1952, the expenditure during the year under review alone being Rs. 66.41 lakhs. It is gratifying to note that the entire capital works programme in the year 1951-52 was financed from its internal funds, although provision for a public loan of Rs. 175 lakhs was made in the budget estimates for the year under loan works. As against the total capital expenditure of Rs. 13.55 crores at the end of the year 1951-52, a depreciation fund of Rs. 2.69 crores has been built up. Besides this large depreciation fund, the Undertaking has conserved an internal fund of Rs. 2.31 crores. In other words, the Undertaking has saved from its revenue by the end of 1951-52, as large a sum as Rs. 5 crores, representing depreciation and other internal funds, besides accumulating a sinking fund of Rs. 86 lakhs, a loan redemption fund of Rs. 42.75 lakhs and other funds amounting to Rs. 50.03 lakhs, all these after contributing to the municipal exchequer no less a sum than Rs. 81.53 lakhs, after the services were municipalised. The Undertaking's loan funds amount to Rs. 11.01 crores, of which Rs. 9.50 crores represent borrowings for the purpose of taking over the assets of the B.E.S.T. Co., Ltd., and Rs. 1.51 crores, outstandings on borrowings for capital expenditure. Besides these loans, the Undertaking has so far borrowed from its own internal funds a sum of Rs. 3.31 crores, of which Rs. 2.67 crores represent the advance for capital expenditure and Rs. 63.74 lakhs for part-payment of the purchase price paid to the B.E.S.T. Co., Ltd.

The Undertaking's statutory contribution to the municipal funds, which is to be stepped up to Rs. 40 lakhs in the course of the next four years by an annual increment of Rs. 3 lakhs from its present level of Rs. 28 lakhs, constitutes a heavy drain on the resources of the Undertaking. The contribution was raised from Rs. 10 lakhs which were paid in 1948-49 and 1949-50, to Rs. 25 lakhs in 1950-51. The Chairman's plea, made last year for refixing this to the original sum of Rs. 10 lakhs, together with such additional sum based on a percentage of the surplus that remains after making necessary adequate provision towards depreciation and other essential provisions, by amending the Municipal Corporation Act, remains unimplemented. It is, however, understood that the question of amending the Act is receiving the attention of the authorities.

The possibility of a further fall in the surplus of the Undertaking is indicated by Mr. G. G. Morarji, Chairman of the B.E.S.T. Committee, in his review on the Administration Report for the year 1951-52. He thus observes:

"It would appear, however, that certain adverse factors affecting the electric supply department and omnibus sections, such as (1) the proposed amendment of the Indian Electricity Act restricting the net profit to 5½ per cent. of the capital base, and (2) the recent enhancement of motor vehicles taxation, etc., will drastically reduce the surplus of the Undertaking, with the consequence that we shall no longer have any surpluses on the electric supply department and omnibus section to compensate for the large recurrent deficits of the tramways; we might even be compelled to withhold our annual contribution of about Rs. 40 lakhs to the municipal exchequer."

The Undertaking, it may be remembered, expressed its opposition last year against the aforesaid proposal to amend the Indian Electricity Act restricting the net profit to 5½ per cent. of the capital base. But so far no action has been taken by the Government of India to exclude the municipal undertaking from such a restriction.

SHREE CHANGDEO SUGAR MILLS LTD.

Heartening results are disclosed by the audited accounts of the Shree Changdeo Sugar Mills Ltd. (Managing Agents: Messrs. A. H. Bhiwandiwalla & Co., Bombay) for the year ended 30th September, 1952. The gross profit of the Company has jumped up from Rs. 13.58 lakhs to Rs. 18.93 lakhs, or by nearly 40 per cent. The net profit, after providing for depreciation and taxation, has advanced from Rs. 6.48 lakhs to Rs. 9.49 lakhs. These results are in consonance with the general trend of the profits of sugar mills in India during the last sugar season which happened to be the most prosperous one in the history of Indian sugar.

The foregoing excellent results are undoubtedly due to the substantial improvement in the Company's production. The sharp rise in profit noted above has enabled the Directors to put by a sizable sum to the reserves and to enhance, at the same time, the dividend from 12 per cent. paid for 1950-51 to a generous one of 60 per cent.

The following comparative table gives one an idea of the Company's progress in the last three years:

(In lakhs of rupees)

	For the year ended 30th September			
	1952	1951	1950	1949
Sale proceeds of—				
Sugar	58.31	28.74	34.55	38.91
Molasses	1.07	0.68	0.42	0.95
Stocks	8.83	6.72	0.48	0.06
Other income	1.07	1.15	0.65	0.32
Expenditure	43.62	23.24	23.42	28.89
Gross profit	18.93	13.58	12.33	10.74
Depreciation	3.44	3.56	4.15	1.37
Managing Agent's and promoters' remuneration	2.00	1.27	1.07	1.22
Provision for taxation ..	4.00	2.00	1.50	2.83
Net profit	9.49	6.48	5.60	5.31
To general reserve	3.00	..	4.00	3.50
,, investment reserve ..	..	..	..	0.50
,, pref. share redemption fund ..	1.50	6.00	..	..
Dividend—				
5% preference	0.37	0.37	0.37	0.37
Ordinary	1.50* (60%)	0.90* (12%)	0.90 (6%)	0.90 (6%)
Carried over	0.42	0.31	1.10	0.77

* Dividend on the capital reduced from Rs. 15 lakhs (made up of 60,000 shares of Rs. 25 each) to Rs. 7.50 lakhs (made up of 60,000 shares of Rs. 12-8 each), pursuant to the special resolution passed on 20th January, 1951 and sanctioned by the High Court, Bombay on 20th August, 1951.

The Company's production during the year under review was 192,742 maunds which, as compared with that in 1950-51, shows an increase of 76,128 maunds. The quantity of cane crushed was 1,667,515 maunds, as compared with 963,200 maunds in the previous year. The recovery was, however, fractionally lower at 11.54 per cent., as against 12.13 per cent. in 1950-51. Reflecting this sizable improvement in production are the increase in sale proceeds, stocks and expenditure. The Directors, who did not set aside anything to the general reserve last year, have now added Rs. 3 lakhs to it. The Company's preference share capital, amounting to Rs. 7.50 lakhs, is redeemable after 30th September, 1952, at the option of the Directors, after giving six months' notice. These shares carry interest at 5 per cent. per annum. It was for this purpose that they created last year a preference shares redemption fund and allotted to it Rs. 6 lakhs from the profit for 1950-51. This has been further strengthened by Rs. 1.50 lakhs from out of the profit for the year under review. In view of the substantial improvement in profit, the Directors paid in September, 1952, an *ad-interim* dividend of Rs. 6 per share of Rs. 12-8 and now proposes to pay a final one of Re. 1-8 per share, making a total of Rs. 7-8 per share for the year, as against Re. 1-8 paid in 1950-51.

The Company's ordinary capital was reduced from Rs. 15 lakhs to Rs. 7.50 lakhs, as per special resolution adopted by the shareholders in January, 1951, and sanctioned by the High Court of Bombay, in August, 1951. The outstanding due on account of return of capital at the end of September, 1951, was repaid during the year under review. The preference capital, amounting to Rs. 7.50 lakhs, was issued as bonus shares to the ordinary shareholders without payment being received in cash, in February, 1948, and the Company has built up a reserve to repay this within a space of five years after it was issued.

The latest balance-sheet shows a satisfactory financial position. As against a paid-up capital of Rs. 15 lakhs, the reserves and surplus aggregate Rs. 26.29 lakhs. The reserve for income-tax amounts to Rs. 13 lakhs. The gross value of the block, at Rs. 35.42 lakhs, has been written down to a book value of Rs. 10.87 lakhs. The current assets, at Rs. 55.67 lakhs, cover the current liabilities at Rs. 12.26 lakhs, by a very wide margin.

OUTLOOK FOR ATTOCK OIL CO., LTD.

In his statement accompanying the accounts of the Attock Oil Co., Ltd., for the year ended 31st December, 1951, the Company's Chairman had forecast recently an improvement in the results for 1952 on account of the new strike of oil at depth at Dhulian. As it will take a considerable time for the accounts relating to the year 1952 to be completed, the Directors have issued a statement reviewing, in brief, the developments that have taken place since the Chairman made his last annual statement. The preliminary estimates for 1952 indicate, according to the Directors' statement, a marked increase in the profit for 1952 over that for 1951. The production for the year amounts to 989,545 barrels, as compared with 672,740 barrels for 1951, or an increase of 47 per cent. This was the effect of the additional production from the new oil horizon at Dhulian. So far three wells have been struck, the third having been brought on to production on 27th November, 1952. This latest strike indicates that the new producing area will be at least equal to the former main horizon in extent, thus making Dhulian once again an important producing field. Preparations are going on for striking another well. In order to take advantage of the increased production, the Directors observe, considerable capital expenditure will be required. It is anticipated that the Company will be able to provide this from its own funds.

DIVIDEND PAYMENTS IN U.S. DURING 1952

Dividends paid by the U.S. industrial concerns during the year 1952 reached a record level, according to the Department of Commerce. Despite a decline in December, 1952, from 1951 levels and higher taxes throughout the year, the publicly reported cash dividends in 1952 aggregated $8,277.4 million, representing an increase of 2 per cent. over those paid in 1951. Together with the dividends that were not publicly reported, the total distribution came to $9,300 million. Manufacturing companies paid a little less than in 1951, but mining, finance, utility, railroad and communication companies paid more. If the change in the purchasing power of the dollar between 1929 and 1952 is taken into account, the dividend payments in 1952 fell short of those made in 1929. Thus, dividends in 1929 amounted to $5,800 million, which, on the basis of 1952 prices, were equal to $9,600 million.

Points From The Chair

Currency Depreciation Should be Averted

"THE first of these tasks, calling for all the ingenuity that can be mustered in the field of monetary policy and mechanics, is to work out means whereby currencies can be safeguarded against further depreciation, with all that that process entails by way of disturbance of contractual relations, falsification of effective social provisions and the erosion of fixed capital assets. The second, closely associated, task is to find ways of ensuring a sufficient flow of capital, from real savings, to finance new economic development and social improvement on a scale to match the needs of our age. The close relationship between these two problems is clear. To mention just one of the more obvious connections, currency depreciation is a powerful deterrent to personal saving, which undermines the will and the desire to save. To round the circle, a shortage of saving at a time when large new capital expenditure is needed is a certain generator of inflation, and, therefore, of the very process that frustrates the maintenance of adequate saving for investment."

THE RT. HON. LORD HARLECH,
Midland Bank Ltd.

Convertibility of Currency

"It is true that convertibility can only be realised by stages. But we must take active steps to reach that objective. We cannot hope to gain our livelihood in this country, or to maintain the benefits we enjoy from the association of the sterling area on the basis of an inconvertible £. A currency which is not convertible ceases to fulfil the primary purpose of money as a medium for the exchange of goods and as a stable store of value. We have been too long lulled by the deceptive influence of the system of exchange control, which falsifies all the price mechanism. No one knows what our money is really worth under this system. Some of our best known economists were recently arguing that sterling was undervalued at the official parity with the dollar. Now other critics are maintaining that if sterling is made freely convertible into dollars, our export trade will collapse, and our customers will flock *en masse* to the American market. Who shall decide when doctors disagree? If it is the case that our exports are so uncompetitive, it shows how deeply the system of exchange control has corroded our economy and sapped our efficiency."

THE RT. HON. THE EARL OF SELBORNE,
National Provincial Bank Ltd.

Future of Tin

"In my opinion the best hope of future development within the industry lies in locating and proving big low-grade deposits suitable for dredging, and lode tin or primary deposits. Both of these call for heavy capital outlay, and although I believe that Malayan production will fall over the next few years, and that it is unlikely again to reach a level approaching the immediate pre-war rate, nevertheless, I also believe that, if the U.K. and Federation Governments are prepared to make their contribution on the lines which I have indicated, Malayan producers can be relied upon fully to develop the industry so that a production rate of possibly between 50,000 and 60,000 tons per annum may be maintained for some years to come. But it should be remembered that it took nine years after the seriousness of the fall in production in 1918 was recognised before the position was restored, and conditions then were more favourable than at present."

G. W. SIMMS,
Sungei Besi Mines, Ltd. and Ayer Hitam Tin Dredging, Ltd.

Housing

"Critics of the Government's housing policy arise from every side, from their political friends as well as from their political foes. Many economists are busy explaining that we cannot afford so much labour and materials to be expended in the provision of houses, however necessary these may appear to be. At the same time, many of the same economists deplore the lack of any incentive for the working man. Surely the Government is right to give housing a very high priority. What greater incentive can a man have to work, and work hard, than the opportunity of housing himself and his family decently, and when the house is acquired, to pay for it as speedily as possible. The man who buys his own house is a constructive citizen. He saves himself and his fellows part of the burden of housing subsidies which, otherwise, would have to be found by taxation or rates out of his own and his fellows' earnings, and by his savings he creates a capital asset for himself and a valuable stake in the country, which must surely lead to a greater sense of responsibility and good citizenship."

SIR BERNARD DOCKER,
Metropolitan Railway Country Estates, Ltd.

Export Position of the U.K.

"This leads to consideration of our present export position. Whereas a year ago our ability to fulfil overseas orders was largely governed by the rate at which we were able to produce, various factors—including import cuts by Commonwealth countries, scarcity of sterling available to other countries and increasing competition from Germany and Japan—have combined to alter the situation materially. We have encountered during the past 12 months some recession in trade, and now we must intensify our efforts to compete successfully in foreign markets, if our balance of payments is to remain favourable. Our ability to effect the required improvement in exports is, of course, essentially bound up with our internal position and I gravely doubt whether effective control of Government expenditure has moved sufficiently in line with the dearer money policy now pursued."

RT. HON. LORD ROTHERWICK OF TYLNEY,
Commercial Bank of Scotland.

Notices

'CIPLA'

THE CHEMICAL, INDUSTRIAL AND PHARMACEUTICAL LABORATORIES LIMITED

289, Bellasis Road, Byculla
BOMBAY

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SEVENTEENTH ORDINARY GENERAL MEETING of the Shareholders of the Chemical, Industrial and Pharmaceutical Laboratories Limited, will be held at the Registered Office of the Company, 289, Bellasis Road, Byculla, Bombay, at 3 p.m. on Friday the 27th February, 1953, to transact the following business:

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st October, 1952.
2. To declare a Dividend.
3. To elect three Directors in place of Dr. A. T. Shroff, Dr. M. J. Nicholson and Mr. Siddick Sulaiman, who retire by rotation and are eligible and offer themselves for re-election under the provisions of the Articles of Association of the Company.
4. To appoint the Auditors for the next year and fix their remuneration.
5. To transact any other business that may be brought before the Meeting.

The Transfer Books of the Company will be closed from the 11th to 28th February, 1953, both days inclusive.

By Order,
For THE CHEMICAL, INDUSTRIAL AND PHARMACEUTICAL LABORATORIES, LIMITED,
For HAMILSONS LIMITED,
Managing Agents.
M. J. NICHOLSON.
Director.

BOMBAY, 20*th January*, 1953.

N.B.—Dividend if sanctioned by the shareholders, will be paid only to those shareholders whose names are on the Company's Register on the 10th February, 1953.

INDIAN RAILWAYS CENTENARY EXHIBITION

4th MARCH 1953—17th APRIL 1953

VALUABLE SITES ARE AVAILABLE FOR neon-signs commercial advertisement and publicity within the Exhibition grounds. Firms and publicity agents interested in renting poster and sign space are requested to apply immediately to or call upon D. Sandilya, Secretary, Indian Railways Centenary Exhibition Committee, Railway Board, New Delhi.

MADURA MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held in Tuticorin on Thursday the 26th March, 1953, at 4 p.m. The Share Transfer Books will be closed from 6th to 26th March, 1953, both days inclusive. It is recommended that:

1. All persons holding shares on blank transfers should immediately arrange to have the shares registered in their own names, as the Company will pay any dividend declared only to the person(s) in whose name the share stands on the date of declaration of dividend.
2. Shareholders desiring dividends to be paid to Banks or other Mandatees should register the mandatees with the Company before 6th March, 1953.
3. Intimation of any change of address should be given to the Company immediately.

A. & F. HARVEY LIMITED,
Managers.

MADURAI. 2*nd February*, 1953.

BENARES ELECTRIC LIGHT AND POWER COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-ninth Ordinary General Meeting of the abovenamed Company will be held at the Registered Office, No. 12, Mission Row, Calcutta, on Friday the 27th February, 1953, at 11 a.m., for the purpose of receiving and considering the Directors' Report and the Statement of Accounts for the half-year ended 30th June, 1952, and the balance-sheet as at that date and to transact any other ordinary business of the Company.

The Share Transfer Books of the Company will be closed from the 21st February, 1953, to the 27th February, 1953, both days inclusive.

By Order of the Board,
MARTIN BURN LTD.,
Managing Agents.

CALCUTTA, 2*nd February*, 1953.

ALBION JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Half-yearly Ordinary General Meeting of the Company will be held at the Registered Office of the Company at No. 9, Dalhousie Square East, Calcutta-1, on Tuesday the 24th February, 1953, at 11-30 a.m., to adopt the Directors' Report and Audited Accounts for the half-year ended 31st May, 1952, to declare dividends for the half-year at Rs. 3/8 per share on the Preference shares and Rs. 8 per share on the Ordinary shares.

The Share Transfer Books of the Company will be closed from 18th to 24th February, 1953, both days inclusive.

By Order of the Board,
SAHU JAIN LTD.,
Managing Agents.

CALCUTTA. 30*th January*, 1953.

NEW CENTRAL JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Half-yearly Ordinary General Meeting of the Company will be held at the Registered Office of the Company at No. 9, Dalhousie Square East, Calcutta-1, on Tuesday the 24th February, 1953, at 12 noon, to adopt the Directors' Report and Audited Accounts for the half-year ended 30th June, 1952, to declare dividends for the half-year at Rs. 3/8 per share on the Preference shares and Rs. 10 per share on the Ordinary shares.

The Share Transfer Books of the Company will be closed from 18th to 24th February, 1953, both days inclusive.

By Order of the Board,
SAHU JAIN LTD.,
Managing Agents.

CALCUTTA. 30*th January*, 1953.

BANGALORE MACHINE TOOLS FACTORY

The memorandum and articles of association for the incorporation of the Hindustan Machine Tools Ltd. were signed last week by Mr. A. K. Chanda, Secretary, Ministry of Production, on behalf of the President and Mr. E. G. Buehrle, Proprietor of Oerlikon Machine Tool Works, Buehrle & Co., Zurich (Switzerland), on behalf of the Company.

Messrs. Oerlikons are a Swiss firm of machine tool manufacturers with international reputation and were responsible, in association with the Defence Ministry, for the construction and equipment of the Ambarnath Machine Tool Factory, which was recently opened by the Prime Minister.

The authorised capital of the Company is Rs. 12 crores and its production programme covers the manufacture of high speed lathes, heavy duty drilling machines, shaping machines, milling machines, etc. Considerable progress has been made in construction of the factory buildings at Jalahalli, near Bangalore, and the procurement and installation of capital equipment. The factory is expected to go into production towards the end of the year. With the factory in production, India would have attained self-sufficiency in high quality general purpose machine tools.

INDIA'S TRADE WITH SOUTH-EAST ASIA

SCOPE FOR EXPANSION GOOD

(By R. P. S. VERMA)

THE changing pattern of India's foreign trade, from that of primarily an exporter of agricultural products to that of a large exporter of manufactured goods, makes it imperative on its part to look for such outlets where it can have a ready market for its manufactured goods and at the same time may obtain the requirements of its growing industries. In 1951-52, exports of manufactured goods formed 56 per cent. of the total exports of India, as compared with only 30 per cent. before the war. On the other hand, the percentage share of imports of food articles in the total imports has risen from 14.1 in pre-war to 26.9 in 1951-52 and that of raw materials from 22.7 to 36.5, while that of manufactured goods has declined from 61.6 to 35.8 during the same period. India cannot find a market in Europe or America for its manufactured goods. However, a ready market for manufactured goods and sources of raw materials for its secondary industries, which have developed since the war, exists just near at hand, in Burma, Malaya (including Singapore), Indo-China, the Philippines and British Borneo.

The importance of South-East Asia has only grown with time. Its immense resources in tin, rubber, rice and oils and in other essential materials have made S.-E.A. one of the vital areas of world economy. The area was responsible, in pre-war, for about 90 per cent. and 60 per cent. of the world production of rubber and tin, respectively. Tungsten, manganese ore and sugar were other important items of production and practically the whole of manila hemp and 90 per cent. of quinine salts came from this area. Indonesia alone was responsible for about 90 per cent. of cinchona, 85 per cent. of pepper and 75 per cent. of tapioca of world exports. The economy of these countries, broadly speaking, was based on double system—native agricultural economy, characterised by low yield, and the economy of plantations agriculture on a scientific basis and large-scale mining. Most of these countries export a few staple commodities like rice (Burma and Thailand), spices (Malaya and Indonesia), and tin and rubber (Malaya and Indonesia), while they import manufactured goods. In the post-war period, machinery has also been imported to rehabilitate the devastated economies of these countries. As a result of specialisation in one or two crops for earning foreign exchanges, they prosper in times of boom, while they are hit hard in times of depression. This was inevitable during colonial rule, but, as some of the countries like Burma, Indonesia and the Philippines have already gained their independence and others are following suit, a diversified and balanced economy should be the ultimate aim which will enable the standard of living in these areas to be raised.

During World War II, the South-East Asian countries suffered heavy losses and their economies were dislocated and disorganised. The increasing industrialisation of India offers a good opportunity for the economic recovery of this area, while, in turn, they can supply India their raw materials and food. If a satisfactory economy has to be developed for South-East Asia, it can only be a "co-prosperity sphere," based on the interdependence between India and these countries. Though the markets of South-East Asia, at present, are not very important in the total foreign trade of India, they present great potentialities for the future. It is, however, needless to mention that the economies of both India and South-East countries, to a large extent, are complementary and supplementary and not competitive and there is a possibility of both intra-regional and multilateral trade.

As already stated, the share of South-East Asia has never been large in the foreign trade of India. In 1938-39, these countries accounted for only about 9 per cent. of total exports of India and about 20 per cent. of total imports. It is significant to note that, in the post-war period, the share of this area has further declined in the total trade of India from 29 per cent. in 1938-39 to 13 per cent. in 1951-52. The decline is more pronounced in imports which has declined from 20 per cent. in 1938-39 to 6 per cent. in 1951-52 of their total imports. The following table shows the value of India's trade* with South-East Asia and its relation to total foreign trade of India:

(Value Rs. lakhs)

	South-East Asia				Percentage share of S. E.A. in India's Foreign trade		
Year ended March	Exports	Imports	Balance of trade favourable (+) unfavourable (−)	Total exports (excludes re-exports)	Percentage of S. E.A. to total exports	Total imports	Percentage of S. E.A. in total imports
1938-39	14,47	30,55	16,08	165,79	9	152,36	20
1946-47	16,92	11,82	− 5,10	301,27	6	300,65	4
1947-48	14,99	29,29	14,30	330,53	6	485,42	6
1948-49	22,46	10,78	− 11,68	416,11	5	672,96	2
1949-50	10,66	14,16	3,50	199,56	5	639,54	2
1950-51	67,51	16,99	− 50,52	506,52	12	695,45	2
1951-52	41,00	60,81	19,81	478,71	9	965,24	6
1952-53 (from April to August)	25,70	24,91	− 0,79	250,56	10	340,74	8

* By sea only and excludes re-exports.
† Includes Burma, Malaya, Singapore, Thailand, Indonesia, Indo-China, the Philippines and British Borneo.
‡ Exclusive of transit trade.

Burma, Singapore, Malaya and Thailand are the principal countries in India's trade with South-East Asia. In pre-war, Burma alone was responsible for 30 per cent. of imports into India from this area and accounted for 66 per cent. of India's total exports to this area. In post-war, the share of Burma has significantly declined while that of Malaya and Singapore and Thailand has increased as shown below:

Approximate percentage share of principal countries of South-East Asia in the foreign trade of India with S.-E.A.

Year ending March:	1938-39		1946-47		1947-48		1948-49		1949-50		1950-51		1951-52		1952-53 (Apr.-Aug.)	
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports
Burma	30	66	4	61	56	60	57	14	32	24	10	33	28	38	25	16
Singapore and Malaya	13	16	50	27	33	22	24	23	33	11	35	53	25	31	23	24
Thailand	N	5	6	N	8	4	14	11	28	10	17	6	19	17	22	16
Total percentage share of principal countries	93	87	60	88	97	86	95	78	93	88	92	92	92	86	98	86

N Negligible.

The composition of trade between India and S-E.A. has shown little changes in the post-war period as compared with pre-war. Jute manufactures and cotton textiles are the major commodities of export. Both these commodities are exported to almost every country. The following statistics explain:

Percentage share of major commodities exported to S.-E.A.

	1938-39	1946-47	1947-48	1950-51	1951-52
Cotton textiles	28	20	17	65	18
Jute manufactures	20	12	20	10	35
Coal	1	1	6	1	2
Vegetable oils, non-essential	3	12	8	6	7
Total percentage of major commodities	55	48	51	82	62

As regards imports into India, rice, which is mainly imported from Burma and Thailand, accounted for about 50 per cent. in 1950-51, as against 40 per cent. of total import in 1938-39. Next important item is petroleum oils which was about 17 per cent. and 9 per cent. of total imports in 1950-51 and 1951-52, respectively. The imports of metals approximate 8 per cent. in the post-war period, as compared with 3 per cent. in pre-war. Betelnuts continue to be about 5 per cent. of total imports. The percentage share of timber imports declined from 9 per cent. in 1938-39 to 4 per cent. in 1950-51 and 6 per cent. in 1951-52. The imports of rice, petroleum oils, metals and timber constituted about 60 per cent. in pre-war, 45 per cent. in 1946-47, 59 per cent. in 1947-48, 85 per cent. in 1950-51 and 71 per cent. in 1951-52, of total imports.

The demand for jute manufactures (gunny bags) has always been substantial and, because the economies of these countries are mainly agricultural and exports of the agricultural produce require bags, it can be reasonably expected that, with an increase in agricultural production and normal international trade relations, the demand for jute manufactures from this area will continue to be good. According to the Narielwala Mission, the estimated yearly demand for jute goods from Burma is 25,000 tons, from Indonesia 24,000 tons, and from Thailand 15,000 tons. This mission recommended that, while annual allotment of 20,000 tons would be sufficient for Indonesia, efforts should be made to meet the Burmese and Thai demand.

The demand for cotton manufactures in the markets of South-East Asia is excellent, and there is considerable scope for exports of cloth to this region. Exports of Indian cotton manufactures increased during and after the war, as a result of the disappearance of Japan, which was their principal supplier (about 55 per cent. of Japanese exports to this area were textiles). Since 1948, however, the recovery of Japanese textile industry has been remarkable and it has now caught India in the field of exports. It is also to be noted that Indonesia, Malaya and Singapore, all have taken more cotton cloth from Japan than from India. It has made particular headway in Malaya and Singapore, where Japanese cotton sales increased by not less than 260 per cent. between 1950 and the first quarter of 1952.

A rough estimate puts the consumption of cotton textiles in these countries at 1,200 million yards. The export target of 1,000 million yards for Indian mills could thus easily be reached by exports to these countries alone, if there is no competition. But competition in this area is becoming keen and, unless India produces cloth of good quality at competitive prices, and unless our export policy is a stable and a continuous one, it will be difficult for this country to establish large markets for its textile goods.

Although cotton textiles and jute manufactures constitute a large proportion of India's export trade with South-East Asian countries, a fair-sized list of miscellaneous articles (mostly consumers' goods) also figures in trade. Such goods are coir yarn, cordage and rope, hardware and cutlery, provisions and oilmanstores, rubber manufactures, haberdashery and millinery, electric goods, sewing machines and tobacco manufactures. All these commodities do not, of course, go to all these countries but only to specific ones. Nevertheless, the fact that such a large variety of goods figures in India's export trade with this region is significant, in that it shows that India can capture these markets if it is able to compete in quality and price. It is in the neighbouring markets that India has a golden opportunity to develop trade in surplus manufactured goods. India may, however, have to face Japanese competition in the export of rubber manufactures and glass and glassware to these markets. With regard to the export of boots and shoes, the U.K. is India's main rival, hence greater attention should be paid towards quality and price. There is sufficient scope in South-East Asia for agricultural machinery and tools, as there is a considerable degree of unfamiliarity with Japanese products. Burma and Thailand would be interested in rice milling machinery, while Indonesia in sugar machinery. Electric goods, including fans, switches, cables and electric motors are in good demand everywhere. The exports of electric fans from India to this area are a recent phenomenon and are proving quite encouraging. There is a great demand for Mangalore type of roofing tiles, especially in Malaya, Burma and Thailand. There is only limited scope for the export of coal, as there are no large-scale industries and inferior type of coal are produced by them. The prospects for soaps and toilet preparations are somewhat dim due to the establishment of a big factory by Lever Bros. in Malaya, who will have the advantage of lower prices of coconut oil in the producing countries and to the increasing competition from other countries. Paper, stationery and vegetable non-essential oils are in good demand. The prospects for the exports of aluminiumware are fairly bright. There is also a good demand for radio sets assembled in India; the only question is of price. Efforts should, therefore, be made to explore the market for radio sets at competitive prices.

If we export more, we have to import more and, as the Narielwala Mission pointed out, in the promotion of trade, there must be two-way traffic. India can have rice and timber from Burma and Thailand, non-ferrous metals from Burma, Malaya and Indonesia. Other goods that can be had from this area are palm oil, maize, tapioca, quinine and mineral oils. The import of tobacco wrappers from Indonesia deserves to be investigated, as cigars made with Indonesian wrappers have a good market in the Western countries.—*All Rights Reserved.*

Notices

W. H. BRADY & COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fortieth Ordinary General Meeting of the Company will be held at the Registered Office of the Company, Royal Insurance Buildings, 12/14, Veer Nariman Road, Bombay, on Monday, the 2nd day of March, 1953, at 11-30 a.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st December, 1952.
2. To sanction the payment of a Dividend.
3. To ratify and confirm the appointments of Whole-time Service Directors and Technical Advisers of the Company.
4. Mr. R. S. Smith, Whole-time Service Director and Technical Adviser, retires, and being eligible, offers himself for re-election.
5. To confirm the appointment under Article 102 of the Articles of Association of Mr. E. F. Morrey as Whole-time Service Director and Technical Adviser of the Company. Mr. Morrey retires, and being eligible offers himself for re-election.
6. To appoint Auditors for the ensuing year and to fix their remuneration.

The Transfer Books of the Company will be closed from Friday, the 20th February, 1953, to Thursday, the 12th March, 1953, both days inclusive.

By Order of the Board,
JOSEPH KAY,
Managing Director.

BOMBAY, *6th February*, 1953.

To the Shareholders of W. H. Brady & Co., Ltd., and in particular to:—

W. J. Pearce, F. W. Bennetts, Mrs. A. A. Dickinson, Mrs. O. M. Sharpe, T. W. Bennetts, Mrs. L. B. Postlethwaite, Mrs. I. C. Foxley, Mrs. J. A. Shelton, Warren H. Brady, Mrs. E. O. Cock, Mrs. M. M. Katgara, Sir A. G. Gray, A. V. Crowle, S. J. Crowle, Mrs. B. J. Peek, S. I. Neuman.

THE EMPIRE DYEING AND MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifty-third Ordinary General Meeting of the Shareholders of THE EMPIRE DYEING AND MANUFACTURING COMPANY, LIMITED, will be held at the Registered Office of the Company, Royal Insurance Buildings, 12/14, Veer Nariman Road, Fort, Bombay, on Monday, the 2nd day of March, 1953, at 12-15 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the year ended 31st December, 1952.
(2) To sanction the declaration of a Dividend.
(3) To confirm the appointment of Mr. J. Symon as a Director of the Company.
(4) To appoint Directors in place of Mr. J. L. B. Heale and Mr. Kantilal Nahalchand, who retire by rotation in accordance with Article 135 of the Articles of Association, but are eligible for re-election.
(5) To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will be closed from Friday, the 20th February to Thursday, the 12th March, 1953, both days inclusive.

By Order of the Board,
W. H. BRADY & Co., LTD.,
JOSEPH KAY,
Managing Director,
Managing Agents.

BOMBAY, *4th February*, 1953.

N.B.—The Dividend when declared will be made payable at the Registered Office of the Company on and after 16th day of March, 1953. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 12th March, 1953.

To the Shareholders of The Empire Dyeing and Manufacturing Co., Ltd., and in particular to:—

Mr. A. H. Baker; Mr. H. G. H. Everitt; Mr. W. L. A. Radcliffe; Mr. J. Slater; Mrs. J. S. Forrest.

G. CLARIDGE & COMPANY, LIMITED BOMBAY

NOTICE IS HEREBY GIVEN THAT THE THIRTY-THIRD ANNUAL ORDINARY GENERAL MEETING of the Shareholders of the above Company will be held at the Registered Office of the Company, Royal Insurance Buildings, 12/14, Veer Nariman Road, Fort, Bombay, on MONDAY, the 2nd day of March, 1953, at 12-30 p.m. (S.T.) to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st December, 1952.
2. To sanction the payment of a Dividend.
3. To appoint Directors in place of Sir Kikabhai Premchand, Kt., and J. L. B. Heale, Esq., who retire by rotation, but are eligible for re-election.
4. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from Friday, the 20th February, 1953, to Thursday, the 12th March, 1953, both days inclusive.

By Order of the Board,
W. H. BRADY & Co., LTD.,
JOSEPH KAY,
Managing Director,
Managing Agents.

BOMBAY, *4th February*, 1953.

N.B.—The Dividend when declared will be made payable at the Registered Office of the Company on and after the 16th day of March, 1953. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 12th day of March, 1953.

To the Shareholders of G. Claridge & Co., Ltd., and in particular to:—

A. H. Baker, Esq.; Warren Hollinshed Brady, Esq.

THE NEW CITY OF BOMBAY MANUFACTURING CO., LTD.

NOTICE IS HEREBY GIVEN THAT THE Forty-eighth Ordinary General Meeting of the Shareholders of the New City of Bombay Manufacturing Company, Limited, will be held at the Company's Registered Office, 12-14, Veer Nariman Road, Fort, Bombay, on Monday, the 2nd March, 1953, at 2-30 p.m. (S.T.), to transact the following business:—

1. To adopt the Directors' Report and the Statement of Accounts for the year ended 31st December, 1952.
2. To sanction the payment of Dividend.
3. To appoint Directors in place of Sir Kikabhai Premchand, Kt., and Sir Jamsetjee Jejeebhoy, Bart., who retire by rotation in accordance with Article 140 of the Articles of Association, but are eligible for re-election.
4. To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will be closed from Friday, the 20th February, 1953, to Thursday, the 12th March, 1953, both days inclusive.

By Order of the Board,
W. H. BRADY & Co., LTD.,
JOSEPH KAY,
Managing Director,
Managing Agents.

BOMBAY, *5th February*, 1953.

N.B.—The Dividend when declared will be made payable through the Bank of India Ltd., Bombay, on and after Monday, the 16th March, 1953, and to those Shareholders whose names stand on the Register on the 12th day of March, 1953.

To the Shareholders of The New City of Bombay, Manufacturing Co., Ltd. and in particular to:—

Mrs. Eva Barbara Thomas; A. H. Baker, Esq.; Warren Hollinshed Brady, Esq.; The Barclays Bank Ltd.; Mrs. Amy Blanche Cornell; Mrs. Beatrice De Coninck; Mrs. Edith Olive Cook; Albert Victor Crowle, Esq.; Mrs. Margaret Rose Dunk; H. G. H. Everitt, Esq.; Francisco X. D. Quadros, Esq.; Hoosen Ismail Motala, Esq.; John Pitkerthly Ross, Esq.; Jose Vetarino Alvares E. Brito, Esq.; Mrs. C. R. Lannegrace; Mohomed Dawjee Motala, Esq.; Miss Mary James; Mrs. Annie Mathews; Mrs. Olga Derozhinsky; Bhailal P. Dave, Esq.; Mrs. Bessie Julia Peek; Sayed Akhtar Husain, Esq.; Franklin P. F. X. De Sousa, Esq. and Mrs. Mehra Phiroz Cooper.

THE NEW GREAT EASTERN SPINNING & WEAVING CO., LTD.

NOTICE IS HEREBY GIVEN THAT THE Seventy-ninth Ordinary General Meeting of the Shareholders of the New Great Eastern Spinning and Weaving Company, Limited, will be held at the Company's Registered Office, 12-14, Veer Nariman Road, Fort, Bombay, on Monday the 2nd March, 1953, at 3-30 p.m. (S.T.), to transact the following business:—

1. To adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st December, 1952.
2. To declare a Dividend on Preference and Ordinary Shares of the Company.
3. To elect two Directors in place of those who retire by rotation but are eligible for re-election.
4. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from Friday, the 20th February, 1953, to Thursday, the 12th March, 1953, both days inclusive.

By Order of the Board,
W. H. BRADY & Co., LTD.,
JOSEPH KAY,
Managing Director,
Secretaries and Agents.

BOMBAY, *5th February*, 1953.

N.B.—The Dividend when declared will be made payable through the Bank of India Ltd., Bombay, on and after Monday, the 16th March, 1953. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on 12th March, 1953.

To the Shareholders of The New Great Eastern Spinning and Weaving Co., Ltd., and in particular to:—

A. M. A. Karimjee, Esq.; Mrs. Allu Faredoon Dastur; Cyril M. Carvey, Esq.; Domingos Roque De Sousa, Esq.; T. M. Fernandes, Esq.; Jose Joaquim de Piedade Falleiro, Esq.; James R. James, Esq.; Mrs. Meherbanoo P. Dubash; Antonio Augusto de Rego, Esq.; Dr. John H. E. Sequeira; Dr. Francis C. G. Sequeira; Vaikunthlal M. Clerk, Esq.; Miss Dina B. Sethna, Miss Freny B. Sethna; Mrs. Bessie Julia Peek; H. G. H. Everitt, Esq.

THE BANK OF INDIA LIMITED BOMBAY

NOTICE IS HEREBY GIVEN THAT THE Forty-seventh Annual Ordinary General Meeting of the Shareholders of THE BANK OF INDIA LIMITED will be held at the Registered Office of the Bank, Mahatma Gandhi Road, Fort, Bombay, on Thursday, the 5th March, 1953, at 4 o'clock in the afternoon (Standard Time):—

(1) To receive the Report of the Directors and the Audited Accounts for the year ended 31st December, 1952.
(2) To declare a Dividend.
(3) To elect Directors in place of those retiring by rotation, and
(4) To appoint Auditors and fix their remuneration.

NOTICE is also given that the Transfer Books of the Bank will be closed from Friday the 20th February, 1953, to Saturday the 7th March, 1953, both days inclusive.

A. C. CLARKE,
General Manager.

BOMBAY, *5th February*, 1953.

MONEY REMAINS FIRM

(From Our Own Correspondent)

BOMBAY, 4th *February*

In the short-term money market, the inter-bank call money rate remained firm at 3 per cent., among the Exchange Banks and large Indian banks, throughout the week under review, as the demand for money was somewhat heavier than in the previous week. It is, of course, true that some stray transactions passed at 2½ per cent. late on Saturday, but that rate cannot be considered as representative, for, usually on Saturdays, banks offer their idle funds at slightly lower rates. There was a continuous demand for funds from up-country centres, particularly from the Deccan. Smaller Indian banks were keen borrowers, but funds were not available in that section and they were, therefore, forced to meet their requirements by borrowing from the Reserve Bank of India.

Term money was bid at 3 per cent. for 1 to 5 months and at 2½ per cent. for 12 months.

The sale of three months' Government of India Treasury Bills this week brought a slightly better response than last week, but it was of no consequence so far as the cost of the Bills was concerned to the borrower. The amount tendered was Rs. 1.14 crores, as against a little over Rs. 1 crore in the previous week, in response to an invitation for Rs. 1 crore. The average rate of accepted tenders, however, remained unchanged at Rs. 2-7 per cent. per annum.

For the third week in succession, notes in circulation show a contraction, according to the statement of affairs of the Reserve Bank of India for the week ended 30th January, 1953, the exact fall as compared with the previous week being Rs. 3.82 crores. Notes held in the Banking Department, however, have improved by Rs. 4.05 crores. The net increase in total notes issued, which is of the order of Rs. 22.92 lakhs, is covered by a similar rise in rupee coin. On the liabilities side of the Banking Department, deposits of the Central Government disclose a decline of Rs. 96 lakhs, while those of the other Governments show an increase of Rs. 5.57 crores. Deposits of banks have fallen by Rs. 98.98 lakhs. On the assets side, cash balances show an enlargement of Rs. 4.08 crores, accompanied by a rise of Rs. 2.45 crores in balances held abroad. Loans and advances to Governments show a minor variation whereas other loans and advances are lower by Rs. 89.16 lakhs. There was no borrowing by banks against usance bills during the week under review also, nor has there been any repayment of loans taken earlier.

The consolidated statement of position of Scheduled Banks for the week ended 23rd January, 1953, as compared with that for the previous week, shows an expansion of Rs. 1.79 crores in demand deposits and a contraction of Rs. 50.46 lakhs in time deposits. Inter-bank borrowings have declined by Rs. 1.79 crores. Borrowings from the Reserve Bank and the Imperial Bank have both dropped by Rs. 26 lakhs and Rs. 70 lakhs, respectively. Advances have gone up by no more than Rs. 64.89 lakhs and bills purchased and discounted by Rs. 23.14 lakhs. Investments have declined by Rs. 1.09 crores. Cash-on-hand is lower by Rs. 81.20 lakhs, while balances with the Reserve Bank are better by Rs. 1.61 crores.

The Gilt-edged market presented a steady tone. Though the volume of business continued to be small, prices showed a tendency to look up.

3 per cent. 1953-55 was unchanged at Rs. 100¼ and 3 per cent. 1957 at Rs. 98-8. 3 per cent. 1958 was up by half-an-anna at Rs. 98-6½. 3 per cent. 1959-61 was in demand and rose by an anna to Rs. 96. There was a similar gain in 3 per cent. 1963-65 which finished at Rs. 92-8. 3 per cent. 1964 rose from Rs. 92-7 to Rs. 92-8, but 3 per cent. 1966-68 was stagnant at Rs. 90-7. 3 per cent. 1970-75, however, was wanted at Rs. 86-8½. 3 per cent. 1986 Conversion Loan hardened from Rs. 83-1 to Rs. 83-2, but closed at Rs. 83-1. Among the State loans, 4 per cent. 1964 Bombay dropped As. 2 to Rs. 100-14, as also 4 per cent. 1964 U.P. to Rs. 100-8. Among the Corporation loans, 4 per cent. 1964 Bombay was in favour and put on As. 2 to Rs. 100-4.

In the foreign exchange market, the rupee continued to harden further, albeit to a small extent, in terms of the U.S. dollar. There was an all-round increase of half-a-rupee for $100 in banks' selling rate, for both ready and forward deliveries, while the buying rate remained unchanged. This small improvement in the rupee-dollar rate was the result of the further improvement in sterling in New York, where the pound rose from $2.81⅝ to $2.81⅞ (for ready), a level which is only a fraction lower than the upper limit of the official cross rate, namely $2.82 for ready. In the forward section, three months' sterling rose from $2.81½ to $2.81-7/16 and six months' sterling from $2.80⅞ to $81-1/16. The following are the variations in the rupee-dollar rates during the week:

	27-1-53	2-2-53
SELLING	Rs.	Rs.
T.T./D.D. (other than B.C.'s) for amounts $2,000 and over:		
Ready and within 5 days	475½	475
Delivery within 3rd month	477	476½
,, ,, 6th ,, ...	478¼	477½
T.T./D.D., B.C.'s and amounts under $2,000:		
Ready and within 5 days	476½	475½
Delivery within 3rd month	477½	477
,, ,, 6th ,, ...	479	478½
BUYING		
T.T. Clean:		
Ready and within 1st month ..		
Delivery within 3rd month	471½	471½
,, ,, 6th ,, ...		
T.T. Documentary:		
Ready and within 1st month ..		
Delivery within 3rd month	471	471
,, ,, 6th ,, ...		

SPURT IN BULLION

(From Our Own Correspondent)

BOMBAY, 4th *February*

The firm trend in the silver section of the bullion market, noted in the previous week, gathered further momentum during the week under review, the sentiment having been favourably influenced by the continued good offtake, the decline in the floating stocks, and the revival of fear of war following the action taken by the U.S. Government regarding Formosa. Prices forged ahead on sustained speculative support and brisk short-covering. The pace of advance was, however, somewhat slow during the earlier part of the week, but towards the close the improvement was sharp, owing to a squeeze on bears who failed to give delivery of all their sales at the settlement which ran out yesterday. It was reported that the sellers, who had outstanding sales to the extent of 1,800 bars, could deliver only 1,000 bars. The plight of bears encouraged the bulls to pursue their part of the game vigorously and in this they were greatly assisted by disquieting reports about the developments in the Far East. Bullish fervour was thus strong, with the result that silver price soared to-day to fresh high levels not seen since May, 1952.

Gold, which had remained steady in the previous week, also looked up during the week in sympathy with silver.

There were no fresh developments in foreign bullion markets, except that the international free market price of gold tended to be soft. Both in New York and London, the price of silver was maintained at 85½ cents and 74d. per fine ounce, respectively. In Europe, the free market price of gold shaded off a little, from $37.80 to $37.55 but steadied up yesterday to $37.60.

In Bombay, silver for forward delivery in February settlement began on a firm note at Rs. 159-7, as against the previous week's closing of Rs. 158-11, and steadily advanced to Rs. 161-13 yesterday when the settlement ran out. The business for the next settlement was being carried on at a carry-forward charge of an anna against sellers at the close of last week. But the carry-forward charge widened to Rs. 2 yesterday. To-day, the March settlement opened at Rs. 161-13 and advanced sharply to as high as Rs. 164-4, the highest since 16th May, 1952, but closed at Rs. 163-6 on profit-taking.

Ready silver (.996 Mint) was quoted at a premium of As. 4 over the forward rate for the February settlement. This morning, the premium stood at Re. 1 over the new forward settlement and widened to Rs. 2 at the close. The floating stocks are placed at 2,000 bars. The daily average offtake was 40 bars.

Gold for forward delivery in February settlement began the week at Rs. 87-6 and rose to Rs. 88-6 on Saturday last when the settlement ran out. The carry-over charge for the next settlement, which stood at As. 6 to As. 7 against sellers at the close of the previous week, widened to Re. 1-1 on Saturday. Yesterday, regular business for March settlement began at Rs. 87-2 and softened to Rs. 86-13 due to poor offtake. The spurt in silver to-day favourably influenced gold also which was marked up to Rs. 90-10 before closing at Rs. 90-6.

Ready gold rose from Rs. 87-15 to Rs. 88-13 early in the week and, after moving narrowly, drifted lower to Rs. 87-14 yesterday. To-day, however, it advanced to Rs. 90-14 before winding up at Rs. 89-14. The floating stocks of gold are estimated at 35,000 tolas. The daily average arrivals were 10,000 tolas, while average offtake was no more than 6,000 tolas per day.

The following comparative table shows the trend of the market during the week under review:

	4-2-53	Highest	Lowest	28-1-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	89 14	90 14	87 14	87 15
Forward	89 6	90 10	86 12	87 1
Sovereign	61 8	61 8	60 8	60 12
SILVER				
Ready (.996 fine Mint)	165 6	166 4	159 4	158 15
Forward	163 6	164 4	159 4	158 11
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½c.	—	—	85½c.

METALS DULL

(From Our Own Correspondent)

CALCUTTA, 3rd *February*

The local metal market remained dull during the week under review, and the lack of business took down quotations further. Electrolytic copper was quiet at Rs. 186, and the fire-refined material was offered at Rs. 172. Reports of poor offtake of copper by consumers in the United Kingdom affected sentiment, as also the lack of adequate support from factories engaged in the manufacture of copper products. However, stockists regard that the changing international atmosphere is bound to lead to better market sentiment and are, therefore, watching further developments. As such, the present depression in prices is causing no anxiety for them.

The quotation for mercury was depressed. Star metal antimony remained unchanged at Rs. 200 and despite traders' anxiety to lessen their stocks no business was reported. Encouraged by reports from the Far Eastern markets, tin improved from Rs. 628 to Rs. 631-8 and the news that during 1952 pig tin imported by India was only 2,094 tons, as against 2,764 tons in 1951, was encouragingly noted by stockists. Zinc at Rs. 65 was featureless as was pig lead at Rs. 61-8.

LESS DEMAND FOR FOREIGN COTTON

(From Our Own Correspondent)

BOMBAY, 4th *February*

The main interest of the cotton trade during this week was centred round the Egyptian Cotton Delegation which is visiting the South-East Asian countries to popularise the use of Egyptian cotton in this region. In Bombay, the delegation had informal talks with the Committee of the Cotton Buyers' Association when the question regarding the long-drawn-out controversy on the arbitration procedure and finding a place for the representatives of the Indian buyers of Egyptian cotton on the Arbitration Panel came up for discussion. At one time, it was believed that the assurance given for accommodating two representatives of buyers from India on this panel was authoritative and binding on the Egyptian Government. It seems, however, that the leader of this delegation only gave an assurance that he would convey the feelings of the buyers in India to the appropriate authorities at Cairo. He also gave an assurance on behalf of the Government that there will be no change in the export duty on Egyptian cotton during the current cotton year.

In the spot markets, in Bombay and up-country, there is good activity in all Indian varieties, especially Vijay and Surat-Navsari styles which are commanding good premia owing to demand by certain Bombay mills. On the other hand, this demand for Indian cotton is reducing the volume of enquiries for cottons of foreign growth. The general anticipation of the market is that there will be a much higher consumption of Indian cotton this year in the country and that to that extent, the use of the U.S. and other higher staple growth is bound to be reduced. The position with regard to imports of Pakistan cotton has remained the same. This position will not be clarified till the trade talks between the two countries end in some definite understanding. In the meanwhile, there is active opposition from Karachi trade circles to the move by the Pakistan Government of allowing private traders to enter into barter deals of certain specific commodities amongst which cotton is included. They argue that this would go to disorganise the established channels of trade and force traders to indulge in the taking up of lines about which they know nothing, at the same time depriving those established in the trade of their normal custom. In any case, the shadow of Pakistan cotton over the Indian markets is no longer there for the present and the forward market at Kalbadevi, after the recent shake-out, has once again resumed a vigorous bullish trend. On the opening day of this week there was good all-round support forthcoming for May delivery and prices advanced considerably. It looks as if the bulls who had tried to play this game with the February delivery during the earlier months, after the reopening of the market, will once again engage themselves in trying to acquire contracts. Prices are likely to remain fairly steady with an undertone of bullishness.

Things are very quiet both on the export and import fronts. The Government has decided indirectly to penalise those mills which have not honoured their contracts for the purchase of East African cotton bought last year under the joint India-R.C.C. bulk purchase scheme, by refusing to give them the balance of the allocations for Indian cotton. This will perhaps pave the way for the settlement of this controversy which stands in the path of further imports of this cotton. But as pointed out above, activity with regard to imports is bound to be on a small scale this year, both because of the greater carry-over of last year's imports and lower consumption of foreign styles during this.

The following are the latest quotations for the spot market: Bengal Deshi (old) Rs. 400; (new) Rs. 446; Berar Jarilla Rs. 675; Vijay Rs. 800; Moglai Rs. 740.

The following is the trend of prices in the forward market for the week ended 4th February:

	Opening	*High*	*Low*	*Closing*
	Rs.	Rs.	Rs.	Rs.
I.C.C., February ..	638	646	630	641¼
I.C.C., May	650	654	639	651¼
I.C.C., August ..	653¼	665	653¼	663¼

At Karachi, there has been no development of note during the week under review. The situation is still regarded as serious. Buyers from the U.K. are keeping away and no new buyers have appeared on the scene. The offtake is definitely poor. The trade there is now convinced that India is the most natural buyer for this cotton and that the exchange ratio as well as the export duties are standing in the way of the disposal of the large stocks of cotton accumulated at Karachi. It is believed that as this sentiment hardens, the authorities will have to take note of it to ease the embarrassing situation which might otherwise explode and affect the whole country's economy. There is also a demand for the removal of the minima for exports. The following are the latest quotations from the Karachi market:

Punjab *Deshi* Rs. 54½; Sind *Deshi* Rs. 55½; 4F Punjab R.G. Rs. 53; S.G. Rs. 56; 289F Punjab R.G. Rs. 59; S.G. Rs. 64; L.S.S. Punjab R.G. Rs. 56; S.G. Rs. 60; N.T. R.G. Rs. 56; S.G. Rs. 60.

At Alexandria, the Government is forging ahead with its measures for giving more facilities to foreign buyers. The latest of this is that of allowing free exports to all sterling areas with permission to the buyers to pay half the cost in sterling and the balance either in Egyptian currency or in goods of the same value. With the removal of the insistence of payment of a part of the price in dollars it is believed that Continental buyers as well as those from Asian countries will find it more attractive to buy Egyptian cotton, though so far, this has not resulted in any tangible increase in demand from abroad. Sales for export by the Cotton Commission are believed to amount only to 1,70,000 bales, which leaves a large gap between production and disposal so far. Local consumption also is on a small scale and spot market activity naturally is slightly on the decline.

An interesting development in the cotton world is the expectation of the reopening of the Liverpool forward cotton market in the very near future. A development, which is likely to help this outcome is that of the decision of the Liverpool Cotton Association last week-end to admit private limited liability companies to full membership of the Association and the drawing up of a scheme for daily settlement and the establishment of a clearing house for cotton trading. It is difficult to say at this stage what effect forward trading in cotton at Liverpool will have on the world cotton marketing situation, which is not very happy at present with all countries scrambling for markets.

At New York, the trend has been definitely more healthy than that witnessed during the last few weeks. Replacement buying by mills has been on a fairly active scale. A large stock of cotton has been withdrawn and pushed into loan, thus removing the threat of large-scale hedging. Bear covering was also the feature of the last week's activities and though the opening day of this week witnessed some reaction in the onward march of prices, the market sentiment is believed on the whole to be genuinely optimistic for the first time after a long interval. The possibility of the extension of the war zone in East Asia has also gone to lend support to this reversal in the price trend.

The following are the latest available quotations from New York as compared with those of a week and a fortnight before:

(In cents per lb.)

	3-2-1953	27-1-1953	20-1-1953
Spot	34.05	33.60	32.85
March	33.29	33.08	32.59
May	33.57	33.42	33.11
July	33.88	33.70	33.50
October	33.93	33.60	33.60

ART SILK YARN SHOOTS UP

(From Our Own Correspondent)

BOMBAY, 4th *February*

Under the stimulus of war fears, following the decision of the U.S. Government to decentralise Formosa, values of art silk yarn forged ahead this week to touch the highest levels not seen in the past four and a half months. The bullish fervour of the market was fanned further by fully firm advices from share, bullion and other commodity markets. Scarcity of floating stocks, marked rise in demand in ready section and expectations of poor arrivals of yarn from South Indian centres, as a result of additional power cut in Madras and Travancore-Cochin, too, strengthened the sentiment. Added to these was the improvement in cotton yarn prices, consequent on Government's permission to mills to export cotton yarn. Buying support that resulted took the quotations to higher levels, as stated already.

The upward trend in values was in marked evidence particularly in the forward section. 150D February contract stood as high as Rs. 795, as against Rs. 714 last week-end. March contract, in which business was opened at Rs. 760 on Monday, swiftly advanced to Rs. 792 to-day. In the ready section, 120 Italy rallied As. 9 to Rs. 4-1. 120 Japan Italy moved up from Rs. 3-9 to Rs. 4-1. 120 Japan was firm at Rs. 4-14, as against Rs. 4-9. 150 Japan gained an anna to Rs. 4-8.

In sympathy with the art silk yarn section, the staple fibre section remained fully firm during the week under review. Thus, 2 x 40 February contract gathered 19 points to Rs. 795. The improvement would have been more marked, but for the ceiling price of Rs. 800 fixed by the Yarn Merchants' Association.

The table below gives the prices of art silk and staple fibre yarns quoted to-day, as compared with those on the 28th and 21st inst.

	4-2-53 Rs. a.	28-1-53 Rs. a.	21-1-53 Rs. a.
Art Silk Yarn—			
150D January (per case of 200 lbs.)	—	713 0	705 0
150D February ,,	795 0	714 0	700 0
150D March ,,	—	—	—
120 Japan (per lb.)	4 14	4 9	4 6
150 Japan ,, ...	4 8	4 7	4 6
120 Japan ,, ...	4 12	4 3	4 2
120 Italy ,, ...	4 1	3 9	3 9
150 Italy ,, ...			
Staple Fibre Yarn—			
2 x 40 January (per bale of 400 lbs.)	—	800 0	785 0
2 x 40 February ,,	795 0	776 0	765 0

Traders are greatly intrigued at the Government of India's continued silence over art silk yarn import policy for the current half-year. The Yarn Merchants' Association, Bombay, in a communication addressed to the Chief Controller of Imports, has, once again, vigorously pleaded for an early grant of liberal licences to established importers of yarn for the January-June, 1953 period. The plea is based chiefly on the ground that the grant of licences direct to consumers has not enabled the latter to obtain their requirements at fair prices. The Association observes thus:

"It is difficult for a large number of consumers to anticipate the requirements far ahead to place orders for particular types and qualities of yarns and to consume the same on arrival of these goods. The consumers are compelled to change their style of cloth in accordance with the demand from consuming centres and they have, therefore, been obliged to dispose of their imported yarn and to make purchases of different deniers and qualities as required by them from the importers to suit the demand of particular type of cloth in the market. Further, some of the consumers are not in a position to finance their imports and, on many occasions, are not able to utilise their licences. For instance, several consumers' societies and also some of the art silk mills have been regularly selling their import licences at a premium ranging from 5 to 10 per cent., with the result that the cost of the imports to that extent becomes dearer and the ultimate consumers have to suffer by paying higher prices. There are also instances to show that several handloom weavers' societies have recently cropped up only for the purpose of securing import licences, as it has been the policy of the Government nowadays to issue licences to the so-called consumers' societies and have been giving preference to such societies in granting licences to the genuine importers who have been in the trade for the last 50 years and more."

Another ground on which the Association has based its plea is that the supply position in respect of yarn is not comfortable *vis-a-vis* demand. The total requirements of art silk yarn amount to about 50 million lbs., as against the import of 20 million lbs. in 1952. If, therefore, no licences are given to established importers, or if the granting of licences is delayed, there is, it is warned, every possibility of acute scarcity of yarn and sharp rise in prices. After all, the Association points out, it is only the importers who can regulate the market by arranging to keep sufficient stocks and by importing, from time to time, those types and qualities of yarn which are required by several categories of consumers, namely, silk mills, power-looms, handlooms, lace, tape and rope manufacturers, etc.

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, 4th *February*

The most important development during the week was the announcement of free exports of castor oil by the Government of India, with effect from 1st February, for the period ending 30th April next. While the announcement led to a fall in prices of the oil in the U.S. and the Continental markets, locally, quotations for castorseeds and oil firmed up, under the stimulus of disturbing international political situation, following the decision of the U.S. to withdraw its navy from the Formosan waters. Groundnuts and oil improved considerably, as a result, and on good demand from *vanaspati* interests. The linseed and oil section ruled in sympathy with others. The week-end quotations showed on balance sizable gains all round.

There was aggressive buying and hectic bear covering in the groundnuts section. Bears were caught napping by price increases, owing to inadequate supplies. Consequently, Bold ready improved from Rs. 34-12 to Rs. 35-12. Coromandals gained Re. 1 to Rs. 36. Khandesh quality improved from Rs. 35-4 to Rs. 36-4. Groundnut oil ready rallied As. 4 to Rs. 19 and Railway receipts As. 8 to Rs. 19. March and April deliveries were done at Rs. 19 and Rs. 19-3, as against Rs. 18-9 and Rs. 18-12, respectively. The rumour that the Government of India might reimpose export duty on groundnut oil did not have any material effect on the market.

Following the decision announcing free exports of castor oil on 31st January, castor oil prices in U.S. were done at 18c. per lb. for commercial February-March delivery and, in the Continent, at £155 per ton for B.S.S. Feb.-March delivery; the corresponding quotations prior to free exports were 18.5c. to 19c. and £158 to £159, respectively. But these had no effect on the local quotation, as prices spurted here on speculative activity. Castor oil B.S.S. was higher by As. 8 to Rs. 19-4 Commercials were done at Rs. 18-4, as against Rs. 17-12. In castorseeds May delivery, which opened at Rs. 138-12, as against Rs. 135-12, fluctuated between Rs. 143-12 and Rs. 134-12, before closing at Rs. 142-8. Madras quality changed hands at Rs. 31-4, as compared with Rs. 36-8.

Linseeds proved no exception to the general upward trend, with the operators still hoping reduction in export duties on linseed oil. Bold ready improved by As. 2 to Rs. 27. Linseed oil ready was done at Rs. 14, as against Rs. 13-8.

The following table shows the prices of oilseeds and oil on the 4th inst., as compared with those at the close of preceding two weeks.

	4-2-53	27-1-53	21-1-53
Groundnute—	Rs. a.	Rs. a.	Rs. a.
Bold Ready New (per cwt.) ..	35 12	34 12	33 4
Khandesh New (per cwt.) ..	36 4	35 4	33 12
Linseed—			
Bold Ready (per cwt.) ..	27 0	26 14	27 0
Castorseeds—			
May (per candy of 5 cwts.) ..	142 8	135 12	135 0
Madras (per cwt.)	30 12	30 8	31 0
Groundnut oil—			
Ex-mill Ready (per quarter)	19 0	18 12	18 4
Castor Oil—			
Commercial (per quarter) ..	18 4	17 12	18 2

PEPPER RISES ON U. S. BUYING

(Messrs. Parekh & Co.)

BOMBAY, 4th *February*

The pepper market during the week showed improving tendency in sympathy with other markets where bullish fervour was fanned on reports of tension in the international situation, following the change in the U.S. foreign policy. New York, which was so far haggling for a lower price, came to the market and bought a fairly large quantity for February shipment at prices ranging from $1.10 to $1.13 per lb. c. & f. New York. Bombay, Calicut and Alleppey markets recorded a rise ranging from Rs. 100 to Rs. 200 with sellers reserved. Any further deterioration in the Far Eastern situation is likely to bring fresh buying by grinders and dealers from the U.S.A. and the Continent who were so far buying hand to mouth because grinders, as usual with them, start buying and accumulate contracts only in rising markets. Growers in India, then in spite of increasing arrivals, are sure to ask for higher price for every next deal. Bulls among dealers at Cochin, Alleppey and Calicut will then naturally force bears to cover their short sales. Trade seems to have been surprised at the policy of reserved selling by Calicut planters even at this time of the beginning of the season. Garbled pepper is reported changing hands at Cochin at prices ranging from Rs. 425 to Rs. 430 for ready, Rs. 420 to Rs. 425 for February and from Rs. 415 to Rs. 420 for March delivery. The market at present is showing resistance and tendency is uncertain. Everybody is watching very closely the Far East situation which has now become more explosive. If anything untoward happens there, the market will repeat the buying scramble that was witnessed during the beginning of the Korean conflict.

Following are to-day's nominal quotations:— Ready delivery Rs. 2,250, February Rs. 2,155-85 and March Rs. 2,185-2,215 per candy of 5¼ cwts., and Calicut (ready) Rs. 2,550 and Alleppey (ready) Rs. 2,450 per candy of 6 cwts.

TEA DUSTS STRONG

(Messrs. Forbes, Ewart & Figgis Ltd.)

COCHIN, 31st *January*

Dust Sale 'B'.—Dust sale 'B' which was held on Tuesday, 27th January, consisted of approximately 2,10,000 lbs. At the outset, there was a strong general demand and prices for all types, with the exception of best liquoring dusts, were generally As. 2 to As. 3 dearer. Best liquoring dusts met with a poor demand and were As. 1 to As. 2 easier. Later in the sale, competition flagged and there were some withdrawals.

London Market.—Good general demand. All descriptions up to 3 market ½*d.* to 1*d.* dearer above fully firm to dearer.

Colombo Market.—6,000,000 lbs. Lowgrown unchanged, others again dearer.

Calcutta Market—Export.—55,000. Demand well sustained.

Dust.—15,000. Strong active demand, particularly for middle east types which were As. 2 to As. 4 dearer.

Export Quota.—The market opened at 3 pies, at which figure small business was done. The present tendency is slightly weaker.

Forthcoming Auctions.—Dust sale 'C' will be held on Tuesday, 10th February.

As we go to Press, Messrs. Forbes, Ewart and Figgis Ltd. wire as follows:

"Sale No. 3. 8,40,000 lbs. offered. Market opened very strongly, particularly for all fannings grades and low brokens which advanced in price, but as sale progressed demand slackened and closed about steady. Best liquoring dearer with improved quality."

JUTE GOODS LOOK UP

(From Our Own Correspondent)

CALCUTTA, 3rd *February*

Mainly owing to speculative support, the jute goods market was steady during the major part of this week, but the fractional gains thereby recorded were not maintained subsequently, in view of the lack of follow-up demand for real business. Moderate attention was shown to 40" 10 oz. hessian, and the rates of transactions varied between Rs. 42-14 and Rs. 42-4. The presence of some covering demand was noted with relief, and mills became reserved for a time. But as the covering demand was satisfied, the quotation eased to Rs. 42-4 over the week-end. However, an improvement to Rs. 42-12 was a feature of yesterday's trading, the f.o.b. rate being Rs. 51-3. Hessian 40" 8 oz. was quoted at Rs. 34-8 f.a.s. and at Rs. 41-4 f.o.b. Unless prices move up further, there is no point for mills to sell at current rates. Some business was put through for forward positions with shippers, but when this support was withdrawn the April-June position recorded a gradual decline to Rs. 42-8 from Rs. 43-4, and the February-March to Rs. 42-6 from Rs. 42-12. Reports that mills would soon decide to restrict production remained just rumours, but the information is that no such decision is contemplated for the time being at any rate. Presumably, before they consider any such proposal, mills would desire to wait for the budget speech of the Union Finance Minister this month-end in order to know whether the Government would propose a further reduction in the export duties; if a reduction is made naturally that would bring liveliness to the market and relieve stocks considerably; in which case the question of restricting production further would not arise at all.

There are ample signs to indicate that world demand for jute goods is increasing, because of the simple reason that this cannot be otherwise when gunny—the key of packaging materials—is in abundant supply. American consumption of burlap in December last increased to 75 million yards from 71 millions in November, and the report that the U.K. farmers are compelling animal food manufacturers to resume the use of jute bags is also cheerful news to the jute industry; it is arguably felt that if only Indian quotations are competitive, surely mills need not face the present problem of accumulating stocks. But at current rates mills find no enthusiasm for selling in view of the uneconomic nature of prices, even combined business in hessian and heavy goods is not a business proposition for mills. Unfortunately, nothing further is heard about the proposed enquiry into the working of the jute industry, but it will be interesting to watch what immediate measures Government would adopt so that jute goods would again be sold at competitive rates in world markets.

In the heavy goods section also, a better feeling was in evidence, and a feature was the interest shown by Australian buyers in cornsacks. A moderate quantity changed hands, the March-June goods realising between Rs. 89 and Rs. 91. Earlier in the week, rumours about a reduction in the export duty on sacking were strong, and

(*Continued on page* 220)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	23rd Jan., 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,110.20	1,115.35	1,092 12	1,150 11
Notes held in Banking Department	35.05	21 63	16 23	20 78	19 51
Foreign Securities	39.50	538.15	538.15	538.15	593.15
Rupee Securities	37.39	450 06	450 06	450.06	488.13
Banking Department					
Deposits of:					
Government of India	14 89	164 03	170 22	174.79	198 24
Other Governments		7 14	2 37	3.55	16.58
Balances held abroad	10.08	157.52	159 22	167.34	170 62
SCHEDULED BANKS					
Demand Liabilities	134.37	524 70	524 41	539 46	570 91
		(11 61)	(13 11)	(13 01)	(29 28)
Time Liabilities	102 84	315 53	3,16 29	317 96	292 93
Borrowings from Reserve Bank		(1 89)	(2 15)	(3 29)	(0 48)
		5 13	5 71	4 54	25 55
		(0 99)	(0 99)	(0 99)†	(N.A.)†
Borrowings from Imperial Bank‡		5 48	6 18	5 15	N.A.
Cash in India	6.71	33 84	34 66	34 56	33.06
Balances with Reserve Bank	25.28	40 60	44 99	43 58	44.65
Excess over statutory limits	16.52	15.06	12 44	10 72	10.25
Balances with other banks in current account in India		10 87	11 36	11 20	10.27
Money at call and short notice in India		16 44	16 75	16.70	9.91
Investments (at book value)		309 82	310 91	323 20	299 85
Advances and bills	105.09	457 34	482 05	468 33	569 41
IMPERIAL BANK					
Deposits					
Investments	87.76	208 38	208 01	206 15	232 66
Advances	51.99	83 22	85 24	87 25	85.46
Cash	30 37	116 37	115 51	111 51	143.35
	14.69	19 51	20 29	17 13	23.23

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets). N.A.=Not available.
† Borrowings against usance bills and promissory notes
‡ Figures prior to 18th April, 1952, not available.

CLEARING HOUSE RETURNS

Centre	30th January, 1953 Number of Cheques	30th January, 1953 Amount Rs.	23rd January, 1953 Number of Cheques	23rd January, 1953 Amount Rs.
Bombay	2,04,368	48,28,62,000	2,24,216	52,52,87,000
Calcutta	1,25,723	41,19,51,728	98,750	30,36,33,541
Madras	57,059	6,45,53,111	69,758	8,07,90,524
All Centres Nov., 1952	..	..	24,01,006	4,93,07,00,000
Dec., 1952	..	..	25,49,000	5,47,76,00,000
1952	..	..	1,06,41,94,2	26,70,51,57,000
1951	..	..	1,03,04,12	2,31,80,76,36,359

Reserve Bank of India

Statement of Affairs for the week ended 30th Jan., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		163,07,42,000
(2) Other Governments		12 71,82,000
(b) Banks		45,05,74,900
(c) Others		63,94 38,000
Bills Payable		4,34,69,000
Other Liabilities		21,42 85,000
	Rupees	320,56,90,000

ASSETS	Rs.
Notes	25,67,44,000
Rupee Coin	
Subsidiary Coin	18,87,000
Bills Purchased and Discounted—	1,78,000
(a) Internal	
(b) External	23,40,000
(c) Government Treasury Bills	
Balances held abroad*	11,31,81,000
Loans and Advances to Governments	159,97,13,000
Other Loans and Advances	3,40,00,000
Investments	12 66 38,000
Other Assets	100 09 65,000
	7,00 44,000
Rupees	320,56,90,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 98,93,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 74,18,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	25,67,44,000	
Notes in circulation	1106 37,68,000	
Total Notes issued		1132,05,12,000
Total Liabilities		1132,05,12,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion:		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	558,15,11,000	
Total of A		598,16,82,000
B. Rupee Coin		83,82,27,000
Government of India Rupee Securities		
Internal Bills of Exchange and other commercial paper		450,06,01,000
Total Assets		1132,05,12,000

Ratio of Total of A to Liabilities: 52.839 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 23rd Jan., 1953

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	
	(ii) Other demand liabilities	11,60,98,000†
2.	Time Liabilities in India	513,09,31,000
	(i) Borrowings from banks	
	(ii) Other time liabilities	1,89,00,000†
3.	Cash in India	313,63,69,000
4.	Balances with the Reserve Bank in India	33,84,44,000
5.	Balances with other banks in current account in India	46,60,27,000
6.	Money at call and short notice in India	10,36,67,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	16,43,84,000
8.	Advances in India	309,82,41,000
9.	Inland Bills purchased and discounted in India	451,33,85,000
		31,59,67,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.

†Excludes borrowings from the Reserve Bank, and with effect from the 18th April 1952 as also those from the Imperial Bank.

EXCHANGE RATES

		6th February, 1953	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	₹	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	₹	1-5 13/16	1-5 13/16
Buyers T.T. spot to nine months	₹	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	₹	1-6 3/16	1-6 3/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	475	475
Buyers T.T.	Rs.	471	471
London on New York	$	2 811/2-811/2	2 811/2-811/2
London on Paris	Frs.	987.5-988	987.5-988
London on Berne	Sw. Frs.	12.19-12.19½	12.19-12.19½
New York on London	$	2 811/2-811/2	2 811/2-811/2

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India	1948	342.12	..	8,739	255
Pakistan	1949	75 04	..	1,671	223
Burma	1951	18 67	Kyats 3,166	317	167
Ceylon	1951	7 74	..	451	564
Japan	1951	84 30	Y. 4,564,400	6,938	716
Philippines	1951	20 25	Ps. 7,586	1,820	856
New Zealand	1951	1 95	£(N.Z.) 615	820	4,205
Australia	1951	8 41	£(A.) 3,238	3,454	4,317
U.K.	1951	50 56	£ 11,384	15,179	2,976
U.S.A.	1951	154 36	$ 277,600	132,100	8,564
Canada	1951	14 01	$ 17,229	8,552	6,108
France	1951	42 24	F. Fr. 9,082,000	12,372	2,929
W. Germany	1951	48 11	Dm. 90,200	19,227	2,129
Italy	1951	46 60	Lr. 7,746,000	5,502	1,257
Norway	1951	3 20	Kr. 15,504	1,055	3,290
Sweden	1951	7 07	Kr. 28,800	3,439	4,861
Netherlands	1951	10 26	Fl. 16,940	2,151	2,096
Denmark	1951	4 30	Kr. 20,716	1,439	3,346
Switzerland	1951	4 75	S. Fr. 19,500	2,166	4,556

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, December, 1952.

State Bank of Pakistan

Statement of Affairs for the week ended 23rd Jan., 1953

BANKING DEPARTMENT

LIABILITIES	Rs
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits—	
(a) Central Government	34,92,67,000
(b) Provincial Governments	1,34,30,000
(c) Banks	9,57,83,000
(d) Others	3,50 63,000
Bills Payable	9,98,000
Other Liabilities	4,75,16,000
Rupees	60,19,97,000

ASSETS	Rs
Notes	8,03,42,000
Rupee Coin	3,000
Subsidiary Coin	16,000
Bills Purchased and Discounted:—	
(a) Internal	
(b) External	
(c) Government Treasury Bills	1,88,000
Loans and Advances to Governments	33,00,000
Provincial Governments Debtor Balances	41,91,000
Other Loans and Advances	9,27,99,000
Investments	34,92,99,000
Other Assets	7,78,59,000
Rupees	60,19,97,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs
Notes held in the Banking Department	8,03 42,000	
Notes in circulation	205,50,28,000	
Total Notes issued		213,53,70,000
Total Liabilities		213,53,70,000

ASSETS	Rs.	Rs
I. A. Gold Coin and Bullion	7,01,42,000	
Silver Bullion		
Sterling Securities	39,41,63,000	
Government of India Securities	11,87,77,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,96,000	
		89,19,78,000
B. Rupee Coin	6,36,77,000	
Government of Pakistan Securities	113,72,40,000	
Internal bills of exchange and other commercial paper		
		120,09,17,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,61,000	
		4,24,75,000
Total Assets		213,53,70,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 43.62 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
				Rs. a. p.	%
1952					
11th Nov.	2.00	5.12	2.00	2 1 11	75
18th ,,	2.00	2.92	2.00	2 3 6	60
25th ,,	2.00	2.03	2.00	2 3 0	99
2nd Dec.	2.00	2.01	2.00	2 4 0	99
9th ,,	2.00	2.15	2.00	2 5 11	93
16th ,,	2.00	2.62	2.00	2 5 11	88
6th Jan. 1953	1.00	1.45	1.00	2 6 5	55
13th ,,	1.00	1.22	1.00	2 6 9	79
21st ,,	1.00	1.23	1.00	2 7 0	81
27th ,,	1.00	1.00	1.00	2 7 0	100
3rd Feb. ,,	1.00	1.14	1.00	2 7 0	87
Total	17.00	22.89	17.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	3rd July, 1952	5	6
Belgium	13th Sept., 1951	3½	3½
Canada	17th Oct., 1950	1½	2
Denmark	2nd Nov., 1950	4½	5
Finland	16th Dec., 1951	7½	5½
France	9th Nov., 1951	3	4
Greece	12th July, 1948	10	12
India	15th Nov., 1951	3	3½
Italy	6th April, 1950	4½	5
Japan	1st Oct., 1951	5.11	5.84
Netherlands	1st Aug., 1952	3½	3
New Zealand	26th July, 1941	2	1½
Norway	9th Jan., 1946	3	2½
Portugal	12th Jan., 1944	3	2½
South Africa	27th Mar., 1952	3½	4
Spain	18th Mar., 1949	4½	4
Sweden	1st Dec., 1950	2½	3
Switzerland	26th Nov., 1936	4	1½
Turkey	26th Feb., 1951	2	3
United Kingdom	12th Mar., 1952	2½	4
U.S.S.R.	1st July, 1936	8	4
U.S.A.	10th Jan., 1951	1½	2
West Germany	8th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	September 1952	September 1951	Six months—April-Sept. 1952	Six months—April-Sept. 1951
Import Duties:				
Revenue	8,16	11,72	57,37	63,24
Protective	68	93	4,11	5,49
On surplus disposals	1	2	1	16
Total import duties	8,85	12,67	61,49	68,89
Export Duties	3,80	6,99	29,55	45,72
Land Customs	23	21	1,40	1,25
Miscellaneous	10	8	63	60
Gross total customs	12,98	19,95	93,07	116,46
Refunds and drawbacks	23	31	1,58	1,89
Net Customs	12,75	19,64	91,49	114,57
Gross excise	5,62	8,37	41,41	48,25
Refunds	8	13	84	86
Net Excise	5,54	8,24	40,57	47,39
Net total of customs and excise	18,29	27,88	132,06	161,96

Imperial Bank of India

Statement of Affairs for the week ended 30th Jan., 1953

CAPITAL AND LIABILITIES	Rs.	Rs
CAPITAL—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital—		
2.25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		6,35,00,000
Deposits and other Accounts		207,95,76,000
Borrowings from other Banking Companies		60 41,000
Bills Payable		2,79,23,000
Bills for Collection being Bills Receivable as per contra		50,74,000
Acceptances, Endorsements and Other Obligations as per contra		47,000
Other Liabilities (including Inter-Office Adjustments)		3,03,70,000
Total	Rs.	226,87,41,000

PROPERTY AND ASSETS	Rs.	Rs
Cash in hand and with Reserve Bank		12,49,83,000
Balances with other Banks		4,34,89,000
Money at Call and Short Notice		89,23,000
INVESTMENTS—		
Government and other Trustee Securities	76,13,95,000	
Other Authorised Investments	10,88,71,000	
		87,02,66,000
Advances—		
Loans, Cash Credits and Over drafts, etc.	111,07,51,000	
Bills Discounted and Purchased	7,04,25,000	
		118,11,76,000
Bills Receivable being Bills for Collection as per contra		50,74,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		47,000
Premises, less Depreciation		1,32,16,000
Furniture and Fixtures less Depreciation		32,61,000
Other Assets (including Inter-Office Adjustments)		1,83,09,000
Total	Rs.	226,87,41,000

SMALL SAVINGS

(Amounts in lakhs)

	Cash Certificates Receipts	Cash Certificates Out-standings* @	†Defence Savings Certificates @ * Out-standings	National Savings†† Certificates Receipts	National Savings†† Certificates Out-standings*	Savings Bank Deposits Receipts	Savings Bank Deposits Out-standings*	Defence Savings Bank Deposits Out- * @ standings	2½ per cent. Ten-year Treasury Savings Deposits Receipts	2½ per cent. Ten-year Treasury Savings Deposits Out-standings*
1950-51		—15,91	—1,79	23,63	57,86	1,01,04	61,32	—4,64	5,31	5,31
1951-52	1	—20,20	—2,55	24,59	72,18	1,08,79	71,16	—4,74	13,10	18,39
October 1951	..	—18,53	—2,23	1,95	68,44	7,88	68,06	—4,71	1,39	14,88
November ,,	..	—18,90	—2,30	1,98	69,77	7,85	67,90	—4,70	1,39	14,88
December ,,	..	—19,25	—2,36	3,33	71,08	7,66	67,91	—4,71	94	15,52
January 1952	..	—19,56	—2,42	1,71	72,25	7,75	68,04	—4,72	70	16,51
February ,,	..	—19,86	—2,46	1,82	73,52	8,21	68,27	—4,73	66	17,17
March ,,	..	—20,20	—2,55	3,02	75,88	11,28	71,16	—4,74	53	17,70
April ,,	..	—20,51	—2,60	2,47	77,57	10,01	73,50	—4,74	71	18,39
May ,,	..	—20,81	—2,64	2,32	79,44	9,95	74,88	—4,74	95	19,38
June ,,	..	—21,09	—2,68	2,00	80,95	9,38	77,01	—4,74	56	19,84
July ,,	..	—21,37	—2,73	2,28	82,58	10,29	79,52	—4,76	69	20,53
August ,,	..	—21,57	—2,77	1,96	83,98	8,60	80,73	—4,76	74	21,25
September ,,	..	—21,79	—2,80	1,97	85,30	8,78	81,87	—4,76	65	21,89
October ,,	..	—22,02	—2,84	1,87	86,40	8,36	82,22	—4,75	52	22,38
November ,,	..	—22,27	—2,88	1,85	87,66	8,03	82,49	—4,72	56	22,97
December ,,	..							—4,73	58	23,48
1952	..								48	23,94
October	..									

† Were replaced by National Savings Certificates from 1st October, 1948. * At the end of period. § Issued from 1st February, 1951 including 5-year and 7-year National Savings Certificates issued from 1st June, 1948. @ Progressive net repayments from 15th August, 1947.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)

1. All-India

Group and Sub-Group	Week Ended 24-1-'53	17-1-'53	27-12-'52	26-1-'52
(A) Government and Semi-Government Securities ‡	92.1	92.1	92.2	91.4
1. Government of India Loans	92.3	92.2	92.3	91.4
2. Municipal, Port Trust and Improvement Trust Loans	86.6	86.6	86.4	87.6
(B) Fixed Dividend Industrial Securities	90 4	90 5	90 7	93 4
1. Electricity	126.4	127 1	128 0	134.8
2. Cotton	81 4	81 8	82 0	83 1
3. Jute	94 5	94 5	94 5	98 9
4. Coal	83 7	83 3	82.9	83 4
5. Iron and Steel	91 4	91 4	91 4	104 5
6. Sugar	84 4	86 9	86 9	94 2
7. Paper	98.5	99 5	100 6	105.2
8. Plantations				
(C) Variable Dividend Industrial Securities	103 3	103 3	104 7	122.4
1. Banks	101 8	102 0	102.7	112.1
2. Insurance	97 7	97 5	97 6	106 3
3. Investment Trusts	137.9	139.2	140 1	142.2
4. Electricity Companies and Tramways	81.9	81.7	81.9	86.5
5. Shipping and Other Transport Companies	84 1	83.7	85 4	95 3
6. Railways	72.5	72 5	72.7	79 5
7. Plantations	110.7	110.3	112.0	167.7
8. Cotton, Woollen and Silk	126 9	127.7	128 8	166 4
9. Jute	73 2	74 1	76 5	95 5
10. Coal	86 4	86 9	89.4	111 4
11. Mining and Oil	130 9	137 1	137 2	171 6
12. Iron and Steel	122 6	137 7	137 7	159 7
13. General Engineering	78 7	78 6	79 3	94 8
14. Sugar	53 9	53 7	55 0	73 4
15. Breweries	122 8	122 7	124 9	176 1
16. Chemicals	112 5	112 9	114 3	124 5
17. Paper	142 4	142 5	146.1	152.1
18. Cement				

II. Regional

Region and Group	Week Ended 24-1-'53	17-1-'53	27-12-'52	26-1-'52
(A) BOMBAY—				
Government and Semi-Government Securities	91 9	91.9	91.9	91.8
Fixed Dividend Industrials	91.6	91.2	90.7	91.9
Variable Dividend Industrials	120 8	121.1	122 8	135.8
(B) CALCUTTA—				
Government and Semi-Government Securities	92.7	92.6	92.7	91 6
Fixed Dividend Industrials	88.1	88.5	88.9	91 8
Variable Dividend Industrials	91 2	94.0	92.1	107.6
(C) MADRAS—				
Government and Semi-Government Securities	91 8	91 8	91.9	90.5
Fixed Dividend Industrials	102.8	103 4	105.1	111.5
Variable Dividend Industrial	126 9	127.0	128.7	153 2

*Source: Department of Research and Statistics, Reserve Bank of India.
‡ *Including* Part 'B' State Loans.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,883	12,806,704
1951	1,071	691,321	3,818,928
June 1950	83	47,535	322,946
July ,,	54	240,518	2,948,978
August ,,	75	249,445	4,954,161
September ,,	71	238,149	2,266,894
October ,,	78	56,736	313,337
November ,,	68	41,061	163,718
December ,,	120	93,698	203,660
January 1951	61	44,025	317,899
February ,,	79	47,723	331,222
March ,,	120	95,747	277,314
April ,,	109	56,604	448,258
May ,,	146	93,446	671,705
June ,,	130	72,454	399,907
July ,,	108	64,684	93,109
August ,,	93	24,777	190,761
September ,,	108	67,396	193,374
October ,,	125	64,147	365,149
November ,,	118	78,196	674,340
December ,,	95	305,831	215,807
January 1952†	88	63,180	142,493
February ,,	87	42,439	234,348
March ,,	134	59,437	254,885
April ,,	118	80,093	257,062
May ,,	101	59,381	171,263
June ,,	89	40,754	145,895
July ,,	85	48,292	459,786
August ,,	94	57,600	346,761
September*	90	77,891	
October ,,			

† Figures for 1952 are provisional * Revised.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51	545	5,279.9	4,825.9
1951-52	573	5,948.1	4,849.0
April 1951	548	470.0	379.7
May ,,	549	505.1	404.9
June ,,	546	501.2	408.8
July ,,	551	507.7	412.0
August ,,	554	506.9	409.7
September ,,	556	506.9	409.8
October ,,	557	491.7	414.8
November ,,	561	500.9	409.7
December ,,	568	500.8	391.0
January 1952	571	481.8	392.9
February ,,	572	488.8	392.3
March ,,	577	514.4	412.1
April ,,	581	500.1	408.8
May ,,	583	534.0	429.7
June ,,	588	531.6	428.7
July ,,	592	539.3	430.6
August ,,	597	548.2	441.6
September ,,	599	..	..
October ,,	..	..	..

* Excludes railway, military and factory power stations; Chola Power station, being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
§ At the end of period

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	17th Jan., 1953	10th Jan., 1953	20th Dec., 1952	December, 1952	December 1951	Percentage of increase (+) or decrease (—) in Dec., 1952 as compared with Dec., 1951	1952	1951
Food Articles	355 6	356 2	344 5	344 5	399 1	—13.7	359 8	409 8
Cereals	433	436	430	431	464	— 7.1	450	483
Pulses	503	508	541	541	513	+ 5.5	483	506
Other	221	219	208	207	287	—27.9	225	290
Industrial Raw Materials	426 2	433.6	424 0	421.7	574.1	—26.5	453 8	608.2
Fibres	395	414	397	394	594	—34.2	454	622
Oil seeds	487	484	479	476	618	—23 0	484	679
Minerals	469	441	456	458	444	+ 3.2	458	426
Others	375	374	372	372	439	—15.3	341	533
Semi-Manufactures	344.4	344.1	341.2	342.6	373.6	— 8.3	348.5	377.5
Leather	402	406	418	422	339	+24.5	345	453
Mineral oils	223	223	223	223	207	+ 7.7	221	197
Vegetable oils	444	444	427	422	627	—32.7	459	679
Cotton yarn	439*	437*	434*	439*	495*	—11.3	465*	483
Metals	408	405	396	409	372	+10.1	411	197
Oil Cakes	407	405	396	409	212	—21.9	440	500
Others	250	250	251	251	327	—23.2	273	330
Manufactured Articles	384.4	386.1	386.7	387.8	402.1	— 8.2	377.5	395.5
Textiles	398	401	400	402	474	—15.2	423	468
Jute	386	398	393	392	838	—53.2	506	803
Cotton	400*	406*	406*	406*	410*	— 1.0	401*	490*
Rayon and Silk	403	415*	421*	442*	526*	—16.0	485*	611*
Woollen	280	280	280	280	397	—29.5	346	378
Metal products	342	342	342	342	338	+14.8	321	285
Others	288	287	290	290	302	— 4.0	298	300
Miscellaneous	612.7	621.0	626 9	625.3	752.1	—16.9	635.6	729.8
All Commodities	376.1	378.2	372.7	372.7	433.1	—13.9	388.9	439.3

* Estimated.

WORKING CLASS COST OF LIVING INDICES

Base	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
January 1951	318	239	296	440	376	344	326	134	171	127	158	171
February ,,	321	253	294	441	388	347	327	138	176	129	157	169
March ,,	332	268	301	439	390	356	329	138	174	139	157	166
April ,,	335	270	304	440	391	365	333	139	173	140	159	166
May ,,	335	278	314	443	394	374	335	140	176	141	158	166
June ,,	337	271	313	447	394	382	337	144	178	138	158	169
July ,,	333	270	318	454	394	385	337	145	182	140	155	173
August ,,	328	261	322	459	392	387	338	146	181	143	161	171
September ,,	325	253	319	470	389	375	340	144	179	150	161	170
October ,,	332	254	323	469	393	375	336	144	181	145	163	171
November ,,	333	252	325	464	397	374	337	147	182	155	168	165
December ,,	331	252	325	449	397	370	337	144	181	150	166	158
January 1952	331	246	323	449	393	357	338	142	179	147	163	156
February ,,	324	241	318	441	382	343	336	141	175	145	155	155
March ,,	313	229	300	412	378	340	333	136	177	140	150	145
April ,,	345	262	321	415	377	339	326	145	169	139†	153	144
May ,,	339	244	310	412	376	339	327	148	169	143†	153	143
June ,,	338	263	300	424	375	342	330	145	171	141†	153	148
July ,,	330	263	304	456	377	354	331	145	173	143†	154	155
August ,,	340	267	312	460	380	369	330	143	176	149†	153	157
September ,,	341	269	310	463	381	364	328	145	178	144†	155	150
October ,,	345	274	311	466	381	363	327	146	179	143†	155	150
November ,,	347	271	306	459	381	357	328	137	176	..	150	150
December ,,	346	262	303

MARKET REPORTS

(*Concluded from page 217*)

caused B. twills to advance to Rs. 93-10. The closure yesterday was at Rs. 93 which compared with Rs. 92 over the week-end.

Although some buying was done by mills, the raw jute market could not be raised from the dol-drums into which it has fallen as a result of the continuance of depressed conditions for many weeks now. However, by about the end of this month, mills would have exhausted a good portion of their stocks of raw material, and they would have to buy raw jute to run their plants. This is the only hope of encouragement for stockists whose anxiety to sell pushed down quotations considerably yesterday. Thus business was sought at Rs. 21-8 in Assam bottoms for delivery this month as against Rs. 22 last Thursday. Murshidabad district tossa eased to Rs. 20, and *jungli* and *bimli* f.a.q. were offered at Rs. 17 and Rs. 16-8 respectively. Pakistani bottoms even at Rs. 26 could not meet with much buying support from mills. *Pucca* bales first marks ready were Rs. 130 sellers.

KIPS RULE FIRM

(From Our Own Correspondent)

MADRAS, *2nd Februdry*

Arrivals of kips have been on a moderate scale and prices have ruled firm due to shippers' buying. Enquiries from U.K. have been for seconds and run parcels and inferior fifths in light weights, at 2*d.* over last week levels. Demand for medium and heavy weights has been fair at 1*d.* over last rates. Tanned cow calf and buff calf also were in request, but buff heavies were neglected.

In the local bazaar, tanned goat and sheep skins have ruled firm, and arrivals have been moderate. In the January London public sales goat skins—prime tannages advanced by 6*d.* and others declined by 6*d.* to 15*d.* below December levels, and sheep skins—semi-prime were unchanged, while others declined upto 9*d.*

ARRIVALS OF HIDES AND SKINS SMALLER

(From Our Own Correspondent)

KANPUR, *1st February*

Conditions in the local hides and skins market during the week under review, remained more or less the same as those noted in the previous week. Comparatively speaking, supplies during the week were slightly smaller. The main parties behind the transactions were Cooper Allens and other local tanners. The latest quotations are as follows:

Wet salted cow, 1st grade: Rs. 350, 2nd grade: Rs. 300 and 3rd grade: Rs. 160 per score; wet salted buff, 1st grade: 1 lb. 10 ozs. and 2nd grade: 2 lbs. 4 ozs. per rupee; goat, 1st grade: Rs. 230 and 2nd grade: Rs. 200 per 100 pieces; and sheep: Rs. 240 per 100 pieces.

TEA PRICES HARDEN

(From Our Own Correspondent)

CALCUTTA, *3rd February*

Steady conditions were again a feature of yesterday's export sale No. 33 where the quantity offered aggregated 53,090 packages. Prices for leaf grades rose one anna above brokers' valuations, and common brokens, all bright liquoring varieties, and Assam C.T.C. fannings sold well. However, prices for orange fannings possessing poor liquors and B.O.Ps. eased fractionally. Thus, the quotations were: good Assam C.T.C. B.P. Re. 1-15, clean black pekoe Re. 1-7-6, clean common B.P. Re. 1 to Re. 1-0-6, and medium Assam B.P. Re. 1-1.

Offerings during last week's sale No. 32 amounted to 54,634 packages for export, and 15,129 and 1,781 packages of dusts and other grades respectively for internal consumption. The export market was well supported, and prices for fannings, mediums, low medium brokens, commons and black stylish leaf grades were bought at fractionally advancing rates. Assam C.T.Cs. possessing useful liquors were steady, but those representing a rains description were quiet. The rates were: Good Assam C.T.C. B.P. Re. 1-15, medium Assam B.P. Re. 1-1, clean black pekoe Re. 1-7, and clean common B.P. As. 15-6 to Re. 1.

Among dusts, the cleaner leafy varieties and commons attracted the keen attention of buyers, and prices rose by As. 2. Prices for bright liquoring Dooars and grain types were maintained. However, Darjeelings and powdery mediums eased by an anna. Thus good Assam C.T.Cs. were quoted at Re. 1-14-6, medium grainy Assams Re. 1-9 to Re. 1-9-6, and medium Dooars Re. 1-7 to Re. 1-8.

LIMITED BUSINESS IN LINSEED

(Messrs. A. Bradley & Co.)

CALCUTTA, *2nd February*

There is very little change to report and, whilst price levels have been maintained, the undertone appears to be fairly firm. Trading has been on a very limited scale with sellers extremely scarce for both near and forward deliveries. Enquiries from the local mills have been very feeble and buyers in general have been disinclined to make any commitments for the present. Conditions have ruled dull in the oil section and no fresh business has been reported. The latest quotation is as follows: Ready Rs. 20-3 per maund.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Year ended 31st March, 1949 ..	917,800	906,700	671,000
Do. 31st March, 1950 ..	1,041,700	927,500	720,000
Do. 31st March, 1951 ..	11,15,200	10,62,100	7,76,500
Do. 31st March, 1952 ..	11,80,000	10,57,100	7,99,200
Do. Ten months ended January, 1953 ..	9,68,200	8,93,300	6,64,600
January 1951 ..	1,01,100	97,900	67,700
August ,, ..	99,600	91,500	66,200
September ,, ..	92,300	84,600	63,900
October ,, ..	94,100	88,800	63,800
November ,, ..	92,700	85,200	65,900
December ,, ..	1,02,800	97,900	69,100
January 1952 ..	99,800	96,700	71,400
August ,, ..	1,00,700	90,500	67,700
September ,, ..	94,200	88,300	64,500
October ,, ..	99,400	90,100	67,900
November ,, ..	1,03,500	93,700	68,700
December ,, ..	98,200	91,400	69,700
January 1953 ..	1,02,400	95,500	69,900

SEA- AND AIR-BORNE TRADE : INDIA.

Particulars	October,		Seven Months. April to Oct.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:—				
Foodstuffs	6,74	25,06	136,58	134,78
Raw materials	14,65	11,87	115,94	132,08
Manufactures	21,68	27,70	167,13	108,61
Other Items	1,36	30	2,88	2,18
Total Imports* ..	43,33	64,93	422,53	465,65
Exports :—				
Foodstuffs	17,13	13,23	85,10	86,40
Raw materials	11,72	7,40	86,05	88,41
Manufactures	23,53	25,41	167,59	245,82
Other Items	31	24	2,31	1,84
Tota Exports ..	52,69	46,28	341,05	422,56
Total Re-exports ..	66	21	2,76	10,69
Balance of trade in merchandise	+ 10,02	— 18,44	— 78,73	— 32,40
Balance of transactions in private treasure ..	..	— 1	— 4	— 7
Total Visible Balance of Trade	+ 10,02	— 18,45	— 78,77	— 32,47
Imports :—				
Total C'wealth Countries ..	20,19	21,34	156,38	169,78
Total Foreign Countries ..	23,14	43,59	266,15	295,87
Exports:—				
Total C'wealth Countries ..	24,51	26,83	159,76	219,55
Total Foreign Countries ..	28,18	19,45	181,29	203,01

* Excludes value of certain special imports of foodgrains and stores, full particulars of which are not yet available.

LAND-BORNE TRADE : INDIA

Particulars	October,		Seven months April to Oct.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	60	2,13	15,29	11,58
Imports	3,45	7,30	12,30	55,40
Balance of trade in merchandise.	— 2,85	— 5,17	+ 2,99	— 43,82

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
1½ % Loan	1928	9,05,64,000	1955-60	103½
2½ % Bonds	1926-33	63,30,26,000	1960-70	101⅛
2½ % Loan	1938-39	1,16,17,46,000	1963-65	92
2½ % Loan	1943	1,14,60,58,000	1953-55	100-0⅛
2½ % Loan	1950	30,33,10,000	1964	92½
2½ % Loan	1943	1,10,11,78,000	1966-68	90
2½ % V. Loan	1944	1,14,06,89,000	1957	98⅛
2½ % Loan	1945	1,15,05,83,000	1970-75	86-8½
2½ % Loan	1945	1,13,65,64,000	1959-61	96
2½ % Loan	1951	50,06,06,000	1958	98-6½
2½ % Loan	1946	45,63,07,000	1960	93⅜
2½ % Loan	1946	57,00,69,000	1961	90⅝
2½ % Loan	1946	35,06,06,000	1954	98⅜
2½ % Loan	1946	14,77,48,000	1976	81⅛
2½ % Loan	1947	75,86,72,000	1962	91⅛
2½ % Loan	1948	60,45,01,000	1955	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,36,000	At option of Government after three months, notice	83⅜
			On September, 1986 or later at option of Government after three months, notice.	83⅜
3 % Loan	1946	2,48,91,90,000		
REPATRIATE STERLING LOANS				
3½ % Loan	1933	12,85,66,000	1954-59	100⅛
4½ % Loan	1928	5,85,20,000	1958-68	105⅛
PROVINCIAL LOANS				
3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1962	98N
3 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
3 % Madras	1938	1,42,08,300	15th Sept. 1953	100-0⅛
3 % Madras	1939	1,29,76,500	21st June 1959	95
3 % Madras	1942	1,23,25,000	18th Sept. 1955	98
3 % Madras	1943	1,25,10,000	14th Sept. 1956	98
3 % Madras	1944	1,08,00,000	15th Aug. 1958	96
3 % Madras	1945	2,82,15,000	14th Sept. 1960	94
2½ % Madras	1946	3,90,93,200	1st Sept. 1961	90
3 % Madras	1950	4,47,00,000	31st July 1960	94
3½ % Madras	1951	3,00,00,000	17th Sept. 1962	97
3 % Madras	1952	5,00,00,000	1st Aug. 1964	100
3 % U.P.	1936	1,69,39,800	15th Sept. 1961-66	90
3 % U.P.	1944	3,23,96,800	1st Aug. 1958	96
3 % U.P.	1945	2,36,31,900	14th Sept. 1960	94
2½ % U.P.	1946	2,41,19,800	1st Sept. 1961	90
2½ % U.P.	1951	2,00,00,000	17th Sept. 1962	97
3 % U.P.	1952	2,00,00,000	1st Aug. 1964	100
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅜
3 % Punjab**	1943	2,48,72,000	18th Sept. 1956	99
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	98⅛
3 % Mysore(J)	1930	1,63,44,300	1st Nov. 1955	103⅛
3 % Mysore(J)	1933	2,95,85,200	1st Dec. 1933-63	100-14
3 % Mysore(J)	1936	5,99,72,900	30th April 1956-61	98
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	98⅛
3 % M.P.	1942	50,00,000	18th Sept. 1955	98⅛
3 % M.P.	1943	50,54,200	18th Sept. 1956	98⅛
3 % M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 % M.P.	1948	2,03,00,000	15th Sept. 1964	91⅛
3 % M.P.	1950	1,00,28,800	31st July 1960	94⅛
3½ % M.P.	1951	1,00,00,000	17th Sept. 1962	97⅛
3½ % Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95
3 % Bombay	1942	3,54,23,300	18th Sept. 1955	98⅛
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	98⅛
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97⅛
3 % Bombay	1949	6,00,00,000	1st Aug. 1962	92⅛
3 % Bombay	1950	3,00,00,000	31st July 1960	94⅛
3½ % Bombay	1951	3,00,00,000	17th Sept. 1962	98
4 % Bombay	1952	3,50,00,000	1st Aug. 1964	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
33,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	97½
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	98½
88,25,000	4	1914	1975	98½
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1922*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1933*	1975	
13,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
STERLING LOAN				
£1,600,000	6	1922	1952	£101½
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	97½
76,90,100	4	1915	1975	97½
68,02,300C	3†	1921	1987	79N
1,50,00,000C	6½	1921	1981	144N
1,24,06,300	6	1923	1953–85	105
98,21,600	5½	1926	1956–86	104
99,84,500B	5	1926	1956–86	103
1,49,49,500B	5	1927	1957–87	103½
1,49,30,000	5	1928	1958–88	104
80,00,000	4½	1931	1991	92½
21,75,000C	3	1933	1954	99
50,00,000	3½	1935	1965	95½
25,00,000	3	1938	1968–68	88
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82½
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78½
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94½
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79N
1,50,00,000	3½	1951	1961	97½
STERLING LOANS				
£892,600	5	1923	1953–83	883
£901,000	5	1924	1954–84	885
£835,100	5½	1932	1962	897
MADRAS				
Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1882	
7,46,064	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug. 3,32,322	4½	1922	1952	M
4,47,397	5½	1923	1952	
STERLING LOAN				
£330,000	5½	1923	1953	£100

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Latest Available Quotation. Rs.
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
50,00,000	4	1905	1965	97½
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
18,00,000	4	1912	1972	97½
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	
50,00,000	5	1916	1976	
40,00,000	5	1919	1957–79	113
66,00,000	6	1920	1955–80	
25,00,000	5	1926	1956–86	115
25,00,000	4	1927	1961–70	98
10,00,000	3½	1936	1966	96½
STERLING LOANS				
£566,600	4	1909	1969	£95½
£333,000	4	1910	1970	£95½
CALCUTTA				
Rs.				Rs.
50,00,000	6	1923	1955	104
25,00,000	5½	1929	1959	107½
50,00,000	4	1934	1964	99½
35,00,000	3½	1935	1965	96
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	90
20,00,000	3	1938	1963–68	88
80,00,000	4	1952	1962	99½
STERLING LOANS				
£700,000	5½	1923	1953	£100

MUNICIPAL LOANS

Rs.	**BOMBAY**			Rs.
43,00,000	4	1886–91	1953	100
49,40,000	4	1911–14	1954	100
20,60,000	4	1913–15	1974	99½
20,00,000	4	1913–15	1955	100
15,00,000	5	1920	1980	113
1,60,00,000	6	1924	1954	103½
25,00,000	5	1924	1958	
26,14,000	5	1928	1940–99	105
3,45,00,000	5	1929	1950–99	80
26,21,500	5	1929	1939	103
8,25,00,000	3½	1947	1977	84½
2,50,00,000	3½	1949	1979	85
4,00,00,000	3½	1950	1965	91½
2,50,00,000	4	1952	1964	100½
Rs.	**CALCUTTA**			Rs.
34,45,500	6½	1924–25	1955	106
84,70,000	6	1925–27	1955	104
36,00,000	5	1928	1958	103½
25,00,000	5	1929	1957	103½
25,00,000	5	1929	1958	103½
10,00,000	5½	1932	1962	108
33,91,000	3½	1935	1965	93½
7,92,000	3	1936	1953	100N
5,19,000	3	1936	1953	99½
60,00,000	3	1936	1966	88½
1,46,100	3	1936	1953	99½
3,11,400	3	1937	1954	99½
4,67,100	3	1937	1954	99½
1,62,500	3	1937	1954	99½
4,12,200	3	1937	1954	98
47,50,000	3	1938	1968	88
10,67,700	3	1938	1955	97
15,56,800	4	1939	1956	99½
15,56,800	4	1940	1957	99½
17,64,400	3½	1942	1959	96½
21,10,000	3½	1942	1972	92
15,49,000	3½	1951	1960	96
16,33,000	3½	1951	1961	96
66,88,000	3½	1951	1966	96
£5,00,000	6	1923	1953	£100
Rs.	**MADRAS**			Rs.
5,00,000	4	1903	1953	101
5,00,000	6	1923	1953	107
3,40,000	7	1925	1955	107½

ABBREVIATIONS.—M=Held by Government of Madras. N=Nominal. †=Various Issues repayable to Government.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable C=Held by Commissioners. * Loans held entirely by the Trustees.
(a) This includes the amount of loan converted into First Development Loan 1970-75. (*f*) Income-tax free. A=Held by Government of India.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935 ** Quotations in Pak Currency

PREFERENCE SHARES

Company	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share Rs.
BANKS							
Allahabad Bank	15,00,000	1901	6	Mar.	Sept.	129	100
BREWERIES AND SUGAR							
Carew & Co.	8,00,000(b)	1875	6½	Mar.	Sept.	78	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb.	Aug.	138xd	100
Upper Ganges	12,00,000	1932	5	Dec.	..	..	100
Do	15,00,000	1946	5(a)	Dec.	..	..	100
Deccan Sugar & Abkhar 'A' ..	7,00,000	1920	7	July	Apr.	118½	100
¶East India Distilleries	£200,000	1897	7	Jan.	July	Sh. 15½xd	£1
Uwalior Sugar	6,75,000(c)	1940	7B	Dec.	..	63xd	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec.	..	63xd	100
Purtabpore Co.	6,00,000	1922	10	Oct.	..	15xd	10
Ramnugger Cane	4,00,000	1933-36	6	Aug.	..	100	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct.	Apr.	70	100
South Behar Sugar	5,00,000	1936	7(a)	Oct.	..	75N	100
Travancore	14,99,135	1946	5	Dec.	..	6⅛	10
Bharat Sugar	5,00,000	1931	5	Dec.	..	..	100
COAL							
Bengal-Nagpur	1,12,500	1905	7	Jan.	July	114½xd	100
Berrea	4,00,000	1896-97	6½	Oct.	Apr.	113xd	100
Burrakur (1st)	22,99,800	1901-19	7	Apr.	Oct.	117xd	100
Do. (2nd)	4,50,000	1946	6(a)	..	..	8½xd	10
Equitable	4,00,000	1895	6	Mar.	Sept.	115	100
Karanpura Collieries	7,50,000	1946	5½(a)	..	..	84	7½(pp.
††Khas Kajora	1,93,000	1931	5	Mar.	Sept.	11N	10
††Khas Kajora	2,00,000	1920	7	Jan.	July	113xd	10
New Beerbhoom	2,00,000	1898-99	6½	Apr.	Oct.	110xd	100
Ondai							
COTTON							
Ahmedabad Advance	10,00,000	1939	5	Apr.	Oct.	108½	100
Bangalore	5,00,000	1884	6	Jan.	July	137	100
Bananti Cotton	5,00,000	1938	6½	Nov.	..	6½	10
Benares Cotton	1,05,200	1919	7	July	Jan.	55	100
Bengal-Nagpur	3,00,000	1896	7	Apr.	Oct.	117½	100
Bowreah 'A'	6,00,000	1900	8	Feb.	Aug.	128	100
Do. 'B'	6,00,000	1900	7	Feb.	Aug.	80	100
Bradbury	14,75,000	1919	7	June	Dec.	306½	250
Buckingham & Carnatic	21,30,200	1928	7½	Jan.	July	142½	100
Cambodia	1,00,000	1928	7	Apr.	Oct.	131½	100
Central India	50,00,000	1912	5	Apr.	Oct.	505	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov.	..	130½	100
Elgin	11,00,000	1912	8	May	Nov.	137xd	100
Do. 'B' Pref.	4,20,000	1943	5	July	Jan.	10xd	10
Elphinstone	25,00,000	1919	7	June	Dec.	95	100
Kesoram	20,00,000	1919	7	..	..	115xd	100
Khatau Makanji	10,00,000	1925	6	Nov.	..	..	100
Do. (2nd)	29,92,500	1947	4	..	..	85	100
Kothari	12,00,000	1937	6	Nov.	..	10	10
Lakshmi Cotton (Bombay) ..	16,00,000	1896	5(a)	..	January	241½	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	..	..	72	100
Muir Mills	30,00,000	1900	6	Jan.	July	108	100
Mysore Spg.	7,45,050	1944	4½	..	..	..	50
New Great	8,00,000	1913	5½(a)	Mar.	..	185	200
New Victoria	26,05,500	1920	6	Apr.	Oct.	3⅞	5
Podar Mills	10,00,000	1943	6	Feb.	..	80	100
Rajalakshmi	2,00,000	1932	6½	Apr.	..	56	50
Shree Niwas Cotton	4,80,000	1944	4	..	..	..	100
Sholapoor	32,00,000	1943	3(e)	..	..	80	100
Svadeshi	15,00,000	1935	5	Apr.	Oct.	110	100
Swadeshi (Kanpur)	35,00,000	1927	6	June	..	87½	100
Vasanta (1st)	3,00,000	1931	6½	Apr.	Oct.	121½	100
Do. (2nd)	1,50,000	1938	6	..	..	111½	100
Vishnu	15,66,500	1908	7(a)	Apr.	..	553⅛	500
ELECTRICS							
Andhra Valley Power Supply ..	49,34,000	1917	7(a)	May	Nov.	1,162½	1,000
Calcutta Electric	£1,900,000	1909-11	5(i)	June	Dec.	12xd	£1
Dacca Electric	6,00,000	1940	6	Dec.	..	9xd	10
Nasik-Deolali Electric	1,00,000	..	7	Mar.	..	..	100
Poona Electric	4,00,000	1935	7(a)	June	Dec.	103⅜	100
South Arcot	2,00,000	1933	6	Jan.	July	95½	100
South Madras (1st)	6,00,000	1940	5½	July	Nov.	10	10
Do. (2nd)	8,00,000	1940	7½			9⅛	10
Surat Electric Co.	5,00,000	1939	6½	Apr.	..	127	100
Tata Hydro-Electric Power ..	89,28,000	1907	7(a)	May	Nov.	126½	100
Tata Power	89,28,000	1918	7(a)	May	Nov.	1,250	1,000
Vallore	1,25,000	1928	6	Mar	Sept.	84	10
Vizag	1,00,000	1933	6½(a)	Sept.	..	82½	100
ENGINEERING							
Arthur Butler (Mozaffarpore) ..	1,30,000	1919	7	Mar.	..	9	10
Burn & Co., Ltd. (1st)	13,00,000	1895-98	7	Feb.	Aug.	123½xd	100
Do. (2nd)	15,00,000	1902	6	Feb.	Aug.	112xd	100
Do.	1,50,00,000	1938	5	Dec.	..	107½xd	100
Indian Iron and Steel Co., Ltd.	1,50,00,000	1918	..	June	..	124	100
Indian Standard Wagon	4,90,950	..	..	..	..	9⅛	10
Indian Steel Rolling	10,00,000	1941	5	May	Nov.	104	100
Jessop	10,00,000	1913	5	June	Dec.	97	100
†††Kumardhubi Engin.	13,00,000	1946-47-51	5	..	..	95	100
Larsen and Toubro Ltd.	5,50,000	1907	5½	..	..	80	100
McKenzies (1st)	10,00,000	..	6½(a)	..	..	98½	100
Premier Construction (1st) ..	10,00,000	1936	6½(a)	..	..	91½	100
Do. do. (2nd)	56,25,000	1947	4½(a)	..	..	5½	10
Do. do. (3rd)	3,00,000	1917	..	..	..	13¾N	10
Steel Products	75,00,000	1908	5	Nov.	..	176½	150
Tata Iron and Steel (1st) ..	6,93,81,900	1908	6(a)	May	..	133½	100
Do. do. (2nd)			7½(a)				
JUTE							
Agarpara	10,00,000	1927	7	Jan.	July	121	100
Albion	9,00,000	1909	7	May	Nov.	106	100
Alexandra	9,00,000	1895	7	Feb.	Aug.	103	100
Alliance	40,00,000	1917	7	May	Nov.	118xd	100
Anglo-India	10,00,000	1909	5½	May	Nov.	100	100
Auckland .. ..

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. G=Guaranteed shares. P=Preference shares. P.O.=Preferred Ordinary shares. R=Rebate shares. Y=Accounts published yearly. H=Accounts published Haf-yearly. Q=Accounts published once 15 months. T=Company has Debentures. R.L.=Reserve Liability on shares. N=Nominal Quotation. i=Interim Dividend. f=Dividend for first half-year, y=Dividend for the year. x=Ex. Dividend. c.d.=Cum. Dividend.

Shares:—If a company has different classes of shares—as, for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under "Paid-up Per Share."

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12 indicate the months of June and December, respectively "Reserves" includes general and other reserves and all other funds which a company may have as also depreciation on block items, when this is charged to separate account "Block" represents actual cost of land, buildings, machinery, and all such other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends:—Dividends for completed years are calculated at per cent. per annum, but, where quoted for portion of a year, they represent percentages of the dividend on the paid-up share value. For companies closing the books half-yearly in the first three months of the year, and for companies closing their books yearly during the first half of the year dividends are shown as for the previous year.

COTTON MILLS

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	¶Number Installed Spindles	¶Number Installed Looms	Mill	Latest Available Quotation.	Paid-up Per Share	Dividends (per cent. 1949	1950	1951	1952	Accounts closed	Reference
Rs.	Rs.	Rs	Rs.					Rs.	Rs						
BOMBAY CITY AND ISLAND															
50,00,000	55,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	2-10½	2	12½	12½	15§		12	Y.
40,00,000	96,25,655	1,22,39,883	45,646	B. R. Sons, Ltd.	50,828	1,021	Behurital Ramcharan Cotton Mills	44	100	6	6	—		3	T.P.Y.
2,20,98,000	3,77,07,567	3,45,45,592	2,49,666	Nowrosjee Wadia & Son, Ltd.	1,82,072	4,855	Bombay Dyeing, etc.	373‡	250	16	7	8		12	Y.
10,00,000	68,56,275	52,02,609	2,59,868	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	653‡	250	24	40	40		3	P.Y.
1,09,42,800	3,39,71,172	2,24,04,685	2,02,457	—	1,09,320	2,706	Century	258‡	100	15	18	20		12	Y.
49,00,000	76,78,063	1,06,30,358	5,066	V. J. Pilani, Esq. (Chairman)	39,408	698	Colaba Land & Mill	72‡	100	—	—	4		12	Y.
26,00,000	53,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd.	27,308	680	Coorla	100xd	100	7½	7½	7½		3	Y.
16,00,000	61,03,791	61,88,798	2,30,356	Ramnarain Sons, Ltd.	38,304	..	Dawn	56	50	4	—	12		12	Y.
34,00,000	83,85,000	63,06,555	91,036	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	230	200	7½	7½	7½		12	Y.
25,00,000	82,92,517	1,09,92,288	64,188	Chidambaram, Muiraj & Co., Ltd.	44,768	886	Elphinstone	38‡	50	10	8	—		12	Y.
40,00,000	1,20,24,549	75,61,616	4,37,206	James Finlay & Co., Ltd.	46,072	784	Finlay	291	100	15	15	20		12	P.
50,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	71,608	1,259	Hind Mills	—	10	5§	4§	5§		6	P.Y.
12,00,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co.	45,752	1,022	Hindustan	3,260xd	1,000	17½	20	20*		3	P.Y.
2,00,00,000 } 80,00,000 D }	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	{ 8-11½ / 1-9½	10 / 1	7½ / 12½	7½ / 12½	10½ / 25		12	P.Y.
8,65,000 } 35,000 }	1,33,65,320	98,10,275	7,671	Damodhar Thack. Mooljee & Co.	47,172	1,191	Indian Manufacturing	{ 3,260xd / —	1,000 / 500	17½	20	20*		3	Y.
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co.	77,404	1,517	Khatau Makanjee	162‡	100	12	14	10		6	P.Y.
1,00,00,000	3,30,34,713	2,81,07,386	2,47,768	Killick Industries Ltd.	1,11,464	1,846	Kohinoor	284‡	100	27½	18	25*		12	Y.
28,80,000 } 3,60,000 B }	62,72,416	4,58,523	11,567	Hall & Anderson Ltd. Props.	61,516	1,742	Madhusudan Mills	{ 81‡ / —	100A / 20B	7½				6	Y
51,75,000	1,65,94,653	1,71,00,015	2,80,686	Piramal Gangadhar & Others	60,652	1,650	Morarjee Goculdas	154‡	100	17	15*	12		6	P.Y
24,00,000	64,02,788	64,16,514	81,791	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay	175	100	11	12½	15		12	T.Y.
30,00,000	77,89,079	77,63,429	68,383	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Eastern	157	100	6§	10	12½		12	P.Y.
12,70,100	27,38,754	13,13,391**	941	Mafatlal Chandulal & Co.	33,720	873	New Union	22‡	10	—	5	10		12	Y.
48,00,000	1,14,83,345	1,34,29,555	2,40,353	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix	121‡	100	6	10	10		12	Y.
40,00,000	45,61,000	23,31,581	1,35,988	Podar Sons, Ltd.	32,600	930	Podar	121‡	100	9	9	10		12	P.Y.
5,00,000	27,64,626	29,73,962	3,162	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk	22‡	10	26§	20	20		12	Y.
25,00,000	35,63,793	17,86,230	1,316	M. G. Investment Corpn.	60,240	1,254	Sassoon Spinning	23§	10	—	7½	10		12	Y.
60,00,000	93,52,612	65,79,388	3,19,198	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	171§	100	12½	14	17½		12	P.Y.
31,50,000	1,00,00,000	76,05,952	50,222	Forbes, Forbes, Campbell &Co.,Ltd.	36,116	1,276	Simplex	174½xd	50	28	34	30‡		3	T.Y.
56,00,000	1,84,55,730	1,14,25,402	17,129	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard	277§	100	15	15	26×		12	P.Y.
75,00,000	1,97,81,673	92,45,129	70,099	Tata Industries Ltd.	65,040	2,000	Svadeshi	242	100	14	16	18		12	P.Y.
24,00,000	99,65,496	54,00,802	5,62,977	James Finlay & Co., Ltd.	35,804	552	Swan	140	100	20	20	25		12	P.Y.
32,54,438	92,22,538	68,88,347	25,338	Tata Industries Ltd.	63,248	1,800	Tata	46§	25	8	8	16		12	P.Y.
12,00,000	1,17,01,933	86,62,657	4,299	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spinning	2,110xd	1,000	17½	20	20		3	T.Y.
AHMEDABAD															
20,00,000	84,99,543	51,95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	133‡	100	8	12	10		6	P.Y.
24,90,150	1,76,92,721	93,49,718	93,168	Haribalabhdas Kalidas & Co.	73,796	1,383	Shri Ambica Mills	290	50	25	30	36		12	Y.
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Hutheesing & Sons Ltd.	42,768	912	Aruna	375	100	13*	15*	20*		12	Y.
21,00,000	2,76,11,769	99,37,517	1,37,004	Narottam Lalbhai & Co.	62,448	1,216	Arvind	710‡	100	22½	25	25		12	P.Y.
10,00,000	93,20,000	70,77,166	92,811	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning	535	200	15	15	17½		12	P.Y.
12,00,000	1,48,97,000	79,36,000	..	Lalbhai Dalpatbhai & Co.	37,368	912	Asoka	402‡	100	15*	17	22		12	Y.
1,24,74,017	3,42,43,180	3,39,18,894	2,89,575	Karamchand Premchand & Co.	1,39,120	2,370	Calico	296‡	125	8	10	14–25		12	Y.
30,00,000	1,00,20,000	83,66,716	748	Tricumlal Bhogilal & Co.	39,316	867	New Commercial	1,007½	500	10	11	12		12	P.Y.
39,00,000	1,17,35,075	88,73,039	19,706	Mafatlal Chandulal & Co.	47,952	864	New Shorrock	509	125	28	28	28		12	Y.
5,00,000	84,57,251	41,66,135	466	Jagabhai Bhogilal Nanavati & Co.	24,840‡	528‡	Nutan	535	100	25*	28*	28*		12	Y.
10,00,000	1,51,40,293	65,80,292	68,792	Lalbhai Dalpatbhai & Co.	31,120	637	Raipur	402‡	100	22½	25	25		12	Y.
12,00,000	30,40,334	63,41,241	1,09,340	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Rajnagar	480	250	6	6	8		12	Y.
32,50,000	58,29,453	74,07,003	3,873	Lallubhai Gordhandas Ltd.	33,156	648	Rohit	110	100	8	8	9		12	P.Y.
28,00,000	59,44,524	80,38,656	20,958	Haridas Acharatlal & Co., Ltd.	32,816	776	Vijaya	432‡	400	11§*		8§*		12	P.Y.
WEST BENGAL															
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agency Ltd.,	13,044	356	Basanti Cotton	3§	10	—	5	3§		12	P.T.Y.
7,11,280	22,53,684	37,16,899	32,931	Bengal Textile Agency Ltd.	28,448	936	Beng Luxmi	38N	40	—	7§	7§		3	Y
6,00,000	74,31,075	77,07,829	—28,432	K. Bullen & Co., Ltd.	42,872	841	Bowreah	212	100	—	—	—		6.12	P.Y.
19,00,000	96,69,451	96,66,017	—27,794	K. Bullen & Co., Ltd.	42,944	518	Dunbar	121	100	5§	—	7		6.12	H.
1,20,00,000	3,29,34,362	3,04,56,320	84,976	Birla Bros., Ltd.	69,352	1,990	Kesoram	171xd	100	12§	12§	11§‡		3	P.Y.
6,00,000 A } 83,96,097 B }	71,09,841	79,53,833	51,255	Chakravarti Sons & Co.	23,484	442	Mohini	—	{ 25 / 10 }	12§‡	7§	7§		12	Y.
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	5	10	9	3	—		12	T.Y.
15,00,000	26,53,246	59,15,375	2,736	Ramlal & Co., Ltd.	50,000	..	Alagappa Textiles	6§	10	—	9	6		12	P.Y.
71,95,030ss	91,90,031	1,69,30,772	27,626	Ind. Trust Fund	19,944	440	Azam Jahi Mills	65	100	15*	5§‡	61		9	Y.P.
40,50,000	2,88,78,779	2,57,74,244	2,47,495	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	215	100	14§	17½	20		6.12	P.H.
27,00,000	71,21,986	69,56,823	40,045	Shaw Wallace & Co., Ltd.	29,936	782	Bengal Nagpur	13§	10	5	1§	10	5f	6.12	P.T.H.
60,00,000	74,37,942	97,51,247	1,58,253	Binodiram Balchand Ltd.	57,312	1,338	Binod Mills	100N	100	17	7	—		12	Y.
15,00,000	1,33,79,264	84,27,674	4,60,089	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	310	25	25	25	30		3	P.Y.
1,78,47,800	3,22,27,970	4,49,59,308	2,39,158	Binny & Co., Ltd. (Madras)	1,19,916	2,781	Buckingham & Carnatic	117	100	6§	6§	7§		6.12	H.P.
20,00,000	32,17,315	27,32,911	55,358	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia	10	10	7§	—	12§		12	P.Y.
30,00,000	64,46,347	47,79,878	32,599	Begg Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	8	5	11§	11§	11§		3.9	T.Y.
46,87,500	2,25,77,600	2,00,84,126	—16,28,224	Tata Industries Ltd.	1,15,188	2,062	Central India	150	100	6	6	2		6	P.Y.
12,00,000	33,42,813	25,08,393	1,52,180	R. Beema Nayudu & Co.	28,864	..	Coimbatore Cotton	160	100	12§	12§	12§		12	Y.
20,00,000	17,94,432	20,04,313	9,816	T. R. N. Naidu & Co.	19,700	..	Coimbatore Ginning & Pressing	97	100	7	6	—		12	P.Y.
20,76,900	70,83,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	39	50	5	10	—		6	P.Y.
24,30,900	34,08,672	33,32,938	55,387	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi	178	100	25	25	20		12	Y.
2,89,84,925 } 1,00,503 }	3,84,95,614	5,77,14,605	1,63,862	Bharat Ram, Esq.	75,604	1,830	Delhi Cloth (inc. Lyallpur Mills)	27§ / 2§	{ 25 / 2§ }	4	10			6	P.Y.
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd.	52,652	1,198	Elgin	17§	10	12§	11§	15		9	P.T.Y.
39,04,700	97,00,000	78,42,395	93,393	F. Forbes Campbell & Co., Ltd.	72,960	..	Gokak	207	100	15	10	14		12	Y.
50,00,000	84,17,977	1,21,16,721	6,989	Govindram Seksaria (Indore)	50,420	1,420	Indore-Malwa United	90	100	4	4	5		12	Y.
8,90,000	22,88,977	18,75,134	487	G. V. Naidu & Co.	23,784	..	Janardhana	58	50	16	10	15		12	Y.
6,50,000	17,20,576	40,18,454	7,677	A. L. A. R. A. Chettiar and another	30,504	325	Kaleswarar	347§	100	—	—	—		12	T.Y.
24,00,000	25,50,000	43,66,106	54,377	Kothari & Sons	13,824	..	Kothari	93	10	7	7§	7§		6	P.Y.
32,00,000	1,52,51,325	1,35,66,651	2,77,976	The Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton	573‡	250	15	15	20§		12	Y.
35,64,100 } 17,82,050 A }	90,51,492	78,03,494	7,921	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	{ 69 / 33§	50 / 20	8	8	10		3	Y.
1,75,02,480	5,58,18,568	3,97,87,371	12,62,148	A. & P. Harvey Ltd.	4,64,748	..	Madura	33‡cd	15	17§	15	20		12	Y.
12,00,000	20,47,239	23,90,961	—15,121	A. L. A. R. S. Chettiar and 2 others.	21,856	..	Malabar	150	200	7§	4	6		12	Y.
60,00,000	93,17,047	52,62,343	50,249	W. A. Beardsell & Co., Ltd.	24,252	603	Mettur Industries	181	100	25	12§	12§		3	Y.
29,80,884	65,78,942	71,79,459	22,669	N. Sirur & Co., Ltd.	36,416	678	Minerva	91	100	8*	6	6		3	Y.
94,91,850	96,08,512	1,34,79,361	29,643	B. Abirchand Dadabhoy & Co.	61,492	952	Model Mills, Nagpur	140	250	6	3	3		6	Y.
30,00,000	1,55,94,651	1,53,39,271	7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir	215	100	24§	—	—		12	P.Y.
9,71,850	20,43,991	4,06,541	—2,16,536	A. Sambha Moorty, Esq.	69	..	Mysore Silk Filatures	1§	10	—	—	7§		12	Y.
19,86,800	1,15,59,739	82,55,416	38,347	N. Sirur & Co., Ltd.	49,632	500	Mysore Spinning	126xd	50	20	18*	20§		2	P.Y.
13,61,780	22,98,130	27,85,556	—4,60,000	R. Suryanarayana Rao, Esq.	6,000	..	Mysore Spun Silk	4§	10	5d	6§	—		3	Y.
22,89,882 } 3,07,095 O }	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd.	50,228	1,148	New Victoria	{ 1§ / —	2§ / D1	—	—	—		12	P.D.Y.
86,93,300	1,16,62,352	1,46,35,293	1,161	Ind. Trust Fund	30,896	717	Osmanshahi Mills	87	100	14*	5§‡	6§‡		9	Y.
4,00,000A	19,98,937	20,58,777	19,670	Raghvalakshmi & Co.	22,800	..	Palani Andavar	52	50	4	10	16		12	P.Y.
15,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills	66	100	4	7§	5		12	P.T.Y.
25,30,420	36,19,473	40,65,619	11,306	A. G. G. Naidu & Co.	38,864	200	Radhakrishna	134	100	15	16	16		12	P.Y.
15,00,000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	25,896	..	Rajalakshmi	73	50	9	9	10		12	P.Y.
15,02,500	26,26,362	24,78,957	4,770	P. S. G. Naidu & Sons	28,972	88	Ramalinga Vilas	41§	50	6	7	—		12	Y.
60,00,000	89,59,172	1,04,60,739	5,506	Sir J. P. S. & Sons (Rampur), Ltd.	32,580	600	Raza Textiles	4§	10	—	—	—		12	P.Y.
16,00,000	1,58,55,370	2,03,51,339	—78,03,793	M. J. Divekar, Esq.	82,992	2,234	Sholapur	1,650	1,000	—	—	—		12	P.Y.
22,41,300	9,49,500	25,98,011	66,528	Gopaldas Liladhar & Co., Ltd.	15,824	440	Shree Saljan	75	100	6	—	—		3	P.Y.
17,79,700	17,05,383	21,50,229	3,083	T. R. A. Ayyar & Bros., Ltd.	18,416	416	Sitaram	404	60	6§	—	—		3	Y.
36,69,700	53,91,188	62,29,128	26,556	B. S. Visweswaraiya, Esq.	25,200	292	Sri Krishnarajendra Mills	386d	50	8*	8*	5	6*	3	Y.
17,50,000	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,12,216	2,077	Swadeshi (Cawnpore)	{ 9§ / 9§	10 / 10P.O.	8*	8*	6*		3	Y.
1,57,50,000P.O. } 9,32,990 }	20,80,396	12,56,097	61,026	M. R. & Sons	16,000	..	Trichinopoly	9§	10	10	10	10		12	P.Y.
21,00,000	53,78,057	44,34,040	38,800	R. K. S. Chetty & Bros.	33,704	270	Vasanta	140	100	7	9	10		12	Y.T.
32,00,000	1,27,03,612	1,16,39,613	2,69,813	The Bombay Co., Ltd.	54,280	1,495	Vishnu	157§	100	7	9	14		12	P.Y.

• Includes Bonus. I. On Increased Capital. ‡ Only Depreciation

× Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46.

k) Includes Rs. 11-6 paid out of deferred Dividend Amount.

¶ As on 31st August, 1952.

— Nil Dividend

† Subject to tax

J=As on 1st January, 1953.

†† Does not include depreciation

xd=Ex. Dividend. C.d.=Cum. Dividend.

** Net Block.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs	Rs.						
ART SILK AND RAYON MILLS													
1,60,42,660	37,92,725	4,15,55,170	4,66,206	Chinai & Co., Ltd.	National Rayon Corporation	69	100	—	—	—		12	P.Y.
99,92,020	46,91,585	2,65,93,471	4,93,263	Emcete & Sons (Travancore) Ltd.	Travancore Rayons	3-5§	10	—	—	—		12	P.Y.
BREWERIES AND DISTILLERIES													
13,28,000 } 6,64,000 }	63,05,499	85,57,255	1,10,217	Parry & Co., Ltd.	Deccan Sugar & Abkhari	25§ / 11§	25 / 10	11§	11§Q			5	P.Y.
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	5	20	20	10	—		3	Y.
£330,000	£915,047	£1,010,005	£55,705	Parry's Holdings Ltd.	East India Distilleries and Sugar	22	A 16sh. / B 20sh.	10	10 / 15	10 / 15		9	P.Y.
24,00,000	8,54,296	7,56,660	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4	10	—	—	—		8	Y
6,00,000	21,13,586	12,13,593	3,951	B. A. Mallya Esq.	United Breweries	153‡cd	75	18	10	20		3	Y.
CEMENT													
51,19,724	21,33,493	67,56,656	15,850	The Andhra Engineering Co. Ltd.	Andhra Cement Co.	89	100	3§	3§	7§		12	P.Y
43,14,600 } 4,70,976 D }	16,94,310	17,14,992	1,01,035	Eastern Corporation Ltd.	Assam Bengal Cement	3§ / 1	10 / 1	5	—			3	Y.
80,56,20,438 } 80,56,20,438 }	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.	Associated Cement Companies	169‡xd	100	7	8§	9§	9§	9	Y.
86,49,312 } 5,00,000D }	95,24,901	1,45,62,309	61,188	Hari Bros. Ltd.	Dalmia Cement	6 / 1	10 / 1	—	5	6§		12	Y.T.
61,01,180	27,27,600	1,26,09,755	90,853	Essen Ltd.	India Cements Ltd.	16§	25 / 5D	—	—	5		3	P.Y.
7,50,000D } 75,80,000 }	1,46,20,109	1,65,80,416	81,840	Martin Burn Ltd.	Sonevalley Portland Cemen	6§	5	5	4	8		12	Y.
CERAMIC; MINING AND QUARRYING													
51,70,655	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2§	2§	2§	5	6§		12	Y.
10,00,000	37,00,990	51,64,271	28,729	Bird & Co.	Bisra Stone Lime Co	28N	10	16§	17§	17§		3 9	H.
38,00,000 } 15,00,000D }	17,91,749	50,93,341	12,332	Ram Kumar Agarwala & Bros.	Chrestien Mica Industries	9§	10 O / 5 D	10	10	5†		12	P.Y.
69,14,200	£1,650,110	£1,643,983	£85,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	6§	10	15	15	7½†		12	Y.
15,00,000 } 65,00,000 P }	38,79,403	43,65,527	1,29,079	Bird & Co., Ltd.	Karanpura Development	3–3§xd	2sh.	12§†	12§†	12§		6.12	H.
6,00,000	6,40,199	7,98,882	9,812	Mys.re Industrial Development Co.	Mysore Stoneware Pipes & Potteries	13‡	10	—	—	—		8.12	H.
6,00,000	24,28,739	25,13,779	27,403	Andrew Yule & Co.	Reliance Firebricks	9§	10	5§(d)	10	10		3	Y.
6,99,390	20,61,475	17,98,676	3427	Killick Industries Ltd.	Shivrajpur Syndicate	17xd	10	10	10	11§		2 8	H.
						54§	10	15	17§	35		11	Y.
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	23,14,270	1,02,937	S. V. S. Iyer, Esq.	Kemp & Co.	237‡xd	200	10	10	10		3	Y.
92,14,870	55,77,268	2,53,78,334	8,595	Tata Sons, Ltd.	Tata Chemicals	9§	10	—	—	—		6	T.Y.
1,12,500	1,38,486	61,178	4,101	B. D. Nagar, Esq.	Thompson & Taylor	4§	5	8§	12§			3	Y.
Other Centres													
25,00,000	54,68,041	63,66,814	39,559	Bhailal Amin & Sons., Ltd.	Alembic Chemical Works Co.	100‡	100	—§	8	8		12	P.Y.
62,00,000	84,01,721	1,58,12,017	80,67,486	Sahu Bros. (Saurashtra) Ltd.	Alkali and Chem. Corpn. of India	12§	10	—	8			9	Y.
82,64,700'B'.O.	68,00,287	78,49,987	1,09,732	D. C. Collaco, Esq.	Bharat Chemical & Phar.	102	100	6	6			4	P.T.Y.
21,50,000	45,64,469	38,97,031	4,660	Seshasayee Bros. (Travancore) Ltd.	Dhrangadhra Chemicals	170	100	6	15	15		12	P.Y.
4,95,000	1,28,550	1,11,731	—10,83,735	Seshasayee Bros. Ltd.	Frank Ross & Co.	22	6	5†	4§			3	Y.
3,45,97,740	86,89,2648	4,01,40,091	21,842	Seshasayee Bros. Ltd.	F.A.C.T.	3§	10	—	2§	—		12	Y.
60,49,345	30,74,302	83,46,263	16,741	E. V. Ganapati Iyer, Esq.	Mettur Chemicals	4§	10	—	—	3§		5	Y.
24,81,220	34,32,111	40,15,501	29,283	Krishna & Co.	Mysore Chemical Mfrs.	8	10	9	9	9		5	Y.
3,00,000	6,18,752	4,52,143	48,158	C. A. Buxton, Esq.	Smith, Stanistreet & Co.	12	10	3§	12§	10		3	P.Y.
5,00,000	19,82,894	15,88,659	—4,65,098			5	5	10	10	10		6	P.Y.
ELECTRICS (Bombay Presidency)													
4,19,41,930	1,63,09,143	6,03,41,957	3,113	Killick Industries Ltd.	Ahmedabad Electric Co.	115	100	6	6	6§		9	T.Y.
2,12,77,000	2,28,03,288	5,23,55,938	35,587	Tata Hydro-Electric Agencies	Andhra Valley Power Supply Co.	1,396§	1,000	7½	7½	7½		6	P.T.Y.
1,24,97,300	56,55,204	1,51,38,887	1,642	Killick Industries Ltd.	Bombay Suburban Electric Supply	124§	100	7	7	7		3	Y.
7,07,020	7,20,239	20,01,110	41,705	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	—	100	6	6	2.9§		12	P.Y.
11,68,400	42,60,478	90,07,787	11,976	Rajaputana Textiles (Agencies) Ltd.	Nasik-Deolali Electric Supply	14N	20	5	5	5		12	P.Y.
48,89,000	19,17,94,233	69,94,522	2,522	Tata Hydro-Electric Agencies	Poona Electric Supply	40§	15	13§	13§	13§		12	P.Y.
20,00,000	1,82,69,078	3,68,77,954	15,889	Tata Hydro-Electric Agencies	Surat Electricity	121§	100	6§	7	7§		12	P.Y.
1,80,00,000	3,36,72,243	9,36,10,773	43,403	Tata Hydro-Electric Agencies	Tata Hydro-Electric Power Supply	119§	100	6§

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
					OIL; PETROL, ETC.								
£750,000	£987,630	£257,232	—£718,934	I. C. H. Glass, Esq.	British Burma Petroleum Co.	1-5½	4sh.	—	—	—		3	P.T.Y.
22,50,000	81,89,204	52,69,225	1,85,955	N. C. Alcock, Esq.	British Ceylon Corporation	14½xd	7½	20†	24†	32†		12	P.Y.
1,90,90,000	2,27,04,997	1,10,70,867	2 10,329	Steel Brothers & Co.	Indo-Burma Petroleum Co	50sd	40	10	10	—		12	P.Y.
70,07,475	1,02,93,386	1,52,15,713	10,092	Tata Industries Ltd.	Tata Oil Mills	31½	25	4	6	8		3	P.Y.
6,00,000	10,79,394	2,42,234	7,038	Andrew Yule & Co.	Tide Water Oil Co. (India)	17	10	15	15	17½		4.10	H.
					PAPER								
45,00,000	1,56,25,500	1,94,47,651	3,21,991	Balmer Lawrie & Co.	Bengal Paper Mills	44xd	25	10	10	12½	6½	6.12	P.T.H.
30,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	145xd	100	7	10	11	5†	3.9	H.
41,95,000	48,30,215	47,81,895	52,615	P. N. Balakrishnan, Esq.	Mysore Paper Mills	12½	10	5d	7½	10*		3	Y.
30,00,895	2,47,61,003	3,22,48,806	1,68,019	Birla Bros., Ltd.	Orient Paper	2½	10	15	25	20		3.9	P.T.H.
20,00,000	1,10,93,378	84,10,902	1,86,914	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	16½	10	9½	11½	13	7½†	6.12	P.T.H.
10,00,000 A	31,49,465	48,58,730	6,430	Bajoria & Co.	Star Paper Mills	7½	10	—	—	5		3.9	P.T.H.
4,37,500 PO													
56,00,000 C	4,80,99,030	4,68,21,511	4,75,418	F. W. Heilgers & Co.	Titaghur Paper	4½	2½	10	10	10		3.9	P.H.
56,04,800 C						34 ⅞	A10	20	18½	20*		3.9	
						34 ⅞	B10	20	18½	20*			
					PLANTING: PRODUCE AND RUBBER								
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	6 ⅜	3	10	20	20		2	P.Y.
47,70,000	48,44,853	83,16,040	4,37,964	R. C. Paterson, Esq.	Consolidated Coffee Estate	15 ⅜	10	17	20	18		6	P.Y.
6,00,000	2,29,814	4,49,628	13,951	Associated Planters, Ltd.	Cottanad Plantations	8 ⅜	10	7½	10			3	T.Y.
8,25,950	1,46,540	4,67,078	1,389	A. V. Thomas & Co., Ltd.	Fringford Estates	3	10	—	—	—		4	P.Y.
6,00,000	19,08,079	19,81,715	66,448	A. V. Thomas & Co., Ltd.	Highland Produce	9½	10	25	45	45		12	P.Y.
4,00,000	9,67,558	7,20,198	43,506	A. V. Thomas & Co., Ltd.	Kalpetta Estates	18	10	17½	20	25		4	Y.
4,50,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Malankara Rubber and Produce Co.	91	30	17½	30	35		3	P.Y.
8,35,000	94,534	7,53,389	29,921	A. V. George & Co., Ltd.	Nenmony Rubber	9 ⅜	10	5	6½			12	P.Y.
2,00,000	1,93,721	4,72,600	2,305	Associated Planters, Ltd.	Nilambur Rubber Co.	9	10	6	10	10		12	P.Y.
13,50,000	48,35,083	28,14,428	1,78,110	Peirce, Leslie & Co., Ltd.	Ouchterlonney Valley Estates ..	3½	2	25	25	45		10	T.Y.
10,00,000	5,82,973	38,05,590	31,101	A. V. Thomas & Co., Ltd.	Rajagiri Rubber and Produce Co.	9 ⅜	10	9	12½	15		6	P.Y.
2,50,000	3,36,390	21,56,824	936	East India Agencies, Ltd.	Teekoy Rubbers (India) Ltd. ..	7½	10	—	7½	9		3	P.T.Y.
2,50,000	1,81,279	5,11,395	66,520	A. V. George & Co.	Thamarapally Rubber	12 ⅜	10	7	6½	15		12	P.Y.
3,85,108	4,20,985	5,12,969	37,480	Peirce, Leslie & Co., Ltd.	Thirumbadi Rubber Co.	3 ⅜	1	17½	20	25		9	Y.
1,17,222	7,40,149	3,953	K. C. Cheriyan, Esq. (Secretary)	Travancore Rubbers	11 ⅜	10	3½	10	20		12	Y.	
11,00,000	14,90,372	67,61,827	3,25,086	Aspinwall & Co., (Travancore) Ltd.	Travancore Rubber and Tea Co., Ltd.	6 ⅜	10	2½	6	10		12	T.Y.
90,00,000	1,51,49,311	18,47,082	1,275	P. T. Thomas, Esq.	Tropical Plantations Co.	194 ⅜	25	10	—	—		12	Y.
2,20,000	51,096	3,18,371	7,609	A. V. George & Co.	Udyagiri Rubber	7½	10	5	5	5		12	P.Y.
6,28,580	2,18,183	6,99,135	28,140	Harrisons & Crossfield Ltd	Valkundam Co.	15	10	10	12½	20		12	Y.
1,65,000	78,624	3,43,636	14,082	M. K. Thomas & Co.	Woodland Estates	7½	10	7½	6½	—		3	Y.
					PRESSING								
8,00,000	18,78,066	19,01,857	2,322	Andrew Yule& Co.	Calcutta Hydraulic Press	80	100	3	3			3	Y.
4,30,000	5,58,036	6,89,525	1,116	Pyne and Sons.	Camperdown Pressing	90N	100	4	6	7		7	Y.
8,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Central Hydraulic Press	95xd	100	3	5	5		6	Y.
					PROPERTY AND LAND								
60,00,000	34,67 73511	83,61,045**	—	David Sassoon & Co., Ltd.	Port Canning Land	21½xd	100	2	1½	1		4	Y.
94,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co.	Midnapore Zemindary	33	100	—	3	2		4	P.Y.
					SAW MILLS AND TIMBER								
13,99,998	29,73,877	10,38,508	60,887	Bird & Co.	Assam Saw Mills and Timber	6½	8	16½	16½	16½		9	Y.
50,00,000													
42,00,000	4,89,22,437	2,47,99,361	1 57,498	Wallace & Co.	Bombay-Burmah Trading	370	125	12	30	18		5	Y.
						140§	50	12	30	18		5	Y.
6,00,000	7,04,037‡	7,80,451	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	55N	100	5	—	—		4	P.Y.
12,00,000	25,94,349	15,51,606	73,653	G. Arbuthnot & Co.	Indian Wood Products	49	10	25	35	35		9	Y.
					SUGAR (U. P. and Bihar)								
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co.	Balrampur Sugar	5½	5	—	20	—		6	W.
12,00,000	28,96,740††	15,70,686**	2,81,000	Narang Bros.	Basti Sugar	120xdN	100	6½	10	—		4	W.
19,49,050	20,10,694	26,89,188	2,24,418	Bangur Bros., Ltd.	Belsund Sugar	6½	10	10	15	8½		9	Y.
5,00,000	21,11,580	15,38,162	40,743	Cotton Agents Ltd.	Bharat Sugar	12xdN	10	5	—	15		6	Y.
12,00,000	99,90 130	1,26,88,817	—5,15,881	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	4 ⅜	10	5	—	—		6	P.T.Y
15,00,000	1,30,69,452	96,28,542	31,891	Begg Sutherland & Co.	Cawnpore Sugar	24½xd	10	15	20	30	20	10	P.Y.
18,00,000	78,43,538	40,37,156	17,488	Begg Sutherland & Co.	Champarun Sugar	17½xd	10	15	25	30		10	
80,00,000	97,00,000	56,47,253	3,615	Bachhraj & Co.	Hindustan Sugar Mills	10	5½	6	6	6		4	P.Y.
6,00,000	41,78,374	68,10,159	—4,15,271	Kilachand Devchand & Co.	Kesar Sugar	70N	80	—	—	—		7	P.Y.
11,00,000	27,48,180	36,39,370	3,895	Karam Chand Thapar & Bros., Ltd.	New Savan	30N	40	—	3	4		5	Y.
						51	10	5	6½	5		8	Y.
12,89,375	58,13,366	52,06,760	5,31,018	Cotton Agents, Ltd	New Swadeshi Sugar Mills	160N	100	15	20			6	Y.
						40N	25						
77,45,350	1 08,98,159	1,36,10,992	1,981	Cotton Agents, Ltd	Oudh Sugar Mills	95N	100						
						20N	25	2½	3½				P.Y.
12,00,000	29,31,078	26,43,844	71,500	Narang Bros	Punjab Sugar Mills	15N	124						
						100N	100	—	6		10		Y.
3,00,000	42 50 733	33,72,806	19,435	Begg Sutherland & Co.	Purtabpore Company	15½xd	10	—	10	20	10	10	P.Y.
8,00,000	26,06,463	24,18,182	15,410	Begg Sutherland & Co.	Ryam Sugar	24½	10	13	25	10		6	P.Y.
11,99,000	38,06,835	36,11,360	23,281	Begg Sutherland & Co.	Samastipur Central Sugar	11½	10	10	20	20		6	Y.
20,00,000	57,29,582	93,96,808	27,889	Sahu Jain Ltd.	Shree Krishna Cyanocrit Sugar ..	10½	10	—	30	10		7	P.T.Y.
9,99,915	11,66,782	21,41,729	10,162	H. K. Ghose, Esq. & R. N. Datta	Sitalpore Sugar	10	10	—	—	5		6	Y.
6,50,000 C						5 ⅜	5						
1,73,000 D	11,94,395	27,92,174	—14,73,656	N. K. Jain & Co., Ltd.	South Behar Sugar	3N	10	—	—	—		3	Y.
8,00,000	54,46,474	70,75,580	57,216	Cotton Agents, Ltd.	Upper Ganges	24	25	17½	20	20		6	Y.
						20N	30						
					(Indian States and Other Centres)								
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Belapur Co.	219½	50	16½	25	28	32	9	Y.
13,93,900	16,19,655	36,20,048	9,275	J. P. Srivastava & Sons (Rampur), Ltd.	Gwalior Sugar	40xd	100	—	6			9	P.Y.
13,00,000	38,42,751	22,63,689	2,71,331	India Sugars & Refineries Ltd.	India Sugar & Refineries	17½	10	12½	15	25		9	Y.
3,57,350	46,47,856	38,47,284	4,64,518	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	10½	10	7	7½	10		5	Y.
1,01,00,000	98,10,952	1,39,79,833	1,94,491	Premier Construction Co., Ltd.	Walchandnagar Industries	144§	100	17½	12	14		9	P.T.Y
50,00,000	1,49,74,559	97,24,107	8,27,296	M. Mallesham, Esq.	Mysore Sugar	43	10	20*	20	20		6	Y.
16,59,820	96,62,468	1,03,94,086	3,18,594	Mafatlal, Apte & Kanalal, Ltd. ..	Phaltan Sugar Works	95	50	14	18	16	16	9	Y.
20 00,000	54,70,896	42,79,429	73,041	Anderson Wright Ltd.	Ramnugger Cane & Sugar	15	10	15	6	7½		8	P.Y.
19,99,580	50,82,224	42,94,120	6,05,982	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	80N	50	7	14	18		9	P.T.Y.
						11C.R.	10	6	10	12½		5	Y.
29,94,944	23,77,076	60,45,892	45,076	Parry & Co., Ltd	Travancore Sugars	4 ⅜	10	—	—	—		7	Y.
					UNCLASSIFIED (Bombay)								
1,50,00,000	1,14,37,216	1,46,81,706	—4,88,411	Tata Industries Ltd.	Air-India Ltd.	85	100	—	—	—		12	Y.
2,40,000	4,90,364	5,64,538	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Steam Deposit	705	200	15	15	15	17½	9	Y.
13,98,860	1,24,267	2,19,255	33,607	Scindia Steam Navigation Co., Ltd.	Bombay Steam Navigation Co., Ltd.	32½	25	—	—	—		6	P.Y.
45,00,000	43,01,108	1,24,608	32,663	Parakh Agencies Ltd.	Bombay Uganda	54	80	5	5	5		12	Y.
25,00,000	1,50,(0)	24,37,096(k)	99,679	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	375N	430	8 3/6	13½	13½		12	Y.
14,98,360	17,39,540	10,69,107	4,425	Dena Bank Ltd.	Dwarkesh Industrial Investment Co	25	10	3	5	3		3	Y.
81,90,250	17,09,272	1,25,54,783(k)	1,66,116	F. H. Mehta	Estrela Batteries	30½N	50	6	6	5		3	Y.
84,98,865	15,91,304	12,58,924	2,833	Premchand Roychand & Sons	Industrial Investment Trust	70§	100	3½	4	4½		12	Y.
2,06,71,500 A				K. G. Milne, Esq.	Klilick Industries	143xd	100	8	8½	10		6	Y.
10,00,000 B	65,85,939	2,20,52,503	4,52,797	Aero-Auto Ltd.	Premier Automobiles Ltd.	39	100	—	—	—			Y.
6,59,62,018	9,89,24,387	12,98,97,421	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co., Ltd.	15-0½	10	—	—	3½		6	Y.
1,30,000	3,71,437	2,21,590	3,145	R. B. Bandekar	Thacker & Co	50N	50	10	10	10		3	Y.
10,21,200	16,42,904	14,61,299	55,330	Sir Joseph Kay, K.B.E.	United Motors (India)	34	20	7½	10	15		12	Y.
2,20,00,000	2,06,24,172	2,01,34,774	2,86,210	T. H. Rydin Esq.	Western India Match Co.	219§	100	11*	11*	11*		12	Y.
					Other Centres								
47,50,000													
2,50,000 D	4,90,364	5,64,538	702	J. K. Industries Ltd.	Aluminium Corporation	3½	10	—	—	—		3	P.T.Y.
30,00,000	81,43,512	36,59,332	2,81,010	Turner Morrison & Co., Ltd. ..	Angelo Bros.	18½xd	10	10	17½*	25*		8	Y.
20,00,000	23,20,022	22,18,452	1,00,602	T. H. Rydin Esq.	Assam Match	20	10	12½*	12½*	12½*		8	Y.
80,00,000	50,63,088	92,32,682	9,149	Oberoi Hotels (India) Ltd.	Associated Hotels of India	5	10	7½	6			3	Y.
30,00,700						301	1000	20*	20*	25*		3	P.T.Y.
10,00,000	15,57,826	45,95,360	5,19,159	O. T. Jenkins, Esq.	Balmer Lawrie & Co	—	40	15	15	20		12	W.
1,00,00,000	1,00,01,435	2,26,31,139	1,16,835	Dinshaw Ltd.	Bharat Line	84	100	3	3	4		12	Y.
30,64,680	30,81,266	83,30,736	1,82,277	A. P. Chanda Esq.	Britannia Biscuit	17	10	12½	12½	17½-I		9	P.Y.
8,25,00,000	2,53,27,829	2,23,39,029	4,13,662	Sir Robert Menzies, Kt., O.B.E.	British India Corporation	9-7½	5	12½	12½	15		12	P.Y.
1,60,00,000	2,13,57,458	3,57,89,351	6,97,697	Cecil Stack, Esq.	Dunlop Rubber Co. (India)	28	10	20	20	15-I		12	P.T.Y.
51,26,000	45,06,847	—	2,43 195	Bird & Co.	Eastern Investments	137	100	6	9	9		12	P.Y.
7,00,000	29,85,208	24,09,208	17 900	Macneill & Barry Ltd.	Ganges Rope	184X.R.	100	20	22½	20		12	P.Y.
65,00,000	54,13,457	15,62,902	2,07,524	A. J. Elkins, Esq.	Gillanders Arbuthnot & Co., Ltd.	130xd	100	7½	10	10		3	Y.
30,00,000	37,25,649	60,01,406	6,213	B. P. R. Syndicate	Great Eastern Hotel Co.	245	250	6	6	6		3	T.Y.
12,42,800	36,42,049	54,49,206	12,214	Birla Brothers, Ltd.	Hind Cycles	100N	100	5	7½	7½		3	P.Y.
4,96,12,650	39,45,519	2,61,39,292	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	3½	10	—	—	—		12	P.T.Y.
10,00,780	32,79,999	40,09,525	—	H. B. Marshall Esq.	Humayan Properties	10½	10	—	—	6		3	P.Y.
1,60,00,000	1,33,45,017	2,87,89,199	—	J. W. B. Johnson, Esq.	Indian Aluminium Co.	112	100	—	2½	—		3	P.T.Y.
1,52,89,220	1,31,92,732	57,92,390	9,29,554	D. J. Melatseth, Esq.	Indian Cables	18	10	25	10*	10*		9	P.Y.
13,75,000 C						3½	10	—	—	—		9	P.Y.
5,00,000 P	51,91,428	75,82,228	—15,72,246	Govan Bros., Ltd.	Indian National Airways	3½	10	—	—	—			
1,25,000 D						3½	10	—	—	—		12	P.Y.
8,27 978	12,79 385	14,27,460	39,038	George Spencer Mowlem & Co. (India)	Indian Rubber Manufacturers ..	13½	10	10	10	10		3	P.Y.
2,25,00,000	1,60,38,685	3,87,93,801	2,26,066	Lionel Edwards Ltd.	India Steamship Co., Ltd.	64xd	10	—	—	5		3	P.T.Y.
2,40,000	4,33 028	67,247	36,496	G. V. Sweika, Esq.	Ivan Jones	31	2	21½	21½	21½		9	Y.
2,00,00,000	53,39,643	27,16,440	5,86,448	J. D. K. Brown, Esq.	Jardine Henderson	124	100	10	10	10		9	Y.
6,34,000	9,89,698	6,65,110	—54,713	James & Co., Ltd.	Macfarlane & Co.	24	5	—	—	—		3	P.Y.
40,00,00,000 C	63,35,248	23,69,220	85,717	A. T. Doig, Esq.	McLeod & Co.	143xd	D. 100	10	12½	12½		12	P.Y.
5,00,000 D						5	D. 10	—	7½	7½		12	P.Y.
9,33,190	3,90,333	1,47,410	10,548	Ogale Glass Works Ltd.	Mysore Glass & Enamel Works ..	5	10	—	—	—		12	P.Y.
3,75,000	7,74,559	5,75,836	3,666	R. Bharatsih, Esq.	Mysore Lamp Works	18½	10	10	10	20		12	Y.
10,00,000	3,95,997	11,45,835	1,11,329	V. S. Arunachalam, Esq.	Mysore Tobacco	9½	10	—	—	20		12	P.T.Y.
80,00,000	43,42,911	49,45,057	25,307	Associated Industrial Development Co., Ltd.						10		3	T.Y.
79 97,000	65,83,352	1,04,30,524	8,86,347	B. N. Elias & Co., Ltd.	National Insulated Cable Co. of India	11½xd	10	5	5	5		3	Y.P.T.
14,83,287	4,14,310††	17,19,230**	3,326	S. P. Ogale & Co.	National Tobacco Co.	10½	10	—	—	—		12	P.T.Y.
48,00,000	36,64,522	60,88,006	1,04,446	Parry's Holdings Ltd.	Ogale Glass Works	3	5	—	—	—		12	P.T.Y.
1,14,00,000	2,29,15,252	3,78,03,905	33,67,941	Rohtas Industries	Parry & Co.	6	2	62½	—	80-I	32½	12	Y.
48,00,000	1,53,82,620	1,19,47,722	5,61,628	C. W. Stephenson, Esq.	Spencer & Co.	81½	10	—	—	—	7½	12	P.T.Y.
95,00,000	22,00,000	71,74,498	2,62,138	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	12½	10	10	10	10		6	P.Y.
9,93,130	2,77,075	8,99,929	2,289	Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	—	—	4		12	Y.

†† Does not include depreciation.
‡ Only depreciation.
* Includes Bonus.
—Nil Dividend.
K—Investments.
† Less income-tax.
** Net Block.
X.R.—Ex-Right.
C.D.—Cum Dividend.
(c) For six months ended June, 1949.
(d) For nine months ended March, 1950.
On Increased Capital.

TEA COMPANIES

Paid-up Ordinary Capital Rs	Reserves Rs	Block Account Rs	Carried Forward Rs	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs	Paid-up per Share Rs.	Dividends (per cent.) 1948	1949	1950	1951	Accounts Closed	Reference
						ASSAM								
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	450N	100	9	20	25	—	12	P.Y
50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd.	4004	Anandabag	23½	10	16	25	40	30	12	Y
5,50,000	10,64,192	12 05,396	—89,152	McLeod & Co., Ltd	573	Baghmari	8½	10	12½	12½	17½	—	12	Y
3,40,000	9,12,883	7,05,721	44,989	Andrew Yule & Co., Ltd.	360	Basnatia	22½	10	18½	30	30	25	12	Y.
3,30,000	7,24,887	8,38,278	71,941	Williamson Magor & Co.	556	Bateli	9	5	25	25	30	10	12	T.Y
3,20,000	6,19,032	6,72,731	54,942	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	22	10	18	25	20	15	12	Y.
16,50,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co	4,004	Bishnauth	24	10	10	30	35	50	5	T.Y
6,00,000	4,80,346	9,78,429	—1,90,802	Octavius Steel & Co., Ltd. ..	493	Bokakhat	4½	10	10	5	5	—	12	Y.
7,50,000	5,06,959	7,64,836	22,297	McLeod & Co., Ltd.	450	Borrnah Jan Tea Co., Ltd.	10½	10	15	15	15	15	12	P.Y.
35,00,000	22,18,001	70,96,925	87,990	Brooke Bond India Ltd.	2,670	Brooke Bond	11xd	10	10	7½	10	10	6	P.T.
20,000	3,06,715	3,66,030	—29,101	McLeod & Co., Ltd	282	Dejoo Valley	8	10	10	6¾	10	—	12	Y.
6,00,000	22,17,578	24,24,301	25,545	Jardine Henderson Ltd.	1,341	Dessai & Parbatrie	175	100	5	15	22½	12½	12	Y.
17,53,440	7,15,393	19,11,105	54,461	James Warren Ltd.	426	Dhekiakhat	8½	10	10	10	16	12	12	Y.
4,68,970	8,90,863	13,71,610	25,794	James Finlay & Co., Ltd.	613.37	Dhunseri	9½	10	6¾	10	20	10	12	T.Y
4,50,000	6,57,755	9,86,816	14,389	McLeod & Co., Ltd.	458	Dibrugarh Co., Ltd.	7½	10	7½	—	10	5	12	Y.
2,16,700	6,75,511	7,95,511	35,408	Williamson Magor & Co., Ltd.	611	Dimakus	24	10	10	40	45	15	12	P.Y.
5,60,500	12,72,787	15,08,787	1,01,960	Williamson Magor & Co., Ltd.	669	Duffla ghur	28½	10	25	35	40	40	12	Y.
9,00,000	10,31,120	18 91,120	45,079	Williamson Magor & Co.	1,157	East India Tea	16½	10	15	20	22½	22½	12	Y.
3,60,000	6,43,852	7,69,087	16,947	Andrew Yule & Co., Ltd.	407	Gillapukri	15	10	10	15	17½	22½	10	Y.
3,36,000	9,01,149	12,09,149	1,11,346	Williamson Magor & Co.	520	Gohpur	24	10	10	30	35	40	30	P.T.Y
4,94,360	17,46,514	17,08,255	82,387	Octavius Steel & Co., Ltd.	1,284	Grob	15½xd	A	5	7½	10	30	20	12	Y.
2,40,790							7½xd	B	5	7½	10	30		
2,00,000	8,16,550	5,82,005	58,806	Andrew Yule & Co., Ltd.	436½	Hoograluli	23½	10	23½	30	35	30	12

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
60,00,000	90,11,129	94,76,923	3,11,246	879	B. N. Elias & Co., Ltd.	Agarpara	19¼	10	10 •	15	20		3.9	P.T.H.
12,00,000	57,96,368	45,00,787	89,936	498	Sahu Jain Ltd.	Albion	200	100	—	14	30		5.11	P.H.
6,00,000	30,55,572	47,33,264	—3,29,636	446	McLeod & Co., Ltd. ..	Alexandra	200	100	—	5	5	—f	6.12	T.P.H.
50,00,000	85,82,864	1,17,03,966	—13,63,074	1,264	McLeod & Co., Ltd. ..	Alliance	150	100	—	2½	—	—f	6.12	P.H.
49,20,700	2,31,84,144	2,24,03,099	1,44,601	2,561	Duncan Bros. & Co. ..	Anglo-India	223	100	—	20	20	10f	3.9	P.H.
40,00,000	1,18,05,035	1,30,94,009	61,145	810	Bird & Co., Ltd.	Auckland	128	100	1½	10	10		3.9	P.T.H.
20,00,000	92,46,901	97,14,511	55,967	959	Jardine Henderson & Co. ..	Bally	150	100	7	12	1	—f	3.9	P.H.
£75,000	£1,680,379	£1,328,460	£91,091	1,890	Jardine Henderson & Co. ..	Barnagore	154	£5	20	20	20		3	P.Y.
28,00,000	82,01,627	87,37,598	3,65,214	820	Andrew Yule & Co.	Belvedere	200	100	13	17	27½		6.12	P.H.
45,00,000	78,51,305	81,03,385	4,07,701	600	Soorajmull Nagarmull	Bengal	16	10	13½	15	30		6	T.P.Y.
30,42,000	3,71,54,151	3,06,60,933	1,38,294	1,373	Birla Bros.	Birla	34	10	25	30	30		3	P.Y.
36,00,000	98,17,668	1,07,34,059	9,583	991	Andrew Yule & Co., Ltd. ..	Budge-Budge	175	100	7	13	22		4.10	H.
7,47,380	26,23,266	38,35,679	6,895	502	Dasaram & Sons	Calcutta Jute Manufacturing	20‡xd	10	—	—	—	—f	6.12	T.P.H.
18,00,000	65,04,789	75,27,158	2,646	616	Andrew Yule & Co.	Caledonian	174	100	5	14	22	6f	5.11	P.H.
59,16,400	2,11,26,602	1,62,21,807	1,35,299	1,400	James Finlay & Co., Ltd. ..	Champdany	161‡xd	100	3	10	14	8f	3.9	P.H.
15,95,000	79,08,514	78,92,619	19,870	530	Andrew Yule & Co., Ltd. ..	Cheviot	205	100	13½	16	22	6f	5.11	P.H.
10,05,000	83,89,114	55,21,773	60,392	500	McLeod & Co.	Chitavalsah	27	10	12½	15	60	25f	6.12	T.P.H.
16,00,000	80,24,460	77,89,914	1,01,979	969	Shree Krishna Investment Co., Ltd.	Clive	25½	10	12½	35	20		3	P.H.
31,49,200	1,23,69,592	1,22,21,907	80,807	766	Bird & Co., Ltd.	Dalhousie	152	100	1	11	12		3.9	P.H.
28,00,000	86,35,708	73,68,012	21,890	779	Andrew Yule & Co.	Delta	219	100	11	17½	22½		5.11	P.H.
15,00,000	83,75,460	74,82,092	45,656	500	McLeod & Co.	Empire	20½	10	10	20	25	5f	6.12	T.P.H.
21,00,000	2,47,73,040	2,58,81,253	25,700	1,884	Kettlewell Bullen & Co. ..	Fort Gloster	270	100	2½	32½	22½		3.9	P.H.
14,00,000	48,25,115	69,94,729	—8,32,397	1,014	G. C. Bansur, Esq.	Fort William	30‡N	100	—	10	—		3.9	P.H.
84,32,400	1,47,97,340	2,02,49,392	82,922	1,709	Macneill & Barry Ltd. ..	Ganges	70xd	100	—	5	24f		3.9	P.H.
10,80,000	71,71,252	67,89,135	25,156	607	G. Arbuthnot & Co.	Gondalpara	875	300	—	15	30		12	T.P.H.
24,00,000	2,02,41,185	2,18,72,990	89,236	1,394	Macneill & Barry Ltd. ..	Gourepore	260xd	100	24	25	11½		3.9	P.H.
40,00,000	81,93,092	81,96,127	3,06,824	1,078	Bangur Bros. Ltd.	Hastings	233N	100	10	7	10		3	P.Y.
16,80,000	58,02,116	64,29,355	64,417	720	G. Arbuthnot & Co.	Hooghly	32	10	10	30	15		3	P.Y.
65,62,500	1,56,21,640	1,59,50,625	1,71,001	1,940	Jardine Henderson Ltd. ..	Howrah	233	10	7½	17½	18‡	8‡f	3.9	P.H.
50,00,000	1,74,30,109	2,25,00,109	3,91,968	2,272	Ramdutt Ramkissendas	Hukumchand	38	7½	46‡	66‡	66‡		3	T.P.Y.
87,00,000 / 30,000 ƒ	87,45,632	1,10,99,740	1,43,281	1,076	Mackinnon Mackenzie & Co. ..	India	122	{O. 125 D. 51	5‡ 5‡	10 5‡	3‡ 3‡		3.9 3.9	P.H. P.H.
43,20,000	1,35,11,140	1,36,47,095	67,132	1,797	Jardine Henderson Ltd. ..	Kamarhatty	202	100	—	8½	22½	8‡f	6.12	P.H.
54,00,000	1,13,89,109	91,56,930	1,07,129	1,527	Jardine Henderson Ltd. ..	Kankinarrah	133	100	—	—	12‡	6f	6.12	P.H.
21,00,000	1,13,89,109	91,65,930	1,07,129	703	McLeod & Co.	Kelvin	215	100	10	20	25	7‡f	6.12	P.H.
54,00,000	1,18,86,997	1,59,17,038	2,06,473	1,530	Anderson Wright Ltd. ..	Khardah	165	100	—	25	16		3.9	P.H.
48,00,000	1,91,36,763	2,14,06,298	1,65,736	1,250	F. W. Heilgers & Co. ..	Kinnison	198	100	2½	14	19		3.9	P.T.H.
24,48,000	1,22,43,884	1,35,16,655	53,319	931	Bird & Co., Ltd.	Lansdowne	135	100	—	21	15		3.9	T.P.H.
28,00,000	1,18,69,789	1,13,74,198	32,655	840	Bird & Co., Ltd.	Lawrence	180	100	6	21½	22		3.9	P.H.
10,00,000	66,00,427	50,18,904	57,142	558	Andrew Yule & Co.	Lothian	240	100	—	15	32½	15f	5.11	P.H.
81,85,200	1,35,64,756	1,95,64,756	1,02,068	1,908	Mackinnon Mackenzie & Co.	Megna	103	100	4½	8‡	3‡		3.9	H.
29,98 900	1,28,87,159	1,55,16,608	58,615	815	F. W. Heilgers & Co.	Nailati	128	100	—	15	12		3.9	P.T.H.
12,00,000	29,95,424	24,75,180	52,447	425	Howrah Trading Co., Ltd. ..	Naskarpara	151‡	10	11‡	13‡	15f		4.10	T.P.H.
35,00,000	50,36,405	27,42,753	5,264	852	Andrew Yule & Co.	National	23‡	10	11‡	15	25		4.10	P.H.
7,50,000	32,11,917	24,37,663	21,345	316	McLeod & Co.	Nellimarla Jute	70‡xd	10	25	30	75	20	6.12	T.P.H.
10,50,000	58,04,933	45,71,347	1,16,973	709	Sahu Jain Ltd.	New Central	220	100	6	14	30		6.12	P.H.
16,79,880	90,35,938	1,18,43,622	46,833	567	Bird & Co., Ltd.	Northbrook	20‡	10	—	—	10f		3.9	P.H.
66,79,500	1,73,80,223	2,06,76,876	72 170	1,092	Macneill & Barry Ltd. ..	Nuddea	43‡xd	50	—	5‡	4‡		3.9	T.
24,91,000	71,47,003	68,55,552	3,591	601	Andrew Yule & Co., Ltd. ..	Orient	181	100	9	14	18	1	5.11	T.P.Y.
25,00,000	63,83,642	80,79,256	—4,76,887	400	McLeod & Co.	Presidency	41	5	—	—	2½	—f	6.12	T.H.
20,00,000	7,67,993	26,12,793	—2,46,337	305	Macneill & Co.	Rameshwara	5‡	10	—	1‡	—		3.9	H.P.
49,50,000	55,07 248	1,23,45 796	58,685	1,276	Jardine Henderson Ltd. ..	Reliance	13‡	10	—	—	—		3.9	P.H.
£6,00,000	£9,99 994	£11,96,402	£76,498	2,013	Thomas Duff & Co (India) Ltd. ..	Samnuggur	sh 15‡	11	6‡‡	11‡‡	10		12	P.Y.
30,00,000	68,57,466	95,49,412	87,40,952	911	Bagaria More Co., Ltd.	Shree Ambica (Adamjee) ..	10	10	—	15	10f		3.9	P.H.
7,00,000	45,17,785	48,14,456	2,73,383	401	Hindustan Investment Corpn. ..	Soorah	19N	10	—	10	—		12	P.Y.
25,19,600	1,07,90 629	94,08,329	1,24,587	650	Bird & Co., Ltd.	Standard	148	100	4	15	16		3.9	P.H.
£6,00,000	£8,36,904	£9,78,287	£1,29,393	1,794	Thomas Duff & Co. (India) Ltd. ..	Titaghur	sh 15‡	11	6‡‡	10‡‡	10		12	Y.H.
35,98,600	1,82,27,935	1,74,17,294	34,682	1,326	Bird & Co., Ltd.	Union	175	100	2	19‡	21		3.9	P.T.H.
£4,00,000	£6,35,795	£10,47,385	£1,00,239	1,331	Thomas Duff & Co. (India) Ltd. ..	Victoria	sh 15‡	11	6‡‡	10‡‡	10		12	Y.H.
2,50,000	32,89,383	55,48,403	—47,909	465	McLeod & Co.	Waverley	6	1	—	5	5	—f	6.12	P.T.H.

(r) For ten months ended 31st December, 1951. ‡‡ Subject to foreign Income-tax. ‡ Only Depreciation. • Includes bonus.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
25,50,000	58,63,382	61,83,382	33,891	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	20‡	10	17½	20	13‡		3.9	H.
12,00,000	41,76,885	37,08,981	57,055	Jardine, H. & Co., Ltd.	Bararee Coke	17	10	14‡	13‡	14‡		3.9	H.
1,00,00,000	4,16,30,103	4,91,93,899	7,25,389	Andrew Yule & Co., Ltd. ..	Bengal	202	200	33½	17½	18‡•		4.10	P.H.
4,49,350	5,82,303	8,49,159	3,152	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee	2‡N	10	2½	2½	2½	11f	6.12	H
2,25,000	27,12,507	25,84,461	4,280	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	18‡xd	10	22½	16‡	10	3‡f	6.12	P.H.
15,97,000	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	3‡	10	—	2½	1‡		9	Y.
7,15,000	30,04,331	30,17,715	3,437	F. W. Heilgers & Co., Ltd. ..	Bhulanbararee	12‡xd	10	—	6‡	6‡	2‡f	6.12	H.
16,00,000	53,46,046	67,83,723	—1,37,184	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	7	10	5	—	—f		6.12	T.H.
7,50,000	42,42,776	40,82,736	1,07,078	F. W. Heilgers & Co., Ltd. ..	Borrea	28‡xd	10	20	30	30•	15f•	6.12	P.H.
90,92,480	3,23,04,936	3,94,53,208	1,54,703	Bird & Co., Ltd.	Burrakur	10‡	10	10‡	7½	7½	3‡f	6.12	P.T.H.
8,00,000	44,73,086	48,99,835	6 672	Anderson Wright & Co. ..	Central Kurkend	13N	10	17½	12½	—		6.12	P.H.
6,00,000	1,40,000	7,50,000x	28,918	F. W. Heilgers & Co., Ltd. ..	Churulia	2½	4	6‡	4‡	1‡	1f	6.12	P.H.
16,00,000	30,19,961	43,00,861	11,699	Macneill & Barry Ltd.	Dhemo Main	9‡	10	10‡	10	12½		6.12	H.
£120,000	£1,064,338	£872,414	£78,839	Jardine Henderson Ltd.	East Indian	20‡xd	£1	13‡	37½	37½		4	Y.
29,63,760	3,07,47,993	2,96,10,834	1,90,766	Macneill & Barry Ltd.	Equitable	39‡	10	25	25	25		6.12	H.
10,00,000	4,83,963	8,41,725	66,665	Bhattee's Agency Ltd.	Ghusick and Muslia	17‡	3	20	5			3	Y.
8,00,000	21,14,376	21,51,521	15,633	Macneill & Barry Ltd.	Hurriladih	14‡	10	12½	15	15		6.12	H.
3,50,000	11,63,346	12,53,839	40,107	Andrew Yule & Co., Ltd. ..	Kalapahari	44xdN	10	26‡	35	35•	17‡f	2.8	H.
20,00,000	68,340‡	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	90	100	—	—	—		2	Y.
5,00,000	42,58,631	42,08,253	1,46,012	Andrew Yule & Co., Ltd. ..	Kasras Jherriah	40‡xd	10	27½	35	37½	20f	1.7	H.
1,38,400	5,20,519	11,63,519	1,063	Beriwala Bros.	Khas Kajora	2xN	10	11‡	10	5f		6.12	P.H.
11,00,240	10,19,298	15,64,007	5,201	H. V. Low & Co., Ltd.	Kuardi	6‡N	10	3‡	3‡			6	Y.
9,00,000	32,02,177	27,71,130	510	H. V. Low & Co., Ltd.	Lakurka	12‡N	10	10	10			4	Y.
5,65,750	11,41,667	22,37,077	2,691	Beriwala & Co.	Mardulpoor	7N	10	5	7½			6.12	H.
7,48,240	10,34,138	11,24,142	14,690	Associated Commercial Co., Ltd.	Nazira	6‡	10	5	2½	5‡		6.12	H.
7,00,000	3,77,590	9 53,321	4,597	Amritlal Ojha & Co. Ltd. ..	New Bansdeopur	2‡N	10	6‡	7½	6‡		3.9	H.
17,76,230	89,43,381	1,14,69,344	39,912	Andrew Yule & Co., Ltd. ..	New Beerbhoom	18‡	10	3	6	—		4.10	H.
6,00,000	24,61,802	30,92,604	—2,10,056	Octavius Steel & Co. Ltd. ..	New Manbhoom	10‡	10	12‡	7‡	—		3.9	P.H.
2,50,000	6,84,984	5,45 859	1.387	Jatia Bros. Ltd.	North Damuda	4N	2‡					3.9	H.
1,15,000 / 1,57,500 ƒ	10,81,297	12,56 672	12,237	Andrew Yule & Co., Ltd. ..	North West	{15‡xdN 11‡xdN	10 7‡	} 16‡	13‡	5	2‡f	3.9	H.
7,50,000	12,54,532	3,97,666	1,23,852	F. W. Heilgers & Co., Ltd. ..	Ondal	20xdN	10	12‡	25	22‡•	10f	6.12	P.H.
10,00,000	14,15 045	32,73,178	46,739	K. C. Thapar Bros. Ltd. ..	Oriental Coal	14	10	10	10	10		12	T.Y.
8,34,000	5,98,486	16,29,203	70,539	Deepchand Kishenlall	Parasea	3‡	10	—	—	—f		6.12	H.
15,75,000	34 57,449	39,37,449	31,965	Shaw Wallace & Co., Ltd. ..	Pench Valley	21‡	10	16‡	12‡	10	6‡f	2.8	H.
23,99,500	88,31,195	1,02,79,253	—8,92,750	B. N. Elias & Co., Ltd. ..	Raneegunge	7	10	8‡	12‡	10		6.12	H.
13,50,000	28,66,087	29,99,087	35,149	Shaw Wallace & Co., Ltd. ..	Rewa	16‡	10	8‡	12‡	10	7‡f	6.12	H.
20,00,000	15,10,118	28,07,516	165	Jaipuria Sons Ltd.	Samla Collieries	6‡	10	—	5	12f		6.12	H.
1,25,000	12,44,124	13,05,188	18,451	Gillanders Arbuthnot & Co., Ltd.	Searee'e	10‡N	2‡	20	20	20		1	T.
2,80,000	18,31 795	27,82,403	26,724	Andrew Yule & Co., Ltd. ..	Seebpore	26	7	35-7/7	32-1/7	28-4/7		6.12	P.H.
8,00,000	34,57,222	36,96,604	10,379	F. W. Heilgers & Co., Ltd. ..	Sendra	13	10	5	5	3‡	—f	6.12	H.
63,21,450	2,13,85,164	3,04,98,616	23,658	Industrial Trust Fund	Singareni	6‡	10	4‡	5	5		12	T.Y.
17,50,000	23,75,231	34,59,256	93,675	Bird & Co., Ltd.	South Karanpura	12‡	10	18‡	10	7‡		2.8	H
8,00,000	35,43,816	39,93,119	74,094	F. W. Heilgers & Co., Ltd. ..	Standard	13	10	16‡	13	10	5f	6.12	H.
10,00,000	15,41,499	29,34,045	—2,46,174	Villiers Ltd.	Talcher	3‡	2‡	—	—	—		9	Y.
3,50,000	17,36,513	18,54,910	74,927	Williamson Magor & Co., Ltd.	Union	26	10	20	27½	27‡	12‡f	6.12	H.
7,00,000	26,05,667	33,34,989	32,735	Macneill & Barry Ltd.	West Jamuria	17‡	10	15	15	15		6.12	H.

• The following explanatory notes relate to the abbreviations and marks shown on page 228 in the debentures section:—

‡‡ Option to repay on six months' notice, on any interest date after 31st December, 1951, at 102 per cent Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 102 per cent.

(a) Option of repayment at any time at 3 per cent. premium.

(b) Bearer bonds of Rs. 1,000 each repayable at par.
Bearer bonds of Rs. 1,000 each repayable on 31st July, 1959.

(d) Bearer bonds of Rs. 1,000 each with option of redemption in whole or in part at par on 30th June, 1952, or on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months notice in each case.

(f) Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ½ per cent premium, after 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March, 1957

(h) Option of redemption on or after 1st July, 1949, at par.

(i) Option of repayment at any time at par at any time on or after 30th June 1947 on six months notice.

METHODS OF SECURING INDUSTRIAL PEACE IN INDIA

(Concluded from page 199)

apprehend that the existence of a dispute may lead to breach of public peace, cause serious unemployment in an industry or affect adversely a large section of the community, it can refer the dispute to the arbitration of the Industrial Court without agreement of the parties to such arbitration. A representative union, whose constitution provides that it will not resort to strike unless all the methods provided by the Act are exhausted, can also refer a dispute directly to the Industrial Court for arbitration. The references by Government and by such representative unions fall under the category of compulsory arbitration. The Act also provides for arbitration by the Labour Court in matters under Standing Orders and matters like assignment of work and materials, reinstatement, compensation, etc., on the application of the employee concerned or the representative union. Provision is also made for reference of disputes requiring technical knowledge of the industry for their settlement to the Wage Boards.

It will thus be seen that this Act has provided, by successive stages, all the methods of industrial peace for settlement of disputes, namely, negotiation, conciliation, voluntary arbitration and compulsory arbitration.

The Industrial Disputes Act of the Central Government does not provide for negotiations as the first step towards the settlement of a dispute, nor does it provide for sending a notice of a statement of the facts of such a dispute by any of the parties to the Conciliation Officer, except in the case of a public utility service. A dispute arising out of any change made in the service conditions by the employer or out of the demands made by the union does not move through the successive stages of negotiation, conciliation and arbitration as in the Bombay Industrial Relations Act. Thus, except during the pendency of conciliation proceedings before a Conciliation Officer and arbitration proceedings before a Tribunal, when individual complaints can be adjudicated upon by these authorities, there is no provision in this Act for redress of individual grievances like discharge, dismissal or victimisation. In every such case, the worker cannot persuade his union to move Government to refer the dispute to a Tribunal for adjudication, nor would Government accept such a plea. This is an important lacuna in the Act. Objection has also been taken to the discretion given to the Government, under the Act, to refer some demands to adjudication and to refuse to refer others. It is contended that, if some of the demands are frivolous or mischievous, they will be rejected summarily by the Court. The Government should not arrogate that function to itself. A petition on this point has been submitted to the Bombay High Court and a decision will set the seal on this controversy.

Fundamental Defect

The fundamental defect in the Bombay Industrial Relations Act, according to some critics, is that, when there is a representative union in an industry in a local area, none else, except that representative union, can appear or act in any proceedings before the Court, on behalf of any employee in the industry. A union which has a membership of 15 per cent. or more of the total number of employees in an industry can be registered as a representative union. Thus, 85 per cent. of the total number of employees in that industry are likely to go without representation. It would be next to impossible to get 100 per cent. membership in an industry for a union. Therefore, it would be right to declare that union which has a larger percentage of membership as the representative union. But, taking, for example, a case where the representative union has a membership of 30 per cent. and another which has a membership of 25 per cent. of the total number of employees in the industry, it is contended by the critics that, in such a case, an important section of organised labour is prevented from appearing and arguing its case before the Court. They submit that it should be open to the Court to hear any person concerned in the dispute or his representative, according to its discretion, in the interests of justice.

Objection is also taken to the power given to a representative union, provided it decides to make strikes its last resort, to refer a dispute for the arbitration of the Industrial Court under section 73A of the Act *at any time*. It is pointed out that this delightfully vague phrase, "at any time," allows such a union to refer a matter to arbitration, without first attempting to negotiate with the employer or requesting the assistance of the conciliator. This can, of course, be remedied by providing that "a reference can be made under this section after failing to arrive at a settlement in conciliation proceedings and before completion of the conciliation proceedings, i.e., before the report of the conciliation is published by the Provincial Government." This will safeguard the union from its justifiable fear that the employer might carry out the change, without its being held illegal under section 46(1) (iii), immediately after the completion of the conciliation proceedings.

Another Lacuna

Another lacuna noticed in the Act is that, when an employer, desiring a change in any industrial matter included in Schedule II to the Act, gives a notice of change, he has to go through all the procedure of negotiation, conciliation and arbitration, but it is nowhere stated in the Act that it is incumbent upon a party to give such a notice. So that, if an employer brings about a change, without giving a notice, there is no provision for declaring it as an illegal change.

So far, we have discussed the merits and demerits of these two Acts. The Government of India had proposed, in the year 1950, to enact a comprehensive piece of legislation for the investigation and settlement of labour disputes, namely, the Labour Relations Bill, 1950. But that Bill, which had been reported upon and amended by the Select Committee in December, 1950, appears to have been dropped, and a new measure is now under contemplation. The Minister for Labour, Government of India, has recently promised to bring up this new Bill in the ensuing session of Parliament.

Achievements of Industrial Courts

During the past six years, the Court of Industrial Arbitration and the Industrial Tribunals have served their purpose well, as will be seen from a brief survey of their achievements in this article. In the beginning of the year 1947, Sir Harshidbhai Divatia had expressed a fear that "the extension of compulsory arbitration in normal times may, in certain circumstances, lead to a breach of the industrial peace by mass strikes which defy the penalties of the law and paralyse the administration of law and order." The experience of the past six years has not justified this fear. One such attempt of a showdown by sympathetic mass strikes in public utility and other concerns was made in Bombay in the case of the strike in the cotton textile industry in August, 1950. But this attempt did not succeed in its objective and public opinion has not taken kindly to such irresponsible methods of coercing the Government to accept the demands of recalcitrant unions. The course, generally followed by a union, in case of an award which it considers as unfavourable, is to make the best of it during the period of its operation and to agitate for its termination thereafter, with a view to getting the demands referred again for arbitration. Both the employers and the unions have also freely made use of the privilege of appealing against the decisions of the Tribunals after the establishment of the Labour Appellate Tribunal which, by laying down precedents and guiding principles in labour matters, has brought much needed uniformity in the decisions of the Tribunals.

The protagonists of collective bargaining propound various strong arguments against the retention of compulsory arbitration in India. They say that arbitration weakens trade unionism and makes the unions litigation-minded and more dependent upon courts than on their organisational strength. This is, of course, true to a certain extent. And the ultimate ideal of every society, both in civil as well as labour disputes, should be that both parties to a dispute should arrive at a settlement without the intervention of a third party. But, until that desirable ideal is achieved in this imperfect world, the necessity of an impartial judiciary to decide such disputes, in the last instance, cannot be gainsaid.

It is also said that an imposed solution by an arbitrator leaves bitterness in the minds of the disputants, and is not conducive to continuous happy relations between the employer and the employed. There does not appear to be much force in this contention. An impartial decision of an arbitrator, given after weighing the pros and cons of a dispute, though it may not please one of the parties, will at least be respected by both, but a decision arrived at as a result of negotiations will always be resented by the party, who has had to accept it because of its weaker bargaining power, for the time being.

Another strong argument advanced to discredit compulsory arbitration is as sharp and tricky as the horns of a dilemma. It is pointed out that the workers are against arbitration, because they fear that the arbitrators who are men of conservative views cannot understand progressive demands of labour and that, on the other hand, employers accuse the arbitrators with being too radical in appeasing labour. This could hardly be called condemnation of the system of arbitration. At the most, it may be a reflection upon too conservative or too radical labour judges. If the State takes care to see that the judges of the labour judiciary, especially those of the highest Tribunal, are men of broad vision and progressive outlook who, in laying down principles and precedents, will not lay their finger on the letter of the law and thus mistake the trees for the wood, but will aim at doing substantial justice between the parties, there is no reason why arbitrators should not gain the confidence of both the parties.

Another important point to be borne in mind is that the next few years will be years of planned economy in India, when targets of production for each year will have to be kept in view. It is the duty of the State to see that the material resources and human power is used in production, to the maximum benefit of the nation. If the free forces of bargaining, with its necessary concomitants like strikes and lockouts, are let loose in the best *laissez faire* manner, even in concerns which are not considered as public utility services, they may lead to enormous wastage of manpower and materials and are more likely to bring chaotic retrogression instead of planned progress.

Until the workers are educated in real and steady trade unionism, which imposes duties as well as confers rights and until trade union leadership in India learns the essentially British virtues of responsibility and compromise, it would not be safe to discard the well-tried and well-navigated channels of arbitration for the comparatively uncharted seas of collective bargaining.

SUGAR

(Concluded from page 200)

the Government to accelerate the pace of movement of sugar from factories to the consuming centres as a guard against any shortages. Quick movement of sugar is, therefore, the real problem. Unless facilities for quick movement are ensured by the Government, temporary shortages in this or that part of the country are bound to occur. For, more releases of quota or sale by factories cannot remove shortages and bring down prices, unless the stocks are actually moved to consuming centres. Moreover, there is so much time lag between the sale of sugar by factories and despatch of the same to the consuming centres. There are many factories who have already sold most of the stocks released to them and it would not be before long that they would be able to complete despatches. Further, sale by such factories, especially in view of transport uncertainty and frequent booking restrictions on different routes, has no significance. For it is difficult for the factories to know, at this stage, which routes will be open to them later on for despatching their stocks. This uncertainty prevents further sales till stock already sold have moved at least partly. This, however, should not be misconstrued as withholding of stocks.

"The Committee, therefore, hope that the Government would take immediate steps to ensure quick despatch of sugar from sugar-producing centres to consuming centres. The Committee will, however, reassure the Government that factories will not be failing in co-operating with any step the Government may take to ensure even supply of sugar throughout the country."

It is thus evident that artificial scarcity of sugar and the consequent rise in its prices can be avoided by freer movement of the commodity from the producing areas to consuming centres. It is gratifying to note that the Standing Committee of the Central Board of Transport has decided to accelerate the movement of sugar. At its meeting held in New Delhi last week, the Committee agreed that the allotment of wagons for transport of sugar on both the Northern and other Railways should continue to be based on the programme prepared by the Food and Agriculture Ministry and which was adopted last month. An assurance was given by the railways that they would do their best to implement it.

Incidentally, the Committee reviewed the position in regard to sugar transport, in the light of the complaints about the lack of adequate wagon facilities. According to the Committee, the volume of traffic in sugar offered for carriage by the railways during the months of October and November, 1952, was much below that carried during the same months in 1951, the chief factor responsible being the reluctance, on the part

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
16,00,000	1,08,36,418	9,95,123	Allahabad Bank	347½	100	18‡	18‡	18‡	9i	12	Y.P.
14,50,000				173	50						
1,01,000				105	100						
23,99,000	11,73,500	2,21,655	Andhra Bank	52‡	50	5	6	6	3i	6.12	H.
1,00,00,000	1,28,00,000	2,14,790	Bank of Baroda	116	50	12‡	12‡	12‡	5i	12	Y.
50,00,000	10,00,000	7,107	Bank of Bikaner	20	25		3	3		12	Y.
2,48,86,250	3,49,76,065	5,60,616	Bank of India	156	50	14	14	14	6i	6.12	R.L.Y.
15,30,375	23,00,000	62,955	Bank of Indore	55	25	12‡	12‡	12‡		12	Y.
50,00,000	85,00,000	38,635	Bank of Mysore	290	100	16‡	16‡	16‡	8‡f	12	Y.
59,18,600	42,61,693	25,280	Bombay State Co-operative Bank	58‡	50	5‡	5	5		6	Y.P.T.
3,14,54,250	3,98,30,808	17,65,629	Canara Banking Corporation Ltd.	90xd	50	9‡	10‡	10‡		12	Y.P.
50,00,000	22,00,000	1,38,594	Central Bank of India	64‡	25	14	14	14	6i	12	R.L.Y.
1,00,00,000	1,00,00,000	10,48,196	Devkaran Nanjee Banking Co.	35	50	3	3	3½		12	Y.
1,25,00,000	15,20,000	65,220	Habib Bank (P)	88	20	6‡	10	20		12	Y.
50,00,000	1,00,000	3,806	Hindustan Commercial Bank	10‡	50	—	—	—		12	Y.
75,00,000	70,00,000	1,59,127	Hindustan Mercantile Bank	11	50	—	—	—		12	Y.
3,75,00,000			††Hyderabad State Bank	105N	100	5	6‡	6‡	5	9	Y.
1,87,50,000	6,35,00,000	46,40,590	Imperial Bank of India	1,850xd	500	14	16	16	8f	6.12	R.L.H.
23,95,961				461¼xd	125	14	16	16	8f	6.12	R.L.H.
15,00,000	70,00,000	92,545	Indian Bank	174	100	11‡	12‡	12‡		6.12	R.L.H.
14,00,000				127‡	75						
47,35,750	15,50,000	2,22,825	Indian Overseas Bank	92	50						
6,25,000				99cd	100	44‡	5‡	6		6.12	R.L.H.
2,50,000	6,30,411	9,265	Indo-Commercial Bank	83	100(A)	9	9	7½		6.12	H.
10,00,000				20‡	25(B)	9	9	7½			
50,00,000	12,65,000	1,21,370	Jaipur Bank	41	50(C)	6	6			12	Y.
4,55,266	30,61,350	60 357	Punjab and Sind Bank	18	50	3	3	3		12	Y.
87,50,000	87,50,000	5,33,829	Punjab National Bank	35	25	7½	7			6.12	Y.
1,00,00,000	15,50,000	1,49,583	Travancore Bank	24	25	6	4	4	3i	12	Y.
40,00,000	28,25,000	2,09,737	Union Bank of India	11‡	25	Nil	Nil	—		12	Y.
2,00,00,000	67,50,000	1,70,952	United Commercial Bank	6‡	5	6‡	6‡	6‡		12	Y.
				34‡	50	3‡	4	4		6.12	H.

PRINCIPAL EXCHANGE BANKS

£3,000,000	£4,000,000	£397,433	Chartered Bank of India, Australia and China	£11	£5	12	14	14	7i	12	R.L.Y.
£1,000,000	£800,000	£69,917	Eastern Bank	£5	£5	6†	6†	6†	2½i	12	R.L.Y.
H.K.$20,000,000	H.K.$96,000,000	H.K.$8,075,332	Hongkong and Shanghai Banking Corporation	$80	H.K. $125	5y*	5*	5*	2*i	12	Y.
£14,372,956											
£1,437,296	£16,000,000	£418,242	Lloyds Bank	£2 8 0	£1	12y†	12y†	12†	12‡	12	R.L.Y.
£375,000				£1 6-3		5y†	5†	5†	5‡	12	R.L.Y.
£375,000	£1,500,000	£200,130	Mercantile Bank of India	£20	A £12½						
£300,000				£19‡	B £12½	12y†	12†	12†	6i	12	R.L.Y.
				£10‡	C £5						
£2,281,250	£3,738,892	£318,652	National Bank of India	£28	£12½	16y†	16†	16†	8i	12	L.Y.

‡Includes Bonus. †Less Tax.
‡‡Subject to taxation.
(c) Paid-up Capital Increased.

(a) There are also Rs. 67,08,155 partly paid Ordinary Shares
††O.S. Currency
(i) Interim
(P) Pakistan Currency *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	5½	1st December and 1st June	Carew & Co.	97	1st June .. 1953(b)
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	90½	28th February .. 1960(f)
6,00,000	5½	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd	97¼	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	102½	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	91	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	103¼	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	92	1st November .. 1959-64
COTTON					
6,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	95	15th November .. 1956(a)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	99½	1st January .. 1967-72
13,68,000	5½		Jaykhree Textiles	78N	1st January .. 1956-59
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	95	31st March .. 1965
1,25 000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	101	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	100½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	92	31st December .. 1964
2,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101	1st January .. 1970
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	84	31st December .. 1970
15,00,000	5	1st January and 1st July	Sijua (Dherrade) Electric Supply Co., Ltd.	94	30th June .. 1976
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	97‡	 1957-6
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	95	 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	 1953-63
9,25,000	4½	1st April	South Madras Electric Supply	94	.. .. 57-61,53-4 56-61
49,23,000	4	1st April and 1st October	Tata Power	100‡	1940 15th September .. 1951-55(b)
1,00,00,000	4	1st April and 1st October	Tata Power	93‡	15th September .. 1965-70
ENGINEERING					
5,00,000	5	30th June and 31st December	Britannia Engineering	94‡	31st December .. 1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	95	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	100‡	1942 1st July .. 1957-62
£1,284,550	4	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	£79‡	1936 31st December .. 1966(§§)
10,00,000	4	31st May and 30th Novembe	Kumardhubi Engineering Works Ltd.	84‡	1946 31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	100‡	1950 1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	94	1950 31st December .. 1960
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	97	1939 31st March .. 1954
6,00,000	4½	30th June and 31st December	Alexandra	96	1939 30th June .. 1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	92	1945 31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	96	1940 30th June .. 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	90	1945 30th June .. 1960
10,00,000	5	31st January and 31st July	Hooghly	90	1949 31st July .. 1959(c)
12,00,000	5	30th June and 31st December	Chitavalsah Jute Mills	97	1951 30th June .. 1966
8,94,000	5	30th June and 31st December	Empire	97	1951 15th July .. 1966
25,00,000	3½	1st January and 1st July	Hukumchand	90	1947 30th June .. 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	98	1949 31st December .. 1964
25,00,000	5½	30th June and 31st December	Naihati	100	1952 31st March .. 1967
5,00,000	5½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	95N	1947 31st March .. 1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd	93	1939 14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	86	1945 31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	90	1943 30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	95	1950 5th September .. 1965
8,00 000	4½	14th March and 14th September	Sourash Jute	93	1937 14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	94	1937 30th June .. 1957(d)
10,00,000	3½	31st January and 31st July	Waverley	83	1925 31st July .. 1960(e)
RAILWAYS ; STEAMSHIP AND TRAMWAYS					
4,00,000	6	31st March and 30th September	Bankura Damodar River Railway Co., Ltd.	100N	1931 9th March .. 1961
4,00,000	3½	31st March and 10th September	Bankura Damodar River Railway Co.	99	1938 31st March .. 1953
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	84	1936 1st July .. 1956
2,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	98	1945 1st November ..
3,50,000	3½	31st March and 30th September	Burdwan-Cutwa Railway Co.	99	1938 31st March .. 1943–53
£350,000	4½	1st January and 1st July		£100N	1900 A 105% at any time on 6 months' notice or at par or every seventh year.
			Calcutta Tramways		1900
£226,500	5	1st April and 1st October		£102N	1933 1st October .. 1974
3,00,000	3½	30th September and 31st March	Kalighat-Falta Railway	98	1934 30th September .. 1953
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	89	1945 31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	£90*N	1906
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	96‡	1st September .. 1963
PLANTING					
4,80,000	5	1st January and 1st July	Blue Mountain Estates	100	 1945–55
4,68,500	5½	Half-yearly	Teekoy Rubber Estates	100‡	 1949–59
1,50,000	5	30th June and 31st December	Waterfalls Ltd.	101‡	 1945–55
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	102	1946 30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	99	1948 31st December .. 1965
27,60 000	4	1st April and 1st October	Associated Hotels of India	86	1948 31st December .. 1962
4 90,500	4½	30th June and 31st December	Bengal Paper Mills	94½	1937 30th June .. 1957(i)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	92	1915 1st February .. 1964
22 50,000	4½	1st July and 1st January	Clive Buildings	89	1936 1st July .. 1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	86	1946 31st December .. 1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	102	1950 1st January .. 1971
40,00,000	5	2nd January and 2nd July	Mettur Chemical Industries	97	1949 1964
39,87,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	435	1946 30th September .. 1976
45,00.000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	(per note) 410	1947 31st December .. 1972
75 00,000	5	1st April and 1st October	Macneill and Barry Ltd.	(per note) 94N	1951 1st April .. 1971
1 00,00,000	5½	31st March	Orient Paper Mills Ltd.	85½	1951 31st March .. 1961
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	80½	1946 31st December .. 1959

Note—See page 226 for explanation sto abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 5th February, 1953.

	Opening quotations	High	Low	Closing quotations
BANKS	Rs	Rs	Rs.	Rs
Bank of India (50)	155½	156	155	155
Bank of Baroda (50)	116			116
Central (25)	63½	65	63½	64½
Imperial (F.Pd.) (500)	1,735	1,800	1,735	1,812½
Imperial (P.Pd.) (125)	—			
Union Bank (5)	6‡	6‡	6⅜	6‡
United Com. (50)	34	34½	34	34½
COTTON MILLS				
Ahm. Adv. (100)	133½			133‡
Apollo (2)	2‡	2 11/16	2-9/16	2 11/16
Bombay Dyeing (250)	360½	373¼	360‡	369‡
Central India (100)	145	150	145	147‡
Century Mills (100)	248½	258½	248	252‡
Colaba (100)	72‡			72‡
Edward Textile (200)	223½	230	223‡	230
Elphinstone (50)	38‡			38‡
Finlay (100)	287	292	287	292
Gokak (100)	203	207	202‡	204‡
Ind. Untd. Defd. (1)	1-8‡	1-9‡	1 8‡	1‡
Ind. Untd. Ord. (10)	8‡	8‡	8 6‡	8‡
Indore Malwa (100)	86½	90	86½	88‡
Khatau (100)	162‡	168	162‡	168
Kohinoor (100)	272‡	285	272‡	283
Lakshmi (250)	57½			57‡
Madhusudhan (100)	81‡			81‡
B. R. Cotton Mills (100)	43‡	44‡	43‡	44‡
Minerva Mills (100)	91			91
Model Nagpur (250)	148‡	148‡	140	140
Morarji (100)	155‡	155‡	154	154
Mysore (50)	127‡			127‡
New City (100)	175			175
New Great (100)	153‡			153‡
Phoenix (100)	121‡	121‡	121‡	121‡
Podar Mills (100)	122‡	122‡	121‡	122‡
Sassoon Silk (10)	23‡	23‡	21‡	22‡
Sassoon Spg. (10)	23‡			23‡
Sholapur (1,000)				1,650
Simplex (50)	1,695	1,695	1,650	176
Swadeshi (100)	175	175‡	174‡	210
Swan (100)	231‡	242	231‡	397
Tata M I (25)	394	397	394	45‡
Vishnu (100)	44‡	46‡	44‡	158‡
Western India (1,000)	156‡	158‡	156‡	3,150
	3,150	—	—	
ELECTRIC COS.				
Ahmedabad (100)	113‡	115	113‡	114‡
Amalgamated (10)	10‡			10‡
Andhra Valley (1,000)	1,395	1,396‡	1,393‡	1,396‡
Bom. Sub-El. (100)	121‡	124‡	121‡	124‡
Surat (100)	118‡	119‡	118‡	119‡
Tata Hydro (100)	147	148‡	147	148‡
Tata Power (1,000)	1,482‡	1,492‡	1,482‡	1,491‡
INSURANCE COS.				
British India (10)	13⅜	13‡	13‡	13‡
Empire of India (100)	403‡	—	—	403‡
Ind. Mercantile (20	38‡	—	—	38‡
Jupiter (15)	7⅜	7‡	7⅜	7‡
New India (15)	40‡	41	40	40‡
Oriental (200)	5,710	6,000	5,710	6,000
Universa (10)	7‡	—	—	7‡
Vulcan (10)	11‡			11‡
STEAMER COS.				
Bom. Steam (25)	32	32‡	32	32‡
Scindia (15)	14‡	15‡	14-10‡	14‡
STEEL COS.				
Ind. Iron (10)	23-6‡	24⅜	23-6‡	24‡
Tata Steel Defd. (30)	1,701‡	1,735	1,701‡	1 725
Tata Steel Ord. (75)	298‡	305	298‡	303‡
MISCELLANEOUS				
Alcock Ashdown (100)	292‡	300	292‡	297‡
Associated Cts. (100)	167‡	170	167‡	169‡
Belapur Sugar (5)	216	219	215‡	218
Bom. Burmah (125)	365‡	371‡	362‡	370
Do. (New) (50)	140‡	140‡	140	140‡
Br. B. Petrol (4 sh.)	1-5‡	1-5‡	1-4‡	1-4‡
Br. I. Corpn. (5)	9-5‡	9-8‡	9-5‡	9‡
Indian Copper (2 sh.)	3-2‡	3‡	3-2‡	3-3‡
Ind. Inv. Tr. (100)	68‡	70‡	68‡	70‡
Port Canning (100)	24	24	22‡	22‡
Premier Con. (30)	82‡	85	82‡	84‡
Shivaspur (10)	53	55	53	54‡
Tata Chemicals (10	8⅛	9‡	8⅛	9‡
Tata Oil (25)	31	33‡	31‡	33
Walchand Ind. (100	144‡	145	144‡	145
W. I. Match (10C	215‡	220	215	220

GOVERNMENT SECURITIES	Rs	Gross Yield Earlier Redemption	Later Redemption	Rs
2½% 1954	98⅛	—	3 30	98⅛
2½% 1955	98‡	—	3 23	98‡
2½% 1961	90‡	—	3 91	90‡
2½% 1960	93⅛	—	3 83	93⅛
2½% 1962	91‡	—	3 91	91‡
2½% 1956	82‡	—	3 91	82‡
3 ½ 1953-55	100-0‡	2 92	3 89	100-0‡
3 ½ 1957	98‡	—	2 99	98‡
3 ½ 1958	98‡	—	3 40	98‡
3 ½ 1959-61	95⅛	3 76	3 36	96
3 ½ 1964	92⅛	—	3 88	92‡
3 ½ 1963-65	92⅛	3 91	3 88	92‡
3 ½ 1966-68	90⅛	3 95	3 78	90⅛
3 ½ 1970-75	86‡	4.11	3 85	86‡
3 ½ 1986 Con. Loan	83⅛	—	3 93	83⅛
3½% 1954-59*	100‡	3.37	3 61	100‡
4 ½ 1960-70	101‡	3 77	3 46	101‡
4½% 1955-60	103‡	3 11	3 89	103‡
4½% 1958-68*	105‡	3.30	4.01	105‡

BRITISH GOVERNMENT SECURITIES	29-1-53 £	High £	Low £	4 2-53 £
2½% Brit. Consols	59⅛	59⅛	58‡	58‡
3 ½ Savings Bonds 1965-75	83‡	83‡	83‡	83⅛
3 % War Loan 1955-59	100‡	100‡	100‡	100‡
3½% War Loan 1952	78‡	78‡	78‡	78‡
3½% Brit. Iron and Steel 1979-81	87‡	88⅛	87‡	88⅛
4 % Funding Loan 1960-90	99	99‡	99	99‡

Comments on the working of companies are based on such facts and figures as are available in the published reports and accounts of the companies concerned. We do not accept responsibility in respect of conclusions drawn from such sources, if the information supplied should prove to have been inadequate.

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COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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BATTLE FOR SOIL FERTILITY

A NATION'S soil, like a nation's traditions, deserves to be conserved and protected. Indeed, the task of soil conservation is no less difficult than the conservation of the best traditions in a nation's past. And yet, both tasks, in their different fields, demand the same qualities—cautious and co-operative endeavour and an ever-present awareness of the danger of loss through negligence. Over large tracts in this country, man's vandalism, practised against nature, has caused countless thousands to mourn the loss of soil fertility. Forests have been cut down, thereby rendering the surrounding soil less fertile than it was. Animals too have contributed to the destruction of soil fertility. Uncontrolled and unrestricted grazing by cattle and sheep has been the cause of the ruin of many a land in this world and India has been no exception to this. Again, nature's agents, wind and rain, have, in the absence of man's constructive efforts to utilise them, also inflicted serious damage on the country's soil. In his address, at the first annual session of the Soil Conservation Society of India held in New Delhi last week, Mr. C. D. Deshmukh, Union Finance Minister, gave a vivid description of the immensity of the erosion problem. Travel over any part of the peninsular India or the Himalayan foothills, he said, would leave on the mind an "indelible image of a virtually desolate landscape: brown, bare, serrated hills follow in an almost endless succession." He added: "It is an awesome, and in a sense dreadful, impression, as it brings in vivid relief the story of the misuse of our land over the ages." Soil erosion, unlike a locust pest or plant disease, is not an emergency in the agricultural sphere: it is a continuing, ever-present danger that must call forth sustained effort and constant vigilance. There is, in fact, no end to the battle for the retention of soil fertility. That is what makes the battle so important a part of agricultural strategy.

Soil erosion may be briefly defined as the loss of fertile soil through the lessening of the soil from the bed and the transportation of soil material from one place to another. The soil profile is made up of: (1) top or surface layer, the most productive part of the soil, (2) subsoil and (3) parent material. Wind and run-off water move the top soil to places where it can be of no use to the tiller and leave the original soil in a desolate state. When the top soil is removed, it is only the less productive sub-soil that is exposed for cultivation. Rainfall does not soak into such soil, because the eroded soil, which is low in organic matter, cannot absorb large quantities of water. This results in water wastage. Droughts may become more serious than it would otherwise be. The water table may be lowered, resulting in the drying up of springs and wells.

Generally speaking, there are three types of erosion. First, there is sheet erosion, which occurs on flat cultivated lands and on uncultivated lands which have no plant cover. It is estimated that in Sholapur District, for instance, about 133 tons of soil per acre are lost per annum through sheet erosion. Secondly, there is gully erosion. This occurs in lands adjoining river banks and channels, where the land is cut up into ravines for long distances. Gullied land, it was once estimated, amounts to 5,000 square miles in the U.P., the Punjab and the N.W.F.P. "Vast expanses of deep alluvial soil of exceptional productivity in Northern India," according to an eminent authority, "have been converted into useless ravines on which a few goats or undersized cows pick up a precarious living." Thirdly, there is the erosion caused by wind, confined mainly to the drier parts of the country, such as Rajasthan and East Punjab.

The main cause of erosion is man's misuse of land. He cuts down trees for use as fuel. The land then has no protective cover to break the force of falling rains which carry away large masses of sand and silt. To quote the Planning Commission:

"The most important cause of erosion is destruction of forests and other vegetation from sloping lands, desert margins and other areas susceptible to erosion. Vegetation acts as a protective cover against the forces of wind and water, protecting the soil from being washed or blown away and preserving the hydrographic balance of nature. . . . But, when the protective cover of forests is destroyed, this natural balance is disturbed. Rain-water flows down the slopes unimpeded, at great speed, and carries away with it large quantities of soil and other loose material. The hill slopes are denuded of valuable soil and lands in the foothill zone where this unassorted mass of sand and gravel is deposited are in turn rendered unproductive. Most of the water flows away during the rainy periods with the result that, on the one hand, floods are more frequent and, on the other, little water is available during the dry periods. Ground water supplies are also reduced as much less water is absorbed in the soil than before."

A study of the chief causes of soil erosion itself suggests the appropriate remedies which must be applied to correct it. Broadly speaking, the measures for controlling erosion are: (1) regulation of land use; (2) afforestation; (3) improvement of land use practices; and (4) engineering measures. As there is a large number of different uses to which given pieces of land can be put, it is necessary to lay down in advance that certain zones should be sacred to certain types of development of a mutually compatible nature and to sort out, in an intelligent and impartial manner, the rival claims, as they arise. Thus, land not suited for the production of cultivated crops, such as steep or eroded slopes, may be reserved for establishing woods. If the soil can support a good grass cover, the land may be used for permanent grass-legume pasture, provided the slopes are not too steep. Again, lands in highly erodable areas may be retired from cultivation and brought under forests or grazing. Secondly, afforestation must be carried out in a systematic manner. In areas where agriculture is not practical, as the informative pamphlet, *Soil Conservation in India*, issued by the Indian Council of Agricultural Research, points out, the most effective method of checking and overcoming soil erosion

planting of trees. It is in this context that the true significance of the *Vanamahotsava*, the Festival of Trees, can be appreciated. It would, however, be wrong to confine the main function of the *Vanamahotsava* to the planting of trees only. Actually, it has a wider significance; it means both planting of new trees and the protection of the older trees. Selective cutting may, however, be practised, since it means the elimination of defective trees, leaving more scope for the growth of other trees.

The third remedy is the improvement in land use practices. This includes contour-farming and strip-cropping on sloping lands, crop rotation, application of adequate manures and care of fallows. Contour farming, which means ploughing or cultivating lands *across* the slopes, is an effective method of controlling erosion, since the rows of cultivated crops serve as small ridges to break the speed of run-off water. On long slopes, contour strip cropping is adopted; the field is divided into strips varying in width according to the soil and slope, some crop in rows in one strip being followed by a close-growing crop in the next strip. A proper rotation of crops is also effective in preventing erosion. Thus, a two-year rotation of maize, wheat, with grass or legumes as an inter-crop, it is stated, is satisfactory for level land in temperate climates. Again, green manure, it has been found, is helpful in restoring fertility to top soil.

Finally, there is a large number of measures, comprehensively termed "engineering measures" because of the constructional devices they involve, which are effective in preventing soil erosion. Thus, the construction of bunds and terraces, check dams, channels for drainage of surplus water, and gully-plugging goes a long way in conserving the fertility of soil. The essential objective of these devices is, however, the same, namely, the checking of the force of the run-off water. Terraces, for instance, are low ridges of earth, constructed across a slope to break a long slope into a series of shorter ones; they are designed to reduce the volume and speed of the run-off water.

It is not as if these remedies are new; they have been known and practised before. Some soil conservation work, such as contour bunding and terracing in Bombay, afforestation and control of hill torrents in the Punjab and reclamation of ravine lands in the U.P., has been done in this country. The Five-year Plan has provided a sum of Rs. 2 crores for financing the expenditure connected with soil conservation; this will supplement the provision that already exists in the States' plans for this purpose. Nevertheless, much still remains to be done. The Planning Commission has wisely recommended the establishment of a chain of research and demonstration centres, each located in a selected area of extensive soil erosion. That the work, done so far, is only a fraction of what has still to be achieved is the factor which invests the Soil Conservation Society of India with a fresh significance. But this body has necessarily to work in close co-operation with the Central and State Governments, which, we hope, will not be denied. The lines on which the Society wishes to be helped in discharging its task will be evident from the following extract from the resolution adopted by it:

> "The Society urges upon all its members and delegates from the various States to help in making an assessment, qualitative and quantitative, of the erosion problem in their respective States by determining the magnitude of the areas affected by various types of erosion and outlining the steps for soil conservation work.
>
> "The Society feels it to be a matter of great urgency that more work should be done towards the standardisation of methods of survey and collection of basic data for planning soil conservation projects, such as run-off of water, silt discharge, rainfall intensity and river-discharge reading, so that an adequate system of basic data is built up for the purpose."

It would be gross over-simplification of the problem of soil conservation if one were to think that it was only the concern of Governments. Improvements in farming practices, as Mr. Deshmukh pointed out, "depend entirely upon the cultivators." It is, therefore, a human problem. Immediate gains have to be sacrificed in the interests of the larger long-term gains. Changes in age-old agricultural practices and restrictions on land use are difficult to implement. Farmers are essentially conservative; Indian farmers are particularly hide-bound by traditions. Imposition of the least restriction on the improvident practices adopted by the peasants is "objected to, opposed and made a grievance of." But soil conservation is too serious a matter to be given up for the sake of appeasing our ignorant and hostile peasantry. It would be gross injustice to the succeeding generations, if the present generation failed to do what it could to conserve the fertility of the Indian soil. Hence, the need for treating the whole issue on national lines, that is, on a non-party basis. Here is a challenge to the constructive genius of all political parties. And it is to be hoped that the programme of soil conservation will not, as one of the officials of the Government feared, end in "soil conversation," and that agricultural administrators, public-spirited men and political leaders, will all combine to win the battle for the retention of soil fertility.

PLYWOOD INDUSTRY

FOR nearly six years now, the Indian plywood industry has enjoyed protection. Although opinions may vary on the question whether the industry has justified the protection given to it, there is no doubt that there has been considerable improvement—both qualitative and quantitative—in the products which the industry turns out. Because the industry is vitally connected with an important export industry, namely, tea, for which it provides the chests for packing tea, it is essential that the industry's progress should be watched with particular care and attention.

Since plywood products thus participate in the export trade of the country, the industry should be regarded as an export industry in effect. It would be unwise to condone inefficiency, even on patriotic grounds, for tea packed in chests of doubtful quality will fetch a lower price than it deserves. And tea is not now so happily placed in world markets as to dispense with the need for good packing material. Dr. B. V. Narayanaswamy Naidu, Member, Tariff Commission, was therefore, quite right in prefacing his address, at the opening of the enquiry, this week, into the question of continuance of protection to the plywood industry, by a reference to the "indissoluble link" between the plywood and tea industries.

The production figures, which Dr. Naidu cited in his opening address, reflect much credit on the industry. In 1947, there were only 43 factories, with an annual rated capacity of about 60 million square feet or 3.4 million sets of tea chests. In 1952, the number of approved factories was 67, with a capacity of 145 million sq. feet or 8.2 million sets of tea chests. Besides these factories, there is, of course, a large number of small factories which produce plywood products and tea chests. The actual production of the industry, which was estimated at 28.55 million sq. feet or 1.6 million sets in 1947, is now placed at over 78.87 million sq. feet or 4.4 million sets; the latter set of figures refers to January-November period of 1952. There is no reliable estimate of the demand for plywood products. Nor is such an estimate easy to make, considering that the demand for these products will vary with tea crop position and the state of the export trade in this commodity. In 1950, the Tariff Board estimated the demand at 5 to 5½ million chests of the standard size (19" x 19" x 24"). Other estimates vary as widely as from 3½ to 9 million chests. The capital invested in the industry, which employs some 6,000 workers, is placed at Rs. 3 crores.

A look at the estimated capacity, production and demand figures shows that the industry should be able to supply practically all the tea chests needed by the country. But this overall position conceals several important features. Not all the industry's products have come up to the correct standards of quality. Dr. Naidu, for instance, said: "The general opinion of the consumers is that the quality of indigenous plywood tea chests has definitely improved since 1950, though it is not yet comparable to that of the imported product." He revealed that some producers have taken steps to improve the quality of their products by establishing laboratories for testing both the raw materials and the finished products. There is, however, still considerable scope for improvement in the quality of the industry's products, considering that some tea producers complain that "many parcels have been found on arrival at the gardens to be unfit for use."

The problem of improving the quality has to be viewed from two angles—the raw material angle and the angle of the actual manufacturing process. The proper selection of timber, as Dr. Otto Kraemer, U.N. Plywood Expert, who is now in India, pointed out recently, will go a long way towards improving the quality of tea chests. Dr. Naidu revealed that arrangements had been made to get supplies of about 30,000 tons of plywood logs from the North Andaman Islands. This ought to ease the supply position, though the Government will do well to implement, as a long-term solution, Dr. Kraemer's suggestion, namely, reafforestation of softwood species. The Tariff Commission would be doing a service to the industry, if it urged upon the Government the need for providing for domestic production with suitable timber supplies. Because the cost of timber forms 50 per cent. of the cost of tea chests, it is necessary to see that the producers get their timber supplies at reasonable prices. The other important raw material is casein. Domestic production of this commodity is 800 tons, as against the internal demand of 2,000 tons. But imported casein is available at reasonable prices and as such the supply of this material is not a big problem.

From the "manufacturing" angle, the serious limiting factor to any improvement in the quality of plywood products is the presence of many small factories which cannot possibly introduce modern machinery. The tariff protection goes only to buttress their inefficiency. In this respect also, the Commission may usefully examine the practicability of Dr. Kraemer's suggestion that the "smaller units should combine themselves and buy the necessary machinery and use them jointly." In any case, it would be wrong to perpetuate inefficiency in an industry which is so intimately connected with such a vital export commodity as tea. It is better to have fewer well-equipped factories than to have a multitude of tiny ones, equipped with poor machinery, dotted all over the country. It is true that the industry has saved the country a sizable amount of foreign exchange which would otherwise have to be spent on imported tea chests; the value of imports was Rs. 132 lakhs in 1949-50, Rs. 51 lakhs in 1950-51; Rs. 30 lakhs during April-September, 1952. But that cannot be regarded as a vital consideration to give protection to this industry.

A feature of protection to the plywood industry is that it is doubly protected against foreign competition. Thus, importers are required to produce evidence to show that they have placed orders with approved producers of tea chests in India for certain proportion of their requirements. This condition gives the plywood industry an additional support through the assurance of a market for a part of its production, apart from the 31½ per cent. *ad valorem* protective duty which it enjoys at present. There are several difficulties in the way of the continuance of this method of double protection. Dr. Naidu referred to one such difficulty when he said that tea gardens feel that they are "unable to block their funds in advance purchase of indigenous tea chests." If this system must be continued at all, then either the Government or the plywood industry should be able to extend credit to the tea gardens. In the absence of such an arrangement, it is not reasonable to expect the tea producers, already hard hit by depression, to lend their support to the scheme of double protection for the plywood industry.

MR. N. G. AYYANGAR

THE death of Mr. N. Gopalaswami Ayyangar, Minister for Defence, removes from our midst an able and conscientious administrator and a far-sighted statesman at a time when the country can scarcely afford such a loss. Trained in the Provincial Civil Service, in Madras, Mr. Ayyangar was conversant with all aspects of administration. But it was his service in the Kashmir State as its Dewan and his services as one of the chief architects of the Indian Constitution and as a valued member of the Central Cabinet in different capacities, as Minister without portfolio, Minister for Railways and Minister for Defence, that enabled a wider public to appreciate his capacity for hard work and his sterling character. It is seldom that a person combines a mastery of detail with vision. And Mr. Ayyangar had both these qualities in abundance. He brought to bear on all that he undertook a disinterested attitude of mind, free from prejudices and inhibitions of any kind whatever, so that he was held in high esteem in the country.

BULLISH FERVOUR SUBSIDES

SCANDAL IN SILVER MARKET—BRITISH MISSION TO WASHINGTON

THURSDAY, 5 P.M.

THE strong bullish fervour witnessed in all the markets last week has subsided. The upward trend in prices of shares, bullion and commodities has not only been checked but actually reversed. In shares at least this may be attributed to the usual pre-budget hesitancy; but the fact that the bullish tendency in bullion and commodities also has not been sustained is an indication that speculators have become a timid lot. Evidently, with the experience of last March still fresh in their minds, they are chary of extending their commitments unduly. They seem to be content with small profits and anxious to book them as early as possible. They apparently realise that the offtake of goods, whether cotton or cloth, or bullion or oilseeds or sugar, is poor, while the supplies are relatively large as compared with a year or two ago and that it will, therefore, be difficult for them to rig up the markets continuously.

MARKET GOSSIP

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Another possible reason for the failure of the bullish fervour to persist is the realisation that the possible effects of President Eisenhower's action in regard to Formosa on the world political situation had been exaggerated. The stalemate in Korea had persisted so long that the slightest change in it had appeared to be a major development. On calm reflection, political observers feel that deneutralisation of Formosa by the U.S. is only a pin-prick to Communist China and that it may not, therefore, lead to any dangerous flare up in the Far East. Further, the Russians are realists so that they will not easily allow themselves to be provoked into any major action by such minor incidents. If the Berlin airlift did not turn out to be the mortal danger that everyone then thought it was, the removal of the American naval force from the Formosan waters, shrewed political observers contend, is unlikely to be regarded by Russia as a major threat to its security. After all, Formosa contains only an ill-equipped army of 350,000 men, which is a negligible force as compared with the strength of the Chinese Communists in the mainland. Perhaps, Mr. Eisenhower's move was designed to maintain the morale of the American people and nothing more. Be that as it may, in so far as the city markets are concerned, it has proved to be a damp squib. True, the bears have not yet mustered enough courage to come back to the ring and challenge the bulls. But the bulls have chosen to be on their guard.

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In the Share Market, the closing days of the week saw hurried liquidation by the bulls. It is reported that some of the prominent operators decided to square up their recent purchases. It is feared in certain circles that, contrary to the general belief, the Finance Minister, in his search for more revenue and in his anxiety to appease the Leftist elements in the country, might not hesitate to increase the direct taxes also. One reason for this fear is the report, which has now gained wide currency, that the minimum limit of exemption for purposes of estate duty will be no more than Rs. 75,000. Bazar rumour has it that that is the wish of the Prime Minister and that, even though there may be others in the Cabinet who feel that it is too low a limit, his desire will be respected. Whereas this part of the story—rather rumour—has been the subject of conversation in market circles for the past few days, another part of it, namely, that the rate of duty on lower slabs will not be excessive, has, surprisingly enough, not received much attention. According to one version, the rate of duty will vary between just one per cent. at the lowest slab to 50 per cent. on the highest slab, which is believed to be Rs. 10 lakhs and over. Anyway, these are only rumours and it is to be hoped that what the Finance Minister announces on the last day of this month will not be so bad as the rumour-mongers want us to believe. We have no doubt that Mr. Deshmukh is still a realist and that he knows that the burden of direct taxation in the country has reached a stage at which it is detrimental to individual initiative and productivity without which there can be no economic development even under a system of "mixed economy" which this country has chosen to follow.

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The week under review is a notable one for the Bombay bullion market. It is notable not because of the wide fluctuations in prices but because of the attempts that are being made to break the inviolability of contracts, a grave offence in the futures markets in other parts of the world but generously condoned in this country. This is, of course, not the first occasion when such an attempt is being made. It is well known that the bullion market in Bombay is a law unto itself. But at some time or other, this sorry state of affairs must be ended. It is stated the Board of Directors of the Bullion Association has, in response to a request from some members, "unanimously" declared that a state of emergency exists in the market. It will be interesting to know whether the representatives of the Government of Bombay and the Reserve Bank of India were also present at this Board meeting and, if so, whether they supported this decision. In any case, a general body meeting of the Association is due to take place to consider the Directors' decision. It will not be surprising if its verdict is in favour of the Board's decision. Then, the matter will rest with the Bombay Government. It is, perhaps, not too much to hope that the Government will carefully examine the position in consultation with the Governors of the Reserve Bank.

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The issue to be considered by them is whether the position of the market has deteriorated to such an extent as to treat it as a state of emergency. Declaration of emergency will lead to vesting in the Board of the Association special powers, including the power to fix maximum and minimum prices and to direct squaring up of the outstanding contracts at arbitrarily fixed rates. By exercising these powers in season and out of season, the authorities will be protecting those speculators whose actions constitute the basic cause of the market's present malady. In so far as we can see, there is no emergency in the market. There have been no less than four occasions between May and December, 1952 when the price of silver has fluctuated so widely as to put into operation the automatic margin system. For instance, between 8th May and 11th June, there was a quick drop of about Rs. 23 per 100 tolas of silver but no state of emergency was declared. Similarly, between 25th November and 6th December, silver declined by Rs. 8 per 100 tolas, but this too was not regarded as a state of emergency. On all the four occasions in the latter half of 1952, the movement was against the bulls. This time, the trend of prices has been against the bears though the range of fluctuations has been relatively modest. Is that the reason why the present position of the market is regarded as an emergency? It must, however, be noted that there has been no default by the bulls; they have paid the margins and taken delivery of the bars tendered against the contract. In these circumstances, the plea for declaration of a state of emergency is not convincing at all.

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The second stage of the battle for convertibility of sterling will begin at Washington in the first week of March, 1953 when Mr. Eden, the British Foreign Secretary, and Mr. Butler, Chancellor of the Exchequer, are scheduled to visit the American capital and have "exploratory discussions" with the U.S. administration on the ways and means of expanding world trade and achieving world-wide convertibility of currencies. Both Mr. Eden and Mr. Butler will be leaving London on 27th February. The discussions are expected to open on 4th March, 1953, and will presumably be concluded on 7th March, that is, in four days. It is stated that discussions will be mostly of a general nature and that there is no possibility of any specified proposal being discussed in detail. Consequently, the British delegation will be a small one and will not include any large number of technical experts. In any case, the forthcoming Anglo-American economic discussions are not expected to result in any concrete agreement between the two countries. It will at best provide an opportunity for the British Government to place its views and suggestions on the subject of balance of payments between the dollar and the sterling areas before the new administration in the U.S. and to know the latter's mind on it. Before taking any firm decisions, Britain has promised to consult the West European countries and then the Commonwealth countries. As no meeting with the latter is scheduled to take place before the Coronation in June, it would appear that no final scheme for achieving convertibility of currencies is likely to emerge before the next autumn.

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There are some who wonder whether the forthcoming Anglo-American talks are well-timed, because they feel that the new administration has scarcely had sufficient time to grapple with the economic problems and formulate a definite long-term policy in regard to the issues facing the "free nations" in the old hemisphere. It is true that President Eisenhower's State of the Union message makes a reference to these issues but the reference is considered as no more than mere broad statements. Moreover, there is at present a clevage of opinion between the two countries in regard to the policy to be followed for dealing with the political situation in Asia and the Far East and, as such, the present time is hardly regarded as propitious for a discussion on economic problems for the solution of which substantial assistance from the U.S. is necessary. There are, however, others who feel that the forthcoming meeting is well-timed for two main reasons. In the first place, sterling is now in a much stronger position than in the past several months and the trend of dollar and gold reserves is upward. It has been shown that, during the second half of 1952, Britain has been able to attain balance with the U.S. on payments account without any external aid. These developments place the British delegation in a psychologically strong position to bargain with the U.S. Secondly, it is desirable, so it is argued by this school of thought, to let the U.S. administration know well in advance what is expected of it by the Commonwealth and West European countries to promote world trade and thus to try to influence its economic policy even while the Americans are still making up their minds.

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In the meanwhile, the O.E.E.C. (Continental) countries appear to be nursing a grievance against Britain. They feel that Britain is trying to keep aloof as far as possible in the arrangements for defence and for economic integration of Europe. The British Government has, of course, assured these countries maximum co-operation and assistance in all these matters. It has also told them that it has no desire to take any unilateral action in regard to the future of sterling; indeed, Mr. Butler has repeatedly stated that it would not be prudent to attempt at convertibility of the pound sterling without knowing in advance as to what the other countries with which Britain has close trade relationship would do. Nevertheless, the Continental countries' grouse is that Britain is not consulting them on the Commonwealth Plan for sterling before presenting it to the U.S. and that it is doing so, because it wants to get additional favours from the U.S. for itself and the Commonwealth to the exclusion of them (the Continental countries). The one country which has strong misgivings about Britain's action is France. This is, perhaps, the chief reason why Mr. Eden and Mr. Butler propose to have talks with the French Prime Minister before they leave for Washington. But the truth of the Continental countries' grouse against Britain seems to lie in the fact that they are not very keen about convertibility of their currencies, because their present economic position, especially of France is not as good as that of Britain. Some evidence of this attitude is provided by the insistence of the O.E.E.C. countries that Britain should relax its import restrictions, now that its foreign exchange reserves have improved, instead of experimenting in convertibility. They have been trying to impress upon Britain for some time now that "it is more important for Europe to earn sterling than to allow it to spend sterling where it wants."

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Was any cut-and-dried plan evolved at all by the Commonwealth Prime Ministers when they met in London in November last for establishing freer trade and currencies? Mr. Butler emphatically denied, in the course of his speech at the House of Commons debate on the Commonwealth Economic Conference last week, that any such plan existed. "Even if it did," he added, "we could not put it into effect, without the co-operation of other countries, particularly in Europe. This co-operation, we certainly intend to seek." In fact, Mr. Butler's speech did not contain anything new; it was more or less an elucidation of the lengthy joint communique issued by the Commonwealth Prime Ministers soon after their conference. But it was a vigorous exposition of the points emphasised in this communique. He reiterated Britain's determination to build up its economic strength and to set an example for others by taking appropriate measures to curb inflation and so obtain a stable balance of payments. He expressed satisfaction at the progress made by Britain so far in this direction and was confident that the sterling area could look forward to a period of stability. Nevertheless, he warned that the position of Britain (perhaps, that of most of the other Commonwealth countries also, in our view) was not so secure that it could afford to go in for any significant relaxations or afford to sit back and relax in any degree whatever. Explaining this point further he said: "We have very large overseas commitments—there is repayment of debt, release of sterling balances already agreed upon and often required in relation to development projects, investments abroad by our export industries so that they can expand in foreign markets, and so on. We took the realistic view that our external capital commitments have to be paid for in exactly the same way as our imports. So to enable us to do so, and continue to build up our reserves, we need a surplus on the current external account. It is a formidable task and the more the country realises this the better. It is a formidable task, requiring from British industry competitive prices and delivery dates. Without it, we shall not achieve the great expansion of exports which we must have. This task will be much more difficult, unless we can create the right conditions in the world for our exports—conditions of expanding trade."

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Mr. Butler then defined the kind of international action that will be necessary to create conditions suitable for expanding trade and convertibility of currencies. And what he said in this respect did not add anything new to his earlier observations on this subject. It is all summed up in his now familiar phrase, "trade—not aid." It is not, therefore, necessary to summarise what exactly he said. Suffice it to say that Mr. Butler seemed to be satisfied with President Eisenhower's reference, in his message to the Congress, to the part the creditor nations could play in freeing world trade from the present restrictions. Does this mean that the U.S. President sees eye to eye with Mr. Butler in the latter's approach to world economic problems and that the forthcoming British mission to Washington will be a success? It is hazardous to say "yes" with confidence. It is true that Mr. Eisenhower is in favour of revising the U.S. customs regulations, extending the reciprocal trade agreements, increasing the flow of investments from the dollar area to the rest of the world, and encouraging imports, especially of raw materials, from other parts of the world. It is also true that there is no difference whatever between him and Mr. Butler as regards the basic objective, namely, expanding world trade. Nevertheless, the doubt arises because one does not know how he would react to specific proposals that may be put forward to attain these objectives and to what extent he would be able to carry his party with him in all these matters. One thing, however, looks almost certain, if his remarks on fiscal policy have any meaning. And that is that the present American administration will not accept any suggestion which is likely to have even a mild inflationary effect on the U.S. economy or which will upset the stability of the U.S. dollar. It is needless to add that the demand for an increase in the dollar price of gold falls within this category.

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Mr. Butler, however, disclosed that Britain would do its best to increase investment in Commonwealth countries. He announced two

(Continued on page 275)

EQUITIES RECEDE ON BUDGET FEARS

ACTIVITY DWINDLES

(From Our Own Correspondents)

BOMBAY, *12th February*

THE flutter on the Stock Exchange witnessed last week proved to be a tame and short-lived affair. For sustained support was not forthcoming this week, even though there was no change in the international situation which had provided the main prop of the market a week ago. Activity, therefore, dwindled during the week under review and prices reacted. Although there was no marked recession in prices, they provided an anti-climax to what appeared at one time to develop into a boom.

The U.S. President's announcement to withdraw the Seventh Fleet from Formosan waters did not precipitate any crisis, but it indicated the possibilities of a flare up in Korea. Rumours of a possible U.S. naval blockade of China, the Chinese Prime Minister's pronouncement that, if the U.S. did not want to end war, China was prepared to fight to the last, and reports of exchange of fire between Chinese Communist patrol boats and Kuomintang sea guerillas near Macao, were all factors which could sustain the bullish fervour in a market which was easily vulnerable to mild provocations. But these factors seemed to have worried operators in Dalal Street not so much as fears about the Budget outlook. The operators were particularly concerned about the Estate Duty which would be levied if the Bill was passed at the forthcoming Budget session. Besides, the weakness of other commodity markets also affected their sentiment. Fresh buyers were, therefore, scared away in the face of selling by a prominent bull operator. Values, as a consequence, receded and finished at the lowest levels of the week in most counters.

Feeble rallies were noted in the steel section early in the week owing to support from Calcutta for Indian Irons, but these failed to hold their own in the face of general desire to square up positions. Tata Deferreds opened confidently at Rs. 1,735 and touched Rs. 1,742-8 on renewed buying support and bear covering, but this recovery was short-lived and the scrips receded to Rs. 1,721-4 on Saturday. Monday this week saw them slightly hardening to Rs. 1,738-12, but even this could not be sustained, as on speculative selling by prominent operators on apprehensions about the Budget, the scrips dropped to Rs. 1,705 at the close, thereby losing more than what was gained earlier. Investment enquiries for Tata Ordinaries took the shares at one time during the week to Rs. 308, from last week's closing of Rs. 303-8, only to drift lower to Rs. 302 at the close. After several weeks, Indian Irons crossed the Rs. 25-mark to touch Rs. 25-3¼ early in the week. Towards the close, however, they shed part of their gains and closed at Rs. 24-6¼.

The strong revival and brisk advance in the textile section noted sast week received a setback this week, despite the persistent encouraging news from the cloth market. Bombay Dyeings, after an initial gain from Rs. 369-6 to Rs. 371-4, finished lower at Rs. 361-14 with a loss of Rs. 7-8 over the week. Kohinoors dropped Rs. 3 on balance to Rs. 280. Central Indias shed Rs. 2-8 to Rs. 145 Century Rs. 3-12 to Rs. 248-8, Finlays Rs. 2 to Rs. 290 and Gokaks Rs. 4 to Rs. 200-8. Despite the lower dividends announced last week, New Greats were better by Re. 1-8 at Rs. 155 and New City maintained Rs. 175. Simplex, on the other hand, registered a loss of Re. 1-8 at Rs. 174-8 and Svadeshis as much as Rs. 5 at Rs. 234. Tatas were taken down from Rs. 45-12 to Rs. 44-8. India United Ordinaries shed As. 3 to Rs. 8-8 and Deferreds a fraction to Re. 1-8½.

Imperial Bank shares continued to be in favour in the banking section, although the pace of advance was slower than in the previous week. The Fully Paid shares advanced by Rs. 32-8 to stand at Rs. 1,845 and the Contributories by Rs. 3-12 to Rs. 457. Centrals (Old) gained a rupee to Rs. 65-8, while the New shares lost a fraction to Rs. 67-8. Barodas receded by Rs. 2 to Rs. 114 and Indias by Re. 1-8 to Rs. 153-8. United Commercials responded well to scattered enquiries with a rise of Re. 1 to Rs. 35-4.

Barring a further small gain in Orientals and New Indias, insurance shares ruled dull, but the undertone was steady and the volume of business was small. Orientals hardened by Rs. 10 to Rs. 6,010 and New Indias by As. 4 to Rs. 40-12. Jupiters were quiet at Rs. 7. Empire of Indias failed to enthuse operators despite the announcement of a dividend of Rs. 20 per cent. for the year ended 31st December, 1952, after a break of two years. The shares were stagnant at Rs. 403-12.

Select scrips in the public utility section continued to attract investment enquiries. Andhra Valleys rose by Rs. 8-12 to Rs. 1,405 and Tata Powers by Rs. 6-4 to Rs. 1,497-8. Ahmedabad Electrics (Old), after receding from Rs. 114-11 to Rs. 113-12, recovered to Rs. 114-1, but the new scrips were quiet at Rs. 111-14. Surat Electrics were done As. 10 lower at Rs. 118-12 and Tata Hydros softened to Rs. 148 from Rs. 148-4.

In the miscellaneous industrial section, Belapurs were conspicuous with a rise of Rs. 4-8 to Rs. 222-8, in the absence of sellers and short-covering. Walchandnagars staged a spurt from Rs. 145 to Rs. 156-4 on expectation of higher dividend. Associated Cements were a little quiet at Rs. 168-4, as against Rs. 169-8. Bombay Burmahs did not evoke any interest and, on offer, they declined by Rs. 6-4 to Rs. 363-12. B.I.Cs hardened by As. 3 to Rs. 9-11 due to proximity of dividend. Killick Industries were lower by Re. 1-4 at Rs. 142. National Rayons induced some support on reports of higher prices of art silk yarn and the shares put on Re. 1 to Rs. 70. Tata Oils gained As. 8 to Rs. 33-8, but Tata Chemicals shed As. 5 to Rs. 9. Wimcos improved by Re. 1-14 to Rs. 221-14.

In the transport group, Air-Indias changed hands lower at Rs. 83 as against Rs. 85 and Air-India Internationals at Rs. 98-8, as against Rs. 100. Scindias, after improving from Rs. 14-14 to Rs. 15-0½, drifted lower to Rs. 14-10½. Bombay Steams were held at Rs. 32-8. Premier Automobiles were firm at Rs. 46-8 on reports that the current year's working of the Company would show an improvement.

In the mining and engineering group, B.B. Petrols were a fraction lower at Re. 1-3-6, while Indian Coppers were a shade better at Rs. 3-4. Alcocks put on Rs. 2-8 to Rs. 300, but Shivrajpurs were held at Rs. 54-8. Tata Locomotives were in demand at Rs. 92. Premier Constructions were dull at Rs. 84-4.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, *11th February*

The Calcutta Stock Exchange experienced cheerful trading during the week under review, and, with enquiries broadening, impressive rises were recorded in almost all sections. The continuance of war fears coupled with reports that Chinese Nationalist troops had landed at Amoy in Southern China and that America was considering naval blockade of China was adequate incentive to attract more and more outside buying support to the market. Even then trading was cautious on pre-budget uncertainties. Consequently, the price increases were slow, and each stage of the upward movement carried with it a certain amount of stabilisation. The undertone was steady to firm despite profit-taking during the last two days.

The report that India's cloth exports were increasing and that if the rate of exports was maintained, the target of 1,000 million yards could be reached this year was a factor which helped operators to take a more hopeful view of the future, whether war fears materialised or not. The decision of the Assam Government to revise the Minimum Wages Act in order to meet the conflicting views of the tea industry and plantation labour about wages, bonus, food concession, dividends, etc., was cheerfully noted, while the announcement of the Government of India's decision to enquire into the cost and trade structure of the tea industry created disappointment in trade circles as it would mean delay in giving assistance to the industry which it badly needs.

Rise in the prices of jute goods was not impressive, but in sympathy with the general trend, jute shares also moved up. The maintenance of the improvement would, however, depend on an increase in the foreign demand for jute goods, and operators are anxiously awaiting the Budget speech of the Finance Minister in the hope that it would contain an announcement revising the export duties. Shares of mills having more hessian looms than sacking looms would appear to have received better attention, since mills could not be induced to sell sacking at the existing rates in view of their very uneconomic nature.

Latest Quotations

Bullion	Gold Ready (.999)	Rs.	89-13-0
	Gold Forward	,,	89-7-0
	Silver Ready (.996)	,,	165-9-0
	Silver Forward	,,	164-9-0
Cotton	Karnak Type 154	Rs.	1,900-0
	Vijay	,,	800-0
	Berar Jarilla (new)	,,	680-0
	Bengal *deshi* (new)	,,	470-0
Sugar	27.E	Rs.	28- 0-0
Jute	Raw Jute. Assam Bottoms per maund	Rs.	22- 0
	Hessians. (40" 10 ozs.)100Yds.	Rs.	43- 4
	Heavy Goods B. Twill, (per 100 bags) Ready	Rs.	93- 0
Tea	For Internal Consumption— per lb.		
	Medium Dooars Dust	Re.	1-7-6
	Best Assam C. T. C. Dust	,,	1-14-0
	For Export—		
	Clean Black Pekoe	Re.	1-7-6
	Clean C. B. Pekoe	Re.	1-0-0 to 1-0-6
	Medium Assam Pekoe	Re.	1-1-0
	Good Assam B. Pekoe	,,	1-15-0
Produce	Linseed Bold (Cwt.)	Rs	27-8-0
	Groundnuts (Kh.) (Cwt.)	,,	38-4-0
	Castor Seeds (Madras) (Cwt.)	,,	31-0-0

Textile shares were steady, but transactions were limited to the more popular counters. Thus Cawnpores were taken at Rs. 8-4, while Kesorams, after being higher at Rs. 17-14, eased to Rs. 17-10. Moderate attention was shown to Elgin Mills at Rs. 17-1, and Muir Mills maintained Rs. 215.

Transactions in the jute section were put through on a wider range of shares, and although the week's gains were substantial, they were partially erased on profit-taking during the last two days. From Rs. 19-7, Agarparas improved to Rs. 19-12 and after being lower at Rs. 19-8 closed better at Rs. 19-14. Deltas were, at one time, as high as Rs. 235, but closed lower at Rs. 233. Speculative Howrahs were pushed to Rs. 24 from Rs. 23-4, while Barnagores on balance lost one point to Rs. 159. Champadanys were better at Rs. 165-8, Indias at Rs. 129, and Budge Budges at Rs. 188.

Coals were wanted at increasing rates, and Bengals touched Rs. 529 from Rs. 522. Burrakurs maintained interest at the higher rate of Rs. 10-10 and Dhemo Mains advanced to Rs. 10-2 from Rs. 9-10. New Beerbhooms were an impressive feature for the rise to Rs. 21-8 from Rs. 19-8.

In the engineering section, greater attention to Indian Irons saw the rate rise steadily to Rs. 25-5 from Rs. 24-2, but owing to profit-taking, yesterday's closure was at Rs. 24-13. Jessops were traded at Rs. 22-7, Braithwaites receiving attention at Rs. 10-15 as against Rs. 10-12 earlier. Hooghly Dockings came to business at Rs. 68. Indian Galvanizings spurted to Rs. 14-6 from Rs. 13-8, and the new scrips to Rs. 14-6 from Rs. 13-14 following good buying. Texmacos invited attention at Rs. 4-6.

In the miscellaneous section, Sone Valleys were interesting counters, and rose to Rs. 6-13 from Rs. 6-8. Digwarrah Rubbers were counters of unusual activity and at Rs. 13-12 accounted for a rise by more than three points. Airways India were attracted to rise to Rs. 14-14 from Rs. 12-8 but the improvement could not be maintained in its entirety as the closure was at Rs. 14-8. B.I. Corporations were done at Rs. 9-12, and Rallis showed strength at Rs. 70. India Steamships were steady at Rs. 6-14, and Titaghur Papers advanced to Rs. 34-12 from Rs. 34-8. Metal Boxes changed hands at Rs. 20-5, Indian Coppers at Rs. 3-5, and Indian National Airways at Rs. 3-14.

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Madras Stock Exchange

MADRAS, *10th February*

The Madras Stock Exchange remained closed to-day, as a mark of respect to Mr. N. Gopalaswamy Ayyangar, Union Defence Minister, who passed away this morning. During the remaining sessions of the week, textile scrips came in for selective support, on encouraging export enquiries for cloth. Among planting shares, teas improved, on reported demand for the leaf from the U.K., while coffees and rubbers were slightly easy, in the absence of encouraging developments. Miscellaneous scrips were dull, while banks came in for some enquiry. As a result, the volume of business done was small and there was a sprinkling of losses as well as gains over the week.

Indian textiles seem to be slowly gaining ground in the overseas markets. This induced some support for textile shares and small gains were, as a result, noted in some selective scrips. Thus, Dhanalakshmis improved from Rs. 178 to Rs. 181. Radhakrishnas rallied Re. 1 to Rs. 135. Metturs were done at Rs. 182, as against Rs. 181. Cambodias and Travancore Rayons were fractionally better at Rs. 10-4 and Rs. 3-6, respectively. Maduras changed hands As. 12 higher at Rs. 34-8 *cum-div.* Balasubrahmania 'B's, however, declined by Rs.8 to Rs. 49 and Pankajas by Rs. 3 to Rs. 63. Rajalakshmis were marked down by Re. 1 to Rs. 72.

Teas were steady. Favourable advices from London regarding tea sales slightly hardened the sentiment of operators. Haileyburias shot up by As. 10 to Rs. 13 and Twyfords by As. 8 to Rs. 11. T.R. and Ts. (tea and rubber) were higher by As. 3 at Rs. 6-10. Neelamalais were better at Rs. 3-5. Devasholas were done at Rs. 14, as against Rs. 15 *cum-div.*

Rubbers lacked demand, on reported accumulation of rubber stocks. Malankaras declined by As. 8 to Rs. 91-8. Be Bes were lower by an anna and a half at Re. 1-14½ and Cochin Malabars by an anna at Rs. 6-2. But Rajagiris gained As. 3 to Rs. 9-12 and Pullangodes an anna to Rs. 2-6¼.

Coffee scrips fared no better. Nil. Neergundis and Puthuthotams were marked down by an anna each to Rs. 3-5 and Rs. 4-11, respectively. Coffee Lands were fractionally lower at Rs. 9-4. Shevroys, however, improved by an anna to Re. 1-5.

Miscellaneous scrips were colourless. Mettur Chemicals and Mysore Chemicals and Fertilisers registered a loss of an anna each to Rs. 4-6 and Rs. 7-15 respectively. Spencers were done at Rs. 15 *cum-div.* as against Rs. 15-2. The Company has declared a final dividend of 10 per cent. for the year ended 30th June, 1952, making a total of 15 per cent. for the year, as against 10 per cent. paid for the previous year. Mysore Tobacco moved up by As. 2 to Rs. 9-5.

Barring a few scrips, banks were unchanged. On rumours of issue of bonus shares, Imperial Bank Rs. 500 Paid-ups shot up by Rs. 50 to Rs. 1,780 and Rs. 125 Paid-ups by Rs. 8-12 to Rs. 425. Bank of Mysores were done at Rs. 289 *cum-div.*, as against Rs. 290. The Bank has maintained the dividend of 12 per cent. and a bonus of 4 per cent. per annum for the year ended 31st December, 1952.

NEWS IN BRIEF

THE Government of India has decided to drop the proposed project for setting up a joint Japanese-Indian iron and steel plant.

The production of coal in India during 1952 reached an all-time record of 36.2 million tons, as against an output of 34.3 million tons in 1951.

The total area irrigated in India from all sources is a little less than 50 million acres or roughly 18 per cent. of the area cultivated in a year.

Indian post offices during 1951-52 handled monetary transactions, such as money orders, National Savings Certificates, etc., amounting to over Rs. 765 crores.

The Government of India has released a further quantity of 106,000 tons of sugar from the factories out of the current (1952-53) season's production for sale in the open market. This brings the total quantity so far released to 141,000 tons.

The pilot Project for mining lignite in South Arcot District is expected to be put into operation next week. The machinery required for this Rs. 60-lakh project, lent by the Government of India will commence working as the necessary personnel is now available.

The road transport service operated by the Bombay State Road Transport Corporation has been declared by the Government of Bombay as a public utility service for purposes of the Industrial Disputes Act, 1947, for a further period of six months ending 5th August, 1953.

Indo-Ceylon trade reached a new record figure of Rs. 24.91 crores in 1952, an increase of 5.6 per cent. over 1951. Exports from India to Ceylon were of the value of Rs. 21.18 crores, representing a rise of Rs. 2.4 crores or 12.8 per cent. over 1951. Imports from Ceylon into India, however, declined from Rs. 4.81 crores to Rs. 3.73 crores.

Well over 1,326 lakh c.ft. of earthwork excavation has been done at Bhakra Project, Rajasthan, upto the month of January, 1953. About 14,000 workers were pressed into service to carry out the excavation work, bringing relief to the scarcity-stricken area of Bhakra and Hanumangarh in the Bikaner Division of Rajasthan.

The Government of India proposes to set up an expert committee to review the policy and working of the Central Purchase Organisation, with a view to improving its efficiency. The Committee will enquire into the execution of the Government's stores purchase policy in relation to the assistance given to small-scale and cottage industries.

A consignment of compressed carbon black was received in Calcutta from the U.S. for use in the Dunlop factory. Carbon black consignments were hitherto packed in 50 lbs. paper or fabric bags, but shippers in the U.S. are now compressing this material and putting it into cardboard boxes. This new method of packing minimises the risk of damage in handling and saves on freight costs.

The Government of the Federation of Malaya has decided to settle Indian labour in Malaya on the land. A beginning will be made by starting immediately two pilot schemes, under which State and Estate lands will be made available to Indian labour. This decision of the Government of Malaya has been welcomed by the Government of India and is in accordance with the policy announced by General Templer, the British High Commissioner in Malaya, in November last year.

The Government of India has made a grant of Rs. 9.45 lakhs to the Orissa Textile Mills, Ltd., Chewdwar, Cuttack District, under the subsidised Industrial Housing Scheme, 1952-53, for building 560 single-storey one-room tenements. The cost of construction, accepted for sanctioning the subsidy and loan, at Rs. 2,700 per tenement, is Rs. 15,12.000. The subsidy, calculated at 25 per cent. of the cost, is Rs. 3,78,000 and the loan, at 37½ per cent., is Rs. 5,67,000. The mill has to execute an agreement and submit a monthly progress report.

The Government of Assam has relieved the tea gardens in Assam from the statutory obligation of supplying foodgrains at concessional rates to labourers with effect from the 10th inst. It has, on the other hand, increased the dearness allowance payable to labourers by one anna to two annas per head per day. The management will, however, supply foodstuff at controlled rates. No dividend will be declared and no commission will be paid by the tea companies owning these estates so long as the above rates remain in force.

The Advisory Committee on minimum wages appointed by the West Bengal Government has, it is stated, recommended that an increase of As. 2½ in the daily wages of labourers in Terai and Dooars tea gardens might be granted, but the existing food subsidy should be withdrawn. If the recommendations are approved by the Government, the daily wage rate will be raised from Re. 1-3 to Re. 1-5½ per labourer. But there will be a saving in the cost of foodgrains supplied to workers, as the latter will now be charged Rs. 15 per maund, instead of Rs. 5 per maund of foodgrains.

In view of the numerous complaints received in regard to difficult travel conditions and inadequate amenities for passengers on the ex-Assam Railway portion of the North-Eastern Railway, the Government of India has decided to appoint a committee of senior railway officers to study closely the travel conditions and passenger amenities on the ex-Assam Railway portion of the North-Eastern Railway, and to make recommendations with a view to bringing those up to the standard on other metre-gauge systems. The Committee will begin to function shortly and it is expected to submit its report in about a month's time.

The personnel and labour officers of the Tata group of concerns throughout India met at a three-day Conference in Bombay this week under the chairmanship of Mr. M. R. Masani. The Conference, which is the first of its kind, discussed a wide range of subjects, such as joint consultation, works committees, welfare, labour legislation, training and industrial health. The Conference invited, for an exchange of viewpoints, trade union spokesmen, belonging to the I.N.T.U.C. and the *Hind Mazdoor Sabha*, on the one hand, and managers of the local Tata factories, on the other.

The Government of India has sanctioned a grant of Rs. 91,080 to the Orissa Cement Ltd. for building 64 double-storeyed one-room tenements near their factory at Rajgangapur in Orissa State. The grant is made under the subsidised Industrial Housing Scheme, 1952-53. The total cost of construction, excluding the price of land, accepted for making the grant, is Rs. 1,45,728 at the rate of Rs. 2,277 per tenement. The subsidy, calculated at 25 per cent. of this figure, is Rs. 36,432 and the loan, at 37½ per cent., is Rs. 54,648. The grant is subject to the execution of an agreement by the Company. A monthly progress report has to be submitted by the Company to the Government.

The Eighth Annual Meeting and Thirteenth Ordinary Meeting of the Indian Central Tobacco Committee will be held in Madras on 19th inst., under the chairmanship of Mr. K. R. Damle, I.C.S., Additional Secretary, Central Ministry of Food and Agriculture. The meeting will consider progress reports and the programme of work of its various research, development and marketing schemes, and also several important proposals concerning tobacco cultivation and trade. A special meeting will also be held on the same day to amend the rules of the Committee to provide for the election of consumers' representatives by both the Houses of Parliament. Representatives of the Central and State Governments, besides those of growers and traders, will attend the meeting.

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From Abroad

The U.S. Department of Commerce has announced the relaxation of export controls on more than 50 commodities. This action to relax controls has been taken in line with the policy of easing controls as supplies improve.

Wage controls in the U.S. were withdrawn with effect from the 6th inst. under an order issued by President Eisenhower. The President also issued a series of orders under which all price controls will be removed in the coming weeks.

West Germany's industrial production in 1952 increased by 42.5 per cent. over the 1936 level and 7 per cent. over the 1951 level. Some industries more than doubled their pre-war output, but others did not reach even the pre-war level.

The International Wheat Council has announced that importing nations may buy their full quotas this year under the International Wheat Agreement, as Australia is now able to supply 85 million bushels of wheat for the current crop year.

The U.S. Government has revoked all controls over the use, sale, shipment and accumulation of tin, as the supply of tin contracted for and otherwise obtainable in world markets for use in the U.S. now is sufficient to balance against demands, both Government and civilian.

The world output of rubber for the first 11 months of 1952 amounted to 1,602,500 tons, which represented a decline of 7.4 per cent. from the 1951 production rate. The U.S. imported during the 11-month period of 1952, 727,849 tons, as compared with 689,235 tons in 1951.

World food supplies are now at record high levels, according to the U.S. Agricultural Department. Supplies are, nevertheless, not large enough to feed the world's population on the same scale as before World War II, because the population has increased by 13 per cent., as compared with a rise of 9 per cent. in food production.

World production of centrifugal cane and beet sugar during 1952-53 is expected to amount to 36.70 million short tons, or a decline of 4 per cent. from the record output of 38.17 million tons in 1951-52. The production of non-centrifugal sugar is expected to aggregate 6.66 million short tons in 1952-53, as compared with 6.60 million tons in 1951-52.

The Burmese Government opened this week talks for the allocation and price settlement of its exportable rice for the first half of this year. It is expected to announce its allocations to Japan, Indonesia, India, Okinawa, Ceylon and European countries. The latest estimate of Burmese rice crop shows that there will be an exportable surplus of 1.7 million tons.

Aerial spraying by countries of the Middle East and Asia for a period of five years more will virtually eliminate the locust pest in those areas, according to entomologists in Washington. The campaign against locust pest was initiated by Iran in 1951 with the co-operation of the U.S. Government and was extended last year to all the Middle East countries, India and Pakistan.

(Continued in next column)

PERSONAL

COLONEL Sir Alfred L. Mowat, Bart., Chairman, the English Card Clothing Co., Ltd., is on a visit to Bombay.

Mr. C. Ramasubban has been appointed an *Ad Hoc* Member of the Tariff Commission. He is expected to assume charge on Monday, the 16th inst.

Mr. Chimanlal B. Parekh of Messrs. C. Parekh & Co., Bombay, has been elected Vice-President of the Indian Merchants' Chamber, Bombay, for the year 1953.

Mr. P. J. Rodgers, Chief Engineer, Overseas Communications Service, has returned to India after a study tour of the U.K. and the U.S.A. on a U.N. fellowship.

Mr. Paul G. Hoffman, President of the Ford Foundation, has resigned his post to return to the automobile firm, Studebaker Corporation, as Chairman of its Board.

Mr. John D. Rockefeller III, Chairman of the Rockefeller Foundation, has commenced a two-month tour of Japan and South Asia to survey economic and social conditions.

Sir Douglas Copland, the noted economist of Australia, lately Vice-Chancellor of the National University, and now Australian High Commissioner-designate to Canada, will arrive in Bombay on Monday, the 16th inst. at 6 p.m.

Mr. H. Rowan Gaither, Jr., a lawyer of San Francisco has been appointed acting President of the Ford Foundation. He will direct the administration work of the Foundation until the trustees elect a successor to Mr. P. G. Hoffman.

Mr. C. C. Desai, Secretary, Works, Housing and Supply Ministry, Government of India, whose appointment as High Commissioner for India in Ceylon was officially announced last week, is expected to assume charge at Colombo early in March.

(Concluded from previous column)

The Factory Department of Britain's Ministry of Labour and National Service will organise a four-month course for four factory inspectors from India, who will arrive in the U.K. on 20th February, under the Technical Co-operation Scheme of the Colombo Plan. The course will cover factory inspection, administration of the Factories Act, a study of the theory and practice of safety training, etc.

Justice William O'Douglas of the Supreme Court of the U.S. has sent to the Prime Minister of India the $1,000 Sidney Hillman Award, as a gift to help advancement of labour in India. The Award, made annually by the Congress of Industrial Organisations of Clothing Workers for outstanding public service, was presented to Mr. Douglas in December last by the Sidney Hillman Foundation.

The Government of Ceylon intends to bring about gradually the domination of Ceylon's foreign trade by Ceylonese. Announcing this, at a party meeting last week-end, the Island's Minister for Trade and Commerce, complained that foreign-owned banks—mainly British—were inclined to assist only foreign big business in Ceylon. As an answer to this, he suggested that Ceylonese should withdraw their investments from foreign-owned banks and reinvest them in Ceylonese-owned banks. He, however, added that it was not the Government's intention to wipe out foreign-owned big business in Ceylon.

"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *11th February*

Stores Purchase

The system of purchase of stores by rupee tenders in India has, for the past few years, been persistently urged upon the Government of India by the Central Legislature. It is, therefore, of interest to learn from New Delhi that an important stage in the development of the rupee purchase policy has been reached by the Government of India's decision to establish, in India, a branch of the firm of consulting engineers to the High Commissioner. This decision has obtained the approval of the Standing Finance Committee of the Legislative Assembly, which has sanctioned nearly one lakh of rupees as an annual expenditure for a period of three years. It was explained to the Committee that considerable progress has been made in the direction of local purchase by the Indian Stores Department, which can be used by purchasing organisations in respect of many classes of goods, at least those commonly obtainable in India. Market difficulties, however, still exist in respect of large purchases of goods of foreign manufacture, such as plant and machinery for railway administrations. The Indian Stores Department and other organisations in India through which local stores purchases are affected are lacking in facilities for expert advice and do not possess the organisation which will enable the railways to ascertain the status and capacity of tendering firms in England and in Europe. Standardisation of railway equipment and material, which is now an imperative necessity, and for which the Indian railway system has greater facilities than any in the world, can only reach its greatest development, if it is carried out.

This Week's Survey



LABOUR MINISTERS' CONFERENCE

IT is doubtful whether the State Labour Ministers' Conference held at New Delhi last week, under the chairmanship of Mr. V. V. Giri, Union Labour Minister, could be pronounced an unqualified success, if the Conference was convened, as it ostensibly was, to discuss the "Giri approach" to labour problems. In essence, this approach lays emphasis on voluntary settlement of labour disputes in non-public utility concerns. Although it also envisages the reference of particular disputes to a tribunal by State Governments, it restricts the exercise of this right to an emergency and also makes prior consultation with the Central Government necessary before a reference is made. It is not clear whether these basic principles of this approach were accepted in full. It is true that the State Governments are reported to have agreed that adjudication should be the exception rather than the rule in non-public utility services. But report has it that they agreed to it only on the condition that the "discretion of the State Governments in the matter remained unfettered." This qualifying clause seems to take away the whole essence of the "Giri approach," for, if the State Governments cannot bring themselves to surrender their discretion in the matter of adjudication to the Centre, it is only reasonable to expect that there will be confusion in the States' labour policies, through some States following the "Giri approach," and some others, not doing so. Already, there is enough confusion arising from the lack of uniformity in labour awards by tribunals. The position would be rendered worse through the operation of another disintegrating influence, namely, the lack of uniformity in the observance of the "Giri approach" to labour questions. Surely, this is not what Mr. Giri could have bargained for. We shall, of course, be happy to be proved incorrect in our reading of the Conference's decisions. But then, all available evidence points to the conclusion that the State Governments are unwilling to give up their powers of control over both wings of industry, which the acceptance of the Giri ideology would imply.

There was, however, general agreement at the Conference on the various stages of settlement such as service of notice of change, collective bargaining with or without assistance of a conciliation officer, conciliation through a Conciliation Board and voluntary arbitration or compulsory adjudication. Some State Governments considered conciliation boards unnecessary and ineffective, while some others wanted labour courts for settling minor disputes.

The question of settlement of disputes in public utility concerns such as transport and electrical undertakings, is treated on a different footing because any dispute in this sector affects community interests more directly. Small wonder, therefore, that the Conference decided that compulsory adjudication should be resorted to in the settlement of disputes in these concerns. Perhaps, the success of the "Giri approach" in non-public utility concerns might ultimately pave the way for its adoption even in public utility concerns.

The recognition by the State Ministers that there should be a Central Act, with power for the State Governments to enact such supplementary legislation as were required to suit local conditions, is a step in the right direction. For Central legislation will provide a uniform standard of code for the whole of India. State Governments also agreed to a gradual repeal or adjustment of the existing laws in their States. As regards the scope of legislation, the general consensus of opinion was that the law should not apply to agriculture. This is a welcome decision for the labour problems of agriculture are different from those of industry as, for instance, the seasonal character of employment and the difficulties in the way of enforcement of legislation for the unemployed agricultural labour. Moreover, the relationship between employers and employees in agriculture is not so serious a problem as in industries. It is, however, not clear why small industrial undertakings are also sought to be exempted from the scope of legislation. Perhaps, one reason is that there are difficulties in the administration of the law in respect of smaller establishments. It was felt that commercial establishments like banks, insurance companies, etc., should be covered by the proposed labour legislation and that banks should be treated as public utility concerns. The decision to declare banks as public utility concerns is a sound one, but not the one to include them in an omnibus labour legislation. Banks are credit institutions and as such are not strictly comparable with ordinary industrial and commercial undertakings. It is to be hoped that at least a different set of sections will be introduced in the proposed legislation which will govern the workers in banks, taking note of the distinguishing features of these institutions.

There was a large volume of opinion in favour of prohibition of strikes and lockouts during the period of notice of change, conciliation, arbitration and adjudication, as well as during the operation of collective agreements and awards. Some Governments were of the view that strikes and lockouts should be banned not only in public utility undertakings but in others as well, during procedural stages.

So far as change in the conditions of serivce, discharges and dismissals during pendency of proceedings, the principle of restricting the protection only to specified categories of trade union officers was accepted. As otherwise, it is clear, it would help unscrupulous trade union leaders to take advantage of the protection granted by the law and to foment more trouble. It was also decided that the employer should be competent to keep a worker off work temporarily on payment of a month's wage, subject to his applying forthwith to the tribunal or other authority for permission to discharge him.

The consensus of opinion among Labour Ministers was that there should be only one representative union for each unit of industry, which could serve as a bargaining agent. Surely, collective bargaining can derive reality only through the organised strength of workers through a single bargaining agent over as large an area of industry as possible. There was some difference of opinion as to the best method of selecting the most representative union. The method of secret ballot did not find much favour. It was felt that selection should be made on the basis of fully-paid membership in good standing of at least three to six months.

E.C.A.F.E. SESSION

Dr. Raden Wilopo, Prime Minister of Indonesia, stated the truth without any exaggeration when he said in his address last week at the ninth session of the Economic Commission for Asia and the Far East (E.C.A.F.E.) at Bandoeng, that the economic problems of this region were very complex. He explained that it was no longer a question of combating inflation and maintaining stable relations. It is true that these were the urgent problems in the immediate post-war period. But now, the Asian countries are faced with a more challenging problem, the problem of effecting the "necessary changes in their economic structure."

The E.C.A.F.E. countries—and in fact all the countries of this region—are fully seized of the importance of making the "necessary changes" in the economic sphere. But the path to progress is difficult, even where it is clear. For instance, although it is well known that economic progress involves savings—large-scale savings—and bold investment, it has not been possible for the region to provide the necessary savings. And there is the danger that available savings might be frittered away in unprofitable ventures. From this point of view, the warning which the British delegate, Sir John Sterndale Bennet, gave the session may sound a wholesome one. Stating that a big economic difficulty in the area was not under-spending but over-spending, he argued that any programme which did not help increase output in the next two years should be cut down. But to us it looks as though Sir John was trying to be excessively cautious in his understandable anxiety to prevent reckless expenditure. There are vital programmes, such as the need for opening up communications, providing irrigation for agriculture, power and capital goods for industrialising this area, all of which would mean large-scale investment with no immediate prospects of a large return. But surely, it would be wrong to suggest that these programmes ought to be cut down, because they would not yield sizable returns in a short period. He was, however, correct when he recommended restriction of consumption and cutting down of expenditure on unproductive social welfare schemes, in order to leave more money for capital expenditure.

Mr. D. P. Karmarkar, who represented India at the E.C.A.F.E. session, recognised that economic development "could not be speeded up without a much greater level of investment than now." As internal capital resources in this region are strictly limited, achievements, so far, have not been impressive. From this point of view, it is heartening to note that the U.S.—a country which has rendered generous aid to an ailing Europe in the post-war years—is alive to the pressing needs of the underdeveloped areas. Speaking for the U.S. Government, Mr. Merrill Gay, the chief American delegate, promised that the advancement of underdeveloped countries would remain an important part of the U.S. foreign policy. He pointed out how his Government had made it a matter of fixed policy to give full consideration to the economic development needs of E.C.A.F.E. countries.

The E.C.A.F.E. countries face two different sets of problems. In the first place, they have to make up the leeway of several decades of economic stagnation through rapid industrialisation and scientific agriculture. Secondly, they have to arm themselves against the recurrence of the kind of recession which they witnessed after the collapse of the Korean boom. The collapse has caused, as the Survey of the economic conditions of the Asian countries by the E.C.A.F.E. points out, much serious damage to the economy of this region. The Survey says that, although industrial expansion made headway last year, the unfavourable changes in international trade are having a retarding effect. Thus, production continued to increase, although *per capita* volume remained below the pre-war level. Even food production, according to the Survey, was higher in 1951-52 than in the previous year. Raw material production expanded and industrial production benefited from the supply of new equipment. But the advance was uneven, and there are now signs of a slowing down in India and Japan. The drop in export prices made deep inroads into export earnings. The result is that, although domestic supplies expanded—thanks to the increase in production by domestic industries—the buying power failed to keep pace with the increase in home supplies. As the Survey significantly remarks, "the region's productive effort for export now gives a much lower return in terms of imported goods and services than the same effort gave a year or two ago." Governmental revenues have also shown a tendency to fall faster than could be made up by counter-measures, such as tapping new sources of revenue and cutting down expenditure. A general turn towards deflation, according to the Survey, is noticeable in most of the Asian countries.

The E.C.A.F.E. plays a notable role by assisting its member-countries to keep the chief economic problems under constant scrutiny. That it is not getting lost in economic discussion of a purely general character is evident from the fact that in the meetings of the ad hoc sub-committees many specific questions are examined in great detail. The annual session this year, for instance, was preceded by a conference of four of E.C.A.F.E's sub-committees which deal with: (1) railways, (2) inland waterways, (3) inland transport, and (4) industry and trade. Addressing the sessions of the E.C.A.F.E's sub-committee on railways and inland waterways, Dr. P. S. Lokanathan, the E.C.A.F.E's energetic executive secretary, drew attention to the scarcity of international rail connections in the region. The E.C.A.F.E. and the U.N. Technical Assistance Administration have decided to establish a railway training centre at Lahore, which, it is stated, will start functioning from 15th August next. Other questions, which were discussed at the meeting of the sub-committees, included pilot project on improved design and operation of craft vessels, use of firewood in locomotives, and standardisation of signalling methods. There is no doubt that the region will gain through closer contact and the exchange of technical information which comes through that contact, though significant improvements in any sphere of economic activity must depend on the efforts made by the countries themselves.

CULTIVATION OF RICE

The innumerable requests for fuller information on Japanese methods of growing rice in India, received by the Union Ministry of Agriculture, is an encouraging sign that the countryside is awakening to the need for adopting modern methods of agriculture. In arousing this universal interest, which has been conspicuous by its absence all these years, not a little credit goes to the crop competitions held by the Central Government in order to encourage sound agricultural practices calculated to raise the yield per acre. The popularity of these competitions is indicated by the rapid rise in the number of farmers who took part in them. In 1950-51, as many as 83,833 competitors participated, with some 47,327 acres. In the following year, the number of competing farmers shot up to 190,930 with 102,283 acres. Farmers from only 15 States took part in these competitions and it is hoped that all the States would enter the list in the coming year. It must, however, be noted that the significance of these competitions lies not so much in the number as in the performance of the winners, who were awarded "Krishi Pandit" certificates. These winners have taught their confreres the immense possibilities of increasing the per-acre yield of agricultural crops. The "Krishi Pandit" in potatoes was able to obtain as high as 735.24 maunds per acre, as against the country's average of 75.42 maunds. Similarly, the "Krishi Pandit" in wheat proved that a yield of 72.23 maunds per acre could be raised, as against the average of 6.76 maunds. Efforts in other crops revealed that the yield of gram per acre could be raised by intensive cultivation from 5.14 maunds to 46.2 maunds and of paddy from 7.66 maunds to 136.5 maunds. The difference between the average and the actual yield obtained by "Krishi Pandits" ranges from 9 to 18 times and this will give one an idea of the immense possibilities of expanding agricultural production in India.

This experience should augur well for the decision of the Government of India to launch a nation-wide campaign for a fortnight for carrying on propaganda for the Japanese methods of rice cultivation. The campaign is to commence on 15th March next and is expected to cover about 2.25 lakh villages. Literature explaining when manures are applied to lands under paddy cultivation, how the seed-bed should be prepared, the quantity and time of irrigation, time for transplanting and the cultural practices to be followed after transplantation and before harvesting, is, we learn, under preparation and will shortly be made available to cultivators in villages, so that they may adopt the methods in the coming *kharif* season. The State Governments have been requested to select 10 workers in each district and entrust 10 villages to each of them. In this way, it is hoped to cover about 250 districts in the first drive.

The aforesaid campaign is an ambitious one and its success will depend on how the workers carry on the publicity work for the Japanese method of rice cultivation. If they approach the villagers in the right spirit, they may not find it difficult to impress upon them as to what they should do. For, after all, there is nothing spectacular or mysterious about the Japanese method, as has been pointed out recently by Dr. Punjabrao Deshmukh, the Union Minister for Agriculture. What the system needs is intensive cultivation, that is, timely ploughing of the land, careful preparation of seed-beds with abundant manuring, removal of weeds, selection of the best seeds, sowing the seeds in line, keeping the bunds trim, and transplanting the seedlings in the field at the right time. This method is known to every good farmer, but lack of good seeds, want of timely finance and inadequate manure are his constant worries which have rendered him indifferent to the right kind of agricultural practices. These could be overcome by supplies of fertilisers from Sindri and grant of State loans to farmers. Arrangements have, of course, been made by the Government for these facilities, but the difficulty lies in carrying them to the farmer's door. Past experience shows that the official agencies to which this work is usually entrusted have not functioned properly. This is a snag which needs the attention of the Union and State authorities, if the present campaign is to succeed.

FURTHER U.S. AID TO INDIA

The Governments of India and the United States signed in New Delhi early this week two more operational agreements providing for economic assistance by the U.S. to India. The agreements are a part of the first supplementary agreement (under the Indo-American Technical Co-operation Pact) signed in November, 1952, under which the U.S. Government had offered assistance to the extent of $38.35 million (Rs. 18.33 crores). The two agreements cover, respectively, certain river valley projects and agricultural extension work. The joint cost of the two projects to be borne by the U.S. is $1,983,200, of which $1,850,000 are for river valley development and $133,200

(Continued on page 275)

OFF THE RECORD

(By "ROVER")

ONE of the most romantic and picturesque aspects of the old world outlawry and brigandage was portrayed in the legendary efforts of some of the highwaymen crudely to right social wrongs. Some of these high-spirited personages, who carried on a crusade against society and established authority, envisaged themselves in the role of public benefactors, when they robbed the evil rich and greedy and distributed their takings as largesse to the poor and the needy. They justified their high-handedness and apparent arbitrariness to themselves and their own conscience by pleading that they were promoting social justice and bringing about better and more equitable distribution of wealth, perhaps, in the same sophisticated manner as some of our present-day legislators and politicians do, by their ill-conceived and badly executed schemes of welfare.

The only difference between the two sets of robbers, old and new, is that, while, in the case of the former, such desperate conduct was motivated by some great, imagined or real, personal wrong, the new style social reformers are moved not so much by the misery of the poor which, after all the vaunted welfare measures, is as great, if not greater, to-day as before, but because they cannot bear the thought of somebody being more fortunate and rolling in greater physical comfort than themselves. The emphasis in the case of our public men of the post-independence era is on the destruction or plucking of those richly endowed with feathers and not on the distribution. In the case of the self-declared but chivalrous outlaws, the excitement, the pleasure and the gratification were just as much in giving away the booty and relieving distress as in humiliating and vanquishing the mighty. And there is, besides this, a far more significant distinction in the two pictures I have been trying to paint for your entertainment and social enlightenment. The law-breakers of the mediæval age ran great risks and carried their own lives in their hands when engaged in their reformist activities; our modern law-makers take good care to see that their hide is safe and that nothing can so much as scratch it. The legendary heroes of yesterday often paid with their lives for their social zeal; our more mild-mannered and non-violent heroes of to-day expect to be paid from the public exchequer for their missionary activities.

But I am not trying at present to tilt my lance at those engaged in drafting, promoting and passing expropriatory legislation, aimed at taxing those who can afford for the benefit of society as a whole or for those classes or cases which stand in need of public succour. This form of redistribution of the world's wealth has gone on progressively for centuries, either on a voluntary basis through charity and undertaking works of public utility through organised or individual benevolence or through the intervention of the State. It is all as it should be, provided it is not undertaken in such a crude and blind manner as to destroy or maim the wealth-producing agencies or to rule out incentives for savings. But for the social philosophy which encourages and engenders such effort leading to social progress, the social structure would either find itself torn asunder in strips by some cruel cataclysm or giving way at places because of harmful and unhealthy pressure on vulnerable parts. My only regret is that this task, very necessary for regenerating our static and tradition-ridden society, is not being attempted in a planned and constructive manner which would preserve the spirit of enterprise and the will to create and which will curb only the ugly manifestations of greed and acquisitiveness associated with these worthy qualities.

What has roused my ire on this occasion against the State Government of Bombay is a crude and unscientific attempt on their part, without the least regard or thought for the possible economic consequences and complications on a number of industries and agricultural activities, to emulate the exploits of the philanthropic brigands of the romatic age, in ameliorating distress resulting from the severe shortage of fodder in several parts of Maharashtra. Knowing the intensity of the present scarcity conditions, nobody in his senses would want either to minimise the need for popular and official measures for relief, nor to quarrel with the quantum of such relief. But one has a right to expect that, at least on the official side, the organisation of relief would follow some well-thought-out, well-integrated and rational plan and policy, with a proper estimate of its cost and a fair and just distribution of this necessary burden and sacrifice over all sections of society. Just as ends of justice in criminal jurisprudence are not met by getting hold of any likely man and hanging him out of hand for some crime that has been comitted, the aims of social responsibility for mitigating the consequences of a natural calamity in some part of the State are not achieved, by plundering one small section of trade and industry, for the only reason that, as a result of accident, it happens to be dealing in a commodity which might come in handy for supplementing the fodder supply and handing over the booty as the Government's contribution to relief and solution of the crisis that has overtaken the State.

But this is precisely what the present Bombay Government, untutored in the ways of public administration and scientific governance, has done by passing one of the most extraordinary executive orders for partial expropriation. In a manner, this also goes to disclose how rattled and nervous the Government is in the face of this calamity and how confused and intemperate is its thinking. By no stretch of imagination could groundnut cake be described as forming the bulk or the main item of fodder for draught or milch cattle. No amount of this cake could go to make up the real shortage of hay, straw, grass and *kadbi*. If the starving cattle were to be fed exclusively or mainly with this cake, instead of succumbing to starvation, they are sure to meet their end a little later in consequence of some disorder of the stomach or other. But instead of sitting down to prepare a scientific plan for augmenting the supply of suitable and customary fodder, the Government has come out in a mad rush with an order on all the oil crushing mills to the effect that half the stock of groundnut cake produced by them till June, 1953, will be acquired compulsorily by the Government at what amounts to a token price, for use as fodder in the famine and scarcity areas. In a strictly scientific scheme of famine relief, such an arbitrary and ad hoc measure, hardly affecting even a hundredth part of the problem, would and should have no place. Its only value, if it can be said to have any value at all, is that it might enable the Government to demonstrate to some of the illogical and emotional sections of the public that it was actively engaged in organising measures to save lakhs of these domestic animals and to feel a righteous, but spurious, sense of well-being which results from the performance of some good deed, not involving any sacrifice on one's own part.

Neither according to the established principles of political science nor according to the provisions of our Constitution, the responsibility for meeting the cost of famine or scarcity relief measures rests exclusively on those who happen to produce the commodity in short supply—fodder in this case—or on the consumers of this commodity. This responsibility, as universally recognised both on ethical and political grounds, is on the society or the State as a whole. All that the society or the State can claim from the producer or the general consumers is priority in supply for relieving distress. As such, there would have been nothing wrong if the Government had compulsorily acquired whatever stocks of groundnut cake it needed for use as supplementary fodder in famine areas at the prevailing market price or a price fixed on some economic basis. The injustice and the absurdity of the measure are centred in fixing a much lower price arbitrarily under an executive fiat.

Both logic and justice demand that the Government should purchase this cake on the same basis as they purchase fodder in other forms such as grass, *jawar* and *bajri* stalks, etc., in other parts of the State for despatch to the scarcity areas. In the alternative, the Government should not only requisition other articles of fodder at about half the normal prices but even the transport necessary for this at specially reduced rates. When the cost of official relief measures amounting to crores of rupees is to be borne ultimately by the general run of taxpayers in the State and the Union, there is no sense in creating one instance of glaring injustice in the case of one little section of industry, to save the bill for relief by, perhaps, a few thousands or lakhs.

If the Government had but stopped to consider the other economic complications resulting from this order, which is highly objectionable in principle inasmuch as it victimises only one small section of industry or consumers, if its general attitude had not been that putting extra burdens on industry and commerce is an act of great merit and piety, it might not have passed this order. In the first place, such unilateral sacrifice imposed on a by-product of a small industry, disturbs the balance between the price of oilseeds, oil and cake and disorganises both the inter-State and international trade in the first two. In the second place, it encourages industry to make a higher profit on the balance of the cake left with it, to make up for the loss sustained in the supply made to the Government. Having two sets of prices for the same commodity, a lower one for Government purchases and a higher one for the public, is vicious in principle and is about as immoral as having two sets of weights, one for selling and another for buying. And finally and in the last analysis, it is the real consumers of groundnut cake, namely, the cultivators of crops requiring this cake as manure, who suffer unnecessarily and vicariously. If the Government had not proved itself to be stubborn and extremely sensitive with regard to its precious prestige, I would have hoped that my mild castigations would bring about a cancellation of this order. It is only the strong and the great who can afford to admit that they have erred.—*All Rights Reserved.*

PROGRESS OF KAKRAPAR PROJECT

One-third of the work on the Kakrapar Weir and Canal Project, which is expected to irrigate about 5½ lakh acres in the Surat District of the Bombay State, has been executed so far. The weir has gone up to full height in a length of 700 feet out of a total of 2,038 feet. About 70 per cent. of foundation work in the remaining length has been completed. The regulator on the south bank has nearly reached its full height of 53 feet and the foundation of the regulator on the right bank has been completed. Including the length of the regulators, the total length of the weir will be 2,400 feet.

Of 850 miles of canals, branches and distributaries 600 miles have been dug. Work is now in progress on the south bank main canal where a layer of rock and a large quantity of hard moorum are to be excavated.

The Motichar Weir, an important cross drainage work on the south bank canal is nearing completion, while work on the earth dam across the Ratania Khari, which will block the Khari and divert its discharge to the Motichar Weir, through a cut, is now in hand.

INDIA LOSES AN ABLE ADMINISTRATOR

TEA INDUSTRY IN TROUBLE

(From A Special Correspondent)

NEW DELHI, *10th February*

DELHI LETTER

IT is with great regret that the Capital learned this morning of the passing away of Mr. N. Gopalaswami Ayyangar, Defence Minister to the Government of India. Although he had been ill for the last few months, very few expected that his end would be so sudden and near. He was not only an elder statesman of great ability but also an able administrator, held in supreme confidence alike by the former British Governors and Viceroys and the present rulers of the country. His colleagues in the Cabinet, particularly the Prime Minister, had considerable regard for his valued opinion and impartial judgment on many complex problems that faced the country during the last five years and more.

Mr. Gopalaswami Ayyangar was suddenly called from his retirement by the Prime Minister in September, 1947, when the refugee problem assumed gigantic and unwieldy proportions. He was a tower of strength to the Prime Minister at that time, holding the difficult portfolio of the Rehabilitation of Refugees, where he brought into play his keen intellect and analytical brain in evolving precedents and policies. After a short time, he was asked to hold the Railway portfolio. It was his sagacity and administrative skill that resulted in the speedier rehabilitation of the country's railways. He was also instrumental in bringing into existence the grouping system of the railways. After the demise of the great Sardar Patel, he was requested to handle the portfolio of States along with Railways. Besides, he worked close to the Prime Minister as a member of the Foreign Policy Sub-Committee of the Cabinet and represented India in the United Nations Organisation on the complex Kashmir problem. Although he expressed his desire, from time to time, to retire from the Ministership, he was requested to stay on, and only last year he was given the Defence portfolio. After the death of Sardar Patel and the departure of Mr. Rajagopalachari from the Capital, he became a trusty consultant for the Prime Minister on day-to-day problems. It is no exaggeration to say that the Prime Minister will find it considerably difficult to choose a successor of equal calibre, sagacity and administrative talents to replace the late Mr. Gopalaswami Ayyangar.

Problems of Tea Industry

The troubles of the tea industry continue to persist and they are particularly noticeable in so far as North Indian tea gardens are concerned. Despite a moderate improvement in the prices of tea at the Calcutta, Cochin and London auctions in recent weeks, many tea gardens are still reported to be unable to make both ends meet and it is likely that representatives from Assam and Bengal will be focussing the attention of Parliament during the coming weeks to the problems confronting the industry and to the necessity of finding suitable solutions.

It is perhaps to forestall Parliamentary criticism and to abate its intensity and vehemence that the Commerce and Industry Ministry has come forth with the announcement that it would shortly be appointing an expert committee to investigate the cost and trade structure of the tea industry. The Committee will be asked to suggest ways and means of revising the cost structure to bring it into line with the present price level and will ascertain the co-relation between the auction and retail prices of tea. The Government announcement states that the appointment of the Committee is in pursuance of the request made by representatives of the tea industry, employers and labour, who met Government spokesmen in December last at the time of the meeting of the Industrial Committee on Plantations.

The Government of India made a mistake, in May last, in appointing an official committee to probe into the problems of the tea industry. The members of this Committee could not go deep into the maladies confronting it and made many non-committal recommendations so that Government revenues should not suffer ultimately. The main grievances of the industry are the high export and excise duties and the heavy expenditure involved in the foodgrain concessions to tea garden labour. The representatives of the industry have been pleading that, as an emergency measure, relief should be given to the industry by way of refund of excise duty on some basis collected from the different parts of the country. Whatever be the arguments of the Central Government against such a request, it must be admitted that, ever since the abolition of the export duty on tea by the Pakistan Government, a stimulus has been provided for the export of tea from that country, the current rate of despatches showing a substantial increase over those a year ago. In view of the downward trend in Central revenues during recent months, the Central Government will not readily agree to a reduction in the export and excise duties on tea, but it has at least to announce its decision without delay on the foodgrain subsidy so that the fortunes of this leading export industry might be placed on a stable basis.

Accountancy Profession and Company Management

When the administration of company affairs, which was, until a year ago or so, under the jurisdiction of the Commerce Ministry, was transferred to the Finance Ministry, it was specifically done with a view to improving the efficiency of administration and preventing the leakage of Government revenues. The Institute of Chartered Accountants also came under the control of the latter as a result and was made as an autonomous body. Mr. C. D. Deshmukh, therefore, when he addressed the members of the Institute at the time of laying the foundation-stone for the Institute's building this week, had in mind the toning up of company management, the standard of which had declined considerably during recent years largely due to the influx of a new class of business men made rich by the war. The Finance Minister impressed on them the necessity for unceasing vigilance to ensure scrupulous discharge of their duties "without fear or favour in order to curb the malpractices in trade and business." He added: "The manipulations by which some of the companies are alleged to have defrauded the investing public must inevitably cast a reflection on the work of the Chartered Accountancy profession, whether they merit it or not, and for the sake of their own fair name, they have to endeavour to raise the tone of business morality, whatever the limitations of their statutory responsibility in the strictly legal sense." According to him, "the profession should make a determined stand against any kind of fraudulent practices in company accounts."

Mr. Deshmukh gave a hint that the legal responsibilities of auditors under the company law would be extended. However, as matters stand, it is not likely that the Company Law (Amending) Bill will be introduced during the current budget session of Parliament. All the same, the Finance Ministry has been taking steps to unify the company law administration in the country. Generally, it is expected to follow the pattern set up by the U.K. Board of Trade, especially in regard to inspection, presentation of accounts, holding of meetings, etc. All these, when effectively administered, will doubtless improve the tone of the management of joint-stock companies in the country.

Soil Erosion Problems

There is considerable significance in the inauguration of the first annual session of the Soil Conservation Society of India by Mr. C. D. Deshmukh, Finance Minister to the Government of India. It may be taken for granted that erosion problems and the prevention of the present damaging land-use practices, which have until now largely been in the discussion stage, will be tackled with some vigour and imagination and that the Finance Ministry will be making, in the coming years, the necessary financial allocations towards such a purpose. For the first time, this Society has succeeded in bringing officers in the different departments connected with soil conservation from the State Governments, workers in the field of soil conservation from the Universities and research institutions, representatives from the river valley authorities and other organisations together on a common platform.

Mr. V. T. Krishnamachari, Member of the Planning Commission, put the whole thing in a nutshell when he stated that problems like afforestation, etc., should not be confined to a few isolated areas. He was of the opinion that a whole river valley region should be taken up as one and dealt with on a comprehensive plan. In this connection, he drew the attention of the members present at the meeting to the recommendations of the Planning Commission which wanted that States should enact legislation, giving them powers to restrict practices which resulted in erosion, to execute works on private holdings and recover the costs thereof, and to constitute co-operative associations of farmers for soil conservation work. Mr. Krishnamachari also stressed the importance of organising research stations in a number of places in the country which should be looked after by the Soil Conservation Boards specially to be constituted for these purposes. The Five-year Plan has, it may be noted, earmarked a sum of Rs. 2 crores for this purpose, but we are told that, if more funds were needed, further allocations would be made. It was generally conceded that, if the whole scheme were to succeed, it should be based on co-operative effort and must be carried on in terms of a larger unit than that of individual farms. According to a F.A.O. expert, the improvement in the conservation capacity of grazing lands could be brought about only be necessary adjustments in the animal husbandry and fodder production policies. He remarked that "the duration and intensity of grazing on the natural grazing grounds must be reduced, while, at the same time, fodder production from arable land requires to be increased, with appropriate support by economic incentives." He further added: "Proper attention to these problems by crop and grass land agronomists, animal husbandry experts and foresters will be the greatest contribution which can be made to soil and water conservation in India."

DECONTROL OF FOOD

PRODUCERS FEAR CHEAP IMPORTS

(From Our Own Correspondent)

LONDON, *6th February*

SINCE the Government began its exercises in decontro, in the middle of the autumn it has moved rapidly from one commodity to another—first eggs, which are to be freed by early spring, then cereals including wheat and animal feed which are to be freed by the next harvest (though what that date will be is so far anybody's guess) and potatoes are also down for liberation after the next crop. The only major foodstuff which will then remain part of an elaborate Government system of purchase and distribution will be meat, and that is not likely to last much longer when the rest have gone. The fact that certain other commodities such as bacon, butter, margarine and sugar will still be rationed will be of much less significance for these commodities are produced and distributed by the private trade (though imports are likely to be on Government account) and the major controls are the rationing of consumption and the fixing of prices. The removal of these controls is a far simpler matter than the removal of controls which affect the producer.

LONDON LETTER

Eggs, the first of the major controlled foodstuffs due for liberation, are a good example of the problem. It is an easy matter if there are enough eggs to let prices find their own level and ration consumption by the purse instead of by coupons; but the farmers are guaranteed in the 1947 Agricultural Act an assured income from eggs among other commodities. The Government is thus obliged to steer a path between freedom at the consumer end yet assuring the producer his guaranteed price at the other end. In the first stage of decontrol, the Government has also announced that it intends to preserve control over imports. This will make it much easier for it to regulate the flow of imported eggs. But imported eggs account for over a quarter of total supplies and the proportion is likely to rise if importation is freed, for the foreigner, be he Dane or Australian, can produce eggs and land them in this country at a lower price than satisfies the British producer.

The producers accordingly see their prosperity threatened by a possible flow of cheap imports and are already making plans for a marketing system which will regulate imports along with home supplies and ensure them their guaranteed price. The decontrol of eggs cannot, therefore, mean a completely free market, and the conflict as to how to couple the freedom the Government desires with the security which the farmer demands is as yet unresolved. Sir James Turner, the President of the National Farmers' Union, put the paradox exquisitely in a recent statement when he gave an assurance that the National Farmers' Union were not *in principle* opposed to the complex operation of turning over from controls to a *free economy* but that it would "take some time to work out the best way of obtaining *guaranteed markets and assured prices* under the new system"!

The decontrol of cereals represents a similar problem, though the home growers have the satisfaction of knowing that the guaranteed prices they have hitherto been receiving have been *lower* than world prices. Decontrol for them does not, for the time being at least, carry the risk of lower prices. Moreover, world supplies of cereals are still inadequate to meet the demand—given the shortage of dollars. In any case, there was in operation before the war a simple system which guaranteed growers a minimum price for their wheat. This can be extended to cover the other grains, barley and oats, which are also guaranteed. Farmers market their cereals in this country on average in, say, three or four lots a year so that the system of paying the farmers a guaranteed price is mechanically much simpler than where commodities are marketed once a week.

The pattern of decontrol is similar for all the commodities which have been mentioned; the first stage is the removal of the subsidies. For eggs, these amount to about 1d. (say 20 per cent. of the market price) on the price of each egg and for animal feeding stuffs about £2 10*s.* per ton or well under 10 per cent. of the market price. The subsidies on eggs, animal feeding stuffs, and wheat are all to be removed at the end of March, although bread will have its subsidy increased in order to leave the retail price unchanged. The next stage is the abolition of rationing: there is no rationing for wheat; eggs will, however, be derationed at the same time as the subsidy is removed, while animal feeding stuffs will be derationed at the harvest. Last and most complicated comes the removal of the control over imports. Only cereals are to have their imports turned over to the private trade for the time being and even there, the freedom will not be complete, since a limited ration of dollars and E.P.U. currencies will have to be set aside for non-sterling area grain. The people most affected by this return of freedom will be the importers who for 14 years have either been out of business altogether or traded as Ministry agents, buying animal feed overseas and offering it to the Ministry of Food at fixed prices. It is the large firms which have been able to maintain their personnel and their know-how and, on the whole, these do not fear freedom, but many of the small firms are genuinely afraid that the return to competition will mean a final end to their business activities.—*All Rights Reserved.*

PAKISTAN NOTES

NEW COTTON POLICY

TRADE CRITICISES BARTER DEALS

THE Government of Pakistan has announced its decision to consider offers from firms in Pakistan and abroad, for the exchange of cotton (and other exportable commodities) with imports of a limited number of essential items such as machinery, iron and steel, chemicals, drugs and medicines, dyes, cotton and art silk yarns, sugar, coal, wheat, etc. The barter arrangements are, however, to be permitted only for a limited period and upto a certain value of imports. In the case of exports of new crop cotton, import licences will be issued upto a certain prescribed percentage of the value of such cotton exports, while, in that of old crop exports in possession of the Cotton Board, import licences may be issued up to the full values of exports of such cotton. The other salient features of the Government's decision are as follows:

If the exchange of commodities is settled with firms established outside Pakistan, import licences will be issued in favour of established importers of those items on the basis of their categories; to ensure that established importers buy goods only from the foreign firms concerned, the names of such firms as suppliers of goods to be imported will be mentioned on import licences. If the exchange of commodities is settled with firms established in Pakistan, licences for imports of essential items will be issued to exporters on condition that they agree to supply the imported items to established importers of such items according to the shares determined by the Chief Controller of Imports and Exports on production of permits issued by him in this behalf and at such prices as may be fixed by the Government. Any firm tendering or which has already tendered for the import of Government requirements exceeding Rs. 5 lakhs may inform the Commerce Ministry whether it is prepared to export cotton of equivalent value. If offers are received for the bulk export of commodities like tea, oilseeds, oilcakes, etc., to countries that do not normally import them against the import of essential items, other than cotton yarn and art silk yarn, from those countries, such offers will also be considered and import licences will be issued to established importers of items concerned up to the equivalent value of exports of such commodities. Offers involving export of minor items included in the export O.G.L. No. 7 against imports of equivalent value of certain minor items like onion, garlic, spices, conch shells, *biri* leaves, etc., will also be considered.

Removal of Export Floors Urged

The Government's decision to permit private barter arrangements has evoked much criticism from a considerable section of cotton traders. This section feels that the scheme to barter cotton against certain commodities, thanks to the changed trend in world trade, is not practicable. In fact, it fears that it is fraught with grave dangers to the present set-up of trade in Pakistan, for the scheme would only help the "chosen few" or the foreign exporters who have their offices in Karachi. Thus, the Karachi Cotton Association has urged the Pakistan Government to permit the trade to take its own course towards adjustment through the operations of laws of demand and supply. It has also vigorously pleaded for the removal of floor prices for cotton, on the ground that export floors, without internal support, are of no value.

The disquieting food situation that confronted Pakistan last year still persists, according to reports from Karachi. Despite the earnest efforts to augment food production, the supplies are insufficient to meet the total requirements. The chief factor responsible for this state of affairs is the shortage not of land but of water-supply. Be that as it may, Pakistan has been compelled to import large quantities of wheat. Last year, Pakistan had a deficit of about 950,000 tons of wheat. With a view to meeting the deficit, the Government had made arrangements to import 850,000 tons from various countries, the U.S.A., U.S.S.R., Canada and Turkey, in particular. Renewed efforts are being made by the Government to step up food production, in the light of the recommendations made by the Agricultural Inquiry Committee. Among the active measures taken by the Government, mention may be made of the supply of fertilisers to the cultivators for introducing scientific system of crop rotation and substitution of cash crops by food crops. An agricultural finance corporation is likely to be set up shortly.

Agricultural Corporation Formed

Efforts are also being made by private bodies to improve food production. For instance, an organisation, called the Pakistan Agricultural Corporation, has been formed in Karachi, with a view to offering all possible facilities for rehabilitating the refugee agriculturists and persons interested in agriculture. The Corporation is to procure loans from the Government on easy instalment basis and establish an agricultural colony on a scientific basis, as in European countries, "with co-operative feelings, brotherhood and idealism." The Corporation will also organise cattle breeding and poultry farms, dairy farms and veterinary hospitals.

Pakistan-Indonesian Trade

Considerable importance is attached to the recent visit of the six-man Indonesian Trade Mission to negotiate a trade agreement with Pakistan. There are, it is reported, "substantial chances" of improving trade between Pakistan and Indonesia. The trade has so far been very limited, owing mainly to shipping difficulties. The total value of trade between the two countries during the calendar year 1952, for instance was about Rs. 21 lakhs, with the balance of trade heavily in favour of Indonesia. Pakistan imported from Indonesia goods worth Rs. 2[illegible] lakhs, in return for Rs. 1,759 worth of exports. The chief item of imports were fuel and diesel oil, paraffin wax, cutlery and hardware, while chief exports were tops, musical instruments etc.

Indonesia, which has several cotton textile mills, can be a fair-sized importer of Pakistan cotton. Now that the prices of Pakistan cotton have receded to very low levels, *vis-a-vis* U.S. cotton, Indonesia is said to be keenly interested in it. Pakistan's brassware and sports goods also stand a good chance of finding a ready market in Indonesia. On the import side Indonesia is expected to offer to Pakistan among other items, tin and rubber.

Canada's Aid to Pakistan

A team of Canadian experts in co-operative and agricultural training has arrived in Pakistan to investigate the ways in which Canada can most usefully provide technical assistance to Pakistan. The team in now on tour of the different areas, visiting the centres of co-operative and agricultural training. It is particularly interested in co-operative training institutes, agricultural colleges in the various Provincial and rural development projects undertaken by the Government of Pakistan. The Canadian team will work in close co-operation with the U.N. Food and Agricultural Organisation and the I.L.O.

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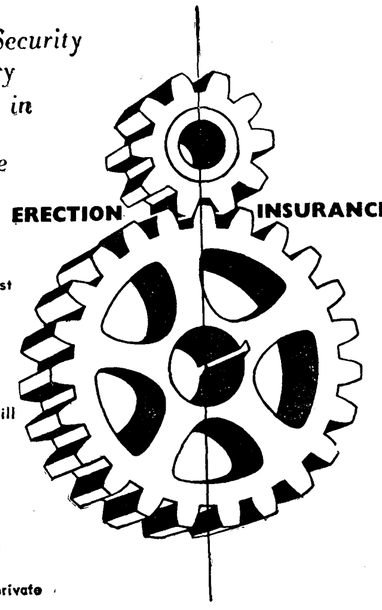

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I.B.R.D. LOANS TO INDIA

IS THE RATE OF INTEREST HIGH?

THE latest loan of $19.5 million to the Damodar Valley Corporation by the International Bank for Reconstruction and Development, announced last month, is, as has been aptly described by a contemporary of ours, an expression of faith and confidence of this world body in the soundness of this much criticised venture in India. The loan will be utilised for financing a part of the construction of projects designed to protect this area against floods, to expand electric power capacity and to build canals for irrigation and transportation. These are key projects in a general plan for the development of the Damodar Valley. The present loan supplements a slightly smaller loan of $13.5 million to the Corporation made in April, 1950, for a steam power plant a Bokaro, a power transmission system and a storage dam at Konar.

The repayment of the loan is spread over a period of 25 years and bears interest at the rate of 4¾ per cent. per annum, including the one per cent. commission which, under the Bank's Articles of Agreement, is collected and paid into the Special Reserve Fund. Amortisation payment is to begin three years hence, that is, on 15th July, 1956, and the whole loan is to be liquidated by January, 1978.

The aforesaid loan was granted by the World Bank in quick succession to the loan sanctioned to the Indian Iron and Steel Company Ltd. (I.I.S.CO.) on 19th December, last. This loan, as readers are aware, is for a sum of $31.5 million to finance, in part, the expansion programme of the Company approved by the Government of India as part of its plan for increasing the output of iron and steel in this country. The loan will help the Company to carry out a five-year project for increasing its blast furnace capacity from 640,000 tons to 700,000 tons annually. When completed, the Company's programme will double the quantity of foundry iron now available from domestic sources in India, and will increase the country's present output of finished steel by about one-third. The total cost of this programme is estimated at approximately $73.5 million. More than half of the cost will be met out of I.I.S.CO's revenues and by loans and advances from the Government of India. The World Bank's loan of $31.5 million, mentioned above, will be used to pay for imported equipment and services.

First Direct Loan

While in the past the Bank has lent funds to private manufacturing enterprises, it has done so only through intermediary borrowers such as Central or development banks, who, in turn, have re-lent the proceeds to these enterprises. This loan to the I.I.S.C.O. is the first the Bank has made directly to a company belonging to private enterprise. The rate of interest on this loan is 4¾ per cent. per annum, including the one per cent. commission which, as stated already, will be credited to the Special Reserve Fund. The rate of interest on this loan is slightly lower than that on the latest loan to the D.V.C., but it should be noted that the former (the loan to I.I.S.C.O.) is repayable 11 years earlier than the latter, that is, on 15th October, 1967. Amortisation payments, however, are to begin on 15th April, 1959, that is, three years later than in the case of the D.V.C. In addition to having the Government of India's guarantee, the Bank's loan will be secured by a first fixed mortgage on the I.I.S.C.O's immovable property and by a first charge on the remainder of its assets. These are to rank equally with the I.I.S.C.O's existing first mortgage debentures, amounting to $1.1 million, held mostly by private investors in the U.K.

The World Bank loan issued to the Damodar Valley Corporation last month is the fifth loan to India from the Bank. Apart from the sum of $31.5 million loaned to the I.I.S.C.O., the Bank has issued a loan of $31.2 million for the rehabilitation of the Indian railways, $18.5 million for the development of power and irrigation in the Damodar Valley, and $7.5 million for land clearance in Central India. The Railways Rehabilitation Project has been completed, while the others are still being carried out. There is, besides, one more loan application pending before the World Bank and that is, the application from the Industrial Finance Corporation for a credit of $8 million. The total amount of all the loans so far granted by the Bank to India is of the order of $109.8 million. The details of the loans are indicated in the table below:

Purpose of the Loans	*Principal* amount in million Dollars*	*Rate of interest (including commission) per cent.*	*Date of Agreement*	*Date of Maturity*
Railway Rehabilitation (a)	31.0	4	18-8-1949	1950-61
Agricultural Development (b)	10.0	3¾	29-9-1949	1952-56
Electric Power Development	18.5	4	18-1-1950	1955-70
Expansion of Iron and Steel Production ..	31.5	4¾	18-12-1952	1959-67
D. V. A. Project ..	19.5	4¾	26-1-1953	1956-78
	113.5			

* *The principal amount includes cancellations and refunds amounting to $1.2 million and $2.5 million respectively in respect of two items (a) and (b) above. Consequently, the total loan outstanding is $109.8 million.*

With the loans so far taken, as above, India now figures as the fifth largest borrower from the Bank, the others preceding it being Brazil ($142.5 million), Australia ($150 million), Netherlands ($229 million) and France ($250 million). The countries that are now immediately below India in the rank of borrowers are Mexico (about $100 million) and Belgium ($86 million). It will be seen from the above table that the rate of interest at 4¾ per cent. charged on the loan of $19.5 million to the D.V.C. Project is the highest that India is now paying on its loans from the World Bank. In fact, it is also the highest rate charged by the World Bank on any of its loans issued since its inception. Lest this high rate should lead to any misgivings in the minds of the public as to the Bank's attitude towards India, it is necessary to point out here, in fairness to the Bank, that it is not unduly high considering the circumstances prevailing in the world money markets now. It may be noted that the rate of 4¾ per cent. includes the one per cent. commission under the Bank's Articles of Agreement which have been approved of by all the founder-members, of whom India is one. The proceeds of this commission are credited to the Special Reserve Fund meant for covering contingent liabilities arising from the Bank's operations as, for instance, bad debts. Ultimately, the benefit of this fund will be shared by India also as one of the participants in this great international co-operative organisation. If the basic rate of interest is higher than in the past, it is due to the high rate of interest the Bank has to pay on its borrowings from the world's capital markets. On its recent issues of bonds, the Bank had to pay no less than 3.65 per cent. per annum for 19 years. Considering this, the rate of 3.75 per cent. charged to India, excluding the loan commission of one per cent., is not excessive. The difference between the two rates, namely, 0.10 per cent., represents the Bank's margin which is scarcely sufficient to cover its expenditure. Besides, one should also bear in mind that the present ruling rate in India for debentures of organisations of the standing and type of the I.I.S.C.O. is 5 to 5½ per cent. Even if the D.V.C. were to borrow from the Indian market for a 25-year period, it would have to pay not less than 5 per cent., unless, of course, the borrowing is guaranteed by the Government of India, in which case the rate of interest might be slightly lower, say, at about 4.5 per cent. On these considerations, one has to admit that the rate of interest charged by the World Bank is a reasonable one.

More or less the same arguments hold good in regard to the rate of interest at 4¾ per cent. (including the loan commission) charged by the Bank on the loan to the I.I.S.C.O. It is in line with what the Bank charged last year for 15 to 20-year loans made to similar organisations for development purposes. For instance, the same rate was charged on a 17-year loan to Iceland for establishing a fertiliser plant and on a 18-year loan to Finland for developing electricity, wood products, etc. Turkey and Southern Rhodesia are the other two countries which are being charged at the rate of 4¾ per cent. on the loans sanctioned to them in the first half of last year. In these circumstances, it will be unrealistic to complain that the rates of interest charged by the World Bank on its loans to India are unduly high. It must be realised that, if this useful international financial organisation is to function satisfactorily and command the confidence of the world's capital markets, it will have to be run as a business organisation with its credit intact.

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WORLD BANK'S PROFIT

Although the gross income of the International Bank for Reconstruction and Development during the six months ended 31st December, 1952, exclusive of loan commissions was higher at $20,896,715, as compared with $16,637,921 in the same period of 1951, the net income experienced a slight fall from $8,071,486 to $7,639,743. This fall in profit was due to the expenses incurred in connection with the issue of two loans in the last three months of 1952. The entire net income has been credited to the supplemental reserve against losses on loans and guarantees, increasing the amount of this reserve to $65,667,843. During the six months under review, the Bank earned a commission of $4,536,682 on loans which has been transferred to the Bank's special reserve, as required by the articles of agreement, increasing this reserve to $32,221,336. The total reserves of the Bank as at the end of 1952 stood at the impressive level of $97,889,179.

During the three months ended 31st December, 1952, the Bank successfully floated two bond issues: $60 million 19-year 3¼ per cent. Bond due 15th October, 1971, and Swiss francs 50,000,000 3¼ per cent. 10-year Bonds due 1st December, 1962. Expenses for the three-month period, amounting to $7,885,582, included bond issuance and other financial expenses of $2,331,480 in connection with the two issues, in the comparable period of 1951, such charges were nominal.

During the six-month period ended 31st December, 1952, the Bank gave six loans, aggregating $112,133,464, to Australia, Colombia, Finland, Iceland, India and Peru. These loans increased the total loans signed by the Bank to $1,524,266,464. Actual disbursements during the six-month period were $120,004,529, bringing the total disbursements to $996,508,662 on 31st December, 1952.

Repayments of principal which were received from borrowers as they fell due, amounted to $514,432. During the six-month period, the Bank also sold to private investors $9,292,220 of securities from its loan portfolio, $4,978,400 with its guarantee and $4,314,820 without. These transactions brought the total portfolio sales to $65,669,908, of which $46,477,401 were with the Bank's guarantee, and the rest, namely, $19,192,507, without.

France gave the Bank permission to use French francs equivalent to $180,000 from its paid-in franc subscription to the Bank's capital for any loan the Bank has made to Iceland. Italy gave similar permission for the use of its lire subscription in an amount equivalent to $519,000 for any loans made to Turkey. Sweden approved the use of 18,000,000 Swedish kronor ($3,479,484) from its paid-in subscription for the supplemental loan to Finland for the wood products industries, signed in November, 1952. The latest country to give permission to the Bank to use its national currency is the U.K. This country has allowed the Bank to make sterling loans to the extent of £60 million to Commonwealth countries for development programmes. The amount will be made available from Britain's subscription to the capital of the Bank over a period of at least six years. Commenting on this decision of the British Government, Mr. Eugene Black, the Bank's President, said that "it was a demonstration of the part that can be played by non-dollar capital in world economic development." He added that the availability of non-dollar capital to the Bank would enlarge its lending operations in countries whose foreign exchange earnings and capacity to repay external debt were mainly in non-dollar currencies.

EARNINGS OF LLOYDS BANK BETTER

DIVIDEND MAINTAINED—RESERVES STRENGTHENED

THE statement of accounts of Lloyds Bank Ltd. (Chairman: Lord Balfour of Burleigh, London) for the year ended 31st December, 1952, show that the Bank's results are in consonance with the general pattern of earnings of banks in the U.K. and in refreshing contrast to the experience of banks in India, in general. The results show that, notwithstanding the steep decline in the market value of the Gilt-edged securities during the first half of 1952 and the change in the direction of the flow of bank's resources from the private sector to the Governmental sector, the British banks have been able to fare better in 1952 than in the previous year. Fortunately for the British banks, the recovery in Gilt-edged values in the closing months of the year helped them to reduce considerably the capital losses on investments which, at one time, threatened to wipe off the increase in their earnings.

The net profit earned by Lloyds Bank during the year under review amounted to £1,964,665 which is £148,807 or 8.2 per cent. more than that earned in 1951. The profit figure has been arrived at, as in the previous year, after providing for taxation on the profit for the year and after making allocations to the contingency accounts, out of which full provision has been made for any diminution in value of assets. This method of arriving at net profit, which is the traditional feature of bank accounts, does not, of course, enable one to gauge the trend of banks' earnings with precision, the position in this regard having been rendered more complicated by the heavy fluctuations in value of Gilt-edged securities during the year under review. Nonetheless, it gives a fair indication of the pattern of bank earnings. And it will not be an exaggeration to say that the higher profit of Lloyds Bank for 1952 reflects the increase in its basic earnings due to higher interest rates on advances and larger income from investments. It is true that dearer money has had the effect of restricting the turnover of bank credits and pushing up the rate of interest on deposits. But the net result of higher interest rates has been favourable to banks as a whole and Lloyds, being one of the "Big Five" of Britain, could not have been an exception to this general experience.

Despite higher profit, the Directors of the Bank have not thought it prudent to raise the dividend and have merely maintained it at the rate of 12 per cent. per annum, less tax, a rate which has been repeated year after year since 1932. They are of opinion that, in view of the uncertain economic outlook and the wide fluctuations in value which have characterised the Gilt-edged market of late, it will be desirable and judicious to strengthen the external reserves of the Bank instead of paying a higher dividend. They have, accordingly, transferred a sum of £1.2 million from out of the net profit to the general reserve, an increase of £300,000 as compared with the sum of £900,000 allocated to the reserves for contingencies last year. In making these appropriations, they have had to draw a small sum from the unappropriated surplus of £596,803 of the previous year, leaving £418,242 to be carried over to next year.

The following comparative table brings out the salient features of the Bank's balance-sheet as at the close of the last four years:

(In thousands of £'s sterling)

	As on 31st December			
	1952	1951	1950	1949
Capital	15,810	15,810	15,810	15,810
Reserve fund	16,000	14,800	14,500	14,200
Undistributed surplus ..	418	597	624	601
Deposits	1,168,011	1,169,647	1,147,720	1,130,856
Acceptances, endorsements and guarantee (contra item) ..	121,770	164,524	96,153	67,354
Cash and money at call ..	252,165	254,524	264,317	228,346
Bills	195,664	188,980	236,104	195,234
T.D. Rs.	418	18,500	84,000	140,500
Items in transit	15,143	18,876	15,598	10,884
Investments—				
Gilt-edged	406,019	360,189	273,749	273,408
Trade	8,184	8,020	7,418	7,686
Loans and advances ..	309,778	341,904	288,958	271,909
Bank premises	7,956	7,537	7,850	7,013
Balance-sheet total ..	1,323,909	1,367,211	1,276,445	1,230,100
Ratio to deposits of—	%	%	%	%
Cash	21.6	21.7	23.0	20.2
Gilt-edged investments ..	34.8	30.8	23.8	24.1
Loans and advances ..	26.5	29.0	25.0	24.0

As will be seen from the foregoing table, the Bank's turnover has suffered a small shrinkage, as indicated by the drop in the balance-sheet total from £1,367.21 million as the end of 1951 to £1,323.91 million as on 31st December, 1952. The notable change on the liabilities side is the decline of £1.6 million in deposits. This decline, though insignificant, is a reversal of the trend noted in previous years. There has also been a decline to the tune of £42.75 million in the Bank's liability on account of acceptances, endorsements and guarantees (contra item) following the diminution of the Bank's foreign exchange business as a result of the restriction on imports. The changes on the assets side of the balance-sheet reflect the effect of the limitation on credit and the Government's funding operations. Thus, on the one hand, the Bank's loans and advances are lower by £32.12 million and British bills of exchange by £18.39 million. Acceptances, endorsements and guarantees have, as already noted, fallen by £42.75 million, raising the drop in the main forms of financing the private sector to £93.26 million. On the other hand, British Treasury Bills, which represent the financing of Government's expenditure, disclose an expansion of £28.30 million to £184.41 million and so also the investments in British Government securities which are higher by £47.34 million. In short, the total additional amount the Bank has lent to the Government during the year is £75.64 million. Thus, as against a contraction of £93.26 million in private financing there has been an expansion of £75.64 million in Government financing, which shows how far the Bank has followed with vigour the official policy of credit restriction. The Chairman's observations on the Bank's lending policy are noteworthy, as will be seen from the following extract from his statement to the shareholders:

"Our lending has, of course, been conducted in strict conformity with official policy. Substantial increases in advances to many industries essential to the well-being of the community have been considerably more than offset by reductions in other directions. With our large agricultural connections throughout the country and the urgent necessity for increasing the country's food production, we have been affording generous assistance to farmers and to agriculture's ancillary industries. The policy of credit restriction will, undoubtedly, have to be continued for some time and we cannot, therefore, look for any substantial expansion in what would normally be considered a banker's principal business."

The Bank's investments in British Government securities mature within 15 years, of which those maturing within 10 years constitute the major portion. The market value of these investments as on 31st December, 1952, was greater than that shown in the balance-sheet, that is, at or under cost and below redemption price.

INDIAN BANK LTD.

The working of the Indian Bank Ltd., Madras, during the year ended 31st December, 1952, resulted in a profit (subject to audit) of Rs. 14,17,700, which shows a drop of Rs. 2,63,900 from that of Rs. 16,81,500 for 1951. With the addition of Rs. 92,500 (Rs. 82,000) brought in from the previous year, the sum available for appropriation is Rs. 15,10,200, as against Rs. 17,63,500 in the previous year. The Directors have already paid an *ad-interim* dividend of 5 per cent. and a bonus of 1 per cent, (both free of income-tax) for the half-year ended 30th June, 1952, which are the same as those paid for the corresponding half-year of 1951. But this year's interim distribution absorbed a slightly higher sum at Rs. 3,23,000 (Rs. 3,18,000), on account of the increase in the Bank's paid-up capital. In April, 1952, it may be remembered, the Bank made a call of Rs. 5 each on its Rs. 75 and Rs. 50 partly paid-up shares. The Directors now propose to make a final distribution of a dividend of 5 per cent. and a bonus of 1 per cent. (both free of income-tax), thereby making a total distribution of 12 per cent. for the year. The distribution of this final dividend and bonus absorbs Rs. 3,33,000 (Rs. 3,18,000). The Directors have raised the provision for taxation from Rs. 2,60,000 to Rs. 3,90,000 and set aside a sum of Rs. 2,50,000 to the reserve fund which received nothing in the previous year, but reduced the addition to the sinking fund from Rs. 7,50,000 to Rs. 1,00,000 and that to the Bank's building account from Rs. 25,000 to Rs. 10,000, leaving to be carried forward Rs. 1,04,200 to the next year, as against Rs. 92,500 brought in.

The Osmania currency, familiarly known as *Hali Sicca*, will be demonetised in the Hyderabad State as from 1st April next. This does not mean that *Hali Sicca* will suddenly be withdrawn from circulation after that date. Complete withdrawal will be spread over a longer period. Thus it has been decided that its circulation might be allowed to continue for a certain period even after 1st April. But the Government will make all payments in Indian currency which will be legal tender in the State from the date of demonetisation of the *Hali* currency. Payments will, however, continue to be accepted in *Hali Sicca* also, the circulation of which in the State is estimated to be about Rs. 36 crores.

RESULTS OF HABIB BANK

PROFIT WELL MAINTAINED

IT is common knowledge now that 1952 was one of the worst years in the economic history of Pakistan. The economy of Pakistan being essentially an agricultural one, that country could not escape the severe shake-out brought about by the universal slump in commodity prices that emerged early last year. There was a marked fall in prices as well as in business turnover. In the circumstances, it should not be a matter for surprise if banks in Pakistan were to show a fall in their earnings. If, on the other hand, they have been able to increase their earnings, or even maintain them, it should be regarded as quite an achievement. The Habib Bank Ltd. (General Manager: Mr. Razak H. Mahomed, Karachi) belongs to this latter category of banks. The Bank's profit (before taxation) for the year, at Rs. 67.63 lakhs, constitutes a fresh record in the history of the Bank, representing a small increase of about Rs. 26,000 over that for the previous year. The Directors have had to raise the provision for taxation substantially, from Rs. 28 lakhs to Rs. 40 lakhs, but they have not provided anything to the reserve, which had received Rs. 15 lakhs in the previous year. As the Bank has already an impressive reserve fund Rs. 1 crore, equal to its paid-up capital, the absence of any addition to that account this year is not of much consequence. Moreover, the Directors could have easily added over Rs. 7.50 lakhs to the reserve fund if they had so desired, for the amount available for distribution was sufficient to permit such an addition. Instead, they have chosen to keep the undistributed surplus at a high level. The dividend has been maintained at the previous year's level of 20 per cent., to which it was raised from 10 per cent. paid for 1950 and 5½ per cent. for 1949. The Bank's dividend level, it may be noted here, is higher than the highest paid by any Scheduled Bank in India. The undistributed surplus to be carried forward to the next year, at Rs. 18.11 lakhs, is Rs. 7.63 lakhs more than the sum brought in.

The following comparative table gives the trend of the Bank's progress in the past three years:

(In lakhs of Pak rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Gross income	139.23	137.62	125.44	105.61
Interest paid	16.66	17.12	17.75	16.08
Expenses	52.67	50.82	49.64	41.25
Depreciation	2.28	2.31	3.76	1.09
Profit	67.63	67.37	54.29	48.24
Appropriations—				
Transfer to capital ..	..	..	..	20.00
Taxation	40.00	28.00	21.00	17.00
Transfer to reserve ..	..	15.00	17.50	7.50
Dividend	20.00	20.00	10.00	5.50
	(20%)	(20%)	(10%)	(5½%)
Carry forward	18.11	10.48	6.11	0.32

	As on 31st December			
	1952	1951	1950	1949
Capital	100.00	100.00	100.00	100.00
Reserve funds	100.00	100.00	50.00	32.50
Deposits	34,67.84	43,82.31	35,12.05	31,44.84
Advances and bills ..	7,72.56	11,45.20	8,99.65	5,19.05
Investments	20,24.89	23,11.41	22,81.81	23,54.88
Cash	9,82.81	13,33.76	6,95.90	8,13.07
Balance-sheet total ..	43,81.51	62,01.01	45,72.77	38,99.08
Ratio to deposits of—	%	%	%	%
Advances	22.3	26.1	25.6	16.5
Investments	58.5	52.7	63.5	74.9
Cash	28.4	30.4	19.6	16.3

As will be seen from the latter half of th table, there has been a sizable fall in th balance-sheet total, reflecting, as it does, the co traction in the Bank's turnover which is obviou ly the result of economic depression. The pr gressively upward trend in deposits in the pr vious years has been reversed during the ye under review, the exact decline during the ve being Rs. 9.24 crores or 21.1 per cent. In vie of the contraction in its resources, the Bank h been careful to restrict its advances to its clier which show a sizable fall over the year. Th advances and bills discounted have gone do by Rs. 3.72 crores to Rs. 7.73 crores, so that t ratio of advances to deposits is no more th 22.3 per cent. Such a low ratio is in distinct c trast to that of about 70 per cent. maintained banks in India. The Bank is usually noted its preference for a high liquidity ratio. T to this tradition, its investments and cash b a ratio of 86.9 per cent. to the deposits. Of total investments (shown in the orthodox m ner, namely, at cost or market value whiche is lower) amounting to Rs. 20.25 crores, Gove ment, Municipal and Trustee securities acco for Rs. 19.30 crores (as against Rs. 22.61 crore year before). Investments in shares of jo stock companies show an increase from Rs. 4 lakhs to Rs. 62.29 lakhs and those in bull from Rs. 9.27 lakhs to Rs. 32.09 lakhs.

N.B.—The rupees referred to in the foreg review are Pakistan rupees.

I.L.O. ON WORLD TEXTILE POSITION

NEED FOR RAISING CONSUMPTION IN UNDER-DEVELOPED COUNTRIES

LITTLE has yet been published about either the proceedings or the decisions of the Textile Committee of the International Labour Organisation, which met at Geneva on the 2nd inst. to survey the recent economic and social trends in the world textile industry. From the brief Press reports, however, it is gathered that the meeting was attended by workers', employers' and Government delegates from 23 member-countries, including India, the U.K., and the U.S. Japan, which is not a member of the Committee, was represented by observers. It would further appear that the problems that came up for particular examination at the meeting were those relating to guaranteed wages and female employment. The action taken by the Governments of the member-countries on the recommendations of the previous sessions was also reviewed.

The International Labour Office has, as usual, submitted to the meeting a report surveying the developments in the world textile industry and trade. The report has aroused little interest among the textile interests, whether in India or abroad. This is only to be expected, in view of the fact that much of the information contained in it has already been extensively covered in the report of the World Textile Conference held at Buxton (England) in September, 1952. Nevertheless, the report is notable for its emphasis on the consideration that the best hope for an expansion in world demand for textiles lies in raising the *per capita* consumption of cloth in the underdeveloped regions of the world.

This is a consideration which, as readers are aware, we have ourselves repeatedly stressed in recent months.

Thus, while reviewing the deliberations of the Buxton Conference, we observed—*vide* page 569 of *Commerce* dated 27th September, 1952—that the best course for securing expansion in world trade in textiles was to evolve measures, such as reduction in cost of production and aid to underdeveloped countries, for raising their living standards. The low consumption of textiles in the underdeveloped countries is largely a reflection of the "very low" purchasing power of the masses, on the one hand, and enormous rise in the price of cloth, on the other. The Continent of Asia, with over half the world's population, provides only a tenth of the world's income; the average *per capita* consumption of textile goods in the Asian countries is as low as 1.5 kilograms, as against 17.5 kilograms and 7.1 kilograms in the countries of North America and Europe, respectively. The price of cotton cloth quoted in the world market is to-day higher by as much as 500 per cent., on an average, as compared with those in 1938. In fact, it was 700 per cent. to 800 per cent. of the pre-war level during the immedaite post-Korean war boom.

The foregoing brief account will clearly reveal that, if incomes of people in the underdeveloped areas were increased and prices of textile goods lowered, the world demand for textiles could be considerably stepped up. Clearly, the fear that the scope for expansion in the demand for cloth is limited, frequently expressed by British millowners, is unfounded.

An Exaggeration

Some of the countries which were formerly importing textile goods, according to the report of the I.L.O. Textile Committee, have now become exporters and countries which had specialised in exporting textiles find their outlets dwindling, due to the appearance of new competitors. In this development, says the report, if there is any fall in demand, the first reaction is to increase protection for the domestic industries. This aggravates the situation so far as the exporting countries are concerned. There is some truth in this statement, but, in citing India as an example of this trend, the report makes the mistake of exaggerating a development, an error which is being blindly repeated by analysts of world trade in textiles. They all invariably fail correctly to assess the factors that have been responsible for the change in India's position in the world textile trade, as compared with the pre-war years. Before the war, India was not cut up into two. The quantity of cloth produced in undivided India then, as well as up to the Partition, was not sufficient fully to meet the domestic demand and, as such, imports of cloth were inevitable. The position, however, changed with the Partition of the country in August, 1947. Nearly a fourth of the aggregate area and population of undivided India now constitute Pakistan. Consequently, production of cloth in India has been more than the country's requirements on the basis, of course, of 12 yards *per capita*, and it is no wonder that India should have emerged as one of the world's leading exporters, though the relative increase in textile demand since the war and the fact that Japan was not an important factor in world textile markets were other contributory factors. On the other hand, that portion of pre-war India which now constitutes Pakistan still continues to import cloth, of which India's share is negligible. Even in the pre-war years, India had a sizable land-borne trade in cloth with foreign countries, besides a fair amount of exports by sea. So, the present position of the Indian sub-continent, including Pakistan, is not very much different from that in pre-war years. In fact, if allowance were made for the fall in *per capita* consumption of cloth in the Indian Union and Pakistan, it would be found that this sub-continent is still a net importer of cloth. It behoves international bodies such as the I.L.O. to take note of this fact and to cease from exaggerating India's emergence as an exporter of cloth; instead, they should view it in its proper perspective.

Re-equipment of Industry

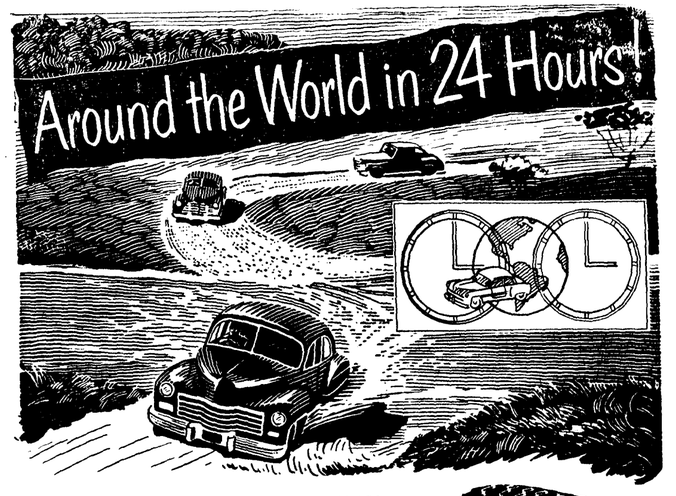
The I.L.O. report is, however, right in saying that much of the equipment in use in the Indian cotton textile industry at present is old and needs replacement. It points to the danger of some surplus capacity arising from either a shortage of imported raw cotton or a fall in the high rate of exports. From the long-term point of view, however, the report holds out favourable prospects for the Indian textile industry. The home market will expand, following the rise in population and improvement in the standards of living. Further, the Indian industry has an advantage in being able to use relatively cheap short-staple varieties of local cotton. This advantage will avail the industry very little, if it does not modernise its equipment. Whether the industry is able to carry out technological improvements speedily enough will, of course, depend upon the Government's policy towards the industry. This policy leaves much to be desired. But the I.L.O. has, on its part, done well to emphasise the need for re-equipment on the part of the Indian textile industry.

Pattern of Development

The I.L.O. review of the world textile industry reveals that the number of spindles in Europe has fallen from 100 million in 1914 to 72.9 million in 1952 and from 31.5 million to 25.5 million in the U.S., while that in Asia has gone up from 10 million to 23.9 million. China, India and Japan are the main producers in Asia. China produces cloth mainly for the home market. Japan has traditionally played an important role in world exports of cotton textiles, silk and man-made fibres. Since Japan's exports to the neighbouring areas have declined, it has had to seek its markets in South-East Asia, Africa and other countries where Japanese exports have increased considerably. Pakistan is rapidly developing its own textile industry. At the time of the Partition, this country had 14 cotton mills, with a total of 165,684 spindles and 4,441 looms, producing about 10 per cent. of its requirements. By 1951, it had gone up to 336,810 spindles and 5,562 looms. It has fixed an ambitious target of 1,350,000 spindles to be reached by 1954-55.

Such, in brief, is the I.L.O. report on world textile industry. It is clear from this report that, whereas many countries which were formerly not reckoned as cloth producers are now textile producers, other countries, notably Pakistan, are making strenuous attempts at improving their cotton textile production. This means that, in the immediate future—that is,

(*Continued on page 259*)



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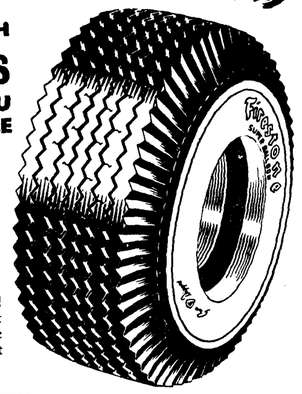

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MORE FIRMS MAY OPT OUT OF R.C.C.

TEXTILE MACHINERY EXPORTS IN 1952

(From A Special Correspondent.)

MANCHESTER, *3rd February*

MANCHESTER LETTER

ACTION taken by the Liverpool Cotton Association to admit private limited companies to full membership has again focussed the attention of Lancashire traders on the raw cotton situation. Although the sponsors of the return to full free enterprise trading, including a futures market, are careful to stress that its reappearance is not an immediate possibility, it is obvious that they are taking steps to prepare the way ahead.

Faced with a resumption of private trading in a raw material which is still some six times dearer than it was before the war, the financial burden involved must be a distinct bar to progress. The new arrangement provides the means of entry for larger firms to participate in the futures market, and direct representation of spinning companies should follow.

It is increasingly clear that the current year will call for critical decisions to be made in connection with raw cotton policy which will have far-reaching implications. The experience of those spinning firms which contracted-out from the Raw Cotton Commission last September has already been closely studied. They have now had time to consider the pros and cons of contracting-out and the remainder of the spinning trade is pondering over its attitude towards this problem, which must be faced again this summer.

The general opinion is that the number of firms contracting-out from the Commission this year will be appreciably larger than in 1952, especially for American type cotton. Recent moves to assist the establishment of a spot market in non-sterling cotton provide the nucleus for an eventual return to trading in futures, but it is unlikely that anything as far-reaching as a full-scale restoration of free trading can be anticipated for some little time.

Trade Prospects

An "army" of 40,000 extra workers is needed to make good cotton's slump-time losses. To boost overseas textile sales by Lancashire, plans are being prepared in conjunction with the Board of Trade "*to try and* 'thaw' the export position." This was disclosed in a report to T.U.C. headquarters in London by Mr. Andrew Naesmith, General Secretary of the Amalgamated Weavers' Association. The weaving report is part of a progress dossier compiled by union chiefs in key North-West industries at the request of the T.U.C.'s production department. Mr. Naesmith says:

"During the past 10 weeks there has been a marked improvement in the productive activity of the textile industry. It is expected the revival will continue for some time as a result of demands for textile goods associated with the Coronation festivities and the clearing of the pipelines."

From 132,600 workers employed in weaving mills in December, 1951, the total had fallen by November, 1952, to 116,000. The same situation existed in spinning. Mr. Naesmith adds:

"The chief danger to the industry is caused by apprehension. Exports continue to lag, and there is no real solid basis of confidence to develop export markets because of the overwhelming problems of dollar-sterling exchange and balance of payments as between countries."

Unless Lancashire spinning mills can win back operatives who left the mills during the slump the industry will be in serious difficulty, warns Mr. A. C. C. Robertson, of Oldham, President of the Cardroom Workers' Amalgamation, in a report on spinning to the T.U.C. "Reasonably well employed" is the summing-up of Mr. A. Dawson, of Bury, District Secretary of the National Union of Dyers, Bleachers and Textile Workers, in a report on the textile finishing industry in the North-West. But workers engaged in the manufacture of mechanical cloth—machine clothing for the paper trade, printing and other industries—were experiencing "the worst period within memory."

In the North-West clothing industry there has been an improvement in all sections, says Miss Lily Hodson, Area Organiser of the National Union of Tailors and Garment Workers, in another report. She says: "On the raincoat side many employers are now seeking more labour and the heavy clothing section employers state that they too are in a position to take on more labour." Some factories were keen to train juvenile workers.

Productive Power

An industry which is adept at improvisation stands the best chance of survival at a time of severe competition, and it is along these lines that Lancashire men are thinking seriously at the moment. Since the war a good deal of improvisation has taken place in the mill towns, first because of labour shortages and later when raw cotton supplies in the United States failed to materialise.

In the first nine months of last year the number of workers on the books of spinning firms fell by 22,000 and although a small, steady drift back to the industry took place in the final quarter of the year, the net loss is about 15 per cent. of the total labour force, Mr. Alfred Roberts, Secretary of the Cardroom Workers' Amalgamation, has estimated that on the basis of the peak weekly production of around 22,500,000 lbs. in 1951, the highest figure which could be reached with the numbers now available would be some 19,000,000 lbs., a loss of 3,500,000 lbs. weekly.

In practice, however, the loss is likely to be much greater. Workers have not left the industry in an orderly sequence and keymen have disappeared, thereby severely unbalancing output in many mills, and reducing the potential productive capacity to an even larger extent. Labour, it is clear, will provide the dominant problem for some time to come.

After the war, when the industry was reviving on a floodtide of success, it was not difficult to obtain recruits from Continental countries, Ireland and from other industries in Britain. The much publicised slump last year created a lack of confidence which has by no means been dispersed, and the necessity of maintaining research into methods of redeployment is paramount. In this connection, the special conference called for later this month by the Cotton Board to discuss the wide implications of two-shift working assumes even greater significance.

Cotton and rayon cloth production in 1952 was only 77.4 per cent. of the total in the previous year, being 2,291,740,000 linear yards. Latest recruitment gains, according to the Cotton Board, have brought the industry's manpower total above 273,000, but the necessity of increasing productivity is still self-evident.

Plant Sales Record

By a small margin textile machinery exports last year topped the £50,000,000-mark for the first time, and the quantity of plant shipped abroad was the highest since 1929. This was the result of a year in which machinery manufacturers found progress in selling their products increasingly difficult. Redundancy in the works clouded the activity of earlier months.

Total shipments of 2,253,795 cwts. compared with 2,100,837 cwts. in 1951, the respective values being £50,446,766 and £43,646,652. The increase in volume came almost entirely from exports of spinning plant, which rose from 1,121,647 cwts. to 1,297,872 cwts. Weaving machine exports fell from 361,556 cwts. to 358,609 cwts.

India kept her place as the chief buyer of British textile plant, taking 395,244 cwts., against 304,501 cwts., and other important customers were Brazil with 265,138 cwts., Italy 224,922 cwts. and Pakistan 214,480 cwts. A feature of the year was the increased number of countries to which plant was sent, no fewer than 30 taking more than 10,000 cwts.

Imports of textile plant were curtailed last year. Arrivals totalled 133,864 cwts. against 147,390 cwts. in 1951, at a cost of £5,759,694 against £6,198,340. Most of the machinery bought abroad was for hosiery and knitting and the chief suppliers were the United States, Switzerland and Germany.

More Shift Work

Housewives' evening shifts have been introduced again at some cotton mills to cope with urgent orders, an employers' association covering 180 Lancashire cotton mills announced this week.

The Bolton Master Cotton Spinners' Association said in its Annual Report: "Since July there has been a continuous upward trend and activity is now about 85 per cent. of the 1951 figures. The flow of labour away from the industry in the early months of the year has been reversed and operatives are returning to their usual places of employment."

Raw Cotton Imports

Imports into the United Kingdom last week aggregated 16,856 bales, comprising 4,800 bales Mexican, 4,101 bales West African, 3,931 bales American, 1,700 bales Pakistan, 1,199 bales East African, 700 bales Sudan and 525 bales Indian.—*All Rights Reserved.*

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PROCEEDINGS OF THE INDIAN CENTRAL COTTON COMMITTEE

EMPHASIS LAID ON BOTH QUALITY AND QUANTITY OF OUTPUT

ALTHOUGH India has made significant progress in cotton cultivation since the Partition of the country, there is still a long leeway to be made up before this country could attain complete self-sufficiency in cotton. It was, therefore, inevitable that the Indian Central Cotton Committee should still be found devoting its attention to the quantitative improvement in cotton production. Even at the recent meetings of the Committee, held last week in Bombay, the main subjects which figured prominently in the discussions were those that are connected with the increase in cotton output. But the Committee did not, of course, ignore the importance of quality of cotton, for it sanctioned several schemes which are designed to promote the cultivation of superior styles of cotton.

Both Dr. Punjabrao S. Deshmukh, Union Minister for Agriculture and Mr. K. R. Damle, Vice-President, Indian Council of Agricultural Research, emphasised the need for increasing the output of cotton. Dr. Deshmukh pointed out that, out of the fixed target of additional production of 1,258,000 bales of cotton over the production in 1950-51, the country has so far succeeded in producing an additional quantity of about 200,000 bales or 300,000 bales. The rest had to be achieved during the three years ending 1955-56. He drew pointed attention to the fact that, although India was the second most important cotton growing country in the world, it produced only 9 per cent. of the world's output of cotton, while India's acreage was about 20 per cent. of the world's acreage under cotton. This discrepancy between India's share in world's acreage under cotton and its share of the world's cotton production is, of course, due to the fact that India's per-acre yield is very low. Thus, the yield of cotton in India ranges from 60 to 90 lbs. per acre in rain-fed areas and 180 to 200 lbs. per acre in the irrigated areas, as against 267 lbs. in the U.S. and 390 lbs. in Egypt. Dr. Deshmukh suggested that future increases in cotton cultivation should be achieved mainly through intensive cultivation since a stage had now been reached when "further diversion of acreage from foodgrains to cotton will have a serious effect on the country's food supply."

Cotton Extension Work

Mr. Damle struck the same note of warning against diversion of land from food to cotton when he reminded the members how the Committee had, at its last meeting, arrived at the conclusion that such diversion would have a "serious repercussion on the country's food supplies." Reviewing the cotton extension work, which is being carried on under the supervision of the Government of India, he said:

"The cotton extension work is now in its third year. The target of additional production fixed for 1950-51 was about 600,000 bales and that for 1951-52 was 700,000 bales. Unfortunately, these targets have not been achieved on account of unfavourable seasonal conditions. The shortfall in 1951-52 would have been even greater had it not been for the exceptionally good conditions in Madhya Pradesh and Hyderabad. For the year 1952-53, we had planned for a production of 3,900,000 bales in the hope that the normal monsoon rains would be available. Conditions have, however, again been unfavourable in Uttar Pradesh, Madras, Madhya Bharat, Rajasthan, Hyderabad, Mysore, Madhya Pradesh, and West Bengal and the current season's production will probably be lower by 500,000 bales, as compared with the actual crop in the previous year."

The increase in cotton production, it was, of course, recognised, should be attempted without sacrificing quality. Indeed, Dr. Deshmukh emphasised that "in the years to come, the accent should be on quality rather than on quantity." He pointed out how about 55 per cent. of the total cotton area was under improved varieties of cotton as compared with only 13 per cent. in the pre-war period. He hoped that, if part of the three to four million acres of land which would be irrigated at the completion of the Five-year Plan were made available for superior varieties of cotton in the normal rotation of crops, the "day of India's self-sufficiency in respect of East Indian cotton could not be far off." He envisaged, for purposes of improving the quality of cotton, a steady expansion of the area under improved varieties of cotton, more intensive manuring in the irrigated cotton tracts and provision of irrigation, for about three million acres to enable irrigated cotton to be grown.

The entire question of increasing the cotton output has, ere now, been considered by the Indian Central Cotton Committee. The Committee has already emphasised the importance of a five-point drive towards the quantitative and qualitative improvement in cotton. The Committee's suggestions are: (1) Extension of the cultivation of improved varieties to all areas where they are not at present grown; (2) adoption of adequate plant protection measures; (3) manuring of cotton land; (4) provision of irrigation facilities for an additional three million acres by constructing minor irrigation works or by such other methods as are feasible; (5) provision of fertilisers and grant of necessary funds to agricultural classes for securing these facilities.

The Committee discussed, at its last week's meeting, the problem of planned production of cotton and the target for 1953-54 with special emphasis on quality. It was hoped that, in the absence of unfavourable weather conditions, the Planning Commission's target of increased production would be achieved. This target, it may be mentioned here, is 4,220,000 bales to be reached before 1955-56. The Committee decided that a comprehensive note comprising information on varieties of cotton grown in the country and the types of cotton required for consumption by the mill and handloom industries, with particular reference to the future trend of market demands, should be prepared for consideration at the next meeting of the Committee.

Fertilisers for Cotton

The question of manuring cotton lands is not, of course, a new one. It had been discussed even at the last meeting of the Committee, held in March. The fertiliser position, as Dr. Deshmukh pointed out, is easier now. But the offtake is less than the allotted quotas. It would appear that the Committee had requested the State Governments to find out the reasons for the poor offtake of sulphate of ammonia. Different explanations have been offered to explain the low offtake of fertilisers. The primary reason, however, seems to be that the use of fertilisers is profitable only in irrigated tracts and in areas which have an assured rainfall. If a piece of cotton land, to which manure has been applied, does not receive adequate water supply (whether through rain or irrigation sources), the succeeding cotton crop becomes adversely affected. Thus, the application of manure carries an element of risk. It must, however, be pointed out that the poor offtake of fertilisers is not wholly due to this reason. Perhaps, the late receipt of fertilisers is an important reason. Clearly, it is the Government's duty to make ammonium sulphate available to the farmers promptly enough in order to enable them to make the fullest use of this fertiliser. There is also a case, as the Agricultural Research Sub-Committee of the Indian Central Cotton Committee suggested, for reducing the price of fertiliser in order to make it more attractive to cotton growers.

Development Schemes

The progress of the various development schemes, which are under the continuous supervision of the Committee, was also reviewed by the Committee. The Agricultural Research Sub-Committee of the Committee divided itself into four sectional sub-committees which examined in detail the progress reports of the schemes financed by the Committee, proposals for new schemes and extensions of some of the old schemes. The recommendations of the sub-committees were later considered by the Indian Central Cotton Committee. Thus, the Committee approved the Cotton Forecast Sub-Committee's proposals for crop estimating surveys on cotton in the States of Hyderabad and Madhya Bharat for one year. The interim report of the Director, Technological Laboratory, for the six months ended November, 1952, and the progress report on the scheme for improvement of cotton ginning were considered and approved. The Committee sanctioned a scheme for investigating the production and utilisation of ramie fibre. It also approved schemes for multiplication and distribution of 320F American cotton in Ferozepore, Ludhiana, Jullundur and Amritsar districts of the Punjab State, for cotton strains K2, Madras Uganda-I and Madras Uganda-II, and Rayalaseema I in Madras State, and Vijay cotton in Middle Gujerat in Bombay State. A scheme for gradual substitution of *Jarilla*, which is susceptible to late rains, by a new variety in Madhya Pradesh received the Committee's approval. It would appear that the new variety, "Virnar", is also spreading in parts of Madhya Pradesh, because the farmers are convinced of the superior quality of this new variety.

New Cotton Strains

An important scheme, which has received the sanction of the Committee, is the one which relates to the evolution of a new strain of cotton through crossing *Deshi* cotton with American cotton. The breeding of *Deshi* and American cottons results, it is stated, in a promising new strain which is capable of spinning 50s or even 60s. The seeds of these new styles of cotton have been distributed to several States to find out which of the new varieties finds a hospitable climate and soil in each State.

Another scheme, which deserves special mention, is a five-year scheme for evolving a new strain of cotton by crossing American cotton with the Sea Island type. It may be mentioned, in this connection, that the Sea Island variety of cotton has the reputation of possessing the largest staple among all varieties of cotton grown in the world. But its output is only a few thousand bales. By crossing American and Sea Island cotton it is hoped to evolve a new strain which will be equivalent to the long-stapled Egyptian cottons. This is an important piece of research, inasmuch as all previous attempts at growing Egyptian cotton in India have invariably ended in complete failure. If the new research scheme for evolving a new variety, even roughly equivalent to the Egyptian styles, were to become successful, then this country would be assured of ample supply of long-stapled varieties of cotton, provided, of course, the new strain is extended from the laboratory to the fields. Research on crossing American with Sea Island has already yielded some promising results, though the results are still in a tentative stage. It is hoped that the five-year research scheme, which has now been sanctioned, will both confirm and improve the research already done in this field.

Sales Tax

Finally, the Committee did well to pass a resolution affirming the need for exempting cotton from sales tax. The resolution said:

"The Indian Central Cotton Committee recommends to the Central and State Governments that cotton should be exempted from the sales tax for the following reasons:

(i) Cotton has been declared an 'essential article, under the Central Government's Essential Goods (Tax on Sale) Act,

(ii) tax on cotton will adversely affect the return to the cotton grower, and thereby greatly retard the expansion of cotton production in the country, and

(iii) yarn and cloth manufactured from cotton are already taxed, and, therefore, the taxing of raw cotton is tantamount to double taxation."

Whatever may be the reasons which prompted the State Governments to impose a sales tax on cotton, there is no doubt that, in the rapidly changing conditions in the sphere of cotton and cotton textiles, not only in the domestic but also in the international field, there is a real and urgent need to consider the question *de novo*. It is unwise to subject an international commodity, such as cotton, to special imposts. But what renders this impost particularly reprehensible is the fact that it has not even the merit of being uniform throughout the country.

EGYPTIAN COTTON

Research is being conducted in Egypt, it is stated, with a view to evolving new varieties of cotton with greater strength and fineness. The experiments are expected to take another 10 years before the new varieties become finally established. The names of the new substitutes are Guiza 51, 56, 58 and 60.

Two changes have been made announced by the Egyptian Government in its cotton export policy: (1) The price of Ashmouni will now be only 5 per cent. above the preceding day's closing price of New York cotton, instead of 10 per cent. till now; (2) Egyptian cotton must be paid in 25 per cent. dollars or sterling and 75 per cent. Egyptian currency or goods. Formerly, the Government insisted on a 50-50 ratio (50 per cent. in dollars or sterling and 50 per cent. Egyptian currency).

A three-member goodwill mission from Egypt is now in the U.K., holding talks with the textile leaders in that country. Egypt seeks to increase its exports of raw cotton to the U.K., which took only 42,000 bales in 1952, as against 197,000 bales in 1951.

The Government of India has decided to permit persons holding export quotas of Mathias, Kalagins and Dhollars, Central India, C.P. I and II and Oomra *Deshi* cotton to export Bengal *Deshi* cotton instead to the extent of half such quotas. The Government, it may be recalled, announced in October, 1952, export quotas of cotton of 50,000 bales of Mathias, Kalagins and Dhollars and 50,000 bales of Central India, C.P. I and II and Oomra *Deshi*.

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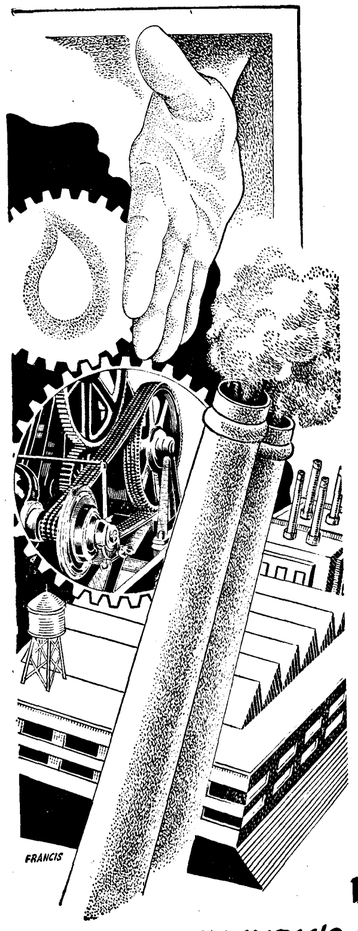

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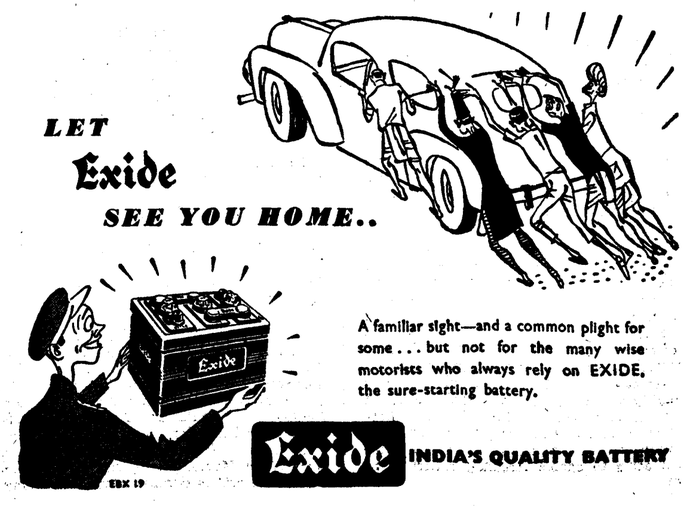

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SUGAR INDUSTRY IN PAKISTAN

SIX NEW FACTORIES PLANNED

A SCHEME for the establishment of six sugar factories, which has been under the consideration of the Government of Pakistan for some time past, is now being finalised. The details of location, capacity, etc., of these factories are not known. According to information so far available, the Pakistan Government has learned from the experiences of India and is not going to repeat the mistake of U.P. and Bihar where factories have been allowed to spring up without having their own sugarcane farms. We are told that each one of the proposed factories will be allotted sufficient land on which it can grow its requirements of sugarcane, an advantage which has greatly contributed to the sustained progress of the sugar industry in the Deccan. A start with the implementation of the scheme will be made in the Punjab. The West Punjab Government has planned to set up, with the co-operation of the Centre, a sugar factory in the Thal development area.

When all the six new factories are established, Pakistan will become almost self-sufficient in sugar. At present, Pakistan is deficit in this commodity to a very considerable extent. The aggregate production of sugar is of the order of a little over 43,000 tons per annum, as against the country's requirements—on the basis of a per capita consumption of 7 lbs.—of about 265,000 tons. In other words, the indigenous industry is meeting the country's demand to the extent of only 16 per cent. The wide gap between its production and its requirements has compelled Pakistan to import considerable quantities of sugar, spending, every year, foreign exchange—mostly dollars—to the tune of Rs. 8 crores. During the past five years, imports of sugar into Pakistan aggregated 700,000 tons, of the value of Rs. 42 crores. In 1951 alone, its imports amounted to 197,000 tons, and in 1952, 112,771 tons.

With a view to achieving self-sufficiency in sugar, and thereby saving foreign exchange, efforts are being made by both the Governments—Central and Provincial—and the sugar interests to expand the size of the sugar industry through the addition of new units and expansion of the existing ones. This was one of the questions which was discussed by the Pakistan Industrial Advisory Committee for Food Industries. The Committee recently recommended to the Government of Pakistan—this recommendation has since been accepted—the setting up, during the next five years, of 10 more sugar-producing units, each with a daily cane-crushing capacity of 800-1,500 tons. The scheme for establishing six new sugar factories, now being finalised, as stated at the outset, is the first stage in the implementation of the recommendation.

Present Position

There are, at present, eight sugar factories in Pakistan, with an aggregate daily cane-crushing capacity of nearly 8,900 tons. Of these, four are in East Bengal and two each in the Punjab and the N.W.F.P. The biggest of these is the Premier Sugar Mills at Mardan, in the N.W.F.P., which commenced production on 19th December, 1950. The factory, it is claimed, has a rated cane-crushing capacity of 500,000 tons per annum, yielding about 50,000 tons of sugar. The capacity is expected to be increased, by 1954-55, to one million tons of cane, yielding 100,000 tons of sugar.

The progress of the sugar industry in Pakistan during the three years, 1948-49 to 1950-51, is indicated in the table below:

		1950-51	1949-50	1948-49
No. of factories		8	4	4
Production of sugar ..	.. (tons)	43,365	23,284	31,756
Cane crushed	.. (tons)	533,394	286,358	353,052
Recovery per cent. sugar		8.13	8.13	8.71
Average No. of days worked		98	..	..
Area under sugarcane	(000 acres)	700*	754	714
Yield of sugarcane ..	.. (tons)	874,000	1,039,000	1,017,000

* Figures include the area damaged or destroyed by excessive rains and heavy floods in the Punjab in September, 1950.

From the foregoing table, it will be seen that there has been a fall both in the yield of sugarcane and in the area under cane. This is attributed to unfavourable weather conditions prevailing throughout Pakistan at the time of planting. The final forecast of the sugarcane crop for the 1951-52 sugar season, however, places the area and the yield alike higher at 725,000 acres and 892,000 tons, respectively, which represent an increase of 3.6 per cent. and 2.0 per cent., respectively, as compared with the previous season. The increase in yield is thus less than proportionate to the rise in acreage, which indicates that the trend of average yield per acre must have been downwards. This means that adequate attention is not being paid to intensify cultivation of sugarcane.

The rise in sugar output during the past two years has resulted in the production of a large quantity of molasses, an important by-product of the sugar industry. But the quantity which is being actually used is very small. The only plant manufacturing industrial alcohol in Pakistan is at Darsana (East Pakistan). Another plant at the Takht Bhai Sugar Factory in the N.W.F.P. is nearing completion. In view of the schemes for expanding the production of sugar, erection of additional plants for power alcohol also is being contemplated.

FESTIVAL HOLIDAYS FOR SUGAR LABOUR

The U.P. Government has, under the U.P. Industrial Disputes Act, 1947, ordered all the vacuum-pan sugar factories in the State to allow 17 festival holidays with pay to their workmen, notwithstanding anything contained in the standing orders. "Wage" means the consolidated wage, exclusive of any overtime earnings and bonus, for the full day immediately preceding the festival holiday or holidays. If any factory was, in the calendar year 1947, allowing a larger number of holidays than that fixed, such number shall, it is clearly stated, not be decreased, but the remainder shall be specified by the factory at the commencement of the calendar year in consultation with, and with the consent of, the Regional Conciliation Officer of the area concerned. The contravention of the order, it is warned, will entail punishment with imprisonment extending up to three years or fine or both. The order will remain in force for a period of one year.

The principle of giving workers in the organised industries holidays with pay first came into prominence in India in 1940, that is, when it was approved by the first Conference of Labour Ministers convened by the Government of India. The details of the legislation necessary to give effect to this decision were discussed with the representatives of the Provincial (now State) Governments at two subsequent sessions, in 1941 and 1942, and with representatives of employers and workers at two meetings held in January, 1941 and January, 1942, respectively. The Factories (Amendment) Act (III) of 1945—which came into effect on 1st January, 1946—was a sequel to these developments. The section pertaining to holidays with pay in this Act, however, related only to workers employed in the perennial factories. Being a seasonal industry, the sugar industry could not come under the purview of the section. The lacuna was, however, filled by the U.P. Government and a specific clause providing for festival holidays with pay to workers in sugar factories was included in the Industrial Disputes Act, 1947.

REORGANISATION OF SUGAR INDUSTRY IN U.P.

The proposal for appointing a committee to examine the scheme for reorganising the sugar industry in Uttar Pradesh has been dropped by the U.P. Government. Instead, the scheme will be examined by a Government expert. The proposal, it will be recalled, was mooted at the U.P. Sugar Industry Tripartite Conference held at Naini Tal in September last. But it could not be given effect to immediately, owing to differences over the participation and nomination of labour representatives. The U.P. Government has, therefore, been compelled—according to its own Press Note issued recently—to take upon itself the responsibility of examining the standardisation scheme for the sugar industry. The industry has agreed to pay for the enquiry in the selected factories; a part of the funds has already been remitted to the Government.

The enquiry is to be held in two stages. First, the Government will depute consultants on this work "immediately" and direct its expert to keep in touch with the progress of these investigations. These will subsequently be examined by the expert, who will be called upon to submit detailed recommendations. The Government is anxious to finish the enquiry as quickly as possible. Needless to say that this will depend on the extent to which workers and managements are prepared to co-operate with the Government.

SALES TAX ON KHANDSARI

The Government of Uttar Pradesh has decided to impose sales tax on khandsari sugar and jaggery powder. These are at present exempt from sales tax, on the ground that they are "essential food commodities." This decision has evoked wide protest from the trade. The U.P. Gur and Khandsari Association has urged the Government to reconsider its decision and exempt them from the tax, as its incidence is high and involves hardship to the trade. According to the Association, the greatest difficulty is that, since a large percentage of khandsari sugar is exported outside the State, the tax will actually be realisable only from a fraction of the produce meant for internal consumption, the rest being exempt under the provisions of the Constitution. But all the same the entire industry, which is carried on in villages and cities on a small scale, will have to keep accounts.

COAL IN BIHAR

INCREASE IN CESS CONTEMPLATED

THE Government of Bihar is said to have sought the approval of the Government of India to enhance the cess on coal to As. 3-6 for every ton of coal despatched from the State. This is a bolt from the blue to the coal industry. That the Bihar Government should think of such a proposal, when the industry is faced with rising costs and statutorily fixed selling prices which have made the working of a number of mines uneconomical, is an instance to show how some of the Governments in this country are completely unmindful of the difficulties of industries and are concerned only with the task of augmenting their revenue. It was only some three weeks ago that the coal industry pleaded with the Central Ministry of Production to relieve it of the crushing burdens and thus avert the crisis it was heading for. The Bihar Government could not have chosen a worse time for mulcting something more from the coal industry. In proposing an increase in the cess on coal, the Government of Bihar has disregarded the interests of consumers whose purchasing power is day by day contracting. If a proportionate increase in the statutory selling prices of coal is not given, the adverse effects of such a levy on the industry will be perceptible. If the statutory selling prices were to be increased in addition to the relief for which the industry has been pleading with the Central Government, the cost of coal to consumers would go up to such an extent as to occasion a rise in the prices of other commodities.

The cess of As. 3-6 is sought by the Bihar Government under the Bihar Cess (Amendment) Act, 1952. It will be recalled that this Act was brought into force on 1st April, 1952. The Act authorises the State Government to levy a cess, through Local Boards in Bihar, at a rate not exceeding As. 4-6 per ton of annual despatches of coal and coke. But the actual rate of cess now in force is very much lower than this figure and varies from district to district. The Indian Mining Association was asked by the Government of Bihar in April last for suggestions as to the rates at which the various local cesses should be fixed under the Act. The Association examined the finances of the Local Boards concerned—Manbhum District Board, the Hazaribagh District Board and the Hazaribagh Mines Board—and concluded that the cess should be levied at a rate which would allow each Board to cover its previous average annual expenditure and leave a small surplus in hand. Accordingly, it recommended that the rates should be as follows (per ton of aggregate annual despatches):

1. Manbhum District Board—As. 1-2.
2. Hazaribagh District Board—As. 1-6.
3. Hazaribagh Mines Board—As. 1-2.

A jump from these rates to As. 3-6 is indeed unduly high. It behoves the Central Government, therefore, to critically examine the proposal of the Bihar Government and fix the cess at a rate which would not impair the finances of the collieries concerned. Any such cess should be within the capacity of the collieries to pay and should not lead to a sharp rise in selling prices. It is common knowledge that any marked rise in the statutory selling prices of coal will adversely affect all those industries in the cost of production of which coal figures prominently and will either give rise to a fresh wave of rising prices or accentuate the existing depression in industries.

COAL STATISTICS FOR DECEMBER 1952

Eight coke plants and 812 collieries worked during the month of December, 1952. On an average, 334,817 persons were employed daily and 8,565,927 man-shifts were worked. The overall percentage of absenteeism was 12.22. The output per man-shift for miners and loaders was 1.10 tons, for all persons employed in underground and open-workings 0.50 and for all persons employed 0.37. As much as 3,225,814 tons of coal were produced during the month under review. Besides 123,605 tons of soft coke, 184,614 tons of hard coke and 12,939 tons of other kinds of coke were manufactured. Despatches accounted for 2,745,730 tons of coal, 123,754 tons of soft coke, 39,842 tons of hard coke and 4,678 tons of other kinds of coke. The coal stocks at the collieries on the last day of the month were reported to be 3,019,795 tons.

The Government of India has announced the personnel of the eight-man Committee to examine and report on the problems relating to the establishment of coal washeries in India. Besides the Chairman, Mr. J. N. Mukherjee, the Committee consists of Messrs. S. C. Ghosh, P. N. Evans, S. W. Willett, M. V. Kanlani, H. M. N. Nandy and S. Mukherjee and the Director of the Fuel Research Institute, Dhanbad or his nominee. Mr. S. Mukherjee will act as member-Secretary to the Committee. The Committee is expected to submit its final report to the Government by March next.

NATIONALISATION OF AIR TRANSPORT

A PLEA FOR FAIR PLAY

(By "RUDDERBAR")

WHATEVER views are held on the desirability or otherwise of nationalising our air transport, nearly all will agree that fair compensation should be paid to private companies which have, over the past seven years, built up a fine service on a wide network of routes. It is, of course, easy to express such views but rather more difficult to determine the nature of compensation which would satisfy all parties, the companies, their shareholders, the public and the Government, as being just and equitable.

The bulk of the aircraft held by the various domestic operators is the Douglas Dakota and it follows that the bulk of stores, spare engines and equipment is for this type of aircraft. These aircraft were purchased originally from war surplus at an average cost of Rs. 80,000 each. Subsequent complete overhaul and conversion to passenger accommodation cost, on an average, a further Rs. 80,000, bringing the final outlay to an average, of Rs. 1,60,000 per aircraft.

All aircraft in use have been annually overhauled at an average cost of Rs. 50,000 per aircraft per year. Thus, the aircraft are continuously maintained and overhauled so as to keep them in perfect order. Quite apart from running maintenance, which is a costly item, the original cost of the aircraft plus six annual overhauls, will amount to some Rs. 4,60,000 to-day. It will be seen that the determination of depreciation of these aircraft should not, then, be on the basis of deterioration. They are substantially, from that point of view, as good as they were on first purchase. The determining factors should be the remaining life and the world market value.

It is not easy to assess the length of life remaining, because various factors have to be considered, as, for example, the increasing cost of annual overhaul as the years go by and the economic and competitive pressure occasioned by faster and more economical aircraft coming into the market. Without going into many details which would weary the layman, it is, and can be accepted as a statement of fact that the Dakotas at present in operation in India are good for another five to six years.

To corroborate this statement and as an additional yardstick to assess their value, world market prices must be considered. Here again it is not easy to obtain firm figures, but, so far as can be ascertained, the value of a converted Dakota with a full-term Certificate of Airworthiness, is to-day $80,000 in the United States and £23,500 in Europe. In Indian currency this amounts to Rs. 3,80,000 in the first instance and Rs. 3,13,000 in the second. In other words, it will be seen that the price of the aircraft has considerably appreciated since 1945-46, except in India, where there is still a surplus of such aircraft owing to the fact that no exports from India have been permitted.

On the one hand, then, we may assess the depreciated value of the aircraft in India, taking into consideration that it has completed approximately half of its useful life, as Rs. 80,000 or half the original cost. On the other hand, since it is within the power of Government, who is the purchasing party, to export and sell a number of these aircraft which will, in any case, be surplus when the single Corporation is formed, the world market value must also be taken into consideration.

It would not be unfair then to suggest that an average value of Rs. 1,60,000 be placed on each Dakota. The average value is given advisedly, because each aircraft will necessarily be of more or less value, in accordance with the stage of currency of its Certificate of Airworthiness. Using the same formula, the value of all other types of aircraft at present in operation, such as Skymasters and Vikings, can also be assessed.

Turning to spare engines, which cost originally an average of Rs. 31,000 each from war surplus supplies, the rate of depreciation can be determined more readily. An engine of the particular type mounted in Dakota aircraft runs for 800 hours between complete overhauls. Each complete overhaul costs, or has cost in the past, between Rs. 20,000 and Rs. 10,000. What the future costs will be is not predictable, because, as the life of the engine lengthens, the necessity to replace major components at each overhaul increases. The life of an engine is, therefore, more limited than the life of an aircraft. It would be fair then to assess annual depreciation at 15 per cent. and to add thereto an average value of Rs. 10,000 for a newly overhauled engine. From the sum thus arrived at should be deducted Rs. 12 for each hour that the engine has run since its last complete overhaul.

The stores and spare parts held by each company are of very considerable value. These stores are for the most part new. Taking into consideration, however, that a certain proportion are reconditioned but serviceable spares, it would not be unfair to take over the complete stores of each company at book value less 20%.

There remain such assets as workshop equipment, motor vehicles, office furniture and buildings. In these cases, it would be equitable to pay compensation at the written-down value on the income-tax system, with the proviso that companies may, if they so prefer, sell such non-specialised assets in the open market.

So much for the physical assets but what of the imponderables? Most of the air companies have been operating for upwards of six years. With the exception of one or two companies, they have made heavy losses. In an earlier article, this writer has shown that these losses were very largely due to Government's policy towards air transport. For example, the Air Transport Licensing Board issued route licences to far more companies than could, by any stretch of the imagination, operate with financial success on the meagre route mileage available, thus creating unnecessary, undesirable and most wasteful competition. The issue of licences was a matter entirely under Government control and the resulting situation should certainly have been foreseen. Another potent factor is the tax of 15 annas 9 pies on each gallon of aviation spirit. This is and has been a crushing burden on the air transport industry.

Had affairs been allowed to take their normal course, the weaker companies would have been eliminated by the inexorable law of economics and, indeed, this has already been the fate of a number of companies during the past four years. Government, however, has shown a nice sense of timing. Costs have been steadily rising and particularly in respect of petrol; traffic over the past year has shown a steep decline, owing to trade depression and lack of purchasing power in the country as a whole; fleets are becoming obsolescent and replacement by new aircraft cannot be stalled off indefinitely; probably no company made a profit for the year 1952. This was Government's obvious opportunity to catch the industry off balance and to nationalise it with the least possible resistance or financial outlay. It cannot, however, be said that the Government, by acquiring the physical assets of the industry, even at a fair price, has fully discharged its debt. The traffic, both passenger and freight, for which the air routes now cater has not been engendered by some bureaucratic formula. It is the result of six to seven years of hard work, of safe and efficient operation in difficult circumstances and with indifferent operational aids, by the private companies. It has meant to them, in nearly all cases, financial losses but losses which would, in the normal course of events, have been recouped in years to come.

Quite clearly, here is a case where compensation for goodwill is not only desirable but just. How such compensation should be assessed is a matter of opinion and it is suggested here that, in the case of losses, a fair proportion of these should be capitalised and, in the one or two cases, where profits have been systematically made over a period of not less than four years, the company should be recompensed by a sum totalling an average of four years' profits or an average of profits over the remaining years of its Route Term Licence, whichever is less. Such capitalisation of losses or compensation for goodwill would, on its return to the shareholders, undoubtedly find its way back into some other industry, thus serving national interests as a whole.

Whether the above or some other formula is chosen, there can be little doubt that compensation is rightly due to the industry for the goodwill created and the traffic engendered, which the nationalised Corporation will inherit.

It is not yet known with certainty how the Government will compensate the airline companies, but it is understood that present proposals are as follows:

In the case of aircraft, the original cost less 18 per cent. depreciation per annum on written-down values. It is interesting to note that an aircraft purchased in 1946 would thus fetch Rs. 78,000. In the case of engines, the original cost less 24 per cent. per annum on written-down values. In the case of equipment, vehicles, furniture and buildings, the written-down value of each in accordance with the income-tax system. In the case of stores and spares, the book value less a flat 20 per cent.

It will thus be seen that, save in the case of aircraft, the compensation under these proposals would not be inequitable so far as physical assets are concerned. There is, however, and so far as is at present known, no mention whatsoever of any compensation or payment for goodwill. For reasons already given, it is very earnestly to be hoped that this question will receive the fullest consideration and that before the proposals are finalised and accepted by Parliament, some fair compensation will be included for this imponderable item.

Nor, it is suggested, should interest in this matter be confined solely to the managements and shareholders of the airline companies. Is not the nationalisation of air transport a first step on a path which other industries may have, in due course of time, to tread? Such compensation as is given, therefore, may create a precedent, a fact which industrialists and other interested parties may do well to ponder.—*All Rights Reserved.*



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YET ANOTHER COMMITTEE FOR TEA INDUSTRY

REQUEST FOR EXCISE DUTY REFUND REJECTED

THE appointment of a nine-man committee by the West Bengal Government last month for going into the question of revising the present wage structure of tea garden labour in the Terai area and the Dooars will doubtless be very much appreciated by the crisis-affected Indian tea industry. This Committee consists of the representatives of employers, employees and the Government. The appointment of this Committee coming, as it does, shortly after the establishment of a similar committee, with more or less the same objective in respect of tea gardens in the Darjeeling area, only demonstrates the awareness of the State Government to the seriousness of the problem facing the tea industry to-day. In fact, on the recommendations of this Darjeeling Committee, the Government moved very quickly to permit, under certain conditions, the planters in the Darjeeling area to sell rice to their employees at Rs. 17-8 per maund instead of at Rs. 5 per maund, thereby reducing the quantum of subsidy which the employers have been paying on rice supplies to tea workers in their estates. This concession was, however, only for a period of two months, on the condition that there should be no more closure of gardens, and that the gardens already closed down should be reopened and workers should be provided with work for six days a week. Unfortunately, the conditions in the Darjeeling area would appear to have deteriorated so badly that not only gardens that had closed earlier did not reopen, but another garden has only recently intimated its decision of closing down. This only reflects the seriousness of the situation.

The delayed concession shown by the West Bengal Government to the Darjeeling area seems to have encouraged the gardens of the Terai area and the Dooars to approach the Government that they too should be permitted to supply foodgrains to their labour at the same rates as those fixed by the Government for workers in the Darjeeling area. It is in response to this request that the West Bengal Government has appointed the nine-Committee mentioned at the outset. A point to be mentioned here is that, if the gardens concerned failed to reopen, the Government should not construe it as a breach of contract, as it actually did in respect of the Darjeeling gardens. At this time of the year, no tea gardens would prefer to remain closed. Some of the companies which have closed so far are not uneconomic units but old-established and well-run concerns which have operated soundly and profitably for decades. The closures are far from being seasonal and have been forced on them by the shortage of funds and non-availability of advances from banks to finance the garden operations. Besides, wages for tea garden workers are rigid and high; war-time bulk buying of tea has affected their standards; labour has been indisciplined; and heavy taxation has destroyed all possibility of making a profit. In tackling these multiple problems lies the key to the correct solution for the ills of the tea industry.

In this connection, it is only pertinent to recall here the observations made by Mr. E. A. Hutchinson, Chairman, Indian Tea Association, in his recent address to the planters of Dooars recently. He said: "The time has come when we must take steps which would bring the running costs of our gardens within the bounds of economic stability." He stated that that was the reason why the Association has recommended reduction in working days to five days a week from the beginning of this year. Commenting on the Rajarama Rao Committee report, he remarked that it scarcely touched the fringe of the industry's problems, and on matters of real significance, there were no specific recommendations for relief.

Heavy Losses

According to Mr. Hutchinson, the losses on foodgrain supply added As. 2¾ per lb. to the cost of production. As regards relief, he mentioned that the industry found itself in November, 1952, in virtually the same position as it was at the beginning of the year. As a result of their operations in 1952, the gardens in the Dooars alone had, he revealed, lost Rs. 5 crores. In the circumstances, he considered that the Government of India's intention to guarantee loans to the extent of 15 or 20 per cent. of the amounts repaid by the gardens on last year's loans was not of substantial help, as such a guarantee would be inadequate in many cases. "We shall only obtain the finance, if we can satisfy bankers that the gardens will not be run at a loss," he added. In other words, the crisis which the industry is facing is not so much due to lack of finance as to the inability of the planter to earn sufficient profits on account of the continuing high level of costs, and taxation at a time when prices have fallen from the high levels prevailing in recent years.

Viewed against this dismal background of the present position of the Indian tea industry, the latest move of the Government of India to appoint yet another committee at this late stage brings scarcely any credit to those in authority. Only recently we had a two-man committee, assisted by two cost accountants which went into the difficulties facing the industry. Much time and energy, as well as considerable resources, were expended by this Committee in touring the garden areas collecting material and preparing a report on the affairs of the industry. And now to be told that it did not furnish adequate data relating to the industry and labour and that, therefore, an expert committee should be appointed to investigate into the cost structure of the industry only suggests either a lamentable lack of appreciation on the part of the Central Government of the difficulties of Indian tea gardens or unwillingness on the part of the Government to face its responsibility to the industry. The move means that the industry, which has been waiting for long already for badly needed assistance, will have to wait for some more, perhaps indefinite, time till this new expert committee pronounces its verdict. This committee, of course, will take its own time to complete its work. Presumably, it will tour all the tea estates in North and South India, receive evidence by personal interview with the representatives of workers and planters, etc. What else will it do except to cover the same ground already traversed by the Rajaram Rao Committee? All this tantamounts to starting the setting up of an oxygen plant for supplying oxygen to a dying patient.

Expert Committee to be Appointed

The Government's decision to appoint the proposed expert Committee is a sequel to the recommendation of the Industrial Committee on Plantations which met on 19th and 20th December, 1952, to consider some of the recommendations of the Rajaram Rao Committee. This Committee requested the Government of India (*a*) to appoint a Tripartite Commission to investigate into the cost structure of the tea industry, and (*b*) to give, as an emergency measure, relief by way of refund of excise duty collected by the Central Government with effect from 1st April, 1952. It fixed the relief at As. 3 per pound for gardens in Cachar, Darjeeling and Tripura, As. 2 per pound for gardens in the Dooars, Terai, and Central Travancore, and one anna per pound for gardens in Assam and Madras States. While the Central Government has agreed with the Committee on the need for an investigation into the cost structure of the tea industry, albeit in a slightly different manner—instead of a Tripartite Commission, an Expert Committee has been appointed—it has conveniently refrained from giving effect to the recommendations of the Committee in regard to refund of excise duty. The terms of reference of this new committee include, it is stated, "investigation into the cost structure of the industry, with a view to suggesting ways and means for a revision of the cost structure to bring it in consonance with the present price level and also investigation into the trade structure of the industry to ascertain the co-relation between the auction prices and retail prices of tea to consumers."

The suggestion made by the Industrial Committee on Plantations in regard to relief to the industry from Central taxation was in itself a modest, though an imperfect one, falling far short of the industry's demand for the abolition of the export duty of As. 4 per lb. and a reduction in the excise duty. But even this suggestion has not met with the Government's approval. Its excuses for this are: first, such a recommendation calls upon the taxpayer alone to shoulder the burden unilaterally. Secondly, the Government of India does not favour the grant of indiscriminate relief to all gardens in a particular area without due regard to a garden having suffered a loss or not, or to the way in which it has been managed. The Government has, however, stated that other matters such as foodgrain concessions are being examined by it in consultation with the interests concerned. This is a small mercy, but, if it is to be of any assistance to the depressed sections of the industry, there should be no further delay in taking a decision on these matters and implementing it.

RESTRICTION OF TEA PRODUCTION

It is well-known that the tea growers' associations of North India have decided to start a scheme of voluntary restriction of crop production, in view of the prevailing slump in the industry caused by an excess of world production over world demand. The precise extent to which restriction will be carried out has not been stated, but it is thought that this would amount to about 40 to 50 million lbs. out of North India's annual production of about 500 million lbs. It is also believed that restriction will be effected either by resting the tea bushes over a period, or by a general all-round restriction in plucking of tea leaves. It is stated, in this connection, that the closure of a number of tea gardens in the past two or three months would, by itself, bring about a substantial reduction in the total North Indian crop of 1953.

An important section of the tea industry is stated to be opposed to the idea of crop restriction on the ground that any such reduction at this stage would only result in an increase in the unit cost of production. Whilst a regulated scheme of crop restriction might help the production of better quality teas, it is not thought that the increased price that may be obtained for such quality teas would cover the increase in the unit cost of production, above referred to. However, there is general acceptance of the suggestion that it is absolutely essential that the tea industry should concentrate on the production of better quality teas in order to fight the slump.

An important factor to be considered is the attitude that the other principal countries which produce tea will adopt towards the question of crop reduction. It would seem useless for India alone to attempt a reduction in output, if Ceylon, Indonesia and East Africa do not attempt any such reduction of their tea crops.

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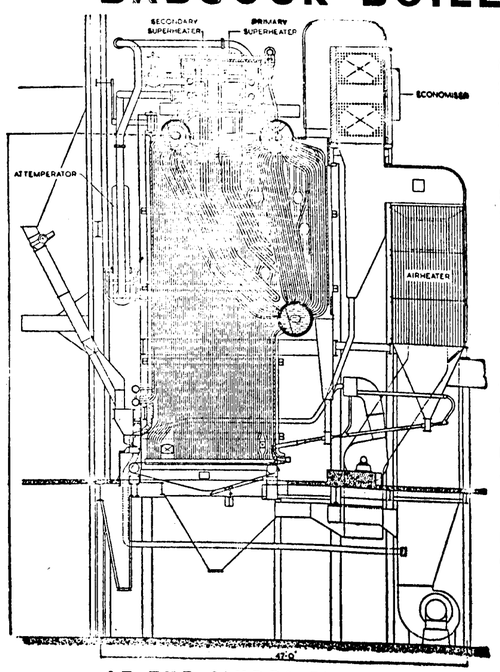

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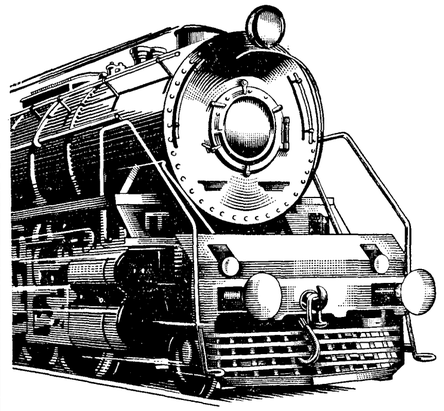

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UTILISATION OF ATOMIC ENERGY FOR PEACEFUL PURPOSES

PRESENT RESEARCH AND THE FUTURE

SCIENTISTS predict that the day is not far off when atomic plants would produce abundant power for homes, business, industry and sea and air transport. Researches that are being conducted in the United Kingdom and the United States have already made vast progress. Mr. Duncan Sandys, the U.K. Minister of Supply disclosed recently to the House of Commons that the construction of an experimental atomic power station was under consideration. Although vast amounts of electrical power are produced in atomic reactions which take place inside an atomic pile, there are at present no direct means of harnessing this electricity for direct use. All developments for the utilisation of atomic energy for the production of electrical or other power depend on the drawing off of the heat produced in the pile during the reaction and the use of this energy outside the pile to operate a normal electrical generator or some other orthodox power-producing unit.

An experimental breeder pile has already been built at Arco, Idaho, by the U.S. Atomic Energy Commission, but it is not yet known if it is breeding successfully. The successful development of a breeder pile would mean that a vast amount of atomic power would be available at a cost that would not be prohibitive. It is too early yet to say, with any precision, how soon electricity generated with atomic energy would be available on a significant scale for industrial purposes. It is, however, interesting to note that a U.S. company, the Detroit Edison Company, announced recently that it might be ready to build an atomic power plant within a year. But the U.S. Atomic Energy Commission puts the time limit for such a plant at "a few years."

Although research in development of electricity from atomic energy is still being pursued, some notable results have already been achieved in certain fields. The achievements in the fields of radar and jet propulsion are significant and have captured the imagination of the world. By-products have been developed which have provided important tools for doctors, agriculturists, industrialists and research workers. New developments are continually being made to increase the use of radio-active isotopes which have been gaining significance in scientific research and industrial applications.

So far, the greatest benefits have been achieved through the use of radio-active isotopes. The latter are every valuable in tracing biological and chemical processes which cannot be observed as extensively by any other research tool known to man. It is in the field of disease research that radio-active isotopes offer the highest promise. Again, by using the radio-active isotopes to trace the processes by which plants use fertilisers, scientists have learned how to produce crops more cheaply and abundantly. Radio-active isotopes are being used in industry in the development of rubber tyres, engine lubricants, machine parts, textiles and many other products. The U.K. is the chief exporter of radio-active isotopes and India is one of the 36 countries which have been receiving supplies of radio-active isotopes from the Atomic Energy Research Establishment School, at Harwell, U.K. The other exporters are the U.S. and Canada.

Radio-active Carbon

Radio-active carbon is proving a valuable research tool in the study of agriculture's biggest riddle as to how plants use sunlight to turn water from the soil and carbon-dioxide of the air into starches through the process of photo-synthesis. If scientists were to solve the mysteries of this process and duplicate it on a large-scale, they would have found, it is held, the key to create virtually unlimited supplies of both food and fuel. In other words, it would relieve the problem of hunger from the face of the earth and help raise the standards of living in an astonishingly easy manner. Scientists remind us that atomic energy is one of the basic energies of the universe and it is the exploration of the ways of using its potentialities for peaceful purposes that is the challenge of history to man.

The chief difficulties in the way of utilising atomic energy for peaceful purposes are the restrictions placed in the way of free exchange of information between the scientists of the U.S. and others. This has created a good deal of misunderstanding among the members of the free world. It is true that the restrictions are due to the existing tension between the Democratic and the Communist blocs and the great importance of atomic power in times of war. Nevertheless, it is to be hoped that these restrictions would be things of the past before long and a new order would be ushered in and that atomic energy would contribute to the health and prosperity of the ailing world.

For ordinary people throughout the world, atomic energy has a sinister significance. It is linked too readily with atomic bombs. Everybody deplores the circumstances which have made the production of atomic bombs almost a necessity, though few are aware of its peaceful uses. Again, few are aware that the splitting of the atom is one of the supreme scientific achievements of all times. Atomic energy in itself is a great source of power and it can only be good or bad through the use to which it is put. Since atomic energy is a potential weapon in the hands of politicians, it is they that should be made aware of the obligation to utilise it for peaceful pursuits and not for devastation. Stories run that in the U.S.S.R. atomic power has been used to bombard certain points of the Ural Mountains and deviate the courses of rivers to turn the once dry lands into smiling pastures. It is difficult to dismiss them as fantastic Arabian tales, when daily new and astonishing uses of atomic power are being explored.

ATOM SMASHER

Details of the world's newest tool for studying what is inside the atom—a so-called atom-smashing "rifle"—have just been made public by Stanford University at Palo Alto, California. The machine is installed in the University's microwave laboratory. The new machine is the latest and most powerful atom smasher of the so-called linear accelerator type. This type of atom smasher shoots its beam of bombarding electrons in a straight line instead of in a circular path, as is the case with other types of atom smashers such as cyclotrons, synchrotrons or cosmotrons. All machines of this kind are designed for the purpose of disintegrating the nucleus of an atom. They accomplish this by bombarding a target of material composed of the the atoms to be disintegrated with very swiftly moving atomic "projectiles." The greater the speed, the more complete is the disintegration of the atom. The Stanford machine uses electrons for projectiles. These sub-microscopic particles are the "building blocks" of atoms and of the universe. Other machines use protons. One proton equals 2,000 electrons. When the projectiles hit the target, they smash or disintegrate atoms contained in it. The different particles contained within the atom, and their behaviour, can then be studied by the use of special devices.

The Stanford atom smasher shoots its electron "bullets" through a 200-foot long copper tube, increasing their speed along the way by "kicks" from 22 klystrons or extra-powerful vacuum tubes. When in full operation, these specially-built tubes, described as the most powerful in the world, put out as much electric power in a one-millionth of a second burst as a city with a population of nearly a million people would require during a similar period. When the new machine is in full operation, it will shoot its electron "bullets" at speeds that will be the greatest ever attained on earth, according to Stanford University physicists. They put the potential speed at 99.99999 per cent. of the speed of light, which travels at about 186,300 miles a second, the highest speed possible in the universe. At this speed, an electron "bullet" passing through the tube of the machine would be travelling fast enough to circle the earth 446 times in less than a minute. Up to the present time, the Stanford University apparatus for speeding up electrons has produced about 350,000,000 electron volts of energy. This is only about one-third of what it is expected to accomplish when the accelerator is completed and is 20 feet longer than at present.

Stanford physicists report that they have already been able to prove another phase of the famous Einstein theory of relativity by the use of the new atom smasher. This is the proposition that as electrons are speeded up to where they are travelling at the speed of light, the point is reached where further energy does not give them more speed, but adds to their weight instead. Thus, it is possible by the use of this machine to change energy over into matter. The research to be done with the machine will be directed chiefly toward such subjects as the size of the atomic nucleus and the spacing of particles in it, the study and production of new particles and the nature of electricity. There is still a very great deal to learn, physicists point out, about the interior of the atom and what it contains.

The characteristics of the high-energy electrons produced by the machine allow them to pass through the nucleus of an atom many times without dislodging any particles. At the same time, however, the electrons are deflected by striking particles within the nucleus with glancing blows. This is of great interest to physicists, for it will tell them a great deal about the characteristics, number and position of the particles struck. Other types of apparatus, using protons instead of electrons as bullets, are compared by the designers of the Stanford apparatus to workmen using a sledge hammer to drive small nails.

ENGINEERING EDUCATION

The importance of practical training in engineering industries, was stressed by Mr. T. S. Rao, Chief Engineer, B.E.S. & T. Undertaking, in a paper read and discussed at the symposium on "Engineering Education" held in Bombay recently, during the 33rd annual meeting of the Institution of Engineers (India).

Mr. Rao stated that much attention had been focussed in other countries on the reorganisation of the educational standards and practical training for engineers, supervisors and craftsmen. In India technical education was a State subject, but the speaker advocated the early implementation of the recommendations of the Advisory Committee on Technical Education and the University Education Commission to ensure a common standard of technical education throughout the country.

Dealing broadly with the problem of education and practical training for engineers, Mr. Rao said that no academic institution can produce a fully trained engineer who can, immediately after graduation, take up any position of technical responsibility in the engineering field, unless he has had prolonged systematic practical training. In other countries, there were two routes for acquiring professional status. One was the gaining of a university degree after three years' full-time college course, followed by two years' practical training; and the second was to undergo a five-year apprenticeship in industry, supplemented by an external degree or diploma obtained by passing the examination of professional institutions. He said that such facilities for the second course were not available in India at present.

Mr. Rao stated that the aim of university education should be to teach fundamental principles. It was, therefore, essential to devise a system to develop a broad scientific attitude, logical and commonsense reasoning, less specialisation and a good command of English. It was also essential that the curricula of engineering colleges should include economics, law and social sciences.

Referring to the education of supervisors and technicians, Mr. Rao stated that the number required was five times as large as that of professional engineers. The recruits for supervisory posts may be given full-time courses of training in engineering schools or polytechnics, with attached workshops, with short-time practical training in industrial undertakings during vacations. Alternatively, large undertakings may take student apprentices and give suitable practical training in the various branches of the industry, combined with part-time theoretical instructions either in a school attached to the industry or in a local technological institution.

Mr. Rao stated that, in the future expansion of engineering industries, the shortage of well-trained craftsmen may prove to be a serious bottleneck. Experience in other countries had proved that the best way of ensuring a regular supply of skilled craftsmen in industry was through comprehensive and systematic courses of apprenticeship, and what was required in this country was a scheme of apprentice training planned and organised on a national basis.

Referring to the practical training for engineers, the speaker said that it should be of the broadest possible nature during the first year, after which the graduate student should decide the branch he is best fitted to enter, and one or two further years of general training would be necessary before he could be permitted to occupy any specific and responsible post in the selected branch.

Dealing with the post-graduate courses, Mr. Rao said that these should be of full-time duration for a minimum of two years and should include advanced theoretical instructions on specialised subjects, combined with laboratory work and supplemented by systematic courses of lectures by recognised authorities. There should be close collaboration between the theoretical and scientific work carried out in the local college and the advanced practical work in the industry. Alluding to engineering research, the speaker suggested that the professorial staff, post-graduate students and graduate apprentices working in industries, should engage themselves on specific problems and keep in touch with the scientific developments and research in other advanced countries.

Mr. Rao advocated that promising young engineers, after a few years' experience in an engineering industry, should spend a further period of six months to one year away from their work and attend a properly drawn up refresher course for practicing engineers in a university college or institution. He suggested that college professors and teaching staff should also spend six months to one year every two or three years, in large engineering industries, to keep themselves in touch with up-to-date developments. It was also desirable that university colleges and technological institutions should have Standing Advisory Panels comprising senior engineers, business executives from industries and experienced educationalists to advise and guide the principal and professors in the problems which may arise in the engineering industries.

Mr. Rao referred to the role of teachers also and stated that, until recently, the teaching profession had worked in isolation from the industry, but it had since been realised that technical education in the main should be given by men possessing industrial experience and having natural aptitude for teaching, and that the remuneration should be such as to enable recruitment from senior posts in the industry.

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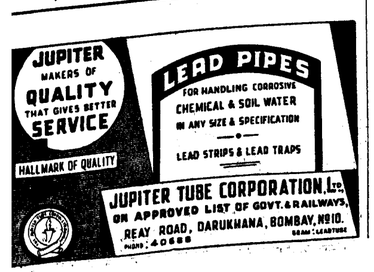

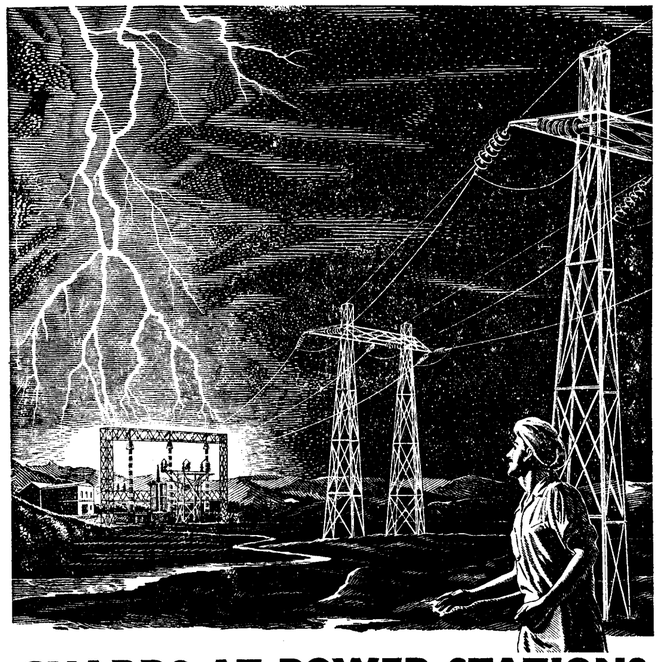

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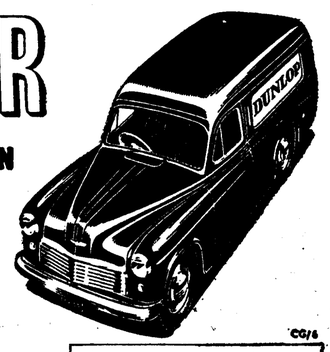



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LAPSE RATIO IN LIFE POLICIES

NEED FOR CARE IN SELECTION

THE high rate of lapses in life policies issued by Indian insurers has for long been a subject of comment by writers on insurance in this country. Despite repeated criticisms, it is distressing to note that there is still a large number of insurers who write policies which do not survive even for three years. These lapses, which might be appropriately termed "infant mortality in policies," constitute a long-term loss to the insurers, though, in the short-term, they do not inflict any serious harm on them.

After all, a man whose policy has lapsed seldom revives it, and becomes indifferent to all further pleas for insurance. From the point of view of insurers he is a "dead loss," since it is extremely unlikely that he will again take out a policy on his life. Indeed, one does come across people who have allowed more than one policy on their lives to lapse, and become so unresponsive to any appeal for assuring their lives that they do themselves incalculable harm. Surely, insurers owe it to themselves and to the society which they serve to discourage lapses by by all available means.

The *Insurance Year Book*, 1952, gives, as usual, the statistical information relating to lapses in life policies, classified according to the mean duration of policies, the term "mean duration" being used to denote the calendar year of lapse less calendar year of entry. The following table gives the percentage of lapse (in sum assured) in respect of business done by a representative list of companies according to mean duration, out of the new business of specified years:

Percentage of Lapses in Sum Assured

Name of company	*Mean duration*		
	Two years		*O year*
	1949	1950	1951
Asian	48	37	6
Andhra	47	31	2
Bharat	49	24	5
Bombay Mutual	25	10	2
Calcutta	67	42	13
Empire of India	40	12	..
General Assurance Society	54	40	7
Hindusthan Co-operative	41	32	3
Ind. and Pru.	28	20	3
Jupiter	62	47	9
Lakshmi	49	35	6
Metropolitan	56	52	20
Nat. India	67	48	24
New Asiatic	65	42	9
New India	33	25	9
Oriental	29	18	1
Prithvi	48	37	13
Railway Employee	14	8	3
Ruby	49	41	8
United India	35	23	4
Western India	34	25	8

The above table shows the high rate of lapses which occur in the policies issued by Indian insurers, the companies selected being from among the better class of insurers. We have advisedly refrained from giving the lapse ratios among the lesser known insurers, for, though their lapse ratios are high, the lapses inflict a less serious harm, because the sums involved must be very small. Some of these insurers belong to the incorrigible group, with lapse ratios as high as 60 to 88 per cent. of the sum assured. But the point is that, even among the well-established insurers, the lapse ratios are high. It is, however, gratifying to find that the trend is distinctly downwards. Some insurers have, we are told, made special efforts to reduce lapses.

But policy lapses will not cease to be the unsatisfactory feature of Indian insurance it is to-day so long as they do not give up the mad craze for business—business at any cost. In this craze, quality is often sacrificed at the altar of quantity. At the close of the calendar year, the agents make a frantic bid to complete their quota; they induce the prospects to insure for larger sums than they can possibly pay for. Not infrequently, the agents part with a sizable part or even the whole of their commission in order to tempt the prospects to take out a heavy policy. But when the following year comes round, the policyholder finds himself unable to maintain the policy intact; it is too big for him. Overinsurance is thus at the root of the lapses in insurance. And it is a defect, which is certainly within the powers of the agents to remedy. Insurers, on their part, will do well to issue periodical instructions to agents, emphasising the need for guarding against the over-insurance of their clients.

Lapses may occur through sheer negligence—or even indifference—of the insured. Sometimes, the premium payments are not made on two or more consecutive due dates; the insured is then no longer in a mood to continue his policy. In such cases, the agent should be asked—most companies do, in fact, issue special instructions to their agents—to contact the defaulting client to advise him on the need for keeping alive his policy. This is by far the best method of tackling a "lapsed" policy holder.

Some foreign insurance companies write persuasive letters, with great emotional appeal, to the lapsed policy holders in order to bring them back to their fold. These letters emphasise the value of insurance cover and the great harm that he is doing to himself and to the family by allowing his policy to lapse. This has great psychological value. After all, a lapse is a lapse and it could and must be corrected. At least, more than one attempt should be made by insurers to correct it, before the case is pronounced "hopeless."

Finally, there is the more important question of preventing the repetition of a lapse—that is, a "relapse." It is vital that a person who has revived his policy should be prevented from allowing another lapse to occur. This can be done by investigating the causes of lapse and by finding remedies for eliminating them. If lapse is due—as it invariably is—to overinsurance, then the insured should be advised to reduce the policy amount to an appropriate lower figure. This will enable him to continue the policy. In this readjustment of policy amount, the agent should be able to help the insured arrive at a correct decision. Surely, an agent's duties do not stop when he has induced a person to insure; rather, he should be the insured person's guide in all his insurance problems.

(Concluded from next column)

include the storm and tempest risk. The more expensive type covers various perils not insured in the cheaper form, including storm and tempest, but excluding flood. Flood insurance, as such, is also effected, especially by the owners of property in those areas which are particularly vulnerable. It remains to be seen whether the insurers will look upon the extensive damage as one caused by flood or by storm and tempest. Possibly, they may refuse claims on policies which cover only storm and tempest. Perhaps, there will be quite a crop of litigation to settle the nice legal points involved.

Reports from London, however, emphasise that the insurers will not find it difficult to meet, in full, their liabilities. As the ultimate loss borne by any one company is reduced to normal proportions by reinsurance contracts, it is unlikely that insurers, as a class, will regard the claims as too heavy.

FLOOD DISASTER IN EUROPE

IMPLICATIONS TO INSURERS

THE flood disaster of last week, which caused the death of hundreds of people in the U.K., Holland, Switzerland and Germany, and the destruction of large properties and estates all over the places visited by the flood, will certainly mean a large liability to insurers in these countries. In the U.K., many villages were submerged under water; in Lincolnshire alone, an area of 100 square miles had to be cordoned off from visitors to enable the rescue operators to carry out their work. Gales and snow-storms have uprooted many a cottage, home and factory. Both Holland and Belgium reported considerable damage to life and property; parts of these two countries were declared to be under a state of emergency, the dyke-defences having broken down under the heavy weight of the surging sea. The disaster has been described as the worst in living memory.

Although the details of the losses caused by the floods are not yet available, the Chairman of the British Insurance Association revealed that hundreds of claims had already been received and that loss assessors were working in the flooded area to ensure that settlement might be made as promptly as possible. Many different types of claims are, of course, involved. Many lives have been lost, the number estimated being over 1,300 for the U.K. and other countries. Since many of them must have insured their lives, the dependents will now claim the amounts for which policies had been taken out. Possibly, many of them had insured their lives against accidental death by paying the small additional premium which the insurers charge for covering personal accidents. The losses under personal accident policies may be heavy, considering that there has been a considerable increase in the demand for accident insurance since the war.

Much damage has also been caused to vessels and craft. In the North Sea, 22 small ships have been reported missing or in peril. The effect of the storm damage on small craft moored, beached or laid up for the winter is expected to be severe. Here, losses are really of two kinds—the loss of ships and craft and the loss of property which they were carrying at the time they were destroyed. In one of the docks in the U.K., large stocks of paper, pulp and coal, it is stated, have been lost, along with the loss of ships. Considerable damage has also been caused to several dockyards. Many of these losses will have to be met by the insurers whose marine account, when they are published, will reflect the losses sustained by them this year.

It is much too early to assess the extent of damage to property. But there are at least four types of losses: (1) Damage to the buildings and contents of private houses and other residences, (2) similar damage to business and commercial premises and their content, (3) damage to motor vehicles of all kinds, (4) loss of cattle and other animals. Apart from these losses, some commercial firms will be covered in respect of consequential loss under loss of profits insurance.

It is unlikely that all the properties which have suffered damage have been insured against the particular kind of damage they have now suffered. Generally speaking, private houses are insured only against fire; this means that the owners will not be able to claim payment for damage through storm or tempest or flood. Industrial property is insured under either of the two different types of comprehensive policy. The cheaper type of comprehensive policy does not

(Continued in previous column)

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EMPLOYEES' PROVIDENT FUNDS

MOVE TO DECENTRALISE ADMINISTRATION

LATTERLY, some important developments relating to Employees' Provident Funds Scheme under the 1952 Act have taken place. First of all, the Central Board of Trustees has taken over the administration of the Employees' Provident Funds Scheme from the Central Government. Secondly, the Government of India has decided to exempt factories, which have provident fund schemes that are better than the Provident Funds Scheme given by the Government under the provisions of the Employees' Provident Funds Act, 1952, and facilitate them to run such funds themselves. And thirdly, the Government of Bombay has proposed to extend the benefits of provident funds to factories employing 50 or more workers not covered by the Employees' Provident Funds Scheme, 1952.

The Employees' Provident Funds Scheme, 1952, though the biggest in South-East Asia, is a modest one. It is applicable, in the first instance, only to factories employing 50 or more persons in six major industries, namely, textiles, iron and steel, cement, engineering, paper and cigarettes. It covers 12 lakhs employees employed in 1,418 factories drawing pay not exceeding Rs. 300 per month. The full contribution of the employer is not payable to an employee until he has completed his membership for 20 years. The funds to be handled are of the order of Rs. 13 crores per annum.

Central Board of Trustees

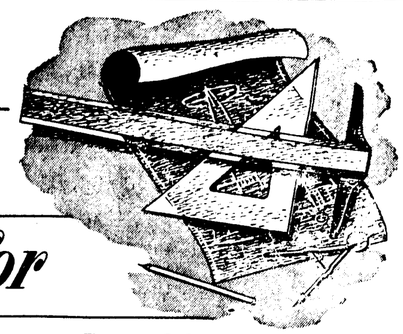
The administration of the Funds, according to the scheme, is to be vested in a Central Board of Trustees at the Centre and similar Boards in each of the States. Accordingly, the administration was transferred from the Centre to the Board of Trustees on 5th February, 1952. The Central Board consists of a Chairman and three other persons nominated by the Central Government, nominees of State Governments and six persons each representing employers and employees, respectively, nominated by the Central Government in consultation with recognised organisations. A State Board will consist of a Chairman and two other persons nominated by the State Government and four persons each representing employers and employees. The Provident Funds will be administered by the Regional Boards until State Boards are constituted. The latest reports from New Delhi reveal that Regional Boards have been formed in 17 States which have factories in scheduled industries. These are Ajmer, Bhopal, Bihar, Bombay, Delhi, Hyderabad, Kutch, Madras, Madhya Bharat, Mysore, Punjab, P.E.P.S.U., Rajasthan, Saurashtra, Travancore-Cochin, Uttar Pradesh and West Bengal. A Regional Board is proposed to be opened in Orissa shortly. The Regional Boards will consist of a Chairman nominated by the Central Government, two other persons nominated by the Central Government on the recommendation of the State Governments and three representatives each of employers and employees. Addressing the first meeting of the Central Board of Trustees held in New Delhi on 5th February, Mr. V. K. R. Menon, Labour Secretary to the Government of India, hoped that the scheme would be transferred to the State Governments by about June next year (1954), with the Central Government retaining only powers for controlling investments and for co-ordinating policies. In other words, the administration of the Provident Funds Scheme is to be decentralised, as was contemplated when the scheme was first conceived.

The Central Government's decision to exempt factories whose Provident Funds facilities are better than those offered by the State scheme and to let them run their schemes is a step in the right direction. This decision is advantageous to the workers, inasmuch as the administration will be localised through individual boards for each factory in which the workers will have a direct voice, as against the Regional or State Boards as the case may be, on which they will only be indirectly represented. It is gratifying to learn that the representatives of employers and employees have arrived at an agreement whereby the representation to employees on the Boards of Trustees in every factory would be equal to that of employers. It is, however, learned that the final decision in the event of a tie is to be made not by the Chairman but by the Regional Provident Funds Commissioner. This would amount to unnecessary interference by the Government authorities and as such is contrary to the Government's new policy under which stress is being laid on as little interference by the State as possible in employer-employee relations with a view to encouraging mutual settlement of disputes. It is stated that in granting exemptions to factories with provident funds of their own, one of the main difficulties in the way is the conflict between the Income-tax and Employees' Provident Fund Acts. It is to be hoped that a satisfactory solution to this difficulty will be reached at an early date.

The Government of India is said to be intending to collect from the exempted factories a certain percentage of the cost of administrative charges of the State-run scheme. Such a levy, however small, cannot be justified. It is true that, owing to the Government's decision to exempt factories with well-established provident funds schemes, the units that would eventually come under the Central Government would be mostly the smaller units which might not be able to make sufficient contributions to cover the administrative expenses. But this consideration does not justify the taxation of exempted units, for that amounts to penalising the factories which have been progressive in their outlook. If the employers have, as is reported, agreed to the Government's proposal, it only shows their willingness to co-operate with the Government in order to make the scheme a success.

Extension of Benefits of the Scheme

The proposal to extend the benefits of the Provident Funds Scheme to workers in all the factories in the Bombay State employing 50 or more persons is unobjectionable in principle, for proper provision by a factory for its employees in their old age is an essential charge in its economy and should not be shirked by employers. But the Bombay Government's move is not timely. As is well known, even the Planning Commission has expressed the view that the Employees' Provident Funds Scheme should be extended to other industries only after some experience is gained. Only three months have passed since the Act came into force and as such it cannot be claimed that sufficient experience has been obtained to extend this amenity to workers in all the other industries. Further, there is a danger in extending the scheme to other industrial units, in that it may work hard on the marginal units. The need of the hour is provision of opportunity for increased employment but the imposition of additional burdens which the units may not be in a position to bear will restrict the existing opportunities for employment, as it may lead to the closure of the marginal units. And the loss through unemployment caused by such a contingency may be disproportionate to the benefits which the new proposal may confer on a few.



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Issued and Subscribed Capital .. „ „ 1,00,00,000 — **Reserve Fund .. „ „ 1,00,00,000**

Deposits as on 31-12-1952 .. Pak Rs. 34,57,00,000

ELEVENTH REPORT OF DIRECTORS FOR THE YEAR ENDED 31st DECEMBER, 1952

To THE SHAREHOLDERS,

The Directors have pleasure in submitting herewith the Eleventh Balance Sheet and Profit and Loss Account of the Bank for the year ended 31st December, 1952, together with the Auditors' Report.

	Pak Rs.	a.	p.
Net profit for the year 1952	27,62,628	14	11
Amount brought forward from last year's account	10,48,195	13	10
Total .. Pak Rs.	38,10,824	12	9
Appropriations made during the year :—			
Interim Dividend paid at Rs. 2-0 per share on 5,00,000 shares	10,00,000	0	0
The Directors now propose :—			
Payment of final dividend for the year ended 31st December, 1952, at Rs. 2-0 per share on 5,00,000 shares	10,00,000	0	0
To carry forward to next year's account	18,10,824	12	9
Total .. Pak Rs.	38,10,824	12	9

By the Grace of God the Bank has shown good progress during the year.

In accordance with Article 91 of the Articles of Association, Mr. Dawood Ebrahim Parekh and Mr. Rahimali G. Chagla, Directors of the Bank, retire by rotation and, being eligible, offer themselves for re-election.

Under Article 83 of the Articles of Association, Mr. Yusuf Qasim, Mr. Fidahusein Ibrahim Haji and Mr. Yusuf Ahmed, Directors of the Bank, retire and, being eligible, offer themselves for re-election.

You are requested to appoint Auditors for the year 1953 and fix their remuneration.

The Directors place on record their appreciation of the enthusiasm, loyalty and devotion to duty of the officers and other members of the staff.

For the Board of Directors,
AHMED HABIB,
President.

KARACHI, *dated 31st January*, 1953.

BALANCE SHEET AS AT 31st DECEMBER, 1952

LIABILITIES	Pak Rs. a. p.	Pak Rs. a. p.
AUTHORISED CAPITAL—		
10,00,000 Shares of Rs. 20 each	2,00,00,000 0 0	
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL—		
5,00,000 Shares of Rs. 20 each		1,00,00,000 0 0
RESERVE FUNDS		1,00,00,000 0 0
CURRENT, SAVINGS BANK, FIXED DEPOSITS AND OTHER ACCOUNTS ..		34,57,83,796 1 8
BILLS PAYABLE AND OTHER SUMS DUE BY THE BANK		1,61,56,891 6 8
BILLS FOR COLLECTION as per contra		1,36,08,186 1 7
BANKER'S LIABILITY FOR ACCEPTANCES AND GUARANTEES as per contra		3,97,91,011 6 1
PROFIT AND LOSS ACCOUNT—		
As per Balance Sheet as at 31st December, 1951	22,98,195 13 10	
Less—Payment of Dividend	12,50,000 0 0	
Balance brought forward ..	10,48,195 13 10	
NET PROFIT FOR THE YEAR 1952	27,62,628 14 11	
	38,10,824 12 9	
Less—Interim Dividend Paid	10,00,000 0 0	28,10,824 12 9
CONTINGENT LIABILITIES—		
Pak Rs. 1,00,500 is on Investment in Shares of Joint Stock Companies.		
Total .. Pak Rs.		43,81,50,709 12 9

ASSETS	Pak Rs. a. p.	Pak Rs. a. p.
CASH ON HAND		84,36,948 8 6
CASH WITH BANKERS		8,98,44,593 2 1 — 9,82,81,541 10 7
INVESTMENTS AT COST OR MARKET VALUE whichever is lower ..		20,24,59,373 2 7
(a) Government, Municipal and Trustee Securities .. .. .. Pak Rs. 19,30,51,561	a. p. 7 7	
(b) Shares in Joint-Stock Companies .. 62,28,665	12 6	
(c) Bullion 32,09,145	14 6	
INTEREST ACCRUED ON INVESTMENTS		17,19,355 0 7
LOANS, OVERDRAFTS, CASH CREDITS AND OTHER SUMS		6,20,43,909 6 1
BILLS DISCOUNTED AND PURCHASED		1,52,11,966 5 10 — 7,72,55,875 11 11
Particulars Required by Act VII of 1913 —		
1. Debts considered good and in respect of which the Bank is fully secured — This amount includes debts fully secured, due by Firms or Companies in which Directors of the Bank are Partners or Directors .. .. Pak Rs. 31,28,076	a. p. 14 4	6,18,10,241 7 5
2. Debts considered good, secured by the personal liability of one or more parties in addition to the personal security of the debtors .. .. .. — This amount includes Bills Discounted and Purchased .. .. 1,96,541 — The Liability of Directors or their Firms under this head is .. .. *Nil*	4 11	1,27,86,744 1 8
3. Debts considered good in respect of which the Bank holds no security other than the debtors' personal security .. .. — This amount includes Bills Discounted and Purchased .. .. .. 9,31,912 — The liability of Directors or their Firms under this head is .. .. .. *Nil*	15 11	26,58,890 2 10
4. Debts considered doubtful		*Nil*
5. Debts considered bad		*Nil*
6. Debts due by Officers of the Bank other than Directors (fully secured)	31,644 7 1	
BILLS LODGED FOR COLLECTION as per contra		1,36,08,186 1 7
CUSTOMERS' LIABILITY FOR ACCEPTANCES AND GUARANTEES as per contra		3,97,91,011 6 1
LANDED PROPERTY (at book value)		20,44,856 0 5
FURNITURE AND FIXTURE—		
Balance as per last Balance Sheet	20,46,703 4 4	
Additions during the year	44,539 2 11	
	20,91,242 7 3	
Less—Depreciation— Pak Rs. a. p.		
Written off up to 31-12-1951 .. 5,72,081 2 3		
For the year 1,45,515 6 6	7,17,596 8 9	13,73,645 14 6
STOCK OF STATIONERY AND STAMPS		5,85,364 12 6
Total .. Pak Rs.		43,81,50,709 12 9

Profit and Loss Account for the Year ended 31st December, 1952

	Pak Rs. a. p.		Pak Rs. a. p.
Interest Paid	16,86,190 12 0	Interest, Discount, Commission, Exchange and Miscellaneous Receipts	1,39,17,337 4 5
Salaries, Allowances, Contribution to Provident Fund and Bonus to Staff	34,48,501 7 1	Transfer Fees and Splitting Charges on Shares	6,205 0 0
Directors' Fees	10,050 0 0		
Directors' Remuneration	1,35,103 11 3		
Auditors' Fees	7,000 0 0		
Rent, Insurance, Lighting and Telephone Charges	5,44,366 11 8		
Printing, Stationery and Advertisement Charges	3,33,007 6 2		
Postages, Telegrams, Conveyance, Travelling, Law and Miscellaneous Expenses	7,87,672 2 10		
Depreciation on Furniture, Fixture and Buildings	2,28,021 2 6		
Provision for Taxation	40,00,000 0 0		
Balance (Net Profit)	27,62,628 14 11		
Total .. Pak Rs.	1,39,23,542 4 5	Total .. Pak Rs.	1,39,23,542 4 5

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the above Balance Sheet of Habib Bank Limited, as at the 31st day of December, 1952 and also the above Profit and Loss Account of the Company for the year ended on that date, in which are incorporated the certified Returns of the Branches and report that :

(a) We have obtained all the information and explanations we have required; (b) in our opinion, the above Balance Sheet and Profit and Loss Account are drawn up in conformity with the law ; (c) such Balance Sheet exhibits a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company, and (d) in our opinion, books of account have been kept by the Company as required by Section 130 of the Companies Act, 1913.

RATANSHA SHAPURJI BHARUCHA } *Registered Accountants.*
AHMED B. KHAN & CO.

KARACHI, *23rd January*, 1953.

AHMED HABIB, *President.*

DAWOOD E. PAREKH, RAHIMALI G. CHAGLA, ALI AKBAR H. EBRAHIM, HUSEINALI A. JUMANI, YUSUF QASIM, FIDAHUSEIN I. HAJI, YUSUF AHMED } *Directors.*

MAHOMEDALI HABIB, RASHID D. HABIB } *Managing Directors.*

RAZAK H. MAHOMED, *General Manager.*

D. A. BIJOOR, S. H. MAHOMED } *Deputy General Managers.*

M. R. PIRBHAI — *Secretary.*
H. S. JAMANI — *Chief Inspector.*
M. Y. KHERATI — *Agent, Foreign Exchange Branch.*
N. R. KAPADIA — *Superintendent of Accounts.*
A. HAKIM — *Superintendent of Foreign Exchange.*

NEW PUBLICATIONS

India in World Affairs (August 1947-January, 1950). By K. P. Karunakaran. Indian Council of World Affairs, New Delhi. Oxford University Press, Oxford House, Apollo Bunder, Bombay, 1. Price : Rs. 15.

SINCE the end of the Second World War, tremendous changes have occurred in the world political and economic situation. The changes have been particularly marked in India, thanks to the attainment of independence. Politically, the country has attained a high status among the comity of nations. In fact, India is to-day regarded as one of the important holders of the key to world peace and security ; the influence of India on the other nations of the world has been quite considerable. It is precisely this aspect that has been examined in the book *India in World Affairs*, the first of a series on current developments in India and other countries of Asia, published by the Indian Council of World Affairs.

In the publication, Mr. Karunakaran deals mainly with the many problems which confronted India during the first two and a half years of independence, that is, from 15th August, 1947, to 26th January, 1950, with special emphasis on the fundamental factors underlying its foreign policy. This factual review and objective interpretation of India's foreign policy, contained in the first two chapters, will provide a comforting answer to the carping critics who argue that India's foreign policy is irrational.

The awakening of Asia in recent times and the development in East Asia form the subject-matter of the next two chapters. In view of the close economic interdependence between India and Pakistan, the author has done well in devoting a special chapter to Indo-Pakistan relations. The vexed question of Indian nationals in South Africa is discussed in another chapter. Also dealt with are subjects like the U.N. and the freedom of the different people, "political matters" in the U.N., security problems in a divided world, and the economic reconstruction of Asia and the Far East. In the choice of topics covered, the guiding principle, according to Mr. H. N. Kunzru, President of the Council, has been to focus attention on those problems in which India has taken an active interest. The utility of the publication is enhanced by the inclusion of a select bibliography, which will be helpful to those who are new to this field or are desirous of getting more information on the various subjects discussed in the book.

The Indian Factories and Labour Manual. By R. Mathrubutham and R. Srinivasan. Publishers: The Madras Law Journal Office, Madras 4. Price: Rs. 18.

Now that Mr. V. V. Giri is at the helm of labour affairs in India, great changes in the field of labour relations are anticipated by the public. Following the lapse of the Labour Relations Bill steered by Mr. Jagjivan Ram, ex-Labour Minister, Mr. Giri has proposed a new Labour Relations Bill which seeks to replace compulsory arbitration by voluntary settlement. The new legislation will be based on an agreed formula between labour and capital. It will be difficult to get a clear understanding of Mr. Giri's proposals without a knowledge of the existing statutes on labour. Besides, as every one in some sense is an employer or/and employee of another, a knowledge of the existing, as well as the proposed statutes, it is all the more necessary. Viewed in this perspective, the second edition of the *Indian Factories and Labour Manual* is a welcome addition to the literature on the subject.

The *Manual* is an improvement over the original edition published in 1949. It covers all Acts since enacted, such as the Plantation Labour Act, 1951, and the laws relating to mines and boilers, which were not included in the original edition. Explanatory notes and case-law on all the more important enactments given in this volume are bound to be of great help to readers.

The volume, however, does not include State legislations, for they constitute a separate category from the all-India legislations relating to labour. While the Central legislations relate to labour in factories and mines, etc., the State legislations generally relate to shop assistants, man-power, factory labour, etc. Certain States have legislated separately on subjects covered by the Central enactments also. Certain other States have amended the Central Acts to suit local conditions. Again, even the various rules framed by the State Governments under the Central laws are so voluminous that it is impossible, as pointed by the authors, to include all of them in one volume. Moreover, the State rules are subject to frequent amendments which make it difficult to keep the laws up-to-date or exhaustive in a book of reference. The authors, therefore, feel that an all-India book of this nature should be supplemented by the relevant State rules and legislations. An attempt has, however, been made in the book under review to give all the State amendments to the Central enactments and also the references to all the State legislations on any particular subject covered by a Central Act. Certain State rules, which serve as models, have also been given. The book will be of considerable help to lawyers, industrialists, labour organisations and legislators alike.

Conciliation and Arbitration. By Dr. Miss Aloo Dinshaw Shroff. Publishers : The Popular Book Depot, Lamington Road, Bombay. Price : Rs. 16-4.

In the above book, Dr. Miss Shroff has traced quite successfully the evolution of the industrial society, the need for State intervention in industrial disputes, the nature of the industrial disputes which deal with employer and employee differences regarding working conditions, the inter-union rivalries due to jurisdictional conflicts and the consequences of industrial disputes. But it is while dealing with the nature of State intervention, either by compulsory conciliation or arbitration, that she seems to be overcome by the possible loss of the individual freedom of employers and employees. She, however, presumes that things would not be so bad and objectionable under a Socialist State, but fails to offer convincing reasons to sustain such presumption. This, at any rate, appears to be a half-hearted appreciation of the realities as to the necessity for compulsory intervention by the State in the settlement of industrial disputes. It is also difficult to understand the logic of the statement that "strike is not more injurious than the loss of moral and uncooperative behaviour that follows an arbitration award, not acceptable to workmen." The subtitle "Employers' Association" on page 25 appears to be a mistake, as the section deals with development of trade unions in the country. The discussion about strikes is rather tiresome and unproductive. Her description and analysis of the principles of conciliation, mediation and arbitration are, however, thorough. Though this chapter may appear to be a bit unduly long and elementary to students who have already some knowledge of the subject, it will be found interesting and informative to those who are new to labour problems. Her account of the Indian side of the picture will be found quite comprehensive even by serious students of labour problems. Her support to compulsory conciliation and arbitration towards the end of the book is well reasoned and sounds encouragingly realistic. On the whole, the book displays considerable painstaking work, careful collection of material and a neat presentation of facts.

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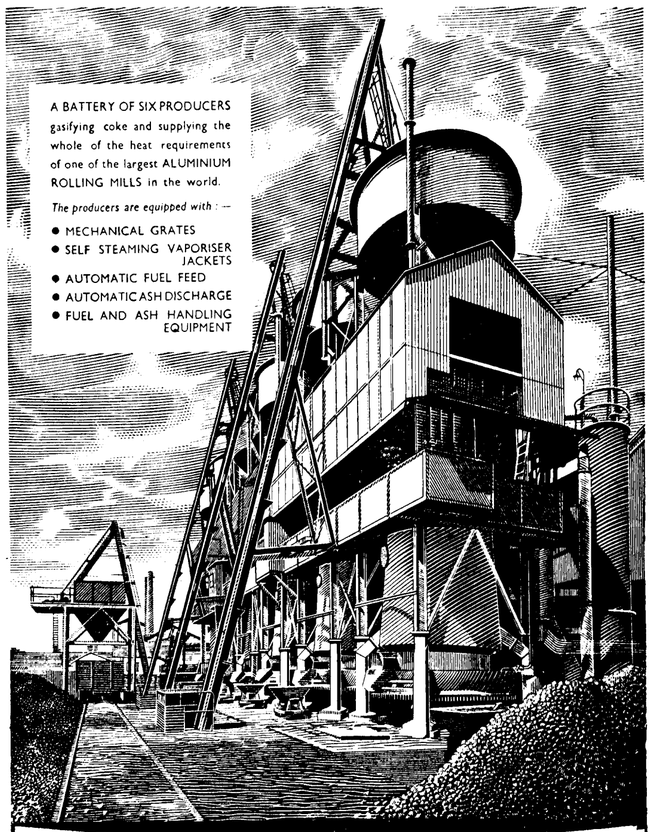

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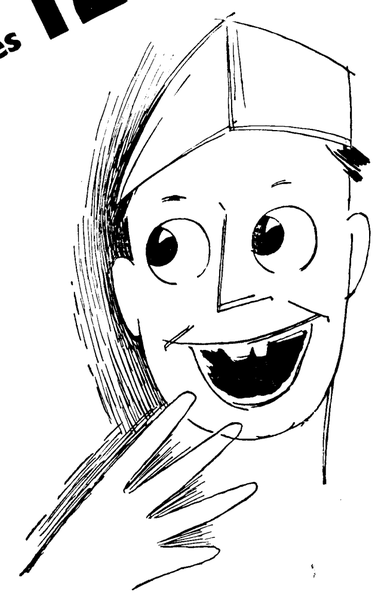

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SINDRI OUTPUT NEARS TARGET

RADICAL CHANGE IN SALES METHOD NEEDED

DESPITE certain blemishes associated with it, the Sindri Fertiliser Factory is undoubtedly one of the remarkable achievements of the Government of India. It is, in fact, the first major State-owned enterprise to come to fruition since independence. When it was conceived some eight years ago, the construction of the factory was expected to cost no more than Rs. 10.7 crores. Revised from time to time, the cost estimate rose first to Rs. 12 crores, then to Rs. 15 crores and thereafter still higher to Rs. 18 crores. The total cost was even higher when it was finished, the exact amount being Rs. 23 crores.

The Sindri Factory, which went into production in October, 1951, is a great national asset, in that it not only makes up the country's deficiency in chemical fertilisers but saves a large amount of the much needed foreign currency. Some idea of this saving can be had from the fact that India has been importing about 400,000 tons of ammonium sulphate per annum at a cost of Rs. 9 to Rs. 10 crores. The Sindri Factory is expected to be in a position to produce very soon about 350,000 tons of this fertiliser per annum. It celebrated the first anniversary of its going into production on 31st October last, with a total production of 130,993 tons of ammonium sulphate to its credit. At that time, its daily average output was equal to about two-thirds of its rated capacity of 1,000 tons. There were occasions, we are told, when the daily output averaged about 1,100 tons for periods ranging from four to nine days at a stretch. The peak production reached on any single day so far has been 1,317 tons which is 117 tons more than the maximum capacity per day. The production on 31st January and 1st February, 1953, was 1,212 tons and 1,045 tons, respectively. The total production since its inception till 10th January, 1953, was 190,254 tons which means, according to official estimate, a saving of over Rs. 6 crores in foreign exchange.

Plans for By-products

Besides, the factory has plans for utilising its by-products when in full production, one of its by-products, namely, chalk (calcium carbonate sludge), is expected to amount to 900 tons per day. This by-product is used, as is well known, as the main raw material for the manufacture of cement. The Sindri Fertilisers and Chemicals Ltd., the Corporation which manages the Sindri Factory, has concluded an agreement with the Associated Cement Co., Ltd., for the sale of this by-product. The construction of the plant will soon begin; its initial production will be at the rate of 300 tons of cement per day, with plans for being increased to 600 tons later on. This plant, which is estimated to cost about Rs. 1½ crores, is expected to go into production by about 1955. It will be situated on a portion of the Sindri Factory estate with its own housing colony.

For its full operation, Sindri requires 500 to 600 tons of coke per day, according to the ash content of the coke. So far Sindri has been purchasing this raw material from the surplus production of a steel manufacturing concern. But, in view of the expanding steel production, supply from this source may not be available in the near future. In order to meet the situation and also to reduce the cost of coke, it has been decided to install a coke oven plant for the manufacture of 600 tons of coke per day. A contract has been entered into with a German firm for the supply and installation of the necessary plant. Preliminary work has already begun. This plant will have some special features. It will particularly suit the needs of the type of coal available in this country and will employ the stamping process which, by suitable blending of different varieties of coal, will make possible the manufacture of good quality gas or metallurgical coke from coals of high volatile content. The plant is expected to cost about Rs. 2½ crores. Apart from coke, the plant will produce the various by-products such as tar, motor benzol, pure benzine and increase in supplies of ammonium sulphate. The coke oven gases can be used for boiler firing and domestic and industrial heating. Further, a proposal to use these for the manufacture of 200 tons per day of urea, an organic fertiliser, has also been approved.

Training of Staff

Sindri needs a large number of suitably trained personnel. In order to meet this need, an apprentice training scheme has been worked out. Graduates in chemical, mechanical and electrical engineering will be trained for the supervisory posts and boys for such jobs as fitter, carpenter, electrician, smith, etc. Special courses, both practical and theoretical, are being arranged in co-operation with the Bihar Institute of Technology, for equipping the existing staff with better training.

Sindri's township is also growing fast, as any township must wherever big industries grow. More than 50 per cent. of the 800 residential quarters of different categories scheduled to be built under a one-year scheme have already been constructed and provided with roads, water-supply and sanitary services. The rest are expected to be completed by the end of May next. The foundation-stone was recently laid of a two-storey 100-bed hospital for providing increased medical facilities for the residents of Sindri.

All this about this great national asset, acclaimed to be Asia's largest State enterprise, makes very impressive reading. But it is only one side of the picture. There is also another side, namely, the distribution side of it. This side of the picture is not very pleasing at all. It looks as though the Sindri authorities, immersed, as they are, in planning and executing production, seem to have bestowed almost no attention at all on the sales aspect of their production. This is reflected in the accumulation of heavy stocks, estimated at between 50,000 and 60,000 tons. The Sindri venture cannot be considered as a success, unless its manufacture is made available to cultivators on the farm at prices which are remunerative for the ryot to grow his crop and which yield, at the same time, a reasonable rate of return on the capital invested. In this respect, the performance of the factory has been unsatisfactory.

Pool Price High

At present all fertilisers, whether produced in India or imported, are made over to a central pool operated by the Central Ministry of Food and Agriculture. The pool price, as well as the quotas for the various States, are fixed by the Ministry. Till the end of December, the price paid to the Sindri Factory was Rs. 350 per ton, as against the pool price of Rs. 380 and the landed cost of Rs. 400 per ton paid for the imported fertiliser. Owing to the general downward trend in prices, it was decided last month to reduce the Sindri and pool prices to Rs. 310 and Rs. 335 per ton, respectively. The reduction is undoubtedly welcome, but even when this reduced price is considered by the farmer as being very costly, the State Governments are still selling the fertilisers at inflated prices. In Bombay, for instance, the State Government has fixed the selling price at as high as Rs. 440 per ton. In Madras, it is higher still at Rs. 446-4. There is thus a difference of Rs. 105 to Rs. 110 per ton between the pool price and the price charged to the ultimate consumer in the Deccan and South. This wide difference needs to be explained by the authorities concerned. The freight per ton for the transport of this commodity to Bombay is stated to be no more than Rs. 47 per ton. Even allowing Rs. 5 per ton for handling charges, the Bombay Government is taking a margin of over Rs. 50 per ton on the sale of an essential raw material needed by agriculture. Are State Governments, who merely act as the distributing agents of the Central Government, justified in attempting to make such a large margin of profit? It will be relevant to mention here that even imported ammonium sulphate from a far off land as Japan, where the internal price is about Rs. 312 per ton as against Rs. 310 in India, could be purchased, we learn, and transported to India at Rs. 362 c.i.f. per ton, the transport charges being about Rs. 50 per ton. In these circumstances, the rate at which some of the State Governments are selling fertilisers is fantastically high. And it is not surprising that the offtake of this manure has been tending to fall.

Apparently, there is something radically wrong with the system of distribution of fertilisers. The present system is stated to be cumbersome and wasteful on account of overlapping of expenditure in transport, handling and sales tax. In fact, by the time the fertiliser reaches its ultimate destination, namely, the farm in certain areas, it will have borne the cost of warehousing, handling and sales tax at as many as three points. The ryot can hardly be expected, in these conditions, to equate the high cost of the fertiliser with the low price at which his food crops are being taken away from him under the system of monopoly procurement or under the levy system. The biggest snag in the organisation of sales of the Sindri fertiliser is that these sales depend on the State Departments of Agriculture, an agency which cannot be expected to show the same initiative and energy as private sales organisations can and do. Those in charge of the Sindri Factory will, therefore, do well to pay attention to the question of getting their product sold to the consumer more efficiently and cheaply than at present.

IKE'S "TRADE—NOT AID" PLANS OPPOSED

While the soft currency countries are eagerly awaiting a sympathetic response from the U.S. to the plea for "trade—not aid" principle, reports from Washington go to show that Trade Protectionists in Congress are organising stiff opposition to President Eisenhower's plans to help foreign manufacturers earn dollars by selling more in the U.S.

In his State of the Union message to Congress, the President, it will be noted, has specifically called for the extension of the Reciprocal Trade Agreements Act and a revision of the cumbersome U.S. customs procedures which are considered as serious trade barriers by foreign traders. The R.T.A. Act, which will expire on 12th June next, is designed to bring about lower tariffs in international trade through mutual bilateral agreements. The proposals to lower these tariffs further are now meeting with strong opposition from a section of Congress. A Republican Congressman from California, for instance, has introduced a Bill seeking to prevent the President from reducing tariffs below a certain point without the prior approval of the Congress. For the Act as it now stands, empowers the President to make tariff reductions without prior consultation. If, however, he makes reductions below a "peril point," fixed by the Tariff Commission to protect domestic industry, he is required to give reasons to Congress. As the proposed Bill seeks to check these powers, it is expected that the Bill would provoke a keen fight in Congress when it comes up for consideration.

The Republican Administration is reported to be working on a new Customs Simplifications Bill for submission to Congress later. Such attempts at simplifying customs procedure by ex-President Truman could not advance further than the Senate Committee stage on account of strong opposition from U.S. trade interests. One of the provisions in Mr. Truman's Bill sought to permit duty-free entry of individual mail-ordered articles costing less than $10. Retail organisations were then able to influence the receptive ears in Congress to throw out the Bill. It is not known whether a similar clause would be included in the proposed Customs Simplification Bill mentioned above.

THE BRITISH INDUSTRIES FAIR

1953 will be a coronation year for the United Kingdom. Her Majesty Queen Elizabeth II will be crowned in London on 2nd June next. For this great event, leaders of States or their representatives from nearly every country in the world will gather in London. Further, the Coronation will bring to Britain many thousands of visitors. With a view to availing themselves of this great opportunity as also to show their loyalty to the Crown, British designers, manufacturers and craftsmen have planned to produce an outstandingly attractive range of goods for display at the British Industries Fair this year.

The British Industries Fair, as readers are aware, is being organised by the Government of the United Kingdom in close collaboration with the Birmingham Chamber of Commerce. It will be held a month earlier than the Coronation, between 27th April and 8th May, 1953. The Fair will occupy three great exhibition buildings, namely, Earl's Court and the Olympia in London and Castle Bromwich near Birmingham. All the British leading manufacturers, numbering about 2,500, will show their products designed for home and export markets. A special feature of the Fair will be the representative displays by Commonwealth Governments in a Commonwealth section in Earl's Court. Extensive arrangements have been made for providing every comfort to trade buyers from overseas countries visiting the Fair. Literature containing detailed information about the exhibits, travel facilities, hotel accommodation and other amenities is being supplied in advance to known trade buyers throughout the world.

Since 1915, when the first British Industries Fair was held, the Fair has been providing the greatest annual opportunity for seeing the latest products of British manufacturing skill. It is expected that the coming Fair, the thirty-second of its kind, will be an exceptional one for the range and quality of its exhibits which will include, among others, a major display of textiles and clothing.

RAW FILM MANUFACTURE IN MYSORE

The scheme to establish a raw film factory at Belagula, in Mysore, has been referred to the Government of India for advice by the Mysore Government. The estimated capital of the scheme is Rs. 2 crores of which Rs. 1 crore is proposed to be issued to the public for subscription. Belagula, where the factory is proposed to be located, is an industrial town, 12 miles from Mysore City, near the Krishnarajasagar Dam, and has certain advantages. There is copious water-supply and certain chemicals and power supply are also readily available. Since the industry is a highly skilled and technical one, attempts are being made, it is stated, to obtain technical assistance of the highest kind available when the stage for implementation is reached, India being the second largest film producer in the world, the prospects for a few film producing factories should be regarded as being bright, theoretically at any rate.

The Government of Indonesia has reduced further the additional export duty on copra from 15 per cent. to 10 per cent. This reduction will be effective for the half-year ending 30th June, 1953. Copra was originally subject to a surtax of 25 per cent. This was lowered to 15 per cent. with effect from 1st August upto 31st December, 1952. The additional duty of 9 per cent. (which had been reduced from 15 per cent.) on palm oil and kernels has been completely abolished for the current half-year.

The Government of India has extended, upto 31st March next, the period of validity of O.G.L. XXVI for imports, which is applicable only to Pakistan. This O.G.L. was issued on 2nd September last and its period of validity was to have ended on 30th November last, but was extended to the end of January. The O.G.L. gives general permission for import, among other things, of poultry, fish, milk products, potatoes, vegetables, fruits, coconuts, spices, cigar wrapper leaf, lime and limestone, gypsum, indigenous drugs and medicines, exposed cinema film (from East Pakistan only) and asafœtida.

The Government of Pakistan has added another 56 items to its export O.G.L. list, thus bringing the total number of items on export O.G.L. to 94. Among the items added are soapstone, kaolin, clay, vegetable, turpentine, gelatine, glue, bones, crushed bonemeal and grist horns and hooves, tobacco other than virginia, surgical and veterinary instruments, furs and manufactures thereof, lampskins including *karakullis*, leather goods other than footwear, conch-shell products, buttons, sports goods, handkerchiefs, woollen carpets, and rugs, jute manufactures, cotton wastes, raw silk, cotton linters and yellow pickings.

At a conference of tobacco associations of Karnatak and Maharashtra, at Jarsingpur, Miraj, an appeal was made to the Government of India to introduce a flat rate of duty on all types of tobacco, without discrimination based on different uses of tobacco as at present.

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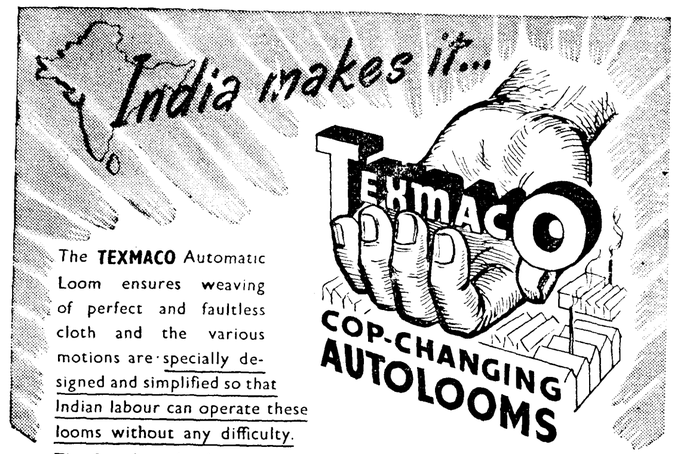

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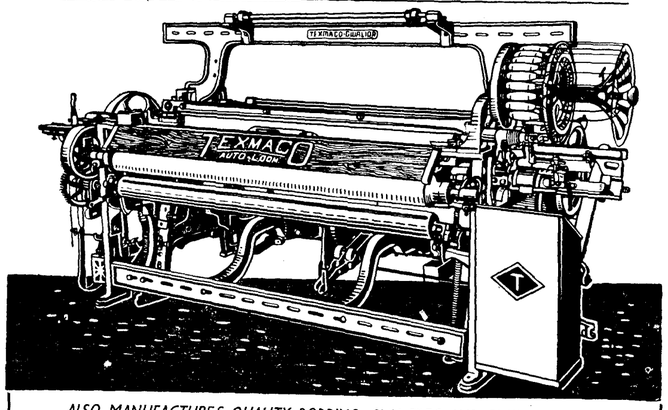

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RALLIS INDIA GOES OFF DIVIDEND LIST

EFFECT OF SLUMP IN COMMODITIES

THE slump in March-April, 1952, was characterised by three features. In the first place, it was sudden and few had anticipated it; secondly, the worst sufferers were the traders, especially large traders with world-wide connections; and, thirdly, commodities were hit harder than manufactured goods. In the light of these, it is not surprising to find that Rallis India Ltd. (Chairman and Managing Director: Mr. G. U. Euthymopulo, Calcutta), has sustained a heavy loss during the year ended 31st August, 1952. The loss has been so large that the Directors have found it necessary to pass over the dividend to ordinary shareholders. This must be very distressing, indeed, to the large body of investors who rushed to buy the Company's shares, even at a premium of 15 per cent., when they were offered to them in 1951. But that is the risk which an investor has to take when he decides to invest his savings in the shares of a trading company. Moreover, in the case of this company, investment in its shares was as good as investing in a new company, because the Company had just then been converted from a private limited concern into a public limited one, with no worthwhile reserves to fall back upon in the event of trading losses.

As compared with the results for 1950-51, the Company's trading profit for 1951-52 has declined from Rs. 181.31 lakhs to Rs. 107.64 lakhs. After meeting the establishment and other expenses and after providing for depreciation, there is a net loss of Rs. 2.75 lakhs, as against a net profit of Rs. 41.99 lakhs of the previous year. In view of this setback in results, the Directors have not been able to recommend any dividend on the ordinary shares. As a matter of fact, they have had to draw from the contingency reserve a sum of Rs. 2 lakhs to cover part of the dividend on the 6 per cent. cumulative preference shares.

The following comparative table will give one an idea of the Company's progress since its formal incorporation in India:

(In lakhs of rupees)

	Year ended 31st August			
	1952	1951	1950	1949
Sale proceeds	46,01.28	50,05.47	38,93.78	37,10.10
Stocks	5,83.06	6,18.88	6,23.91	4,13.90
Purchases and charges..	44,33.23	48,19.14	39,28.90	30,56.72
Trading profit	1,07.64	1,81.31	1,74.87	1,97.28
Other income	21.40	29.16	18.86	10.74
Establishment and other expenses	1,21.01	1,24.54	1,27.48	1,15.88
Provision for—				
Depreciation	10.78	10.09	8.90	8.40
Taxation	..	33.86	27.03	28.57
Net profit (+) or loss (—)	—2.75	+41.99	+30.34	+27.13
To reserves	0.30	15.75	7.75	4.00
Transfer from contingency reserve ..	2.00	..	..	..
Dividend—				
6% preference (less tax)	3.32	3.32	3.37	3.00
Ordinary	..	20.25 (9%)	19.12 (8½%)	18.00 (8%)
Carry forward	0.25	4.62	1.05	1.86

Referring to the causes that led to the adverse results disclosed by the above table, the Directors observe as follows:

"In this period, there occurred a sudden and substantial fall in world demand for commodities, in general, and consequently, a sudden drop in the price of raw materials, including those in which this Company does a large business. Between 28th February and the date of closing our accounts, the local prices of most of the articles in which we deal, fell substantially. For instance, jute, gunnies and shellac receded by about 25 per cent., cotton by about 7½ per cent. and bones by about 33 per cent. This resulted in considerable trading losses during the second half of the accounting year, although a reasonable profit had been earned in the first half of the year's trading."

The trading profit of Rs. 107.64 lakhs has been arrived at after taking into account a sum of Rs. 2.40 lakhs representing the provision for charges made in previous years, now written back. Last year, the Directors had provided a sum of Rs. 50,000 towards reserve for depreciation on investments and this year they have added to it Rs. 30,000 which has increased the deficit for the year to Rs. 3.05 lakhs. This deficit has, however, been more than covered by the undistributed surplus of Rs. 4.62 lakhs brought in from the previous year. The balance available, namely Rs. 1.57 lakhs, is not adequate to pay the dividend on preference shares which requires Rs. 3.32 lakhs. The Directors have thought fit not to keep this in arrears and have, accordingly, drawn, as already stated, Rs. 2 lakhs from the contingency reserve to pay off the preference dividend. This leaves a tiny surplus of Rs. 24,847 to be carried over to the next year.

The latest balance-sheet of the Company shows that its reserves and surplus stand at Rs. 25.43 lakhs, having fallen from Rs. 30.51 lakhs at the end of 1950-51, as against a paid-up capital of Rs. 3 crores. The provision for taxation amounts to Rs. 13.63 lakhs, as against Rs. 42.25 lakhs. Current liabilities have been reduced from Rs. 8.26 crores to Rs. 7.76 crores. There has been a gross addition of Rs. 9.56 lakhs, during the year, to the fixed capital expenditure, which amounts to Rs. 1.69 crores at cost. The book value stands at Rs. 1.52 crores, the depreciation provided so far being Rs. 37.33 lakhs. Current assets at Rs. 9.83 crores show a decline from Rs. 10.61 crores as at the end of the previous year, mainly due to the recession in stocks from Rs. 6.19 crores to Rs. 5.83 crores, in debts, deposits and advances from Rs. 3.52 crores to Rs. 3.29 crores and in cash from Rs. 40.47 lakhs to Rs. 31.86 lakhs. Nonetheless, the total of current assets is in excess of the current liabilities by a handsome margin of Rs. 1.93 crores.

DECCAN SUGAR AND ABKHARI CO., LTD.

During the last three decades (for which period only statistics are readily available with us) in the fifty-six years' history of the Deccan Sugar and Abkhari Co., Ltd. (Managing Agents: Messrs. Parry & Co., Ltd., Madras), the ordinary shareholders of the Company have had to go without any dividend only twice and both these occasions were in the last of the three decades. The first occasion was five years ago, when they did not receive a return for the year ended 31st December, 1947. The second one is now when they should have received a dividend for the year ended 31st May, 1952. The Company, it may be noted here, changed its financial year-end from 31st December to 31st May last year. In view of the long record of dividend, the shareholders of the Company should not be unduly disappointed over the non-receipt of dividend for the last financial year.

The Directors' decision to skip over the dividend was consequent on the net loss of Rs. 49,090 suffered during the twelve months under review, as compared with the net profit of Rs. 2,37,363 earned in the preceding seventeen months.

The profit on trading shows a shrinkage from Rs. 13.35 lakhs for the 17 months ended 31st May, 1951, to Rs. 7.31 lakhs. A part of this fall was, however, covered by crediting the profit and loss account with Rs. 1.02 lakhs, representing provisions no longer required and profit on sale of sundry assets. The depreciation account has been provided with Rs. 4.33 lakhs, as compared with Rs. 5.52 lakhs a year before. There is no liability on taxation or additional excise duty for the year under review, whereas a sum of Rs. 88,512 was provided for these two purposes last year. After meeting other expenses and managing agents' office allowance, there is a net loss of Rs. 49,090. This has been offset by debiting it against the surplus of Rs. 1,10,217 relating to the previous accounting period. Out of the balance of this surplus, the preference dividend at 7 per cent. per annum, absorbing Rs. 49,000, has been met, leaving to be carried over Rs. 12,127 to the next year.

The Company's production at its Samalkot factory during the 1951-52 season was somewhat lower at 5,037 tons of sugar, as compared with that of 5,945 tons. Owing to the late arrival of certain essential items of machinery, the season could not be started until 27th January, 1952, and it closed on 6th June, 1952, after crushing 58,666 tons of cane, whereas in the previous season the factory worked for over five months crushing 60,650 tons of cane. At the Pugaiur factory, during the 1951 special season, 32,244 tons of cane were crushed producing 2,602 tons of sugar, as compared with 37,868 tons of cane crushed and 3,057 tons of sugar bagged in the 1950 special season. During the 1951-52 main season the factory crushed 94,805 tons of cane, producing 7,777 tons of sugar, while in the corresponding season of 1950-51, 91,370 tons of cane were crushed which yielded 7,274 tons of sugar. The refining plant at Samalkot did not work during the year under review, owing to the impossibility of purchasing palmyrah jaggery at economic prices.

Referring to the trading conditions, the Directors' report says:

"As in the previous season the Government of India fixed both the purchase price of cane and the selling price of sugar for the 1951-52 season. While cane prices remained unaltered, the sugar

(Continued on next page)

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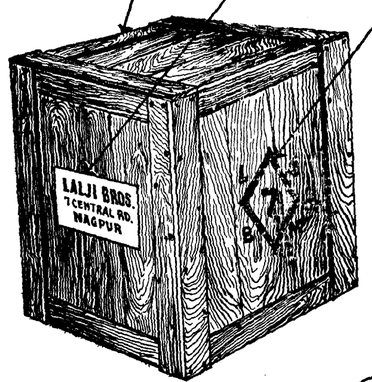

If your goods sent by rail are to be delivered to the consignees speedily and intact, please ensure that they are PACKED SECURELY, in strong cases, bags or containers to withstand transit conditions; LABELLED CLEARLY by affixing fresh labels, addressed boldly & indelibly & all traces of obsolete labels removed; and MARKED CORRECTLY with the consignee's full address and station of destination in indelible ink.

CENTRAL RAILWAY

Points From The Chair

State Aid to Rubber Industry

"YOU must have known that, at the instance of the Central Government and against the agitation for a more economic price for raw rubber in the light of the statutorily aggravated expenses under minimum wages for plantation labour, the Tariff Commission went into costs of production and recommended the price finally adopted by Government, viz., Rs. 138 f.o.b. for 100 pounds of grade I raw rubber, with the usual differentials for the other grades. We are grateful for these small mercies, but it is difficult to forget that our prices were throttled down at starvation level for the benefit of manufacturers when phenomenal prices for raw rubber prevailed in the international markets—all under protection of rubber producers' interest! If we were treated a little generously then, we should now have been in such a position that rehabilitation and extension of areas under rubber to attain national self-sufficiency in the strategic commodity, should have been an easy domestic affair of the producing industry. Instead, thanks to protection, now, without State-aid, enlargement of areas or even rehabilitation of existing areas to international averages of productivity, has become impossible. I am not despairing that compensating co-operation may not be forthcoming. Only, I wish to bring out that direct State-aid or subsidy is only second best to indirect helping of the industry to help itself when the goings are specially favourable."

K. VENKATARAGHAVAN,
Rajagiri Rubber and Produce Co., Ltd.

Immediate Outlook for Indian Shipping

"The prospects for the current year are not as good as those of the last year, whether on the coast or in the adjacent trades. The Ceylon Government has decided to import Chinese rice in substantial quantities, thus reducing their intake of rice from Burma; the rates for the movement of rice from Burma to Ceylon and India have had to be substantially reduced; so, too, the rates for the movement of coastal salt. Moreover, there has been a noticeable fall in the volume of coastal cargo offered. Altogether, the results of coastal and near trades operations during the current year are likely to be comparatively poor. Inordinate delays in securing berths and loading coal at Calcutta, as also in discharging the same at various destinational ports on the coast, continues to be a matter of some concern. It has resulted in considerable wastage of operating days; and, while some improvement in loading position was noticeable at times, the situation again deteriorated considerably and has resulted in further heavy wastage of operating days during the current year."

SHRI DHARAMSEY M. KHATAU,
The Scindia Steam Navigation Co., Ltd.

Realistic View of Distress in Tea Needed

"At the present moment, markets are rather variable and the world surplus tea production makes further price reduction almost inevitable. The immediate prospects of the industry are, consequently, not altogether reassuring and it is a matter of great regret that the Rajaram Rao Committee has proved of so little assistance to the industry. Its recommendations scarcely touch the fringe of the difficulties which beset the less fortunate producers and I trust that the Industrial Committee on Plantations which, met on 19-20th December to consider the Rajaram Rao Report, will find a means of inducing the Government of India to take a more realistic view of the distress that afflicts and continues to threaten the poor-yielding properties."

W. W. KILGOUR,
Peria Karamalai Tea and Produce Co., Ltd.

(Concluded from previous page)

selling price in respect of both the Company's factories was reduced by Rs. 2-4 per maund. The policy of allowing a portion of the production for sale in the free market was continued by Government with slight modifications. Jaggery prices, during the 1951-52 season, were low and, owing to the better return obtainable by cultivators by delivering their sugarcane to our factories, there was no difficulty in obtaining the factories' full requirements of cane."

The following synopsis of the Company's latest balance-sheet reflects its financial position.

Liabilities	Rs.	Assets	Rs.
Capital ..	26,92,000	Gross block ..	98,90,558
Reserves and surplus..	16,83,803	Less—Depreciation ..	48,84,037
			50,15,821
Provision for taxation,	81,067	Net block ..	81,78,005
Liabilities ..	1,12,33,367	Stock-in-trade ..	21,46,459
		Stores, spares, etc.	
		Debts, deposits and advances ..	10,59,890
		Investments ..	32,880
		Cash ..	2,57,079
	Rs. 1,56,01,137		Rs. 1,56,01,137

During the year under review, a sum of Rs. 12.07 lakhs was spent on development of the fixed assets. The value of stocks and stores shows a considerable rise from Rs. 50.95 lakhs and Rs. 20.58 lakhs as on 31st May, 1951 to Rs. 61.78 lakhs and Rs. 31.46 lakhs, respectively. A considerable part of the Company's funds having thus been locked up, it had to resort to additional borrowings from its bankers, the outstanding loans from bank (secured by stocks and stores) at the end of the year amounting to Rs 64.97 lakhs, as against Rs. 40.11 lakhs a year before. Unsecured loans from the Managing Agency firm, however, were reduced from Rs. 13.46 lakhs to Rs. 7.94 lakhs.

TEXTILES

(Concluded from page 240)

without taking into account the effects of long-term programmes for improvement in living standards of underdeveloped countries—the competition in textile markets is bound to be keen, and a challenge to the world's textile producers.

PRODUCTIVITY IN INDIAN COTTON TEXTILE INDUSTRY

As readers are aware, a team of I.L.O. experts is now in India carrying out combined pilot projects in systems of payment by results and productivity studies in the cotton textile industry. This industry is one of those in which the need for raising productivity has assumed considerable importance, in view of the high levels to which cost of production has gone up. If labour is to enjoy the present level of wages and not suffer a diminution in its income, in view of the return of a buyers' market, then it must produce more per man-hour. Until recently, the data required for calculating labour productivity were not available. It was in 1946 that the first census of manufactures was carried out, which has been followed for the next four years. On the basis of the data published in the reports on the Census of Manufactures, an attempt was made to study the measurement of labour productivity in the cotton textile industry in India during the years 1946 to 1948. The results of this study are published in the December, 1952, issue of the *Indian Labour Gazette*.

A notable feature revealed by the study is that the productivity of workers in the cotton textile industry in 1948 was substantially higher, as compared with the two previous years. This was due partly to the incentive for higher production given by decontrol of cloth and partly to better industrial relations, following the adoption of the Industrial Truce Resolution of December, 1947, and the fixation of minimum wages and dearness allowance in most of the important centres. The results of the study are summarised in the table below:

(In thousands)

	1948	1947	1946
No. of labourers (daily average) ..	658	642	595
Labour in units of adult man-hours.	1,533,770	1,502,169	1,449,597
Gross value of production at constant prices .. .. (Rs.)	256,81.70	221,57.30	212,58.37
Value added .. .. (Rs.)	132,28,66	104,70,70	97,00,35
Output per man-year—			
Gross value .. .. (Rs.)	39,00 (109.1)	34,54 (96.6)	35.74 (100)
Value added .. .. (Rs.)	20,09 (123.2)	16,33 (100.1)	16,31 (100)
Output per man-hour—			
Gross value .. .. (Rs.)	1.674 (114.2)	1.475 (100.0)	1.466 (100)
Value added .. .. (Rs.)	0.862 (128.9)	0.697 (104.2)	0.669 (100)

(N.B.—Figures in brackets refer to indices, base for them being 100 in 1946.)

The foregoing figures show that productivity indices of output per man-year in 1948 were lower than those of output per man-hour. The explanation for this difference lies in the fact that, in August, 1946, the weekly hours of work were reduced from 54 to 48, under the amended Factories Act. The number of days worked during the year, which depends on several factors, such as strikes and lock-outs, might also have been responsible, to some extent, for the difference. Another point to be noted is that the productivity indices based on values added measure of output were appreciably higher in 1948 than that calculated on the basis of the gross value of production. This was the result of shifts in production from coarse to fine varieties (and, possibly, of better utilisation of raw materials and stores), as is indicated in the following list of category of piecegoods produced, showing the ratio of quantitative production in 1947 and 1948 to that in 1946, taken as the base year:

	1947	1948
Woven piecegoods (grey)—		
Cambrics, lawn, mulls and voiles	170	381
Khadi	141	156
Tussor and coatings	455	188
Woven piecegoods (fancy)—		
Dhoties	140	140
Saris	172	132
Chadars	82	108
Cambrics, lawns, mulls and voiles	95	224
Shirtings and longcloth	114	132
Tablecloths, domestics and sheetings ..	180	250
Woven piecegoods 100 per cent. weft or 100 per cent. warp of fibre other than cotton.	233	457
Woven piecegoods (prints)—		
Cambrics, mulls and voiles	147	213
Shirtings and longcloth	107	206

Notice

THE UNITED COMMERCIAL BANK LIMITED

NOTICE

CLOSING OF SHARE REGISTER AND TRANSFER BOOKS

NOTICE IS HEREBY GIVEN THAT THE Register of Members and Transfer Books of The United Commercial Bank Limited will be closed from 28th February to 26th March, 1953, both days inclusive.

By Order of the Board,
B. T. THAKUR,
General Manager.

CALCUTTA, *4th February*, 1953.

Notices

THE ALKALI AND CHEMICAL CORPORATION OF INDIA, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Sixteenth Ordinary General Meeting of the Members of the Company will be held on Thursday, 12th March, 1953, at 3-30 p.m., at the Registered Office, 18, Strand Road, Calcutta, to transact the following business:

(1) To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 30th September, 1952.

(2) To declare Dividends on Ordinary Shares.

(3) To elect Directors.

(4) To appoint Auditors for the current year and to fix their remuneration.

The Ordinary Share Registers of the Company will be closed from the 26th February, 1953, to the 12th March, 1953, both days inclusive.

By Order of the Board.
IMPERIAL CHEMICAL INDUSTRIES (INDIA) LIMITED,
Secretaries.

CALCUTTA, *28th January*, 1953.

To

The shareholders of The Alkali and Chemical Corporation of India, Limited, and in particular to:—

Mr. J. V. A. e Brito, Mr. W. A. Bell, Mrs. A. L. Baxendale, Mr. H. M. Cox, Her Highness Bada Maharani Deela Kumari Devi, Mrs. M. Duncan, Mrs. H. C. D'Cruz, Mrs. E. M. Fanthome, Mrs. J. Guest, Mr. P. H. Guest, Mr. W. A. T. Hollingbery and Mrs. E. M. Hollingbery, Commdg. Genl. Mohun S. S. Jung B. R. and Major Genl. Bijaya S. S. Jung B. R., Genl. Sir Baber S. S. Jung B. R., Major Genl. Mrigendra S. S. Jung B. R. and Major Genl. Bramha S. S. Jung B. R., Mrs. M. A. Edney, Mr. A. Y. Kadwa, Mr. F. J. C. Melhuish, Mrs. N. M. McCann, Mrs. N. E. M. Parrott, Major Sirdar K. M. Panikkar, Mr. A. R. Sahasranam, Mr. S. P. Upadhya, Mr. K. W. Young.

MADURA MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held in Tuticorin on Thursday the 26th March, 1953, at 4 p.m. The Share Transfer Books will be closed from 6th to 26th March, 1953, both days inclusive. It is recommended that:

1. All persons holding shares on blank transfers should immediately arrange to have the shares registered in their own names, as the Company will pay any dividend declared only to the person(s) in whose name the share stands on the date of declaration of dividend.
2. Shareholders desiring dividends to be paid to Banks or other Mandatees should register the mandates with the Company before 6th March, 1953.
3. Intimation of any change of address should be given to the Company immediately.

A. & F. HARVEY LIMITED,
Managers.

MADURAI, *2nd February*, 1953.

THE GOKAK MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Transfer Books of the Company will be closed from the 6th March, 1953, to 26th March, 1953, both days inclusive.

The Dividend, if sanctioned, will be paid to those Shareholders whose names stand on the Register of the Company on the 26th March, 1953.

By Order of the Board,
FORBES FORBES CAMPBELL & CO., LTD.
Agents.

BOMBAY, *6th February*, 1953.

UNECONOMIC PRICES FOR JUTE GOODS AFFECT BIRD GROUP MILLS

ANGELO BROS. REDUCE DIVIDEND BY HALF

Dalhousie Jute Co., Ltd.

THE directors of the above Company (Managing Agents: *Messrs. Bird & Co., Ltd.*, Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1952.

After providing Rs. 27,876 (Rs. 30,143) for depreciation the profit and loss account shows a loss of Rs. 2,00,493 (profit of Rs. 3,35,448 after providing for taxation Rs. 80,000), which is reduced by the amount brought forward from previous half-year Rs. 80,807 (Rs. 69,948), transfer from equalisation of dividends reserve Rs. 1,00,000 (*nil*); transfer from general reserve Rs. 1,25,000 (*nil*); leaving an available balance of Rs. 1,05,309 (Rs. 2,96,396 after transferring Rs. 1,60,000 to *general reserve*). The directors propose to dispose of this sum by paying a dividend on the preference shares at the rate of 7 (7) per cent. per annum, without any deduction for *income*-tax paid by the Company Rs. 52,500 (Rs. 52,500), paying a dividend on the ordinary shares of Re. 1 (Rs. 6) per share, without any deduction for income-tax paid by the Company Rs. 31,453 (Rs. 1,88,706) and carrying forward the balance Rs. 21,356 (Rs. 55,190).

Stocks of jute have been valued at market value and manufactured goods at contract or market rates.

In accordance with the Factories (Amendment) Act, 1946, and the working time agreement of the Indian Jute Mills Association, the mill worked 42½ hours a week with 12½ per cent. of total looms sealed during the period under review.

The increased expenses resulting from the implementation of the Omnibus Tribunal Award, which took effect from 10th December, 1951, have caused an appreciable increase in working costs and contributed to the comparatively poor financial results for the half-year. Throughout the period the labour complement at the mill was maintained at full strength.

The electrification of the mill is proceeding satisfactorily and it is expected that the scheme will be fully completed during the course of the current half year.

During the period under review, the general trend of prices of both raw jute and finished goods was downwards. On 6th May, the Government of India announced with immediate effect a reduction in the export duty on hessian from Rs. 750 to Rs. 275 per ton and on sacking from Rs. 350 to Rs. 175 per ton. Immediately following the announcement, America came into the market and business on quite a large scale was done at slightly higher rates. Prices, however, were not maintained and rates for both hessians and heavy goods receded. With prices of raw jute remaining relatively steady, mills were forced to dispose of their production at very substantial losses with mills with a large proportion of *sacking looms* suffering more than others, owing to the very low rates prevailing for sacking fabrics. It was not until late September, when the I.J.M.A. agreed to sell through the Government of India 40,000 tons of hessian to the Argentine, that prices rose and simultaneous business was again remunerative. Despite a substantial increase in U.S.A. consumption figures, prices, particularly those of heavy goods, have again dropped to uneconomic levels mainly on account of speculative operations and lack of overseas demand. Closure of the hessian *fatka* market on 19th December, however, has been generally approved by the industry and it is hoped that more stable prices will attract overseas buyers.

Raw jute, which, for a period, remained steady, fell to a certain extent in sympathy with the hessian and heavy goods markets and has now reached a level which the Government of India *considers to be* dangerously low bearing in mind the importance attached to increasing India's self-sufficiency in jute. Nevertheless, even at the present level of prices, mills cannot, at the time of writing, operate at a profit on simultaneous business.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	46,49,200	Block ...	55,63,778
Reserves ...	60,60,313	Work-in-progress ...	8,27,511
Provision for taxation ...	1,03,032	Stock ...	35,44,220
Liabilities ...	26,33,336	Stores, etc. ...	11,21,218
Profit and loss account ...	21,356	Debts, deposits and advances ...	16,99,623
		Investments	4,62,824
		Cash ...	2,48,063
	Rs. 1,34,67,237		Rs. 1,34,67,237

Lawrence Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1952.

After providing Rs. 1,00,000 (Rs. 1,50,000) for taxation and Rs. 46,791 (Rs. 48,203) for depreciation the profit and loss account shows a profit of Rs. 1,54,267 (Rs. 4,63,436) to which is added the amount brought forward from previous half-year Rs. 32,655 (Rs. 44,057), provision against contingent loss on forward jute purchases no longer required Rs. 27,000 (*nil*). From this the directors have transferred to plant renovation reserve Rs. 50,000 (*nil*, but provided Rs. 1,00,000 to general reserve), leaving an available balance of Rs. 1,63,922 (Rs. 4,07,493). The directors propose to dispose of this in paying a dividend on the "A" preference shares at the rate of 7 (7) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 17,500 (Rs. 17,500), in paying a dividend on the "B" preference shares at the rate of 5½ (5½) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 27,500 (Rs. 27,500), in paying a dividend on the ordinary shares of Rs. 4 (Rs. 11) per share, without any deduction for income-tax paid by the Company Rs. 1,11,968 (Rs. 3,07,912) and in carrying forward Rs. 6,954 (Rs. 54,581).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	43,00,000	Block ...	52,39,042
Reserves ...	58,51,283	Stock ...	39,12,917
Provision for taxation ...	2,08,358	Stores, etc.	7,52,581
Liabilities ...	34,37,514	Debts, deposits and advances ...	15,27,907
Profit and loss account ...	6,954	Investments	8,59,360
		Cash ...	15,12,302
	Rs. 1,38,04,109		Rs. 1,38,04,109

Lansdowne Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1952.

After providing Rs. 85,000 (Rs. 1,10,000) for taxation and Rs. 12,000 (*nil*) for reserve for taxation contingencies and Rs. 87,222 (Rs. 89,986) for depreciation the profit and loss account shows a profit of Rs. 1,13,045 (Rs. 2,58,981) to which is added the amount brought forward from previous half-year Rs. 53,319 (Rs. 50,528), leaving an available balance of Rs. 1,66,364 (Rs. 3,09,509). The directors propose to dispose of this in paying a dividend on the preference shares at the rate of 7 (7) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 52,500 (Rs. 52,000), in paying a dividend on the ordinary shares of Rs. 3 (Rs. 8) per share, without any deduction for income-tax paid by the Company Rs. 73,377 (*Rs. 1,95,664*) *and in carrying forward* Rs. 40,487 (Rs. 61,345).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	39,48,000	Block ...	58,45,878
Reserves ...	48,99,557	Work-in-progress ...	2,45,594
Provision for taxation ...	1,57,941	Stock ...	38,41,537
Liabilities ...	42,43,779	Stores, etc.	10,71,953
Profit and loss account ...	40,487	Debts, deposits and advances ...	21,14,791
		Investments	1,53,740
		Cash ...	16,271
	Rs. 1,32,89,764		Rs. 1,32,89,764

Angelo Bros., Ltd.

The directors of the above Company (Managing Agents: Messrs. Turner Morrison & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st August, 1952.

The profit for the year after providing for depreciation, directors' fees and taxation amounted *to Rs. 5,43,895 (Rs. 19,87,968), to which was* added the balance brought forward of Rs. 5,31,014 (Rs. 4,18,045), making a total of Rs. 10,74,909 (Rs. 24,06,013). After transferring to general reserve Rs. 1,75,000 (Rs. 6,00,000), stock reserve Rs. *nil* (Rs. 2,75,000), plant replacement reserve Rs. *nil* (Rs. 2,50,000), there remained a balance of Rs. 8,99,909 (Rs. 12,81,013). The directors disposed of this by paying a dividend of 12½ (25 including a bonus of 12½ per cent.) which absorbed Rs. 3,75,000 (Rs. 7,50,000), leaving a balance to be carried forward of Rs. 5,24,909 (Rs. 5,31,013).

The year under review was marked by a *heavy recession in business generally compared* with the boom period of 1950-51 and shellac was seriously affected in common with other commodities. Sales of the Company's products suffered accordingly, which was anticipated to some extent in the directors' last report, but the severity of the fall in prices was greater than expected by the trade. There are, however, signs of a revival of interest for shellac in the U.S.A. for industrial purposes at the lower level of prices, while competition from Siam lac has been noticeably less.

At the beginning of the season T.N. was quoted at Rs. 167 and Rs. 145 was seen at the end of December. From January onwards a steady decline set in and the price of T.N. at the end of the season was Rs. 70. At the time of writing this report the price was Rs. 65. The impact of this heavy decline has been felt throughout the industry and has caused many of the small factories upcountry to close down. Apart from the effect on stock values, the situation has been made more difficult by the fact that the fall in raw material prices has steadily lagged behind the declining shellac market and the margin of profit has progressively narrowed. In the circumstances, the result of the year's working may be viewed as satisfactory though much less than the previous year when record sales were made at much higher price levels. The opinion has been expressed in previous reports that high prices are not in the best interests of the industry and tend to stimulate competition from synthetic materials, but the *market has now reached* an uneconomic level *which* may discourage lac cultivation.

The factory, plant and buildings were maintained in good condition. Continuing the policy of replacing older sections of the plant with improved modern equipment, various items of new machinery and plant were installed, including new transformers for electric supply. Cold storage facilities have been extended in two existing buildings.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Block ...	12,70,496
Reserves ...	34,50,000	Stock ...	22,52,680
Provision for taxation ...	17,20,081	Stores ...	4,78,087
Liabilities ...	12,29,258	Debts, deposits and advances ...	15,75,584
Profit and loss account ...	5,24,909	Investments	4,98,500
		Cash ...	38,48,901
	Rs. 99,24,248		Rs. 99,24,248

Benares Electric Light and Power Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) *submit* the audited accounts of the Company for the half-year ended 30th June, 1952.

Normal progress is being maintained as will be seen from the following schedule for the past three years.

Half-year ended	*Units sold*	*Revenue* Rs.
31st December, 1949 ...	7,476,504	11,44,987
30th June, 1950	7,346,284	9,56,833
31st December, 1950 ...	7,881,723	11,40,343
30th June, 1951	8,243,843	11,12,177
31st December, 1951 ...	8,978,556	13,71,950
30th June, 1952	9,544,518	12,56,950

After complying with the provisions of the Electricity (Supply) Act, 1948, and making adequate provision for liabilities and reserving Rs. 15,000 (Rs. 25,000) for development and extensions, there remains a balance of Rs. 1,34,777 (Rs. 1,15,204), including Rs. 31,109 (Rs. 21,642) brought forward from the previous half-year available for distribution, and this the directors recommend be disposed of as follows:—

Payment of a dividend at the rate of 10 (10) per cent. per annum, free of income-tax, Rs. 84,995 (Rs. 84,995)), additional payment of As. 2 (*nil*) per share Rs. 21,249 (*nil*), and carry forward to next half-year Rs. 28,534 (Rs. 30,209).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,99,900	Block ...	43,01,811
Debentures	12,00,000	Stores, tools, etc. ...	8,86,340
Reserves ...	16,32,663	Work-in-progress ...	1,71,723
Provision for taxation ...	1,23,974	Other assets	54,296
Liabilities ...	20,32,586	Debts, deposits and advances ...	3,67,408
Profit and loss account ...	1,34,777	Investments	60,941
		Cash ...	9,81,381
	Rs. 68,23,900		Rs. 68,23,900

Britannia Building and Iron Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Holmes Wilson & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st March, 1952.

The net profit for the year was Rs. 52,276 (Rs. 2,06,618) after providing for depreciation Rs. 49,413 (Rs. 47,953), head office removal expenses Rs. 6,505 (Rs. 3,612), commission to managing agents Rs. 20,000 (Rs. 25,041) and directors' commission Rs. 1,617 (Rs. 7,164). From the total *amount of Rs. 57,978 (Rs. 2,15,702) including last* year's carry over of Rs. 5,702 (Rs. 9,084), a sum of Rs. 829 (*nil*) was adjusted, being short provision for taxation in respect of the year 1946-47 and a further sum of Rs. 50,000 (Rs. 95,000) was provided for income-tax reserve. The directors transferred the following amounts to general reserve:

Reserve against contracts Rs. 1,05,000 (Rs. 65,000), reserve against depreciation in value of stock Rs. 50,000 (*nil*), reserve for doubtful debts Rs. 5,000 (*nil*), forfeited dividend account Rs. 15,432 (*nil*), and from profit and loss account Rs. 2,567 (*nil*). All this, added to the general reserve, the reserve fund amounted to Rs. 5,00,000. The balance left to the credit of the profit and loss account was Rs. 4,582 (Rs. 55,702) after making the above adjustment.

The Company has filed a suit in the Hon'ble High Court of Calcutta against the National Cricket Club for recovery of the dues. The Company preferred claims against the Orissa Public Works Department and the Damodar Valley Corporation in connection with certain works executed for them.

The working results of the year under review have not been satisfactory mainly due to the general slump in the trade and due to difficulties faced in settlement of some contracts.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ...	4,97,358
Debentures	5,00,000	Work-in-progress ...	13,70,914
Reserves ...	4,77,000	Stock ...	9,84,413
Provision for taxation ...	95,000	Tools, etc. ...	13,472
Liabilities ...	24,54,265	Other assets ...	4,331
Profit and loss account ...	57,149	Debts, deposits and advances ...	14,45,258
		Investments	2,04,465
		Cash ...	63,203
	Rs. 45,83,414		Rs. 45,83,414

N.B.—Figures within brackets relate to the corresponding period of the previous year.

COMPANY MEETINGS AND DIVIDENDS

F. & C. OSLER (INDIA) LTD. Annual General Meeting, Calcutta, 16th February, 1953. Transfer *books closed* from 10th to 16th February, 1953, both days inclusive.

MIDNAPORE ZEMINDARY CO., LTD. Annual General Meeting, Calcutta, 17th February, 1953. Dividend: Rs. 2 per share. Transfer books close from 16th to 17th February, 1953.

KINNISON JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 21st February, 1953. Dividend: Rs. 7 per share. Transfer books closed from 10th to 21st February, 1953, both days inclusive.

NAIHATI JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 21st February, 1953. Dividend: *Nil*. Transfer books closed from 10th to 21st February, 1953, both days inclusive.

NORTHBROOK JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 21st February, 1953. Dividend: As. 4 per share. Transfer books closed from 10th to 21st February, 1953, both days inclusive.

STANDARD JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 21st February, 1953. Dividend: Re. 1 per share. Transfer books closed from 10th to 21st February, 1953, both days inclusive.

UNION JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 21st February, 1953. Dividend: Re. 1 per share. Transfer books closed from 10th to 21st February, 1953, both days inclusive.

RALLIS INDIA LTD. Annual General Meeting, Calcutta, 23rd February, 1953. Dividend: *Nil*. Transfer books closed from 9th to 23rd February, 1953, both days inclusive.

NEW CENTRAL JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 24th February, 1953. Dividend: Rs. 10 per share. Transfer books close from 18th to 24th February, 1953, both days inclusive.

ALBION JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 24th February, 1953. Dividend: Rs. 8 per share. Transfer books close from 18th to 24th February, 1953, both days inclusive.

BENARES ELECTRIC LIGHT AND POWER CO., LTD. Half-yearly General Meeting, Calcutta, 27th February, 1953. Dividend: As. 10 per share. Transfer books close from 21st to 27th February, 1953, both days inclusive.

CHEMICAL, INDUSTRIAL AND PHARMACEUTICAL LABORATORIES LTD. Annual General Meeting, Bombay, 27th February, 1953. Transfer books closed from 11th to 28th February, 1953, both days inclusive.

SPENCER AND CO., LTD. Annual General Meeting, Madras, 27th February, 1953. Dividend: Re. 1 per share (final), free of income-tax. Transfer books close from 20th to 27th February, 1953, both days inclusive.

NEW GREAT EASTERN SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 2nd March, 1953. Dividend: Rs. 10 per share. Transfer books close from 20th February to 12th *March*, 1953, both days inclusive.

NEW CITY OF BOMBAY MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 2nd March, 1953. Dividend: Rs. 10 per share. Transfer books close from 20th February to 12th March, 1953, both days inclusive.

G. CLARIDGE & CO., LTD. Annual General Meeting, Bombay, 2nd March, 1953. Transfer books close from 20th February to 12th March, 1953, both days inclusive.

EMPIRE DYEING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 2nd March, 1953. Transfer books close from 20th February to 12th March, 1953, both days inclusive.

W. H. BRADY & CO., LTD. Annual General Meeting, Bombay, 2nd March, 1953. Transfer books close from 20th February to 12th March, 1953, both days inclusive.

UNITED BREWERIES LTD. Interim dividend of Rs. 7-8 per share, free of income-tax, on ordinary shares, for the year ending 31st March, 1953. Transfer books close from 21st to 28th February, 1953, both days inclusive.

UNITED NILGIRI TEA ESTATES CO., LTD. Interim dividend of Rs. 5 per ordinary share, for the year ending 31st March, 1953. Transfer books closed from 9th to 15th February, 1953, both days inclusive.

BUDGE-BUDGE JUTE MILLS CO., LTD. Dividend: Rs. 6-8 per share for the half-year ended 31st October, 1952.

NATIONAL CO., LTD. Dividend: Re. 1 per share for the half-year ended 31st October, 1952.

ORIENT JUTE MILLS CO., LTD. Dividend: Rs. 6 per share for the half-year ended 30th November, 1952.

COMPANY REGISTRATIONS

NETTLEFOLDS OF INDIA LTD. Business: Iron Founders, Mechanical Engineers, Manufacturers, Merchants and Dealers in Screw, Bolts, Nuts, Wire Goods, Agricultural Implements, etc. Authorised capital: Rs. 20,00,000. Private company. Address: Das Chambers, Dalal Street, Fort, Bombay 1.

BORKER BROTHERS LTD. (First Director: Mr. Shivaji Bhagwant Borker.) Business: Producers, Distributors, Agents, Exhibitors, Licensors and Purchasers of Motion Pictures. Authorised capital: Rs. 5,00,000. Private company. Address: White House Extension, 91, Walkeshwar Road, Bombay, 6.

ANNUAL GENERAL MEETING OF BHOPAL SUGAR INDUSTRIES LTD.

MR. M. M. AMERSEY STRESSES IMPORTANCE OF LOWERING COST OF PRODUCTION

ADDRESSING the shareholders of the Bhopal Sugar Industries Ltd., at their Ninth Annual General Meeting held in Sehore (Bhopal) on 7th February, 1953, Mr. M. M. Amersey, Chairman of the Company, referred, in brief, to the problems of the sugar industry. He welcomed the Government's decision to reduce the price of cane for the 1952-53 season as a step in the right direction. He emphasised that it was essential to bring down the cost of production of sugar in India, as it was the only way to stimulate internal consumption.

The following are extracts from Mr. Amersey's speech:

"The policy of partial decontrol initiated by the ex-Food Minister, Shri K. M. Munshi, was continued with certain modifications and changes that were found necessary as a result of the actual working during the previous year. The dual policy of controlled distribution of a minimum quantity and open market for the excess quantity produced by the various units of the industry not only ensured availability of sugar at controlled and reasonable price but also provided the incentive to the industry to maximise production. As a result, there was a record production of about 14.9 lakh tons during the 1951-52 season. The target of 15 lakh tons, which the Planning Commission had laid down for achievement in 1954-55, was thus nearly achieved by the industry this year itself. This sudden spurt in production, after years of shortage and scarcity, brought in its wake new problems for the industry. The internal consumption in our country, as you are aware, had never exceeded 12 lakh tons in the past and the heavy production this year, therefore, has given rise to a huge carry-over of 4½ lakh tons and the urgent necessity of finding ways for disposal of this large stock.

"Although the Government has assured necessary assistance to the industry in the clearance of this stock by way of export, there are hardly any chances of exports materialising owing to the high cost of production. This high cost of production is mainly attributable to the very high rate paid by the industry for supplies of cane.

"In the changed circumstances and in the context of accumulation of large stocks, the Government has taken a bold decision to reduce the price of cane for the season 1952-53. The price of cane has been lowered to Re. 1-5 per maund from Re. 1-12 fixed last year. Whilst this reduction hits the cane-growers, there is no doubt that the step taken by the Government is in the right direction and, in the ultimate analysis, in the interest of cane-growers themselves. It is most essential to bring down the cost of production of sugar in the country which is very high and out of tune with the world market. With the surplus position in production, cutting down the cost of production is the only way to stimulate and increase the internal consumption of sugar in the country and removing the impediment of price factor which is blocking exports.

"Even with this reduction in the price of sugarcane, there is little chance of our being able to export sugar in the immediate future. It is, however, hoped that with the availability of sugar at cheaper rates the internal consumption in the country will go up. The production is also expected to fall and looking to the present position, it will not, in my opinion, exceed 12 lakh tons in the 1952-53 season. The increased consumption together with the expected fall in production in the 1952-53 season may alleviate the stock position and the industry, it is hoped, will not be confronted with huge carry-over stocks next season.

"For the 1952-53 season, the Government has decided not to exercise any price control on production, but to have some sort of control on distribution to ensure holding of a reserve stock of 3 lakh tons in the country. The Government's policy of maintaining buffer stocks to meet any shortfall in supply or rise in prices places the interest of the consumer well above all other considerations. Since sending my speech for print, the Government of India has banned the export of sugar from 31st January, 1953, onwards and this decision would, I am sure, be welcomed by all under the present circumstances.

"The reference I have made above to the fall in production must have made you anxious to learn more about it. Since 1948-49, when 52,313 bags were produced, there has been a continuous decline in production of the Company and during the year under report your factory produced only 36,289 bags. The main reason for decrease in production has been the shortage of rainfall in areas round about Sehore and short supply of cane by cultivators last year. The production was further affected by the very poor quality of cane supplied by the cultivators. The milling test of such cane showed that the recovery from cultivators' cane was less than 7.5 per cent. as against 10 per cent. obtained from cane grown on your Company's own farms. The Government of India and the Bhopal Government were naturally apprised of the bad quality of cane supplied by the cultivators, but I regret to say that nothing has been done so far to bring about improvement in quality.

"The policy of fixing a flat rate for supplies of cane irrespective of quality is very defective, as it leaves no incentive to the cultivator for improving the quality of his produce. If prices of cane are fixed according to the recovery obtained, the cultivator would attempt to improve the quality of his supplies in order to get a better rate for the same.

"Due to complete failure of rain during 1951-52, there was hardly any plantation of cane last year and, as mentioned last year, there will be no crushing during the 1952-53 season owing to non-availability of cane. However, you will be pleased to learn that the rainfall in the current year has been fairly satisfactory. The Bhopal Government and your Company are doing their best to distribute the available seed for multiplying the area under cane. Adequate sums of money have been made available by the Bhopal Government for purchasing cane seed and your Company, *together with the co-operative* societies, are endeavouring to distribute the available seed among the cultivators. Whilst it is too early to say what area will be available next year, it is hoped that the distribution of seed will help in restoring the area under cane and your factory will be able to work next year. Your Company would be planting in all 1,260 acres, including ratoon and adsali cane, on your own farms. The area under plantation this year would be slightly more than what it was in previous years.

"Then there are the outstanding matters such as the irrigation charges and octroi duty, to which references had been made last year. The Government of Bhopal have recently set off the amount payable to your Company for R.C.C. pipes against the irrigation charges stated to be due to them. The Company, as you are aware, has been persistently disputing the Bhopal Government's method of assessing irrigation charges. I fail to see how we can be expected to pay irrigation charges on some theoretically projected area which did not receive irrigation water. The Bhopal authorities are, however, holding on to their views and are insisting on charging irrigation rates as per projected figures for each of the tanks. The matter is still being pursued with a view to seeking remission for at least those years during which the rainfall failed partly or completely and the tanks were not filled to capacity.

"The question of levy of octroi duty by the Sehore Municipality on cane and other raw materials despatched to the factory is yet to be settled. The rate of octroi duty imposed by the Sehore Municipality, as you all know, is without parallel anywhere in the country. At those few places where the octroi duty does exist it is almost a fraction of what is being levied by the Sehore Municipality. It did not seem to have weighed with the Bhopal Government that this heavy taxation would impede the progress of the industry and make it difficult to market the finished product because of its higher cost. The sellers' market in sugar has already passed and keen competition is bound to prevail. I would again earnestly appeal to the Bhopal Government to consider seriously the incidence of octroi duty and the cost of sugar to be sold, and that too, in a competitive market and remove this impediment to the growth of the only sugar industry in the State."

SCINDIA STEAM NAVIGATION COMPANY LIMITED

MR. DHARAMSEY M. KHATAU'S SPEECH AT ANNUAL GENERAL MEETING

FLAG PROTECTION FOR INDIAN SHIPPING URGED

SPEAKING at the Thirty-third Ordinary General Meeting of the Scindia Steam Navigation Co., Ltd., held in Bombay on Wednesday, 11th February, 1953, Mr. Dharamsey M. Khatau, Chairman of the Company, deplored the growing tendency on the part of the powerfully entrenched shipping interests of certain countries to raise the cry of "flag discrimination" at the slightest sign of any attempt by the Government of a country, the shipping of which is ill-developed, to assist and encourage national shipping by appropriate regulating steps. The cry of "flag discrimination," Mr. Khatau declared, was a plain "last ditch" stand of the vested interests, whose tonnage was far more than their most generously conceived legitimate requirements to prevent the growth of national shipping in other maritime countries, the tonnage of which was insufficient. Referring to the development of the Indian mercantile marine, he stressed the imperative need for flag protection. "It is," to quote him, "flag protection that I seek for our national vessels operating in the field of our international trade, so that we may develop to our full stature in consonance with the legitimate needs of our country for an adequate merchant marine. I would much rather have flag protection than flag destruction masquerading under the guise of eliminating flag discrimination."

The following are extracts from Mr. Khatau's speech:

"GENTLEMEN,

"The results of the year's working yielded profits which were sufficient, after charging depreciation, to enable the Company to write off not only the heavy accumulated losses brought forward from preceding years but also the substantial loss incurred in the sale of the shipbuilding business of the Company to the Hindustan Shipyard Ltd., the new Government-sponsored shipbuilding concern at Visakhapatnam. The liquid resources of the Company have improved substantially. Furthermore, after the lapse of three years, it has been found possible to declare a modest dividend of eight annas per share. All these indications of a marked change in the Company's fortunes will, I am sure, be received by the shareholders with satisfaction.

Taxation

"As already stated in the Directors' Report, the E.P.T. assessments of the Company have not as yet been finalised. I cannot say as to when the various issues that are still pending will be decided and assessments completed. I may state, however, that, in view of the payments so far made and the double-income-tax relief due to the Company, any undetermined taxation liability is fully covered. This leaves only the question of making adequate provision for future taxation. You are aware that, under the provisions of the Income-tax Act, the Company is entitled to certain accelerated depreciation allowances, known as initial and additional depreciation in respect of new assets. Since the Company has been acquiring new tonnage for the last few years, substantial depreciation allowances have accumulated under these heads. While it is not possible for the Company to provide, from out of its current profits, any amount towards these special depreciation allowances, it is clearly necessary, as and when the Company makes profits, to provide each year, by way of reserve for deferred taxation, an amount equivalent to the tax that would otherwise have been payable and would have had to be provided for, had there been no such accelerated depreciation allowances. On this basis, a provision of Rs. 3 lakhs has been made this year. This procedure, I may add, is in accordance with the practice followed by the Company in the past, when, for the accounting year ended 30th June, 1947, the Company had provided Rs. 19 lakhs towards deferred taxation against the initial depreciation allowance due to the Company for that year. It would clearly be imprudent not to make adequate provision in this manner for a tax liability properly arising out of current profits which is merely deferred to subsequent years by virtue of (accelerated) depreciation being allowed now, instead of in those years.

"The results of the last year's working should be considered particularly satisfactory, in view of the fact that the aggregate volume of coastal trade, which was 26.56 lakh tons in 1950-51, registered a noticeable decline to 24.45 lakh tons in 1951-52. This was due mainly to a fall of nearly 2 lakh tons in the movement of coal from Calcutta.

"In the adjacent trades, namely, Burma-India, Burma-Ceylon, Pakistan-India, a similar decline occurred, mainly due to lesser intake of rice from Burma, both by India and Ceylon, and almost complete stoppage of trade between Pakistan and India.

"The effect of these decreases in the volume of coastal and the adjacent trades was reflected in the Company's aggregate cargo liftings in these trades, which fell from 12,43,200 tons in 1950-51, to 11,55,400 tons in 1951-52. Fortunately, however, the freight earned in 1951-52 amounted to Rs. 3,82,57,000, as compared with Rs. 3,31,48,000 in 1950-51. Much of this advantage, which resulted from the regular and planned employment of our ships at comparatively reasonable levels of freight rates, was considerably offset, however, by a continuing increase in the cost of handling cargoes and decrease in output at loading and discharging ports, to say nothing of delays in the turn-round of ships.

Immediate Outlook

"The prospects for the current year are not as good as those of the last year, whether on the coast or in the adjacent trades. The Ceylon Government has decided to import Chinese rice in substantial quantities, thus reducing their intake of rice from Burma; the rates for the movement of rice from Burma to Ceylon and India have had to be substantially reduced; so, too, the rates for the movement of coastal salt. Moreover, there has been a noticeable fall in the volume of coastal cargo offered. Altogether, the results of coastal and near trades operations during the current year are likely to be comparatively poor.

"Inordinate delays in securing berths and loading coal at Calcutta, as also in discharging the same at various destinational ports on the coast, continue to be a matter of some concern. It has resulted in considerable wastage of operating days; and, while some improvement in loading position was noticeable at times, the situation again deteriorated considerably and has resulted in further heavy wastage of operating days during the current year.

Overseas Trade—India-U.K.-Continent

"The two passenger ships, the s.s. *Jalazad* and the s.s. *Jal-Jawahar* have maintained their services regularly on the India-U.K. trade, except for an interruption of about two months in the case of the s.s. *Jalazad*, as a result of her grounding, whilst in the Suez Canal, on her way to the U.K.

"I have referred earlier to the good results which your Company has been able to show for the financial year under review. In the overseas trades, this was due mainly to the planned utilisation of our tonnage, as a result of rationalised sailing programmes, a more economic level of freight rates, and good cargo offerings. I would like, however, to add that cargoes are presently not as plentiful as they were last year, because trade is also not as brisk, with the result that the ships are not infrequently sailing with some space. There is, however, no significant change in the operating expenses; and if these do not go up, the result of the current year's working may not be as bad as I had at one time feared.

"You will be glad to learn that the two Indian companies, namely, ourselves and India Steamships, who are trading regularly between India and the U.K.-Continent, have decided to offer a joint service from the ports of Hamburg and Bremen to ports in India, Pakistan and Ceylon. By this arrangement, the Indian lines will jointly be able to provide a more frequent and regular service from these ports to India than has been possible heretofore. I trust this endeavour of the two Indian companies will be appreciated both by the shippers in Germany and the importers on this side.

Overseas Trade—India-U.S.A.

"During the financial year under review, our vessels engaged in the trade with the U.S.A. have shown exceptionally good results, due partly to increase in freight rates but mainly to the rationalised voyaging. Two of our vessels were employed on chartered terms from India to the Pacific Coast of America via Japan, thus allowing the loading of grain from the West Coast of the U.S.A., in addition to loadings from the East Coast where our steamers were normally employed.

"However, as grain rates have now fallen considerably as compared with last year, the results of this year are not expected to be equally profitable. Moreover, imports of food-grains have now diminished and there have been no grain shipments to India during the last few months from the East Coast of America. There is also considerable paucity of general cargo on this trade. Consequently, although there is good demand for space for bulk cargoes from India to the U.S.A., we are not able to load our vessels down to their marks from the other end.

"I regret to inform you that one of our vessels engaged in this trade, namely, the s.s. *Jalakanya*, was grounded at Dwarka Point during the monsoon in July, 1952. She is expected to resume service by the end of March or early in April, 1953.

Tonnage Position

"During the year under review, two old and altogether uneconomic ships, the s.s. *Jalabala* and the s.s. *Jalavijaya*, were sold; for the same reason, the s.s. *Englestan* was disposed of after the close of the year.

"Two second-hand cargo ships were purchased during the year as additions to the Company's coastal fleet. They have been renamed s.s. *Jalamohan* and s.s. *Jalayoti*. We have also acquired two more cargo ships, the s.s. *Jalapratap* and the s.s. *Jalapushpa*, built at Visakhapatnam. These were the last two of the second batch of three ships ordered by the Government from the Visakhapatnam Shipyard, before it was taken over by the Hindustan Shipyard Ltd. In addition to these purchases, orders have been placed with the Hindustan Shipyard Ltd. for the construction of five 7,000 d.w. tons cargo ships which are to be powered with diesel machinery. While everything possible is being done to expedite the progress of their construction, the unavailability of timely deliveries of steel may cause delay in the construction and completion of these ships. As far as I can say at present, provided no fresh difficulties arise, the keel of the first ship will be laid in June this year and the deliveries of the five ships will be spread over 1954-55, commencing from April, 1954, or so.

"I referred earlier in my speech to the improved position as regards our liquid resources, which are, at present, quite ample for our requirements. The plans for addition to coastal tonnage which I have just outlined will indicate that your Directors are quite alive to the need for the full and profitable utilisation of all our available resources. Mostly, these will be used in modernising our coastal fleet and in adding to it as and when suitable opportunities occur or the need arises.

"As regards our overseas fleet, there is need, on the one hand, to bring up our U.K.-Continental fleet to its full strength of twelve vessels agreed to by the India-Pak-U.K.-Continental Conferences, and, on the other, to place at least four fast modern vessels in our India-U.S.A. service. The way to achieve these targets has now been opened for us, so far as finance is concerned, by the provision which has been made in the First Five-year Plan for loans on attractive and easy terms for the purchase or building of vessels suitable for the overseas trades. In this matter, the Government of India, and, in particular, the Director-General of Shipping and the Ministry of Transport, merit the warmest commendation from the shipping industry; for I venture to prophesy that this will be a decision of far-reaching benefit to the development of shipping in this country. It is to be hoped, however, that the essential merit of this admirable step will not be whittled down in practice by procedural limitations, such as the total lapsing of grants at the end of each financial year. It is not easy, even when finance is readily available, to decide quickly about buying or building ships; and where it is a question of building a vessel, it generally takes even longer to reach final decisions, because the issues involved are so complex the investment so large and the market conditions, both as to freight rates and tonnage prices, not to mention cargo availabilities, so uncertain that quick decisions would almost certainly be wrong decisions.

Flag Discrimination

"I should like to refer, at this stage, to an important and disturbing trend of thought in certain international shipping circles that has gathered rapid momentum in recent months. It has an important bearing on the future growth of Indian shipping, which, at present, constitutes less than ½ per cent. of world tonnage, even though the overseas trade of India is about 4 per cent. of the total world trade.

"The trend to which I refer is the growing tendency on the part of certain powerfully entrenched shipping interests to raise the cry of 'flag discrimination' at the slightest sign of any attempt by the Government of a country, whose shipping is ill-developed, to assist and encourage national shipping by appropriate regulatory steps. Notwithstanding the total and unrepentant abandonment of *laissez faire* by *all* countries in almost *every* field of economic endeavour, a high level concerted attack is now being launched, under the guise of abolishing Governmental restrictive practices and barriers to the free movement of international trade, against every legitimate attempt to encourage and assist the development of national shipping by the Governments of those countries whose shipping is still backward and undeveloped in relation to the volume of their foreign trade. And the slogan for this attack is that it seeks to eliminate 'flag discrimination' in the field of international shipping. Discreetly, there is no attempt to define this term. Were it defined, it would be clear that what is really sought is the perpetuation of a 'free for all,' in which the weak would struggle in vain with the most powerful and in which, therefore, the few, but financially mighty, would soon crush the many, but financially puny.

"Such a doctrine of 'every one for himself and devil take the hindmost' has only to be stated to be at once rejected. We cannot accept it, and, I am sure, neither can the Government of India, however tender may be their susceptibilities against accusations of 'flag discrimination.' The positive case for fostering, by every legitimate means, the development of national shipping in consonance with the trade, defence and the general economic requirements of an independent country is too well known to need recapitulation. What is less well known is the vital part which a well developed national merchant marine can play in maintaining an equilibrium in a country's balance of payments and so the integrity of its currency. That this latter aspect is not so well known, as it should be, will be clear from the fact that not only the vast numbers of importers and exporters in this country but also the Governments themselves, particularly of the States, seem to be unaware of the urgent economic importance of buying f.o.b. and selling c.i.f.

"In such circumstances, the cry of 'flag discrimination' must be recognised for what it is, namely, a plain 'last ditch' stand couched in pious phraseology by the vested and powerfully entrenched shipping interests of certain countries, whose tonnage is far more than their most generously conceived legitimate requirements, to prevent the growth of national shipping in other maritime countries where the tonnage is at present insufficient.

Needs of the Industry

"By the same token, we must be prepared to state our own position in this respect plainly and in unequivocal terms. I may say that we have already done so, on the appropriate platform, through the Indian National Steamship Owners' Association. But, in view of some publicity which has been given to the opposite view in the U.K., in the course of which our stand has been belittled, I venture to recapitulate our standpoint here.

"In the first place, we agree that, except in the coastal trade, which may, of course, be wholly reserved for national shipping, there should be no discrimination in favour of vessels of the national flag in such matters as berthing or other port facilities, port dues, light dues, consular fees on commercial documents, etc. Secondly, the concept of 'flag discrimination' in all other fields needs to be carefully defined, nothing being deemed to be flag discrimination which is for the legitimate encouragement and development of, or assistance to, national shipping in countries whose merchant marine is backward and undeveloped in relation to the volume of their coastal and foreign trade, or which is necessary for purposes of defence, or for safeguarding the national economy, including, in particular, the integrity of national currency by way of redressing an unfavourable balance of external payments.

"Thirdly, it must not be overlooked that measures which may admittedly be discriminatory may nevertheless be justifiable as the only effective way of protecting national shipping against discriminatory action, (a) by other countries in favour of their own national shipping or in favour of shipping of other countries, or (b) by powerfully organised foreign trading interests who may unduly favour, to the point of unfair discrimination, their own national shipping under the ostensible cloak of 'customer preference.'

"This is our stand; and I make no apology for urging it in such explicit terms. It happens almost precisely to be the basis on which, over a century ago, British shipping was rapidly developed by appropriate action at Governmental level. What was good for them once is good for us now, even though it happens to be a thesis, which, in the years following the First World War, they seem to have abandoned. I am aware that this attitude of ours is sought to be brought into disrepute on the ground that it constitutes more a definition of 'flag protection' than of flag discrimination. Personally, I think 'flag protection' is an admirable way of describing what we want; for it is indeed protection that I seek for our national vessels operating in the field of our international trade, so that we may develop to our full stature in consonance with the legitimate needs of our country for an adequate merchant marine. I would much rather have flag protection than flag destruction masquerading under the guise of eliminating flag discrimination.

Hull Insurance

"In consonance with our tradition to be the pioneers in all shipping matters in India, we decided this year to entrust the hull insurance of our entire fleet of ships to Indian insurance companies, thus launching a hull insurance market in India for the first time. Our fleet insurance, which aggregates in value about Rs. 22 crores, was placed with a group of eight Indian insurance companies, of whom the New India Assurance Company, Ltd., was selected as the leader. I need hardly add that this step was taken after the most careful consideration to ensure that we should in no way be prejudiced either in the matter of rates or in the matter of prompt settlement of our claims.

"I hope that other Indian shipping companies will also endeavour to do their best to strengthen the Indian insurance market by placing their hull insurance also with Indian companies.

"Before I conclude, I should like to express the warm appreciation of the Scindia Company for the co-operation, assistance and advice which it has received on numerous occasions from the Ministry of Transport and Directorate-General of Shipping. I should like also to convey the thanks of the shareholders and the Directors to the management, the staff both ashore and afloat and the Agents of the Company at various ports for having discharged their responsibilities in a manner which has enabled the Company to achieve such excellent results."

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MONEY RATES STEADY

(From Our Own Correspondent)

BOMBAY, 11th *February*

There were no outstanding developments in the short-term money market during the week under review. Activity was of a limited nature, but even this, in the face of shortage of floating funds in the market, was sufficient to hold the interest rates at the previous week's levels. Thus, inter-bank call money rate among the Exchange banks and big Indian banks remained at 3 per cent. except towards the week-end when it was a shade lower at 2¾ per cent. The rate of interest among the smaller Indian banks, however, remained unchanged fully at 3 per cent. per annum. Term money was taken up at 3 per cent. for 1 to 5 months and at 2½ per cent. for 12 months.

Though the busy season is now well on its way, demand for funds this season is considerably less than in the previous season. Whereas there used to be a daily turnover of Rs. 9 crores in the inter-bank call money section this time last year, it is now hardly Rs. 3 crores. This is substantiated by the fact that the inter-bank borrowings, repayable on demand, as shown by the latest Scheduled Banks' statement, are of the order of Rs. 12.29 crores, as compared with Rs. 30.45 crores a year ago. The reason for this state of affairs are not far to seek, as the middlemen, who buy commodities from villagers and resell them to consumers and exporters, are reluctant to take any big risk in the face of uncertain economic situation. Whatever little stocks of one commodity they buy are disposed of quickly and the funds borrowed from banks against these stocks are returned to banks within a short time only to be sought again when an opportunity for buying another or the same commodity presents itself. This reduces the volume of funds required for financing seasonal trade.

A notable feature of this week's sale of three months' Government of India Treasury Bills is the slight decline in the average rate of accepted tenders to Rs. 2-6-11 per cent. per annum from Rs. 2-7 per cent., a rate which had remained unchanged in the previous three weeks. The amount tendered, against the usual invitation for Rs. 1 crore, was slightly better, at Rs. 1.18 crores, as compared with the previous week's offering of Rs. 1.14 crores.

The statement of affairs of the Reserve Bank of India for the week ended 6th February, 1953, as compared with that for the previous week, discloses a large expansion of Rs. 17.55 crores in notes in circulation. This is in distinct contrast to the aggregate fall of Rs. 10.24 crores in the preceding three weeks. Notes held in the Banking Department are lower by Rs. 8.70 crores, the net expansion in total notes issued being Rs. 8.84 crores. This is covered by an increase of Rs. 10 crores in foreign securities and a decline of Rs. 1.15 crores in rupee coin. The increase in foreign securities has been brought about by reducing the balances held abroad. On the liabilities side of the Banking Department, deposits of the Central Government, other Governments and banks have all declined by Rs. 5.61 crores, to Rs. 6.02 crores and Rs. 3.36 crores, respectively. Deposits of others are higher by Rs. 1.16 crores. On the assets side, cash shows a contraction of Rs. 8.77 crores and balances held abroad Rs. 8.49 crores. Loans and advances to Governments show no worthwhile increase. Other loans and advances (which include the amount advanced to Scheduled Banks against usance bills) disclose a net increase of Rs. 2.31 crores. But there have been no fresh borrowings by the Scheduled Banks against usance bills during the week. On the other hand, some of them, to the tune of Rs. 24.75 lakhs, matured, the outstandings at the close of the week under review being Rs. 74.18 lakhs. This represents, we are told, the amount of advance taken by the Banks during the current year against these bills. This means that the Scheduled Banks have completely repaid the loans taken by them last year against usance bills and that the increase of Rs. 2.31 crores mentioned above represents loans taken by banks against Government securities. Most of these borrowers are probably small banks which are not eligible for discounting usance bills with the Reserve Bank.

The consolidated statement of position of Scheduled Banks for the week ended 30th January, 1953, as compared with that for the previous week, discloses an increase of Rs. 3.71 crores in demand deposits and a decline of Rs. 27.60 lakhs in time deposits. Inter-bank borrowings are higher by Rs. 72.05 lakhs. Borrowings from the Reserve Bank and Imperial Bank of India show an increase of Rs. 97 lakhs and Rs. 1.01 crores, respectively. As against these variations, advances disclose a fall of Rs. 4.21 crores, while bills purchased and discounted have gone up by Rs. 1.81 crores. Investments are better by Rs. 1.55 crores, whereas cash-on-hand and balances with the Reserve Bank are together lower by Rs. 2.78 crores. Money at call and short notice have risen by Rs. 1.65 crores.

The Gilt-edged market was featureless and the turnover was small. The rates were, however, well maintained and in some cases, they were a fraction better. The undertone remained fully steady. 3 per cent. 1953-55 was unchanged at Rs. 100-0½. 3 per cent. 1957 found buyers an anna better at Rs. 98-9 and 3 per cent. 1958 a fraction higher at Rs. 98-7. 3 per cent. 1959-61 remained at Rs. 96, 3 per cent. 1963-65 at Rs. 92-8 and 3 per cent. 1964 at Rs. 92-8. 3 per cent. 1966-68 was stagnant at Rs. 90-7. 3 per cent. 1970-75 was done a shade lower at Rs. 86-8. 3 per cent. 1986 Conversion loan stood at Rs. 83-1.

(Concluded from next column)

2 bales tanned snake skins; to the Continent: 7 bales tanned cow hides, 2 tanned buff calf, 376 tanned goat, 31 tanned sheep; to the U.S.A.: 118 bales tanned cow hides, 19 tanned cow calf, 138 tanned buff hides, 20 tanned buff calf, 77 tanned goat, 9 tanned sheep, 162 dry salted goat and 32 bales tanned snake skins.

EMERGENCY IN SILVER

(From Our Own Correspondent)

BOMBAY, 11th *February*

Wide fluctuations in silver characterised trading on the Bullion Exchange during the week under review. After an initial setback, the price of silver spiralled up to a level not recorded for many months, as the bulls raustered strength to squeeze the short-sellers. To a large extent they succeeded in their attempt and the price was rigged up on Monday to Rs. 167-13 for forward delivery, the highest level touched in Bombay since 10th May last. The continued rise in silver caused a flutter among some of the members and forced them to move the machinery for declaring an emergency in the market. The Board of the Bullion Association considered this request and declared on Tuesday that a state of emergency existed in the market. This decision and the President's warning to members had a salutary effect on the market and to-day the operators who had long positions liquidated a sizable part of their purchases. The result was that silver finished to-day with a gain of only Re. 1-3 per 100 tolas over the week.

The strength of silver and good offtake on account of the marriage season helped gold to acquire fresh strength, though the closing rate was a shade below the highest level for the week.

As already indicated, the Board of the Bullion Association considered, at an urgent meeting on Tuesday, the requisition sent by 150 members to declare a state of emergency and unanimously declared that a state of emergency existed in the market. The Board's decision will have to be confirmed by a general ballot of the members; the necessary meeting for this purpose will be held on the 13th inst. The Board also decided to impose a margin on every rise of Rs. 7 in silver and Rs. 4 in gold over the basic rates. The present level of margin, namely, Rs. 500 per bar silver, will also be doubled. The President of the Association, while administering a warning to the members that the Board would not hesitate to take strict action against excessive speculation, has appealed to them to square up their outstanding positions.

Price of silver in both New York and London was unchanged at 85½ cents and 74d. per fine ounce, respectively. The international free market price of gold in Europe, however, made a further small decline during the week from $37.60 on the 3rd inst. to $37.45 yesterday.

Silver for forward delivery in March settlement began the week at Rs. 163-2 and reacted to Rs. 162-4 on profit-taking on the initial day. Thereafter, the white metal regained strength and jumped up to Rs. 166-5 on Saturday. As the closing price on that day (Rs. 166-4) was more than Rs. 5 above the last clearing rate, a special clearing was held in both silver and gold and the clearing rates were fixed at Rs. 166-8 and Rs. 89-8, respectively. On Monday, silver forged ahead on persistent bull support and bear covering to touch a high of Rs. 167-13. After reacting to Rs. 166-14 yesterday morning, it jumped up once again to Rs. 167-9, only to go back to Rs. 164-9 at the close to-day.

Ready silver (.996 Mint) moved down from Rs. 165-6 to Rs. 164-5 early in the week, but spurted to Rs. 168-13 on Monday. The closing was, however, lower at Rs. 165-9. Thus, the premium for ready over forward, which stood at Rs. 2 early in the week, soon narrowed down to Re. 1 later in the week. The floating stocks of silver are estimated at 2,000 bars. The daily average offtake was 40 bars.

Gold for forward delivery in March opened at Rs. 89-1 and steadily edged forward to touch a high of Rs. 91-2, the highest level for the year so far, yesterday on reports of better offtake, but reacted to-day at Rs. 89-7 in sympathy with silver.

Ready gold advanced from Rs. 89-9 to Rs. 91-6, but finished at Rs. 89-13. The floating stocks of gold are placed at 30,000 bars. The daily arrivals and offtake averaged 5,500 tolas and 7,000 tolas respectively.

The following comparative table shows the trend of the market during the week under review:

	11-2-53	Highest	Lowest	4-2-53
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine				
Mint)	89 13	91 6	88 11	89 14
Forward	89 7	91 2	88 6	89 6
Sovereign	60 2	60 8	60 2	61 8
SILVER				
Ready (.996 fine				
Mint)	165 9	168 13	164 4	165 6
Forward	164 9	167 13	162 4	163 6
London Ready ..	74d.	—	—	74d.
London Forward ..	74d.	—	—	74d.
New York Ready ..	85½c.	—	—	85½c.

HIDES AND SKINS FIRM

(From Our Own Correspondent)

MADRAS, 9th *February*

The market for E.I. tanned cow hides and calf continued to remain firm. A fair volume of sales in kips was put through with the U.K. in all grades and weights at slightly higher prices. There was good demand for inferior fifths at 2d. over last week's levels. Prices of cow and cow calf advanced by As. 2 and that of buff calf by an anna per lb. Raw prices were very firm in North Indian centres. In the skins section also, prices of tanned goat skins were firm; sheep skins advanced by As. 4 due to purchases on Japanese account.

In the London public auctions, prices of sheep skins declined by 3d. to 12d. over December levels at the close.

Shipments during January, 1953 were: to the U.K. 3,893 bales tanned cow hides, 166 tanned cow calf, 179 tanned buff hides, 275 tanned buff calf, 624 tanned goat, 832 tanned sheep skins and

(Continued in previous column)

COTTON CROP OUTLOOK

(From Our Own Correspondent)

BOMBAY, 11th *February*

From the point of view of cotton, this week was important because questions relating to it came to be reviewed comprehensively by the Central Cotton Committee during its long session here last week. Both the Minister for Agriculture, Dr. Punjabrao Deshmukh and Mr. K. R. Damle, who presided over it, emphasised various aspects of cotton production and marketing. Both admitted that production for the current year was expected to be much lower, almost as much as half-a-million bales less than the original target of 39 lakh bales, because of unfavourable conditions in several important cotton-producing areas such as U.P., Madras, Madhya Bharat, Hyderabad, Madhya Pradesh, Rajasthan, Gujerat and West Bengal. The Committee was hopeful, however, with regard to the production in the coming season and believed that with normal rainfall and other conditions the country would be able to reach the target laid down by the Planning Commission. It was admitted that while an increase in production was imperative, it could be achieved not by any extension of acreage under this crop, because such a step would have undesirable repercussions on food production, but only by more intensive methods of cultivation.

Apart from the problems regarding production, the Committee passed a resolution with regard to the important question of sales tax by the State Governments on cotton. In the case of Bombay, its recommendation had been ignored by the Centre when the Bombay Sales Tax Act was submitted to the President for his prior approval. The Committee, however, considered it necessary to reiterate its stand on the question of sales tax on cotton. It remains to be seen how much weight the Governments concerned attach to this recommendation by so authoritative a body. Finally, Mr. Damle welcomed the reopening of the Bombay cotton futures market and said, "You will be happy to know that the futures market has once again started functioning satisfactorily."

Returning to the markets themselves, it is obvious that the trade as well as the textile industry are convinced about a much lower crop than even that computed by the authorities. Recent crop condition reports from the South are not very encouraging and demand for not only good varieties but even short-staple cotton has increased, with a corresponding rise in prices both in the ready and the forward markets. One of the reasons for increased demand for exportable varieties is the Government's decision to allow export of Bengal *Deshi* in place of licences issued for Mathias, Kalagins, Dholleras, Oomra and C.P.I. and C.P.II. This would mean that about 50,000 bales of Bengals can now be exported over and above the quota previously allowed. At the same time, it must be observed that the rise in prices is sentimental and in anticipation of a demand coming from shippers at a later date and not as a result of any tangible enquiries for Bengals received from abroad. In spite of the rise in prices of Indian styles, transactions in imported cotton are few and far between. The latest available quotations for the ready market are: Bengal *Deshi* Rs. 470; Bera *Jarilla* Rs. 680; Vijay Rs. 800; Mogalai Rs. 630-640.

The following is the trend of prices in the futures market over the week ended to-day:

	Opening	High	Low	Closing
I.C.C. Feb. (Rs.) ...	638½	662	638½	649
I.C.C. May (Rs.) ...	648	671	647½	657½
I.C.C. Aug. (Rs.) ...	660	682	660	669½

Though the cotton trade as a whole is against the scheme of private bartering of cotton against commodities required by Pakistan, official circles of Karachi appear to be very sanguine about the success of this scheme. It is announced that the Commerce Ministry of the Pakistan Government has received a large number of enquiries from foreign firms about such deals though it is not known how far any such transactions have materialised. There are, however, unconfirmed reports of such deals with Italy and Hongkong. In the meantime, the very fact that the Government has been forced to adopt such a measure of questionable economic value, which is clearly bound to work against the established trade in cotton at Karachi, points conclusively to the fact that the position with regard to the disposal of stocks is really very desperate. There are still more than a million bales to be disposed of and no amount of cajoling would enable the authorities to persuade Japan to take a large share of these stocks. As forward trading is allowed, it creates an illusion of some activity, but the real export business, which is the main business which counts at Karachi, is almost negligible. The price trend, on the whole, however, is being sustained in the hopes of the trade delegation, which is going to Japan, bringing some kind of a deal. Those who have any experience of doing business with Japan, however, discount this possibility and hold that even if Japan agrees to buy a big lot of Pakistan cotton, it will do so only after squeezing every possible advantage for its exports of textile and other goods to Pakistan at higher rates. The following are the latest quotations from the Karachi market: Punjab *Deshi* Rs. 58-59; 4F Punjab R.G. Rs. 56-57; S.G. Rs. 59½-60½; L.S.S. R.G. Rs. 58½ to Rs. 59; S.G. Rs. 63½ to Rs. 64; N.T. R.G. Rs. 59; S.G. Rs. 63; 289F R.G. Rs. 63; S.G. Rs. 69.

The Cairo Government are going all out to reorganise its whole machinery and procedure for the marketing of cotton. Suggestions from shippers have been invited by the authorities in this connection and it is believed in Alexandria that the new policy for the future for cotton marketing will be announced by the end of this week or the beginning of next. In the meantime, the conditions with regard to payment for cotton by the importing countries have been further relaxed and buyers will now be required to pay only 25 per cent. of the price in dollars or sterling and the balance could be paid either in Egyptian currency or in goods. Another step taken by the Government to encourage exports is to reduce the price of Ashmouni by pegging the premium over the preceding day's U.S. prices at 5 per cent. instead of 10 per cent. as originally laid down. A Japanese trade delegation which has been visiting Egypt is believed to have negotiated for the purchase of 40,000 bales from Alexandria. A comprehensive trade agreement embracing a number of other articles besides cotton between Japan and Egypt appears to be in the offing and there are plans also of Nippon holding a big trade exhibition in Cairo about the end of this year. On the whole, it is apparent that Alexandria is meeting with much greater success in its drive for selling its cotton than Karachi or even the Sudan.

Prices appear to be stabilising themselves at New York with fluctuations either way. The undercurrent, however, is not very steady. No large-scale fluctuations are likely at present till the March delivery is out of the way, but it is feared that as a result of heavy tenders in this delivery, the near positions might come to be depressed during the next few days. The international political situation, on the other hand, is not likely to relow an all-round depression in prices at present.

The following are the latest available quotations from New York as compared with those of a week and a fortnight before:

(In cents per lb)

	10-2-53	3-2-53	27-1-53
Spot	33.65	34.05	33.60
March	32.89	33.29	33.08
May	33.23	33.57	33.42
July	33.58	33.88	33.70
October	33.68	33.93	33.60

ART SILK YARN REACTS AT CLOSE

(From Our Own Correspondent)

BOMBAY, 11th *February*

Continued good offtake, decline in floating stocks and renewed fears of revival of war, following the Chinese Prime Minister's statement that his people were fully prepared to fight the Korean war to the end, if truce talks were not resumed, fanned further the bullish fervour of operators noted last week in the art silk yarn market during the major part of the week under review. Sustained speculative support and brisk short-covering that ensued as a result took the prices upto new high levels. This firmness of the market persisted till Monday last. On Tuesday, however, the market suffered a setback, due to profit-taking and lack of support induced by technical considerations. There were, besides, weak advices from the local share and oilseeds markets. Consequently, values of art silk yarn drifted downwards, which continued to-day also, losing thereby the ground gained earlier. Closing prices were, however, slightly higher than those a week ago.

In the forward section, 150D February contract rallied 29 points to Rs. 824 on Monday, but reacted to close at Rs. 797 to-day, the net gain over the week being Rs. 2. March contract, after advancing from Rs. 792 to Rs. 824, finished lower at Rs. 794. Values in the ready section moved in sympathy with those in the forward section. Thus, 120 Japan and 120 Italy improved by As. 5 and As. 4 to Rs. 5-3 and Rs. 5, respectively, on the 9th inst., but to-day, on profit-taking, they registered a decline. 120 Japan finished at Rs. 5-2 and 120 Italy Rs. 4-14. 150 Japan and 150 Italy gained an anna each to Rs. 4-9 and Rs. 4-2, respectively, but only to lose it at the close.

In the staple fibre section, business transacted this week was limited. Staple fibre 2×40 February contract was fully firm at Rs. 800, that is, the ceiling fixed by the Yarn Merchants' Association.

The table below gives the prices of art silk and staple fibre yarns quoted to-day, as compared with those on the 4th inst. and 28th February, 1953.

	11-2-53	4-2-53	28-1-53
	Rs. a.	Rs. a.	Rs. a.
Art Silk Yarn—			
150D February (per case of 200 lbs.)	797 0	795 0	714 0
150D March	794 0	792 0	— —
120 Japan (per lb.)	5 2	4 14	4 9
120 Japan	4 8	4 8	4 7
150 Japan	4 14	4 12	4 3
120 Italy	4 1	4 1	3 9
150 Italy			
Staple Fibre Yarn—			
2×40 February (per bale of 400 lbs.)	800 0	795 0	776 0

OILSEEDS IMPROVE

(From Our Own Correspondent)

BOMBAY, 11th *February*

The oil and oilseeds market ruled firm almost upto the end of the week under review. Groundnuts led the market, on better up-country advices which induced considerable short covering. Besides, scarce floating stocks and unofficial low estimates of groundnut kernel crop at 16 lakh tons, as against earlier expectations of 22 lakh tons, also contributed to the upward trend. Other sections moved in sympathy with groundnuts. Prices, therefore, shot up all round. But, at this level, selling pressure ensued on profit-taking. Values, as a result, declined, thus wiping out partially the earlier gains. On balance, prices in all sections stood sizably above those at the end of last week.

The firm trend witnessed in the groundnuts section last week gathered momentum this week. Bold ready shot up from Rs. 35-12 on the 4th instant to Rs. 38-8 yesterday. But it declined to-day, on profit-taking, to Rs. 37-8. Khandesh quality (ready) improved from Rs. 36-4 to Rs. 39-4, before closing at Rs. 38-4. Groundnut oil ready fluctuated between Rs. 19 and Rs. 20-6 and finally eased to close at Rs. 19-12. Railway receipts were done higher by As. 8 at Rs. 19-8. Good export enquiries were reported in groundnut oil. Hongkong was said to be quoting groundnut oil at £134 to £135 and the Continent at £132 to £137. The rumours that the Government of India would impose export duty on oil did not have any perceptible effect on the trend in oils. Almost 70 per cent. of the export quota for January-March has been exhausted.

In the castorseeds section, May 1953 came in for nervous covering. Opening at Rs. 140-12, as against Rs. 142-8, it advanced to as high as Rs. 154, before closing at Rs. 144-12. The lowest touched was Rs. 140-4. Madras quality, after moving up from Rs. 31-4 to Rs. 32-12, declined to Rs. 31. Castor oil Commercial, which was quoted at Rs. 18-4 early in the week, rallied As. 12 to Rs. 19 and, subsequently, closed at Rs. 18-10. Oil I Pressure gathered As. 6 to Rs. 19. Export advices were steady. The U.S. enquired Commercial quality at 18½ cents per pound for March-April delivery. The U.K. was interested at £149 per ton.

Linseed moved in sympathy with the rest. Bold ready rose from Rs. 27 to Rs. 28-8, but eased later to Rs. 27-8. Linseed oil ready was higher by As. 8 at Rs. 14-8. In the Continental markets, Uruguay and Argentina are keen competitors to India in linseed oil. It is reported than Indian prices are about £15 higher than those of other countries for oil. This strengthens the case of linseed interests for reduction in export duty on linseed oil.

The following table shows the prices of oilseeds and oil on the 11th inst., as compared with those at the close of preceding two weeks.

	11-2-53	4-2-53	27-1-53
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Bold Ready New (per cwt.) ..	37 8	35 12	34 12
Khandesh New (per cwt.) ..	38 4	36 4	35 4
Linseed—			
Bold Ready (per cwt.) ..	27 8	27 0	26 14
Castorseeds—			
May (per candy of 5 cwts.) ..	144 12	142 8	135 12
Madras (per cwt.)	31 0	31 4	30 8
Groundnut oil—			
Ex-mill Ready (per quarter)	19 12	19 0	18 12
Castor Oil—			
Commercial (per quarter) ..	18 10	18 4	17 12

SELLERS RESERVED IN PEPPER

(Messrs. Parekh & Co.)

BOMBAY, 11th *February*

Despite small foreign enquiries, values in pepper market during the week were steadily held both at Alleppey and at Bombay in sympathy with the improved sentiment in other commodities under the stimulus of war fears following the decision of the U.S. Government to demilitarise Formosa. Alleppey sold, though in a small quantity, almost daily at a price ranging from Rs. 2,400 to Rs. 2,450, without any anxiety on the part of growers to press sales. With any deterioration in the Formosan situation, the planters expect good demand from foreign dealers and also from foreign Governments, possibly for stockpiling for any emergency, and they are, therefore, maintaining a firm and reserved attitude. In Bombay, forwards for February delivery are quoted at Rs. 2,150 and Rs. 2,180 for March delivery under pressure of short-covering and owing to unwillingness on the part of outsiders to make fresh short-sales during the present war psychosis. In the ready section, there was some development in the demand from consuming centres like Delhi and Kanpur and a few parcels were sold at a price ranging from Rs. 300 to Rs. 320 per B.M.

In A.S.T.A. section, though New York is not willing to pay more than $1.12 for February shipment and $1.09 for March shipment, there are local buyers for February and March shipments at $1.14 and $1.11, respectively. Garbled in Cochin are showing improved tendency and few contracts are changing hands at Rs. 433 for February delivery and Rs. 432 for March delivery.

Following are to-day's nominal quotations:— Ready delivery (Bombay) Rs. 2,250, February delivery (Bombay) Rs. 2,150-80, and March delivery (Bombay) Rs. 2,180-2,210 per candy of 5½ cwts. Ready (Alleppey) Rs. 2,500 and Ready (Calicut) Rs. 2,650 per candy of 6¼ cwts.

BEST LIQUORING TEAS DEARER

(Messrs. Forbes, Ewart & Figgis Ltd.)

COCHIN, 7th *February*

Sale No. 3:—The offerings at sale 3, which was held on Tuesday, 3rd February, amounted to approximately 8,40,000 lbs. Quality again showed improvement and there were several invoices of high grown teas with very good flavour. The sale opened to a very strong demand and prices were generally dearer, particularly for low brokens and fannings. As the sale progressed the demand slackened and at the close prices were about steady on last rates. The best liquoring teas were As. 3 to As. 4 dearer, following the improved quality. There was slightly less demand for whole leaf grades and these must be quoted one anna easier.

The following were the quotations:—

	1953
	Rs. a. p.
Low grown Travancore B.O.P.	1 6 0
Medium Travancore B.O.P.	1 13 0
Anaimallais B.O.P.	2 4 0
Best liquoring Nilgiris B.O.P.	4 1 0
Well made black leaf O.P.	2 2 0

London Market.—Market generally firm with quotations unchanged, but Assam O.F's inclined to be irregularly easier.

Colombo Market.—4,500,000 lbs. Low grown slightly easier, following rise in duty. Others good demand. Best irregular.

Calcutta Market—Export.—With exception of medium Assam O.F's and some B.O.P's market was generally firm, particularly at the bottom.

Dust.—15,000. Middle East types and common firm to occasionally dearer. Medium Assams and C.T.C. irregularly lower by often an anna.

Export Quota.—The market has eased slightly and business has been done at 2¾ pies, at which figure there are sellers.

Forthcoming Auctions.—Sales No. 4 will be held on Tuesday, 17th February.

As we go to Press, Messrs. Forbes, Ewart and Figgis, Ltd., wire:—

"*Dust Sale C*:— 1,75,000 lbs. Fair demand. Milled and fine dusts As. 1 to As. 2 dearer; others about steady with some withdrawals."

TEA FIRMS UP ON GOOD DEMAND

(From Our Own Correspondent)

CALCUTTA, 10th *February*

During yesterday's export sale No. 34, offerings amounted to 54,300 packages, demand was moderate, and prices rose fractionally. Keen competition was offered for commons and commonest teas, prices for which improved. There was good demand for fannings, while the better liquoring Dooars and Assams were wanted at advanced rates. A firm tendency was in evidence for all other varieties. The rates were: good Assam C.T.C. B.P. Re. 1-15, clean black pekoe Re. 1-7-6, clean common B.P. Re. 1-0-6, and medium Assam B.P. Re. 1-1.

Conditions during last week's internal market were easy. Dusts offered aggregated 15,145 packages, of which the common and the commonest varieties and the leafy black dusts gained by ½ anna. Prices for all other offerings eased by ½ to ¾ anna. Good Assam C.T.Cs were quoted at Re. 1-14, medium Grainy Assams, Re. 1-9, and medium Dooars, Re. 1-7-6. Leaf offerings amounted to 940 packages, prices for which were maintained at previous levels.

MORE FOODGRAIN IMPORTS LIKELY

(From Our Own Correspondent)

HAPUR, 8th *February*

According to authoritative sources in New Delhi, the food prospects in India are not as bright now as they were thought to be some weeks ago. This is borne out by news of acute food scarcity received from a number of States, more particularly, Bombay and Rajasthan. It is assured that there are ample foodgrain stocks in the hands of the Government to meet every eventuality, but the target of imports fixed earlier for 1953 at 2.5 million tons may have to be raised to 3 million tons. Out of the total of 3 million tons of wheat will amount to 1.8 million tons, rice 6 lakh tons, while the balance will comprise millets and other coarse grains. A major portion of wheat, amounting to 1.5 million tons, will be obtained under the International Wheat Agreement. About 250,000 tons of wheat will come from Argentine. Burma under last year's five-year agreement is expected to supply 350,000 tons of rice. No other firm commitment has yet been made. Of the total of about 500,000 tons of millets 1 lakh tons is expected from U.S.A. and an equal amount from China for which negotiations are being conducted at present. Even if negotiations with China fructify, India's millets requirements for 1953 will not be fully met, as the total demands made to the Centre by different States amount to nearly 10 lakh tons.

The Delhi State Government is understood to be worried because of the reported intention of the Punjab Government not to supply the remaining quota of 32,000 tons of wheat to the State, as promised earlier. Punjab's plea is based on the poor prospects of the *rabi* crop. The Punjab Government has offered 56,000 tons of rice to other States out of the new crop. Of this, 27,461 tons have already been despatched; Madras getting 19,443 tons, Bombay 3,000 tons, Delhi 2,280 tons, and Hyderabad 1,988 tons. Of the 29,993 tons of rice offered out of the previous crop, the Government had despatched 29,816 tons till 15th January last. Foodgrains will be deratioued from March in four of the 19 rationed towns in Punjab as an experimental measure. The towns are Rewari, Gurgaon, Hoshiarpur and Hissar. Operations on the food-front in Punjab, will be highlighted during the economic year 1953-54, with an all out stress upon means of mechanical irrigation, modern agro-technique and use of tractors in the State; it is officially stated.

The Bihar State has requested the Central Government to allot Bihar 1.2 lakh tons wheat, 10,000 tons coarse grains, and 50,000 tons rice from surplus States during 1952-53. As the Centre may not be able to meet the demand for rice, the Government of Bihar proposes to procure at least 20,000 tons of rice within the State this year.

Over 1,350,000 people in 3,086 villages spread over nine districts in Madhya Pradesh have been affected by crop failure and scarcity of fodder and drinking water, it is officially stated. The worst affected are parts of Buldana and Nimar districts. The chronic water shortage in Berar has been aggravated owing to failure of rains. The State Government have already launched a series of relief measures to meet the situation.

According to information received by the Uttar Pradesh Government, the damage to standing crops as a result of hailstorms in the third week of January has been severe over limited tracts in the districts of Deoria, Gorakhpur, Mathura and Kanpur. There was late sowing of *rabi* this year in eastern districts. As the damage is greater to more mature crops, there is hope that the loss may not prove as severe in the final reckoning. The State Government have reintroduced austerity provisioning scheme in the hailstorm-affected areas in Basti, Gorakhpur, Deoria and Azamgarh districts. As a step towards arresting the rise in wheat prices and to ensure supplies, particularly to poor and middle classes, the U.P. Government has

(Continued on page 275)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS
(In crores of Rupees)

	1st Sept., 1939 (pre-war)	30th Jan., 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department.					
Notes in circulation.	172.44	1,106.38	1,110.20	1,099.30	1,152.87
Notes held in Banking Department.	25.05	25.67	21.63	13 62	16 94
Foreign Securities..	39.50	558.15	558.15	578.17	593.15
Rupee Securities ..	37.39	450.06	450.06	450.06	488.13
Banking Department					
Deposits of :					
Government of India	14.89	163.07	164.03	176 07	210.78
Other Governments.	..	12.72	7.14	3 54	5.60
Bankers held abroad	10.08	159.97	157.52	172 60	171.45
SCHEDULED BANKS					
Demand Liabilities.	134.37	529.10	524.70	531.23	575.71
		(12 29)	(11.61)	(12 64)	(30.45)
Time Liabilities ..	102.84	3,15 29	315.53	313 96	292 22
Borrowings from		(1.03)	(1.89)	(1 94)	(0.68)
Reserve Bank ..	..	4 26	5.13	11 27	34 27
		(0.99)†	(0.99)†	(0.99)†	(N.A.)†
Borrowings from Imperial Bank‡	..	6 49	5.48	5.72	N.A.
Cash in India ..	6.71	32.96	33.84	35.37	34.21
Balances with Reserve Bank ..	25.28	44.71	46.60	46.07	44.36
Excess over statutory limits ..	16.52	11.95	15.06	13 23	9.70
Balances with other banks in current account in India.	..	10.38	10.87	11.69	10.23
Money at call and short notice in India	..	18.09	16.44	16.38	9.49
Investments (at book value) ..	..	311 38	309.82	320.36	299.79
Advances and bills.	105.09	488.96	482.94	475.88	583.29
IMPERIAL BANK					
Deposits	87.76	207 95	208.38	206 91	232.06
Investments	51.99	87 03	85.23	97 26	85.58
Advances	30.37	118 12	116.37	114 61	150.62
Cash	14.69	16 85	19.51	18 14	20.10

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets). N.A.—Not available.
† Borrowings against usance bills and promissory notes.
‡ Figures prior to 18th April, 1952, not available.

CLEARING HOUSE RETURNS

Centre	6th February, 1953		30th January, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	2,31,255	56,08,95,000	2,04,368	43,23,62,000
Calcutta ..	1,48,150	53,44,10,712	1,25,723	41,19,51,723
Madras ..	74,152	3,41,21,854	67,070	6,45,53,111
All Centres Nov., 1952 ..	..	..	24,01,000	4,93,07,00,000
Dec., 1952 ..	..	..	25,49,000	5,47,70,00,000
1952 ..	..	..	1,06,41,941	26,79,51,57,000
1951 ..	..	..	1,05,94,122	31,80,56,86,359

Reserve Bank of India
Statement of Affairs for the week ended 6th Feb., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government		157,46,43,000
(2) Other Governments		6,70,19,000
(b) Banks		41,69,75,000
(c) Others		65,10,49,000
Bills Payable		4,21,09,000
Other Liabilities		22,37,98,000
Rupees ..		307,55,06,000

ASSETS	Rs.	Rs.
Notes		16,97,10,000
Rupee Coin		11,42,000
Subsidiary Coin		2,02,000
Bills Purchased and Discounted—		
(a) Internal		22,50,000
(b) External		....
(c) Government Treasury Bills ..		13,63,33,000
Balances held abroad*		151,47,80,000
Loans and Advances to Governments ..		3,50,00,000
Other Loans and Advances		14,07,21,000
Investments		100,00,00,000
Other Assets		7,16,69,000
Rupees ..		307,55,06,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 74,18,000 advances to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 74,18,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	16,97,10,000	
Notes in circulation	1123,92,52,000	
Total Notes issued ..	....	1140,89,62,000
Total Liabilities ..	....	1140,89,62,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion :		
(a) Held in India ..	40,01,71,000	
(b) Held outside India ..	....	
Foreign Securities	563,15,11,000	
Total of A ..	....	603,16,82,000
B. Rupee Coin	....	82,66,79,000
Government of India Rupee Securities	....	450,06,01,000
Internal Bills of Exchange and other commercial paper ..	....	....
Total Assets ..	....	1140,89,62,000

Ratio of Total of A to Liabilities: 53.036 per cent.

Scheduled Banks *
Statement of Affairs for the week ended 30th Jan., 1953

		Rs.
1.	Demand Liabilities in India :	
	(i) Borrowings from banks	12,29,05,000†
	(ii) Other demand liabilities	516,89,50,000
2.	Time Liabilities in India :	
	(i) Borrowings from banks	1,93,00,000†
	(ii) Other time liabilities	313,36,09,000
3.	Cash in India	32,95,62,000
4.	Balances with the Reserve Bank in India	44,70,79,000
5.	Balances with other banks in current account in India	10,37,89,000
6.	Money at call and short notice in India ..	18,09,25,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	311,37,64,000
8.	Advances in India	455,55,08,000
9.	Inland Bills purchased and discounted in India	33,40,69,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.
†Excludes borrowings from the Reserve Bank, and with effect from the 18th April 1952 so also those from the Imperial Bank.

EXCHANGE RATES

	10th February, 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot. s.	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months .. s.	1-5 13/16	1-5 13/16
Buyers T.T. spot to nine months .. s.	1-5 1/16	1-5 1/16
Buyers T.T. 10 to 12 months .. s.	1-5 1/16	1-5 1/16
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	475	475
Buyers T.T. .. Rs.	471	471
London on New York.. $	2.81-2.82	2.81-2.81
London on Paris .. Frs.	987-988	987-988
London on Berne .. Sw. Frs.	12.19-12.20	12.19-12 19
New York on London.. $	2.81-2.82	2.81-2.81

NATIONAL INCOME*

Country	Year	Population (In millions)	National income (In millions)		In terms of rupee (Crores)	*Per capita* income (Rs.)
India ..	1948	342.12	..		8,730	255
Pakistan ..	1949	75.04	..		1,671	223
Burma ..	1951	19.45	Kyats	3,166	317	167
Ceylon ..	1951	7.74	..		451	564
Japan ..	1951	84.30	Y.	4,564,400	6,038	716
Philippines..	1951	20.25	Ps.	7,586	1,820	856
New Zealand.	1951	1.95	£ (N.Z.)	615	820	4,206
Australia ..	1951	8.41	£ (A.)	3,238	3,454	4,317
U.K. ..	1951	50.56	£	11,384	15,179	3,046
U.S.A. ..	1951	154.36	$	277,600	132,190	8,564
Canada ..	1951	14.01	$	17,229	8,552	6,108
France ..	1951	42.24	F. Fr.	9,083,000	12,372	2,929
W. Germany.	1951	48.11	Dm.	90,200	10,227	2,126
Italy ..	1951	46.80	Lr.	7,746,000	5,502	1,267
Norway ..	1951	3.23	Kr.	15,504	1,503	3,206
Sweden ..	1951	7.07	Kr.	36,800	3,439	4,564
Netherlands .	1951	10.26	Fl.	16,040	2,151	2,096
Denmark ..	1951	4.30	Kr.	20,716	1,439	3,346
Switzerland..	1951	4.75	S. Fr.	19,500	2,166	4,556

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, December, 1952.

State Bank of Pakistan
Statement of Affairs for the week ended 30th Jan., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	34,13,18,000
(b) Provincial Governments	2,45,73,000
(c) Banks	10,39,10,000
(d) Others	3,47,70,000
Bills Payable	10,01,000
Other Liabilities	5,07,33,000
Rupees ..	61,63,95,000

ASSETS	Rs.
Notes	9,84,23,000
Rupee Coin	3,000
Subsidiary Coin	16,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills ..	1,88,000
Loans and Advances to Governments.	....
Provincial Governments Debtor Balances	....
Other Loans and Advances	10,19,99,000
Investments	33,41,50,000
Other Assets	8,16,07,000
Rupees ..	61,63,95,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,84,25,000	
Notes in circulation	203,79,20,000	
Total Notes issued ..	....	213,63,63,000
Total Liabilities ..	....	213,63,63,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion ..	7,91,42,000	
Silver Bullion	....	
Sterling Securities	88,50,23,000	
Government of India Securities	11,87,77,000	
India Notes representing assets receivable from the Reserve Bank of India..	29,98,96,000	
B. Rupee Coin ..	6,46,50,000	88,28,38,000
Government of Pakistan Securities	114,63,80,000	
Internal bills of exchange and other commercial paper	....	121,10,30,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion ..	19,02,000	
Sterling Securities ..	3,06,12,000	
Government of India Securities ..	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets ..	....	213,63,63,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 43.17 per cent.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment Rs. a. p.	Allotted at minimum rate %
1952					
18th Nov. ..	2.00	2.92	2.00	2 1 6	60
25th ,, ..	2.00	2.03	2.00	2 3 0	99
2nd Dec. ..	2.00	2.01	2.00	2 4 0	99
9th ,, ..	2.00	2.15	2.00	2 5 11	93
16th ,, ..	2.00	2.62	2.00	2 5 11	93
6th Jan. 1953 ..	1.00	1.45	1.00	2 6 5	55
13th ,, ,, ..	1.00	1.22	1.00	2 6 9	79
21st ,, ,, ..	1.00	1.23	1.00	2 7 0	81
27th ,, ,, ..	1.00	1.00	1.00	2 7 0	100
3rd Feb. ,, ..	1.00	1.14	1.00	2 7 0	87
10th ,, ,, ..	1.00	1.19	1.00	2 6 11	84
Total ..	16.00	18.96	16.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	3rd July, 1952	5	6
Belgium	13th Sept., 1951	3½	3½
Canada	17th Oct., 1950	1½	2
Denmark	2nd Nov., 1950	4½	5
Finland	16th Dec., 1951	7½	5½
France	9th Nov., 1951	3	4
Greece	12th July, 1948	10	12
India	16th Nov., 1951	3	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	6.84
Netherlands ..	1st Aug., 1952	3½	3
New Zealand ..	26th July, 1941	2	1½
Norway	9th Jan., 1946	3	2½
Portugal	12th Jan., 1944	3	2½
South Africa ..	27th Mar., 1952	3½	4
Spain	16th Mar., 1949	4	4
Sweden	1st Dec., 1950	2½	3
Switzerland ..	25th Nov., 1936	4	1½
Turkey	26th Feb., 1951	2	3
United Kingdom ..	12th Mar., 1952	2½	4
U.S.S.R.	1st July, 1936	8	4
U.S.A.	16th Jan., 1953	1½	2
West Germany ..	8th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE
GOVERNMENT OF INDIA
(In lakhs of Rs.)

	September 1952	September 1951	Six months—April-Sept. 1952	Six months—April-Sept. 1951
Import Duties :				
Revenue	8,16	11,72	57,37	63,24
Protective	68	93	4,11	5,49
On surplus disposals	1	2	1	16
Total import duties	8,85	12,67	61,49	68,89
Export Duties ..	3,80	6,99	29,55	45,72
Land Customs ..	23	21	1,40	1,25
Miscellaneous ..	10	8	63	60
Gross total customs ..	12,98	19,95	93,07	116,46
Refunds and downbacks ..	23	31	1,58	1,89
Net Customs	12,75	19,64	91,49	114,57
Gross excise	5,62	8,37	41,41	48,25
Refunds	8	13	84	86
Net Excise	5,54	8,24	40,57	47,39
Net total of customs and excise	18,29	27,88	132,06	161,96

Imperial Bank of India
Statement of Affairs for the week ended 30th Jan., 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
Capital :—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves..		6,35,00,000
Deposits and other Accounts ..		207,95,36,000
Borrowings from other Banking Companies Agents		60,41,000
Bills Payable ..		2,79,23,000
Bills for Collection being Bills Receivable as per contra		50,74,000
Acceptances, Endorsements and Other Obligations as per contra		47,000
Other Liabilities (including Inter-Office Adjustments)		3,03,70,000
Total ..	Rs.	226,87,41,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		12,49,33,000
Balances with other Banks ..		4,34,85,000
Money at Call and Short Notice ..		89,23,000
Investments :—		
Government and other Trustee Securities	76,13,95,000	
Other Authorised Investments ..	10,88,71,000	87,02,66,000
Advances—		
Loans, Cash Credits and Over drafts, etc. ..	111,07,51,000	
Bills Discounted and Purchased..	7,04,25,000	118,11,76,000
Bills Receivable being Bills for Collection as per contra		50,74,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra ..		47,000
Premises, less Depreciation ..		1,32,10,000
Furniture and Fixtures less Depreciation		32,61,000
Other Assets (including Inter-Office Adjustments).		1,83,09,000
Total ..	Rs.	226,87,41,000

CUSTOMS AND EXCISE REVENUE
GOVERNMENT OF INDIA
(In lakhs of Rs.)

	September 1952	September 1951	Six months—April-Sept. 1952	Six months—April-Sept. 1951
Import Duties :				
Revenue	8,16	11,72	57,37	63,24
Protective	68	93	4,11	5,49
On surplus disposals	1	2	1	16
Total import duties	8,85	12,67	61,49	68,89
Export Duties ..	3,80	6,99	29,55	45,72
Land Customs ..	23	21	1,40	1,25
Miscellaneous ..	10	8	63	60
Gross total customs ..	12,98	19,95	93,07	116,46
Refunds and downbacks ..	23	31	1,58	1,89
Net Customs	12,75	19,64	91,49	114,57
Gross excise	5,62	8,37	41,41	48,25
Refunds	8	13	84	86
Net Excise	5,54	8,24	40,57	47,39
Net total of customs and excise	18,29	27,88	132,06	161,96

SMALL SAVINGS
(Amounts in lakhs)

	Cash Certificates Receipts	Cash Certificates Out-standings* @	†Defence Savings Certificates @ * Out-standings	National Savings†† Certificates Receipts	National Savings†† Certificates Out-standings*	Savings Bank Deposits Receipts	Savings Bank Deposits Out-standings*	Defence Savings Bank Deposits Out- * @ standings	$‖ per cent. Ten-year Treasury Savings Deposits‖ Receipts	$‖ per cent. Ten-year Treasury Savings Deposits‖ Out-standings*
1950-51 ..	..	—15,91	—1,79	23,68	57,86	1,01,04	61,33	—4,64	5,31	5,31
1951-52 ..	1	—20,20	—2,55	24,55	75,58	1,03,79	71,16	—4,74	13,10	18,39
October 1951 ..	..	—18,53	—2,23	1,95	68,44	7,82	68,06	—4,70	1,39	14,88
November ,, ..	..	—18,90	—2,30	1,95	69,77	7,85	67,91	—4,71	94	15,52
December ,, ..	..	—19,25	—2,36	1,83	71,08	7,66	67,91	—4,72	70	16,51
January 1952..	..	—19,56	—2,42	1,71	72,25	7,75	68,04	—4,73	66	17,17
February ,, ..	..	—19,86	—2,46	1,82	73,53	8,21	68,27	—4,73	53	17,70
March ,, ..	..	—20,20	—2,55	3,02	75,83	11,23	71,16	—4,74	71	18,32
April ,, ..	..	—20,51	—2,60	2,47	77,67	10,01	73,50	—4,74	95	19,22
May ,, ..	..	—20,81	—2,64	2,32	79,44	9,95	74,83	—4,74	56	19,56
June ,, ..	..	—21,09	—2,68	2,00	80,95	9,38	77,01	—4,74	69	20,53
July ,, ..	..	—21,37	—2,73	2,28	82,58	10,20	79,52	—4,75	74	21,25
August ,, ..	..	—21,67	—2,77	1,96	83,98	8,60	80,73	—4,75	65	21,89
September ,, ..	..	—21,79	—2,80	1,97	85,30	8,78	81,87	—4,75	52	22,38
October ,, ..	..	—22,02	—2,84	1,37	86,40	8,36	82,23	—4,72	56	22,97
November ,, ..	..	—22,27	—2,88	1,85	87,66	8,03	82,49	—4,73	68	23,48
December ,, ..	..	..	..	..	..	..	..	..	58	23,94

† Were replaced by National Savings Certificates from 1st October, 1943. * At the end of period. ‖ Issued from 1st February, 1941.
†† Including 5-year and 7-year National Savings Certificates issued from 1st June, 1948.
@ Progressive net repayments from 15th August, 1947.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*
(Base: 1933=100)

I. All-India

Group and Sub-Group	Week Ended 31-1-'53	24-1-'53	3-1-'53	2-2-'52
(A) Government and Semi-Government Securities ‡	**92.1**	**92.1**	**92.1**	**91.4**
1. Government of India Loans	92.3	92.3	92.3	91.4
2. Municipal, Port Trust and Improvement Trust Loans ..	86.6	86.6	86.4	87.6
(B) Fixed Dividend Industrial Securities	**90 3**	**90 4**	**90 4**	**93.3**
1. Electricity	76 9	76 9	76 0	74 5
2. Cotton	127 4	126 4	127 3	133 9
3. Jute	81 2	81 4	81 9	82 7
4. Coal	94 5	94 5	94 5	99 2
5. Iron and Steel ..	83 8	83 7	82 7	84 3
6. Sugar..	87 8	91 4	91 4	104 3
7. Paper	84 8	84 3·	86 1	94 2
8. Plantations	93.1	93.5	93.7	105.4
(C) Variable Dividend Industrial Securities	**103.4**	**103 3**	**104.6**	**122.6**
1. Banks	101 6	101 8	102 6	111 3
2. Insurance	93 7	93 7	97·2	106 5
3. Investment Trusts ..	137.9	137.9	140 3	142.9
4. Electricity Companies and Tramways	82.1	81.9	81.6	86.3
5. Shipping and Other Transport Companies	84 1	84.1	84 2	96 4
6. Railways	72 1	72.7	72 7	79 2
7. Plantations	110.4	110.7	111.5	168.6
8. Cotton, Woollen and Silk	126.4	126 9	128.7	166 3
9. Iron and Steel ..	72 2	72 2	72 3	95 3
10. Coal	86 1	86 4	88 8	110 2
11. Mining and Oil ..	65 1	62.5	62 8	71 7
12. Iron and Steel ..	123 1	122 6	125 5	154 5
13. General Engineering ..	136 8	136 9	137 9	161 8
14. Sugar..	73 8	73 7	79 8	95 2
15. Breweries	53 6	53 6	54 2	72 3
16. Chemicals	122 5	122 8	124 1	174 6
17. Paper	111 9	112 5	113 6	125 8
18. Cement	140·3	142.4	145.1	149.9

II. Regional

Region and Group	Week Ended 31-1-'53	24-1-'53	3-1-'53	2-2-'52
(A) BOMBAY—				
Government and Semi-Government Securities	91.9	91.9	91.9	91.8
Fixed Dividend Industrials	91.7	91.6	90.6	92.1
Variable Dividend Industrials	120.6	120.8	122.4	135.5
(B) CALCUTTA—				
Government and Semi-Government Securities	92.7	92.7	92.7	91.7
Fixed Dividend Industrials	87.6	88.1	88.7	91.5
Variable Dividend Industrials	91.4	91.2	92.0	103.0
(C) MADRAS—				
Government and Semi-Government Securities	91.8	91.8	91.0	90.5
Fixed Dividend Industrials	102.7	102.8	104.0	111.6
Variable Dividend Industrials	126.8	126.9	128.0	153.5

*Source: Department of Research and Statistics, Reserve Bank of India.
‡ Including Part 'B' State Loans.

INDUSTRIAL DISPUTES
(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,883	12,806,704
1951	1,071	691,321	3,818,928
June 1950 ..	88	47,535	322,946
July	54	21,138	134,911
August	75	240,518	2,948,978
September ..	71	249,445	4,954,161
October	78	238,349	2,266,894
November ..	84	56,736	313,837
December ..	68	41,061	163,718
January 1951 ..	120	93,696	370,990
February ..	61	44,025	203,660
March	79	47,723	317,859
April	120	95,747	331,232
May	109	56,604	277,314
June	146	93,446	448,258
July	130	72,454	671,705
August	108	64,684	289,907
September ..	83	24,777	93,109
October	108	67,996	190,761
November ..	125	64,147	189,374
December ..	118	70,196	365,149
January 1952† ..	95	305,831	674,340
February * ..	88	63,180	215,607
March ,, ..	87	42,430	142,403
April ,, ..	134	59,437	234,346
May ,, ..	118	80,093	254,855
June	101	59,381	257,062
July ,, ..	82	40,754	171,263
August ,, ..	85	48,[illegible]	145,895
September* ..	94	57,660	459,786
October	90	77,391	346,761

† Figures for 1952 are provisional * Revised.

ELECTRIC ENERGY: GENERATED AND SOLD*
(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated ‡	Units Sold
1950-51	545	5,279.9	4,225.9
1951-52	573	5,948.1	4,849.0
April 1951.. ..	548	470.0	379.7
May ,, ..	549	505.1	409.9
June ,, ..	541	501.2	408.8
July ,, ..	546	507.7	412.0
August ,, ..	551	506.9	407.7
September ,, ..	554	494.5	403 4
October ,, ..	556	506.0	412.8
November ,, ..	557	491.7	409.8
December ,, ..	561	500.9	414.3
January 1952 ..	568	500.8	403.7
February ,, ..	571	480.7	391.0
March ,, ..	573	481.8	392.9
April ,, ..	577	488.8	393.8
May ,, ..	581	514.4	413.1
June ,, ..	583	500.1	408.8
July ,, ..	588	534.0	429.7
August ,, ..	592	531.6	428 7
September ..	597	533.3	430.6
October	599	548 2	441.5

* Excluding railway, military and factory power stations; Chola Power Station, being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES
(Base: Year ended August, 1939=100)

Particulars	24th Jan., 1953	17th Jan., 1953	26th Jan., 1952	December, 1952	December 1951	Percentage of increase (+) or decrease (—) in Dec., 1952 as compared with Dec., 1951	1952	1951
Food Articles	**360.8**	**355.6**	**392.3**	**344.5**	**399.1**	**—13.7**	**359.8**	**409.8**
Cereals	433	433	464	431	464	— 7.1	450	483
Pulses	610	593	506	541	513	+ 6.5	483	506
Other	230	221	273	207	287	—27.9	225	290
Industrial Raw Materials ..	**425.4**	**426 2**	**573.8**	**421.7**	**574.1**	**—26.6**	**453.8**	**603.2**
Fibres	394	395	600	394	599	—34.2	454	623
Oil seeds	488	487	602	476	618	—23.0	484	679
Minerals	464	469	449	458	444	+ 3.2	458	598
Others	374	372	375	422	429	—15.3	341	533
Semi-Manufactures	**344.5**	**344.4**	**370.1**	**342.6**	**373.6**	**— 8.3**	**348.5**	**377.5**
Leather	402	402	329	422	330	+24.5	345	453
Mineral oils	223	223	218	223	207	+ 7.7	221	197
Vegetable oils	445	444	507	422	627	—32.7	459	679
Cotton yarn	439*	439*	495*	439*	495*	—11.3	465*	483
Metals	229	228	206	228	207	+10.1	211	197
Oil Cakes	407	407	488	400	212	—21.9	440	500
Others	250	250	320	251	327	—23.2	273	330
Manufactured Articles ..	**363.5**	**364.4**	**399.4**	**387.6**	**402.1**	**— 8.2**	**377.5**	**395.5**
Textiles	396	393	468	402	474	—15.2	423	468
Jute	378	386	763	392	838	—53.2	506	803
Cotton	406*	406*	410*	410*	410*	— 1.0	401*	400*
Rayon and Silk ..	403*	403	541*	442*	526*	—16.0	435*	611*
Woollen ..

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final.	1951-52 Final	1950-51 Final.
Rice	tons	73,595	75,975	20,767	20,295
Wheat	tons	23,235	24,134	5,768	6,374
Jowar	tons	38,329	38,419	5,509	5,403
Bajra	tons	21,856	22,267	2,153	2,549
Barley	tons	7,800	7,701	2,136	2,341
Maize	tons	8,003	7,794	1,959	1,701
Ragi	tons	5,296	5,444	1,167	1,407
Gram	tons	16,719	18,709	3,157	3,593
Other millets & pulses	tons	39,725	39,770	6,386	6 401
Total foodgrains		234,558	240,213	49,002	50,064
Jute	bales	1.834†	1.951††	4.695†	4 678††
Cotton (2nd)	bales	12.304†	12.343††		3.131††
Sugarcane (2nd)	tons	4.248†	4.727††	5.035†	5.895††
Groundnut (2nd)	tons	9.565†	11.755††		3.017††
Linseed	tons	3.298	3.447	309	361
Castorseed	tons	1,423	1,378	104	104
Rape and Mustard Seed	tons	5,707	5,097	900	748
Sesamum (2nd)	tons	4.056†	3.961††	...	441††
Tobacco Supplementary	tons	764	902	225	263
Pepper	tons	192	197	28	31
Ginger	tons	42	41	15	15

Source: Ministry of Food and Agriculture.
† Relates to 1952-53. †† Relates to 1951-52
N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During December 1952	78 8
	Corresponding month 1951	84 2
	July to December, 1952	455 8
	Corresponding period 1951	448.6
Stocks	At the end of December, 1952	115 5
	Corresponding month 1951	81.1
		(In 000 bags)
Exports (Jute Bags)	Week ended 27th Dec., 1952	62,81
	Corresponding week 1951	1.04.56
	From 1st Jan. to 27th Dec., 1952	40.80.32
	Corresponding period 1951	55,03,37
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 27th Dec., 1952	1,40 12
	Corresponding week 1951	3.12.21
	From 1st Jan to 27th Dec., 1952	110.87.38
	Corresponding period 1951	112,78,16
	RAW JUTE	(In 000 bales)
Exports*	Week ended 27th Dec., 1952	—
	Corresponding week 1951	—
	From July to September, 1952	—
	Corresponding period of 1951	—
Consumption by Mills†	Six months ended Dec., 1952	4 57
	Corresponding month 1951	4 88
	Six months ended Dec., 1952	26.44
	Corresponding period 1951	26.02

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Year ended 31st March, 1949	917,800	905,700	671,000
Do. 31st March, 1950	1,041,700	927,500	720,000
Do. 31st March, 1951	11,15,200	10,62,100	7,78,500
Do. 31st March, 1952	11,30,000	10,57,100	7,99,200
Do. Ten months ended January, 1953	9,68,200	8,93,300	6,64,600
January 1951	1,01,300	97 900	67 700
August ,,	99,600	91,500	66,200
September ,,	92,300	84,600	63,900
October ,,	94,100	88,800	63,800
November ,,	99,700	85,200	65 100
December ,,	1,02,800	97,000	69,100
January 1952	99,800	96,700	71 400
August ,,	1,00,700	90,500	67,700
September ,,	84,200	88,300	64,500
October ,,	99 400	90,100	67,900
November ,,	1,02,500	93,700	68,700
December ,,	98,200	91,400	69 700
January 1953	1,02,400	95,500	69,000

SEA- AND AIR-BORNE TRADE : INDIA.

Particulars	October,		Seven Months. April to Oct.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:—				
Foodstuffs	6,74	25 06	136 58	134 78
Raw materials	14,65	11 87	115 94	132 08
Manufactures	21,08	27,70	107,13	196,61
Other items	26	30	2.58	2,18
Total Imports*	43 33	64,93	422,53	465,65
Exports :—				
Foodstuffs	17.13	13,23	85.10	80.40
Raw materials	11 72	7,40	86 05	88,41
Manufactures	23,83	25,41	167 30	245,82
Other Items	...	24	2,31	1,84
Tota Exports	52,69	46,28	341.05	422 56
Total Re-exports	66	21	2,75	10.69
Balance of trade in merchandise	+ 10,02	— 18,44	— 78,73	— 32,40
Balance of transactions in private treasure	...	— 1	— 4	— 7
Total Visible Balance of Trade	+ 10,02	— 18,45	— 78,77	— 82,47
Imports :—				
Total Cwealth Countries	20 19	21.34	156 38	169 78
Total Foreign Countries	23,14	43,59	266,15	295 87
Exports:—				
Total Cwealth Countries	24,51	26,83	159,76	219,55
Total Foreign Countries	28,18	19 45	181 29	203 01

* Excludes value of certain special imports of foodgrains and stores, full particulars of which are not yet available.

LAND-BORNE TRADE : INDIA

Particulars	October,		Seven months April to Oct.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	60	2 13	15 29	11 58
Imports	3 45	7 30	12,30	55 40
Balance of trade in merchandise	— 2,85	— 5,17	+ 2,99	— 43,82

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES—SEPTEMBER AND OCTOBER 1952

(Base Jan. to Dec. 1944 = 100)

Name of Centre	Cereals		Pulses		Other articles of Food		All articles of Food		Fuel and Lighting		Clothing		Miscellaneous		
	Oct. 1951	Sept., Oct. 1952	Oct. 1951	Sept., Oct. 1952	Oct. 1951	Sept., Oct. 1952	Oct. 1951	Sept., Oct. 1952	Oct. 1951	Sept., Oct. 1952	Oct. 1951	Sept., Oct. 1952	Oct. 1951	Sept., Oct. 1952	
Eastern Zone															
Bamra	196	219	219	111	93	92	173	140	139	166	145	144	96	106	114
Maibang	163	x	x	142	x	x	174	x	x	168	x	x	112	x	x
Shankargarh	156	156	159	173	167	168	212	155	159	185	158	160	101	95	95
Sonaili	333	271	271	181	160	162	253	191	193	254	199	201	125	125	125
Northern Zone															
Multapi	194	124	124	157	154	153	184	179	173	178	165	161	115	123	123
Nana	328	307	279†	276	312	307	234	196	195	258	212	225	119	130	129
Salamatpur	274	268	265	300	291	297	236	221	214	256	243	240	102	129	129
Southern Zone															
Krishna	301	191	193	171	175	187	195	162	164	212	168	171	141	126	129
Lakh	179	241	249	176	170	176	173	131	132	175	157	160	86	93	91
Malur	161	171	171	172	129	143	172	146	144	170	143	142	89	100	100
Munguda	347	218	225	270	219	222	349	205	213	336	210	217	105	135	135
Kudchi	123	182	189	130	153	153	209	168	162	186	169	165	100	127	127

Name of Centre	Miscellaneous		
	Oct. 1951	Sept., Oct. 1952	
Eastern Zone			
Bamra	191	188	193
Maibang	x	x	x
Shankargarh	140	139	139
Sonaili	228	278	278
Northern Zone			
Multapi	180	198	197
Nana	208	212	204
Salamatpur	255	259	262
Southern Zone			
Krishna	208	206	207
Lakh	144	136	131
Malur	100	161	163
Munguda	246	261	261
Kudchi	156	191	192

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 5th Feb., 1953	51,878
	Corresponding week, 1952	45,080
	1st Sept. 1952 to 5th Feb. 1953	6,04,932
	Corresponding period, 1951-52	5,42,060
Cotton Exports	Week ended 5th Feb., 1953	11,898
	Corresponding week 1951-52	—
	1st Sept. 1952 to 5th Feb., 1953	1,55,259
	Corresponding period, 1951-52	111
Mill Consumption	1st Sept. 1952 to 5th Feb., 1953	5,09,097A
	Corresponding period, 1951-52	4,50,972
Stock (with exporters dealers and mills)	On 29th Jan., 1953	3,89,305
	Correspon-ding date, 1951-52	2,79,225
Karachi (Pakistan)*		
Receipts	Week ended 31st Jan., 1953	77,279
	Corresponding period, 1952	76,584
	1st Sept. to 31st Jan. 1953	8,93,074
	Corresponding period, 1952	9,35,851
Exports	Week ended 31st Jan., 1953	42,900
	Corresponding period, 1952	88,300
	1st Sept. to 31st Jan., 1953	5,69,060
	Corresponding period, 1952	5,47,000

Particulars	From 1st Sept., '52 to 9th February, 1953 Bales	From 1st Sept., '51 to 9th February, 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	8,500	—
Continent	55,273	—
China	318	—
Japan	78,502	—
U.S.A.	14,100	—
Other Countries	3,016	111
Total to all foreign countries	1,59,709	111
Coastal Ports	53,036	39,885

Period		Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	November, 1952	3 14 001
Foreign		65,805
Indian	Three months September to November, 1952	8 68 944
Foreign		2 29,523
Indian	Same Period 1951	7 04,452
Foreign		3,60,304
Stocks (Mills and Elsewhere)—		
Indian	As on 30th Nov., 1952	8,87,133
Foreign		3,12,033
Indian	As on 30th Nov., 1951	7 98,658
Foreign		2 28,690
Cotton Pressed†	Week ended 30th Jan., 1953	45,305
	Correspondinhe week, 1952	76,450
	1st Sept to 30th Jan., 1953	9,84 208
	Corresponding period, 1952	11,07,303

* As reported by the Karachi Cotton Association Ltd. A—Adjusted. † Incomplete

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	103¼
4% Bonds	1926-33	63,30,26,000	1960-70	101¼
3% Loan	1938-39	1,16,17,46,000	1963-65	92
3% Loan	1943	1,14,60,58,000	1953-55	100-0¼
3% Loan	1950	30,33,10,000	1964	92¼
3% Loan	1943	1,10,11,78,000	1966-68	90 ¼
3% V. Loan	1944	1,14,06,89,000	1957	98 ⅛
3% Loan	1945	1,15,05,83,000	1970-75	82½
3% Loan	1945	1 13,65,64,000	1959-61	98 ⅛
2½% Loan	1951	50,00,00,000	1958	93 ⅛
2½% Loan	1946	45,63,07,000	1960	98¼
2½% Loan	1946	87,00,69,000	1961	98¼
2½% Loan	1946	35,06,06,000	1954	98⅛
2½% Loan	1946	14,77,48,000	1976	82½
2½% Loan	1947	75,86,72,000	1962	91½
2½% Loan	1948	60,45,01,000	1955	98¼
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,36,000	At option of Government after three months, notice / On September, 1986 later at option of Government after three months, notice.	83 ⅛
1 % Loan	1946	2,48,91,90,000		83 ⅛
REPATRIATE STERLING LOANS				
4½% Loan	1933	12,85,66,000	1954-59	100¼
4½% Loan	1928	5,85,20,000	1958-68	105¼
PROVINCIAL LOANS				
4½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	97¾N
4½ W. Bengal	1952	2,00,00,000	1st Aug. 1964	100¼
3½% Madras	1938	1,42,08 300	15th Sept. 1953	100-0¼
3½% Madras	1939	1,29,76,600	21st June 1959	95 ⅛
3½% Madras	1942	1,23 25,000	18th Sept. 1955	98 ⅛
3½% Madras	1943	1,25,10,000	14th Sept. 1956	98 ⅛
3½% Madras	1944	1,08,00 000	15th Aug. 1958	96½
3½% Madras	1945	2,82,19 000	14th Sept. 1960	94¼
3½% Madras	1946	3,90,93,200	1st Sept. 1961	90 ⅛
3½% Madras	1950	4,47,00,000	31st July 1960	94½
3½% Madras	1951	3,00,00,000	17th Sept. 1962	93 ⅛
3½% Madras	1952	5,00,00,000	1st Aug. 1964	100⅛
3½% U.P.	1936	1,69,39,800	15th Sept. 1961-66	96½
3½% U.P.	1944	3,23,96,800	1st Aug. 1958	96½
3½% U.P.	1945	2,16,31,900	14th Sept. 1960	94 ⅛
3½% U.P.	1946	2,41,19,800	1st Sept. 1961	95N
3½% U.P.	1951	2,00,00,000	17th Sept. 1962	97⅛
3½% U.P.	1952	2,00,00,000	1st Aug. 1964	100¼
3½% Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99
3½% Punjab**	1942	2,35,20,000	18th Sept. 1955	99½
3½% Punjab**	1943	2,48,78,300	14th Sept. 1956	99
3½% Punjab**	1945	2,95,81,600	14th Sept. 1960	98¼
3½% Mysore(f)	1930	1,63,44,300	1st Nov. 1955	105¼
3½% Mysore(f)	1933	2,95,85,300	1st Dec. 1953-63	100-11¼
3½% Mysore(f)	1936	2,99,72,900	30th April 1956-61	99 ⅛
3½% Mysore	1947	5,08,05,700	25th Jan. 1958	98¼
3½% M.P.	1942	50,00 000	18th Sept. 1955	98⅛
3½% M.P.	1943	50,54,200	14th Sept. 1956	98¼
3½% M.P.	1944	52,69,800	15th Aug. 1958	96½
3½% M.P.	1948	2,03 00,000	15th Sept. 1964	91½
3½% M.P.	1950	1,00,28,800	31st July 1960	94
3½% M.P.	1951	1,00,00,000	17th Sept. 1962	97¼
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95
3½% Bombay	1942	3,54,23,300	18th Sept. 1955	98⅛
3½% Bombay	1943	3,30,00,000	14th Sept. 1956	98⅛
3½% Bombay	1944	3,44,00,000	15th Aug. 1958	97¼
3½% Bombay	1949	6,00,00,000	1st Aug. 1962	92¼
3½% Bombay	1950	3,00,00,000	31st July 1960	94¼
3½% Bombay	1951	3,00,00,000	17th Sept. 1962	96
3 % Bombay	1952	3,50,00,000	1st Aug. 1964	100¼

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	97½
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
14,35,876	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	98¼
88,23,000	4	1914	1975	98¼
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1965	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
STERLING LOAN				
£1,600,000	6	1922	1952	£101½
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	97½
76,90,100	4	1915	1975	97½
68,02,300C	3½	1921	1981	79¾N
1,50,00,000C	6½	1921	1981	144N
1,24,04,300	6	1925	1955-85	105
98,21,600	5½	1926	1956-86	104
99,84,500B	5	1926	1956-86	103
1,49,49,500B	5	1927	1957-87	103¼
1,49,10,000	5	1928	1958-88	104
80,00,000	4½	1931	1991	92½
21,75 000C	3	1933	1954	99
60,00,000	3½	1935	1965	95½
25,00,000	3	1936	1966	89
50,00,000	3	1945	2005	70N
30,00,000	3	1945	1975	82½
50,00,000	3	1946	1976	82
30,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78½
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94½
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79N
1,50,00,000	3½	1951	1961	97½
STERLING LOANS				
£892,600	5	1923	1953-83	£83
£901,000	5	1924	1954-84	£85
£835,100	5½	1932	1962	£97
MADRAS				
Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1882	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug. 3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	
STERLING LOAN				
£330,000	5½	1923	1953	£100

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
50,00,000	4	1905	1965	97⅜
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
50,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	97⅛
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40, 30,000	5	1919	1957-79	113
66,00,000	6	1920	1959-80	
25,00,000	5	1926	1956-86	115
25,00,000	4	1927	1961-70	98
10,00,000	3½	1936	1966	96½
STERLING LOANS				
£566,600	4	1909	1969	£95½
£333,000	4	1910	1970	£95½
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	104
25,00,000	5½	1929	1959	107½
50,00,000	4	1934	1964	99½
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	90
20,00,000	3	1938	1963-68	88
80,00,000	4	1952	1962	99½
STERLING LOAN				
£700,000	5½	1923	1953	£100⅜

MUNICIPAL LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
43,00,000	4	1896-97	1953	100
49,40,000	4	1913-14	1954	100
20,60,000	4	1913-15	1974	99½
20,00,000	4	1913-15	1955	100
10,00,000	4	1920	1980	113
1,60,00,000	6	1924	1954	103½
25,00,000	5	1928	1958	
26,14,000	5	1929	1949-59	105
8,45,500	5	1929	1954-59	to
26,21,500	5	1929	1959	103
8,25,25,000	3½	1947	1977	84½
2,50,00,000	3½	1949	1979	85
4,00,00,000	3½	1950	1965	91½
2,50,00,000	4	1952	1964	100½
CALCUTTA				
34,45,500	6½	1923-25	1955	106
84,70,000	6	1925	1955	104
36,00,000	5	1928	1958	103½
25,00,000	5	1929	1957	103½
25,00,000	5	1929	1958	103½
10,00 ,0	5½	1932	1962	108
33,91,000	5½	1935	1965	93½
7,92,000	3	1936	1953	100¼
5,19,000	3	1936	1953	99½
60,00,000	3	1936	1966	88¼
1,46,100	3	1936	1953	99½
3,11,400	3	1937	1954	98½
4,67,100	3	1937	1954	98½
1,62,500	3	1937	1954	98½
4,18,100	3	1937	1954	98½
47,50,000	3	1938	1968	88
10,67,700	3	1938	1955	97
15,56,800	3	1938	1956	99½
15,56,800	4	1940	1957	99½
17,64,400	3½	1942	1959	96½
21,10,000	3½	1942	1972	92
15,49,000	3½	1951	1960	96
16,33,000	3½	1951	1961	96
66,88,000	3½	1951	1966	96
STERLING LOAN				
£5,00,000	6	1923	1953	£100⅛
MADRAS				
Rs.				Rs.
5,00,000	4	1903	1953	101
5,00,000	6	1923	1953	107
3,40,000	7	1925	1955	107¼

ABBREVIATIONS—M—Held by Government of Madras. N—Nominal —Various Issues repayable to Government.
B—Taken up by Imperial Bank of India. D—Domestic Loan not marketable. C—Held by Commissioners. * Loans held entirely by the Trustees.
(a) This includes the amount of loan converted into First Development Loan 1970-75. (C) Income-tax free. A—Held by Government of India.
Rate of interest reduced from 6 to 3 per cent with effect from 1st June 1944
‡ Rate of interest reduced from 6½ to 4 per cent with effect from 1st April 1935

PREFERENCE SHARES

Company	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share Rs.
BANKS							
Allahabad Bank	15,00,000	1901	6	Mar.	Sept	129	100
BREWERIES AND SUGAR							
Carew & Co.	8,00,000(b)	1875	6½	Mar.	Sept.	78	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb.	Aug.	138xd	100
Upper Ganges	12,00,000	1932	5	Dec.	..		100
Do	15,00,000	1946	5(a)	Dec.	..		100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July	Apr.	118¼	100
¶East India Distilleries	£200,000	1897	7	Jan.	July	£1	100
Gwalior Sugar	6,75,000(c)	1940	7B	Dec.	..	63xd	100
Do. (Non-redeem.)	5,00,000	1922	10	Oct.	..	15xd	10
Purtabpore Co.	6,00,000	1933-36	6	Aug.	Apr.	100	100
Ramnugger Cane	4,00,000	1943	3½	Oct.	Apr.	70	100
Ravalgaon Sugar	20,00,000	1936	7(a)	Oct.	..	75N	100
South Behar Sugar	5,00,000	1946	5	Dec.	..	6½	10
Travancore	14,99,135	1931	5	Dec.	..		100
Bharat Sugar	5,00,000						
COAL							
Bengal-Nagpur	1,12,500	1905	7	Jan.	July	114½xd	100
Berrea	4,00,000	1896-97	6½	Oct.	Apr.	113xd	100
Burrakur (1st)	22,99,800	1901-19	7	Apr.	Oct.	117xd	100
Do. (2nd)	4,50,000	1946	6(a)	..	..	8½xd	10
Equitable	4,00,000	1895	6	Mar.	Sept.	115	100
Karanpura Collieries	1,93,000	1946	5½(a)	..	..	82	75(pp)
††Khas Kajora	7,50,000	1931	5	Mar.	Sept.	11N	10
New Beerbhoom	2,00,000	1920	7	Jan.	July	113xd	10
Oudal	2,00,000	1898-99	6½	Apr.	Oct.	110xd	100
COTTON							
Ahmedabad Advance	10,00,000	1939	5	Apr.	Oct.	108½	100
Bangalore	6,00,000	1884	6½	Nov.	..	6½	10
Basanti Cotton	5,00,000	1938	7	July	Jan.	137	100
Benares Cotton	3,00,000	1896	8	Feb.	Aug.	128	100
Bengal-Nagpur	6,00,000	1900	7	Feb.	Aug.	80	100
Bowreah 'A'	6,00,000	1919	7	June	Dec.	306½	250
Do. 'B'	14,75,000	1920	7½	Jan.	July	142½	100
Bradbury	21,30,200	1928	7	Apr.	..	131½	100
Buckingham & Carnatic	1,00,000	1912	5	Apr.	Oct.	507½	500
Cambodias	50,00,000	1935	6½	Nov.	..	130½	100
Central India	1,00,000	1912	5	May	Nov.	137xd	100
Coimbatore Pioneer	11,00,000	1943	5	July	Jan.	10xd	10
Elgin	4,20,000	1919	7(a)	May	Nov.	95	100
Do. 'B' Pref.	25,00,000	1919	7	June	Dec.	115xd	100
Elphinstone	20,00,000	1925	6	Nov.	..	—	100
Kesoram	10,00,000	1947	4	..	..	10	10
Khatau Makanji (2nd)	29,92,500	1937	5	Nov.	..	10	10
Kothari	12,00,000	1896	5(a)	..	January	241½	250
Lakshmi Cotton (Bombay)	16,00,000	1947	4½	..	..	72	100
Monarjee Gocouldas Spg. & Wvg.	17,25,000	1900	6	Jan.	July	108	100
Muir Mills	30,00,000	1944	4½	..	..	..	50
Mysore Spg.	8,00,000	1913	5½(a)	Mar.	..	185	200
New Great	26,05,500	1920	6	Apr.	Oct.	3½	5
New Victoria	10,00,000	1943	4	Feb.	..	80	100
Podar Mills	10,00,000	1932	4½	Apr.	..	56	50
Rajalakshmi	2,00,000	1944	4	..	..	..	100
Shree Nivas Cotton	4,80,000	1943	3(a)	..	..	80	100
Sholapoor	32,00,000	1935	5	Apr.	Oct.	110	100
Svadeshi	15,00,000	1927	6	June	..	87½	100
Svadeshi (Kanpur)	35,00,000	1931	6	Apr.	..	121½	100
Vasanta (1st)

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. G=Guaranteed shares. P=Preference shares. P.O.=Preferred Ordinary shares. R=Rebate shares. Y=Accounts published yearly. H=Accounts published Haf-yearly. Q=Accounts published once 15 months. T=Company has Debentures. R.L.=Reserve Liability on shares. N=Nominal Quotation. i=Interim Dividend. f=Dividend for first half-year, y=Dividend for the year. x=Ex. Dividend. c.d.=Cum. Dividend.

Shares:—If a company has different classes of shares—as, for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under "Paid-up Per Share."

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12 indicate the months of June and December, respectively "Reserves" includes general and other reserves and all other funds which a company may have as also depreciation on block items, when this is charged to separate account "Block" represents actual cost of land, buildings, machinery, and all such other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends:—Dividends for completed years are calculated at per cent. per annum, but, where quoted for portion of a year, they represent percentages of the dividend on the paid-up share value. For companies closing the books half-yearly in the first three months of the year, and for companies closing their books yearly during the first half of the year dividends are shown as for the previous year.

COTTON MILLS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	¶Number Installed: Spindles	Looms	Mill	Latest Available Quotation. Rs.	Paid-up Per Share Rs	Dividends (per cent.) 1949	1950	1951	1952	Accounts closed	Reference
BOMBAY CITY AND ISLAND															
50,00,000	55,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	2½	2	12½	12½	15½		12	Y.
40,00,000	96,25,655	1,22,39,883	45,646	B. R. Sons, Ltd.	50,828	1,021	Beharilal Ramcharan Cotton Mills	44½	100	6	6	—		3	T.P.Y.
2,50,98,000	3,77,07,567	3,45,45,592	2,49,666	Nowrosjee Wadia & Son, Ltd.	1,82,072	4,855	Bombay Dyeing, etc.	365	250	16	7	8		12	Y.
10,00,000	68,56,275	52,02,609	2,59,868	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	657½	250	24	40	40		3	P.Y.
1,09,42,800	3,39,71,172	2,24,04,685	2,02,457	Birla Bros., Ltd.	1,09,320	2,706	Century	250	100	15	18	20		12	Y.
49,00,000	76,78,063	1,06,30,358	5,066	V. J. Pilani, Esq. (Chairman)	39,408	698	Colaba Land & Mill	72½	100	—	—	4		12	Y.
26,00,000	53,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd.	27,308	680	Coorla	103½xd	100	7½	7½	7½		3	Y.
16,00,000	61,03,791	61,88,798	2,30,356	Ramnarain Sons, Ltd.	38,304	..	Dawn	57½	50	4	—	12		12	Y.
24,00,000	83,85,000	63,06,555	91,036	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	230	200	7½	7½	7½		12	Y.
25,00,000	82,92,517	1,09,92,288	64,188	Chidambaram, Muliraj & Co., Ltd.	44,768	886	Elphinstone	38½	50	10	8	—		12	Y.
40,00,000	1,20,24,649	75,61,616	4,37,206	James Finlay & Co., Ltd.	46,072	784	Finlay	289	100	15	15	20		12	P.
50,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	71,608	1,259	Hind Mills	—	100	5½	4½	5½		6	P.Y.
8,00,00,000D	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co.	45,752	1,022	Hindustan	3,260xd	1,000	17½	20	20*		3	P.Y.
50,00,000D	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	8½	10	7½	7½	10½		12	P.Y.
8,65,000								1½	1	12½	12½	25			
35,000	1,33,65,320	98,10,275	7,671	Damodhar Thack. Mooljee & Co.	47,172	1,191	Indian Manufacturing	3,260xd	1,000	17½	20	—		3	Y.
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co.	77,404	1,517	Khatau Makanjee	166½	500	12	14	10		6	P.Y.
1,00,00,000	3,30,54,713	2,81,07,386	2,47,768	Killick Industries Ltd.	1,11,464	1,846	Kohinoor	281½	100	27½	18	25*		12	Y.
28,80,000	62,72,416	4,58,523	11,567	Hall & Anderson Ltd. Props.	61,516	1,742	Madhusudan Mills	81½	100A 20B	7½				6	Y
3,60,000B								—							
51,75,000	1,65,94,653	1,71,00,015	2,80,686	Piramal Gangadhar & Others	60,652	1,650	Morarjee Goculdas	154½	100	17	15*	12		6	P.Y
24,00,000	64,02,788	64,16,514	81,791	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay	175	100	11	12½	15		12	T.Y.
30,00,000	77,89,079	77,63,429	68,583	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Eastern	155	100	6¾	10	12½		12	P.Y.
12,70,100	27,38,754	13,13,391**	941	Mafatlal Chandulal & Co.	33,720	873	New Union	22½	10	—	3	10		12	P.Y.
48,00,000	1,14,83,245	1,34,29,555	2,40,353	Ramnarain Sons, Ltd.	54,208	1,190	Phœnix	121½	100	6	10	10		12	Y.
40,00,000	45,61,000	23,31,581	1,35,988	Podar Sons, Ltd.	32,600	930	Podar	121½	100	9	9	10		12	P.Y.
5,00,000	27,64,626	29,73,962	3,162	David Sassoon & Co., Ltd.	9,320	277	Sassoon & Alliance Silk	22	10	26½	20	20		12	Y.
25,00,000	35,63,793	17,86,230	1,316	M. G. Investment Corpn.	60,240	1,254	Sassoon Spinning	23½	10	—	7½	10		12	Y.
60,00,000	93,52,612	65,79,388	3,19,198	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	171½	100	12½	14	17½		12	P.Y.
31,50,000	1,00,00,000	76,03,952	50,222	Forbes, Forbes, Campbell &Co.,Ltd.	36,116	1,276	Simplex	174½xd	50	28	34	30†		3	T.Y.
36,00,000	1,84,55,730	1,14,25,402	17,129	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard	278½	100	15	15	26×		12	P.Y.
75,00,000	1,97,81,673	92,45,129	70,099	Tata Industries Ltd.	65,040	2,000	Svadeshi	235	100	14	16	18		12	P.Y.
24,00,000	99,05,496	54,00,802	5,62,977	James Finlay & Co., Ltd.	35,804	552	Swan	394	100	20	20	25		12	P.Y.
32,54,438	92,22,538	68,88,347	25,338	Tata Industries Ltd.	63,248	1,800	Tata	45	25	8	8	16		12	P.Y.
12,00,000	1,17,01,933	86,62,657	4,299	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spinning	3,110xd	1,000	17½	20	20		3	T.Y.
AHMEDABAD															
20,00,000	84,99,543	51,95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	133½	100	8	12	10		6	P.Y.
24,90,150	1,76,92,721	93,49,718	93,168	Haribalabhdas Kalidas & Co.	73,796	1,383	Shri Ambica Mills	292½	50	25	30	36		12	Y.
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Huthessing & Sons Ltd.	42,768	912	Aruna	385	100	13*	15*	20*		12	Y.
21,00,000	2,76,11,769	99,37,517	1,37,004	Narottam Lalbhai & Co.	62,448	1,216	Arvind	712½	100	22½	25*	25		12	P.Y.
10,00,000	93,20,000	70,77,166	92,811	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning	535	200	15	15	17½		12	P.Y.
12,00,000	1,48,97,000	79,36,000		Lalbhai Dalpatbhai & Co.	37,368	912	Asoka	412½	100	15*	17	22		12	Y.
1,24,74,017	3,42,43,180	3,39,18,894	2,89,575	Karamchand Premchand & Co.	1,39,120	2,370	Calico	298½	125	8	10	14-2/5		12	Y.
30,00,000	1,00,20,000	83,66,716	748	Tricumlal Bhogilal & Co.	39,316	867	New Commercial	1,007½	500	10	11	12		12	P.Y.
39,00,000	1,17,35,075	88,73,039	19,706	Mafatlal Chandulal & Co.	47,952	864	New Shorrock	512	125	28	28	28		12	Y.
5,00,000	84,47,251	41,66,135	466	Jagabhai Bhogilal Nanavati & Co.	24,840‡	528‡	Nutan	512	250	25*	28*	28*		12	Y.
10,00,000	1,51,61,093	65,80,262	68,792	Lalbhai Dalpatbhai & Co.	31,120	637	Raipur	690	100	22½	25	25		12	Y.
12,00,000	30,40,334	63,41,241	1,09,340	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Rajnagar	160	250	6	6	8		12	Y.
32,50,000	38,29,453	74,07,003	3,873	Lallubhai Gordhandas Ltd.	33,156	848	Rohit	1121½	100	8	8	8		12	P.Y.
28,00,000	39,44,524	80,38,656	20,958	Haridas Acharatlal & Co., Ltd.	32,816	776	Vijaya	455	100	11½*		8½*		12	P.Y.
WEST BENGAL															
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agency Ltd.	13,044	356	Basanti Cotton	3½	10	—	5	3½		12	P.T.Y
7,11,280	22,53,684	37,16,899	32,931	Bengal Textile Agency Ltd.	28,448	936	Bengal Luxmi	36½xdN	40	—	7½	7½		3	Y
6,00,000	74,31,975	77,07,829	—28,432	K. Bullen & Co., Ltd.	42,872	841	Bowreah	213	100	—	—	9		6.12	Y.
19,00,000	96,49,451	96,66,017	—27,794	K. Bullen & Co., Ltd.	42,944	518	Dunbar	124	100	5½	—	7		6.12	P.Y.
1,20,00,000	3,29,34,362	3,04,56,320	84,976	Birla Bros., Ltd.	69,352	1,990	Kesoram	17½xd	15	12½	12½	11½		12	H.
6,00,000A								—	10	12½	7½	7½		12	Y.
33,96,097B	71,09,841	79,53,833	51,255	Chakravarti Sons & Co.	23,484	442	Mohini								
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	5	10	9	3	—		12	T.Y.
15,00,000	26,53,246	59,15,375	2,736	Ramlal & Co., Ltd.	50,000	..	Alagappa Textiles	6½	10	—	9	6		12	P.Y.
71,95,030oa	91,90,031	1,69,30,772	27,626	Ind. Trust Fund	19,944	440	Asiam Cotton Mills	65	100	15*	5½‡	61		9	Y.P.
40,50,000	2,88,78,779	2,57,74,244	2,47,495	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	215	100	14½	17½	20		6.12	P.H.
27,00,000	71,21,986	69,56,823	40,045	Shaw Wallace & Co., Ltd.	29,936	782	Bengal Nagpur	13½	10	5*	1½	10	5f	6.12	P.T.H.
60,00,000	74,37,942	97,51,247	1,58,253	Binodiram Balchand Ltd.	57,312	1,338	Binod Mills	100N	100	17	15			12	Y.
15,00,000	1,33,79,264	84,27,674	4,60,089	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	48N	10	25	25	30		3	P.Y.
1,78,47,800	3,22,27,970	4,49,59,308	2,39,158	Binny & Co., Ltd. (Madras)	1,19,916	2,781	Buckingham & Carnatic	117½	100	6½	6½	7½		6.12	H.P.
20,00,000	32,17,315	27,32,911	55,358	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia	10½	10	7½	—	12½		12	P.Y.
30,00,000	64,46,347	47,79,878	32,594	Begg Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	7½	5	11½	11½	11½		3.9	T.Y.
46,87,500	2,25,77,600	2,00,84,126	—16,28,224	Tata Industries Ltd.	1,15,188	2,062	Central India	148	100	6	12	12		6	P.Y.
12,00,000	31,42,813	25,08,393	1,52,180	R. Beema Nayudu & Co.	28,864	..	Coimbatore Cotton	150	100	12½	12½	12½		12	P.Y.
20,00,000	17,94,432	20,04,313	9,816	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills	97	100	7	6			12	P.Y.
20,76,900	70,83,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	39	50	5	10	—		6	P.Y.
24,30,900	34,08,672	33,32,938	55,387	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi	178	100	25	25	20		12	Y.
2,89,84,925	3,84,95,614	5,77,14,605	1,63,862	Bharat Ram, Esq.	75,604	1,830	Delhi Cloth (inc. Lyallpur Mills)	27½	25	4	10			6	P.Y.
1,00,503									2½						
63,00,000	1,48,71,631	1,30,76,652	1,23,357	Begg Sutherland & Co., Ltd.	52,652	1,198	Elgin	17½	10	12½	11½	15		9	P.Y.
39,04,700	97,00,000	78,42,395	93,393	F. Fortes Campbell & Co., Ltd.	72,960	2	Gokak	140	100	15	10	14		12	Y.
50,00,000	84,17,977	1,21,16,721	6,989	Govindram Seksaria (Indore)	50,420	1,420	Indore-Malwa United	87½	100	4	4	5		12	Y.
8,90,000	22,88,977	18,75,134	487	G. V. Naidu & Co.	23,784	..	Janardhana	58	50	16	10	15		12	Y.
6,50,000	17,20,576	40,18,454	7,677	A. L. A. R. A. Chettiar and another	90,304	325	Kaleeswarar	347½	100	—	—	—		12	T.Y.
24,00,000	25,50,000	43,66,106	54,377	Kothari & Sons	13,824	..	Kothari	92	10	7	7½	7½		6	P.Y.
32,00,000	1,52,51,325	1,35,66,651	2,77,976	The Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton	573½	250	15	15	20*		12	Y.
17,82,050A	90,51,492	78,03,494	7,921	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	69	50	8	8	10		3	Y.
								33½	25						
1,75,02,480	5,58,18,568	3,97,87,371	12,62,148	A. & F. Harvey Ltd.	4,64,748	..	Madura	34½cd	15	17½	15	20		12	Y.
12,00,000	20,47,239	23,90,961	—15,121	A. L. A. R. S. Chettiar and 7 others.	21,856	..	Malabar	150	200	7½	4	6		12	Y.
60,00,000	93,17,047	52,62,343	30,249	W. A. Beardsell & Co., Ltd	24,252	603	Mettur Industries	181	100	25	12½	12½		12	Y.
29,80,884	65,78,942	71,79,459	22,669	N. Sirur & Co., Ltd.	36,416	678	Minerva	91	100	8*	6	6		12	Y.
94,91,850	96,08,512	1,34,73,361	29,643	B. Abirchand Dadabhoy & Co.	49,456	952	Model Mills, Nagpur	140	250	6	3	3		6	Y.
30,00,000	1,55,54,651	1,53,39,271	7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir	215	100	24‡	—	—		12	Y.
9,71,850	4,06,541	20,43,991	—2,16,536	A. Sambhu Moorty, Esq.	69	..	Mysore Silk Filatures	14‡	10	—	—	7½		12	P.Y.
19,86,800	1,15,59,739	82,55,416	38,347	N. Sirur & Co., Ltd.	49,632	500	Mysore Spinning	123xd	10	20	18*	20*		12	Y.
13,61,780	22,98,130	27,85,556	—4,60,000	R. Suryanarayana Rao, Esq.	6,000	..	Mysore Spun Silk	4½	10	3d	6½	—		3	P.Y.
22,89,882	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd.	50,228	1,148	New Victoria	1½	2½	—	—	—		12	P.D.Y.
3,07,095D								—	D‡						
86,93,300	1,16,62,352	1,46,35,293	1,161	Ind. Trust Fund	30,896	717	Osmanabahi Mills	87	100	14*	5½‡	6½‡		9	Y.
4,00,000A	19,98,937	20,58,777	19,670	Raghavalakshmi & Co.	22,800	..	Palani Andavar	52	50	4	10	16		12	Y.
15,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills	63	100	4	7½	5		12	P.Y.
25,30,420	36,19,473	40,65,619	11,306	A. G. G. Naidu & Co.	38,864	200	Radhakrishna	133	100	15	16	15		12	P.Y.
15,00,000	38,70,469	20,61,036	2,54,894	B. R. Nayudu, Esq.	25,896	..	Rajalakshmi	72	50	9	9	10		12	Y.
15,02,500	26,26,362	24,78,957	4,770	P. S. G. Nayudu & Sons	28,972	88	Ranga Vilas	41½	50	6	7			12	P.Y.
60,00,000	89,59,172	1,04,60,739	5,506	Sir J. P. S. & Sons (Rampur), Ltd.	32,580	600	Raza Textiles	3½	10	—	—	—		12	Y.
16,00,000	1,58,55,370	2,03,51,339	—78,03,793	M. J. Divekar, Esq.	82,992	2,234	Sholapur	1,650	1,000	—	—	—		12	P.Y.
22,41,300	9,49,500	25,98,011	66,528	Gopaldas Liladhar & Co., Ltd.	15,824	440	Shree Saijan	75	100	6	—	—		3	P.Y.
17,79,700	17,05,183	21,50,229	3,083	T. R. A. Ayyar & Bros., Ltd.	18,416	416	Sitaram	40½	50	6d	—	—		3	Y.
36,69,700	53,91,188	82,29,128	26,356	B. S. Viswesvaraiya, Esq.	22,200	292	Sri Krishnarajendra Mills	36½xd	50	5	5	5		3	Y.
17,50,000								9½	10	8*	5	6*		3	Y.
57,50,000P.O.	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,12,216	2,077	Swadeshi (Cawnpore)	9½	10P.O.	9	9	9		12	Y.
9,32,990	20,80,396	12,56,097	61,026	M. R. & Sons	16,000	..	Trichinopoly	9½	10	10	10	10		12	P.Y.
21,00,000	53,78,057	44,54,040	38,800	R. K. S. Chetty & Bros.	33,704	270	Vasanta	140	100	7	9	10		12	Y.
52,00,000	1,27,03,612	1,16,59,613	2,69,813	The Bombay Co., Ltd.	54,280	1,495	Vishnu	157½	100	10	9	10		12	P.Y.

* Includes Bonus. I. On Increased Capital. ‡ Only Depreciation

× Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46; ¶ As on 31st August, 1952.

— Nil Dividend, †† Does not include depreciation.

† Subject to tax ||

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
ART SILK AND RAYON MILLS													
1,60,42,600	37,92,725	4,15,55,170	4,66,206	Chinai & Co., Ltd.	National Rayon Corporation	70	100	—	—	—		12	P.Y.
99,92,020	46,91,585	2,63,93,471	4,93,263	Emcete & Sons (Travancore) Ltd.	Travancore Rayons	3–5½	10	—	—	—		12	P.Y.
BREWERIES AND DISTILLERIES													
13,28,000	65,17,840	96,16,910	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	24½	25	11½	11½Q	—		5	P.Y.
6,64,000						11½	10						
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	5	5	20	10	—		3	Y.
£330,000	£915,047	£1,010,005	£55,705	Parry's Holdings Ltd.	East India Distilleries and Sugar	15½	A 16sh.	10	10	10		9	P.Y.
24,00,000	8,54,296	7,56,660	—7,87,632	S. P. Smith, Esq.	Murree Brewery	21½	B 20sh.	—	—	—		8	Y.
6,00,000	21,13,586	12,13,593	3,951	B. A. Mallya Esq.	United Breweries	4	10	15	10	20		3	Y.
						153½cd	75						
CEMENT													
11,19,724	21,33,493	67,56,656	15,850	The Andhra Engineering Co. Ltd	Andhra Cement Co.	89	100	3½	3½	7½		12	P.Y.
43,14,600	16,94,310	17,14,992	1,01,035	Eastern Corporation Ltd.	Assam Bengal Cement	3½	10	8	—			3	Y.
4,70,976D						1	1						
10,56,20,438	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.	Associated Cement Companies	169½xd	100	7	8½	9½	9½	7	Y.
10,56,20,438						6	10	—	5	6½		12	Y.T.
86,49,312	95,24,901	1,45,62,309	61,188	Hari Bros. Ltd.	Dalmia Cement	11	1						
5,00,000D						16½	25	—	—	—		3	P.Y.
61,01,180	27,27,600	1,26,09,755	90,853	Esson Ltd	India Cements Ltd.	5D	5	—	—	5			
7,50,000D	1,46,20,109	1,65,80,416	81,840	Martin Burn Ltd.	Sonevalley Portland Cement	3–6½	5	4	4	8		12	Y.
75,00,000						6½							
CERAMIC; MINING AND QUARRYING													
51,70,655	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2½	2½	2½	5	6½		12	Y.
10,00,000	37,00,990	51,64,271	28,729	Bird & Co.	Biara Stone Lime Co.	28N	10	16½	17½	17½		3 9	H.
30,00,000	17,91,749	50,93,341	12,332	Ram Kumar Agarwala & Bros.	Chrestien Mica Industries	9½	10 O	10	10	5†		12	P.W.
15,00,000D						6½	5 D	15	15	7½†			
£914,200	£1,650,110	£1,643,983	£85,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3–4½xd	2sh.	12½†	12½†	12½		12	Y.
15,00,000D	38,79,403	43,65,527	1,29,079	Bird & Co., Ltd.	Karanpura Development Co.	13½	10	—	—	—		6 12	H.
3,00,000						9 ½	10	—	—	—		6 12	H.
15,00,000	6,40,199	25,13,779	9,812	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	17xd	10	10	10	11½		2 8	H.
6,00,000	24,28,739	17,98,676	27,403	And ew Yule & Co.	Reliance Firebricks	55	10	13	17½	35		11	Y.
6,99,390	20,61,475		3,427	Killick Industries Ltd	Shivrajpur Syndicate		10						
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	23,14,270	1,02,937	S. V. S. Iyer, Esq	Kemp & Co.	243½xd	200	10	10	10		3	Y
92,14,870	55,77,268	2,53,78,334	8,595	Tata Sons, Ltd.	Tata Chemicals	9☆	10	—	—	—		6	T.Y.
1,12,500	1,38,486	61,178	4,101	B. D Nagar, Esq	Thompson & Taylor	4½	5	8½	12½			3	Y.
Other Centres													
25,00,000	54,68,041	63,66,814	59,559	Bhailal Amin & Sons., Ltd.	Alembic Chemical Works Co.	100‡	100	—	8	8		12	P.Y.
62,00,000	84,01,721	1,58,12,017	3,82,049	Imperial Chem. Industries (India), Ltd.	Alkali and Chem. Corpn. of India	13☆	10	—9	4			9	Y.
£2,54,700'B'O.	45,64,469	78,49,987	10,67,486	S. P. Sen, Esq.	Bengal Chemical & Phar	106	100	6	6			4	P.T.Y.
21,50,000	1,28,550	38,97,031	1,09,732	Sahu Bros. (Saurashtra) Ltd.	Dharangadhra Chemicals	170	100	6	15	15		5	Y.
4,50,000	86,89,264‡	4,01,40,091	—10,83,735	D. C. Collaco, Esq.	Frank Ross & Co.	2½	1	5†	4½			2	P.Y.
3,45,97,740	30,74,302	83,46,263	21,842	E. V. Ganapati Iyer, Esq	P.A.C.T.	3½	10	—	2½	—		12	Y.
40,49,345	34,32,111	40,15,501	14,741	Krishna & Co.	Mettur Chemicals	4½	10	—	—	3½		5	Y.
24,81,220	6,18,752	4,52,143	29,283	C. A. Burton, Esq.	Mysore Chemicals and Fertilisers	8	10	4½	9	9		5	Y.
1,00,000	15,88,659	48,158	48,158		Mysore Chemical Mfrs.	12	10	10	12½	10		3	P.Y.
5,00,000	19,82,894				Upper Jumna Electric Supply	5	5	10	10	10		6	P.Y.
					Vellore Electric								
ENGINEERING (Bombay Island)													
33,42,200	1,19,97,198	85,89,128	62,077	Turner Morrison & Co., Ltd.	Alcock Ashdown & Co	300	100	28½	17½	17½		12	Y.
15,20,281	36,81,571	49,48,584	1,35,285	Walchand & Co., Ltd.	Cooper Engineering	50N	100	—	—	—		6	A.Y.
6,00,000	4,91,938	1,24,261	3,922	C. W. Qwen, Esq.	Jost's Engineering	80‡	50	12½	12½	15		3	Y.
44,96,250	15,06,376	7,66,347	24,014	Kamani Bros., Ltd.	Kamani Engineering Corporation	6½N	10	2½	2½			9	Y.P.
10,00,000	21,85,517	66,34,102	26,736	Kamani Bros., Ltd.	Kamani Metals & Alloys	9½	10	3½	2½			12	Y.P.
32,00,000	18,71,693	65,40,338	35,856	L. & T. (Management) Ltd.	Larsen and Toubro Ltd.	85½	10	10	10	10		3	P.Y.
11,00,000			571	P. Jhunjhunwala, Esq.	McKenzies		100	—	—	—		7	P.Y.
1,31,250†	1,14,16,471	2,31,22,422(k)	42,987	Walchand & Co., Ltd.	Premier Construction	85½	30	13½	13½	13½		1	P.Y.
22,50,000						85½	30	13½	13½	13½			
2,62,50,000D	42,75,50,213	44,13,78,740	7,46,217	Tata

MISCELLANEOUS COMPANIES—Continued.

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
					OIL; PETROL, ETC.								
5,750,000	£987,630	£257,232	—£718,934	J. C. H. Glass, Esq.	British Burma Petroleum Co.	1½	4sh.	—	—	—		5	P.T.Y.
22,50,000	81,89,204	52,69,225	1,85,955	N. C. Alcock, Esq.	British Ceylon Corporation	14½xd	7½	20†	32†			12	P.Y.
1,00,00,000	2,27,04,997	1,10,70,867	2,10,329	Steel Brothers & Co.	Indo-Burma Petroleum Co.	51½	40	10	10			12	P.Y.
70,07,475	1,02,93,586	1,52,15,713	10,002	Tata Industries Ltd.	Tata Oil Mills	33½	25	4	6	8		5	P.Y.
6,00,000	10,79,354	2,42,234	7,038	Andrew Yule & Co.	Tide Water Oil Co. (India)	17	10	15	15	17½		4.10	H.
					PAPER								
45,00,000	1,56,25,500	1,94,47,651	3,21,991	Balmer Lawrie & Co.	Bengal Paper Mills	44xd	25	10	10	12½	6¼	6.12	P.T.H.
30,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	145xd	100	7	10	11	5f	3.9	H.
25,00,000	48,30,215	47,81,895	52,615	P. N. Balakrishnan, Esq.	Mysore Paper Mills	12½	10	5d	7½	10*		3	Y.
41,95,000	2,47,61,003	3,22,48,806	1,68,019	Birla Bros., Ltd.	Orient Paper	28½	10	15	25	20		3.9	P.T.H.
20,06,895	1,10,93,378	84,10,902	1,86,914	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	17½	10	9½	11½	15	7½f	6.12	P.T.H.
20,00,000												3.9	
10,00,000 'A'	31,49,465	48,58,730	6,430	Baljoria & Co.	Star Paper Mills	7½	10	—	—	5		3.9	P.T.H.
4,37,500 PO												3.9	
36,00,000 O	4,80,99,030	4,68,21,511	4,75,418	F. W. Heitgers & Co.	Titaghur Paper	4½	2½	10	10	10		3.9	P.H.
56,04,8000						34½	A10	20	18½	20*		3.9	
						34½	B10	20	18½	20*			
					PLANTING; PRODUCE AND RUBBER								
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	6½	3	10	20	20		2	P.Y.
47,50,000	48,44,853	83,16,040	4,37,964	R. C. Paterson, Esq.	Consolidated Coffee Estate	15⅝	10	17	20	18		6	P.Y.
4,00,000	2,29,884	4,49,625	13,981	Associated Planters, Ltd.	Cottanad Plantations	8½	10	7½	10			3	T.Y.
8,28,950	1,46,540	4,67,078	1,389	A. V. Thomas & Co., Ltd.	Fringford Estates	3	10	—	—	—		4	P.Y.
6,00,000	19,08,079	19,81,715	66,448	A. V. Thomas & Co., Ltd.	Highland Produce	9½	10	25	45	45		12	P.Y.
4,00,000	9,67,558	7,20,390	43,506	A. V. Thomas & Co., Ltd.	Kalpetta Estates	18	10	17½	20			4	Y.
4,50,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Malaykara Rubber and Produce Co.	9½	10	17½	30	35		3	Y.
27,00,000	25,83,648	64,90,888	83,433	A. V. Thomas & Co., Ltd.	Midland Rubber and Produce Co. ..	8⅜	10	6	12½	15		3	P.Y.
3,35,000	94,534	7,53,389	29,921	A. V. George & Co., Ltd.	Nenmony Rubber	9	10	5	6¼			12	P.Y.
2,00,000	1,93,721	4,72,600	2,305	Associated Planters, Ltd.	Nilambur Rubber Co.	8½	10	6	10	10		12	P.Y.
19,45,980	48,35,083	28,14,428	1,78,110	Peirce, Leslie & Co., Ltd.	Ouchterlonies Valley Estates ..	3½	2	25	25	45		10	T.Y.
15,50,000	5,82,973	38,05,590	31,101	A. V. Thomas & Co., Ltd.	Rajagiri Rubber and Produce Co.	9½	10	9	12½	15		6	P.Y.
8,50,000	3,36,390	21,56,824	936	East India Agencies, Ltd.	Teekoy Rubbers (India) Ltd. ..	7½	10	—	7½	9		3	P.T.Y.
3,50,000	1,81,279	3,11,393	66,520	A. V. George & Co.	Thamarapally Rubber	12½	10	7½	6¼	13		12	P.Y.
2,05,100	4,20,985	5,12,969	87,480	Peirce, Leslie & Co., Ltd.	Thiruvithodi Rubber Co.	3½	1	17½	20	25		9	Y.
6,00,000	1,17,222	7,40,149	3,953	K. C. Cheriyan, Esq. (Secretary)	Travancore Rubbers	12	10	3½	10	20		12	Y.
41,00,000	14,90,372	67,61,827	3,25,086	Aspinwall & Co., (Travancore) Ltd.	Travancore Rubber and Tea Co., Ltd.	6⅜	10	2½	6	10		12	T.Y.
30,00,000	1,51,493††	18,47,082	1,275	P. T. Thomas, Esq.	Tropical Plantations Co.	19½N	25	10	—			12	Y.
3,20,000	51,096	3,18,571	7,609	A. V. George & Co.	Udayagiri Rubber	7½	10	5	5			12	P.Y.
6,28,580	2,18,338	6,99,135	28,140	Harrisons & Crossfield Ltd.	Valkundam Co.	15	10	10	12½	20		12	Y.
1,68,000	78,624	3,43,636	14,082	M. K. Thomas & Co.	Woodland Estates	7½	10	7½	6¼	—		3	Y.
					PRESSING								
8,00,000	18,78,066	19,01,857	2,322	Andrew Yule& Co.	Calcutta Hydraulic Press	80	100	3	3	3		3	Y.
4,10,000	5,58,036	6,89,525	1,116	Pyne and Sons.	Camperdown Pressing	90N	100	4	6	7		7	Y.
8,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Central Hydraulic Press	95xd	100	3	5	5		6	Y.
					PROPERTY AND LAND								
50,00,000	34,67,735††	83,61,045**	—	David Sassoon & Co., Ltd.	Port Canning Land	21xd	100	2	1½	1		4	Y.
94,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co.	Midnapore Zemindary	42	100	—	—	2		4	P.Y.
					SAW MILLS AND TIMBER								
13,99,998	29,73,877	10,38,508	60,887	Bird & Co.	Assam Saw Mills and Timber	6⅜	2	16½	16⅜	16½		9	Y.
50,00,000													
42,00,000	4,89,22,437	2,47,99,361	1 57,498	Wallace & Co.	Bombay-Burmah Trading	368	125	12	30	18		8	Y.
						139	30	12	30	18		8	Y.
6,00,000	7,04,037‡	7,80,451	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	55N	100	5	5			6	P.Y.
19,00,000	25,94,349	15,51,606	73,653	G. Arbuthnot & Co.	Indian Wood Products	49	10	25	25	35		9	Y.
					SUGAR (U. P. and Bihar)								
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co.	Balrampur Sugar	5⅜	5	—	—	20	—	6	Y.
12,00,000	28,96,740††	15,70,684**	2,81,000	Narang Bros.	Basti Sugar	120xdN	100	6½	—	10		4	Y.
19,49,050	20,10,694	26,89,188	2,24,418	Bangur Bros. Ltd.	Belsund Sugar	6½	7½	—	—	8½		6	Y.
8,00,000	21,11,580	15,38,162	40,743	Cotton Agents Ltd.	Bharat Sugar	12xdN	10	10	15	15		6	Y.
12,00,000	99,90,130	1,26,88,817	—5,15,881	Gladstone Lyall & Co., Ltd	Carew & Co.	5½	10	5	—	—		6	P.T.Y.
15,00,000	1,30,69,391	96,28,512	31,891	Begg Sutherland & Co.	Cawnpore Sugar	244xd	10	15	20	30	20	10	P.Y.
18,00,000	78,43,538	40,37,156	17,488	Begg Sutherland & Co.	Champaran Sugar	171xd	10	15	15	20		9	Y.
40,00,000	87,00,000	56,47,253	3,615	Bachhraj & Co.	Hindustan Sugar Mills	120N	100	10	5½	6		6	P.Y.
8,00,000						70N	80						
6,00,000	41,78,374	68,10,159	—4,15,271	Kilachand Devchand & Co.	Kasar Sugar	30N	40	—	—	3	4	7	P.Y.
11,00,000	27,48,180	36,39,370	3,895	Karam Chand Thapar & Bros., Ltd	New Savan	5½	10	5	6¼	5		5	Y.
						160N	100						
13,39,375	58,13,266	53,06,760	8,33,015	Cotton Agents, Ltd.	New Swadeshi Sugar Mills	30N	25	15	20			6	Y.
						95N	100						
77,45,350	1 08,98,159	1,56,10,992	1,981	Cotton Agents, Ltd.	Oudh Sugar Mills	20N	25	2½	3½			7	P.Y.
						15N	12½						
12,00,000	29,31,078	26,43,844	71,500	Narang Bros.	Punjab Sugar Mills	100N	100	—	6			10	Y.
9,00,000	42,50,733	33,72,806	19,435	Begg Sutherland & Co.	Purtabpore Company	151xd	10	15	20	20	10	10	P.Y.
8,00,000	26,05,463	24,18,182	15,410	Begg Sutherland & Co.	Ryam Sugar	24½	10	15	25	20		6	P.Y.
11,99,000	38,06,835	36,11,360	23,281	Begg Sutherland & Co.	Ramasitpur Central Sugar	11½	10	10	20	20		6	P.Y.
20,00,000	57,29,582	93,96,808	27,889	Sahu Jain Ltd.	Rhose Krishna Gyanoday Sugar ..	10½	10	—	3½	10		7	P.T.Y.
9,99,953	11,66,782	21,41,729	10,162	H. K. Ghose, Esq & R. N. Datta.	Ritalpore Sugar	5⅜	10	—	—	5		6	Y.
6,50,0000						25N	10						
1,75,000D	11,94,395	27,92,174	14,73,656	N. K. Jain & Co., Ltd.	South Behar[Sugar]	1N	2½	—	—	—		10	Y.
8,00,000	54,46,474	70,75,580	57,216	Cotton Agents, Ltd.	Upper Ganges	20N	30	17½	20	20		6	Y.
					(Indian States and Other Centres)								
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Belapur Co.	224	50	16½	25	28	32	9	Y.
19,93,908	18,53,327	27,63,451	21,012	J.P.Srivastava & Sons(Madhya Bharat) Ltd.	Gwalior Sugar Co., Ltd.	40xd	100	—	5	3		6	P.Y.
13,00,000	38,42,751	22,63,689	2,71,331	India Sugar Agencies Ltd.	India Sugar & Refineries	17½	10	12½	15	25		9	Y.
33,57,350	46,47,856	38,47,284	4,64,518	Govan Bros. (Rampur), Ltd.	Buland Sugar	10½	10	7	7½	10		5	Y.
1,81,00,000	98,10,952	1,59,79,833	1,94,491	Premier Construction Co., Ltd. ..	Walchandnagar Industries	156½	100	17½	12	14		9	P.T.Y.
81,79,240	1,49,74,559	97,24,107	8,27,296	M. Muthiahayya, Esq.	Mysore Sugar	43	10	20‡	20	20		9	Y.
50,00,000	96,62,468	1,03,94,086	3,18,594	Maffatlal, Apte & Kantilal, Ltd.	Phalsan Sugar Works	90	50	14	16	16	16	9	Y.
16,59,820	22,08,763	43,79,429	73,041	Anderson Wright Ltd.	Ramnugger Cane & Sugar	15	10	15	6	7½		8	P.Y.
20,00,000	54,70,898	72,10,442	1,80,913	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	80N	50	7	14	18		9	P.T.Y.
19,99,580	50,82,224	42,94,120	6,05,982	Govan Bros. (Rampur), Ltd.	Rana	11C.R.	10	6	10	12½		5	Y.
29,94,944	23,77,076	60,43,892	45,076	Parry & Co., Ltd	Travancore Sugars	4⅜	10	—	—	—		7	Y.
					UNCLASSIFIED (Bombay)								
1,50,00,000	1,14,37,216	46,81,706	—4,88,411	Tata Industries Ltd.	Air-India Ltd.	84	100	—	—	—		12	Y.
2,40,000	4,90,364	5,64,538	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	705	500	15	15	15	17½	9	Y.
59,89,550	2,64,61,962	3,70,82,713	53,607	Scindia Steam Navigation Co., Ltd.	Bombay Steam Navigation Co., Ltd.	32½	25	—	—	—		6	P.Y.
13 98,860	1,28,267	2,19,255	32,663	Parakh Agencies Ltd.	Bombay Uganda	56N	50	5	5	5		18	Y.
40,00,000	43,07,108	1,24,608	59,679	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	375N	100	3-3/4	13½	13½		12	Y.
25,00,000	1,50,000	24,37,096(k)	12,787	Duns Sons Ltd.	Davkaran Nanji Investment Co, ..	9	25	3	3	3			
14,98,360	17,39,540	10,69,107	3,425	F. H. Mehta	Batrela Batteries	30½N	50	6	6	5		3	P.Y.
99,99,258	17,07,072	1,25,54,783(k)	1,66,116	Premchand Roychand & Sons	Industrial Investment Trust	71	100	3	6	4½		12	Y.
84,98,865	15,91,304	12,58,924	2,833	K. G. Milne, Esq.	Killick Industries	143xd	100	5	8½	10		6	Y.
2,06,71,500A						46½	100						
10,00,000 B	65,85,935	2,20,52,503	4,52,797	Aero-Auto Ltd.	Premier Automobiles Ltd.	10	—	—	—	—		7	Y.
4,39,62,018	9,89,24,387	12,98,97,421	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co., Ltd.	14–13½cd	25	—	—	3½		6	Y.
1,50,000	3,71,877	2,21,390	3,145	R. B. Bandekar	Thacker & Co	30N	50	10	10	10		3	Y.
10,21,300	16,42,904	14,61,299	55,330	Sir Joseph Kay, K.B.E.	United Motors (India)	34	20	7½	10	15		12	Y.
2,20,00,000	2,06,24,172	2,01,34,774	2,84,210	T. H. Rydin Esq.	Western India Match Co.	221½	100	11•	11•	11•		12	Y.
					Other Centres								
47,50,000	4,90,364	5,64,538	702	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	3½	10	—	—	—		3	P.T.Y.
2,50,000D						18⅜	10	10	17½•	25•	12½	8	Y.
30,00,000	53,38,668	31,59,164	5,24,909	Turner Morrison & Co., Ltd.	Angelo Brothers Ltd.	20	10	12½•	12½•	12½•		12	Y.
20,00,000	23,25,002	22,18,452	1,00,602	T. H. Rydin Esq.	Assam Match	5	10	5	5	5		3	P.T.Y.
20,00,000	30,63,088	92,32,652	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	30‡	100	7½	8	8			
30,00,700							6000	20•	20•	25•		12	Y.
60,00,000	15,57,826	45,95,360	5,19,159	O. T. Jenkins, Esq.	Balmer Lawrie & Co.	—	10	15	15	20			
1,00,00,000	1,00,01,435	2,26,31,139	1,16,835	Dinshaw Ltd.	Bharat Line	85½	100	3	3	4		12	Y.
30,64,680	30,81,965	83,30,736	1,82,277	A. F. Chanda Esq.	Brisannia Biscuit	17	10	12½	12½	7½–I		3	P.Y.
3,25,00,000	3,93,27,829	2,23,59,029	4,13,662	Sir Robert Menzies, Kt., O.B.E.	British India Corporation	11½	10	25	25	15		12	P.Y.
1,60,00,000	3,13,52,458	3,57,89,351	6,77,697	Cecil Stack, Esq.	Dunlop Rubber Co. (India)	29	10	20	15–I	15		12	P.T.Y.
31,50,000	45,06,867		2,43,195	Bird & Co., Ltd.	Dunsan Investments	137	100	9	9	9		12	P.Y.
7,00,000	29,85,852	24,09,208	17,900	Mansell & Barry Ltd.	Ganges Rope	184X.R.	100	20	22½	15f	3.9	H.	
65,00,000	34,13,857	15,62,902	2,07,524	A. J. Elkins, Esq.	Gillanders Arbuthnot & Co., Ltd.	130xd	100	7½	10	10	3	P.Y.	
30,00,000	37,25,640	60,01,406	6,213	B. P. R. Syndicate	Great Eastern Hotel Co.	245	100	5	6	6	3	T.Y.	
13,42,800	36,42,009	54,49,206	12,214	Birla Brothers, Ltd.	Hind Cycles	4	10	—	—	—	3	P.Y.	
4,96,12,650	59,45,519	2,61,59,292	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	10½	10	—	—	6	3	Y.	
10,00,780	22,78,499	40,09,525	—	H. B. Marshall Esq.	Humayun Properties	112	100	—	3½	5	9	P.T.Y.	
(48,00,000	1,33,45,017	2,82,89,199	—	J. W. E. Johnson, Esq.	Indian Aluminium Co.	19½	10	22	10•	10•	9	P.Y.	
(1,52,89,220	1,31,92,732	57,92,390	9,29,554	D. J. McIntosh, Esq.	Indian Cables	3⅜	10	—	—	—	3	P.Y.	
83,75,000 G						32	10	—	—	—	12	P.Y.	
5,00,000 P	51,91,428	75,82,228	—15,72,246	Govan Bros., Ltd.	Indian National Airways	3	1	—	—	—			
1,25,000D						14½	10	10	—	10		3	P.Y.
8,27,976	12,79,385	14,27,450	39,038	George Spencer Moulton & Co. (India).	Indian Rubber Manufacturers	6½xd	10	—	—	5		3	P.T.Y.
2,25,00,000	1,60,38,685	3,87,93,801	2,26,066	Lione) Edwards Ltd.	India Steamship Co., Ltd.	3½	2	21½	21½	21½		9	Y.
2,40,000	4,33,028	67,247	36,496	G. V. Swaiks, Esq.	Ivan Jones	12½	100	10	10	10		3	Y.
8,00,00,000	53,39,843	27,16,440	8,36,448	J. D. K. Brown, Esq.	Jardine Henderson	24	5	—	—	—		12	P.Y.
6,34,000	9,69,698	6,65,110	—54,713	James & Co., Ltd.	Macfarlane & Co.	143xd	O. 100	10	12½	12½		12	P.Y.
40,00,0000						—	D. 10	5	7½	7½		12	P.Y.
5,00,0000 D	63,35,248	23,69,220	85,717	A. T. Doig, Esq.	McLeod & Co.	5	10	—	—	—		12	P.Y.
6,35,190	4,10,533	7,47,410	10,548	Ogale Glass Works Ltd.	Mysore Glass & Enamel Works ..	18½	10	10	20	20		12	Y.
3,75,000	7,74,553	8,79,856	3,666	R. Bharanjah, Esq.	Mysore Lamp Works	9½	10	—	—	10		3	P.Y.
10,00,000	3,95,997	11,45,855	1,11,329	V. S. Arunachalam, Esq.	Mysore Tobacco	12	10	5	5	7½		3	P.T.Y.
20,00,000	51,92,159	50,16,078	11,045	Associated Ind. Development Co., Ltd.	National Insulated Cable Co., of India Ltd.	10½	10	—	2½	5		12	P.Y.
79,97,000	65,83,352	1,04,50,524	8,86,347	B. N. Elias & Co.	National Tobacco Co.	3	5	—	—	—		12	P.Y.
14,83,287	5,14,310††	17,19,230**	3,326	S. P. Ogale & Sons	Ogale Glass Works	6⅜	2	62½	—	80–I	32½	9	Y.
40,00,000	36,04,523	60,88,006	1,94,446	Parry's Holdings Ltd.	Parry & Co.	100	8	—	—	8½	9	8	P.T.W.
2,25,00,000	62,51,619	1,69,49,507	24,847	G. U. Euthymopulo, Esq.	Rallis India Ltd.	8½	10	—	—	—	7½	8	P.Y.
1,14,00,000	2,29,15,252	3,78,03,905	33,67,942	Sahu Jain Ltd.	Reliance Industries	15½	10	10	10	10		6	P.T.Y.
40,00,000	1,53,82,620	1,19,47,722	5,61,623	C. W. Stephenson, Esq.	Spencer & Co.	12½	10	10	10	10		6	P.Y.
75,00,000	22,00,000	1,75,74,498	2,62,136	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	38	10	4	—	—		12	P.Y.
9,92,190	2,77,075	8,99,929	2,289	Ogale Bros., Ltd.	Travancore Ogale Glass							12	Y.

†† Does not include depreciation.
‡ Only Depreciation.
* Includes Bonus.
—Nil Dividend.
K—Investments.
** Net Block.
† Less income-tax.
C.D.—Cum Dividend.
X.R.—Ex-Right.
On Increased Capital.
(c) For six months ended June, 1949.
(d) For nine months ended March, 1950.

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1948	1949	1950	1951	Accounts Closed	Reference
						ASSAM								
				McLeod & Co., Ltd.	825	Amluckie	450N	100	9	20	25	—	13	P.Y.
4,45,700	8,88,467	8,88,306	—	Gillanders Arbuthnot & Co., Ltd.	400½	Anandabag	23½	10	16	25	40	30	13	Y.
3,50,00,000	7,49,032	7,49,032	—89,152	McLeod & Co., Ltd.	573	Baghmari	8½	10	12½	12½	17½	—	13	Y.
5,50,000	10,64,192	12,05,396	44,989	Andrew Yule & Co., Ltd.	560	Baimatta	22½	10	18¾	30	30	25	13	Y.
3,40,000	9,12,881	7,05,721	71,941	Williamson Magor & Co.	556	Bateli	9	5	25	25	30	10	13	T.Y.
3,40,000	7,24,887	8,38,278	54,942	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	22	10	25	20	35	15	13	Y.
3,20,000	6,19,032	6,72,731	2,08,010	Williamson Magor & Co.	4,004	Bishnauth	24	10	30	35	50	5	13	T.Y.
16,50,000	35,99,417	44,86,333	—1,90,802	Octavius Steel & Co., Ltd. ..	493	Bokakhat	4½	10	10	5	5	—	13	Y.
6,00,000	4,80,346	9,78,429	22,297	McLeod & Co., Ltd.	450	Borrnah Jan Tea Co., Ltd.	10½	10	15	15	15	15	12	P.Y.
7,50,000	5,06,959	7,64,836	87,990	Brooke Bond India Ltd.	2,670	Brooke Bond	11xd	10	7½	10	10	10	6	P.Y.
35,00,000	22,18,001	70,96,925	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	8	10	6¼	15	—	—	13	Y.
1,20,000	3,06,715	3,66,030	Jardine Henderson Ltd.	1,341	Dessai & Parbattia	175	100	5	15	30	22½	13	Y.
6,00,000	22,17,578	24,24,101	54,401	James Warren Ltd.	426	Dhelaikhat	8½	10	10	16	12	12	13	Y.
17,53,440	7,15,393	13,71,610	25,794	James Finlay & Co., Ltd.	613. 37	Dhunseri	9½	10	6¼	10	20	10	13	T.Y.
4,60,970	8,90,863	9,86,816	14,389	McLeod & Co., Ltd.	458	Dibrugarh Co., Ltd.	7½	10	7½	—	10	5	12	Y.
4,50,000	6,57,785	9,86,816	35,408	Williamson Magor & Co., Ltd.	611	Dimakus	24	10	40	40	45	15	13	P.Y.
2,36,700	6,72,511	7,95,511	1,01,960	Williamson Magor & Co., Ltd.	669	Duffla hur	28½	10	25	35	40	—	13	Y.
5,60,500	12,72,787	15,08,787	45,079	Williamson Magor & Co.	1,157	East India Tea	16½	10	15	20	22½	22½	13	Y.
10,00,000

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Number of Looms	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
60,00,000	90,11,129	94,76,923	3,11,246	879	B. N. Elias & Co., Ltd.	Agarpara	19½	10	10	15	20		3·9	P.T.H.
12,00,000	52,96,368	45,00,787	89,936	498	Sahu Jain Ltd.	Albion	200	100	—	14	30		5·11	P.H.
6,00,000	30,55,572	47,33,264	—3,29,636	446	McLeod & Co., Ltd.	Alexandra	200	100	—	5	5	—f	6·12	T.P.H.
30,00,000	85,82,864	1,17,03,966	—13,63,074	1,264	McLeod & Co., Ltd.	Alliance	150	100	—	2½	—	—f	6·12	P.H.
49,20,700	2,31,84,144	2,24,03,099	1,44,601	2,561	Andrew Yule & Co., Ltd.	Anglo-India	228	100	—	20	20	10f	3·9	P.H.
40,00,000	1,18,83,050	1,31,13,667	71,715	810	Andrew Yule & Co., Ltd.	Auckland	133½	100	—	20	20	10f	3·9	P.H.
20,00,000	92,46,901	97,14,511	55,967	959	Bird & Co., Ltd.	Bally	150	100	1½	10	10	4f	3·9	P.T.H.
£75,000	£1,680,379	£1,328,460	£91,091	1,890	Jardine Henderson & Co.	Barnagore	100	7	12	1	—	—f	3·9	P.H.
28,00,000	82,01,627	87,37,598	3,65,214	820	Jardine Henderson & Co.	Belvedere	165	£5	20	20	20		3	P.H.
45,00,000	78,51,405	51,03,385	4,07,701	600	Andrew Yule & Co.	Bengal	214	100	13	17	27½		3·9	P.Y.
30,42,000	3,71,54,151	3,06,60,933	1,38,294	1,373	Soorajmull Nagarmull	Birla	16	10	13½	15	30		6·12	P.H.
36,00,000	98,17,668	1,07,34,059	9,583	991	Birla Bros.	Budge-Budge	35½	10	25	30	30		6	T.P.Y.
7,47,380	26,23,266	38,35,679	6,895	502	Andrew Yule & Co., Ltd.	Calcutta Jute Manufacturing	188	100	7	13	22		3	P.Y.
18,00,000	65,04,289	75,27,138	2,646	616	Dayaram & Sons	Caledonian	20½xd	10	—	—	—		4·10	H.
99,16,400	2,11,26,602	1,62,21,807	1,35,299	1,400	Andrew Yule & Co.	Champdany	176	100	5	14	22	6f	6·12	T.P.H.
15,95,000	79,98,514	78,92,619	19,870	530	James Finlay & Co., Ltd.	Cheviot	165½	100	3	10	14	8f	5·11	P.H.
10,05,000	83,89,114	55,21,773	60,392	500	Andrew Yule & Co., Ltd.	Chitavalsah	205	100	13½	16	22	6f	3·9	P.H.
16,00,000	80,24,460	77,89,914	1,01,979	969	McLeod & Co.	Clive	27	10	12½	15	60	25f	5·11	T.P.H.
					Shree Krishna Investment Co., Ltd.		25½	10	12½	35	20		6·12	P.H.
31,49,200	1,21,56,497	1,16,59,962	21,356	766	Bird & Co., Ltd.	Dalhousie	152	100	1	11	12	1f	3	P.H.
28,00,000	86,35,708	73,68,012	21,890	779	Andrew Yule & Co.	Delta	230	100	11	17½	32½		3·9	P.H.
15,00,000	83,75,460	74,82,092	45,656	500	McLeod & Co.	Empire	201	100	10	20	22	5f	3·11	P.H.
21,00,000	2,47,13,040	2,58,81,253	25,700	1,884	Kettlewell Bullen & Co.	Fort Gloster	207	100	24	32½	22½		6·12	T.P.H.
14,00,000	48,25,115	69,94,729	—8,32,397	1,014	G. C. Bangur, Esq.	Fort William	305N	100	—	10	—		6·12	P.H.
84,32,100	1,42,71,745	2,06,96,669	42,572	1,709	Macneill & Barry Ltd.	Ganges	70xd	100	—	—	—		3·9	P.H.
10,80,000	71,71,252	67,89,135	25,156	607	G. Arbuthnot & Co.	Gondalpara	875	100	—	6½	2½		3·9	P.H.
24,00,000	2,02,41,185	2,18,72,990	89,216	1,394	Macneill & Barry Ltd.	Gouripore	260xd	100	2½	25	11½		3·9	T.P.H.
40,00,000	81,93,062	81,94,127	3,06,824	1,078	Bangur Bros. Ltd.	Hastings	233N	100	10	7	10		3	P.H.
16,80,000	58,02,116	64,29,355	64,417	720	G. Arbuthnot & Co.	Hooghly	32	10	10	30	15		3	P.Y.
65,62,500	1,56,21,463	1,39,80,625	1,71,001	1,948	Jardine Henderson Ltd.	Howrah	24	10	7½	17½	18§	8§f	3	P.Y.
30,00,000	1,74,30,109	2,25,00,109	3,91,968	2,272	Ramdutt Ramkissendas	Hukumchand	38	10	7½	16½	16§		3·9	P.H.
30,000	87,45,632	1,10,99,740	1,43,281	1,076	Mackinnon Mackenzie & Co.	India	129½	{O. 125 / D. 5	5½	10	33	3	3·9	P.H.
43,20,000	1,35,11,140	1,36,47,095	67,132	1,797	Jardine Henderson Ltd.	Kamarhatty	211	100	—	5½	33		3·9	P.H.
34,00,000	1,13,89,109	91,56,930	1,07,129	1,527	Jardine Henderson Ltd.	Kankarrah	133	100	—	8½	22½	8§f	6·12	P.H.
21,00,000	1,13,89,109	91,65,930	1,07,129	703	McLeod & Co.	Kelvin	215	100	—	—	12½	6f	6·12	P.H.
34,00,000	1,18,86,997	1,59,17,038	2,06,473	1,530	Anderson Wright Ltd.	Khardah	165	100	10	20	25	7½f	6·12	P.H.
48,00,000	1,54,15,089	2,09,37,751	1,16,651	1,250	F. W. Heilgers & Co.	Kinnison	206xd	100	—	25	16		3·9	P.H.
24,48,000	1,24,25,159	1,33,71,480	40,487	931	Bird & Co., Ltd.	Lansdowne	146	100	2½	14	19	7f	3·9	P.T.H.
28,00,000	1,19,87,748	1,13,75,507	6,954	840	Bird & Co., Ltd.	Lawrence	180	100	2	21	15	3f	3·9	T.P.H.
10,00,000	66,00,427	90,18,904	57,142	558	Andrew Yule & Co.	Lothian	230	100	6	21½	22	4f	3·9	P.H.
81,65,200	1,35,61,586	1,95,64,756	1,02,068	1,008	Mackinnon Mackenzie & Co.	Megna	103	100	—	15	32½	15f	5·11	P.H.
29,98,900	1,29,56,303	1,55,05,495	—2,80,351	815	F. W. Heilgers & Co.	Naihati	128	100	—	15	12	—f	3·9	H.
12,00,000	29,95,424	24,75,180	52,447	425	Howrah Trading Co., Ltd.	Naskarpara	10	10	11½	13½	15f		4·10	P.T.H.
35,00,000	50,36,405	27,42,753	5,264	852	Andrew Yule & Co.	National	25½	10	11½	15	25		4·10	T.P.H.
7,50,000	52,11,917	24,37,663	21,345	316	McLeod & Co.	Nellimarla Jute	30½xd	10	25	30	75	20	6·12	P.H.
10,50,000	58,04,933	45,71,347	1,16,973	709	Sahu Jain Ltd.	New Central	220	100	6	14	20		6·12	T.P.H.
16,79,880	90,35,938	1,18,43,622	46,833	597	Bird & Co., Ltd.	Northbrook	203	10	—	—	10f		6·12	P.H.
66,79,300	1,73,80,223	2,06,56,876	72 170	1,092	Macneill & Barry Ltd.	Noddea	51	50	—	5½	4½		3·9	P.H.
24,91,000	71,47,003	68,55,552	3,591	601	Andrew Yule & Co., Ltd.	Orient	181	100	9	14	18		3·9	T.H.
													5·11	H.
25,00,000	63,83,642	80,79,256	—4,76,887	400	McLeod & Co.	Presidency	4½	5	—	—	2½	—f	6·12	T.H.
20,00,000	7,67,443‡	26,15,293	—3,29,549	305	Macneill & Co.	Rameshwara	5½	10	—	1½	—		3·9	H.P.
49,50,000	55,07,240	1,23,45,796	58,685	1,276	Jardine Henderson Ltd.	Reliance	11¾	10	—	—	—		3·9	P.H.
£6,00,000	£9,99,994	£11,96,402	£76,498	2,013	Thomas Duff & Co. (India) Ltd. ..	Samnuggur	1½	sh 1	10‡‡	10	—		12	P.Y.
90,00,000	68,57,466	95,49,412	87,40,952	911	Bagaria More Co., Ltd.	Shree Ambica (Adamjee)	17xd	10	—	15	10f		3·9	P.H.
7,00,000	45,17,785	48,14,456	2,73,383	401	Hindustan Investment Copn.	Soorah	19N	10	—	10	—		12	P.Y.
25,19,600	1,06 20,961	93,73,041	12,665	650	Bird & Co., Ltd.	Standard	145	100	4	15	16		3·9	P.H.
£6,00,000	£8,36,984	£9,78,287	£1,29,393	1,794	Thomas Duff & Co. (India) Ltd. ..	Titaghur	6‡‡	sh 1½	10‡‡	11	10		12	Y.H.
35,98,600	1,80,41,145	1,73,93,324	15,098	1,326	Bird & Co., Ltd.	Union	2	100	19½	21	10	1f	3·9	P.T.H.
£4,00,000	£6,15,795	£10,47,385	£1,00,239	1,331	Thomas Duff & Co. (India) Ltd. ..	Victoria	6‡‡	sh 1½	10‡‡	10	—		12	Y.H.
2,50,000	32,89,383	55,48,403	—47,909	465	McLeod & Co.	Waverley	6	1	—	5	5	—f	6·12	P.T.H.

(f) For ten months ended 31st December, 1951. ‡‡ Subject to foreign income-tax. ‡ Only Depreciation. * Includes bonus.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
25,50,000	58,63,382	61,83,382	33,891	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	20§	10	17½	20	13§		3·9	H.
12,00,000	41,76,885	30,98,981	57,055	Jardine, H. & Co., Ltd.	Bararee Coke	17	10	14§	13§	14§		3·9	H.
1,00,00,000	4,16,30,103	4,91,93,899	7,25,389	Andrew Yule & Co., Ltd.	Bengal	521	200	33½	17½	18§*		6·12	P.H.
4,49,350	5,82,303	8,49,159	3,152	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	21N	10	2½	2½	2½	1§f	6·12	H.
2,25,000	27,12,507	25,84,461	4,280	Andrew Yule & Co., Ltd.	Bengal-Nagpur	18½xd	10	22½	16½	10	3§f	6·12	P.H.
15,97,000	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	3§	10	—	2½	1½		9	Y.
7,15,000	30,04,831	30,17,715	3,437	F. W. Heilgers & Co., Ltd.	Bhulanbarasee	12½xd	10	—	6½	6½	2§f	6·12	H.
16,00,000	53,46,046	67,83,723	—1,37,184	Anderson Wright (Ramgarh), Ltd. ..	Bokaro-Ramgur	7	10	5	—	—f		6·12	T.H.
7,50,000	42,42,776	40,82,736	1,07,078	F. W. Heilgers & Co., Ltd.	Borrea	28½xd	10	20	30	30*	15f*	6·12	P.H.
90,92,480	3,23,04,936	3,94,33,208	1,54,703	Bird & Co., Ltd.	Burrakur	10§	10	10§	7½	7½	3§f	6·12	P.T.H.
8,00,000	44,73,086	48,99,835	6,972	Anderson Wright & Co.	Central Kurkend	18½	10	17½	12½	—		6·12	P.H.
6,00,000	1,40,000	7,50,000k	28,918	F. W. Heilgers & Co., Ltd.	Churulia	6½	4	6½	4§	1§	1f	6·12	P.H.
16,00,000	30,19,961	43,00,861	11,699	Macneill & Barry Ltd.	Dhemo Main	10½	10	10§	10	12½		6·12	H.
£120,000	£1,084,338	£872,414	£78,839	Jardine Henderson Ltd.	East Indian	22§	£1	13½	37½	37½		4	Y.
29,63,760	3,07,47,993	2,96,10,834	1,90,766	Macneill & Barry Ltd.	Equitable	39§	10	25	25	25		6·12	H.
10,00,000	4,83,963	8,41,725	66,865	Bhatter's Agency Ltd.	Ghusick and Mullia	17§	3	20	5	—		3	Y.
8,00,000	21,14,376	21,31,521	15,633	Macneill & Barry Ltd.	Hurriladih	12½	10	14§	15	15		6·12	H.
3,30,000	11,63,346	12,53,839	40,107	Andrew Yule & Co., Ltd.	Kalapahari	26§	10	35	35*	35*	17½f	2·8	H.
20,00,000	68,340‡	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	90	100	—	—	—		2	Y.
5,00,000	42,58,631	42,08,253	1,46,012	Andrew Yule & Co., Ltd.	Katras Jherriah	40§xd	10	27½	35	37½	20f	1·7	H
1,38,400	5,20,519	11,63,519	1,063	Beriwala Bros.	Khas Kajora	2xN	10	11§	10	5f		6·12	P.H
11,00,240	10,19,288	15,64,007	5,201	H. V. Low & Co., Ltd.	Kuardi	6§N	10	3§	3§			6	Y.
9,00,000	32,02,177	27,71,130	510	H. V. Low & Co., Ltd.	Lakurka	12§N	10	10	10			4	Y.
5,65,750	12,37,077	11,41,687	2,691	Beriwala & Co.	Mandulpoor	3	3	5	7½			6·12	M.
7,48,240	10,34,138	11,24,142	14,690	Associated Commercial Co., Ltd. ..	Nazira	6§	10	5	5	5f		6·12	H.
7,00,000	3,77,590	9,33,321	4,597	Amritlal Ojha & Co., Ltd.	New Bansdeopur	5N	10	6§	7½	6§		3·9	H.
17,76,230	89,43,381	1,14,69,344	39,912	Andrew Yule & Co., Ltd.	New Beerbhoom	21§	10	3	6	—		4·10	H.
6,00,000	24,61,802	30,92,604	—2,10,056	Octavius Steel & Co. Ltd.	New Manbhoom	10§	10	12½	7½	—		3·9	P.H.
2,50,000	6,84,984	5,45 859	1,387	Jatia Bros. Ltd.	North Damuda	4N	2½					3·9	H.
1,15,000	10,81,297	12,56,672	12,237	Andrew Yule & Co., Ltd.	North West	15§xdN	10	16½	13½	5	2§f	3·9	H.
1,37,500						11§xdN	7½						
7,50,000	12,54,532	3,97,666	1,23,852	F. W. Heilgers & Co., Ltd.	Ondal	20xdN	10	12§	25	22½*	10f	6·12	P.H.
10,00,000	14,15,045	32,73,178	46,739	K. C. Thapar Bros. Ltd.	Oriental Coal	14	10	10	10	10		12	T.Y.
8,34,000	5,98,486	16,29,203	70,539	Deepchand Kabenlall	Parasea	3§	10	—	—	—f		6·12	H.
15,75,000	34,87,649	39,37,649	31,995	Shaw Wallace & Co., Ltd.	Pench Valley	21§	10	16§	12½	10	6§f	2·8	H.
23,99,500	88,51,195	1,02,79,253	—8,92,750	B. N. Elias & Co., Ltd.	Raneegunge	9§	10	—	—	—		6·12	H.
13,50,000	28,66,087	29,99,087	35,349	Shaw Wallace & Co., Ltd.	Rewa	16§	10	8§	12½	10	7½f	6·12	H.
20,00,000	15,10,118	28,07,516	165	Jaipuria Sons Ltd.	Samla Collieries	6½	10	—	5	14f		6·12	H.
1,25,000	12,44,124	13,05,188	18,451	Gillanders Arbuthnot & Co., Ltd. ..	Searsole	10§N	2½	20	20	20		1	T.
2,80,000	18,31,795	27,82,403	26,724	Andrew Yule & Co., Ltd.	Seebpore	26	7	35-5/7	32-1/7	28-4/7		6·12	P.H.
8,00,000	34,57,222	36,96,604	10,379	F. W. Heilgers & Co., Ltd.	Sendra	13	10	5	5	5§	—f	6·12	M.
63,21,450	2,13,85,164	3,04,98,616	23,658	Industrial Trust Fund	Singareni	6§	10	4§	5	5		12	T.Y.
17,50,000	23,75,231	34,39,256	93,675	Bird & Co., Ltd.	South Karanpura	13§	10	18§	10	7½		2·8	H
8,00,000	35,43,816	39,93,119	74,094	F. W. Heilgers & Co., Ltd.	Standard	15	10	16§	15	10	5f	6·12	H
10,00,000	15,41,499	29,34,045	—2,46 174	Villiers Ltd.	Talcher	3§	2½	—	—	—		6	Y
3,50,000	17,36,513	18,94,910	74,927	Williamson Magor & Co., Ltd. ..	Union	26	10	20	27½	27½	12§f	6·12	H.
7,00,000	26,05,667	33,34,989	32,735	Macneill & Barry Ltd.	West Jamuria	17§	10	15	15	15		6·12	H.

* The following explanatory notes relate to the abbreviations and marks shown on page 276 in the obentures section:—

N Option to repay on six months' notice, on any interest date after 31st December, 1951, at 102 per cent. Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 102 per cent.

(a) Option of repayment at any time at 3 per cent. premium.

(b) Bearer bonds of Rs. 1,000 each repayable at par.

Bearer bonds of Rs 1,000 each repayable on 31st July, 1959.

(d) Bearer bonds of Rs. 1,000 each with option of redemption in whole or in part at par on 30th June, 1952, or on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months notice in each case.

Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ½ per cent premium, after 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March, 1957

(h) Option of redemption on or after 1st July, 1949, at par.

(f) Option of repayment at any time at par at any time on or after 30th June 1947 on six months' notice.

MARKET GOSSIP

(Concluded from page 231)

specific proposals in this connection. One was the permission given to the World Bank to lend to sterling area countries over a period of 6 years £60 million from the sterling portion of the U.K.'s subscription to the Bank's capital. Although this capital belongs to the Bank, under the Bank's charter, it cannot be used without the permission of the country concerned. So far, the U.K. has lent only £1.5 million in this way. The other proposal was to give requests for capital from Commonwealth countries for financing their development programmes equal priority with rearmament and exports. The only condition that he attached to this was that the capital required should be for purposes likely to improve the sterling area's balance of payments with the non-sterling world. The fact that Britain has now boldly come forward with these proposals, which are quite sound in principle, is an indication of its confidence that it can deliver the capital goods needed by countries, such as India with plans for economic development.

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Some unusually forthright remarks were made by Mr. Dharamsey M. Khatau on the question of "flag discrimination," in the course of his speech at the annual meeting of the Scindia Steam Navigation Co., Ltd., extracts from which are published elsewhere in this issue. A careful reading of his address will show that, if his remarks were strong, they were at least as just. He was referring to the criticism, often heard from certain Western countries, that the countries which do not find a place in the maritime map of the world, were practising "flag discrimination." Having developed their own maritime position by means both fair and not-so-fair, the leading maritime countries can now afford to preach the doctrine of laissez faire in shipping. The acceptance, rather the unqualified acceptance, of this doctrine in the sphere of shipping industry would put an end to all hopes of the less fortunate nations building up an adequate merchant marine. What renders the criticism so much more incongruous is the fact that these very nations, which now ask for laissez faire in shipping, were not averse to providing generous State assistance and aid when they had an infant shipping industry to foster.

* * * *

The countries referred to above are, of course, too careful to state their demand clearly. They use "flag discrimination" as a smoke-screen to cover their real intentions. Referring to this attitude, Mr. Khatau said: "Discreetly, there is no attempt to define this term. Were it defined, it would be clear that what is really sought is the perpetuation of a "free for all" in which the weak would struggle in vain with the most powerful and in which, therefore, the few, but financially mighty, would soon crush the many, but financially puny." For his part, Mr. Khatau defined the Indian shipping industry's stand in most unequivocal terms. In the first place, he agreed that there should be no discrimination in coastal trade. Secondly, nothing should be deemed "flag discrimination" which is for the legitimate encouragement and development of, or assistance to, national shipping in countries the merchant marine of which is backward and undeveloped in relation to the volume of their coastal and foreign trade, or which is necessary for purposes of defence, or for safeguarding the national economy, including, in particular, the integrity of national currency by way of redressing an unfavourable balance of external payments. Thirdly, he urged that retaliatory discriminatory action should be permissible, since retaliation becomes necessary either through the action of other countries or through the discriminatory action of powerfully organised foreign trading interests who may favour their national shipping under the ostensible cloak of customer preference. If India's aspirations in the sphere of shipping can be regarded as fair and reasonable, and we do not see how else it can be regarded, then the stand taken by Mr. Khatau is really unexceptionable. It is to be hoped that the industrially advanced Western countries will be convinced of the essential justice of India's claim for a decent share in the world maritime trade and that they will give up their obstructive tactics and help India to realise its legitimate aspirations.

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Interesting trends in the British coinage system in 1950 are revealed by the Report of the Royal Mint for the year. In that year, the Mint issued 369.9 million coins, as compared with 443.7 million in 1949. The Mint withdrew from circulation £11.5 million in silver coins made since 1920, and £46,279 worth of silver coins made before that year. The proportion of silver in Britain's coinage was first reduced as early as in 1920. An unprecedented rise in the price of silver in the early months of that year led the Government to pass an Act reducing the silver content of the coinage. Twenty-six years after, namely, in 1946, the issue of silver currency ceased. The need for repaying 88 million ounces of silver obtained from the U.S. under Lease-Lend during the war was partly responsible for the demonetisation of silver in that year.

* * * *

The place of silver currency was taken by coins made of cupro-nickel. Since 1946, the Mint has been experiencing great difficulty in obtaining sufficient nickel to meet even the 25 per cent. of that metal used in cupro-nickel coins, because of heavy world demand for it. This problem was solved by the Mint by buying 400 tons of unwanted cupro-nickel coins from various countries, the nickel content of which was the same as that used in the U.K. The big rise in metal prices came after the contracts were signed, and the Mint made considerably more than the 10 per cent. normally saved in cost by the use of second-hand metal. Estimated circulation of cupro-nickel coins rose from £65 million in 1938 to £145 million in 1948. Since then there has been a rise in the stocks of these with the banks; this indicates that the amount of coins in circulation is growing smaller.

* * * *

Another notable trend in the coinage system during the year under review was the surplus holdings of pennies with banks. The surplus was accounted for by the conversion of penny slot meters to shilling meters as well as by the fall in the purchasing power of money. Farthings were, on the contrary, in short supply. Although few people bothered about farthings, firms dealing in commodities priced in farthings continued to make fresh demands on the banks. This is considered to be hard on tax payers as the cost of making this coin of smallest denomination is more than a farthing. Many requests were received for the introduction of new kinds of coins, especially for 1½d. piece. The Report in this connection says: "Price fluctuations, however, are best met by a system which contains as few denominations as are consistent with a high degree of flexibility."

* * * *

The Mint also contributed to Britain's foreign exchange earnings during the year under review. Of the 369.9 million coins issued, as many as 214.6 million were of 51 denominations for 16 countries abroad. These coins included 1 millieme pieces for the Egyptian Government and £50,000 worth of cupro-nickel and bronze coins for Eire.

* * * *

The Mint's normal output of coins for a whole year is about 400 million pieces. The Report says that demand for existing coins would not diminish for many years and an additional burden would be thrown upon resources of labour and metal which are urgently required for other purposes.

SURVEY

(Concluded from page 235)

for agricultural extension work. The U.S. contributions will be supplemented by the Government of India's contributions, the amount actually earmarked for this purpose being Rs. 13 crores and Rs. 73,500, respectively.

The operational agreement on river valley projects is the supplement to the one signed on 14th June, 1952, under which some equipment for the Hirakud, Kakrapara, Mahi and Ghatprabha projects was agreed to be provided. The present agreement provides for technical assistance, equipment and supplies for the construction of dams, irrigation canals and power plants for the Hirakud, Tunga, Gangapur and Jawai projects, as well as for six river valley schemes in Saurashtra. With the completion of these projects, several thousands of acres of land, now lying uncultivated, will be brought under the plough and production of foodgrains and other agricultural crops will be stepped up.

Under the second operational agreement covering agricultural extension work, the printing and graphic materials required for the effective development work in the Community Project areas and for other agricultural extension work will be provided to village workers. Specialised equipment needed for the production, use and dissemination of such material is also to be provided. For this purpose, emphasis will be laid on producing simple pamphlets, folders, posters, flash-cards, flannel graphs and news-letters containing information regarding agricultural methods and techniques. The Indian Council of Agricultural Research will be responsible for the organisation and supervision. In order to ensure proper use of the equipments, a short training programme for operators will be organised, if found necessary.

Simultaneously with the above agreements, the Governments of India and the U.S. have signed a technical assistance agreement covering fertiliser production. Under this agreement, three Indian officials, assisted by a foreign specialist in fertiliser production, will be sent to Europe, the U.S. and Japan to study and observe the manufacturing processes of urea and ammonium nitrate, with a view to selecting the type of process and facilities suited to conditions in India. This project is in connection with the proposed expansion of the Sindri fertiliser plant. The U.S. Government will make available to India a sum not exceeding $10,000 for this purpose.

MARKET REPORTS

(Concluded from page 265)

directed all district officials to sell wheat from Government stocks at Rs. 22 a maund wherever market prices shoot beyond this. In towns where wheat is still available at Rs. 17-4 a maund from Government shops, despite the abolition of statutory rationing from 1st July, 1952, there is no special problem. But in a large number of small towns and other places having concentration of population, the problem has arisen, with wheat price shooting upto, and even beyond, Rs. 26 per maund.

Foodgrains prices in West U.P. mandies have remained more or less stationary. The present high wheat price level is ascribed to pre-harvest condition and to the fact that no purchases were permitted last year for trade stocks. Foodgrains purchases by the State Government were fairly heavy. With substantial fall in the demand for peas and arhar, their ready prices have fallen. The latest quotations are: Wheat: Rs. 23, gram: Rs. 19, barley: Rs. 16, bejhar: Rs. 15-8, rice bagmati: Rs. 35, hansraj: Rs. 31, sela: Rs. 29, coarse: Rs. 23, jowar: Rs. 12-12 to Rs. 13-12, gowar: Rs. 13, peas: Rs. 17-4 to Rs. 17-12, arhar: Rs. 17-4, urd: Rs. 22 and moong: Rs. 21.

SUGAR PRICES A SHADE EASY

(From Our Own Correspondent)

HAPUR, 8th February

Further release of controlled sugar for free sale with the imposition of ban on gur and sugar exports, have reacted bearishly on all the markets. Except for some markets in the South, where sugar stocks are still small, prices at other places have declined slightly.

The Central Food Ministry proposes to dissolve the Indian Sugarcane Committee in the near future. Plans for transferring the functions of the Sugarcane Committee to other Government departments have been finalised.

The latest quotations in the open markets are: Ambala: Rs. 30-4, Amritsar: Rs. 30-10, Delhi: Rs. 31-3, Jullundur: Rs. 29-10, Agra: Rs. 29-10, Hapur: Rs. 29-4, Kanpur: Rs. 28-8, Mathura: Rs. 29-15, Meerut: Rs. 29-10, Muzaffarnagar: Rs. 30, Patna: Rs. 30-12, Calcutta: Rs. 30-5, Cauhati: Rs. 36, Cocanada: Rs. 31, Madras: Rs. 34-6, Bombay: Rs. 32, Bhavnag

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
16,00,000 } 14,50,000 }	1,08,36,418	9,95,123	Allahabad Bank	{ 347½ 173	100 50 }	18‡	18‡	18‡	9‡	12	Y.P.
1,01,000 }	11,73,500	2,21,655	Andhra Bank	{ 105 52½	100 50 }	5	6	6	3‡	6.12	H.
23,99,960 } 1,00,00,000	1,28,00,000	2,14,790	Bank of Baroda	114	50	12‡	12‡	12‡	5‡	12	Y.
50,00,000	10,00,000	7,107	Bank of Bikaner	20	25	..	3	3	..	12	Y.
2,48,86,250	3,49,76,065	5,60,616	Bank of India	154	50	14	14	14	6‡	6.12	R.L.Y.
15,30,375	23,00,000	62,955	Bank of Indore	55	25	12‡	12‡	12‡	..	12	Y.
50,00,000	85,00,000	38,635	Bank of Mysore	290	100	16‡	16‡	16‡	8‡†	12	Y.
59,18,600	42,61,693	25,280	Bombay State Co-operative Bank	58‡	50	5‡	5	5	..	6	Y.P.T.
7,50,000	10,73,000	19,505	Canara Banking Corporation Ltd.	90cd	50	9‡	10‡	10‡	..	12	Y.P.
3,14,54,250	3,98,30,808	17,65,629	Central Bank of India	65	25	14	14	14	6‡	12	R.L.Y.
50,00,000	22,00,000	1,38,594	Devkaran Nanjee Banking Co.	35	50	3	3	3½	..	12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88	20	6‡	10	20	20	12	Y.
1,25,00,000	15,20,000	65,220	Hindustan Commercial Bank ..	10‡	50	—	—	—	..	12	Y.
50 00,000	1,00,000	3,806	Hindustan Mercantile Bank ..	11	50	—	—	—	..	12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105N	100	5	6‡	6‡	5	9	Y.
2,75,00,000 } 1,87,50,000 }	6,35,00,000	46,40,590	Imperial Bank of India	{ 1,825xd 452½xd	500 125 }	14	16	16	8f	6.12	R.L.H.
23,95,961 } 13,00,000 }	70,00,000	92,545	Indian Bank	{ 174 127½	100 75 }	11½	12‡	12‡	..	6.12	R.L.H.
14,00,000 } 47,35,750 }	15,50,000	2,22,825	Indian Overseas Bank	{ 92 99cd	50 100 }	4½‡	5‡	6	..	6.12	R.L.H.
6,25,000 } 2,50,000 } 10,00,000 }	6,30,411	9,265	Indo-Commercial Bank	{ 83cd 20‡ 44	100(A) 25(B) 50(C)	9 6 9	9 6 9	7½ 6 7½	..	6.12	H.
50,00,000	12,65,000	1,21,370	Jaipur Bank	18	50	3	3	3	..	12	Y.
4,55,266	30,61,350	60,357	Punjab and Sind Bank	35	25	7½	7	..	..	6.12	Y.
87,50,000	87,50,000	3,33,829	Punjab National Bank	24	25	6	4	4	3‡	12	Y.
1,00,00,000	15,50,000	1,49,583	Travancore Bank	11‡	25	Nil	Nil	—	..	12	Y.
40,00,000	28,25,000	2,09,737	Union Bank of India	6–11‡	5	6‡	6‡	6‡	..	12	Y.
2,00,00,000	67,50,000	1,70,952	United Commercial Bank	34‡	50	3‡	4	4	..	6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3,000,000	£4,000,000	£397,433	Chartered Bank of India, Australia and China	£11 3/16 £5 3/16	£5	12 6†	14 6†	14 6†	7‡ 2‡	12 12	R.L.Y. R.L.Y.
£1,000,000	£800,000	£69,917	Eastern Bank		£5						
H.K. $20,000,000	H.K. $96,000,000	H.K. $8,075,332	Hongkong and Shanghai Banking Corporation	€80‡	H.K. $125	5y*	5*	5*	2*‡	12	Y.
£14,372,956 } £1,437,296 } £375,000 }	£16,000,000	£418,242	Lloyds Bank	{ £2 8 0 £1 6-3 £20	£1 A £12‡ B £12‡ C £5	12y† 5y† 12y†	12y† 5† 12†	12† 5† 12†	2*‡ 5† 6‡	12 12 12	R.L.Y. R.L.Y. R.L.Y.
£375,000 } £300,000 }	£1,500,000	£200,130	Mercantile Bank of India ..	{ £19‡ £10‡							
£2,281,250	£3,738,892	£318,652	National Bank of India	£28	£12‡	16y†	16†	16†	8‡	12	L.Y.

‡Includes Bonus. †Less Tax.
‡‡Subject to taxation.
(c) Paid-up Capital Increased.

(a) There are also Rs. 67,08,155 partly paid Ordinary Shares.
††O.S. Currency.
(I) Interim
(P) Pakistan Currency. *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company		Latest Available Quotations (per hundred) Rs. or £		Principal Repayable	
BREWERIES AND SUGAR								
19,50,000	5½	1st December and 1st June ..	Carew & Co.	1938	97	1st June ..	..	1953(b)
5,50,000	5½	1st March and 18th September ..	Carew & Co. (2nd mortgage)	1941	90½	28th February	..	1960(f)
6,00,000	5½	30th June and 30th December ..	Ramnugger Cane & Sugar Co., Ltd.	1936	97½	30th December	..	1956
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	102‡	27th December	..	1952-62
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	91	1st November	..	1959-64
20,00,000	6	1st May and 1st November ..	Walchandnagar Industries ..	1941	103‡	1st April ..	..	1956-61
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New)	1944	92	1st November	..	1959-64
COTTON								
6,00,000	5½	30th June and 31st December ..	Basanti Cotton Mills Ltd. ..	1942	85	30th April	..	1964
4,00,000	4½	10th May and 10th November ..	Bengal-Nagpur	1897	95	15th November	..	1956(a)
1,00,00,000	5	1st April and 1st October ..	Buckingham and Carnatic ..	1952	99‡	1st January	..	1967-72
13,68,000	5½		Jayshree Textiles	1949	78N	1st January	..	1956-59
ELECTRICS								
10,00,000	4½	30th June and 31st December ..	Agra Electric Supply Co., Ltd. ..	1950	95	31st March	..	1965
1,25 000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..		101	14th June ..	..	1960
98,28,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co.	1940	100‡	1st October	..	1959
12,00,000	4½	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1949	92	31st December	..	1964
2,66,00,000	3	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	101	1st January	..	1970
25,00,000	4	30th June and 31st December ..	Gourepore Electric Supply Co., Ltd.	1945	84	31st December	..	1970
15,00,000	5	1st January and 1st July ..	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	94	30th June ..	..	1976
4,95,000	5½	1st January and 1st July ..	South Madras Electric Supply ..	1940	97‡	.. ..	..	1957-61
2,00,000	5½	1st May and 1st November ..	South Madras Electric Supply ..	1939	95	.. ..	..	1954
1,00,000	5	1st January and 1st July ..	South Madras Electric Supply		94‡	.. ..	..	1953-63
9,25,000	4½	1st April ..	South Madras Electric Supply		94	.. ..	..	57-61,53+56-61
49,23,000	4	1st April and 1st October ..	Tata Power	1940	100‡	15th September	..	1951-56(b)
1,00,00,000	4	1st April and 1st October ..	Tata Power		93‡	15th September	..	1965-70
ENGINEERING								
5,00,000	5	30th June and 31st December ..	Britannia Engineering	1954	94‡	31st December	..	1954
2,00,000	6	30th June and 31st December ..	Bridge and Roof (India), Ltd. ..	1928	95	30th June ..	..	1958
30,00,000	5½	15th September and 15th March ..	Indian Hume Pipe (2nd mortgage)	1942	100‡	1st July ..	..	1957-62
£1,284,350	4	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	1936	£79‡	31st December	..	1966(H)
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd.	1946	84‡	31st May ..	..	1971
1,50,00,000	3	1st April and 1st October ..	Tata Locomotive	1950	100‡	1st October	..	1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	94	31st December	..	1960
JUTE								
12,00,000	4½	1st October and 1st April ..	Agarpara	1939	97	31st March	..	1954
6,00,000	4½	30th June and 31st December ..	Alexandra	1939	96	30th June ..	..	1954(h)
15,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1945	92	31st December	..	1964
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd. ..	1940	96	30th June ..	..	1955
10,00,000	4	30th June and 31st December ..	Bengal Jute Mill Co., Ltd. ..	1945	90	30th June ..	..	1960
10,00,000	5	31st January and 31st July ..	Calcutta	1949	90	31st July ..	..	1959(c)
12,00,000	5	30th June and 31st December ..	Chitavalsah Jute Mills	1951	97	30th June ..	..	1966
8,94,000	5	30th June and 31st December ..	Empire	1951	97	15th July ..	..	1966
25,00,000	3½	1st January and 1st July ..	Hukumchand	1947	90	30th June ..	..	1957
25,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co., Ltd. ..	1949	98	31st December	..	1964
25,00,000	5½	30th June and 31st December ..	Naihati	1952	100	31st March	..	1964
5,00,000	3½	31st March and 30th September ..	Naskarpara Jute Mills Co., Ltd. ..	1947	95N	31st March	..	1954
5,00,000	4½	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd. ..	1939	93	14th May ..	..	1959
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd. ..	1945	86	31st December	..	1964
8,00,000	4	30th June and 31st December ..	Presidency	1943	90	30th June ..	..	1958
25,00,000	5	31st March and 30th September ..	Reliance Jute Mills Co., Ltd. ..	1950	95	5th September	..	1965
8,00,000	4½	14th March and 14th September ..	Soorah Jute	1937	93	14th September	..	1957
12,00,000	4½	30th June and 31st December ..	Union	1937	94	30th June ..	..	1957(d)
10,00,000	3½	31st January and 31st July ..	Waverley	1925	83	31st July ..	..	1960(e)
RAILWAYS ‡(STEAMSHIP AND TRAMWAYS								
4,00,000	6	31st March and 30th September ..	Bankura Damodar River Railway Co., Ltd.	1931	100N	9th March	..	1961
4,00,000	3½	31st March and 10th September ..	Bankura Damodar River Railway Co. ..	1938	99	31st March	..	1953
4,50,000	4	1st January and 1st July ..	Barasat-Basirhat Light Railway ..	1936	84	1st July ..	..	1956
2,00,00,000	4½	10th November and 10th May ..	Bombay Steam Navigation Co. ..	1945	98	1st November	..	
3,50,000	3½	31st March and 30th September ..	Burdwan-Cutwa Railway Co. ..	1938	99	31st March	..	1943–53
£350,000	4½	1st January and 1st July ..	Calcutta Tramways	1900	£100N	At 105% at any time on 6 months' notice or at par or every seventh year.		
£226,500	5	1st April and 1st October ..		1933	£102N	1st October	..	1974
3,00,000	3½	30th September and 31st March ..	Kalighat-Falta Railway	1934	98	30th September	..	1953
6,50,000	3½	30th June and 31st December ..	Katakhal-Lalabazar Railway ..	1945	89	31st December	..	1959
£200,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway ..	1906	£90‡N			
5,00,00,000	4½	1st March and 1st September ..	Scindia Steam Navigation		96‡	1st September	..	1963
PLANTING								
4,80,000	5	1st January and 1st July	Blue Mountain Estates	1943	100	.. ..	..	1945–55
4,68,500	5½	Half-yearly	Teekoy Rubber Estates	1944	100	.. ..	..	1949–59
1,50,000	5	30th June and 31st December ..	Waterfalls Ltd.	1943	101‡	.. ..	..	1945–55
MISCELLANEOUS								
15,00,000	5‡	31st March and 30th September ..	Aluminium Corporation of India Ltd. ..	1946	102	30th September	..	1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	99	31st December	..	1965
27,60 000	4‡	1st April and 1st October	Associated Hotels of India	1948	86	31st December	..	1962
4,90,500	4‡	30th June and 31st December ..	Bengal Paper Mills	1937	94‡	30th June ..	..	1957(1)
21,00,000	5‡	1st February and 1st August ..	Chowringhee Properties	1915	92	1st February	..	1964
22,60,000	4‡	1st July and 1st January	Clive Buildings	1936	89	1st July ..	..	1986
20,00,000	4	15th March and 15th September ..	Dalhousie Properties	1946	86	15th September	..	1960
8,30,00,000	5	1st January and 1st July	Dunlop Rubber	1950	102	1st January	..	1971
40,00,000	5	2nd January and 2nd July	Mettur Chemical Industries	1949	97		..	1964
39,87,000	4	31st March and 30th September ..	Martin Burn Ltd. (Convertible Notes) ..	1946	435 (per note)	30th September	..	1976
45,00,000	4	30th June and 31st December ..	McLeod & Co., Ltd. (Convertible Notes)	1947	410 (per note)	31st December	..	1972
75 00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	94‡	1st April ..	..	1971
1 00,00,000	5‡	31st March	Orient Paper Mills Ltd.	1951	85‡	31st March	..	1961
1 00,00,000	4	30th June and 31st December ..	Rohtas Industries Ltd.	1946	80‡	31st December	..	1959

Note—See page 274 for explanation sto abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 11th February 1953.

—	Opening quotations	High	Low	Closing quotations
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50) ..	154	155	153‡	153‡
Bank of Baroda (50) ..	115	115	114	114
Central (25)	64‡	65‡	64‡	65‡
Imperial (F.Pd.) (500) ..	1,810	1,845	1,790	1,845
Imperial (P.Pd.) (125) ..	447‡	457‡	442‡	457‡
Union Bank (5) ..	6 11/16	6‡	6 11/16	6–11‡
United Com. (50) ..	34‡	35‡	34‡	35‡
COTTON MILLS				
Ahm. Adv. (100) ..	133‡	—	—	133‡
Apollo (2) ..	2‡	2–12‡	2‡	2‡
Bombay Dyeing (250) ..	371‡	372‡	361‡	361‡
Central India (100) ..	148	149	145	145
Century Mills (100) ..	253	255‡	248	248‡
Colaba (100)	72‡	—	—	72‡
Edward Textile (200) ..	230	—	—	230
Elphinstone (50) ..	38‡	—	—	38‡
Finlay (100)	292	292‡	289	290
Gokak (100)	206	206	200	200
Ind. Unit. Def. (1) ..	1‡	1–9‡	1–8‡	1–8‡
Ind. Unit. Ord. (10) ..	8–10‡	8‡	8‡	8‡
Indore Malwa (100) ..	87‡	88‡	87‡	87‡
Khatau (100)	168	168	163‡	166‡
Kohinoor (100)	282‡	285‡	279‡	280
Lakshmi (250)	573‡	—	—	573‡
Madhusudhan (100) ..	81‡	—	—	81‡
B. R. Cotton Mills (100)	44‡	—	—	44‡
Minerva Mills (100) ..	91	—	—	91
Model Nagpur (250) ..	140	—	—	140
Morarji (100)	154	—	—	154
Mysore (50)	127‡	—	—	127‡
New City (100)	175	176‡	175	175
New Great (100) ..	155	155‡	153	155
Phoenix (100)	121‡	—	—	121‡
Podar Mills (100) ..	122‡	122‡	120‡	120‡
Bassoon Silk (10) ..	22	—	—	22
Bassoon Spg. (10) ..	23‡	—	—	23‡
Bholapur (1,000) ..	1,650	—	—	1,650
Simplex (50)	175‡	176	174	174‡
Sudeshi (100)	239‡	240‡	234	234
Swan (100)	397	—	—	397
Tata Mills (25) ..	45‡	46	44‡	44‡
Vishnu (100)	158‡	158‡	157‡	157‡
Western India (1,000) ..	3,150	—	—	3,150
ELECTRIC COS.				
Ahmedabad (100) ..	114‡	114 11/16	113‡	114 3/16
Amalgamated (10) ..	10‡	10 3/16	10‡	10‡
Andhra Valley (1,000) ..	1,396‡	1,408‡	1,396‡	1,405
Bom. Sub-Bl. (100) ..	124‡	124‡	123‡	124‡
Surat (100)	118‡	119‡	118‡	118‡
Tata Hydro (100) ..	148‡	148‡	147‡	148
Tata Power (1,000) ..	1,492‡	1,498‡	1,490	1,497‡
INSURANCE COS.				
British India (10) ..	13‡	—	—	13‡
Empire of India (100) ..	403‡	—	—	403‡
Ind. Mercantile (20 ..	38‡	—	—	38‡
Jupiter (15)	7	—	—	7
New India (15)	40‡	41	40	40‡
Oriental (300)	6,000	6,010	5,990	6,010
Universal (10)	7 3/16	—	—	7 3/16
Vulcan (10)	11‡	—	—	11‡
STEAMER COS.				
Bom. Steam (25) ..	32‡	—	—	32‡
Scindia (15)	14 3/16	15–0‡	14‡	14–10‡
STEEL COS.				
Ind. Iron (10)	24‡	25–3‡	24–5‡	24–6‡
Tata Steel Defd. (30) ..	1,735	1,742‡	1,712‡	1,705
Tata Steel Ord. (75) ..	304‡	308	302	302
MISCELLANEOUS				
Alcock Ashdown (100) ..	297‡	300	297‡	300
Associated Cts. (100) ..	169‡	171‡	168‡	168‡
Belapur Sugar (5) ..	219	225	218‡	222‡
Bom. Burmah (125) ..	371‡	373‡	363‡	363‡
Do. (New) (50) ..	138‡	139‡	138‡	139
Br. B. Petrol (4 sh.) ..	1–4‡	1–5‡	1–3‡	1–3‡
Br. I. Corpn.	9‡	9‡	9‡	9‡
Indian Copper (2 sh.) ..	3–3‡	3‡	3–3‡	3‡
Ind. Inv. Tr. (100) ..	70‡	71	70‡	71
Port Canning (100) ..	22‡	23‡	22‡	23‡
Premier Con. (30) ..	84‡	87‡	84‡	84‡
Shivrajpur (10)	55	55	54‡	54‡
Tata Chemicals (10 ..	9‡	9‡	9	9
Tata Oil (25)	33	33‡	33	33‡
Walchand Ind. (100 ..	149‡	157‡	149‡	156‡
W. I. Match (100 ..	220	222‡	220	221‡
GOVERNMENT SECURITIES	Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	Rs.
2½% 1954	98 4/16	—	3.30	98 4/16
2½% 1955	98‡	—	3.23	98‡
2½% 1961	90‡	—	3.91	90‡
2½% 1960	93 4/16	—	3.83	93 4/16
2½% 1962	91‡	—	3.91	91‡
2½% 1976	82‡	—	3.99	82‡
2½% 1953-55 ..	100–0‡	2.92	2.99	100–0‡
3% 1957	98 4/16	—	3.39	98 4/16
3% 1958	98 4/16	—	3.34	98 4/16
3% 1959-61 ..	96	3.75	3.58	96
3% 1964	92‡	—	3.84	92‡
3% 1963-65 ..	92‡	3.91	3.78	92‡
3% 1964-66 ..	90 4/16	3.95	3.85	90 4/16
3% 1970-75 ..	86‡	4.11	3.93	84‡
3% 1986 Con. Loan ..	83 4/16	—	3.61	83 4/16
3½% 1954-59* ..	100‡	3.37	3.46	100‡
4% 1960-70	101‡	3.75	3.88	101‡
4½% 1955-60 ..	103‡	3.11	3.96	103‡
4½% 1958-68* ..	105‡	3.30	4.01	105‡
BRITISH GOVERNMENT SECURITIES	5-2-53 £	High £	Low £	10-2-53 £
2½% Brit. Consols, 3 ½ Savings Bonds 1965-75	59‡ 83‡	59 4/16 83‡	59‡ 83‡	59 4/16 83‡
3 ½ War Loan 1955-59	101	101 4/16	101	101 4/16
3½% War Loan 1952 ..	78 4/16	78 4/16	78 4/16	78 4/16
3½% Brit. Iron and Steel 1979-81 ..	88‡	88‡	88‡	88‡
4 % Funding Loan 1960-90 ..	99 4/16	—	—	99 4/16

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake

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MADRAS GOVERNMENT

A FAIR AND JUST AWARD

THE Finance Commission has carried out the task allotted to it by the President of the Indian Union conscientiously, expeditiously and satisfactorily. This is the impression that we get after going through the full text of the report of the Commission released last week-end. It is not surprising that its recommendations, all of which have been accepted by the Government of India without any modification, have not pleased all the States, for it is just not possible to please every one of them in a matter which involves income. It is but natural that all the States should have asked for a maximum share in the revenues of the Centre. A perusal of the demands submitted by them to the Commission reveals that not even one of them paid any thought to the needs of the Centre. But the Commission has played the role of a fair-minded judge in reconciling the needs and responsibilities of the Centre with those of the States, in a country pledged to a policy of Welfare State, with remarkable consistency and understanding. In fact, it is no exaggeration to say that the Commission's award is the fairest that the country has had on the allocation of resources between the Centre and the States, an award based on certain recognised principles.

The Commission has, wisely, not been dogmatic in enunciating the principles of allocating the Federal revenues to the units and has recognised that there is scope for following alternative bases. But, at the same time, it has convincingly pointed out the practical limitations to the adoption of alternative bases in some cases. Considering the comprehensive nature of the task it was asked to perform and the lack of adequate data, the Commission has carried out its job fairly quickly. It had to ask for an extension of the initial term of office for one year by only one month. Few committees entrusted with responsibilities of similar magnitude have discharged their duties within such a short period and in such a business-like manner as this Commission. Another notable feature of the Commission's work is that it has taken pains to explain at length the basis on which it has framed its proposals. This marks an important departure from the previous awards on this question. Sir Otto Niemeyer, whose award held the field for eleven years without any fundamental modification, for instance, did not explain the reasons that prompted him to allocate the revenue resources between the Centre and the Provinces in the manner he did. He just gave the award; we were never told why he allocated 20 per cent. of the States' share in the Centre's revenue to Bombay and Bengal, while allocating only 15 per cent. to Madras and the United Provinces.

As required by the Constitution, the Finance Commission was appointed by the President to advise him on three fundamental matters. These were: (1) the distribution between the Union and the States of the net proceeds of taxes which are to be or may be divided between them and the allocation between the States of the respective shares of such proceeds; (2) the principles which should govern the grants-in-aid of the revenues of the States out of the total revenues of the Centre; and (3) the continuance or modification of the terms of any agreement entered into by the Government of India with the Government of any Part B States. The recommendations of the Commission on all these matters and their effect on the revenues of the Centre, as well as of the States, are summarised elsewhere in this issue. It is, therefore, not proposed to go into them here but only to examine the principles followed by the Commission in making its suggestions.

The Commission approached its task right from the beginning on the assumption that there was an imperative need for a substantial augmentation of the revenues available to the States. It has sought to fulfil this need in two ways, by widening the field of division by including a few excises and by increasing somewhat the States' share in the divisible pool of income-tax. The advantage of this recommendation to the States is not merely an increase in their total share of revenue raised by the Centre but also an addition of one more elastic source of revenue to them. It is common knowledge that, in the past decade, excises have turned out to be as elastic as income-taxes. And in choosing the excises on tobacco, matches and *vanaspati* for participation by the States, the Commission has picked up the best revenue-yielding items. Matches constitute an essential item which is bound to meet with a progressive improvement in demand. Tobacco, though not a necessary of life, is finding increasing use. Similarly, *vanaspati*, as an article of daily necessity, is growing in popularity. The inclusion of the excise duties on these goods in the divisible sources of Central revenue must, indeed, be quite welcome to the States. No longer can the States complain that, while their needs are growing, their revenues are inelastic. Besides income-tax, which has proved to be a remarkably elastic source of revenue, they have now a substantial share of 40 per cent. in the most lucrative three Central excises, sales tax and a few other revenue taxes such as State excises, stamps, entertainments, etc., all of which have been contributing progressively increasing amounts to the States' exchequer. If some of them are sacrificing State excises, in spite of well-intenticned advice from intelligent observers and administrators, it is their own fault and it is entirely unjust on the part of these States to expect others to make sacrifices in order to finance the costly experiments of some incorrigible faddists whom they have chosen to be at the helm of their affairs.

While the Commission has, of course, done well in meeting the unanimous demand for higher allocations from the Centre, it is to be hoped that the additional Rs. 20 crores, that are now being allotted to the States, will not induce a spirit of complacency among them about the need for raising their own resources by diversifying their tax structure and by effecting economy in their expenditure. But we are afraid that this will only be a fond hope and that the Finance Commission's recommendations will actually place a premium on the spendthrift habits of the States and strengthen their reluctance to raise additional taxes for fear of political unpopularity. The Centre seems to be helpless and has failed on a number of occasions in the past in its efforts to make the States toe its line. The two State budgets that have been presented up to the time of writing reveal large deficits in relation to their revenues. And it is likely that most of the other States may also do so, which is contrary to the financial scheme under the Five-year Plan and which means that even the increase of Rs. 20 crores in the States' share in Central revenues, as a result of the Commission's recommendations, has proved insufficient to cover their growing expenditure. No efforts are being made to bridge the gap in their budgets; on the contrary, increasing reliance is being placed by them on the Centre. Unless the Union Government has an effective voice over the policies and practices of the State Governments, the whole object of the Finance Commission's recommendations will be defeated.

There is little that is objectionable in the principles followed by the Commission in evolving the scheme of distribution of the share of individual States in either the income-tax or the three Central excises referred to above. In the case of the former, the Commission has proposed that 20 per cent. of a State's share should be on the basis of collections and 80 per cent. on the basis of population, according to the census of 1951. In the case of the latter, namely, excises, it has followed the basis of population. Considerations of space do not permit us to elucidate the impressive line of reasoning followed by the Commission in support of its decision. Suffice to say that all impartial critics will do well to read the Commission's report carefully before they draw their conclusions. The Commission has explained, in a convincing manner, how the bases chosen by them are the best that could be adopted by it in the present circumstances. The criticism against the Commission's stress on the population basis on the ground that it is not in tune with the widely recognised desirability of checking the growth of population is silly, to say the least. In the first place, the Finance Commission was not concerned with the population problem. And, secondly, the prospect of getting a few lakhs or even crores of rupees more from the Centre is not going to encourage a State to aggravate the problem of population, for the simple reason that it will create many other difficult problems for it. A point that may be added here is that, in regard to the distribution of excise revenue among the States, the Commission does feel that the basis of consumption will be more equitable than the population basis. Nevertheless, it has found it necessary to follow the latter basis, because there are no reliable statistics of consumption. The Commission has, accordingly, recommended that efforts should be made even from now on

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National

to collect consumption statistics, so that the next Finance Commission at least may have sufficient data to change the basis of allocation of Central excises.

The principles advocated by the Commission for giving grants-in-aid of the revenues of the States out of the Consolidated Fund of India are unexceptionable and follow the best in the various Federal constitutions in other parts of the world. The special grants given to backward States for promoting primary education is justifiable in principle, but it is doubtful whether it will be utilised by the States for the purpose for which it is intended, for there are no effective means of checking it. There are several instances where taxes that are being collected by the States for specific purposes are not being used for such purposes and whenever anybody qualified to ask for an account of the expenditure of these special receipts does so, the State Governments are very adept in explaining away the whole thing.

An important recommendation of the Finance Commission pertains to the need for a small organisation, preferably as a part of the Secretariat of the President, to make a continuous study of the finances of State Governments and to build up the necessary data for the benefit of future Finance Commissions. The absence of adequate statistics was a great handicap to the Commission in its work and on account of which it had to spend considerable time and energy in collecting basic statistic material. Further, such an organisation will enable the Centre to know more intimately and accurately as to how the States are spending their resources and to verify, from time to time, whether the expenditure of States is in accordance with the overall plan for the economic development of the country. We, therefore, wholeheartedly support the Commission's suggestion that the question of setting up this organisation should be taken up by the Central Government without any delay.

RAILWAY BUDGET

PREPARATION of budgets is, at all events, not a simple task. Even so, the sharp drop of Rs. 14 crores to Rs. 9.48 crores in the Railway surplus for 1952-53 does not reflect much credit on the Railway Administration's ability to forecast earnings. In the Budget, which Mr. Lal Bahadur Shastri, Minister for Railways, presented to Parliament this week, the gross traffic receipts for the current year, which were originally estimated at Rs. 282.16 crores, have been revised downwards to Rs. 269.55 crores, while expenses, originally forecast at Rs. 187.69 crores, have moved up in the revised estimates to Rs. 188.85 crores. The original estimates are part of the Budget presented in February last, and confirmed in May when it was re-presented to the new Parliament practically in its original form. The country had run through a period of collapse in commodity markets between February and May. And it should certainly have been possible to revise the figures of receipts on the strength of the depressing evidence of the markets. But it was not done. The result is that the Railway Minister has to offer a laborious explanation for the shrinkage in the originally budgeted surplus from Rs. 23.47 crores to Rs. 9.48 crores for the current year.

The Minister said that passenger traffic had declined from Rs. 112.19 crores to Rs. 102.65 crores—a decline which might so easily have been anticipated when the Ministry had an opportunity of re-presenting its budget—and that goods traffic had declined from Rs. 145.66 crores to Rs. 144.56 crores. Total gross receipts are expected to be lower at Rs. 269.5 crores, as against the original estimate of Rs. 282.1 crores. While the estimate of revenue has turned out to be an overestimate, the estimate of expenditure has once again proved to be an underestimate. Thus, the expenditure in the revised budget for 1952-53 is placed higher at Rs. 189.1 crores, as against the original estimate of Rs. 187.9 crores. The increase is no doubt small and there is nothing unusual about it. But it becomes significant, in the context of the appreciable fall in revenues; it is a typical instance of the fact that costs in the country have become rigid and are not easily amenable to control in times of shrinking income, a point which some of our Ministers in the Centre and the States will do well to note when they champion the cause of labour. It is also a confirmation of the oft-repeated complaint of the Railway Audit that actual expenditure in the administration of the railways always tends to outrun estimates. Be that as it may, the net result of these changes is that the surplus, originally estimated at Rs. 23.47 crores, stands now, as already stated, at no more than Rs. 9.48 crores. The surplus has been arrived at after maintaining the allocation to depreciation reserve fund at Rs. 30 crores and the dividend to general revenues at Rs. 34.11 crores.

It is to be hoped that the Budget for 1953-54 has been framed with greater caution. Both traffic receipts and working expenses are placed higher at Rs. 272.28 crores and Rs. 191.20 crores, respectively. The anticipated increase of about Rs. 2.7 crores in traffic receipts is based on the grounds that there is a "steady healthy trend in industrial production" and that, with the "Five-year Plan coming into stride, industrial activity should further increase both in the public and the private sector." This assumption appears to be somewhat optimistic in the present atmosphere of falling demand for goods, falling agricultural prices and the gradually rising unemployment. But perhaps the Railway Minister knows something of what his colleague, the Finance Minister, is going to say next week when he presents the General Budget. There is no doubt that it lies in the hands of the Finance Minister either to stimulate the economic activity in the country or to depress it still further.

As regards the estimated expenditure for 1953-54, the increase in it is partly accounted for by the need for larger provision for overtaking the arrears of repairs and maintenance of rolling stock, track and other installations, and for meeting additional expenditure on staff. After providing for miscellaneous expenditure of Rs. 7 crores, for allocation to depreciation reserve fund of Rs. 30 crores, which is the same as that for 1952-53, and for contribution to general revenues of Rs. 34.77 crores, which is a shade higher, consequent on the small increase in capital at charge—this contribution is calculated at 4 per cent. on the capital at charge—the Budget for 1953-54 is expected to disclose a net surplus of Rs. 9.31 crores, as against the revised surplus of Rs. 9.48 crores for 1952-53.

The capital expenditure during the year 1952-53 is now placed at only Rs. 76.70 crores, as against the originally estimated figure of Rs. 79.10 crores. The saving, it is stated, is due mainly to the slow progress of certain works and a decrease in the stores holding by the Railways. For 1953-54, a provision of Rs. 79.61 crores has been made. Out of this sum, Rs. 42 crores will be spent on rolling stock and machinery, inclusive of Rs. 15 crores for new acquisition of these items (over and above the programmed deliveries). The total provision of Rs. 79.61 crores also includes Rs. 36.61 crores for works, including Rs. 6.70 crores for construction of new lines and for restoration of dismantled lines. The Minister disclosed that several new lines would be taken in hand in the next year, including the 186-mile Khandwa Hingole link at an anticipated cost of Rs. 7.5 crores and the 31-mile link between Gua-Barabil area to the Manharpur-Rourkela section in Bihar and Orissa, at an estimated cost of Rs. 3.5 crores. The Minister revealed that the construction of the integral coach building factory at Perambur, Madras, was going ahead and that a provision of Rs. 1.3 crores had been made for this project in the Budget. Reviewing the existing rolling stock position in the Railways, Mr. Shastri said:

> "It is a matter for gratification that our indigenous production is able to meet the normal annual requirements of the railways in regard to rails, wagons and coaches. I am anxious to ensure that our imports are reduced to the minimum. In fact, we have already decided not to import any more coaches except for the commitments already made. However, some wagons to make up our huge arrears, the overtaking of which can brook no further delay, have to be imported. Locomotives, too, will have to be obtained from abroad, but here also vigorous efforts are being made to make ourselves self-sufficient within a prescribed period."

All this reveals an encouraging picture, and, in fact, more encouraging than what has been indicated in the Report of the Planning Commission. Further, considering the necessity to maintain employment within the country, the Railway Minister's determination to rely less on imports and more on domestic production is commendable. But, when the Budget is considered, as a whole, in relation to the Five-year Plan, it reveals certain disconcerting features. Under the Plan, the Railways are themselves expected to find the greater proportion of the finance for development. Thus, out of the total sum of Rs. 400 crores, which the Railways would need for development under the Plan, they are themselves expected to find Rs. 320 crores; the balance will be made good from the Central revenues. It is not as if this level of expenditure will enable the Railways to effect vast improvements in the services which they are now rendering. Only, it will help them to wipe out, as the Planning Commission pointed out, accumulated arrears of maintenance and rehabilitation and to provide for an immediate programme of development for meeting the minimum obligation of the Railways as a public utility concern. But the Railways would find it extremely difficult to set apart sufficient funds for development and renewals, if the earnings, whether passenger or goods earnings, were to fall as they have done in 1952-53.

That despite the increase, amounting to 30 per cent. in coal freight, the increase in the freight rates for many other articles effected as part of the move for rationalisation of freights, and the 20-25 per cent. increase in passenger fares introduced in 1951, the upward trend in the revenue of Railways has not been maintained is disquieting and does not augur well for the success of the Five-year Plan. The special funds are not too plentiful either. Thus, the Depreciation Reserve Fund is expected to close the year 1952-53 with Rs. 108.6 crores to its credit, while the Fund at the end of 1953-54 is expected to be lower at Rs. 101.2 crores. Again, the Revenue Reserve Fund will have, at the end of the current financial year, Rs. 34.8 crores to its credit, and, at the end of 1953-54 no more than Rs. 35.9 crores to its credit. It would, however, be fatalistic to assume that the revenues of the Railways have crossed the peak and that nothing else could be done to increase them. It is hard to believe that by a more efficient utilisation of the available wagons and by systems of tourist travel facilities, the revenues of the Railways cannot be stepped up. It is gratifying to find that the Railway Administration has not made any attempt at increasing the fares and freights. Several industries are already feeling the pinch of the heavier transport costs and any further addition to them would have strengthened the present recession in business conditions. Surely, the Railways cannot hope to thrive at the expense of industrial development. They should plan to find the necessary resources for capital and other essential expenditure only through an increase in operational efficiency and adherence to strictest standards of economy

The Planning Commission, it may be mentioned here, has emphasised that the policy of the Railways during the period of the Plan should be "to keep down the working expenses to the lowest level compatible with efficiency and reasonable standard of service in order that the necessary surplus for financing the development programme becomes available." This is not so much an expression of pious wish as a clear directive. That this directive is not being followed is the opinion of many impartial observers. Glaring instances of financial irregularities have been brought to light by the Railway Audit Report. It is a pity that Mr. Shastri made no reference whatever to this Report in his speech. Thefts have been on the increase. In one year, during 1949-50, the Railways had to pay out Rs. 3.71 crores by way of compensation for goods lost or damaged. Perhaps, the compensation amount would have been larger, if all the claims had been passed or if all those who had lost their goods, had submitted their claims. This is a clear waste of public revenues. There is then the question of corruption which involves less monetary loss than loss of prestige. It is comforting to hear that a Parliamentary Committee will probe into the question. But the Railway Administration should not lose sight of larger issues—issues, such as economy in administration and the adoption of a rational system of priorities in expenditure. Perhaps, a slight reduction in constructional activities, inclusive of the construction of lavish buildings for unimportant stations, and in the standard of staff amenities, which are now somewhat higher than is available to comparable classes of workers in other sectors of industry and Governmental undertakings, will help the Railways to achieve some economy in capital expenditure. Further, it is not clear whether any improvement has been effected in the efficiency of the workers; the Kunzru Committee report had some uncomplimentary observations to make on this subject. Complacency and lack of economy, though inexcusable at any time, will cause irreparable damage to the Indian Railways in the future when earnings may conceivably shrink further and the Railways may find that expenditure cannot be readily pruned to reasonable levels. This is all the more reason why economy should be practised from right now, with vigour and steadfastness.

PROSPECTS FOR FIVE-YEAR PLAN BLEAK

NEW EXCISE ON CLOTH—APPELLATE TRIBUNAL IGNORED—SOCONY TO ISSUE DEBENTURES

THURSDAY, 5 P.M.

WITH just 10 days more for the Central Budget to be presented to Parliament, movements in share values are being dictated mainly by "budget gossip." There is, of course, no consistency in the gossip. A week ago, there were widespread fears that the Finance Minister might even increase the direct taxes partly to close the yawning gap in the Budget and partly to appease the leftists. But now the very same sources which spread these pessimistic rumours seem to be optimistic. They say that the Budget will contain no additional taxation of any direct consequence to the Share Market. In saying so, they are reverting to the thoughts they held a fortnight ago. They seem to be convinced more and more that Mr. Deshmukh will leave a large uncovered deficit to be filled in by creating fresh money. And in support of their hunch, they are citing a few convincing facts. Let us list them in their proper order.

MARKET GOSSIP

* * * *

First comes the statement of Mr. Deshmukh at Hyderabad, two weeks ago, to which a reference was made in these columns. Since Mr. Deshmukh has not contradicted the Press version of what he said in that outlying centre, market people think that he means what he is reported to have said. Secondly comes the Railway Budget. In spite of a sizable fall in the estimated surplus, no attempt has been made in it to impose fresh burdens on the public. Mr. Deshmukh could have asked his colleague, Mr. Lal Bahadur Shastri, so runs the contention of market circles, to use the opportunity offered by the fall in the Railway surplus to raise the fares and freights further. Thirdly, none of the two State budgets presented this week—the budgets of West Bengal and Bihar—contains any additional taxation of worthwhile nature, although it was expected that in accordance with the suggestions of the Planning Commission, the States would impose new taxes and show a revenue surplus. Fourthly, it is believed that the Bombay State also will show a deficit in its budget and remove some of the regressive features of sales tax. Fifthly, the Madras Finance Minister has also been saying that he will not be able to bridge the deficit in his budget. Sixthly, New Delhi advices are hinting at the possibility of Mr. Deshmukh not reintroducing the salt duty. In this connection, they point to the rebuff he has had at the hands of the Bombay Chief Minister, Revenue Minister and the chiefs of the Maharashtra and Baroda State Congress bodies to his suggestion for a review of the prohibition policy and draw the inference that the Congress Party in the Union Parliament will be opposed, on sentimental grounds, to the reintroduction of the salt duty. And, seventhly, there is a growing belief that the introduction of Estates Duty may be delayed. Mr. Deshmukh's request to Parliament to extend the time limit for the presentation of the Select Committee report on the Estates Duty Bill to 31st March, 1953, is evidently responsible for this feeling. In any case, the additional time wanted by the Select Committee to consider this measure has given rise to fresh hopes that this taxation measure will not be as stringent as many thought, last week, it would be.

* * * *

While the share market is considering the aforesaid conjectures from its own point of view, we would like to consider their implications to the Five-year Plan. If all the States, or even most of them, are going to show a deficit on their revenue account, if prohibition is to stay, if salt duty is not to be reintroduced and, above all, if India is to play the ambitious, and, perhaps, the fruitless, role of a peacemaker in the world, pulling the chestnuts of other nations out of the fire who are finding it very inconvenient for themselves to undertake that task, then the Five-year Plan is doomed to failure. The foreign policy that India has been following is undoubtedly an ideal one, but we must be prepared to pay a price for it. And the price will be poverty and tightening of the belt for some more years. India then should not formulate a plan which depends for its success on a large measure of foreign assistance. Let us face it as realists and resign ourselves to some more hardship. Mr. Deshmukh knows very well that the chances of India obtaining any substantial assistance from the U.S. or elsewhere are bleak. And having launched the Plan, the only way out is deficit financing. Perhaps, the I.M.F. experts who are in India now to advise him on this question will find it convenient to encourage Mr. Deshmukh to go ahead with deficit financing.

* * * *

We are not opposed to deficit financing, provided resort is had to it after fulfilling certain pre-requisites and provided it is used as a last resort. It is criminal to resort to this means of finance before exploring all other sources of revenue. And our contention is that this is not being done. Only a finance minister who does not know the art of raising finance will fall back upon this third degree method of finding funds for development. If Mr. Deshmukh were to do so, it would mean that he is not prepared to face the unpleasant consequences of the Congress Party not listening to his advice.

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Unfortunately, there seem to be many business men in this country who feel that deficit financing would be a good thing for ensuring a high level of economic activity. Some of the economists-cum-business men are also extending their support to this view. Much is being made out of the present recession in the level of economic activity in the country, the net fall in the volume of money supply as compared with a year ago, and the decline in employment in certain sectors. These developments are being quoted to support the argument that the country is passing through deflation and that it would soon be in the grip of depression, if nothing were done by the Government. This is a clear exaggeration of the present economic trend. The fall in money supply is not such an unhealthy symptom as to require the evil remedy of inflation. It is, on the contrary, a healthy achievement and so also the fall in prices from the peak levels to which they had moved up in the wake of the Korean War. There is no mass unemployment in the country and the little unemployment we are now witnessing is fractional in character and has certain advantages to the overall economy of the country as a whole. Certainly, the offtake of goods is poor at present, but, once the prices adjust themselves at slightly lower levels, the consumption will increase. Be that as it may, those business men who want the aid of inflation even at this stage, when cost of living and prices are still too high to be called normal, in order to keep themselves in a prosperous state, are indirectly asking for the re-imposition of controls and the re-emergence of the spiral of wages chasing prices. In fact, they are deluding themselves into thinking that inflation will bring prosperity; it will do nothing of the kind. They will, therefore, do well not to join hands with the Government in its rush for deficit financing and demand, instead, that the Government should help them in their drive to bring down the cost of production to stimulate consumption and the offtake of goods.

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The Central Government has promptly brought forward a Bill designed to carry out its already expressed intentions to levy a cess on mill industry for purposes of collecting a revenue to subsidise the *khadi* and handloom industry. So, the merry game of robbing Peter to pay Paul is on. Only, the cess will not be called a cess but an excise duty. Thus, the Bill proposes that an excise of three pies a yard should be imposed on mill-made cloth other than cloth exported out of India. The industry should be thankful to the Government for small mercies; the cloth exported is exempted from the levy. Surely, foreign consumers of Indian cloth cannot be expected to subsidise the handloom and *khadi* producers in this country. So this special excise will be collected on cloth produced for home consumption alone. But then, nobody knows precisely how this money will be spent. The Madras Provincial Handloom Weavers' Congress, which is never at a loss for new ideas, has, however, several important suggestions to offer. The Congress is not, of course, concerned with the practicability of its suggestions. It wants a finance corporation to finance the handloom industry. It has urged the State Government to set apart, for this purpose, a sum of Rs. 50 lakhs out of the grant of Rs. 1.25 crores, made by the Centre to the State.

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But even a finance corporation, the Congress is apparently convinced, will not solve all the problems of the handloom industry. It wants a clear subsidy of two per cent. of the value of cloth produced by weavers' societies. It is not, of course, clear how the value of the cloth will be determined, nor whether the amount at the disposal of the Government, would be sufficient to cover the subsidy after its other suggestions have been implemented. Nor do these two suggestions exhaust the organisation's fertility in ideas. The Congress would like to see an export corporation set up, and a factory for manufacture of dyes and chemicals established with a capital of Rs. 50 lakhs from out of the special excise collected by the Government. Can a dyes and chemical factory be successfully established with a capital of Rs. 50 lakhs? The dyes and chemicals organisations, with much larger resources at their command, are finding it difficult to make headway in the field of dyestuffs. Finally, it wants a State-owned spinning mill on the banks of the Krishna or the Godavari. Just why these two rivers were preferred for locating the mill is not known; nor is it known how another spinning mill will serve the needs of the handloom industry better, when there is no lack of yarn supplies in the market. But then, few can resist the temptation of suggesting good uses for other people's money.

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In the meantime, the collection of the special excise of three pies per yard on mill cloth has already begun. It was introduced early this week without much fanfare when nobody expected it. Everyone was under the impression that it would come into force only after the necessary legislation was passed by Parliament. Nobody thought that what was first proposed as a cess would be converted into an excise overnight and enforced so quietly. But the sudden introduction of this measure has meant considerable hardship to the regular middlemen engaged in the cloth trade. In a communication addressed to the Government of India, the Country Fancy and Grey Piecegoods Merchants' Association, Bombay, for instance, says that its members are alarmed by the sudden decision of the Government to collect additional excise duty of three pies per yard on all categories of cotton cloth, with effect from 15th inst., particularly because the authorities insist on recovering this additional duty even on cloth already cleared, and also on cloth paid for but not taken delivery of, by purchasers. The Association points out that the position of those varieties of cloth which are still subject to official control is anomalous, inasmuch as the new duty is not stamped on such cloth. It looks as though the Government, in its anxiety to begin collection of the cess without any further delay, has not examined all the administrative adjustments connected with this levy.

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The rejection of the Labour Appellate Tribunal's award on the question of retrenchment of the employees of the Tata Oil Mills Co., Ltd., Ernakulam, by the Government of Travancore-Cochin raises issues of far-reaching judicial and economic significance. The facts of the case are simple. Briefly, the management of the Company found, as far back as in 1950, that 79 monthly rated employees of the Company were "surplus" to the requirements of the Company. The employees sought the intervention of the Labour Minister of the State who referred the matter to the Industrial Tribunal at Ernakulam for adjudication. This Tribunal held that there was no "justifiable" necessity for the proposed retrenchment. Against this judgment, the management appealed to the Appellate Tribunal. During the pendency of this appeal, they showed a goodwill gesture by agreeing to retrench not more than 45 members of the staff, although a much larger number was really "surplus" to their requirements. The Appellate Tribunal rejected the contention of the States' Industrial Tribunal, and held that it was the function of the management to determine its labour force and to judge the number of workmen who would become "surplus." And here begins the real story. Normally, the matter should have rested there and the Company should have been allowed to carry out its retrenchment scheme. But on 15th December, 1952, the Chief Minister of Travancore-Cochin State called the Manager of the factory to appear before him. His request for a small extension of time on grounds of ill-health was not granted. Thereupon, the State Government passed an ex-parte order, rejecting the award of the Appellate Tribunal.

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All this raises some questions of vital importance. Is a State Government empowered to reject the award of the Appellate Tribunal? If it has that power, what becomes of the "appellate" character of that Tribunal? If the impression gets abroad that the judgment of the Tribunal is not binding on all parties to a dispute, it would put an end to all hopes of industrial peace in the country. So much for the legal, judicial or constitutional aspect. Leaving aside, for a moment, the constitutional aspect of the matter, to settle which there are enough legal *pundits* in the country, it is worthwhile examining the economic consequences of the rejection of the Labour Court's awards by State Governments. For one thing, it means that even justifiable retrenchment could be held up, if the aggrieved party has some political pull with the Government in power. If it should mean losses for the industrial unit through its having to carry the burden of surplus labour, would the particular State Government be prepared to shoulder the responsibility for the loss, which the factory might sustain? Further, industrial management would be too irksome a task, if every case of retrenchment had to be taken up to the highest Tribunal; and even then, if it was not certain that the Tribunal's voice would prevail. Surely, the managements should be allowed to determine, as the Appellate Tribunal rightly held, the question of the number of workers they ought to employ. After all, a private industrial unit has to exist in a competitive world and it cannot do so, if it has to pay surplus labour. The whole question of employer-employee relationship is being reduced to a mockery in this country through vexatious governmental interference with wages and employment standards in factories. Maybe, all this is being done with good intentions. But the inexorable laws of economics cannot be compelled to behave in accordance with the dictates of capricious Governments. It is time somebody cried halt to this insensate game of dictating employment standards to factories. Mr. Giri is trying hard to do this. It is the duty of all to strengthen his hands.

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It would appear that the issues, arising out of the Travancore-Cochin Government's rejection of the award by the Appellate Tribunal, have been referred to Mr. Giri by the Employers' Federation of India. His reactions to this case will be watched with interest, for, in many ways, it is a 'test' case; it will test the validity, the sanctity and the utility of possessing a complex and elaborate judicial structure for settling what are after all the day-to-day problems of strictly economic significance.

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Life insurance companies in India seem to be in for some trouble in the coming months with regard to the policy of investment of their funds. Under section 27A of the Insurance Act, life offices in India are required to keep invested 50 per cent. of their liabilities to policyholders in Government and approved securities. In actual practice, however, owing to the dormant condition of the capital market in the country and to the paucity of remunerative channels of approved investments, the life offices are now actually keeping their funds invested in Government and approved securities to the extent of about 70-72 per cent, as against the minimum limit of 50 per cent. This high percentage is attributed to the extraordinarily heavy investments in these securities by one of the biggest life offices. But for the share of this single life office, the total percentage of investments would have been, it is stated, at a considerably lower level. In view of the continued high percentage of funds already invested in Government and approved securities, the Government of India has, it is rumoured, under its consideration now a proposal to raise the statutory limit to as high as 80 per cent. In this connection, it is understood that the Government will propose the appointment of an Investment Board to manage the statutorily controlled life insurance funds on behalf of the Government. It is surmised that, before taking a final decision, the authorities are

(*Continued on page 323*)

EQUITIES CLOSE ON CAUTIOUS NOTE

UNDERTONE STEADY

(From Our Own Correspondents,

BOMBAY, *19th February*

AFTER last week's decline, the Bombay Stock Exchange managed to finish the week under review on a somewhat steady note. Trading was relatively more enlivened this week under the stimulus of a series of favourable factors. Revival of buying support was seen in steel shares, on rumours regarding a favourable T.I.S.C.O. award and an early announcement of higher retention prices. Textile scrips, too, were active, on account of encouraging advices from cloth export markets. Added to these was the absence of any fresh taxation measures in West Bengal and Bihar budgets, despite sizable deficits. In addition, the Railway budget contained no fresh burdens in the shape of freight rates and passenger fares. The cumulative effect of all these factors was that equities were not only well maintained but registered, in most cases, moderate gains. If the market did not make further headway, it was because of restrained activity on the Exchange, on account of continued Central Budget uncertainties. Rumours of a lower exemption limit for Estate Duty created a hesitant feeling. Besides, a section of operators was somewhat inclined to feel the possibility of a few additional tax proposals in the form of increases in the corporation tax and excise duty on cloth to cover a portion of reduced customs receipts and larger allocations from income-tax to State Governments, following the Finance Commission's recommendations.

Under the lead of Tata Deferreds, steel shares registered gains, which, however, were partly erased towards the close, due to lack of support and profit-taking. Tata Deferreds opened the new account on Monday at Rs. 1,703-12, as against Rs. 1,705. After gradually improving to Rs. 1,726-4, on fresh support and short-covering, the scrips softened to Rs. 1,720 towards the close to-day, the net gain over the week being Rs. 15. Tata Ordinaries advanced from Rs. 302 to Rs. 305-4 before finishing at Rs. 303-8. Indian Irons steadied up from Rs. 24-6-6 to Rs. 25-2, but shed part of the gain to finish at Rs. 24-14-6.

Textile shares came in for good business and recorded handsome improvement. Gokaks were the prominent feature, with a smart rise of Rs. 8-8 to Rs. 209, on expectation of higher dividend. Bombay Dyeings, Centurys and Standards firmed up, by Rs. 6-4 each, to Rs. 368-2, Rs. 254-12 and Rs. 282-8, respectively. Podar Mills gained strength from Rs. 120-10 to Rs. 126-4. Swadeshis were another bright spot, with a gain of Rs. 5-4 to Rs. 239-4. Finlays met with buying support and gathered Rs. 4 to Rs. 294. New Greats advanced by Rs. 3-8 to Rs. 158-8. Central Indias were taken higher at Rs. 368-2, as against Rs. 365-2. Kohinoors picked up Rs. 2-12 to Rs. 282-12. Khataus rose by Re. 1-14 to Rs. 168-2 and Simplex by Re. 1-8 to Rs. 176. Tata Mills and Vishnus registered a gain of Re. 1-4 each to Rs. 45-12 and Rs. 158-12, respectively. Swan Mills lost Rs. 2 to Rs. 395. Bharat Mills shed As. 8 to Rs. 25-4.

Bank shares attracted sufficient backing to hold ground. United Commercials spurted by Rs. 2-8 to Rs. 37-12. Bank of Indias staged an improvement of Rs. 2 each to Rs. 155-8. On proximity of dividends, Central Banks (new) shares rose from Rs. 65 to Rs. 67, while old shares went up from Rs. 65-8 to Rs. 67. Imperial Bank shares, however, finished the week lower, owing to profit-taking at higher levels. Thus, Contributories lost Rs. 10 to Rs. 447-8 and fully paid shares Rs. 5 to Rs. 1,840. Barodas were fully steady at Rs. 114.

Trading in insurance scrips was very much restricted, with values remaining generally steady. British India Generals gained As. 12 to Rs. 14. New Indias were unchanged at Rs. 40-12. Orientals, however, failed to elicit support and dropped 220 points to Rs. 5,790.

In the public utility section, selective buying enquiry was in evidence. Andhra Valleys hardened from Rs. 1,405 to Rs. 1,410, although, at one time, they had gone up to Rs. 1,416-4. Ahmedabad Advances were better at Rs. 113-12. Tata Powers changed hands at Rs. 1,497-8, Surat at Rs. 118-12 and Amalgamateds at Rs. 10-8. Bombay Suburbans, on the other hand, receded by Rs. 4-1 to Rs. 120-5.

The highlight of trading in the miscellaneous section was the spurt of Rs. 6-8 to Rs. 229 in the quotations of Belapur, consequent on short-covering as a result of higher backwardation charges. Associated Cements improved by Re. 1-8 to Rs. 169-12. Wimcos firmed up from Rs. 221-14 to Rs. 228-2, on expectation of capitalisation of reserves. National Rayons induced further support, on reports of higher prices of art silk yarn, and the shares put on Rs. 2-8 to Rs. 72-8. Tata Oils moved up from Rs. 33-8 to Rs. 35. Bombay Burmah Olds spurted by a like amount to Rs. 366-4. British India Corporations were a shade better at Rs. 9-12. Walchandnagars, however, lost As. 10 to Rs. 155-10.

In the transport group, Scindias, after improving from Rs. 14-10-6 to Rs. 14-12-6, reacted to close at Rs. 14-10. India Steamships rose by As. 3 to Rs. 6-10. Other shares were generally steady.

In the mining and engineering group, Alcocks elicited special buying and recorded a rise of Rs. 3-12 to Rs. 303-12. Premier Constructions and Shivarajpurs gained a rupee each to Rs. 85-4 and Rs. 55-8, respectively. B.B. Petrols and Indian Coppers were fully steady, the former at Rs. 1-4-3 and the latter at Rs. 3-4-6.

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Calcutta Stock Exchange

CALCUTTA, *18th February*

The week under review on the Calcutta Stock Exchange witnessed a setback in quotations. Lack of any fresh news, which could be said to justify the earlier war fears, coupled with the proximity of the Central Budget, encouraged operators to lessen their commitments and avail themselves of the opportunity to take the gains before it was late. There was, however, a change in sentiment yesterday, and gains were recorded in almost all counters, but these gains could not naturally erase the declines of the earlier days. There was no session on Thursday on account of *Mahasivarathri*.

While the West Bengal State budget has no proposal for any new taxation measure, fears are entertained regarding possible adverse proposals in the forthcoming Central Budget. It is accepted that the need for more funds at New Delhi is greater now than ever before, but it would indeed be a great blow to private enterprise, if it is asked to pay more to the Administration. The hesitant feeling created by these fears is expected to persist till the announcement of the Budget on the 27th inst.

Despite the general trend and easiness in quotations of jute shares, there is much cause in the expectation that this section would look up soon. The market anticipates that the Government would revise the export duties on jute goods. If this is only done, Indian hessian and sacking could become the favourites of foreign buyers, as the present tendency of Continental mills to under-quote Calcutta marginally only to secure business—even such a position is not supported by the cost for Pakistani jute—could completely be curbed. Already British buyers are reported to have complained about the quality of the Continental hessian.

In striking contrast with the general behaviour of the market, tea shares presented a cheerful appearance.

In the textile section, Cawnpores eased to Rs. 8-2, while New Victorias were maintained at Re. 1-9. Banares Cottons came to business at Rs. 2-4 as against a previous rate of Rs. 3-6, and Elgin Mills were fractionally lower at Rs. 16-14.

A feature in the coal section was the interest shown in New Beerbhooms following the declaration of a dividend of As. 8 for the six months ended October last, as against nothing in the previous three consecutive half-years. The shares were lifted up to Rs. 21-9 from Rs. 20-15. Dhemo Mains kept up interest at Rs. 10-2, and East Indians were steady at Rs. 22-6. Burrakurs were somewhat lower at Rs. 10-7 as were Bengals at Rs. 523. Central Indias were raised to Rs. 4-11 from Rs. 4-9 while Raneegunges lost ground to Rs. 8-4 from Rs. 8-8.

Up to Monday, rates in jutes declined, but yesterday an upward trend again set in, following the maintenance of the recent improvement in the prices of jute goods. During the week as a whole, the volume of transactions registered a perceptible decline compared to last week. After declining to Rs. 23-3 from an opening of Rs. 23-8 last Wednesday, speculative Howrahs closed better yesterday at Rs. 23-6. Champadanies were unchanged at Rs. 163, while Baranagores, after being quiet at Rs. 160, reached the opening rate of Rs. 162. Nuddeas changed hands at Rs. 47, but Indias were lower at Rs. 125. Kankanarrahs were bought at Rs. 152, as against Rs. 149 earlier. Deltas realised Rs. 230.

Support to the speculative counters in the engineering section was guarded. Indian Irons opened at Rs. 24-10, and on renewed offerings declined to Rs. 24-4. These counters were, however, better yesterday at Rs. 24-9. Kumardhubis changed hands at Rs. 7-12. Britannia Engineerings inviting business at Rs. 17-6. Indian Standard Wagons were shown interest at Rs. 82 and Jessops met with business at Rs. 22-4 as were Braithwaites at Rs. 11-1.

Teas were an exceptionally better market. Bishnauths at Rs. 26-10 showing a fractional improvement. At Rs. 18-4, East Indians this week added As. 6, but Nagaisurrees leaped to Rs. 112 from a previous rate of Rs. 139. Ethelbaris provided a feature in that the shares were dealt with at Rs. 5 as against Rs. 3-12 previously.

Miscellaneous shares were generally steady, although, for a time, they were affected by the general weakness. Titaghur Papers at Rs. 35 registered an improvement of As. 6, while Alkali Chemicals were impressed by a spurt to Rs. 15 from Rs. 13-8. Rallis at Rs. 71 share the section's steadiness. Sone Valleys advanced to Rs. 6-14 from Rs. 6-10, and Indian Wood Products were traded at Rs. 48-12.

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Madras Stock Exchange

MADRAS, *17th February*

In marked contrast to the generally dull trend which existed for a considerable time now, trading on the Madras Stock Exchange witnessed some activity this week. All the sections came in to share the attention, despite uncertainties about the impending budgets. This was partly due to greater possibilities of worsening international tension and partly to favourable advices from Calcutta and Bombay Share Markets. Besides, the selective buying in textiles witnessed last week persisted this week on fair demand for cloth from the Middle East countries. In plantings, tea shares were in the lead on firm advices from the London and Cochin tea markets. The improvement in these two sections had a sympathetic effect on the rest. Rubbers were steady, though Coffees were quiet. Miscellaneous scrips met with scattered buying, and banks were cheerful. As a result, prices all round disclosed considerable gains and the volume of business was relatively better than in the last week.

Trading in textile shares was influenced by reports about some business in grey and bleached sheets reported done with Singapore. There were also reports of considerable demand for textiles from Aden and Sudan. This induced the persistence of selective support to the textile section this week. Bangalore Woollens rallied Rs. 7 to Rs. 222. Dhanalakshmis were higher by Rs. 2 at Rs. 183, and Coimbatore Spinnings by Re. 1 at Rs. 40. Buckinghams rose from Rs. 117-8 to Rs. 118-8. Travancore Rayons was up by As. 3 at Rs. 3-9, and Cambodias As. 2 at Rs. 10-6.

News regarding good demand for tea leaves from the U.S., U.K. and Canada enlarged the activity in teas. Consequently Nonsuch Teas advanced from Rs. 22 to Rs. 23, Twyfords were taken up by As. 8 to Rs. 11-8 and Devashola by As. 4 to Rs. 14-4. Coorg Teas were supported As. 5 higher at Rs. 5-8. Peermades, however, lost As. 4 to Rs. 37-12 and Stanes Amalgamated As. 2 to Rs. 9.

Among rubbers, business was done in Malankaras at Rs. 96 as against Rs. 91-8. Rajagiris hardened by As. 3 to Rs. 9-15. Cochin Malabars put on a similar amount to Rs. 6-5. Nenmenys gained As. 6 to Rs. 9-6. Be Bes were better at Re. 1-15½. Thirumbadis, however, were slightly lower at Rs. 3-4½.

Coffees were quiet. Consolidated Coffees lost an anna to Rs. 15-4. Coffee Lands were unchanged ed at Rs. 9-4 and Mysore Coffees at Re. 0-9½. Shevroys were on offer at Re. 1-5.

Miscellaneous scrips came in for scattered enquiry. Rallis improved by As. 8 to Rs. 70-8 and Nundydroog As. 3 to Rs. 4-5½. Spencers gathered As. 6 to Rs. 15-6 *cum-div.* and Indian Cements As. 2 to Rs. 17. Jeewanlals, however, lost Re. 1 to Rs. 9. Mettur Chemicals were offered As. 4 lower at Rs. 4-2 and F.A.C.Ts anna one at Rs. 3-10.

Banks were in fair demand. Imperial Banks (Rs. 500 paid ups) shot up by Rs. 15 to Rs. 1,795 and Contributories (Rs. 125 Paid-ups) by Rs. 3-12 to Rs. 428-12. Indian Banks (Rs. 80 Paid-ups) advanced by a rupee and As. 8 to Rs. 129. Indo-Commercial Banks 'B' and 'C' were done at Rs. 19-12 *cum-div.* and Rs. 40-4 *cum-div.*, as against Rs. 20-4 and Rs. 41, respectively. Indo-Commercials 'A' were quiet at Rs. 83. The Directors have recommended a final dividend of 3 per cent., thus making an aggregate of 6 per cent. for the year ended 31st December, 1952, on the 'A' 'B' and 'C' ordinary shares. The dividend for 1952 was 7½ per cent. on 'A' and 'B' shares and 6 per cent. on 'C' shares.

Latest Quotations

Bullion	Gold Ready (.999)	Rs.	91- 4-0
	Gold Forward	,,	90-12-0
	Silver Ready (.996)	,,	171-10-0
	Silver Forward	,,	170-10-0
Cotton	Rajapalayam	Rs.	1,175-0
	Morbi	,,	835-0
	Anjangaon Deshi	,,	620-0
	Charbhuga (old)	,,	480-0
Sugar	27.E	Rs.	28- 0-0
Jute	Raw Jute. Assam Bottoms per maund	Rs.	22- 0
	Hessians. (40" 10 ozs.)100Yds.	Rs.	43- 4
	Heavy Goods B. Twill, (per 100 bags) Ready	Rs	94- 8
Tea	For Internal Consumption— per lb.		
	Medium Dooars Dust	Re	1-7 to 1-8
	Best Assam C. T. C. Dust	,,	1-14-6
	For Export—		
	Clean Black Pekoe	Re.	1-7-0
	Clean C. B. Pekoe	Re.	0-15-6 to 1-0-0
	Medium Assam Pekoe	Re.	1-1-0
	Good Assam B. Pekoe	,,	1-15-0
Produce	Linseed Bold (Cwt.)	Rs	29-0-0
	Groundnuts (Kh.) (Cwt.)	,,	40-8-0
	Castor Seeds (Madras) (Cwt.)	,,	32-4-0

SOORAJMULL NAGARMULL

In the advertisement of Messrs. Soorajmull Nagarmull which appeared on the front cover page of our 1952 *Annual Review Number*, among the list of industries with which Messrs. Soorajmull Nagarmull are associated, is included glass works. We are now informed that glass works should be omitted from the list.—ED.

NEWS IN BRIEF

THE annual meeting of the Bengal Chamber of Commerce and Industry will be held at Calcutta on the 27th inst., when opportunity will be taken to celebrate the Chamber's centenary.

The Government of Bombay proposes to increase the maximum survey fees for each building site or any portion thereof held separately from the present rate of Rs. 10 to Rs. 20, by amending the Bombay Land Revenue Code, as the cost of surveys has increased enormously since 1913 when the present fee of Rs. 10 was fixed.

Two Indian shipping companies, the Scindia Steam Navigation Co., Ltd. and the India Steamship Co., Ltd., have decided to offer a joint service from the ports of Hamburg and Bremen to ports in India, Pakistan and Ceylon. By this arrangement, the Indian lines would jointly be able to provide a more frequent and regular service.

The total amount of aid allocated to India under the Indo-American Technical Co-operation Agreement for two years is $88.5 million and of this goods worth $50.45 million has been ordered. Six operational agreements have been signed so far involving the use of $23.5 million. Further operational agreements for the balance of the amount are under consideration.

The Government of India has decided to appoint a committee, under the chairmanship of Major-General S. L. Bhatia, Director, Medical Services, and Secretary, Medical Department, Hyderabad Government, to make a comprehensive enquiry into the various aspects of the pharmaceutical industry, with a view to considering what steps should be taken to place the industry on a sound basis.

During the last six months, 14 tea gardens in West Bengal, involving a labour force of 5,539, and 95 gardens in Assam, involving 40,704 workers, have been closed. This information was given by the Union Labour Minister in the House of the People last week. Three gardens have been closed in Tripura and one in Uttar Pradesh. No garden has been closed in the States of Madras, Bihar, Coorg or Himachal Pradesh.

The Government of India proposes to buy the Tirunelveli Tiruchendur Railway on 24th February, 1953, and the Barsi Light Railway on 1st January, 1954. The purchase price of these railways is Rs. 33.6 lakhs and Rs. 189 lakhs, respectively, the respective mileage being 38 and 166. The total mileage of all private-owned railways in India, numbering 20 at present, is 811. They are governed by agreements. There is no proposal to buy the suburban railways in Calcutta.

India and Pakistan have agreed to pursue certain suggestions made at the recent session of the Inter-sessional Committee of G.A.T.T., which considered India's complaint against the Pakistan export fee and duty on raw jute exported to India. They have expressed their willingness to hold consultations with a view to reaching a settlement of the dispute. The two parties have been asked to report the results of their consultations to the Chairman of the G.A.T.T. not later than 10th March next.

The Tariff Commission has prepared questionnaires for producers, importers and consumers in connection with its enquiry into the question of continuance of protection to the pencil industry beyond 31st December, 1953. Copies of the questionnaires may be obtained from the Secretary to the Commission, Contractor Building, Nicol Road, Ballard Estate, Bombay 1, specifying the interest represented, i.e., whether the party is a producer, importer or consumer.

The Deputy Minister for Railways refuted, in the House of the People last week, a suggestion that the new zonal system had caused transport difficulties. The overall loading both on the broad and metre-gauges was higher than during the previous year, he said. The loading of coal in 1952 was also higher by over 200 wagons a day, as compared with 1951. Better co-ordination in the movement of traffic had been secured on the regrouped railways. Earnings in 1951-52 had been higher than in any previous year, instead of being less.

The Government of India has decided to have two airways corporations to run the internal and external services. The total compensation to be paid to the shareholders of air companies in India has been fixed at Rs. 4.6 crores, it is learned. Mr. J. R. D. Tata, Chairman of Air-India and Air-India International, will be the Chairman of the Corporation which will run the external services, while Mr. K. C. Mahindra, of Messrs Mahindra and Mahindra, will be the Chairman of the Corporation in charge of internal services.

The Government of India has sanctioned a grant of Rs. 60,07,500, divided equally as subsidy and loan, to the Bombay State under the Subsidised Industrial Housing Scheme, 1952-53, for the construction of 900 multi-storey tenements in Bombay and 725 single-storey tenements in Ahmedabad. The cost of construction accepted for the purpose of calculating the grant at the rate of Rs. 4,500 per tenement in Bombay is Rs. 40,50,000 and at Rs. 2,700 per tenement in Ahmedabad Rs. 19,57,500. The Central Government has, as a special case, approved the rent of Rs. 21 per month for the tenements in Bombay and Rs. 13-8 per month for those in Ahmedabad.

The West Bengal Government has decided to increase the daily wages of tea gardens, at the same time allowing the planters in the Dooars and Terai areas to withdraw food concessions for labour, in accordance with the recommendation of the Minimum Wages Advisory Committee appointed by it. Under the revised terms, tea garden workers in these two areas will purchase food at Rs. 15 per maund in place of the existing rate of Rs. 5 per maund. The wages will be increased from Re. 1-3 to Re. 1-5-6 per day. The conditions attached to the terms are that workers would have to be provided with work for six days in a week. Planters should curtail overhead charges by 10 per cent. and there should be no retrenchment of workers or closure of gardens.

A Bill to amend the Voluntary Surrender of Salaries (Exemption from Taxation) Act, 1950 was introduced in the House of the People on the 14th inst. by the Union Minister for Revenue and Expenditure. According to the statement of objects and reasons of the Bill, the existing Voluntary Surrender of Salaries (Exemption from Taxation) Act, 1950, provides for the exemption from taxation of a portion of salaries voluntarily surrendered by holders of certain offices listed in section 2(2) of the Act. This list is, however, not exhaustive and does not include all holders of posts whose salary is fixed by the Constitution or is determined by any Central Act, State Act or Provincial Act. For this reason, the necessity arises of adding to the list of persons from time to time. With a view to avoiding this and to enabling all holders of such offices voluntarily to forgo their salary, the Bill seeks to substitute the existing sections 2 and 3 of the Act by a new section which would authorise exemption from taxation portions of salaries voluntarily surrendered by the holders of such offices.

* * * *

From Abroad

The amount of U.S. economic aid alloted to the U.K. for the U.S. fiscal year ending 30th June, 1953, is $400 million, including $42 million which has been received under the Katz-Gaitskell Agreement.

The International Materials Conference has discontinued international allocations of copper with effect from the 15th inst. The position will, however, be reviewed again in March, when a further statement will be made.

The U.S. Government has removed the price control on the country's oil industry with effect from the 13th inst. The industry is now free to decide its selling prices for crude oil and all petroleum products, except No. 2 fuel oil which is used for home heating.

Owners of common stocks listed on the New York Stock Exchange received a record amount of cash dividends during 1952. The cash dividends aggregated $5,594.62 million, a gain of 1.8 per cent. over 1951. This compared with a previous record of $5,470.24 million in 1950.

The jute industry at Dundee has signified its willingness to give priority to production of sandbags over all other orders. Sack-sewers have also agreed to co-operate. Sack-sewers have received orders for 4.5 million bags from cloth held in stock in the U.K. by the Jute Control.

World output of natural rubber in 1952 amounted to 1,762,500 tons, the lowest since 1949, and compared with the all-time peak production of 1,875,000 tons in 1951, according to the Rubber Study Group Secretariat. Consumption, at 1,447,500 tons, was also the lowest for the last three years and compared with 1.5 million tons in 1951.

Pakistan has banned the export of untested wool. Exporters will have to secure a quality certificate from the Government Testing House before shipping wool of any variety. This step has been taken in view of the complaints received by the Government from overseas buyers against exports of poor quality wool. During 1952, Pakistan exported 100,000 bales of wool.

The incomes of American consumers rose steadily throughout 1952, but their real individual buying power changed little. Personal incomes reached a total of $268,400 million during the past year, a rise of 5½ per cent. from the $254,100 million total of 1951. The increase was closely in line with the advances in consumer prices and population after allowance is made for the effect of higher rate of taxation.

In response to suggestions made in and out of Congress that a check of the U.S. gold pile was important at the time of a change in the U.S. administration, a count of the world's largest gold pile was ordered in January. Upto the 13th inst., the counting of the $12,500 million gold bullion had been half completed. Two of the twenty-two compartments had been counted and the rest may be completed by the end of this month.

The Government of Uganda has purchased 3,000 acres of land from a private company at a cost of £400,000, as a first step in a big drive to increase the country's tea output. Farm experts are of the opinion that there is great scope for development of tea production in Uganda. The scheme is part of the Uganda Government's policy of encouraging Africans to raise their living standards by adopting up-to-date methods of cultivation. The land will be under the control of a board of governors who will supervise the agricultural activities of recognised experts who will actually farm the land.

PERSONAL

MR. V. T. Krishnamachari, Member, Planning Commission, has been appointed Deputy Chairman of the Planning Commission, *vice* Mr. Gulzarilal Nanda.

Mr. P. S. Vallabhdass, Chairman, Malabar Steamship Company, Ltd., has been elected to the Committee of the Indian Merchants' Chamber, Bombay.

Mr. N. Mazumdar, General Manager of the Prabha Mills Ltd., Viramgam, has been appointed Director of Production, Office of the Textile Commissioner to the Government of India, Bombay.

Dr. B. K. Madan, who was a Member of the Finance Commission, has been appointed Officer on Special Duty in connection with the proposed enquiry into the tax structure in India.

Mr. S. N. Mazumdar, Chairman of the Damodar Valley Corporation, and Mr. N. R. Chakravarthy, Financial Adviser to the Corporation, have returned to India after successfully negotiating a loan from the World Bank.

Mr. S. L. N. Simha, Deputy Director, Division of Monetary Research, Reserve Bank of India, has returned from Bandung (Indonesia), after attending the meeting of the Economic Commission for Asia and the Far East held there recently.

Mr. C. R. Natesan, Steel Controller to the Government of India, has been appointed a member of the Technical Mission recently set up by the Government to reassess its steel project. The two other members of the Mission are Mr. Rambert, an expert of the World Bank, and Mr. Hill of Messrs. Koppers Ltd., a famous steel firm of the U.S.

Mr. E. C. Givens, Vice-President of the International General Electric Company, New York, has arrived in India, in connection with the opening of the Bokara Steam Power Station of the Damodar Valley Corporation on the 21st inst. After attending this function, Mr. Givens is expected to make a tour of India.

Mr. H. L. Truman, Mr. J. E. O'Meara, Rev. M. J. McKinnon, and Mr. R. H. Trembley, Canadian specialists in co-operative and agricultural training, are due to arrive in New Delhi to-day. These experts will spend about a month in India. Mr. Truman will explore how Canada can help in training agricultural technicians, while Mr. O'Meara will explore the possibility of aiding the development of co-operative marketing. Rev. McKinnon will study co-operative education and Mr. Trembley rural savings.

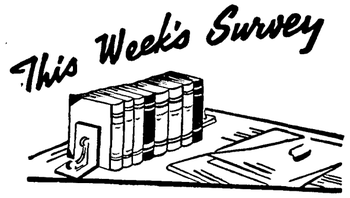
"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *18th February*

Indian Trade Prospects

The favourable conditions which marked the closing months of 1926 were not of a lasting nature and the prospects of trade in India in the early months of 1927 were not particularly good. Lowered commodity prices brought about by circumstances in other parts of the world destroyed much of the benefit that might have accrued from the comparatively favourable monsoon of 1926. Things were, however, not so bad in the first quarter of the year as in the last three. This was chiefly due to the nature of cotton crops both here and in America. The yield coming from America was very large but being the most part of an inferior grade, it offered sharp competition to Indian cotton here and elsewhere. Low prices resulted in a distinct holding movement of cotton and other local produce as well, from up-country and in Bombay. Like American cotton, the jute crop of 1926 also proved large and the attendant low prices intensified the holding movement. World factors, including the Japanese crisis, served, more than purely local causes, to render trade comparatively dull and to displace the optimism felt earlier. However, as the second half of the year wore on, a resurgence of this optimism took place inspired by rising world commodity prices, the favourable advancement of the monsoon, a greatly stimulated demand for Indian produce and stabilised currencies in India and abroad. The cumulative benefits of the foregoing factors were increasingly in evidence as the year closed. There is but one marring phase of the present bright outlook of India's trade and industry, namely, the cotton mills in Bombay. Their present situation is far from being a happy one. Unfortunately the recommendations of the Textile Tariff Enquiry Committee have not been rigidly followed. It is well to remember that, in present times, competition in all branches of industry throughout the world is developing at a very rapid pace, and this is especially true of textiles. For that reason, it is imperative that mills whether located in India or in any other country should operate on the most efficient basis possible, if their successful existence is to be assured.



CONTROLS IN THE U.S. GONE

PRESIDENT Eisenhower has already engaged himself in giving the "Republican" touch to the U.S. economic policy. In his "State of the Union" message to Congress, early this month, he asserted that the weight of evidence was against the continuation of controls. He has lost no time in following up this assertion by a series of executive orders designed to put the Republican faith in private enterprise and individual initiative into action. By an executive order he has ended wage controls. The President declared in this order that the "earliest possible return to freedom of collective bargaining will serve to strengthen the national economy and thereby the national security." This order was followed by another, issued by the Office of Price Stabilisation, which eliminated wholesale and retail price controls on most consumer non-food items, including leather goods, small appliances, clocks, etc. It also decontrolled meat, furniture, children's apparel, restaurant meals and household textiles. The National Production Authority revoked all controls over the use, sale, shipment and accumulation of tin.

In a "second round" of the new Administration's policy of removing controls, a larger list of items has been included. Among metals, zinc and most minor metals have been freed from control. The control on constructional services, fats and oils, soaps and detergents, paper, pulp and paper products, paints, varnishes, and lacquers, crude rubber, tyres and all rubber products has been removed. The U.S. oil industry is now free to decide its selling prices for crude oil and all petroleum products except No. 2 fuel oil, the grade used for home heating.

Along with the removal of physical controls, there has come about a change in the American attitude towards interest rates. Emphasis is being shifted from "cheaper" money to "dearer" money. Mr. George Humphrey, the Secretary of the Treasury, has now made it quite clear that in future no attempt will be made to keep interest rates artificially low in an effort to give the U.S. Treasury the advantages of cheap borrowing. Already, the discount rate has been stepped up. This has been followed by an attempt at shifting the National Debt from short to longer term issues. Thus the Treasury announced two weeks ago that it would redeem the $8,868 million of 1⅞ per cent. certificates, which matured on 15th February, by offering in exchange either the new 2¼ per cent. one-year certificates or 2½ per cent. bonds maturing in five or six years or a combination of both the new certificates and the bonds. Holders of maturing certificates were also given the choice of changing their certificates for cash. The rate of 2¼ per cent. offered on the one-year certificates is, it is stated, the highest interest rate quoted by the U.S. Treasury for one-year money for nearly 20 years.

The application of the Republican philosophy of non-interference in markets, wages and money rates to the agricultural sphere is, however, expected to be more difficult than its application has been to other spheres of economy. Farmers will most certainly oppose any scheme which is designed to whittle down the price support for agricultural produce, which is now an accepted part of American agricultural policy. It is not clear whether the present Government will be prepared to undo the last Administration's work in this sphere. But Mr. Ezra Benson, Secretary of Agriculture, declared recently that farm price supports should be used as "disaster insurance" and not to encourage "uneconomic production" leading to big surpluses and subsidies. He has also repeatedly emphasised that the farmers should produce for the free market, and not for Government bounty, and should have freedom to adjust production to changing consumer demands. These remarks have provoked a storm of Congressional protest, for the representatives of the predominantly agricultural States see in them a thin end of the wedge to remove, or at least to whittle down, price support advantages. In any circumstances, these remarks would be resented by American farmers. But what makes them particularly unwelcome to this American section is the fact that these "free market" ideas are being expressed at a time when agricultural prices have shown a marked tendency to fall. There is, however, no immediate danger of the withdrawal of price support scheme, for it will remain in force not only throughout the current year but also in 1954.

BOMBAY GOVERNOR'S ADDRESS

The Governor of Bombay, Mr. Mangaldas Pakvasa, had a good account of his Government's work to give, when he addressed the joint session of both Houses of the Legislature this week. If his opening remarks did nevertheless strike a somewhat jarring note, it was because he had necessarily to refer to the scarcity conditions in different parts of the State—conditions for which the Government is not responsible but to remedy which it is doing, we are told, all it can. Relief works, to the tune of Rs. 1.75 crores, have been opened. A sum of Rs. 2.85 crores has also been set apart for providing *tagai* loans. He also gave the assurance that no "single life" would be affected through lack of foodgrains. Arrangements have accordingly been made to meet the deficit in foodgrains, estimated at 1.2 million tons for 1953. If the Central Government gives the requested allotment of one million tons of foodgrains—, 200,000 tons of rice, 450,000 tons of wheat and 550,000 tons of coarse grains—and if procurement within the State reaches the target of 175,000 tons—125,000 tons for wheat and 50,000 tons for rice—there should be no difficulty in meeting the deficit in foodgrains.

The long-term remedies for meeting the food deficit are also being implemented. Good progress has been made in respect of the major irrigation works such as the Gangapur storage project, the Ghataprabha canal project, the Mahi canal project, the Ranand tank project, the Kolchi weir scheme and the Kakrapara weir project. The Five-year Plan envisages an outlay of Rs. 146 crores on the State's development programme. The industry's needs for power, Mr. Pakvasa said, would be met when the Rs. 33-crore project, the Koyna hydro-electric project, now fortunately included in the Plan, is completed. Apart from the major projects, the State has embarked upon a series of minor irrigation works. The Central Committee on Famine, appointed by the Government of India, has allotted to the State a sum of Rs. 1.17 crores, out of the total sum of Rs. 15 crores, for undertaking permanent remedial measures. The State Government now intends supplementing this grant by an additional sum of Rs. 1.50 crores from its own sources in order to undertake irrigation works. Tanks and wells are being repaired in many districts; new wells are being sunk. The supply of improved seeds and manure is also receiving the Government's attention.

This is a record of good work. And there is no doubt that, if nature had been less unkind to the State, the Government would have had even a better record to show. While it is certainly not our intention to belittle the good work which has been done, we would urge the Government to consider whether its past—impressive as it has been—could furnish a safe guide to the future. If revenues fall—as they well might—it would be difficult for the Government to implement even a modest fraction of what it would itself like to do for the State. Under the Five-year Plan, the State has to spend Rs. 146 crores. It has already incurred an expenditure of Rs. 52 crores. This leaves a sum of Rs. 94 crores to be found in the next three years. Nor is this all. Development expenditure, notably expenditure on education, public health and other activities, will increase. Mr. Pakvasa admitted that the State should "mobilise all our resources," to implement the Five-year Plan. Is the surrendering of lucrative sources, such as the excise revenue, the best way of mobilising resources This question needs to be pondered, not in the light of ideological considerations, but in the light of the admitted fact that the State has already exhausted the reserves carefully husbanded by the previous regime and, further, has reached the limits of taxable capacity and that there are many other reforms and projects which should enjoy higher priority than Prohibition.

GLUCOSE INDUSTRY

Nearly five years have elapsed since protection was granted to the Indian glucose industry. It was in 1948 that the Government of India, on the recommendations of the former Tariff Board, converted the revenue duty of 30 per cent. *ad valorem* into a protective duty. Protection was to remain in force till 31st March, 1950, but it was subsequently extended by a period of 21 months. As protection is due to expire at the end of this year, the industry submitted to the Government its claim for continuance of protection, which is now under the examination of the Tariff Commission.

The threefold demand of the Indian glucose industry is: (1) increase of 10 per cent. in the rate of protective duty on both liquid and crystal glucose; (2) abolition of customs duty on imported starch for a period of three years, or, alternatively, grant of refund equivalent to customs duty on the price of 11 tons of starch for every 10 tons of liquid glucose or 5.5 tons of crystal glucose manufactured by it; and (3) complete ban on imports. The first two claims of the Indian glucose industry deserve to be conceded, considering the fact that this industry has vast potentialities for development, as witness its importance not only for its medicinal value but also for its use in the confectionery, viscose, rayon, paper, textile and leather industries. It is but appropriate, therefore, that Dr. B. V. Narayanaswamy Naidu, Member, Tariff Commission, should have prefaced his address, at the enquiry, by a reference to the importance of preserving and expanding the glucose industry, either as an integral part or a close associate of the starch industry.

The consumers may, however, point out that protection, if continued and increased, would result in the sacrifice of consumers' interests. The grant of protection does not seem to have led to any striking improvement in the industry's production, as is evident from the wide gap between domestic demand and rated capacity, on the one hand, and between rated capacity and actual production, on the other. The result is that the industry is now meeting only a fraction of the country's total requirements of glucose. Thus, according to figures cited by Dr. Naidu, the rated capacity of the indigenous glucose industry—there are four producing units—is 6,700 tons of liquid glucose per annum. The actual production, which was 354.5 tons in 1947, has been at a much lower level in recent years, being hardly 27 tons in 1948, 77.4 tons in 1949, 219.15 tons in 1950, 156 tons in 1951 and 104.8 tons in 1952.

From these figures, one should not, however, rush to the conclusion that the Indian glucose industry has not justified the protection given to it. The chief reason for the failure of the indigenous industry fully to utilise its capacity has been the lack of adequate supplies of right quality raw material—starch is the most important—at an economic price. This clearly illustrates, as Dr. Naidu aptly remarked, how inadequate the grant of protection alone can be when an industry is hamstrung by non-availability of raw material "of the right quality in the required quantities at an economic price". If, therefore, the glucose industry is to make rapid progress in the future, it is imperative that not only adequate protection should be given for a few more years, but also supplies of raw materials at reasonable prices should be ensured. Given these, it will not be long before the Indian glucose industry can be expected to outgrow the need for protection.

The plea of the glucose industry for a complete ban on imports is, however, not justified. For such a ban will, especially when, as already stated, there is a wide gap between production and demand, tantamount to penalising the consumer who will have to pay exorbitant prices for their requirements of glucose. Moreover, a complete ban on import will take away the industry's incentive for improving the quality of its production. There is, however, some point in the suggestion—to which Dr. Naidu also alluded—that, as an incentive to indigenous glucose manufacturers, the actual user applicants for the import of liquid glucose should be advised to obtain at least 25 per cent. of their six months' requirements from indigenous sources.

JAPAN'S ENTRY INTO G.A.T.T.

The stage is being set for the entry of Japan into the General Agreement on Tariffs and Trade (G.A.T.T.). It will be recalled that at the seventh session of the Contracting Parties held at Geneva in October last, the consideration of Japan's application for membership was deferred, as some members, notably the U.K., had shown a certain reluctance to give their unconditional support to Japan's application. Their misgivings were due to the fear that Japan might resume the pre-war unfair trade practices in the field of international trade. The question to be decided, therefore, was whether additional safeguards against Japan would become necessary if this country were admitted as a member of the G.A.T.T. The full session of the Contracting Parties decided to refer this question to an inter-sessional committee composed of representatives from Australia, Belgium, Brazil, Canada, Chile, Cuba, Denmark, France, India, Italy, Pakistan, South Africa, the U.K., the U.S. and West Germany. This Committee met in Geneva on the 2nd inst. and considered the whole question at great length.

The Committee, we are now told, has held that the present G.A.T.T. provisions provide adequate protection against any contingency, such as the "sudden flooding" of markets and the consequent "violent disruption of trading conditions with serious repercussions for large sectors of production. "This contingency, which, it is feared, might arise if Japan were allowed entry into the G.A.T.T., could be met by Article 23 of the G.A.T.T., which could be invoked by declaring a state of emergency. This Article provides that, in an emergency, a member-country can be relieved from its obligation, if the situation is held to "impede the attainment of the General Agreement's objectives." Should the Contracting Parties fail to take a decision within 30 days, the applicant country would be free to act unilaterally pending their decision. The Committee has further pointed out that, if any additional safeguards were found necessary, they should be made applicable to all members, and not merely to the country protesting against unfair practices. The Committee has, however, done well to emphasise that the Contracting Parties could not seek to provide protection against genuine long-term efficient production.

All that the inter-sessional Committee has done is to declare that the G.A.T.T.'s Articles are flexible enough to permit the countries to protect themselves against any possible resumption of unfair trade practices by Japan. This has, no doubt, made the way smoother for Japan's entry into the world body. But, then, a few important hurdles still remain. The final decision on Japan's application can only be taken at a full session of the G.A.T.T. A special meeting of this body will, it is stated, be convened "as soon as possible," when the Committee's views will be considered. If Japan secures a majority vote at this meeting, it will then commence a series of bilateral negotiations. But it is only when it succeeds in concluding such negotiated agreements with two-thirds of the members of the G.A.T.T. that it will be assured of its membership of this body.

ASSISTANCE TO ASIAN COUNTRIES

In the present context of the efforts of the Asian countries to raise the depressingly low level of the living standards of their people, the E.C.A.F.E.'s call for an international finance corporation and special funds which would offer interest-free loans and grants-in-aid to help South-East Asia and the Far East, made in the report adopted by the Commission at the concluding session of its recent conference on Saturday last, is of special significance. The Asian countries have embarked upon economic development programmes, envisaging provision of irrigation for agriculture, of power and capital goods for industries, and of communication facilities for transport of goods and commodities. The pace of progress in implementing these schemes has unfortunately been slow, thanks to paucity of funds. In fact, several countries have been compelled to cut expenditure on development, because their financial resources have dwindled, following recession in prices of the raw materials they produce. It is clear that, without foreign assistance in the form of capital, equipment and experts, it would be difficult for the countries to make considerable progress. The E.C.A.F.E. has certainly done well to recommend the setting up of an international finance corporation and special funds for offering interest-free loans and grants-in-aid. It is to be hoped that the recommendation would receive the most careful consideration of the dustrially advanced countries, especially the U.S.

As already stated, sharp fluctuations in commodity prices have created a serious problem to the Asian countries. The recession in commodity prices have reduced their foreign exchange reserves. The difficulty has been particularly aggravated in the food-importing countries, consequent on the increase in rice prices. It is thus evident that, if the pace of economic development is not to be arrested, it is necessary that a certain measure of stability in prices should be achieved. As the E.C.A.F.E. has rightly stressed, there is need for measures to stabilise commodity prices and to create conditions in which the prices of capital goods and manufactured goods—which the area needs—bear a "just" relation to primary commodity prices.

OFF THE RECORD

(By "ROVER")

ONE of the biggest headaches for the harassed State Government of Bombay, since it first came into power in 1946, has been the acute shortage of housing in Bombay. It is, however, gratifying to learn that, within a matter of a year or so, the Government is to be relieved of a greater part of its anxiety on this score. A beginning of the end of this trouble was made, according to Press reports, last Monday, when no less a person than the acting Governor of Bombay Mr. Mangaldas Pakvasa, laid the foundation-stone of a huge building, estimated to cost Rs. 19 lakhs and intended to accommodate as many as 180 members of the State Legislature. Besides providing living quarters for this large number of M.L.As., this structure, which architecturally will be an imposing edifice, standing on one of the finest building sites in the city, will provide luxurious dining halls, a comfortable library and a number of reading rooms, spacious garages and commodious family quarters for even those who would have the good luck to be selected for waiting on our elected representatives. The building will be ready for occupation, as disclosed by the P.W.D. Minister, Mr. M. M. Naik-Nimbalkar, in about a year's time. When this is brought into commission, the housing problem in the City might be said to have been satisfactorily resolved.

It is not often that the Bombay Government displays such deep sense of proportion and perspective or pays regard to the order of priorities. Financial stringency will always be there for a Government wedded to the promotion of expensive fads. Famines and economic distress in the rural areas have persisted and are bound to recur at stated intervals. With more and still more children being born every year, inadequacy of hospitals and school buildings is sure to plague us for decades. Heaven knows when the shortage of building materials might end. It might not do so for another generation. After all, first things have to come first and you cannot put off such a highly constructive and nation-building scheme as the housing of the hard-working and sweating members of the Assembly and Council, in comfort and luxury, befitting their exalted status. A Welfare State needs must look after the welfare and well-being of those who help in running the State.

Besides, it is in the natural course of things for such blessings to begin at the top. By sheer force of gravity, they are bound to filter down, in the course of the ages, to the common man who finds himself huddled in a hovel with a dozen or more, or pushed out on the pavement. When the Assembly is not in session, when these poor dears go back to their homes, they have to rough it, like the rest of us, in overcrowded and noisy homes in dusty towns and villages. It is but right that they should have a taste of comfort and luxury, when they are actually engaged in doing the nation's work.

One would be wrong in imagining that the lot of an M.L.A. in the Council Hall is easy. Apart from making them from time to time, the strain of listening to dull and unending speeches for hours, when the after-lunch, drowsy feeling is so overpowering, is very great, in fact greater than the effect of the drone of heavy machinery in a factory. It is but meet and fair that a system, which condemns them to this fate for weeks on end several times a year, should provide recreation centres for these victims in healthy and peaceful surroundings, where they can repair the day's wear and tear and get themselves refreshed for the ensuing day's labours. For those of you, who are inclined to disagree with me on this point, I would suggest a visit to the Assembly on any one of the hot days ahead. Few would be able to survive it, without earning at least a severe headache, if not a protracted nervous breakdown. It takes grit to listen to a day's debate in the Assembly unmoved.

I am, therefore, all for this welfare project of the highest importance being given top priority. I am, in fact, surprised that the Planning Commission found no place for the provision of well-appointed mansions in the capitals of all the States and the country for housing the M.Ps., M.L.As., and M.L.Cs., in the Five-year Plan. My misgivings with regard to this project are not on the score of expense, priorities or social justice. I am sorely troubled about the possible breaches of the peace and the difficulties of maintaining law and order in these premises designed to harbour men of widely differing views. It takes a full-time Speaker and President to maintain order in the Assemblies and Councils in each State. I take it that neither of these dignitaries will be there to regulate the conduct of the inmates of this new house that is being put up for the residence of legislators on the foreshore of Bombay.

Our Governor, Mr. Pakvasa, in his innocence, believed that this throwing of the M.L.As. together informally would reduce the time taken in debates in the Assembly. So it might. It would also, perhaps, reduce the heat created in the formal sessions. But I wonder if the heat that would be generated in these quarters and the sparks that would fly about would not lead to a general conflagration in the otherwise peaceful area, inhabited by the high-ranking Secretariat officers. I would, therefore, suggest the addition in the plans for this building, when there is still time, of a wing on one side for locating a small fire brigade and another at the other end for a combined police station and an emergency ward of a hospital, by way of a necessary precaution.

Bengal Chamber's Centenary Volume

Had the political set-up in the country not been completely changed six years ago, I wonder what the reaction of the Indian business community would have been to the issue of a volume like that on the Centenary Survey (1853-1953) of the Bengal Chamber of Commerce and Industry. For the matter of that, I also wonder whether this really interesting book, so ably written by a journalist of rare discernment and great subtlety, would not have been entirely different in tone and temper, perspective and treatment from what it is. Six years ago, it was not possible for a Briton resident in India, however, impartial and objective in his outlook and thinking, to be just a business man, and administrator, a planter, a missionary or a member of one of the important professions—medicine, law, engineering, journalism, etc.

He was one or other of this, but subconsciously and without any awareness of it on his part, he was something more than this, a member of a race apart from amongst those he lived and worked with, which was, as if ordained by Providence, laid with the responsibility of governing the country well. For the first time in India, a British business man is his own real self, just as God, and not an Empire, made him. And I have discovered that he is a very likeable and sociable man, a man with whom it is a pleasure to do business or to be friends. It is only now, after about 200 years of physical proximity, that India has discovered the real Englishman. It would be equally true to say that the Britishers in India, had only now discovered India and its people after ruling over it for two centuries. Mr. Geoffrey Tyson is one of these discoverers and he has written this survey with the full light of this new discovery, even though he writes of years that have gone.

I am not engaged here in reviewing this book. I do not, therefore, feel called upon to summarise the subjects that it deals with or to mark the milestones on the hundred year's progress of this great and politically powerful institution. Powerful it was and more so politically than economically, even though the author certifies that it concerned itself with politics only reluctantly. It was also more influential than similar other institutions in Bombay and Madras. Perhaps, its location lent it this significance and importance. Perhaps, the mere accident of Calcutta being the capital of the country for a long period during the British regime gave Bengal its commercial and economic development. I have also no desire to comment on many of the once highly controversial but now dead issues with which this body had to deal in its long career and about which Mr. Tyson writes with an economy of words which I have rarely seen equalled.

While all this has a legitimate place in this record, which may or may not "prove imperishable," it would be idle on my part, for instance, to examine the attitude adopted by the Bengal Chamber of Commerce, exactly a generation ago, towards the original Haji Bill introduced in the Assembly to reserve coastal traffic for Indian Shipping or the more innocuous one redrafted by the Select Committee and recirculated for opinion in the following year (1929). Even Mr. Tyson has wisely and laconically slurred over this topic in his narrative. It would be equally fruitless for me to recall the spokes put by this and similar other bodies on every occasion for constitutional advance or the snub it received in 1942 on one such occasion at the hands of Sir Stafford Cripps.

What I have tried is to record, in the opening paragraph, the thoughts which emerged in my mind when I reached the end of this volume. And more than anything else, I want here to request whosoever is inclined to undertake a perusal of this book on my recommendation to concentrate on Chapter XIII headed "Approaching the Centenary." It is this summing up, which is in my opinion, a piece of inspired writing. It shows the touch of the master and an indelible mark of sincerity and sympathetic understanding. Mr. Tyson has not lived and worked in vain for many years in India. It shows that he has gained from and given much to this country. If his portrayal of the attitude of the Bengal Chamber of Commerce and Industry is correct, and if it lives up to this appraisal in the future, it will occupy an even more honourable place in the economy of this country than it had never had in the past.—*All Rights Reserved.*

DISEQUILIBRIUM IN THE BUDGETARY POSITION INTENSIFIED

HEAVY DEFICIT IN STORE FOR 1953-54

(From A Special Correspondent)

NEW DELHI, 17*th February*

THE weather in Delhi has become hotter for this time of the year, indicating perhaps the early advent of the much dreaded summer. It can, however, be considered pleasant, by those members of Parliament who hail from the south of the Vindhyas. The capital is now humming with political activity of all kinds with meetings and conferences galore. The political tempo has further been intensified by the three by-elections to the Delhi State Assembly in which the Opposition parties have scored a success.

DELHI LETTER

The position of the Finance Minister of the Government of India is somewhat unenviable, especially at this period of the country's fiscal history. On the one hand, he is being pressed hard by business and trade interests that adequate incentives should be provided for capital investment in risk-bearing enterprises and ploughing back for plant expansion. On the other hand, he is being compelled to allocate increased sums for the capital expenditure in regard to multi-purpose projects and other beneficial measures to strengthen the economy of the country. These requests are being made at a time when revenue resources are gradually shrinking.

Sizable Deficit in 1952-53

For the current fiscal year, namely, 1952-53, Mr. C. D. Deshmukh is expected to show a sizable deficit for more reasons than one. For the first nine months of the year, the returns from customs amounted to Rs. 131.44 crores and for the full year, it will amount to about Rs. 169 crores, as against the estimated figure of Rs. 165 crores. In regard to the Union excise, realisations are expected to decline by about Rs. 8 crores from the estimated figure of Rs. 86 crores. In other words, the total revenue from the above two heads will come to about Rs. 247 crores, as against the budget estimate of Rs. 251 crores. The yield from income and corporation taxes will, however, go up to nearly Rs. 130 crores, as compared with the original estimate of Rs. 104.16 crores. But the surplus under this head is likely to be more than offset by the food subsidy which is now expected to amount to the high figure of Rs. 50 crores, as against the budget estimate of Rs. 15 crores. The higher expenditure on East Bengal refugees, as also that on Defence, not to speak of higher allocations to capital expenditure on development account, is expected to intensify the disequilibrium of the budgetary position. A point to be noted here is that the Government has not realised a single pie from Pakistan, although Mr. Deshmukh had estimated that he would be getting Rs. 9 crores from that country on account of the pre-separation debt. As a part of the Partition arrangements, Pakistan was, it will be recalled, allowed a four years' moratorium in its debt repayment to India. As matters stand, it is likely that India may not get any amount from Pakistan on this or any other account for many many years to come. This apart, the Finance Commission's recommendation for a higher share for the States in the income-tax pool, grants-in-aid, etc., with retrospective effect, would have cost the Union Government another Rs. 20.81 crores for 1952-53. It will not, therefore, be surprising if the Finance Minister shows a deficit exceeding Rs. 70 crores for 1952-53, as against the nominal surplus of Rs. 3.73 crores estimated in May last.

Decline in Revenues

The position in regard to the forthcoming fiscal year (1953-54) is, indeed, not optimistic. The returns from customs and Union excise will be appreciably lower than in the previous year. Although industrial production in the country has been gradually moving up, the profit position has narrowed down to a marked extent. As a result, the yield from income and corporation taxes will decline considerably. During the last few months, many jute, tea and cotton mills—major contributors for income and corporation taxes—have been showing heavy losses and it is possible that their contribution during the forthcoming year will be markedly lower than in the recent past. In view of the increased allocations to States, the resources of the Centre will shrink appreciably. It is, therefore, possible that the Finance Minister will totally abolish the food subsidy and even try to effect some savings in the defence expenditure. In addition, he might resort to some indirect taxation to improve the financial position of the Centre, say, by the levy of salt duty and also by tightening up leakages in collection. Export taxes are likely to be reviewed to some extent. In view of the heavy increase in the stocks of jute goods, Mr. C. D. Deshmukh can be expected to reduce the export duty on sackings to some extent. In regard to linseed oil, the duty may not be retained, due to the improved supply position of this and other competing oils in the world. Duty on groundnut oil, however, may be reimposed, following the latest developments in the Far East and the receding possibilities of supply of groundnut from China. In these circumstances, the Finance Minister is not likely to show even a nominal surplus for 1953-54 as he was able to do a year ago.

Major Schemes to be Implemented

In the industrial sector, the Government is anxious to implement a number of major schemes with a view to strengthening and expanding the economic resources of the country. A three-member technical mission consisting of a representative each of the World Bank (Mr. Rambert), the famous American steel firm of Koppers and the Commerce and Industry Ministry is expected shortly to review and reassess the steel project which is to cost about Rs. 80 crores. An official steering committee consisting of Mr. H. V. R. Iengar, Secretary to the Ministry of Commerce and Industry, Mr. F. C. Badhwar, Chairman of the Railway Board, and Mr. A. K. Chanda, Secretary to the Ministry of Production, will assist the technical mission. The mission will be making recommendations on the location of the plant, the initial and ultimate capacity, the nature of technical aid, etc. It may be noted that the Government has earmarked a sum of Rs. 30 crores towards the establishment of this project under the Five-year Plan. The Government is now determined to go ahead with the erection of the third plant with or without foreign capital. It is, however, possible that Government will seek a loan from the World Bank, especially for such of the dollar expenditure as will be required for the purchase of the plant and machinery. This is indicated by the association of the representative of the World Bank in the formulation of the project. This apart, it was only last week that Government sanctioned a sum of Rs. 20 lakhs for the building up of a fourth berth in the Vizag yard. The representatives of the Standard Oil Company are in the capital discussing with Government spokesmen regarding the safeguards, etc., for the intensive exploration of the oil-bearing belt now located in the Gangetic delta of West Bengal. It is stated that prospects for oil in this area are considered satisfactory after the recent aerial survey. Since the intensive exploration requires a heavy investment, inherent in such risk-bearing enterprises, this foreign concern wants to secure from Government some assurances regarding profit-sharing, repatriation of interest, etc. The representatives of Caltex are also here, discussing with Government regarding the erection of the third oil refinery in the country, to be located on the East Coast, most probably in Vizag. The two other oil refineries are already under erection in Bombay costing a sum of £30 million. The total capacity of the above two plants is about 3.25 million tons.

Tax Enquiry Committee

It is definitely known that Dr. John Matthai, former Finance Minister of the Government of India, will be appointed as the Chairman of the forthcoming Taxation Enquiry Committee. The personnel of the Committee, which will be either seven or nine, will be announced by Mr. C. D. Deshmukh on Budget day. The terms of the enquiry will cover a wide field and the members will be asked to examine the entire taxation structure of the country—Central, State and local. The Committee will be asked to pay particular attention to the incidence of taxation and the changes brought about by the war and the inflationary spiral on the different classes of society. In view of the numerous representations made to Government from time to time that the tax structure should be so modified as to provide adequate incentives for investment in risk-bearing enterprises and a steady expansion of plant and machinery in well established concerns, the Committee will be asked to examine this aspect of the problem. Again, the relationship between taxation and investment and the question of stimulus to saving will also be looked into by the Committee. In view of the recent controversies relating to the multi-point sales tax, the examination of the incidence of this form of tax on the consumer will be one of the references. The Committee will also go into the question of the spheres of taxation between the Centre and States on the one hand and between States and local authorities, on the other. However, those who think that, as a result of the findings of the Tax Enquiry Committee, the burden of taxation will be lightened, will be entirely mistaken, inasmuch as the realisation of the ideal of Welfare State requires large resources.

EUROPEAN COAL-STEEL CARTEL

WILL IT SURVIVE?

(From Our Own Correspondent)

LONDON, 14*th February*

THIS week 'C' in Europe stood officially for Community, or Common Market, but unofficially for Cartel. On 10th February, the Coal and Steel Community of the Schuman Plan, formed under the 50-year agreement of the six West European nations, went into action. From that date, France, Italy, Western Germany, and the three Benelux countries (Belgium, Holland, Luxemburg) took the first step to create a common market with common prices, transport, and selling arrangements for coal, iron ore, scrap, and steel.

LONDON LETTER

Although all restrictions on all four commodities are not abolished forthwith (in particular, scrap does not come into the scheme for another month and steel for another two months), for coal and iron ore the restrictions removed include customs duties, quotas export duties, discriminatory transport rates, and discriminatory domestic prices, as compared with export prices. Coal is, however, still being allocated between the six countries under E.C.E. (Economic Commission for Europe) arrangements, although these are supposed to expire at the end of March. Maximum prices continue to be determined, however, by the High Authority which is the governing body of the Coal and Steel Community, but otherwise the trade in coal will be free and on the same terms for all six countries. For iron ore, the common market is most truly complete since there will be no control over prices.

How far the foregoing is immediately being translated into practice is hard to determine and no clear picture from the six countries has yet emerged. Even in coal, there are all sorts of complications which the High Authority has to resolve and over which it is prepared to move slowly. For instance, the Belgian coal mines are high-cost producers and are subsidised by their Government. In France and Holland, a levy is raised on low-cost coal to equalise the price of the output of high-cost mines. In Holland, the Limburg mines pay a levy to offset the cost of high-priced American imports. There are similar complications in the coke market supplying the steel industries. National subsidies, producer agreements, and so forth, are all contrary to the spirit of the common market, but it is understood that compromises and intermediate measures will be permitted for, perhaps, seven years. The true free coal market may, therefore, not exist in Europe until 1960.

The difficulties existing in raw materials such as coal will be enormously multiplied when it comes to creating a free market in steel. A hint of what these difficulties may be is already available from the German attitude on coal. Germany wishes to prefer certain classes of domestic industrial consumers for low prices—this would be all very well if all six countries adopted the same technique, but, otherwise, the price of coal in the other five countries would be kept unnecessarily high in order to subsidise Germany's preferred industries. Similarly, German prices are out of line with the six-country prices, because they have decided to raise their export prices into line with their domestic prices instead of striking a mean. Finally, the Germans are out for an export tax on coal. All these difficulties may be ironed out, but they indicate that the six countries have not yet reconciled themselves to the true principles of the common market towards which the High Authority is working. It will be interesting to see how these same difficulties are tackled in the case of steel, but there is no doubt that it would be a mistake to expect any spectacular developments. Given time, the intentions of the High Authority will no doubt be carried out.

There is a final risk against which the High Authority will have to guard. The principle behind the common market is to enable an integration of economic systems, a rationalisation of the industries concerned, and an improvement in efficiency and a reduction in price. The powers which are necessary to ensure control over prices and output are just the powers which enable a cartel to work against the interests of the community, and it remains to be seen how the commercial interests concerned reconcile themselves to the ideals of the community plan.—*All Rights Reserved.*

AMERICAN LETTER

EISENHOWER'S FOREIGN POLICY DYNAMIC

NO ECONOMIC UPSETS LIKELY FOR SOME MONTHS

(From Our Own Correspondent)

NEW YORK, 11*th February*

THE great controversy occupying America these days are the attempts of the new Eisenhower Administration to assume a more positive policy both in Asia and Europe. So far as the Far East is concerned, the dispute centres around two main points. One concerns the changed instructions for the Seventh American Fleet which has been in Formosan waters under orders of the Truman Administration. Its objective was two-fold—to guard the Chinese Nationalists from being attacked by the Communists and to prevent the Nationalists from attacking the Communists. The latest plan of the Eisenhower Administration is to have that fleet still stand by and guard the Nationalists, but do nothing in case forces under the command of General Chiang Kai-shek should make raids on the Chinese mainland in either a Northern or Southern direction.

Just what such a policy is to accomplish is not too clear except for one aspect. That is that it restores a semblance of initiative to Western world leadership. In the past seven years, both Washington and London, as well as the other world capitals, have followed and parried every move made by Moscow, but they started nothing.

In other words, the decision is the first measure which is trying to be positive and active rather than passive. American public opinion seems to feel that the Eisenhower Administration is entitled to try this new approach in an endeavour to end the East-West stalemate and the Korean War.

Indeed, at the bottom of all these considerations is the Korean War which the American public have never been able to quite understand except in two terms. One is that the U.S. was more or less the godfather of the South Korean Republic and, therefore, was honour-bound to protect it, and the second is that, in 1938 and 1939, the Western powers did nothing but give in to the forces of aggression, but this time they have the nerve to oppose these elements in a limited way at least.

Both thoughts, however, do not remove the general sense of frustration over the fact that there seems no possibility to win the war or end it in another way. There is also a good deal of discussion about a possible blockade of China. This would, of course, conflict with British interests and might lead to a deterioration of Anglo-American relationships, but it might be another positive rather than passive action, as suggested above.

Asian Problem

Along the same lines, there is a lot of discussion about the Asian problem itself. Dr. Chang, the Korean Ambassador here, favours the new orders for the Seventh American Fleet. He thinks Chinese Nationalist raids on Communist China may be of sufficient strength to divert troops and equipment from North Korea. But he does not want Nationalist Chinese troops in Korea and he does not believe that increasingly larger raids on the China coast will eventually lead to a second front—Chinese fighting Chinese and Asians fighting Asians.

In this attitude, there is also a dualism of thought and thus a conflict. On one hand, the South Korean Republic wants American troops withdrawn, but at the same time it wants its fight against Communism understood as a United Nations' venture, not a Korean one.

As a practical matter, U.S. opinion seems to veer to the line that the United States is bearing the brunt of the fighting, of the casualties and other costs in Korea and are, therefore, entitled to take whatever steps are necessary to resolve the present stalemate.

Up to a point, this is, obviously, recognised as a valid argument in other United Nations' capitals as well. It is also felt here that the continual official emphasis on "avoiding World War III" has provided considerable ammunition to Soviet propagandists who probably do not want war either but never say so and by this method drive the Western powers into a defensive position.

A similar situation is confronting the United States in Europe. Secretary of State Dulles and Mutual Security Administrator Stassen have just returned from a European fact-finding trip and indications are that, in this part of the world, they have also adopted a positive rather than passive attitude. They have warned that, unless steps towards common European defence and unity are taken, the Washington aid programme may be changed.

This new policy might well bear watching in foreign countries and their capitals, because it will not only affect international relations, but social objectives and economics as well. How far Congress will go along with this new line of executive thinking remains to be seen but the chances are that the confidence honeymoon for Eisenhower is strong enough to let him try almost anything reasonable in trying to solve America's foreign and domestic problems. It might be added, the spirit of the new Administration is such that no sensible proposals will be turned down without the most careful examinations of all facts.

Line of Positive Action

The line of positive action rather than a passive one has also been followed domestically. Most price and wage controls are scheduled to expire since most goods and materials are now in ample supply. The new Treasury policy, as exemplified by the first conversion offer of certificates, represents an honest desire to get the bank-held inflationary debt as much as possible out of those hands and replace it with bonds held by institutional investors who do not increase the money supply.

The Government authorities are well aware that they have to compete with the private capital markets in raising money, but they are doing it cautiously by offering not unduly high rates to attract speculators, but sufficiently high ones to sell their wares.

Fiscal managers have also assured me that they recognise the possibility that a reduction of the money supply in a deflationary cycle may well produce effects which are highly undesirable in contracting credit. Obviously, everyone concerned will continue to proceed with extreme caution.

So far, there are no danger clouds on the horizon. For the next five to six months, the U.S. economy is likely to hum at its present pace. Economic academicians still predict a decline of volume when defence spending will taper off later in the year, but these views are still being opposed by those who point to the great unfulfilled projects of States and municipalities waiting for a proper time to make their influence felt. So far as present conditions are concerned, the dynamism of the Eisenhower Administration reigns uncontestedly. The prospects are it will continue to do so for some time to come.—*All Rights Reserved.*

PAKISTAN NOTES

VILLAGE AID PLAN

U.S. OFFERS $7.6 MILLION

THE Government of Pakistan has decided to go ahead with its Village Aid Programme In this task, the Government is to be assisted by the U.S. Technical Assistance Administration, which has already granted $7.6 million This aid will help the purchase of the much needed machinery and equipment, fertilisers transport, propaganda films, etc. The Programme is expected to be more or less on the same lines as that in India and Japan. A 27 man official Pakistan delegation, headed by Mr. A. K. Malik, Development Commissioner of the Punjab, it may be recalled, recently visited India and Japan to study the village community projects in these countries.

The need for a Village Aid Programme cannot be over-emphasised. The bulk of Pakistan population—to the extent of nearly 80 per cent.—lives in villages. It has not, since the creation of Pakistan, received any direct benefit from the general economic development of the country. Consequently, the rural people continue to live in poverty, hunger, disease and ignorance, indulging, more often than not, in ruinous litigation and feuds. It is, therefore, high time, as Mr. Malik aptly stressed at Lahore the other day, that "concentrated and sincere" efforts were made to ameliorate the misery and to shake off the centuries-old apathy. The decision of the Pakistan Government to go ahead with its Village Aid Programme might well be regarded as a major step in this direction.

The implementation of the Programme will be undertaken by specially qualified persons, persons with the requisite enthusiasm and confidence. Two training centres will be set up in the Punjab, of which one will be at Qaidabad in the Thal region. The Qaidabad centre will impart proper training for administrative workers for six months. One worker will be put in charge of five villages. Initially, the Programme will be launched in 600 villages in the Province. The proposed village uplift scheme envisages instruction in better methods of cultivation. The scheme also envisages improvement in health conditions, education facilities, better supply of drinking water and provision of recreation facilities.

Price Support for Cotton

The Government of Pakistan has decided, according to a report from Karachi, to reintroduce the price support scheme for cotton. The fixation of prices for the various qualities of cotton has not yet been finalised. An official announcement to this effect is expected "very soon." Under the price support scheme, the Pakistan Cotton Board will be under the obligation to purchase, at the officially fixed price, any quantity of cotton offered by traders, whenever the price of cotton shows a tendency to fall below fixed price levels.

The reported decision of the Pakistan Government to reintroduce price support scheme for cotton is a sequel to the series of representations made by a considerable section of the cotton trade. It will be recalled that the cotton price support scheme, which had been introduced in the 1951-52 season, was withdrawn on 31st August, 1952. Subsequent to the withdrawal, the Pakistan cotton trade received a setback, due mainly to the slackness in export demand. Stocks of cotton accumulated with the trade and prices registered a sharp decline. Forced by circumstances thus and with a view to solving the most critical position of Pakistan's silver fibre, the Government first announced floor prices for export sales in the different varieties of cotton, which was later followed by the announcement permitting private barter arrangements involving exchange of Pakistan cotton with imports of a limited number of essential items such as iron and steel, chemicals, drugs and medicines, dyes, cotton and art silk yarns, sugar, coal, wheat, etc.

These two steps do not appear to have had any effect and the prices of cotton registered a further decline, which lent growing support to the plea for the reintroduction of the support scheme. The Government's efforts to help the cotton trade by fixing export prices or allowing barter arrangements, it was asserted, would not succeed, if nothing was done to stabilise local prices. To what extent a price support scheme will help stabilise cotton prices remains to be seen, for there are indications which suggest that, unless there is a dramatic improvement in demand, the efforts of the Pakistan Government are bound to end in failure. In

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this context, the cotton traders in Pakistan welcome Lancashire's re-entry into the Pakistan cotton market this week, after a long absence, with the purchase of 25,000 bales. Opportunities of buying more Pakistan cotton are regarded favourable in Lancashire. It is felt that prospects of bilateral trade between the two countries will be improved, if larger quantities of raw cotton are procured by the U.K. Pakistan is known to be in need of cotton yarns and there is said to be good scope for widening sale in Pakistan of piecegoods and finished cloths of Lancashire origin. During 1952, shipments of Pakistan cotton to Lancashire aggregated barely 85,000 bales, as compared with 120,000 in 1951. The Raw Cotton Commission has made only limited purchases of Pakistan cotton, as sufficient American types had been available from other sources. In the meantime, there is a section of cotton trade in Pakistan which strongly feels that the Government should leave the market alone and allow the prices to adjust themselves according to forces of supply and demand.

A public limited company, with a capital of Rs. 3 crores, is being floated to run the several industrial concerns in the Thal Area (Punjab). Of the total investment, 51 per cent. is to be made by the Government and the remaining by the Thal Development Authority and the public.

HAS THE INFLATIONARY PHASE ENDED IN INDIA?

CERTAIN TRENDS IN ECONOMY ANALYSED

THE trend of commodity prices since the sharp recession in the first half of 1952 has not been such as to improve generally the business sentiment in India. The slump touched its nadir in May that year when the general index number of wholesale prices stood at 367 (base 1939=100). This was, in fact, the lowest figure not only for 1952 but for the whole of the post-war period. After May, prices recovered primarily as a reaction to the previous sharp decline, with the index number rising gradually to 389 in September. Since then there has, once again, been a recession which has persisted till December with the index figure touching a low of 373.

The recession in the last quarter of 1952, which is a common occurrence at year-ends on account of expected arrival of agricultural commodities, has made many a business man think whether the decline is a temporary one or a renewal of the slump leading to depression. While opinion is divided on the question, it will be interesting, as also appropriate; to refer here briefly to the views of the *Tata Quarterly* on the subject. In an article entitled "End of Post-war Inflation," which appears in its January issue, the *Quarterly* feels that the persistent weakness of commodity prices calls for a fresh assessment of the general economic situation. Accordingly, it has surveyed the various economic trends and arrives at the conclusion that these trends "point to the end of the inflationary phase in India." Its views on these trends, summarised below, may be read with interest, although one may not agree with them.

The article under review sets out to examine the effects which the decline in prices noted above is likely to have produced on consumer income. This study is prompted by the assumption that, if money incomes are contracting, the effective demand for goods and services might, in due course, fall further, although for the time being the reduced level of prices might appear to have secured a balance between demand and supply. In the transition from a high-priced to a low-priced economy, the downward trend of income too must not be allowed to get out of control. The position would naturally be influenced by the basic trends of money supply, private investment, budgetary policy, overseas demand, etc. But, in the absence of a strong counteracting force, the interaction between falling prices and contracting incomes could, the *Quarterly* says, lead to a general slump in production, trade and employment.

With these preliminary remarks, the *Quarterly* proceeds to trace the trend of prices since the Korean War till the end of December, and finds that the basic trend of prices since the middle of 1951 has been in the downward direction. None of the principal commodity markets has been able to escape this downward trend. Even such commodities as foodgrains, ferrous metals and cement which are believed to be in short supply were no exception, their prices in the open market having fallen much below their levels as compared with a year ago. What is more, the trend of these is still downward. Chemicals, raw cotton and piecegoods have been below ceilings owing to improvement in supply. Oilseeds and vegetables are still in doldrums owing to contraction in overseas demand and their prices are lower by 20 to 40 per cent. than a year before. The prices of export commodities such as tea and jute and consumer goods such as sugar and *vanaspati* have continued to decline and are now well below the levels touched in the general slump. A substantial increase in supply in the case of these goods has been accompanied by static or decreasing consumption.

The obvious inference drawn from the downward trend noted above is that demand has weakened relatively to supply. What is the explanation for this change in the relationship between demand and supply? With a view to finding an answer to this question, the magazine has examined how far it is due to the contraction in the purchasing power in the country. As a theoretical exposition of the problem is not possible on account of lack of fundamental data, it has made an attempt at describing the general situation in rural and urban areas. The trend of income in rural areas is sought to be determined from the trend of prices of cash crops only. It has not taken into account the prices of food crops, as they are unlikely to show much variation, in view of the official control. The average wholesale prices in 1952-53 as compared with 1951-52 show a fall of 17 per cent. for cotton, 49 per cent. for jute, 37 per cent. for *gur*, 20 per cent. for groundnut and 29 per cent. for linseed. The *Quarterly* considers that the reduced prices are likely to bring down rural income in this and the next crop year substantially below that in the recent past, which will in turn affect the demand for the products of domestic industry.

The trend of income in urban areas is dependent on the volume of employment and earnings in industry, commercial establishments and Government offices. A review of the trend of income of large-scale industry shows that, except in a few industries such as cotton textiles, sugar, chemicals and cement, many industries in the country had to reduce production because of accumulation of stocks and fall in demand. The same declining trend, with perhaps greater intensity, is presumed to have prevailed in small-scale industries and trade. Although it is difficult to say how far the general slackening of industrial and trade activity in both the spheres has already reacted on the volume of employment, the statistics of Employment Exchanges have been relied upon by the journal for coming to the conclusion that there must have been a sizable fall in employment in 1952. Besides, attention is also drawn to the recent survey carried out by the Directorate of Resettlement of the Government of India which indicates that unemployment among the educated people is on the increase.

Analysing the trend of income in the various business sectors, the journal points out that the continuing fall in the price level is bound to result in substantial reductions in profits of those engaged in both foreign and domestic trade and in industries. The reduction in the incomes of trades and industrialists does not lead, according to it, to an equal reduction in the demand for consumer goods. But the fall in the income earned in small-scale industry and agriculture would, it observes, directly affect consumer demand. "Correlating all these factors," it says, "it is apparent that the recession in prices since the middle of 1951 has been accompanied by a contraction of consumer income besides a fall in the margin of profit."

Future Trend

The *Quarterly* then proceeds to consider the future economic outlook. This, according to it, will depend on several other factors, both external and internal. The situation overseas is unlikely to make any marked improvement in the export trade. Internally, fixed capital investment in the private sector, as reflected in the imports of machinery and millwork, shows signs of stagnation. The imports of capital goods increased from Rs. 40 crores in 1946-47 to Rs. 106 crores in 1949-50, but declined to Rs. 84 crores in 1950-51 though they rose again to Rs. 101 crores in the following year. Says the journal: "It may be that the quantum of import of machinery by the private sector has now ceased growing or is even declining."

As regards finance, it is stated that unless deliberate steps are taken to adapt monetary policy to the changed economic situation, money will continue to be tight. Owing to the increase in the supply of trade bills which has taken place since November, 1951, the difficulties of seasonal finance are likely to be smaller than anticipated. But it cannot be said, remarks the *Quarterly*, whether the Reserve Bank would go further and resume open market operations in order to counteract any sagging tendency that might be noticed in prices, trade and production. If the Bank does not undertake to expand the note issue when necessary, with its open market operations, it will be difficult for the private sector to improve its overall liquidity, even if business sentiment improves and demand for short-term and long-term investment broadens. The supply of money then will not show any lasting increase except for two possible developments, namely, (1) deficit budgeting necessitating loans from the Reserve Bank for meeting disbursements in India, and (2) a favourable balance of payments. On the contrary, the supply of money may decrease, if the fall in Gilt-edged prices, accompanied by unattractiveness of other outlets for funds, induce banks and other institutions to purchase securities from the Reserve Bank.

The contraction in money supply is indicated by the fact that, in the first completed year of the present policy, note circulation shows a net fall of Rs. 50 crores to Rs. 1,084 crores. This has been accompanied by a moderate disinvestment by the Reserve Bank (Rs. 22 crores) and a sharp unfavourable balance of payments (Rs. 91 crores). Side by side, Government deposits declined by Rs. 50 crores which was an inflationary factor so far as the Government itself bought securities or foreign exchange from the Reserve Bank.

In view of the contraction in money supply, the writer welcomes deficit budgeting of the order of Rs. 290 crores as envisaged in the Five-year Plan. Examining the inflationary implication of this deficit, the *Quarterly* observes:

"The direct foreign expenditure involved in the Government's investment programme for the period is estimated at Rs. 400 crores. This means that even if the overall budget deficits add up to Rs. 290 crores, Government transactions in India would yield a surplus of Rs. 110 crores (Rs. 400 crores minus Rs. 290 crores). Since it is only internal budget deficits which are a stimulating factor adding to the supply of money within the country, it is difficult to see how, on the basis now adopted, deficit budgeting in the Plan would be an inflationary force counteracting the depressing tendencies evident in the private sector."

For some years, a substantial adverse balance in overseas trade was an important deflationary force in the country. It tended to decrease the money supply. The position has been rectified since the middle of 1952 by means of drastic cut in imports. This stimulates activity only in regard to the goods previously imported and competing with domestic production. The value of exports, however, has also slumped and, therefore, the balance of payments is not large enough to be a major inflationary force. Consequently, it is considered that an adverse balance of payments on current account might actually be planned for, as being the only practicable way of utilising sterling balances and other foreign loans that India may get. Foreign aid of the usual kind does not make a change to the balance of payments directly, for this "extra foreign exchange" is generally accompanied by "extra imports." But import of capital and gifts of foreign capital goods give rise to local capital expenditures and are, therefore, a stimulating factor. No estimates are available about the volume of foreign aid or the volume of inflow of capital and aid coming in the form of capital goods. However, the foreign aid which is likely to be received by India cannot be counted upon to alter materially the effects which overseas merchandise trade is expected to produce on the economy.

From the aforesaid analysis of price trends and money supply, the *Quarterly* concludes that "the principal currents in the economic stream point to the end of the inflationary phase in India" and comments as follows:

"There are certain incalculable elements, particularly in the impact of world developments on India, but, so far the position can be analysed, the economy appears to be poised for a downward movement in business activity, in which the propelling force is likely to be a contraction of purchasing power in rural and urban areas. This seems to call for a reconsideration of the hypothesis on which official programmes and policies have so far been based. At the moment, unemployment in cities may not have reached serious proportions; in many lines, the fall in prices that has taken place may be taken to be desirable; and the slump in cash crops may be welcomed for the impetus it gives for the cultivation of more food crops. Economic policy has, however, to be related not merely to the situation at a given point of time but also to the underlying trends which may reasonably be expected to assert themselves in due course. From this angle, the time would appear to have come at least for thinking out, in advance and in practical terms, the changes in policy that may be required."

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WORLD BANK'S LOAN TO YUGOSLAVIA

The International Bank for Reconstruction and Development announced last week a loan to Yugoslavia which will help finance the completion of key projects in seven major sectors of the Yugoslav economy. The projects will bring about early increases in industrial production and substantially improve Yugoslavia's international trade position. No dollars are to be loaned. The loan will be in ten European currencies in an amount equivalent to $30,000,000. The currencies are Austrian schillings, Belgian francs, British pounds sterling, French francs, German marks, Italian lire, Netherlands guilders, Norwegian kroner, Swedish kronor and Swiss francs. Most of the funds required for the loan are being made available by these Governments from their domestic currency subscriptions to the Bank's capital. The Swiss francs, however, were obtained from the sales of Bank securities in Switzerland, which is not a member of the Bank.

The loan will pay for the import of equipment needed for 27 projects in seven sectors of the Yugoslav economy: electric power generation and distribution; coal mining; extraction and processing of non-ferrous metals; iron and steel production; other manufacturing industries; forestry and transportation. These projects are designed to make more extensive use of Yugoslavia's considerable natural resources and to help provide supporting services such as, electric power and transportation. Agricultural production is the main field of Yugoslavia's economic activity and will remain so for some time to come. The country, however, has plentiful resources of timber, coal, iron and a wide variety of non-ferrous ores including copper, zinc and bauxite.

Most of the projects which the Bank's loan will help to finance are expected to be completed within the next year or two, and all should be in operation by 1956. They will make important contributions to the 30 per cent. overall increase in industrial production expected by 1955. The projects being financed under the loan will increase the production capacity of iron ore by 900,000 tons annually; pig iron by 260,000 tons; steel ingots by 275,000 tons; and finished steel products by 195,000 tons. New processing plants will make it possible for Yugosalvia to produce an additional 60,000 tons of alumina and 15,000 tons of aluminum. Other plants will enable Yugoslavia to manufacture its own copper wire and cable. Agriculture will benefit by the production of 120,000 tons of phosphatic fertiliser and 30,000 tons of starch. New forest areas will be opened and a plant for the production of 20,000 tons of newsprint will be built. Increased coal production, greater availability of electric power, and small but important additions to transport facilities will eliminate obstacles in these fields and enable Yugoslavia to keep pace with growing industrial needs.

The projects are expected to improve Yugoslavia's balance of payments position by the equivalent of $50 million a year. Increased exports of such items as aluminum, steel tubes, copper wire and cable and coal will account for more than half the amount; savings through reduction of imports of iron and steel products, non-ferrous metals and newsprint will account for the rest. Additional benefits will come from increased industrial efficiency, a reduction of man-power requirements, and lower production costs.

The loan is for a term of 25 years with interest of 4¾ per cent. including the 1 per cent. commission which, in accordance with the Bank's Articles of Agreement, is allocated to a special reserve. Repayment of the loan is to be made in semi-annual payments which begin 15th August, 1956, and are calculated to retire the loan by maturity on 15th February, 1978.

CAPITAL CONTROL IN U.K. TO BE REMOVED?

Addressing one of the local associations in London on the 11th inst., Mr. R. A. Butler, Chancellor of the Exchequer, was confident that the improvement in the sterling area's balance of payments position would continue for some months more, possibly for the greater part of this year, and that it would be possible for the working out an application of policies for long-term progress without any obstructions by immediate crises. This declaration has been followed by a decision by the Government to grant licences for office buildings in the city upto a total of £10 million. This has been taken as a sign that a new policy in regard to investments is in the offing. London financial circles are of the view that the Government might have taken a decision to relax materially the restrictions imposed on capital investments at the end of 1951. It is now believed that Mr. Butler would take an early opportunity to announce this decision, probably in his Budget Statement.

Hopes of relaxation of controls on investments are engendered by marked improvement in the steel supply situation and by Mr. Butler's own remarks on the subject. He said in Parliament on the 11th inst.: "Now that more steel is available, we are deliberately issuing more licences for factories, and the Government now expect that the work done in 1953 will be nearly 10 per cent. higher than in 1951. That, with the general level of industrial investment—which is high—should prove that we mean business in supporting the fine efforts of manufacturing production." The priority for capital investment which aims at increasing exports, especially to the dollar area, is however, expected to remain in force.

It is felt that the mere removal of control of capital investment may not result in an increase in such investment. Industries in Britain are said to be less keen than in 1951 to expand their productive capacity. For the recession last year and the difficulties facing export industries have induced many firms to revise their capital investment programmes in a downward direction. Further, higher interest rates and tighter money conditions are expected to keep down the volume of capital investment even after the restrictions are removed.

MR. EUGENE BLACK VISITS MIDDLE EAST COUNTRIES

Mr. Eugene Black, President of the World Bank, who is now on a seven-week tour of the Middle East countries, while at London this week, had private talks with the British Chancellor of the Exchequer, Mr. R. A. Butler. The discussions are understood to have related to British plans to help the industrial and agricultural development of the Commonwealth countries and British colonies. It will be recalled that Britain was allowed to use an extra £60 million from the British quota for granting loans for economic development in the overseas area. The loan is for a period of six years and would be made partly in dollars. During the talks, Mr. Black would appear to have sounded the views of Britain regarding the use of the £60 million by the Bank. It is believed that the Bank's loans to sterling countries may take several months.

Mr. Black's present tour will take him to Egypt, the Lebanon, Jordan, Iraq, Syria, Ethiopia and Turkey.

Mr. Black is taking this trip to acquaint himself, at first hand, with problems of economic development in some of the Bank's member-nations. He will discuss these problems with officials and other persons concerned, and will visit some of the development projects being carried out in the countries he is visiting. Mr. Black paid similar visits to some of the Bank's member-countries in Latin America in 1951, and in 1952 visited Pakistan, India, Ceylon, Thailand and Australia.

BANK OF BHOPAL LTD.

The results of working of the Bank of Bhopal Ltd. (General Manager: Mr. V. S. Mani, Bhopal) during the year ended 31st December, 1952, are somewhat gratifying, inasmuch as the Bank has been able to earn a profit sufficient to wipe off the previous year's deficit, to add a small slice of the profit to the reserve fund and to pay a tiny dividend to the shareholders who have had to remain without any return on their investments since 1948.

The Bank has earned a profit of Rs. 60,394 for 1952, against which has been debited the loss of Rs. 5,877 brought in from the previous year, leaving a balance of Rs. 54,517 for appropriation. Out of this, the Directors propose to make a provision of Rs. 7,500 for taxation, transfer to the reserve fund Rs. 12,500 and set aside Rs. 5,500 for paying bonus to staff. They have also proposed a dividend at the rate of 2 per cent. free of income-tax, which requires Rs. 25,000, leaving to be carried over Rs. 4,017. It may be added that the last occasion when the shareholders received any dividend was in respect of 1948, the rate being 3 per cent., the same as that paid for 1947.

Interest and discount earned shows a decline from Rs. 1,41,338 to Rs. 1,28,141, but this has been more than offset by the increase of Rs. 3,156 in commission and exchange and Rs. 17,661 in other receipts. A decline of Rs. 8,145 to Rs. 10,503 is noted in interest paid on deposits and borrowings. There has also been a small, but welcome, decline in expenses from Rs. 86,397 to Rs. 83,938.

The Bank has no reserves worth the name, except the small sum provided out of the profit for 1952. It may be recalled that the entire reserves at the end of 1951 had been utilised for reducing the loss on sale and revaluation of investments. Total deposits have fallen from Rs. 9,46,168 to Rs. 8,59,299. An analysis of the different types of deposits shows that fixed and savings deposits have gone up from Rs. 84,641 and Rs. 2,16,758 to Rs. 1,29,232 and Rs. 2,67,891, respectively, while current and other accounts have declined from Rs. 6,44,769 to Rs. 4,62,175. The Bank's liability in respect of its former Pakistan Branch at Karachi has been reduced from Rs. 3,37,088 to Rs. 2,87,913. The Bank's branch at Karachi, it may be remembered, was closed in 1951, having been ordered into provisional liquidation by the Chief Court of Sind at the end of August, 1951. Advances and bills discounted and purchased show an increase from Rs. 12,85,153 to Rs. 16,03,062. Investments remain unchanged at Rs. 6,16,430, the market value of which is higher at Rs. 6,20,297. But the whole of these investments (of the value of Rs. 6,70,000) are held in Pakistan as security against the Bank's Karachi branch borrowings in that country. Cash balances are lower at Rs. 1,16,224, as against Rs. 1,62,981. The sale of the Bank's premises in Bhopal realised a sum of Rs. 3,43,000 which helped the Bank to replenish its liquid resources at a time when its coffers were almost empty.

The Directors have given no particulars about the position of the Bank's assets and liabilities in Karachi.

IMPERIAL BANK OF INDIA

A decline of Rs. 73.63 lakhs in deposits and other accounts is disclosed by the statement of affairs of the Imperial Bank of India for the week ended 13th February, 1953, as compared with that for the previous week. Bills payable, however, have improved by Rs. 88.96 lakhs. Other liabilities are also higher by Rs. 15.94 lakhs. On the assets side, advances have gone up by Rs. 2.07 crores. Cash and other balances have increased by Rs. 1.70 crores. Investments, on the other hand, have receded by Rs. 3.54 crores.

DEPOSITS OF MUNICIPAL CORPORATIONS

The Bombay Provincial Municipal Corporation Act, 1949, is shortly to be amended so as to authorise municipal corporations in the State to deposit their funds in any Scheduled Bank of their choice. Under the provisions of the Act, as it stands at present, a municipal corporation is required to deposit its funds with the Imperial Bank of India. But if it wants to deposit with any other bank, it can do so only with the previous sanction of the State Government. It is found that a corporation is required to approach Government frequently for permission to deposit its fund in banks other than the Imperial Bank of India, and hence the proposed amendment to the Act. The amending Bill has been published in the *Bombay Government Gazette*, dated the 13th inst.

BANKERS FOR HYDERABAD STATE

It has been decided that the Reserve Bank of India should be appointed as the sole bankers to the State Government of Hyderabad with effect from 1st April, 1953. The Reserve Bank will, in turn, appoint the Hyderabad State Bank as its agent within the Hyderabad State. Under the arrangement, the Reserve Bank would offer to the State Government the same facilities which are at present enjoyed by, or may in future be offered to, Part A States. The State Bank would occupy the same status which the Imperial Bank of India enjoys in Part A States.

It is stated that a move is afoot to merge the Mercantile Bank of Hyderabad with the Hyderabad State Bank. The former Bank is a Scheduled Bank floated by the leading business men of Hyderabad, with the help and co-operation of the State. It has been making slow but steady progress. But, because of the interest which the State holds in the capital of this Bank and with a view to consolidating the progress it has made so far, it is being felt that it is desirable to amalgamate the Bank with the bigger institution, namely, the State Bank of Hyderabad. It is not yet clear whether this integration of banking in the State will be brought about by amalgamation or absorption; negotiations are still proceeding. We are, however, told that the Reserve Bank's operation in Hyderabad will not wait for the integration of these two units but will begin on 1st April next, as scheduled.

The appointment of the Reserve Bank as the sole banker to the Hyderabad Government is another step forward towards the achievement of federal financial integration. It may be recalled that the States of Madhya Bharat, Travancore-Cochin and Mysore have already appointed the Reserve Bank as their bankers and negotiations are progressing with the other Part B States for completing this aspect of the financial integration of India (*vide Commerce* dated 10th January, 1953). It is understood that the negotiations for the merger of the three Rajasthan banks are continuing and that the chances of an agreement have improved.

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COTTON THREAD INDUSTRY IN INDIA

NEW MODERN FACTORY OPENED

A NOTABLE development in the sphere of the cotton textile industry in India this week was the formal opening, on Monday last, of the Chalakudi Thread Mill at Koratti (Travancore-Cochin), belonging to the Jumna Thread Mills Ltd., an associate of Messrs. J. & P. Coats Ltd., England. Although the factory has been formally opened, it will be going into full production only this time next year. Full details of the new factory are not yet available. But from the little that has been provided to the Press, it is gathered that the factory, when completed, will have a productive capacity sufficient to cover more than 50 per cent. of India's requirements of cotton thread, both for domestic and industrial uses. In fact, it is claimed that the factory will be the largest cotton thread manufacturing unit in India.

A striking feature of the new venture is that the factory is equipped to produce almost all its requirements of yarn—the raw material for sewing thread—except some of the finest varieties. In short, the project is a complete thread mill providing for all the processes in the manufacture of thread, right from spinning to finishing, and of wooden spools. The steam required for processing purposes will be raised by oil-fired boilers and a comprehensive fire protection system is being installed, incorporating a special sprinkler arrangement in all the principal buildings.

The new cotton thread factory is being erected by the Jumna Thread Mills Ltd., in association with the world-famous cotton thread producers, namely, Messrs. J. & P. Coats Ltd., Paisley (Scotland). Prior to the Second World War, it will be recalled, the Jumna Thread Mills Ltd. commenced production of cotton thread on a limited scale. It was only after the war that steps were taken to develop the industry. Plans were accordingly drawn up, towards the end of 1950, for erecting a large-scale cotton thread factory in India. The establishment of the Chalakudi Thread Mill is a sequel to these plans. The factory is located at Koratti in the Travancore-Cochin State, a place which is said to be eminently suited for the production of cotton thread. Thus, it has sufficient and suitable water-supply for process work, availability of adequate electric power, railway and road transport facilities, and proximity of a growing port, namely, Cochin.

Importance

The importance of a large modern cotton thread producing unit, such as the one under reference, hardly needs to be stressed. Despite the fact that India is the world's second biggest cotton textile producer—next to the U.S.—possessing as many as 453 cotton mills with 11.43 million spindles, it is not self-sufficient in cotton thread. There are, of course, one or two mills which have specialised in this line, the most outstanding among them being the Kohinoor Mills Co., Ltd., which has expanded its productive capacity of cotton thread in recent years. There are also numerous small units, spread all over the country, but these are no more than reeling machines run on a cottage-industry basis. Moreover, a large part of the thread produced in India, it is stated, is of the two-ply variety and as such not suitable for use on high-speed stitching machines, which often operate at a speed of 4,000 stitches per minute.

The quality of thread produced by these factories falls far short of the requirements. Consequently, India has been importing considerable quantities of cotton thread. During the calendar year 1951, for instance, India imported 1,134,577 lbs. of thread worth Rs. 1.55 crores; during the first 10 months of 1952, imports were 970,344 lbs. worth Rs. 1.19 crores. Incidentally, it may be noted that the principal supplier of cotton thread to India has been the U.K., the imports from which during 1951 were 945,348 lbs. valued at Rs. 1.31 crores. Of late, however, imports have been on the downward trend, the quantity actually imported during the first 10 months of 1952 being only 660,283 lbs. worth Rs. 83.76 lakhs. This is due partly to the rise in the indigenous production of thread, exact figures relating to which are not available, and, perhaps, partly to the competition from Italy and other countries. An indication of the latter point is provided by the enormous increase in imports of Italian thread from 20,708 lbs. (Rs. 3.00 lakhs) in 1950 to 103,121 lbs. (Rs. 15.20 lakhs) in 1951 and still further to 174,992 lbs. (Rs. 18.24 lakhs) during the January-October, 1952 period.

The completion of the Chalakudi Mill and its full operation will ensure adequate supplies of sewing thread for meeting India's growing demand for both domestic and industrial uses. It will reassure the consumers that the famous quality brands, on which they have placed so much reliance, can be produced in India in sufficient quantities to ensure their availability for the increasing needs of the country. Quality thread in India finds a particular commercial application in the shoe and leather industry, as also in the garment industries which have considerably expanded in recent years.

AID TO HANDLOOMS

A suggestion for the establishment of a finance corporation in every State to render financial assistance to the handloom industry has been put forward by the Madras Provincial Handloom Weavers' Congress, in the course of a memorandum submitted to the Government of Madras recently. The suggestion is based chiefly on the ground that there are at present no regular institutions to finance the activities of the handloom industry, barring, however, the co-operative central banks. Even these societies, it is pointed out, refuse financial accommodation during the dull seasons, that is, when stocks accumulate with them. On such occasions, the weavers' co-operative societies suffer huge losses. The Congress has accordingly suggested the setting up of a finance corporation, consisting of the representatives of the industry, the Government and the Reserve Bank of India. The establishment of such a corporation requires large-scale finance. Referring to this point, the Congress has proposed that a sum of Rs. 50 lakhs, out of the Rs. 1.25 crores which the Madras Government will receive from the Centre from out of the proceeds of the proposed cess on mill-made cloth, may be set apart every year towards the capital of the Corporation.

With regard to internal marketing, the Weavers' Congress feels that the "popular prejudice" that handloom cloth is costlier than mill-made cloth should be removed. "To effect a change in public opinion," the Congress observes, "the consumer should be shown a marked difference in prices between handloom cloth and mill cloth, for which widespread propaganda is necessary. In order to enable the producing institutions to carry on propaganda, the Government may give a subsidy at the rate of 2 per cent. on the value of cloth produced by weavers' societies and other registered concerns. Such a step would operate as a sort of price support for handloom cloth."

An important suggestion of the Weavers' Congress relates to the establishment of a factory for the manufacture of dyes and chemicals required by the handlooms. The State Government should allot Rs. 50 lakhs from out of the cess fund towards the capital of the concern. The other suggestions of the Congress include the creation of an export corporation to undertake foreign trade in handloom cloth, setting up of a State-owned spinning mill on the banks of the Krishna or the Godavari, and encouragement to practical research on problems of weaving, dyeing and designing, etc.

DRAFT STANDARD FOR RAW SILK

A series of 21 draft Indian standards on raw silk has recently been formulated by the Textile Standards Sectional Committee of the Indian Standards Institution. The series covers a method of grading raw silk of categories I and II, and methods for evaluating specified characteristics of silk of the two categories and grading them on the basis of the evaluation. The characteristics covered, one in each draft standard, are of size deviation, evenness, cleanness, neatness, tenacity and elongation, cohesion, etc. The results of determining the values of all these characteristics together form the basis of grading.

Raw silk is made up of several cocoon filaments which are combined by 'reeling' to form the thread. Well-reeled silk is uniform in thickness and practically lawless, with all hanks of uniform length and weight. Since defective reeling and packing makes a large percentage of otherwise satisfactory silk "unlenderable," according to internationally accepted system of grading, raw silk has been divided into two categories. This series of draft standards, therefore, consists of two separate sets, one for each category of raw silk, category I complying with requirements of international trade and category II being silk not reeled and packed to international standards, but acceptable in internal trade. Generally speaking, however, the two categories of silk are such that they can easily be differentiated by visual examination of external characteristics.

INDUSTRIAL USES OF RAYON

That the prospects for the development of rayon industry are bright will be evident from the marked expansion in the industrial uses of rayon of late. The latest report of the British Rayon and Synthetic Fibres Federation provides a clear testimony to this fact. According to the report, out of the total deliveries of yarn amounting to 153.56 million lbs. made in the U.K. in 1952, as much as 43.71 million lbs., or 28.5 per cent., were delivered for industrial purposes, as compared with 25.65 million lbs. out of 138 million lbs., or 16.2 per cent., in 1948. The improvement would, perhaps, have been more noticeable but for the world-wide recession in commodity markets. Thus, the weaving branch of the textile industry, the major consumer of rayon, took only 57.16 million lbs. of rayon yarn, as against 93.41 million lbs. in 1951. Yarn exports were down, and the hosiery and warp knitting trades consumed much less. The smaller consumers such as the lace industry, narrow fabrics and sundry users, also absorbed less.

Much of the success of the rayon filament in the industrial field, as noted above, has been due to the supremacy of rayon as a tyre yarn, especially for heavy-duty vehicles. Large quantities of rayon filament are also being used in conveyor belts for the coal and other industries in both flat and 'V' belt drive, in hose-pipes, and several other articles of fabrics, alone or bonded with rubber. For instance, liner cloth is used in the rubber industry to prevent layers of rubber from sticking together. In this and many other directions, the scope for expansion is said to be considerable. Indeed, it will not be surprising to see, in the coming years, a progressive rise in the industrial uses of rayon, even if the other branches of the textile trade fully recover.

VALUABLE ANNUAL ON WOOL AND WOOLLEN GOODS

The book, *India and Pakistan Wool, Hosiery and Fabrics*, is the fourth annual review of the wool and hosiery industries in India and Pakistan, by the well-known firm of Messrs. John Worrall Ltd., Oldham, England, specialists in the field of textile publicity (Agents in India: Messrs. W. H. Brady & Co., Ltd., Royal Insurance Buildings, Veer Nariman Road, Fort, Bombay. Price: Rs. 7 per copy. The review is a very comprehensive one, inasmuch as it surveys the developments in all the sectors of the woollen industry, namely, the wool, worsted, carpet and hosiery sections. It also covers raw wool production, classification, marketing, import and export, yarn production, knitting and manufacturing, processing, distribution and marketing.

The utility of the publication is particularly enhanced by the wealth of statistical material on various aspects of the wool and woollen industries in India and Pakistan, as also by the directory of individual firms, factories and associations connected with these industries. Also given at the end is an illustrated list of advertisers' trade marks and designs and alphabetical lists of trade and brand names. Indeed, the latest edition has brought up-to-date all the essential features which characterised the earlier editions. There is no doubt that the publication is an invaluable guide for both the buyer and the seller of wool and woollen goods.

CHEMICAL FIBRES

The new man-made fibres—chemical fibres, as they are called—introduced in recent years, it is said, hold out excellent prospects of development in the sphere of the textile industry. This at least is the view of Mr. J. B. Quig of E.I. du Pont de Nemours & Co., Inc., U.S. In the course of his address at a recent convention of the Association of American Soap and Glycerine Producers, held at Wall Street, Mr. Quig said that the new chemical fibres, after the present period of dissemination and assessment is over, would open new fields and broaden the scope of the textile industry. New fibres could be designed to meet specific textile needs, when used alone or in blends. In his opinion, to rely entirely on the old fibres would close many avenues of enterprise, which otherwise would be open to textile manufacturers.

MODERNISATION OF JAPANESE TEXTILE MACHINERY

With a view to enhancing technical efficiency and improving quality, the leading cotton spinning firms in Japan are now engaged in modernising their equipment. The Kurashiki Spinning Company is the first to import an automatic spooler from the U.S. and has also ordered the "continuous bleaching machine." The other spinners are following suit. The Toyo Spinning Company is already operating four automatic spoolers for manufacturing sanforized textiles; these spoolers, it is claimed, are four times as speedy as the former Japanese equipment. Other leading spinners are currently engaged in the rationalisation drive by means of either or both of the sanforised and everglaze techniques.

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PRESIDENT OF M.C.C. ON BRITISH TEXTILE INDUSTRY

DECLINE IN RAYON OUTPUT

(From A Special Correspondent)

MANCHESTER, 10*th February*

A DENIAL that the textile industry was no longer of major importance to Britain's economy was made by the President of the Manchester Chamber of Commerce, Mr. Benjamin Pickup, at the annual meeting this week. Of late, he said, there had been a tendency in some quarters to delegate textiles to a secondary place when viewing the result of British industrial effort as a whole. Mr. Pickup went on: "I for one am not so easily misled. I take full account of the unusual circumstances of the recent past and am confident that British textiles generally will once more come back into full prominence and continue to hold a foremost place in the international trade of this country." He did not say this in any sense of complacency, and all in the textile industry would need to be on the alert to sense changes and to apply techniques of production and marketing to their fullest extent.

MANCHESTER LETTER

Referring to intensified competition from other nations, Mr. Pickup said an inescapable fact was that whatever Lancashire did to bring costs down to the minimum could overnight be nullified by the selling policy of competitors like Japan. The industry was thus living constantly under conditions of great uncertainty which made long-term planning most difficult. Mr. Pickup added: "If Japan fails to appreciate that others are entitled to participate in world trade under reasonably competitive conditions she has only herself to blame if stiff defences are once more raised against her."

On the return of a buyers' market, the President said under the changing conditions of international trade, the individual firm and its personnel must be ready to step in and seize each and every opportunity open to them. To the aid of leadership must be brought up-to-date methods of production, competitive prices, firm delivery dates and, above all, good quality merchandise.

Supplies and Output

About three months ago it was pointed out that on the then available statistics the drop in ratio of cotton cloth exports from Britain last year was not as large as the decline in supplies remaining for the home trade. The annual totals now show that the trend of the earlier part of 1952 was further emphasised in the final quarter.

Sufficient quantities of cloth to satisfy home needs are still available, added to supplies already in stock, but the table below illustrates how the balance has shifted over the past 12 months:—

(In million yards)

Year	Output (a)	Imports (b)	Total (a & b)	Exports	Balance for home trade
1937	3,640	50	3,690	1,921	1,769
1947	1,623	155	1,778	533	1,245
1948	1,933	223	2,156	792	1,364
1949	2,004	348	2,352	903	1,449
1950	2,123	287	2,410	822	1,588
1951	2,201	377	2,578	865	1,713
1952	1,691	144	1,835	711	1,124

The inevitable fall in production during so difficult a year as 1952 meant a substantial reduction in the total quantity of cloth available for distribution. In addition, the drastic curb on imports, which may well be continued, made further inroads on supplies. Considering the state of trade, the fall in exports of about 18 per cent. was much better than might have been anticipated earlier in the year. In contrast, the surplus for home use dropped by about 35 per cent. compared with 1951 and was the lowest for at least six years back.

Since trade began to pick up in the last few months of 1952, activity has been almost entirely centred on home trade requirements. Were it not for the steady replacement buying which took place before Christmas the mills would already be feeling the pinch of short-time working once more. Overseas buyers have been reluctant to place contracts of any bulk.

Cotton Stocks Fall

World-wide depression in textiles and the cautious attitude of buyers toward incurring fresh commitments have been the main factors in curbing consumption of raw cotton so far this season. All the producing countries have experienced the lack of foreign interest in greater or lesser degree. Lancashire mills have called for smaller supplies and in view of the large stocks held by the Raw Cotton Commission, which were at one time said to be equivalent to more than a year's consumption, there has been no need to replenish them unduly.

As a result, imports of the raw material for the first half of the current season into Britain have been less than half those in the corresponding period a year ago. The following table shows the position (in bales):—

Growth	Six months to 31st January 1953	1952	Season to 31-7-1952
American	186,604	453,478	654,835
Argentine	80,336	778	778
Mexican	14,426	73,904	100,313
Brazilian	—	176,245	176,245
Peruvian	26,228	73,779	90,554
Egyptian	7,982	37,736	47,910
West African	87,188	59,283	156,522
East African	56,894	83,345	151,416
Indian	3,164	—	5,558
Pakistan	4,342	4,548	87,969
Sudan	46,089	193,386	356,230
Sundries	20,545	26,835	97,727
Total ..	533,798	1,183,397	1,926,057

Only in the case of West African and Argentine cotton has there been any appreciable increase in imports this season compared with last, and in several other cases there has already been a substantial decline in shipments. The drop in takings of American varieties has been sharp and the total cessation of arrivals from Brazil is, of course, due to the high prices ruling for this cotton.

The Raw Cotton Commission has never divulged details of the particular types of cotton held in stock and only the total supplies are made public. At the end of October last the quantities held amounted to 250,000 tons, the lowest figure for several years past. The Commission's stocks have been kept fairly constant at between 250,000 and 300,000 tons since its inception in 1948, the recent peak being 292,000 tons in April last year. Since then supplies in hand have progressively declined and it is clear that a curtailed buying programme is being carried out.

Rayon's Year

Man-made fibres suffered the same fate as natural growths in the textile depression of 1952 and output and consumption of rayon and synthetics in Britain were severely reduced. Total production of rayon for the year at 283,000,000 lbs. was 26 per cent. below the 1951 level. The fall in output of continuous filament yarn was slightly greater than the reduction in staple fibre.

Yarn deliveries last year dropped by 28 per cent., the home trade bearing the brunt of the decline. Export deliveries were 19 per cent. lower. Users of continuous filament rayon yarn all took smaller quantities than in 1951 but the drop in consumption for industrial purposes was only 2 per cent. below the previous year. Record deliveries in the first quarter, however, were followed by a substantial decline and in the final three months of 1952 industrial yarn takings were 22 per cent. below the corresponding period of 1951.

Rayon yarn shipments last year declined from 28,188,764 lbs. to 20,879,106 lbs., the respective values being £11,495,293 and £8,229,004. Australia was by far the largest consumer, absorbing more than 5,000,000 lbs., other chief buyers being Canada and India.

Rayon cloth exports also slumped during the year to 149,823,240 square yards against 217,206,050 square yards in the previous 12 months. Earnings dropped from £40,736,726 to £25,296,438. As in the case of cotton cloth, West Africa proved by far the best customer, receiving more than 33,000,000 square yards of cloth, against less than 20,000,000 yards in the previous year. Australia absorbed more than 15,000,000 yards and South Africa 12,500,000 yards.

Egyptian Cotton

Four members of the Egyptian "goodwill" cotton mission were in Lancashire last week for an exchange of views and an endeavour to promote larger Anglo-Egyptian trade in raw cotton. After meeting leaders of the Master Spinners' Federation in Manchester, it was stated that the mission was "very happy" with the work it had accomplished.

It was stated that violent fluctuations in Egyptian raw cotton prices, about which there have been complaints from Lancashire in the past, would be eliminated by a new marketing system. The Egyptians are to visit eight other countries, starting with Finland, for similar talks.—*All Rights Reserved.*

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ENCOURAGING SUPPLY POSITION IN COTTON

GREATER COMPETITION FORECAST

NOW that it is becoming increasingly clearer that the world supply position of cotton is more comfortable than it ever was in the post-war period, the question that is engaging the attention of cotton men all over the world is the future pattern of the competition in this commodity. It is now asserted that quality considerations will assume—rather re-assume—a fresh significance. The days when quality differences had little marked effect on prices are now regarded as practically numbered. Also price differentials between comparable varieties of cotton, depending upon the currency—hard or soft—in which it was to be paid for, have narrowed considerably. This is yet another indication of the more comfortable supply position in this commodity.

The supply of cotton in the "free" world—that is, exclusive of the supplies in the U.S.S.R., China and Eastern Europe—is now placed at 41.3 million bales (of 478 lbs. each) for the current season. This level, which constitutes a post-war record, is in excess of the supply position in the 1951-52 season when the total supply in the free world aggregated 39.0 million bales. The following table gives the supply and distribution of cotton, as estimated by the International Cotton Advisory Committee, in the non-Communist world in 1950-51, 1951-52 and 1952-53:

(In million bales of 478 lbs. each)

	1950-51	1951-52	1952-53*
Stocks (1st August) ..	15.3	10.3	13.1
Production	22.1	28.7	28.2
Total supply ..	37.4	39.0	41.3
Consumption	26.5	25.0	25.0
Destroyed	0.2	0.2	0.2
Exports to Communist countries	0.4	0.7	0.8
End-season stocks ..	10.3	13.1	15.3

* Preliminary estimates.

The following table gives the world cotton production in 1952-53 and 1951-52:

World Cotton Production

(In thousands of bales of 478 lbs. each)

Country	1951-52	1952-53*
U.S.	15,150†	14,895
Mexico	1,370	1,175
Other N. American	112	87
India	3,160	2,700
Iran	125	165
Pakistan	1,300	1,475
Syria	225	225
Turkey	615	785
Other Asian	301	260
Sudan	285	325
Belgian Congo	220	225
Egypt	1,673	1,955
French Africa	145	150
Mozambique	130	135
Nigeria	110	115
Uganda	310	295
Other African	155	188
Argentina	600	550
Brazil	2,000	1,750
Peru	405	420
Other S. American	146	146
Others	199	200
Total free world ..	28,736	28,221
U.S.S.R.	3,800	3,900
China	3,000	2,800
Eastern Europe	95	105
Total world ..	35,631	34,926

* Preliminary. † Adjusted.

It will be clear from the above two tables that the 1952-53 output of cotton, whether only in the free world or in the world as a whole, is lower than the cotton production in 1951-52. But the total supply position is placed higher than in the last season because of the larger stocks that were brought into the current season.

In assessing the prospects of competition in raw cotton, due consideration should, however, be given not only to the supply position but also to the pattern of cotton consumption. Cotton consumption in 1951-52 was 25.0 million bales, as against 26.5 million bales in 1950-51. Over the first three of the 1952-53 season, consumption was running some 6 per cent. below last season's rate. Preliminary full season estimates, which have been made for nearly all consuming countries, show that free world consumption in the 1952-53 season will be roughly the same as in the 1951-52 season. Referring to the consumption position, the Committee says:

"The textile industries throughout the world are undoubtedly recovering in varying degrees from the effects of the trade recession earlier in the year. This general conclusion not only applies to cotton but also to wool and rayon. As a result, consumption of these fibres is again on the increase although still under a year ago."

The following figures show how cotton consumption has been improving in recent months:

World Cotton Consumption

Monthly average—	Rate (Million bales)	Index
1938-39	22.9	96
1949-50	23.8	100
1950-51	26.6	112
1951-52	25.1	105
1952-53—		
August	24.1	102
September	25.6	108
October	26.0	110
November	28.3	119

The improvement in the consumption of cotton, as seen in the above figures, will become more evident when it is realised that in May, June, and July, 1952, the consumption was 22.9 million bales, 23.3 million bales and 21.1 million bales respectively. The latest available estimate refers to November, 1952, when consumption was the highest in recent months at 28.3 million bales.

Although cotton consumption is thus showing an encouraging trend, the Committee places the world consumption in the current season at only 25 million bales, or the same as that in the last season. At this rate, stocks of cotton at the end of the current season, it is estimated, will be of the order of 15.3 million bales, an increase of over two million bales, as compared with the stocks brought in at the commencement of the current season.

Normally, these stocks will exert a certain pressure on prices. But there is also a danger in drawing very broad conclusions from the fact that the world is likely to witness a larger stocks position. In this connection, the Committee observes:

"It must be pointed out that, even in a surplus situation, supply and demand may be more nearly in equilibrium in respect to certain of the better grades and staples and, therefore, end-season stocks could contain a fair volume of cotton for which there is no ready demand. This point illustrates the danger of overemphasising the present cotton surplus."

To sum up, cotton prices are subjected to pull in two opposite directions. In the first place, there is the fact of a larger supply position. Secondly, there is the improvement in cotton consumption. The first factor will not depress cotton prices unduly, if consumption is maintained at a fairly high level. Again, whether the comfortable supply position will exert its pressure on prices at all will depend on the varieties which go to make up the supply. Possibly, the popular varieties will continue to command a good market.

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PAKISTAN COTTON

Within a few days after its announcement permitting private barter of cotton against a variety of foreign goods, the Government of Pakistan has found it necessary to admit that the scheme requires readjustments. The Commerce Minister, Mr. Fazlur Rehman, has agreed to announce modifications at an early date. The Government has, in the meantime, announced that only old crop cotton should be allowed to be bartered, and that too only against yarn, iron and steel. By this decision, private barters have become a virtual impossibility, inasmuch as the Government holds practically all the supplies of old crop cotton. Presumably, the Government's decision to modify its private barter scheme stems from its realisation that it cannot fix export prices, as it has done, and also disown responsibility for supporting cotton at the prices which are fixed by it.

It is, however, gratifying to note that Pakistan has been able to sell sizable quantities of cotton to the U.K. and Spain. Exports from Karachi from 1st September, 1952 to 5th February, 1953, were 638,703 bales, as compared with 570,902 bales in the corresponding period of 1951-52. It is not known whether these figures are exclusive of the offtake of cotton by Hongkong which is reported to have lifted about 40,000 bales against cotton yarn. Italy, it is further reported, has agreed to take 40,000 bales against art silk and rayon yarn. Possibly, Italy has surplus art silk to dispose of and Pakistan has found the prices attractive.

So far as India is concerned, there is no disposition in this country to view imports from Pakistan as being within the bounds of possibility. Apart from the question of exchange rate, there are Pakistan's export duty of Pak. Rs. 90 per bale, and the import duty of about (Indian) Rs. 100 per candy, imposed by the Government, both of which are payable by the Indian importers. It is stated that Pakistan American growths, for instance, are about Rs. 320 per candy higher than the equivalent varieties of Indian cotton. This precludes the possibility of importing Pakistan cotton. An additional deterrent factor is that the Government has made it clear that it will not recognise, for purposes of cloth control, prices of Pakistan cotton, unless they are in line with the comparable varieties of Indian cotton.

COTTON FOR JET AIRCRAFT

Brazil has, as is well known, been desperately trying to find buyers for its surplus stocks of cotton. It has also advertised in the London Press for tenders for the purchase of cotton. But the chief difficulty which has been responsible for the poor offtake of Brazilian cotton is its high price. Brazil has, however, been negotiating for a long time now, for a barter deal with the U.K. to supply its cotton for British jet aircraft. But the negotiations did not for one reason or another, reach a successful stage. It is now learned that the deal has been completed. Under the terms of this deal, the total value of which is £4.24 million, Brazil will sell 15,000 tons of cotton to the Raw Cotton Commission and buy in exchange 70 Meter jet fighters from Gloster Aircraft Company. The Commission will establish a credit in London, from sales of the cotton to the home market, and the aircraft company will draw on this credit as the aircraft are delivered to Brazil. In the course of these negotiations, Brazil, according to a report from London, reduced the price of its cotton from about 47d. per pound to about 31d. per pound. Even this level, it is stated, is above the world price at which the Cotton Commission will sell to U.K. spinners. The aircraft have been sold to Brazil at about £40,000 each and delivery will be completed before October this year. Shipments of cotton from Brazil will be completed by the end of March. The chief advantages to Britain from this deal are stated to be: (1) The U.K. gets a market for its aircraft, for in the absence of this market, there would be some unemployment in its aircraft industry. (2) An opportunity is now available to the U.K. to pick the best among the available varieties of cotton. Nevertheless, the deal has been criticised on the ground that it does not solve the problem of commercial arrears which Brazil owes to Britain and which are estimated at £40 million.

EGYPTIAN COTTON

Egypt has been able to export larger quantities of cotton than was at one time thought possible, thanks to the energetic measures taken by the new Government. Thus, shipments of Egyptian cotton from 1st September, 1952, to 4th February, 1953, aggregated 326,744 bales, as against 313,344 bales in the corresponding period of 1951-52. Of this quantity, India, however, took only 32,217 bales as compared with 45,189 bales in the previous season.

UGANDA COTTON

The Lint Marketing Board of Uganda has sold so far about 260,000 bales, of which about 220,000 bales have been bought by overseas buyers. India is the leading buyer of Uganda cotton as the following list of the buyers of this cotton will show: India 120,000 bales, U.K. 50,000 bales, Germany 30,000 bales, Holland 8,000 bales, Japan 3,000 bales, Hongkong 3,000 bales, and other countries 6,000 bales—total 220,000 bales.

In the context of the criticism which Indian importers of Egyptian cotton have made about the frequent changes in its cotton export policy by the Egyptian Government, it is gratifying to note that Mr. Ismail Kamel, the Egyptian Ambassador to India, conveyed the assurance of his Government to the Indian cotton importers that there would not be any change in export duty on cotton till the end of the current season. Referring to Indian importers' request for representation on the proposed Alexandria Arbitration Panel, Mr. Kamel said: "We have conveyed the Indian view to the Commission in Egypt and I feel that there will be no objection to the request.

SALIENT FEATURES OF RAILWAY BUDGET

SURPLUS SHRINKS—CAPITAL EXPENDITURE MAINTAINED AT HIGH LEVEL

A FALL in passenger traffic, accompanied by an increase in working expenses, maintenance of the provision for depreciation, as well as of of transfer to general revenues, and a high level of expenditure on development are the highlights of the Railway Budget for 1953-54, presented by Mr. Lal Bahadur Shastri, Minister for Railways and Transport, to Parliament on Wednesday this week. The net surplus estimated for 1953-54 is Rs. 9.31 crores, which is substantially smaller than that budgetted for 1952-53 but practically the same as the surplus disclosed by the revised estimates for that year. In other words, the Railway Minister anticipates that the setback in passenger revenue suffered since the budget for 1952-53 was prepared a year ago in the passenger sector would not go further during the next year (1953-54). The Railway Minister's statement discloses that the Government is determined to implement the development programme, despite lower level of receipts; as many as 12 new lines will be taken in hand next year.

The following table shows at a glance the salient features of the Railways' receipts and expenditure, as well as the allocation of the total net revenue:

(Rupees in crores)

	Actuals, 1951-52	Budget, 1952-53	Revised estimate, 1952-53	Budget, 1953-54
Gross traffic receipts ..	290.82	282.16	269.55	272.28
Working expenses ..	194.35	187.93	189.10	191.20
Net miscellaneous expenditure	4.72	6.76	6.86	7.00
Appropriation to depreciation reserve fund ..	30.00	30.00	30.00	30.00
Total	229.07	224.69	225.96	228.20
Net railway revenues ..	61.75	57.47	43.59	44.08
Dividend to general revenues	33.41	34.00	34.11	34.77
Net surplus	28.34	23.47	9.48	9.31

In presenting to Parliament the railway budget for 1953-54, Mr. Lal Bahadur Shastri, Minister for Railways and Transport, referred to the death of Mr. Gopalaswami Ayyangar and paid tributes to his statesmanship, ripe wisdom and administrative ability, particularly as Minister-in-charge of the vast railway undertaking during four years of considerable stress and strain. The Minister disclosed that against a surplus of Rs. 23.47 crores estimated in May, 1952, in the budget of the current year, the surplus now anticipated is Rs. 9.48 crores only, a drop of almost Rs. 14 crores. This drop is chiefly due to a decrease of Rs. 12.61 crores in earnings and an increase of Rs. 1.16 crores in working expenses. The decrease in earnings is mainly accounted for by a fall of Rs. 10.14 crores under passenger earnings and Rs. 1.10 crores under goods. Mr. Lal Bahadur Shastri observed that passenger traffic which had reached its peak in 1950-51 is adjusting itself to a normal level along with the restoration of the post-war inflationary economy of the country to equilibrium.

As regards the budget for 1953-54, in view of a fairly good crop this year, the extension of railway lines and the anticipated economic development in various fields with the Five-year Plan coming into stride, passenger earnings have been kept at more or less the same level as the revised estimates of 1952-53. For the same reasons, the estimate of goods earnings has been placed at about Rs. 3 crores or 2 per cent. above the revised estimate of the current year. The working expenses for next year are estimated at about Rs. 2 crores more than the revised estimate of the current year. The dividend payable to general revenues is also more by Rs. 66 lakhs. Thus, the budget estimate for 1953-54 provides for a surplus of Rs. 9.31 crores, which is about the same as that anticipated in the revised estimate of the current year.

Development Programme

In spite of a decline in railway prosperity in the current year, the pace of rehabilitation and development of rail facilities has not only been maintained but is being actually accelerated in the coming year. The capital budget of the railways for 1953-54 has been placed at Rs. 79.61 crores against Rs. 76.70 crores in the revised estimate of the current year. The following developmental works have been either completed or taken up during the current year:

Deesa-Gandhidham section of the Western Railway opened in October, 1952; Bijnor-Chandpur Sian section of the Northern Railway restored and opened to traffic in November, 1952; Vasad-Kathana line on the Western Railway expected to be completed this year; Quilon-Ernakulam metre-gauge link on the Southern Railway commenced in December, 1952; and extension of Kalyan Power House on the Central Railway, at a cost of Rs. 3 crores, opened in December, 1952.

Another important event in the current year is the resumption of work on the rail-cum-road bridge over the Ganga near Mokameh, which was suspended in 1949. The construction of the integral coach building factory at Perambur, Madras, is going ahead and a provision of Rs. 1.3 crores has been made for this project in the budget.

The Minister disclosed that the following new lines will be taken in hand in the next year:

Khandwa-Hingoli link in Madhya Pradesh, 186 miles long with a total anticipated cost of Rs. 7.50 crores; rail connection from Gua-Barabil area to Manharpur-Rourkela section in Bihar and Orissa, 31 miles long at an estimated cost of Rs. 3.5 crores; Champa-Korba line in Madhya Pradesh, 22 miles long with an anticipated cost of Rs. 88 lakhs; Gandhidham-Kandla link in Kutch, 7 miles long with an anticipated cost of Rs. 57 lakhs; Gop-Katkola line in Saurashtra, 21 miles long at a cost of Rs. 34 lakhs; and conversion of Tezpur-Balipara line in Assam on the North-Eastern Railway, from narrow-gauge to metre-gauge, 20 miles long at a cost of Rs. 40 lakhs.

In addition, surveys of seven other projects will also be undertaken in 1953-54 with a view to deciding upon their construction in the near future. These are:

Deva-Dasgaon line in Bombay; electrification of Calcutta suburban section in West Bengal; Mangalore-Hassan line in Madras and Mysore States; rail connection to Etah in Uttar Pradesh; rail connection to Chandigarh in the Punjab; Tildanga-Khojuria-Malda branch in West Bengal; and Fatehpur-Churu line in Rajasthan.

The survey of Bhavnagar-Tarapur and reconnaissance surveys of broad-gauge lines to Indore in Madhya Bharat and between Barabil and Sambalpur in Orissa have already been undertaken in the current year.

The total provision made in the budget for 1953-54 for new lines and restoration of dismantled lines is Rs. 6.70 crores. "This programme," the Minister said, "is an indication of the Government's earnestness to go ahead with the construction of new lines for economic development in spite of the pressing needs of rehabilitation." He also added that special attention is being paid to removal of bottlenecks in respect of movement of traffic beyond Bezwada towards Madras and the transhipment difficulties on some of the break of gauge junctions like Sabarmati, as well as to augmentation of line capacity on some sections to facilitate increased movements of iron and steel.

Passenger Amenities

A sum of Rs. 3 crores has, as usual, been provided in the next year for passenger amenities. The Minister said that a substantial portion of this allotment will be devoted towards improving passenger amenities at comparatively smaller stations which had been rather neglected in the past.

Travel Concessions

Referring to the question of restoration of travel concessions, which were withdrawn during the period of the war, the Minister said that it is not yet possible to restore all those concessions. The railways, however, have been asked to examine the question of providing concession return tickets and introduce them wherever justifiable, without worsening the state of overcrowding.

In addition, the following concessions are proposed to be introduced with effect from 1st April, 1953: (1) To parties of teachers of recognised schools when they go on educational tours. Students are already entitled to such concessions; (2) concession tickets to volunteers working on Community Projects; (3) "Travel-as-you-like" tickets for third class passengers for a fortnight during the first half of April, coinciding with the Railway Centenary celebrations.

Consultative Committees

The existing local Advisory Committees, which are not sufficiently representative in the context of regrouping of railways into larger units, are being replaced by (1) Railway Users' Consultative Committes at the regional or divisional levels; (2) a zonal Railway Users' Consultative Committee at the headquarters of each railway; and (3) a national Railway Users' Consultative Council at the Centre. The first named Committee will represent the local users in the territory served by the railway, including agricultural interests, and is a new addition which, the Minister said, should prove fruitful as it would give wider representation to different sections and various interests.

He informed the House that first class accommodation has already been withdrawn from all branch lines except those which form links between two important main lines. This class will be withdrawn from all trains with effect from 1st April, 1953, except in some of the express and mail trains. It is intended to withdraw first class accommodation completely by October next.

Thefts of Railway Property

In regard to compensation claims for goods lost or damaged, the Minister said that, while the machinery for settlement of claims has been considerably improved by the railways, the number of new claims arising has not shown any appreciable reduction and a greater proportion of these claims was due to continued and organised gang thefts on railways, both in running trains and yards and station.

He informed the House that, in consultation with the Minister for Home Affairs, it has been decided to depute a senior official of the Home Ministry to the headquarters of the six railway systems with a view to devising effective preventive measures to combat this menace, after consultation with the General Managers and States Government officials.

Labour Relations

Referring to staff questions, the Minister said that the relations with staff have been cordial during the year. Their grievances are receiving constant attention and being addressed wherever possible. While congratulating the All India Railwaymen's Federation and the Indian National Railway Workers' Federation for their helppful and co-operative attitude, he also said that there are groups who have not hesitated to embitter relations and have tried to inflame the workers and have even gone to the length of instigating lightening strikes.

The Minister said that he was painfully conscious of the conditions in which some of the staff are at present living, for instance, in wagons being used as quarters at Sealdah station in Calcutta. He hoped to speed up the construction of houses for all workers and said that 8,000 quarters will be constructed in the coming year. He also said that medical facilities available to railway workers in railway hospitals and dispensaries are being augmented. There are mobile dispensaries working on some railways which are doing useful work at wayside stations.

The Minister also referred to a few important matters concerning the staff, viz., (1) promotion by seniority, (2) grievances of staff in regard to delays in payment of their dues and sanctioning of leave and passes, (3) class II services, and (4) *ad hoc* tribunal. In regard to (1), the Minister said it has been decided that up to a certain level, promotions will go solely by seniority subject, of course, to an employee not being declared unsuitable. Beyond this, promotions will be made on the basis of merit through Selection Boards. Steps are also being taken to put on a satisfactory basis the procedure of Selection Boards. As regards (2), a committee of the Directors of the Railway Board has been set up to enquire into these complaints and suggest ways and means for avoiding these delays. Regarding (3), the Minister assured that the promotion quota of 25 per cent., which had not been fully implemented in the past, will be completed as early as possible. Further, the quota has been increased from 25 per cent. to 33 1/3 per cent., to facilitate promotions for a larger number. He also stated that those class II officers who have been officiating in senior scale for more than three years, will not be reverted. In regard to (4), there is a permanent negotiating machinery in three tiers for settling disputes between organised labour and railway administrations. Issues which are not settled by discussion between the Railway Board and the Federations are required to be taken to an *ad hoc* tribunal. The actual mechanics of setting up of the tribunal and the selection of the chairman are under consideration and it will be possible to announce the personnel and the subjects to be referred thereto very soon.

Referring to corruption among railway staff, the Minister said that this was still widely

(Continued on page 323)

MAINTENANCE OF REASONABLE SUGAR PRICES

MR. KIDWAI'S POINTER TO THE INDUSTRY

MR. Rafi Ahmed Kidwai, Union Food and Agriculture Minister, emphasised, once again, in the course of his address at the twentieth annual general meeting of the Indian Sugar Mills' Association (I.S.M.A.), held in New Delhi last week, the need for maintaining the price of sugar at a reasonable level. This is a well-worn-out but pertinent point which, as readers are aware, has ere now been repeatedly stressed in these columns. Even at the risk of repetition, it may be stated that the price of sugar must be stabilised at a level which will be within the reach of the masses, and that is the only sure way of ensuring increased consumption in the country. That, despite the protection enjoyed by the industry for such a long period as eighteen years, Indian sugar should still be priced high *vis-a-vis* that produced elsewhere, is indeed, unfortunate. The consumer who has had to pay high prices all these years can, therefore, legitimately ask: "Is it not time that utmost attention was paid to the question of reducing the price of sugar?"

The high level of sugar prices, it must be conceded, is the result of a rigid cost structure of the industry and not due to any designs by the manufacturers. The figures relating to the different elements entering into the cost of sugar production (during the 1951-52 sugar season), as cited by Mr. R. P. Nevatia, the I.S.M.A. President, while presiding over the meeting, will clearly bear out the force of this contention. Here are the figures:

Items	*Cost* Rs. a. p.	*Percentage to total cost*
Price of sugarcane ...	18 10 6	61.0
Tax—excise, cane cess and co-operative societies' commission ...	5 2 0	17.0
Salary, wages and packing	3 8 0	11.4
Manufacturing charges, including power, fuel, stores, repairs and renewals	1 9 2	5.0
Overhead charges and profit	1 11 10	5.0
	30 9 6	
Less for molasses ...	0 1 6	
Ex-factory price	30 8 0	100.0

The foregoing figures clearly reveal that sugarcane accounts for as much as 61 per cent. of the cost of sugar production. It is obvious, therefore, that, if the price of sugar is to be lower, the cost of cane should be cheaper. And the cost of cane can be reduced, only if the yield of sugarcane and the quality of cane is increased. The answer to the basic question lies, therefore, in improving the methods and practices of sugarcane cultivation. That is where the major sugar-producing areas in India, namely, U.P. and Bihar, have been lagging behind and nothing is being done to remedy this basic weakness of the sugar industry.

Tax Relief and Lower Freight

It is no doubt true that the Government of India has reduced the price of sugarcane from Re. 1-12 to Re. 1-5 per maund in the current season. But we are having in mind such artificial means of influencing the prices of sugarcane, a method which rewards the inefficient producer of cane and does not offer any incentive to the efficient producer; in short, a method which treats both the efficient and inefficient producer alike. What is required is a more scientific form of determining the prices of cane. Be that as it may, even the benefit of the reduction in prices of cane for the current year has been offset, to some extent, by the increase in sugarcane freight charges recently effected on the various railways. Moreover, the Government taxes are still at a high level, accounting for 17 per cent. of the cost. If, therefore, the price of sugar is to be reduced, it is imperative that not only should the freight charges on sugarcane be reduced but the various taxes also should be lowered. It was precisely to this aspect that Mr. Nevatia drew pointed attention in his address, and he minced no words while speaking on this issue. He said that the sugar factories were working under a rigid cost structure which did not leave any large scope for them to reduce the cost further. The Food and Agriculture Minister, however, did not appear to share this view in full, as witness his remark that the sugar industry should co-operate with the Government in maintaining a reasonable price for its product within the country.

In the light of what we have stated above and Mr. Nevatia's analysis of the cost structure of sugar, this statement of the Minister is meaningless. The only way in which the industry can help keep down the price of sugar is to thwart the attempts of speculators to keep prices up by manipulating the market. But the industry's hands are tied down by controls on the releases of sugar to such an extent that there is not much that the industry can do even in this respect.

Mr. Kidwai was, however, perfectly right when he maintained that, if the agriculturists could be helped to produce better quality sugarcane and improve the yield per acre, then it would be easy for the industry to produce sugar that could compete in the world market. To quote his own words: "So long as the cane yield per acre is low, as it normally is, and the recovery of sugar also is low, our cost of production will remain high. It is, therefore, in the interest of the industry and the Government jointly to work for the development of cane cultivation." In this connection, Mr. Kidwai commended to the sugar factories the example of the mills in the Deccan owning their own farms, as a result of which they have been able to increase cane production—both in quality and quantity. The statement that the Government of India would help in the matter, if the factories took the initiative, is certainly reassuring.

Mills Should Take Initiative

It is, however, not enough, if the Centre alone is prepared to help, for, without the assistance of the U.P. and Bihar Governments, not much can be done in this respect. We know that Mr. Kidwai has tremendous influence over these State Governments; we hope he will use it to remove the basic weakness of the sugar industry in these two States. The factories in these areas will do well to follow up Mr. Kidwai's hint and work out a scheme for improving the quality of cane grown in their respective areas. Concrete suggestions for this purpose have been put forward by the Tariff Board in its report submitted to the Government in 1950. All that the factories have to do in this connection is to put forward proposals for translating these suggestions into actual practice. It is high time some move was made in this direction. Since the State Governments concerned have been sleeping over this issue, let the sugar mills take the initiative in this respect and prove that the organising ability of private enterprise is superior to that of the State enterprise.

Referring to sugar exports, the Food and Agriculture Minister justified the imposition of the ban on the score that, despite the Government releases of more than 300,000 tons of sugar during the months of December, 1952, and January, 1953, sugar was not available at reasonable prices in certain parts of the country. In fact, he complained that a few factories (and also a section of the trade) did not play their part well. This complaint of Mr. Kidwai is only partly true. But the main factor for the high prices of sugar is the bungling by the Government itself, as was pointed out in this journal a few weeks ago. The quantity of sugar lying unlifted with the factories at present amounts to more than 5 lakh tons, of which 3 lakh tons represent the quantity held as Government reserve. This, according to the I.S.M.A. President, has involved the sugar industry into an additional financial liability running to nearly Rs. 33 crores. Surely, the factories cannot afford to lock up such huge funds, especially when they have to continue crushing operations and pay for the new crop. The difficulty has been aggravated further by the peculiar nature of the working of the sugar industry, as will be evident from the following extract from Mr. Nevatia's speech:

"Unlike other industries, crushing operations in a sugar factory cannot be determined solely by commercial considerations. The highly perishable nature of the raw material and the close association between the factory and the growers are other vital factors. For the crushing has to be planned according to the maturity of cane, if maximum sugar recovery is to be achieved. Alongside, all the available cane, at least in the factory zones, must be consumed. Failing this, the growers would develop an adverse psychology and might curtail cane plantings in future."

Representations have been made to the Government, urging it to help the sugar industry in the critical times. The Government has no doubt appreciated the financial difficulties of the factories. In fact, it announced, as early as in September, 1952, that special financial arrangements would be made for the industry. It is unfortunate that the Government has still not announced the details of this assistance. It is equally unfortunate that the Minister should have evaded this question in his address to the I.S.M.A. meeting. For, alluding to this aspect, he merely said that, by the close of the current season, the carry-over would be reduced. The offtake of sugar in the country had gone up, partly on account of reduced prices and partly because production of *khandsari* sugar had gone down. More and more sugar was, therefore, being taken up by the consumer, so much so that, by the end of the current season, sugar stocks with the industry "would not be much more than three lakh tons."

Immediate Financial Assistance

Even supposing that this view of Mr. Kidwai is correct, it is only a long-term remedy. What is urgently required by the sugar industry is, as Mr. Nevatia rightly stressed, an early announcement of the details of arrangements for rendering financial assistance to the industry, the principle of which has been unequivocally accepted by the Government. If financial assistance is not provided to the factories, they will not be able to purchase sugarcane. Consequently, the sugarcane growers who have no holding capacity will be tempted to dispose of their crop to manufacturers. This will mean that the cane supplies available to the mills will ultimately suffer.

In conclusion, Mr. Kidwai reiterated his ambition to see that sugar figured prominently in India's export trade, thereby contributing the valuable foreign exchange needed by the country. To quote him: "My attempt will be to produce more sugar than the country can consume and find methods of exporting it. That can only be done when all of you co-operate to maintain reasonable prices within the country." Referring to this subject, the I.S.M.A. President was rather inclined to feel—he did not, of course, say so in so many words—that the ban on exports was not justified. For he said that there was no reason for any apprehension of sugar shortage. According to his calculations, after allowing for a fall of 240,000 tons in production in the current year and providing for a rise of 80,000 tons in offtake, the carry-over at the end of the current season would be of the order of 480,000 tons, which is only 20,000 tons less than that of last year, as against a normal carry-over of 150,000 to 200,000 tons. But, since the whole issue of exports of Indian sugar is only of academic importance, let us leave each one to have his say on it. What is really relevant here is the fact that the price of Indian sugar is not competitive and it will remain so, so long as this commodity is considered as the milch cow by the Bombay Government and a pawn in the hands of the U.P. and Bihar politicians. Further, before Mr. Kidwai thinks of realising his ambition of converting the Indian sugar industry into an export industry, let him fulfil his modest promise of supplying cheap sugar to the domestic consumer.

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INDIAN CONFECTIONERY INDUSTRY

PLEA FOR TAX RELIEF

ALTHOUGH the confectionery industry in India is claimed to be fully equipped with the most up-to-date technical resources, to meet not only the domestic needs but also the export demand, all does not seem to be well with the industry. In fact, it is said that the industry is to-day faced with a most "serious" situation. Several causes are said to be responsible for this state of affairs, such, for instance, as high cost of production due to high prices of raw materials and packing materials—tin plate, wrapping paper, etc.—fall in internal demand, loss of export trade on account of foreign competition, and competition in the internal market from low-priced sweets of inferior quality. These problems were spotlighted by Mr. D. Allerton, President of the Indian Confectionery Manufacturers' Association, in the course of his address at the seventh annual general meeting of that body held in New Delhi on Saturday last.

In the considered opinion of Mr. Allerton, the most urgent need of the hour is to bring down the cost of confectionery, while maintaining, at the same time, high quality, in order to stimulate consumers' demand in the country and to re-establish export trade. The high cost of confectionery manufacture is due primarily to the high cost of sugar, basic raw material, which accounts for 40 per cent. of the aggregate cost, thanks to heavy incidence of taxes like excise duty on sugar and cane cess. Reduction in the cost of production would, therefore, be possible if, as Mr. Allerton pointed out, the taxes were remitted on all sugar consumed in the manufacture of factory-made quality confectionery. After all, by doing so, the Government will only be removing the taxes on raw material.

Export Prospects

With regard to exports, the biggest stumbling block in the way has been, naturally enough, the price factor. The competitive capacity of Indian confectionery *vis-a-vis* that produced elsewhere is very low for the same reason as the one mentioned above, namely, heavy incidence of taxes. On high quality, wrapped and boiled sweets exported, for instance, the amount of tax paid in the form of customs duty, excise, local cesses, according to Mr. Allerton, comes to about Rs. 315 per ton or As. 2-3 per lb. Surely, if this large amount were refunded to the manufacturer, it might be possible to compete with other exporting countries in world confectionery markets, especially in the immediate neighbouring countries like Pakistan, Ceylon and Burma.

The only concession that the Government of India has accorded to the confectionery industry is the refund of excise duty on sugar used in production for export. But even this, we are told, has not conferred any substantial benefit on the confectionery industry. For the conditions under which the refund has to be claimed are said to be "so onerous as to be impracticable." It is to be hoped that the Government would relax these restrictions and evolve a more simple formula for assessing the refund. The main difficulty in the way of evolving such a formula is the existence of a large variety of confectionery products—boiled sweets, pan sweets, lozenges, toffees and caramels, etc. This difficulty, Mr. Allerton, however, felt, could be solved by drawing up average formulæ for the different groups—perhaps, a dozen in all—on the basis of which refund of duty can readily be assessed against proof of shipment. Simpler still would be, he said, to determine one overall average formula, which is the system adopted in the U.K. A useful suggestion which Mr. Allerton made, in this connection, relates to the appointment of a committee by the Government to work with the Association in drawing up the necessary formula or formulæ.

While on the production of inferior sweets under totally inadequate hygienic conditions, the President drew attention to the serious effects on the health of the nation and urged the Government to take immediate steps to curb this. Manufacture of confectionery, he declared, should be permitted only under licence and periodic inspection by qualified food inspectors, so as to ensure that adequate standards of quality and hygiene were maintained. Mr. Allerton also criticised the Government of India's policy of allowing imports of confectionery products. The criticism is based chiefly on the ground that the Indian industry has the equipment and technical knowledge to produce confectionery of a standard which is comparable with the foreign product in all respects.

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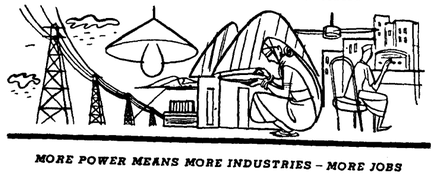

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PLANTERS' CRITICISM OF NEW BILLS

GREATER GOVERNMENT CONTROL DEPLORED

THE objections of South India planters to some of the provisions of the Tea Bill, 1952, the Coffee Market Expansion (Amendment) Bill, 1952, and the Rubber (Production and Marketing) Amendment Bill, 1952, are detailed in a memorandum addressed by the United Planters' Association of Southern India to the Minister for Commerce and Industry, Government of India.

According to the memorandum, the Association and its affiliated district associations represent about 93 per cent. of the tea industry and 38 per cent. and 51 per cent., respectively, of the coffee and rubber industries of South India, and it claims the position of the premier representative organisation of the plantation industries of South India. Referring to the main purpose of the new legislation which, according to it, is to provide for greater control of these industries by Government, the memorandum says that the Association is unable to appreciate the reasons for such an important change in the Government's policy. "In fact it was only the other day," says the memorandum, "when the final Five-year Plan was published, that Government observed that private enterprise has a definite part to play in a large sector of the country's economy. It would appear that Government could only have reached that conclusion, because they were convinced that the methods of private enterprise are generally more suitable for certain types of industries than are those of Government. Moreover, experience has shown that industries which are free from Government control are generally better able to adjust themselves to the changing conditions than are industries which are completely under Government control. The proposals now made for the control of the tea and other plantation industries have the effect of transferring them from the private to the public sector against Government's earlier intentions and without Government assuming any of the financial responsibilities which they are required to assume under the Five-year Plan in the case of industries coming within the public sector."

Referring to the clauses in the tea, coffee and rubber Bills which declare the Government's intention to take under its control the industries concerned, the memorandum points out that this is in substitution of the provision in the existing legislation that the Union Government should take under its control the development of those industries. The Association represents that there does not appear to be any reason for the change proposed. In the case of tea, says the memorandum, this country has a well-organised industry, controlled and directed by persons of mature experience, and the industry is not only fully capable of looking after its affairs but is far more likely to be able to play its full part in achieving the desired improvements in India's national economy if its own experts are left unhampered to look after the industry's interests in accordance with national policy. Referring also to the fact that the intention behind the new legislation in respect of coffee and rubber is the development of the coffee and rubber industries, the memorandum urges that, in all these cases, the amendments proposed are unnecessary and that the existing provision that the Union should take under its control the development of the industries concerned should be allowed to stand.

The memorandum then refers to the provisions for the reconstitution of the Tea, Coffee and Rubber Boards, and says that, in the existing legislation, there is a specific provision made for the nomination of growers' representatives by recognised associations of growers. By this provision, the growers are enabled to nominate to the Boards concerned representatives having a personal and complete knowledge of the growers' problems and these representatives are responsible to the associations concerned. The Association is gravely perturbed by the proposal to alter this common democratic practice and to authorise Government to nominate persons who, in its opinion, are capable of representing the growers. In essence, says the memorandum, the proposal implies a complete violation of the principle of representation; it proposes government without the consent of the governed. The Association, therefore, strongly urges that the *status quo* in the matter of appointment of representatives of growers should continue to be observed. If Government is, however, unable to accede to this request, the Association hopes that the clauses would at least be amended in such a way that Government will only choose the representatives of growers out of a panel of names to be submitted by the different recognised associations of growers.

The memorandum also criticises the proposal to reduce the number of growers' representatives on the new Boards. The development of the tea, coffee and rubber industries, says the memorandum, implies the necessity for retaining the maximum possible representation by growers' representatives on these Boards. It submits that decreased representation by producers could only result in a strengthening of the influence of the various pressure groups whose purpose appears to be to get something out of the industry without any intention of improving its efficiency.

The Association strongly disapproves of the proposal to divest the Boards of a large part of their executive powers and to transfer them to Government. Such a proposal, says the memorandum, hardly conduces to efficiency and it is not improbable that the Board, with their powers thus curtailed, will find much greater difficulty in making important decisions on emergency matters than has been the case so far. Apart from this, the Association also strongly deprecates the proposal to give up the present practice of consulting the Boards in several important matters, as this will reduce the status of the Boards to that of quasi-Government departments without any authority even of such a body.

As regards the Government's proposal to credit the various customs proceeds from tea, coffee and rubber to the general funds of Government instead of handing over the whole of the proceeds directly to the Boards concerned, as is the practice now, the Association urges that a provision should be made whereby the whole of such proceeds will be earmarked for the benefit of the industries concerned, and that no part would be utilised for any other object or purpose.

SURPLUS LABOUR IN TEA GARDENS

The problem of surplus labour in tea plantations was a subject on the agenda of the tenth session of the Labour Ministers' Conference, held in New Delhi on the 6th and 7th inst. The Conference, however, decided that this subject should be discussed at a special meeting of the Standing Plantations Committee in Shillong on the 26th and 27th inst.

The situation in respect of surplus labour has been worsening, as a result of the closure of gardens. According to information so far available, more than 100 gardens have been closed in Assam and West Bengal and about 50,000 workers thrown out of employment.

The Committee may consider the situation arising out of the closure of tea gardens. The Committee may also consider what action should be taken to deal with surplus labour. The following suggestions may be examined in this connection:

(1) Inter-garden movement of workers should be encouraged for adjusting local surpluses and shortages. This may be done through the Tea Districts Labour Association. (2) Recruitment of outside labour should be stopped and such of the surplus workers as are emigrant labourers should be repatriated in accordance with the provisions of the Tea Districts Emigrant Labour Act. (3) Schemes for the development of cultivable waste land should be undertaken for absorbing surplus labour. (4) Cottage industries should be opened so that surplus labour may be gainfully employed. (5) Surplus labour may also be diverted to employment on public works projects.

(Concluded from next column)

the problem of lowering the cost of raw material to the jute industry.

According to Mr. K. R. Damle, Vice-Chairman, Indian Council of Agricultural Research and Additional Secretary of the Ministry of Food and Agriculture, 80 per cent. of the cost of jute consists of human labour. Of this 80 per cent., weeding operations, on which the growth of jute depended, covered 40 per cent. If the production of jute is to be economic, then the cost of weeding must be reduced. Mr. Damle, who also addressed the gathering on the occasion of laying the foundation-stone mentioned above, revealed that the Research Institute was at present engaged in the development of a machine designed to carry on weeding operations on jute fields. This piece of encouraging news is welcome, in that, if the design proved successful, it would result in a considerable reduction in the cost of production of raw jute in India.

RESEARCH IN RAW JUTE

BID TO REDUCE COSTS

THE Jute Agricultural Research Institute will soon have a house of its own consequent on the construction of a new building which began last week. It may be remembered that after the Partition, the nucleus of the Institute was set up in a rented house at Hooghly with a 50-acre farm at Chinsurah, temporarily provided by the West Bengal Government for tiding over the immediate difficult situation facing the Institute then. From 1949 to 1951, the Institute functioned there. But this arrangement with the experimental farm in one place and its laboratories and the farm godowns at another, was hardly conducive to the smooth running of research activities. The Central Jute Committee then obtained a 98-acre plot of land in Nilgunj, a village about 18 miles from Calcutta and four miles from Barrackpore town, for establishing the Institute on a permanent basis. The land is a free gift of the West Bengal Government. At the time when it was taken into possession by the I.C.J.C., the land was in a neglected condition and a good deal of spade-work had to be done to bring the land under the plough and to give it a farm shape. In order to facilitate the farm activities on this land, early in 1952, the laboratories and the office were shifted to another rented house at Barrackpore and the farm to the new site instead of at Chinsurah.

The expenditure on the Institute building, for which the foundation-stone was laid on the 9th inst. by Mr. Rafi Ahmed Kidwai, Minister for Food and Agriculture, is Rs. 2.5 lakhs. A sum of Rs. 3 lakhs will be spent on building staff quarters and a sum of Rs. 1.5 lakhs has been provided for amenities like water-supply, drainage and electric installation. The building will, therefore, cost Rs. 7 lakhs for the ground floor alone for which plans have been approved so far. At a future date, the Institute may need Rs. 10 lakhs more for the construction of the second floor and the remaining staff quarters.

The useful role of the Institute in helping the jute industry in India was emphasised by Mr. Kidwai in his speech, while laying the foundation-stone of the building referred to above. He said: "Violent fluctuations in prices naturally affect the industry as well as the grower. Unless the industry gets a fair price for its jute products, it cannot step up production. Unless the grower gets a remunerative price taking into account his cost of cultivation, he will not be interested in increasing the production of raw materials. Thus, sometimes we move in a vicious circle. It is in this respect that agricultural research offers to suggest a solution." Continuing, he stated that India could command a major portion of the world trade in spite of competition, if it offered its goods at reasonable prices. This, he remarked, could be done only if through research, it produced better quality of the fibre at as low a cost as possible. He stressed that agricultural research had thus a very important role to play in helping India to maintain the leadership of the world trade in jute goods. He called upon the research workers to bear in mind that the Institute was principally meant for the benefit of the grower in order to enable him to produce better crop at as low a cost as possible.

Describing jute as the second largest industry in India and one of the principal sources of earning foreign exchange, Mr. Kidwai paid tribute to the valuable work done by the Jute Committee in stepping up raw jute production. As a result, the country was no longer, he observed, in the depressing position in which it was left after the Partition in 1947-48 with regard to supply of raw material to the jute mills. Since the Partition which left 80 per cent. of the jute-growing areas of India on the other side of the boundary, jute production in the Indian Union was, he said, steadily going up, and the Planning Commission's target of producing internally 85 per cent. of the total requirements of the jute industry by 1955-56 was almost within reach. In 1951-52 Indian supplies alone accounted for 76 per cent. of the country's requirements. Mr. Kidwai was, however, not complacent with this progress. Because, he did not fail to remind the research workers that the country cannot think of increasing production of jute by diverting paddy fields to growing jute. "We have to increase the yield," he declared, "in the existing jute tracts. Agricultural research can do much to improve the quality of the fibre produced and to develop varieties which are resistant to disease and pests." This is a point which has been obvious for a long time and repeated times without number. Yet that is the only solution to

(Continued in previous column)

WORKING OF RAILWAY COLLIERIES

SATISFACTORY RESULTS FOR 1951-52

THE Report of the Railway Board on Indian Railways for 1951-52, Vol. I, published last week, throws some light on the working of railway collieries. The aggregate output and despatches of these collieries disclose notable increases. Thus, as compared with 1950-51, the aggregate output of coal during 1951-52 was higher by 548,318 tons at 3,155,671 tons. The aggregate despatches were 2,395,644 tons in 1951-52, as against 2,342,545 tons in the previous year. Of these, the amount of despatches to Indian railways was of the order of 2,335,107 tons during 1951-52, as compared with 2,308,139 tons in 1950-51. Still, this represents only 21.6 per cent. of the railways' total consumption of coal during the year and compares unfavourably with 22.2 per cent. in the previous year. The actual amount of coal consumed by Classes I, II and III railways were 10,807,461 tons in 1951-52, the corresponding figure for 1950-51 being 10,404,213 tons. A gratifying feature is that the consumption of both selected A and B grades of coal declined, the former from 1,070,104 tons to 1,009,064 tons and the latter from 2,637,866 tons to 2,515,582 tons.

The credit for the good performance of the railway collieries during the year under review, goes as much to labour as to the management. The relation between labour and the administration was most cordial. There was also an all-round reduction in expenditure. The cumulative effect of all these factors was that the working of the collieries during the year disclosed a net profit of Rs. 11,29,475, as against a loss of Rs. 69,98,743. The profit, however, is negligible, considering that the capital outlay on these collieries is no less than Rs. 7.38 crores. It is stated that the net profit would have been higher, had it not been for the surplus of 5,000 labourers in these collieries, who accounted for an expenditure of Rs. 50 lakhs. Thus, the Government's policy against any large-scale retrenchment of surplus labour itself has been responsible for the meagre profit on such a huge capital investment.

A review of labour conditions in the collieries under reference reveals that the general health of labour was good throughout the year. The railways provided a number of amenities during the year, including (1) putting into operation the Jewel filter plant in Kargali Colliery, (2) the inauguration of the Jewel rapid gravity filter in the Bokaro Colliery, (3) the maintenance of three primary schools from the Labour Welfare Fund, and (4) the construction of miners' houses, creches, pithead baths, etc. Twenty-eight women workers in Argada Colliery were paid maternity benefits.

COAL MINING MACHINE

The Carbide and Carbon Chemicals Division of the Union Carbide and Carbon Corporation of America has designed an electrically controlled coal mining machine for working out crop coal seams. It is claimed to bore out a stream of coal from upto 700 feet into the side of a hill. The machine has four inter-mesh rotary cutting heads mounted in front. It is moved forward on tractor treads and carves three-foot by ten-foot holes in the coal seam. It is said that the machine can mine up to 1½ tons of coal per minute. The coal is automatically transported from the cutting blades by a conveyor belt which is drawn into the mine up to 1½ tons of coal per minute. The whole process is controlled from a movable two-storey rig mounted on a platform carved out of the side of the hill, and the operators remain above ground throughout the whole operation. The machine is steered by watching two oscilloscopes, which record the responses of two electrical sensing devices mounted on the outer cutting teeth. An irregularity on the oscilloscope is recorded each time the machine cuts through anything harder than coal.

FALL IN INDIA'S COAL EXPORTS

The exports of coal from India dropped from 259,118 tons in December, 1952, to 199,374 tons in January, 1953. This is attributed to shortage of shipping space at the Calcutta port. Coal was shipped in 32 steamers, both foreign and coastal, in January, as against 42 in December, 1952. Fifteen foreign ships called at the port in January as compared with 22 in the previous month. The number of coastal ships came down to 14 last month from 17 in the preceding month. It is stated that the programme of coastal shipments was being upset, on account of steamers not being ready on their declared dates of readiness. The Commissioners have, therefore, stressed the need for greater accuracy in declaration of dates for coastal coal ships. Shippers have also been advised to send in their applications for allocations of space by the 15th of each month for the next month's allocations.



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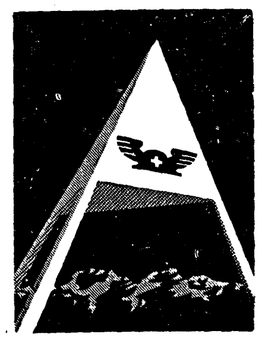

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FINANCING ROAD DEVELOPMENT

NEED FOR NON-LAPSABLE FUNDS

THE presidential address of Mr. T. Mitra, Chief Engineer, West Bengal, to the seventeenth annual session of the Indian Roads and Transport Development Association, held in Madras last week, is important chiefly for the three notable considerations which he sought to emphasise in that address. First, he stressed the need for the institution of a Central Road Fund and State Road Funds on a non-lapsable basis. Secondly, he stressed the United States method of financing roads which have amply demonstrated that "the main highways can be made self-supporting, if the revenues from road-users are devoted exclusively for highway improvement." Thirdly, as construction of roads could not be financed completely out of revenues, he emphasised the need for raising capital resources.

These suggestions have, no doubt, been made before. Even so, it is necessary to emphasise the need for their acceptance by Government, so long as they are not implemented. Thus, the need for non-lapsable funds was suggested even by the Motor Vehicle Taxation Enquiry Committee of 1950. At present, grants are given for road works on a yearly basis and the unspent money lapses at the end of the financial year. Such annual grants, again, are subject to curtailment, before allotments are actually disbursed. Moreover, allotments, made late in the year often entail wasteful and uneconomic execution, for fear of lapse. The Indian Roads Congress has been urging for several years now the need for constituting a Central Road Fund and State Road Funds and that all money made available for roads expenditure by various administrative authorities be credited to such non-lapsable funds. This arrangement will enable the authorities responsible for roads to undertake road planning without fear of lapse of funds. They will also be tolerably sure of their road budget for a number of years ahead. The authorities in the U.S. know two years in advance, before work on a project commenced, as to what federal grants would be available for the purpose. Such grants, once announced, could be taken on a "matching basis"—the State authorities undertaking to raise equivalent funds from their own resources within three years after constructions actually commence. And it is noteworthy that the grants are not allowed to lapse but are made available for expenditure till the particular project is completed.

Growth of Highways in the U.S.

The rapid growth of highways in the U.S. is attributable to two factors. First, the enormous increase in motor traffic in the country, bringing with it large revenues on account of registration fees and the gasolene taxes. Secondly, the State and the Federal Governments devote all but 10 per cent. of such special "user taxes" to the improvement of the highways over which the motor vehicles operate. In India, the number of motor vehicles has not reached even the figure that the U.S. reached nearly 40 years ago. An increase in the number of motor vehicles however, will not avail the country anything, if there is insufficient road mileage and further, if the existing roads are incapable of bearing any appreciable volume of motor traffic.

That more funds than what could be provided from existing revenues are necessary is indisputable. The Motor Vehicle Taxation Enquiry Committee suggested that finances for the construction programme of roads should be found from a "ways and means fund" made up of savings, surpluses, additional "development" grants from the general revenues and of loans raised for the purpose. For, surely the execution of a construction programme of the magnitude envisaged in the Nagpur Plan cannot be financed entirely from the revenues. The road plan under the Five-year Plan is, however, modest compared to the Nagpur Plan. Even so, the Five-year Plan envisages an expenditure of Rs. 105 crores during 1951-56. Again, even this, it is to be feared, cannot be met entirely from the States' revenues.

Objections are often raised to the financing of road construction works from capital sources. Road works, it is argued, are unproductive inasmuch as they do not produce 'goods' themselves. This view is fallacious and needs examination and refutation. Mr. Mitra compared an effective system of roads to a well-planned business and added that a road system was a long-term investment. He pointed to the survey conducted by the Indian Roads and Transport Development Association some years ago, which revealed that the financial benefits from road development in the area examined amounted to Rs. 11.97 lakhs a year, whereas the cost of construction and maintenance of the roads in this region aggregated only Rs. 4.32 lakhs annually. This indicates that for every Rs. 100 spent on roads, the return to the community through various other benefits amounts to Rs. 277. Better communications would undoubtedly bring about a direct increase in national wealth and a considerable increase in revenues.

PROGRESS OF CIVIL AVIATION

More route mileage was covered and more passengers and mail were carried by Indian air services during the first half of 1952, than in the previous half-year. For the first time an Indian air service connected Indonesia with India. The Government of India acquired an effective interest in an airline company operating internal services.

Comparative details of load and passengers carried and mileage flown by aircraft during the period 1st January to 30th June, 1952, as compared with those during the period 1st July to 31st December, 1951, by aircraft operating scheduled air services were as follows:

	July-Dec., 1951	*Jan.-June, 1952*
Route mileage	28,213	29,235
Aircraft miles flown	9,878,797	9,659,630
Capacity operated (in ton miles).	29,504,011	28,116,708
Passengers	213,821	224,282
Mails .. .. (in lbs.)	3,752,882	3,967,906
Freight .. .. (in lbs.)	47,222,134	36,275,365
Newspapers .. (in lbs.)	2,289,925	2,242,805

The total number of miles flown by Indian aircraft in non-scheduled operations rose from 2,964,284 in the first half of 1952 to 2,988,734 during the period under review. The number of passengers and the volume of freight carried also increased from 35,157 lbs. and 57,985,071 lbs. to 37,498 lbs. and 68,696,090 lbs., respectively.

In response to the representations made by the Air Transport Association of India, Government decided to postpone the introduction of the new scheme of subsidy based on "standard costs" from 1st October, 1951, to 1st January, 1952, and to continue for the intervening period of three months the subsidy at the rate of As. 8 per gallon of petrol used by Indian companies operating scheduled air services.

The total number of aircraft registered in India at the end of June, 1952, was 677 and 203 aircraft held current certificates of airworthiness. The number of ground engineers holding current Indian licences increased from 520 in December, 1951, to 557 in June, 1952, while that of "A" licence pilots went up from 558 to 592. The number of A1 and B licence holders decreased from 20 and 474 to 19 and 429, respectively.

During this period, 13 trainees completed the flying training course, 2 the assistant pilots' instructors course, 19 the pilots' ground training course, 19 the air traffic control officers' course, 22 the aerodrome operators' course, 16 the radio technicians' advanced refresher course, 21 the radio operators' advanced refresher course, 11 the communication officers' refresher course and 8 the radio operators' long-range course. At the end of June, 1952, 175 trainees were under training at the Centre.

Nineteen notifiable accidents occurred in India during this period, five of which resulted in 21 fatalities.

The Radio Construction and Development Unit designed the following: (i) a V.H.F. link working on a frequency of 87.3 mc/s. to replace land links between control tower and remote transmitting and receiving stations; (ii) a circularly polarised antenna which was installed for carrying out operational tests; and (iii) a crystal comparator to enable rapid and accurate measurement of small differences in frequency between two similary ground crystals. The frequency range of this comparator is 600 kc/s. to 8 mc/s.

NEW IRON AND STEEL PLANT

While Government of India has been in touch with different parties, including the World Bank and some Japanese interests, for technical and financial collaboration in the setting up of a new steel plant, it is not committed to such assistance being obtained from any particular country. It is its declared policy that the new plant will be State-controlled, though Government may obtain some assistance from outside in the initial stages. It has been decided that a Technical Mission should re-examine the project reports prepared in 1948 and prepare a fresh project report for a new iron and steel plant and decide on its location. The Mission consists of an expert from the World Bank, an expert from the Government of India and an engineer from Messrs. Koppers Co. of the U.S., who have been appointed Government's consultants in this regard. The Mission has already assembled in Delhi. It is only after this project report is in hand and the location of the new iron and steel plant has been decided, that Government will consider afresh the necessity of obtaining financial and technical assistance from abroad, consistent with the policy of retaining the overall control of the State in the new venture. All reports, suggesting Government's decision to entrust the project to any particular country, are, therefore, inaccurate.

TECHNICAL EDUCATION

DECISIONS OF ALL-INDIA COUNCIL

IT was only a fortnight ago that we referred, in these columns, to the vital role which the technical experts play in the sphere of economic development and stated that the success of the Five-year Plan depended on how best technical education was provided. The deliberations of the eighth annual meeting of the All-India Council of Technical Education, held at New Delhi the other day, clearly bears out the force of this contention. At the meeting, the Council took several decisions of far-reaching significance. These cover a five-year plan for technical education and research, School of Planning for training in graphic arts, Board of Assessment for recognition of professional and technical qualifications, and apprentice training in industry.

The Council, it will be recalled, had set up, at its previous meeting, a seven-man committee to discuss with the Planning Commission and to prepare a five-year plan for the development of technical education in the country. A formula was accordingly formulated which was incorporated in the Five-year Plan. As, however, only general lines of development were indicated by the Committee, the need for formulating a detailed plan for implementing the recommendation of the Committee has come to the fore. This aspect was stressed by Maulana Abdul Kalam Azad, Minister for Education, Government of India, in the course of his address while presiding over the Council's meeting this week.

The Council has done well to set up expert committees to work out details. It is to be hoped that the committees will complete the task allotted to them at an early date. Almost the first problem which the committees will have to consider relates to facilities in technological study at the post-graduate level. The facilities that now exist are inadequate and, even though the two institutes at Kharagpur and Bangalore will go some way towards meeting our requirements, a large number of students will still have to be sent abroad for training. Appropriately enough, Maulana Azad maintained that it must be one of the first priorities in our programme of expansion to develop these facilities within the country itself. It is needless to point out that top priority should be given to the task of strengthening those institutions in the country which give the training available only in Western countries.

Considering the importance of technical education, it is indeed gratifying to note that the provision for the development of technical education has been increased by an additional Rs. 2 crores for the remaining period of the Five-year Plan. Apart from the schemes already in operation—the Indian Institute of Technology at Kharagpur and the Indian Institute of Science at Bangalore—and the grant to existing non-Government engineering and technological institutions, as recommended by the Council earlier, the Planning Commission has earmarked Rs. 3.55 crores for new projects. The general outline lays—this is only as it should be—emphasis on providing for post-gradate courses and facilities for advanced work and research, for special subjects such as printing technology and town and regional planning, and for part-time courses for those already engaged in industry.

Another important decision taken by the Council relates to the establishment of a School of Planning for the training of suitably qualified planners required for the projects. The need for this cannot be overemphasised, especially in the present context of large-scale planning of cities, towns and villages, and in view of the importance attached to industrial labour housing, transport development, etc. Yet another important decision of the Council has been to set up a Board of Assessment, consisting of the Union Public Service Commission, professional bodies, outside experts and State Governments, to evolve a uniform practice in the matter of recognition of degrees, diplomas, certificates and other awards in technical and professional subjects. The establishment of such a central machinery will undoubtedly put an end to the confusion that now exists in regard to the recognition of the numerous qualifications and awards for purposes of employment in Government service, as also in industries and trade.

Spain has decided to build a new iron and steel works in Asturias, the first stage of which will be in operation towards the end of 1956 or early in 1957. The output of the proposed works will amount to 350,000 tons of steel a year, which is almost half as much again as Spain's present total production. Orders for equipment valued at approximately £6 million have been placed with engineering firms in the U.K.

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K. P. R. MENON, Managing Director.



DISCRIMINATING PRACTICES IN TRANSPORT INSURANCE

U.N. SECRETARIAT'S REPORT

THE discrimination practised by certain countries against foreign insurance companies in the sphere of transport insurance has come in for some criticism at the hands of the United Nations' Transport and Communications Commission. It is only natural that this body should be sorely exercised over the whole issue, for unhealthy discrimination in the insurance sphere must affect international trade, for the promotion of which the United Nations is striving hard through its various specialised agencies. The Commission remarks that such discrimination "must ultimately have a harmful effect" on international shippers.

The U.N. Secretariat was prompted to undertake a survey of restrictions enforced by many countries in the sphere of transport insurance by the complaints lodged by the International Chamber of Commerce, which cited the names of certain countries, which in its opinion practised such discrimination. The countries named by the Chamber were: Argentina, Brazil, Colombia, Chile, Cuba, Haiti, Iran, Peru, Austria, France, Italy and the Netherlands. An enquiry by the Secretariat reveals that there are five main types of discrimination:

1. Regulations compelling goods entering or leaving a country to be insured with domestic companies.

2. Heavy taxation on contracts between national and foreign ship insurance companies.

3. Discrimination through Government control of foreign exchange.

4. Regulations discouraging foreign insurers from doing business, such as a requirement that a certain amount of capital be owned by nationals or that nationals hold executive positions.

5. Restrictive laws by Governments which have nationalised insurance to assure the prosperity of their insurance industry.

These restrictions, according to the report, affect the whole mechanism of international insurance and tend to drive premiums up. They affect international credit arrangements, and often lead to retaliatory measures. They may have "various harmful effects, with repercussions on international trade rather than directly on international transport." The remedy, according to the report, lies in bilateral negotiations between countries which feel their interests are being damaged and the discriminating countries. If these negotiations do not succeed, the report says, the "appropriate forum" might be the General Agreement on Tariffs and Trade.

It will be seen that India has not been cited as being among the countries which practise discrimination against foreign insurers. But this does not mean that India is not interested in this matter. Although it is not interested in discrimination, as such—that is, in discrimination, for its own sake—it is necessary that this country ought to examine why discrimination is practised and, still more, to examine when it would be justifiable. Generally speaking, discrimination is practised by certain countries against foreign insurers, because these countries feel that their own insurance companies cannot prosper without some Governmental aid in the shape of placing its own business with national concerns. Further, in order to ensure that their nationals find suitable opportunities of employment, the Governments of certain countries may find it necessary to insist on the foreign companies operating, or seeking to operate, in their area, taking their nationals in their employment and training them to hold responsible positions. Normally, such action would be justifiable under three conditions. In the first place, if discrimination is undertaken for balance of payment considerations, discrimination deserves to be forgiven. After all, a country must live within its means. And if it finds that the stoppage of invisible imports such as foreign shipping and foreign insurance has a healthy effect on its balance of payments position, it ought to be allowed to practise some reasonable discrimination. Secondly, if foreign insurers use their influence with other foreign firms in a particular country to undermine the position of the insurers in that country, it is only reasonable to expect that the Government of that country should give its support to its own insurers. Thirdly, each country should be allowed to give some discriminating protection to its own insurers and also to practise retaliatory discrimination against other countries which practise discrimination against it.

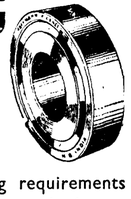
These are, of course broad considerations. Their application, in each particular case, will have to be made with considerable caution. Many insurers in this country have felt, for a long time now, that they are not getting a fair share of the transport insurance. Again, India's balance of payments position has not been very happy either. And yet, the Government of India has not practised any discrimination against foreign insurers. The Import Control Enquiry Committee, however, recommended that the Government might examine the suggestion that the importers, who utilise Indian shipping and Indian insurance, should be given an additional quota for imports. Again, Mr. T. T. Krishnamachari, Minister for Commerce and Industry, stated recently in Calcutta that foreign firms working in this country will do well to give 50 per cent. of their insurance business to Indian insurance companies. There was, however, no mention of any statutory restrictions. Indeed, we emphasised then that changes were best implemented through mutual consultation and negotiations, and not through legal compulsion. After all, Indian insurers are also working in foreign countries. It would be unwise to place statutory restrictions on the business which other foreign insurers do in this country, and thereby provoke certain other countries into retaliatory steps. Nevertheless, it is the duty of the Government to protect the legitimate interests of Indian insurers, preferably through non-legal means, and to enable them to get an adequate share in the transport insurance business.

HULL INSURANCE

Hull insurance, as is well known, has not made much headway in this country. It was only last year that the first attempt at creating a hull insurance market in India was made by the Scindia Steam Navigation Co., Ltd., the management of which entrusted the insurance of its entire fleet to the Indian market. Appropriately enough, Mr. Dharamsey M. Khatau, Chairman of Scindias, emphasised, in the course of his address at the annual meeting of the Company, held last week, the need for developing a hull insurance market in this country. He said:

"In consonance with our tradition to be the pioneers in all shipping matters in India, we decided this year to entrust the hull insurance of our entire fleet of ships to Indian insurance companies, thus launching a hull insurance market in India for the first time. Our fleet insurance which aggregates in value about Rs. 22 crores was placed with a group of eight Indian insurance companies, of whom the New India Assurance Co., Ltd., was selected as the leader. I need hardly add that this step was taken after the most careful consideration to ensure that we should in no way be prejudiced either in the matter of rates or in the matter of prompt settlement of our claims. I hope other Indian shipping companies will also endeavour to do their best to strengthen the Indian insurance market by placing their hull insurance also with the Indian companies."

NBC



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INSURANCE THROUGH CO-OPERATION

I.L.O.'S REVIEW

ALTHOUGH insurance is itself a co-operative endeavour and represents the co-operative effort of a community to protect individual members against risks such as accident, death or old age, insurance is not always organised as a co-operative institution. In all countries where insurance has made considerable progress, the largest measure of achievement is claimed only by insurance companies which are organised on a joint-stock basis. Nevertheless, it is recognised that the co-operative movement may be utilised to mobilise the resources of millions of people of small means and to undertake a variety of activities designed to raise the level of their productivity and purchasing power. It is further recognised that insurance is one of those activities which could be organised on co-operative principles.

A recent review of the co-operative organisation in different countries, made by the I.L.O., shows that increasing attention is everywhere being given to the application of the co-operative principle to every form of economic activity, notably to insurance. A co-operative insurance society is essentially a voluntary organisation with unrestricted membership and collectively-owned funds, comprising individuals or organisations of small producers in town and country. Further, the co-operative insurance enterprise is built on democratic basis of equality, common interest and collective management, for the satisfaction of the future probable needs of members and for grouping and offsetting the risks to which they are exposed.

A co-operative insurance society is able to make a significant contribution towards saving, by reason of the fact that it creates a sense of security through the removal of the need for uneconomic saving by distributing the burden of such saving among many persons who are exposed to the same uncertainties.

Reviewing the developments in the field of co-operative insurance in two countries, namely, Australia and the U.S., the I.L.O. publication says that, in Australia, the Australian Mutual Provident Society has been a pioneer in the field of co-operative life assurance. Founded in 1849, it had, at the end of its first year, a credit of only £93. But now, the total sum assured by the Society is of the order of £540 million, covering 2.30 million policies. Reversionary bonuses attaching to existing policies amount to £74.5 million. The total amount of cash bonuses, allotted by the Society since its inception, is £97.39 million in the ordinary department and £7.83 million in the industrial department.

Spectacular progress has also been made by the co-operative insurance societies in the U.S. It is computed that there are over 2,400 companies which transact fire insurance on a "mutual" basis. They have a premium income of over $440 million, while their admitted assets aggregate over $847 million. These figures refer to 1948. Possibly, these insurance companies have been able to build up larger assets since that date.

Generally speaking, a co-operative insurance society caters to the needs of men of small means. The society provides its own incentive to saving, it is claimed, by enabling these men to cover risks which, by their own individual saving, they would not be able to undertake. Essentially, it is a method of group saving, rather than individual saving, and one in which capital is mobilised and invested in such a manner as to be able to meet the obligations which it has contracted in favour of its members. In rural areas, co-operative insurance, therefore, plays—at least, deserves to play—an important part as a mobiliser of rural savings.

How hull insurance offers valuable protection to shipowners will be clear from the fact that the owners of the 21,000-ton Canadian Pacific liner, *Empress of Canada*, which was recently damaged near Liverpool, will now get from their insurers £1.2 million, which was the sum for which it had been insured. The owners will also get, it is stated, an additional £300,000 insurance to cover various other disbursements. British insurers, who have underwritten the major part of the value of this liner, describe the loss as a "constructive total loss." This phrase is used to distinguish the loss from a "total loss." If a ship sinks beyond salvage, the loss is designated a total loss. If it can be salvaged, then, the loss is deemed a "constructive total loss," because the insurers can then get back at least some part of the loss they pay out.

THE BANK OF BHOPAL LIMITED, BHOPAL

(INCORPORATED IN BHOPAL IN 1944.) (LIABILITY OF MEMBERS IS LIMITED.)

EIGHTH REPORT OF THE BOARD OF DIRECTORS

The Directors beg to submit to the shareholders the Audited Balance Sheet of the Bank as on and Profit and Loss Account for the year ended 31st December, 1952.

The Bank's working during the year including a loss of Rs. 5,877-2-4 brought forward from the previous year's account yielded a net profit of Rs. 54,517-5-3.

The Directors propose to make the following appropriations out of the net profit:—

		Rs.	a.	p.
1.	To be transferred to the Reserve fund and under section 17 of the Banking Companies Act 1949	12,500	0	0
2.	To provide for taxation	7,500	0	0
3.	To staff bonus Fund account	5,500	0	0
4.	To pay a dividend at the rate of two per cent. free of tax, i.e. at Rs. 5 per share on 5,000 shares (Rs. 500 each Rs. 250 paid up) for the year ended 1952	25,000	0	0
5.	To be carried forward to next year's account	4,017	5	3
	Rs.	54,517	5	3

The Bank's Building at Bhopal has been sold in the month of March 1952, and the City Office of the Bank has been amalgamated with the Head office as mentioned in last year's report.

In spite of acute money conditions throughout the year, the Bank's working has been satisfactory.

The Directors are thankful to the shareholders and clients of the Bank for their continued support.

The Directors place on record their appreciation of the work done by the Chairman Col. B. M. Vencoba Rao, the General Manager Mr. V. S. Mani, and all members of the staff for their able and efficient services to the Bank.

Under Articles 102 and 103 of the Articles of Association, one-third of the Directors, except the Government Directors, from among those who have been longest in office since their last election retire. They are eligible for re-election under Article 103 of the Articles of Association of the Bank.

The Shareholders are requested to appoint Auditors for the year ending 1953 and to fix their remuneration.

BHOPAL, 31st January, 1953

By Order of the Board,
B. M. VENCOBA RAO,
Chairman.

BALANCE SHEET AS AT 31st DECEMBER, 1952.

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED CAPITAL—10,000 Shares of Rs. 500 each	50,00,000	0	0			
ISSUED CAPITAL—5,000 Shares of Rs. 500 each	25,00,000	0	0			
SUBSCRIBED CAPITAL—5,000 Shares of Rs. 500 each	25,00,000	0	0			
AMOUNT CALLED UP—At Rs. 250 per Share	12,50,000	0	0			
LESS—Calls unpaid	Nil					
	12,50,000	0	0			
ADD—Forfeited Shares	Nil			12,50,000	0	0
2. Deposits and Other Accounts—						
Fixed Deposits	1,29,232	6	0			
Savings Bank Deposits	2,67,891	6	0			
Current Accounts, Contingency Accounts, etc.	4,62,175	0	11			
				8,59,298	12	11
3. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	....					
(ii) Outside India	....			....		
PARTICULARS—						
(i) Secured	....					
(ii) Unsecured	....			....		
4. Bills Payable	....			....		
5. Bills for Collection being Bills Receivable (as per contra)—						
(i) Payable in India	72,108	14	2			
(ii) Payable outside India	....					
				72,108	14	2
6. Other Liabilities				27,790	4	0
7. Acceptances, Endorsements and Other Obligations (as per contra)				17,506	15	0
8. Profit and Loss—						
Profit for the Year	60,394	7	7			
LESS—Loss brought forward from previous year's a/c	5,877	2	4			
				54,517	5	3
9. Branch Adjustments (In Karachi)				2,87,913	6	0
Total .. Rs.				25,69,135	9	4

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)				62,933	1	9
2. Balance with Other Banks in Current Account—						
(i) In India	53,291	3	7			
(ii) Outside India	....			53,291	3	7
3. Money at Call and Short Notice	....			....		
4. Investments (at below cost)—						
(i) Securities of the Central and State Governments and other Trustee Securities including Treasury Bills of the Central and State Governments	5,36,930	0	0			
(ii) Shares	....					
(iii) Debentures or Bonds (outside Indian Dominion)	79,500	0	0			
	6,16,430	0	0			
(iv) Other Investments	Nil					
(v) Gold	Nil					
* (Securities of the face value of Rs. 6,70,000 are held as security against Karachi Branch borrowings outside India—Market Value of Investments Rs. 6,20,297-0-0)				*6,16,430	0	0
5. Advances—						
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)						
(I) Loans, Cash Credits, Overdrafts, etc.—						
(i) In India	13,65,330	5	1			
(ii) Outside India	....					
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—						
(i) Payable in India	2,37,732	4	6			
(ii) Payable outside India	....					
				16,03,062	9	7
PARTICULARS OF ADVANCES—						
(i) Debts considered good in respect of which the Banking Company is fully secured	13,11,113	1	8			
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	2,82,023	9	11			
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	9,025	14	0			
(iv) Debts considered doubtful or bad, not provided for	Nil					
	16,03,062	9	7			
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	35,785	6	6			
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	2,28,808	11	10			
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	40,099	7	1			
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	2,88,203	0	11			
(ix) Due from Banking Companies	....					
6. Bills Receivable being Bills for Collection as per contra—						
(i) Payable in India	72,108	14	2			
(ii) Payable outside India	....					
7. Provident Fund & Staff Security Deposit Investments				72,108	14	2
				12,000	0	0
8. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra				17,506	15	0
9. Premises Less Depreciation—						
At cost as at 1st January, 1952	4,21,168	3	7			
LESS—Sales	3,43,000	0	0			
	78,168	3	7			
LESS—Total Depreciation	4,168	3	7			
				74,000	0	0
10. Furniture and Fixtures Less Depreciation—						
Furniture at cost as at 1st January, 1952	76,516	15	9			
ADD—Cost of additions during the year	4,895	0	0			
	81,411	15	9			
LESS—Sales	11,700	0	0			
	69,711	15	9			
LESS—Total Depreciation written off upto 31st December, 1952	44,761	15	9			
				24,950	0	0
11. Other Assets including Silver—						
Interest accrued on Investments	9,933	0	0			
Stationery and Stamps on hand	2,818	5	6			
Refund of Income Tax	15,751	0	0			
				31,502	5	6
12. Non-Banking Assets Acquired in Satisfaction of Claims				....		
13. Branch Adjustments (in India)				1,250	7	9
Total .. Rs.				25,69,135	9	4

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1952.

EXPENDITURE	Rs.	a.	p.	INCOME (less Provision made during the year for Bad and Doubtful Debts)	Rs.	a.	p.
To Interest paid on Deposits, Borrowings, etc.	10,503	5	6	By Interest and Discount	1,28,141	4	2
,, Salaries and Allowances and Provident Fund (including Rs. 8,820 Salary and Allowances and Provident Fund to General Manager)	47,247	2	3	,, Commission Exchange and Brokerage	15,694	9	4
,, Directors' and Local Committee Members' Fees and Allowances	625	0	0	,, Rents	580	0	0
,, Rent, Taxes, Insurance, Lighting, etc.	9,114	4	9	,, Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
,, Law Charges	1,777	12	8	,, Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
,, Postage, Telegrams and Stamps	3,851	9	9	,, Income from Non-banking Assets, and Profit from Sale of or Dealing with such Assets	Nil		
,, Auditors' Fees	1,250	0	0	,, Other Receipts	18,761	0	0
,, Depreciation on and Repairs to the Banking Company's Property	8,341	4	3				
,, Stationery, Printing, Advertisement, etc.	8,159	14	6				
,, Loss from Sale of or Dealing with Non-Banking Assets	Nil						
,, Other Expenditure	11,912	0	3				
,, Balance of Profit (Subject to taxation)	60,394	7	7				
Total .. Rs.	1,63,176	13	6	Total .. Rs.	1,63,176	13	6

REPORT OF THE AUDITORS.

We have audited the annexed Balance Sheet of the Bank of Bhopal, Limited, as at 31st December, 1952, and also the annexed Profit and Loss Account of the Bank for the year ended 31st December, 1952, in which are incorporated certified Returns from Sehore Branch in India, but the Returns from Karachi Branch have not been incorporated as the Returns have not been received from the State Bank of Pakistan which has taken possession of that Branch, and report that:—

(a) We have obtained all the information and explanations that we have required and have found them to be satisfactory;
(b) The transactions of the Bank which have come to our notice have been within the powers of the Bank;
(c) That returns received from Sehore Branch of the Bank in India have been found adequate for the purposes of the audit;
(d) In our opinion the annexed Balance Sheet and Profit and Loss Account are drawn up in conformity with the Law;
(e) Such Profit and Loss Account shows a true balance of Profit for the year;
(f) Such Balance Sheet exhibits a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us and as shown by the Books of the Bank; and
(g) In our opinion Books of Account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

BOMBAY, 5th February, 1953.

S. B. BILLIMORIA & CO., } Auditors.
Chartered Accountants,

B. M. VENCOBA RAO, Chairman.
AMIR HASAN SIDDIQUI,
MULKRAJ,
RAJMAL,
S. AKHTAR ABBAS,
H. R. NAIR,
AZIZUR RAHIM KHAN,
MAHESH BIHARILAL, } Directors.

V. S. MANI, General Manager. P. V. CHATI, Chief Accountant. S. D. SHRIVASTAVA, Accountant. V. M. SANT, Assistant Accountant.

DEATH DUTIES AS AN ITEM OF REVENUE

EFFECT ON SAVINGS DISCUSSED

(By N. R. BHATWADEKAR)

ANY proposal for a new tax impost generally receives a one-way reception and that is opposition. But the reception to the Estate Duty Bill in the Indian Parliament was quite a happy one. There was, of course, opposition to it, but it was meagre and came from sections whose ideologies are based on religion. The Finance Minister drew richly upon old Sanskrit writings to give sound foundation to this tax proposal. In any case, the fact remains that in all the major democracies of to-day the tax has come to stay. In the beginning, there was fierce opposition. But now it is found in every democratic community and it is everywhere becoming of increasing fiscal and social importance. The first and the foremost objective of any tax is to get revenue for the State. But apart from its utility as a source of revenue, every tax has other effects, whether they are intended or not. In Britain in 1894, Harcourt disdained any "ulterior aims" in his reforms of the death duties. But "ulterior effects" were visible. There was a definite breakdown of large estates. In this country, after the tax comes into force, a detailed study will have to be undertaken to find out whether the tax initiators "had" any "ulterior motives" in view.

The characteristic of a good tax system is to rely on a few substantial taxes for the bulk of the revenue. If it is desired to tax the rich, income and inheritance taxes are the best. If it is desired to tax the poor, taxes on some commodities, particularly of wide consumption, are the best.

Two Kinds

There are, as is well known, two entirely distinct categories. The State may tax the inheritance as a whole by what is known as an estate tax or may tax the separate shares going to the recipients of the inheritance. In England, both the systems operate. In the U.S.A., the Federal Government limits itself to the estate tax, while most States levy only a share tax. Various theories have been forwarded in the defence of these two taxes. The share accruing to an heir can just be treated as "income" and taxed just as income is taxed in the usual manner. But for practical reasons, the inheritance is not included in the taxable income but is taxed separately, just as in some countries there are separate taxes for gifts and capital gains. In this way, a "share tax" can be defended on the grounds of "accidental income argument." In defence of the "estate tax," Bentham promulgates the argument that the conception of the right of bequest involves a social privilege for which some compensation is rightfully demanded. Mr. Andrew Carnegie puts forth the argument of the "co-partnership of the State" idea and concludes that "the legislators would fail in their duties if they do not exact a tremendous share; a progressive share." While a "share tax" can be called an "individual" obligation, an "estate-tax" can be called a "social" obligation. Everyone must realise that if he wants Government services, he must pay for them.

To promote tax consciousness, income-tax is the best tax. Death taxes are not so effective because, unlike income-tax (which is paid every year), they are not paid every year but only once. Moreover, in contrast with the income-tax, almost all those—the deceased and the beneficiaries—who bear the burden of the death taxes are, in any one year, a new group who have not paid the tax before; or at least, not for many years. Naturally, death taxes create more tax consciousness. But unlike income-tax, the time of payment is remote and indefinite. So the intensity is not so great. In the U.S.A., the Federal Government limits itself to the "estate tax," while most States levy only a "share-tax", although in a few States both "the right to transfer as well as the right to receive the transfer" are taxed.

The oldest objection raised against death duties is that they are a tax on capital. The fact is that a tax on capital is not in itself any more reprehensible than a tax on income. Ill-chosen and ill-administered tax, whether on income or on capital, would equally destroy wealth. Moreover, the fundamental issue is as regards the utilisation of the proceeds. It is possible that the State may use the proceeds in a way beneficial to the society, and that the beneficiary might have squandered the money. In Britain, this taxation has been in existence for the last so many years. Curiously enough, the capital wealth of the country increased simultaneously with the increase in the proceeds from death duties. So, death duties will not decrease capital wealth of a community but will actually increase it, if the proceeds are well utilised.

Effect on Capital

In England, it was feared, death duties and income-tax would drive capital abroad. But the English tax laws were so framed as to leave no temptation for capital export. The British death duties fall equally upon property, whether situated in England or abroad, of the persons resident in Britain. To avoid them the man must be prepared to leave the country. Naturally, such cases would be rare. Moreover, it is possible, a tax on capital is paid out of income. During depressions, death duties possess a peculiar fascination for the "finance ministers." During such periods, there is an epidemic of unbalanced budgets. As prices fall, the yield of taxes, which are based on the prices of goods, falls. Income-tax yields are lowered as incomes are low. Taxes such as stamp duties, etc., yield less as value and volume of business transactions shrink. The rate of interest is low. As debts mature, debt conversions are facilitated. The value of Gilt-edged securities is raised. The yield of taxes, based on capital values (death duties), is raised. But these are insufficient compensations to the tottering budgets.

The tax is generally "progressive." It is graduated in various ways. As per the Rignano Scheme, the tax is graduated as per the number of times the property has already changed hands. The idea of the "unearned wealth" can be pursued and the inherited wealth of the deceased taxed at a higher rate than the property he has acquired. This sort of graduation has one salutary effect. The person works and saves more in order to provide for his heirs. Had there been no death duties, this stimulation (or, say, necessity) would be totally lacking. Moreover, had there been no death taxes, the heirs would be less willing to work and might even run into debt. Mill had a proposal; it was to fix a maximum over which no one should inherit. In Britain, a scheme of terminable annuities was suggested some years ago. Some proportion of every estate was to be exchanged for terminable annuities, to be issued by the Treasury. The period of annuities was to be either the life of the inheritor or a fixed number of years, say, 20 years. This scheme was devised to make the inheritors work. The inheritors would be working, as the annuities were to expire sooner or later. The better basis for the graduation would be to take into account the amounts received by the inheritor as well as the wealth he already possesses. Attempts to incorporate these principles failed in Italy and Germany, mainly because of administrative difficulties. In Britain, the estate duty is graduated progressively according to the total value of the property passing at death. British legacy and succession duties graduate progressively according to the remoteness of relationship; in fact, they are regressive because, generally speaking, people give their property to their nearest relatives.

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Relationship of Heirs

In the U.S.A., death duties are based on the value of the deceased's estate, as a whole, and inheritance tax is based on the share received by the beneficiary. States tax a son less and a nephew more. If a person wants to give the same amounts to both—the "will" is changed and the nephew is given more. The reverse of this is also possible. To avoid the tax he may give the nephew less. This burden (to work more and spend less) is on him and not on the nephew. It is possible to base the progressive rate of inheritance on the wealth and income of the heir. In the U.S.A., some exemptions are made, if the family is dependent on the legacy. Otherwise, it is considered a tax on windfalls. But very few inheritances are windfalls in the real sense of the word. Practically all inheritances are expected—at least, partially. Again, in the U.S.A., some exemptions are made, if the tax is paid in quick succession; the Federal Government exempts the estate that has paid estate or inheritance tax within five years. Some States have similar provisions too. Sometimes, the older the beneficiary, the less is the tax, though this is not in practice in the U.S.A. Attempts to integrate the death tax with the entire personal situation of the beneficiary may some day lead to the inclusion of inheritances as a part of the income, subject to income-tax.

Scientific Basis

Even if the Rignano Scheme is not brought into practice *in toto*, the proposal that a higher rate should be levied for the property that has passed through two or more generations is worth considering. The most scientific basis for progression would be to take into account individual inheritances and the wealth of the inheritors. It is possible that a rich man may get a small, and a poor man a big, inheritance. Usually, however, big inheritances go to the already rich. It is always better to have a higher rate on a few taxpayers than to have a lower rate on many. Again, to increase revenue from this source, the State should lower the exemptions rather than have a higher rate. High rates of death duties and income-tax tend to prevent the accumulation of large taxable fortunes and, consequently, decrease the number of large taxable incomes.

Whenever a new tax is introduced, it is essential to take into consideration the parties who may be required to bear the burden of the impost. An inheritance tax is often less keenly felt than might be supposed. The payment is often made through the executors. Moreover, at such times, the considerations of tax-payments are generally in the background. Take, for instance, a deceased person who has no (even remote) relatives. The property will naturally revert to the State. Will the incidence be on the predecessor or on the successor? Clearly, on the successor, as the predecessor is dead.

What are the effects of death duties on savings? It is generally feared that the man who knows that a portion of what he saves will be going to the State in the form of death duties, is generally reluctant to save. As per the Rignano Scheme, the desire to work and save is checked less as the tax is graduated according to the number of times it has already changed hands.

Insurance Device

Generally speaking, inheritance and income-tax, yielding the same revenue, check savings to the same extent. Saving is checked less by inheritance taxes as the tax payment is remote. Nowadays, the device of insuring is becoming quite common. If insurance is resorted to, the check to saving is still less. As regards the beneficiaries, the tax reduces their expectations and so they are stimulated to work and save. The higher the rate, the greater will be this stimulus. If there are no death duties, the inheritors would be less willing to work and save; in fact, they are likely to be extravagant and they may even run into debt. The taxation of an estate or of an inheritance may or may not lead to a decrease in the nation's savings. If the private capitalistic system is to function, people must be induced to risk the money. The taxes, which are most commonly accused of weakening the willingness to risk, are income-taxes, death duties and gift taxes, when they are levied at progressive rates. But if the rates are so high as to approach confiscation, savings are definitely checked.

In general, it is assumed that death and gift taxes are not shifted. But some variation has been assumed, not because of shifting but because of changes in the ownership of the property and income within the family. Along with personal income-tax and the excess profits tax, the estate and the gift tax are obviously not supposed to be passed on in business transactions. In contrast with the personal income-tax, the death tax and the gift tax, the amount of the tax on socially undesirable gains is determined without regard to the personal situation of the taxpayer—the tax is the same, whether the taxpayer is rich or poor, whether he is having a large family or not, etc. A poor man may not pay death duty or an inheritance tax, but he may use the dwellings liable to these taxes. Naturally, these taxes enter the rent he is paying. In the U.S.A., the existing Federal and State income-tax laws do not take into account the tax-paying ability represented by a gift or an inheritance. Whether they can be designed to do so is debatable.

It is generally supposed that death duties directly redistribute wealth. It is no doubt true that at times investments (viz., securities) must be sold to pay the tax. But it is not redistribution of wealth in the sense in which the term is usually understood. In one sense, it may be, but it is neither direct redistribution to recipients of Government services nor bounties. Redistribution of existing wealth can be accomplished by a capital levy in kind, followed by a distribution of the wealth thus acquired.

Payment of Duty

The payment of death duties presents a problem. It is possible that there may be no hard cash to pay the tax. In Britain, in 1906, there was a proposal to allow the landowner to pay the tax in the form of land. It was soon ridiculed. Who knows? The distillers may demand the privilege to be allowed to pay the tax in the form of whisky. Since 1919, in the U.K., Victory bonds were accepted in payment of the tax. But it was a definite loss to the Government as the market value of these bonds was lower than the par value. If there is no cash, securities must be sold. It is possible that such sales might create bad market repercussions. Fortunately, the custom of insurance is growing rapidly. Again, it is possible to make payment less burdensome by introducing the privilege of payment in instalments. In this way, the annual tax will almost never take more than the income of the estate.

Any discussion of death duties would be incomplete without due consideration of the gift tax. Mankind, as it stands, abhors taxation. Every tax brings in its wake an "escape"—a lawyer's device. To avoid payment of death duties, gifts are given during the lifetime of the donor. Gifts from the living should be treated in the same way as gifts from the dead. In the U.S.A., the gift tax is considered a "policeman" tax. It is the child of the death duties. In the U.S.A., the Federal gift tax is not adequately co-ordinated with the death tax. By the first gifts (when the rate of gift tax is low) that he makes, the donor escapes the top rates that would apply to his estate under the death tax and he pays only low rates in the first brackets of the gift tax. As a rule, the rates of gift tax are lower. The donor's loss of interest in the gift tax, thus paid in advance of death, is sometimes given as a cause for the relatively low gift tax rates. In the U.S.A. the yield from gift tax was far more than was anticipated. It is possible to include gifts received by a beneficiary in his income and to bring them under the purview of the general income-tax. But, generally speaking, gifts are treated separately, as they do not constitute regular income. Moreover, it is obvious that gifts would generally be given to those who are to inherit them later.

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Experience in U.S.

Although it might appear premature, it would not be out of place to review here the experience gained in America to find out the possible future duplication of taxation in this country. Estate tax was first introduced in the U.S.A. in 1916. In the First World War, it was unimportant from the point of view of war financing. In part, this reflects the claim of "States" to a vested right in death duties. The fiscal history of the U.S.A. reveals that there was in the beginning a strict separation of sources. The Federal Government contented itself with the indirect (mainly customs) taxes while the "States" relied on the direct (mainly property tax) taxes. As the needs of the Government went on increasing, the Federal Government slowly but steadily went on encroaching upon the sources, considered till then as reserved for the States. Incidentally, it can be seen that the necessities of the States grew, though slowly, as compared with those of the Federal Government. One by one, particularly since the last war, other Federal States (like the U.S.A.) have given up the separation of sources, characteristic of their earlier history. It became obvious that the inheritance tax was to be increasingly important. In fact, the German law of 1924 reserved the entire proceeds of the inheritance tax to the Federal Government. If the Federal Government was to encroach upon the sources of the States, naturally the question of uniformity came to the forefront. The Australian Royal Commission on Taxation (1921-22) favoured reservation of inheritance tax for the separate States. But in return, the Federal (or the Commonwealth) Government was to have complete monopoly of income-taxes.

Uniformity in Taxation

In the U.S.A., the States found that they could no more demand the exclusive use of either the income or the inheritance tax. Many devices were explored to bring about uniformity in taxation in the U.S.A. Inter-State agreements were not favoured as so many agreements would be necessary. Moreover, there was no suitable criterion to steer clear through the divergent economic interests of the States. Regional or sectional agreements were suggested as a first step. The passage of a Federal law, designed to regulate the conditions of uniformity, was also not feasible, because it would encounter constitutional obstacles. In America, the Supreme Court makes law no less than the Congress. But the Supreme Court could not be expected to bring about uniformity as it would have required the Supreme Court to formulate a set of economic principles. Delay was another reason. And, as a rule, the Court decides the particular case on its own merits, but does not like to mortgage the future. It was realised that if every other expedient failed, only a Federal system of taxation could bring about the desired uniformity. There would be a comprehensive Federal inheritance tax with a division of the yield between the States and the nation.

Fortunately, in recent years, co-operation among the States is progressing. Even before the series of Supreme Court decisions, reciprocal agreements for inheritance taxes eliminated much serious overlapping. However, despite Supreme Court decisions, unfortunately some problems of double taxation of intangibles still remain. The Federal-State co-ordination in death taxation is shown by the Federal crediting provision which allows the taxpayer to subtract from the Federal tax, otherwise due, the death taxes paid to the States within certain limits. But since the adoption of the crediting device for death taxes in 1924, the Federal Government has made little effort to exercise such limited control as it might have done in order to reduce this conflict—the conflict between State and State. Federal taxation (and a division) need not scare the States. A better administration would increase the proceeds. Consequently, the States would also get more. However for income and inheritance taxes, Roswell Magill favours decentralised administration as thereby time would be saved. Moreover, while admitting the divergent economic interests of the States, no one can really defend the action once taken by Florida (in 1924—later repealed) in using inheritance tax in inter-State competition favouring certain types of activities. Greater co-operation amongst the States is quite necessary. Death taxes, and stock transfer taxes as in a few States are instances of overlapping taxes; both the States and the Federal Government levy them.

New Chapter

The introduction of this tax will open a new chapter in the history of Indian taxation. Economic inequalities may be due to the inequalities either of the income one earns or of the wealth one inherits. The inequalities of the inherited wealths may often be responsible for the inequalities of the earned incomes. A man who inherits a good fortune has every chance to earn a handsome income. Death duties, it is hoped, will eventually eliminate, or at any rate reduce, inequalities of inherited wealth. While condemning it as a calamity, one member of the Indian Parliament likened it to plague and cholera. It will, of course, be a headache to some. But, at least in the beginning, it will not affect many. And those who would be affected by it would, not feel the pinch, as the exemptions are expected to be quite sufficient. Now the fiscal needs of the Indian Government will always be increasing. Accordingly, death duties will assume an ever-increasing importance. Even in America, death duties still have important possibilities, as a source of revenue, both in the Federal and the State spheres. It has been found, from American experience, that if increased revenue is desired, it is better to lower the exemptions rather than increase the rates. Be that as it may, the new tax is shortly to come in this country. It is hoped that the tax will contribute towards India's prosperity.

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ECONOMIC PROBLEMS OF "FREE WORLD"

VIEWS OF PROF. LIONEL ROBBINS

ALTHOUGH our country has become politically independent of Great Britain since August, 1947, we are still greatly interested in the economic problems of that country, because it is the head of the sterling area, of which our country is a member, and because our commercial and financial relations with it are still important. An article on "The International Economic Problem" by Prof. Lionel Robbins, Professor of Economics at the University of London, published in the January 1953 issue of *Lloyds Bank Review* would, therefore, interest the readers of *Commerce*, even though the article has been written from the viewpoint of promoting the political unity and strength of the free countries of the West, which have formed the Western Alliance. Prof. Robbins has applied this test to his proposals for solving the international economic problem, because, in his opinion, the only hope of the free Western countries avoiding actual war with the Soviet bloc is provided by the former making it clear to the latter that they are strong and united enough to give no chance of success to the other side, if it creates an armed conflict.

Disequilibrium Not Inevitable

The Western Alliance cannot become strong and effective if the regional blocs, which compose it, barricade themselves against one another's goods. Adequate political unity among them can be established and maintained only if their economic relations are mutually harmonious. Such relations can be established only if the countries of Western Europe achieve a trading position with the U.S.A. and Canada under which the equilibrium of their balance of payments does not depend on a continuous flow of gifts and a barricade of quantitative restrictions against goods from the U.S.A. and Canada.

Prof. Robbins discusses the following three main possibilities, which may frustrate any effort of the rest of the world to get into equilibrium with the dollar area:

(1) A persistent increase in the U.S. tariff or other obstacles to trade *pari passu* with any potential improvement in exports to the dollar area.

(2) An endemic tendency to severe deflationary collapse in the dollar area.

(3) Money income failing to rise commensurately with productivity in the dollar area.

But he points out that the following facts have belied the possibilities:

(1) The U.S. tariff has tended to go down in recent years.

(2) Far from there being any tendency to deflation in the U.S. economy, money incomes have risen more than productivity.

(3) Hence, the conditions of international equilibrium have not been such as to need a contraction of money incomes in other countries. The trouble has been rather that, in the countries where the advance of productivity has been less than in the U.S.A., the advance of money incomes has tended to be excessive.

Limits of Imperial Preference

These facts show that disequilibrium between the dollar area and the rest of the world is not inevitable and that there is no need to form regional blocs. But regional grouping of the Commonwealth countries for the operation of Imperial Preference has been in existence since long before the advent of the dollar problem. The question now is whether Imperial Preference can be developed further. Prof. Robbins' answer is in the negative, because, in his opinion, there is practically no support from any of the Commonwealth countries for its extension. The reason is that preferences are attractive only if on balance, the area within which they prevail is an importer of the commodities affected. But this is the reverse of the case with most of the staples in which the Commonwealth countries are interested. In this sphere, the Commonwealth is on balance an exporter. It follows, therefore, that from the viewpoint of the Commonwealth countries, the gain of special privileges in the U.K. markets is liable to be offset by losses in markets elsewhere, and the game is hardly worth playing.

Turning to more comprehensive schemes of monetary and financial autonomy for the sterling area, Prof. Robbins finds the prospects still less pleasing, because all such schemes would necessarily involve the exclusion of Canada, which, although it is a very important member of the Commonwealth, it is not a member of the sterling area. Any scheme which, in the interests of sterling area solidarity and the provision of some counterpoise to other powers, pushes Canada further towards the U.S.A., would be short-sighted. Further, it is not to be expected that the U.S.A. and Canada would continue their gifts and their loans at reduced rates of interest to the Commonwealth, if they find that all this aid is being used to build up an area from which they are to be excluded permanently. But the majority of the advocates of an insulated sterling bloc are not prepared to recommend the severe restriction of local standards of consumption and other hardships which unaided development would involve. For these reasons, there is little prospect of Commonwealth countries accepting any such scheme.

Similar considerations apply to the more ambitious schemes of creating a large economic bloc comprising both the sterling area and Western Europe. Who is to finance this bloc? It has been difficult enough for the U.K. since the war to finance the needs of the sterling area, even with the vast assistance received from North America in the form of Marshall Aid and loans. It cannot meet the financial needs of Europe, in addition, without imposing very severe restrictions on its own development. Nor can the North American Continent be expected to supply year after year the needs of an area from which it is to be excluded.

Freer Trade Union of N.A.T.O. Powers

Such objections would not apply to any scheme of forming a freer trade union for the North Atlantic Treaty Organisation group, enlarged to include the relevant colonial dependencies and such other members of the Commonwealth as are interested in the defence of the West. In this connection, Prof. Robbins has propounded the following two principles: (1) The U.K. is greatly interested in negotiations for securing reduction in the tariff against its exports; (2) it is still more interested in securing the removal of quantitative restrictions and other rigid obstacles to trade, because, of all the great trading nations, it stands to lose the most if the use of such restrictions becomes permanent and universal.

These principles lead to the conclusion that, failing some larger plan for the N.A.T.O. nations and their associates, the U.K. should support not only the maintenance of the arrangements made by the General Agreement on Trade and Tariffs, but also any attempts which may be made by the U.S.A. to make big *ad valorem* cuts all round in existing obstacles and to pave the way for clearance on a truly multilateral basis.

Internal Finance and External Equilibrium

But trade policy, however enlightened, cannot by itself bring equilibrium, if the financial policy is not sound. In this connection, Prof. Robbins points out that, as prices and incomes in the U.S.A. have risen sharply, what was necessary for restoring equilibrium was that prices and incomes in the deficit countries should be restrained. On the contrary, prices and incomes in the non-dollar area tended to rise and in many cases they rose much more than those in the dollar area. In such circumstances, the persistence of dollar shortage was inevitable. This indicates that the first desideratum of financial policy for all countries suffering difficulties regarding their balance of payments is to stop inflation, by adopting both fiscal and monetary measures.

Where, however, the local expansion of currency and credit has outstripped that in the U.S.A. and where there has been no commensurate adjustment of the rate of exchange, mere cessation of inflation will not suffice to restore equilibrium and the appropriate policy will be a change in the rate of exchange rather than positive financial contraction. It was to meet just such a situation that provisions for alteration of the exchange rates were included in the statutes of the International Monetary Fund. An examination of the relative rates of inflation in different countries since 1949 shows that, in some countries, advantage of these provisions will have to be taken sooner or later. Relative inflation of 20 or 30 per cent. cannot cure itself merely if prices are prevented from rising further.

Sterling Convertibility

Next arises the question of convertibility of sterling. There is no doubt that, if the pound is not eventually made convertible, its position as an international currency will suffer. If money cannot be placed in the sterling area in the full expectation that, whenever needed, it can be withdrawn with as little formality as is needed for withdrawing it from the U.S.A. or Switzerland, the flow of capital that is desirable for development will not occur. If the various members of the sterling area come to feel that, when they have any money in London, they cannot be sure of withdrawing it at their will, they will tend to keep their funds elsewhere. But Prof. Robbins feels that, if any attempt to make sterling convertible were made before certain fundamental conditions are satisfied, it would have to be speedily reversed and Britain would be further away from the desired goal.

The reasons for caution in the matter are several. First, the latest favourable turn in Britain's balance of payments and the increase in its reserves have been achieved by a degree of import restrictions which the country does not wish to maintain indefinitely. Before proceeding further towards convertibility, Prof. Robbins desires the country to see how it sustains some relaxation of import restrictions. He wants Britain to be sure of a reasonable hope of achieving a continuing surplus for a considerable period ahead.

Secondly, the reserves of Britain must be large enough to sustain it in the event of a general worsening of the situation owing to some general slackening of demand, e.g., mild recessions of the kind which came in 1949 and which may come again on a much larger scale. Britain would be running an unjustifiable risk if it were to proceed much further towards convertibility until its reserves are much larger than their present magnitude. If Britain can be sure of securing an adequate reinforcement by international negotiations, which do not involve it in intolerable burdens in other respects, it can proceed further towards the goal of full convertibility, much faster. But, if it cannot make sure of this, it will have to proceed with adequate caution.

The final reason for great circumspection is the possibility of inaction on the part of other countries. If Britain declares convertibility, while other countries fail to do so, it would expose itself to a strain from which it is free at present and which may prove excessive for it, unless its position becomes much stronger than it is at present. If sterling becomes convertible, any country suffering from a dollar shortage may be tempted to impose additional restrictions upon imports from the U.K. Hence, in Prof. Robbins' opinion, it would be unwise for Britain to make a unilateral declaration of convertibility and its negotiations should be directed to securing a multilateral declaration of convertibility.

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The measures considered above, if carried out resolutely, would help to restore some balance and stability in the world provided that expenditure remains approximately stable, that is, free from any serious curtailment and tending to increase along with the advance of population and production, but not more rapidly. In the fulfilment of this proviso, a very special responsibility rests with the financial authorities of the U.S.A., because the volume of expenditure which they control is very large relatively to the rest of the world. If they keep the money incomes of the American people roughly in step with their own increase in production, a severe collapse of aggregate demand elsewhere is unlikely, although local inflations, which produce adverse effects on international balance and stability, may not be avoided altogether. Concerted international attempts, especially through the central banks, to achieve this objective, are greatly needed.

In recent months, there has been much talk of plans for the stabilisation of the prices of staple foods and raw materials. But experience has shown Prof. Robbins that this path to stabilisation is beset with dangers of restrictionism and the consolidation of sectional interests. He has much better hope of action based upon the existing beginnings of arrangements for co-ordination of purchase of strategic materials. But the main effort in the direction of general stabilisation must be made in the sphere of finance, through central banking arrangements for the entire free world. This, Prof. Robbins admits, would be a difficult matter in a world full of political divisions.

Functioning of I.M.F.

Prof. Robbins then goes on to examine the functioning of the International Monetary Fund. He states that the negligible volume of business which it has done hitherto, either on account of the disinclination of some members to have recourse to it or the disinclination of the governing body to risk its funds, is incapable of producing any stabilising influence in the world. In his opinion, four things are necessary before the Fund can begin to perform the functions that are necessary, if something like central banking arrangements for the Western world are gradually to come into being. First, there must be some modification of the absurd system of government, whereby the most delicate and the most responsible business of the Fund is conducted by a large board of directors or their alternates, sitting in almost continuous session. The conduct of the Fund's affairs should be concentrated in the hands of a small number of trusted persons, with full authority to go for weeks or months at a time, with negotiations which they need report to the governing body only after they have been completed. Secondly, if the Fund is to perform large functions of international stabilisation it will need more money. Thirdly, if the Fund is to lend more, it is necessary to modify the provision made in the statutes of the Fund that its officials cannot comment on the business of the members or take into account domestic policies, when deciding on eligibility for credit facilities. Finally, the two biggest members of the Fund, namely, the U.S.A. and Great Britain, should determine to work together harmoniously to make the Fund work actively and become an instrument of common policy.

As regards the International Bank, Prof. Robbins thinks that it is the only international institution which has justified reasonable expectations that were entertained about it when it was created. It is true that the amount it has lent has not been large, but it has been quite as much as the Bank could have lent prudently. If, as time goes on, larger openings present themselves, beyond its present capacity to finance, the very fact that so far it has lent its funds carefully, will make it easier to arrange the necessary extensions of its facilities. But Prof. Robbins takes the view that expenditure of this sort should be looked upon as a consequence rather than a cause of the establishment of reasonable international balance. He thinks that given confidence and a demonstration of the willingness and ability of the various Governments of the free world to pay their debts and to provide for the reasonable treatment of funds which are invested within their borders, the provision of development finance should not be a matter of great difficulty. However, confidence will not be re-established, unless there is political stability in the world. And political stability in the world cannot be attained, unless the Western Alliance is strong and united. It is, therefore, obvious that there must be closer understanding between the Western powers not only on political issues but also on the economic policies to be pursued by them.

NEW PUBLICATIONS

Location of Indian Industries. By Dr. M. M. Mehta. Publishers: Friends' Book Depot, 12, University Road, Allahabad. Price: Rs. 2.

IN this book, Dr. Mehta has enunciated the principles governing the location of manufacturing industries and, in the light of these principles, has sought to consider whether the distribution of industrial activity in India is conducive to the attainment of greater economy and efficiency. The industries which the author has selected for his study are cotton textiles, jute, iron and steel, sugar, paper, cement and coal. The analytical survey of these Indian industries clearly reveals that the distribution of productive activity is extremely uneven, both absolutely and in relation to the distribution of industrial population. In the opinion of the author, there is need for a wider dispersal of productive activity. According to him, the two guiding principles that should govern the location of an industry are: (1) maximum economy in production and distribution and (2) avoidance of excessive concentration of industrial activity in a few important centres.

Although these principles are by no means new, Dr. Mehta has done well to drive home, once again, the fact that, unless the individual units are so located that the cost of production tends to be as low as possible, the efficiency and competitive power of industry will be seriously impaired. A systematic exposition of the theory of industrial location, as Dr. Mehta has pertinently remarked, is essential both for understanding the present pattern of industrial distribution and for formulating a correct policy of locational planning based on broader economic, social and strategic considerations.

Elements of Indian Company Law. By Sohrab R. Davar. Published by the Progressive Corporation Ltd., Jehangir Wadia Building, Esplanade Road, Bombay. Price: Rs. 11.

This is the fifth edition of this very popular book which, it may be mentioned, was published as early as in 1921. Indeed, the book is looked upon as an excellent treatise on company law, both statute and case law—Indian and English.

In the revised edition, Mr. Khorshed D. P. Madon has brought the book up to date by incorporating the modifications made in the company law, in India and England, in the past four years. The most important change in England has been the complete overhauling which the Companies Act went through in 1948. In India, the Banking Companies (Amendment) Act, 1950, and the Indian Companies (Amendment) Act, 1951, have brought about marked changes in the statutes governing operations of corporations, since the passing of the Indian Companies (Amendment) Act, 1936. All these changes have been incorporated in the publication under review. Important recent cases have also been added. The utility of the publication is enhanced by the reference to the vital points of difference between the English and the Indian law and inclusion of selected questions. The book also contains the full text of the Indian Companies Act, 1913, as amended to date. There is no doubt that the publication will continue to be of immense use not merely to the students of Company Law but also to the commercial public.

The Principle and Problems of Inheritance Taxation. By R. N. Bhargava. Published by Nand Kishore and Bros., Banaras. Price: Rs. 3-8.

This book is a welcome addition to the scanty literature available in this country on death duties and inheritance taxes. It is also welcome for the reason that it is so topical, now that the Government of India has sponsored legislation for levying estate duty. Appropriately enough, the author discusses the subject of inheritance taxes from two points of view—from the purely theoretical aspect (covered in the first part of the book) and from the aspect of the special difficulties in India (covered in the second part). He defends inheritance taxes against its critics, but says that, although the effect of these taxes is to reduce inequalities in wealth, this should not be made the sole criterion for their levy. In the second part, which is really the more important part of this book, he subjects the proposed levy of death duties to a careful scrutiny. Among his many suggestions, mention must be made of his plea for earmarking the revenue from death duties for developmental activities such as education and public health. He makes this suggestion with a view to minimising the opposition to these taxes. He would place the initial exemption limit for estate duties at Rs. 1 lakh. He emphasises—rightly enough—the need for educating public opinion and for establishing an "efficient and honest tax-collecting organisation."

Petroleum Measurement (British Edition). Prepared jointly by the American Society for Testing Materials and the Institute of Petroleum. Published by the Institute of Petroleum, 26, Portland Place, London, W. 1. Price: £2 10s. (post free).

These tables have been prepared to meet a demand from the petroleum industry, and also from those using and handling petroleum products, for authoritative tables in computing oil quantities in British (Imperial) units of weights and measures. The tables form part of a trilogy which includes volumes covering the United States and the Metric systems. When complete, the three volumes will, therefore, form a comprehensive collection of oil measurement tables, based on the latest scientific data.

The British volume includes full and accurate tables for specific gravity and volume reduction to 60° F., and for weights per unit volume and volumes per unit weight, over the specific gravity range 0.500 to 1.100, generally at intervals of 0.001. Thus, the tables published by the Institute of Petroleum in 1945 have been extended both in the gravity and temperature ranges, the latter now covering 0° to 250° or 300° F. as required. Additional useful tables have also been included in this new volume. Each table is preceded by its own introductory notes showing the purpose of the table and giving examples of its use.

The number of significant figures retained in printing is sufficient to ensure that the accuracy attainable in practical measurement is not lost in subsequent arithmetical calculation.

The Tabulator. Published by Hollerith (India) Ltd., Liberty House, Marine Lines, Bombay 1.

This is a journal devoted to Hollerith punched card accounting, and published by Hollerith (India) Ltd., the Indian counterpart of the renowned British Tabulating Co., Ltd. All users of Hollerith machines, which have done so much to save labour and achieve precision in accounting methods, will welcome this journal. Hollerith machinery, as Mr. Gordhandas G. Morarji points out in his message to this journal, help keep pace not only with the demand of modern accounting, with its ever-increasing *tempo* and complexity, but also with the voluminous increase in work brought about by the rapid growth and expansion of large commercial undertakings. The journal carries, among other articles, a pen-portrait of the distinguished Chairman of Hollerith (India) Ltd., Mr. V. N. Chandavarkar, and a description of the use of Hollerith punched card in the leading textile mill, the Bangalore Woollen, Cotton and Silk Mills. The journal is a valuable part of the contribution which the British Tabulating Company is making to the cause of efficient industrial and commercial management in this country.

Hyderabad in Maps. Prepared and Issued by the Bureau of Economics and Statistics, Government of Hyderabad, Hyderabad (Deccan). Price: Re. 1-8.

The book, *Hyderabad in Maps*, is a pictorial presentation of the essential features of the State's economy. There are 25 maps with brief surveys depicting different aspects such as physical features, soils and rainfall, population, agriculture, livestock, irrigation, geological features and minerals, industries, transport, credit facilities and social services. A glance at these maps will enable one to get a bird's-eye view of the composition of the State's economy and will also enable one to form a comparative estimate of the different regions within the State. The efforts of the Bureau of Economics and Statistics (Government of Hyderabad) in bringing out this much useful publication are, indeed, commendable.

LIBERALISATION OF IMPORT CONTROLS

TRADE CALLED TO MOVE WITH THE TIMES

THE composition and distribution of trade have undergone substantial changes in the world since the war. Countries of the world have been striving to become self-sufficient in essential commodities which in turn is having a restrictive effect on the volume of trade. Foreign trade is being shaped and adjusted to suit the availability of foreign exchange resources, through bilateral trade agreements and import restrictions. India's foreign trade has been no exception to this general trend of world trade. Further, it has been affected by its own trade policy designed to bring down domestic price levels, to maintain wage levels and to ensure full employment. In the result, to-day this country is exporting finished goods and importing raw materials from abroad, while it was the reverse in the pre-independence period. The partition of the country itself has been the main cause for this shift in the composition of India's foreign trade. Further changes in the composition of this country's foreign trade can be expected to take place with the implementation of the principles of foreign trade now laid down by the Planning Commission. These principles are: fulfilment of the production and consumption targets set in the Plan, (2) maintenance of high level of exports, (3) keeping the deficits within the limit of foreign exchange resources of the country, (4) framing the composition of imports and exports to fit in the price policies required to implement the Plan and, lastly, continuation of the trade policy in such a way as not to disturb either the trade relations with other countries or the plans of domestic industry and trade. The Commission has emphasised that the Government should adhere to these principles and adapt them, whenever necessary, to the changes in volume, composition and direction of foreign trade that may be brought about in the period of the Plan by factors beyond the control of this country.

Change in Attitude

The changes that are thus taking place in the field of India's foreign trade call for a complete change in the attitude of those engaged in both the import and export trades of India. Both sectors of trade must bear in mind that vital changes are taking place in the economy of the country. Thus, new industries are rising, old ones are expanding; the pattern of import trade is changing gradually to assist these industries in their expansion programmes; controls—industrial and otherwise—are being administered to suit their welfare; they are being supported and sheltered by protective tariffs; with the increase in the output of these industries, the imports of the goods concerned are being curtailed; facilities are being provided for the expansion of their products. The import trade, particularly, should now feel that, in view of the large sums staked in the domestic industry and the service which they are rendering to the country by offering fresh opportunities of employment, it should stand by the new industries, establish contacts with them, advise them on the requirements of markets and encourage them to produce quality goods rather than trying to find fault with them and bring discredit to their goods. The indifference to the indigenous product on the part of established importers will be the cause of their extinction, because somebody else will take their place by associating themselves with the indigenous manufacturers. This danger of being ultimately ousted from the trade should arouse them to the need for an adjustment in their attitude towards industries and import controls.

Viewed against this background, some of the remarks made by Mr. Chonoobhai C. Zaveri, President, All-India Importers' Association, in his address at the annual general meeting of that body held on the 13th inst., at Bombay, will be considered quite timely. Although he did not explain, in so many words, what we have stated above, he did well in advising the trade to move with the times and adapt itself to new conditions. He told them that the promotion of industrialisation of the country, protective tariffs to products of indigenous industries, the issuance of special licences to actual users, the unfavourable foreign exchange position, a relatively small increase in imports as envisaged in the Five-year Plan were all factors which portended continuation of controls. He wanted the trade to remember that controls in some shape or other had come to stay and that the trade should reconcile itself to them.

Although Mr. Zaveri has not referred to the role of the trade in the implementation of the Five-year Plan, his remarks on the Plan give us an idea of the reactions of the import trade to it. He seems to think that by enforcing a high standard of efficiency in all spheres of work, the standard of living visualised in the Plan can be raised and sustained. He considers that it is not an impossible task, if all the available resources are judiciously tapped and harnessed. In this context, he feels that reduction in taxation for stimulating savings and economies in administrative expenditure are also necessary for the successful implementation of the Plan. He is, however, conscious that the increased money incomes generated by the Plan will raise the volume of effective demand for consumer goods which can be met only by a larger volume of imports from abroad until such time as the new production is made available for consumption. Again, with the increased earnings, higher standard of living and growing population, the demand for consumer goods would, according to him, further increase, and he opines that, if the import of these goods were curtailed, there would be inflation. These factors, he says, call for a rational, well-regulated, far-sighted import policy to hold down prices and keep the wolf of shortages from the door.

Abuse of Licences

The one common complaint against the issue of actual users' licences all these days has been the abuse of these licences by the user-importers. Mr. Zaveri reveals now another defect in this system, and the root cause of it is the manner in which the licences are being recommended by the State Governments. The actual users' licences are granted on the strength of certificates issued by the Director of Industries of the State where the factories are situated after verifying the factories' manufacturing capacity and their actual requirements. This provides another avenue for corruption. In Bombay, for instance, we are told that licences for an astounding quantity of art cards for printing presses—a quantity which is considered to be impossible for any printing press to consume within a single licensing period—have been issued. In another case, a firm has been granted "an import licence for an exceptionally large amount for manufacturing paper bags for packing intended for a cement company which, it is reported, never received them." Licences are also issued to fictitious firms which are not in existence or to those whose whereabouts are untraceable. These are, if true, glaring instances of gross misuse of authority given to State Governments. This is attributed to the recommendations of Inspectors of Weights and Measures who are blissfully ignorant of the trade but the requirements of which they are required to testify. These allegations deserve to be looked into by the import control authorities.

The President of the A.I.I.A. has no doubt welcomed the liberalisation of the new import policy. He, however, feels that the policy of holding back the announcement of import policy of certain items at the time of general declaration of policy is not in the interest of the trade. For it invariably induces speculation in these items, pushing up their rates to dizzy heights sometimes, as in the case of zip fasteners. He suggests, therefore, that the Government should announce the policy of all such items simultaneously with others one month prior to the commencement of the next licensing period, after thoroughly examining the stock position, etc., of such commodities. The suggestion is sound and as such should be acceptable to the Government.

Another point raised by Mr. Zaveri relates to the different interpretations of import policy by different import control authorities in different ports. It is stated, for instance, that the imports of sewing machine needles, Wincarnis, gripe water, and Listerine are being given quite the opposite interpretation in the three different ports. The confusion caused thereby is worse confounded by a fourth interpretation by the Customs authorities. What is needed, therefore, is uniformity in interpretation of the Government's policy for all imported items. One, perhaps the most effective, way of bringing about this improvement, is to hold periodical conferences of the Regional Import Controllers, preferably immediately after the announcement of a new policy. This will give them an opportunity to get their doubts cleared and to obtain an insight into the Government's policy.

U.K.'S TRADE WITH INDIA IN 1952

CLOSE RELATIONS MAINTAINED

THE most striking feature disclosed by the figures relating to Indo-British trade in 1952, revealed by the *Trade and Navigation Accounts of the U.K.*, is the high rank occupied by India in the foreign trade of the U.K. Thus, while India ranked sixth as a market for the U.K.'s exports, it held the seventh place as a supplier of the goods required by the U.K. This reflects how the two countries are closely knit together, both economically and commercially. A detailed analysis of the figures reveal more significantly the economic interdependence of the one on the other.

The total value of mutual trade between the United Kingdom and India in 1952 was £227 million, as compared with £268 million in 1951 and £195 million in 1950. Of this total, U.K. imports from India accounted for £115 million and U.K. exports to that country for £112 million. The respective figures for 1951 were £153 million and £115 million. Thus, as compared with the figure for 1951, U.K.'s offtake from India declined by 24 per cent. while its despatches were lower by only 2 per cent.

U.K. Exports to India

In 1952, India received 4.3 per cent. of the total U.K. exports to all countries, as compared with 4.4 per cent. in 1951 and 1950. Yet India ranked as the sixth best customer of the U.K., though in the previous year, it held the fifth rank. Another notable feature is that U.K. exports to India, in the first half of the year, were higher than in the second half. The monthly average of total exports in the first half was £9.8 million which declined to £8.8 million in the second half.

The table below gives the comparative performance of the various items of U.K. exports to India in the years 1951 and 1952.

(£, 000's omitted)

	1951	1952
Total all exports	115,189	112,149
Of which :—		
Machinery	34,169	35,626
Vehicles (including ships and locomotives)	22,846	16,823
Iron and steel and manufactures	6,724	7,799
Pottery, glass, abrasives, etc.	2,032	1,885
Non-ferrous metals and manufactures	2,501	2,351
Cutlery, hardware, implements and instruments	3,983	3,572
Electrical goods and apparatus	8,022	11,391
Cotton yarns and manufactures	2,721	3,481
Woollen and worsted yarns and manufactures	4,808	4,840
Silk and artificial silk yarns and manufactures	1,150	691
Chemicals, drugs, dyes and colours	11,545	9,967
Paper, cardboard, etc.	2,129	2,128

From the table above, it will be seen that machinery continued to dominate the picture during both the years. In 1952, India's imports of machinery from the U.K. amounted to £35.6 million, accounting for a tenth of the total machinery exports of the U.K. Again, they were 5 per cent. above the 1951 figure. In terms of volume, the total machinery despatched to India amounted to 96,000 tons, as against 104,000 tons in the previous year. This country was, in fact, a large and important market for U.K. machinery, being its second largest customer. Further, the year under review was a record one for the value of British textile machinery sent abroad, with India easily heading the list. Britain sent to India 19 800 tons worth £8.6 million, as against 15,200 tons valued at £6.2 million in 1951. Exports of combustion engines to India came next, valued at £1.3 million, as against £1.4 million. The value of exports of electric generators followed closely at £1.2 million, as against a like amount in the previous year. Other items included electrical machinery of other descriptions (£3.6 million), agricultural machinery (£460,000), boilers and boiler-house plant (£1.4 million) and mechanical handling equipment (£1.0 million).

The second largest item of U.K. exports to India, next to machinery, composed vehicles including ships and locomotives. These, in value, amounted to £16.8 million, as against £22.8 million in 1951. India received more British locomotives during the year than any other country, the total being 193, valued at £2 million. Britain also sent £1.5 million worth of locomotive parts. Among other vehicles were 6,400 cars worth just over £2 million, 370 commercial vehicles at £244,000 and 1,800 chassis for motor vehicles other than car type at £198,000. As many as 220 000 bicycles were also received by India in 1952, as against 277,000 in the previous year. Exports of parts and accessories of bicycles to India, however, rose from £432,000 to £646,000 during the year under review.

The value of electrical goods exports to India took third place at £11.3 million, as against £8.0 million in the preceding year. Chemicals, drugs, dyes and colours ranked fourth at £9.9 million as against £11.5 million in 1951.

Other exports of British goods to India included iron and steel and their manufactures worth £7.8 million, woollen and worsted yarns worth £4.8 million, cutlery, hardware, implements and insulators valued at £3.6 million. Exports of cotton yarns and manufactures were of the order of £3.4 million.

British Imports from India

An idea of India's place in the imports of the United Kingdom can be had from the fact that over 60 per cent. of the tea, 84 per cent. of the jute piecegoods, 90 per cent. of the jute sacks, bags, etc., and 63 per cent. of the unmanufactured stripped tobacco which Britain imported in 1952 came from this country.

The total imports of British goods from India during the year, as stated already, amounted to £115 million or 24 per cent. less than in 1951. The following table gives the comparative figures relating to the main items of British imports from India during 1951 and 1952.

(£, 000's omitted)

	1951	1952
Total all imports	153,396	114,554
Of which :—		
Tea	44,401	48,732
Tobacco	6,925	6,956
Non-metalliferous mining and quarry products other than coal	2,672	2,761
Non-ferrous metalliferous ores and scrap*	1,993	3,199
Raw cotton and cotton waste	4,212	2,301
Wool, raw and waste and woollen rags	5,210	3,449
Seeds and nuts for oil, oils, fats, resins and gums	7,135	6,144
Hides and skins, undressed	1,978	538
Woollen and worsted yarns and manufactures†	4,597	1,231
Coir mats and matting	2,346	1,216
Jute manufactures	25,492	13,256
Oils, fats and resins, manufactured	2,085	1,230
Leather and manufactures	19,785	9,284

* Mainly manganese ore.
† Mainly carpets, floor rugs, etc.

The table above discloses that, by far the largest import item was tea, valued at £48.7 million, 11 per cent. higher than that in 1951. Tea accounted for 42 per cent. of the total imports from India. The quantity of tea imported rose from 276 million lbs. in 1951 to 304 million lbs. in 1952. India's share in the total imports of tea by the U.K. was 61 per cent. as against 60 per cent. in 1951.

The second largest item was jute manufactures, valued at £13.2 million, showing, however, a fall of 48 per cent. as compared with the imports in the previous year. The fall reflects the effect of high prices and the high level of export duties which continued till May, 1952.

Leather and leather manufactures figure as the third biggest item in Indian exports to the U.K. Although these declined from £19.8 million to £9.3 million, India continued to remain Britain's biggest supplier of leather and manufactures.

Imports of tobacco at £6.9 million in 1952 showed little change from those in 1951. The £6.14 million worth of imports under the heading "seeds and nuts for oil, oils, fats, resins and gums," which Britain took from India during the year, included 6,600 tons of shellac, seed lac and stick lac to the value of £1.8 million.

A 50 per cent. increase was recorded in imports of non-ferrous metallic ores and scrap which were valued at £3 million, as against £2 million in 1951.

Substantial declines were recorded in the U.K.'s imports of raw cotton and cotton waste, and wool, raw and waste and woollen rags from £4.2 million and £5.2 million to £2.3 million and £3.4 million respectively. Imports of hides and skins undressed revealed a marked fall from £1.9 million to £538,000. Imports of coir mats and matting also receded markedly from £2.3 million to £1.2 million.

IMPORT POLICY FOR 13 ITEMS ANNOUNCED

The import policy covering 13 of the items held over during the declaration of the policy in December last for the current half-year was announced by the Government of India last week. A chief feature of this announcement is the grant of a quota of 20 per cent. for cycles, entire or in sections. It may be recalled, in this connection, that no quota had been granted for cycles for the period July-December, 1952, although, in the first half of 1952, a 40 per cent. quota was allotted. The absence of any quota for the second half of the year and the postponement of the decision last December had raised a chorus of protests from cycle dealers all over the country. The present announcement will undoubtedly remove the uncertainty in the trade which had been prevailing so far; nevertheless, the fact remains that the delay in announcing this is inexcusable. No quotas for the current half-year have been granted for cycle parts and old newspapers. The 30 per cent. quota given to chicory in the last half-year has now been removed.

Among other items, zip fasteners with celluloid teeth have been given a quota of 20 per cent. against nil in the last half-year. For zip fasteners with metal teeth, however, the quota has been reduced from 20 to 10 per cent.

The items for which quotas have been cut include betelnuts which get a quota of 33⅓ per cent. instead of 50 per cent. formerly, and spindle tape 20 per cent. instead of 50 per cent. For flashlights, too, the quota has been reduced from 25 to 10 per cent., for fibre-board from 50 to 25 per cent. Paste-board has received an allotment of 5 per cent. as against 12½ per cent. in the last half-year. The quotas for some types of ball bearings have also been cut.

BUILDERS' HARDWARE INDUSTRY

A vigorous plea for a complete ban on imports of steel hinges for giving protection to the indigenous industry was put forward by Mr. Ajoyendu Paul in his presidential address at the first annual general meeting of the Builders' Hardware Industries Association of India held early this week in Calcutta. He urged the Government of India to make available raw materials in sufficient quantities and do away with the restrictions relating to end-use of steel. He regretted that although the industry requested the Government to refer its claims to protection to the Tariff Commission as far back as in 1952, no action had so far been taken.

The Government of India's indifference to the claims for tariff protection of the builders' hardware industry appears to be rather strange in view of the present developed position of the industry as depicted by Mr. Paul. The industry, according to him, is fairly established in India. It was in the thirties that the first units of the industry were started. And since then it has had a creditable growth. At present, there are 54 factories employing about 10,000 men. It is claimed that the industry has attained self-sufficiency in the production of many items such as tower-bolts, pad-bolts, padlocks, etc. It is heartening also to learn that their quality is comparable with foreign manufactures and that the price of tower-bolts and pad-bolts are the cheapest in the world. Further, although the capacity of the industry regarding the production of steel hinges is sufficient to meet the requirements of the industry, it is alleged that liberal and, at times, indiscriminate imports had affected production adversely. The imports during 1951-52 were of the value of Rs. 53 lakhs, as against Rs. 24 lakhs in 1950-51, and Rs. 32 lakhs, in 1949-50. The Government had placed imports of hinges on the free licensing list in 1951. Following representations against these indiscriminate imports, the Government, however, instituted a system of confirmation of licences during January-June 1952, continuing at the same time the policy of free licensing system. During July-December, 1952, however, it did not issue licences. But for January-June, 1953, it has allowed 10 per cent. of imports. Even this 10 per cent. is considered unfair by Mr. Paul who desires that it should be banned, as at present the importers have with them huge stocks of hinges left unsold.

The builders' hardware industry would appear to be experiencing two difficulties in regard to the supply of raw materials. First, the quantity of steel allocated is inadequate and, secondly, the available quota is not supplied in the form of sheets, as the industry needs sheets as its raw material. Of the 54 units, 16 are receiving their quota from the Central Government and the rest from the State Governments. The Central allocation is about 2,500 tons per annum, while no reliable figures are available about the allocations by the State Governments. Mr. Paul averred that these quotas would hardly set in motion 50 per cent. of the installed capacity. He, therefore, pleaded for liberal allocations of sheets, as the industry was mainly a sheet consuming industry. Any stipulations with regard to steel acquisition, the President remarked, would hit the industry hard.

Another difficulty which the industry is facing relates to end-use of steel. In the context of reduced demand and depressed market conditions, restrictions on end-use have created an anomalous situation, inasmuch as manufacturers having steel for a particular end-use for which there is no demand cannot change over to other uses. The President felt that option should be given to the manufacturers to use the allotted steel for the manufacture of any item for which there was demand.

NUTRITION VALUE OF "VANASPATI"

The findings of the research on the nutritive value of *vanaspati* have been published by the Government of India. They are based on comprehensive investigations, covering animal experiments, human metabolism studies, and institution feeding experiments according to a plan laid down by an expert committee. The data collected was statistically analysed at the All-India Institute of Hygiene and Public Health, Calcutta. The findings place *ghee* as the best in regard to nutritive value. Raw groundnut oil, refined groundnut oil and *vanaspati* of melting point 37 degrees C. fall into one group and are next best to *ghee* in so far as their nutritive values go. *Vanaspati* of melting point 41 degrees C. figures third in nutritive value.

The research on nutritive value was undertaken just over six years ago on account of pressure being brought to bear upon the Government of India to suspend the manufacture of *vanaspati* in the country on the ground that its consumption was injurious to human health. The agitation went so far as to get a Bill introduced in Parliament to that effect. It was not, however, proceeded with, as the Government assured Parliament that the use of *vanaspati* was not injurious to health as the results of the research initiated by it had proved.

It may be recalled here that, at a meeting of the Technical Panel of the Department of Food in November, 1946, it was decided that a comprehensive and critical scientific investigation of the nutritive value of *vanaspati* should be undertaken. The Technical Panel formed a *Vanaspati* Research Planning Committee of scientific workers, representing different laboratories interested in food and nutrition problems. The object of this Committee was to co-ordinate experiments at a number of centres and to present a precise and authoritative report on the subject. The findings on *vanaspati* noted above were as a result of these experiments, and have been recorded in a book entitled *Investigations on the Composition and Nutritive value of Vanaspati*, published under the joint auspices of the Central Ministry of Food and the Council of Industrial Agricultural Research. With the publication of this book, all suspicions regarding the food value of *vanaspati* would, it is to be hoped, be laid at rest.

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RECOMMENDATIONS OF FINANCE COMMISSION

ALLOCATIONS TO STATES RAISED SUBSTANTIALLY

A SUBSTANTIAL transfer of resources from the Centre to the States has been recommended by the Finance Commission in its report which was presented to Parliament by the Finance Minister on the 13th inst. Under the Commission's recommendations, which have been accepted by the Government of India, the total amount of Central grants and devolution of revenue to the State Governments will be of the order of nearly Rs. 86 crores annually, as against an average annual sum of Rs. 65 crores for the three-year period 1949-50 to 1951-52.

The main recommendations of the Commission are:

(a) increase in the percentage, from 50 to 55, of the net proceeds of income-tax to be assigned to the States;

(b) increase in the grants-in-aid by the Centre to the four States of Assam, Bihar, Orissa and West Bengal in lieu of their share of the export duty on jute and jute products;

(c) allocation to the States of a share in certain Union excise duties, namely, tobacco, matches and vegetable products;

(d) increased and additional grants to certain States which are considered by the Commission in need of assistance, and

(e) grants to certain less developed States for expansion of primary education.

The Commission has also laid down certain general principles to regulate grants-in-aid to States from the Centre.

The Finance Commission was appointed by the President under Article 280 of the Constitution. The Commission assumed office on 30th November, 1951, and submitted its report to the President on 31st December, 1952. As, after the constitution of the Finance Commission, the President has to take into consideration its recommendations before prescribing the grants payable to States under Articles 273 and 275 of the Constitution and in the allocation of revenue between the Centre and the States, the Commission had made an interim recommendation in December, 1951, suggesting the continuance of the then existing arrangements for the year 1952-53 also, pending formulation of its final recommendations. The Commission has now suggested that, except on two points, its recommendations should take effect from 1st April, 1952.

Need for Increasing States' Resources

The Commission considers that the resources of the State Governments need to be augmented. The various memoranda submitted by the State Governments, as well as the discussions that the Commission had with the representatives of the States, have left it in no doubt, the Commission observes, "about the imperative need for a substantial augmentation of the revenues now available" to the State Governments. "We had, however, to take into account not merely the needs of the States but the ability of the Centre as well to assist the States by the transfer of a large portion of its revenues."

In making its recommendations, the Commission has kept three main considerations in view. Firstly, the additional transfer of resources from the Centre must be such as the Centre could bear without undue strain on its resources, taking into account its responsibility for such vital matters as the defence of the country and the stability of its economy. Secondly, the principles for the distribution of grants-in-aid must be uniformly applied to all A and B States. Lastly, the scheme of distribution should attempt to lessen the inequalities between States.

Allocation of Income-tax

Under Article 270 of the Constitution, the Commission is required to make recommendations to the President in regard to three matters concerning income-tax, namely, (a) the percentage of the net proceeds of income-tax which may be assigned to the States, (b) the manner in which the share so assigned shall be distributed among the States, and (c) the percentage of the net proceeds of the tax which shall be deemed to represent proceeds of the tax attributable to Part C States.

At present, 50 per cent. of the net proceeds of income-tax is assigned to the States. The Commission has recommended its increase to 55. The percentage which should be deemed to represent the share of the Part C States has been fixed at 2.75.

The Commission has suggested that the States' share of income-tax should be distributed as follows:

States	Commission's recommendation	States	Commission's recommendation
	Per cent.		Per cent.
Assam ..	2.25	Orissa ..	3.50
Bihar ..	9.75	P.E.P.S.U. ..	0.75
Bombay ..	17.50	Punjab ..	3.25
Hyderabad ..	4.50	Rajasthan ..	3.50
Madhya Bharat ..	1.75	Saurashtra ..	1.00
Madhya Pradesh ..	5.25	Travancore-Cochin	
Madras	15.25	Cochin ..	2.50
Mysore	2.25	Uttar Pradesh ..	15.75
		West Bengal ..	11.25

The Commission points out that there was an "almost unanimous demand" from the States for an increased share in income-tax. While it is undesirable, according to the Commission, to concentrate on income-tax as a balancing factor in the adjustment of resources between the Centre and the units, nevertheless, on a consideration of various factors, it feels that some increase in the share assignable to the States is justified.

Criteria of Distribution

The Commission analyses exhaustively the claims advanced by the States for an increased share of income-tax and the bases suggested for its distribution and comes to the conclusion that the following should be the main considerations in determining distribution of income-tax:

(a) A general measure of needs, furnished by population and (b) contribution.

On a broad view of the position, the Commission proposes that 20 per cent. of the States' share of the divisible pool of income-tax should be distributed among the States on the basis of the relative collections of States and 80 per cent. on the basis of their relative population according to the census of 1951. Applying this formula to the collections during the three years beginning March, 1951, with certain adjustments for the Part B States, the Commission has recommended the fixed percentages mentioned earlier.

In making the allocation to the States, the Commission has taken into account the population and collections of the "merged areas" (former Indian States) included in the various Part A States. As these States will be receiving their share of divisible taxes on a common basis with all the other States, the Commission has suggested that "the revenue gap grants" which the States of Bihar, Bombay, Madhya Pradesh, and West Bengal are now receiving in respect of "merged areas" should be discontinued with effect from 1st April, 1952. Part B States will, however, receive their share of revenue or the guaranteed revenue gap grants, whichever is more.

Union Excise Duties

As part of its scheme of assistance, the Commission has made certain specific recommendations for distributing duties. These recommendations can be implemented only when the necessary legislation is enacted by Parliament.

Distribution of Union excise duties was not specifically included in the Commission's terms of reference but the Commission was convinced that it was open to it to suggest such distribution as part of its plan of assistance. A number of State Governments had raised this claim before the Commission.

The Commission, however, does not consider it desirable, at any rate for the present, to distribute all Union excise duties. Three such items —tobacco including cigarettes, cigars, etc., matches, and vegetable products—are considered by the Commission most suitable for distribution on the ground that they are of commodities which are of common and widespread consumption and which yield a sizable sum of revenue for distribution. It has been recommended that 40 per cent. of the net proceeds of these duties should be allocated to the States and distribution among them should be made in proportion to their population. The shares of the individual States will be:

States	Per cent.	States	Per cent.
Assam ..	2.61	Orissa ..	4.22
Bihar ..	11.60	P.E.P.S.U. ..	1.00
Bombay ..	10.37	Punjab ..	3.66
Hyderabad ..	5.39	Rajasthan ..	4.41
Madhya Bharat ..	2.29	Saurashtra ..	1.19
Madhya Pradesh ..	6.13	Travancore-Cochin	2.68
Madras	16.44	Uttar Pradesh ..	18.23
Mysore	2.62	West Bengal ..	7.16

As a corollary to this recommendation, the Commission suggests that the present arrangement, whereby certain States, namely, Bombay, Madras and Madhya Pradesh, do not levy taxes on tobacco and receive in lieu some compensation from the Centre, should be discontinued with effect from 1st April, 1953. The States concerned should be left free to levy such taxes as they like.

The Commission has suggested that action to promote the necessary legislation for the implementation of these recommendations should be taken at the earliest possible date and the legislation should be given effect from 1st April, 1952.

Jute Export Duty

Under the Government of India Act 1935, 62½ per cent. of the net proceeds of the export duty on jute and jute products were allocated to the jute-growing Provinces. After the Partition, which resulted in considerable parts of the jute-growing area of undivided India being included in Pakistan, the share was reduced to 20 per cent. The Expert Committee on financial provisions of the Union Constitution suggested that the export duty should not be shared but grants-in-aid should be given to the Provinces in lieu of the duty for a transitional period.

Under Article 273 of the Constitution, grants-in-aid have to be paid for a transitional period to the States of Assam, Bihar, Orissa and West Bengal, in lieu of their share of the export duty on jute and jute products. The Deshmukh Award fixed the grants-in-aid to the concerned States at:

(Rs. lakhs)

West Bengal ..	105	Bihar	35
Assam	40	Orissa	5

(Continued on page 323)



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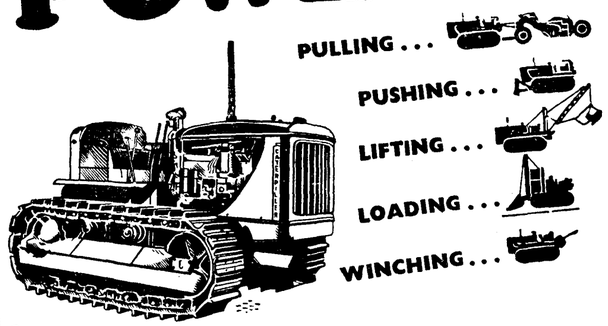

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You will agree that on the basis of this definition, the Indian worker lags far behind the equivalent American. It has been accepted that low productivity is due to the Indian factory worker not being mechanised to the same extent as the American, and also that he seldom exerts himself to make the best use of the equipment he has; his efforts are spasmodic, with the consequence that his measurable idle time generally amounts to more than four hours a shift.

You recognise that to re-equip to American standards may be desirable, but to do so is costly and, in existing trade conditions, difficult. It has, however, been observed that productivity can be greatly increased, even with existing equipment, if the active co-operation of the worker can be obtained. The idle time can be reduced substantially by setting up, through the co-operation of labour unions, rational graded wage structures, and production incentives based on time study.

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RESULTS OF BRADY GROUP COTTON MILLS

PRECIPITOUS FALL IN PROFIT

IF the experience of the two textile mills under the management of Messrs. W. H. Brady & Co., Ltd. Bombay,—the New Great Eastern Spinning and Weaving Co., Ltd., and the New City of Bombay Manufacturing Co., Ltd.—during the year ended 31st December, 1952, is any indication, as, indeed, they had been in the past, the year 1952 may well turn out to be the leanest one in the war and post-war periods for the majority of cotton mills in Bombay. This may seem a paradox in the context of the record production for the post-war period achieved by the textile mills in India during the year. But it will not come as a surprise to a discerning observer of the fortunes of the cloth and cotton trade in the year under review.

As was hinted by us two weeks ago, the profits of the New Great Eastern and the New City alike for 1952 have shrunk considerably. The gross profit (after meeting all expenses, but before providing for Managing Agents' commission, taxation and depreciation) of the New Great shows a fall from Rs. 15.29 lakhs for 1951 to Rs. 2.68 lakhs, or 82.5 per cent. In the case of New City, the decline is far steeper than in that of New Great. To mention the exact figures, the gross profit of New City has dwindled from Rs. 20.94 lakhs to a mere Rs. 97,165, a contraction of no less than 95.4 per cent. It will be interesting to note here that the profit of New Great for 1952 is the lowest since 1939 when the Company earned Rs. 2.07 lakhs. In the case of New City, not since 1936 has the Company seen such a low profit. For 1936, it may be added here, the profit was Rs. 91,858.

The profits of both the mills, as will be noted from the tables appended below, are not sufficient even to provide for depreciation. Fortunately for these Companies, however, the E.P.T. refunds made by the Government, after deduction of income-tax due on them, came in handy for providing for depreciation and averting what might otherwise have been net losses. As already mentioned in an earlier issue of this journal, the Directors have reduced the dividend on the ordinary shares of New Great from Rs. 12½ per share of Rs. 100 to Rs. 10 or by 25 per cent. and that of New City from Rs. 15 per share of Rs. 100 to Rs. 10 or by 33⅓ per cent. It is needless to add that even the reduced rates of dividends would not have been possible but for the refund of E.P.T. As these refunds are no more than reserves built up from out of the profits for the previous years, the payment of dividends for the year under review actually amounts to distribution from past reserves.

Giving a convincing explanation of the causes for the adverse results of the year under review, the Directors of the Companies observe as follows:

"The manufacturing results for the year have been adversely affected by the consumption of certain quantities of high-priced foreign cottons purchased through the medium of Government offices, which we were compelled to take up, and use, at a time when selling prices of both cloth and yarn registered serious declines which coincided with a considerable slackening of the demand from both the home and overseas' markets, with the result that certain classes of goods had to be marketed at a loss."

It will be noted from the above quotation that the adverse results were due, to a considerable extent, to defective controls exercised by the authorities over whom the Directors of the Companies have no control. Had the industry been left free from official controls, the Companies might have fared better than they have done.

New Great Eastern

The following comparative table shows at a glance the results of the New Great Eastern for the last four years:

(In lakhs of rupees)

	Year ended 31st December			
	1952	1951	1950	1949
Sale proceeds (net)	192.40	230.04	169.10	188.90
Expenses	190.26	214.99	160.58	181.46
Gross profit	2.68	15.29	8.77	7.78
E.P.T. refund (less tax) ..	3.90	..	..	..
Total profit available ..	6.58	15.29	8.77	7.78
Secretaries' and Agents' commission	1.11	1.83	1.05	0.92
Provision for—				
Taxation	..	5.50	2.25	3.00
Depreciation	1.77	1.62	1.30	1.20
To reserves	0.25	1.70	0.75	..
To dividends—				
5½% cum. preference	0.44	0.44	0.44	0.44
Ordinary	3.00 (10%)	3.75 (12½%)	3.00 (10%)	3.00 (10%)
Carry forward	0.70	0.68	0.24	0.56

The decline in sale proceeds reflects the contraction in demand for cloth and yarn and sale of certain classes of goods at uneconomic prices. It will be noted that expenses have gone up, reflecting higher production and higher costs of raw materials. Two other factors which have contributed to the increase in expenses during the year are the Employees' State Insurance Scheme and the Workers' Provident Fund, to which the Company has contributed Rs. 30,474 (as against *nil* in the previous year) and Rs. 70,572 (Rs. 25,891), respectively. The Directors say that the introduction of the State Insurance Scheme and the Workers' Provident Fund during the year under review will add to the steadily increasing manufacturing charges and will be an additional burden for the mills to carry. As regards the appropriations, the Directors have transferred to the employees' pension, gratuity and welfare fund Rs. 25,000, which is only half of the sum added last year. They have not set aside anything for the general reserve and depreciation on investment which had received Rs. 1 lakh and Rs. 20,000, respectively, last year. There is no provision for taxation, evidently because there is no profit on which taxes are to be paid.

The financial position of the Company is quite satisfactory. As against a paid-up capital of Rs. 38 lakhs, the reserves and surplus aggregate Rs. 22.42 lakhs or 74.7 per cent. of the paid-up capital. The provision for taxation and current liabilities aggregate Rs. 41.57 lakhs. The gross value of the block amounts to Rs. 86.82 lakhs, which includes the additions made during the year at a cost of Rs. 9.19 lakhs. The book value of the block is only Rs. 28.75 lakhs, which means that the fixed assets have been written down by 66.9 per cent. The current assets aggregate Rs. 75.02 lakhs which cover the current liabilities by a wide margin of Rs. 33.45 lakhs.

The Company's Rs. 100 fully paid-up ordinary shares are currently being quoted at Rs. 155 each, at which rate and on the basis of the latest dividend, the yield works out to 6.45 per cent. per annum, free of income-tax.

New City of Bombay

The progress of the New City during the past three years is indicated by the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Sale proceeds (net)	149.24	182.52	131.88	132.80
Expenses	148.74	161.67	120.74	123.60
Gross profit	0.97	20.94	11.23	9.33
E.P.T. refund (less tax) ..	4.40	..	..	..
Total profit available ..	5.37	20.94	11.23	9.33
Managing Agents' commission ..	0.10	2.09	1.12	0.93
Provision for—				
Taxation	..	8.60	4.00	3.50
Depreciation	2.52	2.72	1.80	1.80
To reserves	0.75	3.95	1.50	0.50
Dividend	2.40 (10%)	3.60 (15%)	3.00 (12½%)	2.64 (11%)
Carry forward	0.42	0.82	0.23	0.42

During the year, the Company paid Rs. 19,616 for the Employees' State Insurance Scheme and raised its contribution to the Workers' Provident Fund from Rs. 17,220 to Rs. 44,499. The Directors have placed Rs. 75,000 to the reserve for rehabilitation which is the same as that set aside in the previous year, when, in addition, a sum of Rs. 2 lakhs was transferred for the general reserve, Rs. 1 lakh to contingency reserve and Rs. 20,000 to pension, gratuity and welfare fund. None of these three last mentioned items has received anything this year.

The Company's financial position is more impressive than that of New Great. The paid-up capital of Rs. 24 lakhs is supplemented by reserves and surplus amounting to Rs. 27.12 lakhs. The gross block of the value of Rs. 71.23 lakhs has been written down by Rs. 39.68 lakhs to a book value of Rs. 31.55 lakhs. The current assets amount to Rs. 48.56 lakhs, while the current liabilities are no more than Rs. 26.47 lakhs. During the year, the Directors had expended a sum of Rs. 7.44 lakhs on keeping the plant up-to-date and on making additions to the machinery. This is mainly responsible for the decline in cash balances from Rs. 16.28 lakhs to Rs. 6.64 lakhs.

The Company's Rs. 100 fully paid-up ordinary shares are currently being quoted at Rs. 175, at which rate the latest dividend gives a yield of 5.7 per cent. per annum, free of income-tax.

ELECTRIC COMPANIES

NEED FOR HIGHER RETURN ON CAPITAL EMPLOYED

AS readers are aware, the electricity undertakings have been urging upon the Government of India for a long time the necessity for amending the Electricity (Supply) Act of 1948. Since this legislation was passed, great many changes have taken place in the economy of this country, rendering some of the provisions of the Act obsolete. The provisions relating to the undertaking is one of them. At the time this return on capital invested in an electricity Act was framed, the Government used to swear by its cheap money policy and fixed the rate of return on capital employed at a low level. But the Government found it impossible to maintain the cheap money policy and openly reversed its policy in November, 1951. Even before that, the Government had been gradually losing ground on the cheap money front, with the result that cheap money policy ceased to be in force even a year or two before the Bank rate was raised. Thus, the assumption in the Act that the rate of return on the capital of electricity undertakings mentioned therein was reasonable, lost its ground even before the ink on the legislation dried. After considerable agitation and argument, the authorities saw the force of the contention of the electricity undertakings and agreed to amend the Act. The interests concerned were given to understand that the amendment will be put through the current session of Parliament. It is now reported, in a section of the Press, that this promise is not likely to be fulfilled by the Government, the proposed amendment not figuring in the list of Bills to be introduced in the present sittings of Parliament. This has naturally disappointed the electricity undertakings.

If the report is true, then the Government is ill-serving the public. It is common knowledge that, for a number of reasons, the States themselves are unable to take the responsibility for the extension of power supply. The decision of the Bombay Government to entrust the thermal power project at Trombay to Tatas and that of the Madras Government not to proceed further with the nationalisation of electricity undertakings, in spite of assuming powers for doing so nearly four years before, are proofs of this statement, if any proofs were at all needed. Further, the Five-year Plan has fixed a target for post-war expansion under the auspices of private enterprise, the estimated capital expenditure to hit this target being Rs. 30 crores. How is the private sector to raise this large sum, unless it can offer adequate incentive to investors? The Government owes an answer to the public to this question, if the reported delay in amending the Act is true.

That the Central Government is not unaware of the needs of the electricity industry is evident from the fact that it formulated, as early as in July, 1950 alone, proposals for amending the Act. The Federation of Electricity Undertakings of India submitted its comments on the proposals in August, 1950. Thereafter, the Government revised the Bill and forwarded it to the Federation in August, 1951, for comments, which were submitted in November the same year. Delegations from the industry also waited upon the Government in February and December, 1951. The Federation even suggested that an ordinance be promulgated embodying important proposals to amend the Act, but this suggestion fell on deaf ears. And now comes the news that even the leisurely manner in which the amendment was sought to be introduced has been delayed indefinitely. Small wonder that the Federation is perturbed over the delaying tactics of the Government. If the authorities are unable to undertake a detailed amendment of the Act for want of time, they could, as suggested by the Federation, introduce at least a short Bill to rectify those provisions of the Act which are standing in the way of speedy expansion of power production and distribution. In the opinion of the Federation of Electricity Undertakings, the Act should be amended in the following respects without any further delay.

(1) Upgrading the standard rate on capital employed from the existing rate of 5 per cent. per annum to 6 per cent. per annum;

(2) clarification of licensees' rights to adjust rates within the framework of the sixth schedule;

(3) permissive provision for the creation of a deferred taxation reserve; and

(4) the creation of a rehabilitation reserve.

The return to the investor is the most important aspect that deserves consideration from the point of view of expansion of the industry. At present, the return on capital employed is

(*Continued on page* 311)

Points From The Chair

Deterioration in Quality of Sugarcane in Travancore

"IN my statement last year, I warned the shareholders that although the quantity of cane crushed was expected, during the season under review, to be greater than in previous years, the quality of the cane was showing distressing deterioration. This deterioration was even more serious than considered possible and was very largely due to extremely heavy and unusual floods in October. ... The quality of the cane, which had not been good prior to the floods, unfortunately, continued to deteriorate after the floods, instead of showing the normal seasonal improvement with the result that the recovery for the season was only 6.58 per cent., against 8.21 per cent. for the previous year and a normal average recovery of over 9.5 per cent. for the rest of India .... Growing conditions for cane in the area from which the factory obtains its supplies are different from other areas in India and I must, unfortunately, again warn you that it may take time to replace the existing varieties of cane which have in the last two seasons shown such deterioration and unsuitability for factory use. It is not an uncomon phenomena for cane varieties to deteriorate, but normally factories can replace such varieties with others proved successful in other similar areas. Unfortunately, conditions, as I have pointed out, are almost unique in Central Travancore so that the results of experiments carried out elsewhere have little value to us."

H. I. WONFOR,

Travancore Sugars and Chemicals Ltd.

Outlook for Indian Tea

"..... the good fortune, which tea enjoyed in the matter of prices last year and the year before, has become ancient history. The prices obtained now are so meagre that in many estates the cost of production is higher than the sale price obtained. In fact, you must have known that some of the estates, particularly in Upper India, have been compelled to shut down because of the uneconomic price, on the one hand, and the heavily mounting cost, on the other. Our fortunes, however, have not been so seriously crippled in that our high productivity, averaging more than 1,168 lbs per acre, has sustained us and is keeping us going. I have no pretensions to be a knowledgeable person of wide experience in the fortunes that await this industry, but something tells me that estates which are capable of producing anywhere between 800 to 1,100 lbs. per acre may alone be able to withstand this great slump in the industry. The attention of Government has been focussed on this calamitous state of the industry and something is being endeavoured to step up sales at reasonable levels of prices. What would exactly be the outcome of these plans of the industry and the Government conjointly, it is too premature to anticipate now. But even so, when the stock position in the U.K., which appears to be very generous to me, gets lowered or eased, the good demand for this beverage in foreign countries will stage a recovery and the considerable sales resistance at economic prices, which is apparent, may also get eased."

K. NAGENDRA PRABHU,

Nelliampathy Tea and Produce Co., Ltd.

Price of Copper Highly Vulnerable

"During the year the prices of a number of raw materials fell but, unfortunately, this did not refer to copper—the Company's principal commodity—and the current controlled price is actually £58 per ton higher than a year ago, an increase of more than 25 per cent. No less than £50 per ton increase was imposed overnight by the Ministry of Supply in order to march in step with the U.S.A. As copper represents such a large proportion of the prime cost of cables, the addition had to be passed on to the consumer and this cancelled out most of the benefits of earlier reductions in selling prices. To be precise, prices were forced up by the Government's bulk-buying policy. Although the complications and complexities of copper supplies are appreciated, it is difficult to understand the reason why they should be related to our domestic affairs in such a marked degree, especially as it carries such unfortunate repercussions on the export trade. In any case, the present copper price level would appear to be highly vulnerable to any marginal improvement in supplies. Judging from what has happened in freeing other materials from price control, a recession in the copper price could occur on a scale which would create a serious problem for the industry and one which it is almost impossible to guard against."

C. W. R. PANTLIN,

General Cable Manufacturing Co., Ltd.

Depreciation Allowances for Replacements

"In America, where the allowances made for depreciation before charging tax are much higher than in this country, and to a lesser extent in other countries, we see huge schemes of capital investment, the effect of which is going to be very serious to the economy of this country in a few years' time. The maintenance of the whole economy of our country and our standard of living depends upon our ability to compete technically and economically, and this ability, in turn, depends upon continued and increased capital expenditure on both machinery and research. While official quarters often express the hope that more expansion and modernisation will take place in industry, the finance necessary for this purpose is being taken away from us by penal taxation. For many years past, most of the profits we have made have been used to extend and improve our plant and equipment, and while we are able to do so we shall continue to follow this course, but it is doubtful how much longer this can be done if present conditions continue."

G. WILTON LEE,

Arthur Lee and Sons, Ltd.

NATIONAL INCOME OF CEYLON

PLANTATIONS, THE MAIN SOURCE OF WEALTH

ACCORDING to the report on the national income of Ceylon, published by the Government of Ceylon recently, the gross national product—this represents the sum total of the value of goods and services produced in Ceylon during 1951—is estimated at Rs. 462 crores. On the basis of the population of 7,743,000, the *per capita* income of a Ceylonese citizen works out to Rs. 597. The largest item contributing to the gross national income is "plantation products" for exports (after allowing for the use of imported material), which account for as much as 38.5 per cent. of the total, its actual share in the total being Rs. 177.9 crores—this includes Rs. 4.5 crores of imported materials such as fertilisers, tea chests, and acetic and formic acid. The bulk of this is represented by tea (Rs. 80 crores), followed by rubber (Rs. 58.2 crores), coconut (Rs. 3.73 crores), and others (Rs. 6.9 crores).

Next in importance to plantation products come the commodities which are produced and consumed locally. These account for Rs. 108 crores. The individual items comprising this group are as follows:

(In crores of Rs.)

Rice	20.0
Other food crops	26.9
Coconut and coconut oil	16.6
Tea	3.4
Tobacco	0.7
Livestock products	12.0
Fish	4.8
Betel and arecanuts	3.4
Firewood	1.2
Others	3.1
Industrial products	15.9

It will be noted from the above that the contribution by industrial production to the national income is relatively small as compared with the agricultural commodities. Consequently, the economy of Ceylon is predominantly agricultural. The total of industrial products includes the *ex*-factory value (Rs. 8.7 crores) of output in 27 major industries, a large part of which is Government-owned. The two most important industries are cigarettes and soap, their products accounting for Rs. 2 crores and Rs. 1.9 crores, respectively. Other industrial products are manufactured mostly by the cottage industries.

Among the other items making up the gross national product are transport and distribution (Rs. 56.6 crores), capital development industries (Rs. 39 crores), Government (Rs. 36.3 crores), professions and personal and domestic services (Rs. 32.6 crores), rent (Rs. 6.8 crores), and income from abroad (Rs. 4.7 crores). The item "capital development industries" includes the output of such industries as bricks and cement. Out of the total of Rs. 39 crores under this head, Rs. 20.1 crores are attributed to Government expenditure on capital development and Rs. 18.9 crores to private enterprise.

Gross National Expenditure

The main items on which money was spent in Ceylon during 1951 are shown below:

(In crores of Rs.)

Imports of food and other consumer goods	152.4
Private consumption of local produce—	
Rice	29.5
Other food crops	40.6
Coconut and coconut oil	18.8
Tea	3.9
Tobacco	1.3
Livestock products	15.6
Fish	7.2
Industrial products	31.6
Betel and arecanut	4.9
Firewood	1.7
Other commodities	4.4
Less Government purchases ..	−4.1
Total	155.4
Personal and domestic service ..	31.9
Rent	6.1
Transport	5.4
Government expenditure	41.1
Remittance and travel abroad ..	23.1
Gross capital formation at home ..	53.9
Net change in foreign assets ..	10.9
Net import and excise duties net of subsidies	−16.3
Gross national expenditure ..	463.9

It will be seen from the above figures that imports of food and other consumer goods into Ceylon account for 31.6 per cent. of the total and are only Rs. 3 crores less than the total consumption of local produce. The figure of Rs. 53.9 crores against gross capital formation includes Government expenditure of Rs. 22.4 crores and private spending of Rs. 31.5 crores. Capital formation by the Government is taken as the total of loan fund expenditure (Rs. 14.67 crores) plus repairs and maintenance (Rs. 7.17 crores) and expenditure of Rs. 54 lakhs on the Ceylon University buildings.

The study of the gross national product and expenditure discloses a difference between the

(*Continued in next column*)

(*Concluded from previous column*)

two to the extent of Rs. 2 crores. This is attributed to statistical discrepancies.

As already stated, the economy of Ceylon is predominantly agrarian in character. Nevertheless, it is highly deficit in foodgrains. The Government of Ceylon has, therefore, accorded top priority to food production. Out of the aggregate capital outlay of Rs. 320 crores under the programme of economic development (1952-57), as much as Rs. 90 crores, or 28 per cent. of the total, are earmarked for agriculture and multi-purpose projects. The allocations made to other sectors are given below:

	Cost (Rs. crores)	*Per cent. of total*
Transport and communications	60.0	19
Fuel and power	15.0	5
Industry	20.0	6
Social capital	75.8	24
Rural development	40.0	12
Research /	2.5	1
Miscellaneous	16.7	5

Ceylon's programme of economic development, it is claimed, aims at increased economic stability by reducing the country's vulnerability to changes in other parts of the world.

Notices

CALCUTTA JUTE MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-second Ordinary General Meeting of the Shareholders will be held at "Stephen House," Fourth Floor, No. 4, Dalhousie Square East, Calcutta, at 3 p.m. on Wednesday the 4th March, 1953, for the purpose of receiving and passing the Report of the Directors and the Managing Agents for the half-year ended 31st December, 1951, declaring a dividend and transacting such other business as may be brought forward.

The Transfer Register will be closed from 21st February to 4th March, 1953, both days inclusive, and it is notified that Dividend Warrants will be issued and posted to the registered shareholders only on application. Persons holding shares under blank transfer are advised to effect registration of scrip to their names as soon as possible but not later than 21st February, 1953.

By Order of the Board,
DAYARAM & SONS,
Managing Agents.

"STEPHEN HOUSE" 4TH FLOOR,
4, DALHOUSIE SQUARE EAST,
CALCUTTA, 11*th February*, 1953.

THE BANK OF BHOPAL LIMITED
CHOWK, BHOPAL

NOTICE

NOTICE IS HEREBY GIVEN THAT THE EIGHTH ORDINARY GENERAL MEETING of the Shareholders of THE BANK OF BHOPAL LIMITED will be held at the Registered Office of the Bank at Chowk, Bhopal, on Sunday, the 15th March, 1953, at 4 p.m., to transact the following business:—

1. To receive the report of the Directors and the Audited Balance Sheet as at, and Profit and Loss Account for, the year ended 31st December, 1952.
2. To sanction the declaration of a Dividend.
3. To elect Directors in place of those who have been longest in office and who retire under Articles 102 and 103 of the Articles of Association of the Bank.
4. To appoint Auditors for the current year and to fix their remuneration.
5. To transact such other business as the Directors may place in the Meeting.

By Order of the Board,
V. S. MANI,
General Manager.

BHOPAL, 31*st January*, 1953.

N.B.—The Transfer Books of the Bank will be closed from the 2nd March, 1953, to the 14th March, 1953, both days inclusive.

SPENCERS RAISES DIVIDEND

SETBACK IN RESULTS OF TRAVANCORE SUGARS AND CHEMICALS

Spencer and Co., Ltd.

THE directors of the above Company (Secretary: Mr. C. W. Stephenson, Madras) submit the audited accounts of the Company for the year ended 30th June, 1952.

The net profit for the year, after charging all expenses other than depreciation and taxation, is Rs. 23,45,166 (Rs. 29,10,715) from which the directors have provided depreciation Rs. 5,21,288 (Rs. 5,25,199), provision for taxation Rs. 10,50,000 (Rs. 11,50,000), leaving a balance of Rs. 7,73,878 (Rs. 12,35,516). To this sum have been added the amount brought forward from the last account of Rs. 6,61,628 (Rs. 6,73,610), and provisions made in previous years no longer required Rs. 4,00,024 (Rs. 85,000), making available for distribution Rs. 18,35,530 (Rs. 19,94,126). The directors had already paid, out of this sum, the dividends on "A" and "B" preference shares absorbing Rs. 3,23,409 (Rs. 3,07,498), and ad-interim on ordinary shares at 5 (*nil*) per cent. free of income-tax Rs. 2,00 000 (*nil*), leaving available for further distribution a sum of Rs. 13,12,121 (*Rs. 16,86,628*). The directors recommend that the above amount be dealt with as follows:—

Payment of a final dividend for the year of 10 (10) per cent. (free of income-tax) on the ordinary shares Rs. 4,00,000 (Rs. 4,00,000), transfer to general reserve Rs. 1,75,569 (Rs. 1,00,000), transfer to dividend equalisation reserve Rs. 2,00,000 (Rs. 2,00,000) and carry forward Rs. 5,36,552 (Rs. 6,61,628).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,00,00,000	Block ...	48,95,626
Reserves ...	82,73,064	Stock ...	83,84,610
Provision for taxation ...	1,50,000	Stores, tools, etc. ...	7,03,362
Liabilities ...	52,89,174	Debts, deposits and advances ...	54,20,686
Profit and loss account ...	5,36,552	Investments	11,77,550
		Cash ...	36,66,956
	Rs. 2,42,48,790		Rs. 2,42,48,790

Travancore Sugars and Chemicals Ltd.

The directors of the above Company (Secretaries and Treasurers: Messrs. Parry & Co., Ltd., Tiruvalla) submitted the audited accounts of the Company for the year ended 31st July, 1952.

The result of the year's working, after providing Rs. 2,84,420 (Rs. 3,59,553) for depreciation, is a profit of Rs. 50,904 (Rs. 2,30,042), to which is added the credit balance on the profit and loss appropriation account brought forward from 1950-51 of Rs. 45,076 (Rs. 39,437), making a total of Rs. 95,980 (Rs. 2,69,479). The directors have paid a dividend on the cumulative preference shares at the rate of 5 (5) per cent. without deduction of income-tax Rs. 75,000 (Rs. 74,869) and have carried forward the balance of Rs. 20 980 (Rs. 45,076).

The directors regret that the balance available in the profit and loss account is insufficient for payment of any dividend on the Company's ordinary share capital. During the year under review, all forfeited ordinary and preference shares were re-issued, resulting in a profit to the Company of Rs. 4,997. The reserves remain unchanged at capital reserve Rs. 6,50,000 (Rs. 6,50 000) and general reserve Rs. 4,20,000 (Rs. 4,20 000). Adequate depreciation has been provided in respect of the Company's fixed assets and the efficiency of the buildings, and plant and machinery has been fully maintained. During the year the Company's property at Thuckalay was disposed of resulting in a profit of Rs. 49,811. Negotiations are in progress for the sale of the Company's properties at Nagercoil and Trivandrum. The pharmaceutical works has been moved from Trivandrum and is in course of re-erection at the Pamba River Factory where it will soon be in production.

Consequent on the closing down of our Trivandrum Office, the Registered Office of the Company has been moved to our Pamba River Factory and the correct postal address is:—

The Travancore Sugars and Chemicals Ltd.,
Pamba River Factory,
Tiruvalla,
United State of Travancore-Cochin.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	45,00,000	Block ...	45,61,189
Reserves ...	10,73,392	Stock ...	4,28,679
Provision for taxation ...	14,100	Stores, etc. ...	7,96,071
Liabilities ...	11,24,397	Other assets	38,317
Profit and loss account ...	20,980	Debts, deposits and advances ...	8,74,472
		Cash ...	34,141
	Rs. 67,32,869		Rs. 67,32,869

Empire Dyeing and Manufacturing Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. W. H. Brady & Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1952.

The accounts show a net profit on the year's working, after writing off depreciation of Rs. 44,617 (Rs. 40,744) on machinery and plant, etc., setting aside Rs. 90,000 (Rs. 50,000) for taxation and charging the managing agents' commission amounting to Rs. 31,991 (Rs. 22,468) of Rs. 1,50 587 (Rs. 1,10,477) which together with the balance brought forward from last year's account of Rs. 3,859 (Rs. 8 382) gives an amount for disposal of Rs. 1,54,446 (Rs. 1,18,859). This sum the directors propose to dispose of as follows:—

Dividend of Rs. 3 (Rs. 3) per share on 30,000 shares of the Company, free of income-tax Rs. 90,000 (Rs. 90,000), to transfer to reserve for rehabilitation of machinery and plant Rs. 20,000 (Rs. 10,000), to staff gratuity fund Rs. 25,000 (Rs. 15,000) and to reserve for depreciation of securities Rs. 10,000 (*nil*), leaving a balance to carry forward to next year's account of Rs. 9,446 (Rs. 1,15,000).

The total output for the year remained steady at about the previous year's figure, with the result that the cloth and yarn dyeing plant only worked well below its capacity.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,50,000	Block ...	5,95,046
Reserves ...	9,90,629	Stock ...	43,643
Provision for taxation ...	2,49,430	Stores and spare gear	1,66,715
Liabilities ...	3,81,719	Debts, deposits and advances ...	1,82,633
Profit and loss account ...	1,54,446	Investments	3,19,153
		Cash ...	9,19,034
	Rs. 22,26,224		Rs. 22,26,224

G. Claridge and Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. W. H. Brady & Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1952.

The accounts after charging Rs. 64,188 (Rs. 70,623) for depreciation and providing Rs. 3,00,000 (Rs. 3,20,000) for taxation, show a net profit of Rs. 1,50,283 (Rs. 1,56,767), which together with the balance of Rs. 5,516 (Rs. 8,749) brought forward from last year's profit and loss account, gives Rs. 1,55,799 (Rs. 1,65,516) and this the directors propose to dispose of as follows:

To pay a dividend of Rs. 12-8 (Rs. 12-8) per share on 8,000 shares of the Company, free of income-tax Rs. 1,00,000 (Rs. 1,00,000), to transfer to general reserve Rs. 25,000 (Rs. 25,000), and to transfer to rehabilitation of plant fund Rs. 25,000 (Rs. 10,000) leaving a balance to be carried forward to next year's account of Rs. 5,799 (Rs. 5,516).

Competition became noticeably keener during the year, but progress in high class work was generally maintained.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	3,85,662
Reserves ...	7,29,950	Stock ...	15,63,393
Provision for taxation ...	9,05,628	Debts, deposits and advances ...	6,39,332
Liabilities ...	6,14,572	Investments	500
Profit and loss account ...	1,55,799	Cash ...	5,97,062
	Rs. 32,05,949		Rs. 32,05,949

Sutlej Cotton Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Birla Brothers, Ltd., Delhi) submitted the audited accounts of the Company for the year ended 31st March, 1952.

The accounts showed, after providing for interest, managing agents' commission, depreciation and reserve for taxation a net profit in India and Pakistan of Rs. 29,83,941 (Rs. 30 64,525) (which included the profits of the Company's branches formerly in Indian States, not transferred to India). This amount together with the balance of previous years made a total of Rs. 64,49,305 (Rs. 60,65,364) (which included the amount of Company's branches formerly in Indian States not transferred to India), which the directors disposed of in payment of a dividend on 1,50,000 ordinary shares at Rs. 4 (Rs. 4) per share Rs. 6,00,000 (Rs. 6,00 000) and carried forward Rs. 58,49,305 (Rs. 34,65,364).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Block ...	21,82,315
Reserves ...	87,37,038	Stock ...	56,28,507
Provision for taxation ...	86,89,881	Stores, etc.	7,04,729
E.P.T. refund account B/F	8,56,755	Debts, deposits and advances ...	77,45,060
Liabilities ...	53,35,259	Investments	44,16 396
Profit and loss account ...	64,49,305	Cash ...	1,08,91,231
	Rs. 3,15,68,238		Rs. 3,15,68,238

Pench Valley Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st August, 1952.

The Company's profit for the half-year after the inclusion of the amount brought forward of Rs. 22,099 (Rs. 33,376) amounted to Rs. 3,30,433 (Rs. 84,803), and after making provision for taxation of Rs. 1,25,000 (Rs. 10,000), there remained a balance of Rs. 2,05,433 (Rs. 74,803). Out of this the directors placed to general reserve account Rs. 75,000 (*nil*), and paid a dividend at the rate of 12½ (7½) per cent. per annum, free of income-tax Rs. 98,436 (Rs. 59 063), leaving to be carried forward Rs. 31,995 (Rs. 15,740).

Output and despatch of steam and other grades of coal for the last three half-years are as follows:—

Half-year ended	*Raisings* Tons	*Despatches* Tons
31st August, 1952	1,97,226	2,00,821
29th February, 1952 ...	2,07,139	2,04,969
31st August, 1951	1,69,852	1,73,339

There was a slight drop in production and despatches during the half-year due to short and irregular supplies of wagons.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,75,000	Block ...	13,25,000
Reserves ...	8,75,000	Stock ...	34,957
Provision for taxation ...	2,60,000	Stores ...	7,93,557
Liabilities ...	17,13,871	Debts, deposits and advances ...	17,46,538
Profit and loss account ...	31,995	Investments	4,07,240
		Cash ...	1,48,574
	Rs. 44,55,866		Rs. 44,55,866

Gwalior Sugar Co., Ltd.

The directors of the above Company (Managing Agents: Sir J. P. Srivastava and Sons (Madhya Bharat) Ltd., Dabra) submitted the audited accounts of the Company for the year ended 30th June, 1952.

The accounts show a net profit of Rs. 2,16,805 (Rs. 4,19,650). To this sum was added Rs. 9,275 (Rs. 8,819), being the amount carried over from the last year, thus making a total amount of Rs. 2,26,080 (Rs. 4,28,469), which the directors disposed of as follows:—

Dividend at 7 (7) per cent. on 6,750 redeemable cumulative preference shares of Rs. 100 each for the year ended 30th June, 1952 Rs. 47,250 (Rs. 47,250), dividend at 7 (7) per cent. on 5,000 cumulative preference shares of Rs. 100 each for the year ended 30th June, 1952 Rs. 35,000 (Rs. 35,000), dividend at 3 (5) per cent. on 15,939 ordinary shares of Rs. 100 each for the year ended 30th June, 1952, Rs. 47,817 (Rs. 79,695), provision for bonus Rs. 75,000 (Rs. 75,000), and carry over to next year Rs. 21,013 (Rs. 9,274).

During the period under review the factory carried out crushing operations for a period of 149 days from 27th November, 1951 to 23rd April, 1952, as against 103 days during the previous year. The quantity of cane crushed was 27,30,486 maunds compared to previous year's 17,70,445 maunds and the recovery at 9.56 per cent. was also higher than that of last year, which was at 9.20 per cent. Owing to these favourable circumstances, it was expected that very substantial profits would be made this year, but unfortunately profits were considerably reduced owing to a steep fall in the prices of free sugar and also owing to heavy losses in the sale of some quotas of controlled sugar which were not lifted and had to be sold in the open market at prices below cost of production. The market prices are very erratic and owing to the general depression prevailing in all markets, it is highly probable that the market price of sugar may fall lower than the prices ruling to-day.

The directors are making every effort to continue the improvement in the working of the factory. They are also making efforts to ensure supplies of better quality cane from areas near the factory and they have every hope that the results of their efforts would go a long way towards reducing the cost of production.

Owing to increased costs and heavy stocks the directors had to borrow in excess of the paid-up capital of the Company; therefore, they sought the confirmation of the borrowings by the shareholders.

The Company continued the cane development work in the depot areas by supplying fertilisers and manures at cheap rates and by supplying better varieties of seed cane which resulted in much better supplies from depot areas and at the gate. But its efforts for development work have received a setback due to inadequate irrigation facilities at the tail-ends of the canals. This matter has been taken up with Government without whose active assistance no progress in this direction is possible.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	27,68,900	Block ...	21,61,740
Reserves ...	2,51,646	Stock ...	41,65,532
Provision for taxation ...	1,00,000	Stores, tools, etc. ...	6,53,618
Liabilities ...	52,03,379	Debts, deposits and advances ...	10,63,117
Profit and loss account ...	2,26,080	Investment	1,70,000
		Cash ...	3,35,998
	Rs. 85,50,005		Rs. 85,50,005

Midnapore Zamindari Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 13th April, 1952.

Total collections amounted to Rs. 33,30,902 excluding *selami* and were Rs. 3,27,573 (Rs. 2,22,727) lower than last year, but including *selami* the total amount at the credit of profit and loss account was Rs. 8,18,989 (Rs. 90,052).

As last reported, the East Bengal Government took over the rent-receiving interests of the Company's Neeschindepore, Goldar, Katli, Rajahpore and Sonaicoondy concerns in Pakistan with *kutcheries* on the 17th December, 1951, and those of the Turtipore and Bauleah concerns on 14th April, 1952, leaving only the bungalows and *khas* lands in the Company's possession; and this accounted for the lower collections. Thus, all the Company's rent-receiving interests and *kutcheries* in Pakistan have now been acquired. The East Bengal Government also took over all the papers and staff, which caused the delay in the preparation of the accounts.

All possible information has been supplied to the East Bengal Government, but as yet no compensation has been paid by that Government to the Company. In addition, the Barabhum concern of the Company in Bihar was taken over by the Bihar Government on 12th June, 1952, under the Bihar Land Reforms Act, 1950, and no compensation has yet been received for this property either.

A sum of Rs. 5,38,018 (Rs. 3,82,001) has been transferred from premium lease reserve to provision for taxation, this being the estimated additional tax payable by the Company if all the *selami* is to be subject to taxation. The Company continues to contend that the major portion of *selami* received is of a capital nature, and this contention now awaits the decision of the Courts. The Company has to provide Rs. 6,80,000 (Rs. 3,82,001) for taxation although the profit is only Rs. 8,18,989 (Rs. 90,052). After providing for taxation and for the preference dividend there remained at the credit of profit and loss account a sum of Rs. 1,92,608 (Rs. 93,984) (including Rs. 93,984 (Rs. 26,693) brought forward from last year) from which the directors paid a dividend to ordinary shareholders of Rs. 2 (Rs. 3) per share absorbing Rs. 1,88,000 (Rs. 2,82,000 paid out of capital reserve), leaving Rs. 4,608 (Rs. 93,984) to be carried forward.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,02,76,200	Block ...	97,11,223
Reserves ...	49,72,620	Stock and stores	88,532
Provision for taxation ...	22,79,342	Debts, deposits and advances ...	36,62,613
Liabilities ...	9,86,686	Investments	34,19,095
Profit and loss account ...	4,609	Cash ...	16,37,994
	Rs. 1,85,19,457		Rs. 1,85,19,457

N.B.—Figures within brackets relate to the corresponding period of the previous year.

COMPANY AFFAIRS

(Concluded from page 308)

limited to 5 per cent. It is true that some licensees are able to pay dividends higher than the standard rate of 5 per cent. This is because they had in the past built up a sound financial position by retaining in the business a proportion of the profits earned each year. This cannot continue for long, for the simple reason that every new capital issue made after the passage of the Act has the effect of reducing the gap between net blocks and the issued share and loan capitals. This has led to reluctance on the part of shareholders to increase their investment. This is the practical difficulty involved in raising additional capital by the existing undertakings. But that is not the only consideration that justifies the industry's demand for a higher rate of return on capital employed. An equally important consideration is, as mentioned at the outset, the increase in interest rates in the capital market, since the rate of 5 per cent. was assumed in the Act five years before. Even the State Governments which were paying 3 per cent. then, on their borrowings, are now offering a little more than 4 per cent. The Government of India itself has found it necessary to pay 4¼ per cent. to the World Bank on the loan taken for D.V.C. last month, as against 4 per cent. in 1950, that is, an increase of ¼ per cent. In these circumstances, the demand of the industry to raise the standard rate of return by mere one per cent. is modest and highly reasonable.

The question of clarification of licensees' rights to adjust rates deserves immediate attention. The sixth schedule to the Act lays down a rigid formula for purposes of working out the return to the investor. It is left to the licensee himself to so adjust his rates as not to produce a clear profit in excess of the reasonable return. The intention behind the Act appears to be that licencees are to be left free to formulate tariffs, irrespective of the limitations laid down in the licences, to suit individual circumstances so long as they were within the four corners of the legislation. Some States, however, maintained that the upper limits laid down in the licences still hold good. This explains the need for clarification of licensees' rights to adjust rates.

The industry's demand for provision for deferred taxation arises from the concession allowed to companies, which have recently invested crores of rupees on new plants, through deferring the period of payment of taxation. If provision for deferred taxation were not made, the incidence of taxation, when it comes to be paid, will be very heavy on consumers, through heavily increased charges of power. It is, therefore, only prudent that the incidence of deferred taxation should be spread over a period by means of advance provision for deferred taxation now.

At a time when the investment market is shy, the best method of encouraging installation of new plants is by making provision for rehabilitation reserve. This is a method adopted in most of the industrial countries of the West. The industry's demand that a sum not exceeding 1½ per cent. of the capital employed be allowed as a reserve for rehabilitation, therefore, deserves sympathetic consideration at the hands of the authorities.

COMPANY MEETINGS AND DIVIDENDS

RALLIS INDIA LTD. Annual General Meeting, Calcutta, 23rd February, 1953. Dividend: *Nil*. Transfer books closed from 9th to 23rd February, 1953, both days inclusive.

ALBION JUTE MILLS Co., LTD. Half-yearly General Meeting, Calcutta, 24th February, 1953. Dividend: Rs. 8 per share. Transfer books closed from 18th to 24th February, 1953, both days inclusive.

NEW CENTRAL JUTE MILLS Co., LTD. Half-yearly General Meeting, Calcutta, 24th February, 1953. Dividend: Rs. 10 per share. Transfer books closed from 18th to 24th February, 1953, both days inclusive.

BENARES ELECTRIC LIGHT AND POWER Co., LTD. Half-yearly General Meeting, Calcutta, 27th February, 1953. Dividend: As. 10 per share. Transfer books closed from 21st to 27th February, 1953, both days inclusive.

CHEMICAL, INDUSTRIAL AND PHARMACEUTICAL LABORATORIES LTD. Annual General Meeting, Bombay, 27th February, 1953. Transfer books closed from 11th to 28th February, 1953, both days inclusive.

SPENCER AND Co., LTD. Annual General Meeting, Madras, 27th February, 1953. Dividend: Re. 1 per share (final), free of income-tax. Transfer books closed from 20th to 27th February, 1953, both days inclusive.

NEW GREAT EASTERN SPINNING AND WEAVING Co., LTD. Annual General Meeting, Bombay, 2nd March, 1953. Dividend: Rs. 10 per share. Transfer books closed from 20th February to 12th March, 1953, both days inclusive.

NEW CITY OF BOMBAY MANUFACTURING Co., LTD. Annual General Meeting, Bombay, 2nd March, 1953. Dividend: Rs. 10 per share. Transfer books closed from 20th February to 12th March, 1953, both days inclusive.

G. CLARIDGE & Co., LTD. Annual General Meeting, Bombay, 2nd March, 1953. Dividend: Rs. 12-8 per share. Transfer books closed from 20th February to 12th March, 1953, both days inclusive.

EMPIRE DYEING AND MANUFACTURING Co., LTD. Annual General Meeting, Bombay, 2nd March, 1953. Dividend: Rs. 3 per share. Transfer books closed from 20th February to 12th March, 1953, both days inclusive.

TIDE WATER OIL Co. (INDIA) LTD. Half-yearly General Meeting, Calcutta, 2nd March, 1953. Dividend: As. 8 per share. Transfer books close from 23rd February to 2nd March, 1953, both days inclusive.

FORT GLOSTER JUTE MANUFACTURING Co., LTD. Half-yearly General Meeting, Calcutta, 3rd March, 1953. Dividend: *Nil*. Transfer books closed from 21st February to 3rd March, 1953, both days inclusive.

ALKALI AND CHEMICAL CORPORATION OF INDIA LTD. Annual General Meeting, Calcutta, 12th March, 1953. Transfer books close from 26th February to 12th March, 1953, both days inclusive.

MUNDULPOOR COAL Co., LTD. Half-yearly General Meeting, Calcutta, 24th March, 1953. Transfer books closed from 16th February, 1953.

BRITISH INDIA CORPORATION LTD. Annual General Meeting, Kanpur, 28th March, 1953. Transfer books close from 26th February to 28th March, 1953, both days inclusive.

COMPANY REGISTRATIONS

AMBIKA PICTURES LTD. (First Director: Mr. H. B. Murgod.) Business: Producers, Distributors, Exhibitors and Manufacturers of Cinematographic Films. Authorised capital: Rs. 10,00,000. Private company. Address: 317, Thalakwadi, Belgaum.

AGFA INDIA LTD. (First Director: Mr. P. Sreenivasan.) Business: Manufacturers, Producers, Importers, Exporters and Distributors of Cameras, Films, Plates, Photographic Paper, Chemicals, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Industrial Assurance Building, opposite Churchgate Station, Fort, Bombay.

BUILDERS PUBLICATIONS OF INDIA LTD. (First Director: Dr. G. S. Dugal.) Business: Publishers, Printers, Lithographers, Stenographers, Photographic Printers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Janmabhoomi Chambers, Fort Street, Ballard Estate, Bombay.

OJAS AGENCIES LTD. (First Director: Mr. H. M. Kashiparekh.) Business: Manufacturers and Dealers in Iron, Hardware, Machinery, Cement, Pipes, Mill Gin Stores, etc. Authorised capital: Rs. 5,00 000. Private company. Address: 675, Sakar Bazar Cross Lane, Chinubhai Building, Ahmedabad.

P. N. FILMS LTD. (First Director: Mr. Prem Nath Malhotra.) Business: Cinematograph Trade and Industry, and all its Allied Trades, Film Producers, Distributors, etc. Authorised capital: Rs. 5,00 000. Private company. Address: Famous Cine Laboratories and Studios, Haines Road, Bombay 11.

QUESTION HOUR IN PARLIAMENT

Food Position in India

THE present overall food position in the country is generally satisfactory. The stock of foodgrains in the hands of the Central and State Governments on 24th January, 1953, amounted to 18.5 lakh tons, as compared with 16.1 lakh tons on about the same date last year. The crop prospects are also generally better than the last two years, except in certain parts of Bombay, Madras, Mysore, Hyderabad and Travancore-Cocnin.

* * * *

Food Prices

Generally, the open market prices of rice are either declining or steady; millet prices are steady and wheat prices firm, except in Bihar where they are declining. Procurement and issue prices of foodgrains have been raised in a few cases at the request of the State Governments concerned.

* * * *

Rice From Burma

1,40,000 tons of rice were purchased from Burma during the period August-December, 1952 on Government-to-Government basis.

—Minister for Food and Agriculture

Indo-Pakistan Air Agreement

The discussions between civil aviation officers of India and Pakistan in respect of the dispute over Indian air service to Kabul across Pakistan territory have ended in some concrete undertakings. The Government of Pakistan has agreed to open two corridors across that territory to enable India to operate air services to Afghanistan across the prohibited area in West Pakistan. The routes agreed are: (1) India-Lahore—thence along a 20-mile wide corridor on a direct flight towards Kandanar, but with right of the Indian aircraft, on leaving Pakistan territory, to fly direct to Kabul, and (2) India-Karachi—thence along a 20-mile side corridor on a direct flight to Kandanar. Pakistan has also agreed to release for export to Afghanistan sufficient aviation fuel to enable Indian aircraft to refuel there.

* * * *

Nationalisation of Air Companies

The Government of India proposes to take over the entire ownership of the various air transport companies. A scheme for the reorganisation of civil air transport operations in the country is under examination and a Bill on the subject is proposed to be introduced in Parliament during the current session. It is not proposed to retrench any workers who are in employment at present in the airlines. On the contrary, the Government contemplates that every person who is at present *bona fide* in the employ of any air company should be continued in employment when the proposed State Corporation takes over the undertaking of the company. The Government is aware of the Conference of Aviation Workers' Unions held in Delhi on 10th, 11th and 12th January, 1953, and the decisions of the conference taken therein and the Unions have submitted a memorandum to Government. The views of the unions will be taken into consideration while finalising the scheme.

—Deputy Minister of Communications

Tea Industry Tripartite Conference

The important decisions arrived at in the Tripartite Conference on tea industry, which met in Calcutta on 19th and 20th December, 1952 are: (i) a tripartite commission, with regional subcommittees, should be appointed by Government immediately to investigate into the cost structure of the tea industry; (ii) pending the report of the Commission, relief, by way of refund of the duty collected by the Central Government, should be given at specified rates to tea gardens in the different regions; (iii) gardens which have suffered loss during the year 1951 and/or 1952 should be granted relief by way of long term loans to the extent of the shortfall during this period; (iv) there should be no revision of the Minimum Wages Awards to the detriment of labour after the above proposals have been accepted and during the pendency of the enquiry by the Tripartite Commission. These conclusions are embodied in a resolution adopted by the Committee. The Government is, however, not a party to this resolution.

—Minister for Labour

Credit Facilities to Tea Gardens

Neither the Government of India nor the Reserve Bank of India have any scheme to provide credit facilities direct to tea gardens. The Reserve Bank can pride re-discounting facilities to Scheduled and State co-operative banks under section 17(2) (b) and 4 (c) of the Reserve Bank of India Act, for the purpose of cultivation and marketing of tea crop. The Government of India, in their notification No. F.7(101)-F.1/52, dated 27th December, 1952, published in the *Gazette of India Extraordinary* dated 29th December, 1952, announced a scheme of limited guarantee to Scheduled Banks and State co-operative banks in respect of their advances to tea gardens during the 1953-54 tea season. The amount of Government guarantee will be limited to 20 per cent. of the total repayments made by the borrowing garden to the Scheduled Bank or the State co-operative bank concerned in discharge of the loans or advances availed of by it for financing the 1952-53 tea season, if the borrowing tea garden is situated in Cachar, Tripura, Dooars, and Terai and to 15 per cent. of such amounts of repayments, if the borrowing tea garden is situated in other areas. So far, a sum of Rs. 97,61,000 has been advanced by Scheduled Banks and a sum of Rs. 42,92,000 has been advanced by the Assam State Co-operative Apex Bank to tea gardens for the 1953-54 tea season under the Government limited guarantee scheme.

—Minister for Finance

MONEY RATES UNCHANGED

(From Our Own Correspondent)

BOMBAY, 18th *February*

During the earlier part of the week, the short-term money market was a little more active than in the previous one, but, as the week advanced, the pull on the market was less perceptible, there being more lenders in the inter-bank call money section. In the initial days, demand for funds from up-country agricultural centres was somewhat heavier, as a result of which there was keen bidding for funds in the inter-bank section, but lenders were not freely forthcoming. On Monday this week, however, the situation was somewhat eased by a leading industrial concern offering a fairly large sum by way of term deposits. There was no appreciable change in the inter-bank call money rate which kept on varying between 2¾ per cent. and 3 per cent. among the Exchange Banks and big Indian banks. If at all there was any change, it was this: while in the earlier part of the week there were only a few lenders at 2¾ per cent., there were quite a number of them at this rate towards the close of the week. The rate among the smaller Indian banks remained unchanged at 3 per cent. with more borrowers than lenders. Term deposits for three months were offered at 3 per cent. Some banks were disinclined to pay 3 per cent. for six months; while others did not mind offering that rate for good clients.

The week's sale of three months' Government of India Treasury Bills brought a slightly better response than in the previous week, the amount offered at Rs. 1.39 crores comparing favourably with that of Rs. 1.18 crores. The average rate of accepted tenders, however, hardened slightly from Rs. 2-6-11 to Rs. 2-7 per cent. per annum.

Following the rise of Rs. 17.55 crores in notes in circulation noted in the week ended 6th February, 1953, there has been a further expansion in active notes to the extent of Rs. 5.28 crores, according to the statement of affairs of the Reserve Bank of India for the week ended 13th February, 1953. Notes held in the Banking Department, on the other hand, disclose a fall of Rs. 5.87 crores, so that there has been a net contraction of the order of Rs. 60.04 lakhs in total notes issued. This is balanced on the assets side by a fall of Rs. 40.8 lakhs in rupee coin and of Rs. 19.86 lakhs in rupee securities. The deposits of the Central Government do not disclose any change, but those of other Governments are lower by Rs. 5.68 crores. Deposits of banks have improved by Rs. 3.74 crores. Cash balances show a contraction of Rs. 5.85 crores, but balances held abroad are better by only Rs. 52.44 lakhs. Loans and advances to Governments have risen by Rs. 98 lakhs and other loans and advances by Rs. 63.30 lakhs. There have been no borrowings by Scheduled Banks against usance bills. Government Treasury Bills purchased and discounted, which had gone up by Rs. 1.71 crores in the previous week, have further risen by Rs. 3.30 crores in the week under review.

A decline of Rs. 4.19 crores in the demand deposits of Scheduled Banks is disclosed by their consolidated statement of position for the week ended 6th February, 1953, as compared with that for the previous week. Minor variations are noted in time deposits, and inter-bank borrowings. Borrowings from the Reserve Bank show an increase of Rs. 2.22 crores and those from the Imperial Bank of Rs. 62 lakhs. Cash on hand and balances with the Reserve Bank have shrunk by Rs. 86.93 lakhs and Rs. 2.75 crores, respectively. Balances with other banks in current account are higher by Rs. 16.27 lakhs, while money at call and short notice is lower by Rs. 1.22 crores. Investments have gone down by Rs. 3.93 crores.

The Gilt-edged market presented a steady trend on enquiries for select issues. Although price movements were small, they were generally in favour of holders. General interest was, however, slack and the turnover was restricted. 3 per cent. 1953-55 was unchanged at Rs. 100-0½. 3 per cent. 1957 met with some demand and the issue put on an anna to Rs. 98-10. 3 per cent. 1958 which was well held at Rs. 98-7 until the 16th inst. was listed *ex-voucher* on that date, the rate being Rs. 98–5. 3 per cent. 1959-61, which was listed *ex-voucher* on the 15th, was placed at Rs. 95-15 *ex-voucher*, but hardened by an anna to Rs. 96 *ex-voucher* at the close. 3 per cent. 1963-65 was taken up Rs. 92-9, as also 3 per cent. 1964 at Rs. 92-9, both showing a gain of one anna. 3 per cent. 1970-75 had buyers at Rs. 86-9, as against Rs. 86-8. The only exception to the general trend was provided by the 3 per cent. 1986 Conversion Loan which fell by As. 4 to Rs. 82-11.

The foreign exchange section of the money market was dull and for the second week in succession the rupee-U.S. dollar exchange rate remained unchanged, though some minor variations in the sterling-dollar rate were reported from New York. In the New York market, the spot rate for sterling declined from $2.81¼-$2.82 per £ on the 10th to $2.81¾-$2.81¾ on the 16th, but improved to $2.81-13/16-$2.81-15/16 yesterday.

PEPPER FIRM ON U. S. BUYING

(Messrs. Parekh & Co.)

BOMBAY, 18th *February*

Pepper in all primary markets ruled firm owing to fairly large buyings for February shipment by New York interests, who are reported to have accepted all offers from $1.15 to $1.17 from India during the earlier part of the week. In the later part, however, both America and Europe after taking sizable quantity are now reported to have reduced their buying limit with a view to testing the sellers and in expectation of some reaction after the recent rapid rise of about Rs. 200 both at Alleppey and at Calicut. The Formosan situation seems to have changed the entire sentiment of the planters, and in spite of frequent slackness in foreign demand, they refuse to reduce their price. Calicut is reported firm at Rs. 2,800, while Alleppey is very steady at Rs. 2,600, with sellers reserved. In A.S.T.A. section, in Bombay, New York is reported bidding February shipment at about $1.15, while sellers are unwilling to give anything at less than $1.18, there being local buyers for March and April shipment at $1.18 and $1.19 per lb. c. and f. New York respectively. In the delivery section, prices are firmly held with small interest on the part of sellers to go in for any new short sales.

Following are to-day's nominal quotations: Ready delivery Rs. 2,300, February delivery Rs. 2,200-30 and March delivery Rs. 2 230-60 per candy of 5¼ cwts. Ready at Alleppey Rs. 2,600 per candy of 6 cwts. Ready at Calicut Rs. 2,800 per candy of 6½ cwts.

BULLISH FERVOUR REVIVES IN SILVER

(From Our Own Correspondent)

BOMBAY, 18th *February*

The reversal of the bullish trend in silver noted towards the close of last week proved to be a short-lived affair, as, once again the price of silver moved up to higher levels this week. The efforts of the Board of the Bullion Association to curb the bullish fervour proved futile, as they failed to get the support of the required majority in the general ballot held on Friday last for ratifying its earlier declaration of an emergency in the market. This strengthened the hands of the "longs" who, even after liquidating towards the close of last week a considerable portion of their purchases, were still reported to have control over the stocks. As a result, the price of silver advanced by over Rs. 5 above last week's closing rate.

There was no outstanding development in the gold section. The price movements were narrow, but the undertone remained steady due to the strength of silver.

A meeting of the general body of the Bombay Bullion Association was held on Friday last to consider the Board's decision declaring a state of emergency in the market. Under the rules of the Association, any decision of the Board of Directors must be referred to a general body meeting of members. At this meeting, at least a minimum of 250 members must participate in the voting on the Board's decision. And, if the proposition is to hold good, it must secure, in the first place, a two-thirds majority in this voting and, secondly, the consent of the Bombay Government. But in the referendum held on the 13th inst., only 169 members voted, that is, 81 less than the minimum required. Thus, the Board's decision was not ratified by the General Body. Another point where the Board failed in its attempt to check the bulls was that legal opinion was not in favour of its decision to impose margin on every rise of Rs. 7 per 100 tolas in silver and of Rs. 4 per tola in gold over the basic rates. At a meeting held this morning the Board of the Bullion Association is reported to have decided not to take any further steps for the present.

The international free market price of gold was a shade lower, the rate in Europe receding from $37.45 to $37.40.

In the local market, silver for forward delivery in March opened on Friday (Thursday was a holiday on account of *Mahasivarathri*) at Rs. 164-15 and remained dull pending the decision of the General Body over the Board's emergency resolution. Following the rejection of the resolution at the referendum, the white metal started on its upward trend and soon touched Rs. 167-15 on Saturday. On fears that the Board would take further steps to deal with the bullish fervour, there was a mild reaction on Monday to Rs. 165-10, but these fears having proved unfounded, speculative buying and short-covering once again lifted up the rate to Rs. 169-10 to-day just before the market finished at Rs. 168-14.

Ready silver (.996 Mint) advanced from Rs. 165-9 to Rs. 169-14, thus maintaining its premium over the forward rate at Re. 1. The floating stocks of silver are placed at 1,500 bars. The daily average offtake was 30 bars.

Gold for forward delivery in March began at Rs. 89-7 and moved up to Rs. 90-10 on Saturday, following reports of better offtake. But, during the next two sessions, the trend was somewhat quiet and the rate declined to Rs. 88-14, due to larger arrivals unaccompanied by a corresponding increase in demand. To-day it tended to harden to Rs. 90-10, only to give way to Rs. 89-14 at the close.

Ready gold moved ahead from Rs. 89-13 to Rs. 91-4 early in the week, but failed to hold the ground, the rate declining to Rs. 89-6 yesterday. To-day, it looked up to Rs. 91-2 and closed at Rs. 90-6.

The floating stocks of gold are estimated at 30,000 tolas. The daily average arrivals were 7,000 tolas, but the offtake was 6,000 tolas on an average.

The following comparative table shows the trend of the market during the week under review:

	18-2-53	Highest	Lowest	11-2-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	90 6	91 4	89 6	89 13
Forward	89 14	90 10	88 14	89 7
Sovereign	59 8	60 0	59 8	60 2
SILVER				
Ready (.996 fine Mint)	169 14	170 10	165 2	165 9
Forward	168 14	169 10	164 2	164 9
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½c.	—	—	85½c.

FORWARD COTTON ERRATIC

(From Our Own Correspondent)

BOMBAY, 18th *February*

It is surprising that the general sentiment in the spot market should be different from that at Kalbadevi. One of the greatest weaknesses of the commodity forward markets in India is their tendency to ignore some of the important realities of the spot markets and to conduct trading based on sentiment, rumours and the personal standing in the trade of those reported to be buying or selling. The forward markets tend thus to resemble a flock of sheep where if a leader turns right, a hundred will follow unthinkingly. The forward market in cotton in Bombay in these days seems to be operating with an uncertain and wavering mind. One of the reasons for these was disclosed to me the other day by a prominent professional operator in several markets. He said that the new recruitment in all these forward markets was from the ranks of the literate unemployed; those who could not find a job took themselves sooner or later to Dalal Street, Kalbadevi, Sheik Memon Street or Masjid Bunder.

This is a grave development which our Government will have to study carefully with a view to putting some check on this drift of the educated to take to the profession of pure speculation. Much as one hates the entry of the executive into the markets by the back-door of the procedure of licensing, it may be necessary ultimately, in the interest of forward trading and marketing of commodities and equities, to invite the Government to issue licences not only to brokers but operators as well after subjecting them to some kind of test both with regard to financial resources and enlightenment regarding economic matters. We just cannot idly watch hundreds of promising young men ruining themselves at the beginning of their active lives by being forced through circumstances into blind alleys and becoming a burden on society instead of turning into useful productive units.

The forward market is working out its perplexities by way of a see-saw movement, with prices going up and down alternately, in an effort to correct the anomalies of the technical situation. The actual offerings for delivery against February contract so far have been poor, not amounting to more than a couple of thousand bales compared to the volume of outstanding business at the end of January.

The sentiment in the spot market, on the other hand, is fairly healthy, with a more realistic appraisal of the position with regard to future demand and availability of stocks. Good useful varieties have found buyers at rising rates and Vijay and good Jarillas are finding their way into strong hands. A new development during the week under review has been a revival of enquiry for some of the foreign cottons also. Sudan, which had so far failed to attract any notice from Indian mills, has come to the front, though it is not likely to find increasing favour from actual consumers because the crop this year is not reported to be of the standard quality and the prices so far have been above the Egyptian parity.

Another development in the spot market is with regard to the growing demand for Bengals, both the old and the new crop, for purposes of export. The genuine shippers are believed to be short of licences, while enquiry both from the West and the East for Bengals are still there, because of the slight advantage which Indian prices still hold over the corresponding Pakistan varieties. The rise in prices of Bengals, however, is likely to be arrested about the present levels, because any further rise would neutralise this advantage.

The following are the latest quotations for the Sewri market: Bengal *Deshi* Rs. 490-550; Berar Jarilla Rs. 700-725; Vijay Rs. 800-810; Moglai Rs. 640-650; Khandesh Rs. 735-750.

The following is the fluctuation in prices in the forward market over the week ended 18th February:

	Opening	*High*	*Low*	*Closing*
I.C.C. Feb. (Rs.)	647½	656	641½	653
I.C.C. May. (Rs.)	657	666½	650	664
I.C.C. Aug. (Rs.)	668½	679	662	676½

At Karachi there is a distinct improvement both in the tone and the sentiment of the market. One important development is the revival of U.K. interest resulting in transactions of moderate quantities during the week. There is a slight change also amongst Continental buyers, who have now been paying some attention to Karachi, which was exclusively centred during the last few weeks at Alexandria. There is possibility of a substantial deal with Japan on a barter basis as a result of an exchange of trade delegations from each country to the other during the coming weeks. The Government has in the meantime modified its barter scheme with regard to cotton almost to the extent of cancelling it, as a result of trade representation, as anticipated in this column last week. In spite of this improvement, however, anxieties continue with regard to the ultimate disposal of half a million bales which are expected to remain unshipped at the end of the season. In any case, as buoyant as that disclosed by the present ruling prices which are as under: Punjab *Deshi* Rs. 59; Rs. 55-55½; S.G. Rs. 60-60½; N.T. R.G. Rs. 55; S.G. Rs. 61; 289F. R.G. Rs. 59; S.G. Rs. 66½.

At Alexandria, there is a slight lull in activities, though the internal turnover amongst operators in the spot market has been encouraging in anticipation of increased demand from Japan, India and some countries on the Continent. The expected announcement with regard to the future policy for cotton from the Egyptian Government has not yet come and the future activity in the market will depend largely on this announcement. Perhaps, the present lull is also due to this suspense.

At New York, there have been spurts in prices which could not sustain themselves. Every increase in price seems to bring about immediate profit-taking and more hedge trading. While there is a slight improvement in the effective enquiries from the U.S. textile industry, there is no such improvement in the case of demand for export from shippers and the price level in the absence of the latter is likely to hover round about the 33 cent level.

The following are the latest available quotations from New York as compared with those of a week and a fortnight before:

(In cents per lb.)

	17-2-53	10-2-53	3-2-53
Spot	33.60	33.65	34.05
March	32.70	32.89	33.29
May	33.12	33.23	33.37
July	33.42	33.58	33.68
October	33.63	33.68	33.93

ART SILK YARN FINISHES HIGHER

(From Our Own Correspondent)

BOMBAY, 18th *February*

Depressed conditions prevailed in the art silk yarn market during the first few sessions of the week. Buyers were scared away by rumours of an early announcement of import policy for art silk yarn for the current half-year and by arrivals of yarn previously contracted for. Besides, longs preferred to unload their holdings and this led to a sharp break in values. The downward trend persisted almost till Monday last. But, on Tuesday, the market put on a cheerful tone, following reports of an increase of 3*d.* per lb. in the price of Japanese yarns and possibility of an increase of 6*d.* per lb. in the price of European yarns. Renewed expectation of extension of Korean War also favourably influenced the sentiment of operators. Buying support and short-covering that ensued as a consequence, resulted in a distinct improvement in prices. Not only were the previous losses fully recovered but further gains in prices were noted. Part of the gain, however, was lost to-day on profit-taking. But on balance over the week, prices were slightly higher.

In the forward section, 150D February contract, after receding by 30 points to Rs. 767 on Monday, gradually improved to Rs. 810 to-day. Towards the close, however, there was profit-taking and it finished lower at Rs. 800. Likewise, March contract, which stood at Rs. 794 last week, was quoted as low as Rs. 764 on the 16th inst. Thereafter, it recovered to Rs. 807 to-day, only to stage a recession to Rs. 796.

Values of yarn in the ready section moved in sympathy with those in the forward section. Thus, 150 Japan lost As. 2 to Rs. 4-6 on Monday. A part of the loss was made up to-day, when the quotation stood at Rs. 4-7. 150 Italy slided down from Rs. 4-1 to Rs. 3-14 on the 16th inst., but, on good support, rose to Rs. 4-1 to-day. 120 Italy lost an anna to Rs. 4-13 which was, however, recovered to-day. 120 Japan was fully steady at Rs. 5-2 throughout the week.

The staple fibre section was fully active, under the influence of good demand and scarcity of supplies. Volume of business done was fairly large and prices recorded handsome improvement. This was particularly in marked evidence in staple fibre of 2 x 40s (ready). In the forward section, staple fibre 2 x 40 February contract remained fully steady at Rs. 800, that is, the ceiling fixed by the Yarn Merchants' Association.

The table below gives the prices of art silk and staple fibre yarns quoted to-day, as compared with those on the 11th and 4th inst.

	18-2-53 Rs. a.	11-2-53 Rs. a.	4-2-53 Rs. a.
Art Silk Yarn—			
150D February (per case of 200 lbs.)	800 0	707 0	705 0
150D March	706 0	704 0	702 0
120 Japan (per lb.)	5 8	5 2	4 14
150 Japan ,, ...	4 7	4 8	4 8
120 Italy ,, ...	4 14	4 14	4 12
150 Italy ,, ...	4 1	4 1	4 1
Staple Fibre Yarn—			
2 x 40 February (per bale of 400 lbs.)	800 0	800 0	705 0

SPURT IN GROUNDNUTS

(From Our Own Correspondent)

BOMBAY, 18th *February*

The oilseeds market continued to rule bright during the week under review also. Groundnuts were firm, on the decision of the Government of India to allow export of handpicked selected groundnut kernel to soft currency areas over and above the quotas for hard currency areas announced in December last. There was also good demand from *vanaspati* interests for groundnuts. Overseas enquiries for groundnut oil too were encouraging. Castorseeds also put on a cheerful tone, despite the generally discouraging foreign advices. This was attributed to buying by shippers to fulfil large contracts pending shipment to U.S. Linseed ruled in sympathy with the above two sections. As a result, prices in all the sections forged ahead, under the leadership of groundnuts, recording sizable gains over those at the end of last week.

The upward trend in groundnuts noticed for some time past gathered momentum this week on heavy purchases by a leading *vanaspati* manufacturer. Enquiries from the Continent for groundnut oil were placed at £143-144 and for Bombay Bold (H.P.S.) at £92-93. Consequently, Bombay Bolds firmed up from Rs. 37-8 to Rs. 39-12. Khandesh quality had a gain of Rs. 2-4 at Rs. 40-8. Groundnut oil ready and railway receipt rallied Re 1 each to Rs. 20-12 and Rs. 20-8, respectively. March and April deliveries were done at Rs. 20-5 and Rs. 20-8, as against Rs. 19-7 and Rs. 19-9, respectively. The rumour that export duty will be levied on groundnut oil was discounted, in the absence of substantial evidence.

The castorseeds section witnessed active buying. May 1953 opened at Rs. 144-8, as against Rs. 144-12, and gradually advanced to finish at Rs. 151-8. F.A.Q. put on As. 12 to Rs. 37-8 and Madras As. 8 to Rs. 31-8. Castoroil Commercial quality and First Pressure hardened by As. 8 each to Rs. 19-2 and Rs. 19-14, respectively. U.S. quoted Commercial quality at 18¼ cents for March-April delivery, but this price was considerably lower than the local quotations. The Continent was interested at £148 for Commercial quality March-April delivery.

In the linseed section, Bold ready moved from Rs. 27-8 to Rs. 29, on speculative demand. Linseed oil ready was done at Rs. 15, as against Rs. 14-8 end of last week. In the absence of reduction of export duty on linseed oil, there is no prospect of Indian linseed oil entering overseas markets.

Niger and kardi seeds too were cheerful. Niger F.A.Q. was up by Re. 1-4 to Rs. 30 and kardi seeds ready Bold by Re. 1 to Rs. 23-8.

The following table shows the prices of oilseeds and oil on the 18th inst., as compared with those at the close of preceding two weeks.

	18-2-53 Rs. a.	11-2-53 Rs. a.	4-2-53 Rs. a.
Groundnuts—			
Bold Ready New (per cwt.) ..	39 12	37 8	35 12
Khandesh New (per cwt.) ..	40 8	38 4	36 4
Linseed—			
Bold Ready (per cwt.) ..	29 0	27 8	27 0
Castorseeds—			
May (per candy of 5 cwts.) ..	151 8	144 12	142 8
Madras (per cwt.)	32 4	31 0	31 4
Groundnut oil—			
Ex-mill Ready (per quarter)	20 12	19 12	19 0
Castor Oil—			
Commercial (per quarter) ..	19 2	18 10	18 4

DEMAND FOR TEA DUSTS FAIR

(Messrs. Forbes, Ewart & Figgis Ltd.)

COCHIN, 14th *February*

Dust Sale 'C'.—The offerings at Dust sale 'C', which was held on Tuesday, 10th February, amounted to approximately 1,75 000 lbs. There was only a fair demand and buying was erratic. Milled dusts and fine dusts were well supported and advanced by As. 1 to As. 2. Well made dusts met only a fair demand and there were a number of withdrawals, several of these have since been taken up. Best liquoring dusts were steady at last rates.

London Market.—Common tea firm to dearer; others generally steady, though sometimes irregular.

Colombo Market.—4,50.000 lbs. Lowgrown firm; others dearer, but finest irregular.

Calcutta Market—Export.—Market generally firm to dearer, particularly price teas.

Dust.—Commons and commonest dearer; others irregularly As. 1 to As. 2 easier.

Export Quota.—Although some business was done early in the week at 2¼ pies, the market has since declined and the present quotation stands at 2/2¼ pies.

Forthcoming Auctions.—Dust sale 'D' will be held on Tuesday, 24th February.

As we go to press Messrs. Forbes, Ewart and Figgis Ltd. wire as follows:—

Sale No. 4.—9 lakh lbs. Good general demand, particularly for low medium brokens and fannings, which were often dearer. Best liquoring about steady following quality.

JUTE GOODS STEADY

(From Our Own Correspondent)

CALCUTTA, 17th *February*

Despite increased stocks of jute goods with mills, prices in the jute goods market remained steady this week. The steadiness was due to considerable speculative activity induced by rumours of a possible reduction in the export duty on jute goods by about the end of the month. The sentiment was further assisted by the expectation of a Government order for hessian to meet domestic needs. The belief that China and Argentina would shortly be in the market for 90,000 bales of sacking and 20.000 tons of hessian respectively also helped to impart a steadier feeling. It was not, therefore, surprising that 40" 10 ozs. hessian closed better yesterday at Rs. 43-14, at which rate the week's gain was a substantial sum of twelve annas. The move during the week was always upward but slow. The f.o.b. quotation was also steady at Rs. 52-9. The f.a.s. rate for 40" 8 ozs. hessian was Rs. 35-8, with the f.o.b. being Rs. 42-4. The denial by the Indian Embassy at Buenos Aires that, to its knowledge, a new barter agreement for the exchange of 80,000,000 yards of hessian for Argentine wheat had been proposed did not cause any easiness on local quotations, although the market was prepared to disregard the earlier report.

It will be recalled that much business in hessian diverted itself from this country to Continental manufacturers, who, on the expectation that Pakistani jute prices would fall steeply in view of the need for East Bengal to dispose a highly satisfactory crop, under-quoted the Calcutta rates for several months last year. The orders so placed on the Continent are being executed now, but it is reported that British buyers have complained about the quality of hessian, which is stated to be inferior even to the poorest qualities shipped from Calcutta! Complaints of shortage of rolls as well as their length have also been heard. Such a stage of affairs would appear to have resulted in the determination of British buyers, to look to Calcutta for future supplies of hessians, even if its quotations happened to be higher than those for the Continental products. The market noted these reports cheerfully, and Indian mills could justifiably shake off their earlier disappointment when they lost some business to their Continental counter-parts.

The sacking market presented a perceptibly better trend, and the steadiness of the quotations was in no small measure due to the enthusiasm of speculators, although business taking place with shippers was not large. Exporters were not prepared to follow the up-trend. A fair quantity of B. twills changed hands in the bazar. Ready offers opening at Rs. 92-12 soon forged their way ahead to Rs. 94 but declined to Rs. 93-4 on Thursday. However, the steady trend again returned and the rate was taken up to Rs. 94-8. Sellers showed no inclination to discount rates.

The improved trend in the prices of jute goods had no effect in the raw jute market, as mills did not show any desire to accept offers. Assam bottoms were easy at Rs. 21, Murshidabad district tossa declining to Rs. 20 from Rs. 20-8. Pucca bales first marks ready were quoted at Rs. 130 a bale.

BRIGHT LIQUORING TEAS FIRM

(From Our Own Correspondent)

CALCUTTA, 17th *February*

Steady conditions were witnessed during yesterday's export sale, as demand was more than satisfactory. Offerings aggregated 53,800 packages. Medium B.O.Ps. and leaf grades were bought at firm rates, and bright liquoring autumnal teas provided the best feature of the auction as prices for the same were raised strikingly above brokers' valuations. A two-anna rise in prices was recorded for brokens, medium brokens and fannings grades. The market was not devoid of its weak spot. Thus Assam C.T.C. varieties possessing poor liquors were below brokers' valuations. Quotations were: good Assam C.T.C. B.P. Re. 1-15, clean black pekoe Re. 1-7 to Re. 1-7-6, clean common B.P. Re. 1-1-6 to Re. 1-2, and medium Assam B.P. Re. 1-2-6.

Conditions were dull during last week's internal sale, and prices were generally easy. Dusts offered amounted to 19,850 packages. There were, however, exceptions to the general trend. Darjeelings with flavour realised brokers' valuations, and the black leafy varieties and commonest types were firm. Prices for Assam C.T.Cs. fell by as much as As. 2, while the rest of the offerings lost ground by an anna. Thus good Assam C.T.Cs. were quoted at Re. 1-12-6 to Rs. 1-13, medium Doors Re. 1-7, and medium grainy Assams Re. 1-8-6. Leaf grades offered aggregated 870 packages.

METALS RULE EASY

(From Our Own Correspondent)

CALCUTTA, 17th *February*

The local metal market ruled perceptibly easy during the week under review, as consumer demand was poor and reports from foreign markets were uninspiring. The lack of any surprising news following the withdrawal of the American 7th fleet from the Formosan waters was also a factor why consumer purchases were cautious and covered only day-to-day requirements. Tin eased from Rs. 639 to Rs. 637. Some quantity changed hands. The American announcement removing all controls over tin is interpreted as a sign of the comfortable supply position, and as such it is only natural that consumers would like to keep away stocks.

Electrolytic copper closed lower at Rs. 186, representing a loss of one point during the week. If Chile succeeds in raising its copper price, it will perhaps lead to a rise in price here; but such a rise could only remain purely temporary. For certainly consumers would not be prepared to follow the improvement. The fire-refined material fell by as much as seven points to Rs. 165. Mercury was quoted at Rs. 522 per flask, but activity was low. There were some inquiries for electrolytic zinc which was quoted at Rs. 65. Virgin lead was available at Rs. 67-8. Star metal antimony remained unchanged at Rs. 200 because of lack of demand.

BETTER RICE CROP EXPECTED

(From Our Own Correspondent)

HAPUR, 16th *February*

There has been steady improvement in the overall food position in the country. Efforts are being made to rush foodgrains to scarcity-stricken areas in some of the States. There was a sudden rise in the locust swarm activity in the western parts of Bombay State, Kutch and Rajasthan during the fortnight ended 31st January, 1953.

A better rice crop in most of the rice-producing States is reflected in higher procurement figures during the current crop year, November, 1952 to October, 1953, as compared with last year. Till the end of the third week of January, 1953, Assam had procured 36,000 tons, as against half this quantity during the corresponding period last year; Bombay 102,000 tons, as against 77,000 tons; Madhya Pradesh 94,000 tons, as against 56 000 tons; Orissa 31,000 tons, as against 9,000 tons; The Punjab 93,000 tons, as against 42.000 tons; and West Bengal 707,000 tons, as against 95.000 tons.

Latest reports from Madras indicate that, although the offtake of foodgrains from the fair-price shops has decreased and the price level in the free market is also showing a tendency to go down, the Government would generally continue the running of fair-price shops for some months to come and watch the situation further. It is officially stated that the Madras State has now a stock of 158 000 tons of rice. Out of the total allotment to this State of 250,000 tons of rice by the Centre 75,000 tons have been earmarked for imports from Madhya Pradesh and Orissa. Of this, 30,000 tons have already been received. The procurement of rice inside the State under the levy system is going ahead and it is stated that 42,000 tons have already been procured. The target of procurement is about 250.000 tons.

The Government of Travancore-Cochin will be forced to increase the price of rice in the State, if food subsidy from the Centre is not urgently rushed to the State. The loss suffered by the Government in selling rice at lower rates is proposed to be met by the Central subsidy.

With rice procurement on a record level, the Madhya Pradesh Government has released 55.000 tons in January for despatch to deficit areas. Out of this, 35,000 tons have been allotted to Madras and 10.000 tons to Bombay. Another 10.000 tons are kept in reserve for allotment by the Govern-

(Continued on page 316)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	6th Feb., 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,123.93	1,106.38	1,116.61	1,165.24
Notes held in Banking Department	35.05	16.97	25.67	15.22	13.52
Foreign Securities	39.50	68.15	558.15	558.15	603.15
Rupee Securities	37.39	50.06	450.06	450.06	468.13
Banking Department					
Deposits of:					
Government of India	14.89	157.46	163.07	173.74	203.66
Other Governments	..	6.70	12.72	1.50	1.88
Balances held abroad	10.08	151.48	159.97	156.42	157.93
SCHEDULED BANKS					
Demand Liabilities	134.37	525.90	529.10	521.40	572.40
	..	(12.39)	(12.29)	(11.70)	(32.47)
Time Liabilities	102.84	315.27	315.29	315.24	293.25
Borrowings from Reserve Bank	..	(1.53)	(1.93)	(1.87)	(0.74)
	..	6.48	4.26	8.39	36.69
	..	(0.74)†	(0.99)†	(0.99)†	(N.A.)†
Borrowings from Imperial Bank‡	..	7.11	6.49	6.00	N.A.
Cash in India	6.71	32.09	32.96	33.88	34.98
Balances with Reserve Bank	25.28	41.96	44.71	43.02	43.14
Excess over statutory limits	16.52	9.41	11.95	10.65	8.66
Balances with other banks in current account in India	..	10.54	10.38	10.59	10.27
Money at call and short notice in India	..	16.87	18.09	14.70	8.91
Investments (at book value)	..	307.45	311.38	315.97	298.33
Advances and bills	105.09	497.57	488.96	482.86	585.53
IMPERIAL BANK					
Deposits	87.76	208.69	207.95	206.09	230.24
Investments	51.99	85.48	87.03	93.11	86.58
Advances	30.37	121.65	118.12	116.27	161.38
Cash	14.69	14.24	16.85	11.04	18.35

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets). N.A.—Not available.
† *Borrowings against* usance bills and promissory notes.
‡ Figures prior to 18th April, 1952, not available.

CLEARING HOUSE RETURNS

Centre	13th February, 1953 Number of Cheques	13th February, 1953 Amount Rs.	6th February, 1953 Number of Cheques	6th February, 1953 Amount Rs.
Bombay	1,97,351	44,86,45,000	2,31,255	56,08,95,000
Calcutta	1,38,496	45,81,50,185	1,48,150	53,44,10,712
Madras	63,980	6,41,34,277	74,152	8,41,21,354
All Centres				
Nov., 1952	..	..	24,01,000	4,93,07,00,000
Dec., ,,	..	..	25,49,000	5,47,75,00,000
1952	..	..	1,0641,941	26,79,51,57,000
1951	..	..	1,0594,122	31,80,56,86,359

Reserve Bank of India

Statement of Affairs for the week ended 13th Feb., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up	..	5,00,00,000
Reserve Fund	..	5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government	..	157,40,01,000
(2) Other Governments	..	1,01,89,000
(b) Banks	..	45,44,09,000
(c) Others	..	65,54,16,000
Bills Payable	..	4,76,54,000
Other Liabilities	..	23,55,40,000
	Rupees	307,22,15,000

ASSETS	Rs.	Rs.
Notes	..	11,09,55,000
Rupee Coin	..	14,09,000
Bills Purchased and Discounted—		2,19,000
(a) Internal	..	
(b) External	..	22,50,000
(c) Government Treasury Bills	..	
Balances held abroad*	..	16,33,34,000
Loans and Advances to Governments	..	152,90,34,000
Other Loans and Advances	..	4,48,00,000
Investments	..	15,60,51,000
Other Assets	..	100,09,03,000
	..	7,22,73,000
	Rupees	307,22,15,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 74,18,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 74,18,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,09,55,000	
Notes in circulation	1129,20,13,000	
Total Notes issued		1140,29,68,000
Total Liabilities		1140,29,68,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion:		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	568,15,11,000	
Total of A		608,16,82,000
B. Rupee Coin		
Government of India Rupee Securities		82,26,71,000
Internal Bills of Exchange and other commercial paper		449,86,15,000
Total Assets		1140,29,68,000

Ratio of Total of A to Liabilities: 53.334 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 6th Feb., 1953

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	..
	(ii) Other demand liabilities	.. 12,38,87,000†
2.	Time Liabilities in India:	.. 512,80,94,000
	(i) Borrowings from banks	..
	(ii) Other time liabilities	.. 1,83,00,000†
3.	Cash in India	.. 313,43,80,000
4.	Balances with the Reserve Bank in India	.. 32,08,69,000
5.	Balances with other banks in current account in India	.. 41,95,90,000
6.	Money at call and short notice in India	.. 10,54,16,000
7.	Investments (at book value) in India in Central and State Government Securities including *Treasury Bills* and Treasury Deposit Receipts	.. 16,87,29,000
8.	Advances in India	.. 307,44,77,000
9.	Inland Bills purchased and discounted in India	.. 463,04,61,000
		.. 34,52,75,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.

†Excludes borrowings from the Reserve Bank, and with effect from the 18th April 1952 as also those from the Imperial Bank.

EXCHANGE RATES

		17th February, 1953	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5⅝	1-5⅝
Sellers T.T. D.D. upto six months	s.	1-5⅝	1-5⅝
Buyers T.T. spot to nine months	s.	1-6	1-6
Buyers T.T. 10 to 12 months	s.	1-6	1-6
Bombay on New York—			
Sellers T.T. D.D.	Rs.	475	475
Buyers T.T.	Rs.	471½	471½
London on New York	$	2.81½-2.81½	2.81½-2.82
London on Paris	Fcs.	987½-988	987½-988
London on Berne	Sw. Fcs.	12.19½-12.20	12.19½-12.20
New York on London	$	2.81⅜-2.81½	2.81⅜-2.82

NATIONAL INCOME*

Country	Year	Population (In millions)	National income (In millions)		In terms of rupee (Crores)	*Per capita* income (Rs.)
India	1948	342.12	..	..	8,730	255
Pakistan	1949	75.04	..	..	1,671	223
Burma	1951	18.67	Kyats	3,166	317	167
Ceylon	1951	7.74	..	451	564	
Japan	1951	84.80	Y.	4,564,400	6,038	716
Philippines	1951	20.25	Ps.	7,586	1,820	856
New Zealand	1951	1.95	£ (N.Z.)	615	820	4,206
Australia	1951	8.41	£ (A.)	3,238	3,454	4,317
U.K.	1951	50.56	£	11,384	15,179	2,976
U.S.A.	1951	154.86	$	277,600	132,190	8,564
Canada	1951	14.01	$	17,229	8,552	6,108
France	1951	42.24	F. Fr.	9,082,000	12,372	2,929
W. Germany	1951	48.11	Dm.	90,200	10,227	2,126
Italy	1951	46.60	Lr.	7,746,000	5,902	1,267
Norway	1951	3.29	Kr.	15,504	1,055	3,206
Sweden	1951	7.07	Kr.	36,800	3,439	4,864
Netherlands	1951	10.26	Fl.	16,940	2,151	2,096
Denmark	1951	4.30	Kr.	20,716	1,439	3,346
Switzerland	1951	4.75	S. Fr.	19,500	2,166	4,556

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, January, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 6th Feb., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up	..	3,00,00,000
Reserve Fund	..	3,00,00,000
Deposits:—		
(a) Central Government	..	34,43,41,000
(b) Provincial Governments	..	1,01,66,000
(c) Banks	..	9,84,08,000
(d) Others	..	3,10,32,000
Bills Payable	..	8,01,000
Other Liabilities	..	4,02,93,000
	Rupees	59,11,26,000

ASSETS	Rs.	Rs.
Notes	..	6,47,28,000
Rupee Coin	..	4,000
Subsidiary Coin	..	11,000
Bills Purchased and Discounted:—		
(a) Internal	..	..
(b) External	..	..
(c) Government Treasury Bills	..	35,87,000
Loans and Advances to Governments	..	33,00,000
Provincial Governments Debtor Balances	..	1,45,37,000
Other Loans and Advances	..	4,21,99,000
Investments	..	33,21,11,000
Other Assets	..	7,99,49,000
	Rupees	59,11,26,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	6,47,28,000	
Notes in circulation	207,00,18,000	
Total Notes issued		213,47,46,000
Total Liabilities		213,47,46,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,01,42,000	
Silver Bullion		
Sterling Securities	38,50,23,000	
Government of India Securities	11,87,77,000	
India Notes representing assets *receivable from the* Reserve Bank of India	29,98,96,000	
		88,28,38,000
B. Rupee Coin	6,30,53,000	
Government of Pakistan Securities	114,63,80,000	
Internal bills of exchange and other commercial paper		
		120,94,33,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	5,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		213,47,46,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 43.21 per cent.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment Rs. a. p.	Allotted at minimum rate %
1952					
25th Nov.	2.00	2.03	2.00	2 3 0	99
2nd Dec.	2.00	2.01	2.00	2 4 0	99
9th ,, ,,	2.00	2.15	2.00	2 5 11	93
16th ,, ,,	2.00	2.62	2.00	2 5 11	88
6th Jan. 1953	1.00	1.45	1.00	2 6 5	55
13th ,, ,,	1.00	1.22	1.00	2 6 9	79
21st ,, ,,	1.00	1.23	1.00	2 7 0	81
27th ,, ,,	1.00	1.00	1.00	2 7 0	100
3rd Feb. ,, ,,	1.00	1.14	1.00	2 7 0	87
10th ,, ,,	1.00	1.19	1.00	2 6 11	84
17th ,, ,,	1.00	1.39	1.00	2 7 0	100
Total	15.00	17.43	15.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	3rd July, 1952	5	6
Belgium	13th Sept., 1951	3½	3½
Canada	17th Oct., 1950	1½	2
Denmark	2nd Nov., 1950	4½	5
Finland	16th Dec., 1951	7½	5½
France	9th Nov., 1951	5	4
Greece	12th July, 1948	10	12
India	16th Nov., 1951	3	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	5.84
Netherlands	1st Aug., 1952	3½	3
New Zealand	26th July, 1941	2	1½
Norway	9th Jan., 1946	3	2½
Portugal	12th Jan., 1944	3	3½
South Africa	27th Mar., 1952	3½	4
Spain	18th Mar., 1949	4½	4
Sweden	1st Dec., 1950	2½	3
Switzerland	26th Nov., 1936	4	1½
Turkey	26th Feb., 1951	2	3
United Kingdom	12th Mar., 1951	2½	4
U.S.S.R.	1st July, 1936	8	4
U.S.A.	16th Jan., 1953	1½	2
West Germany	8th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	October, 1952	October, 1951	Seven months—April-Oct. 1952	Seven months—April-Oct. 1951
Import Duties:				
Revenue	8,42	10,79	65,78	74,04
Protective	65	83	4,76	6,32
On surplus disposals	1	1	2	17
Total Import duties	9,08	11,64	70,57	80,53
Export Duties	3,71	5,20	34,03	51,75
Land Customs	28	28	1,68	1,53
Miscellaneous	11	7	74	67
Gross total customs	13,18	17,19	107,01	134,48
Refunds and downbacks	24	28	1,81	2,17
Net Customs	12,95	16,92	105,20	132,31
Gross excise	4,55	7,78	47,31	55,18
Refunds	9	12	98	98
Net Excise	4,46	7,64	46,35	54,19
Net total of customs and excise	17,41	24,56	151,55	186,50

Imperial Bank of India

Statement of Affairs for the week ended 13th Feb., 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,35,00,000
Deposits and other Accounts		207,96,20,000
Borrowings from other Banking Companies Agents		90,61,000
Bills Payable		2,99,43,000
Bills for Collection being Bills Receivable as per contra		53,75,000
Acceptances, Endorsements and Other Obligations as per contra		46,000
Other Liabilities (including Inter-Office Adjustments)		2,25,35,000
Total	Rs.	226,63,30,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		11,55,01,000
Balances with other Banks		4,38,55,000
Money at Call and Short Notice		1,22,56,000
INVESTMENTS—		
Government and other Trustee Securities	71,17,70,000	
Other Authorised Investments	10,76,48,000	
		81,94,27,000
Advances—		
Loans, Cash Credits and Over drafts, etc.	110,36,40,000	
Bills Discounted and Purchased	18,36,83,000	
		123,72,23,000
Bills Receivable being Bills for Collection as per contra		53,75,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		46,000
Premises less Depreciation		1,32,19,000
Furniture and Fixtures less Depreciation		33,06,000
Other Assets (including Inter-Office Adjustments)		1,61,22,000
Total	Rs.	226,63,30,000

SMALL SAVINGS

(Amounts in lakhs)

	Cash Certificates Receipts	Cash Certificates Outstandings* @	†Defence Savings Certificates @ * Outstandings	National Savings†† Certificates Receipts	National Savings†† Certificates Outstandings*	Savings Bank Deposits Receipts	Savings Bank Deposits Outstandings*	Defence Savings Bank Deposits Out- @ standings	$\frac{3}{4}$ per cent. Treasury Savings Deposits Receipts	$\frac{3}{4}$ per cent. Treasury Savings Deposits Outstandings	Ten-year Treasury Savings Deposits
1950-51	..	—15,91	—1,79	23,83	57,86	1,01,04	61,32	—4,64	5,31	5,31	
1951-52	1	—20,90	—2,55	24,59	75,83	1,03,79	71,16	—4,74	13,10	18,39	
October 1951	..	—18,53	—2,23	1,98	68,44	7,83	68,06	—4,70	1,20	14,88	
November ,,	..	—18,90	—2,30	1,98	69,77	7,85	67,96	—4,70	1,29	14,88	
December ,,	..	—19,25	—2,36	1,83	70,77	7,85	67,91	—4,71	94	15,82	
January 1952	..	—19,56	—2,42	1,71	72,25	7,66	68,04	—4,72	70	16,51	
February ,,	..	—19,86	—2,46	1,82	73,52	8,21	68,27	—4,73	66	17,17	
March ,,	..	—20,20	—2,55	3,02	75,58	11,28	71,16	—4,73	52	17,70	
April ,,	..	—20,51	—2,60	2,47	77,37	10,01	73,50	—4,74	71	18,39	
May ,,	..	—20,81	—2,64	2,33	79,44	9,95	74,58	—4,74	57	18,92	
June ,,	..	—21,09	—2,68	2,00	80,95	9,38	77,01	—4,74	58	19,36	
July ,,	..	—21,27	—2,72	2,23	82,58	10,29	79,52	—4,74	60	20,58	
August ,,	..	—21,57	—2,77	1,96	83,98	8,60	80,72	—4,75	74	21,35	
September ,,	..	—21,79	—2,80	1,97	85,30	8,78	81,87	—4,75	65	21,89	
October ,,	..	—22,02	—2,84	1,87	86,40	8,36	82,22	—4,75	52	22,38	
December ,,	..	—22,27	—2,88	1,85	87,66	8,03	82,49	—4,73	58	22,92	
									48	23,94	

† Were replaced by National Savings Certificates from 1st October, 1948. †† Including 5-year and 7-year National Savings Certificates issued from 1st June, 1949. * At the end of period. @ Progressive net repayments from 16th August, 1949. $ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)

I. All-India

Group and Sub-Group	Week Ended 7-2-'53	31-1-'53	10-1-'53	9-2-'52
(A) Government and Semi-Government Securities ‡	**92.2**	**92.1**	**92.1**	**91.4**
1. Government of India Loans	92.3	92.3	92.2	91.5
2. Municipal, Port Trust and Improvement Trust Loans	86.8	86.6	86.4	87.6
(B) Fixed Dividend Industrial Securities	**90.2**	**90 3**	**90.4**	**93.2**
1. Electricity	77 2	76 9	76 1	74 5
2. Cotton	126.7	129 6	127 4	134.0
3. Jute	81 0	81.2	81 8	82 1
4. Coal	94 5	94 5	94 5	99 2
5. Iron and Steel	84.0	83 8	82.9	84 4
6. Sugar	87 4	87 8	91 4	101.6
7. Paper	85.4	84 8	85 0	94.2
8. Plantations	96.9	98.1	99.4	105.4
(C) Variable Dividend Industrial Securities	**104.1**	**103.4**	**104.1**	**122.7**
1. Banks	102 1	101 6	102 2	112 0
2. Insurance	92 2	93 7	98 5	106 9
3. Investment Trusts	139.0	137.9	139.7	143.7
4. Electricity Companies and Tramways	82.7	82.1	81.6	86.1
5. Shipping and Other Transport Companies	85 9	84.1	84.5	96 2
6. Railways	73 3	72 1	72 6	82 8
7. Plantations	107.2	110.4	110.6	170.2
8. Cotton, Woollen and Silk	127 8	126.4	128.7	165.5
9. Jute	72 2	72 2	75 5	94 3
10. Coal	86 5	86 1	87 3	109 8
11. Mining and Oil	65.3	65.1	62 6	72 1
12. Iron and Steel	127.1	123 1	125 6	156 4
13. General Engineering	138.8	136 8	137 6	162 4
14. Sugar	78 8	78 8	79.1	94 6
15. Breweries	55 5	53 6	53 0	70 5
16. Chemicals	128.1	122 5	124 6	177.5
17. Paper	113 2	111 9	112 9	126.1
18. Cement	138.4	140.3	144.0	146.3

II. Regional

Region and Group	Week Ended 7-2-'53	31-1-'53	10-1-'53	9-2-'52
(A) BOMBAY—				
Government and Semi-Government Securities	91.9	91.9	91.9	91.8
Fixed Dividend Industrials	91.9	91.7	90.7	92.5
Variable Dividend Industrials	122.2	120.6	122.1	135.6
(B) CALCUTTA—				
Government and Semi-Government Securities	92.8	92.7	92.6	91.7
Fixed Dividend Industrials	87.3	87.6	88.6	91.0
Variable Dividend Industrials	91.8	91.4	91.7	103.1
(C) MADRAS—				
Government and Semi-Government Securities	91.9	91.8	91.9	90.5
Fixed Dividend Industrials	102.5	102.7	103.8	111.1
Variable Dividend Industrials	126.5	126.8	127.3	154.0

*Source: Department of Research and Statistics, Reserve Bank of India.
‡ Including Part 'B' State Loans.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,883	12,806,704
1951	1,071	691,321	3,818,928
June 1950	33	47,536	222,446
July ,,	54	21,188	134,911
ugust ,,	75	240,518	2,948,978
September	71	249,445	4,954,161
October	78	238,349	2,266,894
November	94	56,736	313,837
December	68	41,061	165,718
January 1951	120	95,898	370,990
February	61	44,025	203,660
March	79	47,723	317,869
April	120	95,747	331,282
May	109	66,904	277,314
June	146	99,446	448,258
July	130	72,454	671,705
August	108	64,894	289,907
September	83	24,777	93,109
October	108	67,996	190,761
November	128	64,147	189,374
December	118	76,196	265,149
January 1952†	95	305,831	674,340
February *	88	63,180	215,607
March ,,	87	42,430	142,493
April ,,	134	59,437	234,346
May ,,	116	80,093	254,885
June ,,	101	59,381	257,092
July ,,	82	40,754	171,263
August ,,	85	48,292	145,595
September*	94	57,690	459,786
October ,,	90	77,291	346,761

† Figures for 1952 are provisional * Revised.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51	545	5,279.9	4,225.9
1951-52	573	5,948.1	4,849.0
April 1951	548	470.9	379.7
May ,,	549	503.1	404.9
June ,,	541	501.2	408.8
July ,,	546	507.7	412.0
August ,,	561	506.8	409.7
September ,,	554	494.5	403.4
October ,,	556	506.9	412.8
November ,,	557	491.7	409.8
December ,,	561	500.9	414.3
January 1952	568	500.8	409.7
February ,,	571	480.7	391.0
March ,,	573	481.8	392.9
April ,,	577	488.8	392.8
May ,,	581	514.4	413.1
June ,,	583	500.1	408.3
July ,,	588	534.0	429.7
August ,,	592	531.6	428.7
September ,,	597	530.3	430.6
October ,,	599	548.2	441.5

* Excluding railway, military and factory power stations; Ohols Power Station, being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities. § At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	7th Feb., 1953	31st Jan., 1953	9th Feb., 1952	December, 1952	December 1951	Percentage of increase (+) or decrease (—) in Dec., 1952 as compared with Dec., 1951	1952	1951
Food Articles	**361.4**	**364.2**	**377.6**	**344.5**	**389.1**	**—13.7**	**359.8**	**409.8**
Cereals	434	436	464	431	464	— 7.1	450	483
Pulses	602	599	500	541	513	+ 5.5	488	506
Other	230	234	244	207	287	—27.9	225	290
Industrial Raw Materials	**433.3**	**427.5**	**545.4**	**421.7**	**574.1**	**—26.5**	**453.8**	**608.2**
Fibres	390	394	575	394	599	—34.2	454	622
Oil seeds	514	502	565	476	618	—23.0	484	679
Minerals	462	460	490	458	444	+ 3.2	458	426
Others	361	361	410	372	439	—15.3	341	533
Semi-Manufactures	**346.7**	**345.4**	**366.3**	**342.6**	**373.6**	**— 8.3**	**346.5**	**377.5**
Leather	411	409	339	422	339	+24.5	345	451
Mineral oils	223	223	218	223	207	+ 7.7	221	197
Vegetable oils	453	447	559	422	627	—32.7	459	579
Cotton yarn	441*	439*	498*	439*	495*	—11.3	465*	482
Metals	228	228	203	228	207	+10.1	211	197
Oil Cakes	416	416	470	400	212	+21.9	440	500
Others	249	249	315	251	327	—23.2	273	330
Manufactured Articles	**367.1**	**362 0**	**394.5**	**367.6**	**402.1**	**— 8.2**	**377.5**	**395.5**
Textiles	404	404	457	402	474	—15.2	423	468
Jute	388	388	672	392	838	—53.2	506	803
Cotton	406*	406*	410*	408*	416*	— 1.9	401*	400*
Rayon and Silk	470*	470*	533*	442*	526*	—16.0	485*	611*
Woollen	291	280	388	280	397	—29.5	346	378
Metal products	336	342	304	342	298	+14.8	321	285
Others	288	288	304	290	302	— 4.0	298	300
Miscellaneous	**601.0**	**617.3**	**708.2**	**625.3**	**752.1**	**—16.9**	**635.6**	**729.8**
All Commodities	**380 2**	**380.6**	**417.0**	**372 7**	**433.1**	**—13.9**	**386.9**	**439.3**

* Estimated.

WORKING CLASS COST OF LIVING INDICES

Base	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
January 1951	318	239	296	440	376	344	326	134	171	127	158	171
February ,,	321	253	294	441	388	347	327	138	176	129	157	169
March ,,	332	268	301	439	390	356	329	138	174	139	157	166
April ,,	335	270	304	440	391	365	333	139	173	140	159	166
May ,,	335	278	314	443	394	374	335	140	176	141	158	166
June ,,	337	271	313	447	394	382	337	144	178	138	158	169
July ,,	333	270	318	454	394	385	337	145	182	140	155	173
August ,,	328	261	322	459	392	387	336	146	181	143	161	171
September ,,	325	253	319	470	389	375	340	144	179	150	161	170
October ,,	332	254	323	469	393	375	336	144	181	145	165	171
November ,,	333	252	325	464	397	374	337	147	182	155	168	165
December ,,	331	252	325	449	397	370	337	144	181	150	166	158
January 1952	331	246	323	442	393	357	338	142	179	147	162	156
February ,,	324	241	318	441	382	343	336	141	175	145	155	155
March ,,	313	229	300	412	378	340	333	136	177	140	150	145
April ,,	315	237	299	412	376	342	330	145	169	139†	153	144
May ,,	339	264	310	412	376	339	327	148	169	143†	153	143
June ,,	338	263	300	424	375	342	330	145	171	141†	153	148
July ,,	330	263	304	436	377	354	331	143	175	143†	154	155
August ,,	340	267

MARKET REPORTS

(Concluded from page 313)

ment of India. If procurement is maintained at this rate, it is stated, Madhya Pradesh can despatch about 200,000 tons of foodgrains to deficit areas during 1953.

With a view to preventing smuggling of *jowar* to the neighbouring States of Bombay, Madhya Pradesh, and the U.P., the Government of Madhya Bharat has prohibited movement of the commodity from the producing areas to the five border districts of Bhind, Morena, Ratlam, Ghabua and Nimai without the previous permission of the Food Department.

The Rajasthan Government has decided not to remove control on foodgrains. For some measure of control, it is stated, is necessary for an equitable distribution of foodgrains.

Foodgrain markets in Uttar Pradesh remained steady. The U.P. Additional Development Commissioner has reported that over 1,700 villages in three scarcity stricken eastern districts—Gorakhpur, Deona and Azamgarh—have been hard hit by hail-storm in January last. The report says that the present position of crop needs closer observation, as there is fair chance of at least 25 per cent. of the crop reviving. Recent reports aver that wheat prices in some important markets have tended to rise beyond specified limits. The rise is quite steep at Agra, where the price has shot up to Rs. 25-8. The reason for this is reported to be that wheat arrivals on the whole are very small. The upward trend has been halted, to some extent, by the issue of Government stocks and selling wheat at Rs. 20 per maund on no-profit-no-loss basis

Wheat output in U.P. has declined by 389,000 tons in 1951-52, as compared with the preceding year, while the acreage had increased by 160,000 acres bringing the total area under wheat to 8,200,000 acres. The wheat production in the State has also fallen by nearly 800,000 tons in the past three years and stood at 1,580,000 tons in 1951-52. The acreage under rice also went down by 500,000 acres that is from 9,000,000 acres in 1950-51 to 8,500,000 acres in 1951-52.

The following are the latest quotations in the Hapur market: Wheat Rs. 22-8, gram Rs. 20, barley Rs. 16, *bejhar* Rs. 15-8, maize Rs. 14-6, *bajra* Rs. 14-4, *jowar* Rs. 12-12 to Rs. 13-12, *gwar* Rs. 13, rice: *basmati* Rs. 35-8, *hansraj* Rs. 21, *sela* Rs. 29, and coarse Rs. 22-8, peas Rs. 17, *arhar* Rs. 17, *urd* Rs. 21-8 to Rs. 22, and *moong* Rs. 20 to Rs. 22.

SUGAR SUPPLIES IMPROVE

(From Our Own Correspondent)

HAPUR, 16*th February*

Sugar markets remained slightly bearish this week, due to an all-round improvement in supplies position. The release of over 150,000 tons of sugar from the 1952-53 output for free sale, coupled with better wagon supply helped to bridge the disparity in prices at Kanpur, Bombay and Madras. Sugar stocks have begun to move to the South. Sugar factories of North Bihar are reported to be faced with a critical situation. If nothing is done promptly to expedite movement of old stocks of sugar and make space for new production, it is feared, some of them at least may have to close down simply for want of storage space.

The U.P. Co-operative Conference has called for co-operative control of sugar factories which fail to set their financial house in order. The Conference has viewed with grave concern the increasing tendency of sugar factories to withhold cane price and commission of cane supplies which cause great hardship and economic distress to cane growers and the cane unions and has, therefore, urged the Government to take measures effectively to ensure prompt and timely payment of cane price and commission.

The latest mill delivery quotations in the local market are: Mansoorpur Rs. 29-8, Daurala Rs. 30, Meerut Rs. 28-8, Mawana Rs. 28-8, Amroha Rs. 27-8, and Simbhauli Rs. 29.

MADRAS HIDES ACTIVE

(From Our Own Correspondent)

MADRAS, 16th *February*

There has been more activity in the local hides and skins market. U.K. buyers were offering 1d. to 2d. lower than last week, but Periamet market has ruled 2d. over last week due to shippers' competitive buying. This applies to cow hides, cow calf and buff calf. Price of buff hides has also advanced by half anna, due to moderate demand from U.K.

In the tanned skins section, prices of goat skins advanced by As. 3 and lining sheep by As. 12 per lb. Shippers to U.K. and Japan have been active. It is rumoured that over 600 bales of tanned skins *ex s.s. Clan Macintosh* were damaged in the floods, and the U.K. buyers will have to replace part of the stock.

STRONG DEMAND FOR HIDES

(From Our Own Correspondent)

KANPUR, 15*th February*

The local hides and skins market displayed strong undertone during the week under review. There was a good demand for items of almost all categories of goods. Wet salted cow, however, was the special favourite. The main purchasers were the local tanners. The latest quotations are as follows:—

Wet salted cow 1st grade at Rs. 400 and 2nd grade at Rs. 300 per score; wet salted buff 1st grade: 1 lb. 10 ozs. and 2nd grade: 2 lbs. 4 ozs. per rupee; goat skins 1st grade at Rs. 240 and 2nd grade at Rs. 220 per 100 pieces; and sheep at Rs. 250 per 100 pieces.

LINSEED ADVANCES

(Messrs. A. Bradley & Co.)

CALCUTTA, 16th *February*

Prices have been maintained throughout the past week and a steady undertone prevails, whilst trading has been reported on a small scale. Prices have been well maintained up-country, and despatches to this centre have been limited. Sellers are very reserved and pries for forward delivery have also advanced. There have been keen enquiries from local crushers for all positions, but business has been on a very small scale; prices appear to be on the upward trend. Firm conditions prevail in the oil section owing to small local enquiries, but *there has been no further interest from overseas.* The latest quotations are as follows: February Rs. 21 and May Rs. 20 per maund.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Year ended 31st March, 1949	917,800	906,700	671,000
Do. 31st March, 1950	1,041,700	927,500	720,000
Do. 31st March, 1951	11,15,200	10,62,100	7,76,500
Do. 31st March, 1952	11,30,000	10,57,100	7,99,200
Ten months ended January, 1953	9,68,200	8,03,300	6,64,600
January 1951	1,01,300	97,900	67,700
August ,,	99,600	91,500	66,200
September ,,	92,300	84,600	63,900
October ,,	94,100	88,800	65,800
November ,,	92,700	85,200	65,800
December ,,	1,02,800	97,900	69,100
January 1952	99,800	96,700	71,400
August ,,	1,00,700	96,500	67,700
September ,,	94,200	88,300	64,500
October ,,	99,400	90,100	67,900
November ,,	1,03,500	98,700	68,700
December ,,	98,200	91,400	69,700
January 1953	1,02,400	95,500	69,000

SEA- AND AIR-BORNE TRADE : INDIA.

Particulars	October,		Seven Months. April to Oct.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:—				
Foodstuffs	6,74	25 06	136 58	134.78
Raw materials	14.65	11 37	115.94	132 08
Manufactures	21.68	27.70	167.13	196.61
Other Items	26	30	2.88	2,18
Total Imports* ..	43 33	64,93	422,53	465,65
Exports :—				
Foodstuffs	17.13	13.23	85.10	86 40
Raw materials	11 72	7.40	86 05	88,41
Manufactures	23.53	25,41	167 50	245,82
Other Items	31	24	2.31	1,84
Tota Exports ..	52 69	46,28	341.05	422 56
Total Re-exports ..	66	21	2.75	10.69
Balance of trade in merchandise ..	+ 10,02	— 18,44	— 78,73	— 32,40
Balance of *transactions* in private treasure ..	..	— 1	— 4	— 7
Total Visible Balance of Trade	+ 10,02	— 18,45	— 78,77	— 32,47
Imports :—				
Total C'wealth Countries ..	20 19	21.34	156 38	169 78
Total Foreign Countries ..	23,14	43,59	266,15	295.87
Exports:—				
Total C'wealth Countries ..	24.51	20.83	159.76	219.55
Total Foreign Countries	28,18	19 45	181 29	203 01

* Excludes value of certain special imports of foodgrains and stores, full particulars of which are not yet available.

LAND-BORNE TRADE : INDIA

Particulars	October,		Seven months April to Oct.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	60	2.13	15 29	11 58
Imports	3.45	7 30	12,30	55 40
Balance of trade in merchandise. —	2,85	— 5,17	+ 2,99	— 43,82

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3½% Loan	1928	9,05 64,000	1955-60	103½
2½% Bonds	1926-33	61 30,26,000	1960-70	101½
2½% Loan	1938-39	1,16,17,46,000	1963-65	97 ⅛
2½% Loan	1943	1,14,60,58,000	1953-55	100-01
2½% Loan	1950	30,33,10,000	1964	92 ⅜
2½% Loan	1943	1,10,11,78,000	1966-68	90 ⅛
2½% Loan	1944	1,14,06,89,000	1957	99 ⅛
2½% Loan	1945	1,15,05,83,000	1970-75	86 ⅜
2½% Loan	1945	1,13,65,64,000	1959-61	96
2½% Loan	1951	50,00,00,000	1958	98 ⅛
2½% Loan	1946	45,63 07 000	1960	93 ⅜
2½% Loan	1946	57,00,69,000	1961	90⅜
2½% Loan	1946	35,06,16,000	1954	98 ⅜
2½% Loan	1946	14,77,48,000	1976	82 ⅛
2½% Loan	1947	75,86 72,000	1962	91 ⅛
2½% Loan	1948	60,45,01,000	1955	98⅛
NON-TERMINABLE LOANS				
1 ½% Loan	1896-97	8,93,36,000	At option of Government after three months, notice On September, 1986 or later at option of Government after three months, notice.	82 ⅛
1 ½% Loan	1946	2,48,91,90,000		82 ⅛
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,85,66,000	1954-59	100⅛
4½% Loan	1928	5,85,20,000	1958-68	105⅛
PROVINCIAL LOANS				
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	97⅝N
1 ½ W. Bengal	1952	12,00,00,000	1st Aug. 1964	101⅜
1 ½ Madras	1938	1,42,08 300	15th Sept. 1953	100-01
1 ½ Madras	1939	1,29,76,600	21st June 1959	95 ⅛
1 ½ Madras	1942	1,13 25,000	14th Sept. 1953	98 ⅛
1 ½ Madras	1943	1,25,10,000	14th Sept. 1956	98 ⅛
1 ½ Madras	1944	1,08,00 000	15th Aug. 1958	96⅛
1 ½ Madras	1945	2,82,19 000	14th Sept. 1960	94 ⅛
1 ½ Madras	1946	3,90,53,200	1st Sept. 1961	90 ⅛
1 ½ Madras	1950	4,47,00,000	31st July 1960	94⅛
1 ½ Madras	1951	3,00,00,000	17th Sept. 1962	97 ⅛
1 ½ Madras	1952	5,80,00,000	1st Aug. 1964	100⅛
1 ½ U.P.	1936	1,69,39,800	15th Sept. 1961-66	90⅛
1 ½ U.P.	1944	3,23,96,800	1st Aug. 1958	96⅛
1 ½ U.P.	1945	2 36,31,900	14th Sept. 1960	94⅛
1 ½ U.P.	1946	2,41,19,800	1st Sept. 1961	95N
1 ½ U.P.	1951	2,00,00,000	17th Sept. 1962	97⅛
1 ½ U.P.	1952	2,00,00,000	1st Aug. 1964	100⅛
1 ½ Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99 ⅛
1 ½ Punjab**	1942	2,35,20,000	14th Sept. 1953	99⅛
1 ½ Punjab**	1943	2,48,78,300	14th Sept. 1956	99 ⅛
1 ½ Punjab**	1945	2,95,81,600	14th Sept. 1960	98⅛
1 ½ Mysore(f)	1930	1,63,44,300	1st Nov. 1955	105⅛
1 ½ Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100-11
1 ½ Mysore(f)	1936	5,99,72,900	30th April 1956-61	98 ⅛
3 ½ Mysore	1947	5,08,05,700	25th Jan. 1958	98⅛
1 ½ M.P.	1942	50,00 000	18th Sept. 1955	98⅛
1 ½ M.P.	1943	50,54,200	14th Sept. 1956	98⅛
1 ½ M.P.	1944	52,69,800	15th Aug. 1958	96⅛
1 ½ M.P.	1948	2,03,00,000	15th Sept. 1964	91⅛
1 ½ M.P.	1949	1,00,28,000	31st July 1960	94⅛
1 ½ M.P.	1951	1,00,00,000	17th Sept. 1962	97⅛
3½ Howrah				
Bridge (New)	1936-37	2,31,07,100	1956-66	95
1 ½ Bombay	1942	3,54,23,300	18th Sept. 1955	98⅛
1 ½ Bombay	1943	3,50,00,000	14th Sept. 1956	98⅛
1 ½ Bombay	1944	3,44,00,000	15th Aug. 1958	97⅛
1 ½ Bombay	1949	6,00,00,000	1st Aug. 1962	92⅛
1 ½ Bombay	1950	3,00,00,000	31st July 1960	94⅛
1 ½ Bombay	1951	3,00,00,000	17th Sept. 1962	97⅛
1 ½ Bombay	1952	3,50,00,000	1st Aug. 1964	100⅛

PORT TRUST LOANS

Amount	Interest payable	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 36,50,000	4	1904	1964	Rs.
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	97½
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	98½
88,25,000	4	1914	1975	98⅛
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10 25,000	3½	1924*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
STERLING LOAN				
£1,600,000	6	1922	1952	£101½
CALCUTTA				
Rs. 90,24,300	4	1914	1974	Rs. 97½
76,90,100	4	1915	1975	97½
68,02,300	3½	1921	1981	70N
1,50,00,000(	6½	1921	1981	144N
1,24,04,300	6	1925	1955-85	105
98,12,600	5½	1926	1956-86	104
99,84,500B	5	1926	1956-86	104
1,49,49,500B	5	1927	1957-87	103½
1,49,30,000	5	1928	1958-88	104
80,00,000	4½	1931	1991	92½
21,75 000C	3	1933	1954	99
60,00,000	3½	1935	1965	95⅛
25,00,000	3	1938	1963-68	88
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82½
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78⅛
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94½
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79N
1,50,00,000	3½	1951	1961	97⅛
STERLING LOANS				
£892,600	5	1923	1953-83	£83
£901,000	5	1924	1954-84	£85
£835,100	5½	1932	1962	£96
MADRAS				
Rs. 46,60,347	4	1912	1982	Rs.
32,14,904	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1882	
2,46,046	6	1920	1982	
2,15,852	6	1921	1952,	
1st Aug 3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	
STERLING LOAN				
£330,000	3½	1923	1953	£100

IMPR. TRUST LOANS

Amount Sanctioned	Interest payable	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 50,00,000	4	1899	1959	Rs. 100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97⅛
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	97⅛
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40, 0,000	5	1919	1957-79	113
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115
25,00,000	4	1927	1961-70	98
10,00,000	3½	1936	1966	96⅛
STERLING LOANS				
£566,600	4	1909	1969	£95½
£131,000	4	1910	1970	£95½
Rs.		**CALCUTTA**		Rs.
50,00,000	6	1925	1955	104
25 00,000	5½	1929	1959	107½
50,00,000	4	1934	1964	99½
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	90
20,00,000	3	1938	1963-68	88
80,00,000	4	1952	1962	100
STERLING LOANS				
£700,000	5½	1923	1951	£100

MUNICIPAL LOANS

Rs.		**BOMBAY**		Rs.
43,00,000	4	1886-91	1953	100
49,40,000	4	1911-14	1954	100
20,60,000	4	1913-15	1974	99½
20,00,000	4	1913-15	1955	100
1,60,00,000	5	1920	1980	111
25,00,000	5	1924	1958	103⅛
25,00,000	5	1928	1998	
26 14,000	5	1929	1949-59	105
8,45,500	5	1929	1954-59	to
26,21,500	5	1929	1959	103
8,25,00,000	3½	1947	1977	84
2,50,00,000	3½	1949	1979	84
4,00,00,000	3½	1950	1965	94
2,50,00,000	4	1952	1964	100
Rs.		**CALCUTTA**		Rs.
34,45,500	6½	1925	1955	106
84,70,000	6	1925	1955	104
36,00,000	5	1928	1958	103½
25,00,000	5	1929	1957	103½
25,00,000	5	1929	1938	103½
10.00 .0	5½	1932	1962	108
33,91,000	3½	1935	1965	93⅛
5,19,000	3	1936	1966	93⅛
60,00,000	3	1936	1966	88
1,46,100	3	1936	1953	99⅛
3,11,400	3	1937	1954	98⅛
4,67,100	3	1937	1954	98⅛
1,62,500	3	1937	1954	98⅛
4,18,100	3	1937	1954	98⅛
47,50,000	3	1938	1968	88
10,67 700	3	1938	1955	98⅛
15,56,800	4	1939	1956	99⅛
15,56,800	4	1940	1957	99⅛
17 64 400	3½	1942	1959	96⅛
21,10,000	3½	1942	1972	92
15,49,000	3½	1951	1960	96
16,33,000	3½	1951	1961	96
66,88,000	3½	1951	1966	96
£5,00,000	6	1923	1953	£100
Rs.		**MADRAS**		Rs.
5,00,000	4	1903	1943	101
5,00,000	4	1923	1953	107
3,40,030	7	1925	1955	107½

ABBREVIATIONS—M=Held by Government of Madras. N=Nominal. =Various Issue receivable by Government.
B=Taken up as Imperial Bank of India. D=Domicile Loan on marketable C=Held by Commissioners. * Loans held entirely by the Trustee.
(a) This includes the amount of loan converted into Five Development Loan 1970-75. t. Income-tax free. A=Held by Government of India.
Rate of interest varied during the year with effect from 1st June 1953.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935. ** Quotations in Pak. Currency.

PREFERENCE SHARES

Company	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share Rs.
BANKS							
Allahabad Bank	15,00,000	1901	6	Mar.	Sept.	129	100
BREWERIES AND SUGAR							
Carew & Co.	8,00,000(b)	1875	6½	Mar	Sept.	78	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb.	Aug.	138	100
Upper Ganges	12,00,000	1932	5	Dec.	..	90N	100
Do	15,00,000	1946	5(a)	Dec.	..	70N	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July	Apr.	118½	100
¶East India Distilleries ..	£200,000	1897	7	Jan.	July	Sh. 15½xd	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec.	..	63	100
Do. (Non-redeem.) ..	5,00,000	1940	7B	Dec.	..	63	100
Purtabpore Co.	6,00,000	1922	10	Oct.	..	15xd	10
Ramnugger Cane	4,00,000	1933-36	6	Aug.	..	97	100
Ravalgaon Sugar	20,00,000	1943	5½	Apr.	Apr.	70	100
South Behar Sugar	5,00,000	1936	7(a)	Oct.	..	75N	100
Travancore	15,00,000	1946	5c	Dec	..	6⅜	10
Bharat Sugar	5,00,000	1931	5	Dec.	..	75N	100
COAL							
Bengal-Nagpur	1,12,500	1905	7	Jan.	July	114xd	100
Berrea	4,00,000	1896-97	6½	Oct.	Apr.	113	100
Burrakur (1st)	22,99,800	1901-19	7	Apr.	Oct.	117	100
Do. (2nd)	4,50,000	1946	6(a)	..	..	8½	10
Equitable	4,00,000	1893	6	Mar.	Sept.	115	100
Karanpura Collieries	7,50,000	1944	5½(a)	..	..	82	75pp
††Khas Kajora	1,93,090	1931	5	Mar.	Sept.	11N	10
New Beerbhoom	2,00,000	1920	7	Jan.	July	11½	10
Ondal	2,00,000	1898-99	6½	Apr.	Oct.	110	100
COTTON							
Ahmedabad Advance	10,00,000	1939	5	Apr.	Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan.	July	137	100
Basanti Cotton	3,00,000	1938	6½	Nov.	..	6½	10
Benares Cotton	1,05,200	1919	7	July	Jan.	55	100
Bengal-Nagpur	3,00,000	1896	7	Apr.	Oct.	117½	100
Bowreah 'A'	6,00,000	1908	8	Feb.	Aug.	128	100
Do. 'B'	6,00,000	1900	7	Feb.	Aug.	80	100
Bradbury	14,75,000	1919	7	June	Dec.	306½	250
Buckingham & Carnatic ..	21,30,200	1928	7½	Jan.	July	142½	100
Canabodias	1,00,000	1928	7	Apr.	..	131½	100
Central India	50,00,000	1912	5	Apr.	Oct.	507½	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov.	..	130½	100
Elgin	11,00,000	1912	8	May	Nov.	137	100
Do. 'B' Pref.	4,20,000	1943	5	July	Jan.	10	10
Elphinstone	25,00,000	1919	7(a)	May	Nov.	96½	100
Kesoram	20,00,000	1919	7	June	Dec.	115	100
Khatau Makanji	10,00,000	1925	6	Nov.	..	—	100
Do. (2nd)	29,92,500	1947	4	..	..	85	100
Kothari	12,00,000	1896	6	Nov.	..	10	10
Lakshmi Cotton (Bombay) ..	16,00,000	1896	5(a)	..	..	241½	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	January		72	100
Muir Mills	30,00,000	1900	6	Jan.	July	108	100
Mysore Spg.	7,45,050	1944	4½	..	..	..	50
New Great	8,00,000	1913	5½(a)	Mar.	..	185	200
New Victoria	26,05,500	1920	6	Apr.	Oct.	3½	5
Podar Mills	10,00,000	1943	4	Feb.	..	80	100
Rajalakshmi	2,00,000	1932	6½	Apr.	..	56	50
Shree Niwas Cotton	4,80,000	1944	6	..	..	..	100
Sholapoor	32,00,000	1943	3(a)	..	..	80	100
Svadeshi	15,00,000	1935	5	Apr.	Oct.	110	100
Swadeshi (Kanpur)	35,00,000	1927	6	June	..	87½	100
Vasanta (1st)	3,00,000	1931	6½	Apr.	Oct.	121½	100
Do. (2nd)	1,50,000	1938	6	..	..	113½	100
Vishnu	15,66,500	1908	7(a)	Apr.	..	553½	500
ELECTRICS							
Andhra Valley Power Supply ..	49,34,000	1917	7(a)	May	Nov	1,162½	100
Calcutta Electric	£1,900,000	1909-11	5(t)	June	Dec.	12	£1
Dacca Electric	6,00,000	1940	6	Dec.	..	9	10
Nasik-Deolali Electric ..	1,00,000	..	7	Mar.	..	—	10
Poona Electric	4,00,000	1935	7(a)	June	Dec.	103⅛	100
South Arcot	2,00,000	1933	6	Jan.	July	95½	100
South Madras (1st)	6,00,000	1940	5½	July	Nov	10	10
Do. (2nd)	8,00,000	1940	5½			9	10
Surat Electric Co.	3,00,000	1939	6½	Apr.	..	127½	100
Tata Hydro-Electric Power ..	89,28,000	1907	7(a)	May	Nov.	127½	100
Tata Power	89,28,000	1918	7½(a)	May	Nov.	1,250	1,000
Vellore	1,25,000	1928	6	Mar.	Sept.	9½	100
Vizag.	1,00,000	1933	6½(a)	Sept.	..	82½	100
ENGINEERING							
Arthur Butler (Mozaffarpore) ..	1,30,000	1919	7	Mar.	..	8½	10
Burn & Co., Ltd. (1st) ..	13,00,000	1895-98	7	Feb.	Aug	124	100
Do. (2nd)	15,00,000	1902	6	Feb.	Aug	112	100
Indian Iron and Steel Co., Ltd.	1,50,00,000	1938	5	Dec.	..	108½xd	100
Indian Standard Wagon ..	19,66,000	1918	7	June	..	124	100
Indian Steel Rolling	4,90,950	..	5½	..	..	9½	10
Jessop	10,00,000	1941	5	May	Nov.	106	100
†††Kumardhubi Engin.	12,00,000	1915	5	June	Dec.	97	100
Larsen and Toubro Ltd. ..	13,00,000	1946-47-51	5	..	..	95	100
McKenzies (1st)	5,50,000	1907	5½	..	..	80	100
Premier Construction (1st) ..	10,00,000	..	6½(a)	..	..	9½	100
Do. do. (2nd) ..	10,00,000	1936	6½(a)	..	..	9½	100
Do. do. (3rd) ..	56,25,000	1947	4½(a)	..	..	5½	10
Steel Products	3,00,000	1917	5	..	..	1½N	10
Tata Iron and Steel (1st) ..	75,00,000	1908	5	Nov.	..	176½	150
Do. do. (2nd) ..	6,93,81,900	1908	6(a)	May	..	133½	100
			7½(a

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. G=Guaranteed shares. P=Preference shares. P.O.=Preferred Ordinary shares. R=Rebate shares. Y=Accounts published yearly. H=Accounts published Haf-yearly. Q=Accounts published once 15 months. T=Company has Debentures. R.L.=Reserve Liability on shares. N=Nominal Quotation. i=Interim Dividend. f=Dividend for first half-year, y=Dividend for the year. x=Ex. Dividend. c.d.=Cum. Dividend

Shares:—If a company has different classes of shares—is, for example, 'A' shares and 'B' shares—these are distinguished by the same letters 'A' and 'B' under "Paid-up Per Share."

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12 indicate the months of June and December, respectively "Reserves" includes general and other reserves and all other funds which a company may have as also depreciation on block items, when this is charged to separate account "Block" represents actual cost of land, buildings, machinery, and all such other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends:—Dividends for completed years are calculated at per cent. per annum, but where quoted for portion of a year, they represent percentages of the dividend on the paid-up share value. For companies closing the books half-yearly in the first three months of the year, and for companies closing their books yearly during the first half of the year dividends are shown as for the previous year.

COTTON MILLS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	¶Number Installed — Spindles	Looms	Mill	Latest Available Quotation. Rs.	Paid-up Per Share Rs	Dividends (per cent.) 1949	1950	1951	1952	Accounts closed	Reference
BOMBAY CITY AND ISLAND															
50,00,000	59,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	2–11½	2	12½	12½	15½		12	Y.
40,00,000	96,75,655	1,22,39,881	45,646	B. R. Sons, Ltd.	50,828	1,021	Beharilal Ramcharan Cotton Mills	43½	100	6	6	—		3	T.P.Y.
2,50,98,000	4 84 93 400	3,45,45,592	2,49,666	Nowrosjee Wadia & Son, Ltd.	1,82,072	4,855	Bombay Dyeing, etc.	367½	250	16	7	8		12	Y.
10,00,000	68,56,275	52,02,609	2,59,868	Ramnarain Sons, Ltd.	38,532	960	Bradbury Mills	657½	250	24	40	40		3	P.Y.
1,09,42,800	3,39,71,172	2,24,04,685	2,02,457	Birla Bros., Ltd.	1,09,320	2,706	Century	254½	100	15	18	20		12	Y.
49,00,000	76,78,063	1,06,30,358	5,066	V. J. Pilani, Esq. (Chairman)	39,408	698	Colaba Land & Mill	72½	100	—	—	4		12	Y.
26,00,000	47,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd.	27,308	680	Coorla	103½xd	100	7½	7½	7½		3	Y.
16,00,000	61,03,791	61,88,798	2,30,356	Ramnarain Sons, Ltd.	38,304	..	Dawn	57½	50	4	—	12		12	Y.
24,00,000	78,85,000	63,06,555	91,036	Puranmal Radhukishan & Co.	50,296	928	Edward Textiles	230	200	7½	7½	7½		12	Y.
25,00,000	82,92,517	1,09,92,288	64,188	Chidambaram, Muiraj & Co., Ltd.	44,768	886	Elphinstone	38½	50	10	8	—		12	Y.
40,00,000	1,20,24,649	75,61,616	4,37,206	James Finlay & Co., Ltd.	46,072	784	Finlay	294	100	15	15	20		12	P.
50,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	71 608	1,259	Hind Mills	—	10	5½	4½	5½		6	P.Y.
12,00,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co.	45,752	1,022	Hindustan	3,260xd	1,000	17½	20	20		3	P.Y.
8,00,00,000	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	8–10½	10	7½	7½	10½		12	P.Y.
8,65,000								1 81	1	12½	12½	25			
35 000	1,33,65,320	98,10,275	7,671	Damodhar Thack. Mooljee & Co.	47,172	1,191	Indian Manufacturing	3,260xd	1,000	17½	20	20		3	Y.
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co.	77 404	1,517	Khatau Makanjee	168½	500	12	14	10		6	P.Y.
1,00,00,000	3,30,54,713	2,81,07,386	2,47,768	Killick Industries Ltd.	1,11,464	1,846	Kohinoor	284	100	27k	18	25*		12	Y.
28,80,000	62,72,416	4,58,523	11,567	Hall & Anderson Ltd. Props.	61,516	1,742	Madhusudan Mills	81½	100A 20B	7½				6	Y
51,75,000	1,65 94,653	1,71,00,015	2,80,686	Piramal Gangadhar & Others	60,652	1,650	Morarjee Goculdas	154½	100	17	15*	12		6	P.Y.
24,00,000	67 21 958	71 22 987	42 053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay	172½	100	11	12½	15	10	12	Y.
30,00,000	79,76,667	86,82,525	70 277	W. H. Brady & Co., Ltd.	48 395	1,018	New Great Eastern	158	100	6¾	10	12½	10	12	P.Y.
12,70,100	27,38,754	13,13,391**	941	Mafatlal Chandulal & Co.	33,720	873	New Union	27½	10	—	5	10		12	Y.
48,00,000	1,14,83,245	1,34,29,555	2,40,353	Ramnarain Sons, Ltd.	51,208	1,190	Phoenix	121½	100	6	10	10		12	Y.
40,00,000	45,61,000	23,31,581	1,35,988	Podar Sons, Ltd.	32,600	930	Podar	125	100	9	9	10		12	P.Y.
5,00,000	27,64,626	29,73,962	3,162	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk	22	10	26½	20	20		12	Y.
25,00,000	35,63,793	17,86,230	1,316	M. G. Investment Corpn.	60 240	1,254	Sassoon Spinning	23½	10	—	7½	10		12	Y.
60,00,000	93,52,612	65,79,388	3,19,198	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	171½	100	12½	14	17½		12	P.Y.
31,50,000	1,00,00,000	76,05,952	50,222	Forbes, Forbes, Campbell & Co., Ltd	36,116	1,276	Simplex	176xd	50	28	34	30†		3	T.Y.
56,00,000	1,84,55,730	1,14,25,402	17,129	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard	281½	100	15	15	26×		12	P.Y.
75,00,000	1,97,81,673	92,45,129	70,099	Tata Industries Ltd.	63,248	1,800	Swadeshi	238	100	14	16	18		12	P.Y.
24,00,000	99,65,496	58,00,802	5,62,977	James Finlay & Co., Ltd.	35,804	552	Swan	392	100	20	20	25		12	P.Y.
32,54,438	92,22,538	68,88,347	25,338	Tata Industries Ltd.	63,248	1,800	Tata	44½	25	8	8	16		12	P.Y.
12,00,000	1,17,01,933	86,62,657	4,299	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spinning	3,110xd	1,000	17½	20	20		3	T.Y.
AHMEDABAD															
20,00,000	84,99,543	51,95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	133½	100	8	12	10		6	P.Y.
24,90,150	1,76,92,721	93,49,718	93,168	Haribalabhdas Kalidas & Co.	73,796	1,383	Shri Ambica Mills	293½	50	25	30	36		12	Y.
10.00.000	1,38,46,211	77,38,943	5,872	P. M. Hutheesing & Sons Ltd.	42 768	912	Aruna	397½	100	13*	15*	20*		12	Y.
21,00,000	2,76,11,769	99,37,517	1,37,004	Narottam Lalbhai & Co.	62,448	1,216	Arvind	718	100	22½	25	25		12	P.Y.
10,00,000	93,20,000	70,77,166	92,811	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning	535	200	15	15	17½		12	P.Y.
12,00,000	1,48,97,000	79,36,000	...	Lalbhai Dalpatbhai & Co.	37,368	912	Asoka	420	100	15*	17	22		12	Y.
1,24,74,017	3,42,43,180	3,39,18,894	2,89,575	Karamchand Premchand & Co.	1,39,120	2,370	Calico	1,296	125	8	10	14–2/5		12	Y.
30,00,000	1,00,20,000	83,66,716	748	Tricumlal Bhogilal & Co.	39,316	867	New Commercial	1,007½	500	10	11	12		12	P.Y.
39,00,000	1,17,35,075	88,73,039	19,706	Mafatlal Chandulal & Co.	47,952	864	New Shorrock	516	125	28	28	28		12	Y.
5,00,000	84,57,251	41,66,135	466	Jugabhai Bhogilal Nanavati & Co.	24,8401	5281	Nutan	535	100	25*	28*			12	Y.
10,00,000	1,51,40,293	65,80,292	68,792	Lalbhai Dalpatbhai & Co.	31,120	617	Raipur	690	100	22½	25	25		12	Y.
12,00,000	50,40,334	63,41,241	1,09,340	Mangaldas Girdhardas Parekh Ltd.	45,368	1,095	Rajnagar	160	250	6	6	8		12	Y.
32,50,000	58,29,453	74,07,003	3,873	Lallubhai Gordhandas Ltd.	33 156	648	Rohit	112½	100	8	8	9		12	P.Y.
28,00,000	59,44,524	80,38,656	20,958	Haridas Acharatlal & Co., Ltd.	32,816	776	Vijaya	455	100	11½*		9‡*		12	P.Y.
WEST BENGAL															
15,00,000	18,22 464	49 30,346	1,95,043	Calcutta Agency Ltd.	13 044	356	Basanti Cotton	3½	10	—	5	3½		12	P.T.Y
7,11,280	22,53 684	37,16,899	32,931	Bengal Textile Agency Ltd.	28,448	936	Bengal Jumna	38 N	40	—	7½	—		3	Y
6,00,000	74,31,075	37,7 829	—28,432	K. Bullen & Co., Ltd.	42,872	841	Bowreah	215	100	—	—	—f	—f	6 12	P.Y.
19,00,000	96,49,451	9n 66 017	—27,794	K. Bullen & Co., Ltd.	42,944	518	Dunbar	124	100	—	—	—	—f	6 12	H.
1,20 00 000	3,29 34,362	3 04 56 320	84,976	Birla Bros., Ltd.	69,352	1,590	Kesoram	17½	15	12½	12½	11‡		3	P.Y.
6,00,000A 83,96,097B	71,09,841	79,53,833	51,255	Chakravarti Sons & Co.	23,484	442	Mohini	—	10	12½‡	7½	7½		12	Y.
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12 300	374	Aaron Spg. & Wvg. Mills	5	10	9	3	6		12	T.Y.
15,00,000	26,53,245	59,15,375	2,736	Ramlal & Co. Ltd.	50,000	..	Alagappa Textiles	6½	10	—	9	—		12	P.Y.
71,95,030	91,90,031	1,69,30,772	27,626	Ind. Trust Fund	19,944	440	Azam Jahi Mills	65	100	15*	5‡‡	61		9	Y.P.
40,50,000	2,88,78,779	2,57 74,244	2,47,495	Binny & Co., (Madras), Ltd.	40.068	1,085	Bangalore	222	100	14½	17½	20		6 12	P.H.
27,00,000	71,21,986	69,56,823	40,045	Shaw Wallace & Co., Ltd.	29 936	782	Bengal Nagpur	13‡	10	5	1‡	10	5f	6 12	P.T.H.
60,00,000	74,17,942	97,51,247	1 58,253	Binodiram Baldchand Ltd.	57,312	1,338	Binod Mills	100	100	17	1‡			12	Y.
15,00,000	1,33,79 264	84,27,674	4,60,089	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	58 N	10	25	25	30		3	P.Y.
1,78,47,800	3,22,27,970	4,49,59,308	2,39,158	Binny & Co., Ltd. (Madras)	1,19,916	2,781	Buckingham & Carnatic	118½	100	6½	6‡	7½		6.12	H.P.
20,00,000	32,17,315	27,32,911	55,358	Peirce, Leslie & Co., Ltd.	37.516	4	Cambodia	10‡	10	7½	—	12½		12	P.Y.
30,00,000	94,46,347	47,79,878	32,599	Begg Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	81	5	11½	11½	12½		3.9	T.Y.
46,87,500	2,25,77,600	2,00,84,126	—16,28 224	Tata Industries Ltd.	1,15,188	2,062	Central India	149	100	6	6	2		6	P.Y.
12,00,000	33,42,813	25,08,393	1,52,180	R. Beema Nayudu & Co.	28,864	..	Coimbatore Cotton	160	100	12½	12½	12½		12	P.Y.
20,00,000	17,94,432	20,04,313	9,816	T. R. N. Naidu & Co.	19,700	407	Coimbatore Pioneer Mills	197	100	7	6	—		6	P.Y.
20,76,900	70,83,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co.	72,188		Coimbatore Spg. & Wvg.	40	50	5	10	—		6	P.Y.
24,30,900	34,08,672	33,32,938	55,387	M. N Chettiar & Sons	29.500	201	Dhanalakshmi	183	100	25	25	20		12	Y.
2,89,64,925	3,84,95,614	5,77,14,605	1,63,862	Bharat Ram, Esq.	75.604	1,830	Delhi Cloth (inc. Lyallpur Mills)	27‡	25	4	10			6	P.Y.
1,00,503									2½						
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd.	52.652	1,198	Elgin	17‡	10	12½	11‡	15		9	P.T.Y.
39,04,700	97,00,000	78,42,395	93,393	F. Forbes Campbell & Co., Ltd.	72.960	2	Gokak	208‡	100	15	10	14		12	Y.
50,00,000	84,17,977	1,21,16,721	6,989	Govindram Seksaria (Indore)	50.420	1,420	Indore-Malwa United	88‡	100	4	4	5		12	Y.
8,90,000	22,88,977	18 75,134	487	G. V. Naidu & Co.	33,784	..	Janardhana	58	50	16	10	15		12	Y.
6,50,000	17,20,576	40,18,454	7,677	A. L. A. R. A. Chettiar and another	50,304	325	Kaleswarar	347‡	100					12	T.Y.
24,00,000	25,50,000	43,66,106	54,377	Kothari & Sons	13.824	..	Kothari	98	10	7	7½	7½		6	P.Y.
32,00,000	1,52,51,325	1,35,66,651	2,77,976	The Bombay Co., Ltd.	53.642	1,213	Lakshmi Cotton	573‡	250	15	15	20‡		12	P.Y.
35,64,100 17,82,050A	90,51,492	78,03,494	7,921	G. K. Naidu & Co.	73.504	200	Lakshmi Mills	69	50	4	8	8		3	Y.
1,75,02,480	5,58,18,568	3,97,87,371	12,62,148	A. & F. Harvey Ltd.	4,64.748	..	Madura	33½cd	15	17½	15	20		12	Y.
12,00,000	20,47,239	23,90,961	—15,121	A. L. A. R. S. Chettiar and 2 others	21.856	..	Malabar	150	200	7½	4	6		12	Y.
60,00,000	93,17,047	52,62,343	50,249	W. A. Beardsell & Co., Ltd	24.252	603	Meitur Industries	182	100	25	12½	12½		12	Y.
29,80,884	65,78,942	71,79,459	22,669	N. Sirur & Co., Ltd	36,416	678	Model	95	100	8*	6	6		12	Y.
94,91,850	96,08,512	1,34,73,361	29,643	B. Abirchand Dadabhoy & Co.	49,456	952	Model Mills, Nagpur	140	250	6	3	3		6	Y.
30,00,000	1,55,94,651	1,53,39,271	7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir	215	100	24‡	—	—		12	P.Y.
9,71,850	4,06,541	20,43,991	—2,16,536	A. Sambha Moorty, Esq.	69	..	Mysore Silk Filatures	1‡	10	—	—	7‡		12	P.Y.
19,86,800	1,15,59,739	82,55,416	38,347	N. Sirur & Co., Ltd.	49,632	500	Mysore Spinning	123xd	50	20	18*	20*		12	P.Y.
13,61,780	22,98,130	27,85,356	—4,60,000	R. Suryanarayana Rao, Esq.	6,000	..	Mysore Spun Silk	4‡	10	5d	6‡	—		2	P.Y.
22,89,882 $ 07,095O	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd.	50 228	1,148	New Victoria	1‡	2‡ D1	—	—	—		3	Y.
86,93,300	1,16,62,352	1,46,35,293	1,161	Ind. Trust Fund	30.896	717	Osmanshahi Mills	95	100	14*	5‡‡	6‡‡		12	P.D.Y.
4,00,000A	19,98,937	20,58,777	19,670	Baghyalakshmi & Co.	22,800	..	Palani Andavar	52	50	4	10*	16*		9	Y.
15,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons	27.980	..	Pankaja Mills	63	100	4	10	16*		12	P.Y.
25,30,420	36,19,473	40,65,619	11,306	A. G. G. Naidu & Co.	38,864	200	Radhakrishna	135	100	15	7‡	—		12	P.Y.
15,00,000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	25.896	..	Rajalakshmi	72	50	9	16	16		12	P.T.Y.
15,02,500	26,26,362	24,78,957	4,770	P. S. G. Nayudu & Sons	28,972	88	Ranga Vilas	41‡	50	6	7	10		12	Y.
60,00,000	89,59,172	1,04,60,739	5,506	Sir J. P. S. & Sons (Rampur), Ltd.	32.580	600	Raza Textiles	5‡	10	—	—	—		12	P.Y.
16,00,000	1,58,55,137	2,03,51,339	—78,03,793	M. J. Divekar, Esq.	82.992	2,234	Sholapur	1,650	1,000	—	—	—		12	P.Y.
22,41,300	9,49,500	25,98,011	66,528	Gopaldas Liladhar & Co., Ltd.	15,824	440	Shree Sajjan	75	100	6	—	—		3	P.Y.
17,79,700	17,05,383	21,50,229	3,083	T. R. A. Ayyar & Bros., Ltd.	18,416	416	Sitaram	401	50	5	5	5		3	P.Y.
36 69 700	53 91,188	62,29,128	26,556	B. S. Visweswaraiya, Esq.	25 200	292	Sri Krishnarajendra Mills	36	50	8‡	—	5		3	Y.
17,50,000								98	50	8*	5	6*		3	Y.
57,50,000P O.	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,12,216	2,077	Swadeshi (Cawnpore)	9‡	10	5	5	5		3	Y.
9,32,990	20,80,396	12.56,097	61,026	M. R. & Sons	16,000	..	Trichinopoly	98	10P.O.	9	9	5		12	P.Y.
21,00,000	53,78,057	44,54,040	38,800	R. K. S. Chetty & Bros.	33,704	270	Vasanta	9‡	10	10	10	10		12	P.Y.
32,00,000	1,27,03,612	1,16,39,613	2,69,813	The Bombay Co., Ltd	54,280	1,495	Vishnu	140	100	7	9	10		12	Y.T.
								158‡	100	10	9	14		12	P.Y.

* Includes Bonus. I. On Increased Capital. ‡ Only Depreciation

× Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46

k) Includes Rs. 11-6 paid out of deferred Dividend Amount.

¶ As on 31st August, 1952.

— Nil Dividend

† Subject to tax

J=As on 1st January, 1953.

†† Does not include depreciation.

xd=Ex. Dividend. C.d.=Cum. Dividend.

** Net Block

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
ART SILK AND RAYON MILLS													
1,60,42,600 99,92,020	37,92,725 46,91,585	4,15,35,170 2,65,93,471	4,66,206 4,93,263	Chinai & Co., Ltd. Emcete & Sons (Travancore) Ltd.	National Rayon Corporation Travancore Rayons	7½ 3‡	100 10	— —	— —	— —		12 12	P.Y. P.Y.
BREWERIES AND DISTILLERIES													
13,28,000 6,64,000	65 17 840	96 16 910	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	24½ 11‡	25 10	11‡	11‡Q]	—		5	P.Y.
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	5‡	5	20	10	—		3	Y‡
£330 000	£915,047	£1,010,005	£55,705	Parry's Holdings Ltd.	East India Distilleries and Sugar	15‡ 22	A 16sh B 20sh	10	10 15	10 15		9	P.Y‡
24,00,000 6,00,000	8,54,296 21,13,586	7,56,660 12,13,593	—7,87,632 3,951	S. P. Smith, Esq. B. A. Maliya Esq.	Murree Brewery United Breweries	4 153‡cd	10 75	— 15	— 10	— 20		8 3	Y. Y.
CEMENT													
51,19,724 43,14,600 4,78,976D	21,33,493 16,94,310	67,56,656 17,14,992	15,850 1,01,035	The Andhra Engineering Co., Ltd.	Andhra Cement Co. Assam Bengal Cement	89 4 ½	100 10 1	3‡ 5	3‡ —	7‡ —		12 3	P.Y‡ Y.
10,56,20,438 10,56,20,438	11,11,06,440	15,65,68,404	7,08,841	Associated Cement Companies	Associated Cement Companies	170½xd	100	7	8‡	9‡	9‡	7	Y.
86,49,312 5,00,000D	95,24,901	1,45,62,309	61,188	Hari Bros. Ltd.	Dalmia Cement	6‡ ½	10 1	—	5	6‡		12	Y.T.
61,01,180 7,50,000D 75,00,000	27,27,600 1,46,20,109	1,26,09,755 1,65,80,416	90,853 81,840	Esson Ltd. Martin Burn Ltd.	India Cements Ltd. Sonevalley Portland Cement	17 3–6‡ 6‡	25 5D 5	— — —	— — —	5 — —		3 12	P.Y. Y.
CERAMICS; MINING AND QUARRYING													
51,70,655 10,00,000 50,00,000 69,14,200 15,00,000 15,00,000D	17,17,762 37,00,990 17,91,749 £1,650,110 38,79,403	56 44,142 51,64,271 50,93,341 £1 643 983 43.65.527	3,671 28,729 12,332 £85 540 1,29,079	S. Lal Bhagat & Co. Bird & Co. Ram Kumar Agarwala & Bros. Indian Copper Corporation Karanpura Development Bird & Co., Ltd.	Bengal Potteries Biara Stone Lime Co. Chrestien Mica Industries 3–4½xd 2sh.	2‡ 28N 9‡ 6 7‡ 5 D 3–4½xd 13 ‡	2‡ 10 15 12‡ 10 10	2‡ 16‡ 10 15 7‡† 12‡† — —	5 17‡ 5f 15 — —	6‡ 17‡ 5f — — —		12 3 9 12 6.12 6.12	Y. H. P.Y. Y. H. H.
6,00,000 6,00,000 6,00,000 6,99,390	6,40,199 24,28,739 20,61,475	7 98,882 25,13,779 17,98,676	9,812 27,403 3427	Mysore Stoneware Pipes & Potteries Reliance Firebricks Shivrajpur Syndicate	Mysore Stoneware Pipes & Potteries Reliance Firebricks Shivrajpur Syndicate	9‡ 17 55	10 10 10	5f(d. 10 15	10 10 17‡	10 11‡ 35		3 2 8 11	Y. H. Y.
CHEMICAL (Bombay Island)													
11,66,300 92,14,870 1,12,500	15,26,935 55,77,268 1,38,486	23,14,270 2,53,78,334 61,178	1,02,917 8,595 4,101	S. V. S. Iyer, Esq. Tata Sons, Ltd. B. D. Nagar, Esq.	Kemo & Co. Tata Chemicals Thompton & Taylor	246‡ 9 7‡ 4‡	200 10 3	18 — 8‡	10 — 12‡	10 —		3 6 3	Y. T.Y. Y
Other Centres													
25,00,000 62,00,000 80,84,700 B. O. 21 00,000	54,68,041 84,01,721 68,00,287 45 64 459	63,66,814 1,58,12,617 78,49 987 38 07 071	59,559 3,82,049 40,67 486 1 09 732	Bhailal Amin & Sons., Ltd. Shri Sen, Esq. Sahu Bros. (Saurashtra) Ltd. D. C. Collaco, Esq.	Alembic Chemical Works Co. Alkali and Chem. Corpn. of India Bengal Chemical & Phar. Dhanagadha Chemicals Frank Ross & Co.	100‡ 15 102 171 2‡	100 10 100 100 6	— —8 6 6 4‡	8 4 6 15 —	8 — — 15 —		12 9 4 2 2	P.Y. Y P.T.Y. Y. P.Y.
3,45,97,740 40,49,345 24,81,220 3,00,000 5,00,000	4,95,000 86,67,264 30,74,302 34,32,111 6 18 752 19,82,894	1,50,922 4,01,46,041 83,46,263 40,15,501 4 52 143 15,88,659	1,53,108 —10,83,715 21 842 14,741 29 283 48,158	D. C. Collaco, Esq. Seshasayee Bros (Travancore) Ltd. Seshasayee Bros Ltd E. V. Ganapati Iyer, Esq. Krishna & Co. C. A. Buxton, Esq.	P.A.C.T. Meenur Chemicals Mysore Chemicals and Fertilisers Mysore Chemical Mfrs. Smith, Stanistreet & Co.	3‡ 4 7‡ 12 5‡	10 10 10 10 10	— — — 3‡ 10	2‡ — — — 10	— — — — 3		12 3 12 3 6	Y. Y. Y. P.Y. P.Y.
ELECTRICS (Bombay Presidency)													
4,19,41,930 2,12,77,000 1,24,97,300 7,07,020 11,48,400 48,89,000 20,00,000 1,80,00,000 3,63,36,000	1,63,09,143 2,28,03,288 56,55,204 4,23,681 7,20,239 42,60,478 33,86 785 1,82,69,078 3,36,72,.43	6,03,41,957 5,23 55,938 1,51,38,887 10,27,284 20,01,110 90.07.787 69 94 522 3,68,77 954 9,36,10,773	3.113 35,587 1,642 41,105 2,110 11,976 2,522 18,192 43,403	Killick Industries Ltd. Tata Hydro-Electric Agencies Killick Industries Ltd Rajaputana Textiles (Agencies) Ltd. Rajaputana Textiles (Agencies) Ltd. Rajaputana Textiles (Agencies) Ltd. Killick Industries Ltd. Tata Hydro-Electric Agencies Tata Hydro-Electric Agencies	Ahmedabad Electric Co Co. Andhra Valley Power Supply Co. Bombay Suburban Electric Supply Broach Electric Supply Development Nasik-Deolali Electric Supply Poona Electric Supply Surat Electricity Tata Hydro-Electric Power Supply Tata Power	113‡ 1,415 120‡ 6 ½ — 121‡ 118‡ 169 1,497‡	100 1,000 100 10 ¾ 100 100 100 100 1,000	6 7½ 7 2.98 6 6‡ 7 7 8	6 7½ 7 — 6 7‡ 7 7½ 8	6‡ 7½ — — — 7‡ 7 7½ —		9 6 3 3 12 12 12 12 6	T.Y. P.T.Y. Y. Y‡ P.Y. P.Y. P.Y. T.Y. P.Y. P.T.Y‡
Bengal and Other Centres													
19,98,500 8,00,000 16,39,900 1,06,78,400 6,00,000 15,99,270	41,68,901 16,41,249 44 25,865 19 17 94 233 63,09,74,407 27,81,681	55,84,235 32,46,312 70,95,013 70,90,576** 91,70,413 1,00,000	50,573 16,217 28,534 —1,05,933 23 681 39 940 15 889 1,19,476 72,471 6,926 26,502 68,963 4,70,563†	Martin Burn Ltd. Martin Burn Ltd. Martin Burn Ltd. Rajaputana Textiles (Agencies) Ltd. G. D. Bhagat, Esq. Octavius Steel & Co. Octavius Steel & Co. Seshasayee Bros. Ltd. Martin Burn Ltd. Martin Burn Ltd. Martin Burn Ltd. Chandrie & Co., Ltd. K. C. Desai, Esq.	Agra Electric Supply Bareilly Electric Benares Electric Supply Calcutta Electric Supply Cuttack Electric Supply Dacca Electric Supply Jhansi Electric Supply Jubbulpore Electric Supply Mirzapore Electric Supply Muzaffarpore Electric Supply Mutra Electric Supply Patna Electric Supply Shahjahanpur Electric South Madras Electric Supply Corpn U.P. Electric Supply Upper Ganges Electric Supply

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
					OIL; PETROL, ETC.								
£750,000	£987,630	£257,232	—£718,934	I. C. H. Glass, Esq.	British Burma Petroleum Co.	1–4½	4sh	—	—	—		3	P.Y.
22,50,000	81,89,204	52,69,225	1,85,955	N. C. Alcock, Esq.	Brtush Ceylon Corporatior	14½	7½	20†	24†	32†		12	P.Y.
1,00,00,000	2,27,04,997	1,10,70,267	2,10,329	Steel Brothers & Co.	Indo-Burma Petroleum Co.	52	40	10	10	10		12	P.Y.
70,07,475	1,02,93,586	1,52,15,713	10,002	Tata Industries Ltd.	Tata Oil Mills	33½	25	4	6	8		3	P.Y.
6,00,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tide Water Oil Co. (India)	16½	10	15	15	17½	5f	4.10	H.
					PAPER								
45,00,000	1,56,25,500	1,94,47,651	3,21,991	Balmer Lawrie & Co.	Bengal Paper Mills	44½	25	10	10	12½	6½f	6.12	P.T.H.
30,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	150xd	100	7	10	11	5f	3.9	H.
25,00,000	48,30,215	47,31,895	52,615	P. R. Balakrishnan, Esq.	Mysore Paper Mills	12½	10	5d	7½	10*		3	Y.
41,95,000	2,47,61,003	3,22,48,806	1,68,019	Birla Bros., Ltd.	Orient Paper	30	10	15	25	20		3.9	P.T.H.
50,06,895	1,10,93,378	84,10,902	1,86,914	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	17	10	9½	11½	15	7½f	6.12	P.T.H.
20,00,000	31,49,465	48,58,730	6,430	Bajoria & Co.	Star Paper Mills	7½	10	—	—	5		3.9	P.T.H.
10,00,000 'A'													
4,37,500 PO													
56,00,000	4,80,99,030	4,68,21,511	4,75,418	F. W. Heligers & Co.	Titaghur Paper	41	2½	10	10	10		3.9	
56,04,800 O						34½	20	20*				3.9	P.H.
						34½	B10	20	18½	20*			
					PLANTING; PRODUCE AND RUBBER								
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	6½	3	10	30	20		2	P.Y.
47,70,000	48,44,853	83,16,040	4,37,964	R. C. Paterson, Esq.	Consolidated Coffee Estate	13⅜	10	17	20	18		6	P.Y.
4,00,000	2,29,884	4,49,425	13,951	Associated Planters, Ltd.	Cottand Plantations	8½	10	7½	10			3	T.Y.
2,25,950	1,46,540	4,67,078	1,389	A. V. Thomas & Co., Ltd.	Fringford Estates	3	10	—	—			4	P.Y.
6,00,000	19,08,079	19,81,715	66,448	A. V. Thomas & Co., Ltd.	Highland Produce	9½	10	25	45	45		12	P.Y.
4,00,000	9,67,558	7,20,390	43,506	A. V. Thomas & Co., Ltd.	Kaipetta Estates	18	10	17½	20			4	Y.
4,00,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Malankara Rubber and Produce Co.	96	10	17½	30	35		3	Y.
27,00,000	25,83,648	64,90,888	83,433	A. V. Thomas & Co., Ltd.	Midland Rubber and Produce Co.	8⅜	10	6	12½	15		3	P.Y.
3,35,000	94,534	7,53,389	29,921	A. V. George & Co., Ltd.	Nemmony Rubber	9⅜	10	5	6½			3	P.Y.
2,00,000	1,93,721	4,72,600	2,305	Associated Planters, Ltd.	Nilambur Rubber Co.	9⅜	10	6	10	10		12	P.Y.
19,45,980	48,35,083	28,14,428	1,78,110	Peirce, Leslie & Co., Ltd.	Ouchterloney Valley Estates	3–13½	2	25	25	45		10	T.Y.
13,50,000	5,82,973	38,05,590	31,101	A. V. Thomas & Co., Ltd.	Rajagiri Rubber and Produce Co.	9⅜	10	9	12½	15		6	P.Y.
10,00,000	3,36,390	21,56,824	936	East India Agencies, Ltd.	Teekoy Rubbers (India) Ltd.	7⅜	10	—	7½	9		3	P.T.Y.
2,50,000	1,81,279	5,11,395	66,520	A. V. George & Co.	Thamarapally Rubber	12⅜	10	6½	6½	15		12	P.Y.
3,05,100	4,20,985	5,12,969	37,480	Peirce, Leslie & Co., Ltd.	Thirumbadi Rubber Co.	8⅜	10	1	17½	20		12	P.Y.
6,00,000	1,17,222	7,40,149	3,953	K. C. Cheriyan, Esq. (Secretary)	Travancore Rubbers	13½	10	3½	10	20		12	Y.
41,00,000	14,90,377	67,61,827	3,25,086	Aspinwall & Co., (Travancore) Ltd.	Travancore Rubber and Tea Co., Ltd.	6½	10	2½	6	10		12	Y.
20,00,000	1,51,493††	18,47,082	1,275	P. T. Thomas, Esq.	Tropical Plantations Co.	19⅛	25	10	—			12	T.Y
4,20,900	51,096	3,18,571	7,609	A. V. George & Co.	Udayagiri Rubber	7⅜	10	5	6			12	Y.
5,28,580	2,18,338	6,99,135	28,140	Harrisons & Crossfield Ltd	Vaikundam Co.	15	10	10	12½	20		12	P.Y.
1,65,000	78,624	3,43,636	14,082	M. K. Thomas & Co.	Woodland Estates	7⅜	10	7½	6½	—		3	Y.
					PRESSING								
1,00,000	18,78,066	19,01,857	2,322	Andrew Yule & Co.	Calcutta Hydraulic Press	80	100	3	3			3	Y.
4,30,000	5,58,036	6,89,525	1,116	Pyne and Sons.	Camperdown Pressing	90N	100	4	6	7		7	Y.
1,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Central Hydraulic Press	95xd	100	3	5	5		6	Y.
					PROPERTY AND LAND								
50,00,000	34,67,735††	83,61,045**	—	David Sassoon & Co., Ltd.	Fort Canning Land	23xd	100	2	1½	1		4	Y.
94,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co.	Midnapore Zemindary	38½xd	100	—	3	2		4	P.Y.
					SAW MILLS AND TIMBER								
13,99,998	29,73,877	10,38,508	60,887	Bird & Co	Assam Saw Mills and Timber	6⅜	5	16½	10½	16½		9	Y.
50,00,000	4,89,22,437	2,47,99,361	1 57,498	Wallace & Co	Bombay-Burmah Trading	366½	125	12	30	18		5	Y.
42,00,000						139½	50	12	30	18		5	Y.
6,00,000	7,04,037‡	7,80,451	—1,19,103	Jardine Henderson Ltd	Bengal Timber Trading	55N	100	5	—	—		6	P.Y.
18,00,000	25,94,349	15,51,606	73,653	G. Arbuthnot & Co.	Indian Wood Products	48½	10	25	35	35		9	Y.
					SUGAR (U. P. and Bihar)								
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co.	Balrampur Sugar	5⅜	5	—	—	20	—	6	Y.
12,00,000	28,96,740††	15,70,684**	2,81,000	Narang Bros.	Basti Sugar	125 N	100	6½	10	—		4	Y.
19,49,050	20,10,694	26,89,188	2,24,418	Bangur Bros., Ltd.	Belsund Sugar	7⅜	10	7½	—	8½		9	Y.
18,00,000	21,11,580	15,38,162	40,743	Cotton Agents Ltd.	Bharat Sugar	12½xd	10	10	15	15		6	Y.
92,00,000	99,90,130	1,26,88,817	—5,15,881	Gladstone Lyall & Co., Ltd.	Carew & Co.	5⅜	10	—	—	—		6	P.I.Y.
15,00,000	1,30,69,452	96,28,542	31,891	Begg Sutherland & Co.	Cawnpore Sugar	28½	10	15	20	30	20	6	T.Y.
18,00,000	78,43,538	60,37,156	17,488	Begg Sutherland & Co.	Champaran Sugar	18½	10	15	15	20		6	P.Y.
40,00,000	87,00,000	86,47,253	3,615	Bachhraj & Co.	Hindustan Sugar Mills	120N	100	5½	6			6	P.Y.
6,00,000	41,78,374	68,10,159	—4,15,271	Kilachand Devchand & Co.	Kosar Sugar	40N	80					7	P.Y.
11,80,000	27,48,180	36,39,370	3,895	Karam Chand Thapar & Bros., Ltd	New Savan	20N	40	—	3	4	—	5	Y.
						5½	10	5	6½	5			
12,59,375	58,13,366	52,06,760	6,31,019	Cotton Agents, Ltd.	New Swadeshi Sugar Mills	180N	100					6	Y.
						45N	25	15	20	20			
77,45,350	1 08,98,159	1,56,10,992	1,981	Cotton Agents, Ltd	Oudh Sugar Mills	85N	100						
16,00,000	29,31,078	26,43,844	71,500	Narang Bros	Punjab Sugar Mills	20N	25	3½	4			7	P.Y.
9,00,000	42,50,793	33,72,886	19,435	Begg Sutherland & Co.	Purtabpore Company	100N	100	—	6		10		
8,00,000	26,05,463	24,18,182	15,410	Begg Sutherland & Co.	Ryam Sugar	15½xd	10	—	10	20	10	10	V.
11,99,000	38,06,835	36,11,360	23,281	Begg Sutherland & Co.	Samastipur Central Sugar	24½	10	15	25	10		6	P.Y.
28,08,000	57,59,582	93,96,808	27,889	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	12½	10	10	20	20		6	Y.
9,99,953	11,66,782	21,41,729	10,162	H. K. Ghose, Esq. & R. N. Datta.	Shree Krishna Sugar Mills	10½	10	—	10	10		7	P.I.Y.
6,50,000 O					Sitalpore Sugar	5⅜	10	—	—	5		6	Y.
1,73,000 D	11,94,395	27,92,174	—14,73,656	N. K. Jain & Co., Ltd.	South Behar[Sugar	3⅜	10	—	—				
8,00,000	54,46,474	70,75,580	57,216	Cotton Agents, Ltd.	Upper Ganges	N 24	30	17½	20	20		6	Y.
						20N							
					(Indian States and Other Centres)								
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Belapor Co.	231	50	16½	25	28	32	9	Y.
18,93,900	18,53,357	37,63,451	21,012	J.P.Srivastava&Sons(MadhyaBharat)Ltd.	Gwalior Sugar Co., Ltd.	40xd	100	—	5	5		9	P.Y.
13,00,000	38,42,751	22,63,689	2,71,331	India Sugar Agencies Ltd.	India Sugar & Refineries	18	10	12½	15	25		9	Y.
33,57,350	46,47,856	38,47,284	4,64,518	Gevan Bros. (Rampur) Ltd.	Buland Sugar	10½	10	7	7½	10		5	Y.
81,00,000	98,10,952	1,59,79,833	1,94,491	Premier Construction Co., Ltd.	Walchandnagar Industries	156½	100	17½	12	14		9	P.T.Y
81,79,280	1,49,74,559	97,24,107	8,27,296	M. Malleshayya, Esq.	Mysore Sugar	43	10	20	20	20		9	Y.
50,00,000	96,62,468	1,03,94,086	3,18,594	Mathalal, Apte & Kantilal, Ltd	Phaltan Sugar Works	50	50	14	16	16	16	6	Y.
16,59,820	22,08,765	43,79,429	73,041	Anderson Wright Ltd.	Ramnagger Cane & Sugar	15½	10	15	6	7½		8	P.Y.
20,00,000	54,70,896	72,10,442	1,80,913	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	80N	50	7	14	18		9	P.T.Y.
19,99,580	50,82,224	42,94,120	60,982	Govan Bros. (Rampur), Ltd.	Raza	11C.R.	50	6	10	12½		5	Y.
30,00,000	23,82,353	58,70,150	20,980	Parry & Co., Ltd.	Travancore Sugars	4½	10	—	—	—		7	Y.
					UNCLASSIFIED (Bombay)								
1,50,00,000	1,14,37,216	46,81,706	—4,88,411	Tata Industries Ltd.	Air-India Ltd.	82½	100	—	—	—		12	Y.
2,40,000	4,90,364	5,64,338	702	Forbes, Forbes, Campbell & Co Ltd	Bombay Safe Deposit	705	500	15	15	15	17½	9	Y.
59,89,550	2,64,61,962	3,70,82,313	53,607	Scindia Steam Navigation Co., Ltd.	Bombay Steam Navigation Co., Ltd.	32½	25	—	—	—		6	Y.
15,98,860	1,26,267	2,19,255	32,663	Parakh Agencies Ltd.	Bombay Uganda	7	50	7	5	5		6	P.Y.
68,00,000	43,07,108	1,24,608	39,679	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	350N	100	8-5/6	13½	13½		12	Y.
25,00,000	1,50,000	24,37,096(k)	12,787	Dana Sons Ltd.	Devkaran Nanji Investment Co	9	25	—	—	3		12	Y.
99,99,250	17,07,072	10,69,107	4,425	F. H. Mehta	Estrela Batteries	30½N	20	6	6	5			
84,98,865	1,91,304	1,25,54,783(k)	1,66,116	Premchand Roychand & Sons	Industrial Investment Trust	71	10	3½	4	4½		3	P.Y.
2,06,71,500 A		12,58,924	2,833	K. G. Milne, Esq.	Killick Industries	141xd	100	8½	10	6		12	Y.
10,00,000 B	65,85,939	2,20,52,303	4,52,797	Aero-Auto Ltd.	Premier Automobiles Ltd	45	100	—	—	—		6	Y.
6,39,62,018	9,89,24,387	12,98,97,421	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co. Ltd.	145cd	10	—	—	—			Y.
1,50,000	3,71,437	2,21,590	3,145	R. B. Bandekar	Thacker & Co	50N	50	10	10	3½		6	Y.
18,21,200	16,42,904	14,61,299	55,330	Sir Joseph Kay, K.B.E.	United Motors (India)	34	10	7½	10	10		3	Y.
2,20,00,000	2 06,24,172	2,01,14,774	2,86,210	T. H. Rydin Esq.	Western India Match Co.	228½	100	11*	11*	11*		12	Y.
					Other Centres								
47,50,000	4,90,364	5,64,538	702	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	3½	10	—	—	—		3	P.T.Y.
2,50,000 D													
30,00,000	53,38,668	31,59,164	5,24,909	Turner Morrison & Co., Ltd.	Angelo Brothers Ltd.	18½	10	10	17½*	25*	12½	3	P.T.Y.
20,00,000	23,25,002	22,18,452	1,00,602	T. H. Rydin Esq.	Assam Match	20	10	12½*	12½*	12½*		8	Y.
80,00,000	50,61,088	92,32,652	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	5	10	—	—	—		12	Y.
30,00,700													
50,00,000	15,57,826	45,95,360	5,19,159	O. T. Jenkins, Esq.	Balmer Lawrie & Co.	301	100 O	20*	20*	25*		3	P.T.Y.
20,00,000	8,38,806	54,05,998(K)	1,25,380	Lovelock & Lewes	Birds Investments Ltd.		40 D	15	15	20		12	Y.
1,00,00,000	1,00,01,435	2,26,31,139	1,16,835	Dinshaw Ltd.	Bharat Line	14½xd	10	11½	11½	12½	12½	9	P.Y.
1,25,00,000	50,81,266	83,30,736	1,82,277	A. P. Chanda Esq.	Britannia Biscuit	86	100	3	3	4		12	Y.
1,50,00,000	1,93,77,829	2,23,59,029	4,13,662	Sir Robert Menzies, Kt., O.B.E.	British India Corporation	161	10	12½	12½	7½–1		3	Y.
1,60,00,000	3,13,52,458	3,57,89,351	6,77,697	Cecil Stack, Esq.	Dunlop Rubber Co. (India)	9½	5	11½	15	15		3	P.Y.
51,28,000	45,06,847		2,43 195	Bird & Co., Ltd.	Eastern Investments	28½	10	30	30	15–1		12	P.Y.
7,90,000	29,85,208	24,09,208	17,900	Macneill & Barry Ltd.	Ganges Rope	137	100	8	9	9		12	P.T.Y.
65,00,000	34,13,857	15,62,902	2,07,524	A. J. Ekka, Esq.	Gillanders Arbuthnot & Co., Ltd.	186	100	20	22½	15f		12	P.Y.
30,00,000	37,25,649	60,01,406	6,213	B. P. R. Syndicate	Great Eastern Hotel Co.	130xd	100	7½	10	10	3.9	H.	
12,42,800	36,42,049	54,49,206	12,214	Birla Brothers, Ltd.	Hind Cycles	245	250	6	6	6		3	P.Y.
4,96,12,650	59,45,519	2,61,39,292	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	100N	100	5	7½	7½		3	P.Y.
10,00,780	22,78,499	40,09,525	—	H. B. Marshall Esq.	Humayun Properties	4½	10	—	—	—		12	P.T.Y.
1,00,00,000	1,33,45,017	2,82,89,199	—	J. W. E. Johnson, Esq.	Indian Aluminium Co.	10½	10	—	—	6		3	Y.
1,52,89,220	1,31,92,732	57,92,390	9,29,554	D. J. McIntosh, Esq.	Indian Cables	112	100	—	3½	5		9	P.T.Y.
83,75,000 3						18½	10	12	10*	10*		9	P.Y.
5,00,000 P	51,91,428	95,82,228	—15,72,246	Govan Bros., Ltd.	Indian National Airways	3⅜	10	—	—	—		3	P.Y.
1,25,000 D						6½	10	—	—	—			
8,27,970	12,79,385	14,27,460	39,038	George Spencer Moulton & Co. (India)	Indian Rubber Manufacturers	1	1	—	—	—		12	P.Y.
2,25,00,000	1,60,38,685	3,87,93,801	2,26,066	Lionel Edwards Ltd.	India Steamship Co., Ltd.	14⅞	10	10	10	10			
2,40,000	4,33,028	67,247	36,496	G. V. Swaika, Esq.	Ivan Jones	69xd	10	—	—	5		3	P.Y.
2,00,00,000	53,39,843	27,16,440	8,86,448	J. D. C. Brown, Esq.	Jardine Henderson	2	2	21½	21½	21½		3	P.T.Y.
6,34,000	9,69,698	6,65,110	—54,713	James & Co., Ltd.	Macfarlane & Co.	123½	100	10	10	10		9	Y.
40,00,000 C						2½	5	—	—	—		3	P.Y.
5,00,000 D	63,35,248	23,69,220	85,717	A. T. Doig, Esq.	McLeod & Co	140	O. 100	10	12½	12½		12	Y.
6,35,190	4,10,533	7,47,410	10,548	Ogale Glass Works Ltd.	Mysore Glass & Enamel Works		D. 10	5	7½	7½		12	Y.
1,75,000	7,74,353	8,79,856	3,666	R. Bharaniah, Esq.	Mysore Lamp Works	5	10	—	—	—		12	P.Y.
10,00,000	51,92,159	11,45,855	1,11,329	V. S. Arunachalam, Esq.	Mysore Tobacco	18½	10	10	25			12	Y.
20,00,000	79,97,007	30,16,078	11,045	Associated Ind. Development Co., Ltd.	National Insulated Cable Co., of India Ltd.	9½	10	—	—	—		12	Y.
14,83,287	65,83,352	1,04,50,524	8,86,347	B. N. Elias & Co., Ltd.	National Tobacco Co.	11½	10	10	10	10		3	P.Y.
40,00,000	4,34,110††	17,19,230**	3,326	S. P. Ogale & Co.	Ogale Glass Works	11¼	10	5	5	7½		3	P.T.Y.
2,25,00,000	36,64,522	60,88,006	1,94,446	Parry's Holdings Ltd.	Parry & Co.	3	5	2½	5	5		12	P.T.Y.
1,00,00,000	62,51,619	1,69,49,507	24,847	G. U. Euthymopulo, Esq.	Rallis India Ltd.	7	10	6½	8	7½		12	P.T.Y.
1,00,00,000	2,29,15,282	3,78,03,903	33,67,941	Sahu Jain Ltd.	Rohtas Industries	71	100	8	8½	9		12	Y.
40,00,000	1,53,62,299	1,19,84,861	2,56,552	C. W. Stephenson, Esq.	Spencer & Co.	8½	10	8½	9			12	P.T.Y.
75,00,000	22,00,000	1,75,74,498	9,62,136	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	158cd	10	10	10	7½		8	P.Y.
9,95,190	2,77,075	8,99,929	2,289	Ogale Bros., Ltd.	Travancore Ogale Glass	12½	10	10	10	10		10	P.I.Y.
						3½	10	4				12	P.Y.

†† Does not include depreciation.
‡ Only Depreciation.
* Includes Bonus.
— Nil Dividend.
K = Investments.
** Net Block
† Less income-tax.
X.R. = Ex-Right.
C.D. — Cum Dividend.
On Increased Capital.
(c) For six months ended

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs	Block Account Rs	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs	Dividends (per cent.) 1948	1949	1950	1951	Accounts Closed	Reference
						ASSAM								
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	450N	100	9	20	25	—	12	P.Y.
3,50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd	400⅓	Amaadubag	24	10	16	25	40	30	12	Y
5,50,000	10,64,192	12,05,396	—89,152	McLeod & Co., Ltd.	573	Baghmari	8½	10	12½	12½	17½	—	12	Y
3,40,000	9,12,883	7,05,721	44,989	Andrew Yule & Co. Ltd.	360	Basmatia	22	10	18⅜	30	30	25	12	Y.
3,30,600	7,24,887	8,38,278	71,941	Williamson Magor & Co.	556	Bateli	9½	5	25	25	30	10	12	T.Y.
3,20,000	6,19,032	6,72,731	54,942	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	21½	10	25	20	25	15	12	Y.
16,50,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co	4,004	Bishnauth	26½	10	30	35	50	5	12	T.Y.
6,00,000	4,80,346	9,78,429	—1,90,802	Octavius Steel & Co., Ltd.	493	Bokakhat	4½	10	10	5	5	—	12	Y.
7,50,000	5,06,959	7,64,836	22,297	McLeod & Co., Ltd.	450	Bornuah Jan Tea Co., Ltd.	11	10	15	15	15	15	12	P.Y.
35,00,000	22,18,001	70,96,925	87,990	Brooke Bond India Ltd.	2,670	Brooke Bond	11xd	10	7½	10	10	10	6	P.Y.
1,20,000	3,06,715	3,66,030	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	8	10	6⅔	6⅔	15	—	12	Y.
6,00,000	22,17,578	24,24,301	25,545	Jardine Henderson Ltd.	1,341	Dessai & Parbattia	175	100	5	15	30	22½	12	Y.
17,53,440	7,15,393	19,11,105	54,461	James Warren Ltd.	426	Dhalikhat	10½	10	10	10	16	12	12	Y.
4,68,970	8,90,863	13,71,610	25,794	James Finlay & Co., Ltd.	613.37	Dhunseri	9½	10	6½	10	20	10	12	T.Y
4,50,000	6,57,785	9,86,816	14,389	McLeod & Co., Ltd.	458	Dibrugarh Co., Ltd.	7½	10	7½	—	10	5	12	Y.
2,36,700	6,75,511	15,08,787	1,01,960	Williamson Magor & Co., Ltd.	669	Duffla Ghur	33	10	25	35	40	40	12	Y.
5,60,500	12,72,787	12,72,787	45,079	Williamson Magor & Co.	1,157	East India Tea	18	10	15	20	22½	22½	12	Y.
10,00,000	10,31,120	18,91,120	16,947	Andrew Yule & Co. Ltd.	407	Gittapukri	15	10	15	15	17½	22½	12	Y.
3,60,000	6,43,852	7,69,087	1,11,346	Williamson Magor & Co.	520	Gohpur	25½	10	30	35	40	30	12	P.T.Y
3,38,000	9,01,149	12,09,149					16xd	A 10	30	35				
4,94,360	17,46,514	17,08,255	82,387	Octavius Steel & Co., Ltd.	1,284	Grob	7¾xd	B 5	7	10	30	20	12	Y.
2,40,790							23½	10	23⅜	30	45	30	12	Y.
2,00,000	8,16,550	5,82,005	58,806	Andrew Yule & Co., Ltd.	436⅔	Hoograluli	27½	10	25	25	25	27½N	12	Y.
4,35,000	15,78,587	17,05,269	35,208	Andrew Yule & Co., Ltd.	1,133	Hoolangoorce	100	25	25	25	25	17½	12	Y.
7,50,000	7,46,426	11,98,156	29,063	Williamson Magor & Co., Ltd.	866	Jutlihari	10½	10	5	7½	12½	5	12	Y.
2,40,000	8,88,549	2,47,119	15,953	Shaw Wallace & Co., Ltd.	1,576	Kingsley Goalghat	200N	100	5f	5	20	—	12	Y.
6,50,000	6,32,416	6,29,717	496	Duncan Bros. & Co., Ltd.	1,047⅓	Ledo	8½	10	7½	2½	20	—	12	Y.
4,88,000	1,10,084	8,52,930	286	Duncan Bros. & Co., Ltd.	675	Mohesoa	2½	10	—	—	—	—	12	P.Y.
4,00,000	2,97,754	3,37,106	30,206	Ketilewill Bullen & Co., Ltd.	435	Methola	850N	100	58	40	45	35	12	T.
50,000	8,21,124	8,59,324	32,644	Andrew Yule & Co., Ltd.	315	Murphulsail	17½	10	10	25	30	30	12	Y.
2,00,000 P.O.							22½	10	30	30	35	22½		
4,00,000	7,00,011	5,75,550	20,262	S. C. Sen Esq.	539	Naga Hills	13½	10	3⅜	10	22½	22½	12	P.Y.
5,35,000	4,65,893	9,85,893	4,000	Shaw Wallace & Co., Ltd.	810	Namburnad	5½	10	16	6	7½	10	—	Y.
5,00,000	5,43,275	5,75,529	10,394	Duncan Bros. & Co., Ltd.	940	New Chanatelilah	65N	100	12½	12½	—	—	12	Y.
2,00,000	6,31,010	5,89,739	29,091	Andrew Yule & Co. Ltd.	337	Rajgarh	18	10	12½	25	25	30	12	Y.
6,00,000	9,49,606	15,32,152	18,568	James Finlay & Co., Ltd.	878	Sapoi	8	10	12½	10	7½	2½	12	Y.
2,49,000	4,52,319	4,72,319	20,597	Williamson Magor & Co.	547	Seajuli	15	10	10	40	35	15	12	Y.

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Number of Looms	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
60,00,000	90,11,129	94,76,923	3,11,246	879	B. N. Elias & Co., Ltd.	Agarpara	19½	10	10	15	20		3 9	P.T.H.
12,00,000	52,96,368	45,00,787	89,936	498	Sahu Jain Ltd.	Albion	200	100	—	14	30		5 11	P.H.
1,00,00,000	30,55,572	47,33,264	—3,29,636	446	McLeod & Co., Ltd.	Alexandra	200	100	—	5	5	—f	6 12	T.P.H.
30,00,000	85,82,864	1,17,03,966	—13,63,074	1,264	McLeod & Co., Ltd.	Alliance	155	100	—	24	—	—f	6 12	P.H.
49,20,700	2,31,84,144	2,24,03,099	1,44,601	2,561	Duncan Bros. & Co.	Anglo-India	224	100	—	20	20	10f	3 9	P.H.
40,00,000	1,18,83,050	1,31,13,967	71,745	810	Bird & Co., Ltd.	Auckland	129xd	100	1½	10	10	4f	3 9	P.T.H.
28,00,000	82,01,627	87,37,598	3,65,214	1,890	Jardine Henderson & Co.	Bally	161	100	7	12	1	—f	3 9	P.H.
45,00,000	78,51,305	51,03,385	4,07,701	820	Andrew Yule & Co.	Barnagore	162	£5	20	20	20		3	P.Y.
30,42,000	3,71,54,151	3,06,60,933	1,38,294	900	Soorajmull Nagarmull	Belvedere	208	100	13	17	27½		6 12	P.H.
36,00,000	98,17,668	1,07,34,059	9,583	1,373	Birla Bros.	Bengal	16	10	1½	15	30		6	T.P.Y.
7,47,380	28,37,287	39,11,483	17,421	991	Andrew Yule & Co., Ltd.	Birla	35	10	25	30	30		3	P.Y.
18,00,000	65,04,289	75,27,158	2,646	502	Dayaram & Sons	Budge-Budge	183	100	7	13	22		4 10	H.
59,16,400	2,11,26,602	1,62,21,807	1,35,299	616	Andrew Yule & Co.	Calcutta Jute Manufacturing ..	20xd	10	—	—	10f		6 12	T.P.H.
15,95,000	39,98,514	28,92,619	19,870	1,400	James Finlay & Co., Ltd.	Caledonian	177	100	5	14	22	6f	5 11	P.H.
10,05,000	83,89,114	55,21,773	60,392	530	Andrew Yule & Co., Ltd.	Champdany	163	100	3	10	14	8f	3 9	P.H.
16,00,000	80,24,460	77,89,914	1,01,979	508	McLeod & Co.	Clevedon	212	100	13½	16	22	6f	5 11	P.H.
				969	Shree Krishna Investment Co., Ltd	Clive	25	10	12½	15	60	25f	6 12	T.P.H.
31,49,200	1,21,56,497	1,16,59,962	21,356	766	Bird & Co., Ltd.				12½	35	20		3	P.H.
28,00,000	86,35,708	73,68,012	21,890	779	Andrew Yule & Co.	Dalhousie	154xd	100	1	11	12	1f	3 9	P.H.
15,00,000	83,75,460	74,82,092	45,656	500	McLeod & Co.	Delta	232	100	11	17½	32½		5 11	P.H.
14,00,000	2,35,21,130	2,62,73,643	1,801	1,884	Kettlewell Bullen & Co.	Empire	20½	10	10	20	25	5f	6 12	T.P.H.
84,32,100	1,42,71,745	2,06,96,669	—8,32,197	1,014	G. C. Mangur, Esq.	Fort Gloster	288	100	2½	32½	22½	—f	3 9	P.T.H.
30,80,000	71,71,202	67,89,135	42,572	1,709	Macneill & Barry Ltd.	Fort William	305N	100	—	10	—		3 9	P.H.
24,00,000	2,02,41,185	2,18,72,990	25,156	607	G. Arbuthnot & Co.	Ganges	74xd	100	—	6½	2½		3 9	P.H.
40,00,000	81,93,062	81,94,127	89,236	1,394	Macneill & Barry Ltd.	Gouripore	850	300	—	15	30		6 12	T.P.H.
16,80,000	58,02,416	64,29,355	3,06,824	1,078	Bangur Bros. Ltd.	Hastings	265	100	2½	25	11½		3 9	P.H.
65,62,500	1,56,21,640	1,59,50,625	64,417	720	G. Arbuthnot & Co.	Hooghly	231N	100	10	7	10		3	P.Y.
30,00,000	1,74,30,109	2,25,00,109	1,71,901	1,948	Jardine Henderson Ltd.	Howrah	32	10	10	30	15		3	P.Y.
87,00,000			3,91,968	2,272	Ramdutt Ramkissendas	Hukumchand	23½	10	7½	17½	18½	8½f	3	P.H.
30,000	87,45,632	1,10,99,740	1,43,281	1,076	Mackinnon Mackenzie & Co. ..	India	38	7½	46½	66½	66½		3	T.P.Y.
43,20,000	1,35,11,140	1,36,47,095	67,132	1,797	Jardine Henderson Ltd.				O. 125	5½	10	3f	3 9	P.H.
54,00,000	1,13,89,109	91,56,930	1,07,129	1,527	Jardine Henderson Ltd.	Kamarhatty	125	5½	D. 1	5½	5½	3½	3 9	P.H.
21,00,000	1,13,89,109	91,65,930	1,07,129	703	McLeod & Co.	Kankinarrah	213	100	—	8½	22½	8½f	6 12	P.H.
54,00,000	1,18,86,997	1,59,17,038	2,06,473	1,530	Anderson Wright Ltd.	Kelvin	150	100	—	—	12½	6f	6 12	P.H.
48,00,000	1,94,15,089	2,09,37,751	1,16,651	1,250	F. W. Heilgers & Co.	Khardah	225	100	10	20	25	7½f	6 12	P.H.
24,48,000	1,24,25,159	1,33,71,480	40,487	931	Bird & Co., Ltd.	Kinnison	165	100	—	25	16		3 9	P.H.
28,00,000	1,19,87,748	1,13,75,507	6,954	840	Bird & Co., Ltd.	Lansdowne	205xd	100	2½	14	19	7f	3 9	P.T.H.
10,00,000	66,00,427	50,18,904	57,142	558	Andrew Yule & Co.	Lawrence	139xd	100	2	21	15	3f	3 9	T.P.H.
81,65,200	1,35,61,586	1,95,64,756	1,02,068	1,008	Mackinnon Mackenzie & Co. ..	Lothian	182xd	100	6	21½	22	4f	3 9	P.H.
29,98,900	1,29,56,303	1,55,05,495	—2,80,351	815	F. W. Heilgers & Co.	Megna	240	100	—	15	32½	15f	5 11	H.
12,00,000	29,95,424	24,75,180	52,447	425	Howrah Trading Co., Ltd. ..	Naihati	107	100	4½	8	3½		3 9	H.
35,00,000	50,36,405	27,42,753	5,264	852	Andrew Yule & Co.	Naskarpara	133	100	—	15	12	—f	3 9	P.T.H.
7,50,000	52,11,917	24,37,663	21,345	316	McLeod & Co.	National	153	10	11½	13½	15f		4 10	T.P.H.
10,50,000	38,04,933	45,71,347	1,16,973	709	Sahu Jain Ltd.	Nellimarla Jute	25	10	11½	15	25		4 10	P.H.
16,79,880	98,33,709	1,18,62,645	5,964	567	Bird & Co., Ltd.	New Central	25	10	25	30	75	20	6 12	T.P.H.
66,79,500	1,73,80,223	2,06,56,876	72,170	1,092	Macneill & Barry Ltd.	Northbrook	220	100	6	14	30		6 12	P.H.
24,91,000	71,47,003	68,55,552	3,591	601	Andrew Yule & Co., Ltd.	Noddea	204xd	10	—	—	20	2½f	3 9	P.T.H.
						Orient	47	50	—	5½	4½		3 9	T.H.
25,00,000	63,83,642	80,79,256	—4,76,887	400	McLeod & Co.		192	100	9	14	18		5 11	H.
49,50,000	55,07,248	26,15,293	—3,29,549	305	Macneill & Co.	Presidency	5½	5	—	—	2½	—f	6 12	T.H.
16,00,000	89,99,994	1,23,45,796	58,685	1,276	Jardine Henderson Ltd.	Rameshwara	5½	10	—	1½	—		3 9	H.P.
30,00,000	68,57,486	95,49,412	£76,498	2,013	Thomas Duff & Co. (India) Ltd. .	Reliance	13½	10	—	—	—		3 9	P.H.
7,00,000	45,17,785	48,14,456	87,40,952	911	Bagaria More Co., Ltd.	Samnuggur	15½	10	6½	10½	10		12	P.Y.
25,19,600	1,06 20 961	93,73,041	2,73,383	401	Hindustan Investment Corpn. ..	Shree Ambica (Adamjee)	17½	10	—	15	10f		3 9	P.H.
£6,00,000	£8,36,984	£9,78,287	12,665	650	Bird & Co., Ltd.	Sonrah	13½	10	—	10	—		12	P.Y.
35,98,600	1,80,41,145	£1,29,393	£1,29,393	1,794	Thomas Duff & Co. (India) Ltd. .	Standard	154xd	100	—	15	—		3 9	P.H.
£4,00,000	£6,35,795	1,73,93,324	15,098	1,326	Bird & Co., Ltd.	Titaghur	4	10	4	13	16		3 9	Y.H.
2,50,000	32,89,383	£10,47,385	£1,00,239	1,331	Thomas Duff & Co. (India) Ltd. .	Union	15½	10	11	6‡‡	10‡‡	10	12	P.T.H.
		55,48,403	—47,909	465	McLeod & Co.	Victoria	180xd	100	2	10½	21	1f	3 9	P.T.H.
						Waverley	15	10	11	6‡‡	10‡‡	10	12	Y.H.
							5½	1	—	3	5	—f	6 12	P.T.H.

(f) For ten months ended 31st December, 1951.

‡‡ Subject to foreign income-tax. ‡ Only Depreciation. • Incudes bonus.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
25,50,000	58,63,382	61,83,382	33,891	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	21½	10	17½	20	12½		3 9	H.
12,00,000	41,76,885	37,08,981	57,055	Jardine, H. & Co., Ltd.	Bararee Coke	17	10	14½	13‡	14‡		3 9	H.
1,00,00,000	4,16,30,103	4,91,93,899	7,25,389	Andrew Yule & Co., Ltd.	Bengal	524	200	33½	17½	18½•		4 10	P.H.
4,49,350	5,62,303	8,49,159	3,152	Andrew Yule & Co., Ltd.	Bengal-Bhaidee	21N	10	2½	2½	2½	1½f	6 12	H.
2,25,000	27,12,507	25,84,461	4,280	Andrew Yule & Co., Ltd.	Bengal-Nagpur	18½	10	22½	16‡	10	3½f	6 12	P.H.
15,97,000	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	4½	10	—	2½	1‡		9	Y.
16,00,000	53,46,046	67,83,723	3,437	F. W. Heilgers & Co., Ltd.	Bhulanbaracee	12½xd	10	—	6‡	6‡	2½f	6 12	H.
7,50,000	42,42,776	40,82,736	—1,37,184	Anderson Wright (Ramgarh), Ltd. ..	Bokaro-Ramgur	7	10	5	—	—f		6 12	T.H.
			1,07,078	F. W. Heilgers & Co., Ltd.	Borrea	28½	10	20	30	30•	15f•	6 12	P.H.
90,92,480	3,23,04,936	3,94,53,208	1,54,703	Bird & Co., Ltd.									
8,00,000	44,73,086	48,99,835	6,672	Anderson Wright & Co.	Burrakur	10½	10	10‡	7½	7½	3‡f	6 12	P.T.H.
6,00,000	1,40,000	7,50,000‡	28,918	F. W. Heilgers & Co., Ltd.	Central Kurkend	18N	10	17½	12½	—		6 12	T.P.Y.
					Churulia	2½	4	6½	4‡	1‡	1f	6 12	P.H.
16,00,000	30,19,961	43,00,861	11,699	Macneill & Barry Ltd.	Dhemo Main	10½	10	10‡	10	12½		6 12	H.
£120,000	£1,084,338	£872,414	£78,839	Jardine Henderson Ltd.	East Indian	£1	£1	13‡	37½	37‡		4	Y.
29,63,760	3,07,47,993	2,96,10,834	1,90,766	Macneill & Barry Ltd.	Equitable	41	10	25	25	25		6 12	H.
10,00,000	4,83,963	8,41,725	66,865	Bhatter's Agency Ltd.	Ghusick and Muslia	16‡	3	20	5	—		3	Y.
8,00,000	21,14,376	21,51,521	15,633	Macneill & Barry Ltd.	Hurriladih	14‡	10	12½	15	15		6 12	H.
3,50,000	11,61,846	12,53,839	40,107	Andrew Yule & Co., Ltd.	Kalapahari	44	10	26‡	35	35•	17½f	3	H.
20,00,000	68,340‡	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	90	100	—	—	—		6 12	H.
5,00,000	42,58,631	42,08,253	1,46,012	Andrew Yule & Co., Ltd.	Katras Jherriah	39½	10	27½	35	37½	20f	2 8	H.
1,38,400	5,20,119	11,63,519	1,063	Beriwala Bros.	Khas Kajora	20N	10	11‡	10	5f		2	Y.
11,00,240	10,19,288	15,64,007	5,201	H. V. Low & Co., Ltd.	Kuardi	34N	10	3‡	3‡			1 7	H.
9,00,000	32,02,177	27,71,130	510	H. V. Low & Co., Ltd.	Lakurka	12½N	10	10	10			6 12	P.H.
5,65,750	11,41,667	22,37,077	2,691	Beriwala & Co.	Mandulpoor	7N	10	5	7½			6	Y.
7,48,240	10,34,138	11,24,142	14,690	Associated Commercial Co., Ltd. ..	Nazira	5N	10	5	2½	5½		4	Y.
7,00,000	3,77,590	9,53,321	4,597	Amritlal Ojha & Co., Ltd.	New Bansdeopur	5N	10	6½	2½	4‡		6 12	H.
17,76,230	89,43,381	1,14,69,344	39,912	Andrew Yule & Co., Ltd.	New Beerbhoom	21½	10	3	7½	6‡		6 12	H.
6,00,000	24,61,802	30,92,604	—2,10,056	Octavius Steel & Co. Ltd.								3 9	H.
2,30,000	6,84,984	3,45 859	1,387	Jatia Bros. Ltd.	New Manbhoom	10½	10	12½	7½	—		4 10	H.
					North Damuda	4N	2½					3 9	P.H.
1,15,000	10,81,297	12,56,672	12,237	Andrew Yule & Co., Ltd.	North West	15½xdN	10	16½	13‡	5	2½f	3 9	H.
1,57,500						11½xdN	7½						
7,50,000	12,54,532	3,97,666	1,23,852	F. W. Heilgers & Co., Ltd.	Ondal	15½dN	10	12‡	25	22½•	10f	3 9	H.
10,00,000	14,15,045	32,73,178	46,739	K. C. Thapar Bros. Ltd.	Oriental Coal	12N	10	10	10	10		6 12	P.H.
8,24,000	5,98,486	16,29,203	70,539	Deepchand Kishenlall	Parasea	3‡	10	—	—	—f		12	T.Y.
15,75,000	34 87,649	39,37,649	31,995	Shaw Wallace & Co., Ltd.	Pench Valley	21xd	10	16‡	12‡	10	6‡f	6 12	H.
23,99,500	88,51,195	1,02,79,253	—4,92,750	B. N. Elias & Co., Ltd.	Raneegunge	8‡	10	—	—	—		2 8	H.
13,50,000	28,66,087	29,99,087	35,349	Shaw Wallace & Co., Ltd.	Rewa	17	10	8‡	12½	10	7½f	6 12	H.
20,00,000	15,10,118	28,07,516	1,655	Jaipuria Sons Ltd.	Samla Collieries	6‡	10	—	5	14f		6 12	H.
1,25,000	12,44,124	13,05,188	18,451	Gillanders Arbuthnot & Co., Ltd. ..	Searsole	10½N	2½	20	20	20		6 12	H.
2,80,000	18,31,795	27,82,403	26,724	Andrew Yule & Co., Ltd.	Seebpore	26	7	35-5/7	32-1/7	28-4/7		1	T.
8,00,000	34,57,222	36,96,604	10,379	F. W. Heilgers & Co., Ltd.	Sendra	13	10	5	5	3‡	—f	6 12	P.H.
63,21,450	2,13,85,164	3,04,98,616	23,658	Industrial Trust Fund								6 12	M.
17,50,000	23,75,231	34,59,256	93,675	Bird & Co., Ltd.	Singareni	6½	10	4½	5	5		12	T.Y.
8,00,000	35,43,816	39,93,119	74,094	F. W. Heilgers & Co., Ltd.	South Karanpura	13½	10	12‡	10	7½		2 8	H.
10,00,000	15,41,499	29,34,045	—2,46 174	Villiers Ltd.	Standard	15½	10	16‡	15	10	5f	6 12	H.
3,50,000	17,36,513	18,94,910	74,927	Talcher	Tirghur	3‡	2½	—	—	—		3 9	Y.
7,00,000	26,05,667	33,34,989	32,735	Williamson Magor & Co., Ltd. ..	Union	25	10	20	27½	27½	12½f	9	H.
				Macneill & Barry Ltd.	West Jamuria	18	10	15	15	15		6 12	H.

* The following explanatory notes relate to the abbreviations and marks shown on page 324 in the debentures section:—

‡‡ Option to repay on six months' notice, on any interest date after 31st December, 1951, at 102 per cent. Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 102 per cent.

(a) Option of repayment at any time at 3 per cent. premium.

(b) Bearer bonds of Rs. 1,000 each repayable at par.

Bearer bonds of Rs 1,000 each repayable on 31st July, 1959.

(d) Bearer bonds of Rs. 1,000 each with option of redemption in whole or in part at par on 30th June, 1952, or on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months notice in each case.

Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ½ per cent premium, after 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March, 1957

(h) Option of redemption on or after 1st July, 1949, at par.

(i) Option of repayment at any time at par at any time on or after 30th June 1947 on six months' notice

MARKET GOSSIP

(Concluded from page 279)

anxious to carry with them the support and co-operation of the life offices. With this end in view, the Government seems to have gone so far as to hint at the possibility of fixing the rate of interest on such funds at 4 per cent. tax-free. Insurance circles are understood to be divided in their opinion on the Government's move, as certain sections seem to be chary of forgoing their freedom —albeit restricted under the law—to invest their funds in the most advantageous manner possible. The move is particularly opposed in industrial circles, as it would ultimately dry up one of the principal sources of finance for the industries in the private sector.

* * *

It is reliably understood that the Standard-Vacuum Oil Company, which is proceeding with its project of installing a refinery in Bombay, is contemplating to issue debentures in India to the tune of Rs. 4 crores. These debentures will be guaranteed by the parent company in the U.S. The rate of interest is likely to be 5½ per cent. and the issue price at par. The debentures will be for a period of 15 years, but will be repaid in instalments of 20 per cent. after the end of 10 years. It is reported that institutional investors in two foreign countries are also keen on participating in this issue, a feature which will be welcome to the Government of India. It is possible that the share that will be available for investors in India will be less than Rs. 2 crores. The approval of the Government of India for making this investment eligible for support from insurance companies is being sought.

* * * *

Most of the non-ferrous metals have been taking a downward plunge in the last few months. Thus, tin, lead and zinc are all considerably lower than what they were in mid-1951, when they had touched record high levels. In the London market, tin is quoted at £971 per ton as against £1,482½ per ton, the price touched in February, 1951. Lead, which had touched £180 per ton in mid-1951, is now lower at £94. Zinc is now available at £81 per ton, as against the 'high' of £190 during the early part of the post-Korean boom. It will thus be evident that the prices of the metals are only about one-half of their highest levels. The high prices which prevailed for these metals in 1951 provided the necessary incentive to many marginal zinc and lead mines to produce these metals. The supplies from these mines helped materially to bring down prices, apart from the general post-Korean recession in markets. But the recession in the prices of these metals has again made the working of the marginal mines an uneconomic proposition. Supplies, however, are fairly plentiful so that the fact that the marginal mines have ceased to work will not produce, it is stated, any marked effect on prices, for the present at any rate. Tin supplies are also regarded as adequate; this explains why the U.S. authorities chose tin for decontrol almost in the very first round of their new policy of removing restrictions on commodities.

* * * *

As we go to press, we understand that there is no truth in the recent rumour that the Imperial Bank of India will be capitalising a part of its reserves.

* * * *

It is also learned that Mr. M. C. Setalvad is likely to announce his award on the conversion of Tata Deferreds into Ordinaries in the second week of next month.

SALIENT FEATURES OF RAILWAY BUDGET

(Concluded from page 291)

prevalent and, in addition to the Special Police Establishment functioning under the aegis of the Home Ministry, an anti-corruption organisation has been set up on almost all railways to track down and bring to book staff who commit these offences.

The Minister said that the Government recognised that even these additional steps have not succeeded in eliminating corruption to the extent expected and, with a view to ascertaining what additional measures should be taken to achieve the complete elimination of this evil, it has been decided to appoint a committee of Members of Parliament and a few others to investigate into this problem and report to Government. The terms of reference of the Committee would be:

(1) Extent of corruption prevalent among various categories of railway staff in their dealings with the public, (2) methods adopted by the staff concerned, (3) causes of corruption, (4) responsibility of the using public, (5) defects, if any, in rules and regulations which leave loopholes for corruption, and (6) remedial measures, both administrative and legal, to eradicate this evil in all its aspects.

In conclusion, the Minister impressed on railwaymen that it is their duty to look to the needs and comforts of the public by their courteous behaviour, tact and good manners. He appealed to them to live and work in peace and to have no doubt in their minds regarding any possible lack of will on his part to find out reasonable solutions of their problems. He said that the next three years, the remaining period of the Plan, are crucial and the railways cannot afford to lag behind other developmental activities of the country. The railwaymen have great responsibility of building anew the country's economy and they must play their rightful role in the task the country has set before itself.

RECOMMENDATIONS OF THE FINANCE COMMISSION

(Concluded from page 306)

Under the Commission's recommendations, the grants-in-aid will be:

(Rs. lakhs)

West Bengal ..	150	Bihar	75		
Assam	75	Orissa	15		

The Commission suggest that these grants-in-aid should be paid to the States with effect from 1952-53.

Grants-in-aid

Important recommendations have been made by the Commission on the principles that should govern grants-in-aid by the Centre. The Commission analyses the various reasons for which grants-in-aid are made including (a) deficiency of States' resources, (b) importance of augmenting welfare services and development projects, (c) developing some activities like unemployment activities, insurance, social security, etc., and other factors. Historically speaking, the most important factor governing grants-in-aid, the Commission says, has been the deficient resources of the States "at a time when the impact of a rapidly changing economic situation created large and insistent demands for new Governmental services."

Both conditional and unconditional grants have their place. Unconditional grants, the Commission says, should reinforce the general resources of the State Governments which would be free to allocate such grants among competing purposes according to their best judgment, subject to the usual administrative and parliamentary checks. Conditional grants—which may be for broad purposes—may be given to stimulate expansion of particular categories of services rather than specific schemes under those categories.

Principles

Discussing the principles under which grants-in-aid should be made, the most important criterion that the Commission prescribes is the extent of self-help that a State practises. This should determine the eligibility for, as well as the amount of, help from the Centre. Secondly, the method of extending financial assistance should be such as to avoid any suggestion that the Central Government has taken upon itself the responsibility for helping the States to balance their budgets from year to year. "If the amount of grants-in-aid were to be merely in proportion to the financial plight of a State, a direct premium might be placed on impecunious policy and a penalty imposed on financial prudence. On the other hand, if a State is eligible for a grant on other grounds it should not be precluded from this benefit merely because its budget is in order as a result of its sound financial management."

Economy in expenditure practised by the States is another test recommended. Other principles suggested by the Commission are:

(a) Grants-in-aid should assist in equalising standards of basic social services. Factors like the area of a State in relation to its population, economic backwardness, etc., would be reflected in the level of social services and the standard of development of a State and these should be taken into account; (b) a State may be helped to meet a special burden or obligations of national concern, though they may arise within the State's sphere, for example, the strain on the economy and the administration of the State as a consequence of the Partition, increased responsibility in respect of security, etc.; and (c) beneficent services of primary importance for which assistance to less advanced States is in the national interest.

These principles had been kept in view by the Commission while formulating their recommendations.

Primary Education

The Commission has made a new departure in the pattern of general grants-in-aid to the States; special grants-in-aid have been recommended for expansion of primary education in some of the States the need for which became apparent during its discussions with the Governments concerned. It has suggested a "modest beginning" in this direction by helping those States where a large leeway has to be made up. The following States in which primary education is at present comparatively backward have been recommended assistance in the next four years on a gradually rising scale:

(Rs. lakhs)

	1953-54	1954-55	1955-56	1956-57
Bihar	41	55	69	83
Madhya Pradesh ..	25	33	42	50
Hyderabad	20	27	33	40
Rajasthan	20	26	33	40
Orissa	16	22	27	32
Punjab	14	19	23	28
Madhya Bharat ..	9	12	15	18
P.E.P.S.U.	5	6	8	9
Total ..	150	200	250	300

The table below gives a comparative estimate of what each State might, on an average, expect to receive annually under *all* the recommendations made by the Finance Commission together with corresponding sums the Part A States received during the three years ended 1951-52 and Part B States during the two years ended 1951-52.

(In crores of rupees)

States	Average for three years ended 1951-52	Average under Commission's scheme
Assam	2.21	3.45
Bihar	6.55	8.55
Bombay	11.60	11.25
Hyderabad	1.25	3.59
Madhya Bharat	0.06	1.46
Madhya Pradesh	3.35	4.20
Madras	8.56	11.10
Mysore	3.45	3.68
Orissa	2.01	3.74
P.E.P.S.U.	0.16	0.65
Punjab	3.43	3.82
Rajasthan	0.10	2.89
Saurashtra	2.75	3.02
Travancore-Cochin	3.22	3.23
Uttar Pradesh	8.88	11.70
West Bengal	7.54	9.60
Total ..	65.12	85.93

The actual sums accruing by way of devolution of revenue will obviously vary from year to year. The sums given in the above table are only by way of indication of the order of sums likely to be received under the Finance Commission's scheme on the present estimates of the yield from the divisible taxes.

The Commission has assumed that its recommendations, if given effect to, would be operative for a period of five years ending 31st March, 1957.

The following table shows State-wise the break-down figures of the amount receivable by each State from the Centre under the various heads as well as the total.

(In lakhs of rupees)

States	Share of income-tax and Union excise	Grants-in-aid under Article 273	General grants-in-aid under substantive portion of Article 275 (1)	Revenue gap grants	Primary education grants	Grand total
Assam ..	1,70	75	1,00	..	..	3,45
Bihar ..	7,30	75	..	..

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
16,00,000	1,08,36,418	9,95,123	Allahabad Bank	347½	100	18½	18½	18½	9i	12	Y.P.
14,50,000				173	50						
1,01,000	11,73,500	2,21,655	Andhra Bank	105	100	5	6	6	3i	6.12	H.
23,99,000				52½	50						
1,00,00,000	1,28,00,000	2,14,790	Bank of Baroda	114½	50	12½	12½	12½	5i	12	Y.
50,00,000	10,00,000	7,107	Bank of Bikaner	20	25	..	3	3		12	Y.
2,48,86,250	3,49,76,065	5,60,616	Bank of India	155½	50	14	14	14	6i	6.12	R.L.Y.
15,30,375	23,00,000	62,955	Bank of Indore	60	25	12½	12½	12½		12	Y.
50,00,000	85,00,000	38,635	Bank of Mysore	289cd	100	16½	16½	16½	8½f	12	Y.
59,18,600	42,61,693	25,280	Bombay State Co-operative Bank	58½	50	5½	5	5		6	Y.P.T.
7,50,000	10,73,000	19,505	Canara Banking Corporation Ltd.	90cd	50	9½	10½	10½		12	Y.P.
3,14,54,250	3,98,30,808	17,65,629	Central Bank of India	66½	25	14	14	14	6i	12	R.L.Y.
50,00,000	22,00,000	1,38,594	Devkaran Nanjee Banking Co.	35	50	3	3	3½		12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88	20	6½	10	20	20	12	Y.
1,25,00,000	15,20,000	65,220	Hindustan Commercial Bank	10½	50	—	—	—		12	Y.
50 00,000	1,00,000	3,806	Hindustan Mercantile Bank	11	50	—	—	—		12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105N	100	5	6½	6½	5	9	Y.
3,75,00,000	6,35,00,000	46,40,590	Imperial Bank of India	1,835xd	500	14	16	16	8f	6.12	R.L.H.
1,87,50,000				451½	125	14	16	16	8f	6.12	R.L.H.
23,95 961				174	100						
15,00,000	70,00,000	92,545	Indian Bank	128	75	11½	12½	12½		6.12	R.L.H.
14,00,000				92	50						
47,35,750	15,50,000	2,22,825	Indian Overseas Bank	99cd	100	4½	5½	6		6.12	R.L.H.
6,25,000				83	100(A)	9	9	7½			
2,50,000	6,30 411	9,265	Indo-Commercial Bank	19½	25(B)	9	9	7½		6.12	H.
10,00,000				40½	50(C)	6	6				
50,00,000	12,65,000	1,21,370	Jaipur Bank	18	50	3	3	3		12	Y.
4,55,256	30,61,350	60,357	Punjab and Sind Bank	35	25	7½	7			6.12	Y.
87,50,000	87,50,000	5,33,829	Punjab National Bank	24	25	6	4	4	3i	12	Y.
1,00,00,000	13,50,000	1,49,583	Travancore Bank	11½	25	Nil	Nil	—		12	Y.
40,00,000	28,25,000	2,09,737	Union Bank of India	6½	5	6½	6½	6½		12	Y.
2,00,00,000	75,00,000	1,70,952	United Commercial Bank	37½	50	3½	4	4		6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3,000,000	£4,000,000	£397,433	Chartered Bank of India, Australia and China	£11½ / £5½	£5	12	14	14	7i	12	R.L.Y.
£1,000,000	£800,000	£69,917	Eastern Bank	£5½	£5	6†	6†	6†	2½i	12	R.L.Y.
H.K.$20,000,000	H.K.$96,000,000	H.K.$8,075,332	Hongkong and Shanghai Banking Corporation	$78½xd	H.K. $125	5y*	5*	5*	2½i	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-10-3 / £1-6-3	£1	12y† / 5y†	12y† / 5†	12† / 5†	12† / 5†	12	R.L.Y.
£1,437,296										12	R.L.Y.
£375,000				£20½	A £12½						
£375,000	£1,500,000	£200,130	Mercantile Bank of India	£19½	B £12½	12y†	12†	12†	6i	12	R.L.Y.
£300,000				£10½	C £5						
£2,281,250	£3,738,892	£318,652	National Bank of India	£28	£12½	16y†	16†	16†	8i	12	L.Y.

‡Includes Bonus. †Less Tax.
‡‡Subject to taxation.
(c) Paid-up Capital Increased.

(a) There are also Rs. 67,08,155 partly paid Ordinary Shares.
††O.S. Currency.
(i) Interim
P) Pakistan Currency. *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company		Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	5½	1st December and 1st June	Carew & Co.	1938	97	1st June .. 1953(b)
3,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90½	28th February 1960(f)
5,00,000	5½	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd.	1936	97½	30th December 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102½	27th December 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91	1st November 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	103½	1st April 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	92	1st November 1959-64
COTTON						
6,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	96	15th November 1956(e)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99½	1st January 1967-72
13,68,000	5½		Jayshree Textiles	1949	78N	1st January 1956-59
ELECTRICS						
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	95	31st March 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		101	14th June 1960
99,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100½	1st October 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	92	31st December 1964
8,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	101	1st January 1970
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	84	31st December 1970
15,00,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co.,Ltd.	1951	94	30th June 1976
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	1940	97½	1957-65
2,00,000	5½	1st May and 1st November	South Madras Electric Supply		95	1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply	1939	95	1953-63
9,25,000	4½	1st April	South Madras Electric Supply		94½	57-61, 53-4, 56-61
49,23,000	4	1st April and 1st October	Tata Power		94	15th September 1951-55(b)
1,00,00,000	4	1st April and 1st October	Tata Power	1940	100½ / 93½	15th September 1965-70
ENGINEERING						
5,00,000	5	30th June and 31st December	Britannia Engineering	1945	95	31st December 1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	95	30th June 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	100½	1st July 1957-62
£1,218,650	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	88	31st December 1966(ff)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84½	31st May 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	100½	1st October 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	94	31st December 1960
JUTE						
12,00,000	4½	1st October and 1st April	Agarpara	1939	97	31st March 1954
6,00,000	4½	30th June and 31st December	Alexandra	1939	96	30th June 1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	92	31st December 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	96	30th June 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90	30th June 1960
10,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July 1959(c)
12,00,000	5	30th June and 31st December	Chitavalsah Jute Mills	1940	97	30th June 1966
8,94,000	5	30th June and 31st December	Empire	1951	97	15th July 1966
25,00,000	3½	1st January and 1st July	Hukumchand	1951	97	30th June 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1947	90	31st December 1964
25,00,000	5½	30th June and 31st December	Naihati	1949	98	31st March 1967
5,00,000	3½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1952	100	31st March 1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1947	97N	30th June 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1939	93	31st December 1964
8,00,000	4	30th June and 31st December	Presidency	1949	86	30th June 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1943	90	5th September 1965
8,00,000	4½	14th March and 14th September	Soorah Jute	1950	95	14th September 1957
12,00,000	4½	30th June and 31st December	Union	1937	94	30th June 1957(d)
10,00,000	3½	31st January and 31st July	Waverley	1937	94	31st July 1960(e)
				1925	83	
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,00,000	6	31st March and 30th September	Bankura Damodar River Railway Co., Ltd.	1931	100N	9th March 1961
4,00,000	3½	31st March and 10th September	Bankura Damodar River Railway Co.	1938	99	31st March 1953
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1936	84	1st July 1956
8,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	1945	98	1st November
3,50,000	3½	31st March and 30th September	Burdwan-Cutwa Railway Co.	1938	99	31st March 1943–53
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£100N	A 1 105% at any time on 6 months' notice or at par or every seventh year.
£226,500	5	1st April and 1st October		1933	£102N	1st October 1974
3,00,000	3½	30th September and 31st March	Kalighat-Falta Railway	1934	99½	30th September 1953
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	89	31st December 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£90|N	
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation		96½	1st September 1963
PLANTING						
4,80,000	5	1st January and 1st July	Blue Mountain Estates	1943	100	1945–55
4,68,500	3½	Half-yearly	Teekoy Rubber Estates	1944	100	1949–59
1,50,000	5	30th June and 31st December	Waterfalls Ltd.	1943	101½	1943–55
MISCELLANEOUS						
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	102	30th September 1955
10,00,000	3	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	99	31st December 1965
27,50,000	4½	1st April and 1st October	Associated Hotels of India	1948	86	31st December 1962
7,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	94½	30th June 1957(1)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February 1964
22,60,000	4½	1st July and 1st January	Orive Buildings	1936	89	1st July 1986
30,00,000	4	15th March and 15th September	Dalhousie Properties	1946	86	15th September 1960
1,90,00,000	3	1st January and 1st July	Dunlop Rubber	1950	102	1st January 1971
40,00,000	3	2nd January and 2nd July	Mettur Chemical Industries	1949	97	1964
39,87,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	435	30th September 1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	(per note) 410 (per note)	31st December 1972
75,00,000	3	1st April and 1st October	Macneill and Barry Ltd.	1951	94N	1st April 1971
1,80,00,000	3½	31st March	Orient Paper Mills Ltd.	1951	85½	31st March 1961
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	80½	31st December 1959

Note—See page 322 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 19th February, 1953.

	Opening quotations	High	Low	Closing quotations
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	153½	155½	153	155½
Bank of Baroda (50)	114	114½	114	114
Central (25)	65½	67	65½	67
Imperial (F.Pd.) (500)	1,850	1,855	1,835	1,840
Imperial (P.Pd.) (125)	460	460	447½	447½
Union Bank (5)	6	6½	6	6½
United Com. (50)	36	37½	35½	37½
COTTON MILLS				
Abm. Adv. (100)	133½	—	—	133½
Apollo (2)	2½	2½	2	2-1/16
Bombay Dyeing (250)	362½	370	365½	386½
Central India (100)	145	149	145	148
Century Mills (100)	248½	255½	248	254½
Colaba (100)	72½	—	—	72½
Edward Textile (200)	230	—	—	230
Elphinstone (50)	38½	—	—	38½
Finlay (100)	290	295	290	294
Gokak (100)	201	210	200½	209
Ind. Unit. Defd. (1)	1–8½	1	1–8½	1–8
Ind. Unit. Ord. (10)	8½	8½	8–7½	8½
Indore Malwa (100)	86½	88½	86½	88½
Khatau (100)	170	170	168½	168½
Kohinoor (100)	281	285½	278½	282½
Lakshmi (250)	573½	—	—	573½
Madhusudhan (100)	81½	—	—	81½
B. R. Cotton Mills (100)	44½	45	43½	43½
Minerva Mills (100)	91	95	91	95
Model Nagpur (250)	140	—	—	140
Morarji (100)	154	—	—	154
Mysore (50)	127½	—	—	127½
New City (100)	175	175	172½	172½
New Great (100)	154	158½	154	158½
Phœnix (100)	121½	—	—	121½
Podar Mills (100)	121½	126½	121½	126½
Sassoon Silk (10)	22	—	—	22
Sassoon Spg. (10)	23½	—	—	23½
Shahpur (1,000)	1,650	1,750	1,650	1,750
Simplex (50)	174½	176½	174½	176
Swadeshi (100)	234½	240	233	239½
Swan (100)	397	397	392½	395
Tata Mill (25)	44½	45½	44½	45½
Vishnu (100)	157½	158½	156½	158½
Western India (1,000)	3,150	—	—	3,150
ELECTRIC COS.				
Ahmedabad (100)	113½	114½	113½	113½
Amalgamated (10)	10½	10⅝	10⅝	10½
Andhra Valley (1,000)	1,405	1,417½	1,405	1,410
Bom. Sub-Bl. (100)	124½	124½	120	120½
Surat (100)	118½	118½	117½	118½
Tata Hydro (100)	148	149	147	148
Tata Power (1,000)	1,495	1,500	1,495	1,497½
INSURANCE COS.				
British India (10)	13½	14	13½	14
Empire of India (100)	500	—	—	500
Ind. Mercantile (20	38½	—	—	38½
Jupiter (15)	7	—	—	7
New India (15)	40½	40½	40½	40½
Oriental (100)	6,010	6,010	5,790	5,790
Universa (10)	7⅜	—	—	7⅜
Vulcan (10)	11½	—	—	11½
STEAMER COS.				
Bom. Steam (25)	32½	—	—	32½
Scindia (15)	14½	14–12½	14½	14½
STEEL COS.				
Ind. Iron (10)	24⅞	25½	24–2½	24½
Tata Steel Defd. (30)	1,706½	1,726½	1,696½	1,720
Tata Steel Ord. (75)	302½	305½	300½	303½
MISCELLANEOUS				
Alcock Ashdown (100)	297½	303½	296½	303½
Associated Cin. (100)	168½	171	168½	169½
Belapur Sugar (5)	222½	224½	222½	224½
Bom. Burmah (125)	363½	367½	361½	139½
Do. (New) (30)	139½	—	—	139½
Br. B. Petrol (4 an.)	1–3½	1–4½	1½	1½
Br. I. Corpn. (5)	9⅜	9⅝	9⅜	9⅜
Indian Copper (2 sh.)	3–3⅜	3–4½	3⅜	3⅜
Ind. Inv. Tr. (100)	71	—	—	71
Port Canning (100)	23	23½	23	23½
Premier Con. (30)	84	86	84	84
Shirpur (10)	54½	55½	54	54
Tata Chemicals (10	9⅛	9⅜	9⅛	9⅛
Tata Oil (25)	32½	35	32½	32½
Walchand Ind. (100	156½	156½	155½	155½
W. I. Match (100)	222½	231½	222½	222½

GOVERNMENT SECURITIES	Rs	Gross Yield Earlier Redemption	Gross Yield Later Redemption	
2½% 1954	98⅛	—	3.30	98⅛
2½% 1955	95⅝	—	3.23	96⅛
2½% 1961	90⅝	—	3.91	93⅝
2½% 1960	93⅞	—	3.84	93⅞
2½% 1962	91½	—	3.91	91½
2½% 1974	82½	—	3.89	100–0
3% 1953-55	100–0½	2.92	2.99	99⅛
3% 1957	98⅛	—	3.37	98⅛
3% 1959	98⅜	—	3.37	98⅜
3% 1959-61	96	3.75	3.58	96½
3% 1964	92½	—	3.84	92½
3% 1963-65	92½	3.91	3.78	92½
3% 1966-68	90⅜	3.95	3.86	90⅜
3% 1970-75	86½	4.11	3.92	86½
3% 1986 Con. Loan	83	—	3.62	100½
3½% 1954-59*	100½	3.37	3.46	101½
4% 1960-70	101⅜	3.75	3.86	102½
4½% 1955-60	103⅜	3.11	3.96	103½
4½% 1958-68*	105½	3.30	4.01	105½

BRITISH GOVERNMENT SECURITIES	11–2–53 £	High £	Low £	18–2–53 £
2½% Brit. Consols	59⅛	59½	59⅛	59⅛
3% Savings Bonds 1965-75	83⅝	83⅝	83⅜	83⅜
3½% War Loan 1955-59	101⅜	101⅜	101⅛	101⅛
3½% War Loan 1952	78⅛	78⅛	78⅛	78⅛
3½% Brit. Iron and Steel 1979-81	88⅛	88⅛	88⅛	88⅛
4% Funding Loan 1960-90	99⅛	99⅛	99⅛	99⅛

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent Who else must sweat and toil and gain but scanty fare."
William Blake

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FINANCES OF BOMBAY STATE

A DEPLORABLE feature of the speech delivered by Dr. Jivraj N. Mehta, Finance Minister, Government of Bombay, while presenting the budget estimates for 1953-54 to the Bombay State Legislative Assembly last week-end, is the lack of adequate information about the Budget proper. This seems to have escaped the attention of many, presumably because they were carried away by the pleasant surprise which this doctor of medicine sprang on an expectant public by not proposing any additional taxation and by showing an insignificantly small surplus on the revenue account when everyone was expecting him to reveal a big deficit. In a long speech, running into 27 pages of closely printed matter, the analysis of the budget estimates of revenue and expenditure and the explanation of the revised estimates for the current year have taken up such little space that it looks as though the Finance Minister was concerned more with detailing the achievements of the Bombay Government under the Congress regime—a task that was admirably carried out in the Governor's opening address—than with explaining the finances of the State. In fact, even the slight reference he made to the Budget marks a departure from the customary practice, in that he has given no clear account of the main heads of revenue and expenditure and has thrown no light on the Government's ways and means position and its cash balances.

It is true that all the relevant information is available in the Explanatory Memorandum to the Budget, as well as in the Civil Budget Estimates, both of which are bulkier in size than in the previous year. But how many people have access to these volumes? And, even if they have, how many of them can make out anything from the mass of statistics given there? We wonder whether even all the members of both the State Assemblies themselves will be able to analyse the statistics given in these volumes and make a critical study of the estimates. It is the primary duty of a Finance Minister to present in his budget speech a cogent and simple analysis of the financial position of the State and offer convincing explanations for the variations in at least the principal items of expenditure and sources of revenue. Dr. Jivraj Mehta has failed to discharge this duty. It is not for us to say whether this lapse on his part is intentional or unintentional. But the fact is that such an analysis will disclose many features not quite complimentary to the present administration.

Great relief has been expressed at the fact that the Government has not chosen to levy any fresh taxation. While one should, of course, be thankful to the powers-that-be for this small mercy, one cannot help remarking that it does not bring much credit to the Government. Nor does the fact that the Finance Minister has been able to present the Budget for 1953-54 with a small surplus of Rs. 7.49 lakhs. The Government has chosen not to impose any additional taxation because it knows that there is little scope for it to increase the taxes on the urban population and the trade any more and because it is not prepared, for political reasons, to explore new sources of taxes in the rural areas. The present level of taxation in the urban areas is so high that the law of diminishing returns has begun to operate. In such a situation, a wise Finance Minister will reduce the level of taxation, because he knows that any such reduction will not necessarily be followed by a fall in revenues, but, on the contrary, will actually bring a larger revenue as a result of the stimulus given to trade by the lower rate of taxation. By pushing up the various taxes, especially the taxes on sale of commodities and on vehicles, to penal levels, Dr. Jivraj Mehta has not only driven out a good part of the trade from this State but also killed the incentive among the traders to make more profit and compelled them to resort to all sorts of measures to evade the taxes. Again, a wise Finance Minister who wants to raise sufficient funds to implement the ambitious plans of his Government will not forgo sources of taxation, as Bombay is doing now by sticking to its dry laws. Nor will he lack the courage to raise additional taxation from sources which can very well afford to carry a certain amount of extra burden. There is scarcely any justification, for instance, for the Government dropping the surcharge on land revenue which it had proposed last summer. If it was felt that the exact manner in which the land revenue was sought to be increased was crude and unscientific, the solution was modification and improvement of the proposal and not complete abandonment of it.

After having raised some of the taxes to unbearable limits in the last Budget, the small surplus of Rs. 7.49 lakhs on revenue account is not a great achievement. In other words, this surplus is not consistent with the high level of indirect taxation to which the people of the State are being subjected; it ought to be very much more. If that is not so, it is because there has been no significant reduction in expenditure and, secondly, there has been an underestimate of the revenue from sales taxes. Even after converting the single-point sales tax into a multi-point tax, the Finance Minister does not hope to get more than Rs. 14 crores, as against Rs. 10.6 crores in the revised estimates. It is true that there has been a recession in business, but it was there even when the new sales tax was introduced. Further, in 1952-53, collection of sales tax suffered a setback, owing to the Government's bungling, about which everyone knows. Unless the tax were to be substantially modified later in the light of the Supreme Court's judgment, expected in a few days, the yield from this tax will be much more than Rs. 14 crores, prvoided the Government effectively enforces it, as we believe it will.

While on the subject of sales tax, it is necessary to draw the attention of the Bombay Government to a minor but an important point. Sales tax to-day is the single largest source of revenue. Including the tax on sale of motor spirit, it is expected to bring in as much as Rs. 15.92 crores (out of a total revenue of Rs. 67.83 crores) next year, as against Rs. 10.31 crores by way of income-tax and Rs. 6.67 crores by way of land revenue. And yet in the budget estimates it is not given a separate place under the "principal heads of revenue," but is clubbed together with "other taxes and duties," whereas income-tax and land revenue are shown separately. One cannot know the exact contribution made by this principal source of revenue unless one carefully studies the Civil Budget Estimates. Surely, this is an anomaly which must be corrected at least in the next budget estimates by showing the sales tax as the first item under the principal heads of revenue.

The most disquieting feature of Bombay's finances is the continuing high level of revenue expenditure. From Rs. 62.57 crores in 1951-52, the expenditure has gone up to Rs. 68.24 crores in 1952-53 (revised estimates). For the next year, the Budget places it a shade lower at Rs. 67.76 crores, a drop of no more than Rs. 46 lakhs. But, if experience in recent years is any guide, the revised estimates for the next year can be expected to exceed the budget estimates, as has happened in the current year. Even the small decline revealed by the budget estimates is the result of lower provision for famine relief at Rs. 47.25 lakhs, as compared with Rs. 158.56 lakhs in the revised estimates for the current year. Actually, all the principal items of expenditure such as general administration, police, education, health, revenue administration, debt services are either actually higher or lower by only a fraction. The cost under every one of these items is still at record high levels. Dr. Mehta's speech gives no room to believe that the Government is conscious of the need for making an effective reduction in expenditure.

Information about the results of State trading, in which this State is perhaps involved to a much greater extent than any other State in the Indian Union, is not readily available either in the budget estimates or in the Minister's speech. As large amounts have been invested by the Government in State trading and as there have been frequent references in the Press about the huge losses or profits made by the State undertakings, the Finance Minister would have done well to take the public into confidence by stating clearly the position and the results of the commercial activities of the Government. In fact, in fairness to the taxpayer, the budget speech of the Finance Minister must, in future, contain adequate information on this aspect. If these undertakings are being successfully run, there is no reason why the Minister should not exploit that point to win the confidence of the taxpayer.

The Government has provided for a large capital expenditure of Rs. 17.81 crores, excluding expenditure on State trading schemes. The major portion of this expenditure covers productive projects, irrigation and electricity schemes alone accounting for Rs. 5.21 crores and Rs. 4.97 crores, respectively. Of the remainder, Rs. 3.15 crores are for housing schemes and Rs. 1.05 crores are for tube wells. As regards the funds for meeting the development expenditure, the Government hopes to receive a little over Rs. 10 crores by way of loans from the Centre and is withdrawing Rs. 2.5 crores from the fast shrinking reserves built up in the past. For the rest, it will have to depend upon borrowings from the markets. It remains to be seen whether the Government will be successful in borrowing Rs. 5 or Rs. 6 crores, especially because almost all States are now counting upon the capital market.

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As just mentioned, the reserves of the Government have been declining fast. At the end of 1951-52, they were of the order of Rs. 20.17 crores, but, by the close of this year, they will be no more than Rs. 16.37 crores and will be still lower at Rs. 11.97 crores by the end of March, 1954. These are the aggregate reserves of the Government, including depreciation, sugarcane, insurance, road, contingency funds, etc. The fund specifically earmarked for purposes of development will be only a little over Rs. 6 crores, as against about Rs. 11.50 crores at the close of March, 1953. While the reserves are thus shrinking at a rapid pace, the State's indebtedness to others is expanding markedly. The total outstanding debts, which stood at Rs. 48.14 crores on 1st April, 1952, are expected to be as high as Rs. 64.39 crores at the end of March, 1954, excluding the proposed open market borrowings in the coming year; they would be nearly Rs. 70 crores, if the latter also were taken into account. In addition to this, the State Government proposes to have a floating debt of Rs. 4 crores, presumably by way of borrowings from the Reserve Bank, as against Rs. 2 crores in 1951-52. These particulars provide an indication of the low level of the Government's cash balances and the consequent need for ways and means advances. Yet Mr. Morarji Desai says that Bombay is in a far happier position than many of the States which are having dry laws. Either he does not know what he is talking about or he is deliberately deluding himself.

Dr. Jivraj Mehta's speech is, however, notable for one good feature, in that it gives a clear, though a little exaggerated, picture of the Bombay Government's expenditure on nation-building activities. He has impressively brought out the fact that the amount spent by this State on social services is greater than the expenditure incurred by any other State in the Union. The expenditure, under revenue account, on socio-economic development has gone up from a mere Rs. 4.61 crores in 1937-38 to as much as Rs. 36.62 crores in 1952-53 and, under capital account, from Rs. 13 lakhs to Rs. 9.30 crores. Even after allowing for the fall in the purchasing power of the rupee since 1937-38, there is no doubt that these figures give one a fairly approximate idea of the zeal with which the present administration has been trying to improve the living conditions of the people. The great bulk of the amounts quoted above reflects the expenditure on education and health. There is, of course, no index to measure the results of this large expenditure on social services. Nor is there any means of knowing the extent of wastage incurred in the dispersal of such large amounts. But Dr. Mehta's disclosure that the death rate in the Bombay State has fallen from 26 per thousand in 1946 to 15.91 per thousand in 1951 and that the rate of infant mortality has likewise dropped from 162.78 per thousand of live births to 117.17 per thousand is not only revealing but also impressive.

BOMBAY BUDGET AT A GLANCE

(In lakhs of rupees)

	Accounts for 1951-52	Budget Estimates, 1952-53, as presented in January 1952 session	Modified Budget Estimates, 1952-53, as mentioned in Budget Speech of June 1952	Revised Estimates, 1952-53	Budget Estimates, 1953-54
Revenue Receipts	62,69.66	61,54.49	67,53.09	64,33.77	67,83.58
Revenue Expenditure	62,57.64	63,17.62	67,50.90	68,24.13	67,76.09
Revenue Surplus (+) or Deficit (—)	+ 12.02	—1,63.13	+ 2.19	—3,90.36	+ 7.49
Capital Expenditure (excluding expenditure on State Trading Schemes)	10,80.40	13,20.26	13,93.24	11,80.11	17,81.09

INDO-PAKISTAN WATER DISPUTE

THE Pakistan Government has launched yet another propaganda campaign against India. This time, it is neither Kashmir, nor refugees, nor evacuee property, but the sharing of the canal waters that forms the subject of the campaign. In a White Paper, published two weeks ago, Pakistan has attributed all its economic troubles to India's alleged action in stopping the canal waters which flow into Pakistan from Indian territory. Pakistan to-day faces, the White Paper says, "starvation and economic ruin by a process of slow strangulation at the hands of India," and an "unparalleled threat, namely, the starvation of 76 millions" through deprivation of the waters of the Indus basin. The water shortage caused by India through "illegal" appropriation of water, according to the Pakistan Government's White Paper, is the "most important cause of the foreign exchange problems which, in recent months, have caused grave concern to the Government of Pakistan," since it "means less cotton to earn foreign exchange and at the same time, heavy increased purchases of food from abroad to feed both East and West Pakistan."

So, a convenient scapegoat has been found for Pakistan's economic troubles—India's "abuse" of its control of canal waters flowing into Pakistan territory. This old dispute has been dressed up anew by the present regime and is being paraded as the chief cause for that country's economic ills for no other reason than to divert the attention of the people who are now becoming restive as a result of their miserable economic plight brought about by the serious mistakes of their administrators. It is not any calculated attempt on the part of India that is responsible for the failure of food crops in Pakistan and for its balance of payments difficulties. The real causes are the unchecked boom in cotton prices, which encouraged farmers to switch over from food crops to cotton and the failure of the Pakistan Government to devalue its currency immediately after the Korean War boom came to an end. Perhaps, nature too was a little unkind to Pakistan in the last rainy season, as it was in India.

Now to revert to the water dispute. The background to this dispute, which is at least as old as the Partition, is easily summed up. On the Partition of the country, the East Punjab State of the Indian Union was left with 60 per cent. of the area irrigated by the Upper Bari Doab Canal, the rest of the area forming part of West Punjab (Pakistan). Also, the Ferozepur head-works lies in East Punjab, although the Depalpur Canal and the Sutlej Valley Canal, which take water from the Ferozepur head-works, are in West Punjab. The dispute relates only to the Upper Bari Doab Canal, which is shared by the two States, and the control over the Ferozepur head-works, which feed two canals lying in Pakistan territory. A standstill agreement between the two countries, reached in December, 1947, was replaced by another agreement, in May 1948, by which the East Punjab Government gave the assurance that, without prejudice to its legal rights in the matter, it has "no intention to withhold water from the West Punjab without giving it time to tap alternative sources." Pakistan, which was receiving water under this agreement from year to year, repudiated the agreement unilaterally in December, 1950. India, on its part, however, has continued to supply the water under the agreement and Pakistan's allegation that it has been starved of water-supply to its canals is baseless.

Before Pakistan finally decides to bolster up this dispute into a war-slogan, it will do well to address itself to a few questions. Why did Pakistan take the extreme step of denouncing the agreement in a unilateral manner? Is it not a sign of India's spirit of accommodation and goodwill to Pakistan that it abides by an agreement even though the other party (Pakistan) has repudiated it? In September, 1951, the Government of India formally proposed to the Government of Pakistan that the question of the validity of the 1948 agreement be referred to arbitration. Why did Pakistan refuse to countenance this proposal? India has been giving water to the canals, which lie in Pakistan, in accordance with programmes which are communicated to it before the commencement of each sowing season. The Pakistan White Paper on this subject contains a long history of grievances against India. If the grievances are both real and old, why did it not lodge any protest whatsoever with the Government of India in the past?

On the initiative of the World Bank, Indian and Pakistani engineers have been engaged, since May, 1952, in preparing a comprehensive plan for the development of the waters of the Indus Basin, designed to solve the water dispute between the two countries. Both countries reached an understanding that, while the talks were in progress, all unnecessary controversy should be avoided. Why has Pakistan, in utter disregard of this understanding, launched the propaganda campaign against India? Again, India suggested, apart from the joint survey, that a tribunal, consisting of two Indian judges and two Pakistani judges, be asked to go into the dispute, and that any point of difference between the judges be referred to any international authority, for arbitration. Why was this proposal for arbitration also turned down?

To get the whole dispute between the two countries into a clearer perspective, it is necessary to remember that, on the Partition of the country, the Indian Union was left with 48 million acres of irrigated land and Pakistan with 22 million acres. But the proportion of irrigated area to net area sown is 45 per cent. in Pakistan and only 24.5 per cent. in India. A more relevant consideration is to examine how Partition affected the Indus Basin, covered by the Punjab and Sind. East Punjab was left with only 4.6 million acres of irrigated land, as against 12.7 million acres of irrigated land in West Punjab, 2 million acres in Bhawalpur, and 5.7 million acres in Sind. Again, it is necessary to remember that, out of the 16 canal systems in undivided Punjab, 12 went entirely to Pakistan, three lie wholly in India and one is common to both India and Pakistan. Of the total flow of the six rivers of the Indus system, Pakistan utilises 40 per cent., India utilises 5 per cent., whereas the rest—about 55 per cent. of the total flow—empties itself into the seas.

India's contention has all along been that there is sufficient water for Pakistan to meet all its development plans and that a joint survey of the entire Indus Basin would help both countries to exploit the system to mutual advantage. Pakistan has, in fact, been making plans for further utilisation of its river waters. The Kotri Barrage, near Hyderabad, which is nearing completion, will alone irrigate two million acres, whereas the construction of two other barrages, near Dera Ghazi Khan and Upper Sind, for which blue-prints are ready, will irrigate another two million acres. Other canal schemes are also under way. Surely, it is not necessary that Pakistan should attribute all its economic ills to an imaginary reduction in water-supply in the inter-Dominion canals, which form a very minor part of its irrigation system. If there has been any reduction in the water-supply at all, it is due to drought which has affected both the countries of this sub-continent.

Clearly, it would be in the interest of both India and Pakistan to evolve some joint plan for the utilisation of the waters of the Indus Basin. And it would avail Pakistan nothing if it were to eschew the path of reason. Pakistan has, in its White Paper, indicated its anxiety to take the matter to the International Court of Justice, saying that India is unwilling to let the matter go to an international tribunal. That this charge is unfounded should be clear from Mr. Nehru's statement in Parliament, last week, that India had "no objection to any international authority." International law on the subject of the utilisation of river waters for irrigational purposes, as distinguished from navigational purposes, is not very clear. But it is significant that, in a dispute between the U.S. and Mexico over the use of river water, originating in the U.S., the U.S. Government never admitted the right of Mexico, the lower State, to prevent the construction of dams and the diversion of water for American use. A sovereign nation, according to an American authority, has a right to direct its waters to all profitable uses in its area, and the neighbouring country, if it lies below it, can claim no rights to these waters either by tradition, past usage or for its own requirements. The U.S., however, agreed, in its dispute with Mexico, that, as a matter of comity and equity—and not as of right—the reasonable needs of Mexico should be met. This precedent, as well as another in Eritrea, fortifies India's legal position against Pakistan. But then, India has not exercised its right to deal with its river waters as it pleases, but has entered into an agreement with Pakistan, without prejudice to its undoubted rights. For Pakistan, wisdom lies in strengthening this agreement and in evolving an agreed plan for the exploitation of the Indus Basin, and not in invoking international law.

SHARE MARKETS MILDLY OPTIMISTIC

POLICY FOR BANK DIVIDENDS—LABOUR LAWS AND ENGINEERING INDUSTRY

THURSDAY, 5 P.M.

MARKET GOSSIP

ALL market men are keenly awaiting the Union Budget that will be presented to Parliament by Mr. C. D. Deshmukh in another 24 hours. Interest in the Budget has been roused by the curiosity to know how exactly Mr. Deshmukh proposes to finance the Plan and what new economic policy he is going to pursue. Hitherto Mr. Deshmukh was known for his conservatism which he had learned as the head of the central banking institution of this country for well-nigh a decade. Has he now changed, under the pressure of circumstances and in tune with his new environments? His Budget speech to-morrow will provide the answer. In the meanwhile, the share market is cautiously optimistic. The main prop of this optimism is the widespread belief that deficit financing will be the main plank on which the Plan will be executed and that there will be no significant increase in those forms of taxes that will directly tell on the Share Market. In the main speculative counters, the bears seem to have covered their outstanding position. Consequently, it is felt that the market has become somewhat more vulnerable to adverse factors than last week.

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Little attention is being paid to the Budget in the bullion market; but, among the commodities, oilseeds have become the victim of pre-budget rumours. In spite of smaller crop estimates and good buying by domestic consumers, prices have declined, owing to the rumour that the Finance Minister would impose a levy on exports of both seeds and oils, especially groundnuts. As the prices of these commodities are higher than their export parity, we do not see how an export duty on them will be of any use to the Government, unless the intention is to throw some cold water on the speculators in order to curb their bullish sentiment. But even for this purpose, it will not be good expedient, for it will have no sustained effect.

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Excessive speculation in silver, referred to in these columns a fortnight back, had brought about a deadlock in the bullion market this week for some days, but this has now ended. Forward trading was at a standstill from last Friday until to-day, as a large section of traders refrained from doing any business, as it thought that the Board of the Bullion Association was not fair to them. The primary object of their decision to go on strike, as it were, was to escape cheaply from their commitments which brought them into a loss. And they seem to have succeeded in their attempt, as we shall presently show.

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The major portion of operations in the Bombay bullion market represents speculation of the worst type. This is particularly so in silver. Invariably, there are more bears than bulls, because it is less easy to sell silver than buy it. This explains why, as against a floating stock of only 2,000 bars in the Bombay market, the total volume of business runs into 17,000 to 18,000 bars. Naturally, when conditions are somewhat favourable for the bulls, they try to squeeze the bears by demanding delivery and by keeping a tight hold over the floating stocks. If the squeeze turns out to be a little strong, the bears, who are in the majority, raise a hue and cry, demand a declaration of emergency and try to bully the Board to take action against the bulls who are always fewer in number. What happened during the past two or three weeks was one of these periodical outbursts of the bears. When they failed in their attempts to get a state of emergency declared, they staged a strike. Usually, when such a large number decides to non-co-operate, the minority has little choice except to yield. And the bulls have yielded this time by agreeing to a sort of compromise. They have agreed to provide cover to the "shorts" at a fixed rate of Rs. 168 per 100 tolas for the current settlement. They have also agreed not to take more than Rs. 2 by way of penalty from those who are not able to square up their commitments or who want to "carry forward" them. And, at the time of writing, the evening up of the outstanding business is being done on the basis of this agreement. Evidently, the bulls do not want to kill the goose that lays the golden eggs. Their refusal to compromise may lead to the closure of the forward market, in which case they will lose the machinery through which they are able to make money. It is in their own interest, therefore, to agree to accommodate the bears; after all, the bulls too are speculators. Accordingly, if futures markets are to function in a healthy manner and serve the purpose for which they are intended, such compromises, even if mutually entered into, should not be permitted.

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A notable feature of this year's annual meetings of British banks—a feature common to all of them—has been the demand for a higher rate of dividend. This demand is the result of the departure from the traditional conservative dividend policy of the banks by the National Provincial Bank, a member of the Big Five, which increased its dividend from 15 per cent. to 16 per cent. after an interval of 20 years. Shareholders of this Bank expressed their appreciation of the payment of a higher dividend. At the meetings of other banks, the shareholders questioned the propriety of sticking to the same level of dividends—Barclays at 14 per cent., Lloyds at 12 per cent., Midland at 16 per cent. and Westminster at 18 per cent. Sir John Barlow, M.P., a shareholder of Barclays Bank, for instance, was extremely critical of the Bank's dividend policy. He said that many people had held their shares over a long period and had received the same nominal return in money of diminishing value. The pound now had a purchasing value of only 45 per cent. as compared with 1938, and taxation was higher. He argued that, although the possibility of nationalisation of banks was not a political issue at the moment, it might become so in future, when it might be too late to take necessary action. He warned: "I believe that the Board is assuming great and serious responsibilities in withholding what some of us consider reasonable dividends."

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That sums up the case, neatly enough, for a higher dividend rate. Although the case was not as well expounded at other meetings of the banks, the demand for a higher dividend was made by the shareholders. In this country too, the banks follow a conservative dividend policy, which reflects the British impact on the Indian banking system. There is, of course, something to be said for a conservative dividend policy. The banks are primarily credit institutions. They must guard themselves against an erratic dividend policy which might harm their reputation. In the minds of depositors as well as investors, a bank denotes some stability, some solidity, some conservatism, which are not generally associated with other institutions. A lapse from these qualities, which might be excusable in others, would be a grave fault in a bank. Replying to suggestions for a higher dividend distribution, Lord Harlech, Chairman of the Midland Bank, said: "Bank shares have come to be regarded by trustees and public bodies as almost akin to Gilt-edged securities. There is a good deal to be said for stability of dividend through good years and bad. Accordingly, your Directors would not feel justified in raising the rate unless they were confident that any higher dividend could be assuredly maintained over years to come." This seems to sum up the case for a conservative dividend policy.

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Where then, does the truth lie? Perhaps, it lies somewhere between Sir John Barlow's reasoned plea for an increase in dividend rate and Lord Harlech's equally reasoned plea for an unchanged dividend rate through years, good and bad. There is certainly no reason why the bank shareholder alone should be content with a low dividend while other shareholders and other income-receivers do generally get a proportionately higher income when the going is good. After all, bank shares, despite all their nearness to Gilt-edged, are equities. If this means anything at all, it means that the shareholder of a bank does take a risk with his money. There is no use saying that the risk is small. It is never too small to invest bank shares with the status of a gilt-edged. A modest increase in dividend when the profits are good, would certainly do little harm to a bank's financial position, if the allocations to reserves and all other appropriations are maintained at reasonable levels. Nobody, of course, suggests that banks should provide frequent, let alone annual, surprises by changing their dividends. But it is carrying conservatism a little too far to argue that no level of prosperity warrants a higher distribution of dividends by banks.

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Commenting on this issue, the *Financial Times*, London, also takes a similar view, as will be seen from the following extract from that paper:

"Few will deny that the banks occupy a special position in the financial and economic life of the country. They have a duty to protect the deposits entrusted to them—and currently running at record levels. In view of the difficult world conditions, the further strengthening of reserves mentioned by Lord Harlech is an understandable desire. They have also to allow for the possibility of a fall in income in the event of trade recession. Then, too, there is the operation of the distributed profits tax, which automatically adds to the total cost of raising a dividend. Accepting these arguments, there remains, however, one inescapable fact, and that is that Bank shares have not ceased to be equities. The chief characteristic of the equity share is that it is capital put up at risk—prepared for setbacks but hoping for a gradual growth of income and capital appreciation. No one would expect the banks, in view of their public responsibility, to provide any great surprises either way. Indeed, the investment status of Bank shares is acknowledged by yields akin to those on gilt-edged. But there seems no reason why, barring major setbacks, the banks should not be able to consider modest increases in dividends at intervals on the lines followed by their near-neighbours in the financial world, the insurance companies. It is certainly hard to believe that if the "Big Five" did start paying higher dividends their shares would become, as Lord Harlech suggests, "gambling counters" on the Stock Exchange."

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The old Liberal doctrine that that Government governs the best which governs the least is unfortunately discredited the world over. Legislation has invaded almost every sphere of human activity. Even so, it is worthwhile considering whether legislation has not been overdone in this country. In any case, this seems to be true in the sphere of labour matters. Mr. Frank Gumley, Chairman of the Indian Engineering Association, Bombay Branch, deplored, at the annual meeting of the Association held this week, that "attempts have been made to legislate for every eventuality, with nothing being left to the sense of fair play of any branch of the industry." He pointed out how while the Factory Act in the U.K. was a mere "pamphlet," the Factory Act in this country was a "volume." Surely, if the size of legislation were the major criterion of efficiency and of industrial peace, this country, which yields to none in legislative exuberance, should have been in the forefront of labour productivity and welfare.

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Nevertheless, it is known that labour legislation, for all its many provisions to meet every conceivable contingency, has not yielded results commensurate with the labour involved in going through the complicated procedure of this legislation. A question which deserves to be examined in this connection, is whether the same set of labour laws is applicable to all industries. On this question, Mr. Gumley made some notable observations. In non-engineering industries, any increase in costs, resulting from the awards of industrial courts, could be recovered from the consumer by charging him a higher price. This could not, however, be done in the engineering industry, since this industry, which generally works on contract basis, has its costs fixed in advance. The result is that there is "less money left on completion of the work to be used for further development or for financing further work."

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Again, the application of a set of regulations, developed in the context of one industry, cannot be applied straightaway to other industries. Mr. Gumley brought out the essential truth of this statement by urging that the model standing orders, which were based on the experience gained in the textile industry where manual dexterity, but not technical skill and knowledge, was an important consideration, could not be applied to the engineering industry. If a length of cloth becomes "faulty" in a textile mill, due to the negligence of the worker, it could at least be sold as second quality cloth. In structural engineering works, a slight fault might cost lives. He also regretted that these standing orders, by their emphasis on the principle of "last in, first out" for retrenchment purposes, had not given sufficient thought to considerations of technical skill or ability which alone should determine the question of rejection of personnel in an establishment.

(*Continued on page* 371)

ALL-ROUND GAINS IN EQUITIES

RESTRICTED ACTIVITY AT CLOSE

(From Our Own Correspondents)

BOMBAY, 26*th February*

TRADING on the Stock Exchange during the week under review was enlivened with activity. Last week's buying movement gathered further momentum under the stimulus of fresh enquiries. Most of the equities, as a result, moved into a higher plane. But the buoyant trend did not persist throughout the week, as towards the close operators preferred to exercise caution in view of the Central Budget proposals which are due to be presented to Parliament to-morrow. Moreover, end-of-account considerations also alerted them. There was, therefore, some profit-taking which clipped off a part of the earlier gains, although equities finished with sizable gains on balance.

The market seemed to be bereft of any foreknowledge of the budget proposals. In fact, the cautious trend to-day amply bore out the fact that the budget had been a closely guarded secret. The one notable feature about the market's reaction to-day was that there was no nervousness among operators. On the other hand, they seemed to have given up their earlier pessimism about the budget and turned to believe that there would not be any more direct taxation. They appeared to base their conclusion on the absence of fresh taxation in some of the State budgets which had been presented so far. Considering deficit financing a certainty, the market was only interested in guessing how far deficit financing would be resorted to and what the repercussions thereof would be on the economy. But even here opinion appeared to be divided.

Apart from budget considerations, there were other factors which were responsible for the enlivenment reflected in share prices early in the week. There were rumours that the Estate Duty Bill would be postponed and that the exemption limit would be raised. But it was expected that the Finance Minister would announce the schedule of duties when the Bill became law. Favourable reports about export demand for cloth and optimistic expectations about dividends of some of the textile mills and a few other industrial concerns also warmed the operators' enthusiasm.

Steel shares displayed considerable liveliness during the major part of the week on active speculative buying and short-covering. Tata Deferreds advanced from Rs. 1,720 to Rs. 1,765 on Tuesday this week, but reacted to close at Rs. 1,740. Tata Ordinaries hardened from Rs. 303-8 to Rs. 308-12, but finished a little lower at Rs. 307. Modest support to Indian Irons lifted them from Rs. 24-14½ to Rs. 25-2½ on Tuesday. Latterly, Calcutta operators came out as consistent sellers of these scrips and, therefore, they drifted lower to Rs. 24-12.

Prospects of better earning by textile mills spurred fresh buying in textiles and the speculative counters received considerable attention, although some profit-taking was in evidence towards the close. Bombay Dyeings were taken up from Rs. 368-2 to Rs. 381-4, but eventually slipped back to close at Rs. 376-4. Kohinoors scored a net gain of Rs. 5-12 at Rs. 288-8, Central Indias Rs. 5 at Rs. 153, Century Rs. 6 at Rs. 261-4 and Finlays Rs. 3 at Rs. 297. Optimism regarding a higher dividend gave strength to Gokaks which put on Rs. 6 to Rs. 215. Simplex moved up by Rs. 4-8 to Rs. 180-8 and Svadeshis by Rs. 4-4 to Rs. 243-8. New Greats closed with a gain of As. 8 at Rs. 159.

Enquiries for bank shares were selective. Central Banks (Old) rose by As. 8 to Rs. 67-8 and the New shares by as much to Rs. 70. Bank of Indias improved by a rupee to Rs. 156-8. Imperial Fully Paids declined by Rs. 20 to Rs. 1,820 and the Contributories by Re. 1-4 to Rs. 446-4. But United Commercials, which were in the limelight with a spurt of Rs. 2-8 to Rs. 37-12 last week, were quiet at Rs. 37-8. Barodas shed As. 8 to Rs. 113-8.

Miscellaneous industrials provided a few good features. Belapurs were conspicuous with a rise of Rs. 8 to Rs. 237 on short covering. Associated Cements were steady with a rise of Re. 1 to Rs. 170-12. Alcocks were better by As. 10 at Rs. 304-6. Bombay Burmahs were steady at Rs. 366-4. National Rayons staged a smart rise of Rs. 5-8 to Rs. 78. Port Cannings were keenly sought after and the shares advanced by Rs. 5-8 to Rs. 29. On suggestions that the dividend would be stepped up from Rs. 3-8 to Rs. 6 (including a bonus of Re. 1) per share, Shivrajpurs spurted from Rs. 54-8 to Rs. 62. Premier Constructions were in enquiry and moved up by Rs. 4-4 to Rs. 89-8. B.I.Cs looked up a little to Rs. 9-13, but on advices from Calcutta that the dividend would be reduced from As. 12 to As. 10 per share, the shares slipped back to Rs. 9-10½.

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Calcutta Stock Exchange

CALCUTTA, 25*th February*

With speculators showing a keen desire to enter into commitments in the more popular counters, steady conditions were in evidence on the Calcutta Stock Exchange during the week under review, and impressive rises were recorded in engineering shares and miscellaneous industrials, which were keenly sought. Usually, during the pre-budget period of a few weeks, the Exchange remains dull, and although such a tendency was witnessed this year also between spells of interesting activity, this week's change in sentiment would appear to be due to a firm belief in the market that the Budget would not contain any unpleasant surprises to the commercial community. This cheerful hope about the future was further assisted by the continuance of steady conditions in the commodities markets. The expectation of a reduction in export duties on jute goods was a further ground for optimism, although this fact was not much played in trading in jutes. Although the Government's silence on market rumours of an imminent reduction in the duties was indicated as a favourable sign, it was realised that substantial benefits to industry would depend on the extent of the revision. Uncertainty in this regard explains why jute shares were not able to participate in this week's change to any appreciable extent.

The changed outlook for the textile industry in the light of increasing exports of piecegoods has been a standing factor for imparting strength to textile shares during recent weeks, and, although business was limited during this week, the counters that changed hands registered advances. Thus, Kesorams at Rs. 19-12 were higher by one rupee, and New Victorias were fractionally better at Re. 1-9. Cawnpores were firmly held at Rs. 8-1.

The expectation that Pakistan would be able to accept India's conditional offer to sell coal at the lowest price at which India would sell to any country—even at the existing prices Indian coal is the cheapest Pakistan secures from abroad—and that Indian coal exports to Pakistan would increase greatly was an adequate incentive for active interest being shown in coal shares at advancing rates. Opening at Rs. 526, Bengals were taken to Rs. 530, and New Manbhooms at Rs. 11-2, were up by As. 10. Burrakurs were steady throughout and changed hands at Rs. 10-10. Rancegunges, after improving to Rs. 3-3, were pushed back to Rs. 8-5.

Lack of moderate business with foreign buyers of jute goods resulted in limited support to jutes and operators showed reluctance to enter into commitments. Despite such a trend, quotations did not recede, but were maintained at previous levels. Thus, Howrahs changed hands at Rs. 23-10, while Indias declined from Rs. 126 to Rs. 123 only to recover to Rs. 127.

Engineering shares were steady, and the best feature was provided by Braithwaites which at Rs. 12-8 accounted for a steady improvement by Re. 1. Jessops advanced from Rs. 22-8 to Rs. 23-4, on dividend prospects. Activity in Indian Irons was a source of powerful support to the section as a whole, and these counters opening at Rs. 24-13 improved to Rs. 25-2.

* * * *

Madras Stock Exchange

MADRAS, 24*th February*

The Madras Stock Exchange continued to rule unusually cheerful with fair enquiry in evidence, despite impending budget uncertainties. Textiles led the market. There was considerable broadening of activity on reports regarding continued export demand for cloth from the Middle East. Plantings were generally steady. The tone of operators was influenced to some extent by the steadier trend in the Continental tea, rubber and coffee markets, although rubber and coffee markets in India have been insulated from the trends in the world commodity markets. Miscellaneous scrips met with scattered enquiry, while banks were active. The cumulative effect of all these factors was a considerable increase in the prices of shares over a broad front.

The steady trend in the textile section witnessed last week persisted during this week also. A few favourite scrips displayed some brisk activity. Buckinghams improved from Rs. 118-8 to Rs. 121. Vasantas gathered Rs. 3-4 to Rs. 143-4. Lakshmis disclosed a gain of Re. 1 to Rs. 70.

Teas continued to receive selective support. Cootands (tea and rubber) shot up by Re. 1-2 to Rs. 9-12. Haileyburias improved by As. 4 to Rs. 13-8 and Chembras As. 2 at Rs. 2-13. Kil Kotagiris and Ouchterloneys were fractionally higher at Rs. 4-14 and Rs. 3-14, respectively. Ceermades, however, eased by As. 4 to Rs. 37-8. Devasholas were unchanged at Rs. 14-4. Parksides were done at Rs. 11-14 *cum-div.* The Directors have recommended an interim dividend of 5 per cent. free of income-tax for the year ending 30th June, 1953. The dividend for the previous year was 15 per cent.

Rubbers were steady on speculative demand. Malankaras advanced from Rs. 96 to Rs. 97 and Rajagiris from Rs. 9-15 to Rs. 10-6. Vaikundams rallied As. 4 to Rs. 15-4 and Midlands As. 2 to Rs. 9-2.

Among coffee scrips, Neelamalais were up by As. 1-6 to Rs. 3-8-6. Puthuthottams hardened by As. 2 to Rs. 7-12. Balmadies were slightly higher at Rs. 2-5. Shevroys, however, were fractionally lower at Re. 1-4½.

Miscellaneous scrips were generally quiet. Mysore Tobaccos gained As. 5 to Rs. 9-10 and Papers an anna to Rs. 12-13. Andhra Cements 'B' moved up by As. 2 to Rs. 9. Spencers were done higher by As. 2 at Rs. 15-8 *cum-div.* Sugars lost As. 12 to Rs. 23-8 and Andhra Scientifics As. 8 to Rs. 3-9.

Banks were generally bright. Imperial Bank Contributories put on Rs. 3-4 to Rs. 432. Indian Banks Rs. 80 and Rs. 55 paid-ups were higher by Rs. 2-8 and Rs. 2 at Rs. 131-8 and Rs. 94, respectively. Indian Overseas, however, lost Re. 1 to to Rs. 98 *cum-div.* and Travancore Banks As. 8 to Rs. 11.

NEW GREAT INSURANCE TO RECONSTRUCT CAPITAL STRUCTURE

The Directors of the New Great Insurance Company of India, Ltd., Bombay, have proposed a scheme for the reconstruction of the Company's capital structure so as to conform to the provisions of section 6A(1) of the Insurance Act, 1938, as amended in 1950. The scheme will be placed before the Company's shareholders at a meeting to be held in Baroda on 4th March, 1953, for their consideration and opinion, as required under section 6B(1) of the said Act.

Section 6A(1) of the Insurance Act requires (*a*) that all insurance companies limited by shares should have only ordinary shares each of which having a single face value, and (*b*) that the paid-up amount is the same for all shares whether existing or new. In the case of a company which had, prior to the commencement of the Insurance (Amendment) Act, 1950, issued any shares other than ordinary shares, each of which has a single face value, or any shares the paid-up amount whereof is not the same for all of them, the Act has allowed a period of three years from the date of commencement of the Act for such a company to bring the capital structure in line with the requirements of section 6A(1). This period expires on 31st May, 1953.

The New Great Insurance Company, which has, accordingly, decided to reconstruct its capital structure, as stated at the outset, has an issued capital of Rs. 1,25,00,000 made up of 25,000 4 per cent. cumulative redeemable preference shares of Rs. 100 each and 1,00,000 ordinary shares of Rs. 100 each. On the preference shares only Rs. 50 have been called up on each share, and on the ordinary shares Rs. 20 each. Thus, there are two classes of shares with different proportion of paid-up amounts, although the face value of both classes of shares is the same.

The Company's preference shares are due for redemption on 1st January, 1954. The Directors, therefore, propose to call up the uncalled amount of Rs. 50 per share on the preference shares, which amount is payable on or before 30th April, 1953, so as to make them fully paid-up, as, under section 6B(1) of the Act, the scheme of capital reconstruction should not involve any diminution of the liability of the shareholders in respect of unpaid-up share capital. After 31st May, 1953, the entire preference capital of Rs. 25 lakhs will be formed into a fund and will be repaid to the preference shareholders on or after 1st January, 1954. Thus, during the period 1st June, 1953 and 31st December, 1953, or till the date of repayment of the sum as aforesaid, the liability of the Company in respect of this sum will be only one of repayment to an ordinary creditor and not to a person holding any redeemable preference shares of the Company. During this period such creditors will be entitled to interest at the rate of 4 per cent. per annum. The preference shareholders cease to have the benefit of rights to guaranteed dividend or to accumulate such dividends, if any, in arrears, after 31st May, 1953. The arrears of dividend up to 31st May, 1953, shall become payable in future and will be a first charge on the future surpluses disclosed by valuation.

The scheme after being considered by the shareholders will be submitted to an officer appointed by the Central Government for that purpose who will invite objections and suggestions in respect of the scheme. After considering these objections and suggestions, he will sanction the scheme with such modifications as he may consider necessary.

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NEWS IN BRIEF

THE extension of the Bombay Dockyard is expected to be completed in 15 years at a cost of Rs. 24 crores.

The recently-built third slipway at the Hindustan Shipyard in Visakhapatnam will be ready to lay a keel by about the middle of this year.

The Orissa Government proposes to spend Rs. 195 lakhs within the next three years towards the implementation of Community Project Schemes in the State.

The Madras Government has decided to employ the Japanese method of paddy cultivation in nine paddy research stations in the State in the ensuing season.

The operations of only one internal airline, namely, Airways India, resulted in profit during 1951. The amount of subsidy paid to companies which were running at a loss during 1951 was Rs. 31,15,566.

The preliminary work in connection with the establishment of an oil refinery by the Caltex Oil Company commenced last week at Visakhapatnam. A representative of the Central Government held discussions with the authorities of the Naval Base and the Hindustan Shipyard on the location of the refinery.

The revision and reclassification of the Import Trade Control Schedule have been nearly completed. Mr. P. M. Mukerji, former Director-General of Commercial Intelligence and Statistics, who was placed on special duty for this purpose, is expected to submit his report to the Government of India early next month.

As a result of the work of the Income-tax Investigation Commission up to the end of 1952, the tax raised was Rs. 23.72 crores and the amount collected was Rs. 6.10 crores. As regards the voluntary disclosure scheme, 20,709 voluntary disclosures were made and the amount of taxable income disclosed was Rs. 74.69 crores.

The Famine Enquiry Commission, under the chairmanship of Mr. S. V. Ramamurthi, has recommended to the Government of India to give top priority to the second stage of the Ghataprabha Valley Project, if necessary by readjusting the cost of the scheme in the Five-year Plan. The whole project is estimated to cost Rs. 9 crores.

The co-ordinated utilisation of stocks of railway stores, introduced last year, and the rationalisation of procurement on the lines of the recommendation of the Railway Stores Enquiry Committee, has resulted in a saving of Rs. 4 crores. The provisional value of stocks by the end of March, 1952, was over Rs. 63 crores. The Committee recommended that the stores balances should be reduced by about Rs. 10 crores.

The transport bottlenecks on the Northern Railway are stated to have seriously affected Uttar Pradesh's export trade. Large stocks of goods have accumulated in different centres. Despite normal trade enquiry from many importing centres, several thousands of maunds of *gur* have accumulated at Muzaffarnagar, Meerut, Hapur and other smaller *mandies*, and *gur* prices have, as a result, fallen.

The Government of India has released a further quantity of 125,000 tons of sugar out of the 1952-53 production of sugar factories. This brings the total quantity so far released to 266,000 tons. Of the quantity now released, 100,000 tons are for general sale in the free market and the balance for the States of Madhya Bharat, Rajasthan, Saurashtra, Kutch and Ahmer, where the supply position is reported to be not quite satisfactory. This special quota of 25,000 tons has been released from factories in western U.P., from where these States normally draw their requirements of sugar.

The Government of India's proposal of exchanging one maund of rice for one maund of fertiliser has been accepted by West Bengal. Uttar Pradesh has expressed doubts about its feasibility, while replies from the other State Governments are awaited. The main feature of the deal is to supply fertilisers like sulphate of ammonia to cultivators on credit and recover the cost at harvest, either in cash or in kind, depending upon the convenience of the farmer. The quantity of fertilisers expected to be pooled is estimated at about 4,70,000 tons. Out of this quantity about 80,000 tons may go for cash crops and the balance 3,90,000 tons may be available for food crops on credit basis.

The total acreage reclaimed by the Central Tractor Organisation till the end of 1951 and during 1952 are 4,65,336 and 2,55,534 respectively. Almost the entire area reclaimed is under actual cultivation according to available information. Exact figures have not so far been received from the State Governments concerned. No part of the reclaimed area in Madhya Pradesh, Madhya Bharat and Bhopal has so far been taken up by the State Governments for mechanical cultivation. Information regarding Uttar Pradesh and the Punjab is awaited from the State Governments. An expenditure of Rs. 4,72,64,140 has been incurred on the purchase of tractors, equipment, office building, etc., for starting the land reclamation scheme of the Central Tractor Organisation.

* * * *

From Abroad

The estimated population of Norway on 1st January, 1953, was 3,341,000. Live births in 1952 were 62,262 and deaths 27,738.

The aggregate amount of sterling released so far to Egypt under the Anglo-Egyptian Financial Agreement, 1951, is nearly £65 million.

As a result of the greatly increased dollar income in 1952, Denmark has proposed to pay off $10 million foreign debt this year as compared with $6 million in each of the previous years.

The Government of Belgium has decided to raise income-tax by 5 per cent., to continue the excess profits tax and to increase the betting tax. The object is to raise funds for the repair of public buildings which have suffered flood damage.

Air-France has proposed to spend £5 million in re-equipping its air fleet with the U.K.'s turbine-engined aircraft and spares. It has announced that the 12 Viscount air-liners to be delivered in the spring would be used on European tourists services.

The popular features of the Canadian budget, presented to the Canadian House of Commons on the 20th inst., are lower income-tax, abolition of radio licenses and repeal of sales tax on all materials—including newsprint—used exclusively in newspaper and magazine production.

It is understood that the Pakistan Government is appointing a Commission to examine the existing company law with a view to revising it to suit modern conditions. The Commission is likely to be presided over by Mr. C. M. Lobo, former Sind Chief Court Judge.

Experts of the U.N. Transport Communications Commission have worked out proposals for a uniform system of road signs and signals and sent them to the U.N. Economic and Social Council for possible future ratification by member countries. The proposals are designed to simplify international travel and transport.

The gap between price demands of wheat importing and exporting countries, which has constituted a major obstacle to the signing of a new international wheat agreement, is reported to have been narrowed down. It is said that the U.S., the major exporting country, has accepted a new ceiling price of $2.05 (about 14*s.* 6*d.*) a bushel for wheat instead of its original demand of $2.50 (about 17*s.* 7*d.*). The new ceiling price is the same as that sought by two other exporting countries, namely, Canada and Australia. Importing countries including the U.K. had said that they were prepared to raise the ceiling price from the old price of $1.80 (about 12*s.* 8*d.*) to $2 (about 14*s.*) a bushel.

PERSONAL

MR. George V. Allen, until recently U.S. Envoy in Yugoslavia, has been appointed U.S. Ambassador to India.

Mr. F. Yates, Head of the Statistical Section of the Rothamsted Experimental Station, Hertfordshire (England), has joined the Indian Council of Agricultural Research as an expert of the F.A.O.

Mr. D. P. Karmarkar, Minister for Commerce, Government of India, and leader of the Indian delegation to the ninth session of the E.C.A.F.E., held recently at Bandung (Indonesia), has returned.

Mr. Naval H. Tata, Director of Tata Sons Ltd., and Mr. Hariharnath Shastri, General Secretary of the Indian National Trade Union Congress, left for Geneva to attend the meeting of the I.L.O. Governing Body.

Mr. Sidney Prina Ricotti, Ambassador for Italy in India, left New Delhi for Rome on the termination of his mission in India. Dr. G. B. Toffolo, Counsellor of the Embassy, is now acting as *Charge d'Affaires* ad interim of Italy in India.

Mr. D. Allerton and Mr. Khanchand J. Pamnani have been elected President and Vice-President, respectively, of the Indian Confectionery Manufacturers' Association, for 1952-53. The other members of the Committee are: Messrs. A. L. Goenka, P. Mohanlal, A. Bose, B. M. Khanna and S. N. Gundu Rao.

Mr. E. M. Bernstein, Director, Research Department of the International Monetary Fund, who has been invited by the Government of India to examine the financial and monetary aspects of the Five-year Plan, arrived in New Delhi on Saturday last. During his stay in India, Mr. Bernstein will visit the important centres of industry and commerce and meet the leading economists and men in public life before returning to New York during the third week of next month.

Mr. D. R. Narang, Director, Nawabganj Sugar Mills Co., Ltd., has been elected President of the Indian Sugar Mills Association for the year 1952-53. Mr. T. G. Armstrong, Vice-Chairman, Messrs. Parry & Co., Ltd., and Mr. Gulabchand Hirachand, Chairman, Walchandnagar Industries Ltd., have been elected Senior and Junior Vice-Presidents, respectively. The other members of the Committee are: Messrs. R. P. Nevatia, K. K. Birla, Karamchand Thapar, S. P. Jain, R. L. Nopany, P. A. F. Lugg, and Hari Raj Swarup.

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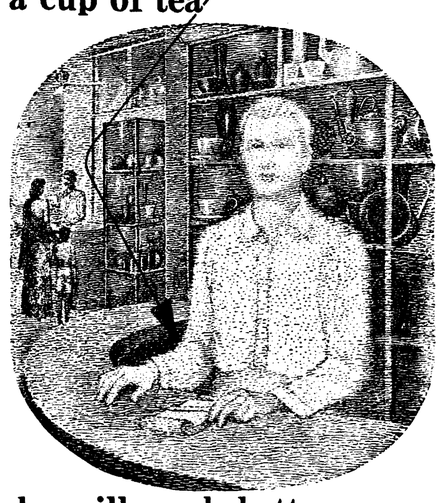

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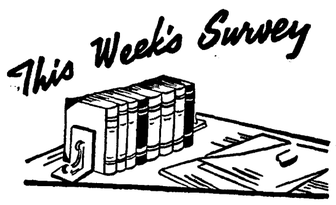

DEFICIT BUDGETS

SURVEYING the financial position of the States some time last year, we observed that budgeting for a deficit had become the order of the day. This tendency has again persisted this year. The financial statements of the three States, namely, Uttar Pradesh, West Bengal and Bihar—the Bombay budget is discussed in detail elsewhere in this issue—so far presented disclose deficits, some of them sizable too. Thus, the U.P. budget for 1953-54 discloses an overall deficit of Rs. 7.76 crores, of which the deficit on revenue account amounts to as much as Rs. 4.42 crores. The budgets for West Bengal and Bihar also show deficits of Rs. 6.41 crores and Rs. 1.42 crores, respectively, deficits on revenue account being Rs. 5.11 crores and Rs. 0.34 crore. The deficit in the budget of Uttar Pradesh would have been very much larger but for the wise decision of the Government to curtail expenditure on State trading, including grain-supply scheme, by as much as Rs. 11.17 crores during the ensuing (1953-54) year, as compared with the current (1952-53) year. It is significant that, despite the strain on the finances of the State caused by food scarcity and near-famine conditions that started in September, 1950, and continued till a few months ago, the Finance Minister of Bihar has managed to avoid a big deficit. The table below gives an idea of the financial position (budget estimates only) of the State Governments under review.

(In crores of rupees)

	U.P.		W. Bengal		Bihar	
	1952-53	1953-54	1952-53	1953-54	1952-53	1953-54
Revenue receipts ..	60.99	74.33	36.37	38.16	31.29	33.00
Revenue expenditure.	65.23	78.80	42.04	43.27	29.80	33.34
Deficit on revenue account ..	4.24	4.42	5.67	5.11	+1.49	0.34
Capital expenditure ..	20.74	7.09	23.68	21.02	7.81	11.01
Overall deficit ..	5.30	7.76	6.42	6.41	2.68	1.42

It will be evident from the above table that, despite the increase in revenue receipts expected for the ensuing year, the budgets of all the three States show deficits, thanks to the marked rise in expenditure. One wonders if the Finance Ministers could not have avoided deficit budgets by effecting economy in expenditure. This policy of cutting the coat according to the cloth has apparently not found favour with them. It is, however, gratifying to be told that the U.P. Government has decided to appoint another Economy Committee to scrutinise further its expenditure side. This might have been done in other States too. That there is considerable scope for economy in expenditure cannot be stressed too strongly. Any amount saved by such economy, it is also needless to add, could be profitably used for development schemes. And to this extent fresh imposts, resulting in additional burden on the community, might be avoided.

Of the three States under reference, namely, U.P., Bihar, and West Bengal, U.P. has proposed to enhance irrigation rates by 50 per cent. and to raise the rate of sales tax on certain commodities. These are expected to yield an additional revenue of Rs. 3.64 crores. The Finance Minister of Bihar, does not propose imposition of any new tax now but on this score he cannot feel elated. For the Government had decided, as early as in December last, on certain measures of additional taxation. These cover increase in sales tax on certain luxury articles and in water rates in the Sone and Tribeni Canal areas, as also in the areas served by tube-well irrigation, levy of toll on certain important bridges recently constructed out of State funds, cess on molasses, and increase in the cess on sugarcane by three pies per maund. The West Bengal budget, it is noteworthy, does not contain any new tax proposals or alterations in the existing rates. Perhaps, the gap in the budget would be covered partly by setting off the opening balance of Rs. 2 crores and partly by drawing on the cash balances. An indication of the latter is provided in the statement of Dr. B. C. Roy, Chief Minister of the State and Minister in charge of Finance, that "the next financial year will close with a negative balance of over Rs. 4 crores."

The one common feature revealed in the speeches of the Finance Ministers of Uttar Pradesh, West Bengal and Bihar is the growing anxiety to better the lot of the common man through development schemes. The work on the Five-year Plan in the States, it is claimed, is proceeding according to the Governments programmes. The States, however, seem to feel that, if the pace of progress is to be maintained in future financial assistance on a larger than now provided by the Centre is necessary. In view of this, they have expressed—this is only to be expected—their dissatisfaction at the Finance Commission's recommendations.

The chances of larger financial assistance from the Centre are not very bright, thanks to the fact that the Centre itself is in a none too happy budgetary position. The Governments of the States are, naturally enough, perturbed by the problem of raising funds required for meeting development expenditure. By their earlier experience, the Government know that not much could be raised through public loans. Nevertheless, the Governments of Uttar Pradesh and West Bengal have decided to float, during the ensuing year, medium-term loans to the tune of Rs. 4 crores and Rs. 2 crores, respectively. No reference to any specific loan is, however, contained in the Press version of Bihar's Finance Minister's speech. But the Finance Minister has admitted that his Government is considering the ways and means of raising additional loans for financing the development projects, which are productive and expected to yield adequate revenue.

BURMA'S EIGHT-YEAR PLAN

Burma has demonstrated that it is possible to depart from the traditional five-year period for economic planning. It has evolved an eight-year plan. And, from Press reports, the Plan makes encouraging reading. It is noteworthy that the planning function was not undertaken by the Government but was assigned to an American firm of economic and engineering consultants, though the Plan was later approved of by the Government. Apparently, planning is now acquiring the status of a new profession.

That it requires some expert skill to plan for Burma must be clear to those who have known this country's unhappy past. Overrun by the Japanese during the war, and hampered in its economic progress by a very severe inflation, Burma has had a difficult time in setting its house in order. Nor were these the only problems with which it had to contend, for the rebel groups within the country have inflicted serious damage on its economy. The index number of prices touched a peak of 772 in 1949, based on pre-war levels, though it has reacted to lower levels recently. Agricultural output in this predominantly agricultural country is no more than 73 per cent. pre-war. Rice exports, which form so vital a part of Burmese economy, are now only about one-half of what they were in pre-war years.

It is against this background that the cost of the new Rs. 7,500 million (that is, Rs. 750 crores) Plan must be assessed. This is not a modest plan, as compared with the Indian Plan (Rs. 2,050 crores), if allowance were made for the relative difference in the size of the two countries. But then, Burma has large mineral and other resources which would need large-scale capital investment before they could be exploited.

Details of the break-up figures of the sum of Rs. 7,500 million, which the planners hope to spend in the next eight years, are not known. From the little information that is available, it looks as though mining and agriculture will receive top priority. It is stated that during the next two years Burma plans to spend Rs. 1,000 million in the field of agriculture, mining and industry. Details of investments are: Mining Rs. 40 million, irrigation Rs. 250 million, communications Rs. 30 million, railways Rs. 200 million and road transport Rs. 190 million. The Government's programme includes the development of oil, antimony, wolfram, lead and silver deposits in the country. Work is already under way to rehabilitate the war-crippled Rangoon port. Burma has recently initiated coastal shipping to link its coastal areas and is expected to start trans-ocean shipping by 1954. The Burma Government hopes that the execution of the Plan will double the country's national output and raise Burma's *per capita* income from Rs. 182 to Rs. 340. It also hopes to raise agricultural production from Rs. 1,500 million to Rs. 2,230 million in 1956 and to Rs. 2,650 million in 1960.

Of the Rs. 7,500 million required for investment during the eight-year period, about Rs. 5,000 million will be needed for meeting internal expenditure. The balance, namely, Rs. 2,500 million, it is stated, will be needed in the form of foreign exchange for purposes of purchasing plant, machinery and capital goods. Although a part of this foreign exchange can be met from Burma's own exchange earnings, it is conceded that the bulk of its requirements of foreign exchange would have to be borrowed from international sources or from foreign Governments. The Burma Government is not perturbed by the prospect of its having to find Rs. 5,000 million for the Plan, although this involves the trebling of the country's capital formation from the pre-war Rs. 300-350 million to about Rs. 1,000 million. The revenue of the Burma Government is of the order of Rs. 580 million but expenditure has tended to outgrow this figure by a very wide margin. It remains to be seen whether the Government can practise economy in its expenditure so as to release larger sums for developmental purposes. This seems particularly indicated, because the scope for taxation is not very large. Also, the assumption that capital formation could be trebled easily does not square with the experience of other underdeveloped areas.

Whether foreign capital, on the scale envisaged in the Plan, will flow into Burma remains to be seen. In the past, the Government of Burma had scared away many a foreign investor by its commitments in regard to nationalisation of industries. But now the Government has, according to Press reports, decided to change its attitude towards foreign capital. Amendments to the Burmese Constitution, in order to enable foreign capital to participate in the economic development of the country in co-operation with domestic investors, it is stated, will be introduced shortly in the Burmese Parliament. Seven conditions, it is further stated, have been laid down for foreign investors. These are:

(1) Foreign enterprises should be self-sufficient as regards foreign exchange. They will be permitted to take out money from the country for the purchase of capital equipment and renewal; foreign enterprises will also be allowed to export a certain percentage of current money subject to the general foreign exchange position of the country.

(2) No import of unskilled labour from abroad will be allowed.

(3) The Government will undertake not to nationalise the concerns for a period determined by the ratio of the initial capital outlay to the annual value of the turnover.

(4) The period of guarantee may be renewed except in the case of extractive industries like minerals.

(5) Protection may or may not be given, depending on the position which the industry occupies in the economy of the country.

(6) The Government will welcome proposals for partnership or other such mutual beneficial proposals.

(7) Whenever Burma can supply candidates with required qualifications, these enterprises must undertake to train them.

These conditions represent an improvement on the present policy. Even so, some of these conditions, notably No. 3, are too vague. It is unlikely that they will elicit wholehearted response from foreign investors.

MALAYAN IRON ORE

Following the breakdown of negotiations to set up a joint Indo-Japanese iron and steel plant in India, Japan has now diverted its attention to the exploitation of Malayan iron ores. The Mutual Security Agency, according to reports from Washington, seems to have blessed Japan's intentions. The Agency is said to have chalked out a plan for submission to the Congress for approval this year as part of the U.S. foreign economic aid programme. If this programme were to be sanctioned, the exploitation of iron ore, it is held, might turn out to be the largest industry in Malaya. Under the plan, part of the finance for the project will be made available by the Mutual Security Agency, while the remainder is expected to be provided by private interests from other countries.

The fact that the U.S. has undertaken to invest its capital in a country in which political conditions are far from stable indicates that it is prepared to take some risk in order to get the much needed iron ore for the steel industry of Japan, one of its allies. It is common knowledge that Japan's interest in the Indian plan too was to obtain iron ore for its steel industry in exchange for its services and investment in the form of plant. The cessation of iron ore supplies from China, its traditional source, has adversely affected the development of Japan's iron and steel industry. At present, Japan is getting about half a million tons of iron ore from Malaya. This is expected to be raised to two million tons a year, if the plan for further development of Malayan iron ores were implemented.

The Mutual Security Agency has agreed to assist the exploitation of Malayan iron ores as part of its development plans for enlarged production of raw materials by the underdeveloped countries. It is stated that the Agency is also convinced of Japan's need of iron ore supplies. The terms and conditions on which capital will be invested by the Mutual Security Agency will be the same as those which govern similar plans for the economic development of other countries.

Expansion in the output of iron ore in Malaya is bound to stimulate its economic progress. Large deposits of iron ore of fair quality are found in many parts of the Peninsula but there is no smelting of iron ore in the country. In 1940, almost 2 million tons were exported to Japan, but from the time of reoccupation until 1949, no large quantities were mined, although some quantity was exported from stock-piles. In December, 1949, the Bukit Besi Mine, about 18 miles west of Kuala Dungun, came into operation. The output of about 500,000 tons in 1950 was nearly all sent to Japan.

Malaya, at present, occupies a very important place as a dollar earner of the sterling area, thanks mainly to its exports of rubber and tin to the U.S. The increase in the range and quantity of goods which the U.K. and other Commonwealth and soft-currency suppliers have been able to offer to Malaya has helped that country to reduce its dollar expenditure. The exploitation of its iron ore reserves would increase its foreign exchange earnings—though not dollar earnings—and enable it to increase its purchases from sterling and other soft currency countries.

WOOD SCREW INDUSTRY

The Tariff Commission is now enquiring into the claim of the wood screw industry for continuing protection which the industry has been enjoying since 1946. The industry has based its claim on the ground that it has made fair progress during the past few years of protection. The industry could not make more rapid progress for want of adequate and proper specification steel wire. The spokesmen of the industry have pleaded for a complete ban on imports of wood screws, particularly cheap wood screws from Japan, which it is alleged has been responsible for retarding the development of the indigenous industry.

From a review of the existing position and problems of the wood screw industry, which was given by Dr. B. V. Narayanaswamy Naidu, Member, Tariff Commission, in the course of his address at this inquiry into the industry's case for protection, this week, it is clear that the claim for continuance of protection is justifiable. There are at present 26 factories, with an estimated aggregate annual rated capacity of 3,328 tons and an average annual production based on production figures during the last three years of 450 tons. Thus, there is a large gap between actual production and the capacity of the industry. The demand for wooden screws is estimated at about 3,500 tons. The quality of the Indian product is stated to be reasonably good. This is a creditable record for an industry which was hit by Partition, owing to greater localisation of the industry in Punjab. These facts disclose that the indigenous demand and rated capacity provide for greater scope for enlarging production. Also, there is need to improve the quality of the product, so that it may withstand competition from the overseas products, at an early date.

The chief factor in the way of development of the industry is the insufficient supply of steel wire of required specifications. The Screw Manufacturers' Association, Calcutta, stated that the wood screw industry has not been able to get steel wire required by it even for one-shift working, though even one-shift working of the factories is uneconomical. It contends that the supply of wire to the industry on two-shift basis should not be difficult, as it forms only a negligible proportion of the total production of steel in India. The steel wire requirements of the industry are placed at 4,146 tons for one shift. As against this only 1,090 tons were supplied during 1952. This makes out a case for increased supply of steel wire, either from indigenous resources or from overseas countries. Surely, the development of the industry should not be handicapped for want of raw materials. The quality of steel wire depends on the supply of the right type of steel billets by the indigenous steel producers to Indian Steel and Wire Products, Indranagar. It

(Continued on page 371)

OFF THE RECORD

(By "ROVER")

PHEW! What a week? The poor, hapless and helpless citizen has been assailed by a veritable *blitzkreig* of budgets from all sides. The Hon'ble Mr. Lal Bahadur Shastri, a Minister reputed to be a man of peace, began a moderate barrage, under cover of which the State and the Central Finance Ministers could advance to positions of advantage, outflanking the common man in the street, bewildered and confounded as ever. They could then encircle him by cutting off his line of communications and retreat. And even if a narrow, little lane were left for him to back into, where is the poor wretch to go, unless it be into the yawning jaws of the money-lenders and profiteers waiting to take his shirt off him, if the Ministers have left it on him in their mercy? No wonder he has become apathetic and wholly indifferent to his fate. He is in the happy position of one who has already been stripped of all his worldly goods and so stands in no fear of *thugs* and *pindaris*. It is to his credit, and we should be glad that he has not thought seriously of turning into one himself considering his desperate state.

Highly sophisticated people like Mr. K. M. Munshi, Maulana Abul Kalam Azad, and Rajkumari Amrit Kaur have been talking a lot of *moonshine* about Indian culture. If you want to see the real Indian culture in its undiluted and original form you can see it through the transparency of the great, little common man in India, who, unlike many of us, who make a profession of serving him, though shocked and stunned by all that is going on around him, has refused to give way to the devastation caused by a series of political and economic *blitzkreigs* or to be demoralised by a cheaply won independence. He is the embodiment of the oft-distilled essence of Indian culture and philosophy, who plods his weary way in a spirit of resignation, listless alike to the songs of the sirens on his left and to the threats of the soldiers of independence on his right.

He knows that he, and not the strutting and shouting politicians and officials in the Union and State capitals or the greedy millionaires in the air-conditioned offices in the industrial and commercial establishments scattered all over the expanding urban areas in the country, is India personified. He also knows that he has something which no Finance Minister, however astute, or company promoter, however wily, could rob him of, despite all their depredations. In all this rot that has overtaken us in six short years, it is this equilibrium and readiness to give on the part of the impoverished and yet rich common man which have sustained my faith in the country and its ultimate future and kept it alive against great odds. I do not care if this earns me your derision as a sentimentalist. It is his due and I must render him this homage.

But, if I am to keep my job and not to exasperate the Editor into a state bordering on rage and despair, I must not forget that I am supposed to be writing about the budgets. But, when you look at these hardy annuals, you soon discover that there is precious little you could write about them. Budgets, domestic, State or national, invariably attempt to hide with only indifferent success vast ungainly areas of fat ugliness, behind a facade of colourful but shoddy and ill-fitting garments, cut by amateurs and stitched by apprentices of no great skill. As if all this were not enough, they are now attaining a state of inebriety, when they have ceased to be even moderately dependable. When first presented to the audience, in all the glory of paint and make-up on the stage, they look promising enough like some of the second-rate actors and actresses. But later, when you meet them back-stage, denuded of all the artificial aids, they look disappointing and bedraggled, not unlike the headache one has on the morning after.

This is the first thing I have noticed in the railway budget as also in the Bombay State budget for 1953-54. Last year, when he was new to the job and full of cheery optimism after his party's success at the polls, Mr. Lal Bahadur Shastri told us, in his first budget, that he expected his lines to earn as much as Rs. 282.16 crores by way of traffic receipts. New converts are always more fanatic than those born in any particular religion and a lot could be forgiven to neophytes. Many in the House and many more outside it tried to tip him then that, in view of the heavy trade depression that had preceded the budget and the fall in passenger traffic which had set in a couple of years earlier, together with the sharp increases effected by his predecessor in passenger fares, his rosy dream about abundant revenues was likely to remain unrealised. Being uninitiated in the mysteries of figures and being in a mood to set the placid and sluggish Jamuna on fire, he refused to listen to this advice and has, therefore, naturally come a cropper.

A more sober and subdued edition of the Railway Minister had to admit in the House last week that, from what he had been able to earn during the last ten months or so of his new job as a salesman of freight and travel, he expected to gather about Rs. 12.61 crores less than he had fondly anticipated. He also had to confess that, while the business community had tried to give him as much support as possible, in spite of the depression and all the dangers of an unwelcome peace overtaking this belligerent world, by giving him as much goods as he could carry and more, it was the ungrateful and lazy ordinary citizen who had let him down badly by turning a stay-at-home. This fellow, it seems, had successfully resisted all the lure of the holy places and had refused to wash out his sins by going on pilgrimages. Even his love for attending marriages and visiting friends and relatives in the off season seems to have cooled, as love has a way of doing when the purse is empty. It is a good augury that Mr. Shastri is trying to stem this drift to materialism of our citizens, by offering them some inducements to visit the holy shrines and to improve their minds by travel in general.

I do not know why it is so, but, whenever I try to wade through the slough of an official budget, my attention is riveted not so much on the budget proper, i.e., the estimates of income and expenditure for the coming year, but on the difference between the budgeted figures and the revised figures for the current year. With economic and political uncertainties mounting up, the former (the budget proper) has lost much of its value and I wonder why the business community, in general, and the stock exchanges, in particular, lose so much of their sleep over it, apart from any changes in the taxes proposed to be levied. As a case in point, I might refer to Dr. Jivraj Mehta's budget for 1953-54 for the State of Bombay. The learned doctor, as well as his Chief, Mr. Morarji Desai, were reported to be dressed heavily in smiles, apart from the yards of *khaddar* which they had wrapped themselves in last Saturday, after the State Budget had been revealed to an eager and anxious Assembly, because their Government, unlike many other more honest ones, had prepared a surplus budget.

My old lady at home, who exercises her right of emptying my pockets at the beginning of every month when I draw my wages, performs this feat in jugglery on New Year Day. She too wears all her captivating smiles and a number of good resolutions, like these Ministers, besides all her fineries. She always budgets for a good surplus, but it is I who am made to face the ever-increasing deficit at the end of every year, forcing me to dip into our meagre past savings, put by in the old days when merchants were more honest and Finance Ministers less rapacious. I have no more faith in the imaginary surplus of seven and a half lakhs of rupees dangled before our eyes by the amiable physician, who in his retirement has taken to feeling our purses, when for long years he was interested only in our pulse and respirations, than in the surplus of six hundred rupees which my sanguine wife anticipates every year.

What faith could you have in the promise of a man, who only last June assured us of a surplus of two lakhs and now comes and tells us that he expects to close the financial year on 31st March, with a sizable deficit of only ten lakhs short of the good round sum of four crores. I for one am preparing for a deficit in the finances of our State of seven and a half crores instead of a surplus of as many lakhs at the close of 1953-54 and I shall consider myself lucky, if the year does not end with a much bigger deficit. With these two instances of undependable budgets, you must pardon me if I do not indulge in anticipations about what Mr. C. D. Deshmukh has in store for us this week. And, in any case, no anticipations of mine would be of any service to you, as this perpetration of mine would appear on Saturday morning, when the worst would have been known to you.—*All Rights Reserved.*

TEXTILE MACHINERY CONFERENCE

INDO-PAKISTAN WATER DISPUTE

(From A Special Correspondent)

NEW DELHI, 24*th February*

DELHI LETTER

THE conference of textile machinery makers and millowners, convened to-day by the Commerce and Industry Ministry, will enable the Government not only to assess the exact growth of the textile machinery industry but also to decide its policy in regard to imports of textile machinery. There are at present more than half a dozen firms manufacturing one part or another, at times in competition, while the major part of the machinery required by the industry, a part of which could at least be manufactured in the country itself, has to be imported from abroad. In order to minimise imports and increase the output internally, the Government called this conference, consisting of representatives of the textile industry and textile machinery manufacturers. The spokesmen of the Government of India have also been participating in it and its importance can be seen from the fact that its deliberations are being guided by the Minister himself.

It may be noted here that imports of textile machinery form an important item in the machinery imports into the country. In 1949-50, the value of these imports set up a high record of Rs. 14.1 crores. Although it has dropped to about Rs. 7 to Rs. 8 crores per annum during the last one or two years, an appreciable reduction in this respect is considered possible in case some co-ordination and rationalisation are introduced in production through a policy of co-operation. It is generally known that at times some factories manufacturing one item or the other have either to curtail the output or to close down in view of the lack of demand. If rationalisation is brought about, it may be possible for these factories not only to increase production but also to keep themselves fully employed, at the same time enabling curtailment of imports to a marked extent.

This policy of co-ordination and rationalisation is expected to be put into effect in regard to a number of other industries in due course. The Government is stated to be considering the desirability of making a general survey of the existing industrial capacity of the country from all angles, with a view to achieving economy in the production of various component parts of machines, etc., turned out by many factories in the country. It is well known that even in the advanced industrialised countries such as the U.S.A. and the U.K., leading manufacturers do not undertake to produce every part themselves but are content to use a substantial quantity produced by other concerns. The Government of India is desirous of appointing an experienced committee of highly qualified technical personnel from abroad in association with some Indian members in order to study the production methods in various industries from different angles and suggest ways and means of bringing about co-ordination and economy in industrial production. This enquiry committee will be something similar to the Roger or Grady Missions that came to India during World War II.

According to a leading expert of the International Labour Organisation, during a period of industrial growth, such as the one through which India is now passing, "productivity studies can be carried out with the greatest effect and with the least disturbance of industrial relations. This is because new opportunities for jobs are being created at the same time as productivity of workers is being raised." If Mr. T. T. Krishnamachari, Minister for Commerce and Industry, were able to implement this plan and bring about an increase in the industrial productivity of the country by reducing production costs and improving efficiency, he will doubtless have achieved a fine job of his portfolio.

Desultory Debate on Railway Budget

The debate on the Railway Budget was generally desultory. Vigorous and constructive criticism was often lacking. Dr. H. N. Kunzru, however, made some pertinent remarks about the absence of relevant information regarding the working of the regrouping scheme. He rightly pointed out that the railways should cope with increased traffic, not by using more engines but by increasing engine-miles. Though some progress had been made in this, he said, the target of 90 engine-miles per day, recommended by the Railway Enquiry Committee, was nowhere near. He further stated that the recommendations of the above Committee in regard to pooling of engines had not been given effect to. According to him, only a combination of the system of extended engine runs and straight routes for pooling could reduce operation costs.

The official side was complacently optimistic that the efficiency of the railways would continue to show a progressive improvement during the coming years. The Deputy Minister for Railways, Mr. Alagesan, for instance, reiterated that the Government would put into service 11,000 wagons this year and another 12,000 wagons next year. "With all these additional wagons," he said, "and with the removal of bottlenecks in various places and the line capacity increase we hope to bring about, we will move more goods and earn more." He quoted some figures to prove his contention in regard to the steady improvement in the earnings of the railways in recent years. Goods earnings which stood at Rs. 96.29 crores in 1948-49, moved up to Rs. 114.37 crores in 1949-50 and to Rs. 127.1 crores in 1950-51. There was a further improvement in 1951-52 to Rs. 141.71 crores, and the revised estimate for the current year worked out to Rs. 144.56 crores. The estimate for the forthcoming year was placed slightly higher at Rs. 147.60 crores.

Mr. Lal Bahadur Shastri, Minister for Railways, clarified the position of the Chittaranjan Locomotive Factory. The manufacturing programme at Chittaranjan provided for the progressive reduction in the number of parts to be imported. At present, the parts imported were: main frames, boiler plates wider than six feet (for which there was no rolling capacity in the country), large and complicated steel castings and certain manufactured items like boiler tubes. But experimental orders, we are told, had been placed with Indian manufacturers so as to develop capacity within the country. Redesigning was also in progress in order to enable the use of parts manufactured within the country.

Dispute with Pakistan

The Government of India's Press Note refuting Pakistan's complaint on the supply of canal waters is not as informative as it should be. Not only has Pakistan complained about the gradual reduction in the supply of these waters but also hurled a charge against India that it has been building up the huge Bhakra and Harike Projects with a view to securing greater utilisation of the Sutlej waters. The Press Note in question makes a passing reference only in regard to the increased area that is being brought under cultivation in Pakistan, but has failed to provide details which will show to the world that the irrigated area in that country watered by the Indus and its tributaries has been increasing at a greater pace than in India during the last few years.

For instance, the Kotri Barrage, on the river Indus near Hyderabad, is nearing completion and will provide irrigation for two million acres of new land in Sind. The Taunsa Barrage near Dera Ghazi Khan and the Upper Sind Barrage, also on the Indus, have been sanctioned. These together will bring under cultivation about two million acres of land in addition to the areas at present irrigated by inundation canals which will also get assured supplies over a longer period. A dam and a canal are being built on the river Kurram near Bannu. Much preliminary work has also been done on the Earsak dam on the river Kabul. In the West Punjab, it is stated, a new link canal has been completed since the Partition from the Upper Chenab Canal near Gujranwala leading to the river Ravi which it crosses by syphon. Then, running along the border, it commands the channels at present receiving waters from the Upper Bari Doab Canal, emanating in India. Another canal linking up the Ravi with the Sutlej having a capacity of 15,000 cusecs is being built at great speed to feed the lower Sutlej Valley. It takes off at Balloki and will join the Sutlej at Suleimanki. In these circumstances, the Government of India, after proper intimation to Pakistan, will have to expedite its Harike projects and utilise the combined waters of the Sutlej and the Beas for purposes of irrigating the arid deserts of Rajasthan.

CAPITAL INVESTMENT IN INDUSTRY

THE NEED FOR EXPANSION RECOGNISED

(From Our Own Correspondent)

LONDON, 21*st February*

LONDON LETTER

THE year 1952 saw capital investment in industrial building squeezed down to its lowest level for recent years, in order to fit the policy of diverting resources to exports and arms, but, during the latter part of the year, Government policy changed. The Government found that pockets of unemployment were being thrown up, partly as a result of the too severe restrictions on new building, and, instead of welcoming such unemployment as providing the man-power which might ultimately be diverted to other activities, they began taking stop-gap measures to expand building in the areas affected. In short, the Government, when it came to the point, abandoned the theory that unemployed building labourers would find their way into the engineering industries.

Other factors, including severe restrictions on credit, began to take some of the pressure off the demand for new building and, with the disappearance of much of the inflation in the economy, the Government began to reconsider its whole attitude to industrial building. The upshot has been that, for the current year, the programme has been increased to a point at which it is no longer having any severely restrictive effect. Thus, at the close of a year of Draconian measures against new building, we find the Government almost having to encourage industry to invest.

It is not surprising that, in these circumstances, the housing programme which has received top-priority has continued to climb steadily from the 200,000 a year mark, where the Socialists left it, to the 300,000 a year level to which the Conservatives committed themselves at the election. Their opponents declared that this figure could never be reached, but they were postulating a normal level of industrial investment in 1952 and none of Mr. Butler's deflation.

Defence Programme

Apart from housing, the defence programme has also been creeping up and the budget for the coming financial year is to show a still further increase from some £1,500 million in the year just ending to £1,636 million. Of these figures, some £650 million represent the production of armaments—a sum equivalent to about one-third of the annual capital investment in industry.

It will be recalled that the coming year was to have been the fourth in the original £4,700 million arms programme. This programme has been steadily protracted and the Government have now removed any target date for its completion. But, although the programme will not have been completed, the money will have been spent in less time than four years, as a result of steadily increasing costs. Indeed, it is the burden of the arms programme that has forced the Government to cut it back, in real terms, to an industrial level that the economy can afford.

The Government have now turned their attention to means of stimulating capital investment in industry, as the necessary corollary of cost production at home and for the export trade. Building resources are no longer a bar to expansion (because of the drop in demand), while plant-making resources are limiting only to a degree, because of the slackening in the rate of expansion of exports. Encouragement must, therefore, take a fiscal form, and, while the Chancellor may find it difficult to reduce general taxation this year—although company taxation has many penal characteristics which could be removed—he may be able to increase the depreciation allowance on new investment in the first year. At one time, this was as high as 60 per cent. of the total capital expenditure and gave a substantial fillip to new investment, even though the total rate of allowance over the life of the plant was unchanged. If some means could be found of reducing taxation on profits ploughed back into development, that also would be a substantial encouragement.—*All Rights Reserved.*

NINTH SESSION OF THE E.C.A.F.E.

REVIEW OF DELIBERATIONS AND DECISIONS

FROM scattered Press reports relating to the deliberations of the ninth session of the Economic Commission for Asia and the Far East, held at Bandung (Indonesia) from the 6th to 14th inst.—a detailed official account is not available yet—it would appear that the session covered a very wide and useful ground of economic topics. Thus, the series of subjects discussed at the session and the valuable recommendations made indicate that renewed efforts were made by the Commission to strengthen, against a world-wide background, the regional economic consciousness among the countries of the region. The need for this is especially great in the present context of the efforts to raise the depressingly low level of the living standards of the people.

An important decision taken by the Commission at its recent session relates to the need for measures to stabilise commodity prices and to create conditions in which the prices of primary commodities bear a "just" relation to those of capital goods and manufactured goods which the area needs. This is only as it should be, considering the fact that the economic conditions in several countries of the region have been adversely affected by fluctuations in external demand for exports, the effects of which have overshadowed the changes brought about by international factors. The prices of several principal export commodities have registered a sharp fall, leading to serious balance of trade and budgetary difficulties. An idea of the gravity of the situation can be had from the fact that the surplus of $1,130 million in the balance of trade of the E.C.A.F.E. region in the first half of 1951 was converted into a deficit of $350 million in the second half of that year. The situation was still worse in 1952. It was only appropriate, therefore, that the Commission should have laid utmost stress on the need for preventing a recurrence of wide fluctuations in the demand for and prices of raw materials.

World commodity agreements have no doubt frequently been proposed as the most effective method of bringing about stabilisation of prices. But there are several difficulties in the way of concluding such agreements. For instance, the primary producing countries may not favour such agreements which would stereotype the existing relations between primary and industrial prices, as they may wish to take advantage of the future trends in terms of trade, though, on present indications, they do not appear to be very much in favour of primary producers. Moreover, unless commodity agreements cover a considerable number of items, the results will not be appreciable. The E.C.A.F.E., therefore, has emphasised that there was urgent need for ensuring a fair degree of stability in the prices of raw materials, on the one hand, and a "just" relation between the prices of primary commodity and capital goods, on the other. It is gratifying to be told that the United Nations is already engaged in this task.

Closely allied to the question of stability of prices is that relating to the maintenance of the volume of investment. The Commission has put forward a vigorous plea for ensuring a more adequate flow of foreign capital for economic development, so that planned capital expenditure of the countries can be maintained in periods of reduced foreign exchange income. In this connection, it has called for an international finance corporation and special funds which would offer interest-free loans and grants-in-aid to the countries of the region. It has also emphasised the need for "flexible" economic policies, aiming at a larger measure of internal stability in times of fluctuations in demand and prices in world markets, with a view to increasing, if possible, foreign exchange reserves in times of export booms, so as to reduce fluctuations in imports in times of declining export earnings.

The question of enlarging the terms of references of the E.C.A.F.E. in such a way as to facilitate the transfer of associate member States to full member States, notwithstanding their failure, for one reason or another—veto, for example—to get admission as members of the U.N. was considered at the meeting. A resolution to this effect, as moved by the Cambodian delegate and amended by the Pakistan delegate, was adopted, with the U.S.S.R. being the only country to oppose it. The proposal of the Philippine delegation for shifting the headquarters of the E.C.A.F.E. from Bangkok to Manila was also taken up for consideration. No definite decision, however, was taken, the meeting having merely empowered the U.N. Secretary-General to decide the issue. The Commission considered the series of reports submitted by its subsidiary bodies dealing with questions relating to industry and trade, inland transport, and flood control.

A refreshing feature revealed at the meeting was the whole-hearted co-operation that existed between the Indian and Pakistan delegations on most of the issues.

The Committee on Industry and Trade was in session at Bandung from 26th January to 2nd February, 1953. India was represented by Mr. S. L. N. Simha, Deputy Director, Division of Monetary Research, Reserve Bank of India. The Committee considered a number of subjects and these included: (1) Mineral resources development; (2) training of personnel; (3) housing and building materials; (4) small-scale industries and handicraft marketing; (5) production and use of power alcohol; (6) supply of capital goods and raw and semi-finished materials; (7) electric power development; (8) trade promotion activities; (9) mobilisation of domestic capital; and (10) financial aspects of economic development programmes.

There was no detailed discussion on these subjects, because these had been considered in detail before by the various Committees, Working Parties and Seminars on which all the members and associate members had been represented. Only the reports and documents, which had been previously prepared, were considered. A great part of the discussion was devoted to re-emphasising what had already been stated. For instance, while discussing the report on electric power development, particular attention was focussed on the question of rural electrification, especially for the purpose of agricultural operations. In the field of mineral resources development, great importance was attached to the exploitation of lignite and kaolin deposits, while on training of personnel, the need for establishing managerial institutions and organising seminars was stressed. Special mention was made of the need for replacing, as early as possible, the foreign experts with indigenous personnel. With regard to housing and building materials, it was felt that the best use should be made of the locally available resources. In order to consider details regarding this aspect, a regional seminar on housing and building materials will be held in New Delhi some time next year. It is also proposed to hold, on that occasion, an international exhibition. The Committee also felt the need for a special division on housing in the E.C.A.F.E. Secretariat. On development of power alcohol, it merely endorsed the recommendations made at the E.C.A.F.E. Seminar on Power Alcohol held at Lucknow in October last.

The subject of handicrafts and small-scale industries came in for some examination. Recognising the need for encouraging these industries, the Committee called for greater assistance from the U.N. Technical Co-operation Administration. Speaking on the subject, the Russian delegate stated that foreign competition was hampering the progress of small-scale industries and handicrafts. This statement was, however, refuted by several delegates, on the score that, if progress had been arrested, such was due not to foreign competition but to the rapid pace of progress in the large-scale industries.

As regards the supply of capital goods, the general feeling was that it had greatly improved. Many representatives admitted that a large part of their requirements was being met. A few capital goods exporting countries, such as the U.K., cited figures to show that they were taking steps to augment supplies of capital goods to the E.C.A.F.E. countries, while others, such as Australia and France, expressed their desire to ensure larger supplies of capital goods in the coming months. The main difficulty of the importing countries, however, is lack of finance.

The questions relating to the mobilisation of domestic capital and the financial aspects of economic development programmes together came in for considerable discussion. Most countries that participated were agreed on the need for avoiding, as far as possible, deficit financing, although it was recognised that, in certain circumstances, deficit financing need not be inflationary. The importance of mobilisation of domestic capital was throughout stressed; but it was felt that it had its own limitations. Accordingly, several countries laid greater stress on the need for a more liberal flow of foreign capital. Countries like Burma preferred foreign capital through international agencies to that through national channels. During the course of the discussion on the financial aspects of the development programmes, the Indian delegate sought to impress upon the members the need for a correct idea of the concepts employed. An important decision taken by the Committee was that the E.C.A.F.E. should work in collaboration with the Colombo Plan Consultative Sub-Committee in the implementation of the programmes in the different countries. This, it was felt, would avoid duplication of work. The Committee also urged greater measure of co-operation between the E.C.A.F.E. Secretariat and other agencies.

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ASP

RESULTS OF BANK OF INDIA SATISFACTORY

EARNINGS NOT SERIOUSLY AFFECTED BY SLUMP

THE financial results of the Bank of India Ltd. (General Manager: Mr. A. C. Clarke, Bombay) for the year ended 31st December, 1952, convincingly show that the Bank had a satisfactory period of working, despite the difficult business conditions that prevailed during the year. The earnings of the Bank have not been seriously affected by the slump in commodity prices. Evidently the adverse effects of the shrinkage in business turnover which dearer money conditions brought about and of the slump on the Bank's working must have been offset by the higher rate of interest earned on advances.

The Bank's profit for the year amounts to Rs. 77.51 lakhs, which represents a fall of only Rs. 2.04 lakhs or 2.5 per cent. from that for the previous year at Rs. 79.55 lakhs. But it is higher than that for 1950 by Rs. 2.47 lakhs. Notwithstanding the small decline in profit as compared with 1951, the Directors have made a larger provision for taxation which, at Rs. 31 lakhs, is Rs. 6 lakhs more than that provided a year ago. Though the rate of dividend is proposed to be maintained at 14 per cent. free of income-tax, it requires Rs. 3.15 lakhs more than that paid out last year. That is so, because of the increase in the Bank's paid-up capital from Rs. 200 lakhs to Rs. 250 lakhs.

The following comparative table brings out the progress of the Bank since 1949.

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Interest and discount earned	175.99	151.06	154.59	154.02
Commission and exchange	40.44	42.72	16.06	11.49
Gross income	223.63	200.26	174.29	167.69
Interest paid	46.23	32.88	27.38	34.66
Expenses	99.09	87.35	71.87	62.52
Depreciation on Bank's property	0.80	0.48	0.58	1.55
Profit	77.51	79.55	75.04	70.51
Taxation	31.00	25.00	23.00	20.00
To property fund	..	..	7.50	5.00
,, investment reserve ..	..	12.00	7.50	10.00
,, bonus to staff ..	10.75	10.00	9.55	8.10
Dividend	35.00	31.85	28.00	27.91
	(14%)	(14%)	(14%)	(14%)
Carry forward	6.36	5.61	4.90	5.42

	As on 31st December			
	1952	1951	1950	1949
Paid-up capital ..	2,50.00	2,48.86	2,00.00	1,99.37
Reserve funds	3,52.00	3,49.76	2,50.00	2,49.97
Deposits	56,12.52	57,78.93	50,90.44	59,87.98
Borrowings from other banks	..	1,75.00	..	..
Advances and bills ..	32,21.76	42,43.10	36,33.99	28,20.05
Investments	19,57.61	15,48.44	19,26.14	27,38.82
Cash	10,48.26	7,77.29	8,49.32	8,03.61
Fixed assets	17.60	14.92	14.29	5.29
Balance-sheet total ..	71,33.07	81,92.60	75,09.65	65,26.48
Ratio to deposits of—	%	%	%	%
Advances	57.4	73.4	61.0	47.5
Investments	34.9	23.8*	32.4	46.1
Cash	18.7	13.4	14.3	13.5

* The ratio is arrived at after taking into account the investments earmarked against borrowings from other banks.

It will be noted that the interest and discount earned have risen by Rs. 24.93 lakhs in the face of a decline in the Bank's advances and bill discounted. This is evidently due to higher interest rates obtained on these advances. The fall in other inland and foreign bills business is reflected in the drop of Rs. 2.28 lakhs in commission and discount. The increase of Rs. 3.35 lakhs in interest paid is mainly due to the increase in fixed deposits with the Bank on which higher rates of interest had to be paid. A matter of much concern to banks in India in recent years is the rising spiral of expenses, which trend did not show any sign of abatement during the year under review. In the case of the Bank of India, the increase under this item has been of the order of Rs. 11.74 lakhs. The only comforting feature of it is that the pace of increase has not been the same as that (Rs. 15.48 lakhs) in 1951. Of the increase of Rs. 11.74 lakhs during the year 1952, salaries and allowance and provident fund alone account for Rs. 10.03 lakhs. A sum of Rs. 12 lakhs was added last year to the investment reserve, but this year no provision has been made on this account. The Bank's dividend distribution needs some explanation. Whereas last year's interim dividend of 6 per cent. was on a capital of Rs. 200 lakhs and the final one on the capital of Rs. 248.86 lakhs increased in April, 1951, the dividend for 1952 (both interim and final) is on the enhanced capital of Rs. 250 lakhs for the whole year.

There has been an increase of Rs. 2.24 lakhs in the reserves, and this is accounted for by the premium on new shares and the transfer of a tiny sum from contingencies. Thus, the present reserves standing at Rs. 3.52 crores provide a buttress to the paid-up capital of Rs. 2.50 crores and bear ample testimony to the solidity of the Bank. Total deposits show a decrease of Rs. 1.67 crores. In common with the general trend, while fixed deposits have risen, by Rs. 31.41 lakhs, as also savings deposits, by Rs. 2.09 lakhs, current deposits, including contingency accounts, have recorded a fall of Rs. 2 crores. There are no outstandings as at the close of the year under review on account of borrowings from other banking companies, which had stood at Rs. 1.75 crores at the end of 1951. But it is not known whether the Bank had borrowed anything during the course of the year either against Government securities or against usance bills. The only other items which have shown marked declines are the bills for collection and acceptances (not shown in the table). These contra items have declined from Rs. 131.09 lakhs and Rs. 14.28 crores to Rs. 43.10 lakhs and Rs. 7.69 crores, respectively, indicating thereby a fall in the bills business of the Bank, which is not surprising considering the fall in the volume of India's foreign trade, in the financing of which the Bank has a sizable share now. Advances and bills discounted and purchased have also recorded a significant fall of Rs. 10.21 crores, in distinct contrast to the increase of Rs. 6.09 crores in the preceding year. This is presumably due to caution exercised by the Bank in the matter of commercial credits, in addition to the general lull in business conditions. The fall in advances has in a way helped the Bank to consolidate its position and strengthen its liquid resources. This is amply borne out by the increase in the liquidity ratio. The increase of Rs. 4.09 crores in investments mainly reflects the Bank's subscription to the Government of India Treasury Bills, the sale of which was resumed in the second week of October, 1952, and the outstandings of which on the books of the Bank at the end of 1952 were Rs. 4.12 crores. Thus, out of a total of Rs. 20 crores offered during the ten weeks in 1952, the Bank of India alone had taken up more than a fifth. This shows that the Bank was not keen on buying any Government loans, which is but natural considering what the banks had to suffer in the previous year by way of capital depreciation on these investments. Cash balances, as at the close of the year, show a marked increase of Rs. 2.71 crores, raising the cash coverage to deposits from 13.4 per cent. to 18.7 per cent.

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MYSORE BANK'S PROFIT SHRINKS

DIVIDEND, HOWEVER, MAINTAINED

THE slump in commodity prices during the past year, as well as the cautious policy followed by banks in their lending operations in keeping with the Government of India's monetary policy initiated in November, 1951, has affected the financial results of banks in varying degrees. The profits of banks in general for 1952 are lower, but, in some cases, especially in the case of those which thought it fit to tell the whole truth to their shareholders, the extent of fall is somewhat substantial. The results of the Bank of Mysore Ltd. (General Manager: Mr. B. V. Narayana Reddy, Bangalore), for the year ended 31st December, 1952, provide a case in point. The profit of this Bank for the year under review has suffered a contraction of Rs. 4.55 lakhs or 20.8 per cent. from the record level of Rs. 21.85 lakhs earned in the previous year. But, as compared with 1950, the profit for 1952, at Rs. 17.30 lakhs, is Rs. 3.14 lakhs more and constitutes the second highest profit in the history of the Bank. The decline in profit, as compared with 1951, has, however, necessitated the withdrawal of Rs. 1 lakh from the dividend equalisation fund to maintain the distribution to the shareholders at 16 per cent. per annum, including a bonus of 4 per cent., a rate which has been consistently repeated since 1947.

The gross income of the Bank has dropped from Rs. 50.09 lakhs to Rs. 49.18 lakhs only, though it contrasts with the increase of Rs. 12.30 lakhs noted in the previous year. But if the profit has declined sharply by Rs. 4.55 lakhs, it is because of the rise in expenses. There has been an increase of Rs. 2.64 lakhs in interest paid on deposits and borrowings. This is evidently due to the substantial increase in fixed deposits and thrift and savings bank accounts. Administrative and other expenses, too, have gone up by Rs. 1.60 lakhs. Despite this fall in profit, the provision for taxation has been raised by Rs. 1.10 lakhs to Rs. 6 lakhs. The provision for depreciation on investments has, however, been reduced from Rs. 5.41 lakhs to Rs. 2.81 lakhs. This is because of the comparatively small depreciation in the value of investments during the year under review. No addition has been made to the reserves, while, a year ago, a sum of Rs. 50,000 was transferred to the reserve fund and Rs. 1 lakh to the dividend equalisation fund. But this addition to the latter fund has now been drawn back, as already noted, to maintain the return to the shareholders.

The following comparative table sets the results of the Bank for the past year against the background of those for the previous three years:

(In lakhs of rupees)

	Year ended 31st December			
	1952	1951	1950	1949
Interest and discount ..	43.18	43.42	32.06	32.83
Commission and exchange	5.79	6.48	5.49	5.26
Gross income	49.18	50.09	37.79	38.31
Interest paid	13.13	10.49	8.80	8.43
Expenses	18.75	17.15	13.20	13.13
Profit	17.30*	21.85*	14.16	16.20
Appropriations for—				
Taxation ..	6.00	5.10	4.50	5.50
Depreciation on investments ..	2.81	5.41	..	..
Contingency reserve ..	..	..	1.00	1.50
Dividend equalisation fund ..	..	1.00	..	..
Reserve fund ..	..	0.50	..	0.50
Bonus to staff ..	2.25	2.20	1.76	1.32
Dividend† ..	8.00‡ (16%)	8.00 (16%)	8.00 (16%)	8.00 (16%)
Carry forward	0.86	1.59	1.95	3.05

	As on 31st December			
	1952	1951	1950	1949
Capital	50.00	50.00	50.00	50.00
Reserve fund	84.00	85.00	83.50	83.50
Deposits	877.93	992.04	931.78	869.56
Advances and bills ..	603.20	722.61	621.34	530.17
Investments	300.34	285.15	304.04	267.70
Cash	153.38	144.81	159.12	222.03
Balance-sheet total ..	11,34.23	12,19.57	11,40.97	10,76.68
Ratio to deposits of—	%	%	%	%
Advances and bills ..	68.78	72.84	66.63	60.90
Investments	32.21	28.74	32.63	30.78
Cash	17.47	14.60	17.06	25.53

* Before providing for depreciation on investments.
† Includes a bonus of 4 per cent. per annum.
‡ Includes Rs. 1 lakh drawn from dividend equalisation fund.

It will be noted from the above table that the progressive expansion in deposits in the previous two years suffered a reversal during the year. But the decline has not occurred in all classes of deposits. It is only the current account deposits, which constitute the bulk of business accounts, that have declined, from Rs. 6.11 crores to Rs. 4.52 crores, to be precise. This is only as it should be, in view of the disinflationary policy followed by the authorities. Demand deposits of banks are bound to fall

(*Continued on page 371*)

ALLOCATION OF INCOME-TAX TO STATES

FINANCE COMMISSION'S VIEWS ANALYSED

ONE of the important functions which the President of India has to discharge under the Constitution is to make arrangements from time to time for the allocation of revenues between the Union and the State Governments. The President is required to constitute, under Article 280(1) of the Constitution, a Finance Commission within two years of the commencement of the Constitution and thereafter at the expiration of every fifth year or at such earlier time, as he may consider necessary, for making recommendations to him regarding the principles which should govern the allocation of revenues.

Accordingly, the President, Dr. Rajendra Prasad, appointed the First Finance Commission on 22nd November, 1951, under the chairmanship of Mr. K. C. Neogy, Mr. V. P. Menon, Mr. Justice R. Kaushalendra Rao and Dr. B. K. Madan were appointed as members to serve on the Commission, with Mr. M. V. Rangachari as member-Secretary. Mr. Menon having resigned his office in February, 1952, Mr. V. L. Mehta was appointed in his place. The Commission was requested to make recommendations to the President in regard to the following:

(a) The distribution between the Union and the States of the net proceeds of taxes which are to be or may be divided between them under the provisions of Chapter I of Part XII of the Constitution and the allocation between the States of the respective shares of such proceeds;

(b) the principles which should govern the grants-in-aid of the revenues of the States out of the Consolidated Fund of India;

(c) the continuance or modification of the terms of any agreement entered into by the Government of India with the Government of any Part B State, and

(d) any other matter referred to the Commission by the President in the interest of sound finance.

In its work, the Commission felt somewhat handicapped by the lack or inadequacy of factual and statistical data in regard to certain matters such as national income, the structure and incidence of taxation—Central, State and local—the standards and availability of social services in various States, the distribution of responsibility in certain spheres between the States and local bodies and so on. With a view to overcoming these drawbacks, the Commission has recommended the setting up of a small organisation as part of the Secretariat of the President, to make a continuous study of the finances of the State Governments. Such an organisation would make available to the future Commissions sufficient material at the very commencement of their enquiry. This organisation should work in close liaison with the Finance Ministry and should make a study of the budgets of the State Governments, the changes in their finances from time to time, the rates of taxes in operation, the effects of the further measures of taxation undertaken by them, the working of their commercial enterprises, and their effect on State finances and cognate matters. It should not only study the Administration Reports of State Governments and Proceedings of State Assemblies, but also information in regard to the progress of various social services such as education, medical and public health. The results of these studies should be embodied in periodical papers, copies of which should be made available to the future Commissions.

In drawing its scheme of assistance to the States, the Finance Commission has kept three main considerations in view. First, the additional transfer of resources from the Centre must be such as the Centre could bear without undue strain on its resources, taking into account its responsibility for such vital matters as the defence of the country and the stability of the economy. Secondly, the principles for the distribution of revenues between the States and the determination of the grants-in-aid must be uniformally applied to all the States. Lastly, the scheme of distribution should attempt to lessen the inequalities among the various States. At the outset, the Commission has made it clear that the scheme should be considered as an integrated whole. Any modifications in the individual recommendations would, it has emphasised, affect the balance of the scheme. This explains the acceptance *in toto* by the Government of India of all the recommendations of the Commission.

Distribution of Income-tax

The Commission's scheme may be summarised broadly under three heads, namely, (i) distribution of income-tax, (ii) division of Union excises, and (iii) grants-in-aid of the revenues of the States out of the Consolidated Fund of India. In this and in the next issue of *Commerce*, it is proposed to bring out the main views of the Commission on all these subjects, as it was not possible to include them in the summary of the Commission's recommendations published in our last issue. To begin with the views of the Commission on the distribution of income-tax. These fall under three divisions, namely, (a) the percentage of the net proceeds of income-tax to be assigned to the States, (b) the manner in which the share assigned to the States should be distributed among the individual States, and (c) the percentage of the net proceeds attributable to the Part C States.

The position before the Finance Commission's recommendations came into force was that 50 per cent. of the net proceeds of the income-tax (here income-tax means only income-tax and super-tax and does not include corporation tax) exclusive of (1) the proceeds attributable to Part C States and (2) the proceeds of taxes payable in respect of Union emoluments was assigned to the States. Again, as a transitional arrangement, out of the sums so assigned, each Part B State was entitled to receive 50 per cent. of the net proceeds of the tax levied and collected in that State, while each Part A State, which had absorbed former Indian States, was entitled to receive 50 per cent. of the net proceeds of the tax levied and collected in the merged territories with that State. The balance was allocated and distributed among Part A States in the following percentages: Assam 3; Bihar 12.5; Bombay 21; Madhya Pradesh 6; Madras 17.5; Orissa 3; Punjab 5.5; Uttar Pradesh 19; and West Bengal 13.5. For the purpose of working out the divisible pool, one per cent. of the net proceeds was deemed to be the tax attributable to Part C States.

In order to devise the new scheme of distribution, the Finance Commission has had to take into account the Part A States as reconstituted after the merger of the former Indian States, and the Part B States which were entitled to share in the proceeds of income-tax. Out of the eight Part B States, seven became eligible to be treated on equal footing with Part A States. These were: Hyderabad, Madhya Bharat, Mysore, P.E.P.S.U., Rajasthan, Saurashtra, and Travancore-Cochin. The eighth State is Jammu and Kashmir. Although this State is a part of the Indian Union, it has not been included in the Finance Commission's scheme because the provisions of the Indian Income-tax Act do not apply to it.

The various States advanced heavy claims in their representations to the Finance Commission. These related particularly to two of the points on which the Commission has had to make recommendations. One is the percentage of the net proceeds of income-tax to be assigned to the States, and the other, the basis of distribution of the share among them. With regard to the first point, all Part A States, except Orissa, suggested an increase in the divisible pool from 50 per cent. to at least 60 per cent. Among Part B States, some urged that it should be raised to 70 per cent. On the second issue, namely, the basis of distribution, a variety of suggestions was presented by them.

West Bengal Government's View

The West Bengal Government took an altogether different view from others in stating that each State should get back out of the net proceeds of income-tax attributable to it, the percentage of share assigned to the State as a whole. It contended that the money raised in one State could not be made available to another State. It interpreted the term "within which the tax is available" in Article 270 of the Constitution to mean that the President, after retaining the Centre's share of the income-tax, should place the balance in the hands of the Governments in whose territories the taxes have been levied or to whom they were attributable to be disposed of under the control of their legislatives. In short, the Central Government's right to dispose of the proceeds of income-tax on any principle of merit was questioned by the West Bengal Government.

It is evident, *prima facie*, that the stand taken by the West Bengal Government is not tenable for various reasons. The reasons given by the Finance Commission amply bear testimony to the futility of that State Government's reasoning. The phase "within which the tax is leviable" as interpreted by the Commission stands to reason. It only means, says the Commission, no more than the simple expression, "that a State in which the tax is not leviable has no right to a share at all. Take, for instance, Jammu and Kashmir. This State is now a State of the Indian Union but it is not entitled to any share in the income-tax, because it does not levy any income-tax. The Bengal Government's views on the manner of distribution, namely, to return to each State a proportion of the revenue collected in each area, are also not tenable. For they mean that there is only one method of distribution and that is to return to each State the proportionate share of the tax collected in its area. This interpretation is not correct, because the manner of distribution about which the Commission is asked to make suggestions is different from the manner of making actual payments about which there is a specific provision in Article 279(2). Thirdly, the scheme of allocation and the distribution of income-tax has been in existence ever since the Government of India (Distribution of Revenues) Order, 1936, came into force. Till now no State had challenged this scheme as the Government of Bengal had sought to do. Fourthly, the Constitution does not recognise that any State has a right to the income-tax collected or even arising in its area. Fifthly, a State acquires the right to a definite amount of the divisible pool only after the manner of distribution has been prescribed by the President. Sixthly, until a State acquires the right to participate in the division, there is no question of transfer of money belonging to one State to another. Seventhly, a right of concurrent taxation in the income-tax field was never enjoyed by any Part A State; of course, the former Indian States had an independent right to tax incomes, but this right was lost under the Constitution after the integration of these States with the Union.

Divisible Pool

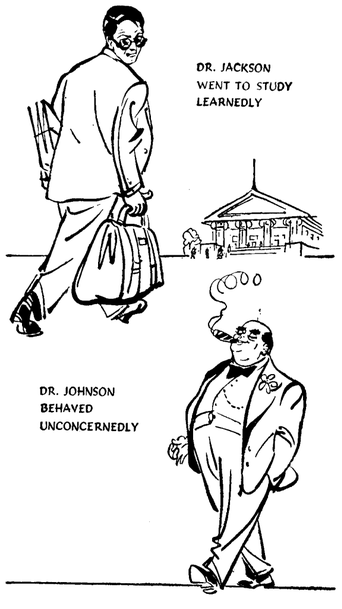
In the previous schemes of allocation of revenues between the Centre and the Units, a few awards had insisted that income-tax should be a balancing factor in the adjustment of resources between the Centre and the Units. The Commission has rejected this theory, as it feels that an increase in the States' share of this tax should not be used as a major factor in the devolution of future revenues to the States.

The Commission next proceeds to consider the claims of the States for an increased share. It examines the case for an increase from four aspects. First, there are now 16 States, instead of nine as hitherto, to participate in the division of the States' share of the divisible income-tax pool. Secondly, some Part B States are given a concession in regard to the application of the full rates of income-tax for the transitional period; their revenues from income-tax may, therefore, be smaller than otherwise, while the distribution to all the participating States will have to be on uniform principles. Thirdly, the increase in the number of Part C States has underlined the need for a somewhat larger percentage than at present of the net proceeds of income-tax as attributable to Part C States. And fourthly, the cost of collection allocable to income-tax is also likely to be slightly more than at present. These four factors cumulatively cause a reduction in the amount of the divisible pool. In view of these considerations, the Commission has decided to recommend an increase in the share assignable to the State from 50 per cent. to 55 per cent.

Distribution of States' Share

Several bases were suggested by the various States for the distribution of the share of income-tax allocated to the States. These include the bases of collection, origin of the income, resident, population, industrial labour, *per capita* income, and economic conditions of the State concerned. Each State put forward those bases which were quite advantageous to it. But, broadly speaking, the main controversy centres round two schools of thought. One is that the tax should be distributed on the basis of contribution, if not collection, and the other on the basis of needs of the States measured by the population within their jurisdiction. The Finance Commission has admitted the relevance of contribution as a basis of distribution, but has rejected collection as the sole or even a major factor in the distribution of the tax. For, the two States of Bombay and West Bengal between them account for nearly 75 per cent. of the collections of income-tax in the country. Again, of these collections, 75 per cent. is made within the cities of Bombay and Calcutta. But the collections within the limits of these two cities do not arise on account of activities which are confined to these limits. They are due to the fact that these cities are the entrepots of the country's export and import trade. As regards the basis of residence or origin, the Commission is of the view that neither of them is likely to give proper results in the allocation of a Central tax like income-tax among the units. Another argument in giving the collection basis some importance in the distribution of income-tax is the heavy responsibilities of States

(*Continued on page 371*)



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COTTON INDUSTRY IN ASIA AND THE FAR EAST

PRE-WAR PATTERN BEING RESTORED

AN interesting review of the developments in the sphere of the cotton textile industry in the Asian and the Far Eastern region is contained in the latest (1951) economic survey of the region, prepared by the Secretariat of the E.C.A.F.E. Although the review is a little out of date in that it relates to a period which is more than a year old, namely, 1951, it is important chiefly for two reasons. First, the review clearly reveals the vital role played by the cotton textile industry in the economy of Asia and the Far East, especially Japan, India and China. Secondly, it indicates how the relative importance of the three major cotton textile producers has changed greatly since the war, although recent trends are towards the restoration of the pre-war pattern.

The aggregate quantity of yarn produced in the E.C.A.F.E. region, during 1951, according to the review, was substantially higher at 2,171 million lbs., as compared with 1,812 million lbs. in 1950 and 1,781 million lbs. in 1949. Production of cotton fabrics rose to about 6,332 million yards, as against 5,105 million yards and 4,875 million yards in the two preceding years, respectively. As compared with the pre-war figure of 7,685 million yards, however, the output for the year under review was lower by as much as 1,353 million yards. Yarn production in 1938 was 2,847 million lbs. A conclusion which can be drawn from these figures is that, assuming that the pace of advance witnessed in 1951 continued in 1952—there are indications to suggest that it did—and will do so in the coming years, it will not be long before production reaches not only the pre-war figure but exceeds it.

Trend of Production

The following table indicates the trend of cotton textile production in several countries during 1951, as compared with the three preceding years and also with 1938:

Cotton Yarn (million lbs.)	1938	1948	1949	1950	1951
India	1,324	1,478.8	1,351.2	1,176.9	1,318.2
Japan	1,466	279.1	352.8	533.7	754.4
Korea (South) ..	51	13.2	28.7	22.2	10.8
Hongkong	..	..	24.2	53.4	64.9
Pakistan	..	21.7	21.7	13.7	19.7
Ceylon ..	2	1.6	1.8	1.6	1.8
Philippines ..	4	.2	0.4	0.7	0.7
Total ..	2,847	1,794.6	1,781.8	1,812.2	2,170.5
Cotton Fabrics (million yards)					
India	4,271	4,424	3,807	3,616	4,167
Japan* ..	3,198	746	900	1,312	1,993
Korea (South)	198	28	63	54	25
Pakistan	..	89	93	106	128
Phillippines ..	11	8	4	10	11
Ceylon*	7	8	8	7	8
Total ..	7,685	5,305	4,875	5,105	6,332

* Approximate estimates.

The year 1951 was a satisfactory one for the Indian cotton mill industry. Production of cotton yarn and piecegoods was higher by 10 per cent., as compared with 1950. The increase in output would have been greater, but for the unexpected shortage of power in Bombay State and the time-lag in revising the ceiling prices of yarn and cloth by the authorities in accordance with the market situation. Four factors were responsible for improvement in output during 1951: (1) Better cotton supply, thanks to substantial imports from the U.S., and effective cotton control enabling the industry to get home-grown cotton at or near ceiling prices, (2) higher prices for cloth in domestic and export markets, (3) spinning of a larger quantity of fine and superfine cotton, giving more yardage than coarse and medium counts, (4) improvement in labour situation.

The pace of expansion in output of cotton textiles, it may be noted here, gathered further momentum during 1952. The production of cloth amounted to 4,609 million yards, a level which exceeds the previous post-war record of 4,422 million yards, attained in 1948, by 186 million yards. The increase in yarn output, as compared with the previous year, was also marked, although it was not more striking than the previous record output. Thus, in 1952, yarn output was 1,441 million lbs., as against 1,289 million lbs. in 1951 and 1,456 million lbs. in 1948. The improvement in cotton textile output during 1952 was the cumulative effect of a number of favourable factors such as continued comfortable raw cotton supply position, further improvement in labour situation, better transport facilities, and, more than these, relaxation of restrictions on distribution and exports.

In the field of exports, however, the performance was rather disappointing. Thanks to increased export duty and abolition of rebate of import duty on raw cotton, not to speak of the decline in the world demand during the later months of 1951, the export trade in cloth in 1951 suffered a severe setback. The quantity actually exported was not more than 712 million yards, as against the record output of 1,102 million yards in 1950. In 1950, it may be noted, India was the world's largest exporter of cotton goods. There was a further setback to India's cloth export trade during 1952, the quantity of cloth actually shipped being not more than 600 million yards.

Cotton Industry in Japan

Production of cotton yarn and cloth in Japan during 1951, despite shortage of electric power, was substantially higher by as much as 40 per cent., as compared with the previous year. This improvement was due mainly to increased demand from abroad and also partly to the relatively adequate supply of textile machinery and raw materials. The suspension of Government control over raw cotton and cotton products also helped in raising output. The spinning capacity underwent a huge increase, from 4.3 million spindles at the end of 1950 to 6.4 million spindles by the end of 1951. Consumption of cotton showed a large increase. Owing to dollar shortage, U.S. cotton consumed during the later months of 1951 fell to 43 per cent. of the total consumption, as against 70 per cent. in 1950, while that from non-dollar sources increased.

Japan exported 27.43 million lbs. of cotton yarn and 1,050 million yards of cloth in 1951, representing an increase in yarn but a decrease in cloth, as compared with the previous year. While shipments of cotton goods were increasing during the first half of 1951, they declined during the second half of the year, owing to the general weakening of overseas demand and the increased prospective supply in world markets resulting from improved cotton crops in the U.S. Pakistan and Indonesia cancelled a number of contracts for a large volume of cotton cloth, which had been ordered at high prices earlier in the year, and this resulted in a sharp decrease in Japanese cloth exports, in spite of the continued increase in output. The leading customers for Japanese textile goods were Pakistan (61 per cent. of total exports), Burma (17 per cent.), Indonesia (9 per cent.), and China (8 per cent.).

During 1952, however, the export trade in Japanese cloth received a setback, following the emergence of a buyers' market in textiles. The aggregate quantity which this country exported is estimated lower, at 769.13 million yards.

On the mainland of China, the cotton textile industry advanced rapidly during the years 1950 and 1951, the output of yarn and cloth exceeding previous peak levels. In the first half of 1951, production of yarn rose by 30 per cent. and that of cloth by 25 per cent., as compared with 1950. Apart from the increase in employment and the installation of new plants, there was a significant improvement in productivity. Thus, in most textile establishments, the output per unit of loom or spindle is reported to have gone up by 20-45 per cent. in 1951, as compared with the two preceding years. Textile production, however, was still largely governed by the availability of raw cotton. Imports of U.S. cotton were practically *nil*, but these were made good by supplies from Pakistan and the remarkable rise in indigenous output in 1950-51 and 1951-52. In China (Taiwan) also, the year 1951 witnessed an appreciable rise in cotton textile output, the quantity actually produced being 320 per cent. higher than that in 1950 and 566 per cent. higher than that in 1949. The number of cotton spindles and looms (automatic) existing was 950,000 and 5,392, with an annual rate of output of 62 million yards of cloth and 22 million lbs. of yarn.

Significant developments in the sphere of cotton textile industry is also reported in the other countries of the region. In Pakistan, for instance, the number of cotton spindles in operation increased from 175,000 at the time of Partition to 350,000 and, according to the Six-year Plan, another 250,000 spindles are expected to be installed. The total annual cloth production of the existing mills increased to 106 million yards in 1950, which compares favourably with 92 million yards in 1949 and 89 million yards in 1948. In Ceylon, preliminary work has commenced for establishing a State-owned textile factory with 25,000 spindles and 500 automatic looms. It is proposed that one-fifth of the yarn output of this factory will be supplied to handlooms which have encountered difficulties in getting yarn. In the Philippines, production of both cotton yarn and piecegoods continued to increase in the first half of 1951 to 413,000 lbs. and 5.4 million yards, respectively. In Burma, the cottage weaving industry suffered from a shortage of yarn, but the situation improved during the second half of the year. In May, 1951, a Government cotton spinning and weaving factory, using locally produced cotton, was opened with 20,000 spindles and 200 looms. Its production is expected to supply 20 per cent. of the country's requirement of yarn and 7 per cent. of cloth. In Hong Kong, the industry was confronted with shortage of raw cotton and competition from Japanese exports. In Indonesia, Japanese competition and strikes caused the closing down of some establishments. At the same time, however, the Government proceeded to establish a spinning mill under the Economic Development Plan. In South Korea and Viet Nam, war and disturbed conditions continued to handicap production.

EXPORT TRADE IN CLOTH

The question of export duty on cloth figured prominently in the speech of Mr. Naranji L. Kara, President of the All-India Exporters' Association at the tenth annual meeting of the Association. He said that "on no grounds should cloth or any article meant for export be burdened or shackled with all kinds of imposts, such as export duty, cess and sales tax." This is too sweeping a statement to commend itself even to Mr. Kara's own colleagues, for there are occasions when an export duty has to be levied to protect the internal economy against external inflation. An export duty on cloth, for instance, is perfectly justifiable when the export trade in this commodity is booming and the sellers' market is strong. But it has to be promptly reduced or abolished according to the trend of world trade in textiles. The Government, of course, reduced the duty ere now, but it was too slow in doing so; and even when it reduced the duty, it did not cut it down sufficiently. As for the sales tax, the Constitution does not permit the levy of this tax on exports. So, there Mr. Kara was perfectly right. Mr. Kara was also right when he suggested that the Government should give a rebate of the import duty on raw materials used in manufacturing cloth meant for export, as, otherwise, it would place the Indian mills at a disadvantage *vis-a-vis* its competitors who are not paying such a duty on their raw material.

Mr. Kara was optimistic that the export target of 1,000 million yards, fixed at the Buxton Conference, would not be a difficult task for India, "provided a far-sighted, consistent and liberal policy was pursued by the Government simplifying procedure, and removing unnecessary restrictions and handicaps." In this connection, he urged the Government of India to emulate the example of the Japanese Government. To quote Mr. Kara: "The Japanese Government, unlike ours, did not hanker after false and unattainable ideologies in the beginning and lick the feet afterwards. It did not attempt hair-splitting over nationalisation and State control and thus delayed rehabilitation and expansion schemes, but provided all facilities to private enterprise to go ahead with its various development plans. The Japanese tax system contributed to this recovery in no less degree because, being anything but rigorous, it made possible ploughing back a considerable part of profit and capitalisation of industry's own earnings."

Mr. Kara wanted the Government to remove restrictions on export of mineral khaki, *lungi*, *pseudofine* cloth and such other varieties which were in good demand in foreign countries. To what extent this plea is justified it is difficult to say, in view of the non-availability of statistics regarding the supply position, demand, etc. The chief factor which seems to have weighed with the authorities in restricting the export of mineral khaki is the paramount importance of meeting Defence requirements. With regard to exports of *pseudofine* cloth, however, there seems to be no points in continuing the ban. The export of this cloth was banned, because the cloth, classified as fine cloth, escaped from export duty levied on medium cloth. If that was the only "hitch", Mr. Kara wondered why the Government should not accept his suggestion that *pseudofine* cloth might be allowed for export subject to payment of the present export duty.

An important aspect of the export trade in cloth, to which Mr. Kara drew particular attention, relates to the large forward purchases of certain varieties of cloth made by some exporters from the mills. This, he maintained, could not be called speculative buying, since it was based on proper study of the exact requirements of their clients and intelligent anticipation of prospective demand from them. Such exporters as were catering to the specific requirements of their regular overseas clients had very often to take risks in business, in order to book orders as and when received. Mr. Kara sought to drive home the fact, in this connection, that the purchases were made, not for diversion to internal markets—even if prices ruled higher later—but for export only. "This sort of forward buying," to quote him, "is an integral part of the pattern of the export trade in normal times." He added that the method of effecting a purchase from a textile mill, only when one had an overseas order in hand, could not be strictly followed in the prevailing conditions of a buyers' market and free licensing procedure of the Government.

TEXTILE WORKERS TO LAUNCH CAMPAIGN FOR WAGE INCREASE

SURVEY OF CLOTH EXPORT TRADE

(From A Special Correspondent)

MANCHESTER, *17th February*

MANCHESTER LETTER

AFTER expressing "profound dissatisfaction" at last month's rejection by the Industrial Disputes Tribunal of their £7,000,000-a-year wage claim, leaders of all Lancashire's cotton trade unions decided this week to launch a fresh campaign for wage increases. The new claim—affecting 280,000 workers in spinning and weaving mills—will not be tabled immediately.

The decision to press a fresh claim was taken by 50 representatives at a joint conference of the Northern Counties' Textile Trades' Federation, the Cardroom Workers' Amalgamation and the Operative Spinners' Amalgamation. The conference had been summoned to decide future policy in the light of the Tribunal's outright rejection of the demand for an all-round increase of 10 per cent. on current earnings.

Afterwards Mr. A. C. C. Robertson, President of the Cardroom Workers' Amalgamation, said: "The operatives' representatives are not prepared to remain content with the decision. The whole position is being reviewed and on completion of the review steps will be taken to apply to the employers' associations for an increase in wages." He added: "We observed that many wage applications are being conceded and this makes the social position of our members relatively worse than when our application was formulated." Union leaders said they could not estimate how long the review would take. The amount of the new claim will be decided later.

Commonwealth Trade

Nearly five months have elapsed since the international cotton talks took place at Buxton when the British team produced a target of 1,350 million square yards of cloth for Lancashire's exports this year. In the meantime, there has been singularly little evidence of how such a vast task is to be approached and in view of the widespread lack of confidence among buyers the world over, the prospects of achieving the object seem perilously thin, even so early in 1953.

Various reasons were put forward at the time as to why Lancashire's delegates should propose what appeared to be an unrealistic figure. Statistically, on the basis of past performances, such a target is not completely out of reach, but in present-day circumstances its attainment is highly improbable. A graduated scale of increasing exports over the next two or three years is the best that can be hoped for.

The table below shows the record of trade in British cotton piecegoods with Commonwealth markets in recent years:—

(In million sq. yds.)

	1938	1950	1951	1952
Malta and Gozo ..	1.8	1.5	1.7	1.1
Cyprus	2.4	2.9	1.5	2.3
West Africa	70.5	138.8	129.2	175.5
South Africa	109.5	82.3	114.8	59.4
Northern Rhodesia ..	0.6	4.9	4.5	4.8
Southern Rhodesia ..	14.7	17.0	21.1	14.1
East Africa	6.6	14.5	15.0	21.1
Aden	2.7	2.1	3.0	5.5
India	273.3	6.0	7.0	6.0
Pakistan	..	67.1	39.4	42.1
Malaya	39.0	36.6	48.5	33.4
Ceylon	18.3	11.9	10.8	8.8
Hong Kong	6.8	5.2	5.3	4.0
Australia	145.9	114.7	167.8	73.0
New Zealand	26.6	48.4	45.4	30.5
Canada	64.5	22.1	14.2	17.1
British West Indies ..	22.3	12.6	9.3	12.2
British Guiana	4.4	3.1	1.7	2.7
Sudan	1.7	6.8	9.9	11.5
Other Commonwealth ..	11.9	9.7	11.4	11.5
Total to Commonwealth.	823.5	608.2	661.5	536.6
Total cloth exports ..	1,396.2	822.4	865.2	710.8

The proportion of shipments to Commonwealth markets has remained fairly constant at around 75 per cent. for some years past but the quantities absorbed by the individual countries have varied appreciably. Last year, while Lancashire's total sales abroad fell by about 155 million square yards, shipments to the Commonwealth were 125 million yards lower than in 1951.

The bigger the market the bigger was the variation in consumption, as South Africa and Australia together accounted for a fall of 150 million square yards, whereas Nigeria alone took an extra 50 million square yards from Lancashire. Such transformations in trading relationships can throw out of gear the best-laid plans for the future, but some progress has been made in shipping supplies to some of the smaller markets.

Bulk Selling Plans

Although the progress of actual schemes to expand overseas trade is excessively slow, moves are under consideration, which may easily develop trade between Lancashire and certain areas where it is felt prospects are encouraging. In Africa, for example, there is believed to be scope for a sustained drive to ensure that local requirements are fully catered for by Lancashire manufacturers in direct competition with rival textile industries.

Towards the end of last year there were hopes that a scheme to provide standard cloths at fixed margins for special areas would receive the backing of all sections of the industry and that producers, finishers and distributors would collaborate in a scheme on similar lines to that proposed by the Central Rayon Office. Negotiations have been so long-drawn-out that it is now unlikely that a plan of the full magnitude originally drawn up will be put into operation. The sponsors of the project, however, have not given up hope of getting support for the venture from a smaller number of firms. In this way the initial impetus may grow and, if successful, may stimulate others to follow the example.

Barter Cotton

First supplies of the 85,000 bales of Brazilian cotton bought by the Raw Cotton Commission as part of the jets-for-cotton barter deal will be used in Lancashire spinning mills early in April. The Commission has announced that quantities of this cotton are now on offer for delivery in April and May at prices ranging from 27.90*d.* to 29.60*d.* per lb., according to grade and staple.

Actual samples of the finest types will not arrive until April and supplies of these grades will not be sold until then. On average, the Brazilian cotton is believed to have cost the Commission around 31*d.* per lb. so that Lancashire spinners will get the benefit of cheaper supplies than their rivals in other cotton-manufacturing countries. The difference is being made up in the price charged for the 70 Meteor jet fighters which are being exchanged for the cotton by the Gloster Aircraft Co., a subsidiary of the Hawker-Siddeley Group.

Importance of Textiles

The need for developing Britain's ultra-modern industries, such as jet-aircraft manufacture, must not be allowed to overshadow the importance of the textile industry to the nation's economy, said Sir Raymond Streat, Chairman of the Cotton Board, speaking to hosiery manufacturers at Nottingham. Everything possible should be done to aid these modern developments, he continued, but the contribution of the established staple industries to exports and saving imports must not be overlooked. He said: "I cannot envisage the time when the many-sided textile industry of Britain will cease to be one of the main props of the economy of Britain."

Sir Raymond said all textiles would gain from more being heard about them, and the time had come when the textile industry must impress more upon the public the virtues of cotton. He added: "Our competitors in other industries are doing rather more than we can allow to pass without notice, and we should enter into competition with them."

Raw Cotton Imports

Supplies of raw cotton from Pakistan made up the majority of imports into Britain last week. Cargoes of 8,647 bales arrived out of total imports from all quarters of 14,401 bales. Other suppliers included the United States, the Argentine, India and East Africa. A total of 5,542 bales was imported on Raw Cotton Commission account.

Among nearly 59,000 bales of cotton still at sea for Lancashire mills are 15,581 bales from East Africa, 13,999 bales from Pakistan and 11,695 bales from the United States.—*All Rights Reserved.*

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THE BANK OF MYSORE, LIMITED

(INCORPORATED IN MYSORE STATE IN 1913. LIABILITY OF MEMBERS IS LIMITED)

BANKERS TO THE GOVERNMENT OF MYSORE

Head Office: AVENUE ROAD, BANGALORE, 2

BRANCHES

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2. BANGARAPET
3. BHADRAVATI
4. BOMBAY
5. CHANNAPATNA
6. CHICKBALLAPUR
7. CHICKMAGALUR
8. CHICKPET BRANCH, BANGALORE CITY
9. CHINTAMANI
10. CHITALDROOG
11. CITY BRANCH, ARCOT SRINIVASACHAR STREET, BANGALORE CITY
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13. COIMBATORE
14. DAVANGERE
15. FORT BRANCH, BANGALORE CITY
16. HASSAN
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18. KRISHNARAJANAGAR
19. LADY CURZON ROAD, BANGALORE CIVIL AREA
20. MADANAPALLE
21. MADRAS
22. MANDYA
23. MARKET SUB-BRANCH, MYSORE
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25. OORGAUM
26. SAGAR
27. SAKLESPUR
28. SHIMOGA
29. SOUTH PARADE BRANCH, BANGALORE CIVIL AREA
30. TIPTUR
31. TUMKUR

DIRECTORS

SRI. TUBAGERE NANJAPPA *Chairman.*
DHARMAPRAKASA RAO BAHADUR SRI. K. KUPPUSWAMY
SRI. B. N. GUPTA
SRI. P. HANUMANTHIAH
RAJASEVAPRASAKTHA SRI. M. VIRARAJA URS, B.A., B.L.
SRI. D. M. SHANKARAPPA
DHARMAPRAKASA SRI. L. S. VENKAJI RAO
SRI. S. M. RAMAKRISHNA RAO
LOKASEVANIRATHA DHARMAPRAKASA SRI. V. R. CHIKKACHANNANJAPPA SETTY
RAJASEVASAKTHA SRI. P. SUBBARAMA CHETTY.

REPORT OF THE DIRECTORS TO BE PRESENTED TO SHAREHOLDERS AT THE FORTIETH ANNUAL GENERAL MEETING TO BE HELD AT THE REGISTERED OFFICE OF THE BANK IN BANGALORE CITY

The Directors have pleasure in submitting to the Shareholders the Balance Sheet and Profit and Loss Statement as at 31st December 1952.

The result of the Bank's working for the year ended 31st December 1952 is a surplus of Rs. 14,48,744-13-0, which sum, together with Rs. 1,62,550-1-9 brought forward from 31st December 1951, aggregates Rs. 16,11,296-14-9 after providing a sum of Rs. 2,81,000 on account of Depreciation on investments due to fall in the market prices.

The following appropriations have been made:—

	Rs.	a.	p.
An Interim Dividend at the rate of 12 per cent. per annum and a Bonus at the rate of 4 per cent. per annum, free of Income-Tax, was paid for the half-year ended 30th June 1952, which absorbed	4,00,000	0	0
Transferred to Reserve for Income-Tax and Super-Tax	3,50,000	0	0
The Directors now propose:			
To pay a final Dividend at the rate of 12 per cent. and a Bonus of 4 per cent. per annum for the year ended 31st December 1952, free of Income-Tax, which will absorb Rs. 4,00,000 less Rs. 1,00,000 to be appropriated from Dividend Equalization Fund	3,00,000	0	0
To provide for Income-Tax and Super-Tax	2,50,000	0	0
To pay a Bonus to Staff of three months' salary, about	2,25,000	0	0
To carry forward to next account	86,296	14	9
Total Rs. ..	16,11,296	14	9

The Head Office accounts and the returns from the Branches, as at 30th June and 31st December 1952 have been audited by Messrs. Fraser and Ross, Chartered Accountants, while the accounts of the Branches have been audited by Messrs. S. R. Mandre, Chartered Accountant, B. K. Ramadhyani & Co., Chartered Accountants, and Brahmayya & Co., Chartered Accountants. Sri. R. V. Subramanyam, Deputy Comptroller, has examined the accounts for the year on behalf of the Government of Mysore.

Dharmaprakasa Rao Bahadur K. Kuppuswamy and Sri. B. N. Gupta are the two Directors who retire on this occasion. They are eligible for re-election. Dharmaprakasa Rao Bahadur K. Kuppuswamy offers himself for re-election. Sri. B. N. Gupta has intimated that he does not seek re-election.

The Auditors, Messrs. Fraser and Ross, S. R. Mandre, B. K. Ramadhyani & Co., and Brahmayya & Co., also retire and offer themselves for re-appointment.

The Dividend, when sanctioned, will be payable on and after 12th March 1953.

By Order of the Board,
B. V. NARAYANA REDDY,
General Manager.

THE BANK OF MYSORE, LIMITED,
AVENUE ROAD, BANGALORE CITY.
2nd February, 1953.

BALANCE SHEET AS AT 31st DECEMBER, 1952.

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. **Capital**—						
AUTHORISED—1,00,000 shares of Rs. 100 each	1,00,00,000	0	0			
ISSUED, SUBSCRIBED AND PAID-UP IN CASH— 50,000 shares of Rs. 100 each				50,00,000	0	0
2. **Reserve Fund and Other Reserves**—						
Reserve Fund	84,00,000	0	0			
Dividend Equalisation Fund	1,00,000	0	0			
				85,00,000	0	0
3. **Deposits and Other Accounts**—						
Fixed Deposits	2,59,13,039	13	6			
Thrift and Savings Bank Deposits	1,66,78,248	3	3			
Current Accounts, Contingency Accounts, etc. (including provision for Depreciation on Investments Rs. 10,09,000-0-0)	4,52,01,393	12	4			
				8,77,92,681	13	1
4. **Borrowings from Other Banking Companies, Agents, etc.**—						
(i) In India	Nil					
(ii) Outside India	Nil					
				Nil		
5. **Bills Payable** (Demand Drafts)				4,00,092	13	6
6. **Bills for Collection being Bills Receivable as** per contra—						
(i) Payable in India	54,36,095	15	10			
(ii) Payable outside India	28,095	12	7			
				54,64,191	12	5
7. **Other Liabilities**—						
Provision for Income-Tax and Super-Tax	13,36,088	2	6			
Staff Provident and Gratuity Funds	14,78,731	4	8			
Unclaimed Dividends	1,07,533	7	8			
Sundries Payable	1,35,086	0	9			
Rebate on Bills discounted	23,970	0	0			
Branch Adjustments	18,45,980	12	7			
				49,27,389	11	9
8. **Acceptances, Endorsements and Other Obligations** per contra				4,76,997	1	9
9. **Profit and Loss**—						
Balance brought forward from 31st December 1951 (after appropriation)	1,62,550	1	9			
ADD—Profit for the half-year ended 30th June 1952, after providing for Depreciation on Investments	6,26,084	7	10			
	7,88,634	9	7			
LESS—Appropriated to— Rs. a. p.						
Dividend Account 4,00,000 0 0						
Provision for Income-Tax and Super-Tax. 3,50,000 0 0	7,50,000	0	0			
	38,634	9	7			
ADD—Profit for the half-year ended 31st December 1952 before providing for Taxation	8,22,662	5	2			
				8,61,296	14	9
10. **Contingent Liabilities**— Rs. a. p.						
(i) Claims against the Banking company not acknowledged as debts	47,255	6	9			
(ii) Money for which the Banking company is contingently liable showing separately the amount of any guarantee given by the banking company on behalf of directors or officers:—						
(a) Guarantee given on behalf of directors or officers ..	Nil					
(b) Guarantees given on behalf of others	28,973	14	0			
(iii) Arrears of cumulative preference dividends	Nil					
(iv) Liability on Bills of Exchange re-discounted	Nil					
(v) Liability on account of outstanding Forward Exchange contracts	Nil					
Total Rs. ..				11,34,22,650	3	3

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. **Cash**—						
In hand and with the Reserve Bank and Imperial Bank (including foreign currency notes)				1,37,82,424	7	11
2. **Balances in Current Accounts with Other Banks and with Mysore Government Treasuries**—						
(i) In India	14,61,429	8	11			
(ii) Outside India	93,778	6	9			
				15,55,207	15	8
3. **Money at Call and Short Notice**				Nil		
4. **Investments** (at or below cost)—						
(i) Rs. 2,70,86,200 of the Central and State Government Bonds (Market Value Rs. 2,64,26,787-6-0)	2,73,75,388	6	0			
(ii) Ordinary Shares of Banks or other Joint-Stock Companies: Rs. a. p.						
Fully paid-up shares 1,14,150 0 0						
Partly paid-up shares 66,715 8 0	1,80,865	8	0			
(Amount uncalled Rs. 33,350-0-0)						
(Market Value Rs. 2,08,702-9-0)						
(iii) Rs. 24,96,600 Debentures and Municipal Loans (Market Value Rs. 24,41,849-0-0)	24,77,716	14	4			
				3,00,33,970	12	4
Full provision for the difference between the market value and the cost of the Investments has been made as per contra (The above Investments include securities to the value of Rs. 14,78,800-0-0 held on behalf of the Staff Provident and Gratuity Funds)						
5. **Advances** (Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)						
I. Loans, Cash Credits, Overdrafts, etc.: Rs. a. p.						
(i) In India 5,25,07,286 15 1						
(ii) Outside India .. .. .. Nil	5,25,07,286	15	1			
II. Bills Discounted and Purchased:						
(i) Payable in India 77,48,198 1 3						
(ii) Payable outside India .. 64 645 1 0	78,12,843	2	3			
				6,03,20,130	1	4
PARTICULARS OF ADVANCES:						
(i) Debts considered good in respect of which the Banking company is fully secured	4,85,25,828	12	0			
(ii) Debts considered good for which the Banking company holds no other security than the Debtors' personal security	20,51,481	6	5			
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the Debtors	97,42,819	14	11			
(iv) Debts considered doubtful or bad, not provided for ..	Nil					
Total Rs. ..	6,03,20,130	1	4			
(v) Debts due by Directors or Officers of the Banking company or any of them either severally or jointly with any other persons	15,07,467	5	4			
(vi) Debts due by companies or firms in which the Directors of the Banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	25,43,403	12	0			
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking company or any of them either severally or jointly with any other persons	22,91,689	11	6			
(viii) Maximum total amount of advances, including temporary advances, granted during the year to the companies or firms in which the Directors of the Banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	41,51,554	5	5			
(ix) Due from Banking companies	12,32,425	15	9			
6. **Bills receivable being Bills for collection as** per contra—						
(i) Payable in India	54,36,095	15	10			
(ii) Payable outside India	28,095	12	7			
				54,64,191	12	5
7. **Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra				4,76,997	1	9
8. **Land and Buildings** (at cost)						
Bank Premises: Rs. a. p. — Other Properties: Rs. a. p.						
At cost as at 31-12-1951 .. 8,08,048 14 11 — 4,65,610 1 11						
Additions during the year 23,659 11 3 — 21,000 0 0	13,53,659	0	10			
	44,659	11	3			
9,21,708 10 2 — 4,76,610 1 11	13,98,318	12	1			
LESS—Depreciation to date 5,32,208 10 2 — 1,06,110 1 11	6,38,318	12	1			
3,89,500 0 0 — 3,70,500 0 0				7,60,000	0	0
9. **Furniture and Fixtures** (at cost)						
At cost as at 31-12-1951	3,70,165	3	8			
Additions during the year	31,890	10	8			
	4,02,064	14	4			
LESS—Deductions during the year	2,195	12	7			
	3,99,869	1	9			
LESS—Depreciation to date	2,69,869	1	9			
				1,30,000	0	0
10. **Other Assets**—						
Interest accrued on Investments	2,21,475	5	10			
Advance payment of Income-Tax and Super-Tax	6,68,476	0	0			
Deposit with Government Departments	6,776	4	0			
				8,96,727	15	10
11. **Non-Banking Assets**—						
ACQUIRED IN SATISFACTION OF CLAIMS—						
Land and Buildings (at or below cost) as on 31-12-1951 ..	3,900	0	0			
LESS—Deductions during the year	900	0	0			
				3,000	0	0
Total Rs. ..				11,34,22,650	3	3

(Continued on next page)

COTTON CULTIVATION IN HYDERABAD

INCREASE IN ACREAGE AND OUTPUT

ALTHOUGH the Hyderabad State, accounting as it does for nearly one-fifth of the total area under cotton in the Indian Union, is an important cotton-growing tract, the figures relating to the output of this commodity have not been published in a regular form. Much light is, however, thrown on the cultivation and outturn of cotton in the State by the publication, *Hyderabad in Maps*, brought out by the State's Bureau of Economics and Statistics. It is interesting to note from the published figures that the acreage under this chief commercial crop of the State has expanded from year to year, in recent years, though it has not yet regained the record acreage in 1943-44 when over 41,00,000 acres were sown to cotton.

The following table gives the acreage and outturn of cotton in Hyderabad State from 1942-43 to 1951-52:

Cotton Output

	Acres	*Outturn Bales*
1942-43	31,17,013	5,08,000
1943-44	41,04,973	5,65,000
1944-45	19,57,130	2,47,869
1945-46	21,56,177	2,51,219
1946-47	22,42,461	2,67,383
1947-48	19,06,560	2,57,327
1948-49	20,47,969	2,33,577
1949-50	22,23,315	2,79,645
1950-51	24,18,071	2,60,368
1951-52	31,37,341	4,30,012

It will be seen from the above table that, between 1950-51 and 1951-52, the outturn of cotton expanded by nearly 1,70,000 bales to 4,30,000 bales. This level is, however, below the record level of 5,65,000 bales, touched in 1943-44. A part of the decline in cotton output from 1944-45 onwards is attributable to restrictions on cash crop which came into force from that year.

The following table gives the acreage and outturn of cotton in the different districts of the Hyderabad State.

Acreage and Outturn—1951-52

	Acreage		*Outturn*	
	Acres	*Percentage of total acreage*	*Bales*	*Percentage of total outturn*
Hyderabad	3	..	..	..
Mahbubnagar	2,313	0.1	150	..
Raichur	6,94,808	22.2	53,185	12.4
Gulbarga	1,49,054	4.8	14,308	3.3
Bidar	2,05,076	6.5	28,495	6.6
Osmanabad	1,17,393	3.7	17,256	4.0
Bhir	2,52,091	8.0	31,213	7.3
Aurangabad	4,74,518	15.1	87,237	20.3
Parbhani	4,94,473	15.8	69,746	16.2
Nanded	4,60,082	14.7	80,025	18.6
Adilabad	2,41,481	7.7	44,291	10.3
Nizamabad	10,748	0.3	824	0.2
Karimnagar	18,337	0.6	1,898	0.5
Other districts	16,971	0.5	1,386	0.3
Total ..	31,37,341	100.0	4,30,012	100.0

In 1951-52, cotton accounted for 12 per cent. of the total cropped area and for 34 per cent. of the area under non-food crops. Among the different districts of the State, the chief cotton-growing districts are Aurangabad, Nanded, Bhir, Osmanabad, Bidar, Gulbarga and Raichur Districts, which account for nearly 90 per cent. of the total cotton area in the State.

The *kharif* crop is the more important cotton crop in the State. About 74 per cent. of the total area under cotton is confined to *kharif* crop. *Rabi* cotton crop is grown largely in Raichur and Gulbarga Districts which together account for 95 per cent. of the total area under *rabi* crop. It may be mentioned here that *kharif* crop is sown from June to mid-July and harvested from the end of October to the beginning of February, whereas *rabi* cotton is sown in September and early in October and harvested from February to April. Both the crops are grown under dry conditions in the State.

The chief factors, which effect the yield of cotton adversely, are heavy rains immediately after sowing and at the time of flowering, pests such as boll-worms, and diseases such as wilt. These factors effect, as they do in other parts of the country, the outturn of cotton in the State. During 1951-52, climatic factors were so favourable that a bumper crop was harvested. It is noteworthy that about 78 per cent. of the total outturn, as a glance at the above table will show, came from the Raichur, Adilabad, Parbhani, Nanded and Aurangabad Districts of the State.

Among the different trade varieties of cotton grown in the State, the most important are Hyderabad Gaorani, Hyderabad Oomras, Hyderabad Americans, Kumptas and Jaiwant. Hyderabad Gaorani is grown in Nanded, Bidar, parts of Adilabad, Bhir and Osmanabad Districts and occupies 32 per cent. of the total area under cotton in the State. Hyderabad Oomra is grown in Parbhani, Aurangabad and Bhir Districts and occupies about 28 per cent. of the total area. Hyderabad American is largely found in Aurangabad and Adilabad Districts. Kumpta and Jaiwant are purely *rabi* varieties and are grown only in Raichur and Gulbarga Districts; they account for 20 per cent. of the total area in the State.

Although Hyderabad produces a significant proportion of the cotton output in the Indian Union, its consumption of cotton is only a small fraction of the total consumption. In 1951-52, for instance, Hyderabad consumed only about 75,000 bales of cotton, as against its production of over 4,30,000 bales. It is, therefore, clear that Hyderabad exports the greater proportion of its cotton to other parts of the Indian Union, mainly to the Bombay region.

U.S. COTTON

Mr. Ezra Benson, U.S. Secretary of Agriculture, has appealed to American farmers to restrict cotton production this year to not more than 12.5 million bales. He suggested that cotton plantings, on a national basis, be reduced by about 18 per cent. from the 1952 output. This statement will be viewed with misgivings by the overseas countries which are dependent on U.S. cotton, because, if Mr. Benson's suggestion were implemented, it would certainly mean higher prices for U.S. cotton. A crop of 12.5 million bales, as suggested by Mr. Benson, would mean considerable reduction of cotton production, as compared with the 1952-53 crop, which is estimated at 15.04 million bales.

In this connection, it is interesting to note that the International Cotton Advisory Committee, in the latest issue (February) of its bulletin, quotes the estimate of a private survey which places the 1953-54 U.S. crop at 14 million bales. This estimate was, however, made before Mr. Benson's statement. Even so, the Committee's observations on the next U.S. cotton crop will be read with interest, because Mr. Benson's appeal to the farmers is not mandatory and as such the farmers cannot be compelled to grow less. The Committee says:

"Consideration is now being given in trade circles to the probable size of the next season's cotton crop in the United States. A private survey recently undertaken concludes that farmers intend to plant 23.3 million acres. This compares with an estimated harvested acreage of 25.0 million acres for 1952-53. With no change in yields and with average abandonment, a planted acreage of 23.3 million acres would produce a crop of very roughly 14 million bales which would be 9 million bales in excess of the voluntary production target recommended by the Department of Agriculture (under the regime of Democrates).

"The figures quoted in this report for the individual States are, perhaps, more significant. They show that any reduction in total acreage appears likely to occur in the lower yielding States; cotton acreage in the high yielding areas of California, Arizona and New Mexico will apparently be well maintained. Although it would be unwise to place too much reliance on these findings at this stage, it does seem to indicate that there is not likely to be too drastic a decline in United States acreage next season. In support of this it must be pointed out that growers may be influenced by the fact that, under the present legislation, the 1953-54 acreage would be included in the base years should acreage allocations prove necessary for the 1954-55 season's cotton crop.

"Weather reports from the early planting areas in the Rio Grande Valley, and in West Texas and Oklahoma indicate an insufficiency of sub-soil moisture. In other parts of the Belt, rainfall appears to have been adequate but the milder weather so far this winter may increase the emergence of the boll weevil next spring."

DAMAGED U.S. COTTON

Indian and London underwriters have filed suits in the U.S., claiming over one million dollars against 20 U.S., Japanese and continental steamship lines, seeking indemnity in respect of shipments of damaged Californian cotton to India. It may be recalled that, of the large quantities of American cotton which were received by this country last year, about two lakh bales were in a highly damaged state. But shipping companies disowned all responsibility for the damage, saying that the damage was of pre-shipment variety. Indian and other insurers, who had underwritten this cotton, have paid the claims submitted by importers at this end. The loss is estimated at Rs. 1 crore. They are now taking recourse to legal means for recovering the amounts they have paid to importers. The underwriters have alleged that damaged cotton was delivered by the steamship lines to consignees while clean bills of lading were issued by the carriers to the shippers. This, according to the underwriters, makes the steamship companies liable for payment. Although the suits, which have been filed in New York, Houston, San Francisco, Portland, Oregon, and Seattle, now involve only the steamship lines, it is believed that they, in their turn, will make the shippers party to the suit.

THE BANK OF MYSORE, LIMITED—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1952

EXPENDITURE	Rs.	a.	p.	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	13,13,436	5	11			
2. Salaries and Allowances, Provident and Gratuity Fund Contributions (including General Manager's Salary and Allowances Rs. 18,900/-)	14,25,990	12	3			
3. Directors' Fees and Allowances	18,118	14	0			
4. Rent, Taxes, Insurance, Lighting, etc.	1,55,217	8	5			
5. Law Charges	7,757	14	0			
6. Postages, Telegrams and Stamps	35,206	11	0			
7. Auditors' Fees	12,000	0	0			
8. Depreciation on and Repairs to the Banking Company's Property	71,464	6	9			
9. Stationery, Printing, Advertisement, etc.	1,20,092	12	9			
10. Loss from sale of or dealing with Non-Banking Assets	Nil					
11. Other Expenditure	28,841	9	10			
12. Provision for Depreciation on Investments	2,81,000	0	0			
13. Balance of Profits before providing for taxation carried to Balance Sheet	14,48,746	13	0			
Total .. Rs.	49,17,873	11	11			

INCOME	Rs.	a.	p.
1. Interest and Discount	43,17,788	7	7
2. Commission, Exchange and Brokerage	5,78,608	12	10
3. Rents	21,339	11	6
4. Net Profit on sale of investments, gold and silver, land, premises and other assets (not credited to Reserves or any particular Fund or Account)	Nil		
5. Net Profit on revaluation of investments, gold and silver, land, premises and other assets (not credited to Reserves or any particular Fund or Account)	Nil		
6. Income from non-banking assets and profit from sale of or dealing with such assets.	Nil		
7. Other Receipts	136	12	0
Total .. Rs.	49,17,873	11	11

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE BANK OF MYSORE, LIMITED

We have audited the Balance Sheet of the Bank of Mysore, Ltd., as at 31st December 1952, and the Profit and Loss Account for the year ended that date and report that:—

(a) We have obtained all the information and explanations we have required.
(b) Such information and explanations have been found to be satisfactory.
(c) The transactions of the Bank as have come to our notice have been, in our opinion, within the powers of the Bank.
(d) The returns received from the branches have been found adequate for the purpose of our audit.
(e) In our opinion the Profit and Loss Account shows a true balance of profit and loss for the period covered by the audit.
(f) In our opinion the Balance Sheet and Profit and Loss Account are drawn up in conformity with the Law and the Balance Sheet exhibits a true and correct view of the state of affairs of the Bank according to the best of our information and the explanations given us and as shown by the books of the Bank.
(g) We are further of the opinion that the books of account have been maintained in accordance with the Law.

BRAHMAYYA & CO.,
B. K. RAMADHYANI & CO.,
S. R. MANDRE,
FRASER & ROSS.
Chartered Accountants.

BANGALORE, 22nd January, 1953.

T. NANJAPPA, *Chairman.*

S. M. RAMAKRISHNA RAO,
B. N. GUPTA,
L. S. VENKAJI RAO,
D. M. SHANKARAPPA,
P. HANUMANTHIAH,
V. R. CHIKKACHANNANJAPPA SETTY,
M. VIRARAJA URS,
K. KUPPUSWAMY,
P. SUBBARAMA CHETTY.
Director

G. VENKATANARANAPPA,
Chief Accountant.

B. V. NARAYANA REDDY,
General Manager.

WORLD SUGAR POSITION

LOWER OUTPUT DURING 1952-53 EXPECTED

A STRIKING feature disclosed by the latest review of the world sugar position, prepared by the U.S. Department of Agriculture, is the decline in the estimated world production during the current (1952-53) season. Thus, the aggregate output of sugar—centrifugal cane and beet—is estimated at 36.70 million tons (raw value), as against the record output of 38.17 million tons in 1951-52, that is a fall of 4 per cent. As compared with the pre-war average annual rate of 28.53 million tons or of 27.44 million tons during the immediate post-war period, namely, 1945-49, however, the output during the current season will be higher by as much as 29 per cent. and 34 per cent., respectively.

Although the world total output is expected to be lower, the output of sugar in the non-dollar area, especially in Europe, is expected to show an increase. That this should be so, despite the unpleasant experience of heavy stocks and recession in prices the world over, is, indeed, significant, in that it indicates the determination of the non-dollar countries to reduce their dependence on dollar sugar and thereby save much precious foreign exchange.

The lower world sugar output expected for the current season is due entirely to the marked fall in the production of centrifugal sugar, from 24.16 million tons in 1951-52 to 22.64 million tons, a decline of more than 6 per cent. The estimate of beet sugar output, however, is placed 44,000 tons higher at 14.06 million tons.

Trend of Output

The trend of sugar output—centrifugal cane and beet—during 1952-53, as compared with that during the pre-war, war and immediate post-war periods, is indicated in the table given below:

(In million tons—raw value)

	1952-53	1951-52	1945-49 average	1935-39 average
Cane sugar	22.64	24.16	18.05	16.75
Beet sugar	14.06	14.01	9.38	6.21

The decline in the production of centrifugal sugar is accounted for solely by North America. Production in this Continent during the season under review is expected to be substantially lower at 12.81 million tons, as against 15.06 million tons in the previous season, or a decline of as much as 15 per cent. The production is, however, higher, as compared with the average output of 11.93 million tons during 1945-49 and of 8.74 million tons during 1935-39. The bulk of the fall in output in North America is expected to take place in the U.S. Incidentally, it may be noted that a large part of the sugar output in the U.S. represents refined sugar produced out of raw sugar imported from Cuba. In Cuba itself, the output of raw sugar is expected to decline, from the record production of 7.0 million tons in 1951-52 to 5.0 million tons, so that less will be available to be refined in the U.S. than in the previous season. Lower sugar output in the U.S. may also be due partly to lower sugarcane crop and damage to beet crop by pests.

Production of sugar in all the other Continents, as already stated, are expected to be higher during the current season, as compared with the previous season, as will be evident from the following table:

(In million tons—raw value)

	1952-53	1951-52	1945-49 average	1935-39 average
Europe	12.08	11.98	7.59	10.04
Asia	4.86	4.65	2.51	5.24
S. America	3.99	3.82	2.99	2.11
Africa	1.79	1.71	1.45	1.29
Oceania	1.18	0.96	0.96	1.11

It will be seen from the above table that production of sugar in Asia in 1952-53 is expected to be higher by only 212,000 tons. The production would have been downwards but for the increase in output in countries other than India. In India, as readers are aware, the aggregate sugar production in 1952-53 is expected to be lower at 1.31 million tons, as against the actual record production of 1.48 million tons in the preceding season. This expectation is based on the official returns of sugar output upto 15th January, 1953, and also on the latest crop forecast relating to sugarcane. The total quantity of sugar produced in India during the current season (upto 15th January, 1953) amounted to 390,217 tons, as compared with 465,437 tons in the corresponding period of the previous season. These figures, however, exclude the production of *gur* which amounts to about 2.50 million tons. The aggregate production of sugar and *gur* thus comes to 3.81 million tons, a quantity which is equal to more than 10 per cent. of the world output.

Sugar in Australia

Europe is expected to register a rise in sugar output during the current season, the chief factor responsible for the increase being favourable weather conditions. South America and Africa are also expected to have higher sugar output. Australia, too, will have larger production. This is, indeed, significant, considering the fact that prolonged drought in Queensland had seriously affected the sugarcane crop, and also the several difficulties lying in the way of providing sufficient fertiliser and seasonal labour for the farms and in expanding mills, of transport and storage facilities. These factors have led to a rise in costs of production. Australia, it may be noted, in this connection, is one of the major sugar producers in the Commonwealth and one of the chief suppliers to the U.K., the quota to Australia under the Commonwealth Sugar Agreement being 600,000 tons. Sugar producers in Australia are assured of markets—internal and foreign—for the bulk of the projected increase in production. Moreover, prices for the major part are based on production costs. Nevertheless, a significant portion of the target output receives only ruling world prices which are at present downwards. In view of this and with a view to stabilising the conditions in the sugar industry, much importance is attached to the problem of ensuring that "costs do not run out of line with world conditions."

Despite the increase in sugar production in the non-dollar region, some of the countries in this region may still have to import considerable quantities from the dollar markets. The demand for sugar in the underdeveloped countries also is expected to rise. In spite of all this, there may not be any perceptible rise in the price of sugar in the world markets, for there is still said to be a huge surplus held by sugar exporting countries—to be more accurate, by one country, Cuba, the world's largest sugar producer. It is, no doubt, true that Cuba has already curtailed its output and decided to do so during the ensuing season also. But it is pointed out that Cuba cannot hope to gain much from such unilateral crop restriction for any length of time. It is, therefore, understandable that Cuba should be continuing to press most for an early agreement on world production and prices of sugar.

PLEA FOR FREE SUGAR TRADE

Speaking at the eighth annual meeting of the Bombay Sugar Merchants' Association held here last week, Mr. Maneklal Ujamshi, President of the Association, deprecated any tendency on the part of the Government and the factories to monopolise sugar distribution. Mr. Ujamshi voiced this criticism in reply to the statement made by the Union Food and Agriculture Minister, in the course of the latter's address at the recent meeting of the Indian Sugar Mills' Association, that the Government would sympathetically consider any scheme that might be offered by millowners for marketing sugar. Recalling the bitter experience of the consumers a few years ago, as a result of the anti-social activities indulged in by the Indian Sugar Syndicate, the President urged the Government not to encourage any monopolistic organisation for sugar but to smoothen the course of free trading in the commodity which has just begun after a lapse of nearly 10 years. He is not alone in holding that view and we have ourselves emphasised, on more than one occasion, the need for leaving the sugar industry and trade to adjust themselves to the laws of supply and demand. Surely, that will go a long way towards stabilising sugar prices.

Alleging that false grading and marking of sugar by certain factories still continued, Mr. M. Ujamshi said: "During the last three months, whatever sugar produced in the 1951-52 season has come in the market and inspected, shows that a large part of it has been falsely graded. Some mills do not put any marks or grades on the bags, although it is an offence not to put proper marks on the sugar bags. It is for the Government to confiscate such sugar as it is not marked quality-wise or is fraudulently graded. They should also levy heavy penalties for such offences. Unless the Government passes suitable legislation to enforce the abovementioned penal measures, these malpractices would continue. There is an Excise Inspector for every factory. It should be made statutorily compulsory for the factories to obtain a certificate from the Excise Inspector as to quality, whilst taking the sugar out of the godowns and to despatch it to the buyers with railway receipts. The non-observance of the above procedure should be made a legal offence."

What made Mr. Ujamshi to be bitter against such mills was their refusal to grant a survey of sugar of defective quality, making it difficult for the trade to prove its claim in a court of law. He, therefore, suggested that the trade itself should establish an independent Arbitration Board and intimate the mills, when they buy sugar from them, that any complaint about the quality of sugar would be surveyed by this Arbitration Board.

Another problem of the sugar trade which Mr. Ujamshi chose for special comment related to the practice of some of the factories selling sugar to their *benamies* and favourites. According to him, these *benamies* and favourites were pocketing their full margin of profit and selling sugar in the market at high prices. In his opinion, the Government should carry out a thorough and searching enquiry into these malpractices. It should also withhold the differential rebate bills of "suspect factories" till it was satisfied that the transactions were genuine.

BENZOLE FROM COAL

GROWING USE AS MOTOR FUEL

LATTERLY, production of liquid fuel from coal has been assuming growing importance in most of the Western countries having large deposits of coal. This is of significance to India, in that this country does not have oil-bearing deposits, except in Assam even where they are negligible. The question of manufacturing, in India, liquid fuel from coal was in the limelight during the years 1950 and 1951, when there was a sharp cleavage of opinion on the feasibility of setting up a plant for the extraction of oil from coal *vis-a-vis* erection of oil refineries. Subsequently also, there were talks about establishing a synthetic oil plant in Orissa. But, with the programmes for erecting oil refineries in progress, all talk about the extraction of liquid fuel from coal have now receded to the background. But the day may not be far off when the idea of extraction of oil from coal would again be revived, in view of the rapid progress that is being made in the development of a plant which would be within the reach of underdeveloped countries such as India. The latest developments abroad in the techniques of extracting liquid fuel from coal would, therefore, be worth noting.

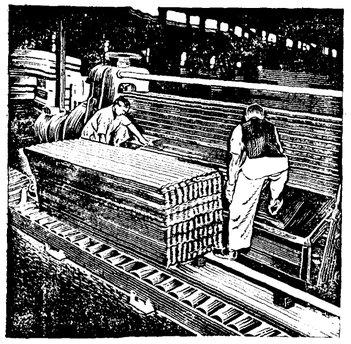
Liquid fuel from coal can be produced not merely by plants designed for the purpose, but also as by-product in several other cases. Reports from the U.K. disclose that production of motor spirit from coal has increased since the end of the last war. Output of benzole—a liquid fuel generated when coal is processed to produce coke and gas—by the 260 gas-making plants established all over the U.K. is now 27 million gallons. There will be at least another 11 million gallons a year available in the near future from the new coking plant of the National Coal Board and a number of new benzole refineries and coking plants in several parts of that country. It is estimated that, if benzole were not recovered from coke ovens, the cost of coke would rise by about 7*s.* a ton at present prices which would, in turn, affect the price of gas.

Extraction

The extraction of benzole in the U.K. begins as far back as 1914-18 when large installations were erected for the purpose. It was highly useful during the 1914-18 war in the manufacture of explosives, etc. It was then discovered that benzole, the hydro-carbon by-product of coal, was an ideal motor spirit. A marketing organisation—the National Benzole Co. which is owned and controlled by four basic industries, namely, gas, steel, coal and chemicals—was set up. During the Second World War, benzole was used for a host of other uses, including the manufacture of synthetic rubber and in detergents, insecticides, solvents and dyestuffs. As the use of pure benzole as a motor fuel would be too costly, it is blended with petrol.

Benzole, like petrol, is a mixture of hydro-carbons, but the structure is much less complicated. Benzole is a mixture of three aromatics—benzene, toluene and xylene, while only about 20 per cent. of petrol consists of aromatics. Benzene has the lowest boiling point of all the aromatics and is given a high anti-knock rating. The anti-knock properties of motor fuel can be raised by cat-cracking, the addition of lead tetra-ethyl or by blending with benzole.

In cat-cracking, the more gaseous hydro-carbons in petrol are converted into more useful forms of hydro-carbons including aromatics, which are good anti-knock substances. Addition of benzole to petrol increases the aromatic content. Lead, tetra-ethyl, though not in itself of any use as fuel, has an appreciable effect upon anti-knock properties of the fuel with which it is blended.



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CAPITAL

Authorised	Rs.	1,00,00,000
Subscribed	,,	72,00,000
Paid-up	,,	55,40,000
Reserve & other Funds	,,	73,50,000
Deposits (as on 31-12-52)	,,	20,29,16,713

All kinds of Banking Business transacted.

N. GOPALA IYER,
Secretary.

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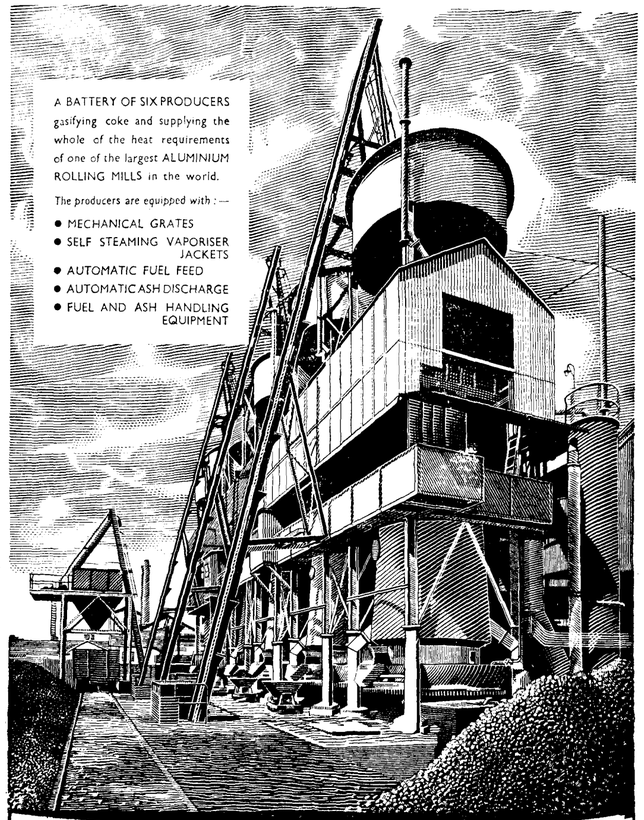

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JUTE GOODS IN JANUARY, 1953

ACCUMULATION OF STOCKS CONTINUES

THE production of jute manufactures in January, 1953, registered a fall of 7.3 per cent. over that in the previous month, and, as compared with the output in January, 1952, the fall was as high as 20.4 per cent. The exact volume of jute goods produced in the month under review was 72,995 tons, as against 78,799 tons in December, 1952 and 91,712 tons in January, 1952. The consumption of raw jute by the mills, calculated on the basis of production during the month, can be placed at 423,371 bales as against 457,034 bales in the previous month.

With the output of jute manufactures in the month under review, the total production during the seven months of the jute season 1952-53, aggregated 528,912 tons, as against 540,686 tons. The consumption of raw jute during the seven-month period may be put at 3,067,689 bales, as compared with 2,954,713 bales. It will be seen from these figures that, during the current season, the mills have consumed more jute to produce an output relatively lower than in the previous season, namely, 1951-52. This disparity is evidently due to the utilisation of low quality jute containing the admixture of the substitute fibres, *mesta* or *bimli* used by the mills in the month under review.

If the production of jute goods has not made much headway in the current season, such is due to the inability of the mills to utilise their full complement for the manufacture of these varieties owing to uneconomic prices for them and to the accumulation of stocks with them for lack of orders even at the current low rates.

The table below gives the output of jute goods during each of the three months ended January, 1953, as also during January, 1952.

(In tons)

	January, 1953	December, 1952	November, 1952	January, 1952
Civil				
Hessian	28,251	29,025	24,214	28,750
Sacking	39,338	43,267	40,332	58,443
Others	2,834	3,327	3,450	2,703
Total ..	70,423	75,619	67,996	89,896
Government				
Hessian	2,083	2,757	2,483	47
Sacking	422	376	1,710	1,769
Others	67	47	1	..
Total ..	2,572	3,180	4,194	1,816
Grand total ..	72,995	78,799	72,190	91,712

The table discloses that the decrease in production is shared by all the three varieties of goods, namely, hessian, sacking and others. The output of hessians declined from 31,782 tons to 30,334 tons. Sacking production dropped steeply from 43,643 tons to 39,760, while the output of other varieties was slightly lower at 2,901 tons, as against 3,374 tons in the previous month.

Figures relating to stocks held by the mills, as at the end of January, 1953, reveal a disquieting trend. The stocks held at the end of the month showed a sharp increase from 114,938 tons to 128,435 tons. Here also, as in the sphere of production, the increase was shared by all the three varieties of goods. But the extent of increase was more marked in sacking than in others, the total stocks of sackings rising from 78,187 tons to 88,446 tons, a total which accounts for 69.1 per cent. of the total stocks held. Hessian stocks at 37,303 tons were higher by 3,896 tons. The percentage of hessian stocks to the total was 29.1. The balance of 2,686 tons consisted of other goods. The increase in sacking stocks of the order of 10,261 tons evidently reflects the paucity of orders for sackings from abroad.

The summary of the detailed position of jute goods stocks with the mills as at the end of January, 1953, as compared with the two preceding months and January, 1952, is given below.

(In tons)

	As at 31-1-53	31-12-52	30-11-52	31-1-52
Civil				
Hessian	36,449	33,636	29,801	32,420
Sacking	85,394	73,969	67,274	43,920
Others	2,530	2,475	2,288	1,927
Total ..	1,24,373	1,10,080	99,363	78,267
Government				
Hessian	854	571	654	2,418
Sacking	3,052	4,218	4,416	7,045
Others	156	69	..	72
Total ..	4,062	4,858	5,070	10,135
Grand total ..	1,28,435	1,14,938	1,04,433	88,402

Commenting on the stocks of jute goods in the mills' godowns, the Indian Jute Mills Association, Calcutta, makes a notable suggestion for giving relief to the mills. It observes: "The holding power of the mills is limited and, sooner or later, saturation point will be reached beyond which they will no longer be able to make goods for stock, which is what a number of mills have been doing. The persistently low level of overseas demand has revived discussion of the export duties, which constitute about 20 per cent. of the present value of goods. There is a case for reduction of both the hessian and sacking duties, but, in the present circumstances of the trade, the revision of the sacking duty is the more immediate." In fact, there are already rumours in the market that the Government might reduce the duty on sackings. In view of the serious situation facing the industry, the Finance Ministry will do well to avail itself of the opportunity of the forthcoming general Budget to announce a cut in the duties on sackings. The announcement can be expected to stimulate enquiries from importing countries. Of course, latterly, there has been some revival of demand for cornsacks and wool packs from Australia and New Zealand but, generally speaking, overseas buyers are still inclined to hold out for quotations to go below the current rates. In hessians, too, the American business has been on a scale which is too meagre to bring about a change in the sentiment. Hessian orders from the U.K. and Australia have also been negligible.

COMMONWEALTH OUTPUT OF PLANTATION PRODUCTS

The major part of the world's tea, about half of the world's rubber and over half of the world's cocoa are produced by Commonwealth countries. This is revealed in *Plantation Crops*, a publication just issued in London by the Commonwealth Economic Committee. Covering, in the main, the first six post-war years, the publication records that the world rubber output for 1951 marked an 80 per cent. increase over the pre-war rate, while sugar and tea had risen 25 per cent. World exports of sugar and coffee in 1951, while under the post-war peak, were still greater than before the war, but cocoa exports had not yet reached the pre-war volume.

In comparison, Commonwealth output of tea and rubber in 1951 marked a 50 per cent. increase over the pre-war level, while Commonwealth production of sugar increased by a third. Shipments of Commonwealth rubber and tea had expanded 50 per cent., those of sugar and coffee by 25 per cent., and tobacco by nearly 250 per cent. The United Kingdom remained the world's largest market for tea and tobacco, with the U.S.A. as chief importer of sugar, coffee, cocoa and rubber. Commonwealth countries supplied practically all the United Kingdom's tea, cocoa and rubber.

World exports of tea from the principal exporting countries in 1951 are given as 980,000,000 lbs. Of these, 827,000,000 lbs. came from Commonwealth countries, India accounting for 445,000,000 lbs., Ceylon 305,000,000 lbs. and Pakistan 47,000,000 lbs.

Figures for *net* exports of natural rubber from the principal exporting countries in 1951 show that those for the two chief Commonwealth exporters, Malaya and Ceylon, were 608,000 and 102,000 tons, respectively, and for the two leading foreign exporters, Indonesia 794,000 and Thailand 109,000 tons.

A table setting out the distribution of rubber exports from the principal exporting countries shows that the chief importer, the United States, took 359,800 tons(gross) from Malaya in 1951, 20,800 tons from Ceylon, 163,400 tons from Indonesia and 13,200 tons from Indo-China. Of the United Kingdom's rubber imports that year, 280,800 tons (gross) came from Malaya, 31,600 tons from Ceylon, 32,400 tons from Indonesia, and 3,900 tons from Indo-China.

The summary shows that India was the leading Commonwealth producer of leaf tobacco, with 589,000,000 lbs. in 1951, Pakistan second with 161,000,000 lbs. and Canada next with 154,000,000 lbs. Leading foreign producers were the United States, 2,329 million lbs., China 1,100 million lbs. (estimated) and Brazil 257 million lbs. India is easily the biggest Commonwealth exporter of unmanufactured tobacco, its sea-borne exports under this head in 1951 amounting to 109,000,000 lbs. In addition, its land-borne exports of tobacco that year amounted to 12,000,000 lbs., of which 11,000,000 lbs. went to Pakistan.

TEA PRODUCTION IN SOUTH INDIA

The output of tea in South Indian gardens during the year (January-December) 1952 aggregated 112.76 million lbs. (subject to revision), as compared with 114.94 million lbs. in 1951. As already reported, shipments from Cochin during the past year amounted to 71.58 million lbs., as against 64.99 million lbs. in the preceding year. Shipments during January, 1953, amounting to 5.28 million lbs., show a considerable fall from 8.51 million lbs. in January, 1952.

(*Concluded from next column*)

all planters will follow this advice scrupulously. Now that the prices realised in the auctions are hardening, tea producers in low elevation estates should guard themselves against the temptation of producing more cheap varieties of tea which has been one of the causes of the last depression in tea trade.

TREND OF TEA PRICES ENCOURAGING

OUTLOOK FOR QUALITY TEA BRIGHT

TEA producers in India have reason to derive some encouragement from the fair measure of stability attained by tea prices in the auctions held so far during the current year, as compared with the severe recession in prices experienced in the second half of 1952. From this one cannot jump to the conclusion that the tea producers are out of the wood and that they are making a profit in the tea auctions. But it should be conceded that, in many cases, the gap between the cost of production and the price fetched at the auctions has narrowed down from what at one time appeared to spell ruin to one of the biggest industries of India. A large quantity of tea is still being sold below the cost of production. An idea of the improvement in prices can be gained from the following comparative table relating to auctions held in Calcutta both for export trade and internal consumption:

	Latest Auction No. 25 16-2-1953 Per lb. Rs. a. p.	Low touched in November 1952 Per lb. Rs. a. p.	Auction No. 25 25-2-1952 Per lb. Rs. a. p.
Export			
Clean B.P.	1 7 6 to 1 5 0	1 4 6	1 8 0 (Nom.)
Clean Common B.P. ..	1 1 6 to 1 2 0	0 11 0	1 6 6 (Nom.)
Medium Assam B.P. ..	1 1 6 to 1 2 0	0 12 0	1 10 0 to 1 11 0
Good Assam B.P.	1 15 0	1 10 0 (Nom.)	2 4 0 to 2 8 0
Consumption in India			
Medium Dooars dust ..	1 7 0 to 1 8 6	1 0 0 to 1 5 6	.. ..
Medium Assam grainy dust	1 8 6	1 5 6	..
Best Assam C.T.C. dust ..	1 12 6 to 1 13 0	1 13 6	..
Clean grainy black Dooars dust ..	..	..	1 9 6 (Nom.)
Good liquoring red Assam dust ..	..	..	2 12 0 to 2 13 0

It will be noted from the foregoing that the current level of prices is well below those fetched a year ago. The improvement in prices noted since November last is due to marked rise in the offtake. Thus, the quantity of tea sold in Calcutta for export during January, 1953 amounted to 258,242 chests against an offering of 278,846 chests. This compares favourably with 168,017 chests sold in November, 1952, against an offering of 224,009 chests.

At the London auctions also, prices have been reacting favourably and the improvement in consumer demand, noted towards the end of 1952, is being maintained and good quality teas are fetching better prices.

The tea traders in London feel that there is no world surplus of good quality tea, that is, well-plucked and well-manufactured leaf. It is not considered beyond the capacity of most of the estates to produce such quality tea. If stalks are eliminated from such production, the quantity offered for sale will be less, which itself will induce better demand. It is stated that a fictitious stock position was built up in Britain last year by heavy shipments of stalky tea from producing countries, some of which was almost unsaleable. Most of these stocks of tea have now been cleared by shipping them to various Continental countries. Some cheaper blends are also finding a market in Britain purely on price factor, but they are not seriously competing with the better known blends.

From the above account of the trend of markets, it is quite clear that consumers are becoming more discriminatory and are insisting on fine quality teas. Indian tea producers will do well to take a lesson from this and seize the present opportunity to produce good quality tea. It is gratifying to find that there is general appreciation of this need among the planters. By a unanimous decision, the tea producers in North and South India announced in December last a scheme to cut voluntarily the output of tea in 1953 by 8 per cent., to 570 million lbs. This is to be accomplished by finer plucking and by the abandonment of marginal areas, so that the production of low grade teas, which are difficult to be marketed, will be reduced. This policy is being extended further. At a conference held early this week, in Calcutta, the representatives of the planters of Assam, West Bengal, Tripura and Purnea have announced a cut of 12½ per cent. in the output of their gardens this year on the basis of the best year's crop during the period 1947 to 1952. It is not known whether this 12½ per cent. is inclusive of the 8 per cent. cut agreed to in December last or in addition to it. But it is stated that the effect of this decision will be a reduction in North-East India's output from 506 million lbs. in 1952 to 466 million lbs. in the current year. This meeting reiterated the special emphasis upon the necessity for finer plucking made on the previous occasion. It is to be hoped that

(*Continued in previous column*)

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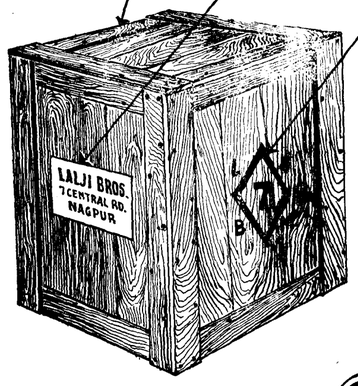

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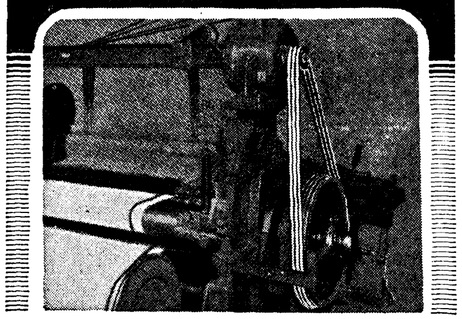
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DEVELOPMENT EXPENDITURE OF RAILWAYS

FINANCIAL PROVISION FOR 1953-54 INCREASED

THE most noteworthy feature of the capital budget of the railways for 1953-54 is that the provision for development expenditure has been stepped up notwithstanding the sizable fall in revenue and the limited size of the reserves. Thus, as much as Rs. 79.61 crores have been provided in the 1953-54 budget for the modernisation and extension of railway facilities in India, as against Rs. 76.70 crores shown in the revised estimates for 1952-53. Of the total provision for next year, about Rs. 42 crores are for rolling stock and machinery and Rs. 36.61 crores are for works including Rs. 6.70 crores for construction of new lines and restoration of dismantled lines. A sum of Rs. 1 crore has been set apart for investment in road services. A brief reference was made in these columns last week to development works either completed or taken in hand in 1952-53, as well as to the new lines proposed to be constructed during 1953-54. It is, therefore, proposed to indicate here the programme relating to rolling stock.

Mr. Shastri disclosed that indigenous production was able to meet the normal annual requirements of railways in regard to rails, wagons and coaches and expressed his anxiety to ensure that imports were reduced to the minimum possible. The Government has already decided not to import any more coaches except for the commitments already made. Some wagons, however, have to be imported in order to make up India's huge arrears, the overtaking of which can brook no delay. Locomotives too would have to be obtained from abroad but here also vigorous efforts are being made to make India self-sufficient in the shortest possible time.

Rolling Stock

A sum of Rs. 39.30 crores is proposed to be spent on rolling stock during 1953-54, which sum is distributed among the different categories of stock separately under "new acquisitions" and programme deliveries as shown in the table below:

(In crores of rupees)

Particulars	*Programmed deliveries*	*New acquisitions*
Locomotives ...	6.02	2.07
Boilers	1.89	0.16
Carriages ...	11.22	4.71
Wagons	4.71	7.81
Ferries	0.68	0.03
Total	24.52	14.78
Grand total	39.30	

The programme for new acquisitions includes provision for the following:

Particulars	*As proposed Nos.*
Locomotives	245
Boilers	179
Carriages	1,384
Wagons	10,663
Cranes	19
Ferries	7

Out of the above, about 150 locomotives, 63 boilers, 1,121 carriages and 6,834 wagons are expected to be produced in the country and the rest will have to be imported from abroad.

Out of 239 locomotives purchased or expected to be purchased in the current year (1952-53), the Chittaranjan Works account for 36 locomotives. This factory has altogether produced 49 broad-gauge engines upto the end of December, 1952. The actual outturn has been somewhat less than the target originally fixed, the reason for it being difficulties in procurement of certain spare parts which cannot yet be manufactured in India. Chittaranjan is at present making about 70 per cent. of the components required for a complete locomotive, and the remaining 30 per cent. are still being imported. It is expected that, by the end of 1954, all the components, except some proprietary and special items, would be manufactured at Chittaranjan. The Tata Locomotive Engineering Co., Ltd., which is at present producing only metre-gauge locomotives, had turned out 35 locomotives upto the end of January, 1953. When both the Chittaranjan Locomotive Works and the Tata Locomotive Engineering Co., Ltd., reach full production, they will be in a position to manufacture all the steam locomotives required to cover the normal annual replacements of Indian railways. Neither the Minister's speech nor the explanatory memorandum throws any light on the cost of the locomotives manufactured in this country and how such compares with that of the imported ones. Unless relevant information on this question is made available, it will not be possible to gauge the cost of self-sufficiency to the taxpayer.

The question of additions to passenger coach stock has been receiving constant attention. In 1952-53 as many as 771 new coaches were put into service, as compared with 479 in the preceding year. In order to augment the production of passenger coaches, work in connection with the construction of a new coach building factory at Perambur was started in January, 1952. When this factory attains full production, it is expected to turn out 350 all-steel light-weight integral type coach body shells per annum in single-shift working. This will add considerably to the indigenous carriage building capacity. One of the chief ways in which quick relief can be given to Class III passengers, who contribute the major share of the railways' revenue, is the provision of better and more accommodation. Therefore, work on coach building needs to be given high priority and expedited. It may be noted, in this connection, that the Hindustan Aircraft Ltd. has done more than anyone else to relieve the hardship of Class III passengers by supplying the railways as expeditiously as possible with coaches of better quality and greater comfort.

Wagons

The manufacture of wagons is now well established in India for over 30 years and wagons produced in Calcutta are comparable with the best manufactured abroad. For the budget year 1953-54, out of about 11,000 wagons for which provision has been made, about 7,000 will be fabricated in the country and 4,000 procured from abroad. Experimental orders for the manufacture of some general purpose types of wagons have also been placed on some other Indian firms, which are new to this work, but have structural engineering experience. If they can successfully execute these experimental orders, they will be used to help in bridging the gap between the existing indigenous capacity and India's annual requirements of wagons.

The operating efficiency of the railways, it is gratifying to find, is being maintained during the current year and, in some respects, performance has actually been better than in the previous year. According to the composite index of operating efficiency, the broad-gauge railways have recorded an improvement from 100.7 in 1950-51 to 102.8 in 1951-52, while, on the metre-gauge, the index of 92.4 in 1950-51 has moved upto 93.6 in 1951-52. In regard to punctuality, the percentage of trains not losing time on broad-gauge railways was higher at 78.4 in the first half of 1952 as against 77.1 in the corresponding period of the previous year. The corresponding figure for metre-gauge was 81 in 1952, as against 74.3 in 1951. The wagon and locomotive usage in 1952 had also been better on the broad-gauge than in 1951 but, in this respect, there had been a slight setback on the metre-gauge. Generally speaking, the standard of performance of some of the metre-gauge sections has not yet come up to the mark but this defect is receiving, we are told, the special attention of the Railway Ministry. The railways are also devoting special attention to the removal of bottlenecks in respect of movement of traffic beyond Bezwada towards Madras and the transhipment difficulties on some of the break gauge junctions like Sabarmati, as well as augmentation of line capacity on some sections, to assist increased movement of coal, iron and steel. This is important not only for operational reasons but also from the point of view of trade and commerce.

SUPPLY OF SPARES AND AFTER-SALES SERVICING OF TRACTORS

The Government of India has set up a committee, with Mr. C. V. Narasimhan, I.C.S., Chairman of the Central Tractor Organisation and Joint Secretary, Union Ministry of Food and Agriculture, as Chairman, to suggest remedies for difficulties experienced by tractor users both in regard to spare parts and service facilities. The terms of reference of the Committee relate to (i) the standard of after-sales service which tractor importers and dealers should be required to possess and the standard charges for such service, (ii) the minimum stocks of spare parts required to be kept by tractor importers and dealers and the price structure for the various kinds of spares, (iii) the facilities to be provided by tractor importers and dealers for training tractor operators, and (iv) the possibility of starting the manufacture of tractor implement parts in India.

HARNESSING THE DAMODAR

D.V.C. FORGES AHEAD

WITH the opening of the Tilaiya dam and the Bokaro steam power station on 21st February, 1953, by Mr. Jawaharlal Nehru, Prime Minister of India, a part of India's dream to harness the capricious Damodar for the benefit of man has been fulfilled. It will be recalled that the question of controlling the Damodar river came to the forefront in 1943, when it inundated its banks, causing interruption to war effort and serious damage to public and private property estimated at Rs. 25 crores, though a scheme to control floods was approved of by the consultants of the Government of India only in 1946. It was felt that the work on this project would be finished in five years. Later, because of financial and other considerations, this view was revised and the scheme was split into two phases, one involving the construction of four dams and other three dams. There was also some difficulty in carrying with the Centre the two State Governments, namely, West Bengal and Bihar, vitally interested in the project. After prolonged negotiations with these two States, the Damodar Valley Corporation Act was passed in 1948 for the setting up of an autonomous body to execute the scheme on the basis of the Tennessee Valley Authority in the U.S. The first phase of Damodar development is expected to cost Rs. 83.89 crores. Its benefits are the provision of much needed water to 1,025,000 acres of land and of 300,000 kw. of installed power. The details of the second stage of the Damodar Valley Project are yet to be worked out.

The Tilaiya dam is one of the four to be built under the first phase of development of Damodar Valley, the other three dams being the Konar, Maithan and Panchet hill. The first phase also includes the construction of a barrage at Durgapur and a 90-mile irrigation-*cum*-navigation channel which will link Howrah with the coalfields of West Bengal. The Tilaiya dam reservoir submerges an area of 14,600 acres and stores 320,000 acre feet of water. During the *rabi* season, it will help irrigate 75,000 acres and during the *kharif* 24,000 acres. Power generation will be 22,770,000 kilowatt hours per annum. The completion of this part of the Tilaiya project will take some more time.

Konar Dam

The Konar dam will have a storage capacity of 260,000 acre feet and submerge an area of 6,600 acres. The area that will be irrigated by it is placed at 104,000 acres, 68,000 during the *rabi* season and 36,000 during the *kharif*. The Bokaro power station will be supplied with cooling water from this project to the extent of 400 cusecs daily. This dam is expected to be completed by the end of the current year. The Maithan project will store 1,104,000 acre feet of water, of which 725,000 acre feet will be controlled flood storage. Power plant attached to this part of the scheme will have an installed capacity of 40,000 kw. The area to be irrigated will be 270,000 acres. The dam is scheduled to be completed in 1954. Engulfing an area of 22,800 acres, the storage volume of the reservoir will be 1,214,000 acre feet providing perennial irrigation to 683,850 acres. The installed capacity of the plant power generation erected in this dam will be 40,000 kw. The barrage design and engineering of the Durgapur barrage and irrigation system is well under way. Surveying of canals and ditches is in progress and construction machinery is available at the barrage site. The whole of this project is expected to be completed by the end of 1954-55.

Bokaro Thermal Power Station

The Bokaro thermal power station, which Mr. Nehru declared open last week-end, is the biggest of the plants in the East, designed and constructed by the well-known power plant manufacturers in the world, namely, International General Electric Company, U.S.A. The Indian subsidiary of this American Company, namely, International General Electric Co. (India), Ltd., signed an agreement with the D.V.A. early in 1949 and has successfully fulfilled its contract in a record time of 39 months.

Starting with a unit of 50,000 kw., this power project will be equipped with another two units, each of the same capacity, by June, 1953. A fourth unit of 50,000 kw. will be installed at a later stage. The aggregate capacity of the station will be 200,000 kw. The plant will run on low-grade coal obtainable at the Corporation's own mines, five miles away, and brought to the site by an aerial ropeway. The energy produced will be distributed an area of 25,000 sq. miles.

In accordance with modern practice, the power station is designed around the unit system. Each of the General Electric, U.S.A. turbo-generator sets has impulse type, multi-stage condensing turbine directly connected with a hydrogen-cooled electrical generator. It may be noted here that hydrogen-cooled generators are being introduced for the first time in India. Each generator and its associated equipment constitutes a unit and is independent of the other units of the project. Following the unit system, each generating set has two boilers. The dual coal handling system of belt conveyor type is being used. Boilers are designed to use inferior grade coal having an ash content of 26 to 30 per cent. obtained from open cut mining of the Bermo seam belonging to the Corporation.

The main objects of constructing a thermal power station at Bokaro are two. First, it provides economical operation of the hydro-electric power that is to be developed in stages. The thermal power station is expected to take the main load during the dry season and the peak load during the rainy season. This facilitates generation of electric power in sufficient quantities throughout the year, being uninfluenced by seasonal variations in stored water. The second object is the utilisation of low grade coal found in abundance in the Damodar Valley.

The Damodar Valley region is rich in mineral resources but such has not been fully exploited because of lack of power. The area contains 80 per cent. of India's coal, 94 per cent. of iron ore, 100 per cent. of copper, 70 per cent. of chromite, 70 per cent. of mica, 100 per cent. of kyanite and 45 per cent. of china-clay and asbestos. With the full development of the area's mineral resources, as well as its soil, it will be no exaggeration to say that the Valley would be to India what the Land of the Five Rivers is to Pakistan.

ELECTRONICS INDUSTRY TO BE STARTED

India will have by 1956, a large-scale industry for the manufacture of a wide range of wireless equipment capable of meeting major requirements of the three Armed Services as well as of other Ministries of the Central Government and States. Following the signing of the agreement in December last between the Government of India and a French firm, a technical team headed by Dr. Ponte, Director-General of the firm, visited India towards the end of January. The company's experts had preliminary discussions in New Delhi and also visited Bangalore where the factory is likely to be located. On the basis of these discussions detailed plans for the construction of the factory and other aspects of the project are now being worked out. The project is estimated to cost approximately Rs. 7 crores. The proposed industry will be mainly concerned with the manufacture of specialised equipment for Government use, such as, transmitters of all types, communication receivers, trans-receivers for fixed and mobile operations and other equipment. There is no proposal at present to manufacture broadcast receivers and amplifiers. The Government at the same time will also aim at co-ordinating the present resources in the country so as to utilise them to the fullest advantage.

SUBSIDISED HOUSING SCHEME

The Government of India has sanctioned grants aggregating Rs. 20,86,937 under the Subsidised Industrial Housing Scheme 1952-53. A sum of Rs. 18,65,250, divided equally as subsidy and loan, has been granted to the Madhya Pradesh Housing Board for the construction of 750 tenements in Nagpur and three other places, Rs. 1,56,937 to Messrs. K. C. P. Ltd., Vuyyuru (Krishna), for 100 single-storey one-room tenements near their factory at Vuyyuru, and Rs. 64,750 to Messrs. S. P. Viramani and Sons, Ltd., lessees of Jawala Flour Mills, Amritsar, for 40 single-storey one-room tenements near their factory at Amritsar. The cost of construction, including the price of land, accepted for the purposes of loan and subsidy in the case of Messrs. K. C. P., Ltd., is Rs. 2,51,100 and of Messrs. S. P. Viramani and Sons. Ltd., Rs. 1,03,600. The subsidy and loan have been calculated at 25 per cent. and 37½ per cent. of the cost respectively. The grant is subject to the execution of required agreements by the firms.

NEW 150-SEAT JET PLANES

Another jet aircraft is to be added to Britain's growing fleet of gas-turbine-powered airliners. It is the civilian version of the new 150-seat jet military transport plane which Vickers Armstrongs have been authorised to build by the British Ministry of Supply. It is understood that for the time being the military transport will be known as Vickers 1,000 and the airliner as V.C.7. Both will be low-wing monoplanes with swept-back wings totally enclosing the engine. Derived to some extent from the R.A.F.'s super-priority jet bomber, the Valiant, both the new aircraft will be powered by four Rolls-Royce Conway by-pass engines which are still on the secret list. It is likely that the new aircraft will be used on the North Atlantic routes and they will also be suitable for shorter stages with increased passenger loads.

BRITISH AIRCRAFT EXPORTS

Record exports were achieved by the British Aircraft industry in 1952. Figures just published disclose that they reached a value of £43,900,000 as against £41,900,000 in the previous year. Since 1947 exports have almost doubled. In December 1952 the value of sales rose to over £4,500,000, the highest monthly figure ever recorded. In the next few years the industry is expected to reap in full the benefits of having pioneered the gas-turbine airliner. Sales of jets and turbo-props are only just beginning and have as yet hardly begun to appear in the statistics. Already orders for these airliners have been placed for as far ahead as 1957.

NATIONALISED AIR CORPORATIONS

A PLEA FOR SANITY

(By "RUDDERBAR")

VERY little authentic information has so far reached the public regarding the formation of the nationalised Air Corporations. It is possible that, when the proposed Bill is submitted to Parliament, a debate may ensue which should provide some enlightenment. In the meantime it has been authentically announced that there will be two Corporations, one for international routes and one for our domestic routes. We are still on fairly safe ground when we accept as correct Press statements to the effect that a well-known industrialist has accepted the chairmanship of the International Corporation, on the condition that it will be entirely autonomous and will not be subject to departmental control or interference. Finally, so far as authentic information is concerned, we have the statement of the Deputy Minister for Communications in the House of the People, in the course of which he is reported to have said that there would be no retrenchment whatsoever of aviation personnel at present employed by private companies, when the nationalised Corporations were formed. In fact, he said that "all *bona fide* employees will be absorbed," whatever *bona fide* may mean in this particular context.

If these three pieces of information are considered together, an immediate contradiction is apparent. There are to be two Corporations. These are to be completely autonomous. Yet, the Deputy Minister states, in the House of the People, that all present employees in the industry will be absorbed into the Corporations. In other words, the Deputy Minister has already committed the Corporations to an employment policy, which shows no regard for hard facts and which may be totally opposed to the policies of the two Chairmen. If this is autonomy, then it bears no relation to the definition of the word in any of the dictionaries.

This writer would be the last person to desire retrenchment of aviation technicians. Theirs is a highly skilled trade, and one, moreover, that requires constantly to be exercised, if technique is to be kept up to date or skill is to be retained. The fact is, however, that, when Government decided to integrate all the existing scheduled operators into one or two corporations, the fate of a large number of aviation employees was automatically sealed. Except in cuckoo land, a policy of integration entails retrenchment and particularly so when the reason for integration is the uneconomic working of a number of small units. Even were it to be supposed that each of the present private enterprise companies has so ordered its affairs as to employ only the exact number of men required for its operations, even then, on the integration of seven or eight of these companies into one unit, a significant proportion of the combined personnel would be entirely surplus to requirements.

Nor does the matter end there. It is to be assumed that one of the first acts of the domestic corporation will be to rationalise the present operational network. There is great scope here for improvement and economy of operation. The result of such rationalisation, and this presupposes that all places now on the air network will continue to be served, will be economy in the number of aircraft employed. In turn, this will effect economy in both flying personnel and maintenance personnel. It would appear then that the reported statement of the Deputy Minister can lead only to one of two results, both equally to be deplored. Either the Chairmen of the Corporations will assert their undoubted right under autonomy to man their Corporations as prudence and economy dictate or they will be committed to employ far more men than are actually required. In the first alternative, the Deputy Minister may have to eat his words and, moreover, the Chairmen of the Corporations will be faced with labour friction at the very outset of their task. In the second alternative, there will be created a situation which, in the long run, can only be harmful to the interests of the Corporations and their employees. Moreover, economic working will be difficult, if not impossible, to achieve.

If the formation of the Corporations is to proceed on such haphazard lines, then it would be far better to drop the whole thing before matters go further awry. If, on the other hand, it is in fact the intention of the Government of India to make these two air corporations autonomous, then surely the best and the only procedure would be to appoint a chairman for each Corporation. The Chairmen, once appointed, could then proceed to select their key personnel. The immediate task before the staff thus created would be to plan each corporation in detail, commencing with the route network to be operated, which is, in fact, the basis on which all other planning must rest. The Planning and production of a preliminary organisation will take from four to six months, and during this time the *status quo* of the present scheduled operators should remain undisturbed.

It is, of course, implicit in the reorganisation that all personnel should be selected prior to the actual birth of the Corporations. It is suggested that the fairest way to do this would be for the Corporation's planning staff to decide the percentage of presently serving employees required by trades. The various companies would then be informed of the percentage of each trade which the Corporations would absorb, the scales of pay and the terms and conditions of service. Each company would then prepare a list of personnel to be taken over by the Corporation on definite and agreed scales of pay and conditions of service. The remainder of the personnel, that is, those not selected or not agreeable to serve in the Corporations would be paid off under each company's individual retrenchment benefit rules. Thus, on a given date, the Corporations would come into being complete with staff, aircraft, equipment, offices, etc., in a planned and orderly manner. A further period of six months would see the rough corners rounded off, the square pegs removed from round holes, and, by and large, two vital, going concerns well and truly launched. On the other hand if, as is at present believed, the Government intends to take over all air companies in their present form on an arbitrary date, and then attempts to form two corporations from the huggermugger thus created, the imagination boggles at the probable results.

Consider the implications. The personnel of each present company serve on different terms, conditions, salary and wage scales. Sorting this out and introducing a uniform scale of wages and salaries will cause much heart-burning if not major labour trouble. If, on top of this, retrenchment is also to be effected, as this writer believes, then the first year or 18 months of the Corporations' existence will be mainly concerned with large-scale labour disputes the aftermath of which may embitter management-labour relations for a long time.

If the intention of the Government really is to give reasonable autonomy to the two nationalised Corporations, and if the Government really means steadfastly to resist the obvious temptation to plan and run the Corporations departmentally, a function of which the present Directorate of Civil Aviation is quite incapable, then there is obviously no time to waste. Let a start be made where all things should start, namely, at the beginning. Let the chairmen be appointed and let those chairmen select their key personnel, so that affairs can proceed in a proper, orderly and planned fashion. In the meantime, it is suggested that Ministerial statements, however well intentioned, should not so cloud and vitiate the issues as to render the task more difficult than it need be.—*All Rights Reserved.*

BRITISH ISOTOPE EXPORTS

British exports of radioactive isotopes for peaceful purposes are increasing rapidly, and some 4,000 consignments are expected to be sent abroad this year, compared with only 23 in 1948. The number of consignments rose to 220 in 1949, 1,290 in 1950 and 2,210 in 1951. As the world's largest exporter of radioactive isotopes—which in Britain are products of the atomic pile at Harwell and are used for a wide variety of medical and industrial purposes—the United Kingdom has led the way in devising the most efficient way of transporting these precious, but potentially dangerous, exports. Many are flown to South America and South Africa in a fleet of B.O.A.C. Argonauts specially converted to carry the materials in their wing tips—far enough away from the fuselage to ensure that the people aboard are completely out of danger from radiation. Others are enclosed in heavy lead containers and flown in freight holds. The economic advantage of transport in wing tips is, however, very great, as it is possible to dispense with the heavy lead packs and thus reduce transport costs by as much as 60 per cent.

INVESTMENTS OF LIFE INSURANCE COMPANIES

GOVERNMENT SECURITIES FORM MAJOR PORTION

LAST week, we referred to the reported move of the Government of India to come to some agreement with the life insurers in this country to induce the latter to keep invested a larger proportion of their funds in Government securities than they do now. In this context, it is worthwhile examining the character of life insurers' investments in this country, particularly with a view to determining whether there is scope for extending the insurers' investments in Government securities. There is no doubt that, if this move were to succeed, even the little support that the insurers are now giving to the equities and fixed-yielding industries in this country would be whittled down, which is bound to have serious repercussions on the share market.

The regulations governing the investment of controlled funds of insurance companies constitute a most complicated piece of legislation which prescribes, more minutely than in most other countries where insurance investments are similarly controlled, the manner in which the investments should be made. The two sections which regulate the investments of insurers are, as all those who are familiar with the provisions of the Insurance Act know, sections 27 and 27A. Section 27 prescribes that the insurer shall invest and at all times keep invested assets equivalent to his liabilities in respect of holders of life insurance policies *in the following manner*:

1. 25 per cent. of the sum in Government securities,

2. A further 25 per cent. of the sum in Government securities or other approved securities and the balance in any of the approved investments specified in sub-section (1) of section 27A or, subject to the limitations, conditions and restrictions specified in sub-section (2) of that section, in any other investment.

Section 27A

Now, section 27A, to which a reference is made in section 27 describes the manner in which the "controlled funds" of an insurance company should be invested. It may be mentioned here that "controlled funds" means all the funds of a life insurance company, if it carries on no other class of insurance business, or all the funds appertaining to life insurance business if the company carries on some other class of insurance business also. In the case of any other insurer, who carries on life insurance business, this phrase means all his funds in India, if he carries on only life business, or all the funds in India appertaining to life insurance business if he carries on some other class of insurance business also. These "controlled funds" should be invested, according to section 27A, in the following approved investments, namely: (a) approved securities, that is securities which may be approved by the Government from time to time; (b) securities of, or guaranteed as to principal and interest by the Government of the U.K.; (c) and (d) debentures or other securities, issued by any municipality or a housing authority in a State by the permission of the State Government; (e) to (l) first mortgage on immovable property under any housing or building schemes of the insurer, approved by the Central or State Government, similar debentures by a company which has paid interest in full for five years immediately preceding or for at least five out of the six or seven years immediately preceding on such or similar debentures, preference shares of a company subject to certain conditions, ordinary shares of a company subject to certain conditions ; (m) first mortgages on immovable property, subject to certain conditions; (n) immovable property, subject to certain conditions; (o) and (p) loans on life interests or on life policies within their surrender value or life interests; (q) fixed deposits with approved banks and co-operative societies; (r) debentures of, or shares in co-operative societies; and (s) such other investments as may be approved by the Government.

Rigour of the Law

This is, of course, a bald summary of section 27A. In fact, the section is more stringent than what might appear from the summary. Thus, although preference shares of companies are eligible to form the investment portfolio of an insurance company, they must be the preference shares of a company which has paid dividends on its ordinary shares for the five years immediately preceding or for at least five out of the six or seven years immediately preceding. Again, insurers may invest in ordinary shares, but the law prescribes that they must be shares of any company on which dividends of not less than four per cent., including bonus, have been paid for the seven years immediately preceding or for at least seven out of the eight or nine years immediately preceding.

It will, therefore, be clear that the choice of eligible investible securities is strictly limited for the insurers. Small wonder, then, that the insurers prefer generally the Central and State Government securities. By this way, they are not only assuring themselves of the safety of their investments but are also on the "safe" side of the law. The result is that the type of investments which is covered by the classification (a) and (b) predominates over all other types or classes of investments.

The following table gives the investment pattern of life assurance companies, both Indian and foreign, during 1951:

Investment of Controlled Funds

(In thousands of rupees)

	* Indian insurers		* Non-Indian insurers	
Approved investments classified according to clauses of sub-section (1) of section 27A—	*Amount* Rs.	*Percentage*	*Amount* Rs.	*Percentage*
1. (a) and (b) ..	1,42,21,37	67	38,54,11	82
2. (c) and (d) ..	1,08,56	..	1,22	..
3. (e) to (l) ..	23,47,18	11	2,33,07	5
4. (m)	12,37,09	6	16	..
5. (n)	11,90,81	6	67,78	1
6. (o) and (p) ..	12,90,12	6	4,03,26	8
7. (q)	2,66,99	1	28,16	1
8. (r) and (s) ..	51,16	..	17,28	..
Total of approved investments ..	2,06,23,28	97	46,04,99	98
Total of non-approved investments	6,95,99	3	83,89	2
Total of all investments..	2,13,19,27	100	46,88,88	100

* Information is not available in respect of 12 Indian insurer and one non-Indian insurer.

It will be seen from the above table that as much as 67 per cent. of the controlled funds of insurance companies are in Government securities. Even other classes of investment, such as those classified under (c) and (d), are also quasi-Government securities. It is, therefore, clear that the scope for investment in the shares of private companies is already strictly limited and that for all practical purposes, the major portion of insurance companies' funds are tied up in Government securities. In these circumstances, no special purpose will be served by statutorily extending the scope of insurers' investment in these securities.

EMPLOYEES' STATE INSURANCE

Delay in the extension of the scheme of Employees' State Insurance, it is officially stated, is due not only to financial and administrative difficulties advanced by State Governments but also because workers themselves feel that the benefits accruing from it fall short of what they expect in return for their contribution. The scheme, it may be recalled, was inaugurated by the Prime Minister on 24th February, 1952. The scheme is now confined to industrial workers in Kanpur and Delhi; other industrial areas will be gradually brought under the scheme. Explaining the delay in the extension of the scheme to other areas, the Labour Ministry says that it is not caused by the present system of control, nor is it due to non-filling of important posts in the Corporation for a long period, as has been alleged in certain quarters. The control exercised by the Ministry of Labour is stated to be in conformity with the provisions of the Act. The Government has, therefore, no intention of making any changes, legislative or otherwise, which will result in relaxation of the control over the Corporation.

LAPSE RATIO

Apropos of our article on "lapse ratio" in our issue dated the 14th inst., an insurance underwriter, Mr. N. H. Lalwani, makes the suggestion that agents should be provided special incentive to produce 'quality' business so that lapses might be kept down to a minimum. He says:

"(1) The law provides no incentive to an agent to produce quality business. He gets the same 35 per cent. commission whether his lapse ratio is, say, 46 per cent. or 0.3 per cent. In America and Canada, an agent having a satisfactory lapse ratio is rewarded by extra commission. (2) Admittedly, Indian offices have a mad craze for new business but if quality business is rewarded, I am sure that lapse ratio can be improved materially. (3) Companies should feel that lapses are a loss to them because the principal aim of a life company is to add business. The cost on new business being six times that on renewal business, they should make greater efforts to revive lapsed business. (4) Companies should have intelligent personnel in the lapse department and if the agent who produced the policy is not able to revive it, some other good agent of the company should be selected and entrusted to follow up such lapses. Companies should not sleep away, as most of them do now, after having received the premium. It is the duty of the company to explore all possible avenues to get the overdue interest and evidence of good health and not be content with holding the premium in suspense and earning interest on it in case the policy is not revived through negligence of the assured.

"The conservation departments of American companies use pictorial letters, with great emotional appeal, with the result that a high percentage of policies are revived. Such methods should be adopted here also. If the companies were to realise that their principal aim is to increase their business and that it costs them six times more to replace a lapsed policy by a new one, then they should not hesitate to spend money in employing intelligent personnel in their conservation departments and to use pictorial letters to win their clients. As I have said in para 1, if the life offices in India want quality agents, they should reward them by some extra remuneration. Will the Indian offices approach the authorities to amend the law to enable them to do this?"

Addressing a meeting held under the Indian Medical Association in Bombay, Mr. Aneurin Bevan, a British Labour Member of Parliament and chief author of the U.K. National Health Services, now in India, urged Indian doctors to co-operate with the Government in successfully implementing the Health Insurance Scheme which it had planned for its industrial population. He quoted Abraham Lincoln to say that it is the duty of the State to do for the people what the people need to have but which they cannot do for themselves. National health insurance was based upon this principle.

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WORKING OF INDIAN INSURANCE POOL

NEED FOR AN ENDURING STRUCTURE

FEW factors in the growth of general insurance business during the war and post-war years have been of greater significance than the establishment of the Indian Insurance Companies Association Pool for taking over the business of insuring Government property in this country. From small beginnings, the Pool's volume of business has grown to substantial dimensions; its activities have extended to every class of non-life business which the Central and State Governments are in a position to offer. This development, without undermining the healthy spirit of competition which exists among the companies for securing non-governmental business, has added much to the power and prestige of the Indian insurance companies. Indeed, the Pool has now come of age.

Genesis of "Pool" Idea

The organised transaction of governmental insurance—to be more precise, the insurance of governmental property—does not go back to more than 15 years. The year 1938 is a landmark in the progress of Indian insurance, for it was in that year that the Indian Insurance Act was passed. At that time, the field of general insurance was dominated by foreign interests, so that Indian companies found it difficult to develop their business in their own country. When the Act was on the legislative anvil, the redoubtable champion of Indian interests, the late Mr. S. Satyamurthi, moved an amendment which was designed to give effective assistance to Indian insurance companies. He urged that the Government should place whatever insurance business it could give only with Indian companies. The late Sir Nripendra Sircar, the then Law Member, who was piloting the Insurance Bill, was convinced of the obvious strength of the case for Indian insurance. He made a statement to the effect that whatever business the Government of India controlled would be given to the Indian insurance companies. He could not, of course, speak for the Provincial Governments. Nevertheless, he made it clear that there was nothing to prevent the Provinces from insuring with Indian insurers.

It was this assurance of governmental support for Indian insurance companies that gave birth to the idea of the formation of the "Pool." In 1938, the Indian Insurance Companies' Pool was formed with a view to ensuring valuable support from Government business to all Indian insurance companies. The organisers of the Pool realised that the existence of the Pool would enhance the prestige of Indian insurance in the public eye and would lead to rapid progress and development of Indian insurance. The Government of Bombay was the first State Government to be approached by the Pool for placing all its business with this body. It must be said to the credit of this Government that it was also the first State Government to realise the value of placing its insurance business with the Pool.

Pool's Members

Since 1938, when the Pool was first constituted, the number of general insurance companies has grown from 12 to 68, so that the task of allocation of the available business is not as simple as it was in the early years of the Pool's existence. By the very nature of its constitution, the Pool could not, under the provisions of the Indian Companies Act, contain more than 20 members. But the number of companies, which were entitled to take over the available governmental business, was far larger than 20. The basis of the Pool has had to be revised so that the number, constituting this body, might be kept at 20, the other insurance companies being allowed to participate in the Pool's business, in an indirect manner, by becoming attached to the 20 members who constitute the Pool. These 20 members of the Pool are:

(1) The New Indian Assurance Co., Ltd., (2) the New Great Insurance Company of India Ltd., (3) the Vulcan Insurance Co., Ltd., (4) the British India General Insurance Co., Ltd., (5) the Indian Globe Insurance Co., Ltd., (6) the Indian Mercantile Insurance Co., Ltd., (7) the Jayabharat Insurance Co., Ltd., (8) the Universal Fire and General Insurance Co., Ltd., (9) the Oriental Fire and General Insurance Co., Ltd., (10) the Jupiter General Insurance Co., Ltd., (11) the Vishwabharati Insurance Co., Ltd., (12) the Standard General Assurance Co., Ltd., (13) the Hindusthan General Insurance Society Ltd., (14) the National Insurance Co., Ltd., (15) the Concord of India Insurance Co., Ltd., (16) the Bharat Fire and General Insurance Ltd., (17) the Ruby General Insurance Co., Ltd., (18) the New Asiatic Insurance Co., Ltd., (19) the Prithvi Insurance Co., Ltd., and (20) the United India Fire and General Insurance Co., Ltd.

Agreement

In January, 1952, a fresh agreement among the members of the Pool was signed, whereby it was agreed that fire, marine (excluding hull) and accident (excluding aircraft) insurance business, directly or indirectly under the control of Government, municipalities, local bodies, housing societies, co-operative or otherwise, aided by Government, should be transacted in a Pool under the following (among other) conditions:

(1) The Pool shall have only 20 members, and the parties to the agreement shall be only members of the Pool;

(2) the principal office of the Pool shall be located in Bombay;

(3) the Pool shall be administered by a Central Committee, consisting of eight members—four members from the Bombay area, three members from the Calcutta area, and one member from the Madras area;

(4) the Central Committee shall arrange for the election of regional committees at Bombay, Calcutta, and Madras, consisting of members of the Pool for the purpose of managing and conducting the business of the Pool in the respective areas;

(5) the Central Committee shall decide policy matters, arrange for re-insurance, keep accounts of the business of the Pool, create a reserve fund out of the premium written by the Pool in a sum not exceeding 20 per cent. of the total premium earned by the Pool during each accounting year (year ending 31st December) and look after the investments of funds;

(6) the period of the Agreement shall be two years from 1st January, 1952, subject to extension and renewal through mutual consent and also subject to the condition that, notwithstanding the expiry of the agreement, the parties are bound to carry out their obligations in respect of the policies entrusted to them;

(7) the business of the Pool shall be distributed in the following manner: (a) *Fire Insurance*: 15 per cent. of each risk shall be allocated to "New India" and the balance of such risk, not exceeding Rs. 50 lakhs, shall be equally allocated among other companies. If the balance—that is, 85 per cent. of the risk—exceeds Rs. 50 lakhs, the excess shall be distributed among all parties, except New India, in proportion to the total premium income of each such party for the calendar year 1949, (b) *Marine (excluding hull) Insurance*: 15 per cent. of each risk shall be allocated to "New India" and the balance, namely, 85 per cent. of the risk, not exceeding Rs. 25 lakhs, shall be equally shared by companies other than "New India." Any excess of such balance of risk of 85 per cent. over Rs. 25 lakhs shall be allocated among other parties, except "New India", in proportion to the total insurance premium income of each such party for the calendar year 1949, (c) *Accident (excluding aircraft) Insurance*: 15 per cent. on each risk shall be allocated to "New India" and the balance shall be divided among other parties in equal shares;

(8) no party shall place any part of its business in foreign centres by way of facultative reinsurance. But it shall replace such part with the Pool itself, which shall make appropriate arrangements for its reinsurance;

(9) if any party fails to meet its obligations issued under this Pool arrangement, the other parties shall be liable to meet the obligations and liabilities of the defaulting member in proportion to their respective shares in the business of the Pool;

(10) each party shall pay to the Pool 20 per cent. of the gross premium income earned by it in respect of the fire, marine and accident business allotted to it under the arrangement for purposes of meeting the cost of the management of the Pool.

Regional Committees

Such, in brief, are the conditions under which the Pool works at present. The Pool works, as a study of the conditions stated above will show, under the guidance of its Central Committee. Mr. Vijay Singh Govindji is the Chairman of the Pool, the office of which is located in Bombay, the Secretary to the organisation being Mr. T. R. Krishnaswamy, who has been associated with the Pool ever since its inception. The Pool issues a joint policy on behalf of the participating companies, which is regularly accepted by the Central and various State Governments. Apart from the Central Committee, regional committees have been formed at Bombay, Calcutta, Madras and Delhi for the purpose of managing and conducting the affairs of the Pool in their respective areas. A branch of the Pool has been opened at Hyderabad (Dn.)—although, under the scheme of geographical distribution of areas, this centre comes under the Bombay Area—since the Hyderabad State has agreed to place the business, in respect of its various industries under its control, with the Pool.

A feature of the working of the Pool, which deserves special emphasis, is that, although the Pool has been formed and worked in accordance with the principles which have been approved by the Government of India, there is no official control, as such, of the Pool's affairs. It is gratifying to note that, despite this absence of such control—partisans of private enterprise will, of course, say, because of such absence—the Pool's affairs have, for long, been remarkably well conducted. The Pool's expenses of management do not amount to more than 8 per cent. of premium income. Its claims experience is known to be good. Its premium income, which was a mere Rs. 50,000 in 1938, improved to Rs. 16 lakhs in 1951; it has now exceeded Rs. 21 lakhs for 1952.

Government's Sympathy

The Pool, however, owes its success to the sympathetic manner in which the Central and some of the State Governments have agreed to assist it. Thus, the Government of India has issued, it is learnt, a circular to all Ministries urging them that any insurance that they might effect might be placed with the Pool, though the concerned Ministers might take such steps as might be necessary to alter, in a suitable manner, the terms of contracts. The Government has also accepted, it is learnt, the principle that it should give the insurance of its own property or property under its control to Indian insurers, although, normally speaking, the Government does not insure but carries its own risks. It is also learnt that the Pool has agreed to quote special concessional rates for insurance business of governmental origin and also to make necessary arrangements for the Pool's representation at any foreign centre at which the Government might ask the Pool to provide representation. The Pool already possesses, it might be mentioned here, representatives in the U.K., France and the U.S.; it has agents for purposes of survey and claims settlement in London and Liverpool, in the U.K., Bordeaux, Havre, Paris and Marseilles in France and in New York in the U.S.

In view of the fact that both the Central and State Governments have accepted the principle that all State undertakings should be conducted on a strictly commercial basis, it is only reasonable to expect that the Pool will be patronised to an increasing extent by the Governments in this country. Already, the Pool is covering certain major industrial undertakings of the Central and State Governments, such as the Sindri Fertiliser Factory, the Damodar Valley Project, Hindusthan Aircraft, Indian Telephone Factory, Indian Coffee Board, Delhi Electricity Board, and Madhya Pradesh Electricity Board. The insurance business of the Machine Tool Factory is expected to be finalised shortly. The Pool is also engaged in negotiations with the Governments of Mysore and Travancore-Cochin for the business connected with the insurable risks under their control.

States and Pool

Many Indian States had, prior to their integration with the Indian Union, their own arrangements for insuring their property. These States do possess certain rights in this matter. Presumably, some oral assurances were given to them by the then Central Government at the time the States were induced to join the Indian Union. The exact legal position, in respect of insurance matters, is not of course very clear. Over-riding the merely juridical considerations is the important consideration that it is the duty of these State Governments to do all they can to aid, foster and develop Indian insurance. From this point of view, it is only reasonable to expect that the State Governments would be willing—nay, anxious—to place all their insurance business with the Pool.

In the meanwhile, the Pool requires to be placed on a firmer basis. Surely, it cannot be expected to function smoothly if its organisation has to depend upon the conclusion of annual or bi-annual agreements among its members. A draft charter for the organisation of the Pool on a permanent basis is, we are told, ready for submission to the Government; the present agreement, under which the Pool works, will expire by the end of this year. It is to be hoped that Parliament, despite the busy legislative season ahead of it, will find time to take preliminary notice of this charter, this year. If Parliament cannot find the time to look into this charter, the present agreement will have to be renewed for a further period.

THE BANK OF INDIA LIMITED

(ESTABLISHED 7TH SEPTEMBER 1906.)

CAPITAL AUTHORISED & ISSUED .. .. **Rs. 5,00,00,000** **CAPITAL PAID-UP** .. .. **Rs. 2,50,00,000**

CAPITAL SUBSCRIBED .. .. **Rs. 5,00,00,000** **RESERVE FUND** .. .. **Rs. 3,52,00,000**

HEAD OFFICE—MAHATMA GANDHI ROAD, FORT, BOMBAY.

LOCAL BRANCHES: ANDHERI .. GHODBUNDER ROAD (GREATER BOMBAY). BANDRA .. HILL ROAD (GREATER BOMBAY). BULLION EXCHANGE .. SHAIKH MEMON STREET. COLABA .. CUSROW BAUG. KALBADEVI .. PRINCESS STREET. MALABAR HILL .. HUGHES ROAD.

BRANCHES: AHMEDABAD. AHMEDABAD, ELLIS BRIDGE. AHMEDABAD, GANDHI ROAD. AHMEDABAD, MANEK CHOWK. AHMEDABAD, STATION BRANCH. AMRITSAR. BHUJ (KUTCH). CALCUTTA. CALCUTTA, BARA BAZAR. CALCUTTA, CHOWRINGHEE SQUARE. COIMBATORE. HYDERABAD (DECCAN). JAMSHEDPUR. JUNAGADH. KOZHIKODE (formerly CALICUT). MADRAS. NAGPUR. NAGPUR CITY. PALANPUR. POONA. POONA CITY. RAJKOT. SHOLAPUR. SURAT. VERAVAL.

LOCAL COMMITTEES:

AHMEDABAD—
MR. AMBALAL SARABHAI.
MR. NAROTTAM LALBHAI.
MR. MADANMOHAN MANGALDAS.

AMRITSAR—
LALA DIWAN CHAND MEHRA.

CALCUTTA—
MR. JUGMOHAN PRASAD GOENKA.
MR. M. P. BIRLA.
MR. N. E. ELIAS.

JAMSHEDPUR—
SARDAR AJAIB SINGH.
MR. RANGLAL AGARWALA.

MADRAS—
DEWAN BAHADUR SIR ARCOT LAKSHMANASWAMI MUDALIAR.

NAGPUR—
RAO BAHADUR SIR MADHAVRAO G. DESHPANDE, K.B.E.

POONA—
KHAN BAHADUR SIR MANEKJI N. MEHTA, C.I.E., M.B.E.

SURAT—
MR. LALITMOHAN C. GANDHI, B.Sc., M.A., LL.B.
MR. MOIZ S. VASI.

FOREIGN BRANCHES:

LONDON BRANCH:—17, MOORGATE, LONDON, E.C. 2. *PAKISTAN*:—KARACHI. *JAPAN*:—OSAKA AND TOKYO. *MALAYA*:—SINGAPORE.

AGENTS IN ALL THE PRINCIPAL COUNTRIES OF THE WORLD.

ANNUAL REPORT

To be submitted to the Shareholders at the Forty-seventh Annual Ordinary General Meeting to be held at the Registered Office of the Bank, Mahatma Gandhi Road, Fort, Bombay, on Thursday, the 5th March, 1953, at 4 o'clock, in the afternoon (Standard Time).

Directors' Report for the year ended 31st December, 1952.

The Directors submit to the Shareholders the BALANCE SHEET AND PROFIT AND LOSS ACCOUNT for the year ended 31st December, 1952. The Auditors' Report is also annexed.

	Rs.	a.	p.
The transactions for the past year, including the balance brought forward from the previous year, Rs. 5,60,616-1-11, have resulted in a profit of	83,11,553	4	6
An interim dividend was paid for the half-year ended 30th June, 1952, at the rate of 6 per cent. free of Income-tax on the Paid-up Capital of Rs. 2,50,00,000, which absorbed	15,00,000	0	0
Provision made for Income-tax and Super-tax for the year	31,00,000	0	0
Bonus to Staff	10,75,000	0	0
The Directors now propose:— To pay a final dividend for the half-year ended 31st December, 1952, at the rate of 8 per cent. free of Income-tax, making 14 per cent. for the year, on the Paid-up Capital of Rs. 2,50,00,000, which will absorb	20,00,000	0	0
To carry forward to the next account	6,36,553	4	6
Total .. Rs.	83,11,553	4	6

The Bank's business continued to function satisfactorily.

The Official Bank Rate remained stationary at 3½ per cent.

Before the close of the year the sum of Rs. 856 was transferred from internal reserves to the Re Fund of the Bank, which now amounts to Rs. 3,52,00,000.

The Bank of India (U.K.) Nominees Limited, a subsidiary Company, was incorporated in the Ui Kingdom on 19th January, 1952, and in accordance with Statutory obligations the first Balance Sheet o Company is annexed.

In accordance with Article 92, read with Regulation 78 of Table "A" of the Indian Companies Sir Joseph Kay, K.B.E., Mr. Dinsha K. Daji and Mr. Ramniwas Ramnarain retire from the Board by rota but are eligible and offer themselves for re-election.

The Shareholders are requested to appoint Auditors for the ensuing year and to fix their remunera

COWASJEE JEHANGIR, *Chairman*.

AMBALAL SARABHAI, JOSEPH KAY, DINSHA K. DAJI, } *Directors.* { RAMNIWAS RAMNARAIN, BHAGVANDAS C. MEHTA, K. M. D. THACKERSEY.

H. T. COULTAS, *Chief Accountant*
A. C. CLARKE, *General Manage*

BOMBAY, 29th *January*, 1953.

N.B.—The Dividend, when sanctioned, will be payable on and from Tuesday, the 24th March, 1953, to Shareholders whose names are on the Register on 7th March, 1953. Dividend Warrants will be posted to Shareholders at their Registered Addresses. Early intimation should be given to the Bank of any change of address.

Balance Sheet as at 31st December 1952

CAPITAL AND LIABILITIES.	Rs.	a.	p.	Rs.	a.	p.
1. CAPITAL—						
AUTHORISED CAPITAL— 5,00,000 Shares of Rs. 100 each	5,00,00,000	0	0			
ISSUED CAPITAL— 5,00,000 Shares of Rs. 100 each	5,00,00,000	0	0			
SUBSCRIBED CAPITAL— 5,00,000 Shares of Rs. 100 each	5,00,00,000	0	0			
AMOUNT CALLED UP at Rs. 50 per Share	2,50,00,000	0	0			
Less—Calls unpaid	Nil					
Add—Forfeited Shares	2,50,00,000	0	0			
				2,50,00,000	0	0
2. RESERVE FUND AND OTHER RESERVES— Reserve Fund— As at 31st December, 1951	3,49,76,065	0	0			
Add—(i) Premium received on sale of new shares	2,23,079	0	0			
(ii) Transfer from Contingencies Account	856	0	0			
				3,52,00,000	0	0
3. DEPOSITS AND OTHER ACCOUNTS— Fixed Deposits	9,50,78,506	3	2			
Savings Bank Deposits	8,68,89,841	0	4			
Current Accounts, Contingency Accounts, etc.	37,92,83,382	2	7			
				56,12,51,729	11	1
4. BORROWINGS FROM OTHER BANKING COMPANIES, AGENTS, ETC.— (I) In India	Nil					
(ii) Outside India	Nil					
PARTICULARS— (I) Secured	Nil					
(II) Unsecured	Nil			Nil		
5. BILLS PAYABLE				17,65,754	5	0
6. BILLS FOR COLLECTION BEING BILLS RECEIVABLE as per contra— (I) Payable in India	45,43,779	5	3			
(II) Payable outside India	37,66,680	13	1			
				83,10,460	2	4
7. OTHER LIABILITIES				22,67,649	7	5
8. ACCEPTANCES, ENDORSEMENTS AND OTHER OBLIGATIONS per contra				7,68,74,494	13	6
9. PROFIT AND LOSS— Balance as per Balance Sheet as at 31st December, 1951				37,45,646	1	11
Less— Rs. a. p.						
Final Dividend at 8 per cent., making 14 per cent. for the year 1951, free of Income-tax 19,85,030 0 0						
Placed to Bank's Investments in Government and other Securities 12,00,000 0 0						
	31,85,030	0	0			
	5,60,616	1	11			
Add—Profit for the year ended 31st December, 1952	77,50,937	2	7			
	83,11,553	4	6			
Less— Rs. a. p.						
Provision for Income-tax and Super-tax for the year 31,00,000 0 0						
Interim Dividend at 6 per cent. for the half-year ended 30th June, 1952 15,00,000 0 0						
Provision for Bonus to Staff for the year 1952 10,75,000 0 0						
	56,75,000	0	0			
				26,36,553	4	6
10. CONTINGENT LIABILITIES— Rs. a. p.						
(i) On partly paid Shares 77,790 0 0						
(ii) Claims against the banking company not acknowledged as debts 2,01,277 0 0						
(iii) Liability on account of outstanding Forward Exchange Contracts 52,12,648 4 4						
Total .. Rs.				71,33,06,641	11	10

Note.—The Profit and Loss Account includes expenses of the Bank of India (U.K.) Nominees Limited, a subsidiary Company of this Bank.

PROPERTY AND ASSETS.	Rs.	a.	p.	Rs.	a.	p.
1. CASH— In hand and with Reserve Bank of India and Imperial Bank of India (including foreign currency notes)				7,79,02,145		
2. BALANCES WITH OTHER BANKS ON CURRENT ACCOUNT— (i) In India	31,80,842	7	2			
(ii) Outside India	2,37,33,741	9	6			
				2,69,23,584		
3. MONEY AT CALL AND SHORT NOTICE				Nil		
4. INVESTMENTS AT BELOW MARKET VALUE— (i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills (Rs. 4,11,79,000) of the Central and State Governments	18,76,13,824	13	2			
(ii) Shares— (a) Fully paid Preference Shares	8,22,780	3	0			
(b) Fully paid Ordinary Shares	19,79,180	0	0			
(c) Partly paid Ordinary Shares	25,310	0	0			
(iii) Debentures or Bonds	39,86,250	0	0			
(iv) Other Investments— Pakistan Government and Trustee Securities	13,34,025	0	0			
(v) Gold	Nil			19,57,61,379		
5. ADVANCES— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors) (I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.						
(i) In India 27,49,14,063 10 5						
(ii) Outside India 86,31,857 14 10						
	28,35,45,921	9	3			
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— (i) Payable in India 1,36,68,923 4 9						
(ii) Payable outside India 2,49,61,588 11 3						
	3,86,30,512	0	0			
				32,21,76,433		
Particulars of Advances— (i) Debts considered good in respect of which the banking company is fully secured	26,92,39,243	10	9			
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	92,83,247	0	7			
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	4,36,53,042	13	11			
(iv) Debts considered doubtful or bad, not provided for	Nil					
	32,21,76,433	9	3			
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	34,41,790	3	1			
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	4,97,03,833	3	11			
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	35,64,469	8	3			
(viii) Maximum total amount of advances, *including temporary* advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	6,19,47,241	11	11			
(ix) Due from banking companies	2,63,845	0	0			
6. BILLS RECEIVABLE BEING BILLS FOR COLLECTION as per contra— (i) Payable in India	45,43,779	5	3			
(ii) Payable outside India	37,66,680	13	1			
				83,10,460		
7. CONSTITUENTS' LIABILITIES FOR ACCEPTANCES, ENDORSEMENTS AND OTHER OBLIGATIONS per contra				7,68,74,494		
8. PREMISES, LESS DEPRECIATION— At cost as at 31st December, 1951	87,76,435	12	9			
Additions during this year	2,67,918	15	10			
	90,44,354	12	7			
Less—Written off up to 31st December, 1951	72,84,301	10	3			
9. FURNITURE AND FIXTURES, LESS DEPRECIATION				17,60,053		
10. OTHER ASSETS— (i) Shares of the Bank of India (U.K.) Nominees Limited, at cost	1,335	10	5	Nil		
(ii) Compulsory Excess Profits Tax Deposits	13,50,426	2	0			
(iii) Advance Payments of Tax	13,29,576	12	3			
(iv) Stamps	70,914	2	8			
(v) Interest accrued on Investments to 31st December, 1952	9,05,838	14	1			
(vi) Silver	Nil			35,98,091		
11. NON-BANKING ASSETS ACQUIRED IN SATISFACTION OF CLAIMS				Nil		
Total .. Rs.				71,33,06,641		

(Continued on next pa

WAGES FOR MEN AND WOMEN

IS EQUALITY IN INDUSTRY AND AGRICULTURE DESIRABLE?

(By GULABCHAND HIRACHAND)

WHEN the Government of India and the State Governments are considering the question of a revision of the present legislation for regulating industrial relations, one of the points which deserves notice is in connection with the proportion which wages paid to women workers should bear to those paid to male workers. Looked at from a sentimental or theoretical point of view, the ordinary reaction to this question is towards equalising wage scales for men and women workers. In fact, there is a provision to this effect in the Minimum Wages Act. It is, however, necessary to arrive at a more realistic and scientific appraisal of this question, because of its effect on both the agricultural and industrial economy of the country as well as domestic economy in millions of homes.

In those professions and civil employ in Government offices or even commercial establishments such as banks, insurance companies. etc., where skill and intellectual qualifications go to form the test for the usefulness and the cutturn of an employee, it can be conceded that salaries of male and female employees may be the same. Even here the sociological aspect of the question would suggest some differentiation, inasmuch as, in a large number of cases of women employees, the responsibility for the maintenance of a family is not there as in the case of men and to the extent that salaries have to be related to the ability of the worker to discharge his minimum social responsibilities some differentiation even here will be justified and might be found to be necessary.

But it must be admitted that wages in industry and agriculture must be co-related with the quality and quantity of work of each individual worker engaged in any economic operation. Wage is not ordinarily a substitute for a subsistence allowance and so has to be regulated broadly by the amount of work done by each class of employees. Even admitting that there are some operations in some industries such as textiles where the position might be that there is no appreciable difference between the output of work by men and women workers, it has, at the same time, to be recognised that there are other operations where physical strength and endurance are important factors in the output of work and, in the case of such operations, the difference in work has to be reflected in the relative proportion of wages paid to either of the categories of workers.

Agricultural Labour

This difference is more marked in the case of agricultural labour. There are heavy operations which women and children are not strong enough to undertake. These have to be reserved for men. On the other hand, there are a large number of operations connected with agriculture which can be undertaken by both men and women, but the output of work, because of the relative difference in their strength, is glaringly dissimilar, and when men and women are employed on such activities, wages have got to be adjusted accordingly. Unless this adjustment is made, either the male worker will have to be paid a much lower wage to bring it at par with that paid to women or the employment of women will automatically have to be eliminated from such operations, even though the nature of the work makes women also eligible for employment.

Agriculture is the one industry which offers very great scope for the employment of women, because of the varieties of activities carried on in it. Any legal provision to equalise wages of men and women workers in agriculture, therefore, is bound to have very undesirable results both on agricultural economy and on the domestic economy amongst a large number of people living in the rural areas. The cost of agriculture will definitely be increased appreciably if the same wages are required to be paid to women workers for hundreds of light jobs which are today managed by women. On the other hand, farmers and agriculturists would be more inclined to engage men for all these operations and to refuse work to women.

In a large number of cases amongst the rural population, a woman's wage is regarded as supplementary to the general income of the family. The main earner in the family is a male or a number of males, but whenever work of a type which can be done by women is available several times in the season, women workers are enabled to secure this extra income and this helps in maintaining the standard of life of agricultural workers at the present level. Only in very few cases are women regarded as the main supporters of the family and, if opportunities of earning some money at frequent intervals is denied to women, even the present standard of life in the villages of those classes intimately associated with work in fields will be adversely affected. In a few cases, where women are maintaining their homes with their own work, it would make it almost impossible for such families to live. This would disrupt the whole rural economy.

Sociological Aspect

Sociologically also, any effort to equalise women's wages with those of men in rural areas will have a detrimental effect. As one who is able to contribute some share in the families' earnings, women and girls enjoy a certain status and importance and receive some degree of recognition in the family set up. If opportunities for doing work is denied to them and women are gradually displaced by men from work in the fields, their status and position in the family will deteriorate and they will be looked upon as a budren on the male members of the family as in the case of the middle class.

As it is, agricultural economy is unbalanced and precarious. If a large number of women in the villages are rendered unproductive and are replaced by men, this economy will be rendered still more unstable. As such, this question requires a more careful attention than what appears to be necessary superficially before a final decision is reached. It would be advantageous if the Government were to carry out or conduct a number of sociological and economic studies in sample areas, both in industrial towns and in the rural areas, before laying a legal obligation on employers to pay equal wages to men and women workers, especially in those cases where the difference in their individual output is both apparent and appreciable because of physiological factors.—*All Rights Reserved.*

THE BANK OF INDIA LIMITED—*(Continued)*

Profit and Loss Account for the year ended 31st December, 1952.

EXPENDITURE.	Rs.	a.	p.	INCOME. (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	46,22,919	9	8	1. Interest and Discount	1,75,98,918	12	4
2. Salaries and Allowances and Provident Fund Salary and Allowances to General Manager Rs. 1,16,820-12-0.	70,31,499	2	9	2. Commission, Exchange and Brokerage	40,43,763	7	4
3. Directors' and Local Committee Members' Fees and Allowances	64,044	0	0	3. Rents	2,92,672	13	11
4. Rent, Taxes, Insurance, Lighting, etc.	13,37,622	15	3	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	*Nil*		
5. Law Charges	1,34,587	14	3	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	*Nil*		
6. Postage, Telegrams and Stamps	1,20,176	9	2	6. Income from Non-Banking assets, and Profit from Sale of or Dealing with such Assets	*Nil*		
7. Auditors' Fees	30,000	0	0	7. Other Receipts	4,28,068	13	4
8. Depreciation on and Repairs to the Banking Company's Property	80,363	5	1				
9. Stationery, Printing, Advertisement, etc.	4,74,042	1	4				
0. Loss from Sale of or Dealing with Non-Banking Assets	*Nil*						
1. Other Expenditure	6,67,231	2	10				
2. Balance of Profit (Subject to Taxation)	77,50,937	2	7				
Total .. Rs.	2,23,63,423	14	11	Total .. Rs.	2,23,63,423	14	11

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Bank of India Limited, as at 31st December, 1952 and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are corporated the authenticated returns from Branches, and report that:—

(a) we have obtained all the information and explanations we have required and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(c) the returns received from Branch Offices of the Bank have been found adequate for the purpose of the audit;

(d) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;

(e) such Profit and Loss Account shows a true balance of profit for the year;

(f) such Balance Sheet exhibits a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us and as shown by the books of the Bank, and

(g) in our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

A. F. FERGUSON & CO., *Chartered Accountants.* B. B. BILLIMORIA & CO., *Chartered Accountants*

Statement pursuant to Section 132-A of the Indian Companies Act of 1913 as amended by Act XXII of 1936.

The Profit and Loss Account of the Bank of India Limited for the year ended 31st December, 1952, es not include any profit or loss of its subsidiary, the Bank of India (U.K.) Nominees Limited (a Nominee mpany operating in the United Kingdom), as no profit was made and no loss was sustained by that bsidiary. All expenses incurred were borne and paid by the Bank.

THE BANK OF INDIA (U. K.) NOMINEES LIMITED.

Balance Sheet 31st December, 1952.

Capital Authorised and Fully Paid Up— 100 Ordinary Shares of £1 each	£100	Cash at Bankers	£100
	£100		£100

Signed on behalf of the Board,
J. DONALDSON,
S. H. BRADFORD, } *Directors.*

We have examined the above Balance Sheet of the Company which is in agreement with the books of account. We have obtained all the information which was necessary for the purposes of our audit. In our opinion and to the best of our information the Balance Sheet shows a true and fair view of the state of the Company's affairs at 31st December, 1952. No Profit and Loss Account has been prepared as the Company has no income and the expenses are paid by the Holding Company.

27, Old Broad Street, LONDON, E.C. 2.
2nd *January*, 1953.

FERGUSON, GILCHRIST & CO.,
Chartered Accountants, Auditors.

COWASJEE JEHANGIR, *Chairman.*

AMBALAL SARABHAI, JOSEPH KAY, DINSHA K. DAJI, } *Directors.* { RAMNIWAS RAMNARAIN, BHAGVANDAS C. MEHTA, K. M. D. THACKERSEY.

H. T. COULTAS, *Chief Accountant.*
A. C. CLARKE, *General Manager.*

MBAY, 29th *January*, 1953.

LABOUR LEGISLATION IN INDIA

DEPLORABLE LACK OF UNIFORMITY IN MANY RESPECTS

(By DHARMA GHOSH)

LABOUR legislation in India has made some rapid strides since its early beginnings towards the end of the nineteenth century and particularly, after the Treaty of Versailles, when India became one of the founder-members of the International Labour Organisation. But still the labour laws are incomplete, inadequately supervised and lack uniformity and co-ordination.

The first Factory Act and the first Mining Act were passed in 1881 and 1891 respectively. But both these were subsequently amended several times to protect the interests of labour. The Factory Act was amended in 1922, 1934 and 1948, reducing the number of weekly hours of work to 48, providing for 14 days leave with pay, weekly holidays, welfare facilities, medical aid and inspection by State Governments. The Indian Mining Act was amended in 1923, 1936, 1937, 1940, and 1946 for reducing the hours of work to 10, prohibiting the employment of women underground, providing of fresh water and shower-baths near the pits, etc. But, due to the inadequacy of staff to inspect the increasing number of factories, employers have the unfortunate tendency to side-track the Act on occasions or to circumvent its provisions. Notwithstanding all the efforts made by the Government to keep pace with the increase in the number of factories, 17.4 per cent. of the factories and 30.6 per cent. of the mines went uninspected even as late as 1948. Plantation labour was gradually brought under legislative protection from 1865 to 1933 by passing the Tea District Emigration Act, abolishing indentured labour under certain conditions. But, the Act was very limited in scope and did not protect labour from the exploitation of the management in the matter of wages, hours of work, etc. The Indian Railway Act of 1890 was amended in 1930 to regulate the hours of work and other service conditions. Since 1946, the Chief Labour Commissioner, the central conciliation officers and the labour inspectors have been administering the Act. The award of Justice Rajyadhyaksha is also being slowly implemented.

In the sphere of transport, a time and motion study of the railway jobs was also said to be in progress. It is important to see that the transport system of the country is not paralysed by any short-sighted misuse of trade union powers. It is a matter for gratification that the Government seems to be contemplating the creation of a Railway Tribunal for the settlement of disputes. The Merchant Shipping Act of 1923 was amended in 1949 to regulate supply and working conditions of maritime labour by opening recruitment offices at ports and by insisting on the masters of British seagoing ships entering into agreements with Indian seamen with regard to their working conditions, hours of work, medical facilities, repatriation home in case of discharge, certificate of good work, and fine for shipping masters for contravention of these provisions. Still, there is much scope for improvement even here. The Indian Seamen's Federation has been agitating for a decasual scheme, application of the social security scheme, etc. The Dock Workers' Regulation Act of 1948 is intended, through a tripartite body of 15 members, for the regulation of employment of workers where employment is of a casual nature. A decasualisation scheme has been formed with the assistance of a tripartite body consisting of 6 members, for fixation of wages, leave rules, and for recruitment of stevedore labour. The scheme of the Bombay Port Trust is intended to be a model for other ports with suitable modifications. But, here also there is considerable dissatisfaction and rivalry among trade unions to capture the rank and file.

The Coal Mines Provident Fund Scheme and Bonus Act of 1948 insisted on the managements in Bengal, Madhya Pradesh and Orissa paying on every ton of coke dug a cess of As. 6, to be paid by the mine-owners for spending on schemes of labour welfare. In order to protect the labour in mica mines, an Act was passed in 1946 by which 6¼ per cent. *ad valorem* duty on all mica exported out of India is collected in Madras and Bihar. The Minimum Wages Act of 1948 for the 12 sweated industries in addition to agriculture is in the process of implementation in several States, employers resisting it in every possible way. The Act could, with advantage, be applied to several other trades like salt pans, hotels and restaurants, boarding and lodging houses, etc.

A beginning has been made in the field of social security with the introduction of the Provident Fund Act and the Employees' State Insurance Act which covers labour earning upto Rs. 400. The Indian Trade Union Act of 1926, amended in 1947, is not much effective, as it does not make it obligatory on the management to recognise a trade union even after its registration, with the result that several recalcitrant employers get away from the obligation of discussing the genuine grievances of workmen with their chosen members, very often on the plea that they do not like to discuss their affairs with a rank outsider. At the same time, they do not hesitate to victimise their employees, if they themselves approach them. Even the existing industrial relations machinery is not able to help to a very great extent, if employers prove too obdurate. The existance of compulsory conciliation and adjudication alone could decide several disputes which otherwise would have ended in prolonged strikes or lockouts. The prevailing tempers of employers and employees have to be directed towards more favourable circumstances, in which there would be adequate scope for frank and fearless discussion between the two.

There is still much to be done before we can talk of a contented and well disciplined labour force in the country, which is very essential if its development plans are to succeed. India has large man-power, which also carries with it a good deal of unemployment, open and disguised. There is no comprehensive employment organisation nor are all the jobs, as well as the personnel, available for these jobs registered. No efforts are made to give pre- and post-employment training on any wide scale in the country. The absence of any apprentice scheme for training of labour, the lack of any productivity studies, better methods of ensuring regularity of attendance, for reducing absenteeism and increasing labour turnover, scientific system of training and job analysis, have made the Indian labour world restive. These are some of the major problems which call for solution and it is the incompleteness of labour legislation that is responsible for these and most allied evils.

Lack of uniformity of labour legislation is another handicap. The Shops and Establishments Act, Payment of Wages Act, Maternity Benefits Act, Workmen's Compensation Act and Acts for the settlement of industrial disputes exist in each State. But their scope and jurisdiction vary from State to State. Even an Act like the Industrial Disputes Act of 1947 has been followed in different States in different ways. The same is the case with the employment standing orders. These legislative enactments, introduced in the name of provincial autonomy, contain a plethora of diverse provisions and have led to different administrative practices throughout the country.

The Shops and Establishments Act was first passed in Bombay in 1939 to protect the interests of employees of commercial establishments. Bengal and Punjab passed similar legislations in 1940, Delhi in 1942, U.P., C.P. and Madras in 1947. The provisions of the Acts are different from State to State, as will be seen from the following. The hours of work in shops, from instance, are 8 in Madras and U.P., 9 in Assam, Bombay, C.P. and Berar, and 10 in the Punjab and Bengal. Rest intervals are only ½ hour after 6 hours of work in the Punjab; ½ hour after 5 hours of work in U.P. and Bengal, 1 hour after 5 hours of work in Bombay, C.P. and Berar, while it is 1 hour after every 4 hours of work in Madras. The daily hours of work in commercial establishments are 10 in Punjab, 9 in Bombay and 8 in Madras. U.P., Assam and Bengal allow 1½ days paid holidays per week, while in Bombay, C.P., Berar, Madras, Punjab, U.P., the weekly off is only one day. 16 days' privilege leave is given in Assam, without the right of accumulation. But it is only 14 days in Bengal, Bombay, C.P. and Berar, Madras and the Punjab. Uttar Pradesh gives 15 days for all workers but 30 days for watchmen. Bombay, C.P. and Berar and the Punjab give no casual leave, while Assam and U.P. allow 10 days' casual leave with pay, Madras 12 days with pay and Bengal 10 days on half pay. Sick leave is not given in Bengal, Bombay, C.P. and Berar and the Punjab, while Assam gives 12 days on half pay after 12 months of continuous service, Madras 12 days on half pay after 12 months of continuous service, U.P. 15 days on full pay after 6 months of continuous service. Three holidays are allowed in Assam and U.P., while there is no such facility in other States.

Again, the Payment of Wages Act is made applicable to shops and establishments, but the period of wage payment and overtime payment rates vary from State to State. The overtime rates are twice the normal rates in the Punjab, U.P. and Madras, 1¼ times in Bengal and 1½ times in C.P. and Berar. In Bombay, commercial establishments pay 1½ times the wages for overtime, while hotels and restaurants pay twice the normal rate. The wage period should not exceed one month in U.P. and Madras, while it should not be more than a fortnight in the Punjab. After the due date, they should be paid within 10 days in Bengal and Assam, 7 days in U.P. and 5 days in Madras. The notice period too varies from 14 days to 30 days in a month. In U.P., the employee should also give 15 days' notice to the employer. In Madras, the Act is administered by the Deputy Chief Inspector of Factories, Assistant Commissioner of Labour, Inspector of Factories, labour officers, industrial officers, municipal commissioners, executive officers of *panchayats*, *thasildars* and Deputy *thasildars*. In Bombay, the Act is administered by Shop Inpectors under the Municipality.

Special provision is made for the protection of the employment of children in all the States except in Bengal. In Assam, Bombay, Central Provinces and Berar, the minimum age for employment is 12, while in Madras and U.P. it is 14. In Bombay and Uttar Pradesh, the hours of work for children are 6 per day, in Madras and the Punjab, 7 per day and 42 per week, and in C.P. and Berar, 7 per day but only 36 per week. Children are permitted to work between 6 a.m. and 7 p.m. in Assam and Madras, 7 a.m. and 9 p.m. in C.P. and Berar, and 8 a.m. and 7 p.m. in the Punjab. The rest interval is ½ hour after 3 hours of continuous work in Bombay, 1 hour after 4 hours' work in C.P. and Berar and ½ hour after 3 hours' continuous work in the Punjab.

The Workmen's Compensation Act of 1923 was amended in 1924, 1926, 1929, 1934 and 1946, raising the wage limit of a worker coming under the Act from Rs. 300 to Rs. 400. But the administration of this Act too is different from State to State. In Madras, Bengal and Bihar, the duties are carried out by the labour commissioners. In Bombay, the Government has appointed one commissioner for the important areas, while for other areas it has appointed sub-judges as ex-officio commissioners. In other States, the district magistrates and district judges perform the task. In Assam, the Act is administered by the police and political officials.

The Maternity Benefits Act is another labour welfare measure in which the payments differ from State to State. Bombay passed the first Maternity Benefits Act in 1929, C.P. and Berar in 1930, Madras in 1934, U.P. in 1938, Bengal in 1939, the Punjab in 1943 and Assam in 1944. The Bombay Act is being followed in Ajmer and Delhi with some modifications. The Bombay, Assam, C.P. and Berar Acts cover women employed by the regulated factories only. Further, in Bombay, the Act applies only to notified districts and towns. Only women employed in plantations in Assam and West Bengal are entitled to maternity benefits. The Mines Maternity Benefit Act is again limited to the mines covered by the Indian Mines Act. The qualifying period, the rate and duration of the payment also vary from State to State. In Assam, 150 days' service during the period of 12 months immediately preceding the date of notice qualifies a pregnant woman worker to receive benefit at the rate of one rupee per week for the first 8 weeks and Re. 1-4 per week after confinement. In Bihar, a woman with 6 months' service prior to the notice, gets 8 week's average daily earnings, or As. 8 per day, whichever is greater. In the Bombay State, 9 months of service preceding the date of notice is required by a woman to qualify herself for maternity benefit lasting 8 weeks at As. 8 per day in Bombay City and Ahmedabad, and As. 8 or average daily earnings whichever is less in other districts. In Madhya Pradesh, too, the qualifying period is the same as in Bombay, but As. 8 per day or average daily earnings is paid whichever is less. Madras pays for 7 weeks at the rate of As. 8 per day after a qualified service of 240 days prior to the notice period. The Punjab pays As. 12 per day or average daily earnings whichever is less after a period of 3 months' service. U.P. and Bengal pay after 6 and 9 months' service, respectively, for a period of 8 weeks, average daily earnings or As. 8 per day whichever is greater. The administration of the Act is mostly in the hands of the factory inspectors in every State. As already stated, the Indian Trade Union Act of 1926, amended in 1947, is still mostly ineffective, as there is no provision made for the inspection of accounts by the Registrar and for the compulsory recognition of the registered unions by managements.

The present employment standing orders apply only to concerns employing 100 or more persons and to that extent are limited in scope. There is no reason why they should not be made applicable to all the undertakings covered by the Factory Act. Even as it is, the administration of the Employment Standing Orders Act varies from State to State. The certifying officers are usually the labour commissioners, while the appellate authority varies from State to State. In Bombay it is the Industrial Court, in Ajmer-Merwar, it is the Deputy Commissioner, in Assam it is the Development Commissioner, in Bihar, the Chairman of the Industrial Tribunal, in Coorg the Chief Commissioner, in Delhi the Director of Industries, in Madras the Industrial Tribunals under the Industrial Disputes Act, 1947, in Orissa the District Judges of Cuttack, Ganjam, Puri, and Additional Judges of Koraput, in U.P., a High Court Judge and in West Bengal, the Workmen's Compensation Commissioner for Calcutta and suburbs. Even the machinery for settlement of industrial disputes is different from State to State, in spite of the Central Industrial Disputes Act of 1947, providing for conciliators, industrial tribunals and works committees. The recommendations of the Royal Commission on Labour with regard to protection of workers from indebtedness have been carried out only a few States like the Punjab, Central Provinces, Bengal and Bihar.

Thus, labour legislation in India for the time being suffers from a multitude of defects such as incompleteness, inadequacy, irregularity in supervision, lack of uniformity in many of the provisions of the Act, in the matter of benefits for the labour and disparity in the methods of settling industrial disputes. But it is only the last mentioned of these that has been attracting much prominent public attention of late, since the new Labour Minister in the Centre started reviewing the position, with a view to trying a new deal by way of voluntary conciliation and arbitration in place of the present compulsory intervention of States. Though the objective under the new scheme is doubtless laudable, it is very difficult to predict the success of the new experiment, unless there is a thorough change in the present outlook of the employers and the strength of the trade unions and their status as competent bargaining agents in the industry. For the maintenance of happy industrial relations and promotion of a contented labour force, some attention to the existing inequalities in labour laws needs to be paid by the powers-that-be both at the Centre and in the States.

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INDIA'S FOREIGN TRADE IN APRIL-NOVEMBER, 1952

ADVERSE BALANCE REGISTERS DECLINE

THE effects of the restrictions on imports as also of the slump in commodity prices, witnessed during February-May last year, are reflected in the accounts of India's foreign (sea, air and land) trade and navigation during the first eight months, namely, April to November, 1952. As compared with the corresponding period of 1951, the accounts show that there has been a marked recession in the value of total foreign trade of this country from Rs. 1,098.43 crores in the eight-month period of 1951 to Rs. 879.14 crores in the same period of 1952. The fall in the total value of the trade is shared by both exports and imports. The value of exports declined during the period from Rs. 501.87 crores to Rs. 399.74 crores. Similarly, the value of imports fell even more steeply from Rs. 596.56 crores to Rs. 479.40 crores. In the result, the adverse balance of trade showed some improvement, in that it declined from Rs. 94.69 crores to Rs. 79.66 crores during the period under review.

The total value of India's foreign trade by all routes (sea, air and land) and its overall visible balance of trade in merchandise and treasure for the eight months, April to November, 1952, as compared with the corresponding period of 1951, is given below:

(Rs. in crores)

	Eight months—April to November					
	1951			1952		
	By sea and air	By land	Total	By sea and air	By land	Total
Exports	484.31	14.60	498.91	384.17	15.99	397.16
Re-exports*	2.96	..	2.96	2.58	..	2.58
Total exports*	487.27	14.60	501.87	383.75	15.99	399.74
Total imports*	533.36	63.20	596.56	463.45	15.95	479.40
Balance of trade in merchandise	—46.09	—48.60	—94.69	—79.70	+.4	—79.66
Balance of trade in gold and silver	—0.13	..	—0.13	—0.04	..	—0.04
Total overall visible balance of trade	—46.22	—48.60	—94.82	—79.74	+.4	—79.70

* Figures are arrived at after making allowance for transit trade through India from overseas countries to East Pakistan, Nepal, Bhutan and Tibet.

As complete amalgamation of the two sets of statistics, namely, (a) India's sea- and air-borne foreign trade, and (b) land frontier trade of India, has not been feasible yet, owing to lack of uniformity, one has to look into the sea- and air-borne accounts only, for a detailed analysis, both commodity-wise and country-wise, of the trade of India. The comparative table below gives a summary of the foreign trade of India by sea and air only during November, 1952—the latest month for which figures are available—as also the figures for the eight-month period already referred to.

(Rs. in crores)

	November		Eight months—April to November	
	1951	1952	1951	1952
Exports	61.91	40.02	484.31	381.17
Re-exports	0.39	0.40	11.68	3.14
Total exports	62.30	40.42	495.99	384.31
Total imports	68.28	39.87	533.93	407.72
Balance of trade (+) or (—)	—5.98	+0.55	—38.54	—78.41

It will be seen from the table above that the value of total exports during the month under review at Rs. 40.42 crores was substantially lower than that in the same month a year ago when it was Rs. 62.30 crores. But the fall in the value of imports in the month under review was even more heavy, from as high as Rs. 68.28 crores in November, 1951, to as low as Rs. 39.87 crores or by 41.6 per cent. Consequently, the balance of trade was favourable to India to the extent of Rs. 55 lakhs, as compared with an adverse balance of trade of the order of Rs. 5.98 crores in November, 1951.

The table below will give an idea of the value of India's exports and imports during each of the eight months ended November, 1952.

(Rs. in crores)

Name of month in 1952—	Total exports	Total imports	Balance of trade (+) or (—)
April	41.54	79.37	—37.83
May	47.78	77.12	—29.34
June	48.43	60.47	—12.04
July	51.81	57.75	— 5.94
August	53.17	56.99	— 3.82
September	46.73	46.84	— 0.11
October	53.35	43.33	+10.02
November	40.42	39.87	+ 0.55

A glance at the table above will show that the value of imports suffered a progressive decline month after month from a high of Rs. 79.37 crores in April to a low of Rs. 39.87 crores in November, 1952. This decline is attributed not only to a tightening of import policy but also to lower offtake of cotton, raw jute and foodgrains and to a decline generally in prices of commodities imported during the period. The decline in prices is fully reflected in the index number of average unit values which from 135.4 (1948-49=100) in April came down to 119 in October, the latest month for which the figure is available. The decline would have been steeper still, but for a rise of 6.4 points to 141.0 in the index figure for imports under the group "raw materials and produce." The index figure for "food, drink and tobacco" and for "articles, wholly or mainly manufactured," however, showed a fall, the former from 141.1 to 103.6 and the latter from 130 to 110.7.

In regard to exports of Indian merchandise, however, the trend was upward from April to August. Thus it rose from Rs. 41.54 crores in April to Rs. 53.17 crores in August. Thereafter the trend was irregular. It dropped to Rs. 46.73 crores in September, but recovered to Rs. 53.35 crores in the following month only to drop to Rs. 40.42 crores, the lowest level for any month, in the period under review. Increased industrial production, liberal export quotas and the Government's policy of reduction of duties on exports of various commodities such as jute goods, oils, etc., may be said to have been generally responsible for the improvement in the export trade of India during the period under review. But export prices were not favourable to India. Thus the index number of average unit declared values of exports declined from 150.2 in April to 122.7 in October, 1952. The index number for exports under the food group, which experienced a decline throughout April to August from 145.1 to 130.9, showed a recovery in the following two months to stand at 145.9 for October, 1952. In the other two groups, namely, raw materials and manufactured articles, which are the most important, the index number showed a fall during the period as a whole. The former dropped from 145.7 to 141.8 and the latter rather steeply from 154.2 to 103.6.

Considered commodity-wise, imports of grains, pulses and flour in the month under review were lower at Rs. 4.68 crores, as against Rs. 17.05 crores in the same month in 1951. Raw cotton imports were also lower at Rs. 3.31 crores, as compared with Rs. 7.19 crores. Petroleum oil imports were higher by Rs. 1.01 crores at Rs. 2.85 crores and imports of fuel oil by Rs. 75 lakhs at Rs. 1.94 crores. Kerosene oil imports too stood high by Rs. 74 lakhs at Rs. 1.30 crores. Paper imports rose by Rs. 25 lakhs to Rs. 1.13 crores, while the offtake of electrical machinery dropped by Rs. 20 lakhs to Rs. 1.07 crores. Purchases of chemicals too declined by Rs. 70 lakhs to Rs. 1.02 crores.

Among exports, black tea topped the list, although during the month despatches dropped by as much as Rs. 6.05 crores to Rs. 6.39 crores in November, as compared with the same month a year ago. Exports of gunny cloth and bag too showed a drop of Rs. 13.68 crores to Rs. 6.74 crores. Shipments of cotton piecegoods, however, improved by Rs. 43 lakhs to Rs. 4.57 crores. Despatches of tanned and hide skins were lower by Rs. 87 lakhs at Rs. 2.17 crores, while those of manganese ore registered an improvement of Rs. 39 lakhs to Rs. 1.90 crores.

(Concluded from next column)

of indigenous tobacco in U.P. to the respective Governments. The Committee has sanctioned a scheme for the establishment of an exploratory marketing centre at Bhagawanpur in Bihar, as also a scheme for the demonstration of better handling of leaf during flue-curing in two more centres. The Government of India has been requested to supply two lakh tons of coal for flue-curing barns in Madras State. The Railway Board has been approached for adequate priority for allotting wagons for hauling tobacco meant for export, as any delay in its movement would adversely affect the quality of the leaf.

The West Bengal Government is stated to have given the Committee 43.64 acres of land for the establishment of the Wrapper Tobacco Research Station. The work is expected to commence soon for producing the much needed wrapper tobacco in the country.

EXPORTS OF INDIAN TOBACCO

CENTRAL COMMITTEE SPONSORS MEASURES

THE role of tobacco in the Indian economy was spotlighted by Mr. K. R. Damle, Additional Secretary, Ministry of Food and Agriculture, Government of India, in his presidential address at the annual meeting of the Indian Central Tobacco Committee held at Madras on the 19th inst. His analysis clearly brings out the importance of this commodity as one of the sources of foreign exchange. In recent years, exports of this commodity have been increasing, while imports of the same have been declining. In 1949-50, India exported tobacco of the order of 96 million lbs. Two years after, that is, in 1951-52, these exports stood at as high as 122 million lbs. As against this, imports which amounted to 8 million lbs. in 1949-50 dropped to 5 million lbs. in 1951-52. In the latter year, certain new-comers such as Russia, Hongkong and Japan showed keen interest in Indian tobacco. It now rests with those engaged in the production and distribution of tobacco and its products to see to it that not only this growing interest of foreign countries is sustained but also improved further by supplying the right type of tobacco. Referring to this question, Mr. Damle said: "We should constantly endeavour to maintain and expand our eastern markets which are important for the sale of our medium and low grades of tobacco. Of late the demand for bidi tobacco from the neighbouring countries of Pakistan, Ceylon and Burma is not encouraging."

These observations provide the background for some of the decisions taken by the Central Tobacco Committee. The Committee has decided to move the Government of India to sponsor a mission to Eastern countries, and has favoured the continuation of the present system of compulsory certification of quality control of tobacco intended for export. It has recommended the appointment of a tobacco sales officer at Paris, and intensification of export promotion in tobacco in the various Continental countries.

Besides playing a significant role as an export commodity, tobacco has a role in the internal economy too. It contributes, as was pointed out by Mr. Damle, about Rs. 34 crores annually to the Central Exchequer in the form of excise duties and provides employment to thousands of people. Improvement in its quality and higher yield per acre can make the commodity to play a still better role in the internal economy. Endeavours in these two directions by means of intensive and scientific cultivation of tobacco are, as in the case of any other agricultural commodity, the urgent need of the day, for the simple reason that more land is needed for growing foodcrops in the country. The Committee's decision to hold crop competitions in tobacco, therefore, is on right lines, especially as these competitions have already proved fruitful in respect of cereals.

The Central Tobacco Committee's programme of work relating to research, development and marketing of tobacco in India to be carried out during the next three years deserves the support of both the Central and State Governments. The State Governments have to take an active part in the implementation of the programme. They have been requested to organise co-operative societies for cultivation, grading and marketing of tobacco. They should devote their attention to the work more earnestly than at present, as Mr. Damle has complained that "in spite of the importance of the commodity, many State Governments have not sent subjects for the consideration of the Committee, for they are either occupied with other activities like grow-more-food campaign and irrigation projects or have no funds to spare for this important crop." It is to be hoped that this apathy will soon disappear and that the Committee will get from the States the wholehearted co-operation that is needed. The States would do well to note that the Committee is prepared to meet half the cost of any workable schemes submitted by the States in respect of societies engaged in the work of cultivation and marketing of tobacco. Now that the Finance Commission has recommended that 40 per cent. of the net proceeds of the Union duties of excise on tobacco (including cigarettes, etc.) should be made over to the States, it will be in their own interest to encourage schemes for efficient and increased cultivation of tobacco.

The Committee has, it is interesting to note, recommended schemes for the production of cigarette tobacco in Assam and for improvement

(Continued in previous column)

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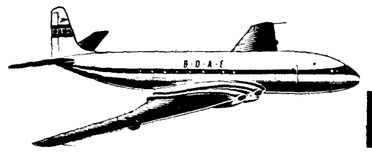
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FOREIGN AID IN FIVE-YEAR PLAN

ASSISTANCE RECEIVED BY INDIA REVIEWED

INTERNATIONAL economic co-operation, which is a new feature of the post-war era, has brought into prominence the place of external assistance in the implementation of India's Five-year Plan. In fact, while assessing the resources for the Plan, the Planning Commission points out that the gap between the availability of funds and the requirements of the Plan can be met by external assistance, failing which further tightening of the belt would be necessary. A review of the external assistance, both financial and technical, so far received by India against the background of the Five-year Plan, is made below.

Against a total estimated expenditure of Rs. 2,069 crores for the Five-year Plan, the Planning Commission has suggested raising of internal resources to the extent of Rs. 1,258 crores and utilisation of external assistance already received of the order of Rs. 156 crores, leaving a gap of Rs. 655 crores. This gap, the Commission says, has to be met from further external assistance, or, in the absence of it, by additional measures of taxation and borrowing and by deficit financing which is visualised to the extent of Rs. 290 crores.

Help From World Bank

So far, India has received assistance from world organisations, as well as from some of the advanced countries on a bilateral basis. This assistance is of two forms, (*a*) financial, and (*b*) technical. From the World Bank, India has so far taken a total amount of $109.8 million as loan consisting of the following:

Projects and date of loan	Amount of loan ($ Million)	Period of repayment (No. of years)	Rate of interest (including 1 per cent. commission of the Bank) Per cent.	Purpose of the loan
Railway project (August, 1949).	32.8	15	4	Purchase of locomotives, boilers and spare parts.
Agricultural machinery project (September, 1949).	7.5	7	3½	Purchase of tractors and spare parts for the land reclamation scheme carried out by the Central Tractor Organisation.
Bokaro-Konar Project (April, 1950).	18.5	20	4	Purchase of plant and equipment for Bokaro Thermal Power House and the transmission system of the Damodar Valley Corporation.
India Iron and Steel Co., Ltd. (December, 1952).	31.5	15	4½	To step up the output of I.I.S.C.O. to approximately 700,000 tons of steel and 400,000 tons of pig iron.
D. V. C. (January, 1953).	19.5	25	4½	Protection of the area against floods, expansion of electric power capacity and building of canals.

Another loan from the World Bank for the Industrial Finance Corporation, amounting to $8 million, is under negotiation at present.

From the United Nations and its specialised agencies, India had till 1st November, 1952, received 69 experts and training facilities for 61 Indians. The Organisations, besides the U.N., which provided the assistance were the F.A.O., the U.N.E.S.C.O., the I.C.A.O., the W.H.O., and the I.L.O.

Recently, India has received economic assistance from Norway and a tripartite agreement between the Government of India, the United Nations and the Government of Norway was signed in New Delhi on 24th January, 1953, whereby the Government of Norway agreed to provide an amount of Rs. 27 lakhs for implementing a fishery community development scheme in Travancore-Cochin. The joint cost of this project will be Rs. 37.6 lakhs, India's contribution being Rs. 10.6 lakhs. This agreement is a supplementary to the main agreement signed at New York on 17th October, 1952, by the three parties under which the Government of Norway agreed to provide an initial amount of 10 million Norwegian Kronars (about Rs. 67 lakhs) for economic development in India.

With the U.S., the first bilateral agreement on Point-four assistance was entered into by India on 28th December, 1950. The assistance has since been continued and, in addition, India received economic assistance from the U.S. in two instalments last year. The number of experts so far received by India under Point-four aid is 71 and that of Indians sent to the U.S. for training is 82. Economic assistance received from the U.S. in two instalments last year amounted to $88.35 million. The first Indo-U.S. Technical Co-operation Agreement in which India received $50 million was signed on 5th January, 1952. Subsequently, on 3rd November, 1952, there was a supplementary agreement under which funds amounting to $38.35 million were provided. The U.S. contribution is being utilised for various projects jointly financed by India and the U.S., in accordance with the several Operational Agreements signed by the designated representatives of the two Governments. In pursuance of the first agreement, 11 Operational Agreements were concluded, involving a joint cost of $50 million (U.S. contribution) and Rs. 41.01 crores. The details of the schemes are as below:

	U.S. contribution $	Indian expenditure Rs.
Supply of fertilisers	10,650,000	4,400,000
Supply of Iron and Steel	8,385,000	1,200,000
Locust control	230,000	248,000
Research on soil and use of fertilisers	2,00,000	842,540
Development of marine fisheries	2,462,000	6,895,000
Groundwater irrigation (2,000 tubewells)	13,700,000	44,450,000
Training of village level workers	166,000	7,537,000
Community Development Programmes	8,671,000	343,834,000
Malaria control	648,000	37,350
Forest research and desert control	104,000	208,000
River valley schemes	4,784,000	500,000
Total	50,000,000	410,151,890

According to the Supplementary Agreement of November, 1952, whereby the U.S. Government provided $38.35 million, the contribution of the Government of India for the current financial year ending 31st March, 1953, will be Rs. 65 crores. The Fund thus created will be utilised for the extension of certain existing projects and the execution of such additional projects as may be agreed upon in pursuance of this agreement. Already, under the Supplementary Agreement, four Operational Agreements have been signed. These relate to:

(Dollars in millions; Rs. in lakhs)

	U.S. contribution $	India's cost Rs.
Iron and steel	8.5	32.36
Community Development Programmes (addition of 55 more blocks)	1.925	7.33
Purchase and distribution of fertilisers	6	27.06
Malaria control programme	5.2	1.49

In addition, during 1951, India received from the U.S. Government a loan of $190 million for the purchase of 2 million tons of foodgrains from the U.S. This loan carries interest at 2½ per cent. per annum and is repayable in semi-annual instalments over a period of 30 years commencing June, 1957. Purchases under this loan agreement were completed by the end of June, 1952. Although conceived primarily in relation to India's emergency food needs, this loan has, in fact, contributed to the implementation of the country's development programme. The counterpart funds realised by the Government of India from the sale of foodgrains purchased out of this loan are credited to a Special Development Fund, to be utilised for financing development schemes, and for assisting State Governments by short- and medium-term loans for their development schemes.

Aid Under Colombo Plan

Under the Colombo Plan, India has received technical, as well as economic, assistance from the member-countries. The economic assistance has been provided by Australia, Canada and New Zealand. The Australian contribution for the year ended 30th June, 1952, was £4.2 million, of which £3.7 million were for supply of wheat and flour and £5 million for equipment for the development projects. The entire quantity of wheat and flour has been received and the sale proceeds credited to a Special Development Fund. This amount is to be utilised for part of the expenditure on the Tungabhadra Project (Hyderabad State). The Australian contribution for the year ending 30th June, 1953, is £3 million, of which £2 million are to be utilised for the purchase of a part of the equipment for the Tungabhadra Project. The rest of the amount will be used for other approved schemes. The Canadian contribution for the year ended 30th June, 1953, was $15 million, of which $10 million were utilised for obtaining 114,000 tons of wheat. The sale proceeds of the wheat have been credited to a Special Development Fund and the amount utilised for part of the expenditure on the Mayurakshi Project of West Bengal. The balance of the Canadian contribution, to the extent of $4.5 million, was utilised for obtaining chassis and engines for the Bombay State Transport Corporation. The Canadian Government's contribution for the year 1953 is $13.8 million, of which $5 million are to be utilised for purchase of wheat and the balance for equipment. The rest of the contribution will be utilised for procuring part of the equipment for the Mayurakshi Project and for certain other schemes now under discussion. The contribution of the Government of New Zealand amounted to £250,000 in 1952. For 1953, a sum of £375,000 has been earmarked. Both the contributions, which are in cash, are to be utilised for meeting a part of the cost of the All-India Medical Institute.

Technical assistance, by way of provision of experts or training facilities to Indian students, has also been received by India under the Technical Co-operation Scheme of the Colombo Plan. The total number of experts so far received is 36 and that of Indian students for whom training facilities have been provided is 235. The fields in which experts and training facilities have been provided include agriculture, communications, irrigation and power, minerals, scientific research, health, labour, education, industry, railways and printing. Technical assistance, in the form of specialised equipment, has also been offered. The Australian Government has agreed to provide £65,000 for supply of equipment to four institutes of all-India importance, while the U.K. Government is supplying equipment worth £35,000 for the tool room of the machine workshop of the Indian Institute of Technology, Kharagpur.

Assistance From Ford Foundation

The Ford Foundation (U.S.A.) has offered technical assistance to India under an agreement signed with the Government of India on 19th January, 1952. The initial programme for which the Foundation will provide assistance under this Agreement forms a part of the intensive rural development programme of the Five-year Plan. The Foundation has agreed to assist the Government of India and the States in establishing 15 pilot extension projects and five centres for training key personnel for these projects. The financial aid expected to be received from the Foundation for this purpose at present is estimated at $1,200,000. The Foundation has also offered to consider financial assistance for extension training programme at a few higher educational institutions and to suitable persons with capacity for effective work in the rural development programme for study in the U.S. and other countries. The Ford Foundation has agreed to bear the entire cost of the five centres for training key personnel during the first three years and has expressed willingness to consider the extension of this assistance for a further period of two to four years in the light of the experience gained, as also of the 15 development projects for a period of two years and to share one-third of the expenditure on them during the third year. The remaining two-thirds of the cost of the 15 development projects for the third year and their entire cost in the fourth and the fifth year will be met by the Government of India and the State Government concerned on 50 : 50 basis.

Recently, another agreement was signed between the Government of India and the Ford Foundation, whereby the latter provided about $230,000 for setting up a Programme Evaluation Organisation, primarily to assess the results of the Community Development Programme.

India's Contribution

In fulfilment of its obligation as a member-country of the Colombo Plan, India has also provided technical assistance to some of the countries in South and South-East Asia. This contribution has been by way of provision of experts and training facilities to students from some of the member-countries. Special funds have been set apart for the construction of a hostel at the Central Rice Research Institute for accommodating students from foreign countries. Three experts were provided to the Government of Ceylon—one for setting up a caustic soda plant and two for helping in the establishment of a steel plant and irrigation works.

Training facilities were provided mainly on subjects such as statistics, sugar production, broadcasting, tele-communications, dam construction, etc. Students from the following countries received training facilities in India: Ceylon (14); Burma (4); Indonesia (2); Malaya (1); Nepal (17); Pakistan (14); Philippines (8); and Thailand (6). In addition, last year, India made a general offer of 55 scholarships and fellowships, of which 20 places have so far been taken up.

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DISTRICT & SESSIONS JUDGE, SOMETIME JUDGE OF INDUSTRIAL TRIBUNAL, LABOUR COMMISSIONER, GOVT. OF WEST BENGAL, & AUTHOR OF MOST POPULAR ANNOTATED BOOK "INDUSTRIAL DISPUTES ACT AND A.T. ACT."

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RESULTS OF BIRD-HEILGERS JUTE GROUP

ALL-ROUND CUT IN DIVIDENDS

THE fortunes of the Indian jute industry have been fluctuating in the past five years. In the first three or four years, the lack of stability was the result of the truculent behaviour of Pakistan on which India was dependent for its raw jute requirements to a considerable extent. In the past one or two years, however, India became nearly self-sufficient in jute. Yet, the jute mills have attained no stability in their financial results. That has been so, because of the uncertain conditions in the market for manufactured goods which in turn is dependent upon the trend of world commodity markets. In short, the fortunes of the jute goods industry are dictated not only by the availability or otherwise of raw jute but also by the trend of world business conditions. If this point is borne in mind, it will not be difficult to appreciate the setback sustained by some of the jute companies in the last half-year. The results of working of the nine jute mills under the management of Messrs. Bird & Co., Ltd., and Messrs. F. W. Heilgers & Co., Ltd., Calcutta, during the half-year ended 30th September, 1952, must be viewed against the background described above. The table appended at the bottom of this page gives the salient features of the results of individual companies for the half-year under review, as compared with their results for the corresponding six months of the previous year. The trading profit of the group, as a whole, shows a substantial fall from Rs. 67.96 lakhs for the half-year ended 30th September, 1951, to Rs. 24.31 lakhs for the six months under review, a drop of 64.2 per cent. With the exception of the Auckland Jute Co., Ltd., all the companies in the group have suffered a setback in profits, the decline in some cases being more drastic than in others; in fact, four of them have actually sustained a loss. Auckland Jute's profit on trading account, however, has registered a rise from Rs. 4.33 lakhs to Rs. 7.09 lakhs. The combined net profit of the group has contracted from as much as Rs. 32.16 lakhs to so small as Rs. 5.12 lakhs. Taking the companies individually, the Auckland Jute alone has registered a rise in net profit. Among those which have incurred losses, the net loss of the Naihati Jute Mills is the largest and as such, the Directors have had to skip over the dividend on both preference and ordinary shares. All the others have reduced their dividends on ordinary shares, three of these paying no more than a token dividend of 2 per cent. per annum.

Explaining the reasons for the adverse results for the half-year under review, the Directors observe in their report to the shareholders as follows:

"During the period under review the general trend of prices of both raw jute and finished goods was downwards. On 6th May, the Government of India announced with immediate effect a reduction in the export duty on hessian from Rs. 750 to Rs. 275 per ton and on sacking from Rs. 350 to Rs. 175 per ton. Immediately following the announcement, America came into the market and business on quite a large scale was done at slightly higher rates. Prices, however, were not maintained and rates for both hessians and heavy goods receded. With prices of raw jute remaining relatively steady, mills were forced to dispose of their production at very substantial losses with mills with a large proportion of sacking looms suffering more than others owing to the very low rates prevailing for sacking fabrics. It was not until late September, when the I.J.M.A. agreed to sell through the Government of India 40,000 tons of hessian to the Argentine, that prices rose and simultaneous business was again remunerative. Despite a substantial increase in U.S.A. consumption figures, prices, particularly those of heavy goods, have again dropped to uneconomic levels mainly on account of speculative operations and lack of overseas demand."

The sale proceeds of all the companies are uniformly lower, the combined figure disclosing a decrease from Rs. 16.60 crores to Rs. 10.96 crores. Manufacturing and trading expenses have declined from Rs. 15.16 crores to Rs. 9.38 crores, most of this decline reflecting the fall in the cost of raw material. Closing stocks of manufactured goods in all cases, except three, are higher, reflecting the poor offtake of finished goods. Depreciation has been very nearly maintained by all the companies, at a total of Rs. 8.85 lakhs, as against Rs. 9.58 lakhs, a year before. Provision for taxation is naturally lower at Rs. 8.45 lakhs as compared with Rs. 14.75 lakhs. Barring three companies which have made small additions to the reserves, none of them has been able to strengthen its reserves. An interesting feature of these results is that only one company—the Naihati Jute—has found it necessary to carry forward a debit balance.

The Naihati Jute has decided to modernise its sacking warp section and to complete the modernisation of the sacking weft section with modern sliver spinning machinery. This involves an expenditure of Rs. 20 lakhs. The new machinery is expected to be delivered in April-May, 1954. It has also been decided to proceed with the full electrification of the mill at an approximate cost of Rs. 13 lakhs. The Directors propose to finance the modernisation programme partly from the reserves of the Company and partly from the recent issue of a debenture loan of Rs. 25 lakhs carrying interest at the rate of 5½ per cent. per annum. A part of this debenture issue represents the reissue of Rs. 12 lakhs of 4½ per cent. debentures, which were due for redemption on 30th June, 1952. The Directors feel satisfied that the above expenditure is essential to make the mill a fully efficient one. The electrification of the mill of the Dalhousie Jute is proceeding satisfactorily and it is expected that the scheme will be fully completed in the course of the current half-year. The Directors of the Lansdowne Jute redeemed the 4½ per cent. mortgage debenture bonds of the value of Rs. 10 lakhs due for redemption on 30th June, 1952 out of the Company's liquid resources.

INDIAN WOOD PRODUCTS TO ISSUE BONUS SHARES

Elsewhere in this issue readers will find the notice of an Extraordinary General Meeting of the shareholders of the Indian Wood Products Co., Ltd. (Managing Agents: Messrs. Gillanders Arbuthnot & Co., Ltd., Calcutta), to be held in Calcutta on 17th March, 1953, for the purpose of considering the Directors' decision to capitalise part of the amount standing to the credit of the Company's general reserve. The Directors propose to capitalise a sum of Rs. 5 lakhs from out of the said general reserve, which has a sum of Rs. 8.5 lakhs to its credit, and distribute the same to the holders of the existing 1,50,000 ordinary shares of Rs. 10 each, in the form of 50,000 new ordinary shares of Rs. 10 each in the proportion of one new ordinary share for every three shares held by them on 17th March, 1953. The new shares will rank in all respects *pari passu* with the existing ordinary shares.

The implementation of the above proposal requires the raising of the present authorised capital of Rs. 15 lakhs, made up of 1,50,000 ordinary shares of Rs. 10 each. The Directors propose to increase the same to Rs. 30 lakhs by the creation of 1,50,000 ordinary shares of Rs. 10 each.

This is the second time that the Company is capitalising a part of its reserves and issuing bonus shares. The last occasion when it did so was in June 1948, when the then issued and paid-up capital of Rs. 12 lakhs was raised to Rs. 15 lakhs by capitalising a sum of Rs. 3 lakhs and issuing bonus shares in the form of 30,000 ordinary shares of Rs. 10 each in the proportion of one new share for every four shares held by the then existing shareholders.

The Company has a good dividend record. It had raised its dividend level steadily from 13 per cent. per annum, paid for the years ended 30th September, 1942 and 1943 to 30 per cent. for the year 1946-47 on the paid-up capital of Rs. 12 lakhs. This was reduced to 17½ per cent. in the following year, that is, after the first issue of bonus shares, referred to above. Since then the dividend has once again been stepped up to 25 per cent. in the first instance, for the year ended 30th September, 1949, and to 35 per cent. for 1949-50, which rate was repeated for 1950-51 also.

The Company had a very satisfactory trading period during the year ended 30th September, 1951 and production was maintained at about the same level as in the previous year. Its trading profit for that year amounted to Rs. 17.63 lakhs (as against Rs. 17.69 lakhs for 1949-50) which was 117.5 per cent. of its paid-up capital. The Company's Rs. 10 fully paid-up ordinary shares are currently being quoted at Rs. 49-6. On the basis of the last dividend, the yield works out to 7.1 per cent. per annum.

NATIONALISATION OF TELCO ADVOCATED

The fifth report on the Appropriation Accounts (Railways) for 1949-50 of the Public Accounts Committee, contains some observations of considerable significance to the future of the Tata Engineering and Locomotive Co., Ltd. (TELCO). The Committee has recommended that the Government should come to an early decision on the advisability of its taking over from the Company the manufacture of boilers and locomotives and running it as a State-owned industry. Proceeding, the Committee observes:

"If necessary, the Government can invite participation of private capital in such State-owned concerns in the shape of debentures. It is most unsatisfactory that payments made to TELCO over a period of seven years are still treated as provisional and the actual cost of production of locomotive boilers has not yet been worked out and accepted by Government. If there are difficulties in reaching agreement on cost, the matter must be referred for arbitration. As TELCO also manufactures road-rollers, under-frames, etc., the need for an efficient and accurate cost-accounting and their check on behalf of Government is all the more necessary so that the costs are properly allocated among the several contracts. In the case of an industry which caters entirely for Government purposes, such as locomotives or the ammunition factory, there is obviously a strong case for State-ownership and management of such industry."

FOREIGN FIRMS IN INDIA

The subject of employment of Indians in foreign firms in India figured in the House of the People during the question hour on Friday last. In response to the Government's questionnaire on the same, 75 per cent. of the foreign-controlled firms and companies in India have sent returns of Indians employed, according to the Minister for Commerce and Industry. "It is the declared policy of the Government," the Minister added, "to encourage the employment of Indians in an increasing measure in such foreign concerns. The Government will certainly do all that is possible and use such influence as it possesses to make these concerns employ as many Indians as possible." The Government had no intention to bring any legislation to secure statutorily Indianisation in foreign firms with good working conditions.

HINDUSTAN MACHINE TOOL COMPANY

The first meeting of the Board of Directors of the Hindustan Machine Tools Limited was held in New Delhi on the 19th inst., a Press Note issued by the Ministry of Production said. The Company was registered as a private limited company with the Registrar of Joint Stock Companies at Bangalore on 7th February, 1953.

Mr. A. K. Chanda, Secretary, Ministry of Production, is the Chairman of the Board. The other Government Directors are: Mr. P. C. Bhattacharya, Financial Commissioner, Railways, Mr. N. N. Wanchoo, Joint Secretary, Ministry of Defence, Mr. K. R. P. Iyengar, Joint Secretary, Ministry of Finance, and Mr. Aftab Rai; who is also the Managing Director of the Company. The other Directors are: Dr. A. Gerber and Dr. Otto Wenger, appointed by the Oerlikon Machine Tool Works, Buehrle and Co., Zurich, Switzerland.

(In lakhs of rupees)

	Auckland		Dalhousie		Kinnison		Lansdowne		Lawrence		Naihati		Northbrook		Standard		Union	
	For the half-year ended		For the half-year ended		For the half-year ended		For the half-year ended		For the half-year ended		For the half-year ended		For the half-year ended		For the half-year ended		For the half-year ended	
	30-9-52	30-9-51	30-9-52	30-9-51	30-9-52	30-9-51	30-9-52	30-9-51	30-9-52	30-9-51	30-9-52	30-9-51	30-9-52	30-9-51	30-9-52	30-9-51	30-9-52	30-9-51
Sale proceeds of gunny	116.80	163.72	99.18	145.19	196.94	259.85	120.24	211.92	110.47	171.08	98.15	166.52	89.12	139.83	88.72	135.33	176.16	266.13
Closing stocks	13.98	25.63	18.84	17.39	30.03	41.66	27.95	16.46	23.96	23.97	37.61	18.50	22.92	21.77	18.02	16.36	38.83	23.42
Manufacturing and other related expenses	94.52	155.95	87.70	134.39	147.93	242.36	105.01	185.86	96.54	157.38	100.93	152.39	70.25	122.66	80.97	121.75	154.07	243.40
Trading profit (+) or loss (—)	+7.09	+4.33	—1.64	+2.99	+11.51	+14.17	+3.57	+4.29	+3.27	+4.41	—0.85	+0.69	+3.25	+15.90	—1.79	+5.91	—0.10	+8.67
Other expenses	0.63	0.86	0.46	0.54	1.26	1.64	0.61	0.65	0.31	0.36	1.46	1.01	0.83	1.35	0.18	0.17	0.73	0.89
Managing Agents' commission	0.51	0.26	..	0.17	1.21	1.30	0.18	0.22	0.21	0.27	..	0.61	0.07	0.97	..	0.43	..	0.57
Depreciation	0.66	0.66	0.28	0.30	2.26	2.90	0.87	0.90	0.47	0.48	1.46	1.55	2.09	2.05	0.21	0.21	..	0.53
Taxation	3.10	1.30	..	0.80	3.16	3.20	0.85	1.10	1.02	1.50	..	1.65	..	..	0.02	2.30	..	2.90
Net profit (+) or loss (—)	+2.87	+1.64	—2.00	+1.27	+5.25	+5.61	+1.25	+1.44	+1.60	+1.87	—3.41	+1.90	+0.49	+11.53	—1.84	+3.08	—1.36	+3.82
Other income	..	2.38	2.25	2.37	0.39	..	..	1.15	0.27	2.98	0.02	..	0.32	..	1.23	1.04	2.62	2.90
General reserve	0.50	1.00	..	1.00	1.50	..	..	..	..	1.00	..	..	..	2.50	..	0.75	..	1.00
Other reserves	..	..	..	..	..	0.75	0.80	0.12	..	..	0.50	..	..	..	..	1.00	..	1.50
Reserve for taxation contingencies	0.05	..	..	..	..	..	..	..	0.06	..	..	..	0.67	5.80	..	..	..	..
Other provisions	..	..	..	0.29	..	..	..	..	..	0.21	..	..	..	..	..	0.12	0.89	0.35
Dividend—																		
Preference	0.61	0.61	0.52	0.52	0.52	0.52	0.52	0.52	0.45	0.45	..	0.49	0.41	1.65	0.27	0.27	0.21	0.21
Ordinary	1.60	2.00	0.31	1.89	3.36	4.32	0.73	1.96	1.12	3.08	..	1.80	0.42	1.68	0.25	2.01	0.36	3.96
	(8% p.a.)	(10% p.a.)	(2% p.a.)	(12% p.a.)	(14% p.a.)	(18% p.a.)	(6% p.a.)	(16% p.a.)	(8% p.a.)	(22% p.a.)	..	(12% p.a.)	(5% p.a.)	(20% p.a.)	(2% p.a.)	(16% p.a.)	(2% p.a.)	(22% p.a.)
Carry forward	0.72	0.54	0.21	0.55	1.17	0.98	0.40	0.61	0.07	0.55	—2.80	0.28	0.06	0.47	0.13	0.37	0.16	0.52

Points From The Chair

Fortunes of Textile Industry

"THE change in the fortunes of the textile industry has, in my opinion, been brought about mainly by Government interference at home and abroad. . . . Let us not forget that for generations this fine industry has put up a wonderful performance and has always found ways and means of surmounting difficulties without Government assistance, and it will do so again, if left to work out its own salvation. The requirements of the masses are still unsatisfied, but cannot be met because of crippling legislation which prevents the wheels of industry rotating at anything approaching a reasonable speed. The system of manufacturers' products being allotted by quotas to their customers has gone. The practice of retailers placing orders for delivery many months ahead and carrying large stocks has also gone. In recent years, the consumer, schooled by scarcities, tended to buy and hold goods in excess of immediate needs. This habit has also gone by the board. The change from a sellers' market to a buyers' market was most pronounced, and profit margins in consequence disappeared. The sooner restrictive controls follow suit, the better it will be for the industry. The present tendency is for prices to be determined by what the market will bear and prices fixed by the Board of Trade are a thing of the past. Political considerations are too often divorced from practical business managements."

PERCY C. FISH,

J. F. & H. Roberts Ltd. (London)

Solicitude for Workers' Welfare

"In this particular sphere (pensions) I would remind you that Carreras has always been at the forefront of industry in making provision for retirement after long and devoted service. I need not burden you with a complete recapitulation of the details of the schemes we have had in force hitherto, but I think it will be sufficient for me to say that it was as long ago as 1923, when such provisions were rare for work-people, that we instituted our superannuation fund. Later on, we made provision for those in receipt of salaries over and above the limit imposed by that fund and also provided non-contributory benefits on a smaller scale for female workers. A group life insurance scheme for all men in our employ and limited death benefits for women were later added. It has been recognised in recent years that, with the rise in remuneration to compensate for the drop in real values, some upward adjustments would have to be made in the benefits payable under all these schemes. Pending any such action, we have made special allowances to our pensioners, where necessary, so as to avoid the hardship which had arisen in many cases, especially to those who retired when real money values were very much higher."

SIR EDWARD BARON,

Carreras, Ltd. (U.K.)

Cost of Welfare State

"There has grown up, in the last few years, the Welfare State and, as a result thereof, there is a tendency on the part of many to look to the State for benefits, and the majority of these are essential to the well-being of the nation. It is apt to be forgotten, however, that these benefits must be paid for through taxation by the individuals who make up the State. There is no objection to such benefits, provided they are not abused and the individual realises his responsibilities for their cost. The continuation of the prosperity of the Welfare State is dependent upon the national income rising and the proportion of taxation thereon forming a smaller part. This can only be brought about by an increase in production and the lowering of prices and, therefore, it is up to all of us—workers and management—to increase our productive efficiency."

RT. HON. LORD BRABAZON,

Associated Commercial Vehicles Ltd. (London).

Octroi Duty on Sugar

"The question of levy of octroi duty by the Sehore Municipality on cane and other raw materials despatched to the factory is yet to be settled. The rate of octroi duty imposed by the Sehore Municipality, as you all know, is without a parallel anywhere in the country. At those few places where the octroi duty does exist it is almost a fraction of what is being levied by the Sehore Municipality. It did not seem to have weighed with the Bhopal Government that this heavy taxation would impede the progress of the industry and make it difficult to market the finished product because of its higher cost. The sellers' market in sugar has already passed and keen competition is bound to prevail. I would again earnestly appeal to the Bhopal Government to consider seriously the incidence of octroi duty and the cost of sugar to be sold, and that too, in a competitive market, and remove this impediment to the growth of the only sugar industry in the State."

M. M. AMERSEY,

Bhopal Sugar Industries Ltd.

SCHUMAN PLAN IN ACTION

EFFECT ON BRITISH STEEL INDUSTRY

WITH the formal establishment, on the 10th inst., of a common market for coal and iron ore under the Schuman Plan, the first concrete step towards a European Federation has been taken. This development is the result of six months' deliberations to start common markets for coal, iron ore, scrap and steel. At present, the plan relating to the first two commodities only is being implemented, while the inauguration of the plan covering steel and scrap will follow later. The credit for this development goes not only to M. Jean Monnet, the President and his band of international civil servants at Luxembourg, but also to the Parliaments of the member-countries of the Schuman Plan, namely, France, Germany, Belgium, Holland, Luxembourg and Italy.

It will be recalled that it was on 9th May, 1950, that M. Robert Schuman put forth his daring proposal to pool the coal and steel industries of France and Germany and for entrusting the control of production to a supra-national High Authority. The rapid growth of sense of solidarity in West Europe, as a result of the efforts of O.E.E.C. to solve the diverse European problems, ultimately committed Europe to a common policy aimed at integration—the political and economic unification of West Europe. By 16th June, the Schuman Plan had been ratified by the Parliaments of all the countries mentioned above.

Officially, coal and iron ore are freed from all restrictions on trade between the six European countries from the 10th inst. But, unfortunately, the first stage of realisation of the Schuman Plan has led to a dispute between Germany and other members about the interpretation of the term "common market." According to Dr. Preussker, Vice-President of the Schuman Plan Assembly's Marketing Committee, the dispute, though raised over the export price of German coal, concerns a matter of principle which would become far more important when the common market in steel is introduced in course of time. The coal-importing countries, which had viewed with acute misgivings the recent increase in German coal prices by D.M.5 (8s. 4d.) to D.M.60 per ton, had asked that the German coal price should at least be reduced by D.M.2.40, corresponding to the 4 per cent. turnover tax refunded to exporters. West Germany has refused to do this and the matter has been referred back to the expert committee. It is particularly concerned about the French practice of imposing on German steel the equivalent of its own production tax of 16 per cent., while refunding this tax to its own steel exporters. The French refusal is regarded by the Germans as an expression of the former's desire to get cheap German coal but to keep the prices of German steel high in its market. West Germany, therefore, wants a real common market with no taxes levied or refunded, when the commodities cross the frontier. The two positions are based on two different interpretations of the term "common market." The German claim is that the prices of coal and steel should be determined everywhere by the taxes in the producing country, while the French assert that costs should correspond to the taxation level of the country which is using these materials for manufacture.

Common Market

Thus a common market exists in the case of coal and iron ore for all theoretical purpcses, while in reality it does not. Surely, creating a common market, as observed by M. Monnet, is not like opening a bridge. It will have to be practically realised through a gradual process of piecemeal negotiations between the interests concerned. It is difficult to reconcile easily the divergent national interests. Nevertheless, in spite of all these awkward problems, the work of the High Authority cannot be underrated. It has achieved tremendous success in dealing with the problems of import duties and freights. A start has been given to move coal and iron ore freely in West Europe, without any import or export restrictions, quotas or currency restrictions. Railway freight discriminations have been cancelled. The High Authority is working towards removing price controls on iron ore. It is trying to fix maximum prices for coal as from 1st March. It will also control allocations. It is hopeful of success in these directions.

The main object of the Schuman Plan is to rationalise production and to increase productive efficiency substantially in West Europe. So far, coal, iron ore and scrap are all in short supply. The question is: How to make these scarce commodities available at lower prices? In regard to steel, the common market for which will be established about two months later, there is, however, a clear threat of a supply exceeding demand even at present prices. Here the question is: How will the authority behave? Will it arbitrate as to which country has to lose markets and suffer capital supply for development in the event of absence of sufficient demand for steel produced by the Schuman Community?

The Schuman Community is the prototype on which the European Defence Community has been modelled, and the basis of the proposed European Political Community through which it is hoped to bring a United Europe into being. If, as its creators hope, the Community were to become the foundation of a new large free trade area, it is bound to be a source of economic and political stability to West Europe. It must, however, be remembered that the advantages to the Community and the outside world would be lessened, if the six countries were to adopt a concerted policy of high protection.

U.K.'s Interest

The U.K. is keenly watching the developments of the Schuman Plan. It is on account of the adoption in the Schuman Plan of the supra-national principle that the U.K., with its links with the Commonwealth, has not been able to assume membership of the Schuman Community. But short of actual membership, it has assured its fullest support and practical technical assistance to the Community. It is, however, feared that, if the Schuman Community succeeds in rationalising its production and reducing its costs of coal and steel, it may undermine the U.K.'s present price advantage and lead to keen competition for markets, especially when the expected large surplus materialises.

Examining what exactly will be the effect of the formation of the Schuman Community on the British coal and steel industries, Mr. Oscar Hobson writes in the *News Chronicle*, London, as follows:

"Immediately, at any rate, it will mean very little. Both in coal and steel our prices are lower than those prevailing in the member countries of the European Coal and Steel Community. (For hard or steam coal at pit head, for example, approximate current prices are France 93s. a ton, Belgium 100s., Germany 85s., and Britain 57s. 6d.). We are at present fully competitive. As regards iron ore and scrap, the other raw materials of steel, we might (since the Community will naturally tend to direct such supplies to members) be disadvantaged but for two things. The first is that our imports of German scrap are now, in any case, shrinking so rapidly that it would not greatly matter if the Authority used its powers to limit them still further. And the second and much the more important is that French North Africa stands outside the Community. Our supplies of iron ore from Morocco will not be affected, unless and until North Africa is brought within the ambit of the Schuman Community.

"All this, however, does not mean that the establishment of the European Pool may not in the long run have important repercussions on us. Indeed, it cannot but have repercussions seeing that the Community will be disposing of production of coal practically equal to our own and a tonnage of steel double ours, and will be serving a direct market containing a population three times that of these islands. Much will depend on how successful the Community is in rationalising production within its area and much, too, will depend on the state of demand for coal and steel over the coming years. A substantial increase in productive efficiency achieved by the Community might undermine our present price advantage. Improvements in efficiency in heavy industry are not normally capable of rapid achievement.

"On the other hand, demand can at times shrink with alarming speed. And the steel experts of the Economic Committee for Europe, whose prophecy three years ago that in 1953 Europe would have 8 million tons steel capacity in excess of demand was thrown to the winds by Korea, are now returning to the charge. They are foretelling "too much steel," particularly too much sheet steel rolled on too many continuous rolling mills. It does not seem unlikely, and if it comes the battle will be joined in earnest between the British industry and the European Community.

"Well, if it comes it will be in the natural and, perhaps, inevitable course of events. There is no reason why we should fear it unduly, provided we fulfil one condition.

"It is this, that, if and when the time for a curtailment of production comes, it must be the high-cost plants that suffer the curtailment and the efficient plants are left in full production. To that end, the remnants of the war-time system of levies and subsidies which still remain must be got rid of betimes."

BIRDS INVESTMENTS' RESULTS SATISFACTORY

FORT GLOSTER JUTE MAINTAINS DIVIDEND

Birds Investments Ltd.

THE directors of the above Company (Secretaries: Messrs. Lovelock & Lewes, Calcutta) submitted the audited accounts of the Company for the year ended 30th September, 1952.

The profit of the Company for the year showed an increase of approximately Rs. 23,000, as compared with the results of the previous year, which the directors considered as satisfactory. It is to be noted, however, that there is likely to be a fall in income during the current year, particularly in respect of dividends from the jute mills.

The profit and loss account showed a credit balance of Rs. 5,47,730 (Rs. 5,15,478), including Rs. 93,128 (Rs. 83,680) brought in from last year. After transferring Rs. 75,000 (Rs. 75,000) to general reserve, there was a balance of Rs. 4,72,730 (Rs. 4,40,478) available, which was disposed of thus:

In paying a dividend of 5½ (5½) per cent. per annum, less income-tax, on preference shares for the year to 30th September, 1952 Rs. 97,350 (Rs. 97,350), and in payment of a dividend of 12½ (12½) per cent. on ordinary shares for the year to 30th September, 1932, without deduction of income-tax Rs. 2,50,000 (Rs. 2,50,000) leaving to be carried forward Rs. 1,25,380 (Rs. 93,128).

The company's portfolio is representative of investments which are quoted on the Calcutta and Colombo Stock Exchanges, with the exception of certain shares costing Rs. 7,96,505 (Rs. 7,47,760) for which no quotations are available. The market value of the investments, for which quotations are available, exceeds the book value at 30th September, 1952, by Rs. 20,08,560 (Rs. 30,10,109). In the opinion of the directors, the total value of the investments, for which quotations are not available, is not less than their cost price.

The following statement shows the distribution of the Company's portfolio:—

	Per cent.
Jute mills	28.96
Electricity	1.95
Iron, steel and engineering	3.73
Collieries	21.94
Paper mills	4.67
Investment companies	9.09
Tea companies	2.52
Mining other than collieries	5.33
Transport	.18
Miscellaneous	20.23
Ceylon tea shares	1.40
	100.00

Summary

Debentures	6.24
Preference shares	16.17
Equity shares	77.59
	100.00

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital	44,00,000	Investments	54,05,998
Reserves	3,38,806	Debts, deposits and advances	9,77,872
Provision for taxation	1,49,816	Cash	35,470
Liabilities	9,05,338		
Profit and loss account	1,25,380		
	Rs. 64,19,340		Rs. 64,19,340

Fort Gloster Jute Manufacturing Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Kettlewell Bullen & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1952.

The accounts, after transferring from stock reserve Rs. 2,75,000 (*nil*), show a loss of Rs. 9,32,399 (profit of Rs. 4,45,187), from which has to be deducted the balance brought in from the last account, namely, Rs. 25,701 (Rs. 18,286) leaving a debit balance of Rs. 9,06,699 (credit of Rs. 4,63,472). There has been transferred from reserve account Rs. 9,75,000 (nil), resulting in a credit balance available for disposal of Rs. 68,301 (Rs. 3,43,472), which the directors recommend to be dealt with as follows:—

To pay a dividend on the 7 (7) per cent. preference shares for the half-year ended 30th September, 1952 at Rs. 3-8 (Rs. 3-8) per share without any deduction for income-tax payable by the Company Rs. 49,000 (Rs. 49,000), and to pay a dividend on the 2nd preference shares for the half-year ended 30th September, 1952 at Rs. 2-8 (Rs. 2-8), per share without any deduction for income-tax payable by the Company Rs. 17,500 (Rs. 17,500), leaving to be carried forward Rs. 1,801 (Rs. 14,472).

No reservation for depreciation has been considered necessary, as, in the opinion of the directors, adequate provision has been made in previous accounting periods. The renewals and extensions account has now been combined with the general reserve account of the Company, as it is felt that no useful purpose is served in continuing the distinction. The additions to block account include the cost of a new economiser for the boiler plant at the North Mill, new bag hemming machines and the sinking of three new tube wells.

In accordance with the working time agreement of the Indian Jute Mills Association 12½ per cent. of the total looms remained sealed and the Mills worked 42½ hours per week throughout the half-year.

The period under review witnessed a further extremely steep decline in the value of both jute and manufactured goods. Whilst prices for the raw material followed fairly closely, the natural laws of supply and demand, hessians, unfortunately, became the object of intense speculative activity towards the close of the half-year, which had the effect ultimately of depressing prices to a point at which mills could only operate at a loss and, in December, the Government of Bengal was forced, in the general interest of the trade, to prohibit further dealings in the local futures market; this speculation was the more to be deplored, as it coincided with encouraging signs of a sustained expansion in world consumption of hessians. Demand for sacking goods which constitute the major portion of the Mill's outturn, was disappointing throughout the entire half-year and prices were for the most part unremunerative. It is to be regretted that, up to the time of writing, there is no sign of any improvement in either section of the goods market.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	42,00,000	Block	85,29,052
Reserves	57,78,540	Stock	36,57,702
Provision for taxation	12,276	Stores, etc.	25,27,998
Liabilities	59,72,765	Debts, deposits and advances	10,10,838
Profit and loss account	68,301	Investments	1,82,769
		Cash	1,23,523
	Rs. 1,60,31,882		Rs. 1,60,31,882

Standard Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September, 1952.

After providing Rs. 20,915 (Rs. 20,966) for depreciation, the profit and loss account showed a loss of Rs. 1,84,766 (profit of Rs. 3,99,452) which was reduced (added) by the amount brought forward from previous half-year of Rs. 1,24,587 (Rs. 40,466), transfer from reserve for roof repairs Rs. 1,00,000 (Rs. 1,00,000) and transfer from equalisation of dividend reserve Rs. 25,000 (*nil*), leaving an available balance of Rs. 64,821 (Rs. 2,64,918) for disposal. The directors disposed of this amount as follows:—

In paying a dividend on the preference shares at the rate of 6 (6) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 27,000 (Rs. 27,000) and in paying a dividend on the ordinary shares of Re. 1 (Rs. 8) per share, without any deduction for income-tax paid by the Company Rs. 25,156 (Rs. 2,01,224), leaving to be carried forward Rs. 12,665 (Rs. 36,694).

Stocks of jute were valued at market value and manufactured goods at *contract rates*. In accordance with the Factories (Amendment) Act, 1946 and the working time agreement of the Indian Jute Mills Association, the mill worked 42½ hours a week, with 12½ per cent. of total looms sealed during the period under review.

The increased expenses resulting from the implementation of the Omnibus Tribunal Award, which took effect from 10th December, 1951, caused an appreciable increase in working costs and contributed to the comparatively poor financial results for the half-year. Throughout the period, the labour complement at the mill was maintained at full strength. During the period under review, the general trend of prices of both raw jute and finished goods was downwards. On 6th May, the Government of India announced, with immediate effect, a reduction in the export duty on hessian from Rs. 750 to Rs. 275 per ton and on sacking from Rs. 350 to Rs. 175 per ton. Immediately following the announcement, America came into the market and business on quite a large scale was done at slightly higher rates. Prices, however, were not maintained and rates for both hessians and heavy goods receded. With prices of raw jute remaining relatively steady, mills were forced to dispose of their production at very substantial losses with mills with a large proportion of sacking looms suffering more than others, owing to the very low rates prevailing for sacking fabrics. It was not until late September, when the I.J.M.A. agreed to sell through the Government of India 40,000 tons of hessian to Argentine, that prices rose and simultaneous business was again remunerative. Despite a substantial increase in the U.S. consumption figures, prices, particularly those of heavy goods, again dropped to uneconomic levels, mainly on account of speculative operations and lack of overseas demand. Closure of the hessian Fatka market on 19th December, however, has been generally approved by the industry and it is hoped that more stable prices will attract overseas buyers.

Raw jute, which, for a period, remained steady, fell to a certain extent, in sympathy with the hessian and heavy goods markets and has now reached a level which the Government of India considers to be dangerously low, bearing in mind the importance attached to increasing India's self-sufficiency in jute. Nevertheless, even at the present level of prices, mills cannot, at the time of writing, operate at a profit on simultaneous business.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital	34,19,600	Block	38,64,299
Reserves	50,42,610	Stock	28,53,882
Provision for taxation	2,33,938	Stores, etc.	3,03,579
Liabilities	24,35,655	Debts, deposits and advances	13,03,831
Profit and loss account	12,665	Investments	6,41,216
		Cash	16,81,811
	Rs. 1,11,48,618		Rs. 1,11,48,618

Northbrook Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September, 1952.

After providing Rs. 67,000 (Rs. 5,60,000) for reserve for taxation contingencies and Rs. 2,08,794 (Rs. 2,05,348) for depreciation the profit and loss account showed a loss of Rs. 18,193 (profit of Rs. 5,93,548), which was reduced (added) by the amount brought forward from previous half-year of Rs. 75,380 (Rs. 36,213), and provision against contingent loss on forward jute purchases no longer required Rs. 32,000 (*nil*) leaving an available balance of Rs. 89,187 (Rs. 3,79,761) for disposal. The directors disposed of this amount as follows:—

In paying a dividend on the preference shares at the rate of 5½ (5½) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 41,250 (Rs. 1,65,000 for four half-years) and in paying a dividend on the ordinary shares of As. 4 (Re. 1) per share, without any deduction for income-tax paid by the Company Rs. 41,983 (Rs. 1,67,928) leaving to be carried forward Rs. 5,954 (Rs. 46,833).

Accounts in brief were as under:—

Liabilities	Rs	Assets	Rs
Capital	31,79,880	Block	66,56,698
Debentures	20,00,000	Stock	30,91,654
Reserves	45,98,276	Stores, etc.	5,66,023
Provision for taxation	80,711	Debts, deposits and advances	20,19,146
Liabilities	28,80,365	Investments	1,90,110
Profit and loss account	5,954	Cash	2,21,355
	Rs. 1,27,45,186		Rs. 1,27,45,186

New India Sugar Mills Ltd

The directors of the above Company (Managing Agents: The Cotton Agents, Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 30th June, 1952.

The profit and loss account, after payment of interest, managing agents' remuneration, providing for depreciation and taxation, and after transferring Rs. 7,50,000 (Rs. 3,00,000) to general reserve and taking into account the balance of profit of the previous year, showed a net profit of Rs. 3,57,263 (Rs. 4,34,239). The directors disposed of this amount as under:

Dividend on 486 cumulative preference shares of Rs. 100 each at 9 (9) per cent. free of tax Rs. 4,374 (Rs. 4,374), dividend on 10,000 cumulative redeemable preference shares of Rs. 100 each at 5¼ (5¼) per cent. subject to tax Rs. 40,562 (Rs. 40,562), and dividend on 78,910 ordinary shares of Rs. 10 each at Rs. 2-8 (Rs. 2-8) per share free of tax Rs. 1,97,275 (Rs. 1,97,275), leaving to be carried forward Rs. 1,15,051 (Rs. 1,92,028).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital	18,37,700	Block	11,42,353
Reserves	17,03,054	Stock	41,30,421
Provision for taxation	11,97,952	Stores	7,11,293
Liabilities	36,53,081	Debts, deposits and advances	9,80,124
Profit and loss account	1,15,051	Investments	14,35,384
		Cash	1,07,263
	Rs. 85,06,838		Rs. 85,06,838

Tide Water Oil Co. (India), Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st October, 1952.

After providing depreciation, transferring Rs. 17,000 (*nil*), from special reserve and Rs. 30,000 (*nil*) from reserve for equalisation of dividends and bringing in the balance from the previous half-year, there is a balance of Rs. 30,316 (Rs. 1,04,887) at the credit of profit and loss account, which the directors propose to dispose of as follows:

To pay dividend of As. 8 (Re. 1) per share Rs. 30,000 (Rs. 60,000) and to carry forward Rs. 316 (Rs. 44,887).

Supplies from the U.S.A. were adequate during the accounting period, but there was an appreciable fall in the demand for lubricants. This is reflected in the trading results and in the increased stocks at the close of the half-year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	6,00,000	Block	1,17,938
Reserves	8,95,900	Goodwill	2,00,000
Provision for taxation	4,38,483	Stock	26,21,666
Liabilities	27,81,842	Debts, deposits and advances	15,25,920
Profit and loss account	316	Cash	2,50,997
	Rs. 47,16,541		Rs. 47,16,541

N.B.—Figures within brackets relate to the corresponding period of the previous year.

COMPANY MEETINGS AND DIVIDENDS

TIDE WATER OIL CO. (INDIA) LTD. Half-yearly General Meeting, Calcutta, 2nd March, 1953. Dividend: As. 8 per share. Transfer books closed from 23rd February to 2nd March, 1953, both days inclusive.

FORT GLOSTER JUTE MANUFACTURING CO., LTD. Half-yearly General Meeting, Calcutta, 3rd March, 1953. Dividend: *Nil*. Transfer books closed from 21st February to 3rd March, 1953, both days inclusive.

CALCUTTA JUTE MANUFACTURING CO., LTD. Half-yearly General Meeting, Calcutta, 4th March, 1953. Transfer books closed from 21st February to 4th March, 1953, both days inclusive.

LAKURKA COAL CO., LTD. Annual General Meeting, Calcutta, 5th March, 1953. Transfer books closed from 24th February to 5th March, 1953, both days inclusive.

HUMAYAN PROPERTIES LTD. Annual General Meeting, Calcutta, 10th March, 1953. Transfer books close from 3rd to 10th March, 1953, both days inclusive.

CALCUTTA SILK MANUFACTURING CO., LTD. Annual General Meeting, Calcutta, 12th March, 1953. Transfer books close from 5th to 12th March, 1953, both days inclusive.

ALKALI AND CHEMICAL CORPORATION OF INDIA LTD. Annual General Meeting, Calcutta, 12th March, 1953. Transfer books closed from 26th February to 12th March, 1953, both days inclusive.

TIRUMBADI RUBBER CO., LTD. Annual General Meeting, Kozhikode, 14th March, 1953. Dividend: As. 4 per share. Transfer books close from 2nd to 16th March, 1953, both days inclusive.

VIZAGAPATAM SUGARS AND REFINERY LTD. Annual General Meeting, Thumapala, 20th March, 1953. Transfer books close from 6th to 20th March, 1953, both days inclusive.

NEW BEERBHOOM COAL CO., LTD. Dividend of As. 8 per share for the half-year ended 31st October, 1952.

COMPANY REGISTRATIONS

SIDDHESWARI COTTON MILLS LTD. (First Director: Mr. M. M. Manna.) Business: Cotton Spinners, Weavers, etc. Authorised capital: Rs. 50,00,000. Private company. Address: Anantapur, Howrah.

RAMPOORIA BROTHERS LTD. (First Director: Mr. J. L. Rampooria.) Business: Dealers in Piecegoods, etc. Authorised capital: Rs. 50,00,000. Private company. Address: 20, Synagogue Street, Calcutta.

SHREE HANUMAN FOUNDRY AND ENGINEERING CO., LTD. (First Director: Mr. R. P. Agarwalla.) Business: Iron Founders, Engineers, etc. Authorised capital: Rs. 25,00,000. Public company. Address: 46, Strand Road, Calcutta.

ANDAMANS PLYWOOD AND VENEER MILLS LTD. First Director: Mr. N. N. Bose.) Business: Establish, own and erect Veneer Mills, etc. Authorised capital: Rs. 25,00,000. Public company. Address: 1, Clive Row, Calcutta.

SHREE MAHABIR INDUSTRIES LTD. (First Director: Mr. S. L. Saraogi.) Business: Dealers in all kinds of Jute, etc. Authorised capital: Rs. 10,00,000. Public company. Address: 143, Cotton Street, Calcutta.

EASTERN GAUGES CORPORATION LTD. (First Director: Mr. P. L. Dhanuka.) Business: Dealers in Jute, Jute Goods, etc. Authorised capital: Rs. 10,00,000. Public company. Address: 180, Chittaranjan Avenue, Calcutta.

H. N. THAKUR SONS LTD. (First Director: Mr. B. L. Choubey.) Business: Miners. Authorised capital: Rs. 5,00,000. Private company. Address: 36, Strand Road, Calcutta.

MODERN GENERAL AGENCIES LTD. (First Director: Mr. A. Singh Judge.) Business: Exporters and Importers in Hardware, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 4, Stephen House, Calcutta.

BHAGAT MICA MINING AND INDUSTRIES LTD. (First Director: Mr. K. P. Bhagat.) Business: Traders in Mica, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 77, Amherst Street, Calcutta.

JHARIA COLLIERIES LTD. (First Director: Mr. Arjun Agarwala.) Business: Colliery Proprietors, etc. Authorised capital: Rs. 5,00,000. Public company. Address: 14, Bentinck Street, Calcutta.

KUSUNDA AND NYADEE COLLIERIES CO., LTD. (First Director: Mr. R. L. Warah.) Business: Coal Mining. Authorised capital: Rs. 5,00,000. Public company. Address: Young Road, P. O. Asansol, Burdwan.

BUILDERS PUBLICATIONS OF INDIA LTD. (First Director: Dr. G. S. Dugal.) Business: Publishers, Printers, Lithographers, Stereographers, Photographic Printers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Janmabhoomi Chambers, Fort Street, Ballard Estate, Bombay.

QUESTION HOUR IN PARLIAMENT

Uniformity in Sales Tax Levy

THE Committee of officials of the Central and State Governments appointed during the Chief Ministers' Conference to go into the question of bringing about uniformity in the levy of sales tax throughout India has not come to any definite conclusions. The matter is still under consideration in consultation with the State Governments. It will be possible to come to any definite conclusions only when an authoritative interpretation of the Supreme Court is available regarding the interpretation of clauses (1) and (2) of Article 286 of the Constitution.

—*Minister for Revenue and Expenditure*

Drycore Paper and Telephone Cable Factory

The drycore paper and insulated telephone cable factory at Mihijan (West Bengal) is expected to be completed by the middle of this year. The factory is estimated to cost Rs. 110 lakhs and it will produce the entire requirements of the country estimated at between 1,000 miles and 1,200 miles of insulated wire of the approximate value of Rs. 2 crores.

—*Minister for Production*

Foreign Investment

Since 1948, the total foreign investment has been of the order of Rs. 8.03 crores. This does not include (a) foreign investment in the shape of goods, etc. and (b) re-investment of profits of existing investments. The country-wise distribution of such investment is as follows: U.K. Rs. 6.74 crores; U.S.A. Rs. 7.87 lakhs; Canada Rs. 16.60 lakhs; Switzerland Rs. 46.65 lakhs; other countries Rs. 58.12 lakhs.

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Ford Foundation Gift

The Ford Foundation has agreed to give a sum of Rs. 1,69,38,562, out of which Rs. 60,46,260 has been received so far. The Fund is allotted for the establishment of (i) 10 pilot development projects; (ii) 5 training-*cum*-development projects, and (iii) 5 extension wings attached to agricultural colleges and (iv) 25 extension training centres. The amount received is kept in a deposit account with the Accountant-General, Central Revenues, who keeps the accounts. The allocation of amounts to individual schemes under the above sectors is made by the Government in consultation with the Foundation representative in India.

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Loans to States

Loans sanctioned by the Central Government to various State Governments in the first nine months of the current financial year aggregated Rs. 39.55 crores. Of this amount, loans for the purpose of river valley projects accounted for Rs. 19.44 crores, grow-more-food schemes Rs. 11.44 crores, industrial housing schemes Rs. 78 lakhs and other development schemes Rs. 7.89 crores. Madras received the largest amount, namely, Rs. 810 lakhs, Punjab Rs. 771 lakhs; Bombay Rs. 145 lakhs; West Bengal Rs. 675 lakhs; Bihar Rs. 272 lakhs; Madhya Pradesh Rs. 166 lakhs; Orissa Rs. 398 lakhs; U.P. Rs. 259 lakhs and Hyderabad Rs. 131 lakhs. Other States received loans varying from Rs. 10 lakhs to Rs. 90 lakhs.

—*Finance Minister*

Import of Rice

The Government of India is at present negotiating a barter deal with the Burma Government for importing 500,000 tons of rice. Under the present contract with the Burma Government, India is entitled to import from Burma 350,000 tons of rice—250,000 tons on Government-to-Government account and 100,000 tons through trade. The contract does not provide for a specific price. This year, India may have to pay 10 per cent. more than what it paid last year for Burmese rice. The Government of India is, however, negotiating with the Burma Government a barter agreement, according to which India may get 500,000 tons of rice. The Government of India hopes to import 700,000 tons of rice this year and if the barter deal goes through, India will have to get only 200,000 tons from other countries like Siam. Pakistan has to return 22,000 tons of rice against 30,000 tons of wheat which India had supplied last year.

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Foodgrain Imports

The import programme for foodgrains for 1953 has not been finalised. It is, however, estimated that imports might be up to 2,900,000 tons. Prices this year are not likely to be lower than last year's in the case of rice and milo. The landed cost of wheat will be less than last year. India will be getting 1,500,000 tons of wheat by the end of July next under the International Wheat Agreement, the price for which has already been fixed. This will not, therefore, be affected by the stalemate in the International Wheat Conference in regard to wheat price. The Government had no intention, a few months ago, of importing any milo this year, but, on account of the failure of millet crops in Madras, Mysore, Maharashtra and Saurashtra, the policy in this regard has had to be revised. The price of imported milo is, however, higher than that of imported wheat.

—*Deputy Food Minister*

(*Concluded from next column*)

Brightman; Mrs. A. M. Campbell; Mr. J. Caldwell and Mrs. A. E. Caldwell; Mrs M. I. Cunningham and Mrs. M. Lawlor; Mr. P. F. B. Hickey; Mr. P. S. E. Jackson; Mr. J. MacCutchan; Md. E Mia; Mrs. M. L. Newland; Mrs. V. H. Nash; Mr. J. L. Nicoll; Mr. D. S. Phillips; Mr. C. H. Parr; Mrs. E. I. Roberts.

Notice

THE INDIAN WOOD PRODUCTS COMPANY, LIMITED

"Consent of the Central Government has been obtained to this issue by an order of which a complete copy is open to public inspection at the Head Office of the Company. It must be distinctly understood that in giving this consent the Government of India do not take any responsibility for the financial soundness of any schemes or for the correctness of any of the Statements made or opinions expressed with regard to them."

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Members of the abovenamed Company will be held at the Registered Office of the Company, Clive Buildings, Netaji Subhas Road, Calcutta, on Tuesday, the seventeenth day of March, 1953, at 12-30 p.m., to consider and if thought fit to pass, with or without modification, the following resolutions, namely:—

1. That the authorised capital of the Company be increased from Rs. 15,00,000 to Rs. 30,00,000 by the creation of 1,50,000 Ordinary Shares of Rs. 10 each.

2. (*As a Special Resolution*). That the Articles of Association of the Company be altered in manner following:—

Article 4 shall be deleted and the following substituted therefor:—

"4. The Capital of the Company is Rs. 30,00,000 divided into 3,00,000 Ordinary Shares of Rs. 10 each."

3. (*a*) That it is desirable to capitalise a sum of Rs. 5,00,000 being part of the undivided profits of the Company standing at the credit of the General Reserve Account and accordingly that the said sum of Rs. 5,00,000 be capitalised and that this amount be used as a capital bonus which shall be applied on behalf of the persons who are on the seventeenth day of March, 1953, holders of the 1,50,000 issued Ordinary Shares of the Company of Rs. 10 each in payment in full for 50,000 new Ordinary Shares of Rs. 10 each and that such 50,000 new Ordinary Shares credited as fully paid, shall be accordingly allotted to such persons respectively in the proportion of 1 new Ordinary Share for every 3 issued Ordinary Shares held on the said seventeenth day of March, 1953, by such persons respectively and that the said new Ordinary Shares so distributed shall rank in all respects *pari passu* with the existing Ordinary Shares and shall also be treated for all purposes as an increase of the nominal amount of the capital of the Company held by each such Ordinary Shareholder and not as income.

(*b*) That Fractional Certificates in respect of shares which would be distributable in fractions shall not be issued but such shares shall be allotted to the Chairman of the Meeting as Trustee on behalf of those shareholders entitled thereto and shall be sold by the Chairman and the proceeds of sale distributed to the shareholders who would have been entitled to a fraction of a share.

(*c*) That pursuant to the above resolution and in satisfaction of the said special capital bonus the Directors be and they are hereby directed to allot and distribute 50,000 new Ordinary Shares credited as fully paid up amongst the persons who are on the seventeenth day of March, 1953, holders of the 1,50,000 issued Ordinary Shares of the Company in proportion to the issued Ordinary Shares held by them.

(*d*) That the draft of the Agreement providing for the allotment of the said new Ordinary Shares in satisfaction of the said capital bonus submitted to this Meeting and signed in the margin by the Chairman thereof by way of identification be and the same is hereby approved and that the Directors be authorised to affix the Seal of the Company to duplicate engrossments of such Agreement as and when the same shall have been signed on behalf of the members holding Ordinary Shares in the Company on the seventeenth day of March, 1953, by some persons to be appointed by the Directors in that behalf under Article 174 of the Articles of Association of the Company.

The Share Transfer Book of the Company will be closed from the 6th March, 1953, to the 17th March, 1953, both days inclusive.

By Order of the Board,
For GILLANDERS ARBUTHNOT & CO., LTD.,
P. E. G. W. PARISH,
Managing Director,
Managing Agents.

CALCUTTA 17*th February*, 1953.

To the shareholders of the Indian Wood Products Co., Ltd., and in particular to:—
Mr. G. Bogie; Capt. R. G. Burnell; Mr. F. G.

(*Continued in previous column*)

COMFORTABLE CONDITIONS IN MONEY

(From Our Own Correspondent)

BOMBAY, 25th *February*

The short-term money market experienced distinctly comfortable conditions during the week under review, with the pressure on funds easing to a perceptible degree. Exchange banks in particular were reported to be having ample funds, as only very few foreign trade bills were available. The return of funds from interior commercial centres was earlier than expected, as movement of commodities was faster. Consequently, the big Indian banks, which had advanced against commodities, were also well supplied with funds. The inter-bank call money rate among the Exchange banks and big Indian banks, therefore, tended to ease from 3 per cent. to 2½ per cent. and at times even to 2¼ per cent. The smaller Indian banks were, however, still reported to be borrowers at 3 per cent. There was no fall in the rate for term deposit rate, with 3 per cent. being the rate for one to three months, but banks were not keen bidders.

The Treasury Bill results, however, were not in consonance with the aforesaid description of the market. The response was smaller than last week, though there was no rise in the rate of interest. The amount offered was no more than Rs. 109.25 lakhs, as compared with Rs. 129.50 lakhs tendered last week. The average rate of accepted tenders was unchanged at Rs. 2-7 per cent. per annum.

A contraction of Rs. 7.84 crores in notes in circulation is disclosed by the statement of affairs of the Reserve Bank of India for the week ended 20th February, 1953. This is in distinct contrast to the expansion noted in the previous two weeks. Notes held in the Banking Department, however, show an increase of Rs. 8.12 crores. The net change in total notes issued is, therefore, a rise of Rs. 28.43 lakhs, which is covered by a similar rise in rupee coin. In the Banking Department, the deposits of the Central Government have fallen by Rs. 4.28 crores, while those of other Governments have risen by Rs. 4.05 crores. Deposits of banks show no notable change, but those of others are lower by Rs. 61.88 lakhs. Cash balances have expanded by Rs. 8.13 crores and balances held abroad by Rs. 1.53 crores. Loans and advances to Governments have declined by Rs. 1.06 crores and other loans and advances by Rs. 3.33 crores. Government Treasury Bills purchased and discounted are lower by Rs. 2.76 crores.

The consolidated statement of position of the Scheduled Banks for the week ended 13th February, 1953, as compared with that for the previous week, discloses an increase of Rs. 2.45 crores in demand deposits and a decline of Rs. 47.98 lakhs in time deposits. Inter-bank borrowings, repayable on demand, have recorded a decline of Rs. 80.65 lakhs, while there is no change in those of a time nature. Borrowings from the Reserve Bank are higher by Rs. 55 lakhs. For the first time this year so far, advances of the Banks show a decline to the extent of Rs. 3.83 crores. But this recession has been more than offset by a sharp rise of Rs. 6.94 crores in bills purchased and discounted. Investments have declined by Rs. 5.63 crores. Cash on hand and balances with the Reserve Bank are together higher by Rs. 4.87 crores. Balances with other banks in current account are also better by Rs. 45.79 lakhs, while money at call has fallen by Rs. 1.82 crores.

The Gilt-edged market presented a dull picture with the turn-over remaining poor. Values were, however, well held in most of the issues, the only exceptions being 3 per cent. 1970-75 loan and 3 per cent. 1986 Conversion loan. The former issue found sellers and declined to Rs. 86-6. The latter too experienced some selling pressure and fell from Rs. 82-13 to Rs. 82-9, but, as the pressure eased towards the close of the week, there was a slight hardening to Rs. 82-10. Other loans remained unchanged.

The foreign exchange section was listless, with no change in the rupee-U.S. dollar exchange rate, though there was some hardening of sterling in the New York market. The spot rate for sterling in that market improved from $2.81-13/16—2.81-15/16 on the 18th inst. to $2.81-15/16—2.82-1/16 yesterday. The forward rates for three months and to six months also rose, the former from $.81-5/16—2.81-7/16 to $2.81⅜—2.81½ and the latter from $2.80⅜—2.80⅝ to $2.80¾—2.81.

LONDON WOOL FIRM

(Messrs. J. Hardacre and Co.)

BOMBAY, 24th *February*

The London February sales in wool opened yesterday on a very satisfactory note. A notable feature of the sales was strength of the competition, resulting in firm prices for all descriptions. The selection of merinos from Australia sold very well, the finer qualities being 5 per cent. dearer than the rates at the close of the January sales, while prices of other quality wools were very firm. There was a good supply of greasy comeback and crossbred clips which were in very good demand and for which prices were 5 per cent. higher than those in January last. New Zealand greasy merinos, halfbreds and crossbreds were in good demand, prices being 2½ per cent. higher than those in January.

Reports from primary markets indicate fully firm conditions, with a slightly rising tendency.

Bradford top market is passing through a quiet spell. Delivery dates continue to be an important factor and prices are very firm, especially for early delivery. In merinos and fine crossbreds, the usual delivery dates on new orders are as far ahead as June, 1953.

There was no new feature in the noil market. Prices remain substantially the same as last week. Supplies from topmakers are not considerable and most of the output is earmarked against standing contracts. The rag markets is also unchanged since our last report.

DEADLOCK IN BULLION

(From Our Own Correspondent)

BOMBAY, 25th *February*

The most outstanding development in the bullion market during the week under review was the deadlock. Trading came to a standstill from Friday onwards, although the market was officially open. A certain section of the market refused to transact business as a protest against the Board's decision not to enforce its earlier proposal to levy a margin on every rise of Rs. 7 per 100 tolas in silver and Rs. 4 per tola in gold over the basic rates, as it ran counter to the rules of the Association. The provocation for the decision of a number of traders to go on strike, as it were, was the revival of the bullish fervour in silver following the failure of the Board's earlier decision to declare an emergency to get the approval at the general body meeting, as already reported in these columns last week. The Bullion Board President's explanation of the Board's position did not convince them and they demanded that an emergency should be declared in the market. At the time of writing, the Board was reported to be considering certain proposals for bringing about a compromise among members so far as the current settlement was concerned.

In view of the deadlock in the market, the Board decided to postpone the commencement of business for the next settlement till to-day. It is not known whether trading will be resumed tomorrow. In the meantime, the Board is stated to be seeking more powers to meet any possible emergency in the next settlement. It has formulated certain terms and conditions under which the business for that settlement should be begun. It has sought the Bombay Government's approval of these powers before placing them before the general body.

During the only day in which forward business was carried on during the week, namely, on the 19th inst., the sentiment was bullish, the forward rate in silver having gone up from Rs. 168-14 to Rs. 170-12 and that in gold from Rs. 89-14 to Rs. 90-14. Ready silver advanced from Rs. 169-14 to Rs. 171-12 and ready gold from Rs. 90-6 to Rs. 91-6. Subsequent to the voluntary suspension of forward business, the sentiment in the ready section was somewhat quiet, silver being quoted today at Rs. 168 and gold at Rs. 89-8.

In the foreign markets, silver remained unchanged at 85¼ cents per fine ounce in New York and at 74d. per oz. for spot as well as forward in London. The international free market price of gold remained stationary at $37.40 in Europe.

The following comparative table shows the trend of the market during the week under review:

	25-2-53	Highest	Lowest	18-2-53
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	89 8	91 6	89 8	90 6
Forward	—	91 0	89 10	89 14
Sovereign	59 0	59 12	59 0	59 8
SILVER				
Ready (.999 fine Mint)	168 0	171 12	168 0	169 14
Forward ..		170 12	168 6	168 14
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½*c.*	—	—	85½*c.*

FURTHER RISE IN PEPPER

(Messrs. Parekh & Co.)

BOMBAY, 25th *February*

Pepper market continued to make further headway, the highest reached for ready being Rs. 2,900 at Alleppey, Rs. 3,000 at Calicut, while Rs 2,560 at Bombay in forward for April delivery. Knowledgeable source attributes the present rise to the following among other reasons:

1. Prices rose in sympathy with the advance in the American market which was more or less due to repurchases in New York by Indian interests followed by grinders' demand; and 2. there was short covering at Alleppey and Calicut by those who sold in foreign countries against their purchase of garbles in Cochin. Some of the parties who sold short in garbles at Cochin are reported to be in difficulty, and they refused to give delivery. All the outstanding business in garble at Cochin is, therefore, reported to have been squared up at Rs. 470 per cwt. Cochin market in garble is reported closed, until the settlement of account which is said to be still under dispute.

New York, after having purchased some quantity at $1.25 for February-March is reported to have withdrawn as buyers, Indian sellers indicating 1 to 2 cents higher than the last purchased price. Planters being stiff sellers, no exporters are willing to sell at less than $1.26 per lb. c and f New York, March shipment, and at this price, fair quantity is reported changing hands at Bombay as inter-bazar business. Forward trading in garbles is reported to have been started at Alleppey, and every day 30 to 40 tons are changing hands at price ranging from Rs. 480 to Rs. 490 per cwt.

Following are to-day's nominal quotations:—Ready delivery Rs. 2,500, March delivery Rs. 2,490-2,520 and April delivery Rs. 2,515-2,545 per candy of 5½ cwts. Ready at Alleppey Rs. 2,850 per candy of 6 cwts., and Ready at Calicut Rs. 3,000 per candy of 6¼ cwts.

GOOD DEMAND FOR SPOT COTTON

(From Our Own Correspondent)

BOMBAY, 25th *February*

The chief topic of interest in the cotton trade at present is the applicability of the provisions of the Sales Tax Ordinance to cotton transactions in imported cotton and on sales of cotton figuring in inter-State trade. A deputation of the Cotton Buyers' Association had conferred with the Collector of Sales Tax on several of the points raised regarding such transactions in view of the proximity of the period for submitting returns and paying the tax to the Government. While clear-cut directions have been given in some cases, the officials themselves appeared to be hazy about some others and, in any case, the dealers are not satisfied with some of the directions and interpretations. The general trend in the trade at present is to pay the tax under protest and to await the outcome of the result of the appeal before the Supreme Court on this issue. More may be heard about this after judgment is delivered in the appeal.

In this respect, the plight of the importers of foreign cotton is most noticeable. Even though these imports in most cases were as a result of sales made previously to specific mills, the licences were issued in the name of the importers by the Government of India. Now the Bombay Government has come out with the interpretation that these sales to the mills by the importers are subject to sales tax if the documents regarding imports were not assigned to the buyers before the arrival of the cotton in port. As is well known, one of the reasons for the mills importing cotton through the trade instead of doing so directly is the stringency in the money market and the inability of the mills to pay for the whole of the cotton the moment it is received. It is a kind of pay-as-you-consume arrangement to suit the conditions obtaining in the industry. But in essence, the cotton is imported by the consuming mills. The prevailing feeling in the trade is that the Government of Bombay is trying to take advantage of a mere technicality which would either upset the accepted procedure for cotton imports or drive the trade out of Bombay. It is openly being stated that what has happened in the case of crossword competitions will gradually take place in the case of cotton textiles and other trades. If the Government had planned to kill the commerce of Bombay, it could not have done so in a more efficient manner than this.

An interesting development during the week with regard to imported cotton from the U.S. is the action taken by some of the insurance companies in the U.K. and India in the civil courts against the shipping companies which gave clean bills of lading to the shippers in the U.S. for cotton which obviously were country-damaged. This is likely to prove a long-drawn-out affair and the respondent shipping companies are likely to insist upon the shippers being made parties to these suits.

The spot market has remained active with mills as keen buyers for all varieties, with special attention being paid to Bengal *Deshi* by shippers. The steady tone in the world cotton markets also was reflected here both in the spot and forward markets, with the latter recording a big rise both in the May and August deliveries on the opening day of this week. It is believed that there will be paucity of good varieties during the fag end of the season and the gap between the May and the August deliveries has widened considerably as a result of this belief. On the other hand, it should not be forgotten that the demand for Indian cotton is not likely to remain at the present level during the coming months, with higher consumption of foreign cotton being noticeable already. While prices might remain at a high level the gap between the two deliveries is likely to be reduced as this becomes more noticeable. Tenders against February delivery amount so far to less than 5,000 bales.

The following are the latest quotations from the spot market: Bengal *Deshi* Rs. 530-570; Berar *Jarilla* Rs. 700; Vijay Rs. 820; Moglai Rs. 650; Khandesh Rs. 750.

The following is the trend of prices in the futures market over the week ended 25th February 1953:

	Opening Rs.	*High* Rs.	*Low* Rs.	*Closing* Rs.
I. C. C. February ..	655	669	655	669
I. C. C. May	663	675	660½	673½
I. C. C. August ..	677	688½	673	686½

At Karachi, the revival in demand is more apparent than real. There is no doubt that enquiries from the U.K. and other centres have increased, but a very few of them result in actual firm transactions. The R.C.C. in the U.K. is more interested in the *Deshi* varieties than in the staple varieties at Pakistan. Some legal complications are also likely to arise in connection with the business conducted by the Cotton Board. The following are the latest quotations from Karachi market:

Punjab *Deshi* Rs. 62; 4F Punjab R.G. Rs. 52½ to Rs. 54; S.G. Rs. 56½ to Rs. 58; L.S.S. Punjab R.G. Rs. 55½; S.G. Rs. 60½; N.T. R.G. Rs. 56; S.G. Rs. 62; 289F. Punjab R.G. Rs. 61; S.G. Rs. 68.

At Alexandria, the spot market has registered good transactions in the medium-staple varieties. With the increase in the official price of Giza, demand which was fairly active for this type has subsided. Some of this has been switched over to Ashmouni which is comparatively cheaper on parity and is drawing the attention of consumers both in Egypt as well as abroad. An interesting development in the export trade at Alexandria is the anxiety of the Egyptian Government to discourage the growing tendency amongst Continental buyers of reshipping their purchases from their home ports to the U.S. because of the exchange position and the earlier restrictions imposed by the Egyptian Government with regard to the mode of payment. One of the reasons for concessions offered with regard to payment in kind and in Egyptian currency was that it might tend to discourage this tendency and encourage the buyers in the U.S. to deal directly with Alexandria.

At New York, the factor which affected trading on a large scale during the week under review was the recommendation by the Agricultural Department to reduce the acreage under cotton for the next season by about 2.5 million acres. Though this is only a suggestion and does not carry the force of a directive, the growers are naturally likely to be influenced to a certain extent by this official advice, in view of the reduction in price that has taken place during the last few months and the decrease in exports. As cotton production increases in other parts of the world, the volume of production in the U.S. is bound to be affected inasmuch as the prices there are controlled as much by foreign demand as by local consumption. The upward reaction in prices which this announcement brought forward may not be of an enduring nature because of the pressure of stocks, but it is bound to reassert itself in the long run and on the distant deliveries. This has also resulted in inducing foreign buyers, who had been sitting on the fence for a long time watching the position, to come forward and to book their indents for their requirements of U.S. cotton for the rest of the year. On the whole, the trend of prices at New York and at several important U.S. markets during the coming weeks is likely to be more steady than in the immediate past.

The following are the latest available quotations from New York as compared with those of a week and a fortnight before:

(In cents per lb.)

	24-2-53	17-2-53	10-2-53
Spot	..	33.60	33.65
March	33.18	32.70	32.89
May	33.38	33.12	33.23
July	33.70	33.42	33.58
October	33.74	33.63	33.68

WIDE FLUCTUATIONS IN ART SILK YARN

(From Our Own Correspondent)

BOMBAY, 25th *February*

The firm conditions in the art silk yarn market, witnessed towards the close of last week, gathered further momentum during the first three sessions of the week under review. Under the impetus of rumours about confining the issue of import quota only to actual users for the current licensing period, values of art silk yarn forged ahead to new high levels in recent weeks. Heavy demand in the ready section, following sustained improvement in rayon cloth market, and depletion of stocks also assisted the upward trend in prices. This tendency, however, was checked on Monday, when, owing to reports of large arrivals of imported yarn previously contracted for, values suffered a sharp break. Much of the previous gains were thus erased, although the closing rates to-day were higher than those last week.

In the forward section, 150D February delivery contract opened higher at Rs. 811, as against Rs. 800, and advanced swiftly to Rs. 830 on Saturday. The profit-selling that ensued at the close brought down the quotation to Rs. 800 before finishing higher at Rs. 810. The net gain over the week was thus Rs. 10. March contract rallied 36 points to Rs. 832, but reacted to close at Rs. 813; at one time it had even gone down to Rs. 803. In the ready section, 120 Japan rose from Rs. 5-2 to Rs. 5-6 on Monday. The gain was completely lost during the next two sessions. In fact, it was substantially lower at Rs. 5 to-day. 150 Japan advanced by As. 2 to Rs. 4-9 on the 21st inst. and, after fluctuating between Rs. 4-7 and Rs. 4-9, finished the week lower at Rs. 4-6. 120 Japan moved up by As. 2 to Rs. 5 on Monday. After receding to Rs. 4-12 yesterday, it again recovered to Rs. 5 today. 150 Italy gained As. 2 to Rs. 4-3 yesterday, which gain was, however, lost to-day.

Renewed demand and acute shortage of supplies, especially of well-known deniers and qualities, were responsible for the staple fibre section remaining fully firm this week. Staple fibre 2x40 February contract was steady at Rs. 800. The value would have registered a perceptible rise, but for the ceiling fixed by the Yarn Merchants' Association. Reviewing the trend of the staple fibre section, Messrs. Sankalchand G. Shah & Co., Ltd., observe in their latest market report thus: "Demand for raw staple fibre continues satisfactory as before, but shortage is keenly felt for well-known deniers and qualities and higher prices are being paid to the extent of about As. 2 per lb. during the week (ended 20th February). There has been plenty of stocks of unsuitable and unsatisfactory qualities, but hardly any mills are interested in the same. At the same time, granting of licences for imports of raw staple fibre during January-June, 1953 period is considerably delayed and, naturally, mills find it extremely difficult to secure their requirements in suitable qualities at reasonable prices. It will be in the interests of the industry and trade, if Government expedite the grant of licences to the mills at an early date."

The table below gives the prices of art silk and staple fibre yarns quoted to-day, as compared with those on the 18th and 11th inst.

	25-2-53	18-2-53	11-2-53
	Rs. a.	Rs. a.	Rs. a.
Art Silk Yarn—			
150D February (per case of 200 lbs.)	810 0	800 0	797 0
150D March	813 0	796 0	794 0
120 Japan (per lb.)	5 0	5 2	5 2
150 Japan ,,	4 6	4 7	4 8
120 Italy ,,	5 0	4 14	4 14
150 Italy ,,	4 1	4 1	4 1
Staple Fibre Yarn—			
2×40 February (per bale of 400 lbs.)	800 0	800 0	800 0

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, 25th *February*

The oilseeds market presented a hesitant tone this week, as operators were inclined to await anxiously the forthcoming Union budget. There were strong rumours that duty would be reimposed on exports of groundnut oil as well as *kardi* and *niger* seeds. The market further expected the Brazilian official announcement freeing its exchange any moment. As a result, the steady trend witnessed during the first few sessions of the week in the market yielded place to easier tendency. Prices revealed losses all round, such being pronounced in groundnuts.

The Government of India, it will be recalled, abolished export duties on *niger* and *kardi* seeds and groundnut oil on 17th March, 1952, as a sequel to persistent agitation by the oilseeds trade in India ever since the duties were revised in July, 1951. The duties on various seeds and oils since 17th March, 1952, have been allowed to remain as follows:

Export duty per ton

	Rs.
Groundnuts	150
Linseed	100
Castorseed	150
Linseed oil	200
Other oils	300

Groundnuts led the market this week. Buying from *vanaspati* interests and short crop during the year, which imparted a steady tone during the first three sessions of the week, were subsequently eclipsed by fears of reimposition of export duty in the ensuing Central budget. Bold ready declined from Rs. 39-12 to Rs. 37-12 and Khandesh quality from Rs. 40-8 to Rs. 38-4. Coromandals were done at Rs. 37-12, as against Rs. 39-15. Groundnut oil ready disclosed a loss of As. 14 to Rs. 19-14. Railway receipts fell from Rs. 20-8 to Rs. 19-12. March and April deliveries were lower by As. 7 and As. 8 at Rs. 19-14 and Rs. 20, respectively. May delivery was done at Rs. 20-3. Groundnut oil is quoted in the Continental markets at £145.

Overseas advices for castor oil were discouraging. Castor oil commercial quality, was on offer in the U.S. at 19½ cents, but buyers were available only at 18¾ cents. Castor oil in the Continent was enquired at £155 to £159. Consequently, castor oil commercial quality declined from Rs. 19-2 to Rs. 18-8. Castor oil first Pressure eased by As. 14 to Rs. 19. Castorseeds reacted to the trend in castor oil. May delivery, which opened at Rs. 152 as against Rs. 151-8, fluctuated between Rs. 155-4 and Rs. 146-4, before closing at Rs. 147-8. Madras quality suffered Re. 1-4 to Rs. 31.

The world linseed markets continued to be in favour of buyers. Canadian linseed oil is reportedly quoted at £108 to £110 per ton, as against the quotations for Indian linseed oil at £125. Business was reported done in Uruguay linseed oil at £87 per ton. But, as Indian oil has been out of the world markets for a long time, the trend there did not have any notable effect. Linseed oil was quoted at Rs. 15, as against Rs. 15-2 earlier. Linseed Bold ready disclosed a loss of As. 4 to Rs. 28-12.

Niger and *kardi* seeds were no exception to the general downtrend of the market. *Niger* ready declined from Rs. 30 to Rs. 29-8 and Madras quality from Rs. 30-12 to Rs. 30-8. *Kardi* seeds were done at Rs. 22-6, as against Rs. 23-8.

The following table shows the prices of oilseeds and oil on the 25th inst., as compared with those at the close of preceding two weeks.

	25-2-53	18-2-53	11-2-53
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Bold Ready New (per cwt.) ..	37 12	39 12	37 8
Khandesh New (per cwt.) ..	38 4	40 8	38 4
Linseed—			
Bold Ready (per cwt.) ..	28 12	29 0	27 8
Castorseeds—			
May (per candy of 5 cwts.) ..	147 8	151 8	144 12
Madras (per cwt.)	31 0	32 4	31 0
Groundnut oil—			
Ex-mill Ready (per quarter)	19 14	20 12	19 12
Castor Oil—			
Commercial (per quarter) ..	18 8	19 2	18 10

LOW MEDIUM BROKEN TEA DEARER

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 21st *February*

Sale No. 4.—The offerings in Sale No. 4 which was held on Tuesday, 17th February, amounted to approximately 9,00,000 lbs. Quality was generally fully maintained and in some cases showed improvement. There were some attractive, bright liquoring low medium and medium teas on offer. There was a good general demand for all types, particularly low medium brokens which were often As. 1 to As. 2 dearer. Medium and good medium descriptions were fully firm at last rates and occasionally dearer. Best liquoring teas were well supported and buyers followed quality. There was a slightly easier tendency for any teas which showed a decline in quality. There was slightly more demand for whole leaf grades and these remained steady. Fannings sold well at firm prices.

Quotations	1953 Rs. a. p.
Low grown Travancore B.O.P.	1 8 0
Medium Travancore B.O.P.	1 15 6
Anaimallais B.O.P.	2 4 0
Best liquoring Nilgiris B.O.P. ..	4 1 0
Well made black leaf O.P.	2 2 0

London Market.—Common and low mediums generally one penny dearer. Others fully firm.

Colombo Market.—Five millions. Market easier, particularly best sorts, where quality

Calcutta Market—Export.—45,000. Good general demand; market dearer by one to one and half annas for commons and low mediums.

Dust.—Strong, but irregular demand. Good liquoring Assams dearer. Strong support for export types. Others a half to one anna easier.

Export Quota.—The market opened at 2¾ pies, but weakened to 2 pies which remains to-day's quotation. A certain amount of business has been done at this figure.

Forthcoming auctions.—Sale No. 5 will be held on Tuesday, 3rd March, 1953.

Dust Sale D.—3,64,000 lbs. Fair general demand; prices irregular and generally easier.

JUTE GOODS STEADY

(From Our Own Correspondent)

CALCUTTA, 24th *February*

Although quotations for jute goods did not make any pronounced headway during the week under review, and business with foreign buyers was not substantial, the market was in a jubilant mood. This was due to the persistence of rumours of an imminent reduction in the rate of export duties. According to these reports, the revision on sacking duty would apppear to be a certainty, and that on hessian duty a possibility. Anyway, one will have to wait till next Friday, when the Finance Minister will present the Budget proposals to Parliament. The fact that only limited business was put through with foreign buyers is understandable, as note has been taken of New Delhi's pronounced silence on the rumours which are continuing, despite being about four weeks old. If, as anticipated in the market, the duties are revised in order to enable hessian and sacking to have a distinct price advantage over the Continental products in foreign markets, it is expected that, unlike the previous two occasions when the duties were revised and buyers did not rush to the market with orders, moderate business with exporters could be put through. For, much remains yet to be bought for replacement requirements. Demand could, however, be maintained at a higher level, if only the full benefit of the expected reduction in duties is passed to the buyer; but such a price level could be struck and stabilised only after periods of buy-and-wait.

B. twills were quoted at Rs. 95-4 for most part of the week, the highest level for the week being Rs. 95-8. Mills were reserved. Australia was a prominent buyer of heavy goods. Business in hessian took place both with America and the United Kingdom, and shippers were interested in some covering business. Britain was particularly interested in wide hessian and narrow hessian bags. After being lower at Rs. 43-4, 40" 10 oz. hessian was pushed up to Rs. 43-10 which could not be maintained and dropped to the lower level. The f.o.b. rate at Rs. 41-8 was lower by four annas. Eight oz. was Rs. 34-12 f.a.s. and Rs. 41-8 f.o.b.

Conditions remained unchanged in the raw jute market, and prices were maintained. Mills were not inclined to give support to the market, but stockists, noting the steadiness in the prices of jute goods, were against lowering their rates. Assam bottoms were offered at Rs. 21-8, Murshidabad district tossa being quoted at Rs. 20-8. Kissanganj jute was priced at Rs. 20-8. Dalcola at Rs. 22-8, and Bimli F.A.Q. at Rs. 16-8. A demand for fixing minimum prices for raw jute has been put forward in the West Bengal Assembly, and this measure is suggested in order to provide the farmer sufficient incentive to grow more jute. The mill industry strongly feels that the present need is the cultivation of the superior quality of jute in greater quantities, and that such an aim can best be achieved, if the farmer is taught better cultivation methods and is provided with fertilisers at a cheaper rate.

FOODGRAIN PRICES ADVANCE

(From Our Own Correspondent)

HAPUR, 24th *February*

The Indian Food Minister declared in the House of the People the other day that Indian stocks of foodgrains had increased last year and prices had since been generally either steady or declining. It has been claimed that the food position was generally satisfactory and the crop prospects were also somewhat better than they had been in the last two years, except in certain parts of Bombay, Madras, Mysore, Hyderabad and Travancore-Cochin. It is now revealed that the recent Food Ministers' Conference had agreed (*a*) to restrict imports of foodgrains to the minimum and limit the allotments from the Centre only to highly deficit areas, (*b*) to launch a strict drive against hoarding, (*c*) to attempt to bring more and more waste lands into cultivation, and (*d*) to make the process of distribution of fertilisers to the peasants more direct.

Reviewing the crop prospects in the different States, the Union Agricultural Minister stated that there was still need for continued imports but not on the same scale as during the two preceding years. The provisional target for 1953 had been set at 2.9 million tons, as against the actual imports of 3.9 million tons in 1952 and 4.2 million tons in 1951. The proposed target for 1953 consists of rice 6 lakh tons, wheat 18 lakh tons, and milo 5 lakh tons; if milo is available at a relative price.

A total quantity of 872,000 tons of rice has tentatively been allocated to seven States during the year 1953. Travancore-Cochin gets 300,000 tons, Madras 250,000, West Bengal 150,000, Bombay 125,000, Hyderabad 20,000 Mysore 15,000, and Delhi 12,000 tons. As regards wheat, the allocations will be finalised only after the prospects of the present wheat crops were clearly known. In the case of millets, certain demands have been put forward by different State Governments and supply will be made to them according to the availabilities against demands.

It is reliably learned that the U.P. Govern-

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	13th Feb., 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,129.20	1,123.93	1,115.35	1,161.20
Notes held in Banking Department	25.05	11.10	16.97	16.33	17.55
Foreign Securities	39.50	568.15	565.15	558.15	604.15
Rupee Securities	37.39	449.86	450.06	450.06	468.13
Banking Department					
Deposits of :					
Government of India	14.89	157.40	157.46	170.22	198.74
Other Governments	..	1.62	6.70	2.57	5.03
Balances held abroad	10.08	152.00	151.48	159.22	152.53
SCHEDULED BANKS					
Demand Liabilities	134.37	526.64 (11.58)	525.00 (12.29)	524.44 (13.11)	555.55 (22.66)
Time Liabilities	102.84	3,14.79	315.27	316.29	291.31
Borrowings from Reserve Bank	..	(1.83) 7.03	(1.83) 6.48	(2.15) 5.71	(0.84) 11.48
		(0.74)†	(0.74)†	(0.99)†	(N.A.)†
Borrowings from Imperial Bank‡	..	7.14	7.11	6.18	N.A.
Cash in India	6.71	34.31	32.93	34.66	34.54
Balances with Reserve Bank	25.28	44.60	41.96	44.99	43.07
Excess over statutory limits	15.52	11.98	9.41	12.44	8.97
Balances with other banks in current account in India	..	11.00	10.54	11.36	11.80
Money at call and short notice in India	..	15.06	16.87	16.75	10.18
Investments (at book value)	..	301.82	307.45	310.91	298.80
Advances and bills	105.09	500.68	497.57	482.05	576.59
IMPERIAL BANK					
Deposits	87.76	207.96	208.69	208.01	230.89
Investments	51.99	81.94	85.48	85.24	85.44
Advances	30.37	123.72	121.65	115.51	154.19
Cash	14.69	15.94	14.24	20.21	20.52

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets). N.A.=Not available.
† Borrowings against usance bills and promissory notes
‡ Figures prior to 18th April, 1952, not available.

CLEARING HOUSE RETURNS

Centre	20th February, 1953 Number of Cheques	20th February, 1953 Amount Rs.	13th February, 1953 Number of Cheques	13th February, 1953 Amount Rs.
Bombay	2,42,570	55,88,92,000	1,97,351	44,86,45,000
Calcutta	1,43,710	46,37,97,145	1,38,496	45,81,89,165
Madras	70,474	3,48,51,136	63,980	6,41,34,277
All Centres Nov., 1952	..	..	..	24,01,000	4,93,07,00,000
Dec., ,,	..	..	..	25,49,000	5,47,76,00,000
1952	..	..	..	1,0641,941	29,79,51,57,000
1951	..	..	..	1,0694,122	31,80,56,86,359

Reserve Bank of India

Statement of Affairs for the week ended 20th Feb., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government		153,12,29,000
(2) Other Governments		5,06,57,000
(b) Banks		45,51,86,000
(c) Others		64,42,28,000
Bills Payable		3,27,51,000
Other Liabilities		26,40,70,000
	Rupees	309,81,51,000

ASSETS	Rs.	Rs.
Notes		19,21,77,000
Rupee Coin		14,74,000
Subsidiary Coin		2,44,000
Bills Purchased and Discounted—		
(a) Internal		22,50,000
(b) External		
(c) Government Treasury Bills		13,57,22,000
Balances held abroad*		163,52,86,000
Loans and Advances to Governments		3,42,00,000
Other Loans and Advances		12,27,22,000
Investments		100,14,17,000
Other Assets		7,26,59,000
	Rupees	309,81,51,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 74,18,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 74,18,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	19,21,77,000	
Notes in circulation	1121,36,34,000	
Total Notes issued		1140,58,11,000
Total Liabilities		1140,58,11,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion :		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	568,16,11,000	
Total of A		608,16,82,000
B. Rupee Coin		82,55,14,000
Government of India Rupee Securities		449,86,15,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1140,58,11,000

Ratio of Total of A to Liabilities: 53.321 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 13th Feb., 1953

	Rs.	Rs.
1. Demand Liabilities in India:		
(i) Borrowings from banks		11,58,22,000†
(ii) Other demand liabilities		515,06,16,000
2. Time Liabilities in India :		
(i) Borrowings from banks		1,83,00,000†
(ii) Other time liabilities		312,95,82,000
3. Cash in India		34,31,04,000
4. Balances with the Reserve Bank in India		44,60,18,000
5. Balances with other banks in current account in India		10,99,95,000
6. Money at call and short notice in India		15,05,53,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts		301,81,74,000
8. Advances in India		459,21,80,000
9. Inland Bills purchased and discounted in India		41,46,35,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.

†Excludes borrowings from the Reserve Bank, and with effect from the 18th April 1952 as also those from the Imperial Bank.

EXCHANGE RATES

	20th February, 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	s. 1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	s. 1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	s. 1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	s. 1-6 1/16	1-6 1/16
Bombay on New York—		
Sellers T.T. D.D.	Rs. 475	475
Buyers T.T.	Rs. 471 1/2	471 1/2
London on New York	$ 2.81 1/2-2.81 3/4	2.81 1/2-2.81 3/4
London on Paris	Frs. 987 1/2-988	987 1/2-988
London on Berne	Sw. Frs. 12.18 1/2-12.19 1/4	12.19-12.20
New York on London	$ 2.81 1/2	2.81 1/2-2.81 3/4

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	*Per capita* income (Rs.)
India	1948	342.12	..	..	8,730	255
Pakistan	1949	75.04	..	..	1,671	223
Burma	1951	18.67	Kyats	3,166	317	167
Ceylon	1951	7.74	..	..	451	564
Japan	1951	84.30	Y.	4,504,400	6,038	716
Philippines	1951	20.25	Ps.	7,586	1,820	856
New Zealand	1951	1.95	£ (N.Z.)	615	829	4,206
Australia	1951	8.41	£ (A.)	3,238	3,454	4,317
U.K.	1951	50.56	£	11,384	15,179	2,976
U.S.A.	1951	154.36	$	277,600	132,199	8,564
Canada	1951	14.01	$	17,229	8,552	6,108
France	1951	42.24	F. Fr.	9,082,000	12,372	2,929
W. Germany	1951	48.11	Dm.	90,200	10,227	2,126
Italy	1951	46.60	Lr.	7,746,000	5,902	1,267
Norway	1951	3.29	Kr.	15,504	1,055	3,206
Sweden	1951	7.07	Kr.	36,800	3,439	4,864
Netherlands	1951	10.26	Fl.	16,940	2,151	2,096
Denmark	1951	4.30	Kr.	20,716	1,439	3,346
Switzerland	1951	4.75	S. Fr.	19,500	2,166	4,556

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, January, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 6th Feb., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		3,00,00,000
Deposits:—		
(a) Central Government		34,43,41,000
(b) Provincial Governments		1,01,66,000
(c) Banks		9,84,03,000
(d) Others		3,10,32,000
Bills Payable		8,91,000
Other Liabilities		4,62,93,000
	Rupees	59,11,26,000

ASSETS	Rs.	Rs.
Notes		6,47,28,000
Rupee Coin		4,000
Subsidiary Coin		11,000
Bills Purchased and Discounted :—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		51,87,000
Loans and Advances to Governments		33,00,000
Provincial Governments Debtor Balances		1,45,37,000
Other Loans and Advances		9,21,99,000
Investments		33,21,11,000
Other Assets		7,90,49,000
	Rupees	59,11,26,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	6,47,28,000	
Notes in circulation	207,00,18,000	
Total Notes issued		213,47,46,000
Total Liabilities		213,47,46,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion		
Sterling Securities	33,50,23,000	
Government of India Securities	11,87,77,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,96,000	
B. Rupee Coin	6,30,53,000	88,28,38,000
Government of Pakistan Securities	114,63,80,000	
Internal bills of exchange and other commercial paper	....	120,94,33,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	4,24,75,000
Total Assets		213,47,46,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 43.21 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
				Rs. a. p.	%
1952					
2nd Dec.	2.00	2.01	2.00	2 4 0	99
9th ,,	2.00	2.15	2.00	2 5 11	93
16th ,,	2.00	2.62	2.00	2 5 11	88
6th Jan. 1953	1.00	1.45	1.00	2 6 5	55
13th ,, ,,	1.00	1.22	1.00	2 6 9	79
21st ,, ,,	1.00	1.23	1.00	2 7 0	81
27th ,, ,,	1.00	1.00	1.00	2 7 0	100
3rd Feb. ,,	1.00	1.14	1.00	2 7 0	87
10th ,, ,,	1.00	1.19	1.00	2 6 11	84
17th ,, ,,	1.00	1.39	1.00	2 7 0	100
24th ,, ,,	1.00	1.00	1.00	2 7 0	100
Total	14.00	16.49	14.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	3rd July, 1952	5	6
Belgium	13th Sept., 1951	3 1/2	3 1/2
Canada	17th Oct., 1950	1 1/2	2
Denmark	2nd Nov., 1950	4 1/2	5
Finland	16th Dec., 1951	7 1/2	6 1/2
France	9th Nov., 1951	2	4
Greece	12th July, 1948	10	12
India	15th Nov., 1951	3	3 1/2
Italy	6th April, 1950	4 1/2	5
Japan	1st Oct., 1951	5.11	5.84
Netherlands	1st Aug., 1952	3 1/2	3
New Zealand	20th July, 1941	2	1 1/2
Norway	9th Jan., 1946	3	2 1/2
Portugal	12th Jan., 1944	3	2 1/2
South Africa	27th Mar., 1952	3 1/2	4
Spain	18th Mar., 1949	4 1/2	4
Sweden	1st Dec., 1950	4	3
Switzerland	26th Nov., 1936	4	1 1/2
Turkey	26th Feb., 1951	2	3
United Kingdom	12th Mar., 1952	2 1/2	4
U.S.S.R.	1st July, 1936	8	4
U.S.A.	16th Jan., 1953	1 1/2	2
West Germany	8th Jan., 1953	4 1/2	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	October, 1952	October, 1951	Seven months—April-Oct. 1952	Seven months—April-Oct. 1951
Import Duties :				
Revenue	8,42	10,79	65,78	74,04
Protective	65	83	4,76	6,22
On surplus disposals	1	1	2	17
Total import duties	9,08	11,64	70,57	80,83
Export Duties	3,71	5,20	34,03	51,75
Land Customs	28	28	1,68	1,53
Miscellaneous	11	7	74	67
Gross total customs	13,18	17,19	107,01	134,48
Refunds and drawbacks	24	28	1,81	2,17
Net Customs	12,95	16,92	105,20	132,31
Gross excise	4,55	7,76	47,31	65,18
Refunds	9	12	96	93
Net Excise	4,46	7,64	46,35	64,19
Net total of customs and excise	17,41	24,56	151,55	186,50

Imperial Bank of India

Statement of Affairs for the week ended 20th Feb., 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	5,62,50,000
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		6,35,00,000
Deposits and other Accounts		208,75,76,000
Borrowings from other Banking Companies Agents		2,88,000
Bills Payable		2,00,39,000
Bills for Collection being Bills Receivable as per contra		50,74,000
Acceptances, Endorsements and other Obligations as per contra		46,000
Other Liabilities (including Inter-Office Adjustments)		3,03,10,000
Total	Rs.	226,96,83,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		11,27,98,000
Balances with other Banks		4,09,66,000
Money at Call and Short Notice		1,49,23,000
INVESTMENTS—		
Government and other Trustee Securities	71,78,71,000	
Other Authorised Investments	11,03,35,000	82,82,06,000
Advances—		
Loans, Cash Credits and Over drafts, etc.	109,84,05,000	
Bills Discounted and Purchased	13,69,30,000	123,53,44,000
Bills Receivable being Bills for Collection as per contra		50,74,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		46,000
Premises less Depreciation		1,31,80,000
Furniture and Fixtures less Depreciation		33,66,000
Other Assets (including Inter-Office Adjustments)		1,52,80,000
Total	Rs.	226,96,83,000

SMALL SAVINGS

(Amounts in lakhs)

	Cash Certificates Receipts	Cash Certificates Out-standings* @	†Defence Savings Certificates @ * Out-standings	National Savings†† Certificates Receipts	National Savings†† Certificates Out-standings*	Savings Bank Deposits Receipts	Savings Bank Deposits Out-standings*	Defence Savings Bank Deposits Out-* @ standings	2½ per cent. Ten-year Treasury Savings Deposits Receipts	2½ per cent. Ten-year Treasury Savings Deposits Out-standings*
1950-51	..	—15,91	—1,79	23,68	57,86	1,01,04	61,33	—4,64	5,31	5,31
1951-52	1	—20,20	—2,55	24,59	75,58	1,03,79	71,16	—4,74	13,10	18,39
October 1951	..	—18,53	—2,23	1,95	68,44	7,83	68,06	—4,70	1,39	14,88
November ,,	..	—18,90	—2,30	1,98	69,77	7,85	67,96	—4,71	94	15,82
December ,,	..	—19,25	—2,36	1,83	71,08	7,66	67,91	—4,72	70	16,51
January 1952	..	—19,56	—2,42	1,71	72,25	7,75	68,04	—4,73	66	17,17
February ,,	..	—19,86	—2,46	1,82	73,52	8,21	68,27	—4,73	53	17,70
March ,,	..	—20,20	—2,55	3,02	75,58	11,28	71,16	—4,73	68	18,39
April ,,	..	—20,51	—2,60	2,47	77,87	10,01	73,50	—4,74	71	19,12
May ,,	..	—20,81	—2,64	2,32	79,44	9,95	74,88	—4,74	95	19,96
June ,,	..	—21,09	—2,68	2,00	80,95	9,38	77,01	—4,74	56	20,53
July ,,	..	—21,37	—2,73	2,58	82,58	10,29	79,52	—4,75	72	21,25
August ,,	..	—21,57	—2,77	1,96	83,98	8,60	80,73	—4,75	64	21,89
September ,,	..	—21,79	—2,80	1,97	85,30	8,78	81,87	—4,75	58	22,35
October ,,	..	—22,02	—2,84	1,87	86,40	8,36	82,22	—4,76	56	22,92
November ,,	..	—22,27	—2,88	1,95	87,66	8,03	82,49	—4,78	58	23,48
December ,,	..	..	..	..	..	..	..	..	56	23,94

† Were replaced by National Savings Certificates from 1st October, 1943. * At the end of period. § Issued from 1st February, 1951.
†† Including 5-year and 7-year National Savings Certificates issued from 1st June, 1948.
@ Progressive net repayments from 16th August 1947.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1939=100)

I. All-India

Group and Sub-Group	Week Ended 14-2-'53	7-2-'53	17-1-'53	16-2-'52
(A) Government and Semi-Government Securities ‡	92.2	92.2	92.1	91.4
1. Government of India Loans	92.3	92.3	92.2	91.5
2. Municipal, Port Trust and Improvement Trust Loans	86.8	86.8	86.6	87.6
(B) Fixed Dividend Industrial Securities	90.2	90.2	90.5	93.2
1. Electricity	77.3	77.2	76.5	74.8
2. Cotton	125.6	126.6	127.1	134.2
3. Jute	80.4	81.0	81.8	82.1
4. Coal	95.2	94.5	94.5	99.2
5. Iron and Steel	84.4	84.0	83.3	85.6
6. Sugar	88.3	87.4	91.4	97.4
7. Paper	85.4	85.4	84.4	91.2
8. Plantations	97.2	96.9	99.5	105.4
(C) Variable Dividend Industrial Securities	104.2	104.1	103.3	122.2
1. Banks	103.3	102.1	102.0	111.7
2. Insurance	93.5	93.2	95.2	106.3
3. Investment Trusts	139.9	139.0	139.2	144.0
4. Electricity Companies and Tramways	82.8	82.7	81.7	86.0
5. Shipping and Other Transport Companies	86.1	85.9	83.7	90.7
6. Railways	75.1	73.3	72.5	83.8
7. Plantations	108.3	107.2	110.3	168.8
8. Cotton Woollen and Jute	127.8	127.8	127.7	165.0
9. Jute	71.6	72.6	74.1	93.3
10. Coal	87.2	86.5	86.9	109.4
11. Mining and Oil	63.6	63.3	60.9	71.3
12. Iron and Steel	128.1	127.1	123.4	155.7
13. General Engineering	140.9	138.8	137.1	162.2
14. Sugar	77.8	79.8	78.6	94.4
15. Breweries	58.0	55.5	52.7	68.5
16. Chemicals	128.4	126.1	122.7	175.2
17. Paper	113.3	113.2	112.9	124.4
18. Cement	138.7	138.4	142.5	146.2

II. Regional

Region and Group	Week Ended 14-2-'53	7-2-'53	17-1-'53	16-2-'52
(A) BOMBAY—				
Government and Semi-Government Securities	91.9	91.9	91.9	91.9
Fixed Dividend Industrials	92.2	91.9	91.2	92.7
Variable Dividend Industrials	122.5	122.2	121.1	135.1
(B) CALCUTTA—				
Government and Semi-Government Securities	92.8	92.8	92.6	91.7
Fixed Dividend Industrials	86.8	87.3	88.5	90.7
Variable Dividend Industrials	92.0	91.8	91.0	107.7
(C) MADRAS—				
Government and Semi-Government Securities	91.9	91.9	91.8	90.6
Fixed Dividend Industrials	102.7	102.5	103.4	110.7
Variable Dividend Industrials	126.7	126.5	127.0	153.7

*Source: Department of Research and Statistics, Reserve Bank of India.
‡ Including Part 'B' State Loans.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,883	12,806,704
1951	1,071	691,821	3,818,928
June 1950	83	47,535	325,946
July ,,	54	21,188	134,911
August ,,	75	240,518	2,948,978
September ,,	71	249,446	4,954,161
October ,,	78	238,340	2,266,894
November ,,	84	56,736	313,837
December ,,	68	41,061	163,718
January 1951	120	93,696	370,990
February ,,	61	44,025	205,660
March ,,	79	47,723	317,869
April ,,	129	95,747	331,282
May ,,	109	56,604	277,314
June ,,	146	93,446	448,258
July ,,	180	72,454	671,705
August ,,	106	64,684	289,907
September ,,	88	24,777	98,109
October ,,	108	67,396	190,761
November ,,	125	64,147	189,374
December ,,	118	76,196	365,149
January 1952†	95	305,831	674,340
February ,,	88	68,180	215,607
March ,,	87	42,430	145,493
April ,,	134	59,437	234,346
May ,,	118	80,093	254,855
June ,,	101	59,331	257,062
July ,,	82	40,754	171,263
August ,,	85	48,222	145,595
September ,,	94	57,860	259,786
October ,,	90	77,391	346,761

† Figures for 1952 are provisional * Revised.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51	545	5,279.9	4,225.9
1951-52	573	5,948.1	4,849.0
April 1951	548	479.0	379.7
May ,,	549	505.1	404.9
June ,,	541	501.2	408.8
July ,,	546	507.7	412.0
August ,,	551	506.8	409.7
September ,,	554	494.5	403.4
October ,,	556	506.9	412.8
November ,,	557	491.7	409.8
December ,,	561	500.9	414.3
January 1952	566	500.8	409.7
February ,,	571	480.7	391.0
March ,,	573	481.8	392.9
April ,,	577	488.8	392.8
May ,,	581	514.4	418.1
June ,,	583	500.1	406.8
July ,,	588	534.0	439.7
August ,,	592	531.8	438.7
September ,,	597	530.3	430.4
October ,,	599	548.2	441.5

* Excluding railway, military and factory power stations; Ohola Power Station, being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
§ At the end of period

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	14th Feb., 1953	7th Feb., 1953	16th Feb., 1952	January, 1953	January, 1952	Percentage of Increase (+) or decrease (—) in Jan., 1953 as compared with Jan., 1952	1952	1951
Food Articles	359.9	361.4	371.0	357.0	393.0	—9.2	359.8	409.8
Cereals	431	434	464	434	465	—6.7	450	483
Pulses	660	602	475	595	508	+17.1	489	508
Other	231	230	234	223	273	—18.3	225	290
Industrial Raw Materials	437.9	433.3	542.9	427.6	580.6	—26.4	453.8	808.2
Fibres	401	399	578	399	617	—35.3	454	522
Oil seeds	421	414	590	408	609	—19.9	484	679
Minerals	470	462	458	460	451	+ 2.0	468	428
Others	366	361	411	371	425	—12.7	341	533
Semi-Manufactures	347.9	346.6(R)	363.9	344.3	369.3	—6.8	346.5	377.6
Leather	421	411	342	406	323	+25.7	345	453
Mineral oils	223	223	218	220	211	+ 5.7	221	197
Vegetable oils	459	452(R)	548	443	607	—27.0	459	679
Cotton yarn	441*	441*	498*	439*	495*	—11.3	465*	483
Metals	228	228	204	228	206	+10.7	211	197
Oil Cakes	407	418	470	406	487	—16.6	440	500
Others	251*	249	288	250	321	—22.1	273	330
Manufactured Articles	387.3	387.1	393.1	385.8	400.9	—3.8	377.5	385.5
Textiles	405	404	454	400	471	—15.1	423	468
Jute	389	388	652	388	802	—51.6	506	803
Cotton	408*	408*	410*	408*	410*	— 1.9	401*	400*
Rayon and Silk	470*	470*	526*	425*	532*	—20.1	485*	611*
Woollen	297	291	388	280	388	—27.8	346	378
Metal products	336	336	306	342	298	+14.8	321	285
Others	288	288	304	288	304	— 5.3	298	300
Miscellaneous	602.0	601.0	707.3	620.0	735.0	—15.6	635.6	729.8
All Commodities	380.7	380.2	413.5	377.5	430.3	—12.3	388.9	439.3

* Estimated. R=Revised.

WORKING CLASS COST OF LIVING INDICES

Base	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
January 1951	318	239	296	440	376	344	326	134	171	127	158	171
February ,,	321	253	294	441	388	347	327	138	176	129	157	169
March ,,	332	268	301	439	390	356	329	138	174	139	157	166
April ,,	335	270	304	440	391	365	333	139	173	140	159	166
May ,,	335	278	314	443	394	374	335	140	176	141	158	166
June ,,	337	271	313	447	394	382	337	144	178	138	158	169
July ,,	333	270	318	454	394	385	337	145	182	140	155	173
August ,,	328	261	322	459	392	387	338	146	181	143	161	171
September ,,	325	253	319	470	389	375	340	144	179	150	161	170
October ,,	332	254	323	469	393	375	336	144	181	145	165	171
November ,,	333	252	325	464	397	374	337	147	182	155	168	165
December ,,	331	252	325	449	397	370	337	144	181	†150	166	158
January 1952	331	246	323	442	393	357	338	142	179	†147	162	156
February ,,	324	241	318	441	382	343	336	141	175	145	155	155
March ,,	313	229	300	412	378	340	333	136	177	140	150	145
April ,,	345	262	321	415	377	339	326	140	176	139†	153	144
May ,,	339	264	310	412	376	339	327	148	169	143†	153	143
June ,,	338	263	300	424	375	342	330	145	171	141†	153	148
July ,,	330	263	304	456	377	354	331	143	175	143†	154	155
August ,,	340	267	312	460	380	369	330	143

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final.	1951-52 Final	1950-51 Final.
Rice	tons	73,595	75,975	20,767	20,295
Wheat	tons	23,235	24,134	5,768	6,374
Jowar	tons	38,329	38,419	5,509	5,403
Bajra	tons	21,856	22,267	2,153	2,549
Barley	tons	7,800	7,701	2,136	2,341
Maize	tons	8,003	7,794	1,959	1,701
Ragi	tons	5,296	5,444	1,167	1,407
Gram	tons	16,719	18,709	3,157	3,593
Other millets & pulses	tons	39,725	39,770	6,386	6,401
Total foodgrains		234,558	240,213	49,002	50,064
Jute	bales	1,951	1,454	4,678	3,301
Cotton	bales	16,213	14,556	3,134	2,971
Sugarcane	tons	614	592	1,701	1,630
Groundnut	tons	11,755	11,130	3,037	3,437*
Linseed	tons	3,298	3,447	309	361
Castorseed	tons	1,423	1,378	104	104
Rape and Mustard Seed	tons	5,707	5,097	900	748
Sesamum	tons	5,731	5,629	441	453
Tobacco	tons	764	902	225	263
Pepper	tons	192	197	28	31
Ginger	tons	42	41	15	15

Source: Ministry of Food and Agriculture.

* In terms of nuts in shell.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During January, 1953	72.9
	Corresponding month 1952	91.7
	July 1952 to Jan., 1953	528.7
	Corresponding period 1951-52	540.3
Stocks	At the end of January, 1953	128.4
	Corresponding month 1952	88.4
		(In 000 bags)
Exports (Jute Bags)	Week ended 17th Jan., 1953	11,07
	Corresponding week 1952	2,07,90
	From 1st to 17th Jan., 1953	62,72
	Corresponding period 1952	5,11,57
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 17th Jan., 1953	72.19
	Corresponding week 1952	85,69
	From 1st to 17th Jan., 1953	4,12,01
	Corresponding period 1952	5,58,31
	RAW JUTE	(In 000 bales)
Exports*	Week ended 17th Jan., 1953	—
	Corresponding week 1952	—
	From July, to November, 1952	—
	Corresponding period of 1951	—
Consumption by Mills†	January 1953 (in lakh bales)	4.23
	Corresponding month 1952	5.32
	Seven months ended Jan., 1953	30.67
	Corresponding period 1952	31.34

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Year ended 31st March, 1949	917,800	906,700	671,000
Do. 31st March, 1950	1,041,700	927,500	720,000
Do. 31st March, 1951	11,15,200	10,62,100	7,76,500
Do. 31st March, 1952	11,80,000	10,57,100	7,99,200
Ten months ended January, 1953	9,68,200	8,93,300	6,64,600
January 1951	1,01,300	97,900	67,700
August ,,	99,900	91,500	66,200
September ,,	92,300	84,600	63,900
October ,,	94,100	88,800	63,800
November ,,	92,700	85,200	65,900
December ,,	1,02,800	97,900	69,100
January 1952	99,800	98,700	71,400
August ,,	1,00,700	90,500	67,700
September ,,	94,200	88,300	64,500
October ,,	99,400	90,100	67,900
November ,,	1,03,500	93,700	68,700
December ,,	98,200	91,400	69,700
January 1953	1,02,400	95,500	69,900

SEA- AND AIR-BORNE TRADE : INDIA.

Particulars	October,		Seven Months. April to Oct.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :—				
Foodstuffs	6,74	25,06	126,58	134,78
Raw materials	14,65	11,87	116,94	132,08
Manufactures	21,68	27,70	167,18	196,61
Other Items	26	80	2,88	2,18
Total Imports*	43,33	64,98	422,53	465,65
Exports :—				
Foodstuffs	17,18	18,23	85,10	86,49
Raw materials	11,72	7,40	86,05	88,41
Manufactures	23,58	25,41	167,59	245,82
Other Items	31	24	2,31	1,84
Total Exports	52,89	46,28	341,05	422,56
Total Re-exports	66	21	2,75	10,69
Balance of trade in merchandise	+ 10,02	— 18,44	— 78,78	— 82,40
Balance of transactions in private treasure	..	— 1	— 4	— 7
Total Visible Balance of Trade	+ 10,02	— 18,45	— 78,77	— 82,47
Imports :—				
Total C'wealth Countries	20,19	21,84	156,88	169,78
Total Foreign Countries	23,14	43,59	266,15	295,87
Exports :—				
Total C'wealth Countries	24,51	26,88	159,78	219,55
Total Foreign Countries	28,18	19,45	181,29	203,01

* Excludes value of certain special imports of foodgrains and stores, full particulars of which are not yet available.

LAND-BORNE TRADE : INDIA

Particulars	October,		Seven months April to Oct.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	60	2,13	15,29	11,58
Imports	3,45	7,30	12,30	55,40
Balance of trade in merchandise	— 2,85	— 5,17	+ 2,99	— 43,82

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES—SEPTEMBER AND OCTOBER 1952

(Base Jan. to Dec. 1944 = 100)

Name of Centre	Cereals		Pulses		Other articles of Food		All articles of Food		Fuel and Lighting		Clothing		Miscellaneous	
	Oct., 1951	Sept., Oct., 1952	Oct., 1951	Sept., Oct., 1952	Oct., 1951	Sept., Oct., 1952	Oct., 1951	Sept., Oct., 1952	Oct., 1951	Sept., Oct., 1952	Oct., 1951	Sept., Oct., 1952	Oct., 1951	Sept., Oct., 1952
Eastern Zone														
Bamra	196	219 219	111	93 92	173	140 139	166	145 144	96	106 114	202	219 219	191	188 193
Maibang	161	x x	142	x x	174	x x	168	x x	112	x x	164	x x	116	x x
Shankargarh	156	156 159	173	167 168	212	155 159	185	158 160	101	95 95	146	140 140	140	139 139
Sonaili	333	271 271	181	160 162	253	191 193	254	199 201	125	125 125	273	231 208†	323	278 278
Northern Zone														
Multapi	194	124 124	157	154 153	184	179 173	178	165 161	115	123 123	148	166 166	180	198 197
Nana	328	307 279†	276	312 307	234	196 195	258	232 225	139	130 129	247	205 205	208	212 204
Salamatpur	274	268 265	300	291 297	236	221 214	256	243 240	102	129 129	141	139 137	255	259 262
Southern Zone														
Krishna	301	191 193	171	175 187	195	162 164	212	168 171	141	126 129	181	137 139	208	206 207
Lakh	179	241 249	176	170 176	173	131 132	175	157 160	86	93 91	132	138 138	144	136 131
Malur	161	171 171	172	129 133	172	136 134	170	143 142	89	100 100	206	234 234	216	163 163
Muniguda	347	218 225	270	219 222	349	205 213	336	210 217	105	135 135	221	210 208	246	261 261
Kudchi	123	182 189	130	153 153	209	168 162	186	169 165	100	127 127	143	141 141	156	191 192

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details or Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 19th Feb., 1953	50,214
	Corresponding week, 1952	68,738
	1st Sept. 1952 to 19th Feb., 1953	7,82,547
	Corresponding period, 1951-52	6,75,810
Cotton Exports	Week ended 19th Feb., 1953	11,258
	Corresponding week, 1952	—
	1st Sept. 1952 to 19th Feb., 1953	1,77,101
	Corresponding period, 1952	111
Mill Consumption	1st Sept. 1952 to 19th Feb., 1953	5,53,107
	Corresponding period, 1951-52	4,86,507
Stock (with exporters and delcredere mills)	On 19th Feb., 1953	3,85,030
	Corresponding date, 1952	3,33,789
Karachi (Pakistan)*		
Receipts	Week ended 14th Feb., 1953	73,073
	Corresponding period, 1952	54,480
	1st Sept. to 14th Feb., 1953	10,40,115
	Corresponding period, 1952	10,48,089
Exports	Week ended 14th Feb., 1953	47,000
	Corresponding period, 1952	37,000
	1st Sept. to 14th Feb., 1953	6,86,000
	Corresponding period, 1952	6,11,000

* As reported by the Karachi Cotton Association Ltd. † Incomplete

Particulars	From 1st Sept., '52 to 23rd February, 1953 Bales	From 1st Sept., '51 to 23rd February, 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	8,930	—
Continent	57,361	—
China	315	—
Japan	92,912	—
U.S.A.	15,380	—
Other Countries	3,016	111
Total to all foreign countries	1,77,917	111
Coastal Ports	65,836	50,737

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	November, 1952	3,14,991
Foreign		65,806
Indian	Three months September to November, 1952	8,88,844
Foreign		2,29,523
Indian	Same Period 1951	7,04,453
Foreign		3,66,894
Stocks (Mills and Elsewhere)—		
Indian	As on 30th Nov., 1952	8,87,133
Foreign		3,12,033
Indian	As on 30th Nov., 1951	7,98,858
Foreign		2,28,690
Week ended 13th Feb., 1953		49,948
Corresponding week, 1952		63,681
1st Sept. to 13th Feb., 1953		11,69,417
Corresponding period, 1952		14,10,911
Cotton Pressed†		

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	103⅛
4% Bonds	1926-33	63,30,26,000	1966-70	101¼
3½% Loan	1938-39	1,16,17,46,000	1963-65	92⅜
3½% Loan	1943	1,14,60,58,000	1953-55	100-0⅛
3½% Loan	1950	30,13,10,000	1964	92⅜
3½% Loan	1943	1,10,11,78,000	1966-68	90⅜
3½% V. Loan	1944	1,14,06,89,000	1957	98⅝
3½% Loan	1945	1,15,05,83,000	1970-75	96
3½% Loan	1945	13,63,64,000	1959-61	96
3½% Loan	1951	50,00,00,000	1958	98⅜
2½% Loan	1946	45,63,07,000	1960	93¼
2½% Loan	1946	57,00,69,000	1961	90⅜
2½% Loan	1946	35,06,06,000	1954	98⅜
2½% Loan	1946	14,77,48,000	1976	82⅛
2½% Loan	1947	75,86,72,000	1962	91⅛
2½% Loan	1948	60,45,01,000	1955	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,36,000	At option of Government after three months, notice.	82⅛
3 % Loan	1946	2,48,91,90,000	On 15th September, 1986 or later at option of Government after three months, notice.	82⅛
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,85,66,000	1954-59	100⅛
4½% Loan	1928	5,85,20,000	1958-68	105⅛
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	15th Sept. 1955	98⅛
3 % Bombay	1943	3,50,00,000	14th Sept. 1955	98⅛
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97⅛
3 % Bombay	1949	6,00,00,000	1st Aug. 1962	92⅛
3 % Bombay	1950	3,00,00,000	31st July 1960	94¼
3½% Bombay	1951	3,00,00,000	17th Sept. 1962	98
4 % Bombay	1952	3,50,00,000	1st Aug 1964	100⅜
3 % Sikkim	1943	30,00,000	1st Oct. 1953-55	98
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98⅜
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95
3 % Madras	1938	1,42,08,300	15th Sept. 1953	100-0⅛
3 % Madras	1939	1,29,76,600	21st June 1959	95⅛
3 % Madras	1942	1,23,25,000	18th Sept. 1953	98⅛
3 % Madras	1943	1,25,10,000	14th Sept. 1956	98⅛
3 % Madras	1944	1,08,00,000	15th Aug. 1958	96⅛
3 % Madras	1945	2,82,19,000	14th Sept. 1960	94⅛
3 % Madras	1946	3,90,93,200	1st Sept. 1961	90⅜
3 % Madras	1950	4,47,00,000	31st July 1960	94¼
3½% Madras	1951	3,00,00,000	17th Sept. 1962	97⅜
4 % Madras	1952	5,00,00,000	1st Aug 1964	100⅛
3 % Mysore(f)	1930	1,63,44,300	1st Nov. 1955	105⅛
3 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100-11⅛
3 % Mysore(f)	1936	3,99,72,900	30th April 1956-61	98⅛
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	98⅛
3 % M.P.	1942	50,00,000	18th Sept. 1955	98⅛
3 % M.P.	1943	50,54,200	14th Sept. 1956	98⅛
3 % M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 % M.P.	1948	2,03,00,000	15th Sept. 1964	91⅛
3 % M.P.	1950	1,00,28,800	31st July 1960	94¼
3½% M.P.	1951	1,00,00,000	17th Sept. 1962	97⅜
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99
3 % Punjab**	1942	2,35,20,000	18th Sept. 1953	99⅛
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99⅛
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	98⅛
3 % Travancore	1944	3,00,00,000	15th May 1952-54	98⅛
3½% Travancore	1936	50,00,000	16th Aug. 1956	99⅛
3 % U.P.	1936	1,69,39,800	1st Aug. 1961-66	99⅛
3 % U.P.	1944	2,23,96,800	15th Aug. 1958	96⅛
3 % U.P.	1945	2,36,31,900	14th Sept. 1960	94⅛
2½% U.P.	1946	2,41,19,800	1st Sept. 1961	93⅝
3½% U.P.	1951	2,00,00,000	17th Sept. 1962	97⅜
4 % U.P.	1952	2,00,00,000	1st Aug. 1964	100⅛
3½% W. Bengal	1951	1,77,00,000	17th Sept. 1962	98⅜
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	97⅛
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
1,13,63,64,000	4	1912	1973	
1,10,00,000	4	1913*	1960	D
80,00,000	4	1913	1974	99⅛
88,25,000	4	1914	1975	99⅛
10,00,000	4	1915*	1960	
75,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
15,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1937*	1967	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
STERLING LOAN				
£1,600,000	6	1922	1952	£101⅛
CALCUTTA				
Rs. 90,24,300	4	1914	1974	Rs. 97⅛
76,90,100	4	1915	1975	97⅛
66,02,300C	5½	1921	1981	99⅛
1,50,00,000C	6½	1921	1981	144N
1,24,04,300	6	1925	1955-85	105
2,31,00,000	5½	1926	1956-86	104
99,84,500B	5	1927	1956-86	103
1,49,49,300B	5	1927	1957-87	103⅛
1,49,30,000	5	1928	1958-88	104
80,00,000	4½	1931	1991	92⅛
21,75,000C	3	1933	1954	99
50,00,000	3½	1933	1965	95⅛
25,00,000	3	1938	1963-68	88
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82⅛
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78⅛
50,00,000	3	1948	1978	81
50,00,000	3	1949	1979	84⅛
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79N
1,50,00,000	3½	1951	1951	97⅛
STERLING LOANS				
£892,600	5	1923	1953-83	£83
£901,000	5	1924	1954-84	£85
£835,100	5½	1932	1962	£96
MADRAS				
Rs. 46,60,347	4	1912	1982	Rs.
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1982	
7,46,044	6	1920	1982	
2,15,852	5	1921	1952	
1st Aug. 3,32,322	4½	1922	1952	
4,47,297	5½	1923	1952	M
STERLING LOAN				
£350,000	5½	1923	1953	£100

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
30,00,000	4	1904	1964	
30,00,000	4	1905	1965	97⅜
20,00,000	4	1905	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	97⅛
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	113
66,00,000	5	1920	1955-80	
25,00,000	5	1926	1956-86	115
25,00,000	4	1927	1961-70	98
10,00,000	3½	1936	1966	96⅛
STERLING LOANS				
£566,600	4	1909	1969	£95⅛
£333,000	4	1910	1970	£95⅛
CALCUTTA				
Rs. 50,00,000	6	1925	1955	Rs. 104
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99⅛
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	90
20,00,000	3	1938	1963-68	88
80,00,000	4	1952	1962	100
STERLING LOAN				
£700,000	5½	1923	1953	£100

MUNICIPAL LOANS

BOMBAY				Rs.
43,00,000	4	1886–91	1933	100
49,40,000	4	1913–14	1954	100
20,60,000	4	1913–15	1954	99⅛
20,00,000	4	1913–15	1955	101⅛
10,00,000	5	1920	1980	103⅛
1,60,00,000	5	1924	1954	
25,00,000	5	1928	1958	105
26,14,000	5	1929	1940–99	to
8,45,000	5	1929	1954–99	103
26,21,500	5	1929	1959	94⅛
8,25,00,000	3½	1947	1977	84⅛
2,50,00,000	3½	1949	1979	91⅛
4,00,00,000	3½	1950	1965	94⅛
2,50,00,000	4	1952	1964	100⅛
				Rs.
34,45,500	6½	1925	1955	104
84,70,000	6	1925	1955	104⅛
36,00,000	5	1928	1958	103⅛
25,00,000	5	1928	1958	103⅛
25,00,000	3	1928	1958	105
10,00,000	5½	1932	1962	93⅛
33,91,000	3½	1935	1965	95⅛
5,19,000	3	1936	1953	99⅛
60,00,000	3	1936	1966	89⅛
1,46,100	3	1936	1953	99⅛
3,11,400	3	1937	1954	99⅛
4,67,100	3	1937	1954	99⅛
1,62,500	3	1937	1954	99⅛
5,18,100	3	1937	1954	99⅛
47,50,000	3	1938	1968	87⅛
10,67,700	3	1938	1955	99⅛
15,56,800	3	1939	1956	99⅛
15,56,800	4	1940	1957	98⅛
17,64,400	3½	1942	1959	92⅛
21,10,000	3½	1942	1972	92⅛
15,49,000	3½	1951	1961	92⅛
16,33,000	3½	1951	1961	92⅛
66,88,000	3½	1951	1966	92⅛
STERLING LOAN				
£5,00,000	6	1923	1953	£100
MADRAS				Rs.
5,00,000	4	1903	1953	101
5,00,000	6	1923	1953	107
3,40,000	7	1923	1955	107⅛

ABBREVIATIONS.—M=Held by Government of Madras. N=Nominal. I=Various Issues repayable to Government.
B=Taken up by Imperial Bank of India. C=Held by Commissioners. * Loans held entirely by the Trustees.
D=Domestic Loan not marketable. (f), Income-tax free. A=Held by Government of India.
(a) This includes the amount of loan converted into First Development Loan 1970-75. ** Quotations in Pak Currency.
Rate of interest reduced from 6 to 5 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935.

PREFERENCE SHARES

Company	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	129	100
BREWERIES AND SUGAR						
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	78	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	138	100
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	118½	100
¶East India Distilleries	£200,000	1897	7	Jan. July	Sh. 15½xd	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	63	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	63	100
Partabpore Co.	6,00,000	1922	10	Oct. ..	15xd	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	97	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	70	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	75N	100
Travancore	15,00,000	1946	5c	Dec. ..	6½	10
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	114½	100
Berrea	4,00,000	1896-97	6½	Oct. Apr.	113	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	117	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	4,00,000	1895	6	Mar. Sept.	115	100
Karanpura Collieries	3,00,000	1946	5½(a)	.. ..	82	75(pp)
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	11N	10
New Beerbhoom	2,00,000	1930	7	Jan. July	11½	10
Sudal	2,00,000	1898-99	6½	Apr. Oct.	110	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan. July	137	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	6½	10
Benares Cotton	1,05,200	1919	7½	July Jan.	55	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	117½	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	128	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	80	100
Bradbury	14,75,000	1919	7	June Dec.	306⅛	250
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	142⅛	100
Cambodias	1,00,000	1928	7	Apr. ..	131⅛	100
Central India	50,00,000	1912	5	Apr. Oct.	507½	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	130⅛	100
Elgin	11,00,000	1912	8	May Nov.	137	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	10	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	96⅛	100
Kesoram	20,00,000	1919	7	June Dec.	115	100
Khatau Makanji	10,00,000	1925	6	Nov. ..	—	100
Do. (2nd)	29,92,500	1947	4	.. ..	85	100
Kothari	12,00,000	1937	6	Nov. ..	10	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	.. ..	236⅛	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	January	72	100
Muir Mills	30,00,000	1900	6	Jan. July	168	100
Mysore Spg.	7,45,030	1944	4½	.. ..	..	20
New Great	8,00,000	1913	5½(a)	Mar. ..	185	200
New Victoria	26,05,500	1920	6	Apr. Oct.	3½	5
Podar Mills	10,00,000	1943	4	.. ..	80	100
Rajalakshmi	2,00,000	1932	6½	Apr. ..	56	50
Shree Niwas Cotton	4,80,000	1944	4	.. ..	..	100
Sholapoor	32,00,000	1943	3(a)	.. ..	80	100
Svadeshi	15,00,000	1935	5	Apr. Oct.	110	100
Svadeshi (Kanpur)	35,00,000	1927	6	June ..	87½	100
Vasanta (1st)	3,00,000	1931	6½	Apr. Oct.	121½

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. G=Guaranteed shares. P=Preference shares. P.O.=Preferred Ordinary shares. R=Rebate shares. Y=Accounts published yearly. H=Accounts published Haf-yearly. Q=Accounts published once 15 months. T=Company has Debentures. R.L.=Reserve Liability on shares. N=Nominal Quotation. i=Interim Dividend. f=Dividend for first half-year, y=Dividend for the year. x=Ex. Dividend. c.d.=Cum. Dividend.

Shares:—If a company has different classes of shares—as, for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under "Paid-up Per Share."

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12 indicate the months of June and December, respectively. "Reserves" includes general and other reserves and all other funds which a company may have as also depreciation on block items, when this is charged to separate account "Block" represents actual cost of land, buildings, machinery, and all such other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends:—Dividends for completed years are calculated at per cent. per annum, but, where quoted for portion of a year, they represent percentages of the dividend on the paid-up share value. For companies closing the books half-yearly in the first three months of the year, and for companies closing their books yearly during the first half of the year dividends are shown as for the previous year.

COTTON MILLS

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	¶Number Installed		Mill	Latest Available Quotation.	Paid-up Per Share	Dividends (per cent.				Accounts closed	Reference
					Spindles	Looms				1949	1950	1951	1952		
Rs.	Rs.	Rs	Rs.					Rs.	Rs						
BOMBAY CITY AND ISLAND															
50,00,000	59,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	2½	2	12½	12½	15½		12	Y.
40,00,000	96,25,655	1,22,39,883	45,646	B. R. Sons, Ltd.	50,828	1,021	Behariial Ramcharan Cotton Mills	43½	100	6	6	—		3	T.P.Y.
2,50,98,000	4,84,93,400	3,45,45,592	2,49,666	Nowrosjee Wadia & Son, Ltd.	1,82,072	4,855	Bombay Dyeing, etc.	376½	250	16	7	8		12	Y.
10,00,000	68,56,275	52,02,609	2,59,868	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	666½	250	24	40	40		3	P.Y.
1,09,42,800	3,39,71,172	2,24,04,685	2,02,457	Birla Bros., Ltd.	1,09,320	2,706	Century	261½	100	15	18	20		12	Y.
49,00,000	76,78,063	1,06,30,358	5,066	V. J. Pilani, Esq. (Chairman)	39,408	698	Colaba Land & Mill	71½	100	—	—	4		12	Y.
26,00,000	47,97,127	48,34,038	7,721	Cowasji Jehangir & Co., Ltd.	27,308	680	Coorla	103½xd	100	7½	7½	7½		3	Y.
16,00,000	61,03,791	61,88,798	2,30,356	Ramnarain Sons, Ltd.	38,304	..	Dawn	59	50	4	—	12		12	Y.
34,00,000	78,85,000	63,06,555	91,036	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	232½	200	7½	7½	7½		12	Y.
25,00,000	82,92,517	1,09,92,288	64,188	Chidambaram, Mulraj & Co., Ltd.	44,768	886	Elphinstone	40	50	10	8	—		12	Y.
40,00,000	1,20,24,649	75,61,616	4,37,206	James Finlay & Co., Ltd.	46,072	784	Finlay	298	100	15	15	20		12	P.
50,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	71,608	1,259	Hind Mills	—	10	5½	4½	5½		6	P.Y.
12,00,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co.	45,752	1,022	Hindustan	3,260xd	1,000	17½	20	20*		3	P.Y.
8,00,00,000 O	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	8½	10	7½	7½	10½		12	P.Y.
80,00,000 D								1-9½	1	12½	12½	25			
4,65,000	1,33,65,320	98,10,275	7,671	Damodhar Thack. Mooljee & Co.	47,172	1,191	Indian Manufacturing	3,260xd	1,000	17½	20	20*		3	Y.
15,000								—	500	—	—	—			
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co.	77,404	1,517	Khatau Makanjee	171½	100	12	14	10		6	P.Y.
1,80,00,000	3,30,54,713	2,81,07,386	2,47,768	Killick Industries Ltd.	1,11,464	1,846	Kohinoor	288½	100	27½	18	25*		12	Y.
28,80,000	62,72,416	4,58,523	11,567	Hall & Anderson Ltd. Props.	61,516	1,742	Madhusudan Mills	81½	100A 20B	7½				6	Y
								—							
51,75,000	1,65,94,653	1,71,00,015	2,80,686	Piramal Gangadhar & Others	60,652	1,650	Morarjee Goculdas	158½	100	17	15*	12		6	P.Y.
24,00,000	67,21,958	71,22,987	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay	172½cd	100	11	12½	15	10	12	Y.
30,00,000	79,78,669	86,82,525	70,277	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Eastern	161½	100	6½	10	12½	10	12	P.Y.
12,70,100	27,38,754	13,13,391**	341	Mafatlal Chandulal & Co.	33,720	873	New Union	22½	10	—	5	10		12	Y.
48,00,000	1,14,83,245	1,34,29,555	2,40,353	Ramnarain Sons, Ltd.	54,208	1,190	Phenix	123½	100	6	10	10		12	Y.
40,00,000	45,61,000	23,31,581	1,35,988	Podar Sons, Ltd.	32,600	930	Podar	126½	100	9	9	10		12	P.Y.
5,00,000	27,64,626	29,73,962	3,162	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk	22	10	26½	20	20		12	Y.
25,00,000	35,63,793	17,86,230	1,316	M. G. Investment Corpn.	60,240	1,254	Sassoon Spinning	23½	10	—	7½	10		12	P.Y.
60,00,000	93,52,612	65,79,388	3,19,198	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	170	100	12½	14	17½		12	P.Y.
31,50,000	1,00,00,000	76,05,952	50,222	Forbes, Forbes, Campbell &Co.,Ltd.	36,116	1,276	Simplex	180½xd	50	28	34	30†		3	T.Y.
56,00,000	1,84,35,730	1,14,25,402	17,129	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard	284½	100	15	15	26×		12	P.Y.
75,00,000	1,97,81,673	92,45,129	70,099	Tata Industries Ltd.	65,040	2,000	Svadeshi	224½	100	14	16	18		12	P.Y.
24,00,000	99,65,496	54,00,802	5,62,977	James Finlay & Co., Ltd.	35,804	552	Swan	400	100	20	20	25		12	P.Y.
32,54,438	92,22,538	68,88,347	25,338	Tata Industries Ltd.	63,248	1,800	Tata	47	25	8	8	16		12	T.Y.
12,00,000	1,17,01,933	86,62,657	4,299	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spinning	3,110xd	1,000	17½	20	20		3	T.Y.
AHMEDABAD															
20,00,000	84,99,543	51,95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	147½	100	8	12	10		6	P.Y.
24,90,150	1,76,92,721	93,49,718	93,168	Haribalabhdas Kalidas & Co.	73,796	1,383	Shri Ambica Mills	295	50	25	30	36		12	Y.
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Hutheesing & Sons Ltd.	42,768	912	Aruna	397½	100	13*	15*	20*		12	Y.
21,00,000	2,76,11,769	99,37,517	1,37,004	Narottam Lalbhai & Co.	62,448	1,216	Arvind	713	100	22½	25	25		12	P.Y.
10,00,000	93,20,000	70,77,166	92,811	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning	535	200	15	15	17½		12	P.Y.
12,00,000	1,48,97,000	79,36,000		Lalbhai Dalpatbhai & Co.	37,368	912	Asoka	440	100	15*	17	22		12	Y.
1,24,74,017	3,42,43,180	3,39,18,894	2,89,575	Karamchand Premchand & Co.	1,39,120	2,370	Calico	298	125	8	10	14–2/5		12	P.Y.
30,00,000	1,00,20,000	83,66,716	748	Tricumlal Bhogilal & Co.	39,316	867	New Commercial	1,007½	500	10	11	12		12	
39,00,000	1,17,35,075	88,73,039	19,706	Mafatlal Chandulal & Co.	47,952	864	New Shorrock	517	125	28	28	28		12	Y.
3,00,000	84,57,251	41,66,155	466	Jagabhai Bhoglial Nanavati & Co.	24,840‡	5283	Nutan	555	100	25*	28*	28*		12	Y.
10,00,000	1,51,40,293	65,80,292	68,792	Lalbhai Dalpatbhai & Co.	31,120	637	Raipur	690	100	22½	25	25		12	Y.
12,00,000	50,40,334	63,41,241	1,09,340	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Rajnagar	160	250	6	8	8		12	P.Y.
32,50,000	58,29,453	74,07,003	3,873	Lallubhai Gordhandas Ltd.	33,156	648	Rohit	112½	100	8	8	9		12	P.Y.
28,00,000	39,44,524	80,38,656	20,958	Haridas Acharatlal & Co., Ltd.	32,816	776	Vijaya	455	100	11½*		8½*		12	
WEST BENGAL															
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agency Ltd.,	13,044	356	Basanti Cotton	3½	10	—	5	3½		12	P.T.Y
7,11,280	22,53,684	37,16,899	32,931	Bengal Textile Agency Ltd.	28,448	936	Bengal Luxmi	36½N	40	—	7½	7½	—f	3	
60,00,000	74,31,015	77,07,829	—28,432	K. Bullen & Co., Ltd.	42,872	841	Bowreah	215	100	—	—	7	—f	6-12	P.Y.
19,00,000	96,49,451	96,66,017	—27,794	K. Bullen & Co., Ltd.	42,944	518	Konbar	124	100	5½	—	—	—f	6-12	H.
1,20,00,000	3,29,34,362	3,04,56,320	84,976	Birla Bros., Ltd.	69,352	1,990	Kesoram	18½	15	12½	12½	11¼‡		3	P.Y.
6,00,000A	71,09,841	79,53,833	51,255	Chakravarti,Sons&Co.	23,484	442	Mohini	—	25	12½‡	7½	7½		12	Y.
33,96,097B									10						
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	5	10	9	3	—		12	T.Y.
15,00,000	26,53,246	59,15,375	2,736	Ramlal & Co., Ltd.	50,000	..	Alagappa Textiles	6½	10	—	9	6		12	P.Y.
71,95,030os	91,90,031	1,09,30,772	27,626	Ind. Trust Fund	19,944	440	Azam Jahi Mills	65	100	15*	5‡‡	61		9	Y.P.
40,50,000	2,88,78,779	2,57,74,244	2,47,495	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	222	100	14½	17½	20		6-12	P.H.
27,00,000	71,21,986	69,56,823	40,045	Shaw Wallace & Co., Ltd.	29,936	782	Bengal Nagpur	13½	10	5	1½	10	5f	6-12	P.T.H.
60,00,000	74,37,942	97,51,247	1,58,233	Binodiram Baichand Ltd.	37,312	1,336	Bloid	100N	100	17	—	—		12	Y.
15,00,000	1,33,79,264	84,27,674	4,60,089	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	58N	10	25	25	30		3	P.Y.
1,78,47,800	3,22,27,970	4,49,59,308	2,39,158	Binny & Co., Ltd. (Madras)	1,19,916	2,781	Buckingham & Carnatic	121	100	6½	6½	7½		6-12	P.Y.
20,00,000	32,17,315	27,32,911	55,358	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia	10½	10	7½	—	12½		12	T.Y.
20,00,000	64,46,347	47,79,878	32,599	Begg Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	8	5	11½	11½	11½		3-9	P.Y.
46,87,500	2,25,77,600	2,00,84,126	—16,28,224	Tata Industries Ltd.	1,15,188	2,062	Central India	149	100	6	6	2		12	P.Y.
12,00,000	33,42,813	25,08,393	1,52,180	R. Seema Nayudu & Co.	28,864	..	Coimbatore Cotton	160	100	12½	12½	12½		12	P.Y.
20,00,000	17,94,432	20,04,313	9,816	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills	97	100	7	6	—		6	Y.
20,76,900	70,83,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	40	50	5	10	—		6	
24,30,900	34,08,672	33,32,938	55,387	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi	185	100	25	25	20		12	Y.
2,89,64,925	3,84,95,614	5,77,14,605	1,63,862	Bharat Ram, Esq.	75,604	1,830	Delhi Cloth (inc. Lyallpur Mills)	27½	25	4	10	—		6	P.Y.
1,00,503									25						
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd.	52,652	1,198	Elgin	17½	10	12½	11½	15		9	P.T.Y.
39,04,700	97,00,000	78,42,395	93,393	F. Forbes Campbell & Co., Ltd.	72,960	2	Gokak	217½	100	15	10	14		12	Y.
30,00,000	84,17,977	1,21,15,721	6,989	Govindrao Sakseria (Indore)	30,420	1,420	Indro-Malwa United	88½	100	4	4	5		12	T.Y.
8,90,000	22,88,977	18,75,134	487	G. V. Naidu & Co.	23,784	..	Janardhana	57	50	16	10	15		12	P.Y.
4,50,000	17,20,576	40,18,454	7,677	A. L. A. R. A. Chettiar and another	30,304	325	Kaleswarar	347½	100	7	7	7½		12	P.Y.
24,00,000	25,50,000	43,66,106	54,377	Kothari & Sons	13,824	..	Kothari	98	10	7	7½	7½		12	Y.
32,00,000	1,52,31,325	1,35,66,651	2,77,976	The Bombay Co., Ltd.	33,642	1,213	Lakshmi Cotton	580	250	15	15	20*		12	
35,64,100	90,51,492	78,03,494	7,921	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	69	50	8	8	10		3	Y.
17,82,050A								33½	25						
1,75,02,480	5,58,18,568	3,97,87,371	12,62,148	A. & F. Harvey Ltd.	4,64,748	..	Madura	35½cd	15	17½	15	20		12	Y.
12,00,000	20,47,239	23,90,961	—15,121	A. L. A. R. S. Chettiar and 2 others.	21,856	..	Malabar	150	200	7½	4	6		12	Y.
60,00,000	93,17,047	52,62,343	50,249	W. A. Beardsell & Co., Ltd	24,252	603	Mettur Industries	182	100	25	12½	12½		3	Y.
29,80,884	65,78,942	71,79,459	22,669	N. Sirur & Co., Ltd.	36,416	678	Minerva	95	100	8*	6	6		12	P.Y.
94,91,850	2,35,18,960	1,34,73,365	29,643	B. Abirchand Dadabhoy & Co.	49,456	952	Model Mills, Nagpur	140	250	6	3	3		12	P.Y.
30,00,000	1,55,94,651	1,53,39,271	7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir	215	100	24‡	—	—		12	P.Y.
9,71,850	4,06,541	20,43,991	—2,16,536	A. Sambha Moorty, Esq.	69	..	Mysore Silk Filatures	1‡	10	—	—	7½		12	P.Y.
19,86,800	1,15,59,739	82,55,416	38,347	N. Sirur & Co., Ltd.	49,632	500	Mysore Spinning	123½xd	50	20	18*	20*		2	Y.
13,61,780	22,90,430	27,85,536	—4,60,000	K. Suryanarayana Rao, Esq.	6,000	..	Mysore Spun Silk	4½	10	5d	6½	—		3	
22,89,882	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd.	50,228	1,148	New Victoria	1½	2½	—	—	—		12	P.T.Y.
3,07,095O								—	D‡						
86,93,300	1,16,62,352	1,46,35,293	1,161	Ind. Trust Fund	30,896	717	Osmanshahi Mills	95	100	14*	5½‡	6½‡		9	P.Y.
4,00,000A	19,98,937	20,58,777	19,670	Baghyalakshmi & Co.	22,800	..	Palani Andavar	52	50	4	10	16		12	P.Y.
15,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills	63	100	4	7½	5		12	P.Y.
25,30,420	36,19,473	40,65,619	11,306	A. G. G. Naidu & Co.	38,864	200	Radhakrishna	137	100	15	16	16		12	P.Y.
15,00,000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	25,896	..	Rajalakshmi	72	50	9	9	10		12	P.Y.
15,02,500	31,53,264	35,65,211	11,407	P. S. G. Nayudu & Sons	28,972	88	Ranga Vilas	41	50	6	7	7½		12	P.Y.
60,00,000	89,59,172	1,04,60,739	5,506	Sir J. P. S. & Sons (Rampur), Ltd.	32,580	600	Raza Textiles	5½	10	—	—	—		12	P.Y.
16,00,000	1,58,55,370	2,03,51,339	—78,03,793	M. J. Divekar, Esq.				82,992	2,234	Sholapur	1,750	1,000	—	—	—		3	Y.
22,41,200	9,49,500	25,98,011	66,528	Gopaldas Lladhar & Co., Ltd				15,824	440	Shree Sajjan	75	100	6	—	—		3	Y.
17,79,700	17,05,383	21,50,229	3,083	T. R. A. Ayyar & Bros., Ltd.				18,416	416	Sitaram	41	60	6½	—	—		3	Y.
36,49,700	33,51,188	62,29,128	26,556	B. S. Viswesaraiya, Esq.				25,200	292	Sri Krishnarajendra Mills	36½	50	8½	6*	5		3	Y.
15,00,000	1,30,50,807	64,96,084	58,49,305	Birla Brothers Ltd.				27,340	992	Sutlaj Cotton Mills	31½	10	40	40	40		3	P.Y.
17,30,000								9½	10	—	5	5		3	
1,97,50,000D.O.	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,12,216	2,077	Swadeshi (Cawnpore)	9½	10P.O.	9	9	10		12	P.Y.
9,32,900	20,80,396	12,56,097	61,026	M. R. & Sons	16,000	..	Trichinopoly	10½	10	10	10	10		12	T.Y.
21,00,000	33,78,057	44,54,040	38,800	R. K. S. Chetty & Bros.	33,704	270	Vasanta	142½	100	7	9	10		12	P.Y.
32,00,000	1,27,03,612	1,16,59,613	2,69,813	The Bombay Co., Ltd.	54,280	1,495	Vishnu	160	100	10	9	14		12	P.Y.

• Includes Bonus. I. On Increased Capital. ‡ Only Depreciation. ¶ As on 31st August, 1952. †† Does not include depreciation.

× Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46. — Nil Dividend. xd=Ex. Dividend. C.d.=Cum. Dividend.

‡) Includes Rs. 11-6 paid out of deferred Dividend Amount. † Subject to tax. •• Net Block.

J=As on 1st January, 1953.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.)				Accounts Closed	Reference
								1949	1950	1951	1952		
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
ART SILK AND RAYON MILLS													
1,60,42,600	37,92,725	4,15,55,170	4,66,206	Chinai & Co., Ltd.	National Rayon Corporation	78	100	—	—	—		12	P.Y.
99,92,020	46,91,585	2,65,93,471	4,93,263	Emcete & Sons (Travancore) Ltd.	Travancore Rayons	3½	10	—	—	—		12	P.Y.
BREWERIES AND DISTILLERIES													
13,28,000	65,17,840	96,16,910	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	23½	25	11½	11½Q	—		5	P.Y.
6,64,000						11½	10						
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	5½	5	20	10	—		3	Y.
£330,000	£915,047	£1,010,005	£55,705	Parry's Holdings Ltd.	East India Distilleries and Sugar	15½	A 16sh.	10	10	10½		9	P.Y.
						22	B 20sh.		15	15			
24,00,000	8,54,296	7,56,660	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4	10	—	—	—		6	Y.
6,00,000	21,13,586	12,13,593	3,951	B. A. Maliya Esq.	United Breweries	153½cd	75	15	10	20		3	Y.
CEMENT													
81,19,724	21,33,493	67,56,656	15,850	The Andhra Engineering Co., Ltd.	Andhra Cement Co.	89½	100	2½	3½	7½		12	P.Y.
43,14,600	16,94,310	17,14,992	1,01,035	Eastern Corporation Ltd.	Assam Bengal Cement	4½	10	3	—			3	Y.
4,78,976D						1	5						
10,56,20,438	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.	Associated Cement Companies	170‡xd	100	7	8½	9½	9½	7	Y.
10,56,20,438						76N	100						
86,49,312	95,24,901	1,45,62,309	61,188	Hari Bros. Ltd.	Dalmia Cement	6½	10	—	5	6½		12	Y.T.
8,00,000D						1	5						
61,01,180	27,27,600	1,26,09,755	90,853	Essen Ltd.	India Cements Ltd.	17	25	—	—	5		3	P.Y.
7,50,000D							5D						
72,80,000	1,46,20,109	1,65,80,416	81,840	Martin Burn Ltd.	Senevalley Portland Cement	3-6½	5	3	4	8		12	Y.
						7½							
CERAMIC; MINING AND QUARRYING													
81,70,655	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2½	2½	2½	3	6½		12	Y.
10,00,000	37,00,990	51,64,271	28,729	Bird & Co.	Biara Stone Lime)Co.	29	10	16½	17½	17½		3 9	H.
30,00,000	17,91,749	50,93,341	12,332	Ram Kumar Agarwala & Bros.	Chrestien Mica Industries	9½	10 O	10	10	5†		12	P.W.
18,00,000D						6½	5 D	15	15	7½‡			
49,14,200	£1,650,110	£1,643,983	£85,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	32½d	2sh.	12½†	12½†	12½		12	Y.
13,80,000	38,79,403	43,65,527	1,29,079	Bird & Co., Ltd.	Karanpura Development	14½	10	—	—	—		4.12	H.
8,80,000P							10	—	—	—		6.12	H.
6,00,000	6,40,199	7,98,882	9,812	Mys re Industrial Development Co.	Mysore Stoneware Pipes & Potteries	9½	10	5½(d)	10	10		3	Y.
11,25,980	70,14,770	64,07,014	10,996	Martin Burn Ltd.	Orissa Minerals	29½	10	6½	6½	12½	15f	6.12	H.
5,60,000D							10	10	10	11½		2 6	H.
3,60,000A	2,35,18,960	1,06,55,551	74,117	Indra Singh & Sons, Ltd.	Reliance Fireb ricks	17	10	10	10	11½			
8,00,00,000					Shivrajpur Syndicate	61½	10	15	17½	35		11	Y.
80,00,000B	5,18,531	16,01,882	7,096	Poonamchand & Bros., Ltd.									
1,60,00,000	10,02,904	35,44,406		Kirloskar Oil Engines, Ltd.									
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	23,14,270	1,02,937	S. V. S. Iyer, Esq.	Kamp & Co.	242½	200	10	10	10		3	Y.
92,14,870	55,77,268	2,53,78,334	8,595	Tata Sons, Ltd.	Tata Chemicals	9–4½	10	—	—	—		6	T.Y.
1,12,500	1,38,486	61,178	4,101	B. D. Nagar, Esq.	Thompson & Taylor	4½	3	6½	8½			3	Y.
Other Centres													
25,00,000	54,68,041	63,66,814	59,559	Bhailal Amin & Sons., Ltd.	Alembic Chemical Works Co.	100‡	100	—	8	8		12	P.Y.
62,00,000	84,01,721	1,58,12,617	3,82,049	Imperial Chem. Industries (India), Ltd.	Alkali and Chem. Corpn. of India	14‡	10	—8	4			9	Y.
98,84,700"B".O.	68,00,287	78,49,987	68,07,484	S. P. Sen, Esq.	Bengal Chemical & Pharm.	102	100	6	6			4	P.T.Y.
81,30,000	45,64,469	38,97,031	1,09,732	Sahu Bros. (Saurashtra) Ltd.	Dhrangadhra Chemicals	165	100	6	6	15	15	3	Y.
4,95,000	1,50,922	1,53,108	—21,738	D. C. Collaco, Esq.	Frank Ross & Co.	2½	6	5†	4½	—		2	P.Y.
8,45,97,740	86,89,264‡	4,01,40,091	—10,83,735	Seshasayee Bros. (Travancore) Ltd.	F.A.C.T.	3½	10	—	8½	—		12	Y.
48,49,345	30,74,302	83,46,263	21,842	Seshasayee Bros. Ltd.	Mettur Chemicals	7½	10	—	—	1.3½		12	Y.
24,81,220	34,32,111	40,15,501	14,741	E. V. Ganapati Iyer, Esq.	Mysore Chemicals and Fertilisers	7½	10	4½	9	9		3	Y.
3,00,000	6,18,752	4,52,143	29,283	Krishna & Co.	Mysore Chemical Mfrs.	12	10	3½	12½	10		3	P.Y.
5,00,000	19,82,894	15,88,659	48,158	C. A. Burton, Esq.	Smith, Stanistreet & Co.	5½	10	8	10	10		6	P.Y.
ELECTRICS (Bombay Presidency)													
4,19,41,930	1,63,09,143	6,03,41,957	3,113	Killick Industries Ltd.	Ahmedabad Electric Co.	114½	100	6	6	6½		3	T.Y.
2,15,77,000	2,28,03,288	5,23,55,938	35,587	Tata Hydro-Electric Agenc

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
OIL; PETROL, ETC.													
£750,000	£987,630	£257,232	—£718,934	I. C. H. Glass, Esq.	British Burma Petroleum Co.	11	4th.	—	—	—		3	P.T.V
22,50,000	81,89,204	52,69,225	1,85,955	N. C. Alcock, Esq.	British Ceylon Corporation	14½xd	7½	20†	24†	32†		12	P.V.
1,00,50,000	2,27,04,997	1,10,70,867	2 10,329	Steel Brothers & Co.	Indo-Burma Petroleum Co.	56xd	40	10	10	10		12	P.Y.
70,07,475	1,02,93,586	1,52,15,713	10,092	Tata Industries Ltd.	Tata Oil Mills	85	4	6	6	8		3	P.Y.
6,00,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tide Water Oil Co. (India)	16½	10	15	15	17½	5f	4.10	H.
PAPER													
45,00,000	1,56,25,500	1,94,47,651	3,21,991	Balmer Lawrie & Co.	Bengal Paper Mills	45	25	10	10	12½	6½f	6.12	P.T.H.
10,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	150	100	7	10	11	5f	3.9	H.
25,00,000	48,30,215	47,81,895	52,615	P. R. Balakrishnan, Esq. ..	Mysore Paper Mills	12½	10	5d	7½	10*		3.9	Y.
41,95,000	1,00,48,806	3,22,48,806	1,68,019	Birla Bros., Ltd.	Orient Paper	30½	10	15	25	20		3.9	P.T.H.
50,06,895	1,10,93,378	84,10,902	1,86,914	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	16½	10	9½	11½	15	7½f	6.12	P.T.H.
80,00,000												3.9	
10,00,000 A*	31,49,465	48,58,730	6,430	Bajoria & Co.	Star Paper Mills	7½	10	—	—	5			
4,37,500 PO						4½	2½	10	10	10		3.9	P.H.
36,00,000 O	4,80,99,030	4,68,21,511	4,75,418	F. W. Heilgers & Co.	Titagbar Paper	35½	A10 B10	20	20	20*		3.9	
86,04,800 J						35½		20	12½	20*			
PLANTING; PRODUCE AND RUBBER													
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar Estates	6½	3	10	20	20		2	P.Y.
47,70,000	48,44,853	83,16,040	4,37,964	R. C. Paterson, Esq.	Consolidated Coffee Estate ..	15½	10	17	20	18		6	P.Y.
4,00,000	2,29,814	4,49,623	13,931	Associated Planters, Ltd. ..	Cottanad Plantations	9½	10	7½	—			3	T.Y.
8,33,950	1,46,540	4,67,078	1,389	A. V. Thomas & Co., Ltd. ..	Fringford Estates	3	10	—	—	—		4	P.V.
6,00,000	19,08,079	9,81,715	66,448	A. V. Thomas & Co., Ltd. ..	Highland Produce	9½	10	25	45	45		12	P.Y.
4,00,000	9,67,558	7,20,398	43,506	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	18	10	17½	20			4	Y.
4,50,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Malankara Rubber and Produce Co.	96	20	17½	30	35		3	P.Y.
27,00,000	25,83,648	14,90,888	83,433	A. V. Thomas & Co., Ltd. ..	Midland Rubber and Produce Co.	9½	10	6	12½	15		12	P.Y.
3,35,000	94,534	67,53,389	29,921	A. V. George & Co., Ltd. ..	Nennoony Rubber	9½	10	5	6½			12	P.Y.
2,00,000	1,93,721	24,72,600	2,305	Associated Planters, Ltd. ..	Pillamburr Rubber Co.	9	10	6	10	10		12	T.Y.
19,45,980	48,35,083	38,14,428	1,78,110	Peirce, Leslie & Co., Ltd. ..	Quchterloney Valley Estates ..	37	25	25	45	45		12	P.V.
13,50,000	5,82,973	28,05,590	31,101	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber and Produce Co.	10½	10	9	12½	15		2	P.T.Y
10,00,000	3,36,390	1,56,824	936	East India Agencies, Ltd. ..	Teekoy Rubbers (India) Ltd. ..	7	10	—	7½	9		12	P.Y.
8,50,000	1,81,279	5,11,395	66,520	A. V. George & Co.	Thamarapally Rubber	12½	10	6½	6½	15		9	Y.
2,05,100	4,20 985	5,12,969	37,480	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co.	34cd	1	17½	20	25		12	Y.
4,00,000	1,17,222	7,40,149	3,953	K. C. Cheriyan, Esq. (Secretary)	Travancore Rubber and Tea Co., Ltd.	6½	10	2½	6	10		12	T.Y.
41,00,000	14,90,372	67,61, 27	3,25,086	Aspinwall & Co., (Travancore) Ltd.	Tropical Plantations Co.	191N	25	10	—			12	P.Y.
20,00,000	18,47,082	18,47,082	1,275	P. T. Thomas, Esq.	Udayagiri Rubber	10	10	5	—			12	Y.
8,20,000	31,096	3,18,571	7,609	A. V. George & Co.	Valkundam Co.	15½	10	12½	20	20		12	Y.
9,28,580	2,18,338	6,99,135	28,140	Harrisons & Crosfield Ltd. ..	Woodland Estates	10	10	7½	6½			8	Y.
1,65,000	78,624	3,43,636	14,082	M. K. Thomas & Co.		7½							
PRESSING													
8,00,000	18,78,066	19,01,857	2,322	Andrew Yule& Co.	Calcutta Hydraulic Press	80	100	3	5	7		8	Y.
4,50,000	5,58,036	6,89,525	1,116	Pyne and Sons.	Camperdown Pressing	90N	100	4	6	5		7	Y.
5,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Central Hydraulic Press	95xd	100	3	5			6	Y.
PROPERTY AND LAND													
10,00,780	22,78,499	40,09,525	—	H. B. Marshall Esq.	Humayan Properties	10½	10	—	—	6		9	P.T.V.
60,00,000	34,67,735††	83,61,045**	—	David Bastoon & Co., Ltd. ..	Port Canning Land	28½xd	100	2	1½	2		4	P.Y.
94,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co.	Midnapore Zamindary	39	100	—	3			4	
SAW MILLS AND TIMBER													
13,99,998	29,73,877	10,38,508	60,887	Bird & Co.	Assam Saw Mills and Timber ..	6½	8	16½	10½	16½		9	Y.
50,00,000	4,89,22,437	2,47,99,361	1 57,498	Wallace & Co.	Bombay-Burmah Trading	367½	125	12	30	18		5	Y.
42,00,000						138½	50	12	30	18		5	
						55N	100	5	—			6	P.Y.
6,00,000	7,04,037‡	7,80,451	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	49‡	10	25	25	35		9	Y.
12,00,000	25,94,349	15,51,606	73,653	G. Arbuthnot & Co.	Indian Wood Products								
SUGAR (U. P. and Bihar)													
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co.	Bairampur Sugar	6½	5	—	20	—		6	Y.
12,00,000	38,96,740††	15,70,684**	2,81,000	Narang Bros.	Basti Sugar	125N	100	6½	10	—		4	Y.
19,49,050	20,10,694	26,89,188	2,24,418	Bangur Bros., Ltd.	Belsund Sugar	7½	10	—	—	8½		9	Y.
18,00,000	21,11,580	15,38,162	40,743	Cotton Agents Ltd.	Bharat Sugar	12½	10	10	15	15		6	P.T.Y.
52,00,000	99,90 130	1,26 88,817	—5,15,881	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	5½	10	15	20	30	20	10	P.Y.
15,00,000	1,30,69,452	96,28,542	31,891	Begg Sutherland & Co.	Champaran Sugar	29xd	10	15	15	20		6	P.Y.
18,00,000	60,37,156	78,41,538	17,488	Begg Sutherland & Co.	Champaran Sugar	100	5½	6				6	
90,00,000	87,99,000	86,47,233	3,615	Basshra) & Co.	Hindustan Sugar Mills	80						7	P.Y.
12,00,000	41,78,374	68,10,159	—4,15,271	Kilachand Devchand & Co. ..		40N							
6,00,000						20N	40	—	3	4	—	8	Y.
11,00,000	27,48,180	36,39,370	3,895	Karam Chand Thapar & Bros., Ltd. ..	Kesar Sugar	6	10	5	6½	5		6	Y.
						180N	100	15	20	20		6	
13,59,375	58,13,368	53,06,760	8,31,815	Cotton Agents, Ltd.	New Swadeshi Sugar Mills	45N	25						
						85N	100					7	P.Y.
97,45,350	1,08,98,159	1,56,10,992	1,981	Cotton Agents, Ltd.	Oudh Sugar Mills	20N	25	2½	2½				
						15N	12½			6		10	Y.
12,00,000	29,31,078	26,41,844	71,500	Narang Bros.	Punjab Sugar Mills	100N	100	—	6			10	P.Y.
9,00,000	42 50 793	33,72,806	19,435	Begg Sutherland & Co.	Purtabpore Company	15Nd	10	15	25	10	10	6	P.Y.
8,00,000	26,05,463	24,18,182	15,410	Begg Sutherland & Co.	Ryam Sugar	24‡	10	15	20	20		6	Y.
38,06,835	36,11,835	36,11,360	23,281	Begg Sutherland & Co.	Samastipur Central Sugar	12½	10	10	20	20		6	P.T.Y.
6,00,000	57,29,582	93,96,808	27,889	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	10‡	10	—	7½	5		6	Y.
9,99,993	11,66,782	21,41,729	10,162	H. K. Ghose, Esq. & R. N. Datta.	Shree Krishna Gyanoday Sugar ..	5½	10	—	—	—		6	Y.
6,50,00000					Shree Krishna Gyanoday Sugar ..	3N	10					10	Y.
1,72,0000 D	11,94,395	27,92,174	—14,73,656	N. K. Jain & Co., Ltd.	South Behar Sugar]	1N	2½	—	—	—			
8,00,000	54,46,474	70,75,580	57,216	Cotton Agents, Ltd.	Upper Ganges	20N	30	17½	20	20		6	Y.
(Indian States and Other Centres)													
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Belapur Co.	235½	50	16½	25	28	32	9	Y.
18,93,900	18,53,357	37,63,451	21,012	J.P.Srivastava&Sons(MadhyaBharat)Ltd.	Gwalior Sugar Co., Ltd.	38	100	—	3	3		6	P.Y.
13,00,000	38,42,751	22,63,689	2,71,331	India Sugar Agencies Ltd.	India Sugar & Refineries	18	10	12½	15	25		9	Y.
33,57,350	46,47,856	38,47,284	4,64,518	Begg Sutherland & Co.	Bulund Sugar	10‡	10	7½	7½	10		5	P.T.Y
1,01,00,000	98,10 952	1,59,79,833	1,94,491	Tremlor Construction Co., Ltd. ..	Mysore Sugar	156½	100	17½	12½	14		6	Y.
81,79,280	1,49,74,559	97,24,107	8,27,296	M. Malleshayya, Esq.	Phalsan Sugar Works	43	50	20	20	20		6	P.Y.
50,00,000	96,62,468	1,03,94,086	3,18,594	Mahtlal, Ayle & Kantilal, Ltd. ..	Ramnuggur Cane & Sugar	89½	50	14	16	16	16	9	P.Y.
16 59 820	22,08,765	43,79,429	73,041	Anderson Wright Ltd.	Rawalgaon Sugar Farm	16½	10	15	6	7½		8	P.T.Y.
20 80,000	54,70,896	72,10,442	1,80,913	Waichand & Co., Ltd.	Rosa	80N	50	7	10	12½		5	Y.
19,99,580	50,82,224	42,94,120	6,05,982	Govan Bros. (Rampur), Ltd. ..	Travancore Sugars	11C.R.	10	—	—	—		7	Y.
30,00,000	23,82,353	58,70,150	20,980	Parry & Co., Ltd.		4½	10	—	—				
UNCLASSIFIED (Bombay)													
8,50,00,000	1,14,37,216	,46,81,706	—4,88,411	Tata Industries Ltd.	Air-India Ltd.	80‡	100	—	—	—	17½	12	Y.
2,40 000	4,90,364	5,64,538	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	705	200	15	16	15		9	P.Y.
59,89,350	2,64,61,962	3,70,82,313	53,607	Scindia Steam Navigation Co., Ltd.	Bombay Steam Navigation Co., Ltd.	32‡	25	—	5	5		12	Y.
15,98,860	1 28,787	2,19,255	32,663	Parakh Agencies Ltd.	Bombay Uganda	54N	50	8-5/6	13½	13½		12	Y.
48,00,000	43,07,108	1,24,608	39,679	Sir Joseph Kay, K.B.E.	Bombay Wharf	350N	100	3	3	3		12	Y.
25,00,000	1,50,000	24,37,096(k)	12,787	Dena Sons Ltd.	Bombay Wharf	9	25	3	6	3		3	P.Y.
14 98,360	17,39,540	10,69,107	4,425	F. H. Mehta Esq.	Estrela Batteries	30½N	50	6	6	3		3	Y.
99,99,250	17,07,072	1,25,34,783(k)	1,66,116	Framchand Roychand & Sons ..	Industrial Investment Trust	71	100	3½	4	4½		12	Y.
84,98,865	15,91,304	12,58,924	2,833	K. G Milne, Esq.	Killick Industries	143xd	100	8	8½	10		6	Y.
2,06,71,500 A							100						
10,00,000 B	65,85,939	2,20,52,503	4,52,797	Aero-Auto Ltd.	Premier Automobiles Ltd.	45½	10	—	—	—		6	Y.
6,59,62,018	9,89,24,387	12,98,97,421	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co., Ltd.	14 6/cd	15	—	—	3½		6	Y.
1,50,000	3,71,437	2,21,590	3,145	R. B. Bandakar Esq.	Thacker & Co	50N	50	10	10	10		9	Y.
10,21,500	16,42,904	14,61,299	55,330	Sir Joseph Kay, K.B.E.	United Motors (India)	34	20	7½	10	10		12	Y.
2,20,00,000	2,06,24,172	2,01,34,774	2,86,210	T. H. Rydin Esq.	Western India Match Co.	227½	100	17½	11*	11*		12	Y.
Other Sections													
47,50,000	4,90,364	5,64,538	702	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	3½	10	—	—	—		3	P.T.Y.
2,50,000 D													
30,00,000	53,38,668	31,59,164	5,24,909	Turner Morrison & Co., Ltd.	Angelo Brothers Ltd.	18½	10	10	17½*	25*	12½	8	Y.
20,00,000	23,25,002	22,18,452	1,00,602	T. H. Rydin Esq.	Assam Match	20	10	12½*	6*	3		12	P.T.Y.
90,00,000	50,63,088	92,32,632	9,349	Shaw Wallace & Co.	Associated Hotels of India	5	10	—	—	—		3	
30,00,700						301	100	20*	20*	25*			
10,00,000	15,57,826	45,95,360	6,19,159	O. T. Jenkins, Esq.	Balmer Lawrie & Co.		40D	15	15	20		12	P.Y.
20,00,000	8,38,806	54,05,998(K)	1,25,380	Lovelock & Lewes	Birds Investments Ltd.	141xd	10	11½	11½	12½	12½	9	Y.
1,00,00,000	1,00,01,435	2,26,31,139	1,16,835	Dinshaw Ltd.	Bharat Line	90	100	3	3	4		12	P.Y.
30,64,680	50,81,266	83,30,736	1,82,277	A. F. Chanda Esq.	Britannia Biscuit	16½	10	12½	12½	12½-1		3	P.Y.
2,25,00,000	3,93,27,829	2,23,59,029	4,13,662	Sir Richard Mcaxies, Kt., O.B.E.	British India Corporation	9½	5	11½	15	15		12	P.Y.
1,60,00,000	3,15,52,458	3,57,89,351	6,77,697	Cecil Basil, Esq.	Dunlop Rubber Co. (India)	28‡	10	20	20	15-1		12	P.Y.
51,26,000	45,06,847	—	2,43 195	Bird & Co., Ltd.	Eastern Investments	138	100	5	10	10		12	H.
7,00,000	29,85,208	24,09,208	17,900	Macneill & Barry Ltd.	Gauges Rose	186	100	20	22½	15f	3.9	3	P.Y.
65,00,000	34,13,857	15,62,902	2,07,524	A. J. Ellis Esq.	Gillanders Arbuthnot & Co., Ltd.	130xd	100	7½	10	10		3	P.Y.
30,00,000	37,25,649	60,01,406	6,213	B. F. R. Syndicate	Great Eastern Hotel Co.	252	100	6	6	6		3	P.T.Y.
13,42,800	36,42,049	54,49,206	12,214	Birla Brothers, Ltd.	Hind Cycles	100N	100	—	7½	7½		12	Y.
4,96,12,650	39,45,519	2,61,59,292	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	4½	10	—	—	—		9	Y.
1,00,00,000	1,33,45,017	2,82,89,199	—	J. W. E. Johnson, Esq.	Indian Aluminium Co.	113½	100	—	3½	5		9	P.Y.
11,52,89,220	1,31,92,732	57,92,390	9,29,554	D. J. McIntosh, Esq.	Indian Cables	188½	10	8d	10*	10*		3	P.Y.
83,75,000 Q						4½	10	—	—	—			
5,00,000 P	51,91,428	75,82,228	—15,72,246	Govan Bros., Ltd.	Indian National Airways	6½	10	—	—	—		12	P.Y.
1,25,000 D						1	1	—	—	—			
8,27,970	12,79,385	14,27,460	39,038	George Spencer Moulton & Co. (India).	Indian Rubber Manufactures ..	14	10	10	10	10		3	P.Y.
2,25,00,000	1,60,38,685	3,87,93,801	2,26,066	Lionel Edwards Ltd.	India Steamship Co., Ltd.	6-9½	10	—	—	—		3	P.T.Y.
2,40,000	4,30,028	67,247	36,496	G. V. Swalka, Esq.	Ivan Jones	4	2	21½	21½	21½		9	P.Y.
2,00,00,000	53,39,843	27,16,440	8,86,448	J. D. K. Brown, Esq.	Jardine Henderson	125½	100	10	10	10		9	Y.
6,34,900	9,69,698	6,65,110	—54,713	Macfarlane & Co.	Kelvin	28	5	—	—	—		12	P.Y.
40,00,000						140	O. 100	10	12½	12½		12	P.Y.
5,00,000 D	63,35,248	23,69,220	85,717	A. T. Doig, Esq.	McLeod & Co.	—	D. 10	8	7½	7½		12	P.Y.
6,33 190	4,30,533	7,47,410	10,548	Ogale Glass Works Ltd.	Mysore Glass & Enamel Works ..	5	10	—	6½	—		12	P.Y.
8,75,000	7,74,125	8,79,256	3,466	R. Bharaniah, Esq.	Mysore Lamp Works	18½	10	10	15	15		12	P.T.Y.
10,00,000	3,95,997	11,45,855	1,11,329	V. S. Arunachalam, Esq.	Mysore Tobacco	9‡	10	10	10	7½		9	P.T.Y.
20,00,000	51,92,159	50,16,078	11,045	Associated Ind. Development Co., Ltd	National Insulated Cable Co., of India Ltd.	11½	10	5	5	7½		9	P.Y.
99 97,000	65,83,028	1,04,50,524	8,86,347	B. N. Elias & Co., Ltd.	National Tobacco Co.	11½	10	—	7½	5		12	Y.
14,87,137	6,67,696††	18,52,569**	23,513	S. P. Ogale & Co.	Ogale Glass Works	3	5	—	—	—		12	P.Y.
40,00,000	34,64,522	60,88,006	1,94,446	Parry's Holdings Ltd.	Parry & Co.	5‡	10	62½	80-1	32½		12	P.Y.
2,25,00,000	62,51,619	1,69,49,507	24,847	G. U. Euthymopulo, Esq.	Rallis India Ltd.	71½	100	8	8½	8		12	P.T.Y.
1,14,00,000	2,29,15,252	3,78,03,905	33,67,941	Sahu Jain Ltd.	Rohtas Industries	9	10	—	—	7½		10	P.Y.
40,00,000	1,53,62,299	1,19,84,861	5,36,552	C. W. Stephenson, Esq.	Spences & Co. Ltd.	154cd	100	10	10	15		12	Y.
75,00,000	22,00 000	1,75,74,498	8,62,198	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	123	10	10	10	10		12	Y.
9,98,280	3,19,364	8,90,420	1,855	Ogale Bros., Ltd.	Travancore Ogale Glass	34	10	4	—	—		12	Y.

†† Does not include depreciation. ‡ Only Depreciation. * Includes Bonus. —Nil Dividend. K.—Investments. ** Net Block. † Less income-tax. X.R.—Ex-Right. C.D.—Cum Dividend. On Increased Capital. (c) For six months ended June, 1949. (d) For nine months ended March, 1949.

TEA COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1948	1949	1950	1951	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
ASSAM														
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	450N	100	9	20	25	—	12	P.Y.
3,50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd. ..	4004	Anandabag	24	10	16	25	40	30	12	Y.
5,50,000	10,64,192	12,05,396	—89,152	McLeod & Co., Ltd.	573	Baghmari	9½	10	12½	12½	17½	—	12	Y.
3,40,000	9,12,883	7,05,721	44,989	Andrew Yule & Co., Ltd.	360	Basmata	22	10	18½	30	30	25	12	Y.
3,30,600	7,24,887	8,38,278	71,941	Williamson Magor & Co.	556	Bateji	9½	10	25	25	30	10	12	Y.
3,20,000	6,19,032	6,72,731	54,942	Gillanders Arbuthnot & Co., Ltd. ..	566	Betjan	21‡	10	25	20	35	15	12	T.Y.
16,50,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co.	4,004	Bishnauth	27	10	30	35	50	5	12	T.Y.
6,00,000	4,80,346	9,78,429	—1,90,802	Octavius Steel & Co., Ltd.	493	Bokakhat	4½	10	10	5	5	—	12	Y.
7,50,000	5,06,959	7,64,836	22,297	McLeod & Co., Ltd.	450	Borrnah Jan Tea Co., Ltd. ..	11	10	15	15	15	15	12	P.Y.
35,00,000	22,18,001	70,96,925	87,990	Brooke Bond India Ltd.	2,670	Brooke Bond	11½	10	7½	10	10	10	6	P.Y.
1,20,000	3,06,715	3,66,030	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	8	10	10	6‡	15	—	12	Y.
6,00,000	22,17,578	24,24,301	25,545	Jardine Henderson Ltd.	1,341	Dessai & Parbattia	175	100	5	15	30	22½	12	Y.
17,53,440	7,15,393	19,11,105	54,461	James Warren Ltd.	426	Dhelakhat	10½	10	10	10	10	16	12	Y.
4,68,970	8,90,863	13,71,610	25,794	James Finlay & Co., Ltd.	613.37	Dhunseri	10	10	6‡	10	20	10	12	T.Y.
4,50,000	6,57,785	9,86,816	14,389	McLeod & Co., Ltd.	488	Dibrugarh Co., Ltd.	7½	10	7½	—	10	5	12	Y.
2,36,700	6,75,511	7,95,511	35,408	Williamson Magor & Co., Ltd. ..	611	Dimakusi	24‡	10	40	40	45	15	12	P.Y.
5,60,500	12,72,787	15,08,787	1,01,960	Williamson Magor & Co., Ltd. ..	669	Duffla ghur	33½	10	25	35	40	40	12	Y.
10,00,000	10,31,120	18,91,120	45,079	Williamson Magor & Co.	1,157	East India Tea	18½	10	15	20	22½	22½	12	Y.
3,00,000	6,43,852	7,69,087	16,947	Andrew Yule & Co., Ltd.	407	Gillapukri	15	10	15	17½	22½	22½	12	Y.
3,38,000	9,01,149	12,09,149	1,11,346	Williamson Magor & Co.	520	Gohpur .. ..

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
60,00,000	90,11,129	94,76,923	3,11,246	879	B. N. Elias & Co., Ltd.	Agarpara	19⅜	10	10	15	20		3.9	P.T.H.
12,00,000	52,96,368	45,00,787	89,936	498	Sahu Jain Ltd.	Albion	200xd	100	—	14	30		5.11	P.H.
6,00,000	30,55,572	47,33,264	—3,29,636	446	McLeod & Co., Ltd.	Alexandra	200	100	—	5	5	—f	6.12	T.P.H.
30,00,000	85,82,864	1,17,03,966	—13,63,074	1,264	McLeod & Co., Ltd.	Alliance	161	100	—	2½	—	—f	6.12	P.H.
49,20,700	2,31,84,144	2,24,03,099	1,44,601	2,561	Duncan Bros. & Co.	Anglo-India	224	100	—	20	20	10f	3.9	P.H.
40,00,000	1,18,83,050	1,31,13,967	71,745	810	Bird & Co., Ltd.	Auckland	129xd	100	1½	10	10	4f	3.9	P.T.H.
20,00,000	92,46,901	97,14,511	55,967	959	Jardine Henderson & Co.	Bally	166	100	7	12	1	—f	3.9	P.H.
£275,000	£1,680,379	£1,328,460	£91,091	1,890	Jardine Henderson & Co.	Barnagore	£5	20	20	20	3		3	P.Y.
48,00,000	82,01,627	87,37,598	3,65,214	820	Andrew Yule & Co.	Belvedere	208	100	13	17	27½		6.12	P.H.
45,00,000	78,51,305	51,03,385	4,07,701	600	Soorajmull Nagarmull	Bengal	16	10	13⅓	15	30		6	T.P.Y.
30,42,000	3,71,54,151	3,06,60,933	1,38,294	1,373	Birla Bros.	Birla	35	10	25	30	30		3	P.Y.
36,00,000	98,17,668	1,07,34,059	9,583	991	Andrew Yule & Co., Ltd.	Budge-Budge	184	100	7	13	22		4.10	H.
7,47,380	28,37,287	39,11,483	17,421	502	Dayaram & Sons	Calcutta Jute Manufacturing	20xd	10	—	—	10f		6.12	T.P.H.
18,00,000	65,04,289	75,27,158	2,646	618	Andrew Yule & Co.	Caledonian	177	100	5	14	22	6f	5.11	P.H.
89,16,400	2,11,26,602	1,62,21,807	1,35,299	1,400	James Finlay & Co., Ltd.	Chandannagar	162½	100	3	10	14	8f	3.9	P.H.
15,95,000	79,58,514	78,92,619	19,870	530	Andrew Yule & Co., Ltd.	Cheviot	214	100	13½	16	22	6f	5.11	P.H.
10,05,000	83,89,114	55,21,773	60,392	508	McLeod & Co.	Chitavalsah	27	10	12½	15	60	25f	6.12	T.P.H.
16,00,000	80,24,460	77,89,914	1,01,979	969	Shree Krishna Investment Co., Ltd.	Clive	25	10	12½	35	20		3	P.H.
31,49,200	1,21,56,497	1,16,59,962	21,356	766	Bird & Co., Ltd.	Dalhousie	151xd	100	1	11	12	1f	3.9	P.H.
38,00,000	86,35,708	73,68,012	21,890	779	Andrew Yule & Co.	Delta	230	100	11	17½	32½		5.11	P.H.
15,00,000	83,75,460	74,82,002	45,656	500	McLeod & Co.	Empire	22	£1	13⅓	37½	37½		4	T.P.H.
21,00,000	2,35,23,130	2,62,73,643	1,801	1,884	Kettlewell Bullen & Co.	Equitable	40	10	25	25	25	5f	6.12	T.P.H.
14,00,000	48,25,115	69,94,729	—8,32,397	1,014	G. C. Bangur, Esq.	Ghusick and Muslia	288xd	100	2½	32½	22½	—f	3.9	P.T.H.
84,32,100	1,42,71,745	2,06,96,669	42,572	1,709	Macneill & Barry Ltd.	Fort William	305N	100	—	10	—		3.9	P.H.
10,80,000	71,71,252	67,89,135	25,156	607	Macneill & Barry Ltd.	Ganges	74	100	—	5	2½		3.9	P.H.
24,00,000	2,02,41,185	2,18,72,990	89,236	1,394	G. Arbuthnot & Co.	Gondalpara	825	300	—	15	30		12	T.P.H.
40,00,000	81,51,462	81,94,127	3,06,824	1,078	Macneill & Barry Ltd.	Gouripore	265	100	2½	25	11½		3.9	P.H.
16,80,000	58,02,116	64,29,355	64,417	728	Bangur Bros. Ltd.	Hastings	233N	100	10	7	10		3	P.Y.
65,62,500	1,56,21,640	1,59,50,625	1,71,001	1,940	G. Arbuthnot & Co.	Hooghly	32	10	10	30	15		3	P.Y.
30,00,000	1,74,30,109	2,25,00,109	3,91,968	2,272	Jardine Henderson Ltd.	Howrah	23½	10	7½	17½	18½	8½f	3.	P.H.
87,00,000	87,45,632	1,10,99,740	1,43,281	1,076	Ramdutt Ramkissendas	Hukumchand	38	10	7½	46⅔	66⅔		3	T.P.Y.
30,000										5½	10		3.9	P.H.
43,20,000	1,35,11,140	1,36,47,095	67,132	1,797	Mackinnon Mackenzie & Co.	India	127	{O. 125			10		3.9	P.H.
54,00,000	1,13,89,109	91,56,930	1,07,129	1,527	Jardine Henderson Ltd.	Kamarhatty	210	{D. 1		5½	3⅜		3.9	P.H.
21,00,000	1,13,89,109	91,65,930	1,07,129	703	Jardine Henderson Ltd.	Kankanarrah	152	100	—	8½	12½	6f	6.12	P.H.
54,00,000	1,18,86,997	1,59,17,038	2,06,473	1,530	McLeod & Co.	Kelvin	215	100	10	20	25	7½f	6.12	P.H.
48,00,000	1,94,15,089	2,09,37,751	1,16,651	1,250	Anderson Wright Ltd.	Khardah	165	100	—	25	16	3f	3.9	P.H.
24,48,000	1,24,25,159	1,33,71,480	40,487	931	F. W. Heilgers & Co.	Kinnison	205xd	100	2½	14	19	7f	3.9	P.T.H.
28,00,000	1,19,87,748	1,13,75,507	6,954	840	Bird & Co., Ltd.	Lansdowne	137xd	100	2	21	15	3f	3.9	T.P.H.
10,00,000	66,00,427	50,18,904	57,142	558	Bird & Co., Ltd.	Lawrence	178xd	100	6	21½	22	4f	3.9	P.H.
81,65,200	1,25,61,586	1,95,64,756	1,02,068	1,008	Andrew Yule & Co.	Lothian	230	100	—	15	32½	15f	5.11	P.H.
29,98,900	1,29,56,303	1,55,05,495	—2,80,351	815	Mackinnon Mackenzie & Co.	Megna	105	100	4½	8½	2⅜		3.9	H.
12,00,000	29,95,424	24,75,180	52,447	425	F. W. Heilgers & Co.	Naihati	133	100	—	15	12	—f	3.9	P.T.H.
35,00,000	50,36,805	27,42,753	5,264	852	Howrah Trading Co., Ltd.	Naskarpara	15	10	11½	13⅓	15f		4.10	T.P.H.
7,50,000	52,11,917	24,37,663	21,345	316	Andrew Yule & Co.	National	24½	10	11½	15	25		4.10	P.H.
10,50,000	38,04,933	45,71,347	1,16,973	709	McLeod & Co.	Nellimarla Jute	30½	10	25	30	75	20	6.12	T.P.H.
16,79,880	98,33,209	1,18,62,645	5,954	567	Sahu Jain Ltd.	New Central	220xd	100	6	14	30		6.12	P.H.
66,79,500	1,73,80,223	2,06,56,876	72,170	1,092	Bird & Co., Ltd.	Northbrook	20½xd	10	—	—	20	2½f	3.9	P.T.H.
24,91,000	71,47,003	68,55,552	3,591	660	Macneill & Barry Ltd.	Nuddea	48	50	—	5½	4½		3.9	T.H.
					Andrew Yule & Co., Ltd.	Orient	188	100	9	14	18		5.11	H.
25,00,000	63,83,642	80,79,256	—4,76,887	400	McLeod & Co.	Presidency	5½	5	—	—	2½	—f	6.12	T.H.
20,00,000	7,67,493‡	26,15,293	—3,29,549	305	Macneill & Co.	Rameshwara	5⅜	10	—	1½	—		3.9	H.P.
49,50,000	55,07,248	1,23,45,796	58,685	1,276	Jardine Henderson Ltd.	Reliance	13⅜	10	—	—	—		3.9	P.H.
46,00,000	£9,99,994	£11,96,402	£76,498	2,013	Thomas Duff & Co. (India) Ltd.	Samnuggur	61‡‡	10‡‡	10	10	10		12	P.Y.
30,00,000	68,57,466	95,49,412	87,40,952	911	Bagaria More Co., Ltd.	Shree Ambica (Adamjee)	15‡	11	61‡‡	10‡‡	10		12	P.Y.
2,00,000	45,17,785	48,14,456	2,73,383	401	Hindustan Investment Corpn.	Soorah	17‡	10	—	15	10f		3.9	P.H.
25,19,600	1,06,20,961	93,73,041	12,665	650	Bird & Co., Ltd.	Standard	33⅓	10	—	10	—		12	P.Y.
26,00,000	£8,36,984	£9,78,287	£1,29,393	1,794	Thomas Duff & Co. (India) Ltd.	Titaghur	211xd	100	4	15	16	3f	3.9	P.H.
35,98,600	1,80,41,145	1,73,93,324	15,098	1,326	Bird & Co., Ltd.	Union	15‡	11	61‡‡	10‡‡	10		12	Y.H.
64,00,000	£6,35,795	£10,47,385	£1,00,239	1,331	Thomas Duff & Co. (India) Ltd.	Victoria	177xd	100	2	19½	21	1f	3.9	P.T.H.
2,50,000	32,89,383	55,48,403	—47,909	465	McLeod & Co.	Waverley	15	11	61‡‡	10‡‡	10		12	Y.H.
							6	1	—	5	5	—f	6.12	P.T.H.

(f) For ten months ended 31st December, 1951.

‡‡ Subject to foreign income-tax. ‡ Only Depreciation. * Incudes bonus.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
25,50,000	58,63,382	61,83,382	33,891	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	21⅛	10	17½	20	13⅓		3.9	H.
12,00,000	41,76,885	37,08,981	37,055	Jardine, H. & Co., Ltd.	Bararee Coke	17	10	14⅔	13⅓	14⅔		3.9	H.
1,00,00,000	4,16,30,103	4,91,93,899	7,25,389	Andrew Yule & Co., Ltd.	Bengal	527	200	33½	17½	18⅔*		4.10	P.H.
4,49,350	5,82,303	8,49,159	2,152	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	21N	10	2½	2½	2½	1½f	6.12	H.
2,25,000	27,12,507	25,84,461	4,280	Andrew Yule & Co., Ltd.	Bengal-Nagpur	18½	10	22½	16⅔	10	3½f	6.12	P.H.
15,97,000	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	4½	10	—	2½	1½		9	Y.
7,13,000	50,04,831	50,17,715	3,437	F. W. Heilgers & Co., Ltd.	Bhulanbarasee	12½	10	—	6⅔	6⅔	2½f	6.12	H.
16,00,000	33,46,046	67,83,723	—1,37,184	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	8½	10	5	—	—		6.12	T.H.
7,50,000	42,42,776	40,82,736	1,07,078	F. W. Heilgers & Co., Ltd.	Borrea	28½	10	20	30	30*	15f*	6.12	P.H.
90,92,480	3,23,04,936	3,94,53,208	1,54,703	Bird & Co., Ltd.	Burrakur	10⅝	10	10⅝	7½	7½	3½f	6.12	P.T.H.
8,00,000	44,73,086	48,99,835	6,672	Anderson Wright & Co.	Central Kurkend	15N	10	17½	12½	—		6.12	P.H.
6,00,000	1,40,000	7,50,000k	28,918	F. W. Heilgers & Co., Ltd.	Churulia	2½	4	6½	4⅜	1⅛	1f	6.12	P.H.
16,00,000	30,19,961	43,00,861	11,699	Macneill & Barry Ltd.	Dhemo Main	10⅜	10	10⅜	10	12½		6.12	H.
£120,000	£1,084,338	£872,414	£78,839	Jardine Henderson Ltd.	East Indian	22⅛	£1	13⅓	37½	37½		4	Y.
25,63,760	3,07,47,993	2,96,10,834	1,90,766	Macneill & Barry Ltd.	Equitable	40‡	10	25	25	25		6.12	H.
10,00,000	8,83,563	8,41,725	66,865	Bhatter's Agency Ltd.	Ghusick and Muslia	16‡ N	5	20	5			3	Y.
8,00,000	21,14,376	21,51,521	15,631	Macneill & Barry Ltd.	Hurriladih	14⅓	10	12½	15	15		6.12	H.
3,50,000	11,63,346	12,53,839	40,107	Andrew Yule & Co., Ltd.	Kalapahari	44N	10	26⅔	35	35*	17½f	2.8	H.
20,00,000	68,340‡	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	90	100	—	—	—		2	H.
5,00,000	42,98,631	42,08,233	1,46,012	Andrew Yule & Co., Ltd.	Katras Jherriah	40‡	10	27½	35	37½	20f	1.7	P.H.
1,38,400	5,20,519	11,63,519	1,063	Beriwala Bros.	Khas Kajora	20N	10	11⅓	10	5f		6.12	Y.
11,00,240	10,19,288	15,64,007	5,201	H. V. Low & Co., Ltd.	Kuardi	7N	10	3⅓	3⅓			6	Y.
9,00,000	32,02,177	27,71,130	510	H. V. Low & Co., Ltd.	Lakurka	12½N	10	10	10			6	Y.
5,65,750	11,41,667	22,37,077	2,691	Beriwala & Co.	Mandulpoor	7xdN	10	5	7½			6.12	H.
7,48,240	10,34,138	11,24,142	14,690	Associated Commercial Co., Ltd.	Nazira	6‡	10	3	2½	5½		6.12	H.
7,00,000	3,77,390	9,53,321	4,597	Amritlal Ojha & Co., Ltd.	New Bansdeopur	5N	10	6⅔	7½	6⅔		3.9	H.
17,76,230	89,43,381	1,14,69,344	39,912	Andrew Yule & Co., Ltd.	New Beerbhoom	21	10	3	6	—		4.10	H.
6,00,000	24,61,802	30,92,604	—2,10,036	Octavius Steel & Co. Ltd.	New Manbhoom	10⅛	10	12½	7½	—		3.9	P.H.
2,50,000	6,84,984	5,45 859	1,387	Jatia Bros. Ltd.	North Damuda	4N	2½					3.9	H.
1,15,000	10,81,297	12,56,672	12,237	Andrew Yule & Co., Ltd.	North West	15N	10	16½	13⅓	5	2½f	3.9	P.H.
1,57,500						11½N	7½						
7,50,000	12,54,532	3,97,666	1,23,852	F. W. Heilgers & Co., Ltd.	Ondal	15N	10	12⅛	25	22½*	10f	6.12	P.H.
10,00,000	14,15,045	32,73,178	46,739	K. C. Thapar Bros. Ltd.	Oriental Coal	12N	10	10	10	10		12	T.Y.
8,34,000	5,98,486	16,29,203	70,539	Deepchand Kishenlall	Parasea	3½	10	—	—	—f		6.12	H.
15,75,000	34,87,649	39,37,649	31,995	Shaw Wallace & Co., Ltd.	Pench Valley	21	10	16½	12½	10	6½f	2.8	H.
23,99,500	88,51,195	1,02,79,253	—8,92,750	B. N. Elias & Co., Ltd.	Raneegunge	10	10	8½	5	14f		6.12	H.
13,50,000	28,66,087	29,99,087	35,349	Shaw Wallace & Co., Ltd.	Rewa	17½	10	8⅔	12½	10	7½f	6.12	H.
20,00,000	15,10,118	28,07,516	165	Jaipuria Sons Ltd.	Samla Collieries	6‡	10	20	20	20		1	P.H.
1,25,000	12,44,124	13,05,188	18,451	Gillanders Arbuthnot & Co., Ltd.	Searsole	10½N	2½	20	20	20		6.12	P.H.
2,80,000	18,31,795	27,82,403	26,724	Andrew Yule & Co., Ltd.	Seebpore	26	7	35-5/7	32-1/7	28-4/7	—f	6.12	H.
8,00,000	34,57,222	36,96,604	10,379	F. W. Heilgers & Co., Ltd.	Sendra	13	10	⅝	5	3⅜		6.12	
63,21,450	2,13,85,164	3,04,98,616	23,658	Industrial Trust Fund	Singareni	6⅞	10	4½	5	5		12	T.Y.
17,50,000	23,75,231	34,59,256	93,675	Bird & Co., Ltd.	South Karanpura	13⅜	10	18½	10	7½		2.8	H.
8,00,000	35,43,816	39,93,119	74,094	F. W. Heilgers & Co., Ltd.	Standard	12½	10	16⅔	15	10	5f	6.12	H.
10,00,000	15,41,499	29,34,045	—2,46,174	Villiers Ltd.	Talcher	3⅛	10	—	—	—		9	Y.
3,50,000	17,36,513	18,94,910	74,927	Williamson Magor & Co., Ltd.	Union	25	10	20	27½	27½	12½f	6.12	H.
7,00,000	26,05,667	33,34,989	32,735	Macneill & Barry Ltd.	West Jamuria	18	10	15	15	15		6.12	H.

* The following explanatory notes relate to the abbreviations and marks shown on page 372 in the debentures section:—

■ Option to repay on six months' notice, on any interest date after 31st December, 1951, at 102 per cent. Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 102 per cent.

(a) Option of repayment at any time at 3 per cent. premium.

(b) Bearer bonds of Rs. 1,000 each repayable at par.

Bearer bonds of Rs. 1,000 each repayable on 31st July, 1959.

(c) Bearer bonds of Rs. 1,000 each with option of redemption in whole or in part at par on 30th June, 1952, or on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months' notice in each case.

Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ½ per cent. premium on 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March, 1957

(h) Option of redemption on or after 1st July, 1949, at par.

(l) Option of repayment at any time at par at any time on or after 30th June 1947 on six months' notice

MARKET GOSSIP

(Concluded from page 327)

That these issues are not academic ones but live issues of practical significance will be clear from the two illustrations which he cited. In the first place, the Bombay engineering industry has been rendered a high cost industry, thanks to the effect of awards by industrial courts. Wages in the engineering industry in Bombay, he said, were 50 per cent. higher than in Calcutta, and added: "I have been informed by the Marine Superintendent of one of the companies concerned that work can be carried out on the Continent or in the U.K. at 30 per cent. less than it can be carried out in Bombay." He pointed out how ships of Indian shipping companies, even of Government shipping companies, were being sent to European countries for repairs and reconditioning. He warned: "Work is going elsewhere, orders are going elsewhere." This is a serious matter, which deserves the consideration of the Government. To appreciate this warning, one has only to place it alongside a similar warning by Bombay traders, who point out that multi-point sales tax is driving Bombay's trade away to other centres. Secondly, the present system of labour regulations affects the volume of employment. Unemployment and casual employment, Mr. Gumley warned, was on the increase in the engineering industry in Bombay. He cited an instance of a small foundry in which the management was contemplating complete closure of the unit, because it was prevented from sending out the categories of workers it did not need, without offending the principle of "last in, first out."

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It is hardly surprising that Mr. Gumley should have come to the conclusion—the only conclusion to which one is irresistibly driven by the economic effects of labour laws—that the present increase in unemployment was due largely to the Government's labour policy, and industrial court awards, resulting from that policy. Naturally, therefore, he fervently observed: "I look forward to the day when industrial courts will be abolished in favour of collective bargaining." The Government of India has, at long last realised that no labour legislation, however elaborate and well-conceived it might be, is an effective substitute for collective bargaining. But the way to the abolition of vexatious labour legislation is beset by obstacles such as interested labour leadership and the unwillingness of State Governments to relax control over labour matters, purely for political reasons.

• • • •

The Planning Commission has released that portion of its report, which deals with industrial programme. The bare outlines of the programme were given in the original report, published last month. A detailed survey of the needs and projected expenditure in the industrial sphere, both public and private, is furnished by this report, entitled *Programmes of Industrial Development*. The total expenditure visualised in both the sectors is of the order of Rs. 477 crores, of which Rs. 94 crores will be spent in the public sector and the rest in the private sector. Of the total estimated capital investment in the private sector, Rs. 233 crores are for purposes of expansion, the balance of Rs. 150 crores being for replacement and modernisation of the existing plant and machinery.

• • • •

The aforesaid estimates should be considered, bearing in mind two considerations. In the first place, the mere fact that the Commission sets down the amounts that ought to be spent in the private sector does not carry the guarantee that it will be enabled to spend them. Secondly, the men engaged in the private sector have serious misgivings about the figure, Rs. 150 crores, as the amount needed for modernisation and equipment, which they regard as an under-estimate. But the Commission, on its part, has done well to make certain helpful recommendations. Thus, the Commission recognises that the textile industry, for instance, might find it difficult to finance its re-equipment plans. It reveals that the Government has under consideration the question of granting loans to the industry at 4 per cent. interest; this suggestion, it is stated, was made to the Government by the Working Party. Referring to the need for shifting some of the country's sugar factories to regions in which they could function more efficiently, it reveals that the question of granting these factories the necessary facilities, inclusive of financial help, is under the examination of the Government. Thus, within the overall limitations imposed by its preoccupation with the public sector, the Commission has tried to view sympathetically the problems of the private sector.

SURVEY

(Concluded from page 331)

is gratifying to note that the Iron and Steel Controller has already taken steps to ensure that the steel producers supply the right type of billets.

So long as indigenous production does not meet local demand, there is need for imports. The producers have now represented that their capacity is more than sufficient to meet domestic requirements and that imports should be completely banned, particularly the imports of cheap wood screws from Japan as they are likely to ruin the indigenous industry. But the rated capacity at 3,328 tons, is lower—even as it is—by 352 tons than the estimated demand of 3,680 tons in 1951-52. Also, the industry seems to have ignored the consideration that there might be an increase in demand in the coming years. These considerations call for a clear study of the expected trend of demand. Anyway, a complete ban on imports seems inadvisable, for private industry can thrive well only when there is some competition. A complete ban on imports will take away the incentive to improve quality. All that is needed, therefore, is a measure of control on imports in such a way as not to affect the development of the indigenous industry adversely.

BANKING

(Concluded from page 334)

determined attempt to bring about a fall in the when the Government of a country makes a money supply. Fixed deposits and thrift and savings bank deposits, however, have improved from Rs. 2.22 crores and Rs. 1.59 crores to Rs. 2.59 crores and Rs. 1.67 crores, respectively. There seems to have been a small improvement in the Bank's commercial bills business during the year, as witness the increase in bills receivable from Rs. 52.77 lakhs to Rs. 54.64 lakhs and in acceptances and endorsements from Rs. 3.40 lakhs to Rs. 4.77 lakhs.

A contraction of Rs. 1.19 crores in advances and bills purchased and discounted is the most notable feature on the assets side. As this decline is slightly steeper than that in deposits, the ratio of advances to deposits is lower at 68.78 per cent., as against 72.84 per cent. at the end of 1951. Availing itself of the opportunity presented by the general business conditions, the Bank has raised its investments from Rs. 285.15 lakhs to Rs. 300.34 lakhs. The increase is noted mainly in debentures and municipal loans which have gone up from Rs. 9.70 lakhs to Rs. 24.78 lakhs. As in the previous year, the investments are shown at or below cost. The market value of these investments being lower, it is shown in the inner column. But full provision to the extent of Rs. 10.09 lakhs for the difference between the market value and the cost of the investments has been provided. Cash balances also have been strengthened by Rs. 8.57 lakhs, so that the combined ratio of investments and cash to deposits stand at the impressive level of 49.68 per cent.

ALLOCATION OF INCOME-TAX TO STATES

(Concluded from page 335)

where large collections are made to look after the problems of law and order and welfare in respect of industrial labour. The Commission has rebutted this argument by pointing out that the very concentration of industries and businesses leads to increased receipts in the States concerned in the form of stamp fees, sales taxes, entertainment duties, etc.

Among the other bases, the needs basis is suitable for application in the distribution of the proceeds of a shared tax to a limited extent in so far as it relates to the population of the State. The volume of industrial labour basis is considered to be a partial index of either contribution or needs. In regard to the suggested criterion of *per capita* income, apart from other considerations, the non-availability of statistics for individual States itself renders it useless.

Taking all these factors into consideration, the Commission has come to the conclusion that two elements should enter into the appropriate scheme of distribution of income-tax. These are (1) a general measure of needs furnished by the population, and (2) contribution. On a broad view, it has recommended that 20 per cent. of the States' share of the divisible pool should be distributed among the States on the basis of relative collections of States and 80 per cent. on the basis of their relative population according to the census of 1951. In fixing the proportion at 20 per cent. on the basis of collection and 80 per cent. on the basis of population, the Commission has, of course, not gone into the details of the question of allocation. The arbitrary fixation of this proportion is likely to undergo a closer scrutiny at the hands of future Finance Commissions in the light of experience gained by adopting these proportions.

On the basis of the above formula, the share of each State expressed in terms of percentage is as follows:

Assam 2.5; Bihar 9.75; Bombay 17.50; Hyderabad 4.50; Madhya Bharat 1.75; Madhya Pradesh 5.25; Madras 15.25; Mysore 2.25; Orissa 3.50; P.E.P.S.U. 0.75; Punjab 3.25; Rajasthan 3.50; Saurashtra 1.0; Travancore-Cochin 2.5; Uttar Pradesh 15.75 and West Bengal 11.25.

As regards the share of Part C States, the Commission has recommended that it should be 2.75 per cent. of the net proceeds of income-tax instead of at one per cent. as at present. The Commission has arrived at this figure by allocating to the Part C States taken together the share which would have accrued to them collectively had they been entitled to a share of income-tax on the same basis as that adopted by it for the Part A and Part B States.

The Commission has recommended that the States of Bihar, Bombay, Madhya Pradesh and West Bengal, which are receiving "revenue gap grants" in respect of "merged areas," are not to receive these grants. For the percentages assigned to each of these States have been arrived at after taking into account the population of and the collection in the merged areas.

MARKET REPORTS

(Concluded from page 361)

mitments to only 18 big towns having a population of over one lakh.

Foodgrains in markets in Uttar Pradesh continued very steady and there was some further rise in wheat, rice and gram prices. Free market supplies were very small and this accounted for the steadier market tone. The latest quotations in the Hapur market are: Wheat Rs. 23, gram Rs. 20, rice: *basmati* Rs. 34-8, sela Rs. 29, and coarse Rs. 23, barley Rs. 16, *bejhar* Rs. 16, maize Rs. 14-12, *bajra* Rs. 14-8, *juwar* Rs. 13-2 to Rs. 13-12, *guwar* Rs. 13-4, peas Rs. 17, *arhar* Rs. 17, *urd* Rs. 21-8 and *moong* Rs. 22.

SUGAR DULL

(From Our Own Correspondent)

HAPUR, 24*th February*

Sugar markets in west U.P. remained very dull and quiet. There was very little demand from consuming centres. Railway booking to all sides was difficult. Prices remained stationary.

Local mill delivery quotations are: Jaswant Rs. 28, Modi Rs. 28 to Rs. 28-4, Daurala Rs. 29-4, Mansoorpur Rs. 29-2, Buland (Rampur) Rs. 30, Raza (Rampur) Rs. 29-12, Amroha Rs. 27-6, and Simbhauli Rs. 28-8. The monthly (January, 1953) average wholesale prices of sugar in different markets were: Ambala Rs. 30-6-6, Amritsar Rs. 30-8-6, Delhi Rs. 31-1, Jullundur Rs. 29-5, Agra 29-8, Hapur Rs. 29-2, Kanpur Rs. 28-14, Mathura Rs. 30, Meerut Rs. 29-6, Muzaffarnagar Rs. 28-13, Patna Rs. 30-11, Calcutta Rs. 29-14, Gauhati Rs. 35-14, Cocanada Rs. 30-12, Madras Rs. 33-8, Bombay Rs. 33, Bhavanagar Rs. 33-10, Nagpur Rs. 32-10, and Indore Rs. 29-12.

LINSEED ADVANCES

(Messrs. A. Bradley & Co.)

CALCUTTA, 23*rd February*

With a firm undertone prevailing throughout the past week, trading in linseed has broadened slightly and prices have registered an advance. Up-country markets are steady and supplies are not freely available. Local sellers, therefore, are reserved and forward delivery is now quoted at a higher level, with buyers rather reserved at these enhanced rates, although local crushers for early as well as forward delivery have shown a fairly keen interest. The oil section has been firm and activity has slightly improved, owing to small enquiry from Australia, with prices somewhat increased. Latest quotations are: February-March Rs. 22 and May Rs. 20-4 per maund.

HIDES AND SKINS UNCHANGED

(From Our Own Correspondent)

MADRAS, 23*rd February*

Trading in hides and skins has remained more or less unchanged. Demand has not been very assertive, despite several enquiries. Importers have kept out of the market, beyond making a few selective purchases at sellers' limits. Top grades and lowest grades have continued to attract attention. Dressers report that leather prices are low and expect easier tendency in the kip market. There has been good demand for tanned cow calf for early shipment. Buff calf and buff heavies are neglected.

In the tanned skins section, the withdrawal of the import licences in Japan has upset the tanned sheep market and prices have declined by As. 4. In sympathy, prices of tanned goat also have declined by As. 2.

Notices

THE SVADESHI MILLS COMPANY LIMITED

NOTICE

THE TRANSFER BOOKS OF THE SVADESHI Mills Co., Ltd., will be closed from Tuesday the 24th March to Wednesday the 22nd April, 1953, both days inclusive.

By Order of the Board of Directors,
TATA INDUSTRIES LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 23*rd February*, 1953.

THE TATA MILLS, LIMITED

NOTICE

THE TRANSFER BOOKS OF THE TATA Mills Limited will be closed from Tuesday the 24th March to Wednesday the 22nd April, 1953, both days inclusive.

By Order of the Board of Directors,
TATA INDUSTRIES LTD.,
Managing Agents,

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
16,00,000	1,08,36,418	9,95,123	Allahabad Bank	347½	100	18½	18½	18½	9i	12	Y.P.
14,50,000				173	50						
1,01,000				35							
23,99,000	11,73,500	2,21,655	Andhra Bank	105	100	5	6	6	3i	6.12	H.
				52½	50						
1,00,00,000	1,28,00,000	2,14,790	Bank of Baroda	113½	50	12½	12½	12½	5i	12	Y.
50,00,000	10,00,000	7,107	Bank of Bikaner	20	25		3	3		12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	156¼cd	50	14	14	14	14	6.12	R.L.Y.
15,30,375	23,00,000	62,955	Bank of Indore	60	25	12½	12½	12½		12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	289cd	100	16½	16½	16½	16½	12	Y.
59,18,600	42,61,693	25,280	Bombay State Co-operative Bank	58½	50	5½	5	5		6	Y.P.T.
7,50,000	10,73,000	19,305	Canara Banking Corporation Ltd.	90cd	50	9½	10½	10½		12	Y.P.
3,14,54,250	3,98,30,808	17,65,629	Central Bank of India	67½	25	14	14	14	6i	12	R.L.Y.
50,00,000	22,00,000	1,38,594	Devkaran Nanjee Banking Co.	35	50	3	3	3½		12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88	20	6½	10	20	20	12	Y.
1,25,00,000	15,20,000	65,220	Hindustan Commercial Bank	12½	50	—	—	—		12	Y.
50,00,000	1,00,000	3,806	*Hindustan* Mercantile Bank	11	50	—	—	—		12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105N	100	5	6½	6½	5	9	Y.
3,75,00,000	6,35,00,000	42,07,573	Imperial Bank of India	1,820	500	14	16	16	16	6.12	R.L.H.
1,87,50,000				446½	125	14	16	16	16	6.12	R.L.H.
23,95,961				174	100						
15,00,000	70,00,000	92,545	Indian Bank	131½	75	11½	12½	12½		6.12	R.L.H.
14,00,000				94	50						
47,35,750	15,50,000	2,22,825	Indian Overseas Bank	99cd	100	4½‡	5‡	6		6.12	R.L.H.
6,25,000				83cd	100(A)	9	9	7½			
2,50,000	6,30,411	9,265	Indo-Commercial Bank	191cd	25(B)	9	9	7½		6.12	H.
10,00,000				401cd	50(C)	6	6	—			
30,00,000	12,65,000	1,21,370	Jaipur Bank	18	50	3	3	3		12	Y.
4,55,266	30,61,350	60,357	Punjab and Sind Bank	35	25	7½	7			6.12	Y.
87,50,000	87,50,000	5,33,829	Punjab National Bank	23	25	6	4	4	3i	12	Y.
1,00,00,000	15,50,000	1,49,583	Travancore Bank	11	25	Nil	Nil	—		12	Y.
40,00,000	28,25,000	2,09,737	Union Bank of India	6½	5	6½	6½	6½		12	Y.
2,00,00,000	75,00,000	1,70,952	United Commercial Bank	37½	50	3½	4	4		6.12	H.

PRINCIPAL EXCHANGE BANKS

£3,000,000	£4,000,000	£397,433	Chartered Bank of India, Australia and China	£11☆	£5	12	14	14	7i	12	R.L.Y.
£1,000,000	£800,000	£69,917	Eastern Bank	£5 ¼	£5	6†	6†	6†	2½i	12	R.L.Y.
H.K.$20,000,000	H.K.$96,000,000	H.K.$8,075,332	Hongkong and Shanghai Banking Corporation								
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£78½	H.K. $125	5y*	5*	5*	2*i	12	Y.
£1,437,296				£2-11-0	£1	12y†	12y†	12†	12†	12	R.L.Y.
£375,000				£1-7-0		5y†	5†	5†	5†	12	R.L.Y.
£375,000	£1,500,000	£200,130	Mercantile Bank o India	£20½	A £12½						
£300,000				£20½	B £12½	12y†	12†	12†	6i	12	R.L.Y.
£2,281,250	£3,738,892	£318,652	National Bank of India	£10½	C £5						
				£28	£12½	16y†	16†	16†	8i	12	L.Y.

‡Includes Bonus. †Less Tax.
‡‡Subject to taxation.
(c) Paid-up Capital Increased

(a) There are also Rs. 67,08,155 partly paid Ordinary Shares.
††O.S. Currency.
(*I*) Interim
P) Pakistan Currency *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	5½	1st December and 1st June	Carew & Co.	1938 97	1st June .. 1953(*b*)
2,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941 90½	28th February .. 1960(*f*)
6,00,000	5½	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd.	1936 97½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942 102½	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944 90	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941 103	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944 92	1st November .. 1959-64
COTTON					
6,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942 85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897 96	15th November .. 1956(*a*)
1,60,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952 99	1st January .. 1967-72
13,68,000	5½		Jayshree Textiles	1949 78N	1st January .. 1956-59
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950 95	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	101	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940 100½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949 92	31st December .. 1964
2,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950 101½	1st January .. 1970
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945 84½	31st December .. 1970
15,00,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951 94	30th June .. 1976
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	1940 97½	 1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	1939 95	 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	 1958-63
9,25,000	4½	1st April	South Madras Electric Supply	94	57-61,53+56-61
49,23,000	4	1st April and 1st October	Tata Power	1940 100½	15th September .. 1951-55(*b*)
1,00,00,000	4	1st April and 1st October	Tata Power	93½	15th September .. 1965-70
ENGINEERING					
5,00,000	5	30th June and 31st December	Britannia Engineering	1945 95	31st December .. 1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	1928 95	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (*2nd mortgage*)	1942 *100*	*1st July* .. 1957-62
£1,218,650	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936 £88	31st December .. 1965(§§)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946 84½	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950 101	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950 94	31st December .. 1960
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	1939 97	31st March .. 1954
6,00,000	4½	30th June and 31st December	Alexandra	1939 96	30th June .. 1954(*b*)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945 92	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mills Co., Ltd.	1940 96	30th June .. 1955
10,00,000	5	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945 90	30th June .. 1960
10,00,000	5	31st January and 31st July	Calcutta	1949 90	31st July .. 1959(*c*)
12,00,000	5	30th June and 31st December	Chitnavisah Jute Mills	1951 97	30th June .. 1966
8,94,000	5	30th June and 31st December	Ensure	1951 97	15th July .. 1966
25,00,000	3½	1st January and 1st July	Hukumchand	1947 90	30th June .. 1967
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949 98	31st December .. 1964
25,00,000	5½	30th June and 31st December	Ludlow	1952 100	31st March .. 1967
5,00,000	3½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1947 97N	31st March .. 1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939 93	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945 86	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	1943 90	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950 95	5th September .. 1965
8,00,000	4½	14th March and 14th September	Soorah Jute	1937 94	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	1937 94	30th June .. 1957(*d*)
10,00,000	3½	31st January and 31st July	Waverley	1925 83	31st July .. 1960(*e*)
RAILWAYS ; STEAMSHIP AND TRAMWAYS					
4,00,000	6	31st March and 30th September	Bankura Damodar River Railway Co., Ltd.	1931 100N	9th March .. 1961
4,00,000	3½	31st March and 10th September	Bankura Damodar River Railway Co.	1938 99	31st March .. 1953
4,50,000	4	1st January and 1st July	Barsaet-Basirhat Light Railway	1936 84	1st July .. 1956
8,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	1945 98	1st November ..
3,50,000	3½	31st March and 30th September	Burdwan-Cutwa Railway Co.	1938 99	31st March .. 1943–53
£350,000	4½	1st January and 1st July		1900 £100N	A 105% at any time on 6 months' notice or at par or every seventh year.
£226,500	5	1st April and 1st October	Calcutta Tramways	1933 £102N	1st October .. 1974
3,00,000	3½	30th September and 31st March	Kalighat-Falta Railway	1934 98½	30th September .. 1953
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945 89	31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906 £90½N	
6,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	96½	1st September .. 1963
PLANTING					
4,80,000	5	1st January and 1st July	Blue Mountain Estates	1943 100	 1945–55
4,68,500	3½	Half-yearly	Teekoy Rubber Estates	1944 100	 1949–59
1,50,000	5	30th June and 31st December	Waterfalls Ltd.	1943 101½	 1945–55
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946 102	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948 99	31st December .. 1963
27,60,000	4½	1st April and 1st October	Associated Hotels of India	1948 86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1948 86	31st December .. 1962
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1937 94½	30th June .. 1957(†)
22,60,000	4½	1st July and 1st January	Clive Buildings	1915 92	1st February .. 1964
20,00,000	4	15th March and 15th September	Dalhousie Properties	1936 89	1st July .. 1986
1,50,00,000	5	1st January and 1st July	Dunlop Rubber	1946 86	15th September .. 1960
40,00,000	5	2nd January and 2nd July	Mettur Chemical Industries	1950 102½	1st January .. 1971
39,87,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1949 97	 1964
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1946 435 (per note)	30th September .. 1976
				1947 410 (per note)	31st December .. 1972
75,00,000	3	1st April and 1st October	Macneill and Barry Ltd.	1941 94N	1st April .. 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1931 87	31st March .. 1961
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946 80½	31st December .. 1959

Note—See page 370 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 26th February, 1953.

	Opening quotations	High	Low	Closing quotations
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	155½	156½	155½	156½
Bank of Baroda (50)	114	114	113	113½
Central (25)	67	67½	67	67½
Imperial (F.Pd.) (500)	1,830	1,835	1,817½	1,830
Imperial (P.Pd.) (125)	447½	448½	446½	446½
Union Bank (5)	6½	6⅝	6½	6⅝
United Com. (50)	37½	38	37½	37½
COTTON MILLS				
Ahm. Adv. (100)	133½	147½	133½	147½
Apollo (2)	2⅝	2⅝	2-10½	2-10
Bombay Dyeing (250)	370	382½	370	376½
Central India (100)	149	157	149	153
Century Mills (100)	254½	263¼	254½	261½
Colaba (100)	72½	72½	71½	71½
Edward Textile (200)	230	235	223½	235
Elphinstone (50)	38½	40	38½	40
Finlay (100)	294	300	293½	297
Gokak (100)	210	219½	208½	215
Ind. Untd. Defd. (1)	1-8½	1-9½	1-8½	1-8½
Ind. Untd. Ord. (10)	8-10½	9	8-10½	8-10½
Indore Malwa (100)	88½	90	86½	86½
Khatau (100)	168½	171½	168½	171½
Kohinoor (100)	283	291½	283	288½
Lakmi (250)	577½	580	576½	580
Madhusudhan (100)	81½	—	—	81½
B. R. Cotton Mills (100)	43½	—	—	43½
Minerva Mills (100)	95	—	—	95
Model Nagpur (250)	140	140½	140	140
Morarji (100)	154	158½	154	158½
Mysore (50)	127½	127½	123½	123½
New City (100)	172½	173½	172½	172½
New Great (100)	158½	163½	157½	159
Phoenix (100)	121½	123½	121½	123½
Podar Mills (100)	126½	127½	125½	126½
Sassoon Silk (10)	22	—	—	22
Sassoon Spg. (10)	23½	—	—	23½
Sholapur (1,000)	1,750	—	—	1,750
Simplex (50)	176½	181	175½	180½
Svadeshi (100)	239½	245½	238	243½
Swan (100)	395	400	395	400
Tata Mill (25)	45½	47½	45½	46½
Vishnu (100)	158½	160	158½	160
Western India (1,000)	3,150	—	—	3,150
ELECTRIC COS.				
Ahmedabad (100)	113½	115	113½	114½
Amalgamated (10)	10½	—	—	10½
Andhra Valley (1,000)	1,410	1,410	1,407½	1,407½
Bom. Sub-El. (100)	120	121½	119½	121½
Surat (100)	118½	—	—	118½
Tata Hydro (100)	148	149	148	148½
Tata Power (1,000)	1,500	1,502½	1,492½	1,502½
INSURANCE COS.				
British India (10)	13⅜	14	13⅜	14
Empire of India (100)	500	—	—	500
Ind. Mercantile (20	38½	—	—	38½
Jupiter (15)	7	—	—	7
New India (15)	40½	41½	40½	41½
Oriental (200)	5,790	6,100	5,790	6,100
Universa (10)	7⅜	—	—	7⅜
Vulcan (10)	11½	—	—	11½
STEAMER COS.				
Bom. Steam (25)	32½	33½	32½	33½
Scindia (15)	14½	14-12½	14-8½	14⅜
STEEL COS.				
Ind. Iron (10)	24⅜	25-2½	25⅛	24⅛
Tata Steel Defd. (30)	1,720	1,765	1,717½	1,740
Tata Steel Ord. (75)	303½	308½	303½	307
MISCELLANEOUS				
Alcock Ashdown (100)	303½	306½	302½	304½
Associated Cm. (100)	169½	172	169½	170½
Belapur Sugar (5)	229½	237½	229	237
Bom. Burmah (125)	366½	368½	364½	366½
Do. (New) (50)	139½	139½	138½	139½
Br. B. Petrol (4 sh.)	1½	1-4½	1-3½	1-3½
Br. I. Corpn. (5)	9½	9⅜	9⅜	9⅜
Indian Copper (2 sh.)	3-3½	3-3½	3-3½	3-3½
Ind. Inv. Tr. (100)	71	—	—	71
Fort Canning (100)	23½	29	23½	25
Premier Con. (50)	85½	90½	85½	85½
Shivrajpur (10)	56	63	56	56
Tata Chemicals (10	9-2½	9⅜	9⅜	9⅜
Tata Oil (25)	35	36	34½	35½
Walchand Ind. (100	155½	156½	153½	155½
W. I. Match (100	228½	228½	226½	226½

GOVERNMENT SECURITIES	Rs	Gross Yield Earlier Redemption	Later Redemption	Rs
2½% 1954	98⅛	—	3.30	98⅛
2½% 1955	98¼	—	3.23	98⅜
2½% 1961	90⅜	—	3.32	90⅜
2½% 1960	93⅜	—	3.84	93⅜
2½% 1962	91¼	—	3.91	91¼
2½% 1976	82⅜	—	3.89	82⅜
3% 1955-58	100-0½	2.92	2.99	100-0½
3 ½ 1937	98⅜	—	3.35	98⅜
3 ½ 1958	96⅛	—	3.36	96⅛
3 ½ 1959-61	95	3.75	3.59	95
3 ½ 1964	92⅛	—	3.84	92⅛
3 ½ 1963-65	92⅛	3.91	3.78	92⅛
3 ½ 1964-68	90⅛	3.96	3.85	90⅛
3 ½ 1970-75	86⅜	4.11	3.92	86⅜
3 ½ 1986 Con. Loan	82⅛	—	3.63	82⅛
3½% 1954-59*	100⅛	3.37	3.46	100⅛
4% 1960-70	101⅛	3.71	3.86	101⅛
4½% 1955-60	103⅛	3.11	3.98	103⅛
4½% 1958-68*	105⅛	3.30	4.04	105⅛

BRITISH GOVERNMENT SECURITIES	19-2-53 £	High £	Low £	25-2-53 £
2½% Brit. Consols	59½	59⅜	59½	59⅜
3 ½ Savings Bonds 1966-75	83⅜	83½	83⅜	83⅜
3 ½% War Loan 1952	101⅜	—	—	101⅜
3½% War Loan 1952	78⅜	78⅛	78⅜	78⅛
3½% Brit. Iron and Steel 1979-81	88⅜	88⅜	88⅜	88⅜
4 % Funding Loan 1960-90	99½	99½	99	99

COMMERCE

"*For Commerce, though the child of Agriculture, fosters his parent*
Who else must sweat and toil and gain but scanty fare."
William Blake

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UNION BUDGET FOR 1953-54

THE Government of India's Budget for 1953-54, presented to Parliament last week by our distinguished Finance Minister, Mr. Chintaman Deshmukh, was not without a few surprises. The biggest of them was that he was able to present a surplus revenue budget at a time when he was expected to show a big deficit. But, on an analysis of the Budget, one finds that the achievement is not a creditable one after all, for the surplus is quite unreal, being the result of window-dressing. A certain amount of window-dressing is a customary feature of all budgets, but usually this art is so adroitly practised that the extent of manipulation of figures will not generally be known, until the revised estimates, for the year for which the budgets are presented, become available. In the case of the Budget under reference, Mr. Deshmukh cannot claim credit even for this, because the window-dressing has been so poorly done that even a layman who cares to study the budget statement will notice it. If Mr. Deshmukh could not display much skill in this respect, it is no reflection on his ability; it is a striking commentary on the state of the country's finances and the enormous task which the present Government has taken upon its shoulders.

The fictitious nature of the surplus on revenue account has become so very obvious, because of the inclusion under receipts of a doubtful, though not necessarily bad, debt, amounting to as large a sum as Rs. 18 crores, representing the two instalments of debts due from Pakistan under the Indo-Pakistan financial settlement on the public debt of undivided India. To treat repayment of capital debt in instalments as a revenue receipt, instead of regarding it as a capital item, is itself a wrong procedure and a bad precedent. At best, only the interest due on this debt can be regarded as a revenue receipt. The fact that this procedure was followed last year is no excuse for its repetition. It may be argued, with some justification, that, if the annual instalments due from Pakistan are not taken into account in India's budget, the Pakistan Government might think that India is not keen on recovering the debt due to it and that it has itself written off the whole thing as a bad debt. But that purpose could very well be served by including it under the capital account. Incidentally, this shows that there is no clear cut distinction between the revenue budget and the capital budget and that it is expediency rather than logic or set principles that determines the inclusion of a particular item under either of these two divisions.

If due consideration is given to the present state of world trade and domestic business conditions, one may be inclined to feel that Mr. Deshmukh has erred on the side of optimism in estimating the revenue by way of customs, and income and corporation taxes. He has, of course, provided for a drop of Rs. 7 crores under customs and of about Rs. 10 crores under taxes on income, over the revised estimates for the current year. The general view is that the drop may be more. One cannot, however, be dogmatic about these matters, because there are so many imponderable factors, including the fickle-minded monsoons, to be taken into account. In so far as the taxes on income are concerned, despite the recession in business, it should be possible to collect the amount Mr. Deshmukh has estimated, provided the tax collecting machinery is honest, active and efficient enough to reduce the extent of tax evasion that is going on in this country. Perhaps, Mr. Deshmukh is confident that he can effectively whip up his tax collectors. His keen desire to close the loop-holes through which the Centre loses income-tax revenue is evident from the inclusion in the Finance Bill of a suitable provision for preventing people from buying up speculative losses. This provision is, of course, there in the Income-tax Amendment Bill, but he is not prepared to wait till this measure is duly passed by Parliament. His impatience in this respect is understandable, not only because of the Government's need for more money, but also because, in the past year, which is the year that matters so far as the Budget is concerned, there have been heavy speculative losses which may be utilised by the assessees as a set-off against their normal trading profit. Mr. Deshmukh, therefore, deserves to be supported in introducing, in the Finance Bill, this amendment to the Income-tax Act which is long overdue. It is good for the country as a whole, as it will help keep down excessive speculation.

The absence of additional imposts of a heavy nature in the Budget, the small relief afforded to the low income group and the reduction in the export duty on sackings have won for the Budget a large measure of support from a wide section of the public. But the public memory is short. It was only a few months back that the Government imposed additional taxation of the order of Rs. 10 crores by way of an increase in the excise duty on sugar and by introducing a special excise of 3 pies on all varieties of cloth. It looks as though Finance Ministers are now following a new technique, namely, to introduce measures for new or additional taxes in stages in the course of the year and to make only minor changes in their Budgets to show to the public that they are very considerate to it. If one takes into account the increases in the sugar and cloth excises, the proposed increases in some of the postal charges which, fortunately, do not affect the man-in-the-street very much and the adjustments made in the import duties, all of which are detailed elsewhere in this issue, one will find that the additions to the existing burden of taxation are nearly Rs. 16 crores. Actually, it will be more than that, because the readjustment of the excise duty on cloth from *ad valorem* or specific duties to specific duties only has been made in such a way as to raise the rate of excise on fine counts by more than 100 per cent., that is, from about 7 pies per yard to 15 pies per yard. Inasmuch as the fine count goods manufactured by the textile mills constitute a substantial percentage of the total production, the Finance Minister will net in more money from this source than he has estimated. Further, by withdrawing the option to the mills to pay either on the basis of *ad valorem* or specific rates, whichever is lower, the Finance Minister has been clever enough to protect the Exchequer, to a considerable extent, against the downward trend in prices of cloth.

By raising the exemption limit for personal income-tax from Rs. 3,600 for individuals and Rs. 7,200 for Hindu undivided families to Rs. 4,200 and Rs. 8,400, respectively, the Finance Minister has tried to render some assistance to the lower income group in the middle class. But the extent of relief is only negligible, the loss of revenue to the Government being no more than Rs. 82 lakhs. In the long run, even this loss, according to the Finance Minister himself, will be more than made good by improvement in tax collections as the change proposed will give some relief to the Income-tax Department and enable it to devote more time to examine the cases of bigger assessees. This explanation of the Finance Minister, we may add in passing, is not so convincing to many, inasmuch as the task involved in collecting taxes from this range of taxable income group is not onerous, the tax being deducted at the source by employers and promptly paid into the Government's coffers. Be that as it may, to the individual within this income slab, the relief works out to about Rs. 100 per year, but this might be more than offset if the method chosen by the Finance Minister for financing the development programme were to result in higher level of prices, as it threatens to do. The reduction in the export duty on sacking from Rs. 175 per ton to Rs 80 per ton is undoubtedly a welcome step and should stimulate overseas demand for this manufacture. The jute mills, for their part, must reciprocate this prompt gesture of the Government by taking steps to improve the quality of their sackings which has considerably deteriorated in recent months, if not years, partly due to the poor quality of raw material used and partly to the anxiety of manufacturers to reduce the cost of production.

The object of the Finance Minister in effecting a few changes in import duties on luxury and semi-luxury goods is said to be to get some additional revenues and, in order to realise this object, he has relaxed the restrictions on imports of these items to some extent. An incidental advantage of this step is, it is stated, that it will act as a stimulus to the indigenous manufacturers of the same goods to improve the quality of their product. It is doubtful whether both these objectives will be realised in full. In the first place, the duties on these goods have been stepped up to such high levels that their import may not materialise even to the limited extent envisaged by Mr. Deshmukh. Secondly, the indigenous manufacturers of these goods may raise their prices to the extent of 50 per cent., if not more, of the increase in the import duty and thus try to take advantage of what is literally a closed market for them. The relief in the import duties on certain types of essential drugs, infant food, etc., is a step in the right direction. The enhancement of the postal fees for parcels, packets, registration and insurance may add to the cost of postage to the business sector, but it must be conceded that the Finance Minister has provided a convincing case for placing this impost on it.

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The most disturbing trend of the Budget estimates is the rising level of expenditure. There seems to be no end to the upward curve of expenses. The effect of the abolition of food subsidy, resulting in a saving of Rs. 21 crores and of the additional taxation to the tune of Rs. 16 crores, on the budgetary position of the Government should have been a real surplus of Rs. 37 crores. Instead of that, we have an unreal surplus of only Rs. 45 lakhs. Why has this been so? A reference to the Finance Minister's speech, published elsewhere in this issue, will provide the explanation. It will be noted therefrom that the great bulk of the increase in civil expenditure is of an unproductive nature which the country can hardly afford at this juncture. A typical instance of this is the subsidy of Rs. 6 crores for the development of the handloom industry and of Rs. 6.33 crores for Community Projects. The benefits of such large expenditure to the community as a whole are of a dubious nature. The experience that one has gained so far in these matters leads to the conclusion that the beneficiaries in most of these cases are the middle men posing themselves as selfless social workers and co-operators. Instead of throwing away good money on such schemes of doubtful utility, the Government will do well either to utilise it for implementing projects which promise tangible results in the form of increased production of wealth or for giving relief to the private sector which is sorely in need of resources for development and which can more effectively and efficiently increase the wealth of the country.

Apart from the developmental expenditure, more than half of which is unproductive, the expenditure on administration and defence continues to remain on the high side. The latter alone accounts for a little less than 50 per cent. of the total. If the large amounts that are being spent on police by the States are added to this amount, it will be seen that the country is paying a heavy price for ensuring security. Perhaps, all this is inevitable in the present international and internal situation. It is not possible for us to say to what extent this expenditure should or could be curtailed, except to stress the importance of the need for constantly exploring ways and means of reducing the monetary cost of security for the people against aggression. But, so far as the civil administrative expenditure is concerned, there is both need and scope for applying the axe by the Centre and the States alike. In saying this, we know that we are knocking ourselves against a concrete wall, for no Government in this country is willing to take to this unpopular course. Yet, we cannot help saying it, because the question of economy is as important as that of raising resources for the implementation of the Five-year Plan. The least that the Governments can do is to ensure that the money that they are spending now is well spent and that wastage is avoided. This requires an effective check on the expenditure of Governments, a feature conspicuous by its absence, especially at State levels.

If the Budget is viewed in the context of the Five-year Plan, it results in mixed feelings. Mr. Deshmukh claims that the Centre has done its part in implementing the Plan. This is only partly true. He has undoubtedly succeeded in maintaining the level of the budgetary resources of the Centre as envisaged in the Plan, even after making allowance for the inclusion of a doubtful source of receipt, namely, the repayment of the debt due from Pakistan. But here he could have done better. He could have, for instance, reintroduced the salt duty and thereby given a lead to the States that are holding on to Prohibition, and also to others for exploring new sources of taxation. On the expenditure side, he should have echewed additions to developmental expenditure which are not immediately productive. He should have given more positive reliefs to the private industrial sector so that the latter could be enabled to save, and invest such savings for increasing the country's productive capacity. This could have been done by rationalising the taxation structure and by reducing Governmental expenditure on administration, as well as on social services. We may be told that all this is politically inexpedient. Political considerations are important, but they should not become so paramount as they are at present. No political structure will endure, unless it is based on sound economic considerations. Unfortunately, the large majority which the Congress Party now commands in Parliament and the State Legislatures has made it blind to this realism. It looks as though it will become, sooner or later, a victim of its own false notions of a Welfare State and meaningless fads.

The relationship between the capital expenditure, as provided in the Budget, and the Five-year Plan is not quite clear, except the vague indication by the Finance Minister that the capital expenditure broadly follows the Plan suggested by the Planning Commission. Perhaps, he will throw some light on this in the course of his reply to the Budget debate. In one respect at least, the Budget is not in consonance with the Plan, namely, in regard to the scale of deficit financing to be incurred in the coming year. So much has already been said on this subject, not only in this journal but also elsewhere, that there is hardly anything fresh to add to it. Suffice it to say that there is no justification for resorting to this form of inflationary finance on so large a scale as Rs. 140 crores in the next year. The present economic conditions in the country are by no means so comfortable as to absorb such a large dose of additional purchasing power, without seriously upsetting the fair amount of stability that has been achieved after several years of severe hardship. The temporary fillip it may give to trade and industry will soon be offset by a rise in the cost of production which in turn will have adverse effects on the country's balance of payments position, ultimately undermining the external value of the rupee.

By providing for deficit financing of the aforesaid magnitude even in the third year of the Plan, when there are sources of revenue which, if tapped, will reduce this deficit to a manageable proportion, the Government has clearly indicated that it proposes to follow the easy, but the most costly, method of financing the Plan. This is all the more clear from the long period of two years given to the newly appointed Taxation Enquiry Committee to submit its recommendations. This will offer a convenient excuse to the authorities either for not tapping additional sources of revenue or for not giving any relief to the deserving sectors in the country's economy. To raise finance by exercising the right of the State to create money is the easiest thing to do for the powers-that-be, but its cost to the public will be terrible. It is the most inequitous form of taxation, in that it will make the rich richer and the poor poorer. The irony of it is that this weapon of taxation is being wielded by the Party which has as its objective the levelling down of the great disparity in incomes and possession of wealth in this country. We are, of course, assured by the Finance Minister that he will keep a constant watch over the effects of deficit financing on the economy of the country. But the situation may get out of hand in spite of his best efforts, for, even if we concede, for argument's sake, that the economic climate is somewhat favourable for deficit financing, the political climate is not. If development through deficit financing is to succeed, the administrative machinery must be highly efficient and incorruptible, the public must be ready to co-operate, and the State Governments should not pull in opposite directions but be amenable to control by the Centre. These prerequisites are not there, at any rate not to the extent that is absolutely necessary, as is evident from the concluding paras of the speech of the Finance Minister himself. If the Government comes to the conclusion that it cannot, for political, sentimental and ideological reasons, raise additional resources by exploring new sources of taxation and by rationalising the existing tax structure, and if it realises that sufficient assistance will not be forthcoming from foreign countries, it will be well advised to revise the Plan for the economic development of the country rather than resort to large doses of inflation which will surely imperil the stability of the country's economy.

INDIANS IN FOREIGN FIRMS

THE figures of the survey of Indians in non-Indian firms, released this week, belie the fearful description of the conditions in these firms, which found expression through a memorandum submitted by the Indian employees of these firms. These returns, which have been received from 1,060 predominantly foreign-controlled concerns, show that, in 1952, although more than 75 per cent. of the superior posts carrying a salary of Rs. 1,000 and above were occupied by non-Indians, the position was better in the two lower income groups, namely, Rs. 300-499 and Rs. 500-999, in which Indians formed 99 per cent. and 85 per cent., respectively, of the total incumbents. It is also gratifying to note that there has been a gradual increase in the percentage of Indians employed in foreign-controlled companies since 1947. Between 1947 and 1952 the percentage of Indians employed in these firms increased from 96 to 99 in the lowest salary group, from 58 to 85 in the middle salary group and from 7.5 to 24.3 in the highest salary group, that is, the group carrying a salary of Rs. 1,000 and above.

The actual percentage of non-Indians employed in the highest salary group in the various trades and industries in 1952 over the corresponding percentage in 1947 was as follows, with the figures in brackets showing the position in 1947: Banking, 86 (98); insurance, 72 (87); transit and transport, 72 (95); automobile, 57 (82); printing, publishing, etc., 67 (85); chemicals, drugs, etc., 68 (91); metals, etc., 66 (100); machinery, engineering, etc., 70 (92); leather and rubber, 57 (84); public utility companies, 52 (85); managing agencies, 75 (90); merchants, agents, etc., 80 (93); cotton mills and presses, 77 (98); planting companies, 93 (99); coal companies, 63 (80); oil companies, 60 (87); other minerals, building materials, etc., 77 (99); sugar and breweries, 84 (97); all other companies, 72 (87). It will be seen that in all the occupations the position has improved in favour of Indians.

A point to be noted here is that some 300 foreign-controlled firms did not submit their returns in response to the Government's request. These are mostly trading and agency firms, planting companies, insurance companies, etc. About 90 per cent. of non-Indians employed in foreign concerns are U.K. nationals. Americans and Swiss account for another 5 per cent. and the rest consist of several other nationalities, mostly Europeans. The number of non-Indians (under all the three groups) increased from 7,162 in 1947 to 7,653 in 1952. The number of U.K. nationals employed in these companies increased from 6,495 in 1947 to 6,820 in 1952.

It is against the above background that the question must be viewed in its correct perspective. Three considerations call for notice, in this connection. In the first place, the number of Indians in the highest salary group is increasing. There were only 451 Indians (5,507 non-Indians) in this group in 1947; in 1952, there were, in this group, 2,137 Indians and 6,661 non-Indians. It is true that the number of non-Indians employed in this country has gone up, but it is also equally true that the increase in the number of Indians employed is greater than that in the case of non-Indians. Secondly, it is not as if the problem is one of supreme national importance, since the number of non-Indians in the highest grade is not very large, considering the size of this country. Their replacement by Indians is not going to mean any great increase in national prosperity. Thirdly, commercial employment, unlike Government employment, is governed by certain standards of conservative tradition and efficiency. It is not possible to effect changes as frequently or as rapidly as in a Government department. The change-over from non-Indian personnel to Indian personnel has necessarily to be slow. And the change, as we have emphasised in the past, is not best effected through legislative compulsion or omnibus Government restriction. Mr. T. T. Krishnamachari rightly said, in reply to a question in Parliament last week, that, although the Government's policy was to encourage the employment of Indians in foreign concerns, it was "rather difficult for Government to tell a firm to promote A or demote B or ask them to put C in a different category." After all, commercial firms must be allowed the right of choice of personnel, for they know best what is best for them. But, within these obvious limits, much could nevertheless be done through persuasion to encourage the firms to appoint Indian personnel of suitable type to an increasing extent in positions of responsibility. The foreign managements, on their part, will be well advised to strengthen the hands of the Government in allaying public agitation by promoting Indian personnel having the requisite qualifications and experience to higher positions, as and when the opportunities for such promotion present themselves. There might be difficulties in implementing this suggestion straightaway, since experienced men, in whom the managements could safely repose confidence, might not always be available. But it should certainly be possible to recruit able young men and train them to occupy higher positions in due course, for there is no dearth of talent in the country. It is, however, heartening to note that many of these firms understand as well as appreciate the need for effecting Indianisation of the superior posts.

SHARES REACT FAVOURABLY TO BUDGET

CURB ON SPECULATION—RELIEF TO INVESTING COMPANIES—OUTLOOK FOR STEEL

THURSDAY, 5 P.M.

MARKET GOSSIP

THE great enthusiasm with which the Share Market greeted the Budget indicates that most of the operators were pleasantly surprised by the absence of any new taxation and the extent to which deficit financing is contemplated by the Finance Minister. Although it was more than once indicated, in these columns, that the Budget was unlikely to contain any new taxation and that deficit financing would be the main plank on which the Plan would be implemented, operators were not ready to believe it. In other words, the market was quite prepared for some additional taxation, although it does not mean that any such increase would have been welcome to it. The inference which the market has drawn from the latest Budget proposals is that the Finance Minister is unlikely to tax the private sector any further to implement the Plan and, as such, the fears generated by the proposals contained in the Five-year Plan are unwarranted.

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The market further feels that, once a beginning is made with inflationary financing, it will be difficult for the authorities to stop it, until the projects begun with such finance are completed. On this line of reasoning, some in the market are of the view that equities must steadily harden. Theoretically speaking, this argument has logic in it. But it ignores the possibility of the Government taking corrective measures when the full impact of deficit financing comes to be felt. If, for instance, the Government finds that industries are making large profits, as a result of its developmental expenditure, it may introduce appropriate measures to mop off the surplus profit, as it did during the war years. It may statutorily check the level of dividends and raise the rates of taxation. It may reintroduce price and production controls. Already, the Government has fired the first shot against speculators, by including a provision in the Finance Bill which seeks to prevent them from buying up speculative losses. This has created considerable consternation among the speculators, as we shall presently show. One must, therefore, proceed cautiously in anticipating the effects of deficit financing on investments in shares and stocks. In fact, it is just possible that the Government will be sensible enough not to resort to deficit financing on a scale which will seriously injure the economy of the country. In any case, it will be several months before the signs of inflation come to be noticed again.

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The Finance Minister's explanation of the ways and means borrowings of the Government is rather vague. It is clear that the 3 per cent. 1953-55 loan will be repaid. The outstandings of this loan amount to Rs. 115 crores. As against this, he has provided for a borrowing of only Rs. 100 crores. This means that he is prepared for a net outgo of Rs. 15 crores. He will, however, try to rope in this amount also by offering a cash-*cum*-conversion loan, if conditions in the market are favourable for this purpose. He may even try to borrow more, but, if he fails to do so, he will resort to the issue of Treasury Bills. This does not necessarily mean that he will confine his short-term borrowings to the commercial banks alone. A sum of Rs. 110 crores is too large to be raised from the banking sector, unless business conditions happen to be very poor, which is very unlikely. The great bulk of this borrowing will, therefore, have to be from the Reserve Bank, in which case it will be inflation, pure and simple. If this process is carried too far, money may become cheap again. But, if the creation of new money is confined only to Rs. 100 crores, it may not have any appreciable effect on the present level of yields on Government securities. At best, it may have a slightly steadying influence, unless the State Governments are allowed to borrow at higher rates of interest. The yields on equities also may stabilise in the neighbourhood of 6 per cent. for first class shares, for, having seen higher yields in the past one year or so and having suffered heavy capital depreciation in recent years, investors may not readily come forward to pay appreciably higher prices. A point that needs to be noted here is that much of the rise in prices, witnessed after the introduction of the budget, has been due to speculative activity, with investment buying being next to nothing. And such gains are generally of a short-term nature only.

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The provision in the Finance Bill, which relates to speculative losses, has, naturally enough, been received with misgivings in market circles. The net effect of this provision is that losses, arising from speculation will not be allowed to be set off against profits and gains of business, profession or vocation, other than the profits arising from speculation itself. Two explanations are added to the relevant clause in the Bill. They are:

"*Explanation* 1.—Where the speculative transactions carried on are of such a nature as to constitute a business, the business shall be deemed to be distinct and separate from any other business.

"*Explanation* 2.—A speculative transaction means a transaction in which a contract for purchase and sale of any commodity including stocks and shares is periodically or ultimately settled otherwise than by the actual delivery or transfer of the commodity or scrips.

"Provided that a contract in respect of raw materials or merchandise entered into by a person in the course of his manufacturing or merchanting business to guard against loss through future price fluctuations in respect of his contracts for actual delivery of goods manufactured by him or merchandise sold by him shall not be deemed to be a speculative transaction."

* * * *

If market men take exception to this proposal, it is because they are afraid that it will reduce still further the already limited flow of funds to the market. The objections to this proposal have been summed up by the Bombay Stock Exchange which, in a memorandum submitted to the Finance Minister, says that the proposal is repugnant to the general scheme of the Income-tax Act which conforms to the generally accepted principle that income, profits and gains, no matter what their source, really accrue to one and the same person and should be treated as a single unit for purposes of taxation. It recognises that the proposal is intended to remedy the evil of the buying up of speculative losses, practised by tax-dodgers. But it insists that the evil is not so rampant as it was formerly, and that, in any case, it is wrong to penalise market operators for the sins of a few tax-dodgers. It questions the validity of the definition of speculation (*vide* explanation 2 above) and says that assessees might enter into forward contracts and decide, only when the contracts mature, whether to take delivery or not, and that they frequently arrange to take delivery in respect of admittedly speculative business. Referring to certain drafting ambiguities in the Bill, it says that although the amendment provides that a speculative loss can be carried forward, it is not clear whether such loss can be set off against speculative profit in the same trade or in other trades. It also wonders whether the proviso to explanation 2 will cover all *bona fide* hedge contracts.

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The Stock Exchange memorandum lists three "harmful consequences" of the proposed amendment. In the first place, it will "kill all business initiative." Secondly, people will not be inclined to enter the stock market, because their capital resources will be exhausted, if the loss they suffer is not allowed to be set off against their other income. Thirdly, it will affect the brokers' business since their freedom to "trade and do business wherever and whenever an opportunity for profit exists in the market" is taken away from them.

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A notable provision in the Finance Bill, 1953, relates to the exemption from super-tax, which is sought to be given to certain companies, under specified circumstances. This provision, which is being introduced as section 50A of the Income-tax Act, states:

"*Exemption from super-tax of certain dividends*: (1) No super-tax shall be payable by a company on such part of its total income as consists of dividends received from an Indian company formed and registered after the 28th day of February, 1953, where

"(i) the Central Government is satisfied that the Indian company is wholly or mainly engaged in an industry for the manufacture or production of any one or more of the following, namely:

"(1) Coal, including coke and other derivatives; (2) iron and steel; (3) motor and aviation fuel, kerosene, crude oils and synthetic oils (not being oil exploration); (4) heavy chemicals, including fertilisers; (5) heavy machinery used in industry including ball and roller bearing and gear wheels and parts thereof, boilers and steam generating equipment; (6) machinery and equipment for the generation, transmission and distribution of electric energy; (7) non-ferrous metals including alloys; (8) paper including newsprint and paper board; (9) internal combustion engines; and (10) power-driven pumps as specified in the First Schedule to the Industries (Development and Regulation) Act, 1951, and

"(ii) the income of the Indian company would have been exempt under the operation of section 15-C if the provisions of that section had been applicable thereto.

"(2) The exemption specified in sub-section (1) shall apply also to dividends payable to a company in respect of any fresh capital raised by an Indian company after the 28th day of February, 1953, by public subscription for the purpose of increasing the production of, or starting a separate unit of, any one or more of the items specified in clause (i) of sub-section (1)."

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The tax relief contemplated in the Bill will benefit, as a study of the above will show, a number of companies engaged in the production of vital commodities and equipment. Although this concession deserves to be widely welcomed, there will be regret that it refers only to a small group of industries. In its memorandum on the Budget, the Indian Merchants' Chamber has raised this issue, and points out that the relief is unduly restrictive in scope. Under the present arrangement, the dividends from the investment made by joint-stock companies in other companies bear "double" corporation tax, in that both, the company paying the dividend and the investing company which receives it, have to pay corporation tax. It rightly urges that this procedure, which constitutes "double taxation" of the same income, is contrary to accepted ideas of taxation. It says: "Both for removing this tax-inequity and in order to encourage increased investment by joint-stock companies in the capital of industrial joint-stock undertakings, the relief should be extended in such a manner as to exempt completely all dividends earned by the investing company from corporation tax. There should also be no question of the relief being confined to selected industries, for such invidious distinctions in the matter of tax relief are undesirable."

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There has been a spate of dividend announcements on textile shares this week. Of the three textile dividends for 1952, announced this week, one represents a notable increase, another a notable decline, while, in the third case, the level has been maintained. A distribution of a dividend of Rs. 12 together with a bonus of Rs. 5 per share of Rs. 100 each has been recommended by the Directors of the Gokak Mills, Ltd., for the year ended 31st December, 1952. This compares with a dividend of Rs. 14 paid for 1951 and Rs. 10 for 1950. The dividend part of the return to the shareholders has thus been reduced from Rs. 14 to Rs. 12. In thus splitting the distribution into dividend and bonus for 1952, the Directors have made a departure from the practice they had followed in the previous four years. The last occasion when they declared dividend and bonus was for the year 1947. Nonetheless, the total return for the shareholders for the past year is higher than for the previous four years and is restored to the 1947 level when they paid a dividend of Rs. 14 and a bonus of Rs. 3 per share. Another interesting feature about the distribution for 1952 is that the dividend has been enhanced when textile mills are generally expected to have experienced adverse business conditions in 1952. It is, therefore, not surprising that the share market has responded well to the announcement with a rise of Rs. 15 in these shares to Rs. 230. A final dividend of Rs. 12 per share of Rs. 100 has been declared on Kohinoor Mills' shares for the year 1952, which, with the interim distribution of Rs. 6 paid in September, 1952, brings the total distribution for the year to Rs. 18 per share which represents a reduction of Rs. 7 from that paid for 1951. This additional distribution of Rs. 7 paid for the previous year represented a bonus distribution. The latest dividend announcement is from the Directors of the Bombay Dyeing and Manufacturing Co., Ltd., who have decided to maintain the final dividend on the Company's shares for the year ended 31st December, 1952 at Rs. 12-8 per share of Rs. 250 each. The interim dividend of Rs. 7-8 per share paid in September, 1952 was also the same as that for 1951, so that the total dividend of Rs. 20 per share is being repeated.

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There has, of late been some decline in steel prices. For instance, Belgian export prices of steel, which are the most sensitive barometer of the market trends, are now quoted at around $85 a ton as against $140 a ton at the top of the boom, and $92 at the end of 1952. The fall, however, has so far not created any anxiety in the Belgian markets, for several reasons. First, Belgian exports have continued to hold up well, as American importers are still buying motor body sheet from Belgium. Germany too has been purchasing steel from Belgium and, what is more, there are still orders on the Belgian books. Although the rate of fresh orders has been coming down, and delivery periods offered by Belgian exporters have been reduced to a maximum of two to three months, the Belgian steel trade seems to be interpreting the trends more as adjustment of normal levels than as any indication of a coming recession. This view has set many shrewd observers in the European market to examine the outlook for world steel. There appears to be considerable difference of opinion among them.

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One school of thought appears to be bearish. It points to the rapid increase in the world steel production in recent years. It has risen by over 70 million long tons in recent years to 208 million tons in 1952. If the present steel plans of different countries come to fruition, the total may go up to 270 million tons by 1957. Secondly, in the U.S.A., the steel-making facilities have begun to outpace demand and in the next two or three years, it is believed that the world market may feel the pressure of American surplus steel. The first markets to be affected by this surplus are considered to be Canada and Latin America, both of which are now a good market for European steel. The withdrawal of these countries is expected to affect adversely the European markets. Besides, if German domestic steel output increases by over 2 million tons, as now planned, and if the European Coal-Steel Community and Britain succeed in achieving their

SHARES' REACTION TO BUDGET

Scrips	Pre-Budget Low in 1953	Ordinary Session 27th Feb., 1953	Post-Budget High	Closing as on 5th March, 1953
STEELS	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Tata Deld.	1,672 8	1,760 0	1,853 12	1,851 4
,, Ordy. ..	296 4	309 8	326 12	326 8
Indian Iron	22 12	25 0½	26 0	25 10½
TEXTILES				
Bombay Dyeing ..	353 12	378 12	403 12	402 8
Kohinoor	259 0	294 0	315 0	314 0
Central India ..	141 0	156 0	170 0	167 0
"Indu" Ordy. ..	8 2	8 13	9 6½	9 6½
,, Defd. ..	1 7½	1 9	1 12	1 11
Finlay	277 0	299 0	317 8	315 0
Gokak	193 0	216 0	234 0	230 0
Simplex	170 0	182 0	202 0	193 8
Svadeshi	228 8	247 0	263 0	259 0
MISCELLANEOUS				
A. C. C.	166 8	171 8	175 4	173 12
Belapur	209 8	237 8	242 0	240 0
Bombay Burmah ..	357 8	368 12	392 8	392 8
Wimco	213 12	226 14	230 0	230 0
Central Bank ..	62 12	67 8	68 8	68 8
New India Assurance..	40 0	41 12	42 0	42 0
British India Corporation	9 3	9 10½	9 13	9 11

SHARE MARKETS ACTIVE

BULLISH REACTION TO BUDGET PROPOSALS

(From Our Own Correspondents)

BOMBAY, *5th March*

THE Stock Exchange buzzed with activity during the week under review. The Union Budget proposals for 1953-54 being in accordance with the market's earlier expectations, the pre-budget lull on Thursday last gave place to mild buoyancy in the regular noon session itself on Friday just before the announcement. In fact, the buying support which was in full evidence then reflected with optimistic attitude towards the Budget proposals. In the after-budget session that day there was almost a scramble for shares, as the operators construed favourably the absence of any fresh direct taxation and the emphasis on deficit financing. As a result, spectacular rises were recorded in every section of the market. In the subsquent sessions of the week, equities moved to new high levels on strong speculative buying accompanied by nervous covering by some short sellers. It is reported that one of the erstwhile leading bull operators in bullion who had liquidated his holdings in that market entered the Stock Exchange and gave good support to the market. Some of the leading bull operators who saw smart gains in a short period were inclined to book profit. But it is stated public support was still not forthcoming. On balance, however, the entire list of equities recorded spectacular gains.

Hectic buying and feverish short-covering characterised trading in steel shares which, in values, rose to new high levels not seen for several months. Tata Defds. were lifted up from Rs. 1,740 to Rs. 1,825 on Monday this week. After a setback to Rs. 1,805 on Tuesday, they regained fresh strength to move up to Rs. 1,853-12—the highest level since 3rd March, 1952—before winding up at Rs. 1,851-4. Tata Ordinaries recorded a gain of Rs. 19-8 at Rs. 326-8. Indian Irons closed at Rs. 25-10½, after having risen from Rs. 24-12 to Rs. 26.

There was a resurgence of buying activity in textile shares. Strident advances were recorded in almost every scrip. Bombay Dyeings displayed remarkable strength with a rise from Rs. 376-4 to Rs. 402-8, a gain of Rs. 26-4 over the week. The Directors of the Company propose to maintain the final dividend for the year 1952 at Rs. 12-8 per share. Kohinoors rebounded from Rs. 288-8 to Rs. 314. The final dividend of Rs. 12 on these shares paid for 1951 is proposed to be maintained for 1952 also, making the total dividend for the year Rs. 18 per share. Central Indias jumped by Rs. 14 to Rs. 167, Centurys by Rs. 21-4 to Rs. 282-8 and Finlays by Rs. 18 to Rs. 315. Gokaks rallied from Rs. 215 to Rs. 230, reflecting the market's reaction to the stepping up of the dividend for 1952 from Rs. 14 to Rs. 17 per share, inclusive of a bonus of Rs. 5. Indore-Malwas scored a gain of Rs. 8-12 to Rs. 95, Khataus Rs. 21-4 to Rs. 192-8, New Greats Rs. 9 to Rs. 168 and Simplex Rs. 13 to Rs. 193-8. Standards were lifted up from Rs. 285 to Rs. 300 and Svadeshis from Rs. 243-8 to Rs. 259. Bradburys spurted by Rs. 58-12 to Rs. 725. Swans shaped well with a rise of Rs. 10 to Rs. 410 and Tatas recorded a gain of Rs. 5-4 at Rs. 51-8.

Bank shares also moved up with the general pattern of the market. Proximity of dividend induced some buying in Central Banks the Old and New shares each recording a rise of Re. 1 to Rs. 68-8 and Rs. 71, respectively. Barodas were up by Re. 1-4 at Rs. 114-12. Bank of Indias were bid up to Rs. 159, a rise of Rs. 2-8 over the week. United Commercials added As. 8 to Rs. 38. Imperial Fully Paids gained Rs. 12-8 to Rs. 1,832-8 and the Contributories Rs. 3-12 to Rs. 460.

Electricity shares, which had been in favour for some time past, attracted fresh attention during the week. Ahmedabad Electrics Old improved by As. 10 to Rs. 115, Surat Electricity by Rs. 3-8 to Rs. 121-4 and Bombay Suburbans by Rs. 3-2 to Rs. 124-6. Andhra Valleys rose by Rs. 7-8 to Rs. 1,415 and Tata Powers by Rs. 5 to Rs. 1,507-8.

The miscellaneous section revealed an impressive performance with prominent industrial scrips registering fair gains. Associated Cements improved by Rs. 3 to Rs. 173-12. Shortage of floating stock was responsible for a further gain of Rs. 3 to Rs. 240 in Belapurs. Bombay Burmahs which had been dormant for a long time came into the limelight, the Old shares staging a spurt of Rs. 26-4 to Rs. 402-8 and the New scrips Re. 1-14 to Rs. 141-4. Killick Industries were better by Rs. 2 at Rs. 145. National Rayons were in good demand and they put on Rs. 4-8 to Rs. 82-8. Port Cannings met with enquiries and they advanced by Rs. 3 to Rs. 32. Tata Chemicals added As. 4 and closed at Rs. 9-8 and Tata Oils finished with a gain of Rs. 36-12. Wimcos recorded a rise of Rs. 3-2 to Rs. 230.

In the transport section, Scindias were conspicuous with an advance of Re. 1-1 to Rs. 15-10. Bombay Steams were better by Re. 1-8 at Rs. 35. Bharat Lines were marked up by a rupee at Rs. 91. India Steamships added As. 2-6 to close at Rs. 6-12. Air transport shares were neglected on rumours that the Bill to nationalise air companies would be postponed on account of delay in deciding the valuation of shares. Air-Indias were dull at Rs. 82 and Air-India Internationals at Rs. 98.

Among mining and engineering shares, Alcocks put on Rs. 6-14 to Rs. 311-4. Premier Constructions were in keen demand and rose by Rs. 6 to Rs. 95-8. Shivrajpurs were steady at Rs. 61. The Company has declared a dividend of Rs. 5 and a bonus of Rs. 2 for the year ended 30th November, 1952, as against Rs. 3-8 for 1951. Tata Locomotives had sellers at Rs. 88.

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Calcutta Stock Exchange

CALCUTTA, *4th March*

The reaction to the Budget proposals announced last Friday has been very favourable to the Calcutta Stock Exchange. In fact, the Budget has surpassed earlier anticipations. With the need for more finance for development schemes, there was a lurking fear that Mr. Chintaman Deshmukh might probably increase the level of direct taxation, thereby imposing additional burdens on private enterprise, which is, by all means, already overtaxed. The absence of any such burdens has enlivened trading on the Exchange. Besides the reduction of export duty on jute sacking to Rs. 80 a ton from Rs. 175, the proposal to raise the exemption limit for personal income-tax, which is a great relief to about 70,000 assessees, and the absence of any reference to Estate duties in the Budget have all cumulatively led to harden the sentiment of operators. Trading was also assisted by suggestions of deficit financing which would lead to great inflation.

The market remained closed on Friday and Saturday on account of the Doljatra festival, but a special session was held late on Friday to enable the market to record its first impressions of the Budget. Trading was cheerful, and gains were registered in almost all counters that changed hands. The behaviour of the Exchange during the last two days have only confirmed the first impressions.

Coals were steady throughout the week. From Rs. 526 Bengals were favoured up to Rs. 533 and were wanted at Rs. 580 *ex-div.* Dhemo Mains were pushed to Rs. 11 from Rs. 10-12, and Burrakurs at Rs. 11 gained As. 8.

The outlook for jute shares has changed for the better with the reduction in the export duty on sacking goods. Naturally, operators tended to show preference for shares of mills with sizable quantities of sacking left with them. On Friday night, Howrahs were raised to Rs. 25-2 from an overnight quotation of Rs. 23-14, but profit-taking soon followed and the rate closed steady at Rs. 24-12. On Monday, the uptrend again set in and the quotation reached Rs. 25-1 but were lower yesterday at Rs. 24-11. Indias were pushed to as high as Rs. 136 from Rs. 126 last Thursday, while Agarparas were sought at Rs. 20.

On Friday night, Indian Irons advanced to Rs. 25-10 from Rs. 25 and on Monday realised Rs. 25-12. However, profit-taking intervened yesterday, and the rate was lower at Rs. 25-6. Jessops further advanced to Rs. 24-1 and Kumardhubis were a feature with an improvement to Rs. 8-7 from Rs. 7-14. Texmacos at Rs. 5-8 were better by As. 8, while Braithwaites were steady at Rs. 12-6.

Operators paid keen attention to miscellaneous industrials. F. and C. Oslers at Rs. 5-2 were a shade higher, Indian Cables remaining unchanged at Rs. 18-10. Shree Gopal Papers were favoured at the higher, rate of Rs. 17-5, Sone Valley Cements realising Rs. 17-2. Assam Saws were attended at Rs. 6-14 India Steamships at Rs. 6-11, and Indian National Airways at Rs. 4-1.

* * * *

Madras Stock Exchange

MADRAS, *3rd March*

Despite the increase in power cut from 50 per cent. to 66⅔ per cent. with effect from 1st March, last week's bright conditions persisted this week also. This was due to favourable Union budget proposals which did not inflict any additional burdens on industries generally. The relief in income-tax and the exemption of certain types of dividends from corporation tax were welcomed by the market. There were favourable overseas advices for cloth and tea. Consequently, business done was encouraging and prices were generally upward. The undertone was steady.

The improvement noticed last week in the textile section gathered further momentum. There were encouraging enquiries from Hong Kong, Australia and Sudan for textiles. In view of the trade agreement concluded recently between India and Indonesia, operators expected considerable demand for textiles for direct shipment from India. As a result, Vasantas shot up from Rs. 143-4 to Rs. 150. Radhakrishnas rallied Rs. 3 to Rs. 140 and Metturs Rs. 3-8 to Rs. 185-8. Dhanalakshmis gained Re. 1-8 to Rs. 190-8, and Coimbatore Pioneers Re. 1 to Rs. 98. Bangalore Woollens were done at Rs. 240 *cum-div.*, as against Rs. 222. The Directors have recommended payment of a dividend of 15 per cent. free of income-tax on the ordinary shares for the year ended 31st December, 1952. The dividend for 1951 was 20 per cent. free of income-tax.

Rubbers met with considerable buying. Malankaras gained Re. 1 to Rs. 98. Anandams were done higher by As. 4 at Rs. 9 and Tharmapallys by As. 3 at Rs. 12-6. Kailas and Pullangodes were slightly better at Rs. 3-4 and Rs. 2-7. Teekoys, however, lost As. 4 to Rs. 6-12 and Cochin Malabars As. 2 to Rs. 6-4.

Teas were steady. Devasholas improved from Rs. 14-4 to Rs. 14-8 and Nonsuch Teas from Rs. 23 to Rs. 23-4. Nilgiri Teas gained As. 2 to Rs. 16-8. Fringfords, however, lost As. 8 to Rs. 2-8. Haileyburias and Highland Produces were unchanged at Rs. 13-8 and Rs 9-4, respectively.

Coffees were generally dull. Balmadies and Puthuthottams were higher by an anna each to Rs. 2-6 and Rs. 4-14, respectively. Shevroys, however, lost an anna to Rs. 1-3½. Consolidated Coffees were unchanged at Rs. 15-4 and Kadur Coffees at Re. 1-8.

Miscellaneous scrips came in for some enquiry. Andhra Cements were up by As. 8 to Rs. 90. Mysore Tobaccos rallied As. 4 to Rs. 9-14 and Indian Cements As. 2 to Rs. 17-2. Aluminium Industries were done at Rs. 11-4 *cum-div.* as against Rs. 11 and Spencers Rs. 14-8 *ex-div.* as against Rs. 15-8 *cum-div.* Dalmia Cements, Mettur Chemicals and F.A.C.Ts. were each fractionally lower at Rs. 6-2, Rs. 4-1 and Rs. 3-9, respectively.

CHARTERED BANK TO ISSUE BONUS STOCK

At the annual general meeting of the stockholders of The Chartered Bank of India, Australia and China to be held in London on 1st April, 1953, the Court of Directors will recommend a final dividend of 7 per cent. actual, subject to income-tax, making 14 per cent. for the year 1952.

It has also been announced that the Court of Directors will recommend a special Centenary dividend bonus of 2 per cent. actual, subject to income-tax.

The following allocations have been made:—

	£
Pension Fund	125,000
Widows and Orphans Fund	20,000
Bank Premises	200,000
Contingencies	100,000
Carried forward	399,215

Before closing the books for the year 1953 the Court of Directors authorised a transfer of £1,000,000 from the contingency account to the reserve fund, raising the latter to £5,000,000.

An extraordinary general meeting of the stockholders will be held on the 1st April to authorise the capitalisation of £500,000 of the reserve fund. This new stock will be distributed to the shareholders on the register at the close of business on 21st February, 1953, in proportion of the present holdings. The new stock will rank *pari passu* with the existing stock.

Notices

SRI KRISHNARAJENDRA MILLS LIMITED

MYSORE

WANTED AN EXPERIENCED AND COMpetent General Manager to be in charge of the Spinning, Weaving, etc., Departments of the above Cotton Mills. Salary according to qualifications and experience.

Applications giving full details of qualifications, previous administrative and technical experience, age, ability to control labour, present employment, position and salary, should reach the above Company on or before 18th March, 1953.

THE PULLANGODE RUBBER AND PRODUCE COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THIS Company will pay on the 31st March, 1953, to the Registered holders as at that date, interest due on the Preference Shares for the year ended that date at the rate of 6 per cent. per annum.

Preference Share Transfer Register will be closed from 28th March, 1953, to 31st March, 1953, both days inclusive.

By Order of the Board,
ASPINWALL & CO., LTD.,
Managing Agents.

COCHIN, *2nd March*, 1953.

NEWS IN BRIEF

THE Government of India has reduced the price of imported wheat, supplied to the States after the 1st inst., by a rupee, to Rs. 17-8 per *maund*.

During 1952, India imported 375,600 tons of rice from Burma, 184,500 tons from Thailand, 147,000 tons from China and 13,700 tons from Pakistan.

Fifteen American technicians to man the machinery bought in the U.S.A. for the Damodar Valley Project are to be recruited. Recruitment is being done in India with the co-operation of the U.S. Technical Assistance Administration. So far, seven technicians have been recruited.

The estimated reserves of gypsum in the more important deposits of India are placed at 75 million tons. Of this, Rajasthan accounts for 50,903,000 tons, Madras for 16,300,000 tons, Saurashtra for 4,466,000 tons, Kutch for 2,071,000 tons, Himachal Pradesh for 383,000 tons, and Uttar Pradesh for 206,000 tons.

The Government of India has decided that umbrella cloth packed by mills in July, 1952, and earlier months may be kept in unopened condition and offered for sale with the old stampings up to and including 31st March, 1953. After that date, such bales will have to be opened up and re-stamped with fresh markings.

In view of the considerable measure of relaxation effected in price and distribution control of mill-made cloth, the Government of India has decided to permit mills to sell all varieties of cloth which are not subject to price and distribution control, as well as all "free sale" cloth to any licensed dealer, irrespective of the class of licence held by the dealer. Further, any class of licensed dealer may sell such cloth to any other class of licensed dealer.

The Madras Government proposes to levy, with effect from 1st April, 1953, sales tax on tobacco at the rate of three pies in the rupee on the annual turnover of Rs. 10,000 and above. The proposed levy is expected to yield about Rs. 60 to Rs. 70 lakhs per annum. This is in accordance with the Finance Commission's recommendations, under which the Central Government has given freedom to the States to levy tax on sale of tobacco, in lieu of compensation for the collection of excise duty on tobacco.

The Government of India has decided that all cloth packed by mills during the month of July, 1952, and later, which is required to be opened and repacked with new stampings, may be kept in unopened condition and offered for sale with the old stampings upto and inclusive of 31st March, 1953. The Government of India has also decided that no further extension of time for the disposal of these bales by mills with their old stampings should be granted. The mills that will have in their possession such bales after the 31st inst. will have to open and re-stamp these bales with new prices.

The estimated ex-factory cost of one ton of synthetic rice would be Rs. 535, according to the present price of raw materials required for its production. It is also stated that consumer trials have been conducted in Mysore and other centres with preparations made from synthetic rice and that most of the consumers have found the product readily acceptable and easily digestible. The Government of India has sent the Director of the Central Food Technological Research Institute abroad (the U.K. and the Continent) to study in detail the possibilities of large-scale production of synthetic rice generally and, more particularly, the nature of equipment required, its cost and working conditions.

The report of the Export Committee (Excise) has been considered by Government, which is in general agreement with the recommendations made by it. As a number of recommendations of the Committee is constitutionally for the State Governments to implement, the Government of India is not in a position to take a decision itself on such recommendations. In regard to these, the State Governments concerned have, therefore, been addressed. The chief recommendation in which the Central Government is directly concerned relates to fixation of uniform rates of duty on medicinal and toilet preparations containing alcohol, regarding which the question of formulating legislation is already under Government's consideration. Practically all the State Governments have already fixed, in pursuance of an interim recommendation of the Committee, uniform rates of duty for the "restricted" and "unrestricted" categories of medicinal and toilet preparations containing spirit, and no changes would be made in the list of preparations falling under each of these categories without the approval of the Government of India.

* * * *

From Abroad

The U.S. Government has lifted price controls over copper, aluminium, cigarettes, and nearly all dry groceries, such as cereals.

The State Bank of Pakistan has withdrawn all restrictions which required importers to open letters of credit with 75 per cent. margin on O.G.L. items and 50 per cent. margin on licensable items.

The Japanese Government intends to ask Britain and other sterling area countries to ease import restriction on Japanese goods. Japan is reported to be pressing for imports into the sterling area of goods worth £220 million per annum.

The next meeting of the O.E.E.C. Ministers is scheduled to be held at Paris on the 23rd and 24th inst. Mr. Anthony Eden, Britain's Foreign Minister, is expected to announce his Government's monetary plans and also reveal the first U.S. reactions to them in the light of his Washington talks.

The aggregate value of export from the U.S. during 1952 was $15,200 million, which was a record in the history of U.S. trade. The value of imports was $10,700 million. The difference of $4,500 million, however, conceals exports of military items under aid programmes, amounting to $1,980 million.

Production of goods and services in the U.S. during the year 1952 was of the value of $346,000 million, which represents a rise of 5 per cent. as compared with the previous year. Price increases accounted for half of this rise. Thus, the actual expansion in physical volume was to the extent of 2.5 per cent.

The total number of companies which received the consent of the Pakistan Government for capital issue in 1952 was 129, the amount involved being Rs. 32.5 crores, as against 89 companies with an aggregate capital of Rs. 13.7 crores in 1951. Of these, 12 companies are foreign—mostly British—with an aggregate capital of Rs. 5 crores, as against 7 companies with Rs. 3 crores.

Under a Point Four Agreement signed between the U.S. and Egyptian Governments, a joint council is to be set up for the industrialisation of Egypt. The agreements will bring the experts of the two countries together in order to assess the industrial potentialities of Egypt and to study the position regarding raw materials, markets, communications and power supply.

The Government of Pakistan has announced its food policy for the next *rabi* year. Under this policy, the procurement price of wheat has been raised by Rs. 2-10 per maund. Commercial exports of foodgrains will continue to be banned. Movement of wheat or its products from one Province or State to another will not be permitted, except on Government account.

The French Government is preparing a new Bill which seeks to reform taxation. The adoption of a "pay-as-you-earn" system, along the lines of the British example, is one of the main features of the proposed Bill. It will also include the provisions of the tax reform proposed by the previous Government, especially the unification of production and turnover taxes. The new reforms are expected to be enacted with effect from 1st June, 1953.

PERSONAL

SIR Alexander Korda, a leading British film producer and Chairman of the London Film Productions, Ltd., arrived in Bombay on the 2nd inst.

Mr. P. N. Thapar, Chief Administrator, Chandigarh, is expected shortly to join the Planning Commission as Regional Adviser for the northern zone.

Mr. J. B. McMillan and Mr. E. B. Pratt have been elected Master and Deputy Master, respectively, of the Bombay Presidency Trades Association for the current year.

Mr. Carl Friedmann, Director-in-charge of the Overseas Division of Mather and Crowther Limited, the well-known British advertising agency, is now in Bombay for consultations with the Trans World Airlines.

Mr. B. N. Jha, until recently Chief Secretary to the Uttar Pradesh Government, has taken over charge as Secretary to the Central Ministry of Communications vice Mr. A. V. Pai, who has been appointed Secretary to the Ministry of Home Affairs.

Mr. G. E. Longdin, Director, British India Corporation Ltd., has been elected President of the Upper India Chamber of Commerce for the year 1953. The other elected members of the Committee are Messrs. A. H. Buckland, W. H. J. Christie, J. M. Heeramanek, H. Hill, Ram Harain and P. K. Sahgal.

Mr. S. C. Kothari, a leading business man of Madras, and Mr. R. L. Harts, of Calcutta, will be the employers' delegates to the forthcoming session of the Plantation Committee of the I.L.O. to be held at Havana on the 16th inst. Mr. K. P. Tripathi and Mr. Padmanabhan will represent the workers.

Mr. E. J. Pakes, Chairman and Managing Director of Mackinnon Mackenzie & Co., Ltd., and the Allahabad Bank Ltd., has been elected President of the Bengal Chamber of Commerce and Industry for 1953-54. Mr. G. M. Mackinlay has been elected Vice-President. The other members of the Committee are Sir Anthony J. Elkins and Messrs. R. H. D. Campbell, N. D. Harris, O. T. Jenkins, D. D. MacGregor, A. S. Officer and G. A. S. Sim.

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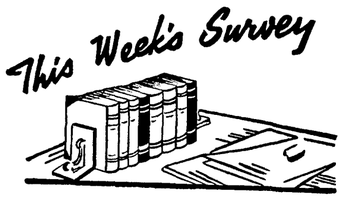

DOUBLE TAXATION IN THE U.K.

THE Royal Commission on Taxation of Profits and Income, which has been appointed by the British Government, has issued, on the special request of the Government, an interim report which deals with the question of "double taxation" of British firms. It may be useful to set down here a few considerations relating to "double taxation" before referring to the interim recommendations of the Commission. International usage allows that a country in which profits arise has a prior right to tax those profits as against the country in which the owner resides. This usage is respected by all countries which allow tax concessions on the profits earned by their nationals through their overseas operations. This is also done as a measure of economic policy designed to stimulate overseas investment, since such investment helps to bring invisible income to the investing country. Thus, Australia, South Africa and Switzerland exempt profits earned in foreign countries by their nationals. Special reduced rates of tax are charged by the U.S. and Belgian Governments on foreign profits made by their nationals.

The U.K. Government, however, does not exempt the overseas profits of British traders. Instead, it has entered into agreements with other countries whereby British nationals are protected from "double" taxation—that is, taxation on the same income both by the U.K. and by the foreign country in which the profits are made. By these agreements, the U.K. taxpayer is allowed credit for the tax he has paid in overseas countries. The net effect of these agreements is that, if the overseas tax is at least as high as the U.K. tax, then the trader pays no U.K. tax, but, if the foreign tax is lower than the tax in the U.K., he pays the difference between the two rates to the U.K. Government. If the overseas tax is higher than the U.K. tax—this is seldom or never the case—he pays no tax in the U.K. In effect, he pays the higher of the two tax rates, namely, the tax rate in the U.K. and the tax rate in the foreign country. But British nationals operate both in countries with which the U.K. Government has "double taxation" agreements and in those with which it has no such agreement. In the absence such agreement the British trader pays on his foreign profits one-half of the U.K. tax or one-quarter of the tax if the profits are made in Commonwealth countries.

This arrangement has been criticised by British traders on the ground that they do not receive from their Government the facilities which their confreres in other countries get, and that they are at a disadvantage, as compared with firms of Australian or Swiss origin, which work in overseas countries. In this connection, the Royal Commission has made three important recommendations. In the first place, it has recommended that the U.K. firms should get the same taxation relief on their earnings from countries with which the U.K. has no double taxation agreement as from countries with which such an agreement is in operation. The U.K. is now negotiating a large number of double taxation agreements with India, Pakistan and certain other countries. The effect of the Commission's recommendation, if accepted by the Government, would be that all the U.K. traders, who operate in overseas countries, will get credit for taxes paid in these countries, irrespective of whether the U.K. Government has double taxation agreements with those countries or not.

The Commission's second recommendation relates to firms which are unable to bring their income to the home country under local currency restrictions. The Commission has recommended that the trader should have the option of excluding from his assessment such part of his overseas profits as is shown to be unremittable. But it will be assessed when remittance is made possible or when the firm finds other use for its "blocked currency." Thirdly, the Commission has suggested that the Government should be empowered to conclude agreements with other Governments under which any tax relief given to U.K. firms by such Governments should be exempt also from U.K. taxation. This recommendation is designed to help U.K. firms which work in certain British colonies. Some of these colonies grant concessions to new industrial undertakings. The colonies are naturally annoyed by the fact that, although they themselves grant concessions to these firms, the British taxation system subjects the firms to a high rate of tax, all the same. Thus, the colonies find that the benefit of the concession, granted in order to promote industrial development, is nullified by the U.K., and they are making sacrifices for the benefit of the British Exchequer. The Commission's third recommendation referred to above is designed to remove this anomaly. If the above recommendations are implemented, the Exchequer will lose, it is estimated about £5 million to £10 million. Further, they will encourage the flow of private investments to other countries.

COAL DEARER IN THE U.K.

The increase in the inland price of coal in the U.K. by 10 per cent., announced with effect from 20th February, 1953, must serve as an eye-opener to all coal-producing countries in the world, especially India. It discloses how growing wages and increased labour amenities, unaccompanied by a proportionate rise in productivity, must lead to higher prices. It is, however, true that the increase in the price of coal for the home market is not a great burden for the U.K. consumers, for, even after this increase, the domestic price works out to below average cost of production. This is possible because of the premium which still can be charged for coal to the export market. When conditions in the export markets change, it may not be possible for U.K. coal consumers to get their needs of coal at the current price.

The increase in the price of coal, the biggest since nationalisation, has been due, according to the Coal Board, to increased wages and better conditions of work for junior officials as well as lower output per man-shift. The recruitment of "green" labour during 1952 is said to have contributed substantially to the lower output per man-shift. The wages bill has continued to rise as have costs in other directions. The 6s. increase for day wage men awarded earlier in February would cost about £6 million. Certain concessions on bonus payments under the five-day week agreement have been made and an extra day will be lost through the Coronation holiday. Moreover, a year's standstill on piece-work pay increases ended last November and new concessions may be negotiated in that sphere. There has been a reduction in the proceeds from exports. Though in quantity, these will be increased to 15 million tons in 1953, the previous export premium of 25s. to 30s. a ton has declined with the stiffening attitude of buyers in a more plentifully supplied European market. All these factors indicate that, in the absence of realising a higher price for coal in the export market, there is no possibility of supplying coal to inland consumers at a price lower than the average cost of production. And unless the increased wage and social amenity bill is followed by a corresponding rise in productivity, it will be impossible to reduce the average production costs.

The increase in the inland price of coal is bound to be reflected in the price of commodities to which coal as fuel contributes substantially. Already, the Iron and Steel Corporation has asked Mr. Duncan Sandys, Minister of Supply, to authorise an immediate increase in the maximum iron and steel prices. The railways use 14½ million tons of coal annually and their costs will accordingly rise by £4 million a year. If price increases are not granted, the increased cost of coal will cut the profits and thereby reduce the resources for investment. A higher price for coal will, however, provide a great incentive to economise the use of fuel and thereby save more coal than now for export.

The conditions in the Indian coal industry are worse than those in the U.K. or, for that matter, any other Western country. The cost of production is increasing, with the rising burden of social benefits to workers. There has been a good amount of surplus labour which cannot be retrenched under statutory orders. The continuance of food concessions is a heavy burden and the lower output per man-shift a constant headache. Small wonder, then, that a number of collieries are running at a loss and the few that are breaking even and making small profits are also threatened. Surely, if the increase in costs is not covered through an increase in statutory prices or the restoration of the cut in prices which was voluntarily agreed to by the industry in November, 1949, it would not be long before the industry is faced with a plight similar to the one the tea industry faces to-day. There is no doubt that an increase in coal prices would lead to a spiral of increasing prices of a number of commodities. The best remedy, therefore, lies in a vigorous drive towards increasing the productivity of workers which would permit sizable reduction in production costs.

BOMBAY PORT TRUST

The Budget estimates of the Bombay Port Trust for the year 1953-54 disclose a steep fall in its surplus earnings. Thus, it is estimated that the surplus will be as low as Rs. 96,700, as against the revised estimates of Rs. 12.15 lakhs for 1952-53 and the actuals of Rs. 183.91 lakhs for 1951-52. Receipts under the general account are estimated at Rs. 583.04 lakhs for 1953-54, as compared with the revised estimate of Rs. 627.69 lakhs for 1952-53 and actuals of Rs. 691.16 lakhs in 1951-52. The expenditure in 1953-54, 1952-53 and 1951-52 is estimated at Rs. 582.07 lakhs, Rs. 615.54 lakhs and Rs. 507.26 lakhs (actuals), respectively.

These figures show that so far as the year 1951-52 is concerned, the Port authorities' expectations were more than fulfilled. But the revised estimates for 1952-53 tell a different tale, while the estimates for 1953-54 are discouraging. The estimated decline in earnings in 1952-53 is attributable to recession in trade which still persists. The aggregate imports handled in the docks and bunders during the eight months ended November, 1952, were 3.1 million tons, as against 3.6 million tons during the corresponding period of the previous year. It is true that there has been some improvement in exports, following increased foreign offtake of manganese ore and scrap iron. But the improvement has so far been insufficient to counterbalance the decrease in imports.

On present evidence, it looks as though the recession in trade will persist for some time. Imports of wheat next year are expected to be smaller than in the current year, such being placed at not more than one million tons which works out to 30 per cent. of imports of 1951-52. There are still large stocks of East African cotton bought last year. This coupled with better cotton crop prospects during the current season, points to a probable further decline in imports of cotton. All this explains why the general receipts for 1953-54 are estimated lower at Rs. 583.04 lakhs as against the revised estimate of Rs. 627.69 lakhs for 1952-53. A gratifying feature of the budget estimates for 1953-54 is the estimated decline in expenditure. Thus, the expenditure for 1953-54 is estimated at Rs. 582.07 lakhs, as against the revised estimates of Rs. 615.54 lakhs for 1952-53. The decline by as much as Rs. 33.47 lakhs is attributable, among other causes, to the cumulative effect of the various economies effected from time to time. The revised expenditure for 1952-53 is, however, higher by Rs. 15.38 lakhs over the originals. This is due to payment of certain arrears of pay and allowances to staff, to the purchase of new launches for the use of port police and to the allocation of service allowance to the same heads of account as the basic wages are charged to, instead of debiting *en bloc* to the relative major heads, as was being done before.

The capital budget for 1953-54 provides for an expenditure of Rs. 797.61 lakhs as against the revised estimate of Rs. 190.58 lakhs for 1952-53 and the actuals of Rs. 66.27 lakhs for the year 1951-52. Now that the proposal to increase the rate of surcharge on certain rates and charges levied at the docks and bunders from the present 33⅓ per cent. to 66⅔ per cent. to meet a part of capital expenditure has been rejected by the authorities, the only sources left, in the absence of a favourable climate to raise loans from the public at reasonable terms, are loans by the Government and appropriation from the Revenue Reserve Fund.

A CASCADE OF LAWS

With amazing rapidity, statute has followed upon statute in the industrial sphere. Labour laws, State Insurance Act, Provident Fund Act, Industries (Development and Regulation) Act, and a host of other measures have inundated the industrial field. Mr. G. E. Longdin, who last week addressed the Upper India Chamber of Commerce as its President, said: "A positive cascade of Acts, Bills and Expert Committee Reports has descended upon us." He might as well have called a veritable "avalanche," considering how chilling some of these laws could be. Each of them, taken individually, constitutes a small burden. But their cumulative effect is crushing to a degree. To take only two of the new schemes, the State Insurance Scheme and the Employees' Provident Fund Scheme, the cost of the former is estimated at 4½ per cent. of the wage bill and of the latter at 6¼ per cent. of the bill, plus a contribution for administration charges amounting to 3 per cent. of total contributions. Mr. Longdin conceded that the lot of the common man in India must be raised. But he rightly wondered where the "unrelenting force" of all this legislation would drive the industrial ship.

A more pertinent question was whether the Government was justified in devoting all its attention—legislative and others—to industrial labour which only forms a small part of the country's population. Increased labour amenities will normally be reflected in higher prices. The consumer has ultimately to pay for them. It is difficult, in this context, not to appreciate Mr. Longdin's logic that the Government is not justified in making further demands on the "major agricultural part of the population in order to subsidise the standard of living of the minor industrial part." It is also equally difficult for us to withhold our consent to and approval of the view that the "time has come for all Governments, State and Central, to pause for an interval to consolidate the gains achieved, and to assess their effects on industry."

This is sage advice. To admit the need for a curb on the legislative ardour of the Central and State Governments is not necessarily to admit that there is no scope for legislative reform in the industrial field. There is. But wisdom lies in matching this ardour by a consideration of economic realities. After all, even labour amenities have to be earned. They must be paid for. And somebody—the consumer—must be capable of paying for them. There is certainly no virtue in more speed—speed of legislation. Unfortunately, the Central and State Governments have succeeded in giving the impression—at least, in the economic field, this is true—that they are more conscious of speed than of direction. And mere speed, in the absence of direction, could be disastrous. An instance of how haste in legislation impedes administration of measures is provided by the fact that the date of inauguration of the Provident Fund Scheme had to be postponed before it was actually introduced. Such delays could be prevented if the Government were to evolve better methods of consulting the concerned interests, before they introduce measures which have a bearing on industrial management. But the Government again errs on the side of haste, as Mr. Longdin pointed out in so many words, by calling upon commercial bodies to submit their views on proposed legislations without giving them sufficient time to study these measures.

INCOME-TAX COMMISSION

Few commissions have had to tax their brains and their patience more than the Income-tax Investigation Commission which found itself confronted, as its latest report says, by "some of the acutest brains in the country." Tax evasion has been developed into a fine art. And when practised hands, aided by all the available legal and accounting ingenuity, indulge in this pastime, the result, as can be easily expected, must be a serious leakage in revenue. For more than five years now, the Commission—it began functioning in December, 1947—has been engaged in unearthing concealed incomes which were, till the Commission came on the scene, inaccessible to the arms of the law. The Commission's task was by no means easy. Although there were a few assessees who could be persuaded to reveal the truth, there were many who contested the assessments at every stage. Their cases, backed as they were by the highest legal talent in the land, involved prolonged and sustained investigation. But, by and large, the Commission has been successful. In 1949, the Commission was able to bring to light a total concealment of Rs. 2.88 crores, involving a tax of Rs. 2.18 crores; in 1950, the corresponding amounts were respectively Rs. 8.11 crores and Rs. 4.90 crores and in 1951, Rs. 18.12 crores and Rs. 3.80 crores. In 1952, the total concealment traced was Rs. 10.88 crores.

The Commission has been continuously engaged in tackling only the bigger cases, for they give better 'value' for the attention expended. These cases have been divided into two groups which are very influential, having "far-flung ramifications throughout the country." Investigations into these cases has, therefore, been necessarily slow. The Commission, however, hopes that, when these major cases are settled, progress will become more rapid. An interesting feature of the working of the Commission is that its work has been accomplished at a low cost. The average expenditure on the Commission for the three years ended 1951 was only 1.4 per cent. of the extra tax which became leviable through its activities. Thus, the large amounts of concealed incomes have been discovered, as the Commission says, at no greater cost than that involved in the upkeep of the regular income-tax assessment machinery, in spite of the fact that a very large percentage of the amounts assessed by the ordinary department officials are declared by the assessees themselves, whereas the Commission has to unearth concealed income after the lapse of some years and with great difficulty.

OFF THE RECORD

(By "ROVER")

AND still one more budget! And a budget, however much one might like to run away from and forget all about it, one just cannot afford to do so. For two pins, I would prefer to write on any other subject, even on the urgent need for establishing comfortable and congenial homes for stray cats in New Delhi, Bombay and Calcutta, to dealing with Mr. Deshmukh's budget, about which every other man I meet seems to be talking as much with appropriate gestures as vocally. It is so amorphous, so very nebulous, that I find it difficult to pinch it in some projecting spot and make that a starting point for my vapourings.

Besides, our Finance Minister, unlike so many poorer specimens of this breed, is so suave and takes such pains to appear reasonable while really having his own way all the time, that he often disarms criticism in advance and makes me feel disinclined to mouth my belligerency. And still, I know it for a fact that he is most dangerous, when he coos most sweetly. Besides, he is a deadly foe of columnists and critics, because he always manoeuvres cleverly to confine the fight to a plane and weapons of his own choosing. And he has an exasperating trick of showing them up as wrong and misguided, when in reality he and not his critics is at fault. And finally, in spite of his quiet and unobtrusive ways, he is a great artist as well as a stage manager. He knows to a nicety the value of light and shade and tones in theatrical production.

Mr. Deshmukh casts his speeches, especially his budget speeches, in such a mould that, by the time he really comes to the controversial parts of his proposals, he has already put his visible and invisible audience in a state of semi-somnolence by some alchemy of soporifics in the first third of his address. By the time you are awake, sit up and begin to take note of a bomb or two he has hurled at you, he has got over this penultimate and explosive third of his peroration and reached the soothing finale, when he begins to purr again. You are left, when he resumed his seat or when you have put aside his printed speech, in a confused and bewildered state, with warring ideas whirling in your own brain with such swiftness that you are more concerned for the time being with restoring peace within your own being than to take up cudgels with this charmer for the couple of heavy punches he has landed on your nose or chin by taking you unawares.

Frankly and honestly, I do not like Finance Ministers, or, for the matter of that, any minister of Mr. Deshmukh's type, who, with a great show of benevolence and open-heartedness, presents you with a copper coin having a big hole in it and take a rupee off you in the name of some of his own pet charities. I like to cross swords with Central Ministers like Messrs. T. T. Krishnamachari or Mr. Jagjivan Ram or those in the States like Messrs. C. Rajagopalachari and Morarji Desai, or Drs. B. C. Roy and Jivraj Mehta, because of their forthrightness and bluntness. They offer you chinks in their armour and it is a joy to make a well-timed and well-aimed thrust, to pierce their guard and to run your blade through their flesh and sinews. Mr. Deshmukh does not don any armour but clothes himself in a smile, with some lace trimmings of sweet reasonableness, which are harder than chain or mail to penetrate. And though he is a bigger and bolder brigand than all the rest of them put together, there is little joy and still less glory in wounding him and drawing blood. I shall, therefore, not be wrong in leaving him to be mauled by the Editor. Sometimes, there is more excitement in watching a skirmish than in engaging oneself in it.

Having thus dexterously and successfully evaded all the important issues raised in the budget by the Union Finance Minister last week, even that of deficit financing which is likely to cause some convulsions in the body economic and to rock the share markets in the country with a severe tremor, I feel that I must earn my keep by commenting leisurely on one or two extra-budgetary topics, dealt with by him in his budget speech. Like some of our cities, our tax structure has grown in an unplanned and unscientific manner. Such haphazard, unstudied and unregulated growth might present a picturesque appearance, but it is bound to cover a lot of slums and plague spots and create a number of anomalies, arresting healthy growth and functioning. It is a surprise to me that the present tax structure of ours has not caused a severe economic epidemic. But it has given rise to enough diseases which have become endemic and the casualties from these are both numerous and tragic.

Apart from the urgent need of a proper and just distribution of the burden of taxation on the various sections of society, there is as much need to-day for establishing some kind of balance between the loads placed on the back of the citizen by a number of authorities in the country. There has to be some system even for arranging weights on a scraggy pack horse, if you want the beast to transport them without a breakdown and without developing a sore and ulcered back. There must also be some upward limit to the total load the poor animal is asked to carry. The taxable capacity of the citizen does not increase with the number and the needs of the authorities taxing him. If one takes more than its share, the other must either prevent him from doing so or reduce his own demand. The lot of the citizen in the State of Bombay in this respect is the most unfortunate and needs more immediate attention than Mr. Deshmukh's Taxation Inquiry Commission, scheduled to work in a leisurely manner during the next two years, can provide him.

While I have no quarrel with the personnel of the Commission and while the selection of its President has rightly met with approbation and acclamation everywhere, I do think that, with the wealth of data already collected by the Finance Commission, it should be possible for it to complete its work within a quarter of the time allowed it by the Government. People are not so patient now as they used to be when an extreme form of undiluted capitalism was the accepted creed, and the alternatives were only of academic interest. Both the war and the sensitiveness born from national independence have rendered people less patient. This was one of the first enquiries that should have been undertaken after August, 1947. It is imperative that either some interim action anticipating the recommendations of the proposed Commission be taken immediately or the Commission be asked to expedite its work in time for the Central and State budgets for 1954-55. Delay in this matter will be fraught with great risks and dangers. What happened in Saurashtra about the sales tax might raise its ugly head in several other parts of the country as well. There are anti-social elements ready enough to fan these sporadic fires.

Mr. Deshmukh wound up his budget speech in the approved fashion of to-day by appealing for the co-operation of the public and thereby laying indirectly the burden of the responsibility for a probable failure of the Five-year Plan, if any, on the shoulders of the citizen. In keeping with his usual air of sweet reasonableness and fair dealing, he, unlike many others of his colleagues, has tried to divide this burden evenly between the leadership and the people. The leadership has failed signally, if not miserably, during the two years of working of the Plan and the spending of about a third of the amount estimated as its cost. Mr. Deshmukh talks glibly of "the Governments in the country, assisted by the Planning Commission," providing "precise and specific guidance in regard to the directions and contents of the public co-operation expected." I see no trace of such guidance from any of the Governments, apart from mere vague demands for co-operation and enthusiasm. There is a lack of full co-operation even between the Central and some of the State Governments in this respect, as gently hinted at by the Central Finance Minister. I fear that, in view of this contretemps, it might prove ultimately to be a case of the blind leading the blind in the spending or squandering of 2,000 crores of rupees or more.—*All Rights Reserved.*

DEVELOPMENT PLANS AND THE BUDGET

MR. DESHMUKH MAKES A PSYCHOLOGICAL APPROACH

(From A Special Correspondent)

NEW DELHI, *3rd March*

DELHI LETTER

THE consensus of opinion in the capital about the latest Budget proposals is that Mr. Chintaman Deshmukh has been able to make the best of a bad job. A cursory reading of the budget speech will convince even a confirmed sceptic that Mr. Deshmukh has been actuated by the lofty motive of the implementation of the Five-year Plan. His speech bears the impress of one who is anxious to carry the public with him and, in order to create the necessary psychology, he has taken extraordinary pains to explain that the economic position of the country is, on the whole, satisfactory and moving in the right direction.

In the framing of the 1953-54 budget proposals, especially on the revenue side, Mr. Deshmukh would appear to have intentionally made up his mind not to scare away the public by showing a heavy deficit. The Finance Minister hopes, for instance, to receive Rs. 18 crores from Pakistan, being the first and second instalments of its pre-Partition debt to India. As matters stand, it is doubtful whether Pakistan has either the intention or the ability to pay during the next year any appreciable sum. Perhaps, it may even take cover under the fact that its balance of payments position has been showing considerable deterioration during the last few months. Further, the assumption that he would be able to realise a total sum of Rs. 159.18 crores by way of corporation and income taxes, as against Rs. 170 crores in the current year, is not likely to prove correct, especially if the results of many joint-stock companies, published in recent months, are any indication of the assessable profits for the next year. In respect of these two items alone, the 1953-54 revenue has been overestimated by about Rs. 30 crores. Mr. Deshmukh could not be unaware of these, but he has done so with a purpose lest any large deficit should generate pessimism in the main markets of the country.

The Finance Minister stated that, on a rough estimate, the total expenditure by the Centre and the States together in the first two years of the Plan would be of the order of Rs. 600 crores. He further observed that "if the level of development expenditure reached by the States in 1952-53 is maintained in the coming year, the total expenditure, taking the Centre and the States together, for the three years ending March, 1954, would have reached about Rs. 1,000 crores." In other words, the development expenditure under the Plan will go up to Rs. 400 crores in the next year which must have to be stepped up to Rs. 500 crores in the fourth year and to about Rs. 600 crores in the fifth year for its successful implementation. Although Mr. Deshmukh was of the view that the State Governments should find it possible to concentrate all their attention and energy in augmenting their resources for the completion of the development under the Plan, it is a doubtful proposition whether the States would go ahead in levying fresh taxation. The main burden, therefore, has to be borne by the Centre which has no other way but to resort to the method of deficit financing. Mr. Deshmukh was, however, over-confident when he stated that "the recent trends in the economic conditions of the country indicate that the inflationary pressures, which had been the besetting difficulty, have been brought under control, and the climate seems suitable for raising the scale of developmental expenditure."

Steel Expansion Plans

Mr. Deshmukh has provided Rs. 225 crores for developmental expenditure in 1953-54, exclusive of Central assistance for financing the State plans. Due attention has been paid by Government to the establishment of a number of key industries. In the absence of the final decision regarding the financial and technical arrangements for the proposed new steel plant, the budget has provided a token sum of Rs. 10 lakhs for this purpose. Now that prices of steel in Europe has been showing a downward trend and, since by the end of 1953, the supply position in respect of steel is expected to ease appreciably, it may be possible for the Government to secure competitive rates in regard to the supply of machinery for the establishment of the steel plant. We are told that a provision of Rs. 15 crores has been made in the Five-year Plan for this item during the Plan period. A plan has been drawn up to develop the Vizag shipbuilding yard with a view to making it an economic unit. Among other things, the Plan provides for the manufacture of engines and boilers in the workshop at the yard and also for expansion of berths for building ships. A provision of Rs. 65.84 lakhs has been made in the budget estimate, 1953-54, to meet the expenditure in this regard. This sum is likely to be paid to the Hindustan Shipyard Ltd. by way of a debenture loan.

Heavy Electrical Plant

The Government of India's machine tool factory at Jalahalli (Bangalore) will go into initial production towards the end of 1953 and full production by 1955-56. In the first stage, production will be confined to the manufacture of 400 lathes of 8½" size per annum. A provision of Rs. 119 lakhs has been made in the revised estimates for 1952-53 and Rs. 143.50 lakhs in the Budget estimates for 1952-54, respectively, in respect of this project, the total estimated cost of which is Rs. 8.37 crores. The establishment of a heavy electrical power plant industry has now been taken up by Government since the schemes of hydro-electric development have made considerable headway and large-scale electrification of railways to increase line capacity is becoming a necessity. The demand for a heavy electrical power plant is, we are told, bound to develop further at the end of the first Five-year Plan and the necessity for making the country self-sufficient in this regard has become more compelling. The Government will be providing a sum of Rs. 7 crores for this project out of the lumpsum provision of Rs. 50 crores in the Five-year Plan for basic industries and transport. A token provision of Rs. 10 lakhs has been made in the budget estimates for 1953-54 for preliminary investigation about the project.

Mysore's Steel Industry

Provision has been made for a number of other development projects in the 1953-54 budget. A sum of Rs. 4 crores is included to be given as loan to the Indian Iron and Steel Co. and to the Tata Iron and Steel Co., Ltd., for enabling them to implement their expansion schemes. This was in addition to Rs. 5 crores granted to the SCOB and the IISCO before their amalgamation into a single company last year. The expansion scheme financed by the loans mentioned above is expected to be completed by 1954 and to raise the production of finished steel by these companies from two lakh tons to four lakh tons per annum. For stepping up the output of the Mysore Iron and Steel Co., a sum of Rs. 80 lakhs has been earmarked as loan for the current year while the provision for 1953-54 is Rs. 100 lakhs. Construction of two electric furnaces (each with a capacity of 100-110 tons of pig iron per day) has already been completed and trial operations have begun. When they come into full production, an additional quantity of nearly 70,000 tons of pig iron will be available per annum. It is proposed to place orders immediately for a Bessemer Electric Duplex Plant (estimated cost Rs. 100 lakhs) and a Billet and Light Structural Mill (estimated cost Rs. 155 lakhs).

Loans to Shipping Concerns

Besides the above, a sum of Rs. 3 crores has been provided in the budget for 1953-54 as loans to Indian shipping companies for purchase of fresh tonnage for both the coastal and overseas trades. In order to strengthen the Eastern Shipping Corporation—a Government-sponsored concern, Rs. 74 lakhs have been set apart being Government's share in the proposed additional capital. Among the other expansion projects, mention may be made of the Indian Telephone Industries which are expected to be in full production by the end of 1953. Steps for the manufacture of dials and condensers (the only two items which are not so far being manufactured in India) are being laid. The construction and development of national highways will be absorbing Rs. 5.5 crores in 1953-54, while the total budget estimates for the previous two years have amounted to Rs. 8.19 crores. For development of roads in Part C States, a sum of Rs. 111.74 lakhs has been included in the budget for 1953-54. Government has provided Rs. 25 lakhs for investment in the form of preference shares in the Machinery Manufacturers' Corporation, Ltd., which, it is stated, is the only firm in the country manufacturing carding engines required by the textile industry. The manufacture of optical glass is being undertaken, the budget provisions for 1952-53 and 1953-54 being Rs. 10 lakhs and Rs. 39 lakhs, respectively. The Telephone Cable Factory, Rupnarainpur, is to go into initial production by June, 1953, and full production by December next. A provision of Rs. 33 lakhs has been made in the revised estimates for 1952-53 and Rs. 70 lakhs in the budget estimates for 1953-54 in respect of this project. The factory is designed to produce annually about 470 miles of cable length of different specifications. Other developments that have received the attention of Government are the Penicillin factory, Pimpri, the D.D.T. factory, Delhi, electricity schemes in Himachal Pradesh, Bhopal, Tripura, Vindhya Pradesh, etc.

FOREIGN INVESTMENT IN INDIA

Details of remittances received from foreign countries for investment in India were furnished by the Finance Minister, Mr. C. D. Deshmukh, in a written reply to a question in the House of the People recently. In furnishing these figures, the Finance Minister pointed out that they did not give a full picture of foreign investment, because they did not include (*a*) foreign investment in the shape of goods, etc., and (b) re-investment of profits of existing investments. Since 1948, the total foreign investment has been of the order of Rs. 8.03 crores. This, of course, does not include (*a*) and (b) mentioned above. The country-wise distribution of such investment is given below:

(In lakhs of Rs.)

U.K.	674.00
U.S.A.	7.87
Canada	16.60
Switzerland	46.65
Other countries	58.12

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AMERICAN LETTER

NEW ADMINISTRATION'S ECONOMIC POLICIES

TAX CUTS AND TARIFF REDUCTIONS URGED

(From Our Own Correspondent)

NEW YORK, *18th February*

AMERICAN business and industry, as well as the general public, are still trying to adjust themselves to the new Administration at Washington and the latter, in turn, is proceeding very cautiously in formulating basic policies to be pursued in both domestic and foreign fields.

Three fundamental issues have been debated upon, particularly in the past few weeks, namely, taxation, labour policy and foreign trade. So far as Federal taxes are concerned, exuberant legislators in Congress have introduced Bills which would cut individual and corporation income-tax levies and they would also let the excess profits tax expire on 30th June, 1953. Administration spokesmen have promptly put a damper on this move, with the statement that tax reductions would be possible only after Government expenditures have been cut and a budget balance has been achieved.

After all is said and done on this score, however, tax cuts in major areas are regarded as inevitable, since "budget balance" is an elusive term. President Eisenhower is known to be sympathetic to tax cuts, basically for the purpose of increasing incentive to work. Moreover, there is quite a difference between the cash and the book-keeping budget. The former is very little out of balance and expenditure reductions of as little as $5,000 million, which are thoroughly feasible, would accomplish the balance.

The book-keeping budget is out of greater balance, because it takes into account the operations of Government trust funds, transfers for accumulating social security funds, etc., which *per se* do not influence the economy up or down. Since the prospect for a cash balance is excellent, tax reductions are likely to appear soon.

So far as labour policy is concerned, the leading spokesmen of the industry and the trade unions have been called together with the assignment to work out a compromise in amending the much disputed Taft-Hartley Act. Over a period of years, the latter became a symbol of labour leaders' opposition to the Republican Party, because Senator Robert Taft was one of the co-authors of the legislation. Whether or not anything will be accomplished remains to be seen. At any rate, the approach to the problem appears correct and nobody can possibly criticise President Eisenhower, or any of his lieutenants, for trying to straighten out the controversy in this manner.

Trade Policy

So far as foreign trade is concerned, the great cry of the Republican Party for months has been "trade, not aid." As a matter of tradition, the Republicans were always known as protectionists, i.e., as those favouring protection for American manufacturers in the form of tariffs or other import restrictions.

The new Republican Administration is somewhat different. The other day, the question came up officially about the duty on Briar pipes. Recommendations to and by the Tariff Commission advocated higher protectionist rates, but the Eisenhower Administration turned down this first test case, "pending further study on the matter," for fear of creating a precedent which might be followed in other foreign trade decisions. In addition, such men as Henry Ford (2nd) and the head of Burroughs Adding Machine Company, have come out with outright demands for drastic tariff reductions. Mr. Ford is willing even to scrap all duties and let manufacturers stand on their own feet in free international competition.

All this shows a new and fresh approach to the burning questions of the day and it is being welcomed by nearly everyone in the country, including Mr. Adlai Stevenson, Democratic Presidential candidate, who lost the election to General Eisenhower. Mr. Stevenson, who has left on an extended tour of the Orient, said, before he left, that the new Administration deserved a chance to prove or disprove its theories. As the opposition leader, Mr. Stevenson objected chiefly to the fact that so many business men had been appointed to so many prominent positions in the new regime, on the ground that spokesmen of the executive branch of the Government were overwhelmingly on one side of the fence and the whole structure, thus, lacked balance. Yet, he admitted, the experiment was worth trying. It may be added, in passing, that the Republicans said the same thing about the last Democratic Administration which was often referred to as an out and out Labour Government.

Margin Requirements in Stock Trading Reduced

In the meantime, the financial community is pleased about the action of the Federal Reserve Board which reduced margin requirements in stock trading from 75 to 50 per cent. It was regarded as a step long overdue, because stock trading nowadays has grown to be more and more a professional, rather than a popular, pastime. In other words, speculation is negligible and there are hardly any fears of a runaway movement of the stock markets in either direction.

The greatest apprehension, naturally, still centres round a break of stock prices. Plenty of opportunity for this to happen was at hand many times in the last two years. The reasons, again, are almost self-evident.

Private pension and trust funds are accumulating at the rate of about $2,500 million a year, or about $50 million a week. In every market dip, private investors may sell and run for cover, but shrewd institutional investors buy to average the purchase price of their holdings for balance-sheet purposes. This has occurred for the past few years and it will be true, no doubt, for the years to come. It is one of the most powerful factors counteracting a real depression in stock prices.

Elsewhere in the American economy, few changes are in the offing. Employment and pay-rolls continue at peak levels. There is a little recession in Government securities' prices at the present time, but this happens every February, when corporations, instead of buying short- or long-term bonds, accumulate cash towards the fatal 15th March tax date.

Retail trade has shown no particular signs of slump or gain and the decontrol of prices, instituted by the Eisenhower Administration, has had no effect on the basic price structure of the U.S. The only real soft spot, which is causing some apprehension, is that in falling quotes for agricultural commodities. Meat prices have dropped sharply, because of oversupply. This is pleasing to consumers, but it irks farmers and Congressmen, and Senators from the farm States, naturally, demand that Government do something and protect their constituents. While none of the farm-support programme can be dropped from the statute books until next year, the new regime has let it be known that, in the long run, it would much prefer to let the general price structure balance itself by supply and demand, rather than by such artificial stimuli as subsidies which have been employed in the last 20 years. So far, all is well here.—*All Rights Reserved.*

ELECTRONIC "BRAIN"

Development of a new electronic "brain" that may make it possible to apply automatic processing to a large oil refinery or chemical plant has just been announced by the Remington Rand, Inc., U.S.A. The new computer, known as Era 1103, weighs 10 tons, uses 4,500 electron tubes and provides storage capacity up to 17,408 super-speed registers plus vast supplementary tape bulk storage, high-operating speed (60 microseconds per unit of addition) and broad versatility. The computer is expected to be available for commercial use next year.

As applied to refineries and chemical plants, the computer would receive data on processing through "sensing" devices at various stages in the operation. The data would be processed in the computer in accordance with instructions previously fed it, governing such variants as temperature, press, time and mixture. The computer, it is claimed, could receive data based on the analysis of crude oil being processed and, in turn, regulate the process, so that the refinery will produce the highest dollar volume obtainable. Complete control of the plant could be affected by the computer, producing the optimum refinery output in relation to varying economic and industrial processing conditions.

Among other possible applications listed are air traffic control at large metropolitan airfields and air defence, general industrial and economic planning, and scientific-mathematical computation. The most important application, however, is said to be the automatic process control for factories.

CHANCELLOR'S VISIT TO THE U.S.

STERLING LOOKS STRONG

(From Our Own Correspondent)

LONDON, *28th February*

LONDON LETTER

THE Chancellor of the Exchequer and the Foreign Secretary are on their way to Washington to follow up the conclusions of the Commonwealth Economic Conference regarding the strengthening of sterling. Are they really going to discuss arrangements to make sterling convertible? Or are they going to explain to the new Administration their long-term aims and aspirations and seek some immediate practical help? In spite of the speculation about the so-called "convertibility plan," the second is the most probable explanation.

This "convertibility plan" is really a sort of first step towards freedom. It is proposed to set the rate of exchange free to find and hold its own level (which is nothing much different from the present position since imports would continue to be severely restricted, in order not to flood the market with sterling) and to back this with a dollar guarantee fund to avoid speculation. The only true convertibility in this scheme would apply to certain earnings by dollar countries and conversion rights for some sterling balances. Subject to what this last item would really mean in practice, there is nothing much to worry about in this plan, except that it seeks to secure the shadow of freedom in an unpegged rate of exchange without the substance of freedom of dollar imports.

At the present time, sterling looks very strong. For the past four months, the dollar rate has been creeping up from the level of 2.78 to the peak of 2.82 (top margin of the "swing"). It would have reached this level sooner, if the Bank had not been selling sterling—a measure it is continuing to take to hold the rate at 2.82. But all this means is that the Treasury has succeeded in cutting off commercial supplies of sterling at source through its restrictive import policy. Indeed, January showed a trade surplus in gold and dollars of £11 million, apart from the E.P.U surplus of £21 million. These sums, coupled with £16 million of U.S. Defence Aid contribution, brought the net gold and dollar receipts of the sterling area to £47 million and raised the gold reserves to £706 million, as compared with their level of only £600 million six months ago. All this is very encouraging, but it must be seen against a background of the positive restrictions on overseas trade, with the constant query in mind whether the countries whose imports we are restricting may not start to impose further handicaps on our own exports to them.

Chancellor's Policy

The Chancellor tried to put his trip in the right perspective in a letter he sent to the Trades Union Congress just before he sailed. He pointed out that his policy was to see (1) the strengthening of the economies of the sterling area countries, (2) the general adoption of measures conducive to the expansion of world trade, and (3) the possibility of adequate financial support. Until all the conditions precedent to convertibility existed, he did not propose to try to convert. In the meantime, he looked to every possible measure to expand world production and trade.

It can accordingly be assumed that Mr. Butler is going to try to convince the U.S. Administration that there is a great deal they can do towards helping his general aims. In particular, they can revise the U.S. customs regulations, which are admitted to be more of a practical barrier to the entry of goods into America than the actual duties, encourage dollar investments in the rest of the world, buy military equipment from the N.A.T.O. countries (much more sensible would be to give the straight dollar aid and leave these countries with the equipment they make or let them devote more of their engineering resources to exports), buy more raw materials abroad, and extend reciprocal trade agreements. A little help under each of these heads—with the customs regulation point at the top of the list as something entirely within the competence of the Administration—would be of greater value to the cause of convertibility than all the American pressure that the pound should be freed through a major dose of deflation throughout the Commonwealth.—*All Rights Reserved.*

EARNINGS OF IMPERIAL BANK OF INDIA BETTER

DEPOSITS LOWEST IN TEN YEARS

IF the year 1951 had been an eventful one in the history of banking in India during recent years, the following year, that is 1952, was an equally noteworthy one, though for a different reason. The events of the latter year, so far as banks were concerned, were more or less the reverse of those of the previous year. The unprecedented rise in demand for bank credit, occasioned by the all-round increase in price levels noted in 1951, gave way during the subsequent year, except for a short period in earlier months, thanks to the combined effect of the slump in commodities and the new monetary policy of the Government of India initiated in November, 1951. The past year was also noteworthy in another respect in that it represented the first full year of working of banks after the end of the cheap money era, which received official recognition through the rise in Bank rate in November, 1951.

Studied against this background, the results of banks in India for 1952 have shown that the benefits of dearer money have been more than offset by the adverse business conditions. The results of the Imperial Bank of India (Managing Director: Sir Roderick Chisholm) for the past year provide an exception to the general trend, although the full accounts show that the Bank was not immune to the effects of the aforesaid factors. The profit, at Rs. 133.35 lakhs, shows a small increase of Rs. 3.28 lakhs, thus establishing a fresh record. The dividend is proposed to be maintained at 16 per cent. per annum, a rate which had been paid for the previous two years.

The following comparative table shows the trend in the Bank's earnings in the last four years and the allocations thereof:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Gross income	7,90.54	6,92.38	6,43.85	6,06.75
Interest and discount earned	5,52.10	4,98.21	4,79.03	4,50.09
Commission and exchange	2,05.29	1,91.23	1,62.58	1,54.72
Interest paid	1,70.13	1,29.08	1,20.91	1,22.26
Expenses	4,43.53	4,29.11	3,90.26	3,54.94
Depreciation	13.53	13.11	7.25	6.70
Profit	1,33.35	1,30.07	1,25.46	1,22.84
Transfer to—				
Reserve fund			2.50	2.50
Pension fund	5.44	5.63	5.65	3.36
Bonus to staff	39.00	37.50	33.50	31.00
Dividend	90.00	90.00	90.00	78.74
	(16%)	(16%)	(16%)	(14%)
Carry forward	42.08	43.17	48.73	54.92

Of the increase of Rs. 68.16 lakhs in gross income, interest and discount earned account for Rs. 53.89 lakhs. This is evidently due to the substantially higher level of advances and bills discounted during the first half of the year and the higher rate of interest charged on advances. To a large extent this has been offset by the increase of Rs. 41.55 lakhs in interest paid on deposits and borrowings, which, in its turn, is again due to "dearer" money conditions. The rising spiral of expenses, as was pointed out last week in these columns, does not seem to have reached its bounds, as witness the further increase of Rs. 23.42 lakhs in the expenditure of the Bank under review. Of this increase in the Bank's expenditure, salaries and allowances and provident fund account for Rs. 16.99 lakhs. Despite the rise in profit, the Bank has not added anything to the reserve fund which had received Rs. 2.50 lakhs last year. As against this, the provision for bonus has been raised by Rs. 1.50 lakhs to Rs. 39 lakhs.

The main items of assets and liabilities of the Bank at the close of the year under review are compared with those at the end of the previous three years in the following table:

(In lakhs of rupees)

	As on 31st December			
	1952	1951	1950	1949
Capital	5,62.50	5,62.50	5,62.50	5,62.50
Reserve fund	6,35.00	6,35.00	6,32.50	6,30.00
Deposits	206,08.81	231,16.57	231,64.48	250,72.90
Borrowings from other banks	15,62.37	13,00.00	3,33.00	
Advances and bills	111,87.99	139,44.27	98,66.28	90,31.28
Investments—				
Government securities	82,70.11	71,00.93	109,17.63	98,42.31
Others*	14,44.46	14,15.85	12,37.90	9,92.10
Cash	26,74.74	32,60.00	31,47.38	68,38.39
Fixed assets	1,63.90	1,59.24	1,60.16	1,57.92
Balance-sheet total	239,31.28	261,74.85	254,99.42	268,63.93
Ratio to deposits of—	%	%	%	%
Advances	54.3	60.3	42.6	36.0
Investments	39.5‡	31.2‡	51.0‡	42.9
Cash	13.0	14.1	13.3	27.3

* Include Pakistan and other Government securities.
‡ Ratio arrived at after taking into consideration the securities deposited against loans from banks.

The decline in deposits during the year is much steeper than in the preceding year and this is only in conformity with the general trend of bank deposits, because of the contraction in money supply during the year. The level of deposits, at Rs. 206.09 crores, as on 31st December, 1952 is the lowest since 1942. Advances and bills purchased and discounted show a fall of Rs. 27.56 crores on balance, but this does not mean that the general level of advances was lower throughout the year. Reflecting the seasonal trend in trade and business, there was an unprecedented demand for bank finance during the first half of 1952. Advances and bills of the Imperial Bank established a fresh record during that six months. At the end of June, 1952, these stood at Rs. 145.26 crores as compared with Rs. 139.44 crores at the end of December, 1951, and only Rs. 98.66 crores at the end of June, 1951. The decline in advances and bills during the second half of 1952 was much steeper than the rise during the first half, so that they stood at the end of the year very much lower than at the close of 1951. The larger demand on the Bank for accommodation in the earlier half of 1952 necessitated larger borrowings from other banks and these rose from Rs. 13 crores to Rs. 20.03 crores at the end of June, but have declined to Rs. 15.62 crores at the end of the year. The outstandings at the end of 1951 and 1952 were secured by the Bank's investments in Government securities, while those at the end of June, 1952 were covered by both securities and usance bills. In other words, the Bank utilised the facilities provided under the bill market scheme to the maximum extent possible in the first six months of the year, and repaid the borrowings during the latter half. Of the sum of Rs. 15.62 crores representing outstanding borrowings, Rs. 10 crores are those borrowed in India and the balance outside India, whereas the entire Rs. 13 crores at the close of 1951 were borrowings in India.

The Bank's investments show a significant rise of Rs. 11.98 crores and, as will be clear from the foregoing table, excepting for a small part of these, the whole of this increase is in Central and State Government securities, Treasury Bills, etc., in India. A good part of this increase is presumably due to subscriptions to the Government of India Treasury Bills, the sale of which was resumed in October, 1952. Of the total investments, those of a face value of Indian Rs. 12.50 crores and of Pak. Rs. 5.65 crores are pledged against borrowings from other banks, agents, etc. Evidently, because of the prolonged slack season of 1952, the Bank has had to seek

(*Continued on next column*)

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wb/0/53-1953

CANARA BANK REPORTS RECORD PROFIT

9 PER CENT DIVIDEND MAINTAINED

A RECORD profit of Rs. 7.54 lakhs is the most outstanding feature of the audited accounts of the Canara Bank Ltd. (General Manager: Mr. P. S. Nayak, Mangalore) for the year ended 31st December, 1952. Though the profit is only a shade better than that of Rs. 7.39 lakhs earned in 1951, it is in refreshing contrast to the drop in profits of the majority of Scheduled Banks for that year. What is more heartening is that such a record profit has been made in the face of adverse business conditions. The dividend is being maintained at 9 per cent. per annum, after maintaining the allocation to general reserve and providing a small sum for contingency reserve.

The salient features of the Bank's profit and loss account and balance-sheet for the past four years are compared in the following table, which discloses the Bank's progress:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Interest and discount earned	24.39	21.27	21.24	20.73
Commission and exchange	8.25	8.74	6.42	4.48
Gross income	34.80	32.65	29.65	27.15
Interest paid	8.86	8.80	8.14	7.96
Expenses	17.73	15.91	13.54	11.42
Depreciation	0.66	0.55	0.40	0.31
Profit	7.54	7.39	6.98	5.98
Provision for—				
Taxation	3.10	3.40	3.10	1.90
Reserves	2.06	1.50	1.50	1.00
Bonus to staff	0.75	0.65	0.49	0.58
Dividend—				
5% preference	0.52	0.52	0.52	0.48
Ordinary	1.35	1.35	1.35	1.35
	(9%)	(9%)	(9%)	(9%)
Carry forward	0.09	0.33	0.37	0.35

	As on 31st December			
	1952	1951	1950	1949
Capital	29.00	29.00	29.00	29.00
Reserves	16.50	15.00	13.50	12.00
Deposits	7,31.85	7,48.07	7,49.55	7,06.81
Advances	2,82.18	3,20.88	3,46.57	2,82.19
Investments	1,97.46	2,20.93	2,20.97	2,18.17
Cash	1,93.98	2,74.05	2,15.55	2,16.39
Balance-sheet total	9,19.31	9,57.19	9,15.63	8,21.37
Ratio to deposits of—	%	%	%	%
Advances	38.5	42.9	46.2	39.9
Investments	27.0	29.5	29.5	30.9
Cash	26.5	36.6	28.8	30.6

It is interesting to note that the Bank's earnings by way of interest and discount, which did not show any worthwhile increase in the previous year, have been markedly higher in 1952, while those from commission and exchange are fractionally lower, in contrast to increases noted in 1951. Thus, while commission and exchange had made a significant contribution to the improvement in earnings in 1951, it is the interest and discount that have been mainly responsible for increase in gross income. It is also noteworthy that the pace of increase in interest paid on deposits and borrowings has considerably slowed down in 1952. Presumably, the Bank did not resort to any large-scale borrowings in order to meet the unprecedented demand for money during the busy season. The only other factor which has offset to a large extent the higher earning is the rise in administrative expenses which, of course, is not a feature of the working of this Bank alone. The contribution to the general reserve is maintained at Rs. 1.50 lakhs, but an additional sum of Rs. 56,000 has been taken to the inner reserve.

Traditionally, the Bank is noted for adopting a cautious policy in the matter of advances and for maintaining an advance ratio very much lower than the average for all Scheduled Banks. Such a policy has been all the more scrupulously followed in the past year, particularly in the face of a fall in resources. Thus, while deposits have declined by Rs. 16.22 lakhs, advances and bills discounted and purchased have gone down by Rs. 38.70 lakhs, so that the advance ratio at 38.5 per cent. compares with 56.4 per cent. for all Scheduled Banks at the end of the year. Investments are lower by Rs. 23.47 lakhs. Investments in Central and State Government securities and Trustee securities have gone down from Rs. 214.37 lakhs to Rs. 183.21 lakhs, while those in municipal debentures and loans show a rise from Rs. 1.30 lakhs to Rs. 8.99 lakhs. Investments are shown at cost, but the market value of the Government securities, which form the bulk of the investments, is well above the book value. Cash balances too have declined by Rs. 80.07 lakhs, so that the cash coverage to deposits is 26.5 per cent., that is 10 per cent lower than that at the end of 1951, but it still compares very well with the all-India average of 11.6 per cent.

(*Concluded from previous column*)

a remunerative outlet for its idle funds. This is again reflected in the contraction of Rs. 5.85 crores in its cash balances at the close of the year.

FORMATION OF SAVINGS AND RISK CAPITAL

SOME LESSONS FOR INDIA FROM BRITAIN'S EXPERIENCE

INDIA'S Five-year Plan assigns an important role to the private sector of India's economy. Yet, savings and formation of risk capital in the country are not only very inadequate, but, according to well-informed opinion, have also been going down recently. Ways and means, therefore, are being considered to stimulate them. A study of the analysis made in a series of three articles in the issues of *The Economist*, London, dated 7th, 14th and 21st February, 1953, of the problem of savings and capital formation in Great Britain in recent years would, therefore, be found very interesting by many in this country.

Britain achieved industrial and commercial supremacy in the nineteenth century on the basis of allowing its capitalists to accumulate savings and to seek ceaselessly for the most productive and most profitable outlets for investment, while, in many other countries, savings either piled up in the hands of apathetic landlords or did not accumulate at all. But, during the last five years, sales of securities on the London Stock Exchange by private investors have exceeded the purchases made by them, and there has been no net personal investment, in spite of the fact that the earlier part of this period was characterised by conditions of boom. An analysis of the available official statistics indicates that the private investor is dead.

During the four years 1948-51, the personal savings in Britain amounted to £456 million, to which should be added £408 million of depreciation allowances granted to unincorporated businesses, £97 million of additions to their tax reserves and £386 million of war damage and other capital payments to private persons and unincorporated businesses, giving a total of £1,347 million, over and above the amounts spent on current consumption and payment of income-tax. During the same four years, death duties and the special contribution imposed on investment incomes in the 1948 budget amounted to £853 million, gross capital formation (including stock building) of unincorporated businesses amounted to £1,298 million, the life and annuity funds of British insurance offices increased by over £500 million, shares and deposits of building societies by over £400 million, the national savings movement showed an excess of receipts over deposits of £87 million, and the increase in gross personal deposits at the clearing banks exceeded gross personal borrowing from them by over £200 million. All these items give a total of over £3,300 million, that is, £2,000 million more than the £1,347 million available. Apart from any net new borrowings from lenders other than banks, the shortage must have been financed by personal sales of financial assets, and especially of Stock Exchange securities. These sales and the entire new issues have had to be absorbed by corporate investors and Government funds such as the national insurance funds. Some confirmation of this statement is provided by the facts that the value of Stock Exchange securities shown in the balance-sheets of British insurance companies rose by £426 million during the three years 1948-51 and that the net purchases of Government securities by Government departments amounted to £568 million during the two years 1948 and 1949.

Private Investor Crushed

The private investor was crushed to death by high taxation and rising prices. In 1938-39, there were 74,000 persons with incomes of over £2,000 a year, after payment of tax; their aggregate disposable income amounted to £277 million or over 10 per cent. of the total of £2,663 million of net incomes assessed for tax in that year. The enjoyment of a standard of living equal to that afforded by the pre-war £2,000 a year would require a disposable income of well over £4,000 a year at present. In 1950-51, however, there were less than 5,400 persons who were left with a disposable income of over £4,000 net, and their total disposable income amounted to less than £24 million, that is, 0.3 per cent. of all net incomes assessed for tax in that year.

It is true that all investors do not belong to this vanishing class of the well-to-do. Over one-third of all dividends and interest paid out in 1949-50, including interest on various types of small savings, went to persons with less than £1,000 a year. Further, more than 5,250,000 persons in Britain received some sort of investment or property income in 1949-50. But nearly 1,090,000 of them and more than half of the poorest among them, were single females or widows. None can believe that this large number of old and poor women are actuated by the spirit of a continuous search for profitable but risky investment outlets.

Who has provided risk capital for British industry in the past 20 years? The death duty statistics show that over 50 per cent. of all privately held ordinary shares are owned by persons with fortunes exceeding £50,000. This means that the market for industrial capital will be squeezed alarmingly in the next generation. The majority of fortunes over £50,000 belong to people who have reached or passed middle age and a large proportion of them will, therefore, be subjected to death duties within the next 25 years. When this happens, anything between 35 per cent. (for estates of £50,000) and 80 per cent. (for estates of over £1,000,000) will be struck off their capital value by the tax collectors. While existing fortunes of over £50,000 are being destroyed in this way, few, if any new ones will be built up, because the high rate of surtax allows only 60 people in the entire country to have more than £6,000 a year, after paying tax.

Shortage Concealed

During the last few years, the shortage of risk capital caused by this murder of the private investor has been partially concealed by three coincidences: glut of liquid resources accumulated by many companies during the war, the gradual shifting of a substantial portion of the investments of insurance companies and other institutions from Gilt-edged securities to preference and ordinary shares and the transfer of over £2,000 million from equities to Gilt-edged securities resulting from the nationalisations of 1945-51. All these factors have already begun to lose their importance and, during the next few years, the plight of the market for risk capital is bound to become extremely difficult.

Transfer of industries from the private to the public sector is no remedy for this situation, because the British electorate and even the Labour Party do not at present want any new nationalisations. The party in power cannot advocate the remedy of giving tax reliefs to the rich for fear of losing popular support. The only practical remedy, therefore, seems to be to induce a much larger proportion of the 14 million persons, earning between £250 and £2,000 net annually to invest in risk capital. The latest inland revenue figures show that persons in this income group handle nearly 80 per cent. of disposable incomes in Britain at present. The Government should encourage this middle income group to increase its savings and to invest them in risk capital by giving it tax relief in respect of investments in industrial securities in the same way as the relief already being given in respect of investments in national savings certificates. Government can do this by curtailing its own expenditure.

Role of Stock Exchange

The City and Stock Exchange also will have to play their part and conduct publicity in order to make the public realise that the dearth of investment in risk capital is a major threat to Britain's industrial future and, therefore, to the nation's standard of living and that an active Stock Exchange is the indispensable pipeline through which savings must flow to secure the replenishment of industry. Further, the City will have to court the goodwill of the trade unions. This will not be an easy matter, because some of the trade union leaders will regard any scheme for spreading the ownership of industry among all classes as a threat to their concept of socialism. Fortunately, however, there are thoughtful people in the Labour movement, who recognise that the country must remain partially capitalist for many years and cannot survive without risk capital.

Furthermore, changes in the practices of the Stock Exchange and public companies are necessary to induce people to invest. The great need is to explain to the entire public by means of the Press, cinema, radio and television, how the Stock Exchange works and what economic benefits it confers on the public. More statistics on investment are needed to provide ready answers to a number of questions. Why do share prices move up and down? What do profit and loss accounts and balance-sheets mean? What rights does a shareholder possess? How can money be invested and how much will it cost? The efforts of the Council of the Stock Exchange will have to be backed up by those of the members of the Exchange; both will have to resort to widespread advertising.

Investments in Risk Capital

A large share in any campaign to popularise investment in risk capital will have to be undertaken by the public companies themselves. A good product should imply a progressive company in which all classes of investors would be happy to have a stake. It is no accident that shares like Woolworths are held by many investors of the most modest means as well as by big institutions. Directors of companies are slowly realising that a widely spread distribution of shareholdings has advantages far beyond a quiet time at the annual general meetings. But there are still many directors and managers who treat shareholders as little more than necessary nuisances. This easy assumption, born of the managerial revolution, has undoubtedly helped the Government campaign for dividend restraint and also played into the hands of political critics who desire to treat shareholders as disenfranchised deferred creditors.

A quick way of making investment in risk capital familiar to more people would be to encourage employees to take up shares in the companies for which they work. Workers in a factory are in a better position than outside investors to judge efficiency of management, which is one of the factors on which investment decisions rest. The American practice of distributing annual reports among employees and creating special classes of employees' shares deserves to be copied in other countries. The linking of a part of the employees' earnings directly with profits is so common that the interests of outside shareholders would not suffer if employees sometimes take out their equity by buying shares even on privileged terms.

Most persons, however, will continue to have to base their investment decisions on published accounts, as on-the-spot information will not be available to them. Education, and even propaganda, through the medium of the annual report should, therefore, be carried on by every public company. Since it will be education of lay persons, the carefully detailed accounts required by law must be followed up by simple statements, which can be easily understood. These statements should show precisely and clearly how the profits were earned and allocated and emphasise the most important relationships and ratios of the constituent items. In these matters, reports of American companies set a standard which companies in other countries should follow. The reports are supplemented by illustrations, charts and graphs.

Finally, steps must be taken to combine the innumerable small savings into a big river, which will flow effectively towards risk investment. The capital market will have to make itself accessible to persons possessing small incomes if it is to collect their small savings.

Shares in Penny Units

The scheme of Mr. J. R. Kinross to sell industrial shares in penny units across the counters of banks as easily as postage stamps or packets of cigarettes has attracted wide attention in Britain. Government should help any organisation that may be set up to attract the custom of the wage and salary earners, by charging tax at a reduced rate on dividends which are distributed among small investors subject to a limit of investment. Taxation at 5s. in the pound and an invested limit of £500 would be appropriate in Britain. Government should also exempt the limited investments of the small savers from the 2 per cent. stamp duty.

The management of any organisation set up to cater for the needs of the small and unskilled investor would have to be first rate and its facilities would have to be nation-wide. The Stock Exchange and the banks, with their extensive system of branches, may form a non-profit-making trust company, its capital carrying a maximum rate of dividend. This Trust would prepare a selected list of equities and buy the shares through the market in the ordinary way. The Trust would then split each share into units of a very small value. These small units could then be bought and sold through the branches of banks. But a Trust of this sort is bound to be troublesome to run. It would become more expensive and far more

(*Continued on page 423*)

TARGET FOR TEXTILE INDUSTRIES

HANDLOOM SECTOR RECEIVES SPECIAL EMPHASIS

A STRIKING feature of the development programme for the textile industries drawn up by the National Planning Commission, is the relatively greater importance attached to the expansion in the handloom sector, as distinguished from the mill sector, as a means for increasing cotton textile output. This emphasis on handloom industry, it is stated, is due to the fact that rural employment and underemployment, "would be aggravated, to a certain extent, as a result of measures taken to achieve rationalisation of agriculture." A clear indication of the Government's policy of aiding the handloom industry is provided by the reservation of a larger sphere of production of cloth to the handlooms. Thus, the target of production in the handloom sector is placed substantially higher at 1,700 million yards by 1955-56, as compared with 810 million yards in 1950-51 (basic year of the Plan), while that of the output in the mill sector is placed only slightly higher at 4,779 million yards, as against 4,744 million yards. Even the slight increase in cloth output by the mills is to be achieved, not by the establishment of any new composite mill, but by enhancing the efficiency of the existing units.

The anxiety on the part of the Planning Commission to improve the lot of the handloom industry is so great that it recommends the installation of new spinning plants, in spite of the fact that the spindleage already existing, when fully utilised, will be sufficient to produce the required quantity of yarn. The explanation given by the Commission in support of this recommendation is as follows:

"The necessity for fostering industrial development in backward areas, the desirability of bringing into existence co-operative spinning mills with the object of enabling handloom weavers to achieve independence of external sources of yarn supplies, and the need to rehabilitate displaced persons provide the *raison d'etre* for new spinning mills. Further, new small-scale spinning units like the Garabo and Tokubo units and Kale's spinning unit, which have great potentialities for the development of small-scale industries in rural areas favourably situated in regard to cotton supplies, are expected to be established during the period of the Plan. However, these developments have to be conceived on a moderate scale, considering the limitations that would be set by supplies of cotton. Taking all factors into consideration, it is our view that the installation of 350,000 spindles (apart from additions in existing mills for the expansion of units to economic size) during the period of the Plan would meet the requirements from all points of view. The capital investment on this expansion would be of the order of Rs. 800 to Rs. 900 lakhs."

Utilisation of Rated Capacity

The programme of production for the mill industry envisages fuller utilisation of the rated capacity so as to produce 1,640 million lbs. of yarn and 4,779 million yards of cloth by 1955-56, which compare with 1,179 million lbs. and 3,718 million yards, respectively, for the base year. The production of cloth by the mills is to be supplemented by output of handlooms, which is estimated at 1,700 million yards for 1955-56, as against 810 million yards for 1950-51. For achieving this output, the handloom industry requires 380 million lbs. of yarn. It is presumed that, with full utilisation of the spindleage in existence and under installation, the mills would be able to supply the requirements of handlooms, apart from providing some quantity of yarn for power looms and other miscellaneous industries.

The programme of development for the cotton textile industry during the period of the Plan is indicated below:

		1950-51	1952-53	1955-56
Rated capacity of mill industry:				
Spindles	..	10,942,241	11,175,283	11,292,241
Yarn	(mil. lbs.)	1,668.7	1,704.2	1,722.0
Looms	..	194,411	195,84	195,849
Cloth	(mil. yds.)	4,743.6	4,778.7	4,778.7
Actual production:				
Yarn	(mil. lbs.)	1,179	1,510	1,610
Mill cloth ..	(mil. yds.)	3,718	4,600	4,700
Handloom cloth..	(mil. yds.)	810	1,300	1,700
Exports:				
Yarn	(mil. lbs.)	74.5	..	..
Cloth	(mil. yds.)	1,269.5	1,000	1,000
Requirements of raw cotton	(mil. bales)	3.5	4.5	4.9

From the above figures, it will be seen that, in suggesting the programme of production, the Planning Commission has fully taken into account the need for maintaining a high level of exports of cotton piecegoods, besides increasing the availability of cloth in the domestic market. The export target has, accordingly, been placed at about 1,000 million yards from 1952-53 onwards; the actual quota each year, it is emphasised, is to be determined in advance, immediately after the cotton supply position is known and after providing for the minimum *per capita* requirements in the domestic market. In this connection, particular stress is laid on efforts to retain the export markets already established by increasing the competitive strength of the industry and by permitting only the export of goods of proper quality. The *per capita* consumption of cloth in the country is envisaged to rise to a minimum of 15 yards by 1955-56, as compared with 13 yards during 1952-53.

Uneconomic Units

One of the most important problems of the cotton mill industry is the existence of as many as 150 inefficient and uneconomic units. Of these, 25 units closed some time ago, 35 are operating at a loss, and 90 are working at marginal or only slightly above marginal efficiency. The necessity of modernising such units and/or helping them to increase their capacities to economic sizes needs no emphasis. Facilities in the form of foreign exchange and other types of assistance are, therefore, required. Replacements for modernisation purposes and some expansion for conversion of uneconomic units to economic sizes must be visualised in the interest of increasing the efficiency of the industry and its competitive strength. For determining the programme of such modernisation or alterations, the Planning Commission has suggested the appointment of an expert committee. The findings and the recommendations of this Committee should form the basis for necessary action by the mills. If the mills fail to take the necessary action, the Government, it is suggested, will have to intervene and take specific measures for improving production.

Role of Handloom Industry

As already mentioned, an important role has been visualised for the handloom industry. The Planning Commission has put forward a number of suggestions for the development of this sector of the cotton textile industry. These suggestions include:

(1) Organisation of the handloom workers on a proper co-operative basis for securing adequate supplies of raw materials and adequate offtake of the finished products should be ensured;

(2) sufficient supplies of yarn through co-operative societies on a credit basis should be arranged, so that the handloom worker is always provided with sufficient yarn;

(3) the State Governments should employ expert designers who would maintain a constant flow of designs which would be distinctive, if manufactured on the handloom and which it is not possible for the mills to produce;

(4) all exports of yarn, other than for meeting the commitments under trade agreements, should be banned and, in the event of domestic yarn production being found inadequate due to cotton shortage, etc., the question of providing facilities for importing yarn, especially for meeting the requirements of the handloom industry, should be considered;

(5) so long as the output of handloom cloth in the spheres already reserved is below normal and there is room for stepping up production of such types of cloth, there might be no necessity for reserving additional fields. But, as soon as production in the reserved fields exceeds demands and the industry is in a position to increase cloth production further, it may be necessary to extend the spheres reserved for handloom production;

(6) full facilities should be created for undertaking investigation into the development of new types of hand-spinning and hand-weaving equipment, so as to improve the efficiency of handloom operations and to achieve a large output per man;

(7) machinery should be set up to render technical advice to the handloom industry so as to secure greater output per loom;

(8) facilities should be provided for the handloom industry to capture and maintain export markets to an increasing extent;

(9) in addition to encouragement to the weaving section of the handloom industry, the question of helping it to undertake processing of textiles should also be given adequate consideration; and

(10) as electric power becomes available to an increasing extent in rural areas with the development of hydro-electric and other power projects, the handloom industry should be encouraged to take advantage of power and gradually change over to small powerlooms. Encouragement should be given to the use of small power-operated spinning and weaving units on a wider scale so as to step up output per man and improve the economies of this section of the industry.

The development programme for the rayon sector of the textile industry is on following lines:

		1950-51	1952-53	1955-56
Rayon filament and staple fibre:				
Number of units ..	.. ..	1	2	4
Rated capacity ..	(mil. lbs.)	4.0	9.6	22.0*
Production ..	(mil. lbs.)	0.4	9.6	22.0*
Chemical pulp:				
Number of units ..	.. ..	..	..	1
Rated capacity ..	.. (tons)	..	..	11,500
Production ..	.. (tons)	..	..	..
Cotton linters—				
Number of units ..	.. ..	..	..	3
Rated capacity ..	(mil. lbs.)	..	..	5.0
Production ..	(mil. lbs.)	..	..	5.0

* Plus 28,000 bales staple fibre.

The fulfilment of the production programme for the rayon section should be given first priority by facilitating completion of units under construction and expansion projects envisaged, as well as by importation of necessary quantities of raw materials. The attention of the Travancore Rayons and the National Rayon Corporation is currently concentrated on achieving full production, though provision of building space has been made at both the places for possible expansion. The National Rayon Corporation contemplates expansion of its plant so as to increase the capacity to 7.0 million lbs. per annum by the end of 1953 and to 14.0 million lbs. per annum by 1955-56. The capital investment on these two stages of expansion is estimated at Rs. 50 lakhs and Rs. 500 lakhs, respectively. The expansions would provide additional employment to about 650 persons ultimately. As a result of the coming into operation of all the four rayon factories and the expansion project of the National Rayon Corporation, the rated capacity of the rayon filament industry would reach 22.0 million lbs., of which 4.0 million lbs. would be consumed by Sirsilk Ltd. within the factory in weaving rayon fabric, so that 18.0 million lbs. would be available for the rayon fabric industry from indigenous sources. In addition, rayon staple, equivalent to 11.2 million lbs., would also be available from within the country for the spinning and weaving industry. The total additional capital expenditure for achieving all the above developments is estimated at Rs. 10.5 crores.

The development programme brings about a reduction in the imports of staple fibre and filament yarn corresponding to about Rs. 5.0 crores in 1952-53 and Rs. 12.1 crores in 1955-56 on the basis of 1950-51 c.i.f. prices. This reduction would be offset by the necessity to import the raw materials of the rayon industry (caustic soda, sulphur, pulp, etc.) valued at Rs. 1.30 crores in 1952-53 and Rs. 3.78 crores by 1955-56. Exports of rayon piecegoods would earn foreign exchange equivalent to Rs. 68.0 lakhs in 1952-53 and Rs. 136.0 lakhs in 1955-56.

Instead of allowing additional finance to be diverted into further development of the rayon and staple fibre sector during the period of the Plan, efforts should be made to reduce dependence on imports of cellulosic raw materials, viz., chemical pulp and cotton linters. The capital requirements of the chemical pulp project—to be taken up in the second part of the period of the Plan (1952-56)—are estimated at Rs. 6 crores. The scheme might be financed jointly by the rayon and paper industries and, if such collaboration is forthcoming, the Government should accord all reasonable encouragement. The cotton linters industry should be integrated with the production of cottonseed oil and a few plants may be established at suitable places in Madras, Hyderabad, Madhya Pradesh, etc. The capital investment of plants required for achieving the suggested production of cotton linters (as also oil and cake) is estimated at Rs. 60 lakhs.

Woollen Textiles

In the sphere of woollen textiles (mechanical section), the programme of expansion is as follows:

		1950-51	1955-56
Number of spindles ..	.. ..	116,800	140,800
Rated capacity of cloth on single shift	(mil. lbs.)	20.15	20.15
Production ..	.. .. (mil. lbs.)	18.00	25.00
Estimated requirements ..	.. (mil. lbs.)	20.00	23.00

Two new units, which were under construction in 1950, went into production in 1951. Two other units are likely to be established for manufacturing woollen goods, besides installation of spinning plants for additional production of worsted yarn. In view of the fact that indigenous demand, which is estimated at 23 million lbs. of woollen manufactures by 1955-56, can be satisfied, if some of the mills work double shifts and the existing capacity is fully utilised, the Commission thinks that the establishment of new weaving units is not necessary. The Commission, however, concedes that it may be necessary to install 30,000 additional spindles for the production of fine yarn. In this connection, it is considered worthwhile to investigate the possibility of having additional spindleage on a co-operative basis, in which the consumers of yarn will themselves be the owners of the enterprise.

DOUBLE DAY-SHIFT WORKING IN MILLS TO BE EXTENDED

CLOTH AND YARN EXPORT TRADE

(From A Special Correspondent)

MANCHESTER, *24th February*

MANCHESTER LETTER

THE possibility of extending the use of double day-shift working in Lancashire cotton mills—and in British industry generally—has been considered this week. The Minister of Labour, Sir Walter Monckton, spoke at the opening session of a Cotton Board week-end conference, held at the Lancashire coastal resort of St. Annes, and announced that the National Joint Advisory Council had been called together to consider the wider use of the system throughout the country.

He said: "The time is now ripe for a renewed examination of the possibilities of extending double-shift working." He added: "The question is one which both sides of industry as a whole will be asked to review in co-operation with my department." The National Joint Advisory Council, he continued, could only discuss and consider general principles but if they came to the conclusion that double day shift working had advantages, the question would doubtless be remitted to various industries recommending that the possibility of introducing or extending the system should be examined in detail.

If Britain was to restore its economic position more products must be sold abroad, Sir Walter went on. All possible steps must be taken to improve the nation's competitive position, and to reduce selling prices costs must also be reduced, by making full use of the country's productive capacity.

Praising the Lancashire textile industry's contribution to the national economy, Sir Walter said:

"Even in 1952—a year of uncertainty and recession for textile industries throughout the world—United Kingdom exports of cotton yarns and manufactures amounted to all but £150,000,000 and in the previous year they exceeded £200,000,000.

"Although the advantages of shift working must vary from mill to mill, its adoption in cases where new and expensive machinery was installed would bring great benefits in individual industries and for the national economy. We should increase the yield from the nation's store of capital goods at a time when we cannot afford to invest as much as we should like in industrial plant and equipment; we should reduce costs at a time when this is of the greatest importance; we should be better able to hold our own in export markets and to develop new markets; and, looking further ahead, we should put ourselves in a better position to keep in the vanguard of industrial efficiency."

A problem likely to arise if the double-shift system became more widely adopted, requiring an increase in the labour force, was the difficulty of obtaining skilled men. "I want to emphasise the importance of training in general," said Sir Walter, "both the training of new entrants and the training of labour already available. We should constantly bear in mind the aim of increasing the quality of our man-power. If we do, we shall inevitably improve our productivity."

Cotton Trade Views

During the two-day discussions on double day shift working in the cotton trade, somewhat conflicting views were expressed by employers and trade union leaders at the conference. The subject was fully debated and many points were raised from the cost of introducing the system to the social implications of the move.

For the millowners, Mr. George Hasty, Master Spinners' Federation President, said:

"Our policy is evolution not revolution. We believe the system will spread and its gradual introduction into the mills will benefit all concerned. Spinners must examine the possibility of working evening shifts on a larger scale but agreement must be reached with the trade unions to ensure that at least a 40-hour week is worked on double day shift."

Union leaders were not in favour of the proposals because they said it would disturb family life in an industry manned largely by women, many of whom were married. Miss Alice Foley, Bolton Weavers' official and one of the few women at the conference, said:

"Less than one per cent. of those here will be affected by double-shift working. There are nearly 200,000 women in the industry and those I know don't want to work shifts and upset all their family arrangements."

The general impression of the conference was that double-shift working would be introduced "gradually." Sir Raymond Streat, Cotton Board Chairman, summed up by saying: "Double-shift working is not a single sovereign remedy for Lancashire's ills and it can only be a gradual process. It is one of the many factors which have to play their part in the new challenge which faces the industry."

Overseas Trade

The first quarter of the year normally brings an increase in export returns and January in particular has been an encouraging month for some time past. On this occasion the totals have been lower than a year ago but they remain the best monthly figures since March, 1952. The value of all British cotton goods shipped abroad in January was £11,660,993 compared with £18,226,892 in the same month last year.

Exports of nearly 65,000,000 square yards last month compare with the average of 59,234,000 square yards monthly in 1952. This total was only exceeded twice last year—in January and March. The following table shows recent annual totals and comparative January shipments of cotton piecegoods:—

		Sq. yds.	£
1939	..	1,393,375,000	31,982,988
1949	..	903,578,000	105,706,322
1950	..	822,473,000	100,296,504
1951	..	865,153,000	132,191,722
1952	..	710,803,000	100,855,759
1950 January ..	..	72,311,000	8,370,633
1951 January ..	..	92,245,000	12,389,753
1952 January ..	..	77,171,000	12,284,452
1953 January ..	..	64,796,000	8,223,374

A similar improvement was recorded in yarn exports last month, which were also the highest recorded since the previous March. The total of nearly 3,500,000 lbs. compares with an average of 2,977,000 lbs. monthly last year. The following table gives comparative details:

		Lbs.	£
1939	..	113,661,700	8,946,246
1949	..	82,061,000	23,550,385
1950	..	70,986,000	25,534,372
1951	..	65,494,700	31,782,084
1952	..	35,721,900	17,749,941
1950 January ..	..	5,941,300	1,896,684
1951 January ..	..	7,141,100	2,834,015
1952 January ..	..	4,408,200	2,280,188
1953 January ..	..	3,467,700	1,427,349

Grey cloth imports, although higher than in the previous two months, remained at the low figure of 4,568,000 square yards. Chief suppliers were Germany, with 1,751,000 square yards, and Japan with 971,000 square yards.

Seeing for Themselves

Sharp criticisms of the wisdom of inviting Japanese textile leaders to Lancashire and providing them with statistics and an insight into new productions were made by Mr. Percy C. Fish, Chairman of the large textile manufacturing, merchanting and exporting firm of J. F. & H. Roberts, Ltd., at the annual meeting in Manchester last week.

Declaring that Britain had handled to the Japanese statistics and estimates "on a silver plate, free, gratis and for nothing," Mr. Fish said: "It is reasonable to believe that if the Japanese were shown anything they considered useful to them it would be copied with the minimum of delay."

Japanese delegates had been conducted through several mills and shown over style and fashion centres illustrating the presentation of Lancashire's "ultra modern" productions. Yet the Japanese, by their consistent actions, had made it clear that their one ambition was to annihilate every decent competitor who endeavoured to get a share of world markets. Mr. Fish was criticising the inclusion of Japanese representatives in the International Cotton Conference held by the Cotton Board at Buxton last Autumn. He said:

"Healthy competition is good for all of us and an interchange of ideas with countries who are willing to trade with each other can be very beneficial. But to offer the same facilities to a foreign competitor whose known reputation is of such an unenviable nature can only lead to nowhere. Nice words and wretched actions are not the sort of foundation on which to build the textile industry."

Unions' Policy Probe

A fresh declaration of policy on problems affecting the future of the Lancashire cotton industry—the first for 10 years—is to be drawn up by trade union leaders with the assistance of Mr. Harold Wilson, M.P., a former Labour President of the Board of Trade.

Mr. Wilson has been invited to compile the policy statement by the Legislative Council of the United Textile Factory Workers' Association, the central assembly of cotton trade unions. After a meeting with the Council in Manchester this week, Mr. Wilson said: "We have considered a whole range of problems, including raw materials, markets, efficiency of the industry, the financial situation of the industry, merchanting and exports."—*All Rights Reserved.*

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GRANTS-IN-AID TO STATES

PRINCIPLES OF DISTRIBUTION FOLLOWED BY FINANCE COMMISSION

READERS will recall that in *Commerce* last week was given a summary of the principles followed by the Finance Commission for allocating income-tax revenue between the Centre and the units. The Commission, it may be noted as stated last week, was also requested by the President to submit its recommendations also on (*a*) grants-in-aid in lieu of jute export duty to the four jute-growing States, and (*b*) grants-in-aid to the States from the Consolidated Fund of India. The Commission's recommendations on these two questions are dealt with here.

The Constitution of India, under Article 275, provides for the payment of such sums as Parliament may by law give as grants-in-aid to States which are in need of assistance. The first proviso of this Article enjoins that the Centre should provide help to a State in order to enable it to meet the cost of development schemes for promoting the welfare of scheduled tribes in the States or to raise the level of administration of the Scheduled areas to that of the rest. The second proviso requires the payment of grant-in-aid equivalent to the average revenue deficit of the State during the two years preceding the commencement of the Constitution in respect of the tribal area in the State or raising the level of administration. Lastly, provision is also made in the Constitution to give grants to the four States of Assam, Bihar, Orissa and West Bengal in lieu of their share in the net proceeds of the export duty on jute and jute goods. These grants refer only to revenue grants and not to assistance that may be rendered by the Centre to the States by way of loans for economic development or by way of special grants in such emergence as, for instance, famine. These latter grants are outside the scope of the Commission's recommendations.

Now to take first the Commission's recommendations relating to the last type of grant, namely, the allocation of export duty on jute and jute goods to the four jute-growing provinces. The export duty on jute was first levied in 1916. It became divisible between the Centre and the States under the Government of India Act, 1935. Sir Otto Niemeyer, to whom the question of allocation was referred, fixed the States' share at 62½ per cent. of the net proceeds. The division of Bengal and Assam—following the partition of the country, causing the loss of about 70 per cent. of the jute-growing areas—altered the circumstances. The share of the jute export duty allocable to jute-growing provinces was, therefore, reduced from 62½ per cent. of the net proceeds to 20 per cent., the basis of allocation continuing to be the amount of jute grown in each State. This adversely affected the finances of the States, particularly West Bengal. The Government of India, therefore, sanctioned to West Bengal *ad hoc* grants of Rs. 40 lakhs in 1947-48, and Rs. 50 lakhs in each of the years 1948-49 and 1949-50. Later on, the Expert Committee on the Financial Provisions of the Union Constitution, under the chairmanship of the late Mr. N. R. Sarker, suggested a grant of Rs. 100 lakhs to West Bengal, Rs. 15 lakhs to Assam, Rs. 17 lakhs to Bihar and Rs. 3 lakhs to Orissa. In November, 1949, Mr. C. D. Deshmukh who was requested to give an interim award pending the appointment of the Finance Commission, fixed the grants as follows: West Bengal Rs. 105 lakhs; Assam Rs. 40 lakhs; Bihar Rs. 35 lakhs; and Orissa Rs. 5 lakhs. These grants were paid in 1950-51 and 1951-52.

An important point to be noted here is that there is no provision in the Constitution for the sharing of export duties between the Union and the States. The principle of compensation, for a transitional period, to the four jute-growing States was specified in Article 273, reading as follows:

"There shall be charged on the Consolidated Fund of India in each year as grants-in-aid of the revenues of the States of Assam, Bihar, Orissa and West Bengal, in lieu of assignment of any share of the net proceeds in each year of export duty on jute and jute products to those States, such sums as may be prescribed.

"The sums so prescribed shall continue to be charged on the Consolidated Fund of India so long as any export duty on jute or jute products continues to be levied by the Government of India or until the expiration of ten years from the commencement of this Constitution, whichever is earlier."

The Finance Commission, which was requested by the President to submit its recommendations on this question, examined the question whether the grants in lieu of the share in jute duties to be related to the net proceeds of the duty in each year, as a suggestion to that effect was put forward by the West Bengal Government. Its conclusion, as a result of its study, was that grants-in-aid should not be related to the amount of the revenue in each year subsequent to the commencement of the Constitution. Several considerations would appear to have prompted the Commission to reach this conclusion. First, if it were the intention of the Constitution to maintain the right of the four States to a share equivalent to that of the export duty on jute, it would have specially mentioned so. Secondly, the provision requires the President to prescribe *sums* of money for each State and not *shares* of revenue. Thirdly, jute is grown in States other than the four States and, therefore, it could not be the intention of the Constitution to limit the grants to these four States only, except on the basis of compensation of an item of revenue which had accrued to them in the past. Fourthly, the term "in lieu of a share in the export duty" appearing in the relevant section of the Constitution should be construed not as a continuing right to a share of duty, but as indicating the reason for which grants-in-aid are to be made. Again, the Constitution does not establish any direct relation between the amount of the grant and the revenue collected in each year, but it limits the payment of the grant to the period during which the duty itself continues.

Having decided thus—rightly in our view—that grants should not be related to the amount of the revenue from jute duties on exports, the Commission accepts the view that grants payable to the States will have to be in the form of fixed sums. It selected 1949-50—the last year in which the States were entitled to a share of the jute export duty—as the base year for determining the shares of each State, out of the allocation on the basis of 62½ per cent. of net proceeds of the export duty on jute and jute products fixed under the Government of India Act, 1935, that is, before it was modified in 1947.

In 1949-50, the net proceeds of the export duty were Rs. 968 lakhs and the divisible pool for that year at 62½ per cent. would amount to Rs. 605 lakhs. The total quantity of raw jute exported was 2.01 lakh tons and the raw jute used in the manufactured goods exported in that year was 8.38 lakh tons. During the year the production of raw jute in the four States were: West Bengal 2.59 lakh tons, Bihar 1.29 lakh tons, Assam 1.29 lakh tons, and Orissa 0.26 lakh tons, or a total of 5.42 lakh tons. As the basis of distribution of the grant is the amount of jute grown, these four States cannot, in equity, lay claim to the whole of the divisible pool, for a much larger quantity of jute than grown in these States went into the total exports (10.39 lakh tons=2.01 lakh tons raw jute +8.38 lakh tons jute goods) that year. Even on the assumption that the entire production of 5.42 lakh tons of jute went into exports in the year, and that the demand for local consumption of jute goods was met entirely from other sources, the *pro rata* share of these States in the divisible pool for that year would amount to no more than Rs. 150 lakhs for West Bengal, Rs. 75 lakhs for Bihar, Rs. 75 lakhs for Assam and Rs. 15 lakhs for Orissa. Accordingly, the Commission has recommended that these sums shall be paid to the four States as special annual grants-in-aid in lieu of the export duty on jute and jute goods, with effect from 1952-53.

Grants-in-aid of the Revenues

The term "grants-in-aid of the revenues" is not defined in the Constitution of India. The Finance Commission has, however, interpreted the term to mean that it should not be limited solely to grants-in-aid which are unconditional but to grants directed to broad and well defined purposes also.

In the past there were several types of grants. One of the categories of grants was known as unconditional grants, given by the Centre for placing the finances of the provinces on an even keel. Besides, there were also specific type of grants. In 1945-46 the Centre gave, for instance, West Bengal Rs. 18 crores to assist expenditure on famine. From 1944-45 onwards, assistance was given to States to finance grow-more-food schemes. Another important category of grants was the post-war development grant, relating to specific schemes of development. Then, there was special development grant of Rs. 3 crores to the four States of Saurashtra, Madhya Bharat, Rajasthan and Patiala and P.E.P.S.U. for two years towards financing specific development schemes to remove their special backwardness. Further, Article 275 of the Constitution provided for the backward area grants to Assam. Latterly has come a new category of grants relating to Community Projects.

The Finance Commission considers that both the methods of grants, namely, conditional and unconditional, should be followed in the scheme of assistance by the Centre. Unconditional grants should, it observes, reinforce the general resources of the State Governments which they would be free to allocate among competing purposes according to their best judgment, subject to the usual and Parliamentary checks. On the other hand, grants for broad purposes may be given to stimulate the expansion of particular categories of services rather than specified schemes under those categories.

With these preliminary observations, the Commission sets out to lay down principles which should govern grants-in-aid to States. Budgetary needs are considered to be an important criterion for determining the eligibility of a State for grant-in-aid. All budgets of States should be so adjusted as to place them on a comparable basis. Adjustments are considered necessary in respect of any abnormal or unusual and non-recurrent items of receipts or expenditure which may vitiate comparisons. Secondly, a State which is prepared to raise the maximum amount of revenue through taxation is considered to be better entitled to central assistance than a State which does not. Thirdly, an allowance is to be made for possibility of economy in expenditure. In other words, the State should utilise its existing resources to good account, before claiming assistance from the Centre. Fourthly, grants-in-aid may also be given to assist in equalising standards of basic social services. Factors such as the area of a State in relation to its population, economic backwardness, etc., would be reflected in the level of social services and the standard of development of a State and, therefore, would have to be taken into account. Fifthly, grants-in-aid may be given to help a State to meet special burdens or obligations of national concern. Sixthly, independently of budgetary criterion, grants may be given to further any beneficial service of primary importance in regard to which it is in the national interest to assist the less advanced States to go forward.

The broad considerations mentioned above have been borne in mind by the Commission, while assessing the needs of the States and formulating recommendations in regard to sums to be paid as grants-in-aid to States. The Commission has considered the budgetary position of the States and the probable amount which would accrue to them under its plan for the devolution of revenue from income-tax and Union excises which were referred to in the last issue of this journal. The additional burdens resulting from the Partition have also been taken into consideration, as also the case of less developed States needing special grants for purposes of raising their standards of one of the important social services, namely, primary education. Although it has not been possible for the Commission to meet all the demands placed before it, we are told that, as a result of the scheme, many of the States will receive more resources than they did in the past.

On the criteria mentioned above the Commission has recommended that Madras, Uttar Pradesh, Bihar, Madhya Pradesh, Hyderabad, Rajasthan, Madhya Bharat and the P.E.P.S.U. cannot be considered as being in need of assistance. Bombay, West Bengal, Orissa and Saurashtra are classed as marginal States, while Punjab and Assam need assistance definitely. The cases of Mysore and Travancore-Cochin have been treated separately.

So far as Bombay is concerned, the proposed withdrawal of the present restriction on taxing tobacco will, it is stated, leave the State free to raise additional revenue from this source by way of sales tax. Considering, moreover, the well-developed economy of the State, the size of its budget, and the resilience of its resources, the Commission has not recommended any grant-in-aid.

In view of West Bengal's special problem of continued influx of refugees, and in view of the fact that its requirements would not be adequately met by its share of the divisible taxes and the grant-in-aid in lieu of the jute export duty, the Commission has recommended a grant-in-aid of Rs. 80 lakhs a year to West Bengal. In the case of Orissa, the present grant of Rs. 40 lakhs has been raised to Rs. 75 lakhs, as this State, in addition to the poor state of its financial resources, has had a large accession of "merged areas" having in them relatively backward territory. To Saurashtra, a sum of Rs. 40 lakhs has been recommended, as the budget of the State is not commensurate with its size. In view of the special responsibility of the Punjab Government in the sphere of law and order arising out of the Partition over and above the problem of coping with the disabilities created by it, a sum of Rs. 125 lakhs a year has been recommended to the Punjab. On account of special difficulties created by the Partition, Assam's present grant-in-aid has been raised from Rs. 30 lakhs to Rs. 1 crore.

Mysore and Travancore-Cochin are States with relatively limited resources and have, therefore, been recommended assistance to the extent of Rs. 40 lakhs and Rs. 45 lakhs, respectively.

As some of the States strongly desired the need for making large strides in the field of primary education, the Commission considers that, in the national interests, the Centre should allocate a part of its funds for the development of primary education in the States which are yet to cover a large leeway in the field of children's education. Accordingly, it has recommended distribution in each of the next four years, sums ranging from Rs. 150 lakhs in 1953-54 rising to Rs. 300 lakhs in 1956-57 to eight States on the strength of children attending primary schools. For details of this to the States, readers are required to consult the table published on page 323 of our issue dated 21st February, 1953.

The extent to which the purpose of this grant-in-aid is served has been left to be assessed by the subsequent Finance Commission when the finances of the States concerned for the next period come up for review. A suggestion has been made that the progress should be judged on the basis of the increase in the number of primary schools and the children attending them, the conversion of ordinary primary schools into basic schools, the improvement of facilities for the training of primary school teachers and measures adopted for the reduction of wastage in regard to primary education. The Government has been advised to obtain annual reports about the progress achieved in the expansion of primary education in the eight States mentioned, so that these reports may be available for examination by future Finance Commissions.

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BALANCE SHEET AS AT 31st DECEMBER, 1952.

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED CAPITAL—						
70,000 Ordinary Shares of Rs. 50 each	35,00,000	0	0			
30,000 5 per cent. Cumulative Preference Shares of Rs. 50 each	15,00,000	0	0	50,00,000	0	0
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL—						
30,000 Ordinary Shares of Rs. 50 each	15,00,000	0	0			
28,000 5 per cent. Cumulative Preference Shares of Rs. 50 each	14,00,000	0	0	29,00,000	0	0
2. Reserve Fund and Other Reserves—						
Reserve Fund				16,50,000	0	0
3. Deposits and Other Accounts—						
Fixed Deposits	2,32,73,317	2	7			
Savings Bank Deposits	1,61,60,099	14	10			
Current Accounts, Contingency Accounts, etc.	3,37,51,874	8	5	7,31,85,291	9	10
4. Borrowings from Other Banking Companies, Agents, etc.				NIL		
5. Bills Payable				8,36,608	0	3
6. Bills for Collection being Bills Receivable as per contra—						
(i) Payable in India	64,41,062	0	3			
(ii) Payable outside India	7,19,218	1	8	71,60,280	1	11
7. Other Liabilities—						
(i) Rebate on Bills	10,007	6	5			
(ii) Unclaimed Dividends	28,189	7	3			
(iii) Branch Adjustments	29,44,062	1	9			
(iv) Staff Security Deposits	1,65,900	0	0			
(v) Provision for Taxes	8,07,732	9	3			
(vi) Outstanding Charges and Sundries	5,87,273	12	4	45,43,185	4	5
8. Acceptances, Endorsements and Other Obligations per contra				9,68,289	14	5
9. Profit and Loss—						
Profit as per last Balance Sheet	6,25,576	12	7			
LESS—Appropriations— Rs. a. p.						
To Reserve for Income-tax 3,40,000 0 0						
,, Bonus to Staff 65,000 0 0						
,, Dividends 1,87,500 0 0	5,92,500	0	0			
	33,076	12	7			
ADD—Profit for the year brought from the Profit and Loss Account	7,54,440	7	10			
	7,87,517	4	5			
LESS—Transfer to Reserve Fund under Section 17 of the Banking Companies Act	1,50,000	0	0	6,37,517	4	5
10. Contingent Liabilities	Nil					
NOTE.—Figures in respect of the Bank's Karachi Branch have been converted at the rate of 100 Pakistan Rupees=144 Indian Rupees.						
Total .. Rs.				9,19,31,152	3	3

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)				1,48,30,884	4	5
2. Balance with Other Banks—						
(a) In Current Account—						
(1) In India	19,58,135	5	0			
(2) Outside India	1,67,430	15	0			
(b) In Deposit Account—						
(1) Fixed Deposits in India	1,00,00,000	0	0			
(2) Staff Security Deposits with Scheduled Banks in India.	1,65,900	0	0	1,22,91,466	4	0
3. Money at Call and Short Notice—						
(1) In India	47,00,000	0	0			
(2) Outside India	5,76,000	0	0	52,76,000	0	0
4. Investments—						
(i) Securities of the Central and State Governments and other Trustee Securities of the face value of Rs. 1,87,77,700 at cost (Market value as on 31-12-1952 Rs. 1,85,04,444 and at average market value as notified by the Reserve Bank Rs. 1,85,27,529-13-0)				1,83,20,935	10	0
(ii) Shares of the Madras Industrial Investment Corporation Ltd. (fully paid) at cost	25,000	0	0			
(iii) Municipal Debentures and Loans at cost	8,98,732	9	7			
(iv) (a) 3 per cent. 1966 Punjab Loan of the face value Pak. Rs. 2,00,700 at (conversion) cost held at Karachi (market value as on 31-12-1952 Rs. 2,34,888)	2,87,246	13	6			
(b) Shares of the Pakistan Industrial Finance Corporation at (conversion) cost	2,13,840	0	0			
(v) Gold	NIL			1,97,45,755	1	1
5. Advances—						
(Other than Bad and Doubtful debts for which provision has been made to the satisfaction of the Auditor)						
(i) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.						
(1) In India 1,87,74,325 6 2						
(2) Outside India 3,09,412 14 0	1,90,83,738	4	2			
(ii) Bills discounted and purchased—						
(1) Payable in India 88,75,769 15 4						
(2) Payable outside India 2,58,845 6 9	91,34,615	6	1			
(Particulars of Advances are given in separate Schedule attached)				2,82,18,353	10	3
6. Bills Receivable being Bills for Collection as per contra—						
(i) Payable in India	64,41,062	0	3			
(ii) Payable outside India	7,19,218	1	8	71,60,280	1	11
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				9,68,289	14	5
8. Premises at Cost	1,30,360	8	2			
LESS—Depreciation to date	28,464	4	7	1,01,896	3	7
9. Furniture and Fixtures at cost	3,94,060	4	11			
ADD—Additions during the year	1,27,097	1	10			
	5,21,157	6	9			
LESS—Cost of Articles sold or fully written off	34,508	12	3			
	4,86,648	10	6			
LESS—Depreciation to date	1,62,785	2	4	3,23,863	8	2
10. Other Assets—						
(i) Interest accrued on Investments and Advances	8,19,110	9	6			
(ii) Stock, Stationery and Library	2,44,423	11	7			
(iii) Branch demand drafts paid; bills realised by agent banks pending adjustment, cheques pending collection and clearing vouchers received	10,03,147	7	2			
(iv) Prepaid Expenses and Sundries	3,43,769	13	10			
(v) Taxes paid in advance and Income-tax deducted at source	10,99,582	12	0	30,10,034	6	1
11. Non-Banking Assets Acquired in Satisfaction of Claims—						
Lands and Buildings at or below cost				4,328	13	4
Tota .. Rs.				9,19,31,152	3	3

Schedule of particulars required by the Banking Companies Act, 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December, 1952

PARTICULARS OF ADVANCES	Rs.	a.	p.
(i) Debts considered good in respect of which the Banking Company is fully secured	2,08,13,009	9	
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security (inclusive of advances on joint and several pro. notes)	38,09,412	2	3
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	35,95,931	14	8
(iv) Debts considered doubtful or bad not provided for	NIL		
Total .. Rs.	2,82,18,353	10	

PARTICULARS OF ADVANCES	Rs.	a.	p.
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	55,250	0	5
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	5,58,018	12	2
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers, or Officers of the Banking Company or any of them either severally or jointly with any other persons	82,161	8	4
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	15,81,618	10	8
(ix) Due from banking companies	1,51,225	9	6

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1952

EXPENDITURE	Rs.	a.	p.
1. To Interest paid on Deposits, Borrowings, etc.	8,86,403	3	1
2. ,, Salaries and Allowances and Provident Fund (inclusive of salary of the General Manager Rs. 20,222-9-4)	11,97,971	5	6
3. ,, Directors' and Local Committee Members' Fees and Allowances (inclusive of the remuneration to Supervising Director Rs. 12,000)	22,409	13	9
4. ,, Rent, Taxes, Insurance, Lighting, etc.	1,38,220	6	10
5. ,, Law Charges	4,022	12	0
6. ,, Postage, Telegrams and Stamps	99,228	3	11
7. ,, Auditor's Fees and Travelling Expenses	3,000	0	0
8. ,, Depreciation on and Repairs to the Banking Company's Property	66,367	9	6
9. ,, Stationery, Printing, Advertisement, etc.	1,76,758	7	10
10. ,, Loss from Sale of or Dealing with Non-Banking Assets	Nil		
11. ,, Other Expenditure	1,80,977	5	9
12. ,, Balance of Profit	7,54,440	7	10
Total .. Rs.	34,79,797	11	0

INCOME (less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs.	a.	p.
1. By Interest and Discount	24,38,603	14	11
2. ,, Commission, Exchange and Brokerage	5,24,857	12	2
3. ,, Rents	Nil		
4. ,, Net Profits on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any Particular Fund or Account)	Nil		
5. Net Profits on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any Particular Fund or Account)	Nil		
6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	171	4	6
7. ,, Other Receipts	2,16,164	11	5
Total .. Rs.	34,79,797	11	0

AUDITOR'S REPORT.

1. I beg to report that I have examined the foregoing Balance Sheet of the Canara Bank, Ltd., as at 31st December, 1952, and the Profit and Loss Account for the year ended 31st December, 1952, with the books and vouchers of the Head Office and the certified returns from the branches and that I have visited the major branches of the Bank during the year and have examined the books and accounts and cash and securities as at the time of my visit and that I have obtained all the information and explanations I have required.

2. In my opinion such Balance Sheet and Profit and Loss Account are drawn up in conformity with the law, and the Balance Sheet exhibits a true and correct view of the state of affairs of the Bank according to the best of my information and the explanations given to me and as shown by the books of the Bank. Further, in my opinion, the books of accounts have been maintained by the Bank as required by Section 120 of the Indian Companies Act.

3. The information and explanations required by me have been found to be satisfactory.

4. The transactions of the Bank which have come to my notice have been within the powers of the Bank.

5. The returns received from the branch offices of the Bank have been found adequate for the purposes of the audit; and

6. The Profit and Loss Account shows a true balance of profit and loss for period covered by such account.

A. UMANATH RAO, B.A., F.C.A., Chartered Accountant, } Auditor.

MANGALORE, 12th January, 1953.

A. DAMODAR PAI, Chairman.
K. P. J. PRABHU,
H. LAXMINARAYANA KAMATH, } Directors.
P. SARVOTHUM NAYAK, General Manager.

DEVELOPMENT OF CANE CULTIVATION

RESULTS OF RESEARCH SHOULD REACH THE FIELDS

WHEN Mr. K. R. Damle, Additional Secretary, Union Ministry of Food and Agriculture, declared, in the course of his address at the plenary session of the Indian Central Sugarcane Committee, held in New Delhi last week, that development of sugarcane should be regarded as a subject of prime importance if the sugar industry were to thrive and compete in the world market, he was merely echoing what has been stressed in these columns time and again. The main problem confronting the Indian sugar industry ever since its inception has been one of securing cane with high sucrose content at economic prices. At present, this problem is not very acute in the Deccan where high quality cane is being grown in adequate quantities under modern methods. But the problem still persists in the U.P. and Bihar, which account for the major portion of sugar produced in India, as well as in most parts of South India. One of the solutions for this problem is research in cane production and the application of the results of research to the field.

Despite the efforts of the Indian Central Sugarcane Committee—since its inception more than eight years ago, in November, 1944, to be precise—not to speak of the Cane Development Departments in the various States, cane cultivation has not registered any improvement. On the contrary, it has actually deteriorated. Clear evidence of this is provided by the marked decline in both yield of cane per acre and recovery percentage of cane. Thus, the average yield of sugarcane per acre, which was 382 maunds in 1943-44, declined to 341 maunds in 1951-52, and is expected to be still lower at 322 maunds during the current (1952-53) year. Likewise, the recovery percentage, which was above 10 per cent. during the period 1942-43 to 1945-46, fell to 9.57 per cent. in 1951-52, though it was 9.95 per cent. in 1952-53.

Trend of Cane Yield

The table below indicates the trend of sugarcane yield per acre during 1951-52 and 1952-53, as compared with 1943-44:

(In maunds)

	1943-44	1951-52	1952-53 *2nd estimate*
Assam	295	270	460
Bihar	281	160	150
Bombay	958	790	740
Hyderabad	524	490	550
Madras	724	740	680
Madhya Pradesh ..	404	330	300
Mysore	478	410	460
Orissa	554	490	490
Punjab	284	250	330
Uttar Pradesh ..	347	320	280
West Bengal	385	440	490
Other States	565	200	180
All-India average ..	382	341	322

It will be evident from the above table that, barring a few States such as Assam, Hyderabad, the Punjab, and West Bengal, the trend of sugarcane yield per acre has been downwards, which brings out the fact that adequate attention has not been paid to cane development work. Even the directive which the National Planning Commission issued to all the States a year ago, to focus attention on intensive development of agriculture, that is, raising higher yields of crops in the same area by enhancing the fertility of the soil, has not been of any avail, as is indicated by the following figures relating to the sugarcane crop during the current and previous season:

	1952-53 *2nd estimate*	1952-53 *2nd adjusted estimate*	1951-52 *Final*
Area (000 acres) ..	4,248	4,326	4,727
Yield (000 tons) ..	50,350	52,880	58,950

From the foregoing figures, it is seen that the aggregate yield of sugarcane during 1952-53 is estimated lower at 50.35 million tons—on the basis that 10 tons of sugarcane are equal to 1 ton of *gur*—as compared with 58.95 million tons during 1951-52, representing a decline of 17 per cent. There has also been a fall in the area from 4.73 million acres to 4.25 million acres. The decline in the yield, however, has been more than proportionate to the fall in acreage, thereby indicating, as already stated, the downward trend in the yield per acre. It is, therefore, difficult fully to agree with Mr. Damle's statement that the average yields of cane, before and after the initiation of the present development schemes—the implementation of the five-year development schemes began in 1948—have definitely tended to increase. At best, Mr. Damle's statement can be said to be only partly true, in that, in some areas, the yield per acre has improved. But the credit for this goes mostly to individual estates which have been endeavouring to raise the per-acre yield in their farms of their own accord and at their expense.

Intensive Cultivation

Few, however, would disagree with Mr. K. R. Damle's contention that much headway has yet to be made in increasing the output of cane per acre, so that India's expanding need for sugar and *gur* can be met by devoting a smaller area to cane than at present. By intensive cultivation, it is needless to add, the output of cane can be increased without having to raise the area under cane. The land thus saved can be diverted to the output of other commercial and food crops. What is wanted is, as Mr. Damle aptly stated, the necessary wherewithals, e.g., improved seed varieties and cane, adequate manures, fertilisers, and irrigation and plant protection facilities. But, if the provision of these facilities is to yield maximum results, the disadvantages arising from cultivation of cane in small plots of land with the aid of out-of-date implements must be removed. Even then, it must be recognised that sugarcane, being primarily a tropical crop, cannot thrive so well in the sub-tropical regions of U.P. and Bihar as it does in the tropical southern parts of this country.

The foregoing account will clearly show that the Indian Central Sugarcane Committee should devote more attention than hitherto to the question of improving sugarcane growing, besides serving the needs of the sugar mills in respect of sugar research, training of personnel and extension of advisory facilities in the efficient running of the mills. It is gratifying to be told that the technical programmes of the research stations and sub-stations have been carefully scrutinised and co-ordinated by the Committee, and useful varietal, cultural, irrigational, manurial and other schedules are being worked at these regional stations for the various soil and climatic conditions obtaining in this vast country. It is equally gratifying that intensive studies in the diseases and pests of sugarcane have been undertaken, both at the Central and State research stations, in order to combat and control the maladies affecting the sugarcane crop. Again, valuable work in evolving new and better varieties of cane continues to be done at the Sugarcane Breeding Station at Coimbatore and its sub-stations at Karnal. But, if the efforts of the Committee are to be crowned with 100 per cent. success, the need for carrying the results of the research now being done at the laboratories to the cultivator in the fields and convincing him of their advantages is of utmost importance.

(Concluded from next column)

The programme of development for the sugar industry during the period of the Plan is as below:

(Million tons)

	1950-51	1955-56
Number of factories	158	160
Annual rated capacity ...	1.54	1.55
Actual production	1.12	1.5

The plans for sugarcane cultivation envisage an increased output of sugarcane which can produce 703,000 tons of *gur*. Another recommendation is that some of the sugar factories at present located in areas where sufficient cane supplies are not available should shift to other areas in the same State or even outside the State where facilities for the supply of cane exist. In regard to new factories, consistent with the availability of adequate quantities of limestone at the new locations, the question of adopting the carbonisation process or any other technique which would reduce the requirements of sulphur should be examined. The other important recommendations of the Planning Commission are: (1) The State Governments should arrange to utilise the entire cess collected by the factories for cane development and help meet the full requirement of cane to the sugar factories, so that the industry could increase the number of working days to 120; (2) co-operative societies for cane supply should be organised; (3) facilities should be given to the industry to secure adequate supplies of machinery for replacement and maintenance; (4) the Government should periodically review the question of control over production, price and movement of *gur* and sugar; and (5) in the event of surplus cane being available in any area, after meeting the full requirements of the existing factories, specific schemes for new factories or substantial expansion of existing units may be permitted after careful examination of each case.

EXPANSION PLAN FOR SUGAR INDUSTRY

NO NEW UNITS ENVISAGED

AN increase of over 33 per cent. in the annual production of sugar in India by 1955-56, that is the last year of the Plan period, is envisaged in the development programme of the sugar industry, as indicated in the Industrial Programme of the First Five-year Plan just published. By maintaining the rate of progress in the supply of cane and gradually increasing the duration of the crushing season to 120 days, the production of sugar during 1955-56 is expected to be 1.5 million tons, as against 1.12 million tons in 1950-51. The Plan also contemplates increase in the production of sugarcane by intensive cultivation, which will raise the present production of *gur* by 703,000 tons.

As a result of the grant of protection in 1932, there has been remarkable development of the sugar industry. It is now one of the major industries in the country and has considerable influence on the agricultural economy. The sugar industry has so far developed in the private sector, either on a proprietary basis or with the help of the managing agency system, the only exception being in some of the former Indian States where the State Governments have substantially contributed to the development of the industry by financial participation and in other ways.

Of the total number of factories in existence, the number which was in operation during 1949-50 and 1950-51 was 138 and 141, respectively, the quantity of sugar produced being 975,000 tons and 1,160,000 tons. On the basis of an average operating season of 120 working days and assuming a recovery of 10 per cent. sugar, the rated capacity of the 158 factories in the country is estimated at 1,540,000 tons of sugar per annum. Up to 1950-51, actual production was far below the rated capacity of the industry. However, with the increased cane supply, on account of increased acreage and low *gur* prices, the output of sugar rose to a record level of 1,485,000 tons.

The size of the factories operating in the country varies widely from 50 tons to over 2,000 tons of cane crushing capacity per day. Factories with a minimum cane crushing capacity of 800 tons per day are considered as economic units. On this basis, there are, at present, 80 factories in India which should be regarded as uneconomic. The capital invested in the sugar industry is roughly estimated at Rs. 60 crores, of which about Rs. 20 crores constitute fixed capital and Rs. 40 crores working capital. Roughly, 135,000 skilled and unskilled workers are employed in the sugar factories.

The principal raw material required is sugarcane and its consumption in 1949-50 was about 10 million tons for producing 975,000 tons of sugar. The value of sugarcane so consumed was about Rs. 45 crores. Only about 20 to 25 per cent. of the total cane grown in the country is consumed in the manufacture of sugar, the rest being utilised for *gur* manufacture or miscellaneous purposes. Other important raw materials required for the industry include lime and limestone, sulphur, coal, coke and firewood. Except sulphur which has to be imported, all the other materials are of indigenous origin.

Imports and Exports

Imports of sugar into the country were large in the pre-protection period. Imports during 1929-30, for instance, were of the order of 940,000 tons. Subsequently, with the steady development of the industry, imports were almost completely stopped. However, to meet the acute shortage of sugar in the country, a quantity of 58,848 tons was imported during 1950-51 and 1,202 tons in April, 1951. The Government of India had permitted an export of 50,000 tons of sugar out of Government's controlled stocks held in factories, which were later increased to 200,000 tons. Exports have since been banned.

The *per capita* consumption of sugar in the pre-war period was 6.6 lbs. On the basis of a production of 1,100,000 tons consumed by a population of 335 million, the *per capita* consumption may be estimated higher at about 7 lbs. in 1950-51. In addition to this, *gur* amounting to nearly three times the quantity of sugar is also consumed in the country. Thus, the total *per capita* consumption of sugar and *gur* together is not much behind that of the sugar consumption in other countries. On the basis of a population of 385 million in 1955-56 and of a production of 1,500,000 tons of sugar by utilising the entire rated capacity available, the *per capita* availability of white sugar can be increased to 8.7 lbs.

Development Programme

In 1948, under the sugar industry expansion plan, the Government of India allotted to different State Governments 27 new sugar mills, the selection of sites and parties for the setting up of these new units being left to the respective Governments. Of these 27 new units allotted, seven have already commenced production and two more units are expected to commence operation in 1952-53, so as to increase the total annual rated capacity to 1,550,000 tons.

The problem of the industry is more of facilitating full production in the existing units than of establishing new ones, involving heavy capital expenditure. By maintaining the rate of progress in the supply of cane and gradually increasing the duration of the crushing season to 120 days, an annual production of 1.5 million tons of sugar with the existing rated capacity, as already stated, will be ensured.

(Continued in previous column)

COAL IN THE E.C.A.F.E. REGION

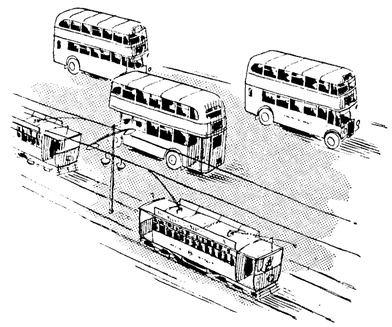
INDIA IS THE MAJOR SUPPLIER

LATTERLY, the coal resources of Asia and the Far East have been receiving growing attention because of the valuable part coal plays in the economic development of the region. *The Report of the Economic Commission for Asia and the Far East*, 1951 gives an interesting account of the position of coal during the past two decades. It discloses that the region's output of coal in 1951, though 10 per cent. higher than in 1950 and 8 per cent. higher than in 1938, constituted only 6.5 per cent. of the world production in 1951, as against 8 per cent. in 1938. In other words, the rate of expansion in the world output of coal outstripped the pace of progress in the production of coal in the E.C.A.F.E. region. Before the war (1938), the region produced annually some 114 million tons of coal of which Japan, China and India accounted for 41.8 million tons, 38.9 million tons and 28.8 million tons respectively or a combined share of 96 per cent. The war left coal production in Japan and China at very low levels, but Indian output was higher than pre-war. Since the war, both Japanese and Indian production has consistently increased and in 1951, it was 3.6 per cent. and 21 per cent., respectively, above the pre-war levels. The recovery was also rapid on the mainland of China since 1949. In 1951, China produced 40.0 million tons of coal. Although this was equal to only 69 per cent. of the record output in 1942, it was higher than the pre-war average output. The production of coal in Japan was 43 million in 1951. This is 13 per cent. higher than the output in 1950 and 3.6 per cent. higher than that in pre-war years. The rate of production in all the countries is reported to have been maintained in 1952 also.

The high level of production has been due to growing general industrial and intra-regional demand for development of industries, rationalisation in Japan, transport improvements in India and rehabilitation programmes on the mainland of China, among others. Despite the heavy damages suffered during the war, Japan has been able to maintain the status of being the leading producer and consumer of coal in the region. It has begun to depend on India especially for high grade coal, following the difficulty in getting shipments of coal from the mainland of China. India is slowly emerging as the main supplier of fuel to the E.C.A.F.E. region. It raised as much as 36 million tons in 1952 and exported a quantity far greater than ever before. Thus, India exported as much as 2.3 million tons during the 11 months ended November, 1952, as against 1.6 million tons in the same period of the previous year. It also exported 59,318 tons of coke during the same period in 1952, as compared with 21,187 tons in the 11 months ended November, 1951. These figures are exclusive of coal supplied to Pakistan through land. The main difficulty in the way of India's developing exports of coal has been the shortage of shipping space. The inability of railways to carry sufficient volume of coal and lack of storage facilities at ports are the other hurdles. Most of the coal raised in China is being absorbed by its own industries.

Although coal production during the post-war years has thus been making fairly satisfactory progress, it is still insignificant as compared with the needs of the E.C.A.F.E. region. The petroleum and electricity resources of this region being of a limited nature, the E.C.A.F.E. region has necessarily to depend upon its coal resources for fuel. Being convinced that the reserves of high grade and coking coal are woefully short, Dr. C. Y. Li, Officer-in-charge of Mineral Resources and Projects in Asia and the Far East, has been exploring the possibilities exploiting the lignite reserves of the region. The question of utilising the lignite resources will figure prominently again at the Mineral Resources Conference to be held under the auspices of the E.C.A.F.E. in Japan next April.

The role that India can play in developing the E.C.A.F.E. region is sizable. With considerable reserves of high grade coal and abundant reserves of lower grade coal, it can afford to export still larger quantities. Already, India has established itself sufficiently in the South and South-East Asian markets. It may be able to hold this position so long as China does not make a bid to enter the export trade in coal. Once China emerges as a competitor, India's position as an exporter of coal will depend on its ability to quote competitive rates, supply quality coal and ensure prompt delivery.



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C/532/115



JUTE INDUSTRY IN PROCESS OF TRANSITION

COMMITTEE TO ENQUIRE INTO JUTE GROWING

THE review of the jute industry in 1952 which Mr. W. B. Moncur made in his capacity as Chairman of the Indian Jute Mills' Association, at the Association's last annual meeting, throws a flood of light on the problems facing the industry. These problems centre round one chief factor, namely, marked diminution in the demand for jute goods. In analysing this problem, Mr. Moncur may be said to have given enough evidence that the industry was alive to the changes that were taking place in the jute goods market and that it was doing its best to adjust itself to these changes. His analysis fully reflected how 1952 proved to be a crucial year of rapid transition taking place in the industry.

The year 1952, unlike its predecessor, saw plentiful supplies of jute as a result of two of the largest harvests in the history of the trade. Prices of jute and jute goods were, according to Mr. Moncur, reduced to the lowest levels experienced in the post-war period. Though the supplies of raw material and its prices were comfortable, the jute industry continued to pass through difficult days, on account of fall in the demand for jute manufactures from many of its old markets. With the raw jute position no longer acute, the industry was in a position to meet any conceivable increase in the world's needs of jute goods, but no expansion of production commensurate with the increased supplies of raw jute did take place. This was because, as was pointed out by Mr. Moncur, demand from important markets faltered and weakened in recent months. This was noticeable in the offtake of both hessian and sacking.

Hessian Exports

Mr. Moncur's analysis of hessian exports in 1952 makes interesting reading. In the previous year, that is, in 1951, the total consumption of burlap in the U.S. fell to a record low level of 532 million yards or 268 million yards less than in the previous year. This fall was due to the increased sales of continental goods in America as also to the inroads made by the substitute packing materials in the U.S. markets, facilitated by higher prices of Indian manufactures. In 1952, however, with two reductions in the export duties in the first half of the year, the trend changed for the better. The total consumption for 1952 was calculated to be 827 million yards, representing a total increase of 295 million yards over 1951. The average monthly consumption, in the current year so far was, according to Mr. Moncur, 81 million yards, as compared with 41 million yards in the previous year. This improvement was due to expansion in U.S. economic activity and the outstanding prosperity and productivity of the agricultural sector during 1952.

The Chairman of the I.J.M.A. referred also to the position of Indian hessian in other export markets, notably Argentina, United Kingdom, Canada, etc. In these markets, demand continued to be low and offtake disappointing. So far as Argentina was concerned, there were special reasons, including failure of crops, which prevented the resumption of trade on a normal basis. In the U.K., the problem was one of liquidating heavy stocks purchased during the previous years.

Sacking

In the heavy goods section, the position was most disturbing. In response to the more satisfactory demand for hessian, there was a considerable changeover in the balance of production, but sacking still represented, as stated by Mr. Moncur, 55 per cent. of the industry's production. In the early months of 1952, the offtake was satisfactory, but demand tailed off in recent months and, as a result, the industry today was faced with a steady accumulation of stocks. In fact, we are told that mills have been making very heavy losses on their sacking manufacture for some months now and that the problem before them was to stimulate the offtake of heavy goods at more satisfactory prices.

Some specific causes would appear to have contributed to the poor demand for sacking in the Far East markets. In Australia, for instance, a combination of factors, such as increased import restrictions, the development of substitute packing materials, bulk handling and the need to liquidate the heavy stocks accumulated at the time of the Korean crisis, is stated to have been responsible for the dwindling offtake of sacking. In this context, Mr. Moncur's warning is quite timely. He said:

"It is apparent that some of these markets, which were formerly important consumers of sacking, may, for some time to come and, perhaps, permanently, have reduced requirements of this vital part of our production. This is a matter the seriousness of which cannot be overestimated and one which I think justifies prolonged and intensive study by the Association."

The concern about burlap and sacking losing their traditional markets is heightened by the fact that the adverse influences noticed in Australia are also present in the U.S., the U.K., and the various European countries. In the U.S., India's main market, adaption of bulk handling and of consumer packages would appear to have resulted in either eliminating or reducing the use of bags. Two offsetting factors to this tendency are, however, the possibility of a gradual increase in standard of living in other countries particularly the East and perhaps South America, and the development of agricultural production which may bring new demands for burlap and sacking. Mr. Moncur, who referred to these favourable and unfavourable factors, did well in pointing out that the industry should not sit quiet and leave matters to the play of these natural forces. He saw in the new influences which were diminishing the markets for Indian manufactures an opportunity for the industry to develop on new lines. It is most revealing to hear from Mr. Moncur that the jute fabric which the industry produced was in itself a raw material with a wide range of technical and commercial qualities. He said:

"Already some progress has been made by using it in combination with other packaging materials such as paper and plastics, and there is now evidence that there might be a wide field of development not in competition with substitutes but in co-operation with them. The war stimulated the development of many new uses for jute goods, and, though post-war difficulties and shortages in many cases slowed down or halted developmental experiments, it seems to me clear that the time in approaching when renewed attention must be given by the industry to a scientific and practical examination of new fields in which jute fabrics might be introduced."

In other words, Mr. Moncur desired that the industry should think of using jute fabric in the manufacture of paper and plastic bags. While the suggestion is indeed worth trying, it is inconceivable that sufficiently large outlet can be found in these new uses for all the jute goods that can be produced by the Calcutta mills.

The Chairman of the I.J.M.A. also dealt with another important aspect of the jute industry, namely, the quality of jute grown in India under the "grow-more-jute" campaign. His remarks need special attention. He welcomed the marked improvement in the output of raw jute in India, but felt that the result, judged qualitatively, was superficial. As a result of the investigations carried out by the Association and by the trade it was apparent, he said, that a good deal of the increase had come from areas where soil conditions, rainfall and water supplies available for retting led to the cultivation of jute, low in yield and unsatisfactory in quality. Cultivation and expansion of these areas will be justified only when abnormal prices and acute scarcity conditions prevail and not when prices are low and demand is poor. It is considered that there are still extensive areas in India where soil, climatic and water conditions would make it possible for a high and increasing jute yield to be obtained from the land. Mr. Moncur, in this connection, welcomed the suggestion of appointing a Commission of Enquiry to investigate the recent developments in jute cultivation.

It may be mentioned here that an Expert Committee to go into this question has since been appointed by the Government of India, under the chairmanship of Mr. K. R. Damle, President, Indian Central Jute Committee and Additional Secretary to the Government of India, Ministry of Food and Agriculture. On the Committee will serve as members Mr. I. G. Kennedy, Vice-President of the Indian Central Jute Committee; Dr. H. K. Nandi, Director of Agriculture, West Bengal; Dr. J. S. Patil, Director Agriculture, Bihar and Mr. B. C. Kundu, Director, Jute Agricultural Research Institute, Calcutta. Mr. K. C. Basak, Director, Economic Research, I.C.J.C., Calcutta, will be member-Secretary.

The Committee will enquire into the possibilities of increasing the acreage under jute

(Continued in next column)

HEALTH OF TEA LABOUR

WARNING AGAINST RELAXATION OF CONTROLS OVER MALARIA

A PROBLEM of considerable importance which seems to receive only scant attention, perhaps because of the financial crisis faced by the Indian tea industry, is the health of tea labour. A large number of units of the tea industry is being compelled by circumstances to reduce their labour force to the minimum. But, at the same time, they are paying greater attention to fine plucking in order to improve the quality of tea produced. During the plucking season, all the available labour will have to be commissioned and in such circumstances, a healthy labour force becomes essential. If any section of the labour force becomes ill, plucking rounds automatically suffer, resulting in a deterioration in quality and fall in prices. It is to this aspect of tea labour problems that Mr. H. Mackay Tallack, Chairman of the Ross Institute of Tropical Hygiene, India and Pakistan Branch, drew attention in his speech, delivered at the annual general meeting of the Institute held recently.

It is gratifying to note from Mr. Tallack's address that the incidence of malaria among tea labour has recorded a marked decline in recent years. Between 1947 and 1951, he says, the number of persons affected by malaria has fallen from 181 to 70 per thousand in the Assam Valley and from 274 to 94 in the Dooars, while spleen rates have declined from 22 to 8 and from 46 to 14, respectively. The malaria attack rate in Madras estates has also gone down from 147 to 32. These satisfactory trends in tea labour health would appear to have given rise to an impression that malaria is now a relatively unimportant cause of ill-health on tea estate and as such the need for malarial control is no longer great. Mr. Tallack struck a note of warning against any such complacency, as the adverse effects of any relaxation over malaria attack would be far more dangerous than the original incidence of the attack. He said that the almost spectacular fall in the rate of malaria attack had been brought about entirely by the use of residual insecticides and, as a result of this, natural immunity which was gained only by constant re-infection, had been lost to be a great extent, so that any relaxation in control efforts would, without any doubt, be followed by an increase in malaria, with the resultant adverse effect on musters. As an example of what happens when malaria returns to a labour force which has lost its immunity, he pointed out that, during 1952, the rate of malaria attack in an estate in Upper Assam suddenly increased eightfold after being extinct for four years. The most likely reason for the relaxation of control, according to Mr. Tallack, was financial stringency. But it would be a most retrograde step to relax measures of malaria control and thus lose the ground which had been won during the past few years. Such a step, he pointed out, would be against the interests of the tea industry in its present difficulties.

Referring to the subject of general health of estate labour, Mr. Tallack drew attention to the fact that the birth rate on tea estates was about 42 per thousand which was far above the all-India rate. This showed that health conditions on estates were conducive to child bearing at a rate nearly double that of all-India. The high birth rate naturally gives room for greater incidence of malaria and as such tea planters will do well to give greater attention to the suggestion of Mr. Tallack not to relax the present efforts to improve the health of the labour force.

(Concluded from previous column)

in zones, where superior qualities can be grown, and of reducing the acreage where only inferior qualities of jute are grown. The Committee will also give estimates of the probable costs of the various measures suggested by it, and indicate how the cost should be met.

Mr. Moncur did well in availing himself of the opportunity provided by the annual meeting of the Indian Jute Mills' Association to dispel fears that mills were buying more freely Pakistani jute instead of encouraging the indigenous jute grower. Giving figures to show how the offtake of Pakistani jute had diminished in recent years, he observed: "The difference in the rate of exchange and the Pakistan export duty make Pakistan jute so expensive that mills are automatically forced to reduce their purchases to the minimum. That minimum is established by the need to maintain the quality of our products as far as possible by a mixture of superior quality of Pakistan jute." Few can deny the force of this convincing explanation.

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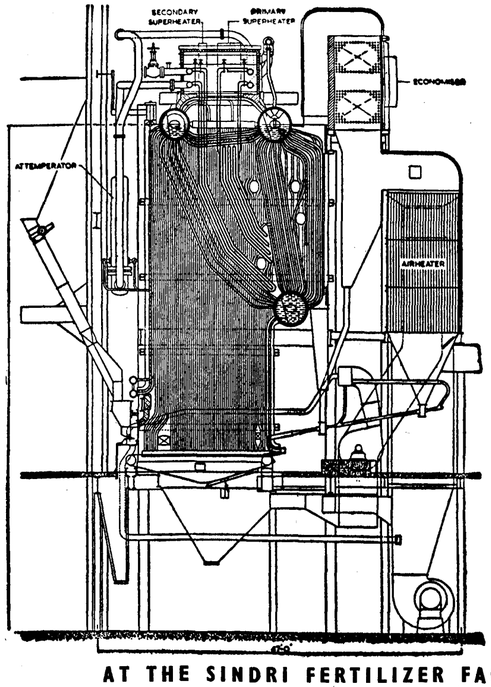

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DEVELOPMENT PROGRAMME FOR IRON AND STEEL INDUSTRY

PRODUCTION TO BE DOUBLED

THE development programme of the iron and steel industry, as indicated in the *Industrial Programmes Volume* of the first Five-year Plan just published, covers expansion of the existing units, as well as the setting up of a new steel plant. Against a total estimated requirement of steel of about 2.8 million tons by 1957, the implementation of the expansion schemes of the existing units would increase the capacity for finished steel to 1,650,000 tons. The shortfall is intended to be met partially from the proposed new plant. The total cost of the expansion programme of the existing units is estimated at Rs. 72 crores, while the new plant, which is to be completed in six years, will cost about Rs. 30 crores. During the Plan period, the expenditure on the new plant will be of the order of Rs. 30 crores of which the share of the Government of India will be about Rs. 15 crores. In addition to finished steel, the estimated requirements of pig iron by 1955-56 have been put down at 700,000 tons per annum. The expansion programmes recommended in the Plan is expected to meet the additional requirements of pig iron and would leave a little surplus which could be utilised for manufacturing steel billets required for re-rolling.

At present, steel and pig iron are produced by three main producers, namely, the Tata Iron and Steel Co., Ltd., the Indian Iron and Steel Co. (with which the Steel Corporation of Bengal has been merged) and the Mysore Iron and Steel Works. The total capacity of these producers is estimated at 1,878,000 tons of pig iron and 1,050,000 tons of finished steel. The actual production in 1951 was 287,209 tons of pig iron (available for sale) and 1,050,111 tons of finished steel. The total capital invested by the main producers is estimated at about Rs. 61 crores and the skilled and unskilled labour employed in the industry is about 60,000.

The iron and steel industry enjoys a particularly favourable position in India, mainly because most of the raw materials required are available internally. This has not only enabled India to become one of the cheapest producers of steel in the world, but it also indicates the possibility of further development on a substantial scale in future. The principal raw material of the industry, namely, iron ore, is plentiful in supply and is of a superior quality. The average iron content of the ore in India is between 60 and 69 per cent., as compared with 40 per cent. in Europe and 50 per cent. in the United States of America. The supply of metallurgical coal, which is required for steel production, is, however not unlimited which points to the need for its conservation.

Taking into view the different estimates made in the past about India's requirements of iron and steel, the Planning Commission considers that the total requirements of steel would be about 2.8 million tons in 1957. As regards pig iron demand, the requirements estimated on the basis of consumption envisaged in various industries which use pig iron have been put down at 700,000 tons per annum by 1955-56. This, of course, excludes the pig iron required for steel production.

Problems of Industry

The Commission has dealt with the problems that confront the industry and, in this connection, it lists finance as a "main difficulty." Among other problems, the continuous supply of good quality metallurgical coal is one. The existing supply, which is not unlimited, should be conserved for future use. Another problem is the excessive number of workers at present employed in the iron and steel industry which stand in the way of economy in the production of the material. The Plan suggests curtailment of the present compliment of labour in a manner that the surplus labour may be absorbed by the development schemes in the public and private sectors.

The recommendations of the Commission fall in two categories, (*a*) expansion programme already on hand, and (*b*) projected programmes. Among the programmes which were on hand before 1951-52 are the following:

(1) Programme of the Steel Corporation of Bengal and the Indian Iron and Steel Co. (now merged into IISCO) aimed at increasing the installed capacity for finished steel to 345,000 tons per annum by 1953-54. This expansion was undertaken by the IISCO-SCOB on the basis of the Central Government agreeing to advance a loan of Rs. 5 crores to the Company of which a sum of Rs. 2 crores had been paid by 1st April, 1951.

(2) The Mysore Iron and Steel Works schemes cover expansion of cement production, recovery of acetic acid as a by-product of the wood distillation plant and purchase of two electric furnaces for the production of pig iron based on the utilisation of power from the Jog Falls for the smelting of iron ore. By April, 1951, a sum of Rs. 2.16 crores was invested on these schemes.

In regard to the Mysore Works, the Plan recommends that a Committee should be set up to go into the organisation and administration of the works and the projects regarding the purchase of machinery on which commitments have not so far been made. A loan of Rs. 2.82 crores to the Company is recommended to be given after the Committee has examined the works. This loan is intended to help in the completion of the existing schemes and certain additional projects which are considered desirable from the standpoint of diversification of steel production which would enable the operations to be carried on, on an economic basis The implementation of the programme is expected to be achieved by the end of 1953 and will result in increasing the production of finished steel from the Mysore Works from 40,000 to 100,000 tons.

The projected programmes are:

(1) *Tata Iron and Steel Co.*—The Tata Iron and Steel Co., Ltd., has formulated a programme of expansion and modernisation of its works at a total cost of about Rs. 22.71 crores, apart from the normal capital expenditure for replacements and maintenance of collieries and works, etc., estimated to cost an additional expenditure of Rs. 10.21 crores. This programme is intended to be implemented by the end of 1957 when the capacity for finished steel would increase to 931,000 tons. Out of the total outlay of about Rs. 33 crores, the TISCO hopes to find about Rs. 22 crores from operations, leaving a balance of Rs. 11 crores to be provided otherwise.

(2) *The Indian Iron and Steel Co., Ltd.*—The projected expansion programme of IISCO will, on implementation, enable them to produce an additional 350,000 tons of finished steel and 400,000 tons of foundry iron or, alternatively, an additional 270,000 tons of finished steel and 500,000 tons of foundry iron. The capital expenditure on this scheme, spread over a period of four years, is estimated at Rs. 31.7 crores.

Recommendations

The main recommendations given in the Plan are:

(*a*) The Government should accord high priority to facilitating the expansion schemes of TISCO and IISCO. Finance is considered to be "the main bottleneck" and suggestions include, besides direct assistance, increase of the selling price of steel which would provide additional money to the equalisation fund. Already, the Central Government has increased the selling prices of steel and the Commission calculates that the quantum of assistance that would be available through these increases to TISCO and IISCO for their expansion projects would be of the order of Rs. 20 crores. As regards the rate of interest on loans from the equalisation fund and the terms thereof, the Commission observes that "the creation of additional capacity for iron and steel in the country is so important that concessions on rates of interest should be given for a specific period if found necessary." The main producers should be able to find Rs. 30 crores from their own operations, leaving a balance of about Rs. 22 crores which has to be found from elsewhere. In this connection, the Plan recommends obtaining assistance from the International Bank—a proposal which has already materialised. To the extent that assistance from the International Bank does not meet the full requirements, recourse should be had to domestic borrowings, restricting Government assistance to the barest minimum.

(*b*) *Merger of the SCOB and the IISCO.*— This proposition has already been implemented by the enactment of legislation by the Central Government.

(*c*) Government should claim a right to participate in the administration of the companies, through its nominees functioning as Directors, in view of the magnitude of the financial assistance rendered to them. Further, as the Government might have to stand guarantee for the loans that may be advanced by the International Bank—this is one of the conditions under which the International Bank has given a loan to the IISCO—it should provide in the loan agreement the necessary clauses to ensure its interests.

(*d*) Other recommendations made include extra output of billets for re-rolling industry, creation of additional transport facilities for the movement of raw materials and finished products, examination of the existing position regarding availability of refractories and economy in the consumption of steel by using alternative material, to the extent possible.

The implementation of the expansion schemes of the main producers visualised above, the Plan says, would increase the capacity for finished steel to 1,650,000 tons. Pig iron available for foundries would increase by 500,000 tons or alternatively there might be available an additional 200,000 tons of billets for re-rolling mills and 250,000 tons of pig iron for foundries.

New Steel Plant

As the above production does not meet with the estimated requirements and the shortfall is

(*Continued in next column*)

DEBATE ON RAILWAY BUDGET

FALL IN INCOME DEPLORED

THE discussion on the Indian Railway budget which terminated last week covered a number of interesting problems. They centred, among others, chiefly on the sharp fall in the earnings of railways, freight structure and capital development programmes. Speaker after speaker expressed concern at the big drop in earnings and the suggestions offered covered a wide range. Allegations were also made against the Railway Ministry to the effect that its decisions were being influenced more by political than practical considerations. There was a sharp exchange of words between the *Jan Sangh* leader, Dr. Shyama Prasad Mookherjee, and the acting leader of the Communist Party, Prof. Hiren Mukerjee. While the latter chose the working of the Chittaranjan Factory as the target of his criticism, rather calumny, Dr. Mookherjee assailed the arguments of the Communist Party with indefatigable logic. His plea to the Communist leader. "let us look at matters as Indians and not Russians for the time being," could not but carry tremendous appreciation of all, except the diehard communist. Mr. Lal Bahadur Shastri, replying to the discussions in both the Council of States and the House of the People, was calm and cautious.

A number of speakers suggested to the Railway Minister that he should carefully examine whether any reduction in passenger fares and freight rates would not result in attracting more traffic and thus earn larger revenues. The Railway Minister declared that the fall in railway earnings was not due to passenger fares and freight rates being too high. Analysing the passenger earnings, he disclosed that the number of third class passengers travelling between one to 50 miles was 750 million, from 51 to 150 miles 90 million, from 151 to 300 miles 23.6 million and over 300 miles 11.2 million. The passenger earnings were as follows: 1 to 50 miles Rs. 35 crores; 51 to 150 miles Rs. 21 crores; 151 to 300 miles Rs. 13 crores and over 300 miles Rs. 13.98 crores. Commenting on the suggestion that a committee to examine and recommend rationalisation of the rate structure, Mr. Shastri said that there was the Rates Tribunal which considered all complaints about unreasonable and preferential freight rates and the like. But he seemed to have forgotten that the Tribunal could decide only individual complaints against particular hardships and it was not the body with powers to examine the freight rates on an all-India scale and recommend suggestions for rationalisation, as demanded by the Opposition. Mr. Shastri, however, assured that the reasons for the fall in income would be enquired into.

Among capital development programmes, the Chittaranjan Locomotive and Perambur Coach factories came in for a good deal of bitter comment. Mr. Hiren Mukerjee condemned the Chittaranjan factory as a little more than an assembling plant under foreign domination. He decried equally the Perambur factory. The *Jan Sangh* leader questioned Mr. Mukerjee's assumption with regard to the Locomotive Factory and paid tributes to the work done there. Mr. Shastri admitted that there had been some technical defects in regard to the agreement with the Swiss to assist in making steel coaches at Perambur but there had been no fraud or embezzlement in the deal. He further disclosed that the cost of Indian-made coaches and wagons was cheaper than imported ones, and that ultimately locomotives produced in India would also be cheaper.

Regrouping of railways drew no small attention of the two Houses. Mr. Maghnad Shah contended that the Railway Administration had not contradicted the Press reports that the railways had suffered a loss of Rs. 25 crores as a result of regrouping. The Railway Minister was held at fault for not giving an assessment of the regrouping scheme in his budget speech. Mr. Shastri dismissed the subject by saying that the reports received so far in regard to the working of the regrouped railways had been encouraging, but he would like to wait for further reports and would place before Parliament all the relevant data required in the budget to be presented next year.

(*Concluded from previous column*)

of the order of about a million tons of steel, the Commission has suggested the establishment of a new iron and steel plant. It considers that the best method of financing and operating such a plant would be through collaboration between the State and an Indian concern with knowledge of and experience in the industry and ability to raise equity capital. Participation by foreign concerns as well as by the International Bank should also be invited. The share of the Government in the expenditure for the new steel plant which is expected to be completed in six years' time, the Commission estimates, would be of the order of Rs. 15 crores. The production programme of this plant will have to be linked with the final expansion programme of the SCOB and the IISCO in such matters as the provision of additional pig iron capacity and the nature of the finished steel products to be manufactured.



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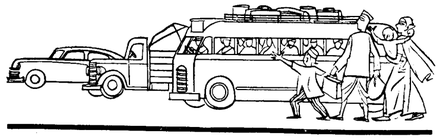

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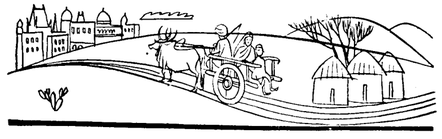

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GUIDING PRINCIPLES OF SOCIAL SECURITY—I

CLASSIFICATION OF CONTINGENCIES

THE concept of social security does not date back to more than 50 years, although some early beginnings of this concept, inspired by purely altruistic and religious motives, could be traced to an earlier date. From this point of view, the present century may well be designated the century of the emancipation of the workers. Their rights have won increasing recognition, thanks to socialist movements in many countries, and to the realisation, on the part of the democratic countries, that a contented body of workers, free from cares of sickness and untimely death, is an asset to the nation. To this growth of the concept of social security, the International Labour Organisation (I.L.O.), the specialised agency of the United Nations, has contributed richly by providing information on labour subjects, and a forum where they might be discussed. The I.L.O., which is rightly described as the social conscience of the world, has now published the various conventions and recommendations on labour questions, adopted by it from time to time, during the period covered by 1919-51, in a form which makes ready reference both possible and easy. This publication, entitled *International Labour Code*,* published in two volumes, will therefore be welcomed by all those who, whether as employers, workers' leaders or labour administrators, are interested in labour problems.

Unique Prestige

The I.L.O. publication devotes an entire section to social security, under which the different recommendations and conventions relating to this topic have been listed in an orderly manner. But both conventions and recommendations of the I.L.O. are really in the nature of norms for social legislation. They are not binding in the sense national laws are. However, in view of the fact that they must receive two-thirds majority of delegates at the I.L.O. conferences, before they are accepted, they enjoy, as the publication says, the "unique prestige of having been approved by a two-thirds majority in a world industrial parliament in which Governments, employers and workers are all represented."

The first essential element in social security is the provision for security of income. The income security recommendation, which was accepted in 1944, states that income security schemes should relieve want and prevent destitution by restoring, up to a reasonable level, income which is lost by reason of inability to work (including old age) or to obtain remunerative work or by means of the death of a breadwinner. Income security should be organised, as far as possible, on the basis of compulsory social insurance, whereby insured persons fulfilling prescribed qualifying conditions are entitled, in consideration of the contributions they have paid to an insurance institution, to benefits payable at rates, and in contingencies defined by law. The contingencies which social insurance should cover are: (*a*) sickness, (*b*) maternity, (*c*) invalidity, (*d*) old age, (*e*) death of breadwinner, (*f*) unemployment, (*g*) emergency expenses, (*h*) employment injuries.

Among the contingencies listed above, three call for special explanation, namely, invalidity, old age, and emergency expenses. The contingency for which invalidity benefit should be paid is defined as inability to engage in any substantially gainful work, by reason of a chronic condition, due to disease or injury, or by reason of the loss of a member or function. The minimum age at which old-age benefit may be claimed should be fixed at not more than 65 in the case of men, and 60 in the case of women, though the relevant recommendation on the subject provides that a lower age may be fixed for persons who have worked for many years in arduous or unhealthy occupations. Emergency expenses are those expenses which are incurred in cases of sickness, maternity, invalidity and death. For instance, necessary domestic help, it is stated, should be provided during the hospitalisation of the mother of dependent children, if she is an insured woman or the wife of an insured man, and is not receiving any benefit in lieu of earnings. Other contingencies referred to under "emergency expenses" are child birth, at which a lump sum should be paid to insured women, and death, on the occurrence of which a lump sum should be paid to meet the cost of burial.

Different Contingencies

The recommendations of the I.L.O. on the subject of benefits to insured persons to meet different contingencies contain certain specific instructions. Thus, sickness and unemployment benefits, it is stated, should be not less than 40 per cent. of the previous net earnings of the insured person, if he has no dependents, or 60 per cent. thereof if he has a dependent wife, with special additions for children. Maternity benefit should be not less than 100 per cent. of the current net wage for female insured workers or 75 per cent. of the previous net earnings of the beneficiary, whichever is greater, but may be reduced by the amount of any child's allowance payable in respect of the child. Basic invalidity and old age benefits should be not less than 30 per cent. of the current wage commonly recognised for male unskilled workers, in the district in which the beneficiary resides, with additional benefits for dependent wife and children. A widow's basic benefit should be not less than 30 per cent. of the current minimum wage commonly recognised for male unskilled workers in the district in which the beneficiary resides, with special allowance for children. In the case of an orphan, the benefit should be not less than 20 per cent. of the current minimum wage. Finally, compensation for employment injuries should not be less than two-thirds of the wages lost, as the result of the injury.

As regards the cost of benefits, including the cost of administration, the I.L.O. recommendation says that it should be distributed among insured persons, employers and taxpayers in such a way as to be equitable to insured persons and to avoid hardship to insured persons of small means or any disturbance to production. A minimum absolute rate should be laid down for the insured person's contribution. Employers, on the other hand, should be required to contribute, particularly by subsidising the insurance of low-wage earners, not less than half the total cost of benefits confined to employed persons, excluding compensation for employment injuries. The entire cost of compensation for employment injuries should be contributed by employers. The cost of benefits; which cannot be met by contributions, should be covered by the community. The following are some elements of cost which may be appropriately charged to the community:

(1) Contribution deficit resulting from bringing persons into insurance when already elderly, (2) subsidies to insurance of self-employed persons of small means.

The following are some of the notable provisions relating to the administration of social insurance:

(1) The administration of social insurance should be unified or co-ordinated within a general system of social security services and contributors should, through their organisation, be represented on the bodies which determine or advise upon administration policy and propose legislation or frame regulations.

(2) Social insurance should be administered, under the direction of a single authority, subject, in federal countries, to the distribution of legislative competence; this authority should be associated with the authorities administering social assistance, medical care services and employment services in a co-ordinating body for matters of common interest, such as the certification of inability to work or to obtain work.

(3) Claimants should have a right of appeal in case of dispute with the administrative authority.

(4) Provision for uniformity of interpretation should be assured by a superior appeal tribunal.

It is noteworthy that the I.L.O's recommendations emphasise the value of employer-employee co-operation in the administration of social security measures, for it states that these two sectors of industry, management and labour, should be "closely associated" with their administration. Again, the I.L.O. has suggested that the entire law and regulations on the subject should be drafted in such a way that beneficiaries and contributors can easily understand their rights and duties.

**The International Labour Code*, 1951. Vols. I and II. Published by The International Labour Office, Geneva. Available from Oxford Book and Stationery Co., Scindia House, New Delhi. Price: £3.

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Writing on the subject of the extensive damage caused by the recent floods in the U.K. and other European countries, *The Post Magazine and Insurance Monitor* says:

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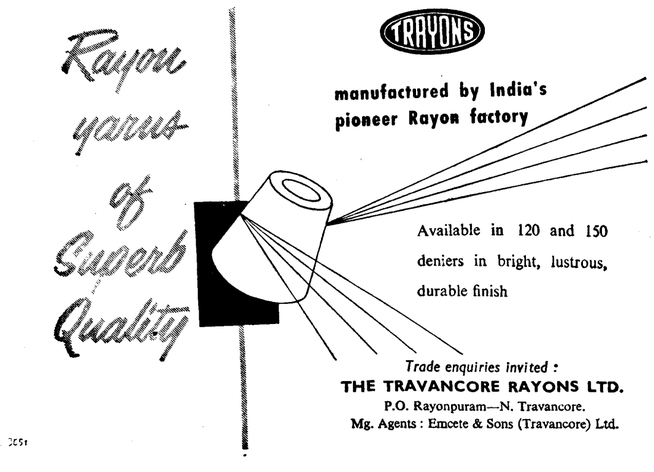

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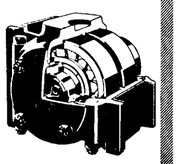



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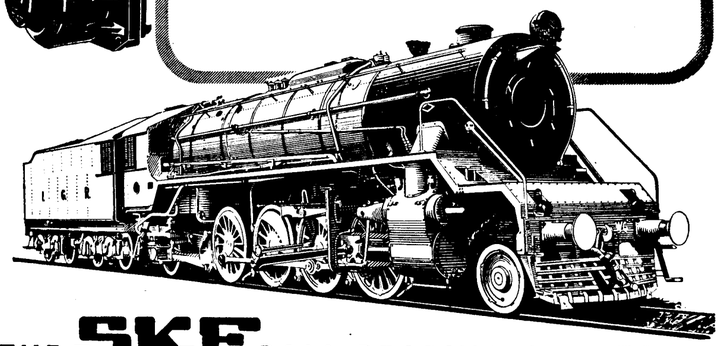

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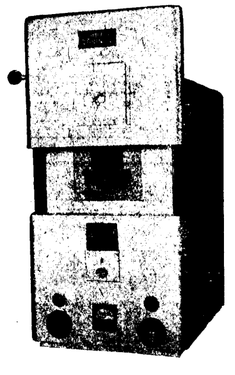

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GOVERNMENT OF INDIA'S BUDGET

OVERALL DEFICIT OF RS. 140 CRORES

RS. 110 CRORES TO BE RAISED THROUGH TREASURY BILLS

A NOMINAL surplus of Rs. 45 lakhs on revenue account is disclosed by the Government of India's Budget for 1953-54, presented to Parliament by Mr. C. D. Deshmukh, Finance Minister, on 27th February, 1953. The revenue budget for next year (1953-54), based on the current rates of taxation, showed a deficit of Rs. 1.05 crores, but this was converted into a small surplus, as just indicated, by some minor adjustments in the existing levels of taxation and customs and by raising the cost of postal services for registration and insurance, to which a detailed reference is made later. Although a surplus on revenue account has been achieved, a large overall deficit of Rs. 140 crores is estimated, owing to heavy capital expenditure programmed for raising the living standard of the people. The Finance Minister proposes to cover this deficit by short-term borrowings to the tune of Rs. 110 crores and by drawing upon the existing cash balances to the tune of Rs. 30 crores.

The revised estimates for the current year, that is, for 1952-53, show a deficit of Rs. 3.79 crores, as against an estimated surplus of Rs. 3.73 crores. The following table shows the position of revenue and expenditure for 1951-52 (actuals), 1952-53 (budget and revised) and 1953-54 (budget):

(In crores of rupees)

	1951-52 (*Actuals*)	1952-53 (*Budget*)	1952-53 (*Revised*)	1953-54 (*Budget*)
Revenue ..	515.36	404.98	418.64	439.26
Expenditure ..	374.06	401.25	422.43	438.81
Surplus (+) or deficit (—)	+141.30	+ 3.73	— 3.79	+ 0.45

N.B.—The accounts for 1951-52 have not been finally closed. The actuals for this year shown above are, therefore, provisional and subject to readjustment. The budget figures for 1953-54 are the final figures taking into account the new taxation proposals made by the Finance Minister.

1952-53

It will be seen from the above table that the revised estimates for 1952-53 show increases both under revenue and expenditure. As the rise in the latter is greater than in the former, the estimated surplus has turned out to be a deficit. The improvement in revenue is due to better receipts under Customs and Income-tax. Under customs, while import duties are expected at Rs. 120 crores, registering a drop of Rs. 5 crores, export duties are now likely to be Rs. 55.5 crores, against a budget estimate of Rs. 40 crores. Income-tax is expected to show an improvement of Rs. 15 crores, while Union excise duties are likely to be short by Rs. 6 crores. The increase in expenditure by Rs. 21.18 crores would have been greater but for a fall of Rs. 5.22 crores in Defence expenditure, due mainly to the non-receipt of supplies from abroad to the extent anticipated a year before. For there has been a rise of as much as Rs. 26.4 crores under civil heads over the budget estimates. This has been due to additional payments to be made to the States under the Finance Commission's recommendations and increased expenditure on food subsidies by Rs. 6 crores. A provision of Rs. 16.42 crores has been made in the revised estimates for payment to the States as their share of the Union excise duties on tobacco, matches and vegetable products. Grants-in-aid to the States under Articles 273, 275 and 278 of the Constitution are expected to amount to Rs. 2.98 crores more than was provided for in the budget and will cover increased payments to the States recommended by the Commission.

1953-54

For next year, the revenue is expected to go up by Rs. 20.62 crores over the revised estimates for the current year. A glance at the table published at the centre of this page will show the principal heads under which taxes are expected to go up. Explaining the variations in the sources of revenue estimated in the Budget, the Finance Minister observed as follows in his speech:

"I have mentioned earlier the difficulty in making an estimate of the revenue from customs duties. Against the sum of Rs. 177 crores which we expect to collect in the current year, I have assumed Rs. 170 crores for the budget year. The revenue from import duties may be expected to be about the same as in the current year and to bring in Rs. 118 crores. The revenue from export duties this year was somewhat higher than expected and I do not think that, in present circumstances, it would be realistic to provide for the maintenance of the revenue at the level reached in the current year. I have assumed a drop of Rs. 4½ crores in the revenue from this source and have placed the total revenue from customs duties at Rs. 170 crores. Under Union excises, I have taken Rs. 94 crores, as against the revised estimate of Rs. 80 crores. The increase of Rs. 14 crores provides for Rs. 6 crores from the cess on mill-made cloth, levied for the benefit of the *khadi* and handloom industry, and Rs. 3 crores from the proceeds of the special excise on sugar which was recently imposed. An improvement of Rs. 3 crores in the revenue from the excise duty on cloth had also been assumed; small improvements under other heads account for the balance of Rs. 2 crores. The total revenue from income-tax has been placed at Rs. 160 crores, a drop of Rs. 10 crores on the revised estimates, which is mainly accounted for by the drop in the revenue from voluntary disclosures and the contraction in the post-war refunds of excess profits tax and the income-tax collected on them. Under currency and mint, the profits from the Reserve Bank are expected to amount to Rs. 12.5 crores, as against Rs. 7.5 crores this year. Credit has been taken for the recovery from Pakistan of two instalments (amounting to Rs. 18 crores) of its partition debt to India (shown in the revenue side of the table under extraordinary items), one instalment representing a carry-over (Rs. 9 crores) from the current year. The net surplus of the Posts and Telegraphs Department will also be Rs. 1 crore less. The estimates under the other heads largely follow the revised estimates."

Summary of Final Estimates

REVENUE

(In lakhs of Rs.)

	Budget 1952-53	*Revised* 1952-53	*Budget* 1953-54
Customs	1,65,00	1,77,00	1,70,00
Union excise duties ..	86,00	80,00	94,00
Corporation tax	30,53	39,83	36,62
Taxes on income other than corporation tax ..	73,63	73,35	68,48 —40*
Opium	2,20	1,95	2,00
Interest	2,33	2,50	3,65
Civil administration ..	8,90	11,74	11,18
Currency and mint ..	10,39	10,77	15,69
Civil works	1,51	1,47	1,53
Other sources of revenue.	6,35	10,48	8,69
Posts and Telegraphs—net contribution to general revenues ..	1,16	1,40	40 +1,90*
Railways—Net contribution to general revenues.	7,65	7,68	7,65
Extraordinary items ..	9,33	47	18,47
Total ..	4,04,98	4,18,64	4,37,76 +1,50*
EXPENDITURE			
Direct demands on revenue	15,76	31,05	32,49
Irrigation	18	17	19
Debt services	36,16	35,03	37,17
Civil administration ..	55,98	56,23	71,27
Currency and mint ..	3,20	3,04	2,57
Civil works and miscellaneous public improvements	14,96	14,82	15,06
Pensions	7,95	8,07	8,36
Miscellaneous—			
Expenditure on refugees	10,09	11,32	12,67
Subsidy on foodgrains .	15,00	21,11	..
Other expenditure ..	7,88	12,61	8,34
Grants to States, etc. ..	20,28	23,04	26,37
Extraordinary items ..	15,86	13,21	24,48
Defence services (net) ..	1,97,95	1,92,73	1,99,84
Total ..	4,01,25	4,22,43	4,38,81
Surplus (+) or Deficit(—) ..	+3,73	—3,79	+45

*Effect of Budget proposals.

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Expenditure

Referring to the expenditure estimates for 1953-54, the Finance Minister stated:

"Expenditure met from revenue next year is estimated at Rs. 438.81 crores, an increase of Rs. 16.38 crores over the revised estimate for the current year. Expenditure on Defence services has been placed at Rs. 199.84 crores and Civil expenditure at Rs. 238.97 crores. Of the total expenditure of Rs. 199.84 crores next year on Defence services, Rs. 148.18 crores will be on the Army, Rs. 11.07 crores on the Navy, Rs. 25.2 crores on the Air Force and Rs. 15.39 crores on non-effective charges The increases over the revised estimates are mainly in respect of the Navy and the Air Force, which, as the House is aware, are expanding services.

"Civil expenditure next year is estimated at Rs. 238.97 crores, against Rs. 229.70 crores in the current year. The current year's estimate includes a provision of Rs. 21 crores for food subsidies and Rs. 4 crores for the payment of compensation to sugar factories to cover the reduction in price of stocks of the 1951-52 production. It has been decided not to subsidise food any longer from revenue and no provision is being made in the budget for next year on this account. Excluding these two special items, civil expenditure next year will be Rs. 34½ crores more than the corresponding figure in the current year. This increase is mainly due to larger provision for a number of development items. Among these, I would mention the provision of Rs. 2 crores for basic and social education, Rs. 6 crores for transfer to the fund for the development of the handloom industry, Rs. 1 crore for the development of small-scale industry, Rs. 4 crores for industrial housing, Rs. 6.33 crores for Community Projects, Rs 1 crore for the uplift of the backward classes, Rs. 3 crores for local works, Rs. 50 lakhs for the national extension organisation and Rs. 1.5 crores for grants to certain States for the expansion of primary education recommended by the Finance Commission. Expenditure on the relief of displaced persons is also expected to be about Rs. 1 crore more than in the current year. Increased provision has also been made for research expenditure, grants to the Council of Scientific and Industrial Research and grants for the development of scheduled areas and tribes."

Ways and Means Position

After referring to capital expenditure, to which a detailed reference is made elsewhere in this issue, the Finance Minister examined the ways and means position and indicated the manner in which he proposed to raise the funds needed for financing the capital expenditure. The following are the relevant extracts from his speech:

"The current year's Budget provided for an overall deficit of Rs. 76 crores to be met from the opening cash balance of Rs. 159 crores, leaving at the end of the year a balance of Rs. 83 crores. The revised estimates indicate that the overall deficit would be slightly higher at Rs. 83 crores, leaving a closing balance of Rs. 80 crores at the end of the year. No loans fell due for repayment in the current year and, although, in the Budget, credit had been taken for a market loan of Rs. 25 crores, no loan was actually floated, so as to leave the market free for the States to borrow for their development schemes. This shortfall in the estimate will, however, be more than offset by increased receipts from the proceeds of the American Wheat Loan and under the Colombo Plan and Technical Co-operation Administration Assistance. Receipts from small savings will, in the aggregate, be up to the original estimate. The ways and means position was also eased by the resumption of Treasury Bill sales to the market which are expected to yield a net sum of Rs. 5 crores or so this year.

"For next year, the Budget provides for an overall deficit of Rs. 140 crores. During the year, Government have the option of repaying the 3 per cent. loan 1953-55, with an outstanding balance of Rs. 115 crores. It is proposed to exercise this option and I have assumed, taking into account this discharge, that it would be possible to raise a market loan of the order of Rs. 100 crores. Credit has been taken for receipt through small savings of Rs. 45 crores, more or less on the same scale as at present, although steps are being taken to intensify the savings movement and achieve a bigger target. The benefit of any such increase will, however, accrue to the States and not to the Centre; at the recent Conference of Finance Ministers, it was agreed that the States should be assisted by the diversion to them of any part of the net receipts from small savings in excess of Rs. 45 crores.

"The overall deficit of Rs. 140 crores, which I just mentioned, would more than completely wipe out the closing balance for the current year. It is necessary, taking into account the volume of transactions involved, to have a minimum cash balance of at least Rs. 50 crores. It would, therefore, be necessary to reduce this deficit of Rs. 140 crores to Rs. 30 crores by means of additional borrowing. The method and manner in which this additional borrowing should be secured can be decided only during the course of the year and with reference to conditions as they develop. For purposes of the Budget, I have taken a credit of Rs. 110 crores under Treasury Bills, so as to leave an adequate closing balance at the end of the year.

Deficit Financing

"The question may be asked whether, in present conditions, it is wise to resort to deficit financing on the scale envisaged in the Budget for the coming year. I have given the matter the most careful consideration and I am satisfied that, taking all circumstances into account, we are not taking any undue risk. The development Plan for the country sets a limit of Rs. 300 crores or so over the five years covered by it to be met by deficit financing, an average of roughly Rs. 60 crores a year. In the first two years of the Plan taken together, the overall deficit will be of the order of Rs. 82 crores. If the programme of development laid down in the Plan has to be carried out, within the broad limits set for the raising of resources, it is necessary to increase the *tempo* of expenditure in the remaining three years of the Plan. Recent trends in the economic conditions of the country also indicate that the inflationary pressures, which had been the besetting difficulty, have been brought under control, and the climate seems suitable for raising the scale of developmental expenditure. The effect of this on the economy of the country will be kept under constant watch and I need hardly assure the House that appropriate measures will be taken to counteract any unhealthy development.

"Before I pass on to the Budget proposals, I would like to refer to the progress of the small savings movement. As I have more than once emphasised, we shall have to turn increasingly to the small saver for providing the finance required for development. We have endeavoured to get the States more actively interested in spreading the movement by giving them a financial interest in the proceeds from small savings. We are considering the extension of the system of authorised agents, which has been under experiment in three States, to all the States, and the matter is under discussion with the State Governments concerned. Steps are also being taken to interest voluntary social and women's organisations in the furtherance of the movement. I have every hope that these steps and the widening interest among the masses in the development plans of the country will bear fruitful results."

Taxation Enquiry Commission

After the above elucidation, the Finance Minister proceeded to announce his "Budget proposals," but, before he did so, he made the following important announcement:

"For some years, there has been a persistent demand both in the Legislature and outside, for a systematic enquiry into taxation and, as far back as 1946, the then Government of India decided that such an enquiry should be conducted. But this decision could not be implemented, owing to the impending constitutional changes, and, since independence, this had been further held up by more urgent preoccupations. But, as has been indicated more than once on the floor of this House, the idea had not been dropped. Government have now decided to set up a small compact Commission, with specialised knowledge, to conduct a comprehensive enquiry into taxation and I am glad to announce that Dr. John Matthai has accepted our invitation to be the Chairman of the Commission. The other members will be Mr. V. L. Mehta, till recently a member of the Finance Commission; Dr. V. K. R. V. Rao, of the Delhi School of Economics; Mr. K. R. K. Menon, Secretary, Finance Ministry; Mr. B. Venkatappiah, a former Finance Secretary of the Bombay Government, and Dr. B. K. Madan, Economic Adviser of the Reserve Bank. A senior officer from the Finance Ministry will be the Secretary of the Commission. The terms of reference of the Commission will be very comprehensive and will cover taxation in all its aspects, Central, State and local. It is Government's intention to associate with the Commission two foreign experts on taxation and public finance so as to make available to the Commission such expert advice as they may require from foreign experience. The Commission will also be free to co-opt additional members for short periods when considering specific problems. I expect the Commission will start functioning from next April and complete their work in about two years. I am sure that the labours of the Commission would assist in laying the foundations of a taxation system best fitted for the development of the economy of the country on a firm and sound basis.

Budget Proposals

The relatively small amount of the revenue deficit in the coming year has made my task, so far as it concerns the raising of additional revenue, somewhat easier than usual and I propose to confine myself largely to, what I may call, readjustments in taxation rather than to exploring avenues for additional taxation.

Reliefs in Taxation

"I shall first deal with reliefs in taxation. My first proposal is to reduce the export duty on jute sacking. While the prices of hessian have recently been looking up, the position in regard to sacking has been causing Government some concern. I propose a reduction in the export duty on sacking from Rs. 175 per ton to Rs. 80 per ton. Immediate effect is being given to this by a notification under the Sea Customs Act. I hope that this reduction will assist the industry in retaining its exports in the world markets. The loss in revenue is estimated at Rs. 3.5 crores.

"My second proposal is to raise the exemption limit for personal income-tax. The existing limit of Rs. 3,600 for individuals and Rs. 7,200 for Hindu undivided families will be raised to Rs. 4,200 for individuals and Rs. 8,400 for Hindu undivided families. This increase is made not merely as a measure of relief in taxation but also for securing some relief to the income-tax administration. I have felt for some time that far too much of the time of the Income-tax Department is being taken up by the relatively smaller assessments and, if the number of such assessments could be reduced, the Department would be able to give greater attention to the cases of the bigger assessees and improve the revenue from income-tax. The change proposed will have the effect of taking away a little over 70,000 assessments out of a total of nearly Rs. 8 lakhs. The loss in revenue is estimated at Rs. 82 lakhs, of which the Central share will be Rs. 40 lakhs. I feel that, in the long run, this loss to the exchequer would be more than offset by the improvement of income-tax collections.

"The two changes mentioned above will raise the deficit of Rs. 1.05 crores to Rs. 4.95 crores and I propose to cover this by certain readjustments in import duties and postal rates.

Changes in Import Duties

"The changes in import duties, which cover a number of items, mainly relate to semi-luxury items. The duty on toilet requisites, certain categories of textiles, crockery, and glass and earthenware tiles will be raised and a limited quota allowed for import. While this will bring in some additional revenue, the prices, including the duty, will be high enough to act as a deterrent to any undue expansion of consumption. The duty on certain other items like motor cars imported in an assembled condition is being raised, while duties are being imposed on the costlier type of horses and precious stones and pearls. These duties will bring in some revenue without any material increase in expenditure of foreign exchange. The duty on betel nut is also proposed to be increased by about As. 2 a pound. This will assist the indigenous grower in securing a more remunerative market for his crop.

"As part of the changes in the import tariff, I also propose to reduce the duties on penicillin, antibiotics and sulpha drugs, milk foods for infants and invalids, certain types of patent foods, scientific instruments and appliances, prints, engravings and pictures and works of art. These changes, which I am sure the House will welcome, are unlikely materially to affect the revenue.

"The net result of the changes in the import duties mentioned above will be an additional revenue of Rs. 3.5 crores which will just offset the loss in export duties from the reduction in the duty on sacking.

Changes in Union Excise Duties

"Certain readjustments are also being made in the excise duty on cloth. Before May, 1952, the rates of duty on fine and superfine cloth were 5 per cent. and 20 per cent. *ad valorem*, respectively. The heavy fall in the price of cloth of these categories last year made the assessment of the duty on the Textile Commissioner's ceiling prices onerous and it was decided to prescribe certain specific duties per yard as maximum duties, the duty being levied at these rates or at the *ad valorem* rates, whichever was less. The rates of specific duties were fixed at a level, which, it was believed at the time, would eliminate *ad valorem* assessments in most cases. The subsequent further fall in prices belied this expectation and led to the preponderance of *ad valorem* assessments, giving rise to administrative difficulties and continual friction between the mills and the assessing staff on the question of the adequacy of the declared prices. In order to overcome these difficulties, it has been decided to do away with *ad valorem* assessments altogether and to prescribe absolute specific duties. Superfine cloth will be charged a duty of 3 annas 3 pies a yard and fine cloth a duty of 1 anna 3 pies a yard, and the necessary provision is being included in the Finance Bill. This will not mean any increase or reduction in revenue, but will make the task of assessment and collection easier.

Changes in Postal Rates

"In recent years, the Posts and Telegraphs Department has been implementing a programme of expansion of postal facilities in the rural areas and, during the last five years, more than 16,000 post offices have been opened in villages with a population of 2,000 and over. Many of these post offices are not expected to be remunerative for some time. This, together with the adoption of the Pay Commission's recommendations and the other measures taken for the improvement of the service conditions, especially of the lower categories of staff, has resulted in a loss in the working of the postal services since 1948-49. In the four years ended March, 1952, the net loss of the postal branch amounted to Rs. 3.61 crores. The loss in the current year is estimated at Rs. 2.23 crores, while for next year it will be a little over Rs. 2.68 crores. A review has, therefore, been carried out of the existing scale of postal rates with reference to the cost of the service under each head and the charges levied in other countries. As a result of this review, it has been decided to increase the scale of fees for parcels, packets, registration and insurance. The existing rate of 6 annas for every 40 *tolas* for parcels will be raised to 8 annas. The postage on book pattern and sample packets will be raised from 9 pies for the first five *tolas* and 3 pies for every additional 2½ *tolas* to 1 anna and 6 pies, respectively. The registration fee will be raised from 4½ annas per article to 6 annas per article, while the fee for insurance will be raised from 4 annas to 6 annas for the first Rs. 100 and from 2 annas to 3 annas for every additional Rs. 100. These increases in rates are estimated to yield an additional revenue of Rs. 1.90 crores.

Net Effect of Proposals

"I shall now summarise the effect of the various changes mentioned above. The reduction in the export duty on sacking and the raising of the exemption limit for personal income-tax will involve a loss in revenue of Rs. 3.90 crores, which will raise the deficit from Rs. 1.05 crores to Rs. 4.95 crores. The changes in import duties will bring in Rs. 3.50 crores and the increases in postal rates Rs. 1.90 crores. This will leave a nominal surplus of Rs. 45 lakhs on revenue account.

Certain Changes in Income-tax Law

"Before I conclude, I should like to mention a few changes relating to income-tax which are being included in the Finance Bill for the coming year. The House will remember that, in the budget for 1948-49, provision was made for exempting from income-tax payments made to approved charities upto a maximum of Rs. 2½ lakhs or 10 per cent. of the income, whichever is less, to stimulate private assistance to charitable purposes. Experience has shown that this arrangement is not sufficiently flexible, particularly in regard to the charities to be benefited. We have now decided that the requirement in regard to the approval of the charity or the charitable institutions by the Central Government should be waived and the benefit given to any fund or charitable institution registered or under a trust or run by the Central or State Governments or a local authority. I trust that this modification will lead to a freer flow of assistance to deserving institutions. Simultaneously, we propose to reduce the limits from Rs. 2½ lakhs to Rs. 1 lakh and from 10 per cent. of the income to 5 per cent. Necessary amendments are being made to section 15B of the Income-tax Act.

"Some difficulty has been experienced by companies which invest their surplus funds in another company, as the investing company has to pay corporation tax on its dividends from the investment. In order to encourage such investment, it is proposed to exempt such dividends from corporation tax. This concession will be given to dividends of new undertakings engaged in certain selected industries.

"At present, a foreign company operating through a wholly Indian subsidiary has often to pay a slightly larger tax than a foreign company working through its branches in India. This operates to the disadvantage of the Indian subsidiaries and provision is being made so that this disparity could be gradually reduced.

"Certain other changes are also proposed in the income-tax law. I need draw the attention of the House only to two somewhat important changes. The first is the provision designed to check the practice of buying up speculation losses. The Income-tax Investigation Commission re-

DISTRIBUTION OF REVENUE AND EXPENDITURE

(In lakhs of rupees)

Year	Tax Revenue	Cost of Collection	Net Tax Revenue	Net Revenue from Commercial Departments	Opium (Receipts less Expenditure)	Currency and Mint (Receipts less Expenditure)	Interest Receipts	Extraordinary Receipts	Other Revenue	Total Net Revenue	Interest on Debt	Reduction of avoidance of Debt	Extraordinary Payments	Defence Expenditure (Net)	Other Expenditure	Net Capital Outlay of Commercial Departments (Posts and Telegraphs and Irrigation) met from Revenue	Total Net Expenditure	Surplus (+) Deficit (—)
1947-48	123,61	4,47	119,14	24,58	26	3,50	86	16,44	4,26	169,04	6,97	3,00	30,28	214,62	25,04	3	280,82	— 111,78
1948-49	170,23	5,15	165,08	46,61	— 5	7,70	1,62	15,43	4,59	240,71	9,09	3,00	30,66	358,40	29,47	— 1	430,61	— 189,90
1949-50	252,87	7,05	245,82	45,18	— 5	10,38	1,78	18,78	5,50	324,39	18,70	3,00	31,03	395,49	38,68	4	484,94	— 160,55
1950-51	281,54	7,87	273,67	43,17	— 52	15,23	1,67	9,41	6,93	349,56	30,62	3,00	21,38	380,23	57,75	3	472,99	— 123,43
1947-48	273,04	8,91	264,13	10,45	48	13,92	1,37	2,46	37,00	329,81	36,66	5,00	2,47	207,37	78,90	1	330,41	60
1948-49	176,63	3,95	172,68	3,28	51	43	60		9,04	185,68	33,31	5,00	1,12	77,57	24,20	..	141,20	+ 44,48
1949-50	317,28	7,37	309,91	9,68	35	10,50	1,61	14,37	12,52	358,92	37,53	5,00	19,45	146,06	100,03	1	308,08	+ 50,84
1950-51	209,33	11,71	297,62	9,32	— 4	9,14	1,36	1,33	14,30	333,03	34,43	5,00	11,54	148,86	99,96	..	299,79	+ 33,24
1951-52	353,61	10,25	343,36	10,40	1,96	9,71	2,13	70	25,20	393,46	32,36	5,00	7,03	184,13	125,60	12	334,24	+ 59,22
1952-53 (Budget) ..	456,59	12,88	443,71	10,29	70	8,79	1,77	5,59	23,65	394,50	34,00	5,00	10,91	170,96	145,45	9	366,41	+ 128,09
1952-53 (Revised) ..	352,04	12,14	339,90	8,79	— 42	7,19	2,33	9,34	14,67	381,80	31,16	5,00	15,86	197,95	127,95	15	378,07	+ 3,73
1953-54 (Budget) ..	367,09	28,37	338,72	9,06	18	7,72	2,50	47	21,58	380,23	30,03	5,00	13,21	192,73	142,91	14	384,02	— 3,79
	366,66	28,39	338,27	8,02	— 93	13,12	3,05	18,47	19,28	399,23	32,17	5,00	24,48	199,84	138,84	15	400,28	— 1,05

Note 1.—Accounts for 1947-48, 1948-49, 1949-50, 1950-51 and 1951-52 have not been finally closed and the figures are only provisional.

Note 2.—Figures for 1947-48 are for the period from the 15th August, 1947 to the 31st March, 1948.

IMPERIAL BANK OF INDIA

Incorporated in India under the Imperial Bank of India Act, 1920. The Liability of the Members is Limited.

CENTRAL BOARD OF DIRECTORS

Presidents, Local Boards :—
RAI BAHADUR SIR BADRIDAS GOENKA, C.I.E., Calcutta.
NEVILLE N. WADIA, Esq., Bombay.
H. I. WONFOR, Esq., Madras.

Vice-Presidents, Local Boards :—
SIR BIRENDRA NATH MOOKERJEE, Calcutta.
SIR VITHAL N. CHANDAVARKAR, Bombay.
DEWAN BAHADUR V. SHANMUGA MUDALIAR, C.B.E., Madras.

Elected under section 28 (1), (ii) of the Act by the Local Boards :—
SIR PAUL BENTHALL, K.B.E., Calcutta.
J. D. CHOKSI, Esq., Bombay.
SIR S. V. RAMAMURTY, Madras.

Managing Director :—
SIR RODERICK CHISHOLM.

Nominated under section 28 (1), (iv), of the Act by the Central Government :—
SIR S. P. RAJAGOPALACHARI.
A. D. GORWALA, Esq., C.I.E.

Deputy Managing Director :—
S. K. HANDOO, Esq.

Secretaries, Local Boards :—
A. M. WALKER, Esq., Calcutta.
C. W. MIDDLETON, Esq., Bombay.
P. A. ENGINEER, Esq., Madras.

MEMBERS OF LOCAL BOARDS

CALCUTTA

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SIR BIRENDRA NATH MOOKERJEE (Messrs. Martin Burn, Ltd.), *Vice-President.*
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RAJAH SIR MUTHIAH CHETTIAR of Chettinad.
H. M. SMALL, Esq., O.B.E. (Messrs. King & Partridge).
V. M. CHETTIAPPA, Esq. (Messrs. V. M. Periyaswami Chetty & Co.).
R. E. CASTELL, Esq. (Messrs. Binny & Co. (Madras), Ltd.).

REPORT OF THE CENTRAL BOARD FOR THE YEAR ENDED 31st DECEMBER, 1952

The Directors report that, the usual and necessary provisions having been made, the net profit of the Bank for the half-year ended the 31st December, 1952, amounted to Rs. 63,27,683-1-0 which, with Rs. 46,40,589-10-9 brought forward from the half-year ended the 30th June, 1952, makes a total of Rs. 1,09,68,272-11-9.

This sum the Directors of the Bank have disposed of as follows :—

		Rs.	a.	p.
1.	In payment of a Dividend to the Shareholders at the rate of 16 per cent. per annum	45,00,000	0	0
2.	Transferred to Pension Funds	2,60,700	0	0
3.	Bonus to Staff	20,00,000	0	0
4.	Balance carried forward to the Profit and Loss Account	42,07,572	11	9
	Total .. Rs.	1,09,68,272	11	9

The Balance Sheet of the Bank as at the 31st December, 1952, and the Report of the Auditors are annexed, together with a statement of the Profit and Loss Account for the year ended the 31st December, 1952 (wherein the figures for the past half-year have been shown separately).

By Order of the Central Board,
A. R. CHISHOLM,
Managing Director.

CALCUTTA, *5th February*, 1953.

BALANCE SHEET OF THE IMPERIAL BANK OF INDIA AS AT 31st DECEMBER, 1952

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital:						
AUTHORISED CAPITAL : 2,25,000 shares of Rs. 500 each	11,25,00,000	0	0			
ISSUED AND SUBSCRIBED CAPITAL : 2,25,000 shares of Rs. 500 each	11,25,00,000	0	0			
AMOUNT CALLED UP : 75,000 shares of Rs. 500 each, fully paid ..	3,75,00,000	0	0			
1,50,000 shares of Rs. 500 each, Rs. 125 paid ..	1,87,50,000	0	0			
RESERVE LIABILITY OF SHAREHOLDERS : Rs. 375 per share on 1,50,000 shares	5,62,50,000	0	0	5,62,50,000	0	0
2. Reserve Fund and Other Reserves				6,35,00,000	0	0
3. Deposits and Other Accounts :						
Fixed Deposits	36,06,28,727	4	5			
Savings Bank Deposits	28,73,97,482	2	4			
Current Accounts, Contingency Accounts, etc. ..	141,28,55,293	4	0			
				206,08,81,502	10	9
4. Borrowings from Other Banking Companies, Agents, etc. :						
(i) In India	10,00,00,000	0	0			
(ii) Outside India	5,62,36,796	14	0			
				15,62,36,796	14	0
PARTICULARS :						
(i) Secured by Government Securities per contra.	15,62,36,796	14	0			
(ii) Unsecured	....					
	15,62,36,796	14	0			
5. Bills Payable				2,97,03,109	5	0
6. Bills for Collection being Bills Receivable as per contra:						
(i) Payable in India	25,09,903	13	9			
(ii) Payable outside India	27,56,471	6	9			
				52,66,375	4	6
7. Other Liabilities :						
Dividend for the current half-year	45,00,000	0	0			
Unclaimed Dividends	8,98,623	9	2			
Inter-Office Adjustments	1,16,34,881	9	3			
				1,70,33,505	2	5
8. Acceptances, Endorsements and Other Obligations per contra				48,969	11	0
9. Profit and Loss :						
Balance brought forward from last year	43,16,975	15	5			
Net profit for the year	1,33,34,796	12	4			
	1,76,51,772	11	9			
Amount set aside for payment of a Dividend at the rate of 16 per cent. per annum	90,00,000	0	0			
Amount transferred to Pension Funds	5,44,200	0	0			
Bonus to Staff	20,00,000	0	0			
	1,15,44,200	0	0			
	61,07,572	11	9	42,07,572	11	9
10. Contingent Liabilities :	Rs.	a.	p.			
Claims against the Bank not acknowledged as debts ..	11,61,196	6	1			
Bills of Exchange rediscounted ..	61,904	12	0			
Outstanding Forward Exchange contracts ..	28,51,78,720	7	2			
Guarantees given on behalf of Directors, Local Board Members or Officers of the Bank ..	18,688	1	0			
Guarantees given on behalf of others	3,30,93,120	10	9			
Total .. Rs.				239,31,27,891	11	5

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash :						
In hand and with Reserve Bank (including foreign currency notes)				21,85,56,148	5	6
2. Balances with Other Banks :	On current account Rs. a. p.		On deposit Rs. a. p.			
(i) In India	....		....	....		
(ii) Outside India ..	3,59,94,765	8	2 26,66,666	10	8	3,86,61,432	2	10	3,86,61,432	2	10
3. Money at Call and Short Notice						1,02,56,000	0	0
4. †Investments (securities valued in accordance with Bye-Law 29 ; shares, debentures or bonds at or below cost) :								
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments ..				82,70,11,246	8	3			
(ii) Shares authorised under the Imperial Bank of India Act, 1920				24,96,615	9	6			
(iii) Debentures or Bonds				50,00,000	0	0			
(iv) *Other Investments*—Pakistan and other Government Securities, etc.				13,69,48,815	7	5			
							97,14,56,677	0	2
†Of which investments of the face value of India Rs. 12,50,00,000 and Pakistan Rs. 5,64,78,900 are pledged against borrowings from other Banks, Agents, etc., per contra.									
5. Advances :	Rs.	a.	p.						
(I) Loans, Cash Credits, Overdrafts, etc. :									
(i) In India ..	94,21,91,946	9	10						
(ii) Outside India ..	11,60,84,446	4	7						
				105,82,76,392	14	5			
(II) Bills Discounted and Purchased :									
(i) Payable in India ..	3,35,17,908	12	0						
(ii) Payable outside India	2,70,04,335	0	0						
				6,05,22,243	12	0			
PARTICULARS OF ADVANCES (see separate Statement appended).							111,87,98,636	10	5
6. Bills Receivable being Bills for Collection as per contra:									
(i) Payable in India				25,09,903	13	9			
(ii) Payable outside India				27,56,471	6	9			
							52,66,375	4	6
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra							48,969	11	0
8. Premises less Depreciation :									
Total cost up to the 31st December, 1951				3,11,76,837	15	1			
Additions (Rs. 3,17,241-9-7) less Deductions (Rs. 17,527-0-0) during the year				2,99,714	9	7			
Total depreciation written off up to the 31st December 1952, less depreciation previously provided on property which has passed out of the Bank's possession				3,14,76,552	8	8			
				1,82,95,159	12	9			
9. Furniture and Fixtures less Depreciation :									
Total cost up to the 31st December, 1951				95,92,533	2	3			
Additions (Rs. 9,22,618-0-8) less Deductions (Rs. 28,581-7-4) during the year				8,94,036	9	4			
Total depreciation written off up to the 31st December, 1952, less depreciation previously provided on property which has passed out of the Bank's possession				1,04,86,569	11	7			
				72,76,376	2	8			
10. Other Assets including Gold and Silver :							32,08,193	8	11
Bullion							....		
Adjusting Account of Interest, commission, etc. ..				75,87,580	12	8			
Stationery, Stamps, Suspense, etc.				61,06,434	14	6			
							1,36,94,015	11	2
11. Non-banking Assets Acquired in Satisfaction of Claims							....		
12. Profit and Loss							....		
Total .. Rs.							239,31,27,891	11	5

commended that the law should be amended so as to allow speculation losses to be set off only against speculation gains. This amendment was included in the Income-tax (Amendment) Bill, 1951, which lapsed. It is now proposed to make this amendment. The second is the provision empowering Government to negotiate agreements with foreign Governments, if necessary, for relief from or avoidance of double taxation. This removes a lacuna in the law, as, at present, Government have power to negotiate such arrangements only with certain countries.

Conclusion

"The budget for the coming year has been framed against the background of the Five-year Plan and I am sure the House would like to know to what extent progress would have been made by the end of the budget year in reaching the measure of development envisaged by the Plan. The expenditure proposed in the Plan covers the budgets of not only the Centre but also the States, and, although we are in the second year of the Plan, it is difficult to make a precise estimate of the progress achieved. As I mentioned earlier, on a rough estimate, the total expenditure by the Centre and the States together in the first two years of the Plan is expected to be of the order of Rs. 600 crores. This would be roughly equally divided between the Centre and the States. In the coming year, the provision in the Central budget for developmental expenditure is of the order of Rs. 225 crores, exclusive of Central assistance for financing the State Plans. If the level of developmental expenditure reached by the States in 1952-53 is maintained in the coming year, the total expenditure, taking the Centre and the States together, for the three years ending March, 1954, would have reached about Rs. 1,000 crores. Since the total expenditure envisaged by the Plan is Rs. 2,069 crores, this would leave a balance of Rs. 1,000 crores or so for the last two years of the Plan. When it is remembered that the level of expenditure in the earlier years of the Plan is bound to be somewhat lower, as expenditure on individual schemes takes some time to gather momentum, I think that it could be fairly said that the progress in implementing the Plan has not fallen short of the target to be reached in the first two years. I hope it will be possible, in the very near future, to make a complete survey of the progress made in the first two years of the Plan, in consultation with State Governments, so that the public may know the precise extent to which the Plan has been implemented. I know that there is a keen demand for this information, but it has to be remembered that the final outturn for the current year will take some time to become available and that it may be somewhat misleading at this stage to attempt an appreciation based on the revised estimates for this year.

"The fulfilment of a programme of planned economic development depends not merely on the laying down of policies and making the finance available but on efficient administration and public co-operation. The Five-year Plan, which, in the nature of things, is bound to be the first of many more plans, lays down the policy for the next three years in each major field of development. To carry through this policy and programme with the maximum amount of public co-operation is the main task before both the Centre and the State Governments. At the Centre, I believe I can justly claim that we have done our part in implementing the Plan. I am sure the State Governments are also animated by the same purpose, although I fear that some of them have not shown the necessary determination, matching their keenness, in raising the resources expected from them after full consultation. But it is also true that some of them have had to carry the strain of meeting substantial additional expenditure on account of scarcity. I hope that, in the remaining years of the Plan, the State Governments will find it possible to concentrate all their attention and energy on augmenting their resources, so that the completion of the development proposed by the Plan is not delayed. The transition from a regulatory to a Welfare State is never easy. It requires as much of inspired, informed and understanding leadership as a sense of discipline, a co-operative attitude and a spirit of sacrifice in the interest of the common good on the part of the community. The fostering of such leadership will be the supreme test of political wisdom and statesmanship. It will be for the Governments in the country, assisted by the Planning Commission, to furnish precise and definite guidance in regard to the direction and content of the public co-operation expected and, once such guidance is forthcoming, it will be for the people of the country to give of their best without stint, so that the Plan goes forward to the prosperity and greater glory of our motherland."

Review of Economic Conditions

At the very outset, the Finance Minister began his budget speech by giving a succinct review of the economic conditions in India. He stated that these conditions had witnessed a marked improvement in the past year, 1952. "Prices have, on the whole, remained steady at lower levels, industrial as well as agricultural production has shown an increase, while the balance of payments position has also been slightly more favourable than in the preceding year."

Analysing the variations in the price levels, the Finance Minister said that, after a somewhat precipitate drop during the first four months of 1952, the prices became more or less steady, the present fluctuations being within narrow limits. At the end of December, 1952, the general index of wholesale prices stood at 374.5 points, as against 432.2 a year back, representing a fall of 13 per cent. This fall has been shared by all commodities, more or less. In the case of food articles, the index at the middle of January this year fell to 355.6 points, as compared with 377.6 points in June, 1952.

Referring to the food situation, the Finance Minister said that the stock position during the year showed marked improvement. Certain relaxations in food controls were allowed. These relaxations, he emphasised, were only in the nature of adjustments within the framework of the basic policy and did not imply any departure from the policy of general control of foodgrains as long as pockets of scarcity persisted and the need for food imports continued.

Increase in Industrial Production

Industrial production during the year was satisfactory, increase being recorded in jute goods, cotton textiles, steel, cement, paper, caustic soda, power alcohol, plywood, rayon yarn and sewing machines. Jute goods recorded an increase of 69,000 tons, while cotton textile reached the record production figure of 4,600 million yards. Steel production rose to 1.15 million tons, while cement improved by 300,000 tons. Among essential raw materials, raw cotton and jute showed increase in yield, the figures being 31.3 lakh bales and 46.8 lakh bales, respectively.

While there was thus a general all-round increase in production, certain other industries, particularly handloom and tea, faced special difficulties during the year. The steps taken by the Government of India to provide assistance to these industries were briefly indicated by the Finance Minister.

Employment Situation

The effect of the fall in prices during the current year on the employment situation, as well as on production, was constantly being watched, the Finance Minister said. One inevitable consequence of the fall in prices was reduction of income in certain sectors, but, more significant, perhaps, was the fact that the possibilities of large or quick profits by traders and middlemen were reduced. "While with production at its present level," the Finance Minister observed, "there is little possibility of any unemployment in industrial labour, the contraction of profits in trade and commerce is perhaps, having the effect of creating

IMPERIAL BANK OF INDIA

PARTICULARS OF ADVANCES

	Rs.	a.	p.		Rs.	a.	p.
(i) Debts considered good in respect of which the Bank is fully secured	104,12,53,385	6	0	(v) Debts due by Directors or Local Board Members or Officers of the Bank or any of them either severally or jointly with any other persons ..	2,74,396	13	1
(ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	60,95,499	2	5	(vi) Debts due by companies or firms in which the Directors or Local Board Members of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members ..	18,93,60,774	1	4
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	7,14,49,752	2	0	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Local Board Members or Officers of the Bank or any of them either severally or jointly with any other persons	4,28,759	13	1
(iv) Debts considered doubtful or bad, not provided for	....			(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors or Local Board Members of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members ..	30,97,80,917	6	0
	111,87,98,636	10	5	(ix) Due from banking companies	8,89,11,800	9	5

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1952

EXPENDITURE	Half-year ended 31-12-1952			Year ended 31-12-1952			INCOME (less provision made during the half-year/year for bad and doubtful debts and other usual or necessary provisions)	Half-year ended 31-12-1952			Year ended 31-12-1952		
	Rs.	a.	p.	Rs.	a.	p.		Rs.	a.	p.	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc. ..	74,95,340	10	4	1,70,13,342	11	10	1. Interest and Discount	2,80,78,700	7	5	5,52,09,729	13	3
2. Salaries and Allowances and Provident Fund (including Salary and Allowances of Managing Director Rs. 1,62,936-10-0* for the half-year and Rs. 2,96,738-13-0† for the year ended 31-12-1952) ..	1,86,37,244	13	5	3,69,32,347	2	10	2. Commission, Exchange and Brokerage	85,95,846	4	11	2,05,29,206	4	8
3. Directors' and Local Board Members' Fees and Allowances	61,250	0	0	1,21,475	0	0	3. Rents	1,60,924	10	6	3,15,387	7	10
4. Rent, Taxes, Insurance, Lighting, etc	9,40,532	0	8	17,90,146	13	8	4. Net Profit on Sale of Investments, Gold and Silver, Land, *Premises and other Assets*	....			....		
5. Law Charges	83,620	0	3	1,94,302	6	4	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and other Assets ..	....			....		
6. Postage, Telegrams and Stamps	6,61,720	10	7	13,37,747	11	8	6. Income from Non-banking Assets, and Profit from Sale of or Dealing with such Assets	....			....		
7. Auditors' Fees	37,500	0	0	75,000	0	0	7. Other Receipts	....			....		
8. Depreciation on and Repairs to the Bank's Property	5,42,747	5	3	13,52,612	1	1	8. Loss	....			....		
9. Stationery, Printing, Advertisement, etc. ..	9,09,297	11	9	17,21,316	6	7							
10. Loss from Sale of or Dealing with Non-banking Assets	....			....									
11. Other Expenditure	11,38,595	1	7	21,81,236	7	5							
12. Balance of Profit	63,27,683	1	0	1,33,34,796	12	4							
Total .. Rs.	3,63,35,531	6	10	7,60,54,323	9	9	Total .. Rs.	3,63,35,531	6	10	7,60,54,323	9	9

* Includes income-tax and super-tax amounting to Rs. 1,17,736-10-0, i.e., net salary and allowances amount to Rs. 45,150-0-0. In addition provision has been made for a bonus amounting to Rs. 6,500-0-0 and tax thereon amounting to Rs. 17,736-10-0.

† Includes income-tax and super-tax amounting to Rs. 2,06,438-13-0, i.e., net salary and allowances amount to Rs. 90,300-0-0. In addition provision has been made for bonuses amounting to Rs. 13,000-0-0 and tax thereon amounting to Rs. 35,473-4-0.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE IMPERIAL BANK OF INDIA

We, the undersigned Auditors of the Imperial Bank of India, elected under Section 58 (1) of Schedule II of the Imperial Bank of India Act, 1920, do hereby report *to the shareholders upon* the Balance Sheet as at 31st December, 1952, and the Profit and Loss Accounts for the half-year and the year ended 31st December, 1952.

We have examined the above Balance Sheet (which contains the particulars prescribed by the Imperial Bank of India Act, 1920, and the Bye-laws of the Bank) and the Profit and Loss Accounts, and the Accounts relating thereto of the Central Office and of the Local Head Offices in which are incorporated the Returns submitted and certified by Branch Agents and report (i) that we have obtained all the information and explanations we have required and that they have been found to be satisfactory ; (ii) that the transactions of the Bank which have come to our notice have been within the powers of the Bank ; (iii) that the Returns received from Branch Agents have been found adequate for the purposes of our audit ; (iv) that in our opinion the Balance Sheet and Profit and Loss Accounts are drawn up in conformity with the law ; (v) that in our opinion the Balance Sheet is a full and fair one and is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us and as shown by the Books of the Bank ; (vi) that in our opinion the Profit and Loss Accounts show a true balance of profit for the period covered by the accounts ; and (vii) that in our opinion Books of Account have been kept by the Bank as required by law.

The audit of the Books and Accounts for the six months to 30th June, 1952 was carried out by Messrs. G. R. Crooks, B. S. Billimoria and J. S. F. Gibb. The accounts for that period have been accepted and incorporated for the purpose of the accounts for the year to 31st December, 1952.

The audit of the Books and Accounts of the Local Head Offices at Calcutta, Bombay and Madras, has been carried out by Messrs. A. K. Joscelyne, B. S. Billimoria and J. Deavin respectively.

A. K. JOSCELYNE,
B. S. BILLIMORIA,
J. DEAVIN, } *Auditors.*

BADRIDAS GOENKA,
BIREN MOOKERJEE,
A. P. BENTHALL, } *Directors.*

CALCUTTA, *5th February*, 1953.

A. R. CHISHOLM, *Managing Director.*

some measure of unemployment in the urban areas. Agricultural labour has also not been materially affected by the fall in prices except in the tea gardens where some amount of unemployment seems inevitable, if the marginally uneconomic gardens have to close down." The Finance Minister assured the House that the "Government will do whatever they can to minimise the extent of distress in this field." Taking a somewhat longer view, he said, it might be hoped that, as the various development schemes got under way, increasing scope for employment would be provided.

Balance of Payments Position

The balance of payments position in the first half of 1952, as compared with the position in the previous year, showed an improvement, the deficit on current account having declined from Rs. 92 crores in the last six months of 1951 to Rs. 74 crores. This improvement was followed during the succeeding three months, when a surplus of Rs. 28 crores was struck. Figures for the subsequent months are not yet available, but the trend noticed in the third quarter of 1952 appears to have been maintained. Dollar position also recorded an improvement. Preliminary figures for the five months of the second half of 1952 (July-November) indicate that India contributed about $63 million to the Central Pool.

Among the reasons for improved balance of payments position were tighter credit policy, reduction in expenditure generally and positive steps to promote exports. As a result of the tighter credit policy, the expansion of bank credit during the busy season of 1951-52 amounted to Rs. 100 crores only which was a little over half that of the previous year. Steps to promote exports included reduction or removal, in certain cases, of export duties, liberalisation of export regulations and increase in the export quotas of certain commodities.

While the balance of payments position did improve during the current year, it was very likely, the Finance Minister said, that the position for the coming months might not be as favourable. He said: "The increase in the export earnings is partly due to a carry-over of orders from the previous period. There has been a further decline in the prices of our principal exports, particularly jute manufactures and oilseeds. A number of countries have also placed restrictions on imports. Lastly, the import policy for the first half of the current year allows for some liberalisation in the imports of a number of items which were restricted hitherto. Food purchases are also likely to increase our external payments."

External Finance

The Finance Minister referred to the decisions taken at the Commonwealth Prime Ministers' Conference. India's agreement to the decisions taken at the Conference, he observed, did not involve adoption of any new policy, as India's internal policies were already geared to the tasks laid down by the Conference. "The implementation of the Five-year Plan," he said, "is expected to enable India to play her part in the expansion of world trade and increasing her production. By helping herself, India will be helping not only the countries of the sterling area but also the rest of the world in the expansion of production and trade."

The Finance Minister referred to the progress made in India's loan negotiations with the International Bank for Reconstruction and Development and said that two loans—$31.5 million to the Indian Iron and Steel Company and $19.5 million for the Damodar Valley Corporation—were negotiated during the year. Negotiations for another loan—to the Industrial Finance Corporation—were expected to be concluded shortly.

The visit of the mission of technical experts from the International Monetary Fund was referred to by the Finance Minister. "I have no doubt," he said, "that their objective view of the efforts we are making to sustain the economy of the country and for its orderly development would help us to ensure that resources for implementing our Five-year Plan are raised in an optimum manner and may perhaps encourage external assistance on lines entirely acceptable to us."

The assistance received during 1952, consisting of $38.35 millions from the U.S.A., $20 millions from Canada, Australia and New Zealand under the Colombo Plan and Rs. 67 lakhs from Norway, were particularly mentioned by Mr. Deshmukh, who expressed his "appreciation to these friendly nations."

Debt Position of Government of India

The outstanding public debt of the Government of India is expected to go up from Rs. 2,082 crores at the end of March, 1953, to Rs. 2,173 crores by the close of March, 1954. The Finance Minister's statement on the ways and means position referred to above reveals that there will be a net reduction of about Rs. 16 crores in current loans, of Rs. 1.11 crores in the capital portion of railway annuities and of Rs. 98 lakhs in dollar loans. If, despite these reductions, the total debts are expected to go up, it is because of the large Treasury Bill borrowings contemplated in the capital Budget.

A broad analysis of the debt, as compared with that at the end of 1938-39, is given below:

(In lakhs of rupees)

	As on 31st March		
Rupee Loans—	1939	1953	1954
Current loans	437,87	1,405,58	1,389,58
Treasury Bills and ways and means advances ..	46,30	319,04	429,64
Treasury Deposit Receipts	..	15	..
Special floating loans	..	217,61	212,61
Expired loans	65	3,62	2,92
Total ..	484,82	1,941,00	2,034,15
Sterling Loans ..			
Current loans	396,50	1,29	1,15
War contribution ..	20,62	20,62	20,62
Capital portion of railway annuities	47,82	5,44	4,33
Expired loans	1	5	5
Total ..	464,95	27,31	26,15
Dollar Loans		113,74	112,76
Grand total ..	949,77	2,082,05	2,173,06

The liability for the British war loan continues to remain suspended, while, against the outstanding railway annuities, an equivalent deposit has been made with the U.K. Government which has undertaken to provide the necessary sterling as the payments fall due. Omitting these items, the total outstanding debt will be Rs. 2,056 crores at the end of the current year and Rs. 2,148 crores at the end of 1953-54, representing, at the end of the budget year, an increase of Rs. 1,266 crores over the corresponding figure at the end of 1938-39.

In addition, the Government is liable to repay the balances in the various provident funds, post office savings banks, post office cash and national savings certificates, depreciation and reserve funds of the railways, posts and telegraphs, etc., and certain other deposits, mainly relating to excess profits tax and income-tax. These balances are estimated to amount to Rs. 780 crores at the end of the current year and Rs. 819 crores at the end of 1953-54, after making a very rough allowance for Pakistan's probable share in them. Taking the regular debt and these liabilities together, the debt position of the Government of India will stand as follows:

(In lakhs of rupees)

	As on 31st March	
	1953	1954
Regular loans	2,082,05	2,173,06
Other liabilities	779,93	818,89
Less—British war loan and railway annuities	—29,06	—24,95
Total ..	2,835,92	2,967,00

This would represent an increase of Rs. 1,698 crores in the outstanding debt at the end of the current year and Rs. 1,829 crores at the end of next year, as compared with the outstanding debt at the end of 1938-39. This outstanding debt may be analysed in a different way with reference to the purpose for which it has been utilised or the assets by which it is covered. An analysis is given below:

(In crores of rupees)

	As on 31st March	
	1953	1954
Railways	952	971
Posts and Telegraphs and Other Commercial Departments ..	81	90
Loans and Advances (including outstanding loans from Burma) .	426	522
Purchase of Annuities for sterling pensions	186	179
Subscription to the International Monetary Fund and World Bank.	369	369
Debt due from Pakistan	300	300*
Cash and other investments ..	192	168
Total ..	2,506	2,599

* *Estimated.*

Allowing for these, the uncovered debt will amount to Rs. 368 crores at the end of the budget year, against the pre-war figure of Rs. 138 crores. The whole of this cannot, however, be called unproductive debt, for the large grants to States for development in recent years are not entirely unremunerative and, similarly, the large capital outlay on Central property, the value of which is either not shown at all in the Government's accounts or is shown as non-commercial (such as the capital outlay on New Delhi and Defence capital outlay), is not without value.

Interest-bearing Obligations

Out of the total debt noted above, the interest-bearing obligations of the Government of India are expected to stand at Rs. 2,776.37 crores by the end of 1953-54, as against Rs. 2,645.70 crores at the close of the current year and Rs. 1,205.76 crores at the end of 1938-39. The major portion of this liability is covered by interest-yielding assets, the actual amount of such as on 31st March, 1953, being Rs. 1,769.69 crores. This figure compares with Rs. 1,653.58 crores at the end of March, 1952 and Rs. 946.38 crores as on 31st March, 1939. The most important of these assets are railways, commercial departments, loans advanced to States, debt dues from Pakistan and Burma, and purchase of annuities for sterling pensions. The details of these items are given below:

(In lakhs of rupees)

	1938-39 Pre-war year	1952-53 Revised	1953-54 Budget
Capital advanced to railways	725,24	951,95	970,92
Capital advanced to other commercial departments .	27,42	81,25	90,34
Capital advanced to States..	123,28	317,60	389,31
Other interest-bearing loans.	20,71	59,87	84,48
Debt due from Burma ..	49,73	48,15	48,15
Deposits with the U.K. Government for redemption of railway annuities..	..	5,44	4,33
Purchase of annuities for sterling pensions	..	186,32	179,16
Debt due from Pakistan	..	3,00	3,00
Total ..	946,38	1,653,58	1,769,69

Besides the above interest-yielding assets, the Government has cash and securities on Treasury account. This item is placed lower at Rs. 106.53 crores as on 31st March, 1954, as against Rs. 136.10 crores as on 31st March, 1953. At the end of 1938-39, these were of the order of Rs. 30.30 crores. The interest-bearing obligations not covered by assets are expected to aggregate Rs. 900.15 crores by March, 1954, the corresponding figures for the current year and 1938-39 being Rs. 855.94 crores and Rs. 229.08 crores, respectively.

Interest Payments

The aggregate interest charges payable by the Government on ordinary debt, unfunded debt and other obligations during the ensuing year is expected to amount to Rs. 74.91 crores, which is Rs. 5.85 crores more than that in the current year (revised). The bulk of the interest charges is accounted for by interests on ordinary debt, amounting to Rs. 51.28 crores, as against Rs. 46.58 crores in 1952-53. Interest on unfunded and other obligations is placed at Rs. 23.63 crores, as against Rs. 22.48 crores. Of the total interest charges, the share (net) of the Government of India during 1953-54 is estimated at Rs. 32.17 crores, as compared with Rs. 30.03 crores during 1952-53. The balance, namely, Rs. 42.74 crores, is to be borne by Railways, Posts and Telegraphs, State Governments, Irrigation and other heads. The share of the railways is the biggest, accounting for Rs. 27.12 crores, as against Rs. 26.44 crores. As a result of this heavy payment, the contribution of the railways to the general revenues, amounting to Rs. 34.77 crores (Rs. 34.11 crores in the current year), will be reduced to Rs. 7.65 crores (Rs. 7.68 crores). The interest charges payable by the States during the coming year amount to Rs. 11.00 crores, as against Rs. 8.25 crores in 1952-53. The share of Posts and Telegraphs is Rs. 1.65 crores (Rs. 1.50 crores), of other heads Rs. 2.96 crores (Rs. 2.83 crores), and Irrigation Rs. 1 lakh (Rs. 1 lakh).

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CENTRAL GOVERNMENT'S CAPITAL BUDGET

NET PRODUCTIVE CAPITAL EXPENDITURE ESTIMATED AT RS. 38.98 CRORES

THE Central Government's capital budget for 1953-54 provides for an outlay of Rs. 77 crores, as against Rs. 78.97 crores in 1952-53, which has now been revised to Rs. 75.86 crores. Provision has also been made in the 1953-54 budget for Rs. 131 crores for loans to State Governments, including loans from the Special Development Fund, as against Rs. 104 crores in the budget for 1952-53, now revised to Rs. 117 crores. The Special Development Fund has been built up with the net sale proceeds of foodgrains purchased from the U.S. under the wheat loan agreement. This fund is to be utilised only for financing development projects of both the Central and State Governments. The latter receive money from this Fund in the form of short and medium-term loans and, in special cases, in the form of grants.

The Government's capital budget, as is well known, is a self-contained statement of receipts and disbursements on capital account. It includes all transactions connected with loans raised by Government, Treasury Bills, ways and means advances, Post Office Savings Bank, all cash and savings certificate issued through post offices, all depreciation reserves and development fund, loans and advances by the Central Government, including loans to State Governments and special deposits like income-tax and excess profits tax deposits. It also includes receipts and payments on capital schemes financed by the Central Government and takes credit for the amount provided in the revenue budget for amortisation or reduction of debt.

Capital Receipts

Capital receipts for 1953-54 are placed at Rs. 279.59 crores, as against Rs. 102.89 crores in the revised budget for 1952-53. The main heads of capital receipts are:

(Rs. in lakhs)

	Revised Budget, 1952-53	Budget, 1953-54
New Loans	35,79	1,00,79
Treasury Bills	4,69	1,10,00
Post Office Savings Deposits ..	21,28	17,50
National Savings Certificates ..	19,49	21,93
Other unfunded debt	10,37	10,74
Repayment of loans by States ..	16,55	17,57
Other receipts	—5,28	1,06
Total ..	102,89	279,59

Capital Disbursements

As against the capital receipts of Rs. 279.59 crores mentioned above, the disbursements under capital account are estimated at Rs. 76.64 crores, as compared with Rs. 75.86 crores in the revised budget for 1952-53. The following are the items of capital disbursements in 1952-53 and 1953-54.

(In thousands of rupees)

Disbursements	Revised estimate, 1952-53	Budget estimate, 1953-54
Railway capital (as shown in Railway Budget)	14,12,26	18,97,27
Posts and Telegraphs	5,38,90	7,59,78
Forest	27,79	27,20
Security Printing Press	8,20	7,85
Irrigation	17,75	40,00
Agricultural Improvement and Research	9,44	43,85
Industrial Development	1,94,92	6,74,62
Civil Aviation	1,76,56	2,32,00
Broadcasting	25,00	47,27
Ports	2,12,64	3,25,30
Currency	40	2,41
Mint	32,64	50,37
Initial Expenditure on New Capital at Delhi	47,65	1,59,15
Multipurpose River Schemes ..	4,14,95	3,79,84
Civil Works	15,93,34	17,81,41
Capital Outlay on Electricity Schemes	32,09	44,82
Road and Water Transport Schemes	12,29	15,76
Payments of Commuted Value of Pensions	45,64	38,81
Capital Outlay on Sterling Pensions	—7,26,04	—7,15,66
Payments to Retrenched Personnel	1,24	1
Appropriation to the Contingency Fund	..	..
Transfer of the Sale Proceeds of American Loan Wheat	26,57,36	..
Defence Capital Outlay ..	8,71,44	15,00,00
Schemes of Government Trading..	—20,41	3,52,21
Total ..	75,86,05	76,64,27

The total provision on capital outlay is, as the table shows, of the order of Rs. 76.64 crores (net) in 1953-54. Of this total provision, Rs. 3.52 crores are for schemes of Government trading, mainly in foodgrains. Excluding this and the credit of Rs. 7.16 crores for sterling annuities, the exact capital outlay would amount to Rs. 80.28 crores. Of this sum, the revenue-earning items of expenditure (or productive expenditure) are those which relate to railways, ports and telegraphs, forests, irrigation, industrial development, security printing press, mint, multi-purpose river schemes, road and water transport schemes and electricity schemes, all of which absorb Rs. 38.98 crores.

The table relating to capital disbursements gives Rs. 6.75 crores for industrial development. This item includes expenditure on Government-owned factories. It includes expenditure of Rs. 2 lakhs on Government housing factory, Rs. 60 lakhs for grants to the Council of Scientific and Industrial Research, Rs. 11 lakhs for purchase of shares of the company to acquire Hopkins & Co. (Travancore) Ltd., Rs. 82 lakhs for Indian telephone industries, Rs. 34 lakhs for Hindusthan Shipyard Ltd., Rs. 64 lakhs for penicillin factory, Rs. 143 lakhs for machine tool factory, Rs. 70 lakhs for manufacture of dry core cable, Rs. 39 lakhs for national instruments factory, Rs. 33 lakhs for overseas communication service and Rs. 74 lakhs for the Eastern Shipping Corporation.

Loans to State Governments

Apart from the net capital outlay of Rs. 76.64 crores, referred to above, there are certain other items which are also capital disbursements, such as discharge of permanent debt (Rs. 119.62 crores in 1953-54 as against Rs. 6.19 crores in 1952-53), advances to State Governments, local bodies, port trusts and foreign Governments. The details of the loans to State Governments are as follows:

(Rs. lakhs)

	Revised 1952-53	Budget 1953-54
Irrigation loans	41,34	46,27
Miscellaneous development loans..	24,24	26,22
Loans for rehabilitation of displaced persons	13,79	10,30
Loans for grow-more-food schemes.	17,65	27,86
Loans for Community Development Projects	3,00	11,00
Loans for industrial housing schemes	1,95	4,84
Loans for relief work in natural calamities	6,00	3,00
Other loans	9,15	1,71
Total ..	117,12	131,20

The loans for development purposes to the extent of Rs. 24.12 crores and loans for Community Projects amounting to Rs. 3 crores this year will be met from the Special Development Fund—created out of the net sale proceeds of the foodgrains purchased from the American wheat loan and also from assistance under the agreements with the United States Technical Co-operation Administration. Next year the loans to be met from the Special Development Fund amount to Rs. 37.45 crores as follows:

(Rs. crores)

Development loans..	26.00
Community Development Projects	11.00
Other loans mainly for equipment, materials, etc., received under T.C.A.	0.45
Total ..	37.45

The total of the capital disbursements, that is, inclusive of the Central Government's capital outlay and loans and advances to State Governments and other items is Rs. 310.16 crores for 1953-54 and Rs. 181.38 crores for 1952-53. Thus, the excess of disbursements over receipts, that is the deficit, is Rs. 30.57 crores for 1953-54 and Rs. 78.49 crores for 1952-53. The deficit for 1953-54 will be covered by drawing upon the Central Government's opening cash balances. As a result of this, the Government's cash balances at the end of 1953-54 are expected to stand at Rs. 50 crores, an amount considered to be the minimum which the Government must always hold.

SPENCER & CO., LTD.

MR. S. W. EDWARDS' SPEECH AT ANNUAL MEETING

ADDRESSING the ordinary shareholders of Spencer & Co., Ltd., at their Fifty-fifth Ordinary General Meeting which was held on 27th February, 1953, at the Registered Office of the Company at Madras, Mr. S. W. Edwards, the Chairman of the Company, said:—

"In welcoming you here this morning, I would firstly like to introduce you to Mr. C. H. Bhabha who recently accepted our invitation to join the Board. You will later be asked to confirm that appointment and, I am sure, we are fortunate in having at our disposal the advice and assistance which he is so eminently able to give us.

"The accounts have been in your hands for some days now and record a picture of sustained effort and I venture to suggest 'success'—reflecting credit on all concerned, and I know you would wish to be associated with the Board in expressing its appreciation to those members of the staff whose loyal effort has so largely contributed to these results.

"Increased expenditure and reduction in the rate of gross profit has been offset by an encouraging increase in turnover. With the further cut in import quotas recently announced, it remains to be seen if this position can be maintained, but I am happy to record that the stock position has never been sounder and so far in the current year figures are most satisfactory.

Uncertainty and Lack of Confidence

"Unfortunately, the general uncertainty and lack of confidence, to which I referred last year, still exists in most markets and it would seem that so long as the international tension continues, trading must be on a somewhat restricted basis. This is a fact which has to be accepted and, in consequence, like most other countries, it has to be appreciated that India is more or less forced to maintain an import and export policy to suit her economic requirements. Although, in general, there is little of which we can complain, there are occasions when we consider the Government do not give the support to which the many sections of trade and commerce are entitled.

Restrictive Measures

"In so far as your Company is particularly affected, I would mention the catering section of this Company. My belief is that the Government are not giving the encouragement which the important hotel industry deserves. Although hoteliers are continually being pressed to improve the standard of service and amenities to be made available to tourists with the object of encouraging visitors to come to this country, even applications for licences to import small quantities of glassware and crockery are refused, even though the quality required is not yet available in India. There are also in many States restrictive measures regarding the types of food which can be served and, unfortunately, due to the prohibition policy many hotels, airport restaurants and all railway refreshment rooms and restaurant cars are denied the privilege of serving alcoholic beverages—an amenity which most foreign visitors desire and appreciate—in fact, I would go further and describe this service as an essentiality rather than an amenity.

Federation of Hotel Associations

"During the current year, this Company has been largely instrumental in forming the South India Hotels and Restaurants Association; similar organisations have been formed in Bombay, Delhi and Calcutta, and it is hoped that within the very near future a federation of all hotel associations will be formed. This federation of hotel associations will have its head office at Delhi and I think you will agree that it should prove of great value, as it will be in direct contact with the Central Government."

The accounts and balance-sheet as at 30th June, 1952, were unanimously approved and adopted. A further and final dividend of 10 per cent., free of income-tax, on the ordinary shares, as recommended by the Directors, was declared, making in all a total dividend of 15 per cent. free of income-tax, for the year.

INDUSTRIAL DEVELOPMENT PROGRAMMES UNDER FIVE-YEAR PLAN

TOTAL EXPENDITURE PLACED AT RS. 477 CRORES

DETAILS regarding production goals and amounts which would be spent in the public and private sectors of industry, under the Five-year Plan, have been published in a separate volume, entitled *Industrial Development Programmes*. This volume, which is to be treated as a supplement to the report on the Five-year Plan, refers to industrial development, in the public sector, under which are grouped the projects undertaken by the Central and State Governments, and in the private sector, under which the expansion programme of 42 principal industries is laid down.

Of the total expenditure of Rs. 477 crores, visualised in the industrial programme of the Five-year Plan, about Rs. 94 crores will be spent in the public sector, Rs. 233 crores in the private sector on expansion and new undertakings, and Rs. 150 crores, also in the private sector, on replacement and modernisation of machinery. The industries in the private sector are grouped, in the report, under the following main categories:

(*a*) Metallurgical industries, (*b*) mechanical engineering, (*c*) electrical engineering, (*d*) chemical and allied industries, (*e*) liquid fuels, (*f*) textile industries, (*g*) timber industries, and (*h*) food production industries.

Taking both the public and private sectors of industry together, about 26 per cent. of the total investment is to go into metallurgical industries (iron and steel and aluminium), 20 per cent. into petroleum refining, 16 per cent. into engineering industries and 8 per cent. into the manufacture of heavy chemicals, fertilisers and pharmaceuticals. Relatively smaller investments are envisaged in other industries, the textile industries (cotton, jute, rayon and wool) accounting for about 6 per cent., cement for about 5 per cent. and paper, paper board and newsprint for about 4 per cent.

Production Target

Under this programme, the production of major producer and capital goods would register *increases* as below:

	Tons
Heavy chemicals (sulphuric acid, caustic soda and soda ash)	156,000
Fertilisers (ammonium sulphate and superphosphate)	528,600
Iron and steel—	
(*a*) Pig iron (available for foundries)	310,000
(*b*) Steel	394,000
Aluminium	8,300
Cement	2,106,000
Locomotives	*150
Diesel engines	No. 44,500
Power driven pumps (No.)	45,700 to 50,700
Carding engines	No. 600
Spinning ring-frames	No. 440
Plain, semi and automatic looms	No. 4,100

* Plus 50 boilers.

In respect of consumer goods, substantial increases in production are expected in cloth, sugar, paper and paper board, salt, sheet glass and vegetable oils, as indicated below:

Cloth	Yards 1,872,000,000
Sugar	Tons 384,000
Salt	,, 429,000
Paper and paper board	,, 86,000
Sheet glass	,, 20,000
Vegetable oils	,, 182,000

Increases are also expected in respect of durable consumer goods like bicycles and sewing machines and of insecticides (benzene hexachloride and D.D.T.), antibiotics (penicillin, aureomycin, etc.) and other synthetic drugs.

Public and Private Sectors

In formulating the programmes of development, a distinction has been made between the public and private sectors of industry. The State, in the form of Central or State Governments or other public authorities, already owns a number of industrial enterprises in various fields and reserves certain industries, for example, the manufacture of arms and ammunition, exclusively to itself. In the case of certain other industries, e.g., coal, mineral oils, iron and steel, aircraft manufacture, shipbuilding, the manufacture of telephone, telegraph and wireless apparatus, the State is in future to be responsible for further development except to the extent that the co-operation of private enterprise is from time to time considered necessary. The rest of the industrial field is left open to private enterprise, individual as well as co-operative, but regulation and control by the Central Government are envisaged for certain industries of special importance and the State will intervene whenever the progress of any industry under private enterprise is found to be unsatisfactory.

In the public sector, the following statement gives an idea of the expansion programme:

(Rs. lakhs)

	Investment during plan period	*Year of completion of project*	*New or additional capacity (per annum) by 1955-56*
Central Government Projects			
Iron and steel project.	30,00.0	1957-58	350,000 tons pig iron by 1955-56.
Shipbuilding	14,08.0	1956-57	50,000 D.W.T.
Machine tool factory	9,63.8	1953-54	1,600 units.
Sindri fertiliser factory	9,03.0	October, 1951	350,000 tons ammonium sulphate.
Chittaranjan locomotive factory.	4,73.0	Manufacture started	100 locomotives.
Railway coach factory.	4,00.0	1955	50 units.
Penicillin factory	2,06.6	1954	4·8 million mega units.
National instruments factory.	1,82.0	Production started	Additional Rs. 64.4 lakhs worth instruments.
Indian telephone industries.	1,30.0	Assembly started	Rs. 2,00 lakhs worth telephones and other articles.
Hindustan Cables Ltd.	1,29.7	1953-54	Rs. 100 lakhs worth cables.
Mandi salt works	1,00.0	1954	61,000 tons salt.
Rare earth factory	54.0	June 1952	800 tons of rare earth compounds and 202 tons of thorium compounds in terms of thorium nitrate.
D.D.T. factory	39.1	1954	700 tons.
Existing salt works	50.0	1955-56	About 368,000 tons salt.
Housing factory	11.8	1952-53	....
Other projects	2,02.1	1955-56	....
Total	82,53.1		
State Government Projects			
Mysore Iron and Steel Works.	283.0	1954-55	Additional 60,000 tons finished steel.
U.P. Government cement factory.	230.5	1953-54	200,000 tons.
NEPA mills, Madhya Pradesh.	200.0	1954	30,000 tons newsprint (300 working days).
Sirsilk Ltd.	200.0	1953-54	16·5 million yards art silk (330 working days).
Sirpur Paper Mills	60.0	1953-54	Additional 8,000 tons.
U.P. precision instruments factory.	50.2	Expansion	12,000 watermeters and 300 microscopes.
Bihar Government superphosphate factory.	41.1	1953-54	16,500 tons superphosphate (330 working days).
Other projects	65.0	1955-56	....
Total	11,29.8		
Grand total Centre and States combined	93,82.9		

The total estimated expenditure on these projects amounts to Rs. 94 crores, of which about Rs. 83 crores constitute the Central expenditure. The participation of private capital, indigenous as well as foreign, is envisaged in respect of some of these projects. The estimated contribution of such private capital is about Rs. 20 crores.

The major industrial project in the public sector is a new iron and steel plant estimated to cost Rs. 80 crores, of which Rs. 30 crores will be spent during the period of the Plan. The estimated capacity of this plant will be about 800,000 tons of pig iron and at least 350,000 tons of steel. The Plan also provides for the completion of the Chittaranjan Locomotive Factory, the Machine Tool Factory at Jalahalli in Mysore State, for the expansion of the Sindri Fertiliser Factory and for the acquisition and development of the Vishakhapatnam shipbuilding yard. It is also proposed to set up a penicillin factory and a D.D.T. factory.

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Among the projects of the State Governments, the Madhya Pradesh newsprint project, designed to produce 30,000 tons of newsprint annually, and the expansion of the Mysore Iron and Steel Works, which is expected to produce an additional 60,000 tons of finished steel by using for the first time in India the technique of electric smelting of iron ores, are the most important.

Private Sector

Of the 42 industries detailed programmes of expansion of which have been drawn up in the Report, separately, the following statement will give an estimate of the targets of production as compared with the production in 1950-51, the base year, and the estimated capital investment:

Industries		*Production* 1950-51	*Production* 1955-56	*Capital Investment* 1951-56 (Rs. lakhs)
A. Metallurgical:				43,00
Iron and Steel:				
Pig iron	Tons	1,572,000	1,950,000	
Finished steel (main producers only)	Tons	976,000	1,280,000	
Aluminium	Tons	3,677	12,000	900
B. Mechanical Engineering:				
Agricultural implements and machinery:				
Pumps (power-driven centrifugal).		34,310	80,000 to 85,000	120
Diesel engines		5,540	50,000	
Automobiles (manufacturing only).		4,077	30,000	3,00
Railway rolling stock:				
Locomotives		N.A.	*50	2,50
Underframes		N.A.	400	
Machine tools (graded) ..		1,101	3,000	20
Textile machinery:				150
Carding engines		....	600	
Spinning ring frames ..		260	700	
Looms, plain, semi and automatic.		1,894	6,000	
C. Light Engineering Industries:				525
Ball and roller bearings ..		87,000	1,200,000	
Bicycles		101,000	330,000	
Sewing machines		32,955	91,500	
Hurricane lanterns		3,240,000	6,000,000	
Grinding wheels ..	Tons	231	750 to 800	
Dry batteries	Millions	136·5	320	
Storage batteries	Lakhs	·2	4	
Electric cables and wires	Tons	1,674	5,000	
A.C.S.R. cables.				
Electric fans		194,000	320,000 to 350,000	
Electric lamps —				
G. S. L. lamps ..	Millions	15	30	
Miniature lamps ..	Millions	N.A.	16	
Electric motors ..	H.P.	99,000	320,000	
Electric transformers ..	K.V.A.	179,000	450,000	
Radio receivers		49,000	350,000	
D. Chemical and Allied Industries:				
Fertilisers —				
Ammonium sulphate ..	Tons	46,304	120,000	
Superphosphate	Tons	55,089	164,000	210
Heavy chemicals:				730
Sulphuric acid	Tons	99,000	192,000	
Soda ash	Tons	45,000	78,000	
Caustic soda	Tons	11,000	33,000	
Drugs and pharmaceuticals:				
Benzene hexachloride ..	Tons	..	500	
Sulpha drugs	Lbs.	..	400,000	350
Para amino-salicylic acid	Tons	..	48	
Calcium lactate	Tons	..	60	
Paints and varnishes:				
Ready mixed paint varnish, etc.	Tons	29,000	60,000	
Pigment (titanium dioxide)	Tons	..	1,800	50
Nitro-cellulose lacquers	Gals.	..	300,000	
Aluminium paste and powder	Tons	..	750	
Soap	Tons	106,000	200,000 (includes glycerine)	60
Tanning and footwear ..	Mil. pairs	85	91	00
Paper and paper board ..	Tons	114,000	188,000	5,35
Strawboard and other boards.	Tons	22,000	53,000	
Cement	Tons	2,692,000	4,515,000	15,40
Glass and glassware:				
Sheet glass	Tons	5,850	26,000	
Blownware and pressed-ware.	Tons	86,000	137,500 to 142,500	220
Bangles	Tons	16,000	16,000	
E. Liquid Fuels:				
Petroleum products:				64,00
Liquid petroleum products	Mil. gals.	N.A.	403†	
Bitumen	Tons	N.A.	37,500†	
Power alcohol:				120
Power alcohol	Mil. gals.	5	18	
Commercial spirit ..	Mil. gals.	N.A.	2	
F. Textile:				
Cotton:				
Yarn	Mil. lbs.	1,179	1,640	
Cloth (mill made) ..	Mil. yds.	3,713	4,700	900
Cloth (handloom) ..	Mil. yds.	810	1,700	
Jute	Tons	892,000	1,200,000	
Rayon:				15,10
Rayon filament ..	Mil. lbs.	1	18	
Staple fibre ..	Bales	..	28,000	
Cotton linters ..	Mil. lbs.	..	5	
Chemical pulp ..		..	N.A.	
Woollen	Mil. lbs.	18	25	
G. Timber:				
Match	Mil. gross boxes	29.1	35.3	50
Plywood tea chest ..	Mil. sq. ft.	4.94	100	60
H. Food:				
Salt	Tons	1,920,000	2,186,000	N.A.
Sugar	Tons	1,116,000	1,500,000	10
Vegetable oils	Tons	1,118,000	1,299,000	60
Vanaspati	Tons	153,000	300,000	50
Total ..				233,30

* Plus 50 boilers.

† Exclusive of the existing capacity.

Problems of Industry

Industrial development in India, it is stated, is faced with a number of problems of which the most serious and, certainly the most universal, is the shortage or high price of raw materials. The largest industry of all, the iron and steel industry, suffers no doubt from lack of capacity and not from shortage of raw materials. But the relative smallness of its output embarasses a whole series of other industries for which iron and steel are raw materials. Again, several industries, for example, jute, cotton textiles, paper and plywood industries, have been partially cut off by Partition from the sources of supply of raw materials which they consume. Others are handicapped by the country's deficiency in non-ferrous metals and others which require sulphuric acid as a raw material by the world shortage of sulphur.

It is of considerable importance, the Report says, that India should overcome these shortages by developing new or alternative sources of supply. In this connection, the various recommendations made include manufacture of sulphur from gypsum, use of cotton seeds by the vegetable oil industry and the exploitation of the fir forests in the remoter Himalayas for the production of newsprint and of chemical pulp for the rayon industry.

Another disadvantage from which Indian industries suffer is that some of them are too small to be really economic. This is conspicuously true of the cotton textile and sugar industries. There are others, for example aluminium and cement industries, which also suffer from the same defect in a greater or less degree. In these industries, it is pointed out, it is more important to bring the existing units to economic size and to renovate and modernise the plants than to establish entirely new units.

Order of Priorities

In drawing up the development programme the general order of priorities already indicated in the chapter on Industrial Development and Policy in the main report has been followed. This order is:

(1) Fuller utilisation of existing capacity in producer goods industries like jute and plywood and consumer goods industries like cotton textiles, sugar, soap, *vanaspati*, paints and varnishes.

(2) Expansion of capacity in capital and producer goods industries like iron and steel, aluminium, cement, fertilisers, heavy chemicals, machine tools, etc.

(3) Completion of industrial units on which a part of the capital expenditure has already been incurred.

(4) Establishment of new plants which would lend strength to the industrial structure by rectifying as far as resources permit the existing lacunæ and drawbacks, e.g., manufacture of sulphur from gypsum, chemical pulp for rayon, etc.

According to this scheme of priorities, an increase in the supply of consumer goods has to come mainly from a fuller utilisation of the existing capacity and the setting up of new plant and machinery for these industries has, for the present, a low priority. On the other hand, actual expansion of capacity in capital and producer goods industries is necessary both in order to meet additional demands on them on account of the development of agriculture, irrigation and electricity but also to establish a better balance in the industrial structure.

War Impetus

The war gave a considerable fillip to Indian industry. Established industries, such as iron and steel, cotton textiles, paper and cement, expanded and a whole range of new industries, e.g., the locomotive, shipbuilding, bicycle, automobile, diesel engine, electric motor, machine tools, textile machinery, roller bearing, radio receiver and rayon industries came into existence during or soon after the war.

Immediately after the war, conditions were favourable for the development of export markets for Indian manufactures owing to the backlog of unsatisfied demand and the temporary absence of Japanese competition. Exports of cotton textiles industry increased considerably and exports were developed of some new manufactured products such as rayon fabrics, sewing machines, batteries, cement, pharmaceuticals, etc. Attention has been given in the industrial programmes in the Plan to the importance of retaining and, if possible, expanding these markets, but to achieve this, there will be need for modernisation of plant and improvement in techniques and in the quality of finished products.

Export Targets

The export targets at the final year of the Five-year Plan as compared to the position in the base year (1950-51) given by the Commission are indicated below:—

	Unit	1950-51	1955-56
Cotton textiles—			
Cloth	Mil. yds.	1,235	1,000
Jute manufactures	'000 tons	650	1,000
Glass—			
Sheet glass		..	8
Blown and pressed wire	,,	..	3
Cement:	,,	..	3
Bicycles	,,	29	300
Sewing machines	Nos.	..	30,000
Batteries—		3,000	11,500
Storage	,,	..	..
Dry cells	,,	N.A.	50,000
Electric fans	Million	N.A.	20·0
Rayon fabrics	Nos.	N.A.	30,000
Sugar	Mil. yds.	6·99	10
Vegetable oils	'000 tons	2·5	10
Rare earth compounds	,,	120	170
	Rs. crores	..	1·0

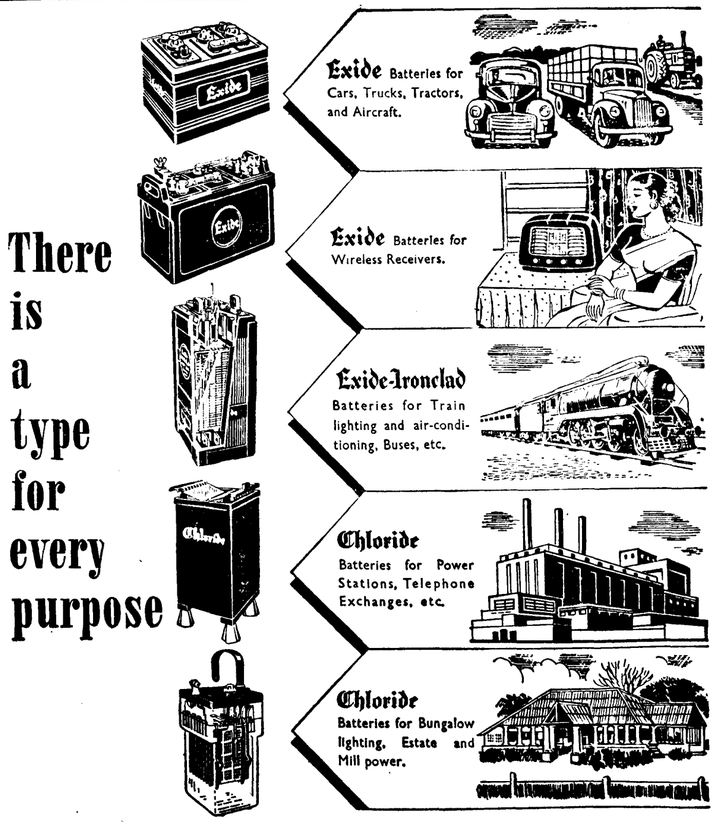
NATIONAL INSTRUMENTS FACTORY

LAYING the foundation-stone of the National Instruments Factory at Jadavpur, Mr. K. C. Reddy, Union Minister for Production, declared recently that the national Government was anxious to see a vigorous and enterprising instruments industry developed in India. He assured, at the same time, all possible help by the Government to the industry, which plays a vital role both in peace and war.

The history of the factory makes interesting reading. The factory, originally known as the Mathematical Instruments Office, established as early as in 1830 as a small repair shop and service depot for the instruments used by the Survey of India, has grown gradually to its present position. It is the two world wars which provided an opportunity for the Office to develop into a full-fledged instruments factory for the production of surveying, drawing, mathematical and optical instruments. The factory produced during the last world war 20,000 prismatic binoculars, 1,200 telescopes, 4,000 prismatic liquid compasses and 34,000 sun compasses, besides a large number of sundry items such as thermometers. Among other lines of manufacture in the factory, mention may be made of excise apparatus, hydrometers, measuring cylinders, barometers and manometers. Some of the latest developments are the students' microscope, concentration eye-piece, Fortin's barometer, drafting machine and profile projector. The services of the factory are being availed of not only by the Centre and the various State Governments but also by Pakistan, Burma and Afghanistan.

Despite these achievements, the factory has still to cover a great deal of new ground. It produces at present about 250 broad types of instruments, which, however, represent only a small fraction of the wide range of instruments required by the country. It is not even self-sufficient in all the items of its production. It will be recalled that the committee which was appointed in December, 1947, to go into the working of the factory, recommended large-scale reorganisation of the factory and formulated a plan under two heads, short-term and long-term. In the short-term sector of the plan, it recommended that efforts should be made to treble the production of the factory within three years and that the development of new items of instruments should be taken up. The long-term sector of the plan provided for the development and manufacture of instruments required for health, education, defence, etc. It is heartening to note that the importance of these recommendations has been recognised by the Planning Commission, as is evident from the provision in the Plan for an aggregate expenditure of Rs. 182 lakhs in the period of the Plan for the reorganisation of the factory. Mr. Reddy disclosed that a proposal for the production of 25 tons of optical glass per annum was under the consideration of the Government of India.

There is a fear that the Government's Instruments factory would oust private manufacturers, scattered all over India, out of the industry. But this fear is clearly unfounded. For even the combined production of the Government Instruments Factory and of the private manufacturers constitutes only a fraction of the country's ever-increasing requirements. The Government factory, according to Mr. Reddy, will not compete with but set a standard for private instrument industrialists. Its workshops, he said, would be available for training engineers and workers of private industries. Also its experimental laboratories and development workshops would not hesitate to help the industries in the solution of their special technical problems and offer of any co-operation they might seek, he added.



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EEX 14

PRESENT TRENDS IN INDIAN ECONOMY

SOME RECENT PRONOUNCEMENTS ANALYSED

THE downward trend in commodity prices since the first quarter of 1952 and the belief that deficit financing, in excess of the limit fixed by the Planning Commission, would have to be resorted to for financing the Five-year Plan, have together served to focuss public attention on the need for keeping a close watch on the present economic position of the country. Latterly, pronouncements on the current economic trends have been made by leading industrialists and business men as also by spokesmen of the Government. Dr. John Matthai, an ex-Finance Minister and Vice-Chairman of the Tata Iron and Steel Co., for instance, observed in the course of an article to a local daily thus:

"There are at present factors at work in India which render deficit finance not so dangerous as it might have been some time ago. Not merely has the upward movement of prices been checked, *but there are indications that we are probably at the beginning of a period of recession, if not of depression, and much of the deficit finance which may be adopted for carrying out the Plan may have no further effect than to counteract the fall in prices* (italics ours). A steep fall in the present condition is to be avoided, because the adjustment of costs to prices involves special difficulties in a country like India."

Views more or less similar to those above have been expressed also by Mr. Chintaman Deshmukh, Union Finance Minister, in his budget speech to Parliament on the 27th ultimo. He said that, while the all-round increase in production has been an encouraging development, it would be rash to assume that all these trends would continue in the future. "In the case of sugar," he continued, "a fall in production is already apprehended. The engineering industries need close attention, as they appear to be the first to be affected by any unfavourable trend. Certain industries in the country have also been facing special difficulties. The handloom industry, which provides livelihood for considerable sections of the population, particularly in the countryside, has been hit by a slump.... The tea industry is another industry which has been adversely affected by recent developments in the world markets."

After explaining the measures taken by the Government to assist the tea industry, the Finance Minister continued his review of the current economic trends and observed: "The fall in prices has had the inevitable consequences of reducing income in certain sectors but more significant perhaps, than this is the fact that the possibilities of large or quick profits by traders and middle-men have been reduced. While with production at its present level, there is little possibility of any unemployment in industrial labour, the contraction of profits in trade and commerce is, perhaps, having the effect of creating some measure of unemployment in the urban areas. Agricultural labour has also not been materially affected by the fall in prices except in tea gardens where some amount of unemployment seems inevitable, if the marginally uneconomic gardens have to close down. . . . It should be remembered that, while marginal changes in the employment situation come to notice and can, in some cases, be studied with a view to correction, *the basic situation in regard to employment and underemployment in the country is one that calls for long-term measures for its corrections.*" (Italics ours.)

Having in mind the foregoing trends, the Finance Minister, later on in his speech referred to above, remarked: "The question may be asked whether in the present conditions, it is wise to resort to deficit financing on the scale envisaged in the budget for the coming year. I have given the matter the most careful consideration and *I am satisfied that taking all circumstances into account, we are not taking any undue risk* (italics ours) . . . . Recent trends in the economic conditions of the country also indicate that the inflationary pressures, which had been a besetting difficulty, have been brought under control and the climate seems to be suitable for raising the scale of developmental expenditure."

Thus to both Dr. Matthai and Mr. Deshmukh, the present economic situation is not normal. For it needs for its correction, according to them, a weapon which is usually adopted as a last resort, namely, deficit financing. The difference in the approach between two persons is very slight. Dr. Matthai wants deficit financing to prevent the business recession from developing itself into a depression. To Mr. Deshmukh deficit financing is necessary for implementing the development programme of the country.

Apart from these two economists, there are two other leading spokesmen of industry and Government who also reviewed the present economic trends in India last week. These were Mr. Pranlal Devkaran Nanjee, ex-President of the Indian Merchants' Chamber, Bombay, and Mr. D. P. Karmarkar, Minister of Commerce, Government of India, both of whom expressed their views on the same subject in their respective addresses at the forty-fifth annual general meeting of the Chamber held on 26th February last. A reference to the views of these two notable persons here will be appropriate, because of the importance which the study of the present economic situation has acquired in view of the argument for resorting to deficit financing.

The present economic position seems to be of some concern to the ex-President of the Indian Merchants' Chamber too. He says that industries are at the moment faced with the problem of lack of adequate demand for their products to sustain the existing level of production, as a result of the diminution of the purchasing power of the general mass of the population. He fears that the recurrence of conditions of scarcity in several parts of the country and the growing threat of middle-class unemployment have to be reckoned as additional factors which would tend to reduce the volume of demand for manufactured goods. Unlike some, he, however, does not seem to believe that the credit situation in the country is causing serious difficulties. For he says:

"The setback caused to the availability of credit by the slump at the end of last year has comparatively eased, the Bank rate has been raised in several countries. . . . In India between the end of December, 1951, and the middle of December, 1952, the volume of currency in circulation has shrunk from Rs. 1,281.44 crores to Rs. 1,223.20 crores, that is, by Rs. 58.24 crores. The net deposit of Scheduled Banks has declined by about Rs. 8 crores from Rs. 846.2 crores to Rs. 838.34 crores. A fall in the volume of credit is also noticeable. Advances and bills discounted by Scheduled Banks have dropped from Rs. 543.47 crores to Rs. 456.3 crores, showing a decline of Rs. 87.17 crores." With these observations, he concludes that, viewed as a whole, "the credit situation in the country should not cause serious difficulties."

In the circumstances noted above, for a real remedy to correct the situation, Mr. Pranlal looks not to deficit financing, but to considerable relief in taxation. For him the position in the field of industry is just so bad as not to bear any additional taxation. To quote Mr. Pranlal: "As any additional taxation, at this juncture, would mean an addition to the cost price structure which, in turn, would mean a setback to the offtake of manufactured goods and to the consumption levels in the country, greater caution is necessary in formulating budgetary proposals for increasing revenue resources." Now that the budget which has since been presented to Parliament contains no proposal for additional taxation on industry as such, Mr. Pranlal should feel quite satisfied with the budget.

Mr. Karmarkar's views on the present situation caused by the fall in prices of commodities should dispel all fears of any apprehension regarding the future. Commenting on the fall in prices, he remarked that, after the downward trend in prices towards the end of 1951 and after a somewhat steep fall during the following three months, prices had, on the whole, showed a tendency to remain more or less stable, and, notwithstanding the slight fluctuations, the index number, since March, 1952, had remained in the neighbourhood of 377. Even this figure showed, he continued, a substantial fall as compared with the peak price level reached in 1951. But he opined that it was difficult to interpret the fall "as indicative of a depression." For, prices even to-day—and this is worth noting—are at a substantially high level as compared with the immediate post-war years. In order to substantiate this point, he remarked: "In 1947, the general index number stood at 297.4 and, as a result of internal shortages and the Korean war boom, it steadily increased from year to year to 439.3 in 1951. The annual average for the year 1952 was 386 and the latest index number stands at 377. *Prices, therefore, have not gone back to the pre-independence level*" (italics ours). This conclusion of Mr. Karmarkar supports our contention, made in the Market Gossip columns a fortnight ago, that various developments are being quoted that the country had been passing through deflation which is a "clear exaggeration of the present economic trend."

Incidentally, it will be interesting to refer here to one or two other points raised by Mr. Pranlal in his speech at the Indian Merchants' Chamber meeting mentioned above and Mr. Karmarkar's replies to these points. Mr. Pranlal gave vent to considerable apprehensions of the Government of India's policy regarding foreign capital. He quoted the instances of certain industries such as soaps, chocolates, steel equipment, typwriters, fountain pen, ink, dry and wet batteries, tooth paste, etc., in which, although the indigenous units had made progress, the Government had permitted the setting up of foreign-owned units. The Commerce Minister, commenting on these apprehensions, gave a convincing reply calculated to allay these fears. He said:

"In respect of the participation of foreign capital, the Statement on Industrial Policy laid on the table of the House in April, 1948, and the statement of the Hon'ble Prime Minister in April, 1949, still hold the field. Broadly speaking, the policy laid down in these statements welcomes the free flow of foreign capital as it would ensure the supply of capital goods and of technical know-how and thus help to secure rapid industrial development. With this end in view, Government's policy gives certain assurances in regard to non-discriminatory treatment, reasonable facilities for remittance of profits, repatriation of capital and equitable compensation in the event of nationalisation. At the same time, this policy fully safeguards the national interests by providing that the major interest in ownership and effective control should be in Indian hands and that arrangements will be made for the training of suitable Indian personnel for the purpose of eventually replacing the foreign experts. The Five-year Plan further lays down that the broad principle to be followed is that foreign investment should be permitted in spheres where new lines of production are to be developed or where special types of experience and technical skill are required or where the volume of domestic production is small in relation to demand and there is no expectation that the indigenous industry can expand at a sufficiently rapid pace. The existing policy thus provides enough safeguards for the prevention of unfair competition and the participation of foreign capital is not likely to cause any great hardship if the indigenous industry is organised on sound basis and run efficiently."

In conclusion, Mr. Karmarkar pointed out that the cause of industries started by nationals would be helped a great deal, if our manufacturing and trading classes realised the necessity of giving their best to the consumer by charging reasonable prices and ensuring supply of goods of standard quality. He had no doubt that if Indian producers and traders put the interests of the consumers foremost in their mind, the response from the public would be forthcoming on a much larger scale than was expected at present. Thus, the best safeguard for the *swadeshi* industries lies not in eliminating chances of healthy competition, but in producing quality goods and selling them at economic prices.

ROLE OF VANASPATI IN INDIAN ECONOMY

The Vanaspati Manufacturers' Association of India completed last week seven years of useful service to the industry. During these eventful years, the industry had had a trying time, passing through crisis after crisis. Extremely adverse factors such as price controls, high prices of raw materials, shortage of supplies, transport bottlenecks, increased costs of production, etc., all had their full measure of contribution in the creation of these crises. But the worst among them was the public prejudice, which threatened at one time the very existence of the industry. For, as stated in *Commerce* a fortnight ago, a blind belief that consumption of *vanaspati* was injurious to health spread like wild-fire and assumed such a dangerous proportion that a legislative move was engineered with a view to getting *vanaspati* manufacture totally suspended. It was in fighting this battle that the Association proved its true mettle. Not only did it seek to remove the prejudice by persistent publicity of the nutritive value of *vanaspati* but won the verdict of science in its favour. And to crown its efforts, it earned the positive support of the Government for the wholesomeness of the product last year, when the Prime Minister himself stated in Parliament that "the Government are quite clear and convinced of the fact that the use of *vanaspati* is not harmful to health. By repeated scientific and medical tests, it has been found that *vanaspati* or its like has been used in three-fourths of the world and nobody has suffered from it."

Having thus successfully emerged from the struggle, the industry is now looking forward to play increasing role in the economy of the country. In fact, it looks as though a stage has been set for the purpose. As was pointed out by Mr. C. S. Pettit, Chairman of the Association mentioned above, at its annual meeting held in the city on the 25th inst., two constructive recommendations of the Ghee Adulteration Committee relating to *vanaspati* have been accepted by the Government. One enjoins tighter enforcement of the Baudouin test, by which the adulteration of *ghee* by *vanaspati* may be detected. The other covers the fortification of *vanaspati* with synthetic vitamin A. Both these measures will be helpful not only to enhance the value of *vanaspati* but also to radicate the evil practices associated with the product.

Apart from these two beneficial measures, there were two more developments in 1952 which raised the industry to a high rank in the industrial structure of the country. *Vanaspati* was included in the list of industries scheduled in the Industries (Development and Regulation) Act, 1952. The purpose of this Act is to ensure the development of industries on sound lines. The benefits of this Act, if any, will also be available to *vanaspati*. Again, *vanaspati* has won the recognition of the Planning Commission, as it appears as one of the 42 industries examined in the Five-year Plan. The target of production fixed for the industry is three lakh tons, to be reached by 1955-56. Commenting on this target, Mr. Pettit said: "If business confidence returns and if Government plays its part in providing a proper background for development, I believe we shall hit the target in 1956."

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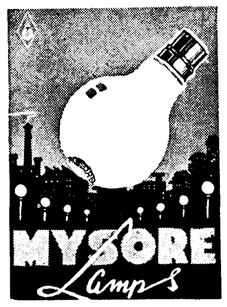

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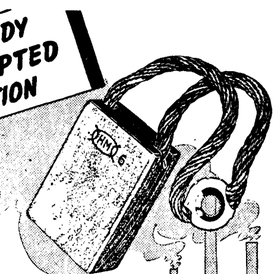
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MARKETING OF SESAMUM AND NIGER SEEDS

REGULATION ON MODERN LINES URGED

THE Report of the Directorate of Marketing and Inspection of the Ministry of Agriculture, Government of India, on the marketing of sesamum and niger seed in India, published last week, sets forth the chief directions in which improvement in marketing conditions and methods are required. The important measures suggested include, *inter alia*, establishment of regulated markets, use of standard grades for seeds and also an efficient and comprehensive price intelligence system, on modern lines.

The importance of the Report lies in the fact that, at present, the marketing of these two seeds and their oils is very defective. In common with the agricultural markets in India, the marketing facilities are inadequate and not conducive to efficient business. There is a conspicuous absence of storage facilities, market intelligence, standardised terms of sale, mechanical devices for weighing, assembling, loading and unloading purposes. Consequently, the producer too often does not get the proper share of the sale price. His share is estimated at 68.6 to 77.3 per cent. of the consumers price in certain cases. This state of affairs should not be allowed to persist long, if the output of these crops is to be developed to the advantage of not merely the producer but also the nation. Removal of the existing defects will help India improve its exports of these seeds and oils and earn a sizable quantity of foreign exchange. According to the seaborne statistics, India exported 2,268 tons of sesamum seeds, valued at Rs. 29 lakhs in 1951-52, as against 926 tons, valued at Rs. 12.24 lakhs in 1950-51. India has been a net exporter of sesamum seeds from early times. Exports of niger seed from India have always been small. During 1952-53, they must have been sizable, in view of the fact that licences for exports are being given freely since May, 1952, and of the abolition of export duty in March, 1952.

Niger and sesamum oils are used for cooking and painting the body and illuminating purposes, as well as for adulteration with the more valuable vegetable oils. Niger seed oil is also used in the manufacture of paints. Both sesamum and niger cakes are used as cattle feeds.

Quantity Available for Marketing

The quantity available for marketing depends upon the amount available after making allowances for seed and other purposes by the producers. This naturally varies from State to State and depends on the size of the crops. The production of sesamum seeds in 1951-52 was about 441,000 tons, harvested over an area of 5,731 acres, as against 453,000 tons in 1950-51, over an acreage of 5,629. The principal areas growing sesamum are Uttar Pradesh, Hyderabad, Madras and Rajasthan. Next to these in the order of importance are the States of Madhya Pradesh, Bombay and Orissa. Niger seed is a minor oilseed crop, as compared with sesamum seed. The acreage comes to about 17 per cent. of that under sesamum.

As already stated, the method of marketing is very ill-organised. The fixation of prices is generally made by one of the three methods: (a) "under cover," (b) auction and (c) by "private treaty." The first method is peculiar to India and is most common of the three under this system, the buyer or his broker clasps the hands of the *arhatiya* (the middle men) under the cover of a cloth, usually a small towel, and then presses a finger or fingers and thus indicates the rate he is prepared to pay. This system is very popular in Madhya Pradesh, Bombay and West Bengal. As regards the second, the auction may be closed by a single bid or repeated bids, the latter being customary in the markets in the Punjab (I), while the former is common in Madhya Pradesh and Bombay. The third system, known as private agreement, or the open bid, is also prevalent in many markets in India. This implies that individual buyers may come to the sellers and make their bids alone or in conjunction with other buyers. It is difficult to say as to which of these methods is the best. But the Report opines that it is desirable to replace the cover system by the auction system, as the cover system lacks competition stimulated by the auction system and is apt to make the seller a victim of his ignorance, besides increasing the scope for underhand practices by the *arhatiya*. There is yet another system known as the *dara* sales in which the commission agents sell lots belonging to different growers together and apportion the gross receipts among the various suppliers. This system is condemned as undesirable in the report, because of opportunities it affords to commission agents for favouritism and manipulation and the discount it puts on grading and quality.

Although sesamum seed is not graded in the producing areas, some attempts are being made by the trade to classify this seed on the basis of colour and refraction. There are no well-defined quality standards for the sale either of seeds or of oils. Like other vegetable oils, sesamum oil is scarcely had by consumers in its pure form, as it is invariably adulterated with linseed and groundnut oils. There are no doubt specifications for ensuring purity of the oil (*vide* Edible Oils and Marking Rules, 1939). But, due to various causes, voluntary grading has not made much headway. In view of the importance of this oil for edible purposes, the Report has urged some sort of compulsory grading to check adulteration and to give a fillip to foreign trade in this oil.

Merchandising Charges

The transactions in the agricultural markets in India are subject to a number of charges known as merchandising charges. These consist of (*a*) commission, (*b*) *dalai*, (*c*) *karda*, (*d*) handling, (*e*) charity and (*f*) miscellaneous. These charges are needlessly excessive and variable. It is true that the charges in regulated markets are fairly reasonable. But it is regrettable that, for various reasons, market regulation has not forged itself ahead to the requisite extent. This is a point to be looked into, according to the Report. Besides, the Report has urged legislation for regulated markets in the States where it does not exist.

One of the biggest stumbling blocks in the development of proper marketing of sesamum and niger seeds and their oils is the lack of an organisation that is capable of disseminating up-to-date and reliable information useful to producers and traders for guiding their marketing operations. The existing arrangements in this respect are far from satisfactory and far behind those prevailing in other countries where agriculture is not so predominant an occupation. This explains the reasons for the emphasis the Report lays on the constitution of a marketing intelligence service on modern lines.

It is not enough if the marketing practices are rationalised and regularised. Every attempt should be made to increase and improve the quality and quantity of the crops. India is an important producer of sesamum seed. Its share in world output works out to about 28, 47 and 25 per cent. during the pre-war, war and post-war years, respectively. Even though China devotes only a smaller acreage than India, it is the largest producer of sesamum in the world. Apart from India and China, sesamum is grown in Manchuria, Anglo-Egyptian Sudan, East and West Africa, Turkey, Greece, the Soviet Union and Mexico. Very little information is available regarding the production of niger seed in other countries of the world. This oil is very unimportant from the point of view of international trade, there being small exports only from India to the U.K. and certain other countries in Europe. But there is great scope for expansion.

(Concluded from next column)

exactly the extent of progress made by each sphere of development in each of the project areas. With a view to measuring the progress, certain norms of development should be set up and the areas should be graded according to different stages of development, so that the area which has shown slackness in development may receive increased attention at the hands of the Community Projects Administration. The success of the projects can be better ensured by going deep into the root causes of the slackness, if any, in any particular area and evolving the right type of remedies to eradicate them with the help of the people. If the Project Administration were to fight shy to owning these defects, as the various Government Departments usually do in their reports, then the whole movement of Community Projects will share the same fate which overtook the Grow-more-food campaign, about which much was said though little was achieved by it.

COMMUNITY PROJECTS IN INDIA

PROGRESS ENCOURAGING

EVERYONE in this country and many in the world outside are watching with keen interest the progress of the great socio-economic experiment in India, familiarly known as Community Projects. These projects, the first of their kind in the East, were inaugurated on 2nd October, 1952, as a mark of commemoration of the birthday of Mahatma Gandhi. The progress of the projects during the first quarter of their inception, in so far as it can be judged from the report made by the Community Projects Administration, shows that they have made a good start.

The community programme covered 81 development blocks in 55 projects all over the country. In line with the general conception of the programme, attention was concentrated on problems relating to agriculture, irrigation, animal husbandry, education, health, sanitation, roads, communications, social education, village arts and crafts and recreational facilities. We are told that, during the three-month period under review, scores of miles of village roads were constructed, dozens of co-operative societies and *panchayats* were formed, agricultural extension service took root in the project areas, a number of schools and health centres were opened, extensive veterinary service concentrating mainly on the protection of cattle against disease was undertaken, thousands of compost pits dug and a number of agricultural demonstration centres were started.

The report reveals a few other encouraging features which augur well for the success of these projects. First, people in most areas would appear to have evinced keen interest in the projects. Secondly, the experiment with *Shramadan* movement, that is, encouraging the gift of manual labour from among villagers, seems to have succeeded to a considerable extent, as is evident from the construction of "Jawahar Bal Mandirs" (village schools) started on the Prime Minister's Birthday in the various project areas. In Rajasthan alone a programme has been chalked out for the construction of 50 such schools. Since the progress depends on the availability of trained personnel, it is only as it should be that considerable part of the time was spent on the training of village level workers. About 23 centres were opened in the period under review and 362 persons were trained and posted in different areas and 1,196 persons were under training.

Punjab

Of the many States which have sent in their reports, the Punjab would appear to have achieved a certain measure of progress. In this State, 20 model agricultural farms were set up for intensive cultivation. In Nawan Sahr a six-mile drainage canal was constructed in 21 days and the people contributed about Rs. 50,000 for completion of this work. In another backward area, 10,200 feet long channels were dug for using water from tube wells. Among the other States where progress achieved can be measured, are West Bengal, P.E.P.S.U., Coorg, Rajasthan, etc.

The Community Projects Administration has done well in acting promptly on the suggestions put forward by the Vice-Chairman of the Planning Commission, Mr. V. T. Krishnamachari, to take action for obtaining quick results of increasing food production in the country. In a circular issued to State Governments, the latter has laid emphasis on the need for the Administration, as well as State Departments of Agriculture, to take joint action in four directions to increase agricultural production in the coming *kharif* season itself. He has advised them to plan for providing service, material, administration and short-term credit and co-operation to the farmers in time through the Community Projects Programmes now under implementation. The Community Projects Administration has moved the State Governments in the matter and, if both the agencies join together in supplying seeds, fertilisers, implements, and credit to the agriculturists, considerable success can be achieved in raising the agricultural output in this country.

Although the Community Project schemes have had a good start and show promise of achieving something, one or two observations may be made here in regard to them. The quarterly report is couched in such general terms that they do not enable one to know

(Continued in previous column)



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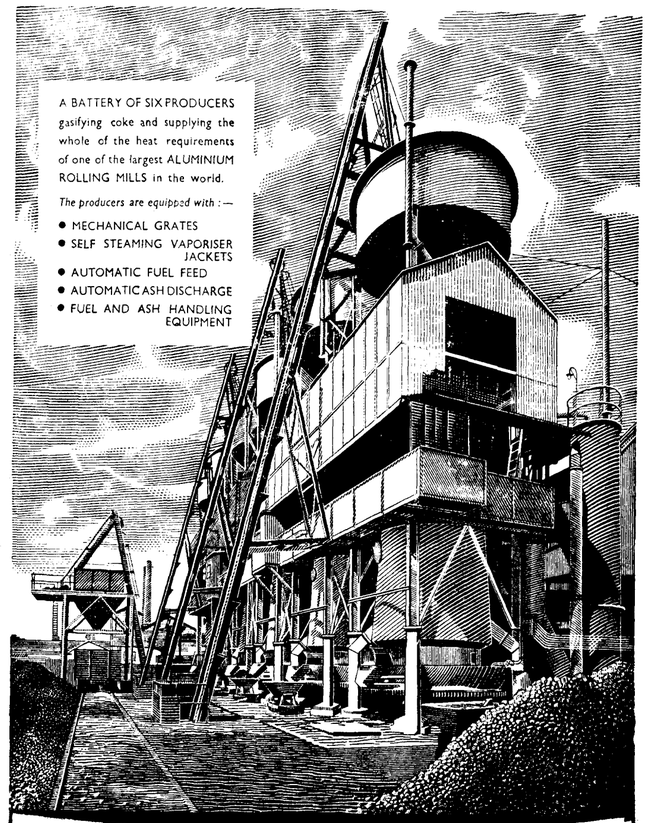

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BANGALORE WOOLLEN CUTS DIVIDEND

FINANCIAL POSITION QUITE SOUND

A CONTRACTION of 39.5 per cent. in gross profit—from Rs. 51.79 lakhs to Rs. 31.30 lakhs to be precise—is disclosed by the statement of accounts of the Bangalore Woollen, Cotton and Silk Mills Co., Ltd. [Agents, Secretaries and Treasurers: Messrs. Binny & Co. (Madras) Ltd., Bangalore], for the year ended 31st December, 1952. Although the decline in profit is not surprising and is in consonance with the general anticipation, the extent of recession is not so steep as has been, or is expected to be, in the case of Bombay mills. The recession in profit has adversely affected the allocations to depreciation and reserves, as also the distribution to the ordinary shareholders. Thus, the dividend on ordinary shares has been reduced from 20 per cent. to 15 per cent. per annum, free of income-tax. On the whole, the Company's results for the year under review should be considered satisfactory, considering that trading conditions during 1952 were extremely difficult, particularly during the first six months when the Company suffered a loss.

The unsatisfactory results for the first half of 1952 were due mainly to substantial reductions in statutory prices for cotton cloth. In the preceding three years the inadequacy of ceiling prices was compensated for by better prices secured from exports, but, during the past year, there was a decline not only in the export demand but also in the prices quoted by overseas markets. So far as internal marketing was concerned, the adverse conditions referred to above yielded to somewhat better conditions during the second half of the year. There was a partial removal of the control on prices of cotton cloth as from 1st October. This, according to the Directors, enabled the Company to adjust prices for a substantial part of its production, hitherto sold in India at a loss, to levels which brought a fair return. There was, however, no noticeable improvement in the Company's export sales during the year. It was only early in January this year that exports of cloth received some encouragement following the reduction in export duty on coarse and medium cloth. The results for the year were also assisted by a recovery in the market for the Company's woollen and cotswol goods. In the preceding year there was a serious deterioration in the demand for woollen goods mainly due to a late cold weather in North India. Thus, the loss in the first half of 1952 was more than made good in the latter half of the year.

The trend of the Company's progress since 1949 is reflected in the following comparative table:

(In thousands of rupees)

	Year ended 31st December			
	1952	1951	1950	1949
Sale proceeds	450,20	431,77	360,90	Not
Stocks	18,30	31,89	9,98	avail-
Expenses	401,95	404,10	320,69	able
Gross profit	31,30	51,79	39,96	43,03
Provision for—				
Agents' commission	2,26	4,32	3,58	3,59
Depreciation	12,71	17,80	12,10	14,39
Taxation	7,00	15,17	11,25	13,63
Net profit	9,32	14,50	13,02	11,42
Transfer to reserves	2,86	5,50	5,40	5,00
Dividend—				
6% cum. preference	36	36	36	36
Ordinary	6,07 (15%)	8,10 (20%)	7,09 (17½%)	5,87 (14½%)
Carry forward	2,50	2,47	1,93	1,35

The profit for the year under review, shown in the table, has been arrived at after deducting the sum of Rs. 6.10 lakhs which the Directors have provided, but not declared and paid for the year 1952, as labour's claim for interim bonus for the first half of 1952, despite a trading loss for the company, is now under dispute. This adjustment has been made for purposes of comparison with the profits for the preceding years which had been arrived at after taking into consideration the amounts declared and paid as bonus. The provision for depreciation has been reduced by Rs. 5.10 lakhs. Whereas last year a sum of Rs. 5 lakhs had been set aside as additional depreciation based on replacement costs, no such extra provision has been made this year. Thus, the basic provision for depreciation has been almost maintained. The transfer to the reserves is made up of Rs. 1.24 lakhs to the general reserve (which received nothing in the previous year), Rs. 1.25 lakhs (as against Rs. 1.50 lakhs) to workpeople's housing reserve and Rs. 37,500 (as compared with Rs. 50,000) to officers' retiring fund. Raw materials fluctuation reserve and dividend equalisation reserve which received Rs. 1.50 lakhs and Rs. 1 lakh, respectively, have not been strengthened further this year. In view of the trading loss in the first six months of the year, the Directors did not declare any interim dividend, whereas in the previous year they made an interim distribution of 10 per cent. This has been made good to some extent by raising the final distribution from 10 per cent. to 15 per cent.

The Company possesses an excellent financial position. As against a paid-up capital of Rs. 46.50 lakhs, it has built up reserves and surplus to the extent of Rs. 99.41 lakhs, a sum equal to 213 per cent. of the paid-up capital. Current liabilities, including provision for taxation, stand reduced from Rs. 180.19 lakhs to Rs. 91.81 lakhs, mainly due to the repayment of loans from banks secured by stocks which stood at Rs. 76.24 lakhs at the close of 1951. The gross block of the value of Rs. 273.75 lakhs has been written down to a book value of Rs. 64.67 lakhs, the depreciation provided so far amounting to no less than Rs. 209.08 lakhs or over 76 per cent. During the year a sum of Rs. 16.68 lakhs was spent on additional machinery, buildings, etc. The current assets have declined from Rs. 263.22 lakhs to Rs. 173.05 lakhs, mainly due to the reduction in stock-in-trade, as well as in the investments, the former by Rs. 83.40 lakhs and the latter by Rs. 24.81 lakhs. During the year, the Company sold a considerable part of its investments in Government of India securities. The value of these securities which stood at Rs. 39.87 lakhs as on 31st December, 1951, stands at Rs. 13.35 lakhs in the latest balance-sheet. A sum of Rs. 1.50 lakhs is invested in British Government securities and the Government of Mysore securities have been raised from Rs. 2.30 lakhs to Rs. 2.61 lakhs. The reduction in stock-in-trade and the sale of investments have not only enabled the Company to pay off the loan taken from banks against stocks, as already noted, but also to strengthen its cash position. The cash balances as at the end of the year stand at Rs. 16.54 lakhs, as against only Rs. 58,974 at the close of 1951. The current assets at Rs. 173.05 lakhs cover the current liabilities by a wide margin of Rs. 81.24 lakhs.

The Company's Rs. 100 paid-up ordinary shares are currently being quoted at Rs. 230, at which rate the latest dividend gives a yield of 6.5 per cent. per annum, free of income-tax.

AMALGAMATED COAL'S LATEST DIVIDEND LOWEST FOR NINETEEN YEARS

For the third half-year in succession, the Directors of the Amalgamated Coalfields Ltd. (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) have had to reduce the dividend to the shareholders. Thus, the dividend for the latest half-year, namely, the six months ended 30th September, 1952, at 10 per cent. per annum, compares with 12½ per cent. 15 per cent. and 20 per cent. per annum paid for the three preceding half-years, respectively. The dividend for the latest half-year, it may be interesting to note, is the lowest for the last 19 years.

The aforesaid cut in dividend is the result of a decline in earnings of the Company, the gross profit having gone down from Rs. 6.40 lakhs for the six months ended 31st March, 1952, to Rs. 5.75 lakhs. The gross profit, however, compares well with that of Rs. 5.02 lakhs for the corresponding half-year of 1951.

Raisings and despatches were well maintained during the half-year. The raisings at 3,35,863 tons compare favourably with those of 3,55,525 tons for the previous half-year and of 3,07,215 tons for the corresponding six months of 1951. Despatches during the half-year amounted to 3,52,808 tons, as against 3,44,795 tons and 3,18,056 tons for the preceding two half-years, respectively. These improvements have been achieved in spite of short and irregular supply of wagons. The Directors report that there has been no improvement in wagon supplies since the close of the half-year under review and heavy stocks have been accumulating at all collieries, as a result of which production has had to be restricted.

Reflecting the satisfactory output and slightly better despatches is the increase in sale proceeds from Rs. 52.77 lakhs in the half-year ended 31st March, 1952, to Rs. 53.96 lakhs in the half-year under review. If despite this, the gross profit shows a fall, as already indicated, it is clearly due to the rise of Rs. 1.24 lakhs to Rs. 48.90 lakhs in expenses. This increase, however, is not of the same order as that of Rs. 5.55 lakhs noted in the previous half-year. Out of the gross profit, agents' commission absorbs Rs. 88,966, as against Rs. 1.33 lakhs in the previous half-year. Provision for depreciation has been well maintained at Rs. 2.41 lakhs (Rs. 2.40 lakhs), while that for taxation has been reduced from Rs. 1.37 lakhs to Rs. 1.01 lakhs. The net profit, at Rs. 1.44 lakhs, however, is slightly higher by about Rs. 15,000. This has enabled the Directors to create machinery replacement reserve by transferring from out of the profit Rs. 25,000, the sum equivalent to that withdrawn by them six months ago from the dividend equalisation reserve for paying the dividend at the rate of 12½ per cent. per annum. Though the creation of this reserve has meant a further cut in dividend, the need for such a reserve is imperative, as the Company has plans for development and modernisation. The dividend at 10 per cent. per annum, free of income-tax, requires Rs. 1,27,500, leaving to be carried over Rs. 25,799, as compared with Rs. 33,891 brought in.

The balance-sheet, as on 30th September, 1952, discloses that, as against a paid-up capital of Rs. 25.50 lakhs, the reserves and surplus aggregate Rs. 16.01 lakhs. The gross block of the value of Rs. 64.99 lakhs has been written down to Rs. 19.50 lakhs, the depreciation provided so far being Rs. 45.49 lakhs. The current assets, at Rs. 48.93 lakhs exceed the current liabilities (Rs. 26.92 lakhs) by a wide margin of Rs. 22.01 lakhs.

The Company has incurred heavy capital expenditure during the past year and plans are in hand for further considerable development and modernisation. The Directors report that full advantage has been taken of taxation allowances in writing off heavy depreciation which, they expect, will assist in building up cash resources to finance further development.

ALKALI AND CHEMICAL'S GOOD PROGRESS

DIVIDEND REPEATED AT 6 PER CENT

THE dividend of 6 per cent. per annum, free of income-tax, on the ordinary shares of the Alkali and Chemical Corporation of India Ltd. (Secretaries: Imperial Chemical Industries (India) Ltd., Calcutta), which was paid for the year ended 30th September, 1951, is proposed to be repeated for the latest financial year of the Company. It will be recalled that, last year, the Directors of the Company raised the dividend from 4 per cent. which they had paid for 1949-50. The Directors could have paid more, as the profit was substantial, but they deliberately chose to pay only a modest dividend which could be maintained even if profits were to decline to some extent in future years. This cautious dividend policy has now been fully justified by the results for the year under review. The gross profit, for instance, has declined by Rs. 3.57 lakhs to Rs. 34.86 lakhs compared with that for the preceding year.

The sale proceeds have gone up by Rs. 8.07 lakhs to Rs. 168.66 lakhs but, at the same time, closing stocks also disclose an increase from Rs. 19.28 lakhs to Rs. 43.78 lakhs, indicating thereby that, while the Company's production was at a high level, the offtake was poor. The provision for depreciation has been raised from Rs. 7.27 lakhs to Rs. 8.22 lakhs, whereas that for taxation has been reduced from Rs. 13 lakhs to Rs. 10.83 lakhs. Besides this provision for tax liability, the Directors have transferred from out of the net profit a sum of Rs. 3.07 lakhs to the reserve for deferred income-tax liabilities due to initial allowances for depreciation, as against Rs. 1.64 lakhs provided last year. The allocation to the general reserve has been reduced from Rs. 9.47 lakhs to Rs. 3 lakhs. This reduction has been more than made good by the creation of a dividend equalisation reserve by transferring a sum of Rs. 7.50 lakhs from the year's profit. The Directors have taken credit for Rs. 1.73 lakhs (as against Rs. 84,695) being the provision for taxes no longer required. The 5 per cent. preference dividend takes up Rs. 1.55 lakhs and the ordinary dividend requires Rs. 3.72 lakhs, leaving a sum of Rs. 2.52 lakhs to be carried forward which is Rs. 1.30 lakhs less than the sum brought in.

The Company's chlorine-caustic soda and hydrochloric acid plants continued to run on maximum production during the year. The demand for hydrochloric acid was appreciably higher, owing to shortage of sulphuric acid. The Company had to meet severe competition in the sale of benzene hexachloride dusts. The additional benzene hexachloride formulation plant was completed and production of water dispersible powder began during the year. The crude benzene hexachloride plant was also completed and brought into experimental production during the year. Construction of the extension to the chlorine-caustic soda plant proceeded during the year and it is expected to come into production before the end of the current year.

In October, 1951, the Company took over from Imperial Chemical Industries (India) Ltd., a paints manufacturing unit which was in course of construction, at an estimated total investment of Rs. 44 lakhs, for manufacture of the well-known brands of nitrocellulose and synthetic finishes of I.C.I., London, under an agreement with the latter. The Directors considered this venture a profitable one. The construction of this unit was completed during the year under review and the plant is now stated to be in full production. The Company finds no difficulty in disposing of the products.

The Company's factory at Khewra (Pakistan) was maintained in full production during the year. The sale of this factory to the Khewra Soda Company, a new Pakistan company formed for the purpose, was, it may be recalled, confirmed at the last annual meeting of the shareholders and, in accordance with that, an agreement was entered into with the Pakistan company. It has, however, not yet been carried into effect as the consent of the Pakistan Government has yet to be received. Meanwhile, the profit made in Pakistan continues to accrue to the Company in India. With the permission of the Pakistan Exchange Control, all the profit earned by the Company in Pakistan upto 30th September, 1951, has been brought into India excepting for a small item which is still under negotiation.

(*Continued on next page*)

Points From The Chair

Consumption of Tobacco in U.K.

"I SHOULD also like to refer to certain statements that are made from time to time suggesting that, because public expenditure on tobacco in the United Kingdom stands at such an enormous figure, the consumption is high in relation to that of other countries. It is necessary, I think, to put this matter in its proper perspective, and the following figures—which, although approximations, are subject only to a very small margin of error—are illuminating:

Public expenditure on tobacco:

	£ million
1938	177
1952	810

Annual consumption per adult:

	Lbs.
U.K. 1938	5.4
U.K. 1952	6.0
1951	
U.S.A.	10.2
Netherlands	9.0
New Zealand	7.6
Canada	6.7
Belgium	6.6
Switzerland	6.5
Australia	6.1

These figures speak for themselves, but I would like to stress three features. Firstly, while no one can deny that an expenditure of over £800 million per annum on tobacco is a truly immense sum, more than three-quarters of this is represented by duty revenue. Secondly, the increase in retail price over 1938, leaving duty out of account and after allowing for the relatively slight increase in consumption, is about 80 per cent. which, I suggest, compares very favourably with general price movements in this country. Thirdly, it does not at all follow from the very large expenditure, that the British public is being prodigal in its tobacco consumption: in fact, as the figures indicate, *per capita* consumption shows very little increase compared with pre-war and is appreciably lower than in a number of other countries."

SIR ROBERT SINCLAIR,
Imperial Tobacco Co., Ltd.

Tanning Industry in U.K.

"With regard to the future prospects it will be appreciated how difficult it is to form anything in the nature of a reliable forecast. Quite apart from the general decline in values, hides and leather prices have tended to wide fluctuations which have proved impossible to forecast and difficult to gauge. There is, particularly in the sole leather industry, the keenest competition; there has been some overproduction which, at times, has tended to dislocate the market by the distress sales of parcels of leather. The position, however, has greatly improved in recent months and there are indications that, if hides and leather can be maintained at approximately the present price levels, we may hope to enter upon a period of greater stability."

GEORGE W. ODEY,
Barrow Hepburn and Gale, Ltd.

Hotel Industry in India

"My belief is that the Government are not giving the encouragement which the important hotel industry deserves. Although hoteliers are continually being pressed to improve the standard of service and amenities to be made available to tourists with the object of encouraging visitors to come to this country, even applications for licences to import small quantities of glassware and crockery are refused, even though the quality required is not yet available in India. There are also in many States restrictive measures regarding the types of food which can be served and, unfortunately, due to the prohibition policy many hotels, airport restaurants and all railway refreshment rooms and restaurant cars are denied the privilege of serving alcoholic beverages—an amenity which most foreign visitors desire and appreciate—in fact, I would go farther and describe this service as an essentiality rather than an amenity."

S. W. EDWARDS,
Spencer & Co., Ltd.

(*Concluded from previous page*)

The following synopsis of the Company's latest balance-sheet gives an idea of its financial position:

LIABILITIES	Rs.	ASSETS	Rs.
Capital	93,00,000	Gross block ..	2,20,10,944
Reserves and surplus..	54,74,971	*Less*—Depreciation ..	55,06,051
Provision for taxation.	24,74,747		
Liabilities ..	1,94,47,845	Net block	1,65,04,893
		Stocks	43,77,588
		Stores, etc.	87,12,578
		Debts, deposits and advances	68,27,417
		Cash	2,75,087
	Rs. 3,66,97,563		Rs. 3,66,97,563

During the year, the Company has spent Rs. 62.18 lakhs on plant, buildings, etc. Such a large expenditure and the financing of stocks of manufactured goods and raw materials (stocks of finished goods show a rise from Rs. 19.28 lakhs to Rs. 43.78 lakhs and those of raw materials from Rs. 39.95 lakhs to Rs. 87.13 lakhs) have necessitated larger borrowings, the unsecured loans at the end of the year disclosing an increase from Rs. 50.50 lakhs to Rs. 156.50 lakhs.

Notices

THE UNITED COMMERCIAL BANK LIMITED

Registered Office:
BHAGIRATH PALACE, CHANDNI CHOWK, DELHI.

Head Office:
2, ROYAL EXCHANGE PLACE, CALCUTTA 1.

NOTICE

NOTICE IS HEREBY GIVEN that the TENTH ORDINARY GENERAL MEETING of the Shareholders of THE UNITED COMMERCIAL BANK, LIMITED, will be held at the Head Office of the Bank at 2, Royal Exchange Place, Calcutta, on Thursday the 26th March, 1953, at 4 p.m., to transact the following business:—

1. To receive the Report of the Directors and the Audited Balance Sheet as on 31st December, 1952, and Profit and Loss Account for the year ended 31st December, 1952.
2. To declare a Dividend.
3. To elect four Directors in the place of
   Shri G. D. Birla
   Shri G. L. Bangur
   Shri M. L. Dahanukar
   Shri P. D. Himatsingka
   who retire under Article 95 of the Articles of Association of the Bank, and, being eligible, offer themselves for re-election.
4. To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board,
B. T. THAKUR,
General Manager.

CALCUTTA, 18*th February*, 1953.

N.B.—(i) The Transfer Books of the Bank will be closed from Saturday, the 28th February to Thursday, the 26th March, 1953, both days inclusive.

(ii) The dividend, if sanctioned, will be payable on or after Friday, the 27th March, 1953, to those Shareholders whose names appear in the Register of members on Thursday, the 26th March, 1953.

(iii) Dividend Warrants will be posted to Shareholders at their registered addresses or in accordance with their mandates. Shareholders are requested to advise change in their addresses, if any.

THE GOKAK MILLS, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirty-fourth Annual General Meeting of Shareholders of The Gokak Mills, Limited, will be held at the Registered Office of the Company, Forbes Building, Home Street, Fort, Bombay, on Monday the 30th March, 1953, at 5-0 p.m. (S.T.), to transact the following business:—

(1) To adopt the Directors' Report and audited Statements of Account for the year ended 31st December, 1952.

(2) To sanction the declaration of a Dividend.

(3) To elect Directors in the place of those who retire from office but are eligible for re-election.

(4) To appoint Auditors for the coming year and to fix their remuneration.

The Transfer Books of the Company will remain closed, as previously advertised, from the 6th March, 1953, to the 26th March, 1953, both days inclusive.

By Order of the Board,
FORBES FORBES CAMPBELL & CO., LTD.,
Agents.

BOMBAY, 27*th February*, 1953.

Note.—The Dividend when sanctioned will be made payable, free of Income-tax, at the Chartered Bank of India, Australia and China, Bombay or Madras, on and after 14th April, to those shareholders whose names stand on the Register on the 26th March, 1953, to whom Dividend Warrants will be posted.

BHARAT COLLIERIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighth Ordinary General Meeting of the Shareholders of the Company will be held on Monday the 16th March, 1953, at 3 p.m., at the Registered Office of the Company at Dalmianagar, to transact the following business:—

(1) To receive and adopt the Directors' Report and the Audited Accounts for the year ended 30th June, 1952.

(2) To declare Dividend. (The Directors have recommended payment of 5½ per cent. less tax Dividend on Preference Shares and As. 10 per share, i.e., 6¼ per cent. Dividend on Ordinary Shares).

(3) To elect Directors and appoint Auditors in place of those retiring, and

(4) To transact such other business as may be transacted at an Ordinary General Meeting.

The Share Transfer Books of the Company will be closed from 10th to 16th March, 1953, both days inclusive.

By Order of the Board of Directors,
For BHARAT COLLIERIES LTD.,
For SAHU JAIN LIMITED,
A. K. JAIN,
Director,
Managing Agents.

DALMIANAGAR, 25*th February*, 1953

THE RAMNUGGER CANE AND SUGAR COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixteenth Ordinary General Meeting of the Shareholders of the Ramnugger Cane and Sugar Co., Ltd., will be held at the Registered Office of the Company, No. 7, Wellesley Place, Calcutta, on Wednesday the 25th March, 1953, at 12 noon, to transact the following business:

1. To receive the Report of the Directors and to pass the Audited Accounts for the year ended 31st August, 1952.
2. To declare a Dividend on Preference Shares.
3. To declare a Dividend on Ordinary Shares.
4. To elect Directors.
5. To appoint Auditors and to fix their remuneration.
6. To transact any other business which may properly be brought before the Meeting.

NOTICE is also given that the Transfer Registers will be closed from the 11th March to 25th March, 1953, both days inclusive.

By Order of the Board,
ANDERSON WRIGHT LTD.,
Managing Agents.

CALCUTTA, 25*th February*, 1953.

THE SOUTH KARANPURA COAL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixtieth Ordinary General Meeting of the Shareholders of THE SOUTH KARANPURA COAL COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Tuesday the 24th March, 1953, at 11 a.m., for the purpose of receiving the Directors' Report, passing the Audited Accounts for the half-year ended 31st August, 1952, declaring the Dividend recommended by the Directors, and for transacting any other ordinary business of the Company.

The Share Transfer Register of the Company will be closed from the 10th to the 24th March, 1953, both days inclusive.

By Order of the Board,
BIRD & CO., LTD.,
Managing Agents.

CALCUTTA, 26*th February*, 1953.

Note.—Printed copies of Report and Accounts will be despatched to the Shareholders on or about the 5th March, 1953.

ORISSA MINERAL TREBLES DIVIDEND

MADURA MILLS REPORT LOWER PROFIT

Orissa Minerals Development Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1952.

Raisings of iron ore at 3,09,359 tons showed a decrease of 1,20,905 tons over the raisings in the previous half-year. Despatches at 2,85,693 tons showed a decrease of 1,41,751 tons on the previous half-year. Exports increased from 28,138 tons to 51,013 tons. The decrease raisings and despatches were due to reductions in the requirements of the indigenous steel works owing to excessive stocks having been built up in the previous half-year.

Permission having been granted by the Orissa Government in November, 1951 to resume work in the areas which were under dispute, considerable progress has been made in opening up and developing the mines. Sales, completed and despatched, of manganese ore and manganese dioxide were 12,491 tons and 1,327 tons, respectively, compared with 2,214 tons and 609 tons, respectively, during the previous half-year.

The demand for manganese ore, manganese dioxide and iron ore for export continued to be good. The anticipated deterioration in the market for low grade manganese ore did not arise during this accounts period, but there are again indications now of a lessening demand.

The Company is now endeavouring to regain its markets for manganese dioxide which were lost during the period when the Company was not permitted to operate the mines. No difficulty is being experienced in selling highest grades of dioxide, but there is severe competition in low grade crushed ore, which is mainly used by glass manufacturers in Europe. At one time the Company was the main supplier, but severe competition is now being experienced with African ore which is being sold at prices considerably below the Indian market rate.

With the reduction in demand for iron ore by indigenous industries the Gorakhpuri labour force has been steadily reduced to about 300.

For a short period the Company was permitted by Government to load a full train daily for direct shipment. This facility was, however, withdrawn after a short period and, although the railways have almost met the Company's quota of just over half a train per day, this is still far short of the Company's present potential output of 2 trains per day for export only.

The profit and loss account, after providing Rs. 1,22,809 (Rs. 29,883) for depreciation, Rs. 5,25,000 (Rs. 1,39,000) for taxation, taking Rs. 28,000 (Rs. 12,000) to tax contingency reserve, Rs. 50,000 (*nil*) to equalisation of dividend reserve, Rs. 1,50,000 (Rs. 75,000) to mechanisation reserve, Rs. 1,00,000 (Rs. 20,000) to buildings reserve, Rs. 1,00,000 (Rs. 10,000) to general reserve and including Rs. 42,938 (Rs. 18,598) brought forward from the previous half-year, shows a credit balance of Rs. 2,24,275 (Rs. 87,543). The directors propose to dispose of this sum in paying a dividend on the ordinary shares at the rate of 30 (10) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 1,50,000 (Rs. 50,000), and in carrying forward Rs. 74,275 (Rs. 37,543).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ..	13,45,740
Reserves ...	18,65,500	Stock ..	6,61,951
Provision for taxation ...	9,40,946	Stores ...	3,26,874
Liabilities ...	29,23,494	Debts, deposits and advances ..	39,41,055
Profit and loss account ...	74,275	Investments	3,70,496
		Cash ...	1,58,099
Rs.	68,04,215	Rs.	68,04,215

Madura Mills Co., Ltd.

The directors of the above Company (Managers: Messrs: A. & F. Harvey Ltd., Madural) submit the audited accounts of the Company for the year ended 31st December, 1952.

After allowing for taxation, depreciation and managers' commission, the year's working shows a net profit of Rs. 46,28,442 (Rs. 59,32,848). After taking into account the balance brought forward from the previous year, there is a balance of Rs. 58,90,590 (Rs. 72,62,644) at credit of profit and loss account.

A sum of Rs. 1,69,088 received from the Government of Madras as compensation for relinquishment of water rights at Ambasamudram has been credited to renewal and replacement reserve, to which has also been credited further post-war refund of excess profits tax amounting to Rs. 11,48,551 (net).

A sum of Rs. 15,00,000 (Rs. 25,00,000) has been transferred to general reserve. The directors recommend that a dividend of 20 (20) per cent. free of tax, be paid for the year and that the balance of Rs. 8,90,094 (Rs. 12,62,148) be carried forward.

If the directors' recommendation regarding dividend is accepted, 3 months' basic wages as bonus will be payable to workers and staff for the year ended 31st December, 1952 in accordance with the bonus agreement entered into by the management with the Unions in April, 1951. This bonus, costing about Rs. 26,00,000, will be treated as a charge against the trading results of the current year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	1,75,02,480	Block ...	1,04,62,725
Reserves	2,82,94,292	Stock ...	3,47,05,144
Provision for taxation ...	76,39,105	Stores, etc. ...	77,44,262
Liabilities ...	1,55,01,154	Debts, deposits and advances ...	96,90,645
Profit and loss account ..	8,90,094	Investments	28,02,251
		Cash ...	44,22,098
Rs.	6,98,27,125	Rs.	6,98,27,125

Brushware Ltd.

The directors of the above Company (Managing Agents: Messrs. Begg, Sutherland & Co., Ltd., Kanpur, U.P., submit the audited accounts of the Company for the year ended 30th November, 1952.

The results for the year, after making the usual charges including provision for taxation, and after taking into account Rs. 10,034 (*nil*) received (after deduction of *income-tax) in respect of excess* profits tax refund, show a profit of Rs. 38,950 (Rs. 45,281), from which has been deducted depreciation Rs. 7,500 (Rs. 10,000) and investments reserve Rs. 10,000 (Rs. 7,273), leaving a nalance of Rs. 21,450 (Rs. 28,008). To this sum has to be added the amount brought in from the previous year of Rs. 17,553 (Rs. 19,545), thus leaving at credit of profit and loss account Rs. 39,003 (Rs. 47,553). This balance, the directors recommend, should be disposed of in payment of a dividend of Rs. 2 (Rs. 3) per share, free of income-tax, for the year ended 30th November, 1952 absorbing Rs. 20,000 (30,000) and carry forward Rs. 19,003 (Rs. 17,553). The dividend on the ordinary shares complies with the requirements of Section 23A of the Indian Income-tax Act, 1922. The Company's property has, as usual, been maintained in good repair.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,00,000	Block ...	23,833
Reserves ...	3,10,000	Stock ...	1,03,493
Provision for taxation ...	3,884	Stores ...	92,434
Liabilities ...	27,024	Debts, deposits and advances ...	41,331
Profit and loss account ...	39,003	Investments	1,55,209
		Cash ...	63,611
Rs.	4,79,911	Rs.	4,79,911

Athimattam Rubber Co., Ltd.

The directors of the above Company (Managing Agent: Mr. Mathew Sebastian, Thodupuzha) submitted the audited accounts of the Company for the year ended 29th February, 1952.

There was a slight change in the total acreage owned by the Company, as 6.60 acres of cashew and 2.56 acres of rubber planted area were sold. Thus, the actual area on the date of the report was as follows:

	Acres
Rubber old plantations	358.44
Rubber 1944 planting	20.00
Rubber 1944 planting budded	20.00
Rubber 1945 planting budded	30.00
Rubber 1946 planting budded	10.00
Cashew plantation	18.40
Pepper and coconuts	45.00
Reserves	61.62
Total ...	563.46

The crop harvested during the year was 83,874 lbs., being 4,766 lbs. more than that of the previous year. The average sale price was 115.34 cents, as against 82.36 cents in the previous year. The cost of production for the year worked out to 78.70 cents, as against 67.91 cents last year.

The net profit for the year was Rs. 33,133 (Rs. 14,330), which, together with Rs. 8,445 (Rs. 7,207) brought in from last year's accounts, made a total profit of Rs. 41,579 (Rs. 21,537), which the directors disposed of as follows:

To provision for income-tax including short fall for the last year of Rs. 1,395, Rs. 10,395 (Rs. 5,592), and to sinking fund account Rs. 30,000 (*nil*) leaving to be carried forward a balance of Rs. 1,184 (Rs. 8,445).

Though the net profits of the Company were sufficient for the declaration of a good dividend, it was thought more necessary to clear the debenture debt immediately, as they were due to be cleared by April, 1953, as per the trust deed agreement. The auditors also recommended this procedure. The Company, thus, stands to gain from next year, the interest on debenture debt and the income-tax on the same.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,25,000	Block ...	4,06,701
Debentures	40,000	Stock ...	2,813
Reserves ...	20,000	Stores, etc.	7,779
Provision for income-tax	5,000	Advances ...	1,045
Liabilities ...	2,939	Investments	1,300
Profit and loss account ...	41,579	Cash ...	14,880
Rs.	4,34,518	Rs.	4,34,518

N.B.—Figures within brackets relate to the corresponding period of the previous year.

COMPANY MEETINGS AND DIVIDENDS

AMALGAMATED COALFIELDS LTD. Half-yearly General Meeting, Calcutta, 9th March, 1953. Dividend: As. 8 per share. Transfer books closed from 2nd to 9th March, 1953, both days inclusive.

HUMAYAN PROPERTIES LTD. Annual General Meeting, Calcutta, 10th March, 1953. Transfer books closed from 3rd to 10th March, 1593, both days inclusive.

CALCUTTA SILK MANUFACTURING CO., LTD. Annual General Meeting, Calcutta, 12th March, 1953. Dividend: *Nil.* Transfer books closed from 5th to 12th March, 1953, both days inclusive.

ALKALI AND CHEMICAL CORPORATION OF INDIA LTD. Annual General Meeting, Calcutta, 12th March, 1953. Dividend: As. 9 3/5 per share. Transfer books closed from 26th February to 12th March, 1953, both days inclusive.

BANGALORE WOOLLEN, COTTON AND SILK MILLS CO., LTD. Annual General Meeting, Bangalore City, 14th March, 1953. Dividend: Rs. 15 per share. Transfer books closed from 23rd February to 14th March, 1953, both days inclusive.

TIRUMBADI RUBBER CO., LTD. Annual General Meeting, Kozhikode, 14th March, 1953. Dividend: As. 4 per share. Transfer books closed from 2nd to 16th March, 1953, both days inclusive.

BHARAT COLLIERIES LTD. Annual General Meeting, Dalmianagar, 16th March, 1953. Dividend: As. 10 per share. Transfer books close from 10th to 16th March, 1953, both days inclusive.

KARNATAK SUGAR AND CELLULOSE WORKS LTD. Annual General Meeting, Bombay, 24th March, 1953. Transfer books close from 17th to 24th March, 1953, both days inclusive.

SOUTH KARANPURA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 24th March, 1953. Dividend: Transfer books close from 10th to 24th March, 1953, both days inclusive.

BRITISH INDIA CORPORATION LTD. Annual General Meeting, Kanpur, 28th March, 1953. Dividend: As. 10 per share. Transfer books closed from 26th February to 28th March, 1953, both days inclusive.

PARKSIDE (NEILGHERRY HILLS) ESTATE CO., LTD. Interim-dividend of As. 8 per share, free of income-tax, for the year ending, 30th June, 1953.

AHMEDABAD ELECTRICITY CO., LTD. Dividend of Rs. 5 per share (final) for the year ended 30th September, 1952.

SHIVRAJPUR SYNDICATE LTD. Dividend of Rs. 7 per share (including bonus of Rs. 2), for the year ended 30th November, 1952.

COMPANY REGISTRATIONS

RAJA KATRA LTD. (First Director: Mr. B. Sarda.) Business: Dealers in Electrical Goods. Authorised capital: Rs. 15,00,000. Private company. Address: 57 Clive Street, Calcutta.

NATIONAL EMERALD CORPORATION LTD. (First Director: Mr. S. L. Dhanuka.) Business: Dealers in Jute, Jute Goods, etc. Authorised capital: Rs. 10,00,000. Public company. Address: 180, Chittaranjan Avenue, Calcutta.

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MONEY RATES HARDEN AGAIN

(From Our Own Correspondent)

BOMBAY, *4th March*

The comfortable conditions in the short-term money market reported last week continued during the earlier part of the week under review. With a further slackening in demand, money rates tended to soften, the inter-bank money being placed at 2½ per cent. among the Exchange banks and big Indian banks. Some stray transactions passed even at 2¼ per cent. also. But, from Monday onwards the position changed a bit in favour of lenders. There was a preponderance of borrowers and money rates tended to harden, with a rise to 2¾ to 3 per cent. for inter-bank call. Towards the close of the week, that is to-day, signs of shortage of funds became more perceptible due to demand from Calcutta and purchases of ready sterling on London by some of the Exchange banks. The call money rate among the smaller Indian banks was steady at 3 per cent. throughout the week.

While some of the Exchange banks are reported to be fully covered with their own funds, some of the big Indian banks who have their funds fully employed on advances against commodities are the main borrowers. Though funds from up-country centres have come back to some extent, the surplus funds have been utilised to meet fresh demands against exports of cloth.

Three months' deposits were occasionally taken up at 3 per cent. and four to five months' deposits at 2¾ to 3 per cent. according to the needs of the borrowers. House money fetched 2¾ to 3 per cent.

The response to the sale of three months' Government of India Treasury Bills was very lukewarm this week, the total amount offered being no more than Rs. 101.75 lakhs, against the invitation for Rs. 100 lakhs. This compares with Rs. 109.25 lakhs offered last week. The average rate of accepted tenders, however, remained, unchanged at Rs. 2-7 per cent. per annum.

For the second week in succession, notes in circulation have gone down, the statement of affairs of the Reserve Bank of India for the week ended 27th February, 1953, disclosing a fall of Rs. 1.54 crores. Notes held in the Banking Department, on the other hand, are higher by Rs. 1.65 crores, the net change in total notes issued being covered by a rise of Rs. 10.31 lakhs in rupee coin. On the liabilities side of the Banking Department, the declining trend in deposits of the Central Government persists, the exact decline during the week being Rs. 3.13 crores. Deposits of other Governments are, however, higher by Rs. 6.33 crores, whereas those of banks show a fall of Rs. 2.29 crores. Cash balances have improved by Rs. 1.66 crores, but balances held abroad have fallen by Rs. 1.27 crores. Loans and advances to Government disclose a decline of only Rs. 12 lakhs. After a break of five weeks, the Scheduled Banks have once again begun borrowing from the Reserve Bank against usance bills, the borrowings during the week being of the order of Rs. 1 crore. Treasury Bills purchased and discounted show a decline of Rs. 1.84 crores.

The consolidated statement of the position of Scheduled Banks for the week ended 20th February, 1953, as compared with that for the previous week, shows that the banks have had to go through a week of dull business, their portfolios showing only minor variations. Demand deposits disclose a rise of Rs. 89.71 lakhs and time deposits Rs. 55 lakhs. Borrowings from banks repayable on demand are lower by Rs. 51.44 lakhs, while those of a time nature are better by no more than Rs. 10 lakhs. Borrowings from the Reserve Bank have declined by Rs. 2.67 crores and those from the Imperial Bank by Rs. 1.72 crores, thus indicating that there was hardly any pressure on banks for funds. This is again reflected in the decline in advances to the extent of Rs. 74.66 lakhs and in bills purchased and discounted by Rs. 25.94 lakhs. A contraction of Rs. 2.75 crores is noted in cash-on-hand and balances with the Reserve Bank which is obviously due to the repayment of borrowings from the Reserve Bank and the Imperial Bank, as noted above. Money at call and short notice is higher by Rs. 1.89 crores. Investments are better by Rs. 23.76 lakhs.

The Gilt-edged market displayed a more confident tone during the week. Selective buying enquiries were in evidence and minor improvement in prices was recorded. The Government of India has the option to repay this year the 3 per cent. 1953-55 loan, with an outstanding balance of Rs. 114.61 crores. In his budget speech the Finance Minister announced the Government's decision to exercise this option and, taking into this discharge, he said, it would be possible to raise a loan of Rs. 100 crores in the market.

3 per cent. 1953-55 recorded a fractional rise to Rs. 100-0⅜. Due to proximity of interest payment, 3 per cent. 1957 was in favour early in the week and it rose from Rs. 98-10 to Rs. 98-12, but was placed at the close at Rs. 98-11 *ex-voucher*. 3 per cent. 1958 hardened by As. 2 to Rs. 98-7 and 3 per cent. 1959-61 improved by an anna to Rs. 96-1. 3 per cent. 1963-65 and 3 per cent. 1964 were each maintained at Rs. 92-9. 3 per cent. 1966-68 were lower by an anna at Rs. 90-6, but 3 per cent. 1970-75 was conspicuous with a rise of As. 3 to Rs. 86-9. 3 per cent. 1986 Conversion loan gained As. 2 to Rs. 82-12.

The foreign exchange section of the money market witnessed no activity during the week and the rupee-U.S. dollar rate was maintained at Rs. 475 per $100 (bank's selling) and Rs. 471¾ (bank's buying) for ready. There was, however, some softening of the sterling in the U.S. market. The ready rate for £ moved down from $2.81-15/16 —2.81-1/16 on 24th February to $2.81-11/16—2.81-13/16 yesterday and the forward rate for three months from $2.81⅞—2.81½ to $2.81¼—2.81⅝ and that for six months from $2.80¾—2.81 to $2.80-11/16 —2.80-13/16.

BULLION EASY

(From Our Own Correspondent)

BOMBAY, *4th March*

After four weeks of hectic activity, resulting in a deadlock, as was reported last week, trading on the Bullion Exchange had a smooth sailing this week. The deadlock was resolved on Thursday last, following an understanding reached between the *bulls and bears in regard to their* outstanding business in silver for the March settlement and activity was resumed in both March and April settlements the same day. The undertone of the market was distinctly easy throughout the week, except for a while in the initial days of the week. The recession in silver was steeper than in gold.

As a result of considerable persuasion by the Directors of the Bullion Association, the opposite parties agreed to square up their outstanding positions in March settlement at Rs. 168 upto 10 p.m. on Thursday, 26th February. If anybody wished to carry over his contracts to the next settlement, he was permitted to do so at Rs. 168. Accordingly, the bulls were reported to have liquidated about 2,500 bars at prices ranging from Rs. 167-8 to Rs. 167-14. Some of the sales remained unadjusted. Consequently, trading was suspended on Friday to enable the outstanding positions to be squared up. After this was done, trading was resumed on Saturday. The Board also permitted trading in April settlement, as from Thursday, 26th February, under the existing by-laws, as the proposed amendments to the by-laws which were submitted to the Bombay Government for approval, would take some time to be brought into effect.

Silver for forward delivery in March settlement began at Rs. 167-8 and after staging a spurt to Rs. 169-12 finished at Rs. 165-12 yesterday when the settlement ran out. Business in April settlement began on Thursday at Rs. 166-14 and moved forward to Rs. 170-4 on Saturday, but, thereafter, drifted lower to Rs. 165-13 at the close to-day.

Ready silver (.996 Mint) hardened from Rs. 168-13 to Rs. 170-8, but this recovery was short-lived, as it soon declined by quick steps to Rs. 165-13 at the close. The floating stocks of silver are reported to be 1,500 bars. The daily average offtake was 15 bars.

Gold for forward in March settlement opened at Rs. 89-6 and closed for that settlement at Rs. 88-8 on Saturday. The forward rate for the April settlement rose from Rs. 89-2 to Rs. 90-2, but finished the week lower at Rs. 88-5.

Ready gold, which closed at Rs. 88-12, after touching a high of Rs. 90-8, revealed a loss of a rupee on balance. The floating stocks of gold are placed at 30,000 tolas. The daily average arrivals were 5,000 tolas, while the offtake was of the order of 4,500 tolas.

The following comparative table shows the trend of the market during the week under review:

	4-3-53	Highest	Lowest	25-2-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	88 12	90 8	88 1	89 8
Forward	88 5	90 2	87 11	—
Sovereign	58 8	58 12	58 8	59 0
SILVER				
Ready (.996 fine Mint)	165 13	170 8	164 10	168 0
Forward	165 13	170 4	164 10	—
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½*c*	—	—	85¼*c.*

LINSEED EASY

(Messrs. A. Bradley and Co.)

CALCUTTA, *2nd March*

Conditions in the linseed market were rather unsettled in the early sessions of the week, but a price reaction set in directly after the announcement of the Budget proposals and a quieter tendency, with appreciably lower values, marked the close. A very keen interest is being shown by sellers now, who had been reserved at higher prices earlier, and prices for both ready and forward deliveries have been discounted. A rather cautious attitude has been adopted by buyers who are now operating for their immediate requirements only. The oil section is fairly active and some local business has been reported for forward delivery. Export enquiries are at a standstill with Indian linseed oil still out of line with world markets.

Latest quotations are: Ready Rs. 20-12, March Rs. 20-4, April Rs. 19-8 and, May Rs. 19 per maund.

TRADING IN KIPS SLOW

(From Our Own Correspondent)

MADRAS, *2nd March*

Trading in kips has been slow, as the U.K. dressers are unable to get Madras asking prices from boots manufacturers and are not buying at last prices. Prices of kips have declined by 2*d.* in the U.K. but by ½*d.* locally. Cow calf and buff calf are in good demand but buff hides are dull.

The market for tanned skins has ruled dull. It is reported that Japan will shortly renew the licensing of lining sheep import and exporters are buying sheep in the local market. Prices of tanned goat common qualities are As. 2 less and semi primes are unchanged. Arrivals are small. Raw skins continue to be firm.

GOOD DEMAND FOR INDIAN COTTON

(From Our Own Correspondent)

BOMBAY, *4th March*

With the termination of the February delivery contract on the forward cotton market at Kalbadevi last week, the general belief among operators and others connected with the administration of this market is that the earlier fears entertained with regard to the behaviour of the market during the early months after reopening were unjustified. Except for a sharp warning once by the President of the E.I.C.A. with regard to speculative pushing up of rates at an early stage, the market, in spite of fairly heavy fluctuations and a net rise of nearly Rs. 75 per candy, has behaved well. Unless the feared shortage of supplies during the fag end of the season drives operators to a frenzy of buying, the working of the market might be taken as likely to run smooth for the rest of the season. The deliveries against outstanding transactions in February have been very moderate, short of 7,000 bales, which is about one-third of what was expected at one time.

The country's budget was not expected to affect cotton marketing in any way directly. There was a lurking hope among some operators that the export duty on varieties other than Bengal *Deshis* might be reduced and brought down to the same level as that on Bengals on this occasion. This hope, however, was not realised, though a flicker of it still continues and the trade appears to be confident that the Government will be compelled to take this step after a month or six weeks, to enable the balance of the exportable quotas of the other short-staple varieties to be exported, unless the Indian mills can manage to find some use for them in view of the shortage of staple varieties that is expected after July. But the indirect effect of the budget has been appreciable on cotton and prices have registered heavy appreciation both in the spot and forward markets. It is believed by the cotton trade that the consumption of both Indian and imported varieties will not only continue at the present rate but might be accelerated in future. This optimism has, therefore, led to an increased demand for Indian styles and for Egyptian, U.S.A., Sudanese and East African cottons also. A part of the scarcity experienced in the Bombay market is due not to absence of stocks in the country but to that of transport facilities and this has been experienced most keenly in the case of New Bengals for which shippers are paying high prices to keep their shipments within stipulated dates. Apart from this, consumer demand centres mostly round Vijay, Khandesh, and Surtis.

In the forward market, the fluctuations in prices over the week ended 4th March, were as follows:

	Opening	High	Low	Closing
I.C.C. May (Rs.) ...	673	698	673	690¼
I.C.C. Aug. (Rs.) ...	686¼	711½	686	704

In Sewri market, Bengal Deshi was quoted at Rs. 560-580; Berar Jarilla Rs. 30 on May; Vijay Rs. 150 on May; Moglai Rs. 20 off May and Khandesh Rs. 100 on May.

At Karachi, prices have been firm. The Cotton Board is believed to have lightened a good portion of its burden of the old crop against barter deals with Italy and Hongkong. Other continental centres including the U.K. have also been showing great interest in Pakistan-American seed cotton. The Pakistan Government has banned imports of textiles from this month and the underlying idea appears to be to use cotton as barter for the textile requirements of the country. The negotiations with Japan have not progressed sufficiently to make any announcement, but it is confidently believed that a bulk of the supplies for cloth will be met by Japan and a good portion of the cotton stocks from Karachi will find their way ultimately to this Far Eastern country. Whatever little interest India had evinced theoretically in Pakistan cotton as a possible source of future supply, if prices fell, has now disappeared, because with the general revival of world prices, the Karachi levels are not likely to be such as can attract Indian buyers. The latest available quotations from Karachi are:

Punjab Deshi Rs. 65-8; 4F Punjab R.G. Rs. 53 to Rs. 54-8; S.G. Rs. 57 to Rs. 58½; L.S.S. Punjab R.G. Rs. 57 to Rs. 57½; S.G. Rs. 62; N.T.R.G. Rs. 57; S.G. Rs. 63; 289F Punjab R.G. Rs. 63; S.G. Rs. 70.

An interesting development in the world supply position is the decision of the Uganda Lint Marketing Board to resume weekly auctions of cotton from next Wednesday. The quantity proposed to be disposed of is about 60,000 bales and the auctions will spread over the whole of March. On the other hand, the Sudan is tending to disappear from the picture.

At Alexandria, the scheme for marketing cotton during the coming season is still under consideration by the Egyptian Government. One of the points under consideration is the opening of the forward market. In the meantime, good business has been done in Ashmouni and Giza 30, while some demand appears to have revived also for Karnak from East European countries. Even the U.K. is showing more interest now in Egyptian cotton in view of the improved political atmosphere between the two countries and the deterioration in the quality of Sudanese cotton.

At New York, the most interesting development during the week under review has been the inclination of the authorities to use the barter method for encouraging export of cotton as a part of the drive for revision of the policy for marketing of farm products in general. The recent rise in prices recorded during the week is not, however, taken as any indication of higher export interest or internal consumer demand, but more as a correcting of the technical position resulting from the liquidation of the March contract. The quantum of export remains very low at nearly two million bales short of the corresponding figure for the same period in

1952. The future trend of prices is likely to be steady round the current level.

The following are the latest available quotations from New York as compared with those of a week and a fortnight before.

(In cents per lb.)

	3-3-53	24-2-53	17-2-53
Spot	34.25	—	33.60
March	33.46	33.18	32.70
May	33.62	33.38	33.12
July	33.83	33.70	33.42
October	33.90	33.74	33.63

ART SILK YARN RECEDES

(From Our Own Correspondent)

BOMBAY, *4th March*

After an initial upward trend, the values of art silk yarn suffered a sharp break, which persisted almost till to-day. The initial improvement was brought about, in the main, by rumours of a favourable import policy for art silk yarn in the Budget. Besides, rapid depletion of stocks and extremely limited arrivals also favoured the trend. The buying support that ensued resulted in an all-round rise in values in the first two sessions of the week. The absence of any reference in the Budget to the import policy, as expected by the trade early, and marked decline in cotton yarn prices induced selling pressure and values drifted downwards. Not only the initial gains were fully lost, but also the closing rates were very much lower, as compared with those at the end of the previous week.

The 150D February contract, in the forward section, improved from Rs. 810 to Rs. 819 on Friday, only to react to Rs. 772 yesterday. On subsequent support at lower levels, the rate, however, improved to close at Rs. 801, the level at which the contract terminated yesterday. Business in this contract commenced at Rs. 714 on 2nd January, 1953. The highest level touched was Rs. 824 on 9th February and the lowest level was Rs. 687 on 23rd January. The net gain over the period of the contract was Rs. 87. March delivery contract opened at Rs. 813 and, after rising to Rs. 825 on the 27th inst., receded to Rs. 789 to-day, the net loss over the week being Rs. 24. Trading in April contract commenced at Rs. 802 on the 2nd inst. and the quotation moved down to Rs. 772 yesterday, but was somewhat higher at Rs. 790.

Values of yarn in the ready section moved in sympathy with those in the forward section. Thus, 120 Japan was fully steady at Rs. 5-2, as against Rs. 5, in the first three sessions of the week, but declined to Rs. 4-15 yesterday. To-day, however, it was slightly better at Rs. 5. 150 Japan opened the week at As. 2 higher at Rs. 4-8, but gradually receded to Rs. 4-5. 120 Italy fluctuated between Rs. 5 and Rs. 4-13, before closing at Rs. 4-10, the loss over the week being As. 6 150 Italy was firm at Rs. 4-3 on the opening day. Under the influence of selling pressure, it slided down to touch Rs. 4 to-day.

Traders in art silk yarn are greatly intrigued at the postponement of import policy by the Government of India. The stocks of yarn in the country are very low. In view of this it is feared that, if no licences are given to established traders to import art silk yarn in the near future, prices will shoot up, causing great inconvenience to consumers, particularly the small handlooms and powerlooms.

Owing to extremely low level of stocks, turnover in the staple fibre section was very small, buying being confined mainly to 2/40s. There were also some enquiries for 20s yarn and some limited business was reported done. In the context of acute scarcity of yarn, the Committee of the Yarn Merchants' Association has not allowed trading in fixed delivery (March or April) contracts in staple fibre yarn.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 25th and 18th inst.

Art Silk Yarn—	4-3-53 Rs. a.	25-2-53 Rs. a.	18-2-53 Rs. a.
150D February (per case of 200 lbs.)	—	810 0	800 0
150D March	789 0	813 0	799 0
150D April	790 0	—	—
120 Japan (per lb.)	5 0	5 0	5 2
150 Japan ,, ...	4 6	4 8	4 7
120 Italy ,, ...	4 10	5 0	4 14
150 Italy ,, ...	4 0	4 1	4 1

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, *4th March*

The earlier expectations of the oilseeds and oils market that the Government of India would announce imposition of duty on exports of groundnut oil in the Budget proposals did not materialise. Neither did the hopes of relief in the duty on exports of linseed oil. To the market, the former was a bullish factor, whereas the latter turned out to be bearish. The cumulative effect of these two opposing factors was varied. The groundnut section firmed up and rallied major gains over the week, while the linseed section ruled easy and finished lower. The castorseeds section was, however, more or less steady with minor price variations.

Groundnut oil came in for a good deal of enquiry during the week under review. Business was reported done at £140 per ton (in bulk) in the Continent. Hongkong was interested in groundnut oil at £145 per ton (in drums). Consequently, groundnut oil ready firmed up from Rs. 19-14 to Rs. 21-8, and railway receipts from Rs. 19-12 to Rs. 21-6. March, April and May deliveries were done higher at Rs. 21-2, Rs. 21-4 and Rs. 21-7, as against Rs. 19-14, Rs. 20 and Rs. 20-3, respectively. Groundnuts reacted to the trend in oils. Bold ready gained as much as Rs. 1-12 to Rs. 39-8 and Khandesh quality Rs. 1-14 to Rs. 40. The linseed section came in for scant enquiry. Linseed oil was offered to Australia at £122 per ton, but there were practically no buyers. As a result, linseed oil declined from Rs. 15 to Rs. 14. The market viewed with disappointment the absence of any relief in export duty on oil in the Budget proposals. The seeds ruled in sympathy with oil. Bold ready eased from Rs. 28-12 to Rs. 28-4.

Overseas enquiries for castor oil were discouraging. Castor oil, Commercial quality, was quoted to the U.S. at 18¼c. per pound, but buyers were available only at 18c. I Pressures were quoted at 19½c. sellers as against 18¼c. buyers for small quantities. Consequently, Commercials were down by As. 8 at Rs. 18. I Pressures were done at Rs. 18-14 as against Rs. 19. In castorseeds, May delivery which opened at Rs. 146-4 as against Rs. 147-8, fluctuated between Rs. 143 and Rs. 150-8, before closing at Rs. 147. Madras quality was done steady at Rs. 31.

Niger and kardi seeds came in for some steady enquiry. Niger seeds ready F.A.Q. improved from Rs. 29-8 to Rs. 30-8 and Madras Rs. 30-8 to Rs. 31. Kardi Bolds were steady at Rs. 22-8.

The following table shows the prices of oilseeds and oil on the 4th inst., as compared with those at the close of preceding two weeks.

	4-3-53 Rs. a.	25-2-53 Rs. a.	18-2-53 Rs. a.
Groundnuts—			
Bold Ready New (per cwt.) ..	39 8	37 12	39 12
Khandesh New (per cwt.) ..	40 0	38 4	40 8
Linseed—			
Bold Ready (per cwt.) ..	28 4	28 12	29 0
Castorseeds—			
May (per candy of 5 cwts.) ..	147 0	147 8	151 8
Madras (per cwt.)	31 0	31 0	32 4
Groundnut oil—			
Ex-mill Ready (per quarter)	21 8	19 14	20 12
Castor Oil—			
Commercial (per quarter) ..	18 0	18 8	19 2

BRADFORD WOOL TOPS FIRM

(Messrs. J. Hardacre and Co.)

BOMBAY, *3rd March*

From one of the heaviest selling weeks of the Australian wool marketing season, raw material prices emerge, in some cases, higher than a week ago. The Bradford top market is firmer as a result. The most reasonably-priced wool has been found in Perth, where certain sub-standard types have moved at prices slightly favouring the buyer, but these wools are not suitable for all purposes and, in all Australian centres, good Bradford style fleece wools in 64s and finer qualities have moved against the buyer.

Buying limits, which gave a wide discretion to the operator, have produced much less wool than many importers had hoped for, and there are numerous firms in Bradford which are using wool faster than they are able to replace it. South African wools are also firmer at prices which top-makers cannot easily pay, if they are to be guided by obtainable top prices. New Zealand medium crossbreds are moving well at steady prices. The market is one of the strongest of the year and the continued firm behaviour of wool is bringing out further business in tops.

Machinery activity is, again, at one of the highest levels since the war and the volume of output is limited only by the available labour supply. The woollen section of the industry also maintains a good rate of activity.

Although it is not possible to sell tops on the full basis of wool costs, the firmer note in the Australian wool market is causing most top-makers to advance their quotations for all tops other than medium crossbreds by about 1*d.* per lb.

PEPPER BUOYANT

(Messrs. Parekh and Co.)

BOMBAY, *4th March*

Still further buoyancy in prices of Malabar black pepper was recorded during the week, in sympathy with New York. Advices from New York reveal that the erstwhile lethargic market there has been stimulated by repurchases by speculators and dealers who till recently refused to follow the advance in India, in expectation that there would be a fall in the Indian market on account of pressure of arrivals in both the primary markets of Alleppey and Calicut. Bears here and in New York were badly caught, as Indian planters became tight sellers particularly because of international political situation which contributed to lift the prices in almost all commodities in India. One of the Indian houses in New York is reported to have bought March shipment at as high as $1.37 and March-April-May shipment at prices ranging from $1.27 to $1.32 per lb. c. and f. New York. At Alleppey, exporters are reported to have bought in ready 275 candies at Rs. 3,000 each, while arrivals amounted to only 100 candies. Calicut also is reported to have sold at Rs. 3,200 with further buyers. In the delivery section, outside speculation in Bombay has almost dried up owing to recent rapid advance in prices, and on account of the present political uncertainty. In the A.S.T.A. section, there are buyers in local market for March shipment at $1.36 and April shipment at $1.35. At Alleppey, garbles are changing hands at price ranging from Rs. 490 to Rs. 520, daily turnover amounting to about 70 to 80 tons. Following are some of the factors which are reported to have contributed to push up the prices to the present new level in New York. (1) Expectation of some devaluation in dollar resulting from the talk between Mr. Eden and the new U.S. Administration; (2) purchases by tired bears here and in New York; (3) accumulation of big short interest in near and long forwards; (4) the present uncertainty in the world political situation; and (5) repurchases in ready and forward by Indian exporters in New York.

Since the beginning of the Indian season, there has been a regular tussle between Indian planters and New York importers, the former trying to push up the prices and the latter trying to bring them down. Formosan situation afforded a godsent opportunity to Indian planters, and they seem to have won the first round in the ring forcing the New York dealers to buy at high prices. Sentiments rarther than statistics work more in a most sensitive market such as pepper the world over.

Following are to-day's nominal quotations: Ready delivery Rs. 2,650, March Rs. 2,605/35, and April Rs. 2,625/35 per candy of 5¼ cwts.

METALS FIRM

(From Our Own Correspondent)

CALCUTTA, *3rd March*

Although business put through was small and there were no perceptible variations in prices, firm conditions were in evidence in the metal market during the week under review. This change in conditions was due to a number of enquiries for some of the principal metals. Opinion among the traders is not unanimous, but there is a feeling that, if enquiries continued at the present scale and moderate business resulted, the seriousness of the copper supply situation would be brought to the fore. Buyers may be expected to be cautious and not rush purchases.

Electrolytic copper ingots were firm at Rs. 186 with the fire-refined material realising as much as Rs. 170. Copper traders were more inclined to book business for forward deliveries than for near or immediate delivery positions, and this is indicative of the tightness of the present supply. Tin was firm at Rs. 634 and closed better at Rs. 636. This improvement was more a result of better advices from Singapore markets than due to local turnover. Antimony was quite at Rs. 200 and an enquiry for 20 tons was the only sign of activity that stockists could find. Despite better advices from Bombay, mercury remained quiet at Rs. 512-8. Lead sympathised with the steady conditions in the London market, pig lead quoting at Rs. 63 and the virgin at Rs. 66-8. Consumer interest in zinc was mainly for forward delivery, an enquiry for a moderate quantity for the prime western material in the March-April delivery position was satisfied. The rate realised was Rs. 60. Electrolytic material was earlier quoted at Rs. 63, but closed lower at Rs. 62.

HIDES STRONG

(From Our Own Correspondent)

KANPUR, *1st March*

The undertone of the hides and skins market continued to be strong during the week under review. Over new arrivals of bull and wet salted cow, there were ready transactions by local tanners. Madras dealers were lukewarm. Latest quotations are: Wet salted cow 1st grade Rs. 400, 2nd grade Rs. 300 and 3rd grade Rs. 135 per score; wet salted buff 1st grade 1 lb, 10 oz. and 2nd grade at 2 lbs. 4 oz. to 2 lbs. 6 oz. per rupee; goat 1st grade Rs. 240 and 2nd grade Rs. 210 per 100 pieces; and sheepskins Rs. 250 per 100 pieces.

EXPORT DUTY ON SACKING REDUCED

(From Our Own Correspondent)

CALCUTTA, *3rd March*

The outstanding feature of the Union Budget, as far as the Calcutta markets are concerned, is the reduction of the export duty on jute sacking to Rs. 80 a ton from Rs. 175. Although this announcement was expected for long in the markets and did not, therefore, cause any pleasant surprise, it was most cheerfully received last Friday. Trading in the market till that day kept more or less steady with prices showing a tendency to rise. Business passing was, however, small, as mills were reserved and wanted to make offers only after knowing the Budget details. As the details came in, it was evident that mills had waited usefully, and the reopening yesterday, after the holiday on Saturday on account of Holi, was on a very cheerful note, although fluctuations in prices were very narrow. Such a tendency should be considered healthy, as it indicates that the benefit of the reduced duty is being passed to the buyer in toto. Ready B twills were raised to Rs. 96-4 over the week-end from Rs. 94-2 last Friday, and were quoted yesterday at Rs. 95-4. In the coming weeks, much business in heavy goods is expected to be put through, as, following the rumours regarding the duty revision, shippers postponed their purchases for the better part of February. Moreover, it is known that foreign buyers would have to be in the market soon for meeting replacement requirements. If all goes well and if determination of prices is not entirely left to the speculative elements, mills can be expected to clear a good portion of their sacking stocks now with them.

A reduction in the hessian duty had been considered just a possibility; but this has not materialised. It is difficult to see how a decision in this regard can be postponed for long. Presumably, the Finance Minister would desire to wait and watch reactions of the trade to the present reduction of the duty on sacking goods. It is, therefore, desirable that traders pass over to the foreign buyers a reasonable portion of the benefit of the present reduction; perhaps this can be better achieved by mills selling direct to shippers. This would enable foreign buyers to take increasing quantities of sacking, following which a demand on New Delhi for a revision in the hessian duty would be perfectly justified and might be heeded. Ready 40″ 10 oz. hessian was yesterday quoted at the fractionally higher rate of Rs. 43-4 as against Rs. 43-2 last Friday. The f.o.b. rate was Rs. 51-11 as against Rs. 51-15 earlier. 40″ 8 oz. was yester-

(Continued on page 423)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	20th Feb., 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation.	172.44	1,121.36	1,129.20	1,110.20	1,146.93
Notes held in Banking Department.	25.05	19.22	11.10	21.63	32.39
Foreign Securities	39.50	595.15	568.15	538.15	603.15
Rupee Securities	37.39	449.86	449.86	450.06	468.13
Banking Department					
Deposits of :					
Government of India	14.89	153.12	157.40	164.03	170.50
Other Governments	..	5.06	1.02	7.14	21.24
Balances held abroad	10.08	153.53	152.00	157.52	149.16
SCHEDULED BANKS					
Demand Liabilities.	134.37	527.03	526.64	524.70	567.83
	..	(11.07)	(11.58)	(11.61)	(22.16)
Time Liabilities	102.84	315.44	3,14.79	315.53	291.96
Borrowings from		(1.93)	(1.89)	(1.89)	(0.82)
Reserve Bank	..	4.36	7.03	5.13	38.42
		(0.74)†	(0.74)†	(0.99)†	(N.A.)†
Borrowings from Imperial Bank†	..	5.42	7.14	5.48	N.A.
Cash in India	6.71	32.92	34.31	33.84	34.60
Balances with Reserve Bank	25.28	43.22	44.60	46.60	42.33
Excess over statutory limits	15.52	10.56	11.98	15.06	8.10
Balances with other banks in current account in India.	..	11.07	11.00	10.87	11.69
Money at call and short notice in India	..	16.95	15.06	16.44	10.27
Investments (at book value)	..	302.06	301.82	309.82	208.39
Investments	105.09	499.68	500.68	451.34	575.81
IMPERIAL BANK					
Deposits	..	87.76	208.76	207.96	208.38	231.35
Investments	..	51.99	82.82	81.94	83.23	85.45
Advances	..	30.37	123.63	123.72	116.37	152.92
Cash	..	14.69	15.37	15.94	19.51	141.32

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets). N.A.—Not available.
† Borrowings against usance bills and promissory notes.
* Figures prior to 18th April, 1952, not available.

CLEARING HOUSE RETURNS

Centre	27th February, 1953 Number of Cheques	27th February, 1953 Amount Rs.	20th February, 1953 Number of Cheques	20th February, 1953 Amount Rs.
Bombay	2,38,913	56,78,00,000	2,42,570	55,88,92,000
Calcutta	1,42,888	47,12,17,431	1,43,710	48,37,97,145
Madras	70,182	7,00,27,288	76,474	8,48,51,135
Centres				
1952	..	..	25,49,000	5,47,76,00,000
1953	..	..	25,74,000	5,52,14,00,000
1952	..	..	1,06,1,941	26,79,51,57,000
1951	..	..	1,0694,122	31,80,56,86,359

Reserve Bank of India

Statement of Affairs for the week ended 27th Feb., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up	..	5,00,00,000
Reserve Fund	..	5,00,00,000
Deposits :—		
(1) Government—		
(1) Central Government	..	149,99,02,000
(2) Other Governments	..	11,39,68,000
(2) Banks	..	43,28,01,000
(3) Others	..	64,38,78,000
Other Liabilities	..	3,34,91,000
	..	26,27,61,000
	Rupees ..	308,63,01,000

ASSETS	Rs.
Coin	..	20,86,41,000
Subsidiary Coin	..	16,27,000
Purchased and Discounted—		2,56,000
(1) Internal	..	
(2) External	..	22,50,000
(3) Government Treasury Bills	..	....
Balances held abroad*	..	11,73,30,000
Loans and Advances to Governments	..	152,26,21,000
Other Loans and Advances	..	3,30,00,000
Investments	..	12,32,52,000
Other Assets	..	100,26,78,000
	..	7,46,46,000
	Rupees ..	308,63,01,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes 174,18,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance Bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 174,18,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	20,86,41,000	
Notes in circulation	1119,82,01,000	
Total Notes issued	1138,68,42,000	
Total Liabilities		1140,68,42,000
		1140,68,42,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion :		
(a) Held in India	40,01,71,000	
(b) Held outside India	....	
Foreign Securities	568,15,11,000	
Total of A		608,16,82,000
Rupee Coin		82,65,45,000
Government of India Rupee Securities		449,86,15,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1140,68,42,000

Ratio of Total of A to Liabilities: 53.316 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 20th Feb., 1953

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks	11,06,78,000†
(ii) Other demand liabilities	515,95,87,000
Time Liabilities in India :	
(i) Borrowings from banks	13,50,82,000
(ii) Other time liabilities	32,92,33,000
Cash in India	43,22,28,000
Balances with the Reserve Bank in India	
Balances with other banks in current account in India	11,06,73,000
Money at call and short notice in India	16,95,03,000
Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	302,05,50,000
Advances in India	458,47,14,000
Inland Bills purchased and discounted in India	41,20,41,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.

†Excludes borrowings from the Reserve Bank, and with effect from the 18th April 1952 as also those from the Imperial Bank.

EXCHANGE RATES

	3rd March, 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 31/64	1-5 31/64
Sellers T.T. D.D. upto six months	1-5 15/32	1-5 31/64
Buyers T.T. spot to nine months	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	1-6 1/32	1-6 1/32
Bombay on New York—		
Sellers T.T. D.D.	Rs. 475	475
Buyers T.T.	Rs. 471 1/2	471 1/2
London on New York	$ 2.81 1/2	2.81 1/2-2.81 31/64
London on Paris	Frs. 987 1/2-988	987 1/2-988
London on Berne	Sw. Frs. 12.19	12.18 1/2-12.19 1/2
New York on London	$ 2.81 31/64-2.81 1/2	2.81 1/2

NATIONAL INCOME*

Country	Year	Population (In millions)	National income (In millions)		In terms of rupee (Crores)	*Per capita* income (Rs.)
India	1948	342.12	..	..	8,730	255
Pakistan	1949	75.04	..	..	1,671	223
Burma	1951	18.67	Kyats	3,166	317	167
Ceylon	1951	7.74	..	..	451	564
Japan	1951	84.30	Y.	4,564,400	6,038	716
Philippines	1951	20.25	Ps.	7,586	1,820	856
New Zealand	1951	1.95	£ (N.Z.)	615	820	4,206
Australia	1951	8.41	£ (A.)	3,238	3,454	4,317
U.K.	1951	50.58	£	11,384	15,170	2,976
U.S.A.	1951	154.36	$	277,600	132,190	8,564
Canada	1951	14.01	$	17,229	8,552	6,108
France	1951	42.24	F. Fr.	9,082,000	12,372	2,929
W. Germany	1951	48.11	Dm.	90,200	10,227	2,126
Italy	1951	46.60	Lr.	7,746,000	5,902	1,267
Norway	1951	3.29	Kr.	15,504	11,065	3,296
Sweden	1951	7.07	Kr.	36,800	3,439	4,864
Netherlands	1951	10.28	Fl.	16,940	2,151	2,096
Denmark	1951	4.30	Kr.	20,716	1,430	3,346
Switzerland	1951	4.75	S. Fr.	19,600	2,166	4,556

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, January, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 6th Feb., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	34,43,41,000
(b) Provincial Governments	1,01,66,000
(c) Banks	9,84,03,000
(d) Others	3,10,32,000
Bills Payable	8,91,000
Other Liabilities	4,62,93,000
Rupees	59,11,26,000

ASSETS	Rs.
Notes	6,47,28,000
Rupee Coin	4,000
Subsidiary Coin	11,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	51,87,000
Loans and Advances to Governments	33,00,000
Provincial Governments Debtor Balances	1,45,37,000
Other Loans and Advances	9,21,99,000
Investments	33,21,11,000
Other Assets	7,90,49,000
Rupees	59,11,26,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	6,47,28,000	
Notes in circulation	207,00,18,000	
Total Notes issued		213,47,46,000
Total Liabilities		213,47,46,000

ASSETS	Rs.	Rs.
I. A Gold Coin and Bullion	7,91,42,000	
Silver Bullion	....	
Sterling Securities	83,50,23,000	
Government of India Securities	11,87,77,000	
India Notes representing assets received from the Reserve Bank of India	29,98,96,000	
		83,28,38 000
B. Rupee Coin	6,30,53,000	
Government of Pakistan Securities	114,63,80,000	
Internal bills of exchange and other commercial paper	....	
		120,94,33,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		213,47,46,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation : 43.21 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment Rs. a. p.	Allotted at minimum rate %
1952					
9th Dec.	2.00	2.15	2.00	2 5 11	93
16th ,, ,,	2.00	2.62	2.00	2 5 11	88
6th Jan. 1953	1.00	1.45	1.00	2 6 5	55
13th ,, ,,	1.00	1.22	1.00	2 6 0	79
21st ,, ,,	1.00	1.23	1.00	2 7 0	81
27th ,, ,,	1.00	1.00	1.00	2 7 0	100
3rd Feb. ,,	1.00	1.14	1.00	2 7 0	87
10th ,, ,,	1.00	1.19	1.00	2 6 11	84
17th ,, ,,	1.00	1.39	1.00	2 7 0	100
24th ,, ,,	1.00	1.09	1.00	2 7 0	100
3rd March ,,	1.00	1.02	1.00	2 7 0	98
Total ..	13.00	15.50	13.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria ..	3rd July, 1952	5	6
Belgium ..	13th Sept., 1951	3 1/2	3 1/2
Canada ..	17th Oct., 1950	1 1/2	2
Denmark ..	2nd Nov., 1950	4 1/2	5
Finland ..	16th Dec., 1951	7 1/2	8 1/2
France ..	9th Nov., 1951	8	4
Greece ..	12th July, 1948	10	12
India ..	15th Nov., 1951	3	3 1/2
Italy ..	6th April, 1950	4 1/2	4
Japan ..	1st Oct., 1951	5.11	5.84
Netherlands ..	1st Aug., 1952	3 1/2	3
New Zealand ..	26th July, 1941	2	1 1/2
Norway ..	9th Jan., 1946	3	2 1/2
Portugal ..	12th Jan., 1944	3	3 1/2
South Africa ..	27th Mar., 1952	3 1/2	4
Spain ..	18th Mar., 1949	4 1/2	4
Sweden ..	1st Dec., 1950	2 1/2	3
Switzerland ..	26th Nov., 1936	4	1 1/2
Turkey ..	26th Feb., 1951	2	3
United Kingdom ..	12th Mar., 1952	2 1/2	4
U.S.S.R. ..	1st July, 1936	8	4
U.S.A. ..	16th Jan., 1953	1 1/2	2
West Germany ..	8th Jan., 1953	4 1/2	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	October, 1952	October, 1951	Seven months—April-Oct. 1952	Seven months—April-Oct. 1951
Import Duties :				
Revenue ..	8,42	10,79	65,78	74,04
Protective ..	65	83	4,76	6,32
On surplus disposals ..	1	1	2	17
Total import duties ..	9,08	11,64	70,57	80,53
Export Duties ..	5,71	5,20	34,03	51,75
Land Customs ..	28	28	1,68	1,53
Miscellaneous ..	11	7	74	67
Gross total customs ..	13,18	17,19	107,01	134,45
Refunds and downbacks ..	24	28	1,81	2,17
Net Customs ..	12,95	16,92	105,20	132,31
Gross excise ..	4,55	7,76	47,31	55,18
Refunds ..	12	96	98	98
Net Excise ..	4,46	7,64	46,35	54,19
Net total of customs and excise ..	17,41	24,56	151,55	186,50

Imperial Bank of India

Statement of Affairs for the week ended 27th Feb., 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
		5,62,50,000
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves ..		6,25,00,000
Deposits and other Accounts		208,27,76,000
Borrowings from other Banking Companies Agents		1,00,00,000
Bills Payable		2,16,49,000
Bills for Collection being Bills Receivable as per contra		56,97,000
Acceptances, Endorsements and Other Obligations as per contra		3,32,000
Other Liabilities (including Inter-Office Adjustments)		2,80,76,000
Total ..	Rs.	226,81,80,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		10,08,74,000
Balances with other Banks ..		3,96,89,000
Money at Call and Short Notice ..		1,35,89,000
INVESTMENTS—		
Government and other Trustee Securities	71,24,21,000	
Other Authorised Investments ..	11,03,35,000	
		82,27,56,000
Advances—		
Loans, Cash Credits and Over Drafts, etc. ..	107,06,63,000	
Bills Discounted and Purchased ..	17,94,77,000	
		125,01,40,000
Bills Receivable being Bills for Collection as per contra		56,97,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra ..		3,32,000
Premises less Depreciation		1,31,81,000
Furniture and Fixtures less Depreciation		33,80,000
Other Assets (including Inter-Office Adjustments) ..		1,85,43,000
Total ..	Rs.	226,81,80,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits. Outstandings@	3½% Ten-Year Treasury Savings Deposit Certificates §	
	5-Year		7-Year		12-Year						
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*
1950-51 ..	2,08	5,01	96	2,40	20,67	50,53	97,80	61,86	— 22,32	5,31	5,31
1951-52 ..	1,76	6,10	77	2,91	22,07	66,81	1,07,55	74,18	— 27,55	13,10	18,39
December 1951 ..	13	5,74	6	2,76	1,64	62,58	7,66	67,01	— 26,30	70	16,51
January 1952 ..	13	5,82	7	2,81	1,51	63,62	7,75	68,04	— 26,98	66	17,17
February ,, ..	13	5,90	5	2,83	1,64	64,79	8,21	69,27	— 27,02	53	17,70
March ,, ..	29	6,10	10	2,91	2,63	66,81	15,04	74,18	— 27,55	71	18,39
April ,, ..	14	6,17	5	2,93	2,28	68,56	10,01	76,52	— 27,91	95	19,33
May ,, ..	12	6,22	8	2,99	2,12	70,22	9,95	77,85	— 28,25	56	19,86
June ,, ..	12	6,28	6	3,02	1,32	71,64	9,33	80,03	— 28,57	69	20,53
July ,, ..	15	6,34	10	3,09	2,03	73,14	10,29	82,54	— 28,91	74	21,25
August ,, ..	14	6,40	6	3,12	1,76	74,45	8,60	83,75	— 29,15	65	21,89
September ,, ..	10	6,44	3	3,12	1,84	75,78	8,78	84,89	— 29,40	52	22,38
October ,, ..	11	6,48	5	3,14	1,71	76,77	8,36	85,24	— 29,68	56	22,92
November ,, ..	10	6,50	4	3,16	1,71	77,99	8,03	85,51	— 29,98	58	23,48
December ,, ..	8	6,51	3	3,16	1,86	79,34	8,45	85,92	— 30,22	48	23,94
January 1953 ..	..	..	..	..	..	..	..	..	..	58	24,48

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from 1st June, 1948. § Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)

I. All-India

Group and Sub-Group	Week Ended 21-2-'53	14-2-'53	24-1-'53	23-2-'52
(A) Government and Semi-Government Securities ‡	92.2	92.2	92.1	91.5
1. Government of India Loans	92.4	92 3	92.3	91.5
2. Municipal, Port Trust and Improvement Trust Loans ..	86.8	86.8	86.6	87.6
(B) Fixed Dividend Industrial Securities	90.2	90 2	90.4	93.1
1. Electricity	77.6	77.3	76.9	74.8
2. Cotton	125.7	125 6	126.4	133.8
3. Jute	80.2	80.4	81.4	92.2
4. Coal	95.4	95.2	94.8	99.2
5. Iron and Steel ..	84.2	84.4	83.7	85.3
6. Sugar	87.8	88.3	91.4	97.4
7. Paper	85.4	85.4	84.2	94.1
8. Plantations	98.6	97.2	98.5	105.4
(C) Variable Dividend Industrial Securities	104.5	104.2	103.3	121.3
1. Banks	102.9	103.3	101.8	111.0
2. Insurance	95.9	93.5	93.7	105.8
3. Investment Trusts ..	140.3	139.9	137.9	141.9
4. Electricity Companies and Tramways ..	82.8	82.8	81.9	85.7
5. Shipping and Other Transport Companies	85.1	86.1	84.1	95.3
6. Railways	75.0	75.1	72.7	83.8
7. Plantations	109.4	108.3	110.7	108.1
8. Cotton Woollen and Silk	128.3	127.8	126.9	163.4
9. Jute	70.7	71.6	73.2	93.0
10. Coal	87.1	87.2	86.4	108.8
11. Mining and Oil ..	63.6	63.6	62.5	70.3
12. Iron and Steel ..	129.9	128.1	122.6	153.6
13. General Engineering ..	141.6	140.9	136.9	161.3
14. Sugar	78.5	77.8	78.7	94.1
15. Breweries	57.7	58.0	53.9	69.7
16. Chemicals	130.7	128.4	122.8	172.9
17. Paper	113.7	113.3	112.5	124.8
18. Cement	140.0	138.7	142.4	144.0

II. Regional

Region and Group	Week Ended 21-2-'53	14-2-'53	24-1-'53	23-2-'52
(A) BOMBAY—				
Government and Semi-Government Securities	92.0	91.9	91.9	91.9
Fixed Dividend Industrials	92 3	92.2	91.6	92.5
Variable Dividend Industrials	123.3	122.5	120 8	133.5
(B) CALCUTTA—				
Government and Semi-Government Securities	92.8	92.8	92.7	91.7
Fixed Dividend Industrials	86.6	86.8	88.1	90.7
Variable Dividend Industrials	92 1	92 0	91.2	107.1
(C MADRAS—				
Government and Semi-Government Securities	91.9	91.9	91.8	90.6
Fixed Dividend Industrials	103.1	102.7	102.8	110.7
Variable Dividend Industrials	127.0	126.7	126.9	152.9

*Source: Department of Research and Statistics, Reserve Bank of India.
‡ Including Part 'B' State Loans.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950 ..	814	719,883	12,806,704
1951 ..	1,071	691,321	8,518,928
June 1950 ..	83	47,525	322,946
July ..	54	21,188	134,911
August ..	75	240,518	2,948,978
September ..	71	249,445	4,954,161
October ..	78	288,349	2,266,894
November ..	34	56,736	313,887
December ..	68	41,061	163,715
January 1951 ..	120	93,696	370,990
February ..	61	44,025	203,660
March ..	79	47,738	317,300
April ..	120	95,747	381,282
May ..	109	56,604	277,314
June ..	146	98,446	448,258
July ..	190	73,454	671,705
August ..	108	64,084	289,907
September ..	83	24,727	93,109
October ..	108	87,396	190,791
November ..	128	64,147	189,374
December ..	113	75,196	365,140
January 1952† *	95	305,381	674,540
February * ..	88	63,180	215,607
March ,, ..	87	42,430	142,493
April ,, ..	134	59,437	284,348
May ,, ..	118	80,092	254,585
June ,, ..	101	59,331	257,062
July ,, ..	82	40,764	171,268
August* ..	87	48,507	148,475
September* ..	96	57,875	460,552
October* ..	94	77,639	347,684
November ..	88	47,902†	266,234†

† Figures for 1952 are provisional * Revised.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51 ..	545	5,279.9	4,225.9
1951-52 ..	573	5,946.1	4,849.0
June 1951 ..	541	501.2	408.8
July ,, ..	546	507.7	412.0
August ,, ..	551	506.8	409.7
September ,, ..	554	494.5	403.4
October ,, ..	556	506.9	412.8
November ,, ..	557	491.7	409.8
December ,, ..	561	500.9	414.5
January 1952 ..	568	500.8	409.7
February ,, ..	571	480.7	391.0
March ,, ..	572	481.8	392.9
April ,, ..	577	488.8	393.5
May ,, ..	581	514.4	413.1
June ,, ..	583	500.1	408.8
July ,, ..	588	534.0	429.7
August ,, ..	592	531.6	432.7
September ,, ..	597	530.8	430.6
October ,, ..	599	548.2	441.5
November ,, ..	605	529.7	436.4

*Excluding railway, military and factory power stations; Chola Power Station, being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	14th Feb., 1953	7th Feb., 1953	16th Feb., 1952	January, 1953	January, 1952	Percentage of increase (+) or decrease (—) in Jan., 1953 as compared with Jan., 1952	1952	1951
Food Articles	359.9	361.4	371.0	357.0	383.0	— 6.2	359.8	409.8
Cereals	431	434	464	434	465	— 6.7	450	483
Pulses	600	602	475	595	508	+17.1	483	506
Other	231	230	234	223	273	—18.3	225	290
Industrial Raw Materials ..	437.9	433.3	542.9	427.6	580.6	—26.4	453.8	592.2
Fibres	401	399	578	399	617	—35.3	454	623
Oil seeds	o21	514	550	488	609	—19.9	484	679
Minerals	470	462	458	460	481	+ 2.0	458	426
Others	360	361	411	425	487	—12.7	341	538
Semi-Manufactures	347.9	348.6(R)	363.9	344.3	389.3	— 8.8	346.5	377.5
Leather	421	411	342	406	323	+25.7	345	453
Mineral oils	223	223	218	223	211	+ 5.7	221	197
Vegetable oils	459	452(R)	548	443	607	—27.0	459	679
Cotton yarn	441*	441*	498*	439*	495*	—11.3	485*	483
Metals	228	228	204	228	206	+10.7	211	197
Oil Cakes	406	407	416	406	487	—16.6	440	500
Others	251*	249	288	250	321	—22.1	273	330
Manufactured Articles ..	387.3	387.1	393.1	385.8	400.9	— 3.8	377.5	388.5
Textiles	405	404	454	400	471	—15.1	423	468
Jute	389	388	452	383	802	—51.6	506	503
Cotton	406*	406*	410*	406*	410*	— 1.0	401*	400*
Rayon and Silk ..	470*	470*	526*	425*	538*	—20.1	485*	611*
Woollen	297	291	389	289	383	—27.8	346	378
Metal products ..	336	336	306	342	298	—14.8	321	285
Others	288	288	304	288	304	— 5.3	298	300
Miscellaneous	602.0	601.0	707.3	620.0	735.0	—15.6	635.6	729.8
All Commodities	380.7	380 2	413.5	377.5	430.3	—12.3	388.9	439.3

* Estimated. R—Revised.

WORKING CLASS COST OF LIVING INDICES

Base	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
January 1951 ..	318	239	296	440	376	344	326	134	171	127	158	171
February ,, ..	321	253	294	441	388	347	327	138	176	129	157	169
March ,, ..	332	268	301	439	390	356	329	138	176	139	157	166
April ,, ..	335	270	304	440	391	368	338	139	173	140	159	166
May ,, ..	335	278	314	443	394	374	335	140	176	141	158	166
June ,, ..	337	271	313	447	394	382	337	144	178	138	158	169
July ,, ..	333	270	318	454	394	385	337	145	182	140	159	173
August ,, ..	328	261	322	459	392	387	338	146	181	143	161	171
September ,, ..	325	253	319	470	389	375	340	144	179	150	161	170
October ,, ..	332	254	323	469	393	375	336	144	181	145	163	171
November ,, ..	333	252	325	464	397	374	337	147

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final.	1951-52 Final	1950-51 Final.
Rice	tons	73,595	75,975	20,767	20,295
Wheat	tons	23,235	24,134	5,768	6,374
Jowar	tons	38,329	38,419	5,509	5,403
Bajra	tons	21,856	22,267	2,153	2,549
Barley	tons	7,800	7,701	2,136	2,341
Maize	tons	8,003	7,794	1,959	1,701
Ragi	tons	5,296	5,444	1,167	1,407
Gram	tons	16,719	18,709	3,157	3,593
Other millets & pulses	tons	39,725	39,770	6,386	6,401
Total foodgrains		234,558	240,213	49,002	50,064
Jute	bales	1,951	1,454	4,678	3,301
Cotton	bales	16,213	14,556	3,134	2,971
Sugarcane 2nd	tons	4,248†	4,326††	5,035†	5,288††
Groundnut	tons	11,755	11,130	3,037	3,437
Linseed	tons	3,298	3,447	309	361
Castorseed	tons	1,423	1,378	104	104
Rape and Mustard Seed	tons	5,707	5,097	900	748
Sesamum	tons	5,537†	5,516††	426†	416††
Tobacco	tons	764	902	225	263
Pepper	tons	192	197	28	31
Ginger	tons	42	41	15	15

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).

† Relates to 1952-1953. †† Relates to 1951-52.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During January, 1953	72.9
	Corresponding month 1952	91.7
	July 1952 to Jan., 1953	528.7
	Corresponding period 1951-52	540.3
Stocks	At the end of January, 1953	128.4
	Corresponding month 1952	88.4
		(In 000 bags)
Exports (Jute Bags)	Week ended 24th Jan., 1953	21.44
	Corresponding week 1952	19.87
	From 1st to 24th Jan., 1953	84.16
	Corresponding period 1952	5,32.44
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 24th Jan., 1953	1,16.75
	Corresponding week 1952	84.66
	From 1st to 24th Jan., 1953	5,28.76
	Corresponding period 1952	6,42.97
	RAW JUTE	(In 000 bales)
Exports*	Week ended 24th Jan., 1953	—
	Corresponding week 1952	—
	From July, to November, 1952	—
	Corresponding period of 1951	—
Consumption by Mills†	January 1953 (in lakh bales)	4.23
	Corresponding month 1952	5.32
	Seven months ended Jan., 1953	30.67
	Corresponding period 1952	31.34

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Year ended 31st March, 1949	917,800	906,700	671,000
Do. 31st March, 1950	10,41,700	927,500	720,000
Do. 31st March, 1951	11,15,200	10,62,100	7,76,500
Do. 31st March, 1952	11,80,000	10,57,100	7,99,200
Eleven months ended February, 1953	10,60,600	9,75,300	7,26,300
January 1951	1,01,300	97,900	67,700
February ,,	67,700	82,200	66,300
October ,,	94,100	88,800	83,800
November ,,	92,700	85,200	65,900
December ,,	1,02,800	97,900	69,100
January 1952	99,800	96,700	71,000
February ,,	94,000	82,600	67,000
November ,,	99,400	90,100	67,900
December ,,	1,03,500	93,700	68,700
January 1953	98,200	91,400	69,700
February ,,	1,02,400	95,500	69,900
	92,400	82,000	61,700

SEA- AND AIR-BORNE TRADE : INDIA.

Particulars	October,		Seven Months, April to Oct.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:—				
Foodstuffs	6,74	25,06	136,58	134,78
Raw materials	14,65	11,87	115,94	132,08
Manufactures	21,68	27,70	167,18	196,61
Other Items	26	30	2,88	2,18
Total Imports*	43,33	64,93	422,58	465,65
Exports:—				
Foodstuffs	17,13	13,23	85,10	86,49
Raw materials	11,72	7,40	86,05	88,41
Manufactures	23,33	25,41	167,59	245,82
Other Items	31	24	2,31	1,84
Tota Exports	52,69	46,28	341,05	422,56
Total Re-exports	66	21	2,75	10,69
Balance of trade in merchandise	+ 10,02	— 18,44	— 78,78	— 82,40
Balance of transactions in private treasure	—	— 1	— 4	— 7
Total Visible Balance of Trade	+ 10,02	— 18,45	— 78,77	— 82,47
Imports:—				
Total C'wealth Countries	20,19	21,24	156,88	169,78
Total Foreign Countries	23,14	43,69	266,15	296,87
Exports:—				
Total C'wealth Countries	24,51	26,83	159,76	219,55
Total Foreign Countries	28,18	19,45	181,29	203,01

* Excludes value of certain special imports of foodgrains and stores, full particulars of which are not yet available.

LAND-BORNE TRADE : INDIA

Particulars	October,		Seven months April to Oct.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	60	2,13	15,29	11,58
Imports	3,45	7,30	12,30	55,40
Balance of trade in merchandise	— 2,85	— 5,17	+ 2,99	— 43,82

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES—OCTOBER AND NOVEMBER 1952

(Base Jan. to Dec. 1944 = 100)

Name of Centre	Cereals			Pulses			Other articles of Food			All articles of Food			Fuel and Lighting			Clothing			Miscellaneous		
	Nov., 1951	Oct., 1952	Nov., 1952	Nov., 1951	Oct., 1952	Nov., 1952	Nov., 1951	Oct., 1952	Nov., 1952	Nov., 1951	Oct., 1952	Nov., 1952	Nov., 1951	Oct., 1952	Nov., 1952	Nov., 1951	Oct., 1952	Nov., 1952	Nov., 1951	Oct., 1952	Nov., 1952
Eastern Zone																					
Bamra	169	219	206†	111	92	88	185	139	138	170	144	141	96	114	114	202	219	217	188	193	204†
Maibang	163	x	x	133	x	x	174	x	x	166	x	x	112	x	x	164	x	x	116	x	x
Shankargarh	125	158	147	155	168	172	211	159	158	170	160	157	101	95	95	164	140	141	141	139	140
Sonaili	354	271	262	181	162	167	257	193	197	260	201	202	125	125	125	273	208	201	348	278	278
Northern Zone																					
Multapi	188	124	124	168	153	153	182	173	175	179	161	162	115	123	123	148	166	165	169	197	197
Nana	322	279	260†	274	307	268†	236	195	197	258	225	218	144	129	113†	233	205	205	208	204	197
Salamatpur	268	265	249†	301	297	300	240	214	211	257	240	235	100	129	129	144	137	136	257	262	266
Southern Zone																					
Krishna	313	193	197	202	187	186	201	164	160	222	171	169	145	129	124	180	139	136	211	207	202
Lakh	179	249	249	176	176	183	174	132	128	175	160	159	86	91	86	132	138	138	144	131	131
Malur	161	171	171	173	133	134	174	134	135	171	142	143	89	100	100	427	234	230	179	163	163
Maniguda	326	225	220	270	222	231	348	213	218	331	217	220	105	135	134	221	208	205	246	261	259
Kudchi	123	189	177†	130	153	153	202	162	162	181	165	163	100	127	127	145	141	134	164	192	186

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 26th Feb., 1953	52,101
	Corresponding week, 1952	74,222
	1st Sept. 1952 to 26th Feb., 1953	8,43,148
	Corresponding period, 1951-52	7,52,341
Cotton Exports	Week ended 26th Feb., 1953	10,802
	Corresponding week, 1952	—
	1st Sept. 1952 to 26th Feb., 1953	1,87,903
	Corresponding period, 1952	111
Mill Consumption	1st Sept. 1952 to 26th Feb., 1953	5,75,247
	Corresponding period, 1951-52	5,06,107
Stock (with exporters dealers and mills)	On 26th Feb., 1953	3,07,859
	Corresponding date, 1952	3,73,135
Karachi (Pakistan)*		
Receipts	Week ended 21st Feb., 1953	78,158
	Corresponding period, 1952	45,327
	1st Sept. 1952 to 21st Feb., 1953	11,18,373
	Corresponding period, 1951-52	10,94,316
Exports	Week ended 21st Feb., 1953	33,700
	Corresponding period, 1952	32,000
	1st Sept. 1952 to 21st Feb., 1953	7,19,700
	Corresponding period, 1951-52	6,43,000

Particulars	From 1st Sept., '52 to 2nd March, 1953 Bales	From 1st Sept., '51 to 2nd March, 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	9,580	—
Continent	61,361	—
China	318	—
Japan	1,00,884	—
U.S.A.	20,701	—
Other Countries	3,316	111
Total to all foreign countries	1,96,160	111
Coastal Ports	75,204	55,998

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	November, 1952	3,14,991
Foreign		65,805
Indian	Three months September to November, 1952	8,63,844
Foreign		2,29,523
Indian	Same Period 1951	7,04,465
Foreign		3,66,894
Stocks (Mills and Elsewhere)—		
Indian	As on 30th Nov., 1952	8,87,135
Foreign		3,12,983
Indian	As on 30th Nov., 1951	7,98,658
Foreign		2,28,680
Cotton Pressed†	Week ended 20th Feb., 1953	46,048
	Corresponding week, 1952	44,668
	1st Sept. 1952 to 20th Feb., 1953	13,57,254
	Corresponding period, 1951-52	16,80,954

* As reported by the Karachi Cotton Association Ltd. † Incomplete

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	103⅛
4% Bonds	1926-33	63,30,26,000	1960-70	101¼
3½% Loan	1938-39	1,16,17,46,000	1963-65	92⅛
3½% Loan	1943	1,14,60,58,000	1953-55	100-01
3½% Loan	1950	30,33,10,000	1964	92⅜
3½% Loan	1951	1,10,11,78,000	1966-68	90¾
3½% V. Loan	1944	1,14,06,89,000	1957	98⅛
3% Loan	1945	1,15,05,83,000	1970-75	86⅞
3% Loan	1945	1,13,65,44,000	1959-61	96⅜
3% Loan	1951	50,00,00,000	1958	98⅜
2½% Loan	1946	45,63,07,000	1960	93⅛
2½% Loan	1946	57,00,69,000	1961	90⅜
2½% Loan	1946	35,06,06,000	1954	98⅜
2½% Loan	1946	14,77,48,000	1976	82¼
2½% Loan	1947	75,86,72,000	1962	91⅜
2½% Loan	1948	60,45,01,000	1955	98⅜
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,36,000	At option of Government after three months, notice	82½
			On 1st September, 1986 or later at option of Government after three months, notice.	82½
3 % Loan	1946	48,91,90,000		
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,85,66,000	1954-59	100½
4½% Loan	1928	5,85,20,000	1958-68	103⅜
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	18th Sept. 1955	98⅛
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	98⅛
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97⅛
3 % Bombay	1949	6,00,00,000	1st Aug. 1962	92⅛
3 % Bombay	1950	3,00,00,000	31st July 1960	94⅛
3½% Bombay	1951	2,90,00,000	17th Sept. 1962	98
4 % Bombay	1952	3,50,00,000	1st Aug. 1964	101⅛
3 % Cochin	1943	30,00,000	1st Oct. 1953-55	98
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98⅛
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95
3 % Madras	1938	1,42,08,300	15th Sept. 1953	100-01
3 % Madras	1939	1,29,76,600	21st June 1959	95⅜
3 % Madras	1942	1,23,25,000	18th Sept. 1955	98⅛
3 % Madras	1943	1,25,10,000	14th Sept. 1956	98⅛
3 % Madras	1944	1,08,00,000	15th Aug. 1958	96⅛
3 % Madras	1945	2,82,19,000	14th Sept. 1960	94⅛
3½% Madras	1946	3,90,93,200	1st Sept. 1961	90⅜
3 % Madras	1950	4,47,00,000	31st July 1960	94⅛
3½% Madras	1951	3,00,00,000	17th Sept. 1962	97⅛
4 % Madras	1952	5,00,00,000	1st Aug. 1964	101⅛
3 % Mysore(f)	1930	1,63,44,300	1st Nov. 1955	105¼
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100-11
4 % Mysore(f)	1936	5,99,72,900	30th April 1954-61	99
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	98⅛
3 % M.P.	1942	50,00,000	18th Sept. 1955	98⅛
3 % M.P.	1943	50,54,200	14th Sept. 1956	98⅛
3 % M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 % M.P.	1948	2,03,00,000	15th Sept. 1964	91⅜
3 % M.P.	1950	1,00,28,800	31st July 1960	94⅛
3½% M.P.	1951	1,00,00,000	17th Sept. 1962	97⅛
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅛
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	98⅛
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	98⅛
3 % Travancore	1944	3,00,00,000	15th May 1952-54	98⅛
3½% Travancore	1936	50,00,000	16th Aug. 1956	99⅛
3 % U.P.	1936	1,69,39,800	1st Sept. 1961-66	90⅜
3 % U.P.	1944	3,23,96,800	1st Aug. 1958	96⅛
3 % U.P.	1945	2,36,31,900	14th Sept. 1960	94⅛
2½% U.P.	1946	2,41,19,800	1st Sept. 1961	95⅜
3½% U.P.	1951	2,00,00,000	17th Sept. 1962	97⅛
4 % U.P.	1952	2,00,00,000	1st Aug. 1964	100⅛
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98⅜
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,30,000	4	1904	1964	
35,00,000	4	1905	1965	
44,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	97½
40,00,000	4	1909	1970	
£200,000	4	1907	1968	
6,75,000(c)	4	1940	7B	
5,00,000	4	1940	7B	
6,00,000	4	1922	10	D
4,00,000	4	1933-36	6	
20,00,000	3½	1943	5½	
5,00,000	3½	1936	7(a)	
15,00,000	3½	1946	5c	
5,00,000	3½	1931	5	
15,00,000	3½	1936	7(a)	
15,00,000	3½	1936	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
STERLING LOAN				
£1,600,000	6	1922	1952	£101½
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	97⅛
76,90,100	4	1915	1975	97⅛
68,02,300C	3½	1921	1981	79N
1,50,00,000C	6½	1921	1981	144N
1,24,06,300	5	1925-26	1955-85	105
98,21,600	5½	1926	1956-86	104
99,84,300C	5	1926	1956-86	103
1,49,49,500B	5	1927	1957-87	103½
1,49,36,000	5	1928	1958-88	104
80,00,000C	4½	1931	1991	92½
21,73,90C	3	1932	1954	95
60,00,000	3½	1935	1965	95½
25,00,000	3	1938	1963-68	88
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82½
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78½
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94½
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1950	1960	94
1,50,00,000	3½	1951	1961	97½
STERLING LOANS				
£892,600	5	1923	1953-83	£83
£901,600	5	1924	1954-84	£85
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
21,21,489	4	1918	1982	A
3,42,951	5	1918	1982	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug.				
3,32,322	4½	1922	1952	
4,47,597	5½	1923	1952	M
STERLING LOAN				
£350,000	5½	1923	1953	£100

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
30,00,000	4	1903	1963	
50,00,000	4	1904	1964	97⅜
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	97⅛
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	113
66,00,000	6	1920	1955-80	115
25,00,000	5	1926	1956-86	98
20,00,000	5	1927	1961-70	96½
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95½
£333,000	4	1910	1970	£95½
Rs.	**GALAUTTA**			Rs.
50,00,000	6	1925	1955	104
28,00,000	5½	1929	1959	107
10,00,000	5	1924	1964	99½
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	90
20,00,000	3	1938	1965-68	88
80,00,000	4	1952	1962	100
STERLING LOANS				
£700,000	5½	1923	1953	£100

MUNICIPAL LOANS

Rs.	**BOMBAY**			Rs.
43,00,000	4	1886-91	1953	100
49,40,000	4	1913-14	1954	99⅜
20,60,000	4	1913-15	1974	99⅜
20,00,000	4	1913-15	1955	100
10,00,000	5	1913-15	1970	113⅜
1,60,00,000	6	1924	1954	103⅜
1,00,000	5	1928	1958	
26,14,000	5	1929	1949-59	105 to 103
8,45,500	5	1929	1954-59	
25,21,500	5	1929	1959	103
2,25,00,000	3½	1939	1977	86⅜
2,50,00,000	3½	1949	1979	86
4,00,00,000	3½	1950	1965	94
2,50,00,000	4	1952	1964	100⅜
Rs.	**CALCUTTA**			Rs.
34,45,500	6½	1925	1955	106
94,70,000	5	1925	1955	104
36,00,000	5	1928	1958	103⅜
25,00,000	5	1929	1957	103⅜
25,00,000	5	1929	1958	103⅜
10,00,000	5	1932	1962	103⅜
33,91,000	3½	1935	1965	93⅜
3,19,000	3	1936	1953	99⅜
40,00,000	3	1936	1966	89⅜
1,46,100	3	1936	1953	99⅜
3,11,400	3	1937	1954	98⅜
4,67,100	3	1937	1954	98⅜
1,62,500	3	1937	1954	98⅜
4,18,100	3	1937	1954	98⅜
47,50,000	3	1938	1968	87⅜
10,67,700	3	1938	1968	87⅜
13,56,800	4	1939	1956	99⅜
15,56,800	4	1940	1957	99⅜
17,64,400	3½	1942	1959	94
21,10,000	3½	1942	1972	92
15,49,000	3½	1951	1960	96
16,33,000	3½	1951	1961	96
66,88,000	3½	1951	1966	96
STERLING LOAN				
£5,000,000	6	1923	1953	£100
Rs.	**MADRAS**			Rs.
5,00,000	4	1903	1953	101
5,00,000	6	1923	1953	107
3,40,000	7	1925	1955	107⅜

ABBREVIATIONS.—M=Held by Government of Madras. N=Nominal. J=Various Issues repayable to Government.
B=Taken up by Imperial Bank of India D=Domestic Loan not marketable. C=Held by Commissioners. * Loans held entirely by the Trustees.
(a) This includes the amount of loan converted into First Development Loan 1970-75. (c) Income-tax free. A=Held by Government of India.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935. ** Quotations in Pak. Currency.

PREFERENCE SHARES

Company	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.		Paid-up per Share Rs.
BANKS								
Allahabad Bank	15,00,000	1901	6	Mar.	Sept.	129		100
BREWERIES AND SUGAR								
Carew & Co.	8,00,000(b)	1875	6½	Mar.	Sept.	78		100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb.	Aug.	138		100
Upper Ganges	12,00,000	1932	5	Dec.		90N		100
Do.	15,00,000	1946	5(a)	Dec.		70N		100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July	Apr.	118½		100
†East India Distilleries	£200,000	1897	7	Jan.	July	5h. 15½xd		£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec.		63		100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec.		63		100
Partabpore Co.	6,00,000	1922	10	Oct.		15xd		10
Ramnugger Cane	4,00,000	1933-36	6	Aug.		97		100
Ravalgaon Sugar	20,00,000	1943	5½	Oct.	Apr.	70		100
South Behar Sugar	5,00,000	1936	7(a)	Oct.		75N		100
Travancore	15,00,000	1946	5c	Dec.		6½		10
Bharat Sugar	5,00,000	1931	5	Dec.		75N		100
COAL								
Bengal-Nagpur	1,12,500	1905	7	Jan.	July	114½		100
Berrea	4,00,000	1896-97	6½	Oct.	Apr.	117		100
Barrakur (1st)	22,99,800	1901-19	7	Apr.	Oct.	117		100
Do. (2nd)	4,50,000	1946	6(a)			8½		10
Equitable	4,00,000	1898	6	Mar.	Sept.	115		100
Karanpura Collieries	7,50,000	1946	5½(a)			5⅞		75(pp)
††Khas Kajora	1,93,000	1931	5	Mar.	Sept.	11N		10
New Beerbhoom	2,00,000	1920	7	Jan.	July	11½		10
Ondal	2,00,000	1898-99	6½	Apr.	Oct.	110		100
COTTON								
Ahmedabad Advance	10,00,000	1939	5	Apr.	Oct.	108½		100
Bangalore	6,00,000	1864	6	Jan.	July	137		100
Basanti Cotton	5,00,000	1938	6½	Nov.		6½		10
Benares Cotton	1,05,200	1919	7	July	Jan.	55		100
Bengal-Nagpur	3,00,000	1896	7	Apr.	Oct.	117½		100
Bowreah 'A'	6,00,000	1908	8	Feb.	Aug.	128		100
Do. 'B'	6,00,000	1900	7	Feb.	Aug.	80		100
Bradbury	14,75,000	1919	7	June	Dec.	306½		250
Buckingham & Carnatic	21,30,200	1920	7½	Jan.	July	142½		100
Cambodias	1,00,000	1928	7	Apr.		131½		100
Central India	50,00,000	1912	5	Apr.	Oct.	510		500
Coimbatore Pioneer	1,00,000	1935	6½	Nov.		130½		100
Elgin	11,90,000	1912	8	May	Nov.	137		100
Do. 'B' Pref.	4,20,000	1943	5	July	Jan.	10		10
Elphinstone	25,00,000	1919	7(a)	May	Nov.	96½		100
Empcram	20,00,000	1919	7	June	Dec.	115		100
Khatau Makanji	10,00,000	1925	6	Nov.		—		100
Do. (2nd)	29,92,500	1947	4			85		100
Kothari	12,00,000	1937	6	Nov.		10		10
Lakshmi Cotton (Bombay)	16,00,000	1896	8(a)			235		250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	6½	January		72		100
Muir Mills	30,00,000	1920	6	Jan.	July	108		100
Mysore Spg.	7,45,050	1944	4½					50
New Great	8,00,000	1913	5½(a)	Mar.		185		200
New Victoria	26,05,500	1920	7	Apr.	Oct.	32		5
Podar Mills	10,00,000	1943	4	Feb.		80		100
Rajalakshmi	2,00,000	1932	6½	Apr.		56		50
Sirsa Niwas Cotton	4,80,000	1944	4					100
Sholapoor	32,00,000	1943	3(c)			80		100
Svadeshi	15,00,000	1935	5	Apr.	Oct.	110

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. G=Guaranteed shares. P=Preference shares. P.O.=Preferred Ordinary shares. R=Rebate shares. Y=Accounts published yearly. H=Accounts published Haf-yearly. Q=Accounts published once 15 months. T=Company has Debentures. R.L.=Reserve Liability on shares. N=Nominal Quotation. i=Interim Dividend. f=Dividend for first half-year, y=Dividend for the year. x=Ex. Dividend c.d.=Cum. Dividend.

Shares:—If a company has different classes of shares—as, for example A shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under "Paid-up Per Share."

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12 indicate the months of June and December, respectively. "Reserves" includes general and other reserves and all other funds which a company may have as also depreciation on block items, when this is charged to separate account "Block" represents actual cost of land, buildings, machinery, and all such other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends:—Dividends for completed years are calculated at per cent. per annum, but, where quoted for portion of a year, they represent percentages of the dividend on the paid-up share value. For companies closing the books half-yearly in the first three months of the year, and for companies closing their books yearly during the first half of the year dividends are shown as for the previous year.

COTTON MILLS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	¶Number Installed Spindles	Looms	Mill	Latest Available Quotation. Rs.	Paid-up Per Share Rs	Dividends (per cent. 1949	1950	1951	1952	Accounts closed	Reference
BOMBAY CITY AND ISLAND															
50,00,000	59,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	2-12½	2	12½	12½	15‡		12	Y.
40,00,000	96,25,655	1,22,39,883	45,646	B. R. Sons, Ltd.	50,828	1,021	Beharilal Ramcharan Cotton Mills	48½	100	6	6	—		3	T.P.Y.
2,50,98,000	4,84,93,400	3,45,45,592	2,49,666	Nowrosjee Wadia & Son, Ltd.	1,82,072	4,855	Bombay Dyeing, etc.	401½	250	16	7	8		12	Y.
10,00,000	68,56,275	52,02,609	2,59,868	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	712½	250	24	40	40		3	P.Y.
1,09,42,800	3,39,71,172	2,24,04,685	2,02,457	Birla Bros., Ltd.	1,09,320	2,706	Century	284	100	15	18	20		12	Y.
49,00,000	76,78,063	1,06,30,358	5,066	V. J. Pilani, Esq. (Chairman)	39,408	698	Colaba Land & Mill	72¢	100	—	—	4		12	Y.
26,00,000	47,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd.	27,308	680	Coorla	103½xd	100	7½	7½	7½		3	Y.
16,00,000	61,03,791	61,88,798	2,30,356	Ramnarain Sons, Ltd.	38,304	..	Dawn	60	50	4	—	12		12	Y.
24,00,000	78,85,000	63,06,555	91,036	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	235	200	7½	7½	7½		12	Y.
25,00,000	82,92,517	1,09,92,288	64,188	Chidambaram, Mulraj & Co., Ltd.	44,768	886	Elphinstone	42½	50	10	8	—		12	P.
40,00,000	1,20,29,649	75,61,616	4,37,206	James Finlay & Co., Ltd.	46,072	784	Finlay	315	100	15	15	20		12	P.Y.
50,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	—	10	Hind Mills	5½	4½	5½				6	P.Y.
12,00,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co.	71,608	1,259	Hindustan	3,260xd	1,000	17½	20	20‡		3	P.Y.
2,00,00,000								9½	10	7½	7½	10		12	P.Y.
90,00,000D	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	111½		12½	12½	25			
8,65,000	1,33,65,320	98,10,275	7,671	Damodhar Thack Mooljee & Co.	47,172	1,191	Indian Manufacturing	3,260xd	1,000	17½	20	20*		3	Y.
35,000					—	500		—	500						
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co	77,404	1,517	Khatau Makanjee	193½	100	12	14	10		6	P.Y.
1,80,00,000	3,30,34,713	2,81,07,386	2,47,768	Killick Industries Ltd.	1,11,464	1,846	Kohinoor	313	100	27½	18	25*		12	Y.
28,80,000								81½	100A	7½				6	Y.
3,60,000B	62,72,416	4,58,523	11,567	Hall & Anderson Ltd. Props.	61,516	1,742	Madhusudan Mills	—	20B						
51,75,000	1,65,94,653	1,71,00,015	2,80,686	Piramal Gangadhar & Others	60,652	1,650	Morarjee Goculdas	181½	100	17	15*	12		6	P.Y.
24,00,000	67,21,958	71,22,987	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay	176½cd	100	11	12½	15	10	12	Y.
30,00,000	79,78,669	86,82,525	70,277	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Eastern	169cd	100	6½	10	12½	10	12	Y.
12,70,100	27,38,754	13,13,391**	941	Mafatlal Chandulal & Co.	33,720	873	New Union	22½	10	—	5	10		12	Y.
48,00,000	1,14,83,245	1,34,29,555	2,40,353	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix	130½	100	6	10	10		12	P.Y.
40,00,000	45,61,000	23,31,581	1,35,988	Podar Sons, Ltd.	32,600	930	Podar	135	100	9	9	10		12	Y.
5,00,000	27,64,626	29,73,962	3,162	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk	22	10	20	20	20		12	Y.
25,00,000	35,63,793	17,86,230	1,316	M. G. Investment Corpn.	60,240	1,254	Sassoon Spinning	23‡	10	—	7½	10		12	P.Y.
60,00,000	93,52,612	65,79,388	3,19,198	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	176½	100	12½	14	17½		12	T.Y.
31,50,000	1,00,00,000	76,05,952	50,222	Forbes, Forbes, Campbell &Co.,Ltd.	36,116	1,276	Simplex	194xd	50	28	34	30‡		12	P.Y.
56,00,000	1,84,55,730	1,14,25,402	17,129	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard	296½	100	15	15	26×		12	P.Y.
75,00,000	1,97,81,673	92,45,129	70,099	Tata Industries Ltd.	65,040	2,000	Swadeshi	261	100	14	16	18		12	P.Y.
24,00,000	99,65,496	54,00,802	5,62,977	James Finlay & Co., Ltd.	35,804	552	Swan	410	100	20	20	25		12	P.Y.
82,54,438	92,22,538	68,88,347	25,338	Tata Industries Ltd.	63,248	1,800	Tata	510	25	8	8	16		12	T.Y.
12,00,000	1,17,01,933	86,62,657	4,299	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spinning	3,110xd	1,000	17½	20	20		3	
AHMEDABAD															
20,00,000	84,99,543	51,95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	147½	100	8	12	10		6	P.Y.
24,90,150	1,76,92,721	93,49,718	93,168	Haribalabhdas Kalidas & Co.	73,796	1,383	Shri Ambica Mills	298½	50	25	30	36		12	Y.
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Huthesing & Sons Ltd.	42,768	912	Aruna	393½	100	13*	15*	20*		12	P.Y.
21,00,000	2,76,11,769	99,37,517	1,37,004	Narottam Laibhai & Co.	62,448	1,216	Arvind	725½	100	22½	25	25		12	
10,00,000	93,20,000	70,77,166	92,811	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning	535	200	15	15	17½		12	P.Y.
12,00,000	1,48,97,000	79,36,000		Lalbhai Dalpatbhai & Co.	37,368	912	Asoka	420	100	15*	17	22		12	Y.
1,24,74,017	3,42,43,180	3,39,18,894	2,89,575	Karamchand Premchand & Co.	1,39,120	2,370	Calico	309	125	8	10	14–2/5		12	P.Y.
30,00,000	1,00,20,000	83,66,716	748	Tricumlal Bhoglal & Co.	39,316	867	New Commercial	1,030	500	10	11	12		12	
39,00,000	1,17,35,075	88,73,039	19,706	Mafatlal Chandulal & Co.	47,952	864	New Shorrock	534	125	28	28	28		12	Y.
5,00,000	84,57,251	41,66,135	466	Jagabhai Bhoglal Nanavati & Co.	24,840J	528J	Rajkot	555	100	25*	28*	28*		12	Y.
10,00,000	1,51,40,293	65,80,292	68,792	Lalbhai Dalpatbhai & Co.	31,120	637	Raipur	697½	100	22½	25	25		12	Y.
12,00,000	50,40,330	63,41,241	1,09,340	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Rajnagar	160	250	6	6	6		12	P.Y.
32,50,000	58,29,453	74,07,003	3,873	Lalubhai Gordhandas Ltd.	33,156	648	Rohit	112½	100	8	8	9		12	P.Y.
28,00,000	59,44,524	80,38,656	20,958	Haridas Acharatlal & Co., Ltd.	32,816	776	Vijaya	455	100	11½*		8½*		12	
WEST BENGAL															
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agency Ltd.,	13,044	356	Basanti Cotton	3‡	10	—	5	3½		12	P.T.Y
7,11,280	22,53,684	37,16,899	32,931	Bengal Textile Agency Ltd.	28,448	936	Bengal Laxmi	36¾N	40	—	7½	7½		3	P.Y.
6,00,000	74,31,075	77,07,829	—28,432	K. Bullen & Co., Ltd.	42,872	841	Bowreah	215	100	—	—	7	—f	6.12	H.
19,00,000	96,49,451	94,66,017	—27,794	K. Bullen & Co., Ltd.	42,944	518	Dunbar	124	100	5‡	—	7	—f	6.12	H.
1,20,00,000	3,29,34,262	3,04,56,320	84,976	Birla Bros., Ltd.	69,352	1,990	Kesoram	16‡	15	12½	12½	11‡		3	Y.
6,00,000A								—	25						
33,96,097B	71,09,841	79,53,833	51,255	Chakravarti Sons[&]Co.	23,484	442	Mohini		10	12½‡	7½	7½		12	
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	5	10	9	3	—		12	T.Y.
15,00,000	26,53,246	59,15,375	2,736	Ramlal & Co., Ltd.	50,000	..	Alagappa Textiles	6½	10	—	9	6		12	P.Y.
71,95,030oa	91,90,031	1,69,30,772	27,626	Ind. Trust Fund	19,944	440	Azam Jahi Mills	65	100	15*	5‡	61		9	P.H.
40,50,000	3,00,10,004	2,73,75,544	2,49,801	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	240cd	100	14½	17½	20	15	6.12	P.T.H
27,00,000	71,21,986	69,56,823	40,045	Shaw Wallace & Co., Ltd.	29,936	782	Bengal Nagpur	13‡	10	5	1½	10	5f	6.12	Y.
60,00,000	74,37,942	97,51,247	1,58,253	Binoodram Balchand Ltd.	57,312	1,338	Binod Mills	100N	100	17	17	20		12	Y.
15,00,000	1,33,79,764	84,27,674	4,60,089	Birla Bros. Ltd.	39,896	998	Coimbatore	58N	10	25	25	30		3	H.P.
1,78,47,800	3,22,27,970	4,49,59,308	2,39,158	Binny & Co., Ltd. (Madras)	1,19,916	2,781	Buckingham & Carnatic	121cd	100	6½	6½	7½		6.12	
20,00,000	32,17,315	27,32,911	55,358	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia	10‡	10	7½	—	12½		12	P.Y.
20,00,000	64,46,347	47,79,878	32,599	Begg Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	8	5	11½	11½	11½		3.9	P.Y.
46,87,500	2,25,77,600	2,00,84,126	—16,28,224	Tata Industries Ltd.	1,15,188	2,062	Central India	167	100	6	6	2		6	Y.
12,00,000	33,42,813	25,08,393	1,52,180	R Beema Nayudu & Co.	28,864	..	Coimbatore Cotton	160	100	12½	12½	12½		12	P.Y.
20,00,000	17,94,432	20,04,313	9,816	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills	98	100	7	6	—		6	
20,76,900	70,83,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	40	50	5	10	—		6	Y.
24,30,900	34,08,672	33,32,938	35,387	M. N Chettiar & Sons	29,500	201	Dhanalakshmi	190½	100	25	25	20		12	P.Y.
2,89,84,925	3,84,95,614	5,77,14,605	1,63,862	Bharat Ram, Esq.	75,604	1,830	Delhi Cloth (inc. Lyallpur Mills).	27½	25	4	10			6	
1,00,503									2½						
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd.	52,652	1,198	Elgin	17	10	12½	11½	15		9	T.Y.
39,04,700	97,00,000	78,42,395	93,393	F. Forbes Campbell & Co., Ltd.	72,960	2	Gokak	231	100	15	10	14		12	Y.
50,00,000	84,17,977	1,21,16,721	6,989	Govindram Sakasaria (Indore)	30,420	1,420	Indore-Malwa United	88½	100	4	4	5		12	P.Y.
8,90,000	22,88,977	18,75,134	487	G. V. Naidu & Co.	23,784	..	Janardhana	57	50	16	10	15		12	Y.
6,50,000	17,20,576	40,18,454	7,677	A. L. A. R. A. Chettiar and another	50,304	325	Kaleeswarar	347½	100					12	P.Y.
24,90,000	25,50,000	43,66,106	54,377	Kothari & Sons	13,824	..	Kothari	93	10	7	7½	7½		6	P.Y.
52,00,000	1,52,51,325	1,35,66,651	2,77,976	The Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton	583‡	250	15	15	20*		12	Y.
35,64,100								71	50						
17,82,050A	90,51,492	78,03,494	7,921	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	35	25	8	8	10		3	
1,75,02,480	5,94,39,299	4,16,07,732	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura	35½cd	15	17½	15	20	20	12	Y.
12,00,000	20,47,239	23,90,961	—15,121	A. L. A. R. S. Chettiar and 2 others.	21,856	..	Malabar	150	200	7½	4	6		12	P.Y.
60,00,000	93,17,097	52,62,343	30,249	W. A. Beardsell & Co., Ltd	24,252	603	Meltur Industries	185½	100	25	12½	12½		3	Y.
29,80,884	65,78,942	71,79,459	22,669	N. Sirur & Co., Ltd.	36,416	678	Minerva	169½	100	8*	6	6		12	Y.
94,91,850	96,08,512	1,34,73,361	29,643	B. Abirchand Dadabhoy & Co.	49,456	952	Model Mills, Nagpur	143‡	250	6	3	3		6	Y.
90,00,000	1,55,94,651	1,53,39,271	7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir	215	100	24‡	—			12	P.Y.
9,71,850	4,06,541	20,43,599	—2,16,536	A. Sambhu Moorty, Esq.	69	..	Mysore Silk Filatures	18	10	—	—	7½		12	P.Y.
19,86,800	1,15,39,739	82,55,416	38,347	N. Sirur & Co., Ltd.	49,632	500	Mysore Spinning	143xd	50	20	18*	20*		2	Y.
13,61,780	22,98,130	27,85,556	—4,60,000	R. Suryanarayana Rao, Esq	6,000	..	Mysore Spun Silk	42	10	5d	6½	—		3	
22,89,882								1½	25						P.T.Y.
3,07,09,50	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd.	50,228	1,148	New Victoria	—	D1	—	—	—		12	
86,93,300	1,16,82,352	1,46,35,293	1,161	Ind. Trust Fund	30,896	717	Osmanshahi Mills	95	100	14*	5‡	6‡		9	Y.
4,00,000A	19,98,937	20,38,777	19,670	Baghyalakshmi & Co.	22,800	..	Palani Andavar	52	50	4	10	16		12	P.Y.
15,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills	62	100	4	7½	5		12	P.Y.
25,30,420	36,19,473	40,65,619	11,306	A. G. G. Naidu & Co.	38,864	200	Radhakrishna	140	100	15	16	16		12	P.Y.
15,00,000	38,70,469	20,61,036	2,54,856	B. R. Nayudu, Esq.	25,896	..	Rajalakshmi	71	50	9	9	10		12	P.Y.
13,02,500	31,53,264	35,65,211	11,407	P. S. G. Nayudu & Sons	28,972	88	Ranga Vilas	41	50	6	7	7½		12	P.Y.
60,00,000	89,39,172	1,04,60,739	5,506	Sir J. P. S. & Sons (Rampur), Ltd.	32,580	600	Raza Textiles	5‡	10	—	—	—		12	P.Y.
16,00,000	1,58,35,370	2,03,51,339	—78,03,793	M. J. Divekar, Esq.	82,992	2,234	Sholapur	1,750	1,000	—	—	—		3	P.Y.
22,41,300	9,49,500	25,98,011	66,528	Gopaldas Lilladhar & Co., Ltd.	15,824	440	Shree Saijan	75	100	6	—	—		3	P.Y.
17,79,700	21,50,383	21,50,229	3,083	T. R. A. Ayyar & Bros., Ltd.	18,416	416	Sitaram	40	60	6‡	—	5		3	Y.
36,69,700	53,91,188	62,29,128	26,556	B. S. Visweswaraiya, Esq.	25 200	292	Sri Krishnarajendra Mills	36‡	50	8*	8*	6*		3	Y.
15,00,000	1,30,50,807	64,96,084	58,49,305	Birla Brothers Ltd.	27,340	992	Sutlej Cotton Mills	31‡	10	40	40	40		3	
17,90,000								9½	10	5	5	5			
1,87,50,000P.O.	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,12,216	2,077	Swadeshi (Cawnpore)	9½	10P.O.	9	9	9		12	
9,32,990	20,80,396	12,56,097	61,026	M. R. & Sons	16,000	..	Trichinopoly	9½	10	10	10	10		12	
21,00,000	53,78,037	44,54,040	38,800	R. K. S. Chetty & Bros.	33,704	270	Vasanta	150	100	7	9	10		12	
32,00,000	1,27,03,612	1,16,59,613	2,69,813	The Bombay Co., Ltd.	54,280	1,495	Vishnu	160	100	10	9	14		12	

• Includes Bonus. I. On Increased Capital. ‡ Only Depreciation. ¶ As on 31st August, 1952. †† Does not include depreciation.

x Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46. — Nil Dividend.

† Subject to tax. xd=Ex. Dividend. C.d.=Cum. Dividend.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
ART SILK AND RAYON MILLS													
1,60,42,600	37,92,725	4,15,55,170	4,66,206	Chinai & Co., Ltd.	National Rayon Corporation	82	100	—	—	—		12	P.Y
99,92,020	46,91,585	2,65,93,471	4,93,263	Emcete & Sons (Travancore) Ltd.	Travancore Rayons	3½	10	—	—	—		12	P.Y.
BREWERIES AND DISTILLERIES													
13,28,000	65,17,840	96,16,910	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	22	25	11‡	11½Q	—		5	P.Y.
6,64,000						10½	10						
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	5½	5	20	10	—		3	W
£330,000	£915,047	£1,010,005	£55,705	Parry's Holdings Ltd.	East India Distilleries and Sugar	15‡	A 16sh	10	10	10		9	P.Y
						21‡	B 20sh		15	13			
24,00,000	8,54,296	7,56,660	—7,87,632	[S. P. Smith, Esq.	Murree Brewery	4	10	—	—	—		6	Y.
6,00,000	21,13,586	12,13,593	3,951	B. A. Mallya Esq.	United Breweries	146xd	75	15	10	20		3	Y.
CEMENT													
51,19,724	21,33,493	67,56,656	15,850	The Andhra Engineering Co., Ltd.	Andhra Cement Co.	90	100	9‡	3‡	7½		18	P.Y
43,14,600	16,94,310	17,14,992	1,01,035	Eastern Corporation Ltd.	Assam Bengal Cements	4½	10	5	—			3	Y.
4,78,976D						½	1						
10,56,20,438	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.	Associated Cement Companies	174½xd	100	7	8½	9½	9½	7	Y.
10,56,20,438													
56,69,312	95,24,901	1,45,62,309	61,188	Hari Bros. Ltd.	Dalmia Cement	6½	10	—	5	6½		18	Y.T.
5,00,00001						1	1						
61,01,180	27,27,600	1,26,09,755	90,853	Essen Ltd.	India Cements Ltd.	17½	25	—	—	5		3	P.Y.
7,60,00001D						3–6½	5D						
12,00,000	1,46,20,109	1,65,80,416	81,840	Martin Burn Ltd.	Senavalley Portland Cement	7½	5	9	4	8		12	Y.
CERAMIC; MINING AND QUARRYING													
11,70,655	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2½	2½	2½	5	6½		12	Y.
10,00,000	37,00,990	51,64,271	28,729	Bird & Co.	Biara Stone Lime[Co.	29	10	16½	17½	17½		3 9	H.
30,00,000	17,91,749	50,93,341	12,332	Ram Kumar Agarwala & Bros.	Chrestien Mica Industries	9½	10	10 O	10	5f		12	P.W.
18,00,000D						6½	5 D	15	15	7½‡			
£914,300	£1,650,110	£1,643,983	£85,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3½xd	2sh.	12½†	12½†	12½		18	Y.
15,00,000	38,79,403	43,65,527	1,29,079	Bird & Co., Ltd.	Karanpura Development	14‡	10	—	—	—		6.12	H.
1,00,00002F							10	—	—	—		6.12	H.
6,00,800	6,40,199	7,98,882	9,812	Mys re Industrial Development Co.	Mysore Stoneware Pipes & Potteries	9½	10	5‡(d)	10	10		3	Y.
10,00,000	37,28,402	31,47,718	74,275	Bird & Co., Ltd.	Orissa Minerals	29½	10	6½	6½	12½	15f	6.12	H.
6,00,000	24,28,739	25,13,779	27,403	Andrew Yule & Co.	Reliance Firebricks	17	10	10	10	11½		2 8	H.
6,99,390	20,61,475	17,98,676	3 427	Killick Industries Ltd.	Shivrajpur Syndicate	64	10	15	17½	35		12	Y.
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	23,14,270	1,02,937	S. V. S. Iyer, Esq.	Kemp & Co.	245xd	200	10	10	10		3	Y.
92,14,870	55,77,268	2,53,78,334	8,595	Tata Sons, Ltd.	Tata Chemicals	9½	10	—	—	—		6	T.Y.
1,12,500	1,38,486	61,178	4,101	B. D. Nagar, Esq	Thompson & Taylor	4½	3	8½	8½			3	Y
Other Centres													
25,00,000	54,68,041	63,66,814	59,559	Bhailal Amin & Sons., Ltd.	Alembic Chemical Works Co.	100‡	100	—	8	8		12	P.Y.
62,00,000	1,07,29,152	2,20,10,944	2,51,870	Imperial Chem. Industries (India), Ltd.	Alkali and Chem. Corpn. of India	14xd	10	—S	4	6		9	Y.
88,84,700P.O.	68,00,287	78,49,987	88,67,486	S. P. Sen, Esq.	Bengal Chemical & Phar.	102	100	6	6			4	P.T.W.
81,30,000	45,64,469	38,97,031	1,09,732	Sahu Bros. (Saurashtra) Ltd.	Dhrangadhra Chemicals	165	100	6	15	15		3	Y.
4,95,000	1,50,922	1,53,108	—21,738	D. C. Collaco, Esq.	Frank Ross & Co.	2½	5	8†	4½	—		3	P.Y.
3,45,97,740	86,89,264‡	4,01,40,091	—10,83,735	Seshasayee Bros. (Travancore) Ltd.	F.A.C.T.	3½	10	—	—	—		12	Y.
40,49,343	30,74,302	83,46,263	21,842	Seshasayee Bros. Ltd.	Mettur Chemicals	4½	10	—	—	3½		3	Y.
24,81,220	34,32,111	40,15,501	14,741	E. V. Ganapati Iyer, Esq.	Mysore Chemicals and Fertilisers	7½	10	4½	9	9		3	Y.
3,00,000	6,18,752	4,52,143	29,283	Krishna & Co.	Mysore Chemical Mfrs.	12	10	3‡	12½	10		3	P.Y.
5,00,000	19,82,894	15,88,659	48,158	C. A. Buxton, Esq.	Smith, Stanistreet & Co.	5½	5	10	10	10		6	P.Y.
ELECTRICS (Bombay Presidency)													
5,19,41,930	1,63,09,143	6,03,41,957	3,113	Killick Industries Ltd.	Ahmedabad Electric Co.	114‡	100	6	6	6½		9	T.Y.
2,12,77,000	2,28,03,288	3,23,55,938	35,587	Tata Hydro-Electric Agencies	Andhra Valley Power Supply Co.	1,415	1,000	7½	7½	7½		6	P.T.Y
1,24,97,300	56,55,204	1,51,38,887	1,642	Killick Industries Ltd.	Bombay Suburban Electric Supply	124‡	100	7	7	7		3	Y.
7,07,020	4,23,681	10,27,284	2,110	Rajapatana Textiles (Agencies) Ltd.	Broach Electric Supply Development	—	10	3‡	2.9f	7		3	P.Y.
11,68,400	7,20,239	20,01,110	2,110	Rajapatana Textiles (Agencies) Ltd.	Nasik-Deolali Electric Supply	12½	100	6	6	6		12	P.Y.
48,49,000	42,

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs	Rs.			Rs.	Rs.						
OIL; PETROL, ETC.													
£750,000	£987,630	£257,232	—£718,934	I. C. H. Glass, Esq.	British Burma Petroleum Co.	1-3⅛	4sh.	—	—	—		3	P.T.Y
22,50,000	81,89,204	52,69,225	1,85,955	M. C. Alcock, Esq.	British Ceylon Corporation	14½xd	7½	20†	24†	32†		12	P.W.
1,00,00,000	2,27,04,997	1,10,70,867	2 10,329	Steel Brothers & Co.	Indo-Burma Petroleum Co	56xd	40	18	18	10		12	P.Y.
76,07,475	1,02,93,388	1,52,15,713	10,002	Tata Oil Mills	Tata Oil Mills	36	25	4	6	8		3	P.Y.
6,00,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tide Water Oil Co. (India)	16½	10	15	15	17½	5f	4.10	H.
PAPER													
45,00,000	1,56,25,500	1,94,47,651	3,21,991	Belmer Lawrie & Co.	Bengal Paper Mills	44½	25	10	10	12½	6½f	6.12	P.T.H.
30,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	150	100	7	10	11	5f	3.9	H.
25,00,000	48,30,215	47,81,895	52,615	P. R. Balakrishnan, Esq.	Mysore Paper Mills	12⅜	10	5d	7½	10*		3	Y.
41,95,000	2,47,61,003	3,22,48,806	1,68,019	Birla Bros., Ltd.	Orient Paper	30½	10	15	25	20		3.9	P.T.H.
50,06,895	1,10,93,378	84,10,902	1,86,914	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	16½	10	9½	11½	15	7½f	6.12	P.T.H.
10,00,000	31,49,465	48,58,730	6,430	Bajoria & Co.	Star Paper Mills	7½	10	—	—	5		3.9	P.T.H.
4,37,500PD						4½	2½	10	10	10		3.9	
56,00,0000	4,80,99,030	4,68,21,511	4,75,418	F. W. Heilgers & Co.	Titaghur Paper	35½	A10	28	18½	20*		3.9	P.H.
56,04,800D						35½	B10	20	18½	20*			
PLANTING; PRODUCE AND RUBBER													
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	6½	3	10	20	20		2	P.Y.
47,78,000	48,44,353	83,16,040	4,37,964	R. C. Paterson, Esq.	Consolidated Coffee Estate	15½	10	17	20	18		6	T.Y.
4,00,000	2,29,844	4,49,628	13,931	Associated Planters, Ltd.	Cotteaud Plantations	9½	10	7½	10			3	P.W.
2,12,920	1,46,540	4,67,078	1,389	A. V. Thomas & Co., Ltd.	Fringford Estates	2½	10	—	—			4	P.Y.
6,00,000	19,08,079	9,81,715	66,448	A. V. Thomas & Co., Ltd.	Highland Produce	9½	10	25	45	45		12	Y.
4,00,000	9,67,558	7,20,350	43,506	A. V. Thomas & Co., Ltd.	Kalpana Estates	18	10	17½	20			4	Y.
4,50,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Isaiankara Rubber and Produce Co.	98	20	17½	30	35		3	P.Y.
27,00,000	25,83,648	14,90,888	83,433	A. V. Thomas & Co., Ltd.	Midland Rubber and Produce Co.	9½	10	6	12½	15		3	P.Y.
3,15,000	84,334	67,53,389	29,821	A. V. George & Co., Ltd.	Neromgo Rubber	9½	10	5	6½			12	P.Y.
2,00,000	1,93,721	24,72,600	2,305	Associated Planters, Ltd.	Nilambur Rubber Co.	9	10	6	10	10		12	T.Y.
19,45,980	48,35,083	38,14,428	1,78,110	Peirce, Leslie & Co., Ltd.	Ouchterlonev Valley Estates	3-14½	2	25	25	45		10	P.Y.
13,50,000	5,82,973	28,05,990	31,101	A. V. Thomas & Co., Ltd.	Rajagiri Rubber and Produce Co.	10-5½	10	9	12½	15		6	P.T.Y
18,00,000	3,36,390	1,56,824	936	East India Agencies, Ltd.	Teekoy Rubber (India) Ltd.	6½	10	—	7½	9		3	P.Y.
3,50,000	1,81,279	5,11,395	66,520	A. V. George & Co.	Thamarapally Rubber	12⅛	10	6½	6½	15		12	P.Y.
2,85,100	4,20,985	5,12,969	37,480	Peirce, Leslie & Co., Ltd.	Thirumbadi Rubber Co.	3-2½cd	1	17½	20	25		9	Y.
6,00,000	1,17,722	7,40,149	3,953	K. C. Chaviyan, Esq. (Secretary)	Travancore Rubbers	13½	10	3½	10	20		12	T.Y.
41,00,000	14,90,372	67,61, 27	3,25,086	Aspinwall & Co., (Travancore) Ltd.	Travancore Rubber and Tea Co Ltd.	10	10	2½	6	10		12	Y.
20,00,000	1,51,493††	18,47,082	1,275	P. T. Thomas, Esq.	Tropical Plantations Co.	194N	25	10	—	—		12	P.Y.
3,20,000	81,098	3,18,571	7,609	A. V. George & Co.	Udayagiri Rubber	7½	10	5				12	Y.
6,28,580	2,18,338	6,99,135	28,140	Harrisons & Crosfield Ltd.	Vellakundan Co.	15½	10	10	12½	20		12	Y.
1,68,000	78,624	3,43,636	14,082	M. K. Thomas & Co.	Woodland Estates	7½	10	7½	6½	—		3	
PRESSING													
5,00,000	18,78,066	19,01,857	2,322	Andrew Yule& Co.	Calcutta Hydraulic Press	80	100	3	3			3	Y.
4,50,000	5,58,036	6,89,525	1,116	Pyne and Sons.	Camperdown Pressing	90N	100	4	6	7		7	Y.
6,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Central Hydraulic Press	95xd	100	3	5	5		6	Y.
PROPERTY AND LAND													
10,00,730	25,11,061	42,65,283	419	S. A. Basil, Esq.	Humayan Properties	10½	10	—	6	—	5	9	P.Y.
60,00,000	34,67,735††	83,61,045**	—	David Sassoon & Co., Ltd.	Port Canning Land	32xd	100	2	1½	1		4	Y.
94,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co	Midnapore Zemindary	39½	100	—	3	2		4	P.Y.
SAW MILLS AND TIMBER													
13,99,998	29,73,877	10,38,508	60,887	Bird & Co.	Assam Saw Mills and Timber	6⅜	9	16½	16½	16½		9	Y.
50,00,000	4,89,22,437	2,47,99,361	1 57,498	Wallace & Co.	Bombay-Burmah Trading	383½	125	12	30	18		5	Y.
42,00,000						140½	20	12	30	18		5	Y.
6,00,000	7,04,037‡	7,80,451	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	55N	100	5	—			6	P.Y.
15,00,000	25,94,349	15,51,606	73,653	G. Arbuthnot & Co.	Indian Wood Products	49½	10	28	35	35		9	Y.
SUGAR (U. P. and Bihar)													
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co.	Balrampur Sugar	6	5	—	20	—		6	Y.
12,00,000	28,96,740††	15,70,684**	2,81,000	Narang Bros.	Basti Sugar	125N	100	6½	10	8		4	Y.
19,49,050	20,10,694	26,89,188	2,24,418	Bangur Bros., Ltd.	Belsund Sugar	7½	7½	—	—	8½		9	Y.
5,00,000	21,11,580	15,38,162	40,743	Cotton Agents Ltd.	Bharat Sugar	12½	10	10	15	15		6	P.T.Y.
12,00,000	99,90,130	1,26,88,817	—5,15,881	Gladstone Lyall & Co., Ltd.	Carew & Co.	5⅜	10	5	—			6	P.Y.
15,00,000	1,30,69,452	96,28,542	31,891	Begg Sutherland & Co.	Cawnpore Sugar	20	10	15	20	30	20	10	
18,00,000	78,63,538	60,37,156	17,488	Begg Sutherland & Co.	Champaran Sugar	20⅜	10	15	15	20		6	P.Y.
60,00,000	57,00,000	56,47,253	3,615	Bashiraj & Co.	Hindustan Sugar Mills	130N	100	5½	6			6	
12,00,000						40N	80					7	P.Y.
6,00,000	41,78,374	68,10,159	—4,15,271	Kilachand Devchand & Co.	Kasar Sugar	20N	40	—	3	4	—	7	
11,00,000	27,48,180	36,39,370	3,895	Karam Chand Thapar & Bros., Ltd	New Savan	6	10	5	6½	5		5	Y.
						180N	100					6	Y.
12,59,375	58,13,366	52,06,760	6,31,015	Cotton Agents, Ltd	New Swadeshi Sugar Mills	45N	25	15	20	20			
						80N	100						
97,45,250	1 08,98,159	1,56,10,992	1,981	Cotton Agents, Ltd	Oudh Sugar Mills	20N	25	2½	2½			7	P.Y.
						12⅜	12½						
12,00,000	29,31,078	26,43,844	71,500	Narang Bros	Punjab Sugar Mills	15N	100	—	6			10	Y.
9,00,000	42,50,793	33,72,806	19,435	Begg Sutherland & Co.	Purtabpore Company	15xd	10	10	10	20	10	10	P.Y.
8,00,000	26,05,463	24,18,182	15,410	Begg Sutherland & Co.	Ryam Sugar	24½	10	15	25	10		6	P.Y.
11,97,000	38,05,615	36,11,360	23,281	Begg Sutherland & Co.	Samastipur Central Sugar	13	10	10	20	20		6	P.T.Y.
28,00,000	37,29,582	93,96,808	27,889	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10½	10	—	3½	10		7	Y.
9,99,952	11,66,782	21,41,729	10,162	H. K. Ghose, Esq. & R. N. Datta.	Sitalpore Sugar	5½	10	—	—	5		6	
6,50,000O						15N	10						Y.
1,79,000D	11,94,395	27,92,174	—14,73,656	N. K. Jain & Co., Ltd.	South Behar[Sugar]	1N	2½	—	—			19	
8,00,000	54,46,474	70,75,580	57,216	Cotton Agents, Ltd.	Upper Ganges	20N	30	17½	20	20		6	Y.
(Indian States and Other Centres)													
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Belgaur Co.	239	50	16½	25	28	32	9	P.Y.
18,93,900	18,53,357	37,63,451	21,012	J.P.Srivastava&Sons(MadhyaBharat)Ltd.	Gwalior Sugar Co., Ltd.	38	100	—	5	3		6	P.Y.
13,00,000	38,42,751	22,63,689	2,71,331	India Sugar Agencies Ltd.	India Sugar & Refineries	18	10	12½	15	25		5	Y.
33,37,350	46,47,856	38,47,284	4,64,518	Govan Bros. (Rampur) Ltd.	Rampur Sugar	10½	10	7	7½	10		5	P.T.Y
1,81,00,000	98,19,853	1,59,79,853	1,94,491	Frazier Construction Co., Ltd.	Walchandnagar Industries	156½	100	17½	12	14		9	P.Y.
81,79,280	1,49,74,559	97,24,107	8,27,296	M. Malleshayya, Esq.	Mysore Sugar	43	10	20*	20	20		9	Y.
50,00,000	96,62,468	1,03,94,086	3,18,594	Mahtsul, Apa & Kantlal, Ltd.	Phaltan Sugar Works	88½	50	14	16	16	16	9	Y.
16,59,820	22,08,765	43,79,429	73,041	Anderson Wright Ltd.	Ramnagar Cane & Sugar	16½	10	15	6	7½		9	P.T.Y.
20,80,000	34,70,896	72,10,442	1,80,913	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	90N	50	7	14	18		9	Y.
19,99,580	50,82,224	42,94,120	6,05,982	Govan Bros. (Rampur), Ltd.	Raza	11C.R.	10	6	—	12½		5	Y.
30,00,000	23,82,353	58,70,150	20,980	Parry & Co., Ltd	Travancore Sugars	4½	10	—	—	—	—	7	
UNCLASSIFIED (Bombay)													
50,00,000	1,14,37,216	46,81,706	—4,88,411	Tata Industries Ltd.	Air-India Ltd.	82	100					12	Y.
2,40,000	4,90,364	5,64,538	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	705	500	15	15	15	17½	9	Y.
59,89,550	2,64,61,562	3,70,82,313	53,607	Scindia Steam Navigation Co., Ltd.	Bombay Steam Navigation Co., Ltd.	35	25	—	—	—		6	P.Y.
15,98,860	1,38,287	19,19,255	52,663	Parakh Agencies Ltd.	Bombay Uganda	54N	80	5	5	5		12	Y.
45,00,000	46,57,108	1,24,608	41,429	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	350N	150	8-5/6	13½	13½	13½	12	Y.
25,00,000	1,50,000	24,37,096(k)	12,787	Dena Sons Ltd.	Davkaran Nanji Investment Co.	25	25	3	3	3		3	
36,00,000	17,39,540	10,69,107	4,425	P. H. Mehta Esqs.	Estrela Batteries Ltd.	30½N	50	6	6	5		9	P.Y.
99,99,250	17,07,072	1,25,54,783(k)	1,66,116	Premchand Roychand & Sons	Industrial Investment Trust	71	100	3½	4	4½		12	Y.
34,98,865	15,91,304	12,58,924	2,833	K. G Milne, Esq.	Killick Industries	145xd	100	8	8½	10		6	
2,06,71,500A						45½	10	—	—	—		6	Y.
10,00,000 B	65,85,939	2,20,52,503	4,52,797	Aero-Auto Ltd.	Premier Automobiles Ltd.	152cd	15	—	—	3½		6	Y.
6,59,62,018	9,89,24,387	12,98,97,421	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co., Ltd.	50N	50	10	10	10		12	Y.
1,50,000	3,71,457	2,21,590	3,145	R. B. Bandekar Esq.	Thacker & Co.	34	20	7½	10	15		12	Y.
10,21,200	14,61,299	15,42,904	55,330	Sir Joseph Kay, K.B.E.	United Motors (India)	229⅜	100	17*	11*	11*		12	Y.
2,20,00,000	2,06,24,172	2,01,34,774	2,86,210	T. H. Rydin Esq.	Western India Match Co.								
Other Centres													
47,50,000	4,90,364	5,64,538	702	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	3⅜	10	—	—	—		3	P.T.Y.
2,50,000D						18⅛	10	10	17½*	25*	12½	8	
30,00,000	53,38,668	31,59,164	5,24,909	Turner Morrison & Co., Ltd.	Angelo Brothers Ltd.	20	10	12½*	12½*			12	
20,00,000	23,25,002	22,18,452	1,00,602	T. H. Rydin Esq.	Assam Match	5	10	7½	6	12½*		3	P.T.Y.
80,00,000	50,63,088	92,32,652	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	301	1000	20*	20*	20*		3	Y.
30,00,000						—	40D	15	15	20		12	
20,00,000	8,38,806	54,05,998(K)	1,25,380	Lovelock & Lewes	Birds Investments Ltd.	14½xd	10	11½	11½	12½	12½	9	P.Y.
1,00,00,000	1,00,01,435	2,26,31,139	1,16,825	Dinshaw Ltd.	Bharat Line	90	100	3	3	4		12	P.Y.
30,64,680	50,81,266	83,30,736	1,82,277	A. P. Chanda Esq.	Britannia Biscuit	16½	10	12½	12½	7½-1		3	P.Y.
2,25,00,000	2,93,27,829	2,23,59,029	4,13,662	Sir Robert Mesnies, Kt., O.B.E.	British India Corporation	9 ¾d	5	13½	15	15		12	P.Y.
1,00,00,000	2,13,72,458	3,17,09,351	6,77,697	Cecil Hoare Esq.	Dunlop Rubber Co. (India)	28	10	30	30	15-1		12	P.Y.
51,26,000	45,06,847	—	2,43,195	Bird & Co., Ltd.	Eastern Investments	137	100	8	9	9		12	H.
7,00,000	29,85,208	24,09,208	17,900	Macneill & Barry Ltd.	Ganges Rope	180	100	20	22½	15f		3.9	
65,00,000	34,13,857	15,52,902	2,07,524	A. J. Elkins, Esq.	Gillanders Arbuthnot & Co., Ltd.	130xd	100	7½	10	10		3	P.Y.
30,00,000	37,25,249	60,01,406	6,213	B. P. R. Syndicate	Great Eastern Hotel Co.	252	100	6	6	6		3	P.Y.
15,42,800	36,42,049	54,49,206	12,214	Birla Brothers, Ltd.	Hind Cycles	100N	100	5	7½	7½		12	P.Y.
4,96,12,650	59,45,519	2,61,59,292	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	4-0½	10	—	7½	—		3	P.Y.
4,00,00,000	1,33,45,017	2,42,89,199	—	J. W. B. Johnson, Esq.	Indian Aluminium Co.	115	100	5	—	—		9	P.Y.
1,52,89,220	1,31,92,732	57,92,390	9,29,554	D. J. Meintesh, Esq.	Indian Cables	18⅜	10	25	10	10*		3	
83,75,000Q						4½	10	—	—	—			
5,00,000P	51,91,428	75,82,228	—15,72,246	Govan Bros., Ltd.	Indian National Airways	6⅝	10	—	—	—		12	P.Y.
1,25,000D						1	1	—	—	—			
8,27,978	12,79,385	14,27,460	39,038	George Spencer Moulton & Co. (India).	Indian Rubber Manufacturers	14½	10	10	10	10		3	
2,25,00,000	1,60,38,685	3,87,93,801	2,26,066	Lionel Edwards Ltd.	India Steamship Co., Ltd.	6½xd	10	—	—	—		3	P.T.Y.
2,40,000	4,33,038	—	67,247	G. V. Swaika, Esq.	Ivan Jones	2	10	21½	21½	21½		9	Y.
2,00,00,000	53,39,843	27,16,440	8,86,448	J. D. K. Brown, Esq.	Jardine Henderson	125½	100	10	10	10		3	P.Y.
6,34,000	9,69,698	6,65,110	—54,713	James & Co., Ltd.	Macfarlane & Co.	2⅜	10	—	—	—		12	P.Y.
40,00,000O						158N	O. 100	10	10	12½	12½	12	P.Y.
5,00,000D	63,35,248	23,69,220	85,717	A. T. Doig, Esq.	McLeod & Co	—	D. 10	8	7½	7½	—	12	P.Y.
6,35,190	4,10,533	7,47,410	10,548	Ogale Glass Works Ltd.	Mysore Glass & Enamel Works	5	10	—	—	—		3	P.Y.
3,75,000	3,74,553	8,79,856	3,666	R. Shamnath, Esq.	Mysore Lamp Works	18½	10	10	6½	—		3	P.Y.
10,00,000	3,95,997	11,45,855	1,11,329	V. S. Arunachalam, Esq.	Mysore Tobacco	9½	10	—	20	—		3	P.Y.
20,00,000	51,92,159	50,16,078	11,045	Associated Ind. Development Co., Ltd	National Insulated Cable Co., of India Ltd.	11½	10	5	5	10		3	P.Y.
69,97,000	65,83,352	1,01,56,524	8,86,547	R. N. Bose & Co., Ltd.	National Tobacco Co.	11½	10	—	5	7½		12	P.T.Y.
14,87,137	6,67,696††	18,52,369**	23,513	S. P. Ogale & Co.	Ogale Glass Works	3	10	—	2½	5		12	P.Y.
40,00,000	36,64,522	60,88,006	1,94,446	Parry's Holdings Ltd.	Parry & Co.	5-14½	8	62½	—	80-1	52½	12	T.W.
2,25,00,000	62,51,619	1,69,49,507	24,847	G. U. Euthymopulo, Esq.	Rallis India Ltd.	71½	100	8	—	8½	9	8	P.Y.
1 14,00,000	2,29,15,252	5,78,03,905	35,67,941	Sahu Jain Ltd.	Rohtas Industries	9	10	—	—	—	—	6	P.Y.
40,00,000	1,53,62,299	1,19,84,861	5,36,552	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	14xd	10	10	10	7½		6	Y.
75,00,000	22,00,000	1,75,74,498	2,62,138	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	12½	10	10	10	15		12	Y.
9,98,280	3,19,364	8,90,420	1,855	Ogale Bros., Ltd.	Travancore Ogale Glass	3⅜	10	—	4	—		12	Y.

†† Does not include depreciation. ‡ Only Depreciation. * Includes Bonus. —Nil Dividend. K—Investments. ** Net Block. † Less income-tax. X.R.—Ex-Right. C.D.—Cum Dividend. I On Increased Capital. (c) For six months ended June, 1949 (d) For nine months ended March, 1950

TEA COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1948	1949	1950	1951	Accounts Closed	Reference
Rs.	Rs	Rs	Rs				Rs.	Rs.						
ASSAM														
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	450N	100	9	20	25	—	12	P.Y
3,50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd.	4004	Anandabag	24	10	16	25	40	30	12	Y.
2,50,000	10,64,192	12,05,396	—89,152	McLeod & Co., Ltd.	573	Baghmari	9½	10	12½	12½	17½	—	12	Y.
3,40,000	9,12,881	7,05,721	44,989	Andrew Yule & Co., Ltd.	360	Banmazia	22	10	10f	20	30	25	12	Y.
3,30,600	7,24,887	8,38,278	71,941	Williamson Magor & Co.	556	Bateli	9½	5	25	25	30	10	12	T.Y.
3,20,000	6,19,032	6,72,731	54,942	Gillanders Arbuthnot & Co., Ltd.	4,004	Beljan	27½	10	25	20	35	15	12	Y.
16,50,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co.	493	Bishnauth	4½	10	30	35	50	5	12	Y.
6,00,000	4,80,346	9,78,429	—1,90,802	Octavius Steel & Co., Ltd.	450	Bokakhat	11	10	10	5	5	—	12	Y.
7,50,000	5,06,959	7,64,836	22,297	McLeod & Co., Ltd.	2,670	Borma Jan Tea Co., Ltd.	11	10	15	15	15	15	12	P.Y.
35,00,000	22,18,001	70,96,925	87,990	Brooke Bond India Ltd.	282	Brooke Bond	7½	10	10	10	10	10	6	P.T.
1,20,000	3,06,715	3,66,030	—29,101	McLeod & Co., Ltd.	1,341	Dejoo Valley	8	10	6½	6½	15	—	12	Y.
6,00,000	22,17,578	24,24,301	25,545	Jardine Henderson Ltd.	426	Dessai & Parbutia	175	100	5	15	30	22½	12	Y.
17,53,440	7,15,393	19,11,105	54,461	James Warren Ltd.	613.37	Dhelakhat	10½	10	10	10	15	16	12	Y.
4,68,970	8,90,863	13,71,610	25,794	James Finlay & Co., Ltd.	458	Dhunseri	10	10	6½	10	20	10	12	T.Y
4,50,000	6,57,785	7,95,511	35,408	McLeod & Co., Ltd.	611	Dibrugarh Co., Ltd.	7⅜	10	7½	—	10	5	12	Y.
2,36,700	6,75,511	8,91,960	1,01,960	Williamson Magor & Co., Ltd.	669	Dimakusi	24½	10	40	40	45	15	12	P.W.
3,60,500	12,72,787	15,08,787	45,079	Williamson Magor & Co., Ltd.	1,157	Duffla ghur	33½	10	25	25	40	40	12	Y.
10,00,000	10,31,120	18,91,120	16,947	Andrew Yule & Co., Ltd.	407	East India Tea	19	10	15	20	22½	22½	12	Y.
3,60,000	6,43,852	7,69,087	1,11,346	Williamson Magor & Co.	520	Gillapukri	15	10	15	17½	22½	10	12	Y.
1,38,000	9,01,149	12,09,149				Gohpur	25½	10	25	25	40	30	12	P.T.Y
4,94,360	17,46,514	17,08,255	82,387	Octavius Steel & Co., Ltd.	1,284	Grob	16	A 10	30	35		20	12	Y.
2,40,790							8	B 5	7½	10	30			
2,00,000	8,16,550	5,82,005	58,806	Andrew Yule & Co., Ltd.	4364	Hoograhi	26	10	25	30	40	30	12	Y.
4,35,000	15,78,387	17,05,269	35,208	Andrew Yule & Co., Ltd.	1,133	Hoolungooree	275N	100	25	25	25	17½	12	Y.
7,50,000	7,46,426	11,98,156	29,063	Gillanders Arbuthnot & Co., Ltd.	866	Jutlibari	8½	10	3	2½	12½	5	12	Y.
2,40,000	8,88,549	2,47,119	15,953	Shaw Wallace & Co., Ltd.	1,576	Kingsley Golaghat	198N	100	5	7½	10	—	12	Y.
6,50,000	6,30,256	6,29,717	496	Duncan Bros. & Co., Ltd.	1,047½	Lado	8½	10	7½	2½	20	—	12	Y.
4,80,000	1,10,084	8,52,930	286	Duncan Bros. & Co., Ltd.	673	Mohesena	3½	10	—	—	—	—	12	P.Y.
5,00,000	2,97,754	3,37,106	30,206	Kettlewell Bullen & Co., Ltd.	435	Methola	850N	100	38	40	45	35	12	Y.
1,50,080							17½	10	15	25	30	20		
90,000	8,21,124	8,59,324	32,644	Andrew Yule & Co., Ltd.	315	Murphulani	22½	10	20	30	35	25	12	Y.
2,00,000P.O.							26	10	30	35	40	22½		
4,00,000	7,00,011	5,75,550	20,262	S. C. Sen Esq.	539	Naga Hills	275N	100	25	25	25	17½	12	P.Y.
3,35,000	4,65,293	3,85,893	4,000	Andrew Yule & Co., Ltd.	1,133	Nambuwadi	9½	10	6	7½	10	—	12	Y.
5,00,000	5,43,375	5,75,528	10,394	Duncan Bros. & Co., Ltd.	940	New Cinnaleibah	57½	100	12½	2½	—	—	12	Y.
2,00,000	6,31,010	5,89,739	29,091	Andrew Yule & Co., Ltd.	337	Rajgarh	18	10	12½	—	30	17½	12	Y.
6,00,000	9,49,606	15,32,152	18,568	James Finlay & Co., Ltd.	878	Sapoi	8	10	12½	10	7½	2½	12	Y.
2,49,000	4,52,319	4,72,319	20,597	Williamson Magor & Co.	547	Seajuli	15	10	40	35	15	—	12	Y.
1,00,000

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
80,00,000	90,11,129	94,76,923	3,11,246	879	B. N. Elias & Co., Ltd.	Agarpara	20	10	10	15	20		3.9	P.T.H
12,00,000	50,61,739	43,32,316	16,522	498	Sahu Jain Ltd.	Albion	200xd	100	—	14	30	8f	5.11	P.H.
6,00,000	30,55,572	47,33,264	—3,29,636	446	McLeod & Co., Ltd.	Alexandra	200	100	—	5	5	—f	6.12	T.P.H.
30,00,000	85,82,864	1,17,03,966	—13,63,074	1,264	McLeod & Co., Ltd.	Alliance	165	100	—	2½	—	—f	6.12	P.H.
49,20,700	2,31,84,144	2,24,03,099	1,44,601	2,561	Duncan Bros. & Co.	Anglo-India	232	100	—	20	20	10f	3.9	P.H.
40,00,000	1,18,83,050	1,31 13,967	71,745	810	Bird & Co., Ltd.	Auckland	127xd	100	1½	10	10	4f	3.9	P.T.H.
30,00,000	92,46,901	97,14,511	55,967	959	Jardine Henderson & Co.	Bally	166	100	7	12	1	—f	3.9	P.H.
275,000	£1,680,379	£1,328,460	£91,091	1,890	Jardine Henderson & Co.	Barnagore	174	£5	20	20	20		3	P.Y.
28,00,000	82,01,627	87,37,598	3,65,214	820	Andrew Yule & Co.	Belvedere	214	100	13	17	27½		6.12	P.H.
45,00,000	78,51,305	51,03,385	4,07,701	600	Soorajmull Nagarmull	Bengal	16	10	13½	15	30		6	T.P.Y.
30,42,000	3,71,34,151	3,06,60,933	1,38,294	1,373	Birla Bros.	Birla	35	10	25	30	30		3	P.Y.
58,00,000	98,17,668	1,07,34,059	9,583	991	Andrew Yule & Co., Ltd.	Budge-Budge	184	100	7	13	22		4.10	H.
7,47,180	30,53,701	39,44,098	34,320	502	Dayaram & Sons	Calcutta Jute Manufacturing	20xd	10	—	—	20		6.12	T.P.H.
18,00,000	65,04,289	75,27,158	2,646	616	Andrew Yule & Co.	Caledonian	177	100	5	14	22	6f	5.11	P.H.
99,14,400	2,11,26,602	1,62,21,807	1,35,299	1,400	James Finlay & Co., Ltd.	Champdany	168	100	3	10	14	8f	3.9	P.H.
15,93,000	79,98,514	78,92,619	19,870	530	Andrew Yule & Co., Ltd.	Cheviot	214	100	13½	16	22	6f	5.11	P.H.
10,05,000	83,89,114	55,21,773	60,392	508	McLeod & Co.	Chitavalsah	27	10	12½	15	60	25f	6.12	T.P.H.
16,00,000	80,24,460	77,89,914	1,01,979	969	Shree Krishna Investment Co., Ltd.	Clive	25	10	12½	35	20		3	P.H.
31,49,200	1,21,56,497	1,16,59,962	21,356	766	Bird & Co., Ltd.	Dalhousie	151xd	100	1	11	12	1f	3.9	P.H.
88,00,000	86,35,708	73,68,012	21,890	779	Andrew Yule & Co.	Delta	234	100	11	17½	32½		5.11	P.H.
13,00,000	83,75,460	74,82,092	45,656	500	McLeod & Co.	Empire	197	10	10	20	25	5f	6.12	T.P.H.
21,00,000	2,35,23,130	2,62,73,643	1,801	1,804	Kettlewell Bullen & Co.	Fort Gloster	290	100	2½	32½	22½	—f	3.9	P.T.H.
14,00,000	48,25,115	69,94,729	—8,32,397	1,014	G. C. Banerjee, Esq.	Fort William	305N	100	—	10	—		3.9	P.H.
84,32,100	1,42,71,745	2,06,96,669	42,572	1,709	Macneill & Barry Ltd.	Ganges	74	100	—	—	2½		3.9	P.H.
10,80,000	71,71,252	67,89,135	25,156	603	G. Arbuthnot & Co.	Gondalpara	825	300	—	15	30		12	T.P.H.
84,00,000	2,02,41,185	2,18,72,990	89,236	1,394	Macneill & Barry Ltd.	Gourepore	262	100	2½	25	11½		3.9	P.H.
40,00,000	81,93,062	81,94,127	3,06,824	1,078	Bangur Bros. Ltd.	Hastings	210N	100	10	7	10		3	P.Y.
16,80,000	38,01,116	64,29,355	49,417	720	G. Arbuthnot & Co.	Hooghly	32	10	10	30	15		3	P.Y.
65,62,500	1,56,21,640	1,59,50,625	1,71,001	1,948	Jardine Henderson Ltd.	Howrah	25	10	7½	17½	18½	8½f	5.	P.H.
10,00,000	1,74,30,109	2,25,00,109	3,91,968	2,272	Ramdutt Ramkissendas	Hukumchand	38	10	7½	46§	66§	66§	3	T.P.Y.
30,000	87,45,632	1,10,99,740	1,43,281	1,076	Mackinnon Mackenzie & Co.	India	135	{O. 125 D. 1	5½	5½	10	3½	3.9	P.H.
45,20,000	1,35,11,140	1,36,47,095	67,132	1,797	Jardine Henderson Ltd.	Kamarhatty	210	100	—	5½	8½	3½	3.9	P.H.
54,00,000	1,13,89,109	91,36,930	1,07,129	1,527	Jardine Henderson Ltd.	Kankanrah	150	100	—	—	22½	8½f	6.12	P.H.
21,00,000	1,13,89,109	91,65,930	1,07,129	1,703	McLeod & Co.	Kelvin	215	100	10	20	25	7½f	6.12	P.H.
54,00,000	1,18,86,997	1,59,17,038	2,06,473	1,590	Anderson Wright Ltd.	Khardah	165	100	—	25	16		3.9	P.H.
48,00,000	1,94,15,089	2,09,37,751	1,16,651	1,250	F. W. Heilgers & Co.	Kinnison	205	100	2½	14	19	7f	3.9	P.T.H.
24,48,000	1,24,25,159	1,33,71,480	40,487	931	Bird & Co., Ltd.	Lansdowne	142	100	2	21	15	3f	3.9	T.P.H.
28,00,000	1,19,87,748	1,13,75,507	6,954	840	Bird & Co., Ltd.	Lawrence	178xd	100	6	21½	22	4f	3.9	P.H.
21,65,200	1,35,61,586	1,95,64,756	1,02,068	1,008	Andrew Yule & Co.	Lothian	230	100	—	15	32½	15f	5.11	P.H.
29,98 900	1,29,56,303	1,55,05,495	—2,80,351	815	Mackinnon Mackenzie & Co.	Megna	104	100	4½	8½	3½		3.9	H.
12,00,000	29,95,424	24,75,180	52,447	425	F. W. Heilgers & Co.	Naihati	133	100	—	15	12	—f	3.9	P.T.H.
33,00,000	50,36,405	27,42,753	5,264	852	Howrah Trading Co., Ltd.	Naskarpara	15	10	11½	13½	15f		4.10	T.P.H.
7,50,000	52,11,917	24,37,663	21,345	316	Andrew Yule & Co.	National	25½	10	11½	15	25		4.10	P.H.
10,50,000	66,36,905	45,98,858	7,738	709	Sahu Jain Ltd.	Nellimarla Jute	29½	10	25	30	75	20	6.12	T.P.H.
16,79,880	98,33,709	1,18,62,645	5,954	567	Bird & Co., Ltd.	New Central	220xd	100	6	14	30	10f	6.12	P.H.
66,79,500	1,73,80,223	2,06,56,876	1,03,963	1,092	Macneill & Barry Ltd.	Northbrook	102xd	10	—	—	20	2½f	3.9	P.T.H.
24,91,000	71,47,003	68,55,552	3,591	661	Andrew Yule & Co., Ltd.	Nuddea	49½	50	—	5½	4½		3.9	T.H.
						Orient	188	100	9	14	18		5.11	H.
25,00,000	63,83,642	80,79,256	—4,76,887	400	McLeod & Co.	Presidency	5§	5	—	—	2½	—f	6.12	T.H.
20,00,000	7,67,493‡	26,15,293	—3,29,549	305	Macneill & Co.	Rameshwara	5§	10	—	1§	—		3.9	H.P.
46,00,000	£9,99,994	£11,96,402	£76,498	1,276	Jardine Henderson Ltd.	Reliance	14§	10	—	—	—		3.9	P.H.
30,00,000	68,57,466	95,49,412	87,40,952	2,013	Thomas Duff & Co. (India) Ltd.	Samnuggur	13½	11	6‡‡	10‡‡	10		12	P.Y.
7,00,000	45,17,785	48,14,456	2,73,383	911	Bagaria More Co., Ltd.	Shree Ambica (Adamjee)	17§	10	—	15	10f		3.9	P.H.
23,19,600	1,06,20,961	93,73,041	12,665	401	Hindustan Investment Corpn.	Soorah	13N	10	—	10	—		12	P.Y.
46,00,000	£8,36,984	£9,78,287	£1,29,393	650	Bird & Co., Ltd.	Standard	151xd	100	4	15	16		3.9	P.H.
25,98,600	1,80,41,145	1,73,93,324	15,098	1,794	Thomas Duff & Co. (India) Ltd.	Titaghur	15§	11	6‡‡	10‡‡	10		12	Y.H.
84,00,000	£6,35,795	£10,47,385	£1,00,239	1,326	Bird & Co., Ltd.	Union	180	100	2	19½	21	1f	3.9	P.T.H.
2,50,000	32,89,383	55,48,403	—47,909	1,331	Thomas Duff & Co. (India) Ltd.	Victoria	15	11	6‡‡	10‡‡	10		12	Y.H.
				465	McLeod & Co.	Waverley	6	1	—	5	5	—f	6.12	P.T.H.

(y) For ten months ended 31st December, 1951.

‡‡ Subject to foreign Income-tax. ‡ Only Depreciation. • Includes bonus.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
25,50,000	61,24,011	64,99,011	25,799	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	20½	10	17½	20	13½	5f	3.9	H.
12,00,000	41,76,885	37,08,981	37,055	Jardine, H. & Co., Ltd.	Bararee Coke	17	10	14½	13½	14½		3.9	H.
40,00,000	70,50,712	1,17,79,347	23,814	Sahu Jain Ltd.	Bharat Collieries	6⅝	10	6½	6½	6½		6	P.T.Y.
1,00,00,000	3,35,25,103	3,08,61,725	8,02,968	Andrew Yule & Co., Ltd.	Bengal	533	200	33½	17½	18½•	7½f	4.10	P.H
4,49,350	5,82,303	8,49,159	3,152	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	24N	10	2½	2½	2½	1½f	6.12	H.
2,25,000	27,12,507	25,84,461	4,280	Andrew Yule & Co., Ltd.	Bengal-Nagpur	18½	10	22½	16½	10	3½f	6.12	P.H
15,97,000	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	4½	10	—	2½	1½		9	Y.
7,15,000	50,04,831	50,17,715	3,437	F. W. Heilgers & Co., Ltd.	Bhulanbarare	12½	10	—	6½	6½	2½f	6.12	H.
16,00,000	33,46,046	67,83,723	—1,37,184	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	8½	10	5	—	—		6.12	T.H.
7,50,000	42,42,776	40,82,736	1,07,078	F. W. Heilgers & Co., Ltd.	Borrea	28½	10	20	30	30•	15f•	6.12	P.H.
90,92,480	3,23,04,936	3,94,53,208	1,54,703	Bird & Co., Ltd.	Burrakur	11	10	10½	7½	7½	3½f	6.12	P.T.H.
8,00,000	44,73,086	48,99,835	6,672	Anderson Wright & Co.	Central Kurkend	15N	10	17½	12½	—	—	6.12	P.H.
6,00,000	1,40,000	7,50,000k	28,918	F. W. Heilgers & Co., Ltd.	Churulia	2½	4	6½	4½	1½	1f	6.12	P.H.
16,00,000	30,19,961	43,00,861	11,699	Macneill & Barry Ltd.	Dhemo Main	10½	10	10½	10	12½		6.12	H.
£120,000	£1,084,338	£872,414	£78,839	Jardine Henderson Ltd.	East Indian	22½	£1	13½	37½	37½		4	Y.
29,63,760	3,07,47,993	2,96,10,834	1,90,766	Macneill & Barry Ltd.	Equitable	42½	10	25	25	25		6.12	H.
10,00,000	4,83,963	8,41,725	66,865	Bhatter's Agency Ltd.	Ghusick and Muslia	16½N	3	20	5	—		3	Y.
8,00,000	21,14,376	21,51,521	15,633	Macneill & Barry Ltd.	Hurriladih	14½	10	12½	15	15		6.12	H.
3,50,000	11,63,346	12,53,839	40,107	Andrew Yule & Co., Ltd.	Kalapahari	44N	10	26½	35	35•	17½f	2.8	H.
20,00,000	68,340‡	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	90	100	—	—	—		2	Y.
5,00,000	42,58,631	42,08,253	1,46,012	Andrew Yule & Co., Ltd.	Katras Jherriah	40½	10	27½	35	37½	20f	1.7	H.
1,38,400	5,20,519	11,63,519	1,063	H. V. Low & Co., Ltd.	Khas Kajora	20N	10	11½	10	3f		6.12	P.H.
11,00,240	10,19,288	15,64,007	3,201	H. V. Low & Co., Ltd.	Kuardi	7N	10	3½	3½			6	Y.
13,50,000	29,43,024	28,41,241	13,549	H. V. Low & Co., Ltd.	Lakurka	12½N	10	10	10	7½		4	Y.
3,65,750	11,41,667	22,37,077	2,691	Beriwala & Co.	Mandulpoor	7xdN	10	5	7½			6.12	H.
7,48,240	10,34,138	11,24,142	14,690	Associated Commercial Co., Ltd.	Nazira	6½	10	5	2½	5‡		6.12	H.
7,00,000	3,77,590	9,33,321	44,597	Amritlal Ojha & Co., Ltd.	New Bansdeopur	6½	10	6½	7½	6½		3.9	H.
17,76,230	89,43,381	1,14,69,344	39,912	Andrew Yule & Co., Ltd.	New Beerbhoom	21	10	3	6	—		4.10	H.
6,00,000	24,61,802	30,92,604	—2,10,056	Octavius Steel & Co. Ltd.	New Manbhoom	10½	10	12½	7½	—		3.9	P.H.
2,50,000	6,84,984	5,45,859	1,387	Jatia Bros. Ltd.	North Damuda	4N	2½					3.9	H.
1,15,000 / 1,57,500	10,81,297	12,56,672	12,237	Andrew Yule & Co., Ltd.	North West	15N / 11½N	10	16½	13½	5	2½f	3.9	H.
7,50,000	12,54,532	3,97,666	1,23,852	F. W. Heilgers & Co., Ltd.	Ondal	15N	10	12½	25	22½•	10f	6.12	P.H.
10,00,000	14,15,045	32,73,178	46,739	K. C. Thapar Bros. Ltd.	Oriental Coal	12N	10	10	10	10		12	T.Y.
8,34,000	5,98,486	16,29,203	70,539	Deepchand Kishenlall	Parasea	3½	10	—	—	—f		6.12	H.
15,75,000	34,87,649	39,37,649	31,995	Shaw Wallace & Co., Ltd.	Pench Valley	21	10	16½	12½	10	6½f	2.8	H.
23,99,500	88,51,195	1,02,79,253	—8,92,750	B. N. Elias & Co., Ltd.	Rancegunge	8½	10	—	—	—		6.12	H.
13,50,000	28,66,087	29,99,087	35,349	Shaw Wallace & Co., Ltd.	Rewa	17½	10	8§	12½	10	7½f	6.12	H.
20,00,000	15,10,118	28,07,516	165	Jaipuria Sons Ltd.	Samla Collieries	6½	10	—	5	13f		6.12	H.
1,25,000	12,44,124	13,05,188	18,451	Gillanders Arbuthnot & Co., Ltd.	Searsole	10½N	10	20	20	20		6.12	H.
2,80,000	18,31,795	27,82,403	26,724	Andrew Yule & Co., Ltd.	Seebpore	29½	10	25	30	75	20	1	Y.
8,00,000	34,57,222	36,96,604	10,379	F. W. Heilgers & Co., Ltd.	Sendra	26	10	7	35-5/7	32-1/7	28-4/7	6.12	P.H.
								5	5	5	3½	6.12	H.
63,21,450	2,13,85,164	3,04,98,616	23,658	Industrial Trust Fund	Singareni	6⅝	10	4½	5	5	—f		T.Y.
17,50,000	23,75,231	34,59,256	93,675	Bird & Co., Ltd.	South Karanpura	13½	10	18½	10	7½		12	H
8,00,000	35,43,816	39,93,119	74,094	F. W. Heilgers & Co., Ltd.	Standard	17½	10	16½	15	10	5f	2.8	H.
10,00,000	15,41,499	29,34,045	—2,46,174	Villiers Ltd.	Talcher	3½	10	—	—	—		6.12	Y.
3,50,000	17,36,513	18,94,910	74,927	Williamson Magor & Co., Ltd.	Union	25	10	20	27½	27½	12½f	9	H.
7,00,000	26,05,667	33,34,989	32,735	Macneill & Barry Ltd.	West Jamuria	17½	10	15	15	15		6.12	H.

• The following explanatory notes relate to the abbreviations and marks shown on page 424 in the debentures section:—

(a) Option to repay on six months' notice, on any interest date after 31st December, 1951, at 102 per cent. Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 102 per cent.

(c) Option of repayment at any time at 3 per cent. premium.

(b) Bearer bonds of Rs. 1,000 each repayable at par.

Bearer bonds of Rs. 1,000 each repayable on 31st July, 1959.

(d) Bearer bonds of Rs. 1,000 each with option of redemption in whole or in part at par on 30th June, 1952, or on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months notice in each case.

Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ½ per cent. premium, after 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March, 1957

(h) Option of redemption on or after 1st July, 1949, at par.

(f) Option of repayment at any time at par at any time on or after 30th June 1947 on six months' notice.

MARKET GOSSIP

(Concluded from page 375)

respective export targets of 7-10 million and 2.6 million tons respectively, the competition in these world markets for steel is expected to grow much sharper, and prices to come down much lower in the coming year or so.

* * * *

As against this, another school of thought points to the fact that expansion plans are being implemented because steel makers of the world are taking an optimistic view of the growth of demand. This is because they consider that war-time destruction of capital equipment and arrears of industrial maintenance and development work have not yet been made good. Secondly, doubts are expressed about the U.S. ability to meet strong competition in export markets at its present level of high prices. American labour's demands for an increase in wages may take the prices still higher. Thirdly, hopes are also entertained by this section of exporting large quantities of steel to underdeveloped countries. Another theory is that excess capacity is a necessary preliminary to the stimulation of sufficient demand and with lower prices resulting therefrom steel would be put to innumerable new uses.

* * * *

Much light is thrown on the ways of tax-dodgers by the Income-tax Investigation Commission in its report for 1952. Although the *modus operandi* of the tax-dodgers varies with their ingenuity and the nature of their business, they do run true to a certain type. In the main, their activities are characterised by maintaining a set or sets of accounts, which are designed to deflate profits and inflate losses, and by running several lines of business in real or fictitious names so as to show that their own profits are less than what they really are. Instances, which have been quoted by the Commission, reveal the tax-dodgers' love of profits is matched by their accounting ingenuity. Accounts are written not so much to depict as to conceal the "true" state of the business. Thus, an "enterprising" firm of jewellers aroused suspicion, because it consistently made less profits than what others in the line were able to show. Investigation revealed that the firm had made secret profits by manipulating its accounts in many ways. It was found that cash sales had been recorded without any particulars of the materials sold or of the parties to whom they were sold. Large concealed profits were re-introduced into the business as borrowings and deposits from non-residents and third parties who were found merely to be *benamidars*. Part of the business was sought to be shown as belonging to another party in an Indian State. It was only when the assessee was confronted with a mass of evidence of a damaging character that he finally admitted the truth.

* * * *

In another instance, quoted by the Commission, a prominent business man, who had acquired control over certain mills, resorted, as a means of concealing income, to suppression of production, inclusion of false purchases of raw materials and stores and concealment of profits from sales of cloth. In this way, he had succeeded in concealing his profits. A number of investments made in the names of friends and relatives of the assessee were traced and were finally admitted by the assessee as his own.

* * * *

The Commission has quoted more than one case in which textile mill managements indulged in tax evasion. In one case, secret profits were earned by the assessees by showing lower prices in the books for the goods sold, by showing sales to dummy purchasers at controlled rates and, subsequently, selling them to the real purchasers at black market rates or at "on" prices. To conceal the real source of income, large sums were credited in the books as sale proceeds of gold and jewellery sold through banks. The whole "drama of alleged sale of jewellery through a bank was exposed," and the assessee was compelled to admit that what had actually happened was that secret profits had been introduced into business under cover of "sale of jewellery."

* * * *

In another instance, the managing agents of a textile mill were found to have evaded tax by showing the cloth manufactured by the mill as sold to nominees and intermediaries, who passed the same to other nominees before the goods reached the genuine dealers, the profits earned at each stage being "secreted and taken by the assessee." The consumption of stores also was "exaggerated." And the extra quantities, shown as having been consumed, were either sold away at black market prices or were later shown as having been purchased at higher prices by the mill. It was also noted that cotton, yarn and silk purchased for the mills were shown to have been sold away at less than market prices to nominees. In these cases, the differences between the nominal price and real price was always appropriated by the assessees. Secret commission was also obtained on the purchase of goods required for the mill and their prices were inflated. Further, a number of "mushroom concerns," managed by some nominees professing to carry on business under various names, mostly in Native States, were brought into existence by the assessee to help him in his tax-dodging devices.

* * * *

All this is a sad commentary on traders' sense of business ethics. It is true that a large majority of them are honest, fear the law and abide by it. But it should not be impossible for these men to expose those who stray from the "straight and narrow" path of commercial rectitude, in order that they themselves might not have to suffer through unequal competition from those who evade taxes. But the duty of protecting the law-abiding business man from the "lawless" men who compete with him clearly rests upon the State. It may be asked whether this duty was performed satisfactorily enough during the war, when there were many opportunities for tax evasion. The question, therefore, arises as to why the ordinary departmental officials failed to detect these cases of tax evasion and why the issues had to await investigation by the Commission. It might be worth while to investigate whether—and, if so, how far—tax evasion was practised with the connivance of the tax authorities. Again, it is also necessary to consider whether a higher rate of tax—this tempts people to evade taxes—is justified in a country which does not yet possess the commercial discipline of the Western countries which are themselves not free from problems of tax evasion. In the light of the Commission's report, it appears somewhat unwise to embark upon estate duty legislation—at least, to introduce a high rate of duty—considering that the chances of evading the duty are greater than those of evading income-tax.

BANKING

(Concluded from page 383)

complicated, if the very small shareholders are given the status of full shareholders by being supplied with annual reports and rights in new issues of shares.

The easier way of bringing risk investment within the reach of the smallest savers is through the medium of the unit trust. Such a trust holds a portfolio of securities and cash, against which units are issued to the public. Open-end trusts which, in all major respects, are similar to flexible unit trusts and which give the managers a wide discretion in their investment policy, have been very successful in the U.S.A. since the war. But the official policy in Britain has been to check and discourage them, because some of them did not satisfy the highest requirements of efficient management and sound investment. This policy should be reversed, subject to proper safeguards, because there is no doubt that the principle of the open-end trust or flexible unit trust is sound and, properly handled, is effective in garnering small savings. Banks must not merely act as custodians of the securities of such trusts, but, along with finance houses, must also take part in managing them and selling their units all over the country across counters.

MERCANTILE BANK OF INDIA LTD.

A final dividend of 8 per cent., less income-tax, has been recommended by the Board of Directors of the Mercantile Bank of India Ltd. for the year ended 31st December, 1952. This brings the total dividend for the year to 14 per cent., as against 12 per cent. for 1951. The interim dividend of 6 per cent. paid in September, 1952, was the same as that for 1951, but the final dividend now proposed represents an increase of 2 per cent. over that for the previous year.

MARKET REPORTS

(Concluded from page 413)

day offered at Rs. 34-12 f.a.s., and Rs. 41-8 f.o.b. In sympathy with B twills, hessian 40" 10 oz. was firm at Rs. 43-8 last Tuesday.

Stockists of raw jute expect that mills' demand for the raw material would increase between now and the time when the next crop begins to reach the market. If, as expected, more sacking is lifted by foreign buyers, this would mean considerable relief to stockists of the indigenous fibre. What have been left with them is considerable quantities of jute fit for the manufacture of jute goods. It was only a few months ago that the then prevailing dullness in the sacking market forced mills to transfer a portion of their looms, wherever possible, from sacking to the production of hessian. As a result of the present change in the duty, the prospects for a reversion are bright, and the raw jute market is full of expectations. Even before Friday, mills made keen enquiries for raw jute, and consequently, Assam bottoms were raised to Rs. 22 from Rs. 21-8. Sellers were reserved, but mills did not press their enquiries. Conditions were firm yesterday, and Assam bottoms were offered at Rs. 21-8. Murshidabad district tossa was available at Rs. 20-8, Kisanganj jute at Rs. 21-12, Bimli f.a.q. at Rs. 16-8, and *pucca* bales first marks ready at Rs. 130 a bale sellers.

TEA DUSTS IRREGULARLY EASY

(Messrs. Forbes, Ewart & Figgis Ltd.)

COCHIN, 28*th February*

Dust Sale 'D'.—The offerings in dust sale 'D' which was held on Tuesday, 24th February, amounted to 3,64,000 lbs. There was only a fair general demand and prices were irregularly easier. There was some competition for certain clean black dusts, but rates for other kinds must be quoted one anna easier. There were a number of withdrawals.

Colombo Market.—4,500,000 lbs. Opened easier; strengthened later. Low and medium declined five cents. Highgrowns irregular; dearer on improved quality.

Dust.—Strong general demand. Advances of As. 2 to As. 4 for leafy types. Others firm to dearer.

Export Quota.—The market opened at 2¼ pies and business was done. The present tendency is slightly easier.

As we go to Press, Messrs. Forbes, Ewart and Figgis Ltd. wire as follows:—

"*Sale No.* 5. 10,48,000 lbs. Good general demand. Best quality irregular and easier. Medium and low medium fully firm and often dearer. Commonest steady. Fannings weaker.'

MODERATE DEMAND IN TEA EXPORT SALE

(From Our Own Correspondent)

CALCUTTA, *3rd March*

There was moderate demand during yesterday's export sale where offerings aggregated 54,900 packages. Prices were generally higher, but there were some exceptions where easiness set in. Bright liquoring autumnal Dooars were very steady, and prices rose As. 5 to As. 6 above brokers' valuation. Clean common brokens and low medium brokens gained As. 3 each, and fannings were wanted at higher rates. Darjeelings offered were limited and realised satisfactory prices. Whole leaf grades and best liquoring Assams were, however, easy. The rates were: best Assam CTC BP Rs. 2-2, clean black pekoe Re. 1-7 to Re. 1-7-6, clean common B.P. Re. 1-6-6, and medium Assam BP Re. 1-7-6.

Strong demand pushed up prices of almost all varieties of teas at the internal sale held last week. Dusts offered amounted to 19,900 packages, and leaf grades 450. In the dusts market, buyers' favourites were the commonest offerings and clean leafy varieties, prices for both of which recorded impressive gains. Prices for the bright liquoring medium grainy grades were taken up by As. 2, while good liquoring CTC varieties and flavoury Darjeelings were very steady. Prices of all other varieties recorded gains of As. 1 to As. 1½. The quotations were: good Assam CTCs Re. 1-13-6 to Re. 1-14, medium Grainy Assams Re. 1-8 to Re. 1-8-6, and medium Dooars Re. 1-7 to Re. 1-7-6.

Notices

THE CENTRAL BANK OF INDIA LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-second Ordinary General Meeting of the Shareholders of The Central Bank of India, Limited, will be held at the Central Bank Building, Mahatma Gandhi Road, Fort, Bombay, on Thursday the 26th day of March, 1953, at 4 p.m. (S.T.), to transact the following business:—

1. To receive the Report of the Directors and the Audited Accounts for the period ended 31st December, 1952.
2. To declare a Dividend.
3. To elect Sir Homi Mody who vacates his seat as a Director under Article 84 of the Articles of Association and who is eligible and offers himself for re-election.
4. To elect three Directors in place of Mr. Dinshaw D. Romer, Mr. Dharamsey M. Khatau and Mr. Manmohandas M. Amersey who retire by rotation under Article 92 of the Articles of Association read with Regulation 78 Table "A" of the Indian Companies Act and who are eligible for re-election.
5. To appoint Auditors and to fix their remuneration.

By Order of the Board,
H. C. CAPTAIN,
Managing Director.

BOMBAY, *3rd March*, 1953.

N.B.—The Transfer Books of the Bank will be closed from Monday the 9th day of March, 1953, to Thursday the 26th day of March, 1953 (both days inclusive).

N.B.—Dividend Warrants for the half-year ended 31st December, 1952, will be posted to the Shareholders at their registered address on and after the 28th day of March, 1953. Shareholders are requested to intimate the Bank their change of address, if any, immediately.

JARDINE HENDERSON, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Interim Dividend at the rate of 2½ per cent. per annum, less Indian Income-tax thereon, will be paid to the Registered holders as on the 6th April, 1953, of the 50,000 Cumulative Preference Shares of Rs. 100 each in the Company in respect of the year ending 31st March, 1953.

The Share Transfer Books of the Preference Shares will be closed from the 23rd March, 1953, to the 6th April, 1953, both days inclusive.

By Order of the Board,
D. FORDWOOD,
Secretary.

4, CLIVE ROW,
CALCUTTA, *26th February*, 1953.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
16,00,000	1,08,36,418	9,95,123	Allahabad Bank	345	100	18‡	18‡	18‡	9i	12	Y.P.
14,50,000				173	50						
1,01,000	11,73,500	2,21,655	Andhra Bank	105	100	5	6	6	3i	6.12	H.
23,99,000				52½	50						
1,00,00,000	1,28,00,000	2,14,790	Bank of Baroda	114½	50	12‡	12‡	12‡	5i	12	Y.
50,00,000	10,00,000	7,107	Bank of Bikaner	20	25	..	3	3		12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	157½cd	50	14	14	14	14	6.12	R.L.Y.
15,30,375	23,00,000	62,955	Bank of Indore	60	25	12‡	12‡	12‡		12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	289cd	100	16‡	16‡	16‡	16‡	12	Y.
39,18,600	42,61,693	25,280	Bombay State Co-operative Bank	58½	50	5‡	5	5		6	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	9	9	9	9	12	P.Y.
7,50,000	10,73,000	19,505	Canara Banking Corporation Ltd.	85xd	50	9‡	10‡	10‡		12	Y.P.
3,14,54,250	3,98,30,808	17,65,629	Central Bank of India	68	25	14	14	14	6i	12	R.L.Y.
50,00,000	22,00,000	1,38,594	Devkaran Nanjee Banking Co.	35	50	3	3	3½		12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88	20	6¾	10	20	20	12	Y.
1,25,00,000	15,20,000	65,220	Hindustan Commercial Bank	12½	50	—	—	—		12	Y.
50 00,000	1,00,000	3,806	Hindustan Mercantile Bank	11	50	—	—	—		12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105N	100	5	6‡	6‡	5	9	
3,75,00,000	6,35,00,000	42,07,573	Imperial Bank of India	1,840	500	14	16	16	16	6.12	R.L.H.
1,87,50,000				453½	125	14	16	16	16	6.12	R.L.H.
23,95,961				174	100						
15,00,000	70,00,000	92,545	Indian Bank	131½	75	11½	12‡	12‡		6.12	R.L.H.
14,00,000				94	50						
47,35,750	15,50,000	2,22,825	Indian Overseas Bank	98cd	100	4½‡	5‡	6		6.12	R.L.H.
6,25,000				82cd	100(A)	9	9	7½			
2,50,000	6,30,411	9,265	Indo-Commercial Bank	191cd	25(B)	9	9	7½		6.12	H.
10,00,000				40cd	50(C)	6	6	6			
50,00,000	12,65,000	1,21,370	Jaipur Bank	18	50	3	3	3		12	Y.
4,55,266	30,61,350	60,357	Punjab and Sind Bank	35	25	7½	7			6.12	Y.
87,50,000	87,50,000	5,33,829	Punjab National Bank	23	25	6	4	4	3i	12	Y.
1,00,00,000	15,50,000	1,49,583	Travancore Bank	10½	25	Nil	Nil	—		12	Y.
40,00,000	28,25,000	2,09,737	Union Bank of India	6¾	5	6½	6½	6½		12	Y.
2,00,00,000	75,00,000	1,70,952	United Commercial Bank	38	50	3½	4	4		6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3,000,000	£4,000,000	£397,433	Chartered Bank of India, Australia and China	£11 ⅞	£5	12	14	14	7i	12	R.L.Y.
£1,000,000	£800,000	£69,917	Eastern Bank	£5 ⅜	£5	6†	6†	6†	2½i	12	R.L.Y.
H.K. $20,000,000	H.K. $96,000,000	H.K. $8,075,332	Hongkong and Shanghai Banking Corporation	£78½	H.K. $125	5y*	5*	5*	2*i	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-10-9	£1	12y†	12y†	12†	12†	12	R.L.Y.
£1,437,296				£1-7-0		5y†	5†	5†	5†	12	R.L.Y.
£375,000				£20½	A £12½						
£375,000	£1,500,000	£200,130	Mercantile Bank o India	£20½	B £12½	12y†	12†	12†	6i	12	R.L.Y.
£300,000				£10½	C £5						
£2,281,250	£3,738,892	£318,652	National Bank of India	£28	£12½	16y†	16†	16†	8i	12	L.Y.

‡Includes Bonus. †Less Tax.
‡‡Subject to taxation.
(c) Paid-up Capital Increased.

(a) There are also Rs. 67,08,155 partly paid Ordinary Shares.
††O.S. Currency.
(i) Interim
P) Pakistan Currency. *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company		Latest Available Quotations (per hundred) Rs. or £	Principal Repayable	
BREWERIES AND SUGAR							
19,50,000	5½	1st December and 1st June	Carew & Co.	1938	97	1st June	1953(b)
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90½	28th February	1960(f)
6,00,000	5½	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd.	1936	97½	30th December	1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102½	27th December	1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	90	1st November	1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	103	1st April	1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	92	1st November	1959-64
COTTON							
6,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April	1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	96	15th November	1956(a)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99½	1st January	1967-72
13,68,000	5½		Jayshree Textiles	1949	78N	1st January	1956-59
ELECTRICS							
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	95	31st March	1965
1,25 000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		101	14th June	1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100½	1st October	1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	92	31st December	1964
2,60,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	101½	1st January	1970
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	84½	31st December	1970
15,00,000	5	1st January and 1st July	Sijua (Dherriah) Electric Supply Co., Ltd.	1951	94	30th June	1976
4,55,000	5½	1st January and 1st July	South Madras Electric Supply	1940	97		1957-6:
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	1939	95		1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94½		1953-63
4,63,800	4½	1st April and 1st October	South Madras Electric Supply		94	1st July	1957-67
49,23,000	4	1st April and 1st October	Tata Power	1940	100½	15th September	1951-55(b)
1,00,00,000	4	1st April and 1st October	Tata Power		92½	15th September	1965-70
ENGINEERING							
5,00,000	5	30th June and 31st December	Britannia Engineering	1945	95	31st December	1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	95	30th June	1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	100	1st July	1957-62
£1,218,650	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	£88	31st December	1966(ii)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84½	31st May	1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	101	1st October	1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	94	31st December	1960
JUTE							
12,00,000	4½	1st October and 1st April	Agarpara	1939	97	31st March	1954
6,00,000	4½	30th June and 31st December	Alexandra	1939	96	30th June	1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	92	31st December	1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	96	30th June	1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90	30th June	1960
10,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July	1959(c)
12,00,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	97	30th June	1966
8,94,000	5	30th June and 31st December	Empire	1951	97	15th July	1966
25,00,000	3½	1st January and 1st July	Hukumchand	1947	90	30th June	1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	98	31st December	1964
25,00,000	5½	30th June and 31st December	Naihati	1952	100	31st March	1967
5,00,000	3½	31st March and 30th September	Naikarpara Jute Mills Co., Ltd.	1947	97N	31st March	1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May	1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	86	31st December	1964
8,00,000	4	30th June and 31st December	Presidency	1943	90	30th June	1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	95	5th September	1965
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	94	14th September	1957
12,00,000	4½	30th June and 31st December	Union	1937	94	30th June	1937(d)
10,00,000	3½	31st January and 31st July	Waverley	1925	83	31st July	1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS							
4,00,000	6	31st March and 30th September	Bankura Damodar River Railway Co., Ltd.	1931	100N	9th March	1961
4,00,000	3½	31st March and 10th September	Bankura Damodar River Railway Co.	1938	99	31st March	1953
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1936	84	1st July	1956
2,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	1941	98	31st March	1943–53
3,50,000	3½	31st March and 30th September	Burdwan-Cutwa Railway Co.	1938	99	A 105½ at any time	
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£100N	on 6 months' notice or at par or every seventh year.	
£226,500	5	1st April and 1st October		1933	£102N	1st October	1974
3,00,000	3½	30th September and 31st March	Kalighat-Falta Railway	1934	98½	30th September	1953
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	89	31st December	1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£90¾N		
6,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation		96½	1st September	1963
PLANTING							
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943	100		1945–55
3,68,200	3½	31st March and 30th September	Teckoy Rubber Estates	1944	100		1949–59
50,00,000	5	30th June and 31st December	Waterfalls Ltd.	1943	101½		1945–55
MISCELLANEOUS							
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	102	30th September	1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	99	31st December	1965
27,60 000	4½	1st April and 1st October	Associated Hotels of India	1948	86	31st December	1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	94½	30th June	1957(i)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February	1964
22,60,000	4½	1st July and 1st January	Clive Buildings	1936	89	1st July	1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	86	15th September	1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	1950	102½	1st January	1971
20,00,000	5	15th March and 15th September	Mettur Chemical Industries	1949	97		1964
39,87,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	435 (per note)	30th September	1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410 (per note)	31st December	1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	94N	1st April	1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	87	31st March	1961
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	80½	31st December	1959

Note—See page 422 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 5th March, 1953.

—	Opening quotations	High	Low	Closing quotations
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	157	158	157	158
Bank of Baroda (50)	113½	114‡	113‡	114‡
Central (25)	67‡	68‡	67‡	68‡
Imperial (F.Pd.) (500)	1,820	1,850	1,820	1,832‡
Imperial (P.Pd.) (125)	446½	454‡	446‡	450
Union Bank (5)	6‡	6‡	6‡	6‡
United Com. (50)	37‡	38	37‡	38
COTTON MILLS				
Ahm. Adv. (100)	147‡	—	—	147‡
Apollo (2)	2 ⅛	2‡	2 ⅛	2-13⅛
Bombay Dyeing (250)	378‡	403‡	378‡	402‡
Central India (100)	154	170	154	167
Century Mills (100)	263	284‡	263	282‡
Colaba (100)	71‡	73	71‡	73
Edward Textile (200)	235	238‡	235	238‡
Elphinstone (50)	40	42‡	40	42‡
Finlay (100)	298	317‡	298	315
Gokak (100)	216	234	216	230
Ind. Untd. Defd. (1)	1-9‡	1‡	1‡	1⅛
Ind. Untd. Ord. (10)	8 ⅛	9-6‡	8‡	9-2⅛
Indore Malwa (100)	88‡	96‡	88‡	95
Khatau (100)	181‡	192‡	181‡	192‡
Kohinoor (100)	290	315	290	314
Lakshmi (250)	585	585	583‡	583‡
Madhusudan (100)	81‡	81‡	80	80
B. R. Cotton Mills (100)	43‡	48‡	43‡	48‡
Minerva Mills (100)	95	—	—	95
Model Nagpur (250)	140	143‡	140	143‡
Morarji (100)	158‡	181‡	158‡	181‡
Mysore (50)	123‡	—	—	123‡
New City (100)	172‡	176‡	172‡	176‡
New Great (100)	159‡	171	159‡	168
Phoenix (100)	122‡	130‡	122‡	130‡
Podar Mills (100)	126‡	135	126‡	133‡
Sassoon Silk (10)	22	—	—	22
Sassoon Spg. (10)	23‡	—	—	23‡
Sholapur (1,000)	1,750	—	—	1,750
Simplex (50)	181‡	202	181	193‡
Swadeshi (100)	244‡	263	244‡	259
Swan (100)	401‡	410	401‡	410
Tata Mf'g. (25)	46	52	46	51‡
Vishnu (100)	160	—	—	160
Western India (1,000)	3,150	—	—	3,150
ELECTRIC COS.				
Ahmedabad (100)	113‡	115	113‡	115
Amalgamated (10)	10‡	—	—	10‡
Andhra Valley (1,000)	1,407‡	1,420	1,407‡	1,415
Bom. Sub-El. (100)	121‡	124‡	121‡	124‡
Surat (100)	118‡	121‡	118‡	121‡
Tata Hydro (100)	148‡	149	148	148‡
Tata Power (1,000)	1,502‡	1,510	1,502‡	1,507‡
INSURANCE COS.				
British India (10)	13‡	—	—	13‡
Empire of India (100)	500	—	—	500
Ind. Mercantile (20	38‡	—	—	38‡
Jupiter (15)	7	—	—	7
New India (15)	41‡	42	41‡	42
Oriental (200)	6,100	6,100	6,000	6,060
Universe (10)	7 ⅜	—	—	7 ⅜
Vulcan (10)	11‡	—	—	11‡
STEAMER COS.				
Bom. Steam (25)	34	35	34	35
Scindia (15)	14 ⅜	15‡	14‡	15‡
STEEL COS.				
Ind. Iron (10)	24-14‡	26	24‡	25-
Tata Steel Defd. (30)	1,763‡	1,853‡	1,752‡	1,851‡
Tata Steel Ord. (75)	308‡	326‡	308‡	326
MISCELLANEOUS				
Alcock Ashdown (100)	306‡	312‡	305	31
Associated Cis. (100)	170‡	175‡	170‡	17
Belapur Sugar (5)	237	242	236‡	24
Bom. Burmah (125)	139‡	142‡	139‡	14
Do. (New) (50)	139‡	141‡	1 ⅜	1
Br. B. Petrol (4 sh.)	1-3‡	1‡	9-3‡	9
Br. I. Corpn. (5)	9 ⅜	9 ⅜	3-3‡	7
Indian Copper (2 sh.)	3-4‡	3-5‡	—	3
Ind. Inv. Tr. (100)	71	—	29‡	9
Fort Canning (100)	29‡	32	29‡	6
Premier Con. (30)	89‡	98	89‡	
Shivrampur (10)	67	67	62‡	
Tata Chemicals (10	9 ⅜	9 ⅜	9 ⅜	3
Tata Oil (25)	35	37‡	35	15
Walchand Ind. (100	155‡	156‡	155‡	23
W. I. Match (10£	228‡	230	226‡	

GOVERNMENT SECURITIES	Rs	Gross Yield Earlier Redemption	Later Redemption	Rs
2½% 1954	98 ⅜	—	3.30	98
2½% 1955	98‡	—	3.24	98
2½% 1961	90 ⅜	—	3.91	91
2½% 1960	93‡	—	3.84	93
2½% 1962	91‡	—	3.90	92
2½% 1964-1976	82‡	—	3 89	10
3½% 1953-55	100-0‡	2.92	2.80	99
3 ½% 1957	98 ⅜	—	3.35	99
3 ½% 1958	98‡	—	3.34	99
3 ½% 1963-65	96 ⅜	3.74	3.57	96
3 ½% 1964	92 ⅜	—	3 84	92
3 ½% 1965-66	92 ⅜	3.91	3 78	92
3 ½% 1966-68	90 ⅜	3.95	3.92	90
3 ½% 1970-75	86‡	4.11	3 63	10
3 ½% 1986 Con. Loan	82 ⅜	—	3 46	10
3½% 1954-59*	100‡	3.37	3 86	10
4 ½% 1960-70	101‡	3.70	3.98	10
4½% 1955-60	103 ⅜	3.15	4.04	10
4½% 1958-68*	105‡	3.38		

BRITISH GOVERNMENT SECURITIES	27-2-53 £	High £	Low £	4-3- £
2½% Brit. Consols	59‡	60	59 ⅜	
3 ½% Savings Bonds' 1966-75	83 ⅜	84‡	83 ⅜	
3 ½% War Loan 1955-59	101 ⅜	101‡	101 ⅜	
3½% War Loan 1952	78‡	79‡	78‡	
3½% Brit. Iron and Steel 1979-81	89	90	89	
4 ½% Funding Loan 1960	99‡	99‡	99‡	

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake

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DEMAND FOR MORE AID TO INDUSTRY

LATELY there has been a welcome change in the attitude of the Indian business community towards the Government and its policies. Leaders of industry were hitherto known for their indulgence in vehement criticism of the Government's policies which they disapproved and for turning a blind eye to the brighter side of its policies. This negative attitude appears to be gradually yielding place to one of responsive co-operation. And striking evidence of this change is to be found in the presidential address delivered by Mr. Shanti Prasad Jain at the annual meeting of the Federation of Indian Chambers of Commerce and Industry, held last week at New Delhi. The change in the attitude is revealing, in that an attempt is made to focus public attention not on the shortcomings of Government policies, but on its record of achievements in the past few years. Thus, the opening of the Tilaiya Dam and the Bokaro Power Station is, for instance, quoted as "encouraging proofs for the future." The tribute paid to the Government in this behalf is, indeed, an indication of industry's faith in the Government's ability to implement the Plan. Mr. Jain remarked: "It must be admitted that to-day we have a basically strong and healthier economy. Take any criterion—the rate of investment in the country, or the increase in production, or the balance of payments position, or the internal price level—the Indian economy has a record of achievement which deserves to be acknowledged." This acceptance of the soundness of the country's economy in unequivocal terms is in contrast with the carping criticisms which used to mark the utterances of the commercial community and is, doubtless, a proof of the changed attitude towards the Government and its policies. What is more, Mr. Nehru too was less critical of business men this time, and in fact, made certain significant remarks which showed that private enterprise would be given considerable freedom. This should not only help knit closer the relations between industry and Government but also inspire confidence in the public.

Not infrequently, one comes across gloomy forebodings about the role of private enterprise in the Indian economy. These stem from an insufficient appreciation of its achievements in India's industrial and commercial field. Mr. Jain did well to emphasise the contribution that private enterprise had made to the economic reconstruction of the country. Although its accomplishments during the last five or six years appear small, as compared with the magnitude of the task ahead, they are nevertheless undoubtedly impressive. Thus, since 1946, the total investments in the private corporate sector has been of the order of Rs. 490 crores which represent 25 per cent. of the total value of fixed assets estimated at Rs. 2,000 crores. In the past six years, the value of industrial production has gone up by Rs. 370 crores to Rs. 1,400 crores and that of agricultural production by Rs. 200 crores to Rs. 2,400 crores. Again, between 1947 and 1951, fresh employment of workers in factories has gone up by 3 lakhs and employment in other factories by one lakh, taking the increase to 15 per cent. of the total. The average income of the worker has risen significantly, in that the wage bill of workers having a monthly income of below Rs. 200 rose by over 47 per cent., a trend which compares favourably with that in the U.S.A., Britain and the U.S.S.R. In certain other aspects, too, such as working hours, holidays, etc., the position of the working classes in India, according to Mr. Jain, is better than in Russia. The progress achieved in these directions, and under democratic conditions, is indeed heartening. Private enterprise can be expected to do even better, provided suitable climate is created for greater industrial activity.

Creation of favourable conditions for industrial expansion is also necessary for tackling the most pressing economic issue to-day, namely, unemployment. The Planning Commission's rough estimates place the additional employment at the end of the five-year period at five millions, or about one million a year. As this falls far short of the requirements of a working population estimated at 133 millions, private industry must be encouraged by suitable adjustments in Government policies, to open out new vistas of employment. At present, the private sector needs assistance in several ways in order to enable it to assume this responsibility. The Government's attention needs to be drawn to the prerequisites for greater industrial activity emphasised by Mr. Jain. These include (*a*) finance for renovation and expansion of existing industries, (*b*) development of basic industries, (*c*) adjustment of tax policies to suit capital formation, (*d*) removal of impediments in the way of expanding markets, (*e*) expansion of transport facilities, (*f*) a more realistic attitude towards encouraging cottage industries, and (*g*) inculcation of the spirit of *swadeshi* in the country. The suggestions made by Mr. Jain in regard to these facilities are more or less in line with accepted principles, and hence, it should not be difficult for the Government to adopt them, if need be, with certain modifications. However, it is necessary to deal here with some of the points raised by Mr. Jain in making these suggestions.

An important aspect of Mr. Jain's speech is his references to the tax policy of the Government regarding depreciation allowances for replacement of plant and machinery. They acquire special significance in view of the appointment of the Taxation Enquiry Commission which is sure to go into the question. Industry's case is so convincing that the Commission is unlikely to find any difficulty in endorsing the claims regarding allowances against depreciation of assets. The present method is based on historic costs. It leads to the creation of a gap between the sums built up on account of wasting assets and the sums actually required to replace them. In addition, it leaves, on the one hand, net profits of business liable to tax exaggerated to the extent of the sum equivalent to the gap, and, on the other, compels industry to resort to other methods to make good the arrears of depreciation. Industry has endeavoured to cover the gap by several methods, such as ploughing back of profits, raising additional capital, reducing cash balances and liquidating investments. In the result, industry's capacity for production and for employment of labour has diminished gradually. If the process were allowed to continue unchecked, it would mean the ultimate extinction of marginally placed firms. Industry's claim for special consideration of its demand for liberal depreciation allowance, or ultimately, relief in taxation to enable it to meet the higher costs of replacement of assets gains additional significance, in the light of the fact that the Government has accepted, in the case of the Railways, the principle of treating higher cost of replacement as a charge on revenues. There is now no justification for not extending the application of the same principle to private industry. But the Railways, being a monopoly industry, could meet the higher replacement costs by the simple expedient of raising fares and freights. Private industry has, perforce, to look to the Government for special reliefs, since it cannot, in the context of the rapidly developing buyers' market, raise the prices of the goods it produces. The Government may properly gather the fruit, but it is suicidal, as a financier remarked once, to fell the tree branch by branch year by year until it ceases to bear at all.

The question of paucity of finance for replacements has been hanging fire for nearly a decade now. In the past, industry's appeal to the Government for relief has not succeeded. Undaunted by previous failures, attempts are being made to convince the Government of the need for assistance. The latest move in the direction has been that of the Federation which recently submitted a memorandum to the Government in the matter. The Federation does not want the assistance to cover the entire difference between the original cost and the replacement costs. For it has assured the Government that it would bear a part of the burden, but what it needs is a helping hand. This may be in the shape of additional tax-free depreciation allowance, advance of loans at the Government's normal borrowing rate and lower rate of tax on undistributed profits ploughed back into industry. Mr. Jain's observations, in this connection, are noteworthy. He said: "The relief granted in this way will cost Government little, as the total relief would be spread over a period of years and would be contingent on profits.

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It will, in the final analysis, actually amount to a fraction of industry's needs. But the little the Government does will afford valuable incentive to the various industries and create psychologically favourable atmosphere for private enterprise to obtain additional funds from the capital market. Furthermore, any loss of revenue caused to the State will only be temporary, since earnings would increase as a result of higher production and larger profits." This is a convincing exposition of industry's case for relief which deserves to be considered by the Government.

The Finance Minister has found in Mr. Jain a doughty champion of "deficit financing." Mr. Jain is apparently convinced that if deficits are incurred not for consumption, but for creative productive equipment, such will result in the creation of employment and additional wealth for the nation. He feels that deficit financing will not have a harmful effect to the extent that the additional employment and consequent rise in the purchasing power are matched by an increase in the supply of goods and services. All this is very convincing in theory. But the question is: Will it work that way in practice? For, in actual practice, there is bound to occur many a slip between the actual spending of the new money and the actual creation of real wealth. What guarantee is there—the administration being what it is, as witness the waste and the extravagance associated with the various projects undertaken by the Government—that the Government will be able successfully to prevent the flow of created money into channels where its effects are the most harmful? After all, similar experiments made elsewhere in the world—Chile for instance—show how, in spite of all the necessary precaution which the Governments took before embarking upon deficit financing, they have failed to prevent misuse of money or the horrible effects of inflation resulting therefrom. It is the knowledge of these unhappy consequences of deficit financing in other countries which compels many economists to utter a word of warning against unorthodox means of financing development expenditure in this country, at any rate, in the present set of circumstances.

CULT OF "SWADESHI"

FROM many quarters there has come a welcome plea for the revival of the *Swadeshi* movement in the country. More attention, it is rightly urged, should be paid to the question of publicising the country's industrial products and of persuading the Government and the people to patronise Indian-made goods. This demand found fresh expression in the resolution adopted by the Federation of Indian Chambers of Commerce and Industry at its annual session held last week, which urged the Government, the business community and the people to make a "concerted and co-ordinated effort" to popularise *Swadeshi* goods. A similar plea, it may be recalled, was made by Mr. Pranlal Devkaran Nanjee at the recent annual meeting of the Indian Merchants' Chamber, Bombay.

The demand for the revival of the *Swadeshi* spirit will, it is to be hoped, evoke widespread support in the country. Because the *Swadeshi* movement was, for a long time, associated with the demand for national independence, there is a feeling in the public mind that the movement has served its purpose, now that freedom has been won. This is, of course, far from the truth. Whatever might have been the past political affinities of this movement, there is no gainsaying the fact that it has left some lasting effects on the Indian economy. Thus, many of our industries, notably the Indian textile industry, owe both their origin and development to the *Swadeshi* movement. Its revival would, in fact, serve a more definite purpose; for, it is no longer necessary to suffer from political inhibitions in supporting this movement. From this point of view, the *Swadeshi League* which has been started at the initiative of the Indian Merchants' Chamber, deserves the support of all sections of public opinion in the country.

What is now necessary is to see that constructive suggestions are placed before the Government and the public to elicit their wholehearted co-operation. The Federation of Indian Chambers of Commerce and Industry, according to its President, Mr. S. P. Jain, is now engaged in "studying the import trade and in assessing the lines of activity in which indigenous production can be undertaken to replace imports." He suggested the need for scrutinising the list of 800 broad items in the import schedule with a view to examining how many of them are, or could be, manufactured in the country. The move should find active support of the Government which has special responsibility to see to it that its purchases are confined, as far as possible, to goods of Indian origin. Although this principle has been accepted by the Government, there have been complaints that it is not as scrupulously observed as it should be.

There are, however, three connected problems which deserve some unprejudiced examination. In the first place, there is the question of specification for Government purchases. It would be wrong to suggest that they should be watered down to artificially low levels, for that means paving the way for the production of shoddy and indifferent articles. Secondly, there is the demand that imports should be totally banned where the articles concerned are available within the country. This demand becomes, in effect, a plea for protection by the "back door" and reduces the Tariff Commission itself to a mockery. In recent years, consumers have been adversely affected by a total ban on imports of certain goods. Elsewhere in this issue, we have discussed the effects of the ban on imports of starch on the mill industry. A total ban on imports of goods is, therefore, justified only when the Indian industry is capable of meeting the domestic demand through quality goods. Thirdly, there is the demand that Indian units in a particular industry should be encouraged and supported at the expense of the foreign-owned units in that industry. This demand offends against the spirit of the Government's industrial policy which has held out the assurance that foreign capital would not be discriminated against. India cannot expect foreign capital, which it needs now more than at any time in the past, to flow freely into this country, if its business men insist on discrimination against foreign-controlled units

Finally, it is necessary to see that the cult of *Swadeshi* does not degenerate into a dogma and that it is based on the production of goods of right quality. Mr. Jain rightly held that if Indian industry must produce "quality goods if the cult of *Swadeshi* is to have a wide appeal." It would be unwise to base the *Swadeshi* movement on mere sentiment; its appeal ought to be more substantially based on reasonably high standards of industrial performance, ensuring goods of quality and purity at low costs. If *swadeshism* is not carried to the point of economic autarchy—Mr. Jain rightly warned against such a development—and, if further, the inevitability of certain gradualness in industrial reconstruction—no progress could be achieved overnight—is recognised, the *Swadeshi* movement should be able to provide a wide and steadily expanding sphere of economic activity.

POINT FOUR

THE conference of the officers of the U.S. Point Four Technical Co-operation Programme in six South-East Asian countries, which concluded last week at Bangalore, has served a useful purpose. It has enabled the officers to get the different problems which they are called upon to tackle into a clearer perspective. There has also been a valuable interchange of ideas and experiences. A notable outcome of the conference is the realisation that any programme of external aid should be based on the efforts of the countries which receive that aid. The conference, it is stated, agreed that, in the field of economic development, it was the planning by the host Government that permitted technical co-operation to be applied to those areas of development where American technical experience and, in some cases, supplies and equipment, could best strengthen the host country's own effort. This is a valuable conclusion, in that it stresses the importance of self-effort as a first essential step towards deriving full benefit from any possible external assistance.

It is now four years since President Truman enunciated the now famous Point Four Programme. In 1949, Mr. Truman said that his Government was pledged to unfaltering support to the U.N., to the continuance of European Recovery Programme, and to the strengthening of North Atlantic nations. The fourth point that he emphasised was the need for a "bold new" programme for making available the benefits of scientific advance and industrial progress to underdeveloped areas. It is this point that has now come to be known as "Point Four." The spirit of the Point Four Programme is being implemented by the United Nations through its technical aid programme, by the U.S.A. through its Technical Co-operation Administration, by joint national efforts such as the Colombo Plan, and by certain private foundations and trusts, such as the Ford Foundation. It is not clear whether there has been any slackening of the efforts made in the direction of technical assistance. It would, however, appear that although 65 Governments pledged to give $19 million towards the cost of technical assistance to underdeveloped countries, only a sum of about $12 million has actually been paid so far.

Apart from the monetary aspect of this Programme, it is necessary to bear in mind the consideration that the success of the Programme will depend upon how best the highly evolved industrial techniques of the advanced Western countries are adapted to suit the conditions in underdeveloped countries. In the sphere of technical assistance, as in any other sphere of economic activity, the emphasis should be on "adaptation" rather than on "adoption." This would require intelligent application of modern techniques of production in the context of the admittedly low level of demand for manufactured goods in underdeveloped countries and of the lack of trained personnel in these regions. Because Asian and South-East Asian countries face the same set of problems, it is quite possible that the solutions which have been successfully developed to meet a particular set of economic problems in one country might be found useful in other countries too. In this connection, it is interesting to note that Mr. Haldore Hanson, Assistant Administrator for Asian development of the U.S. Technical Co-operation Administration, revealed that the Bangalore conference brought out a number of possibilities for the exchange of training facilities among the Asian countries themselves. He said that India, with a broad agricultural programme, was ahead of other countries in clearing of jungle grass with heavy tractors, an important agricultural problem. Burma, on the other hand, had developed outstanding construction methods in low-cost public housing. Indonesia was ahead of others in the motorisation of sea-fishing. It should be possible to work out, as Mr. Hanson suggested, regional exchanges of skill. The conference has not been held in vain, if it has brought to the fore the possibility of mutual collaboration among the Asian countries themselves. The conference has, however, done more: it has provided a forum where the experienced administrators of the Point Four Programme could exchange notes. It is also noteworthy that Mr. Hanson said that the U.S. technicians in all these countries look forward to turning over their duties to local skilled workers as soon as possible. After all, it is essential that the good work, which has been done by American technicians, should be continued, when they leave for their own country. And it is best carried on by the people of the "host" countries themselves.

STALIN

WITH the death of Stalin, the world is deprived of a great leader who, along with the late Mr. Franklin Roosevelt, and Mr. Winston Churchill still happily with us, was responsible for moulding world history at a most critical period. It is true the end of the war which brought these three men together saw the parting of the ways—the Western allies bound to each other by democratic ties following a path different from the one which the Russian leader chose to tread. But, few will deny that Stalin's contribution to the success of the Allies in the bitter struggle of the last war was immense. He brought to the war a titanic force and worked unceasingly till victory was won. To those who hoped that this unique partnership would continue, in however attenuated form, even after the war ended, post-war events have been a source of no small disappointment.

As one of the chief architects of the Russian Revolution and as head of the first Socialist Government in the world and as leader of a vast mass of people who worshipped him in a way that bordered on idolatry, he will go down in world history as one of the most remarkable figures. We are perhaps too close to his death and to the times in which he worked to judge him aright. If he was respected by his party men, both in his own country and abroad, there are also large sections of sensitive people in the world to whom his ruthlessness, his stifling of intellectual freedom, his party's cynical disregard of personal and civic liberties and his aggressive interference in other countries' affairs were revolting to a degree. To say that he was as much adored as he was hated is not to deny the greatness of the man who was, and will for long remain, a controversial figure in world history.

OUTLOOK BRIGHT FOR GILT-EDGED

MONEY IN DEMAND—SPURT IN SEEDS—ANGLO-AMERICAN TALKS

THURSDAY, 5 P.M.

THE buoyant tone in shares noticed last week has since subsided to limit itself to the steel section. Under alternate bouts of bull buying and bear selling, steel shares have irregularly moved up to touch fresh high levels, Tata Defds., for instance, after declining from a high of Rs. 1,883-12 on the 6th inst. to Rs. 1,848-12 on the 10th, have rallied under continued speculative bull support to Rs. 1,895. Although they finished a shade lower at Rs. 1,582-8 to-day, the sentiment in this section appears to be bullish, owing to expectations of an imminent rise in the retention prices of steel. The textile section which displayed great enthusiasm last week, has staged a retreat under a spell of continued pressure, with the speculative scrips revealing minor losses over the week. The miscellaneous section too has done no better, moving in sympathy with textiles. The undertone, however, remains steady.

MARKET GOSSIP

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The Gilt-edged market has shown notable strength since the announcement of the budget on the 27th ultimo. The Gilt-edged barometer has been rising persistently and the tone remains firm. The table below shows how Gilt-edgeds have reacted to the budget.

Securities	12 3-1953	26 2 1953	*Increase over the period*
	Rs. a. p.	Rs. a. p.	Rs. a. p.
3% 1953-55 ..	100 1 0	100 0 6	0 0 6
3% 1957	98 12 0	98 11 0	0 1 0
3% 1958	98 7 0	98 4 0	0 3 0
3% 1959-61 ..	96 2 0	96 0 0	0 2 0
3% 1963-65 ..	92 10 0	92 9 0	0 1 0
3% 1964	92 9 0	92 9 0	.. ..
3% 1966-68 ..	90 9 0	90 7 0	0 2 0
3% 1970-75 ..	86 9 0	86 8 0	0 1 0
3% 1986 Conversion	83 1 0	82 9 0	0 8 0
2½% 1960	93 7 0	93 6 0	0 1 0
2½% 1962	91 7 0	91 4 0	0 3 0

The firmness in Gilt-edged may be attributed to a number of helpful factors. First, the budget speech of the Finance Minister contained no jitters for the market. On the contrary, it revived the confidence of investors in the strength of the Government's finances and indicated that the Government can successfully finance the Five-year Plan. Moreover, it confirmed the market's belief that fresh borrowings by the Union Government from the open market will be comparatively limited, and that every endeavour would be made to stabilise the yields on Gilt-edged securities at the current levels. This paved the way for those financial institutions and trusts, which hesitated to enter the market in the pre-budget weeks, to reappear on the market for investment in the securities. Secondly, the Reserve Bank has stepped up its selling rates for certain loans this week. Thus, 2½ per cent. 1960 and 1962 loans have each been offered by the Bank an anna higher at Rs. 93-7 and Rs. 91-7 respectively. 3 per cent. 1963-65 has been put up by a similar fraction to Rs. 92-10. 3 per cent. 1966-68 is now offered at Rs. 90-9 as against Rs. 90-7 previously. The Bank's policy in raising its selling rates is taken as an indication that it is preparing the ground for a loan offer against the repayment of the 3 per cent. 1953-55 loan due on 15th July next. Speculation as to the form which the repayment of this loan would take has not abated in market circles. The consensus of opinion favours the possible issue of 3½ per cent. cash-*cum*-conversion loan maturing in 1964. For that is the year in which the Government has to repay only a small sum of Rs. 30.3 crores on the redemption of 3 per cent. 1964 loan. This sum along with the amount required for repayment of the proposed 1964 loan will not be a heavy burden for the Government. A section, however, feels that the Government may repay the 1953-55 loan in cash, and follow it up with the issue of a new 3½ per cent. 1964 loan for subscription. It is pointed out that by following this method the Government would save a month's interest which it would have to pay if it were to float a cash-*cum*-conversion loan. These considerations, indicating a possible further rise in Gilt-edged securities, have been responsible for the improvement in sentiment. Another contributing factor is that the floating stocks are meagre; and in the absence of any selling pressure, prices of Gilt-edged securities have tended to look up.

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What is the possible effect of the Five-year Plan on the Gilt-edged market? Will there be a further increase in interest rate on Government borrowings? Will the Central and State Governments be able to raise loans without difficulty? These and other related questions are certainly of more than academic interest in view of their relevance to the behaviour of the Gilt-edged market noted above. From this point of view, much interest attaches to the latest circular letter, issued by Messrs. Batlivala and Karani, the well-known firm of share, stock, finance and exchange brokers, for it carries a critical examination of the factors which are likely to influence Gilt-edged rates and prices, in the near future. It is not, of course, possible to be dogmatic about the distant future. But, in so far as the immediate future is concerned, the letter takes an optimistic view of the ability of the Central and State Governments to raise funds in the Gilt-edged market.

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Examining the recent past in the Gilt-edged market, the letter draws attention to the success of the loans of the various State Governments in 1952. This success strengthened the belief that the "Government of India would succeed in stabilising the rate of interest on its borrowings around the level of 3½ per cent. to 3¾ per cent.," provided it issued loans of short or medium-term duration. Referring to long-dated issues, the letter says that it was felt that they "would be unpopular," and adds: "They still are, and we would go to the extent of saying that for some years ahead they would continue to remain so." The letter contrasts the fact that the Central and State Governments have had to raise, during the last six years, the rates on their loans from 2½ per cent. to 4 per cent. with the experience of private industrial concerns which have been able to raise, during the same period, adequate funds around 5 to 5½ per cent.

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It is against this background that the letter discusses the possible impact of the Five-year Plan on the Gilt-edged market. The letter observes that it is now not so much the Central as the State Governments that will come to the Gilt-edged market; for the Plan provides for a Central borrowing of only Rs. 36 crores over the next three years, as against a sum of Rs. 79 crores which the States, under the Plan, are expected to borrow. The Central Government will, however, be required to repay, during the next three years, about Rs. 252 crores, made up of: Rs. 114.60 crores 3 per cent. 1953-55 (July); Rs. 35.06 crores 2½ per cent. 1954 (November); Rs. 12.87 crores 3½ per cent. 1954-59 (December); Rs. 9.06 crores 4½ per cent. 1955-60 (September); Rs. 60.45 crores 2½ per cent. 1955 (August). However, the Central Government should not find it difficult to repay these loans, considering that recent experience shows a paucity of floating stocks. A large portion of the existing debt of the Central Government is held by institutions such as banks and insurance companies, which will have to replace their holdings, when they mature, by others. The Finance Minister has announced his intention to repay the 3 per cent. 1953-55 loan of Rs. 114.60 crores. The repayment of the loan should not present any great difficulty, considering that the Reserve Bank holds as much as Rs. 70 to Rs. 75 crores of this loan. The letter says that, if the Government decides to replace the maturing loans by short or medium-dated loans, the "repayment of the entire debt could be arranged to take place in a smooth manner." In this connection, it draws attention to the fact that the provident funds of industrial workers, to the tune of Rs. 36 crores, would require to be invested in Gilt-edged securities during the period of the Plan, and that insurance companies might be expected to absorb at least another Rs. 30 crores over the period.

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So far as the State Governments are concerned, they too should not find it difficult to borrow the Rs. 79 crores under the Plan, considering that, in 1952, they succeeded in getting Rs. 13¾ crores without much difficulty. In fact, they have evolved a technique of prevailing upon small investors, through local bodies, in order to participate in their loans. The drive for small savings, too, according to the letter, should prove successful. The letter observes that since a deficit of Rs. 110 crores on capital account has been left uncovered in the Central Budget for 1953-54, it is quite possible that a part of the deficit might be covered through additional borrowings—at least, after the 3 per cent. 1953-55 loan has been repaid.

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Money rates have tended to harden lately. Inter-bank call money rate among the Exchange banks and the bigger Indian banks is currently quoted at 2¾ to 3 per cent., as against 2¼ to 2½ per cent. at the end of last week. Generally speaking, the smaller Indian banks have been continuous borrowers at 3 per cent. The rate for one to five months' renewals, stands at 3 per cent. and for fresh deposits at 2¾ per cent. Twelve months money is quoted at between 2 and 2¼ per cent. It is stated that banks are not keen bidders. Money is thus dearer to-day than what it was, say, 10 or 12 days ago. There is, however, no acute shortage of funds. In fact, the market is stated to have received house money and other surplus funds to the tune of Rs. 3 crores this week. But, owing to a broadened demand on account of expanded trading activity, the surplus funds have been absorbed well enough. But the high rates have tended to make money comparatively less usable. What is more, money is likely to be still more stringent in the coming fortnight. For heavy withdrawals from banks are bound to take place for payment of income-tax. Moreover, the banks also anticipate withdrawals, in the next two weeks, of funds lent to them by local self-governing bodies, which will fall due in a fortnight's time. The squeeze for funds is not, however, expected to be very severe, in view of the fact that the interest on certain Government loans falls due for payment on 15th March.

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At the moment, the City banks seem to be much perturbed over the prevailing high rate of interest on deposits. The margin between their borrowing and lending rates is stated to be so thin that they are not in a position to meet their overhead charges. It is pointed out that, last year, the rates were maintained at this high level, because of imports of American cotton and other trade activities of an emergent nature. This year, however, similar outlets for surplus funds are not open and, with trade having suffered a setback, borrowers from banks would appear to be unwilling to pay high rates charged by banks on their advances. In this connection, some of the larger banks seem to be considering measures designed to bring down their borrowing rates, so that they might be enabled to meet their clients' demand for funds at lower interest rates. They seem to feel that a united move on their part to reduce the rate would provide a possible solution, but the success of such a move depends, we are told, on the attitude of the Exchange banks and the smaller Indian banks.

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There has been a hectic rise in the oil and oilseeds market since the Union Budget was presented on 27th February. The trend is more pronounced in groundnut seeds and oil. Thus, groundnut Bold ready and groundnut oil *ex*-mill are now quoted at as high as Rs. 42-8 and Rs. 22-6, respectively, as against Rs. 38-12 and Rs. 20-8 on 27th February. This inordinate rise has been due not merely to the agreeable disappointment through the non-imposition of export duty on groundnut oil but also to a variety of other causes. The chief among them are the expected short groundnut crop during the present season and the Bombay Government's requisitioning, with effect from 19th January, of 50 per cent. of groundnut cake at Rs. 100 per ton, as against the free market price of Rs. 230.

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It is rumoured in market circles that the Government is already seized of the situation and contemplating the imposition of a ban on exports of groundnut oil and of restrictions on the production of *vanaspati* products in order to arrest the rising trend in the market. Enquiries reveal that, although the Government might possibly resort to a ban on exports, it is extremely unlikely that there will be any ban or restriction on *vanaspati* production. Already, the *vanaspati* industry, in the first place, is working below its capacity. Secondly, the Government would not risk unemployment that would follow restriction on *vanaspati* manufacture. At best, there could be a ban on the export of *vanaspati* products; this commodity is, however, not exported in large quantities.

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A rational study of the situation discloses that the rising trend of prices cannot be arrested by a mere ban on exports of groundnut oil and of *vanaspati* products alone. For with an estimated crop of 14½ lakh tons of groundnuts—groundnuts account for 75 per cent. of the oilseeds produced in India—as against 20 lakh tons last season, it is impossible to meet the existing demand for this commodity. The prices can be brought down to normal levels by a ban on export of all oils and oilseeds and by placing coconut oil and copra on the Open General Licence. These measures should be supplemented by a reduction in import duties. Again, the system of placing imports of palm oil on O.G.L., which expires on 31st March, should be continued and the *ad valorem* duty on this oil of 43 per cent. should be reduced considerably. Besides, the price at which the Bombay Government is requisitioning groundnut cake should be more reasonable than the present price of Rs. 100 per ton. Unless these measures are taken, it would be difficult to arrest rising prices. But the adoption of these means, it should be clear, will mean a loss in revenue to the Government. It remains to be seen whether the Government considers it worthwhile to take the risk.

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Of particular interest to the sterling area is the way in which the U.S. is likely to modify its foreign trade policy in the light of the recent Washington talks between the representatives of the U.K. and the U.S. Mr. Eden and Mr. Butler, on behalf of the U.K., went to Washington for exploratory talks about Anglo-American economic collaboration. No concrete proposal has emerged from these discussions. The Anglo-American *communique*, issued from Washington, is delightfully vague about specific issues. The U.K. representatives, it is, however, stated, explained the suggestions which emerged from the conference of the Commonwealth Prime Ministers, held in London in December of last year. But it is not known whether any specific issues were discussed. The representatives of the two Governments agreed on the need for sound internal policies, for free and expanding world trade. On the financial side, the objective, it was recognised, should be the eventual convertibility of sterling and other currencies and the gradual removal of restrictions on payments. All this is as vague as it could possibly be.

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It is nevertheless noteworthy that the U.S. has "emphasised its intention to encourage the flow of investment abroad." The *communique* stated that the Government of the U.S. will "undertake and continue over the next several months an intensive examination and review of the general subjects discussed at the first meeting, including the suggestions resulting from the Commonwealth Economic Conference." It is, therefore, clear that apart from the recognition of the need for further exploration of the economic problems of the free world, particularly the sterling area, the Anglo-American talks have brought no tangible result, though it is to be wondered whether the mere recognition of such a need could be regarded as "tangible" at all. The only suggestion, which could be regarded as having some immediate impact on world trade, is the U.K.'s promise to the U.S. that it—that is, the U.K.—will tighten up its shipping controls on the movement of strategic materials to Communist China. Another issue that was discussed was the Anglo-Iranian oil dispute.

(*Continued in next page*)

SHARE VALUES MOVE IRREGULARLY

STEELS ADVANCE TO NEW HIGH

(From Our Own Correspondents)

BOMBAY, 12*th March*

AN irregular movement in prices was the outstanding feature of trading on the Stock Exchange during the week under review. The great enthusiasm which the market displayed in the previous week under the stimulus of the Union Budget proposals did not develop into any boom this week, as operators chose to be rather cautious in extending their wholehearted support. There was, therefore, some corrective recessions at every bulge. This was more in evidence in textile shares and miscellaneous industrial equities which showed minor losses over the week except in some counters. The undertone, however, remained steady. The market's interest, however, centred round steel shares which haltingly advanced to fresh high levels. But this was due to speculative activity in anticipation of favourable recommendations of the Tariff Commission on the retention prices of steel to be made shortly. The strength of the steel shares, however, helped the market maintain a steady undertone.

In the steel section, Tata Deferreds made a firm opening with a rise from the previous week's closing of Rs. 1,851-4 to Rs. 1,883-12, but failed to maintain the upward trend due to lack of buying interest. After moving irregularly, they slipped back to Rs. 1,847-8 yesterday morning, but on renewed speculative support made a handsome recovery to Rs. 1,895 to-day before closing at Rs. 1,852-8. Tata Ordinaries could gather but Re. 1-8 over the week to close at Rs. 328. Indian Irons were concerned in some strong speculative buying and were taken up from Rs. 25-10½ to Rs. 26-10 before closing at Rs. 26-8.

Activity in the textile group remained moderate due to lack of aggressive buying. Speculative counters made a bid for recovery but failed to gain ground in most cases. Progress was generally retarded by sporadic selling pressure, but select scrips displayed strength for special reasons. Interest in Bombay Dyeings was paltry and after an initial advance from Rs. 402-8 to Rs. 407-8 reacted to Rs. 395 yesterday. After a bid to regain, in which process they came up to Rs. 405 to-day, they moved down to Rs. 397-8 at the close. Kohinoors fluctuated between Rs. 317-8 and Rs. 308-8, but surrendered on balance Rs. 2 at Rs. 312. Central Indias shed Re. 1 to Rs. 166. Century were in favour and advanced by Rs. 4 to Rs. 286-8, on rumours that the Company would declare a final dividend of Rs. 12 per share (which is the same as in the previous year) together with a bonus of Rs. 4, bringing the total distribution for the year 1952 to Rs. 24, as against Rs. 20 for 1951. Finlays gained a rupee to Rs. 316. Gokaks lost Rs. 2 to Rs. 228. New Greats Re. 1 to Rs. 167. Svadeshis Rs. 2-8 to Rs. 256-8, Standards Rs. 6-4 to Rs. 293-12 and Simplex as much as Rs. 8 to Rs. 185-8. Tata Mills were on offer on rumours that the dividend for the year 1952 would be reduced from Rs. 4 paid for 1951 to Rs. 2-8. As a result, the shares lost Rs. 2 to Rs. 49-8. Swans were conspicuous with a sharp rise of Rs. 30 to Rs. 440 on favourable dividend prospects.

Bank shares shaped well with useful gains over the week. Imperial Fully Paids were better by Rs. 30 at Rs. 1,862-8 and Contributories by Rs. 11-4 at Rs. 461-4. Bank of Indias were again a bright feature with a rise of Rs. 3 to Rs. 162. Centrals put on Re. 1 to Rs. 69-8. Barodas gained but As. 4 to Rs. 115. United Commercials were, however, unchanged at Rs. 38.

Barring a fresh spurt in Orientals on reports that the mutualisation proposals were being finalised, the insurance section was featureless. Orientals advanced by as much as Rs. 725 to Rs. 6,785. New Indias were steady round about Rs. 42-4.

Interest in public utility shares was selective, but the section, as a whole, remained steady with the recent improvement in prices well secured. Ahmedabad Electrics were unchanged, the Old shares at Rs. 115 and the New scrips at Rs. 114-1. Bombay Suburbans were steady at Rs. 124-6. Poona Electrics and Surat Electrics each gathered As. 10 to Rs. 121-14. Andhra Valleys improved by Rs. 12-8 to Rs. 1,427-8, Tata Hydros by Re. 1-4 to Rs. 149-12 and Tata Powers by Rs. 27-8 to Rs. 1,535.

The miscellaneous section showed a mixed trend, but gains or losses in most of the shares were minor. Associated Cements could gather only As. 4 over the week at Rs. 174. Belapurs, after moving between Rs. 242-8 and Rs. 235-12, closed at Rs. 239-8 with a fractional loss of As. 8. Bombay Burmahs Old, which came into the limelight last week, failed to gather strength and finished with a loss of Rs. 2-8 at Rs. 390, but the New shares improved by As. 10 to Rs. 141-14. B.I.Cs. were dull at Rs. 9-10½. National Rayons found sellers at Rs. 78 at which they disclosed a loss of Rs. 4-8. Tata Chemicals met with enquiry and rose by As. 8 to Rs. 10, but Tata Oils lacked support and drifted lower by Re. 1-8 to Rs. 35-4. Walchandnagars were in request on prospects of higher dividend and improved by Rs. 6-4 to Rs. 162-8. Wimcos were marked up by Re. 1-4 at Rs. 231-4.

Among transport shares, Scindias were quiet at Rs. 14-13¾ *ex-div.* as against Rs. 15-10 *cum-div.* Bombay Steams, on the other hand, put on Re. 1 to Rs. 36. Bharat Lines were in favour to go up from Rs. 91 to Rs. 94. Air-Indias lacked support and receded by Rs. 2 to Rs. 81, but Air-India Internationals were picked a rupee higher at Rs. 101. Hindustan Motors were steady at Rs. 4-3 and Premier Automobiles at Rs. 45.

In the mining and engineering group, Indian Coppers were quiet at Rs. 3-3, and B.B. Petrols at Re. 1-2½, but Shivrajpurs were steady at Rs. 63-8.

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Calcutta Stock Exchange

CALCUTTA, 11*th March*

The feature of trading on the Calcutta Stock Exchange during the week under review was an increase in the volume of transactions coupled with a tendency for rates to move up. The gains were moderate, and there was sizable investment support from insurance companies. Trading was, however, on a cautious note, particularly yesterday, as, with the American Secretary of State sharing the feeling, the view that Marshal Stalin's death paved the way for international peace gained further emphasis. Every stage of the rise was noted with a pause and on occasions even a lower trend was in evidence. This suggested that, although operators desired to sell scrips bought at higher rates and desired to take advantage of present conditions, the maintenance of which is by no means certain, rates were being stabilised. No doubt, it is the Budget which has changed the investment outlook and is inviting "shy" funds to the market, but the maintenance of healthy conditions on the Exchange would depend on a number of factors, national and international. On the national sphere, anxiety is being felt regarding political developments, while the exact implications in Korea following the change of leadership in Moscow remain to be watched. The allocation of large sums of money for industrial development and the increasing *tempo* of industrial activity in the private sector, all suggest cheerful notes for the market, at least as far as the immediate outlook is concerned.

Coals were in good demand. Burrakurs hardened to Rs. 11-1. One of the best features was provided by Central Indias which, on moderate turnover, gained nearly a point to Rs. 5-9. Another feature was New Beerbhooms which improved from Rs. 20-14 to Rs. 21-11. Bengals were transacted at Rs. 528, Dhemo Mains met with business at Rs. 11-2, as against Rs. 11 earlier.

Jutes were given the pride of place, and recorded a moderate increase in the volume of transactions. The sacking duty cut has enabled jutes to give the customary leadership to the market. Trading was, however, cautious yesterday, and part of the gains were affected. Howrahs opened at Rs. 24-12 last Wednesday and after moving narrowly on either side hardened to close at Rs. 25-1 yesterday. Anglo-Indias were around Rs. 230, while Indias were placed at Rs. 133.

Fair activity marked trading in engineering shares, and the speculative counter, Indian Irons, reached a high of Rs. 26-5. However, profit-taking yesterday took the quotation down to Rs. 25-15, as compared with the opening rate last Wednesday of Rs. 26.

Keen attention was paid to the miscellaneous section, and selected counters hardened. Indian Cables opening at Rs. 18-8 were raised to Rs. 19-2, the closure yesterday being at Rs. 18-15.

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Madras Stock Exchange

MADRAS, 10*th March*

The Madras Stock Exchange continued to rule bright this week also, post-budget buoyancy still persisting. Textiles firmed up on encouraging advices from cloth markets. In plantings, teas put on a cheerful tone, on good demand from the U.K. for tea leaves. Coffee scrips met with good support in sympathy with a rise in the price of coffee in world markets. Rubbers proved no exception to the general trend. Miscellaneous scrips met with some enquiry, while banks were fairly active. As a result, the volume of business done was sizable and prices practically in all sections forged ahead, thereby disclosing considerable gains over the week.

The textile scrips continued to display an upward trend. Thus Bangalore Woollens improved from Rs. 240 to Rs. 243 *cum-div.* Radhakrishnas Rs. 100 paid ups gained Rs. 4 to Rs. 144 and Rs. 50 paid ups (B) Rs. 2 to Rs. 72. Coimbatore Spinnings were higher by Rs. 3 to Rs. 43. Coimbatore Pioneers and Lakshmis were higher by Re. 1 each to Rs. 99 and Rs. 72, respectively. Dhanalakshmis, however, lost Re. 1-8 to Rs. 189, and Sitarams Re. 1 to Rs. 39.

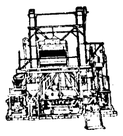
Rubbers continued to be in favour. Malankaras rallied Re. 1-4 to Rs. 99-4. Nenmenys were enquired As. 2 higher at Rs. 9-8. Pullangodes and T. R. and Ts. put on an anna each to Rs. 2-8 and Rs. 7-1, respectively.

Tea shares which have been in favour for some time past continued to attract fresh attention. Twyford rose by As. 12 to Rs. 12-4 and Haileyburias As. 6 to Rs. 13-14. Highland Producers were better by As. 4 to Rs. 9-8 and Talyar Teas As. 3 to Rs. 8-9. Parksides were done at Rs. 11-12, as against Rs. 11-14 *cum-div.* Periakaramalais gathered As. 8 to Rs. 24-4.

Coffees revealed considerable activity with prominent scrips registering fair gains. Consolidated Coffees displayed remarkable strength with a rise from Rs. 15-4 to Rs. 17-2 and Coffee Lands from Rs. 9 to Rs. 9-8 Stanes Amalgamateds, however, lost As. 2 to Rs. 8-12 and Puthuthottams an anna to Rs. 4-13.

Miscellaneous scrips met with selective enquiry. Rallis advanced by a rupee to Rs. 71-8. Mysore Stonewares recorded a rise of As. 5 to Rs. 9-8 and Spencers As. 4 to Rs. 14-12.

In the banking section, Imperial Banks spurted from Rs. 1,795 to Rs. 1,825 and Contributories from Rs. 432 to Rs. 440. Bank of Mysores were done at Rs. 281, as against Rs. 289 *cum-div.* Indo-Commercials 'A', however, lost Rs. 2 to Rs. 80. Travancore Banks were slightly lower at Rs. 10-4.



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MARKET GOSSIP

(Concluded from previous page)

The U.S. Government, it is stated, has declared that Britain's proposals for a settlement of the Anglo-Iranian oil nationalisation dispute (announced on 20th February, 1953) are "reasonable and fair."

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The spot sterling rate has declined to a low of $2.81½-⅝. The fall has caused some surprise, for it was only a month ago that the rate was nearer the official ceiling of $2.82 than it had ever been before. Surely, no adverse factor has developed in the short period to explain, satisfactorily enough, the decline in the sterling rate. Financial observers in London, however, point out that the decline is only a modest reaction which follows a swift rise in the rate and that it will not last long. It would appear that there was keen American buying in February and that since the American interests have already bought more than their requirements of sterling there is now less keen demand for the British pound. This explains, in a way, the slight and temporary setback in the spot rate for sterling in terms of the American dollar.

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The figures relating to the sterling area's gold and dollar reserves, at the end of February, 1953, which have now been released, confirm the view that there is no need to be alarmed by the temporary setback in the sterling's dollar rate. The area's gold and dollar reserves have now climbed to an impressive total of $2,103 million, which is the best figure since December, 1951. The level of $2,103 million compares with $1,978 million at the end of January, 1953 and with $1,662 million, the lowest level touched in April, 1952. The increase in reserves during February, 1953, is thus $125 million. But it is necessary to point out here that the improvement is partly due to seasonal factors, since the first quarter of the year, generally speaking, is a period of good demand for sterling area products, such as wool and cocoa. Also, February happened to be a month in which sterling was strong *vis-a-vis* the dollar, which indicates that some short-term money must have moved to London. Finally, the improvement is also due to American aid which accounted for $33 million. In this connection, it may be noted that the U.S. has placed off-shore orders to the value of $167 million. These orders should result in a steady inflow of dollars to the sterling area, as deliveries against American purchases begin to take place.

NEWS IN BRIEF

ALL towns in India with a population of 50,000 and above and a majority of those with a population of 20,000 and above are supplied with electricity.

The Government of Bihar proposes to establish a State Transport Corporation to take over the administration of nationalised transport services in the State.

The Standard-Vacuum Oil Company has submitted proposals for prospecting for oil in West Bengal. These are under the consideration of the Government.

The Government of Bombay has directed that no octroi or terminal tax should be levied by any municipality in the State on newspapers imported into the municipal limits.

The total number of depositors in the savings banks of the several post offices in India was 44 lakhs at the end of March, 1952, with a total deposit amounting to Rs. 200 crores.

While India has approached China for the supply of rice this year, the latter has not yet agreed to supply the rice. The Government of India is negotiating with it and is pressing for a reply.

Following the availability of power supply from the Mahatma Gandhi Hydro-electric Station, the Mysore Government has restored the power cut in Bangalore, imposed in January this year, to the extent of 40 per cent.

The Indian Coffee Board has decided not to accept the Government of India's proposal to reduce the pool basic price of coffee by 6¼ per cent. in respect of allotment to societies and propaganda units from the existing release price of Rs. 2-4 per unit.

The Government has decided to limit the production of the better qualities of metallurgical coal only. The limit is prescribed for A and B grades coal during 1953 at 7.4 million tons. It is not proposed to restrict the production of non-metallurgical coal.

The Government of India proposes to introduce cheque system for deposits and withdrawals in the post office savings banks. This is said to be part of a scheme drawn up by the Communications Ministry for improving the postal savings bank facilities in India.

During 1952 India imported 147,700 tons of rice from China, 375,600 tons from Burma, 184,500 from Thailand and 13,700 tons from Pakistan. The respective figures for 1951 were 65,800, 304,200, 216,200 and 1,57,800 tons. India is likely to be self-sufficient in rice in 1953.

If the Bill to amend the Hyderabad Tenancy and Agriculture Lands Act, 1950 now before the State Assembly were passed and implemented, about 8 to 10 lakh acres of land, out of the 3 crores of cultivable land in the State, might be available for distribution for co-operative farming and among landless people.

The construction of the D.D.T. Factory in Delhi will commence shortly and will be completed before the end of 1953. The output from the factory is expected to meet the demands in the country partially. The Government contemplates increasing the productive capacity of the factory itself as well as setting up other units.

The Trustees of the Bombay Port Trust have decided not to increase the surcharge on the rates and charges levied at the docks and bunders. The Chairman of the Port Trust had suggested, in his Budget estimates, the raising of the surcharge from the existing rate of 33⅓ per cent. to 66⅔ per cent. to meet the additional expenditure due to development schemes.

The Commodity Controls Committee met the representatives of the Federation of Indian Chambers of Commerce and Industry in New Delhi last week. The detailed memorandum submitted by the Federation to the Committee was discussed and among the important subjects, around which the discussion centred round at the meeting, were the continuance of the Essential Supplies Act and controls on some commodities like iron and steel, jute, cotton, textiles, coal, sugar, etc.

The total gross sea and land customs revenue collected in India during November, 1952 amounted to Rs. 12.35 crores, as compared with Rs. 21.08 crores in the corresponding month of 1951. The total gross collection of Union excise duties amounted to Rs. 4.61 crores, as against Rs. 7.72 crores. These bring the total gross customs and Union excise revenue for the 8 months, April to November, 1952, to Rs. 171.11 crores, as compared with Rs. 218.46 crores during the corresponding period of the preceding year.

The second session of the I.L.O. Committee on Work on Plantations will be held at Havana (Cuba) from the 16th to 28th inst. The Committee will consider (1) general report, dealing particularly with the action taken in various countries, in the light of the conclusions of the first session, the steps taken by the I.L.O. to follow up the studies and enquiries proposed by the Committee, and the recent events and developments affecting work on plantations, (2) definition of the term 'plantations,' (3) regulation of wages on plantations and (4) health and social services on plantations.

The Government of India has decided to liberalise the terms of exemption under the Employees' Provident Fund Scheme and allow a further chance to factories that have not applied so far for exemptions. First, not only factories that have provident funds but also such other factories as would like to institute their own funds and run them in accordance with the scheme can apply for exemption. Secondly, non-recognition of a provident fund by the income-tax authorities so far need not stand in the way to any applicant factory. It is proposed to secure centrally recognition of the income-tax authorities for the provident funds in all exempted factories. Thirdly, even if a factory has had provident fund for a section of its employees, it can apply for exemption after framing rules for the remaining sections of its employees. The basic condition for application is that the factory should revise its own scheme or form a fresh scheme in accordance with the statutory scheme. The rules should be framed or revised before making the application. These relaxations involve certain modifications in the Act and the Scheme. Steps are being taken to effect these modifications. The time-limit for the fresh applications has been fixed as 15th April, 1953. This limit does not apply to infant factories or factories which have yet to come under the scheme otherwise. To avoid any hardships in individual difficult cases, however, the Regional Provident Fund Commissioner is being authorised to allow, at his discretion, some further reasonable time.

* * * *

From Abroad

The U.S. Government has removed price controls on motor cars, copper, chemicals and cocoa and cocoa products.

A World Bank Mission, headed by Sir S. R. Cope, Assistant Director of the Department of Operations for Europe, Africa and Australasia, is shortly visiting Germany to study that country's general economic situation and investment plans. This is the Bank's first mission to Germany.

The Egyptian Government has decided to establish an iron and steel factory with an initial annual capacity of 150,000 tons. The proposed factory will use Egyptian iron ore. The project will be run by an Egyptian joint-stock company. About 51 per cent. of the capital is to be contributed by the Government.

Under Brazil's free exchange law, new foreign investments are not subject to control for tax purposes. Accordingly, the foreign currency coming into Brazil, to be incorporated in the capital of firms operating there, whether involving new investments or the reinstatement of investments, is not liable to any taxation.

With a view to encouraging savings, the Bank Leumi le'Israel (formerly Anglo-Palestine Bank), which handles the greater part of the country's banking business and at present acts as Bank of Issue, has raised the interest rates on deposit accounts with effect from the 1st inst. The increase averages 1 per cent., bringing the rate on fixed deposits for three months to 1½ per cent., that on six-month accounts to 2 per cent., and on one-year accounts to 2½ per cent.

Despite the heavy burden of financing flood damage repair and compensation, the Government of Holland has proposed to reduce taxes on trade. The reduction is expected to aggregate Fls. 250 million (£25 million) and will primarily benefit the companies. There will be a considerable rebate of taxes for private investment in new equipment, while the compensation of losses will be allowed for a longer period than hitherto.

The Government of Pakistan has announced a new import policy. Under the policy, imports from the dollar area have been drastically curtailed, the number of items permitted to be imported being only 53, while those from Japan and non-dollar area are restricted to 215 items. Imports from all areas are to be licensed and there will be no O.G.L. The new import policy does not permit imports of motor cars, cycles and scooters from the dollar area. Imports of silk yarn and thread, woollen yarn, cotton thread, cotton twist and yarn, and artificial silk yarn and thread will be permitted only from Japan and the non-dollar area.

PERSONAL

MR. J. J. S. Garner, until recently Deputy U. K. High Commissioner in New Delhi, left for London to take up a new assignment.

Mr. A. D. Shroff, a Director of Messrs. Tata Sons Ltd., who had been to Japan and other South-East Asian countries on a business tour, returned to Bombay on Tuesday last.

Sir William Currie, Chairman of the P. & O. and B.I.S.N. Companies, who was on an inspection tour of the offices of the agencies in India, left for London last week.

Mr. M. K. Vellodi, Counsellor to Hyderabad State, has been appointed Secretary to the Union Ministry of Housing and Supply. He will join his new post early next month.

Mr. S. Gopalan, Deputy Director-General, All-India Radio, has been appointed Secretary to the Press Commission in place of Mr. M. L. Chowla who died recently.

Dr. Joza Vilfan, Yugoslav Ambassador to India, left New Delhi for Belgrade on Tuesday last, on completion of his term here. He has been succeeded by Dr. Gojko Nikolis.

Mr. Sankalchand G. Shah and Mr. Purshottamdas R. Ashar have been elected President and Vice-President, respectively, of the All-India Exporters' Association for the current year.

Mr. H. K. S. Lindsay of Metal Box Company of India Ltd., Mr. T. Sardanha of Zenith Tin Works, and Mr. R. N. Dutt of Metal Press Works have been elected Chairman, Vice-Chairman and Secretary, respectively, of the Indian Can-makers' Association.

Nawab Ali Yavar Jung, India's Ambassador to Argentina, is likely to represent India at the 15th session of the U.N. Economic and Social Council, beginning in New York on the 31st inst. Mr. Arthur Lall, India's Consul-General in New York, is also expected to be one of the Indian delegates to the session.

Mr. R. G. Saraiya, Vice-Chairman, Messrs. Narandas Rajaram and Co., Ltd., and Mr. B. M. Birla, Director, Hindustan Motors Ltd., have been elected President and Vice-President, respectively, of the Federation of the Indian Chambers of Commerce and Industry. The other elected members of the Executive Committee are: Mr. D. N. Sen (Honorary Treasurer), Mr. K. P. Goenka (textile mills), Mr. B. G. Agarwalla (mining), Mr. D. C. Kothari (tea, coffee and rubber industries), Mr. R. B. Amin (other industries not specified), Mr. Madanmohan R. Ruia, Mr. P. M. Chinai, Mr. Bawa Bachittar Singh (other trade and commerce not specified), Mr. G. D. Somani, Mr. G. D. Binani and Mr. Purushottamdas Singhania (to represent associate members). The following have also been co-opted to the Committee. Messrs. S. P. Jain, Ratilal M. Gandhi, B. P. Singh Roy, Pranlal Devakaran Nanjee, G. M. Modi, Ramnath Poddar, L. N. Birla and Chandulal P. Parikh.

OBITUARY

We deeply regret to record the sad demise of Prof. K. T. Shah. Prof. Shah had a long record of useful and active service. Prof. Shah, who was one of India's leading economists, has contributed much to the advancement of economic studies. There are as many as 29 books on economics to his credit. He was the Head of the Department of Economics, University of Bombay, from 1924 to 1931. He played a valuable part in the deliberations of the National Planning Committee as its energetic Secretary. As an elected member of the Constituent Assembly, he made a contribution to the making of the Indian Constitution. In the death of Prof. Shah the country has lost a leading economist, a great educationist and an able legislator.

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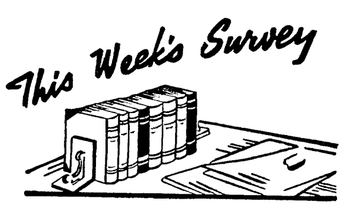


MORE DEFICIT BUDGETS

IT was only last week that we observed in these columns that the tendency of budgeting for a deficit had persisted in the current year also. That this conclusion was not at all unfounded is evident from the deficit budgets presented by the Finance Ministers of some more States in the past two weeks. Thus, despite the improvement in revenue receipts, thanks to larger shares in the allocation of revenue, following the Finance Commission's recommendations, the financial statements of Assam, Mysore, Orissa, Saurashtra, Hyderabad, the Punjab, Madhya Bharat, and Travancore-Cochin disclose deficits. The size of the deficit varies from as much as Rs. 1.96 crores for Orissa to Rs. 14 lakhs for Travancore-Cochin. These deficits relate to the revenue accounts only. If the deficits on capital account—the exact extent of which is not contained in the Press version of the budget statements—are also taken into account, the overall deficits of the State Governments should be quite sizable.

In the context of deficit budgets, it is indeed gratifying to note that the budget of Madhya Pradesh reveals, as in the previous year, a surplus and, what is more significant, contains no fresh tax imposts. On the other hand, concessions in the matter of payment of sales tax have been given to the cottage and handloom industry. The taxable quantum in relation to manufactures is to be raised from Rs. 5,000 to Rs. 10,000 and handloom *saris, dhotis* and *lungis*, the price of which does not exceed Re. 1 per yard, are to be exempted from payment of sales tax.

An idea of the financial position (budget estimates only) of the State Governments under review can be had from the following table:

(In crores of rupees)

	1952-53			1953-54		
	Revenue receipts	*Expenditure*	*Surplus (+) or deficit (−)*	*Revenue receipts*	*Expenditure*	*Surplus (+) or deficit (−)*
Hyderabad ..	21.78	27.36	−2.58	27.90	28.22	−0.32
Madhya Pradesh ..	21.89	20.82	+1.07	25.06	24.52	+0.54
Mysore ..	20.02	21.03	−1.01	20.62	22.20	−1.58
Punjab ..	17.05	17.48	−0.43	19.74	20.05	−0.31
Travancore-Cochin ..	16.85	16.93	−0.08	17.14	17.28	−0.14
Madhya Bharat ..	13.03	13.18	−0.15	14.30	14.40	−0.10
Assam ..	10.05	12.60	−2.55	13.01	14.97	−1.96
Orissa ..	11.78	11.68	+0.10	13.57	14.46	−0.89
Saurashtra ..	8.73	8.72	+0.01	9.42	9.95	−0.53

In the above table, it will be seen that, with the singular exception of Madhya Pradesh—the Finance Minister of which is known for his prudence in handling cautiously the finances of the State—the budgets of all others show deficits. Not only could these deficits have been avoided but their finances improved, had they only paid attention to the question of augmenting their resources by giving up their social schemes such as prohibition, and by exploring new sources of taxation to which reference has been made in these columns on many occasions in the past. Instead, some of the States are seen relying for their additional income on the existing sources which are already heavily taxed.

While for some time now the State Governments have shown a general tendency not to extend their existing programmes of prohibition, we find the Finance Minister of Orissa announcing that his Government would extend prohibition of liquor, including country spirit and toddy, to all rural areas of Cuttack, Puri and Balasore Districts from the beginning of the next financial year. The loss of revenue on this account will certainly tell upon the receipts of the Government in the budget year. Verily, there is none so blind as those who refuse to see. Besides, one wonders if these Governments could not have also curtailed expenditure on some of the non-essential items and this lends support to the view of the Union Finance Minister, Mr. Chintaman Deshmukh, that some of the States "have not shown the necessary determination, matching their keenness, in raising the resources."

Be that as it may, with a view to covering their respective deficits, the Finance Ministers of Mysore, Hyderabad, Madhya Bharat and Travancore-Cochin have proposed new taxation measures. Thus, the Finance Minister of Mysore has proposed to raise the rate of health cess by 50 per cent., increase education cess to one and half annas on all items of revenue on which local cess is leviable, enhance petrol tax to As. 6 per gallon and alter the tax structure of motor vehicles. In Hyderabad, the sales tax on petrol is to be raised from As. 3 (O.S.) to As. 3 (I.G.) per gallon. The various taxes and fees, now paid in Osmania currency under the motor vehicle rules, are to be paid in I.G. currency. A cess of Rs. 2 (I.G.) per ton is to be imposed on sugarcane produced and crushed in the sugar factories. The deficit in the Madhya Bharat budget is to be converted into a surplus of Rs. 1.12 lakhs by enhancing irrigation rates, sales tax on petrol, and registration fees. In the case of Travancore-Cochin, a betterment levy is proposed to be imposed on lands which have appreciated in value, following the completion of irrigation projects.

The sizable deficit of Rs. 53 lakhs revealed in the Saurashtra budget for 1953-54 is claimed to be "only apparent", as, according to the Finance Minister of the State, no credit has been taken for grants and subsidies to be received during the year from the Central assistance boards for schemes included in the State's Five-year Plan. When the assistance, expected to be about Rs. 6 crores, is credited to the revenues, the deficit will be greatly reduced. The remaining small amount is expected to be wiped out by taking "suitable measures without recourse to new taxation." One would like to know what these measures are. In fact, the Finance Minister would have done well if he had indicated what they would be like.

As against the surplus of Rs. 2.33 crores (revised estimates) expected in the current year, the 1953-54 budget for the Punjab discloses a deficit of Rs. 31 lakhs. Despite the deficit, the Finance Minister of the State does not propose —this is noteworthy—any new taxation measures. And the explanation given by him sounds fully convincing. Said he: "It is not possible or desirable in the interests of the economy of the State to impose any fresh taxation at present or to enhance the rates of existing taxes; considerable additional taxation has been put through since the Partition and some breathing space for adjustment and revival is now indicated. Other means of endeavouring to reduce the deficit have, therefore, had to be explored. These include (1) voluntary cut in the salaries of Ministers, Speakers of the Assembly and Chairman of the Council, dispensing of the appointment of five Deputy Ministers, nine Parliamentary Secretaries and four Private Parliamentary Secretaries, (2) abolition of dearness allowance for higher-paid employees, and (3) change-over in the class of travel by Ministers and others."

The brief survey of the budgets of the States is more than sufficient to indicate that the financial picture of the Governments is none too happy. With taxes heavily loaded and with expenditure on so-called schemes of Welfare State steadily mounting up, there is little for the Finance Ministers to feel elated at the budgets they have presented. Surely, the State Governments are having a trying time and it is difficult to say to what extent the implementation of the Five-year Plan will prove a success. What is imperative in the present context, therefore, is an earnest effort, on the part of the Governments, to prune down non-essential expenditure, on the one hand, and augment resources, on the other. This is possible only if the financial policies of the State Governments are guided by strict principles of public finance and not vitiated by principles of morality.

BOMBAY SALES TAX

A Bill to consolidate and amend the law relating to levy of sales tax in the Bombay State was introduced in the Legislative Assembly this week. The Bill is intended, as a temporary measure, to replace the Bombay Sales Tax (No. 2) Ordinance promulgated on 24th December last. It is to be in existence, on approval by the State Legislature, only for a year, ending on 31st March, 1954. Evidently, this short term of its tenure is to enable the State Legislature to accommodate new rulings, if any, in regard to the State Government's sales tax appeal now pending before the Supreme Court. It will be recalled that the Court has already heard the arguments in the case is expected to deliver judgment any time now.

A brief review of the Bill discloses that there is nothing exhilarating about its provisions. It incorporates practically all the provisions of the Ordinance excepting a few changes rendered necessary by the recent decision of the High Court of Bombay invalidating the Sales Tax Act, 1952. The definition of 'sale' in the present Bill is the same as in the Ordinance. Under clause 5 of the Bill, dealers who are liable to pay general tax under the Ordinance continue to be liable under the present Bill when it becomes an Act. The Finance Minister, Dr. Jivraj Mehta, disclosed, while introducing the Bill, that all the rules framed under the Ordinance would be continued under the new legislation. He, however, indicated that it might become necessary to amend some of the rules after the announcement of the Supreme Court's decision.

The main change proposed in the Bill relates to the withdrawal of the exemption from general tax on sales of tobacco. From 1st April, when the Bill is expected to be implemented in its enacted form, tobacco in any form, whether manufactured or not, will be subject to general tax at 3 pies in a rupee. This is consequent on the termination of the arrangement between the Bombay Government and the Government of India under which the former was receiving compensation in consideration of not levying any tax on tobacco. Another change proposed in the Bill subjects cigars, cheroots, and pipe tobacco (other than *hooka* tobacco) to special tax at 9 pies in the rupee.

The Bill has come in for severe criticism both at the hands of the members of the Legislative Assembly as well as the public outside. It is contended that the definition of sale in the Bill comes within the prohibition contained in the judgment of the Bombay High Court. Again, the Bill is said to contravene Article 14 of the Constitution, as it provides for a limit of Rs. 30,000 in respect of a dealer who paid general tax and Rs. 5,000 in respect of another dealer who paid special tax. It is also alleged that clause 7 of the Bill, prescribing the method of assessing taxable turnover was bad in law by reason of imposing a liability on a dealer to register, if his turnover exceeded Rs. 30,000. The continued liability of a dealer to pay sales tax for an indefinite period, even after he ceased to be liable to pay sales tax, as a result of sub-clause 3 of clause 5 and sub-clause 4 of clause 10, is feared to be *ultra vires* the Legislature. The provision in the Bill which compels a dealer to get himself registered or to take out a licence to make returns and keep accounts, even though he might be a dealer only in import-export business, is alleged to offend Article 19 of the Constitution. Thus, it appears that the Bill may not have a smooth passage in the Assembly. And it is doubtful whether the Bill, after it becomes law in its present form, will not be contested in the High Court on account of legal defects.

MARKETING PRACTICES OF JUTE INDUSTRY

The decision of the Government of India to institute an enquiry into the marketing practices of jute manufactures and raw jute sounds strange, in view of the fact that there exists already voluminous literature on the subject. There is, for instance, the Report of the Indian Central Jute Committee on the Marketing of Jute and Jute Products. Although it was published as early as in 1941, it has been brought up to date in the revised edition published last year. Then, there is the Report of the Export Promotion Committee which deals considerably with the practices in the *fatka* market, among others. Further, the memorandum on the futures market subscribed to by all sections of the jute trade and industry and submitted to Sir John Anderson, when he was Governor of Bengal, is also a very useful document. And then there are two reports of Prof. Todd dealing with the same subject. We wonder, therefore, what useful purpose will be served by another enquiry.

Latest reports indicate that the Government of India would entrust the enquiry to a High Court Judge. Although the terms of reference are yet to be announced, it is believed that they will cover all transactions that take place from the time the jute fibre is extracted from jute plants (by wetting them in water) till it is processed and loaded on board ship for export.

The proposed enquiry will, however, be mainly centred on trading in the *fatka* market because there are varied opinions on its utility in helping the development of the jute industry. Some allege that the market serves no other purpose than encouraging gambling orgies. Others hold a different opinion in that it aids the healthy development of the industry. The hectic highs and the sharp downs they attribute to over-sensitiveness of the market, which, they allege, is not in itself a defect. Unless the futures market is sensitive and even over-sensitive, they maintain, it cannot record the ever-changing sentiment of the market.

Whatever these conflicting views on trade in the futures market are, the record of working of the market in India has not been smooth. The futures market which was closed, following the report of the Export Promotion Committee, was opened in April, 1952. But hardly eight months had passed, that is in December last, when trading was again suspended, because of the low prices of raw jute received by growers and the uncertain export markets. And now there is again a clamour for reopening the market.

The jute industry, being a dollar earner, has contributed not a little to the economic betterment of India. And at a time when Pakistan is determined to ruin the Indian jute industry and the overseas demand for jute goods is discouraging, the affairs of the industry no doubt need careful handling.

MR. COWASJI JEHANGIR ON DEFICIT FINANCING

Deficit financing has, as expected, figured prominently in Parliamentary discussions on the Finance Member's latest Budget proposals. These discussions have provided an occasion for further elucidation of the views of the Finance Minister, Mr. C. D. Deshmukh. Dealing with this burning topic of the day, the Minister, in the course of his reply to the Budget on the 6th inst., reiterated the stand taken by him in his Budget speech. "We are satisfied that, as things stand," he observed, "we are not likely to do very much harm, if we resort to the deficit finance indicated in the Budget."

Explaining his point further, the Finance Minister drew attention to the fact that in 1951-52, the Central Budget showed a surplus, while in 1952 there was a deficit of about Rs. 82 crores. For the two years together, there was a deficit of Rs. 82 crores. As against this, the country had a balance of payments deficit of Rs. 194 crores. So, it was clear, he pointed out, that in the last two years the method which the Government had adopted for financing the Plan would not have done very much harm by way of encouraging inflation.

Elaborating the point still further, Mr. Deshmukh stated that it was not all the money that went into circulation that was spent. He considered it was possible that part of it might be held in notes or in Government securities and so on. He could not, however, predict—nor the science of economics—what the result of any particular measure of deficit finance was going to be. "To the best of my judgment," he assured, "against the background of world conditions, and what the Planning Commission has recommended, it seems to me that we are not taking any undue risk." Asked whether Rs. 290 crores, as visualised by the Planning Commission, would still be the limit of deficit financing in spite of the provision, in the coming year, for a development expenditure of Rs. 225 crores, the Minister replied in the positive, hoping that some of the money he was putting out would come back in the way of taxes and other revenues.

Although the Finance Minister appears to be confident of succeeding in his experiment with deficit financing, there is a section of leading public opinion—a growing one at that—which fails to see eye to eye with the Minister. The latest to join the ranks of this section is that able and experienced industrialist and banker, Mr. Cowasji Jehangir. Presiding over the annual meeting of the Bank of India Ltd. on the 5th inst., Mr. Cowasji expressed his misgivings over the fact that the country was embarking upon a career of deficit financing and that such policy might continue indefinitely. He had not the slightest objection to financing posterity by the issue of Government loans on suitable and equitable terms. If the country could not borrow overseas, and if its people would not or could not subscribe to Government issues, deficit financing, then, meant overtime work for the Nasik Printing Press, or, in other words, further issues of notes and a new twist to the inflationary spiral.

Two good reasons would appear to have made him doubt the success of this unorthodox method of financing development plans. One is the possible failure on the part of a successor to Mr. Deshmukh to handle the weapon with the same dexterity as the present Finance Minister, who is known for his conservative outlook, and to see that such a policy does not get out of hand. The other reason is that although the Planning Commission has set a limit for deficit financing, Mr. Cowasji Jehangir feels that thre is no guarantee that the recommendation of the Commission might not be disregarded at some time in the future. These considerations make him utter a warning thus: "I have read about this deficit financing with consternation, if not with actual foreboding, and it seems suitable for me to utter a word of warning and caution at this our annual general meeting. This warning, in my humble opinion, becomes all the more necessary due to speculative tendencies of many in this city and country. Although there is no new taxation I do not feel so optimistic, as many appear to be, and looking to the future, it would be wise to be cautious and to go slowly." These words deserve to be pondered over by all those who feel elated at the idea of the country embarking upon an era of inflation.

OFF THE RECORD

(By "ROVER")

IT is generally held that, by the time a fellow degenerates into the ranks of columnists, he has outlived whatever human qualities he might have been endowed with by nature or Providence. I do not know if this belief among the readers of newspapers and periodicals is wholly justified. But I can testify that whatever might be the case with regard to the nobler categories of human qualities, some of the baser attributes of *homo sapiens* still cling to a man even after his descent into Hades, i.e., the subterranean world of journalism. And vanity is one of those human weaknesses, which thrives on a diet of newsprint and printers' ink. A columnist may not, perhaps cannot, afford to be very human; but he is human enough to be vain.

You shall, therefore, take this as an apology and not expect me to demean myself once again, if I hark back to what I wrote last year soon after the annual general meeting of the Federation of Indian Chambers of Commerce and Industry in this column, in the issue of 5th April, 1952, on the implications and significance of that still-born session, or quote rather extensively from it. I make no bones of the fact that in doing so, I am mainly moved by gratified vanity, and not by any exaltation of spirit, at noting a marked improvement in the atmosphere, at the general meeting of this body last week at New Delhi, or that in the approach of both the Prime Minister of the country, who inaugurated the proceedings, and the members of the Federation who took part in them. From the tenor of the speeches all round and the absence of aloofness and none-too-well concealed contempt on one side and petty-mindedness coupled with sordid acquisitiveness on the other, it is evident to me that some of the pointed shafts aimed at either side by me had found their respective targets and had resulted in a wound which heals ultimately.

About the long perorations last year, I had observed that they, when put together, "failed to link up and evolve a unity of understanding or purpose, not to say anything of even a glimpse of the picture of the Indian economy as a whole, with some dominating central idea round which it is to be built up by the co-operative and co-ordinated effort of all the elements of the populace." Similarly, about the resolutions passed, I was constrained to observe: "Apart from registering complaints or asking for more of this or that, there was no common purpose or scheme, not even a constructive common approach, to enliven the problems viewed in severe isolation."

How very different it was this year! It was obvious that those who attended this important session of the Federation, which, let us hope, marks a turning point in the career of this august body, did not go to it, as on the previous occasion, with the sole aim in view of voicing their grievances and wringing concessions from a reluctant Government. In any case, with whatever misgivings or doubts they went to the meeting, a majority of them came back with greater enlightenment regarding what the country, as a whole, required of the business community by means of its contribution and with a better understanding of the nature of the contribution, they are resolved to make as a body, to build up the prosperity of the country.

And what is still more important, the two days' session during the last week-end, helped in reducing the distressing and all-too-evident friction and estrangement between those who have come to monopolise political power and those still clinging tenaciously to economic resources and means of industrial production, cornered by them under an obliging and comfortable system of unchecked individual enterprise, named by the more subtle French as *laissez faire*. For full five years and more, almost till yesterday, this bitterness between those two powerful sections of society (I am aware that the politicians are apt to consider their class as commensurate with society) had been growing deeper. But, just in time, sanity, realism, moderation and tolerance seem to have re-established their sway over passions and prejudices, agreed and selfishness, in the counsels of both the camps.

In dividing the credit for this happy turn of events, I am inclined to apportion the lion's share to the Prime Minister. When a whole populace pushes a man on a high pedestal and burns incense at its feet, it is difficult for him to descend from it and mix with the crowds. Even this year, when he addressed this gathering, he sounded a little distant, a little superior, but he thawed as he went along and warmed up to his subject. Unlike last year he did not preach and he did not condemn. He did not ask for surrender either. He tried to explain and to enlist support and he seemed ready and willing to understand. Both his tone and approach were different and even though not exactly marked by a becoming humility, it was not marred by an exhibition of superiority or displeasure. He took great pains to put across his concept of a Welfare State and define his objective of securing social equality. And he did it in his old fascinating manner of thinking aloud and asking his audience to share in his search, which of late is less and less in evidence both in Parliament and outside it.

Though he began his address as the Prime Minister of the country, he soon forgot it and began to talk as the intensely human Mr. Nehru, who is always eager to understand and to sympathise. Almost unconsciously, perhaps, because he was in a very good mood, he seemed to avoid any word or phrase which would irritate, hurt or antagonise his hearers. He was frankly tolerant of their limitations and accommodating to their weaknesses. What could have been more reassuring to this frightened community than his acceptance of the private sector of industry, which, though expected, broadly speaking, to run for the social purpose, had its own way of functioning, and his open admission that "to try to maintain a private sector and hamstring it and try to ask it to behave otherwise than it is capable of behaving, means that the private sector does not function satisfactorily"? The Lord be praised for this dawning of wisdom, belated though it be. I have pleaded again, and once again, in these columns that, if you decide to have the private sector of industry, you should give it enough elbow room to turn round and operate. When the whole structure is based on the profit motive, and when it is obvious that this machinery would cease to run if one were to remove this "kingpin," there is little point in sneering at it.

But if Mr. Nehru was more sympathetic and understanding (I see the influence of Mr. C. D. Deshmukh in this change in him), Mr. Shanti Prasad Jain deserves great credit for the tact with which he put forth the case for commerce and industry. Last year, I had to be unduly harsh in my comments on the attitude of the leaders of the business community throughout the session. I could not help blaming them then for failing to understand the significance of the occasion and to devise a new definition of their place and function in the new social order that was in the process of being born.

With a degree of subtlety and tact, not usually associated with business magnates, Mr. Jain eschewed all petty controversies and went all out to understand the economic objectives pursued by the Government. He did not ask for concessions and incentives. He did not put forth petty grievances. Magnanimously, he welcomed the partiality shown by the Government towards small-scale industry and concentrated his attention on the problem of unemployment and underemployment. Instead of indulging in picking holes in the Five-year Plan, he expressed the wholehearted support of his community for it and made a number of constructive suggestions designed to help in its implementation. At the same time, he did voice a number of important difficulties in the way of the private sector of industry, and asked for their removal. But he did it in a manner so unexceptionable that nobody could accuse him of seeking gain or concessions for business men. He was careful enough to show that these were difficulties in the way of reaching the targets laid down by the Plan and not obstacles which reduced their profits. And finally he paid a graceful and well deserved tribute to the Finance Minister for his able stewarding of the country's finances and his realistic approach to the various problems confronting the country. It is, indeed, gratifying to note that almost all the speeches, also of those who moved the various resolutions or spoke in support of them, were on an equally high plane, which go to show that, in spite of all the abuse that they receive from public men, the community has registered a remarkable growth in its outlook, activity and sense of social responsibility.—*All Rights Reserved.*

DEFICIT FINANCING DEFENDED

RAILWAY CENTENARY EXHIBITION

(From A Special Correspondent)

NEW DELHI, 10th *March*

THE highlight of this week in Parliament was the able defence put forward by Mr. Chintaman Deshmukh on Government's policy of deficit financing for the purpose of implementing the Five-year Plan. Most of the criticisms offered by the Opposition centred round the fact that deficit financing would aggravate the inflationary spiral, that it would exercise heavier burden on the poorer section of the community, that the living costs in the country had not declined despite a moderate recession in the wholesale prices index number and that the Government should seek other measures, such as modification of prohibition policy, tax on gifts, levy on salt, etc., to finance the Plan. It was argued that deficit financing would step up prices of commercial crops and thus upset the food targets. Industries, which expanded under the artificial stimulus of inflation, would soon get into difficulties as the capacity of the consumer to buy in the face of rising cost of living and shrinking incomes would be reduced.

DELHI LETTER

No Undue Risks

In his reply to the debate, the Finance Minister pointed out that the country would not be taking "any undue risks" in undertaking deficit financing to the extent envisaged in the Budget. He stated that in 1951-52 there was a net surplus of one crore of rupees while in 1952-53 the deficit worked out to Rs. 83 crores. For the two years put together, there was a deficit of Rs. 82 crores. As against this there was a balance of payments deficit of Rs. 194 crores. Therefore, he contended that this quantum of deficit financing had not done any harm to the economy of the country during this period. On the other hand, prices of commodities, especially in the export sphere, were marked down appreciably on account of the operation of world factors in 1952-53. Mr. Deshmukh stated that in the budget for 1953-54, there was to be an overall deficit of Rs. 140 crores and adding the Rs. 82 crores of the last two years, a figure of Rs. 222 crores was obtained. As against this, the Finance Minister pointed out, if the rate of Rs. 50 crores annually was taken for the release of sterling balances, a balance of payments deficit of Rs. 240 crores was obtained. This factor proved, in effect, to be anti-inflationary in character, totally cancelling the effects of deficit financing on the country's economy.

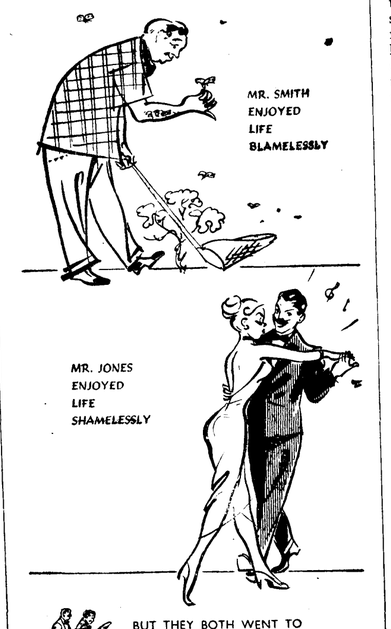
Subdued Optimism

Generally speaking, opinion in Government circles is one of subdued confidence on the effect of deficit financing on Indian economy in the coming years. It is felt that there may not be any sharp upward trend in commodity prices in the country. True, last year, in the first week of March, the wholesale commodity index declined to the low level of 364.9 as against the latest figure of 381.7 (third week of February). It is also possible that the index may go up to some extent during the off-season period of this year —June-July. However, from the last quarter of the year, prices are likely to show a gradual recession for more reasons than one. The food-grain supply position in the world has been steadily improving. The U.S.A. has been pursuing a policy of decontrol in respect of a number of commodities and may modify, to some extent, its farm support policy. In our country also, the food supply position is definitely better than that of a year or two ago, despite the present devastating famine in Maharashtra and the continued failure of rains for the past five years in South India. With the determination of the present Food Minister of the Government of India to supply rice to the deficit areas from internal procurement and to use imported rice as reserve stocks against contingencies, indications are that Government has been able to tackle the food problem in the right direction. An encouraging development in this connection is the steady rise in the procurement of rice within the country during the last two or three months. As against the procurement target of 1.54 million tons of rice for the current rice year, a quantum of 558,000 tons is stated to have been procured during the first quarter of the year. If the present progress is maintained the target is expected to be fulfilled without any difficulty. Orissa, Madhya Pradesh, West Bengal, Punjab, etc., have done remarkably well in this connection.

It may be noted that the Finance Minister even went to the extent of saying that besides deficit financing to meet the programme of expenditure for the public sector, Government must also take note of the deficit in the private sector. "Deficit financing may have to be developed further," he added. In case the experts from the International Monetary Fund now on tour in the country were to recommend a higher target for deficit financing, the Government of India will adopt this course in order to quicken the pace of economic development of the country, if possible.

Progress of Self-sufficiency

The Centenary Exhibition of Indian railways has been attracting thousands of visitors daily during the last few days. Inaugurating the exhibition, the Prime Minister, who was in a contemplative mood, referred to the excitement he had got in seeing all over India mighty work going ahead, changes taking place. He said: "In fact, the new India of our dream is gradually taking place." The Railway Minister, Mr. Lal Bahadur Shastri, stated in the course of a brief speech that the main object of the exhibition was to tell the people how the railways were progressing step by step towards achieving self-sufficiency. There are a number of exhibits of historical interest attracting the attention of the visitors, but the most instructive among the exhibits are those innumerable and complicated machinery, parts and equipment, which are manufactured domestically—for instance, locomotives, wagons, coaches, rails, etc.—and others which are still imported from abroad. The purpose of this section of the exhibition is to attract the attention of Indian manufacturers to this deficiency so that they might be persuaded to undertake these lines of production. The Chairman of the Railway Board, Mr. Badhwar, stated that by 1956, 86 per cent. of all the railway requirements would be produced within the country. By 1960, this percentage was expected to go up to 95.



THE ECONOMICS OF STALINISM

TRADE WITH RUSSIA POSSIBLE

(From Our Own Correspondent)

LONDON, 7th *March*

STALIN must smile if he can look down on the Western world and see the consternation his death appears to have caused. In this country, the Press immediately asked itself and its readers—"Is it a good thing or a bad thing?" The American Press, from all reports, has taken a similar line. Nowhere was it sufficient to weigh, in obituary notices, the good or ill the ruler of the Russian State had done. To the *Economist* the news was "deeply disturbing"; more moderate journals decided that whether the news was good or ill "time alone would tell"!

LONDON LETTER

The reason for the consternation, or the queries, rests on the belief that Stalin held in his hands absolutely the reins of peace or war and that, while he had decided for the cold war, his successors might opt for hot war, or for intensified economic efforts, to disrupt Western Europe. But this attitude is based on the persistent over-simplification of the Russian Party and State machine of which so many commentators are guilty. One of the greatest strengths of Stalin lay in his powers of organisation and his ability to absorb and to synthesise many different points of view, before coming down in favour of the decision which he believed would prove right. Only recently, the Russian equivalent of a Cabinet structure-cum-Parliamentary Committee was streamlined in the light of 25 years' experience, while the system of checks and balances in the Russian hierarchy is every bit as safeguarding of the Constitution as is the American Government machine. Stalin's powers derived from his own personality in much the same way that Mr. Churchill's do. Both men could get away—when they wished—with putting over lines of policy in a way that lesser Premiers could not have done.

Exchange of Goods

If one can leave aside these crude fears about peace and war and the melodrama about personal struggles for power, is there anything to be seen in the passing away of Stalin, of significance to the relations between the Communist and non-Communist worlds? Stalin himself was an economist-philosopher-politician, and his survey of 1951 has probably set the pattern both for Soviet economic thought and for the economic relations of the Communist countries to the outside world. But the Soviet State has often in the past had to adapt its policies when the line it had previously pursued proved unprofitable. After all, Russian economic non-co-operation dates from that day in 1947 when Mr. Molotov, with an extensive entourage, returned home from Paris declaring that the Marshall Plan was not for Russia. Since then the Soviet economy has recovered from the war and the country has become the second industrial giant in the world. It is a mistake because the Soviet Press publicises the things that go wrong in the economy to assume that little goes right. The Communist alternative to the "Marshall Plan" has knit together all the countries east of the Elbe. Yet the Russian, Polish and Chinese desire to trade with the U.K. and other Western countries remains unabated. Their economic realism makes them seek the best equipment and prepared to sell their own foodstuffs and raw materials in exchange. The reduction of trade with the Eastern countries has been brought about, mainly, as a result of the American interpretation of "strategic materials" in connection with their aid to O.E.E.C. and later to N.A.T.O. If it is true that the American Administration sees, in Stalin's passing, an opportunity to weaken the bond between Communist countries by being prepared to trade with them more freely, then there would be real hope of the cold war dying quietly away. The British Government, in spite of its share of American defence aid, could take an initiative. Its slogan with the U.S. is "trade not aid"; there is no reason why with the Communist countries, it should not become "trade instead of cold war." It is possible that the Russians would respond to such a change. There is no need of conferences to achieve this end—it would be a question of seeking every opportunity to expand the exchange of goods which both groups of countries want.—*All Rights Reserved.*

INDIAN BUSINESS MEN OPTIMISTIC OF COUNTRY'S ECONOMY

PRIVATE ENTERPRISE ASSURED OF FREEDOM OF ACTION

(From Our Special Representative)

THE prominent business men from all parts of India, who gathered in New Delhi to participate in the twenty-sixth session of the Federation of Indian Chambers of Commerce and Industry held last week, dispersed in a jubilant mood for two reasons. In the first place, they found that there was a large measure of accord between the Federation and the Government and, secondly, the Prime Minister, Mr. Jawaharlal Nehru, who inaugurated the session as in the previous years, said no harsh words against them. The unpleasant remarks made by the Prime Minister last year about private enterprise were still fresh in the minds of the delegates and visitors to the Conference and before the session began, the delegates were rather afraid that the Prime Minister might, once again, assume the role of a critic of private enterprise and admonish them for their omissions and commissions, for their pettiness, for their lack of foresight and so on. It was, therefore, a pleasant surprise to them when the Prime Minister addressed them in an affiable and reassuring manner.

Observers wondered whether this agreeable change in the Prime Minister's mood was the result of his anger having been diverted against the *Hindu Mahasabha* and its allied organisations which had chosen, only on the previous day, to defy the lawfully established Government, or of a conscious appreciation on Mr. Nehru's part that private enterprise had an important part to play in the economic development of the country. Considering that the Prime Minister is a man of moods, this doubt is, of course, justifiable. But your correspondent, who listened to him, got the impression that Mr. Nehru was sure in his mind of what he was saying. If he was less critical of business men than last year, it was presumably because the retiring President of the Chamber, Mr. Shanti Prasad Jain, was more tactful in his presidential address than his predecessor, who was needlessly provocative. Mr. Jain's wholehearted support to the Plan, on behalf of the business community, and to the policy of deficit financing enunciated by the Finance Minister in his Budget speech might have pleased the Prime Minister. Mr. Jain, of course, did catalogue a number of "musts" by the Government. But Mr. Nehru brushed them aside by saying that they were all matters of detail to which he could not reply and that he would confine himself only to broad issues of policy. He added that, generally speaking, he was in agreement with Mr. Jain's speech.

Mr. Nehru's Views Analysed

Although Mr. Nehru spoke only in general terms, he did make some important points, with which business men found themselves in full agreement. He stressed that the most vital problem of the day was one of providing employment for all. The right to work by every citizen of the country was a fundamental one and opportunity must be provided for all to realise this right. This feeling was echoed by Mr. Jain in his speech, while supporting the Plan. The second point made by Mr. Nehru related to controls. On this subject, he was even more clear than when he spoke last time in Parliament. Though Planning meant controls and direction by the Government, said Mr. Nehru, it did not mean control of every activity. There was no need, according to him, for a multitude of controls all over the place but only broad directional *controls, for ensuring that first* things were done first, and for preventing haphazard economic development of the country. The third point made by Mr. Nehru related to the place of private enterprise. He clearly recognised that, as the Plan was based on mixed economy, private enterprise had a distinct role to play, though in a Welfare State the old nineteenth century doctrine of *laissez faire* could not be followed. He went a step further and observed that, if the private sector was to play its part effectively, it must be allowed to function in its own way. "To try to maintain a private sector and hamstring it all over the place and to ask it to behave otherwise than it is capable of behaving will mean that the private sector cannot function satisfactorily." In other words, the Prime Minister appreciated the necessity for a certain measure of freedom of action for private enterprise from economic controls. Incidentally, he explained how he found it necessary to keep private enterprise alive and work for a mixed economy. This explanation is important, because it comes from a genuine socialist that Mr. Nehru is. "Planning in India," said Mr. Nehru, "is being done not only under a democratic constitution, but generally speaking, with certain democratic objective in view. Therefore, however much we may socialise our economy, we do want to keep democracy there. In a planned economy, there is an obvious tendency for too much collectivism and for democracy to go by the board. Therefore, if one values that background of democracy, one wants to retain it and, as a result, you get what is called a mixed economy." The fourth important point made by Mr. Nehru related to support to indigenous production, a point that was stressed by the Federation's retiring President also. He regretted that after independence, the *swadeshi* spirit, namely, the spirit of self-reliance, had weakened perceptibly. He felt that people ought to buy more and more of Indian-produced goods. This, of course, did not mean that he was in favour of India living in isolation. He believed in the fullest co-operation with other countries of the world in every sphere. He only wanted this country not to be dependent on others.

The business men were quite pleased with all the above observations of Mr. Nehru. It is true that the specific points referred to by Mr. Jain were not answered by the Prime Minister but they knew very well that they could not expect him to do so.

Swadeshism

A number of resolutions on current economic developments and problems were adopted by the Federation in its meeting. The resolution on *swadeshi* spirit sought (*a*) the support of the Governments, both Central and States, to goods and services of Indian origin in preference to foreign, (*b*) deprecated the Government accepting aid from foreign countries in foreign manufactured goods when such goods were being produced in India in adequate quantity and enjoined upon Indian business men to take the lead in the matter by utilising increasingly and in every possible respect Indian services, such as banking, insurance and shipping, and Indian-made goods. The mover and some of the supporters of this resolution, of course, took care to emphasise the need for improving the quality of the Indian goods. But a number of others went to extreme limits. One of the latter group, for instance, contended that people should buy Indian goods even if they were inferior in quality to foreign, because India could not afford to use up-to-date and modern plant and machinery for some years to come. Another belonging to this group wanted the restrictions on imports to be tightened further.

The impression that some of the speakers created was that they were more concerned with producers than with consumers. No searching of hearts was done as to why nowadays consumers increasingly preferred to buy foreign goods. Nor was it realised that having fervently supported deficit financing, the demand for restriction on imports which they were putting forward, ran counter to the need for creating an import surplus. The truism that foreign trade is not a one-way traffic was also ignored. Not one speaker cared to examine whether Indian manufacturers were doing all they could to popularise the use of their products. The general tendency among them was to blame the Government and its import country policy and to demand a completely closed market for themselves. This is scarcely an attitude which can be regarded as progressive. The best way to popularise the *swadeshi* habit is to produce quality goods, cheapen their cost and to undertake widespread sales propaganda through all possible media. The way in which some of the business men supported this resolution suggested that, having been accustomed to a sellers' market all these days, they have forgotten the art of selling their products in a buyers' market. To a large extent, this mentality is the basic reason for the warm welcome they have accorded to the policy of deficit financing. In their anxiety to see that more purchasing power is put into the hands of the people, they do not seem to have cared to realise that deficit financing would keep the costs high and ultimately bring about such a violent disequilibrium in the country's economy as to force a further devaluation of the rupee.

Cause of the Small Man

The Federation broke new ground by adopting a resolution championing the cause of small-scale industries and small traders. By doing this, the Federation has demonstrated, in principle at least, that it is an organisation interested not only in the welfare of big industries but also in small industries and middle-class business men engaged in trading activities on a small scale. Neither the resolution nor those who spoke in support of it, however, indicated in concrete terms the manner in which the small industries could be helped by the big industries. Similarly, the anxiety expressed by the resolution over the growing unemployment among the middle-class people did not square with the hardship which this class would have to undergo, as a result of deficit financing which all the leading members of the Federation fervently advocated.

The resolution relating to sales tax, suggesting, among others, the enactment of a model Sales Tax Act by the Central Government makes interesting reading. It indicates a way out of the constitutional difficulty in bringing about uniformity in the sales tax legislations in the country and of the controversies which centre round them. But, if this model legislation is to be of any utility and serve the object the Federation has in view, it must secure the consent and co-operation of the State Governments. It is, however, a moot point whether these will be forthcoming. The last States Finance Ministers' Conference clearly revealed that the State Governments were in no mood to modify their Acts in any manner, if such modification meant loss of revenue to them. In any case, there is no chance of the Federation's suggestion receiving any attention at the hands of the Government at present, inasmuch as, in the last States Ministers' Conference, it was more or less agreed that the question of achieving uniformity in the rate and mode of taxation should be referred to the Taxation Enquiry Committee.

Income-tax Law

There is nothing new in the Federation's resolution on the revision of income-tax law. It is, however, worthwhile recording this resolution here, in view of its importance to the business community. While welcoming the appointment of the Taxation Enquiry Commission under the chairmanship of Dr. John Matthai, the Federation pertinently points out that changes in income-tax law, which are long overdue and essential from the point of view of assessees, should not be held up till the Commission reports its findings, as its labours will, in all probability, be of a protracted nature. In its resolution, the Federation has drawn attention to the following matters:

(1) Granting additional depreciation allowances on replacement cost basis, or otherwise assist industry to facilitate replacement of worn-out plant and machinery;

(2) removing Appellate Assistant Commissioners from the administrative control of the Central Board of Revenue and placing them under the Appellate Tribunal, thereby upholding the accepted and salutary principle of the separation of the judiciary from the executive;

(3) abolishing the system of advance payments of income-tax under section 18A, which was introduced as a war-time measure, but which has outlived its usefulness, thereby enabling the early completion of final assessments and avoiding inordinate delays in assessments;

(4) deleting section 23A of the Indian Income-tax Act or at least amending the section so that private companies will be allowed to plough back their profits for the expansion of the companies without being compelled to distribute 60 per cent. of their assessable profits among the shareholders and also removing the hardships that have been apparent in the working of this section, and

(5) amending sections 42 and 43 of the Indian Income-tax Act so that only income arising out of trading in India is taxed and that no vicarious liability attaches to the agent of a non-resident.

The Federation has also urged that certain amendments to the Income-tax Act proposed in the Finance Bill, 1953, be modified so that—

(1) The relief in corporation tax accorded to companies on dividends from investments in certain specified industries formed and registered after the 28th day of February, 1953, is extended to all company investments,

(2) the scope of exemption of donations to charitable institutions is extended to all institutions and funds which satisfy one or other of the conditions mentioned and further to all *bona fide* charitable institutions and funds whether registered or not, and

(3) the provision that speculative losses can be set off against speculative gains only is revised and amended, so as not to place any handicap on the normal functioning of trade and day-to-day activities in the different recognised forward markets and Stock Exchanges.

The main resolution on which the Federation spent over half a day was the one on the Five-year Plan, pledging its wholehearted support to the Plan. Several delegates spoke on this resolution. In a well-prepared and neatly delivered speech (published elsewhere in this issue—Ed.) Mr. B. M. Birla indicated how modest this Plan was as compared with India's needs and brought out some of its shortcomings. The striking point he made in his speech was that most of the targets allotted to industries in the private sector had already been hit. What was, therefore, needed for this sector was a long-term plan. Mr. Kasturbhai Lalbhai, who also spoke on this resolution, traced, in a realistic manner supported by facts and figures, the achievements of India in the sphere of new industries during the last few years and expressed the view that, despite the apparent scarcity of capital in the country, the pace of industrialisation could be kept up, if the Government were to give such assistance as guarantee of return on investments in industries considered essential and expeditious disposal of the applications for protection before the Tariff Commission, etc. In an eloquent speech the veteran orator, Mr. A. Ramaswami Mudaliar, brought out the economic and political philosophy underlining the Plan. He congratulated the Planning Commission and the Congress Party for trying to plan the economic development of the country in a democratic manner, by preserving the rights of individuals and avoiding the temptation of regimenting the economy inherent in all planning. Mr. Mudaliar was realistic enough to admit that planning for development in the democratic way meant slow and steady progress. He, however, preferred this slow progress under a democracy to swift progress under a collective system.

LAND MORTGAGE BANKS IN INDIA

MR. VENKATAPPIAH URGES RATIONALISATION

IN the context of the emphasis laid on agricultural development by the Planning Commission, the promotion of long-term agricultural credit is of special significance to the country to-day. Unfortunately, financing of long-term requirements of agriculture has suffered grievously from long neglect in India. It is true that the State Governments and land mortgage banks have for a few decades now sought to tackle the problem, but the progress in the direction has not been as satisfactory as it should have been. For certain disquieting features characterise the dispensation of long-term credit by both these agencies. Thus, funds have not been in ample supply. Requests for aid is growing in volume, but the flow of credit has not kept pace with it. Delays in sanctioning loans have been common; interest rates are relatively high, and where loans are granted, their purpose has been more to discharge prior debts than to improve the land. Repayment of loans by the borrower has been a tardy and slow process, and what is more, matters are known to have gone worse when drought and famine occur which unfortunately, in recent years, have become a hardy annual.

That the adverse features of long-term financing of agriculture have not undergone any marked change in their complexion is evident from the proceedings of the twenty-third Conference of Co-operative Land Mortgage Banks held last week at Madras. For, among the problems discussed, the question of delay in sanctioning loans figured prominently. Many factors would appear to have been responsible for the delay in scrutinising applications and sanctioning them. Increase in the number of applications for loans, paucity of adequate trained staff to scrutinise them, ignorance of the agriculturist regarding the requirements of eligibility for loans, imperfect maintenance of the necessary documents of title by owners of land and diffusion of ownership resulting from fragmentation and subdivision of land have all been cumulatively responsible for the delay, which generally occurs, in sanctioning loans. Although the remedy for these drawbacks is a long-term one, requiring educational progress and reformation of land ownership and tenure, the urgency of the problem demands that other short-term measures should be adopted by land mortgage banks in India. The approach to this problem by the Central Land Mortgage Bank, Madras, in publishing a pamphlet indicating, in simple words, what one has to do before applying for a loan, is on right lines. The appointment of an adequately trained staff in banks and of approved agents in rural areas for discriminatory information about the nature of requirements which must be fulfilled before loans are applied for can be of immense help in the speedy disposal of applications. Mr. S. Venkataratnam, in his Presidential address at the conference mentioned, suggested that there must be legislative protection to the effect that "under certain specified circumstances the change on the land created in favour of a Land Mortgage Bank is binding on the property." It is true that the acceptance of this suggestion would greatly facilitate the speedy disposal of loan applications. But it might be wondered whether the suggestion will find favour with landowning classes. For one thing it might restrict their borrowing capacity, and for another, there is the possibility that these banks might become the ultimate owners of land. In the latter event, the Bank would, in course of time, lose its "mortgage" character.

In view of the fact that increase in agricultural production is a problem of national importance, the purpose for which long-term loans should be granted by the land mortgage banks assumes additional importance. Unfortunately, in India the bulk of land mortgage loans is given for redemption of old debts. It is stated that in 1950-51 loans for the discharge of prior debts constituted the largest single item representing Rs. 72 lakhs out of a total of Rs. 84 lakhs sanctioned by primary mortgage banks in India. This was followed by loans for improvement of land amounting to Rs. 6.8 lakhs, loans for the purchase of land in order to round off holdings to Rs. one lakh and loans of a miscellaneous or unclassified nature to Rs. 4.5 lakhs.

The predominance of unproductive debt owes its origin to the depression of the thirties when land mortgage banks were primarily organised to provide funds for agriculturists to pay off the dues of their creditors during the critical period. Since then conditions have, no doubt, changed; debt relief measures have been introduced by State Governments and rise in agricultural prices has improved the position of ryots in rural areas. One would expect that these changes would result in a lower percentage of loans granted to ryots for redemption of old debts. But the practice of granting loans liberally for unproductive purposes has persisted. In the result, the case of loans for land improvement which should naturally receive top priority has gone by default.

In this connection, it is noteworthy that Mr. B. Venkatappiah, Executive Director, Reserve Bank of India, in the course of his inaugural address at the Conference, emphasised the need for aiding moderation effort in agriculture. Drawing the attention of the co-operators to the existence of an admittedly wide gap between the funds likely to be available as loan money on reasonable terms and the credit requirements of the agriculturists, Mr. Venkatappiah insisted on the need for adhering to a well-thought-out scheme of priorities by the banks. He said: "Consistently with the principal objectives of the Five-year Plan, we should recognise that assistance rendered by way of credit has to be related to certain broadly defined sectors of productive effort. Considered from this standpoint of priorities, it is evident that the funds available should be increasingly utilised in a manner calculated to step up agricultural production and to help create the very savings out of which old debts may be discharged."

Mr. Venkatappiah's address contains much thoughtful advice, capable of being put to advantageous use by the land mortgage banks in India. We would like to refer here, in particular, to his observations on the practice of issuing second and third loans to borrowers. The principles followed in this regard are not on sound lines. For, the purpose of these subsequent loans ought to be directly productive as it was when these loans were first started, instead it is in many cases found to-day that loans are being granted for unproductive purposes and that too, without any limit imposed on the amount so granted. Secondly, all these loans are being granted invariably for a period of 20 years bearing the same rate of interest. Far from being rational and scientific, these practices run counter to the sound principles followed by land mortgage banks in other advanced countries. Not only do the second and third loans, in these countries, bear a higher rate of interest than that of the first loan, but their duration is limited relatively to shorter periods according to the purpose, the amount involved and the repaying capacity of the borrower. Rationalisation of the present lending system in India on these lines, as Mr. Venkatappiah rightly insisted, is absolutely necessary.

The advantages of such a rationalised system are many. First, it prevents increased income—resulting from land improvements effected in a period shorter than the full period of 20 years of the loan—from being diverted to purposes other than repayment of the loan. Secondly, the early repayment of loans enables land mortgage banks to enlarge their lending operations to cover a wider circle of borrowers besides providing the much needed relief to the debtors. Thirdly, the Banks will be able to issue medium-dated debentures at lower rates of interest, which have a stronger appeal to financial institutions. The reorientation of the lending system on these lines no doubt calls for changes in the current methods of investments, of collections and of constituting sinking funds, etc.

Now to turn to the land mortgage banks in the Madras State. They have had to face serious difficulties over their advances thanks to the fact that drought and famine have continuously afflicted certain areas in the State for nearly five years now. The banks have received requests for postponement of instalments on loans. The volume of loan arrears has been on the increase. To a considerable extent the position has been eased by the timely assistance of the Government of Madras in placing at the disposal of the Central Mortgage Bank an amount equal to the total of the instalment in respect of which postponement has been sanctioned subject to a maximum of Rs. 5 lakhs. A point, however, to be noted, in this connection,

(Continued on next column)

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DENA BANK'S RESULTS SATISFACTORY

LIQUIDITY RATIO AT HIGH LEVEL

THE Devkaran Nanjee Banking Co., Ltd. (Managing Director: Mr. Pravinchandra V. Gandhi, Bombay), has had another year of satisfactory working during the 12 months ended 31st December, 1952. Despite the depressing effect of the slump in commodity markets which occurred during the year and the Government's new monetary policy (initiated in November, 1951) on banking activity in the country, it is noteworthy that the Dena Bank was able to extend its services over a wider area, as witness the increase in the number of its branches and accounts. Thus, two more branches were opened during the year, one at Patan (Gujarat) and the other at Sidhpur (Gujarat), bringing the total number of the Bank's offices to 57 at the end of 1952, and the number of accounts from 74,500 to 76,000. If the effect of this expansion in activity is not reflected in the deposits of the Bank or in its profits which are a shade lower for the year, as compared with those for the previous year, such is due to factors beyond the control of the Bank's management.

The following comparative table brings out clearly the progress of the Bank's working during the last three years:

(In thousands of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Interest and discount earned.	25,31	26,56	25,47	22,39
Commission and exchange ..	4,87	5,27	3,70	2,03
Gross income	34,83	36,23	32,94	28,41
Interest paid ..	7,61	9,45	6,79	6,54
Expenses	21,07	20,22	17,34	14,86
Loss on sale of securities and shares	..	..	1,69	2,17
Profit	6,15	6,57	7,12	4,84
Transfer to—				
Taxation	1,50	1,50	2,75	4,75
Reserves	2,00	2,00	2,00	1,50
Depreciation	81	75	71	69
Dividend	1,75 (3½%)	1,75 (3½%)	1,50 (3%)	1,50 (3%)
Carry forward	1,48	1,39	82	66

	As on 31st December			
	1952	1951	1950	1949
Capital	50,00	50,00	50,00	50,00
Reserve fund	24,00	22,00	20,00	18,00
Deposits	8,04,40	8,37,01	7,68,93	6,86,98
Borrowings from other banks.	..	..	42,00	..
Advances and bills	2,77,37	3,20,04	3,38,02	2,21,49
Investments	4,17,70	3,77,80	3,69,52	3,63,03
Cash	1,83,01	2,24,41	1,88,43	1,58,27
Balance-sheet total	9,86,01	10,41,26	10,09,74	8,29,63
Ratio to deposits of—	%	%	%	%
Advances	34·5	38·2	44·0	32·2
Investments	51·9	45·1	43·8*	52·8
Cash	22·8	26·8	24·5	23·0

* The ratio is arrived at after taking into account the securities earmarked against part of the borrowings from other banks.

It will be noted that there has been a decline in earnings from the main sources of income to the Bank, namely, interest, discount, exchange and commission to the extent of Rs. 1.65 lakhs, but this has been more than made good by the saving of Rs. 1.84 lakhs in interest paid. There has been an increase of about Rs. 85,000 in expenses, but it is gratifying to note that the rise is small compared to the increase in expenses in the previous two years.

Deposits have declined by Rs. 33.41 lakhs, but a fall in deposits is a common feature of the working of all banks during the year under review. Advances and bills discounted and purchased also have dropped by Rs. 42.67 lakhs, which is more than that in deposits, so that the advance ratio stands at 34.5 per cent. at the end of the year, as against 38.2 per cent. a year ago. This shows that with the fall in deposits, as also in keeping with the official policy of credit restrictions, the Bank must have exercised commendable caution in making advances. This policy has enabled the Bank to strengthen its liquidity position. This is indicated by the rise in the liquidity ratio from 71.9 per cent. to 74.7 per cent. Investments have risen by Rs. 39.90 lakhs. No doubt, there has been a contraction of Rs. 41.37 lakhs in cash balances, but that is presumably due to the management's desire to invest the Bank's idle funds in remunerative avenues, such as investments in Government securities.

(Concluded from previous column)

is that, while a land mortgage bank can extend the period of repayment of loan of its borrowers, it cannot ask for an extension from its creditor, the debenture holder. To overcome the difficulty, Mr. Venkatappiah drew the attention of the co-operators to the suggestion of the Madras Committee on co-operation that the banks should float debentures of slightly longer duration than the corresponding loans so that provision could be made for short extensions. It is, however, problematic whether the banks would succeed in implementing this suggestion under the morbid conditions now prevailing in the capital market, unless they are prepared to pay a relatively attractive rate of interest on the proposed debenture loan.

TARGETS UNDER THE FIVE-YEAR PLAN

PLEA FOR ACCELERATING PACE OF PROGRESS

(By B. M. BIRLA)

[Moving the resolution on the Five-year Plan at the meeting of the Federation of Indian Chambers of Commerce and Industry, on the 8th inst., Mr. B. M. Birla, the well-known industrialist, assured the wholehearted support of the business community in India to the Government in its implementation of the Plan. As planning is dynamic, he had no reason to think that targets could not be revised from time to time, but considered that it is necessary to know beforehand what the targets to be achieved are. He dealt at length with the requirements of the country in respect of food, housing, transport, etc., and made certain constructive suggestions on which action should be taken in achieving the targets, in as short a time as possible. Below is given the text of Mr. Birla's speech.—Ed.]

"THE main aim of planning is how to remove certain economic defects in the society in as short a time as possible. Other countries have done it, but they achieved the same objective over a long period. Time cannot wait for us and, therefore, we have to accelerate the progress and achieve the result in as short a time as possible. It is because of this that in the modern society, there is a lot of talk on planning to achieve results in the quickest possible time.

"Before we proceed to plan, we have to make a broad conception of what we want. In a country like India which is hardly developed, the limit of expansion is sky high. But even then we have to give priority to certain objectives, the most important of which is food. Unless people have food they cannot live. We can never think of importing food continuously, and it is for this reason that the Five-year Plan puts great emphasis on the agricultural side of it. I am glad to say that by and large the Plan meets that objective, and I hope when the projects contemplated under the Plan are completed, there will be no appreciable shortage of food in India.

"Food, as everything else, also is such a commodity which may not keep the country fed for long—because our population is constantly increasing and, therefore, though food will be sufficient soon after the Five-year Plan —yet if the population continues to rise, we will be again faced with the same problem before long. We will, therefore, have to continue to expand our production of food by better methods of irrigation, manure, etc. I am happy to say that the Government does recognise this, as some of the projects will be taken in hand in this first five-year period, although the projects will possibly be completed in the next period of the Plan. As the Prime Minister and the Finance Minister have often referred to this question, planning is a dynamic conception, and it can never be static. I hope, therefore, that that conception will continue to rule and progress will continue to be made in that direction.

Proper Approach

"I am very happy to see that the Planning Commission has left most of the industrial sector to the private enterprise to be developed. In this connection, there are certain criticisms from various types of people. Some feel that the targets are not sufficiently high, while others feel that it may not be possible to achieve the targets. I think that this is academic at this stage. As I have previously said, since the Plan is dynamic, there should be no reason to think that the targets cannot be revised from time to time. But if I may say so, we must be clear as to what exactly it is that we want. It seems the Planning Commission has started on the basis as to how much funds they can find to implement the Plan in the first five years. The proper approach should have been as to what we want to achieve instead of trying to limit the Plan to the funds available. It is possible that we may not have been able to achieve all what we want, but then the country would have known what our target is, which, I must say, is lacking at this stage.

"In a country like India where the *per capita* income is a little above Rs. 250 at the present level of prices, one can imagine how great is the scope for advancing in production. In the United States, last year, the national income was something like 370 billion dollars, which means every person was earning 2,200 dollars on average, or approximately, Rs. 10,500 per year. When we say that a person was earning so much, it is not the money content of it which is important, but it is the amount of commodities and services which a person is thereby enabled to use which is important. We should have, therefore, tried to evaluate and measure what we needed in this country. I am glad to say that to the extent of food to be produced, the Planning Commission has tried to evaluate the demand. But in other sectors apart from food, the Commission has not worked out the figures as to what we should have tried to achieve.

Housing

"After food, the next things in order are housing, clothing, roads and various other amenities. As far as housing is concerned, I am sorry to say that practically nothing is suggested. A few lakhs of houses are supposed to be built in the next five years. But I ask, is that going to be sufficient? We have a population of 35 crores of whom one can say that about six crores have some sort of housing which could be called *pucca* houses. The remaining 30 crores have only mud houses. Now in case of housing, we know very well that we do not need to import things from abroad. Clay or sand is available, limestone is available in plenty and coal is there to burn the bricks. I wonder what prevented us from going for this amenity in a bolder way than what we have thought of. One may argue that it would result in inflation. However, inflation starts when you are spending 'created' money on non-productive projects. To a certain extent the argument is correct. But if we have to house this population which is ever increasing we will need at least 75 million houses. Even if we were to build a million houses a year, it will take us 75 years to complete the housing programme. I cannot imagine that even after 75 years, we would have completed the buildings, because most of the houses built would have to be replaced and, therefore, this process will have to continue. Even in a country like the U.S.A., in spite of nearly a million houses being built every year, the people are short of houses. I am also unable to understand how we can expect the present generation, or the next three generations, to be without houses. People describe that our Prime Minister is flying sky high; but I think what we do need is flying in the clouds and not crawling. Unless we have imagination of the type with which the Prime Minister is endowed and try to convert the Prime Minister's dream into action, we will never succeed. I, therefore, submit that we need houses to this extent; and unless that problem is fully recognised by every section, we will never be able to achieve that objective. I say that there is no reason why the programme of houses cannot be accelerated.

"The Prime Minister yesterday emphasised the problem of unemployment. He emphasised the necessity of utilising these unemployed for some good purpose. Here is a case where men are idle and spread all over the country. The question should be examined whether we cannot utilise them for building houses. There is an advantage in doing so because houses will be built almost in every rural area and to that extent there will be no question of migration of population from one place to another. They could be found work on the spot with material in most cases to be produced on the spot and thus achieve the object as the Prime Minister described. I do not want to say how soon it can be done, but investigation in this direction is desirable.

Transport

"The second problem is that we must evaluate the sheer quantities of various commodities which will need to be transported, if the Plan is to receive momentum to produce something more in the next five-year programme. It is said that this Plan will only lay the foundation for the coming few years. It is very good if it happens so. But I have my doubts in some directions. The transport of this country is extremely backward, and unless something radical is done with the transport system, any plan of any important magnitude will fail. About Rs. 500 crores are supposed to be used in the planning period on transport. But in spite of that the railways' carrying capacity would not be appreciably increased. We have hardly any river transport worth the name and we have nearly killed the road transport. Suppose, if the *per capita* income increases even up to 10 per cent. or 15 per cent. the big question is would our railways be able to carry the extra traffic. I am told that the railways are unable to use more funds even if placed at their disposal. I can only say this, that in this case somebody is not giving proper attention to the matter. Let us analyse how the railways would have to spend money, if it is necessary to provide more facilities. They will first start earthwork for railway lines, secondly stone ballast for the lines, and, thirdly, railway lines with sleepers, etc. Of the three, we do not need any material from outside for the first two. By the time these two actions have been taken, then if necessary, steel should be imported to lay the railway lines. I agree that a very large quantity of steel may be necessary. But unless this is done we will never be able to improve our transport system. The rolling stock including locomotives is in a terrible condition. One has only to travel by railways to see what kind of rolling stock exists to-day. Either they do not have lights or do not have fans or switches are not working. Can you imagine that we will achieve the Plan with this kind of transport system? I submit that something drastic must be done about the railways to improve their carrying capacity, and it should not be merely with a view to meeting the daily requirement, but our present capacity should be at least doubled so that the next five-year plan may not have to wait on account of our transport system.

Industrial Sector

"The third thing which is most important is the industrial sector. We, business men, have been given a big task to achieve it. It is expected that industries will find finance from various sources to the extent of Rs. 600 crores. It includes finance for replacement as well as for expansion. I must say that except one or two industries, such as oil and steel, others are expected only to meet finance for replacement or for small expansion. While it is true that most of the industrial targets laid down have already been reached except in very few industries, but the question of replacement of machinery, etc., is very vital. I cannot imagine that under the present circumstances, these industries will be able to renovate their plants with the resources supposed to be at their disposal. It will be interesting to note that during the war and the immediate post-war period, in spite of the boom through which industry was passing, the total paid-up capital of the entire corporate sector went up from approximately Rs. 300 crores to Rs. 500 crores, a net increase of Rs. 200 crores. Of course, besides this, industries were able to save some money which was put into reserve fund, etc. I am talking only of the new flotation of capital. If only Rs. 200 crores could be found during the war and the post-war period, besides depreciation and reserve fund for increasing paid-up capital of the corporate sector, how is it that we expect now industry to find at least Rs. 600 crores for renovation and expansion? I think the estimates are too high, and unless conditions are created whereby industry and persons can save money, it is impossible to find this Rs. 600 crores. I suggest that positive action should be taken to encourage individuals and corporations to enable them to save money by giving various reliefs in taxes or otherwise to be able to find money.

Further Expansion

"Then the next question is, having achieved this Five-year Plan, would we be in a position further to expand our industries and productive capacity all round? The basis of expansion of our future industrial production is steel, as without it, we will not be able to make any progress. A country like America uses 1,300 lbs. of steel *per capita* per annum. It is a country which is far more developed than any other country in the world. If that country needs after so many years of development, this much steel *per capita*, how are we going to be able to manage to develop with 10 lbs. or 12 lbs. of steel *per capita*? This will be our greatest bottleneck. We are producing to-day about a million tons of steel. In pre-war years we were using approximately two million tons of steel per year. Our proposals are to expand our steel capacity to two million tons. It means we are only creating production as much as we were consuming in the pre-war days. Does anybody seriously think that this is going to be of any use in our expansion of productive capacity or development of the country? I feel, urgent step must be taken in this direction, and we must straightaway plan for expansion on a much higher scale.

"The United States of America is considered to be the richest country to-day. No doubt it has very large resources compared to any other country. We always talk of India as a poor country. It is unfortunate that we have created that notion in our people. Poverty to-day is there, because we have done nothing to

(Continued on page 475)

IMPORTS OF STARCH INTO INDIA

MILLOWNERS URGE EARLY REVISION OF POLICY

WHILE few will take exception to the grant of tariff protection to the Indian starch industry, many will be rather intrigued at the Government of India's persistence in continuing the ban on imports of starch into the country. The ban has adversely affected the internal supply position of starch, resulting in a marked rise in prices. The situation has been particularly aggravated by the recent downward trends in production of this commodity. Consequently, the Indian cotton textile industry—one of the principal consumers of starch—has been finding it extremely difficult to secure adequate quantities of starch at reasonable prices. A vigorous plea for an "immediate radical change" in the import policy for starch has, once again, been put forward by the Millowners' Association, Bombay, in the course of a communication addressed to the Government of India.

The Association's plea is based on two chief grounds. First, while evolving the import policy for starch, the Government did not consult the cotton textile industry. Even the series of representations made by the industry, drawing the Government's attention to the serious effects of a complete ban in starch imports, were ignored by the Government. Secondly, the Government's policy has "reacted to the detriment of the Indian textile industry and is really hurting it." There is, according to the Association, on the one hand, a steady shrinkage in internal stocks of starch and, on the other, a steady rise in prices. Thus, the stocks of all starches and sago with the cotton mills at the end of December, 1952, were reported to be 6,400 tons, representing a little under two months' consumption, which at once shows that some mills are now drawing on their last few bags. The stocks with the indigenous starch manufacturers were reported to be about 2,700 tons at the end of January last and are still less to-day.

Thanks to the none too happy position in regard to starch supplies, as noted above, and the continued ban on imports, the prices of starch have registered a marked rise *vis-a-vis* that quoted by overseas starch manufacturers. The price quoted in Bombay is as much as Rs. 70 per cwt., as against the landed cost of imported starch of Rs. 35-9, including the import duty of 31.5 per cent. Even at this price, it is stated, not more than 200 bags can be collected in India.

Maize Starch

The situation in respect of maize starch is no better. The trend of starch prices in overseas markets has been downwards. The price of maize starch produced in Holland, for instance, is to-day Rs. 45 per long ton (f.o.b.) Rotterdam, which compares with Rs. 65-7-6 on 9th June, 1951. The actual selling prices in Bombay, on the other hand, have gone up. What is worse, imported maize starch, which could be had at about Rs. 50 to Rs. 54 per ton in 1951, cannot be obtained to-day at any price. Even the nominal quotations are very much higher than the f.o.b. prices in Rotterdam, converted into Indian prices with the cost of insurance, freight, and duty and the usual margin added. In the case of indigenous starches, tamarind seed powder, which was freely available at Rs. 12 to Rs. 14 per cwt. eight months ago, is not available at less than Rs. 27. Tapioca, which was quoted at Rs. 12 a year before, is now quoted at Rs. 24.

From the foregoing account, it will be evident that the complete ban on imports of starch is not justified. But the Government may feel that removal of ban on starch imports would adversely affect the indigenous industry. It is, however, difficult fully to appreciate this line of reasoning. For the crux of the Indian starch industry's problem is not so much foreign competition as supply of raw material, namely, maize. The quantity of maize required by the industry is of the order of about 50,000 tons per annum. In view of this material not being easily available from abroad and of the fact that its cost is very high, the Indian starch industry has been compelled to depend more on indigenous production of maize. Alluding to this problem, the Millowners' Association observes thus:

"In the famine conditions prevailing to-day in certain regions of India, the possibility of maize and other edible grains being made available to starch manufacturers from India itself seems to be remote. The alternative is to import grain from abroad, which is bound up with the question of dollar exchange which is not freely available to-day. The conclusion, therefore, seems irresistible that any large-scale operation of our starch factories is out of the question, for the time being at any rate, and, if Government agree with this analysis of the situation, then their present import policy in the matter of starch calls for an immediate radical change in the interest of production in the cotton textile industry."

If, however, it is the Government's intention to continue the ban on imports of starch or sago, the cotton textile industry, naturally enough, should at least be told what plans the Government has or proposes to have to supply the industry's requirements of starch and sago "in reasonable quantities and at fair prices." This is of particular importance in the present context of rapid depletion of starch stocks and swift rise in prices.

HANDLOOM INDUSTRY IN U.P.

Inaugurating the first meeting of the newly constituted U.P. Handloom Board held at Lucknow last week, Mr. Govind Vallabh Pant, Chief Minister of Uttar Pradesh, stressed the need for expanding the handloom industry both for the solution of the unemployment problem and for ensuring production of cloth suited to varying tastes. He also advised the Board to chalk out a scheme by which the industry could ultimately stand on its own feet irrespective of the consideration of competition with mills.

The issue that needs to be faced by all those who champion the cause of the handlooms is that the major sector of the handloom industry is an uneconomic unit, in that the cost of its manufactures is beyond the capacity of the average consumer to pay. Unless, therefore, this fundamental defect of the handloom industry is remedied in a realistic manner, there can be no salvation for those engaged in the industry. It is, indeed, gratifying to note that Mr. Pant should have acknowledged the force of this contention, as witness the following remarks of his:

"The Government of India's decision to reduce the production of *dhotis* by mills by 40 per cent. may not yield appreciable advantage to the handloom industry, as I am told that production of *dhotis* through handlooms is not much. They are employed largely in the production of other varieties of cloth like markin, sheets, table covers, etc., and, therefore, what is necessary is that they should have a scheme for the improvement and development mainly of the varieties produced generally by the handloom industry. The greatest need is that they should have a plan under which the handloom industry could stand on its own feet, unaffected by the rise or fall of prices of mill-made cloth. To this end, I suggest a strong research section, which could find out better designs and methods of printing, etc., and also improve handlooms and other implements. The mills can produce only set varieties, but handloom industry is capable of producing varieties suited to different tastes. Mills cannot compete with handlooms in that matter. I feel that, if they can improve handloom production, the industry can be developed appreciably, in spite of competition with mills. I advocate formation of weavers' co-operatives, which can greatly help in the expansion of the industry on right lines."

According to the Chief Minister there are 250,000 handlooms in Uttar Pradesh, the number of weavers engaged being 800,000. The total quantity of cloth produced is of the order of 30 million yards, valued at Rs. 25 to Rs. 30 lakhs, per annum. The handloom industry employs men and women many times more than the mills. In his opinion, if the handloom industry receives a setback, the unemployment problem in the industry is bound to be more serious than in the mill industry.

BRITISH RAYON OUTPUT

The outlook for the British rayon industry seems to be quite bright. An indication to this is provided by the steady rise in output in recent months. The production of staple fibre, for instance, reached a new record of 17.1 million lbs. in January, 1953. Coming so soon after the drastic cut last summer, this is considered to be a remarkable achievement; for the previous record of 16.7 million lbs.—attained in November, 1951—had been regarded as nearing if not reaching, the peak output from the plant available. The improvement in staple fibre output is considered to be a great achievement also because of the fact that such has been registered despite labour difficulties. The output of filament yarn, too, has been rising, the quantity actually produced in January being higher by 14.3 million lbs., as compared with the previous month. The aggregate rayon output during the month under review was 34.4 million lbs., which is only 1.6 million lbs. below the peak reached in November, 1951.

The improvement in the output of rayon goods in the past few months has been more marked in the case of staple fibre than in filament yarn. This is said to be due to three factors. First, more labour is needed for the production of filament. Secondly, the dislocation of production caused by last year's cuts affected 11 producers and more factories, while, for the overwhelming percentage of staple output, the effect fell on one factory—Courtaulds at Greenfield. Thirdly, filament is supplied to weaving concerns, more often than not, in ready beamed or pirned form and, presumably, the additional preparatory processes influence the rate of increase in production. Although the rayon production figures include nylon (those for staple since May, 1950, include nylon staple), they apparently do not include output of other synthetic fibres. Production of "Ardil" and "Terylene" is relatively small, but it would help swell the grand total of man-made fibres. The output of "Terylene" is at present about 600,000 lbs. annually and, by the end of 1954, when the Wifton plants come into production, the output is expected to be at a rate of 11 million lbs. per annum. The capacity of "Ardil", the I.C.I. protein fibre, is 20 million lbs. annually. Nylon production next year, it is stated, should be at a rate of 30 million lbs. per annum.

OUTLOOK FOR RAYON

A question that has frequently been asked for some time past is: How long will the present strong buying for rayon continue? This question has evoked considerable interest in India, especially in the present context of the expansion scheme for the rayon industry. There is a section of opinion which feels that there is a bright future for the rayon industry. It points out that not only is rayon relatively cheap in price but that its prices are absolutely stable and that these factors are inducing the manufacturing and distributive trades to devote larger attention to rayon goods. It also anticipates a good demand for this commodity for a considerable time to come.

Some others, however, do not agree with this view. And they ask: With cotton being cheaper than it was during 1951, why should rayon now appear to be more attractive? The answer to this is that, as long as all the available cotton and rayon find a ready sale, the price factor plays an insignificant part. Moreover, rayon is more widely spread among the different "end" uses and many uses which had been left untried are now being developed on a commercial scale. This is especially true of rayon staple, as the spun rayon yarns, instead of being mainly used in 100 per cent. rayon plain dress materials, are now being used in mixtures with filament rayon and are being taken up for shirtings, suitings, furnishing fabrics, drills and sheetings.

FURTHER POWER CUT TO MADRAS MILLS

With effect from the 1st inst., the supply of power to the area served by the Papanasam-Pykara-Mettur Hydro-electric Grid has been cut further by 66⅔ per cent., raising the total cut to 50 per cent. Following this, the textile mills in the Coimbatore region, numbering 35 and employing 30,000 workers, it is reported, have proportionately reduced the working hours. The production of cloth and yarn is, therefore, expected to be substantially lower, to the extent of 50 per cent., according to one estimate. The normal production of cloth and yarn is of the order of 2,300,000 bales and 15,000 bales, respectively, per month.

Forced by the power cut and with a view to maintaining production, some of the textile mills are making efforts to find alternative sources of power supply. About 35 diesel power-generating sets, capable of producing 250 kw. of electricity per hour, a Press report avers, are to be installed in different textile mills at an estimated cost of Rs. 50 lakhs. Already 10 sets have started functioning and four or five more are expected to be ready in the next few days.

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IMPORTING RAW COTTON THROUGH PRIVATE CHANNELS

NEW APPROACH TO TEXTILE EXPORTS

(From A Special Correspondent)

MANCHESTER, *3rd March*

EVENTS are now moving swiftly in connection with the importation of raw cotton through private channels into Britain. When buying was freed last September for the first time for more than 10 years, it was stated that about 30 per cent. of Lancashire's supplies would be procured by Liverpool and Manchester raw cotton merchant firms. When the opportunity to contract-out from the State-sponsored Raw Cotton Commission is again offered this summer it is now thought likely that a much bigger percentage will elect to acquire their cotton privately.

MANCHESTER LETTER

In the next three months, therefore, spinners have to make up their minds what attitude they intend to adopt. The outlook has been somewhat clouded by the unknown factor of what cover protection will be provided if the Raw Cotton Commission is left with only a minority of firms within its organisation. In an effort to reach a solution to this problem meetings have taken place between the President of the Board of Trade and the Minister of Materials and separate deputations representing spinners, raw cotton merchants, the trade unions and other sections of the industry. An official statement on behalf of the Government is expected later this week.

The significance of these talks is obvious. The final recommendation of the committee which investigated raw cotton supplies under the chairmanship of Sir Richard Hopkins last year was: "There should at the appropriate time be a further review of the situation." The members of this committee probably did not anticipate that such a review would be required quite so quickly.

Final Goal

It is now known that at least two of the big spinning combines are ready to take all their mills out of the Raw Cotton Commission this year if an adequate cover scheme to avoid losses due to fluctuations in price is available. The Lancashire Cotton Corporation, the main group using American type cotton, and Combined Egyptian Mills, controlling some 30 mills in the Egyptian type section, have both announced this decision. The eventual goal is, of course, the re-establishment of the Liverpool futures market and already efforts are being made to set up a spot market by building up supplies. Currency difficulties are the chief problem in creating a free market and it is felt that the most likely arrangement is that the Commission should remain in being to act as a buffer against price fluctuations for spinners.

Exports—A New Approach

A new approach to the problem of bulk selling of Lancashire cotton fabrics to Colonial markets has been entrusted to Sir Frank Platt, war-time Cotton Controller, and now Vice-Chairman and Managing Director of the Lancashire Cotton Corporation Ltd., the world's largest spinning combine, controlling 50 mills.

He has been called into the consultations at the direct request of Mr. Peter Thorneycroft, President of the Board of Trade, with the first objective of ensuring continuity of supplies of Lancashire textile goods for Nigeria, in the face of possible Japanese competition. Last year Lancashire shippers increased their cloth exports to Nigeria from below 65,000,000 square yards to more than 115,000,000 square yards, but Mr. A. C. Nwapa, Nigerian Minister of Commerce, who visited Lancashire last summer, said there were opportunities for supplying about 200,000,000 square yards of cotton and rayon cloth to his country.

This fresh move to ensure that the needs of British Colonial markets are met from Lancashire mills, follows the failure of earlier plans to draw up a scheme backed by all sections of the British cotton industry. Sir Frank has the task of breaking down inter-sectional rivalry between spinners, manufacturers, finishers and merchants which hampered progress in establishing a joint drive for increased trade in overseas markets by making special cloths in long runs at highly competitive prices.

So far Sir Frank is believed to have had a reasonable response to his efforts. Manufacturers experienced in weaving the types of cloth suitable for distribution in Nigeria have been approached and in general have signified their readiness to make supplies available. The orders would keep a proportion of Lancashire's machinery busy for at least the rest of this year.

Former efforts to carry this plan into effect have largely fallen down, due to snags which have arisen in the distributing end of the deal. Again the response of the merchants to Sir Frank's approaches has been satisfactory and the attitude of buyers in West Africa is now awaited to the terms which have been put forward.

Dependent on the success of the current attempt to divert Lancashire products to particular markets, the system may be expanded to provide cloth for other territories in Africa which are considered likely targets for an export drive. There is no reason why similar schemes should not be put into operation to extend trade with other countries, particularly in cases where manufacturers can be assured of long runs.

Second Thoughts on Shifts

Since the Cotton Board's conference on the subject many traders have had time to have second thoughts on the extension of double-shift working, which has now been officially advocated by the Government. So many problems are raised by the adoption of the system in cotton mills that many people might be inclined to think that the difficulties outweigh the possible advantages. Despite some facts and figures which have been put forward, any management considering the proposal would have to think very carefully before introducing this social upheaval unless it is perfectly obvious that much lower costs would result.

Union leaders at St. Annes made it abundantly clear that there was no intention of allowing the introduction of shift work at mills which did not contain modernised machinery. This being the case, any contraction in size of the industry, due to the widespread adoption of the system, would presumably mean the elimination of mills with older plant.

Meanwhile, the efforts of the industry to put its house in order in other directions have not been relaxed. The policy statement issued by the Master Spinners' Federation on two-shift working emphasised that whatever was done in that direction there should be no slackening in the movement towards the better utilisation of labour and modernisation of machinery. In the past year a further 20 spinning mills have introduced work study techniques and the total so doing now comprises one-third of the Federation's membership.

Trend of Cloth Prices

Some indication of the fall in Lancashire cotton cloth prices in the past 18 months can be obtained from the official figures issued by the Board of Trade in terms of index numbers reflecting price changes over a wide variety of cotton fabrics. Taking the basis of 100 points as the price ruling in June, 1949, the highest subsequent level of quotations was in June, 1951, when prices reached 194.4 points.

There was a drastic reduction in quotations early last year as machinery in the mills began to stop. The index number fell by 15 points between January and February and a further 12 points in the following month. Subsequently, the decline became more regular and there was even a slight increase in prices in September.

The latest figure for January, 1953, shows that the decline has not yet been halted, the current level being exactly 120 points. In such circumstances, with a constantly easing market, it is not to be wondered at that customers are feeling their way.

Raw Cotton Imports

Imports into the United Kingdom last week aggregated 25,187 bales, comprising 8,199 American, 3,570 East African, 2,621 Indian, 2,015 Pakistan, 1,888 Egyptian, 466 West African, 422 Mexican, 108 Argentine and 5,898 bales sundries.—*All Rights Reserved.*

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ANNUAL GENERAL MEETING OF INDIAN MINING ASSOCIATION

MR. W. H. S. MICHELMORE ON PROBLEMS OF COAL INDUSTRY

UPWARD REVISION IN PRICES URGED

PRESIDING over the Annual General Meeting of the Indian Mining Association, held at Calcutta on Thursday, 12th March, 1953, Mr. W. H. S. Michelmore, Chairman of the Association, chose for special comments certain outstanding problems confronting the Indian coal industry. Mr. Michelmore drew particular attention, among others, to sand-stowing in metallurgical collieries. He stated that stowing inevitably involved a sharp rise in cost of production and, accordingly, urged an upward revision in the controlled selling prices of coking coal. He also doubted whether adequate supplies of sand would continue to be available after the completion of the Damodar Valley Project. As regards coal washing, he stressed the need for the adoption of a correct policy. In his opinion, the right policy would be to make a start with washing of the better coking coals. Incidentally, he pleaded for a higher price for washed coal produced from inferior seams than for similar coal arising from better seams. Another aspect of the coal industry which Mr. Michelmore chose for special comment related to the increasing burdens imposed by the Union and State Governments. In this connection, he alluded to the peculiar economics of mining and emphasised that, to attract money to mining ventures, two prerequisites were essential. First, there should be a better-than-average return on the sums invested. Secondly, the Government should grant some special type of tax concession, designed to allow a company to write off the value of its property within its working life.

The following is the full text of Mr. Michelmore's address:

"GENTLEMEN,

"It has been the practice hitherto for the Chairman to devote the greater part of his speech to a review of the past year's events. On this occasion, as I shall be vacating the chair at the end of this meeting, and as we have so many and pressing problems still ahead of us, it may perhaps be appropriate, if I address myself rather more to the future than to the past. The Committee's report, which is before you, deals very fully with all the problems which have beset us during the year, but, perhaps, some of you have not yet had the opportunity to study it as closely as you would wish and, in any event, there are one or two items to which I cannot but make specific reference.

Conservation of Metallurgical Coal

"Our biggest preoccupation has undoubtedly been the conservation of metallurgical coal; this is a subject with which I personally have been intimately concerned for several years past, having served on the Conservation Committee which started work no less than four years ago. Ever since the cry of conservation was raised, it has been my constant endeavour to curb what I regard as the destructive aim of the conservationists, by which I mean the proposal that a drastic reduction in present output should be arbitrarily imposed on collieries which are producing first-class metallurgical coal. It has always been my view that a far greater measure of conservation could be achieved by sand-stowing, washing and blending than by severe restriction. During the past year, the controversy on conservation reached a crisis, caused by the Government's announcement of its decision to reduce the output of selected 'A' and 'B' grades of coking coal from 7.9 million tons in 1950 to 5.5 million tons by 1956, but, later, modified by a reversal of this policy, thanks to the Association's representations, to one of pegging the output of these coals to a maximum based on a little over the 1950 output.

Pegging Coal Output

"The whole subject has received the most constant consideration of the Committee during the past year and I think it is only right that attention should be focussed on the compromise proposals we suggested a year ago, the details of which are fully described in the report. In these, the principle was conceded that output should be pegged at around present levels, but we also pressed that lower grades should additionally be included, and, in particular, the Government collieries producing metallurgical coal. At the time the Government refused to agree to this, but it is satisfactory that this important point of policy has since been admitted, and all collieries producing coking coal to as low a grade as grade II, including both the Government collieries and the 'captive' collieries of the Steel Works, are now to be included in the pegging scheme.

"For 1952 then, we agreed rather reluctantly that output should be pegged on the basis of 7.9 million tons of selected 'A' and 'B' grades, but, at the same time, we made it clear that, if this policy were rigidly applied, there would be cases of individual hardship, besides a number of instances where retrenchment of labour would be inevitable. As a result of our representations, the Government agreed that special consideration should be given to difficult cases, and a Technical Advisory Committee (Mining), which includes two non-Government mining engineers, is now in session to consider such cases. For 1952, increased individual targets were granted where these seemed necessary and no reports have been received so far of any drastic retrenchment or loss owing to the conservation policy.

Sensible Policy

"In respect of the current year, fresh targets have been issued to collieries based on an overall output of 7.4 million tons, but, here again, hardship cases are to be specially considered, and it is to be hoped that acute dislocation will be avoided. Meantime, Government are understood to be carrying out a fresh appreciation of the whole position, in the light of the projected expansion of India's steel industry, and it seems likely that the probable demand for metallurgical coal in five or six years' time will be found to be not far short of the present production. If that be the case, it would be manifestly unwise to dislocate production in order to save a few million tons in these intervening years and the sensible policy is to allow production to continue at its present level which appears appropriate to the near future, plus a cushion to allow for inevitable seasonal and other fluctuations.

Sand-stowing

"Attention is rightly being given to the extended use of sand-stowing in the metallurgical collieries and it is satisfactory that Government assistance has now been extended to stowing for conservation, in addition to stowing for safety, to which it was limited previously. I should like, if I may, to stress here two points in connection with sand-stowing. The first is that stowing inevitably involves a sharp rise in the cost of production; Government assistance is in any event limited to 75 per cent. of the actual cost of stowing and it is open to question whether the economics of the industry can bear any such increase as would be involved by a wide extension of stowing operations. I am inclined to the view that an upward revision of the controlled selling prices of coking coal is inevitable. Secondly, I feel I must raise, once again, the doubt which has long been in my mind whether adequate supplies of sand will continue to be available after the completion of the Damodar Valley Project. As I understand it, two of the main objectives of the project are the prevention of flood and the avoidance of soil erosion; these are praiseworthy objects indeed, which no one can possibly quarrel, but, in their wake, they give rise to the problem of where the sand, which is the direct product of erosion and flood, will in future be found for the needs of the coal industry. I have grave doubts as to its future availability and, although alternative materials have been tried, I believe the general opinion of mining engineers in this country is that nothing else will quite take its place. This is a problem which should engage the serious attention of Government.

"An allied subject of importance is coal washing. Much research has been carried out on this and the Tata Iron and Steel Co., Ltd., have earned the gratitude of the country for their pioneer work in washery installation. Any past doubts about the washability of Indian coals have been set at rest. It now remains to decide which coals should be washed and what the economics of washing will be. All of this is receiving the attention of a committee appointed by Government for the purpose, but it may be helpful, if I make a few observations on the subject as seen from the viewpoint of the colliery owner. It is well that we should first get clear in our minds what the purpose of coal washing is. As I see it, there are several advantages to be gained by washing. First, we can beneficiate the inferior coals of which there are such large reserves to a degree which cannot be achieved by manual or other means and make them fit for metallurgical and other uses. Secondly, we can improve the better coals also so as to enable them to be despatched to a higher and more consistent quality, eliminating the variations in specification which occur even under the best of existing methods of screening and preparation; in achieving this, we can assure to the consumer a better and more suitable fuel of guaranteed quality. And, lastly, we can provide for the Steel Works a consistent blend of coking coal, which is something of such great value to the blast furnace operator as can hardly by measured in terms of actual money.

"In this context and that of the present capacity of the industry, what is the correct washing policy to be adopted? I believe some persons hold the view that a start should be made with washing the inferior coals, but here we should bear in mind that, as I have already said, the output of good metallurgical coal to-day is already in excess of the current needs of the steel industry and the coke ovens, so that, to make available more of that quality by washing, the lower seams would only increase this excess still further. It seems to me that the right policy would be to make a start with washing of the *better* coking coals, which will give us valuable experience and would undoubtedly be of benefit to consumers generally and the steel industry in particular, but with the proviso that encouragement should be given to the mixing in and blending of some of the lower seams at the same time. I would also like to see some brave pioneer start in on the washing of some of the less good non-metallurgical coals, say, the Jambad-Kajoras or the Karanpuras.

Economics of Coal Washing

"Let us now turn to the economic aspect and here I think it needs to be emphasised that, if coal washing is to expand—as, indeed, it should for the long-term benefit of the country—it must be made *attractive* to the colliery owner. A coal washery is an expensive plant, and the figures quoted by the Conservation Committee show that a 100-ton per hour plant, would cost around Rs. 15 lakhs and a 200-ton plant Rs. 24 lakhs. There are big figures, and the state of the coal industry is such that colliery owners have little hope of finding such sums within their own resources. Moreover, the present absence of capital formation throughout the country will make it very difficult to raise such finance from the market. It is imperative, therefore, that coal washing should be given a high place in the list of priorities for which finance will be provided by the Industrial Finance Corporation. Even then, the servicing and amortisation of the capital involved will be an appreciable element in the true cost of washing. As regards what might be termed the operating economics of the subject, the actual cost of operation, maintenance and supervision can be determined fairly accurately in advance, and it is well established that the cost of operation is inversely proportional to the size of the plant. But the crux of the whole matter is the yield. A washery *can* be made to turn out clean coal to almost any specification, but, obviously, the economics of it must depend on two factors, the price to be paid by the consumer for the clean coal and the percentage of clean coal recovered to raw coal put in. This subject, I say, is now engaging the attention of the Committee, but I am sure they will find that, to make washing attractive, it will be necessary to pay a bonus of something like Rs. 2 or Rs. 3 per ton above the present controlled prices. Another possibility is to revise the present price structure in such a way as to reflect more correctly the relative fuel values of the various grades, that is to say, the selling prices of the lower grades should be appreciably increased, and those of the lower grades reduced. This reform is indeed is long overdue.

"There is one aspect of washed coal which raises a difficult problem and that is the nature of the raw coal from which the washed coal is to be produced. If the desired quality of clean coal were 15 per cent. ash, it might take, say, 120 tons of good quality raw coal to produce 100 tons of washed coal of this quality, whereas, if inferior coal were being washed, it might need 130 or even 140 tons of raw coal to yield this tonnage. Now the cost of mining the raw unwashed coal varies little, other things being equal, as between the better and the inferior grades, so paradoxically to secure an adequate return to the colliery owner, a higher price should in theory be paid to him for washed coal produced from inferior seams than for similar coal arising from the better seams. But the value to the consumer is identical. I am not attempting to give you the answer to this enigma, but I think it will serve to illustrate what a very complicated economic problem this is.

Transport and Wagon Supply

"Transport and wagon supply is always a matter of vital interest to the coal industry. Speaking on this subject a year ago, I congratulated the Railways on a year of exceptional service to the industry. Since then, even the previous year's record has been surpassed and, during 1952, the average coal loadings for Bengal and Bihar were no less than 3,163 wagons daily, or 130 wagons a day better than the previous year. This we must regard as a signal achievement, and we have been encouraged to learn lately that the Railways are planning for an even greater movement of coal during 1953. During the past year, the regrouping of railways was consummated and, while this was a subject on which we had grave doubts at the time and while there are various disturbing rumours circulating about cracks and creaks in the railway administration, the proof of the pudding is in the despatches and it would be difficult to argue from the figures I have quoted that the regrouping has had any adverse effect on the coal industry. On the contrary, I may, however, be permitted to introduce here a note of interrogation and that is whether the regrouping has, in fact, been as complete as we have been led to believe. Collieries suffered for many years from the restriction that B.N.R. collieries could only despatch to B.N.R. destinations and E.I.R. to E.I.R.; many of us thought that, when both of these were integrated into the Eastern Railway, these restrictions would disappear. However, they still seem to exist and colliery owners feel that either regrouping has not been fully achieved, or else the facility of despatch in all directions which should have been possible has not been extended to collieries.

"Looking to the future and viewing it in the mirror of the performance of the past, the coal industry cannot but have in mind a chronic shortage of wagons for coal loading. This we have experienced for years, but let me say at once that I fully appreciate that the absence of wagons in the siding of a colliery that wants to despatch coal is not necessarily due to a physical deficiency of wagons on the railway system. It may well be due to a shortage of locos, staff, water, crossing stations, or any one of the many other items which go to make up the complicated structure of an efficient transportation system. But the shortage of wagons in his siding is what hits the colliery owner and he cannot be content until that is eliminated. The output of coal and the market for it must vary during the year. Similarly, the general traffic of the railways must be conditioned by climate, seasons and crops, and India, by its very nature, must be subject to wide seasonal variations. It is my considered opinion, however, that the forward progress of the country will always be limited, if the transport system is only geared to the average traffic throughout the year. What is needed, for real progress, is that the transportation system should be designed to carry the *maximum* traffic of the year—whether it be grain, coal or other merchandise—so that no market need be starved of its immediate seasonal demands and the full requirements of an expanding economy can be met throughout the year.

Rationalisation

"The rationalisation of coal transport is a subject which has been receiving a good deal of attention lately and the laudable aim is that every consumer should draw his coal from the nearest source of supply. Now this must *prima facie* achieve considerable economy of transport, but a word of warning should be sounded against the over-simplification of this issue. If the outlying coalfields be extensively developed to supply adjacent consumers previously supplied by Bengal and Bihar, there will obviously be acute dislocation and unemployment in these latter coalfields, if they are deprived arbitrarily of the markets which they have served for half a century. Again, there are many consumers who, for technical reasons, require special types of fuel which may not be available from the coalfields geographically closest to them and, therefore, need to be specially exempted from any general rationalisation edict. The subject then is one which cannot be rushed and must be closely examined in all its implications before any arbitrary directions are imposed.

"Doubts are sometimes expressed about the adequacy of the country's reserves of good quality non-metallurgical coal. As far as I know, the doubters have not brought forward any figures to substantiate the theory that these reserves are inadequate and it may be that this is just another instance of interested propaganda by those who are trying to force on the consumer supplies of inferior coal which he does not want. Possibly, this impression is the result of ignorance and may be based on a lack of genuine knowledge of the subject. It so happens that I am in the position of being able to throw some light on one small section of this controversial subject. One of the companies with which I am connected has held for thirty years or so prospecting licences over the North and South Karanpura coalfields and, during that period, has spent many lakhs of rupees in prospecting, drilling and detailed surveying of the coal reserves. I have referred lately to two official publications which record the reserves in these fields; the first is Dr. Fox in 1934 in his 'Memoir on the Lower Gondwana Coalfields of India,' who quotes 750 million tons of available coal for South Karanpura; the second is Dr. Gee, who records, as recently as 1945, 750 million tons for both North *and* South Karanpura, described as 'all good quality coal.' Against this, our own detailed proving operations to which I have referred have established that there are at least 2,000 million tons in South Karanpura and over 1,000 million tons in North Karanpura, a grand total of 3,000 millions, all classifiable as good quality coal well proved and estimated to a depth not greater than 1,500 feet. Now this is just a single instance within my own personal knowledge, but I hope it will serve to substantiate the Association's opinion that there is no shortage whatever in this country of good quality non-metallurgical coal.

Controls

"Since the close of the year, we have submitted a lengthy memorandum to the Government on the present condition and future prospects of our industry. There is no need for me to recapitulate here all that we have said, but, I should like to make it quite clear that your Committee have been and are very gravely concerned at recent trends. I think we can say, without fear of contradiction, that we are the most controlled industry in India to-day. We have standards statutorily imposed on us by Government relating to wages, housing, pithead baths, creches, bonuses, provident fund, free food, cheap food and a host of other privileges accorded to our labour. Now, as I said to you a year ago, I don't quarrel for a moment with the Government's policy of ensuring fair treatment and equitable wages and conditions of service for the miner in his difficult and hazardous employment. But it is essential that such conditions be within the capacity of the industry to pay. And it should be remembered that not a single wagon-load of our production can be despatched without a sanction from the coal control, nor are we allowed to sell a ton of coal except at the controlled prices laid down by Government. At the same time, increasing burdens are laid on us by the Union and State Governments—in the former case often by Ministries which are not directly responsible for our prosperity—but any attempt to have our controlled selling prices increased to compensate for the added burdens always meets with the strongest opposition. Since the present wage and price structure was imposed in 1947, many additional burdens have fallen on the industry which have substantially increased the cost of production. The most serious of these has been the steep rise in the price of foodgrains which have to be supplied partly free of charge and partly at concessional prices to colliery labour; this has cost the industry crores of rupees a year, which, under the present control, cannot be recovered from either the labour or the coal consumer. New and enhanced standards of housing have been compulsorily introduced for collieries, the financing of which cannot but cause grave concern; a small subsidy is indeed available from the Coal Mines Welfare Fund for approved housing, but the bulk of the heavy cost falls on the colliery owner and, if the Government find progress in re-housing disappointingly slow, we might remind them that coal is one of the few industries in India which accepts the liability for housing the whole of its labour force—there are many which provide not a single house. A big increase has lately been imposed by the Government of Bihar (the biggest coal-producing State in the country) in the local cesses payable by collieries on despatches of coal and which are not recoverable from the consumer. The Union Government are planning to bring the coal industry's provident fund into line with the funds of other industries by basing the employers' contribution on basic wages plus dearness allowance and the cash value of food concessions, instead of on basic wages only as hitherto. Meantime, there is constant pressure by labour for the reopening of the Conciliation Board Award and for fresh wage and other concessions.

"These items which I have enumerated have between them resulted in an ever-rising cost of production and it would be rational to expect that our controlled selling prices would have been steadily increased to compensate for them. This unfortunately has not been the case, but, on the contrary, prices have actually been reduced. The sad story of the nine-anna price cut of 1949 has been told so often that I do not need to repeat it now and it will suffice if I remind you that that emergency measure which was imposed for a limited period of a year is still in force nearly three and a half years later, long after the emergency has passed.

Depletion Allowances

"There are aspects of the economics of mining which are apt to be overlooked. One is that the mining of any mineral is by its very nature a hazardous industry and the risk is always there that the workings may be overwhelmed by fire, flood, collapse or other calamity. Furthermore, when a vein or seam is opened out, it can never be more than a wasting asset, with a life limited by its physical occurrence and drawing inevitably to its close within a certain period of years. It is not like a mill or a factory which, subject to adequate maintenance and renewals, can go on almost indefinitely, buying its raw materials, processing them, and selling its



finished products. To attract money to mining ventures then, there are two essential prerequisites; the first is a better than average return on the sum invested, in order to attract capital to what is essentially a risk venture and the second is some special type of tax concession in the shape of an amortisation allowance, designed to allow a company to write off the value of its property within its working life. Such a system is already in existence in the U.S.A., Australia and other countries of granting what are known as percentage depletion allowances. Briefly, these are a percentage of a mining company's gross receipts or net income which is taken as being equivalent to the exhaustion of its mineral resources and which is treated as being free of tax. In some countries, percentage depletion allowances amount to as much as one-third of a mining company's income and I would strongly commend some such system to the consideration of the Government of India.

A Misconception

"It is sometimes argued that the dividends paid by some coal companies are so high that it cannot possibly be contended that the industry is in any condition but one of extreme prosperity. I am afraid that these arguments are based on very wrong premises indeed. It may well be that a few dividends paid appear high when expressed as a percentage on the *original* capital of the company; but it is often forgotten that some of these companies are a hundred years or so old, they have for many years been ploughing back their profits into the business, instead of wantonly distributing them, and, therefore, the original capital bears no relation whatever to the sums actually employed in the business to-day. We recently made an analysis of the balance-sheets of 51 coal companies with an ordinary paid-up capital of approximately Rs. 8¼ crores. We found that, owing partly to the enormous rise in working costs during recent years, the total working fund was just under Rs. 29½ crores; in other words, the capital needed to finance the activities was well over three times their share capital. As I have indicated, some part of this consists of undistributed profits ploughed back into the industry, but the salient point is that it is quite misleading to think of the dividends in terms of the original paid-up capital of the companies. The correct yard-stick is the total working funds actually employed in the business and, on this basis, the profits of these 51 companies—and I mean the total profits, not merely those distributed to shareholders—amounted to no more than 2½ per cent. of the total working funds.

"A return as low as this cannot but be regarded as uneconomic and I repeat that the future of the industry gives rise to very grave concern indeed and it is my considered opinion that, unless urgent remedial action is taken by the Government—I hope I have made it clear that it is only they who are in a position to do anything—this vital industry is likely to decline rapidly into a state of collapse. What then can be done to improve matters? The first and easiest step is obviously the restoration of the nine-anna price cut. The second step should deal with food; all colliery owners and managers would breathe a sigh of relief, if they could be absolved of the responsibility of feeding their labour, which was only introduced as a war emergency measure. If this be impracticable, it should surely be possible with the improved food position in the country to assure to the industry supplies of cheap indigenous rice, rather than the extremely costly and often unsuitable imported grains which we have been compelled reluctantly to buy in the past. Next, measures should be adopted to ensure that the concessions enjoyed by the labour are actually *earned* by them by dint of work and not just paid out regardless; what I have in mind is that the so-called production bonus (which in fact is an attendance bonus) should be based on annual results, which was the original verdict of the Conciliation Board, instead of being paid quarterly. And, secondly, that the food concessions to which the labour are entitled should be linked to production, thereby abolishing the present inequitable system whereby the labourer becomes entitled to his free food and cheap food just by signing on at the colliery in the morning and quite regardless of the work which he actually does. Lastly, I think that the incidence on cost of production of the additional burdens, to which I have already referred, should be examined with a view to compensating colliery owners with an increased selling price. At the risk of repeating myself, I would say, once again, that early action is imperative, if disaster is to be avoided; many collieries are already running at a loss and that cannot be allowed to continue.

Coal Board

"I made reference a year ago to the lack of any commercial representation on the Coal Board and in the general control and administration by Government of the industry. I repeat that, as long as the bulk of the industry remains in private ownership and not nationalised, it is not only desirable but essential that commercial interests should be associated with the Board. The current policy in regard to conservation, the introduction of coal washing, the extension of sand-stowing, all of these raise a host of economic and business problems with which public servants are not accustomed to deal. The industry had always hoped that there would be commercial representation on the Board, as envisaged by the Mahindra Committee of 1946, and I am very doubtful of the administration working smoothly and efficiently or of its securing the confidence of the industry, unless some such representation is provided. I still regret the passing of the old Coal Mines Stowing Board, in which members of the industry had direct responsibility for the most important administration of sand-stowing, and, while it is satisfactory that our Association has been given two seats on the Stowing Advisory Committee, I would remind you first that this Committee is purely advisory and not executive and, secondly, that, although it is eighteen months since the Stowing Board was abolished, not a single meeting of the Advisory Committee has yet been held.

"I think many of you are aware that, last year the Association celebrated its diamond jubilee, and I feel that the passage of sixty years calls for some special comment. When the Association was first started in 1892, it had thirteen members and the total coal production of India was only four million tons a year. Since then the growth and importance of both the Association and the industry have gone along hand in hand, until to-day we have a membership of 129 companies and the country's total production is 36 million tons. Of this total our members produce 70 per cent. of the output which is raised by non-Government collieries.

A Justifiable Pride

"The Indian Mining Association can be justifiably proud of the position which it holds in this important industry. The aim of our members has always been, and still is, to provide the optimum service to the consumer in the shape of supplies of the coal most suited to his needs and at the lowest price consistent with the proper discharge of our obligations to the labour we employ and a fair and reasonable margin of profit.

"And here I should like to say that the member-collieries of our Association have always been to the fore in voluntarily introducing improved amenities for the labour force besides readily co-operating with Government in attempting to implement any amelioration in conditions which they have thought fit to impose. There are other minor but vocal sections of the industry who make little serious attempt to comply with the accepted standards of employers' obligations, and yet it is these interests who are most insistent in demanding from Government an increased share of transport, or Government orders, or protected quotas, or anything else which they think likely to give them a sheltered market. Before granting them any special concessions of this nature, I suggest that Government should satisfy themselves that these interests have in fact merited special consideration by complying with the Government's accepted standards of employment, housing, quality of despatches and so on. It seems only reasonable that employers who are found defective of these standards should be denied special assistance from Government in other directions.

"I repeat that it is the aim of the Association, as well as of our members, to co-operate with the Government in any measures calculated to improve the lot of the country; and I think it is a tribute to this attitude of ours that the Government have always been ready to listen to us and to ascertain our views on any matter of policy vitally affecting the conduct of the industry. On occasions when we have differed from the Government, we have always told them frankly of our doubts and difficulties; and even when our representations have been overruled it has never been our policy to obstruct; on the contrary, we recognise the importance to the country of the smooth running of her basic industries. In short, I feel that we may congratulate both the Government and ourselves that so strict a control has on the whole worked so harmoniously and I am sure that you, gentlemen, will support me when I declare the wholehearted co-operation of the Association and its members with the Government in its ambitious plans for the development of this great country."

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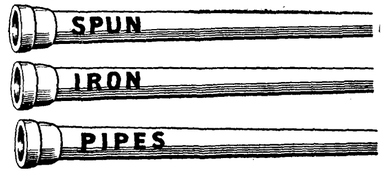

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INDIA'S PLACE IN WORLD COTTON ECONOMY

OFFICIAL PUBLICATION GIVES DETAILS

INDIA occupies an important position in the world cotton economy inasmuch as it not only produces a significant proportion of the global output of cotton but also consumes a sizable portion of this output. As a producer, Indian output is exceeded only by the American, and possibly by that of the U.S.S.R., while, as a consumer, its consumption is second only to that of the U.S. The publication, *Indian Cotton Statistics*, issued by the Union Ministry of Food and Agriculture, brings out the salient features of India's cotton economy and its position in the world economy in a series of tabulated data. The third edition of this booklet, which has now been published, brings together in a single compass all available statistical information relating to cotton. Although the data, drawn from a variety of sources, do not all possess, as Mr. S. R. Sen, Economic and Statistical Adviser to the Ministry, points out in his preface, the same degree of accuracy, the data themselves will enable one to appreciate India's large stake in the world cotton economy.

The following table shows the production of cotton in different countries of the world during 1950-51, the figures within brackets showing the average cotton output in 1934-35 to 1938-39:

Cotton Output

(In 000 bales of 478 lbs.)

Mexico 1,156 (318); U.S. 9,877 (12,147); China 2,330 (3,136); India 2,400 (3,400); Iran 130 (157); Korea 93 (171); Pakistan 1,065 (1,331); Turkey 560 (240); Greece 118 (74); U.S.S.R. 3,300 (2,975); Argentina 500 (277); Anglo-Egyptian Sudan 450 (244); Belgian Congo 205 (152); Egypt 1,762 (1,845); French Africa 100 (37); Mozambique 120 (28); Nigeria 85 (37); Tanganyika 42 (46); Uganda 290 (272). World total 27,698 (30,671).

The following table gives the consumption of cotton in the different cotton consuming countries of the world in 1938-39, 1948-49 and 1949-50:

*Mill Consumption of Cotton by Countries**

(In thousand bales of 478 lbs. each)

Country	Year beginning August 1		
	1938-39	1948-49	1949-50
North America—			
Canada	261	383	421
Mexico	245	310	330
U.S. (running bales)	6,858	7,795	8,851
Other	21	54	63
Total	7,385	8,542	9,665
Asia and Oceania—			
China‡	3,295	2,950	2,250
India§	3,436	3,730	3,250
Japan	2,631	737	1,032
Korea	210	140	170
Turkey	135	195	185
Other	265	449	545
Total	10,022	8,201	7,432
Europe—			
Austria	180	71	92
Belgium	321	361	410
Czechoslovakia	200	275	275
France	1,295	1,040	1,125
Federal Republic of Germany	1,150†	575	862
Hungary	130	140	140
Italy	665	945	946
Netherlands	200	247	285
Poland	350	390	400
Portugal	89	151	163
Spain	140	420	300
Sweden	157	116	130
Switzerland	141	132	140
United Kingdom	2,600	2,020	2,092
U.S.S.R.‖	1,809	2,200	2,300
Other	464	610	639
Total	12,041	9,693	10,299
South America —			
Argentina	150	400	415
Brazil	642	825	825
Colombia	50	125	130
Other	79	202	193
Total	921	1,552	1,563
Africa—			
Egypt	121	233	230
Other	35	102	99
Total	156	335	329

* Revised. Includes estimate for hand spinning in some countries. Cotton burned or otherwise destroyed is not included.
† Relates to all Germany.
‡ Includes Manchuria.
§ Includes Pakistan prior to 1947-48.
‖ Includes Estonia, Latvia and Lithuania.

The above figures, relating to the production and consumption of cotton in the world, show that India's stake in the world cotton trade is very high indeed. The following table gives the cotton acreage and output of cotton in the different States of the Indian Union during 1938-39 and 1950-51:

Acreage and Output

(Acreage in 000's acres; production in 000's bales of 392 lbs. each)

State	Acreage		Production	
	Average 1936-37 to 1938-39	1950-51*	Average 1936-37 to 1938-39	1950-51*
Assam	39	24	17	10
Bihar	39	15	7	3
Bombay†	6,881	3,078	1,360	674
Madhya Pradesh	3,884	2,976†	694	510
Madras†	2,345	1,616	468	330
Orissa	8	21‡	1	7
Punjab	765	441†	306	191
Uttar Pradesh	653	105	189	45
West Bengal	2	‡	‡	‡
Hyderabad	3,375	2,374	536	338
Madhya Bharat	1,856	1,531	51	33
Mysore	85	108	257	211
PEPSU	379	265	184	175
Rajasthan	506	302	89	150
Saurashtra	...	1,075	...	216
Ajmer	33	28	12	16
Bhopal	61	48	6	4
Delhi	2	1	1	‡
Himachal Pradesh	N.A.	‡	N.A.	‡
Kutch	...	22	...	4
Tripura	32	23	5	9
Vindhya Pradesh	23	3	3	‡
Total	20,969	13,859	4,146	2,926

N.A.—Not available.
* Based on final estimate figures and are subject to revision.
† Including merged territories.
‡ Less than 500 bales.

India grows a large number of varieties of cotton, though, in trade parlance, these are grouped under some major heads. The following are the chief varieties of cotton grown in India:

Cotton Calendar

Variety	Sowing season	Picking season	Marketing season	Regions in which grown
Dholleras	July to August	January to April	January to August	Ahmedabad, Mehsana and Amreli districts and parts of Saurashtra.
Broach	June to July	January to April	February to July	Broach (excluding Ankleshwar Taluka), Panech Mahals, Baroda and Kaira districts and parts of Saurashtra.
Oomras	June to July	October to January	October to August	Madhya Pradesh, Madhya Bharat, Khandesh, Nasik and Hyderabad State.
Kumpta	August to September	March to May	April to August	Southern parts of Bombay State and Northern districts of Madras.
Dharwar-American.	August to September	February to April	October to July	Dharwar district.
Westerns	August to September	February to April	January to August	Northern part of Madras and Southern part of Hyderabad.
Bengals	April to July	September to January	October to July	Almost the whole of Northern India from West Bengal to the Punjab including Rajasthan.
Karunganni	October to December	April to July	April to December	Madura, Ramnad, Tinnevelly and Coimbatore districts.
Cambodias	September to October	April to July	May to January	Madura, Ramnad, Tinnevelly, Trichirapolly, South Arcot and Salem districts and Irwin Canal Tract of Mysore State.
Tinnevellys.	October to November	March to August	April to December	Madura, Ramnad, Tinnevelly and Coimbatore districts.

Among the different varieties of Indian cotton, Oomras rank quantitatively as the most important single variety of cotton, as the following table shows:

Indian Cotton Styles

(Area in 000's acres; yield in 000's bales of 392 lbs. each)

Description of cotton	Area under different varieties of cotton according to revised trade descriptions		Yield of different varieties of cotton* (lint) according to revised trade descriptions	
	Average 1936-37 to 1938-39	1950-51*	Average 1936-37 to 1938-39	1950-51*
Bengals—				
U.P. Deshi	715	144	202	53
Punjab Deshi	1,144	515	490	269
Rajputana Desh	521	301	99	160
Total	2,380	960	791	473
Americans—				
Punjab American	‡	192	‡	106
Buri	‡	288	‡	57
Hyderabad American	..	240	..	39
Total	..	720	..	202
Oomras—				
C.P. Oomras	3,884 (§)	803	694§	148
Berar Oomras		273		55
Nimar Oomras		54		8
M. Pradesh Verum		238		44
Khandesh Oomras	1,252	1	181	¶
Khandesh Banila	39	..	9	..
Barsinagar Oomras	207	29	32	5
Hyderabad Oomras	1,903	450	320	63
Jarilla	..	1,540	..	296
Total	7,290	3,388	1,236	619
Hyderabad Gaorani	920	687	140	106
Central India—				
Malvi	1,937	680	266	115
C. I. Others		581		106
Total	1,937	1,261	..	221

* Based on final estimate figures and are subject to revision.
† Included in Punjab Deshi.
‡ Included in C.P. and Berar and Nimar Oomras and M. P. Verum.
§ Including Buri.
¶ Below 500 bales.

The chief defect of the Indian cotton economy is the preponderance of short and medium-staple varieties and the relatively small output of long-staple varieties. Thus, in 1950-51 short-staple varieties accounted for 9,58,000 bales, medium-staple varieties for only 557,000 bales.

Yet another defect of the Indian cotton economy is the low per-acre yield of cotton. The following table gives the per-acre yield of cotton in different countries of the world during 1934-35 to 1938-39 and in 1948-49:

Cotton Yield

(lbs. per acre)

Country	Year beginning August 1	
	Average 1934-35 to 1938-39	1948-49
Mexico	150	174*
United States	144	210
China	93*	108*
India	78	61
Iran	132	114
Korea	102	84
Pakistan	177	146
Turkey	126	150
Greece	162	156
U.S.S.R.	192	N.A.
Argentina	114	108
Brazil	108	90
Paraguay	126	126
Peru	294	240
Anglo-Egyptian Sudan	286	204
Belgian Congo	60	96*
Egypt	324	396
French Equatorial Africa	30	N.A.
Mozambique	54	54
Nigeria	60	N.A.
Tanganyika	60	108
Uganda	60	66

* Unofficial figures. N.A.—Not available.

It will be seen from the above table that India's per-acre yield of cotton is one of the lowest in the world. The overall figure of the yield of cotton, however, conceals many bright spots, for there are large tracts in the country, which yield a high output of cotton per-acre, as the following table will show:

Average Yield per acre of Cotton

(In lbs.)

States	Average 1936-37 to 1938-39	1950-51
Assam	171	163
Bihar	70	78
Bombay	77	86
Madhya Pradesh	70	82
Madras	78	80
Orissa	49	114
Punjab	157	170
U.P.	113	168
West Bengal	..	..
Hyderabad	62	56
Madhya Bharat	54	80
Mysore	51	120
PEPSU	190	258
Rajasthan	69	195
Saurashtra	..	79
Ajmer	143	224
Bhopal	39	32
Delhi	196	..
Himachal Pradesh	..	..
Kutch	51	71
Tripura	91	153
Vindhya Pradesh	51	..
All India	78	83

Generally speaking, India consumes most of the cotton it produces and also some foreign cotton, exporting, in the main, its short-staple varieties. The following table gives the consumption of different varieties of cotton by the Indian mills:

Mill Consumption of Cotton Varieties

('000 bales of 400 lbs. gross or 392 lbs. net)

Year ending 31st July—	Indian	American	Egyptian	Sundries	Total
1938	2,933	55	63	351	3,402
1939	3,036	180	60	358	3,554
1948	3,456	2	177	318	3,953
1949	3,547	8	215	280	4,050

In this connection, it is interesting to note that, yard for yard, *chadars*, among the varieties of cloth turned out by Indian mills, account for the maximum consumption of cotton. The following table shows the consumption per yard of different varieties of cloth manufactured by the Indian mills:

Variety of manufactured products	Quantity of raw cotton used in one yard of cloth
Longcloth (standard quality) 37"×37½"yds.	3.84 oz.
Domestics 35"×40" yds.	4.80 oz.
Chadars 50"×6" yds.	6.0 oz. (one *chadar* 2¼ lbs.)
Dhotis (up to ¼" Nakhi border) 32"×9" yds.	3.11 oz. (one *dhoti* 1¼ lbs.)
Dhotis (Calcutta) 44"×10" yds.	2.7 oz. (one *dhoti* 1½ lbs.)

This rapid review of the Indian cotton economy brings out the fact that this country occupies a prominent place in the world cotton map. There are, however, serious gaps to be filled, such, for instance, as the low per-acre yield of cotton and the relatively small output of superior styles of cotton. These two problems have received, and are receiving, the earnest attention of the cotton administrators in the country. It is to be hoped that their efforts will result in considerable improvement, though any successful effort in this direction should obviously be based on the provision of adequate economic incentives to the Indian cotton farmer.



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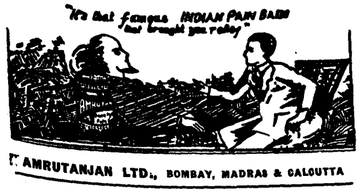

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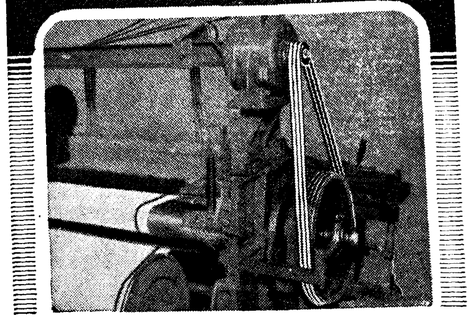

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PRODUCTION TARGET OF 18 MILLION GALLONS SET

AN intricate problem which confronts the Indian sugar industry is the very high cost of production *vis-a-vis* production costs in other sugar-producing countries. In fact, it is this high cost that has been responsible for the low level of consumption. If, therefore, consumption is to be stepped up, every endeavour should be made to reduce the cost of sugar manufacture to a level which suits the pockets of the masses. One of the means of bringing about such reduction, apart from lowering sugarcane prices, is the maximum utilisation of the several by-products of sugar. Of these, molasses are easily the most important, from which could be produced power alcohol and food yeast. There is admittedly an urgent need for developing the power alcohol industry, with a view to utilising the surplus molasses produced by the sugar factories, which are wasted at present. Such utilisation will undoubtedly help reduce the cost of sugar manufacture and meet the requirements of liquid fuel, in which commodity India is not well supplied. It is, therefore, gratifying to note that the Planning Commission has recognised this need, as witness the great importance attached to the expansion of the power alcohol industry in its programmes of industrial development (1951-56).

The expansion plan for the power alcohol industry envisages a rise in the annual rated capacity to 21.12 million gallons (excludes 2.95 million gallons of commercial spirit) by 1955-56, and in the actual production to 18 million gallons (excluding 2 million gallons of commercial spirit), as compared with 12.87 million gallons and 4.72 million gallons, respectively, in 1950-51. The expansion in the rated capacity is to be achieved not only by the installation of 12 new distilleries with an aggregate annual installed capacity of over seven million gallons, but also by full utilisation of the capacity of the existing units. The establishment of new units will be in two stages, namely, 1951-53 and 1953-56, the number that will actually be set up being five and seven, respectively. The Planning Commission attaches special importance to the need for enabling the existing distillers to work to their full capacity. This, it is emphasised, can be achieved in three ways, first, by extending the use of petrol-alcohol mixtures to all the areas adjoining the manufacturing units to the maximum extent possible—high priority being given to the provision of additional mixing depots and storage facilities and distribution arrangements—secondly, by facilitating the transport of molasses from the sugar factories to the distilleries and of power alcohol from the distilleries to the consuming centres, and thirdly, by ensuring proper distribution of power alcohol both within and outside the States. The establishment of the new units envisaged and the expansion programme of the exporting units will together require, it is stated, about Rs. 60 to Rs. 65 lakhs.

The development programme for the power alcohol industry is indicated below:

	1950-51	1955-56
Number of units ...	19	31
Installed capacity (million gallons)—		
Power alcohol	12.87	21.12
Commercial spirit ...	12.65	2.95*
Actual production (million gallons)—		
Power alcohol	4.72	18.00
Commercial spirit ...	3.50	2.00

*Refers to power alcohol distilleries only.

Of the five power alcohol manufacturing units envisaged for the 1950-53 period, four are to be set up in Madras and one in Madhya Bharat. The four units in Madras—at Nellikuppam, Vuyuur, Visakhapatnam and Hospet—will have an aggregate rated capacity of 1.45 million tons per annum. These are expected to come into operation in 1952-53. The total capital investment of the project is estimated at Rs. 20 lakhs. The power alcohol distillery at Jaora in Madhya Bharat State has a rated capacity of 500,000 gallons per annum. The distillery was to have been set up with the financial assistance of the State Government but it is now found necessary for it to be put up entirely by private enterprise.

Simultaneously with the installation of the above distilleries, it is necessary to expedite the work in progress in the matter of extending the use of power alcohol to suitable regions in Uttar Pradesh, the Punjab, and the neighbouring areas. This is of particular importance, because the use of power alcohol has so far been restricted to certain areas only, thanks to the absence of necessary extensive arrangements for blending and for distribution over larger areas. The Planning Commission expects that the arrangements now being made in this direction will be completed in the course of the next few months, so that, with the coming into existence of the additional storage and distribution facilities, more areas in and around Uttar Pradesh, the Punjab, P.E.P.S.U. and Rajasthan would begin to consume larger quantities of power alcohol.

As already stated, seven power alcohol distilleries are proposed to be set up during 1953-56. Four of them, having a combined annual productive capacity of 3.6 million gallons, it is suggested, may be located in Bihar and the remaining three, with an aggregate capacity of 1.5 million gallons, in Bombay, care being taken to locate them either in conjunction with, or in proximity to, the sugar factories. Apart from the fact that power alcohol plants must necessarily be located near petrol depots in order to facilitate mixture and distribution, the actual location of the plants will also have to be considered in the light of the suggestion for the shifting of sugar factories, which have been made in the Plan for the sugar industry.

Some of the power alcohol distilleries situated in areas where supplies of molasses cannot easily be had may have to be shifted to more suitable location. The particular instance which requires to be mentioned here is that of a distillery in P.E.P.S.U. The U.P. Government should examine the possibility of making the requisite amount of molasses available. If it is unable to do so, facilities should be provided for shifting this distillery to a more suitable location. A certain amount of molasses is sold by the U.P. Government to private traders and to other States. The question of utilising such resources for enabling the fuller operation of the existing distilleries in neighbouring areas or for expanding the capacities of some of the distilleries in U.P. to secure an additional production of 1.2 million gallons should be examined in detail. This requires close correlation with the plans for the shifting of sugar factories from areas where cane is not available in sufficient quantities to more suitable places within the States or outside.

With the expansion in the output of power alcohol, as envisaged in the development programme, one naturally expects a corresponding rise in consumption. The present arrangement for the purchase of power alcohol from the distilleries by the individual State Governments and the distribution of the mixture at the same price as neat petrol by the petroleum companies are militating against wider adoption of power alcohol as motor fuel. It is but appropriate that the Planning Commission should have devoted special attention to this question and offered a very valuable solution to the difficulty. In the opinion of the Commission, the Government of India should examine the present arrangement between the distilleries and the State Governments for taking over the product and getting it distributed through petroleum companies. In this connection, the need for the establishment of an all-India agency for acquiring the output of all the distilleries and making necessary arrangements for its distribution in the form of petrol-alcohol mixtures through petroleum companies is stressed. Such, it is felt, will help expand use of the mixture and step up consumption of power alcohol. This, however, is a long-term solution. What is urgently required is, as the Planning Commission has rightly emphasised, some form of encouragement—as, for example, rebate of excise duty on alcohol—to popularise the use of denatured alcohol in trucks, agricultural tractors and other internal combustion engines.

Perhaps the biggest problem confronting the power alcohol industry is the high cost of production. This is due partly to high fuel consumption and partly to the low grade of molasses supplied by a number of sugar factories. In this connection, the Planning Commission rightly points out that, if molasses could be "universally" stored in covered storage tanks and the operation of the distilleries made continuous and carefully regulated, it should be possible to bring down the cost of production.

UNDERGROUND WORK IN COAL MINES

EMPLOYMENT OF YOUNG PERSONS DEPRECATED

THE International Labour Organisation (I.L.O.) will consider, at its general conference to be opened on 4th June next at Geneva, the adoption of a formal recommendation that young persons under 16 should not be employed underground in coal mines. It will be recalled that the I.L.O., at its general conference last year, discussed this question. The delegates at the conference approved a resolution suggesting standards for the employment of young persons in underground coal mining. The proposed recommendation for the ensuing conference has been drafted by the International Labour Office on the basis of the 1952 resolution and the replies received by the I.L.O. member-Governments to a questionnaire issued by the I.L.O. to them.

The proposed recommendation urges the Governments concerned to prohibit, as rapidly as possible in their respective countries, the employment of persons below 16 years of age to work underground in coal mines. It also prohibits persons above the age of 16 but below 18 years from being employed for work underground in coal mines except (a) for purposes of apprenticeship or other systematic vocational training, provided under adequate supervision by competent persons with technical and practical experience of the work; or (b) under conditions determined by a competent authority prescribing the places of work and occupations permitted and the measures of systematic medical supervision to be applied.

The need for the abolition of underground mining work for young boys has been recognised already by a number of countries. The employment, for instance, of children below 18 for underground mining is prohibited in India. The question of prohibition of employment of young persons in underground mining in all those countries where no regulation exists at present, deserves consideration from both the physiological and psychological points of view. The hazards and strains of underground coal mining are too much for the yet developing body to bear. And the overstrain undermines the health of the young workers. Psychologically, it weakens his morale. There is nothing tragic to young workers than the disillusionment caused by these two factors. And when young workers are the most valuable assets of the nation, any sacrifice of their welfare is fraught with dire consequences. After all, the end and aim of human effort is not production alone, but also improvement of human welfare.

COAL STATISTICS FOR JANUARY 1953

During January 1953, as many as 818 collieries and 8 coke plants were in operation in India. On an average, 365,462 persons were employed daily and 9,229,482 man-shifts were worked. The overall percentage of absenteeism was 12.77. The output per man-shift for miners and loaders was 1.06 tons, for all persons employed in underground and open-workings 0.57, and for all persons employed 0.33. As much as 3,110,214 tons of coal were produced and 124,079 tons of soft coke, 182,305 tons of hard coke and 13,659 tons of other kinds of coke were manufactured. Of these, 2,638,564 tons of coal, 126,376 tons of soft coke, 47,182 tons of hard coke and 4,402 tons of other kinds of coke were despatched during the month under review. The coal stocks at the collieries on the last day of the month were reported to be 3,031,244 tons.

MINING IN NEW COAL MINES

Answering an interpolation during question hour in Parliament, the other day, Mr. V. V. Giri, Union Minister for Labour, stated that new coal seams found in North Karanpura, Koraba and Raniganj coalfields had been mapped by the Geological Survey and prospected, but had not yet been exploited. Replying to another question whether, owing to unscientific mining in the major coalfields, there had been premature collapses underground, he said that, during the last ten years, there had been a few premature collapses underground and where they had occurred they were in workings made many years ago. In 1939, certain regulations were introduced to control the dimensions of pillars and galleries and the method of extraction. No premature collapses had occurred in workings made according to these regulations. Stipulations intended to ensure scientific working from the beginning were also made when permission to open new mines were granted.

Coal production during 1952 is expected to be nearly 3,600,000 tons or 22.2 per cent. more than in 1951 based on the latest forecast of a total of 18,900,000 tons of coal for the year. During 1953 coal production is scheduled to rise by 4,600,000 tons, equal to an increase of 24 per cent. This will include a 50 per cent. increase in the mining of coking coal.

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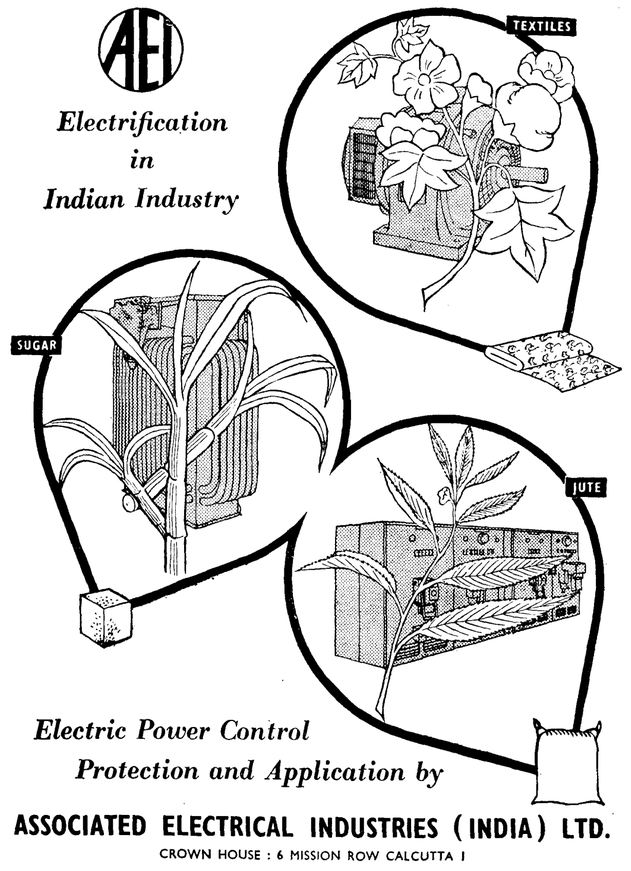

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CONTROL OVER TEA INDUSTRY

SELECT COMMITTEE'S REPORT ON GOVERNMENT BILL

THE Select Committee, to which the Bill to provide for the control of the tea industry by the Union Government was referred in December, 1952, has since submitted its report. The Minister for Commerce and Industry duly presented this report to the House of the People on 14th February, 1953. Tea planters in India, who have voiced their protest against the provisions of the original Bill, which sought to confer on the Government powers to wield a larger measure of control over the industry than hitherto, have reason to feel disappointed with the Select Committee's report. For the changes made by the Committee in the Bill, instead of seeking to relax the proposed control, are directed to have more effective control over this important industry. The Bill, as amended by the Select Committee, is sure to meet with little opposition in the House as the general principles on which the report is based have the unanimous support of all the parties represented on the Committee. A point to be noted here, however, is that the planters' main criticism of the general principle of the Bill, namely, the need for increased control over the tea industry by the Government, remains still unanswered by the Select Committee's report.

The Select Committee has amended the title of the Bill in order to make the control of the tea industry in some respects to fall in line with the requirements of the International Tea Agreement. Accordingly, the Bill, as amended by the Committee, provides for the Union Government's control over the tea industry in respect of (*a*) the cultivation of tea in India, and (*b*) the export of tea from this country in pursuance of the International Agreement. And for this purpose, provision is also made in the Bill to establish a Tea Board and levy a customs duty on tea exported from India. Further, the original Bill excluded tea waste from the definition of tea, but the Select Committee has so amended it as to conform to the international definition. Accordingly, tea includes all varieties of the product commercially known as tea, including green tea and tea waste.

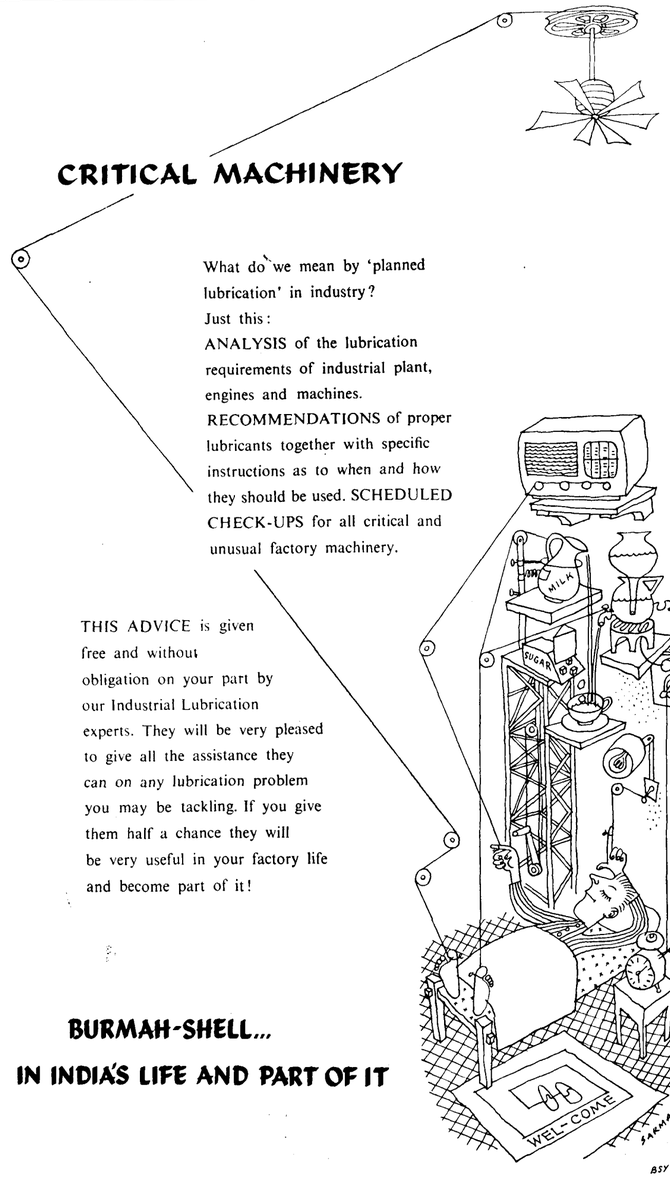
Constitution of Tea Board

One of the important provisions of the Bill relates to the establishment and constitution of the Tea Board. The Select Committee seems to have approved of the Government's proposal in the Bill to "appoint" members to the Board rather than to give freedom to the various interests enumerated in the Bill to nominate their representatives. But the Committee is of the view that there is no need for the Central Government to be represented on the Board, as the Board will work under the general control and supervision of the Central Government. It also feels, at the same time, that the Board should be apprised of the views of the Central Government before taking any decision. Moreover, it has recommended a provision to be added for enabling any officer deputed by the Central Government to attend the meetings of the Board and take part in its proceedings without the right to vote. This provision has been strongly criticised by planters, because the Government takes power to "appoint" members to represent various interests and thereby deprives the tea growers of the right, as is the case now, to nominate representatives of their choice on the Board.

The Central Government has, under the Bill, power to control the extension of tea cultivation. One of the methods by which it seeks to achieve this object is by restricting the area under tea to the acreage under cultivation on the date of commencement of the Act. Under the proviso to clause 14(3) of the Bill which confers this power, the Government will not grant permission for extension of the area to a tea estate owned by a limited liability company, if the area planted with tea in the estate exceeds three hundred acres, and to an estate owned by an individual proprietor or proprietors, if the area planted with tea exceeds 150 acres. The Select Committee feels that this proviso is unduly restrictive and that the distinction contemplated in that proviso between a limited liability company and an individual proprietor should go. This will, no doubt, be welcomed by the planters. But the same cannot be said of the other recommendation of the Committee, namely, that the rules under the Act should provide that previous approval of the Government should be obtained where the area planted with tea exceeds 500 acres. Because this amounts to discrimination against larger units.

Under this existing law, the proceeds of the tea cess are directly credited to the Tea Board. In the new Bill, however, the proceeds of the customs duty on export of tea will accrue to the general revenues of the Government. The latter is required to pay in each financial year, to the Board, a sum not exceeding the proceeds of such duties collected during the preceding financial year, after deducting the expenses of collection. The Select Committee has felt that such a procedure is inconsistent with the existing legal and constitutional position, and has, accordingly, recommended that the proceeds of customs duties should be credited to the Consolidated Fund of India under the item "Tea Fund." It says that the Central Government may thereafter, from time to time, pay to the Board from and out of such proceeds such sums of money as it may think fit, after deducting the expenses of collection. Tea planters, however, feel that the proceeds should be entirely earmarked for the benefit of the industry, and are opposed to any part of the proceeds being spent otherwise.

Another important provision of the Bill deals with the fixation of prices for sale, whether for internal market or for export. But it has no specific provision for controlling sales. It was left to the Select Committee to take a decision on the question. The Committee has felt that an effective control over the industry can be better exercised by the Government by controlling not only prices but also distribution of tea. The Committee has, accordingly, amended the relevant clause in the Bill, seeking to fix (1) maximum or minimum prices which may be charged by a grower/manufacturer/dealer; (2) maximum quantity which may, in one transaction, be sold to any person; and (3) different prices for different classes of dealers or for growers or manufacturers in different localities. Instead of specifying the price or prices to be charged, the Government may prescribe the manner in which price or prices should be computed. The amendment above also seeks to (1) prohibit the disposal of tea or tea waste except under certain circumstances, (2) direct the sale of the whole or a specified part of the stock of tea or tea waste at such prices and to such persons or class of persons or in such circumstances as specified by the Government; and (3) to regulate by licences, permits or otherwise, the production, storage, transport or distribution of tea or tea waste. It is clear from these restrictions that initiative and enterprise are bound to suffer in tea estates.



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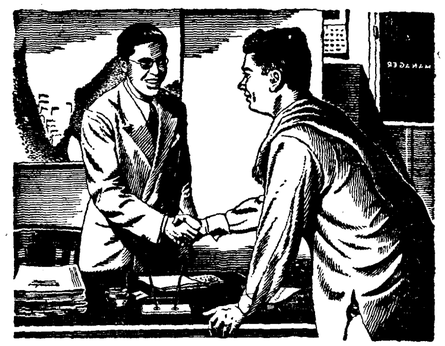
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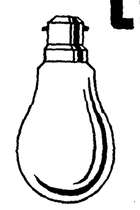
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AUTOMOBILE INDUSTRY IN INDIA

RECOMMENDATIONS OF PLANNING COMMISSION

THE need for concentration of the production of motor vehicles in a few manufacturing units, continuation of the policy of weighted imports in favour of the manufacturing units, development of ancillary and subsidiary industries, the standardisation of various types of components and a co-ordinated manufacturing programme for motor vehicles is emphasised by the Planning Commission in its report on the automobile industry, which forms part of the programme for the development of 42 industries, it has drawn up. The Planning Commission has also urged the examination of manufacturing programmes of the Hindustan Motors and the Premier Automobiles to ascertain whether they are technically sound and whether their implementation would result in the manufacture of vehicles at a price which would permit of an expanding demand. The Commission has also urged the need for an enquiry into the economics of diesel vehicles and the desirability of taking measures to restrict, regulate or co-ordinate their use with the use of petrol-driven vehicles. It is gratifying to note that several of these recommendations have been included in the terms of reference of the Tariff Commission. The recommendations of the Tariff Commission, we are told, are awaited for chalking out a detailed development programme for the industry.

The significance of these recommendations will be evident when the strategic importance of the industry is realised. Apart from the fact that the industry is vital to the development of road transport, it is rightly regarded as an important defence industry in all countries. But, unfortunately, the industry is still in its infancy in India. It has so far developed on the basis of assembling vehicles from imported components, but is gradually changing over to the manufacture of components and functional parts. There are 12 assembling firms in India. Of them, five have plans to undertake manufacture of components and, finally, complete vehicles. Of these five, however, only two, namely, the Hindustan Motors Ltd. (Calcutta) and the Premier Automobiles Ltd. (Bombay) have made appreciable progress in the direction of the manufacturue of components. The aggregate assembling capacity of the industry is estimated at 70,700 units. Of this total, the assembling capacity of the Hindustan Motors and the Premier Automobiles is sufficient to give an annual output of 18/19,000 and 12,000 automobiles, respectively. Actual production of all assemblers, however, is below capacity. It was 23,576 in 1951-52, as against 16,519 in 1950-51 and 29,183 in 1948-49. The total paid-up capital of the industry (both assembling and manufacturing units) is about Rs. 9.3 crores. Of this, the Hindustan and the Premier Automobiles account for Rs. 7 crores. It is considered that a further investment of the order of Rs. 3 crores is necessary to enable them to complete their programmes of manufacturing an increasing percentage of components within the country. The aggregate labour employed by the industry is about 8,000, of which nearly a third are employed by the Hindustan Motors and the Premier Automobiles.

The main obstacle to the development of the industry is the limited demand for automobiles in the country. This is chiefly due to high price of automobiles. This explains why the Planning Commission wants to know whether the implementation of the manufacturing programmes (present and proposed) of the Hindustan Motors and the Premier Automobiles would result in the manufacture of vehicles at a price which would permit of an expanding demand. The limited size of the Indian market for motor vehicles also explains the need for concentrating production on a few manufacturing units instead of dispersing production capacity among a large number of uneconomic units. It is estimated that the demand for motor cars and vehicles is only about 25,000, excluding the requirements of the Defence Ministry. In view of the limited demand for motor vehicles, the Planning Commission has done well to suggest the reduction in the number of models and makes of vehicles allowed for use in the country. The Commission has further suggested that the State Governments and other principal consumers should be advised to limit their purchases to such models and makes of vehicles as are manufactured by units with approved manufacturing programmes.

The second problem facing the development of the industry is the absence of ancillary industries. In other countries, the automobile manufacturer, as a rule, does not himself produce more than a certain percentage of the components. He obtains his requirements from the ancillary industries. A majority of such producers are small units acting as "feeders" to the automobile industry. In India, the absence of such "feeders" compels the manufacturer either to produce such components in small quantities or to import them. The limited demand for components owing to limited development of the automobile industry and the absence of standardisation, have been a serious obstacle to the growth of ancillary industries. Appropriately enough, the Commission has recommended development of ancillary industries through "suitable measures" and standardisation of various types of components. The development of ancillary industries would, it might be noted, help produce automobiles at a lower cost. The Commission has further observed that the possibilities of either integration or mutual assistance and co-operation of the existing manufacturers and assemblers should be examined with a view to utilising the aggregate capacity to the best advantage and promoting the development of the industry as a whole. It has urged the continuation of the policy of weighted imports in favour of manufactures so that imports of those units which are engaged in assembly work alone are progressively reduced and eliminated. All these point to the need for a co-ordinating manufacturing programme for motor vehicles.

There is, again, another obstacle to the development of the petrol-driven motor vehicle industry, namely, the one which arises from competition from diesel vehicles. Diesel vehicles are cheaper and it is claimed that their maintenance costs are also lower. The Commission has, therefore, recommended that the economies of diesel vehicles and the desirability of taking measures to restrict, regulate or co-ordinate their use with petrol-driven vehicles should be examined.

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(Concluded from next column)

penalty that might be imposed on the shipowners in cases of pretended jettisoning. Touching on this point, Mr. Buch declared that the deposit of Rs. 100 per vessel, insisted upon, was not too heavy, and pointed out that it was insisted upon since in many cases both the *tindals* and the owners did not turn up during an enquiry.

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SAILING VESSELS INDUSTRY

CONCERN OVER RISING COSTS AND DECLINING FREIGHTS

ADDRESSING the members of the Kanara Vessel Owners' Association recently at Mangalore, Mr. C. A. Buch, Officer on Special Duty (Sailing Vessels), Government of India, discussed the various problems facing the sailing vessels industry. The discussion was a sequel to a memorandum submitted to him by the Association. The memorandum referred to the main problems facing the industry, namely, rising cost of operation, declining freight rates and the hardship caused by the dual control by the port and customs authorities over the vessels regarding entry and clearance in minor ports. Besides, it urged the need for the introduction of a scheme of hull insurance sponsored by the State for the industry. It also held that the present deposits insisted upon by the customs authorities in regard to jettisoning was heavy.

With the cost of operation increasing and freight rates decreasing by more than 50 per cent., compared with the war-time period, the sailing vessels transport trade is finding it quite uneconomic to operate. The situation, it is feared, would deteriorate, unless the Government came to the rescue by fixing a minimum freight rate or by reserving certain specified classes of goods for country-craft. As part of assistance, the Association went so far as to make out a case for the supply of coir, sail cloth, nails and other requirements to the vessel owners at concessional rates to reduce the cost of operation. The Association also desired that the present towing and lighting charges should be reduced. Adverting to this question, Mr. Buch pointed out that it was very difficult for the Government to fix the rates of freights as it had done during the last war. For the special conditions that existed during war-time did not prevail now, and any interference with freight rates now would amount to unnecessary interference with the normal trade. The real remedy lay, according to the Special Officer, in the sailing vessels industry organising itself on an all-India basis and regulating its trade through it. This does not mean, he assured, that the Government was shirking its responsibility. If it was found absolutely necessary, the Government, he declared, would not hesitate to interfere with the rates. The Special Officer said that the suggestion to make available to vessel owners coir, sail cloth, etc., at concessional rates would be examined by the Government. He, however, asked them to realise that the coir workers had also to live during these days of high cost of living and hence the high prices for coir were unavoidable to a certain extent. He disclosed further that the Union Government was considering the question of reducing towing and lighting charges and of advising the State Governments in this matter. The Government was also considering the question of reserving certain types of commodities for carriage by sailing vessels in case the vessels were found seaworthy, he added.

Regarding the dual control over vessels in minor ports by the port and customs authorities, the Association represented, as stated already, that it was causing too much hardship to the industry. Speaking on this aspect, Mr. Buch said that barring in major ports, both the functions of port and customs authorities were being exercised by a single office with the exception of the ports in Madras State. He proposed to take up this matter with the Madras Government. The major ports, he stated, were triple-controlled under the Port Trust, the Port Officer and the Customs Officer and revealed that Mangalore, which was expected to become a major port, would shortly become a sub-major port with the constitution of a Port Trust.

Referring to the vessel owners' plea for the introduction of hull insurance sponsored by the State, Mr. Buch said that the Government could not take up hull insurance. He, however, assured that the Government would prescribe standards of sea-worthiness and get the vessels surveyed by Government surveyors, with a view to facilitating private insurance companies covering those vessels.

With regard to jettisoning, the memorandum had pointed out that the present practice of insisting upon large deposits from the vessel owners and *tindals* by the customs authorities caused great inconvenience. It was suggested that a nominal deposit was sufficient since after enquiry the Government could recover the

(Continued in previous column)

RESERVATION SCHEME IN TEXTILE INDUSTRY

NEITHER CONSUMER NOR HANDLOOM WEAVER STANDS TO BENEFIT

(Contributed)

SINCE the Fact-Finding Committee (Handloom and Mills) made its recommendations over a decade ago, public and official interest in the *khadi* and handloom industry has grown considerably. Even apart from sentimental considerations, the industry has a legitimate claim on the State for its rehabilitation. The men and women employed in it are counted in millions and, in the absence of other occupational outlets, it is important that they should be firmly established in their vocation. The Planning Commission has rightly emphasised that the survival of village industries is a national necessity. The Government has, accordingly, adopted two important measures for the development of the handloom industry in India. These are: (1) reservation of certain fields of production for handlooms, and (2) imposition of an additional excise duty of three pies per yard on mill-made cloth, with effect from 15th February, 1953. The new levy is expected to yield an annual revenue of over Rs. 5 crores which will be utilised for the purposes defined in section 4 of the *Khadi* and Other Handloom Industries Development (Additional Excise Duty on Cloth) Bill, 1953. We are concerned here with a discussion of the reservation scheme, which is believed to give a great impetus to handloom production.

The Government seems to have convinced itself that by curtailing mill production through reservation, there will be an increase in handloom output and a wider demand for handloom goods. By a notification, issued on 1st June, 1950, the Government prohibited mills and powerlooms from manufacturing certain varieties of cloth, including *dhotis* with border exceeding 1/4" and *dhotis* with borders having *zari* or *muga* or artificial silk yarn. By another notification, it extended, with effect from 1st July, 1950, the scope of reservation to certain types of *saris*. This reservation, coupled with the unremunerative prices thrown up under the cotton textiles control, resulted in a serious curtailment of production in respect of *dhotis* and *saris*. Thus the output of *dhotis* from April to December, 1949, was of the order of 339,252 bales which worked out to 37,695 bales per month. In the year 1950 (January-December), the total production of *dhotis* dropped to 199,602 bales only, the average per month being 16,633 bales. Early in 1951, the production went down still further, it being 8,390 bales in January and 13,466 bales in February.

The alarming fall in the output of mill *dhotis* set the Government thinking furiously, and, as a result, it directed mills to reserve 50 per cent. of their wide-width looms for the production of *dhotis* and *saris* and at least 30 per cent. thereof for manufacturing *dhotis* only. This order, which was passed in February, 1951, had the desired effect on *dhoti* production which went up to 472,053 bales from March to December, 1951, averaging 47,205 bales per month. This level of production was maintained in 1952, bringing with it a greater availability of *dhotis* for the consumer. Accordingly, the restriction on the reservation of looms was somewhat relaxed in April, 1952, when only 40 per cent. of the wide-width looms were required to be reserved for the production of *dhotis* or *saris* or both.

40 Per Cent. Cut Means Scarcity

Presumably because of this improved situation, the Government considered that no harm would be done to the mill industry by limiting, with effect from 1st December, 1952, the manufacture of *dhotis* to 60 per cent. of the average quantity packed for sale in India per month during the year, April 1951 to March, 1952, which amounted to 596,102 bales. Through the enforcement of a 40 per cent. cut, the mills are thus required to confine their production of *dhotis* to 29,805 bales per month on an average, as against the monthly average of 37,695 bales in the period prior to the shortage experienced by the country in the year 1950, of 47,000 bales in the period immediately after the institution of the loom-reservation scheme, and of 46,000 bales in the year 1952 prior to the introduction of the 40 per cent. cut. In these circumstances, it will not be surprising, if the country reverts to the scarcity period of 1950 when *dhotis* had to be bought by the consumer by sometimes paying a hundred per cent. premium, assuming that the Government will continue to enforce the 40 per cent. cut on the production of *dhotis* by mills.

Apart from the fluid and unpredictable character of the Government's reservation policy, it is not clear who precisely are its beneficiaries. Reservation, in fact, seriously hampers mill production. It unjustly places the mill industry at a great disadvantage. Composite mills, in particular, are handicapped in formulating their production programmes, on a long-term basis. Many of them have, by specialising in the production of *dhotis* over a long period of time established firm markets for their manufactures. A drastic curtailment of production in this line compels them either to keep a number of their wide-width looms idle or to employ them in the manufacture of other varieties. Since it is not economical to keep their looms unemployed, the mills have switched over to other lines of production. Apart from the real problem of securing for these varieties the same popular demand as is enjoyed by *dhotis*, there is the additional risk of all similarly placed mills being forced to concentrate on manufacturing the same sorts. In that case, there will be a glut of these varieties in the market, with the consequent financial embarrassment to the mills. Such frequent changes in the lines of production cannot conduce to an economical or efficient running of the industry.

No Advantage to Handlooms

Perhaps, there would have been some justification for demanding these sacrifices from the mill industry, if they could be proved to bring real benefits to the handloom weaver. There is, however, nothing to show that he stands to gain by the reservation scheme. In spite of the preferential treatment accorded to his industry, it is still far from becoming self-supporting. It is noteworthy that, although it enjoys complete immunity from "competition" in the manufacture of gauze and bandage cloth, it has failed to give a good account of itself. In fact, a little over two years ago, the Textile Commissioner felt constrained to draw the attention of State Governments to the complaints of hospitals that the bandage cloth produced on handlooms was poor in quality, expensive and inadequate to meet their requirements. He went a step further and indicated that, if the situation failed to improve, he might have to assume that the handloom industry was no longer interested in having the production of these varieties reserved for it.

More Realistic Approach

A more realistic approach to the problem of the handloom industry would appear to be frankly to acknowledge its limitations. By its very structure, it is incapable of entering into fields where mass production alone is economical. This is borne out by the fact that, while mills can manufacture about 40 yards per day per loom, the corresponding output of a handloom per day is 9 to 10 yards only. The new excise duty Bill tacitly admits this fact when it says that the *khadi* and handloom industry has "to cater to certain special markets and to individual tastes." The great disparity in the rate of production betwen the handlooms and the looms in mills should be given due weight when assessing the principle underlying the reservation scheme. The Government would like to see the nation adequately clothed, but this goal can be reached only through lower prices and a greater availability of cloth. The reservation scheme is not calculated to promote this end.

It is also necessary to remember that the final arbiters are neither the Government nor the manufacturers, but the consumers, who have, under the pressure of economic necessity, made radical changes in their dress habits. Today the emphasis is on cheapness and simplicity

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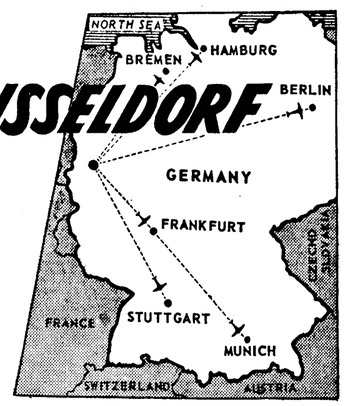

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DEVKARAN NANJEE BANKING COMPANY, LTD.

(INCORPORATED IN BOMBAY UNDER THE INDIAN COMPANIES ACT ON 26TH MAY, 1938)

Head Office :—**DEVKARAN NANJEE BUILDINGS, ELPHINSTONE CIRCLE, FORT, BOMBAY.**

BOARD OF DIRECTORS :

PRANLAL DEVKARAN NANJEE (Chairman).
LALITCHANDRA C. D. NANJEE (Vice-Chairman).
PRINCE UDAYBHAN OF PORBANDAR.
PIROJSHA N. MEHTA.
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PRAVINCHANDRA V. GANDHI, A.I.I.B. (Managing Director.)

BRANCHES AND SUB-OFFICES

BOMBAY:		GUJARAT:		SAURASHTRA:		MAHARASHTRA:		MADHYA PRADESH:
Zaveri Bazar	Share Bazar	AHMEDABAD	BARODA	RAJKOT	JAMNAGAR	NASIK	POONA	BURHANPUR
Mandvi	Colaba	Gandhi Road	BROACH	AMRELI	VERAVAL	Nasik City	Raviwar Peth	
Sandhurst Bridge	Santa Cruz	Maskati Market	ANAND	SURENDRANAGAR	MORVI	Nasik Road	Budhwar Peth	
Dadar	Vile Parle	Manek Chowk	NADIAD	DHRANGADHRA	JUNAGADH	MALEGAON	Camp	
Kalbadevi	Khar	Delhi Chakla	GODHRA	BHAVNAGAR	MAHUVA	MANMAD	BARAMATI	
Thakurdwar	Andheri	VIRAMGAM	LUNAWADA	PORBANDAR	SAVAR KUNDLA	AHMEDNAGAR	WALCHANDNAGAR	
Bhuleshwar		SURAT	PATAN				SHOLAPUR	
Matunga	Ghatkopar	BARDOLI	SIDHPUR					
		NAVSARI						
		BULSAR						

SIXTEENTH REPORT—DIRECTORS' REPORT FOR THE YEAR ENDED 31st DECEMBER 1952.

To

THE MEMBERS OF DEVKARAN NANJEE BANKING CO., LTD.

1. Your Directors beg to submit herewith the audited Balance Sheet as on 31st December, 1952, and Profit and Loss Account for the year ended 31st December, 1952. The Auditors' Report is also annexed.

2. The bank has, during the year, maintained its progress generally. Two branches at Patan (Gujarat) and Sidhpur (Gujarat) were opened, bringing the total number of our offices to 57 at the end of 1952. The number of our Safe Deposit Vaults remained at eleven, though the capacity of some of them was augmented. In spite of the depression witnessed during the year, the activity of the bank increased. The number of accounts at the end of the year totalled about 76,000, the deposits about Rs. 8.04 crores, and the total working funds about Rs. 9.86 crores.

3. The bank has made a net profit of Rs. 6,14,969-2-2, which, together with Rs. 1,38,593-14-5 brought forward from last year's account amounts to Rs. 7,53,563-0-7. Out of this your Directors have made the following appropriations :—

	Rs.	a.	p.
To Reserve Fund Account under Section 17 of the Banking Companies Act	1,50,000	0	0
To Investment Reserve Account	50,000	0	0
To Bank Premises Depreciation Account	25,000	0	0
To Furniture Depreciation Account	55,178	6	0
To Library Depreciation Account	577	0	0
To Provision for Taxation Account	1,50,000	0	0

and propose to appropriate the balance as under :

	Rs.	a.	p.
To pay Dividend for the year at Rs. 1-12-0 per share (free of income-tax) on 1,00,000 shares	1,75,000	0	0
and to carry forward	1,47,807	10	7
Total	Rs. 7,53,563	0	7

4. During the year, Rajmitra R. S. Mane Patil, C.I.E., and Mr. Harshadrai B. Parekh were appointed additional Directors on the Board. In accordance with Article 95 of the Articles of Association, they cease to hold office as Directors but being eligible offer themselves for re-election. In accordance with Article 100 of the Articles of Association, Mr. Pranlal Devkaran Nanjee, Mr. Pirojsha N. Mehta, Mr. Jayantilal R. Trivedi and Mr. Laxmikant S. Dabholkar, J.P., retire from the Board of Directors by rotation but being eligible offer themselves for re-election.

5. You are requested to appoint Auditors for the ensuing year and to fix their remuneration.

Yours faithfully,
For the Board of Directors,
PRANLAL DEVKARAN NANJEE,
Chairman.

BOMBAY, *5th February*, 1953.

Balance Sheet as at 31st December, 1952.

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital:						
AUTHORISED :						
2,00,000 Ordinary Shares of Rs. 50 each	1,00,00,000	0	0			
ISSUED, SUBSCRIBED AND CALLED-UP :						
1,00,000 Ordinary Shares of Rs. 50 each fully paid				50,00,000	0	0
2. Reserve Fund and Other Reserves				24,00,000	0	0
3. Deposits and Other Accounts:						
Fixed Deposits	1,19,37,086	6	4			
Savings Bank Deposits	2,54,46,781	15	3			
Current Accounts, Contingency Accounts, etc.	4,30,56,345	14	2	8,04,40,214	3	9
4. Borrowings from Other Banking Companies, Agents, etc.:						
(i) In India	Nil					
(ii) Outside India	Nil			Nil		
PARTICULARS :						
(i) Secured	Nil					
(ii) Unsecured	Nil					
5. Bills Payable				6,17,417	4	3
6. Bills for Collection Being Bills Receivable as per contra :						
(i) Payable in India	45,55,043	5	11			
(ii) Payable outside India	1,33,159	8	0	46,88,202	13	11
7. Other Liabilities:						
(a) Branch Adjustments	29,98,604	11	10			
(b) Unclaimed Dividends	41,885	0	0			
(c) Safe Deposit Rentals in Advance	74,248	7	9			
(d) Rebate on Bills Discounted	15,115	9	0			
(e) Provision for Income-tax	7,59,605	10	0	38,89,459	6	7
8. Acceptances, Endorsements and Other Obligations as per contra				12,42,526	0	3
9. Profit and Loss:						
Profit as per last Balance Sheet	3,13,593	14	5			
LESS—Appropriations for Dividend	1,75,000	0	0			
	1,38,593	14	5			
ADD—Profit for the year brought from the Profit and Loss Account	6,14,969	2	2			
	7,53,563	0	7			
LESS—Transferred :						
1. To Reserve Fund under Section 17	1,50,000	0	0			
2. To Investment Reserve	50,000	0	0			
3. To Depreciation on Furniture	55,178	6	0			
4. To Depreciation on Properties	25,000	0	0			
5. To Depreciation on Library	577	0	0			
6. To Provision for Taxation	1,50,000	0	0	4,30,755	6	0
				3,22,807	10	7
10. Contingent Liabilities:	Rs.	a.	p.			
1. Claims against the Banking Company not acknowledged as debts	4,000	0	0			
2. Money for which the Banking Company is contingently liable (amount of any guarantee given by the Banking Company on behalf of directors or officers Nil)	3,22,102	5	0			
3. Arrears of cumulative preference dividend	Nil					
4. Liability on Bills of Exchange Re-discounted	Nil					
5. Liability on account of outstanding Forward Exchange contracts	24,934	6	0			
Carried forward	Rs.			9,86,00,627	7	4

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash :						
In hand and with Reserve Bank and Imperial Bank				1,54,42,271	9	10
2. Balances with Other Banks in Current Account:						
(i) In India	24,04,347	14	7			
(ii) Outside India	3,67,460	14	2	28,61,808	12	9
3. Money at Call and Short Notice				Nil		
4. Investments (at Cost) :						
(i) (a) Securities of the Central and State Governments (maturing within the next nine years and repayable at par) (Face Value Rs. 3,74,15,000. Market Value at average rate of preceding eighteen months Rs. 3,49,35,671-14-0.)	3,69,50,839	1	0			
(b) Securities of the Central and State Governments (maturing after nine years)	Nil					
(c) Other Trustee Securities	21,14,051	9	0	3,90,64,890	10	0
(Debentures and Shares not quoted are taken at par. Market Value of quoted Securities costing Rs. 7,63,551-9-0 is Rs. 6,89,681-4-0.)						
(ii) Shares :						
(a) Fully Paid Preference Shares	2,51,730	2	0			
(b) Fully Paid Ordinary Shares	9,44,398	4	0	11,96,128	6	0
(Market Value Rs. 8,14,039, includes shares of Rs. 11,000-12-0 not quoted taken at cost.)						
(iii) Debentures or Bonds :						
(a) Municipal Debentures	14,43,575	0	0			
(b) Other Debentures	65,000	0	0	15,08,575	0	0
(The above Debentures are taken at cost as they are not quoted.)						
(iv) Other Investments				Nil		
(v) Gold				Nil		
						4,17,69,594 0 0
5. Advances:						
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)						
(I) Loans, Cash Credits, Overdrafts, etc. :	Rs.	a.	p.			
(i) In India	2,06,28,644	11	9			
(ii) Outside India	Nil			2,06,28,644	11	9
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments) :						
(i) Payable in India	69,99,539	12	0			
(ii) Payable outside India	1,09,158	10	9	71,08,698	6	9
						2,77,37,343 2 6
PARTICULARS OF ADVANCES :						
(i) Debts considered good in respect of which the Banking Company is fully secured	1,85,94,105	14	9			
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security (The above includes Rs. 27,50,575-3-10 debts for which more than one person is liable on the Pro-note.)	43,56,266	4	9			
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	47,86,970	15	0			
(iv) Debts considered doubtful or bad, not provided for	Nil					
	2,77,37,343	2	6			
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	Nil					
(vi) Debts due by the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	19,34,956	0	8			
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors, or managers or officers of the banking company or any of them either severally or jointly with any other persons	Nil					
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	20,03,928	0	0			
(ix) Due from banking companies	1,83,520	13	6			
Carried forward	Rs.					8,78,11,017 9 1

and no production plan can succeed unless it fully takes into account the predilections of the consumer. It is possible that the handloom industry will be able to put large quantities of *dhotis* in the market, but since its products are not economical, the consumer will avoid buying the expensive hand-woven *dhotis*. In the result, the 40 per cent. gap in the availability of *dhotis* will remain unbridged. Rather than buy the high-priced handloom *dhoti*, the consumer may opt for mulls and convert them into *dhotis*, as he did before the last war. We should not forget that he is no longer prepared to pay inflated prices for his *dhoti* or for any other item of clothing. Should he decide to discard the *dhoti* altogether, as he well might if he has to pay more for it, then such a development will be a serious blow to the handloom industry.

Natural Forces

It is useless to quarrel with these forces, for it is they, and not executive orders, that will ultimately determine the spheres of production. This is not to say that the handloom industry has no future at all, for there will always be an assured market for the goods in which it specialises. The remarks of the Minister for Commerce and Industry on the subject are relevant. In reply to the clamour for the complete reservation of *dhotis* and *saris* for the handloom industry, Mr. Krishnamachari declared in September, 1952: "It seems that consumers all over India want mill cloth which is cheaper. We cannot ignore the consumers' interest, which is the primary one with which we are concerned. We cannot ignore it, particularly at a time when he wants more cloth, and we cannot reject this aspect of the question and accept a narrower view." The Minister went on to say that the consumer could not be forced to purchase handloom cloth which "costs anything up to 25 to 30 per cent. more in price." He recalled that consumer resistance was becoming "very visible" and that it could not be overcome by "transferring the manufacture from one set of people to another, even if that were possible, particularly when by so doing, we put up the cost to the consumer." This is a remarkably candid admission that the reservation policy is not calculated to advance anybody's interests. The consumer is already experiencing the adverse effects of the 40 per cent. cut on the production of *dhotis* in mills. A large-scale hoarding of *dhotis* is understood to be in progress in Calcutta, while elsewhere the prices have gone up.

Mill Industry in State of Flux

The handloom industry certainly deserves every legitimate help, but its prosperity should not be at the expense of the mills which are rendering no small service to it by making over one-third of their total yarn production for hand-weaving. To-day the affairs of the mill industry are in a state of flux. Since the last war it has had no time to stabilise its position. The enormous calls made on its manufacturing capacity during war years have imposed a severe strain upon its plants and machinery, 90 per cent. of which are believed to be more than 25 years old. Its present resources are too meagre to meet replacement costs. Moreover, the partition of India was a severe blow to the industry which lost some 1.6 million bales of cotton as a result of some of the most fertile cotton-growing areas falling within the jurisdiction of Pakistan. This has necessitated the industry to pay heavily, year after year, for imported cotton.

In addition, it lost a vast and assured market through partition. If there had been no division of the country, the areas comprising Pakistan would have absorbed some 960 million yards of cloth on the *per capita* basis of 12 yards per annum. The following figures relating to exports of mill-made cotton piecegoods from India to Pakistan vividly explain the extent of the loss suffered by the industry through partition :

(In million yards)

1948	142.7
1949	38.1
1950	50.4
1951	9.0
1952 (for ten months)	52.9

Surely, nothing will be lost if reservation is abolished at least till the industry is in a position to solve some of its most serious problems. The mills and handlooms have, to quote the Fact-Finding Committee (Handloom and Mills), "a great many common interests to safeguard, and by careful planning, their interests can be made more compatible than they are to-day." The newly appointed Cotton Textile Enquiry Committee, which is now in the midst of its labours, will be rendering an inestimable service to the country's textile industry as a whole, if it succeeds in convincing the Government that, in order to nurse the ancient crafts, symbolised by *khadi* and handloom weaving, it is not at all necessary to hurt the interests of the mill industry.

DEVKARAN NANJEE BANKING COMPANY, LTD.—*(Continued)*

CAPITAL AND LIABILITIES—(Contd.)	Rs.	a.	p.	Rs.	a.	p.
Brought forward Rs.				9,86,00,627	7	4
Total Rs.				9,86,00,627	7	4

PROPERTY AND ASSETS—(Contd.)	Rs.	a.	p.	Rs.	a.	p.
Brought forward Rs.				8,78,11,017	9	1
6. Bills Receivable Being Bills for Collection as per contra :						
(i) Payable in India	45,55,043	5	11			
(ii) Payable outside India	1,33,159	8	0	46,88,202	13	11
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra				12,42,526	0	3
8. Bank Premises (at Cost) :						
As per last Balance Sheet	30,17,379	15	1			
Additions during the year	13,690	2	0			
	30,31,070	1	1			
LESS—Depreciation up to date	2,50,000	0	0	27,81,070	1	1
9. Furniture and Fixtures, Motor Vehicles and Safe Deposit Vault Equipments (at Cost) :						
As per last Balance Sheet	10,30,849	7	3			
Additions during the year	62,131	9	0			
	10,92,981	0	3			
LESS—Sales during the year	180	9	0			
	10,92,800	7	3			
LESS—Depreciation to date	3,85,835	3	3			
	7,06,965	4	0			
The above includes :	Rs.	a.	p.			
(a) Safe Deposit Vault Equipments	5,00,486	12	9			
(b) Steel Furniture	1,50,809	7	1			
(c) Motor Vehicle and Cycles	56,188	11	3			
(d) Other Furniture	3,85,315	8	2			
	10,92,800	7	3			
10. Other Assets including Silver:						
(a) Taxation at Source				8,28,062	10	9
(b) Interest Receivable on Government Securities				3,44,635	12	6
(c) Small Silver Bars (at cost)				85,435	5	6
(d) Books and Stationery in Stock				77,527	6	9
(e) Library (less depreciation)				5,189	13	6
(f) Stamps and Petty Cash				4,485	3	0
(g) Municipal, Postal and Other Deposits				15,963	8	0
(h) Rents Receivable from Properties				9,545	15	0
				13,70,845	11	0
11. Non-Banking Assets Acquired in Satisfaction of Claims				Nil		
Total Rs.				9,86,00,627	7	4

Profit and Loss Account for the year ended 31st December, 1952.

EXPENDITURE	Rs.	a.	p.
1. To Interest paid on Deposits, Borrowings, etc.	7,60,641	10	7
2. ,, Salaries and Allowances and Provident Fund (includes Salaries and Allowances of Managing Director Rs. 30,000)	13,78,448	15	9
3. ,, Directors' and Local Committee Members' Fees and Allowances	28,460	0	0
4. ,, Rent, Taxes, Insurance, Lighting, etc.	2,24,075	0	6
5. ,, Law Charges	2,258	8	0
6. ,, Postage, Telegrams and Stamps	1,34,944	1	6
7. ,, Auditors' Fees	4,925	0	0
8. ,, Repairs to Banking Company's Property	6,744	3	0
9. ,, Stationery, Printing and Advertisement	1,87,602	4	10
10. ,, Loss from Sale of or Dealing with Non-Banking Assets	Nil		
11. ,, Other Expenditure	1,39,525	13	1
12. ,, Balance of Profit	6,14,969	2	2
Total Rs.	34,82,594	11	5

INCOME (Less Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	a.	p.
1. By Interest and Discount	25,31,390	1	7
2. ,, Commission, Exchange and Brokerage	4,87,017	15	10
3. ,, Rents	1,41,984	5	0
4. ,, Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	6,085	14	3
5. ,, Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
6. ,, Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil		
7. ,, Other Receipts	3,16,206	6	9
Total Rs.	34,82,594	11	5

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the foregoing Balance Sheet of the DEVKARAN NANJEE BANKING COMPANY, LIMITED, as at 31st December, 1952, and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the authenticated returns from Branches, and report that :—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory ;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank ;

(c) the returns received from Branch Offices of the Bank have been found adequate for the purpose of the audit ;

(d) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law ;

(e) such Profit and Loss Account shows a true balance of profit for the year ;

(f) such Balance Sheet exhibits a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us and as shown by the books of the Bank, and

(g) in our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

BOMBAY, *2nd February*, 1953.

K. S. AIYAR & CO.,
DALAL & SHAH,
Chartered Accountants.

C. V. SUBRAMANIAM, M.A., A.I.I.B.,
Chief Accountant.

K. R. PATWARDHAN, B.A., A.I.I.B.,
Secretary.

B. RAGHAVENDRA BALIGA, B.COM., A.I.I.B.,
Chief Inspector.

HARIDAS K. SWALI, A.I.I.B.,
Superintendent of Branches.

RATILAL R. MERCHANT, B.A., LL.B., A.I.I.B.,
Superintendent of Investments and Advances.

AMRATLAL M. SANGHVI,
Superintendent of Properties and Expenditure.

PRANLAL DEVKARAN NANJEE, Chairman,
LALITCHANDRA C. D. NANJEE
UDAYBHAN
PIROJSHA N. MEHTA
NATVARLAL S. CHOKSEY
JAYANTILAL R. TRIVEDI
LAXMIKANT S. DABHOLKAR
M. A. MASTER
RAJMITRA R. S. MANE PATIL
HARSHADRAI B. PAREKH
PRAVINCHANDRA V. GANDHI, Managing Director
} Directors.

GUIDING PRINCIPLES OF SOCIAL SECURITY—II

PENSION AND UNEMPLOYMENT SCHEMES OUTLINED

LAST week, we dealt with some of the important I.L.O. recommendations and conventions relating to income security and social assistance in these columns. In this article, the guiding principles and the salient recommendations which have been made by the I.L.O. in respect of pension insurance and unemployment insurance are stated. It is not, of course, possible to give more than a very brief account of these recommendations, for the I.L.O. literature on this subject is too voluminous, too detailed to be even satisfactorily summarised. Nevertheless, some idea of the importance which the I.L.O. rightly attaches to the question of social security can be obtained by a rapid review of the few leading recommendations of this body on the subject.

Pension Insurance

Pension insurance conventions apply only to countries which have ratified them. In these countries, the scheme of pension insurance, it is stated, should provide compulsory old-age insurance for manual and non-manual workers, including apprentices, employed in industrial or commercial undertakings or in the liberal professions, and for outworkers and domestic servants. The convention relating to pension insurance will also apply to agricultural workers in countries in which the Old-age Insurance (Agriculture) Convention is in force. An insured person is entitled to an old-age pension at an age which may be determined by national laws but which, in the case of insurance schemes for employed persons, should not exceed 65. But the members of the I.L.O. are free to make such exceptions from liability to insurance as they deem necessary in respect of (among others):

(a) Workers whose remuneration exceeds a prescribed amount and, where national laws or regulations do not make this exception general in its application, any non-manual worker engaged in occupations which are ordinarily considered as liberal professions and (b) workers who are not paid in money wage.

Although a definite age is prescribed for claiming pensions, it is agreed, according to the 1933 Convention, that an insured person who becomes generally incapacitated and thereby unable to earn an appreciable remuneration should be entitled to an invalidity pension. It is also agreed by the members that the widows and orphans insurance scheme should as a minimum confer pension rights on widows who have not remarried and the children of a deceased insured or pensioned person.

Unemployment

Because unemployment is an evil which persists in all societies to a greater or lesser degree, it is only natural that a comprehensive scheme of social security should take into account this factor. The Unemployment Provision Convention, 1934, has been framed with a view to providing against this evil. This convention states that each member shall maintain a scheme ensuring to all persons habitually employed for wages or salary, other than persons in respect of whom exceptions are made, who are involuntarily unemployed:

(a) benefit, by which is meant a payment related to contributions paid in respect of the beneficiary's employment whether under a compulsory or a voluntary scheme; or (b) an allowance, by which is meant provision being neither benefit nor a grant under the ordinary arrangements for the relief of destitution, but which may be remuneration for employment on relief works organised for this purpose, or (c) a combination of benefit and an allowance.

Subject to this scheme ensuring to all persons habitually employed for wages or salary, other than persons in respect of whom exceptions are made, the benefit or allowance required by the scheme may be:

(a) A compulsory insurance scheme; (b) a voluntary insurance scheme; (c) a combination of compulsory and voluntary insurance schemes; or (d) any of the above alternative combined with a complementary assistance scheme.

The conditions under which unemployed persons shall pass from benefit to allowances, if the occasion arises, shall be determined by national laws or regulations.

Exceptions

Any member may in its national laws or regulations make such exceptions to the requirements of the scheme as it deems necessary in respect of:

(a) persons employed in domestic service; (b) homeworkers; (c) workers whose employment is of a permanent character in the service of the Government, a local authority or a public utility undertaking; (d) non-manual workers whose earnings are considered by the competent authority to be sufficiently high for them to ensure their own protection against the risk of unemployment; (e) workers whose employment is of a seasonal character, if the season is normally of less than six months' duration and they are not ordinarily employed during the remainder of the year in other employment covered by this section; (f) young workers under a prescribed age; (g) workers who exceed a prescribed age and are in receipt of a retiring or old-age pension; (h) persons engaged only occasionally or subsidiarily in employment covered by this section; (i) members of the employer's family; and (j) exceptional classes of workers in whose cases there are special features which make it unnecessary or impracticable to apply to them the provisions of this section.

This section does not apply to seamen, seafishermen, or agricultural workers as these categories may be defined by national laws or regulations.

Disqualifications

Since unemployment benefit should be given only to those who suffer from involuntary unemployment, the Committee rightly asserts:

A claimant may be disqualified for the receipt of benefit or an allowance for an appropriate period if he refuses an offer of suitable employment. Employment shall not be deemed to be suitable:

(a) if acceptance of it would involve residence in a district in which suitable accommodation is not available;

(b) if the rate of wages offered is lower, or the other conditions of employment are less favourable: (i) where the employment offered is employment in the claimant's usual occupation and in the district where he was last ordinarily employed, than those which he might reasonably have expected to obtain, having regard to those which he habitually obtained in his usual occupation in that district or would have obtained if he had continued to be so employed; (ii) in all other cases, than the standard generally observed at the time in the occupation and district in which the employment is offered;

(c) if the situation offered is vacant in consequence of a stoppage of work due to a trade dispute;

(d) if, for any other reason, having regard to all the considerations involved including the personal circumstances of the claimant, its refusal by the claimant is not unreasonable.

A claimant may also be disqualified for the receipt of benefit or an allowance for an appropriate period:

(a) if he has lost his employment as a direct result of a stoppage of work due to a trade dispute;

(b) if he has lost his employment through his own misconduct or has left it voluntarily without just cause;

(c) if he has tried to obtain fraudulently any benefit or allowance; or

(d) if he fails to comply with the instructions of a public employment exchange or other competent authority with regard to applying for employment, or if it is proved by the competent authority that he has failed or neglected to avail himself of a reasonable opportunity of suitable employment.

A claimant who, on leaving his employment, has received from his employer in virtue of his contract of service compensation for and substantially equal to his loss of earnings for a certain period may be disqualified for the duration of that period for the receipt of benefit or of an allowance. A discharge allowance provided for by national laws or regulations, it is laid down, should not be deemed to be such compensation.

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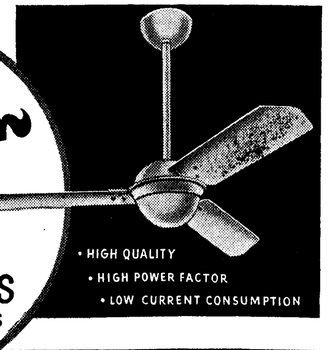

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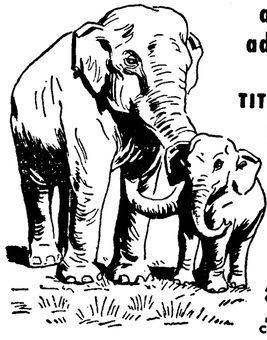

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LIGNITE MINING IN SOUTH ARCOT

PILOT PROJECT INAUGURATED

THE inauguration of the pilot lignite project at Neiville by Dr. U. S. Krishna Rao, Minister for Industries, Madras State, last week, marked a significant step towards the collection of certain data which are essential for planning the commercial exploitation of lignite bed in South Arcot. If the project were to prove successful, it would herald an era of industrial prosperity to South India. For the development of industries in South India is handicapped by the lack of sufficient quantities of fuel at economic prices. It is estimated that the present deficit in the supply of coal to industries in South India is to the tune of a million tons a year. The price of coal in South India is exorbitantly high owing to high transport costs from the Bengal and Bihar coalfields. The coal transported from these coalfields costs as much as Rs. 70 per ton at Madras, as against Rs. 17-8 per ton at pit-heads. It is stated that lignite mined in South Arcot would cost only Rs. 25 per ton. The commercial exploitation of lignite would not only reduce the heavy strain on transport but conform to the plan for regionalisation of coal supply. Water released during mining lignite would be available for agricultural purposes. Investigations have revealed that lignite deposits in South Arcot are sandwiched between two water-bearing beds.

The project, estimated to cost about Rs. 79 lakhs, is the culmination of a series of investigations extending over a period of 10 years. It it true that the existence of lignite deposits in South Arcot first came to notice as early as in 1937 in the course of boring artesian wells in South Arcot. But nothing worth mentioning was done to explore the possibilities of extracting commercially the potential energy lying under the earth for ages, until 1943, when acute shortage of fuel compelled prospecting operations by the Geological Survey of India. Since 1947, the Madras State has been taking an active interest in the project. The project is scheduled to be completed before the end of the current year. The regular mining of lignite on a commercial scale may take three to five years thereafter, as special types of large-sized excavators have to be manufactured to suit the conditions found during the experimental quarrying project. For the pilot project just inaugurated the Government of India is furnishing most of the excavating machinery from its railway collieries at Bokharo.

Lignite is soft and woody in character and loses moisture on airing. A week's air drying reduces the moisture content to about 20 per cent. and this finally stabilises at about 15 per cent. Investigations so far have revealed the existence of 2,000 million tons of good quality lignite in an area of approximately 100 sq. miles. Lignite mined during the investigations has disclosed the following approximate composition: Moisture 40 per cent., volatile 35 per cent., fixed carbon 21 per cent., ash 3 per cent., sulphur 1 per cent., heat value 5,000 calories and phosphorus traces.

Lignite when quarried can, in the first place, be substituted for coal, with the best varieties of which it compares favourably. It is anticipated that in the direct run-off-the-mine state, it can be used in industrial boilers, glass industry, nitrate industry, cement industry and for brick burning. In boilers, it can be used for the generation of power. In pulverised form, lignite can be used for fuel firing boilers, mills firing boilers and in gas turbines. In briquetted form it can be used in industrial boilers and for domestic purposes. As carbonised briquettes, lignite can also be used in blast furnaces for smelting iron ore. An experiment was conducted by Lurgi in Germany to prepare metallurgical coke by mixture of lignite with low grade iron ore. The report was very favourable. Among other uses of lignite, it may be mentioned that by suitable treatment, the phenolic body can yield plastics. By carbonisation and hydrogenation, motor fuels and other light and heavy oils can be produced. By oxidisation, various acids can be obtained. The tar obtained yields countless by-products. The montan wax is capable of many uses. The clay that is found above the lignite in South Arcot is found suitable for ceramics, firebricks, etc., and provided a market can be found, it is expected to cover the greater part of the cost of running the lignite project. The water, the clay and the lignite, which are the subject of operations at South Arcot are, therefore, all valuable assets of the region.

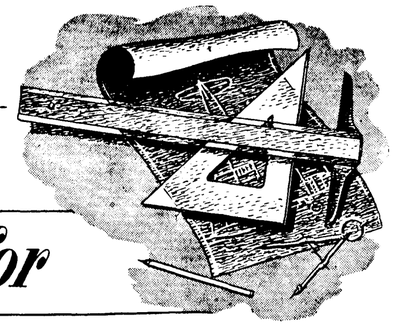
While on this subject, it may be pointed out that fine lignite does not tend to bind together on the firebars and large quantities readily fall through them unburnt. The high volatile nature of lignite renders controlled combustion more difficult in the combustion space normally available. The high percentage of sulphur in some of the lignite deposits is liable to cause corrosion of furnace installations. These, together with many other factors, make special designing of combustion appliances necessary. As lignites generally oxidise more rapidly than coal when exposed to air, it causes heating of the exposed parts of seams, thereby resulting in spontaneous combustion. Especially in hot climates, lignite has a tendency to get hot when stacked or in transit. Special measures must, therefore, be taken to avoid fires in stacks or in railway wagons. For the same heat value, larger quantities of lignite than high grade coals are required. To minimise transport costs, it is advisable to build power generating stations as close to the mines as possible.

DIAMOND MINES IN ANDHRA DISTRICTS

Diamonds appear to be sparsely distributed in the alluvium and conglomerates in some places in Cuddapah, Guntur, Bellary, Godavari, Krishna, Kurnool and Anantapur districts. In Kurnool, certain diamond bearing conglomerates were recently recorded, but its potentialities could be determined only by detailed prospecting, he said. According to geological records, Kollur in Guntur district was a famous diamond mining centre in India in the 16th and 17th centuries. Over 60,000 persons were working on diamond-mining at Kollur in the year 1645, according to the well-known geologist, M. Tarenuier. These mines were then situated on the right bank of the Krishna river between the river and the range of high mountains. Pits were dug from 12 to 14 feet deep at these places but quarrying was not carried below the level of sub-soil water. The great Moghul diamond, the largest known Indian stone, presented by Mir Jumla to the Emperor Shah Jehan in 1656 according to these records, was said to have been found in 1650 in the alluvial workings on the banks of the Krishna river at Kollur. This diamond in its rough state, weighed 900 *ratis*, or 787½ carats but in the process of cutting, it was reduced to 280 carats. After certain portions of it had been lost by utilation, it was removed to England in 1849 and cut to form the present "Kohinoor", weighing 106 carats. This diamond mining centre, gradually dwindled into inactivity by the year 1677 owing to exhaustion of surface yield. In Atmalavaram, another ancient diamond mining centre, deserted pits are still in evidence.

GYPSUM RESOURCES OF INDIA

The reserves of gypsum in the more important deposits of India that have been examined recently come to over 74 million tons. This total is contributed by 50,903,000 tons in Rajasthan; 16,300,000 tons in Madras; 4,466,000 tons in Saurashtra; 2,071,000 tons in Cutch; 383,000 tons in Himachal Pradesh and 206,000 tons in Uttar Pradesh. The best resources in India lie in Rajasthan, Madras and Saurashtra. Deposits are also known to occur in Kashmir, Central India, Western India and Bhutan.



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Subscribed Capital	..	Rs. 5,76,66,125
Paid-up Capital	..	Rs. 3,14,54,250
Reserve Fund and Other Reserves	.. ..	Rs. 3,99,08,177
Deposits as at 31-12-1952		Rs. 1,23,34,85,100

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BAPUJI D. LAM, Esq.
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COOVERJI HORMUSJI BHABHA, Esq.
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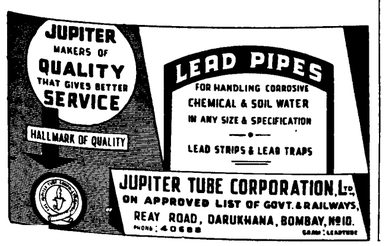
52/66, Mahatma Gandhi Road, Bombay. — R. V. THOMAS, *Manager.*





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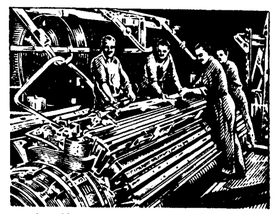
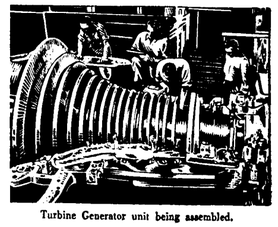


Assembling copper coils in generator field rotor.



Turbine Generator unit being assembled.

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FERTILISER INDUSTRY IN INDIA

FURTHER EXPANSION OF SINDRI ENVISAGED

IN the context of the growing need for augmenting agricultural production in India, expansion of the fertiliser industry assumes special significance. For, for maintaining soil fertility and preventing soil erosion, application of adequate quantities of synthetic fertilisers, in addition to organic manures, is essential. The principal inorganic fertiliser constituents are nitrogen, phosphorus and potash. While the benefits of utilisation of nitrogen—in the form of ammonium sulphate—are sufficiently known in the country, as indicated by continued rise in the demand, the consumption of phosphatic fertilisers—the more important of the two for preventing soil erosion—is still very small. Potash fertilisers are generally applied with nitrogenous and phosphatic fertilisers and are mainly confined to tobacco, coconut, sugarcane and fruit trees. It is in the light of these considerations that the Planning Commission has drawn up the five-year expansion plan for the fertiliser industry. The development of the fertiliser industry is dealt with in three sections relating, respectively, to nitrogenous, phosphatic and potash industries.

The programme for the nitrogenous fertilisers sector is on the following lines:

	1950-51	1955-56
Number of factories	6	7
	Tons	*Tons*
Annual rated capacity	78,670	481,270
Actual production	46,304	450,000
Estimated consumption	250,000	600,000

It is thus seen that the target of production is placed at 450,000 tons for 1955-56, as against 46,304 tons produced in 1950-51. With consumption estimated at 600,000 tons at the end of the Plan period, there would be a gap of about 150,000 tons which would have to be made good by imports. If, however, the scheme for the expansion of fertiliser production at Sindri, now taken up under the T.C.A. Programme, is completed before the end of the Plan period, the need for imports will be considerably reduced. This scheme, which is estimated to cost Rs. 8.55 crores, envisages production of 100 tons of urea and 110 tons of ammonium nitrate per day.

A sum of Rs. 9.03 crores has been provided for the Sindri Fertiliser Factory during the period of the Plan. A coke-oven plant, with a daily production capacity of 600 tons, is recommended to be put up at the Factory at a cost of Rs. 2.35 crores. When the Sindri Factory goes into full production, calcium carbonate sludge equivalent to 1,000 tons per day will be produced and will be utilised through the establishment, in the private sector, of a cement plant at a cost of about Rs. 2 crores. Mysore Chemicals and Fertilisers Ltd. has a project for the increase in the production of ammonium sulphate from 6,600 tons to 13,200 tons per annum and F.A.C.T. Ltd. (Fertilisers and Chemicals, Travancore Ltd.) has a plan to increase the production of nitrogenous fertilisers by 46,000 tons per annum. Part of this output is to be in the form of ammonium chloride by making use of chlorine and hydrogen which will become available from the caustic soda plant of the Travancore Mettur Chemicals Ltd. These projects are together expected to cost Rs. 1.25 crores.

The expansion plan for nitrogenous fertilisers entails use of a considerably larger quantity of gypsum. In view of the limited resources of gypsum and also of the competing demands from cement and sulphuric acid industries, the Planning Commission has done well to lay special stress on the need for ensuring, before expanding the ammonium sulphate capacity, the present requirements of the Sindri Factory in full, and husbanding carefully the limited resources of gypsum till geological prospecting proves the occurrence of large deposits of gypsum or pyrites or alternative methods are developed for producing ammonium sulphate from other sulphur compounds available in the country. Since nitrogenous fertilisers, other than ammonium sulphate, are proposed to be introduced in the country, early investigation, it is suggested, should be undertaken by the Indian Council of Agricultural Research for collecting comparative data regarding the efficiency of different nitrogenous fertilisers, such as ammonium nitrate, nitro prills and nitro-chalk, ammonium chloride, etc., under different soil conditions and for different crops. The feasibility of manufacturing these alternatives at suitable places in the country, it is further suggested, should be investigated.

The other recommendations made by the Planning Commission are: (1) The Ministry of Agriculture should take in hand the question of the full utilisation of the larger production of ammonium sulphate by encouraging the use of such fertilisers in connection with the Grow-more-food schemes and demonstration in private and Government farms; (2) the industry should be given adequate facilities to maintain full production and bring down costs; (3) the National Chemical Laboratory should investigate the development of processes for utilising, if possible, indigenous raw materials, such as magnesium sulphate and sodium sulphate, for the manufacture of ammonium sulphate; and (4) the Geological Survey of India should undertake detailed prospecting and estimation of available resources of gypsum and pyrites in different parts of the country.

The programme of development for the phosphatic fertilisers sector is indicated below:

	1950-51	1955-56
Number of factories	14	17
	Tons	*Tons*
Annual rated capacity	123,460	209,355
Actual production	55,089	180,000
Consumption	58,400	200,000

The projects of expansion under implementation and the new schemes envisaged will raise the rated capacity of the phosphatic fertilisers sector to 209,355 tons and actual production to 180,000 tons. The extent to which the implementation of the projects will succeed, however, depends on availability of adequate supplies of sulphur at reasonable price. The two pressing problems of the super-phosphate industry are shortage of sulphur and high cost of production.

The estimated annual requirements of potash fertilisers—on the basis of using them only for the most essential crops—is about 37,500 tons. As the demand may increase gradually, it is recommended, that efforts should be made to encourage the bigger salt manufacturers to put up by-product recovery plants and make the required quantities of potassium chloride available for fertiliser and other purposes. The State Governments of Bihar, Uttar Pradesh, Rajasthan and P.E.P.S.U. should take the necessary steps to organise, on a co-operative basis, cottage-scale manufacture of potassium nitrate, so as to increase output and reduce cost. Suggestions have also been made to recover potassium salts from molasses, as well as distillery slops and flue gases of cement furnaces.

The expansion schemes above are certainly welcome. For, in the long run, they make the country self-sufficient in inorganic fertilisers and save foreign exchange. However, it must be mentioned here that the schemes will not bring much benefit, until they aim at producing fertilisers at relatively lower costs which render cultivation of crops a remunerative occupation. For the fertilisers now being manufactured at Sindri are considered to be very costly at present, as pointed out in *Commerce* dated 14th February last. Besides, those in charge of the Sindri Factory seem to have paid no attention to the organisation of proper distribution agencies for the sale of the fertilisers. As the present system is defective, it is also necessary to plan for marketing the fertilisers on efficient lines.

IMPORT POLICY FURTHER LIBERALISED

The Government of India's decision to extend the token import quota and to liberalise the import of a large number of items during the current half-year, January-July, 1953, is certainly to be welcomed. These changes in import policy, effected in the light of the taxation proposals contained in the Finance Minister's budget speech, have the twofold objective of stimulating standardisation of quality in the production of similar goods within the country and of helping to keep the rise in prices under check, besides improving the revenue yields from import duties to the Exchequer. It is emphasised, at the same time, that such changes as have now been made, as also those contained in the Red Book, will not adversely affect the development of Indian industries.

About 51 items are affected by the changes in the import policy. While the quotas are invariably increased, there are cases in which they have been doubled. No licences have, however, been granted in one or two items, as in the case of soda ash (light) and certain types of chaff cutters.

The import quotas for biscuits and cakes have been increased from 5 per cent. to 15 per cent., and those for fruit juices, squashes, cordials, canned vegetables and canned fruits from 20 to 30 per cent. The quota for toilet requisites has been doubled. In addition, the existing restrictions of import of certain categories of toilet requisites have been removed. Perfumes have been allotted a quota of 10 per cent., while old newspapers, the import of which has hitherto been banned, will now be licensed at 30 per cent. The quota for lead pencils is raised from 20 to 30 per cent., but the value limit is retained at Rs. 16 per gross.

A 10 per cent. quota is given for imports of cotton and silk piecegoods, socks and stockings, boots and shoes, parasols and umbrellas, and buttons other than metal. Velvets and velveteens have an increased quota from 20 to 30 per cent., while a 10 per cent. quota is permitted for sateens other than italians of sateen weave and embroidered allovers. China and porcelain of all sorts, not otherwise specified, are permitted to be imported up to 20 per cent. without any restriction, whereas, formerly, they had only a 10 per cent. quota, and sanitaryware will get from 50 to 75 per cent. In the latter case, it is specified that licences will not be valid for certain types. The quotas for feeding bottles and vacuum flasks are doubled from 25 to 50 per cent. and 15 to 30 per cent., respectively. The quota for patent and proprietary medicines is on the same conditions as are contained in the Red Book.

Under the import policy for caustic soda, established importers will be given a quota of 10 per cent., while actual users will be granted licence for half of their certified six-monthly requirements only. Actual users will also be given licences for their full six-monthly requirements of rayon-grade caustic soda.

No licences will be granted for the import of soda ash (light). Applications for the import of heavy (natural) soda ash from the soft currency areas will, however, be considered *ad hoc*. Licences for lithopone will be granted *ad hoc* to actual users only, after considering the quantity of stocks and whether the actual user is using indigenous titanium dioxide. No licences will be given to established importers or newcomers.

Parts of power-driven agricultural machinery, previously on the O.G.L. from soft currency areas upto 31st December, 1952, have been given a 15 per cent. quota. No quotas have been given for chaff cutters other than power-driven and for sugarcane crushers. Applications for special types of ploughs and ploughshares and cultivators, which are not being manufactured in India, will be considered *ad hoc* by the Chief Controller of Imports. There is a 10 per cent. general quota for sprayers and spare parts and for dusters and parts. The soft currency quotas are 33⅓ per cent. for sprayers and parts and 25 per cent. for dusters and parts. For chaff cutter knives, the quota is 100 per cent. (soft). For manual or animal-driven agricultural machinery and parts not otherwise specified the quota is 100 per cent. (general) and 100 per cent. (for soft currency areas).

FUMIGATION OF PEPPER BEFORE EXPORT

The Government of India is reported to have under its active consideration a scheme for fumigation of pepper before export. This is a sequel to the series of complaints made by importers in the U.S., the chief customer for India's pepper, that the consignments of Indian pepper contain live and dead insects, rodent excreta, etc. Consequently, the U.S. Food Administration has been condemning, every year, numerous shipments of pepper from India. As an immediate remedy against infestation, the Government of India is, as already stated, considering a scheme for providing facilities for fumigation of pepper before export. The salient features of the scheme are as follows:

The cost of setting up plants capable of fumigating about 4,000 tons annually would be between Rs. 20,000 and Rs. 30,000. The running expenses would be about Rs. 25,000 per annum and the plant would have a normal life of about five years. Ordinarily, the trade should, in its own interest, put up the money for these plants, but, since it is unwilling to do so, it is suggested that facilities may be organised on a co-operative basis. The exporters and merchants are, therefore, asked to consider the question of setting up fumigation plants at the Ports of Cochin, Alleppey and Calicut on a co-operative basis. If they are not willing to do even this, the only alternative is to set up fumigation plants as State enterprise and recover the entire expenditure, including the initial cost, from exporters in the shape of fumigation fee. In the event of exporters not agreeing to start co-operative fumigation, the State Government may install these plants at Cochin, Alleppey, and Calicut and reimburse themselves by a suitable levy and on each bag that is exported.

Inasmuch as pepper is a valuable earner of foreign exchange—the total value of exports has been of the order of more than Rs. 20 crores per annum—it is but appropriate that the Government of India should have focussed attention on improving the export trade in pepper. "Pepper," to quote the Government, "earns U.S. dollars and the trade cannot be allowed to languish, on account of infestation of berries for lack of care and attention."

The pepper exporters no doubt appreciate the Government's anxiety to improve the pepper export trade. But they feel that the circumstances that now exist do not favour installation of costly equipment for fumigation. Thus, in the course of a communication addressed to the Government of India, the All-India Pepper Exporters' Conference Standing Committee has drawn attention to the lack of adequate reliable data relating to questions like the use of chemicals, temperature conditions, and effect of fumigation on the flavour of pepper and its volatile oil content. In the opinion of the Committee, what is urgently required is employment of mechanical methods for drying pepper as a measure of moisture control.

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INDIAN PAINT INDUSTRY

A pressing problem confronting the Indian paint industry is said to be the anomalous nature of the sales tax levy. Thus, while the State Governments demand tax on paints sold to the Centre, the latter repudiates the claim, with the result that the industry has been made to bear the tax itself. Mr. P. C. Chanda, President of the Indian Paint Manufacturers' Association, was, therefore, perfectly right, when, in the course of his address at the eleventh annual general meeting of the Association held at Calcutta last week, he asked: "Should not the dispute between the Central and State Government over the issue of sales tax be settled once for all, thereby preventing the industry being victimised?" He was also right when he remarked that, till the issue was settled, the State Governments should not insist on payment of sales tax by the industry.

Mr. Chanda referred in his address to another grievance, namely, the method of purchase of paints by the Government of India, in that it discriminates between the indigenous concerns and foreign-owned concerns manufacturing paints. In this context, he suggested that the Government of India should pool its requirements of paints, varnishes, etc., and place orders for the entire quantity with the indigenous industry, taking into account the latter's non-Government business. This suggestion is, however, difficult to accept, in that it restricts the freedom of the Government to buy the quality product it wants. Besides, one cannot expect the Government to purchase whatever paint is offered to it irrespective of quality. This is especially so when the quality of paints manufactured by some of the factories is known to be very much below the standard and does not compare favourably with either the imported products or those produced by the more efficient factories in the country, including the members of the Association. Moreover, such a pooling arrangement has a tendency to take away from the factories the incentive to improve quality.

Mr. Chanda would have done well if he had given some idea of the statistical position of the Indian paint industry, in the spheres of production and consumption, raw material supply, and the like, if only to stimulate public interest in the affairs of the industry. He would have also done well if he had indicated the possible lines on which the paint industry could be expanded. Only Mr. Chanda expressed regret at the fact that paints had not found any place in the Five-year Plan. Nevertheless, he appealed to his fellow paint producers to strive hard and see to it that "every drop of paint which will be required for nation-building is made and supplied by the country's nationals."

DEVELOPMENT COUNCILS

Two Development Councils for the heavy chemicals (acids and fertilisers) and the internal combustion engines and power-driven pumps industries, respectively, have been set up by the Government of India. The constitution of these Councils is in accordance with the Industries (Development and Regulation) Act, 1951, due representation being given to all the interests, namely, industrialists, labour, consumers and technical experts. As recommended by the Central Advisory Council for Industries at the meeting held in May last, the Development Councils have, for the present, been assigned seven functions and these are: (1) recommending targets for production, co-ordinating production programmes and reviewing progress from time to time; (2) suggesting norms of efficiency, with a view to eliminating waste, obtaining maximum production, improving quality and reducing costs; (3) recommending measures for securing fuller utilisation of installed capacity and for improving the working of the industry, particularly of the less efficient units; (4) promoting arrangements for better marketing and helping in the devising of a system of distribution and sale of the produce of the industry which would be satisfactory to the consumer; (5) promoting standardisation of products; (6) promoting or undertaking the collection and formulation of statistics; and (7) promoting the adoption of measures for increasing the productivity of labour, including measures for securing safer and better working conditions and the provision and improvement of amenities and incentives for workers.

The Heavy Chemicals (Acids and Fertilisers) Development Council consists of 12 members, with Dr. M. D. Parekh as Chairman. The members are Mr. V. Seshasayee, Mr. L. Gupta, Lala Charat Ram, Mr. S. G. Davis, Dr. I. H. Grimm, Mr. N. Adhikari, Dr. L. A. Bhatt, Mr. R. S. Mishra, Mr. Manohar B Bandewdekar and Mr. Mahendra Nath Barua. One more member is yet to be appointed.

The Development Council for Internal Combustion Engines and Power-driven Pumps has as its Chairman Mr. G. R. Damodaran and consists, besides, of 12 members. They are Messrs. S. L. Kirloskar, A. J. Lund, L. P. Shah, N. B. Amin, G. Parsad, Michael John, Pitamchand Agarwal, Vishwanath Rai and M. S. Patel, and Dr. H. A. Havemann. Two other members representing the interests of consumers are to be appointed later.



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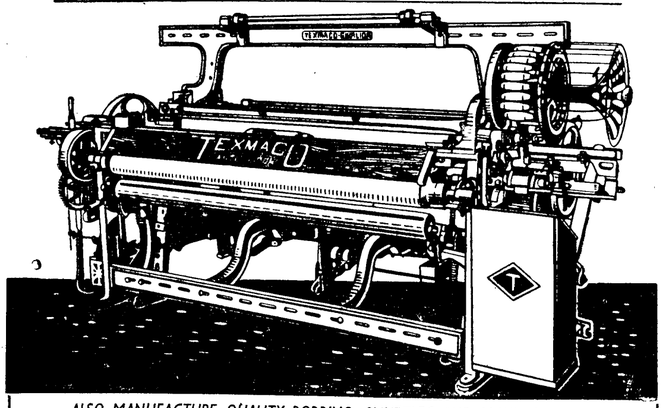

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EMPLOYMENT OF WOMEN IN ASIA

PROTECTION AGAINST EXPLOITATION EMPHASISED

PROTECTION of women employed in agriculture, industry and trade in Asian countries from exploitation has come to assume growing importance for some years now. The protection of women from exploitation needs special attention, because they are physiologically and psychologically not suited to certain types of work, for instance, employment in heavy and unskilled work. Again, there is the question of maternity. But it is feared that, unlike in Western countries, any enforcement of legislation designed to protect women might have the undesirable effect of reducing the opportunities for women's employment. The employment of women is highly practised in Asia because of the comparatively lower wages paid to them as compared to men.

The protection of women from exploitation in Asia has been engaging the attention of the International Labour Organisation for a sufficiently long time now. It will be recalled that as far back as 1950, the Asian Regional Conference of the I.L.O., which met at Nuwara Eliya (Ceylon), adopted a resolution requesting the I.L.O. to undertake a detailed study of the problem of the undesirable effects which enforcement of legislation for the protection of women workers might have upon the employment possibilities for women and the manner in which this problem was being solved in the industrially advanced countries. The I.L.O. recently submitted a Report which makes a preliminary study of the general trends in women's employment in Asia. This Report is expected to help a further detailed study of the problem of protecting women from exploitation.

A brief review of the general trend of employment of women in Asian countries as depicted by the Report shows that the great majority of women is engaged in agriculture either as wage earners or unpaid family workers. Women constitute a large proportion of the labour power employed on plantations. A relatively high proportion of women is engaged also in handicrafts. Although the proportion of women in the total labour force may sometimes appear low, employment of women as wage earners or as unpaid family workers is widespread. The participation of women in economic activity is directly related to the economic needs of the family. Accurate statistics, however, are not available, but rough estimates of the I.L.O. statistics for 10 important countries in Asia show that the economically active population of women constitutes, on an average, about 27 per cent., as against 50 per cent. males.

Parallel with the progressive industrialisation of the Asian countries, the employment of women is increasing both in actual numbers and relatively in non-agricultural activities. The preliminary study discloses that the rate of increase, however, varies from country to country. It reveals that the employment opportunities for women are tending to widen, especially in industry and trade. But the disquieting feature is the employment of a large number of women in heavy and unskilled work, despite the fact that women are unsuited to that type.

The International Labour Organisation is expected to devote greater attention to the problems relating to employment of women labour in Asian countries in the days to come. Briefly analysed, the question facing the Asian countries is: how to promote rational utilisation of female labour, especially when vast masses of unemployed and underemployed male population await employment? But without widening opportunities for women for gainful employment, it is difficult to raise the standard of living of the family. Also there is the need to protect the health of women not only in their interest but also in the interest of the national health as a whole. The I.L.O. Report referred to above considers that the employment of women should be studied through three essential standpoints: (1) Development of women's vocational qualifications and earning capacity; (2) distribution of female labour on more rational efficient lines; and (3) improvement of working conditions for women.

The improvement of women's working conditions involves, invariably, the adoption of legislation concerning health and protection as well as better utilisation and distribution of female labour. Where the study shows that, in particular cases, legislation might have undesirable consequences in this respect, it would seem that a search should be made for solutions which would protect women's health and economic interest and also promote their employment in conditions which would conform both to national interest and to the interest of the employer concerned.

India has not been slow in recognising the need to protect women from exploitation. A number of measures has been adopted to ameliorate the working conditions of women in India. The chief of them relate to prohibition of underground work for women in mines, maternity benefits in the various States, prohibition of night work in tea gardens, etc. It is true that the measures so far adopted do not as yet stand favourable comparison with the measures in the highly industrialised West. But they are only expected to be a beginning in the direction of affording greater protection to women from exploitation.

LABOUR TRIBUNAL'S AWARD

Apropos of our article headed "Labour Ministers' Conference," in the issue of *Commerce* dated 31st January, 1953, we have received a communication from Mr. G. Ramanujam, General Secretary, Indian National Trade Union Congress, Tamil Nad, wherein the writer quotes an instance to show how the Appellate Tribunal's award has been disregarded by certain employers. The following is the relevant extract from the letter:

"Some 32 mills in the Coimbatore District were parties to an industrial dispute in respect of (1) bonus for 1948, (2) implementation of an agreement entered into between the Coimbatore District Textile Mills Staff Union and the Southern India Millowners' Association on 14th May, 1948, in respect of salary, dearness allowance, etc., (3) night allowance to staffs, (4) payment of compensation to workers discharged as a result of the implementation of the Standardisation Committee's Recommendation in 1948, (5) payment of gratuity, and (6) terms of employment of *maistries*. The Industrial Tribunal, Coimbatore, gave an award in December, 1951. Against this award, all the 32 mills preferred an appeal before the Labour Appellate Tribunal of India and also applied to the Labour Appellate Tribunal for staying the award of the Industrial Tribunal. The Appellate Tribunal stayed only the bonus part of the award and that too for the unpaid balance of two months' wages. The other items under the award were not stayed. The order refusing stay for the other items covered by the award was passed by the Appellate Tribunal in February, 1952, and we are now in February, 1953, but still the unstayed part of the award has not been implemented by many of the mills.

"A claim petition filed in one mill as a test case in July, 1952, is still pending and, by present indications, it appears that it will drag on for another year. You will appreciate that the employers in question are a law unto themselves and have reduced the Labour Appellate Tribunal to a farce. To put it mildly, they are abusing their position of vantage by taking the law into their own hands. Even a notice from the Government asking these employers to show cause why they should not be prosecuted for failure to implement the award has not made them see reason. It is necessary that not only the striking power of the law should be made quick and effective but such employers also should turn a new leaf."

AMENDMENTS TO EMPLOYEES' PROVIDENT FUNDS SCHEME

At the first meeting of the Central Board of Trustees of the Employees' Provident Funds Scheme held at New Delhi on 5th February, 1953, it was decided that the members of the Central Board should also be included in the regional committees. In the light of this decision, the Government of India has amended paragraph 4 of the Employees Provident Funds Scheme, 1952, so that the non-official members of the Central Board ordinarily resident in the State shall become members of the regional committees.

Paragraph 2(f)(iii) of the Employees' Provident Funds Scheme, 1952 has also been so amended, by the Government of India, that the workers, employed through a contractor, who get their wages directly or indirectly from an employer and in respect of whom the employer retains control in the matter of discharge, dismissal and reinstatement shall not be deemed to have been employed by a contractor, and as such they shall come under the purview of the Employees' Provident Funds Act, 1952 and the scheme framed thereunder.

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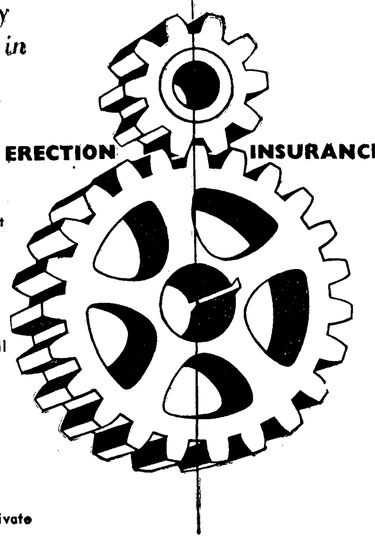

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Notices

THE MEGNA MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Sixty-third Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, No. 16, Strand Road, Calcutta, on Tuesday the 31st day of March, 1953, at 11 a.m., for the following purposes:—

1. To receive and consider the Directors' Report and the Accounts for the half-year ended 30th September, 1952.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 17th day of March, 1953, to the 31st day of March, 1953, both days inclusive.

Holders of scrip under blank transfer are reminded to send in their shares for registration in the books of the Company as soon as possible.

By Order of the Board,
MACKINNON, MACKENZIE & Co., LTD.,
E. J. PAKES,
Managing Director,
Managing Agents.

CALCUTTA, *27th February*, 1953.

THE INDIA JUTE COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Seventy-first Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, No. 16, Strand Road, Calcutta, on Tuesday the 31st day of March, 1953, at 3-00 p.m., for the following purposes:—

1. To receive and consider the Directors' Report and the Accounts for the half-year ended 30th September, 1952.
2. To declare Dividends.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 17th day of March, 1953, to the 31st day of March, 1953, both days inclusive.

Holders of scrip under blank transfer are reminded to send in their shares for registration in the books of the Company as soon as possible.

By Order of the Board,
MACKINNON, MACKENZIE & Co., LTD.,
E. J. PAKES,
Managing Director,
Managing Agents.

CALCUTTA, *27th February*, 1953.

THE TITAGHUR PAPER MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Fortieth Half-yearly Ordinary General Meeting of Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 3-00 p.m., on Monday, 30th March, 1953, for the following purposes:—

1. To receive the Directors' and Auditors' Reports and pass the Accounts for the half-year ended 30th September, 1952.
2. To declare Dividends.
3. To transact any other ordinary business that may be brought before the Meeting.

The Share Transfer Registers of the Company will be closed from the 17th March, 1953, to the 30th March, 1953, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, *27th February*, 1953.

Printed copies of the Report and Accounts will be despatched to the Shareholders on or about 10th March, 1953. Dividends will be paid to Registered Shareholders only.

THE BOMBAY DYEING AND MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Ordinary General Meeting of the Shareholders of the above Company, will be held at the Registered Office of the Company, Neville House, Graham Road, Ballard Estate, Bombay, on Thursday the 9th April, 1953, at 10-30 a.m., for the transaction of the following business:—

1. To adopt the Directors' Report, the Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1952.
2. To sanction the declaration of a Dividend.
3. To sanction the conveyance of 5,000 sq. yds. of the Company's land to the Bombay Municipality for the purpose of widening the Naigaum Road.
4. To appoint a Director in place of Mr. Maneklal Premchand, who retires from office, but is eligible for re-election.
5. To appoint a Director in place of Mr. H. S. Batlivala, who retires from office, but is eligible for re-election.
6. To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board,
NOWROSJEE WADIA & SONS, LTD.,
NEVILLE N. WADIA,
Director,
Agents,
The Bombay Dyeing & Manufacturing Co., Ltd.

NOTICE is also given that the Transfer Books of the Company will be closed from 24th March to 9th April, 1953, both days inclusive.

The dividend, when sanctioned, will be made payable at the National Bank of India, Ltd., Bombay, on or after Thursday, the 16th April, 1953, to those shareholders whose names stand on the Register on 9th April, 1953, to whom Dividend Warrants will be posted.

The shareholders are requested at once to notify any change of address.

BOMBAY, *5th March*, 1953.

To,

The Shareholders of The Bombay Dyeing and Manufacturing Company, Ltd., and in particular to:—

Mr. Abdullah Rahimtoolah, Mr. Ahmed Ismail, Miss Beatrix E. Alston, Miss Margaret S. Alston, Capt. John S. Alston, Miss Ethel B. Ashby, Mr. Ebrahim Mamoojee Badat, Mr. P. J. Chinoy & Mrs. Arnavaz P. Chinoy, Mr. I. C. Chopra, Mr. V. M. Clerk & Mrs. Rasila V. Clerk, Mr. M. H. Crowder, Mrs. Goolcher F. Dadachanji & Mr. Faridun K. Dadachanji, Dr. L. Dass, Mr. Domingos Roque de Sousa & Miss Teresinha Adeline de Sousa, Mr. Framroz C. Dadyseth, Mrs. Allu F. Dastur & Mr. Fredun P. Dastur, Miss Ludomila Benedita de Piedade e Sousa & Mr. Francisco Teodoro de Sousa, Mr. Eruch E. U. Dinshaw & Mrs. Naja E. E. Dinshaw, Mrs. Meherbanu P. Dubash & Mr. P. S. Dubash, Mrs. B. N. Goodridge, Mrs. Eileen Gomes & Mr. Arthur Louis Gomes, Mr. A. F. Gonsalves & Mrs. Eslinda Gonsalves, Mr. Stanley Hampson, Mr. Ismail Essack, Mr. Saiffudeen I. Jafferji, Mr. T. I. Jafferji, Mrs. Nan Ellis Jones, Mr. W. Ellis Jones, Exors. to the estate of the Late Mr. James R. James, Mrs. Dorothy M. H. Maclean, Mr. Vrajlal G. Mehta & Mrs. Savitri Vrajlal, Mr. Hassen Saleh Mia, Mr. Chhagan Khoosal Mistri, Mr. Naran K. Mistri, Mrs. Freny R. Mody, Mr. M. A. H. Moosa, Mr. Syed M. Muslim, Mrs. Shirinbai R. Motiwalla & Mr. M. P. Wania, Mrs. Shireen P. Mulla, Mr. Pestonjee E. Pader & Mrs. Perin P. Pader, Mr. Dhan J. Palia & Mr. Gobindram B. Lulla, Mr. Jalbhoy P. Panthaky, Mrs. Fatima A. Parak, Mr. Ahmed H. Bamath & Mr. A. M. Parak, Mr. Kantilal P. Patel, Mr. A. G. Powell, Mr. T. O. Schmid, Mr. G. M. D. Seedat, Mr. I. A. Shaikh, Mr. James Arnott Thomson, Mr. W. E. S. Thomson, Mrs. Elizabeth S. Thomson & Mr. John Henderson, Dr. J. Meason Thomson, Mr. Hansraj Ebji Velji & Mrs. Chandubai Hansraj, Comm. Gen. Sir Baber Shum Shere Jung Bahadur Rana, Maj. Gen. Mrigendra Shum Shere Jung Bahadur Rana, Rani Beda Bhakta Laxmi Devi, Miss Khorshed J. Merchant, Miss Dhun Mancherji Khambata, Miss Sara Mancherji Khambata and Miss Rhoda Mancherji Khambata.

THE OSMANSHAHI MILLS, LIMITED

(Incorporated in Hyderabad-Dn.)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirtieth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, 159, Gunfoundry Road, Hyderabad—Dn., on Thursday the 2nd day of April, 1953, at 3-00 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 30th September, 1952, and to declare a Dividend.
2. To appoint Directors in place of those who retire from the Board under Article No. 101 of the Company's Articles of Association, but are eligible for re-election.
3. To appoint Auditors for the current year and to fix their remuneration.
4. To transact any other business the Chairman may bring before the Meeting.

NOTICE is also hereby given that the Transfer Books of the Company will be closed from the 20th day of March, 1953, to the 2nd day of April, 1953, both days inclusive.

By Order of the Board,
C. S. TYABJEE,
Managing Agent,
For THE INDUSTRIAL TRUST FUND,
GOVERNMENT OF HYDERABAD,
Secretaries, Treasurers and Agents,
The Osmanshahi Mills Ltd.

19th February, 1953.

N.B.—The Dividend when sanctioned will be made payable on and after Wednesday the 22nd April, 1953, to those Shareholders whose names stand on the Register on the 19th March, 1953, and Warrants will be posted to each Shareholder to his last given address.

THE AZAM JAHI MILLS LIMITED

(Incorporated in Hyderabad-Dn.)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-second Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, 159, Gunfoundry Road, Hyderabad—Dn., on Thursday the 2nd day of April, 1953, at 4-00 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 30th September, 1952, and to declare a Dividend.
2. To appoint Directors in place of those who retire from the Board under Article No. 102 of the Company's Articles of Association, but are eligible for re-election.
3. To appoint Auditors for the current year and to fix their remuneration.
4. To transact any other business the Chairman may bring before the Meeting.

NOTICE is also hereby given that the Transfer Books of the Company will be closed from the 20th day of March, 1953, to the 2nd day of April, 1953, both days inclusive.

By Order of the Board,
C. S. TYABJEE,
Managing Agent,
For THE INDUSTRIAL TRUST FUND,
GOVERNMENT OF HYDERABAD,
Secretaries, Treasurers and Agents,
The Azam Jahi Mills Ltd.

19th February, 1953.

N.B.—The Dividend when sanctioned will be made payable on and after Wednesday the 22nd April, 1953, to those Shareholders whose names stand on the Register on the 19th March, 1953, and Warrants will be posted to each Shareholder to his last given address.

MARKED FALL IN THE EARNINGS OF BUCKINGHAM AND CARNATIC MILLS

DISTRIBUTION TO SHAREHOLDERS REDUCED

THE reduction of the dividend from 7½ per cent. to 4 per cent. by the Buckingham and Carnatic Mills Co., Ltd. [Managing Agents: Messrs. Binny & Co. (Madras) Ltd., Madras] for the year ended 31st December, 1952, following a sharp decline of nearly 80 per cent. in the earnings, may not surprise the shareholders of the Company if they will only recall the strikingly contrasting trend in trading conditions that prevailed during the past year, as compared with those in the preceding year. They have, on the other hand, every reason to feel gratified over the modest return they would be getting, in view of the fact that for nine months in the past year the Company worked at a loss which necessitated the passing over of the interim dividend for the first half of the year, while they had received an interim distribution of 3¾ per cent. for the corresponding half-year of 1951. In effect, the proposed dividend of 4 per cent. for 1952 represents the final and also the total distribution for the year and is a quarter per cent. more than that they had received as a final one for 1951. This final dividend has been rendered possible by the substantial improvement in the Company's earnings, during the closing months of the year, which has enabled it to make good the loss incurred earlier.

The Company's gross profit for the year under review amounts to Rs. 12.98 lakhs, as compared with Rs. 64.56 lakhs for 1951. That the Company was able to earn a profit of Rs. 12.98 lakhs in the last three months of the year after eliminating the loss in the first nine months is a heartening feature. As was explained by the Directors in their circular letter to the shareholders dated 25th August, 1952, the Company had to incur a loss in the first six months of 1952 due mainly to the substantial reductions in Government ceiling prices for cloth. Whereas in the preceding three years the inadequacy of ceiling prices in the internal market was compensated for by the better prices obtained in overseas markets, there was, during 1952, a decline in overseas demand and a consequent fall in the prices fetched in those markets. The shortage of water-supply in Madras, which was not relieved until good rains came in May, 1952, added appreciably to the working expenses of the Company, thus contributing to its loss. Though the water shortage ended in May, the Company's trading loss increased during the third quarter of the year by the continuance of inadequate ceiling prices for cloth. Fortunately, the Government's removal of control over the prices of a number of varieties of cloth with effect from 1st October, 1952, enabled the Company to adjust suitably its selling prices of many of its products. Moreover, the Government relaxed, at about the same time, the total ban on the export of mineral khaki cloth and this enabled the Company to re-engage in this important part of its established export trade.

The salient features of the Company's results of working during the year under review are compared with those for the previous three years in the following comparative table:

(In thousands of rupees)

	Year ended 31st December			
	1952	1951	1950	1949
Sale proceeds	8,32,85	8,85,60	7,58,28	7,60,37
Stocks	95,43	67,53	78,62	72,21
Other income	7,47	6,64	5,45	3,53
Expenses	8,55,24	8,16,60	7,03,49	7,86,64
Gross profit	12,98	64,56	66,64	52,16
To provision for—				
Managing Agents' commission	90	6,17	6,44	4,55
Depreciation	11,70	16,53	16,66	18,01
Taxation		25,00	27,00	17,30
Net profit	38	16,86	14,53	12,30
Provision for taxation no longer required	20,00	..	..	..
To debenture redemption fund	3,00	..	..	..
To discount on debenture issue written off	3,00	..	..	..
To general reserve	5,50	..	..	..
To officers' superannuation fund	14	67	65	49
Dividend—				
7½% cum. preference ..	1,60	1,60	1,60	1,60
Ordinary	7,14 (4%)	13,39 (7½%)	12,27 (6¾%)	11,15 (6¼%)
Carry forward	2,40	2,39	1,18	1,17

It will be noted that the provision for depreciation has been reduced by Rs. 4.83 lakhs. The extra provision of Rs. 5 lakhs which the Directors had made last year for increased replacement costs of building and machinery has not been provided this year. No provision for taxation has been made this year, whereas a sum of Rs. 25 lakhs was set apart for this purpose last year. On the question of the Company's liability for taxation the Directors observe, in their report to the shareholders, as follows:

"The Directors are now in a position more accurately to assess the extent of the Company's liability for taxation, as all assessments upto the accounting year ended 31st December, 1951, have recently been settled, with the exception of the business profits tax assessments, against which provisional payments have been made. It must be remembered that in the latter years of the war the tax liabilities of the Company were considerable and it was not possible at that time to estimate with any degree of accuracy the extent of taxation liabilities, owing to delays in the settlement of assessments, the effect of excess profits tax and the complexities of taxation law. Now that the assessments have been completed, it is possible to determine the excess tax provision and the extent to which it represents reliefs obtained from taxation of profits through the operation of allowances for initial and extra normal depreciation. Your Directors take the view that these reliefs should be utilised for the purpose for which they were intended by the Government of India, that is, to finance expansion or reconstruction programmes. The reliefs up to 31st December, 1952, are Rs. 10 lakhs and this amount has, in accordance with the principle mentioned above, been directly transferred from the taxation reserve to the provision for increased replacement costs of buildings and machinery."

The Directors have also transferred from taxation reserve to profit and loss account a sum of Rs. 20 lakhs which is the excess provision for taxation made in previous years and which is no longer required. This adventitious income has enabled the Directors to supplement the Company's net profit for the year which is only about Rs. 38,000 and make the appropriations as shown in the foregoing table. The Directors feel that the disposal of the excess provision for taxation is justified. They, however, bear in mind the need to conserve the finance necessary for the considerable capital commitments which the Company has entered into and for the gradual repayment of the recent debenture issue. The debenture redemption fund is in connection with the debentures of the value of Rs. 1 crore issued in March, 1952, for the purpose of financing the Company's reconstruction programme. They carry interest of 5 per cent. and were issued at 97 per cent. The discount on the issue, amounting to Rs. 3 lakhs, has now been completely written off.

The following synopsis of the Company's latest balance-sheet reveals its financial strength:

Liabilities	Rs.	Assets	Rs.
Capital ...	1,99,78,000	Gross block	5,14,83,572
Reserve and surplus ...	1,60,35,486	*Less*—Depreciation ...	2,64,81,555
Debentures	1,00,00,000	Net block ...	2,50,02,017
Provision for taxation ...	6,65,974	Stock-in-trade	2,00,51,408
Liabilities ...	1,33,82,395	Stores, spares, etc. ...	94,37,742
Special liabilities ...	93,18,425	Debts, deposits and advances ...	48,99,879
		Investments	7,90,225
		Investment against special liabilities ...	90,13,038
		Cash ...	1,85,971
Rs.	6,93,80,280	Rs.	6,93,80,280

INDIA GENERAL NAVIGATION AND RAILWAY CO., LTD.

The Directors of the India General Navigation and Railway Co., Ltd. (Managing Agents: Messrs. Kilburn & Co., Ltd., Calcutta), have declared an *ad interim* dividend, on the Company's preference stock, of 3 per cent. less income-tax at 9s. 6d. for the year ended 31st December, 1952. The dividend is payable in sterling to stockholders on the Company's register on 10th April, 1953.

STANDARD JUTE TO ISSUE DEBENTURES

The Directors of the Standard Jute Co., Ltd. (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta), have decided to issue debentures of the value of Rs. 25 lakhs, the necessary official sanction for which having been obtained. The issue, which will be open for subscription on 18th March, 1953, will be issued at Rs. 100 per cent. and will carry interest of 5½ per cent., taxable. The debentures are redeemable in 15 years. The Company has, however, the right to redeem the entire debenture issue after 10 years at Rs. 101 per cent. or after 12 years at Rs. 100-8 per cent. If, at the end of 10 years, the Company desires to repay only a part of the issue, it has the right to buy in the open market at par or under, or it can redeem a percentage by drawings in private by a Notary Public at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 12 years.

Interest is payable half-yearly on 31st March and 30th September. The Company will institute a sinking fund with an annual contribution of

(*Continued on next page*)

THIRUMBADI RUBBER'S STEADY PROGRESS

FINANCIAL POSITION COMFORTABLE

THE most striking feature of the audited accounts of the Thirumbadi Rubber Co., Ltd. (Agents and Secretaries: Messrs. Peirce Leslie & Co., Ltd., Kozhikode, Malabar), for the year ended 30th September, 1952, is that the rising trend in earnings of the Company, noted in the previous three years, is maintained in the year under review also, although the improvement in earnings for the latest year is somewhat of a lesser degree than that recorded in 1950-51. Thus, the trading profit for 1951-52 amounts to Rs. 1,80,453, as compared with Rs. 1,54,570 for the previous year and Rs. 77,250 for 1949-50. The improvement in profit has not been utilised to raise the dividend from 25 per cent. paid for 1950-51, to which level it was stepped up gradually from 15 per cent. paid for 1947-48. On the other hand, it has been utilised to increase the allocation to the reserve by Rs. 25,000.

The following comparative table brings out the salient features of the Company's results for the past four years:

	For the year ended 30th September			
	1952	1951	1950	1949
	Rs.	Rs.	Rs.	Rs.
Proceeds of rubber ..	3,06,121	2,58,625	2,05,612	1,02,914
Stocks ..	97,981	88,586	46,938	23,579
Estate expenditure ..	2,24,200	1,94,243	1,79,376	1,54,975
Trading profit ..	1,80,453	1,54,570	77,250	64,693
Other expenses ..	12,600	16,556	10,005	9,047
Loss on sale of Government securities ..	10,999	..	..	..
Agents' and Secretaries' remuneration ..	3,952	3,096	2,295	2,257
Depreciation	8,167	6,310	4,741	3,225
Contribution	..	..	..	2,000
Taxation	1,45,305	1,32,614	64,573	51,070
Net profit	75,000	50,000	25,000	25,000
Transfer to reserves ..	76,275	76,275	61,020	53,393
Dividend	(25%)	(25%)	(20%)	(17½%)
Carry forward ..	31,510	37,480	31,141	52,588
Crop harvested in lbs. ..	3,25,000	3,03,879	3,09,140	2,62,750
	As.	As.	As.	As.
Cost of production per lb. ..	11·04	10·23	9·21	9·44
Average sale price per lb. ..	19·63	17·90	13·03	12·97

It will be noted from the foregoing table that the improved earning for the year under review is due to the combined effect of larger output and higher prices realised. The crop harvested shows an improvement of 21,121 lbs. and has more than made good the decline in output for the previous year. The average price realised at As. 19.63 per lb. compares favourably with As. 17.90 per lb. for 1950-51. The increase in price realised is due to the fact that whereas the benefit of the enhanced price fixed in May, 1951, was derived only for a little over four months during the Company's financial year 1950-51, it was available throughout the year 1951-52. The benefit of the latest revision of rubber prices will, however, be available only during the current year, as it was made only with effect from 28th October, 1952. A part of the increase in price realised has been offset by the rise in cost of production.

As in the previous two years, no provision for taxation has been made, but that for depreciation has been raised by Rs. 1,857, presumably because of the additions to the fixed assets made during the year. The net profit shows an increase of only Rs. 12,691. It would have been higher but for the loss of Rs. 10,999 which the Company has incurred on its sale of Government securities. Nonetheless, the Directors have wisely strengthened the reserves by a sum of Rs. 75,000 which is Rs. 25,000 more than that added last year.

The following is a synopsis of the Company's balance-sheet as on 30th September, 1952:

Liabilities	Rs.	Assets	Rs.
Capital ..	3,05,100	Gross block ..	6,03,723
Reserves and surplus..	4,86,615	*Less*—Depreciation ..	46,545
Liabilities	1,13,702	Net block ..	5,57,178
		Stock-in-trade ..	97,981
		Stores, spares, etc. ..	65,946
		Debts, deposits and advances ..	9,748
		Investments ..	50,855
		Cash	1,33,709
Rs.	9,05,417	Rs.	9,05,417

The above balance-sheet reveals a comfortable financial position. The reserves and surplus amounting to Rs. 4.87 lakhs represent nearly 160 per cent. of the paid-up capital. Of the gross block of Rs. 6.04 lakhs, as much as Rs. 3.80 lakhs represent development expenditure. On the balance of Rs. 2.24 lakhs, the depreciation provided amounts to Rs. 46,544. A sum of Rs. 46,896 has been spent on development and Rs. 34,299 on additions to buildings and machinery during the year. The current liabilities at Rs. 1.14 lakhs are well covered by current assets aggregating Rs. 3.48 lakhs.

The ordinary stocks in units of Re. 1 of the Company are being currently quoted at Rs. 3-3 *cum-div.* On an *ex-div.* basis, the proposed dividend gives a yield of 8.5 per cent. per annum.

Points From The Chair

Warning Against Deficit Financing

"I HAVE not the slightest objection to financing posterity by the issue of Government loans on suitable and equitable terms; but, if we cannot borrow from overseas, and if our own people will not, or cannot, subscribe for Government issues, deficit finance means overtime work for the Nasik Printing Press, by which I mean further issues of notes and a new twist to the inflationary spiral. Even this can be supported to a moderate extent and our present Finance Minister, who is well known for his conservative and thrifty ways, would not let such a policy get out of hand, but what about his successor—can we be sure that the successor would be equally cautious? I am aware that the Planning Commission has laid down a limit for deficit financing, but I would remind you that the recommendations are not the laws of the Medes and Persians and they can be disregarded at any time in the future. I have read about this deficit financing with consternation, if not with actual foreboding, and it seems suitable for me to utter a word of warning and caution at this our Annual General Meeting."

SIR COWASJI JEHANGIR, BART.,
Bank of India Ltd.

Industrialisation of the East

"It is true that for some years the United States has been able to point with justifiable pride to the work of the Point Four Programme of the Mutual Security Agency and of the Technical Co-operation Administration, for which the East is duly grateful. But such generous and helpful aid has hitherto only scratched the surface of what is needed. The Chancellor of the Exchequer invented the slogan 'Trade not Aid,' which has been adopted as Government policy. If the basic principle, as stated by the Chancellor, were to be accepted and adopted by authoritative circles in the United States (as it is indeed being accepted by many far-seeing Americans and apparently by the Paley Commission) not only would the dollar gap be less menacing but there would be also better prospects for improvement of the standards of living in South-east Asia. I deliberately use the words, 'better prospects' because more is needed than just external action to improve the trading and commodity outlook. The Governments of the East need to play their part and that is a vital one, but one thing I would urge most strongly, that no attempt should be made to introduce industrialisation on a rapid or large scale. It would be far wiser to concentrate all available capital and energies on food and agricultural production and on those ancillary industries which depend upon the raw materials available in the country concerned."

HON. SIR ARTHUR MORSE,
Hongkong and Shanghai Banking Corporation.

Trend of Savings in U.K.

"The amounts which are held in national saving, in building societies, in accumulated life assurance premiums, and in payments to friendly societies, trade unions, superannuation funds, and so on, are really quite impressive. The total balances in these various forms at the end of 1938 was £4,260 million. At the end of 1947 they stood at £10,080 million, and at the end of 1950 had further increased to £10,940 million. The amount which is being added net each year at present is not large, but this can be attributed not to a decline in the amount invested, but to the large volume of withdrawals which is taking place. Especially does this apply to the national savings group, which comprises savings certificates, post office and trustee savings banks, and defence bonds. The amount flowing into national savings in 1952 was £931 million, compared with £238 million in 1938—a fourfold increase in the flow of savings. On the other hand, withdrawals totalled £1,018 million, compared with £208 million for 1938. Notwithstanding changed money values, it is evident from these figures alone that there is plenty of money being put away by people who are in the habit of using these classes of savings media. And this applies equally to life assurance premium payments and to other popular forms of saving. If only so much were not being taken out!"

HARRY L. SCORE,
Co-operative Permanent Building Society.

(*Concluded from previous page*)

Rs. 1 lakh commencing three years after the date of issue. The debentures will be secured by floating charges on all assets, subject to the National Bank of India's charge on stocks of jute and finished goods, and a fixed charge on the immovable properties. The issue is an approved investment under section 27 (A) and (H) of the Insurance Act.

The following is the Company's latest financial position as on 30th September, 1952:

Liabilities	Rs.	Assets	Rs.
Capital ...	34,19,600	Gross block ...	94,42,650
Reserves and surplus ...	51,20,275	*Less*—Depreciation ...	55,78,351
Provision for taxation ...	2,38,088	Net block ...	38,64,299
Liabilities ...	23,70,655	Stock-in-trade	28,53,882
		Stores, spares, etc. ...	8,03,579
		Debts, deposits and advances ...	13,03,831
		Investments	6,41,216
		Cash ...	16,81,811
Rs.	1,11,48,618	Rs.	1,11,48,618

Notices

THE WEST JAMURIA COAL COMPANY, LIMITED

NOTICE

THE FIFTY-FIFTH ORDINARY GENERAL Meeting of the Shareholders will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Thursday, 26th March, 1953, at 11-10 a.m.

AGENDA

1. To receive and consider the Directors' Report and the Accounts for the half-year ended 30th June, 1952.
2. To transact any other ordinary business.

The Share Register of the Company will be closed from 18th March to 26th March, 1953, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. W. TAYLOR,
Managing Director,
Managing Agents.

CALCUTTA, *5th March*, 1953.

CHRESTIEN MICA INDUSTRIES LIMITED

NOTICE IS HEREBY GIVEN THAT AT THE meeting held on the 26th February, 1953, the Board of Directors of this Company have sanctioned the payment of the following Interim Dividends in respect of the year ended 31st December, 1952:

(1) A Dividend of 5½ per cent. per annum less Income-tax on the Preference shares.

(2) An Interim Dividend of Re. 1 (Rupee one) per share on Ordinary shares free of income-tax.

(3) An Interim Dividend of Re. 0-12 (Annas Twelve only) per share on Deferred shares free of income-tax.

The Share Transfer Books of the Company will be closed from the 15th March, 1953, to the 30th March, 1953, both days inclusive.

Payment of the above mentioned dividends will be made after the 15th April, 1953, to those members whose names are registered in the books of the Company on the 14th March, 1953, or to their Mandatees.

Claims on behalf of shares held on blank transfer will not be entertained.

By Order of the Board,
RAM KUMAR AGARWALA & BROS.,
Managing Agents.

CALCUTTA, *3rd March*, 1953.

GILLANDERS ARBUTHNOT AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of Members of the Company will be closed from the 27th March to the 1st April, 1953, both days inclusive, for payment on the latter date of a Second Interim Preferential Dividend for the year ending 31st March, 1953 on the Preference Shares of the Company at Rs. 2-8 per share less Income-tax.

As Dividend Warrants are sent only to Registered Shareholders or to their Mandatees, shares on blank transfers should be submitted with completed transfer deeds for registration before the Register of Members is closed.

By Order of the Board,
A. J. ELKINS,
Managing Director.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, *4th March*, 1953.

MARTIN BURN LIMITED

NOTICE

THE SEVENTH ORDINARY GENERAL Meeting of the Shareholders of Martin Burn Limited will be held on Tuesday, 31st March, 1953, at 12 Noon, at the Registered Office of the Company, 12 Mission Row, Calcutta, to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Balance-Sheet and Profit and Loss Account for the year ended 30th September, 1952.

(2) To declare a Dividend and Special Payment.

(3) To elect Directors.

(4) To appoint Auditors for the current year and to fix their remuneration.

The Ordinary Share Register of the Company will be closed from 24th to 31st March, 1953.

By Order of the Board,
A. G. GIDLEY.
Secretary.

CALCUTTA, *10th March*, 1953.

Note.—The dividend, if sanctioned, will be paid on or after 18th April, 1953, to those Shareholders so entitled, or to their mandatees, whose names appear in the Company's books on the 31st March, 1953. No application for dividend warrants will be necessary.

MARTIN BURN LIMITED

NOTICE

AT A MEETING OF THE BOARD OF DIRECTORS of Martin Burn Limited, held on 3rd March, 1953, the Directors recommended the payment of a dividend at the rate of One Rupee Four Annas per share on the Ordinary Shares ranking for dividend for the year ended 30th September, 1952. In addition, the Directors have recommended a special payment of Annas Two per share on the Ordinary Shares ranking for dividend. These recommendations await sanction by the Shareholders at the Annual General Meeting of the Company to be held on Tuesday, the 31st March, 1953.

The Ordinary Shares Transfer Books of the Company will be closed from the 24th to 31st March, 1953, both days inclusive, and the dividend, if sanctioned, will be paid on or after the 18th April, 1953.

By Order of the Board,
T. LESLIE MARTIN,
Chairman.

4th March, 1953.

THE DHEMO MAIN COLLIERIES LIMITED

NOTICE

THE FIFTY-EIGHTH ORDINARY GENERAL Meeting of the Shareholders will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Thursday, 26th March, 1953, at 11-00 a.m.

AGENDA

1. To receive and consider the Directors' Report and the Accounts for the half-year ended 30th June, 1952.
2. To declare a Dividend.
3. To transact any other ordinary business.

The Share Register of the Company will be closed from 18th March to 26th March, 1953, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. W. TAYLOR,
Managing Director,
Managing Agents.

CALCUTTA, *5th March*, 1953.

LOTHIAN JUTE CUTS DIVIDEND

BHARAT COLLIERIES' PROFIT WELL MAINTAINED

Lothian Jute Mills Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta), submit the audited accounts for the half-year ended 30th November, 1952.

After providing Rs. 4,15,000 (Rs. 4,10,000) for taxation, transferring Rs. 3,00,000 (Rs. 2,00,000) to general reserve and Rs. 1,00,000 (Rs. 1,00,000) to dividend equalisation reserve, there is a balance of Rs. 2,49,167 (Rs. 2,65,471) at the credit of profit and loss account, from which the directors recommend payment as follows:—

Dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share Rs. 35,000 (Rs. 35,000) and on ordinary shares at Rs. 15 (Rs. 17-8) per share Rs. 1,50,000 (Rs. 1,75,000), leaving Rs. 64,167 (Rs. 55,471) to be carried forward.

During the whole of this accounting period the mills remained leased to Albion Jute Mills Co., Ltd.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	15,45,276
Reserves ...	35,51,301	Debts, deposits and advances ...	17,63,655
Provision for taxation ...	14,63,065	Investments ...	13,84,374
Liabilities ...	4,61,172	Cash ...	28,46,400
Profit and loss account ...	64,167		
Rs.	75,39,705	Rs.	75,39,705

Bharat Collieries Ltd.

The directors of the above Company (Managing Agents: Messrs. Sahu Jain Ltd., Dalmianagar) submit the audited accounts of the Company for the year ended 30th June, 1952.

The revenue profit for the year ended 30th June, 1952, amounts to Rs. 14,61,888 (Rs. 14,53,498). After providing depreciation of Rs. 6,60,569 (Rs. 6,45,874), there remains a profit of Rs. 8,01,319 (Rs. 8,09,687) to which is added Rs. 19,183 (Rs. 6,184) being the last year's balance, making a total of Rs. 8,20,501 (Rs. 8,15,870). The directors make the following recommendations:—

Payment of dividend on or after 16th April, 1953, on cumulative preferenec shares at 5½ (5½) per cent. less income-tax for the year ended 30th June, 1952, Rs. 1,21,687 (Rs. 1,21,687), on 4,00,000 ordinary shares at As. 10 (As. 10) per share, i.e. 6¼ (6¼) per cent. for the year ended 30th June, 1952, Rs. 2,50,000 (Rs. 2,50,000), transfer to reserve for taxation Rs. 3,75,000 (Rs. 3,75,000), and transfer to general reserve Rs. 50,000 (Rs. 50,000), leaving the balance of Rs. 23,814 (Rs. 19,183) to be carried forward. The prospects of the Company continues to be favourable.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	69,99,952	Block ...	61,09,645
Debentures ...	30,00,000	Stock ...	16,85,810
Reserves ...	13,31,010	Stores, etc. ...	15,99,910
Provision for taxation ...	3,47,872	Debts, deposits and advances ...	34,95,050
Liabilities ...	16,60,881	Investments ...	5,48,314
Profit and loss account ...	8,20,501	Cash ...	7,21,487
Rs.	1,41,60,216	Rs.	1,41,60,216

Lakurka Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. H. V. Low & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 30th April, 1952.

After meeting all expenses and providing Rs. 30,000 for depreciation, there was a balance of Rs. 1,06,049 at the credit of profit and loss account, which included a credit balance of Rs. 11,945 brought forward from the last account and from this the directors paid a dividend of As. 12 per share free of income-tax, absorbing Rs. 67,500 and transferred a sum of Rs. 25,000 to general reserve fund, leaving a balance of Rs. 13,549 to be carried forward to the next account.

During the year under review 92,949 tons of coal were raised and 92,352 tons despatched, as compared with 1,15,663 tons raised and 94,455 tons despatched during the previous year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,00,000	Block ...	5,98,217
Reserves ...	11,25,000	Stock ...	1,29,644
Provision for taxation ...	1,98,015	Stores, etc. ...	9,188
Liabilities ...	2,06,014	Debts, deposits and advances ...	8,51,586
Profit and loss account ...	1,06,049	Investments ...	7,27,020
		Cash ...	2,19,423
Rs.	25,35,078	Rs.	25,35,078

Central Distillery and Chemical Works Ltd.

The directors of the above Company (Managing Agents: Messrs. Krishna Gupta & Devalal, Meerut Cantt.) submitted the audited accounts of the Company for the year ended 30th September, 1952.

The working during the year was very satisfactory and the net profit for the year, after providing for taxation, depreciation, etc., amounted to Rs. 1,01,995 (Rs. 80,924). To this was added the amount brought forward from the preceding year, of Rs. 5,857 (Rs. 8,218), making a total of Rs. 1,07,852 (Rs. 89,142). From this the directors paid the following dividends, free of income-tax.

On ordinary shares at Rs. 10 (Rs. 10) per cent. Rs. 43,551 (Rs. 43,551), on preference shares at Rs. 9-3-1 (Rs. 9-3-1) per cent. Rs. 16,712 (Rs. 16,712), and on deferred shares at Rs. 23-3-7 (Rs. 23-3-7) per cent. Rs. 5,807 (Rs. 5,807).

(The fraction of pies was ignored and on final calculations, they were rounded-up in annas. Six pies were ignored, and over six pies were counted one anna). To meet this a sum of Rs. 66,070 (Rs. 66,070) was taken from the net available amount. A sum of Rs. 25,000 (Rs. 17,217) was taken to the general reserve account and the balance of Rs. 16,782 (Rs. 8,218) was carried forward.

Last year the directors applied for the extension of the plant of the distillery. But in view of the scarcity of molasses on this part of U.P. the Government did not allow the Company to extend the capacity of the plant for the present. However, the Government has assured the Company to reconsider its decision in April-May of 1953. A greater part of fermentation plant of the factory has been repaired or replaced. The directors propose to repair completely, as far as possible, the distillation plant of the Distillery. The directors are grateful for the help, co-operation and sympathetic consideration extended to them by the U.P. Government and excise commissioner, U.P. and his Department.

Under the auspicious of U.N.E.C.A.F.E., a seminar on power alcohol was held at Lucknow, and important discussions regarding the production and utilisation of power alcohol were held. The technical report of this Seminar is under consideration. The directors report that no immediate solution for the economic use or disposal of spent wash has been found by the seminar.

Owing to the quality of manufacture, the products of the Distillery are in great demand all over India. The Distillery improving on the quality of rum and propose to supply 3 years minimum matured guaranteed rum.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,42,310	Block ...	2,29,128
Reserves ...	2,00,000	Stock ...	3,45,177
Provision for taxation ...	2,52,047	Debts, deposits and advances ...	4,65,653
Liabilities ...	1,37,122	Investments ...	1,00,058
Profit and loss account ...	1,07,852	Cash ...	1,99,315
Rs.	13,39,331	Rs.	13,39,331

Humayan Properties Ltd.

The directors of the above Company (Mr. S. A. Basil and five others, Calcutta), submit the audited accounts of the Company for the year ended 30th September, 1952.

The profit amounts to Rs. 3,60,458. Out of this, there has been set aside:—for income-tax and super tax Rs. 1,18,000, for depreciation Rs. 1,20,000, for preference dividend for the year Rs. 72,000 and for ordinary dividend at 5 per cent. per annum Rs. 50,039, leaving a balance to be carried forward amounting to Rs. 419. The division of the profits for the year ended 30th September, 1952 is therefore, as follows:—

Preference shareholders' dividend account Rs. 72,000 and ordinary shareholders' dividend account Rs. 50,039.

The directors propose that the balance at the credit of the respective dividend account be disposed of as follows:—

Preference Shareholders' Dividend Account as at 30th September, 1951 Rs. 36,000, amount allotted as above as at 30th September, 1952 Rs. 72,000, total Rs. 1,08,000, less: dividend for the year ended 31st March, 1952 paid during the year Rs. 72,000 and to be carried forward Rs. 36,000.

Ordinary Shareholders' Dividend Account as at 30th September, 1951 Rs. 207, amount allotted as above, as at 30th September, 1952 Rs. 50,039, total Rs. 50,246, less: in paying a dividend at 5 per cent. (free of income-tax) Rs. 50,039, and to be carried forward Rs. 207.

Deferred Shareholders' Dividend Account as at 30th September, 1951 Rs. 3 and to be carried forward Rs. 3.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,00,780	Block ...	24,24,209
Reserves ...	6,02,582	Stock ...	1,60,342
Provision for taxation ...	62,474	Debts, deposits and advances ...	94,433
Liabilities ...	2,51,513	Investments ...	2,92,480
Profit and loss account ...	86,458	Cash ...	4,32,343
Rs.	34,03,807	Rs.	34,03,807

New Central Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Sahu Jain Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June, 1952.

The half-year's working after writing off depreciation resulted in a profit of Rs. 44,765, to which was added balance brought forward from the last half-year of Rs. 1,16,973, making a total of Rs. 1,61,738. The directors made payments of dividends (without any deduction for income-tax paid by the Company) for the half-year ended June, 1952:—

On preference shares at Rs. 3-8 each Rs. 49,000, and on ordinary shares at Rs. 10 each Rs. 1,05,000, leaving a balance of Rs. 7,738, to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association, the Mills worked 48 hours per week until 29th March, 1952 and thereafter 42½ hours for the remaining of the half-year. Throughout the period 12½ per cent. of the total complement of looms remained sealed.

Jute stocks as at the end of the half-year were shown at under cost. Reduction in value of the same adversely affected the working profit for the half-year.

During the half-year trading conditions were difficult and there was steady decline in the prices of raw jute and manufactured goods. Government export duties were reduced on hessian by Rs. 750 per ton and Rs. 475 per ton during February and May respectively, and on sacking by Rs. 175 per ton. The results of the subsequent half-year are better. Prices of manufactured goods have, however, now declined to uneconomic levels. A fee of Pak. Rs. 2-8 per maund imposed by the Pakistan Government on jute export to India only and Indian export duties enable the continental manufacturers to sell burlap in the American market at prices uneconomic to Indian mills.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,50,000	Block ...	22,09,479
Reserves ...	42,47,526	Stock ...	27,61,224
Provision for taxation ...	22,71,749	Stores ...	8,86,880
Liabilities ...	25,50,500	Debts, deposits and advances ...	13,19,303
Profit and loss account ...	1,61,738	Investments ...	51,828
		Cash ...	44,52,799
Rs.	1,16,81,513	Rs.	1,16,81,513

Albion Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Sahu Jain Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st May, 1952.

After writing off depreciation and payment of Rs. 10,00,000 rent for the lease of Lothian Jute Mills, the working of the Company resulted in a loss of Rs. 8,98,048. A sum of Rs. 9,52,135 was transferred from the general reserve to the profit and loss account leaving a sum of Rs. 17,00,000 at the credit of general reserve. This resulted in a balance of Rs. 1,44,022 to the credit of profit and loss account. The directors paid dividends (without any deduction for income-tax paid by the Company) for the half-year ended May, 1952:—

On preference shares at Rs. 3-8 each Rs. 31,500, and on ordinary shares at Rs. 8 each Rs. 96,000 and carried forward the balance of Rs. 16,522.

Jute stocks as at the end of the half-year are shown at under cost. Reduction in value of the same, has adversely affected the working profit for the half-year.

During the half-year, trading conditions were difficult and there was steady decline in the prices of raw jute and manufactured goods. Government export duties were reduced on hessian by Rs. 750 per ton and Rs. 475 per ton during February and May, respectively and on sacking by Rs. 175 per ton. The results of the subsequent half-year are better. Prices of manufactured goods have, however, now declined to uneconomic levels. A license fee of Pak. Rs. 2-8 per maund imposed by the Pakistan Government on jute export to India only, and Indian export duties enable the continental manufacturers to sell burlap in the American market at prices uneconomic to Indian mills.

In accordance with the Working Time Agreement of Indian Jute Mills Association the Mills worked for 42½ hours per week upto 9th December, 1951. Working hours were increased to 48 per week from 10th December, 1951 and so continued until 29th March, 1952 when the same were again reduced to 42½. Throughout the period 12½ per cent. of the total complement of looms remained sealed.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,00,000	Block ...	13,56,910
Reserves ...	18,86,333	Stock ...	99,88,397
Provision for taxation ...	12,74,403	Stores ...	13,82,090
Liabilities ...	88,63,933	Debts, deposits and advances ...	12,10,403
Profit and loss account ...	1,44,022	Investments ...	50,780
		Cash ...	2,80,111
Rs.	1,42,68,691	Rs.	1,42,68,691

N.B.—Figures within brackets relate to the corresponding period of the previous year.

COMPANY MEETINGS AND DIVIDENDS

BUCKINGHAM AND CARNATIC CO., LTD. Annual General Meeting, Madras, 20th March, 1953. Dividend: Rs. 4 per share. Transfer books closed from 3rd to 20th March, 1953, both days inclusive.

UNITED MOTORS (INDIA) LTD. Annual General Meeting, Bombay, 24th March, 1953. Transfer books close from 17th to 31st March, 1953, both days inclusive.

SOUTH KARANPURA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 24th March, 1953. Dividend: As. 12 per share. Transfer books closed from 10th to 24th March, 1953, both days inclusive.

RAMNUGGER CANE AND SUGAR CO., LTD. Annual General Meeting, Calcutta, 25th March, 1953. Transfer books closed from 11th to 25th March, 1953, both days inclusive.

EASTERN INVESTMENTS LTD. Annual General Meeting, Calcutta, 25th March, 1953. Dividend: Rs. 9 per share. Transfer books closed from 11th to 25th March, 1953, both days inclusive.

BARAREE COKE CO., LTD. Half-yearly General Meeting, Calcutta, 25th March, 1953. Dividend: As. 12 per share. Transfer books closed from 12th to 25th March, 1953, both days inclusive.

BOMBAY POTTERIES AND TILES LTD. Annual General Meeting, Bombay, 25th March, 1953. Transfer books close from 18th March to 1st April, 1953, both days inclusive.

AHMEDABAD ELECTRICITY CO., LTD. Annual General Meeting, Bombay, 26th March, 1953. Dividend: Rs. 6-8 per share (including interim dividend of Re. 1-8 per share). Transfer books closed from 6th to 26th March, 1953, both days inclusive.

SHREE SITARAM SUGAR CO., LTD. Annual General Meeting, Calcutta, 27th March, 1953. Transfer books close from 16th to 27th March, 1953, both days inclusive.

DEORIA SUGAR MILLS LTD. Annual General Meeting, Calcutta, 27th March, 1953. Transfer books close from 16th to 27th March, 1953, both days inclusive.

DHANALAKSHMI MILLS LTD. Annual General Meeting, Tirupur (Coimbatore Dist.), 30th March, 1953. Transfer books close from 17th to 30th March, 1953, both days inclusive.

TITAGHUR PAPER MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 30th March, 1953. Transfer books close from 17th to 30th March, 1953, both days inclusive.

GOKAK MILLS LTD. Annual General Meeting, Bombay, 30th March, 1953. Dividend: Rs. 17 per share (including bonus of Rs. 5 per share). Transfer books closed from 6th to 26th March, 1953, both days inclusive.

MARTIN BURN LTD. Annual General Meeting, Calcutta, 31st March, 1953. Dividend: Re. 1-6 per ordinary share (including a special payment of As. 2 per share), for the year ended 30th September, 1952. Transfer books close from 24th to 31st March, 1953, both days inclusive.

BOMBAY DYEING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 9th April, 1953. Dividend: Rs. 20 per share (including interim dividend of Rs. 7-8 per share). Transfer books close from 24th March to 9th April, 1953, both days inclusive.

CHRESTIEN MICA INDUSTRIES LTD. Interim dividend of Re. 1 per ordinary share and As. 12 per deferred share, free of income-tax, for the year ended 31st December, 1952, payable after 15th March, 1953. Transfer books close from 15th to 30th March, 1953, both days inclusive.

SAMNUGGER JUTE FACTORY CO., LTD. Dividend of 10 per cent. (including interim dividend of 3 per cent.), for the year ended 31st December, 1952. Transfer books closed from 13th to 27th March, 1953, both days inclusive.

TITAGHUR JUTE FACTORY CO., LTD. Dividend of 10 per cent. (including interim dividend of 3 per cent.), for the year ended 31st December, 1952. Transfer books closed from 13th to 27th March, 1953, both days inclusive.

VICTORIA JUTE CO., LTD. Dividend of 10 per cent. (including interim dividend of 3 per cent.), for the year ended 31st December, 1952. Transfer books closed from 13th to 27th March, 1953, both days inclusive.

NELLITHANAM RUBBER AND PRODUCE CO., LTD. Dividend of As. 10 per ordinary share for the year ended 31st March, 1952. Transfer books closed from 11th to 18th March, 1953, both days inclusive.

COMPANY REGISTRATIONS

SREENARAIN INVESTMENT CO., LTD. (First Director: Mr. J. P. Gupta.) Business: Dealers in Stock, Shares and Debentures, etc. Authorised capital: Rs. 5,00,000. Public company. Address: 14, Bhuban Mohan Sirkar Lane, Calcutta, 10.

CHANDA SINGH MOTOR SERVICE LTD. (First Director: Mr. Narain Singh.) Business: Motor Transport. Authorised capital: Rs. 5,00,000. Private company. Address: 74½ miles, G.T. Road, Burdwan.

D. ADHIKARI ESTATES LTD. (First Director: Mr. D. K. Adhikari.) Business: Purchase, Take on Lease, Hire any Movable or Immovable Property. Authorised capital: Rs. 5,00,000. Private company. Address: 223, Maniktolla Main Road, Calcutta.

QUESTION HOUR IN PARLIAMENT

U.S. Technicians for D.V.C.

FIFTEEN U.S. technicians are to be recruited for operating the machinery bought in the U.S.A. for the D.V.C. Project. The recruitment is being done in India with the co-operation of the U.S. Technical Assistance Administration. So far seven technicians have been recruited.

• • • •

I.M.F. Mission

A mission of technical experts from the International Monetary Fund has already arrived in India. Such visits are arranged by mutual consent. The mission will collect and study statistical and other data pertaining to the fiscal, monetary and other economic policies of the Government of India, which may include a broad assessment of such policies in relation to the Five-year Plan. It will eventually submit its report to the Fund, and the Government of India will be apprised of the same through its Executive Director.

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Indo-Pakistan Agreement

No overall agreement was reached at the last conference between the Finance Ministers of India and Pakistan, held in May, 1951, and it was then decided to adjourn the discussion and resume the conference at a later date. Owing to a variety of causes, such as the General Elections and the heavy programme of legislative work in recent months, it has not been possible to resume this conference. A number of outstanding matters were, however, informally, discussed with Pakistan officers by two Indian officials at Karachi last April. These discussions are expected to be resumed as soon as the current Parliament session is over.

• • • •

Famine Relief Projects

The Central Government has provided an increased allocation to the Tungabhadra Project of Rs. 1 crore and to minor irrigation works in Bombay of Rs. 111 lakhs, in order to provide relief works in distress areas. The recommendations of the team of officers sent to the famine-affected areas of Mysore, Hyderabad, Bombay and Madras are now under examination. The team recommended how relief should be provided by means of projects. Its terms of reference were to study, in detail, the nature and extent of the distress in the affected areas and recommend suitable measures of providing relief on a permanent and semi-permanent basis. The Government will soon place on the table of the House a statement indicating the action taken by the Government on the recommendations of the team along with the recommendations themselves. Accepting the initial recommendations, the Government has sanctioned certain works—four in Mysore, one in Bombay and one in Hyderabad.

—Finance Minister

Loan to Damodar Valley Corporation

A $38 million loan had so far been granted by the International Bank for Reconstruction and Development to the D.V.C. The D.V.C. recently obtained a loan of $19.5 million for financing the foreign exchange costs of the remaining projects of the first phase. The loan is for a period of 25 years, the rate of interest being 4½ per cent. per annum. Out of the first loan to the D.V.C. of $18.5 million, $13.19 million has so far been drawn and spent on the purchase of electrical equipment from the U.S.A. for the Bokaro-Konar Project.

—Parliamentary Secretary to Finance Minister

Titanium Factory

The titanium factory in Travancore-Cochin State applied for a loan to the Industrial Finance Corporation. The Corporation found that the manufacturing cost of the goods was not low enough to enable the Company to compete with foreign supplies. On that ground the Corporation thought it fit not to grant a loan to the Company. The Commerce and Industry Minister has already referred the industry to the Tariff Commission which will recommend whether it deserves any sort of protection or not. The Commerce and Industry Ministry itself has made certain proposals designed to bring down the cost of production, but the Company has not accepted those suggestions.

—Minister for Revenue and Expenditure

Trade with Pakistan

India had an adverse trade balance, as on 15th January, 1953, with Pakistan, roughly of the order of Rs. 1.71 crores. The total value of imports, under the latest Indo-Pakistan Trade Agreement was Rs. 1,47,78,566 under Schedule B and Rs. 7,16,58,094 under Schedule A, amounting to Rs. 8,64,36,600. Exports from India were Rs. 1,87,02,926 under Schedule A and Rs. 5,06,16,887 under Schedule B, aggregating Rs. 6,93,19,113. There are talks going on between the Government of India and the Government of Pakistan with a view to revising the Trade Agreement which would enlarge its scope. The talks are still in an exploratory stage.

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Export Duty on Textiles

It is too early now to estimate the results of the reduction in the export duty on textiles. The stocks held by the mills at the end of 1952 were 150,000 bales of yarn and 264,000 bales of cloth. Seventeen mills stopped working, either totally or partially, on account of accumulation of stocks for different periods during 1952. The loss of production was 0.21 per cent. in respect of cloth and 0.41 per cent. in respect of yarn.

—Minister for Commerce and Industry

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CHAIRMAN & GENERAL MANAGER
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MONEY RATES FIRM

(From Our Own Correspondent)

BOMBAY, 11*th March*

The stringent conditions which developed in the short-term money market towards the latter half of last week (that is, since the 2nd inst.) persisted during the week under review also, due to a broadening of demand for funds. Money rates, as a result, remained firm. Inter-bank call money was taken up at 2½ to 3 per cent, among the Exchange banks and big Indian banks. The rate among the smaller Indian banks stood at 3 per cent. No doubt fresh funds were in supply to the tune of Rs. 3 crores from some industrial houses and banks who released their surplus funds, but they were well absorbed by the market. On occasions, therefore, the market experienced shortage of floating funds.

Three months' deposits were offered at 3 per cent, for renewals and 2¾ per cent, for fresh money and twelve months' deposits were taken up at 2 to 2½ per cent.

This week's sale of three months' Government of India Treasury Bills brought an offer of Rs. 116.50 lakhs against the usual invitation for Rs. 100 lakhs and compared with Rs. 101.75 lakhs offered last week. The average rate of accepted tenders, however, eased a little to Rs. 2-6-11 per cent, per annum after remaining unchanged at Rs. 2-7-0 per cent. in the previous three weeks.

An increase of Rs. 16.30 crores in notes in circulation is the outstanding feature of the statement of affairs of the Reserve Bank of India for the week ended 6th March, 1953. Notes held in the Banking Department, on the other hand, disclose a contraction of Rs. 7.52 crores. The expansion of Rs. 8.78 crores in total notes issued, as a consequence, is covered, on the assets side, by a rise of Rs. 10 crores in foreign securities and a fall of Rs. 1.22 crores in rupee coin. On the liabilities side of the Banking Department, there has been a further decline of Rs. 10.27 crores in deposits of the Central Government, the total fall since the beginning of the year being Rs. 36.35 crores. Deposits of other Governments also have gone down during the week under review by Rs. 91.81 lakhs. Deposits of banks are higher by Rs. 26.74 lakhs and those of others by Rs. 56.94 lakhs. On the assets side, cash balances have shrunk by Rs. 7.57 crores and balances held abroad by Rs. 6.03 crores. There has been no change in loans and advances to Governments, but other loans and advances disclose a rise of Rs. 5.21 crores. There has been a fresh advance of Rs. 1.50 crores this week to Scheduled Banks against usance bills. Government Treasury Bills purchased and discounted have declined by Rs. 1.19 crores.

The Scheduled Banks' statement for the week ended 27th February, 1953, reveals a fall of Rs. 2.65 crores in the Banks' demand deposits and Rs. 11.19 lakhs in their time deposits. Inter-bank borrowings have gone up by Rs. 1.54 crores, as also borrowings from the Reserve Bank against usance bills by Rs. 1 crore and those from the Imperial Bank by Rs. 1.22 crores. As against these variations on the liabilities side, the assets side show a fall of Rs. 30.14 lakhs in advances and a rise of Rs. 5.45 crores in inland bills purchased and discounted. Investments are lower by Rs. 84.03 lakhs. Cash on hand and balances with the Reserve Bank show a shrinkage of Rs. 2.44 crores.

The Gilt-edged market showed distinct signs of revival and values moved upwards further owing to emergence of investment enquiry. 3 per cent. 1953-55 hardened a fraction to Rs. 100-1. 3 per cent. 1957 was taken up an anna better at Rs. 98-12 and 3 per cent. 1958 improved by As. 2 to Rs. 98-9. 3 per cent. 1959-61 put on an anna to Rs. 96-2, as also 3 per cent. 1963-65 to Rs. 92-10. 3 per cent. 1964 was unchanged at Rs. 92-9, but 3 per cent. 1966-68 advanced by As. 5 to Rs. 90-9. 3 per cent. 1970-75 was held at Rs. 86-9, while 3 per cent. 1986 Conversion Loan evoked support due to proximity of interest payment and rose by As. 5 to Rs. 83-1.

The Saurashtra Central Co-operative Land Mortgage Bank Ltd., Rajkot, has decided to issue the first series of 4 per cent. 1958-60 debentures for Rs. 1 crore. The debentures are to be issued at par and are guaranteed by the Saurashtra Government in respect of both principal and interest. The issue will be open for public subscription on 12th March, 1953, and will be closed not later than 19th March, 1953.

The foreign exchange section of the money market continued to rule dull, but the rupee ruled a shade easy in terms of the U.S. dollar. The change is, however, noted in the selling rates of banks, as the table below will show. This is presumably in sympathy with the slight weakening of sterling in the New York market from $2.81 11/16-2.81 13/16 per £ for ready on the 3rd inst. to $2.81¾-2.81⅞ yesterday. The rate for 3 months likewise declined from $2.81¾-2.81⅞ to $2.81 1/16-2.81 3-16 and that for six months from $2.80 11/16-2.81 13/16 to $2.80¼-2.80⅜.

	2-3-53	9-3-53
SELLING	Rs.	Rs.
T.T./D.D. (other than B.C.'s) for amounts $2,000 and over:		
Ready and within 5 days	475	475¼
Delivery within 3rd month	476¼	477
,, ,, 6th ,,	477¼	478¼
T.T./D.D., B.C.'s and amounts under $2,000:		
Ready and within 5 days	475¼	476¼
Delivery within 3rd month	477	477¼
,, ,, 6th ,,	478¼	479
BUYING		
T.T. Clean:		
Ready and within 1st month	471¼	471¼
Delivery within 3rd month		
,, ,, 6th ,,		
T.T. Documentary:		
Ready and within 1st month	471	471
Delivery within 3rd month		
,, ,, 6th ,,		

BULLION IRREGULAR

(From Our Own Correspondent)

BOMBAY, 11*th March*

There was no outstanding development in the Bullion market during the week under review. Activity was at a low ebb and price variations were of a minor nature. Though a hesitant feeling was noted throughout the week, silver emerged better with a small advance of Re. 1-4 per 100 tolas on balance. Gold, on the other hand, was a bit influenced by larger arrivals and finished the week with a fractional loss.

Silver for forward delivery in April opened quiet at Rs. 165-11 and crept up hesitantly to Rs. 168-8 on Monday this week, but reacted to Rs. 166-4 yesterday. On renewed support, the white metal recovered to Rs. 167-1 at the close today.

Ready silver (.996 Mint) improved from Rs. 165-11 to Rs. 168-10 on Monday, at which level the premium of ready over the forward stood at Re. 1-2, as against Re. 1 earlier. But this improvement was not maintained for long, as there was a reaction to Rs. 166-6 yesterday. But expectations of a better offtake induced support at lower levels lifting up the price to Rs. 167-1 at the close. The premium of ready metal over forward once again narrowed to Re. 1. The floating stocks of silver are placed at 1,700 bars. The daily average offtake was 15 bars.

Gold for forward delivery advanced early in the week from Rs. 88-5 to Rs. 89 on reports of an early introduction of the Estate Duty Bill. But factors such as anticipations of an early peace, receding prospects for increase in international price of gold and larger arrivals induced selling pressure and the yellow metal drifted lower to Rs. 87-7 to-day before finishing at Rs. 87-13.

Ready gold closed at Rs. 88-3 with a loss of As. 9 over the week, after touching a high of Rs. 89-8 early in the week. The floating stocks of gold are estimated at 30,000 tolas. The daily average arrivals were 8,000 tolas, while the offtake was no more than 6,000 tolas on an average.

In the international free markets the European price of gold declined from $37.25 per oz. on the 3rd inst. to $37.10 yesterday.

The following comparative table shows the trend of the market during the week under review:

	11-3-53	Highest	Lowest	4-3-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	88 3	89 8	87 14	88 12
Forward	87 13	89 0	87 7	88 5
Sovereign	58 0	58 12	58 0	58 8
SILVER				
Ready (.996 fine Mint)	167 1	168 10	164 14	165 13
Forward	167 1	168 8	164 14	165 13
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½c.	—	—	85½c.

COMMONEST TEAS FIRM

(Messrs. Forbes, Ewart & Figgis Ltd.)

COCHIN, 7*th March*

Sale No. 5.—The offerings in sale No. 5, which was held on Tuesday, 3rd March, amounted to approximately 10,48,000 lbs. Quality showed an all-round improvement, particularly among the high grown Nilgiri teas and some medium Travancore teas. The sale opened to a good general demand, although best liquoring teas were only wanted at prices which were irregularly easier, despite the improvement in quality. Commonest kinds remained fully firm and were well supported. Low medium and medium brokens met with keen competition and were often As. 1 to As. 2 dearer. Good medium brokens were steady at last rates. Fannings were irregular and inclined easier with the exception of clean black types. The strongest feature of the sale were pekoes, flowery pekoes and B.P.S. and these were generally As. 2 to As. 4 dearer. O.Ps. were fully firm and inclined dearer. The following are the quotations:

	1953 Rs. a. p.
Low grown Travancore B.O.P.	1 9 6
Medium Travancore B.O.P.	2 1 0
Anaimallais B.O.P.	2 5 0
Best liquoring Nilgiri B.O.P.	4 1 0
Well made black leaf O.P.	2 2 6

London Market.—Upto the 3rd inst. the market was 1d. to 2d. dearer, though best Assam fannings inclined easier. Wednesday's market for commons and low medium 1d. to 2d. dearer than Monday.

Colombo Market.—4,000,000 lbs. Best brokens irregular, low-growns steady, others dearer, particularly medium brokens, and fannings easier.

Calcutta Market—Export.—55,000. Again very good general demand. Whole leaf grades steady. Others dearer, brokens by about As. 2, fannings As. 3, sometimes more.

Dust.—22,000 packages. Good general demand. Prices firm to often dearer, especially Middle East types.

Export Quota.—The quotation remains at 2 pies, at which business has been done and there are sellers.

Forthcoming Auctions.—Sale No. 6 will be held on Tuesday, 17th March.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd., wire as follows:

"*Dust Sale E.*—3,62,000 lbs. Fair demand. Market generally As. 2 easier all round."

EXPORT DEMAND FOR COTTON

(From Our Own Correspondent)

BOMBAY, 11*th March*

The post-budget enthusiasm, though still there, is a little on the wane. In the spot market mills having satisfied their requirements for the near future were not as keen buyers as they appeared to be a week before, even though the volume of business has been fairly well maintained at Sewri. However, the demand was not so much on internal consumption account as for export and so confined in a large measure to Bengals, bringing about a further rise in the price of this variety. The mills are diverting their attention from local varieties to longer staple imported cotton as they expect a higher demand for superfine cloth. On the whole, the week under review has displayed steady conditions in the spot market both in Bombay and in up-country centres.

In the forward market, the wave of buying receded as profit-taking came in, by about 10 points or more than the highest peak reached during the previous week. This should not, however, be interpreted as a weakness in the forward market. As observed in a previous issue, this market, unlike the spot market, works spasmodically and finally adjusts itself to realistic levels. The under-current in the forward market is still steady and spurts may be expected just as much as occasional price recessions. The gap between May and August has perceptibly widened and it stands as high as Rs. 13-8. A little while ago this difference stood at Rs. 10.

With rise in prices of *Deshi* varieties at Karachi and non-availability of stocks, attention of the consumers abroad of short-staple cotton has once again turned to India. The export market is, on the whole, lively with enquiries pouring in at better rates. The difficulty in this connection appears to be not so much about available stocks as about railway wagons for moving the crop to ports. It now appears likely that gradually the whole of the export quota will be disposed of without much difficulty, even with the present rate of export duty on *Deshi* varieties, other than Bengals. The market is counting on a further allocation for export of Bengal *Deshi* in the near future. There was nothing of interest on the import side during the week. Perhaps this interest will revive with the commencement of auctions at Kampala from to-day. The latest available quotations in the spot market are:

Bengal *Deshi* Rs. 550-610; Berar *Jarilla* Rs. 20-30 on I.C.C. May; Vijay Rs. 140-150 on May; Moglai Rs. 20 off May; Khandesh Rs. 70-110 on May; Oomras Rs. 600-610.

The following is the trend of prices in the forward market over the week ended 11th March, 1953:

	Opening	*High*	*Low*	*Closing*
I.C.C. May (Rs.) ...	691	694	681	691
I.C.C. August (Rs.) ...	702½	708½	694½	696

Although prices are ruling firm at Karachi, the pressure of stocks continues unabated because fresh arrivals from up-country into Karachi go to replace the quantities shipped. On the whole, however, the atmosphere in the cotton market appears to be a little more hopeful and a belief is gaining ground that instead of open market transactions, the Government is more inclined to use cotton for barter purposes for obtaining imports of consumer and capital goods that the country needs. There are inherent difficulties in this method of trade, but Karachi expects to overcome them. No further progress in the negotiations with Japan is reported but even if there are developments along this line, it is not likely that any official anouncement will be made till some definite agreement has been reached. The recent sales to the Continent have not been followed by fresh enquiries from these countries. The latest available prices in the Karachi market are:

289F Punjab R.G. Rs. 72-8; N.T. R.G. Rs. 66; L.S.S. Punjab R.G. Rs. 66; 4F Punjab R.G. Rs. 63; Sind *Deshi* Rs. 80.

At Alexandria, the Egyptian Cotton Commission has raised its selling prices, but this has not affected the turnover in the market. It is now freely admitted that the new policy for cotton will not be announced for some time to come. The main issue at Alexandria at present is with regard to the reopening of the forward market. There is a definite cleavage of opinion on this point with the shippers ranged on the side of reopening and the other dealers in cotton supporting the present arrangement. So far, France, has been the biggest foreign buyer at Alexandria in place of the U.K.

At New York, the prices have been gradually creeping up in spite of both-sided fluctuation. The change in the international political atmosphere after the demise of M. Stalin does not appear to have exerted any pronounced influence on the cotton market. It looks more as if prices will hover round the present levels without any upheavals.

The following are the latest available quotations from New York as compared with those of a week and a fortnight before.

(In cents per lb.)

	10-3-53	3-3-53	24-2-53
Spot	34.40	34.25	—
March	33.67	33.46	33.18
May	33.74	33.62	33.38
July	33.89	33.83	33.70
October	33.92	33.90	33.74

ART SILK YARN EASY

(From Our Own Correspondent)

BOMBAY, 11*th March*

Art silk yarn staged further sharp setback this week, under pressure of reports of early large arrivals of imported yarns and rumours regarding grant of 20 per cent. licences to established importers for the current half-year. Prices sank slowly to low levels. Renewed fall in cotton yarn prices and slackness in demand in the ready section also aided the decline. The tendency to reduce one's commitments was therefore, pronounced and, with buyers remaining aloof, support was lacking. Consequently, the quotations to-day could not but close lower than those at the end of last week.

The recession in values was more marked in the forward section. 150D March contract lost 13 points to Rs. 776. April contract was down at Rs. 779, as against Rs. 790. In sympathy with the forward section, values of yarn in the ready section registered decline. 120 Italy was the worst sufferer with a loss of As. 7 to Rs. 4-3. 120 Japan fell from Rs. 5 to Rs. 4-13. 150 Italy was lower by an anna at Rs. 3-15. 150 Japan, on the other hand, was steady at Rs. 4-5, although, at one time, it had lost an anna.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 4th inst. and 25th February, 1953.

	11-3-53 Rs. a.	4-3-53 Rs. a.	25-2-53 Rs. a.
Art Silk Yarn—			
150D March (per case of 200 lbs.)	776 0	789 0	813 0
150D April ,, ..	790 0	790 0	—
120 Japan (per lb.)	4 13	5 0	5 0
150 Japan ,, ...	4 5	4 5	4 6
120 Italy ,, ...	4 3	4 10	5 0
150 Italy ,, ...	3 15	4 0	4 1

The absence of any reference to art silk yarn in the import policy for the reserved items recently announced by the Government of India has disappointed the traders. In view of the liberalised nature of the import policy for other items, a section of traders, however, feels that the same will also mark the policy for art silk yarn imports. If, according to expectations, import licences are granted, prices of yarn would recede still further. In fact, it is averred that the era of higher prices is definitely over and a buyers' market has set in.

Trading in the staple fibre section continued to be restricted, thanks to scarce stocks. There were renewed enquiries for 20s. In the cases of 30s and 40s, no demand was forthcoming. Business in forward contracts in staple fibre yarn remains still suspended. As a result of acute scarcity of supplies and delay in the grant of import licences, several mills are said to have been compelled to use rather unsatisfactory lots of staple fibre and that at enhanced prices. The mills, to quote one report, are compelled to pay fancy prices when they are able to get supplies from foreign countries at As. 12 per lb. cheaper for well-known and most satisfactory qualities.

GROUNDNUTS FORGE AHEAD

(From Our Own Correspondent)

BOMBAY, 11*th March*

The most notable development in the oilseeds market this week was the hectic rise in the price of groundnuts. There was aggressive buying by vanaspati manufactures and crushers especially in the latter part of the week. Linseeds ruled unusually gay on reports of business in linseed oil done to the extent of 200 tons with Australia at £120 per ton. The castorseeds section moved in sympathy with the rest. As a result, the volume of transactions done during the week was sizable and prices, especially in the groundnuts and linseed sections, disclosed substantial gains.

There were strong rumours that the Government of India may ban exports of groundnut oil with a view to checking the still rising trend of prices. Bold ready shot up from Rs. 39-8 to Rs. 41-4. Khandesh quality gained Re. 1-4 to Rs. 41-4. Groundnut oil ready was done at Rs. 22-6, as against Rs. 21-8. April and May deliveries were quoted at Rs. 22-4 and Rs. 22-6, as compared with Rs. 21-4 and Rs. 21-7, respectively, at the end of last week. Groundnut oil was in persistent enquiry between £140 to £142 per ton from the Continent.

Overseas advices for linseed oil were better. There was also speculative buying from domestic consumers. Consequently, Bold ready gathered Re. 1-12 to close at Rs. 30 and April-May deliveries Re. 1-2 to Rs. 29-12. Linseed oil rallied As. 14 to Rs. 14-14.

There was no development worth mentioning in the castorseeds section. It was rumoured that the U.S. had purchased castor oil commercial at 18¾ cents for April delivery. Continent was interested in castor oil B.S.S. at £160 and Commercial quality at £148. Castor oil B.S.S. and Commercial quality improved by As. 4 and As. 8 to Rs. 19-8 and Rs. 18-8, respectively. Among seeds, May delivery which opened at Rs. 144-8 as against Rs. 147 fluctuated between Rs. 154 and Rs. 144, before closing at Rs. 150-12. Madras quality was higher by As. 12 at Rs. 31-12.

Kardi and *Niger* seeds were in good demand. *Kardi* seeds Bold ready rallied Re. 1 to Rs. 23-8. *Niger* F.A.Q. gained a similar amount to Rs. 32.

The following table shows the prices of oilseeds and oil on the 11th inst., as compared with those at the close of preceding two weeks.

	11-3-53 Rs. a.	4-3-53 Rs. a.	25-2-53 Rs. a.
Groundnuts—			
Bold Ready New (per cwt.) ..	41 4	39 8	37 12
Khandesh New (per cwt.) ..	41 4	40 0	38 4
Linseed—			
Bold Ready (per cwt.) ..	30 0	28 4	28 12
Castorseeds—			
May (per candy of 5 cwts.) ..	150 12	147 0	147 8
Madras (per cwt.)	31 12	31 0	31 0
Groundnut oil—			
Ex-mill Ready (per quarter)	22 6	21 8	19 14
Castor Oil—			
Commercial (per quarter) ..	18 8	18 0	18 8

LONDON WOOL FIRM

(Messrs. J. Hardacre & Co.)

BOMBAY, 9*th March*

The course of events in oversea markets continues to be an important factor and Bradford quotations for tops, although they do not fully reflect changes which have taken place in wool values, are influenced by the general trend. The advance in quotations for merino tops on Monday are fully maintained and any further changes have been against the buyer. The comparatively high prices paid for English wool at Leicester this week have resulted in higher quotations for English tops, advance being to the extent of 1d. to 2d. per lb. for a 50s carded.

The current series of wool sales at Melbourne closed yesterday with wool values fully firm, as compared with the best values of the week. Any change was in sellers' favour. At Sydney, all descriptions of wool closed fully firm. At East London, the market was fully firm, being in sellers' favour. Values were up by 2½ per cent. at this week's sale at Durban.

The situation at the moment displays all the best features of a steady market, such as good competition and clearances at the primary sales, and no immediate change is anticipated, owing to paucity of stocks and supplies.

The approximate prices of Bradford oilcombed tops (per lb. c.i.f. Bombay) are given below:

48s carded 80*d.* (April-May, 1953), and 58s super 118*d.* (April-May, 1953), 60s super 140*d.* (May 1953) 64s super 160*d.* (May, 1953), and 70s super 174*d.* (May, 1953), and fibro (3*d.* 4") 43½*d.* (April-May, 1953.)

48s scoured clothing wool type 114 71*d.* (April-May, 1953).

PEPPER ADVANCES

(Messrs. Parekh & Co.)

BOMBAY, 11*th March*

Black pepper continued to advance during the week, reflecting firmer advices from New York, where heavy speculative purchases by leading dealers coupled with short coverings against February sales are reported. Thinking that the Indian market should go down during the month of February under pressure of movements in the Malabar new crop, the grinders and the dealers in New York who were buying on a hand to mouth basis are said to be in the market on a rather more extensive scale, as Indian growers showed continued resistance to lower prices and markets of cocoa, coffee and rubber in New York showed improved sentiment. The yield in Wynaad, the main pepper cultivating centre of North Malabar, being about half the normal, the expected competition from that source with Travancore-Cochin product, did not materialise, and consequently, the bears in India, and their counter-parts in New York, were forced to cover. Grinders in New York who once wanted to time their purchases of Malabar black when it reached a safe level of $0.90 or $1.00 are now reported to have revised their idea, and according to one of the market observers in New York, they are now expected to put in aggressive inquiries, if spot market once again comes down to between $1.25 and $1.30 per lb. c. and f. New York. Looking to the poorer exports so far, the Indian growers, however, are likely to remain soft sellers at every advance, but looking to their holding capacity, they are not likely to come out to press sales on an unwilling market at least during the coming couple of months, as they think they have world monopoly of pepper supply until Sarawak or Lampong new crop comes on the market some time in July. Reports of a few advance sales of Sarawak or Lampong by New York or by Indonesia or by Singapore interests have so far failed to affect the bullish sentiment of the growers in India, as they think that these sales are rather speculative, and done with a motive to soften their firm attitude. Alleppey, after touching the new high level of Rs. 3,200, is now quoting to sell at Rs. 3,150. Calicut is quoting Rs. 3,250 with reserved sellers. Indian exporters are believed to have sold at a single stroke about 200 tons for March shipment at $1.39 per lb. c. and f. New York.

In A.S.T.A. section, some lots have changed hands locally at $1.40 for March and $1.41 for April shipment. New York is reported to be further buyer for March shipment at $1.39 but sellers in India are asking for higher price. At Cochin a small quantity of garbles changed hands at Rs. 537 to Rs. 540. In Alleppey, the business in garbles is reported to have been closed at present, as some of the bears refused to pay clearing.

Following are to-day's nominal quotations: Ready delivery Rs. 2,700, March Rs. 2,620/50 and April Rs. 2,660-90 per candy of 5¼ cwts.

RAW JUTE QUIET

(From Our Own Correspondent)

CALCUTTA, 10*th March*

The manufactured goods market received more support from bazar dealers than from foreign buyers during the week under review. Fair business was put through in hessian with exporters, but rates fluctuated only within narrow limits. Rates for hessian cannot be expected to go further, so long as the quotations of Continental manufacturers remain at current levels. Ready 40" 10 oz. hessian opening at Rs. 43-3 on Tuesday last was, at one time, dealt in at Rs. 43-10, but when it was found that foreign buyers were hesitant to enter into commitments, following an expectation that prices would move down, the rate declined to Rs. 42-6, the closure during the week-end being on a slightly improved note at Rs. 42-10. Expectations of lower prices followed reports that Pakistan was considering a reduction in the duty on raw jute shipments to this country. As these rumours continued, the rate came down to Rs. 42 yesterday with Rs. 50-7 f.o.b. During the week as a whole, 40" 8 oz., hessian at Rs. 43-8 f.a.s. lost Re. 1-4, and the f.o.b. rate was reduced to Rs. 40-4 from Rs. 41-8.

The trend in the sacking market followed a different pattern. The lack of adequate enquiries from foreign buyers should be attributed to the huge stocks which mills have accumulated. For importers in foreign countries are aware that, in view of the excess of supply over demand, there is no need to rush to the market and take up the required quantities. Their attitude is due to a desire on their part to see that traders pass over to the former the full benefit of the export duty cut. In fact, what business took place during the week was at rates which compared favourably with those prevalent prior to the duty revision last month-end.

B. twills were yesterday quiet at Rs. 93 per 100 bags. The opening last Tuesday was at Rs. 95 which soon declined to Rs. 92-6. At this stage some business was put through with Australia and West Indies, and the quotation locked up at Rs. 94. Green heavy cess were transacted at Rs. 106-10 for some covering demand, with heavy cees plains being quoted at Rs. 94-4. D.W. flour bags declined to Rs. 121 from Rs. 123, while cornsacks were wanted for the near delivery position to meet some covering demand.

The raw jute market was extremely quiet following rumours that Pakistan was to remove, at least partially, the discrimination against India in the matter of the export duty on raw jute. Assam bottoms were quoted at Rs. 20-8.

FOODGRAINS PRICES RECEDE

(From Our Own Correspondent)

HAPUR, 9*th March*

The Government of India has reiterated its faith that India is likely to be self-sufficient in rice in 1953. It is disclosed that, while India has approached China for supply of rice this year, China has not yet agreed to do so. During 1952, India imported 147,700 tons of rice from China, as against 65,800 tons in 1951. The finishing touches are now being given to the nation-wide campaign to popularise the Japanese method of rice cultivation which is due to be launched on the 15th inst.

As a result of the steps taken by the U.P. Government to push up sales of wheat and coarse grains from the stocks held on Government account at economic cost and the continued operation of the austerity provisioning schemes in the eastern districts, foodgrains prices have registered a decline this week. Confidence is seemingly being restored and this may discourage the hoarding tendency which was raising its head some time ago. There has been slight fall in prices of wheat, gram and almost all coarse grains, millets and barley. The standing *rabi* crop gives promise of good yield. Harvesting may start very shortly. Peas arrivals had begun some time earlier in eastern districts and have begun here also in small parcels. The latest quotations in the local market are: Wheat Rs. 20, gram Rs. 17, peas new Rs. 13-12, maize Rs. 13-12, *bajra* Rs. 13-2, *juwar* Rs. 12-8 to Rs. 11-8, Rice *basmati* Rs. 34, sela Rs. 29 and coarse Rs. 23.

The Bihar Government has taken steps to bring down the market prices of foodgrains. There is no statutorily controlled price of foodgrains within the State. All district officers have been instructed to buy rice or paddy wherever available within the ceilings prescribed. Stocks purchased are to be kept in the area of procurement to meet local needs. These stocks would be distributed on cards through fair price shops whenever prices rise above Government wholesale issue rates and would serve to bring down the market prices to reasonable levels.

SUGAR DEPRESSED

(From Our Own Correspondent)

HAPUR, 9*th March*

The Indian sugar markets have remained very quiet and depressed during the week under review and prices have generally shown a downward trend. The Government of India's ban on exports of sugar during the current season has taken the sails out of the hands of the hoarders and industrialists, while the release of three big sugar quotas for free sale have increased supplies in the markets throughout the country. The present offtake is not aggressive. With slight improvement in the transport of sugar stocks from North Indian factories to the South and other needy areas, the overall position has improved.

The Bihar Government is amending the Sugar Factories Control Act, 1937, to ensure that sugarcane is supplied to factories only through co-operative societies. An official spokesman said that the proposed legislation would eliminate middlemen between the factories and the growers and give an impetus to the co-operative movement.

The U.P. Government has fixed the tax rates chargeable on the sugarcane imported for crushing in factories within the limits of the Municipal Boards in the State. A circular to all Divisional Commissioners states that local bodies situated in the State will not levy toll on sugarcane imported for consumption in sugar factories situated within the limits of their respective Municipal Boards at rates higher than those fixed by the Government. These rates vary from one anna and six pies for eight maund load of sugarcane to Rs. 2 for 140 to 160 maunds load of sugarcane.

The average sugar prices in different markets are: Ambala Rs. 29-14, Amritsar Rs. 30-10, Delhi Rs. 30-8, Jullundur Rs. 29, Agra Rs. 29-8, Hapur Rs. 29-1, Kanpur Rs. 27-14 Mathura Rs. 30.

(*Continued on page 468*)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	27th Feb., 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,119.82	1,121.36	1,106.38	1,130.66
Notes held in Banking Department	25.05	20.86	19.22	25.67	33.97
Foreign Securities	39.50	568.15	568.15	556.15	603.15
Rupee Securities	37.39	449.86	449.86	450.06	468.13
Banking Department					
Deposits of :					
Government of India	14.89	140.39	155.12	163.07	186.41
Other Governments	..	11.40	5.06	12.72	26.43
Balances held abroad	10.08	152.26	155.55	159.97	141.46
SCHEDULED BANKS					
Demand Liabilities	134.37	525.46	527.03	529.10	577.01
	..	(12.16)	(11.07)	(12.29)	(25.09)
Time Liabilities	102.84	315.78	315.44	315.29	291.84
Borrowings from Reserve Bank	..	(2.28)	(1.93)	(4.95)	(0.45)
	..	4.16	4.26	4.26	28.12
	..	(1.74)†	(0.74)†	(0.99)†	(11.20)†
Borrowings from Imperial Bank‡	..	6.64	5.42	6.49	N.A.
Cash in India	6.71	34.25	32.92	32.96	35.70
Balances with Reserve Bank	25.28	42.47	43.22	44.71	43.28
Excess over statutory limits	15.52	9.89	10.56	11.95	8.60
Balances with other banks in current account in India	..	10.34	11.07	10.38	11.66
Money at call and short notice in India	..	16.96	16.95	18.09	14.61
Investments (at book value)	..	301.21	302.06	314.38	297.56
Advances and bills	105.09	504.85	499.68	488.06	577.82
IMPERIAL BANK					
Deposits	87.76	208.28	208.76	207.75	222.66
Investments	51.99	82.28	82.82	87.03	85.44
Advances	30.37	125.01	125.53	118.12	136.99
Cash	14.69	14.06	15.37	19.75	20.20

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets). N.A.—Not available.
† Borrowings against usance bills and promissory notes
‡ Figures prior to 18th April, 1952, not available.

CLEARING HOUSE RETURNS

Centre	6th March, 1953 Number of Cheques	6th March, 1953 Amount Rs.	27th February, 1953 Number of Cheques	27th February, 1953 Amount Rs.
Bombay	2,21,265	55,28,12,000	2,38,913	56,78,00,000
Calcutta	1,35,523	49,16,13,544	1,42,688	47,12,17,431
Madras	71,277	7,56,72,075	70,182	7,90,77,288
All Centres				
Dec., 1952	..	..	25,49,000	5,47,76,00,000
Jan., 1953	..	..	25,74,000	5,52,14,00,000
1952	..	..	1,06,41,941	26,79,51,57,000
1951	..	..	1,06,94,122	31,80,56,86,359

Reserve Bank of India

Statement of Affairs for the week ended 6th Mar., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	139,72,07,000
(2) Other Governments	10,47,87,000
(b) Banks	43,49,73,000
(c) Others	64,95,72,000
Bills Payable	3,54,16,000
Other Liabilities	27,00,77,000
Rupees	299,20,34,000

ASSETS	Rs.
Notes	13,34,09,000
Rupee Coin	11,02,000
Subsidiary Coin	3,02,000
Bills Purchased and Discounted—	
(a) Internal	22,50,000
(b) External	....
(c) Government Treasury Bills	10,54,45,000
Balances held abroad*	146,22,89,000
Loans and Advances to Governments	3,30,00,000
Other Loans and Advances	17,54,08,000
Investments	100,30,28,000
Other Assets	7,58,01,000
Rupees	299,20,34,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 3,24,18,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 5,24,18,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13,34,09,000	
Notes in circulation	1136,11,99,000	
Total Notes issued		1149,46,08,000
Total Liabilities		1149,46,08,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion :		
(a) Held in India	40,01,71,000	
(b) Held outside India	....	
Foreign Securities	578,15,11,000	
Total of A		618,16,82,000
B. Rupee Coin		81,43,11,000
Government of India Rupee Securities		449,86,15,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets		1149,46,08,000

Ratio of Total of A to Liabilities: 53.779 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 27th Feb., 1953

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks	12,15,36,000†
(ii) Other demand liabilities	513,30,69,000
2. Time Liabilities in India :	
(i) Borrowings from banks	2,38,00,000†
(ii) Other time liabilities	313,39,63,000
3. Cash in India	31,24,91,000
4. Balances with the Reserve Bank in India	42,46,99,000
5. Balances with other banks in current account in India	10,34,45,000
6. Money at call and short notice in India	16,95,56,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	301,21,47,000
8. Advances in India	458,17,00,000
9. Inland Bills purchased and discounted in India	46,65,66,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.

†Excludes borrowings from the Reserve Bank, and with effect from the 18th April 1952 as also those from the Imperial Bank.

EXCHANGE RATES

	19th March, 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D.	475	475
Buyers T.T.	471¾	471¾
London on New York	2.81¼	2.81¼
London on Paris	987½-988	987½-988
London on Berne	12.15	12.15
New York on London	2.81⅝-2.81¾	2.81⅝-2.81¾

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	*Per capita* Income (Rs.)
India	1948	342.12	..	..	8,730	255
Pakistan	1949	75.04	..	..	1,671	223
Burma	1951	18.67	Kyats	3,166	317	167
Ceylon	1951	7.74	..	..	451	564
Japan	1951	84.30	Y.	4,564,400	6,038	716
Philippines	1951	20.25	Ps.	7,586	1,820	456
New Zealand	1951	1.95	£ (N.Z.)	615	820	4,205
Australia	1951	8.41	£ (A.)	3,238	3,454	4,317
U.K.	1951	50.56	£	11,384	15,179	2,076
U.S.A.	1951	154.36	$	277,600	132,190	8,564
Canada	1951	14.01	$	17,229	8,652	6,108
France	1951	42.24	F. Fr.	9,082,000	12,372	2,929
W. Germany	1951	48.11	Dm.	90,200	10,227	2,126
Italy	1951	46.60	Lr.	7,746,000	5,302	1,267
Norway	1951	3.29	Kr.	15,500	1,055	3,206
Sweden	1951	7.07	Kr.	36,800	3,439	4,864
Netherlands	1951	10.26	Fl.	16,940	2,151	2,096
Denmark	1951	4.30	Kr.	20,716	1,439	3,346
Switzerland	1951	4.75	S. Fr.	19,500	2,166	4,556

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, January, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 20th Feb., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	36,21,73,000
(b) Provincial Governments	1,39,20,000
(c) Banks	9,90,56,000
(d) Others	3,24,34,000
Bills Payable	9,17,000
Other Liabilities	4,86,54,000
Rupees	61,71,14,000

ASSETS	Rs.
Notes	7,16,96,000
Rupee Coin	1,000
Subsidiary Coin	6,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	26,87,000
(c) Government Treasury Bills	1,50,00,000
Loans and Advances to Governments	65,68,000
Provincial Governments Debtor Balances	8,40,99,000
Other Loans and Advances	35,17,61,000
Investments	8,23,26,000
Other Assets	....
Rupees	61,71,44,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,16,96,000	
Notes in circulation	206,34,39,000	
Total Notes issued		213,51,35,000
Total Liabilities		213,51,35,000

ASSETS	Rs.	Rs.
I A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	....	
Sterling Securities	38,50,23,000	
Government of India Securities	11,87,77,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,96,000	
		88,28,38 000
B. Rupee Coin	6,34,42,000	
Government of Pakistan Securities	114,63,80,000	
Internal bills of exchange and other commercial paper	....	
		120,98,22,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,96,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,61,000	
		4,24,75,000
Total Assets		213,51,35,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 43.20 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
				Rs. a. p.	%
1952					
16th Dec.	2.00	2.62	2.00	2 5 11	88
6th Jan. 1953	1.00	1.45	1.00	2 6 5	55
13th ,, ,,	1.00	1.22	1.00	2 6 9	79
21st ,, ,,	1.00	1.23	1.00	2 7 0	81
27th ,, ,,	1.00	1.00	1.00	2 7 0	100
3rd Feb. ,,	1.00	1.14	1.00	2 7 0	87
10th ,, ,,	1.00	1.19	1.00	2 6 11	84
17th ,, ,,	1.00	1.39	1.00	2 7 0	100
24th ,, ,,	1.00	1.00	1.00	2 7 0	100
3rd March ,,	1.00	1.02	1.00	2 7 0	98
10th ,, ,,	1.00	1.15	1.00	2 6 11	86
Total	12.00	14.51	12.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	3rd July, 1952	5	6
Belgium	13th Sept., 1951	3½	3½
Canada	17th Oct., 1950	1½	2
Denmark	2nd Nov., 1950	4½	5
Finland	16th Dec., 1951	7½	8½
France	9th Nov., 1951	3	4
Greece	12th July, 1948	10	12
India	15th Nov., 1951	3	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	6.84
Netherlands	1st Aug., 1952	3½	3
New Zealand	26th July, 1941	3	2½
Norway	9th Jan., 1946	3	2½
Portugal	12th Jan., 1944	3	4
South Africa	27th Mar., 1952	3½	4
Spain	18th Mar., 1949	4½	3
Sweden	1st Dec., 1950	2½	3½
Switzerland	26th Nov., 1936	4	3½
Turkey	26th Feb., 1951	5	4
United Kingdom	12th Mar., 1952	2½	4
U.S.S.R.	1st July, 1936	8	4
U.S.A.	16th Jan., 1953	1½	2
West Germany	8th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	October, 1952	October, 1951	Seven months—April-Oct. 1952	Seven months—April-Oct. 1951
Import Duties :				
Revenue	8,42	10,79	65,78	74,04
Protective	65	83	4,76	6,22
On surplus disposals	2	..	2	17
Total import duties	9,08	11,64	70,57	80,58
Export Duties	3,71	5,20	34,03	51,75
Land Customs	22	28	1,68	1,53
Miscellaneous	11	7	74	67
Gross total customs	13,13	17,19	107,01	134,48
Refunds and downbacks	24	28	1,81	2,17
Net Customs	12,95	16,92	105,20	132,31
Gross excise	4,55	7,76	47,31	55,18
Refunds	9	12	96	98
Net Excise	4,46	7,64	46,35	54,19
Net total of customs and excise	17,41	24,56	151,55	186,50

Imperial Bank of India

Statement of Affairs for the week ended 6th March, 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,35,00,000
Deposits and other Accounts		209,89,21,000
Borrowings from other Banking Companies Agents		2,67,26,000
Bills Payable		2,22,43,000
Bills for Collection being Bills Receivable as per contra		56,96,000
Acceptances, Endorsements and Other Obligations as per contra		3,32,000
Other Liabilities (including Inter-Office Adjustments)		1,08,44,000
Total	Rs.	228,45,12,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		10,87,35,000
Balances with other Banks		4,43,66,000
Money at Call and Short Notice		69,23,000
INVESTMENTS—		
Government and other Trustee Securities	70,08,16,000	
Other Authorised Investments	11,16,18,000	
		81,24 34,000
Advances—		
Loans, Cash Credits and Over drafts, etc.	105,77,44,000	
Bills Discounted and Purchased	21,32,68,000	
		127,10,12,000
Bills Receivable being Bills for Collection as per contra		56,96,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		3,32,000
Premises less Depreciation		1,31,82,000
Furniture and Fixtures less Depreciation		33,81,000
Other Assets (including Inter-Office Adjustments)		1,84,47,000
Total	Rs.	228,45,12,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits. Outstandings@		3½% Ten-year Treasury Savings Deposit Certificates §	
	5-Year		7-Year		12-Year							
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*
1950-51	2,08	5,01	96	2,40	20,67	50,53	97,80	61,36	—	22,32	5,31	5,31
1951-52	1,76	6,10	77	2,91	22,07	66,81	1,07,55	74,18	—	27,55	13,10	18,39
December 1951	13	5,74	6	2,76	1,64	62,58	7,66	67,91	—	26,30	70	16,51
January 1952	13	5,82	7	2,81	1,51	63,62	7,75	68,04	—	26,68	66	17,17
February ,,	13	5,90	5	2,83	1,64	64,79	8,21	68,27	—	27,02	53	17,70
March ,,	29	6,10	10	2,91	2,63	66,31	15,04	74,18	—	27,55	71	18,39
April ,,	14	6,17	5	2,93	2,28	66,56	10,01	76,32	—	27,91	95	19,26
May ,,	12	6,22	8	2,99	2,12	70,22	9,95	77,85	—	28,25	56	20,62
June ,,	12	6,28	6	3,02	1,82	71,64	9,38	80,03	—	28,57	69	21,23
July ,,	15	6,34	10	3,09	2,03	73,14	10,29	82,54	—	28,91	74	21,89
August ,,	14	6,40	6	3,12	1,76	74,45	8,60	83,75	—	29,15	65	22,38
September ,,	10	6,44	3	3,12	1,84	75,73	8,78	84,89	—	29,40	52	22,82
October ,,	11	6,48	5	3,14	1,71	76,77	8,36	85,24	—	29,68	56	23,45
November ,,	10	6,50	4	3,16	1,71	77,99	8,03	85,51	—	29,98	58	23,94
December ,,	8	6,51	3	3,16	1,86	79,34	8,45	85,92	—	30,22	48	24,48
January 1953	..	..	..	..	..	..	..	..	..	..	58	..

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1948 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from 1st June, 1948. § Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)

1. All-India

Group and Sub-Group	Week Ended 28-2-'53	21-2-'53	31-1-'53	1-3-'52
(A) Government and Semi-Government Securities ‡	92.2	92.2	92.1	91.5
1. Government of India Loans	92 3	92.4	92.3	91.6
2. Municipal, Port Trust and Improvement Trust Loans	86.9	86.8	86.6	87.6
(B) Fixed Dividend Industrial Securities	90.0	89.2	90.3	93.3
1. Electricity	78.1	77.0	76.9	74.3
2. Cotton	125.8	125.7	126.6	134.5
3. Jute	80.0	80.2	81.2	82.4
4. Coal	95.2	95.4	94.5	99.2
5. Iron and Steel	83.7	84.2	83.8	85.7
6. Sugar	87.8	87.8	87.8	97.4
7. Paper	85.4	85.4	84.4	91.1
8. Plantations	97.5	98.6	98.1	105.2
(C) Variable Dividend Industrial Securities	105.2	104.5	103.4	120.4
1. Banks	104.1	103.9	101.6	110.3
2. Insurance	96.2	95.9	93.7	105.8
3. Investment Trusts	140.4	140.3	137.9	140.8
4. Electricity Companies and Tramways	82.9	82.8	82.1	85.6
5. Shipping and Other Transport Companies	85.2	85.1	84.1	94.2
6. Railways	76.3	75.9	72.1	81.9
7. Plantations	109.8	109.4	110.4	107.8
8. Cotton Woollen and Silk	130.2	128.3	126.4	161.9
9. Jute	71.0	70.7	72.2	92.8
10. Coal	88.3	87.1	86.1	107.6
11. Mining and Oil	64.5	63.6	65.1	70.0
12. Iron and Steel	131.7	129.9	123.1	151.6
13. General Engineering	145.4	141.6	136.8	160.8
14. Sugar	79.6	78.5	78.8	93.7
15. Breweries	59.7	57.7	53.6	69.1
16. Chemicals	130.9	130.7	122.5	163.8
17. Paper	111.1	113.7	111.9	123.9
18. Cement	141.0	140.0	140.3	143.1

II. Regional

Region and Group	Week Ended 28-2-'53	21-2-'53	31-1-'53	1-3-'52
(A) BOMBAY—				
Government and Semi-Government Securities	92.0	92.0	91.9	91.9
Fixed Dividend Industrials	122.1	122.3	91.7	92.8
Variable Dividend Industrials	124.5	123.3	120.6	132.4
(B) CALCUTTA—				
Government and Semi-Government Securities	92.7	92.8	92.7	91.8
Fixed Dividend Industrials	86.5	86.6	87.6	91.0
Variable Dividend Industrials	92.7	92.1	91.4	106.3
(C) MADRAS—				
Government and Semi-Government Securities	91.9	91.9	91.8	90.6
Fixed Dividend Industrials	102.4	103.1	102.7	110.6
Variable Dividend Industrials	127.1	127.0	126.8	152.6

*Source: Department of Research and Statistics, Reserve Bank of India.
‡ Including Part 'B' State Loans.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,883	12,806,704
1951	1,071	691,321	3,818,928
August 1950	75	240,518	2,945,978
September	71	249,445	4,954,161
October	78	288,849	2,266,894
November	84	56,736	813,337
December	68	41,061	463,716
January 1951	120	93,696	370,990
February	61	44,025	205,660
March	79	47,723	317,869
April	120	95,747	331,232
May	109	56,604	277,314
June	146	93,446	448,268
July	130	72,454	671,705
August	108	64,084	289,907
September	88	24,777	93,109
October	108	67,396	190,761
November	125	64,147	189,374
December	113	76,196	365,149
January 1952†	95	105,831	674,340
February *	88	63,180	215,007
April ,,	87	42,450	142,493
May ,,	134	59,437	234,346
June ,,	114	80,093	254,385
July ,,	101	59,381	257,062
August* ,,	82	40,754	171,283
September* ,,	87	48,507	145,475
October* ,,	96	57,875	460,552
November ,,	94	77,639	347,684
December ,,	83	47,902(a)	266,234(a)
1952	74	25,972	1,48,770

† Figures for 1952 are provisional * Revised.
(a) Not known in five cases.

ELECTRIC ENERGY : GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51	545	5,279.9	4,225.9
1951-52	573	5,948.1	4,849.0
July 1951	541	501.2	408.8
August ,, ,,	546	507.7	412.0
September ,, ,,	551	506.8	409.7
October ,, ,,	554	494.5	403.4
November ,, ,,	556	506.9	412.8
December ,, ,,	557	491.7	409.8
January 1952	561	500.9	414.3
February ,,	568	500.8	409.7
March ,, ,,	571	480.7	391.0
April ,, ,,	573	481.8	392.9
May ,, ,,	577	488.8	392.8
June ,, ,,	581	514.4	413.1
July ,, ,,	583	500.1	408.8
August ,, ,,	588	534.0	429.7
September ,, ,,	592	531.6	428.7
October ,, ,,	597	530.3	430.6
November ,, ,,	599	540.2	441.5
	605	529.7	436.4

* Excluding railway, military and factory power stations; Chola Power Station, being interconnected with the Tata Power System, has been included. § including purchases from non-electric utilities.
‡ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	21st Feb., 1953	14th Feb., 1953	23rd Feb., 1952	January, 1953	January, 1952	Percentage of increase (+) or decrease (—) in Jan., 1953 as compared with Jan., 1952	1952	1951
Food Articles	381.0	359.9	383.5	357.0	393.0	— 9.2	359.8	409.8
Cereals	427	431	462	434	465	— 6.7	450	483
Pulses	627	609	469	595	503	+17.1	483	506
Other	284	231	223	223	273	—18.3	225	299
Industrial Raw Materials	443.9	437.9	527.6	427.6	580.6	—26.4	453.8	602.2
Fibres	408	401	571	399	617	—35.3	454	622
Oil seeds	536	521	511	488	609	—19.9	484	578
Minerals	454	470	462	460	451	+ 2.0	458	424
Others	362	366	403	371	425	—12.7	341	533
Semi-Manufactures	348 2	347.9	359.2	344.3	369.3	— 6.8	346.5	377.5
Leather	429	421	346	408	323	+25.7	345	453
Mineral oils	223	223	248	223	211	+ 5.7	221	197
Vegetable oils	603	599	509	413	607	—27.0	459	579
Cotton yarn	439*	441*	498	439*	495*	—11.3	465*	493
Metals	227	222	203	228	206	+10.7	211	197
Oil Cakes	416	417	493	406	487	—16.6	440	599
Others	211	261*	249	250	321	—22.1	278	380
Manufactured Articles	388.5	387.3	392.2	385.8	400.8	— 3.8	377.5	395.5
Textiles	407	405	453	400	471	—15.1	423	468
Jute	394	389	540	388	802	—51.6	506	803
Cotton	408*	406*	410*	406*	410*	— 1.0	401*	409*
Rayon and Silk	485*	476*	532*	425*	532*	—20.1	435*	611*
Woollen	297	297	388	280	388	—27.8	346	378
Metal products	336	336	306	342	295	+15.8	321	285
Others	288	288	302	288	304	— 5.3	298	300
Miscellaneous	586.8	602 0	700.3	629.0	735.0	—15.6	635.6	729.8
All Commodities	381.7	380.7	407.4	377.5	430.3	—12.3	388.9	439.3

* Estimated.

WORKING CLASS COST OF LIVING INDICES

Base	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
January 1951	318	239	296	440	376	344	326	134	171	127	158	171
February ,,	321	253	294	441	388	347	327	138	176	129	157	169
March ,,	332	268	301	439	390	356	329	138	174	139	157	166
April ,,	335	270	304	440	391	365	333	139	173	140	159	166
May ,,	335	278	314	443	394	374	335	140	176	141	158	166
June ,,	337	271	313	447	394	382	337	144	178	138	158	169
July ,,	333	270	318	454	394	385	337	145	182	140	155	173
August ,,	328	261	322	459	392	387	338	146	181	143	161	171
September ,,	325	253	319	470	389	375	340	144	179	150	161	170
October ,,	332	254	323	469	393	375	336	144	181	145	165	171
November ,,	333	252	325	464	397	374	337	147	182	155	168	165
December ,,	337	252	325	449	397	370	337	144	181	150	166	158
January 1952	331	246	323	442	393	357	338	142	179	147	162	156
February ,,	334	241	318	441	382	343	336	141	175	145	155	155
March ,,	313	229	300	412	378	340	333	136	177	140	150	145
April ,,	345	262	321	415	377	339	326	145	169	139†	153	144
May ,,	339	264	310	412	376	339	327	148	169	143†	153	143
June ,,	325	253	319	470	380	354	342	150	171	141†	153	148
July ,,	330	263	304	456	377	354	331	143	175	143†	154†	155
August ,,	340	267	312	468	380	369	330	143	176	149†	153†	157
September ,,	341	269	310	463	381	364	328	145	178	144†	155†	150
October ,,	345	274	311	466	381	369	327	144	179	143†	155†	150
November ,,

MARKET REPORTS

(*Concluded from page 465*)

Meerut Rs. 29-4, Muzaffarnagar Rs. 30, Patna Rs. 30-14, Calcutta Rs. 29-4, Gauhati Rs. 32-8, Cocanada Rs. 31-8, Madras Rs. 32, Bombay Rs. 32-14, Bhavnagar Rs. 32, Nagpur Rs. 32-4, and Indore Rs. 29-4.

The *gur* markets remained quietly steady.

The latest quotations in the markets are: *Gur*: Ambala Rs. 12-8, Delhi Rs. 14, Amritsar Rs. 13, Jullundur Rs. 12-4, Agra Rs. 14-4, Hapur Rs. 14, Kanpur Rs. 13-9, Meerut Rs. 13-8, Mathura Rs. 12-10, Muzaffarnagar Rs. 13-8, Patna Rs. 12-14, Calcutta Rs. 13-14, Gauhati Rs. 16-4, and Madras Rs. 19.

METAL PRICES DECLINE

(From Our Own Correspondent)

CALCUTTA, *10th March*

The news of Marshal Stalin's death affected sentiment in the metal market in a pronounced manner during the week under review, and the consequent bearish influence resulted in a decline in prices. Even at the lowest levels, consumers' interest was only limited. Electrolytic copper was quoted at Rs. 185, but consumers paid more attention to copper scrap which was bought at about Rs. 167. The fire-refined copper ingots were priced at Rs. 170. Although the copper supply position should by no means be considered satisfactory, consumers noted reports that a fair tonnage was expected to reach India shortly. On the expectation that prices would ease further, they were reluctant to enter into commitments.

Tin was far from active and reacted from Rs. 635-8 to Rs. 631. Mercury was quiet at Rs. 518 a flask, and the speculative activity in Bombay did not have any effect in the local market. Antimony remained unchanged at Rs. 200, and the lack of demand was attributed as the main reason why during the last month domestic production was *nil*. Electrolytic zinc declined from Rs. 62 to Rs. 60, and although fair quantities were taken up by consumers the easiness was due to the extremely satisfactory supply position.

MODERATE DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, *10th March*

Export offerings during yesterday's sale amounted to 53,700 packages. Although there was moderate demand, the extent of rise in quotations was insignificant compared to last week. Leaf grades were steady, but accounted for only small gains. As. 1 to As. 2 was gained in prices of clean commons, low mediums and commonest varieties. The prices of Darjeelings remained unchanged. The rates were: best C.T.C. Assam B.P. Rs. 2 to Rs. 2-1 (nominal), medium Assam B.P. Re. 1-9, clean black pekoe Re. 1-7 to Re. 1-7-6, and clean common B.P. Re. 1-8.

Conditions during last week's sale for domestic consumption were very steady, dusts offered aggregating 20,000 packages and other grades 1,500. There was an impressive rise in prices. In the dust market, buyers showed a keen inclination to buy clean black leafy varieties fit for shipment, and prices for these rose by As. 4 above brokers' valuations. There was moderate support for teas possessing autumnal liquors, and prices for best liquoring Assam C.T.Cs., commonest kinds, and bright liquoring Dooars, were pushed up by As. 2. Among the Darjeelings on offer, the flavoury types were taken at improved rates. The rates were: good Assam C.T.C. Re. 1-14, medium Dooars Re. 1-7 to Re. 1-7-6, and medium grainy Assams Re. 1-8-6 to Re. 1-9. The leaf market was firm.

TANNED SKINS STRONG

(From Our Own Correspondent)

MADRAS, *9th March*

There has been no sign of weakness in the hides and skins market. Arrivals have met with ready demand and prices have ruled firm. Buyers have paid enhanced prices, especially for medium and heavy weight kips and also for cow calf. Locally, sellers are firm and prices rule at 2d. above importers' levels. Tanned buff calf and buff heavies have remained steady.

In the tanned skins section, prices of sheep skins have advanced sharply, probably due to speculative buying, and of goat skins by As. 2 due to enquiries from the U.S. and the Continent. Prices in the next London auctions, which commence on the 23rd inst., are expected to rise, and the quantities available for sale are 260,000 tanned goat skins and 460,000 sheep skins.

HEAVY ARRIVALS OF HIDES

(From Our Own Correspondent)

CAWNPORE, *8th March*

During the week under review the local hides and skins market was featureless. Keeping in view the present day standards the fresh arrivals were considerable. These were readily disposed of through transactions mainly with the local tanners. The Madrasee dealers were eager buyers of lower grade cow, goat and sheep. The latest quotations are as follows:

Wet salted cow, first grade: Rs. 400, second grade: Rs. 300 and third grade: Rs. 280 per score; wet salted buff, first grade: 1 lb. 10 ozs. and second grade: 2 lbs. 4 ozs. per rupee; goat, first grade: Rs. 240, and second grade: Rs. 210 per 100 pieces; and sheep: Rs. 250 per 100 pieces.

LINSEED PRICES EASE

(Messrs. A. Bradley & Co.)

CALCUTTA, *9th March*

Prices have been somewhat easier during the past week with the undertone of the market rather dull; the daily turnover has been fair. Buyers are in the market for forward as well as ready deliveries to cover their immediate needs and sellers have been fairly keen at more attractive rates. There have been fair enquiries from local buyers for oil and crushers have, therefore, come into the market; there are no fresh enquiries from overseas buyers. The latest quotations are as follows:

Ready Rs. 20-4, March Rs. 19-8, April Rs. 19 and May Rs. 18-8 per maund.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Year ended 31st March, 1949	917,800	906,700	671,000
Do. 31st March, 1950	10,41,700	927,500	720,000
Do. 31st March, 1951	11,15,200	10,62,100	7,76,500
Do. 31st March, 1952	11,30,000	10,57,100	7,99,200
Do. Eleven months ended February, 1953	10,60,600	9,75,300	7,26,300
January 1951	1,01,300	97,900	67,700
February ,,	87,700	82,200	68,300
October ,,	94,100	88,800	63,800
November ,,	92,700	85,200	65,900
December ,,	1,02,800	97,900	69,100
January 1952	99,800	96,700	71,400
February ,,	94,000	82,600	67,000
October ,,	99,400	90,100	67,200
November ,,	1,03,500	98,700	68,700
December ,,	96,200	91,400	69,700
January 1953	1,02,400	95,500	69,900
February ,,	92,400	82,000	61,700

SEA- AND AIR-BORNE TRADE : INDIA.

Particulars	October,		Seven Months. April to Oct.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:—				
Foodstuffs	6,74	25,06	136,58	134,78
Raw materials	14,65	11,87	115,94	132,08
Manufactures	21,68	27,70	167,18	196,61
Other items	26	30	2,88	2,18
Total Imports*	43,33	64,93	422,53	465,65
Exports :—				
Foodstuffs	17,13	13,23	85,10	86,49
Raw materials	11,72	7,40	86,05	88,41
Manufactures	23,53	25,41	167,59	245,82
Other items	31	24	2,31	1,84
Tota Exports	52,69	46,28	341,05	422,56
Total Re-exports	66	21	2,75	10,69
Balance of trade in merchandise	+ 10,02	— 18,44	— 78,78	— 32,40
Balance of transactions in private treasure	..	— 1	— 4	— 7
Total Visible Balance of Trade	+ 10,02	— 18,45	— 78,77	— 32,47
Imports :—				
Total Cwealth Countries	20,19	21,34	156,88	169,78
Total Foreign Countries	23,14	43,59	266,15	296,87
Exports:—				
Total Cwealth Countries	24,51	26,83	159,76	219,55
Total Foreign Countries	28,18	19,45	181,29	203,01

* Excludes value of certain special imports of foodgrains and stores, full particulars of which are not yet available.

LAND-BORNE TRADE : INDIA

Particulars	October,		Seven months April to Oct.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	60	2,13	15,29	11,58
Imports	3,45	7,30	12,30	55,40
Balance of trade in merchandise	— 2,85	— 5,17	+ 2,99	— 43,82

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	103 ⅜
4 ½ Bonds	1926-33	63,30,26,000	1960-70	101¼
4 ½ Loan	1938-39	1,16,17,46,000	1963-65	92⅛
3 ½ Loan	1943	1,14,60,58,000	1953-55	100⅛
3 ½ Loan	1950	30,33,10,000	1964	92⅛
3 ½ Loan	1943	1,10,11,78,000	1966-68	90⅛
3 ½ V. Loan	1944	1,14,06,89,000	1957	98⅛
3 ½ Loan	1945	1,15,05,83,000	1970-75	86⅛
3 ½ Loan	1945	13,65,64,000	1959-61	96⅛
3 ½ Loan	1951	50,00,00,000	1958	98⅛
2½ ½ Loan	1946	45,63,07,000	1960	93⅛
2½ ½ Loan	1946	57,00,69,000	1961	90⅛
2½ ½ Loan	1946	35,06,06,000	1954	98⅛
2½ ½ Loan	1946	14,77,48,000	1962	82⅛
2½ ½ Loan	1947	75,86,72,000	1962	91⅛
2½ ½ Loan	1948	60,45,01,000	1955	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,36,000	At option of Government after three months, notice On September, 1986 or later at option of Government after three months, notice	83⅛
3 % Loan	1946	48,91,90,000		83⅛
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,85,66,000	1954-59	100⅛
4½% Loan	1928	5,85,20,000	1958-68	105⅛
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	18th Sept. 1955	98⅛
3 % Bombay	1943	3,50,00,000	15th Sept. 1956	98⅛
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97⅛
3 % Bombay	1949	6,00,00,000	1st Aug. 1962	92⅛
3 % Bombay	1950	3,00,00,000	1st July 1960	94⅛
3½ % Bombay	1951	3,00,00,000	17th Sept. 1962	98
3½ % Bombay	1952	3,50,00,000	1st Aug 1964	101⅛
3 % Cochin	1943	30,00,000	1st Oct. 1953-55	98⅛
3 % Cochin	1951	1,00,00,000	16th Dec. 1955-58	98⅛
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95
3 % Madras	1938	1,42,08,300	15th Sept. 1953	100-0⅛
3 % Madras	1939	1,29,76,600	21st June 1958	95⅛
3 % Madras	1942	1,23,25,000	18th Sept. 1955	98⅛
3 % Madras	1943	1,25,10,000	14th Sept. 1956	98⅛
3 % Madras	1944	1,08,00,000	15th Aug. 1958	96⅛
3 % Madras	1945	2,82,19,000	14th Sept. 1960	94⅛
3 % Madras	1946	3,90,93,200	1st Sept. 1961	90⅛
3 % Madras	1950	4,47,00,000	31st July 1960	94-3⅛
3½ % Madras	1951	3,00,00,000	17th Sept. 1962	97⅛
3½ % Madras	1952	5,00,00,000	1st Aug 1964	100⅛
3 % Mysore(f)	1930	1,63,44,300	1st Nov. 1955	105⅛
3 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100-0⅛
3 % Mysore(f)	1936	5,99,72,900	30th April 1956-61	98⅛
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	98⅛
3 % M.P.	1942	50,00,000	18th Sept 1955	98⅛
3 % M.P.	1943	50,54,200	14th Sept. 1956	98⅛
3 % M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 % M.P.	1948	2,03,00,000	15th Sept. 1964	91⅛
3 % M.P.	1950	1,00,38,800	31st July 1960	94⅛
3½ % M.P.	1951	1,00,00,000	17th Sept. 1962	97⅛
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅛
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	98⅛
3 ½ Travancore	1944	3,00,00,000	15th May 1952-54	98⅛
3½% Travancore	1936	50,00,000	16th Aug. 1956	99⅛
3 % U.P.	1936	1,69,39,800	15th Sept. 1961-66	90⅛
3 % U.P.	1944	3,23,96,800	1st Aug. 1958	96⅛
3 % U.P.	1945	2,36,31,900	14th Sept. 1960	94⅛
2½ % U.P.	1946	2,41,19,800	1st Sept. 1961	95⅛
3½ % U.P.	1951	2,00,00,000	17th Sept. 1962	97⅛
4 % U.P.	1952	2,00,00,000	1st Aug. 1962	100⅛
3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1962	98 N
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	97⅛
75,00,000	4	1908	1969	
40,00,000	4	1909	1970	
56,50,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
15,75,176	4½	1913	1960	D
80,00,000	4	1913	1974	99⅛
88,25,000	4	1914	1975	99⅛
11,51,000	4½	1914	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	D
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,50,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	

STERLING LOAN

£1,600,000	6	1922	1952	£101½

CALCUTTA

Rs.				Rs.
90,24,300	4	1914	1974	97⅛
76,96,100	4	1915	1975	97⅛
68,02,300C	3½	1921	1981	79N
1,50,00,000C	6½	1921	1981	144N
1,24,04,300	5	1925	1955–85	103
98,21,600	5½	1926	1956–86	104
99,84,500B	5	1926	1956–86	103
1,49,49,500B	5	1927	1957–87	103⅛
1,49,30,000	5	1928	1958–88	104
80,00,000	4½	1931	1991	92⅛
21,75,000C	3	1933	1954	95
50,00,000C	3½	1933	1953–55	98⅛
25,00,000	3	1938	1963–68	88
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82⅛
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78⅛
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94⅛
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79N
1,50,00,000	3½	1951	1961	97⅛

STERLING LOANS

£892,600	5	1923	1953–83	£83
£901,000	5	1924	1954–84	£85
£835,100	5½	1932	1962	£96

MADRAS

Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
5,42,951	5	1918	1982	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug.				
3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	

STERLING LOAN

£330,000	5½	1923	1953	£100

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotations
BOMBAY				
Rs.				Rs. 100
50,00,000	4	1899	1959	
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	97⅛
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	97⅛
18,00,000	4	1913	1973	
40,00,000	4	1914	1974	
25,00,000	4	1916	1976	113
40,30,000	5	1919	1957–79	
66,00,000	6	1920	1955–80	115
25,00,000	6	1926	1956–86	98
25,00,000	6	1927	1961–70	96
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95
£333,000	4	1910	1970	£95
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	107
25,00,000	5½	1929	1959	94
50,00,000	4	1934	1964	89
35,00,000	3½	1935	1965	89
30,00,000	3	1936	1966	90
50,00,000	3	1937	1962	88
20,00,000	3	1938	1963–68	88
80,00,000	4	1952	1962	100
STERLING LOANS				
£700,000	5½	1923	1953	£100

MUNICIPAL LOANS

BOMBAY				
Rs.				Rs.
43,00,000	4	1888–91	1953	100
49,40,000	4	1917–18	1954	100
20,60,000	4	1913–15	1954	100
20,00,000	4	1913–15	1955	103
10,00,000	5	1919	1980	103
1,60,00,000	6	1919–24	1958	105
25,00,000	5	1919–27	1958	105
26,14,000	5	1919–28	1949–59	105
8,45,500	5	1919–29	1959	105
26,21,500	5	1919–27	1959	105
8,25,00,000	3½	1941–57	1977	92
2,50,00,000	3½	1943–59	1979	92
2,50,00,000	4	1952–59	1964	100
Rs.				Rs.
34,45,500	6½	1923	1955	104
84,70,000	5	1925	1955	103
36,00,000	5	1928	1958	103
25,00,000	5	1929	1959	103
16,33,000	5	1930	1960	103
10,00,000	5½	1932	1962	103
33,91,000	3½	1935	1965	90
5,19,000	3	1936	1966	90
60,00,000	3	1936	1966	90
1,46,100	3	1936	1954	90
3,11,400	3	1937	1954	90
1,67,100	3	1937	1954	90
1,62,500	3	1937	1954	90
4,18,100	3	1937	1954	90
47,50,000	3	1938	1965	90
10,67,700	3	1938	1955	90
15,56,800	4	1939	1956	90
13,56,800	4	1940	1957	90
17,64,400	3½	1942	1972	90
21,10,000	3½	1942	1972	90
15,49,000	3½	1951	1961	90
16,33,000	3½	1951	1961	90
66,88,000	3½	1951	1961	90
STERLING LOAN				
£5,000,000	6	1923	1953	£100
MADRAS				
Rs.				Rs.
5,00,000	4	1903	1953	100
5,00,000	6	1923	1953	100
3,40,030	7	1925	1955	100

ABBREVIATIONS.—M = Held by Government of Madras. N = Nominal. I = Various Issues repayable to Go
B = Taken up by Imperial Bank of India. D = Domestic Loan not marketable. C = Held by Commissioners. * Loans held entirely
(a) This includes the amount of loan converted into First Development Loan 1970-75. (f) Income-tax free. A = Held by Government
Rate of interest reduced from 6 to 5 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935. ** Quotations in Pak. Currency.

PREFERENCE SHARES

Company	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	129	100
BREWERIES AND SUGAR						
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	78	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	140	100
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do	15,00,000	1946	5(a)	Dec. ..	70N	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	117	100
†East India Distilleries	£200,000	1897	7	Jan. July	Sh. 15⅜	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	63	100
Do. (Non-redeem.)	5,00,000	1946	7B	Dec. ..	63	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15xd	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	97	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	70	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	75N	100
Travancore	15,00,000	1946	5c	Dec. ..	6½	10
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	114½	100
Berrea	4,00,000	1896-97	6½	Oct. Apr.	113	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	117	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	7½	10
Equitable	4,00,000	1895	6	Mar. Sept.	115	100
Karanpura Collieries	7,50,000	1946	5½(a)	.. ..	82	75pp
†Khas Kajora	1,93,000	1931	5	Mar. Sept.	11N	10
New Beerbhoom	2,00,000	1930	7	Jan. July	11½	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	110	100
COTTON						
Ahmadabad Advance	10,00,000	1939	5	Apr. Oct.	108⅜	100
Bangalore	6,00,000	1884	6	Jan. July	137	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	6½	10
Benares Cotton	1,05,200	1919	7	July Jan.	55	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	117½	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	128	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	80	100
Bradbury	14,75,000	1919	7	June Dec.	312½	250
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	142½	100
Cambodias	1,00,000	1928	7	Apr. ..	131½	100
Central India	50,00,000	1912	5	Apr. Oct.	510	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	130½	100
Elgin	11,00,000	1913	8	May Nov.	139½	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	10	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	96½	100
Easoram	20,00,000	1919	7	June Dec.	115	100
Khatau Makanji	10,00,000	1923	6	Nov. ..	—	100
Do. (2nd)	29,92,508	1947	4	.. ..	85	100
Kothari	12,00,000	1937	6	Nov. ..	10½	10
Lakshmi Cotton (Bombay)	16,00,000	1894	5(a)	.. ..	235	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	January ..	72	100
Muir Mills	30,00,000	1909	6	Jan. July	108	100
Mysore Spg.	7,45,050	1944	4½	.. ..	—	100
New Great	8,00,000	1913	5½(a)	Mar. ..	185	200
New Victoria	26,05,500	1920	6	Apr. Oct.	3⅜	5
Podar Mills	16,00,000	1943	4	Feb. ..	80	100
Rajalakshmi	2,00,000	1932	6½	Apr. ..	56	50
Shree Niwas Cotton	4,80,000	1944	4	.. ..	—	100
Sholapoor	32,00,000	1943	3(e)	.. ..	80	100
Swadeshi	15,00,000	1935	5	Apr. Oct.	110	100
Swadeshi (Kanpur)	35,00,000	1927	6	June ..	87½	100
Vasanta (1st)	3,00,000	1931	6½	Apr. Oct.	121½	100
Do. (2nd)	1,50,000	1938	6	.. ..	111½	100
Vishnu	15,66,500	1908	7(a)	Apr. ..	553⅛	500
ELECTRICS						
Andhra Valley Power Supply	49,34,000	1917	7(a)	May Nov.	1,170	1,000
Calcutta Electric	£1,900,000	1909–11	5(f)	June Dec.	12½	£1
Dacca Electric	6,00,000	1940	6	Dec. ..	9	10
Nasik-Deolali Electric	1,00,000	..	7	Mar. ..	—	100
Paona Electric	4,00,000	1935	7(a)	June Dec.	103⅜	100
South Arcot	2,00,000	1933	6	Jan. July	95½	100
South Madras (1st)	6,00,000	1940	5½	.. ..	10⅜	10
Do. (2nd)	8,00,000	1940	5½	July Nov.	9⅜	10
Surat Electric Co.	5,00,000	1939	6½	Apr. ..	127½	100
Tata Hydro-Electric Power	89,28,000	1907	7(a)	May Nov.	131½	100
Tata Power	89,28,000	1918	7½(a)	May Nov.	1,250	1,000
Vallora	1,25,000	1928	6	Mar. Sept.	5½	10
Visag.	1,00,000	1933	6½(a)	Sept. ..	82½	100
ENGINEERING						
Arthur Butler (Mozaffarpore)	1,30,000	1919	7	Mar. ..	8½	10
Burn & Co., Ltd. (1st)	13,00,000	1895-98	7	Feb. Aug	127½	100
Do. (2nd)	15,00,000	1902	6	Feb. Aug	112	100
Indian Iron and Steel Co., Ltd.	1,50,00,000	1950	5	Dec. ..	108½xd	100
Indian Standard Wagon	19,66,500	1918	7	June ..	124	100
Jessop	4,90,950	..	5½	.. ..	9½	10
†††Kumardhubi Engin.	10,00,000	1941	5	May Nov.	106	100
Larsen and Toubro Ltd.	12,00,000	1915	5	June Dec.	97	100
MacKenzies (1st)	13,00,000	1946-47-51	5	.. ..	85	100
Premier Construction (1st)	5,50,000	1907	5½	.. ..	80	100
Do. (2nd)	10,00,000	..	6½(a)	.. ..	98½	100
Do. do. (2nd)	15,00,000	1936	6½(a)	.. ..	94	100
Do. do. (3rd)	56,25,000	1947	4½(a)	.. ..	58	10
Steel Products	3,00,000	1917	5	.. ..	11½N	10
Tata Iron and Steel (1st)	75,00,000	1908	5	Nov. ..	178½	150
Do. do. (2nd)	6,93,81,900	1908	6(a)	May ..	131½	100
JUTE						
Agarpara	10,00,000	1927	7	Jan. July	121	100
Alliance	9,00,000	1909	7	May Nov.	102½xd	100
Anglo-India	9,00,000	1905	7	Feb. Aug.	103	100
Auckland	15,00,000	1895	6	Mar. Sept.	102	100
Do. (2nd) (i)	40,00,000	1917	7	May Nov.	118	100
Baily	10,00,000	1909	5½	May Nov.	97½xd	100
Baranagore	15,00,000	1943	4½	June Dec.	76½xd	100
Bhatta	20,

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. G=Guaranteed shares. P=Preference shares. P.O.=Preferred Ordinary shares. R=Rebate shares. Y=Accounts published yearly. H=Accounts published Haf-yearly. Q=Accounts published once 15 months. T=Company has Debentures. R.L.=Reserve Liability on shares. N=Nominal Quotation. i=Interim Dividend. f=Dividend for first half-year, y=Dividend for the year. x=Ex. Dividend c.d.=Cum. Dividend.

Shares:—If a company has different classes of shares—as, for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under "Paid-up Per Share."

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12 indicate the months of June and December, respectively. 'Reserves' includes general and other reserves and all other funds which a company may have as also depreciation on block items, when this is charged to separate account "Block" represents actual cost of land, buildings, machinery, and all such other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends:—Dividends for completed years are calculated at per cent. per annum, but, where quoted for portion of a year, they represent percentages of the dividend on the paid-up share value. For companies closing the books half-yearly in the first three months of the year, and for companies closing their books yearly during the first half of the year dividends are shown as for the previous year.

COTTON MILLS

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	¶Number Installed: Spindles	¶Number Installed: Looms	Mill	Latest Available Quotation.	Paid-up Per Share	Dividends (per cent.): 1949	1950	1951	1952	Accounts closed	Reference
Rs.	Rs.	Rs	Rs.					Rs.	Rs						
BOMBAY CITY AND ISLAND															
50,00,000	59,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	2–11½	2	12½	12½	15½		12	Y.
40,00,000	96,25,655	1,22,39,883	45,646	B. R. Sons, Ltd.	50,828	1,021	Behartal Ramcharan Cotton Mills	48½	100	6	6	—		3	T.P.Y.
2,50,98,000	4,84,93,400	3,45,45,592	2,49,666	Nowrosjee Wadia & Son, Ltd.	1,82,072	4,855	Bombay Dyeing, etc.	399½	250	16	7	8		12	Y.
10,00,000	68,56,275	52,02,609	2,39,868	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	750	250	24	40	40		3	P.Y.
1,09,42,800	3,39,71,172	2,24,04,685	2,02,457	Birla Bros., Ltd.	1,09,320	2,706	Century	285	100	15	18	20		12	Y.
49,00,000	76,78,063	1,06,30,358	5,066	V. J. Pilani, Esq. (Chairman)	39,408	698	Colaba Land & Mill	73½	100	—	—	4		12	Y.
26,00,000	47,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd.	27,308	680	Coorla	50¾xd	100	7½	7½	7½		3	
16,00,000	61,03,791	61,88,798	2,30,356	Ramnarain Sons, Ltd.	38,304	..	Dawn	65½	50	4	—	12		12	Y.
34,00,000	78,85,000	63,06,555	91,036	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	238½	200	7½	7½	7½		12	Y.
25,00,000	82,92,517	1,09,92,288	64,188	Chidambaram, Mulraj & Co., Ltd.	44,768	886	Elphinstone	43½	50	10	8	—		12	P.
40,00,000	1,20,24,649	75,61,616	4,37,206	James Finlay & Co., Ltd.	46,072	784	Finlay	314	100	15	15	20		6	P.Y.
50,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	71,608	1,259	Hind Mills	—	10	5½	4½	5½		3	P.Y.
13,00,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co.	45,752	1,022	Hindustan	3,260xd	1,000	17½	20	20*			
2,00,00,000O	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	9–3½	10	7½	7½	25		12	P.Y.
50,00,000D								1–10½	1	12½	12½				
8,65,000	1,33,65,320	98,10,275	7,671	Damodhar Thack. Mooljee & Co.	47,172	1,191	Indian Manufacturing	3,260xd	1,000	17½	20	20*		3	Y.
35,000								—	500					6	P.Y.
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co	77,404	1,517	Khatau Makanjee	191½	100	12	14	10		12	Y.
1,00,00,000	3,30,34,713	2,81,07,386	2,47,768	Killick Industries Ltd.	1,11,464	1,846	Kohinoor	312½	100	27k	18	25*			
28,80,000	62,72,416	4,58,523	11,567	Hall & Anderson Ltd. Props.	61,516	1,742	Madhusudan Mills	80	100A	7½	5			6	Y.
3,60,000B								—	20B						
51,75,000	1,65,94,653	1,71,00,015	2,80,686	Piramal Gangadhar & Others	60,652	1,450	Morarjee Goculdas	182½	100	17	15*	12	10	6	P.Y.
24,00,000	67,21,958	71,22,987	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay	176½cd	100	11	12½	15	10	12	Y.
30,00,000	79,78,659	86,82,525	70,277	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Eastern	165cd	100	6¾	—	10		12	P.Y.
12,70,100	27,38,754	13,13,391**	941	Mafatlal Chandulal & Co.	33,720	873	New Union	22½	10	—	6	10		12	Y.
48,00,000	1,14,83,245	1,34,29,555	2,40,353	Ramnarain Sons, Ltd.	54,208	1,190	Phenix	125½	100	6	10	10		12	P.Y.
40,00,000	45,61,000	23,31,581	1,35,988	Podar Sons, Ltd.	32,600	930	Podar	135	100	9	9	10		12	Y.
5,00,000	27,64,626	29,73,962	3,162	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk	22	10	26½	20	20		12	P.
25,00,000	35,63,793	17,86,230	1,316	M. G. Investment Corpn.	60,240	1,254	Sassoon Spinning	23½	10	—	7½	10		12	P.Y.
60,00,000	93,52,612	65,79,388	3,19,198	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Niwas	180	100	12½	14	17½		12	T.Y.
31,50,000	1,00,00,000	76,05,952	50,222	Forbes, Forbes, Campbell &Co.,Ltd.	36,116	1,276	Simplex	183¼xd	50	28	34	30†		12	P.Y.
36,00,000	1,84,55,730	1,14,25,402	17,129	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard	291½	100	15	15	26×		12	P.Y.
75,00,000	1,97,81,673	92,45,129	70,099	Tata Industries Ltd.	65,040	2,000	Swadeshi	256½	100	14	16	18		12	P.Y.
24,00,000	99,65,496	54,00,802	5,62,977	James Finlay & Co., Ltd.	35,804	552	Swan	420	100	20	20	25		12	P.Y.
32,34,438	92,22,538	68,88,347	25,338	Tata Industries Ltd.	63,248	1,800	Tata	46	25	8	8	16		12	T.Y.
12,00,000	1,17,01,933	86,62,657	4,299	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spinning	3,110xd	1,000	17½	20	20		3	
AHMEDABAD															
20,00,000	84,99,543	51,95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	147½	100	8	12	10		6	P.Y.
24,90,150	1,76,92,721	93,49,718	93,168	Haribalabhdas Kalidas & Co.	73,796	1,383	Shri Ambica Mills	306	50	25	30	36		12	Y.
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Hutheesing & Sons Ltd.	42,768	912	Aruna	402½	100	13*	15*	20*		12	Y.
21,00,000	2,76,11,769	99,37,517	1,37,004	Narottam Lalbhai & Co.	62,448	1,216	Arvind	723½	100	22½	25	25		12	P.Y.
10,00,000	93,20,000	70,77,166	92,811	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning	246½	200	15	15	17½		12	Y.
12,00,000	1,48,97,000	79,36,000		Lalbhai Dalpatbhai & Co.	37,368	912	Asoka	446½	100	15*	17	22		12	Y.
1,24,74,017	3,42,43,180	3,39,18,894	2,89,575	Karamchand Premchand & Co.	1,39,120	2,370	Calico	307½	125	8	10	14–2/5		12	P.Y.
30,00,000	1,00,20,000	83,66,716	748	Tricumlal Bhogilal & Co.	39,316	867	New Commercial	1,030	500	10	11	12		12	
39,00,000	1,17,35,075	88,73,039	19,706	Mafatlal Chandulal & Co.	47,952	864	New Shorrock	531	125	28	28	28		12	Y.
5,00,000	84,57,251	41,66,135	466	Jagabhai Bhoglilal Nanavati & Co.	24,840‡	528‡	Nutan	555	100	25*	28*	28*		12	Y.
10,00,000	1,51,40,293	61,80,292	68,792	Lalbhai Dalpbhai & Co.	31,120	637	Raipur	700	100	22½	25	25		12	Y.
12,00,000	50,40,334	63,41,241	1,09,340	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Rajnagar	160	100	6	6	8		12	Y.
32,50,000	58,29,453	74,07,003	3,873	Lallubhai Gordhandas Ltd.	33,156	648	Rohit	115	100	8	8	9		12	P.Y.
28,00,000	59,44,524	80,38,656	20,958	Haridas Acharatlal & Co., Ltd.	32,816	776	Vijaya	448½	100	11½*		8¾*		12	P.Y.
WEST BENGAL															
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agency Ltd.,	13,044	356	Busanti Cotton	3½	10	—	5	3½		12	P.T.Y
7,11,280	22,53,684	37,16,899	32,931	Bengal Textile Agency Ltd.	28,448	936	Bengal Luxmi	36¾N	40	—	7½	7½		3	Y.
6,00,000	74,31,075	77,07,829	—28,455	K. Bullen & Co., Ltd.	42,872	841	Bowreah	215	100	—	—	—f	—f	6.12	P.Y.
19,00,000	96,49,451	96,66,017	—27,794	K. Bullen & Co., Ltd.	42,944	518	Dunbar	123	100	5½	—	—f	—f	6.12	H.
1,20,00,000	3,29,34,362	3,04,56,320	84,976	Birla Bros., Ltd.	69,352	1,990	Kesoram	20	15	12½	12½	11½‡		3	P.Y.
6,00,000A								—	25	12½‡	7½	7½		12	Y.
33,96,097B	71,09,841	79,53,833	51,255	Chakravarti,Sons[&]Co.	23,484	442	Mohini		10						
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	5	10	9	3	—		12	T.Y.
15,00,000	26,53,246	59,15,375	2,736	Ramlal & Co., Ltd.	50,000	..	Alagappa Textiles	6½	10	—	9	6		12	P.Y.
71,95,030oa	91,90,031	1,69,30,772	27,626	Ind. Trust Fund	19,944	440	Azam Jahi Mills	65	100	15*	5½	6½		9	Y.P.
40,50,000	3,00,10,004	2,73,75,544	2,49,801	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	243cd	100	14½	17½	20	15	6.12	P.H.
27,00,000	71,21,986	69,56,823	40,045	Shaw Wallace & Co., Ltd.	29,936	782	Bengal Nagpur	114	10	5	7½	10	5†	6.12	P.T.H
60,00,000	74,37,942	97,51,247	1,58,253	Binodiram Balchand Ltd.	57,312	1,338	Binod Mills	100N	100	17	7			12	Y.
15,00,000	1,33,79,264	84,27,674	4,60,089	Birla Bros. Ltd.	58N	10	Birla (Delhi)	58N	10	25	25	30		3	H.P.
1,78,47,800	4,09,27,251	5,14,83,572	2,39,790	Binny & Co., Ltd. (Madras)	39,896	998	Buckingham & Carnatic	122½cd	100	6½	6½	7½	4	6.12	P.Y.
20,00,000	32,17,315	27,32,911	55,358	Pairce, Leslie & Co., Ltd.	37,536	4	Cambodia	11½	10	7½	—	12½		12	T.Y.
30,00,000	84,46,347	47,79,878	32,599	Begg Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	8½	5	11½	11½	11½		3.9	P.
46,87,500	2,25,77,600	2,00,84,126	—16,38,224	Tata Industries Ltd.	1,15,188	2,062	Central India	165	100	6	6	2		6	Y.
12,00,000	33,42,813	25,08,393	1,52,180	R. Beema Nayudu & Co.	28,864	..	Coimbatore Cotton	160	100	12½	12½	12½		12	P.Y.
20,00,000	17,94,432	20,04,313	9,816	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills	99	100	7	6			6	Y.
20,76,900	70,83,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	43	50	5	10	—		6	
24,30,900	34,08,672	33,32,938	55,387	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi	189cd	100	25	25	20		12	P.Y.
2,89,84,925	3,84,95,614	5,77,14,605	1,65,862	Bharat Ram, Esq.	75,604	1,830	Delhi Cloth (inc. Lyallpur Mills).	29½	25	4	10			6	P.Y.
1,00,503									2½						
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd.	52,652	1,198	Elgin	17½	10	12½	11½	15		9	P.T.Y.
39,04,700	97,00,000	78,42,395	93,393	F. Forbes Campbell & Co., Ltd.	72,960	2	Gokak	231	100	15	10	14		12	Y.
50,00,000	84,17,977	1,21,16,721	6,989	Govindram Sakseria (Indore)	50,420	1,420	Indore-Malwa United	93½	100	4	4	5		12	T.Y.
8,90,000	22,88,977	18,75,134	487	G. Y. Naidu & Co.	23,784	..	Kaleeswarar	57	50	16	10	15		12	P.Y.
6,50,000	17,20,776	40,18,454	7,477	A. L. A. R. A. Chettiar and another	50,304	325	Kothari	347½	100					12	
24,00,000	25,50,000	43,66,106	54,377	Kothari & Sons	13,824			91	10	7	7½	7½		6	P.Y.
32,00,000	1,52,51,325	1,35,66,651	2,77,976	The Bombay Co., Ltd	53,642	1,213	Lakshmi Cotton	590	250	15	15	20*		12	Y.
35,64,100	90,51,492	78,03,494	7,921	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	72	50	8	8	10		3	
17,82,050A								36	25						
1,75,02,480	5,94,39,299	4,16,07,732	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura	36cd	15	17½	15	20	20	12	Y.
12,00,000	20,47,239	23,90,961	—15,121	A. L. A. R. S. Chettiar and 2 others.	21,856	..	Malabar	150	200	7½	4	5		12	Y.
60,00,000	93,17,047	52,62,343	50,249	W. A. Beardsell & Co., Ltd	24,252	603	Meltur Industries	185	100	25	12½	12½		12	Y.
29,80,884	45,78,954	71,79,459	22,669	N. Sirur & Co., Ltd.	36,416	678	Minerva	95	100	8*	6	6		12	Y.
94,91,850	96,08,512	1,34,73,361	29,643	B. Abirchand Dadabhoy & Co.	49,456	952	Model Mills, Nagpur	145	250	6	3	3		6	P.
30,00,000	1,55,94,651	1,53,39,271	7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir	216	100	24½	—	—		12	Y.
9,71,850	4,06,541	20,43,991	—2,16,536	A. Sambha Moorty, Esq.	69	..	Mysore Silk Filatures	21	10	—	7½	7½		12	P.Y.
19,86,800	1,15,59,739	82,55,416	38,347	N. Sirur & Co., Ltd.	49,632	500	Mysore Spinning	143½xd	50	20	18*	20*		12	Y.
13,61,780	22,98,130	27,85,556	—4,60,000	R. Suryanarayana Rao, Esq	6,000	..	Mysore Spun Silk	42	10	5d	6½	—		3	
22,89,882	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd	50,228	1,148	New Victoria	1½	2½	—	—	—		12	P.T.Y.
3,07,095O									D‡						
86,93,300	1,16,62,352	1,46,35,293	1,161	Ind. Trust Fund	30,896	717	Osmanshahi Mills	95	100	14*	5½	6½		9	P.Y.
4,00,000A	20,47,239	23,90,961	—15,121	Baghyalakshmi & Co.	22,800	..	Palani Andavar	52	50	4	10	16		12	P.T.Y.
15,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills	62	100	4	7½	5		12	Y.
25,30,420	36,19,473	40,65,619	11,306	A. G. G. Naidu & Co.	38,864	200	Radhakrishna	144	100	15	16	16		12	P.Y.
15,00,000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	25,896	..	Rajalakshmi	72	50	9	9	10		12	P.Y.
15,02,500	31,53,264	37,65,211	11,407	P. S. G. Nayudu & Sons	28,972	88	Ranga Vilas	41½	50	6	7	7½		12	
60,00,000	89,59,172	1,04,60,739	5,506	Sir J. P. S. & Sons (Rampur), Ltd.	32,580	600	Raza Textiles	5½	10	—	—	—		12	P.Y.
16,00,000	1,58,55,370	2,03,51,339	—78,03,793	M. J. Divekar, Esq.	82,992	2,234	Sholapur	1,750	1,000	—	—	—		3	Y.
22,41,300	9,49,500	25,98,011	66,528	Gopaldas Liladhar & Co., Ltd	15,824	440	Shree Saijan	75N	100	6	—	—		3	Y.
17,79,700	17,05,383	21,50,229	3,083	T. R. A. Ayyar & Bros., Ltd.	18,416	416	Sitaram	39	60	6‡	—	5		3	Y.
36,69,700	53,91,188	42,29,128	26,556	B. S. Visweswaraiya, Esq.	25,200	292	Sri Krishnarajendra Mills	36½	50	8*	8*	6*		3	Y.
15,00,000	1,30,50,807	64,96,084	58,49,305	Birla Brothers Ltd.	27,340	992	Sutlej Cotton Mills	31½	10	40	40	40		3	P.Y.
17,50,000	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,12,216	2,077	Swadeshi (Cawnpore)	9½	10	5	5	5		12	Y.T.
1,87,50,000P.O.								9½	10P.O.	9	9	9			P.Y.
9,32,990	20,80,396	12,56,097	61,026	M. R. & Sons	16,000	..	Trichinopoly	9½	10	10	10	10		12	P.Y.
21,00,000	53,78,057	44,96,040	38,800	R. K. S. Chetty & Bros.	33,704	270	Vasanta	150	100	7	9	10		12	Y.
32,00,000	1,27,03,612	1,16,39,613	2,69,813	The Bombay Co., Ltd.	54,280	1,495	Vishnu	162cd	100	10	9	14		12	

• Includes Bonus. I. On Increased Capital. ‡ Only Depreciation. ¶ As on 31st August, 1952. †† Does not include depreciation.

× Includes Rs. 6 paid in August, 1952, as a supplementary dividend for the years 1945-46. — Nil Dividend.

† Subject to tax. xd=Ex. Dividend. C.d.=Cum. Dividend.

k) Includes Rs. 11-6 paid out of deferred Dividend Amount. J=As on 1st January, 1953. •• Net Block.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.): 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
ART SILK AND RAYON MILLS													
1,60,42,600	37,92,725	4,15,55,170	4,66,206	Chinai & Co., Ltd.	National Rayon Corporation	79½	100	—	—	—		12	P.Y.
99,92,020	46,91,585	2,65,93,471	4,93,263	Emcete & Sons (Travancore) Ltd.	Travancore Rayons	3½	10	—	—	—		12	P.Y.
BREWERIES AND DISTILLERIES													
13,28,000	65,17,840	96,16,910	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	21½	25	11½	11½Q	—		5	P.Y.
6,64,000						10½	10						
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	6	5	20	10	—		3	Y.
£330,000	£915,047	£1,010,005	£55,705	Parry's Holdings Ltd.	East India Distilleries and Sugar	15½	A 15sh	10	10	10		9	P.Y.
						21½	B 20sh		15	15			
24,00,000	8,54,296	7,56,660	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4	10	—	—	—		8	Y.
6,00,000	21,13,586	12,13,593	3,951	B. A. Mallya Esq.	United Breweries	147xd	75	15	10	20		3	Y.
CEMENT													
$1,19,724	21,33,493	67,56,656	15,850	The Andhra Engineering Co. Ltd.	Andhra Cement Co.	90	100	3½	3½	7½		12	P.Y.
43,14,600	16,94,310	17,14,992	1,01,035	Eastern Corporation Ltd.	Assam Bengal Cement	4½	10	5	—			3	Y.
4,70,976D						½	1						
10,56,20,438	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.	Associated Cement Companies	173½xd	100	7	8½	9½	9½	7	Y.
10,56,20,438													
86,49,312	95,24,901	1,45,62,309	61,188	Hari Bros. Ltd.	Dalmia Cement	6½	10	—	5	6½		12	Y.
5,00,000D						½	1						
61,01,180	27,27,600	1,26,09,755	90,853	Essen Ltd.	India Cements Ltd.	17	25	—	—	5		3	P.Y.
7,50,000D						3–6½	5						
75,00,000	1,46,20,109	1,65,80,416	81,840	Martin Burn Ltd.	Sonevalley Portland Cement	7½	5	1	4	8		12	Y.
CERAMIC; MINING AND QUARRYING													
31,70,655	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2½	2½	2½	5	6½		12	Y.
10,00,000	37,00,990	51,64,271	28,729	Bird & Co.	Bisra Stone Lime Co.	29	10	16½	17½	17½		3.9	H.
38,00,000	17,91,749	50,93,341	12,332	Ram Kumar Agarwala & Bros.	Chrestien Mica Industries	10½	10 O	10	10	5†		12	P.Y.
19,00,000D						7½	5 D	15	15	7½†			
£914,200	£1,650,110	£1,643,983	£85,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3½xd	2sh.	12½†	12½†	12½		12	Y.
15,00,000	38,79,403	43,65,527	1,29,079	Bird & Co., Ltd.	Karanpura Development	14½	10	—	—	—		6.12	H.
8,00,000F							10	—	—	—		6.12	H.
6,00,000	6,40,199	7,98,882	9,812	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	9½	10	5½(d)	10	10		3	Y.
10,00,000	37,28,402	31,47,718	74,275	Bird & Co., Ltd.	Orissa Minerals	29½	10	6½	6½	12½	15f	6.12	H.
6,00,000	24,28,739	25,13,779	27,403	Andrew Yule & Co.	Reliance Firebricks	17	10	10	10	11½		2.8	H.
6,99,390	20,61,475	17,98,676	3,427	Killick Industries Ltd.	Shivrajpur Syndicate	6½	10	15	17½	35		11	Y.
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	23,14,270	1,02,937	S. V. S. Iyer, Esq.	Kemp & Co.	245xd	200	80	10	10		3	Y.
92,14,870	55,77,268	2,53,78,334	8,595	Tata Sons, Ltd.	Tata Chemicals	9½	10	—	—	—		6	T.Y.
1,12,500	1,38,486	61,178	4,101	B. D. Nagar, Esq.	Thompson & Taylor	4½	3	8½	8½			3	Y.
Other Centres													
25,00,000	54,68,041	63,66,814	59,559	Bhailal Amin & Sons., Ltd.	Alembic Chemical Works Co.	100½	100	—	8	8		12	Y.
62,00,000	1,07,29,152	2,20,10,944	2,51,870	Imperial Chem. Industries (India), Ltd.	Alkali and Chem. Corpn. of India	13⅜	10	—S	4	6		9	Y.
82,84,700'B'.O.	68,00,287	74,49,287	10,67,480	S. P. Sen, Esq.	Bengal Chemical & Pharm.	106	100	6	8			4	Y.
21,50,000	45,64,469	38,97,031	1,09,732	Sahu Bros. (Saurashtra) Ltd	Dharangadhra Chemicals	165	100	6	6	15	15	5	Y.
4,95,000	1,50,922	1,53,108	—21,738	D. C. Collaco, Esq.	Frank Ross & Co.	2½	6	5†	4½	—		2	P.Y.
3,45,97,740	86,39,264‡	4,01,40,091	—10,82,735	Shahanayee Bros. (Travancore) Ltd.	F.A.C.T.	3-7½	10	—	2½	—		12	Y.
40,49,345	30,74,302	83,46,263	21,842	Seshasayee Bros. Ltd.	Mettur Chemicals	4½	10	—	—	3½		5	Y.
24,81,220	34,32,111	40,15,501	14,741	E. V. Ganapati Iyer, Esq.	Mysore Chemicals and Fertilisers	7⅜	10	4½	9	9		5	Y.
1,00,000	6,18,752	4,52,143	29,283	Krishna & Co.	Mysore Chemical Mfrs.	12	10	3½	12½	10		3	P.Y.
5,00,000	19,82,894	15,88,659	48,158	C. A. Buxton, Esq.	Smith, Stanistreet & Co.	5½	5	10	13	10		6	P.Y.
ELECTRICS (Bombay Presidency)													
5,24,68,240	1,92,18,232	7,57,55,041	3,319	Killick Industries Ltd.	Ahmedabad Electricity Co. Ltd.	115	100	8	8	6½	6½	9	T.Y.
2,12,77,000	2,28,03,288	5,23,55,938	35,587	Tata Hydro-Electric Agencies	Andhra Valley Power Supply Co.	1,421½	1,000	7½	7½	7½		6	P.T.Y.
1,24,97,300	56,55,204	1,51,38,887	1,642	Killick Industries Ltd.	Bombay Suburban Electric Supply	124½	100	7	7	7		3	Y.
7,07,020	4,23,681	10,27,284	41,705	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	6¼	10	3¼	2.96			12	P.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
OIL; PETROL, ETC.													
£750,000	£987,630	£257,232	—£718,934	I. C. H. Glass, Esq.	British Burma Petroleum Co.	1-2½	4sh.	—	—	—		3	P.Y
22,50,000	81,89,204	52,69,225	1,85,555	N. C. Alcock, Esq.	British Ceylon Corporation	14½xd	7½	20†	24†	32†		12	P.W.
1,00,00,000	2,27,04,997	1,10,70,867	2 10,329	Steel Brothers & Co.	Indo-Burma Petroleum Co.	51	40	10	10	10		12	P.Y.
70,07,475	1,02,93,586	1,52,15,713	10,092	Tata Industries Ltd.	Tata Oil Mills	35½	25	6	8	8		3	P.Y.
6,00,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tide Water Oil Co. (India)	16½	10	15	15	17½	5f	4.10	H.
PAPER													
45,00,000	1,56,25,500	1,94,47,651	3,21,991	Belmer Lawrie & Co.	Bengal Paper Mills	44½	25	10	10	12½	6¼f	6.12	P.T.H.
30,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	152½	100	7	10	11	3f	3.9	H.
25,00,000	48,30,215	47,91,895	52,615	P. R. Balakrishnan, Esq.	Mysore Paper Mills	12-14½	10	5d	7½	10*		3	Y.
41,95,000	2,47,61,003	3,22,48,806	1,68,019	Birla Bros., Ltd.	Orient Paper	33½	10	15	25	20		3.9	P.T.H.
30,06,895	1,10,93,378	84,10,902	1,86,914	Karamchand Thapar & Bros., Ltd. ..	Shree Gopal Paper Mills	17½	10	9½	11½	15	7½f	6.12	P.T.H.
80,00,000 } 10,00,000'A' }	31,49,465	48,58,730	6,430	Bajoria & Co.	Star Paper Mills	7½	10	—	—	5		3.9	P.T.H.
4,37,500 PO } 56,00,000 O }	4,80,99,030	4,68,21,511	4,75,418	F. W. Heitgers & Co.	Titaghur Paper	4½ / 35½ / B10	10 / A10 / 20	10 / 18½ / 20	10 / 20* / 20*	20		3.9 / 3.9 / 3.9	P.H.
PLANTING; PRODUCE AND RUBBER													
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	6-5½	3	10	20	20		2	P.Y.
47,70,000	48,44,853	83,16,040	4,37,964	R. C. Paterson, Esq.	Consolidated Coffee Estate	17½	10	17	20	18		6	P.Y.
4,00,000	2,29,884	4,49,621	13,981	Associated Planters, Ltd.	Cottanad Plantations	9½	10	7½	10			3	T.Y.
1,32,990	1,46,540	4,67,078	1,389	A. V. Thomas & Co., Ltd.	Fringford Estates	2½	10					3	P.W.
6,00,000	19,08,079	9,81,715	66,448	A. V. Thomas & Co., Ltd.	Highland Produce	9½	10	25	45	45		12	P.Y.
4,00,000	9,67,558	7,20,390	43,506	A. V. Thomas & Co., Ltd.	Kalpetta Estates	18	10	17½	20			4	Y.
4,30,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Malankara Rubber and Produce Co.	99½	20	17½	30	35		3	Y.
27,00,000	25,83,648	14,90,888	83,433	A. V. Thomas & Co., Ltd.	Midland Rubber and Produce Co...	9½	10	6	12½	15		2	P.Y.
1,32,000	84,334	67,53,389	29,921	A. V. George & Co., Ltd.	Nenmony Rubber	9½	10	5	6¼			12	P.Y.
2,00,000	1,93,721	24,72,600	2,305	Associated Planters, Ltd.	Nilambur Rubber Co.	9	10	6	10	10		12	P.Y.
19,45,980	48,35,083	38,14,428	1,78,110	Peirce, Leslie & Co., Ltd.	Oachanlonney Valley Estates ..	3½	2	25	25	45		6	P.Y.
13,50,000	5,82,973	28,05,590	31,101	A. V. Thomas & Co., Ltd.	Rajagiri Rubber and Produce Co.	10-6½	10	9	12½	15		6	P.Y.
10,00,000	3,36,390	1,56,824	936	East India Agencies, Ltd.	Teekoy Rubbers (India) Ltd. ..	6½	10	—	7½	9		3	P.T.Y.
1,50,000	1,81,279	5,11,395	66,520	A. V. George & Co.	Thannermally Rubber	17½	10	6½	6½	15		12	P.Y.
3,05,100	5,01,650	6,03,723	31,510	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co. Ltd.	3-3cd	1	17½	20	25	25	9	Y.
6,00,000	1,17,222	7,40,149	3,953	K. C. Cheriyan, Esq. (Secretary)	Travancore Rubbers	13½	10	3½	10	20		12	Y.
41,00,000	14,90,372	67,61,277	3,25,086	Aspinwall & Co., (Travancore) Ltd.	Travancore Rubber and Tea Co., Ltd.	7½	10	2½	6	10		12	Y.
20,00,000	1,31,493††	18,47,082	1,275	P. T. Thomas, Esq.	Tropical Plantations Co.	19½	10	—	—			12	P.Y.
8,20,000	21,098	3,18,571	7,609	A. V. George & Co.	Udayagiri Rubber	6½	10	5	5			12	P.Y.
2,38,580	2,38,138	6,99,135	28,140	Harrisons & Crosfield Ltd.	Valkundam Co.	15½	10	10	12½	20		12	Y.
1,65,000	78,624	3,43,636	14,082	M. K. Thomas & Co.	Woodland Estates	7½	10	7½	6¼	—		3	Y.
PRESSING													
5,00,000	18,78,066	19,01,857	2,322	Andrew Yule& Co.	Calcutta Hydraulic Press	80	100	3	3	3		3	Y.
4,30,000	5,58,036	6,89,525	1,116	Pyne and Sons.	Camperdown Pressing	90N	100	4	6	7		7	Y.
6,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Central Hydraulic Press	95xd	100	3	5	5		6	Y.
***HOPERTY AND LAND**													
10,00,780	25,11,061	42,65,283	419	S. A. Basil, Esq.	Humayan Properties	10½	10	—	6	—	5	9	P.Y.
60,00,000	34,67,735††	83,61,045**	—	David Isaacson & Co., Ltd.	Port Canning Land	31xd	100	2	1½	—		4	Y.
94,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co.	Midnapore Zemindary	39	100	—	3	2		4	P.Y.
SAW MILLS AND TIMBER													
13,99,998	29,73,877	10,38,508	60,887	Bird & Co.	Assam Saw Mills and Timber	6½	3	16½	16½	16½		9	Y.
50,00,000 } 42,00,000 }	4,89,22,437	2,47,99,361	1 57,498	Wallace & Co.	Bombay-Burmah Trading	387½ / 140	125 / 50	12 / 12	30 / 30	18 / 18		5 / 6	Y. / P.Y.
6,00,000	7,04,037‡	7,80,451	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	55N	100	5	—	—		6	P.Y.
12,00,000	25,94,349	13,51,606	73,653	G. Arbuthnot & Co.	Indian Wood Products	49½	10	25	35	35		9	Y.
SUGAR (U. P. and Bihar)													
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co.	Balrampur Sugar	6½	5	—	20	—		6	Y.
12,00,000	28,96,740††	15,70,684**	2,81,000	Narang Bros.	Basti Sugar	125N	100	6½	10	—		4	Y.
19,49,050	20,10,694	26,89,188	2,24,418	Bangur Bros., Ltd.	Belsund Sugar	7½	10	7½	—	8½		4	Y.
5,00,000	21,15,180	15,38,162	40,743	Cotton Agents Ltd.	Bharat Sugar	12½	10	10	15	15		6	P.T.Y
12,00,000	99,90,130	1,26,88,817	—5,15,881	Gladstone Lyall & Co., Ltd.	Carew & Co.	5½	10	5	—	—		6	P.Y.
15,00,000	1,30,69,452	96,28,542	31,891	Begg Sutherland & Co.	Cawnpore Sugar	29	10	15	20	20	20	10	P.Y.
18,00,000	78,43,538	60,37,156	17,488	Begg Sutherland & Co.	Champarun Sugar	21½	10	15	15	20		6	
10,00,000	87,00,000	86,47,253	3,615	Bachhraj & Co.	Hindustan Sugar Mills	130N	100	—	5½	6		6	P.Y.
12,00,000 }	41,78,374	68,10,159	—4,15,271	Kilachand Devchand & Co.	Kesar Sugar	40N	80	—	—	—		7	P.Y.
6,00,000 }						20N	20	—	3	4		6	P.Y.
7,89,100	31,59,777	25,99,076	115,051	Cotton Agents Ltd.	New India Sugar Mills	18	10	10	25	25		6	P.Y.
11,00,000	27,48,180	36,39,370	3,895	Karam Chand Thapar & Bros., Ltd. ..	New Savan	6	10	5	6½	5		5	Y.
13,59,375	58,13,364	52,04,760	6,31,019	Cotton Agents, Ltd.	New Swadeshi Sugar Mills	180N	100	15	20	20		6	Y.
						45N	25						
97,45,350	1 08,98,159	1,36,10,992	1,981	Cotton Agents, Ltd.	Oudh Sugar Mills	80N	100	2½	2½			7	P.Y.
						20N	25						
						15N	12½						
14,00,000	29,31,078	26,43,844	71,500	Narang Bros.	Punjab Sugar Mills	100N	100	—	6			10	Y.
9,00,000	42,50,793	31,72,894	19,435	Begg Sutherland & Co.	Purtabpore Company	15xd	10	—	10	20	10	6	P.Y.
8,00,000	26,05,463	24,18,182	15,410	Begg Sutherland & Co.	Ryan Sugar	24†	10	15	25	20	6	6	P.Y.
11,99,000	38,06,835	36,11,360	23,281	Begg Sutherland & Co.	Samastipur Central Sugar	12½	10	10	20	20	6	6	P.Y.
20,00,000	57,29,582	93,96,808	27,889	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	9½	10	—	3½	10	7	6	P.T.Y.
9,99,950	11,66,777	21,41,729	10,162	H. K. Kanoria, Esq. & R. N. Datta.	Sitapore Sugar	4½	10	—	—	5	6	6	Y.
6,50,000 } 1,75,000 O }	11,94,395	27,92,174	—14,73,656	N. K. Jain & Co., Ltd.	South Behar Sugar†	3¾	10	—	—		10	7	P.Y.
8,00,000	54,46,474	70,75,580	57,216	Cotton Agents, Ltd.	Upper Ganges	1¾	2½						
						18N	30	17½	20	20	6	7	Y.
(Indian States and Other Centres)													
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Balapur Co.	238	50	16½	25	28	32	9	Y.
18,93,900	18,53,337	37,63,451	21,012	J.P.Srivastava&Sons(MadhyaBharat)Ld.	Gwalior Sugar Co., Ltd.	38	100	—	5	3		6	P.Y.
13,00,000	38,42,751	22,63,689	2,71,331	India Sugar Agencies Ltd.	India Sugar & Refineries	18½	10	12½	15	25		9	Y.
33,57,350	48,47,284	38,47,284	4,64,518	Govan Bros. (Rampur), Ltd.	Mysore Sugar	10½	10	7½	7½	10		5	Y.
31,79,280	1,49,74,559	97,24,107	8,27,296	M. Malleshayya, Esq.	Mysore Sugar	43	10	20*	20	20		6	Y.
50,00,000	96,62,468	1,03,94,086	3,18,594	Mafatlal, Apte & Kantilal, Ltd. ..	Phaltan Sugar Works	88½	50	14	16	16	16	9	P.Y.
16,59,820	22,08,765	43,79,429	73,941	Anderson Wright Ltd.	Ramnagger Cane & Sugar	17½	10	15	6	7½		6	P.T.Y.
20,00,000	54,70,896	72,10,442	1,80,913	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	90N	50	7	14	18	9	9	P.Y.
19,99,580	50,82,224	42,94,120	6,05,982	Govan Bros. (Rampur), Ltd.	Raza	11C.R.	10	6	10	12½		7	Y.
30,00,000	23,82,353	58,70,150	20,980	Parry & Co., Ltd	Travancore Sugars	4½	10	—	—	—		7	P.T.Y
1,01,00,000	98,10,952	1,59,79,833	1,94,491	Premier Construction Co., Ltd. ..	Walchandnagar Industries	162½	100	17½	12	14	—	9	
UNCLASSIFIED (Bombay)													
1,50,00,000	1,14,37,216	46,81,706	—4,88,411	Tata Industries Ltd.	Air-India Ltd.	83	100	—	—	—		12	Y.
2,40,000	4,90,364	5,64,538	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	705	200	15	15	15	17½	9	P.Y.
39,89,350	2,64,61,962	3,70,82,313	53,607	Scindia Steam Navigation Co., Ltd.	Bombay Steam Navigation Co., Ltd.	36	25	—	—	—		12	P.Y.
15,98,860	1,28,267	2,19,255	32,663	Parakh Agencies Ltd.	Bombay Uganda	54N	50	5	5	5		12	Y.
45,00,000	46,57,108	1,24,608	41,429	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	350N	100	15-6	13½	13½		12	Y.
25,00,000	1,50,000	24,37,096(k)	12,787	Dana Sons Ltd.	De Pinerza Naval Investment Co	9½	25	3	3	3		3	P.Y.
14,98,360	17,39,540	10,69,107	4,425	F. H. Mehta Esq.	Estrela Baterias	30½N	20	6	6	5		3	Y.
99,99,250	17,07,072	1,25,54,783(k)	1,66,116	Premchand Roychand & Sons	Industrial Investment Trust	72	100	3½	4	4½		12	P.Y.
84,98,865	15,91,304	12,58,924	2,833	K. G. Milne, Esq.	Killick Industries	144½xd	100	8	8½	10		6	Y.
2,06,71,500 A							100						
10,00,000 B	65,85,939	2,20,52,503	4,52,797	Aero-Auto Ltd.	Premier Automobiles Ltd.	451	10	—	—	—		6	Y.
6,39,62,018	9,89,24,387	12,98,97,421	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co. Ltd.	14-12½xd	15	—	—	2½		9	Y.
1,50,000	3,71,437	2,21,590	3,145	R. B. Bakhtawar Esq.	Thacker & Co	50N	20	10	10	10		3	Y.
18,21,200	16,42,904	14,61,299	55,330	Sir Joseph Kay, K.B.E.	United Motors (India)	43	20	7½	10	15		12	Y.
2,20,00,000	2,06,24,172	2,01,34,774	2,36,210	T. H. Rydia Esq.	Western India Match Co.	230	100	11*	11*	11*		12	Y.
Other Centres													
47,50,000	4,90,364	5,64,538	702	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	4½	10	—	—	—		3	P.T.Y.
8,50,000 D						18½	10	10	17½*	25*	12½	8	Y.
30,00,000	53,38,668	31,59,164	5,24,909	Turner Morrison & Co., Ltd.	Angelo Brothers Ltd.	20	10	12½*	12½*	12½*		12	P.T.Y.
20,00,000	23,25,002	22,18,452	1,00,902	T. H. Rydia Esq.	Assam Match	5	10	6	6	7		3	P.T.Y.
80,00,000	50,65,088	92,32,652	9,249	Associated Hotels of India	Associated Hotels of India	301	100	20*	20*	25*		12	Y.
30,00,700	15,57,826	45,95,360	5,19,159	O. T. Jenkins, Esq.	Balmer Lawrie& Co.		100	15	15	20			
14,00,000							40						
20,00,000	1,19,26,323	1,24,61,121	2,04,690	Andrew Yule & Co. Ltd.	Bengal Assam Steamship Co., Ltd.	151½	100	5	10	12½	12½	10	P.Y.
20,00,000	8,38,806	54,05,998(K)	1,25,380	Lovelock & Lewes	Birds Investments Ltd.	15	10	11½	11½	12½	12½	9	P.Y.
1,00,00,000	1,00,01,435	2,26,31,139	1,16,835	Dinshaw Ltd.	Bharat Line	91	100	3	3	4		12	P.Y.
30,64,680	90,81,464	83,30,736	1,82,277	A. P. Chandi Esq.	Britannia Birsit	16½	10	12½	12½	7½-I		3	P.Y.
5,25,00,000	2,93,27,829	2,23,59,029	4,13,662	Sir Robert Menzies, Kt., O.B.E.	British India Corporation	9-10cd	5	11½	15	12½		12	P.Y.W.
1,68,00,000	2,13,52,458	1,57,89,351	4,77,697	Cecil Stack, Esq.	Dunlop Rubber Co. (India)	28	10	20	20	15-I		12	P.Y.
51,26,000	47,57,061	1,26,55,420(K)	3,15,489	Bird & Co., Ltd.	Eastern Investments Ltd.	148	100	8	9	12		12	H.
7,00,000	29,85,208	24,09,208	17,900	Macneill & Barry Ltd.	Ganges Rope	186	100	20	22½	15f		6.9	P.Y.
65,00,000	34,13,857	15,62,902	2,07,524	A. J. Elkins, Esq.	Gillanders Arbuthnot & Co., Ltd.	130xd	100	7½	10	10		3	P.Y.
30,00,000	37,25,649	60,01,406	6,213	B. P. R. Syndicate	Great Eastern Hotel Co.	252	100	6	6	6		3	P.Y.
18,42,800	36,42,949	54,49,205	12,214	Birla Brothers, Ltd.	Hind Cycles	100N	100	7½	7½	7½		12	W.
4,96,12,650	39,45,519	2,61,59,292	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	4½	10	—	—	—		3	P.Y.
1,00,00,000	1,33,45,017	2,82,89,199	—	J. W. E. Johnson, Esq.	Indian Aluminium Co.	113½	100	—	3½	5		9	P.Y.
1,52,89,720	1,31,92,732	57,92,390	9,29,554	D. J. Meinsohn, Esq.	Indian Cables	18½	10	15	10*	10*		3	
83,75,000 O						4½	10						
5,00,000 P	51,91,428	75,82,228	—15,72,246	Govan Bros., Ltd.	Indian National Airways	6½	10	—	—	—		12	P.Y.
1,25,000 D						1	1						
8,27,976	12,79,385	14,27,460	39,038	George Spencer Moulton & Co. (India).	Indian Rubber Manufacturers ..	14½	10	10	10	10		3	P.Y.
2,25,00,000	1,60,38,685	3,87,93,801	2,26,066	Lionel Edwards Ltd.	India Steamship Co., Ltd.	6-11½xd	10	—	—	5		3	P.T.Y.
2,40,000	4,33,028	67,247	36,496	G. V. Swaika, Esq.	Ivan Jones	4½	2	21½	21½	21½		9	Y.
2,00,00,000	53,39,343	27,16,440	5,86,448	J. D. K. Brown, Esq.	Jardine Henderson	126	100	10	10	10		3	Y.
6,34,000	9,69,698	6,65,110	—54,713	James & Co., Ltd.	Macfarlane & Co.	2	5	—	—	—		12	P.Y.
40,00,000 O						158N	O. 100	10	12½	12½		12	P.Y.
5,00,000 D	63,35,248	23,69,220	85,717	A. T. Doig, Esq.	McLeod & Co.	—	D. 10	5	7½	7½		12	P.Y.
6,35,190	4,10,533	7,47,410	10,548	Ogale Glass Works Ltd.	Mysore Glass & Enamel Works ..	5	10	5	5			12	P.Y.
3,75,000	7,74,533	8,79,856	3,666	R. Bharaniah, Esq.	Mysore Lamp Works	18½	10	10	6¼			3	P.Y.
10,00,000	3,95,997	11,45,855	1,11,329	V. S. Arunachalam, Esq.	Mysore Tobacco	9½	10	—	20	10		3	P.T.Y.
20,00,000	51,92,159	50,16,078	11,045	Associated Ind. Development Co., Ltd.	National Insulated Cable Co., of India Ltd.	11½	10	5	5	7½		12	P.T.Y.
79,97,000	65,83,352	1,04,30,324	8,86,347	B. N. Elias & Co., Ltd.	National Tobacco Co.	12½	10	—	2½	5		12	P.Y.
14,87,137	5,67,696††	18,52,569**	23,513	S. P. Ogale & Co.	Ogale Glass Works	3	5	—	—	—		12	P.Y.
40,00,000	36,64,523	60,88,006	1,94,446	Parry's Holdings Ltd.	Parry & Co.	5-14½	2	62½	80-I	32½		12	P.Y.
2,25,00,000	62,51,619	1,69,49,507	24,847	G. U. Euthymopulo, Esq.	Rallis India Ltd.	73½	100	8	8½	9		8	P.Y.
1,14,00,000	2,29,15,252	3,78,03,905	33,67,941	Sahu Jain Ltd.	Rohtas Industries	9½	10	—	—	—		12	P.Y.
40,00,000	1,53,62,299	1,19,84,861	5,36,552	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	14xd	10	10	10	15		4	Y.
75,00,000	22,00,000	1,73,74,498	2,62,138	E. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	13½	10	10	10			12	Y.
9,98,280	3,19,364	8,90,420	1,855	Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	—	4	—		12	

†† Does not include depreciation.
‡ Only Depreciation.
— Nil Dividend.
K = Investments.
* Includes Bonus.
** Net Block.
† Less income-tax.
C.D.—Cum Dividend.
X.R.=Ex-Right.
I On Increased Capital.
(c) For six months ended June, 1949.
(d) For nine months ended March, 1950

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs	Paid-up per Share Rs.	Dividends (per cent.) 1948	1949	1950	1951	Accounts Closed	Reference
ASSAM														
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	450N	100	9	30	25	—	12	P.Y
3,50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd.	400½	Anandabag	24	10	16	25	40	30	12	Y.
5,50,000	10,64,192	12,05,396	—89,152	McLeod & Co., Ltd.	573	Baghmari	9½	10	12½	12½	17½		12	Y.
3,40,000	9,12,883	7,05,721	44,989	Andrew Yule & Co., Ltd.	360	Banmatia	22½	10	18½	30	30	25	12	Y.
3,30,600	7,24,887	8,38,278	71,941	Williamson Magor & Co.	556	Bateli	9½	5	25	25	30	10	12	T.Y
3,20,000	6,19,032	6,72,731	54,942	Gillanders Arbuthnot & Co., Ltd.	566	Beljan	22½	10	25	20	35	15	12	Y.
16,50,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co.	4,004	Bishnauth	27	10	30	30	35	50	5	T.Y.
6,00,000	4,44,146	4,80,346	9,78,429	Octavius Steel & Co., Ltd.	493	Bokakhat	4½	10	10	5	5	—	12	T.Y.
7,50,000	5,06,959	7,64,836	—25,297	McLeod & Co., Ltd.	450	Borrnah Jan Tea Co., Ltd.	11	10	15	15	15	15	12	P.Y.
25,00,000	22,18,001	70,96,925	87,990	Brooke Bond India Ltd.	2,670	Brooke Bond	11½	10	7½	10	10	6	12	P.Y.
1,20,000	3,06,715	3,66,030	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	8	10	6	6½	15	—	12	P.Y.
6,00,000	22,17,578	24,24,301	23,545	Jardine Henderson Ltd.	1,341	Dessai & Parbattia	201	100	5	15	30	22½	12	Y.
17,53,440	7,15,393	19,11,105	54,461	James Warren Ltd.	426	Dhaikhat	10½	10	10	10	10	12	12	Y.
4,68,970	8,90,863	13,71,610	25,794	James Finlay & Co., Ltd.	613.37	Dhunseri	16	10	10	6¼	10	20	12	T.Y
4,50,000	6,57,785	9,86,816	14,389	McLeod & Co., Ltd.	458	Dibrugarh Co., Ltd.	7½	10	7½	—	10	5	12	Y.
2,56,700	6,75,511	7,95,511	35,608	Williamson Magor & Co., Ltd.	511	Dinaksai	26½	10	10	40	40	45	15	P.W.
5,00,300	12,72,787	15,08,787	1,01,960	Williamson Mag

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
60,00,000	90,11,129	94,76,923	3,11,246	879	B. N. Elias & Co., Ltd.	Agarpara	20	10	15	20	8f	3.9	P.T.H
12,00,000	50 61,739	45,32,316	16,522	498	Sahu Jain Ltd.	Albion	200xd	100	14	30	—f	5.11	P.H.
6,00,000	30,55,572	47,33,264	—3,29,636	446	McLeod & Co., Ltd.	Alexandra	166	100	24	—	—f	6.12	T.P.H.
30,00,000	85,82,864	1,17,03,966	—13,63,074	1,264	McLeod & Co., Ltd.	Alliance	230	100	—	20	20	10f	6.12	P.H.
49,20,700	2,31,84,144	2,24,03,099	1,44,601	2,561	Duncan Bros. & Co.	Anglo-India	127xd	100	1½	10	10	4f	3.9	P.T.H.
40,00,000	1,18,83,050	1,31 13,967	71,745	810	Bird & Co., Ltd.	Auckland	168	100	7	12	1	—f	3.9	P.H.
20,00,000	92,46,901	97,14,511	55,967	959	Jardine Henderson & Co. ..	Bally	172	£5	20	20	20		3.9	P.Y
£275,000	£1,680,379	£1,328,460	£91,091	1,890	Jardine Henderson & Co. ..	Barnagore	213	100	13	17	27½		6.12	P.H.
28,00,000	82,01,627	87,37,598	3,65,214	820	Andrew Yule & Co.	Belvedere	16	10	13½	15	30		6	T.P.Y.
45,00,000	78,51,305	51,03,385	4,07,701	600	Sooraimull Nagarmull	Bengal	374	10	25	30	30		3	P.Y.
30,42,000	3,71,54,151	3,06,60,933	1,38,294	1,373	Birla Bros.	Birla	183	100	7	13	22		4.10	H.
36,00,000	98,17,668	1,07,34,059	9,583	991	Andrew Yule & Co., Ltd. ..	Budge-Budge	20xd	10	—	—	20		6.12	T.P.H
7,47,380	30,53,704	39,44,698	34,320	202	Dayaram & Sons	Calcutta Jute Manufacturing	177	100	5	14	22	6f	5.11	P.H.
18,00,000	65,04,289	75,27,158	2,646	616	Andrew Yule & Co.	Caledonian	166	100	3	10	14	8f	3.9	P.H.
99,16,400	2,11,26,602	1,62,21,807	1,35,299	1,400	James Finlay & Co., Ltd. ..	Champdany	221	100	13½	16	22	6f	5.11	T.P.H.
15,95,000	79,98,514	78,92,619	19,870	530	Andrew Yule & Co., Ltd. ..	Cheviot	27	10	12½	15	60	25f	6.12	P.H.
10,05,000	83,89,114	55,21,773	60,392	500	McLeod & Co.	Chitavalsab	25	10	12½	35	20		3	P.H.
16,00,000	80,24,460	77,89,914	1,01,979	969	Shree Krishna Investment Co., Ltd.	Clive								
31,49,200	1,21,56,497	1,16,59,962	21,356	766	Bird & Co., Ltd.	Dalhousie	151xd	100	1	11	12	1f	3.9	P.H.
28,00,000	86,35,708	73,68,012	21,890	779	Andrew Yule & Co.	Delta	234	100	11	17½	32½		5.11	T.P.H.
15,00,000	83,75,460	74,82,092	45,656	500	McLeod & Co.	Empire	290	100	2½	32½	22½	5f	6.12	P.T.H.
21,00,000	2,35,23,130	2,62,73,643	1,801	1,884	Kettlewell Bullen & Co. ..	Fort Gloster	305N	100	—	10	—	—f	3.9	P.H.
14,00,000	48,25,115	69,94,729	—8,32,397	1,014	G. C. Bangur, Esq	Fort William	79½	100	—	6¼	2½		3.9	P.H.
£4,32,100	1,42,71,745	2,06,96,669	42,572	1,709	Macneill & Barry Ltd.	Ganges	880	300	—	15	30		3.9	T.P.H.
10,80,000	71,71,252	67,89,135	25,156	607	G. Arbuthnot & Co.	Gondalpara	270	100	2½	25	11½		3.9	P.H.
24,00,000	2,02,41,185	2,18,72,990	89,236	1,394	Macneill & Barry Ltd.	Gouripore	233N	100	10	7	10		3	P.Y.
40,00,000	81,93,062	81,94,127	3,06,824	1,078	Bangur Bros. Ltd.	Hastings	32	10	10	30	15		3	P.H.
16,80,000	58,02,166	64,29,355	64,417	720	G. Arbuthnot & Co.	Hooghly	25	10	7½	17½	18½	8½f	3	T.P.Y.
65,62,500	1,56,21,640	1,59,50,625	1,71,001	1,948	Jardine Henderson Ltd.	Howrah	38	7½	46½	66½	66½		3	
30,00,000	1,74,30,109	2,25,00,109	3,91,968	2,272	Ramdutt Ramkissendas	Hukumchand	133	{ O. 125 D. 1	5½ 5½	10 5½	3½ 3½		3.9 3.9	P.H. P.H.
87,00,000 / 30,000	87,45,632	1,10,99,740	1,43,281	1,076	Mackinnon Mackenzie & Co. ..	India	217	100	—	84½	22½	8½f	6.12	P.H
43,20,000	1,35,11,140	1,36,47,095	67,132	1,797	Jardine Henderson Ltd.	Kamarhatty	152	100	—	—	12½	6f	6.12	P.H.
54,00,000	1,13,89,109	91,56,930	1,07,129	1,527	Jardine Henderson Ltd.	Kankinarrah	223	100	10	20	25	7½f	3.9	P.H.
21,00,000	1,13,89,109	91,65,930	1,07,129	703	McLeod & Co.	Kelvin	165	100	—	25	16		3.9	P.T.H.
54,00,000	1,18,86,997	1,59,17,038	2,06,473	1,530	Anderson Wright Ltd.	Khardah	202	100	2½	14	19	7f	3.9	T.P.H
48,00,000	1,94,15,089	2,09,37,751	1,16,651	1,250	F. W. Heilgers & Co.	Kinnison	139	100	2	21	15	3f	3.9	P.H
24,48,000	1,24,25,159	1,33,71,480	40,487	931	Bird & Co., Ltd.	Lansdowne	188	100	6	21½	22	4f	3.9	P.H
28,00,000	1,19 87,748	1,13,75,507	6,954	840	Bird & Co., Ltd.	Lawrence	230	100	—	15	32½	30	5.11	H.
10,00,000	70,30,427	50,24,402	64,167	558	Andrew Yule & Co.	Lothian	104	100	4½	8½	3½		3.9	P.T.H.
81,65,200	1,39,61,586	1,95,64,756	1,02,068	1,008	Mackinnon Mackenzie & Co. ..	Megna	133	100	—	15	12	—f	3.9	T.P.H
29,98 900	1,29,56,303	1,55,05,495	—2,80,351	815	F. W. Heilgers & Co.	Naihati	35	10	11½	13⅜	15f		4.10	P.H.
12,00,000	29,95,424	24,75,180	52,447	425	Howrah Trading Co., Ltd. ..	Naskarpara	26	10	11½	15	25		4.10	T.P.H
35,00,000	50,36,405	27,42,753	5,264	852	Andrew Yule & Co.	National	26	10	25	30	75	20	6.12	P.H.
7,50,000	52,11,917	24,37,663	21,345	316	McLeod & Co.	Nellimarla Jute	220xd	100	6	14	30	10f	6.12	T.T.H.
10,50,000	66,36,905	45,98,858	7,738	709	Sahu Jain Ltd.	New Central	21½	10	—	—	20	24f	3.9	T.H.
16,79,880	98,33,709	1,18,62,645	2,954	567	Bird & Co., Ltd.	Northbrook	40	50	—	5½	4½		3.9	H.
66,79,500	1,73,80,223	2,06,56,876	72,170	1,092	Macneill & Barry Ltd.	Nuddea	188	100	9	14	18		5.11	
24,91,000	71,47,003	68,55,552	3,591	601	Andrew Yule & Co., Ltd. ..	Orient								
25,00,000	63,83,642	80,79,256	—4,76,887	400	McLeod & Co.	Presidency	53	5	—	—	2½	—	6.12	T.H
20,00,000	7,67,493‡	26,15,293	—3,29,549	305	Macneill & Co.	Rameshwara	6	10	—	1½	—		3.9	H.P
49,50,000	55,07,248	1,23,45,796	58,685	1,276	Jardine Henderson Ltd.	Reliance	141	10	6‡‡	10‡‡	10		12	P.H.
£6,00,000	£9,99,994	£11,96,402	£76,498	2,013	Thomas Duff & Co. (India) Ltd.	Sammuggur	15	10	—	15	10f		3.9	P.Y.
30,00,000	68,57,466	95,49,412	87,40,952	911	Bagaria More Co., Ltd.	Shree Ambica (Adamjee)	17½	10	—	10	—		12	P.H.
7,00,000	45,17,785	48,14,456	2,73,383	401	Hindustan Investment Corpn. ..	Soorah	13N	10	4	15	16		3.9	Y.H.
25,19,600	1,06,20 961	93,73,041	12,665	650	Bird & Co., Ltd.	Standard	147	100	6‡‡	10‡‡	10		12	P.T.H
£6,00,000	£8,36,984	£9,78,287	£1,29,393	1,794	Thomas Duff & Co. (India) Ltd.	Titaghur	15	10	2	19½	21	1f	3.9	P.T.H.
35,98,600	1,80,41,145	1,73,93,324	15,098	1,326	Bird & Co., Ltd.	Union	187	100	6‡‡	10‡‡	10		12	P.H.
£4,00,000	£6,35,795	£10,47,385	£1,00,239	1,331	Thomas Duff & Co. (India) Ltd.	Victoria	15	11	ah	5	5	—f	6 12	P.T.H.
2,50,000	32,89,383	55,48,403	—47,909	465	McLeod & Co.	Waverley	5½	1	—	—	—			

(a) For ten months ended 31st December, 1951. ‡‡ Subject to foreign income-tax. ‡ Only Depreciation. • Incudes bonus

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
25,50,000	61,24,011	64,99,011	25,799	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	21	10	17½	20	13⅜	5f	3.9	H.
12,00,000	42 18,417	37,16,954	60 294	Jardine, H. & Co., Ltd.	Barakar Coke	18	10	14½	13⅜	14⅜	7½f	3.9	H.
40,00,000	70,50,712	1,17,79,347	73,814	Sahu Jain Ltd.	Bharat Collieries	6½	10	6½	6½	6½		6	P.T.Y.
1,00,00,000	3,35,25,103	5,08,61,725	8,02,968	Andrew Yule & Co., Ltd.	Bengal	523xd	200	33½	17½	18⅜•	10•f	4.10	P.H.
4,49,350	5,82,303	8,49,159	2,152	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	2⅛N	10	2½	2½	2½	1½f	6.12	P.H
2,25,000	27,12,507	25,84,461	4,280	Andrew Yule & Co., Ltd.	Bengal-Nagpur	18½	10	22½	16⅔	10	3⅓f	6.12	
15,97,000	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	5½	10	—	2½	1½		9	Y.
7,15,000	50,04,831	50,17,715	3,437	F. W. Heilgers & Co., Ltd. ..	Bhulanbararee	12½	10	—	6¼	6¼	2½f	6.12	H.
16,00,000	53,46,046	67,83,723	—1,37,184	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	12⅛	10	5	—	—		6.12	T.H.
7,50,000	42,42,776	40,82,736	1,07,078	F. W. Heilgers & Co., Ltd. ..	Borrea	28½	10	20	30	30•	15f•	6.12	P.H.
90,92,480	3,23,04,936	3,94,53,208	1,54,703	Bird & Co., Ltd.	Burrakur	11⅛	10	10⅛	7½	7½	3½f	6.12	P.T.H.
8,00,000	44,73,086	48,99,835	6 672	Anderson Wright & Co.	Central Kurkend	15½	10	17½	12½	1⅛	⅛f	6.12	P.H.
6,00,000	1,40,000	7,50,000k	28,918	F. W. Heilgers & Co., Ltd. ..	Churulia	3½	4	6½	4⅛	1⅛		6.12	P.H.
16,00,000	30,19,961	43,00,861	11,699	Macneill & Barry Ltd.	Dhemo Main	11½	10	10⅜	10	12½		6.12	H.
£120,000	£1,084,338	£872,414	£78,839	Jardine Henderson Ltd.	East Indian	22½	£1	13½	37½	37½		4	V.
39,63,760	3,07,47,993	2,96,10,834	1,90,766	Macneill & Barry Ltd.	Equitable	44	10	25	25	25		6.12	H.
10,00,000	4,83,963	8,41,725	66,865	Bhatter's Agency Ltd.	Ghusick and Muslia	20	5	20	5			3	H.
8,00,000	21,14,376	21,51,521	15,633	Macneill & Barry Ltd.	Hurriladih	16½ N	10	12½	15	15		6.12	H.
3,50,000	11,63,346	12,51,839	40,107	Andrew Yule & Co., Ltd.	Kalapahari	14½	10	26½	35	35•	17½f	2.8	Y.
20,00,000	68,340‡	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	44N	10	—	—	—		3	H.
5,00,000	42,58,631	42,08,253	1,46,012	Andrew Yule & Co., Ltd.	Katras Jherriah	91	100	27½	35	37½	20f	1.7	P.H.
1,38,400	5,20,519	11,63,519	1,063	Beriwala Bros.	Khas Kajora	40½	10	11½	10	5f		6.12	Y.
11,00,240	10,19,288	15,64,007	5,201	H. V. Low & Co., Ltd.	Kuardi	20N	10	3⅜	3⅜			6	Y.
13,50,000	29,43,024	28,41,241	13,549	H. V. Low & Co., Ltd.	Lakurka	7½N	10	10	10	7½		4	M.
5,65,750	11,41,667	22,37,077	2,691	Beriwala & Co.	Mandulpoor	6½	10	5	7½			6.12	H.
7,48,240	10,34,138	11,24,142	14,690	Associated Commercial Co., Ltd.	Nazira	5¾	10	5	2½	5½		6.12	H.
7,00,000	3,77,590	9,53,321	4,597	Amritlal Ojha & Co. Ltd.	New Bansdeopur	21⅜	10	6¼	7½	6¼		3.9	H.
17,76.230	89,43,381	1,14,69,344	39,912	Andrew Yule & Co., Ltd.	New Beerbhoom			3	6	—		4.10	
6,00,000	24,61,802	30,92,604	—2,10,056	Octavius Steel & Co. Ltd.	New Manbhoom	10½	10	12½	7½	—		3.9	P.H.
2,50,000	6,84,984	5,45 859	1.387	Jatia Bros. Ltd.	North Damuda	4⅜N	2½					3.9	H.
1,15,000 / 1,57,500	10,81,297	12,56,672	12,237	Andrew Yule & Co. Ltd.	North West	15N 11⅛N	10 7½	16½	13⅜	5	2½f	3.9	P.H. T.Y.
7,50,000	12,54,532	3,97,666	1,23,852	F. W. Heilgers & Co., Ltd. ..	Ondal	15N	10	12⅜	25	22½•	10f	6.12	H.
10,00,000	14,15,045	32,73,178	46,739	K. C. Thapar Bros. Ltd.	Oriental Coal	12N	10	10	10	10		12	
8,34,000	5,98,486	16,29,203	70,339	Deepchand Kishenlall	Parasea	3½	10	—	—	—f		6.12	H.
15,75,000	34,87,649	39,37,649	31,995	Shaw Wallace & Co., Ltd.	Pench Valley	21	10	16½	12½	10	6⅓f	2.8	H.
23,99,500	88,51,195	1,02,79,253	—8,92,750	B. N. Elias & Co., Ltd.	Raneegunge	9½	10	—	—	—		6.12	H.
13,50,000	28,66,087	29,99,087	35,349	Shaw Wallace & Co., Ltd.	Rewa	17½	10	8⅜	12½	10	7½f	6.12	T.
20,00,000	15,10,118	28,07,516	165	Jaipuria Sons Ltd.	Samla Collieries	6⅔	10	—	5	20		6.12	P.H
1,25,000	12,44,124	13,05,188	18,451	Gillanders Arbuthnot & Co., Ltd.	Searsole	10⅛N	2½	20	20	20		6.12	H.
2,80,000	18,31,795	27,82,403	26,724	Andrew Yule & Co., Ltd.	Seebpore	26	7	35-5/7	32-1/7	28-4/7	—f	6.12	
8,00,000	34,57,222	36,96,604	10,379	F. W. Heilgers & Co., Ltd. ..	Sendra	13	10	9	5	3⅜		6.12	T.Y.
63,21,450	2,13,85.164	3,04,98,616	23,658	Industrial Trust Fund	Singareni	6⅛	10	4⅛	5	5	—f	12	H
17,50,000	24,10,707	34,29,846	15,868	Bird & Co., Ltd.	South Karanpura	14⅛xd	10	18⅛	10	7½	3⅜f	2.8	H.
8,00,000	35,43,816	39,93,119	74,094	F. W. Heilgers & Co., Ltd. ..	Standard	17½	10	16⅔	15	10	5f	6.12	H
10,00,000	15,41,499	29,34,045	—2,46.174	Villiers Ltd.	Talcher	3½	2½	—	—	—		9	H
3,50,000	17,36,513	18,94,910	74,927	Williamson Magor & Co., Ltd.	Union	25	10	20	27½	27½	12½f	6.12	
7,00,000	26,05,667	33,34,989	32,735	Macneill & Barry Ltd.	West Jamuria	17½	10	15	15	15		6.12	

* The following explanatory notes relate to the abbreviations and marks shown on page 476 in the bentures section:—

§§ Option to repay on six months' notice, on any nterest date after 31st December, 1951, at 102 per cent. Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 102 per cent.

(a) Option of repayment at any time at 3 per cent. premium.

(b) Bearer bonds of Rs. 1,000 each repayable at par

Bearer bonds of Rs 1,000 each repayable on 31st July, 1959.

(d) Bearer bonds of Rs. 1,000 each with option of redemption in whole or in part at par on 30th June, 1952 or on any subsequent interest date at one month's notice

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months notice in each case

Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ½ per cent. premium after 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March, 1957

(h) Option of redemption on or after 1st July, 1949, at par.

(f) Option ofrepayment at any time at par at any time on or after 30th June 1947 on six months' notice

TARGETS UNDER THE FIVE-YEAR PLAN

(*Concluded from page 435*)

remove it. It can be removed by planning on a much bigger scale than what has been thought of, and by putting that plan into action. The United States of America is to-day big, because of what it has achieved. It will be interesting to note here the *per capita* investment of this country. The *per capita* investment in the U.S.A. is approximately 100,000 dollars. It means an investment of 150,000 billion dollars. As against this, investment in India is approximately Rs. 2,000 *per capita*. In the United States investment is not merely in factories and buildings; money has also been spent lavishly on all sorts of social services. There are over three million miles of roads and the railway system is one of the finest in the world. Factories and plants have been developed to such an extent that billions and billions have been spent on them. Every man is housed, on which again in turn billions have been spent, and this is how they have been able to achieve this result. If we are to make any progress from our Rs. 2,000 *per capita* investment to any appreciable figure, we would have to run and not crawl. Our present proposal is to spend Rs. 60 *per capita* in the next five years. After all, we do not produce anything without spending something. On Rs. 60, what return can you expect? At the most, in a country like ours which spends most of the money in development projects you can expect Rs. 20 or one-third of what you invest. In the United States, the return is only 2½ per cent. It is so because they have provided so many services which do not yield any return. For many years to come, any investment in India will be mostly on production items, which, at the most, may result in 33 per cent. yield per year, but it will depend on how much money we are able to spend per year.

"Our Prime Minister emphasises that the next five to ten years are going to be the crucial years. He is extremely critical of the unemployment situation. I think, we should examine the question from the angle of employing as many people as possible and accelerating our development scheme to such an extent that the limit is set by the material resources available and not merely by finance. A beginning has been made this year by the Finance Minister who has rightly described the present conditions as favourable for deficit financing, which I would call development financing. To the extent we are able to create new wealth continuously year after year from that development finance, to that extent it will not allow any inflation. If any inflation occurs, it will be entirely temporary and will be more than offset by increased production. The Finance Minister is, therefore, right in enunciating his policy and the country, should, therefore, pursue its production programme as much as possible, depending, of course, on the material resources it can command. To the extent resources can be developed in the country, it will make our task easier. Therefore, we must concentrate more on basic industries, as the Prime Minister has suggested, so that we are able to develop our country as quickly as possible. I do not suggest that we should not take care of consumer goods industries at all, because when money is spent, unless consumer goods are available, it may create shortage of the necessities of life. We must guard against that by developing also consumer goods industries. But the essential thing is to accelerate the whole development programme as much as possible. Since the next five to ten years are crucial, not only from the angle of world situation, but also from our own political situation, development programmes should be pushed up as much as possible to create a stable and healthy situation whereby the number of unemployed may be reduced to the minimum possible.

"We should think in large, not niggardly, terms and in that way so modify the Plan from time to time as to enable us to achieve higher standard. In this task, the business community would play its role, as it has done in the past, and we are here to help the Government in every possible way. In the last few years, we have achieved great increases in production. As the Federation has previously stated, the industry set up after the war has come into production and its product is almost worth Rs. 400 crores a year. To-day the problem with industry is not that it cannot produce, but the problem is that it cannot sell its product. If the Government wants us to produce more, we will very gladly do so, but any extra production will depend on the purchasing power of the people, and if to that extent, the Government takes care of that sector, we have no reason to think why production cannot be expanded. Any effort which the Government makes in that direction and in the direction of production will have the wholehearted support of the business community, and from that point of view we fully support the Plan."

Notices

THE HURRILADIH COAL COMPANY LIMITED

NOTICE

THE EIGHTY-THIRD ORDINARY GENERAL Meeting of the Shareholders will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Thursday, 26th March, 1953, at 11-05 a.m.

AGENDA

1. To receive and consider the Directors' Report and the Accounts for the half-year ended 30th June, 1952.
2. To declare a Dividend.
3. To transact any other ordinary business.

The Share Register of the Company will be closed from 18th March to 26th March, 1953, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. W. TAYLOR,
Managing Director,
Managing Agents.

CALCUTTA, *5th March*, 1953.

THE EQUITABLE COAL COMPANY LIMITED

NOTICE

THE ONE HUNDRED AND FIFTEENTH Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Thursday, 26th March, 1953, at 11-15 a.m.

AGENDA

1. To receive and consider the Directors' Report and the Accounts for the half-year ended 30th June, 1952.
2. To declare Dividends.
3. To transact any other ordinary business.

The Share Register of the Company will be closed from 18th March to 26th March, 1953, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. W. TAYLOR,
Managing Director,
Managing Agents.

CALCUTTA, *5th March*, 1953.

INDIA GENERAL NAVIGATION AND RAILWAY COMPANY, LIMITED

NOTICE

THE COMPANY'S CALCUTTA STOCK Transfer Registers will be closed from Saturday the 28th March to Friday the 10th April, 1953, both days inclusive.

THE DUNLOP RUBBER COMPANY (INDIA), LIMITED

NOTICE IS HEREBY GIVEN THAT THE Transfer Books and Registers of Members in respect of the Second Preference and Ordinary Shares of the Company will be closed from 16th March, 1953, to 4th April, 1953, both days inclusive.

By Order,
P. B. SEN GUPTA,
Secretary.

"DUNLOP HOUSE",
57B, FREE SCHOOL STREET,
CALCUTTA, *7th March*, 1953.

N.B.—As any dividends that may be declared will be paid only to Sharholders registered in the Company's Registers of Members, those holding shares on Blank Transfers are advised to register them prior to 16th March, 1953.

THE DUNLOP RUBBER COMPANY (INDIA), LIMITED

NOTICE IS HEREBY GIVEN THAT THE 27th Ordinary General Meeting of the Company will be held at the Registered Office of the Company, "Dunlop House," 57B, Free School Street, Calcutta, on the 2nd day of April, 1953, at 12 noon, for the following purposes:—

(1) To consider, approve and adopt the Directors' Report and Statements of Account.

(2) To declare Preference and Ordinary Dividends.

(3) To elect Directors.

(4) To elect Auditors and to fix their remuneration.

By Order,
P. B. SEN GUPTA,
Secretary.

"DUNLOP HOUSE",
57B, FREE SCHOOL STREET,
CALCUTTA, *7th March*, 1953.

N.B.—In terms of Article 4 of the Company's Articles of Association no Preference Shareholder as such is entitled to attend the Meeting. A Debenture Stockholder as such is also not entitled to attend the Meeting.

TO THE SHAREHOLDERS OF

THE CENTRAL KURKEND COAL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Second Ordinary General Meeting of the Shareholders of THE CENTRAL KURKEND COAL COMPANY, LIMITED, will be held at the Registered Office of the Company, No. 7, Wellesley Place, Calcutta, on Friday the 27th March, 1953, at 3-00 p.m., to transact the following business:—

1. To receive the Report of the Directors and to pass the Audited Balance Sheet and Profit and Loss Account for the half-year ended 30th June, 1952.

2. To transact such other business as may be brought before the Meeting.

The Transfer Registers will be closed from the 14th March to 27th March, 1953, both days inclusive.

ANDERSON, WRIGHT & CO.,
Managing Agents.

CALCUTTA, *5th March*, 1953.

THE BANK OF INDORE, LIMITED

(*Incorporated in Indore*, 1920)

NOTICE IS HEREBY GIVEN THAT THE Thirty-third Ordinary General Meeting of the Shareholders of the above Company will be held at the Bank Office, Prince Yeshwant Road, Indore City, on Monday the 30th March, 1953, at 4 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and the audited Statement of Accounts for the year ended 31st December, 1952.

(2) Rai Bahadur Rajya Bhushan Seth Kanhayalal Bhandari and Mashir Bahadur Seth Balkishan Muchhal retire by rotation but are eligible for re-election.

(3) To elect Auditors for the ensuing year and to fix their remuneration.

The Transfer Books of the Company will be closed from 22nd March, 1953, to 7th April, 1953, both days inclusive.

By Order of the Board of Directors,
N. D. JOSHI,
Manager.

INDORE CITY, *6th March*, 1953.

BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £						
16,00,000	1,08,36,418	9,95,123	Allahabad Bank	345	100	18‡	18‡	18‡	9i	12	Y.P.
14,50,000				173	50						
1,01,000				105	100						
23,99,000	11,73,500	2,21,655	Andhra Bank	52‡	50	5	6	6	3i	6.12	H.
1,00,00,000	1,28,00,000	2,14,790	Bank of Baroda	115	50	12‡	12‡	12‡	5i	12	Y.
50,00,000	10,00,000	7,107	Bank of Bikaner	20	25	..	3	3		12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	162‡	50	14	14	14	14	6.12	R.L.Y.
15,30,375	23,00,000	62,955	Bank of Indore	60	25	12‡	12‡	12‡		12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	281xd	100	16‡	16‡	16‡	16‡	12	Y.
59,18,600	42,61,693	25,280	Bombay State Co-operative Bank	58‡	50	5‡	5	5		6	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	9	9	9	9	12	P.Y.
7,50,000	10,73,000	19,505	Canara Banking Corporation Ltd.	85xd	50	9‡	10‡	10‡		12	Y.P.
2,62,11,875				69	25	14	14	14	14	12	R.L.Y.
52,42,375'A'	3,99,08,177	17,23,015	Central Bank of India Ltd. ..	72	25						
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co. ..	35	50	3	3	3‡	3‡	12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88	20	6‡	10	20	20	12	Y.
1,25,00,000	15,20,000	65,220	Hindustan Commercial Bank ..	12‡	50	—	—	—		12	Y.
50 00,000	1,00,000	3,806	Hindustan Mercantile Bank ..	11	50	—	—	—		12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105N	100	5	6‡	6‡	5	9	Y.
3,75,00,000	6,35,00,000	42,07,573	Imperial Bank of India	1,862‡	500	14	16	16	16	6.12	R.L.H.
1,87,50,000				461‡	125	14	16	16	16	6.12	R.L.H.
23,95,961				174cd	100						
15,00,000	70,00,000	92,545	Indian Bank	131‡cd	75	11‡	12‡	12‡		6.12	R.L.H.
14,00,000				94cd	50						
47,35,750	15,50,000	2,22,825	Indian Overseas Bank	98cd	100	4‡‡	5‡	6		6.12	R.L.H.
6,25,000				80cd	100(A)	9	9	7‡	6		
2,50,000	6,33,939	1,380	Indo-Commercial Bank	19‡cd	25(B)	9	9	7‡	6	6.12	H.
10,00,000				40cd	50(C)	6	6	6	6		
50,00,000	12,65,000	1,21,370	Jaipur Bank	18	50	3	3	3		12	Y.
4,55,266	30,61,350	60,357	Punjab and Sind Bank	35	25	7‡	7			6.12	Y.
87,50,000	87,50,000	5,33,829	Punjab National Bank	23	25	6	4	4	3i	12	Y.
1,00,00,000	15,50,000	1,49,583	Travancore Bank	10‡	25	Nil	Nil	—		12	Y.
40,00,000	28,25,000	2,09,737	Union Bank of India	6‡‡	5	6‡	6‡	6‡		12	Y.
2,00,00,000	75,00,000	1,70,952	United Commercial Bank	38cd	50	3‡	4	4		6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3,000,000	£4,000,000	£397,433	Chartered Bank of India, Australia and China	£11‡	£5	12	14	14	7i	12	R.L.Y.
£1,000,000	£800,000	£69,917	Eastern Bank	£5‡	£5	6†	6†	6†	2‡i	12	R.L.Y.
‡‡ $20,000,000	H.K. $96,000,000	H.K. $8,075,332	Hongkong and Shanghai Banking Corporation	£79	H.K. $125	5y*	5*	5*	2*i	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-11-0	£1	12y†	12y†	12†	12†	12	R.L.Y.
£1,437,296				£1-7-0	5y†	5†	5†	5†	5†	12	R.L.Y.
£375,000				£25	A £12‡						
£375,000	£1,500,000	£200,130	Mercantile Bank o India ..	£25	B £12‡	12y†	12†	12†	6i	12	R.L.Y.
£300,000				£10	C £5						
£2,281,250	£3,738,892	£318,652	National Bank of India	£28‡	£12‡	16y†	16†	16†	8i	12	L.Y.

‡Includes Bonus. †Less Tax.
‡‡Subject to taxation.
(c) Paid-up Capital Increased.

(a) There are also Rs. 67,08,155 partly paid Ordinary Shares
††O.S. Currency.
(I) Interim
P) Pakistan Currency *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company		Latest Available Quotations (per hundred) Rs. or £	Principal Repayable	
BREWERIES AND SUGAR							
19,50,000	5‡	1st December and 1st June ..	Carew & Co.	.. 1938	97	1st June ..	.. 1953(b)
5,50,000	5‡	1st March and 18th September ..	Carew & Co. (2nd mortgage)	.. 1941	90‡	28th February	.. 1960(f)
6,00,000	5‡	30th June and 30th December ..	Ramnugger Cane & Sugar Co., Ltd.	.. 1936	97‡	30th December	.. 1956
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	.. 1942	102‡	27th December	.. 1952-62
4 10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	.. 1944	90	1st November	.. 1959-64
20,00,000	6	1st May and 1st November ..	Walchandnagar Industries ..	.. 1941	103	1st April ..	.. 1956-61
25,00,000	4‡	1st May and 1st November ..	Walchandnagar Industries (New)	.. 1944	92	1st November	.. 1959-64
COTTON							
6,00,000	5‡	30th June and 31st December ..	Basanti Cotton Mills Ltd.	.. 1942	85	30th April	.. 1964
4,00,000	4‡	10th May and 10th November ..	Bengal-Nagpur	.. 1897	96	15th November	.. 1956(e)
1,00,00,000	5	1st April and 1st October ..	Buckingham and Carnatic	.. 1952	99‡	1st January	.. 1967-72
13,68,000	5‡		Jayshree Textiles	.. 1949	78N	1st January	.. 1956-59
ELECTRICS							
10,00,000	4‡	30th June and 31st December ..	Agra Electric Supply Co., Ltd.	1950	95	31st March	.. 1965
1,25,000	4‡	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..		101	14th June ..	.. 1960
98,28,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	1940	100‡	1st October	.. 1959
12,00,000	4‡	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1949	92	31st December	.. 1964
6,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	101‡	1st January	.. 1970
25,00,000	4	30th June and 31st December ..	Gourepore Electric Supply Co., Ltd.	1945	84‡	31st December	.. 1970
15,00,000	5	1st January and 1st July	Sijua (Dherriah) Electric Supply Co.,(Ltd.	1951	94	30th June ..	.. 1976
4,95,000	5‡	1st January and 1st July	South Madras Electric Supply ..	1940	97	.. ..	.. 1957-65
2,00,000	5‡	1st May and 1st November	South Madras Electric Supply ..	1939	95	.. ..	.. 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply ..		94‡	.. ..	.. 1953-63
4,63,800	4‡	1st April and 1st October	South Madras Electric Supply ..		94	1st July ..	.. 1957-67
49,23,000	4	1st April and 1st October	Tata Power	1940	100‡	15th September	.. 1951-55(b)
1,00,00,000	4	1st April and 1st October	Tata Power		92‡	15th September	.. 1965-70
ENGINEERING							
5,00,000	5	30th June and 31st December ..	Britannia Engineering	1945	95	31st December	.. 1954
2,00,000	6	30th June and 31st December ..	Bridge and Roof (India), Ltd. ..	1928	95	30th June ..	.. 1958
30,00,000	5‡	15th September and 15th March ..	Indian Hume Pipe (2nd mortgage)	1942	100	1st July ..	.. 1957-62
£1,218,650	4‡	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage).	1936	88	31st December	.. 1966(g)
10,00,000	4	1st May and 30th November ..	Kumardhubi Engineering Works Ltd.	1946	84‡	31st May ..	.. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	101	1st October	.. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	94	31st December	.. 1960
JUTE							
12,00,000	4‡	1st October and 1st April	Agarpara	1939	97	31st March	.. 1954
6,00,000	4‡	30th June and 31st December ..	Alexandra	1939	96	30th June ..	.. 1954(h)
15,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1945	92	31st December	.. 1964
10,00,000	4‡	30th June and 31st December ..	Bengal Jute Co., Ltd.	1940	96	30th June ..	.. 1955
10,00,000	4	30th June and 31st December ..	Bengal Jute Mill Co., Ltd. ..	1945	90	30th June ..	.. 1960
10,00,000	5	31st January and 31st July ..	Calcutta	1949	90	31st July ..	.. 1959(c)
12,00,000	5	30th June and 31st December ..	Chitavalsah Jute Mills	1951	97	30th June ..	.. 1966
8,94,000	5	30th June and 31st December ..	Empire	1947	97	15th July ..	.. 1966
25,00,000	3‡	1st January and 1st July	Hukumchand	1947	90	30th June ..	.. 1957
25,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co., Ltd. ..	1947	98	31st December	.. 1964
25,00,000	5‡	30th June and 31st December ..	Naihati	1952	100	31st March	.. 1967
5,00,000	3‡	31st March and 30th September ..	Naskarpara Jute Mills Co., Ltd. ..	1947	97N	31st March	.. 1954
5,00,000	4‡	14th November and 14th May ..	Neilimaria Jute Mills Co., Ltd. ..	1939	93	14th May ..	.. 1959
20,00,000	4	30th June and 31st December ..	Nuddea Jute Co., Ltd.	1945	86	31st December	.. 1964
8,00,000	4	30th June and 31st December ..	Presidency	1943	90	30th June ..	.. 1958
25,00,000	5	31st March and 30th September ..	Reliance Jute Mills Co., Ltd. ..	1950	95	5th September	.. 1965
8,00,000	4‡	14th March and 14th September ..	Soorah Jute	1937	94	14th September	.. 1957
12,00,000	4‡	30th June and 31st December ..	Union	1937	94	30th June ..	.. 1957(d)
10,00,000	3‡	31st January and 31st July ..	Waverley	1925	83	31st July ..	.. 1960(e)
RAILWAYS ; STEAMSHIP AND TRAMWAYS							
4,00,000	6	31st March and 30th September ..	Bankura Damodar River Railway Co., Ltd.	1931	100N	9th March	.. 1961
4,00,000	3‡	31st March and 30th September ..	Bankura Damodar River Railway Co. ..	1938	99	31st March	.. 1953
4,50,000	4	1st January and 1st July ..	Baraset-Basirhat Light Railway ..	1936	84	1st July ..	.. 1956
8,00,00,000	4‡	10th November and 10th May ..	Bombay Steam Navigation Co. ..	1945	98	1st November	..
2,50,000	3‡	31st March and 30th September ..	Burdwan-Cutwa Railway Co. ..	1938	99	31st March	.. 1943-53
£350,000	4‡	1st January and 1st July	Calcutta Tramways	1900	£100N	A 110% at any time on 6 months' notice or at par or every seventh year.	
£226,500	5	1st April and 1st October ..	Kalighat-Falta Railway	1933	£102N	1st October	.. 1974
3,00,000	3‡	30th September and 31st March ..	Katakhal-Lalabazar Railway ..	1934	98‡	30th September	.. 1953
4,50,000	3‡	30th June and 31st December ..		1945	89	31st December	.. 1959
£200,000	4‡	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1906	£90‡N		
1,00,00,000	4‡	1st March and 1st September ..	Scindia Steam Navigation		96‡	1st September	.. 1963
PLANTING							
1,20,000	5	31st December and 30th June ..	Blue Mountain Estates	1943	100	.. ..	.. 1945-55
3,68,200	5‡	31st March and 30th September ..	Teekoy Rubber Estates	1944	100	.. ..	.. 1949-59
50,00,000	5	30th June and 31st December ..	Waterfalls Ltd.	1943	101‡	.. ..	.. 1945-55
MISCELLANEOUS							
15,00,000	5‡	31st March and 30th September ..	Aluminium Corporation of India Ltd. ..	1946	102	30th September	.. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd. ..	1948	99	31st December	.. 1965
27,60,000	4‡	1st April and 1st October	Associated Hotels of India	1948	86	31st December	.. 1962
4 90,500	4‡	30th June and 31st December ..	Bengal Paper Mills	1937	94‡	30th June ..	.. 1957(i)
21,00,000	3‡	1st February and 1st August ..	Chowringhee Properties	1915	92	1st February	.. 1964
22,60,000	4‡	1st July and 1st January	Clive Buildings	1936	99	1st July ..	.. 1986
20,00,000	4	15th March and 15th September ..	Dalhousie Properties	1946	86	15th September	.. 1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	1950	102‡	1st January	.. 1971
20,00,000	5	15th March and 15th September ..	Mettur Chemical Industries	1949	97	.. ..	.. 1964
39,87,000	4	31st March and 30th September ..	Martin Burn Ltd. (Convertible Notes)	1946	435	30th September	.. 1976
45,00,000	4	30th June and 31st December ..	McLeod & Co., Ltd. (Convertible Notes)	1947	(per note) 410	31st December	.. 1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	(per note) 94N	1st April ..	.. 1971
1,00,00,000	5‡	31st March	Orient Paper Mills Ltd.	1951	87	31st March	.. 1961
1,00,00,000	4	30th June and 31st December ..	Rohtas Industries Ltd.	1946	80‡	31st December	.. 1959

Note—See page 474 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend o transactions on the Bombay Stock Exchang during the week ended 12th March, 1953.

	Opening quotations	High	Low	Closing quotation
BANKS	Rs.	Rs.	Rs.	Rs
Bank of India (50)	160	162‡	159	162
Bank of Baroda (50)	114‡	115‡	114‡	115
Central (25)	68‡	69‡	68‡	69‡
Imperial (F.Pd.) (500)	1,830	1,875	1,827‡	1,862‡
Imperial (P.Pd.) (125)	450	462‡	450	461‡
Union Bank (5)	6‡	7‡	6‡	7‡
United Com. (50)	37‡	38	37‡	38
COTTON MILLS				
Ahm. Adv. (100)	147‡	—	—	147‡
Apollo (2)	2‡	2‡	2–11‡	2‡
Bombay Dyeing (250)	407‡	407‡	395	397‡
Central India (100)	169	170	164	166
Century Mills (100)	283‡	290	275	286‡
Colaba (100)	73	73	72‡	73
Edward Textile (200)	238‡	—	—	238‡
Elphinstone (50)	42‡	45	42‡	45
Finlay (100)	315	316	310	314
Gokak (100)	231	232	224	228
Ind. Untd. Defd. (1)	1–11‡	1–11‡	1–10‡	1–1
Ind. Untd. Ord. (10)	9‡	9‡	9‡	9‡
Indore Malwa (100)	96‡	98‡	92‡	92‡
Khatau (100)	196‡	196‡	191‡	191‡
Kohinoor (100)	317	317‡	308‡	312
Lakshmi (250)	590	—	—	590
Madhusudhan (100)	80	—	—	80
B. R. Cotton Mills (100)	48‡	53‡	48‡	53‡
Minerva Mills (100)	95	—	—	95
Model Naggar (250)	143‡	145	143‡	145
Morarji (100)	181‡	182‡	181‡	182‡
Mysore (50)	123‡	—	—	123‡
New City (100)	176‡	—	—	176‡
New Great (100)	169	170	168	167
Phenix (100)	130‡	130‡	125	125‡
Podar Mills (100)	135	135	131‡	131‡
Sassoon Silk (10)	22	—	—	22
Sassoon Spg. (10)	23‡	—	—	23‡
Sholapur (1,000)	1,750	—	—	1,750
Simplex (50)	197	197	178‡	185‡
Svadeshi (100)	259‡	261	254	256‡
Swan (100)	440	440	410	440
Tata Mill (25)	51‡	51‡	47‡	49‡
Vishnu (100)	167‡	170‡	167‡	170
Western India (1,000)	3,150	—	—	3,150
ELECTRIC COS.				
Ahmedabad (100)	115	115‡	115	115
Amalgamated (10)	10‡	—	—	10‡
Andhra Valley (1,000)	1,420	1,427‡	1,417‡	1,427‡
Bom. Sub-Bl. (100)	124‡	125	124‡	124‡
Burst (100)	121‡	—	—	121‡
Tata Hydro (100)	149	149‡	149	149‡
Tata Power (1,000)	1,507‡	1,535	1,507‡	1,535
INSURANCE COS.				
British India (10)	13‡	—	—	13‡
Empire of India (100)	500	—	—	500
Ind. Mercantile (20	38‡	—	—	38‡
Jupiter (15)	7	—	—	7
New India (15)	42	42‡	41‡	42‡
Oriental (200)	6,260	6,785	6,260	6,785
Universal (10)	7‡	—	—	7‡
Vulcan (10)	11‡	—	—	11‡
STEAMER COS.				
Bom. Steam (25)	35	36	35	36
Scindia (15)	15‡	15‡	14‡	14–13
STEEL COS.				
Ind. Iron (10)	25‡	26‡	25‡	20‡
Tata Steel Defd. (30)	1,870	1,895	1,847‡	1,882‡
Tata Steel Ord. (75)	329	331	323‡	328
MISCELLANEOUS				
Alcock Ashdown (100)	310	310‡	308‡	309
Associated Cm. (100)	174	174‡	172‡	174
Belapur Sugar (5)	241	242‡	235‡	239
Bom. Burmah (125)	398‡	396‡	384‡	390
Do. (New) (50)	141‡	143‡	140	141
Br. B. Petrol (4 sh.)	1–3‡	1–3‡	1‡	1–
Br. I. Corpn. (5)	9‡	9–11‡	9‡	9–
Indian Copper (2 sh.)	3–4‡	3–4‡	3‡	3
Ind. Inv. Tr. (100)	71	—	—	71
Fort Canning (100)	32	32	30	30
Premier Con. (30)	96‡	96‡	92‡	94
Shivrajpur (10)	63	64	62	63
Tata Chemicals (10	9‡	9‡	9‡	9
Tata Oil (25)	37	37	35	35
Walchand Ind. (100	160	162‡	157‡	162
W. I. Match (100)	230	231‡	229‡	231

GOVERNMENT SECURITIES	Rs	Gross Yield Earlier Redemption	Gross Yield Later Redemption	Rs
2½% 1954	98‡	—	3.34	98‡
2½% 1955	98‡	—	3.24	98‡
2½% 1961	90‡	—	3.90	90‡
2½% 1960	93‡	—	3.82	93‡
2½% 1962	91‡	—	3.89	91‡
2½% 1976	82‡	—	3.89	82‡
3% 1953-55	100‡	2.80	2.80	100‡
3% 1957	98‡	—	3.34	98‡
3% 1958	98‡	—	3.32	98‡
3% 1959-61	96‡	3.74	3.56	96‡
3% 1964	92‡	—	3.84	92‡
3% 1963-65	92‡	3.91	3.77	92‡
3% 1966-68	90‡	3.95	3.83	90‡
3% 1970-75	86‡	4.10	3.92	86‡
3% 1986 Con. Loan	82‡	—	3.61	82‡
3½% 1954-59*	100‡	3.37	3.46	100‡
4% 1960-70	101‡	3.70	3.83	101‡
4½% 1955-60	103‡	3.15	3.98	103‡
4½% 1958-68*	105‡	3.38	4.04	105‡

BRITISH GOVERNMENT SECURITIES

	5–3–53 £	High £	Low £	11–3–53 £
2½% Brit. Consols	59‡	59‡	59‡	59‡
3% Savings Bonds 1965–75	84‡	84‡	84‡	84‡
3% War Loan 1955-59	101‡	101‡	100	100
3½% War Loan 1952 ..	79‡	79‡	79‡	79‡
3½% Brit. Iron and Steel 1979-81 ..	89‡	89‡	89‡	89‡
4% Funding Loan 1960 ..	99‡	100‡	99‡	99‡

xd = Ex-dividend.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent Who else must sweat and toil and gain but scanty fare."
William Blake

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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BOMBAY CHAMBER OF COMMERCE ANNUAL MEETING

A PLEASANT feature of recent times is the shrinkage in the area of differences of opinion, especially on fundamental issues, between business men and the Government of India. A striking evidence of this was found at the last annual meeting of the Federation of Indian Chambers of Commerce and Industry, New Delhi. Further evidence was provided by the annual meeting of the Bombay Chamber of Commerce held on Wednesday this week. It is true that the outgoing and incoming Presidents of this Chamber are usually more realistic and constructive in their analysis of the Government's policies than those of most other commercial bodies in this country. But the speeches delivered at this year's annual meeting of the Chamber are less critical and even more constructive than those a year ago. There are, of course, a few criticisms in the addresses of both Mr. J. C. Burns and Mr. E. L. C. Gwilt, the retiring and the new President of the Chamber, respectively. These criticisms, however, relate to some of the old policies of the Government which have been criticised so often. The fact that there is nothing new in these criticisms reflects the absence of any new provocation by the Government. That is undoubtedly a distinct gain in the relationship between the Government and business men.

Mr. Burns' reference to the Five-year Plan shows that he is in full agreement with its objectives and approach. He welcomes the emphasis laid by the Plan on agriculture and community development. As a farsighted business man, he appreciates the importance of a developing and profitable agricultural industry to manufacturing industry, both as a source of raw material and as a market for manufactured goods. As every practical-minded business man has taken care to caution the authorities in charge of the Plan, Mr. Burns too urges them to give high priority to the need for increasing the yield per acre and pushing ahead the irrigation and land development schemes with utmost speed. It is in this context that he welcomes the move to popularise the use of the Japanese method of paddy cultivation as a practical approach to the problem of increased production of food. It is the application of such simple, practical, farm level schemes that will do, according to him, more to help than anything else can.

While Mr. Burns is keen that the Plan must be implemented, he is doubtful about the Planning Commission's assumptions regarding financial resources. He wonders whether the requisite funds would be available and seems to feel that the increase in the outlay from Rs. 1,493 crores in the draft Plan to Rs. 2,069 crores in the final Plan is quite substantial. "If this large sum of money is to be forthcoming, a realistic approach to all the problems facing this country will be essential," says Mr. Burns. Are the Governments making such a realistic approach? He feels that they are not, and there is sufficient reason to think that he is right. Take, for instance, the question of attracting foreign capital to India. While Mr. Burns is not opposed to the Government's view that no political strings should be attached to foreign capital coming into this country, he is of the opinion that India should do something positive to encourage the flow of foreign capital. "I cannot see," says he, "that enough is being done to-day in that direction. Rather would I say that, in some respects, the opposite is the case, because one notices certain inconsistencies in the smaller policy matters." As these are the views of a representative of foreign investors in this country, the authorities will do well to elicit from him, or from the Chamber he represents, the exact reasons which make him feel the way he does and to see how best the climate can be rendered more congenial for the flow of foreign capital into this country.

Surprisingly enough, the retiring President of the Bombay Chamber chose to remain silent on the controversial issue of deficit financing. Apart from indicating the quantum of deficit financing envisaged in the Plan, he did not say whether deficit financing was good or bad. From his emphasis on the need for India securing more foreign capital, one can, perhaps, justifiably infer that he is not in favour of deficit financing. Nevertheless, the absence of a direct reference in his speech to this important aspect of the Five-year Plan gives rise to the feeling that Mr. Burns' observations on the Plan are incomplete.

The subject of labour relations figured prominently in the speech of Mr. Burns. His observations are indicative of the progressive outlook of the Chamber in these matters. The change in the Central Government's approach to this problem brought about by Mr. Giri has heartened all employers, including those represented by the Chamber. As readers are aware, the essence of Mr. Giri's approach is that voluntary negotiations, as opposed to compulsory adjudication, should apply in the settlement of all matters coming under industrial relations. Direct negotiations between employers and labour organisations to settle all disputes are to be preferred, as the results of such amicable sett

He is now working hard on a scheme which will be acceptable to both employers and employees.

Mr. Burns alluded to two specific issues of labour relations, namely, employees' State insurance and provident fund for workers. He reiterated the now familiar criticism that the legislations in respect of both these matters were enacted in undue haste, without proper thought and adequate preparation for implementing them. He was, of course, not content with the mere repetition of this well-merited criticism. He actually made two constructive suggestions. These are: (1) as reports about the working of the State insurance scheme in Delhi and Kanpur, where it is being tried as an experiment, are not altogether reassuring—there are, it is said, many complaints by workers coming under the scheme that they are not getting from it what they had been led to expect—it would be a great mistake to hurry the application of it to other centres, until it has proved itself in Delhi and Kanpur. Some delay at this time would be a much lesser evil than the introduction of the scheme in large industrial centres such as Bombay and Calcutta before the necessary machinery begins functioning properly; (2) the present Provident Fund Act and the scheme framed under it are both ill-conceived and unnecessary. As employers as a whole are not opposed to the institution of provident funds for their workers, the object of the Government could be served in a more easy and correct way than the present scheme. The Government should lay down that every factory employing more than a certain number of workers should be statutorily required to set up a provident fund for those workers within a specified period. To ensure uniformity, model rules could be drafted. The administration of the funds should be left entirely to the employers and employees concerned, to be carried out under properly constituted trusts.

Considering that the aforesaid suggestions have been put forward to ensure smooth working of the schemes and not to postpone or evade the responsibility of employers, the authorities will be well advised to listen to Mr. Burns. The Government must remember that the State insurance scheme now being tried in Delhi and Kanpur is only a pilot project. It should not, therefore, extend the scheme to other centres until the defects revealed by the working of the pilot projects are rectified and care is taken to see that they will not recur when introduced in other industrial centres. The second suggestion, namely, that relating to provident funds, made by Mr. Burns is also equally sensible. It is, indeed, so simple and practical that the Government stands to lose nothing by implementing it. The fact that the Government itself is already contemplating to hand over the control of its provident fund scheme to factories employing more than 300 workers is proof enough to show, if proof were needed, that its scheme is quite complicated, if not utterly impractical. The best way of giving effect to Mr. Burns' suggestion is for the Government to repeal the present Act and pass another on the lines indicated by him, making it obligatory for provident funds to be constituted in all factories employing more than a specified number of workers. It is never too late to correct a mistake and it is to be hoped that this eminently practical suggestion will appeal to the present Labour Minister at the Centre.

The survey of business trends in the past year made by Mr. Burns was brief and factual. It is, however, refreshing to find that, unlike many business men in this country, he feels that the fall in prices last year was not a matter for regret. It was, on the contrary, all to the good, he said, as the prices of a number of commodities had been too high. Being intimately associated with the textile industry, Mr. Burns could not, perhaps, refrain himself from making a brief reference to India's trade in cotton piecegoods. He maintained, and that very rightly, that this industry must be enabled to reach the export target of 1,000 million yards for 1953. Unless the industry exported this quantity of cloth, it would not be able to maintain production at the current level and provide employment to workers at the present level. This naturally led him to the question of export duties and to make the following observation:

> "The use of such a duty to equate internal and external prices when there is a wide disparity is not of great importance when the total quantity of any commodity permitted to be exported is strongly controlled. The levy of export duties in recent years for the specific purpose of preventing inflation of the internal price level was justified, but the levy of them purely for revenue purposes or to absorb legitimate trade profits which would ordinarily go to exporters in this country is a very different matter. We are glad, therefore, to be able to record that, on 4th January, the export duty on cotton cloth (coarse and medium varieties) was reduced from 25 per cent. to 10 per cent. All I wish to do to-day is to urge upon Government the importance of not deferring too long the next move, namely, the abolition of this duty or such reduction in it as may be necessary, so that there may be no check on exports this year, at least until the target of 1,000 million yards has been reached."

As the importance of a buoyant textile industry to the general economy of this country is a matter of common knowledge, comment on the aforesaid observations of Mr. Burns will be superfluous. Suffice it to say that he has put forward the industry's case in a manner that should be quite acceptable to the authorities concerned.

ECONOMICS OF COAL CONSERVATION

EVER since the need for conservation of good quality coking coal was recognised by the Government and accepted, with certain reservations, by the coal industry, the question, which has been continuously posed, is whether conservation should be treated merely as a problem in physical limitation of output. There is a danger that, in emphasising the need for conservation, a far too narrow and restricted view of the problem might be taken and the real problem of conservation masked by an exaggerated emphasis on the curtailment of coal production. Surely, a far greater measure of conservation, as Mr. W. H. S. Michelmore, Chairman, Indian Mining Association, pointed out at the recent annual general meeting of the Association, at Calcutta, could be achieved by "sand-stowing, washing and blending than by severe restriction." The essential soundness of this principle has apparently found ready acceptance by the Planning Commission, considering that its principal recommendations on this subject include the need for carrying through a programme of legal enforcement of stowing, blending and washing, and for gradual replacement of superior varieties of coal in railways by non-metallurgical coal. Indeed, the passing of the Coal Mines (Conservation and Safety) Act, 1952, is itself, in a sense, the recognition of the stand that mere physical limitation of good quality coal is no solution to the problem of conservation, for the Act provides for the adoption of a more comprehensive policy of conservation. After all, conservation ought to mean elimination of avoidable waste, employment of best methods of extraction and economic utilisation of coal. Moreover, conservation ought to be a dynamic concept, for as new seams are discovered, or as our ideas of reserves change with more systematic survey and as fuel technology widens the scope of the utilisation of coal, it is necessary that our ideas of conservation too should change. The discovery of lignite in South Arcot, Madras State, for instance, is a notable development, for the reserves of this mineral, which, it is claimed, compares favourably with the best varieties of coal, are estimated at as much as 2,000 million tons. But then, no discovery of fresh deposits is any excuse for improvident use of available resources of coal, seeing that even in the U.K., a country generously endowed with first class coal reserves by nature, there is a continuous movement to conserve the use of good coal and stimulate the use of every ounce of low grade coal.

This switch in emphasis, from a mere curtailment of coal output to the adoption of scientific devices as a means of conserving coal, does not, of course, make the problem less easy to tackle. On the contrary, it brings to the fore the complicated nature of the problem. If the problem is to be solved, its complicated nature must be candidly recognised. This will enable the Government and the industry to work out, patiently and over a period of time, a solution that is at once satisfactory to all the parties concerned and also capable of speedy implementation. And here is the rub. The two principal elements in a conservation policy, namely, stowing and washing, involve capital outlay and additional expenditure. And coal is a controlled commodity. Conservation is thus as much a problem of finance as a technological one.

There is no need to labour the obvious importance of stowing and washing. Stowing assists recovery of coals, while washing ensures both consistency and low ash content in coals. Both processes are desirable—desirable from the point of view of the producer and the consumer. But both involve rise in production costs. It is this aspect of the problem which deserves to receive the urgent attention of the authorities, for no sermon on conservation will be of any avail, if the proper economic climate in which it can be practised systematically is not provided. Mr. Michelmore pointed out how stowing inevitably involves a sharp rise in the cost of production. Since Government assistance is in any event limited to 75 per cent. of the actual cost of stowing, he said that it was open to question whether the "economics of the industry can bear any such increase as would be involved by a wide expansion of stowing operations." There is also the problem of sand supplies, for Mr. Michelmore doubted whether adequate supplies of sand would continue to be available after the completion of the Damodar Valley Project which is designed rightly to prevent flood and soil erosion but which also raises the problem of where all the sand, so improvidently scattered by the Damodar, could be found once the river water is harnessed by the Project. Perhaps, sand would have to be hauled over a longer distance to the coal mines, which would only add to production costs. In these circumstances, it is difficult not to agree with Mr. Michelmore's view that an upward revision of the controlled selling prices of coking coal is "inevitable."

Coal washing is a twice-blessed proposition. To the producer it means the beneficiation of inferior coals in order to make them do the work of better grade coals. To the consumer it means a "better and more suitable fuel of guaranteed quality." To the steel producer it provides, as Mr. Michelmore revealed, a "consistent blend of coking coal, which is something of such great value to the blast furnace operator as can hardly be measured in terms of actual money." If coal washing thus confers so much benefit on the producer and the consumer of coal, its adoption also implies additional expenditure. Mr. Michelmore quoted figures to show that a coal washery, with a capacity of 100 tons per hour, would cost Rs. 15 lakhs and a washery with double this capacity at least Rs. 24 lakhs. Here are involved two problems: (1) raising the money needed for setting up the washeries, and (2) meeting the cost of washing the coals. Mr. Michelmore suggested that coal washing should be given a high place in the list of priorities for which finance is provided by the Industrial Finance Corporation; and also that it would be necessary, in order to make washing attractive, to pay a bonus of something like Rs. 2 to Rs. 3 per ton above the present controlled prices. The payment of bonus will, however, raise many practical difficulties, considering that the quantity of coal which is needed to produce a given quantity of clean coal depends on the quality of the coal that is treated by washing. As mining costs are not affected by the quality of coal mined, a higher price, Mr. Michelmore said, should, in theory, be paid to the owner of a colliery producing inferior coal, in order to enable him to turn out washed coal, although the value to the consumer is not affected by the consideration whether it is inferior coal or superior coal that has been processed by the washery. Mr. Michelmore said: "I am not attempting to give you the answer to this enigma, but I think it will serve to illustrate what a very complicated economic problem this is."

Enigmatic or not, the problem has to be faced—the problem of adequate compensation to the colliery owners for the higher costs that must result from the adoption of conservation methods. It is no use shirking the issue in an unrealistic manner by saying that the country is willing to have conservation but is afraid of the costs. Some way must and probably could be found to keep the rise in costs within a reasonable minimum. It cannot certainly be beyond the wit of the Government, the industry and the workers to arrive at a workable solution of the admittedly complicated problem of coal conservation. And no solution can be developed in isolation, that is, free from consideration of what the consumer will pay. The solution for this problem of national significance must proceed from an agreed basis of a gradual reduction in costs, through lightening of the burdens on the industry. It is on this basis that conservation costs should be erected, if the entire cost structure of the industry were to avoid a precipitate collapse through an ambitious attempt to combine elaborate labour welfare measures with grandiose schemes for conservation. It is wise to keep these schemes within bounds of possible achievement.

FEAR OF NATIONALISATION BASELESS

POUND STERLING—RETURN ON ELECTRICITY—NEW OPEN GENERAL LICENCES

THURSDAY, 5 P.M.

THE upward trend in equities, witnessed since the presentation of the Central Budget for 1953-54, progressed a little further during the major part of the week, though in an irregular fashion. Tata Deferreds crossed, for the first time in the current year, the Rs. 1,900-mark on Monday and touched a peak of Rs. 1,915 yesterday. Similarly, Bombay Dyeings pierced the Rs. 400-mark early in the week and climbed up to Rs. 413-2, a level which few expected to see in the beginning of this year. Most of the other equities also recorded fresh gains in the first six days of the week. But, to-day, a reaction set in in almost all the counters, wiping out a good part of the earlier gains. This is not surprising, considering the impressive improvement in values in the past three weeks. In fact, the setback is a good thing, as the advance made in recent days requires to be consolidated. A further fall in prices is even possible, as much of the recent rise in prices was the result of speculative buying, unaccompanied by any sizable investment support, and of a fair amount of bear covering. But the bullish sentiment that began to dominate the market soon after the introduction of the Budget has not undergone any change for the worse. If anything, the optimism persists more strongly than in the previous week.

MARKET GOSSIP

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How far is this optimism justified? No clear-cut answer to this poser is possible, but a series of explanations can be offered. In the first place, the sentiment not only of speculators but also of business men has changed for the better, for purely psychological reasons. The rising trend of prices in almost all sectors of business, except in jute and jute manufactures, has dispelled fears of depression that prevailed before the Budget. The offtake of cloth, coal, sugar, steel, cotton, oilseeds, tea and several other commodities has tended to increase and the profit-margins of producers of these manufactures and commodities are to-day considerably better than they were six months ago. It is true that the retention prices of steel have not yet been increased but many feel that this is only a question of time.

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Then, there is the psychology of inflation, generated by the Government's decision to step up the volume of deficit financing in the coming 12 months. This psychology works in two ways. The first is the belief that, as the purchasing power of the rupee falls, the value of tangible assets will go up. The second is that, when the volume of money supply expands, the cost of credit, that is, rate of interest will decline, in which case the yields on investments in both equities and Gilt-edged should decline. In theory, this will be the effect, but, in actual practice, much will depend on the quantum of inflation, and the measures taken to counter inflation. At this stage, it is not possible to express an opinion on these two points with any degree of accuracy, because there are a number of imponderable factors. Generally speaking, the supply of goods in the country is still substantially larger than a year before and quite in excess of consumption at current level of prices. If prices tend to go up still further, consumer resistance may begin to reassert itself. Further, the trend of business in other parts of the world is by no means conducive to any belief that domestic manufacturers can earn a large margin of profits. Moreover, it is yet too early to presume that the authorities will, once again, pursue the war-time practice of inflation and deliberate cheapening of the cost of money. There is, however, some justification to feel that the possibility of the Government of India offering higher rates of interest than those prevailing at present has receded to a considerable extent. Sufficient indication has been provided by the Finance Minister in the past two months or so to show that he is not interested in offering higher rates of interest on Government borrowings.

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There are also sufficient grounds to feel that the Government of India is not likely to make any fresh move in regard to nationalisation of any sector of private enterprise. The speeches of Mr. Jawaharlal Nehru and Mr. V. T. Krishnamachari, Vice-Chairman of the Planning Commission, at the last annual meeting of the Federation of Chambers of Commerce and Industry, clearly show that the Government is keen on securing the co-operation of private enterprise for the implementation of the Five-year Plan. Our own enquiries in high Government circles reveal that the Ministers are quite aware that the Government machinery is not efficient enough to undertake additional responsibility in the sphere of trade and industry. There is absolutely no move to nationalise or socialise either banking or insurance, and no change is being contemplated in the existing regulations in regard to these companies. If any changes were at all to be made in them, they would be such as to make the credit institutions more useful for promoting industrial development in the country under the auspices of private enterprise, as indicated in the Plan. We also understand that, although the Public Accounts Committee has favoured nationalisation of the Tata Locomotive Engineering Co., Ltd., the Government has no intention of implementing that suggestion, unless, of course, Tatas fail to deliver the goods. It has been reported in a section of the Press that the Technical Sub-Committee, appointed by the Government to examine the feasibility of its project for establishing an iron and steel plant under State ownership, has recommended that the project should be left to be implemented by the Indian Iron and Steel Co., Ltd. While we have no idea as to how far this report is correct, our own impression is that the Government will find the task beyond its ability, if not resources, and that, ultimately, it will have to take the assistance of private enterprise to bring into existence another iron and steel plant in this country. It is just possible that the Government may form an entirely new company, with provision for participation in its capital by private enterprise, for the execution of this project.

* * * *

After an initial break, the pound sterling seems to be coming into its own, though it has not yet reached the high levels touched previous to its break. In the last week of February, it was bouncing against the ceiling of $2.82; the sterling-dollar rate was as high as $2.81-15/16—2.82-11/16. By the end of the first week of March it had declined to $2.81¼—2.81⅜. It has partially recovered the loss, the latest available rate being $2.81-9/16—2.81-11/16. Although the rate is not as near the ceiling as it was in February, it is noteworthy that it is still holding its own. It would appear that there is still a certain amount of commercial demand for dollars. Because this demand has not yet had any perceptible influence on sterling-dollar rate, financial observers are inclined to believe that the inherent strength of sterling has distinctly improved. The fact that forward sterling does not show any significant variation is also held as an indication of the essential soundness of sterling. It suggests, it is stated, that the sterling area's balance of payments position with the dollar countries is running along favourable lines.

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The Bombay region which accounts for a large share of the production and consumption of power generated in the country is vitally interested in the provision of adequate facilities for the expansion of the electricity industry. By 1956, the demand for electrical energy in this region, according to Mr. E. L. C. Gwilt, President-elect of the Bombay Chamber of Commerce, will have reached 365,000 kw. When the projected thermal and other generating stations go into production, it is anticipated that it will be possible to meet this demand for power. But this estimate makes no allowance for possible breakdowns in production, or for the vagaries of the monsoon which might conceivably throw the supply position out of gear. Consequently, it is very necessary that the supply position should be pitched at a comfortably high level. Does the present legislation regarding electricity undertakings provide the necessary incentive for the expansion of the industry? The Electricity (Supply) Act has certainly erred on the low side by keeping the standard rate on capital employed at 5 per cent. Mr. Gwilt referred to the resolution which was passed at the last annual meeting of the Associated Chambers of Commerce, Calcutta, emphasising the need for amending the Act, with a view to raising the standard rate from 5 to 6 per cent. He added: "I need say no more about that now, except to urge upon the Government of India the necessity of giving very early consideration to this, because the rate of interest on the loan granted to the Indian Iron and Steel Company by the International Bank was by no means low." Now that both the Central and State Governments have reconciled themselves to higher interest rates, and have shown no great anxiety to nationalise electricity undertakings, it is reasonable to expect that they will recognise the need for providing the necessary stimulus for private investors to participate in the capital expansion programmes of the existing undertakings or to invest in new ones that might be started.

* * * *

During the week under review, the Government of India issued three important notifications regarding imports of goods from abroad. Of these, two relate to new O.G.Ls., while one relates to the modification of an existing O.G.L. The main effect of these notifications is that a large variety of goods, the imports of which were being freely allowed under O.G.L., is now subject to licensing. In other words, their imports will be restricted and regulated, according to availability of supplies in the country and of foreign exchange. The Government has done this, presumably because the supply of these goods within the country has improved. The reason may even be that the supply position in respect of these goods in the world markets has eased to such an extent that they may flood the Indian market, unless their imports are regulated.

* * * *

The two new O.G.Ls. that have now been issued are XXIX and XXX which replace the current O.G.Ls. XXIV and XXV expiring on 31st March, 1953. Both the new O.G.Ls. are valid upto the end of September next. The former permits imports from all countries of the world, except South Africa, while the latter permits imports from soft currency areas only. A few items, e.g., certain non-ferrous metal manufactures and semi-manufactures, aluminium ingots, tallow, rock phosphate and sodium nitrate, rotary tillers, and urea formaldehyde moulding powder, D.D.T. and machine cloth have been removed from the scope of the existing O.G.Ls. The O.G.L. No. XXVII, which allows imports of certain articles from Persian Gulf Sheikdoms and Portuguese possessions in India, has also been extended upto the end of September. The O.G.L. XXIX, it may be noted here, contains a list of goods considered essential, numbering well above 150, which could be imported from all parts of the world, except South Africa. Prominent in this list are goods such as non-ferrous metals (ingot, pig and scrap), iron and steel buffers for locomotives, Manila hemp, roller bearings, specific parts for diesel engines, power-driven pumps, paper insulated power cables, a number of important drugs and medicines, important articles for use in laboratories and for other scientific purposes, special types of refractories, a number of chemicals, sulphur, wood-pulp, spare parts for agricultural tractors, a number of electric instruments, apparatus, etc., scientific and surgical instruments, specified optical instruments, raw asbestos, fluorspar, etc. Among the goods that could be imported from soft currency areas mention may be made of bifurcated rivets, a few items of steel manufactures, tin block, raw sisal fibre, aloe fibre, aluminium, electrodes, cashewnuts, dates, wattle bark and its extracts, stick lac, palm oil, a few drugs and medicines, hides and skins, raw and salted, mercury, fishing hooks, gram and pulses, industrial diamonds, casein, etc. The goods which have been removed from the O.G.L. and for which licences are required, are: some items of non-ferrous manufactures, china-clay, some chemicals, malt extracts, etc. The following articles have been newly added to the O.G.L. XXIX: molybdenum wire, aluminium lead winged glazing bars, porcelain crucibles with lids, diffusion vacuum pumps, laboratory furnaces, micro-cardrum hearing aids, silica triangle on nichrome wire, etc.

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Generally, the Government of India's policy as embodied in the O.G.Ls. can be taken as indicating that the commodities and manufactured goods included under O.G.Ls. are in short supply in the world and that the Indian economy would be benefited by their free imports. In order to conserve hard currency, O.G.L. XXX has been notified in respect of goods which could be had from soft currency areas at competitive prices. When Government publishes its Red Book (Import Control) early in the year or early in July, the list of goods for which licences are necessary, as also restrictions in regard to percentages, etc., is published. For purposes of administrative convenience and also for maintaining a certain amount of flexibility, adjustability, etc., in the import policy of the Government, the O.G.L. items are issued to the public about two or three months after the publication of the Red Book. The O.G.Ls. now announced are in accordance with this practice. It may be noted that, on 3rd March, the Government liberalised imports of certain goods mentioned in the Red Book, with a view to earning more customs revenue. On the 7th inst., it issued its policy regarding the import of caustic soda, agricultural machinery and implements. These licences are valid for the period January-June, 1953, while O.G.Ls. are valid from April to September.

* * * *

A strange anomaly in income-tax law has been brought to light by the recent Supreme Court's judgment in the case of *Anglo-French Textile Co., Ltd.* vs. *C.I.T., Madras*, which has been reviewed elsewhere in this issue, by an esteemed contributor. The net effect of this judgment is that a loss sustained by an assessee cannot be set off for tax purposes, against his profit in the succeeding year or years, unless he has more than one head of income. The relevant portion of the Act is section 24, sub-sections (1) and (2). Section 24 (1) provides that an assessee may set off his loss against any income under any other head mentioned in section 6. Section 24 (2) provides that an assessee may carry forward a loss, sustained in one business, for a period of six years. The underlying assumption here is that an assessee, who has not been able to recoup his past losses, cannot naturally be expected to possess any taxable capacity. Now, the Supreme Court has held that section 24 (1) comes into play only when an assessee has more than one head of income. Again, since section 24 (2) provides for carrying forward of a loss which cannot be wholly set off under sub-section (1), the Supreme Court has held, in effect, that no loss can be carried forward, unless the assessee has more than one head of income. This tantamounts to a prevention of carrying forward of losses in one and the same business. And it should be clear that such a view, as our contributor points out, will inflict serious damage to the fortunes of the owners of single businesses in general, and of inurance companies, in particular. The situation, created by the judgment, calls for expert examination and speedy remedy, in order to rectify what appears after all to be a legal flaw. The Government will, it is to be hoped, either issue an ordinance or take the opportunity, presented by the debate on the Finance Bill, to incorporate the necessary amendments in the Income-tax Act, with a view to rectifying the position created by the Supreme Court's judgment.

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Textile exporters to Australia, particularly British textile exporters who supply so large a part of Australia's textile requirements, are naturally perturbed by the authorities' move to raise the tariff on imports of piecegoods. The preferential tariff on textile fabrics, it is stated, is sought to be raised from 12½ per cent. to 30 per cent. *ad valorem* (less 2½d. a square yard). The particular types of goods that are reported to be involved in this move are sheetings, sheets and pillow cases. Australia is not the only country which seeks thus to lend protection to domestic textile industry. South Africa too is now examining the rate of protective duties that should be levied on imports of furnishings, curtaining and upholstery materials. Commenting on these developments, the Manchester Chamber of Commerce says that enthusiasm in the development of local textile industries should not "proceed too rapidly and under conditions akin to those of a hot-house." Proceeding, it observes: "It is hoped that the Governments concerned and those responsible for the developments taking place will ensure that the young industries are established on lines which offer the best prospects for sound and economic production."

EQUITIES DRIFT LOWER

SELLING IN STEEL SHARES

(From Our Own Correspondents)

BOMBAY, 19*th March*

AN irregularly lower trend in prices of equities was in evidence on the Stock Exchange during the week under review. Speculative counters, particularly steel shares, made frequent bids to stage a rally on recurrent buying spree, and in the process, fresh high levels were established. But ultimately such gains could not be consolidated in the face of heavy selling pressure brought about by several factors. Thus, operators involved in shares as well as in bullion came out to sell Tata Deferreds to cover their losses in bullion. Heavy drop in jute and gunny prices in Calcutta brought about large offerings of Indian Irons from that centre. Further, unfounded fears about the outcome of the decontrol of steel in the U.S. disheartened holders of steel scrips. On the political front also, the news of the Soviet Premier's assurance of firm peace policy and the possibility of Congress-Praja-Socialist Party coalition in India (though the talks in this regard between the respective party leaders have since failed) were not to the liking of bulls. The market as a result lacked support and values tended to look down. Equities, on balance, disclosed small losses over a wide front.

In the steel section, Tata Deferreds opened cautiously on end-of-account considerations, at Rs. 1,876-4, as against the previous week's closing of Rs. 1,832-8 and after an irregularly narrow movement finished at Rs. 1,887-8. Subsequently, they edged forward to Rs. 1,902-8 in the new account on Monday morning. Owing to lack of follow-up support and renewed offerings the shares backed away to Rs. 1,877-8 on Tuesday. Trading on Wednesday opened with a spurt to Rs. 1,915, but the break in bullion prices and the weakness of Indian Irons, coupled with fears about the decontrol of steel in the U.S, brought the quotations down to Rs. 1,876-4, at the close to-day. Tata Ordinaries moved in sympathy with Deferreds and finished the week at Rs. 326-4 with a loss of Re. 1-12, after touching a high of Rs. 332 yesterday. After alternate bouts of buying and selling, in which process Indian Irons touched a high of Rs. 27-1 at one time, on reports that the Company might receive another big loan, sellers gained the upper hand and the scrips fell to Rs. 25-14½ to-day before closing at Rs. 26.

Barring a few select scrips in which Bombay Dyeings were prominent, textile shares failed to regain last week's losses. The sharp rise in cotton prices was the chief restraining factor. Bombay Dyeings were well favoured, reflecting the market's satisfaction over the Company's inherently strong financial position, despite a drop of nearly 50 per cent. in its net profit for the year 1952, which was in itself considered to be relatively better performance in view of the morbid state of the cloth market last year. The shares were, therefore, marked up from Rs. 397-8 to Rs. 413-2 yesterday, but closed to-day at Rs. 406-4 on profit-taking. Kohinoors struck a quiet note with a drop from Rs. 312 to Rs. 307-8. Central Indias retreated from Rs. 166 to Rs. 162. Century drifted lower from Rs. 286-8 to Rs. 283. The Company has declared a final dividend of Rs. 12 per share of Rs. 100, which with the interim one of Rs. 8, makes a total of Rs. 20 per share for the year 1952, the same as that for the previous year. Simplex were weak at Rs. 176-8, a loss of Rs. 9 over the week. Svadeshis were quiet at Rs. 255, as against Rs. 256-8. Tata Mills were down by Rs. 2-12 at Rs. 46-12. New Greats were placed at Rs. 154-8 *ex-div.*, as against Rs. 167 *cum-div.* last week. Finlays were done Rs. 2 better at Rs. 318. The Directors of the Company have maintained the dividend for 1952 at 20 per cent. paid for 1951. Indian Unitеds Ordinaries were in demand to go up by As. 4½ to Rs. 9-11½ and Deferreds by a fraction to Re. 1-10½. Standards looked up by Re. 1-4 to Rs. 295. The Company's dividend for the year at 20 per cent. is the same as that paid for 1951. Swans which staged a spurt last week on expectation of higher dividend continued to elicit support and moved up further this week by Rs. 15 to Rs. 455. The Directors have stepped up the dividend for 1952 to 30 per cent. from 25 per cent. paid for 1951.

Bank shares were quiet with small losses over the week. Barodas fell by Rs. 2 to Rs. 113, Centrals (Old) by Rs. 2 to Rs. 67-8 and Centrals (New) by Re. 1 to Rs. 71. Indias dropped Rs. 3 to Rs. 159. Imperial Fully Paids were a shade lower at Rs. 1,856-4, but Contributories showed no change at Rs. 461-4. United Commercials were steady at Rs. 38.

Public utility shares were a steady feature with small gains in select scrips. Ahmedabad Electrics were better by As. 5 at Rs. 115-5. Tata Hydros hardened by Rs. 2-8 to Rs. 152 and Tata Powers by Rs. 5 to Rs. 1,540. Tata Powers Preference were bid up to Rs. 1,295, a rise of Rs. 45 over the week. Andhra Valleys were steady at Rs. 1,427-8, while Bombay Suburbans were quiet at Rs. 123-12.

Miscellaneous shares were dull and in restricted activity, the list generally showed minor losses. A.C.C. were down by a rupee to Rs. 173 and Belapurs by Rs. 2-8 to Rs. 237. Bombay Burmahs were, however an active counter and the Old shares advanced by Rs. 6-14 to Rs. 396-14 and New by Rs. 5-14 to Rs. 147-8.

In the transport group, Scindias were quiet with a loss of As. 3½ at Rs. 14-10½. Bombay Steams were a fraction lower at Rs. 75-8. India Steamships were steady at Rs. 6-11 and Bharat Lines at Rs. 94. Air-Indias were lower by Re. 1 to Rs. 80 and Air-India Internationals by as much to Rs. 160. Hindustan Motors looked up to Rs. 4-3 and Premier Automobiles were done at Rs. 44-8.

In the mining and engineering group E.D. Petrols were quiet at Re. 1-2½. Indian Coppers were a fraction up at Rs. 3-3½. Alcocks disclosed a loss of As. 10 at Rs. 308-12 and Shivrajpurs As. 3 at Rs. 63. Premier Constructions were put up by Rs. 4 to Rs. 90. Tata Locomotives were on offer at Rs. 87.

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Calcutta Stock Exchange

CALCUTTA, 18*th March*

Considerable speculative enthusiasm enlivened market activity during the week under review. Quotations naturally moved fast, and Indian Irons at Rs. 27-2 saw the highest level so far touched during the year. Firmer Bombay advices and reports about the conversion rate for Tata Deferreds assisted the upward trend. During the last two days, however, profit-taking intervened, but the loss was insignificant. M. Malenkov's declaration aiming at international peace was a factor which accounted for a decrease in the volume of transactions during the last two days, but shrewed operators have not failed to take note of the implications of the war-like activities of the Russians in Germany and in Korea.

Better sentiment was noticeable in other sections also, and gains in selected counters were impressive. However, trading in jute shares was dull, consequent on lack of even moderate business in sacking goods with foreign buyers. Doubts were, therefore, entertained regarding any impressive working report of mills for the current accounting period ending this month. To give mills a marginal profit, it is essential that prices for sacking should improve; this could only be possible, if mills got a portion of the benefit of the recent cut in the export duty.

Textile shares were in the forefront, and operators noted with satisfaction that the Government edict which restricts production of *dhotis* in mills and which was designed as a protection to the handloom industry, is in fact turning out to be a "protective" measure for the mills themselves. This restriction has pushed up prices of the products of mills, as the handloom industry is yet to satisfy the consumers with materials which they have been accustomed to wear. It was no surprise, therefore, to see textile shares add fractional gains. Elgin Mills were taken up to Rs. 17-12 from Rs. 17-6, and Kesorams at Rs. 21-4 put on Re. 1-7. Bengal-Nagpurs were better at Rs. 14-8.

Coals were sympathetic to the general trend, and although the variation in prices was not as impressive as in other sections, yet more business than last week was put through. Burrakurs improved to Rs. 11-3 from Rs. 10-15, while East Indians responded demand by an increase of one point to Rs. 23-7. Bengals were bought at Rs. 539, and New Beerbhoums had buyers at Rs. 22-4 as against Rs. 21-3 earlier. Equitables were bought at Rs. 47 and Raneegunges were slightly lower at Rs. 9-6.

Trading in the jute section was cautious, but all the same gains were recorded. Thus Barnagores improved by five points to Rs. 175-8, and Orients to Rs. 188 from Rs. 183. Howrahs were maintained around Rs. 24-14, while Champdanies were steady at Rs. 165. Interest was shown in Belvederes at the higher rate of Rs. 209. Naddeas, after moving to Rs. 47-12, lost to Rs. 46. Kinnisons changed hands at Rs. 205, Presidencies at Rs. 5-8, and Kelvins at Rs. 221.

In the engineering section, speculative Indian Irons were the centre of attraction, and impressed with a rise to Rs. 27-2 from Rs. 25-13; however, profit-taking reduced the gain to Rs. 26-12. Braithwaites were steady at Rs. 11, and Jessops changed hands at Rs. 23-14.

Featuring in the miscellaneous section were Rallis which spurted to Rs. 76-8 from Rs. 73-4 on good support. Airways India were transacted at Rs. 11-9 and as the proposal for the nationalisation of the airways companies is to be executed soon, shares of airlines change hands often. Bharat Airways had buyers at Rs. 2-5, and Indian Nationals at Rs. 4-3. Shree Gopal Papers were pushed up to Rs. 19 from Rs. 18-8 and India Steamships were strong at Rs. 6-13. Angelo Bros. advanced to Rs. 18-14 from Rs. 18-8, Bararee Cokes to Rs. 18-12 from Rs. 18-4, and Sone Valley Cements to Rs. 7-9 from Rs. 7-5. Other counters that were shown keen interest included Godfrey Phillips, Champaran Sugars, Dunlop Rubbers, Titaghur Papers, Cherra Chhatak Ropeways and Orissa Minerals.

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Madras Stock Exchange

MADRAS, 17*th March*

There were distinctly two different trends on the Madras Stock Exchange this week. Textiles and miscellaneous scrips ruled steady to firm, while plantings and banks were hesitant. The persistent upward trend in textiles, despite power famine, was attributed to efforts of textile mills to switch-over from electric power to diesel power-driven plants installed at their own mills, and expected increase in demand for yarns from handloom weavers in the near future. Miscellaneous scrips responded sympathetically to the upward trend in textiles. The dull conditions in plantings were due to a number of causes. In rubbers, the continuance of reports of heavy stocks with chief consumers of rubber was the main reason for the hesitancy. Coffees were slightly easy on rumours that the Government would take drastic steps to reduce prices. The quiet conditions in teas were due to a reactionary setback after a steady rise for some weeks past. Banks remained inactive for want of support. The cumulative effect of these varied trends was that, while prices of textiles and miscellaneous scrips forged ahead and recorded sizable gains, plantings and banks disclosed generally narrow variations, most of them recording minor losses.

Textile scrips continued to provide the highlight of the market. Radhakrishnas gained Rs. 4-12 to Rs. 148-12 and Lakshmis Rs. 4 to Rs. 76. Coimbatore Pioneers rallied Rs. 2 to Rs. 101 and Metturs Re. 1 to Rs. 186. Buckinghams were higher by Rs. 2-8 at Rs. 125 *cum-div.* Bangalore woollens were done at Rs. 236 as against Rs. 243 *cum-div.* Vasantas were up by Rs. 4 at Rs. 166 *cum-div.* Maduras and Janardhanas were better at Rs. 36-8 *cum-div.* and Rs. 57-8, respectively.

Rubbers came in for a little enquiry. It was held that as soon as the stocks with the chief consumers were exhausted, which would not take a long time, there would be improvement in the prices of rubber scrips. Malankaras rose by Re. 1-4 to Rs. 100-8 and Anandams by As. 4 to Rs. 9-4. Pullangodes were slightly better at Rs. 2-8½. Thirumbadis, however, lost As. 4 to Rs. 2-15 and Cochin Malabars an anna to Rs. 6-4½. Vaikundams were done at Rs. 15-10 *cum-div.*, as against Rs. 15-4. The Directors of the Company have recommended payment of a dividend of 20 per cent. (the same as in the previous year) on the ordinary shares for the year ended 31st December, 1952.

Coffee shares were eventless. Coffee Lands and Consolidated Coffees were lower by As. 1 and As. 1½ to Rs. 9-6 and Rs. 17-0½, respectively. Puthuthottams and Mysore Coffees were unchanged at Rs. 4-13 and Re. 0-9½, respectively. But Anaparais put on As. 2 to Rs. 2-14.

Among tea scrips, Highland Produces were up by As. 2 to Rs. 9-10. Periakaramalais (Tea and Coffee) disclosed a gain of Rs. 4 to Rs. 24-8. But, Parksides eased by As. 2 to Rs. 11-10. Stanes Amalgamated (Tea and Coffees) were done lower by As. 4 to Rs. 8-8. Kalasas slipped by a similar amount to Rs. 10-4.

Miscellaneous scrips were considerably in favour. Rallis shot up by Rs. 3-8 to Rs. 75. Mysore Papers were higher by As. 6½ at Rs. 12-5 and Aluminium Industries by As. 4 to Rs. 11-4. Indian Steel Rolling Mills hardened by As. 7 to Rs. 11-4. India Sugars and United Breweries put on Re. 1-4 and Re. 1 to Rs. 19-8 and Rs. 148, respectively. Andhra Cements(A), however, lost Re. 1 to Rs. 89, and F.A.C.Ts. As. 2½ to Rs. 3-5. Jeypore Sugars receded by Re. 1 to Rs. 12-4.



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NEWS IN BRIEF

THE Government of Bhopal has proposed to levy tax on agricultural incomes. A Bill seeking the imposition of this levy is to be introduced during the current session of the State's Legislative Assembly.

The aggregate amount spent on the Lakkavalli irrigation project in Mysore up to December, 1952, was Rs. 1.08 crores. The project is estimated to cost Rs. 17.75 crores and will irrigate 200,000 acres after completion.

The aggregate expenditure on the development programmes of the Bombay State during the five-year period of the Plan is Rs. 146 crores, according to a revised estimate. Of this, the amount to be spent on social services like education, medical aid, public health, housing, labour welfare, etc., is Rs. 67.17 crores.

The offices of the Rationing Officer (Iron and Steel) and the Joint Rationing Officer (Cement) have been amalgamated. This is done in accordance with the recommendations of the Estimates Committee and also in view of the decontrol of pipes, tubes, fittings and other categories of iron and steel. The officer in charge of the amalgamated office is designated as Controller of Iron and Steel and Cement.

The first shipment of equipment for the D.D.T. plant, supplied by the U.N.I.C.E.F., arrived in Bombay last week. The plant is to be set up at Delhi. The proposed factory, which is expected to be completed next year, will produce 700 tons of 100 per cent. D.D.T. every year. The financial assistance rendered by the U.N.I.C.E.F. is to the extent of £250,000, which is supplemented by the Government of India's contribution of $470,000. The W.H.O. is providing assistance for training, the expenditure to be actually incurred during the two-year period amounting to $100,000.

The Spices Inquiry Committee, set up by the Government of India towards the end of 1951 to go into the problems of production and marketing of cash crops, such as pepper, ginger, cardamom, turmeric, cashewnut and lemongrass oil on the west coast of India, has concluded its investigations. The Committee is now busy scrutinising the mass of evidence it has gathered, as also the memoranda submitted to it by the various growers, traders and other interests concerned during its tours, and will submit its recommendations to the Government of India shortly.

In accordance with the Tariff Commission's recommendations, the Government of India has decided not to reduce the import duty on meta-aminophenol. It has also decided not to restrict imports of para-aminosalicylic acid. The indigenous producers of para-aminosalicylic acid will, however, be given all possible assistance to secure basic chemicals like nitro-benzene and fuming sulphuric acid. Para-aminosalicylic acid is an anti-tuberculosis drug. The current rate of import duty on meta-aminophenol and para-aminosalicylic acid is 37.8 per cent. *ad valorem* (standard) and 27.3 per cent. *ad valorem* (preferential), respectively.

As the Government of India has removed control over the distribution of steel bars, rods and light structurals obtainable from all registered stock-holders, other than the controlled stock-holders and registered producers, permits are no longer necessary for the acquisition by any consumer from such registered stock-holders or for disposal by such stock-holders to any consumer of any quantity of bars, rods or structurals. Those who require these categories can now obtain them from any registered stock-holder and need not apply to the Controller of Iron and Steel and Cement (formerly Rationing Officer, Iron and Steel). The price control, however, continues to be in force. Control over distribution and prices of all varieties of iron and steel pipes and tubes and fittings, whether indigenous or imported manufacture, has been completely removed. There still remains control over distribution and prices of plain and corrugated and black or galvanised sheets, M.S. plates and wire, and a permit will be necessary from the controlling authority for acquisition by any consumer from such registered stock-holders or for disposal by such stock-holders to any consumer of any quantity of sheets, plates or wire.

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From Abroad

The aggregate tonnage of the Pakistan merchant fleet at the end of 1952 was 200,528 (dead weight tons).

The Indonesian Government has reduced the export duty on rubber from 0.085 rupiah per half kilogram for the first quarter of this year to 0.077 rupiah for the second quarter.

During 1952, the population of the United States increased by about 2.7 million, the largest increase ever to occur in any year of the U.S. history. The population as on 1st January 1953 was about 158,448,000.

The known reserves of liquid petroleum in the U.S. during 1952 were higher by 764 million barrels, as compared with the previous year, which was a record. Natural gas reserves also were higher by 5.9 million cubic feet.

Under a barter agreement signed between the Governments of Pakistan and China recently, Pakistan has agreed to supply 10,000 tons of cotton in exchange for 200,000 tons of coal. Cotton will be exported through trade channels, while coal will be imported on Pakistan Government account.

Construction of the nation's first plant to make newsprint and pulp from bagasse, the waste of sugarcane, has been planned by the Valentine Pulp and Paper Company of New Orleans, Louisiana (U.S.). The plant, to be completed by the end of this year, will have a capacity of 17,250 tons.

The U.S. Government has removed price controls on coffee and coffee concentrates, soyabeans and animal feed, heating oil (No. 2), all chemicals and fertilisers, except the sulphur group, nearly all industrial materials, machinery and manufactured goods, and beer and other malt beverages. Controls on sulphur and sulphur chemicals, steel mill products, machine tools and several other metals, however, still continue.

The British Government has decided to end steel control with effect from 1st April, 1953. The system of steel allocation will, accordingly, be terminated, with the exception of heavy plate required for shipbuilding. The existing system under which steel prices are fixed by the Ministry of Supply, however, will not be affected by this decision. It will continue to operate and, with the application of the Iron and Steel Bill, the newly created Iron and Steel Board will exercise the powers which are at present exercised by the Ministry.

The Asian Trade Promotion Conference concluded its session at Manila on the 4th inst. The Conference adopted reports of its committees on market research as an aid to trade, selected import needs and export availabilities and methods of increasing Asia's trade. It also adopted draft report reviewing statements by member delegations on their present trade and market outlook and action taken to carry out the recommendations of the Trade Promotion Conference held at Singapore in October, 1951. The recommendations made at the Conference covered three important subjects, namely, stabilisation of prices of Asia's raw materials, long-term credit facilities and barter agreements. The Conference called for the continued exchange of information on major import requirements and the available exports among the members of the E.C.A.F.E. region. Also outlined were specific measures for expanding the region's trade with the West through diversification of exports, reduction and simplification of import restrictions, improved standardisation of Asia's products, and expansion of tourist trade in Asia as a means of obtaining the much-needed dollars. The Conference demonstrated, once again, the growing confidence of Asian nations in both "trade and aid" from free industrial nations.

PERSONAL

MR. P. A. Menon, India's Ambassador in Belgium, who had come to India on leave, left for Belgium this week.

Mr. Arun Chandra Guha, Member of Parliament from West Bengal, has been appointed Deputy Minister for Finance, *vice* Mr. Mahavir Tyagi who has been appointed Minister for Defence.

Mr. S. C. Joshi, until recently Director of Personnel, Tata Iron and Steel Co., Ltd., Jamshedpur, has taken up his new post of Chief Labour Commissioner to the Government of India.

Mr. R. Maulik of Messrs. Jardine Henderson Ltd. and Mr. J. W. N. Haldock of Messrs. Macneill and Barry Ltd., have been elected Chairman and Vice-Chairman, respectively, of the Indian Mining Association for the year 1953-54.

Mr. Walter A. Weldon, an American ceramics specialist, will be arriving in India shortly to advise the Government of India on the setting up of a new plant for the manufacture of high-tension insulators. The services of Mr. Weldon have been made available by the U.N. under its technical assistance programme.

Dr. M. Visvesvaraya has been re-elected President of the All-India Manufacturers' Organisation for the thirteenth year in succession. The other elected office-bearers of the Organisation are: Vice-Presidents: Lt.-Col. J. D. Kothawala, Mr. H. P. Merchant, Mr. A. G. Bande Gowda, Mr. Hansraj Gupta and Mr. Babulal Rajgharia; Jt. Hony. Secretaries: Messrs. B. D. Somani, Prabu V. Mehta and N. H. Pockkhanawala; Hony. Treasurer: Mr. S. M. Dahanukar.

Mr. E. L. C. Gwilt, Managing Director, Glaxo Laboratories (India) Ltd., has been elected President of the Bombay Chamber of Commerce for the year 1953-54. Messrs. K. C. Bakhle (Tata Sons Limited), A. Kirkwood Brown (Mackinnon Mackenzie & Co., Ltd.), A. H. Hume (Turner Morrison & Co., Ltd.), A. A. Jasdenwala (Adamji Lookmanji & Co.), W. Jenkins (W. H. Brady & Co., Ltd.), E. Parker (Imperial Chemical Industries (India) Ltd.), N. M. Wagle (Greaves Cotton & Co., Ltd.) and A. D. Wenzel (Firestone Tyre & Rubber Co. of India, Ltd.) have been elected members of the Committee of the Chamber.

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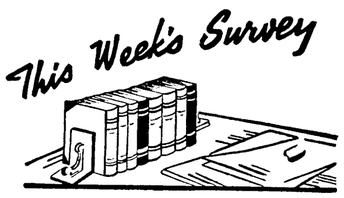

TAXATION POLICY

MR. C. D. Deshmukh, Union Finance Minister, defended the Budget in Parliament, very ably indeed, against the Opposition's criticism that, while the rich are taxed lightly, the poor bear a relatively heavier burden of taxation. He gave a few figures to show how a small proportion of the people bear a disproportionately heavy burden of direct taxation. The number of income-tax assessees in the country is 6,37,000. The revenue from income-tax is Rs. 67.66 crores and that from super-tax Rs. 36.34 crores, giving a total of Rs. 104 crores. Of the total number of assessees, 95.2 per cent. fall within the first grade—that is, upto Rs. 25,000 where the super-tax level comes in—and they account for 26 per cent. of the demand. The next class—that is, the people who pay on Rs. 25,000 to Rs. 70,000—is 4 per cent. of the assessees and they account for 26.4 per cent. The inference—though Mr. Deshmukh did not draw it—is that 47.6 per cent. of the tax revenue is paid by 0.8 per cent. of the total number of assessees. And, the further inference that could be drawn is that they form a microscopic minority of the total population in the country.

It is not as if the richer section contributes to the exchequer only through income-tax. They bear a large part of indirect taxation too, such as the higher customs duty on semi-luxury items and excise duties on higher-priced cigarettes and tobacco which do not affect the poorer sections of the community. The level of direct taxation in the country, Mr. Deshmukh pointed out, is higher than in most countries of the world with the possible exception of the U.K. and the U.S. The rate on the higher slab in this country is 82 per cent., which is exceeded only by the U.K. where the rate is 97.5 per cent. and the U.S. where the rate is 91 per cent. And it must be remembered that these countries have a larger proportion of the higher-income groups than are to be found in this country. More light on this question will, of course, be available when the Taxation Enquiry Commission submits its report. Mr. Deshmukh hoped that, although it had been given a two-year period within which to submit its report, it might conceivably be ready with its main recommendations within 18 months from April, 1953.

PROBLEM OF UNEMPLOYMENT

The basic difference between unemployment in the West and that in India is not so well appreciated. In the West, the word 'unemployment' is used to denote a condition which results from the fall in the level of employment—from the higher to a lower level. In India, the problem of unemployment is almost entirely one of finding work for the chronically unemployed or under-employed sections of people. The problem is, therefore, much vaster, necessarily more complicated than in the West. It is not surprising that Mr. C. D. Deshmukh, India's Finance Minister, should have reminded Parliament, when he replied to the Budget debate last week, that chronic under-employment reflects the "underdeveloped nature of our economy." The problem of removing under-employment or creating fresh opportunities for new employment, as Mr. Deshmukh suggested, is synonymous with the problem of economic development itself. There are, of course, temporary setbacks in employment levels, caused by the change in the economic conditions of isolated sectors, such as the tea industry or coir industry or handloom industry. In these cases, the Government tries, according to Mr. Deshmukh, to stimulate employment through reduction in duties, or in imports, or other suitable measures.

But the larger problem of unemployment remains. And here, there is no escape from the harder—and longer-term solution of economic improvement. It is only when the rate of investment and capital formation, as Mr. Deshmukh said, is stepped up that a sizable improvement can be effected in the employment situation. Further, as he rightly urged, if middle class unemployment is to be solved, there must be a certain reorientation in the educational system. This system, it cannot be too often emphasised, suffers from a lack of practical bias. But middle class unemployment also results from a restriction in the scope for employment in sectors where employers are forced to pay artificially higher wages through labour awards. Under a given set of economic conditions—that is, where there is no scope for fresh employment—the sphere of employment becomes naturally restricted when the wages are maintained at an artificially high level. It is then a question of "higher wages *versus* wider employment."

DRY BATTERY INDUSTRY

The question of continuance of protection to the dry battery industry is now before the Tariff Commission. Of the three units of the industry, the National Carbon Co., which accounts for 80 per cent. of the batteries produced in India, has clearly stated that it needs no more protection. The other two units, Solar Batteries and Estrellas, have, however, claimed that protection should be continued and, if necessary, the rate of protective duty increased. From a brief review of the existing position and the problems facing the dry battery industry, which was given by Dr. B. V. Narayanaswamy Naidu, Member, Tariff Commission, while opening the enquiry into the question of continuance of protection on the 16th inst., one can justifiably conclude that the claim of Estrellas and Solar Batteries for protection is justifiable. The National Carbon Company is in an exceptionally favourable position, because of the long experience and resources of its world-wide organisation. But Estrellas and Solars could hope to stand on their own feet, only if they are protected from foreign competition for some time more.

It is gratifying to note that, at present, there are no imports of ordinary types of batteries; only hearing aid batteries and certain other types are allowed to be imported. Much more encouraging is the fact that the industry has even developed an exportable surplus of dry batteries, although exports have been very limited in view of strong competition in the export markets. In 1952, as many as 1.1 million cells were exported, as against 1.4 million cells in 1951. The quality of the batteries produced in India is comparable with the batteries produced in advanced foreign countries.

The demand for dry batteries is expected to increase in the next few years. Several estimates of demand have been made which vary from 123 million to 320 million. The Planning Commission has estimated the demand to increase to 320 million cells by 1955-56. Production in 1952 is estimated at 130.11 million cells, as against 148.3 million cells in 1951. The rated capacity of the industry is placed at 214.5 million cells per annum. There is stated to be some discrepancy in the figures relating to rated capacity and production. The Planning Commission's estimates regarding the increase in demand during the next few years indicates that there is scope for further development of the industry.

In view of these factors, we feel that the question to be decided by the Tariff Commission is not whether protection should be continued, but what should be the quantum of protection. The role of import restrictions as an element in the overall protection enjoyed by the industry has to be examined. These restrictions have provided the industry a virtually sheltered market and it is time to consider whether too much shelter is always or necessarily good for the industry. At the same time, the Commission must see that the growing industry is not exposed to heavy or cut-throat competition. A certain quantity of imports would, however, be necessary to ensure that the protected industry gives proper care towards improvement of quality and reduction of costs.

INDIAN COFFEE BOARD

The speech delivered by Mr. Ivor Bull, Chairman of the Indian Coffee Board, at the Board's meeting on the 10th inst. could be regarded as a forthright appeal to the Government to understand the facts concerning the coffee industry. In that speech, Mr. Bull, while dealing with the marketing problems of the coffee industry, made a fervent appeal to Government to have trust in the good faith of the Board and in the knowledge and experience of the industry which is represented on the Board, and to confine itself to broader outlines of policies, leaving the method of carrying out these policies to the Board's committees.

Explaining the Government's apparent lack of faith in the Board, Mr. Bull mentioned the Coffee Market Expansion Amendment Bill and observed that, if the Board had enjoyed the full confidence of Government, he could not believe that the Bill designed to amend the Coffee Market Expansion Act so radically would have been published without Government consulting a single member of the Board. "Undoubtedly," he said, "there is still a feeling in Delhi that the Board exists primarily for promoting the interests of the planting community at the expense of the consumer, although planters are in a minority in the Board."

Holding that there was no justification for such a feeling to be entertained by the authorities, Mr. Bull stressed that the Board's actions had been consistently designed to protect the interest of the consumer, whereas, for a period of years, the policy of the Central Government had been to maximise exports of coffee at the expense of the internal market. The Board had consistently opposed this policy but the pressure exerted by Government on the Board to export coffee had tended to vitiate its relations with the public and the Press. With the short supply of coffee in India resulting from this policy, there had naturally been a scramble by merchants to obtain it, and hence the recurring coffee price crises. Mr. Bull, continuing, said that now the accent had at last been taken off exports and placed on the interests of the Indian consumer. This was welcome, but not the interference in marketing methods which had accompanied it.

OILSEEDS

The proceedings of the sixth annual general meeting of the Indian Central Oilseeds Committee held at New Delhi last week covered a number of aspects relating to the production and marketing of oilseeds in India. The Committee decided that a demonstration centre of improved *ghanis* should be started in each of the existing community project areas and allotted a sum of Rs. 2.75 lakhs for the purpose. Secondly, the Committee urged the reduction, if not abolition, of export duties on linseed and mustard oils. It recommended higher priority for the movement of oilseeds by rail, so that it was put on par with cotton. Among others, it sanctioned a number of schemes for the multiplication and distribution of improved varieties of seeds and investigations on the reclamation of rancid food fats, etc. It reiterated a number of its previous recommendations, the most important of them being the levy of an additional cess at the rate of one anna per maund on mill oils for the first five years and two annas per maund thereafter, for financing the development of village oilseed crushing industry. The draft Five-year Plan of the Committee for the production of oilseeds, development of the village oil crushing industry and marketing of oilseeds and oils was considered and a small committee appointed to examine it in detail and finalise it.

None will deny the need to improve the village oil crushing industry. But few would endorse the recommendation of the Committee that it should be developed at the cost of the mill industry. The same arguments against the subsidisation of the handloom industry at the cost of textile mills holds good even in this case. Besides, in the case of village *ghanis*, a lot of oil will be left uncrushed. It is argued that the cake from *ghanis* by virtue of its larger oil content is more vitaminous as food to cattle. But this is not so. It has been proved that the extra oil content of the cake would go as waste and does not contribute in any way to the building up of the physique of the cattle.

The Committee's recommendation relating to reduction in, if not abolition of, export duties on linseed and mustard oils is again open to question. In fact, the decision is ill-timed. There has been a hectic rise in the prices of almost all oilseeds, consequent on shortage of groundnut crop which accounts for 75 per cent. of the oilseeds production in India. As a result, there has been a clamour for a ban on exports of groundnut oil or for imposition of export duty on it. In these circumstances, any reduction in, let alone abolition of, export duties on other oils is unthinkable, as it will aggravate the upward trend in prices. Further, the demand for placing copra and coconut oil imports on the Open General Licence and continuation of maintenance of palm oil on the O.G.L. beyond 31st March, 1953 and the reduction of *ad valorem* duty of 43 per cent. on palm oil has gained currency with a view to augmenting supplies of oil. It would be no wonder, therefore, if this recommendation of the Oilseeds Committee were to meet with the disfavour of ordinary consumers and the *vanaspati* interests in India.

The new schemes sanctioned relate, *inter alia*, to those for the multiplication and distribution of improved varieties of groundnut in Mysore, of mustard in Assam and of linseed in East Punjab. It sanctioned four schemes for fundamental research, including the one for investigations on auto-tetrapolids of some oilseed crops at the Indian Agricultural Research Institute, New Delhi, and on cytology of groundnuts in Madras, among others. It is gratifying to note that the Committee reconsidered its previous proposal to set up two central research institutes for oilseed crops in view of the advice of experts that fundamental research should not be divorced from its applied aspects and decided to promote research work in the various regions on a co-ordinated basis. A small committee has been appointed to examine the question of research work on oilseed crops and decide in which areas research needs to be initiated and strengthened.

NATIONALISATION OF AIRLINES

Two important statements relating to nationalisation of air transport were made by the Union Minister for Communications, Mr. Jagjivan Ram, in the course of a Press interview at Calcutta on Monday last. First, nationalisation of air transport would be accomplished as from 1st June, 1953. Secondly, there would be no retrenchment of labour, as a result of nationalisation that would follow nationalisation. The Report of the Communications Ministry published last week briefly reviews, among others, the causes which have been responsible for the decision of the Government of India to nationalise airlines. It is not clear, however, as yet whether there would be two corporations—one covering domestic air routes and the other for international routes—as reported in the Press. Also, the question of compensation to the existing airlines is yet to be decided.

But it is clear that nationalisation of airlines will shortly be a *fait accompli*. The Report of the Communications Ministry says that nationalisation of airlines is in the interest of the public, on the ground that it will result in the reduction of costs in the operation of airways, as it will then be run by a single body. Rationalisation, which will follow nationalisation, will help minimise costs. But, the statement of the Union Minister that the Government would see that "nobody was thrown out on the streets" sounds strange, for it is not clear how the Government hopes to effect economies without reducing the surplus staff.

The Report says that, in spite of substantial Government aid being given to the air companies, the position of the companies has not shown any appreciable improvement and that there is no chance of their becoming self-sufficient in the near future. The Report alleges lack of efficient management and of co-ordination, between the existing companies for bringing down the costs of operation. Moreover, the air transport industry, according to the Report, is not in a position to buy new capital equipment without substantial Governmental aid. The Government is of the view that, if it were to provide a large sum for the purpose, it would be in the interest of the public to assume ownership and management of the industry and finance it directly.

There is some truth in these arguments, but they do not constitute the whole truth. If the air transport companies have not been in a position to maintain themselves without substantial aid from the Government, it is because of the vagaries of Government policies. In the first place, far too many companies were licensed for operating scheduled services. Secondly, the tax on aviation petrol is heavy. And, thirdly, costs of operation have been continuously rising in recent years. Surely, had a reasonable number of companies been allowed to operate and the threat of nationalisation was not left hanging for long and measures had been taken to enable the industry to bring down operating costs, the air transport industry would now have been placed on a more solid basis. It remains to be seen whether the State can operate the service better than private enterprise. But the record of work by the Damodar Valley Corporation and other State-owned enterprises is too poor to justify the hope that the Air Transport Corporation will do better than private industry.

It would certainly have been better if the Government had brought about integration rather than nationalisation of air companies. The Government might then have advanced loans to the integrated unit or units and exercised the necessary supervision over their working. The advance of loans to an integrated unit or units will virtually have the same effect as direct financing of the State-owned Corporation, but with certain differences. The Government could exercise substantial control.

OFF THE RECORD

(By "ROVER")

THERE is something, which might prove to be either baneful and sinister or beneficial and wholesome, brewing in the political sphere, behind the mild turmoil, unrest and display of taut nerves, frequently witnessed at present in Parliament and outside it. Judging by signs and portents, the shape of things to come appears very vague, fluid and indeterminate, as these things are all in a formative stage. Confusion and bewilderment are the lot of any student of affairs, if he can keep himself free from wishful thinking along the lines of his favourite predilections in the socio-economic structure and strictly on the objective track. It might be of some interest to try and extricate the tangle of these trends, set them in separate skeins and see if they point or lead to any destination or at least a definite direction. I personally regard the present time as the most critical and crucial turning point in the history of the country since 1947 and what will emerge from the present *melee* of whirling and milling ideas, events and activities, overtures, antagonisms and enmities, in the cauldron on the boil will go to give both direction and meaning to the socio-politico-economic set-up during the next twenty years.

Had my mind not been preoccupied with the Central and some of the State Budgets and the annual session of the Federation of Indian Chambers of Commerce and Industry during the last three or four weeks, I would have drawn your attention to the menace of Mr. C. Rajagopalachari's then projected and since accomplished visit to New Delhi. What I had intended saying then was that that week was marked by two events of far-reaching importance—the demise of M. Stalin and Mr. Rajagopalachari's sojourn in the country's Capital. The latter has such a restless and fertile mind that he is bound to initiate certain new lines of thought and policy in the minds of his victims, sometimes even without their being aware of the source from which they receive inspiration. And, of late, Mr. Rajagopalachari has become so crabbed and twisted in his mental processes, that one has to sit up and take note, when his field of activities is changed or enlarged even for a short duration. I want you to take note of what he has been saying after his return from New Delhi about the need for the establishment for an all-party national Government. I am not quite sure whether it is the astute Mr. Rajagopalachari who has returned from New Delhi infected with this virus or whether he had gone to infect New Delhi with it.

Amongst the other signs and portents I have referred to at the outset, you are, of course, aware of the new *rapprochement*, which was more than mere idle flirtation between the President of the Congress and the virtual head of the Praja-Socialist Party. Mr. Nehru is much too serious, wary and advanced in age to be easily susceptible to or taken in by wanton coquetry. His intentions appeared to be honourable and he was obviously not seeking for a temporary and diverting political liaison. Besides, from all the protests that we heard and the indifference openly displayed, it must be concluded that the opposite party also was too moral to entertain any compromising proposals, even from so eminent and desirable a suitor as Mr. Jawaharlal Nehru. Though the proposed marriage, which has been temporarily forsaken, was one of convenience, both the parties were at pains to emphasise that there was a good deal of deep affection and community of outlook and interests to lift the union from a purely sordid plane. And whether you looked upon this bond, which appeared so imminent till yesterday, as a boon or a calamity, according to the political colours affected by you, you might rest assured that you have not heard the last of it yet. Cupid is an uncommonly persistent god and those who are genuinely enamoured of each other are apt to seek to come together, in defiance of the mercenary elders who forbid the banns.

I do not know whether Mr. Rajagopalachari, when he pleaded for the establishment of an all-party national Government, was showering his blessings on the then proposed union of the Congress and the Praja-Socialist parties at governmental levels or was opposing it in his own inimitable, clever manner by throwing out the suggestion at the right time of widening the scope from a bilateral to a multilateral set-up at New Delhi and in all the State capitals. I am positive that the Madras Chief Minister could not have entertained, even for a moment, the idea of inviting the Communists and their fellow travellers either in his own State or at the Centre to co-operate in the work of administration. What he presumably had in mind, while making his suggestion, was the formation of Governments in the country, more broad-based than a coalition of the Congress and the Praja-Socialists. This could only mean the association of some of the sober elements on the right of the Congress in the Government to balance the entry of the Socialists from the left. In the present state of the country, with its future staked on the success of the Five-year Plan, and with the present currents, cross-currents and under-currents at play in international politics, any suggestion which would lead to a Government speaking with the might and accord of the whole country must be welcomed.

Looking at the other side of the picture, I find that, while at least some of the Congress leaders are drawn towards the Praja-Socialists to the extent of seeking more than mere support in the legislatures and in the country for some of their policies and in the implementation of the Plan, there is also a general desire on the part of these same leaders and also of others who do not approve of a Congress-Socialist coalition, to win at least the confidence and the co-operation of the business community in general and industry in particular. I am also inclined to hold that it is this desire not to estrange the leaders of this community and not to give them more cause for discontent, which, to a certain extent, has been instrumental in bringing about the rejection of the more radical demands of Mr. Jaya Prakash Narayan and his political associates and the abrupt breakdown of the negotiations between Mr. Nehru and Mr. Narayan. They know that Congress had already moved about as much as it possibly could with safety along progressive lines to the left. If the Praja-Socialists had been content for the time being with this and if they had not tried to push Mr. Nehru further away from his other important party colleagues, a working understanding appeared to be possible.

It is only very recently that both Mr. Nehru and Mr. C. D. Deshmukh realised that a good measure of co-operation and goodwill of business men were really necessary, at least at the present stage to prevent the Plan, truncated as it is, from turning out a dismal failure at the end of the next three years. They also realised belatedly that discontent of the business community arose not so much from the progressive measures adopted by the Government but from the suspicion it was looked upon with and the contempt it was treated with. Some of the half-baked Ministers, new to their job, forgot themselves so far as to express this contempt openly in official and semi-official gatherings or at times even when they were themselves the guests of some business organisations. Mr. Deshmukh, always an irreproachably courteous man, showed his displeasure by his growing aloofness. Mr. Nehru expressed his dislike by his superior pose.

There may be diehards and last-ditch men in the business community as in any other group. But a majority of them were not so blinded by prejudices as not to realise that they would have to surrender their privileges and advantages, which accumulated wealth and control of means of production had conferred on them. They were reconciled to their fate and the wise ones amongst them did not kick against it. Many were progressive and patriotic enough to drop some of these advantages even before they were forced to do so by superior authority or by the force of public opinion. A few were even prepared to atone for the sins of their more misguided brethren. But when they came to be treated as if they were sub-human by some of the morally arrogant leaders, who were themselves incapable of controlling whole hosts of their own corrupt party men and close associates, some of the more sensitive ones amongst the business community began to hint at, and later to voice, their resentment. Fortunately for the country, the people who matter in the political set-up noticed this change betimes and they set about putting things right not merely verbally, but by appropriate action. I suspect that but for this realisation, namely, that they had driven business men at bay, when instead of meekly accepting and pocketing undisguised contumely and turning tail, they might bare their fangs, the composition of the Taxation Inquiry Committee would, perhaps, have been vastly different from what it is. I regard this as a gesture of returning goodwill and restoration of normal, if not amicable, relations, between the political and the economic wings of the country.

This is how things stand at the turn of the official and financial year. World affairs are getting more complicated in spite of the loudly expressed desire for peace on all sides. The new Administration in the U.S.A. has not found its feet yet; it has not yet finished making all those mistakes which a new party, coming into power after such a long time as almost to have forgotten the art of governance, is expected to make. The world does not know what forces M. Stalin's disappearance from the international political stage will let loose. Pakistan is a little less bellicose in the west, but there is serious trouble brewing in the east on the Burma-China border. Japan is likely to undergo a political upheaval.

If party majority in Parliament is the sole measure of a Government, the Government of India, even as it is, is in a strong position. But if you accept quality and sagacity, wisdom and moderation as going to make up the yardstick, it is not very strong. Its weakest point is its administrative inaptitude and inefficiency. If we are to achieve and maintain economic progress within the country and to continue to command respect and consideration abroad, it is necessary that the Government seeks strength and support from all elements in the country and all interests give these ungrudgingly to the Government. A coalition or all-party Government is not the only method of acquiring strength. It might lessen friction, but it might kill initiative and drive. A coalition of the Congress both with elements from the right and the left, though ideal, is unthinkable and beyond the range of party politics, unless a world crisis were to arise at some future date. A coalition only with the left will injure our economic stability which is none too stable. One with the right will release forces of unrest and agitation and jeopardise production thereby. Perhaps, things, as they are, are the best in the circumstances. If we act rightly in the present, the future will take care of itself.—*All Rights Reserved.*

INDO-PAKISTAN TRADE PROSPECTS

CENTRAL BOARD FOR SPICES TO BE SET UP

(From A Special Correspondent)

NEW DELHI, 17*th March*

THE Indo-Pakistan trade talks which have been going on during the last two days in the capital, it is now predicted, will soon result in some agreement on a broad and mutually advantageous basis between the two countries.

DELHI LETTER

Immediately after a preliminary discussion, the conference split into four sub-committees which would, among other things, discuss the movement of Indian coal by rail, supply of timber, iron and steel to Pakistan and border trade between the two countries. It is possible that Pakistan will abolish the discriminating levy on raw jute exported to India and might ask for some concession in the prices of coal charged to her. In regard to iron and steel, the supply in India is extremely limited and the controlled prices are markedly lower than those prevailing for similar products in the international markets. In case, India agrees to sell a small quantity of iron and steel to Pakistan, the Indian delegation will be insisting that Pakistan should show some concession in regard to the supply of some important raw materials to India. For the present, some long-term agreement will result in the exchange of Indian coal for Pakistan jute, but at the same time, the scope in regard to trade in other commodities will be left wide open so that the volume of trade could grow by mutual adjustment among business men.

Pakistan's Exports to India

During the last few months, there has been a considerable decline in the exports from Pakistan to India. For the first nine months of 1952-53, the value of Pakistan's exports amounted to Rs. 13.75 crores (excluding the value of 207,721 bales of raw jute imported during December, 1952, awaiting adjustment) as against Rs. 64.78 crores worth of goods for the same period in the previous fiscal year. The sharp decline in the value of Pakistan's exports is attributable not only to the reduced quantum of raw jute despatched to India but also to a heavy decline in its prices. During this period, the quantum of jute sent to India declined from 19.24 lakh bales to 10.15 lakh bales, their respective values being Rs. 56.31 crores and Rs. 9.89 crores. Total exports from India during the nine months of 1952-53 did not show any marked variation, the figure being Rs. 16.23 crores as compared with Rs. 17.08 crores in the preceding year. Now that prices of raw jute have come down appreciably, the value of Pakistan's exports to India is not likely to show any sharp rise even if the latter were to import hereafter about 15 lakh bales per annum. One pronounced feature in the Indo-Pakistan trade during the post-Partition period has been the marked adverse balance that India has had to experience since the trade relationship between the two countries was somewhat unilateral. During this period, Pakistan generally failed to keep up its import schedule as per agreement. The future agreement must, therefore, take notice of this aspect of the problem and India should not only insist that Pakistan should purchase the agreed quantum of goods from India but also make arrangements for a periodical review of the progress of trade as per agreement. India should also impress on Pakistan that no discriminating treatment should be accorded to Indian manufactured goods in that country.

At the latest meeting of the Council of Scientific and Industrial Research, presided over by the Prime Minister this week, it was decided to go ahead with the establishment of a National Development Corporation on the lines of the existing institutions in the U.K., the U.S., Canada, etc., in order that the processes discovered by Indian scientists be fully developed and exploited in large-scale production. This Corporation will be a semi-autonomous organisation. It will have as its chief function the establishment of pilot plants and semi-large-scale production units and thus form the link between research and industry. There are now well over 80 research schemes covering a wide range of scientific subjects such as radio, atmosphere, metals, chemicals, drugs and pharmaceuticals, fuels, essential oils, leather, etc. All these schemes are being continued.

The Spices Inquiry Committee, set up by the Government of India about 18 months ago under the chairmanship of Mr. Kashinath R. Damle, Additional Secretary, Ministry of Agriculture and Food, to go into the problems of production and marketing of cash crops like pepper, ginger, cardamom, turmeric, cashewnut and lemongrass oil in the west coast of India, has concluded its investigations. In a few months, the Committee will be making comprehensive recommendations for the improvement of these important cash crops both from the agricultural and commercial point of view. The importance of these commodities in India's export trade has become considerable during the last few years. Pepper and cashewnuts have a major share in our export trade.

Pepper Production

Despite the phenomenal prices obtaining for pepper in the export markets during the last five years, the present production in India at about 20,000 tons is believed to be the same as in pre-war years, while the setback to production in Indonesia has left India the largest producer. A notable feature of these years has been the large exports from India, which, in some pre-war years, had been a net importer; and it is even more remarkable that this change-over was achieved without any increase in production. In 1950, for instance, exports of pepper represented one-half of the total estimated crop and became the sixth most important export commodity; in that year 10 per cent. of the requirements of the U.S.A. were supplied by India as against 2 per cent. before the war. For the first nine months of 1952-53, exports of pepper amounted to 157,636 cwts., valued at Rs. 10.70 crores, as against 192,257 cwts. worth Rs. 15.93 crores for the same period in the preceding year.

Total exports of spices for the first nine months of 1952-53 came to Rs. 14.07 crores, as against Rs. 18.97 crores a year ago. Among these commodities, cardamoms accounted for Rs. 1.36 crores, chillies (mainly to Ceylon) for Rs. 1.27 crores, ginger for Rs. 39.24 lakhs, turmeric for Rs. 35.21 lakhs, the balance being the share of pepper. Besides these, cashew kernel exports accounted for Rs. 10.39 crores, the quantity being 32,645 tons for the nine-month period of 1952-53. The value of exports of lemongrass oil was Rs. 28.12 lakhs, as against Rs. 1.29 crores in the same period of the previous year. Total exports of all these commodities now amount to about Rs. 40 crores on an annual basis.

In view of the importance of spices in our export trade, the Government of India will shortly be setting up a Central Spices Board on the model of the Indian Coffee Board. The Board will form individual committees under its overall control and supervision in respect of various commodities. The Board has both short and long-term problems to solve. From the short-term point of view, it will have to safeguard the export markets for these commodities. It must introduce co-operative marketing methods to protect the small-scale producers and also set up standards for various products, especially for establishing a fair name in export markets. From the long-term point of view, research and pest control schemes should be intensified. In respect of lemongrass oil and cashew kernel oils, the Government should provide technological help. Since standardisation of the products for the export markets is necessary, the Government should implement, without any delay, some of the short-term remedies in order to safeguard the export trade of the west coast of India.

(Concluded from next column)

would, however, be to remove the anomalous excess profits tax which penalises companies making large profits to-day who were not making them in the basic year to which the tax is related. This tax was introduced in fulfilment of an electoral pledge but it has no merits, and relief given here would enable the successful company to plough back more of its profits into investment. The only other form of industrial relief is, of course, the reduction in the standard rate of income-tax. The Chancellor could meet criticisms on reducing the incidence on industrial taxation if he were to introduce a differential rate of tax between profits distributed as dividends and those kept back in reserve. No Chancellor has yet had the courage to do more than contemplate distantly such a proposition.—*All Rights Reserved.*

THOUGHTS ON BRITISH BUDGET

CLAIMANTS FOR RELIEF

(From Our Own Correspondent)

LONDON, 14*th March*

THREE months ago, there was considerable anxiety that national expenditure was appearing to outrun revenue to an extent that might have landed the Chancellor of the Exchequer with a deficit at the end of the financial year instead of the neat balance he had expected to achieve. This was anticipated after allowing for what is known as "below the line" expenditure, i.e., capital payments as well as ordinary expenditure items. The reason for the alarm was the fact that the overall exchequer deficit at the end of December was some £950 million, while a year before it had not exceeded £600 million. Since planned budget expenditure for 1952-53 on ordinary account had been set at £4,180 million (against £4,020 million for the previous year), there seemed no means of accounting for the increase in the seasonal deficit other than excess expenditure over the estimates.

LONDON LETTER

It was noted, however, that the Chancellor himself gave no hint of anxiety and since the beginning of the calendar year revenue has been coming in to date at an ever-increasing rate and brought the deficit at the beginning of March down to £300 million—compared with £100 million a year ago. The gap has therefore been substantially narrowed in recent weeks and a large part of the remaining difference can be accounted for by loan repayment operations. The revenue continues to be very buoyant, and, if one takes ordinary revenue and expenditure alone, to date the Chancellor can already show a surplus of £220 million. The overall deficit arises from the capital transactions of the Government including such important items as loans to Local Authorities for house-building. In his previous budget, the Chancellor had planned for an ordinary surplus of rather more than twice the level so far reached, and, though increased expenditure on supplementary estimates will drastically reduce this, the gap will be neither indecent nor intolerable.

Savings on Food Subsidies

With a month to go to Budget Day and most of the Departmental estimates published, it is possible to give some thought to the shape of the national accounts for the coming year. These accounts have increased in complexity to an extent that makes them often difficult to interpret in straightforward accounting terms. Moreover, without the revenue estimates which are not produced until the budget, it is impossible to strike any sort of accurate balance. But, broadly speaking, one can say that in spite of all the election promises of economy, the expenditure of the State will continue to increase. The only direction in which substantial savings are to appear will be on the food subsidies, where the coming year will have the advantage of a great part of the subsidy reductions announced a year ago together with the new savings to be effected from now on. However, the food subsidy savings are in themselves so substantial that it is quite possible that the Chancellor will have a revenue surplus of the order of some £100-£200 million to devote to the reduction of taxation.

There are three principal claimants. First, of course, is income-tax where the standard rate of 9*s.* 6*d.* in the £ might be reduced to 9*s.*, but this would carry with it the necessity of making concessions, possibly by way of increased family allowances, in order to afford the lower income groups the same advantages as were being given to the income-tax payers at the top of the scale. The next big claimant is the purchase tax; but the trouble here is that it has become such a large subscriber to the revenue (it produced no less than £337 million in the last full year, which is nearly as much as the whole of the beer and spirit tax) that the Chancellor could do little more than make some reduction in the rates or remove some of its pettier incidences. These concessions, however, he may well try to make.

Finally, there is the need for some relief to industry, to which the Chancellor has virtually pledged himself. One form of relief would be to increase the initial allowance on capital expenditure but this relief is, of course, only temporary since over the life of the particular piece of equipment nothing more than 100 per cent. allowance can be given. A useful relief

(Continued in previous column)

AMERICAN LETTER

SIGNIFICANCE OF STALIN'S DEMISE

TREND OF COMMODITY PRICES DOWNWARD

(From Our Own Correspondent)

NEW YORK, 12*th March*

PREMIER Stalin's death, General James A. Van Fleet's statement that the Korean war could be won without bringing on total war and the new Administration's decontrol actions covering prices in many fields and commodities were the dominant factors influencing business and finance in the last two weeks.

Succession of Malenkov to the No. 1 post in the Soviet Union has created a good deal of uneasiness here, even though his speech at Stalin's funeral was regarded as moderate. Hardly a Western diplomat has ever met or spoken to the new dictator. Moreover, the new 51-year old boss is described as cold, humourless and more anti-Western than Stalin. Uncertainty about his possible future actions, therefore, cause uneasiness.

The inside information here is that, while it is the desire of Moscow to avoid all outward appearance of political instability as a result of Stalin's death, the struggle for power has hardly begun and that, in the very near future, personnel changes in the Soviet Government can be expected.

These will obviously depend, it is felt here, on who will emerge as the most powerful character. According to this view, the triumvirate of Malenkov, Beria and Molotov is a period of planned transition. In addition, Bulganin and Kaganovich will have to bear watching. Presently, there is a try at orderly succession in Moscow and at an appearance of stability which may not last.

In a way, the death of the former Soviet Prime Minister is regarded here as foreshadowing an era—of whatever duration—in which no radical changes should be expected in the relations of the U.S.S.R. with the outside world.

The reasoning is that it took Stalin between two and three years to consolidate his personal position and, perhaps, the same thing is to be expected now for his successor, whoever, he may be. While Stalin could command great respect and loyalty from the Army and the Russian people as a war hero and as a subject of admiration for more than a quarter of a century, the same is not true of his successor.

Weakness for Soviet Union

Since the adventure of an all-out war would probably involve widespread suffering, it is argued, the present rulers in the Kremlin are unlikely to engage in it except in desperation. Thus, Stalin's death, in effect, is interpreted as ushering in an era of relative weakness for the Soviet Union, and, conversely, of greater relative strength for the United States. Regardless of whether or not this reasoning will prove right or wrong, this opinion is held here at the present time.

Those who do not analyse the situation as closely, merely enquire as to whether the chances for all-out war are greater now than previously. General Van Fleet did not think so when he testified before Congress. But that was before Stalin's death and it led to a mild peace scare stock-market-wise. In the cross-current of opinions, the possibility of a conclusion of hostilities in Korea is still taken quite seriously, although it is difficult to imagine that the defence programme could possibly be relaxed on that account.

There are also uncertainties about the ultimate consequences of decontrol actions. The moves themselves were, of course, approved heartily by the business and financial community. Controls made no longer any sense since prices in a good many categories were below ceilings anyway.

Wholesale prices of such items as cigarettes and oil were raised as a consequence of decontrol. This was widely regarded as unfortunate lest the inflationary spiral should be stimulated again. While there may have been some excuse in the tobacco field because of higher taxes, no such grounds are apparent for petroleum products which are over- rather than under-produced on a national basis. Regional shortages were alleged to be the reasons for the price increases which, however, have been relaxed since.

Commodities prices continue their downward trend. Premium quotas for metals are disappearing fast. Zinc and lead have been cut repeatedly. Owing to a multitude of quotations, complete confusion now reigns in the copper market and everyone concerned hopes that some progress will be made in arriving at a semblance of international agreements to stabilise the major commodities in the world markets.

The commodity price recession, which is a more or less natural sequence of the steep rise which occurred after the outbreak of the Korean war, has led, however, to renewed apprehension that it may be the forerunner of a decline in other fields as well.

Fears in this respect stem principally from possible over-production in some lines, when defence spending should taper off later this year. There is nothing new in this theory which has been expounded by the mathematicians for some time.

Offsetting factors are advance industrial planning plus the vast needs for new airports, schools, new roads from coast to coast and a steadily rising population. All of these elements hardly spell contraction. However, the well-balanced view seems to emerge that, in a period of relative stability and balance of the economy, it is inevitable that up and down adjustments occur in various fields. Thus, slackening of orders in the machine tool industry may be offset by prosperity in, say, food and tobacco. There may be lower demands for textiles, as occurred 18 months ago, but the chemical and synthetic industries may be booming. These, in effect, are healthy signs in a fluid economic life which is bare of stagnation.

Talks with U.K. Delegation

On the Government level, the new Administration is still groping to formulate new policies. For example, the British delegation, headed by Mr. Anthony Eden and by Mr. R. A. Butler, were received here very warmly and intensive discussions were held for three days. However, responsible Cabinet officers at Washington were extremely careful not to make half-promises or to indicate any comitments of any sort.

As is well known, the conversations revolved around the possible convertibility of sterling. The obvious problem is to provide a large enough cushion of some sort so that the integrity of the currency is not questioned so that a flight of capital is forestalled. Such a cushion could be provided in many ways, for example, through U.S. Treasury funds, by the International Monetary Fund or by means of a new stabilisation organisation. All these questions are being studied at the present time. —*All Rights Reserved.*

U.S. TRADE POLICY

The Public Advisory Board for Mutual Security has recommended that the U.S. should undertake to remove "inconsistencies" between its avowed foreign trade policies and foreign trade practices. In its opinion, the choice that the U.S. should make is one which continues its present export programme by increasing imports. The Board warns: "If this country does not soon take measures to facilitate an increase in imports, U.S. exports will decline and American industry and agriculture will be seriously affected."

The Board has recommended several steps to encourage and increase imports to help pay for exports. These include: The decisions on trade policy should be based on national interest, rather than on interest of particular industries or groups; a new simplified tariff act must be adopted, providing for the general reduction of duties and eliminating present uncertainties in the classification of goods; the President should be authorised to enter into reciprocal trade agreements without limit of the time and with power to reduce tariffs, within specified limits, as an interim measure, customs procedures should immediately be simplified, tariffs must be reduced and quotas on agriculture products be liberalised, tariffs are to be reduced and, in some cases, ultimately eliminated on metals and minerals of which imports are a major part of U.S. supplies, import excise taxes now applying to petroleum products should be dropped, the Congress should take necessary steps to enable the U.S. to join in establishing an international organisation to promote the objectives of the General Agreement on Tariffs and Trade.

The Board does not believe that completely free trade is feasible in the immediate future. Its proposal for consolidating, simplifying and reducing tariffs is suggested as a practical means of achieving trade policy objectives.

PAKISTAN NOTES

BUDGET FOR 1953-54

MORE INCENTIVES TO INDUSTRY

THE Government of Pakistan's budget for 1953-54, presented by its Finance Minister, Mr. Mohammed Ali, to the Pakistan Parliament on Saturday last, unlike its predecessor, may not claim to be a very popular one. For the budget, not only discloses a heavy deficit of as much as Rs. 5.74 crores—the deficit would have been still more marked, but for the sizable contribution of Rs. 6.92 crores from the Railways and the Posts and Telegraphs—but also contemplates fresh burdens of taxation. Even here, the task of the Pakistan Finance Minister has by no means been easy. This is due to marked shrinkage in revenue receipts—the customs revenue alone is expected to fall by 100 per cent., from Rs. 61.85 crores in 1952-53 (revised) to Rs. 30.10 crores in 1953-54 (budget) —and none too happy position in regard to foreign exchange resources, thanks to the extremely adverse circumstances created by the world-wide slump in commodity markets during the major part of last year, not to speak of the serious shortage of food. Indeed, the budget bears testimony to the fact that Pakistan has been passing through a difficult period.

While presenting the budget for 1952-53, last year, the Finance Minister had stated that, "during the next year, we expect to maintain our balance of payments position on a sound basis." This expectation has not materialised. The balance of payments position has actually worsened. Pakistan's foreign assets as on 20th February, 1953, were as low as Rs. 80.37 crores, as compared with Rs. 150.52 crores on 4th January, 1952. Despite all this, it is rather strange that the Finance Minister should have announced that his Government would not make any downward adjustment in the exchange rate of the rupee as a remedy for the economic troubles. The Pakistani rupee has always been quoted at a discount *vis-a-vis* the Indian rupee, and the Government has been losing heavily on account of false invoicing and black market operations. The export prices of several commodities, especially jute and cotton, Pakistan's staple earners of foreign exchange, have been at a very low level. The question of devaluation of the rupee, therefore, has received growing support at the hands of a considerable section of business and trade in Pakistan.

Tax Proposals

Be that as it may, with a view to converting the deficit of Rs. 5.88 crores into a nominal surplus of Rs. 14 lakhs, the Finance Minister has proposed several additional measures of taxation. By far the most important of these are the increases in the export duty and excise duty on sugar, by Rs. 12 and Rs. 4 per cwt., respectively; these charges are together expected to yield Rs. 2.3 crores. The rate of excise duty on mill-made cloth is to be raised from 5 per cent. to 12 per cent; this is expected to yield Rs. 1.65 crores. Import and excise duties on motor spirit will be enhanced by As. 12 per Imperial gallon, yielding Rs. 26 lakhs, and import duty on whisky, gin and brandy by 50 per cent., yielding Rs. 15 lakhs. Further, the existing rates of excise duty on cigarettes is to be increased by 25 per cent. This will give Rs. 45 lakhs which will be shared with the units. The Centre's share will amount to Rs. 23 lakhs. In case of imported cigarettes, the rate of excise will be higher by six pies per 10 cigarettes. Another important taxation measure relates to the restoration of the import duty of 30 per cent. on jute manufactures which had been removed in 1950 and the imposition of 45 per cent. import duty on second-hand or used gunny bags or cloth made of jute.

In spite of the stringent financial condition of the Pakistan Government, the Finance Minister has managed—and this is noteworthy—to provide more incentives to investment in industry. The following are the concessions announced by the Minister:

Exemption in respect of investments in approved industrial undertakings, which is at present limited to 10 per cent. of the total income, will henceforth be available in respect of investments upto 20 per cent. of the slab of total income up to Rs. 1 lakh and 10 per cent. of the balance, if any, above Rs. 1 lakh. In case of persons with income not exceeding Rs. 25,000, the exemption in the above will cover investments in Government Securities and Post Office Savings Certificates, subject to the limit of 20 per cent. of the total income. The profits of new industrial under-

(Continued on page 527)

TREND OF WORLD SILVER IN 1952

RISE IN OUTPUT NEGLIGIBLE

A FRACTIONAL fall in prices, a negligible rise in production, accompanied by a fall of 33 per cent. in the imports into the U.S. despite a large influx of Japanese silver, and a fall in the U.S. industrial demand for the white metal were the main features of the world silver market in 1952. These features have been brought out clearly by the world-renowned dealers in precious metals, Messrs. Handy and Harman, New York, in their *Annual Review of the Silver Market, 1952*. Commenting on the prospects for 1953, Messrs. Handy and Harman observe:

"The nearby outlook is dependent on the decisions made in Mexico and in Washington. A continuation of the policies followed in 1952 can be expected to provide the same stability which has characterised the year just ended. We believe that the Bank of Mexico will continue to be a buyer of Mexican production at or near current levels. On the other hand, the availability of United States' production and Treasury free silver at prices not far above the 90-cent level provides an assurance of supplies for American industry adequate to meet any foreseeable requirements during the coming year."

The world production of silver in 1952 is estimated at 172 million ounces, as compared with 166.9 million ounces in 1951 and 167.3 million ounces in 1950. Of the total, the output in the Western Hemisphere accounted for 141.9 million ounces, the balance of 31 million ounces coming from outside the Western Hemisphere. The two largest producing countries—the United States and Mexico—showed improvement over the previous year. In the U.S., the production at 40.5 million ounces represented a nominal increase of about 500,000 ounces. For Mexico, the increase was more substantial, in that the output at 45 million ounces was about 1.2 million ounces more than that in 1951. Canadian output of the white metal, estimated at 25 million ounces, was better by 800,000 ounces over the previous year's figure. In Peru, too, the increase was up by 2 million at 17 million ounces. In Bolivia, the output was 6 million ounces, as against 7.2 million ounces in 1951. All other South and Central American countries together produced about 7.5 million ounces.

Among other producers of silver, Australia continued to be the most important country, with an estimated output of 11 million ounces in 1952. Japan's production continued to improve since the war and reached about 7 million ounces in 1951. The production of silver in 1952 is estimated at about 7.5 million ounces.

The table below gives the estimated silver production in the different countries of the world in the three years ended 1952:

(In million ounces)

	1952	1951	1950
United States	40.5	40.0	42.1
Mexico	45.0	43.8	49.1
Canada	25.0	24.2	23.2
Peru	17.0	14.9	13.4
Bolivia	6.0	7.2	6.6
South and Central American countries	7.5	6.8	6.9
Total Western Hemisphere	141.0	136.9	141.3
Outside Western Hemisphere (partial)	31.0	30.0	26.0
World Production (partial)	172.0	166.9	167.3

Consumption

The world consumption of silver in 1952 amounted to 232.1 million ounces, about 800,000 ounces lower than that in the previous year. Of this total, the consumption of arts and industries accounted for 127.2 million ounces, as against 148.1 million ounces in 1951. The balance of 104.1 million ounces was used for coinage purposes.

Arts and industries in the U.S. consumed 13.6 per cent. less silver than they did in 1951, the actual consumption being estimated at 95 million ounces. Silverware, both sterling and plated, accounted for less than one half of the total, whereas five years ago the proportion was about two-thirds. The decline in the ratio was due to increased use of silver in defence and civilian industries. In the U.K., the use of silver for approved purposes declined sharply in 1952 to 11 million ounces. Canadian consumption dropped by 8.7 per cent. to 4.2 million ounces. But Mexican consumption improved by 10 per cent. to 2.2 million ounces. Japan used 3.5 million ounces in photographic industries.

During 1952, large quantities of silver continued to be used in coinage not only in the U.S. but in other countries as well. Reported use by foreign Governments for this purpose is said to be of the order of 46.8 million ounces. Of this, Saudi Arabia accounted for the largest portion, having contracted with Mexico for some 23 million ounces. Next in importance was Germany which used 8.8 million ounces in the minting of 5-mark pieces, coinage of which was started in 1951. Mexico used 8.3 million ounces for its own coinage requirements, Canada about 400,000 ounces. The U.S. had coinage orders from Cuba for minting 2.1 million ounces obtained from Cuban silver stocks in the U.S. The U.S. Mint consumed 57.3 million ounces of silver, an increase of 13 million ounces over the amount used in 1951 and the largest amount consumed by the U.S. Government for coinage since 1945.

The U.S. Treasury stocks of silver in bullion and coin declined by 20 million ounces to 1,942.2 million ounces during the first 11 months of 1952. Free silver receded from 124.5 million ounces to 85.5 million ounces. This drop was more than offset by an increase of 26 million ounces in silver bullion securing silver certificates. Coins in circulation showed a substantial increase, with the result that total silver outside the Treasury rose from 931.5 million ounces to 988.4 million ounces. The total stocks of silver in the U.S. aggregated 2,930.6 million ounces as at the end of November, 1952, as against 2,893.7 million ounces at the end of December, 1951.

As regards lend-lease silver, the total amount outstanding remained at 410,553,011 fine ounces, a figure at which it has remained unchanged since 1947. The ratification of the Japanese Peace Treaty in April, 1952, established the start of the five-year period, by the end of which such silver presumably is to be returned to the U.S. Treasury. The table below shows, in detail, the amounts due to the U.S. by different countries, as on 31st December, 1952, under the Lend-Lease agreement:

(Million ounces)

India and Pakistan	226.0
U.K.	88.1
The Netherlands	56.7
Saudi Arabia	22.3
Australia	11.8
Ethiopia	5.4
Fiji Islands	0.2
Total ...	410.5

The general trend of trading in silver last year is summed up by Messrs. Handy and Harman as follows: "The year 1952 was uneventful for silver. The pattern of recent years continued unchanged, with the New York market as the dominant world influence. Trading in London and Bombay is still subject to Government controls and there appears to be no prospect of relaxation." In New York, the trend of silver was downward, but there were in all only six changes in the published price. The opening quotation of 88 cents per troy ounce was the highest point seen in 1952, while the low of 82⅜ cents was touched on 28th May. The range of price movements was the narrowest in any year since 1949. The Bank of Mexico followed a policy of absorbing virtually all the silver output of Mexico and placing buying orders in the New York market. This policy prevented any further drop below the low of 82⅜ cents. The low level was seen as a result of the arrival into the market of about three million ounces in March as well as the unsold portion of the demonetised Cuban one-peso coins which had arrived in the market in 1951. Again, in October, another lot of three million ounces from Japan came into the market. Owing to increased trade requirements, there was, however, no difficulty in absorbing these arrivals. Demand, however, tapered off towards the end of November, and Mexican producers sold their stocks to the Bank of Mexico. The year ended with the factors of demand and supply in close balance.

In Canada, the price of silver moved down from 89¼ cents to 79⅞ cents. The Canadian base price of silver fluctuated to some extent independently of New York, as the price movements were influenced by the oscillations in the foreign exchange rates for the dollar. The official London price was based on approximate conversion of the New York quotation plus an adjustment for theoretical shipping charges from New York. Accordingly the opening rate of 77*d.* was also the high for the year and the low of 77½*d.* was reached on 29th May, just one day after the New York price reached its low of 82⅜ cents. The year closed better at 73¾*d.* on purchases for essential uses.

The official ban in India on silver imports and exports continued in effect throughout 1952. Licensed imports amounted to a negligible quantity of less than a lakh of ounces. Total estimated consumption was 5 million ounces. Prices ranged from a high of Rs. 193-11 per 100 tolas on 28th January, 1952, to a low of Rs. 140-12 on 6th December. These rates are equivalent in dollars to 1.08½ cents and 78⅞ cents per ounce, respectively. The closing rate in Bombay was about Rs. 152-2, equivalent of about 85⅛ cents (in U.S. currency) per ounce.

SMALL SAVINGS WEEK

The association of women with the small savings drive of the Government of India is significant, in that it is the housewife whose decisions on domestic expenditure have a close bearing on family savings. Each pie saved by every housewife and credited to her savings account will ultimately add up to a sizable amount. Viewed from this angle, the organisation of women's savings this week, that is from the 15th to the 21st inst., as a special feature of this year's savings drive, is welcome. The week is being observed in 15 of the most important cities of the country. Meetings are being conducted for enlisting the co-operation of women in the small savings drive.

The role of small savings in the formation of capital in India has assumed special importance owing to a change in the political and economic conditions in the country since independence. Prior to the country's freedom, princes, *zamindars* and capitalists constituted the main sources of funds for the capital market. The changed social order and the shift in incomes from urban to rural areas have dried up the flow of capital from these sources. Consequently, the Government has come to place increasing reliance on small savings than on large loans from the capital market. In his Budget speech, the Finance Minister said: "We shall have to turn increasingly to the small saver for providing the finance required for development." The Planning Commission has also emphasised, in its report, the role of small savings, because the extent of such savings determines the extent to which funds will be raised from other sources or the extent of deficit financing that has to be resorted to.

At present, three types of investment schemes exist in the sphere of small savings. These are: (*a*) The National Savings Certificates, (2) 10-year Treasury Savings Deposit Certificates and (3) Post Office Savings Bank Deposits. Since 1950-51, the collections on small savings have shown an upward trend as compared with the post-war period when a declining tendency was noticed. The net collections in 1950-51 were Rs. 33.3 crores; in 1951-52 they were Rs. 38.5 crores. The figure for the first nine months of 1952 (April-December, the latest month for which relevant figures are available) show that the net collections were of the order of Rs. 28 crores. For the full year, the total collections, based on monthly averages for these nine months, may be estimated at about Rs. 38 crores—an amount more or less the same as that for 1951-52. In other words, other things remaining the same, the upward curve of national savings seems to have flattened out.

The halting trend is perhaps an indication that the small savings schemes, as they are designed at present, have ceased to be attractive. In order to give new life to the savings movement, the Government is having under consideration a series of measures. Thus, it is proposed to extend the system of authorised agents who are functioning only in three States, to the entire country. The Government seems to be considering the appointment of extra departmental branch postmasters as authorised agents for sale of National Savings Certificates. Further, the proposal to introduce the cheque system for operating postal savings deposits would appear to be under consideration. Besides, it has been decided to return to State Governments all savings collections beyond Rs. 45 crores in the form of loans with a view to inducing them to take a livelier interest in the small savings drive.

All these amount to no more than an intensification of the drive. But by themselves these measures are unlikely to yield any substantial results, unless a little more incentive, in the form of higher rates of interest, is offered to investors. The yields on the existing savings certificates are not attractive enough to small savers. They must be sufficiently high to induce people to save and avoid the temptation of frittering away their income on non-essentials. Moreover, the rates of interest now being offered were fixed years ago when the general level of interest rates was low on account of the cheap money policy adopted by the Government. Since then, the rates have gone up and, therefore, there is need to revise them so as to make investments in the certificates worthwhile.

Part of the success of savings drives in the past was due to commission offered to agents

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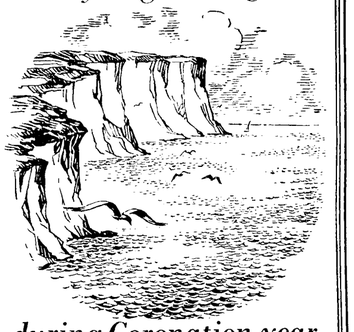
When you go to England



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CENTRAL BANK MAINTAINS HIGH LEVEL OF LIQUIDITY

PROFIT LOWER DUE TO RISE IN EXPENSES

THE financial results of banks in India for the year 1952, reviewed in these columns so far, have shown that the responsibility thrown upon them by the official monetary policy in bringing about disinflationary conditions in the country has been borne well. They also indicate that the banks have not had any relief from the heavy cost of operations in spite of the decline in their turnover. Moreover, the rise in interest rates and its effect on the value of Gilt-edged securities have proved to be a heavy burden on them. The beneficial effects of higher interest rates on loans and advances have been more than offset by (*a*) the rise in rates of interest on deposits and borrowings, (*b*) the high cost of operations, and (*c*) the depreciation in the value of investments. This has particularly been so in the case of banks with a network of branches and big turnover. A typical example of this trend is provided by the financial results of the Central Bank of India Ltd. (Managing Director: Mr. H. C. Captain, Bombay), for the year ended 31st December, 1952. The profit of the Bank shows a shrinkage of Rs. 24.75 lakhs, in distinct contrast to the improvement of Rs. 22.73 lakhs noted in 1951. The gross income of the Bank during the year under review was well maintained; in fact, it shows a modest increase of Rs. 6.24 lakhs over that in 1951. If despite this improvement the profit shows a fall as above, it is because the interest paid and expenses have together gone up by as much as Rs. 30.51 lakhs. Both these items of expenditure have been progressively rising, with no signs of relief.

A more clear picture of the foregoing features can be had from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Gross income ...	5,19.61	5,13.37	4,40.11	4,37.12
Interest and discount earned ...	4,20.77	4,03.23	3,55.25	3,40.44
Commission, exchange, etc.	91.66†	1,03.53	71.71	41.60
Interest paid ...	1,41.91	1,24.21	98.38	97.48
Expenses ...	2,73.19	2,60.38	2,35.96	2,12.94
Depreciation ...	3.13	2.65	2.42	2.31
Profit	1,01.38	1,26.13	1,03.35	1,25.19
Provision for—				
Taxation ...	10.00	10.00	15.00	20.00
Sinking fund ...	0.77	0.73	0.67	0.63
Reserve and contingency funds ...	...	...	10.00	20.00
Investment account ...	35.00	50.00	16.80	21.73
Bonus to staff ...	12.00	22.25	20.80	16.75
Dividend	44.04	44.04	44.03	44.03
	(14%)	(14%)	(14%)	(14%)
Carry forward ...	17.23	17.66	18.54	22.49

As on 31st December

	1952	1951	1950	1949
Capital	3,14.55	3,14.55	3,14.54	3,14.54
Reserve and contingency fund	3,58.28	3,58.28	3,58.28	3,58.28
Sinking fund	40.80	40.03	38.74	38.07
Total deposits ...	123,21.13	125,47.85	126,80.73	121,73.38
Borrowings from other banks	39.61	5,64.94	1,27.10	37.74
Advances and bills ...	55,36.45	61,17.20	50,67.17	42,74.23
Investments	62,26.35	63,98.05	68,51.35	62,96.40
Cash	16,28.89	17,29.52	19,58.06	25,81.93
Balance-sheet total ...	142,66.58	155,11.83	148,50.80	139,31.81
Ratio to deposits of—	%	%	%	%
Advances ...	44.9	48.7	39.9	35.1
Investments* ...	50.4	50.7	53.0	51.4
Cash	13.2	13.8	15.4	21.2

* The ratio is arrived at after taking into account the investment earmarked against borrowings from other banks.

† Includes post-war refund of E.P.T.

The increase of Rs. 17.54 lakhs in interest and discount earned during the past year has been followed by a fall of Rs. 11.87 lakhs in commission, exchange, etc., earned. This accounts for the relatively small increase of Rs. 6.24 lakhs only in gross income. The figure of Rs. 91.66 lakhs representing the income from commission, exchange, etc., includes the post-war refund of excess profit tax, the exact amount of which is not shown separately. But for this additional receipt which does not pertain to the year under review, the Bank's income and, with that, its profit from operations during the year would have recorded a much sharper fall than has been the case. The decline in commission, exchange, etc., earned is probably due to a fall in the Bank's bill business. The increase of Rs. 17.70 lakhs in interest paid and of Rs. 12.81 lakhs in administrative and other expenses has eaten into the profit-margin of the Bank. It will be noted from the foregoing table that, during the last three years, the increase in the Bank's gross income by Rs. 82.49 lakhs has been counteracted to the extent of Rs. 60.25 lakhs by the rise in expenses.

It will be noted from the allocation of the profit that, as in the previous year, no sum has been added either to the reserve fund or to the contingency fund this year also. The provision for investment account has also been reduced by Rs. 15 lakhs. Nonetheless, the sum set aside for this purpose, namely, Rs. 35 lakhs, is by no means small. This transfer is intended to meet, in part, the depreciation in the value of investments. It does not, of course, represent a real loss, for, if the securities are held until maturity, as is likely to be done, the Bank will receive repayment at par. When this happens, the amounts that are being set apart for this purpose year after year from profits will add to the Bank's inherent strength.

The Bank's balance-sheet as at the close of the year, a synopsis of which is given in the foregoing table, fully reflects the effects of the monetary discipline enforced by the authorities. The decline of Rs. 226.72 lakhs in deposits during the year is in keeping with the fall in the total money supply during the year. An analysis of the main heads of deposits reveals that current and savings deposits account for a decline of Rs. 309.48 lakhs, while fixed deposits and cash certificates show a rise of Rs. 82.75 lakhs. The Bank's borrowings from other banks at the end of the year show a large fall of Rs. 525.33 lakhs to stand at no more than Rs. 39.61 lakhs. Of these borrowings, as much as Rs. 30 lakhs are unsecured ones and the rest are secured by investments. This does not mean that the Bank had no necessity to borrow during the year as much as they had in the previous year, nor does it mean that the Bank did not avail itself of the bill market facility provided by the Reserve Bank. For the rising trend in advances noted in the previous years asserted itself so strongly during the earlier months of the year 1952 that the level of advances touched a peak. In the result banks had to borrow enormous sums from the Reserve Bank in the first quarter of last year. It was only the rapid decline during the remaining months that brought the level at the end of the year well below that at the close of 1951. Evidently, this has enabled the Central Bank to repay almost the entire borrowings from other banks. The fall of Rs. 5.81 crores in advances is attributable partly to the slump in commodity prices and partly to the official monetary policy. This decline is shared by loans, cash credits and overdrafts which have dropped by Rs. 3.52 crores and by bills discounted and purchased which account for a decline of Rs. 2.28 crores. It is, however, interesting to note that the ratio of advances to deposits is well above that in any of the years before 1951. The Bank's acceptances and endorsements, which represent the foreign trade bills business, have declined from Rs. 4.76 crores to Rs. 2.11 crores and bills receivable from Rs. 5.73 crores to Rs. 4.68 crores. Investments at Rs. 62.26 crores are shown at book value. Of these, Government securities stand at Rs. 55.10 crores, the market value of which is Rs. 51.55 crores, the depreciation on them being Rs. 3.55 crores. Cash balances too show a decline of Rs. 1.01 crores, but the total liquidity ratio stands at a slightly higher level, namely, 63.6 per cent. as against 60.5 per cent. a year before.

(Concluded from previous page)

appointed by the Government. There is need now to revert to this practice in areas where it is not in use and to make it applicable to both Treasury Savings Deposit Certificates and National Savings Certificates, instead of discriminating between the two as at present in certain areas. The better results that would follow these measures will be beneficial in several ways. For, increased savings invested in these schemes bring money to Government for financing its development schemes, checks inflation and provides protection against future want for the investor.

In Bombay State, the women's savings week was inaugurated by Dr. Jivraj Mehta, Finance Minister. Appealing for the co-operation of the public in the small savings movement, he revealed that, if the net collections of the State exceeded Rs. 13.75 crores, the State Government would get the excess over this amount as loan assistance from the Centre. During 1951-52, the net collections amounted to Rs. 13.5 crores. The movement in the State was, he said, conducted through the assistance of various agents working on a commission of 1¼ per cent. He hoped that, with the co-operation of the people, especially in the rural areas, the campaign would be a success.

RESULTS OF UNION BANK

MODEST DECLINE IN PROFIT

A DECLINE of Rs. 1.74 lakhs, from Rs. 3.92 lakhs to Rs. 7.18 lakhs, in profit is disclosed by the audited accounts of the Union Bank of India Ltd. (General Manager: Mr. F. K. F. Nariman, Bombay), for the year ended 31st December, 1952, as compared with that for the previous year. Though this decline is in contrast to the small improvement recorded in the preceding two years, it need not be viewed with concern, as it is in consonance with the general trend of bank profits for the past year. Following the decline in profit, the Directors have had to reduce the allocation to reserves. They, however, propose to maintain the dividend at As. 5½ per share of Rs. 5, to which level it was raised last year from As. 5 per share.

The following comparative table shows at a glance the Bank's progress in the last three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Gross income	26.28	25.20	20.74	20.00
Interest and discount earned ...	23.00	23.20	19.03	18.34
Exchange and commission	0.79	0.75	0.50	0.34
Interest paid	9.87	7.29	5.12	4.96
Expenses	9.02	8.61	7.22	6.94
Depreciation	0.21	0.37	0.21	0.14
Profit	7.18	8.92	8.19	7.96
Appropriations—				
Taxation	1.00	1.50	2.00	2.50
Reserves	2.75	4.00	3.10	2.25
Donation	...	0.03	...	...
Bonus to staff ...	0.72	0.65	0.60	0.60
Dividend	2.75	2.75	2.50	2.50
	(6⅛%)	(6⅛%)	(6¼%)	(6¼%)
Carry forward	2.06	2.10	2.10	2.11

As at 31st December

	1952	1951	1950	1949
Capital	40.00	40.00	40.00	40.00
Reserves	30.00	28.25	26.50	25.00
Deposits	5,66.82	6,06.84	5,36.04	4,63.47
Borrowings from banks...	...	...	...	68.00
Advances and bills ...	2,54.45	2,96.23	2,12.46	2,02.62
Investments	2,80.03	2,29.53	3,16.21	2,99.84
Cash	1,00.60	93.24	76.20	94.78
Balance-sheet total ...	6,60.01	7,13.99	6,43.75	6,10.82
Ratio to deposits of—	%	%	%	%
Advances	44.9	48.8	39.6	43.7
Investments	49.4	37.8	59.0	53.5*
Cash	17.7	15.4	14.2	20.4

* After taking into account the securities pledged against borrowings from banks.

It will be noted that the receipts from the principal sources of income have been nearly maintained at the previous year's level. The increase in the gross income to the extent of Rs. 1.08 lakhs is mainly due to the large receipts from other sources, including post-war refund of excess profits tax. This additional income has been more than absorbed by increases in the expenditure side. Both interest paid by the Bank on its deposits and borowings and expenses have moved up, the former by Rs. 2.58 lakhs and the latter by Rs. 0.41 lakh. In the result, the profit has, as already noted, suffered a decline of Rs. 1.74 lakhs. Inevitably, therefore, the provision for taxation is less by Rs. 50,000. While the transfer to the reserve fund has been maintained at Rs. 1.75 lakhs, the addition to the contingency reserve has been raised from Rs. 75,000 to Rs. 1 lakh. The investment account, which had received Rs. 1.50 lakhs last year, has not been provided with anything now.

Deposits of the Bank show a contraction of Rs. 40.02 lakhs to Rs. 566.82 lakhs. This fall is not shared by all classes of deposits. Thus, while fixed deposits and cash certificates account for a decline of Rs. 37.44 lakhs and savings bank deposits for Rs. 5.18 lakhs, current deposits have risen by Rs. 2.60 lakhs. With the decline in the Bank's resources, its advances have dropped by Rs. 41.78 lakhs. It may be noted here that while loans, cash credits and overdrafts have gone down by Rs. 61.02 lakhs, bills discounted and purchased have risen by Rs. 19.24 lakhs. The decline in advances during the major part of the year under review and the unusual prolongation of the slack season provided an opportunity to the Bank to take advantage of the more favourable rate of interest to be had on new investments in Government securities. Accordingly, the Bank's investments in Government securities (at market value) show an increase from Rs. 192.89 lakhs to Rs. 255.71 lakhs, while other investments are lower by Rs. 12.32 lakhs at Rs. 24.31 lakhs. At the same time, the cash position has also been strengthened by Rs. 7.36 lakhs, so that the total liquidity ratio stands at the impressive level of 67.1 per cent.

EXPORT OF INDIAN COTTON TEXTILES

REDUCTION IN PRICE IMPERATIVE

A WELCOME change in the administration of control over export trade in cloth in Bombay has been the constitution of a separate panel for cotton textiles, with the Joint Chief Controller of Exports, Bombay, as the Chairman. The panel consists of persons representing the Millowners' Association, Bombay, Bombay Chamber of Commerce, Indian Merchants' Chamber, All-India Exporters' Association, and Africa and Overseas Merchants' Chamber. The panel will meet periodically with a view to discussing general problems of common interest to textile exporters.

The constitution of a separate panel for export of cotton textiles—and three others for cotton and cotton waste, oils and oilseeds, and miscellaneous items, respectively—is evidently an indication of the anxiety on the part of the export control authorities to keep in touch with the leading members of the trade so that the problems arising from time to time, may be solved with their assistance. Until recently, export control was being administered on the basis of the discussions and recommendations made by the Port Advisory Committee. As this Committee had to deal with so many commodities of exports, sufficient attention could not be devoted to cotton textiles, one of India's most important earners of foreign exchange. In fact, this was one of the lacunæ, which was interfering seriously with the speedy administration of export control, thereby causing considerable hardship to exporters. This brought to the fore the need for periodic meetings between the trade and the export control authorities. The constitution of the four separate panels, instead of the one Port Advisory Committee, marks the recognition of the need for a separate body to examine, from time to time, the problem of textile exports. The efforts of the Joint Chief Controller of Exports (Bombay), Mr. R. N. Phillips, who, it is stated, was primarily responsible for taking the initiative in this regard, are indeed commendable.

Decline in Exports

The mere constitution of a separate panel for cotton textiles, however, is not enough. What is more urgently required is that the recommendations of the panel should be given due consideration by the Government in framing its export policy and controls. How the vagaries of the Government's export policy have already done a lot of avoidable harm to the export trade in cotton piecegoods is common knowledge by now. It is undoubtedly one of the chief reasons for the shrinkage in exports in recent times. Thus, the total quantity of cloth exported during the calendar year 1952 was not more than 617 million yards, which compares with 776 million yards in 1951 and 1,120 million yards in 1950. The target for exports of Indian cloth for 1953, fixed at the Buxton Textile Conference, it may be noted, is 1,000 million yards and it is doubtful whether this target will be reached, as exports in recent months have not been very encouraging, despite the continuance of the Government's policy of freer licensing of exports and the reduction in the export duty on coarse and medium cloth. The latest official figures for cloth exports are not available. The latest month for which figures are available is January, 1953, and that too for Bombay only. According to these figures, the quantity of cloth exported amounted to 37.22 million yards, as against 58.81 million yards in September, 1952.

Competition

The position in the export trade in cloth as it stands at present is that export orders are not flowing in as smoothly and as easily as they did seven to eight months ago, owing to keen competition from other countries. Thus, Japan is offering stiff competition to India in the world markets for textiles, particularly in Indonesia. Again, British and Continental mills—in some countries, the exporters receive special assistance—are trying their best to push up exports of cloth to Africa, the Middle East and the Far East. It is unnecessary to go into these details again, as a detailed reference has been made on a previous occasion (*vide* page 1092 of *Commerce* dated 13th December, 1952). Further, imports of Indian cloth into some of the traditional markets, Pakistan, in particular, have been virtually stopped, thanks to the balance of payments difficulties. As readers are aware, it was only recently that the Government of Pakistan officially banned imports of textiles.

This brief account should be sufficient to emphasise the urgent need for raising the competitive position of indian cloth in world markets. Surely, the best way of achieving this objective is to lower export prices. Now that a buyers' market seems to have almost been established on a permanent basis, one wonders if the export trade can bear even the reduced export duty of 10 per cent. on coarse and medium cloth. In fact, a stage has been reached when the Government of India ought to remove the handicap on the mills' capacity to export fine and superfine cloth by giving a rebate of the import duty on cotton on the quantity of such goods exported by them.

Liberalisation of Exports

There is need, too, for a further liberalisation of restriction on exports. Export of mill-made *lungis*, for instance, is at present prohibited. The chief consideration which seems to have weighed with the Government in continuing to prohibit the export of this variety is to give encouragement to handlooms. But handloom-made *lungis*, it is common knowledge, are costly and cannot compete successfully with mill-made *lungis* from other countries. Moreover, there are certain countries which do not use *lungis*, e.g., Australia, New Zealand, etc., but which are interested in certain varieties of mill-made cloth which resembles *lungis*. Similarly, with regard to exports of pseudofine cloth, there seems to be no point in continuing the ban. Now that the supply position of this variety is very comfortable, there is no reason why the Government should not lift the ban on exports.

A reference may now be made to the policy of free licensing of cloth exports. It is not known whether the Government would extend the period of the policy beyond June, 1953, but, in view of the encouraging trend of output, the Government may readily agree to do so. In so far as exports of freely licensed cloth—these are licensed on shipping bills—are concerned, the exporters feel that the Government may consider the feasibility of transferring the licensing formalities to the customs, with a view to minimising delay. At present, a shipping bill, which is essentially a customs document, has to be presented to the export control authorities for endorsement before being presented to the customs authorities. This procedure can be simplified, by allowing the exporters to present the shipping bills (together with the Treasury challans) direct to the customs authorities.

WORLD TEXTILE TRADE

There was a distinct change in the country-wise pattern of world trade in cotton textiles during 1952, thanks to the recession in the early months of the year and to the import restrictions by major importing countries. Thus, Japan, which enjoyed the unique distinction of being the largest exporter of cotton textiles in the world in 1951, was pushed to second place during the year under review with the U.S. seizing the first place. The U.K. ranked as the third biggest exporter of cloth, followed by India, which retained its fourth position among textile exporters. It may be interesting to note that India had the distinction of being the largest exporter of cotton piecegoods in the world in 1950 by exporting as much as 1,120 million yards. The table below gives the quantity of cotton textiles actually exported by the world's four leading exporters in 1952, as compared with the previous year:

(In million sq. yards)

	1951	1952
Japan ...	1,082	753
U.K. ...	865	711
U.S. ...	809	761
India ...	776	617

It will be evident from the above table that exports of cloth from all countries suffered a sharp decline during the year under review. The decline is particularly in marked evidence in the case of exports from Japan, the chief factor responsible being the drastic cut in imports of Japanese textiles imposed by the British Colonies. Despite the decline in the volume of exports, the position of the U.S. in the world trade in textiles was comparatively well maintained. This is not surprising, considering the very high technical efficiency of the U.S. textile industry and the temporary dislocation of British and Japanese textile industries. In fact, the position would have been much better but for the continued dollar shortage confronting the countries, especially the underdeveloped and undeveloped ones.

Whether or not the aforesaid pattern of world trade in cotton textiles will persist during the current year also remains to be seen. There are several factors which cannot be sized up at present. There are, for instance, factors such as the trend of prices of cotton textiles, production performance, and import policy of the Governments of the importing countries. Strong efforts are, however, being made by the major cotton textile producing countries to step up their exports. Japan is expected to ship 1,110 million yards of cloth during 1953 and the U.K. 1,350 million yards. India also wants to have a larger share in the world trade, as is evident from the target it announced at the Buxton Conference, namely, 1,000 million yards.

WORLD WOOL SITUATION

The outlook for wool continues to be bright. An indication to this effect is provided by the generally firm conditions prevailing in the Bradford and also Continental wool markets. Imports of wool into all primary markets have been quite substantial and pressure for early delivery of stocks, it is said, remains strong throughout the wool textile trade. Another indication of the firmness in wool is provided by the marked acceleration in the rate of world wool consumption; consumption during the current quarter is estimated to be at an annual rate of 2,550 million lbs. (clean), that is the level which existed in the fourth quarter of 1952. If this rate of consumption were to persist during the next quarter also, the world consumption of wool during the current (1952-53) season ending June would amount to 2,500 million lbs.

The supply of wool available during the season is estimated at 2,590 million lbs. Of this, 2,325 million lbs. represent the season's clip, the remaining being the carry-overs in Argentine and Uruguay. Excluding the quantity of 50 million lbs. purchased by the U.K. for stockpile, the quantity left for commercial use is 2,540 million lbs. It is thus clear that, taking the season as a whole, supply and demand have almost been balanced. The South American countries may, therefore, be expected to liquidate before long not only their current season's clips but also the carry-overs from the previous season. South American wool consists mainly of crossbreds. There is little likelihood of a surplus of these, though there is not the same squeeze in this section as in merinos. "The world," to quote one report, "is using wool faster than it is being grown, a fact at present marked by the liquidation of South American stocks. Trade stocks were very low at the start of the season. Although next season's clip may be a little higher, there does exist a paper possibility that, within the next 18 months, demand for wool may exceed supply."

CLOTH DISTRIBUTION CONTROL RELAXED

The Government of India's policy of abolishing distribution control over cotton textiles has been carried a stage further. According to the latest announcement, the cotton textile mills are now permitted to sell their entire production of cloth to buyers of their own choice, except 15 per cent. of certain varieties of coarse and medium varieties. Hitherto, the percentage reserved was 20. The reduction has come into effect from the March packings due for distribution in April, 1953.

The Government of India had announced (on 28th November, 1952), that exports of silk waste of West Bengal, Bihar and Assam origin would be licensed freely for shipment upto 31st March, 1953. As a result of a further review, the Government has decided to extend the period of free licensing up to the end of this year. Shipments will be allowed only from the Port of Calcutta as hithertofore.

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U.K. COTTON IMPORT POLICY

IS THERE SUFFICIENT CLOTH FOR HOME CONSUMPTION AND EXPORT?

(From A Special Correspondent)

MANCHESTER, 10*th March*

MANCHESTER LETTER

FURTHER developments have occurred in connection with raw cotton buying for British mills during the next cotton season. Private importation, which was resumed after a lapse of more than 10 years last September, has generally suited the requirements of users and as a result it has been forecast that about two-thirds of the industry is likely to obtain its supplies through individual Liverpool and Manchester merchanting firms during the year, compared with below 30 per cent. this season.

The President of the Board of Trade, Mr. Peter Thorneycroft, has now announced the setting-up of another committee to investigate the position, presided over by Sir Richard Hopkins, who was Chairman of the previous investigating body last year which recommended the revival of private importation. The new Committee is to consider the future of the State-sponsored Raw Cotton Commission, which was set up by the Socialist administration at the beginning of 1948.

The Government's intention to provide cover for spinners to protect them against fluctuations in the price of the raw material has also been announced. This system, on broadly similar lines to that provided by the Raw Cotton Commission this season, will be continued during next season, but it is hoped that the new committee will report at a sufficiently early date to give spinners time to appreciate their position before they have to choose which buying system to adopt for the new season.

Hopkins Committee

Raw cotton developments seem destined to be in the news for some considerable time ahead, although there may now be a lull for a few weeks while the new Hopkins Committee gets on with its job of carrying events a stage further in connection with private buying of the raw material. Those who anticipated any startling change of plan as a result of the recent talks between the Government and trade leaders were disappointed. The decision to review the situation and probe the way ahead had been widely predicted.

The new Committee has the advantage of being largely composed of the same members who assisted Sir Richard Hopkins in his deliberations last year and it can, therefore, continue where it left off in the light of subsequent experience. Spinners themselves have already indicated that, in general, they prefer to obtain their supplies privately, although until the cover question is finally settled definite decisions may be left outstanding.

Since private buying was resumed little difficulty has been experienced in obtaining sufficient dollars for American cotton imports, partly because more substitute growths are now being used. The future supply of Egyptian type cotton, however, creates more problems and users of such qualities are not entirely happy about the position, particularly in view of the ever-present threat of political disturbances in Egypt and the Sudan.

It now remains to be seen whether the revived Hopkins Committee can again successfully produce an agreed document. The attitude of the trade union leaders at these discussions can have an important bearing on the terms of the final report. It is known that they object strongly to any question of public subsidy of private buying and it is more than likely that a compromise will entail some payment by contracting-out spinners in return for the provision of cover by the Commission. This immediately raises the basic price of cotton for users but it is difficult to see any alternative under existing conditions which preclude the re-establishment of a futures market.

Cotton—Private Buying

The first of the big Lancashire cotton spinning combines using Egyptian cotton to announce its decision to buy all its raw material supplies privately in future is Combined Egyptian Mills Ltd., the Atherton group controlling 20 firms with more than 3,000,000 spindles.

It was announced in Manchester last week by Mr. Ernest Hirst, Managing Director of the group, that when the opportunity to contract-out from the Raw Cotton Commission is available in June, Combined Egyptian Mills intend to give notice to withdraw all their mills from the Commission—provided a satisfactory cover scheme is made available to the trade.

This follows a similar statement made in the previous week by Sir Frank Platt, Managing Director of the 50-mill Lancashire Cotton Corporation, the biggest group using American type cotton.

Sufficient Cloth?

At the annual meeting in Manchester last week of the Cotton Manufacturers' Association, representing owners of 1,000 weaving mills, Sir Cuthbert Clegg, the Chairman, said doubts had been expressed in some quarters as to the ability of the producing sections of the cotton industry to provide enough cloth to meet home demand and a higher export target.

The implication was that there must be a substantial use in Lancashire of foreign grey cloth for re-processing and export to fill the gap. Sir Cuthbert said:

"I do not share these doubts. I believe that there is sufficient productive capacity and an adequate and potential supply of labour—properly deployed and utilised—to meet all the demands likely to be made for yarn and cloth in the immediate future from our own mills."

It was in the general interests of the cotton industry as a whole, and of the nation, that exported cloth should be British spun, woven and finished as far as possible.

Discussing export trade, Sir Cuthbert said it was essential that the Government should pay close attention in trade negotiations to the valuable contribution cotton was making to the national recovery and ensure that the industry had a fair crack of the whip wherever commercial treaties were under discussion.

The Annual Report of the Master Cotton Spinners' Federation, also issued during the week, says it is now more than ever necessary to achieve maximum efficiency in production methods, so as to reduce costs and at the same time maintain satisfactory earnings for the operatives.

The report records a sharp reduction in the number of spinning industry accidents in 1952. A major factor in the decline from more than 28,000 accidents in 1951 to fewer than 21,000 last year was the trade recession, the report explains. Only 2,500 accidents necessitated absence from work.

Production Rising

Output by Lancashire spinning mills in the week ended 21st February has been bettered only once in the last 12 months, Cotton Board production figures have shown.

The operatives produced 17,690,000 lbs. of cotton, spun rayon and mixture yarn—200,000 lbs. more than in the previous week but 1,500,000 lbs. less than in the corresponding week of 1952.

Recruitment continues to outstrip manpower losses. The mills had a net gain of 91 full-time workers during the week, bringing the labour force increase since last August—the turn of the recession—to more than 6,000.

Cloth production figures, also issued to-day by the Cotton Board, show that the average weekly output from Lancashire weaving mills during January was the second highest since last March.

The mills averaged 46,640,000 yards weekly—nearly 3,000,000 yards a week more than in December. Output was over 8,000,000 yards a week below the level of February last year, however.

During the month the weaving mills recruited 1,070 full-time operatives.

Raw Cotton Imports

Raw cotton arrivals in British ports this week were almost equally split between those on Raw Cotton Commission and private account. Out of total imports of 19,963 bales, the Commission acquired 10,493 bales. Chief suppliers were East Africa with 5,019 bales, West Africa 4,674 bales and Pakistan 4,000 bales. Still afloat for Britain are 64,921 bales, mainly from Pakistan, East and West Africa and Egypt.—*All Rights Reserved.*

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COTTON OUTPUT IN ASIAN COUNTRIES

CHINA MAKES HEADWAY

RAW cotton is one of those commodities which constitute an important source of foreign exchange earnings for the Asian region. In South-East Asia, raw materials account for 70 to 90 per cent. of total employment and for 60 to 75 per cent. of national income. Among these raw materials, cotton is one of the most important, for this region accounts for over 25 per cent. of the world production of this fibre. Some fresh light on the position of cotton in the economy of the Asian and Far East Asian region is shed by the Report of the Economic Commission for Asia and Far East (E.C.A.F.E.) which records that the region's cotton supply in 1950-51 greatly improved over 1949-50.

The following table gives the production of cotton in 1934-38, 1949-50, 1950-51 and 1951-52:

(In thousand tons)

	1934-38	1949-50	1950-51	1951-52*
India	1,150	518	593	607
Pakistan		221	265	287
China (mainland) ..	680	370	506	650
Korea	65	28	20	22
Other	..	17†	21†	25†
Total region ..	1,895	1,154	1,405	1,591
Total world ..	6,650	6,750	6,010	7,400

* Preliminary. † Japan, Burma and Thailand.

The Report states that production increased in response to strong demand and shortages in international markets, due mainly to the impact of the Korean War and rearmament programmes and to the introduction of export restrictions in the U.S. It observes further that production in both China and India increased at the expense of food crops in order to supply the requirements of textile industries.

Chinese Output

China does not, as is well known, publish any figures about its cotton output. Even the International Cotton Committee gives only rough estimates of its production. Presumably, the figures given in the E.C.A.F.E. Report are also estimates made by this body. In any case, it is interesting to note that China's cotton output has increased from 370,000 tons in 1949-50 to 650,000 tons in 1951-52. The E.C.A.F.E. Report says:

"Activity in textile mills on the mainland of China has been largely governed by the availability of cotton supply. The loss of imports from the United States was to some extent made good by increased imports from Pakistan, and the very considerable increase in the domestic crop in 1950-51 made possible increased activity early in 1951. In the middle of the year, however, operations had to be temporarily suspended in the textile industry, while arrangements were made to induce the flow of cotton from rural areas and to distribute the incoming supply from Pakistan."

It will be clear from the table that the region's cotton supply in 1950-51, which is still below pre-war, has improved over the 1949-50 output. The three chief producers of the area, namely, India, Pakistan and China have all contributed to the increase in cotton output. Referring to this improvement in cotton production, the Report says:

"Production increased in response to strong demand and shortage in international markets, owing mainly to the impact of the Korean War and rearmament programmes and to the introduction of export restrictions in the United States. Thus, production in both China (mainland) and India was increased, in many cases at the expense of food crops, in order to supply the requirements of textile industries, while in Pakistan there was an increase in retained consumption owing to the development of textile industries in the country in accordance with the Six-year Plan."

Major Producers

In 1951-52 there has been a continued increase in the estimated production of all the three major producers. The area under cotton was expanded by some 8 per cent. in Pakistan, 20 per cent. in India and apparently to an even greater extent on the mainland of China. In spite of the unfavourable growing conditions in several areas, it is estimated that the region's total cotton crop may be 10 or 15 per cent. larger than last season, leaving them still about 15 per cent. below the pre-war level.

Japan is the chief importer and India and Pakistan the chief exporters of this region, as the following table shows:

Export and Import

(In thousand tons)

	Exports			*Imports*		
	1934-38	1949-50	1950-51	1934-38	1949-50	1950-51
India	614	46	33	93	206	173
Pakistan ..		187	226		..	..
China (mainland) ..	53	..	11	77	87	59
Japan	..	..	..	779	208	425
Other	18*	4*	7*	24‡	49‡	47
Total region ..	685	237	277	973	550	695
Total world ..	3,070	2,700	2,560	3,060	2,620	2,660

* Burma only. † Korea only.
‡ Hong Kong, Indo-China, Indonesia, Korea and the Philippines.

The above table shows that Japan has more than doubled its cotton imports between 1949-50 and 1950-51. This is due to the increase in demand for Japanese textiles. Even so, it is noteworthy that Japan's cotton imports are much less than what they were in pre-war years.

WEIGHING COTTON

Customs authorities at the ports of Bombay, Calcutta, Madras and Cochin, it is stated, have been instructed by the Government of India to check the weight of bales of Indian raw cotton before shipment abroad. This measure, which is being implemented since this week, has been necessitated to prevent evasion of customs export duty on excess quantity of raw cotton in the bales.

BRAZILIAN COTTON

The Congress has sustained a veto by the Brazilian President of the clause in the Free Exchange Law which would have permitted sale of the Bank of Brazil's stocks of cotton and the sales of new crop cotton at the free exchange rate. It is understood that for the time being at least cotton exports will not be negotiable at the free exchange rate.

The Japanese Ministry of International Trade and Industry has decided to raise the ceiling on monthly cotton yarn output to 160,000 bales for the period March-May, 1953, as against the present ceiling of 150,000 bales. It has further been decided that 10 per cent. of the monthly ceiling of 160,000 bales can be carried over or used in advance between these months.

The 1952-53 production of Peruvian cotton is estimated at 449,000 bales of 500 lbs. gross, as compared with 425,000 bales in the previous year.



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EXPORT POLICY FOR COTTON

NEED FOR FRESH QUOTA

IN cotton trade circles, the opinion is gaining ground that it is not only necessary that a fresh quota of exports of cotton should be given but an additional quota would not inflict any serious damage on the Indian cotton economy. On the contrary, it is felt that this country could earn some valuable foreign exchange in the context of the unsatisfied world demand for the varieties of cotton which India is in a position to export. But it is also felt that the Government would be well advised to reduce the export duty on certain exportable varieties to the level of the duty in Bengal *Deshi*.

The following are the varieties of cotton which have been allowed to be exported and the export duties which they bear:

Variety	*Export quota* Bales	Rs. per bale: *Previous export duty*	Rs. per bale: *Present export duty*
Bengal *Deshi*	1,50,000	200	125
Oomra *Deshi* old and new of staple not exceeding 11/16", C.P.I, C.P.II and C.I. *Deshi* ..	50,000	200	200
Dholleras and Mathias and Kalagins	50,000	200	200

The quota of 150,000 bales of Bengal *Deshi* allowed for export has, it is stated, been already exhausted. For other growths, the export quotas remain unutilised. This is attributed to the fact that the export duty on these varieties has not been reduced to the level of the duty on Bengal *Deshi*. The present level of export duty on these varieties, it is asserted, makes it practically impossible to sell them.

Bengal Deshi

From this point of view, the Government's decision to allow shipments of Bengal *Deshi* to the extent of one-half of the quota for export granted in respect of other varieties, has been widely welcomed by the cotton trade. The effect of this decision is that in addition to the original export quota of 150,000 bales of Bengal *Deshi* another 50,000 bales of Bengals can be exported this season, though the overall quota of exports stands unaltered at 250,000 bales. In 1951-52 the export quotas amounted to 352,000 bales of short-staple varieties. It is estimated that out of this quota about 155,000 bales were either not utilised or not shipped, and that this quantity has been carried forward into the 1952-53 season. It is further estimated that between September, 1952, and February, 1953, about 194,000 bales were shipped. An estimate places the quantity of cotton, already sold but not yet exported, at 100,000 bales. The failure to effect prompt shipments is attributed to transport bottlenecks which prevent the moving of cotton from upcountry to the ports. It is to be hoped the Government will give the necessary transport facilities to enable the shippers to fulfil their export commitments.

To turn now to the need for a fresh export quota. The position as estimated in trade circles is that there is in the country a surplus of exportable varieties, particularly, Bengal *Deshi*. The carry-over of Bengal *Deshi* as on 1st September, 1952, is estimated at 154,610 bales of 400 lbs. each. The commercial crop during the 1952-53 season has been variously estimated: one estimate places it at very much less than 300,000 bales, while another places it at well above 350,000 bales. If we take 330,000 bales as a safe estimate, the available supply of Bengals —that is, the total of commercial crop and carry-over cotton—might be placed at 484,610 bales. Of this quantity, mills might consume about 160,000 bales. The original quota for export is 150,000 bales. If the concession, which permits the conversion of one-half of the export quota of other varieties into Bengals, is availed of, it would mean an export of an additional quantity of 50,000 bales. This gives a total offtake of 360,000 bales or, say, 370,000 bales, inclusive of "sundry" consumption, as against the overall available supply of about 484,610 bales. The estimated surplus as on 1st September, 1953, is, therefore, of the order of 114,610 bales. It is on the basis of these estimates that men in cotton trade circles emphasise the need for an additional quota of exports for Bengal *Deshi*. It would appear that there is now a good demand for these varieties, and that any additional quota, which might be announced, would be readily absorbed by overseas buyers.

ROLE OF MANAGEMENT CONSULTANCY IN BUSINESS ORGANISATION—I

ITS BASIC PURPOSE ANALYSED

(By J. SANDFORD SMITH)

MANAGEMENT consultancy has grown out of the complexity of modern business organisation and the rate of technological improvement. But it is hard for any of us to appreciate fully the speed with which the recent change in our economic climate has taken place and the strain it has forced on man both physically and psychologically.

Anthropologists reckon that it has taken three-quarters of a million years for the present type of human being to develop from the primitive "Java" man. Development physically and mentally has been slow and gradual over this immense time span in history. Of these 750,000 years, it took the first 745,000 for man to develop to the stage of beginning to write. Of these last 5,000 years during which he could write some 4,800 went by before he got to the point where he began to use steam power to help to fill his needs and wants.

Even with this numerical scale, it is still not easy to grasp the full significance of the sudden change forced on man. The introduction of power led to the factory system and the gathering together of men, women, and children into factories and mills, and the growth of large industrial and commercial organisations. The old, relatively fixed social order was upset and a new set of relationships has been introduced much more complex than any which man has had to face hitherto.

New Problems

Power-driven machinery made everything go faster. For thousands of years, man could travel on land no faster than the speed of a running horse. With the coming of railways and steamships, and later motor cars and aircraft, conceptions of distance have been revolutionised. Again, the application of power to production has enormously increased the rate at which goods are made, and brought new problems of planning and control and an insistent sense of urgency in solving them.

All the intricacies which these developments have imparted into the field of management exist coincidentally with a vast and increasing technological specialisation. Each management technique becomes the subject of wider and deeper study, as research and development are applied to it. Whole new fields of knowledge are opened up, as, for example, electronics which again, in their turn, offer new areas for industrial exploration and research. Take another example, accountancy. Less than 100 years ago accountancy was looked on as a matter of writing up books in beautiful copperplate handwriting. To-day accountancy has become one of the most technical subjects in which one man does not seek to cover the whole range. There is the accountant specialist in auditing or it may be in tax, or again in organisation and methods, or municipal accounting or cost and works accounting. So we have constant development in methods and in processes running parallel with changes in management techniques, and all this happening in an industrial society to which the human being has had much too short a time to adapt himself.

Aware Of Own Deficiencies

It is natural that informed and sensible management should be only too well aware of its own deficiencies. The old skilled craftsman, the silversmith and carpenter, could get within a very close measure of what it was theoretically possible to produce with the tools at his disposal, both in his manner of working and in the quality of his product. To-day even the most efficiently conducted enterprise is a very long way from achieving the maximum efficiency of which it is theoretically capable. Technically one new method or process is rapidly followed by an improved one.

Administratively, no final principles have been identified for the proper relationship in the large commercial organisation between the direct executive line of authority and the functional technical line. No management has yet devised a method whereby every human being will give for all the working day his full and most effective effort. The nearest approach to this, perhaps, is in the mass-production factories which have only achieved their efficiency through making the machine the master and turning man into a near robot. This brings, in its train, the possibility of greater difficulties in labour relations. The industrial worker fights back in the only way available to him—the go-slow policy and the strike.

It was to help in solving the many problems which arose from the situation which has been briefly described that the management consultant came into being. But where, against this industrial background, does the management consultant find his place? He has two principal contributions to make. First, he is the technical specialist who studies one particular function of business, watches its operation over a wide range of businesses, and learns how to apply the most up-to-date methods in any business. Secondly, as an expert on organisation, he has to recommend an appropriate grouping of functions and responsibilities to enable the directing and controlling staff of a business to achieve the purposes of the business in the most effective way. He may be concerned with the balance between the functional and executive lines; he may have to consider the extent to which certain activities and their control should be decentralised. He provides an independent and impartial view of the organisation as a dynamic moving group.

The experienced management consultant can take a detached impartial and fully integrated view of the organisation as an organisation. He is the observer of human beings, working in a group as the doctor is the observer of the individual in terms of the human body. But, just as doctors treat separately the parts which make up the human body, so the management consultant may advise on a number of separate functions within the business organisation as a whole.

Field of Engineering

Management consultancy started in the purely engineering field. In the United States, even to-day the term management engineer is more commonly used than management consultant. Time study and motion study were the basic elements of his craft. Consultancy has spread now into the function of distribution, of financial and office management, personnel management and has learned to take the overall view in general management.

No one man will be adept over the whole range, and indeed anyone who claims to be is more properly termed charlatan than consultant. The large firm of consultants will have experts in each specialisation; the single practising consultant of repute confines himself to one or two specialisations in which he becomes an acknowledged expert.

The list prepared by the British Institute of Management of the functions on which consultants can advise is as follows:

General management (including organisation).

Financial and office management: clerical planning and methods; office layout; costing and cost control; communication and records.

Production: Layout; planning and control; stores and purchasing; methods and processes; material handling; inspection and quality control.

Personnel management: Selection; training; time study; motion study; remuneration and incentives; industrial relations; physical working conditions and employee services.

Distribution: Market research and planning; sales organisation and methods; publicity; packaging and despatch; transportation.

This is a comprehensive list covering most, if not all, of the functions with which any management is likely to have to deal.

Basic Purposes

In what circumstances is the management of any particular business likely to seek the services of a consultant in respect of these functions? To answer this question, it is desirable to analyse the basic purposes for which consultancy services are offered.

(1) *Assistance in expanding and developing markets.*—This may involve investigation of future demand for existing and projected goods or services. When this has been assessed, advice may be sought on sales organisation and distribution methods and on any changes in production processes or methods which may be needed to achieve the planned optimum economic output.

(2) *Assistance in reducing operating costs.*—The management may be dissatisfied with the quantity or quality of output in relation to cost. The consultant may then be asked to study the whole or part of the production functions and to seek economies by the introduction of better methods, of incentives to encourage greater effort, or of better employee selection methods and better training.

(3) *Assistance in reducing the cost of overheads.*—Increasing administrative and clerical costs are a characteristic of modern industry. Help may be sought from the consultant in checking this tendency by measuring the load of work on the administrative departments, drawing offices, and so on, in terms of man-hours, and by simplifying and improving clerical systems and routines.

(4) *Assistance in improving management control.*—The management may feel that the various functions within the organisation are not harmoniously bound together, so that the sum of the separate parts does not make an harmonious whole. The consultant may be called in to review the situation and to design an effective balanced management structure and to provide such tools of control as standard costing and production control.

Each of the four groups of services given above has been prefaced by the word "assistance." The management consultant is a professional adviser to his client; he is not an administrator, and the client should be careful to maintain this relationship.

Consultancy began in the realm of private enterprise but has now expanded into all fields of organised human endeavour. Government departments, municipalities, State boards all use consultancy services and are using them to an increasing degree. One of the encouraging factors in the growth of consultancy is that the practising consultant finds, first, that the most receptive firm is the one which has previously used consultancy services; secondly, that the user of consultancy services is generally one of the leading firms in its industry. This, of course, is not extraordinary. It is perhaps natural that the firm that is always reaching out for new ideas and new thought becomes one of the leaders in its industry.

An Important Factor

Size of firm is an important factor in consultancy, both for client and consultant. Hitherto most consultancy services have been applied to the medium, large, and very large business: and it is unfortunate but true that the small business, which may perhaps lack technique more than the larger ones, finds it difficult to afford consultancy services.

The problem is a simple financial one. To solve a certain technical problem, the consultant takes so long and this time, which in turn determines the size of his fee, can be afforded by the business with the big turnover and not by the one with the small.

As to size of consultant firm, management consultancy firms in Britain fall roughly into three categories. There are a few very large firms, some employing hundreds of operating consultants; there are more medium-sized firms with a dozen to 25 operating consultants, and then there is a number of smaller firms ranging down to one-man businesses. Each size group and each firm has its own particular contribution to make.

The large firm may have an equally large range of specialised experts, the smaller firm may give a more personal service but may be more limited in the range of subjects with which it deals. There are many one-man consultants who, from the point of view of range of service, are naturally limited to the specialisation possible to one man. Against this, by the very nature of his experience, a man may be the greatest expert on this particular specialisation in the whole country, if not, indeed, in the industrial world.

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CONFECTIONERY INDUSTRY IN INDIA

STRESS LAID ON ACTIVE STATE AID

DESPITE the protection enjoyed for such a long period as eighteen years, the Indian sugar industry does not seem to have stabilised itself yet. The biggest problem of the industry has all along been the very high cost of sugar manufacture. This is the result partly of high sugarcane prices and partly of the lack of proper climate for, and attention to, the development of subsidiary industries. Consequently, the price of Indian sugar is very high *vis-a-vis* that produced elsewhere. It, therefore, the position of the sugar industry is to be stabilised, it is of the utmost importance that the price of sugar should be reduced to suit the pockets of the ordinary consumer. After all, it is only by such reduction that one can expect an improvement in the demand for sugar, which is very low as compared with the consumption in other countries. One of the most effective ways of bringing this about is to increase its industrial consumption. Inasmuch as confectionery forms a very convenient agent of enhancing sugar consumption in a form not only palatable but also acceptable to the body, the need for developing the industry cannot be stressed too strongly.

Confectionery is an advanced, developed and refined form of sweets prepared under hygienic and sanitary conditions. In quality, confectionery products are capable of keeping well for a long period. It is easier to handle, to distribute and to consume than most other sweets. It provides, as a matter of fact, a ready, manufacture on a large scale and, as already stated, a source of industrial use for sugar, bringing, along with it employment and, consequently, a high standard of living. It is, therefore, a matter of great importance that necessary conditions for development, stability and successful working of the confectionery industry should be created.

Although the confectionery industry plays an important part, both as a subsidiary to the sugar industry and as a producer of nutritive products, as noted above, the progress of the industry would appear not to have kept pace with the progress elsewhere. Thus, the production of machine-made confectionery is at present of the order of 10,000 to 12,000 tons per annum, as against 5,000 tons per week in the U.K. The total annual consumption of confectionery products in India, it may be noted in this connection, is estimated at over 30,000 tons.

Excise Duty on Sugar

In view of this low consumption, as also of the good export possibilities for Indian machine-made confectionery, it is rather surprising that the Five-year Plan does not contain any reference to the expansion of the Indian confectionery industry. Notwithstanding this, attempts are being made either to expand the units already in existence or to establish new plants for the same. While the total production capacity is going up, the difficulty, it is said, still continues of getting sugar—the most important raw material, accounting for more than 40 per cent. of the total cost of confectionery production—at reasonable prices, thanks to the imposition of the high excise duty on sugar. In fact, high price of sugar has mainly been responsible for the high cost of confectionery manufacture. Unless this cost is reduced, one cannot expect any improvement in the demand for confectionery. An effective way of bringing about reduction is the refund of Central excise duty on sugar used in the manufacture of confectionery. The industry has been repeatedly urging the refund of the duty for a considerable time now, and to which we have also drawn pointed attention on more than one occasion. In most countries where the confectionery industry is flourishing, it is exempted from payment of excise duty on sugar consumed by it. After all, by allowing the rebate, the Government will only be removing tax on raw material. Surely, this concession will enable the industry to reduce prices and stimulate the demand for confectionery, which, in turn, would result in higher production, greater utilisation of the industry's capacity, and more employment for labour than at present.

The confectionery industry is equipped with such modern machinery and technical resources that it is claimed to be in a position to manufacture quality confectionery in the country. This, coupled with the excellent prospects of export trade, especially in the neighbouring countries such as Pakistan, Burma and Ceylon, brings to the fore the problem of enabling the indigenous industry to place its products in the world market. The importance is all the greater in the present context of keen competition from other confectionery-producing countries. Hence the need for the Government of India supporting an export drive launched by the Indian confectionery industry. Among the measures that are required to be undertaken by the Government, mention may be made of the following:

(a) Whatever assistance rebates and subsidies may be given to the sugar industry to encourage sugar should be made applicable to the confectionery industry for the export of confectionery;

(b) rebate of import duty on essential raw materials should be given in respect of confectionery for export;

(c) the procedure whereby these provisions are implemented should be clear-cut and simple in order that the export of confectionery on a substantial scale should not be hindered by difficulties of procedure.

Foreign Competition

One of the disquieting problems confronting the confectionery industry relates to foreign competition. The industry looks with concern at the Government's policy of permitting imports of foreign confectionery at a time when the production capacity and the quality of the goods produced have been developed to a high level by the installation of costly and up-to-date equipment in the last few years and when the demand for confectionery has dwindled, owing to the restricted buying power of the consumer. In the opinion of the industry, import of foreign confectionery can only result in reducing still further the demand for Indian quality products. It accordingly urges the Government to reconsider its policy and prohibit imports without delay.

Another problem of the industry is one of tinplate supplies. The allocation of quotas by the Government is said to be not adequate to meet the industry's requirements. As an important and hygienic foodstuff, "it is essential that confectionery should be packed in air-tight containers so as to ensure that it reaches the consumer in fresh condition." The Government would do well to concede the demand for a more liberal allocation of tinplate quotas.

SUGAR PRODUCTION AND STOCKS

The total production and despatches of sugar for the current (1952-53) season up to 15th February, 1953, amounted to 695,480 and 390,443 tons, respectively as against 766,278 and 303,795 tons during the corresponding period of the previous season.

The opening stock, production, despatches and closing stocks of sugar during the fortnight ended 15th February, 1953, were 661,644, 143,148 66,999 and 737,793 tons, as against 473,492 140,453, 42,693 and 571,252 tons, respectively, in the corresponding fortnight of the previous season. Figures for the current fortnight relate to 127 factories representing 90.86 per cent. of the total cane-crushing capacity, while the figures of the previous year relate to 123 factories representing 85.99 per cent. of the total cane-crushing capacity.

EXPORTS OF INDIAN COAL

REMOVAL OF OBSTACLES URGED

LATEST reports from Calcutta indicate that the Government of India has been planning increased exports of coal. This is a step in the right direction and is long overdue. For this will help consolidate India's position in the South and South-East Asian markets. India's future hold in these markets is dependent on the quantity and quality of coal it can supply at reasonable prices. Now that China is out of the picture and that India is the chief supplier of coal to South and South-East Asian countries, there is a danger that this country might succumb to the temptation of charging exhorbitant prices for coal and at the same time supplying low quality coal to these countries. The temptation must be avoided at all costs, as it is fraught with dire consequences to the industry in the long run. For when once the prejudice against Indian coal is established in the overseas markets, it will be difficult to remove it. And every opportunity will be availed of by consumers in these countries to do away with the imports of Indian coal.

The chief importers of Indian coal, excluding Pakistan, are Japan, Australia, Burma, Ceylon, Singapore and Hongkong. Of late, India has exported coal to Korea also. According to available statistics, India exported during the nine months ended November, 1952, nearly 2.3 million tons, as against 1.6 million tons and 0.8 million tons in the corresponding periods of 1951 and 1950, respectively. Since November, 1952, the quantity of exports is believed to be substantial. Enquiries for exports from India are reported to have been on the rising trend. As overseas enquiries are mostly for higher grades, India will have to take recourse, on an extensive scale, to washing and blending of coal which would facilitate considerably the promotion of coal exports from this country. Besides, certain other obstacles in the path of increased exports of coal such as, shortage of wagons and storage facilities at the ports need to be removed completely. These obstacles have also been responsible for coal famine experienced often in South India and many other parts, which are at a distance from the coal-producing areas.

There is good export demand for coking coal. But with reserves of coking coal limited, India cannot export this variety in large quantities. At present the production of coking coal is in excess of essential requirements of the iron and steel industry and for coking purposes. This excess can be exported to earn essential foreign exchange, as has been recommended by the Planning Commission. Meanwhile, it is learned that the Government of India has asked the collieries producing coking coal to watch their raisings month by month this year, so that their production targets are not exceeded. They are warned that under no circumstances will they be supplied with wagons in excess of their allotted quota. The warning emphasises the need for increased caution on the part of the collieries with regard to their raisings.

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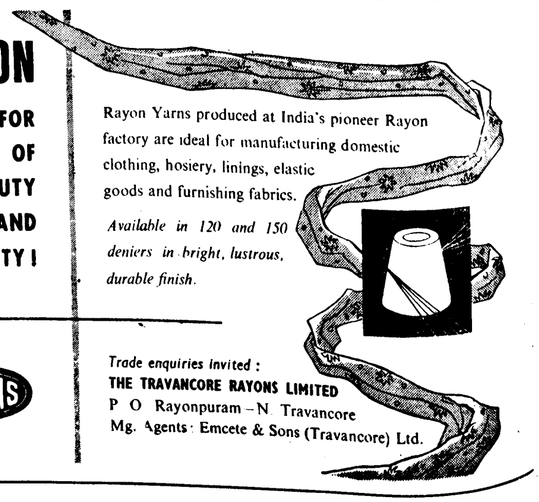

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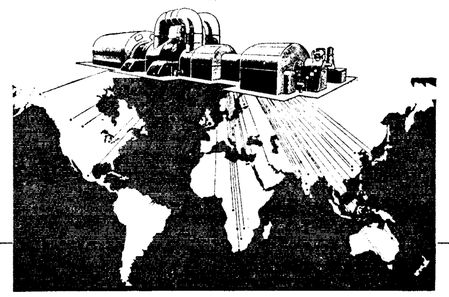

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LESSONS FROM TEA CRISIS IN INDIA

MR. HUTCHISON'S CONFIDENCE IN INDUSTRY'S FUTURE

THE severe crisis that overtook the Indian tea industry in 1952 set many people to wonder at one time whether the industry had any chance of survival at all. But there was still a section of the people which was not so pessimistic, but felt that the crisis was a passing phase and that, given the co-operation of the Government and the workers, the industry would be able to survive. To this latter rank of optimists belongs Mr. E. A. Hutchison, Chairman of the Indian Tea Association. This is evident from his address at the annual general meeting of the Association, held in Calcutta last week, when he expressed his confidence that the industry would survive, though it would take several years to make good the loss suffered in the past years. This confidence was born out of the past experience when a similar crisis had been overcome and of the voluntary measures that the industry has already taken to tackle overproduction.

Last year's crisis was the most serious one that the industry had ever experienced. Even in the crisis of 1932, the adverse gap between the cost of production and selling price was not go great as in 1952 and never had the tea companies suffered such staggering losses as they did in the past year. But Mr. Hutchison did not avail himself of the occasion to recall the melancholy events of the past year; nor did he attempt to apportion the blame for the crisis on any single partner in the industry, namely, the planters, labour or the Government. But he maintained, rightly in our view, that a united effort on the part of the planters and labour and timely help by the Government would have made the transition in world economic conditions less painful for all those intimately connected with the industry. The outstanding feature of Mr. Hutchison's address was that it was devoted to drawing lessons from the "misfortunes and mistakes" of the past so that the industry could "hasten the end of this crisis and try to avoid another in the future."

Overproduction

Mr. Hutchison candidly admitted that there was overproduction. But, according to him, it came about under extenuating circumstances and not as a result of deliberate attempt by the planters. He indicated that, even if the industry had desired to curtail production, it could not have been done. For the prices fetched by Indian tea were good and the Government wanted to earn foreign exchange. Labour also would not have willingly (and rightly too) agreed to such a policy in times of prosperity. But, when circumstances changed, he pointed out, the industry was only too willing to restrict output. Mr. Hutchison was confident that the machinery for the voluntary scheme of restricting output, which had already been agreed upon, would operate successfully. Though it was only a voluntary scheme, he hoped that it would not be scrapped when the present emergency was over, but allowed to remain in being, so that it could be applied whenever occasion demanded in future, for it was necessary never to allow production so greatly to exceed demand.

While Mr. Hutchison was willing to plead guilty of the charge of overproduction, he would not admit the accusation against the industry that it was producing poor quality tea. He sought to substantiate his stand by pointing out that the quality of tea made in 1952 was better than that of 1951. He, however, conceded that it would be extremely foolish to disregard the question of quality merely in the hope that the quantitative restriction on output would solve the problem. He was keenly aware that the Indian tea industry was living in a competitive world and that the shield of bulk purchase could no longer protect it. Proceeding, he observed: "Indonesia, Pakistan and the African territories have no export duties, the export duties of Ceylon vary with the selling price of tea, and, unless we can always offer teas of quality to our customers, we shall find ourselves at a grave disadvantage." But there are some odds against bringing about an improvement in quality. According to Mr. Hutchison, "renewal and modernisation of machinery is never easy when there are no profits; nor will labour readily agree to the less profitable and more tiring task of fine plucking." But still he assured the public that the planters were doing all in their power to meet the customers' requirements.

Mr. Hutchison felt that there was little justification in the charge of extravagence against the industry. "Whatever may have been the case in the 'good old days,' there is no opportunity given to us to be extravagant to-day," he said. This is because, he added, "the prices of our supplies are controlled, the routes by which those supplies reach the garden are dictated to us, and even the quantities of supplies are dependant upon Government releases."

Labour Problems

In its dealings with labour also, the industry has learnt its lessons from the crisis. Even in the year of stress, such as 1952, we are told, the industry's relationship with labour was on the whole excellent. Mr. Hutchison could not, however, at this point, help drawing attention to the unfortunate attitude of certain labour leaders who refused to admit that there was a crisis in 1952. It was because of this attitude, he felt, that the industry and labour could not put up a united front in the demand for relief from the Government in the middle of the year, when the time for such a demand was propitious. It was not until December, 1952 that a joint approach to the Central Government could be made. But, then, it was too late for success. In the absence of any relief from the Government, the full burden of the crisis had to be shared by the worker and the employer.

The industry's efforts to pay wages all in cash, instead of partly in cash and partly in kind, have not so far succeeded. Mr. Hutchison felt that labour itself would now welcome a certain cash wage in place of the variations and uncertainty of concessions. He referred to the strange spectacle of closed gardens, of unemployment, and of surplus labour which existed side by side with recruitment of additional labour from distant places which was a source of concern to the Government and the planters. A welcome development in this respect is the curtailment of recruiting activities by the Tea Districts' Labour Association which undertakes this task on behalf of the planters. Mr. Hutchison was also appreciative of labour's decision to accept reductions in earnings, thus avoiding unemployment.

Referring to the third and the "most prosperous" partner in the industry, namely, the Government, both at the Centre and in the States, Mr. Hutchison regretted that the co-operation that was expected of it was not forthcoming in the requisite measure. The industry's requests to the Government were broadly two: (1) reduction, if not abolition, of fiscal duties, and (2) assurance of supplies of foodgrains at controlled rates. As regards the first, Mr. Hutchison expressed the industry's great disappointment at the absence of any relief so far. Even if the industry's modified request, namely, that teas produced in Darjeeling and Cachar should be exempt from payment of excise duty, had been accepted by the Government, a great deal of the distress and sacrifice in these two districts could, he said, have been avoided. Mr. Hutchison was gratified to note that some progress had been made in regard to the second demand. The State Governments have agreed to make more satisfactory arrangements for rise in 1953.

Though the tea industry has, of late, been able to effect economies, it is still a long way from making good the gap between the costs and selling prices. Mr. Hutchison, therefore, warned all concerned, especially Governments and labour, to guard against the unwarranted assumption that, because the market had risen an anna or two, the crisis was over. Despite the recent increase in prices of tea, the sale proceeds on teas disposed of in North-East India during 1952-53 are, according to Mr. Hutchison, Rs. 8 crores less than those realised in 1951-52. It would be many seasons before this loss could be made good.

New Tea Bill

It may not be out of place to refer here to Mr. Hutchison's anxiety over the new Tea Bill, which is now before Parliament and which is intended to control the industry, whereas the Act now in force has for its objective the development of the industry. "The change is significant," he said, "and, if ever the Gov-

(*Continued on page 527*)

STOCK POSITION OF JUTE GOODS

UPWARD TREND PERSISTS

STOCKS of jute manufactures with mills as at the close of February, 1953, make very disquieting reading. As compared with those in the previous two months, they disclose a steady rise. Thus at the end of the month under review, the total stocks of jute manufactures amounted to 1,36,332 tons representing an increase of 6.1 per cent. over those at the end of January when they stood at 1,28,418 tons. These latter figures themselves were 11.7 per cent. higher than those at the end of December aggregating 1,14,938 tons.

The increase in the stocks of jute goods in the month under review is shared by both the principal categories of goods, namely, hessians and sackings. But whereas in the case of hessians the accumulation has been only slight, from 37,277 tons in January to 38,632 tons in February, in the case of sackings, the rise has been marked, the stocks of these having jumped up from 88,441 tons to 95,245 tons, or nearly three times the production in that month.

A summary of the detailed position of jute goods stocks with mills as at the end of February, 1953, as compared with the two preceding months and February, 1952, is given in the table below:

(In tons)

	As on			
	28-2-1953	31-1-1953	31-12-1952	29-2-1952
Civil				
Hessian	37,786	36,439	33,636	41,862
Sacking	92,473	95,389	73,969	63,677
Others	2,321	2,544	2,475	1,597
Total ..	1,32,580	1,24,372	1,11,080	97,136
Government				
Hessian	846	838	571	1,887
Sacking	2,772	3,052	4,218	7,357
Others	134	156	69	47
Total ..	3,752	4,046	4,858	9,291
Grand total ..	1,36,332	1,28,418	1,14,938	1,06,427

The heavy accumulation of stocks with the mills as stated above, reflects the gravity of the situation facing the industry. How difficult the position is will be evident from the fact that there has not been any marked improvement in the jute goods market since the reduction in the export duty on sacking was announced on Budget day from Rs. 175 per ton to Rs. 80 per ton. If the trend of prices in the jute market is any indication, the position shows a deterioration rather than an improvement. B. twills, for instance, which was quoted in Budget week at Rs. 96, stands at Rs. 93 now. The reasons for this depressed state are not far to seek. The offtake of sackings by overseas countries has been poor. Declining prices usually encourage buyers to wait for the bottom and this tendency would appear to be in evidence in the jute goods market to-day. The heavy accumulated stocks have induced some short-selling in the market. Bulk handling and use of substitute packing materials which became popular during the war, seem to have come to stay. Lastly, increased use of second-hand bags has also had the same effect. The present state of affairs has forced some to curtail their production; in fact, there seems to be a feeling that if stocks do not move out in the near future, the I.J.M.A. would have to revise the present working time agreement to cut hours of work per week—an expediency which is fraught with further grave consequences to the industry.

Production

The table below gives the output of jute goods during each of the three months ended February, 1953, as also during February, 1952:

(In tons)

	As on			
	28-2-1953	31-1-1953	31-12-1952	29-2-1952
Civil				
Hessian	26,846	28,251	29,025	25,619
Sacking	36,970	39,338	43,267	52,503
Others	2,419	2,834	3,327	2,528
Total ..	66,244	70,423	75,619	80,650
Government				
Hessian	2,165	2,083	2,757	132
Sacking	192	422	376	2,836
Others	14	67	47	..
Total ..	2,371	2,572	3,180	2,968
Grand total ..	68,615	72,995	78,799	83,618



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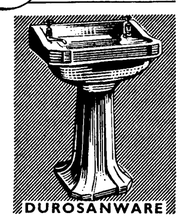

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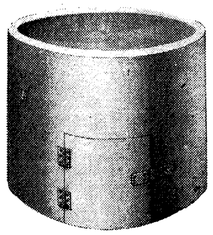

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WORLD OUTPUT OF SHIPS IN 1952

NEED FOR DEVELOPMENT OF SHIPBUILDING IN INDIA LIMELIGHTED

THE latest figures relating to merchant ships launched in the world's shipyards, according to Lloyds Register of Shipping, shows an increased output for 1952, as compared to the previous year. Thus a total of 1,074 vessels (of 100 g.r.t. and over) aggregating 4,395,578 g.r.t. were launched in the world's shipyards in 1952. This is an increase of 753,000 g.r.t. over the 1951 figure. About 46 per cent. of the 1952 output accounted for tankers, as against 42.4 in 1951. It is gratifying that a higher output of ships was achieved despite acute shortage of steel experienced in several shipbuilding countries.

The U.K. headed the list of builders with 1,303,000 tons of shipping launched at its yards during 1952. It was followed by Japan with 608,000 tons, Germany 520,000, the U.S. 468,000, Sweden 454,000, the Netherlands 296,000, France 213,000, Italy 132,000, Denmark 104,000, Norway 80,000 and Belgium 57,000 tons. Two ships aggregating 11,000 g.r.t. were launched at the Hindustan Shipyard Ltd. at Visakhapatnam (India) during 1952.

Nearly 36 per cent. of the total launchings were for registration abroad. Out of the total tonnage launched by the U.K., 32 per cent. was for registration abroad; similarly 34 per cent. of the launchings in Japan, 53 per cent. in Germany, 55 per cent. in the Netherlands, and 22 per cent. in Italy were for other countries. Belgium's entire output, excepting one motorship of 300 tons, was for registration abroad. On the other hand, all the ships launched in France and Norway during the year were for themselves.

The countries for which the largest amounts of tonnage were launched during 1952 are as given below:

United Kingdom	908,000
Norway	469,000
Japan	403,000
United States	373,000
France	279,000
Sweden	261,000
Germany	243,000
Panama	203,000

The tonnage owned by the various countries as on 1st July, 1952, according to Lloyds Register, was as follows:

United States	27,245,000
United Kingdom	18,624,000
Norway	5,906,000
Panama	3,740,000
France	3,638,000
Italy	3,289,000
Netherlands	3,264,000
Japan	2,787,000
Sweden	2,332,000
Germany	1,398,000
Denmark	1,391,000
Belgium	490,000
India	477,000

Indian Tonnage

This table discloses how unfavourably Indian tonnage compares even with that of a small country like Belgium. The total tonnage is about half per cent. of world tonnage estimated at about 90 million tons. The total volume of Indian trade is about 2½ per cent. of the total world trade. Indian ships hardly carry 6 per cent. of Indian overseas trade.

The low output of shipping tonnage during 1952 in India as compared with any other country referred to above, during the same period, points, among others, to the need for quickening the pace of development of the infant shipbuilding industry in India. The difficulty in acquiring additional tonnage from foreign countries further serves to emphasise the special importance to be given to the development of the Visakhapatnam shipyard. The Planning Commission has fixed a target of 600,000 tons to be achieved by 1955-56. There is a Five-year Plan ending in 1956-57 for the development of the shipyard at a cost of Rs. 15.82 crores. Out of this a sum of Rs. 11.77 crores is envisaged to be spent during the four years ending 1955-56. Taking into account the expenditure in 1951-52, the financial requirements for the period 1951-56 would be Rs. 14.08 crores. With the implementation of the Plan, the shipyard would be able to turn out cargo ships of 10,000 d.w.t. required for overseas trade, as against ships of 8,000 d.w.t. now being built.

The cost of a 8,000-ton ship built at Visakhapatnam, which works out to about Rs. 63 lakhs, is far in excess of the price quoted by British shipyards, which is about Rs. 48 lakhs. To make up the difference in the cost, the Government of India has been paying a differential cost subsidy on vessels built in the shipyard on its account. It is unlikely that the Hindustan Shipyard will be able to do without a subsidy for some years to come although the quantum of subsidy might be reduced considerably after the completion of the development project. It is expected that 19 to 20 ships would be built at the yard by March, 1956, corresponding to 150,000 d.w.t. (equivalent to 100,000 g.r.t.), out of which 60,000 g.r.t. might be utilised for replacement purposes. In view of the fact that the shipping companies do not have adequate reserves for outright purchase of ships, the disposal of ships built at the yard is proposed to be facilitated by a system of payment by instalments. Thus, one-third of the sale price is to be paid immediately and the balance by instalments extending over 5 to 10 years. It is, however, assumed that the Eastern Shipping Corporation and the Navy would pay the entire sale price at the time of the acquisition of the ships.

WORLD STEEL OUTPUT

The world production of steel during the current year is expected to be substantially higher than in 1952, according to the British Iron and Steel Federation. Thus, its estimates for 1953 are at between 235 million tons and 240 million tons, as against 208 million tons in the previous year. The production in 1952, it may be noted here, was lower by a million tons as compared with that in 1951, but was 36 per cent. above the 1948 level and as much as 72 per cent. above the 1937-38 average. The decline in production during 1952 reflects mainly the fall of 11 per cent. in output in the U.S. which offset the increase in the output in the rest of the world of the order of 10 per cent. To mention actual figures, the U.S. produced in 1952 as much as 83 million long tons of steel, while the rest of the world produced 125 million tons, as against 94 million long tons and 113 million tons, respectively. The U.K. staged a sharp recovery in 1952, as new capacity was brought into use and raw material supplies improved. The Schuman group recorded an increase of 4 million tons, that is, by about 10 per cent., of which the lion's share was contributed by Germany. Progress in the production of steel last year was slower in France, Belgium and Italy, owing to slackness of export business; Luxembourg actually registered a slight decline. There were general advances in output among the smaller producers of Western Europe, the aggregate increase being 350,000 tons to a total of 4.8 million tons. The British Commonwealth producers also continued to make headway, their combined output in 1952 amounting to 7.7 million tons, an increase of 9 per cent.

The British Iron and Steel Federation forecasts a marked advance in the consumption of steel. It assumes no lack of demand for the products of steel processing industries. This forecast may turn out to be correct, for there is still a large pent up demand for steel and steel products. The Federation's estimate of apparent consumption per head of the population in the principal countries discloses that a wide gulf separates the U.S. from the rest. The *per capita* consumption in the U.S. works out to twice as high as in the U.K., while consumption in France is only two-thirds and in Italy about a quarter of that in the U.K. Since pre-war, the Federation points out that consumption in the U.S. has more than doubled as a result of remarkable expansion of consuming industries and the general rise in the standard of living of the people. Even more rapid has been the rate of advance in Canada, which has risen from the seventh to the second place in consumption per head of the population among the important consuming countries. The U.K. has been holding the fifth place since the war.

(Concluded from next column)

weather control in the hands of novices could be dangerous, as it might lead to incorrect cloud seeding, as indicated earlier. In order to make weather control a benefit to mankind rather than a hazard, scientists are urging the passing of carefully framed legislation.

ELECTRICITY FROM ATOMIC PLANT

The production of useful amounts of electric power by nuclear energy has been achieved by successful operation of a new type of reactor—an experimental homogeneous reactor—at the Oak Ridge National Laboratory. On 24th February, scientists brought a pilot-model of the unique reactor system up to its full design power of 1,000 kilowatts of heat output. The reactor steam was then switched to a turbine and about 150 kilowatts of electricity was produced. This is enough electricity to provide service for 50 average five-room homes.

Homogeneous reactor is capable of producing both fissionable material and electric power, although it was not designed to produce electric power. Scientists emphasised that many problems have yet to be solved, but declared that this demonstration of the feasibility of homogeneous liquid-fuel reactor systems is an important step toward economical production of electricity by means of nuclear reactors. In the homogeneous reactor, a single homogeneous solution serves as fuel, moderator and coolant. The heat generated by the nuclear reaction of the uranium fuel in the solution is removed by pumping the hot radioactive liquid through a heat exchanger or boiler which produces steam drive of turbine generator.

RAIN THROUGH CLOUD SEEDING

PROGRESS SO FAR ENCOURAGING

THE advantage of inducing rain through cloud seeding is enormous, for it could help convert vast areas of dry lands into smiling pastures. Experiments conducted so far in various parts of the world, especially the U.S., have met with considerable success. But at the same time, they warn against the dangers of incorrect seeding techniques to the land beneath. For this reason rain-making has been confined to limited areas or carried out in the laboratory. Rain-making is of extreme utility to India which is subjected to vagaries of monsoons. Experiments are being conducted in Bombay and in certain other centres. These were reviewed at a symposium on rain-making held recently in New Delhi under the joint auspices of the Atomic Research Committee of the Council of Scientific and Industrial Research and the Indian Meteorological Department in which meteorologists and other scientists in India took part.

A study of the progress of rain-making experiments makes interesting reading. It will be recalled that it was in 1946 that Dr. Vincent Schaefer, a young scientist at the General Electric Company, New York, who first drew snow from an artificially "seeded" cloud. Since then, weather scientists have been trying to unlock more of nature's rain-making secrets. The experiments conducted by the three General Electric Company scientists, namely, Dr. Vincent Schaefer, Dr. Irving Langmuir and Dr. Bernard Vonnegut, have showed that rain, snow and even clouds can be produced by artificial seeding of the atmosphere with dry ice or silver iodide.

Snowflake Theory

Most of cloud seeding is done on the basis of snowflake theory. The theory proceeds on the basis that water droplets can exist in clouds at below freezing temperatures. Many clouds are composed of these super-cooled droplets, which are too light to fall. At a certain time, for reasons unknown, ice crystals form in the cloud. Nearby droplets collect on the crystals until they become heavy enough to fall to the earth as though they fall through warm air. Professional rain-makers believe that nature sometimes fails to supply enough ice crystals. So, to speed up rain-making process, they sprinkle the cloud with dry ice or silver iodide. It was Dr. Vonnegut who developed a silver iodide compound to serve as a nucleus for rain drops. This had led to the development of a silver iodide generator which, operated from the ground, sprays a silver-iodide mixture skyward.

When the silver iodide nuclei reach the super-cooled clouds, they act as raindrop cores, more efficient than ice—or dust which is another raindrop centre. In a mile-thick cloud, for example, natural rain would fall only from the top quarter-mile. The same cloud impregnated with silver iodide will produce far more rain. And unlike ice crystals, silver iodide will not evaporate or melt. Each particle stays aloft until it brings down a draindrop.

Both silver iodide and dry ice have been used to cause snow-falls. Schaefer says that during the first cloud seeding airplane flight in 1946, he saw "streamers of snow" falling from a cloud into which he had just scattered ice. Later, the General Electric men, working with Army Signal Corps and the Navy, observed the formation of thunderstorms in the State of Mexico following a dry-ice and silver-iodide field test.

These and other successful developments of weather modification techniques have created professional weather-control men. One of the most famous weather-control men is Dr. Irving P. Krick, Head of the Water Resources Development Corporation, a rain-making company. Dr. Krick believes that rain-making could raise the live-stock production of Western United States by 30 to 40 per cent. and crops by nearly 50 per cent.

Whether cloud seeding can prevent hailstorms is not certain. It is known, however, that hailstorm clouds are formed on certain mountain ranges where they might be accessible to modification by ground generators. A study of hurricanes made in the Honduras, Gautemala and Costa Rica in 1948 has given rise to the possibility of preventing violent storms by over-seeding the tops of high cumulus clouds.

While some weather scientists are optimistic about weather control, they sound a warning note. No way has been devised, it is stated, to break droughts, since long dry periods usually are the result of cloudless skies. Moreover,

(Continued in previous column)

THE NATIONAL CITY BANK OF NEW YORK

(INCORPORATED WITH LIMITED LIABILITY UNDER THE NATIONAL BANK ACT OF THE UNITED STATES OF AMERICA)

Balance Sheet of The National City Bank of New York, Indian Branches as at Close of Business, December 30, 1952.

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. **Capital**		
2½% 1954 Government of India Bonds, face value Rs. 21,00,000; market value as of date	20,61,937 8 0	
		Nil
2. **Reserve Fund and Other Reserves**		
3. **Deposits and Other Accounts**		
Fixed Deposits	2,85,85,305 12 9	
Savings Bank Deposits	26,295 6 8	
Current Accounts, Contingency Accounts, etc.	5,60,81,825 15 2	
		8,46,93,398 2 7
4. **Borrowings from Other Banking Companies, Agents, etc.**—		
(i) In India	39,694 2 7	
(ii) Outside India	25,874 12 9	
		65,568 15 4
PARTICULARS		
(i) Secured	Nil	
(ii) Unsecured	65,568 15 4	
		Nil
5. **Bills Payable**		
6. **Bills for Collection being Bills Receivable** as per contra—		
(i) Payable in India	1,05,98,633 0 0	
(ii) Payable outside India	32,84,257 0 0	
		1,38,82,890 0 0
7. **Other Liabilities**—		
(i) Unexpired Discount	4,761 7 3	
(ii) Reserve for Interest Payable	1,53,486 9 0	
(iii) Reserve for Taxes	4,10,208 4 0	
(iv) Reserve for Other Expenses	10,535 15 3	
		5,78,992 3 6
8. **Acceptances, Endorsements and Other Obligations** per contra		Nil
9. **Profit and Loss**—		
Profit for the year ended December 23, 1952, brought from the Profit and Loss Account (includes Rs. 4,808-15-7 profit for the period December 23, 1951, to December 29, 1951, shown in the last Balance Sheet)	27,64,515 10 5	
LESS— Rs. a. p.		
Reserve for Taxes 13,90,128 6 0		
Amount remitted to Head Office 13,74,387 4 5		
	27,64,515 10 5	
	Nil	
ADD—Profit for the period from December 24, 1952 to December 30, 1952	18,872 12 5	18,872 12 5
10. **Contingent Liabilities**—		
(i) Outstanding Credits Unused	2,20,56,746 0 0	
(ii) Outstanding Forward Exchange Contracts	8,32,76,367 6 2	
(iii) Bills of Exchange Re-discounted	3,04,405 15 2	
Total .. Rs.		9,92,42,722 1 10

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. **Cash**		
In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		82,62,327 11 7
2. **Balances with Other Banks** (in Current Account)—		
(i) In India	2,35,207 6 4	
(ii) Outside India	6,69,528 1 6	
		9,04,735 7 10
3. **Money at Call and Short Notice**		1,16,00,000 0 0
4. **Investments** at book value (market value as of date Rs. 1,00,53,965-10-0)—		
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	1,00,97,790 3 6	
(ii) Shares	Nil	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold	Nil	
		1,00,97,790 3 6
5. **Advances** (other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
(I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India 4,21,11,841 11 8		
(ii) Outside India Nil		
	4,21,11,841 11 8	
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India 44,38,323 12 5		
(ii) Payable outside India 28,95,997 8 10		
	73,34,321 5 3	
		4,94,46,163 0 11
PARTICULARS OF ADVANCES—		
(i) Debts considered good in respect of which the banking company is fully secured	2,64,31,734 14 0	
(ii) Debts considered good for which the banking company holds no other security than the debtor's personal security	2,21,62,553 12 9	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	4,60,552 3 6	
(iv) Debts considered doubtful or bad, not provided for	4,51,321 12 8	
	4,94,46,163 0 11	
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	Nil	
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	Nil	
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	Nil	
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	Nil	
(ix) Due from banking companies	15,45,087 5 0	
6. **Bills Receivable being Bills for Collection** as per contra—		
(i) Payable in India	1,05,98,633 0 0	
(ii) Payable outside India	32,84,257 0 0	
		1,38,82,890 0 0
7. **Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		Nil
8. **Premises Less Depreciation**		Nil
9. **Furniture and Fixtures Less Depreciation**		Nil
10. **Other Assets**—		
(i) Accounts Receivable	28,013 15 9	
(ii) Interest Earned Not Collected	1,53,979 5 1	
(iii) Clearing and Cash Items	20,000 0 0	
(iv) Revenue Stamps	4,299 14 4	
(v) Prepaid Expenses	43,627 7 3	
(vi) Due from Head Office and Branches	47,98,894 15 7	
		50,48,815 10 0
11. **Non-Banking Assets Acquired in Satisfaction of Claims**		Nil
12. **Profit and Loss**		Nil
Total .. Rs.		9,92,42,722 1 10

Profit and Loss Account for the Year Ended December 23, 1952, of the National City Bank of New York, Indian Branches.

EXPENDITURE	Rs. a. p.	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other Usual or Necessary Provisions)	Rs. a. p.
Interest paid on Deposits, Borrowings, etc.	14,51,718 2 10	1. Interest and Discount	40,30,953 13 4
Salaries and Allowances and Provident Fund (including Salaries and Allowances to Manager Rs. 72,856-9-0)	15,46,930 6 9	2. Commission, Exchange and Brokerage	25,93,057 6 6
Directors' and Local Committee Members' Fees and Allowances	Nil	3. Rents	Nil
Rent, Taxes, Insurance, Lighting, etc.	1,48,117 6 6	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
Law Charges	14,950 0 3	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
Postage, Telegrams and Stamps	1,06,508 8 11	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
Auditors' Fees	Nil	7. Other Receipts	13,605 0 1
Depreciation and Repairs to the Banking Company's Property	22,168 7 6	8. Loss	Nil
Stationery, Printing, Advertisement, etc.	72,430 6 6		
Loss from Sale of or Dealing with Non-Banking Assets	Nil		
Other Expenditure	5,10,277 2 3		
Balance of Profit	27,64,515 10 5		
Total .. Rs.	66,37,616 3 11	Total .. Rs.	66,37,616 3 11

I, C. A. Dunham, having been appointed by the Comptroller of the Currency, and therefore, being qualified under the Federal Reserve Act of the United States of America to examine and audit National Banks and their foreign branches, hereby certify that I have verified the attached statements to my satisfaction.

R. ASHWORTH, Accountant.

W. L. GRIFFITHS, Sub-Manager.

February 16, 1953.

(Sd.) C. A. DUNHAM, National Bank Examiner.

Condensed Statements of Condition of The National City Bank of New York, New York (Including Domestic and Overseas Branches).

ASSETS	Dec. 31, 1952 $	Dec. 31, 1951 $
Cash, Gold and Due from Banks	1,707,070,284	1,461,560,755
United States Government Obligations	1,427,076,743	1,585,733,526
Obligations of Other Federal Agencies	31,505,714	25,856,463
State and Municipal Securities	499,071,241	510,347,675
Other Securities	94,649,031	106,839,994
Loans and Discounts	2,269,931,847	2,088,757,343
Real Estate Loans and Securities	12,385,051	28,102,101
Customers' Liability for Acceptances	23,228,407	29,919,003
Ownership in Federal Reserve Bank	9,420,000	9,000,000
Bank Premises	7,000,000	7,000,000
Items in Transit with Branches	29,485,783	29,162,719
Other Assets	995,477	24,863,064
	5,222,622	2,721,022
Total .. $	6,117,115,200	5,909,863,665

LIABILITIES	Dec. 31, 1952 $	Dec. 31, 1951 $
Deposits	5,613,861,572	5,442,946,549
Liability on Acceptances and Bills (Own Acceptances in Portfolio Deducted: 1952—$30,249,211; 1951—$12,992,281)	24,839,403	31,574,858
Due to Foreign Central Banks (in Foreign Currencies)	18,410,100	11,538,800
Reserves for—		
Unearned Discount and Other Unearned Income	28,342,712	19,178,611
Interest, Taxes, Other Accrued Expenses, etc.	42,126,555	36,366,874
Dividend	3,312,000	3,312,000
Capital (7,200,000 Shares—$20 Par)	144,000,000	144,000,000
Surplus	170,000,000	156,000,000
Undivided Profits	72,222,858	64,945,973
Total .. $	6,117,115,200	5,909,863,665

Figures of Overseas Branches are as of December 23.

GUIDING PRINCIPLES OF SOCIAL SECURITY—III

INVESTMENT AND ACTUARIAL PROBLEMS

IN this article, which is the final instalment of the series of articles on "Social Security," we shall examine the chief recommendations of the I.L.O. on workmen's compensation, and medical care, and conclude the study of the subject by a reference to certain investment and actuarial problems. If it is remembered that social security and related issues have grown to the status of a study by itself, it will be realised that what is attempted in this series is only to sketch the broad outline of the subject.

The Workmen's Compensation (Accidents) Convention, 1925, prescribes that the laws as to workmen's compensation should apply to workmen, employees, and apprentices employed by any enterprise, undertaking or establishment. Injured workmen are entitled, under the Convention, to medical aid and to such surgical and pharmaceutical aid as is recognised to be necessary in consequence of accident. If the injury results in death the dependents of the deceased person are entitled to compensation. The minimum scale of benefit envisaged by the I.L.O. for incapacity resulting from injury, is given below:

(*a*) In the case of permanent total incapacity, a periodical payment equivalent to two-thirds of the workmen's annual earnings; (*b*) in case of permanent partial incapacity, a proportion of the periodical payment due in the event of permanent total incapacity calculated in reference to the reduction of earning power caused by the injury; (*c*) in case of temporary total incapacity, a daily or weekly payment equivalent to two-thirds of the workman's basic earnings as calculated for purposes of compensation; (*d*) in case of temporary partial incapacity, a proportion of the daily or weekly payment payable in the case of temporary total incapacity calculated in reference to the reduction of earning power caused by the injury.

Where compensation is paid in a lump sum, the sum should not be less than the capitalised value of the periodical payment which would be payable under the foregoing paragraph.

The I.L.O. has also prescribed certain standards for medical care for workers which, in a modern community, is generally beyond the average means of individual workers. The chief recommendation on this subject, adopted in 1944, says that a medical care service should be designed to restore the individual's health, prevent further development of disease and alleviate suffering, when he is afflicted by ill health (curative care); and to protect and improve his health (preventive care). The cost of the service should be met collectively by regular periodical payments which may take the form of social insurance contributions or of taxes, or of both.

The problems which arise from the necessity to invest the large funds which accrue through collections made for purposes of administering social insurance, were considered in 1938 by the meeting of the Experts on Investment of Funds. This body decided upon the following (among other) measures:

The first concern of the body responsible for selecting investments should be to satisfy itself that their value is secure as regards the recovery or conservation of the nominal value of the capital invested and the regular receipt of interest.

It is essential that the insurance scheme should obtain for its investments the highest yield consonant with safety and with the degree of liquidity which is held to be indispensable. The average yield of the whole of one kind of investments made within a given period should not be less than the net rate of interest generally current on the market for investments of the same kind and made during the same period.

It is necessary to provide for the liquidity of the investments, in particular when, in the normal course of events and as a result of the nature of the benefits or of the financial structure of the scheme, a part of the actuarial reserves will have to be realised at a given date.

It is advisable that the body responsible for selecting investments should draw up a periodical plan setting out the broad lines which investment operations should follow during the period covered by the plan.

It is also advisable that this plan should include a table to be revised if circumstances require, determining, in particular, what proportions of the holding should be invested in fixed-yield and variable-yield investments respectively.

Such a plan would render possible the carrying out of a co-ordinated investment policy, since the extent to which the various requirements could and should be satisfied can be fixed in advance and all funds available for long-term investment can be immediately placed.

Issues made by public authorities with a gold clause or a currency option provide, if not an absolute guarantee against monetary devaluation, at any rate a substantial defence, and insurance institutions may be well advised to have recourse to such loans.

Ordinary shares or stock of commercial or industrial companies should only be entertained as possible investments for insurance funds if the interest or dividend and redemption of capital are sufficiently guaranteed. Only the shares or stock of companies enjoying long-dated concessions or monopolies would appear to fulfil these conditions. Main points to consider: What method should be followed in examining the prospects of payment of interest or dividend and of redemption of capital; whether there is likely to be an increase in the present potentialities of investment in commercial or industrial ordinary shares or stock.

In the sphere of social security, as in all spheres of insurance, the actuary plays a notable role. Indeed, he has a special role in the sphere of social security. This aspect of the actuary's work was emphasised by the Actuarial Sub-Committee of the Committee on Social Security which held its first meeting in Geneva in 1948. The report adopted by the Sub-Committee stated, *inter alia*:

"Wherever possible, hypotheses on long-term variations in biometric and demographic bases should be adopted, particularly as regards mortality rates, birth rates, etc. It is advisable to make various projections based on alternative hypotheses.

"It is desirable to collect and analyse demographic bases of calculation, not only by sex and age but also by marital status, in cases where marital status affects the amount of benefits paid.

"It is desirable to study more thoroughly the distribution of persons by amount of wages or income, and the wage or income variation as a function of age, sex and family composition.

"It is very difficult, if not indeed impossible, to adopt any one particular long-term hypothesis regarding possible economic variations in the bases of calculation. The actuarial experts, therefore, consider it advisable: (*a*) to make several estimates based on different hypotheses as to economic developments, in order to show how the scheme would operate under different economic conditions; (*b*) to analyse the mechanism of the scheme as a whole—and even of its various parts (i.e., method of calculating benefits, conditions attached to grant of benefits, sources of income, relation between individual contributions and benefits, etc.)—from the point of view of its stability in face of economic fluctuations and variations, as well as to show how it may be adapted when economic conditions undergo considerable alteration."

The Committee recognised that a sound economy is essential to the normal operation of a social security scheme, and stressed the necessity of strengthening the world economic situation.

Such, in broad outline, are the guiding principles of social security. These have not been adopted by the I.L.O. in any single session. They have been developed in the course of years, through careful consultation, discussion and debate. And they, therefore, represent the considered views of the enlightened section of the world.

INSURANCE CLAIMS BOARD

Under the Displaced Persons (Debts Adjustment) Act, 1951, the Government of India has constituted an Insurance Claims Board. Its members will be: Mr. K. Y. Bhandarkar, Government Solicitor, Ministry of Law (Chairman); Mr. K. P. Mathrani, Joint Secretary, Ministry of Rehabilitation (Secretary); Mr. A. Rajagopalan, Controller of Insurance, Ministry of Finance; Mr. T. K. Desai and Mr. William Gilmour Wylie, representing the General Insurance Council; and Mr. Tek Chand, M.P., representing displaced persons. The Act provides that in respect of claims of displaced persons against insurance companies, the tribunals will determine the amount of loss, the amount for which the property was insured on the date of such loss and the amount, if any, paid by the insurance company, and make a report to the Insurance Claims Board. The Board will, after taking into account certain principles which have been prescribed, propose to the tribunals concerned the amounts for which claims against insurance companies should be decreed.

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SUPREME COURT ON CARRY FORWARD OF LOSS

DECISION ENCROACHES ON TAX RELIEF TO BUSINESS

(By R. K. DALAL, B.Com., F.S.A.A., F.C.A.)

THE recent judgment of the Supreme Court on the case relating to *Anglo-French Textile Company Ltd.*, vs. *C.I.T., Madras*, reported in 1953 (XXIII) I.T.R. 82, has disclosed a grave deficiency in section 24 of the Income-tax Act, and unless immediate steps are taken by the Legislature to amend it, grave injustice is likely to result to the tax-paying public in general and insurance companies in particular.

Section 24 runs as follows:—

(1) "Where any assessee sustains a loss of profits or gains in any year under any of the heads mentioned in section 6, he shall be entitled to have the amount of the loss set off against his income, profits or gains under any other head in that year.

(2) "Where any assessee sustains a loss of profits or gains in any year, being a previous year not earlier than the previous year for the assessment for the year ending on the 31st day of March, 1940, under the head 'Profits and gains of business, profession or vocation', and the loss cannot be wholly set off under sub-section (1), the portion not so set off shall be carried forward to the following year and set off against the profits and gains, if any, of the assessee from the same business, profession or vocation for that year; and if it cannot be wholly so set off, the amount of loss not so set off shall be carried forward to the following year, and so on; but no loss shall be so carried forward for more than six years, and a loss arising in the previous years for the assessment for the years ending on the 31st day of March, 1940, the 31st day of March, 1941, the 31st day of March, 1942, the 31st day of March, 1943, and the 31st day of March, 1944, respectively, shall be carried forward only for one, two, three, four and five years, respectively."

A radical change was introduced in section 24 by the Amendment Act of 1939. Section 24 deals with the set off of loss under one head against profit under other heads of income as mentioned in section 6. Section 24(1), therefore, is attracted where there is a loss under one head and income under another. If that is so, it permits a set off against each other and the net balance becomes assessable to tax. There is no change made in this sub-section (1) by the Amendment Act, 1939, but the new sub-section (2) was added with a view to giving relief to the assessee of carrying forward to the same business the net loss of business determined under sub-section (1) for a period of six years, so that, so long as the assessee is not able to recoup his business loss, subsequent profits from business shall not be subjected to tax. The relief is not complete, because the loss carried forward can only be absorbed by profit next year in the same business and not in any other business. Equitably the loss should be allowed to be set off, not only against all business carried on by the assessee, but against all incomes available for tax. For the idea behind the legislation is to give tax relief on the principle that so long as the assessee has not been able to recoup his past losses, he cannot truly be regarded as having made profit by which his taxable capacity to contribute to the country's exchequer can be measured. This wholesome principle is whittled down by the narrow relief as set out above. Thus the relief was very narrow and restrictive. Narrow and restrictive as it was, it is made almost nugatory by the interpretation of section 24 by the Supreme Court in the case quoted above.

The Supreme Court has held that section 24(1) provides for a set off only in cases where assessee has income other than the loss under the head of business. In order, therefore, to entitle the assessee to carry forward a loss, the loss must be processed under section 24(1) and it cannot be so processed, if it has no other heads of income than the head under which the business has sustained a loss.

The Judges of the Supreme Court have said,

"There is no provision in the Act which entitles the assessee to have a loss recorded or computed, unless something is to be done with the loss. Thus, under section 24(1), a loss can be set off against an income, profit or gain, and under sub-section (2), the balance of a loss can be carried forward to a following year on the conditions set out there... But under sub-section (2) the loss can be carried forward when 'the loss cannot be *wholly* set off under sub-section (1)' and in that event only the '*portion* not so set off' can be carried forward. We are, therefore, thrown back on sub-section (1).

"Sub-section (1) provides that where an assessee sustains a loss of profits or gains in any year *under any of the heads mentioned in section* 6, he shall be entitled to have the amount of the loss 'set-off against his income, profits or gains *under any other head* in that year.' Therefore, before any question of set-off can arise, there must be (1) a loss under one or more of the heads mentioned in section 6, and (2) an income, profit or gain under some other head. It follows that when there is no income under any head at all, there is nothing against which the loss can be set off in that year, and unless that can be done, sub-section (2) does not come into play.

"Next, a set-off under section 24(1) can only be claimed when the loss arises under one head and the profit against which it is sought to be set off arises under a different head. When the two arise under the same head, of course, the loss can be deducted, but that is done under section 10 and not under section 24(1) . . . unless the loss can be set off under section 24(1), it cannot be carried forward under sub-section (2)."

The upshot of this judgment will render the practice of allowing an assessee to carry forward loss under section 24(2) impossible if he sustained a loss in business in one year and there was no other income in that year against which it could be first set off under section 24(1). It comes to this, that if an assessee has no other income under any of the sources mentioned in section 6, except loss in business under section 10, the loss that he may sustain, may not be carried forward and set off against the profit made by him in the *same* business. In other words, by this decision, a further restriction is placed on the section, viz., that the assessee must have income under some other source than business so as to make the loss eligible for carry forward under section 24(2). The judgment though at first sight seems revolutionary, yet on a considered study of the language of the sections, it will readily seem to be eminently logical and correct.

If an assessee has only one source of income, say under section 10, then the loss sustained by him does not attract section 24(1). It will attract only, if there is some other head of income against which to set it off. If section 24(1) is not attracted, section 24(2), by the very language of that sub-section, cannot operate at all. If section 24(2) cannot operate, an assessee does not get the right of a carry forward, notwithstanding the loss is sustained in the same business in which next year he makes a profit. The assessee must prove some other source of income in order to be eligible for section 24(1) to operate and for a subsequent invocation of section 24(2).

While the decision will be a serious encroachment on the relief hitherto given to business in general, it will have very serious repercussions on insurance companies in particular. The profit of insurance company under section 10(7) is computed under the schedule and is deemed to arise only under section 10. Sections 8, 9, 10 and 12 do not operate, therefore they cannot return any income under section 6 except one single head under section 10. This judgment will, therefore, prevent an insurance company, whether life or non-life, from claiming any right of carry forward under section 24(2). Since they are deemed to have no income other than under section 10, section 24(1) remains inoperative. The set off of profit and loss between life, fire, marine and accident can be effected under section 10 because only the net result is required to be returned. In this, section 24(1) does not come into the picture at all. If section 24(1) cannot be invoked, much less section 24(2). And, therefore, no insurance company can ever claim the benefit of section 24(2) of carrying forward of the loss sustained by it in one year against profit made under the same business in the next year. This is a situation most serious for new insurance companies which are still getting on their feet.

In case of other businesses, it is possible to claim income under other sources, say, interest on bank's current or deposit account. Since this is income from investment, it can legitimately claim assessment under section 12 and not under section 10 to satisfy the strict requirements of section 24(1), but in case of an insurance company, these sections 8, 9, and 12 do not operate at all. They are non-existent and, therefore, their absence will effectively scotch section 24(1) for ever. Was this result contemplated by the Legislature, when it effected an amendment of section 24 in 1939 and incorporated specific relief under section 24(2)?

The object as stated in the objects and reasons in the Income-tax Bill on this clause was as follows:—

"This clause allows losses in business, profession and vocation to be carried forward and set off against the profits of the *same* business, profession and vocation. The period of carry forward is to be six years, but to mitigate the effect on revenue of this concession losses of the first 'previous year' after the commencement of the Amendment Act are to be carried forward for one year, loss of the next year for two years, and so on until the full period of six years is reached."

The only restriction contemplated is that the loss can be carried forward next year to the credit of the same business which has made the profit.

Will Chambers of Commerce, the Federation of Indian Chambers of Commerce and Industry and other business communities move the Government for an early introduction of an amendment in the Act to mitigate the great hardship that otherwise will ensue?

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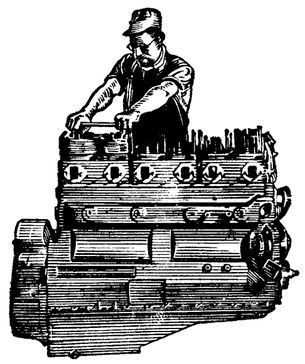

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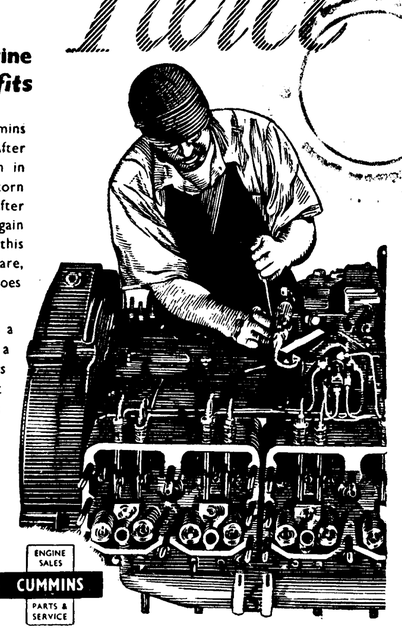

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28/6/11

THE CENTRAL BANK OF INDIA, LIMITED.

BALANCE SHEET AS AT 31ST DECEMBER, 1952.

CAPITAL AND LIABILITIES.

1. CAPITAL:—				
AUTHORISED CAPITAL —				
(a) 10,50,000 Ordinary Shares of Rs. 50/- each		Rs.	5,25,00,000 0 0	6,30,00,000 0 0
(b) 4,20,000 Ordinary 'A' Shares of Rs. 25/- each		,,	1,05,00,000 0 0	
		,,	6,30,00,000 0 0	
ISSUED CAPITAL				5,77,50,000 0 0
(a) 10,50,000 Ordinary Shares of Rs. 50 each		Rs.	5,25,00,000 0 0	
(1) 4,72,528 Ordinary Shares of Rs. 50 each issued as paid up to the extent of Rs. 25 without payment in cash in exchange for 9,45,056 shares of the Tata Industrial Bank Ltd.		Rs.	2,36,26,400 0 0	
(2) 5,77,472 Ordinary Shares of Rs. 50 each issued for payment in cash		,,	2,88,73,600 0 0	
		,,	5,25,00,000 0 0	
(b) 2,10,000 Ordinary 'A' Shares of Rs. 25 each fully paid up issued as bonus shares for consideration other than cash		Rs.	52,50,000 0 0	
		,,	5,77,50,000 0 0	
SUBSCRIBED CAPITAL:—				
(a) 10,48,475 Ordinary Shares of Rs. 50 each		Rs.	5,24,23,750 0 0	
Amount called up at Rs. 25 per share				2,62,11,875 0 0
Note:—1. The above number includes 351 Ordinary Shares of the Central Bank of India, Ltd., which remain to be given against 702 coupons issued by the Central Bank of India Ltd., for a like number of shares of the Tata Industrial Bank, Ltd., which have not yet been submitted for conversion. 2. 36 Ordinary Shares of the Central Bank of India, Ltd., which remain to be given against 72 coupons issued by the Bank, but not yet submitted for conversion.				
(b) 2,09,695 Ordinary 'A' Shares of Rs. 25 each		Rs.	52,42,375 0 0	
Amount fully paid up				52,42,375 0 0
Note:—515 Ordinary 'A' shares remain to be given against 2,575 coupons issued but not yet submitted for conversion.			5,76,66,125 0 0	3,14,54,250 0 0
AMOUNT RECEIVED on 31 Shares Forfeited				530 0 0
RESERVE LIABILITY OF SHAREHOLDERS:— Rs. 25 per Share on 10,48,475 Shares Subscribed upto 31-12-1952				2,62,11,875 0 0 — 3,14,54,780 0 0
2. RESERVE FUND AND OTHER RESERVES:—				
Reserve Fund				3,16,28,500 0 0
Contingency Fund				42,00,000 0 0
Sinking Fund in respect of Lands and Buildings				40,79,677 7 0 — 3,99,08,177 7 0
3. DEPOSITS AND OTHER ACCOUNTS:—				
Fixed Deposits and Cash Certificates				34,81,23,297 12 5
Savings Bank Deposits				26,70,54,062 2 0
Current Accounts, Call Deposits, Contingency Accounts, etc.				61,09,35,306 9 1 — 1,23,21,12,666 7 6
4. BORROWINGS FROM OTHER BANKING COMPANIES, AGENTS, ETC.:—		Secured by part of Investments per contra	Unsecured	
(i) In India	Rs.	3,02,622 3 0	Rs. 30,00,000 0 0	33,02,622 3 0
(ii) Outside India	,,	5,67,972 9 7	,, ...	5,67,972 9 7 — 39,60,594 12 7
5. BILLS PAYABLE				1,43,01,474 0 7
6. BILLS FOR COLLECTION BEING BILLS RECEIVABLE as per contra:—				
(i) Payable in India				3,67,44,605 12 2
(ii) Payable outside India				1,00,33,832 0 1 — 4,67,78,437 12 3
7. OTHER LIABILITIES:—				
Branch Adjustments				3,03,79,725 10 0
Amounts owing to Subsidiary Companies				16,05,035 12 10
Unclaimed Dividends				7,85,659 8 3
Rebate on Bills Discounted				57,827 9 0 — 3,28,28,248 8 1
8. ACCEPTANCES, ENDORSEMENTS AND OTHER OBLIGATIONS per contra				2,10,74,159 4 5
9. PROFIT AND LOSS ACCOUNT:—				
Balance as per Balance Sheet as at 31st December 1951				42,81,968 10 7
Less—Final Dividend at the rate of 8 per cent. paid for the half-year ended 31st December 1951				25,16,340 0 0
				17,65,628 10 7
Profit for the year 1952				1,00,60,980 15 2
				1,18,26,609 9 9
Less—Ad-interim Dividend paid for the half-year ended 30th June 1952 at the rate of 6 per cent., i.e., Rs. 1-8 per Share		Rs.	18,87,255 0 0	
Amount transferred to Bank's Investments		,,	35,00,000 0 0	
Amount provided for Taxation		,,	10,00,000 0 0	
Amount provided for Bonus to Staff		,,	12,00,000 0 0	
				75,87,255 0 0 — 42,39,354 9 9
10. CONTINGENT LIABILITIES:—				
Claims against the Banking Company not acknowledged as debts Rs. 9,07,177-1-4.				
Money for which the Banking Company is contingently liable Rs. 28,72,367-3-0 on Investments in shares of Joint Stock Companies and Banks. And Rs. 13,14,289-12-5 against Letters of Guarantee on behalf of constituents.				
Liability on Bills of Exchange rediscounted £30,388-8-11 of which £17,351-7-1 and $14,601.63 of which $13,507.39 upto 21st February 1953 have run off.				
Liability on account of outstanding Forward Exchange Contracts Rs. 2,97,68,343-8-11.				
Total .. Rs.				1,42,66,57,892 14 2

PROPERTY AND ASSETS.

1. CASH—				
Cash in hand and with Reserve Bank and Imperial Bank (including foreign currency notes)				13,61,21,284 14 4
2. BALANCES WITH OTHER BANKS—		on Current Accounts	on Deposit	
(i) In India		Rs. 16,33,278 13 10	Rs.	16,33,278 13 10
(ii) Outside India		,, 1,54,60,071 15 8	,, ...	1,54,60,071 15 8
3. MONEY AT CALL AND SHORT NOTICE				1,70,93,350 13 6
4. INVESTMENTS (at Book Value)—				96,74,829 1 6
(i) Securities of the Central and State Governments and Other Trustee Securities	Face Value		Market Value	
	Rs. a. p.		Rs. a. p.	
	56,05,78,771 6 9		51,55,50,435 8 10	
Treasury Bills of the Central and State Governments				55,10,17,334 14 0
(ii) Shares—		Fully Paid	Partly Paid	
(a) Preference		Rs. a. p.	Rs. a. p.	
(b) Ordinary		1,01,88,998 15 8	1,39,975 0 0	
(c) Deferred		2,56,87,837 5 3	16,91,586 11 0	
(d) Other Classes		9,82,039 10 3	....	
		67,708 12 0	....	
		3,69,26,694 11 2	18,31,561 11 0	3,87,58,256 6 2
			Market Value	
			Rs. a. p.	
(iii) Debentures or Bonds			3,87,59,200 1 11	70,87,468 13 10
	Face Value		Market Value	
	Rs. a. p.		Rs. a. p.	
(iv) Other Investments:	76,03,100 0 0		70,87,550 0 0	
(a) Pakistan Loans			2,05,79,760 4 6	
(b) Foreign Securities			8,96,075 14 3	
(c) Other Municipal Debentures			42,95,933 0 10	
			2,57,71,769 3 7	
	Face Value		Market Value	
	Rs. a. p.		Rs. a. p.	
(v) Gold	2,65,45,076 8 10		2,57,72,304 15 0	2,57,71,769 3 7
5. ADVANCES—				....
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the auditors).				62,26,34,829 5 7
(I) Loans, Cash Credits, Overdrafts, etc.:				
(i) In India			44,30,28,897 9 9	
(ii) Outside India			3,50,30,761 6 1	
			5,80,44,046 0 9	47,80,59,658 15 10
(II) Bills Discounted and Purchased:				
(i) Payable in India			1,75,41,403 12 3	
(ii) Payable outside India			2,57,72,304 15 0	7,55,85,449 13 0
PARTICULARS—	Loans, Cash Credits, Overdrafts, etc.	Bills Discounted and Purchased	Total Advances	55,36,45,108 12 10
	Rs. a. p.	Rs. a. p.	Rs. a. p.	
(i) Debts considered good in respect of which the Banking Company is fully secured	42,09,84,382 3 9	4,59,10,272 12 7	47,28,94,655 0 4	
(ii) Debts considered good for which the Banking Company holds no other security than the debtor's personal security as under:—				
(a) Debts due on Joint and Several Pro-notes Rs. 2,00,45,065 8 10				
(b) Debts due on Temporary overdrafts, cash credits and Single Pro-notes, etc. Rs. 2,38,80,054 15 3				
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	4,39,25,120 8 1	1,18,27,816 5 5	5,57,52,936 13 6	
(iv) Debts considered doubtful or bad, not provided for	71,50,156 4 0	1,78,47,360 11 0	2,49,97,516 15 0	
Total Rs.	47,80,59,658 15 10	7,55,85,449 13 0	55,36,45,108 12 10	
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	10,74,262 6 10	1,285 12 0	10,75,548 2 10	
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	1,57,69,583 13 10	74,498 13 8	1,58,44,082 11 6	
(vii) Maximum total amount of advances, including temporary advances, made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	23,15,843 9 1	2,920 12 0	23,18,764 5 1	
(viii) Maximum total amount of advances including temporary advances, granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	2,01,72,194 7 3	84,939 3 6	2,02,57,133 10 9	
(ix) Due from banking companies	67,68,607 10 4	15,55,012 13 1	83,23,620 7 5	
6. BILLS RECEIVABLE BEING BILLS FOR COLLECTION AS PER CONTRA:—				
(i) Payable in India				3,67,44,605 12 2
(ii) Payable Outside India				1,00,33,832 0 1 — 4,67,78,437 12 3
7. CONSTITUENTS' LIABILITIES FOR ACCEPTANCES, ENDORSEMENTS AND OTHER OBLIGATIONS PER CONTRA				.... — 2,10,74,159 4 5
	Bank Premises	Investment in Properties	Non-Banking Assets acquired in satisfaction or claims	
8. LANDS AND BUILDINGS—	Rs. a. p.	Rs. a. p.	Rs. a. p.	
Cost as per last Balance Sheet	77,71,199 10 8	38,74,554 11 1	10,66,180 13 8	
Less—Cost of Properties sold during the year	....	....	....	
	77,71,199 10 8	38,74,554 11 1	10,66,180 13 8	
Add—Cost of Additions made during the year	2,357 1 5	....	1,206 4 0	
Cost of Properties purchased or taken over during the year	....	....	....	
Less—Amount written off	77,73,556 12 1	38,74,554 11 1	10,67,387 1 8	
	10,00,000 0 0	15,00,000 0 0	2,08,624 15 8	
	67,73,556 12 1	23,74,554 11 1	8,58,762 2 0	
(Further Provision in Sinking Fund as per contra).				1,00,06,873 9 2
9. FURNITURE AND FIXTURES: Cost as per last Balance Sheet			55,20,235 11 7	
Add—Additions less Sales made during the year			6,25,605 5 9	
Total cost to date			61,45,841 1 4	
Less—Amount written off to date for Depreciation			34,50,884 3 7	
				26,94,956 13 9
10. OTHER ASSETS—				
R.P.T. Deposit with Government under Section 10 of the Finance Act, 1942			4,65,974 0 0	
Shares of the Central Bank Executor and Trustee Co., Ltd., at Cost			9,99,000 0 0	
Shares of the Depositors' Benefit Insurance Co., Ltd., at Cost			2,48,500 0 0	
Interest accrued on Investments			31,01,029 0 2	
Silver				
Stamps, Stationery, Stock of Home Savings Safes and Safe Deposit Boxes			21,19,568 6 8	
				69,34,071 6 10
Total .. Rs.				1,42,66,57,892 14 2

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1952.

EXPENDITURE.

1. Interest paid on Deposits, Borrowings, etc.			1,41,90,743 11 4
2. Salaries and Allowances at Head Office and Local Branches including Bonus debited during the year	56,71,394 13 3		
Salary and Allowances to Managing Director Rs. 1,20,787-13-0.			
Salaries and Allowances at Up-country Branches including Bonus debited during the year	1,55,31,253 15 0		
Contributions to Provident Fund	11,66,295 11 11		
			2,23,68,944 8 2
3. Directors' Fees and Allowances	57,980 0 0		
Committee Members' Fees and Allowances	12,373 5 4		
			70,353 5 4
4. Rent, Taxes, Insurance, Lighting, etc.	....		22,31,023 5 4
5. Law Charges	....		95,052 11 2
6. Postage, Telegrams and Stamps	....		7,02,257 14 11
7. Auditors' Fees	....		1,05,509 1 2
8. Amount transferred to Sinking Fund on Banking Company's Property	77,369 4 11		
Repairs to Banking Company's Property	25,278 5 4		
Other Charges on Banking Company's Property	3,58,736 10 0		
Depreciation on Furniture, etc.	3,12,845 15 2		
			7,74,230 3 5
9. Stationery, Printing and Advertisement, etc.	....		13,62,376 8 1
10. Loss from sale of or dealing with non-banking Assets	....		
11. Other Expenditure	....		
12. Balance (Net Profit) subject to Taxation	....		1,00,60,980 15 2
Total .. Rs.			5,19,61,472 4 1

INCOME (less Provision made during the year for bad and doubtful debts and other usual or necessary provisions).

1. Interest and Discount		4,20,76,910 7 3
2. Commission, Exchange, Brokerage and other Receipts (including Post-war Refund of Excess Profits Tax)		91,66,334 14 0
3. Rent on Bank's Premises (excluding Rent on Premises used by the Bank)		4,34,690 15 6
4. Net Profit on sale of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular fund or account)		....
5. Net Profit on revaluation of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular fund or account)		....
6. Income from non-banking Assets and profit from sale of or dealing with such assets		2,73,944 9 4
7. Transfer Fees		9,591 6 0
Total .. Rs.		5,19,61,472 4 1

Note.—Remuneration received by Directors for their own use from other Companies by virtue of nomination by the Bank on the Board of other Companies amounted to Rs. 1,000 during the year.

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Central Bank of India, Ltd., as at the 31st day of December 1952 and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the audited Returns of 65 Branches and the authenticated Returns of the Pay Offices and other Branches, and report that:—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory;
(b) The transactions of the Bank which have come to our notice have been within the powers of the Bank;
(c) The Returns received from Branch Offices of the Bank have been found adequate for the purpose of the audit;
(d) In our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;
(e) Such Profit and Loss Account shows a true balance of profit for the year
(f) Such Balance Sheet exhibits a true and correct view of the state of the affairs of the Bank according to the best of our information and explanations given to us and as shown by the books of the Bank; and
(g) In our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act 1913.

A. F. FERGUSON & CO.,
Chartered Accountants.

S. B. BILLIMORIA & CO.,
Chartered Accountants.

BOMBAY, *3rd March*, 1953.

H. P. MODY, *Chairman.*
DINSHAW D. ROMER,
B. D. LAM,
D. M. KHATAU,
C. H. BHABHA,
M. M. AMERSEY,
MANEKLAL PREMCHAND,
C. P. WADIA,
Directors.
H. C. CAPTAIN, *Managing Director.*

N. K. KARANJIA, *Manager, Branches;*

F. C. COOPER, *Secretary.*

K. B. PASTAKIA, *Accountant;*

RELAXATION OF FOOD CONTROLS

IS THERE CASE FOR FURTHER WIDENING?

RELAXATION of food controls is now accomplished in a number of States in India in varied degrees. How far is this relaxation justified and whether it needs further widening? These are the questions engaging the attention of the Central and State Governments as also the public in the country. A brief review of the relaxation of food controls so far made and its effect on food prices in the open market would be necessary fairly to assess the situation before proceeding with further relaxation. An interesting article entitled "Relaxation of Food Controls and After" published in the latest issue of the *Agricultural Situation in India*, closely examines the effect of food controls in India, and its findings should go a long way towards removing uninformed criticism of food controls in India.

It will be recalled that the causes which facilitated relaxation of controls in the latter half of 1952 in a number of States were three in number: (1) The food stock position of the States and the Centre was comfortable. Secondly, open market prices of foodgrains were appreciably lower than prices of rationed foodgrains. Finally, there was the expectation of favourable crops for 1952-53, following the well begun south-west monsoon. Consequently, an opportunity for lessening food controls was provided and was availed of by the State Governments one after another. It was, however, emphasised that the relaxation of the controls should be understood as adjustment within the framework of the policy of general food controls.

The latest position with regard to food controls in India is that statutory rationing has either been completely given up as in Madras, Bihar, the U.P., Saurashtra and Madhya Bharat, or reduced to a smaller number of towns than before, as in Hyderabad and Mysore. In all these States, however, fair price shops, have been opened in place of statutory ration shops and card-holders have the option to draw from the fair price shops as they were entitled to before relaxation, and supplement this quantity, if necessary, with purchases in the open market. In certain other States, too, relaxations have been effected, in some of them only recently. It may be noted that even before June, 1952, when the series of relaxations started, Rajasthan had abolished statutory rationing.

The relaxation of food controls has been accompanied by intra-State movement of cereals. Free movement of cereals has been permitted throughout the States of U.P., Bihar, Madhya Bharat, Saurashtra, Hyderabad, Mysore and Travancore-Cochin. And procurement of foodgrains has generally remained suspended. It has been resumed in respect of rice in some States and is conducted on the basis of levy system.

Apart from these, a few recent relaxations of all-India character may be mentioned. The most important of these relate to relaxation in respect of millets and other coarse grains, announced in the House of the People on the 17th November, 1952. Under this policy, while the existing inter-State cordons on the movement of these grains continue, the State Governments are free to buy these grains in any other State approved by the Centre and move them into their own States either on State-to-State basis or by purchases through their own agencies; there will be no restrictions on movement within the State, except with the approval of the Central Government. Even in the case of inter-State cordons, movement of headloads is permitted for producers wishing to sell their produce in the neighbouring markets, though outside the border of the State; and the State Governments may procure for their own requirements necessary quantities of grains from within the State. Other relaxation measures of all-India character include liberalisation of austerity measures regarding number of guests permitted at entertainments, relaxation of restrictions on the manufacture and inter-State movement of 'fines'.

The whole scheme of relaxations is not, however, without safeguards. While effecting relaxations, care has been taken to see that the rationed population is not thrown suddenly to the vagaries of the open market. Ration shops have been converted into fair price shops for the purpose. The benefits of Government distribution of cereals, through fair price shops, have been extended to the population not covered orginally by statutory rationing in areas of scarcity, in order to arrest and reverse the rising trend in prices of open market. The Union Government promulgated, in July, 1952, a Foodgrains (Licensing and Procurement) Order, 1952, which has now been extended to all the States, except Jammu and Kashmir and the Andamans. The order is designed to meet any situation arising as a result of hoarding. The power to reimpose any restrictions has not been given up. In Madras, for instance, ban has been imposed on inter-district movement of millets, as a result of damage to millet crops.

What has been the experience of relaxation of food controls so far? When the relaxation was initiated, one of the hopes raised was that the step would release the forces which would eventually help in augmenting the production of cereals in the country. This hope was not based on the price incentive for the producer, but it was based on the fact that an assurance to the producer that he will no longer be subject to rigours or irksomeness of controls will enthuse him to put in greater effort. There are still signs that the hopes may bear fruit in spite of the failure of crops in certain parts of Madras, Bombay and elsewhere, owing to partial failure of monsoons. According to the first forecast reports, the all-India acreage sown to *kharif* cereals this year is 6.5 million acres more than in the corresponding year.

It is difficult to forecast whether the relaxation of controls can be widened further. Nor does the article referred to at the outset try to answer it. A big hue and cry is raised by orthodox economists that relaxation of controls is not compatible with planned progress of the country under the Five-year Plan. Others endorse the Government of India's policy of adjustments in controls to suit local or temporary conditions without prejudice to the basic policy of general control of foodgrains. It is, however, clear that the future of controls depends upon the degree of self-sufficiency that can be achieved by India in the matter of foodgrains. That again depends on favourable monsoons, successful execution of multi-purpose projects, minor irrigation schemes, new methods of cultivation and timely supplies of manures, seeds and implements in adequate quantities.

BEE-KEEPING

Inaugurating the Indian Council of Bee-keeping in New Delhi recently, Dr. Punjabrao S. Deshmukh, Union Minister for Agriculture, stressed the role of bee-keeping as a cottage industry. He highlighted the importance of honey as a nourishing and efficacious medicine. He pointed to the role bees play as pollinators of flowers. Finally, he considered that the industry had before it a bright future. In fact, his analysis of the current problem of the industry makes interesting reading.

Although the bee-keeping industry dates back to historic days, in India it is still in its infancy. This is due to absence of sufficient attention to the development of the industry. And this in turn is attributable to lack of appreciation of its importance as a subsidiary occupation for the rural population. A notable feature of the industry is that, unlike other cottage industries, it has not to compete with machines. Neither can it be mechanised. It gives employment during spare hours and gives relaxation to the workers after a hard day's toil elsewhere in the fields, etc.

Honey, the product of the bee-keeping industry, is only next to nectar. It is the choicest gift of nature to man. It contains A, B and C vitamins which retain their rare invigorating properties, as in other sugary products these vitamins are lost during the process of heating. Its utility as nourishing food, efficacious medicine and valuable disinfectant is established beyond doubt.

Production statistics disclose that the aggregate yield of honey in India works out to 10 to 12 million lbs. a year, of which, however, only one-third gets to commercial channels. As compared with India's output, the U.S. produces more than 200 million lbs. of honey. The *per capita* production in India is a fraction of an ounce as against 1¼ lbs. in the U.S. and 2½ to 3 lbs. in Canada. In the U.S., there are about 8 lakh persons who in one way or another derive benefit from bee-keep-

(*Continued on page* 527)



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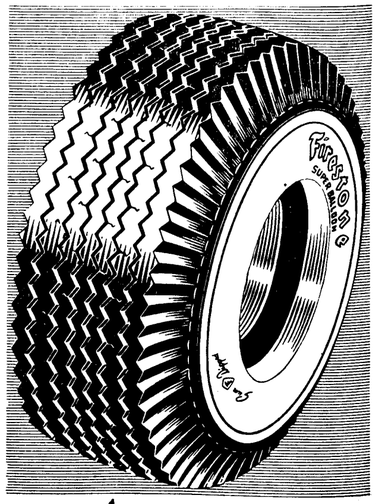

THE ONLY GUM-DIPPED TYRE

Firestone

THE FIRESTONE TYRE & RUBBER CO. OF INDIA LTD.

LAS. (B)

THE BANK OF JAIPUR LIMITED

Authorised Capital Rs. 2,00,00,000

Issued & Subscribed Capital Rs. 1,00,00,000

Paid-up Capital Rs. 50,00,000

Reserve and other Funds Rs. 12,65,000

Bombay Office: Cook's Building, Hornby Road

Branches all over India

NAS. 708

THE INDIAN BANK LTD.

Head Office: North Beach Road, MADRAS.

Branches and Sub-offices throughout South India and In Bombay

Overseas Branches: Colombo, Kuala Lumpur, Malacca, Penang and Singapore.

CAPITAL

Authorised	.. ..	Rs. 1,00,00,000
Subscribed	.. ..	,, 72,00,000
Paid-up	.. ..	,, 55,40,000
Reserve & other Funds		,, 73,50,000
Deposits (as on 31-12-52)		,, 20,29,16,713

All kinds of Banking Business transacted.

N. GOPALA IYER, *Secretary.*

THE VULCAN INSURANCE CO. LIMITED

(Incorporated in India)

Established—1919

Head Office:- Fort, BOMBAY

No. 73, Veer Nariman Road BOMBAY

Founded by Late Shri J. C. SETALVAD

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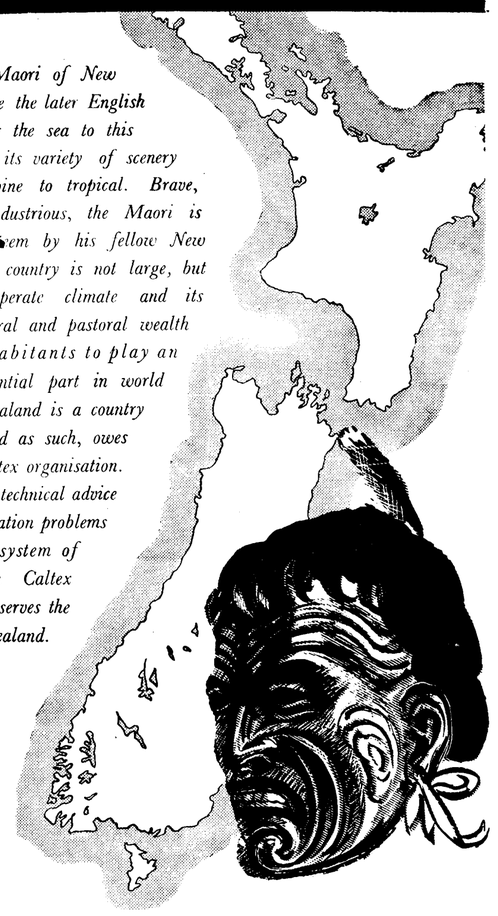



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INDIAN TARIFF (AMENDMENT) BILL

IMPERIAL PREFERENCE POLICY EXPLAINED

A BILL of considerable economic interest which the Council of States passed last week is the Indian Tariff (Amendment) Bill. The Bill seeks to place on a permanent footing the Government's powers to levy protective duties by notification, on the recommendations of the Tariff Commission. Besides, it seeks to give protection to the ball bearing industry.

The need for vesting the Government of India with powers to increase or levy import duties by notification arose from the urgency to forestall the activities of speculators and also to mop up the difference between the prices that ruled in India and those obtaining elsewhere. It may be recalled that, at present, the Government enjoys only emergency powers, granted to it in 1950, to levy protective duties by notifications. Accordingly, every notification issued by the Government has to be placed before Parliament, and if the House does not agree to it, the notification disappears. In other words, if the Government does not have powers on a permanent basis, it would tend to provide an excellent opportunity for the trading community to indulge in anti-social activities, whenever shortages in the commodities concerned occur and prices tend to rise. As any difference between prices in India and elsewhere gives room for speculative activity, it is but appropriate that Government should have powers, vested in it on a permanent basis, to mop up the difference between internal and external prices by altering import duties.

Few would dispute the principle of investing Government with powers to intervene for preventing possibilities of speculative activities. But there is the danger of all ill-timed move on the part of the Government to exercise its executive authority. Past experience shows that delays in taking action have harmed both the trade and the industry concerned. It is this danger that makes one to be rather disinclined to vest the Government with power to impose protective duties through notification. The objection raised in the Council of States by a certain member against the move has, therefore, some justification. While such protests serve to induce caution on the part of the Government, the remarks of some of the members favouring the proposal deserve mention. Dr. A. Ramaswamy Mudaliar, for instance, stated that such power is necessary in order to preserve secrecy and prevent speculation and stock-filing. "This practice," to quote him, "is hallowed by practice, proved by wisdom and sanctified by those who are for the promotion of indigenous industries." Indeed, there is nothing wrong in vesting the Government with powers to levy import duties by notification, if these powers are exercised only on the recommendation of the Tariff Commission and at the right moment.

No Extension of Imperial Preference

During the course of the debate on the Bill, several members criticised the continuance of the policy of Imperial Preference. Inasmuch as this issue has, once again, been raised, it is necessary to discuss it at some length. For one thing, it is difficult precisely to assess the effect of preferential duties on the economy of the country. For that depends on the elasticity of demand for a commodity (or group of commodities) in the country granting preferential concessions and on the selective elasticity of supply of preferred and non-preferred sources of imports. The difficulty is all the greater, in view of the absence of a detailed review of the working of Imperial Preferences in the past few years. However, from the preliminary survey which the Government of India has made and to which the Commerce and Industry Minister referred in Parliament, it is gathered that India strikes more or less "an even balance." Thus, while British goods enjoy preference in India, Indian goods enjoy preference in some other British territory. Indian textiles obtain preference in Malaya where there is severe Japanese competition. The same applies to other goods such as tea. The whole question is of purely economic significance and the continuance of preferential duties does not, as Mr. Krishnamachari emphasised, in any way affect Indian sovereignty. In this connection, the Minister assured that the Government was not going to extend the policy but might try to vary the preference. In such cases, it must be stressed that the preference should not be allowed to diminish the protection that an Indian industry requires.

Referring to the policy of granting protection to indigenous industries, a prominent member of Parliament sought to impress the fact that, whenever protection was given, the Government should take steps to see that the quality of goods was improved, that the consumer was able to obtain the product at a reasonable price, and that the workers in the protected industry got fair treatment. In fact, these are the very principles on which the Tariff Commission bases its recommendations for protection and, therefore, hardly would anyone dispute the observations of the member in question. But it is difficult to agree with him when he maintains that protection would not be of "real" use until the Government imposed a total ban or quantitative restrictions on the protected articles coming into the country. For one thing, as the Commerce and Industry Minister aptly stressed, granting of protection does not mean that the Government aims at self-sufficiency. Again, India, which is becoming an international trading country, cannot have one-way traffic alone. It is, therefore, essential to permit some imports which also keep an automatic check on the quality and price of indigenous articles. For another, the imposition of quantitative restrictions as a measure of protection is against the principles of the G.A.T.T.

Encouragement to Private Enterprise

Another prominent member wanted the Government to take shares in industries to which it grants tariff protection. Evidently, this suggestion stems from the desire for exercising effective control on protected industries. But the point is whether it can be implemented at all. Surely, no industry will tolerate Government's interference in this manner. Such interference is bound to have severe adverse effect on the industrial development and goes counter to the policy of giving encouragement to private enterprise. It is, indeed, gratifying that Mr. Krishnamachari should have acknowledged the force of this contention, as witness his remark: "Private industry has to be encouraged. In fact, during the last nine months or so, I have been trying to persuade people to start industries. This would industrialise the country and also provide employment to Indians to encourage industrialisation through every possible source. The Government is 'omniscient' and no industry can function without the Government having an opportunity to look into all aspects of the industry. There is hence no need to take shares in any particular industry for controlling it."

U.S. FOREIGN TRADE

Major fluctuations in U.S. foreign trade are unlikely this year, and both exports and imports will continue close to the near-record levels set in 1952, according to the annual review of the U.S. Commerce Department. This prediction is based on the expectation that domestic activity will be maintained at a high rate. Basic supply scarcities, which explain most of the wide gap between exports and imports, it is stated, have largely disappeared, as a result of increased production in the U.S. and the rest of the world and, in some cases, reduced consumption. Expansion in Government and private inventories of many commodities has also subsided. However, as a result of the continued high demands resulting from high production and income, prices of most basic items moving in world trade have become fairly stable. With a continuing high rate of domestic activity in prospect, it is felt that the demand for most imported goods will continue to be at least as high as it is currently. Hence foreign countries should be able to earn sufficient dollars to maintain their existing purchases from the U.S. at or near current rates.

The most recent foreign trade figures are for December. U.S. imports during that month aggregated $1,051 million, the highest monthly level of the year, while exports, at $1,388 million, were exceeded only in March. The December exports included $275.8 million of military shipments. Thus, there was a commercial trade surplus (dollar gap) of only $62.2 million—or an annual rate of about $734 million.

Foreign trade figures for the full year 1952 show that great progress was made during the year in reducing the dollar gap between U.S. commercial exports and imports. Total exports from the U.S. in 1952 amounted to $15,200 million, as compared with the record high of $15,340 million reached in 1947. Imports were of the value of $10,700 million, about $250 million lower than the 1951 peak. This resulted in an apparent gap of $4,500 million. It was more than that in 1951 or 1950, but less than in any other post-war year. However, when $1,980 million of military aid shipments are excluded from the exports, the commercial trade gap amounted to only $2,520 million, less than in any post-war year, except in 1950, when it was $1,400 million. This gap was built up in the first half of 1952 and sharply reduced in the second half. In the last six months, the gap was running at an annual rate of less than $2,000 million, again leaving out military aid shipments. Even this figure, however, is not a real measure of the commercial trade gap, since economic aid goods and civilian supply programme shipments cannot be separated out of the "commercial trade" shipments. A combination of foreign dollar acquisitions from U.S. tourist expenditure, private remittances and investments, U.S. Government economic aid and transfers, and earnings on various services have more than made up the commercial trade gap in the last few months, and foreign countries as a whole have been building up their holdings of gold and dollars. In the final quarter, the gain was approximately $225 million, which, computed on an annual basis, amounts to nearly $1,000 million per year.

PAKISTAN'S ECONOMY

BUSINESS MEN PESSIMISTIC OF THE FUTURE

PAKISTAN'S trade in the near future "must be on a very restricted scale; competition will increase, the downward tendency in prices will continue for a considerable time, and profits will be less. Most firms will be compelled to draw in their horns which may lead to the necessity of retrenchment." Thus, a note of pessimism was struck by Mr. B. R. Graham, President of the Associated Chambers of Commerce of Pakistan, in the course of his address at the annual session of the Chambers held at Karachi last week. For the first time since the last war, he declared, shortage of money and buying power is making itself felt, with the result that the sellers' market had disappeared.

There is no exaggeration whatever in these observations of Mr. Graham. As readers might be aware, Pakistan has been passing through one of the most critical periods of its history for some time past, more especially since the world-wide depression in the commodity markets in the beginning of last year. Shortage of food, precipitous fall in raw material prices, dwindling exports and a none too happy balance of payments position are the factors which have considerably afflicted the economy of Pakistan. The following extracts from Mr. Graham's speech will bear eloquent testimony to this.

(*a*) The trade (in cotton) is in for a bad time. There are surpluses of cotton all over the world and buyers are reluctant to buy more than their requirements. . . There still remains a balance of 1,100,000 to 1,200,000 bales to be disposed of before the end of August—a difficult task, indeed, in spite of comparatively low prices;

(*b*) heavy losses have been incurred by commission houses (in wool) through the disinclination or inability of sellers to meet their obligations;

(*c*) the effect of the present exchange rate of the Pakistan rupee on the tea trade has been such that producers were and are unable to compete with other countries in the world market;

(*d*) the country's import trade had also passed through a crisis and it is not out of the wood yet;

(*e*) there is little confidence in the piecegoods and other important markets; and

(*f*) the change from an extremely liberal import policy to one of extreme rigidity, the O.G.L. having been cancelled altogether, has had a most unsettling effect on the market.

Valuable Suggestions

In the context of the most pressing economic problems facing Pakistan, some of the valuable suggestions put forward by Mr. Graham assume special significance. These include, among others, (1) removal of control on export prices "as soon as it could be done without detriment to internal prices"; (2) permission for hedge trading in cotton; (3) continuance of exemption of tea from export duty after 31st March, 1953; (4) abolition of import duty and sales tax on tea chests; (5) introduction of a more stable import policy; (6) relaxation of the Government's order with regard to credit facilities, with a view to giving further latitude and discretion to the banks to grant clean overdrafts where they think safe and fit; (7) prompt payment for goods delivered to Government departments; and (8) grant of free import licences for raw material, accessories and machinery for raw industrial enterprises. Among these constructive suggestions of Mr. Graham, the absence of any reference to the devaluation of the Pakistani rupee is striking. Knowing, as he does, the strong views of the Government of Pakistan on devaluation, Mr. Graham might have felt the futility of making any suggestion for devaluing the rupee.

Notwithstanding the disquieting economic situation in Pakistan, Mr. Graham expressed the hope that the country would face the situation as boldly and as realistically as it did in the dark days of 1947-48 and would rise above its temporary troubles. How far and to what extent this hope will be realised, it is difficult to say, for such depends on so many factors which cannot be sized up at present, especially the Government's economic policies and the international political and economic situation.

PHARMACEUTICAL ENQUIRY COMMITTEE

The Union Health Minister, Rajkumari Amrit Kaur, in the course of her address at the inaugural meeting of the Pharmaceutical Enquiry Committee held at New Delhi last week, remarked that the medical requisites made available in the country should be of standard quality with prices remaining within the reach of the masses. These remarks are wholesome and pertinent, in that, in terms of resources for economic development, nothing can be considered of higher importance than providing standard medical preparations for the health of the people. Good health is a measure of the people's energy and capacity, as well as of potential of man-hours for productive work in relation to the total number of persons maintained by the nation. Indeed, for the efficiency of industry and agriculture, the health of the worker is an essential consideration. It is in this context that the need for creating a National Health Service assumes special significance. The appointment of the Pharmaceutical Enquiry Committee, with Major-General S. L. Bhatia, Director, Medical Services, and Secretary, Medical Department, Hyderabad Government, as Chairman, undoubtedly marks the first major step in that direction.

The Committee has been asked to enquire into the various aspects concerning the pharmaceutical industry, with a view to considering what steps should be taken to place the industry on a sound footing and to help its development on proper lines. The deliberations of the Committee, the recommendations that it will make, and the Government's decisions thereon are bound to be watched with interest by both industry and trade, not to speak of the common man who it is that has for long been anxiously expecting the supply of *quality* drugs and medicines at reasonable prices.

The first problem to which the Pharmaceutical Enquiry Committee will have to address itself relates to the widespread adulteration resorted to by a section of the trade and the consequent unethical products advertised and sold to the public. One can imagine the feelings of a person who, having purchased a bottle of medicine at exorbitant cost, finds that it is no more than a spurious product. Apart from being cheated, a sense of distrust and discontent spreads in the public mind which is harmful to the entire sector of the pharmaceutical industry. It is, therefore, high time that the evil of adulteration was stopped, not merely on health grounds but on economic and social grounds. The Union Health Minister did well to drive home this fact to the members of the Committee and urged them to suggest ways of eradicating the evil.

In the considered opinion of the Minister, there must be a three-pronged attack on adulteration, namely, (1) by making the punishment under the Drugs Act deterrent, (2) by going into the causes that lead to adulteration, as for example, shortage of a particular brand of medicine, and (3) by prevailing upon the medical profession to abstain from prescribing costly patent and proprietary medicines, unless they are absolutely essential. The Minister availed herself of the opportunity to exhort the pharmaceutical industry to devote itself largely to research, develop new methods of production, synthesise newer substances, and try to keep abreast of the times. The efforts, she said, must be devoted towards developing the industry on sound lines and, for that purpose, measures for having a stable basic chemical industry must be devised; raw materials will then *ipso facto* become available at competitive rates, she added.

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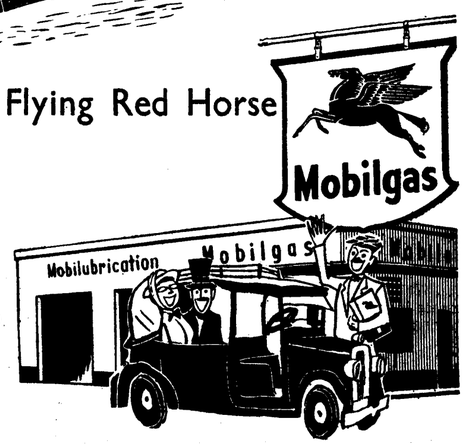

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INDIAN TAX STRUCTURE

TASK BEFORE TAXATION COMMISSION

(By Prof. V. G. RAMAKRISHNA IYER)

THE announcement relating to the appointment of a Taxation Enquiry Committee under the chairmanship of Dr. John Matthai is a step in the right direction. The present tax structure shows the need for such an enquiry. The last time an enquiry was made into India's tax structure was in 1924. Since then, the pattern of political and economic life has so completely changed that it is almost unrecognisable. The tax revenue of the Centre, for instance, is five times that of pre-war. It is generally agreed that the present system of taxation is unsatisfactory. The incidence of a number of consumption taxes, it is maintained falls, very largely on the poorer classes. It is also considered that a large increase in income-tax rates coupled with heavy import duties and sales and excise taxes are "wiping out" the middle classes. Industrialists and some economists have expressed the view that because of the phenomenal rise in agricultural prices during and since the war there has been a shift of wealth from urban to rural classes; the latter, for political reasons, still remain very lightly taxed.

The Union Government has for some time past recognised the need for an enquiry into taxation but a committee was not appointed as it was felt that the data which the National Income Unit would have been able to furnish would be useful. As the reports of the National Income Unit and the Finance Commission are now available, the time has come for a taxation enquiry which will cover all spheres of taxation —Central, State and Local. The Committee will have to consider the effects of the present rates of income-tax on the ability and incentive to save, and suggest modifications, if necessary, to assist capital formation and investment in risk-bearing enterprises. It will have to consider how far the present system of taxation is suitable for implementing the development programme of the country and indicate whether and in what manner the system should be adapted to attain that end. It will examine the manner in which the burden of taxation is distributed between the different classes and suggest changes to ensure that the distribution is fair and equitable. It will examine the effects of taxation on the inflationary situation and will measure its usefulness as an instrument for dealing with inflation.

Pre-war Trends

A study of some of the important sources of tax revenue by the Taxation Committee (1924-25) revealed certain tendencies which indicate roughly the relative importance of the various taxes.

(Percentage of total tax revenue)

Tax head	1883-84	1893-94	1903-04	1913-14	1923-24
Land revenue	53.15	46.71	42.76	35.42	20.72
Customs	2.08	3.27	9.21	12.99	24.30
Excise	25.07	26.51	24.97	22.92	21.67
Income-tax	1.32	3.39	2.92	3.52	12.30
Transactions and fees ..	9.47	9.50	9.30	10.89	9.03
Local taxation	8.01	10.53	10.75	14.08	21.70

The figures in the above table show that a change almost amounting to a revolution had taken place in the proportion borne by the different taxes to the total tax revenue. Thus, land revenue which was the mainstay of the Government fell from 53.15 per cent. to 20.75 per cent. On the other hand, income-tax advanced from less than 1.32 per cent. to 12.30 per cent. The share borne by the excises fell from 25.07 per cent. to 21.67 per cent. The shares borne by stamp duties, including probate duties, and local taxation have been more consistent. These tendencies which have taken place in the past seem to be in the right direction and suggest further redistribution on somewhat similar lines.

Post-war Trends

The relative importance of the various taxes since the report of the Indian Taxation Committee in 1925 may be seen from some significant figures. The first noteworthy feature is the great increase in tax revenue, the aggregate revenue having increased from Rs. 73,14 lakhs to Rs. 235,61 lakhs, an increase of about 300 per cent. in the ten years from 1937-38. This is due largely to the situation created by the world war. The increase has been shared largely by three groups of taxes, namely, customs, central excises and income and corporation taxes. The proportion of salt revenue to the total tax revenue fell from about 11 per cent. in 1937-38 to about 4 per cent. in 1947-48 and the abolition of salt tax since then has meant only a loss of revenue without any appreciable decrease in price to the ordinary consumer. As regards customs, it was about 58 per cent. in 1937-38 and it fell in 1946-47 to about 27 per cent. of the total tax revenue. The revenue from Central excises increased from Rs. 7,66 lakhs in 1937-38 to Rs. 44,32 lakhs in 1947-48, the percentage proportion of Central excises to total tax revenue having increased from about 10 per cent. to about 18 per cent. The revenue from taxes on income and corporations increased from Rs. 14.58 lakhs in 1937-38 to Rs. 116,86 lakhs in 1946-47, its percentage proportion to total tax revenue having increased from about 20 per cent. to about 50 per cent. within a decade.

As regards provincial taxes, the total tax revenue for all the States (Provinces) in 1947-48 was about Rs. 170,88 lakhs and of this, the contribution of the Central Government from income-tax and customs was Rs. 40,47 lakhs or 12 per cent. of the total tax revenue. By the year 1947-48, land revenue formed only 12 per cent. of the provincial revenue; excise 24 per cent., stamps 10 per cent. and the balance of 29 per cent. may be accounted for by other taxes on consumption. It would appear, therefore, that so far as provincial tax revenue is concerned, about 60 per cent. of it is derived from consumption taxes.

Effects of Inflation

The changes which have taken place in recent years may be said to have altered the nature of the problem to some extent. The increase in public revenue is quantitative rather than qualitative, being the result of war-time inflation. The increase in public revenue does not signify a proportionate increase in the capacity of the Governmental authorities to incur expenditure on social and economic amelioration. In the case of the Provinces, most of them have developed new sources of revenue which had been assigned to them under the Government of India Act, 1935. But in neither the Centre nor in the States can the improvement be said to be in proportion to the increase in the responsibilities of public administration.

The new Constitution allocates to the States (Provinces) a wide range of potential taxes. The most important sources of State revenue at present are sales taxes, land revenue and stamp duties. Important new taxes only partially exploited are taxes on luxuries, betting and gambling, taxes on vehicles and agricultural income-tax. Other potential sources of tax revenue are taxes on advertisements and succession and estate duties. In fact, the States have been given very wide powers and their financial limits are set rather by the poverty of the people than by the Constitution.

Increased Tax Revenue

The scope for new taxes in India is very limited. The only new taxes are agricultural income-tax which has already been introduced in some of the States, and estate duty, now on the legislative anvil. But the yield from these two taxes will vary considerably from State to State. There is not much scope for regrading of the income-tax as there is already a steep graduation of the rates. But it is necessary to emphasise the need for proper collection of income-tax and of duties on Stock Exchange transactions as there is a good deal of evasion and consequent loss of revenue. As regards local taxation, the Indian Taxation Committee (1924) and the Local Finance Enquiry Committee (1950) have suggested various methods of augmenting the resources of local bodies but there is at present no popular demand for a higher standard of sanitation and other services rendered by local bodies except education. With the spread of education and reduction in the jurisdiction of local bodies, the local bodies might develop a popular demand and show a greater willingness to bear local taxation which might be spent to their benefit. An examination of post-war States budgets shows the significant fact that though some States have not yet tapped all the provincial sources of revenue, the tax revenues appear to have reached the limit of expansion. So far as the States are concerned, it appears that their financial position can be improved not so much by increased taxation as by a better scheme of reallocation of existing resources by the Finance Commission.

Recent Trends in Tax Policy

During recent years income and profits taxes are not so important as in war years. On the other hand, there has been a continued rise in revenue from outlay (indirect) taxes, a rise in Central Customs revenue due to a more liberal import policy and recent concessions granted in normal income and profit taxes, particularly in the 1949 and 1950 budgets, to the extent of about Rs. 15 crores. As compared with the relief in direct taxes, there have been fewer reductions in outlay (indirect) taxes. On the whole, there has been a tendency for direct taxes to be lightened more than indirect taxes and within the 'direct' tax structure the concessions have benefited the highest income groups, and income groups between Rs. 10,000 and Rs. 15,000 have not had any considerable concession in spite of the continued rise in cost of living and the absence of any personal or dependents' allowances and the fact that they cannot evade income-tax by the methods open to business men of higher incomes.

Taxable Capacity

The cardinal fact in Indian taxation is the low taxable capacity of the people. As early as in 1930, Sir Walter Layton, as Financial Adviser to the Simon Commission, pointed out that taxation in India formed only 8 per cent. of the national income whereas it was 20 per cent. in Britain and Japan. Whether India is lightly taxed or heavily taxed is still a matter of some controversy. The tax burden per head in 1939-40 was estimated at about Rs. 5-0-2 and the tax burden has increased on account of the increased taxation during World War II and the post-war years. The level of taxation cannot be considered without reference to the nature of public expenditure. In countries like Britain where a good part of public expenditure is in the form of social services, the taxes cannot be considered burdensome. In India, on the other hand, where a greater part of the revenue goes to meet military expenditure, debt services and civil administration and little is left for social services, even the present level of taxation is said to be burdensome.

Any enquiry into the tax system should not relate exclusively to the total amount of taxation but consider the distribution of the tax burden, in which respect the Indian tax system is open to criticism. Most of the taxes such as land revenue, customs, and excise duties on matches press more heavily on the poor. Only the income-tax, tax on motor spirit and taxes on luxuries in the import schedule fall on the rich. On the whole, the burden on the poor is much more than on the rich, according to expert investigations such as the Indian Taxation Enquiry Committee (1925) and the Indian Statutory Commission (1930). The broad conclusion that can be drawn is that the Indian people, by reason of their great poverty, form the least potential tax-paying community in the world.—*All Rights Reserved.*

SPECULATION LOSSES

In a communication addressed to the Ministry of Finance, the Committee of the Indian Merchants' Chamber urges the Government not to proceed with the proposal, included in the Finance Bill, to amend section 24 of the Income-tax Act in order to restrict the set-off of speculation losses, pending review of the entire Indian income-tax law which must follow the recommendations of the Taxation Enquiry Commission. At all events, the proposal, the Committee says, should be removed from the Finance Bill and the subject matter of the change separately considered after affording an opportunity to the interests concerned to place their views and suggestions before Government. Apprehensions are entertained by trade interests connected with forward markets regarding the scope and effect of the change. The Committee is, however, in agreement with the object of the amendment, namely, checking the abuse of buying speculation losses. But the amendment places avoidable hardships and difficulties on assessees, particularly those engaged in forward trading in the normal conduct of their business. Moreover, this change is opposed to the fundamental concept of taxation, namely, of taxing income on the net position, as tax liability would be determined by reference to a notional income and not to the actual balance of position of the assessee concerned. If speculation losses are not allowed to be set off against income, then profits from speculation also should not be aggregated for tax liability. The Committee says that business in respect of recognised exchanges should be treated on a composite basis and tax liability should be determined by reference to both brokerage or other income as also speculation loss or income, as the case may be. Speculative business in different markets or exchanges should be dealt with collectively and tax liability should be on the balance of the cumulative position. Speculation losses, according to the Committee, should be allowed to be carried forward without any time limit.

THE UNION BANK OF INDIA, LIMITED

(REGISTERED 11TH NOVEMBER, 1919)

Balance Sheet as at 31st December, 1952.

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
(As per capital reduction scheme sanctioned by the High Court of Bombay on 24-3-1926)		
AUTHORISED CAPITAL—		
20,00,000 Shares of Rs. 5 each	1,00,00,000 0 0	
ISSUED, SUBSCRIBED AND PAID-UP—		
8,00,000 Shares of Rs. 5 each, Fully Paid-up		40,00,000 0 0
2. Reserve Fund and Other Reserves		30,00,000 0 0
3. Deposits and Other Accounts—		
Short and Fixed Deposits and 3 Year Cash Certificates ..	2,08,05,076 2 8	
Savings Bank Deposits	60,30,229 10 8	
Current Accounts, Contingency Accounts, etc. ..	2,98,46,711 10 10	
		5,66,82,017 8 2
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	Nil	
(ii) Outside India	Nil	
		Nil
5. Bills Payable		39,206 8 0
6. Bills for Collection being Bills Receivable as per contra—		
(i) Payable in India	4,62,273 3 9	
(ii) Payable outside India	1,45,192 8 3	
		6,07,465 12 0
7. Other Liabilities		2,72,559 13 3
8. Acceptances, Endorsements and Other Obligations per contra ..		9,18,204 0 0
9. Profit and Loss Account—		
Balance as per Balance Sheet as at 31st December, 1951 ..	4,84,737 8 1	
LESS—Dividend at Annas 5 Pies 6 per share for the year ended 31st December, 1951	2,75,000 0 0	
Balance brought forward	2,09,737 8 1	
Profit for the year ended 31-12-1952 brought from the Profit and Loss Account	7,18,397 6 11	
	9,28,134 15 0	
LESS— Rs. a. p.		
Amount transferred to Reserve Fund .. 1,75,000 0 0		
Amount transferred to Contingency Account 1,00,000 0 0		
Amount set apart towards payment of Taxation 1,00,000 0 0		
Amount provided for Bonus to Staff .. 72,000 0 0	4,47,000 0 0	
		4,81,134 15 0
10. Contingent Liabilities— Rs. a. p.		
(a) On Investments in Shares of Joint Stock Companies 3,75,625 0 0		
(b) Claim against the Banking Company not acknowledged as debts .. 10,000 0 0		
(c) Money for which the Banking Company is contingently liable .. 650 0 0		
(d) Liability on account of outstanding Forward Exchange Contracts .. 3,33,333 5 6		
(e) Liability on Bills of Exchange re-discounted— £ s. d.		
Sterling Bills re-discounted .. 3,104 17 9		
of which £1,676-17-9 upto 19-2-1953 have run off.		
Total .. Rs.		6,60,00,588 8 5

PROPERTY AND ASSETS.	Rs. a. p.	Rs. a. p.
1. Cash—		
In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		91,62,986 6 0
2. Balances with Other Banks in Current Account—		
(i) In India	5,60,838 5 2	
(ii) Outside India	3,36,214 1 4	
		8,97,052 6 6
3. Money at Call and Short Notice		Nil
4. Investments (at or under Market Value)—		
(i) Securities of the Central and State Governments and other Trustee Securities	2,55,71,342 7 8	
(ii) Shares— Rs. a. p.		
(a) Preference Shares Fully Paid .. 4,19,414 0 0		
Preference Shares Partly Paid .. 38,000 0 0		
	4,57,414 0 0	
(b) Ordinary Shares Fully Paid .. 14,15,934 7 8		
Ordinary Shares Partly Paid .. 5,38,184 14 0		
	19,54,119 5 8	
(c) Deferred Shares Fully Paid	19,927 9 0	
(iii) Debentures	Nil	
(iv) Other Investments	Nil	
(v) Gold	Nil	
		2,80,02,803 6 4
5. Advances—		
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
(I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India 1,95,23,757 15 10		
(ii) Outside India 37,438 14 11		
	1,95,61,196 14 9	
(II) Bills Discounted and Purchased—		
(i) Payable in India .. 58,71,340 6 0		
(ii) Payable outside India .. 12,421 10 3		
	58,83,762 0 3	
(Particulars of Advances as per separate Schedule attached)		2,54,44,958 15 9
6. Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	4,62,273 3 9	
(ii) Payable outside India	1,45,192 8 3	
		6,07,465 12 0
7. Constituents' Liabilities for Acceptances, Endorsements and other Obligations per contra		9,18,204 0 0
8. Premises Less Depreciation—		
At Cost	17,61,661 3 0	
LESS—Written off as per capital reduction scheme sanctioned by the High Court on 24-3-1926	10,00,000 0 0	
	7,61,661 3 0	
Additions during the year	21,341 14 0	
	7,83,003 1 0	
Deductions during the year	2,155 0 0	
	7,80,848 1 0	
LESS—Total amount written off for depreciation ..	6,62,010 8 6	
		2,18,837 8 6
9. Safe Deposit Vaults, Furniture and Fixtures Less Depreciation— Rs. a. p.		
Safe Deposit Vaults 2,07,452 1 11		
Additions during the year 23,878 3 0		
2,31,330 4 11		
Deductions during the year .. .. Nil		
2,31,330 4 11		
LESS—Total amount written off for depreciation 77,807 4 3	1,53,523 0 8	
Office Furniture and Fittings 2,75,245 14 7		
Additions during the year 14,164 14 3		
2,89,410 12 10		
Deductions during the year 135 0 0		
2,89,275 12 10		
LESS—Total amount written off for depreciation 1,55,633 7 1	1,33,642 5 9	
		2,87,165 6 6
10. Other Assets—		
(i) Banking Company's Property not occupied for business ..	2,04,299 0 0	
(ii) Compulsory Excess Profits Tax Deposits with Government	28,982 1 0	
(iii) Interest accrued on Investments	2,00,924 15 5	
(iv) Stock of Printing	25,322 1 0	
(v) Stamps	2,507 10 3	
(vi) Silver	Nil	
		4,61,115 11 8
11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
Total .. Rs.		6,60,00,588 8 5

Schedule of Particulars of Advances required by the Banking Companies Act, 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December, 1952.

PARTICULARS OF ADVANCES	Loans, Cash Credits, Overdrafts, etc.	Bills Discounted and Purchased	Total Advances
	Rs. a. p.	Rs. a. p.	Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured ..	1,38,05,189 12 6	2,60,366 12 0	1,40,65,556 8 6
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security ..	11,60,820 9 0	3,02,682 4 0	14,63,502 13 0
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	45,95,186 9 3	53,20,713 0 3	99,15,899 9 6
(iv) Debts considered doubtful or bad, not provided for	Nil	Nil	Nil
Total .. Rs.	1,95,61,196 14 9	58,83,762 0 3	2,54,44,958 15 0

PARTICULARS OF ADVANCES	Loans, Cash Credits, Overdrafts, etc.	Bills Discounted and Purchased	Total Advances
	Rs. a. p.	Rs. a. p.	Rs. a. p.
(v) Debts due by directors or officers of the Banking Company or any of them either severally or jointly with any other persons	Nil	Nil	Nil
(vi) Debts due by companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members	8,44,404 13 8	Nil	8,44,404 13 8
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the Banking Company or any of them either severally or jointly with any other persons ..	Nil	Nil	Nil
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members ..	10,76,489 9 2	Nil	10,76,489 9 2
(ix) Due from Banking Companies	Nil	Nil	Nil

Profit and Loss Account for the year ended 31st December, 1952.

EXPENDITURE	Rs. a. p.	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.		9,87,534 5 4
2. Salaries and Allowances and Provident Fund— Rs. a. p.		
(I) To the General Manager 29,594 4 9		
(II) To the Staff 6,06,084 5 9		
		6,35,678 10 6
3. Directors' and Local Committee Members' Fees and Allowances		10,650 0 0
4. Rent, Taxes, Insurance, Lighting, etc.		88,929 9 10
5. Law Charges		181 4 0
6. Postage, Telegrams and Stamps		12,667 13 0
7. Auditors' Fees		5,000 0 0
8. Depreciation on and Repairs to the Banking Company's Property		20,500 3 0
9. Stationery, Printing, Advertisement, etc.		73,544 9 3
10. Loss from Sale of or Dealing with Non-Banking Assets		Nil
11. Other Expenditure		75,031 14 6
12. Balance of Profit (subject to Taxation)		7,18,397 6 11
Total .. Rs.		26,28,515 12 4

INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. a. p.	Rs. a. p.
1. Interest and Discount		22,99,814 6 2
2. Commission, Exchange and Brokerage		78,742 0 8
3. Rents on Building		40,269 8 0
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)		Nil
5. Net Profit on revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)		Nil
6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets		Nil
7. Other Receipts (including Post-War Refunds of Excess Profits Tax)		2,09,689 13 6
Total .. Rs.		26,28,515 12 4

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Union Bank of India, Limited, as at 31st December, 1952, and also the foregoing Profit and Loss Account of the Bank for the year ended on that date, in which are incorporated the audited Returns of Kalbadevi, Rajkot, Mandvi (New), Surat Branches and the certified Returns from Jetpur, Jamnagar and Veraval Branches, and report that:—

(a) we have obtained all the information and explanations we have required and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(c) in the absence of books of accounts of Mandvi (Old) Branch, we have accepted the recast Returns of the said Branch which are liable to adjustment. The other Returns received from Branch Offices of the Bank have been found adequate for the purpose of the audit;

(d) subject to the remarks in para (c), in our opinion the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law

(e) such Profit and Loss Account shows a true balance of profit for the year;

(f) such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs according to the best of our information and explanations given to us and as shown by the books of the Bank, and

(g) in our opinion the books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

BOMBAY, 19th February, 1953.

S. B. BILLIMORIA & CO.,
Chartered Accountants.

J. R. NANAVUTY, Chief Accountant.

F. K. F. NARIMAN, General Manager.

M. S. CAPTAIN
LACHHMANDAS H. DADA
K. K. P. SIRKOFF
BEHRAM N. KARANJIA
DVJI RATTANSEY
F. H. MEHTA
D. P. GOENKA
} Directors

NEW PUBLICATIONS

Instability in Export Markets of Underdeveloped Countries. Published by Department of Economic Affairs, United Nations, New York. Available at Oxford Book and Stationery Co., Scindia House, New Delhi. Price: $1.00.

THE above study, originally submitted to the U.N. Economic and Social Council at its thirteenth session in the fall of 1951, has now been published by the United Nations in book form. In requesting this study at its earlier eleventh session, the Council had in mind the strategic role played by exports in underdeveloped countries in determining national income, rates of savings and capital formation, monetary stability and progress of economic development programmes, since the price and volume of such exports tend to fluctuate more than those of imports. The study shows that this concern was, in fact, justified, since the degree of instability is of an amplitude where it is very difficult to reconcile with the need for steady investment for economic development. The study is mainly based on findings covering the period 1901-50 and relates to 18 important primary commodities which represent the major exports of selected underdeveloped countries—a total of 47 case studies.

According to the data presented, there have been marked fluctuations in proceeds from exports during the 50 years under review—whether measured on a cyclical basis or from year to year. While different commodities and countries have been variously affected, practically all showed a substantial degree of instability. Price fluctuations, however, were not the major factor in the instability of export proceeds; on the whole, the volume of exports fluctuated even more than the price.

The main findings of the study with respect to price fluctuations for the four kinds of fluctuation distinguished—year-to-year, cyclical, long-term and within-year—are shown in a special table. Year-to-year fluctuations in price of major primary commodities averaged about 14 per cent. Individual fluctuations ranged from 5 per cent. to 21 per cent. for different commodities; copra, cotton, hemp, linseed, rubber and shellac were the commodities with the widest fluctuations in prices from year to year. The intensity of year-to-year price fluctuations increased successively in the three peace-time periods analysed—1901 to 1913, 1920 to 1939, and 1946 to 1950. The instability of prices during the Second World War was less than during the First World War. Cyclical declines in prices averaged about 27 per cent.; on the average, the full cycle covered about 4½ years. Cyclical swings in the case of individual commodities ranged from 5 per cent. to 40 per cent.

Fluctuations in volume of exports are summarised in a separate table. Average year-to-year fluctuations were between 18 per cent. and 19 per cent., thus exceeding those in price by a considerable margin. The range in average fluctuations among different commodities was from 6 per cent. in the case of wool to 33 per cent. in the case of wheat. Fluctuations in the volume of exports in the period from 1920 to 1939 were smaller than those before 1914, but they increased sharply after 1945. Fluctuations were equally wide during both the world wars. Amplitude of cyclical fluctuations in volume ranged from under 10 per cent. to over 50 per cent. for different commodities. A third table shows fluctuations in export proceeds from 18 major primary commodities. These averaged 23 per cent. between 1901 and 1950. Cyclical fluctuations in proceeds amounted to about 37 per cent., and the average cycle covered a period of a little over four years.

The study points out that all types of fluctuations in proceeds—year-to-year as well as cyclical—and fluctuations measured for different periods were in each case higher than those in volume or in price alone. This indicates that changes in price and in quantity have a destabilising effect on each other.

Since the purpose of the study was to investigate the ability of underdeveloped countries to obtain foreign exchange, an analysis was made of the movement of capital and of invisible earnings, in addition to changes in proceeds from exports. This analysis showed that receipts from such capital movements and invisible earnings did not compensate for instability in exports proceeds. Long-term and short-term capital inflow, combined, was generally less than 10 per cent. of foreign exchange earnings from exports and showed a constantly declining trend.

Labour Legislation in India, 1937-1952. Published by International Labour Office, Indian Branch, New Delhi. Available at Oxford Book and Stationery Co., Scindia House, New Delhi. Price: Re. 1.

Great changes relating to improvement of the conditions of labour in India are in the offing. If Mr. V. V. Giri, the Union Labour Minister, were to carry conviction with employers, labour and the States, there will shortly be a labour relations Bill designed to do away with compulsory arbitration methods. There will also be a Bill to regulate healthy development of trade unions. But the importance of these two Bills can be known only if one has at least a rough background of the knowledge of the existing laws and how they have grown up to their present stature. *Labour Legislation in India*, 1937-52, under review, which is a revised edition of the article "A Decade of Labour Legislation in India, 1937-48," which appeared in the *International Labour Review*, Vol. LIX, Nos. 4 and 5, April and May, 1949, provides a brief resume of the growth and purport of labour laws during the past decade and a half.

The pamphlet under review gives the background to the labour legislation since 1937 by referring to the Factories Act, 1934. This is followed by brief references to the other legislative enactments, such as the Factories Act, 1948, mining labour laws, plantation labour laws, regulations relating to railway servants and trade disputes legislation. The concluding portions of the pamphlet are taken up by a review of the effects of independence and the constitutional provisions regarding labour.

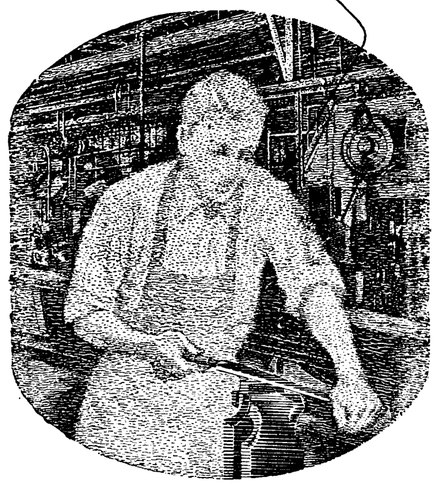
Law of Passport and Visa in India and Pakistan with Law of Foreigners. By M. A. Malik. Publishers: Federal Law Depot, Kashmere Gate, Delhi. Price: Rs. 6.

Primarily meant for the benefit of intending travellers between India and Pakistan, the book presents the law in this regard in operation in the two countries since mid-October last. The classified summaries of the passport and visa rules given in the book are calculated to make it readily intelligible to lay readers without specialised knowledge of legal terminology. The rules and procedure to be followed in respect of Indo-Pakistan travel, it may be noted, are different in the two countries from those applicable to other foreigners. The author gives the Indian legislative provisions applicable to non-Pakistani nationals, providing the necessary background information for comparative purposes. Details of formalities to be followed in regard to application for entry and for stay in the two countries or for leaving have been explained, giving the forms wherein requisite information is to be supplied. Lists of authorised routes for travel and reciprocal check-posts have also been supplied to help intending travellers in both directions. A brief comparison of the provisions in the two enactments enumerating the main differences between them has also been given, with some brief instructions of a practical nature. The book will be read with interest by business men and others who have to visit either of the two countries.

Investors' Chart. Published by Mukund Guruji, 272, Girgaum Road, Bombay, 4. Price: Rs. 5.

The Investors' Chart, which was first published in the year 1949 by Mr. Mukund Guruji of Bombay, has been brought up-to-date. The very useful chart originally contained only the weekly highest and lowest quotations and the closing levels of the leading shares in the steel, textile and miscellaneous groups of Bombay. But the latest edition of the chart has been revised and includes the weekly highest and lowest levels of Tata Steels, Indian Irons, Kohinoors and Bombay Dyeings among shares, and the weekly closing rates of 3 per cent. 1986 Conversion Loan, for the years 1948 to 1952. The chart also contains weekly highest and lowest prices of gold and silver in Bombay for the years 1948 to 1952.

Give the mechanic a cup of tea



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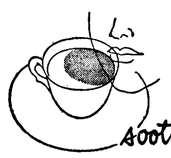

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Reserve Fund - - £4,000,000
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Branch: 28 Charles II St., Haymarket, London S.W.1.
Manchester Branch : 52 Mosley Street.
Liverpool Branch : 27, Derby House, Exchange Buildings, Liverpool, 2.
Hamburg Agency : Borsenbrucke 2A, Hamburg 11.
New York Agency: 65 Broadway, New York City
Bombay Branch 23-25, Mahatma Gandhi Road. H. C. MacCOLL Manager.

THE MERCANTILE BANK OF INDIA LIMITED
(INCORPORATED IN ENGLAND)
Authorised Capital - £3,000,000
Subscribed Capital - - £1,800,000
Paid-up Capital - - £1,050,000
Reserve Fund - - - £1,500,000
Head Office :
15, GRACECHURCH ST., LONDON, E.C. 3
Agents in New York :
BANK OF MONTREAL AND CHASE NATIONAL BANK OF THE CITY OF NEW YORK.
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The Bank transacts banking business of every description.
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52/66, Mahatma Gandhi Road, Bombay. R. V. THOMAS, Manager.

NBC
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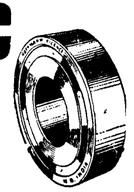

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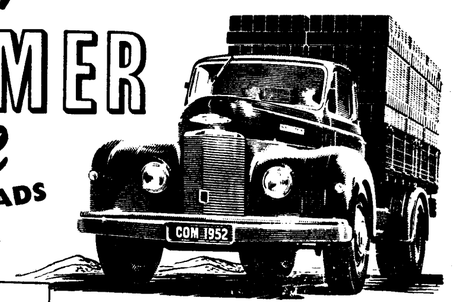

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TITAGHUR PAPER MAINTAINS DIVIDEND

RESERVES CONSIDERABLY STRENGTHENED

SATISFACTORY results are disclosed by the audited accounts of the Titaghur Paper Mills Co., Ltd. (Managing Agents: Messrs. F. W. Heilgers & Co., Ltd., Calcutta) for the half-year ended 30th September, 1952. The trading profit for the past six months discloses a small decline of Rs. 5.94 lakhs, that is from Rs. 63.52 lakhs for the six months ended 31st March, 1952 to Rs. 57.58 lakhs. As compared with that (Rs. 58.34 lakhs) for the corresponding half-year of 1951, the profit for the six months under review shows no material decline. The small recession in profit noted above is not due to any set-back in production, but to higher expenses. The shareholders have, however, not been affected by the drop in profit; for the return to them is proposed to be maintained at 20 per cent. per annum, made up of a dividend of 15 per cent. and a bonus of 5 per cent. No doubt, there has been an additional income by way of refund of excess profit tax, but a large part of this income has been wisely utilised to fortify the reserves rather than to enhance the dividend to the shareholders.

The salient features of the Company's results during the half-year under review are presented against the background of those for the previous three half-years, in the following comparative table:

(In lakhs of rupees)

	For the half-year ended			
	30-9-1952	31-3-1952	30-9-1951	31-3-1951
Sale proceeds	269.86	273.28	256.20	241.57
Stocks	6.61	5.43	9.65	6.89
Expenses	214.39	206.24	201.30	172.21
Trading profit ..	57.58	63.52	58.34	63.57
Managing Agents' commission	4.01	4.22	3.97	4.38
Provision for—				
Taxation	17.50	18.50	17.00	21.00
Depreciation	7.21	8.50	8.06	8.63
Net profit	28.48	31.69	28.68	32.21
E.P.T. refund (less tax).	15.50	..	..	..
To general reserve ..	7.50	3.00	2.00	5.50
,, other funds* ..	22.75	15.70	14.73	14.30
,, commission to Managing Agents on E.P.T. refund	1.26	..	..	..
Dividends—				
Preference and preferred ordinary ..	1.02	1.02	1.02	1.02
Ordinary	11.20 (D. 15% +B. 5% p.a.)	11.20 (D. 15% +B. 5% p.a.)	11.20 (D. 15% +B. 5% p.a.)	11.20 (D. 15% +B. 5% p.a.)
Carry forward	5.00	4.75	3.98	4.26

D.—Dividend. B.—Bonus. *Includes tax contingency reserve.

The Directors report that the upward trend in production during the previous half-years was maintained during the half-year under review, reflecting, as it does, the benefits that are now accruing from successive improvements effected under the Company's renovation programme initiated a few years ago. If the sale proceeds of paper do not show any corresponding improvement, but records a drop, as is shown in the foregoing table, such is due to accumulation of stocks at the end of the half-year and the 'go-slow' movement amongst the finishers in the Company's No. 2 Mill which lasted for the best part of two months. Another factor which has affected the Company's profit is the increase in expenses, which is due partly to the higher production and partly to the increase in freight on coal from 1st April, 1952, higher costs of general and consumable stores, etc. Deliveries of raw materials, it is gratifying to note, were satisfactory throughout the half-year under review. The Company, be it noted, is entirely dependent upon indigenous raw materials for its requirements of pulp. Thus, deliveries are reported to have been greater in the half-year under review than in the corresponding half-year of 1951, despite the monsoon, when usually the flow of bamboo drops appreciably. As a result of this, the Company has had a gratifying stock position at the beginning of the current half-year. But the Company's anxiety about getting adequate supply of coal "continued unabated." It was not until August, 1952, that the wagon position improved and enabled the Company to accumulate stocks of coal. Till then the wagon supply position was woefully inadequate, resulting, on many occasions, in the fall of coal stocks to just what was required for a day's consumption.

The allocation of the profit for the half-year under review is clearly shown by the table above; but the addition to 'other funds' needs some elaboration. The transfer to taxation contingency reserve has been raised from Rs. 2.20 lakhs to Rs. 2.25 lakhs, the plant replacement and development reserve gets Rs. 17 lakhs which is Rs. 7 lakhs more than that provided in the previous half-year, the dividend equalisation reserve and labour quarters and labour welfare reserve get Rs. 1 lakh and Rs. 2.50 lakhs, respectively, the same as in the previous half-year. The increased allocation to the above reserve, as also to the general reserve, has been rendered possible by the recovery of a sum of Rs. 15.50 lakhs (net) on account of post-war refund of E.P.T.

The Company continues to enjoy an impressively sound financial position. The reserves and surplus, as on 30th September, 1952, stand at Rs. 257.63 lakhs, which is nearly 460 per cent. of the paid-up capital of Rs. 56.05 lakhs. Of these reserves, as much as Rs. 76.30 lakhs represent revaluation of fixed assets reserve, Rs. 84.99 lakhs reserve for plant replacement and development reserve and Rs. 32.99 lakhs general reserve. The gross block, of the value of Rs. 483.49 lakhs, has been substantially written down to Rs. 195.98 lakhs. The current assets, at Rs. 330.06 lakhs, cover the current liabilities amounting to Rs. 130.09 lakhs by a wide margin of Rs. 199.97 lakhs. The current assets are represented, in the main, by stocks of paper and raw materials amounting to Rs. 156.60 lakhs, debts and advances Rs. 95.38 lakhs, investments Rs. 62.31 lakhs and cash Rs. 15.53 lakhs.

The Rs. 10 fully paid-up ordinary shares of the Company are now quoted at Rs. 35-14 *ex-div.*, at which rate the latest dividend gives a yield of 5.6 per cent. per annum.

RAMNUGGER CANE AND SUGAR COMPANY
PAYS RECORD DIVIDEND

An impressive rise of Rs. 13.86 lakhs or about 197 per cent. in the trading profit, from Rs. 7.04 lakhs to Rs. 20.90 lakhs, an increase of Rs. 6 lakhs in the allocation to the reserves and the stepping up of the dividend on the ordinary shares from 7½ per cent. to 20 per cent. per annum are the highlights of the audited accounts of the Ramnugger Cane and Sugar Co., Ltd. (Managing Agents: Messrs. Anderson Wright, Ltd., Calcutta), for the year ended 31st August, 1952. The marked improvement in earnings, which has made the higher dividend distribution and larger allocation to reserves possible, is the result of substantially higher output of sugar, consequent on a prolonged working season and increased crushing of cane.

The Company's crushing operations commenced on 7th December, 1951, and continued till 1st April, 1952. The total quantity of cane crushed was 17,94,760 maunds, which was more than double that crushed in the 1950-51 season (8,72,097 maunds), although the average recovery of sugar was slightly less, at 10.87 per cent., as compared with 11.23 per cent. during the previous season. The improved supply of cane was the result of the success of the development scheme launched by the Company in the previous season with the help of the West Bengal Government, under which seeds of improved varieties of cane were sold to the cultivators at subsidised rates.

The Company's revenue from sale of sugar and molasses shows an increase from Rs. 30.71 lakhs in 1950-51 to Rs. 63.94 lakhs and the sale proceeds of sugarcane and other crops, less cultivation expenses, from Rs. 3.57 lakhs to Rs. 11.01 lakhs. Cultivation expenses have gone up only by a moderate extent from Rs. 13.51 lakhs to Rs. 15.34 lakhs, which is obviously due to the development scheme outlined above. Manufacturing expenses, at Rs. 39.69 lakhs, are Rs. 20.93 lakhs higher than those incurred in the previous year, and other trading expenses have risen from Rs. 8.68 lakhs to Rs. 14.51 lakhs. A sum of Rs. 2.16 lakhs has been provided for Managing Agents' commission, as against Rs. 68,125. Provision for depreciation is slightly lower at Rs. 1.75 lakhs (Rs. 1.90 lakhs), while that for taxation has been raised from Rs. 55,600 to Rs. 4.50 lakhs. The debenture redemption reserve, to which a sum of Rs. 1 lakh was added last year, receives a like amount this year. The reserve for replacements and extensions and general reserve which received nothing last year are proposed to be strengthened by the addition of Rs. 3 lakhs each. The dividend on ordinary shares, which was raised last year from 6 per cent. to 7½ per cent., is to be stepped up to a record level of 20 per cent. this year. That this is being done quite comfortably is evident from the larger surplus left to be carried over, namely, Rs. 1.62 lakhs, as compared with the sum brought in, that is Rs. 73,041.

The following summary of the Company's balance-sheet as on 31st August, 1952, gives an idea of its financial position:

Liabilities	Rs.	Assets	Rs.
Capital ..	20,59,820	Gross block	44,76,150
Reserves and surplus ..	25,12,592	*Less*—Depreciation ..	22,24,450
Debentures	6,00,000	Net block ..	22,51,700
Provision for taxation ..	8,03,739	Stock-in-trade	23,63,386
Liabilities ..	12,35,369	Crop-in-progress ..	10,81,842
		Stores, spares, etc. ..	8,07,271
		Debts, deposits and advances ..	4,21,418
		Cash ..	2,85,903
	Rs. 72,11,520		Rs. 72,11,520

In view of the increased quantity of cane now available to the factory for crushing, the Directors propose to extend the capacity of the existing plant and to replace a number of tractors and agricultural implements purchased many years back. Regarding the prospects for the 1952-53 season, the Directors, in their report to the shareholders, observe as follows:

"The factory started crushing on the 26th November, 1952. Supplies of cane from the Company's farms and outside cultivators have so far been better than last season's, and the total crush is expected to be of the order of 21 lakh maunds. The Government have decontrolled the price, distribution and movement of sugar, although releases from factories will be regulated by them. The minimum price of cane payable by sugar factories has been reduced from Re. 1-12 per maund, fixed for the last season, to Re. 1-5 per maund for gate deliveries. Sales are being made from our factory's current production at market prices. A quantity of 200 tons has also been exported to Japan."

EARNINGS OF BENGAL COAL FALL

FINANCIAL POSITION STRONG

FETTERED, as coal companies are, by controls over price and distribution, the financial results of these companies are being influenced more by seasonal changes in production and distribution than by forces of free supply and demand. This explains the decline in the gross profit of the Bengal Coal Co., Ltd. (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta), from Rs. 52.76 lakhs for the half-year ended April, 1952, to Rs. 42.54 lakhs for the half-year ended 31st October, 1952. This drop in profit follows the decline in the Company's raisings from 11,91,067 tons to 10,55,707 tons and in despatches from 12,59,190 tons to 12,20,936 tons. As compared with that for the corresponding half-year of 1951, however, the gross profit for the six months under review shows a gratifying increase of Rs. 6.02 lakhs from Rs. 36.52 lakhs. Raisings and despatches too are higher, the former disclosing a rise of 86,476 tons from 9,69,231 tons and the latter of 17,020 tons from 12,03,916 tons. So far as the return to the shareholders is concerned, the distribution has been well maintained at 20 per cent. per annum made up of a dividend of 10 per cent. and a bonus of 10 per cent., to which level it was raised from 17½ per cent. per annum (dividend 10 per cent. and bonus 7½ per cent.) only in the previous half-year.

The results of the Company for the past four half-years are presented in the following comparative table which gives an idea of its progress during this period:

(In lakhs of rupees)

	For the half-year ended			
	31-10-52	30-4-52	31-10-51	30-4-51
Sale proceeds	256.33	285.70	288.78	272.68
Other income	9.20	8.18	10.01	8.18
Stocks	14.88	19.24	8.44	10.96
Coal purchases	16.78	25.41	29.06	28.07
Freight, shipping and commission	59.63	81.89	88.36	94.11
Expenses	142.22	145.30	133.32	130.51
Gross profit	42.54	52.76	36.52	38.61
Provision for—				
Depreciation ..	10.00	7.00	7.50	6.50
Taxation and cesses ..	11.50	21.00	12.25	14.75
Managing Agents' commission	2.33	3.19	2.01	2.20
Net profit	18.71	20.89	14.76	15.16
E.P.T. refund (net) ..	..	0.68	..	..
Reserves	7.50	10.00	5.00	7.00
Directors' commission ..	0.10	0.10	0.09	0.09
Dividends—				
4½% preference ..	0.33	0.33	0.33	0.34
Ordinary	10.00 (D. 10%, +B. 10% p.a.)	10.00 (D. 10% +B. 10% p.a.)	8.75 (D. 10% +B. 7½% p.a.)	8.75 (D. 10% +B. 7½% p.a.)
Carry forward	8.03	7.25	6.13	5.53
	Tons	Tons	Tons	Tons
Raisings	10,55,707	11,91,067	9,69,231	9,75,832
Despatches (including coal purchased) ..	12,20,936	12,59,190	12,03,916	10,82,073

The decline in raisings during the half-year under review, as compared with those for the previous half-year, is only of a seasonal nature and does not indicate a general fall in the level of raisings. It must, however, be noted that the fall in raisings is steeper than that noted in the corresponding half-year of 1951. This factor, coupled with the decline in coal purchased, explains the fall in despatches during the six months ended 31st October, 1952, whereas a year before they were higher, as compared with the respective preceding half-years. Reflecting this is the drop in sale proceeds and the closing stocks. Despite the increase in rail freight on coal by 30 per cent. which took place in April, 1952, the expenses under freight, shipping and commission show a fall of Rs. 22.26 lakhs to Rs. 59.63 lakhs. The provision for depreciation has been raised by Rs. 3 lakhs, but the increase is due to the considerable additions made to the fixed capital expenditure during the past half-year. The reduction in provisions for taxation and cesses, as well as managing agency commission, is only in consonance with the fall in gross profit.

With the sizable sum of Rs. 7.25 lakhs brought in from the previous half-year, the Directors have been able to maintain the dividend comfortably, even though such has been done after reducing the allocation to the reserves by Rs. 2.50 lakhs. Even so, the amount transferred to the reserves, at Rs. 7.50 lakhs, represents 40 per cent. of the net profit.

Through judicious husbanding of resources during the past several years the Company has built up a strong financial position. The reserves and surplus at the end of the half-year under review, at Rs. 117.53 lakhs, represent 97.9 per cent. of the paid-up capital of Rs. 120 lakhs. Current liabilities, including provision for taxation and cesses, which amount to Rs. 231.49 lakhs, are covered by current assets amounting to Rs. 284.71 lakhs by a margin of Rs. 53.22 lakhs. The gross block, at Rs. 508.62 lakhs, has been

(*Continued in next page*)

Points From The Chair

Indian Jute Industry

"THE jute industry is painfully adjusting itself to lower pries both for its raw materials and its finished products. Conditions have improved since the depression early in 1952, on American demand for Indian hessians which, however, has not been sustained. Moreover, competition from European mills, which made great headway in modernising their machinery in recent years under the shelter of the Indian export duties on jute manufactures, and which obtain quality jute from Pakistan free from the discriminatory licence fee levied on exports to India, has been strong throughout the world's markets, and that section of the Indian industry which concentrates on heavy goods has experienced acute difficulty. Until India produces sufficient raw jute of high quality the scope for expanding the output of the better class of fabric must necessarily be limited, and until the mills can be fully modernised, it is unlikely that they will be able to recover their former dominating position as the world's greatest supplier of jute manufactures, and in view of the almost general tendency to protect national industries, and the widespread extension of jute manufacturing in many countries, it is quite certain that Indian mills will never again attain to the near monopoly they enjoyed in the early days of the present century."

VINCENT ALPE GRANTHAM,
Chartered Bank of India, Australia and China.

Outlook for Tea

"Since the close of the year there has been a welcome recovery in tea prices both in London and at the Calcutta and Colombo auctions. In London, common tea has risen to over 3*s.* a pound and corresponding increases have taken place in finer teas. The fact which has brought about this recovery is mainly the realisation that the surplus at the end of 1952 was no greater than the 1951 surplus. In addition, Northern Indian producers have recently agreed to restrict output during the present year by approximately 8 per cent. This reduction in crop will be achieved as the result of more selective plucking. . . . The outlook for tea appears much more promising than it did some few months ago, and if present prices can be held, many companies, particularly those producing the finer teas, should be able to make fair profits. In the meantime, however, the results for the year 1952 will, in many cases, disclose very considerable losses, and the absence of or reduction in dividends in respect of that year will be reflected in the Trust's accounts for the current year."

A. P. HAMILTON,
Orient Trust, Ltd.

Caution Against Futher Inflation

"We carry on to-day under the discipline of reduced imports coupled with continued exhortation to increase our exports, a state of affairs which must lead to further inflation unless effectively countered by determined effort on the part of all to save all they can. But increased saving, if it is to be achieved, has need of encouragement, and what better encouragement could be found than a reduction in taxation. And it is not only on the individual that the present crushing burden rests. It bears no less heavily on the industrial concern which cannot in these days retain out of taxed profits enough to maintain its plant in that state of efficiency which will enable it to compete in world markets. Whatever may be the difficulties in these times of reducing Government expenditure, the issue seems clear. Some relief on the earned income of the individual, and on the undistributed profits of industry, is essential if our foundations are to be secure and, however modest the relief, it would have a stimulating effect on the nation as a whole."

DUKE OF BUCCLEUCH AND QUEENSBERRY,
Royal Bank of Scotland.

(*Concluded from previous page*)

written down to a book value of Rs. 184.32 lakhs, the depreciation provided so far being nearly 64 per cent. of the gross block. During the half-year under review, the Directors have spent Rs. 19.01 lakhs on additions to machinery, buildings and other developments.

On the future of the Company's earnings, the Directors, in their report to the shareholders, observe as follows:

"During the period covered by the accounts certain of your Company's collieries were declared by the Coal Board to be collieries mining metallurgical coal, and pegged target figures have been announced which may limit their future raisings. The Coal Board has recently announced some relaxation in these provisions in the case of those collieries which have sand-stowing arrangements. The majority of the coal raised by the Company is non-metallurgical and the restrictions referred to are unlikely to have any serious effect on future results."

The Company's Rs. 200 fully paid-up ordinary shares are currently being quoted at Rs. 530 at which rate and on the basis of the annual dividend of Rs. 40 per share, the yield works out to 7.5 per cent. per annum, free of tax.

Notices

HUMAYAN PROPERTIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Directors at their Meeting held on 19th March, 1953, have declared a Dividend on the Preference Shares at the rate of 6 per cent. per annum, free of income-tax, for the year ended 31st March, 1953, payable on the 18th April, 1953, to those Shareholders whose names will appear on the Register of Members on 8th April, 1953.

By Order of the Board,
S. A. BASIL,
Director.

1 HUMAYAN PLACE,
CALCUTTA, 11*th March*, 1953.

MARTIN BURN LIMITED

CONVERTIBLE NOTES

NOTICE IS HEREBY GIVEN THAT INTEREST for the half-year ending 31st March, 1953, will be paid on or after that date to those holders of Convertible Notes whose names appear on the Company's Register on the 31st March, 1953, or in accordance with their instructions.

T. LESLIE MARTIN,
Managing Director.

12, MISSION ROW,
CALCUTTA, 12*th March*, 1953.

HINDUSTHAN MERCANTILE BANK LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninth Ordinary General Meeting of the Shareholders of Hindusthan Mercantile Bank Ltd., will be held at its Registered Office at No. 10, Clive Row, Calcutta, on Thursday the 16th April, 1953 at 4 p.m., to conduct the following business:

(*a*) To receive the report of the Directors and Audited Accounts for the year ending 31st December, 1952.

(*b*) To elect Directors.

(*c*) To appoint Auditors for the current year and to fix their remuneration.

(*d*) To transact any other business that may be brought forward with the permission of the Chairman.

By Order of the Board,
S. S. PURI,
Manager, Head Office.

CALCUTTA, 14*th March*, 1953.

N.B.—The Transfer Books of the Bank will be closed from Thursday the 2nd April, 1953, to Thursday the 16th April, 1953, both days inclusive.

THE ALKALI AND CHEMICAL CORPORATION OF INDIA, LIMITED

NOTICE

THE PREFERENCE SHARE REGISTERS OF the Company will be closed from the 1st April, 1953, to the 10th April, 1953, both days inclusive.

By Order of the Board,
IMPERIAL CHEMICAL INDUSTRIES (INDIA) LTD.,
Secretaries.

CALCUTTA, 11*th March*, 1953.

INDIAN ALUMINIUM COMPANY, LTD.

NOTICE IS HEREBY GIVEN THAT THE Fifteenth Ordinary General Meeting of Indian Aluminium Company, Limited, will be held at the Registered Office, 31, Chowringhee Road, Calcutta 16, on Thursday, 23rd April, 1953, at 11 a.m., for the following purposes:

1. To receive and adopt the balance-sheet at 31st December, 1952, and profit and loss account for the fifteen months ended 31st December, 1952, together with the reports of the Auditors and Directors.
2. To declare Dividends.
3. To elect Directors.
4. To appoint Auditors and to fix their remuneration.

The Share Transfer Books of the Company will be closed from 3rd April, 1953, to 23rd April, 1953, both days inclusive.

Payment of any dividend declared will be made only to those members whose names are registered in the books of the Company on 23rd April, 1953, or to their Mandatees. No application for warrants will be necessary. Claims on behalf of holders of shares held on blank transfer will not be entertained.

By Order of the Board,
(Sd.) JOHN W. E. JOHNSON,
Secretary.

6*th March*, 1953.

INDUSTRIAL INVESTMENT TRUST LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTIETH ANNUAL GENERAL MEETING of Industrial Investment Trust Limited, will be held at the Registered Office of the Company, 61, Apollo Street, Fort, Bombay, on Tuesday the 14th day of April, 1953, at 11 a.m. (S.T.), to transact the ordinary business of an Annual General Meeting of the Company.

THE SHARE TRANSFER REGISTERS OF THE COMPANY WILL BE CLOSED FROM SATURDAY THE 28TH MARCH, 1953, TO SATURDAY THE 18TH APRIL, 1953, BOTH DAYS INCLUSIVE.

By Order of the Board,
PREMCHAND ROYCHAND AND SONS,
Secretaries.

BOMBAY, 10*th March*, 1953.

To the Shareholders of Industrial Investment Trust Limited, and in particular to:—

Richard Austein Leigh, Esq., P. C. Francis Mascarenhas, Esq., Eastern Investments Ltd., Adolf Martin John Cordeiro, Esq., Noorul Hasan Qadri, Esq., Kishenchand Verma, Esq., Bhagwandas S. Mirchandani, Esq., Mrs. Edith Dawn Kingham, Jagan Nath Awal, Esq., Hamidul Huq Chowdhary, Esq., and Abdul Samad Khan, Esq.

MARTIN BURN LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of this Company has sanctioned payment of the Dividend on the Preference Share Capital of the Company at the rate of 5 per cent. per annum for the half-year ending 31st March, 1953. The Preference Share Register will be closed from 1st to 15th April, 1953, both days inclusive. Payment will be made on or after 15th April, 1953, to those Preference Shareholders whose names appear on the Company's Register on the 31st March, 1953, or in accordance with their instructions.

T. LESLIE MARTIN,
Managing Director.

12, MISSION ROW,
CALCUTTA, 14*th March*, 1953.

RESULTS OF EQUITABLE COAL IMPRESSIVE

AHMEDABAD ELECTRIC MAINTAINS DIVIDEND ON HIGHER CAPITAL

Equitable Coal Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Macneill & Barry Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1952.

The profit after providing for depreciation amounts to Rs. 22,28,710 (Rs. 16,02,479). Deducting from this provision for taxes and cesses Rs. 8,50,000 (Rs. 9,00,000); transfer to general development reserve Rs. 7,00,000 (general reserve Rs. 2,50,000); provision for workmen's compensation Rs. 2,00,000 (*nil*); and provision for bad and doubtful debts *nil* (Rs. 75,000), there remains a balance of Rs. 4,78,710 (Rs. 3,77,479). Adding thereto the balance brought forward from last account of Rs. 5,73,236 (Rs. 1,79,122), the total available sum is Rs. 10,51,946 (Rs. 5,56,601). Deducting from this the dividend for the half-year ended 31st December, 1951 (since paid) Rs. 3,82,470 there is available for distribution a sum of Rs. 6,69,476 (Rs. 5,56,601). The directors recommend, that this be disposed of by payment of a dividend on the preference capital at the rate of 6 (6) per cent. per annum absorbing Rs. 12,000 (Rs. 12,000), payment of a dividend on the ordinary capital at the rate of 30 (25) per cent. per annum Rs. 4,44,564 (Rs. 3,70,470) and leaving to be carried forward the balance of Rs. 2,12,912 (Rs. 1,74,131).

Net raisings during the half-year were 8,91,622 tons, as compared with 8,43,235 tons during the previous six months and 8,47,450 tons in the corresponding period of 1951. Despatches amounted to 8,50,992 tons, as against 8,90,153 tons and 8,01,269 tons during the preceding two half-years. Stocks aggregated 1,45,547 tons on 30th June, 1952.

The good condition of the Company's collieries has been fully maintained. Good relations between labour and management continued throughout the period and there were no stoppages on this account.

Raisings showed a further improvement and are the highest ever attained in a half-year, but a deterioration in the supply of wagons resulted in an increase in the coal stocks at the collieries. A marked improvement in this respect, however, was effected in the half-year to 31st December last. The improved results for the half-year have enabled the directors to recommend an increase in the rate of dividend to 30 per cent. per annum. It is necessary to sound a note of caution, however, as costs generally are rising and controlled selling prices have not yet been restored to the levels of 1949. Export markets are becoming increasingly restricted and these factors are already having an adverse effect upon the Company's results.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	33,63,760	Block ...	56,00,797
Reserves ...	62,12,380	Stock ...	22,60,669
Provision for taxation ...	21,87,405	Stores, etc.	84,68,458
Liabilities ...	2,39,90,348	Debts, deposits and advances ...	1,90,59,313
Profit and loss account ...	6,69,476	Investments	9,42,510
		Cash ...	91,622
	Rs. 3,64,23,369		Rs. 3,64,23,369

Ahmedabad Electricity Co., Ltd.

The directors of the above Company (Agents: Messrs. Killick Industries Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th September, 1952.

The first series of 175,000 ordinary shares of Rs. 100 each, issued at par in September, 1950, have been fully called up, the third and final calls of Rs. 20 each having been made on 1st March and 2nd June, 1952, respectively. Since the close of the year the second series of 175,000 ordinary shares of Rs. 100 each, at par, have been issued and fully subscribed. 2,688 shares remain reserved for allotment at the date of this report, against fractional certificates and proof of title.

There was no change in the rates for supply of electricity during the year. As many as 2,512 new connections were made during the year, bringing the total at 30th September, 1952, to 33,152, of which 87 are large H.T. supplies. Sales during the year have made satisfactory progress as will be evidenced from the following table. The overall increase is 30.13 per cent. over the previous year and 62.57 per cent. over 1949-50.

Year ended 30th Sept.	Public and private lighting and fans	Power	North Gujerat grid	Total	Percentage of increase on previous year
Kilowatt hours sold—					
1950 ..	13,391,210	184,106,824	..	197,498,034	2.69
1951 ..	14,555,494	225,742,819	7,970,098	248,268,411	25.71
1952 ..	16,189,800	268,884,030	38,007,850	323,081,680	30.13

The full plant capacity of both "A" and "B" stations of the Sabarmati Power House, aggregating 97,500 kw. was in commercial operation during the whole year. In October, 1951, electrical rotor trouble developed on two 15 mw sets (Nos. 8 and 10), but the makers lost no avoidable time in effecting permanent repairs. Otherwise, the whole plant has given excellent service. An additional coal tippler, and steam inter-connection system between "A" & "B" stations were commissioned in February and May, 1952, respectively. Coal deliveries have been satisfactory throughout the year. Shipments of plant materials ordered from abroad for "C" station commenced to arrive during the year, and the erection of the boiler and coal handling plant is proceeding. Construction work on "C" power house building, office block, cooling towers, etc., is progressing according to schedule. Laying of 66 kv transmission lines and acquisition of land for new associated receiving stations are well in hand. The peak demand at the generating station reached 75,200 kw. by the end of the year, which was an increase of 20.90 per cent. over that of the previous year. As much as 13 miles of 11 kv cables and 15½ miles of low tension cables were laid during the year. 10 new sub-stations for general supply, 7 for rural electrification, 2 for industrial high tension supply and 1 for municipal pumping, were commissioned during the year. The transmission and distribution system operated efficiently. A number of cables were diverted from the Sabarmati River-bed on to the railway bridge crossing the river. The North Gujerat Grid, supply to which commenced on 15th February, 1951, with a demand of 1,600 kw. increased its demand to 10,500 kw., by the end of September, 1952. The dispute regarding bonus for the year 1948-49 was decided by the Labour Appellate Tribunal in the Company's favour.

A scheme for higher training abroad of selected members of the staff under the auspices of the British Electricity Authority, was introduced during the year. The T.W.I. (Training Within Industry) scheme has also made encouraging progress. A change in the method of municipal assessment resulted in the Company being called upon to pay increased taxation to the Municipal Corporation. The Company has appealed to Court.

The gross profit for the year amounts to Rs. 40,01,358 (Rs. 35,58,011). There is no present liability for taxation on the profits of the year owing to income-tax depreciation allowances. In compliance with the provisions of the Electricity (Supply) Act, 1948, regarding compulsory reserves, an appropriation of Rs. 1,56,463 (Rs. 2,92,828) has been made to contingencies reserve and Rs. 1,49,266 (Rs. 1,73,230) each to tariffs and dividends control reserve and consumers' benefit reserve.

After writing off Rs. 5,100 (Rs. 5,100) from promotion expenditure, Rs. 16,105 (Rs. 16,076) from stamp duty and brokerage in connection with debentures, and Rs. 1,887 (Rs. 1,506) from new share capital issue expenses, also in compliance with the Electricity (Supply) Act, it is proposed to take Rs. 1,75,000 (Rs. 1,55,000) to equalisation of dividends reserve and Rs. 1,00,000 (Rs. 1,42,915) to employees' retiring gratuities reserve. There then remains a balance of Rs. 32,48,271 (Rs. 25,14,292) and this together with Rs. 3,113 (Rs. 3,600) brought forward from the last year's accounts makes a total of Rs. 32,51,384 (Rs. 25,17,892). From this sum, an *ad-interim* dividend of Re. 1-8 (Re. 1-8) per share, proportionate to the amounts called up for the half-year ended 31st March, 1952, which absorbed Rs. 6,82,223 (Rs. 5,60,709), is to be deducted. The balance thus available amounts to Rs. 25,69,161 (Rs. 19,57,183) from which it is proposed to pay a dividend for the half-year ended 30th September, 1952, at the rate of Rs. 5 (Rs. 5) per share, proportionate to the amounts called up, (making 6¼ (6¼) per cent. for the year) absorbing Rs. 25,65,842 (Rs. 19,54,070), leaving to be carried forward Rs. 3,319 (Rs. 3,113).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,24,68,240	Block ...	6,30,35,724
Debentures	1,26,66,438	Stores, tools, etc. ...	55,79,211
Reserves ...	64,98,915	Debts, deposits and advances ...	38,03,051
Liabilities ...	77,79,829	Investments	6,13,551
Profit and loss account ...	3,319	Other assets	6,11,837
		Cash ...	57,73,367
	Rs. 7,94,16,741		Rs. 7,94,16,741

Hurriladih Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Macneill & Barry Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1952.

The profit after providing for depreciation amounts to Rs. 2,13,771 (Rs. 77,092). Deducting therefrom the provision for taxes and cesses Rs. 1,20,000 (Rs. 20,000), provision for bad and doubtful debts Rs. 10,000 (*nil*) and general reserve Rs. 25,000 (*nil*), there is a sum of Rs. 58,771 (Rs. 57,092). Adding thereto the balance brought forward from last account of Rs. 75,633 (Rs. 15,378), that is a total amount of Rs. 1,34,404 (Rs. 72,470). Deducting the dividend for the half-year ended 31st December, 1951, (since paid) of Rs. 60,000 there is available for distribution, a sum of Rs. 74,404 (Rs. 72,740). The directors recommend that this be disposed of by payment of a dividend at the rate of 15 (15) per cent. per annum Rs. 60,000 (Rs. 60,000), leaving to be carried forward the balance of Rs. 14,404 (Rs. 12,470).

Net raisings during the half-year were 1,40,024 tons, as compared with 1,42,505 tons during the previous six months and 1,29,947 tons in the corresponding period of 1951. Despatches amounted to 1,30,646 tons, as against 1,51,840 tons and 1,03,363 tons during the preceding two half-years. Stocks amounted to 31,932 tons on 30th June, 1952.

The good condition of the Company's colliery has been fully maintained. Good relations between labour and management continued throughout the period.

Raisings were maintained at the level of the previous half-year, but a deterioration in the supply of wagons resulted in an increase in the coal stocks at the colliery. Since the close of the period under review, however, wagon supplies improved and stocks have been reduced.

In pursuance of Government's policy for the conservation of metallurgical coal, the Coal Board fixed a production ceiling of 2,70,000 tons for the Company's colliery for 1952. This caused no hardship to the Company, but the ceiling for 1953 has been reduced to 2,50,000 tons and, unless the Company's application for an increase in this figure is successful, less satisfactory results may be expected during 1953.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	4,62,765
Reserves ...	4,70,000	Stock ...	3,86,341
Provision for taxation ...	5,29,320	Stores, etc.	1,89,829
Liabilities	7,36,199	Debts, deposits and advances ...	15,76,190
Profit and loss account ...	1,34,404	Investments	49,566
		Cash ...	5,232
	Rs. 26,69,923		Rs. 26,69,923

Dhemo Main Collieries, Ltd.

The directors of the above Company (Managing Agents: Messrs. Macneill & Barry Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1952.

The profit after providing for depreciation amounts to Rs. 50,340 (Rs. 3,50,403). Deducting from this the provision for taxes and cesses Rs. 10,000 (Rs. 1,65,000), and addition to general reserve *nil* (Rs. 50,000) and adding the balance brought forward from last account of Rs. 91,699 (Rs. 8,497), there is an amount of Rs. 1,32,039 (Rs. 1,43,900). Deducting the dividend for the half-year ended 31st December, 1951 (since paid), of Rs. 80,000, there is available for distribution a sum of Rs. 52,039 (Rs. 1,43,900). The directors recommend, that this be disposed of by payment of a dividend at the rate of 5 (15) per cent. per annum Rs. 40,000 (Rs. 1,20,000), leaving to be carried forward the balance of Rs. 12,039 (Rs. 23,900).

Net raisings during the half-year were 98,807 tons, as compared with 1,02,530 tons during the previous six months and 1,24,110 tons in the corresponding period of 1951. Despatches amounted to 1,00,815 tons, as against 1,04,317 tons and 1,24,595 tons during the preceding two half-years. Stocks totalled 2,376 tons on 30th June, 1952.

Good relations between labour and management continued throughout the period. The serious mining difficulties, had an adverse effect upon the results, for the half-year and the directors are obliged to recommend a reduction in the rate of dividend to 5 (15) per cent. per annum.

Everything possible has been done to stabilise underground conditions at the colliery, but this work has necessarily restricted output and results for the half-year to 31st December, 1952, have been seriously affected. The position is now improving and it is hoped that raisings will be restored to normal by the end of the current half-year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,00,000	Block ...	19,34,641
Reserves ...	6,20,000	Stock ...	34,208
Provision for taxation ...	5,04,044	Stores, tools, etc. ...	1,60,079
Liabilities	12,06,564	Debts, deposits and advances ...	17,23,388
Profit and loss account ...	1,32,039	Investments	1,95,500
		Cash ...	14,831
	Rs. 40,62,647		Rs. 40,62,647

West Jamuria Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Macneill & Barry Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1952.

The profit after providing for depreciation amounts to Rs. 1,538 (Rs. 1,23,616). Adding thereto the balance brought forward from last account of Rs. 85,234 (Rs. 12,154), there is a sum of Rs. 86,772 (Rs. 1,35,770). Deducting from this provision for bad and doubtful debts Rs. 5,000 (*nil*) and dividend for the half-year ended 31st December, 1951, (since paid) of Rs. 52,500, there is available for distribution Rs. 29,272 (Rs. 18,270). The directors recommend, that this amount should be carried forward.

No dividend is recommended for the half-year under report. A dividend at the rate of 15 per cent. per annum, absorbing Rs. 52,500 was paid for the corresponding period in 1951, after making a provision of Rs. 40,000 for taxation and cesses and transferring Rs. 25,000 to the general reserve.

Net raisings during the half-year were 71,946 tons, as compared with 1,05,711 tons during the previous six months and 1,15,705 tons in the corresponding period of 1951. Despatches amounted to 69,289 tons, as against 1,07,496 tons and 1,17,987 tons during the preceding two half-years. Stocks aggregated 9,167 tons on 30th June, 1952.

Good relations between labour and management continued throughout the period. With the approaching exhaustion of the Poniati Seam at West Jamuria Colliery, raisings were lower than for the previous period. Initial mining difficulties at the Company's new pits in Ackhalpur Colliery have meant that the reduced output from West Jamuria Colliery has not been replaced to the extent originally estimated. Working results were thereby adversely affected and the directors are unable to recommend the payment of any dividend. The mining difficulties referred to above have since been largely overcome, but it will take a little time to restore the Company's raisings to their normal level. Sinking to the Taltore Seam and the development of the Jamuria Seam at West Jamuria Colliery have been undertaken and reasonable progress is being made.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,00,000	Block ...	16,66,656
Reserves ...	7,25,000	Stock ...	1,30,798
Provision for taxation ...	1,42,249	Stores, etc.	2,97,063
Liabilities	13,88,174	Debts, deposits and advances ...	8,74,272
Profit and loss account ...	29,272	Cash ...	15,906
	Rs. 29,84,695		Rs. 29,84,695

Gokak Mills, Ltd.

The directors of the above Company (Agents: Messrs. Forbes Forbes Campbell & Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1952.

The accounts show a profit of Rs. 7,05,673 (Rs. 17,99,366) to which is to be added the net carry forward from 1951 of Rs. 93,393 (Rs. 54,004) post-war refund of E.P.T. of Rs. 6,19,169 (*nil*), which produces a total of Rs. 14,18,235 (Rs. 18,53,370). The directors have allocated this sum as under:—

Reserve account Rs. 48,336 (Rs. 70,859), depreciation Rs. 2,50,000 (Rs. 2,25,000), taxation reserve Rs. 1,75,000 (Rs. 7,50,000), staff gratuity fund Rs. 27,525 (Rs. 67,460), equalisation of dividend account Rs. 1,50,000 (*nil*), leaving available the sum of Rs. 7,67,374 (Rs. 6,40,051). From this balance the directors recommend the declaration of a dividend of Rs. 12 (Rs. 14) and a bonus of Rs. 5 (*nil*) per share, free of income-tax which will absorb Rs. 6,63,799 (Rs. 5,46,658) leaving a balance to be carried forward of Rs. 1,03,575 (Rs. 93,393).

During the year additions to machinery included, eleven electric motors complete, turbine machinery (one butterfly valve and three voltage regulators and transformers), and additional electrical equipment for new control room.

The mill building, machinery, stocks and stock-in-trade are insured for Rs. 3,48,65,200 (Rs. 3,77,87,200) and the profits and fixed charges have been insured for Rs. 44,22,140 (Rs. 43,29,260) covering a period of 18 months. The mill property at 31st December, 1952 was insured against riot and civil commotion risk to the extent of Rs. 2,44,26,475 (Rs. 2,43,08,575) and stocks were insured at that date for further Rs. 1,04,11,725 (Rs. 1,33,08,625).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	39,04,700	Block ...	82,22,587
Reserves	1,01,50,000	Stock ...	44,09,536
Provision for taxation ...	2,90,796	Stores, etc.	6,90,904
Liabilities ...	16,98,452	Debts, deposits and advances ...	4,35,585
Profit and loss account ...	7,67,374	Investments	1,75,000
		Cash ...	28,77,710
	Rs. 1,68,11,322		Rs. 1,68,11,322

Bengal Assam Steamship Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st October, 1952.

On 1st July, 1952, the Company formally appointed The Pakbay Company Ltd., Narayanganj, as its Agents in Pakistan, in accordance with the scheme explained in the chairman's letter of shareholders dated 12th May, 1952.

The quantity of cargo available for carriage was considerably lower than during the previous year and freight earnings are down in spite of freight rates being increased in November, 1951. The heavy repair programme, referred to in the last report, is still being undertaken. During the year it was decided that the Flat "Dublin", built in 1896, was beyond repair and the Flat has therefore been broken up and sold for scrap.

After providing Rs. 2,00,871 (Rs. 2,00,000) for depreciation and Rs. 9,60,000 (Rs. 15,20,000) for taxation and after transferring Rs. 2,00,000 (*nil*) to fleet replacement fund, Rs. 9,756 (Rs. 54,578) to capital reserve and Rs. 2,00,000 (Rs. 2,00,000) to reserve for repairs, there is a balance of Rs. 4,75,690 (Rs. 4,03,711) at the credit of the profit and loss account, from which the directors recommend a dividend on the preference shares at the rate of 7 (7) per cent. per annum, absorbing Rs. 21,000 (Rs. 21,000), a dividend on the ordinary shares at Rs. 12-8 (Rs. 12-8) per share absorbing Rs. 2,50,000 (Rs. 2,50,000), leaving to be carried forward the balance of Rs. 2,04,690 (Rs. 1,32,711).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	23,00,000	Block ...	1,16,39,102
Reserves ...	1,11,04,305	Stores ...	1,55,834
Provision for taxation ...	10,56,798	Debts, deposits and advances ...	7,10,274
Liabilities ...	10,82,443	Investments	11,34,928
Profit and loss account ...	2,04,690	Cash ...	21,08,098
	Rs. 1,57,48,236		Rs. 1,57,48,236

N.B.—Figures within brackets relate to the corresponding period of the previous year.

COMPANY MEETINGS AND DIVIDENDS

DHEMO MAIN COLLIERIES LTD. Half-yearly General Meeting, Calcutta, 26th March, 1953. Dividend: As. 4 per share. Transfer books closed from 18th to 26th March, 1953, both days inclusive.

HURRILADIH COAL CO., LTD. Half-yearly General Meeting, Calcutta, 26th March, 1953. Dividend: As. 12 per share. Transfer books closed from 18th to 26th March, 1953, both days inclusive.

WEST JAMURIA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 26th March, 1953. Dividend: *Nil*. Transfer books closed from 18th to 26th March, 1953, both days inclusive.

EQUITABLE COAL CO., LTD. Half-yearly General Meeting, Calcutta, 26th March, 1953. Dividend: Re. 1-8 per share. Transfer books closed from 18th to 26th March, 1953, both days inclusive.

CENTRAL KURKEND COAL CO., LTD. Half-yearly General Meeting, Calcutta, 27th March, 1953. Dividend: *Nil*. Transfer books closed from 14th to 27th March, 1953, both days inclusive.

TITAGHUR PAPER MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 30th March, 1953. Dividend: As. 4 per preferred ordinary share and Re. 1 on "A" and "B" ordinary shares (including bonus of As. 4 per share). Transfer books closed from 17th to 30th March, 1953, both days inclusive.

DHANALAKSHMI MILLS LTD. Annual General Meeting, Tirupur (Coimbatore Dist.), 30th March, 1953. Dividend: Rs. 10 per share. Transfer books closed from 17th to 30th March, 1953, both days inclusive.

INDIA JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 31st March, 1953. Dividend: Rs. 3-2 per ordinary share and As. 4/5 per deferred share. Transfer books closed from 17th to 31st March, 1953, both days inclusive.

MEGNA MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 31st March, 1953. Dividend: Rs. 2-8 per ordinary share. Transfer books closed from 17th to 31st March, 1953, both days inclusive.

DUNLOP RUBBER CO. (INDIA), LTD. Annual General Meeting, Calcutta, 2nd April, 1953. Dividend: Re. 1-8 per share, free of tax.

OSMANSHAHI MILLS, LTD. Annual General Meeting, Hyderabad (Deccan), 2nd April, 1953. Transfer books closed from 20th March to 2nd April, 1953, both days inclusive.

AZAM JAHI MILLS LTD. Annual General Meeting, Hyderabad (Deccan), 2nd April, 1953. Transfer books closed from 20th March to 2nd April, 1953, both days inclusive.

EAST INDIA DISTILLERIES AND SUGAR FACTORIES LTD. Annual General Meeting, Madras, 7th April, 1953. Dividend: 10 per cent. on "A" and 15 per cent. on "B" ordinary shares. Transfer books close from 7th to 20th April, 1953, both days inclusive.

INDUSTRIAL INVESTMENT LTD. Annual General Meeting, Bombay, 14th April, 1953. Dividend: Rs. 4-8 per share. Transfer books close from 28th March to 18th April, 1953, both days inclusive.

INDIAN ALUMINIUM CO., LTD. Annual General Meeting, Calcutta, 23rd April, 1953. Dividend: Rs. 5 per share. Transfer books close from 3rd to 23rd April, 1953, both days inclusive.

VAIKUNDAM (TRAVANCORE) RUBBER CO., LTD. Dividend of Rs. 2 per ordinary share, for the year ended 31st December, 1952.

VASANTA MILLS LTD. Dividend of Rs. 12 per share, for the year ended 31st December, 1952. Transfer books close from 1st to 15th April, 1953, both days inclusive.

BENGAL ASSAM STEAMSHIP CO., LTD. Dividend of Rs. 12-8 per ordinary share for the year ended 31st October, 1953.

WESTERN INDIA TANNERIES LTD. Interim dividend of 6¼ per cent. per annum, free of income-tax for the year 1952, payable on and after 15th April, 1953. Transfer books close from 31st March to 14th April, 1953, both days inclusive.

COMPANY REGISTRATIONS

S. B. JOSHI & CO., LTD. (First Director: Mr. R. N. Joshi.) Business: Constructing, Erecting, Fabricating, Manufacturing, Quarrying, Mining, Supplying, Transporting, Importing, Exporting, Purchasing and Selling, etc., in connection with Engineering or Trade and Industry allied to Engineering. Authorised capital: Rs. 11,00,000. Private company. Address: Examiner Press Building, Dalal Street, Fort, Bombay 1.

HEERA TRADERS LTD. (First Director: Mr. C. S. Vaswani.) Business: Capitalists, Financiers, Exporters, Importers, Manufacturers, Mill Owners, Merchants, etc. Authorised capital: Rs. 10,00,000. Private company. Address: 26-28, Hamal Wadi, Dhobitalao, Bombay.

GOKUL FILMS LTD. (First Director: Mr. M. S. Ramanujam.) Business: Manufacturers, Producers, Exhibitors and Distributors of Cinematographic Films. Authorised capital: Rs. 5,00,000. Private company. Address: B.M.S. Works, Bombay 22.

GENERAL ESTATES AND INVESTMENTS CORPORATION LTD. (First Director: Mr. R. Viraswamy.) Business: Constructing, Reconstructing, Altering, Improving, Decorating, and Maintaining Offices, Flats, Houses, Factories, Warehouses, etc. Authorised capital: Rs. 5,00,000. Public company. Address: 6, Harischandra Sadan, Daulat Nagar, Borivli.

QUESTION HOUR IN PARLIAMENT

Loans and Grants for Minor Irrigation Works

THE State Governments have so far been sanctioned loans aggregating Rs. 910.38 lakhs and grants of Rs. 203.13 lakhs for minor irrigation works.

* * * *

Production of Jute

The total production of jute in India in 1952-53 was 4,695,000 bales of 400 lbs. each and the acreage under jute was 1,834,000. The State Governments hope to increase the acreage in 1953 by 94,000. This figure cannot be taken as a target in the proper sense of the word, as much would depend on weather conditions and prices. The plan is to reach an acreage of 2 million by 1955-56.

—*Minister for Food and Agriculture*

Sulphate of Ammonia

The Government of India has reduced the price of sulphate of ammonia from Rs. 335 to Rs. 290 per ton. Last year the price was Rs. 365 per ton. The Government has agreed to sell 50,000 tons of sulphate of ammonia to the West Bengal Government for which it is proposed to give that State a short-term loan.

* * * *

Tobacco Production

India is the second biggest tobacco consuming country in the world, accounting for 7.06 per cent. of the total world consumption. The U.S.A. tops the list, consuming 19.53 per cent. of the total world consumption. In 1951-52, India produced 504 million lbs. of tobacco and consumed 508 million lbs. In 1947-48, as much as 542 million lbs. were produced and 437 million lbs. consumed.

—*Minister for Agriculture*

Bhakra Project

The Bhakra Nangal Project is expected to be completed in 1958-59 according to the present programme of construction. The original estimate of total expenditure is Rs. 132 crores and according to the latest revised estimate, the overall expenditure will be Rs. 156 crores.

* * * *

Research on Arid Areas

A proposal for the establishment of a research centre to study problems of arid areas is under consideration of the Government of India. It is proposed to set up the centre at Jodhpur and the work contemplated included hydeological, geological, geophysical and agricultural surveys and investigations primarily relating to the exploitation of water resources of the arid areas of Rajasthan. Setting up of necessary meteorological observation stations is also part of the proposal. The total initial expenditure is estimated at Rs. 26,70,000. The Government has made a request to the U.N. for technical assistance to the extent of Rs. 3.6 lakhs to cover expenditure on the salary of a foreign geophysical expert and on necessary equipment.

—*Deputy Minister of Irrigation and Power*

Excise Duty

Tobacco used in *hookah* and chillum and for chewing was assessable at As. 6 per lb. under item 9 1(6) of the First Schedule to the Central Excises and Salt Act, 1944, provided such tobacco is not capable of being used in the manufacture of *biris*. The manner in which local villages consume a variety of tobacco cannot affect the rate at which it is assessed to excise duty. Several representations were received in the latter half of 1951 from the Northern Thana District Tobacco Dealers' Federation, Palghar, Thana, protesting against the charging of heavy duty on tobacco used by villagers. No relief from the duty chargeable under the statute can be given and an exception cannot be made without serious repercussions on the administration of the excise duty on the same varieties of tobacco in question elsewhere in the Bombay State. There were about 150 small manufacturers of *biris* in the area in question at the time the representation was received.

—*Minister for Revenue and Expenditure*

Chittaranjan Factory

Except for some patented items and a few fittings which are uneconomical to make in small numbers, all parts of a locomotive can and will be manufactured at Chittaranjan. There are at present 12 foreign experts (11 British and one German) attached to the Chittaranjan Locomotive Works on contract basis for specific periods.

—*Deputy Minister for Railways*

Telephone Factory

Experimental production of dials has started in the telephone factory at Bangalore, while shops for the manufacture of condensers are being laid. Dials and condensers are not at present manufactured in the factory.

—*Deputy Communications Minister*

Wheat Purchases

India has already purchased 12,00,000 tons of wheat under the International Wheat Agreement this year. According to the current agreement, India is entitled to get 15,00,000 tons as a guaranteed quota. This year India has to purchase the entire quantity, of which 12,00,000 tons have already been purchased. Negotiations about the price of wheat under the proposed renewal of the agreement are still going on. The exporting countries have proposed higher prices, but the Government of India has not agreed.

—*Deputy Minister for Food*

MONEY STEADY

(From Our Own Correspondent)

BOMBAY, 18*th March*

The slightly stringent conditions in the short-term money market witnessed last week did not show any sign of slackening this week, as demand for money continued unabated due to financial year-end requirements. Though some of the big banks were able to keep an even position in regard to their requirements, a shortage of funds was felt by most of the banks during the clearing hours. The turnover in inter-bank call money, however, tended to shrink, as most of the borrowers were unwilling to pay 3 per cent. demanded by lenders. They preferred to go to the Reserve Bank for accommodation. The inter-bank call money continued to be quoted at 2¾—3 per cent. among the Exchange banks and big Indian banks. The rate among the smaller Indian banks was unchanged at 3 per cent. As regards term money, 3 per cent. was offered for renewals of three months' deposits, but only 2¾ per cent. for fresh money. Six months' deposits were quoted at 2¾ per cent. and 12 months' at 2 to 2¼ per cent.

A sum of Rs. 108.75 lakhs was offered this week against the usual tenders for Rs. 100 lakhs of three months' Government of India Treasury Bills, which compared with Rs. 116.50 lakhs offered last week. The average rate of accepted tenders hardened again a little from Rs. 2-6-11 per cent. per annum to Rs. 2-7-0 per cent.

An expansion of Rs. 1.89 crores in notes in circulation is disclosed by the statement of affairs of the Reserve Bank of India for the week ended 13th March, 1953. Notes held in the Banking Department are, however, lower by Rs. 2.08 crores, the resulting net decline of Rs. 18.86 lakhs in total notes issued being covered by a corresponding contraction in rupee coin. For the first time since the beginning of the year, deposits of the Central Government have shown a marked rise of the order of Rs. 7.79 crores. Deposits of other Governments have, on the other hand, declined by Rs. 9.04 crores, those of banks by Rs. 5.90 lakhs and others by Rs. 1.30 crores. Cash balances show a fall of Rs. 2.07 crores, but balances held abroad are higher by Rs. 57.99 lakhs. Loans and advances to Governments have improved by Rs. 25 lakhs and other loans and advances by Rs. 83.41 lakhs. The total amount of advances availed of by the Scheduled Banks against usance bills during the current year so far stands at Rs. 7.74 crores, the increase during the week being Rs. 2.50 crores. But the outstanding advances at the end of the week, at Rs. 4.24 crores, disclose a rise of Rs. 1 crore. Government Treasury Bills purchased and discounted have fallen by Rs. 1.24 crores.

The consolidated statement of position of the Scheduled Banks for the week ended 6th March, 1953, reveals an increase of Rs. 1.26 crores in demand deposits and a fall of Rs. 59.36 lakhs in time deposits. Inter-bank borrowings have fallen by Rs. 61.29 lakhs. Borrowings from the Reserve Bank (including those against usance bills) have risen by Rs. 5.23 crores, of which borrowings against usance bills account for an increase of Rs. 1.50 crores. Borrowings from the Imperial Bank of India too have gone up by Rs. 1.12 crores. Advances are higher by Rs. 1.47 crores and bills purchased and discounted by Rs. 4.55 crores. Investments have declined by Rs. 31.48 lakhs. Cash-on-hand and balances with the Reserve Bank are together higher by Rs. 1.26 crores, as also balances with other banks by Rs. 42.36 lakhs. Money at call and short notice are lower by Rs. 57.30 lakhs.

The Gilt-edged market presented a steady front, with select issues tending to harden in value. The Finance Minister's reassuring statement on the economic and financial outlook, coupled with the shortage of floating stocks, has brought about a slightly bullish fervour. 3 per cent. 1953-55 remained unchanged at Rs. 100-1. 3 per cent. 1957 and 3 per cent. 1958 were steady at Rs. 98-12 and Rs. 98-9, respectively. 3 per cent. 1959-61 was an anna better at Rs. 96-3. 3 per cent. 1963-65 was quoted at the self-same rate of Rs. 92-10, but 3 per cent. 1964 was offered an anna more up to Rs. 92-10. 3 per cent. 1966-68 was stagnant at Rs. 90-9, while 3 per cent. 1970-75 registered a gain of As. 2 to Rs. 86-11. 3 per cent. 1986 Conversion loan, which was in favour last week, due to proximity of interest payment, was taken up to Rs. 83-2, was placed at Rs. 83 *ex-voucher* from the 16th inst. onwards.

The foreign exchange section of the money market witnessed a mild flutter in the rupee-U.S. dollar rate during the week under review, but over the week there was no net variation. Even the change during the week was only confined to the Banks' selling rate, as the table below will show. In New York, the £ sterling displayed some easiness *vis-a-vis* the dollar early in the week, but towards the close recovered again. Thus, the spot rate for the £, which was quoted at $2.81¼—2.21⅜ on the 10th inst., relapsed to $2.81-5/16—2.81-7/16 on the 13th, but improved to $2.81-11/16—2.81-13/16 yesterday.

SELLING	9-3-53 Rs.	16-3-53 Rs.	18-3-53 Rs.
T.T./D.D. (other than B.C.'s) for amounts $2,000 and over :			
Ready and within 5 days	475½	476	475½
Delivery within 3rd month	477	477½	477
,, ,, 6th ,, ...	478½	478½	478½
T.T./D.D., B.C.'s and amounts under $2,000 :			
Ready and within 5 days	476½	476⅜	476⅛
Delivery within 3rd month	477½	478	477⅛
,, ,, 6th ,, ...	479	479½	479
BUYING			
T.T. Clean :			
Ready and within 1st month ..	} 471½	471⅛	471⅛
Delivery within 3rd month			
,, ,, 6th ,, ...			
T.T. Documentary :			
Ready and within 1st month ..	} 471	471	471
Delivery within 3rd month			
,, ,, 6th ,, ...			

BULLION WEAK

(From Our Own Correspondent)

BOMBAY, 18*th March*

The week under review was notable for a sharp break in prices of both silver and gold. Silver, which had been responsible for almost a crisis two weeks back, experienced a marked setback on speculative selling induced by the proposed amendments to the by-laws of the Bullion Association, poor offtake and lower advices from Calcutta. Some of the bull operators, who had extended good support to the market before, but had recently switched over to share and cotton markets, were not inclined to renew their support. In the result, there was a landslide in prices which necessitated the enforcement of special clearing on Monday this week. But this did not arrest the downward trend and, as the rate for forward silver fell to-day by more than Rs. 7 below the opening rate for the current settlement, the bears were called upon to pay margin under the existing by-laws.

Gold, which had for some time past remained in the background, was also subjected to heavy selling pressure induced by larger arrivals and the weakness of silver. The mild attempts at recovery early in the week, that is, on Friday and Saturday last, proved futile. The selling pressure on gold pushed down the rate for the metal by more than Rs. 5 below the opening rate, as a consequence of which automatic margin was enforced to-day on bears in yellow metal too.

The Government of Bombay has not so far approved of the proposed amendments to the by-laws. It is reported to have asked the Board of the Bullion Association to place the amended by-laws before the general body of the Association so as to know the consensus of opinion of the members before giving its approval. An extraordinary general body meeting of the members was accordingly convened to be held to-day. But the meeting has had to be postponed for next week for want of a quorum. Even if the amendments are approved by the general body next week, it may not come into effect in time for covering transactions in the next settlement, that is, May settlement.

Silver for forward delivery in April settlement opened at Rs. 167-4 and dropped to Rs. 163-6 on Friday. There was a recovery to Rs. 166-2 on Saturday morning on scattered support induced by better advices from other markets, but only to relapse again to Rs. 162 at the close on Monday. As this rate was Rs. 5 below the last clearing rate, a special clearing was introduced in silver and gold. Even after this, the recession continued in the last two days, the closing rate for to-day being Rs. 159-8. As this rate was more than Rs. 7 below the opening rate of Rs. 168, automatic margin was enforced.

Ready silver (.996 mint) fell from the opening rate of Rs. 167-4 to Rs. 159-8. The floating stocks of silver are placed at 1,700 bars. The daily average offtake was no more than 10 bars.

Gold for forward delivery began at Rs. 87-14 and moved down to Rs. 86-12 on the next day on reports of large arrivals. After an improvement to Rs. 88 on Saturday, the downward movement asserted itself, bringing down the rate to Rs. 84-8 at the close to-day. As this rate was more than Rs. 5 below the opening rate of Rs. 90, automatic margin became payable by bears.

Ready gold declined from Rs. 88-3 to Rs. 84-9 the premium which the ready rate commanded over the forward narrowing down from As. 5 to an anna. The floating stocks of gold are estimated at 50,000 tolas. The daily average arrivals were 8,000 tolas, while the offtake was no more than 5,000 tolas on an average.

The following comparative table shows the trend of the market during the week under review:

	18-3-53	Highest	Lowest	11-3-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	84 9	88 4	84 8	88 3
Forward	84 8	87 15	84 7	87 13
Sovereign	75 8	56 12	55 8	58 0
SILVER				
Ready (.996 fine Mint)	159 8	167 6	159 7	167 1
Forward	159 8	167 6	159 7	167 1
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½c	—	—	85½c.

BRADFORD TOPS FIRM

(Messrs. J. Hardacre and Co.)

BOMBAY, 16*th March*

Business in the Bradford top market has spurted on the basis of the prices recently quoted and this has caused topmakers to increase quotations by 1*d.* or 2*d.* by comparison with last week. Having sold to the limit of their purchases, topmakers are now forced to take into account the cost of wool at recent sales in the primary markets and thus bring their quotations into line with replacement costs. Thus, the market as a whole is not one in which sellers are inclined to make concessions.

Report from the primary markets indicate a further rising tendency. Values were fully firm at Brisbane. Values at Adelaide are 7½ to 10 per cent. up on last sale at this centre. Durban values were 5 per cent. up and, at Capetown, the market continued in sellers' favour, values being 2½ per cent. higher as compared with those in the previous sale. According to latest reports from the selling centre at Auckland, prices have advanced 5 per cent. over the previous sales.

Noil prices remain firm, under the combined influence of high values for short wools in the primary markets, stiffening of quotations in the top section, and short supply position; any variation in price is in sellers' favour.

COTTON FIRM

(From Our Own Correspondent)

BOMBAY, 18*th March*

The attention of the Bombay cotton market was centred mainly on the issue of the Pakistan currency. During the earlier part of the week under review, rumours were thick in the market that the Pakistan rupee will be devalued in view of the adverse balance of payments and the difficulty Pakistan experienced during the last and the current year of selling its two important raw materials, cotton and jute. Taking long-term views, the market believed that with the Pakistani rupee at par with the Indian currency, the prospects of imports of Pakistan cotton at competitive rates would improve. High prices of Indian varieties, which depended on the short supply position, would naturally have to give way in this case. The categorical refusal of the Pakistan Finance Minister to devalue its rupee sent prices soaring in the forward market in Bombay. The May delivery crossed the Rs. 700 limit and stayed there at closing time. There was a reaction of a technical nature since then, but taking a long-term view, the prices are likely to rule high both in the ready and the forward markets, as available stocks of useful or tenderable varieties get depleted.

Considering the reduced demand from the mills, prices in the spot market have been very steady, except in the case of Vijay, which is a little inexplicable. Though the present commitments on the part of the shippers with regard to Bengal *Deshi* have mostly been met, prices of this variety are still ruling high because of the hope that when the Government finds that Dholleras and Oomras cannot be exported, it might relent and allow the balance of the export quota of 50 per cent. in these other *deshi* varieties to be converted into Bengals, thus creating a fresh demand for this variety. On the other hand, there are also those in the market who believe that rather than do this the Government might reduce the export duty on Oomras, Dholleras, etc., in which case prices of Bengals might have to seek lower levels. The following are the latest quotations for the Sewri market: Bengal *Deshi* Rs. 630-40; Berar jarilla Rs. 30-50 on I.C.C. May; Vijay Rs. 160 on; Moglai Rs. 25 off; Khandesh Rs. 100 on; Oomra Deshi Rs. 10 off.

The following is the trend of prices in the forward market over the week ended 18th March, 1953.

	Opening	*High*	*Low*	*Closing*
I.C.C. May (Rs.) ...	694	714	690½	712½
I.C.C. August (Rs.) ...	706	725½	704	724

At Karachi, things are looking up so far as disposal of cotton stocks is concerned. It is reported that Government's efforts to use cotton for barter purposes are meeting with better response from some of the countries. China is believed to have agreed to an exchange of coal for cotton, in the same way as it has arrived at an arrangement with the Ceylon Government for an exchange of rice with rubber. In this respect Pakistan is likely to find some difficulty in effecting this exchange owing to shipping difficulties, though this may not be as severe as in the case of Ceylon because, unlike rubber, cotton may not be treated as a strategic material. While there is no official confirmation with regard to this exchange, the earlier barter with Spain has been confirmed by the Government.

There is mention here and there also of the big deal that is in the offing with Japan. But this appears to be used more as a hint to other countries who want to buy Pakistan cotton or to exchange it with some of the commodities which Pakistan needs to hurry up and secure it before Japan takes up the lot. For six months and longer Japan and Pakistan have been higgling in true Oriental fashion with regard to this deal. Another curious fact about the barter deals which are so much in fashion at Karachi is the hush-hush policy with regard to the price basis of these exchanges. It means that this basis cannot be very attractive for Pakistan and that it is either giving away more of its cotton to secure what it wants without paying for it in hard cash or that it is getting less of what it wants compared to the quantity of cotton delivered by it. In any case, the pressure of stocks is easing and to that extent it is a healthy sign. But this over-concentration on barter deals has discouraged Continental buyers of Pakistan cotton and enquiries from these sources, which had begun to come in, have again dried up. The following are the latest quotations from the Karachi market: Punjab *Deshi* Rs. 75; 4F Punjab R.G. Rs. 61-62; S.G. Rs. 65-66; L.S.S. Punjab R.G. Rs. 65-65½; S.G. Rs. 70 to 70½; N.T. R.G. Rs. 65 to 65½; S.G. Rs. 71-71½; 289F. Punjab R.G. Rs. 71; S.G. Rs. 78.

Both Sudan and East Africa are not much in the picture. In Sudan not only is the crop estimated to be lower than expected, but there are apprehensions that the quality will also be not up to the mark. The top grades are, therefore, not being offered freely by the Gezira Board as it has already sold fairly good quantities of these varieties. In East Africa crop prospects are reported to be better but activity is on a small scale.

At Alexandria, there has been a change in the policy with regard to exchange control regulations in respect of repatriation of proceeds from sales of cotton abroad. The revised regulations require the shippers first to register the whole of their foreign exchange earnings with the authorities. Only after they have done this, they are to be allowed to use three-fourths of these for payments against goods which they might decide to import. There are also certain other restrictions with regard to the period and the manner in which this right has to be exercised. India has been showing greater interest of late in Egyptian cotton and more shipments of this cotton might be expected to leave Alexandria during the next three months. Exports from Egypt during the current season till a fortnight ago amounted to a little over 4 lakh bales. Nothing seems to have been settled yet with regard to the reopening of the forward market, while activity in spot market has been fairly steady during the week under review.

At New York, prices were steady to firm during the week under review. The export position, however, still continues to be not very satisfactory and shipments so far are below 50 per cent. of those registered for the same period last year. The export target of 4 million bales for the current season is not likely to be reached in view of the fact that by the beginning of this month, only two million bales have been sold abroad. The only hope of the shippers now rests in the increased allotment of credit to various European countries and Japan for purchase of U.S. cotton. Against this there is a lessening of the international political tension after M. Malenkov's speech at the session of the Supreme Soviet in Moscow last Sunday. For the American as well as the other world cotton markets such indications are generally interpreted as a probable bearish factor.

The following are the latest available quotations from New York as compared with those of a week and a fortnight before:

(In cents per lb.)

	17-3-53	10-3-53	3-3-53
Spot	34.30	34.40	34.25
March	—	33.67	33.46
May	33.74	33.74	33.62
July	33.74	33.89	33.83
October	33.71	33.92	33.90
December ...	33.74	—	—

ART SILK YARN SHOOTS UP

(From Our Own Correspondent)

BOMBAY, 18*th March*

The import policy for art silk yarn for the current half-year was announced this week. The policy sprang a surprise on the market. Contrary to expectations of liberal imports, the Government has granted a bare 10 per cent. quota to established importers on the basis of half of best year's imports during the period 1945-46 to 1950-51. The aggregate quantity involved is estimated at not more than 2 million lbs., as against 35 million lbs. imported during 1950-51. Moreover, licences for yarn will not be valid for imports of both third and fourth quality yarn of 120 or 150 deniers and double rayon yarn. This extremely restricted import policy let loose a spell of speculative activity which overlooked reports of heavy arrivals of imported yarn and reduction in prices by German producers. Hectic purchases by bulls and large covering by shorts which followed sent up values of art silk yarn to touch the highest levels not seen in the past seven months. The net rise over the week was 81 points and 77 points, respectively, for March and April delivery contracts.

The bullish fervour was in marked evidence in the forward section. 150D March contract rallied 104 points to Rs. 880 to-day. On profit-taking, however, it closed a shade easy at Rs. 853. April contract advanced from Rs. 779 to Rs. 886, but finished lower at Rs. 860. In sympathy with the forward section, ready remained fully firm throughout the week. 150 Italy picked up As. 5 to Rs. 4-4. 120 Japan rose by As. 4 to Rs. 5-1. 150 Japan improved from Rs. 4-5 to Rs. 4-8. 120 Italy was better by an anna at Rs. 4-4.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 11th and 4th inst.

Art Silk Yarn—	18-3-53 Rs. a.	11-3-53 Rs. a.	4-3-53 Rs. a.
150D March (per case of 200 lbs.)	853 0	776 0	789 0
150D April ,,	860 0	790 0	790 0
120 Japan (per lb.)	5 1	4 13	5 0
150 Japan ,, ...	4 8	4 5	4 5
120 Italy ,, ...	4 4	4 3	4 10
150 Italy ,, ...	4 4	3 15	4 0

The staple fibre section remained dull, owing to shortage of supplies. Traders are very much intrigued at the continued delay in the granting of import licences for staple fibre. Any further delay, it is feared, will result in considerable hardship to mills producing staple fibre yarn. Already, these mills are reported to be spinning inferior quality yarn and that at enhanced cost, thanks to higher prices for fibre.

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, 18*th March*

The oilseeds and oils market continued to march ahead aggressively till to-day. Caught in the firm grip of bull operators, groundnuts were in the lead. On buying from *vanaspati* interests values forged ahead to new high levels, the trend was assisted by some reported enquiries from Hongkong and the Continent at £157 to £158 per ton and £154 to £155 per ton, respectively. Linseed ruled bright on the recommendation of the Indian Oilseeds Committee to reduce export duty on linseed oil. The castorseeds section proved no exception to the generally upward trend. Some business was reported done with the U.S. in commercial oil at 18¾ cents. However, at the higher levels to-day, some profit-taking set in, and prices all round were a shade lower. But, on balance, they disclosed substantial gains over the week.

The high prices in groundnuts have caused concern to crushers and *vanaspati* interests alike who have put up the prices of their products. The increase in the price of *vanaspati* is attributed to the higher prices, particularly of groundnuts. These were reports of a switching over of demand to *kardi, niger,* sesamum and linseed, the prices of which were comparatively lower. Groundnuts, Bold ready shot up from Rs. 41-4 to Rs. 43-8, before closing at Rs. 43. Khandesh quality disclosed a gain of Rs. 2 to Rs. 43-4. Groundnut oil, ready delivery, gathered Rs. 1-2 to Rs. 23-8 and railway receipts As. 12 to Rs. 23. The all-India final estimate of groundnut crop at 28 lakh tons for 1952-53, against the partially revised estimates of 30 tons during the previous year, is discounted trade circles.

There was fair demand for linseed oil. The oil was reported being used for adulterating the high-priced groundnut oil. Linseed oil was quoted higher by As. 8 at Rs. 15-6. The difference between linseed oil ready and groundnut oil *ex*-mill delivery is as much as Rs. 8-2. Linseed Bold ready rallied As. 8 to Rs. 30-8.

The castorseeds section witnessed considerable speculative activity. Prices fluctuated violently as a result of a tussle between bulls and bears inspired by conflicting rumours regarding removal of export duty on oil. May delivery which opened at Rs. 150-12, as against Rs. 150, oscillated between Rs. 161-4 and Rs. 149-8, before closing at Rs. 158-8. Madras quality was done at Rs. 33 as against Rs. 31-12. Castor oil, commercial quality improved by As. 6 to Rs. 18-14 and B.S.S. Re. 1-6 to Rs. 20-8. In the U.S. castor oil Commercial was being quoted later in the week at 19c and B.S.S. at 20c.

Niger, kardi and sesamum also moved up in sympathy with other sections. *Niger* ready F.A.Q. was higher by As. 8 at Rs. 32 and *kardi* Bold by As. 14 at Rs. 24-6. *Niger* was quoted at £59 on the Continent, but Indian offers were higher at £62. *Kardi* had buyers, on the Continent, at £45, as against sellers at £47-10. Sesamum (yellow) rose Rs. 15 higher to Rs. 235 per candy of 500 cwt. and 35-15 quality improved by Rs. 10 to Rs. 210 per candy of 500 cwt. The seed is quoted on the Continent at £74 per ton (buyer), as against offers of £90 per ton.

The following table shows the prices of oilseeds and oil on the 18th inst., as compared with those at the close of preceding two weeks.

	18-3-53 Rs. a.	11-3-53 Rs. a.	4-3-53 Rs. a.
Groundnuts—			
Bold Ready New (per cwt.) ..	43 0	41 4	39 8
Khandesh New (per cwt.) ..	43 4	41 4	40 0
Linseed—			
Bold Ready (per cwt.) ..	30 8	30 0	28 4
Castorseeds—			
May (per candy of 5 cwts.) ..	158 8	150 12	147 0
Madras (per cwt.)	33 0	31 12	31 0
Groundnut oil—			
Ex-mill Ready (per quarter)	23 8	22 6	21 8
Castor Oil—			
Commercial (per quarter) ..	18 14	18 8	18 0

PEPPER STILL STRONG

(Messrs. Parekh & Co.)

BOMBAY, 18*th March*

Prices of black pepper showed further strength during the week, Alleppey growers having sold some quantity at a new high level of Rs. 3,400 to Indian exporters. Encouraged by the recent purchases of New York at prices ranging from $1.45 to $1.47, for March and April-May-June shipments, Indian planters have turned stiff sellers. At every small sale, they put their prices up in order to excite the buyers for offering them still higher purchase prices. A knowledgeable source says that the present high prices of pepper in India are merely reflections of New York and that the advance is more or less engineered by bull forces in the U.S.A. who are exploiting more fully the present war psychosis heightened by the recent shooting down of American and British planes in East Germany. By making small purchases at continuous higher limits in India and also by buying all available *ex*-dock contracts in New York, they seem to have so cleverly handled the situation that it has also stimulated the otherwise dormant New York grinders. They have also continued to circulate among Indian growers the reports giving rosy picture of the New York market in order to keep back Indian planters from making big sales. The pepper market, from the technical point of view both at New York and in India, has become from day to day more vulnerable, and there appears, at the moment, a set-back in the present foreign demand, the trade in India expects a good sized reaction, provided there is no further deterioration in the political situation. Stocks in all the primary markets of India are accumulating and, if there is a lull in demand for a week or two from exporting countries, statisticians among the trade expect a sizable fall in the prices.

In the A.S.T.A. section, there are buyers for March shipment at $1.45 and for April-May-June at $1.47 with small pressure to sell. The present bullish sentiment in pepper has begun to reflect in other Malabar commodities like ginger, coconut oil and turmeric. Business in garbles, in Cochin, is very much restricted and small sales are reported done at prices ranging from Rs. 575 to Rs. 590.

Following are to-day's nominal quotations: Ready delivery Rs. 2,800, March Rs. 2,720-50, and April Rs. 2,765-95 per candy of 5¼ cwts.

FAIR DEMAND FOR TEA DUSTS

(Messrs. Forbes, Ewart and Figgis, Ltd.)

COCHIN, 14*th March*

Dust Sale "E".—Dust Sale "E" which was held on Tuesday, 10th March, contained approximately 3,62,000 lbs. There was only a fair demand and prices were generally As. 2 easier. There were a number of withdrawals, but the majority of these have been taken up since the sale.

London Market.—Strong general demand all kinds. Commons low mediums and mediums 1*d.* to 2*d.* dearer. Others unchanged.

Colombo Market.—3,750,000 lbs. Good and medium firm to dearer, particularly leaf grades. Low-growns generally dearer, fannings and dusts excited bidding on Egyptian account. Advances of 30 to 80 cents per pound.

Calcutta Market—Export.—53,700 packets. Good demand, but not so general as last week. Whole leaf grades steady. Teas up to Re. 1-10 As. 1 to As. 1-6 dearer. Others irregular and sometimes easier.

Dust.—20,500 packets. Good general demand with fairly steady prices up to Re. 1-10. Above that price a little irregular, except for best C.T.C.

Export Quota.—The market opened at 2 pies sellers, but later weakened to 1½ pies, at which price some business has been done.

Forthcoming Auctions.—Dust Sale "F" will be held on Tuesday, 24th March.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd., wire as follows:

"*Sale* 6.—8,10,000 lbs. Good general demand. Common, low medium and medium strong at As. 1 to As. 2 dearer. Good medium firm. Best liquoring lower by As. 4 to As. 6 below valuation. Best orange pekoe considerably dearer."

JUTE GOODS QUIET

(From Our Own Correspondent)

CALCUTTA, 17*th March*

Quiet conditions were witnessed in the jute goods market during the week under review. Foreign buyers were interested for only small quantities, and this contributed to a fall in prices both for hessians and for heavy goods. Sentiment in the hessian market was further affected by New York reports stating that consumption in the United States fell to 58 million yards in February from 73 million yards in January. The decline of 15 million yards could not be attributed in full to the shorter month, but has given the impression that stocks in America should be moderate. This assumption is assisted by the small measure of support given to the market by foreign buyers. There were even suggestions that, although the market for hessians has considerably improved since the export duty on them was cut 10 months ago, mills would feel the need to curtail production sooner or later. Rumours in this regard gave a push to quotations for a time, but the fact that foreign buyers were not inclined to enter into commitments on this score, erased the small gains.

Hessian 40" 10 oz. was offered at Rs. 41-12 last Wednesday, but reports that in New York spot prices fell to levels below Calcutta rates encouraged shippers to discount the local quotation, which fell to Rs. 41-4 on Thursday. A small recovery to Rs. 41-6 followed talks about the possibility of mills curtailing production, but over the week-end the realisation was only Rs. 41-2 with yesterday's rate being even lower at Rs. 40-14. B. twills fell to Rs. 92-4 from Rs. 93-4. The rates during the week were lower than those which prevailed the week prior to the cut in duty, and this shows that despite the full benefit of the duty cut being passed over to consumers, business has become difficult to materialise.

The Pakistani budget proposal to impose an import duty of 30 per cent. on jute goods and 45 per cent. on second-hand or used gunny bags or cloth made of jute is almost passing off unnoticed in jute trade circles here, which feel that if Pakistan, which is in need of only a very small quantity of jute goods a year, does not at all import any jute goods from India, it will have no effect in production of mills, in prices, or in market sentiment in this country. This proposal is, therefore, just advertisement, telling the world that Pakistan has begun producing its own jute goods and that it is no longer dependent on imports from India. It will not bring much revenue to the Government; it will not at the same time be an incentive for Pakistani mills to increase production. For, the country's requirements being small, the only incentive for increasing and improving quality would be the lifting of production by overseas buyers. But in world markets, Pakistan would have to meet competition not only from India but from the Continental producers also. It will be remembered that some months ago it was announced in Pakistan that that country would stop imports of jute goods from India and would get all her requirements direct from Dundee. This report was treated in the same way as the Pakistani Budget proposal is treated now.

During the week, mills were in the market for some quantity of raw jute. This did not, however, enliven sentiment as there were many offers. Further, in view of the distinct possibility of Pakistan removing the discriminatory export duty on jute exports to India, quotations were a shade lower.

PEAS ARRIVALS LARGE

(From Our Own Correspondent)

HAPUR, 16*th March*

Although the overall food position in the country is steadily improving, there are scarcity patches in many States which continue to cause headaches to their Governments. The Indian Food Minister told the House of the People this week that over 27.7 million people had been affected due to scarcity of foodgrains in different States. Bihar, West Bengal, and Uttar Pradesh which had been affected severally by famine conditions last year are free now. In Madras, Bombay and Mysore, famine conditions has accentuated this year. Other affected areas are Rajasthan, Vindhya Pradesh, Hyderabad, Madhya Bharat and Saurashtra. The Government of India has sanctioned big loans to the respective State Governments to enable them to meet the situation.

The U.P. Food and Civil Supplies Minister declared this week that the basic policy of the State Government was one of control and that this food policy would continue during 1953-54. According to him, it may in all probability be unnecessary to retain the system of relief shops, except in towns with a population of 100,000 and over and in the deficit towns of the eastern districts, and the bill towns after the *rabi* crops are in the market. If this happens, all forms of rationing will be with-

(*Continued on page* 527)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	6th Mar., 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,136.12	1,119.82	1,123.93	1,139.60
Notes held in Banking Department	35.05	13.34	20.86	16.97	39.97
Foreign Securities	39.50	578.15	568.15	558.15	693.15
Rupee Securities	37.39	449.86	449.86	450.06	468.13
Banking Department					
Deposits of:					
Government of India	14.89	130.72	149.99	157.46	177.28
Other Governments	...	10.48	11.40	6.70	22.61
Balances held abroad	10.08	146.23	152.26	151.48	135.03
SCHEDULED BANKS					
Demand Liabilities	134.87	526.48	525.46	525.09	566.53
		(17.91)	(12.16)	(12.39)	(2.66)
Time Liabilities	102.84	314.81	315.78	315.27	290.10
Borrowings from		(2.01)	(2.38)	(1.83)	(0.50)
Reserve Bank	...	9.38	4.15	6.48	48.11
		(3.24)†	(1.74)†	(0.74)†	(13.63)†
Borrowings from Imperial Bank‡		7.76	6.64	7.11	N.A.
Cash in India	6.71	33.35	31.25	32.09	33.63
Balances with Reserve Bank	25.28	41.62	42.47	41.96	44.73
Excess over statutory limits	15.52	9.00	9.89	9.41	10.06
Balances with other banks in current account in India	...	10.77	10.34	10.54	11.32
Money at call and short notice in India	...	16.38	16.96	16.87	13.04
Investments (at book value)	...	300.90	301.21	307.45	296.62
Advances and bills	105.09	510.84	504.83	497.57	586.67
IMPERIAL BANK					
Deposits	87.76	209.89	208.28	208.69	228.39
Investments	51.99	81.24	82.28	85.18	85.57
Advances	30.37	127.10	125.01	121.65	160.87
Cash	14.69	15.31	14.06	14.24	18.44

(Borrowings from banks excluding the Reserve Bank and Imperial Bank, shown in brackets). N.A.=Not available.
† Borrowings against usance bills and promissory notes
‡ Figures prior to 18th April, 1952, not available.

CLEARING HOUSE RETURNS

Centre	13th March, 1953 Number of Cheques	13th March, 1953 Amount Rs.	6th March, 1953 Number of Cheques	6th March, 1953 Amount Rs.
Bombay	2,38,910	52,70,52,000	2,21,265	55,23,12,000
Calcutta	1,51,861	48,82,06,605	1,35,523	49,16,13,544
Madras	75,533	5,51,93,198	71,277	7,56,72,975
All Centres				
Dec., 1952	...	...	25,49,000	5,47,76,00,000
Jan., 1953	...	...	25,74,000	5,52,14,00,000
1952	...	...	1,06,41,941	26,70,51,57,000
1951	...	...	1,05,94,122	31,80,56,86,359

Reserve Bank of India

Statement of Affairs for the week ended 13th Mar., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		147,50,67,000
(2) Other Governments		1,43,87,000
(b) Banks		45,43,35,000
(c) Others		63,65,74,000
Bills Payable		4,40,53,000
Other Liabilities		27,03,27,000
	Rupees	297,47,03,000

ASSETS	Rs.	Rs.
Notes		11,26,31,000
Rupee Coin		1,75,000
Subsidiary Coin		2,53,000
Bills Purchased and Discounted—		
(a) Internal		22,50,000
(b) External		
(c) Government Treasury Bills		9,30,80,000
Balances held abroad*		146,80,88,000
Loans and Advances to Governments		3,55,00,000
Other Loans and Advances		18,37,49,000
Investments		100,20,03,000
Other Assets		7,60,64,000
	Rupees	297,47,03,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 4,24,18,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 7,74,18,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,26,31,000	
Notes in circulation	1138,00,91,000	
Total Notes issued		1149,27,22,000
Total Liabilities		1149,27,22,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion:		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	578,15,11,000	
Total of A		618,16,82,000
B. Rupee Coin		81,24,27,000
Government of India Rupee Securities		449,86,13,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1149,27,22,000

Ratio of Total of A to Liabilities: 53.788 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 6th Mar., 1953

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	11,91,27,000†
	(ii) Other demand liabilities	514,56,62,000
2.	Time Liabilities in India:	
	(i) Borrowings from banks	2,01,00,000†
	(ii) Other time liabilities	312,80,27,000
3.	Cash in India	33,35,48,000
4.	Balances with the Reserve Bank in India	41,62,07,000
5.	Balances with other banks in current account in India	10,76,81,000
6.	Money at call and short notice in India	16,38,26,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	300,89,99,000
8.	Advances in India	459,63,96,000
9.	Inland Bills purchased and discounted in India	51,20,22,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.

†Excludes borrowings from the Reserve Bank, and with effect from the 18th April 1952 as also those from the Imperial Bank.

EXCHANGE RATES

		17th March, 1953	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	s.	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	s.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	s.	1-6 1/16	1-6 1/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	475 1/4	475 1/4
Buyers T.T.	Rs.	471 1/4	471 1/4
London on New York	$	2.81 1/2	2.81 1/2
London on Paris	Frs.	987 1/4-988	987 1/4-988
London on Berne	Sw. Frs.	12.10	12.10
New York on London	$	2.81 3/8-2.81 1/2	2.81 3/8-2.81 1/2

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India	1948	342.12	..	8,730	255
Pakistan	1949	75.04	..	1,671	223
Burma	1951	18.67	Kyats 3,166	317	167
Ceylon	1951	7.74	Rs.	451	584
Japan	1951	84.30	Y. 4,564,400	6,038	716
Philippines	1951	20.25	Ps. 7,686	1,820	856
New Zealand	1951	1.95	£(N.Z.) 615	820	4,206
Australia	1951	8.41	£(A.) 3,238	3,454	4,317
U.K.	1951	50.56	£ 11,384	15,179	2,976
U.S.A.	1951	154.36	$ 277,900	132,190	8,564
Canada	1951	14.01	$ 17,229	8,552	6,108
France	1951	42.24	F. Fr. 9,082,000	12,372	2,929
W. Germany	1951	48.11	Dm. 90,200	10,227	2,126
Italy	1951	46.60	Lr. 7,746,000	5,902	1,267
Norway	1951	3.29	Kr. 15,504	1,055	3,206
Sweden	1951	7.07	Kr. 36,800	3,459	4,864
Netherlands	1951	10.28	Fl. 16,040	2,151	2,096
Denmark	1951	4.30	Kr. 20,716	1,439	3,346
Switzerland	1951	4.75	S. Fr. 19,500	2,166	4,556

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, January, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 6th March, 1953

BANKING DEPARTMENT

LIABILITIES		Rs.
Capital paid-up		3,00,00,000
Reserve Fund		3,00,00,000
Deposits:—		
(a) Central Government		33,81,22,000
(b) Provincial Governments		2,61,12,000
(c) Banks		9,88,90,000
(d) Others		3,02,41,000
Bills Payable		10,04,000
Other Liabilities		5,10,02,000
	Rupees	60,54,61,000

ASSETS		Rs.
Notes		4,42,14,000
Rupee Coin		2,000
Subsidiary Coin		3,000
Bills Purchased and Discounted:—		
(a) Internal		
(b) External		
(c) Government Treasury Bills		1,88,000
Loans and Advances to Governments		1,63,00,000
Provincial Governments Debtor Balances		2,08,45,000
Other Loans and Advances		7,69,99,000
Investments		36,50,15,000
Other Assets		8,09,95,000
	Rupees	60,54,61,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	4,42,14,000	
Notes in circulation	208,98,96,000	
Total Notes issued		213,41,10,000
Total Liabilities		213,41,10,000

ASSETS	Rs.	Rs
I. A. Gold Coin and Bullion	7,01,42,000	
Silver Bullion		
Sterling Securities	38,50,23,000	
Government of India Securities	11,87,77,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,96,000	88,28,38 000
B. Rupee Coin	6,24,17,000	
Government of Pakistan Securities	114,63,80,000	
Internal bills of exchange and other commercial paper		
		120,87,97,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,05,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		213,41,10,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 43.22 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
				Rs. a. p.	%
1953					
6th Jan.	1.00	1.45	1.00	2 6 5	55
13th ,,	1.00	1.22	1.00	2 6 9	79
21st ,,	1.00	1.23	1.00	2 7 0	81
27th ,,	1.00	1.00	1.00	2 7 0	100
3rd Feb.	1.00	1.14	1.00	2 7 0	87
10th ,,	1.00	1.10	1.00	2 6 11	84
17th ,,	1.00	1.39	1.00	2 7 0	100
24th ,,	1.00	1.00	1.00	2 7 0	100
3rd March	1.00	1.02	1.00	2 7 0	98
10th ,,	1.00	1.16	1.00	2 6 11	86
17th ,,	1.00	1.09	1.00	2 7 0	93
Total	11.00	12.98	11.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	3rd July, 1952	5	6
Belgium	13th Sept., 1951	3 1/2	2 1/2
Canada	17th Oct., 1950	1 1/2	2
Denmark	2nd Nov., 1950	4 1/2	5
Finland	16th Dec., 1951	7 1/2	6 1/2
France	9th Nov., 1951	3	4
Germany	12th July, 1948	10	12
India	15th Nov., 1951	3	3 1/2
Italy	6th April, 1950	4 1/2	5
Japan	1st Oct., 1951	5.11	5.84
Netherlands	1st Aug., 1952	3 1/2	3
New Zealand	26th July, 1941	2	1 1/2
Denmark	9th Jan., 1946	3	2 1/2
Portugal	12th Jan., 1944	3	2 1/2
South Africa	27th Mar., 1952	3 1/2	4
Spain	18th July, 1949	4 1/2	4
Sweden	1st Dec., 1950	2 1/2	3
Switzerland	26th Nov., 1936	4	1 1/2
Turkey	26th Feb., 1951	2	3
United Kingdom	12th Mar., 1952	2 1/2	4
U.S.S.R.	1st July, 1936	8	4
U.S.A.	16th Jan., 1953	1 1/2	2
West Germany	8th Jan., 1953	4 1/2	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	November, 1952	November, 1951	Eight months—April to Nov., 1952	Eight months—April to Nov., 1951
Import Duties:				
Revenue	8,14	11,85	73,93	85,88
Protective	5,6	85	5,42	7,17
On surplus disposals	0,6	2	3	19
Total Import duties	8,81	12,72	79,37	93,24
Export Duties	3,23	7,74	38,16	60,34
Land Customs	23	50	1,91	2,03
Miscellaneous	8	13	82	80
Gross total customs	12,35	21,08	120,26	156,42
Refunds and drawbacks	18	1,28	1,39	3,44
Net Customs	12,17	19,81	118,27	152,98
Gross excise	4,61	7,72	50,84	62,04
Refunds	5	17	1,05	1,15
Net Excise	4,56	7,55	49,79	60,89
Net total of customs and excise	16,73	27,36	168,06	213,87

Imperial Bank of India

Statement of Affairs for the week ended 13th March, 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,35,00,000
Deposits and other Accounts		208,86,70,000
Borrowings from other Banking Companies Agents		3,50,00,000
Bills Payable		2,11,39,000
Bills for Collection being Bills Receivable as per contra		54,20,000
Acceptances, Endorsements and Other Obligations as per contra		2,87,000
Other Liabilities (including Inter-Office Adjustments)		2,56,85,000
Total	Rs.	229,59,60,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		12,02,80,000
Balances with other Banks		4,16,36,000
Money at Call and Short Notice		75,89,000
INVESTMENTS—		
Government and other Trustee Securities	70,07,50,000	
Other Authorised Investments	11,16,18,000	81,23,68.000
Advances—		
Loans, Cash Credits and Over drafts, etc.	106,08,16,000	
Bills Discounted and Purchased	21,25,15,000	
		127,33,31,000
Bills Receivable being Bills for Collection as per contra		54,20,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		2,87,000
Premises less Depreciation		1,31,86,000
Furniture and Fixtures less Depreciation		34,13,000
Other Assets (including Inter-Office Adjustments)		1,84,41,000
Total	Rs.	229,59,60,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits. Outstandings@		3½% Ten-year Treasury Savings Deposit Certificates ‡	
	5-Year		7-Year		12-Year							
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*
1950-51	2,08	5,01	96	2,40	20,67	50,53	97,80	61,36	—	22,32	5,31	5,31
1951-52	1,76	6,10	77	2,91	22,07	66,81	1,07,55	74,18	—	27,55	13,10	18,39
December 1951	13	5,74	6	2,76	1,64	62,58	7,66	67,91	—	26,30	70	16,51
January 1952	13	5,82	7	2,81	1,51	63,62	7,75	68,04	—	26,68	66	17,17
February ,,	13	5,90	5	2,83	1,64	64,70	8,21	68,27	—	27,02	53	17,70
March ,,	29	6,10	10	2,91	2,63	66,81	15,04	74,18	—	27,55	71	18,39
April ,,	14	6,17	5	2,93	2,28	68,56	10,01	76,52	—	27,91	95	19,33
May ,,	12	6,22	8	2,99	2,12	70,22	9,95	77,85	—	28,25	56	19,86
June ,,	12	6,28	6	3,02	1,82	71,64	9,38	80,03	—	28,57	69	20,53
July ,,	15	6,34	10	3,09	2,03	73,14	10,29	82,54	—	28,91	74	21,29
August ,,	14	6,40	6	3,12	1,76	74,45	8,60	83,75	—	29,15	65	21,89
September ,,	10	6,44	3	3,12	1,54	75,73	8,78	84,89	—	29,40	52	22,38
October ,,	11	6,48	5	3,14	1,71	76,77	8,36	85,24	—	29,68	56	22,92
November ,,	10	6,50	4	3,16	1,71	77,99	8,03	85,51	—	29,98	58	23,48
December ,,	8	6,51	3	3,16	1,86	79,34	8,45	85,92	—	30,22	48	23,94
January 1953	..	..	..	..	..	..	..	..	..	..	58	24,48

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from 1st June, 1948. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)

I. All-India

Group and Sub-Group	Week Ended 7-3-'53	28-2-'53	7-2-'53	8-3-'52
(A) Government and Semi-Government Securities ‡	92.2	92.2	92.2	91.4
1. Government of India Loans	92.3	92 3	92.3	91.4
2. Municipal, Port Trust and Improvement Trust Loans	86 9	86.9	86 8	87.6
(B) Fixed Dividend Industrial Securities	90.0	90 0	90 2	93.1
1. Electricity	78 2	78 1	77.2	74.7
2. Cotton	126.3	125 8	126.6	133.9
3. Jute	79 9	80 0	81.0	82 3
4. Coal	95.5	95.2	94.5	99 2
5. Iron and Steel	83.8	83.7	84.0	85 4
6. Sugar	87.8	87 8	87 4	97 3
7. Paper	85 4	85 4	85.4	94 1
8. Plantations	97.2	97 5	96 9	104 9
(C) Variable Dividend Industrial Securities	106 7	105.2	104 1	116 8
1. Banks	104.2	104 1	102 1	108 6
2. Insurance	96 2	96 2	92 2	105 3
3. Investment Trusts	140.4	140 4	139 0	139 6
4. Electricity Companies and Tramways	83.5	82 9	82 7	85 0
5. Shipping and Other Transport Companies	87.5	85.2	85 9	90 8
6. Railways	79.4	75 3	73 3	81.5
7. Plantations	110 9	109 8	107.2	164 6
8. Cotton Woollen and Silk	133 9	130 2	127 8	158.4
9. Jute	71.9	71 0	72 6	86 6
10. Coal	89 6	88 3	86.5	105 0
11. Mining and Oil	64 5	64.5	65.3	66.4
12. Iron and Steel	138 3	131.7	127.1	138 8
13. General Engineering	149 4	145.4	138 8	155.6
14. Sugar	89 2	79 6	78 8	92 4
15. Breweries	60.5	59 7	55 5	68 2
16. Chemicals	131.0	130 9	126.1	160 2
17. Paper	114 4	114.1	113.2	120.0
18. Cement	143.0	141.0	138.4	139.3

II. Regional

Region and Group	Week Ended 7-3-'53	28-2-'53	7-2-'53	8-3-'52
(A) BOMBAY—				
Government and Semi-Government Securities	92.0	92.0	91.9	91.3
Fixed Dividend Industrials	92.2	92.1	91.9	92.6
Variable Dividend Industrials	127.3	124.5	122.2	128.8
(B) CALCUTTA—				
Government and Semi-Government Securities	92.7	92.7	92.8	92.0
Fixed Dividend Industrials	86.5	86.5	87.3	90.8
Variable Dividend Industrials	93.6	92.7	91.8	102.9
(C) MADRAS—				
Government and Semi-Government Securities	91.8	91.9	91.9	90.8
Fixed Dividend Industrials	102.4	102.4	102.5	110.1
Variable Dividend Industrials	126.7	127.1	126.5	149.8

*Source: Department of Research and Statistics, Reserve Bank of India.
‡ Including Part 'B' State Loans.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work	Number of workers involved	Number of man-days lost
1950	814	719,883	12,806,706
1951	1,071	691,321	8,818,928
August 1950	75	240,518	2,948,978
September	71	249,445	4,054,161
October	78	288,349	2,266,894
November	94	56,736	318,887
December	68	41,061	168,718
January 1951	120	93,696	370,940
February	61	44,025	203,660
March	79	47,723	317,869
April	120	95,747	331,232
May	109	56,604	277,214
June	146	93,446	448,258
July	130	72,454	671,705
August	108	64,984	289,907
September	83	24,777	93,109
October	108	67,396	190,761
November	128	64,147	189,374
December	113	76,196	365,149
January 1952† *	95	305,831	674,340
February *	88	63,180	215,607
March ,,	87	42,430	142,493
April ,,	134	59,487	234,346
May ,,	118	80,093	264,886
June ,,	101	59,381	257,062
July ,,	82	40,754	171,263
August* ,,	87	48,507	148,475
September* ,,	96	57,875	460,552
October* ,,	94	77,639	347,684
November ,,	83	47,902(a)	266,284(a)
December ,,	74	25,972	148,770

† Figures for 1952 are provisional * Revised.
(a) Not known in five cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51	545	5,279.9	4,225.9
1951-52	573	5,948.1	4,849.0
June 1951	541	501.2	408.8
July ,,	548	507.7	413.0
August ,,	551	506.8	409.7
September ,,	554	494.5	403.4
October ,,	556	506.9	412.8
November ,,	557	491.7	409.5
December ,,	561	500.9	414.8
January 1952	568	500.8	409.7
February ,,	571	480.7	391.0
March ,,	572	481.8	392.9
April ,,	577	488.8	393.8
May ,,	581	514.4	413.1
June ,,	583	500.1	408.8
July ,,	582	534.0	429.7
August ,,	582	531.6	428.7
September ,,	597	530.3	430.6
October ,,	599	548.2	441.5
November ,,	605	529.7	436.4

* Excluding railway, military and factory power stations; Chola Power Station, being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	28th Feb., 1953	21st Feb., 1953	1st March, 1952	February, 1953	February, 1952	Percentage of increase (+) or decrease (—) in Feb., 1953 as compared with Feb., 1952	1952	1951
Food Articles	363.9	361.0	353.8	361.6	375.4	— 3.1	359.8	409.8
Cereals	430	427	418	430	463	— 7.1	450	493
Pulses	606	627	455	609	488	+24.8	483	506
Other	230	234	218	233	242	— 3.7	225	290
Industrial Raw Materials	445.3	443.9	469.3	440 1	546.4	— 0.9	453.8	608.2
Fibres	410	408	484	404	582	—30.6	454	622
Oil seeds	536	536	468	527	551	— 4.4	484	679
Minerals	456	454	452	460	456	+ 0.8	458	626
Others	362	362	397	363	413	—12.1	341	525
Semi-Manufactures	347.7	346.2	353 4	347.2	364.2	— 4.6	346.8	377.8
Leather	426	429	346	421	340	+24.0	345	452
Mineral oils	223	223	218	223	218	+ 2 3	221	197
Vegetable oils	469	469	467	462	545	—15.6	459	679
Cotton yarn	446	439*	442	442	497*	—11.0	465*	488
Metals	227	227	203	228	204	+11.7	211	197
Oil Cakes	416	416	432	414	406	+11.2	449	500
Others	211	211	288	230	302	—23.8	273	330
Manufactured Articles	388.1	388.6R	390.6	387.8	394.1	— 6.7	377.5	385.5
Textiles	406	407	449	405	456	—11.2	423	468
Jute	389	394	620	390	670	—41.8	506	803
Cotton	408*	408*	410*	408*	410*	— 0.9	400*	611*
Rayon and Silk	485*	485*	517*	477*	531*	—10.1	485*	611*
Woollen	297	297	388	296	388	— 2.4	346	378
Metal products	336	336	306	336	304	+10.5	321	385
Others	288	288	302	288	304	— 5.1	298	300
Miscellaneous	591.6	586.8	692.3	595.4	709.8	—16.1	635.6	729.8
All Commodities	383.1	381.7	393 8	381.5	415.8	— 7.8	386.9	429.3

* Estimated. R—Revised.

WORKING CLASS COST OF LIVING INDICES

Base	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
January 1951	318	239	296	440	376	344	326	134	171	127	158	171
February ,,	321	253	294	441	388	347	327	138	174	129	157	169
March ,,	332	268	303	439	390	356	329	138	174	139	157	166
April ,,	335	270	304	440	391	365	333	139	173	140	159	166
May ,,	335	278	314	443	394	374	335	140	176	141	158	166
June ,,	337	271	313	447	394	382	337	141	178	138	158	166
July ,,	333	270	318	454	394	385	337	145	182	140	155	173
August ,,	328	261	322	459	392	387	338	146	181	143	161	171
September ,,	325	253	319	470	389	375	340	144	181	150	161	170
October ,,	332	254	323	469	393	375	336	144	181	145	165	171
November ,,	333	252	325	464	397	374	337	147	182	155	168	165
December ,,	331	252	325	449	397	370	337	144	182	150	166	158
January 1952	331	246	323	442	393	357	338	142	179	147	162	156
February ,,	324	241	318	441	382	343	336	141	175	145	155	155
March ,,	313	229	300	412	378	340	336	136	177	140	150	145
April ,,	345	262	321	415	377	339	326	145	169	139†	153	144
May ,,	330	264	310	412	376	339	327	148	169	143†	153	143
June ,,	338	263	300	424	375	342	330	145	171	141†	153	143
July ,,	330	263	304	456	377	354	331	143	175	143†	154†	155
August ,,	340	267	312	460	380	369	330	143

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop		Acreage 1951-52 Final	Acreage 1950-51 Final	Outturn 1951-52 Final	Outturn 1950-51 Final.
Rice	tons	73,595	75,975	20,767	20,295
Wheat	tons	23,235	24,134	5,768	6,374
Jowar	tons	36,329	38,489	5,599	5,403
Bajra	tons	21,856	22,267	2,153	2,549
Barley	tons	7,800	7,701	2,136	2,341
Maize	tons	8,003	7,794	1,959	1,701
Ragi	tons	5,296	5,444	1,167	1,407
Gram	tons	16,719	18,709	3,157	3,593
Other millets & pulses	tons	39,725	39,770	6,386	6,401
Total foodgrains	..	234,558	240,213	49,002	50,064
Jute	bales	1,951	1,454	4,678	3,301
Cotton	bales	16,213	14,556	3,134	2,971
Sugarcane 2nd	tons	4,248†	4,326†	5,035†	5,288††
Groundnut	tons	11,755	11,130	3,037	3,437
Linseed	tons	3,298	3,447	309	361
Castorseed	tons	1,423	1,378	104	104
Rape and Mustard Seed	tons	5,707	5,097	900	748
Sesamum	tons	5,537†	5,516††	426†	416††
Tobacco	tons	764	902	225	263
Pepper	tons	192	197	28	31
Ginger	tons	42	41	15	15

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (gur).

† Relates to 1952-1953. †† Relates to 1951-52.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During February, 1953	68.6
	Corresponding month 1952	83.6
	July 1952 to Feb., 1953	597.3
	Corresponding period 1951-52	623 9
Stocks	At the end of February, 1953	136.3
	Corresponding month 1952	106 4
		(In 000 bags)
Exports (Jute Bags)	Week ended 31st Jan., 1953	37,49
	Corresponding week 1952	65,72
	From 1st to 31st Jan., 1953	1,21,65
	Corresponding period 1952	5,98,16
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 31st Jan., 1953	5,49,59
	Corresponding week 1952	1,64,61
	From 1st to 31st Jan., 1953	10,78,35
	Corresponding period 1952	8,27,58
	RAW JUTE	(In 000 bales)
Exports*	Week ended 31st Jan., 1953	—
	Corresponding week 1952	—
	From July, to November, 1952	—
	Corresponding period of 1951	—
Consumption by Mills†	February 1953 (in lakh bales)	3.98
	Corresponding month 1952	4.85
	Eight months ended Feb., 1953	34.65
	Corresponding period 1952	36.19

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Year ended 31st March, 1949 ..	917,800	906,700	671,000
Do. 31st March, 1950 ..	10,41,700	927,500	720,000
Do. 31st March, 1951 ..	11,15,300	10,62,100	7,76,500
Do. 31st March, 1952 ..	11,30,000	10,57,100	7,99,200
Do. Eleven months ended February, 1953 ..	10,60,600	9,75,300	7,28,300
January 1951 ..	1,01,300	97,900	67,700
February ,, ..	87,700	82,200	66,300
October ,, ..	94,100	88,800	83,800
November ,, ..	92,700	85,200	65,900
December ,, ..	1,02,800	97,900	69,100
January 1952 ..	99,800	96,700	71,400
February ,, ..	94,000	82,600	67,000
October ,, ..	99,400	90,100	67,900
November ,, ..	1,03,500	98,700	68,700
December ,, ..	98,200	91,400	69,700
January 1953 ..	1,02,400	95,500	69,900
February ,, ..	92,400	82,000	61,700

SEA- AND AIR-BORNE TRADE : INDIA.

Particulars	October, 1952	October, 1951	Seven Months. April to Oct., 1952	Seven Months. April to Oct., 1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:—				
Foodstuffs ..	6,74	25,06	136,58	134,78
Raw materials ..	14,65	11,87	115,94	132,08
Manufactures ..	21,68	27,70	167,13	196,61
Other Items ..	26	80	2,88	2,18
Total Imports* ..	43,33	64,93	422,53	465,65
Exports :—				
Foodstuffs ..	17,13	13,23	85,10	86,49
Raw materials ..	11,72	7,40	86,05	88,41
Manufactures ..	23,53	25,41	167,69	245,82
Other Items ..	31	24	2,31	1,84
Tota Exports ..	52,69	46,28	341,05	422,56
Total Re-exports ..	66	21	2,75	10,69
Balance of trade in merchandise ..	+ 10,02	— 18,44	— 78,73	— 32,40
Balance of transactions in private treasure ..	..	— 1	— 4	— 7
Total Visible Balance of Trade ..	+ 10,02	— 18,45	— 78,77	— 32,47
Imports :—				
Total Cwealth Countries ..	20,19	21,84	156,38	169,78
Total Foreign Countries ..	23,14	43,59	266,15	295,87
Exports:—				
Total Cwealth Countries ..	24,51	26,83	159,76	219,55
Total Foreign Countries ..	28,18	19,45	181,29	203,01

* Excludes value of certain special imports of foodgrains and stores, full particulars of which are not yet available.

LAND-BORNE TRADE : INDIA

Particulars	October, 1952	October, 1951	Seven months April to Oct., 1952	Seven months April to Oct., 1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	60	2,13	15,29	11,38
Imports	3,45	7,30	12,30	55,40
Balance of trade in merchandise ..	— 2,85	— 5,17	+ 2,99	— 43,82

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES—OCTOBER AND NOVEMBER 1952

(Base Jan. to Dec. 1944=100)

Name of Centre	Cereals Nov. 1951	Cereals Oct. 1952	Cereals Nov. 1952	Pulses Nov. 1951	Pulses Oct. 1952	Pulses Nov. 1952	Other articles of Food Nov. 1951	Other articles of Food Oct. 1952	Other articles of Food Nov. 1952	All articles of Food Nov. 1951	All articles of Food Oct. 1952	All articles of Food Nov. 1952	Fuel and Lighting Nov. 1951	Fuel and Lighting Oct. 1952	Fuel and Lighting Nov. 1952	Clothing Nov. 1951	Clothing Oct. 1952	Clothing Nov. 1952	Miscellaneous Nov. 1951	Miscellaneous Oct. 1952	Miscellaneous Nov. 1952
Eastern Zone																					
Banna ..	169	249	206‖	111	92	86	135	139	138	170	144	141	96	114	114	202	219	217	188	193	204†
Maibang ..	166	x	x	133	x	x	171	x	x	166	x	x	112	x	x	164	x	x	116	x	x
Shankargarh ..	125	158	147	155	168	172	211	159	158	170	160	157	101	95	95	164	140	141	141	139	140
Sonarli ..	354	271	262	181	162	167	257	193	197	260	201	202	125	125	125	273	208	201	348	278	278
Northern Zone																					
Multapi ..	168	124	124	168	153	153	182	173	175	179	161	162	115	123	123	148	166	165	169	197	197
Nana ..	322	279	266‖	274	307	268‖	236	195	197	258	225	218	144	129	113†	233	205	205	208	204	197
Salamatpur ..	268	265	249‖	301	297	300	240	214	211	257	240	235	100	129	129	144	137	136	257	262	266
Southern Zone																					
Krishna ..	313	193	197	202	187	186	201	164	160	222	171	169	145	129	124	180	139	136	211	207	202
Lakh ..	179	249	249	176	176	183	174	132	128	175	160	159	86	91	86	132	138	138	144	131	131
Malur ..	161	171	171	173	133	134	174	134	135	171	142	143	89	100	100	427	234	230	179	163	163
Manjguda ..	326	225	229	279	222	211	248	213	218	331	217	220	105	135	134	221	208	205	246	261	259
Kudchi ..	123	189	177†	130	153	153	202	162	162	181	165	163	100	127	127	145	141	134	164	192	186

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details or Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 12th Mar., 1953 ..	46,447
	Corresponding week, 1952 ..	40,992
	1st Sept. 1952 to 12th Mar., 1953 ..	9,36,409
	Corresponding period, 1951-52 ..	8,71,062
Cotton Exports ..	Week ended 12th Mar., 1953 ..	6,219
	Corresponding week, 1952 ..	—
	1st Sept. 1952 to 12th Mar., 1953 ..	2,02,469
	Corresponding period, 1952 ..	111
Mill Consumption ..	1st Sept. 1952 to 12th Mar., 1953 ..	6,19,347
	Corresponding period, 1951-52 ..	5,38,987
Stock (with exporters dealers and mills) ..	On 12th Mar. 1953 ..	4,09,706
	Corresponding date, 1952 ..	3,91,568
Karachi (Pakistan)*		
Receipts ..	Week ended 7th Mar., 1953 ..	63,472
	Corresponding period, 1952 ..	19,903
	1st Sept. 1952 to 7th Mar., 1953 ..	12,57,102A
	Corresponding period, 1951-52 ..	11,44,118
Exports ..	Week ended 7th Mar., 1953 ..	54,700
	Corresponding period, 1952 ..	12,900
	1st Sept. 1952 to 7th Mar., 1953 ..	8,19,700A
	Corresponding period, 1951-52 ..	6,98,500

* As reported by the Karachi Cotton Association Ltd.

Period	Quantity (Bales of 400 lbs.) From 1st Sept., '52 to 16th March, 1953 Bales	Quantity (Bales of 400 lbs.) From 1st Sept., '51 to 16th March, 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom ..	9,580	—
Continent ..	66,087	—
China ..	318	—
Japan ..	1,05,466	—
U.S.A. ..	23,857	—
Other Countries ..	3,316	111
Total to all foreign countries ..	2,08,404	111
Coastal Ports ..	86,074	61,562
Consumption of Cotton—		
Indian ..	November, 1952 .. 3,14,991	
Foreign ..		65,805
Indian ..	Three months September to November, 1952 .. 8,68,944	
Foreign ..		2,29,533
Indian ..	Same Period 1951 .. 7,04,482	
Foreign ..		3,66,394
Stocks (Mills and Elsewhere)—		
Indian ..	As on 30th Nov., 1952 .. 8,87,133	
Foreign ..		3,12,053
Indian ..	As on 30th Nov., 1951 .. 7,98,658	
Foreign ..		2,28,620
Cotton Pressed†	Week ended 6th Mar., 1953 .. 10,417	
	Corresponding week, 1952 .. 17,003	
	1st Sept. 1952 to 6th Mar., 1953 .. 14,56,673	
	Corresponding period, 1951-52 .. 17,08,730	

† Incomplete

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	103½
4% Bonds	1926-33	63,30,26,000	1960-70	102
3½% Loan	1938-39	1,16,17,46,000	1963-65	92½
3½% Loan	1943	1,14,60,58,000	1953-55	100⅛
3½% Loan	1950	30,33,10,000	1964	92⅜
3½% Loan	1943	1,10,11,78,000	1956-68	90¾
3½% Loan	1944	1,14,06,89,000	1957	98½
3½% Loan	1945	1,15,05,83,000	1970-75	86⅛
3½% Loan	1945	1,13,65,64,000	1959-61	98⅛
3½% Loan	1951	50,00,00,000	1958	98⅜
2½% Loan	1946	45,63 07,000	1960	93½
2½% Loan	1946	57,00,69,000	1961	90¾
2½% Loan	1946	35,06,06,000	1954	98⅜
2½% Loan	1946	14,77,48,000	1976	82½
2½% Loan	1947	75,86,72,000	1962	91½
2½% Loan	1948	60,45,01,000	1955	98½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,36,000	At option of Government three months, notice	83
			On 1st September, 1986 or later at option of Government after three months, notice	83
3 % Loan	1946	48,91,90,000		
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,85,66,000	1954-59	100½
4½% Loan	1928	5,85,20,000	1958-68	105
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	18th Sept. 1955	98½
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	98⅜
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97
3 % Bombay	1949	6,00,00,000	1st Aug. 1962	92½
3 % Bombay	1950	3,00,00,000	31st July 1960	94½
3 % Bombay	1951	3,00,00,000	17th Sept. 1962	98
3½% Bombay	1952	3,50,00,000	1st Aug. 1964	101½
3 % Cochin	1943	30,00,000	1st Oct. 1953-58	98
3½% Cochin	1945	1,00,00,000	16th Dec. 1955-58	98⅛
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95
3 % Madras ..	1938	1,42,08,300	15th Sept. 1953	100⅛
3 % Madras	1939	1,29,76,600	21st June 1959	93⅜
3 % Madras	1942	1,23,25,000	18th Sept. 1955	98⅜
3 % Madras	1943	1,25,10,000	14th Sept. 1956	98⅜
3 % Madras	1944	1,08,00,000	15th Aug. 1958	96½
3 % Madras	1945	2,82,19,000	14th Sept. 1959	94½
3 % Madras	1946	3,90,93,200	1st Sept. 1961	90⅜
3 % Madras	1950	4,47,00,000	31st July 1960	94–3/4
3 % Madras	1951	3,00,00,000	17th Sept. 1962	97⅛
4 % Madras	1952	5,00,00,000	1st Aug. 1964	100⅛
4 % Mysore(f)	1930	1,63,44,300	1st Nov. 1955	103¼
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100⅛
3 % Mysore(f)	1936	5,99,72,900	30th April 1956-61	98½
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	98½
3 % M.P.	1942	50,00,000	18th Sept 1955	98⅜
3 % M.P.	1943	50,54,200	14th Sept. 1956	98⅜
3 % M.P.	1944	52,69,800	15th Aug. 1958	96½
3 % M.P.	1948	2,03,00,000	15th Sept. 1964	91⅜
3 % M.P.	1950	1,00,28,800	31st July 1960	94½
3 % M.P.	1951	1,00,00,000	17th Sept. 1962	97⅛
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅜
3 % Punjab**	1943	2,46,78,300	14th Sept. 1956	99
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	98⅛
3 % Travancore	1944	3,00,00,000	15th May 1952-54	98⅛
3½% Travancore	1936	50,00,000	16th Aug. 1956	99½
3 % U.P.	1936	1,69,39,800	15th Sept. 1961-66	99½
3 % U.P.	1944	3,23,96,800	1st Aug. 1958	97
3 % U.P.	1945	2,36,31,900	14th Sept. 1960	94½
2½% U.P.	1946	2,41,19,800	1st Sept. 1961	95⅜
3½% U.P.	1951	2,00,00,000	17th Sept. 1962	97½
4 % U.P.	1952	2,00,00,000	1st Aug. 1964	100½
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98⅝N
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	103½
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
50,00,000	4	1908	1969	97½
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1914	1974	99⅜
88,25,000	4	1914	1975	99½
10,00,000	4	1915*	1960	
15,00,000	4	1915	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
33,00,000	3½	1929*	1959	D
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	97⅛
76,90,100	4	1915	1975	97½
68,02,300C	3½	1921	1981	79¾
1,50,00,000C	6½	1921	1961	144N
1,24,06,300	6	1925	1955–85	105
98,21,600	5½	1926	1956–86	104
1,29,84,500B	5	1926	1956–86	103
1,49,49,500B	5	1927	1957–87	103½
1,49,30,000	5	1928	1958–88	104
80,00,000C	4½	1931	1991	92¾
21,75,000C	3	1933	1954	99
60,00,000	3½	1935	1965	95½
25,00,000	3	1938	1963–68	88
50,00,000	3	1939	1969	70N
30,00,000	3	1945	1975	82½
30,00,000	3	1946	1976	82
30,00,000	3	1946	2006	70N
30,00,000	2½	1947	1977	78½
30,00,000	3	1948	1978	81
30,00,000	3	1949	1959	94½
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
30,00,000	3	1951	1981	79N
1,50,00,000	3½	1951	1961	97½
STERLING LOANS				
£892,600	5	1923	1953–83	£83
£901,000	5	1924	1954–84	£85
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
2,42,951	5	1918	1982	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
14,44,324				
3,32,322	4½	1922	1952†	
4,47,597	5½	1923	1952†	M
STERLING LOAN				
£330,000	5½	1923	1953	£100

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	97⅜
30,00,000	4	1905	1965	
20,00,000	4	1908	1968	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1973	97½
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	4	1919	1957–79	113
66,00,000	6	1920	1956–80	
25,00,000	5	1926	1956–86	115
25,00,000	5	1927	1961–70	98
10,00,000	3½	1936	1966	96½
STERLING LOANS				
£566,600	4	1909	1969	£95½
£333,000	4	1910	1970	£95½
CALCUTTA				
Rs.				Rs.
50,00,000	5	1925	1955	104
25,00,000	5½	1929	1959	99½
50,00,000	4	1934	1964	94
35,00,000	3½	1935	1965	89
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	88
20,00,000	3	1938	1963–68	88
80,00,000	4	1952	1962	100
STERLING LOANS				
£700,000	5½	1923	1953	£100

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
49,40,000	4	1913–14	1954	99½
20,60,000	4	1913–15	1954	99½
20,00,000	4	1913–15	1955	113
10,00,000	5	1920	1958	103½
40,00,000	5	1924	1954	
25,00,000	5	1928	1958	105
26,14,000	5	1929	1959–89	50
8,45,000	5	1929	1959	50
26,21,500	5	1929	1959	105½
8,25,00,000	3½	1947	1977	86
2,50,00,000	3½	1949	1979	86
4,00,00,000	3½	1950	1965	100½
2,50,00,000	4	1952	1966	99½
2,00,00,000	3½	1951	1966	
CALCUTTA				
Rs.				Rs.
34,45,500	6½	1925	1955	104
85,00,000	5	1923	1953	104
36,00,000	5	1928	1958	103½
25,00,000	5	1929	1957	103½
25,00,000	5	1929	1958	103½
10,00,000	3½	1932	1962	99½
33,91,000	3½	1935	1965	99½
5,19,000	3	1936	1966	89½
60,00,000	3	1936	1963	89½
1,46,100	3	1936	1963	89½
3,11,400	3	1937	1954	98½
4,67,100	3	1937	1954	98½
1,62,500	3	1937	1954	98½
4,18,100	3	1937	1958	98½
47,50,000	3	1938	1958	97½
10,67,900	3	1939	1956	99½
15,56,800	4	1939	1956	99½
13,56,800	4	1940	1957	99½
17,64,000	3½	1942	1972	92
21,10,000	3½	1942	1972	92
15,49,000	3½	1951	1966	96
16,33,000	3½	1951	1966	96
66,88,000	3½	1951	1966	96
MADRAS				
Rs.				Rs.
5,00,000	4	1903	1953	101
5,00,000	6	1923	1953	107½
3,40,000	7	1925	1955	107½

ABBREVIATIONS.—M—Held by Government of Madras. N—Nominal. I—Various Issues repayable to Government.
B—Taken up by Imperial Bank of India. D—Domestic Loan not marketable. C—Held by Commissioners. * Loans held entirely by the Trustee.
(a) This includes the amount of loan converted into First Development Loan 1970-75. (Income-tax free. A—Held by Government of India.
Rate of interest reduced from 6 to 5 per cent. with effect from 1st. June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935. ** Quotations in Pak. Currency.

PREFERENCE SHARES

Company	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	127xd	100
BREWERIES AND SUGAR						
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	78	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	140	100
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do	15,00,000	1946	5(a)	Dec. ..	70N	100
Deccan Sugar & Abkhari * A* ..	7,00,000	1920	7	July Apr.	117	100
¶East India Distilleries ..	£200,000	1897	7	Jan. July	Sh. 15½	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	63	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	63	100
Partabpore Co.	6,00,000	1922	10	Oct. ..	15xd	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	119	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	70	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	75N	100
Travancore	15,00,000	1946	*c	Dec. ..	6½	10
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	115	100
Berrea	4,00,000	1896-97	6½	Oct. Apr.	115	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	118	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	4,00,000	1895	6	Mar. Sept.	115	100
Karanpura Collieries ..	7,50,000	1946	5½(a)	.. ..	82	75(pp
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	6N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12	10
Ondal	2,00.000	1898-99	6½	Apr. Oct.	112	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan. July	137	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	6½	10
Benares Cotton	1,05,200	1913	7	July Jan.	55	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	119	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	125	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	78	100
Bradbury	14,75,000	1919	7	June Dec.	312½	250
Buckingham & Carnatic ..	21,30,200	1920	7½	Jan. July	142½	100
Cambodias	1,00,000	1922	7	Apr. ..	131½	100
Central India	50,00,000	1913	5	Apr. Oct.	510	100
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	130½	100
Elgin	11,00,000	1912	8	May Nov.	139	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	10	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	96½	100
Easoram	20,00,000	1919	7	June Dec.	120	100
Khatau Makanji	10,00,000	1923	6	Nov. ..	—	100
Do. (2nd)	29,92,500	1947	4	.. ..	85	100
Kothari	12,00,000	1937	6	Nov. ..	10½	10
Lakshmi Cotton (Bombay) ..	16,00,000	1906	5(a)	.

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. G=Guaranteed shares. P=Preference shares. P.O.=Preferred Ordinary shares. R=Rebate shares. Y=Accounts published yearly. H=Accounts published Haf-yearly. Q=Accounts published once 15 months. T=Company has Debentures. R.L.=Reserve Liability on shares. N=Nominal Quotation. i=Interim Dividend. f=Dividend for first half-year, y=Dividend for the year. x=Ex. Dividend c.d.=Cum. Dividend.

Shares:—If a company has different classes of shares—as, for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under "Paid-up Per Share."

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12 indicate the months of June and December, respectively. "Reserves" includes general and other reserves and all other funds which a company may have as also depreciation on block items, when this is charged to separate account. "Block" represents actual cost of land, buildings, machinery, and all such other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends:—Dividends for completed years are calculated at per cent. per annum, but, where quoted for portion of a year, they represent percentages of the dividend on the paid-up share value. For companies closing the books half-yearly in the first three months of the year, and for companies closing their books yearly during the first half of the year dividends are shown as for the previous year.

COTTON MILLS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	¶Number Installed Spindles	Looms	Mill	Latest Available Quotation. Rs.	Paid-up Per Share Rs	Dividends (per cent. 1949	1950	1951	1952	Accounts closed	Reference
BOMBAY CITY AND ISLAND															
50,00,000	59,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	2-½	2	12½	12½	15½		12	Y.
40,00,000	96,75,655	1,22,39,883	45,646	B. R. Sons, Ltd.	50,828	1,021	Behurilal Samcharan Cotton Mills	531	100	6	6	—		3	T.P.Y.
2,50,98,000	4,84,93,400	3,45,45,592	2,49,666	Nowrosjee Wadia & Son, Ltd.	1,82,072	4,855	Bombay Dyeing, etc.	407½	250	16	7	8		12	P.Y.
10,00,000	68,56,275	52,02,609	2,59,868	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	765	250	24	40	40		12	
1,09,42,800	3,39,71,172	2,24,04,685	2,02,457	Birla Bros., Ltd.	1,09,320	2,706	Century	283	100	15	18	20		12	Y.
49,00,000	76,78,063	1,06,30,358	5,066	V. J. Pilani, Esq. (Chairman)	39,408	698	Colaba Land & Mill	73	100	—	—	4		12	Y.
26,00,000	47,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd.	27,308	680	Cooria	110xd	100	7½	7½	7½		3	Y.
16,00,000	61,03,791	61,88,798	2,30,356	Ramnarain Sons, Ltd.	38,304	..	Dawn	71½	50	4	—	12		12	Y.
34,00,000	78,85,000	63,06,555	91,036	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	240	200	7½	7½	7½		12	Y.
25,00,000	82,92,517	1,09,92,288	64,188	Chidambaram, Muiraj & Co., Ltd.	44,768	886	Elphinstone	44	50	10	8	—		12	P.
40,00,000	1,20,24,649	75,61,616	4,37,206	James Finlay & Co., Ltd.	46,072	784	Finlay	320	100	15	15	20		6	P.Y.
50,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	71,608	1,259	Hind Mills	—	10	5½	4½	5½		3	P.Y.
12,00,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co.	45,752	1,022	Hindustan	3,260	1,000	17½	20	20		12	P.Y.
6,00,00,000G	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	9½	10	7½	7½	10		12	
50,00,000D								1½	1	12½	12½	25			
8,65,000	1,33,65,320	98,10,275	7,671	Damodhar Thack, Mooljee & Co.	47,172	1,191	Indian Manufacturing	3,260	1,000	17½	20	20*		3	Y.
35,000								—	500	12	14	10		6	P.Y.
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co.	77,404	1,517	Khatau Makanjee	192½	100	27½	18	25*		12	Y.
1,80,00,000	3,30,54,713	2,81,07,386	2,47,768	Killick Industries Ltd.	1,11,464	1,846	Kohinoor	309	100						
28,80,000	62,72,416	4,58,523	11,567	Hall & Anderson Ltd. Props.	61,516	1,742	Madhusudan Mills	80	100A	7½	5			6	Y.
3,60,000B								—	20B						
51,75,000	1,65,94,653	1,71,00,015	2,80,686	Piramal Gangadhar & Others	60,652	1,650	Morarjee Goculdas	186½	100	17	15*	12	10	6	P.Y
24,00,000	67,21,958	71,22,987	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay	166½xd	100	11	12½	15	10	12	P.Y.
30,00,000	79,78,669	86,82,525	70,277	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Eastern	154½xd	100	6½	10	12½		12	Y.
12,70,100	27,38,754	13,13,391**	941	Mafatlal Chandulal & Co.	33,720	873	New Union	22½	100	—	5	10		12	Y.
48,00,000	1,14,83,245	1,34,29,555	2,40,353	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix	125½	100	6	10	10		12	P.Y.
40,00,000	45,61,000	23,31,581	1,39,988	Podar Sons, Ltd.	32,600	930	Podar	130	100	9	9	10		12	Y.
5,00,000	27,64,626	29,73,962	3,162	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk	22	10	20	20	20		12	Y.
25,00,000	35,63,793	17,86,230	1,316	M. G. Investment Corpn.	60,240	1,254	Sassoon Spinning	23½	10	—	7½	10		12	P.Y.
60,00,000	93,52,612	65,79,388	3,19,198	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	182½	100	12½	14	17½		12	T.Y.
31,50,000	1,00,00,000	76,05,952	50,222	Forbes, Forbes, Campbell & Co., Ltd.	36,116	1,276	Simplex	175xd	50	28	34	301		3	P.Y.
36,00,000	1,84,55,730	1,14,25,402	17,129	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard	292½	100	15	15	26×		12	P.Y.
30,00,000	1,97,81,673	92,45,129	70,099	Tata Industries Ltd.	65,040	2,000	Swadeshi	256	100	14	16	18		12	P.Y.
24,00,000	99,65,496	54,00,802	5,62,977	James Finlay & Co., Ltd.	35,804	552	Swan	455	100	20	20	25		12	P.Y.
32,54,438	92,22,538	68,88,347	25,338	Tata Industries Ltd.	63,248	1,800	Tata	166½	100	17½	20	20		3	T.Y.
12,00,000	1,17,01,933	86,62,657	4,299	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spinning	3,110	1,000						
AHMEDABAD															
20,00,000	84,99,543	51,95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	147½	100	8	12	10		6	P.Y.
24,90,150	1,76,92,721	93,49,718	93,168	Haribalabhdas Kalidas & Co.	73,796	1,383	Shri Ambica Mills	304½	50	25	30	36		12	Y.
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Hutheesing & Sons Ltd.	42,768	912	Arvind	402½	100	13*	15*	20*		12	Y.
21,00,000	2,76,11,769	99,37,517	1,37,004	Narottam Lalbhai & Co.	62,448	1,216	Arvind	722	100	22½	25	25		12	P.Y.
10,00,000	93,20,000	70,77,166	92,811	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning	261½	200	15	15	17½		12	Y.
12,00,000	1,48,97,000	79,36,000		Lalbhai Dalpatbhai & Co.	37,368	912	Asoka	452½	100	15*	17	22		12	P.Y.
1,24,74,017	3,42,43,180	3,39,18,894	2,89,575	Karamchand Premchand & Co.	1,39,120	2,370	Calico	307½	125	8	10	14-2/5		12	P.Y.
30,00,000	1,00,20,000	83,66,716	748	Tricumlal Bhogilal & Co.	39,316	867	New Commercial	1,055	500	10	11	12		12	
39,00,000	1,17,35,075	88,73,039	19,706	Mafatlal Chandulal & Co.	47,952	864	New Shorrock	537	125	28	28	28		12	Y.
5,00,000	84,57,251	41,66,135	466	Jagabhai Bhogilal Nanavati & Co.	24,840‡	5281	Nutan	555	100	25*	28*	28*		12	Y.
10,00,000	1,51,40,293	65,80,702	68,792	Lalbhai Dalpatbhai & Co.	31,120	637	Raipur	700	100	22½	25	25		12	Y.
12,00,000	50,40,334	63,41,241	1,09,340	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Rajnagar	160	250	6	6	9		12	P.Y.
32,50,000	58,29,453	74,07,003	3,873	Lallubhai Gordhandas Ltd.	33,156	648	Rohit	115‡	100	8	9	8*		12	P.Y.
28,00,000	59,44,524	80,38,656	20,958	Haridas Acharatlal & Co., Ltd.	32,816	776	Vijaya	448½	100	11‡*	8*				
WEST BENGAL															
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agency Ltd.,	13,044	356	Basanti Cotton	3½	10	—	5	3½		12	P.T.Y
7,11,280	22,53,684	37,16,899	12,931	Bengal Textile Agency Ltd.	28,448	936	Bengal Luxmi	38N	40	—	7½	7		3	Y.
6,00,000	74,31,075	77,07,829	—28,432	K. Bullen & Co., Ltd.	42,872	841	Bowreah	215	100	—	—	7	—f	6.12	P.Y.
19,00,000	96,49,451	96,66,017	—27,794	K. Bullen & Co., Ltd.	42,944	518	Dunbar	125	100	5½	—	7	—f	6.12	H.
1,20,00,000	3,29,34,362	3,04,56,320	84,976	Birla Bros., Ltd.	69,252	1,990	Keshram	211	15	12½	12½	11‡		3	P.Y.
6,00,000A	71,09,841	79,53,833	51,255	Chakravartti Sons & Co.	23,484	442	Mohini	—	25					12	Y.
33,96,097B									10	12½	7½	7½			
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12,300	374	Arona Spg. & Wvg. Mills	5	10	9	3	—		12	T.Y.
15,00,000	26,53,246	59,15,375	2,736	Ramlal & Co., Ltd.	50,000	..	Alagappa Textiles	6½	10	—	9	6		12	P.-C.
71,95,030os	91,90,031	1,69,30,772	27,626	Ind. Trust Fund	19,944	440	Azam Jahi Mills	65	100	15*	5‡	61		9	P.H. T.H.
40,50,000	3,00,10,004	2,73,75,544	2,49,801	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	236xd	100	14½	17½	20	15	6.12	P.Y.
27,00,000	71,21,986	69,56,823	40,045	Shaw Wallace & Co., Ltd.	29,936	782	Bengal Nagpur	114	10	5	1½	10	5f	12	T.Y.
60,00,000	74,37,942	97,51,247	1,58,253	Binodiram Balchand Ltd.	57,312	1,338	Binod Mills	100N	100	17	7	3		12	P.
15,00,000	1,33,79,264	84,27,674	4,60,089	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	58N	10	25	25	30	4	6.12	P.Y.
1,78,47,800	4,09,27,251	5,14,83,572	2,39,790	Binny & Co., Ltd. (Madras)	1,19,916	2,781	Buckingham & Carnatic	125cd	100	6½	6½	7½			
20,00,000	32,17,315	27,32,911	55,358	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia	11½	10	7½	—	12½		12	P.Y.
30,00,000	64,46,347	47,79,878	32,599	Begg Sutherland & Co., Ltd.	28,756	591	Camerloo Textiles	8½	5	11½	11½	11½		3.9	P.Y.
46,87,500	2,25,77,600	2,00,84,126	—16,28,224	Tata Industries Ltd.	1,15,188	2,062	Central India	165	100	6	6	2		12	P.Y.
12,00,000	33,42,813	25,08,393	1,52,180	R. Beema Nayudu & Co.	28,864	..	Coimbatore Cotton	159	100	12½	12½	12½		6	P.Y.
20,00,000	17,94,432	20,04,313	9,816	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills	101	100	7	6	—		6	P.Y.
20,76,900	70,83,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	44	50	5	10	—			
24,30,900	34,08,672	33,32,938	55,387	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi	188cd	100	25	25	20		12	Y.
2,89,84,925‡								29	25	4	10			6	P.Y.
1,00,503	3,84,95,614	5,77,14,605	1,63,862	Bharat Ram, Esq.	75,604	1,830	Delhi Cloth (inc. Lyallpur Mills).	—	25					9	P.T.Y.
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd.	52,652	1,198	Elgin	17½	10	12½	11½	15		12	Y.
29,04,700	1,01,50,000	82,22,587	1,03,575	F. Forbes Campbell & Co., Ltd.	72,960	2	Gokak	228½	100	15	10	14	17*	12	Y.
50,00,000	84,17,977	1,21,16,721	6,989	Govindram Seksaria (Indore)	50,420	1,420	Indore-Malwa United	95	100	4	4	5		12	T.Y.
8,90,000	22,88,977	18,75,134	487	G. V. Naidu & Co.	23,784	..	Janardhana	57½	50	16	10	15		12	P.Y.
6,50,000	17,20,576	40,18,454	7,677	A. L. A. R. A. Chettiar and another	50,304	325	Kaleswaran	340	100					6	P.Y.
24,00,000	25,50,000	43,66,106	54,377	Kothari & Sons	13,824	..	Kothari	10	10	7	7½	7½		12	Y.
32,00,000	1,52,51,325	1,35,66,651	2,77,976	The Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton	600	250	15	15	20*			
35,64,100	90,51,492	78,03,494	7,921	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	76	50	8	8	10		3	
17,82,050A								38	25						
1,75,02,480	5,94,39,299	4,16,07,732	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura	36½cd	15	17½	15	20	20	12	Y.
12,00,000	20,47,239	23,90,961	—15,121	A. L. A. R. S. Chettiar and 2 others.	21,856	..	Malabar	150	200	7½	4	6		12	Y.
60,00,000	93,17,047	52,62,343	50,249	W. A. Beardsell & Co., Ltd	24,252	603	Mettur Industries	186	100	25	12½	12½		12	Y.
29,80,884	65,78,942	71,79,459	22,669	N. Sirur & Co., Ltd.	36,416	678	Minerva	105	100	8*	6	6		6	P.Y.
94,91,850	96,08,512	1,01,73,361	29,543	B. Ahirchand Dadabhoy & Co.	49,456	952	Model Mills, Nagpur	145	250	6	3	3		12	P.Y.
30,00,000	1,55,94,651	1,33,39,271	7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir	216	100	24‡	—	—		12	P.Y.
9,71,850	4,06,541	20,43,991	—2,16,536	A. Sambha Moorty, Esq.	22,800	..	Mysore Silk Filatures	28	10	—	—	7½		2	Y.
19,86,800	1,15,59,347	82,55,416	1,25,005	N. Sirur & Co., Ltd.	49,632	500	Mysore Spinning	143½xd	50	20	18*	20*		12	P.Y.
13,61,780	22,98,130	27,85,556	—4,60,000	R. Suryanarayana Rao, Esq.	6,000	..	Mysore Spun Silk	4‡	10	5d	6‡	—		3	P.T.Y.
22,89,882	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd.	50,228	1,148	New Victoria	1‡	2½	—	—	—		12	
3,07,095O								—	DI						Y.
86,93,300	1,16,62,352	1,46,35,293	1,161	Ind. Trust Fund	30,896	717	Omanshahi Mills	95	100	14*	5‡	6‡		9	P.Y.
4,00,000A	19,98,937	20,58,777	19,670	Raghuvalshahi & Co.	22,800	..	Palani Andavar	52	50	4	10	16		12	P.T.Y.
15,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills	61½	100	4	7½	5		12	Y.
25,30,420	36,19,473	40,65,619	11,306	A. G. G. Naidu & Co.	38,864	200	Radhakrishna	148‡	100	15	16	16		12	Y.
15,00,000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	25,896	..	Rajalakshmi	73	50	9	9	10		12	P.Y.
15,02,500	31,53,264	35,65,211	11,407	P. S. G. Nayudu & Sons	28,972	88	Ranga Vilas	41½	50	6	7	7½		12	P.Y.
60,00,000	89,59,172	1,04,60,739	5,506	Sir J. P. S. Sons (Rampur), Ltd.	32,580	600	Raza Textiles	5½	10	—	—	—			
16,00,000	1,58,55,370	2,03,51,339	—78,03,793	M. J. Divekar, Esq.	82,992	2,234	Sholapur	1,740	1,000	—	—	—		3	P.Y.
22,41,300	9,49,500	25,98,011	66,528	Gopaldas Lilladhar & Co., Ltd	15,824	440	Shree Sajjan	75N	100	6	—	—		3	Y.
17,79,700	17,05,383	21,50,229	3,083	T. R. A. Ayyar & Bros., Ltd.	18,416	416	Sitaram	39	60	6‡	—	5		3	Y.
36,69,700	53,91,188	62,39,128	26,556	B. S. Viswesvaraiya, Esq.	25,200	292	Sri Krishnarajendra Mills	36½	50	8*	8*	6*		3	Y.
15,00,000	1,30,50,807	64,96,084	58,49,305	Birla Brothers Ltd.	27,340	992	Sutlej Cotton Mills	37	10	40	40	40		3	P.Y.
17,50,000								9‡	10	5	5	5		12	
1,57,50,000P.O.	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,12,216	2,077	Swadeshi (Cawnpore)	9‡	10P.O.	9	9	9			
9,32,990	20,80,396	12,56,097	61,026	M. R. & Sons	16,000	..	Trichinopoly	9‡	10	10	10	10		12	Y.
21,00,000	53,78,057	44,54,040	38,800	R. K. S. Chetty & Bros.	33,704	270	Vasanta	150	100	7	9	10		12	P.Y.
32,00,000	1,27,03,612	1,16,59,613	2,69,813	The Bombay Co., Ltd.	54,280	1,495	Vishnu	166cd	100	10	9	14		12	

• Includes Bonus. ‡ On Increased Capital. ‡ Only Depreciation. ¶ As on 31st August, 1952. †† Does not include depreciation.
× Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46. — Nil Dividend. xd=Ex. Dividend. C.d.=Cum. Dividend.
† Subject to tax. ** Net Block.
(k) Includes Rs. 11-6 paid out of deferred Dividend Amount. J=As on 1st January, 1953.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs	Paid-up per Share Rs	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
ART SILK AND RAYON MILLS													
1,60,42,600	37,92,725	4,15,55,170	4,66,206	Chinai & Co., Ltd.	National Rayon Corporation	74‡	100	—	—	—		12	P.Y.
99,92,020	46,91,585	2,65,93,471	4,93,263	Emcete & Sons (Travancore) Ltd.	Travancore Rayons	4‡	10	—	—	—		12	P.Y.
BREWERIES AND DISTILLERIES													
13,28,000	65,17,840	96,16,910	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	20	25	11‡	11‡Q	—		5	P.Y.
6,64,000						9½	10						
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	5	5	20	10	—		3	Y.
£330 000	£915,047	£1,010,005	£55,705	Parry's Holdings Ltd.	East India Distilleries and Sugar	15¼cd	A 16ab	10	10	10		9	P.Y
						21¼cd	B 20ab		15	15			
24,00,000	8,54,296	7,56,660	−7,87,632	S. P. Smith, Esq.	Murree Brewery	4	10	—	—	—		8	Y.
6,00,000	21,13,586	12,13,593	3,951	B. A. Mallya Esq.	United Breweries	148	75	15	10	20		3	Y.
CEMENT													
81,19,724	21,33,493	67,56,656	15,850	The Andhra Engineering Co Ltd	Andhra Cement Co	89	100	3‡	3‡	7½		12	P.Y.
43,14,600	16,94,310	17,14,992	1,01,035	Eastern Corporation Ltd.	Assam Bengal Cement	4½	10	8	—			3	Y.
4,70,976D						‡	1						
10,56,20,438	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.	Associated Cement Companies	173½	100	7	8½	9½	9‡	7	Y.
10,56,20,438						6½	10	—	5	6‡		12	Y ½
86 49,312	95,24,901	1,45,62,309	61,188	Hari Bros. Ltd.	Dalmia Cement	‡	1						
5,00,000D						17	25	—	—	5		3	P.Y.
61,01,180	27,27,600	1,26,09,755	90,853	Essen Ltd	India Cements Ltd.	3–6½	5D	—	—	—			
7,50,000D	1,46,20,109	1,65,80,416	81,840	Martin Burn Ltd.	Sonevalley Portland Cemen	7½	5	8	6	8		12	Y
75,00,000													
CERAMIC; MINING AND QUARRYING													
31,70,655	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co	Bengal Potteries	2‡	2‡	2‡	5	6‡		12	Y.
10,00,000	37,00,990	51,64,271	28,729	Bird & Co	Birra Stone Lime Co.	29	10	16‡	17‡	17‡		3.9	H
30,00,000	17,91,749	50,93,341	12,332	Ram Kumar Agarwala & Bros.	Chrestien Mica Industries	9‡	10 O	10	10	5f		12	P.Y.
15,00,000D	£1,650,110	£1,643,983	£85,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	7‡	5 D	15	15	7½f		12	Y.
£914,200						3–3½	2ah.	12½†	12½†	12½		12	
13,00,000	38,79,403	43,65,527	1,29,079	Bird & Co., Ltd.	Karanpura Development	14	10	—	—	—		8.12	H.
8,00,000F								—	—	—		6.12	H.
6,00,000	6,40,199	7,98,882	9,812	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	9½	10	5‡(d)	10	10		3	Y.
10,00,000	37,28,402	31,47,718	74,275	Bird & Co., Ltd.	Orissa Minerals	30½	10	6‡	6‡	12½	15f	6.12	H.
6,00,000	24,28,739	25,13,779	27,403	Andrew Yule & Co.	Reliance Firebricks	10	10	15	10	11‡		2 8	H.
6,99,390	20,61,475	17,98,676	3,427	Killick Industries Ltd.	Shivrajpur Syndicate	63½	10	15	17½	35		11	Y.
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	23,14,270	1,02,937	S. V. S. Iyer, Esq.	Kemp & Co.	245½	200	10	10	10		3	Y.
92,14,870	55,77,268	2,53,78,334	8,595	Tata Sons, Ltd.	Tata Chemicals	9‡	10	—	—	—		6	T.Y.
1,12,500	1,38,486	61,178	4,101	B. D Nagar, Esq	Thompson & Taylor	4‡	3	6‡	12‡			3	Y.
Other Centres													
25,00,000	54,68,041	63,66,814	59,559	Bhailal Amin & Sons., Ltd.	Alembic Chemical Works Co	100‡	100	—	8	8		12	Y.
62,00,000	1,07,29,152	2,20,10,944	2,51,870	Imperial Chem. Industries (India), Ltd.	Alkali and Chem. Corp of India	13‡	10	—S	4	6		9	Y.
34,700 P.O.	68,00,287	78,49,987	10,67,980	S. P. Sen, Esq.	Bengal Chemical & Phar.	106	100	6	6			4	Y.
21,50,000	45 64 249	38,97,031	1,09,732	Sahu Bros. (Saurashtra) Ltd	Dharangadhra Chemicals	165	100	6	15	15		5	Y.
4,95,000	1,50,922	1,53,108	—21,738	D. C. Collaco, Esq.	Frank Ross & Co.	2‡	6	8†	4‡	—		2	P.Y.
3,45,97,740	86,89,264‡	4,01,40,091	−10,83,715	Seshasayee Bros. (Travancore) Ltd	P.A.C.T.	3‡	10	—	25	—		12	Y.
40,49,345	30,74,302	83,46,263	21,842	Seshasayee Bros. Ltd	Mettur Chemicals	4–2‡	10	—	—	3‡		5	Y.
24,81,220	34,32,111	40,15,501	14,741	E. V. Ganapati Iyer, Esq.	Mysore Chemicals and Fertilisers	7‡	10	4‡	9	9		5	Y.
1,00,000	6,18,752	4,52,143	29,283	Krishna & Co.	Mysore Chemical Mfrs.	8	10	12½	10	12		3	P.Y.
5,00,000	19,82,894	15,88,659	48,158	C. A. Burton, Esq.	Smith, Stanistreet & Co.	5‡	5	10	10	10		6	P.Y.
ELECTRICS (Bombay Presidency)													
5,24,68,240	1,92,18,232	7,57,55,041	3,319	Killick Industries Ltd.	Ahmedabad Electricity Co. Ltd.	115‡	100	6	6	6‡	6‡	9	T.Y.
2,12,71,000	2,28,03,288	5,23,55,938	35,587	Tata Hydro-Electric Agencies	Andhra Valley Power Supply Co.	1,427‡	1,000	7½	7½	7½		6	P.T.Y
1,24,97,300	56,55,204	1,51,38,887	1,542	Killick Industries Ltd.	Bombay Suburban Electric Supply	123‡	100	7	7	7		3	Y.
7,07,020	4,33,681	10,27,284	41,705	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	6‡	10	3‡	2.9d			12	P.Y.
11,68,400	7,20,239	20,

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
OIL; PETROL, ETC.													
£750,000	£987,630	£257,232	—£718,934	I. C. H. Glass, Esq.	British Burma Petroleum Co.	1–2⅛	4sh.	—	—	—		3	P.T.Y.
22,50,000	81,89,204	52,69,225	1,85,955	N. C. Alcock, Esq.	British Ceylon Corporation	14½xd	7½	20†	24†	32†		12	P.Y.
1,00,00,000	2,27,04,997	1,10,70,867	2,10,329	Steel Brothers & Co.	Indo-Burma Petroleum Co.	56	40	10	10	10		12	P.Y.
70,07,475	1,02,93,586	1,52,15,713	10,002	Tata Industries Ltd.	Tata Oil Mills	34½	25	4	6	8		3	P.Y. •
6,00,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tide Water Oil Co. (India)	16½	10	15	15	17½	5†	4.10	H.
PAPER													
45,00,000	1,56,25,500	1,94,47,651	3,21,991	Balmer Lawrie & Co.	Bengal Paper Mills	43	25	10	10	12½	6¼†	6.12	P.T.H.
30,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	155	100	7	10	11	5†	3.9	H.
25,00,000	48,30,215	47,81,895	52,615	P. R. Balakrishnan, Esq.	Mysore Paper Mills	13⅛	10	5d	7½	10*		3	Y.
41,95,000	2,47,61,003	3,22,48,806	1,68,019	Birla Bros., Ltd.	Orient Paper	35½	10	15	25	20		3.9	P.T.H.
30,06,895	1,10,93,378	84,10,902	1,86,914	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	19	10	9½	11½	15	7½†	6.12	P.T.H.
20,00,000	31,49,465	48,58,730	6,430	Bajoria & Co.	Star Paper Mills	7⅞	10	—	—	5		3.9	P.T.H.
10,00,000 'A'						7⅞	10	—	—	5			
4,37,500 'O'						4½						3.9	
'A' 56,00,000	5,15,53,313	4,78,98,548	5,00,114	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	35½xd	A10	20	18§	20*	10*†	3.9	P.H.
'B' 56,04,800						35½xd	B10	20	18§	20*	10*†	3.9	
PLANTING; PRODUCE AND RUBBER													
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	6–4½	3	10	20	20		2	P.Y.
47,70,000	48,44,853	83,16,040	4,37,964	R. C. Paterson, Esq.	Consolidated Coffee Estate	17–0½	10	17	20	18		6	P.Y.
4,00,000	2,29,884	4,49,625	13,951	Associated Planters, Ltd.	Cottanad Plantations	9½	10	7½	10			3	Y.
1,25,150	1,46,540	4,67,078	1,389	A. V. Thomas & Co., Ltd.	Fringford Estates	2½	10	—	—			4	P.W.
6,00,000	19,08,079	9,81,715	66,448	A. V. Thomas & Co., Ltd.	Highland Produce	9⅜	10	25	45	45		12	P.Y.
4,00,000	9,67,558	7,20,390	43,506	A. V. Thomas & Co., Ltd.	Kalpetta Estates	18	10	17½	20	35		4	Y.
4,50,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Malankara Rubber and Produce Co.	100½	50	17½	30			3	Y.
27,00,000	25,83,648	14,90,888	83,433	A. V. Thomas & Co., Ltd.	Midland Rubber and Produce Co.	9⅜	10	6	12½	15		3	P.Y.
9,35,000	94,534	67,53,389	29,921	A. V. George & Co., Ltd.	Nenmony Rubber	9½	10	5	6½			12	P.Y.
2,00,000	1,93,721	24,72,600	2,305	Associated Planters, Ltd.	Nilambur Rubber Co.	9	10	6	10	10		12	P.Y.
19,45,980	48,35,033	38,14,428	1,78,110	Peirce, Leslie & Co., Ltd.	Onekkumpy Valley Estates	4–2½	3	25	25	45		10	T.Y.
13,50,000	5,82,973	28,05,590	31,101	A. V. Thomas & Co., Ltd.	Rajagiri Rubber and Produce Co.	10§	10	9	12½	15		6	P.Y.
10,00,000	3,36,390	1,56,824	936	East India Agencies, Ltd.	Teekoy Rubbers (India) Ltd.	6§	10	—	7½	9		2	P.T.Y.
8,50,000	1,81,279	5,11,395	66,520	A. V. George & Co.	Thaweranelly Rubber	17½	10	6§	6§	15		12	P.Y.
3,05,100	5,01,650	6,03,723	31,510	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co. Ltd.	2½xd	1	17½	20	25	25	9	Y.
9,00,000	1,17,222	7,40,149	3,953	K. C. Cheriyan, Esq. (Secretary)	Travancore Rubbers	13¼	10	3§	10	20		12	Y.Y.
14,90,372	67,61,127	3,25,086	3,25,086	Aspinwall & Co., (Travancore) Ltd.	Travancore Rubber and Tea Co., Ltd.	7	10	2§	6	10		12	Y.
20,00,000	1,51,493††	18,47,082	1,275	P. T. Thomas, Esq.	Tropical Plantations Co.	19½N	25	10	—			12	P.Y.
8,20,000	31,096	3,18,571	7,609	A. V. George & Co.	Udayagiri Rubber	10	10	5	5			12	Y.
6,25,580	2,18,338	6,99,135	28,140	Harrisons & Crossfield Ltd.	Vaikundam Co.	15¼cd	10	10	12½	20		12	Y.
1,68,000	78,624	3,43,636	14,082	M. K. Thomas & Co.	Woodland Estates	7½	10	7½	6§	—		3	
PRESSING													
8,00,000	18,78,066	19,01,857	2,322	Andrew Yule& Co.	Calcutta Hydraulic Press	80	100	3	3			3	Y.
4,30,000	5,58,036	6,89,525	1,116	Pyke and Sons.	Camperdown Pressing	90N	100	4	6	7		7	Y.
5,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Central Hydraulic Press	97	100	3	5	5		6	Y.
PROPERTY AND LAND													
18,00,780	25,11,061	42,65,283	419	S. A. Basil, Esq.	Humayan Properties	10½	10	—	6	—	5	9	P.Y.
60,00,000	34,67,735††	83,01,945**		David Sassoon & Co., Ltd.	Port Canning Land	30	100	2	1½	1		4	P.Y
94,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co.	Midnapore Zamindary	39	100	—	3	2		4	
SAW MILLS AND TIMBER													
13,99,998	29,73,877	10,38,508	60,887	Bird & Co.	Assam Saw Mills and Timber	6⅞	8	16§	16§	16§		9	Y.
50,00,000	4,89,22,437	2,47,99,361	1 57,498	Wallace & Co.	Bombay-Burmah Trading	399§	125	12	30	18		5	Y.
42,00,000						147§	50	12	30	18		5	Y.
						55N	100	5	—	—		5	Y.
6,00,000	7,04,037‡	7,80,451	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	49½	10	25	25	35		9	Y.
10,00,000	25,94,349	13,51,606	73,653	G. Arbuthnot & Co.	Indian Wood Products								
SUGAR (U. P. and Bihar)													
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co.	Bairampur Sugar	6§	5	—	—	20		6	Y.
12,00,000	28,96,740††	15,70,684**	2,81,000	Narang Bros.	Basti Sugar	125N	100	—	6½	10		4	Y.
19,49,050	20,10,694	26,89,188	2,24,418	Bangur Bros., Ltd.	Belsund Sugar	8§	10	7½	—	8½		6	Y.
5,00,000	21,11,580	15,38,162	40,743	Cotton Agents Ltd.	Bharat Sugar	12§	10	10	15	15		6	P.T.Y
12,00,000	99,90,130	1,26,88,817	—5,15,881	Gladstone Lyall & Co., Ltd.	Carew & Co.	5§	10	5	—	—		6	
15,00,000	1,30,69,452	96,28,542	31,891	Begg Sutherland & Co.	Cawnpore Sugar	29	10	15	20	30	20	10	P.Y
18,00,000	78,43,538	60,37,156	17,488	Begg Sutherland & Co.	Champarun Sugar	21§	10	15	15	20		6	
60,00,000	87,00,000	56,47,253	3,613	Bashiraj & Co.	Hindustan Sugar Mills	80N	100	5§	—			6	P.Y.
12,00,000						40N	80						
4,00,000	41,78,374	68,10,159	—4,15,271	Kilachand Devchand & Co	Kesar Sugar	20N	40	3	4	—		7	P.Y.
7,89,100	31,59,777	25,99,076	115,051	Cotton Agents Ltd.	New India Sugar Mills	18	10	10	25	25		6	Y.
11,00,000	27,48,180	36,39,370	3,895	Karam Chand Thapar & Bros., Ltd.	New Savan	6§	10	5	6§	5		5	Y
						180N	100	15	20	20		6	
43,59,375	58,13,366	52,06,760	5,31,019	Cotton Agents, Ltd.	New Swadeshi Sugar Mills	45N	25						
						80N	100						
97,45,350	1 08,98,159	1,86,10,992	1,981	Cotton Agents, Ltd.	Oudh Sugar Mills	20N	25	2½	2½			7	P.Y.
						15N	100						
18,00,000	29,31,078	26,43,844	71,500	Narang Bros.	Punjab Sugar Mills	11½N	100	—	6			10	Y.
9,00,000	42,50,793	33,72,804	19,435	Begg Sutherland & Co.	Purnahpore Company	16§	10	—	10	20	10	10	P.Y.
8,00,000	26,05,463	24,18,182	15,410	Begg Sutherland & Co.	Ryam Sugar	24§	10	15	25	10		6	Y.
11,99,000	38,06,835	36,11,360	23,281	Begg Sutherland & Co.	Samastipur Central Sugar	32	10	10	20	10		6	P.T.Y.
20,00,000	57,29,502	39,98,808	27,889	Shri Jain Ltd.	Shree Krishna Gyanoday Sugar	9§	10	—	3§	10		7	P.Y.
9,99,992	11,66,782	21,41,729	10,162	H. K. Ghose, Esq. & R. N. Dutta.	Sitalpore Sugar	4½	10	—	—	5		6	Y.
6,50,000						3¾	10	—	—			10	
10,00,000 'A'	11,94,395	27,92,174	—14,73,656	N. K. Jain & Co., Ltd.	South Bihar Sugar	1¾	10	2½				10	
1,75,000 'B'						18N	30	17½	20	20		6	Y.
8,00,000	54,46,474	70,75,580	57,216	Cotton Agents, Ltd.	Upper Ganges								
(Indian States and Other Centres)													
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Belapor Co.	238§	50	16§	25	28	32	9	Y.
18,93,900	18,53,357	37,63,451	21,012	J.P.Srivastava&Sons(MadhyaBharat)Ltd.	Gwalior Sugar Co., Ltd.	43	100	5	10	15		6	P.Y.
38,42,751	38,42,751	22,63,689	2,71,331	India Sugar Agencies Ltd.	India Sugar & Refineries	19½	10	12½	15	25		6	Y.
33,57,350	4,47,856	38,47,284	4,64,518	Gowan Bros. (Ranpur), Ltd.	Induad Sugar	10§	10	7	7½	10		5	Y.
81,79,280	1,49,74,359	97,24,107	8,27,296	M. Malleshayya, Esq.	Mysore Sugar	47	10	20*	20	20		6	Y.
50,00,000	96,62,468	1,03,94,086	3,18,594	Mahalal, Apte & Kanalal, Ltd.	Phaltan Sugar Works	89½	50	14	16	16	16	9	P.Y.
16,59,820	24,75,189	24,76,150	1,61,652	Anderson Wright Ltd.	Ramgagger Cane & Sugar Co., Ltd.	17½	10	15	6	7½	20	8	P.T.Y.
20,00,000	54,70,896	72,10,442	1,80,913	Waichand & Co., Ltd.	Rawalgaon Sugar Farm	90N	50	7	14	18		9	Y.
19,99,580	50,82,224	42,94,120	6,05,982	Govan Bros. (Rampur), Ltd.	Raza	101	10	6	10	12§		5	Y.
30,00,000	23,82,353	58,70,150	20,980	Parry & Co., Ltd.	Tavanoore Sugars	4§	10	—	—			7	P.T.Y
1,01,00,000	98,10,952	1,59,79,833	1,94,491	Premier Construction Co., Ltd.	Walchandnagar Industries	160	100	17½	12	14		9	
UNCLASSIFIED (Bombay)													
2,50,00,000	1,14,37,216	46,81,706	—4,88,411	Tata Industries Ltd.	Air-India Ltd.	81	100	—	—	—		12	Y.
2,40,000	4,90,364	3,64,538	9,249	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	705	500	15	15	15	17½	9	Y
59,89,550	2,64,61,962	3,70,82,513	83,607	Scindia Steam Navigation Co., Ltd.	Bombay Steam Navigation Co., Ltd.	35§	25	—	—			6	P.Y.
15,98,860	1,28,267	2,19,255	32,663	Farakh Agencies Ltd.	Bombay Uganda	5§	5	5	5	5		12	Y.
25,00,000	1,50,000	24,37,096(k)	12,787	Dena Sons Ltd.	Devkaran Nanji Investment Co.	9§	25	3	5	5			P.Y.
14,98,360	17,39,360	10,69,107	4,425	F. H. Mehta Esq.	Ratnela Batteries	30½N	50	6	6	5		3	Y.
99,99,250	17,07,072	1,25,54,783(k)	1,66,116	Premchand Roychand & Sons	Industrial Investment Trust	72	100	2§	4	4½		12	P.Y.
84,98,865	15,91,304	12,58,924	2,833	K. G Milne, Esq.	Killick Industries	144§	100	8	8½	10		6	Y.
2,06,71,300 A						45	100	—	—	—			
10,00,000 B	65,85,939	2,20,52,503	4,52,797	Aero-Auto Ltd.	Premier Automobiles Ltd.	15	10	—	—	—			Y.
6,59,62,018	9,89,24,387	12,98,97,421	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co., Ltd.	14§xd	10	—	—	3½		6	Y.
1,50,000	3,71,437	2,21,590	3,145	R. B. Bandekar Esq.	Thacker & Co	50N	50	10	10	10		3	Y.
10,21,200	14,61,209	16,42,904	55,330	Sir Joseph Kay, K.B.E.	United Motors (India)	43	25	7½	10	15		12	Y.
3,20,00,000	2,06,24,172	2,01,34,774	2,84,210	T. H. Rydin Esq.	Western India Match Co.	23½	100	11*	11*	11*		12	Y.
45,00,000	46,57,108	1,24,608	41,429	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	350N	150	8-5/6	13§	13§	13§	12	
Other Centres													
47,50,000	4,90,364	5,64,538	702	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	4½	10	—	—	—		3	P.T.Y.
2,50,000 D													
30,00,000	53,38,668	31,59,164	5,24,909	Turner Morrison & Co., Ltd.	Angelo Brothers Ltd.	18§	10	10	17½*	25*	12§	8	Y.
20,00,000	23,25,002	22,18,452	1,00,602	T. H. Rydin Esq.	Assam Match	20	10	12§*	12§*	12§*		12	P.T.Y.
80,80,000	9,63,083	92,35,633	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	5	10	7½	6	15		3	Y.
30,00,700	15,57,826	45,95,360	5,19,159	O. T. Jenkins, Esq.	Balmer Lawrie & Co.	301	500	20*	20*	25*		12	
10,00,000						—	400	15	15	20			
20,00,000	1,19,26,323	1,24,61,121	2,04,690	Andrew Yule & Co., Ltd.	Bengal Assam Steamship Co., Ltd.	151½	100	5	10	12½	12§	10	P.Y.
20,00,000	8,38,806	54,05,998(K)	1,25,380	Lovelock & Lewes	Birds Investments Ltd.	15½	10	11½	11½	12§	12§	9	Y.
1,00,00,000	1,00,01,435	2,26,31,139	1,16,835	Dinshaw Ltd.	Bharat Line	94	100	3	3	4		12	P.Y.
30,64,680	50,81,266	83,30,736	1,82,277	A. F. Chanda Esq.	Britannia Biscuit	116§	10	12§	12§	7½–1		3	P.Y.
9,35,00,000	2,93,27,829	2,23,59,029	4,13,662	Sir Robert Menzies, Kt., O.B.E.	British India Corporation	9¼cd	5	11§	15	15		12	P.T.Y.
1,60,00,000	3,77,71,321	4,07,06,331	7,01,468	Cecil Stack, Esq.	Dunlop Rubber Co. (India) Ltd.	30½cd	10	20	20	15-1		12	P.Y.
51,26,000	47,57,061	1,26,55,420(K)	3,15,489	Bird & Co., Ltd.	Eastern Investments Ltd.	133	100	8	9	9		3	H.
7,00,000	29,85,208	24,09,208	17,900	Macneill & Barry Ltd.	Ganges Rope	186	100	20	22½	15r		3.9	P.Y.
65,00,000	34,13,857	15,62,902	2,07,524	A. J. Elkins, Esq.	Gillanders Arbuthnot & Co., Ltd.	130xd	100	7½	10	10		3	Y.
30,00,000	37,25,649	60,01,406	6,213	B. R. Syndicate	Great Eastern Hotel Co.	252	100	5	6	9		3	P.T.Y.
18,42,800	36,42,049	54,49,206	12,214	Birla Brothers, Ltd.	Hind Cycles	100N	100	5	7½	7½		12	Y.
4,96,12,650	59,45,519	2,61,59,292	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	4½	10	—	—	—		3	P.Y.
1,60,00,000	1,33,45,017	2,82,89,199		J. W. R. Johnson, Esq.	Indian Aluminium Co.	115	100	—	3§	5		9	P.Y
1,52,89,220	1,31,92,732	57,92,390	9,29,554	D. J. Melaseth, Esq.	Indian Cables	18§	10	25	15§	10*		3	
83,75,000 O						4½	10	—	—	—			
5,90,000 P	51,91,428	95,82,228	—15,72,246	Govan Bros., Ltd.	Indian National Airways	6§	10	—	—	—		12	P.Y.
1,25,000 D						8	1	—	—	—			
8,27,970	12,79,385	14,27,460	39,038	George Spencer Moulton & Co. (India).	Indian Rubber Manufacturers	14½	10	10	10	10		3	P.Y.
2,25,00,000	1,60,38,685	3,87,93,801	2,26,066	Lionel Edwards Ltd.	India Steamship Co., Ltd.	68	10	—	—	5		3	P.T.Y
2,40,000	4,33,028	67,347	36,496	G. V. Swalka, Esq.	Ivan Jones	41	10	21§	21§	21§		3	Y.
2,00,00,000	53,39,353	27,16,440	3,86,448	J. D. K. Brown, Esq.	Jardine Henderson	129	100	10	10	10		3	P.Y.
6,34,000	9,69,698	6,65,110	—54,713	James & Co., Ltd.	Macfarlane & Co.	2§	5	—	—	—		6	P.T.Y
40,00,000						158N	100	12½	12½	12½		12	P.Y.
5,00,000 D	63,35,248	23,69,220	85,717	A. T. Doig, Esq.	McLeod & Co.	D. 10	10	7½	7½	12½		12	P.Y.
1,30,55,750	33,32,702	11,34,840	2,31,092	T. Leslie Martin Esq.	Martin Burn Ltd.	20§	10	10	12½	11§	13§	9	Y.
6,35,190	4,30,533	7,47,410	10,548	Ogale Glass Works Ltd.	Mysore Glass & Enamel Works	5	10	—	—			12	P.Y.
3,75,000	7,74,953	8,99,856	3,666	R. Bhimaiah, Esq.	Mysore Lamp Works	18§	10	10	20			3	P.Y.
1,00,00,000	3,95,997	11,45,855	1,11,329	V. S. Arunachalam, Esq.	Mysore Tobacco	10§	10	—	3§	10		6	P.T.Y.
20,00,000	51,92,159	50,16,078	11,045	Associated Ind. Development Co., Ltd.	National Insulated Cable Co., of India Ltd.	12½	10	5	5	7½		3	P.T.Y.
79,97,000	65,83,352	1,04,50,524	86,347	B. N. Elias & Co., Ltd.	National Tobacco Co.	12½	10	—	2§	5		12	P.T.Y.
14,87,137	6,67,696††	18,52,569**	23,513	S. P. Ogale & Co.	Ogale Glass Works	5	5	—	—			12	P.T.Y.
40,00,000	38,64,522	60,88,006	1,94,446	Parry's Holdings Ltd.	Parry & Co.	5§	2	62§	80–1	32§		12	P.Y.
2,25,00,000	62,51,619	1,69,49,307	24,847	G. U. Euthymopulo, Esq.	Ratlis India Ltd.	76§	100	8	8§	9		8	P.Y.
1 14,00,000	2,29,15,252	5,78,03,905	33,67,941	Sahu Jain Ltd.	Rohtas Industries	9½	10	—	—	10		8	P.Y.
40,00,000	1,53,62,299	1,19,84,861	5,36,552	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	14½xd	10	10	10	15		6	Y.
75,00,000	22,90,000	1,71,74,498	2,62,138	K. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	13§	10	10	10			12	Y.
9,98,280	3,19,364	8,90,420	1,855	Ogale Bros. Ltd.	Travancore Ogale Glass	3§	10	—	4	—	—	12	

†† Does not include depreciation.
‡ Onl. Depreciation.
• Includes Bonus.
—Nil Dividend.
K = Investments.
** Net Block.
† Less income-tax.
C.D.—Cum Dividend.
X.R.=Ex-Right.
I On Increased Capital.
(c) For six months ended June, 1949.
(d) For nine months ended March, 1950

TEA COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1948	1949	1950	1951	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
ASSAM														
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amuckie	450N	100	9	20	25	—	12	P.Y.
6,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd.	400§	Anaudabag	23½	15	16	25	40	30	12	Y.
5,50,000	10,64,192	12,05,396	—89,152	McLeod & Co., Ltd.	573	Bagbuzari	10	10	12½	12½	17½	—	12	Y.
3,40,000	9,12,883	7,05,721	44,989	Andrew Yule & Co., Ltd.	360	Bagmaria	22½	10	18§	30	30	25	12	Y.
3,30,000	7,24,887	8,38,278	71,941	Williamson Magor & Co.	556	Bateli	9½	5	25	25	30	10	12	T.Y.
3,20,000	6,19,032	6,72,731	54,942	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	22½	10	25	20	35	15	12	Y.
6,50,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co.	4,004	Bishnauth	27	10	10	35	50	5	12	T.Y
5,00,000	4,80,346	9,78,429	—1,90,802	Octavius Steel & Co., Ltd.	493	Bokakhat	4½	10	10	5	5	—	12	Y.
2,50,000	5,06,959	7,64,836	22,297	McLeod & Co., Ltd.	450	Borrnah Jan Tea Co., Ltd.	111	10	15	15	15	15	12	P.Y.
5,00,000	22,18,001	70,96,925	87,990	Brooke Bond India Ltd.	2,670	Brooke Bond	11½	10	7½	10	10	10	6	P.Y.
1,20,000	3,06,715	3,66,030	—29,101	M.Leod & Co., Ltd.	282	Dejoo Valley	8	10	6§	6§	15	—	12	Y.
6,00,000	22,17,578	24,24,301	25,545	Jardine Henderson Ltd.	1,341	Dessai & Parbutta	200	100	5	15	30	22½	12	Y.
7,53,440	7,15,393	19,11,105	54,461	James Warren Ltd.	426	Dhelakhat	10½	10	10	10	16	12	12	Y.
4,68,970	8,90,863	13,71,610	25,794	James Finlay & Co., Ltd.	613.37	Dhunseri	10	10	9§	10	20	10	12	T.Y
4,50,000	6,57,795	9,86,816	14,389	McLeod & Co., Ltd.	458	Dibrugarh Co., Ltd.	7½	10	7½	—	10	5	12	Y.
2,36,700	6,75,511	7,95,511	35,408	Williamson Magor & Co., Ltd.	611	Dimakus	26§	10	40	40	45	15	12	P.Y.
5,60,500	12,72,787	15,08,787	1,01,960	Williamson Magor & Co., Ltd.	669	Duffla ghur	35§	10	25	35	40	40	12	Y.
8,00,000	10,31,120	18,91,120	45,079	Williamson Magor & Co.	1,157	East India Tea	18§	10	15	20	22½	22½	12	Y.
3,60,000	6,43,852	7,69,087	16,947	Andrew Yule & Co., Ltd.	407	Gillapukri	15§	10	13	17½	22½	10	12	Y.
3,38,000	9,01,149	12,09,149	11,11,346	Williamson Magor & Co.	520	Gohpur	26§	10	13	30	35	40	12	P.T.Y
4,94,360	17,46,514	17,08,255	82,387	Octavius Steel & Co., Ltd.	1,284	Grob	17	A 10	30	35				
2,40,790						83	B 5	7½	10	30	20	12	Y.	
2,00,000	8,16,550	5,82,005	58,806	Andrew Yule & Co., Ltd.	436§	Hoogrefuli	30	10	23§	30	40	30	12	Y.
4,35,000	15,70,587	17,05,269	35,208	Andrew Yule & Co., Ltd.	1,133	Hoolangoorce	275N	100	25	25	25	17½	12	Y.
7,50,000	7,46,426	11,98,156	29,063	Gillanders Arbuthnot & Co., Ltd.	866	Jutlibari	93	10	5	2½	12½	5	12	Y.
2,40,000	8,88,549	2,47,119	15,953	Shaw Wallace & Co., Ltd.	1,576	Kingsley Golaghat	198N	100	5	5	20	—	12	Y.
6,50,000	6,32,816	6,29,717	496	Duncan Bros. & Co., Ltd.	1,047§	Ledo	9	10	7½	7½	20	—	12	Y.
4,80,000	1,10,084	8,52,930	286	Duncan Bros. & Co., Ltd.	673	Mohecma	2½	10	—	—	—	—	12	P.Y.
1,50,000	2,97,754	3,37,106	30,206	Kettlewell Bullen & Co., Ltd	435	Methola	850N	100	58	40	45	35		Y
50,000 'A'	8,21,124	8,59,324	32,644	Andrew Yule & Co., Ltd.	315	Murphulmai	181	10	15	25	30	20	12	Y.
000P.O.						22§	10	20	30	35	25			
4,00,000	7,00,011	5,75,550	20,262	S. C.

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
60,00,000	90,11,129	94,76,923	3,11,246	879	B. N. Elias & Co., Ltd.	Agarpara	21	10	10	15	20	5f	3.9	P.T.H
12,00,000	50,61,739	45,32,316	16,522	498	Sahu Jain Ltd.	Albion	200	100	—	14	30	8f	5.11	H.
6,00,000	30,55,572	47,33,264	—3,29,636	446	McLeod & Co., Ltd.	Alexandra	200	100	—	5	5	—f	6.12	T.P.H.
30,00,000	85,82,864	1,17,03,966	—13,63,074	1,264	McLeod & Co., Ltd.	Alliance	166	100	—	2½	—	—f	6.12	P.H.
49,20,700	2,31,84,144	2,24,03,099	1,44,601	2,561	Duncan Bros. & Co.	Anglo-India	228	100	—	20	20	10f	3.9	P.H.
40,00,000	1,18,83,050	1,31 13,967	71,745	810	Bird & Co., Ltd.	Auckland	122	100	1½	10	10	4f	3.9	P.T.H.
20,00,000	92,46,901	97,14,511	55,967	959	Jardine Henderson & Co.	Bally	162	100	7	12	1	—f	3.9	P.H.
£275,000	£1,680,379	£1,328,460	£91,091	1,890	Jardine Henderson & Co.	Barnagore	175‡	£5	20	20	20		6.12	P.Y.
28,00,000	82,01,627	87,37,598	3,65,214	820	Andrew Yule & Co.	Belvedere	209	100	13	17	27½		6.12	P.H.
45,00,000	78,51,305	51,03,385	4,07,701	600	Soorajmull Nagarmull	Bengal	16	10	13½	15	30		3	T.P.Y.
30,42,000	3,71,54,151	3,06,60,933	1,38,294	1,373	Birla Bros.	Birla	37	10	25	30	30		4.10	P.Y.
36,00,000	98,17,668	1,07,34,059	9,583	991	Andrew Yule & Co., Ltd.	Budge-Budge	180	100	7	13	22		4.10	H.
7,47,380	30,53,704	39,44,698	34,320	502	Dayaram & Sons	Calcutta Jute Manufacturing	20xd	10	—	—	20		6.12	T.P.H.
18,00,000	65,04,289	75,27,158	2,646	616	Andrew Yule & Co.	Caledonian	182	100	5	14	22	6f	5.11	P.H.
29,16,400	2,11,26,602	1,62,21,807	1,35,299	1,400	James Finlay & Co., Ltd.	Champdany	165	100	3	10	14	8f	3.9	P.H.
15,95,000	79,98,514	78,92,619	19,870	530	Andrew Yule & Co., Ltd.	Cheviot	219	100	13½	16	22	6f	5.11	P.H.
10,05,000	83,89,114	55,21,773	60,392	509	McLeod & Co.	Chitavaisah	27	10	12½	15	30	25f	6.12	T.P.H.
16,00,000	80,24,460	77,89,914	1,01,979	969	Shree Krishna Investment Co., Ltd.	Clive	25	10	12½	35	20		3	P.H.
31,49,200	1,21,56,497	1,16,59,962	21,356	766	Bird & Co., Ltd.	Dalhousie	148	100	1	11	12	1f	3.9	P.H.
38,00,000	86,35,708	71,68,012	21,890	779	Andrew Yule & Co.	Delta	238	100	11	17½	32½		5.11	H.
15,00,000	83,75,460	74,82,092	45,656	500	McLeod & Co.	Empire	287	100	10	20	25	5f	6.12	T.P.H.
31,00,000	2,35,23,130	2,62,73,643	1,801	1,884	Kettlewell Bullen & Co.	Fort Gloster	287	100	2½	32½	22½	—f	3.9	P.H.
14,00,000	48,25,115	69,94,729	—8,32,397	1,014	G. C. Bangur, Esq.	Fort William	307N	100	—	10	—		3.9	P.H.
84,32,100	1,42,71,745	2,06,96,669	42,572	1,709	Macneill & Barry Ltd.	Ganges	73½	100	—	6½	2½		3.9	T.P.H.
10,80,000	71,71,252	67,89,135	25,156	607	G. Arbuthnot & Co.	Gondalpara	840	300	—	15	30		12	P.H.
24,00,000	2,02,41,185	2,18,72,900	89,236	1,394	Macneill & Barry Ltd.	Gouripore	275	100	2½	25	11½		3.9	P.H.
40,00,000	81,93,062	81,94,127	3,06,824	1,078	Bangur Bros. Ltd.	Hastings	233N	100	10	7	10		3	T.P.Y.
16,80,000	58,02,116	64,29,355	64,417	720	G. Arbuthnot & Co.	Hooghly	32	10	10	30	15		6	P.Y.
65,62,500	1,56,21,640	1,39,50,625	1,71,001	1,948	Jardine Henderson Ltd.	Howrah	40	10	7½	17½	18½	8½f	3.	P.H.
30,00,000	1,74,10,109	2,25,00,109	3,91,968	2,272	Ramdutt Ramkissendas	Hukumchand	132	100	3½	13½	25	5f	3	T.P.Y.
87,00,000 / 30,000	88,97,267	1,11,41,130	77,979	1,076	Mackinnon Mackenzie & Co.	India	132	{O. 125 / D. 5	5½ / 5½	10 / 8½	3½ / 22½	24f / 8½f	3.9 / 6.12	P.H. / P.H.
43,20,000	1,35,11,140	1,36,47,095	67,132	1,797	Jardine Henderson Ltd.	Kamarhatty	209	100	—	—	22½	12½f	6.12	P.H.
54,00,000	1,13,89,109	91,56,930	1,07,129	1,527	Jardine Henderson Ltd.	Kanknarrah	155	100	—	—	12½	6f	6.12	P.H.
21,00,000	1,13,89,109	91,65,930	1,07,129	703	McLeod & Co.	Kelvin	221	100	10	20	25	7½f	6.12	P.H.
54,00,000	1,18,86,997	1,59,17,038	2,06,473	1,530	Anderson Wright Ltd.	Khardah	165	100	—	25	16	7f	3.9	P.T.H
48,00,000	1,94,15,089	2,09,37,751	1,16,651	1,250	F. W. Heilgers & Co.	Kinnison	205	100	2½	14	19	7f	3.9	T.P.H.
24,48,000	1,24,25,159	1,33,71,480	40,487	931	Bird & Co., Ltd.	Lansdowne	138	100	2	21	15	3f	3.9	P.H.
28,00,000	1,19 87,748	1,13,75,507	6,954	840	Bird & Co., Ltd.	Lawrence	185	100	6	21½	22	4f	3.9	P.H.
10,00,000	70 33,427	50,24,402	64,167	558	Andrew Yule & Co.	Lothian	215xd	100	—	15	32½	30	5.11	H.
81,65,200	1,38,82 204	1,94 76,907	1,17,533	1,008	Mackinnon Mackenzie & Co.	Megna	101	100	4½	8½	3½	24f	3.9	P.T.H.
89,98 900	1,29,56,303	1,55,05,495	—2,80,351	815	F. W. Heilgers & Co.	Naihati	128	100	—	15	12	—f	3.9	T.P.H
12,50,000	29,95,424	24,75,180	52,447	425	Howrah Trading Co., Ltd.	Naskarpara	15½	10	11½	13½	15f		4.10	P.H.
35,00,000	50,36,405	27,42,753	5,264	852	Andrew Yule & Co.	National	25¾	10	11½	25	25		4.10	T.P.H.
7,50,000	52,11,917	24,37,663	21,345	316	McLeod & Co.	Nellimarla Jute	29¾	100	6	30	75	20	6.12	P.H.
10,50,000	66,36,905	45,98,858	7,738	709	Sahu Jain Ltd.	New Central	220	10	14	30	20	10f	6.12	P.T.H.
16,79,880	98,33,709	1,18,62,645	5,954	767	Bird & Co., Ltd.	Northbrook	20¼	10	—	—	20	24f	3.9	T.H.
66,79,500	1,73,80,223	2 06,56,876	72 170	1,092	Macneill & Barry Ltd.	Nuddea	46	50	—	5½	4½		3.9	T.H.
24,91,000	71,47,003	68,55,552	3,591	601	Andrew Yule & Co., Ltd.	Orient	188	100	9	14	18		5.11	H.
25,00,000	63,83,642	80,79,256	—4,76,887	400	McLeod & Co.	Presidency	5½	5	—	—	2½	—	6.12	T.H.
20,00,000	7,67,493‡	26,15,293	—3,29,549	305	Macneill & Co.	Rameshwara	5½	10	—	1½	—		3.9	H.P.
49,50,000	55,07,248	1,21,45,796	98,685	1,276	Jardine Henderson Ltd.	Reliance	14¼	10	11	6‡‡	10‡‡	10	3.9	P.H.
26,00,000	£9,99,994	£11,96,402	£76,498	2,013	Thomas Duff & Co. (India) Ltd. ..	Samnuggur	15½	10	sb	—	15	10f	12	P.Y.
30,00,000	68,57,466	95,49,412	87,40,952	911	Bagaria More Co., Ltd.	Shree Ambica (Adamjee)	17½	10	—	—	—		3.9	P.H.
7,00,000	45,17,785	48,14,456	2,73,383	401	Hindustan Investment Copn.	Soorah	13N	10	4	15	16	3f	3.9	Y.H.
25,19,600	1,06,20,961	93,73,041	12,665	650	Bird & Co., Ltd.	Standard	152	100	6‡‡	10‡‡	10	12	3.9	P.T.H.
45,00,000	£8,36,984	£9,78,287	£1,29,393	1,794	Thomas Duff & Co. (India) Ltd. ..	Titaghur	sb 15½	11	2	19½	21	1f	3.9	Y.H.
35,98,600	1,80,41,145	1,73,93,324	15,098	1,326	Bird & Co., Ltd.	Union	176	100	2	19½	10‡‡	10	6.12	P.T.H.
44,00,000	£6,35,795	£10,47,185	£1,00,239	1,331	Thomas Duff & Co. (India) Ltd. ..	Victoria	sb 15	11	6‡‡	15	5	—f	6.12	
2,50,000	32,89,383	55,48,403	—47,909	465	McLeod & Co.	Waverley	6	1	—	—	—			

(f) For ten months ended 31st December, 1951. ‡‡ Subject to foreign income-tax. ‡ Only Depreciation. • Incudes bonus

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
25,50,000	61,24,011	64,99,011	25,799	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	20xd	10	17½	20	13¾	5f	3.9	H.
12,00,000	42 18 417	37,16,954	60 294	Jardine, H. & Co., Ltd.	Bararee Coke	20	10	14	30	8f	7½f	3.9	H.
40,00,000	70,50,712	1,17,79,347	23,814	Sahu Jain Ltd.	Bharat Collieries	6¾	10	6¼	6¼	6¼		6	P.T.Y.
1,00,00,000	3,35,25,130	5,08,61,725	8,02,968	Andrew Yule & Co., Ltd.	Bengal	539	200	33½	17½	18¾•	10•f	4.10	P.H.
4,49,350	5,82,303	8,49,159	3,152	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	2¾N	10	2½	2½	2½	1½f	6.12	
2,25,000	27,12,507	25,84,461	4,280	Andrew Yule & Co., Ltd.	Bengal-Nagpur	18¾	10	22½	10	10	3½f	6.12	P.
15,97 900	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	4¾	10	—	2½	1¼		9	H.
7,15,000	50,04,831	50,17,715	3,437	F. W. Heilgers & Co., Ltd.	Bhulanbararee	12¼	10	—	6¼	6¼	2½f	6.12	T.H.
16,00,000	53,46,046	67,83,723	—1,37,184	Anderson Wright (Ramgarh), Ltd. ..	Bokaro-Ramgur	12¼	10	5	—	—		6.12	P.H.
7,50,000	42,42,776	40,82,736	1,07,078	F. W. Heilgers & Co., Ltd.	Borrea	29¼	10	20	30	30•	15f•	6.12	
90,92,480	3,23,04,936	3,94,53,208	1,54,703	Bird & Co., Ltd.	Burrakur	11⅞	10	10•	7½	7½	3½	6.12	P.T.H.
8,00,000	45,46,717	49,09,377	2 273	Anderson Wright & Co.	Central Kurkend	17½	10	17½	12½	—	—f	6.12	P.H.
6,00,000	1,40,000	7,50,000k	28,918	F. W. Heilgers & Co., Ltd.	Churulia	3½	4	6¼	4⅜	1⅛	1f	6.12	P.H.
16,00,000	30,89,961	44,04,602	12,039	Macneill & Barry Ltd.	Dhemo Main	11⅛	10	10•	10	12½	2½f	6.12	H.
£120,000	£1,084,338	£872,414	£78,839	Jardine Henderson Ltd.	East Indian	23⅞	£1	13½	37½	37½		4	Y.
29,63,760	3,25,97,992	3,19,86,409	2,12 912	Macneill & Barry Ltd.	Equitable	45½xd	10	25	25	25	15f	6.12	M.
10,00,000	4,83,963	8,41,725	66,865	Bhatter's Agency Ltd.	Ghusick and Muslia	16¼ N	3	20	5			3	T.P.Y.
8,00,000	21,59,776	21,52,141	14,404	Macneill & Barry Ltd.	Hurriladih	14½	10	12½	15	15	7½f	6.12	H.
3,50,000	11,63,346	12,53,839	40,107	Andrew Yule & Co., Ltd.	Kalapahari	47N	10	26½	35	35•	17½f	3.9	H.
20,00,000	68,340‡	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	90	100	—	—	—		2	H.
5,00,000	42,58,631	42,08,253	1,46,012	Andrew Yule & Co., Ltd.	Katras Jherriah	40⅜	10	27½	35	37½	20f	1.7	P.H.
1,38,400	5,20,519	11,63,519	1,063	Beriwala Bros.	Khas Kajora	20N	10	11½	10	5f		6.12	Y.
11,00,240	10,19,288	15,64,007	5,201	H. V. Low & Co., Ltd.	Kusadi	7N	10	3½	3½			6	T.P.Y.
13,50,000	29,43,024	28,41,241	13,549	H. V. Low & Co., Ltd.	Lakurka	12xdN	10	10	10	7½		4	H.
5,65,700	11,41,667	22,37,077	2,691	Beriwala & Co.	Mandulpoor	7N	10	5	7½			6.12	H.
7,48,240	10,34,138	11,24,142	14,690	Associated Commercial Co., Ltd.	Nazira	5¾	10	5	7½	5½		6.12	H.
7,00,000	3,77,500	9,53,321	4,597	Amritlal Oja & Co. Ltd.	New Bansdeopur	22½	10	6½	7½	6¼		3.9	H.
17,76,230	89,43,381	1,14,69,344	39,912	Andrew Yule & Co., Ltd.	New Beerbhoom		10	3	6	—		4.10	
6,00,000	24,61,802	30,92,604	—2,10,056	Octavius Steel & Co. Ltd.	New Manbhoom	10⅜	10	12½	7½	—		3.9	P.H.
2,50,000	6,84,984	5,45 859	1 387	Jatia Bros. Ltd.	North Damuda	4N	2½					3.9	H.
1,15,000 / 1,57,500	10,81,297	12,56,672	12,237	Andrew Yule & Co., Ltd.	North West	{ 15N / 11¼N	10 / 7½ }	16½	13⅜	5	2½f	3.9	P.H.
7,50,000	12,54,532	3,97,666	1,23,852	F. W. Heilgers & Co., Ltd.	Ondal	19¼N	10	12⅜	25	22½•	10f	6.12	T.Y.
10,00,000	14,15,045	32,73,178	46,739	K. C. Thapar Bros. Ltd.	Oriental Coal	12N	10	10	10	10		12	H.
8,34,000	3,98,486	16,23,403	70,539	Deepchand Kishenlall	Parasea	3½	10	—	—	—f		6.12	
15,75,000	34 87,649	39,37,649	31,995	Shaw Wallace & Co., Ltd.	Pench Val'ey	21	10	16½	12½	10	6½f	2.8	H.
23,99,500	88,51,195	1,02,79,253	—8,92,750	B. N. Elias & Co., Ltd.	Raneegunge	9½	10	—	—	—		6.12	H.
13,50,000	28,66,087	29,99,087	35,349	Shaw Wallace & Co., Ltd.	Rewa	19	10	8¾	12½	10	7½f	6.12	H.
20,00,000	15,10,118	28,07,516	165	Jaipuria Sons Ltd.	Samla Collieries	10	10	—	—	14f		6.12	T.
1,25,000	12,44,124	13,05,188	18,451	Gillanders Arbuthnot & Co., Ltd.	Searsole	10¾N	2½	20	20	20		1	P.H.
2,80,000	18,31,795	27,82,403	26,724	Andrew Yule & Co., Ltd.	Seebpore	26	7	35-5/7	32-1/7	28-4/7		6.12	M.
8,00,000	34,57,222	36,96,604	10,379	F. W. Heilgers & Co., Ltd.	Sendra	10⅛	10	5	5	3½	—f	6.12	
63,21,450	2,13,85 164	3,04,98,616	23,658	Industrial Trust Fund	Singareni	6⅛	10	4½	5	5		12	T.Y.
17,50,000	24,10,707	34,29,846	15,868	Bird & Co., Ltd.	South Karanpera	14⅛xd	10	18½	10	7½	3½f	2.8	H.
8,00,000	35,43,816	39,93,119	74,094	F. W. Heilgers & Co., Ltd.	Standard	17½	10	16¼	15	10	5f	6.12	H.
10,00,000	15,41,499	29,34,045	—2,46,174	Villiers Ltd.	Talcher	3⅛	2½	—	—			9	Y.
3,50,000	17,36,513	18,94,910	74,927	Williamson Magor & Co., Ltd. ..	Union	25½	10	20	27½	27½	12½f	6.12	H.
7,00,000	26,75,667	36,17,323	29,272	Macneill & Barry Ltd.	West Jamuria	20⅜	10	15	15	15	—f	6.12	

• The following explanatory notes relate to the abbreviations and marks shown on page 528 in the textures section:—

Option to repay on six months' notice, on any nterest date after 31st December, 1951, at 102 per cent. Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 102 per cent.

(a) Option of repayment at any time at 3 per cent. premium.

(b) Bearer bonds of Rs. 1,000 each repayable at par.

Bearer bonds of Rs. 1,000 each repayable on 31st July, 1959.

(d) Bearer bonds of Rs. 1,000 each with option of redemption in whole or in part at par on 30th June, 1952, or on any subsequent interest date at one month's notice

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months notice in each case.

Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ½ per cent. premium, after 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March, 1957

(h) Option of redemption on or after 1st July, 1949, at par.

(f) Option ofrepayment at any time at par at any time on or after 30th June 1947 on six months notice

MARKET REPORTS

(Concluded from page 517)

drawn from 28 towns of the State which have a population of less than 100,000. The Government has decided to retain a sizable administrative machinery to reimpose all necessary controls on the movement and distribution of food controls at any moment, should the need arise. The power of requisitioning foodgrains is also being retained. The Government will be maintaining sufficient stocks of coarse foodgrains to meet any emergent requirements that may arise. Accordingly, it will purchase some grain and barley for building up of the reserve. Purchases will be through the trade and each licensee may be asked to give a certain percentage of his purchases to the Government. The purchase price of gram would be Rs. 11 and for barley Rs. 10 per maund. Similar action may be taken in respect of wheat, if circumstances so require, and the purchase rate of wheat will be Rs. 15 per maund.

The latest quotations in the local market are: Wheat Rs. 19 to Rs. 20; gram Rs. 15-8; barley Rs. 12; *bejhar* Rs. 12; maize Rs. 12; *bajra* Rs. 11-8; *jowar* Rs. 10-8 to Rs. 11; peas 12-14 to Rs. 13-2; *arhar* Rs. 14; *Urd* Rs. 20-8; *moong* Rs. 21 and *masoor* Rs. 15 to Rs. 17-8.

FURTHER DECLINE IN SUGAR

(From Our Own Correspondent)

HAPUR, 16*th March*

Sugar markets remain unsteady during the week under review and there has been a general decline in prices. Sugar production has been going on briskly and the trade is not so pessimist about the overall production during the current season as the Government. The Indian Food Minister expects that this year's production will amount to 1.2 to 1.25 million tons, while the trade believes that the figure may go upto 1.35 million tons. With a huge carry-over from the previous season, total supplies would be definitely larger as compared to last year. As there is a ban on exports of sugar and Indian sugar prices do not generally stand in competition with other sugar-exporting countries of the world, markets in India would continue to be bearish.

The liberal releases of sugar quotas for free sale by the Government of India in recent weeks have increased market supplies to a considerable extent. It has also discouraged the buyers. Now that the marriage season has come to a close, the sugar offtake is likely to go down still further. Stockists are quite anxious to get rid of their stocks. Owing to heavy arrivals and less demand from Southern India, the prices of sugar in the free market at Calcutta declined to some extent. There has been fairly large accumulations of stocks in Bombay.

The following are the average sugar quotations in different markets: Ambala Rs. 29-13, Amritsar Rs. 30-10, Delhi Rs. 30-5, Jullundur Rs. 29-4, Agra Rs. 29-4, Hapur Rs. 28-8 to Rs. 30, Kanpur Rs. 27-14, Mathura Rs. 29-10, Meerut Rs. 29-4, Muzaffarnagar Rs. 30, Patna Rs. 30-12, Calcutta Rs. 29-4, Gauhati Rs. 32-5, Cocanada Rs. 31-8, Madras Rs. 31-8, and Bombay Rs. 32-10.

HIDES AND SKINS ADVANCE

(From Our Own Correspondent)

MADRAS, 17*th March*

E.I. tanned hides and skins markets ruled firm during the week under review. Prices of kips in the local bazaar advanced by an anna per lb. U.K. buyers were interested in buying kips at last week's levels but shippers increased their prices by one to two pence and business was difficult to conclude. Prices of tanned buff heavies advanced by six pies per pound, but those of cow calf and buff calf remained unchanged.

HIDES FIRM

(From Our Own Correspondent)

KANPUR, 16*th March*

Although business put through was small and there were no perceptible variations in prices, firm conditions were in evidence in the Kanpur hides and skins market during the week under review. Enquiries from Madras dealers remained the market to some extent, but buyers remained cautious and there was no rush purchases. The following are the latest quotations:

Wet salted cow, 1st grade Rs. 400, 2nd grade Rs. 300 and 3rd grade Rs. 150 per score; wet salted buff, 1st grade 1 lb. 10 ozs. and 2nd grade 2 lbs. 4 ozs. to 2 lbs. 6 ozs. per rupee; goat skin, 1st grade Rs. 240 and 2nd grade Rs. 225 per 100 pieces; sheep skins Rs. 250 per 100 pieces.

FRACTIONAL GAINS IN METALS

(From Our Own Correspondent)

CALCUTTA, 17*th March*

There was a distinct change in sentiment in the metal market during the week under review, and prices registered fractional gains. Enquiries from consumers were satisfactory. The realisation that there is a shortage of ready electrolytic copper ingots coupled with better advices from the United States contributed to a three-rupee increase in the price of electrolytic copper to Rs. 187. No doubt, consumers' interest was more in offers of scrap, which also was becoming difficult to be located.

No interest was shown in antimony. Mercury was quiet at Rs. 515. However, the trade has begun to demand that the re-export quota recently fixed should be increased, as even after the exports stocks would be heavy and would meet the country's requirements for a number of years. Virgin lead took note of better advices from London and was firm at Rs. 66. Electrolytic zinc, after falling to Rs. 59-8, returned to the opening level of Rs. 60-8.

TEA PRICES FIRM

(From Our Own Correspondent)

CALCUTTA, 17*th March*

Export offerings yesterday amounted to 54,000 chests, most of which were firm. Good demand was shown to commonest, low medium brokens and fannings, prices for which were raised by an anna. A steady market greeted whole leaf grades. Demand being lower, prices for medium Assam B.O.P's and best Assams in the better liquoring section were just maintained. The quotations were: best C.T.C. Assam B.P. Re. 1-14, medium Assam B.P. Re. 1-9-6 to Re. 1-10, clean common pekoe Re. 1-7-6, and clean common B.P. Re. 1-8 to Re. 1-9.

Last week's internal sale brought an offering of 20,000 and 1,844 packages of dusts and other grades respectively, which were strongly supported. In the dust market, bright liquoring mediums sold well, and clean black leafy varieties, suitable for export, found a ready market. The best feature of the sale was good C.T.C. sorts and the better Assams, both of which were raised above brokers' valuations. Prices for commons and low mediums were maintained. Flavoury Darjeelings were again favoured, and the poor quality Darjeelings failed to attract buyers' attention. The rates were: good red Assams Rs. 2 to Rs. 2-1, medium grainy Assams Re. 1-9 to Re. 1-9-6, and medium Dooars Re. 1-7 to Re. 1-7-6.

LINSEED STEADY

(Messrs. A. Bradley & Co.)

CALCUTTA, 16*th March*

The general tone of the market has been rather steady throughout the week with prices remaining virtually unchanged; there has been a fair daily turnover, mainly for forward delivery as crushers have shown an increased interest in forward positions. Ready goods are rather scarce and are quoted at a premium, as arrivals from up-country have been poor. There have been enquiries for oil from local buyers mainly for forward deliveries and some business has resulted; there have been no fresh enquiries for export. Pending the release of a fresh Government policy in regard to export duties, the market has been displaying some hesitancy at present. The latest quotations are as follows:—Ready Rs. 20-8, April Rs. 19-4 and May Rs. 18-12 per maund.

PLANTING

(Concluded from page 494)

ernment desires to exercise greater control over the industry, the power will be to hand. It is difficult to see exactly how responsibility will be divided or who will take the blame for failure and who the credit for success. Indeed, Government's intentions may not be clearly known until the time comes for the drafting of the rules." Thus, there is a great deal of apprehensions in the minds of planters over the Government's intentions which were not made clear when the Bill was introduced. These fears may or may not be baseless. But the Government will do well to take the planters into its confidence and remove their apprehensions by making its intentions clear to them. After all, the planters also have been contributing a lot to the economy of the country.

AGRICULTURE

(Concluded from page 504)

ing. In the U.K. bee-keeping has made rapid progress during the last few years. Countries like Russia, Australia and New Zealand have made sizable progress in producing honey.

The value of the bee-keeping industry does not end with the production of honey. The value of insects as pollinators of flowers is enormous. But for the service rendered by bees, we would not be able to enjoy any one of the deciduous fruits such as apples, plums, peaches and cherries or vegetables such as melons, cucumbers, cauliflower and turnips and would have no oil either to eat or to rub our bodies. Cross-pollinated seeds, fruits or vegetables are better, bigger, and perfectly formed. Besides, longer yields can be obtained provided a sufficient number of colonies of bees in the field and the orchard is placed. It has been estimated that four colonies of honey bees are sufficient for about an acre of oilseeds, legumes, fruits or vegetables.

Experience shows that bee-keeping is a profitable business for a small holder who is in need of subsidiary occupation and wants his leisure time to be utilised for some good purpose. As a commercial enterprise, however, bee-keeping can be practised only in localities where honey plants are abundant. The bee-keeping industry should, therefore, be given the attention that is due to it for development on proper lines.

ANIMAL HUSBANDRY

An aspect of Indian economy which has received somewhat less recognition than is due to it is animal husbandry. It is no wonder then that, in spite of India having the largest cattle population in the world, the average consumption of dairy produce in the country is so low. In view of this and also of the fact that livestock plays a significant part in the country's economy—its annual contribution to the gross national income is estimated at Rs. 1,000 crores, which excludes the value of animal power for agriculture and transport— the importance of animal husbandry cannot be too strongly stressed. Dr. Punjabrao Deshmukh, Union Minister for Agriculture, stated, in the course of his address at the tenth annual session of the Animal Husbandry Conference, held at Poona on Monday last, that the farmer's animals were the focal point in the intensified and integrated nation-building and mass-welfare programme evolved under the Five-year Plan in the key village, community project and development schemes.

The mere inclusion in the programme of improvement in livestock in the Five-year Plan is not, of course, en

BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £						
16,00,000	1,08,33,956	10,66,174	Allahabad Bank	340xd	100	18½	18½	18½	18½	12	Y.P.
14,50,000				170xd	50						
1,01,000	11,73,500	2,21,655	Andhra Bank	105	160	5	6	6	3i	6.12	H.
23,99,000				52½	50						
1,00,00,000	1,28,00,000	2,14,790	Bank of Baroda	113¼	50	12½	12½	12½	5i	12	Y.
50,00,000	10,00,000	7,107	Bank of Bikaner	20	25	—	3	3	—	12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	161¼cd	50	14	14	14	14	6.12	R.L.Y.
15,30,375	23,00,000	62,955	Bank of Indore	60	25	12½	12½	12½	—	12	Y.
50,00,000	12,65,000	1,21,170	Bank of Jaipur	18	50	3	3	3	—	12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	281xd	100	16½	16½	16½	16½	12	Y.
59,18,600	42,61,693	25,280	Bombay State Co-operative Bank	58½	50	5½	5	5	—	12	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	9	9	9	9	12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	9½	10½	10½	10½	12	Y.P.
2,62,11,875				68½	25						
52,42,375 'A'	3,99,08,177	17,23,015	Central Bank of India Ltd.	71	25	14	14	14	14	12	R.L.Y.
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	35	50	3	3	3½	3½	12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88	20	6½	10	20	20	12	Y.
1,25,00,000	15,20,000	65,220	Hindustan Commercial Bank	12½	50	—	—	—	—	12	Y.
50 00,000	1,00,000	3,806	Hindustan Mercantile Bank	11	50	—	—	—	—	12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105N	100	5	6½	6½	5	9	Y.
3,75,00,000				1,837½	500	14	16	16	16	6.12	R.L.H.
1,87,50,000	6,35,00,000	42,07,573	Imperial Bank of India	461½	125	14	16	16	16	6.12	R.L.H.
23,95 961				174cd	100						
15,00,000	70,00,000	92,545	Indian Bank	131½cd	75	11½	12½	12½	—	6.12	R.L.H.
14,00,000				94cd	50						
47,35,750	15,50,000	2,22,825	Indian Overseas Bank	98cd	100	4½	5½	6	—	6.12	R.L.H.
6,25,000				79cd	100(A)	9	9	7½	6		
2,50,000	6,33 939	1,380	Indo-Commercial Bank	19½cd	25(B)	9	9	7½	6	6.12	H.
10,00 000				40cd	50(C)	6	6	—	6		
4,55,266	30,61,350	60,357	Punjab and Sind Bank	35	25	7½	7	7	—	6.12	Y.
87 50,000	87,50,000	5,33,829	Punjab National Bank	23½	25	6	4	4	3i	12	Y.
1,00,00,000	15,50,000	1,49,583	Travancore Bank	10½	25	Nil	Nil	—	—	12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	7	5	6½	6½	6½	6½	12	Y.
2,00,00,000	75,00,000	1,70,952	United Commercial Bank	38cd	50	3½	4	4	—	6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£11 ‡‡	£5	12†	14†	14†	16‡†	12	R.L.Y.
£1,000,000	£800,000	£69,917	Eastern Bank	£5‡	£5	6†	6†	6†	2½	12	R.L.Y.
■■s.$20,000,000	H.K.$96,000,000	H.K.$8,075,332	Hongkong and Shanghai Banking Corporation	£81½	H.K. $125	5y*	5*	5*	2*‡	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-10-9	£1	12½†	12½†	12†	12†	12	R.L.Y.
£1,437 296				£1-7-0		5½†	5†	5†	5†	12	R.L.Y.
£375,000				£25	A £12½						
£375,000	£1,500,000	£200,143	Mercantile Bank o India	£25	B £12½	12½†	12†	12†	14†	12	R.L.Y.
£300,000				£10½	C £5						
£2,281,250	£3,738,892	£318,652	National Bank of India	£28½	£12½	16y†	16†	16†	8i	12	L.Y.

‡Includes Bonus. †Less Tax. ‡‡Subject to taxation. (c) Paid-up Capital Increased.

(a) There are also Rs 67,08,155 partly paid Ordinary Shares. ††O.S. Currency. (f) Interim P) Pakistan Currency. *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	5½	1st December and 1st June	Carew & Co.	1938 97	1st June .. 1953(b)
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941 90½	1st December .. 1960(f)
6,00,000	5½	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd.	1936 98	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942 102½	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944 91	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941 103	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944 92	1st November .. 1959-64
COTTON					
6,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942 85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897 96	15th November .. 1956(a)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952 99½	1st January .. 1967-72
13,68,000	5½		Jaykhree Textiles	1949 78N	1st January .. 1956-59
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950 95	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	101	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940 100½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949 92	31st December .. 1964
2,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950 102½	1st January .. 1970
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945 84	31st December .. 1970
15,00,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951 94	30th June .. 1976
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	1940 97	 1957-65
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	1939 95	 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	 1953-63
4,63,800	4½	1st April and 1st October	South Madras Electric Supply	94	1st July .. 1957-67
49,23,000	4	1st April and 1st October	Tata Power	1940 100½	15th September .. 1951-55(b)
1 00,00,000	4	1st April and 1st October	Tata Power	92½	15th September .. 1965-70
ENGINEERING					
5,00,000	5	30th June and 31st December	Britannia Engineering	1945 95	31st December .. 1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	1928 95	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942 100	1st July .. 1957-62
£1,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936 £89½	31st December .. 1966(§§)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946 84½	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950 100½	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950 94	31st December .. 1960
JUTE					
12 00,000	4½	1st October and 1st April	Agarpara	1939 97	31st March .. 1954
6,00,000	4½	30th June and 31st December	Alexandra	1939 96	30th June .. 1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945 92	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940 96	30th June .. 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945 90	30th June .. 1960
10,00,000	5	31st January and 31st July	Calcutta	1949 90	31st July .. 1959(c)
12,00,000	5	30th June and 31st December	Champdaniah Jute Mills	1951 97	30th June .. 1966
8,94,000	5	30th June and 31st December	Empire	1951 97	15th July .. 1966
25,00,000	3½	1st January and 1st July	Hukumchand	1947 91	30th June .. 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949 98	31st December .. 1964
25,00,000	5½	30th June and 31st December	Naihati	1952 100	31st March .. 1967
5,00,000	3½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1947 97N	31st March .. 1954
3,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939 93	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945 86	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	1943 91	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950 95	5th September .. 1965
8,00,000	4½	14th March and 14th September	Sovarah Jute	1937 94	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	1937 94	30th June .. 1957(d)
10,00,000	3½	31st January and 31st July	Waverley	1925 83	31st July .. 1960(e)
RAILWAYS ; STEAMSHIP AND TRAMWAYS					
4,00,000	6	31st March and 30th September	Bankura Damodar River Railway Co., Ltd.	1931 100N	9th March .. 1961
4,00,000	3½	31st March and 10th September	Bankura Damodar River Railway Co.	1938 99	31st March .. 1953
4,50,000	4	1st January and 1st July	Baraset-Basirhat Light Railway	1936 84	1st July .. 1956
8,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	1945 98	1st November ..
2,50,000	3½	31st March and 30th September	Burdwan-Cutwa Railway Co.	1938 99	31st March .. 1943–53
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900 £100N	A 105% at any time on 6 months' notice or at par or every seventh year.
£226,500	5	1st April and 1st October		1933 £102N	1st October .. 1974
3,00,000	3½	30th September and 31st March	Kalighat-Falta Railway	1934 98½	30th September .. 1953
6,50,000	3½	30th June and 31st December	Katakhat-Lalabazar Railway	1945 89	31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906 £90‡N	
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	95½	1st Septpmber .. 1963
PLANTING					
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943 100	 1945–55
3,68,200	3½	31st March and 30th September	Teekoy Rubber Estates	1944 100	 1950–59
50,00,000	5	30th June and 31st December	Waterfalls Ltd	1943 101‡	 1945–55
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946 102	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948 99	31st December .. 1965
27,60 000	4½	1st April and 1st October	Associated Hotels of India	1948 86	31st December .. 1962
4 90,500	4½	30th June and 31st December	Bengal Paper Mills	1937 95	30th June .. 1957(1)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915 92	1st February .. 1964
22,60 000	4½	1st July and 1st January	Clive Buildings	1936 89	1st July .. 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946 86	15th September .. 1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	1950 102½	1st January .. 1971
20,00,000	5	15th March and 15th September	Mettur Chemical Industries	1949 97	 1964
39 87,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946 450 (per note)	30th September .. 1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947 410 (per note)	31st December .. 1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951 94N	1st April .. 1971
1 00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951 87	31st March .. 1961
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946 80½	31st December .. 1959

Note—See page 526 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 19th March, 1953.

	Opening quotations	High	Low	Closing quotations
BANKS	Rs.	Rs.	Rs.	Rs
Bank of India (50)	162	162	159	159
Bank of Baroda (50)	114½	114½	112½	113
Central (25)	69	69½	67½	67½
Imperial (F.Pd.) (500)	1,860	1,865	1,855	1,856½
Imperial (P.Pd.) (125)	462½	462½	460	461½
Union Bank (5)	7⅞	7⅞	6⅞	7
United Com. (50)	38½	38½	37½	38
COTTON MILLS				
Ahm. Adv. (100)	147½	—	—	147½
Apollo (2)	2–12½	2½	2–11½	2½
Bombay Dyeing (250)	396½	413½	396½	406½
Central India (100)	165½	166	162	162
Century Mills (100)	286½	288½	282	283
Colaba (100)	73	—	—	73
Edward Textile (200)	240	241½	240	240
Elphinstone (50)	44	44	43½	44
Finley (100)	315	320	315	318
Gokak (100)	227½	230	225½	227
Ind. Untd. Defd. (1)	1–10½	1–11½	1–10½	1–10⅝
Ind. Untd. Ord. (10)	9–6½	10	9–6½	9–10½
Indore Malwa (100)	95½	96½	92½	93½
Khatau (100)	191½	192½	191½	192½
Kohinoor (100)	312	313½	307½	307½
Lakshmi (250)	600	600	597½	600
Madhusudhan (100)	80	—	—	80
B. R. Cotton Mills (100)	53½	53½	51½	51½
Minerva Mills (100)	105	—	—	105
Modal Nagpur (250)	145	—	—	145
Morarji (100)	185	187½	185	185
Mysore (50)	123½	—	—	123½
New City (100)	176½	—	—	176½
New Great (100)	165½	166	154½	154½xd
Phoenix (100)	125⅝	125⅝	125	125
Podar Mills (100)	131½	131½	130	130
Sassoon Silk (10)	22	—	—	22
Sassoon Spg. (10)	23½	—	—	23½
Sholapur (1,000)	1,750	1,750	1,740	1,750
Simplex (50)	185½	195½	175	176½
Swadeshi (100)	254½	259½	252½	255
Swan (100)	445	455	442½	455
Tata M.C. (25)	48½	48½	46	46½
Vishnu (100)	170	171½	168½	170
Western India (1,000)	3,150	—	—	3,150
ELECTRIC COS.				
Ahmedabad (100)	115	115⅝	114⅝	115½
Amalgamated (10)	10½	—	—	10½
Andhra Valley (1,000)	1,427½	—	—	1,427½
Bom. Sub-El. (100)	124 ⅛	124 ⅛	123½	123½
Surat (100)	121½	—	—	121½
Tata Hydro (100)	153	152	149	152
Tata Power (1,000)	1,532½	1,540	1,532½	1,540
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	500	550	545	545
Ind. Mercantile (20	38½	39	38½	39
Jupiter (15)	7	—	—	7
New India (15)	42½	42½	42	42½
Oriental (200)	6,785	6,765	6,700	6,710
Universal (10)	7⅛	—	—	7⅛
Vulcan (10)	11⅛	11⅛	11⅛	11⅛
STEAMER COS.				
Bom. Steam (25)	36	36	35½	35½
Scindia (15)	14½	14–13½	14–9½	14–10½
STEEL COS.				
Ind. Iron (10)	26–8½	27⅛	25–14½	26
Tata Steel Defd. (30)	1,836½	1,915	1,875	1,876½
Tata Steel Ord. (75)	326½	332	325½	326½
MISCELLANEOUS				
Alcock Ashdown (100)	360½	310	306½	308½
Associated Cts. (100)	174	174½	172½	173
Belapur Sugar (5)	238	240	236	237
Bom. Burmah (125)	386½	407½	386½	396½
Do. (New) (50)	142½	148½	142½	147½
Br. B. Petrol (4 sh.)	1½	1⅞	1½	1–2½
Br. I. Corpn. (5)	9½	9⅜	9–6½	9⅜
Indian Copper (2 sh.)	3–3½	3⅜	3⅜	3–3⅜
Ind. Inv. Tr. (100)	71	—	—	71
Port Canning (100)	30½	30½	30	30
Premier Con. (30)	93½	94	89½	90
Shivraypur (10)	63½	63½	63	63
Tata Chemicals (10	9½	9⅜	9⅜	9⅜
Tata Oil (25)	35	35½	34½	34½
Walchand Ind. (100	161½	161½	160	160
W. I. Match (100	230½	231½	230	230

GOVERNMENT SECURITIES	Rs	Gross Yield Earlier Redemption	Later Redemption	Rs'
2½% 1954	98½	—	3.30	98⅜
2½% 1955	98⅜	—	3.24	98⅛
2½% 1961	90½	—	3.89	90½
2½% 1960	93⅜	—	3.81	93½
2½% 1962	91⅜	—	3.88	91½
2½% 1976	82½	—	3.89	82⅛
3% 1953-55	100⅜	—	2.80	100⅜
3% 1957	98½	—	3.34	98½
3% 1958	98⅜	—	3.35	98⅜
3% 1959-61	96⅜	3.72	3.55	96⅜
3% 1964	92⅜	—	3.83	92⅜
3% 1963-65	92⅛	3.90	3.77	90⅛
3% 1966-68	90⅜	3.94	3.83	90⅜
3% 1970-75	86⅛	4.09	3.90	86
3% 1986 Con. Loan	83⅜	—	3.61	100½
3½% 1954-59*	100½	3.37	3.46	102
4% 1960-70	102½	3.66	3.84	103½
4½% 1955-60	103⅛	3.15	4.00	103
4½% 1958-68*	105⅛	3.38	4.05	

BRITISH GOVERNMENT SECURITIES	12-3-53 £	High £	Low £	18-3-53 £
				59⅛
2½% Brit. Consols	59⅛	59⅛	59⅛	84⅛
3% Savings Bonds 1965-75	84½	84½	84½	99⅛
3% War Loan 1955-59	100	100	99⅛	79⅛
3½% War Loan 1952	78⅛	79⅛	78⅛	89⅛
3½% Brit. Iron and Steel 1979-81	89⅛	89⅛	89⅛	100⅛
4% Funding Loan 1960	100⅛	100⅛	100⅛	

xd=Ex-dividend.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake

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SECRETARIAT LIBRARY MADRAS GOVERNMENT

TRIUMPH FOR BUYERS' MARKET

THE successful conclusion of the trade negotiations between India and Pakistan held at New Delhi last week is the result of the return of a buyers' market in jute and jute goods. It will be unwise to put it at any higher than that. Pakistan was willing to come to an agreement with India, because that was the only solution open to it for a problem arising from its own actions. Some are inclined to consider the satisfactory outcome of last week's talks as denoting a change of heart on the part of Pakistan towards India. Past experience and even the recent pronouncements by some of the high dignitaries in Pakistan do not fully warrant this inference, though we would like to hope that it is correct. India has always cherished the desire to live in peace and friendship with Pakistan, and our Prime Minister has never been tired of saying, quite rightly, of course, that this sub-continent has no hope of survival, unless both the countries live as good neighbours. It is in keeping with this policy that the Government of India readily agreed to Pakistan's desire to re-open talks for exploring the possibilities of a long-term trade agreement. Economically, however, India to-day is not in *urgent* need of an understanding of the type that has now been reached with Pakistan. The supply position of raw jute in India is by no means so uncomfortable as to require this understanding. Nor are the prospects for exports of coal so bleak as to necessitate the extension of a special advantage to Pakistan. In saying this, we do not mean to suggest that the agreement concluded last week is either undesirable or wholly unwarranted. But what we wish to point out is that, unlike Pakistan in the past, India did not make any attempt at driving a hard bargain by taking advantage of Pakistan's present economic plight; instead, it has, generously and in a commendable spirit of forget and forgive, extended its helping hand to Pakistan when the latter asked for it. It is to be hoped that Pakistan will reciprocate this gesture by India in settling the remaining differences between the two countries.

The trade agreement under reference is of a limited nature, in that it covers only three items, namely, jute, coal and films. Because the first two commodities figure prominently in the deal, there seems to be an impression in the minds of some that it is a barter agreement. This is not so, for the simple reason that the import of Pakistani jute is not linked to the export of Indian coal. One is completely independent of the other. Under the terms of the agreement: (1) Pakistan has agreed to lift, with effect from the 25th inst., the licence fee of Rs. 2-8 per maund on exports of raw jute to India and reduce the export duty on loose jute, or *kucha* bales, to the same level as the export duty on *pucca* bales. (2) As from the same date, the Government of India has agreed that the prices of coal supplies to Pakistan—which have hitherto been higher than the prices charged to Indian consumers—shall be reduced so as to bring the two on a par. (3) The Government of Pakistan has also agreed, with effect from the same date, to levy the same effective rate of import duty per foot of exposed cinematograph film imported into Pakistan from India as may be leviable on imports from other countries. (4) In order to enable Pakistan to plan its production of raw jute, India has indicated that it will need at least 18 lakh bales per year from Pakistan. Accordingly, the Government of India has agreed to give import licences for this amount in each of the three jute years commencing 1st July, 1953. Should, however, larger quantities be required by India, Pakistan will facilitate the export of raw jute upto 25 lakh bales in a year. The trade will be through normal trade channels. (5) India has agreed to provide improved facilities for the export of coal to Pakistan and the movement of coal by rail to West Pakistan will be increased. (6) It is agreed that, at a later date, there should be further discussions between the two Governments, with a view to widening the scope and expanding the volume of trade between the two countries.

If the terms of the above agreement are viewed against the background of the history of the dispute between the two countries in regard to coal and jute, it will be found that the Government of India has treated Pakistan in a generous manner. In agreeing to remove the licence fee on raw jute exports to India and to collect only the same rate of duty on exports of loose jute as on *pucca* bales, Pakistan has conferred no special favour on India. It has merely removed an unfair discrimination which it chose to practise against India in July last to the advantage of jute manufacturers outside India. This discrimination was contrary to the provisions of the G.A.T.T., to which Pakistan is a party. That India had a strong case against Pakistan in this respect was beyond doubt. But the contention of Pakistan that the levy of a surcharge by India on exports of coal to it constituted discrimination had no basis whatever. That the Government of Pakistan was fully aware of this is evident from the fact that it did not lodge a complaint against India with the G.A.T.T. The principle underlying the surcharge on exports of coal is analogous to that of the double-price system which many countries in the world are practising to-day, that is, a lower price for domestic consumers and a higher price for export markets. Even Britain is following this practice in regard to exports of its coal. The surcharges levied by India vary from time to time and from markets to markets, depending upon the trend of world trade. The surcharge on exports of coal to Australia, for instance, is lower than that on exports to Burma and Malaya. Here, there is no intention of discriminating against Burma and Malaya in favour of Australia. A higher surcharge on exports to Burma and Malaya is charged because the traffic can bear it. It will thus be seen that the surcharge on coal is not similar to the additional duty and licence fee levied by Pakistan on exports of raw jute. These latter levies were specifically meant for placing the Indian jute mills at a disadvantage *vis-a-vis* the mills in other parts of the world, whereas India had no such ulterior motives in levying a surcharge on exports of coal to Pakistan. There can thus be no comparison between the two. Yet the Government of India has, apparently in its desire to promote better relations between the two countries, agreed to overlook the difference between the two and remove the surcharge on exports of coal to Pakistan as a quid pro quo to the Government of Pakistan abolishing the discriminatory duties on exports of jute to India.

What was it that made Pakistan remove the special duties on exports of jute to India after retaining them for nearly nine months? In the first place. Pakistan may have realised that the G.A.T.T., to which India had complained, may give an adverse verdict. Secondly, Pakistan must have realised that, in spite of all its efforts to develop markets for its raw jute outside India, it is still dependent on India for selling quite a substantial quantity of raw jute. The total supply of raw jute in Pakistan during the current season is of the order of 80 to 85 lakh bales. Out of this, countries other than India may take only 35 lakh bales—even in the peak year of 1950-51, these countries absorbed only 42 lakh bales. This leaves a balance of 45 to 50 lakh bales, of which India may absorb about 15 lakh bales, with the result that, at the end of the current season, Pakistan will still have a large carry-over of 30 to 35 lakh bales. Even if the output in the next season is restricted to 42 lakh bales only, as directed by the Pakistan Government, the total supply in the 1953-54 season will be as large as 70 to 75 lakh bales, that is, some 40 lakh bales more than the quantity that can be consumed by countries other than India. It is true that Pakistan is making feverish attempts to increase its capacity to consume raw jute by establishing mills. But the quantity which it can consume will be relatively small for some years to come. Thus, despite its heroic attempts to be independent of Indian mills, Pakistan finds that its dependency on India for disposing of its jute is still substantial. Thirdly, the Pakistan Government is passing through difficult times, both politically and economically.

In the aforesaid circumstances, the Government of India could have taken a somewhat firm stand against Pakistan's demand for the abolition of the surcharge on exports of coal. But its action could be justified from the long-term point of view. Pakistan is the natural market for Indian coal. It is, therefore, in the interest of this country to keep that market well supplied with its coal at competitive prices. It is true that, at present, the buyers' market has not yet fully asserted itself in the sphere of coal exports and that, even with the surcharge on, Pakistan imported from India as much as 1,145,000 tons of Indian coal in 1952, as against 900,000 tons in 1951. But the day may not be far off when keen competition for markets for coal will reassert itself. Incidentally, it would have been better, if the Government of India had obtained an assurance from the Government of Pakistan about the minimum quantity of coal that it would take from India in the same manner as it has given an undertaking in regard to imports of Pakistani jute.

There is a fear in certain circles that the 18 lakh bales of raw jute which India has agreed to take from Pakistan will adversely affect the domestic production of jute. This fear is not totally unwarranted, considering that the gap between the present output of Indian jute and the demand from mills is only about 10 lakh bales and that the quality of Pakistani jute is superior to Indian varieties. A reduc-

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tion in India's production of jute is, perhaps, inevitable and not so undesirable either. In the present context of a strong buyers' market for jute goods, the Indian mills require more of high quality jute at reasonable prices than is grown in India. Self-sufficiency in jute is rather a costly policy, which should be modified if conditions for doing so are either favourable or if circumstances warrant it. Now that Pakistan is willing to supply India with more jute on the same basis as it does to other countries, India can afford to slow down its drive for higher and higher production of jute and concentrate its attention on growing good quality jute. This in itself will release certain areas, which are now growing only poor quality jute, for being utilised to produce foodgrains. Thus, the foreign exchange that will be lost on increased imports of jute from Pakistan can be offset by a saving in it brought about by a reduction in imports of foodgrains facilitated by increased domestic production.

NATIONALISATION OF AIR TRANSPORT

THE Government of India has now published the Air Corporations Bill, which seeks to create two corporations, one for the operation of long-distance international services and the other for domestic air services and for services to neighbouring countries such as Pakistan, Ceylon, Iran, Afghanistan and Burma, and these will be designated "Air-India International" and "Indian Air Line," respectively. These two corporations will take over the business of the existing private operators engaged in providing internal and external air services. Accordingly, private operators in the air transport industry will disappear when the Bill is placed on the statute book. For some time now, the air has been thick with rumours of nationalisation so that the disappearance of private operators has never been in doubt. The introduction of the Bill has, therefore, caused neither surprise nor excitement.

To those, however, who expected that the Government would at least publish a White Paper setting forth the reasons which prompted them to order the disappearance of private operators into thin air, the unseemly haste with which nationalisation is being implemented will come as a painful disappointment. With little ado, no more ado than would attend the requisitioning of a private building for official purposes, the Government is now taking over an entire industry, built up by private enterprise against heavy odds, one of which was the unsympathetic attitude of the Government itself. The public got little opportunity to discuss the issues involved. Reports of hurried consultations at top level, followed by vague reports about the Government's intentions to nationalise the industry, were the only stuff on which the public was fed, before it was served with the Bill to nationalise the industry. If the Government has thus failed to adopt the democratic procedure of giving the public and the Press a preview of its policy, the private operators have, strangely enough, been even less outspoken in their comments on the Government's policy. They have capitulated at the first sign of the Government's onslaught on this private sector without so much as a skirmish. They have, in fact, succeeded in giving the impression that they were only too willing to pass the baby (industry) to the Government. This is all the more regrettable, because they had a good case to fight for; a good case not only against nationalisation in principle, but also for better compensation, if nationalisation must at all take place.

Before we take a look at the main provisions of the Bill for nationalising air transport, it is necessary to consider whether nationalisation of the industry was inevitable. It is true that the industry has been passing through a difficult period for some time now. But the question is whether the Government has not behaved as though the industry's adversity was its opportunity. How else could the Government's move to take over the industry be described, considering that the Air Transport Inquiry Committee was against the policy of nationalisation of the industry? After an elaborate examination of the case for nationalisation, the Committee—there was not a single air transport operator on it—concluded that there was "not sufficient justification to break away from the present set-up," and backed this conclusion by an array of well-reasoned arguments which would even to-day stand the test of impartial scrutiny. The Committee also referred to the Government's previous decisions and policy statements on the subject which indicated that the Government's "constant view" was that "air transport should be left to private enterprise." A sudden reversal of this policy, it said, "may undermine the confidence of the industry in the assurances of the Government and may have unfortunate repercussions on the development and expansion of other industries also." Despite this warning, uttered after due deliberation and care and with forethought, the Government has rushed in with a big stick to beat private enterprise and drive it out of the field. There has never been any precedent for such a step, that is, for the Government going back on its Committee's recommendations, without there being any provocation for such a departure.

Instead of implementing these measures in their entirety and in the spirit in which they were put forward, the Government consistently accused the operators of extravagance, if not inefficiency, and charged them with incapacity to set their houses in order by mutual co-operation among themselves. It controlled the fares and freights in such a manner as to give no scope for either earning a reasonable profit or for free competition which would have eliminated the inefficient and marginal units. It accused them of high cost of operation but, at the same time, levied a duty of As. 15-9 on aviation spirit (subsequently reduced to As. 6 in 1952) which meant higher costs of operation at a time when traffic was beginning to fall off. There was little room left for implementing economy measures, considering that nearly 50 per cent. of the costs is represented by cost of fuel, spare parts and stores and another 40 per cent. by wages and salaries; the cost of the former item does not vary much from year to year, while that of the latter has been fixed for most companies by labour tribunals. Apart from these difficulties, the Government licensed far too many companies in the post-war period so that the available traffic was uneconomically distributed among the operators. It is strange that the Government, which determines the freights and fares, the frequency of flights and other details of air transport, should have been so indifferent to the need for economic operation of the aviation companies. The Government does not seem to have realised that it is a serious reflection on its ability and foresight if it allows an industry, over the working of which it exercises complete control, to fail or to work consistently at a loss. It is this failure of the Government to regulate the industry on proper lines that provides a first class ground for the charge by private operator that it was the Government that brought the companies to their present plight. The unrealistic and irksome controls exercised by the Government have discouraged the operators to such an extent that they are apparently quite willing to transfer the burden on to the shoulders of the Government and be content with a reasonable compensation for the assets which they have built up.

The amount payable by way of compensation to the companies is now placed at Rs. 4.8 crores, of which 10 per cent. will be paid in cash and the balance in 3½ per cent. bonds, redeemable at par at the end of five years. Both the interest and the redemption of the bonds are to be guaranteed by the Central Government. The assets will be valued with reference to the cost which each company incurred in acquiring them. Provision for depreciation will be made on the lines of the Indian Income-tax Act. Stores and spare parts will be taken over at cost less 10 or 20 per cent., depending on whether the stores are meant for Dakota or Constellation and Skymaster aircraft. The aggregate actual cost to the existing air companies of all lands, other than leaseholds, will be paid for. An amount not exceeding Rs. 10,000 might be paid as compensation for intangible assets or loss of profits. In the absence of an agreement, the assessment of compensation will be made by a tribunal consisting of three members appointed by the Central Government, one of whom will be a High Court judge. All personnel employed by the companies before 30th June, 1952, will be transferred to the Corporations. Each Corporation will have a board of directors consisting of five to nine members, with the Central Government's nominee as the Chairman. The Central Government has powers to control the activities of the Corporations. The Bill contemplates the setting up of an Air Transport Council, at a cost of Rs. 1 lakh per annum, to which matters of common interest to the two Corporations will be referred. A Labour Relations Committee is another body which is contemplated by the Bill.

Such, in brief, are the main features of the Bill. The question of compensation, it will be clear from a perusal of the Bill's provisions, has been decided without any reference to the market value of aircraft. It is computed, for instance, that a Dakota aircraft will be acquired for some Rs. 50,000, as against their market value of Rs. 3 lakhs, and that a Skymaster aircraft will be acquired for Rs. 4 to Rs. 6 lakhs, as against the market price of Rs. 30 lakhs. Little account is taken of the servicing charges which have been incurred by the companies for maintaining the airworthiness of their aircraft. Nor has any account been taken of the goodwill of the companies, unless the paltry sum of Rs. 10,000 for intangible assets could be regarded as compensation for goodwill. The companies have spent sizable sums, estimated at Rs. 1 to Rs. 1½ lakhs per year, on training of pilots alone. Thus, the Government seeks to get the benefit of trained personnel, such as pilots, radio officers and others, free of cost. It may be noted here that, when Air-India Ltd. took over the air services built up by Tata Sons Ltd., it paid no less than Rs. 20 lakhs by way of goodwill. It is true that a tribunal is contemplated for determining the question of compensation in the event of a dispute between the Government and the industry. But the Tribunal's freedom is strictly limited by reason of the elaborate principles of compensation laid down in the Bill. In short, the amount of compensation now proposed is so inadequate that it is nothing short of partial expropriation of assets, an action which is against the spirit of our Constitution.

No light is thrown by the Bill on the practical issues of integration of the existing air companies; nor is any light thrown on the vital question of the place of non-scheduled operators. A solemn assurance that no retrenchment of staff is contemplated has already been given by the Ministers concerned, though merger ought to mean at least some retrenchment of surplus staff. Perhaps, the question would be settled by compelling the employees to accept lower wages—this could hardly be a popular move—or by raising freights and fares, or by giving the Corporations relief in taxation or in other imposts, such as the duty on petrol. In any case, it looks as though one can safely conclude that, if the Corporations work economically, it will be either at the expense of the employees or of the taxpayer or of the passengers; most probably, it will be at the expense of all these groups.

Finally, there is the question of the autonomy of the Corporations. The public has, for long, demanded, and the Government accepted, the principle that commercial enterprises, run by the Government, should be fully autonomous and worked on accepted commercial principles. It is a strange variety of autonomy, indeed, which, in the case of the Corporations, is circumscribed by the powers of the Cabinet, the Directorate of Civil Aviation and the Air Transport Council. The Central Government, it is stated, "may give to either of the Corporations directions as to the exercise of its functions and the Corporation shall be bound to give effect to any such directions." In practice, this power will, naturally enough, be exercised with the concurrence of, or in co-operation with, the Directorate of Civil Aviation. All the members of the Board will be nominated by the Central Government. Each Corporation will be under the guidance of a General Manager, who will be appointed not by the Board but by the Government. The Corporations will thus be merely an extension of the Government, part of the Governmental machinery. And it is reasonable to fear that the policy of the Corporations will change with the political complexion of the Government.

Superimposed on this system of control is the Air Transport Council which will exercise its powers in its advisory capacity. The Directorate of Civil Aviation has, according to all accounts, grown into a large-sized organisation, a size which is out of proportion to its modest functions. It is not clear, therefore, why another body, the Council, is sought to be created. It is not as if the Council will be an autonomous body. It has a purely "advisory" capacity. And, what is even more pertinent, it can render advice only on questions referred to it by the Government. By thus reducing the autonomy of the Corporations to a farce, the Bill aims at nothing less than the incorporation of the air transport industry as part of the Government machinery. The import of this development to the efficient working of the Corporations is of a serious nature, indeed.

AWARD ON TATA DEFERREDS IMMINENT

ESTATE DUTY—CONTROLS ON BANKS—DEFICIT FINANCING—OUTLOOK FOR COMMODITIES

THURSDAY, 5 P.M.

MARKET GOSSIP

A STEADY trend is prevailing in the Share Market at the time of writing. Early in the week, there was a sharp setback in the value of speculative counters brought about by unfavourable and unfounded rumours about the impending Estate Duty. But the setback was short-lived and much of the loss has since been made good, the closing rates for the week being practically the same as those a week ago. This recovery shows that the intrinsic strength of the market has improved. At one time, it was believed that, as equity values moved up, old investors would come out to cash their holdings. This expectation has not so far materialised, for there are now fewer offerings on the market than, say, three or six months ago. Apparently, these investors have changed their minds, in the hope of seeing still higher prices. Whether or not their hope will materialise is a question to which one cannot give a dogmatic answer. This much, however, can be said. The outlook for most of the Indian industries is now better than it was six months ago or this time last year. At the same time, it must be stated that the existing yields on almost every one of the first class shares quoted on the Bombay Stock Exchange have come down to a level at which it looks as though this improved outlook for industries has been discounted to a very large extent. Exceptions there may be; also much will depend on what one considers is a reasonable yield. Having regard to uncertain conditions in the world, most people will agree that 5 per cent. to 6 per cent., free of tax, is a reasonable return for first class scrips, depending upon whether a particular scrip is speculative or not.

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Two factors are now exercising the minds of operators in shares. One is the Estate Duty and the other the award of the Mediator on the issue of Tata Deferred conversion. Various rumours about the former were set afloat early this week. But, as there was nothing new about them, the frightened look of some of the operators was really surprising. New Delhi advices indicate that many of them are baseless, for the authorities have not yet decided as to what should be the rates of Estate Duty, the exemption limit, etc. It is just possible that the Select Committee will submit its report before the end of this month. But as the measure is a highly complicated one, it may require further expert examination. Although Mr. C. D. Deshmukh stated in the Council of State, early this month, that it was the Government's intention to ensure that the Estates Duty Bill was passed during the current session, he may not find it possible to do so. All available indications go to show that it may take at least another four or five months before we are in a position to get an idea of the incidence of this duty, the main point about which all "money bags" in the country are now worried.

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It will not be long before the Mediator's award on the Tata Deferred Conversion issue is made public. Well-informed circles believe that the award may be published before the end of this month. According to one reliable source, a ratio of 6 Ordinary shares per Deferred share as the recommendation of one of the experts—an auditor practising in Delhi—advising the Mediator. The expectation in market circles varies between 6 and 6½ Ordinary shares per Deferred. Enquiries made in both the camps reveal that it will be quite surprising if the award is meekly accepted by them. Both the classes of shareholders are still feeling that they should fight out the issue in the Court and prolong it as far as possible. Unless, therefore, the award is enforced by the Government, the chances are that Deferred shares may have a much longer life as a trading counter in the market than most people believe.

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Every time the shares of the Indian Iron and Steel Co., Ltd. cross the limit of Rs. 26, the fear of the management of the Company, who is controlling the large holding of 11 lakh shares taken over from the "SCOB," unloading a part of these large holdings asserts itself and the quotation soon slips back. This is what happened during the past few days, when Indian Irons swiftly retreated from Rs. 27 to Rs. 25-10. In fact, there is an impression that a part of this big holding must have been quietly sold by the management. How far is this impression correct? Here is the answer to this poser, as given by the Calcutta Financial Correspondent of the *Statesman*, a paper close to the management of the Company:

"To discredit this bear rumour once and for all, one should point out that it is unthinkable that Irons would be dumped on the market from that quarter, if only because the proceeds from the sales are to be devoted to the expansion of the Company's works and it is the holder's concern to obtain for them the best price possible. It is quite improbable that shares would be sold in quantities sufficient to depress the price, and, for that matter, it is unlikely that any would be sold for some considerable time. As present expansion plans draw nearer completion, Irons will be worth more, and it is a reasonable conclusion that a large holder, who is in no urgent need of funds, would be content to wait a few years until Irons stand at a price many points higher than anything they are liable to reach this year."

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The explanation sounds convincing, though it is difficult to say whether there will be a further capital appreciation in the value of these shares and, if so, when and to what extent. Much, of course, will depend on the dividend policy that will be followed by the Directors in the coming few years and the attitude of the Government towards this issue. It may be mentioned here that the Government will soon be appointing, if it has not already done so, one or two of its nominees on the Board of Directors of the Company.

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The members of the Bullion Association, Bombay, deserve to be congratulated on the spontaneous display of their disapproval of the proposals that emanated from the majority of the Board of Directors for amending the terms of the futures contract in such a way as to give special weights against the bulls. The members first expressed their disapproval by not participating in requisite numbers in the general body meeting, held last week. Consequently, the meeting had to be adjourned for want of a quorum. The adjourned meeting was held on Wednesday this week, at which all the resolutions proposing major changes in regard to the scale of margin, conditions of delivery, auction of delivery and declaration of emergency were defeated by large majorities. If these resolutions had been accepted, it would have meant that the members of the Association were in favour of turning their market into a gamblers' den, reducing the contract to a wagering one. It is gratifying to find that the majority of them did not allow such a stigma to fall to their lot.

* * * *

When does deficit financing cease to be a useful instrument of economic policy and become inflation, pure and simple? This is a difficult question. One might as well ask when courage ceases to be courage and becomes foolhardiness, or when caution ceases to be caution and becomes an excuse for cowardice. Deficit financing is certainly allied to inflation and yet it could, under certain circumstances, be made to stand out in contrast with inflation. But the line of distinction between the two is very thin. Mr. E. M. Burnstein, Leader of the I.M.F. Mission, admitted as much when he said at the Press Conference held in New Delhi on the eve of his departure from India, that there is no way to set down a formula for what is the right amount of such financing and what would be excessive. The only definition he could offer was that the "right amount of deficit financing is the amount that meets the country's need for additional money without making prices rise." He was not, of course, unaware of the fact that this description, simple as it seems, gives no real clue to the easy and successful adoption of deficit financing, for, he said: "This can only be determined by letting the money supply expand slowly, by watching its effect, and by taking steps to prevent excessive credit that would force up prices."

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Mr. Bernstein recognised that a sound development programme would require more investment than could be easily financed by savings, for, if it required no more, it would not be a development programme but a mere inventory of investment projects that would be undertaken in the ordinary course of events. It is not, therefore, surprising that the Plan calls for a much higher level of investment—any plan, worthy of the name, ought to do that. But there was danger, warned Mr. Bernstein, in the view that finance ought not to stand in the way of development. The trouble was that inflation "is a socially and economically costly method of securing development," for inflation transfers income from one section, the economically weaker section, to another, raises the consumption of one class at the expense of another, distorts the economy, and wastes resources by drawing them into socially less productive channels.

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There is no need, however, to see the ghost of inflation in every dose of credit expansion. After all, in an expanding economy, as Mr. Bernstein said, it is essential that money supply should expand to enable the public to finance the higher level of production and consumption. This expansion could only take place, he added, through the acquisition of foreign exchange resources, the creation of Reserve Bank credit, or the creation of credit by the Scheduled Banks. He said: "That is why some borrowing by the Government of India from the Reserve Bank—what you call deficit financing—is not only justified but is even necessary." Lest this should be mistaken for a concealed plea for inflation, he reiterated his stand by saying: "I favour zero inflation, but I hold this is consistent with some deficit financing. I believe that some borrowing by the Government of India from the Reserve Bank is necessary and desirable at this time to keep the economy progressing on stable price basis." He felt that India had an "exceptionally successful" record in combating inflation in the past few years, for it followed a "determined and intelligent credit policy." He added: "The same determination and intelligence will be needed to shape credit policy in the next few years, when the Plan is being carried out. With such a policy, there is no great risk that deficit financing will get out of hand and result in inflation."

Here is the rub. The chief difficulty is that, although the Government has no doubt been successful in combating inflation arising from afar through the imposition of export duties, restriction on imports, and the grant of food subsidies, its ability to combat inflation which arises from within has still to be tested. During the post-Korean boom, the Government did successfully tackle inflation. But inflation was then an external enemy. It remains to be seen whether it could fight, equally successfully, an inflation generated from within by the adoption of deficit financing.

* * * *

The role of the banks in the unfolding of our economic potentialities, contemplated by the Five-year Plan, has not received sufficient recognition in this country. Analysing what he called the "vital bearing" of the Plan on the operation of the banks, Mr. H. P. Mody, who was addressing the annual meeting of the Central Bank as its Chairman, said that the large-scale expenditure (Rs. 2,089 crores) envisaged by the Plan, "would create opportunities for a large volume of business by the banks." The Planning Commission had not made any estimate of the total increase in short-term credit which the rising *tempo* of economic activity would need, but the requirements of the private sector of industry had been placed at Rs. 150 crores. Mr. Mody said: "This is the additional working capital which industry would need by the end of the Plan, and it would be mainly the responsibility of Scheduled Banks to provide it." The Planning Commission, on its part, has however admitted that the "process of economic development, once started, will make new demands on the banking system." There is no doubt that increasing demands will be made on the banking system. And, it is to be hoped that the banks will be found equal to the task. Mr. Mody referred, in this connection, to the Commission's view that the Reserve Bank should exercise a direct control over banks' operations with a view to ensuring that lack of short-term credit will not hamper the development programme contemplated by the Plan. He argued that, since the banks had always responded to the Reserve Bank's directions in the past, there "does not appear to be any need for the Reserve Bank to exercise any additional control for securing the flow of credit necessary for the execution of the Plan." In view of the banks' record of responsive co-operation with the Government, Mr. Mody rightly suggested that any "talk of intensified control can only be characterised as unfortunate and uncalled for."

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Of late, there has been a tendency for Indian banks to extend their banking activities to overseas countries, especially in the East and South-east Asian countries. Mr. Mody's reference in his speech to the Bank's proposed branch in London, therefore, roused the shareholders' curiosity to know something about the prospects for their Bank's branches in overseas countries. In reply to a shareholder's query whether the Directors were considering opening of any more branches outside India, Mr. Mody said that they were not anxious to do so.

* * * *

World producers of raw materials need fear no want of markets. This is the broad conclusion which emerges from the study of the Royal Institute of International Affairs Information Paper on world production of raw materials. The conclusion must certainly be heartening to raw material producers who comprise so large a proportion of the globe. And they are in need of some encouragement, considering that every rise in raw material prices has in the past been followed by a violent reaction. The recent experience of how the Korean boom has petered out is only another instance to show the essentially unsteady character of the markets for raw materials.

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The Institute's study of the subject refers to the "slump psychology" among the producers. But it points to the fact—an encouraging sign for the raw material producers—that, although world production of raw materials in 1950 was only some 10 per cent. higher than in the five years immediately preceding the outbreak of war, manufacturing capacity increased by as much as 40 per cent. The Paper says: "Manufacturing capacity throughout the world is outstripping the supply of raw materials."

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It refers, in this connection, to the American economy which, even under peaceful conditions, can be expected to expand at the compound rate of 3 per cent. per annum, so that, by 1975, the U.S. would be using 60 per cent. more raw materials than in 1950. Efforts are, no doubt, being made by the U.S. to increase domestic supplies of raw materials. But the limiting factors are the high cost of exploiting these resources and the fact that the high-grade materials have already been exploited. Thus, supplies of high-grade iron ore in the U.S. are expected to decline after 1956; the U.S. will also have to depend increasingly on imported bauxite for its aluminium production. The Paper, in fact, sees in this trend the hope of a long-term solution of the world's dollar problem. Increasing dependence of the U.S. on the outside world for raw material supplies ought to ease the world's desperate need for dollars. But this is only a long-term prospect, for, in respect of the short-term trend, it says: "In the immediate future, the fact that the U.S.A. is expanding its domestic output of primary products to meet the needs of its defence programme might well intensify the dollar shortage for other countries when rearmament ends, unless the high cost development projects are closed down."

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The Paper deplores that few international commodity schemes have come into effect in the

(Continued on next page)

EQUITIES LISTLESS

TATA ORDINARIES DEPRESSED

(From Our Own Correspondents)

BOMBAY, 26*th March*

THE Stock Exchange proved its vulnerability to rumours in the absence of any other factors. After an initial hardening tendency based on hopes of better trade relationships with Pakistan, the sentiment of operators turned bearish. Rumours about Parliament proceeding with the Estate Duty Bill and speculation regarding the exemption limit and rates of duty in the Bill created a hesitant feeling. But soon interest of operators in shares was revived with the announcement of the Mediator's award on the Tata Steel conversion scheme being imminent. Conjectures about the ratio of conversion became rife, although the gap between the two sets of ratios had considerably narrowed. The common expectation was that each deferred share would be equivalent to six ordinary shares. But speculative interests were inclined to place it a little more favourable to the Deferred holders. As a result, the Deferred shares hardened towards the close, while the Ordinary shares were subjected to a mild hammering. The revival in Tata Deferreds towards the close also imparted a mild steadiness to the other sections. On balance, however, values were a shade lower than those at the close of last week. The much anticipated Indo-Pakistan Trade Agreement did not make any impression either here or in the Calcutta Share Market where jute shares continued to be featureless. To-day, the Stock Exchange remained officially closed for only an hour as a mark of respect to the late Mr. J. J. Kapadia, one of the prominent share and stock brokers of the city. But members refrained from doing business for the rest of the trading period.

In the steel section, Tata Deferreds opened promisingly and touched Rs. 1,888-12, as against last week's closing of Rs. 1,876-4, before rumours about the Estate Duty Bill brought them down to Rs. 1,850 on Tuesday this week. But later on reports about the ratio of conversion and firm advices from the bullion market lifted up the shares to Rs. 1,872-8 at the close yesterday. Tata Ordinaries declined from Rs. 326-4 to Rs. 318-8, before closing at Rs. 319-4. Selling pressure from Calcutta pushed down Indian Irons from Rs. 26 to Rs. 25-5, but at the close the scrips regained to Rs. 25-10.

Textile shares were unimpressive on adverse reports regarding declining offtake of cloth both for exports and internal sales. Bombay Dyeings disclosed no appreciable fall, though early in the week a mild pressure was noted when the scrips fell from Rs. 410 to Rs. 402-8. Latterly, there was an improvement to Rs. 407-8 before finishing at Rs. 405. Kohinoors moved between Rs. 310-4 and Rs. 305 and closed at Rs. 308. Centurys receded by Re. 1-8 to Rs. 280-8 and Central Indias were quiet at Rs. 161-8. Finlays were down by Rs. 3 at Rs. 315 and Gokaks by Rs. 3-8 at Rs. 223-8. New Greats were lower by a rupee at Rs. 133-8. Khataus were steady at Rs. 192-8. India United Ordinaries lost As. 2½ to Rs. 9-9. The notable exceptions to the general trend were Simplex shares, which rebounded by Rs. 6 to Rs. 182-8 on expectations of a bonus issue, and Svadeshis, which advanced by Rs. 8-8 to Rs. 263-8 on anticipations of higher dividends.

Bank shares were a little easy on selling seen in a few counters. Barodas were down by Re. 1 at Rs. 112. Indias were placed at Rs. 153-12 *ex-div.*, as against Rs. 159 *cum-div.* Centrals were at Rs. 67 *cum-div.* and their 'A' ordinary shares declined by Rs. 2-4 to Rs. 68-12 *cum-div.* Imperial Fully Paids were dull at Rs. 1,855, as also the Contributories at Rs. 457-8. United Commercials disclosed a loss of As. 4 at Rs. 37-12.

Interest in public utility shares was patchy and prices in select scrips showed small rises. The undertone was steady. Ahmedabad Electrics Old were placed at Rs. 114-11 *cum-div.*, as against Rs. 115-5, while the New shares were unchanged at Rs. 114-1. Bombay Suburbans were maintained at Rs. 123-12 and Surat Electrics at Rs. 121-14. Tata Hydros were up by Re. 1-8 at Rs. 153-8. Andhra Valleys hardened by Rs. 10 to Rs. 1,437-8. Tata Powers were, however, lower by Rs. 2-8 at Rs. 1,537-8.

The miscellaneous section was extremely dull. Associated Cements moved narrowly and closed at the previous week's level of Rs. 173. Belapurs hardened by Re. 1-8 to Rs. 238-8 due to scarcity of stocks. Bombay Burmahs reacted from Rs. 396-14 to Rs. 394-6, the shares at one time touching a low of Rs. 390. Industrial Investments were better by Re. 1-8 at Rs. 73-8. Killick Industries hardened by Re. 1-12 to Rs. 146-4. National Rayons were steady at Rs. 74-12. Tata Chemicals were unchanged at Rs. 9-12 and Tata Oils gained a fraction to Rs. 34-12. Wimcos were done Re. 1-4 higher at Rs. 231-4.

In the mining and engineering group, B.B. Petrols were steady at Re. 1-2½. Indian Coppers were quiet at Rs. 3-3. Alcocks drifted lower by Rs. 2-8 to Rs. 306-4. Premier Constructions looked up by a rupee to Rs. 91. Shivrajpurs were maintained at Rs. 63 *cum-div.* Tata Locomotives had sellers at Rs. 86.

In the transport group, Scindias receded by As. 4½ to Rs. 14-6, but Bombay Steams were up by As. 8 at Rs. 25-8. Bharat Lines had buyers at Rs. 94. Hindustan Motors were listless at Rs. 4-6. Air-Indias were done at Rs. 83 and Air-India Internationals were wanted at Rs. 102.

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Calcutta Stock Exchange

CALCUTTA, 25*th March*

A setback in sentiment and a reduction in turnover were features of trading on the Calcutta Stock Exchange during the week under review. Monday was observed as a holiday on account of *Sriramanavami*. Depression in the speculative Indian Irons was as sudden as was the spurt mentioned in these columns last week. The loss in the quotation was by two points to Rs. 25-3. The general tendency for quotations to move down was mainly due to the wait-and-watch attitude of operators after a week of hectic activity. London reports hinting at the possibility of high-level peace talks between Russia and the Western democracies and the revival of hopes of settlement in Korea under the U.N. auspices encouraged investors to pause and await the emergence of a clearer picture. Reports that the Estate Duty Bill would come up for consideration in the present session of Parliament were another factor which checked the enthusiasm of operators.

Nevertheless, apart from the shake-up in the speculative counters and a decline in the volume of business, quotations in the different sections were steady. The successful conclusion of the Indo-Pakistani Trade Negotiations should have invited a buying spree in jutes, but this could not take place in view of the above considerations and the perceptible fall in the prices of jute goods. The prospect for increased coal exports to Pakistan has been cheerfully noted, and coal shares are bound to come to the forefront sooner or later. Tea shares were generally steady, and despite the quiet conditions and a fractional fall in prices, during Monday's export sales and yesterday's internal auctions moderate support was given yesterday also. Selected counters in the miscellaneous group proved features, while shares of paper and sugar mills received the moderate attention of operators.

In the textile section, Bengal Nagpurs featured with a rise to Rs. 15-4 from Rs. 14-12, but latter profit-taking reduced the gain to Rs. 15-1. Kesorams were fractionally lower at Rs. 21, while Elgin Mills, after being traded at Rs. 17-12, gave way to Rs. 17-8. Cawnpores were wanted at Rs. 8-3.

Coals had a steady market. Bengals, after spurting to Rs. 545, closed at Rs. 540, and Burrakurs were at one time raised to Rs. 11-4. Moderate support continued for East Indians which advanced to Rs. 24-1 from Rs. 23-6. Dhemo Mains were searched at Rs. 11-6, New Beerbhooms improving further to Rs. 22-13. Churulias were taken at Rs. 3-2, Western Bengals at Rs. 4-11 and Unions at Rs. 25-14. Raneegunges were supported at Rs. 9-2.

The weak reports from the finished goods markets were duly reflected in the trend of trading in jutes, where an improvement in sentiment is considered possible only after the current accounting period of mills comes to an end this month. This would, of course, depend on a revival of moderate demand for sacking. Speculative Howrahs opened steady at Rs. 24-11, and were shaded to Rs. 23-13. However, the close over the week-end was at Rs. 24-3 and yesterday the rate was even lower at Rs. 24. Anglo-Indias receded to Rs. 227 from Rs. 229 although the realisation was, at one time, Rs. 232. Empires were marked down at Rs. 21-6.

Baseless rumours that Dalhousie Holdings would shortly release to the market a good portion of Indian Irons in their possession invited a wave of selling pressure in Indian Irons. Fears of steel decontrol in the United States also contributed to accelerate the pace of selling. In fact, they eclipsed the hopes of an increase in the retention prices of steel as well as the prospects of another big loan to the Indian Iron and Steel Company. The counters opened at Rs. 26-13 last Wednesday, and, for reasons stated above, were mercilessly hammered down to Rs. 25-3. However, as the rumours about Dalhousie Holdings died out, an improvement to Rs. 25-9 was an impressive feature of yesterday's trading and was a sign of returning confidence. Interest in Jessops continued, and a high of Rs. 25 was recorded this week. Kumardhubis changed hands at Rs. 8-5, Marshalls at Rs. 6-12 and Braithwaites at Rs. 11-4.

Miscellaneous shares not only maintained the improvement of last week, but certain selected counters added further gains. Godfrey Phillips were better at Rs. 27-12, and F. and C. Oslers spurted to Rs. 6 from Rs. 5-2. Titaghur Papers were steady at Rs. 36-12, while after improving further to Rs. 77 Rallis were marked down to Rs. 76 for a time. Sone Valley Cements found buyers at Rs. 7-7, and India Steamships at Rs. 6-10. Shares of airlines were transacted at previous levels, while among teas, Jultibaris, Patrakolas, Baghmaris, Basmatias, Hoograjulis, East Indias, Borpukhuris, Dhelkhats and Central Cachars were counters of special interest and were put through at advancing rates.

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Madras Stock Exchange

MADRAS, 24*th March*

The Madras Stock Exchange ruled generally active this week. Textiles continued to attract attention on speculative support. The hesitant mood witnessed last week in the planting scrips gave way to brighter sentiment. Teas rose on reports of persistent demand for leaves from overseas countries. Rubbers were almost firm on good prospects for the plantations during the current year. Coffees depicted an improved trend in sympathy with teas and rubbers. Miscellaneous scrips proved no exception to the generally upward trend. As a result, there was an all-round advance in prices.

Textiles were again in the limelight this week also. Rajalakshmis shot up from Rs. 73 to Rs. 77 and Pankajas from Rs. 61-8 to Rs. 65. Bangalore Woollens gained Rs. 2 to Rs. 238. Coimbatore Spinnings rallied Re. 1-8 to Rs. 45-8. Balasubrahmanias Rs. 40 and Rs. 70 paid-ups improved by Re. 1 each to Rs. 29 and Rs. 50, respectively. Travancore Rayons and Trichinopolys were better at Rs. 4-5 and Rs. 10, respectively. Sitarams, however, lost Rs. 3-8 to Rs. 35-8, and Dhanalakshmis Re. 1 to Rs. 187 *cum-div.*

Teas were fairly active. Devoshalas improved from Rs. 14-8 to Rs. 15 and Peermades from Rs. 37-8 to Rs. 37-12. Midlands (tea and rubber) gathered As. 3 to Rs. 9-8. Kalasas lost As. 2 to Rs. 16-2.

Rubbers were in favour. Nenmenys shot up by As. 8 to Rs. 10. Malankaras put on a similar amount at Rs. 101. Thamarpally was higher by As. 6 at Rs. 12-12. But Vaikundams lost As. 2 to Rs. 15-8 *cum-div.* Kalpettas (rubber and tea) were down by As. 4 at Rs. 17-12.

Coffees came in for some enquiry with Consolidated Coffees closing As. 1½ higher at Rs. 17-2. Puthuthottams gained an anna at Rs. 4-14. Neelamalais (coffee and tea) and Ouchterlonys (coffee and tea) were better at Rs. 3-11 and Rs. 4-2½, respectively.

Among miscellaneous scrips, Ranes Rs. 50 paid-ups hardened by As. 8 to Rs. 75-8 and Mysore Stonewares As. 4 to Rs. 9-12. Indian Steel Rolling Mills were done at Rs. 11-8, as against Rs. 11-4. United Breweries disclosed a gain of Rs. 2 to Rs. 150. Indian Cements were, however, lower by As. 10 at Rs. 16-6.

Notice

PALAI CENTRAL BANK LIMITED

(Incorporated in Travancore-Cochin with limited liability)

NOTICE IS HEREBY GIVEN THAT THE Twenty-fifth Annual General Meeting of the Shareholders will be held at the Registered Office of the Bank on Thursday the 9th April, 1953, at 3.30 p.m., to receive the Profit and Loss Account and Balance Sheet, with the Report of the Directors for the year ending 31st December, 1952, to declare a dividend, to elect two Directors, and to appoint an Auditor or Auditors.

The Transfer Books of the Bank will be closed from the 21st March to 10th April, 1953, both days inclusive.

By Order of the Board,
K. JOSEPH AUGUSTI,
Managing Director.

PALAI, 18*th March*, 1953.

MARKET GOSSIP

(Concluded from previous page)

post-war world—apart from the notable exception of the International Wheat Agreement—although many experiments have been made in this sphere. The Paper points out that no measures have been taken to implement the recommendations of the Rubber, Tin and Wool Study Groups, set up by the United Nations, and that the "buffer stock" scheme of the F.A.O. was abortive. The International Materials Conference (I.M.C.) set up in Washington, in January, 1951, was, however, a successful attempt, although the allocation scheme, put through by the I.M.C., was not backed by any formal authority. While these attempts are merely in the nature of allocating scarce supplies of raw materials among the chief consumers, the real attempt at solving the problem must naturally be in the direction of increased production. From this point of view, the Paper notes that significant lead has come from the U.S. New deposits of copper, lead, zinc and tungsten are being worked in Alaska; of manganese in Arkansas; of tungsten and chromite ore in Oregon; of sulphur in Louisiana; of uranium in Colorado. But, apart from Canada, few countries have received any substantial investment from the U.S., though large American investments have been made in the world oil industry.

NEWS IN BRIEF

DURING 1952, Indian shipping companies carried 96 per cent. of the cargoes moving on the Indian coast and the remaining 4 per cent. was carried by foreign companies.

In response to an invitation by the Kutch Government, the Working Committee of the All-India Manufacturers' Organisation has sent an A.-I.M.O. delegation, headed by Mr. Morarji J. Vaidya, to tour Kutch and advise the Kutch Government on the industrial development of the State.

The Government of India has sanctioned a loan of Rs. 24 lakhs to the Hyderabad Government for financing the digging of new wells and repairing old ones. The loan will be repayable in five annual instalments with effect from 1954-55 and will carry interest at 3¾ per cent.

A process for converting low-grade phosphatic nodules obtained from the Trichinopoly area into a useful fertiliser without the use of sulphuric acid has been worked out in the Indian Institute of Science, Bangalore. The cost of production is roughly estimated at Rs. 150 per ton.

The Orissa Government proposes to establish seven new industries including paper, aluminium, ferro-manganese, and spinning and weaving mills, in the State within the next two years. Besides, the Government has obtained sanction from the Centre for the setting up of one jute and two sugar mills.

A suggestion for creating a central organisation for taking over operation in regard to mica is under the examination of the Government of India. The Government has been advised that the quality of mica for export should be improved by adopting a universal standard for grading. Action is being taken in this direction.

Under the Standard-Vacuum's Training Programme designed to offer suitable members of the Indian staff advanced training, three more Indian executives of the Standard-Vacuum Company have been sent to the U.S. for training for a period of three months. The present group will receive training in different phases of petroleum marketing, including engineering, retail merchandising, sales organising, etc.

India had an adverse balance of trade to the extent of Rs. 77.56 crores during the nine months ended December, 1952. The value of imports during the period amounted to Rs. 523.08 crores and exports to Rs. 445.52 crores. India's balance of payments on current account for the same period was plus Rs. 87 crores. The total invisible receipts during April-September, 1952, were Rs. 97 crores.

It has been decided to set up a Central Manures Committee of five experts, representing the Central Agricultural Ministry, the State Governments and the growers. The functions of the proposed Committee will be to take stock of results of manurial research and to make suggestions for the development of better manure use. The annual expenditure is estimated at Rs. 2,000.

The second conference of Development Commissioners of State Governments for Community Projects will be held in New Delhi from 16th to 18th April, 1953. The Conference will review the progress of the Programme launched in October last year, discuss problems that have since arisen, and draft a programme for the next year. The first Development Commissioners' Conference was held in May last year, when the idea of launching Community Projects all over the country was approved and the line of action to be taken decided.

The Government of India has decided to treat 50 per cent. of the dearness allowance, at present granted to Central Government servants in various pay groups up to a salary of Rs. 750 per month, as pay for purpose of retirement benefit, travelling allowance, compensatory and house rent allowance, and recovery of rent from those in occupation of Government quarters. This decision is in accordance with the recommendation of the Dearness Allowance Committee. The implementation of the recommendations will benefit 1,525,000 persons and cost the Government an additional sum of Rs. 5 crores per annum.

The amounts of loan sanctioned by the Government of India to the State Governments for the construction of tube-wells during 1952 were Rs. 67.5 lakhs for Uttar Pradesh, Rs. 45.74 lakhs for Bihar, Rs. 18.74 lakhs for the Punjab and Rs. 40 lakhs for Bombay. A sum of $1.3 million has already been paid out of the Indo-U.S. Technical Co-operation Agreement fund for the 2,000 tube-wells programme in the U.P., the Punjab, the P.E.P.S.U. and Bihar. From the Minor Irrigation Scheme Fund of Rs. 10 crores, a sum of Rs. 41.53 lakhs has so far been advanced as loan to the U.P. Government. The number of tube-wells sunk during 1952 was 190 in the U.P., 118 in the Punjab, 105 in Bihar and 18 in Bombay.

The total outlay involved in the setting up of the proposed electronics and tele-communications factory at Bangalore is estimated at Rs. 7 crores. A contract has been entered into between the Government of India and the French firm, *Campagnie Generale de Telegraphic San Fil*. Under the contract, a sum of Rs. 7 lakhs is to be paid to the French firm for the services rendered in connection with the drawing up of the plan and details for the building and construction of the factory, of Rs. 40 lakhs for the construction and services directly connected with the purchase and installation of plant and machinery, and of Rs. 40 lakhs as payment for technical advice and assistance. The payment in the nature of royalty on actual production will be on a percentage basis, such being 3 per cent. on the first crore worth of goods, 2 per cent. on Rs. 2 crores, and 1 per cent. on Rs. 2 crores and above.

The Government of India has decided to consider on an *ad hoc* basis the grant, in genuine cases, of some relief in customs duty on re-importation of machinery exported out of India for repairs, provided that no drawback of duty is admissible at the time of export. To qualify for exemption, it is necessary for a certificate to be obtained, before export, of the machinery from the Development Wing of the Ministry of Commerce and Industry, after inspection by officers of that Department, if necessary, to the effect that the repairs to be done to the machinery are such as cannot be carried out within the country. It will thereafter be open to the Government at its discretion to grant on re-importation exemption from so much of the customs duty as is in excess of that leviable on the cost of repairs, freight and insurance charges both ways. The Customs Collector should, however, be satisfied as to the identity of the goods. The ownership of it must remain unchanged and re-importation should be made within one year of the export.

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From Abroad

A Japanese official mission is visiting London shortly to discuss with the U.K. Government currency questions relating to the future relationship of the sterling and the yen.

The Canadian Government has removed the export and import controls on a wide range of strategic metals to and from the U.S., including all non-ferrous metals, except nickel and nickel-bearing material.

The U.S Government has lifted allocation controls over copper scrap, copper-base alloy scrap and ingot, blister copper, copper and copper-base alloy slot and wapple, and copper precipitates. Refined copper, however, still remains under allocation controls.

Sweden had a favourable balance of payments to the extent of Kr. 132 million (£9.1 million) during 1952, as compared with Kr. 1,046 million in 1951. Of this, favourable balance on foreign trade account, including invisible payments, accounted for Kr. 100 million.

The French Government is reported to have planned drastic cuts in imports from the sterling area countries during the next six months with a view to "rectifying" the unfavourable balance of payments position. The main items of imports to be reduced include medical equipment and manufactured goods and, to a lesser degree, wool cotton, jute, tin, rubber and oil.

France has constructed 50 hydraulic plants since the war as part of the programme of post-war economic recovery. France is at present consuming about 35 billion kw. hours of energy per annum, as against only 18 billion kw. hours before the war. More than half of the energy is produced by hydraulic power.

The Malayan Government has decided to conduct an enquiry into the natural rubber industry. This decision is a sequel to the representation made by workers. The total number of workers employed in the industry is 320,000, the majority of whom are Indians. Malaya produced 575,000 tons of rubber in 1952. The production during the current year is estimated at 560,000 tons.

Consumption of new rubber in the U.S. during January, 1953 agregating 120,742 tons, as compared with 107,319 tons in January, 1952. The January consumption represented an increase of 4.45 per cent. over the 115,600 tons consumed in December, 1952. Consumption of natural rubber in January, 1953, came to 47,567 long tons, as against 36,989 tons in January, 1952, and 44,502 tons in December, 1952, and of synthetic rubber to 73,175 tons, as against 70,330 tons and 71,098 tons.

During 1952, the insurance companies operating in Canada sold life insurance aggregating $2,287 million, which represents an increase of 14.9 per cent., as compared with that during the previous year. The total life insurance in force as on 31st December, 1952, was $19,091 million, an increase of 10.8 per cent. over 1951. Ordinary life insurance amounted to $13,617 million, industrial insurance to $1,625 million and group insurance to $3,849 million. Of the total business, Canadian companies carried $13,085 million, and British and U.S. companies $6,005 million.

West Germany is said to be making a determined effort to secure more orders for its engineering industry by devoting greater attention to the development of backward areas. The Federal Ministry for the Marshall Plan has worked out a technical assistance plan on the lines of the U.S. Point Four Programme. Already, about DM. 500,000 (£42,500) from the European Recovery Programme funds have been set aside for the purpose, which will be extended subsequently. Particular interest is to be paid to the Arab countries. Participation in the development of raw material resources in the Commonwealth is also under consideration. The Government is considering the financing of credits with a view to enabling the German industry to grant longer terms of payment to foreign buyers of industrial equipment.

PERSONAL

MR. Krishnaraj M. D. Thackersey has joined the Board of Directors of the Belapur Co., Ltd.

Mr. P. F. D. Tennant, Deputy Overseas Director of the Federation of British Industries, arrived in Bombay on Sunday last on a short visit.

Mr. Sankar Saran, a retired Judge of the Allahabad High Court, has taken over charge as Custodian-General of Evacuee Property, Government of India.

Sirdar P. S. Sodhbans, Editor, *The Indian Accountant*, New Delhi, has been elected to the Executive Committee of the International Chamber of Commerce for the year 1953-54.

Mr. Lambertus Nicodemus Palar, Permanent Indonesian Representative to the U.N., has been appointed Indonesian Ambassador to India. Mr. Palar is expected to take over his new assignment in May next.

Mr. George V. Allen was sworn-in as the U.S. Ambassador to India at Washington on Tuesday last. Mr. Allen will hold consultations with the U.S. State Department for three or four weeks after which he will be arriving in New Delhi.

Mr. Andre Coyne, a well-known French authority on dams and President of the World Committee on Large Dams, who has been invited by the Bombay Municipal Corporation to advise on strengthening the Tansa Dam, arrived in Bombay last week.

Mr. E. S. Krishnamurthy, Member of the Central Board of Revenue, and Mr. S. C. Mathur, Narcotic Commissioner, will represent the Government of India at a meeting of the Narcotic Commission and the International Opium Conference commencing at New York on the 30th inst.

Mr. A. Kirkwood-Brown of Mackinnon Mackenzie and Co., Ltd. and Mr. Paspatti of Rallis India Ltd. have been elected to serve as the representatives of the Bombay Chamber of Commerce on the Board of Trustees of the Port of Bombay for a period of two years from 1st April, 1953.

Messrs. M. A. Master, Ramdas Kilachand, P. M. Chinai, Morarji J. Vaidya, Vallabhdas V. Mariwala, and Tulsidas M. Vishram have been elected representatives of the Indian Merchants' Chamber, Bombay, on the Board of the Bombay Port Trust for a term of two years beginning from 1st April, 1953.

OBITUARY

We regret to record the sudden demise of Mr. Jagmohandas J. Kapadia on Wednesday this week. A well-known stock and share broker, Mr. Kapadia was an Honorary Secretary of the Bombay Shareholders' Association and, in that capacity, contributed much to the safeguarding of the interests of shareholders. He was also an acknowledged authority on company law, and the valuable work he did as a member of the Company Law Reform Committee bears ample testimony to his thorough grasp of the intricate problems connected with the financial structure of joint-stock companies. In the death of Mr. Kapadia Bombay has lost a doughty champion of the cause of improvement of company administration.

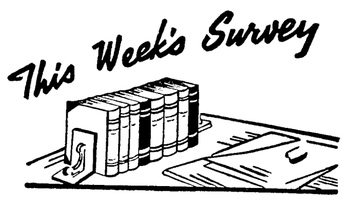
"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 31*st March*

Industrial Unrest in India

The recent visits of British Labour and Trade Union representatives to India have had the effect of stimulating—if not actually encouraging—industrial turmoil in India. We certainly do not object to better organisation of labour in this country, but what we most certainly do object to is the exploitation—a favourite word that in certain circles—of labour for any but the legitimate purpose. We heartily welcome better housing, better education and better surroundings for those who "toil and moil from morn till night"; we sincerely wish them all the amenities of life and we always applaud the efforts of temperance people to wean them away from vice and drink, but we do not like that their awakening—another favourite word again—should be one-sided. Simultaneously with the efforts to ameliorate their conditions of life, there should be awakened in them a sense of their responsibility—what their duties and obligations are towards their employers. Capital and labour are interdependent; one cannot thrive without the other. So there are mutual obligations and reciprocal duties, and the sooner they are made conscious of the same the better for all concerned. Disputes can be settled easily and amicably, if there be no extraneous agency to excite passion and create trouble where there should be none. And, above all, the after-effects of a strike or lockout—the misery it entails—the sorrow it brings in its trail—should be brought home to every person who earns his bread by the sweat of his brow before he downs his tool.



MR. CHESTER BOWLES

AS the U.S. Ambassador to India, Mr. Chester Bowles achieved a distinction that has seldom been surpassed. During the brief span of 18 months' stay in India, he became a popular figure in Indian circles and acquired the reputation of being not only an able interpreter of the U.S. to India but a sympathetic interpreter of India to the U.S. The secret of his success in this direction lies in the fact that, during his period of stay, he took special care to contact the people of India by constantly touring the country, going to its numerous villages, towns and cities, talking to thousands of people representing different strata of society, and observing India at work. In this way, he gained an intimate knowledge of the varied and diverse conditions—political, economic and social—prevailing in the country. It is not surprising, therefore, that his observations on topical questions and the sentiments he expressed, while replying to questions by journalists on the eve of his departure from New Delhi, last week, are realistic and reflect a clear appreciation of India's desires and aspirations.

Asked as to what outstanding impression of India he would carry home, Mr. Chester Bowles replied: "There are two things which have impressed me most about India and which I shall take back with me as my most vivid recollections. The first is India's determination to master, by democratic means, the vast problems which she faces in building a better future for her people. Second is the boldness, skill, energy and imaginative planning with which the Indian people and their leaders are tackling this great job." Surely, these words show how clearly he has grasped the underlying philosophy of the Five-year Plan.

Mr. Bowles, as is well known, was helpful in securing for India quite a sizable portion of the aid which India has already received from the U.S. In a little over a year, the U.S. has made available to this country as much as $95 million (roughly Rs. 48 crores) in economic aid, in addition to the $190 million (Rs. 96 crores) wheat loan granted two years ago. It is gratifying to find that he believes that India is using these funds "boldly, imaginatively and with very real effectiveness." He confirms that they are being put to work by the Indian Government in far-reaching programme, under the Five-year Plan, to raise the living standards and opportunities of the Indian people, in river valley development, irrigation and land reclamation, malaria control, public health and sanitation schemes, improvement of agricultural methods and production to erase India's criticial flood deficit, development of fisheries and fertiliser manufacture, and expansion of education and adult literacy. The community projects are bringing the benefits of these new programmes directly to 24,000 villages, or some 19 million of the Indian people. The total programme is the most comprehensive ever undertaken by any underdeveloped country receiving American technical and economic assistance.

Equally gratifying is Mr. Bowles' observation that he is not satisfied with the measure of financial and technical assistance given by the U.S. to India, for such is not large enough to meet the needs of the situation. He says: "I deeply believe that America should support India's brave efforts by advancing funds which are essential to the success of the Five-year Plan. I believe that America should advance this money—the financial gap in the Plan it may be noted, is to the extent of more than Rs. 300 crores—over a three-year period *without strings of any kind* (italics ours) as a contribution from the American people to the people of India who are struggling to create a great new democracy here in Asia." Whether or not these words carry conviction with the new U.S. Administration—it is to be hoped they will—there is no doubt that this represents a highly commendable selfless approach to India's problem.

PRODUCTIVITY DRIVE IN U.K.

The newly formed British Productivity Council has begun its productivity drive campaign in right earnest. Only a fortnight ago it organised a conference which was attended by a thousand delegates representing industry and labour, with a view to stimulating production by a country-wide drive. The programme covers coal mining, agriculture, transport, electricity supply and generation and the wholesale and retail distributive trades which employ about 14 million persons concerned in the productivity drive. The country has been divided into different circuits. Each individual firm in a circuit is required to send its team once a month to visit one of the other teams in the same circuit. One hundred and five towns have been invited to form productivity teams. Each team consists of six persons, two from the management, two from the staff and two from the workshops. Arrangements have been made to send competent lecturers to the centres to deal with whatever activity they are interested in. A series of films, entitled "There is a Better Way," have been made as part of the productivity drive, to be shown at the centres. First copies of the films have been supplied to the British Broadcasting Corporation for regular television showing.

The productivity drive undertaken by the Council is one of the important steps towards reaching the goal of convertibility of the pound sterling. In essence, it means harder and more work at all levels by those engaged in industry. Its features are vigorous approach, intensification of research, application of technical experience and resources, improvement in quality and the cultivation of the right attitude of the mind to new problems confronting industry. In other words, productivity means achievement of co-ordination of management effort to lower the cost of production—a factor which alone can effectively meet foreign competition, and increase exports in order to strengthen the pound sterling. The foreign exchange reserves of Britain now stand at over two billion dollars, as was pointed out by the Chancellor of the Exchequer at the Conference convened by the Council referred to above. He remarked that there had been a substantial improvement in Britain's reserves and that sterling financed over half the world's trade. "That means," he said, "that our life-blood is no longer draining away, and I think, when the figures continue to come out, that you will continue for some time ahead to have some satisfaction. However, the proportion of reserves to the transactions of the sterling area and of sterling is small indeed." He declared that the country is determined not to slip back into recession and crisis by further contraction and restriction. He, therefore, pointed out that finance should be made available for productive purposes and not for "milk-bar developments." He assured that allocations under the Mutual Security Act would be spent largely on the promotion of industrial productivity in Britain.

WORLD GRAIN PRODUCTION

World production of foodgrains in the 1951-52 season (excluding the Soviet Union and China), accordance to the report of the Commonwealth Economic Committee, was three per cent. more than the pre-war (1937-39) average. The increase in grain output is, however, not commensurate with the increase in population which moved up, during the years since the pre-war period, by as much as 10 per cent. The Committee says that production in the Commonwealth of each of the grains covered by the survey was higher in the 1951-52 season than before the war. The following table gives the changes in world production in recent years for each kind of grain, as compared with the pre-war average, the figures in brackets indicating the Commonwealth's share of world production:

	1951	1950	1949	*Average 1937-39*
Wheat	117.1	117.5	112.6	115.7
	33.2)	(31.5)	(28.8)	(27.5)
Maize	116.4	114.7	118.9	110.6
	(5.5)	(6.2)	(6.1)	(5.5)
Oats	48.3	47.6	44.3	47.2
	(11.4)	(10.2)	(9.0)	(8.2)
Barley	39.5	36.9	33.0	35.3
	(10.5)	(8.5)	(7.9)	(5.8)
Rye	19.9	19.4	19.2	23.8
	(0.5)	(0.4)	(0.3)	(0.3)
Rice	63.5	63.5	64.9	63.4
	(29.4)	(29.4)	(32.2)	(28.2)

It will be seen from the above table that the output of both wheat and maize, each of which accounts for over one-quarter of total grain production, were higher than the pre-war average. Exports of wheat and flour in 1951 (excluding shipment from Russia), it is stated, were two-thirds greater in volume than before the war. The proportion of maize exported, however, fell from 7 per cent. to 3 per cent., most of it coming from the U.S.

The supply position in regard to rice alone has been uncomfortable. Rice production, as a glance at the table will show, has increased little above the pre-war level. Among the Asian countries only Thailand, it is stated, has shown a consistent increase in production, adverse conditions checking expansion in India and internal disturbances hampering recovery in Indo-China and Burma. But the quantity of rice entering world trade is limited by reason of the reduced exportable surpluses of Asian countries.

THE D.V.C. BUDGET

The budget estimate of expenditure on account of the Damodar Valley Project (D.V.C.) for 1953-54 is Rs. 16.83 crores, of which a sum of Rs. 4.30 crores will be met by the Centre, Rs. 10.02 crores by West Bengal and Rs. 2.51 crores by Bihar. These figures compare with the revised estimated expenditure of Rs. 17.62 crores for 1952-53, the Centre's share accounting for Rs. 4.75 crores, West Bengal Rs. 9.64 crores and Bihar Rs. 3.23 crores. The dollar expenditure met out of the loan from the World Bank in 1952-53 is estimated at Rs. 164.23 lakhs. The decrease in 1953-54 budget estimates is due to the fact that the expenditure has had to be restricted in order that it might be in conformity with the allotment approved by the Planning Commission for D.V.C. expenditure in 1953-54, in its Five-year Plan. In addition to the usual construction, the budget for the next year provides for operation and maintenance of the thermal and hydro-electric power stations at Bokaro.

The operational phase of the Damodar Valley Project has already begun. The D.V.C. is distributing through its own grid the surplus power of the Sindri Fertiliser Factory, thereby giving immediate relief to the coalfields and other industries which had been suffering from acute shortage of power. Gross receipts amounting to Rs. 42.72 lakhs are anticipated during the year 1952-53 from the sale of power of the Sindri Fertiliser Factory, as well as of whatever surplus power would be available from Tilaiya and Konar power plants, after meeting the construction power requirements of the D.V.C. A sum of Rs. 61.59 lakhs is estimated during 1953-54 from the sale of power by the D.V.C. grid. Gross receipts amounting to Rs. 1,66,000 from the supply of water for irrigation purposes are also anticipated during 1953-54.

DEFICIT BUDGETTING

Mr. M. A. Chidambaram, a leading business man of Madras, criticised deficit budgetting in the course of his presidential address to the second quarterly meeting of the Southern India Chamber of Commerce, held recently in Madras. Although deficit budgetting could be resorted to as a temporary measure to meet certain exigencies, its adoption as "a policy and primarily with a view to work developmental plans," he feared, would lead to "suffering born of inflation." This is a wholesome warning, though it might be unpalatable to certain sections of opinion in the country. He substantiated his arguments by quoting the observations made by Mr. Bernstein, Director of Monetary Research, International Monetary Fund (now in India), who said recently that "inflation is the worst method of raising resources for the development of a country's economy" and that, as it is a method by which savings is forced out of the people, it is socially not desirable."

Mr. Chidambaram rightly preferred taxation to any other unorthodox form of financing development plans. The incidence or the burden that the additional taxation would entail is a known factor and the evils arising out of inflation could be avoided. Mr. Chidambaram, however, felt that taxation had reached its limit in India. But Mr. Bernstein, it may be noted, feels that there is still room for additional taxation. We concur with him to some extent in that, apart from the rationalisation of the existing pattern of taxation, the scrapping of the policy of prohibition and the imposition of the duty on salt would still give the country considerable revenue. The former measure would help State Governments to tide over their deficits and reduce their dependence on Central finances.

BANKS' LIQUIDATION PROCEEDINGS COMMITTEE

ITS RECOMMENDATIONS ANALYSED

(By Dr. S. G. PANANDIKAR)

DURING 1926-51, 351 banks in India suspended payment. The amount of their outside liabilities came to nearly Rs. 97 crores. The major part of these failures, numbering 180 and involving outside liabilities of Rs. 92 crores, occurred from 1947 onwards. Out of the 351, 321 banks were taken into liquidation and schemes of arrangement were sanctioned for the remaining 30 by the Courts. The liquidation proceedings in all cases dragged on for an undue length of time, because the liquidator of each bank had to file many suits against its debtors in several courts all over the country and could obtain decrees only after a very long time. When a bank is taken into liquidation, most of its debtors resort to delaying tactics and do not settle their debts without being dragged into court. The delay is very unfortunate because a banking company, unlike other joint-stock companies, is financed mainly by money received from depositors who, unlike shareholders, have no voice in the management of the bank. Further, the business of a bank is to lend money and such loans are given by it to a large number of persons.

To avoid this delay, the Banking Companies (Amendment) Act, XX of 1950, conferred exclusive jurisdiction in winding-up proceedings of a banking company on a High Court by adding sections 45A and 45B to the Banking Companies Act. This has enabled the liquidator of a bank to proceed against all its debtors in one court. But the interpretation of the above sections is not free from doubt and the matter has not yet come before the Supreme Court. Moreover, the liquidator of a bank cannot avoid the expense and delay involved in adopting the normal procedure of filing a suit or taking other proceedings against each debtor separately, although he can do so in the same court. Further, none of the 30 banks, for which schemes of arrangement have been sanctioned by the Courts, has kept pace with the provisions for periodic payments contained in the schemes and some of the banks have applied for the revision of the schemes, so as to reduce the amounts payable. Hence, in July, 1952, the Government of India appointed the Banks' Liquidation Proceedings Committee, under the chairmanship of Mr. D. N. Mitra, to recommend changes in the law and procedure that may be considered necessary for expediting liquidation of banking companies, for the more effective and expeditious enforcement of liabilities of directors and other officers of the companies and for the satisfactory working of schemes of arrangement for banking companies.

Depositors' Interest

The report made by the Committee to the Government of India has now been published and its recommendations, if given effect to, will safeguard the interests of the depositors much better. First of all, the Committee has recommended that section 43 of the Banking Companies Act should be amended so as to make it clear that depositors of a bank, which is being wound-up, are not obliged to file formal claims with regard to the amounts standing to their credit in the books of the bank and not disputed by the liquidator and that every depositor of such a bank, or in any event every depositor in its saving bank account, whose balance in the books of the bank at the time of the winding-up order does not exceed Rs. 100, should have priority for the full amount of his claim.

Next, to remove all doubts regarding the interpretation of sections 45A and 45B of the Banking Companies Act, referred to above, the Committee has recommended that these sections should be amended so as to make it clear that the jurisdiction of the winding-up Court extends to all claims of a bank against its debtors, whether arising before or after the winding-up order, and that proceedings pending at the date of the winding-up order must be automatically stayed until the winding-up Court exercises its discretion to transfer them to itself or not.

In order to remove the major evil, namely, multiplicity of proceedings, which is one of the chief causes for delay and expense in liquidation procedure, the Committee has recommended that a new section should be added to the Banking Companies Act, providing the following:

(1) The liquidator of a bank shall make out and file in the court lists of the debtors of the bank, containing all relevant particulars, not later than six months from the date of the winding-up order, except with the leave of the Court, each list to be verified by an affidavit.

(2) Any such list may be varied by the Court at any time.

(3) On submission of any such list to the Court, the Court shall appoint a date to settle the list and shall direct the liquidator to give notice of such date to all the persons, whose names are set out in the list, requiring them to appear on the said date and to show cause, if any, by an affidavit, why their names should not be settled on such list for the amounts shown therein against their respective names.

(4) On the date fixed for settling any such list or on any adjourned date, the Court shall declare any such list as settled in so far as it concerns the persons, who have not appeared or who have appeared and not shown cause, provided that the Court may not settle any such person on the said list if the Court is of opinion that the debt shown against such person is not enforceable in law. Where any person shows cause, the Court shall hear the objection and may disallow the same or allow it either wholly or in part and direct that the list be varied accordingly.

(5) At the time of settlement of any such list, the Court shall pass an order for the payment of the amount due by each debtor and for any relief that may be claimed.

(6) At the time of settling any such list or at any other time prior or subsequent thereto, the Court shall have power to pass any orders in respect of any debtor on the application of the liquidator for the realisation, management, protection, preservation or sale of any property given as security to the bank and shall give such further powers to the liquidator to carry out the aforesaid directions, as the Court thinks fit.

(7) The Court shall have power to sanction a compromise in respect of any debt and to order the payment of any debt by instalments.

Independent Evidence

To deal with the difficulty, which a liquidator experiences in establishing a claim against a debtor, namely, leading some independent evidence, in addition to entries in books of accounts, to prove the transactions on which a claim is based, as required by section 34 of the Evidence Act, the Committee has recommended that the following provision should be added to the Banking Companies Act:

"Unless the Court has reason to doubt any particular entry or unless it is proved that any particular entry is incorrect, all entries in the books of account of a banking company in liquidation shall be accepted by the Court as proof of the matters, transactions and accounts therein recorded without requiring further proof."

As the expenses of recovering the dues of a bank are undoubtedly the biggest part of expenditure in liquidation proceedings, the adoption of the above recommendations will certainly save the bank a large amount in law costs alone. Moreover, it will enable a liquidator to obtain a decree against the majority of the debtors within a short time, as most of the claims of a bank are undisputed. The above special procedure, recommended by the Committee for the realisation by banking companies alone of their debts, is justified, because a banking company, whose business is lending money, has far more debtors to deal with than a trading company with comparable resources.

Delay to be Minimised

When an order or a decree of a Court has to be sent to some other Court for execution, the Civil Procedure Code has laid down a complicated procedure. This, however, is really unnecessary, when the execution is at the instance of a liquidator of a banking company, who is an officer of the High Court. In such cases, the Committee has recommended a simple procedure, under which a liquidator will be enabled: (*a*) immediately after a payment order or a money decree has been made by the winding-up Court, to obtain a certificate signed by the Registrar, (*b*) to take and file the certificate in the Court in which the order or decree is to be executed and apply for execution in the usual way, and (*c*) to grant a certificate of non-satisfaction or partial satisfaction, which shall be accepted by the executing Court as correct. Further, the Committee has recommended that Government should consider whether and to what extent facility should be given to the liquidator to execute decrees under the summary procedure prescribed for recovery of arrears of land revenue.

As regards limitation, the Committee has recommended that legislation should be enacted to secure that limitation will stop running against a banking company from the date of the winding-up order.

Liability of Directors, Auditors and Officers

Proceeding to the problem of the enforcement of liability of directors and officers of a bank which has failed, the Committee has expressed the opinion that, when a banking company fails on account of mismanagement by its directors, the liability of the directors should be extended and should be enforced rigorously and expeditiously. This opinion is sound, because it is found that the failure of most banks is due to mismanagement by, or incompetence of, their directors. One or two directors have dominated the Boards of such banks and their complaisant "guinea pig" colleagues have unthinkingly agreed to their proposals. The Committee has, therefore, recommended that all persons who have, at the date of the winding-up order or at any time three years prior thereto, been directors of a banking company, should be liable to examination by the Court; and that, before such examination, the liquidator should investigate the conduct of all such directors regarding their management of the bank and submit a report to the Court. Such investigation would enable the liquidator to ascertain the liability, if any, of each director to the bank and would clear the ground for the issue of a misfeasance summons. Further, the Committee has recommended that, if the Court, after examination, is of the opinion that a director is incompetent to perform the duties of such a responsible office, it should have the power to order that he be prohibited, without its leave, from being a director of a company or from taking part, directly or indirectly, in the management of a company for a period not exceeding five years, even if he is innocent of any act of misfeasance. This recommendation is salutary, because an incompetent director is as much a public danger as a fraudulent one.

Fraudulent or complaisant auditors are as much a public danger as similar directors. The Committee has, therefore, recommended that the auditors of a banking company in liquidation should also be compulsorily examined unless such examination is dispensed with by the Court. As regards officers of a banking company, the Committee is of opinion that the existing law relating to their public and private examination need not be tightened, because they are not generally the principal delinquents in cases of fraud and misfeasance, but act under the orders of the directors.

The opinion next expressed by the Committee that the burden on a liquidator in bringing home acts of misfeasance to directors or officers should be lightened is sound, because his difficulties in doing so are great, on account of the previous manœuvring of directors and officers, lack of assistance from ex-employees of the bank, and missing, misleading or incomplete records of the bank. The Committee has recommended that, when an application, under section 235 of the Companies Act, is made against any director or officer, the burden, in the first instance, should be on the applicant to establish a *prima facie* case; that such director or officer should then be presumed to be liable to make good the loss alleged by the applicant; and that the onus of rebutting this presumption and of proving his innocence should be on the director or officer.

Next, the Committee has recommended that there should be no limitation in the case of claims of a banking company against directors arising out of their contractual obligations and that, in all other claims, the period of limitation should be 12 years.

Finally, the Committee has recommended that a director or an officer of a banking company should be bound to give such assistance as the liquidator requires in the realisation of assets and, if he fails to do so, he should be made guilty of contempt of court.

Appointment of Liquidators

Now to proceed to the question of appointment of liquidators. The main objection to the appointment of private liquidators is that, in most cases, their commission and expenses are heavy and their work is done in a dilatory and inefficient manner. The Committee has expressed agreement with this view and has recommended that, wherever possible, a Court Liquidator should be appointed on the model of the Court Receiver and Liquidator at Bombay, who is under the superintendence of

(Continued on page 579)

LISTLESS DEBATES IN PARLIAMENT

MORE INDUSTRIES AROUND SINDRI

(From A Special Correspondent)

NEW DELHI, 24*th March*

THE weariness of an enervating summer in the Capital is being well reflected in the proceedings of Parliament. There is neither heat nor light in the debates on grants to the various Ministries of the Central Government. Even the demands of the Food and Agriculture Ministry have not evoked any sharp criticism, as was the case during the last few years.

DELHI LETTER

Mr. Rafi Ahmed Kidwai, Food Minister, has had an easy time. In fact, he has been able to get encomiums on the way he has been handling this difficult portfolio which proved to be the grave of the political reputation of many a minister in the past. Generally speaking, there has been an air of uncertainty in Parliamentary and Ministerial circles regarding the outcome of the negotiations between the Congress and the Praja-Socialist parties regarding the latter's participation in Government for the purpose of building up the economic strength of the nation. In case the Praja-Socialist Party does not insist on a programme of work as a condition for its joining the Government, and also does not demand prior consent of the Prime Minister on the lines of work that should be followed, an agreement may still be possible.

Early in the week, the Prime Minister dominated the discussions in Parliament. In the course of his reply to the debate on the grants to the External Ministry, he made a forceful speech on the *raison d'etre* of India's foreign policy. He declared, in unequivocal terms, that the Government would consider it an "unfriendly act," if any part of the foreign pockets in India was treated as a base for operations elsewhere, as this was against India's policy. He ably defended India's association with the Commonwealth which had conferred positive advantages on this country, without imposing any corresponding obligations or limitations on the country's freedom or independence. According to him, the Commonwealth, in fact, showed the way to free and friendly non-militaristic association between nations and set a pattern that Asian countries might emulate. The debate on the demands on grants in respect of Food and Agriculture, as also of Education, was uneventful. The Minister for Labour, Mr. Giri, was persuasive in his reply to the debate on grants for his Ministry. He pleaded for the growth of strong and healthy trade unions. He was emphatic that strikes and lockouts should be the last resort in the armoury for settlement of trade disputes. He did not also like adjudication, but declared that "in the matter of industrial disputes, settlement between the parties across the table will be more permanent and far more abiding than imposition of a decision by a third party." The Rehabilitation Ministry was, as usual, subject to severe criticism. The Rehabilitation Minister, Mr. Jain, stated that the scheme for compensation to refugees from West Pakistan had been prepared in all its details and submitted to the Cabinet.

Significance of Trade Agreement

The latest Indo-Pakistan Trade Agreement differs from the previous ones in one material respect, and that is the spirit behind it. For the first time since the Partition in August, 1947, the cordiality of the spokesmen of the Pakistan Government was more genuine. There was a real appreciation among them that in economic matters there should be a closer link between the two countries. What Pakistan will lose by way of the abolition of the discriminatory fee of Rs. 2-8 per md. and the reduction in the export duty on loose jute and *kutcha* bales by As. 12 to Rs. 3 per md. will be more than compensated by an assured market in India for its raw jute and by the lower price of coal which it will be getting from India. For India, the three-year agreement has its own gains. The Indian jute mills need not worry about the supply of sufficient quantity of good quality jute from Pakistan at competitive rates. Again, their competitive capacity *vis-a-vis* Continental mills will improve following the abolition of the discriminatory fee. In other words, both Pakistan and India stand to gain by this agreement ultimately.

Even in regard to the present agreement, India will be importing from Pakistan goods valued more than the 18 lakh bales of raw jute costing about Rs. 20 crores per annum, according to current prices. On the other hand, Pakistan's imports of coal from India are not likely to exceed Rs. 3 to Rs. 4 crores. For instance, during the first nine months of 1952-53, the total quantity of coal imported from India amounted to 561,920 tons valued at Rs. 2.42 crores. In case Pakistan imports more than one million tons, the value will be less than Rs. 4 crores, now that India has done away with the surcharge on coal.

Centre for Heavy Chemical Industries

The Government of India's Production Ministry's Report for 1952-53 is of particular interest, especially as it gives succinctly the plans for the extension of the Sindri Fertiliser Factory. In Sindri, says the Report, "not only has the foundation been laid of an industry vital to the nation's food problem, but what is of equal importance, the nucleus has been formed of heavy chemical and allied industries. A vista of research in chemicals and chemical engineering has been opened, and to-day, but for four foreign production experts on short-term employment, the entire organisation is manned by our nationals." The following extensions to the factory has now been undertaken: (1) the establishment of a coke oven plant for the manufacture of 600 tons of coke per day. A contract for this plant, costing Rs. 2.5 crores, has been placed and preliminary work is already in hand; (2) the erection of a cement manufacturing plant by the A.C.C. with an installed capacity of 600 tons of cement per day, for the utilisation of the by-product, chalk sludge; and (3) it is proposed to utilise the coke oven gases for the manufacture of urea, a stable fertiliser with high nitrogen content, ideal for rice cultivation. A technical mission has been constituted, in association with the T.C.A., to study this question. After an inspection of urea plants overseas and a study of the process employed, this mission will submit a comprehensive report, on the basis of which a joint decision by the T.C.A. and the Government will be taken. An agreement on principle has been reached for the installation of a urea plant costing Rs. 9.5 crores. When all these become accomplished facts, it is stated that the factory could further reduce the price of ammonium sulphate which has already been brought down from Rs. 350 to Rs. 285 per ton.

Iron and Steel Plant

Now that there are some reports to the effect that the Government is not likely to go ahead with the establishment of one more steel plant in the country, it will be of interest as to what the report of the Technical Mission says in this connection. An assessment of India's requirements of iron and steel, says the report, indicated that immediate steps should be taken for the establishment of a major steel unit to supplement the production of the existing steel companies. A Technical Mission, in which the World Bank is represented, has been assembled to submit an up-to-date project report for the establishment of proposed steel plant. It is intended that as soon as the project report is received, complementary action will be initiated to secure financial participation of the Bank in the project. Technical assistance and financial participation from foreign steel makers will also be accepted subject to the condition that the overall control and management of this basic industry should be in the hands of the Government.

It is likely that in the course of his reply to the debate, the Minister for Production, Mr. Reddy, will give in a nutshell the recommendations of the Technical Mission and Government's proposed action thereon. Meanwhile, the two State Governments, Madhya Pradesh and Orissa, are anxious to have the proposed steel plant to be located within their respective territories. It is stated that the Technical Mission has not favoured the establishment of the steel plant due to reasons of heavy capital outlay and high costs of production, but appears to have recommended a further sum of Rs. 40 crores to be given as loan to the Indian Iron and Steel Co., for purposes of expansion. This concern has already secured two loans from the Government of India and the World Bank, aggregating Rs. 30 crores, and with an additional loan, the total will go up to the high figure of Rs. 70 crores, which is nearly ten times greater than its paid-up capital. The case against this proposal is that when the Government determines to advance a huge sum like the above, it can as well nationalise the industry or participate in the management. The Minister will also give some information regarding the recommendations of the French firm on the development of the Vizag shipbuilding yard. It is stated that their report, which is now under the consideration of the Board of Directors, when implemented, will equip this yard to build ships of all descriptions—passengers and cargo vessels, tankers and naval units up to a tonnage of 15,000.

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PAKISTAN NOTES

ECONOMIC CONDITIONS IN PAKISTAN

FINANCE MINISTER'S CALL FOR MORE PRODUCTION

AN analytical review of Pakistan's economic and financial position was given by the Finance Minister, Mr. Mohammed Ali, while presenting the 1953-54 budget, to which a reference was made in our issue last week. The Minister prefaced his speech with a call for more production. But the most notable part of his speech was his reference to world economic forces, wherein he recognised the influence of these forces on Pakistan's economy. He said: "While no country is wholly immune from the operation of world forces, the countries producing raw materials are the first and worst sufferers from fluctuations in prices. In Pakistan, the effect of the recession has been particularly severe, because 90 per cent. of Pakistan's exports consists of jute and cotton and their prices have come down to less than half within the year. This has considerably affected the Central Government's revenues for the next year and the situation has been met by economies in expenditure and by additional measures of taxation. With these changes, the revenue budget for the next year would be balanced."

Dealing with the country's food situation, the Finance Minister drew attention to the various adverse conditions which had affected food production in the country during the last year. These conditions, he said, would continue in a severe form in the next year. The deficit in wheat would be of the order of 1.25 million tons. This, coupled with the 250,000 tons required for keeping in reserve, would raise the quantity to be imported next year to 1.5 million tons. Inasmuch as such heavy food imports put an intolerable strain on foreign exchange resources, efforts were being made by the Government to import a substantial portion of wheat imports against loans or aid. An approach had already been made to the Government of the United States and Australia, which, he hoped, would meet with a generous response.

Mr. Mohammed Ali's analysis of the country's foreign trade position reveals that the full impact of the fall in prices will be felt during 1953, when exports are expected to register a marked decline to Rs. 135 crores, as against Rs. 176 crores in 1952. Despite the fall in exports, there is expected to be a balance in the payments position, consequent on drastic curtailment of imports. In this connection, he said that the recurrent rumours of the devaluation of the Pakistan rupee are purely speculative in character and without any foundation, displaying a lack of understanding of Pakistan's economic position. By enhancing the internal prices of essential imports, such as capital goods and food, he said, devaluation would retard development, increase food prices and accentuate the inflationary tendencies. The country's economic position does not, therefore, warrant any change in the exchange rate, the Finance Minister concluded.

Budgetary Position

The following table shows the position of revenue and expenditure for 1952-53 (budget and revised) and 1953-54 (budget) after taking into account the effect of new tax proposals:

(In crores of rupees)

	1952-53 *Budget*	1952-53 *Revised*	1953-54 *Budget*
Gross revenue—			
Principal heads of revenue ..	107.45	102.58	67.32
Railways and P. & T.	49.20	52.90	53.17
Other heads	16.40	16.39	18.48
Effects of new proposals	..	..	5.88
Total ..	173.05	171.87	144.85
Gross expenditure—			
Civil expenditure	56.82	57.15	38.86
Railways and P. & T.	48.18	47.27	46.25
Defence services	67.69	67.24	60.10
Total ..	172.69	171.66	144.71
Surplus	0.36	0.21	0.14

The above table reveals that the gross revenue during the next year (1953-54) will be lower by as much as Rs. 27.02 crores, despite an additional yield of Rs. 5.88 crores, through the implementation of the new tax proposals, and an improvement of Rs. 2.09 crores under "other heads" and of Rs. 27 lakhs under Railways and P. & T. Customs receipts next year are expected to go down by Rs. 30.10 crores to Rs. 31.75 crores over the revised estimates for 1952-53. Similarly, as a result of reduced imports, collection under sales tax are estimated lower at Rs. 11.50 crores, as against Rs. 20.23 crores. Central excise revenue, on the other hand, is expected to show an improvement of Rs. 99 lakhs to Rs. 10 crores; after paying the share of the Provinces, the net rise in the Centre's share would be to the extent of Rs. 73 lakhs.

The total railway receipts for the year 1953-54 are estimated at Rs. 45.58 crores and working expenses at Rs. 40.26 crores, including a special provision of Rs. 40 lakhs for providing amenities to lower class passengers and for the welfare of staff. The surplus for the next year would thus be Rs. 5.32 crores. The current year's budget estimate for works chargeable to capital depreciation fund provided for an expenditure of Rs. 16.93 crores, including Rs. 2.49 crores for the development of the Chittagong Port. The revised estimate for the year places this expenditure at Rs. 14.44 crores. During the next year, Rs. 15.22 crores have been provided, including an estimated expenditure of Rs. 1.61 crores on the Chittagong Port.

The current year is expected to register a surplus of Rs. 89 lakhs in the Posts and Telegraphs Department, gross receipts amounting to Rs. 7.09 crores, as against Rs. 6.59 crores provided in the budget estimates, and expenditure amounting to Rs. 6.20 crores, as against Rs. 6.31 crores. For the year 1953-54, receipts are estimated at Rs. 7.59 crores and, after effecting necessary economies in expenditure, are placed at Rs. 5.99 crores, leaving a surplus of Rs. 1.60 crores. As regards capital outlay, the expenditure during the year 1952-53 is now estimated at Rs. 2.49 crores, as against Rs. 2.33 crores provided in the budget estimates. Capital expenditure, including that met from the renewals reserve fund during 1953-54, is estimated at Rs. 2.7 crores. In addition to 600 post offices opened during 1952-53, a further provision has been made for 500 new post offices in 1953-54.

Capital Expenditure

The capital budget for 1953-54 provides for an outlay of Rs. 58.16 crores, as against Rs. 67.00 crores in 1952-53, which has now been revised to Rs. 60.94 crores. In framing the capital estimates, the needs of development have been kept in the forefront. Thus, excluding the capital outlay on defence, the provision for other purposes—these comprise mainly development activities—amount to Rs. 38.26 crores, which is higher by Rs. 6.59 crores, as compared with the revised estimate for the current year. The provision for industrial development is placed higher at Rs. 12.41 crores, as against Rs. 5.56 crores. A sum of Rs. 8 crores has been provided for development loan to the Provinces and States, in addition to a special provision of Rs. 7 crores for irrigation and hydro-electric projects. A sum of Rs. 8.5 crores is included for expenditure out of funds for social uplift, refugee rehabilitation, roads of national importance and agricultural development.

(Concluded from next column)

posits has brought down their ratio to deposits from 35.54 per cent. as at the close of 1951 to 31.89 per cent. The fall of £4.27 million in bills receivable is attributable to the low level of business activity during the latter half of the year. Investments, excluding the British Government securities deposited against note issue, have gone up by £6.42 million, the major part of which (£6.37 million) is accounted for by securities quoted in Great Britain and the rest by securities quoted elsewhere than in Great Britain and unquoted securities. The increase in investments quoted in Britain reflects the effect of the monetary and budgetary policies followed by the British Government which, while restricting the credit to the private sectors, enhanced Governmental spending. In other words, banks had to lend more to the Government and less to the private sector. The quoted investments (£20.52 million) are taken at or under market value and the unquoted investments (£127,027) at or under cost. Cash balances show a contraction of only £413,000 to £15.21 million. The investments and cash balances together give a coverage of 52.3 per cent. to the deposits, as against 44.3 per cent. at the end of 1951.

MERCANTILE BANK TO PAY HIGHER DIVIDEND

DEPOSITS IMPROVE

READ together, the statement of the Chairman to shareholders and the audited accounts of the Mercantile Bank of India Ltd. (Chief Manager: Mr. R. N. Drake, London), for the year ended 31st December, 1952, reveal that the working of the Bank during that year was scarcely affected by the universal slump in commodity prices, in distinct contrast to the experience of the majority of Indian Scheduled Banks. There was no falling off in the volume of business handled by the Bank, the balance-sheet total, at £74 million (though this does not provide an exact idea of the business done during the year, it nevertheless offers a fair indication), disclosing little change over the year. The Bank's deposits experienced a further improvement which enabled it to keep the level of advances at a fairly high level consistent with the official policy of credit restriction and to invest the surplus funds in remunerative Gilt-edged assets. The profit also has been very nearly maintained What is more, the dividend has been stepped up from 12 per cent. to 14 per cent.

The net profit (after providing for taxation, contingency accounts, out of which full provision has been made for bad and doubtful debts and any other diminution in the value of assets), amounting to £195,188, shows only a negligible fall, as compared with £195,361 for 1951. Even this recession is due to increased provision for taxation consequent on the excess profits levy. All the customary allocations to the funds of the Bank have been maintained. At the same time, the dividend has been raised, as already mentioned, from 12 per cent., less tax, a rate which the Bank had been paying for the previous four years, to 14 per cent. per annum. The interim dividend of 6 per cent. paid in September last was the same as that for 1951. It is the final dividend that is now proposed to be raised from 6 per cent. to 8 per cent. The Directors' decision to recommend a higher dividend is perfectly justified by the trend of the Bank's profit in recent years. It may be interesting to note here that the proposed dividend is still 2 per cent. lower than the dividend for 1930, though it is 2 per cent. higher than that paid during 1931 to 1940.

That the progress of the Bank has, indeed, been highly satisfactory will be evident from the following comparative table:

(In thousands of £'s sterling)

	As on 31st December			
	1952	1951	1950	1949
LIABILITIES (Main)				
Capital	1,050	1,050	1,050	1,050
Reserves and surplus ..	1,700	1,700	1,539	1,383
Notes in circulation ..	278	229	282	262
Deposits and other accounts	68,510	67,396	62,018	49,932
Loans payable	..	405	..	..
Bills payable	1,729	2,890	1,828	1,251
Acceptances	299	408	246	..
ASSETS (Main)				
Cash	15,208	15,621	13,024	12,374
Investments	20,651	14,228	14,533	13,701
Securities against note issue	371	371	371	371
Bills receivable	14,830	18,850	15,804	8,997
Loans and advances ..	21,846	23,927	22,468	17,953
Fixed assets	644	695	550	415
Balance-sheet total ..	73,655	74,154	67,042	54,093

	For the year ended 31st December			
	1952	1951	1950	1949
Net profit	195	195	193	192
Appropriations—				
Pension fund ..	13	13	13	13
Premises account ..	50	50	50	50
Contingencies (additional)	55	55	55	55
Dividend	77	66	69	69
	(14%)	(12%)	(12%)	(12%)
Carry forward	200	200	189	183

A notable feature disclosed by the accounts for 1952 is that the deposits and other accounts have staged an advance of £1.11 million, in distinct contrast to the experience of many other banks. Thus, the unbroken trend of expansion in the Bank's deposits seen during the last several years has been kept up, though the pace of increase was relatively smaller. The increase in deposits has been offset by the decline of £1.2 million in bills payable. There are no outstanding balances on account of loans payable. Reflecting the fall in foreign trade, acceptances on account of customers have declined by £109,000.

As against these changes on the liabilities side, the assets side discloses a decline of £2.08 million in loans and advances. The management has always been discreet in regard to advances, as will be seen from the comparatively smaller pace of increase in advances *vis-a-vis* the expansion in deposits. The decline in advances in the face of an increase in de-

(Continued in previous column)

CHARTERED BANK REPORTS STEADY PROGRESS

DIVIDEND RAISED—BONUS SHARES TO BE ISSUED

THE fortunes of a banking company, the operations of which are confined only to one country, are influenced by the vicissitudes of the economic and monetary conditions in that particular country. But in the case of a banking company, the activities of which extend to a number of countries with varying economic and political conditions, its task of maintaining a sound balance between the conflicting demands of liquidity and earning capacity is, indeed, onerous. To the latter category of banks belongs the Chartered Bank of India, Australia and China (Chief General Manager: Mr. W. R. Cockburn, London) which operates in 18 separate areas and its experience of the conditions in these areas during the year ended 31st December, 1952, as will be noted from the masterly review by its Chairman, Mr. Vincent Alpe Grantham, in his statement to the shareholders—the full text of which appears elsewhere in this issue—has not been uniform. But one common feature of the economic conditions in these areas has been that there has been deterioration in their economy, accompanied by rising costs, including taxation, which take a heavy toll of the Bank's earnings. Judged against this background, the performance of the Bank during the past year must be regarded as quite commendable. The Bank has been more than successful in maintaining its profit for the past year at the record level for 1951 and declaring a slightly higher dividend without encroaching upon the allocations to reserves.

The Bank's profit (after providing for taxation and after making allocations to contingency accounts, out of which accounts full provision has been made for diminution in value of assets) for the year under review amounts to £698,782 and exceeds that for the previous year by £1,685. This increase, tiny though it is, is heartening, considering the difficult economic conditions that were witnessed during the past year and the note of caution struck by the Bank's Chairman last year, asking the shareholders to be prepared for some reduction in future profits. The aforesaid profit, along with the sum of £397,433 brought in from the previous year, has been utilised (*a*) to write off Bank premises (£200,000), and (*b*) to allocate to officers' pension fund (£125,000), widows' and orphans' fund (£20,000) and contingency account (£100,000). These allocations are the same as those made last year. Besides paying the usual dividend at the self-same rate of 14 per cent. less income-tax, the Directors propose to pay a bonus of 2 per cent. (less tax) to mark the Centenary of the Bank. These distributions absorb £252,000 (as against £220,500), leaving to be carried forward £399,215 which, incidentally, is a little more than the amount brought in, a pointer to the fact that all the appropriations and the enhanced return to shareholders have been fully earned.

The following summary of the Bank's balance-sheet as on 31st December, 1952, as compared with that at the end of the previous three years, gives an idea of the Bank's progress in recent years:

(In thousands of £'s sterling)

	As on 31st December			
	1952	1951	1950	1949
LIABILITIES (MAIN)				
Capital	3,000	3,000	3,000	3,000
Reserve fund	5,000	4,000	4,000	3,000
Notes in circulation	2,564	2,550	3,000	3,012
Current deposits and other accounts	160,609	169,145	150,205	116,384
Fixed deposits	19,480	18,606	16,038	13,095
Bills payable	1,372	2,531	1,864	809
Acceptances	15,935	11,884	13,757	11,420
Loans payable	..	1,401	1,225	200
Undistributed surplus	399	397	366	409
ASSETS (MAIN)				
Cash	31,788	33,804	31,481	25,994
Investments—				
Government and other securities	66,300	62,102	55,867	50,461
Securities against note issue	2,670	2,929	2,947	3,099
Advances	99,248	86,779	67,158	52,853
Bills of exchange	15,110	12,887	14,244	4,016
Bank premises, etc.	1,845	1,913	1,843	1,823
Remittances in transit	4,833	548	5,569	1,832
Balance-sheet total	208,515	213,633	193,603	151,520

The balance-sheet at the end of 1952 reflects, in large measure, the effects of the almost universal fall in commodity prices which took place during the year and also of the decrease in the volume of foreign trade of the United Kingdom and other Dominions and territories where the Bank operates, caused by "restrictive measures upon imports designed to improve the Commonwealth's balance of payments, especially with hard currency countries." The striking increase of £1 million in the reserve fund is due to the transfer of a like sum from the secret reserve, namely, contingency account. While the current and other accounts have declined, the fixed deposits have gone up a trend similar to that experienced by the majority of Indian banks. There has been a contraction in bills payable, but acceptances have gone up. The increase in acceptance is noteworthy and is accounted for by "calls to finance heavier than usual shipments of food and raw materials around the end of the year against the trend already noted." The notable variations on the assets side are the substantial reductions in advances and cash balances and the increases in investments in Government and other securities and bills of exchange.

An outstanding development in the history of this 100-year old institution is the latest decision of the Directors, taken only a few days ago, to issue bonus stocks. Explaining the reasons for this decision, the Chairman observes, in his annual statement to shareholders, as follows:

"Two years ago, we augmented the reserve fund by transferring to it £1,000,000 from contingencies account, restoring the reserve fund to £4,000,000, the figure at which it stood before 1931. I pointed to you at the time that our balance-sheet total had increased out of all proportion to the issued capital stock and reserve fund. This matter has continued to give us concern, and it was felt that the opportunity should be taken this year of strengthening both the issued capital and the reserve fund. Accordingly, before closing the books on this occasion we transferred a further £1,000,000 from contingencies to the reserve fund, raising it to £5,000,000 with a view, subsequently, to capitalising £500,000 of this sum. I would draw your attention to the resolution which will be placed before the stockholders at an extraordinary general meeting to be held after the ordinary general meeting on 1st April, at which your consent will be sought to this capitalisation of £500,000 from the reserve, which will have the effect of making the capital of the Bank £3,500,000 and the reserve fund £4,500,000. The consent of the Capital Issues Committee has been sought and obtained to this new issue, and I would say that, in recommending this proposal to you, we hope that it will be possible to maintain the 14 per cent. rate of dividend."

In deciding to issue bonus shares thus, the Directors of the Bank have broken new ground in the traditions of British banking. But it is a good treat to the shareholders and they will remember it with pleasure, for it is a very, very rare treat.

LLOYDS BANK

LIMITED

Subscribed Capital £ 73,302,076.

Paid-up Capital £ 15,810,252.

Reserve Fund £ 16,000,000.

Let LLOYDS BANK look after *your* interests

Lloyds Bank Limited — Incorporated in England

1677

HO/S/52-1956

BANK OF INDORE'S RESULTS

PROFIT WELL MAINTAINED

THE satisfactory progress that the Bank of Indore Ltd. (Manager: Mr. N. D. Joshi, Indore City) had been making in recent years was well maintained during the year ended 31st December, 1952. The Bank's profit for the past year, amounting to Rs. 4.87 lakhs, is fractionally better than that of Rs. 4.75 lakhs for 1951. The improvement may be small, but it is nonetheless in refreshing contrast to the general experience of Scheduled Banks as a whole and is all the more noteworthy because it has been achieved despite difficult trading conditions. A careful study of the accounts reveals that this good performance of the Bank is the result of judicious employment of its resources without affecting in the least the liquidity ratio. Thus, whereas the Bank's advances ratio at the end of the year has remained at the self-same level of 61 per cent., the combined ratio of investments and cash balances has slightly gone up from 46.25 per cent. to 48.53 per cent.

The following comparative table gives the disposition of the Bank's earnings and the progress in its financial position in recent years:

(In lakhs of rupees)

	For the year ended 31st December		
	1952	1951	1950
Interest and discount	20.73	19.08	16.79
Commission and exchange	1.97	2.02	1.44
Interest paid	8.58	7.84	5.77
Expenses	9.33	8.42	6.49
Depreciation	0.26	0.32	0.27
Taxation	..	..	1.28
Profit	4.87	4.75	4.62
To reserves	2.15	2.29	2.25
,, bonus to staff	0.86	0.78	0.64
Dividend	1.84 (D. 12%)	1.84 (D. 10% +B. 2%)	1.84 (D. 10% +B. 2%)
Carry forward	0.63	0.63	0.70

	As on 31st December		
	1952	1951	1950
Capital	15.30	15.30	15.30
Reserves	24.00	23.00	22.00
Deposits	494.55	544.13	528.62
Advances and bills	301.69	329.09	270.89
Investments	181.70	168.87	217.12
Cash	58.31	82.83	85.00
Balance-sheet total	561.79	616.88	604.55
Ratio to deposits of—	%	%	%
Advances	61.00	60.48	51.24
Investments	36.74	31.03	41.07
Cash	11.79	15.22	16.08

The gross income has risen from Rs. 21.34 lakhs to Rs. 23.04 lakhs, of which increase, interest and discount earned account for Rs. 1.65 lakhs. Commission and exchange show a small drop, evidently because of the decline in the Bank's bill business. The fall in deposits has not brought about any reduction in the Bank's outgo by way of interest paid, which has actually gone up by about Rs. 74,000. Apart from the higher rate of interest which the Bank, in common with other banks, must have had to pay on its deposits, its borrowings during the last busy season (if it had borrowed anything at all—there are no borrowings outstanding as at the end of the year) must have been costlier, because of the unprecedented demand for bank credit. A disquieting feature of the working of banks, in general, in recent years is the abnormal rise in their administrative costs. From the foregoing table, it will be noted that the Bank of Indore has proved to be no exception to this general experience. It may be noted here that, during the last two years, while the gross income of the Bank has risen by only Rs. 2.30 lakhs, the expenses have gone up by as much as Rs. 2.84 lakhs, due to factors not within the control of the management. This is a trend which, as readers are aware, is not conducive to the spread of the banking habit in the interior parts of the State concerned.

To revert to the accounts. The profit of the Bank for the year under review has enabled the Directors to maintain the allocations to the reserve fund and the contingency reserve at Rs. 1 lakh each. They have, however, reduced the transfer to the gratuity fund from Rs. 20,000 to Rs. 15,000. The distribution to the shareholders is maintained at 12 per cent. per annum, but there is a departure this year from the usual practice. Instead of splitting it into dividend (10 per cent.) and bonus (2 per cent.), the Directors propose to pay the entire distribution of 12 per cent. in the form of dividend only. This change is a significant one, in that it is made only when the Directors are confident that they can maintain the dividend at that level in future. The Bank has been making such steady progress all these years that we feel that the optimism implied in the aforesaid decision of the Directors is justified.

The Bank is endowed with quite a strong reserve position, the reserve fund, at Rs. 24 lakhs, being equal to about 157 per cent. of the paid-up capital. Besides this, the Bank has added sizable sums to the inner reserves. As against a decline of Rs. 49.58 lakhs in deposits, the fall in advances is only Rs. 37.40 lakhs, so that the advances ratio is maintained at the same level as at the end of the previous year. The increase of Rs. 12.83 lakhs in investments is mainly the result of additions to the Bank's holdings of Government securities and Treasury Bills. The book value of the investments, it is gratifying to note, stands at below market value. There has been a contraction of Rs. 24.52 lakhs in cash balances, but that has not, as indicated at the outset, affected the total liquidity ratio.

ECONOMIC CONDITIONS IN ASIA AND FAR EAST

VIEWS OF TWO BRITISH EXCHANGE BANKERS

ELSEWHERE in this issue appear the statements of Chairmen of two well-known Exchange Banks, namely, the Chartered Bank of India, Australia and China and the Mercantile Bank of India, Ltd. Both these banks have a network of branches in the various countries of the Far East and the statements of their Chairmen provide a comprehensive review of the economic conditions prevailing in these countries. The statements reveal that there is much that is common between them. Mr. V. A. Grantham, Chairman of the Chartered Bank, is of the opinion that "conditions, economically and financially, have deteriorated considerably almost everywhere in the East over the past year. The same conclusion has been drawn by the Chairman of the Mercantile Bank, Sir Kenneth W. Mealing, too. He says: "The disruption of war, the movement and expansion of populations, the changes in Governmental personnel and structural pattern, the rise in world prices, shortages of foodstuffs and the consequent inflationary trends, all these factors have affected the economic health of this vast area."

Both Sir Kenneth and Mr. Grantham have commented upon the economic conditions in India, Pakistan, Ceylon, Burma, Thailand, Malaya, etc., and one is struck by the similarity between the views of the two Chairmen, differences between them, if any, being in respect only of details. In their references to India both deal with the Five-year Plan and display keen interest in the progress of the Plan. Says Sir Kenneth: "Whether it is possible for this ambitious Five-year Programme to come to full fruition, I cannot judge, but one can only admire those who have high ideals and who fix high targets and have courage to do their best to attain them." Mr. Grantham, however, is inclined to feel that the vital feature of the Plan is the question of wherewithal to finance it and remarks that, "without adequate capital, even the most enlightened and efficient administration will be powerless to assure the eventual success of this great scheme."

The tea and jute industries have received prominent attention at the hands of both the Chairmen. Referring to tea, Sir Kenneth draws attention to the deterioration in the financial position of tea companies. "Many companies, whose working capital was adequate when tea could be made and sold profitably at 1s. per pound before the war, are severely under-capitalised to deal with present costs, and the excessive taxation, now current, gives little hope for the creation of reserves from profits wherewith to replenish their working capital." Although this is a serious problem to many industries in many countries, it is particularly striking, he says, in the case of the Indian tea industry. Reviewing the position of the jute industry, Mr. Grantham feels that in view of the almost general tendency to protect national industries and the widespread extension of jute manufacturing in many countries, it is quite certain that Indian mills will never again attain to the near monopoly they enjoyed in the early days of the present century." His emphasis on the need for growing sufficient raw jute of high quality for the manufacture of a better class of fabric deserves to be noted by all those who have at heart the welfare of the Indian jute industry.

Pakistan

For Pakistan, the year 1952 was a difficult one, according to the two Chairmen. The economy of the country underwent considerable change for the worst, as a result of the fall in prices of its export commodities such as cotton, jute, tea, etc. There was a large deficit in foreign trade, leading to imposition of import restrictions. The need to import foodgrains too affected its balance of trade adversely, and subjected the country's attenuated reserves of foreign exchange to a further and unexpected drain. In this connection, readers' attention needs to be specially drawn to Mr. Grantham's explanation of the causes leading to food shortage in Pakistan. In recent days, the Government of Pakistan has sought to blame India for this difficulty. It will be seen from Mr. Grantham's statement that he does not subscribe to this view. His explanation is important, because it is the view of an impartial observer. To those who are anxious to know whether the Pakistan Government will devalue its rupee, Mr. Grantham provides an interesting answer. He says:

"Inevitably during the past year there have been critics who have attributed Pakistan's difficulties to what they consider to be the over-valued rupee. With a comprehensive scheme of economic development in progress, entailing a considerable volume of imports on Government account for some years to come, it is unlikely that the authorities will be willing to depreciate the external value of the rupee unless the prospects of the country's major exports, jute and cotton, take a further turn for the worse."

In his reference to Pakistan, Sir Kenneth is rather critical of the policy of economic rationalism that is being pursued by that country. This policy, to quote him, is making its influence felt in restrictions by various means upon foreign enterprise which even those most anxious to co-operate find difficult to justify.

Position in Burma

The round-up of economic conditions in Burma by Mr. Grantham is informative. Burma has now a full-fledged central bank in the Union Bank of Burma. Its currency system has been reformed on the basis of the decimal system. Its eight-year development plan envisages expansion of paddy cultivation and the establishment of certain secondary industries. Welcoming the Plan, Mr. Grantham feels that Burma should try to diversify its exports, instead of relying only on rice. He emphasises that the country can derive the most immediate profit by the exploitation of its considerable mineral wealth, namely, petroleum, lead and silver mines, etc. In the political sphere, it is encouraging to hear from Sir Kenneth, foreigners now can proceed in greater safety a far greater distance from Rangoon than was the case two years ago. This reflects improvement in the internal political conditions in Burma, a country in which India has not a little interest.

In Ceylon, the greater part of the cultivated area is devoted to the production of tea, rubber and coconuts which account for nine-tenths of the Island's income from exports and provide employment, directly and indirectly, for two-thirds of its population. In 1952, Ceylon's external assets went down sharply, but Mr. Grantham seems to feel that the fall will be arrested in the current year. Sir Kenneth, in his references to Ceylon, points out that increase in population has necessitated the importation of large quantities of rice, flour and sugar at high prices. Ceylon has since restricted its imports considerably.

In Malaya, the rubber industry, one of the twin props of the country's economy, passed through an extremely difficult year, owing to a sharp fall in prices. Tin, however, escaped comparatively lightly.

In Indonesia, inflation is stated to be rife and markets are still suffering from lack of up-country offtake. It is potentially one of the richest areas in the world, and is capable of development. Drastic measures have, however, been introduced to arrest inflation. The former Javasche Bank has been converted into the Bank Indonesia which will act as the central bank of the Republic. The management of the Bank is said to be in capable hands. Mr. Grantham is confident that the existing administration in Indonesia will restore economic normalcy at an early date. He does not share the view of some of the ultra-pessimists that Indonesia will soon fall a prey to Communism or civil war.

In other areas of the Far East such as Thailand, Viet Nam, trade deficits and inflation appear to be a common feature. Even Japan is not free from these disquieting trends. Says Mr. Grantham: "The overall balance of payments, although favourable during 1952, showed a very ominous trend against Japan. On the one hand, strong inflationary pressure at home, accompanied by labour troubles, tended to price some exports out of world markets, whilst the import restrictions resulting from the Commonwealth Finance Ministers' Conference upset trade with the sterling area to an extent that Japan's sterling balances decreased with great rapidity from September onwards."

ACTIVITIES OF WORLD BANK

TOTAL DISBURSEMENTS EXCEED 1,000-MILLION DOLLAR MARK

EACH year that passes brings additional evidence to show of the good work that is being done by the International Bank for Reconstruction and Development (I.B.R.D.) in providing assistance, financial as well as technical, to the countries the economics of which have not been fully developed. The periodical reports of the Bank published from time to time bear testimony to this. The latest one to give us an idea of the activities of the Bank is the statement prepared by it for the use of the Economic and Social Council of the United Nations (U.N.E.S.C.O.) which is meeting in New York on the 31st inst. This statement, which is a supplement to the seventh Annual Report of the Bank to be considered by the U.N.E.S.C.O., provides a summary of the work done by the Bank from 1st July to 28th February, 1953. As one reads the statement one is struck by the care and thought bestowed by the Bank on the development projects submitted to it for aid. It is this study which not only ensures the implementation of the project on relatively more economic lines but makes the loan to the receiving countries less burdensome. Herein lies one of the chief contributions of the Bank to the development of the undeveloped and underdeveloped areas in their attempts at raising the standard of living of their people.

In the period under review three more countries, namely, Japan, Germany and Jordan, became members of the Bank. With the admission of these countries, the total strength of the Bank's membership rose to 54, with an aggregate subscribed capital of $9,036.5 million. Japan subscribed to 2,500 shares of capital stock valued at $250 million, Germany to 3,300 shares valued at $330 million and Jordan to 30 shares worth $3 million.

During the six months under review, the I.B.R.D. made eight loans—to Australia, Colombia, Finland, Iceland, India, Peru and Yugoslavia—amounting to $161,633,464. This brought the total loans sanctioned to $1,573,766,464, covering 76 loans to 28 countries. Actual disbursements during the half-year were equivalent to $148,733,489, bringing the total disbursements to $1,025,237,622.

The Bank's activities covered practically all the continents. During the period, the Bank sanctioned no loans to any country in Africa. But the Bank's staff visited British territories in East and West Africa to appraise the development plans of these territories. A Bank Mission visited Northern and Southern Rhodesia and Nyasaland in connection with a three-year development programme. Since the close of the eight-month period under review, the Bank has sanctioned a loan of $14 million to Northern Rhodesia for the development of railways. The loan is for a term of 19 years, bearing interest at the rate of 4½ per cent. including the 1 per cent. commission for the Bank's special reserve. Northern Rhodesia is not a member of the Bank. Nevertheless, it is eligible to borrow from the Bank as an overseas dependency of a member country, namely, the U.K. The loan is, of course, guaranteed by the U.K. Another African country the economy and development plans of which were examined by the Bank's Mission was South Africa.

Asia

In Asia, the Bank's activities were concerned with studies relating to development schemes in Burma, Ceylon, India, Japan, the Philippines, and Thailand. Excepting India, other countries did not receive any loans during the period. In the case of Burma, a Bank Mission was scheduled to arrive this month with a view to examining the plant for development. After examining the conditions in Ceylon, the Bank's general survey mission has recommended a six-year programme of development to begin in October, 1953, calling for a total expenditure equivalent to $337.5 million. The programme gives priority to the increase in agricultural production and to investments in transport power and industry. Two members of the Bank visited Japan and made a general appraisal of the Japanese economy and collected information bearing on Japan's economic prospects and its capacity to service foreign debt. It examined the investment requirements in various fields and gauged the extent to which Japan might be able to meet them out of its own sources. The Bank's Director of Marketing visited the Philippines to advise the Government on the development of a market for Government bonds. A Bank Mission is at present in Thailand for examining prospects for further development of that country.

During the period under review, India received two loans from the Bank. One was the loan of $31.5 million to the Indian Iron and Steel Co., Ltd., for a period of 15 years bearing interest at 4½ per cent. And the other was a 25-year loan for $19.5 million carrying interest at 4½ per cent. for financing key projects in a general plan of development of the Damodar Valley. As a full account of these loans appeared in *Commerce* dated 14th February, 1953, there is no need to detail them once again here.

Another useful work which the Bank is doing for the whole of the Indian sub-continent is the finding of a suitable solution for the Indo-Pakistan water dispute.

The Bank arranged for holding an Indus Basin Conference for studying the Indus system of rivers

(*Continued on page* 579)

WORLD COTTON SPINDLEAGE

SLUMP RETARDS PACE OF PROGRESS DURING FIRST HALF OF 1952

THE world-wide slump in cotton textile industry and trade in the early months of 1952 seems to have retarded the pace of expansion in the world cotton spinning capacity during the half-year ended July, 1952, the net increase in the number of spindles over the six months under review being only 1.39 million, as against 1.87 million in the corresponding period of the previous year. The aggregate number of spindles in the world as at the end of July, 1952, according to *International Cotton Statistics*, published by the International Cotton Federation, Manchester, was 129.25 million, as against 127.86 million on 31st January, 1952, and 125.99 million on 31st July, 1951.

The expansion in world spindleage is accounted for entirely by ring spindles, the number of which has gone up by 1.42 million to 107.60 million. The number of mule spindles, however, continued to register a fall, the exact recession being 34,000 to 21.65 million spindles. Much of this fall has been under spindles spinning Egyptian cotton, which, at the end of July, 1952, aggregated 20.35 million, as against 21.56 million six months before. The number of spindles spinning rayon staple fibre also has receded from 6.72 million to 6.10 million.

The trend of expansion in cotton spindles during the period February to July, 1952, as compared with the two previous corresponding periods, is indicated below:

(In millions)

	Feb., 1951— *July*, 1951	*Aug.*, 1951— *Jan.*, 1952	*Feb.*, 1952— *July*, 1952
U.K.	28.15	27.93	27.98
U.S.A.	23.18	23.12	23.23
India	10.85	11.24	11.24
U.S.S.R.	9.85	9.90	9.90
France	8.04	8.11	8.06
Germany	7.08	7.13	7.13
Japan	5.24	6.49	6.95
Italy	5.69	5.74	5.72
China	4.10	4.10	4.10
Brazil	3.28	3.23	3.25
Czechoslovakia	2.36	2.38	2.38
Spain	2.21	2.21	2.23
Belgium	1.84	1.86	1.85
Pakistan	0.32	0.34	0.53
Other countries	13.80	14.08	14.70
Total	125.99	127.86	129.25

It will be seen from the above table that the slow pace of expansion in the capacity of cotton spinning was in marked evidence in the case of Japan. Thus, the addition to the spindleage of that country during the half-year under review was to the extent of only 459,000, which does not compare favourably with as much as 1,250,000 in the previous half-year. The number of spindles at the end of July, 1952, was 6.95 million, which is equal to about 56.6 per cent. of Japan's pre-war capacity of 12.28 million spindles. The fall in the rate of expansion was the result of a series of restrictions on production imposed by the Japanese Government, following slackness in the export demand for cloth and appreciable decline in prices.

A fall in the rate of expansion was also witnessed by the U.K., the number of spindles added declining from 22,000 to 5,000. India did not witness any expansion at all in the first half of 1952; in the previous half-year, it may be noted, 392,000 spindles had been added. The bulk of the 11.24 million spindles in existence on 31st July, 1952, is accounted for by ring spindles, amounting to 10.98 million. The spindles in course of erection in India, during the six months under review, however, were higher at 542,000, as against 146,000 in the previous six-month period.

Pakistan, on the other hand, witnessed a remarkable expansion in its spindleage. Thus, the number of spindles in that country increased from 337,000 to 527,000, a rise of 190,000 spindles, as against only 22,000 spindles added in the previous half-year. Spindles in course of erection were also substantially higher at 605,000, which compares with 60,000 six months before and 9,000 a year before. The total spindleage at the end of 1953 is expected to be as high as 1,079,000, as against 178,000 at the time of the Partition.

The rapid rate of expansion in the size of the Pakistan cotton textile industry is primarily due to the active encouragement and assistance given by the authorities—Central and Provincial. Referring to this industry, Pakistan's Finance Minister stated, while presenting the budget estimates for 1953-54 a few days ago, that, out of the 11 Government-sponsored textile mills, installation of eight was already in progress and orders for the remaining three mills would be placed during 1953-54. The total estimated cost of these 11 mills is placed at about Rs. 8.53 crores, of which the Government of Pakistan will provide approximately half, the balance being provided by the Provincial Governments. The chief reason why Pakistan is attaching such great importance to the development of the cotton textile industry is the need to save foreign exchange. The value of imports of cotton textiles into Pakistan hitherto was of the order of Rs. 30 crores per annum and that too after exercising a strict control over the volume of cloth imports.

The pattern of spindleage in the more important cotton textile producing countries as at the end of July, 1952, is indicated below:

(In thousands)

	Ring spindles	*Mule spindles*	*Spindles spinning Egyptian cotton*	*Spindles spinning rayon staple fibre*
U.K.	10,505	17,472	11,851	1,319
U.S.A.	23,226	..	1,500	1,377
India	10,980	261	1,149	231
U.S.S.R.	8,700	1,200	45	..
France	6,920	1,142	1,491	247
Germany	6,932	202	222	1,540
Japan	6,942	6	327	92
Italy	5,672	52	1,200	450
China	4,100	..	250	..
Pakistan	522	5	..	..

It is thus seen that the bulk of the spindles in the U.K. consists of mule spindles. In the U.S., there are no mule spindles at all. In India and also in Japan, the proportion of mule spindles to the total is very negligible.

Just as in the previous half-years, so also in the period under review the expansion in the world cotton spindles was not accompanied by a rise in world consumption of cotton. In fact, the quantity of cotton actually consumed during February-July, 1952, was lower, as compared with the previous half-year, by 180,000 bales at 16.24 million bales (of 500 lbs. each). The decline was in evidence in the American and Egyptian varieties only, whereas the Indian and sundry varieties showed a slight increase. An analysis of these totals according to the principal growths of cotton is given in the following table:

(In million bails of 500 lbs. each)

	Six months ended		
	July, 1951	*Jan.*, 1952	*July*, 1952
American	7.49	7.11	6.86
East Indian and Pakistan	2.13	2.12	2.16
Egyptian	0.74	0.55	0.45
Sundries	6.65	6.63	6.77
Total	17.01	16.41	16.23

Of the total of 16.24 million bales of cotton consumed during the six months ended July, 1952, the U.S. alone accounted for 4.43 million bales; this was 278,000 bales lower than that in the previous six months. The U.K. accounted for 674,000 bales, which represents a fall of 337,000 bales. Japan accounted for 868,000 bales, as against 928,000 bales. Cotton consumption in Canada and Argentina too was lower at 148,000 bales and 261,000 bales, as against 182,000 bales and 335,000 bales, respectively. In contrast with this general trend, cotton consumption in India during the period under review was substantially higher at 1.96 million bales, as compared with 1.91 million bales. Consequently, the production of yarn during the six months under review was larger at 701 million lbs., as against 664 million lbs. in the previous six months. Similarly, the cotton mills in China and Brazil consumed more cotton, the exact quantities being 1,643,000 bales and 481,000 bales, as against 1,126,000 bales and 447,000 bales, respectively.

During the half-year under review, the total "spindle-hours worked" was the largest in Egypt, each spindle on an average working 3,380 hours, followed by Turkey with 3,285. The spindles in Chile accounted for 2,788 hours, in the U.S. for 2,543, in Denmark for 2,491 and in Japan for 1,872. The "spindle-hours worked" in the U.K. were only 873 hours. It may be noted here that the "total spindle-hours worked" by the industry in any one country divided by the actual spindles in place gives the average hours worked.

EXPORTS OF RAW WOOL

TRADERS URGE FREE LICENSING

IT will be recalled that the Government of India announced, on 12th June, 1952, that exports of raw wool would be licensed freely for shipment up to 31st August, 1952. After a further review of the position, it decided to continue the policy till the end of the year. Whether or not the policy of free licensing of wool exports will be continued during the current year is not known. And the Government's decision in this regard is being eagerly awaited. In the meantime, the All-India Wool Trade Federation has submitted a representation to the Government of India urging it to free exports of raw wool during the next 12 months. Such a policy, it points out, will enable the exporters to maintain the usual rate of exports and thus strengthen the hold of Indian wools in world markets.

The Federation's plea for free licensing of raw wool exports is based chiefly on the ground that there is a surfeit of supplies in the country. The aggregate output of raw wool is placed at 58 million lbs., which is very much more than what the indigenous woollen industry actually consumes. For instance, the quantity of wool consumed by the carpet industry is said to be not more than 5 to 6 million lbs. (including South Indian wools) per annum. Even here, it is stated that the carpet industry has been patronising medium and coarse varieties of wool rather than superior wools, such as Bikaner, Joria and Vicaner.

Another important ground on which the Federation's plea is based is presumably that, despite the free exports allowed during the latter half of 1952, prices of raw wool in the country have not only not increased but have actually declined. The overall price of superior Bikaner white wool during 1952 was Rs. 2-14 per lb., as against Rs. 3-12-8 in 1951 and Rs. 3-9-2 in 1950. Likewise, the price of superior Beawar fazilka white wool was lower at Rs. 2-9-6 per lb., which compares with Rs. 3-5-2 and Rs. 3-4-4 in the two preceding years, respectively.

The Federation, therefore, points out that the carpet industry's complaint against high prices of wool is not justified. According to it, Indian wool is consumed in world markets and, as such, the prices paid for it are in conformity with those of other wools suitable for carpet making. Similarly, Indian carpets are marketed in foreign lands at prices in comparison with those of carpets produced elsewhere. In other words, Indian carpets too are sold at higher prices, if the world prices for wool are higher.

Proceeding, the Federation observes that the season for white wools has already begun and stocks are accumulating at all wool centres. Naturally enough, it fails to understand the argument of the carpet industry that the high cost of Indian wool precludes the foreign buyers of carpets from placing new orders, because the Indian manufacturers actually enjoy a benefit of 10 to 15 per cent. in wool prices, which their competitors in foreign lands have to bear by way of freight, insurance, commission, etc., and also because labour in India is cheaper *vis-a-vis* labour in other countries. To expect, in spite of these two main advantages, raw wool supplies to be made available at below the current level of world prices is, the Federation feels, not at all justified. The Federation is also opposed to the suggestion for the introduction of quantitative restriction on wool exports, put forward by the carpet industry, and urges the Government, on the contrary, to free exports of raw wool. Otherwise, the Government would only be killing the sheep industry in India, the Federation warns, "by forcing the shippers to send more sheep to the slaughterhouses which would offer them better returns."

FREE LICENSING OF CLOTH EXPORTS

It was only last week that we observed in these columns that, in view of the encouraging trend of cloth output, the Government of India might extend the period of the policy of free licensing of exports beyond June, 1953. We are glad to find now that the Government has since announced its decision to continue the policy for three months more, that is, up to the end of September next.

Another welcome decision announced by the Government relates to the suspension—as an experimental measure—of the operation of clauses 25 and 26 of the Cotton Textile (Control) Order, 1948, till 30th June, 1953. As a result of this decision, the mills and dealers are now free to buy or sell or to have in their possession time-barred cloth and yarn in packed or open condition. Dealers can dispose of such cloth and yarn without getting them T.C.B. stamped by the State textile authorities. They can also dispose of the T.C.B. stamped cloth and yarn, even though the time limit for disposing of the same may have expired.

FUTURE OF RAW COTTON COMMISSION

RIVALRY IN CLOTH EXPORT TRADE

(From A Special Correspondent)

MANCHESTER, *17th March*

FACED with the task of providing a report for the British Government on the future of raw cotton buying, a committee of textile experts headed by Sir Richard Hopkins began its deliberations in Manchester to-day (Tuesday). Set up by Mr. Peter Thorneycroft, President of the Board of Trade, the Committee is to review the position of the State-sponsored Raw Cotton Commission and make recommendations as to its future. In view of the fact that many Lancashire millowners wish to revert to private buying of their raw material providing adequate cover arrangements are available to protect them against price fluctuations, it is believed that this is the next step in the direction of the reopening of the Liverpool cotton market.

MANCHESTER LETTER

Spinners will again have the option in June of deciding whether to obtain supplies privately or through the Raw Cotton Commission for next season. The Committee has, therefore, less than three months in which to make its report.

Sir Richard Hopkins, who was Chairman of the 1952 Cotton Import Committee which recommended the revival of private buying for the first time for more than 10 years, will preside over representatives of the Liverpool and Manchester Cotton Associations, the Master Spinners' Federation, the Cotton Board, the Raw Cotton Commission and the United Textile Factory Workers' Association.

While spinners must now settle down to wait, more or less impatiently, for the new Hopkins Review Committee's report, there is much to interest them in the present raw cotton situation and the future supply outlook. The Committee begins its deliberations this week in the knowledge that its final recommendations must play a very considerable part in influencing the decision of the trade whether or not to contract-out from the Commission during the summer.

Meanwhile, the gap between supply and demand for the raw material has shown no sign of decreasing, and if anything the reverse trend has been indicated. Reports already predict that the efforts being made to hold down the acreage planted for cotton in the United States are not being entirely successful. In several States there is the possibility of large areas being under cultivation and preliminary forecasts are that the acreage will be larger than a year ago. The inevitable result of another season producing a crop at around the current level would be the automatic control of acreage in 1954.

New Cover Scheme

Repercussions of the first Hopkins Committee report are still being felt as the second Committee gets down to work. The Raw Cotton Commission has had to revise its cover arrangements with contracting-in spinners as a result of changes in the situation in which it now competes with private traders using the Commission's published prices as cover for their operations.

There is clearly need for far more flexibility in the Commission's methods if it is still to render an adequate service to those mills which remain within its organisation. But the Commission itself is hampered by its inability to estimate what proportion of the trade it will have to cater for at the start of the new season. It must mantain a sufficiently large and varied stock of cotton to offer its customers and consequently must be prepared to vary its purchasing arrangements from year to year. The new cover agreement provides the Commission with necessary freedom to alter the scope of its cover facilities as circumstances require.

It is nearly two months since the Government offered facilities to raw cotton merchants to import up to 30,000 tons of non-sterling cotton as the basis for a spot market to provide stocks for the choice of contracting-out spinners. So far this season, imports of raw cotton have aggregated 718,050 bales, of which 223,399 bales have been on private account. Nearly 130,000 bales of the cotton privately bought has been American staple.

Export Rivalry

Preliminary figures of cotton cloth exports from the United States in 1952 now enable an assessment to be made of the position of the chief rivals for export trade. By shipping 760,500,000 square yards of cotton cloth abroad the American mills attained their fifth best export total, but it is not yet clear whether they just exceeded the Japanese figure. Earlier reports from Tokyo indicated shipments of just under 761,000,000 square yards, but confirmation of this total is awaited. Whatever the final figures, the two countries were obviously running neck and neck for export business last year, leaving Britain some 50,000,000 yards behind with a total of nearly 711,000,000 square yards.

Apparently the loss of trade has affected the Japanese industry to a greater extent than its competitors, as the comparable 1951 figures were: Britain 865,000,000 yards, Japan 1,082,000,000 yards, and the United States 809,000,000 square yards. Combined export trade losses of these three countries alone were about 500,000,000 yards of cotton cloth compared with 1951.

The estimates put forward at last year's Buxton Conference of possible shipments in 1953 do not look very realistic in the present state of world markets. There is time for changes to take place but it is unlikely that buying by consumers on the scale experienced in the years immediately after the war will recur. The shelves of the world have been filled and are now slowly emptying. Replenishments can only be expected at a more reasonable rate, based mainly on seasonal requirements.

Research Plans

The drive to hasten the application of new devices and processes developed by British cotton industry scientists to practical use at factory level is gaining momentum. At this week's annual meeting of a development company set up by the British Cotton Industry Research Association to deal with the commercial aspects of new devices, the Chairman, Sir Raymond Streat, said that there were about 40 items which the Company would be dealing with in the next year or so. Some of them, although designed for the cotton industry, would be capable of proving valuable to other industries. Sir Raymond added:

"What we are concerned about is that the inventions of the Institute—past, present and future—should, as they take practical shape in the laboratories and workshops at the research centre, be got into the premises of potential users as quickly as is consistent with first-class performance and lasting satisfaction and benefit to the industry."

Double-shift Work

The need for retaining the best machinery for the operation of double day-shift working in the cotton industry was stressed by Mr. Charles Schofield, Secretary of the Operative Spinners' Amalgamation, in his latest quarterly report.

The widespread adoption of the system, he said, would mean the closing of approximately 40 per cent. of existing units, assuming that the labour force remained at its present level. Discussing the prospects of how this process of sealing or scrapping was to be carried out, he said:

"It is very difficult to conceive a situation in which owners of 40 per cent. of the trade's equipment will be so altruistic as to agree to scrap their plant without adequate compensation in order that others may remain in business, perhaps at a more remunerative level."

Provision for some reimbursement for dismantlement of plant and loss of business would presumably be charged against firms remaining in the industry, thus adding to already heavy capital charges.

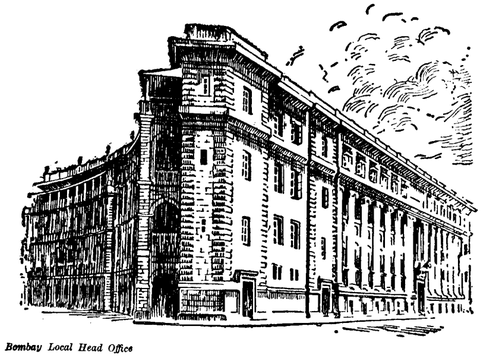
Yarn Output Rise

Lancashire mills spun more yarn in the last week of February than in any week in the past 12 months. Output figures given by the Cotton Board show that spinning operatives produced 17,910,000 lbs. of cotton, spun rayon and mixture yarn—an increase of 220,000 lbs. on the previous week.

The last time this total was exceeded was in the week ended 23rd February last year, when the mills turned out 18,990,000 lbs. of yarn. Because of the slump, production has never since exceeded 18,000,000 lbs.

For the first time for two months the mills lost more workers than they recruited. There was a net wastage of 55 full-time operatives and an additional loss of 10 part-timers.

Despite this reverse, however, the spinning industry has taken back since August more than 6,000 workers who forsook the mills for safer jobs when the slump was at its worst.—*All Rights Reserved.*



Bombay Local Head Office

IMPERIAL BANK OF INDIA

Authorised Capital	Rs.	11,25,00,000
Paid-up Capital	,,	5,62,50,000
Reserve Fund	,,	6,35,00,000
Reserve Liability of Shareholders	,,	5,62,50,000

Local Head Offices:
CALCUTTA—BOMBAY—MADRAS
and over 400 branches and sub-offices throughout India, Pakistan, Burma and Ceylon

London Offices:
25, Old Broad Street, E.C. 2.

THE MERCANTILE BANK OF INDIA, LIMITED

(REGISTERED IN LONDON, UNDER THE COMPANIES ACTS OF 1862 TO 1886, ON 2ND DECEMBER, 1892.)

Authorised Capital - - - - - -	£3,000,000	Paid-up Capital - - - - - -	£1,050,000
Subscribed Capital - - - - - -	£1,800,000	Reserve Fund - - - - - -	£1,500,000

Head Office: **15, GRACECHURCH STREET, LONDON, E.C.3.**

Board of Directors:
SIR KENNETH W. MEALING, *Chairman.*
SIR JOHN G. HAY, *Deputy Chairman.*
E. J. BUNBURY, Esq., C.B.E., M.C.
J. B. CRICHTON, Esq.
R. W. B. DUNLOP, Esq.
SIR CYRIL E. JONES, K.C.I.E., C.S.I.
C. D. MILLER, Esq.
HON. R. H. VIVIAN SMITH.

Chief Manager: R. N. DRAKE.
Deputy Chief Manager: H. W. HAWKINS.
Managers: C. R. WARDLE — W. P. B. DAVIES.
London Bankers: BANK OF ENGLAND — MIDLAND BANK LIMITED.
Agents in New York: CHASE NATIONAL BANK OF THE CITY OF NEW YORK
BANK OF MONTREAL.

BRANCHES AND AGENCIES:

INDIA:—
BOMBAY
CALCUTTA
HOWRAH
DELHI
MADRAS

PAKISTAN:—
KARACHI
CHITTAGONG
KHULNA

CEYLON:—
COLOMBO
GALLE
KANDY
JAFFNA

BURMA:—
RANGOON

MAURITIUS:—
PORT LOUIS

SINGAPORE

MALAYAN FEDERATION:—
KUALA LUMPUR
KUANTAN
KUALA TRENGGANU
PENANG
KOTA BHARU
IPOH
KUALA LIPIS

HONGKONG

CHINA:—
SHANGHAI

THAILAND:—
BANGKOK

JAPAN:—
TOKYO
OSAKA

NEW YORK REPRESENTATIVE:— W. T. DOUGAL, 37, WALL STREET.

SIXTIETH ANNUAL REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS

The Directors submit to the Shareholders of the Bank the General Balance Sheet and Statement of Profit and Loss Account for the year ended 31st December, 1952.

The Balance of Profit and Loss Account for the year after providing for Taxation and after Allocations to Contingency Accounts out of which full provision has been made for Bad and Doubtful Debts and any other diminution in the value of Assets, amounts to £195,188
to which has to be added the balance brought forward from last account .. 200,130
making the amount available .. £395,318
out of which the following appropriations have been made:—

To Interim Dividend of 6 per cent. on the "A", "B" and "C" shares less Income Tax at 9s. 6d. in the £, paid on 23rd September, 1952	£33,075	
To Officers' Pension Fund	13,000	
To Amount written off Freehold Banking Premises and Property	50,000	
To Additional Allocation to Contingencies Account ..	55,000	
		151,075
leaving a sum of ..		£244,243

from which the Directors recommend:—

A Final Dividend of 8 per cent. on the "A", "B" and "C" shares, less Income Tax at 9s. 6d. in the £ (making 14 per cent. for the year) payable 31st March, 1953	44,100
Balance to be carried forward to next Account	£200,143

A Branch of the Bank has been opened at Khulna, East Pakistan.

Mr. Cecil Doughas Miller, has been appointed to a seat on the Board and under Article 97 of the Articles of Association offers himself for re-election.

The following Directors retire by rotation under Articles 116 and 117 of the Articles of Association but, being eligible, offer themselves for re-election:

Sir Kenneth W. Mealing.
Sir John G. Hay.

Messrs. Cooper Brothers & Co. and Messrs. W. A. Browne & Co., the present Auditors, will continue in office pursuant to Section 159 (2) of the Companies Act, 1948.

By Order of the Board,
R. N. DRAKE,
Chief Manager.

LONDON, *3rd March*, 1953.

BALANCE SHEET, 31st DECEMBER, 1952

1951 £		£	£
	Capital Authorised—		
750,000	30,000 "A" shares of £25 each	750,000	
750,000	30,000 "B" shares of £25 each	750,000	
1,500,000	300,000 "C" shares of £5 each	1,500,000	
£3,000,000		£3,000,000	
	Capital Issued—		
375,000	30,000 "A" shares £12 10s. paid	375,000	
375,000	30,000 "B" shares £12 10s. paid	375,000	
300,000	60,000 "C" shares £5 paid	300,000	
1,050,000			1,050,000
	Reserve Fund—		
1,500,000	(including Share Premium Account £300,000)	1,500,000	
200,130	**Balance of Profit** unappropriated carried forward to 1953 ..	200,143	
1,700,130			1,700,143
2,750,130			2,750,143
	Current Liabilities, Provisions and Other Accounts—		
228,577	**Notes in Circulation** against security per contra	277,952	
67,395,576	**Current and Fixed Deposit and Other Accounts** including Provisions for Taxation on Profits to date, Doubtful Debts and Reserves for Contingencies	68,510,460	
2,899,051	**Bills Payable**	1,729,464	
405,000	**Loans Payable** against security per contra	—	
407,803	**Acceptances on account of Customers** per contra	299,091	
43,383	**Balances due to Subsidiary Companies**	43,360	
33,075	**Proposed Final Dividend**, less Income Tax	44,100	
71,403,465			70,904,436
£74,153,595			£73,654,579

1951 £		£	£
	Current Assets—		
15,620,778	**Cash in hand, at Call and at Bankers**		15,208,334
	Investments (Quoted Investments at or under market value; unquoted Investments at or under cost)		
	British, Dominion and Colonial Government and Other Securities (including £265,000 British Government Securities deposited against Note Issue):		
8,015,416	Quoted in Great Britain	14,385,563	
6,358,528	Quoted elsewhere than in Great Britain	6,402,947	
14,373,944		20,788,510	
118,647	Unquoted	127,027	
14,492,591			20,915,537
	Hong Kong Government Certificates of Indebtedness deposited against Note Issue	105,605	
18,850,120	**Bills Receivable**	14,580,485	
23,926,708	**Loans Receivable, Advances** and Other Accounts including Amounts due by Agents	21,846,289	
407,803	**Liability of Customers for Acceptances** per contra	299,091	
43,290,326			36,831,470
73,403,695			72,955,341
55,137	**Shares in Subsidiary Companies** at Cost		55,137
	Fixed Assets—		
694,763	**Freehold Banking Premises and Property** at Cost less Amounts Written Off		644,101
£74,153,595			£73,654,579

NOTES.

1. Currency Assets and Liabilities have been converted into Sterling at the following rates:—1s. 6d. per Indian and Ceylon Rupee and Burma Kyat, 2s. 3d. per Pakistan Rupee, 2s. 4d. per Straits Dollar, 1s. 3d. per Hong Kong Dollar, 7s. per United States Dollar, 5d. per Tical, Yen 1,000=£1 and Shanghai Yuan 80,000=£1.

2. Group Accounts are not prepared as the Directors consider they would be of no real value to members in view of the insignificant amounts involved in the accounts of the Subsidiary Companies.

3. Contracts for outstanding capital expenditure Nil (1951, £9,241).

4. There are Contingent Liabilities in respect of the following:—
Bills Receivable re-discounted £803,541 (1951, £2,639,340) all of which have since run off.
Outstanding Forward Exchange Contracts.
Confirmed Credits and Guarantees entered into in the ordinary course of business, including Guarantees to Government Departments in India amounting to £29,912 (1951, £56,673) for which security has been deposited with the Reserve Bank of India.
Uncalled Capital amounting to £54,963 (1951, £54,963) in respect of partly paid shares in Subsidiary Companies.

PROFIT AND LOSS ACCOUNT, FOR THE YEAR ENDED 31st DECEMBER, 1952

1951 £		£	£
13,000	**Amount transferred to Officers' Pension Fund**		13,000
50,000	**Amount written off Freehold Banking Premises and Property** ..		50,000
55,000	**Additional Allocation to Contingencies Account**		55,000
	Dividends:—		
33,075	Interim Dividend of 6 per cent., less Income Tax at 9/6 in the £, paid 23rd September, 1952	33,075	
33,075	Proposed Final Dividend of 8 per cent., less Income Tax at 9/6 in the £, payable 31st March, 1953	44,100	
			77,175
200,130	**Balance of Profit** unappropriated carried forward to 1953		200,143
£384,280			£395,318

1951 £		£
188,919	**Balance brought forward** from 31st December, 1951	200,130
195,361	**Profit for the year ended 31st December, 1952,** after providing for Taxation thereon, Directors' Fees £8,500 (1951, £8,431) and after allocations to Contingency Accounts, out of which full provision has been made for Bad and Doubtful Debts and any other diminution in the value of Assets	195,188
£384,280		£395,318

R. N. DRAKE, *Chief Manager.*
H. I. HUGHES, } *Accountants.*
F. N. WITHERS, }

K. W. MEALING, }
JOHN G. HAY, } *Directors.*
R. H. VIVIAN SMITH, }

REPORT OF THE AUDITORS TO THE MEMBERS.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from Branches not visited by us. We have examined the above Balance Sheet and Profit and Loss Account which are in agreement with the books of account and returns. In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1948, in the manner thereby authorised for Banking Companies and on such basis the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at 31st December, 1952, and the Profit and Loss Account gives a true and fair view of the profit ascertained in the manner therein indicated for the year ended on that date.

COOPER BROTHERS & CO.,
W. A. BROWNE & CO.,
Chartered Accountants.

LONDON, *3rd March*, 1953.

THE MERCANTILE BANK OF INDIA, LIMITED

ONE MORE YEAR OF SATISFACTORY RESULTS COMPLETED

SIR KENNETH MEALING ON IMPORTANCE OF ECONOMIC STABILITY IN S.-E. ASIA

THE satisfactory progress made by the Mercantile Bank of India, Ltd., during the year 1952 in the face of a severe recession in world prices of most commodities has been clearly brought out by Sir Kenneth W. Mealing, Chairman of the Bank, in his statement to the shareholders to be presented at their Sixtieth Annual General Meeting to be held in London on 31st March, 1953. Sir Kenneth has availed himself of the opportunity to strike a note of warning that "the economic stability of South-East Asia will continue to be of the first importance to the free world for years to come." Referring to the recession in prices during the past year, he says that, although in the case of some commodities, prices have fallen too fast and too far, in general the disinflationary trend should prove healthy.

The following is the full text of Sir Kenneth's Statement:

"During the year, Mr. C. D. Miller has been elected to the Board to fill the vacancy created by the retirement of Sir Charles Innes. Mr. Miller has wide business experience in and current knowledge of Thailand, Malaya, India and Pakistan, which will be of great value to the Bank, and you will be asked to confirm his election. Sir John Hay has given his valuable services as Deputy Chairman throughout the year, since I became your Chairman on the retirement of Sir Charles Innes after our last annual meeting.

Bank's Results

"The accounts indicate that there has been no falling off in the volume of business handled by the Bank and, despite the recession in world prices of most commodities, the balance-sheet total, at £74 million, shows little change. On the assets side, there is an increase of £6½ million in our holding of Government securities, but this has been counterbalanced by a fall of £4¼ million in bills receivable and a decrease of £2 million in loans and advances. On the other side, the increase in deposits of £1 million has been offset by a decrease of £1 million in bills payable.

"At £195,188, our net profit is very slightly lower than in the previous year, provision having had to be made for increased taxation in the form of E.P.L. Considering the difficulties we had to anticipate during a period of trade recession and anti-inflation, I trust you will agree that the results of the year's working are satisfactory.

"The Directors have felt justified in recommending a final dividend of 8 per cent. and, if this recommendation is approved, the dividend for the year will be 14 per cent., a figure which the Directors consider is justified by the progress of the Bank.

"You will see from the notice convening the meeting that in proposing the adoption of new Articles of Association, rendered desirable as a result of the Companies Act, 1948, we are proposing to increase the maximum number of Directors from eight to ten. With the expansion of the Bank's business the burden on the Board has also increased, rendering this enlargement very desirable. In 1948, you passed a resolution fixing the Board's remuneration at £9,000, subject to tax, in replacement of the previous remuneration of £4,500, tax-free, which had subsisted since 1918. This was done to conform with the Companies Act, 1948, and, in fact, represented no increase in the remuneration to the Board. Having in mind the proposed increase in the Board, you will now be asked to pass a resolution increasing the total remuneration to the Board to a sum not exceeding £13,000.

International Affairs

"To my deep regret I am unable to report any appreciable improvement in international affairs during the past year. The hope of an armistice in Korea appears to have faded almost completely and there is no sign of any relaxation in the cold war maintained by the Russian-dominated bloc against the Western Powers. Against this, however, may be set the fact that in Europe, the Western Powers, through N.A.T.O. and the E.D.C. organisation are to-day better equipped to withstand an aggressive onslaught than they were a year ago. It may be that from this knowledge will flow an increasing determination in Western Europe to resist by all means in its power should aggression take place. Equally, this knowledge may itself have the effect of discouraging potential aggressors from any adventure which might result in a new war.

"Whether this interpretation has validity or not, however, the attainment of armed security can only be effected at great cost in treasure and manpower at a time when they can ill be spared. The economic health of the free world must be maintained and this applies with particular force to the countries of South-East Asia. The disruption of war, the movement and expansion of populations, the changes in governmental personnel and structural pattern, the rise in world prices, shortages of foodstuffs and consequent inflationary trends, all these factors have affected the economic health of this vast area. Bearing all this in mind, it may be considered remarkable that the standards of living, of integrity, of industrial output and of international trade and exchange have exhibited so little depreciation over the past seven years. This fact, however, calls for no complacency, for populations continue to rise, food shortages are a continuing and, perhaps, increasing anxiety, so that the economic stability of South-East Asia will continue to be of the first importance to the free world for years to come.

"Two important Commonwealth Conferences took place during 1952. The first to agree on mutual steps to check the drain on reserves which presented a dangerous threat to the entire sterling area. The second, to review the results achieved and agree on future plans to promote industry, commerce and trade for the benefit of all. There is no doubt that the fiscal policy of the U.K. during the year, together with the steps taken by mutual agreement throughout the Commonwealth, checked the drain on reserves and strengthened the position of sterling; no small achievement, bearing in mind the burden of rearmament.

"The fall in prices of many commodities which commenced in 1951 continued in 1952, wool, seeds, cotton, jute, rubber, tea all fell further in price, and whilst price recession is an undoubted check to inflation, it has its own dangers, if it takes place too fast or goes too far. Apart from foodstuffs it would seem that the inflationary trend has been checked, if not reversed, and although in the case of some commodities prices have fallen too fast and too far, in general, the disinflationary trend should prove healthy.

India and Pakistan

"In India, the most important event of the year was the peaceful general election on the basis of universal adult suffrage and the return of a stable Congress Government with Pandit Nehru as Prime Minister.

"Towards the end of the year the new Government presented its ambitious Five-year Plan, aiming at an 11 per cent. increase in national income by expenditure of over 2,000 crores of rupees (£1,500 million). Towards this, a sum of Rs. 156 crores (£117 million) is anticipated from foreign aid. Indeed, during the year, aid in the form of grants from the United States with fertilisers, steel and technical advice and from the World Bank for steel manufacture were received by India. Whether it is possible for this ambitious Five-year programme to come to full fruition I cannot judge, but one can only admire those who have high ideals and who fix high targets and have the courage to do their best to attain them.

"On the whole, trade and industry in India had a somewhat disturbing year. The world-wide decline in commodity values brought about almost panic market conditions accompanied by the temporary closure of some commodity, stock, and bullion markets. As this subsided some measure of recovery took place and production surpluses in sugar, tea, textiles and some classes of engineering products induced a cautious outlook, while the Government began to remove controls over a wide front, particularly as regards cotton and textiles.

"The Calcutta jute industry benefited from two successive reductions in the high rate of export duty which had partly priced this important commodity out of world markets, and these reductions, together with a successful goodwill mission from the industry to the U.S.A. and U.K., have restored much of the competitive capacity and popularity in overseas markets to India's most important export.

"The tea industry has had one of the most anxious years in its long history. The cessation of bulk buying in 1951, the reopening of public auctions and, many months later, the de-rationing of tea in the U.K. was not expected to result in a disastrous fall in tea values, such as, in fact, took place towards the end of 1952. By December, prices for many gardens' teas had fallen far below cost of production and tea companies were facing severe losses on the year's working. Many companies, whose working capital was adequate when tea could be made and sold profitably at 1s. per lb. before the war, are severely under-capitalised to deal with present costs, and the excessive taxation now current gives little hope for the creation of reserves from profits wherewith to replenish their working capital. This is a serious problem to many industries in many countries—including the United Kingdom—but is particularly striking in the case of the Indian tea industry.

"Early in the year, the cotton economy of India was in a precarious condition, but from March, when the Government reduced the export duty from Rs. 400 to Rs. 200 per bale, there was staged a steady and, under the circumstances, remarkable recovery in the raw cotton markets and the textile industry. Later in the year, the Government gave further assistance by relaxing some of the controls on cotton and made a further reduction to Rs. 125 per bale in the export duty on certain varieties of cotton. The liberalisation of Government's export policy for textiles enabled India to make a determined effort to restore her position in the world's textile markets, which had been so undermined in 1951 by restrictions on exports, and in this she was partially successful, despite keen competition from Japan and the change from sellers' to buyers' markets throughout the world.

Bill Market

"An important development in banking and finance in India was the establishment by the Reserve Bank in January, 1952, of a bill market, whereby Scheduled Banks are able to obtain advances from the Reserve Bank at favourable interest rates against the security of usance bills drawn by traders payable in India and supported by the Scheduled Bank's demand promissory note to cover such advances. The scheme was of great assistance during very difficult periods and is the first step towards a fully developed bill market in India. The system was responsible for providing over 81 crores of credit to commerce and industry during the year, and would have been higher but for the lower level of business activity towards the end of the year. Scheduled Banks' advances in early December, 1952, were only Rs. 429 crores, against Rs. 492 crores at the same time in 1951.

"According to the latest estimates, India will import 2½ million tons of foodgrains in 1953, against 3.9 million tons in 1952 and 4.7 million tons in 1951. According to the Indian Food Minister, India is steadily progressing towards self-sufficiency in food and there is no doubt that, should this come about, it will effect the greatest contribution to stability and prosperity in India and throughout South-East Asia.

"Indo-Pakistan trade, in general, remains limited in extent. The agreement which expired during the year was replaced in August by a limited pact which unfortunately excluded some major items of trade. India's overall trade balance was heavily deficit during the first half of the year, but in the second half the gap was narrowed, more by reduction of imports than by increase in exports.

"On the decision of Pakistan, passports were instituted for travellers between India and Pakistan, and India found it necessary to follow suit. There must have been cogent reasons for this innovation, but it cannot be expected that this formality will encourage commerce and trade so desirable between these two countries with their enormously long common frontiers.

"Pakistan has been through a difficult year from almost every point of view. In the past a

producer of surplus food, Pakistan imported wheat from Turkey, through American aid, and from Russia through a barter deal made with that country. Pakistan's main export commodities, cotton and jute, fell in price by 50 per cent. and in both commodities there resulted a large carry-over.

"With her major export crops bringing in far less foreign exchange, it followed that Pakistan's balance of trade would become adverse, unless drastic import restrictions were imposed. Partial restrictions were imposed in May, but it was not until 1st July that drastic action was taken. In order to curtail the inevitable inflation resulting from restriction of imports, the Government introduced measures to curtail credit, but the full effect of these restrictions on imports and credit has not yet been felt and its impact upon the future of the State and its people is, therefore, still to be seen.

"Pakistan is still without a written Constitution and its Assembly consists of the original members existing at the time of Partition in 1947. Until the new Constitution is finalised and elections for the new Parliament held, the state of uncertainty as to the future must be expected to continue. Economic difficulties, inflation, and internal political stresses and strains bear particularly hardly upon a young country still in the throes of Constitution making.

"Much has been done to rehabilitate the railway system, and work on the Lower Sind Barrage is progressing well. Several textile mills are now operating and other industrial projects are under way. Economic nationalism, however, is making its influence felt in restrictions by various means upon foreign enterprise which even those most anxious to co-operate find difficult to justify. This phase may, however, be a passing one which with greater political maturity may be found to defeat rather than attain the desired end: the increasing prosperity of Pakistan.

"During the year, we made arrangements to open an office in Khulna, the nearest town to the new port of Chalna in East Bengal. Permission for us to do so was readily granted by the Government of Pakistan and we commenced business on 5th February, 1953. It is anticipated that in time a fairly large tonnage of jute will pass through this port which gives East Pakistan an alternative outlet from Chittagong.

Ceylon

"A General Election was held in Ceylon in May, 1952, and resulted in the return of the United National Party with a good working majority over all other parties. Ceylon should, therefore, be assured of peaceful and stable political conditions during the next four years.

"In the last 80 years, the population of Ceylon has risen from 3½ million in 1871 to 7½ million in 1951 and with an estimated increase of about 200,000 a year the population in 1962 will be some ten millions. This increasing population has necessitated the importation of large quantities of rice, flour and sugar at high prices, whilst, in 1952, a decline occurred in the prices of many of Ceylon's exports. It is likely, therefore, that a trade deficit of Rs. 110 million in 1952 will replace the trade surplus of Rs. 349 million in 1951. Ceylon's balance of trade has, therefore, suffered during 1952 to the extent of approximately Rs. 459 million compared with 1951.

"In order to check the inflationary trend in the cost of living, something like one-third of the Island's national revenue, it is estimated, is expended on food subsidies, and the result is that the Budget deficit for the year ended 30th September last is believed to be in the region of Rs. 293 million—the highest in the fiscal history of Ceylon.

"The Government of Ceylon are certainly alive to the urgent necessity of increasing food production, and the Galoya and other large schemes to this end are progressing; but naturally these projects take time to reach maturity. At the close of the year the Ceylon and Chinese Governments ratified an agreement whereby the whole of Ceylon's production of sheet rubber for 1953, estimated at about 50,000 tons, will be sold to China at a price of about Rs. 1.74 per lb. f.o.b. Colombo. It is reported that only Ceylonese shippers will be allowed to purchase, grade, pack and ship this rubber on behalf of the Rubber Commissioner. Under the Trade Pact Ceylon will import from China 270,000 tons of rice at prices which are believed to compare favourably with those charged by other rice producing countries at the present time.

"Good progress continues to be made with the Rs. 80 million scheme for the improvement of Colombo Harbour. The turn round of ships has been so accelerated that the freight surcharge imposed by Shipping Lines in April, 1951, on cargoes from Europe has been abolished.

Burma

"Conditions in Burma, which continue difficult to assess, appear to have improved somewhat during the past year. Whilst much of the country is still controlled by insurgents or ravaged with raids by dacoits, the efforts by the Government in Rangoon towards the pacification of the country seem to be achieving some success, and foreigners can proceed in greater safety for greater distances from Rangoon than was the case two years ago.

"The principal advisers to the Government are an American firm of engineers whose goal, I understand, is a comprehensive and balanced programme of rehabilitation and new development involving expenditure of some K.7,500 crores (£5,625 million) over the next eight years. The programme includes large planned projects in mining, agriculture, power, irrigation, transport and communications as well as cottage industries.

"In the Budget presented last August a revenue surplus of K.4.45 crores was estimated, and a capital deficit of K.29.63 crores. 57 per cent. of revenue receipts is to be spent on defence. No provision was made for the repayment of loans to India (Rs. 72,00,00,000) and the U.K. (£17,800,000). Burma is a recipient of economic aid from Britain and the U.S.A. and is also a participant in the Colombo Plan. Economic nationalism is also retarding co-operation from foreign concerns in Burma. It can be of little avail to expect foreign business to risk capital in any country which restricts or denies it the right to employ officers of its own choice.

Mauritius

"The sugar crop in Mauritius, at 467,000 metric tons, in 1952 was rather lower than the record crop of 484,000 tons in 1951 and the whole crop was purchased by the United Kingdom under the Commonwealth Sugar Agreement. The year has been a prosperous one for Mauritius and given normal weather conditions prosperity should continue in the coming year. The diversity of communities and increasing population, however, present problems for the future and new elections in 1953 will bring political issues to the fore. The prosperity of the Colony is, of course, vulnerable to a fall in world sugar prices.

Malaya

"There has been a heartening improvement in the grave emergency threatening Malaya. Not only has there been a sharp drop in incidents and casualties, but the morale of security forces and civilians has improved as a result of the energetic steps taken by the High Commissioner, General Templer. It would seem that the initiative is passing or has passed, to the security forces, although this does not mean that the Communist cannot still attack persons and property. Least of all does it justify complacency, for there is no doubt that the slightest sign of relaxation would be taken by those behind the Communist organisation as the signal for a recrudescence of activity. It is thus vitally important that our determination to win this campaign should be made apparent to the entire population of Malaya so that the maximum co-operation and goodwill of the people be secured and retained.

"Coupled with this determination the economic prosperity and stability of the country is no less important in bringing the emergency to a successful conclusion and this is dependent upon the prosperity of the major industry, rubber.

"The year saw wide fluctuations and a general decline in the price of rubber—from $1.42½ per lb. in January to as low as 73½ cents in September and a recovery to 91 cents at the close of the year. Output was some 21,000 tons lower than in the previous year, a decline of about 3 per cent. It cannot be too clearly emphasised that just as the economic stability of Malaya is principally dependent upon rubber, so the prosperity of this great industry is principally dependent upon the policy of its largest consumer, the United States of America. Consumption, stockpiling, and the policy towards synthetic rubber in the U.S.A. affects Malaya directly and immediately, and is thus a vital factor in the prosperity of this bastion of the free world in South-East Asia.

"Ocean shipments in 1952 were 910,408 tons, against 1,155,275 tons in 1951. The entrepot trade also declined heavily as imports from Indonesia were only 289,079 tons, against 470,609 in 1951. The biggest buyers were U.K. 273,855 tons and U.S.A. 234,248. Direct shipments from Malaya to the U.S.S.R. were negligible and there were none at all to China.

"Tin prices remained at rather higher levels in 1952 than in the second half of 1951, but, even so, it is understood that a number of marginal producers have dropped out and the total output for 1952 will be slightly lower than in the previous year. There may be some slight further reduction in the coming year, but there is no reason to anticipate any important break in price.

THE CONCORD OF INDIA
Insurance Company Ltd.
(INCORPORATED IN INDIA)
Head Office: **8, Clive Row, CALCUTTA**
Telephone: Bank 4310/19 Telegrams: VULINSURE

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BOMBAY STATE Hongkong Bank Building, Veer Nariman Road, Fort, BOMBAY; Sir Chinubhai Building, Redvi Bazar, Cross Lane, AHMEDABAD; Konnur Building, Ramdeo Galli, BELGAUM
DELHI STATE 60, Queensway, Post Box No. 51, NEW DELHI
EAST PAKISTAN Dewanhat, Pathantolli, P.O. CHITTAGONG
HYDERABAD STATE 69-D, Kingsway, SECUNDERABAD (Dn.)
MADRAS STATE Dare House, 1st Line Beach, MADRAS
MADHYA PRADESH Kingsway, NAGPUR
PUNJAB STATE (India) Saddarbazar Road, AMBALA CANTT
PUNJAB (Pakistan) 4, The Mall, LAHORE
SAURASHTRA STATE Near Power House, BHAVNAGAR
UNITED KINGDOM Friars House, New Broad Street, LONDON, E.C. 2
UTTAR PRADESH Moona Lall and Sons Building, Manauna Gandhi Road, Post Box No. 43, KANPUR; Hazratganj, LUCKNOW

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"Foodstuffs, particularly rice, are a cause for anxiety. There has been a serious reduction in Malaya's own paddy crop and imports are also down on last year. These come principally from Burma and Siam, with a little from Indo-China. It is clearly of great importance that Malaya's crop should be increased, for, although the ration has been maintained, the price for unrationed rice has ruled very high, whilst prices for other foodstuffs also continue to rise.

"Whilst it may be said that the general inflationary pressure of 1951 has receded and cost of living indices show some slight fall in the closing months of the year, food prices in general continue upwards and, until these become stabilised or decline, no positive anti-inflationary trend is likely to occur. The finances of both the Federation and Singapore appear to be in better shape than might, in all the circumstances, be expected. The Federation is expected to show a deficit of only $26 million after providing a special reserve of $85 million for capital expenditure in 1953, and Singapore, a surplus on 1952 of $37 million which will leave the general revenue surplus, at $202 million, to be carried forward.

Thailand

"As the largest supplier of rice to South-East Asia, Thailand continued prosperous throughout 1952 and, although no trade figures are at present available, it seems likely that there was again a surplus of exports over imports, although this surplus is almost certainly considerably less than in 1951. 1,428,400 metric tons of rice were shipped in 1952, against 1,555,500 in 1951.

"The Government, which is predominantly of a military character, has taken powers to strengthen its hands against subversive or Communist activities and a Bill has been passed providing for severe penalties for such activities. The standard of living is high compared with neighbouring territories and a Bill is now before the Assembly to limit the amount of land an individual may hold, presumably with the object of creating a large number of small-holding farmers. This may indeed be a wise policy in a country in which the population is increasing rapidly.

"I regret there is no improvement to report in connection with Shanghai. All the principal lines of import and export are handled by Government agencies, practically all foreign trade being conducted by barter. We, in common with others, applied to the local authorities at the beginning of June last for permission to close our Branch in Shanghai, but to date we have received no reply nor any indication as to whether or when a reply will be given.

Hong Kong

"Hong Kong experienced a considerable trade recession during 1952. Compared with 1951, imports decreased during the eleven months to end November by over $1,000 million and exports by no less than $1,548 million, declines of 22½ per cent. and 37 per cent., respectively. With the exception of Japan and Thailand, imports from all other countries declined, those principally affected being Malaya, U.S.A. and U.K., whilst the major decline in exports was to China, although exports to Macao, Malaya, U.K. and Pakistan also declined substantially. Substantial losses were incurred by merchants on accumulated stocks, although in the latter half of the year a good proportion of these inventories was cleared.

"The decline in imports was almost entirely due to two factors: embargoes and export restrictions imposed by other countries and the practical cessation, in the earlier part of the year, of trade with China. These factors similarly affected re-export to China which accounts for two-thirds of the decline in the export figures.

"Local industries are developing rapidly in Hong Kong. Cotton spinning, bleaching and dyeing, knitting, enamelware, cement and other industries are expanding and Hong Kong continues to extend its markets for local manufactures in the South Sea areas. The effects of the trade recession would have been more serious but for this increasing expansion in local industrial production. Hong Kong has its problems of over-crowding, of housing shortage and the like, but they are being tackled with energy and foresight. The financial situation of the Colony appears to be sound. Taxation is extremely low and many new projects of public works, such as roads, waterworks and recreational facilities are under way.

Japan

"Japan regained its full sovereignty at the end of April, 1952, after nearly seven years of occupation. Largely owing to American assistance these years of occupation have assisted in the rehabilitation of the economy of Japan, and, as a result of the Peace Treaty and the U.S.-Japan Security Treaty, Japan is on the side of the Western Nations.

"A General Election took place on 1st October and in the result, the Liberal Party under Mr. Yoshida, which has given political stability to Japan during the past 3½ years, was returned to power, but with a weakened absolute majority. The Communists failed to secure a seat in the Diet. It must not, however, be inferred from this that communism is non-existent, for the serious communist-inspired riots which took place at the inauguration of independence disprove this. Indeed, the advent of Japan's independence has brought some measure of political instability coupled with a more sombre economic outlook.

"Throughout the year, a dull trend in exports was a major factor. The international trade recession, the slowing down of the American rearmament programme, and the policy of restriction of imports by the Sterling Area and some other countries severely curtailed Japan's overseas trade and her exports, which exceeded $120 million a month at the beginning of the year, have not reached $100 million in any month since July.

"Japan's major problems are too large a population, too high a birth rate, too little land and too few natural resources. Like the U.K., Japan must export or die. Her population which in 1937 was 70 millions had increased in 1951 to nearly 85 millions and is continuing to increase by nearly a million a year. Her dependence on food imports is thus growing yearly.

"Japan's economic stability is undoubtedly dependent upon American assistance and the ability to sell her exports in exchange for the importation of food and raw materials and upon this depends her ability to maintain and improve her present low standard of life. Any widespread unemployment or a lowering of the standards of living would imperil the young and by no means strong democracy which has been implanted by the Americans in Japan, and thus have repercussions throughout South-East Asia and the whole of the free world. Our two offices in Japan continue to establish a tradition of service to Japanese commerce and trade, which our connections and branches in other countries throughout South-East Asia qualify us to do.

"Our thanks are due to Mr. Drake, our Chief Manager, to Mr. Hawkins, his Deputy, who paid a short, but strenuous, visit during the year to our branches in India, Pakistan and Ceylon, to the Managers in London and to all our officers and staff throughout the world. Apart from our steady progress, the increasing complications of legislation and controls in most countries where we operate impose an increasing pressure of responsibility and vigilance upon them and our gratitude is due for the hard work and loyalty which they have given."

ANGLO-CANADIAN FINANCING COMPANY

With Treasury approval, a United Kingdom group is providing part of the capital of a new financial company, United North Atlantic Securities, which has just been set up in Canada. The new company will have a paid-up share capital of $2,500,000.

The objects of the company are to take part in the medium and long-term development of Canada in the form of financial participations in established companies engaged in or associated with the development of Canada's natural resources and in branches or subsidiaries of established British industry which are opening up in Canada, or, being already established there, require further capital.

The company will, in addition, engage in short-term market operations through its wholly-owned subsidiary, United North Atlantic Corporation, whose manager will be Mr. Ronald Smith.

JAPANESE BANK IN CALCUTTA

The Bank of Tokyo has opened a branch at Calcutta. At a function held, in this connection, on the 11th inst., an official of the Bank stated that branches would be established soon in Bombay and Karachi also.

The only Japanese bank which functioned previously in India was the Yokohoma Specie Bank. This Bank was closed during the Second World War on being declared as an enemy bank. It is reported that the assets of this Bank will be returned to the Bank of Tokyo with which the former has since been merged.

THE ALKALI AND CHEMICAL CORPORATION OF INDIA, LTD.

MR. N. D. HARRIS' SPEECH AT ANNUAL MEETING

PRESIDING over the Sixteenth Annual General Meeting of the Alkali and Chemical Corporation of India, Ltd., held in Calcutta on 12th March, 1953, Mr. N. D. Harris, the Chairman, said:

"You have received copies of the report and accounts for the year ended 30th September, 1952, which have been sent to all members, and, with your permission, I propose to take them as read.

"The Calcutta (Rishra) chlorine/caustic soda and hydrochloric acid plants had another good year, but there has been some reduction in the demand for hydrochloric acid since the end of the year, as a result of supplies of sulphur being again freely available for sulphuric acid manufacture. We encountered severe competition in our "Gammexane" benzene hexachloride (B.H.C.) dust and water dispersible powder formulations and, owing to accumulation of stocks, production was curtailed for part of the year. The technical benzene hexachloride plant started commercial production towards the end of the year and produced a satisfactory product. The plant could not be run at full output, owing to the demand for Rishra chlorine from your Company's regular customers. Experimental work continues on the plant and ample supplies of chlorine should become available later in the year.

Plant Extension

"Work on the caustic soda/chlorine extensions has proceeded steadily and the final stage of plant installation has now been reached. It is hoped that the additional plant will begin production before the end of the current year.

"As forecast by me last year, the paints manufacturing unit at Rishra, producing "Duco," "Dulux" and "Necol" paints, reached its full rated output by the end of 1952. The Works management are to be congratulated on this achievement.

Khewra Works

"The Khewra Works had a satisfactory year and maintained a high rate of production. Although, with your approval, we entered into a contract for the sale of Khewra last year, the latter does not become effective until the formal written consent of the Pakistan Government has been obtained. It has been given in principle. Everything possible is being done to enable the sale to be completed without further delay. Meanwhile, all profits made in Pakistan continue to accrue to us and those earned up to 30th September, 1951, have been remitted to India with the exception of a small balance.

Profits

"You will observe that the Company made a net profit for the year of Rs. 26,64,063, which, including the balance brought forward from the previous year and provision for taxes no longer required, gives a total of Rs. 32,18,795 available profits. Of this, the Directors have allocated Rs. 3,07,000 to reserve for deferred income-tax liabilities due to initial allowances, Rs. 3,00,000 to general reserve, raising it to Rs. 23,00,000, and Rs. 7,50,000 to dividend equalisation reserve. Our reason for making the latter transfer is as follows. At present, Khewra contributes a considerable proportion of our profits. When its sale is completed, we shall be left with the Rishra plants only. The paints and B.H.C. plants are still in the early stages of production and their products have to be sold in very competitive markets. The chlorine/caustic soda extensions have not yet been completed. For the next year or two, after the sale of Khewra goes through, your Company's earnings are likely to be reduced. Your Directors, therefore, considered it prudent to put aside the sum of Rs. 7,50,000, in order to strengthen our resources with the object of maintaining the present rate of dividend.

"The preference dividends for the year have been paid and the Directors recommend payment of a dividend of 6 per cent. free of income-tax on the ordinary shares, absorbing Rs. 3,72,000 and leaving a carry forward to next year of Rs. 2,51,870."

The report and accounts were adopted. Mr. N. D. Harris and Sir Birendra Nath Mookerjee were reappointed Directors. The Auditors, Messrs. Lovelock and Lewes, were reappointed.

THE BANK OF INDORE, LIMITED

(INCORPORATED IN INDORE, 1929)

LADIES AND GENTLEMEN,

Your Directors have the pleasure to lay before you the Balance Sheet and Profit and Loss Account of the Bank for the year ended the 31st December, 1952, duly audited by Messrs. A. F. Ferguson & Co., Chartered Accountants.

	Rs.	a.	p.
The Net Profit for the year, including the sum of Rs. 61,454-14-8 brought forward, amounts to	5,48,251	1	1
An *ad-interim* Dividend was paid for the half-year ended 30th June, 1952, at the rate of 12 per cent. per annum on 61,215 shares absorbing	91,822	8	0
Amount transferred to Reserve Fund (bringing that Fund upto Rs. 24,00,000)	1,00,000	0	0
Amount transferred to Contingency Fund	1,00,000	0	0
Bonus paid to the Bank's Staff	85,906	4	0
Rs.	3,77,728	12	0
Your Directors now recommend :—			
To pay a Final Dividend at the rate of 12 per cent. per annum on 61,215 Shares for the half-year ended 31st December, 1952, amounting to	91,822	8	0
To transfer to Gratuity Fund	15,000	0	0
To donate to the Holkar State Red Cross Fund	500	0	0
To carry forward to the next account	63,199	13	1
Rs.	5,48,251	1	1

Shri P. Mohan Rau and Seth Bhanwarlal Sethi, being out of station have not signed the Balance Sheet.

The Directors hope that you will find the progress of the Bank satisfactory. In the current year Pay Offices of the Bank were opened at Sendhwa and Jaora (Madhya Bharat).

By Order of the Board of Directors,

N. D. JOSHI,
Manager.

THE BANK OF INDORE, LIMITED,
INDORE CITY, the 6th March, 1953.

BALANCE SHEET AS AT 31st DECEMBER, 1952.

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED— 1,00,000 Shares of Rs. 50 each	50,00,000	0	0			
ISSUED— 75,000 Shares of Rs. 50 each	37,50,000	0	0			
SUBSCRIBED— 61,215 Shares of Rs. 50 each	30,60,750	0	0			
AMOUNT CALLED and paid up in cash at Rs. 25 per share				15,30,375	0	0
2. Reserve Fund and Other Reserves				23,00,000	0	0
3. Deposits and Other Accounts—						
(i) Fixed Deposits	2,87,96,376	0	0			
(ii) Savings Bank Deposits	48,44,445	10	1			
(iii) Current Accounts, Contingency Accounts, etc.	1,58,14,661	13	9	4,94,55,483	7	10
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	Nil					
(ii) Outside India	Nil			Nil		
5. Bills Payable				2,02,824	14	3
6. Bills for Collection being Bills Receivable as per contra—						
(i) Payable in India	9,11,190	11	5			
(ii) Payable outside India	Nil			9,11,190	11	5
7. Other Liabilities—						
(i) Staff Provident Fund	2,88,872	11	6			
(ii) Gratuity Fund	1,70,000	0	0			
(iii) For Expenses and Tax on Accrued Interest	45,001	7	0			
(iv) Branch Adjustments	3,99,442	5	9			
(v) Unclaimed Dividends	30,154	2	6	9,34,370	10	9
8. Acceptances, Endorsements and Other Obligations as per contra				4,17,148	11	0
9. Profit and Loss Account—						
Balance as per last Balance Sheet as at 31st December, 1951	4,26,293	2	8			
LESS—Appropriations—	Rs.	a.	p.			
Dividend at 10 per cent. per annum and Bonus at 2 per cent. per annum on 61,215 Shares for the half-year ended 31st December, 1951	91,822	8	0			
Transfer to Reserve Fund	1,00,000	0	0			
Transfer to Contingency Fund	1,00,000	0	0			
Transfer to Gratuity Fund	20,000	0	0			
Donation to Holkar State Red Cross Fund	500	0	0			
Bonus to Staff	52,520	12	0			
	3,64,843	4	0			
	61,454	14	8			
ADD—Profit for the year brought from the Profit and Loss Account	4,86,796	2	5			
	5,48,251	1	1			
LESS—	Rs.	a.	p.			
Interim Dividend at 12 per cent. per annum on 61,215 Shares	91,822	8	0			
Bonus to Staff	28,496	11	0			
	1,20,319	3	0	4,27,931	14	1
10. Contingent Liabilities	Nil					

NOTE :—Adequate securities have been earmarked by the Bank out of its own investments for the Trustees of the Staff Provident Fund in respect of the balance due to them.

Total .. Rs.				5,61,79,325	5	4

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In hand and with Reserve Bank of India and Imperial Bank of India				52,14,160	11	10
2. Balances with Other Banks on Current Account						
(i) In India	6,17,161	15	10			
(ii) Outside India	Nil			6,17,161	15	10
3. Money at Call and Short Notice				Nil		
4. Investments (At below market value)—						
(i) Securities of the Central and State Governments and other Trustee Securities including Treasury Bills of the Central and State Governments	1,69,77,875	0	0			
(ii) Shares—Fully-paid Preference Shares	1,48,000	0	0			
(iii) Debentures or Bonds	10,43,000	0	0			
(iv) Other Investments	Nil					
(v) Gold	Nil			1,81,69,875	0	0
5. Advances—						
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)						
(1) Loans, Cash Credits, Overdrafts, etc.—	Rs.	a.	p.			
(i) In India	2,86,08,786	3	9			
(ii) Outside India	Nil			2,86,08,786	3	9
(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—						
(i) Payable in India	15,60,707	4	9			
(ii) Payable outside India	Nil			15,60,707	4	9
				3,01,69,493	8	6
PARTICULARS OF ADVANCES—						
(i) Debts considered good in respect of which the Banking Company is fully secured				2,99,83,454	13	1
(ii) Debts considered good for which the Banking Company holds no other security than the Debtor's personal security				1,83,069	1	5
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors				2,969	10	0
(iv) Debts considered doubtful or bad not provided for				Nil		
				3,01,69,493	8	6
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons				2,02,234	5	10
(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members				25,99,113	2	9
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons				7,15,781	14	2
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members				1,14,84,381	15	9
(ix) Due from Banking Companies				Nil		
6. Bills Receivable being Bills for Collection as per contra—						
(i) Payable in India	9,11,190	11	5			
(ii) Payable outside India	Nil			9,11,190	11	5
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra				4,17,148	11	0
8. Premises—						
At cost as at 31st December, 1951	3,59,597	11	9			
Additions during the year	9,870	4	6			
	3,69,468	0	3			
LESS—Cost of Sales during the year and adjustment of previous Sales	51,259	5	5			
	3,18,208	10	10			
LESS—Depreciation written-off to-date	83,208	10	10	2,35,000	0	0
9. Furniture and Fixtures—						
At cost as at 31st December, 1951	3,04,436	7	2			
Additions during the year	38,318	10	9			
	3,42,755	1	11			
LESS—Depreciation written-off to-date	1,42,755	1	11	2,00,000	0	0
10. Other Assets—						
(i) Interest accrued on Investments	1,65,162	10	9			
(ii) Advance Payment of Rent	2,140	0	0			
(iii) Advance Payment of Income-tax	72,531	0	0			
(iv) Advance Payment against Capital Expenditure	5,461	0	0			
(v) Silver	Nil			2,45,294	10	9
Total .. Rs.				5,61,79,325	5	4

(Continued in next page)

SUSTAINED RESEARCH IN IMPROVING QUALITY OF COTTON

WORK OF CENTRAL COTTON COMMITTEE

FROM the latest available report of the Indian Central Cotton Committee which relates to the year ended 31st August, 1951, it would appear that the Committee has added yet another year of successful work to its thirty-year-old record of service to the country's economy. Its work continued to embrace such varied and important spheres of activity as collection of cotton statistics, promotion of cotton research, both fundamental and applied research, cotton extension work in States, introduction of improved varieties of cotton and scrutiny of the Governmental policy in relation to cotton with a view to suggesting improvements and changes in the policy. The Report, which gives a succinct account of the Committee's work in all these spheres, shows that the Committee has been able to extend and improve its services to the cotton grower in the country.

The Indian Central Cotton Committee, it might be mentioned here, was established by the Government of India in 1921, in pursuance of the recommendation of the Indian Cotton Committee of 1917-18. During the 30 years of its existence, the Indian Central Cotton Committee has provided a common meeting ground for all sections of the cotton industry and the Agricultural Departments of the cotton-growing states. In the discharge of its functions the Committee has always adhered to its original principle, namely, the cotton-growers' interests must be paramount in all matters considered by it. During the first two years of its existence, the Committee was a purely advisory body to the Government on matters connected with cotton. In 1923, however, it was incorporated under the Indian Cotton Cess Act and provided with separate funds to enable it to undertake work for the improvement of the growing, marketing and manufacture of cotton. These funds were derived from the levy of a cess on all cotton consumed in mills in India or exported from Indian ports. For the first three years after the passing of the Act the cess was collected at the rate of As. 4 on every bale of Indian cotton consumed in Indian mills or exported, and, thereafter, at the rate of As. 2. But the heavy decline in exports, which occurred during the war and after the Partition of the country, had its effect on the receipts of cotton cess, which were reduced considerably. The loss of income was, however, made good, to some extent, by grants given by the Government of India from the Cotton Fund which had been built from the proceeds of the levy of an additional duty of one anna per lb. on all imports of raw cotton.

In order to provide a more assured and adequate income to the Committee to enable it to carry out its work effectively, two successive amendments of the Indian Cotton Cess Act were made in 1947 and 1948. By these amendments, the cess was made leviable on all cotton consumed in Indian mills or exported from India, with effect from 15th August, 1947, and the rate of cess was raised from two annas per bale to four annas per bale from 10th September, 1948. Further, the amended Act, which was applicable only to Part A and Part C States, was made applicable to Part B States as well with effect from 1st April, 1951. The total receipts of the Committee from its inception in 1923 to 31st March, 1951, amounted to Rs. 310.60 lakhs, of which Rs. 231.89 lakhs represented collections from the cotton cess and miscellaneous receipts, the balance being special grants from the Government of India. The receipts during the year under report amounted to Rs. 30.16 lakhs and the total expenditure to Rs. 14.54 lakhs.

The research work of the Committee is being conducted under two divisions—technological research and applied research. The Committee's Technological Laboratory in Bombay renders valuable service to cotton breeders through its work connected with the evolution of new varieties and the estimation of the spinning properties of these varieties. This aspect of the Committee's work was reviewed briefly in these columns (*vide Commerce* dated 31st January, 1953). Applied research is necessarily conducted in the respective cotton-growing tracts. Thus, in the Bombay State, six schemes were under investigation during the year under review: a scheme for cotton breeding in Khandesh; a scheme for breeding wilt-resistant cottons in Surat area; Broach cotton breeding scheme; a scheme for improvement of Wagad cotton in Viramgam; a scheme for improvement of Mathio cotton at Amreli and a scheme for improvement of Dharwar-American cotton. There were three research schemes in operation in the Punjab, connected mainly with the improvement of the quality of cotton. Eight schemes are under investigation in Madras; they include a scheme for improvement of Cocanadas cotton, a scheme for breeding Cambodia cotton in the Ceded Districts and a scheme for improvement of Tinnevelli and Karunganni cottons. There were four schemes under investigation in Madhya Pradesh, one in Assam, one in Hyderabad, one in Mysore, one in Rajasthan and three in Madhya Bharat.

An interesting aspect of the Committee's research work is the work on "perennial cotton." These varieties of cotton occur as voluntary growth in field hedges, gardens and other localities, or as plants intentionally grown in compounds of temples and residential houses in both villages and towns. In order to assess the role which the perennial cotton might play in increasing cotton production, without encroaching on the area under food crop, the Committee sanctioned a special grant in 1950. The Committee carried out investigation into the growth of Kidney cotton and of a certain variety, known as Barbadense variety. From the experience of the first two seasons, Kidney cotton, it was found, could not establish itself on waste land in a high rainfall area, if it did not receive adequate cultivation and care in the initial stages and if it was not resistant to "black arm." But this variety, as well as other perennial types, thrived well in sheltered situations such as house compounds, where proper attention was given to the plants during the period of initial growth.

In the ultimate analysis, the importance of the Committee's work will be judged only by the actual improvement which is effected in the cultivation of cotton. In other words, the work of the Committee has to be translated from the research stations and laboratories to the field. Realising the value of extension work, the Committee has initiated various schemes for the multiplication and distribution of improved seeds of cotton. During the year under review, there were 17 seed distribution schemes in operation, as compared with 15 schemes in the previous year. The Committee, it is stated, has spent Rs. 33.8 lakhs on subsidising such extension schemes.

The area under improved varieties of cotton in India in 1950-51 was 6.99 million acres, as against 6.04 million acres in the previous year. In both the years, the improved varieties covered about 50 per cent. of the total cotton area in the country. The improved varieties, in cultivation were mainly medium and long-staple types. The production of long, medium and short-staple cottons in the Indian Union during the years 1950-51 and 1949-50, together with the corresponding averages for the quinquennium 1939-44 and 1944-49, is shown below:

(In 000 bales of 392 lbs. net)

Year (1st Sept. to 31st Aug.)	Production (Based on official forecasts)			
	Long staple (1⅛" and above)	Medium staple (below 1⅛" and above 11/16")	Short staple (11/16" and below)	Total
Average 1939-44 ..	755 (19)	1,386 (36)	1,771 (45)	3,912
Average 1944-49 ..	381 (18)	1,044 (50)	676 (32)	2,101
1949-50 ..	492 (19)	1,345 (51)	791 (30)	2,628
1950-51 ..	627 (22)	1,415 (48)	884 (30)	2,926

Figures within brackets indicate percentages of total production.

It will be seen from the above table that the proportion of long-staple cotton to the total production of cotton during the year under review was 22 per cent. as against 19 per cent. in the previous season.

There has, however, been no significant improvement in the yield of cotton. The figures of yield per acre are based on two sets of data, namely, the official estimates of production and the estimates of actual crop calculated from cotton pressed, cotton consumed in mills, extra factory consumption, etc. Based on the former set of data, the yield of lint per acre worked out to 83 lbs. in 1950-51, as compared with 85 lbs. in 1949-50, an average of 73 lbs. in the period 1944-49 and 83 lbs. during 1939-44. Based on the latter set of data, that is, on the basis of actual crop, the yield worked out to 94 lbs. in 1950-51, 94 lbs. in 1949-50, 92 lbs. in 1944-49 and 94 lbs. in 1939-44. There is, therefore, considerable scope for improvement in cotton yields in this country—which compare unfavourably with those in other cotton-growing countries. It is, however, gratifying to note that the additional income which was earned by the growers of improved varieties was, according to the Report, about Rs. 5.25 crores in 1950-51. This is indeed a notable achievement.

At the cotton auction held in Kampala on 11th March, about 15,000 bales were sold.

THE BANK OF INDORE, LIMITED—*Continued*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1952

Dr. Cr.

EXPENDITURE	Rs.	a.	p.	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	8,57,594	0	4	1. Interest and Discount	20,73,117	5	6
2. Salaries and Allowances and Provident Fund— Rs. a. p. Manager (excluding Bonus Rs. 5,100) 22,100 0 0 Staff 4,99,069 5 7	5,21,169	5	7	2. Commission, Exchange and Brokerage	1,97,346	5	1
	1,700	0	0	3. Rents	33,851	9	6
3. Directors' Fees	2,61,422	7	0	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
4. Rent, Taxes, Insurance, Lighting, etc.	5,465	12	0	5. Net Profit on Re-valuation of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any Particular Fund or Account)	Nil		
5. Law Charges	24,799	12	0	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil		
6. Postage, Telegrams and Telephone	8,600	0	0	7. Other Receipts	19	12	0
7. Auditors' Fees	26,362	5	3				
8. Depreciation on and Repairs to the Banking Company's Property and Furniture	80,201	6	3				
9. Stationery, Printing, Advertisement, etc.	Nil						
10. Loss from Sale of or Dealing with Non-Banking Assets	30,223	13	3				
11. Other Expenditure	4,86,796	2	5				
12. Balance of Profit							
Total .. Rs.	23,04,335	0	1	Total .. Rs.	23,04,335	0	1

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Bank of Indore, Ltd., as at 31st December, 1952 and also the foregoing Profit and Loss Account for the year ended upon that date, in which are incorporated the audited returns of the Branches, and report that :—

(a) we have obtained all the information and explanations we have required and have found them to be satisfactory ;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank ;

(c) the returns received from the Branch Offices of the Bank have been found adequate for the purpose of the audit ;

(d) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law ;

(e) such Profit and Loss Account shows a true balance of profit for the year ;

(f) such Balance Sheet exhibits a true and correct view of the state of affairs of the Bank according to the best of our information and the explanations given to us and as shown by the books of the Bank, and

(g) in our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

A. F. FERGUSON & CO.,
Chartered Accountants.

BOMBAY, 24th February, 1953.

N. D. JOSHI,
Manager.

BIBHUTI BHUSHAN,
Chief Accountant.

S. M. BAPNA,
KANHAIYALAL BHANDARI,
M. G. SAVANT,
BALKISHAN MUCHHAL. } Directors.

SUGAR SUPPLY POSITION

STOCKS PLENTIFUL—PRICES DECLINE

THE difficulty experienced by certain areas in the country in getting adequate supply of sugar would appear to have eased of late. Not only has the scarcity of supplies acutely felt in some of the States disappeared but the prices of sugar also have generally tended to decline, a welcome development indeed. The average price of sugar in the Bombay market is now in the neighbourhood of Rs. 86 per bag, as against Rs. 96-8 on 1st January, 1953. This price is, however, still high, as compared with a low of Rs. 80 per bag witnessed in the first week of December and the previous control price of Rs. 82-6 (including railway freight, town duty, and standing and carting charges aggregating Rs. 4-4). The downward trend in prices has been experienced in some of the other important sugar markets too, as will be seen from the figures given below:

(Rs. per bag)

	6-1-53	16-3-53	*Net decline*
	Rs. a.	Rs. a.	Rs. a.
Madras	96 4	86 10	9 10
Gauhati	97 10	88 14½	8 12½
Kanpur	79 1	76 5½	2 11½
Calcutta	81 13	80 7	1 4

The fall in sugar prices noted above has been brought about by a number of factors. The most important is the release by the Government of India of a fairly large quantity of 266,000 tons of sugar from out of the current (1952-53) season's output since the beginning of February. Secondly, the movement of sugar from one part of the country to another has been accelerated, following better wagon supply, thanks to the special efforts of the Standing Committee of the Central Board of Transport. Thirdly, the imposition of a ban on exports by the Government has discouraged hoarding by merchants. And fourthly, the earlier apprehensions of a marked fall in sugar output this season have receded. As against 1,200,000 tons anticipated earlier, production is now expected to amount to more than 1,350,000 tons. Indeed, one estimate places it at as much as 1,400,000 tons.

The chief ground on which the aforesaid calculation is based is that, although the sugar season started late, on account of accumulation of heavy stocks from the previous season, it will be extended by a few more weeks than in the previous season. Quite a good number of factories which usually close their crushing operations by the end of February, it is said, will continue crushing till the end of next month. In this connection, it is pointed out that supplies of sugarcane to the factories have been quite satisfactory. Producers of *gur*, the principal competitors with the mills for cane supplies, are not keen buyers of cane, owing to large stocks of *gur* lying unsold in the several *mandis* and the downward trend in prices.

Encouraging Trend

The expectation of a larger output of sugar than what was anticipated seems to be quite justified, in that it is based on the latest fortnightly statement of production and stocks issued by the Director of the Indian Institute of Sugar Technology, Kanpur. The production of sugar during the fortnight ended 15th February, 1953, was higher at 143,148 tons, as compared with 140,453 tons in the corresponding fortnight of the previous season. The aggregate output during the season upto 15th February was 695,480 tons, as against 766,278 tons in the same period last year. Consequent on the encouraging trend of sugar output and freer movement of stocks, the traders are rather reluctant to hoard large stocks and the trend of prices, as already stated, is downward.

Despite quicker despatches of sugar in recent weeks, there is still said to be accumulation of heavy stocks with mills, causing considerable anxiety. The closing stocks with the factories as on 15th February, 1953, amounted to as much as 737,793 tons, as against 571,252 tons a year before. The industry is finding it extremely difficult to hold these stocks, due to lack of adequate financial and storage facilities. Although the industry has made several representations to the Government, the latter has yet to complete the special financial arrangements which it had undertaken to do as early as in September, 1952.

In the meantime, a section of the sugar industry and trade feels that the removal of the ban on sugar exports would help the factories to liquidate their stocks to a large extent. This view is clearly exaggerated. For the question of sugar exports from India is only of academic importance, inasmuch as prices of Indian sugar do not at all compare favourably with the rates quoted by other sugar exporting countries. That apart, the Government is not prepared to allow exports of sugar. A primary consideration which has weighed with the authorities in deciding not to permit exports is, as Dr. Punjabrao Deshmukh, Union Minister for Agriculture, said in Parliament recently, "the desirability of conserving supplies for home requirements at reasonable price."

Supplies Comfortable

The question naturally arises as to what should be done. Some feel that the Government should lift control on despatches of sugar from the factories. The period of comfortable supply position and downward trend in prices, they say, is the most propitious time for such action. That the supply position in respect of sugar is quite comfortable cannot be denied. Even assuming that sugar production during the current season will amount to no more than 1,310,000 tons—according to official estimates—and taking into account the carry-over of 461,000 tons from the previous season, the total available supply of sugar during the 1952-53 season will be of the order of 1,771,000 tons. Excluding the 25,000 tons exported already and the 300,000 tons which the Government wants to keep as a reserve, the quantity actually available for consumption in the country will amount to more than 1,400,000 tons, a quantity well above the present estimated consumption of 1,300,000 tons. In view of this comfortable position, one feels that the Government can confidently lift all the remaining controls on sugar. After all, it is only when adequate scope is given for the free interplay of the forces of supply and demand that the industry can hope to adjust itself to meet the needs of the country and ensure stability of price and continuity of supplies.

POWER ALCOHOL IN AUSTRALIA

Examining the expansion plan for the power alcohol industry under the Five-year Plan in these columns two weeks ago, we stressed the imperative need for developing this industry as an effective way of economically disposing of the huge surplus molasses produced by the sugar factories. That this emphasis is not at all exaggerated will be evident from the significant development in the sphere of power alcohol manufacture in other sugar-producing countries. The development has been particularly marked in Australia, where the extensive and highly efficient sugar industry has rendered possible production of ethanol (power and industrial alcohol and methylated spirit) from molasses. The total output of alcohol in Australia is at the rate of 6 million gallons per annum, besides 1 million gallons of benzol.

The swift development of the power alcohol industry was made possible by the active encouragement given by the Government of some States. For instance, the Government of Queensland guarantees a market for the molasses produced by the sugar factories in the State. This is being done by compelling the oil companies to purchase specified quantities of industrial alcohol and blend it with imported motor spirit.

(Concluded from next column)

Mr. Innes' references to congestion at the Calcutta port make sad reading. There are difficulties of draft, shortage of pilots and harbour masters, taxation problems and so on. Again, there is the question of allocation of wagons in time to the docks. Delays in supplying wagons have resulted in frequent delays in the turnround of ships. We are told that, in May last, as a result of reduction of daily allocation of wagons to 260 from the previous average of 450, there was much congestion of ships, and steamers had, therefore, to wait for as many as 30 days, and on occasions even more, before they could get a loading berth. At one time, steamers waiting for coal berths were 32, and since demurrage is as heavy as Rs. 2,500 a day, a long waiting period must have been a serious deterrent both to owners and charters of steamers. It took six weeks before the authorities concerned realised the seriousness of the situation, and it was not until the end of the year that normality in the docks returned. Meanwhile, colliers were debarred from booking further orders and buyers drifted away from India. The damage done, as a result, to India's coal trade would appear to have been great. It is high time that the Calcutta port was made fit for a larger turnround of ships by providing all the facilities needed.

SOME COAL PROBLEMS

NEED FOR REVISING DISTRIBUTION CONTROL

ADDRESSING, for the last time, the shareholders of the Bengal Coal Co., Ltd., at their half-yearly general meeting, held at Calcutta on 17th March, Mr. C. A. Innes, the Chairman, who will shortly be retiring, dealt with, among others, three important problems facing the Indian coal industry. First, he made out a case for replacing the present distribution control by the system of priorities in the allotment of wagons that existed prior to the last war in times of wagon shortage. Secondly, he criticised the surcharge on exports of coal, as being retrograde to the development of the Indian coal industry. Thirdly, he was highly critical of the requirement that a certain proportion of inferior coal should be exported along with superior coal.

Mr. Innes' demand for a revision of the distribution control is well reasoned. Prior to the last war, controls were clamped on distribution, only when supplies of wagons were short. The practice usually followed was to allot available wagons, first to essential consumers, and then distribute the rest of the wagons as public supply to all collieries *pro rata* on the basis of wagons supplied to them previously. This basis was revised quarterly on the average raisings and stocks of collieries. The consumer was free to choose any coal from any colliery he liked and there was complete freedom for the collieries too to sell coal to any customer. It is true that, even now, shortage of wagons exists and the position is not expected to ease in the very near future, despite the vigorous efforts of the railway authorities at augmenting the supplies. But to force the consumers to waste the available wagon capacity by compelling the carriage, along with good coal, of inferior coal containing a large proportion of useless matter, when there is plenty of good quality coal, as was forcefully pointed out by Mr. Innes, is, indeed, neither just nor fair either to the consumer or to the producer. And, therefore, the case presented by Mr. Innes for a return to the simple system of priorities that existed previous to the last war has every justification in it.

Now that a buyers' market in coal is emerging, there is hardly any case, according to Mr. Innes, for surcharge on exports. Its removal becomes all the more urgent considering that Australian coal is, as has been pointed out by him, being exported to Hong Kong and even into Chittagong. He fears that subsidised rail freights and ambitious development projects of the mines in South Africa are likely to result in increased competition of South African coal with Indian coal. He is, therefore, anxious that coal exports should not suffer, on account of the surcharge, in the same way as jute goods did owing to heavy export duties. He says: "The great jute industry was recently brought to the verge of ruin by too heavy export duties and, while the coal industry is not as dependent on exports as is the jute industry, nonetheless it would be a pity for India's export trade in coal also to be prejudiced by the refusal of Government to remove these duties in time."

Mr. Innes says that control over coal distribution and the condition that a proportion of inferior grade coal must be exported along with superior coal have been maintained by some as a means of protecting small collieries mining inferior coal, which otherwise would not be able to compete with their bigger rivals. He hopes that this is not the case, but lest he should give vent to any loose thinking on the subject, he takes care to point out that the Bengal Coal Co., Ltd., needs encouragement from the Government, in view of its role in the Indian economy. It is composed of a large number of small individuals whose annual return on the average investment is not great, but who are playing an important part in the country's economy by their contribution to the revenues and even more by their contribution to the country's requirements of coal for the present as well as the future. The ordinary shares are held, according to him, by 1,572 shareholders, of whom 1,414 are resident and 158 (about 10 per cent.) non-resident. The return on an average holding of 32 shares at the present rate of dividend is Rs. 1,280 a year. In the past six years, the Company has provided Rs. 1.77 crores for the Government through taxation and cesses, as against Rs. 1.01 crores paid out by way of dividend. It has spent Rs. 2.15 crores in development of mines for the future and ploughed back Rs. 1.74 crores into the Company.

(Continued in previous column)

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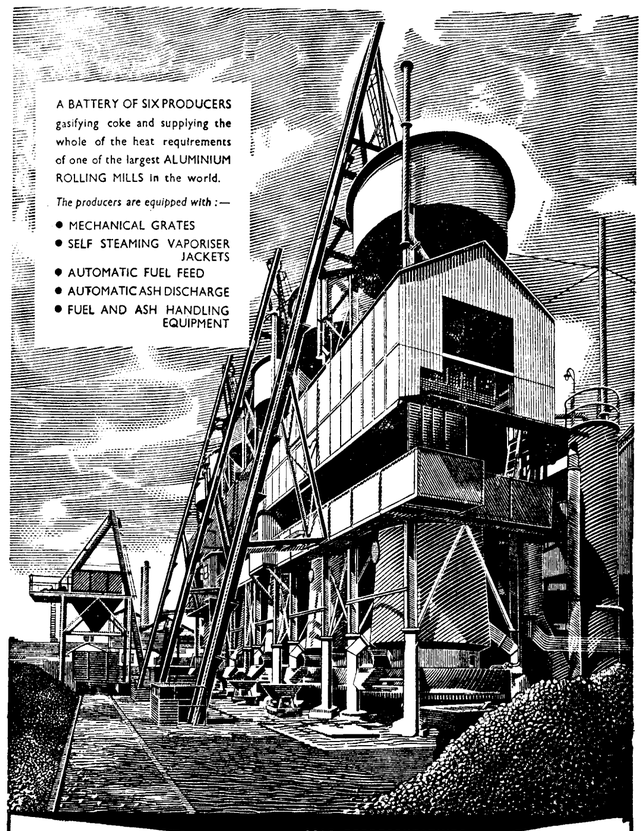
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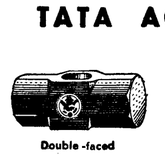
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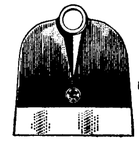
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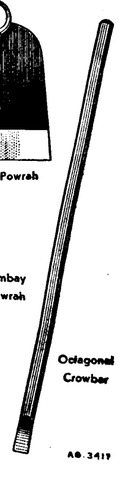
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THE CENTRAL BANK OF INDIA, LIMITED

MR. HOMI MODY'S SPEECH AT ANNUAL GENERAL MEETING

FURTHER CONTROLS ON BANKS UNWARRANTED

THE observations of the Planning Commission on the role the banking system is expected to play were critically examined by Mr. Homi Mody, Chairman, the Central Bank of India Limited, in the course of his address at the Forty-second Annual General Meeting of the Bank, held in Bombay on Thursday, 26th March, 1953. Mr. Mody was of the view that the additional controls on banks, implied in the Planning Commission's report, for securing the flow of credit necessary for the execution of the Plan were unnecessary as the Reserve Bank already had enough powers to control the activities of Scheduled Banks. Mr. Mody also deprecated the unfortunate utterances of some of the Ministers of the Government, when the Plan was debated in Parliament, utterances which went even beyond the recommendations of the Planning Commission and envisaged further intensified control of the banking system. All such talk, in his opinion, was uncalled for.

The following is the full text of Mr. Mody's speech:

"GENTLEMEN,

"The year under review closed on a somewhat hopeful note. The danger of the cold war developing into a clash of arms seemed to have receded and the financial outlook in most countries became a little more reassuring. Owing to the Presidential election, there was no major change in American economic policy which largely governs business and industrial trends in the world of to-day. The countries of Western Europe and the British Commonwealth were able, on the whole, to reduce the gap between their receipts and payments on international account, but this, it must be said, was achieved largely by restricting imports and not by any far-reaching changes of a permanent character.

"Economic conditions in India during the year showed, on the whole, a greater improvement than at any time in the post-war period, notwithstanding the persistence of a rather weak undertone in commodity prices. There was a sizable increase in the stocks of foodgrains available with the Government, the rising trend of industrial production was well maintained and the inflationary forces which bedevilled the economy for a long period were at last brought under control. On the food front, the apprehensions created by measures of decontrol were found to be exaggerated and some progress was made towards the restoration of normal conditions.

"Production in all the major industries, including textiles—which were adversely affected for some time because of shortages of raw cotton and jute—recorded a notable increase during the year. The engineering and tea industries, alone among major producers, showed a fall in their output. Some of the industries were faced with a new problem in the shape of reduced offtake and accumulation of stocks towards the end of the year, but it was not very serious.

Operations of Scheduled Banks

"The operations of the Scheduled Banks, because of the new monetary policy adopted by the Reserve Bank in November, 1951, when the Bank rate was raised and open market operations stopped, were on a restricted scale. The position may be summarised by comparing the main data at the end of 1952 with those of the corresponding period of the preceding year:

(In crores of rupees)

	28th Dec., 1951	26th Dec., 1952
Deposits	869	848
Advances, loans, etc.	554	486
(Percentage of deposits)	63·8	57·2
Investments	307	323
(Percentage of deposits)	35·4	38·1

"The most significant change was the reduction of Rs. 69 crores in the volume of loans and advances. By comparison, a fall of Rs. 21 crores in deposits may be regarded as not very significant. It may be noted that this reduction took place wholly in demand liabilities, time liabilities actually showing an increase. From the relative position of bank loans to deposits, it appears that it was not so much the position of liquid resources, as the prospects of utilising them profitably in loans to trade and industry, which was the main problem of banks during the year. The improvement in investments was almost wholly due to Treasury Bills which were not on offer in 1951.

"In the busy season following the introduction of the new monetary policy in November, 1951, the chief problem of the banks was the procurement of resources for meeting the demands of credit-worthy borrowers. Thanks to the efforts made by the Reserve Bank for developing a bill market, Schedule Banks were, however, able to meet this demand comfortably. In the present busy season, the demand for credit seems to have considerably weakened. Compared with an increase of about Rs. 100 crores in bank credit in 1951-52, the increase over the slack period which has taken place during the current season, which is not yet over, is only of the order of Rs. 46 crores.

"The Five-year Plan which was published towards the end of the year should have a vital bearing on the operations of Scheduled Banks and their policies in the years immediately ahead. If the programme of development involving an overall expenditure of Rs. 2,069 crores in the public sector is executed, according to schedule, there should be a substantial increase in general economic activity such as would create opportunities for a large volume of business by the banks. The Planning Commission does not make any estimate of the total increase in short-term credit which the rising *tempo* of economic activity would need, but the requirements of the private sector of industry have been placed at Rs. 150 crores. This is the additional working capital which industry would need by the end of the Plan, and it would be mainly the responsibility of Scheduled Banks to provide it.

"The Planning Commission recognises the important role which the banking system of the country will have to play in the provision of short-term credit. It is, however, apprehensive that banks, if they are guided by the profit motive, may not be able to extend credit facilities for those schemes to which the highest priority has been accorded in the Five-year Plan, and the Commission goes on to say that:

"'The process of economic development, once started, will make new demands on the banking system, and this may necessitate changes in organisation and structure. . . . The proper discharge of its functions by the banking system will necessitate its operations more and more in the light of the priorities for development indicated in the Plan and less and less in terms of returns on capital. The banking system—and, in fact, the whole mechanism of finance including insurance, the Stock Exchanges and other institutions concerned with investment will thus have to be fitted increasingly into the scheme of development visualised for the economy as a whole.'

Control for Securing Flow of Credit

"With a view to ensuring that lack of short-term credit will not hamper the development programmes set out in the Plan, the Planning Commission desires that the Reserve Bank should exercise a direct control over its operations. What the nature of this control is to be is not, however, indicated. Taking into consideration the fact that Scheduled Banks in India have so far fully responded to the directions they have received from the Reserve Bank and have actively co-operated in carrying out its general policy regarding credit, there does not appear to be any need for the Reserve Bank to exercise any additional control for securing the flow of credit necessary for the execution of the Plan.

"Future developments in this connection will be watched with a great deal of interest, and not a little anxiety, in view of the unfortunate utterances of some of the Ministers of Government when the Plan was debated in Parliament. They appeared to suggest that substantial changes were necessary in the structure and organisation of banking and that they had a more positive policy in view than what the Planning Commission had recommended. Such statements raise doubts about the measure of acceptance by Government of the role of private enterprise in the execution of the Five-year Plan, and considering the way in which the banking system has been serving the country, talk of intensified control can only be characterised as unfortunate and uncalled for.

"Before I close this review, I would like to say a few words about the Budget presented to Parliament a few days ago. The proposals this year seem to be generally in consonance with the emphasis placed on the formation of capital in the Five-year Plan, and there has not been any material change in the range or level of different taxes. If the country is to be in a position to develop to anything like the full extent of its resources, it is obvious that conditions have to be provided for savings in every sector of its economy. To create a position in which the nation is reduced to living on past savings, would be to stunt its growth and incapacitate it from achieving a higher standard of life, which can come about only through greater productivity and the ability to save and invest. A feature of our economy which has not received the attention it deserves is the pace at which Governmental spending is mounting. It is a factor which may not be peculiar to India; the essential difference lies, however, in the stage of industrial development reached by this country, compared with the conditions obtaining amongst the nations of the West.

"One of the important proposals made by the Finance Minister in his speech relates to the appointment of the Taxation Enquiry Commission, under the presidentship of Dr. John Matthai, to make a thorough investigation of the present system of taxation at all levels and to make recommendations for the future. It may be hoped the Commission will be able to evolve proposals calculated to increase the volume of savings and capital formation and to sustain the basic incentives for increased production.

Bank's Accounts for 1952

"Turning to the Directors' report and statement of accounts, I shall first deal with the special factors which prevailed in 1952 and which generally affected the business and profits of banking institutions.

"The dearer money conditions resulting from the raising of the Bank rate in November, 1951, and the disparity between Indian and British interest rates, coupled with the policy pursued by foreign banks of financing their business with local funds to a greater extent than before, led to mounting pressure on available funds. This resulted in a general rise in deposit rates and consequent increase in the cost of working capital. For call and short-term deposits, the rate went up to as much as 3 per cent. resulting in a material change in the pattern of deposits as compared with previous years. Call deposits, so to speak, became the order of the day. The rising deposit rates, in the case of some of the larger banks, was reflected in an appreciable increase in the interest paid on deposits, although the aggregate total of the deposits stood at a lower figure, as compared with the previous year. To make the position worse, the sharp and precipitous fall in the prices of commodities in March, 1952, caused such hesitation and nervousness on the part of business men as to prevent them from launching out into fresh commitments. In consequence, there was an appreciable drop in the advances and bills business of banks. The lower level of activities, at times, meant the nursing of capital borrowed at higher cost.

"On the investment side, the setback was of a more serious nature. On the working funds locked up in Government securities the Bank had to pay at times a higher rate of interest than what the securities earned. In case of banks with large investment portfolios—which it was not possible to reduce on account of the prevailing unfavourable rates—a narrowing of margin even to a small extent was enough to make a substantial difference in the final results. Establishment charges maintained an upward trend in all the banks and materially affected the figures of net profits.

Net Profit

"From the statement of accounts presented to you, you will see that the result of the Bank's working during the year yielded a net profit of a little over Rs. 1 crore which, when compared with the figure of the previous year, shows a drop of about Rs. 25 lakhs, though the gross earnings during the year showed an increase of Rs. 6¼ lakhs.

"By reason of the deposit rates being higher during the year, the amount paid by way of interest on our deposits and borrowings was higher by Rs. 17 lakhs, though the total deposits and borrowings dropped by over Rs. 7½ crores.

"The advances and bill business of the Bank showed a decrease of Rs. 5,81,00,000, as compared with 1951.

"Establishment charges went up by a further Rs. 13,62,000 during the year under review. An idea of the enormous increase under this head can be had from the fact that during the last three years there has been a rise of as much as Rs. 56 lakhs due to the implementation of the Sen Award, and even after it was set aside, on account of our having to continue the salaries and allowances as required by the provisions of the Industrial Disputes Act of 1951.

"As you may be aware, another Tribunal was appointed last year, to which scales of pay and allowances and other such matters were referred by Government. The Tribunal had prolonged sittings and their Award is now awaited.

Bonus to Staff

"This is an appropriate place in which to refer to the question of bonus paid to the staff. The payment of bonus depends on the available surplus left over out of the net profits of the year, after making provision for taxation, dividends to shareholders, depreciation on securities and other contingencies. After making these provisions, the surplus in the hands of the Directors was not sufficient to enable them to sanction a higher amount than one month's salary, which together with what was paid in July, amounted to two months' salary as bonus. The management sent to the group agents all relevant statements bearing on the subject from the published accounts of the last ten years. This helped to allay the misapprehensions which had been aroused and there was a greater disposition on the part of the staff to accept the inevitable.

"In determining the quantum of bonus to be paid out of the available surplus, an important factor is to be taken into consideration, and that is the total of salaries. Owing to the abnormal rise in establishment charges, there has been a substantial increase in the amount required for paying bonus. In previous years, not only were the profits higher but the salary bill stood at a lower figure. The position in the year under review was that a larger amount was paid by way of bonus than was required in 1946 when the equivalent of 4½ months' salary was paid to the staff.

"In the Chairman's speech last year, reference was made to the fall of Rs. 3,15,00,000 in the market value of our holdings. At the end of 1952, the difference between the book and the market value widened still further, and after providing Rs. 35 lakhs out of the profits, the difference to-day stands at the figure of Rs. 3,54,00,000. As pointed out, however, to you last year, on the maturity of the securities in our portfolio, the difference would not only be wiped off, but according to our reckoning, there would be a total surplus on our investments of over a crore of rupees. In the meantime, we are keeping a close watch on the position and shall do everything we can to reduce our commitments whenever an opportunity offers itself.

"Shareholders will be interested to know that we decided to open a branch of the Bank in London. We have been successful in securing permises at Fenchurch Street, which is one of the most prominent localities from the banker's point of view. Vacant possession is expected to be given in the month of June, when the branch will begin to function. We have appointed Sir Cecil Trevor, retired Deputy Governor of the Reserve Bank, as our representative in London, and we have every hope he will be able to develop whatever possibilities there are of business in the London market.

Difficult Times

"The times are difficult and a heavy and ever-increasing burden is thrown upon those in charge of the affairs of the Bank. To Mr. Captain who, apart from his normal responsibilities, is bearing the burden of the representation of the Bank's case before the Tribunals appointed from time to time, to Mr. Karanjia, our Manager of Branches, to Mr. Cooper, our Secretary, and to our Local Committees at the various centres, I would like to convey on your behalf our sincere thanks for the sterling work they have been doing. I would also like to extend to all members of our staff at the head office and at the branches our appreciation of their services. I have every hope that, in time to come, there will be a more active realisation of the close identity of interests between all who are working to advance the interests of this institution.

"I shall conclude on a personal note. It is due to the generous gesture of Mr. Dinshaw Romer that I find myself back in my place. He had been serving as your Chairman for over three years with wholehearted devotion and there was no reason for any change in the direction at the top, but he insisted on my getting back into the position I occupied before I left to assume other responsibilities, and all I can say is, I hope I may be able to justify the confidence placed in me by him and other members of the Board. I am sure, I am voicing your feelings in conveying to Mr. Romer our warm appreciation of his services to the Bank.

"I have now pleasure in moving the adoption of the report and audited statement of accounts."



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(Concluded from next column)

fixed levels. The reason for the latter is that cereal prices in the United Kingdom have been below world prices, and it is felt that the farmer should now get something nearer the world price.

The farmers, following common form, have expressed themselves dissatisfied with both the total income which they are estimated to earn for the coming year, given in terms of the guaranteed prices, and also with the levels at which the minimum prices for eggs and cereals have been put, but, since they have agreed with the Government on the probability of target production being reached over the next few years, it seems likely that the farmers' grumbles will nevertheless result in more output and, no doubt, in more income as hitherto.—*All Rights Reserved.*

IMPORTS OF DUTY-FREE MACHINERY INTO U.K.

The British Government has set up an independent committee, with Sir Henry Wilson Smith as Chairman, to review the long-term problems of the duty-free entry of machinery into the U.K. The terms of reference of the Committee are to consider and report whether it is in the national interest to provide for the duty-free admission into the U.K. of machinery, either by classes or in individual consignments, to review the provisions of Section 10 of the Finance Act, 1932 and their administration, and to recommend what, if any, changes should be made.

The cost of Britain's National Insurance during 1953-54 is estimated at £183 million, which represents an increase of £16.4 million as compared with the current financial year. The requirements of the National Assistance Board during the same year are expected to be higher by £3.1 million at £127.8 million.

THE PROSPECTS FOR AGRICULTURE

STRESS LAID ON INCENTIVE PAYMENTS

(From Our Own Correspondent)

LONDON, 21st March

LONDON LETTER

THE annual price negotiations between the Government and the farmers have resulted in a number of increases in the price of basic farm products designed to cover the greater part of the estimated increases in production costs and to give some incentive for increased output. It is estimated that, in the farm year ending 1st June, 1953, agricultural production in the United Kingdom will be 50 per cent. over the pre-war figure. This is a rise of only 2 or 3 per cent. over the previous year, but that, in turn, represented an increase of 6 per cent. over the year before—and these fluctuations between one year and another are the inevitable results of weather conditions. The Government and the farmers are confident that the target of a 60 per cent. increase in production over pre-war by 1956 can be achieved.

The prices of agricultural products have not ceased to rise since the war and, with a steadily mounting increase in farm efficiency and output, it is not surprising that the actual net farm income regularly turns out to be above the estimates; the value of this net income for the current year is put at about £320 million. These Price Reviews, at which an immense amount of hard bargaining goes on between the Government and the producers, are yielding increasingly detailed data on the value of agricultural production, and the White Paper, published at the conclusion of the present Review, shows that the agricultural industry is contributing to the national income in the current year a gross output of £1,200 million. Of this, a quarter is milk, rather more than a quarter is fat stock, the balance being made up of the value of farm crops, eggs and poultry, and horticultural products, in that order. The expenses of producing this output aggregates some £880 million, of which one-third is the cost of labour, followed by the expenses of purchased feeding stuffs and the maintenance of machinery—the latter amounting to not less than £150 million at present. It is an interesting corollary of this last figure that the producers themselves are worried that the country is not taking advantage of all the machinery which is available. There has been too large a tendency on the part of farmers to count their mechanisations, for example, in terms of tractors, instead of in terms of tractor-hours, and there is plenty of scope for a greater intensity in the use of the existing amount of equipment.

Incentive Payments

The arguments at the recent Review centred around the recouping of cost increases to the farmers and the making of incentive payments. The producers showed that their costs on the basic commodities alone, i.e., the commodities on which there are guaranteed fixed or minimum prices, increased by some £22 million, and they have been awarded the greater part of this sum plus further payments to a total of £27 million, in order to encourage the production of particular commodities. The milk producers are having only part of their costs met, but fat cattle and sheep have been given a substantial bonus. Meat remains the principal foodstuff, in which supplies fall substantially below demand without much immediate prospect of the two being equated. The potato acreage of this country has been steadily declining; so some incentive has had to be given there. Sugar beet growers have also received a substantial increase in price to enable them to add to their contribution to supplies of sugar (it is still a rationed commodity) which could otherwise only be made up by dollar purchases.

Two interesting developments which have complicated the calculations of estimated farm income have been the Government decisions to fix minimum guaranteed prices only for eggs and cereals. It is anybody's guess what the farmers will actually earn in the coming year on these products. The guaranteed minimum price for eggs has been set some 12 per cent. down on the current fixed price and the minimum prices on cereals have been left at the current

(Continued in previous column)

HUNDRED YEARS OF INDIAN RAILWAYS

SOME MAJOR EVENTS AND POLICIES OUTLINED

THE history of the Indian railways, which are now celebrating their centenary, makes fascinating reading. From humble beginnings, with a route mileage of 20 in 1853, the railways have developed into a gigantic organisation, commanding a route mileage of 34,120. It is true that the railways have yet to make up a great leeway, considering the existence of vast regions which are by no means very adequately served by railways. There are, in fact, frequent reports of bottlenecks; there are also problems of rehabilitation and of self-sufficiency in the manufacture of locomotives and coaches. Even the Five-year Plan, it must be admitted, touches only the fringe of these problems. Despite these shortcomings, the growth of the railways over the last ten decades has, indeed, been quite remarkable.

Although the construction of about 200 miles of railway line linking the three port towns of Calcutta, Bombay and Madras with the immediate hinterland was sanctioned as early as in 1845, it was only in 1853 that a railway policy for the country seeking to link the principal cities in India was formulated and the credit for this goes to Lord Dalhousie who presented a well-reasoned case for such a policy. As the resources of the East India Company were inadequate to finance the approved plans, the Company encouraged the formation of sterling companies for undertaking rail construction in India, through a generous guarantee of return on capital invested, convertible at a preferential rate of exchange, together with free grant of land and certain other facilities. Since the return on capital was assured to the early promoters of the railways, there was no incentive to economise either in construction or in operation. The cost of construction turned out to be prohibitively high due to the ignorance of foreign engineers of local conditions and terrain. After much initial disappointment and setback, there was a period of inactivity, which was broken by the decision in 1869 to undertake further expansion under the ægis of Government, through its own agency. Due to inexperience of the Government agency, the new experiment was also not a pronounced success. There was then a reversion to the earlier policy of the system of guarantees in 1879, though in a modified and less onerous form. The right to acquire ownership of the companies was also progressively exercised as and when options matured. The management, however, continued to be vested in the original companies. Meanwhile, full advantage was taken of the easy position in the money markets of the world to modify substantially the original contracts to reduce the financial commitments of the Government.

Acworth Committee

With minor variations, this policy continued until after the First World War, when the Acworth Committee reviewed the position. It advocated gradual adoption of a policy of State enterprise in the field of future railway expansion. A step forward was taken in 1925, by terminating the managing agency arrangements in regard to the East Indian and the G.I.P. Railways. The last, but the most important, phase of nationalisation, however, took nearly 20 years to complete, when the last managing agency arrangement was extinguished in 1944. The process could not, however, be extended to cover the railways of the Indian States until April, 1950, when the dream of the century, of establishing a unified nationalised railway undertaking, became a complete reality.

The expansion and development of Indian railways, like all other industrial units, have naturally been determined and regulated by the financial resources available from time to time. Until 1924, the railway undertaking formed an integral part of the administrative machinery of the Government, without an independent financial status or existence. Its fortunes were indissolubly linked with the fortunes of the Central Government, thus retarding its growth and fulfilment as a public utility concern, managed and operated on commercial principles. The Convention of 1924 bestowed on the railways a separate financial status. It stipulated that, in addition to the interest liability on the capital-at-charge, the railways should contribute to the general revenues an additional one per cent. on the capital plus one-fifth of any surplus profits remaining after paying this fixed return. There was a further provision for the appropriation to the general revenues of a third of any surplus remaining after these adjustments, should the surplus exceed a sum of Rs. 3 crores.

The 1924 Convention could not work during the depression of the thirties, when the railway revenues were insufficient even to meet interest liabilities to general revenues. In 1935-36, a three-year moratorium was declared and the payments to general revenues suspended. The moratorium was later extended upto 1942 and then for another year. By 1943, the arrears of contribution to the Central Government, as well as loans from depreciation, were all cleared. The magnitude of the problem of rehabilitation, consequent on the railways having worked to over-capacity during war years and the Partition days, necessitated the revision of the Convention. The Constituent Assembly adopted in December, 1949, a new convention which altered the relationship between general finance and railway finance, so as to give the general taxpayer the status of the sole shareholder in the railway undertaking, entitled to a guaranteed return of 4 per cent. on the loan capital invested in the undertaking for a period of five years ending 1955, as computed annually. The new Convention also provides for the allocation to the depreciation fund of a sum not less than Rs. 15 crores, during the first quinquennium. The balance is to be divided between the general purposes reserve, for maintaining financial equilibrium, and the development

PROGRESS OF RAILWAYS AT A GLANCE

	1853	1900	1924-25	1939-40	1951-52
Route mileage ..	20	24,752	38,270	41,156	34,119
Capital outlay (Rs. crores) ..	0.37	329.53	733.37	852.59	861.55
Gross earnings (Rs. crores) ..	0.0090	31.54	114.75	111.50	294.14
Working expenses (Rs. crores)	0.0041	15.09	69.37	72.20	227.58
Net earnings (Rs. crores) ..	0.0049	16.45	45.38	39.30	66.56
Percentage of working expenses to gross earnings ..	45	48	60	65	77
Percentage of net earnings to capital outlay	1.3	4.9	6.2	4.6	7.7

N.B.—Figures up to 1939-40 relate to undivided India.

fund, for meeting the cost of passenger amenities, labour welfare and other necessary, but unremunerative, projects.

Return on Capital

The substitution, by a fixed dividend, of the indeterminate contribution according to the old Convention now assures to the general revenues, over the agreed period, a definite return on capital-at-charge, thus facilitating not merely forward economic planning in the civil field, but also assisting, at the same time, the railway undertaking in building up its reserves and carrying out a comprehensive programme of rehabilitation and expansion. The raising of the rate of annual contribution to the depreciation fund is now based on the consideration that present replacement costs bear no relation to the original cost of acquisition or the estimated lives of the assets—the two factors which have hitherto determined the rate of contribution. The enhancement of the burden of expenditure which revenue has to bear, under the new arrangement, is in accordance with commercial principles designed to prevent over-capitalisation of the railway undertaking.

The institution of a development fund is the result of the recognition that future railway development could no longer be conditioned by commercial considerations alone, and that a system of nationalised railways must perforce fulfil a positive and complementary role in the general economic development of the country. The obligation of the State to expand rail facilities in undeveloped or underdeveloped areas, unhampered too much by considerations of the adequacy of the return on the capital invested, was another consideration which influenced the institution of this fund. The commercial principle of ploughing back surplus revenues of prosperous years for expansion has thus come to be an integral part of the new financial philosophy of the Indian Railways. Capital construction is now financed both from loan funds provided by general revenues and from railway revenues accumulated in the railway development fund. The natural corollary to this position is the separation of the loan account from the block account of the undertaking. The budget plans since the introduction of the revised Convention reveal that projects have been undertaken which otherwise would have been impossible.

Zonal Scheme

The inauguration of the new Financial Convention with effect from 1st April, 1950, is a landmark in the history of the railways. It has facilitated immediate attention to large-scale administrative reorganisation. Federal financial integration, and virtual completion of nationalisation of rail transport under one overall control are expected to provide the opportunity for planning and carrying out a policy of uniformity in administrative pattern and financial control, rationalisation of workshop and other operational facilities and an improved standard of performance. A Committee of the Railway Board was appointed early in 1950 to consider the question in all its aspects. The Committee recommended that the railway system should be welded to form one co-ordinated railway undertaking, divided into six major zonal administrative units, the governing considerations being operational efficiency and economy, and, what is more important, the economic inter-dependence of contiguous regions. The zonal scheme, based on these principles, was completed last year.

The immediate future of Indian Railways depends, to a large extent, on the successful rehabilitation of the railways. The Five-year Plan has envisaged an expenditure of Rs. 400 crores, of which the contribution from the Central revenues will be Rs. 80 crores; the balance is to be raised by the railways from their own resources. The bulk of the proposed allotment of an average of Rs. 80 crores a year during the Five-year Plan, is for rehabilitation purposes. The rehabilitation of railways is expected to enable them to handle more efficiently passenger and goods traffic at around the present level. The provision in the Plan for new lines is about Rs. 20 crores. Further, in the case of certain expansion schemes, such as iron and steel and mineral development, the expenditure needed for providing the necessary railway facilities has been treated in the Plan as part of the expenditure on the project concerned. It is expected that, out of the lump sum provision of Rs. 50 crores in the Plan for further expansion of basic industries and transport, the railways will get the necessary allocation.

The question of achieving self-sufficiency in railway operations by the creation of facilities for the manufacture of locomotives and coaches has been agitating the minds of people for a considerable time past. The first step towards this objective was taken by the handing over, in 1945, of the Singhbum Workshops at Tatanagar to a new company—The Tata Locomotive and Engineering Co. The production potential of the company is estimated at 50 locomotives and 50 spare boilers. The Government has extended financial aid by participating in its capital expenditure to the extent of Rs. 2 crores. Meanwhile, construction activity is proceeding apace at the Government unit, Chittaranjan factory. The eventual production target of the factory is 120 locomotives and 50 spare boilers. During the period of the Plan, the Tata Locomotive and Engineering Co. is expected to manufacture 170 locomotives and the Chittaranjan Works 268 locomotives. The Government has taken on hand the establishment of a coach-building factory at Perambur, with an annual single-shift production capacity of 300 to 350 all-steel integral type coaches. Meanwhile, the spare capacity of the Hindustan Aircraft is mobilised for the production of all-metal third-class coaches. The manufacture of wagons is now well established in India and the wagons are comparable with the best manufactured abroad.

One more aspect that deserves to be recorded in this survey is that relating to the rationalisation of freight and fare structures. In view of the difference in rating followed by individual railways, there had grown up a rating system of extreme complexity. It was only in 1948 that this defect was remedied when a new system of telescopic rates on continuous mileage basis was introduced. Although the new rates overcame many of the shortcomings of the previous system, the major anomalies which still persisted in the rating structure of the Indian railways were mileage inflations on certain sections of railways in the plains and disparities in the rates of some important commodities, e.g., sugar, foodgrains, pulses, oilseeds, etc. With the integration of Indian railways, there was no justification for these anomalies. It was accordingly decided that, except on hill

(*Continued on page 579*)

NATIONALISATION OF INSURANCE COMPANIES

MR. PURSHOTAMDAS THAKURDAS' VIEWS

INSURANCE companies have always had a fascination for a certain type of politician who believes that a business such as insurance, in which large public funds are to be found, might conceivably be used for some public purpose which he holds dear. Unfamiliar as he is with the ways in which insurance companies function, he is apt to think that insurance presents a field in which he could exercise his ingenuity. It is necessary to warn this type of politician against the danger to public welfare which might result from the State's taking over the insurance business. This warning has, of course, been given by leading insurance men in the country from time to time.

Apparently, the warning has had no effect, considering that in the fourteen-point programme which Mr. Jayaprakash Narain, the Socialist leader, submitted to Mr. Jawaharlal Nehru for aligning himself and his party with the party in power, he listed the programme for nationalisation of banks and insurance. There is thus a body of opinion in this country which believes that some great public purpose could be served by nationalising insurance. To the men who hold this view the warning, uttered by Mr. Purshotamdas Thakurdas, Chairman of the Oriental Government Security Life Assurance Co., Ltd., only a few days ago, while declaring open the Company's new building at Ahmedabad, needs to be drawn. Mr. Purshotamdas said:

". . . in fact the *per capita* insurance of India is about the lowest in the world and politicians and economists have deplored this unequivocally. I am aware that there are members of Parliament and of the Congress who set a good deal of store by 'thinning the fat' as they call it, but I suggest that, if they can give a little thought, they will leave insurance alone for years to come; for, insurance is a provision for widows and children after the breadwinner's death and I suggest that a man who is fairly insured, according to his earning in life, enjoys comparative peace of mind on his death bed.

"It is surprising that, in spite of the grim warning furnished so unequivocally by nationalisation of the coal industry in the U.K. in the shape of diminished output per man and increased cost of raising, our ministers in power talk lightly of socialising or nationalising as applied to a business least fitted for nationalising and whose progress depends upon research in several fields of intellectual activity which can be fostered only under conditions created by healthy competition as a private enterprise. I, therefore, cannot allow this occasion to pass without putting out, most respectfully, a warning to these advocates of socialism: 'Hands off those for whom we insurance companies are trustees, particularly as they are normally widows and orphans.' I make an appeal to ministers in power in all humility but with the utmost sincerity to be consistent in their policy declarations, bearing in mind the great harm that will be done to the country's economy by inconsistent pronouncements of policy."

This is a clear and well-reasoned warning which deserves to be heeded by those who are in charge of the Government. They seldom realise the consternation caused by their unguarded utterances among the interests concerned, for, if they did realise it, they would be more circumspect in speaking on matters of policy, such as nationalisation of insurance, or any other industry or service for that matter. Fortunately, our enquiries, made at the highest quarters of the Governmental hierarchy, reveal that there is no intention on the part of the Government, now or at any time in the foreseeable future, of nationalising insurance. This information must naturally be reassuring to the concerned interests, and must serve as a corrective to exaggerated fears of nationalisation. Even so, it should be clear that, when ministers and responsible public leaders begin to talk of nationalisation of insurance and banking, or of abolition of stock exchanges and similar financial institutions, a great deal of apprehension is necessarily caused.

Politicians, as a class, do not seem to weigh their words carefully before they make public statements. One section among them feels that nationalisation is the magic key which opens the door to prosperity. And insurance is a business which holds great attraction for them. Discussing why insurance has a special fascination for politicians, a writer in *The Review* of London says:

"The charms of insurance are, perhaps, more seductively apparent than of other businesses. There is the great wealth of the world's insurance institutions, particularly in Europe and America; no trace, of course, remains of those which failed to survive the hazards of competitive existence. There are the evident hesitations and shifts, back and forth, of the mechanism of insurance, both in its domestic and in its international respects; and who, among our cleverer politicians, could recognise in this the subtle and complex interplay of natural balances, of the profit motive checked by the corrective of competition? His own firm hand could achieve the desired result in a fraction of the time! Finally, there is the splendid justification that, in a world of restricted currencies, the Government must come into the picture anyway, in a business so essentially international.

"Since these politicians have been looking so attentively at us, perhaps it would be appropriate, for a change, to take a look at them. As a class, they would appear to be assiduous and vocal rather than numerous, and, without looking too far from home, they appear to belong to the oratorical rather than to the business or industrial breed. Few of them have graduated with any known distinction from the hard school of competitive free enterprise, and many would appear to have served their apprenticeship on the soap-box or the rostrum, rather than at the office desk. . . .

"But let us return to insurance. Here, certainly, is wealth to 'redistribute'—wealth which, in the older democracies, has accumulated slowly over a century or two in the course of a public service which, judging from the support of the public—has not proved unworthy. But is it, in fact, purely redistribution of capital that the insurance politicians are after? If this were so, it would be the misfortune of the few rather than of the many.

"If, on the other hand, the intention is to take over also insurance goodwill—which certainly is the case—then it is very much the concern of all, for everyone is entitled to enquire how insurance will be conducted in the future. This is, in point of fact, the vital question."

Few people, however, stop to think whether outright nationalisation of insurance could really confer any superior advantage which is not possessed under the present order. Nor do they ask themselves the question: Since insurance is already so largely controlled by the State, what special advantage is to be derived through wholesale nationalisation? The Government now controls every aspect of insurance companies—the expense ratio, the disposition of their investments and the portion of the surplus that might be utilised for payment of dividend, etc. The problem of misuse of investment funds is not so serious a problem it was some years ago. In any case, the Government has powers to appoint its nominees as administrators for the insurance companies which, in its opinion, are being wrongly managed. In fact, on no other industry—not even on banking—does the Government exercise so meticulous a system of control as it does on insurance. For all practical purposes, insurance might be described as a nationalised service. Indeed, the Government exercises all the power without the responsibility for the business side of insurance. It is not, therefore, clear why certain sections of public opinion should still demand that the Government must give up this advantageous position and take over the entire responsibility of running the insurance industry, which is now being run fairly efficiently by private enterprise.

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COST OF INVISIBLE IMPORTS

E.C.A.F.E. REPORT'S ESTIMATES

IT is well known that the countries of the Asian and Far Eastern region have been largely dependent on industrialised countries for shipping, banking and insurance and other services in connection with international trade and similar transactions. These countries have also had to make payments by way of interest and dividends on foreign investments in their industries. Payments for these services and for dividends and interest constitute an "invisible" form of import. The Report of the Economic Commission for Asia and the Far East for 1951 throws some light on the cost of the import of transportation and insurance services by this region.

The following table gives the cost of transportation and insurance services which were utilised and, therefore, paid for by some important countries of this region during 1950 and 1951:

(In millions of currency units)

Countries.				1950	1951
Burma	..	..	(Rs.)	—13	—14
Ceylon	..	..	(Rs.)	18	—55
India	..	..	(Rs.)	192	334
Pakistan	..	..	(Rs.)	—85	—137
Philippines			(Pess)	—59	—99
Indonesia			(Rupiahs)	—120	—52
Thailand	..	..	$	—0.4	—0.4

The increase in transportation and insurance charges, which occurred in 1951, is to be attributed to the larger volume of trade transactions, which implies larger payments for insurance, and higher freight rates which prevailed during that year. For instance, the volume of imports increased by 15 to 30 per cent. in Ceylon, Indo-China, India, Malaya and the Philippines. Payments in respect of insurance, the Report observes, increased in association with the larger volume of imports and exports. But the above table must be interpreted with caution for two reasons. In the first place, the figures include the cost of both transportation and insurance. Secondly, the figures do not show a complete picture, because in certain countries, namely, Ceylon, India, Indonesia and Thailand, most of the payments for freight and insurance charges were included in import figures recorded on a c.i.f. basis. In Pakistan, both imports and exports were recorded on a mixed basis, partly c.i.f. and partly f.o.b.

Even so, the table reveals how the use of foreign shipping and insurance services constitute an important source of foreign exchange earnings for the countries which supply them. While these countries still continue to earn a sizable part of their overseas income through performance of shipping and insurance services, it must also be remembered that they have lost a portion of the income, which they formerly received on their investments in the E.C.A.F.E. region. The loss of the latter form of income is due to the fact that, as a "result of war-time destruction, the liquidation of foreign investment, the decline of the colonial system, the rise of economic nationalisation, and, in some countries, civil disturbances, the investment of Western European countries has declined sharply."

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THE CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA

STEADY PROGRESS MAINTAINED

MR. GRANTHAM ON ECONOMIC AND FINANCIAL CONDITIONS IN THE EAST

THE Ninety-ninth Ordinary General Meeting of the Chartered Bank of India, Australia and China will be held in London on 1st April, 1953. The Chairman's Statement circulated to the shareholders along with the Directors' report and accounts for the year ended 31st December, 1952, highlights, as usual, the economic conditions in the countries in which the Bank operates in the East. It is the considered opinion of the Bank's Chairman, Mr. Vincent Alpe Grantham, that, in almost all these countries, the past year was one of deterioration in the economic and financial spheres, but he warns that "it would be wrong to apply a rigidly Western yardstick to the measurement of the extent of the deterioration which has taken place or to the consequences which might be expected to flow therefrom." Referring to conditions in India, Mr. Grantham makes an interesting statement on the Five-year Plan of economic development and the position of India's export industries. In his study of the position of these industries *vis-a-vis* the Plan, he finds that a further recession in the conditions in the export industries "might well involve the Government in difficulties over the financing of the public sector of the vital Five-year Plan, from which so much is expected and hoped."

The following is the full text of Mr. Grantham's Statement:

"In my last Statement I referred to the approaching centenary of the incorporation of the Bank by Royal Charter. The Great Seal of the Realm was affixed to the Charter on 29th December, 1853, and although the 100th annual meeting of the stockholders will not take place until 1954, it has seemed fitting to regard 1953 as our centenary year, as indeed it is.

Classic Land of Joint Stock Banking

"Great Britain is the classic land of joint stock banking, and although many of the great British financial institutions, whose names are known and honoured throughout the commercial world, have already passed their centenaries, few have preserved, as the Chartered Bank has, their complete independence and their original constitutional forms. Of the numerous oversea banks granted Royal Charters during the nineteenth century only the Chartered Bank of India, Australia and China survives as originally incorporated, but the full name of the Bank has, I fear, become something of an anachronism. As is well known, the Bank has never opened branches in Australia and recently, to our deep regret, we have been compelled to order the closing of our remaining branches in China; but, as I shall show later in this Report, the Bank continues to prosper throughout those countries in Southern Asia which were a hundred years ago still under the jurisdiction of the East India Company, and in those lands which are quaintly described in our Charter as the Eastern Archipelago.

"This is not the place to review the progress made since the founders of the Bank met in Threadneedle Street over a century ago to petition the Crown for the grant of a Royal Charter of Incorporation. Sir Compton Mackenzie has accepted our invitation to write an official history of the Bank, and I hope that the book will be published shortly before the one hundredth meeting of the stockholders is held in the spring of 1954. The activities of the Bank, during the past hundred years, have touched world history on many occasions and in many places, and the story we have to tell will, I believe, prove to be of the greatest interest.

"In the course of our researches into the history of the Bank it has been borne in upon us that the most significant exports from Britain to the East have been not textiles or machinery, but liberal ideas. These wholly invisible exports have fructified in a way few could foresee, and they have made possible those extensive, but orderly, transfers of sovereignty, to which I referred in my last Statement. It is remarkable that the Chartered Bank, founded as it was when the British Empire, sustained by an unchallenged sea power, was approaching the the height of its power and its glory, should find in these changed days more opportunities than ever before of fulfilling the constructive and pacific aims of its founders.

"Carlyle observed that history is the essence of innumerable biographies. Down the years the Bank has been well served by its principal executives, the branch managers and a devoted rank and file. If few individuals made reputations outside the service, it was because the majority found their work in the Bank completely absorbing and wholly satisfying. The service of the Bank has become a tradition and the present generation continue to manifest the skill, enterprise, loyalty and fortitude which were characteristic of their pioneer predecessors.

"The present occasion, marking as it does the culmination of a century's successful endeavour, affords me once again an opportunity of acknowledging the exceptionally distinguished services rendered to the Bank by its present Chief General Manager, Mr. W. R. Cockburn.

The Court of Directors

"I have to record the retirement during the year of the Bank's senior Director, Lord Colgrain, and of Mr. Archibald Rose, C.I.E.

"Lord Colgrain joined the Court in 1923 and he brought to its councils an unrivalled comprehension of the problems of Indian trade and finance. Although he later presided over the British Bankers' Association and was, for many years, Chairman of the National Provincial Bank Ltd., he remained a Director of the Chartered Bank and continued to manifest the liveliest interest in its affairs. His wisdom helped, and his wit leavened the deliberations of the Court, and it was a privilege to share his knowledge and understanding of the London money market.

"Mr. Archibald Rose was elected a Director in 1926, shortly after his retirement from the Diplomatic Service. A distinguished authority upon Far Eastern political and economic affairs, his counsel was invaluable to the Court. During his long service as a Director, Mr. Rose made many journeys, often under hazardous conditions through the Eastern lands, and his understanding, from knowledge gained at first hand, of the problems which constantly confront so far-flung an overseas branch system as this Bank administers, was invariably helpful.

"In succession to Lord Colgrain the Directors have elected to the Court the Earl of Inchcape, whose father and grand-father held similar office. Lord Inchcape's appointment reinforces the personal link which has existed for so long between the Bank and the P. & O. group of steamship companies.

"Sir Harry Greenfield, C.S.I., C.I.E., who rendered distinguished service to the Imperial Indian Government, has taken Mr. Rose's place, and the stockholders will be invited at the annual general meeting to confirm his election and that of Lord Inchcape.

Management and Staffs

"The Bank continues to be well served in all fields by its British and Asian staffs. It is impossible to speak too highly of the interest and devotion to duty of our Managers and senior officers throughout the Bank's branches. Some of these, in point of size, are greater than the head office; but all present daily problems of management and control peculiar to banking institutions handling widely diversified systems of foreign trade and exchanges, as well as all the other varied business normally handled by banks in this and other countries. Realising, however, that continuously changing conditions and new developments in the political and economic systems of the countries in which the Bank operates is throwing an ever-increasing burden of understanding upon the senior officers of the Bank, to whom our clerical staffs everywhere must look for guidance in the day-to-day work of the Bank, and that, therefore, the flow of understanding between the general management and the branch managers and their Asian staffs must be widened and strengthened, the Bank has established a college to which, each year, groups of our Asian officers will be brought home and given an intensive course of instruction. This, it is hoped, will assist them to appreciate more fully the principles upon which the Bank operates and in applying those principles more effectively.

"The College, which is situated at Dorman's Park in Surrey, has as its principal, Sir Alexander Campbell, M.A., M.C., E.D., formerly Director of Public Instruction, Burma.

"Admittedly, the College is an experiment, for it is proposed to house within it at one and the same time many officers of diverse nationalities and attainments; but all will have one characteristic in common, for they will be drawn from among the Asian officers who have gained distinction in the service of the Bank, and I firmly believe the College course will assist in preserving and enlarging the traditions of service within the Bank, which has been the happiest feature of the co-operation between our British and Asian staffs throughout the service.

Bank's Balance-sheet

"As forecast in my Statement a year ago, when I suggested that we might look for lower figures, the total of the Bank's balance-sheet shows a fall of some £5,000,000 from the record figures of last year.

"It is, perhaps, wrong to attach too much importance to the total of the balance-sheet, for it merely represents the sum of the position as at the end of the year in all the eighteen separate areas in which the Bank operates, and our experience in these areas has been far from uniform. In general terms, however, it is safe to say that, while the reduction is due in large measure to the almost universal fall which has taken place in commodity prices over the past year or more, it also reflects some decrease in the volume of the foreign trade of the United Kingdom and other Dominions and territories of the Commonwealth within our sphere of operations, caused by restrictive measures upon imports designed to improve the Commonwealth's balance of payments, especially with 'hard' currency countries.

"On the left hand, or liabilities side of the balance-sheet, current and other accounts, bills payable and loans payable show decreases of £8,536,218, £1,158,363 and £1,400,833 respectively, offset by a moderate increase in fixed deposits of £873,917. On the other hand, acceptances are up by the relatively substantial figure of £4,051,448, this being accounted for by calls to finance heavier than usual shipments of food and raw materials around the end of the year against the trend already noted. Notes in circulation remain at practically the same figure as last year.

"On the right hand, or assets side, cash in hand, at call and at bankers, and advances to customers and other accounts, are down by £2,016,368 and £17,531,539 respectively. The substantial reduction in the total of our advances, while in conformity with the officially expressed desires of our own and other Governments that banks should, in the national interests, adopt a more restrictive lending policy, is largely due to the falls in commodity prices of which mention has been made above. Government and other securities (apart from those lodged against our note issue) and bills of exchange (including United Kingdom, Dominion, Colonial and Foreign Treasury Bills) are up by £4,198,187 and £2,223,056 respectively, these increases reflecting, in the main, the switch from advances to more liquid assets. Fixed assets, after allowing for amounts written off, show a slight decrease of £69,086.

"Considered as a whole, I submit that the balance-sheet reveals a position of enhanced strength and a sound balance between the conflicting demands of liquidity and earning capacity.

Profit and Loss Account

"The net profit for the year amounts to £698,782, an increase over that of last year of £1,685. When commenting upon the record results achieved last year, I stated that it would be foolhardy, in the face of the recession we were then experiencing (and which has continued ever since) not to be prepared for some reduction in future profits. In the face of continuously deteriorating conditions throughout practically all the territories in which the Bank operates, accompanied by constantly rising costs, including taxation, which in all countries takes heavy toll upon our earnings, our results can only be considered very satisfactory.

"Last year, I mentioned the heavy depreciation which had taken place in the market value of our investments in Government securities. There has been a modest recovery this year, but naturally this has not figured in our computations in assessing our profits. We have never departed from our custom of valuing our securities at or below market values and, as before, all our holdings are dated and in large proportion short dated.

"We paid a dividend in October last of 7 per cent., less income-tax, absorbing £110,250, and it is proposed that, out of the balance now available, a final dividend of 7 per cent., less income-tax, should be paid costing £110,250, and this being our centenary year, it is further proposed that a special centenary bonus dividend of 2 per cent., less income-tax, should be paid costing £31,500, making the total distribution for the year 16 per cent. At the same time, bearing in mind the great services rendered to us by our staffs everywhere, we have decided to pay a special Centenary bonus of 10 per cent. of their salaries to all members of the staff throughout this country and abroad who will still be serving us on the 1st April, 1953. These Centenary bonuses are special ones which will not be repeated.

"We propose to repeat the allocations made in each of the last two years to the pension fund and the widows' and orphans' fund of £125,000 and £20,000 respectively. The calls upon these funds continue to increase, and it is necessary that they should be maintained against the future. Last year, I informed you of the circumstances which rendered necessary the inauguration of a supplementary pension fund scheme, which, in respect of senior officials serving abroad, would not only increase their ultimate pensions, but would, in the case of untimely death before the age of retirement, provide adequate security for their dependants. While the annual cost to the Bank at present is considerable, as the pensions under the Supplementary Pension Fund Scheme are secured under insurance policies, it will diminish as years go on until all those eligible enter the scheme at the minimum age instead of as at present at ages in most cases well above the minimum. In the meanwhile, I already know that we have the approval of the stockholders of what is being done in this direction.

"In 1947, I mentioned that we were considering the payment of retiring allowances to members of the Court who retired after completing long terms of office with the Bank, and informed you in 1948 that we were legally advised that we had powers under our Charter to do so. Directors' duties in this Bank have been arduous, especially over the past troubled years of the war and the aftermath of the war, entailing generally not less than two or three meetings weekly, and I am sure that the stockholders will approve of retiring allowances now being paid to Directors who have retired after more than twenty years' service.

"At the same time, I would refer you to our annual general meeting in 1947 when the stockholders increased the gross remuneration payable to Directors to £20,000. This figure has unfortunately not been sufficient to give us the elbow room we require, and a special resolution is being put before you, in which you will be asked to agree to allocate up to £30,000 to cover all present outgoings on account of Directors and to provide for future necessities in this direction. In putting this before you I would add that we have no present intention of increasing individual Directors' fees.

Bank Premises

"As you will observe from the profit and loss account, £200,000 has again been applied to write down Bank premises and furniture account. The extent to which new building, rebuilding, and extension of offices and houses in the East has been necessary since the war to enable us to carry on adequately our very extensive business, and to house our staffs, may not be fully realised by the stockholders. We have opened a number of offices in new areas and have faced and are facing the necessity to build modern offices to house our developing business. In some areas we are faced with the necessity for opening second branches, and everywhere the conditions ruling after the war have made it necessary to build, and furnish a great many houses. A year or two ago, we had anticipated a gradual lessening of further extensions and building; but looking forward to-day we must anticipate a continuation of expenditure on premises account for some time to come. I must emphasise that the possession of office and house accommodation is a prerequisite to our doing business and that in most places we have had no option but to build. The annual allocations made out of profits ensure that the balance-sheet figure for premises is kept at a reasonable level, bearing in mind the location of our premises.

"I now turn to the Bank's reserve fund. Two years ago we augmented the reserve fund by transferring to it £1,000,000 from contingencies account, restoring the reserve fund to £4,000,000, the figure at which it stood before 1931. I pointed out to you at the time that our balance-sheet total had increased out of all proportion to the issued capital stock and reserve fund. This matter has continued to give us concern, and it was felt that the opportunity should be taken this year of strengthening both the issued capital and the reserve fund.

"Accordingly, before closing the books on this occasion we transferred a further £1,000,000 from contingencies to the reserve fund, raising it to £5,000,000 with a view subsequently to capitalising £500,000 of this sum. I would draw your attention to the resolution which will be placed before the stockholders at an extraordinary general meeting to be held after the ordinary general meeting on 1st April, at which your consent will be sought to this capitalisation of £500,000 from the reserve, which will have the effect of making the capital of the Bank £3,500,000, and the reserve fund £4,500,000. The consent of the Capital Issues Committee has been sought and obtained to this new issue, and I would say that, in recommending this proposal to you, we hope that it will be possible to maintain the 14 per cent. rate of dividend. From every point of view I venture to think that the proposal will be welcomed by the stockholders, and it is an added pleasure that we find ourselves in a position to take this step forward in our Centenary year.

"Lastly, it is proposed to transfer £100,000 to contingencies account and to carry forward to next year the slightly increased balance of £399,215.

"I trust the stockholders will approve of all our proposals.

Introductory

"In my last Statement, I described some of the consequences to the Bank of the political fragmentation of the Eastern world. During the year under review, there has been further evidence of the desire of the newly emancipated Asian nations to divest themselves of every form of political and financial tutelage. Victor Hugo wrote: 'There is one thing that is stronger than armies: an idea whose time is come.' Asian nationalism is such an idea, and those of us who are concerned with the direction and management of British commercial enterprises in the East, have come to realise the force of it. It has always been and remains the purpose of the 'Chartered Bank' to serve legitimate commerce and creative industry, and given a fair field without favour, it can, I believe, continue to play a constructive part in the economic development of all the countries to which its establishment extends. We are proud of the British financial tradition to which we subscribe; but we do not pretend that banking, in either the domestic or the international sphere, is a closed shop, and we must expect to encounter more and more competition throughout the East concomitantly with political progress and technical advance.

"It may be appropriate to remark here that, although the Bank enjoys the privilege of incorporation by Royal Charter, it receives no greater measure of official support abroad than is accorded to other privately-owned British enterprises. The founders of the Bank were free traders to a man and the petition for the Charter was, in effect, a protest against monopoly and privilege.

"A glance around the horizon I surveyed in my last report reveals that the position in practically every country in which the Bank operates in the East, has deteriorated economically and financially. This has been so even in those areas, e.g., Malaya, Sarawak, North Borneo, Hongkong, etc., where currency reserves are automatically created and preserved, for, like other countries in the Far East, they, with the exception of Hongkong, being large producers of raw commodities, experienced a steep recession as a result of the almost universal fall in the prices of their main products. Nor did they escape the consequences of overspending by Governments and peoples induced by the preceding period of high prices, which, as also in the other countries of the Far East not so fortunately placed in regard to the creation and preservation of currency reserves, over-encouraged imports. These, under the changed conditions, the bazaars and markets of the East have found it difficult to absorb.

"While it is true to say that conditions economically and financially have deteriorated considerably almost everywhere in the East over the past year, it would be wrong to attempt to apply a rigidly Western yardstick to the measurement of the extent of the deterioration which has taken place, or to the consequences which might be expected to flow therefrom. Naturally, the consequences cannot be entirely avoided; but the capacity of peoples governing themselves for the first time in history for self-discipline and recovery, may well prove to be greater than has been hitherto suspected, and it would be unwise to fail to take that capacity into account.

"With these few introductory remarks, I shall proceed, as usual, to devote some attention to the individual countries in which the Bank is represented.

India

"It is common knowledge that four in five of India's 356 million inhabitants till the land and maintain a precarious existence by the use of time-honoured agricultural methods largely inadequate to the urgent necessities of the modern era. With an annual population increase of some 4-5 millions, India's immediate economic problem is the vital necessity for a substantial expansion of food production. To this end the Five-year Development Plan was first drawn up in 1951, constituting in the financial sphere 70 per cent. of the Colombo Plan. But, whereas in the other countries participating in the Colombo Plan, the predominant aim is to broaden the base of their economies and to render them less dependent upon the vicissitudes of a relatively narrow range of commodities, in India the emphasis is very reasonably laid upon agricultural development by such means as irrigation and improved methods of cultivation. Indeed, agriculture, community development, irrigation and power projects, transport and communications, account for 68 per cent. of the aggregate investment proposed under the Indian Plan. During the period which has elapsed since the publication of the original draft, the Five-year Plan has been submitted to the scrutiny of the constituent States of the Republic and has been the subject of considerable public discussion, particularly during the elections in 1951-52. It was not until December, 1952, that the Plan in its final form received the formal endorsement of the Indian Government.

"The Plan is designed to expand India's national income by 10 per cent. over the period 1951-56, but it is estimated that almost half this increment will be automatically absorbed by the ever-increasing population. Thus, there is little scope for any spectacular improvement in the general standard of living, but it should be remembered that, with a population more than seven times greater than that of Great Britain, India has a national income less than two-thirds as large. Obviously the most vital feature of the Plan is the question of the wherewithal to finance it, for, without adequate capital, even the most enlightened and efficient administration will be powerless to assure the eventual success of this great scheme. The Planning Commission has assumed that the annual rate of capital formation within the country will increase during the period of the Plan from approximately 5 per cent. to 6¾ per cent. of the total national income. By European standards this may seem modest, but the relative poverty of the Indian masses is such that, of 356 million inhabitants, less than one million are even in a position to pay direct taxation, let alone accumulate savings.

Financing the Plan

"Assuming that the Commission's estimates of the country's annual investment potential prove correct, the total national resources available during the currency of the Plan will amount to between Rs. 2,700 and Rs. 2,800 crores. Aggregate Government outlay will be Rs. 2,069 crores, a figure which leaves what is considered under the circumstances as an adequate margin of savings available for capital development in the private sector of the economy. This margin apart, little more than 8 per cent. of Government expenditure under the Plan is to be devoted to industry, but Indian commerce and industry may reasonably expect additional capital from overseas through the medium of private investment by foreign enterprise. The Planning Commission expects to raise the greater part of the projected outlay through budgetary saving by the Central and State Governments; from surplus railway revenue; by loans and savings made by the public; and by sterling releases under the Indo-British Sterling Balances Agreement. Nevertheless, there still remains a sum of Rs. 365 crores to complete the financing of public expenditure proposed in the Plan and, as the possibilities of increased taxation and additional borrowing from the public have already been taken into account in drawing up the estimates, the Commission is hopeful that the gap will be bridged by a substantial measure of overseas support. It was, therefore, encouraging to hear in December that the International Bank for Reconstruction and Development had decided to make a

substantial dollar loan to the Indian Iron and Steel Company, Ltd., to finance a five-year expansion scheme. This is the fourth loan that the Bank has made in support of Indian development projects.

"The early part of the year was marked by an abrupt recession in world prices of a number of important commodities produced and exported by India. The country had derived considerable benefit from the rise in raw material values set in motion by the Korean war. But, by April, 1951, the world-wide scramble to stockpile basic commodities had slackened and the reaction set in. Nevertheless, the downward movement in prices was gradual until March, 1952, when a sharp fall took many substantial holders of Indian commodity stocks by surprise. Such was the situation that it became necessary to close temporarily Stock and Bullion Exchanges and commodity markets in the principal commercial centres throughout the country. The fact was that the skilful monetary policy of the Indian Government had rendered inevitable the eventual adjustment to their world level, of prices which in India had been kept artificially high by speculative contracts. The disinflationary measures instituted by the financial authorities took effect in forcing a contraction of trading stocks and in a few weeks a lower and more realistic price structure was established.

"The recession at once confronted the Government with urgent demands for the relaxation of the export duties imposed to insulate the Indian economy in some measure from the rise in world prices stimulated by the Korean war. Certainly at the end of 1951 it was evident that India's exports were contracting, and with the fall in the international price level early in 1952, a number of Indian staples were being priced out of oversea markets as a result of the export duties. But, owing to the loss of revenue entailed by the reduction of these duties, both in rate and yield, the Government was compelled to discontinue the food subsidies. This was an unpopular measure, but, at first, the fall which had already taken place in food prices mitigated to some extent the hardship caused. Although food prices have subsequently risen slowly, supplies are now more plentiful and, owing to increased grain production within the country, stocks have increased and it has been possible to curtail food purchases abroad. However, the crop failure in Madras is a sad reminder that India's food problem is still far from solved.

"Early in the year when the fall in the world values of the country's staple exports moved the terms of trade against India, there were fears of a considerable trade deficit, but a steady diminution of imports has since caused a marked improvement in the balance of trade. In particular, the expansion of raw jute and cotton production, by rendering India less dependent on Pakistan for these commodities, has contributed substantially to the contraction of the adverse trade gap. This improvement has been reflected in the balance of payments, and the rate of drawing on the sterling balances has been much reduced. The authorities have taken heart from this encouraging trend and have decided that they can safely pursue a more liberal policy towards imports during the first half of 1953, although, naturally, essential materials will still receive priority.

Export Industries of India

"The situation of the export industries is less favourable, but, despite a number of concessions, the Government has tended to resist reduction or removal of export duties. Conditions in the tea industry deteriorated to such an extent, however, that emergency measures, such as the exemption of tea waste from export duty, were introduced in November, but these were not sufficient to avert widespread closing of tea gardens at the end of the year. Apart from its losses on the current crop the industry has been faced with the problem of financing production in the new season. The Government has rendered assistance by offering a limited guarantee in respect of the 1953 crop to banks concerned with the financing of tea estates, but this measure has not been deemed adequate in all the circumstances, and the tea industry's difficulties remain largely unsolved. The Indian tea industry has voluntarily agreed to reduce production by some 8½ per cent. during the present year, and meanwhile world, and in particular British, demand has shown some improvement since the turn of the year.

"The cotton industry has suffered less, although demand both at home and abroad has slackened since the summer. Even so, the present position of Indian textiles is considerably stronger than appeared likely during the slump in March, 1952. There still remains an awkward legacy of that period—the problem of clearing stocks of relatively expensive fabrics manufactured from highly priced American cotton.

"The jute industry is painfully adjusting itself to lower prices both for its raw materials and its finished products. Conditions have improved since the depression early in 1952, on American demand for Indian hessians which, however, has not been sustained. Moreover, competition from European mills, which made great headway in modernising their machinery in recent years under the shelter of the Indian export duties on jute manufactures, and which obtain quality jute from Pakistan free from the discriminatory licence fee levied on exports to India, has been strong throughout the world's markets, and that section of the Indian industry which concentrates on heavy goods has experienced acute difficulty. Until India produces sufficient raw jute of high quality, the scope for expanding the output of the better class of fabric must necessarily be limited, and until the mills can be fully modernised, it is unlikely that they will be able to recover their former dominating position as the world's greatest supplier of jute manufactures, and in view of the almost general tendency to protect national industries, and the widespread extension of jute manufacturing in many countries, it is quite certain that Indian mills will never again attain to the near monopoly they enjoyed in the early days of the present century.

"India's economic achievements since the country gained its independence have been considerable, and it is to be hoped that conditions in the export industries will now become more stable as a further recession might well involve the Government in difficulties over the financing of the public sector of the vital Five-year Plan, from which so much is expected and hoped.

Pakistan

"Pakistan has had a difficult year, but after many anxious months it seems that the worst may now be over. Last year, I emphasised the vulnerability of Pakistan's economy owing to its extreme dependence on exports of raw cotton and jute, which accounted for more than four-fifths of the country's earnings of foreign exchange. The fall in world commodity prices which gained impetus during the early months of 1952 was, therefore, a serious ordeal, and it was not surprising that the Government came under heavy pressure to reduce or remove the export duties which were pricing the country's potentially remunerative staples out of world markets. The Government's dilemma was unenviable, for while it was anxious to do all in its power to get exports moving, it was reluctant to sacrifice such a useful source of revenue as the export duties. Customs duties, import and export, contribute more than two-thirds of Pakistan's revenues at a time when, apart from the burden of defence expenditure, the Government has considerable financial commitments under the Six-year Development Plan.

"The authorities first attempted to halt the fall in prices by instituting price support schemes for both cotton and jute, and undertaking to purchase these commodities when prices fell below the stipulated minima. But it proved impossible by these means to isolate Pakistan from the effects of the slackening of international demand, and by the end of June, Government stocks had become so large that it proved necessary to lower the minimum price of jute by 25 per cent. and reduce the export duty by more than half. At the same time the authorities indicated that they were prepared to sell cotton at 10 per cent. below its purchase price and, in August, the export duty on long staples was cut by half and the cess on *desi* cotton removed. At the end of the season the price support scheme for cotton was discontinued and forward trading restored, but, nevertheless, prices still tend to sag. The Government continued to support the jute market and there was a revival of foreign demand in September which carried prices up to the official minima; but the position of jute remains very uncertain, and the Pakistan Government decided later in the year that jute production in the 1953-54 season should be severely curtailed with a view to re-establishing a measure of equality between demand and supply. The export duties on wool were removed in April and those on tea in September.

"The serious trade deficit in the second quarter of the year compelled the Government to take steps to restrict imports. Import duties on cotton manufactures were raised in June and had the effect of stemming the flood of Japanese piecegoods entering the country. The banks were directed to enforce a number of credit regulations designed to restrict imports, but it was soon apparent that more direct methods of limitation were necessary. The open general licence regulations were reviewed in August and the free list severely pruned. Later in the year, even the curtailed open general licence list was cancelled, so that all classes of merchandise now require import licences.

"At such a trying juncture it was particularly unfortunate that Pakistan should have been afflicted by the unwelcome spectre of famine. It had previously been considered a source of economic strength that the country was apparently self-sufficient in food, certainly in wheat and generally in rice. It is possible that the high prices previously ruling for cotton and other commodities had tempted cultivators temporarily to abandon wheat for a more profitable crop. On the other hand, it has been surmised—whether accurately or not we cannot, of course, say—that the crux of the problem may lie in the fact that the populations of Pakistan and India are still in a state of flux. Farmers of the Punjab, who cultivated their lands for generations, have, in many cases, moved across to India, and those who came from India may have neither the experience nor the will to emulate their example on the land allotted to them on the Pakistan side of the border. The disquieting feature of this explanation, if it is in any sense accurate, is that it portends food shortages for years to come, and the urgency of measures to improve food production in such case could scarcely be exaggerated. As a corollary to what I have just said, it is now being surmised in Karachi that imports of food in 1953 will possibly have to be made in greater quantity than in the year just closed.

"The urgent necessity to import considerable quantities of foodstuffs last year, subjected the country's attenuated reserves of foreign exchange to a further and unexpected drain; but the United States Export-Import Bank stepped into the breach with a substantial dollar loan, while the British Government diverted to Karachi a large consignment of Australian wheat originally destined for the United Kingdom.

Pakistan's Development Plan

"Pakistan's Development Plan involves an expenditure of approximately one-seventh of the total expenditure contemplated under the Colombo Plan. Although agriculture is to receive the largest allocation of funds, its share is just under a third. This is in marked contrast to India and reflects the supposedly greater self-sufficiency of Pakistan in matters of food and its relative dearth of industry and poverty of communications. To assist the financing of the Plan the British Government has agreed to progressive releases of Pakistan's sterling balances over a period of six years, and Canada, Australia and the United States are all providing assistance. The International Bank is granting advances for various purposes, notably agriculture and railways. The Government, while welcoming foreign capital in both the public and private sector of the economy, has itself been taking an active part in sponsoring industrial enterprises, especially since the foundation in 1951 of the Industrial Development Corporation, which has already been instrumental in establishing a jute manufacturing industry. The country's difficulties in 1952 have not been allowed to retard the progress of the Development Plan, and, if anything, have underlined the importance of persevering with a scheme which will render the national economy less dependent upon a few staple exports. But this presupposes self-sufficiency in food production, and if such self-sufficiency is in fact lacking, it may well prove necessary for the Central Government to face facts, and take measures first to restore the all-important agricultural basic industries before embarking wholeheartedly upon some of the more advanced industrial schemes within their programme.

"Inevitably during the past year there have been critics who have attributed Pakistan's difficulties to what they consider to be the overvalued rupee. With a comprehensive scheme of economic development in progress, entailing a considerable volume of imports on Government account for some years to come, it is unlikely that the authorities will be willing to depreciate the external value of the rupee, unless the prospects of the country's major exports, jute and cotton, take a further turn for the worse.

"I have never changed my view, which I have so often expressed, that the economies of Pakistan and India remain largely complementary, and it is my conviction that the severity of the slump affecting Pakistan's main commodities has been emphasised by the inability of the two countries to agree upon an adequate exchange of goods when their new trade agreement was signed in August, 1952. Even so, it is probable that were the Pakistan Government willing to forgo the discriminatory premium levied on India's purchases of Pakistan raw jute, India would be able to absorb a substantial proportion of the heavy stocks which Pakistan was carrying at the end of last season, so that the benefit of such a course would be mutual.

Burma

"In the banking sphere the outstanding event of 1952 has been the introduction of the Union Bank of Burma Act, which took effect on 1st July. The Act owed much to the example of the statutes setting up the Reserve Bank of India and the Central Bank of Ceylon, and it confers upon the Union Bank of Burma, the status and powers of a central banking institution. Although there is at present no intention of changing the parity of the currency in relation to sterling, the necessity for 100 per cent. sterling backing, which was formerly inherent in the method of issue of Burmese currency, has been abolished. The Burma Currency Board in London has now transferred its powers to the Union Bank of Burma, in Rangoon, and, under the Act, the latter is required to maintain a minimum international reserve equivalent to 25 per cent. of the currency in circulation and demand deposit liabilities. Authority for determining the value of the Burmese rupee, now called the *kyat*, is shared jointly by Government and the Union Bank, with due recognition of Burma's responsibilities as a member of the International Monetary Fund. A decimal system of currency has now been introduced, the *kyat* being divided into a hundred units called *pyas*.

"The primary aim of Burma's Eight-year Development Plan is to restore the production and export of rice to pre-war volume, and an ambitious programme envisages a considerable expansion of the area of paddy cultivation. It is officially claimed that rice production has now climbed back to the 1947 level, but even so it is little more than two-thirds of its pre-war tonnage, and it seems unlikely that the quantity available for shipment abroad from the 1951-52 crop will exceed the previous season's exports. The Government's export policy remains unchanged, although the system of sales has undergone some modification. The greater part of the rice is sold on a Government-to-Government basis and the remainder is disposed of by private tender. Although prices have advanced rapidly throughout the last few years, no part of the increased returns from rice sales has been passed back to the cultivators. The substantial profits have gone to swell the country's already considerable reserves of foreign exchange, and, while by this means the Government has accumulated a useful reservoir of funds to finance its oversea expenditure in connection with the Development Plan, the cultivators have been deprived of a strong financial inducement to increase rice production, which is the basis of the Government's export policy and of their hopes for future development.

"Although at present there are ample markets to absorb at remunerative prices all the rice that Burma is able to export, in the long run it is obviously desirable for the country to develop alternative sources of export income, and so render its economy less vulnerable to the vicissitudes of a single commodity. The Government recognises this, and although priority under the Development Plan has been given to increasing rice production, a number of secondary industrial undertakings are also projected, including a steel rolling mill. But it is in the exploitation of its considerable mineral wealth that the country is likely to find the most immediate profit, and in this field the Government's joint ventures with the Burmah Oil Company and the newly-formed Burma Corporation are promising developments in the rehabilitation of the petroleum industry and the lead and silver mines respectively.

"Since gaining its independence Burma has received a substantial measure of technical and financial assistance from abroad, notably from Great Britain and the United States, and to assure the continued progress of the Development Plan the Government has been at pains to give an assurance that there is no question of immediate nationalisation of foreign-owned industries. It is the Government's policy to encourage their effective rehabilitation, a process requiring foreign capital and knowledge, and, meanwhile, to do no more than secure by the purchase of shares a measure of participation in their ownership.

"The considerable appropriation of budgetary funds to defence expenditure is a grim, but pertinent, reminder that Burma's future is dependent on the restoration of law and order within its own borders and the subjugation of the various rebel bands that now harass the country's communications and disrupt its economy. Owing to the Government's efforts during the past year transport and communications are now functioning with less hindrance, but the valuable pre-war timber industry is still at a standstill because of insurgent activity. Nevertheless, it is pleasing to record that Burma's economic prospects for 1953 appear more favourable than for some years past, especially now that the import market shows some recovery from the stagnation that afflicted it in the early part of last year.

Ceylon

"It is with deep regret that I record the death on 22nd March, 1952, of Mr. D. S. Senanayake, Prime Minister of Ceylon. The late Mr. Senanayake became Prime Minister when Ceylon attained independent status within the Commonwealth, and his four-and-a-half years of wise leadership and far-sighted administration did much to guide his people in the ways of peace and prosperity. The loss of a leader of such outstanding ability, with his heart in the interests of his people, was an extremely sad blow to the whole community.

"Ceylon escaped the worst effects of the fall in world tea prices during 1952 by virtue of the fact that there was a steady demand abroad, and particularly in London, for the Island's high quality teas. Nevertheless, the early months of the year were a difficult period for the tea trade, the mainstay of Ceylon's economy. With the end of tea rationing in the United Kingdom in October, there were high hopes of a greatly increased demand, but the Ministry of Food had been careful to ensure that stocks were plentiful, and, therefore, at first the market was unexpectedly sluggish. Towards the turn of the year, by which time British stocks had been somewhat reduced, prices improved, especially for the teas of higher quality which are Ceylon's speciality.

"In November, the industry suffered what it is hoped will be but a temporary setback when the Egyptian Government stipulated that future imports of tea from Ceylon would be paid for in Egyptian sterling only: it will be remembered that Egypt is not a member of the Sterling area. Ceylon's imports from Egypt are but modest and it was feared at first that a profitable market might be lost to India, which was prepared to take Egyptian cotton in exchange for tea. However, it is hoped that arrangements will be made to overcome the currency difficulty.

"Interest in the rubber industry has been concentrated on the five-year trade agreement negotiated by Ceylon and Communist China. Under its terms Ceylon will supply China each year with 50,000 tons of sheet rubber at a price that is above the prevailing international level, and in return China will ship 270,000 tons of rice to Ceylon at prices to be agreed each year. The agreement covers approximately half Ceylon's annual rubber production, and, in consequence, although the world price of rubber, Ceylon's main U.S. dollar earner, fell steadily during most of the year, the local price in Ceylon has been at a substantial premium above the international parity.

"After a disappointing period early in the year, during which the Government was under pressure to make a further reduction in the export duty, coconut products have shown a steady improvement in price. In the import trade, liquidation of the heavy stocks, particularly textiles, in the hands of the trade at the end of 1951 was slow, despite substantial price cuts. In general, prices of imports showed appreciable reductions during the course of the year, but rice, the import of which is in Government hands, rose no less than 43 per cent. in cost. However, in respect of the rice ration, the consumer is subsidised by Government, so that the increase in the price is met almost entirely out of public funds.

"On his return from the Conference of Commonwealth Finance Ministers held in London in January, 1952, the Minister of Finance stated that Ceylon expected a surplus in her general balance of payments during the year, and also anticipated a favourable balance with the dollar area. Although steps would be taken to encourage a continued improvement in this favourable trend, it was not considered necessary to tighten existing restrictions on dollar imports any further. As events turned out, Ceylon's U.S. dollar income showed a steady shrinkage during the second quarter of the year, and it came as no surprise when, in August, drastic restrictions were imposed on imports from the dollar area and many items of merchandise, hitherto available under open general licence, were made the subject of import permits, which are normally granted only where the materials in question are necessary for the economic development of the Island. With a trade deficit in nine months of the year, Ceylon's external assets fell by approximately a quarter during 1952. On 22nd October, it was announced that the British Government was transferring £9.4 million to Ceylon's No. 1 account to be held as a currency reserve against an undertaking not to draw on this sum without previous consultation with the Government of the United Kingdom.'

"The salient feature of Ceylon's economy is that the greater part of its cultivated area is devoted to the production of tea, rubber and coconuts, which account for nine-tenths of the Island's income from exports and provide employment directly and indirectly for two-thirds of its population. It is the Government's aim under the Colombo Plan to impart a greater stability to the economy by promoting an increased production of food and by fostering the development of other forms of industry. It is encouraging to record that, with assistance from the Commonwealth and the United States, satisfactory progress has been achieved towards these eminently desirable objectives, but it is to be hoped that the fall in Ceylon's external assets which are a vital component in the financing of the capital investment proposed under the Plan, will be arrested during the course of 1953.

Malaya

"It is very pleasing to record that, during the past few months, appreciable progress has been made in the campaign to extirpate the Communist terrorists in Malaya, and to restore law and order in a territory which, on account of its dollar earnings alone, must be rated as a vital economic bulwark of the Commonwealth and the sterling area. The increasing number of terrorists surrendering themselves to the authorities and the greater willingness of the population at large to provide the police and military authorities with information of terrorists movements have been welcome signs of the effect produced by General Templer's drive, decision and determination. He has played a notable part in lessening the dangers and easing the discomforts of Malaya's miners and planters, who, with their families, have endured such a formidable ordeal since the beginning of the Emergency.

"But it would be misleading to suppose that the quieter conditions now ruling herald the passing of the storm. It is clear that the Government's success in the military sphere has compelled the Communists to change their tactics and caused them, for the present, to turn from overt terrorism to more subtle means of undermining the political and economic stability of the Federation. It is now their policy to infiltrate into the membership of trade unions, the home guard and similar important organisations, so as to cause as much disruption as possible from within; furthermore, they will probably attempt to exploit for their own ends the prevailing social and economic situation.

"The improvement in morale and security engendered a favourable atmosphere for the introduction in September of the Federation's new Code of Citizenship. More than half the Chinese living within the boundaries of the Federation are now legally citizens of Malaya, and the new code, evolved after prolonged discussion between the Federal Government and the nine Malay States, is an encouraging manifestation of the British Government's expressed policy, of which I reminded you last year, of welding the peoples of Malaya into a united self-governing nation within the Commonwealth.

"During 1952, Malaya's aggregate oversea trade showed a substantial reduction in value from the record level it had reached the previous year, and whereas during 1951 there had been a considerable export surplus, the country ended 1952 with a deficit. This reflected the substantial fall in the price of rubber which took place during the year. The world-wide scramble to stockpile potentially scarce raw materials during the opening stages of the Korean war had spent itself early in 1951, and since then the prices of the majority of basic commodities have tended to fall. It is no coincidence that the last year in which Malaya, that is Singapore together with the Federation of

Malaya, showed an adverse balance of trade, was 1949, the year in which the Korean War began and sterling was devalued. There was a deficit in January, 1952, but the figures showed some improvement during the next two months. However, an appreciable fall took place in exports during May, although this was more than made up when imports dropped sharply in August, while shipments of rubber and tin expanded. In October, the balance turned against Malaya once again and continued adverse to the end of the year.

"The overall deficit in visible trade in 1952 amounts to Straits $53,500,000 (£6,241,666) and contrasts with the surplus of Straits $1,268,000,000 (£148,000,000) for 1951. The full figures for the two years were:—

	1951	1952
Exports	$5,991,000,000 (£699,000,000)	$4,794,500,000 (£442,691,667)
Imports	$4,723,000,000 (£551,000,000)	$3,848,000,000 (£448,933,333)
Total Trade	$10,714,000,000 (£1,250,000,000)	$7,642,500,000 (£891,625,000)
Surplus	$1,268,000,000 (£148,000,000)	Deficit: $53,500,000 (£6,241,666)

"Exports in 1952 to the United States totalled Straits $656,750,000 (Straits $1,193,500,000 in 1951) which produced U.S. $210,160,000 (U.S. $390,000,000 in 1951) for the sterling area reserves. This reduction in gross earnings of United States dollars is due to the contraction which took place in American imports of rubber from Malaya and to the fall in the price of natural rubber during the course of the year. Malaya's imports in 1952 from the United States were valued at Straits $182,750,000 (Straits $218,000,000 in 1951) or approximately U.S. $58,480,000, and thus the country's net earnings totalled about U.S. $151,680,000, a marked fall from the previous year's figure of U.S. $320,000,000.

"It is a serious matter for Malaya at a time when the Government of the Federation is allocating a substantial proportion of its budgetary expenditure to the campaign against the terrorists, that the rubber industry, one of the twin props of the country's economy, should have passed through an extremely difficult year. Tin, as the table of price changes during the year makes clear, has escaped comparatively lightly:

	Lowest	Highest	Closing
Rubber, spot	21¼d.-21⅝d. (14-10-52)	41⅝d.-41¾d. (10-1-52)	26¾d.-27¼d.
Tin, cash	£917 10s. 0d. (7-8-52)	£1,005 0s. 0d. (25-1-52)	£946/£947

"While the general trend of rubber prices during most of 1952 was downward the market rallied towards the end of the year only to fall away again in January, 1953. There was a sharp fall at the end of May when the Rubber Study Group, even after allowing for a fall in world rubber production, forecast a substantial surplus of production over consumption during the course of the year. In the event United States stockpiling appears to have absorbed this potential surplus and with the price of the particular grade of natural rubber used by American industry dropping below 23 United States cents a lb., the level at which the price of general purpose synthetic rubber has been controlled since March, 1952, American manufacturers decided, as from the beginning of October, to use a greater proportion of natural rubber and less synthetic. This stimulated an increase in American imports of natural rubber in the later months of the year.

"Nevertheless, during the course of 1952, American imports of rubber from Malaya dropped by 125,000 tons, and, under these circumstances, it is scarcely surprising that Malaya's aggregate exports fell from 1,155,264 tons in 1951 to 910,433 tons in 1952. But the Malayan figures include a substantial proportion of re-exported rubber emanating, in the main, from Indonesia. Early in the year, the Indonesian Government introduced special exchange regulations designed to encourage direct exports to the dollar area and this led to a considerable reduction in rubber shipments to Singapore. Malaya's imports of rubber from all sources fell by no less than 209,000 tons so that the bulk of the reduction in total exports is to be attributed to the decline in the entrepôt trade.

"As was to be expected with the fall in prices, Malaya's rubber production diminished during the year from 603,880 to 583,935 tons, the lowest figure recorded since 1946. But an increase of some 10,000 tons in plantation output to some extent masked the decline in production of over 30,000 tons from small holdings. Demand for the lower quality rubber produced by the small holders has fallen considerably, particularly in the United States, and, as in Indonesia, many small producers are finding it difficult to cover their costs. It is likely that during the current year there will be a further reduction in tapping by the small holders, a factor of no mean significance for the immediate future of the industry, which is making efforts to improve the quality of its output.

"The prospects for plantation rubber remain uncertain, but, apart from a probable fall in production, there are encouraging signs that world consumption of natural rubber may rise during 1953. The United States consumes approximately 30 per cent. of the world's output of natural rubber, so that any estimate of the future of the Malayan industry must depend to a large extent on the likely trend of the American market. It is probable that technical developments in the industrial sphere will widen rather than restrict the use of rubber in general, but, nevertheless, the natural product still has to compete against synthetic rubber.

"An inter-governmental committee of the International Rubber Study Group has recently spent some months examining proposals for stabilising world trade in natural rubber. The Committee has been concerned to prevent a scarcity as much as to avoid a surplus, and now that the boom occasioned by the Korean war has finally spent itself and trading conditions have returned to something like normal, it is appropriate to consider measures which it is hoped will achieve reasonable equilibrium between production and consumption of rubber. It is reported that a draft plan has been compiled and will shortly be submitted to a full meeting of the Study Group, but in any case many formalities will be necessary before it can be adopted. Although no details have yet been divulged, it is thought that the plan envisages the creation of a buffer stock pool to steady the market.

Malayan Tin

"Tin, in contrast to rubber, enjoyed comparative stability in price during 1952, and here again the United States is the decisive influence in the world market. American consumption of tin metal showed a reduction from the previous year's level owing to the steel strike in the middle of the year, but it still amounted to slightly more than a third of total world demand. Malayan output of tin-in-concentrates was a fraction of 1 per cent. lower at 56,838 tons, but tin-metal production fell from 65,914 tons in 1951, to 62,829 tons, a reduction of over 4½ per cent. Exports at 64,120 tons were slightly lower than in 1951, but the American share rose from 2,532 to 19,381 tons.

"The purchasing policy of the United States in respect of tin is largely determined by the Reconstruction Finance Corporation, whose incursion into the markets was primarily responsible for the substantial rise in price after the Korean war began. In an endeavour to force prices down again, it then withdrew from the Far Eastern market and for the greater part of 1951, as noted last year, purchased no tin from Malaya. The United States Government has since authorised the private purchase and importation of tin and has also removed restrictions on the industrial use of the metal, measures which, in the long run, should effectively widen the market.

"Nevertheless, although prices were well maintained during 1952, the long-term future of tin gives rise to some disquiet. In the United States, it has been reported that the Reconstruction Finance Corporation may be going out of business, which might tend to depress tin prices. Furthermore, in a number of processes, industry is using substitutes for tin, and even though world production of tinplate has increased substantially since 1939, the volume of tin used in its manufacture has been reduced. It is estimated that total world production of tin metal in 1952 was practically the same as during the previous year, 167,500 tons, but consumption is reckoned to have fallen from 137,000 tons in 1951 to 128,000 tons last year. Stocks of tin metal and concentrates in Malaya in November, 1952, were fully a third lower than a year before, but in September, the last month for which complete figures were available, world stocks at 107,600 tons had increased by rather more than 8,000 tons over their level at the end of 1951.

"Malaya's import trade inevitably suffered from the contraction in purchasing power caused by the fall in the oversea earnings of rubber. During the greater part of the year, the initiative in the piecegoods market lay with the public, and most traders found themselves burdened with heavy stocks, purchased at high prices many months before. In many cases it became necessary to accept substantial losses in liquidating surplus holdings of goods, but, fortunately, there were few failures owing to the high profits of the previous year. However, the Government's temporary ban on the import of Japanese textiles and the restrictions in force in India during the early part of the year, limiting the export of piecegoods both helped to steady the Malayan market. Merchants were able gradually to clear their surplus stocks and so reduce their losses. Towards the end of the year domestic demand began to revive and prospects are distinctly more promising for the current year.

"At one time it was feared that the declining yield of the export duty on rubber would cause a substantial contraction in the total budgetary revenues of the Federation of Malaya. In the event, the unprecedented increase in the yield of income-tax has been more than double the deficiency on the rubber duty, and the revised estimate for Federal Government revenue in 1952 is $712,306,715. With expenditure at $653,111,109, the budget shows a surplus, but this is converted into a deficit of $25,804,394 by an appropriation to reserve of $85,000,000 to meet liabilities which have been incurred in 1952 and will constitute a charge on the budget in future years. The draft estimates for the current year envisage a deficit of $97,246,922, and, allowing for last year's deficiency, the accumulated surplus funds at the end of 1953 will be reduced to some $211,000,000, although, this figure will be augmented by approximately $26,000,000, if the Federation's share in respect of Penang and Malacca of the assets of the former Straits Settlements is received during the year.

"The Government decided to issue a special loan to provide funds for military expenditure rendered necessary by the Emergency, as it was felt unreasonable that the entire cost should be charged against the Federation's current budgetary revenue. Accordingly, after a small trial issue in October, when the authorities had to meet money market conditions by offering $7,500,000 at 5 per cent. per annum, the Federation of Malaya 5 per cent. Security Loan of $50,000,000, redeemable between 1962-72, and the first tranche of borrowing to the extent of $200,000,000 authorised by the Legislative Council, was issued at par two months later. In December, the Government also initiated an issue of Treasury Deposit Receipts, indicating that Treasury Deposits to a total of $60,000,000 would be accepted. To finance power development and other projects the Singapore City Council in October issued a 5 per cent. loan of Straits $25,000,000, repayable between 1962-72.

"Notes in circulation on 1st January, 1953, amounted to $786,797,438, as compared with $764,109,209 at the beginning of 1952. After a substantial increase in the first few weeks of the year, the progressive rise in the note circulation, which had been a striking feature of 1951, levelled off. Throughout the remaining months of 1952, the volume of notes in circulation showed little change.

"As at this time last year, the future in both Malaya and Singapore is extremely uncertain and almost entirely depends upon the prospects of rubber and tin in the world's markets. It is to be hoped that the decline in Singapore's importance as an entrepôt is but temporary and that once again the neighbouring territories will use the port's unrivalled facilities and world-wide mercantile connections. Meanwhile, it is clear that Malaya has successfully adjusted its economy to the considerable fall which has taken place in rubber prices, and, with the struggle against the terrorists turning to the Government's advantage, the country can face its current economic problems with a greater degree of confidence.

North Borneo

"North Borneo's dependence on the world rubber market is strikingly emphasised by the Colony's preliminary trade statistics for 1952. Rubber exports fell from 21,698 tons in 1951 to 19,093 tons last year, but the value decreased by nearly 55 per cent. from Straits $86,000,000 (£10,033,000) to approximately Straits $39,000,000 (£4,550,000). Although aggregate imports remained steady at Straits $70,000,000 (£8,166,000), exports declined from Straits $113,000,000 (£13,183,000) in 1951 to approximately Straits $65,000,000 (£7,583,000) in 1952, thus turning a favourable balance of Straits $43,000,000 (£5,016,000) in 1951 into a deficit of Straits $5,600,000 (£653,000) last year.

"Copra prices fell substantially during the course of the year, and, although the volume of exports was higher than in 1951, the financial return was fully a third less. The output of timber constituted a record for the Colony, but there was a slump in exports which lasted until the middle of the year. This was mainly due to import restrictions imposed by Australia, but shipments improved towards the end of the year. Apart from Australia the leading purchasers of North Borneo's timber were Great Britain, Hongkong, Japan and South Africa.

"If the future of the rubber industry in North Borneo seems less promising, in view of the conclusion of the boom stimulated by the Korean War, and severe competition by producers in neighbouring territories, there appear to be distinct possibilities of development in the timber industry. Demand for timber for building and reconstruction in the East is likely to continue high and, if the forests can be scientifically exploited and adequate logging machinery imported to offset the labour shortage, it is possible that the establishment of subsidiary industries, such as plywood, would be encouraged. Already the forests yield remunerative by-products, among which is cutch, a valuable earner of United States dollars, and the Government is fully alive to the necessity for setting aside extensive areas of forestry reserves.

"But throughout the British possessions in Borneo an acute shortage of labour continues to render economic progress extremely slow, and it is a problem which admits of no simple solution. The inhabitants show little interest in wage earning, and although the oil industry in Brunei attracts workers, in North Borneo less than 6 per cent. of the population of 334,000 is engaged in paid labour. When yields from cash crops fall, the growers sometimes seek employment, but only to return to their land when times improve. Attempts to import labour from abroad have been unsuccessful; and it now appears that the Indian Government is only willing to allow emigration to Borneo for purposes of permanent settlement and not merely for temporary labour.

"Although North Borneo is a country of small cultivators, it is by no means self-supporting in food, and substantial imports of rice are necessary from Thailand, Burma and Indo-China. Because of extremely bad weather last season's local rice crop was poor and will probably not yield more than 21,000 tons, and hence 15,000 tons had to be imported for distribution on a rationed basis in needy areas. It is hoped that the current season, which has opened well, will yield a bigger crop. North Borneo followed Sarawak's example in introducing a *padi* purchase scheme, whereby the Government, to encourage increased production, guarantees to purchase any surplus output, and it is possible that the fall in the rubber prices may induce *padi* farmers, who deserted rice for rubber in 1950, to revert to food production.

"In view of the fall in export earnings, budgetary revenue at Straits $21,300,000 (£2,485,000), although below the record figure of Straits $25,000,000 (£2,916,000) reached in 1951, was satisfactorily maintained. After allowing for ordinary expenditure there was a surplus of Straits $7,000,000 (£816,000). No grant-in-aid was received from the British Government, but it was possible, by drawing on accumulated balances, to increase expenditure on reconstruction and development to Straits $15,800,000 (£1,843,000), almost Straits $4,000,000 (£466,000) above the previous year's appropriation. It is noteworthy that, since 1949, over Straits $29,000,000 (£3,383,000) has been contributed from taxation for this eminently laudable purpose.

"Despite the shortage of labour, improvements have been effected during the course of the year in the Colony's communications. New roads have been constructed and existing ones metalled and surfaced, while progress has also continued in the rehabilitation and development of the railway.

Sarawak

"The Colony's oversea trade surplus for 1952 s estimated to be Straits $53,000,000 (£6,183,000) r approximately a third of the previous year's avourable balance. Oil contributes some Straits 35,000,000 (£4,083,000) of this surplus and the ggregate turnover of imports and exports is kely to be approximately Straits $825,000,000 £96,250,000), of which oil accounts for no less an Straits $575,000,000 (£67,083,000). It is lear that Sarawak's external trade has shrunk value from the record total, Straits $892,000,000 £104,066,000) it reached in 1951, and this can be tributed to a fall in exports and, in particular, a reduction both in the volume and the value rubber shipments. However, the decline in e oversea earnings of rubber will be partially fset by the shipment of the first post-war pper crop and by an increase in exports of timber.

"Both as import and export oil remains by far the most valuable item of trade, and its turnover in 1952 shows an increase on the previous year's figure. Crude oil is pumped to the refinery in Sarawak from the adjoining territory in Brunei, where the oilfield at Seria is still the most prolific source of oil within the sterling area. Development continues apace in Brunei and every effort is being made to increase the production of crude oil within the borders of Sarawak itself. To this end exploratory boring is in progress in a number of areas and more projects of this nature are planned.

"The timber industry is developing satisfactorily and as the intensive building programme in progress on the oilfields demands large quantities of sawn timber, there should be a considerable local market for this product for some time. Rubber output declined sharply at the beginning of 1952 owing to the fall in the world price, and towards the end of the year unusually bad weather during the wet season interfered with production. Heavy floods have severely damaged many pepper gardens and it is feared that the crop will be substantially lower this year.

"Excluding oil, the estimated value of imports into Sarawak in 1952 shows little change from the previous year and this indicates that, as elsewhere, the terms of trade have turned against the Eastern producer. Although the decline in export earnings reduced purchasing power, except in the neighbourhood of the oilfields, local trade was brisk during the early part of the year. Later, it tended to stagnate and merchants found some difficulty in disposing of their stocks during the wet season.

"Nevertheless, with an expanding oil industry as the basis of its economy, Sarawak should enjoy continued prosperity during the present year, and it is pleasing to record that encouraging progress has been made during 1952 in carrying out the Colony's development programme under the Colombo Plan.

"Half Sarawak's projected expenditure on economic development is to be devoted to the improvement of communications, and a number of roads are under construction. Malayan Airways are now calling at Sibu during the course of their regular service linking Singapore, Kuching and North Borneo, and this is a recognition of Sibu's growing importance as a commercial centre.

Republic of Indonesia

"Much of an alarmist nature continues to be written about Indonesia, and, if full credit be given to the utterances of the ultra-pessimists, communism, or perhaps civil war, is inevitable. Others predict early economic collapse, and in view of our own considerable stake in the business of the country, it is important to obtain a balanced view of the situation as it exists at the moment, and of possible future trends.

"Probably the most disquieting feature is the continued lack of adequate control over labour, whose demands and actions are still extravagant and unrelated to present prices and conditions. Even in relations with labour, however, there are some encouraging signs that trades unionists are beginning to realise that to render the running of estates, etc., uneconomic, is to work against their own interests. Should elections take place in 1953 and a stronger Government emerge, it is possible that the then Minister of Labour would be in a better position to protect the Republic's export potential. The absence of a declared policy for the renewal of estate leases must also in time react to the further worsening of the terms of trade, which during the year turned sharply against Indonesia.

"This appearance of a trade deficit causes much concern regarding the Republic's foreign balances. These ran down considerably over the year, and are likely to continue to do so for some time to come. In fact, the responsible ministers recognise that 1953 is going to be a crucial year; but, with characteristic optimism, think the position should thereafter begin to right itself. Once again there is some encouragement in the fact that the authorities are convinced that they will get through 1953 without having to sell all the gold they acquired during the Korea boom period.

"Internally also the situation is not good. In 1952, there was a budgetary deficit of Rp. 4.3 billion and the Cabinet has accepted in next year's budget a further deficit of Rp. 1.8 billion. Inflation is rife and markets are still suffering from lack of up-country offtake.

"Nothwithstanding the undoubtedly gloomy short-term outlook, evidence is not lacking that in this, potentially one of the richest areas in the world, there is every justification for this bank continuing to participate as fully as possible in the general trade of the country compatible with ordinary business safeguards.

"We have sufficient confidence to believe that it is unlikely that there will be any rapid deterioration of the country's internal and external stability. Drastic steps have been taken to curtail imports, and a regulation necessitating a considerable advance payment to the Exchange Control before a licence is granted has helped to minimise drafts upon the foreign exchange and gold reserves, to check speculation, to reduce stocks of imported merchandise, and has, by tightening credit, assisted towards arresting the rise in the note issue.

"Cuts in Government expenditure are promised, and if effected would, with a continuance of reasonable world prices and demand for rubber, go a long way towards keeping the country solvent. It is hoped that the Governments's negative policy regarding the oil industry will be speedily changed and that agreements will be concluded which will allow the oil companies to assist by increasing production of this valuable export.

"The Javasche Bank has now, by law, become the Bank Indonesia, and will act as the Central Bank of the Republic, gradually discontinuing its functions as a commercial bank. Whilst welcoming the Bank Indonesia, it is only fitting that I should pay tribute to the Javasche Bank, with whom we have maintained cordial relations ever since the Chartered Bank opened its first office in Indonesia ninety years ago. No bank could have had more courteous or fair treatment than we have received from this illustrious institution, which has played such a notable part in the economic life of Indonesia for well over a century, and it is a happy augury for our continued good relations, that the first President of the new Central Bank is the highly respected Dr. Sjafruddin. It is interesting that the Monetary Council, which is vested with extensive powers over the management of the Bank Indonesia will, in addition to the Governor of that Bank, consist of the Minister of Finance and the Minister of Economic Affairs which, if judged by present appointees, constitutes a formidable and well-balanced team.

Thailand

"Since the war, my reports on Thailand have emphasised the dominating effect of the country's rice exports on its economic well-being. In 1952, although progressively higher external prices were obtained, the volume of rice exports fell, and this, coupled with a fall in world prices of the country's other important exports, rubber and, in less degree, tin, has, according to later statistics, resulted in an adverse trade balance, a new experience for Thailand.

"Rice exports could have been higher; but the Government preferred to use its monopoly of the trade to increase stocks inside the country in order to keep domestic prices low. This policy may have had a general effect of halting inflation; but, unfortunately, living costs in the towns, particularly in Bangkok, appear still to be rising. On the other hand, the policy probably operated to prevent the growers from receiving any enhanced reward for their efforts, and this doubtless tended to accentuate the disparity between living conditions in the country and in the towns, which has been an undesirable feature for some years past. Moreover, it will be clear that the policy probably failed to provide any added incentives to increase the production of rice.

"It was the appearance of an adverse trade balance which undoubtedly influenced the authorities to introduce during the year a form of import and exchange control; but, so far, the restrictions imposed on imports have not been drastic enough to correct the adverse tendency, and the time may not be far off when, from necessity, legislation will have to be enacted to curtail the luxurious living of a part of the population.

"Another result from the change in the terms of trade has been a check to the avowed official policy of further appreciating the external value of the tical. In February, an official adjustment from Tcs. 51 per £1 to Tcs. 45 per £1 was made, and it is doubtful if, with the conditions prevailing at the moment, any further official intervention would assist the country's trade. In any case, current exchange dealings suggest that the tical is, for the time being, correctly valued with other currencies, and it would be very difficult for the market to withstand the effects of another change without considerable disruption in trade and finance generally.

"Given sound administration and freedom from political trouble—1952 was a quiet year in this respect—Thailand appears to have every chance of retaining its satisfactory economic

position, but there is some doubt whether the country's standard of economic productivity will prove able to absorb the extensive developments being imposed upon it by American interests.

"Last year, I deprecated the manner in which unofficial dealers in exchange were openly competing for business without being made to pay the very heavy exchange tax on all transactions imposed upon ourselves and other authorised banks, and it is satisfactory to note that a revised Revenue Code, now under consideration, contains clauses to rectify the position by imposing, instead, a general tax on exchange profits.

Viet Nam

"After seven years the war in this unfortunate country still continues with undiminished violence and the French and Viet Nam forces have at times been hard pressed to hold their own. Viet Minh pressure towards the Red River delta having been especially strong. In view of Viet Nam's vital strategic importance to the Western cause, the French have taken the view that their allies should share the burden of defence and at the Paris meeting of the North Atlantic Treaty Organisation in December, 1952, it was formally agreed that the war in Indo-China is in fact the common concern of the whole Atlantic community. When M. Letourneau, the French High Commissioner, visited Washington in June, he received an assurance that increased American aid would be forthcoming, and this will, doubtless, be an important factor in equipping the Vietnamese national forces, which are now being rapidly expanded. Meanwhile, the military situation remains uncertain and the strain on French resources considerable.

"Until internal security is restored, the economic rehabilitation of Viet Nam is unlikely to make much progress. The country's whole economy is based on rice, the staple food of the population and traditionally the most remunerative export, but production has not yet reached its pre-war level and exports are but a fraction of their former annual average of 1¼ million metric tons. Before the war, China, Hongkong and the Philippines imported substantial quantities of rice from Viet Nam, but now the comparatively small amount that is available for export is divided between Indonesia, France and the French possessions in Africa, Malaya and Ceylon. It had been hoped that it would be possible in 1952 to increase rice exports beyond the figure of 360,000 metric tons, which they had reached the previous year, but in May, in order to stimulate the development of its own milling industry, Cambodia placed an embargo on the sale of rice to Viet Nam. Formerly, rice from Cambodia had been milled at Saigon, and the embargo caused a severe shortage in Viet Nam and prices soared. In an endeavour to discourage hoarding and to ensure adequate supplies within the country the Viet Nam Government likewise banned exports, which in consequence have fallen considerably below expectations at the beginning of the year. On the other hand, it is encouraging to record that both output and export of rubber showed a steady increase during the course of the year, despite lower world prices for this commodity.

"With a growing trade deficit, aggravated by the measures to conserve rice within the country just mentioned, it is scarcely surprising that for the first time some form of control is to be imposed on imports from France. This restriction and the greater participation of Vietnamese in the trade at the expense of the large French firms, may alter considerably next year's pattern of trade.

"Inflation continues unabated, and there is always much talk of the possible devaluation of the piastre in terms of the French Franc; but, whilst many leading Saigon business men expect a devaluation of the piastre in terms of Francs, just as many feel that there can be no devaluation, whilst France is maintaining large military forces in the country. The import restrictions referred to in the previous paragraph will, in any case, be a further drain on France's economy and an argument against inflation.

Republic of the Philippines

"For the greater part of the year under review the Philippines have been running a substantial trade deficit, due mainly to the lessened world demand for their copra, sugar and hemp, and to the fall in prices of these three commodities, which between them account for four-fifths of the Republic's foreign exchange earnings.

"In view of this it is a decided achievement that the foreign balances, including those in the hands of the commercial banks, have been maintained at a figure of over U.S. $300,000,000, which is roughly equivalent to the note issue and is the safety line apparently decided upon by the Finance Department and the Central Bank. There is no doubt that the strict control by the Central Bank over releases of foreign exchange and the impartial manner in which it carries out its functions, are bright spots in a control-dominated economy. The various controls are regarded as necessary evils in the fight to maintain adequate foreign balances; but this does not lessen the dislocation and uncertainty their application introduces into trade, and importers suffer, in particular, from being so dependent upon the actions of Government departments.

Bell Trade Act

"The economic scene has been dominated by the imminence of the application of the Bell Trade Act, which allows the United States to bring into force from 1st January, 1954, a graduated scale of duties on imports from the Philippines. The imposition of such duties would, undoubtedly, have an adverse effect on the country's exports, and intensive work is going on behind the scenes to effect a revision or a postponement of the Act. A committee appointed by President Quirino has suggested the alternative of free trade for a limited period applicable to a few selected commodities, and has recommended the cancellation of some of the privileges now enjoyed by Americans in the Philippines.

"Whatever the outcome of the negotiations on the Bell Trade Act, it would appear to be only a question of time before the lessening of trade bonds with the United States forces the Philippines to look for other markets, and I have an impression that Government circles are already much exercised with the thought of the opportunities they are losing by having no trade treaties or monetary arrangements with the sterling area for example.

"The peso is probably over-valued in terms of the U.S. dollar; but there appears to be little chance of any form of devaluation in the near future, particularly as the recent mutual security agency loans, aggregating U.S. $77 millions, were given conditional, on the setting up of a counter fund in pesos at the rate of Pesos 2 for each U.S. $1 allocated. There has been considerable criticism in the Philippines of the slow progress made in using the funds so provided.

"It is pleasing to record that inflation generally would appear to have halted in the Philippines, and that there was no appreciable rise in the cost of living during the year. This is one reason, together with the prospects of filling the United States sugar quota of 952,000 short tons this season, which allows a certain amount of quiet optimism about the future, particularly if the country can be spared the devastating typhoons that have damaged its crops during the last few years. Other encouraging features are the increased production of gold and base metals and, what is more important, the considerable increases in production of domestic food supplies, particularly rice.

"It says much for the geographical importance of Hongkong for its trade facilities and the resilience of its mercantile community, that the embargo on strategic materials imposed by the United States of America and the avowed intention of Communist China to by-pass the port, failed to kill its entrepôt trade or bring ruin to its industries.

"Trade figures were naturally much lower than those for the previous year. I quote them, as usual, for purposes of comparison:—

	1951	1952
Imports ..	$4,802,046,009 (£305,752,875)	$3,787,701,723 (£236,731,360)
Exports ..	$4,460,563,941 (£278,785,246)	$2,913,180,491 (£182,073,780)
Total Trade ..	$9,352,609,950 (£584,538,121)	$6,700,882,214 (£418,805,140)

"As illustrating the effects of the embargo, the following figures covering the trade with the China mainland are illuminating:—

	1951	1952
Imports	$862,099,820	$830,265,924
Exports	$1,603,795,356	$520,032,168
Total	$2,465,895,176	$1,350,298,092

"They show that shipments to the China mainland in 1952 have been curtailed to less than one-third of the value of shipments for the previous year, and in view of the general reduction in the Colony's trade, it is difficult to be optimistic about future prospects in the absence of peace in the Far East; but, nevertheless, there have so far been few failures and unemployment is not yet a serious problem. Local markets are overstocked in many lines, but imports, particularly from Japan, are tapering off, and provided there is no major setback, the stock situation should not cause undue alarm.

"Some apprehension must be expected to be felt in Hongkong regarding the recent announcement on Formosa by the President of the United States. The decision, giving freedom of action to Marshal Chiang Kai-shek to attack the mainland at will, is stated to mean exactly what it says, and as long as the withdrawal of the seventh fleet from Formosan waters is in no way a forerunner of other and more direct action against the China mainland, this unilateral action by the United States would not seem to gravely affect Hongkong except that it has added to the existing uncertainty.

"Industrially, the Colony continues to grow, mainly in recent years through the initiative of the Shanghai expatriates who have made cotton spinning and weaving a major industry, and have also opened other factories for making enamelware, etc. This development since the war has been so pronounced that, in 1952, over a quarter of the Colony's export income was derived from locally-produced goods.

"The Government must be perturbed at the large fall in revenue due to diminished trade, but the introduction of the Business Registration Ordinance, together with the larger and more efficient staff in the Inland Revenue Department, resulted in large additional collections from business and salary taxes. On the whole, Hongkong seems to have adapted its economy successfully to the difficult conditions which have ruled ever since the outbreak of the Korean war, and, although there has been understandable anxiety concerning the future, the mercantile community has shown its customary and traditional initiative in the face of adverse circumstances, and will lose no opportunity to pursue its legitimate business as an entrepôt for free enterprise in the Far East.

China

"Last year, I told how, during the last years of the Kuomintang Government after the victory over Japan, all our efforts to rehabilitate our business in China had been defeated by the vast depreciation of the Chinese National Currency Dollar. I also stated that, following the advent of the People's Government, although the internal value of the currency had been stabilised, commerce with the outside world had declined, or was handled on a Government-controlled basis, which largely negatived our usefulness as an exchange bank, and that we had, as a first step to closing our doors in China, sought the permission of the financial authorities of the People's Government to close our Tientsin Office. I regret to say that, so far, little progress has been made towards this end, and, although, in the interim, we have made similar application in respect of our Shanghai Office, it seems certain that some little time must still elapse before we shall be permitted to withdraw completely from China and discharge our staffs. Such reductions as we have been permitted to make have been made, and both our offices have been reduced, practically speaking, to a care and maintenance basis.

"There would appear to be some disposition on the part of the People's Government of China to encourage trade with Western countries, for, in addition to setting up an organisation in East Berlin to afford opportunities of a wide exchange of commodities and merchandise between China and European countries, China, as I have recorded in my remarks on Ceylon, has entered into a five years' agreement to supply rice to Ceylon in exchange for rubber.

"In former times China was more often than not an importer of rice. It seems now that the country must be more than self-supporting in this respect, a supposition—for no statistical evidence is available to support it—which, however, appears to find some confirmation in the fact that, within the country, the price of rice has remained on a stable basis over a considerable period.

Japan

"At the end of April, 1952 the Japanese peace treaty was ratified and, in consequence, S.C.A.P. (Supreme Commander Allied Power) withdrew from Japan. This organisation had, in fact, been relinquishing control over the Japanese economy for more than a year; but, although the final transfer of authority was little more than a formality, it introduced a completely new background for our operations in Japan.

"The functions of the Foreign Exchange Control Board were taken over by the Ministry of Finance, and Japanese banks were able to participate more directly in the overseas trade of the country. With this object some of the leading Japanese banks opened branches in overseas financial centres; but it may be a considerable time before these new offices engage in the full functions of an exchange bank, and, in the meantime, we feel that the services of the British banks will remain of great importance to the trade of the country. In any case, we believe that opinions in Japan are sharply divided on the opening of overseas branches, as many are of opinion that it would be cheaper and better for Japanese banks to work through agents abroad.

"The Japanese authorities were quick to realise that the country could not hope to receive financial assistance from abroad to promote economic recovery until arrangements were made to settle the pre-war external debt. After lengthy negotiations, agreement was reached in September, 1952, for servicing all the outstanding loan issues, and provision was made for the payment of arrears of interest.

"I have commented in the past on the fundamental weakness of the Japanese economy arising from the heavily overlent position of all Japanese banks, and it is encouraging to note that, during 1952, a slight improvement in this respect took place. There is no doubt, however, that the country is overbanked, and there is a danger that excessive competition is leading to the granting of facilities unwarranted by the credit-standing of the borrowers. It is clear, however, that political independence has not alleviated Japan's economic problems, and, in seeking to restore peace-time economy and to stimulate a gradual return to normal conditions in both banking and foreign trade, the authorities have had to reckon with many adverse factors.

Balance of Payments

"The overall balance of payments, although favourable during 1952, showed a very ominous trend against Japan. On the one hand, strong inflationary pressure at home, accompanied by labour troubles, tended to price some exports out of world markets, whilst the import restrictions resulting from the Commonwealth Finance Ministers' Conference upset trade with the sterling area to an extent that Japan's sterling balances decreased with great rapidity from September onwards.

"At present, new terms of trade are being negotiated with representatives of the British Government; but it is doubtful if the outcome will do much to right the country's major ills which are over-population and lack of capital. It is this shortage of capital which, after taking every conceivable measure to assist long-term financing, first by the creation of the Japan Industrial Bank and then by forming the Japan Long-term Credit Bank with similar objectives, has caused the Government to deviate from the austere financial path prescribed by the American occupation authorities. The so-called Dodge line postulated a rigidly balanced budget and avoidance of subsidies, and was anti-inflationary in concept; but I fear that easier budgeting, rather than an increase in the national income, has resulted in the figures for the note issue reaching in December an all-time record. This lack of capital and desire for new capital from abroad undoubtedly had its influence on Japan's agreement to service all outstanding loan issues and provide for the payment of arrears of interest to which I have already drawn your attention.

"From what I learn, the Japanese authorities and the Bank of Japan are well aware of, and are concerned with, the appalling load of short-term debt which is borne by the trading community, but without which the economy of Japan could not have made its quick recovery after the war.

"Steps are being taken for a gradual reduction in interest rates, and, although from necessity the whole economy turns on the ability of the Bank of Japan to give support to the banking and commercial needs of the country, there is every reason to believe that, whilst the moderate political and economic policy of Mr. Yoshida's Government prevails, this will be accomplished.

"In Japan's favour is the undoubted ability and willingness of its people to work hard; but its economy and the solution to its gross over-population depend almost entirely on the expansion of its overseas trade, and here the future of the South-East Asia markets is crucial to its future. So long as import restrictions in this sector of the world's markets penalise Japanese exports, there is likely to be a strong body of commercial opinion within the country that will favour an extension of trade between Japan and Communist China, and, if such a development seemed likely to promise some alleviation from Japanese competition with this country's products, which otherwise must be expected to increase in severity, it is possible the course mentioned might also find support from the more hardly-pressed interests in the United Kingdom.

New York

"A close reading of the preceding pages must reveal the many links which the territories which this Bank serves have with the all-powerful United States of America. In Malaya, to select one example, a large proportion of the total shipments of rubber and tin find their way to that all-embracing market. In Indonesia and Thailand, similar conditions prevail, and in both countries special regulations encourage shipments which will earn much desired dollars. The United States are also notable purchasers of Indian jute as well as Bornean cutch, and even this recital covers only isolated examples, since other countries, such as the Philippine Republic whose whole trade is based on the United States, and Japan whose economy since the war, and until quite recently, has been dependent upon the U.S. dollar, transact the major proportion of their external trade, both ways, with the United States.

"In these circumstances, the state of the United States' economy is a major interest to this bank as it is to most of the world at large in these modern days, and it is good to find that recent reports from New York can speak of the United States' economy as still operating at peak levels and forecast a continuance of active demand for some months ahead. On the other hand, other reports consider the outlook deflationary rather than inflationary, and, therefore, it would seem that our customary cautious approach to all business is still appropriate.

"One subject of much interest and importance to both the United States and Great Britain is convertibility of sterling; but, in spite of the access of strength which sterling has acquired over the past twelve months, the transition to convertibility cannot be accomplished overnight or merely by wishful thinking. I am aware that it is widely suggested that, by separating sterling accruing on current account from sterling representing previous accumulations, and applying convertibility only to so-called current sterling, the operation would be simplified. Our experience as Exchange Bankers, although, being so largely engaged upon exchange business directly concerned with the transfer of goods and commodities between countries, we have only a moderate interest in the arbitrage markets of the world, leads us to think that current transactions can only be separated from those of the past with the greatest difficulty, if at all, and, therefore, that the whole subject will require a most careful and prepared approach and safeguards, if the desired result is to be achieved.

"Our New York Office continues to provide an essential link between our branches in the territories of the Far East as well as in Europe, and also maintains close contact with all our many banking friends in the United States and Canada, to whom I would extend our greetings and thanks for their continued support.

Hamburg

"Our Hamburg Agency continues to perform a useful function in assisting the development of West Germany's trade with the Far East, although competition in the banking sphere has become noticeably stronger. Exports have been well maintained, but there were signs in the latter part of the year that trading prospects overseas were less encouraging, and it is possible that, to support the export programme and to ensure adequate supplies of raw materials for West German industry, the Government may find it necessary to resort to barter deals with a number of countries producing basic commodities.

Manchester and Liverpool

"Manchester and Liverpool play a notable part in assisting Lancashire's traditional commerce with the markets of the East and in developing the Bank's considerable and long-standing connections with trade and industry in the North of England.

"West End, London, continues to render useful service, and is admirably situated to provide a comprehensive range of banking facilities for the many thousands of visitors from the East who will be coming to London for the Coronation festivities this year.

"Having reviewed the entire field served by the Bank, I venture to close this Statement with a few words on topics of special interest in Great Britain. Three subjects have been common to many recent Chairmen's speeches in the United Kingdom, viz., 'Convertibility,' 'Government Spending' and 'Taxation.' All are important subjects; all are separate issues; but equally, all are closely related.

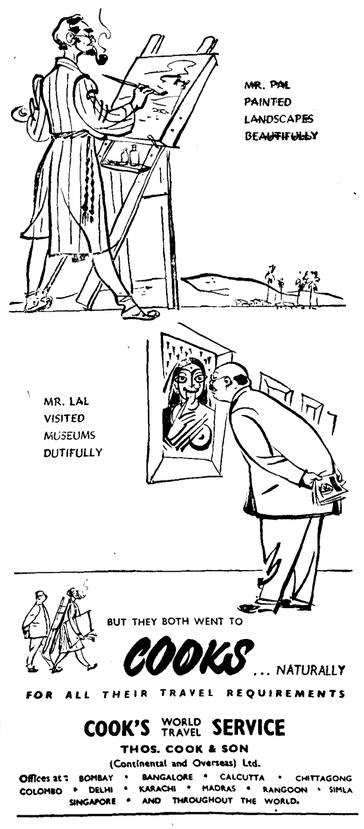
"I have already touched on the subject of 'convertibility' in my remarks under New York, and it will be apparent therefrom that I advocate caution. Yet I firmly believe that, if the British nation is to survive as banker to the sterling area, and leader of a great Commonwealth of Nations, it is essential that sterling should become 'convertible,' and, if this is to be accomplished within a reasonable space of time, productivity within the United Kingdom must be improved to an extent which will enable our exports to compete with those of the rest of the world. In short, we cannot get more out of the common fund than we put into it.

"If it is a fact that the raising of the Bank rate and the tightening up of bank credit had much to do with restoring the value of sterling and bringing about a material improvement in the overall balance of payments in the last year, and so far as I know the matter is not in dispute, then it must also be a fact that overspending by Government and by Government Agencies in the same period operated to offset and limit that restoration and improvement. It follows then that, if Government spending could be curtailed, the value of sterling might be expected to improve still further, thereby again increasing, through falling prices, the competitive quality of British exports.

"With lower Government spending, followed by some reduction in taxation, we could hope to have the necessary incentives to increase productivity and encourage savings, without both of which, further great progress upon the road to complete solvency would appear to be impracticable. Above all, it is clear, I think, that a prerequisite to convertibility must be a more liberal trade policy on the part of the United States.

"No final solution of the dollar gap problem can be arrived at, unless all these factors are taken into account.

"Convertibility of sterling we must have, but it is bound to put an immense strain on the sterling area reserves of gold and United States dollars, and it would be well, therefore, that the effect should be cushioned by the acquisition of further reserves of United States dollars before the issue is put finally to the test."



PURCHASE OF GOVERNMENT STORES

ENQUIRY COMMITTEE SET UP

THE Government of India is perhaps the single largest buyer of stores in India. Its various departments such as Railways, Public Works, Defence, Production, Food, Health, etc., ordinarily require crores of rupees worth of stores of all varieties for their daily use. With a view to making these purchases economically and in the best markets, the Government has a department of its own, known as the Central Stores Purchase Organisation. This purchasing body has grown in size tremendously during the war and, with the various development schemes now in hand under the Five-year Plan, its functions and responsibilities will grow several times more. As it is, the various departments of the Government seem to be not quite satisfied with the organisation for several reasons. First delays are known to have occurred in making purchases. Even where purchases have been made, the stores concerned in certain cases are found to be either below the specifications or are unsuited for the purpose for which they were intended. Sometimes, prices at which the stores are purchased are known to be not commensurate with the quality of the products, with the result that the sums spent on stores are anything but economic, causing severe losses to Government. Lack of careful planning, defective inspection of stores, and excessive payments to contractors for stores supplied are some of the defects in the present methods of purchases which should be eliminated, if the Stores Purchase Organisation were to become the most economic purchasing agency for the Government. It is with a view to scrutinising these defects and laying down new principles for the sound and efficient working of the Organisation that the Government has appointed a committee, known as the Stores Purchase Committee, under the chairmanship of Mr. S. N. Buragohian, Deputy Minister, Works, Housing and Supply.

The terms of reference to the Committee cover a wide field. They include:

(i) The scope and functions of the Organisation, the extent of delegation of powers for the indenting departments for direct purchases, and the advisability of utilising the Organisation for purchases by State-owned industrial enterprises and important river valley and other projects;

(ii) the organisation of the Central Purchasing Agency, including the extent of powers, provision of adequate and suitable personnel to man the Organisation, scales of pay, service conditions and technical qualifications of the staff, with a view to securing greater efficiency;

(iii) the manner of determination of Government demands and the authorities at appropriate levels competent to approve such demands, rationalised planning, provisioning and indenting of stores, screening and processing of such demands, and the procedure for the communication of sanctions and contract to audit;

(iv) the procedure and methods of purchase, progressing of deliveries and payments of bills with special reference to avoiding delays and achieving better results in respect of quality and economy;

(v) the procedure of inspection of stores with a view to suggesting general improvements and simplifying and rationalising it;

(vi) the working of the stores purchase system in relation to assistance to Indian manufactured goods and encouragement to small-scale and cottage industries;

(vii) whether any modifications are required in the general conditions of contract with particular reference to the arbitration clause;

(viii) the policy, procedure and method of disposal of surplus stores with reference to their utilisation against Government requirements;

(ix) any other matter considered relevant to the enquiry.

In addition, the Committee will consider how better co-ordination can be secured between different purchase organisations in India and abroad. In this connection, it will take into consideration the reports of the London and Washington Regional Stores Purchase Committees which are under the Government's consideration.

The first meeting of the Committee was held on the 19th inst. Inaugurating the meeting, the Finance Minister, Mr. C. D. Deshmukh, drew the pointed attention of the Committee to the need for laying down a new set of principles and a more rational and elastic system for the purchase of stores required by Government. He considered that these principles were necessary to meet the changing new circumstances brought about by the various development schemes under the Five-year Plan. Mr. Deshmukh stated that the placing of irresponsible indents by the officials of the various departments was one of the causes for the defects in the working of the Organisation. He wanted the Committee to examine this question thoroughly. He suggested that the Committee should study the question of purchases made by the various States and evolve a system of working which would convince the States that it would pay them to place their orders with the Organisation. He did not, however, forget to lay stress on one of the terms of reference to the Committee, namely, purchase of stores from indigenous manufacturers. Referring to the interest of the Finance Ministry in the Stores Purchase Organisation, the Finance Minister revealed that the Government's purchases in all departments, including Food and Railways, were now of the order of Rs. 350 crores, and that, even if a little economy could be achieved, it would help a great deal in enabling the country pull through the difficult period of development.

Sardar Swaran Singh, Minister, Works, Housing and Supply, who opened the proceedings, insisted on getting the maximum value for the taxpayers' money. He revealed that two small committees had reported on the working of the Purchase Organisations in London and Washington and that their reports were under consideration. Keeping these reports in view and the need for encouraging Indian industries consistent with efficiency and economy, the Committee should make such recommendations as would improve the working of the Organisation. Mr. Narahari Rao, Controller and Auditor-General, stated that the Organisation should see to it that the purchaser got what he required. For this purpose, it should make proper arrangements for inviting tenders, entering into contracts, and inspecting the stores. The Minister for Agriculture stressed the need for employing competent and technically qualified persons in the Organisation.

It is evident from the above account of the proceedings of the Committee's meeting that those in authority are alive to the defects of the Organisation and the need for removing them. It is to be hoped that the various points stressed by the members above will receive the utmost attention of the Committee in laying down the principles on which the activities of the purchasing organisation can be reorganised. In this task, the Committee's responsibilities are very great. The Organisation handles every year stores worth Rs. 350 crores. The sum is by no means small. If to this is added the money spent by the States Governments on stores the total will add up to an impressive figure. Every pie saved is a pie gained to implement the Five-year Plan. The stores on which the money is spent are not confined to any single variety. They include every conceivable commodity from a pin to a motor car. In handling these goods, success depends on the employment of men who are not merely competent and technically qualified but honest to the core. It is, in fact, the lack of the latter quality which would appear to be responsible for some of the scandals connected with the various purchases made and contracts entered into by the State in the past. The waste and extravagance associated with Sindri, jeeps, prefabs, Damodar Valley Project, purchases of iron from Belgium, etc., are too recent to need any elaborate mention here. What is, however, necessary is that the Committee should frame its recommendations in the light of the criticisms made by the public of these various deals. As regards encouraging indigenous industries, the policy of the Organisation should be to encourage production of quality goods which compare favourably with the imported ones in respect of both quality and price. Preference should be given to home industries.



CEMENT IN THE PLANNED ECONOMY

The implementation of the multipurpose projects, buildings and roads envisaged in the Five-year Plan has enhanced the importance of the role of cement industry in the Indian economy. The Planning Commission which examined the position of this industry, has finalised the Plan for its development in the planned period. The programme aims at a target of 4.8 million tons during 1955-56, the last year of the Plan, as against 2.7 million tons during 1950-51, the base year. The target set for the last year is expected to give enough scope for India to export 300,000 tons of cement to neighbouring countries. The table below indicates the targets set for the industry:

	1950-51	1955-56
Number of factories ...	21	27
	Tons	Tons
Annual rated capacity ...	3,280,000	5,306,000
Actual production ...	2,692,000	4,800,000
Exports	29,000	300,000

It will be seen from the table above that the number of factories will be stepped up from 21 to 27. The rated capacity will be increased from 3.28 million tons in 1950-51 to 5.31 million tons in 1955-56. It may be noted, in this connection, that in addition to the implementation of certain projects in the private sector, the capacity of the cement factory belonging to the Government of Mysore will reach 90,000 tons by 1955-56. Further, during the latter part of the Plan period, a cement factory of a capacity of 200,000 tons per annum which is being set up by the U.P. Government at Pipri will come into production. The additional capital investment required for increasing the capacity to 5 million tons by 1955-56 is roughly estimated at about Rs. 17 crores, a part of which is stated to have already been invested.

The cement industry is one of the well-established industries in the country. It grew up in the inter-war period and has attained its present status without fiscal protection. By March, 1952, there were 23 cement factories with an annual rated capacity of about 3.88 million tons on the basis of 330 working days per annum. The actual production of cement during 1950-51 was 3.29 million tons. A sum of Rs. 29 crores had been invested in the industry upto 1950-51. The total number of persons employed in the industry was estimated at about 33,000.

During the years 1929 to 1934, the annual consumption of cement was between 600,000 and 700,000 tons. The demand increased sharply during the war years, 1941-45, when the consumption was two million tons per annum. In 1951, the total cement supplied to different areas of the country amounted to 3.17 million tons. The future demand for cement, exclusive of the quantity required for multipurpose projects and roads, is estimated to rise to about 3.3 million tons by 1952-53 and 3.8 million tons by 1955-56. Including the annual average requirements of the multipurpose projects (600,000 tons) and roads (over 100,000 tons), the total demand for cement would be about 4 million tons by 1952-53 and 4.5 million tons by 1955-56.

With the increase in production since 1950, imports were restricted to quantities included in trade agreements and to fulfil commitments entered into prior to 1950. About 17,000 tons were imported in 1950-51, while in 1951-52 the quantity imported was negligible. Exports of cement took place during the war years, but, since the end of the war, in view of the large domestic demand, there have been no exports except in very limited quantities to Pakistan on the basis of trade agreements and to countries of the Middle East, Ceylon and East Africa.

The industry is at present facing a series of problems, the solution of which is necessary before it can play an effective role in building up the Indian economy. These problems include the existence of a number of uneconomic units, the high cost of production and distribution the high cost of transport, and dependence on foreign countries for supplies of cement plant and machinery.

INTERNATIONAL LEIPZIG FAIR, 1953

Leipzig Fair, 1953, will be held from 30th August to 9th September, for capital and consumer goods. The widespread demand for exhibition space from at home and abroad is taken as an indication of the significance of the Fair as an instrument of international trade. In the 15 modernly equipped fair buildings of the city centre with a total exhibition area of 20,000 sq. metres, 20 branches of the consumer goods industries will be represented with a varied and all-embracing assortment. In the 13 large halls on the Technical Fair grounds, 15 branches of the capital goods industries will dominate on a total area of 75,000 sq. metres.



THE
BANK OF MAHARASHTRA
LIMITED
(*Established* 1935)
Head Office: LAXMI ROAD, POONA, 2

CAPITAL

Authorised	Rs.	50,00,000
Issued and Subscribed	,,	32,00,000
Paid-up	,,	16,00,000
Reserve & Other Funds	,,	6,16,000
Total Working Funds	,,	3,40,00,000

Board of Directors

Mr. D. K. Sathe (*Chairman*)
,, S. G. Marathe (*Vice-Chairman*)
,, N. G. Pawar — Mr. M. R. Joshi
,, F. D. Pudumjee — ,, M. V. Shah
,, S. L. Kirloskar — ,, B. M. Gupte

The Bank has declared 5 per cent. dividend free of tax for the last year as before.

L. G. MARATHE, *Bombay Branch Agent.* — C. V. JOAG, *Manager.*



They
ROB YOU — TWICE OVER!



WHEN THE TRAIN IS FULL —
they get on without a ticket, pick your pocket, and steal your valuables.

WHEN THE TRAIN IS EMPTY —
they steal lamps, fans and fittings, put there for your comfort.

REPORT THEM
to any uniformed Railway employee. Railway staff are constantly working to prevent theft and damage, and they will appreciate your help.

WHAT THE RAILWAYS ARE DOING
In spite of continued efforts to stop it, theft of public property from Railway coaches has increased in the last ten years, and has now reached very serious proportions. In 1952, fittings worth three lakhs of rupees were stolen from suburban and through-line coaches. Determined once and for all to stamp this out, the Railways are:

- Increasing Watch-and-Ward staff;
- Installing uniformed and plain-clothes policemen on stations and running trains, with State Government help;
- Introducing thief-proof fittings wherever possible.

By reporting beggars and suspicious-looking characters, you are directly helping to stop theft. Remember — *you* own the Railways!

HELP YOUR RAILWAYS TO CATCH THE THIEF

Issued by: CENTRAL and WESTERN RAILWAYS



ANNUAL MEETING OF BENGAL COAL COMPANY, LIMITED

FOLLY OF EXPORTING BAD COAL

MR. C. A. INNES' ADDRESS

PRESIDING over the Annual General Meeting of the one-hundred-and-ten-year-old coal company, the Bengal Coal Co., Ltd., held at Calcutta, on 17th March, 1953, Mr. C. A. Innes, the Chairman, pointed out that it was misleading to look at dividends in terms of capital, and that the dividend, which had been paid, was really a return on the money which had been put back into the Company in the past. He deplored that the coal industry should be asked to export only bad coal even though good quality coal was available, and said this policy was one of "economic suicide."

The following is the full text of Mr. Innes' speech:

"GENTLEMEN,

"The accounts are in the form which has been familiar to you for several years, and I do not think there is anything in them which needs special mention. You will see that raisings are down as compared to the previous half-year, and that the Company has made less profit, but we have less tax to provide, and your Directors have therefore been able to maintain the dividend at its previous level. I must, however, point out that this dividend is by no means a measure of the prosperity of the industry as a whole; rather, it is the result of the wisdom of your, and my, predecessors. Your Company is now one hundred and ten years old, and no company formed to exploit a wasting asset such as coal can maintain its existence throughout this length of time, unless those responsible for the conduct of its operations continually look to the future, and consistently, with the consent of the shareholders, plough back sufficient money into the Company to provide for the development of new collieries to take the place of those in which the coal seams have been worked out. I would refer you to the remarks of the Chairman of the Indian Mining Association at their annual general meeting last week, that it is misleading to look at dividends in terms of capital, the correct way being to view them in relation to the total working funds actually employed in the business; and the dividend which your Company has paid is really a return on the money which has throughout the years been put back into the Company. The future of the coal industry must at many times in your Company's history have looked as obscure to our predecessors as it does to us to-day, but they were not deterred from building for the future, and we have cause to be grateful to them for the strong position in which the Company now finds itself.

Sand-stowing

"This policy is still the policy of your Board. You will be interested to hear that in the last six years our additions to block total Rs. 2.15 crores, and that development on this large scale has only been made possible because in that time we have placed no less than Rs. 1.74 crores to depreciation and reserves. As a result, we now have two new collieries—Girimint and Chinakuri—each capable of raising, when in full production, over 50,000 tons of coal a month. Girimint, which mines the well-known Poniati seam, is at present raising about 16,000 tons a month, and as output is steadily increasing as development proceeds, it can without difficulty replace the falling production at Old Banksimula Colliery, which also works the Poniati seam. Girimint is highly mechanised underground, and has a most modern and efficient surface layout, and when I inspected it a fortnight ago, I was very greatly impressed with all I saw. Chinakuri has as yet only one shaft actually into the Dishergarh seam, but its two other shafts should strike the seam in a few months' time, one of which, at about 1,950 ft., will be the deepest colliery shaft in India; and meanwhile the colliery is raising, from one shaft and two inclines, about 16,000 tons a month. This colliery will also be mechanised, and in addition has a most ingenious scheme for sand-stowing at a low cost, for which the greatest credit must go to the Company's technical staff. I believe—and I have had this opinion recently confirmed by a visitor from another country—that the sand-stowing arrangements in collieries in Eastern India are far ahead of anything in the world, and it has been fascinating to me, watching the development of sand-stowing at our collieries almost since its inception, to see how the ingenuity and resource of our technical staff have resulted in a steady improvement in technique and design which is now culminating in the arrangements at Chinakuri.

"On my recent tour of your collieries, I saw abundant evidence on every hand of the skill and enthusiasm of the Company's staff, and I would like to pay a very warm tribute to our Chief Mining Engineer, Mr. Rosser, who is here with us to-day, and to all his staff for all that they have done and are doing for you.

Raisings

"Raisings during the half-year amounted to about 10½ lakh tons, and though this is appreciably less than the figure for the previous half-year, it constitutes a record so far as the October half-year is concerned. Raisings during the current half-year are also very good, but to continue on our present scale is not without its problems and it seems to me that we are very near, if indeed we have not already reached, the stage of overproduction of coal in India.

"As you are aware, the coal industry is today operating under a very rigid system of controls. Our price is controlled, our internal sales controlled, our export sales controlled, and we are bound to pay certain wages and to grant certain concessions to our labour.

"The price structure was fixed in 1947 in relation to costs as they then were, and selling prices were actually reduced in 1949 on assurances from Government that certain reliefs as regards costs would be given. These assurances have never been implemented, and yet the price cut remains. Meanwhile our costs, particularly as regards labour, have been steadily increasing. It must surely be clear to anyone who has any knowledge of the trend of costs in India during the past five years, that maximum selling prices based on 1947 costs and subsequently reduced, are obviously due for reconsideration; the point is so essential and so simple that I do not see what more need, or can, be said about it, and I feel that there can be little doubt that Government are now considering the matter.

Distribution Control

"Further, on the distribution side, there is no longer the need for complete control over every wagon of coal which is despatched. I spoke on this subject at some length at our meeting a year ago and do not wish to go over the same ground again, but I would like to tell you that control over distribution is in fact more onerous now than it was, as it is now apparently recognised that it is not the inadequacy of production of coal which necessitates control over distribution, but the inadequacy of the railways to carry it, and a system of rationalisation of coal transport has been introduced. We know that a great effort is being made under the Five-year Plan to expand the country's railway system, and this, of course, should in time be of great help to us; but from the short-term point of view I must say that if the railways cannot at present carry all the coal that the country wants, it seems absurd that they should be forced to waste capacity, as they are now doing, by carrying inferior coal containing a large proportion of useless matter when there is plenty of good coal available. The time has come when the consumer should be allowed to buy the quality of coal he desires. There was no control over distribution before the war, and when wagons were short, as always happened in the early months of the year, the situation was met by a simple system of priorities which worked adequately. A return to this procedure should not cause any difficulties, it would increase the efficiency of industry throughout the country, and it would save the taxpayer the expense of maintaining an elaborate, and no longer necessary, organisation.

"I mentioned last year the question of exports, and I make no apology for referring to it again since it is a most important part of your Company's business and, as I forecast last year, there has been considerable deterioration during the past few months. The export trade is still handicapped by export surcharges, by restrictions on the quality of coal we are allowed to ship, and by the unpopularity among shipowners of the port of Calcutta; and since we now have to compete in a buyers' market, we cannot carry these handicaps. Already Australian coal is being imported into Hong Kong, and indeed into Chittagong, and we have reason to believe that subsidised railway freights and ambitious development projects in the mines of South Africa will shortly mean increasing competition from that country. The great jute industry was recently brought to the verge of ruin by too heavy export duties, and while the coal industry is not as dependent on exports as is the jute industry, nonetheless it would be a pity for India's export trade in coal also to be prejudiced by the refusal of Government to remove these duties in time.

Economic Suicide

"Important though this is, it is not so serious as the extraordinary regulation by which we are forced to export bad coal when plenty of good coal is available. I cannot see any sense in this at all; on a buyers' market, and competing with other coals of a quality as good as the best Indian coal or better, it is economic suicide. I can only conclude that the matter has still not been properly examined by Government since it seems to me inconceivable that Government would after careful consideration be willing to continue a policy which obviously is so opposed to the country's overall policy of stimulating exports. Even if it is urged that we should not send our best coals abroad, where is the sense in shipping inferior coals to ports in India? Coal in Madras, for instance, is expensive because the railways cannot carry sufficient to the South, and as a result coal has to be brought in from Calcutta by steamer; and it seems nonsense that in these unfortunate circumstances the cost to Madras coal users should be made even greater by the supply of poor quality coal containing a large amount of waste matter.

"As regards the port of Calcutta, this has never been popular with shipowners owing to difficulties of draft, shortage of pilots and harbour masters, taxation problems, and so on, but we have last year seen a state of affairs in the port, the like of which I have never known in my twenty-two years' connection with the coal industry. In May, last year, the daily allocation of wagons to the docks was reduced to two hundred and sixty a day as against the previous average of four hundred and fifty. This restriction, of course, immediately affected the turn-round of steamers and set in motion a process which eventually culminated in such a congestion of shipping in the port that steamers had to wait for as much as thirty days, and on occasions more, before they could even get a loading berth. At one time, the number of steamers waiting for coal berths was thirty-two, and since demurrage is nowadays heavy, amounting to something like Rs. 2,500 a day, a long waiting period is a serious deterrent both to owners and charterers. It took six weeks and many urgent representations both from the Bengal Chamber and from the Indian Mining Association before the authorities realised the seriousness of the position, and it was not till the end of 1952 that normality in the docks was achieved. Meanwhile, we were for a period debarred from booking further orders, buyers drifted away from us, and our business has greatly suffered and is indeed still suffering. When I tell you that there are at present only two colliers loading in the Calcutta docks, and naturally no colliers waiting for a berth, you will be able to contrast the position to-day with the position nine months ago and judge for yourselves the damage which has been done to our export trade.

Company's Shareholders

"I have heard it said that the control over coal distribution, and the requirement by which a proportion of inferior coal has to be exported along with superior coal, are maintained as a means of protecting small collieries mining inferior coal which otherwise would not be able to compete with their bigger rivals. I do not believe that this can in fact be the case, but lest there should be any loose thinking on this subject, it may be as well to state exactly what your Company is. The ordinary shares are held by 1,572 shareholders, of whom 1,414 are resident and 158 (about ten per cent.) non-resident. The average shareholding of the ordinary shares is, therefore, under thirty-two, and the return on an average holding of thirty-two shares, at our present rate of dividend, is Rs. 1,280 a year. This body of shareholders which constitutes the Bengal Coal Co., Ltd., has in the past six years provided Rs. 1.77 crores for Government in taxation and cesses as against Rs. 1.01 crores paid out in dividends; it has, as I have already told you, spent Rs. 2.15 crores in development for the future, and in order to do that, has ploughed back Rs. 1.74 crores into the Company. You will see, therefore, that while your Company may raise more coal than any other company in India, and may thus be regarded as a very big unit, it is in fact composed of a large number of individuals, whose annual return on their average investment is not great, but who are playing an important part in the country's economy by their contribution to the country's revenues, and even more by their contribution to the country's requirements of coal both in the present and for the future. Surely such a company deserves the maximum support which Government can give it.

"There are many other matters of importance which are now under active consideration by the industry, such as the conservation of metallurgical coal, the washing of coal, and labour legislation; but these have been most adequately dealt with by the Chairman of the Indian Mining Association, Mr. Michelmore, in his speech a few days ago, and there is nothing which I can add to supplement his remarks.

"Before I close, however, I would like to tell you that we have recently had the privilege of visits to your collieries from the Hon'ble Mr. K. C. Reddy, Minister for Production, and the Hon'ble Mr. V. V. Giri, Minister for Labour. We also had the pleasure, last October, of taking our new Coal Commissioner and Chairman of the Coal Board, Mr. R. K. Ramadhyani, I.C.S., underground, and also showing him over our sand-stowing installations at Seetalpore and Sodepore collieries. We are very glad to welcome Mr. Ramadhyani to his responsible and important post.

"We are glad also to welcome Mr. K. C. Neogy back to the Board. You will remember that Mr. Neogy resigned from the Board in November, 1951, when he became Chairman of the Finance Commission, and now that that duty is finished, he has kindly consented to rejoin us, and we are delighted to have his advice and knowledge of the industry, which dates back many years, at our disposal.

"Finally, gentlemen, this is the last time that I shall address you, as I am shortly retiring. I have been connected with your Company almost since I first joined your Managing Agents, and from my intimate knowledge of it I can tell you that on the production side we can face the future with confidence. Our new collieries will, I believe, be the best in the East, and these two alone will, in full production, be capable of raising over a lakh of tons a month of Dishergarh/Poniati coal, which, as you know, are the best high volatile seams in India, for something like seventy years. We have also other big raising units with a long life ahead of them, and above all, we have on the coalfields a most able, efficient, and enthusiastic staff to whom our present strong position is largely due."

ASSISTANCE FOR VOLUNTARY STOWING

Sixty-seven collieries have been sanctioned assistance by the Coal Board for voluntary stowing for safety of the mines during 1953-54. A five-man Stowing Committee, set up to examine the applications for assistance, estimates that 62,00,883 tons of materials might be stowed during the period. As much as 34,54,726 tons of coal are expected to be extracted with stowing. The Coal Board has decided that no assistance will ordinarily be granted for work which was not approved by the Board before its commencement.

According to an official of the Board, a number of collieries have carried out stowing in areas not approved by the Board and submitted their applications for assistance for such stowing after completion of the work. Assistance for stowing for conservation will be sanctioned after the rules under the Coal Mines (Conservation and Safety) Act are published. The Board has decided that, pending publication of the rules, collieries may apply for assistance for stowing operations for conservation of coal, so that the applications might be examined in advance.

GERMAN COAL INDUSTRY

Western Germany's coal industry needs DM. 3,500 million (£300 million) for investments to increase its annual capacity by 15 million tons in order to reach the O.E.E.C. target of 150 million tons by 1956. Half of the required capital is expected to be provided by the industry itself out of its earnings, but the other half would have to be in the form of credits. As much as DM. 1,860 million (£158 million) has been invested in German coal mining from 1948 to 1952. This works out to one-fifth of the amount per ton invested in the French coal industry. It is proposed that five large modern pits with a daily capacity of 10,000 tons each should be constructed. In addition, the old pits, which are largely out of date, are awaiting modernisation. Only 28.6 per cent. of the coal is being produced in fully or partly mechanised pits.

Notices

THE GOLD MOHUR MILLS, LIMITED

NOTICE

THE TWENTY-SEVENTH ORDINARY GENERAL Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, Chartered Bank Buildings, Fort, Bombay, on Wednesday, the 22nd April, 1953, at 4-00 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Statement of Accounts made up to 31st December, 1952.

(2) To sanction the declaration of a Dividend.

(3) To elect two Directors in place of those who retire by rotation under Article 114 of the Company's Articles of Association, but who are eligible for re-election under the same Article and offer themselves for re-election.

(4) To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from 6th April to 22nd April, 1953, both days inclusive.

By Order of the Board of Directors,
JAMES FINLAY & CO., LIMITED,
Agents.

BOMBAY, 12*th March*, 1953.

Note.—The Dividend, when sanctioned, will be made payable at National Bank of India, Limited, Bombay, on and after 30th April, 1953, to those Shareholders whose names stand on the Register on 6th April, 1953, to whom Dividend Warrants will be posted.

THE FINLAY MILLS, LIMITED

NOTICE

THE FORTY-EIGHTH ORDINARY GENERAL Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, Chartered Bank Buildings, Fort, Bombay, on Friday, the 24th April, 1953, at 4-30 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Statement of Accounts made up to 31st December, 1952.

(2) To sanction the declaration of a Dividend.

(3) To elect two Directors in place of those who retire by rotation under Article 114 of the Company's Articles of Association, but who are eligible for re-election under the same Article and offer themselves for re-election.

(4) To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from 6th April to 24th April, 1953, both days inclusive.

By Order of the Board of Directors,
JAMES FINLAY & CO., LIMITED,
Agents.

BOMBAY, 12*th March*, 1953.

Note.—The Dividend, when sanctioned, will be made payable at National Bank of India, Limited, Bombay, on and after 30th April, 1953, to those Shareholders whose names stand on the Register on 6th April, 1953, to whom Dividend Warrants will be posted.

SWAN MILLS, LIMITED

NOTICE

THE FORTY-FIFTH ORDINARY GENERAL Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, Chartered Bank Buildings, Fort, Bombay, on Thursday, the 23rd April, 1953, at 5-00 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Statement of Accounts made up to 31st December, 1952.

(2) To sanction the declaration of a Dividend.

(3) To elect two Directors in place of those who retire by rotation under Article 114 of the Company's Articles of Association, but who are eligible for re-election under the same Article and offer themselves for re-election.

(4) To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from 6th April to 23rd April, 1953, both days inclusive.

By Order of the Board of Directors,
JAMES FINLAY & CO., LIMITED,
Agents.

BOMBAY, 12*th March*, 1953.

Note.—The Dividend, when sanctioned, will be made payable at National Bank of India, Limited, Bombay, on and after 30th April, 1953, to those Shareholders whose names stand on the Register on 6th April, 1953, to whom Dividend Warrants will be posted.

THE RAYALASEEMA MILLS, LIMITED ADONI

NOTICE

THE SEVENTH ORDINARY GENERAL Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, Rayanagar, Adoni-Thungabhadra Road, Adoni P.O., on the 12th April, 1953, at 2-00 p.m. (S.T.), to transact the following business:—

1. To receive, consider and adopt the Directors' Report and the Audited Statements of Account for the year ended 31st December, 1952.
2. To sanction the payment of Dividend.
3. To elect two Directors in the place of Sri Molagavalli Lakshmikantha Reddy and Janab Bharpet Mohammed Haniff Saheb who retire by rotation but being eligible, offer themselves for re-election.
4. To elect one Director in the place of Sri C. B. Raghava Reddy who was co-opted as a Director on the 24th January, 1953, under Article 86 of the Articles of Association of the Company and who retires under the same Article but being eligible offers himself for re-election.
5. To appoint Auditors for the current year and fix their remuneration. Messrs. Brahmayya & Co., the retiring Auditors, offer themselves for re-appointment.

Notice is also given that the Transfer Books of the Company will be closed from 6th April, 1953 to 20th April, 1953, both days inclusive.

By Order of the Board of Directors,
For THE RAYALASEEMA DEVELOPMENT CO.,
M. SOMAPPA,
Senior Partner,
Managing Agents.

ADONI, 21*st February*, 1953.

Note.—The Dividends, if sanctioned at the General Meeting, will be paid by Warrants to all those Shareholders whose names stand on the Register of the Company on the 20th April, 1953.

THE HONGKONG AND SHANGHAI BANKING CORPORATION

OUTLOOK FOR BANKING IN SOUTH-EAST ASIAN REGION

HON'BLE SIR ARTHUR MORSE OPTIMISTIC

THAT there are vast potentialities for expansion of banking business in the South and East Asian region was the view expressed by the Hon'ble Sir Arthur Morse, C.B.E., Chairman of the Hongkong and Shanghai Banking Corporation, in the course of his address at the Ordinary Yearly General Meeting of the Corporation held in Hong Kong on 27th February, 1953. Asia, Sir Arthur said, was rapidly raising its standard of living and, in order to meet the demands of the people, vigorous efforts were being made to expand the production and exports of primary products so as to pay for imports of commodities which were in ever-increasing demand. "There is, therefore, adequate scope for the diversion of our energies and resources to these areas," he observed. Alluding, in this connection, to the slogan 'Trade not Aid,' he maintained that, if the basic principle underlying the slogan were accepted and adopted as the official policy by the U.S., not only would the dollar gap be less menacing but there would also be better prospects of an improvement in the standards of living in South-East Asia. Sir Arthur, however, laid greater stress on the policies of the Governments of the East. No attempt, he warned, should be made by these Governments to introduce industrialisation on a rapid or large scale. He observed that it would be far wiser to concentrate on food and agricultural production and on those ancillary industries which depended upon the raw materials available in the country concerned.

The following is the full text of Sir Arthur Morse's speech at the meeting:

"LADIES AND GENTLEMEN,

"The net profit for the year amounts to H.K.$17,321,405 after making transfers to reserves for contingencies, out of which reserves full provision has been made for all bad and doubtful debts and for the further writing down of our investments, which appear in our balance-sheet at below market values. The balance of profit brought forward from last year is $8,075,332 and the total available for distribution, accordingly, amounts to $25,396,737. As in previous years, it is recommended that a sum of $3 million be appropriated to write down the value of Bank premises and after allowing for this amount, the interim dividend of £2 per share and the final dividend of £3 per share which is now proposed, there remains a balance of $9,489,174 to be carried forward to next year.

"Turning to the balance-sheet it will be seen that the total at £221 million shows a decrease of some £33 million over last year. As you will be aware, there has been in the post-war years a very considerable increase in our figures. The total of our balance-sheet during the two previous years increased by over £85 million and last year's figures constituted an all-time record in the history of the Bank. It is not surprising, therefore, that the fall in the value of primary commodities and the general recession in trade which has taken place during the year in the areas in which we are most interested should have resulted in some contraction in our figures.

Balance-sheet

"On the liability side of the balance-sheet the contraction in this year's figures is reflected by a drop of £31 million in current, deposit and other accounts and a decrease of some £2½ million in acceptances on behalf of customers.

"On the assets side, the general recession in trade has resulted in a drop from some £51 million to £38 million in our holdings of bills receivable, which decrease would have appeared even greater had it not been offset by an increase of over £7 million in our holding of British Government Treasury Bills which are included in this figure. Decreases of £6½ million and £2½ million respectively are also shown in advances to customers and in the liability of customers for acceptances. Money at call which now amounts to nearly £41 million shows a decrease of some £13 million over last year, but this decrease is partly offset by an increase in cash balances of some £3 million. In this connection, it may be noted that, although there has been a decrease in the total of cash and money at call, the overall percentage of these two items to our total liabilities to customers has increased since last year from 38.66 per cent. to 40.45 per cent.

Trading Conditions

"Trading conditions in many parts of the world, and particularly in the territories in which the Bank operates, have been more than usually difficult throughout the year and your Directors consider that, with the existing unsettled political conditions, it is essential to continue to pursue a conservative financial policy.

"Each year at this time, when I come to consider what should be said about political developments in the East during the period under review, I feel inclined to pass the subject by and to confine myself to a few remarks on trade. But I realise that this would be to shirk an important duty to shareholders who undoubtedly have a right to know what their Board's views are on the political aspects of affairs. The business of an overseas bank like this is naturally liable to be affected by political considerations and we are bound to keep a continuous and close watch on the international tug-of-war and the effect of changes of Government on a country's internal affairs and on external relations with others. I think that I can fairly say that during the past year the Eastern political situation, as a whole, did not deteriorate even though stability was lacking. Hopes of an early settlement in Korea have, unfortunately, been shattered: this naturally gives rise to nervousness and makes the outlook perplexing.

"Undoubtedly, the Governments of India and Ceylon have strengthened their position as a result of the popular elections. India's outstanding leaders have succeeded, in spite of critical periods, in maintaining the country in a stable and orderly condition. Ceylon too, in spite of the loss of that great statesman, the late Prime Minister Mr. D. S. Senenayake, has established her political position in the world.

"Malaya has seen a definite turn in the tide and Burma has good grounds for hoping that the insurgents will no longer be so serious a menace as in the past. Thailand's prestige has suffered from rumours of disaffection and dissension, but the strong arm of the Government continues to prevail. The Philippines have many controversial issues to solve, but there does not seem to be a serious danger of untoward changes. The Indonesian Government is, unfortunately, faced with dangerous and threatening problems, but has successfully surmounted more than one crisis. The same applies to Indo-China, but in a far more critical way. Japan's political future seems secure for some years to come, but the country has serious economic difficulties and if they cannot be solved this may well affect the political aspect.

China

"This brings me to China which, at the present time, is closely following the Russian line, although there are some prophets who foretell that one day this role may be changed, if not reversed. Were it not for China's serious involvement in Korea the outlook for her economic development and for the new Five-year Plan would be far happier. It would be a mistake to deny that great feats have been accomplished in railway construction and agricultural production, but the fundamental truth about China cannot easily be ascertained, while strict regimentation persists and true freedom keeps silence.

"Now that our banking interest in China is confined to liquidating our position and withdrawing our foreign staff, it is natural that our attention should in the main be focused on other areas. Indeed, we see great potentialities for the expansion of foreign trade in the other countries of South and East Asia. In this area, excluding China, there is a population of possibly 500 million people which is growing at the rate of at least 50 million a year. Although the national income of these countries is low in comparison with that of Western countries it is clear that Asia is rapidly raising its standard of living and in order to meet the demands of the people vigorous efforts are being made to expand the production and export of primary products so as to pay for the import commodities which are in ever-increasing demand. There is, therefore, adequate scope for the diversion of our energies and resources to these areas.

Dollar Gap

"During the past year, we have seen that one of Her Majesty's Government's main preoccupations has been to try and bridge the 'dollar gap' and to arrest the threat to the sterling area's gold reserves which was growing increasingly serious in the early part of 1952.

"The Chancellor of the Exchequer decided to adopt a monetary policy as the main instrument to effect his purpose and the Bank rate was raised from 2½ per cent. to 4 per cent. on 11th March, 1952. This step seems to have been fully justified by the outcome of events. I do not propose to dwell on the technical aspects of the dollar problem, but I wish to remind you of the fact that the countries in which this Bank operates (with the exception of Japan) are agricultural countries largely dependent on their crops and on satisfactory prices being obtained for their export produce. Such prices vitally affect the livelihood of producers and the standard of living throughout the East which badly needs raising. If, then, prices are depressed, the result may well lead to unfortunate consequences to the economy of producing countries, to discontent and possibly to popular revolts against established Governments which are naturally held to blame for any deterioration in conditions. Here there is fertile ground for political agitation by unscrupulous agitators with dubious or false ideological axes to grind. In such a state of affairs, reactions are felt throughout the world and thus also the industrial countries are affected. This fact was pointed out by the influential Paley Commission, which was set up by President Truman to whom it made a lengthy report last June. The report contained the following important paragraph in its final summing up:—

"'If we fail to work for a rise in the standard of living in the rest of the free world, we, thereby, hamper and impede the further rise of our own and equally lessen the chances of democracy to prosper and peace to reign the world over.'

"Naturally we hope that a statement, such as this, by an important presidential commission will be given full weight, but, as our Malayan friends know so well, there is a wide gap between preaching and practice.

"Trade Not Aid"

"It is true that for some years the United States has been able to point with justifiable pride to the work of the Point IV programme of the Mutual Security Agency and of the Technical Co-operation Administration, for which the East is duly grateful. But such generous and helpful aid has hitherto only scratched the surface of what is needed. The Chancellor of the Exchequer invented the slogan 'Trade not Aid,' which has been adopted as Government policy. If the basic principle, as stated by the Chancellor, were to be accepted and adopted by authoritative circles in the United States (as it is, indeed, being accepted by many far-seeing Americans and apparently by the Paley Commission) not only would the dollar gap be less menacing but there would be also better prospects for improvement of the standards of living in South-East Asia. I deliberately use the words 'better prospects,' because more is needed than just external action to improve the trading and commodity outlook. The Governments of the East need to play their part and that is a vital one, but one thing I would urge most strongly—that no attempt should be made to introduce industrialisation on a rapid or large scale. It would be far wiser to concentrate all available capital and energies on food and agricultural production and on those ancillary industries which depend upon the raw materials available in the country concerned.

"Of the primary commodities produced in the East, rice is the most vital one, although other foodgrains, oils and fats, fibres, sugar, tea, tobacco and minerals are all of great importance. Rice is a pan-Asiatic problem which particularly affects the countries in which we are most interested. It is becoming a far more serious problem than is generally realised. I referred to this matter last year, but the present situation is one which gives rise to great disquiet. In the five main rice-consuming countries in Asia the total consumption of calories is from 10 per cent. to 24 per cent. below a proper nutritional standard and the production of rice is lagging behind demand, while rice supplies to the international market were under 5 million tons last year, as against over 8 million tons in pre-war years. Moreover, a standard grade of rice which before the war sold at between £5 and £7 a ton has recently been fetching between £80 and £100 a ton in the free markets. Ways of solving this problem are being widely discussed and considered. There is, for instance, the question of Government participation which under present circumstances seems difficult to avoid. Yet many authorities consider that larger Asiatic supplies would be available, if Governments ceased to interfere.

"As in past years, I will now deal one by one with the various countries with which we are mainly concerned.

"First of all, you will be interested to know that we have obtained the necessary authority to open our own office in Paris, where we first appointed agents in 1865. We have found very suitable premises at No. 22 Place Vendôme and we hope to commence business there about the middle of this year. In due course our Lyons Office will be closed. It was first established there 72 years ago in connection with the important silk business of those days, which has now, sad to say, come to an end.

Hong Kong

"Looking back at the past year in Hong Kong, I think, you will agree that, by and large, it has been a surprisingly unruffled period. At the beginning of the year there appeared to be many possibilities of political impediments to steady development, but law and order was maintained throughout. For this we have to thank the efficiency of our Commissioner of Police and his men as well as the salutary effect of the presence of British military forces who are so welcome and valuable to Hong Kong. As a consequence, there has been good progress in all the services provided by the Government. The public utility services have continued to develop, particularly the electricity companies whose output for the needs of the community has doubled since 1949. Domestic supply has increased in line with the large housing development, but the industrial supply has expanded even more noticeably. This shows that industrialisation in the Colony is still forging ahead: the existing local industries, with few exceptions, have steadily expanded and, on balance, 160 more factories were registered in 1952 than in 1951. Although most of these industries are on a very small scale their total output amounts to an appreciable figure: their exports alone are estimated to have been worth nearly $500 million in 1952 and textiles accounted for some 63 per cent. of this total.

"The Hong Kong Clearing House figures were about 20 per cent. lower than in 1951, as was to be expected, but they were almost exactly the same as in 1950. The bank note circulation figures again remained steady at just over $801 million, while the local retail price index ended the year slightly lower than a year earlier after only minor fluctuations.

"The finances of the Colony remain highly satisfactory. The latest returns show that revenue is likely to exceed the estimates by a considerable sum owing mainly to a surprising increase in the earnings and profits tax, due, no doubt, to the additional staff appointed to deal with this work during the year. The Financial Secretary is to be congratulated on the happy position in which he finds himself. There is an insignificant public debt: he is likely to have another good surplus to add to the general revenue balance, which on 31st March last year already amounted to $219 million, and he has the development fund, with a balance of over $57 million on the same date, to which the trading profits for the year are to be added. The Legislative Council was, therefore, fully justified in approving, on 31st December, the gift to Her Majesty's Government of a further sum of H.K.$8 million over and above the $16 million included in the estimates for the current year, as a contribution to the cost of reinforcing the garrison.

"The short visit paid to Hong Kong by Her Royal Highness the Duchess of Kent at the end of October was a very successful and welcome event which has contributed much to furthering good relations between all communities, not only in Hong Kong but also in Malaya and Borneo.

"As regards trade, there have been various references in articles in the United Kingdom to the 'collapse of the boom' in Hong Kong which is alleged to have prevailed here since the end of the war. In fact, the so-called boom in Hong Kong merely covered the period when, as a result of rearmament and the consequent rise in commodity prices following the outbreak of hostilities in Korea, world trade figures became inflated. Thus, Hong Kong's trade returns were exceptionally swollen from the summer of 1950 to June, 1951, when the United Nations' embargo was imposed on shipments of strategic goods to China. After that period Hong Kong's monthly trade figures (exc.uding only China) settled down rather above the line of early 1950 which had been a very satisfactory period for trading. Coming to 1952, you will find that the total import figures (even including China) were almost exactly the same as for 1950. Further, the average monthly exports from Hong Kong in 1952, to countries other than China, were higher than any similar monthly figures, except during the above-mentioned boom. Indeed, imports from China, at $830 million, have only shown a fall of about 3 per cent. in the last three years, but exports to China in 1952 were down to $520 million, as compared with $1,461 million in 1950, and $1,604 million in 1951. The advantage we gain by the excess of imports from China is obvious and, while the loss of so much export trade to China is, of course, a serious matter, the trade was in 1950 and 1951 an exceptional phase caused by China's stocking up on account of the Korean war. But I must mention here that quite a considerable trade to and from China, by-passing Hong Kong, has been proceeding from European continental ports direct to various ports in China and back again. I do not intend to refer to the rumours about a possible blockade of the China coast, but I want to emphasise that the present Hong Kong export trade to China, as is well known, is strictly licensed under arrangements made with the Home Government and it does not include any strategic commodities. Hong Kong, in fact, is strictly complying with the United Nations embargo on items useful in the production of arms, munitions and implements of war.

"In dealing with Hong Kong's trade I have so far dealt only with trade values. If the volume of trade is considered it will be found that the tonnage of commercial cargo recorded here in 1952 was 10 per cent. lower than in 1951 and 30 per cent. lower than in 1950. In this respect price changes and other factors complicate the picture.

"Although Hong Kong's entrepôt trade with countries other than China remained very active throughout 1952 there have recently been signs of hesitation and unfortunately hindrances to trade imposed by Governments are very much the fashion everywhere. For instance, the restrictions on Japanese trade put into force here recently by our Exchange Control at the instance of the Home Government are proving harmful to Hong Kong merchants and to the entrepôt trade from which we all benefit. Similarly, the recent import regulations imposed in Indonesia added to the above-mentioned restrictions are affecting our export trade to that country which in 1952 reached record figures. We can only hope that Governments will interfere as little as possible with the stream of trade which eventually almost always finds its way round the obstructions set in the way.

Malaya

"After Hong Kong our Singapore Branch comes next in importance. We are vitally interested in the political and economic trends in Malaya and there is so much that could be said about the developments there in the past year that it is difficult to know where to begin and where to end. I must necessarily be concise, but if you want fuller particulars about internal political and social affairs I recommend that you should read some of the important speeches made by the High Commissioner, General Sir Gerald Templer, in the course of the year.

"One of the really pressing topics of the day is the communal problem—that of relations between the Malays and Chinese—which arises constantly in connection with Malayan affairs. The need to cement the friendliest bonds of understanding and goodwill between these two communities is of the highest importance.

"But probably the most cheering feature of the present situation is that public confidence and morale has gained strength throughout the year, as a result of the success against the Communists and because of the satisfaction at having a vigorous leader in Malaya at the head of affairs, with a clear unhesitant line of policy. There is greater efficiency in the administration, even though there are departments where economy and pruning may still be needed, and there is a determination to ensure that the whole machine runs smoothly.

"In Singapore also, there is satisfaction that the new Governor, Sir John Nicoll, whose well deserved decoration announced in the New Year's Honours List gave great pleasure to his many friends in Hong Kong, is also wisely directing his policy towards efficiency and reasonable economy in the Colony. The business community will give him their full backing in such steps as he is able to take.

"The Federation Government and Singapore have accumulated satisfactory surpluses in their revenue accounts during the post-war years, but both Governments have deficits, of $97 million and $10 million respectively, in their budgets for the current year. The Federation hopes to cover its deficit by the Security Loan of $100 million at 5 per cent. interest which was authorised last November: half of this has been successfully issued at par and another $10 million is at present on tap. I must confess that when this loan was floated it was rather galling to recall that only two years ago we were urged to subscribe liberally, as we did, to the Federation 3½ per cent. Loan which now stands at about 85. It should not be forgotten that the Federation expenditures include $144 million on account of the 'Emergency,' but it is to be feared that it will hardly be possible to eliminate this heading from the accounts for some years to come although we hope that the amount will be lower in future. Hitherto, apart from the contributions made by the Home Government and $4 million donated by the Singapore Government, the financial burden of the 'Emergency' has throughout the whole period been borne by the Federation out of ordinary yearly revenue. Now it has been decided by the issue of the Security Loan, repayable in 10-20 years, to spread a small part of the loan over a longer period of time. In September last, the Singapore City Council floated successfully a small loan of $25 million at 5 per cent. repayable in 10 to 20 years, mainly to finance extensions to the Colony's electricity and water undertakings. So satisfied is Singapore with its financial position that the Government decided recently to make a gift of £1 million to Her Majesty's Government as a gesture of goodwill.

"As compared with 1951, the Malayan foreign trade figures for 1952 at first sight appear alarming since they show a drop from M.$10,710 million to M.$7,642 million or 29 per cent. in the year. However, it must be remembered that 1951 was an exceptional year with trade figures no less than 56 per cent. higher than in 1950. Moreover, in comparing 1952 with 1951 we find that while rubber exports were lower by no less than M.$2,000 million, other exports were actually higher in 1952 than 1951—a significant fact emphasising how very important the rubber industry is to Malaya. Indeed, the reversal of the favourable balance of visible trade which was M.$1,066 million in 1950 and M.$1,270 million in 1951 to an adverse balance of M.$52 million in 1952 was certainly due to the rubber situation.

"There is, however, still confidence in the long-term outlook for the natural rubber industry, especially as both the United States and the rest of the world's consumption for 1953 is estimated as likely to be higher than in 1952, while production may be lower. Unfortunately, there is a curtain of uncertainty hanging over the U.S. synthetic commodity which is impenetrable, but as I have already indicated, the Report of the Paley Commission may perhaps lead to a change in policy.

"The production of tin was not very much below the 1951 total of 57,100 tons, and under present conditions and prices not much improvement in output can be expected, but excepting the continuing difficulty of prospecting for new tin-bearing areas, the industry is in a satisfactory condition and the Malayan figures remained about 39 per cent. of the world's output—the same as in 1951.

"Having referred to these two very important primary industries upon which the economy of Malaya is almost too vitally dependent, I must mention that some advance is being made in the establishment of secondary industries for which, however, there is still much scope. There are also interesting possibilities in future mining expansion, for which external financial and technical assistance will be required.

Borneo

"Let us now cross the sea to British North Borneo and Brunei, a land of promise but needing enterprise and labour. Enterprise is handicapped by the chronic shortage of labour, but it is difficult to believe that satisfactory means cannot be devised to unravel this problem, while ensuring that proper safeguards are adopted. Enterprise is, however, certainly apparent in the activities of the British Malayan Petroleum Company whose development and

expansion continues without check. Brunei State is reported to be considering a new Five-year Plan; this has not yet been published, but the State's large surplus of revenue over expenditure should enable it, in due course, to make the territory a model to its neighbours. North Borneo's finances showed a surplus of ordinary revenue over expenditure of $7 million which was transferred to the account set up for re-construction and development of the country. The latter account has a shortfall of $6½ million for the current year, to meet part of which consideration is being given to the flotation of a loan of £500,000. The terms of such a loan will need very careful watching, if it is to be successfully put on the market. The export trade figures were seriously affected by the fall in prices of rubber and copra and dropped by $49 million. This resulted in a small adverse balance of trade of $5.6 million. Import figures were practically the same as in 1951. There has been no little dissatisfaction in North Borneo at the slow progress made in reconstruction which it was hoped to finish at the latest by the end of 1951. Now the deadline has been fixed for the end of 1954, which should give ample time for this long overdue work to be completed. Our new office at Jesselton should be ready for occupation some time this autumn.

India

"Our interests in India, being limited to Calcutta and Bombay, are not extensive, but they are important by reason of the link with Indian trade which is maintained with our offices in other Eastern countries. Early in 1952, following a considerable amount of overtrading, a collapse of prices took place affecting many commodities, and markets were seriously depressed for some months.

"India has recently been called a 'bastion of stability and peaceful endeavour.' This is an apt phrase, even if her political and economic stability has yet to be fully tested. But her 'peaceful endeavour' can be observed not only in the political world but particularly in her new and ambitious 'Five-year Plan' which has been widely applauded, in spite of criticisms that the target has been set too high and is not sufficiently precise. The emphasis on agriculture, transport and power development, both in this Plan, in the Colombo Plan and in the loans or grants received from the World Bank and from United States sources, shows that India believes that this is the most important way of raising the standard of living of the people, which is the central objective of the Plan. It is also interesting to note, that, in regard to her proposed industrial development, first priority is wisely given to the fuller utilisation of the existing industries producing goods from local raw materials. It is distressing to hear further reports of famine in large areas of Bombay State, but, fortunately, prior to this, the food situation had been better. An important Government Minister not long ago referred publicly to the subject of 'Indianisation' in non-Indian firms. He brought the matter forward in a moderate way and, no doubt, the principle will in the main be acceptable, so long as adequate time is allowed for training, and the final proposals are reasonable and not discriminatory.

Ceylon

"From India we naturally pass to Ceylon. The report of the World Bank Mission to Ceylon, which was led by Sir Sydney Caine, was published last autumn. It contained many important and valuable proposals and, as a reference book regarding Ceylon's general economic position, it will be of great value for a long time to come. Recommendations for a six-year development programme were sketched in considerable detail and the establishment of a Ceylon Development Corporation was proposed in which the Government, the Central Bank and the commercial banks are expected to participate jointly. Owing to the large deficit with which the Government is at present being threatened, it is to be feared that there will be delay in implementing these recommendations. The lower prices of tea and rubber have been largely responsible for turning a surplus of Rs. 342 million into an adverse trade balance of Rs. 205 million, comparing the year 1951 with 1952. Considerable dissatisfaction is felt in foreign business circles at the way in which various measures of Ceylonisation are being imposed, some of which seem to indicate unjustifiable discrimination on the part of certain Government departments.

Thailand

"Thailand has had a quiet year in the political sphere, in spite of rumblings of discontent. In commercial and banking circles, there has been some dissatisfaction and confusion in regard to the policy of the Government. For instance, the appreciation of the tical against sterling by lowering the import rate a year ago had a bad effect on the export market, and the increase in rice prices, while rubber prices have fallen, has seriously affected the livelihood of workers on the plantations in South Thailand.

"Fears of a considerable reduction in rice available for export in 1952 proved unfounded, as shipments were only about 120,000 tons less than in 1951, which was a record year, while 200,000 tons are estimated to be carried in stock. Hopes of greater rice production are attached to the important Chainad Dam barrage scheme which is proceeding steadily and will eventually irrigate a large area of land suitable for cultivation. This is one of the ambitious public works now proceeding—some have been newly started and some are in continuation of work commenced in the last few years, such as the Bangkok Port scheme, a hydro-electric plant project, the provision of new railway equipment and extensive highway construction. These developments are being financed partly under the United States Mutual Security Agency programme and partly by the World Bank.

Burma

"As regards Burma, although there is some disappointment at the slow rate of the restoration of internal security and of economic advancement, progress has nevertheless been made and, considering all the difficulties, it would be a mistake to expect more rapid improvement.

"One noteworthy feature has been the assumption of office of the first popularly-elected Government under Prime Minister U. Nu. A new President, Dr. Ba U, a distinguished former Chief Justice, has also taken office.

"A further important event was the passing of the Union Bank of Burma Act at the first session of the new Parliament. This Act took effect on 1st July, when the Union Bank became in effect a Central Bank. The Burma Currency Board has been absorbed and finally closed its doors on 31st December last. The Burma rupee is now termed a Kyat which is divided into smaller units under the decimal system. Although the Kyat no longer has a fixed statutory value in terms of sterling, the parities of the previously established exchange rates were adopted without change. A feature of the financial position is the increasingly large deposits in the Union Bank on Government account. Although the note circulation and commercial banks' deposits have changed little, Government deposits are now nearly 45 per cent. of the total supply of money. The useful employment of these idle deposits would considerably assist the economic recovery of the country.

"The Government has an eight-year programme for large-scale development of the country and American technical assistance has been obtained to make detailed investigations as to how best to proceed. The possible establishment of a hydro-electric plant, the development of the Kalewa Coal Mines and other mining projects are amongst the plans under consideration. Meantime, the work on the rehabilitation of the seaports, especially Rangoon, is proceeding rapidly with technical advice and financial support from United States sources.

Indo-China

"It is difficult to decide what line to take about the political and economic situation in Indo-China. There are many gloomy prophets and yet a considerable amount of quiet optimism prevails in knowledgeable circles. The pessimists see no end in sight to the civil war and have no confidence in the regime to which the French have given so much responsibility. On the other hand, the optimists claim that there is a strong and growing Vietnam army helped with American materials, which is gaining prestige and spirit, while the new Prime Minister has shown himself to be an able and energetic administrator. Furthermore, the economic situation is in some respects hopeful; some of the richest districts in the country, including the important plantation areas, are held and administered by the autonomous Governments of the Associated States; the new rice crop is promising and rubber production is satisfactory, while coal output is expected to increase. The strategic importance of Indo-China is widely regarded as of the first importance in East Asia to the democratic camp, and since this is so, we are unlikely to see any deterioration, but rather we have grounds for hoping that the optimists will be right.

Indonesia

"Indonesia is another country regarding which it is not easy to sum up the political and economic situation in a few words. There are many ups and downs, shades and colours, in the scene. The fall in the price of rubber and other agricultural products of the country, in conjunction with adverse internal factors, has made the financial situation of the Government an uneasy one. I foresee many difficulties for Indonesia before the country gets on to a steady basis. The problem is one of production and of taking full advantage of the wealthy resources of the country. A number of agricultural and other commodities are still being produced in quantities well below pre-war standards. Rice, sugar and coal particularly come to mind. However, the character and quality of some of the highest officials in the country is a good omen for the future, if they can overcome the many difficulties which surround them. I was, for instance, much impressed with speeches made at the 125th anniversary of the Javasche Bank. If the wisdom and foresight expressed on that occasion can be carried forward to the new Bank Indonesia which is about to replace the Javasche Bank, the outlook for the financial future of Indonesia will be more promising.

The Philippines

"It is satisfactory that, in the Philippines, there has been more success in the past year in dealing with the Hukbalahap insurgents. The movement appears to be waning, although it has not yet been eliminated and outbursts of violence may well arise from time to time. As a basic measure of dealing with this and other agricultural discontents, considerable attention has recently been directed to proposals for the reform of land tenure and allied matters. The Hardie report on this subject, sponsored by the Mutual Security Agency, gave rise to keen controversy. But the necessity for early action is widely agreed and the recent open support given by the Defence Secretary makes the prospect promising.

"During the past year, the copra and hemp markets were badly depressed and, although the sugar crop was an improvement on 1951, there was nevertheless a considerable decline in the total value of exports in the year. However, tightened controls reduced imports by over Pesos 100 million, so that the final figures are likely to show a not greatly increased trade deficit. Thanks to United States Government expenditure in the Philippines during the year, the visible adverse balance will probably be cancelled out.

Japan

"On 28th April, 1952, Japan regained her full sovereignty, after more than six and a half years of Occupation. Now Japan is directing her policies as she sees fit, subject only to the inhibitions and restrictions with which she is obliged to comply as a partner in the anti-communist world. Japanese officials are already established in all the important capitals of the world and her bankers and merchants are to be found everywhere searching for accommodation and for business.

"The outstanding Japanese pre-war loans have been settled on terms satisfactory to most bondholders, and Japan has been accepted as a member of the International Monetary Fund and the World Bank from which she is now seeking a large loan for the development of hydro-electric power plants.

"Yet there is no little nervousness about Japan's political, commercial and financial future. Her internal political problems are not, however, likely to have serious external reactions. Her commercial outlook is gloomy, because it has been so seriously affected by the restrictions imposed by countries upon whom she is dependent for a large proportion of her trade, particularly the sterling area countries. Financially she is in a precarious position, because of her dependence on American dollar expenditure in Japan in connection with the Korean war to balance her serious dollar trade deficit. Japan's sterling balances are now falling rapidly, owing to the restrictions already mentioned. But trade returns for the year show that imports exceeded exports by no less than 60 per cent. Her problem of increasing exports deserves sympathetic consideration, but it is widely felt that she could, without much difficulty, reduce her dollar imports and increase her sterling imports proportionately, which might lead to some relaxation of the sterling area restrictions.

"Japan's need for the China market is, of course, obvious and the reverse applies to China, but, under present political conditions, Japan is likely to continue to restrict shipments of many types of goods and the opening of other markets is of the utmost importance.

"I am glad to say that our new building at Osaka is proceeding rapidly and we hope to be in occupation before the autumn.

Retirement

"Many of you are aware that I am handing over the reins in a few days' time and that this is the last occasion on which I shall preside at one of our annual meetings. I joined our London Office exactly forty-one years ago to-day. After such a long period, including thirty-eight years out East, however much one may look forward to an easier time free from the hurly-burly of daily banking, inevitably one gets a sense of nostalgia and of real sadness at breaking away from many old associations and leaving many old friends.

"It is tempting, as one looks back, to start to make a catalogue of the changes which have taken place since the days when I first landed in Hong Kong in 1915, but I must resist the temptation, as this is not the right occasion for reminiscences, but I will just say that the most notable transformation that has taken place in the territories where we operate has been here in Hong Kong, as I feel sure that some of our distinguished Chinese friends who can look back as far as I can, or even farther, will agree. The credit for Hong Kong's progressiveness must go, in the main, to a succession of far-sighted Governors, including very notably our present Governor, Sir Alexander Grantham. But, perhaps, the Bank can claim a little credit for some of Hong Kong's commercial progress. I could say much about many of my predecessors, but my recollections are particularly vivid and poignant about Sir Vandeleur Grayburn, whose death in 1943 while he was in the hands of the Japanese, came as such a severe shock to all connected with the Bank and with Hong Kong.

"It was on 16th December, 1941, just before the fall of Hong Kong, that I was called upon to serve as Acting Chief Manager in London and it is with real gratitude that I think of the ready assistance I received in the war years from many departments of His Majesty's Government, especially from the Colonial Office and the Bank of England. I also gratefully recall the forbearance of the shareholders of the Bank in those dark days when it was impossible to see far ahead and hazardous to plan for the future. I trust that they have not been disappointed with the post-war results which have been effected in a period, when at first, the outlook was quite obscure, then surprisingly improved, and more recently again, perplexing, but not unpromising. All this time I have also been supported by the staff of the Bank to whom I must pay due tribute, from managers down to the most junior local employee. My long experience encourages me to assert that there are few banks or commercial concerns in the East or anywhere else which can have had such loyalty and support from their staff. Wayfoong has always prided itself on treating its staff well, and they have responded in a way which calls for the thanks of all shareholders.

"I have no hesitation whatsoever in commending to you my successor as Chief Manager, Mr. M. W. Turner, who is already well known here and who has been making his mark in Hong Kong in the last few years. I am confident that he will serve the Bank well."

Notice

THE BOMBAY FIRE AND GENERAL INSURANCE COMPANY, LIMITED

(Incorporated in India)

NOTICE IS HEREBY GIVEN THAT THE Eighteenth Ordinary General Meeting of the above Company will be held at the Registered Office of the Company, United India Life Building, Sir Phirozshah Mehta Road, Fort, Bombay, on Thursday, the 16th April, 1953, at 3 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Revenue Accounts, Profit and Loss Account and Balance Sheet for the year ended 31st December, 1952.
2. To sanction the declaration of a Dividend.
3. To elect a Director in place of Mr. Shapoorji Pallonji Mistry who retires under Article 95 of the Articles of Association of the Company and being eligible, offers himself for re-election.
4. To confirm the appointment as Directors of Mr. F. H. Kemple and Mr. Pallonji Shapoorji Mistry who retire under Article 85 of the Articles of Association of the Company.
5. To appoint Auditors for the current year and to fix their remuneration.

The Share Transfer Register of the Company will be closed from 2nd April to 16th April, 1953 (both days inclusive).

By Order of the Board,
B. H. REPORTER,
Manager.

BOMBAY, *24th March*, 1953.

THE HONGKONG AND SHANGHAI BANKING CORPORATION

(THE LIABILITY OF MEMBERS IS LIMITED TO THE EXTENT AND IN MANNER PRESCRIBED BY CHAPTER 70 OF THE LAWS OF HONG KONG)

BALANCE SHEET AT 31st DECEMBER, 1952.

1951 Hong Kong Dollars		Hong Kong Dollars	Sterling Equivalent
$ 20,000,000	SHARE CAPITAL— Authorised and Issued— 160,000 Shares of H.K. $125 each, fully paid	$ 20,000,000	£ 1,250,000
	RESERVE LIABILITY OF MEMBERS— H.K. $125 per Share on 160,000 Shares $ 20,000,000		
96,000,000	RESERVE FUND	96,000,000	6,000,000
8,075,332	PROFIT AND LOSS ACCOUNT	9,489,174	593,073
124,075,332		125,489,174	7,843,073
34,000,000	HONG KONG CURRENCY NOTES IN CIRCULATION— Authorised Note Issue $ 30,400,000		
721,742,086	Excess Note Issue 725,342,086	755,742,086	47,233,880
3,134,136,055	CURRENT, DEPOSIT AND OTHER ACCOUNTS, including Reserves and Provisions for Contingencies and Taxation (of this total $11,428,572 ($22,987,266) is secured) $ 2,689,318,817		
271,480	AMOUNTS DUE TO SUBSIDIARY COMPANIES 258,216		
52,089,648	ACCEPTANCES ON BEHALF OF CUSTOMERS 12,860,599		
7,744,538	PROPOSED FINAL DIVIDEND in respect of the year ended 31st December, 1952 7,744,538		
		2,660,182,170	166,261,886
£4,074,059,139		$3,541,413,430	£221,338,339

1951 Hong Kong Dollars		Hong Kong Dollars	Sterling Equivalent
$ 374,211,486	CASH IN HAND, IN TRANSIT AND AT BANKERS	$ 421,388,695	£ 26,336,806
860,635,271	MONEY AT CALL AND SHORT NOTICE	654,596,041	40,912,309
823,317,580	BILLS RECEIVABLE IN HAND AND IN TRANSIT	615,917,984	38,494,874
721,883,047	HONG KONG GOVERNMENT CERTIFICATES OF INDEBTEDNESS issued in respect of funds deposited as security for the Excess Note Issue	725,488,047	45,342,690
294,888,912	INVESTMENTS at under market values: British, Colonial and Other Government Securities (including $38,334,400 ($39,847,000) deposited as security for the Authorised Note Issue): Quoted in Great Britain	274,451,264	17,153,204
104,836,382	Quoted outside Great Britain	98,560,353	6,159,397
1,673,001	Other Investments: Quoted in Great Britain	1,206,603	75,425
13,418,619	Quoted outside Great Britain	13,226,370	826,648
803,109,047	ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS, less provision for Bad and Doubtful Debts	699,841,488	43,740,093
52,089,648	LIABILITIES OF CUSTOMERS FOR ACCEPTANCES, per contra	12,860,599	803,788
4,050,062,993		3,517,523,744	219,845,234
2,137,285	FIXED ASSETS— Investments in Subsidiary Trustee and Nominee Companies, at cost $ 2,135,466		
21,858,861	Bank Premises at cost, less amounts written off 21,754,220		
		23,889,686	1,493,105
$4,074,059,139		$3,541,413,430	£221,338,339

Notes:—1. There are contingent liabilities on bills re-discounted amounting to H.K. $6,760,936 ($1,511,204) and commitments in respect of Confirmed Credits, Guarantees and Forward Exchange Contracts.

2. Foreign Currency Balances have been converted into Hong Kong Dollars at approximately the rates ruling at 31st December, 1952. The Sterling equivalents of the figures shown in the above Balance Sheet have been converted at the rate of H.K. $1=1/8d.

MORSE, *Chief Manager.* G. O. W. STEWART, *Chief Accountant.* J. D. ALEXANDER, H. D. BENHAM, E. R. HILL } *Directors.*

REPORT OF THE AUDITORS TO THE MEMBERS OF THE HONGKONG AND SHANGHAI BANKING CORPORATION.

We have examined the above Balance Sheet with the books of the Corporation kept in Hong Kong, with the audited accounts of the London Office and with the returns received from the other offices which have been signed by the Branch Managers. We have obtained all the information and explanations we have required and in our opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs at 31st December, 1952, according to the best of our information and the explanations given to us and as shown by the books kept in Hong Kong and by the returns received from the other offices.

PEAT, MARWICK, MITCHELL & CO. / LOWE, BINGHAM & MATTHEWS } *Chartered Accountants, Auditors.*

HONG KONG, *10th February*, 1953.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1952.

1951 Hong Kong Dollars		Hong Kong Dollars	1951 Hong Kong Dollars		Hong Kong Dollars
$ 5,168,025	Interim Dividend of $2 per Share, free of Hong Kong Corporation Profits Tax, paid 11th August, 1952, $320,000 at 1/2½	$ 5,168,025	$ 6,699,224	Balance brought forward from 31st December, 1951	$ 8,075,332
3,000,000	Appropriations recommended by the Directors: Amount to be written off Bank Premises $ 3,000,000			Profit for the year, after providing for taxation on profits earned to date and after making transfers to the credit of Reserves for Contingencies, out of which Reserves provision has been made for any diminution in value of current assets	17,821,405
7,744,538	Final Dividend of $2 per Share, free of Hong Kong Corporation Profits Tax, $480,000 at 1/2½ 7,744,538		17,283,671		
8,075,332	Balance carried forward to next year	10,744,538 9,489,174			
$ 23,982,895		$ 25,396,737	$ 23,982,895		$ 25,396,737

Special Administrative Expenses, including Chairman's emoluments as Chief Manager, Directors' Fees and London Committee Fees amounted to H.K. $764,011 (H.K. $770,505).

BOMBAY DYEING RESULTS SATISFACTORY

DIVIDEND REPEATED—FINANCES SOUND

LAST week, the shares of the Bombay Dyeing and Manufacturing Co., Ltd. (Agents: Messrs. Nowrosjee Wadia and Sons, Ltd., Bombay) received some special attention at the hands of the investors on the Stock Exchange, when most of the other counters in the textile section were featureless. This was attributed to the investors' satisfaction with the Company's financial results for the year ended 31st December, 1952, in spite of the disclosure of a sizable fall in earnings by them. An analysis of the Directors' report and statement of accounts of the Company for 1952, in conjunction with those for 1951, discloses that there are sufficient grounds for such expression of satisfaction. First, the extent of decline is not so marked as was expected, or as in the case of many other mills in Bombay. Secondly, the final dividend, and for that matter the total dividend for the year, has been fairly well maintained at the same rate as that for the previous year; thirdly, a sizable sum has been added to the reserve fund, although the entire amount is not from out of the year's earnings.

The gross profit of the Company has gone down from the bumper figure of Rs. 96.63 lakhs for 1951 to Rs. 70.45 lakhs. This decline of Rs. 26.18 lakhs or 27 per cent. in profit is relatively much smaller than that suffered by many other mills. That the Company has been able to show a handsome gross profit of Rs. 70.45 lakhs despite the "various handicaps under which the industry had to work during the year, viz., the slackening in the demand for cloth, an appreciable decline in exports, and the fall in cotton prices," is something for which the management of the Company deserves to be complimented. The net profit shows a decline from Rs. 51.98 lakhs to Rs. 26.23 lakhs, that is by nearly as much as that in gross profit. In view of this fall, the reduction in the provisions for agents' commission (from Rs. 9.95 lakhs to Rs. 7.23 lakhs) and taxation (from Rs. 28 lakhs to Rs. 23 lakhs) is understandable. The provision for depreciation, however, has been enhanced from Rs. 5.37 lakhs to Rs. 12.74 lakhs. The increase in the allocation to the depreciation fund has evidently been occasioned by the additions to the gross block made during the year under review. The Directors have transferred to the reserve fund a sum of Rs. 6.84 lakhs from out of the net profit, as against Rs. 30 lakhs in the previous year. But that is not all that has been added to the reserves this year, for they have been strengthened further by the addition of Rs. 31.33 lakhs received from the Government of India by way of E.P.T. deposits (Rs. 71,853) and E.P.T. refund (Rs. 30,61,126). Appropriately enough, the entire sum has been placed to the rehabilitation and development reserve. The Directors, incidentally, report that no more refunds remain to be received from the Government. The Directors, in accordance with their cautious policy, did not unduly raise the distribution to shareholders last year, even though the results for 1951 warranted a substantial increase in it. They chose to conserve the profits when the going was good, as witness the addition of Rs. 30 lakhs or above 58 per cent. of the net profit, to the reserves last year, and to fix the dividend at a level which they felt could be maintained even in a lean year such as 1952. That they have been true to this policy is reflected in their decision to maintain the dividend at Rs. 20 per share of Rs. 250, or 8 per cent. per annum, free of income-tax, though it has meant the drawing of a small sum from the surplus brought in from the previous year.

The following table, giving the earnings and the disbursement thereof of the Company during the last four years, shows how its fortunes have been fluctuating in recent years:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Sale proceeds	670.99	693.17	456.57	624.29
Closing stocks	158.96	205.69	278.31	156.05
Other income	7.94	5.29	4.83	4.59
Expenses*	608.47	601.83	423.56	566.29
Gross profit	70.45	96.63	37.83	62.57
Agents' commission ..	7.23	9.95	4.06	6.31
Gratuity to employees ..	1.25	1.33	1.33	1.20
Provision for—				
Taxation	23.00	28.00	4.00	20.00
Depreciation ..	12.74	5.37	5.81	4.25
Net profit	26.23	51.98	22.63	30.81
To reserve fund ..	6.84	30.00	9.45	10.00
Dividend	20.08	20.08	13.80	20.08
	(8%)	(8%)	(7%)†	(16%)
Carry forward	1.81	2.50	0.60	1.22

* Only approximate.

† On the increased capital of Rs. 250.98 lakhs, doubled in December 1950.

The conditions under which textile mills, in general, and the Company, in particular, had to work are described better in the words of the Directors thus:

"During the year, wide variations occurred in the prices of Indian and foreign cottons. Prices of Indian cotton, which were near the ceilings during the early part of the year, dropped sharply in April and it was not possible for the mills to protect themselves against this unexpected decline due to the absence of a hedge market, which was reopened only on 13th December, 1952, after a lapse of three years. 1952 was a year of record production in the cotton textile industry—the estimated figures being 4,607 million yards of cloth, and 1,450 million lbs. of yarn. The increase in production and the fall in exports contributed to a free flow of cloth in the domestic market, and the position gradually changed, resulting in the accumulation of large stocks with mills and merchants. Faced with this situation, the Government of India, towards the latter part of the year, withdrew a number of varieties of cloth from the operation of price and distribution control. The bulk of the production of your mills for the internal market, however, still remains under control. Due to poor shipments, the Government of India decided to license freely fine and superfine cloth for export from April. As this did not have the desired effect, the Government extended their policy in the following month and allowed free licensing of exports of all varieties of cloth to permissible destinations. Although these two measures had temporarily a salutary effect, the shipments progressively declined from September, and amounted to only 38.1 million yards for the month of December, due to the continuance of the export duty of 25 per cent. on Indian coarse and medium cloth. Whilst no relief was given to the industry during the year under report, the duty on coarse and medium cloth was reduced from 25 per cent. to 10 per cent. in the beginning of 1953. Due to good rainfall in the catchment area, the cut in the supply of electric energy which had been imposed by the Government of Bombay on 1st November, 1951, was restored with effect from 11th August, 1952, enabling the mills to resume full working. The system of staggering of holidays, however, still continues."

The financial position of the Company is quite satisfactory. The balance-sheet, as at the end of 1952, shows that, notwithstanding the large amounts capitalised in the past, the reserves and surplus, at Rs. 217.95 lakhs, still constitute about 87 per cent. of the paid-up capital. Of the total reserves, Rs. 50 lakhs represent general reserve, Rs. 97.96 lakhs rehabilitation and development reserve, Rs. 40 lakhs dividend equalisation fund. The gross block of the value of Rs. 377.03 lakhs has been provided with a depreciation of Rs. 319.69 lakhs. The gross additions to the block during the year amounted to Rs. 34.97 lakhs, mainly on account of the erection of new machinery valued at Rs. 31.09 lakhs. As against current liabilities, including taxation, aggregating Rs. 120.36 lakhs, there are current assets of the value of Rs. 531.94 lakhs. The cash balances (at Rs. 236.82 lakhs) alone are nearly double the current liabilities. Besides such a large cash balance, the current assets are made up of stock-in-trade amounting to Rs. 129.79 lakhs, stores, spares, etc., Rs. 29.16 lakhs, debts and advances Rs. 78.34 lakhs and investment Rs. 57.82 lakhs.

In addition to the uncertain trade position with which textile mills in India have been faced in recent years, they have to bear additional imposts also which will ultimately reduce their profit margin. In this connection, the Directors observe:

"The introduction of the new Employees' Provident Funds Act, 1952 and the Employees' State Insurance Act will throw further burdens on the industry, and will cost the Company annually about Rs. 6,00,000 and Rs. 90,000 respectively. The increase in excise duty on mill-made cloth sold for internal consumption to encourage and support the handloom industry, which has only recently been declared, will be an additional impost which will hamper the profit-earning capacity of the mills."

The Rs. 250 paid-up ordinary shares of the Company are being currently quoted at Rs. 402-8, at which rate they give a yield of 5 per cent. per annum, free of income-tax.

(Concluded from next column)

tors has been reduced by Rs. 5.90 lakhs, so that the total current liabilities show a rise of Rs. 14.38 lakhs only. There has been an addition of Rs. 50.02 lakhs to the fixed assets and, with the depreciation provision of Rs. 25.93 lakhs made during the year, the gross block has so far been written down by over 62 per cent. Stocks at the end of the year disclose a rise of Rs. 12.56 lakhs, but this has been more than offset by fall in sundry debtors to the extent of Rs. 14.24 lakhs, due to the reduction in turnover. The total current assets, at Rs. 574.88 lakhs, exceed the current liabilities by as wide a margin as Rs. 329.79 lakhs. It will be noted from this brief analysis of the Company's balance-sheet that its financial position is quite strong.

The Rs. 10 paid-up ordinary shares of the Company are now being quoted in the neighbourhood of Rs. 29, to yield a return of 5.2 per cent. per annum, free of tax, on the basis of the dividend for the past year.

PROFIT OF DUNLOP RUBBER FALLS

TRANSFER TO RESERVES RAISED

A CONTRACTION of Rs. 20.63 lakhs in the gross profit, from Rs. 146.54 lakhs to Rs. 125.91 lakhs, is disclosed by the audited accounts of the Dunlop Rubber Co. (India), Ltd. (Managing Director: Mr. Cecil Stack, Calcutta), for the year ended 31st December, 1952. This decline in profit need not be viewed with any concern because it was not due to any defect in the management of the Company, but was the result of a substantial fall in the volume of goods sold during the year, consequent on the general recession of trade. Further, there was also a decrease in the selling prices of the Company's products. The net profit, however, records a small increase of Rs. 6.79 lakhs to Rs. 66.63 lakhs, because of the lower provision made for depreciation and taxation. The ratio of net profit for the year under review to turnover has gone up, according to the Directors, from 4.2 per cent. to 4.8 per cent. This increase in net profit has been utilised, it is noteworthy, to raise the amount transferred to the reserve fund, thereby strengthening the financial resources of the Company further. After transferring a sum of Rs. 39 lakhs to the reserves, the dividend to ordinary shareholders has been maintained at 15 per cent. per annum.

The salient features of the Company's results for the year under review are compared with those for the preceding three years in the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Sale proceeds	12,97.48	14,18.78	8,28.27	9,83.30
Cost of goods sold ..	10,66.03	11,82.86	6,32.25	7,90.75
Other expenses ..	1,04.07	86.12	76.94	65.29
Debenture interest ..	6.50	6.50	..	..
Gross profit	1,25.91	1,46.54	1,17.18	1,27.79
Provision for—				
Bad debts	0.30	0.30	0.30	0.30
Depreciation	25.93	38.34	26.92	27.66
Taxation	33.05	48.06	40.16	49.49
Net Profit	66.63	59.84	49.80	50.34
To reserves	39.00	32.00	19.00	26.00
To debenture expenses .	..	..	7.76	..
Dividends—				
6 % preference ..	3.57	3.57	3.60	3.60
Ordinary	24.00	24.00	20.00	20.00
	(15%)	(15%)†	(20%)	(20%)*
Carry forward	7.01	6.78	6.51	6.50

* On the increased capital of Rs. 1 crore raised by the capitalisation of Rs. 50 lakhs from the general reserve.

† On the capital increased to Rs. 1.60 crores by the capitalisation of Rs. 60 lakhs from the general reserve in April, 1951.

The decline in sale proceeds is due, as already noted, partly to the reduced selling prices and partly to a substantial fall in the volume of goods sold. While comparing the fall in sale proceeds during the year under review with the sharp rise noted a year before, one thing has to be borne in mind. That is, in 1951, the Company's turnover was substantially large, occasioned by the good demand, and the selling price of tyres was also raised; while, in 1952, besides the fall in turnover, the Company reduced the selling prices of cycle tyres and tubes early in April, 1952. A rather disquieting feature of the Company's working is its mounting trading and administrative expenses year after year; the increase in these during the past year was quite perceptible, despite the fall in turnover. But for this rise in expenses, the Company would have been able to maintain its profit. The sizable increase in expenses during 1952 was presumably due to the new lines of manufacture introduced during the year. The provision for depreciation has been reduced by Rs. 12.41 lakhs. The decrease in the provision for taxation is due partly to the lower profit and partly to the benefit of double taxation relief in respect of previous years to the extent of Rs. 3.50 lakhs.

The following synopsis of the Company's balance-sheets at the end of the last two years gives an idea of its progress in financial position:

	1952	1951
LIABILITIES	Rs.	Rs.
Capital	2,30,00,000	2,30,00,000
Reserves and surplus ..	1,32,01,468	92,77,697
Debenture stock	1,30,00,000	1,30,00,000
Provision for taxation ..	24,00,000	51,00,000
Liabilities	2,21,09,518	2,06,71,248
ASSETS		
Gross block	4,07,06,331	3,57,89,351
Less—Depreciation	2,52,71,321	2,27,52,458
Net block	1,54,35,010	1,30,36,893
Debenture redemption fund	7,88,105	3,90,000
Stocks	4,26,97,622	4,14,41,228
Debts, deposits and advances	1,37,08,075	1,51,92,083
Cash	10,82,174	9,88,741
	Rs. 7,37,10,986	7,10,48,945

The increase in reserves and surplus is accounted for by the addition of Rs. 39 lakhs from the profit for the year under review. The decline of Rs. 27 lakhs in the provision for taxation is, according to the Directors, due chiefly to the fact that the Company's assessments have been brought more up-to-date. During the year, the Company had to borrow additional funds from its bankers and the liability on this account at the end of the year shows an increase of Rs. 20.89 lakhs. The liability on account of sundry credi-

(Continued in previous column)

Points From The Chair

More Controls on Banking Deprecated

"WITH a view to ensuring that lack of short-term credit will not hamper the development programmes set out in the Plan, the Planning Commission desires that the Reserve Bank should exercise a direct control over its operations. What the nature of this control is to be is not, however, indicated. Taking into consideration the fact that Scheduled Banks in India have so far fully responded to the directions they have received from the Reserve Bank and have actively co-operated in carrying out its general policy regarding credit, there does not appear to be any need for the Reserve Bank to exercise any additional control for securing the flow of credit necessary for the execution of the Plan. Future developments in this connection will be watched with a great deal of interest, and not a little anxiety, in view of the unfortunate utterances of some of the Ministers of Government when the Plan was debated in Parliament. They appeared to suggest that substantial changes were necessary in the structure and organisation of banking and that they had a more positive policy in view than what the Planning Commission had recommended. Such statements raise doubts about the measure of acceptance by Government of the role of private enterprise in the execution of the Five-year Plan, and considering the way in which the banking system has been serving the country, talk of intensified control can only be characterised as unfortunate and uncalled-for."

HOMI MODY,
Central Bank of India Ltd.

Economic Health of South-East Asia

"The economic health of the free world must be maintained and this applies with particular force to the countries of South-East Asia. The disruption of war, the movement and expansion of populations, the changes in governmental personnel and structural pattern, the rise in world prices, shortages of foodstuffs and consequent inflationary trends, all these factors have affected the economic health of this vast area. Bearing all this in mind it may be considered remarkable that the standards of living, of integrity, of industrial output and of international trade and exchange have exhibited so little depreciation over the past seven years. This fact, however, calls for no complacency; for populations continue to rise, food shortages are a continuing and perhaps increasing anxiety, so that the economic stability of South-East Asia will continue to be of the first importance to the free world for years to come."

SIR KENNETH W. MEALING,
Mercantile Bank of India, Ltd.

World Supply and Consumption of Paper

"On the present basis of world consumption there is no longer a scarcity of newsprint, and, in fact, supply and demand are now almost in balance. Nevertheless, it is of interest to note that consumption in the United States showed a small increase during 1952 and topped the 6,000,000-ton mark, and for the month of January—the latest month for which figures are available—the consumption in that country showed an increase over the corresponding month of the previous year of 2 per cent. Were this rate of increase to be maintained, it might well have the effect of again taking consumption out of balance with supply, in which event a return to some scarcity of this commodity might again develop; indeed, at the present time publishers in the Southern United States are still unable to obtain all the newsprint they could use, but this situation will, we are hoping, be alleviated when our new Southern mills come into production early next year."

SIR ERIC VANSITTART BOWATER,
Bowater Paper Corporation, Ltd.

Financing Undertakings Abroad

"Competition from other countries is hardening in all parts of the world and is aggravated by the difficult problem of financing the extensions of large undertakings abroad which are prepared to place important contracts for capital equipment in this country, if we can arrange the necessary finance to bridge the period which must elapse before those developments can earn revenue. This overseas financing must not come from reduced essential investment in power supply at home, because by such action any improvement in the overseas position would be at the expense of improvement in the efficiency of productive industry at home. Such overseas financing can only come from savings in Government expenditure, involving, if necessary, some tightening of our belts' in financing in all but essential fields."

SIR GEORGE H. NELSON,
English Electric Co., Ltd.

A new industry with unlimited scope for development. Guaranteed good return. Investment five to seven lakhs spread over in three years. Write Box No. 284, c/o "Commerce," Royal Insurance Buildings, Veer Nariman Road, Fort, Bombay.

Notices

THE STANDARD MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifty-eighth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, at 29, Rustom Building, Veer Nariman Road, Fort, Bombay, at 4-0 p.m. (S.T.), on Wednesday, 29th April, 1953, to transact the following business:—

(1) To receive and adopt the Directors' Report and the Audited Balance-sheet and Profit and Loss Account of the Company for the year ended 31st December, 1952.

(2) To sanction the declaration of Dividends on First and Second Preference Shares and Ordinary Shares.

(3) To elect two Directors in place of those who retire by rotation and who are eligible for re-election.

(4) To appoint Auditors for the current year and to fix their remuneration.

(5) To transact any other business the Chairman may bring forward before the Meeting.

The Transfer Books of the Company will be closed from Tuesday, 7th April, 1953, to Friday, 24th April, 1953 (both days inclusive).

By Order of the Board of Directors,
For THE STANDARD MILLS CO., LTD.,
MAFATLAL GAGALBHAI & SONS,
Managing Agents.

BOMBAY, 17*th March*, 1953.

N.B.—The Dividends, when sanctioned, will be made payable at the Company's Registered Office on and after Wednesday, 6th May, 1953, to those Shareholders whose names stand on the Register on Monday, 6th April, 1953 and the Dividend Warrants will be posted to each shareholder to his last given address.

To The Shareholders of the Standard Mills Co., Ltd., and particularly to:

Omar Latiff, Navazbai D. Cama & Mancherji S. Bilimoria, F. P. Dastur & Alla F. Dastur, Timothy M. Fernandes, Casim A. Vaej, Gulamhussein H. Ismail Pahad, Ugni S. S. Jung Bahadur Rana, J. A. Robertson, John Rankine, M. H. Crowder, Framroz C. Dadyseth, Rani Luxmi Debi, Ismail Ebrahim Minty, Ahmed Mohamed Vaej.

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(Railway Board)

NOTICE

CAST IRON SLEEPER PLATES FOR RAILWAYS

TENDERS ARE INVITED FOR THE SUPPLY of Cast Iron Sleeper Plates upto total tonnages of—

(*a*) 5,000 tons
or
(*b*) 10,000 tons
or
(*c*) 20,000 tons
or
(*d*) 30,000 tons
or
(*e*) 40,000 tons

to be supplied in the period ending 31st March, 1954.

2. Tenderers who prefer to do so can indicate in their tenders, special rates for the supply of 80,000 tons distributed over two years ending 31st March, 1955.

3. Applications for copies of tender documents should be made to the Director, Civil Engineering, Railway Board, New Delhi. Tender documents embodying conditions of supply and contract will be supplied at Rs. 10 per set and will be available for sale from 1st April, 1953, except on Sundays and holidays.

4. Tenders will be received up to 13.00 hours on Monday the 22nd April, 1953, and opened in the office of the Railway Board, New Delhi, at 15.00 hrs. on 22nd April 1953.

H. K. L. SETHI,
Director, Civil Engineering,
Railway Board.

NEW DELHI, 21*st March*, 1953.

THE CENTURY SPINNING AND MANUFACTURING COMPANY, LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company at Queen's Mansions, Prescott Road, Fort, Bombay, on Saturday the 11th April, 1953, at 3-00 p.m. (S.T.), for the transaction of the following business:—

1. To adopt the Directors' Report, the Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1952.
2. To sanction the declaration of a Dividend.
3. To appoint a Director in place of Shri Madanmohan R. Ruia, who retires under Article 99 of the Articles of Association, but being eligible, offers himself for re-election.
4. To appoint Directors in place of Shri L. N. Birla, Shri Rasiklal Maneklal and Shri Navalchand T. Shah who retire from office by rotation but are eligible and offer themselves for re-election.
5. To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board,
BIRLA BROTHERS LIMITED,
Managing Agents.

THE CENTURY SPINNING & MANUFACTURING CO., LTD.

NOTICE is also given that the Transfer Books of the Company will be closed from 26th March, 1953, to 11th April, 1953, both days inclusive.

The dividend when sanctioned, will be made payable at the United Commercial Bank Ltd., Bombay, on or after Thursday the 16th April, 1953 to those shareholders whose names stand on the Register on Saturday the 11th April, 1953, to whom Dividend Warrants will be posted.

BOMBAY, 16*th March*, 1953.

To the Shareholders of the Century Spinning and Manufacturing Co., Ltd., and in particular to:—

Col. John S. Alston, Mr. G. P. Cooke, Mr. A. S. M. Young, H. H. Bada Maharani Deela Kumari Devi, Mr. Stanley Hampson, Mr. E. L. Hartley, Mr. I. A. Shaikh, Bai Khorshed Jehangirji Merchant, the Executor to the Estate of the late Mr. J. D. Lees, Mr. Claudino Xavier Menezees, Mr. T. O. Schmid, Mr. M. H. Crowder, Mr. Benjamin Hick, Mrs. S. R. Dantra, Mr. Albert Henry Byrt, and Mr. K. J. Vyas.

THE KOHINOOR MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE FIFTY-EIGHTH ORDINARY GENERAL MEETING of the Shareholders of THE KOHINOOR MILLS COMPANY, LIMITED, will be held at the Registered Office of the Company, Home Street, Fort, Bombay, on Tuesday the 14th April, 1953, at 4-30 p.m., to transact the following business:—

1. To adopt the Directors' Report and the Audited Statement of Accounts made up to 31st December, 1952.
2. To declare a dividend.
3. To elect Directors in the place of those who retire by rotation under Article 107 of the Company's Articles of Association but are eligible for re-election.
4. To appoint an Auditor or Auditors for the current year and to fix his or their remuneration.

The Transfer Books of the Company will be closed from the 25th March to 14th April, 1953, both days inclusive.

By Order of the Board,
For THE KOHINOOR MILLS CO., LTD.,
KILLICK INDUSTRIES LTD.,
K. G. MILNE,
Managing Director,
Agents.

BOMBAY, 3*rd March*, 1953.

RESULTS OF INDIA AND MEGNA JUTE COMPANIES BETTER

IMPRESSIVE RISE IN PROFIT OF MARTIN BURN

India Jute Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Mackinnon, Mackenzie and Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1952.

The accounts show a profit on trading Rs. 2,27,134 (loss of Rs. 17,55,455). Adding thereto the dividend for the half-year on investment in the Megna Mills Co., Ltd. Rs. 1,35,883 (Rs. 67,941), interest accrued or received Rs. 1,119 (Rs. 1,137) and sale proceeds of scrap materials, etc. Rs. 5,008 (*nil*), transfer from contingency suspense and other income *nil* (Rs. 20,07,130) the profit amounts to Rs. 3,69,144 (Rs. 3,20,753). Deducting therefrom interest on loans Rs. 39,404 (Rs. 1,12,863), retiral gratuities to workers Rs. 25,157 (Rs. 16,837), depreciation Rs. 1,51,635 (Rs. 1,34,961) and taxes *nil* (Rs. 13,641), there is a balance of Rs. 1,52,948 (Rs. 42,450). Adding thereto the sum brought forward from the previous year's account Rs. 1,43,281 (Rs. 99,660), there is available for distribution Rs. 2,96,229 (Rs. 1,42,110). The directors recommend that this be disposed of by payment of a dividend on 69,600 ordinary shares at 5 (2½) per cent. per annum, i.e., Rs. 3-2 (Re. 1-9) per share Rs. 2,17,500 (Rs. 1,08,750) and payment of a dividend on 30,000 deferred shares at 5 (2½) per cent. per annum Rs. 750 (Rs. 375) leaving a balance to be carried forward of Rs. 77,979 (Rs. 32,985).

Jute in stock has been valued at or under cost price and finished goods at contract and market rates.

In accordance with the Main and Supplementary Working Time Agreement of the Indian Jute Mills Association, the Mills worked 42½ hours per week with 12½ per cent. looms sealed throughout the half-year. Difficult trading conditions continued with prices tending downward and business being unprofitable, due mainly, to the lack of demand from Overseas. As advised in our last report, the Government of India reduced the export duties on hessian and sacking. This improved considerably the long-term prospects for the industry, but prices continued to fall due, to a large extent, to the prospects of large jute crops in both India and Pakistan. It was a matter of regret when it was announced that the Indo-Pakistan trade talks, as regards jute, had not been successful, the negotiations having broken down on the question of the special licensing fee imposed on raw jute exports to India which was considered to be discriminatory. The placing of a large order for hessians for the Argentine towards the close of the half-year improved the general tone of the market. This was also reflected in heavy goods. Although the demand for hessians has been sustained, since then there has been a lack of real demand for heavy goods and until this is forthcoming the immediate prospects are not good.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	87,30,000	Block ...	40,88,929
Reserves ...	18,45,066	Stock ...	23,74,402
Liabilities ...	21,54,288	Stores, etc. ...	7,78,210
Profit and loss account ..	2,96,229	Debts, deposits and advances ...	19,47,564
		Investments	35,69,507
		Cash ...	2,66,971
Rs.	1,30,25,583	Rs.	1,30,25,583

Megna Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Mackinnon, Mackenzie and Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1952.

The accounts show a profit on trading of Rs. 6,67,485 (loss of Rs. 7,80,553). Adding thereto the interest accrued or received Rs. 1,054 (Rs. 1,052), sale of scrap materials, etc. Rs. 10,222 (*nil*), profit on sale of old machinery Rs. 25,473 (*nil*), and transfer from contingency and other income *nil* (Rs. 11,08,980) and after deducting interest on loans Rs. 67,596 (Rs. 1,24,296), retiral gratuities to workers Rs. 10,388 (Rs. 18,339), depreciation Rs. 2,93,897 (Rs. 1,42,580), provision for taxes Rs. 12,758 (Rs. 12,758) and transfer to contingency suspense Rs. 1,00,000 (*nil*), there remains a balance of Rs. 2,19,597 (Rs. 31,406). Adding the balance brought forward at credit of profit and loss account of Rs. 1,02,068 (Rs. 1,00,102), there is available for distribution a sum of Rs. 3,21,663 (Rs. 1,31,508). It is recommended that this be disposed of by payment of a dividend on 81,652 ordinary shares at 5 (2½) per cent. per annum, i.e., Rs. 2-8 (Re. 1-4) per share Rs. 2,04,130 (Rs. 1,02,065) and leaving a balance to be carried forward of Rs. 1,17,533 (Rs. 29,443).

Jute in stock has been valued at or under cost price and finished goods at contract and market rates.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	81,65,200	Block ...	80,81,843
Reserves ...	24,87,140	Stock ...	27,91,535
Provision for taxation ...	38,171	Stores, etc. ...	8,29,835
Liabilities ...	30,07,374	Debts, deposits and advances ...	19,98,573
Profit and loss account ...	3,21,663	Investments	1,09,083
		Cash ...	2,08,679
Rs.	1,40,19,548	Rs.	1,40,19,548

Martin Burn Ltd.

The directors of the above Company (Chairman: T. Leslie Martin, Esq., Calcutta) submit the audited accounts of the Company for the year ended 30th September, 1952.

The profit and loss account shows a profit on the year's working of Rs. 50,15,561 (Rs. 39,75,221), to which is added the balance brought forward from the previous year of Rs. 2,35,696 (Rs. 2,26,800) making a total of Rs. 52,51,257 (Rs. 42,02,021). From this there has been provided for: taxation Rs. 22,75,000 (Rs. 17,50,000), and transfer to capital redemption reserve fund Rs. 2,00,000 (Rs. 2,00,000), investment reserve Rs. 6,00,000 (Rs. 4,00,000), leaving a balance available for disposal of Rs. 21,76,257 (Rs. 18,52,021). The directors paid as interim-dividends, the dividend payable on the preference shares for the half years ended 31st March, 1952, and 30th September, 1952, amounting to Rs. 1,50,000 (Rs. 1,50,000), and now recommend payment of a dividend on the ordinary share capital of the Company, at Re. 1-4 (Re. 1) per share absorbing Rs. 16,31,969 (Rs. 13,03,400), plus a special payment of As. 2 (As. 2) per share absorbing further Rs. 1,63,197 (Rs. 1,62,925), leaving a balance to be carried forward to the next account of Rs. 2,31,092 (Rs. 2,35,696).

During the year ended 30th September, 1951, holders of Rs. 43,500 convertible notes exercised their option to convert their holdings into ordinary shares resulting in an increase in the ordinary share capital of the Company by 2,175 shares, and a reduction of Rs. 43,500 in the convertible notes outstanding. Thus, the total ordinary shares subscribed at 1st October, 1951, was 13,05,575 and the amount of convertible notes outstanding at 1st October, 1951, was Rs. 38,88,500, the total reserve arising from surplus on conversion being Rs. 55,750.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,60,55,750	Block ...	8,21,163
Convertible notes ...	38,88,500	Goodwill ...	25,17,685
Reserves ...	30,19,025	Work-in-progress ...	36,48,503
Provision for taxation ...	25,49,241	Stock ...	74,99,170
Liabilities ...	1,98,58,552	Stores, etc ...	3,98,827
Profit and loss account ...	2,31,092	Debts, deposits and advances ...	1,53,95,322
		Investments	1,44,17,658
		Cash ...	9,03,832
Rs.	4,56,02,160	Rs.	4,56,02,160

Arvind Mills Ltd.

The directors of the above Company (Agents: Messrs. Narottam Lalbhai & Co., Ahmedabad) submit the audited accounts of the Company for the year ended 31st December, 1952.

The profit for the year amounts to Rs. 8,25,782 (Rs. 54,98,401), to which has been added last year's balance of Rs. 1,37,004 (Rs. 52,656), making a total of Rs. 9,62,786 (Rs. 55,51,057). From this amount has been deducted the *ad-interim* dividend for the first-half of the year 1952, absorbing Rs. 1,57,500 (Rs. 1,57,500), and provision for taxation Rs. 3,30,000 (Rs. 24,50,000), leaving an available balance of Rs. 4,75,286 (Rs. 48,00,000). The directors have made the following payments:—

Dividend of Rs. 17-8 (Rs. 17-8) per share, income-tax free, on 21,000 ordinary shares for the second half of the year, absorbing Rs. 3,67,500 (Rs. 3,67,500), dividend on 5,250 5 (5) per cent. cumulative preference shares, less income-tax, Rs. 19,359 (Rs. 19,359), dividend on 10,500 4½ (4½) per cent. cumulative preference shares, less income-tax, Rs. 34,847 (Rs. 34,847), dividend on 10,500 4½ (4½) per cent. "A" class redeemable cumulative preference shares, less income-tax, Rs. 34,847 (Rs. 34,847) and a dividend on 5,250 4½ (*nil*) per cent. "B" class redeemable cumulative preference shares less income-tax, Rs. 17,423 (*nil*) leaving to be carried forward, to next year's account Rs. 1,309 (Rs. 1,37,004).

The year 1952 was unusually an exceptional year. The prices of Egyptian cotton soared to unlimited heights, because of a squeeze in Egypt, and India imported large quantities of American Cotton. To add to these troubles, there was a financial crisis in the country during the month of March and funds became scarce, with the result that prices of all commodities declined by about 10 to 40 per cent. This cost of production kept on rising owing to higher dearness allowance and rise in the price of stores and fuel. The result of working, therefore, has been unsatisfactory.

During the year under report, an amount of Rs. 9,62,155 was received as refund of part excess profit tax, under Section 10 (1) of the Indian Finance Act, 1942, in respect of years 1941 to 1946 and the directors have transferred the said amount to the reserve fund.

The Company's properties have been insured against fire, excepting a certain risk which is carried by the Company. The standing charges and profits have also been insured. The mills have 62,448 ring spindles, 3,348 doubling spindles and 1,216 looms and complete dyeing and bleaching plants.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	57,75,000	Block ...	1,18,76,140
Reserves ...	2,83,78,675	Stock-in-Trade ...	58,44,898
Provision for taxation ...	5,01,126	Other assets	2,50,000
Liabilities ...	20,95,808	Debts, deposits and advances ...	47,97,472
Profit and loss account ...	4,75,286	Investments	1,12,44,190
		Cash ...	32,13,195
Rs.	3,72,25,895	Rs.	3,72,25,895

Bararee Coke Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Jardine Henderson Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1952.

The profit and loss account shows a balance of profit of Rs. 1,53,953 (Rs. 2,34,067) to which has to be added the balance brought forward from the previous half-year, Rs. 57,055 (Rs. 30,005), overprovision for taxation in respect of previous years Rs. 32,653 (*nil*), making a total of Rs. 2,43,662 (Rs. 3,38,766). Out of this sum, there has been provided for taxation Rs. 53,381 (Rs. 85,000) and transferred to depreciation account Rs. 39,986 (Rs. 50,000) leaving a balance available for disposal of Rs. 1,50,294 (Rs. 2,03,766). This sum the directors recommend should be dealt with, in payment of a dividend on the share capital of 7½ (8¾) per cent. without any deduction for income-tax paid by the Company, absorbing Rs. 90,000 (Rs. 1,05,000) and in carrying forward Rs. 60,294 (Rs. 98,766).

Manufacture and despatches during the half-year were as follows:—

	Manufactured	*Despatched*
	Tons	Tons
Coke	28,365	28,332
Tar and Pitch	1,343	1,723
Sulphate of Ammonia	190	202
	Gallons	Gallons
Benzol	5,636	7,256

The directors consider the results for the half-year satisfactory under present-day conditions. Relations between management and labour at the works were good. Foodstuffs were still being issued to the workers at concession rates. The wagon supply position was not up to expectations. Working during the current half-year has been satisfactory, so far.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs
Capital ...	12,00,000	Block ...	3,31,240
Reserves ...	8,32,703	Stock ...	7,42,320
Provision for taxation ...	3,34,000	Stores ...	8,81,463
Liabilities ...	14,56,455	Debts, deposits and advances ...	18,28,545
Profit and loss account ...	60,294	Investments	800
		Cash ...	99,084
Rs.	38,83,452	Rs.	38,83,452

Central Kurkend Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Anderson, Wright & Co., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1952.

The profit, after deduction of all working charges and commissions, amounts to Rs. 24,000 (Rs. 320), to which is added the credit balance brought forward from the previous half-year of Rs. 6,672 (Rs. 35,000) making a total of Rs. 30,673 (Rs. 39,521). After providing for depreciation Rs. 28,400 (Rs. 32,000), there remains a balance of Rs. 2,273 (Rs. 7,521) which the directors recommend should be carried forward.

Raisings during the half-year were 77,097 tons, as compared with 68,566 tons, during the previous half-year and 87,349 tons, during the corresponding period of 1951. Despatches were 54,297 tons, as compared with 52,873 tons, and 68,503 tons, respectively.

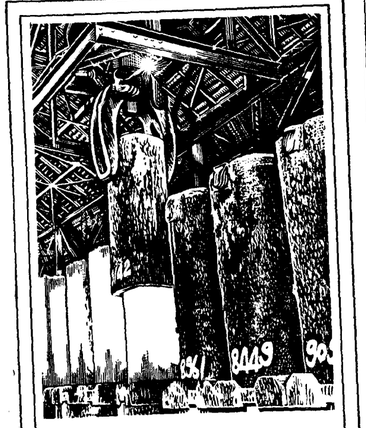
In view of the unsatisfactory trading results for the half-year the directors do not consider it advisable to provide for full depreciation upon the enhanced value of the Company's assets. Provision for depreciation has, therefore, been made at full income-tax rates.

The Coal industry at present is in a position where the prices of coal are statutorily controlled at a level which bears no relation to present day costs, owing to accumulation of burdens which have constantly increased regardless of controlled prices. As a result, little or no margin exists between costs of production and selling prices. Furthermore, the acute shortage of wagons is another adverse factor which has not only seriously restricted output but is not conducive to increased sales.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	16,92,909
Reserves ...	13,30,249	Stock ...	6,92,471
Provision for taxation ...	59,743	Stores ...	2,35,914
Liabilities ...	12,19,200	Other assets	22,936
Profit and loss account ...	2,273	Debts, deposits and advances ...	7,55,164
		Cash ...	12,071
Rs.	34,11,465	Rs.	34,11,465

N.B.—Figures within brackets relate to the corresponding period of the previous year.



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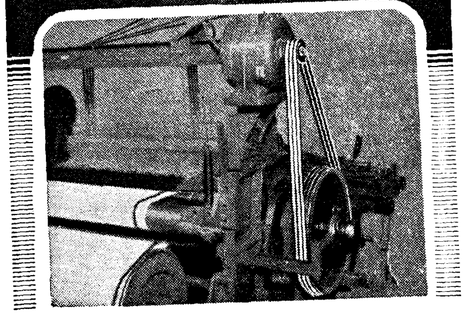

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STRINGENCY IN MONEY PERSISTS

(From Our Own Correspondent)

BOMBAY, 25*th March*

There was no fresh development in the short-term money market during the week under review. With more borrowers and few lenders, the market continued to experience stringent conditions. As the supply of funds was very meagre the demand for funds could not be met in full, with the result that the volume of business in inter-bank call money was at a low ebb. The inter-bank call rate among the Exchange banks and big Indian banks remained at 3 per cent. The rate among the small Indian banks also was stationary at 3 per cent. but, as funds were unavailable to them at this rate, the banks had to seek accommodation from the Reserve Bank and the Imperial Bank of India.

The stringent condition in the market is attributed to the heavy withdrawal of some of the funds of semi-Governmental concerns. Further, funds which were lent to inland centres for financing movement of cotton, oilseeds, etc., have not returned.

In the term money section, 3 months' deposits were offered at 2¾ per cent. with occasional business passing at 3 per cent. Six months' deposits were quoted at 2½ to 2¾ per cent. House money at call fetched 2½ per cent.

This week's tenders for Rs. 1 crore of three months' Government of India Treasury Bills brought offers of Rs. 101.50 lakhs, as against Rs. 108.75 lakhs last week. The average rate of accepted tenders, however, remained unchanged at Rs. 2-7-0 per cent. per annum.

A decline of Rs. 5 crores in notes in circulation and an expansion of Rs. 5.47 crores in notes held in the Banking Department are disclosed by the statement of affairs of the Reserve Bank of India for the week ended 20th March, 1952. The increase of Rs. 46.89 lakhs in total notes issued is covered by a corresponding rise in rupee coin. The most outstanding feature of the Banking Department is the sharp decline of Rs. 24.97 crores in Central Government deposits followed by an increase of Rs. 27.66 crores in those of the State Governments. Evidently, these variations reflect the transfer of resources by the Central Government to State Governments, presumably in accordance with the recommendations of the Finance Commission. Deposits of banks are lower by Rs. 36.34 lakhs. On the assets side of this department, balances held abroad reveal a small decline of Rs. 18.49 lakhs. Loans and advances to Governments are unchanged, but other loans and advances have risen by Rs. 4.52 crores. There has been a fresh advance of Rs. 2 crores by the Bank to Scheduled Banks against usance bills during the week, but the outstandings at the end of the week show no variations. Apparently, the banks must have repaid a like amount. Investments are lower by Rs. 4.08 crores and Government Treasury Bills purchased and discounted by Rs. 1.86 crores.

The Scheduled Banks' statement for the week ended 13th March, 1953, shows, as compared with that for the previous week, that the demand deposits of banks have risen further by Rs. 2.05 crores, while no significant variation is noted in their time deposits. Inter-bank borrowings repayable on demand are higher by only Rs. 46.35 lakhs, reflecting the poor turnover in inter-bank call money business. Inter-bank borrowings of a time nature show no change. Borrowings from the Reserve Bank have gone up by Rs. 61 lakhs and from the Imperial Bank by Rs. 60 lakhs. Advances are better by Rs. 2.91 crores, but bills purchased and discounted have declined by Rs. 96.35 lakhs. Investments have gone up by Rs. 92.54 lakhs. Cash-on-hand and balances with the Reserve Bank are together lower by Rs. 1.88 crores. Money at call have declined by Rs. 52.66 lakhs.

The recent spell of cheerful conditions in the Gilt-edged market was not very much in evidence during the week under review, as the demand fell off. The undertone, however, remained fairly steady. 3 per cent. 1953-55 was unchanged at Rs. 100-1, as also 3 per cent. 1957 at Rs. 98-12. 3 per cent. 1958 was placed an anna lower at Rs. 98-8. 3 per cent. 1959-61, 3 per cent. 1963-65 and 3 per cent. 1964 disclosed no change at Rs. 96-3, Rs. 92-10 and Rs. 92-10, respectively. 3 per cent. 1966-68 was dull at Rs. 90-9. 3 per cent. 1970-75 was featureless at Rs. 86-11. 3 per cent. 1986 Conversion Loan disclosed a loss of As. 2 at Rs. 82-14. Among the State loans, both 3 per cent. 1960 and 3 per cent. 1962 Bombay issues improved by As. 8 to Rs. 94-8 and Rs. 92-8, respectively. 4 per cent. 1964 Bombay rose by As. 2 to Rs. 101-4 and 4 per cent. 1964 Madras by As. 5 to Rs. 100-10.

There was no change in the rupee-U.S. dollar rate during the week, although the pound sterling experienced some minor fluctuation in terms of the U.S. dollar. In New York, the £ sterling which was placed at $2.81-9/16—2.81-11/16 for spot delivery on the 18th inst. shaded off to $2.81-7/16—2.81-9/16 on the next day. After improving to $2.81-9/16—2.81-11/16 on Monday this week, it closed at $2.81½—2.81⅝ yesterday.

KIPS CLEARANCE GOOD

(From Our Own Correspondent)

MADRAS, 23*rd March*

Arrivals of kips have been moderate and clearances good. Prices have ruled firm, due to exporters purchases to cover outstanding orders and are 1d. to 2d. above U.K. levels. Tanned cow calf and cow inferior fifths are in good demand, but arrivals have been small.

Shippers to Japan have been active buyers of tanned sheep skins and prices have increased by As. 4, as compared with last week. Prices of tanned goat skins also have slightly increased.

BULLION ERRATIC

(From Our Own Correspondent)

BOMBAY, 25*th March*

After last week's sharp drop in prices, the bullion market presented an irregular trend during the week under review. Early in the week, both the metals displayed a tendency to harden, but, on Saturday last, silver was again subjected to heavy selling pressure. There was, therefore, a sharp reaction on that day. This declining trend persisted till yesterday when both silver and gold touched low levels not seen for over two months. The low levels, however, brought a revival of demand and short-covering to-day and prices responded favourably with a smart rise. Nevertheless, over the week, silver lost Re. 1-1 per 100 tolas. Gold, however, was able to make good the earlier loss and register a gain of As. 14 per tola for forward.

The recovery in bullion prices during the earlier part of the week was assisted by unfavourable rumours about the proposed estate duty levy. Further, after the previous week's decline, short sellers were inclined to cover their sales. But, as the week progressed, the erstwhile bulls chose to lighten their commitments. This resulted in a downward trend once again. Besides, arrivals of gold were also larger with no corresponding improvement in offtake. To-day's recovery was more marked in gold, because of the report of a big haul of smuggled gold in the city.

Silver for forward delivery in April opened at Rs. 159-1 and advanced to Rs. 161-8 on Friday. From Saturday onwards, there was a small landslide in silver, with prices declining to Rs. 156-1 yesterday, a level not seen since 27th January last. As the rate went down below Rs. 157, that is, Rs. 5 lower than the last clearing rate of Rs. 162, special clearing in both the metals was enforced yesterday, the second in the last two weeks. To-day, there was a sizable recovery to Rs. 158-15 before closing at Rs. 158-7.

Ready silver (.996 Mint) improved from Rs. 159-1 to Rs. 161-8, and, after receding to Rs. 156-1, regained to close at Rs. 158-7. The floating stocks of silver are placed at 1,700 bars. The daily average offtake was no more than 10 bars.

Gold for forward delivery began at Rs. 84-6 and hardened to Rs. 85-11 on Friday. In the subsequent decline, the yellow metal dropped to Rs. 83-9 yesterday. To-day, however, there was a substantial improvement on bear covering and lower arrivals to Rs. 85-10, before profit-taking intervened. The closing rate was Rs. 85-2.

Ready gold, after improving from Rs. 84-6 to Rs. 85-10, dropped to Rs. 83-9, only to rebound to Rs. 85-3 at the close. The floating stocks of gold are reported to be 60,000 tolas. The daily average arrivals were 8,000 tolas, while the offtake was 5,000 tolas on an average.

There was no change in the price of silver in London and New York, where it stood at 74*d.* and 85¼ cents per fine ounce, respectively. In the international free market for gold, the yellow metal was quoted at $37.05 in Europe, as against $37.10 last week.

The following comparative table shows the trend of the market during the week under review:

	25-3-53	Highest	Lowest	18-3-53
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	85 3	85 10	83 8	84 9
Forward	85 2	85 11	83 9	84 8
Sovereign	55 8	55 12	55 6	55 8
SILVER				
Ready (.996 fine Mint)	158 7	161 8	156 1	159 8
Forward	158 7	161 8	156 1	159 8
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½c.	—	—	85½c.

BRADFORD TOPS FIRM

(Messrs. J. Hardacre and Co.)

BOMBAY, 24*th March*

There has been a further advance in quotations from Bradford tops which is more marked in merino qualities than in any other section of the market. The proportion of wool suitable for these fine tops in primary markets just now is rather small and this has forced replacement costs on to a higher basis than is represented by Bradford quotations for tops. By comparison with Thursday last, merinos are about 6*d.* per lb. dearer. There has been substantial business in merino tops this week, with the delivery dates being pushed further ahead. In the crossbred section, the rise is 2*d.* per lb. Taken all round, there is still an upward tendency in this market, values being very firm at these higher prices.

Values at yesterday's London wool sales advanced by 5 to 10 per cent. as compared with the previous rates.

Wool values at Sydney this week are quoted as being at the season's highest point; prices are advancing daily at the rate of 2½ per cent. At Geelong, the wool market closed on the series strongest note, under keen and widespread competition. Values were fully firm. Values at East London and Capetown are 2½ per cent. higher.

The current quotations (in pence per lb. c.i.f. Bombay) for Bradford oilcombed tops are given below:

	May-June, 1953
48's Carded	87/88*d.*
58's Super	125*d.*
60's Super	147*d.*
64's Super	168*d.*
70's Super	186/7*d.*
	May, 1953
Fibro (3D. 4")	43½*d.*
46/48s scoured clothing wool	84*d.*

The tendency of the market is exceptionally strong.

COTTON STEADY

(From Our Own Correspondent)

BOMBAY, 25*th March*

Even though the forward market in cotton in Bombay touched the highest level so far achieved during the season, the week under review was, on the whole, uneventful. The market had already anticipated, earlier during the week, the slight advantage for Indian cotton derived from the ruling out of any possibility of Pakistan cotton coming to augment the supplies here during this year. It was disclosed during the trade negotiations at New Delhi between India and Pakistan that the latter had no cotton to offer to India. This would mean that even if the question of devaluation were to revive once again and even if Pakistan were led to accept devaluation by force of economic events, there would be little chance of Pakistani cotton being imported for consumption in Indian mills for the next six months or even a little longer.

In the final analysis, it is not whether Pakistani cotton is imported into India or not, which would govern the prices of Indian cotton, but this would depend more on the actual demand from the mills for such cotton. This demand would depend more on the condition of the internal and foreign markets for Indian cloth as well as the quality of the cloth that would be in demand. In the first place, the demand, after a little spurt, has slackened. Secondly, the mills feel, rightly or wrongly, that any possible demand will be more for fine, and especially, superfine cloth than for coarse and medium cloth. In spite of the spoon-feeding it is receiving, the handloom industry cannot be expected to consume larger quantities of lower counts yarn all of a sudden. The emphasis has, therefore, shifted from Indian cotton to imported styles in the spot market during recent weeks. If this trend persists for some time, as it is likely to do, and if Indian cloth is not likely to finds its way into Pakistan, it might be said that the present level of prices, both in the spot and in the forward markets, is about the highest that are likely to be touched this year; Rs. 720 to Rs. 725 appears at this stage, as the peak price unless there is cornering on a large-scale by a powerful syndicate. This does not mean that selected growths of Indian cotton will not command good premium now and then, when there is a special demand for them. But these higher prices in special cases will not go to affect the general trend in the forward market. The anticipated inflationary policy of the Government of India which might go to create a greater consumption of Indian cloth within the country because of the increased purchasing power is not likely to materialise till inflation gathers as certain degree of momentum and by the time it does so, the present cotton year will be over. Mills have already turned cautious in making their purchases. Cotton markets all over the world are also devoid of much enthusiasm and any effective drive by the U.S.A. to increase exports might tend to depress prices. All this, however, should not be interpreted as pointing to a slump round the corner. It only means that there is no boom ahead apart from temporary spurts on technical grounds now and then.

The position is slightly different with regard to exportable styles. In these, India does not have to compete with any other country except Pakistan. Stocks of short-staple exportable varieties are scattered far and wide in the country and no pressure is, therefore, likely to be exercised on prices by these, as difficulties of collecting them at one place for shipments will always be there. Pakistan prices are higher and even if they were to come down, there is a special class of consumers for this cotton, which will absorb available supplies. Though there is not much activity at present in the export market, the general feeling in the trade is that when it is realised that Bengal Deshi is not available, a demand for Oomras and Dholleras might arise. On the import front we have failed so far to obtain anything from East Africa. Certain Egyptian styles, however, have remained favourites with Indian mills and they are being imported regularly.

The following are the latest quotations from the spot market:

Bengal Deshi Rs. 575-620; Berar Jarilla Rs. 735-750; Vijay Rs. 860-870; Moglai Rs. 675-685; Khandesh Rs. 760-825; Oomra Deshi Rs. 700.

The following is the trend of prices in the forward market for the week ended 25th March, 1953:

	Opening	*High*	*Low*	*Closing*
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
I.C.C. May	709 0	714 0	700 8	703 4
,, August	718 0	724 0	711 0	714 8

At Karachi, the optimism created by talks of big barter deals will be difficult to sustain for a long time unless some of these deals materialise soon. Japan is as evasive as ever and will be more so after the arrival of the American marketing specialists there to induce Japan to use more American cotton. In the meantime, Karachi is busy reselling some of the cotton purchased by France to other Continental countries at a slightly lower price. Some recession in prices at Karachi is bound to occur soon because enquiries have dried up after the recent rise. Political uncertainty within the country might also induce holders to dispose of their stocks by gradually reducing prices.

The following are the latest available quotations from the Karachi market: Bengal Deshi Rs. 67; 4F Punjab R.G. Rs. 56½ to Rs. 58; S.G. Rs. 60 to Rs. 61½; L.S.S. Punjab R.G. Rs. 60; S.G. Rs. 64½; N.T.R.G. Rs 65; 289 Punjab R.G. Rs. 65½ to Rs. 66; S.G. Rs. 71½ to Rs. 72.

At Alexandria, activity in the spot market continues unabated. The U.K. is gradually leaning once again on this market. France and Germany are also interested as production, next year, especially that of Karnatak, is bound to be considerably reduced under the Government decree. The all-round demand to secure these stocks while they last is bound to continue for some time. No development of significance is, however, expected in this market till a clearer picture of the Government's marketing policy for the coming year is available.

At New York, while internal consumption continues satisfactory, the export situation is causing real anxiety both to the authorities and the operators. The peace feelers in recent weeks from the East have gone further to increase these anxieties. The Department of Agriculture has, therefore, decided to send out one of its marketing specialists to Asia to find out ways of increasing exports of U.S. cotton to these countries. Curiously enough, one of the countries mentioned in the list for such efforts is Pakistan. It is difficult to see how the U.S. expects Pakistan to consume its cotton when Pakistan itself is an exporter of similar varieties. The price trend after the previous week's rise has been lower on the whole and it is not likely to improve in the near future even if there be no appreciable recession from the present level.

The following are the latest available quotations from New York as compared with those of a week and a fortnight before:

(In cents per lb.)

	24-3-1953	17-3-1953	10-3-1953
Spot	33.95 (*a*)	34.30	34.40
March	..	..	33.67
May	33.36 (*a*)	33.71	33.74
July	33.18	33.71	33.89
October	33.52 (*a*)	33.71	33.92
December	33.60 (*a*)	33.74	..

(*a*) As on 23rd March

SCARCITY IN STAPLE FIBRE

(From Our Own Correspondent)

BOMBAY, 25*th March*

Last week's hectic buying in the art silk yarn market gave way to selling pressure during the major part of the week under review. This was influenced, in the main, by fairly good arrivals of yarn into the market, following unloading of imported shipments. Also, there was large-scale profit-taking at higher levels. Values of yarn, as a result, tended to decline. The downward trend persisted till to-day, when it was reversed, on reports of an increase of 3*d.* per lb. in Japanese yarn prices. These reports, coupled with expectation that the Government would not revise its import policy for art silk yarn, induced, once again, mild support at the low levels. But this was not strong enough to bring about a full recovery. Closing rates to-day were, therefore, lower than those at the end of last week.

In the forward section, 150D March contract, after losing 29 points to Rs. 824 yesterday, recovered to Rs. 846 to-day. At the close, however, it was a shade easy at Rs. 838. The net loss over the week was thus to the extent of Rs. 15. 150D April contract receded from Rs. 860 to Rs. 831 before finishing the week higher at Rs. 845, losing thereby Rs. 15. Values of yarn in the ready section moved in sympathy with those in the forward section. 150 Japan and 150 Italy declined by As. 3 and As. 2 to Rs. 4-5 and Rs. 2, respectively, yesterday; to-day, they were higher at Rs. 4-6 and Rs. 4-3. 120 Japan fluctuated between Rs. 5 and Rs. 4-11 before closing at Rs. 4-12. 120 Italy receded from Rs. 4-4 to Rs. 4-2 on the 21st inst., but improved to Rs. 4-3 to-day.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 18th and 11th inst.

Art Silk Yarn—	25-3-53 Rs. a.	18-3-53 Rs. a.	11-3-53 Rs. a.
150D March (per case of 200 lbs.)	838 0	853 0	776 0
150D April ,, ..	845 0	860 0	799 0
120 Japan (per lb.) ,, ..	4 12	5 1	4 13
150 Japan ,, ..	4 6	4 8	4 5
120 Italy ,, ..	4 3	4 4	4 3
150 Italy ,, ..	4 3	5 4	3 15

As reported last week, the traders are very much disappointed over the meagre import quota allotted for art silk yarn. In view of the great need for meeting the demands of handlooms and powerlooms at reasonable prices, it is felt that the Government should have been more liberal in its policy. According to the trade, a larger quota will help stabilise art silk yarn values in the country which are very high *vis-a-vis* the world prices. The difference in the price now prevailing in the country and the current world prices is about Rs. 2 per lb. on an average.

The staple fibre section remained fully firm, supplies being scarce. Buying support was seen particularly in 2/40s yarn which resulted in an improvement of As. 4 per lb. Yarns of 20s and other counts were also reported slightly higher, the rise in the quotations ranging from six pies to an anna per lb. Traders are eagerly awaiting the Government's import policy. Fresh licences, it is expected, will be granted to consumers during the next two or three weeks.

GROUNDNUTS EASY

(From Our Own Correspondent)

BOMBAY, 25*th March*

The oilseeds market remained closed to-day and on the 23rd inst., on account of the death of a prominent merchant and *Ramanavami*, respectively. During the remaining sessions, the market ruled easy. A natural reaction which should follow a steady rise for a considerable time past was in full evidence this week. It was, in fact, responsible for the easiness. Persistence of generally discouraging overseas advices for almost all oils also contributed to the trend. The cumulative effect was that prices of oilseeds and oils declined under a wave of selling pressure and recorded sizable losses over the week.

The persistent rumours in the market of a possible ban on exports of oil from India lose their force in the context of world prices of vegetable oils, which are generally lower than those prevailing in India. As export of these oils is already subjected to quota controls, there is no need at all for further restriction by way of a ban on exports.

Although the decline in the prices of groundnuts is welcome, such is not at all appreciable, as the prices are still far above those which prevailed a few weeks ago. Bold ready, for instance, declined this week by Re. 1-4 to Rs. 41-12. But, as compared with those on the 24th February, they were higher by Rs. 3-8. Khandesh quality was reported done lower by Re. 1 at Rs. 42-4. The rate a month ago was Rs. 38-12. Groundnut oil ready lost As. 10 to Rs. 23-8 and railway receipts As. 6 to Rs. 22-10. Four weeks ago, the rates were Rs. 20-6 and Rs. 20-2, respectively. It was rumoured that Saurashtra might prohibit exports of groundnuts to other States.

The linseed section has been reflecting more or less the same trend as in groundnuts for a sufficiently long time now. This is attributed to the use of linseed oil as an adulterant with the comparatively high priced groundnut oil. Bold ready receded by Re. 1-2 to Rs. 29-6. Linseed oil was lower by As. 4 at Rs. 15-2.

Despite the fact that some business was reported with the U.S., in castor oil commercial quality between 18¾c. and 19c. early in the week, later advices regarding lower U.S. offers to buy at 18¼ cents to 18½ cents were discouraging. As a result, castor oil first pressure eased by As. 12 to Rs. 19-4 and commercial quality by As. 10 to Rs. 18-4. Castorseeds May which opened steady at Rs. 158-8, fluctuated between Rs. 160-8 and Rs. 152-8, before closing at Rs. 153-12. Madras quality was done at Rs. 32 as against Rs. 33.

The following table shows the prices of oilseeds and oil on the 24th inst., as compared with those on the 18th and 11th inst.

	24-3-53	18-3-53	11-3-53
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Bold Ready New (per cwt.) ..	41 12	43 0	41 4
Khandesh New (per cwt.) ..	42 4	43 4	41 4
Linseed—			
Bold Ready (per cwt.) ..	29 6	30 8	30 0
Castorseeds—			
May (per candy of 5 cwts.) ..	153 12	158 8	150 12
Madras (per cwt.)	32 0	33 0	31 12
Groundnut oil—			
Ex-mill Ready (per quarter)	22 14	23 8	22 6
Castor Oil—			
Commercial (per quarter) ..	18 4	18 14	18 8

PEPPER QUIET AT CLOSE

(Messrs. Parekh & Co.)

BOMBAY, 25*th March*

During the earlier part of the week black pepper ruled firm in sympathy with New York where speculators are said to be trying to boost up the prices by absorbing all offers from India ranging from $1.46 to $1.48 with a view to propping up the morale of the Indian market. One of the speculators at New York who was able to stage a successful bull squeeze in the year, 1951, by raising the spot price of pepper in New York to a record high price of $2.90 per lb., is now reported active in building long position both for ready and April-May-June shipments by buying in New York and in India all available contracts. But, a knowledgeable source in the trade opines that he may not be able to get as big a following as in 1951, because nobody, either among the grinders or among the dealers, in the U.S.A. is expecting that the recent moves by the new American Administration will lead to a world-war. In the later part, however, prices in all primary markets ruled quiet under pressure of offerings by planters who exhibited anxiety to sell off their holdings at round about the present price. Most of the prominent exporters in India are looking to the present rise in New York with misgiving. They are more prone to sell big quantity at round about $1.45 per lb., for April and May shipments. They think that as long as America is in the market, the growers are presenting firmer front, but the moment the country is off the market, they will be nervous sellers in view of the smaller export from India, and incoming competition from Sarawak and Lampong where crop prospects are reported better.

In the local market, in A.S.T.A. section, interbazar business, for April shipment, was doing on a fairly large scale at prices from $1.48 down to $1.44. Alleppey and Calicut are reported soft sellers at Rs. 3,350 to Rs. 3,500 respectively.

Following are to-day's nominal quotations: Ready delivery Rs. 2,750, March Rs. 2,690-2,720 and April Rs. 2,735-65 per candy of 5½ cwts.

FALL IN JUTE GOODS PRICES

(From Our Own Correspondent)

CALCUTTA, 24*th March*

The week under review was highlighted with last Friday's announcement of a three-year Indo-Pakistani Trade Agreement, according to which India will import from East Bengal 18 lakh bales of jute in each of the three jute years, beginning from July this year. India can increase this quantity up to 25 lakh bales a year, should there be need for a larger quantity of jute. The abolition of the discriminatory licensing fee of Rs. 2-8 a maund and the revision in the export duty on *kutcha* bales to Rs. 3 from Rs. 3-12 a maund remove the advantage which the Continental and other overseas importers of East Bengal jute have been enjoying for many months past.

However, foreign buyers will naturally hesitate to enter into commitments, if quotations are not on a par with those of the Continental manufacturers, and, as such, it was no surprise to witness the development of a bearish tendency after last Friday. There was some amount of speculative selling too, and sacking, which was already following a pronounced downward tendency, fared worse than hessian. B. twills opened at Rs. 90-8 last Wednesday, and the price was soon raised to Rs. 91-8, following some covering demand and the interest shown by speculative shippers. Business with foreign buyers was difficult, but mills continued to release stocks to satisfy shippers' instructions. However, this could not relieve stocks, since current production is going to mills' godowns. Over the week-end, the rate fell to Rs. 89-14 from Rs. 91-6, and touched a low of Rs. 89-2 yesterday.

The hessian market also ruled quiet, despite rumours about an order from Argentina and the talk about sealing of 5 per cent. of the hessian looms by mills. Mills were anxious to sell forward, but the turnover was limited. Hessian 40" 10 oz. opening at Rs. 40-2 improved to Rs. 40-6 on bear-covering, but over the week-end eased to Rs. 40. The rate was even lower at Rs. 39-14 yesterday. 40" 8 oz. was offered at Rs. 32-6 f.a.s., and at Rs. 39-2 f.o.b.

Although there was no change in jute prices as a first reaction to the Indo-Pakistan Trade Agreement paving the way for increased imports of jute from Pakistan, a decline in rates was a feature of yesterday's tendency in the market. Assam bottoms were hammered down to Rs. 18 from Rs. 19, with Dalcolas and Kissanganjs being offered at Rs. 19-8 and Rs. 18-8, respectively. Pakistan jats were held at Rs. 24. *Bimli* f.a.q. was not wanted even at a low rate of Rs. 14.

TEAS GENERALLY EASY

(From Our Own Correspondent)

CALCUTTA, 24*th March*

In contrast to the tendency during auctions of recent weeks, generally easy conditions prevailed during yesterday's export sale, where offerings amounted to 53,500 packages. Lack of adequate demand contributed to the change in sentiment. While prices for better Assams and low medium and common fannings were maintained at previous rates, better liquorinng fannings and whole leaf grades eased by half an anna. Bright liquoring varieties tended to show fractional rises. Common broken pekoes and low mediums had a firm market, while stylish B.P.S. teas were better by half an anna. Improved quality medium Assams were steady. The rates were: good Assam CTC BP Re. 1-14 to Rs. 2, medium Assam BP Re. 1-10 to Re. 1-10-6, clean black pekoe Re. 1-7, and clean common BP Re. 1-9.

Although demand was moderate, a fractional recession in prices was witnessed during last week's internal auction where offerings aggregated 19,866 and 1,071 packages of dust and other grades respectively. Such a decline was more marked in the dusts section than in the leaf market. The commonest varieties, commons and low mediums were quoted at lower rates. However, good mediums were about steady, while good CTC varieties were on occasions raised by As. 2 and the clean black leafy types, suitable for export, had a ready market. The rates were: Good red Assams Rs. 2-1, medium Dooars Re. 1-7, and medium grainy Assams Re. 1-9-6.

FOODGRAIN PRICES RECEDE

(From Our Own Correspondent)

HAPUR, 23*rd March*

The overall food position in Uttar Pradesh is quite easy and there has been a general fall in prices. There are huge stock accumulations of coarse grains in the 11 eastern districts of U.P. and the State Government is now disposing of the same. It has been decided to send a total of 8,500 tons of milo and 3,500 tons of *bajra* to Bombay. About 3,000 tons of rice are being sent to West Bengal and 1,000 tons to Bihar. The Regional Food Controllers all over the State are selling by auction to the trade several lakh maunds of gram and barley out of the Government's stocks lying in the different districts. Permits for the movement of auctioned stocks outside the State will also be granted.

Following were the wholesale and retail prices of foodgrains in important markets. Wholesale: Shamli Rs. 19-8, Hapur Rs. 19-8, Chandausi Rs. 21, Kasganj Rs. 22-12, Gonda Rs. 21-12, and Sitapur Rs. 20. The Government retail sale rate in all regulated towns of the State was Re. 1 per 2 *seers* and 2 *chattaks*. The other grain quotations in the Hapur market are: gram Rs. 15-4, *barley* Rs. 13, *bejhar* Rs. 12, rice: *basmati* Rs. 34, *hansraj* Rs. 30, *sela* Rs. 28-8 and coarse Rs. 23, maize Rs. 11-12, *bajra* Rs. 12, *jowar* Rs. 10 to Rs. 11-4, and peas Rs. 13-4 to Rs. 14.

The Punjab State is keeping its rice export programme to the needy areas as best as is possible. Nearly 8,270 tons of rice was exported to other States during the second fortnight of February. The Government has offered 29,993 tons of rice out of the previous crop and 29,834 tons have since been despatched to the deficit States.

MERCURY PRICES DECLINE

(From Our Own Correspondent)

CALCUTTA, 24*th March*

Although electrolytic copper ingots maintained last week's improvement, the early rise to Rs. 190 this week was only a temporary feature but the quotation closed at Rs. 188. The supply position is considered tight, and buyers were interested in offers of scrap. Buyers were reluctant, as they rightly felt that, if they did so, the upward trend in prices for ingots and the

(*Continued on page* 578)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	13th Mar., 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation.	172.44	1,138.01	1,136.12	1,129.20	1,157.52
Notes held in Banking Department.	25.05	11.26	13.34	11.10	21.32
Foreign Securities.	29.50	578.15	578.15	568.15	603.15
Rupee Securities.	37.39	449.86	449.86	449.86	408.13
Banking Department					
Deposits of :—					
Government of India.	14.89	147.51	139.72	157.40	180.73
Other Governments.	..	1.44	10.48	1.02	17.80
Balances held abroad	10.08	146.81	146.23	152.60	118.44
SCHEDULED BANKS					
Demand Liabilities.	134.37	529.00	526.48	526.64	567.20
	..	(12.38)	(11.91)	(11.58)	(28.09)
Time Liabilities	102.84	314.63	314.81	314.79	285.91
Borrowings from Reserve Bank	..	(2.01)	(2.01)	(1.83)	(0.60)
	..	9.99	9.33	7.03	62.04
		(4.24)†	(4.24)†	(0.74)†	(19.94)†
Borrowings from Imperial Bank‡	..	8.36	7.76	7.14	N.A.
Cash in India	6.71	32.51	33.35	34.31	36.10
Balances with Reserve Bank	25.28	40.58	41.62	44.60	46.92
Excess over statutory limits	15.52	7.84	9.00	11.98	12.85
Balances with other banks in current account in India.	..	10.82	10.77	11.00	11.10
Money at call and short notice in India	..	15.86	16.38	15.06	12.54
Investments (at book value)	..	301.83	300.90	301.82	295.86
Advances and bills.	105.09	512.79	510.84	500.68	584.90
IMPERIAL BANK					
Deposits	87.76	208.87	209.89	207.96	231.61
Investments	51.99	81.24	81.24	81.94	85.57
Advances	30.37	127.33	127.10	123.72	163.83
Cash	14.09	16.19	15.31	15.94	24.37

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets). N.A.—Not available.
† Borrowings against usance bills and promissory notes.
‡ Figures prior to 18th April, 1952, not available.

CLEARING HOUSE RETURNS

Centre	20th March, 1953		13th March, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,42,935	64,00,63,000	2,38,910	52,70,52,000
Calcutta	1,54,334	58,20,79,269	1,51,881	43,82,06,605
Madras	67,041	7,77,25,293	75,333	8,51,93,198
All Centres				
Dec., 1952	..	..	25,49,000	5,47,76,00,000
Jan., 1953	..	..	25,74,000	5,52,14,00,000
1952	..	..	1,0641,941	26,79,61,57,000
1951	..	..	1,0694,122	31,80,56,86,359

Reserve Bank of India

Statement of Affairs for the week ended 20th Mar., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government		122,53,61,000
(2) Other Governments		29,09,82,000
(b) Banks		43,67,51,000
(c) Others		63,61,92,000
Bills Payable		4,31,63,000
Other Liabilities		28,70,25,000
	Rupees	301,34,77,000

ASSETS	Rs.	Rs.
Notes		16,73,36,000
Rupee Coin		11,52,000
Subsidiary Coin		2,80,000
Bills Purchased and Discounted—		
(a) Internal		22,50,000
(b) External		
(c) Government Treasury Bills		7,44,57,000
Balances held abroad		146,62,39,000
Loans and Advances to Governments		3,46,00,000
Other Loans and Advances		22,89,21,000
Investments		96,12,10,000
Other Assets		7,70,32,000
	Rupees	301,34,77,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 4,24,18,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 9,74,18,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	16,73,36,000	
Notes in circulation	1133,00,75,000	
Total Notes issued		1149,74,11,000
Total Liabilities		1149,74,11,000

ASSETS	Rs.	Rs.
A Gold Coin and Bullion :		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	578,15,11,000	
Total of A		618,16,82,000
B. Rupee Coin		81,71,17,000
Government of India Rupee Securities		449,86,12,000
Internal Bills of Exchange and other commercial paper	....	
Total Assets	....	1149,74,11,000

Ratio of Total of A to Liabilities: 53.766 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 13th Mar., 1953

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks	12,37,62,000†
(ii) Other demand liabilities	516,61,93,000
2. Time Liabilities in India :	
(i) Borrowings from banks	2,01,00,000†
(ii) Other time liabilities	312,62,10,000
3. Cash in India	32,50,80,000
4. Balances with the Reserve Bank in India	40,58,26,000
5. Balances with other banks in current account in India	10,82,11,000
6. Money at call and short notice in India	15,85,60,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	301,82,53,000
8 Advances in India	462,55,37,000
9 Inland Bills purchased and discounted in India	50,23,87,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.

†Excludes borrowings from the Reserve Bank, and with effect from the 18th April 1952 as also those from the Imperial Bank.

EXCHANGE RATES

	24th March, 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	₹ 1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	₹ 1-5 13/16	1-5 13/16
Buyers T.T. spot to nine months	₹ 1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	₹ 1-6 3/16	1-6 3/16
Bombay on New York—		
Sellers T.T. D.D.	Rs. 475 1/4	475 1/4
Buyers T.T.	Rs. 471 1/4	471 1/4
London on New York	$ 2 81 3/32–2 81 1/8	2 81 1/4
London on Paris	Frs. 9874–988	9874–988
London on Berne	Sw. Frs. 12.184–12.19	12.19
New York on London	$ 2.81 3/32–2.81 1/8	2.81 1/2–2.81 1/4

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	*Per capita* income (Rs.)
India	1948	342.12	..	..	8,730	255
Pakistan	1949	75.04	..	..	1,671	222
Burma	1951	18.67	Kyats	3,166	317	167
Ceylon	1951	7.74	..	..	451	564
Japan	1951	84.30	Y.	4,564,400	6,038	716
Philippines	1951	20.25	Ps.	7,586	1,820	856
New Zealand	1951	1.95	£ (N.Z.)	615	820	4,206
Australia	1951	8.41	£ (A.)	3,238	3,454	4,317
U.K.	1951	50.56	£	11,384	16,179	2,976
U.S.A.	1951	154.36	$	277,600	132,190	8,564
Canada	1951	14.01	$	17,229	8,552	6,108
France	1951	42.24	F. Fr.	9,082,000	12,372	2,929
W. Germany	1951	48.11	Dm.	90,200	10,227	2,126
Italy	1951	46.60	Lr.	7,746,000	5,902	1,267
Norway	1951	3.29	Kr.	15,504	1,053	3,206
Sweden	1951	7.07	Kr.	30,800	3,439	4,864
Netherlands	1951	10.26	Fl.	16,940	2,151	2,096
Denmark	1951	4.30	Kr.	20,716	1,439	3,346
Switzerland	1951	4.75	S. Fr.	19,500	2,166	4,556

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, January, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 13th March, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	34,01,51,000
(b) Provincial Governments	1,98,45,000
(c) Banks	10,81,21,000
(d) Others	3,14,57,000
Bills Payable	9,02,000
Other Liabilities	4,38,87,000
Rupees	61,33,63,000

ASSETS	Rs.
Notes	3,76,33,000
Rupee Coin	3,000
Subsidiary Coin	6,000
Bills Purchased and Discounted :—	
(a) Internal	..
(b) External	1,88,000
(c) Government Treasury Bills	1,03,00,000
Loans and Advances to Governments	2,43,74,000
Provincial Governments Debtor Balances	7,69,99,000
Other Loans and Advances	37,23,38,000
Investments	8,55,22,000
Other Assets	..
Rupees	61,33,63,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	3,76,33,000	
Notes in circulation	209,58,40,000	
Total Notes issued		213,34,73,000
Total Liabilities		213,34,73,000

ASSETS	Rs.	Rs.
I A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	..	
Sterling Securities	38,50,23,000	
Government of India Securities	11,37,77,000	
Internal bills of exchange and other commercial paper	....	
	120	88,28,38,000
B. Rupee Coin	6,17,80,000	
Government of Pakistan Securities	114,63,80,000	
Internal bills of exchange and other commercial paper	....	
	....	120,81,60,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		213,34,73,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 43.23 per cent.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment Rs. a. p.	Allotted at minimum rate %
1953					
6th Jan.	1.00	1.45	1.00	2 6 5	55
13th ,,	1.00	1.22	1.00	2 6 9	79
21st ,,	1.00	1.23	1.00	2 7 0	81
27th ,,	1.00	1.00	1.00	2 7 0	100
3rd Feb	1.00	1.14	1.00	2 7 0	87
10th ,,	1.00	1.19	1.00	2 6 11	84
17th ,,	1.00	1.39	1.00	2 7 0	100
24th ,,	1.00	1.09	1.00	2 7 0	100
3rd March	1.00	1.02	1.00	2 7 0	98
10th ,,	1.00	1.16	1.00	2 6 11	86
17th ,,	1.00	1.09	1.00	2 7 0	93
24th ,,	1.00	1.02	1.00	2 7 0	100
Total	12.00	13.00	12.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	3rd July, 1952	5	6
Belgium	13th Sept., 1951	2½	3½
Canada	17th Oct., 1950	1½	2
Denmark	2nd Nov., 1950	4½	5
Finland	16th Dec., 1951	7½	8½
France	9th Nov., 1951	2	4
Greece	11th July, 1951	10	12
India	15th Nov., 1951	3	3½
Italy	6th April, 1950	4½	5
Japan	1st Oct., 1951	5.11	6.84
Netherlands	1st Aug., 1952	3½	3
New Zealand	26th July, 1941	2	1½
Norway	9th Jan., 1946	3	2½
Portugal	18th Jan., 1944	3	2½
South Africa	27th Mar., 1952	3½	4
Spain	18th Mar., 1949	4½	4
Sweden	1st Dec., 1950	2½	3
Switzerland	26th Nov., 1936	4	1½
Turkey	26th Feb., 1951	2	3
United Kingdom	12th Mar., 1952	2½	4
U.S.S.R.	1st July, 1936	8	4
U.S.A.	16th Jan., 1953	1½	2
West Germany	8th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	November, 1952	1951	Eight months—April to Nov., 1952	1951
Import Duties :				
Revenue	8,14	11,85	73,93	85,88
Protective	6,6	85	5,42	7,17
On surplus disposals	0,6	2	3	19
Total import duties	8,81	12,72	79,37	93,24
Export Duties	3,23	7,74	38,16	60,34
Land Customs	23	50	1,91	2,03
Miscellaneous	8	13	32	80
Gross total customs	12,35	21,08	120,26	156,42
Refunds and drawbacks	18	1,28	1,99	3,44
Net Customs	12,17	19,81	118,27	152,98
Gross excise	4,61	7,72	50,84	62,04
Refunds	5	17	1,05	1,15
Net Excise	4,56	7,55	49,79	60,89
Net total of customs and excise	16,73	27,36	168,06	213,87

Imperial Bank of India

Statement of Affairs for the week ended 20th March, 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	5,62,50,000
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		6,35,00,000
Deposits and other Accounts		210,04,87,000
Borrowings from other Banking Companies Agents		3,50,00,000
Bills Payable		6,54,84,000
Bills for Collection being Bills Receivable as per contra		55,03,000
Acceptances, Endorsements and Other Obligations as per contra		2,87,000
Other Liabilities (including Inter-Office Adjustments)		1,66,74,000
Total	Rs.	234,31,85,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		13,42,93,000
Balances with other Banks		4,06,49,000
Money at Call and Short Notice		62,50,000
INVESTMENTS—		
Government and other Trustee Securities	71,00,51,000	
Other Authorised Investments	11,16,18,000	
		82,16,69,000
Advances—		
Loans, Cash Credits and Over drafts, etc.	106,65,41,000	
Bills Discounted and Purchased	23,35,50,000	
		130,00,91,000
Bills Receivable being Bills for Collection as per contra		55,03,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		2,87,000
Premises less Depreciation		1,37,87,000
Furniture and Fixtures less Depreciation		34,31,000
Other Assets (including Inter-Office Adjustments)		1,78,19,000
Total	Rs.	234,31,85,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS										
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits. Outstandings@	3½% Ten-year Treasury Savings Deposit Certificates ‡	
	5-Year		7-Year		12-Year						
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*
1950-51	2,08	5,01	96	2,40	20,67	50,53	97,80	61,36	— 22,32	5,31	5,31
1951-52	1,76	6,10	77	2,91	22,07	66,81	1,07,55	74,18	— 27,55	13,10	18,39
December 1951	13	5,74	6	2,76	1,64	62,58	7,66	67,91	— 26,30	70	16,51
January 1952	13	5,82	7	2,81	1,51	63,62	7,75	68,04	— 26,68	66	17,17
February ,,	13	5,90	5	2,83	1,64	64,79	8,21	68,27	— 27,02	58	17,70
March ,,	29	6,10	10	2,91	2,63	66,81	15,04	74,18	— 27,55	71	18,39
April ,,	14	6,17	5	2,93	2,28	68,56	10,01	76,52	— 27,91	95	19,36
May ,,	12	6,22	8	2,99	2,12	70,22	9,95	77,85	— 28,25	56	20,53
June ,,	12	6,28	6	3,02	1,82	71,64	9,38	80,03	— 28,57	69	21,29
July ,,	15	6,34	10	3,09	2,03	73,14	10,29	82,54	— 28,91	74	21,99
August ,,	14	6,40	6	3,12	1,76	74,45	8,60	83,75	— 29,15	66	22,38
September ,,	10	6,44	3	3,12	1,84	75,75	8,78	84,89	— 29,40	59	22,92
October ,,	11	6,48	5	3,14	1,71	76,77	8,36	85,24	— 29,68	56	23,48
November ,,	10	6,50	4	3,16	1,71	77,99	8,03	85,51	— 29,98	58	23,04
December ,,	8	6,51	3	3,16	1,86	79,34	8,45	85,92	— 30,22	48	24,48
January 1953	..	..	..	..	..	..	..	..	..	58	..

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from 1st June, 1948. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)
1. All-India

Group and Sub-Group	Week Ended 14-3-'53	7-3-'53	14-2-'53	15-3-'52
(A) Government and Semi-Government Securities ‡	92.2	92.2	92.2	91.4
1. Government of India Loans	92.4	92.3	92.3	91.4
2. Municipal, Port Trust and Improvement Trust Loans	86.9	86.9	86.8	87.6
(B) Fixed Dividend Industrial Securities	90.1	90.0	90.2	92.8
1. Electricity	78.2	78.2	77.3	74.7
2. Cotton	127.0	126.3	125.6	133.1
3. Jute	79.8	79.9	80.4	82.3
4. Coal	95.7	95.5	95.2	99.2
5. Iron and Steel	84.0	83.8	84.4	85.4
6. Sugar	87.6	87.8	88.3	97.0
7. Paper	85.8	85.4	85.4	93.2
8 Plantations	96.7	97.2	97.2	103.9
(C) Variable Dividend Industrial Securities	107.4	106.7	104.2	113.9
1. Banks	104.5	104.2	103.3	107.6
2 Insurance	96.3	96.2	93.5	105.2
3. Investment Trusts	143.4	140.4	139.9	140.8
4. Electricity Companies and Tramways	82.6	83.5	82.8	84.7
5. Shipping and Other Transport Companies	88.5	87.5	86.1	89.5
6. Railways	75.5	75.4	75.1	81.5
7. Plantations	113.1	119.9	108.3	159.7
8. Cotton Woollen and Silk	135.4	133.9	127.8	154.2
9. Jute	71.9	71.9	71.0	89.7
10. Coal	91.1	89.6	87.2	103.1
11. Mining and Oil	64.4	64.5	63.6	64.2
12. Iron and Steel	143.8	138.3	128.1	130.0
13. General Engineering	150.6	149.4	141.0	149.8
14. Sugar	81.3	80.2	77.8	92.0
15. Breweries	59.8	60.5	58.0	68.2
16. Chemicals	132.2	131.0	128.4	154.7
17. Paper	115.1	113.4	113.3	115.2
18. Cement	143.5	143.0	138.7	138.2

II. Regional

Region and Group	Week Ended 14-3-'53	7-3-'53	14-2-'53	15-3-'52†
(A) BOMBAY—				
Government and Semi-Government Securities	92.0	92.0	91.9	..
Fixed Dividend Industrials	92.4	92.2	92.2	..
Variable Dividend Industrials	128.1	127.3	122.5	..
(B) CALCUTTA—				
Government and Semi-Government Securities	92.8	92.7	92.8	92.0
Fixed Dividend Industrials	86.5	86.5	86.8	90.6
Variable Dividend Industrials	94.3	93.6	92.0	100.5
(C) MADRAS—				
Government and Semi-Government Securities	91.9	91.8	91.9	90.8
Fixed Dividend Industrials	102.2	102.4	102.7	109.5
Variable Dividend Industrials	127.5	126.7	126.7	145.9

*Source: Department of Research and Statistics, Reserve Bank of India.
‡ Including Part 'B' State Loans.
† Bombay Stock Exchange being closed during the week, Regional Index numbers for Bombay are not given. Regional Index numbers for Calcutta are based on the quotations of 14th March, and All-India Index numbers are based on the available Calcutta & Madras quotations.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work	Number of workers involved.	Number of man-days lost.
1950	814	719,883	12,806,704
1951	1,071	691,321	3,818,928
August 1950	75	240,518	2,946,978
September	71	249,445	4,954,161
October	78	288,349	2,266,894
November	84	56,736	313,837
December	68	41,061	163,718
January 1951	120	93,696	370,990
February	61	44,025	203,680
March	79	47,723	317,389
April	120	95,747	331,232
May	109	56,604	277,314
June	146	93,446	445,258
July	130	72,454	671,705
August	105	64,884	289,907
September	83	24,777	93,109
October	108	67,396	190,761
November	125	64,147	189,374
December	113	76,196	365,149
January 1952†	96	305,831	674,340
February *	88	63,180	215,607
March ,,	87	42,430	142,493
April ,,	124	59,437	234,346
May ,,	118	80,093	254,885
June ,,	101	59,381	257,062
July ,,	82	40,754	171,283
August* ,,	87	48,507	148,475
September* ,,	96	57,875	460,552
October* ,,	94	77,039	347,084
November* ,,	83	47,092(a)	266,254(a)
December ,,	74	25,972	1,48,770

†Figures for 1952 are provisional * Revised.
(a) Not known in five cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51	545	5,279.9	4,225.9
1951-52	573	5,948.1	4,849.0
July 1951	541	501.2	408.8
August ,,	546	507.7	412.0
September ,,	551	506.8	409.7
October ,,	554	494.5	403.4
November ,,	556	506.0	412.8
December ,,	557	491.7	409.8
January 1952	561	500.1	414.3
February ,,	568	500.8	409.7
March ,,	571	480.7	391.0
April ,,	577	481.8	392.9
May ,,	577	488.8	392.8
June ,,	581	514.4	413.1
July ,,	583	500.1	408.8
August ,,	588	534.0	429.7
September ,,	592	531.6	428.7
October ,,	597	530.3	430.6
November ,,	599	548.2	441.5
	605	529.7	436.4

* Excluding railway, military and factory power stations; Chola Power Station, being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities § At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	7th Mar., 1953	28th Feb., 1953	8th March, 1952	February 1953	February, 1952	Percentage of increase (+) or decrease (−) in Feb., 1953 as compared with Feb., 1952	1952	1951
Food Articles	363.4	364.3 R	339.5	361.6	375.4	— 2.1	259.8	409.8
Cereals	492*	490	489	490	464	— 7.1	450	483
Pulses	552*	617 R	413	699	488	+24.8	483	506
Other	242	239	205	233	242	— 3.7	225	290
Industrial Raw Materials	442.6	445.3	406.5	440.1	545.4	— 0.9	453.8	608.2
Fibres	410	410	411	404	582	—30.6	454	632
Oil seeds	540	536	393	527	551	— 4.4	484	679
Minerals	425	436	448	460	456	+ 0.8	458	526
Others	358	362	377	363	413	—12.1	341	583
Semi-Manufactures	348.0	347.8 R	342.9	347.2	384.2	— 4.6	346.5	377.5
Leather	429	426	347	421	340	+24.0	345	452
Mineral oils	223	223	218	223	218	+ 2.3	221	197
Vegetable oils	473	469	392	462	548	—15.6	459	679
Cotton yarn	446*	446	498*	432	497*	—11.0	465*	483
Metals	227	227	202	228	204	+11.7	211	197
Oil Cakes	402	416	418*	414	405	+11.2	440	530
Others	211	211	288	230	302	—23.8	273	330
Manufactured Articles	368.8	368.1	386.0	367.8	394.1	— 6.7	377.5	395.5
Textiles	407	406	449	405	456	—11.2	423	468
Jute	381	389	547	390	670	—41.8	506	803
Cotton	406*	406*	410*	406*	401*	0.9	401*	400*
Rayon and Silk	518*	485*	521*	477*	531*	—10.1	495*	511*
Woollen	313	297	388	296	388	— 2.4	346	378
Metal products	336	336	311	336	304	+10.5	321	345
Others	288	288	302	288	304	— 5.1	298	300
Miscellaneous	593.4	589.9 R	650.1	595.4	709.8	—16.1	635.6	729.8
All Commodities	382.9	383.2 R	374.6	381.5	415.8	— 7.8	386.9	439.3

* Estimated. R=Revised.

WORKING CLASS COST OF LIVING INDICES

Base	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
February 1951	321	253	294	441	388	347	327	138	176	129	157	169
March ,,	332	268	301	439	390	356	329	138	174	139	157	166
April ,,	335	270	304	440	391	365	333	139	174	140	159	166
May ,,	335	278	314	443	394	374	335	140	176	141	158	166
June ,,	337	271	313	447	394	382	337	144	178	138	158	169
July ,,	333	270	318	454	394	385	337	145	182	140	155	173
August ,,	328	261	322	459	392	387	338	146	181	143	161	171
September ,,	325	253	319	470	389	375	340	144	179	150	161	170
October ,,	332	254	323	469	393	375	336	144	181	143	163	171
November ,,	333	252	325	464	397	374	337	147	182	155	168	165
December ,,	331	252	325	449	397	370	337	144	181	150	166	158
January 1952	331	246	323	442	393	357	338	142	179	147	162	156
February ,,	324	241	318	441	382	343	336	141	175	145	155	155
March ,,	313	229	300	412	378	340	333	136	177	140	150	145
April ,,	345	262	321	415	377	339	326	145	179	139†	153	144
May ,,	339	264	318	412	376	339	327	148	169	143†	153	143
June ,,	338	263	300	424	375	342	330	145	171	141†	153	148
July ,,	330	263	304	456	377	354	331	143	175	143†	154†	155
August ,,	340	267	312	460	380	369	330	143	176	149†	153†	157
September ,,	341	269	310

MARKET REPORTS

(Concluded from page 575)

scrap-form material would move up. Tin was quoted at about Rs. 630, and consumers, with the knowledge that there was plenty of materials with dealers, were not interested to cover their requirements.

Mercury declined to Rs. 505 from Rs. 515 a flask, and the fall was attributed to the realisation that it was difficult for the trade to get the Government to accede to its demand to fix again a re-export quota. There was some turnover in antimony, and Government enquiry was for about 13 tons. The price of the imported material was pushed up to Rs. 190 from Rs. 175 a cwt. Virgin lead and electrolytic zinc were quoted at Rs. 66 and Rs. 59-8 respectively.

TEA DEARER

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 21st *March*

Sale No. 6.—The offerings in Sale No. 6, which was held on Tuesday, 17th March, amounted to approximately 9,19,000 lbs. Quality showed little change from the previous sale and there were some attractive Nilgiri teas on offer. The market opened to a good general demand, particularly for common, low medium and medium brokens and fannings which were fully As. 1 to As. 2 dearer. Good medium teas sold well at rates which were fully firm. There was a good demand for best liquoring teas, but these could only be sold at prices which were As. 4 to As. 6 below variations. Well made O.Ps. were strong, particularly for the best liquoring types which were As. 2 to As. 3 dearer. Other descriptions remained fully firm. Fannings met with a stronger demand and were generally dearer. The following were the quotations:—

	1953 Rs. a. p.
Low grown Travancore B.O.P. ...	1 12 0
Medium Travancore B.O.P.	2 2 0
Anaimallais B.O.P.	2 6 0
Best liquoring Nilgiri B.O.P.	3 15 0
Well made black leaf O.P.	2 3 0

Forthcoming Auctions.—Sale No. 7 will be held on Tuesday, 31st March.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd., were as follows:—

"*Dust Sale F.*—1,97,000 lbs. Good general demand. Prices irregularly As. 1 to As. 2 dearer."

SLACK DEMAND FOR SUGAR

(From Our Own Correspondent)

HAPUR, 23rd *March*

Indian sugar markets have remained quietly bearish and there has been slight fall in prices in all the centres. The sugar mills and trade stockists are anxious sellers at current prices, while buyers are inclined to restrict their operations to their immediate needs. The offtake has been extremely poor. During the last several weeks, sugar stock movements from North Indian mills to importing destinations have been fairly heavy and shortage is no longer reported from anywhere. Slack demand, satisfactory stock movements and fairly good sugar production prospects have imparted a definitely bearish undertone to the markets.

The following are the average sugar quotations in the different markets:

	Current prices Rs. a.	*Average prices for the month of February, 1953* Rs. a.
Ambala	29 14	30 1
Amritsar	31 0	30 8
Delhi	30 5	30 12
Jullundur	29 8	29 5
Agra	29 1	29 10
Hapur	29 0	29 0
Kanpur	27 14	28 7
Mathura	29 8	29 14
Meerut	29 6	29 6
Muzaffarnagar	29 13	30 0
Patna	30 12	30 9
Calcutta	28 11½	29 12
Gauhati	31 11	34 6
Cocanada	31 9	31 1
Madras	31 2	32 10
Bombay	32 12	32 14
Bhavnagar	31 7	32 9
Nagpur	31 9	31 15
Indore	28 14	29 11

There has been some stock accumulation in important *mandies*, particularly Hapur, Meerut and Muzaffarnagar. The latest quotations (per maund) are: Ambala Rs. 12-8, Amritsar Rs. 14, Delhi Rs. 14, Jullundur Rs. 12-9, Agra Rs. 14, Hapur Rs. 14-9, Kanpur Rs. 13-12, Mathura Rs. 13-2, Meerut Rs. 13-14, Muzaffarnagar Rs. 14-7, Patna Rs. 13, Calcutta Rs. 14-10, and Madras Rs. 19-2.

CONSIDERABLE HIDE ARRIVALS

(From Our Own Correspondent)

KANPUR, 22nd *March*

Fresh supplies of hides and skins from mofussil areas were considerable this week. There was, however, a slight fall in the volume of supplies of wet salted cow. Upper grade buff was in strong demand.

The latest quotations are: Wet salted cow, 1st grade: Rs. 280 and 2nd grade: Rs. 200 per score; wet salted buff, 1st grade: 1 lb. 12 ozs. and 2nd grade: 2 lbs. 4 ozs. per rupee; goat, 1st grade: Rs. 240 and 2nd grade: Rs. 200 per 100 pieces; and sheep skins: Rs. 220 per 100 pieces.

LINSEED DULL

(Messrs. A. Bradley & Co.)

CALCUTTA, 23rd *March*

The general tone of the linseed market is at present rather dull, and prices are ruling slightly easier, although conditions during the early part of the week were steady. Arrivals are rather poor, and ready goods are scarce. Crushers have shown a fairly keen interest in forward delivery, and there has been a small daily turnover. Enquiries have been received in the oil section from local buyers which caused some improvement in prices, but export enquiries continue to be at a standstill and prices are now showing a quieter trend.

Latest quotations are as follows: Ready Rs. 20, April Rs. 19-8 and May Rs. 19 per maund.

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Year ended 31st March, 1949 ..	917,800	906,700	671,000
Do. 31st March, 1950 ..	10,41,700	927,600	720,000
Do. 31st March, 1951 ..	11,16,900	10,82,100	7,76,500
Do. 31st March, 1952 ..	11,30,000	10,57,100	7,99,200
Do. Eleven months ended February, 1953 ..	10,60,600	9,75,300	7,28,300
January 1951	1,01,300	97,900	67,700
February ,, ...	87,700	82,200	66,300
October ,, ...	94,100	88,800	63,800
November ,, ...	92,700	85,200	65,900
December ,, ...	1,02,800	97,900	68,100
January 1952	99,800	96,700	71,400
February ,, ...	94,000	82,800	67,000
October ,, ...	99,400	90,100	67,900
November ,, ...	1,03,500	93,700	68,700
December ,, ...	98,200	91,400	69,700
January 1953	1,02,400	95,500	69,000
February ,, ...	92,400	82,000	61,700

SEA- AND AIR-BORNE TRADE : INDIA.

Particulars	November, 1952 Rs. (lakhs)	November, 1951 Rs. (lakhs)	Eight Months April to Nov., 1952 Rs. (lakhs)	Eight Months April to Nov., 1951 Rs. (lakhs)
Imports:—				
Foodstuffs	6,36	20,41	142,95	155,19
Raw materials	13,62	17,87	129,83	149,95
Manufactures	19,73	29,77	186,90	226,38
Other items	16	23	3,04	2,41
Total Imports* ..	39,87	68,28	462,72	533,93
Exports:—				
Foodstuffs	10,54	17,61	95,74	104,10
Raw materials	10,94	10,06	96,98	98,31
Manufactures	18,27	33,80	185,84	279,63
Other Items	27	44	2,61	2,27
Tota Exports ..	40,02	61,91	381,17	484,31
Total Re-exports ..	40	39	3,14	11,08
Balance of trade in merchandise	+ 55	— 5,98	— 78,41	— 38,54
Balance of transactions in private treasure ..	..	— 1	— 4	— 7
Total Visible Balance of Trade	+ 55	— 5,98	— 78,45	— 38,61
Imports :—				
Total C'wealth Countries ..	18,37	21,63	174,77	191,43
Total Foreign Countries ..	21,50	46,65	287,95	342,50
Exports:—				
Total C'wealth Countries ..	19,62	33,98	179,52	253,39
Total Foreign Countries ..	20,40	27,93	201,65	230,92

* Excludes value of certain special imports of foodgrains and stores, full particulars of which are not yet available.

LAND-BORNE TRADE : INDIA

Particulars	November, 1952 Rs. (lakhs)	November, 1951 Rs. (lakhs)	Eight months April to Nov., 1952 Rs. (lakhs)	Eight months April to Nov., 1951 Rs. (lakhs)
Exports	71	3,02	15,99	14,60
Imports	3,65	7,80	15,95	63,20
Balance of trade in merchandise.—	— 2,94	— 4,78	+ 4	—48,60

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	103½
4 % Bonds	1926-33	63,30,26,000	1960-70	102
3 ½ Loan	1938-39	1,16,17,46,000	1963-65	92½
3 ½ Loan	1943	1,14,60,58,000	1953-55	100½
3 ½ Loan	1950	30,33,10,000	1964	92½
3 ½ Loan	1943	1,10,11,78,000	1966-68	90½
3 ½ V. Loan	1944	1,14,06,89,000	1957	98½
3 ½ Loan	1945	1,15,05,83,000	1970-75	86½
3 ½ Loan	1945	1,13,65,64,000	1959-61	96½
3 ½ Loan	1951	50,00,00,000	1958	98½
2½ ½ Loan	1946	45,63,07,000	1960	93½
2½ ½ Loan	1946	57,00,69,000	1961	90½
2½ ½ Loan	1946	35,06,06,000	1954	98½
2½ ½ Loan	1946	14,77,48,000	1976	82½
2½ ½ Loan	1947	75,86,72,000	1962	91½
2½ ½ Loan	1948	60,45,01,000	1955	98½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,36,000	At option of Government after three months, notice / On September, 1986 or later at option of Government after three months, notice	82½ / 82½
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,85,66,000	1954-59	100½
4½% Loan	1928	5,85,20,000	1958-68	105
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	18th Sept. 1955	98½
3 ½ Bombay	1943	3,50,00,000	14th Sept. 1956	98½
3 ½ Bombay	1944	3,44,00,000	15th Aug. 1958	97½
3 ½ Bombay	1949	6,00,00,000	1st Aug. 1962	93
3 ½ Bombay	1950	3,00,00,000	31st July 1960	95
3½ ½ Bombay	1951	3,00,00,000	17th Sept. 1962	98
4 % Bombay	1952	3,50,00,000	1st Aug. 1964	101½
3 % Cochin	1943	30,00,000	1st Oct. 1953-55	98
3 ½ Cochin	1945	1,00,00,000	16th Dec. 1955-58	98½
3½ ½ Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95
3 % Madras	1938	1,42,08,300	15th Sept. 1953	100-0½
3 ½ Madras	1939	1,29,76,600	21st June 1959	95½
3 ½ Madras	1942	1,23,25,000	18th Sept. 1955	98½
3 ½ Madras	1943	1,25,10,000	14th Sept. 1956	98½
3 ½ Madras	1944	1,08,00,000	15th Aug. 1958	96½
3 ½ Madras	1945	2,82,19,000	14th Sept. 1960	94½
2½ ½ Madras	1946	3,90,93,200	1st Sept. 1961	90½
3 ½ Madras	1950	4,47,00,000	31st July 1960	94-3½
3½ ½ Madras	1951	3,00,00,000	17th Sept. 1962	97½
4 % Madras	1952	5,00,00,000	1st Aug. 1964	101½
4 % Mysore(f)	1930	1,63,44,300	1st Nov. 1955	105½
4 ½ Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100½
4 ½ Mysore(f)	1936	2,99,72,900	30th April 1956-61	98½
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	98½
3 ½ M.P.	1942	50,00,000	18th Sept. 1955	98½
3 ½ M.P.	1943	50,54,200	14th Sept. 1956	98½
3 ½ M.P.	1944	52,69,800	15th Aug. 1958	96½
3 ½ M.P.	1948	2,03,00,000	15th Sept. 1964	91½
3 ½ M.P.	1950	1,00,28,300	31st July 1960	94½
3½ ½ M.P.	1951	1,00,00,000	17th Sept. 1962	97½
3 ½ Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99
3 ½ Punjab**	1942	2,35,20,000	18th Sept. 1955	99½
3 ½ Punjab**	1943	2,48,78,300	14th Sept. 1956	99
3 ½ Punjab**	1945	2,95,81,600	14th Sept. 1960	98½
3 % Travancore	1944	3,00,00,000	15th May 1952-54	98½
3½% Travancore	1936	50,00,000	16th Aug. 1956	99½
3 % U.P.	1936	1,69,39,800	15th Sept. 1961-66	90½
3 ½ U.P.	1944	3,23,96,800	1st Aug. 1958	97
3 ½ U.P.	1945	2,36,31,900	14th Sept. 1960	94½
2½ ½ U.P.	1946	2,41,19,800	1st Sept. 1961	95N
3½ ½ U.P.	1951	2,00,00,000	17th Sept. 1962	97½
4 % U.P.	1952	2,00,00,000	1st Aug. 1964	100½
3½% W. Bengal	1951	1,7300,000	17th Sept. 1962	98N
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	97½
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,706	3½%	1960		D
80,00,000	4	1913	1974	98½
88,25,000	4	1914	1975	99N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	97½
76,90,100	4	1915	1975	97½
68,02,300C	3½	1921	1981	79N
1,50,00,000C	6½	1921	1981	144N
1,24,06,300	6	1925	1955-85	105
98,21,600	5½	1926	1956-86	104
99,84,500B	5	1926	1956-86	103
1,49,49,500B	5	1927	1957-87	103½
1,49,30,000	5	1928	1958-88	104
80,00,000	4½	1931	1991	92½
21,75,000C	3	1933	1954	96
60,00,000	3½	1935	1965	95½
25,00,000C	3	1935	1963-68	88
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82½
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78½
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94½
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79N
1,50,00,000	3½	1951	1961	97½
STERLING LOANS				
£892,600	5	1923	1953–83	£83
£901,000	5	1924	1954–84	£85
£835,100	5½	1932	1962 ..	£96
MADRAS				
Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	4	1918	1982	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug.				
3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	
STERLING LOAN				
£330,000	5½	1923	1953	£100

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.		**BOMBAY**		Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	97½
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957–79	113
66,00,000	5	1919	1955–80	
25,00,000	5	1926	1956–86	115
25,00,000	4	1927	1961–70	98
10,00,000	3½	1936	1966	96½
STERLING LOANS				£95½
£566,600	4	1909	1969	£95½
£333,000	4	1910	1970	
Rs		**CALCUTTA**		Rs.
50,00,000	6	1925	1955	104
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99½
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	89
30,00,000	3	1937	1962	90
20,00,000	3	1938	1963–68	88
80,00,000	4	1952	1962	100
STERLING LOANS				
£700,000	5½	1923	1953	£100

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
49,40,000	4	1913–14	1954	99½
20,60,000	4	1913–15	1955	100
70,00,000	4	1913–15	1955	113
10,00,000	5	1920	1980	103½
1,60,00,000	6	1924	1954	99
25,00,000	5	1928	1958	105
26,14,000	5	1929	1949–59	to
8,45,500	5	1929	1954–59	103
26,21,500	5	1929	1959	86½
8,25,00,000	3½	1947	1977	85
2,50,00,000	3½	1949	1979	91½
4,00,00,000	3½	1950	1965	100½
2,50,00,000	4	1952	1964	96½
2,00,00,000	3½	1951	1966	
CALCUTTA				Rs.
34,45,500	6½	1925	1955	106
84,70,000	6	1925	1955	104
36,00,000	5	1928	1958	103½
25,00,000	5	1929	1957	103½
25,00,000	5	1929	1958	108
10,00,000	5½	1932	1962	93½
33,91,000	3½	1935	1965	99
5,19,000	3	1936	1953	98½
60,00,000	3	1936	1966	99
1,46,100	3	1936	1953	98½
3,11,400	3	1937	1954	98½
4,67,100	3	1937	1954	98½
1,62,500	3	1937	1954	98½
4,18,100	3	1937	1968	88
47,50,000	3	1938	1968	97½
10,67,700	3	1938	1955	99½
15,56,800	4	1939	1956	99½
15,56,800	4	1940	1957	99½
17,64,400	3½	1942	1959	92
21,10,000	3½	1942	1972	96
15,49,000	3½	1951	1960	96
16,53,000	3½	1951	1961	96
66,88,000	3½	1951	1966	
Rs.		**MADRAS**		Rs.
5,00,000	4	1903	1953	101
5,00,000	6	1923	1953	107
3,40,000	7	1925	1955	107½

ABBREVIATIONS.—M=Held by Government of Madras. N=Nominal. †=Various Issues repayable to Government.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable C=Held by Commissioners. * Loans held entirely by the Trustees
(a) This includes the amount of loan converted into First Development Loan 1970-75. income-tax free. A=Held by Government of India.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935. ** Quotations in Pak. Currency.

BANKS' LIQUIDATION PROCEEDINGS COMMITTEE

(Concluded from page 535)

the High Court, and that, if any High Court does not find it practicable to create a separate establishment of a Court Liquidator, on account of the number of liquidations being small, it should appoint one of its officers to be Court Liquidator in addition to his own duties.

Proceeding to schemes of arrangement for banks which have suspended payment, it is found that the management of such banks usually have no difficulty in persuading the depositors to agree to such schemes, which promise some definite payment to all, and often preferential payment to small depositors, because the belief prevails among them that, if a bank is taken into liquidation, the assets would be frittered away in cost expenses and the commission of the liquidator and the depositors would get little or nothing. But experience shows that schemes of arrangement are very seldom implemented in full and that the promises made to depositors, at the time the schemes are sanctioned, remained unfulfilled. The reasons are that, in most cases, the assets of banks remain frozen, that a large part of the debts due to them cannot be recovered without prolonged legal proceedings and that decretal amounts cannot be realised. Yet, under the existing law, once the Court has sanctioned a scheme, it can exercise no control over the working of the scheme, unless an application is made by a creditor for winding-up or unless the management makes an application for modifying the scheme.

This legal position is admittedly unsatisfactory. The Committee has, therefore, recommended that a provision should be inserted in the Banking Companies Act to the effect that a Court sanctioning a scheme of arrangement under section 153 of the Indian Companies Act in respect of a bank may either at the time of sanction or at any subsequent time make provision for enforcement of the scheme and general supervision over the conduct of the scheme to ensure that it is fully and effectively carried out; and that the Court should be empowered to order the winding-up of a bank at any time after sanctioning a scheme, if it is satisfied that the scheme cannot be implemented.

Again, the directors of a bank, which has suspended payment, may get a scheme of arrangement sanctioned, under which some of them remain in control and thereby shut out an investigation into their past conduct and escape liability for acts of misfeasance committed by them. The Committee has, therefore, recommended that provision should be made for investigating the affairs of a bank before a scheme is sanctioned by the Court and that the scheme should not be sanctioned, if the investigation discloses any grounds for enquiry into the conduct of the directors.

Reserve Bank's Function

Next, the Committee has suggested that the function of the Reserve Bank in relation to schemes of arrangement should be extended. This can be done by providing that, when the Reserve Bank issues a certificate under section 45 of the Banking Companies Act that a particular scheme of arrangement is not detrimental to the interests of the depositors, it should also certify that the scheme is practicable. If the Reserve Bank gives a certificate, it should be made to submit a report to the Court, giving the result of its investigations into the affairs of the bank, the conduct of the directors, etc., made by it before the grant of the certificate, and the Court should be empowered to exercise its discretion for sanctioning the scheme after considering the report of the Reserve Bank.

It has been mentioned before that none of the 30 banks, for which schemes of arrangement have been sanctioned by the Courts, has been able to implement its scheme fully, although some of them have tackled their difficulties with considerable courage. The difficulties are that they have lost a large portion of their assets in Pakistan; that debts due from a considerable number of their debtors, who have remained in Pakistan, are not realisable; that they have found it difficult to realise debts due from debtors in India, who, although capable of repaying the debts, have evaded their liability by seeking shelter, as displaced persons, under the Displaced Persons (Debts Adjustment) Act, 1951; and that they have been compelled to spend large sums in costs of litigation. For their benefit, the Committee has recommended that the Courts which have sanctioned schemes of arrangement for them should be empowered: (1) to excuse any delay in carrying out any provisions of the scheme on proper grounds being shown and on such terms as the Courts may think fit, (2) to extend to them the benefit of the summary procedure, recommended by the Committee and considered above, for the recovery of debts by filing a list of debtors, and (3) for the purpose of settlement of the list of debtors, to exclude any debtor from the protection of the Displaced Persons (Debt Adjustment) Act, 1951, provided (*a*) that no final adjudication of the debt has been effected under the Act and (*b*) that the Court is satisfied, after hearing the debtor, that it is just and convenient that he should be excluded.

Liaison with the Reserve Bank

The final problem dealt with by the Committee relates to liaison between the Reserve Bank and banking companies in liquidation. One view on it is that the Reserve Bank should have exclusive jurisdiction to liquidate all banks. The objections urged against this view are that the Reserve Bank would find it difficult to deal with many intricate questions of law and facts that would arise in the course of liquidations; that the onerous duty of investigating the conduct of directors and assessing their liability in misfeasance should not be imposed on the Reserve Bank; that examination of directors, who have not done their duty, in a Court would have much greater deterrent effect than their examination by the Reserve Bank; that the interest of the Reserve Bank may conflict with its duty in cases where the Reserve Bank itself is a creditor and claims priority by virtue of section 18 (2) of the Reserve Bank Act; and that the Reserve Bank would have to maintain a large and specialised staff for carrying out the liquidations.

These objections have appeared convincing to the Committee, which, therefore, has expressed the opinion that it is neither desirable nor feasible to confer exclusive jurisdiction on the Reserve Bank to liquidate banks.

Pending the decision of Government on the above recommendation, the Committee has suggested that the Reserve Bank should be empowered by statute, when directed so to do by the Government of India, to inspect any bank which is being liquidated by a private liquidator and to make a report to the Government; that, if the Government, after considering the report, is of opinion that there has been any substantial irregularity in the liquidation proceedings, it may send a copy of the report to the private liquidator; and that the liquidator must then submit the report to the Court, which must consider it and give its directions thereon.

As regards official liquidators, the Committee has suggested that the Reserve Bank should be empowered to obtain from them, within a reasonable time, any information relating to the liquidations, to enable it to keep itself in touch with liquidation proceedings of banking companies and to furnish to the Government any information which the latter may require in this behalf.

The recommendations made by the Bank's Liquidation Proceedings Committee are sound and there is no doubt that, if they are implemented, they will promote the interests of depositors greatly, by simplifying, expediting and cheapening liquidation proceedings and by raising their efficiency. It is to be hoped that they will be implemented soon.—*All Rights Reserved.*

BANKING

(Concluded from page 539)

undertaken by the engineers of India and Pakistan. The engineers of the Bank met at Karachi and New Delhi to exchange information from the studies. It was decided that the engineers should meet again on 1st September, 1953, in Washington to prepare a comprehensive plan for the development of the Indus Basin.

Australia

On 8th July, 1952, the Bank made a loan of $50 million to help Australia finance the import of capital goods and equipment needed for development in agriculture, coal-mining, iron and steel production, electrical power, railways, road transport, the production of non-ferrous metals and industrial minerals and manufacturing industries. The loan is for a term of 20 years and bears interest at 4¾ per cent. Amortisation is to begin on 1st June, 1957.

The European countries to which the Bank sanctioned loans during the period were Finland, Iceland and Yugoslavia. The Bank lent to Finland 18 million Swedish kroner ($3,479,464) for modernising and expanding the country's wood-products industry. The loan is for a period of 18 years and carries interest at 4¾ per cent. Amortisation will begin on 1st December, 1955. The loan granted to Iceland was equivalent to $854,000, for financing the construction of a nitrogen fertiliser plant. The plant is to produce about 18,000 tons of ammonium nitrate a year. The loan is for a term of 17 years and bears interest at 4¾ per cent. A loan in European currencies equivalent to $30 million was made to Yugoslavia to help finance the completion of 27 key projects in seven sectors of the economy. The interest charged is 4¾ per cent. and the loan is for a period of 25 years.

The Director for operations for Europe, Africa and Australia visited Austria, France, Germany, Italy, Switzerland and the U.K. for general discussions about the Bank's operations.

In the Western Hemisphere, Colombia and Peru were the only two countries which received loans from the Bank. The loan to Colombia was of the order of $25 millions for improving the Colombian National railroads. The term of the loan is 25 years and bears interest at 4¾ per cent. The loan for Peru was of the order of $1.3 million, meant for paying for the import of agricultural equipment to be used in improving agricultural production methods. It is a seven-year loan carrying interest at 4¼ per cent.

Earnings of the Bank

The net earnings of the Bank in the eight months ended 28th February, 1953, amounted to approximately $11,200,000. This sum has been credited to the supplemental reserves (against losses on loans and guarantees).

Since 1st July, 1952, Austria, Belgium, Denmark, France, Germany, Italy, the Netherlands, Norway, Sweden and the U.K. have agreed to the release of amounts equivalent to $31 million from their 18 per cent. funds for disbursement on loans.

Two new bonds were floated by the Bank during the period, one in Switzerland and the other in the United States. On 9th October, 1952, the Bank issued in the U.S.A. 3½ per cent. 19-year bonds for $60 million. The issue price was 98 per cent, so that the yield was as high as 3.65 per cent. Again, on 11th November, 1952, a syndicate of Swiss banks publicly offered bonds of the Bank. The issue consisted of 10-year 3½ per cent. bonds for 50 million Swiss francs. As the issue price was 98½ per cent., the yield was 3.68 per cent.

The Bank redeemed the 2 per cent. dollar bonds of 1950 for $10 million which matured on 15th February, 1953. The total international issues of the Bank now outstanding is equivalent to $557,537,469 of which $500 million is denominated in U.S. dollars and the remainder in sterling, Swiss francs or Canadian dollars.

During the period, the Bank sold to private investors the equivalent of $11,304,406 principal amount of borrowers' obligations. Of this amount, $5,592,585 were sold with, and $5,711,821 without, the Bank's guarantee. Total sales by the Bank of the obligations of its borrowers on 28th February, 1953, amounted to $67,681,094 of which $19,881,748 have been redeemed by the borrowers.

ENGINEERING

(Concluded from page 552)

and semi-hill sections which do not intervene between two plains sections, the policy of charging rates on the basis of inflated mileages should be given up and the rationalisation of rating structure on railways in the plains should be completed, as the regrouping of railways took place.

While introducing the new rates, it was found necessary to give effect to standard rates for grams, pulses, flour, oilseeds, etc., in two stages. In the first stage, lower wagon-load schedules for these commodities were introduced on Group II railways, comprising the Assam, E.I., E.P. and O.T. railways, and then on the rest of the Indian railways, forming Group I, the reason being that the rates prevailing at that time in the former group were exceptionally low and a sudden large increase would be undesirable. These anomalies among others, are gradually being removed through rationalisation of freight rates.

The passenger fares were standardised on a uniform mileage basis on railways in January, 1948. While this helped to equalise the low fares charged on a few railways with the fares charged on others, the basis of charge was left undisturbed. This equalisation hardly produced any perceptible effect on the revenues of the railways. Moreover, they lagged far behind the increase in operation costs. A small adjustment in passenger fares was, therefore, given effect to from 1st April, 1951.

The capital-at-charge on the Indian railways is estimated at Rs. 864 crores. The following figures show the rev

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
16,00,000 / 14,50,000	1,08,33,956	10,66,174	Allahabad Bank	340 / 170	100 / 50	18‡	18‡	18‡	18‡	12	Y.P.
1,01,000 / 23,99,000	11,73,500	2,21,655	Andhra Bank	105 / 52‡	100 / 50	5	6	6	3i	6.12	H. / Y.
1,00,00,000	1,28,00,000	2,14,790	Bank of Baroda	112	50	12‡	12‡	12‡	5i	12	Y.
50,00,000	10,00,000	7,107	Bank of Bikaner	20	25	..	3	3	..	12	R.L.Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	153¼xd	50	14	14	14	14	6.12	Y.
15,30,375	24,00,000	63,200	Bank of Indore	60	25	12‡	12‡	12‡	12	12	Y.
50,00,000	15,00,000	35,324	Bank of Jaipur	23	50	3	3	3	3	12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	281	100	16‡	16‡	16‡	16‡	12	Y.
59,18,600	42,41,603	25,280	Bombay State Co-operative Bank	58‡	50	5‡	5	5	..	6	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	9	9	9	9	12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd	85	50	9‡	10‡	10‡	10‡	12	Y.P.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	67cd	25	14	14	14	14	12	R.L.Y.
52,42,375'A'				68‡cd	25						
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	35	50	3	3	3‡	3‡	12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88	20	6‡	10	20	20	12	Y.
1,25,00,000	15,20,000	65,220	Hindustan Commercial Bank	11‡	50	—	—	—	—	12	Y.
50 00,000	1,00,000	3,806	Hindustan Mercantile Bank	11	50	—	—	—	—	12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105N	100	5	6‡	6‡	5	9	Y.
3,75,00,000	6,35,00,000	42,07,573	Imperial Bank of India	1,855	500	14	16	16	16	6.12	R.L.H.
1,87,50,000				457‡	125	14	16	16	16	6.12	R.L.H.
24,00,000				174cd	100						
16,00,000	73,50,000	1,04,201	Indian Bank	131¼xd	80	11‡	12‡	12‡	12‡	6.12	R.L.H.
15,40,000				93cd	55						
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	98cd	100	4‡‡	5‡	6	6	6.12	R.L.H.
6,25,000				79cd	100(A)	9	9	7‡	6		
2,50,000	6,33 939	1,380	Indo-Commercial Bank	19‡cd	25(B)	9	9	7‡	6	6.12	H.
10,00 000				39‡cd	50(C)	6	6	6	6		
4,55,266	30,61,350	60,357	Punjab and Sind Bank	35	25	7‡	7	..	..	6.12	Y.
87,50,000	87,50,000	5,33,829	Punjab National Bank	23	25	6	4	4	3‡	12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	10‡	25	Nil	Nil	—	—	12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	6‡	5	6‡	6‡	6‡	6‡	12	Y.
2,00,00,000	75,00,000	1,01 119	United Commercial Bank	37‡cd	50	3‡	4	4	4	6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3.000,000	£4.000,000	£399,215	Chartered Bank of India, Australia and China	£11 ⅞xd	£5	12†	14†	14†	16‡†	12	R L.Y.
£1,000,000	£800,000	£69,917	Eastern Bank	£6¼xd	£5	6†	6†	6†	2‡i	12	R.L.Y.
H.K.$20,000,000	H.K.$96,000,000	H.K.$9,489,174	Hongkong and Shanghai Banking Corporation	£82‡	H.K. $125	5y*	5*	5*	5*	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-10-0	£1	12y†	12y†	12†	12†	12	R.L.Y.
£1,437,296				£1-6-3		5y†	5†	5†	5†	12	R.L.Y.
£375,000				£25xd	A £12‡						
£375,000	£1,500,000	£200,143	Mercantile Bank o India	£25xd	B £12‡	12y†	12†	12†	14†	12	R.L.Y.
£300,000				£10‡xd	C £5						
£2,281,250	£3,738,892	£318,652	National Bank of India	£29	£12‡	16y†	16†	16†	8i	12	L.Y.

‡Includes Bonus. †Less Tax.
‡‡Subject to taxation.
(c) Paid-up Capital Increased.

(a) There are also Rs. 67,08,155 partly paid Ordinary Shares
††O.S. Currency.
(i) Interim
P) Pakistan Currency. *£ per share free of tax

DEBENTURES

Amount Rs or £	Rate of Interest per cent.	Interest Payable on	Company		Latest Available Quotations (per hundred) Rs. or £		Principal Repayable	
BREWERIES AND SUGAR								
19,50,000	5½	1st December and 1st June	Carew & Co.	1938	97	1st June	1953(b)	
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90½	28th February	1960(f)	
6,00,000	5½	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd.	1936	98	30th December	1956	
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102‡	27th December	1952-62	
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1941	91	1st November	1959-64	
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	103	1st April	1956-61	
25,00,000	4‡	1st May and 1st November	Walchandnagar Industries (New)	1944	92	1st November	1959-64	
COTTON								
6,00,000	5‡	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April	1964	
4,00,000	4‡	10th May and 10th November	Bengal-Nagpur	1897	96	15th November	1956(a)	
1 00,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99‡	1st January	1967-72	
13.68,000	5‡		Jayshree Textiles	1949	78N	1st January	1956-59	
ELECTRICS								
10,00,000	4‡	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	95	31st March	1965	
1,25 000	4‡	15th June and 15th December	Ahmedabad Electric Co., Ltd	1940	101	14th June	1960	
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1949	100‡	1st October	1959	
12,00,000	4‡	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1950	92	31st December	1964	
2,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	102‡	1st January	1970	
25,00,000	4	30th June and 31st December	Gouripore Electric Supply Co., Ltd.	1945	84	31st December	1970	
15,00,000	5	1st January and 1st July	Sijua (Dhanbad) Electric Supply Co., Ltd.	1951	94	30th June	1976	
4,95,000	5‡	1st January and 1st July	South Madras Electric Supply	1940	97	..	..	1957-67
2 00,000	5‡	1st May and 1st November	South Madras Electric Supply	1939	95	..	..	1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94‡	..	..	1953-63
4,63,800	4‡	1st April and 1st October	South Madras Electric Supply		94	1st July	..	1957-67
49,23,000	4	1st April and 1st October	Tata Power	1940	100‡	15th September	..	1951-55(b)
1 00,00,000	4	1st April and 1st October	Tata Power		92‡	15th September	..	1965-70
ENGINEERING								
5,00,000	5	30th June and 31st December	Britannia Engineering	1945	95	31st December	1954	
2,00,000	6	30th June and 31st December	Bridge and Roof (India) Ltd.	1928	95	30th June	1958	
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	100	1st July	1957-62	
£1,183,400	4‡	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	£89‡	31st December	1966(8)	
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84‡	31st May	1971	
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	100‡	1st October	1960-65	
40 00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	94	31st December	1960	
JUTE								
12 00,000	4‡	1st October and 1st April	Agarpara	1939	97	31st March	1954	
6,00,000	4‡	30th June and 31st December	Alexandra	1939	96	30th June	1954(h)	
15,00 000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	92	31st December	1959	
10,00,000	4‡	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	96	30th June	1955	
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co. Ltd.	1945	90	30th June	1960	
10,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July	1959(c)	
12,00,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	97	30th June	1966	
8,94,000	5	30th June and 31st December	Empire	1951	97	15th July	1966	
25,00,000	3‡	1st January and 1st July	Hukumchand	1947	91	30th June	1957	
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	98	31st December	1964	
25,00,000	5‡	30th June and 31st December	Naihati	1952	100	31st March	1967	
8,00,000	5‡	31st March and 30th September	Naskarpura Jute Mills Co., Ltd.	1947	97N	31st March	1954	
5,00,000	4‡	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May	1959	
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	1945	86	31st December	1964	
8,00,000	4	30th June and 31st December	Presidency	1943	91	30th June	1958	
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	95	5th September	1965	
8,00,000	4‡	14th March and 14th September	Soorah Jute	1937	94	14th September	1957	
12,00,000	4‡	30th June and 31st December	Union	1937	94	30th June	1957(d)	
10,00,000	3‡	31st January and 31st July	Waverley	1925	83	31st July	1960(e)	
RAILWAYS ; STEAMSHIP AND TRAMWAYS								
4,00,000	6	31st March and 30th September	Bankura Damodar River Railway Co., Ltd.	1931	100N	9th March	1961	
4,00,000	3‡	31st March and 10th September	Bankura Damodar River Railway Co	1938	39	31st March	1953	
4,50,000	4	1st January and 1st July	Baraset-Basirhat Light Railway	1936	84	1st July	1956	
8,00,00,000	4‡	10th November and 10th May	Bombay Steam Navigation Co.	1945	99	1st November	..	
3,50,000	3‡	31st March and 30th September	Burdwan-Cutwa Railway Co	1938	99	31st March	..	1943–53
£350,000	4‡	1st January and 1st July	Calcutta Tramways	1900	£100N	A 105% at any time on 6 months' notice or at par or every seventh year.		
£226,500	5	1st April and 1st October		1933	£102N	1st October	1974	
3,00,000	3‡	30th September and 31st March	Kalighat-Falta Railway	1934	98‡	30th September	1953	
6,50,000	3‡	30th June and 31st December	Katakhal-Lalabazar Railway	1945	89	31st December	1959	
£200,000	4‡	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£90‡N			
8,00,00,000	4‡	1st March and 1st September	Scindia Steam Navigation		96	1st September	1963	
PLANTING								
1,20,0.00	5	31st December and 30th June	Blue Mountain Estates	1943	100	..	..	1945–55
3,68,200	5‡	31st March and 30th September	Teekoy Rubber Estates	1944	100	..	..	1949–59
50,00,000	5	30th June and 31st December	Waterfalls Ltd	1943	101‡	..	..	1945–55
MISCELLANEOUS								
15,00,000	5‡	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	102	30th September	1955	
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	99	31st December	1965	
27,60,000	4‡	1st April and 1st October	Associated Hotels of India	1948	86	31st December	1962	
4 90,500	4‡	30th June and 31st December	Bengal Paper Mills	1937	95	30th June	1957(1)	
21,00,000	5‡	1st February and 1st August	Chowringhee Properties	1915	92	1st February	1964	
22,60,000	4‡	1st July and 1st January	Clive Buildings	1936	89	1st July	1986	
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	86	15th September	1960	
4,30,00,000	5	1st January and 1st July	Dunlop Rubber	1950	102‡	1st January	1971	
20,00,000	5	15th March and 15th September	Mettur Chemical Industries	1949	97	..	..	1964
39 87,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	450 (per note)	30th September	1976	
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410 (per note)	31st December	1972	
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd	1951	94N	1st April	1971	
1,00,00,000	5‡	31st March	Orient Paper Mills Ltd.	1951	87	31st March	1961	
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	80‡	31st December	1959	

Note—See page 578 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 25th March, 1953.

	Opening quotations	High	Low	Closing quotations
BANKS	Rs	Rs	Rs	Rs
Bank of India (50)	159	159‡	153‡	153¾xd
Bank of Baroda (50)	113	113	112	112
Central (25)	67‡	67‡	66‡	67
Imperial (F.Pd.) (500)	1,850	1,855	1,850	1,855
Imperial (P.Pd.) (125)	461‡	461‡	457‡	457‡
Union Bank (5)	7	7	6‡	6‡
United Com. (50)	37‡	—	—	37‡
COTTON MILLS				
Ahm. Adv. (100)	147‡	—	—	147‡
Apollo (2)	2‡	2-12‡	2-11‡	2‡
Bombay Dyeing (250)	408‡	410	402‡	405
Central India (100)	162	162	157	161‡
Century Mills (100)	283	283	275‡	280‡
Colaba (100)	73	74‡	72‡	73‡
Edward Textile (200)	240	240	235	237‡
Elphinstone (50)	44	—	—	44
Finlay (100)	317	317	313	315
Gokak (100)	225‡	226	223	223‡
Ind. Untd. Defd. (1)	1‡	1-1‡	1‡	1‡
Ind. Untd. Ord. (10)	9‡	9-11‡	9‡	9‡
Indore Malwa (100)	93‡	93‡	92‡	93‡
Khatau (100)	192‡	—	—	192‡
Kohinoor (100)	308	310‡	305	308
Lakshmi (250)	600	—	—	600
Madhusudhan (100)	80	—	—	80
B. R. Cotton Mills (100)	51‡	—	—	51‡
Minerva Mills (100)	105	—	—	105
Model Nagpur (250)	145	—	—	145
Morarji (100)	185	—	—	185
Mysore (50)	123‡	123‡	123‡	123‡
New City (100)	176‡	—	—	176‡
New Great (100)	154	154	152‡	153‡
Phoenix (100)	121‡	121‡	120	120
Podar Mills (100)	130	—	—	130
Sassoon Silk (10)	22	—	—	22
Sassoon Spg. (10)	23‡	—	—	23‡
Sholapur (1,000)	1,750	—	—	1,750
Simplex (50)	177	182‡	175	182‡
Swadeshi (100)	255‡	264	247	263‡
Swan (100)	450	—	—	450
Tata M'f. (25)	46	47‡	45	47
Vishnu (100)	170‡	—	—	170‡
Western India (1,000)	3,150	—	—	3,150
ELECTRIC COS.				
Ahmedabad (100)	115‡	115‡	114‡	114‡
Amalgamated (10)	10‡	10‡	10‡	10‡
Andhra Valley (1,000)	1,427‡	1,437‡	1,427‡	1,437‡
Bom. Sub-El. (100)	123‡	—	—	123‡
Surat (100)	121‡	—	—	121‡
Tata Hydro (100)	152	153‡	152	153‡
Tata Power (1,000)	1,532‡	1,537‡	1,532‡	1,537‡
INSURANCE COS.				
British India (10)	13‡	—	—	13‡
Empire of India (100)	545	—	—	545
Ind. Mercantile (20	39	—	—	39
Jupiter (15)	7	—	42	7
New India (15)	42‡	42‡	—	42‡
Oriental (200)	6,710	—	—	6,710
Universa (10)	7‡	—	11‡	7‡
Vulcan (10)	11‡	11‡	—	11‡
STEAMER COS.				
Bom. Steam (25)	35‡	36	35‡	35‡
Scindia (15)	14‡	14-11‡	14‡	14‡
STEEL COS.				
Ind iron (10)	26‡	26-3‡	25‡	25‡
Tata Steel Defd. (30)	1,885	1,888‡	1,850	1,872‡
Tata Steel Ord. (75)	327	327‡	318‡	319‡
MISCELLANEOUS				
Alcock Ashdown (100)	306‡	—	—	306‡
Associated Cm. (100)	173‡	173‡	171‡	173
Belapur Sugar (5)	236‡	237	235	238‡
Bom. Burmah (125)	398‡	399‡	390	394‡
Do. (New) (50)	147‡	147‡	145	145
Br. B. Petrol (4 sh.)	1-2‡	1‡	1‡	1-2‡
Br. I. Corpn. (5)	9‡	9‡	9	9‡
Indian Copper (2 sh.)	3-3‡	3-3‡	3‡	3‡
Ind. Inv. Tr (100)	73‡	—	—	73‡
Port Canning (100)	30	—	—	30
Premier Con. (30)	90‡	92	88‡	91
Shivaji (10)	63	64	63	63
Tata Chemicals (10	9‡	9‡	9‡	9‡
Tata Oil (25)	34	35	34	34‡
Walchand Ind. (100	160	—	230	160
W. I. Match (100	231‡	231‡	—	231‡

GOVERNMENT SECURITIES	20–3–53 Rs	Gross Yield Earlier Redemption	Gross Yield Later Redemption	26–3–53 Rs
2½% 1954	98‡	—	3 37	98‡
2½% 1955	98‡	—	3 29	98‡
2½% 1961	90‡	—	3 89	90‡
2½% 1960	93‡	—	3 81	93‡
2½% 1962	91‡	—	3 88	91‡
2½% 1956	82‡	—	3 89	82‡
2½% 1976	82‡	—	2 78	100‡
3% 1953-55	100‡	—	3 34	98‡
3% 1957	98‡	—	3 35	98‡
3% 1958	98‡	—	3 35	96‡
3% 1959-61	96‡	3.72	3 54	92‡
3% 1964	92‡	—	3 83	92‡
3% 1963-65	92‡	3.90	3 77	90‡
3% 1966-68	90‡	3.94	3 83	86‡
3% 1970-75	86‡	4.09	3 90	82‡
3% 1986 Con Loan	83	—	3 62	100‡
3½% 1954-59*	100‡	3.37	3 46	102‡
4% 1960-70	102	3.68	3 83	103‡
4½% 1955-60	103‡	3.14	4 00	105
4½% 1958-68*	105	3 40	4 05	

BRITISH GOVERNMENT SECURITIES	19–3–53 £	High £	Low £	25–3–53 £
2½% Brit. Consols	59‡	59‡	59‡	59‡
3% Savings Bonds 1966-75	84‡	84‡	84‡	84‡
3% War Loan 1955-59	100	100‡	100	100‡
3½% War Loan 1952	79‡	80‡	79‡	79‡
3½% Brit. Iron and Steel 1979-81	89‡	90	89‡	89‡
4% Funding Loan 1960	100‡	100‡	99	99

xd = Ex-dividend.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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Comments on the working of companies are based on such facts and figures as are available in the published reports and accounts of the companies concerned. We do not accept responsibility in respect of conclusions drawn from such sources, if the information supplied should prove to have been inadequate.

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Madras Representative: M. SUBRAMANIAM, M.A., Theosophical Society, Adyar, Madras, 20.

PROSPECTS FOR CONVERTIBILITY OF STERLING RECEDE

THE British Government took two important decisions last week which have a close bearing on the prospects for convertibility of pound sterling. One was the relaxation of restrictions on imports from Western Europe and the other was an undertaking, at a meeting of the Council of the Organisation for European Economic Co-operation (O.E.E.C.) held in Paris on 23rd March, 1953, to support the proposal for the renewal of the European Payments Union for a further 12 months after 30th June next, with an assurance that Britain would not try to leave the E.P.U. unilaterally. These decisions have removed the suspicion in the minds of West European countries that Britain was more keen on developing its trade with the sterling area than with them and on strengthening sterling at the expense of their trade, in order to make early convertibility feasible. This may be an important gain to Britain from the point of view of its political relationship with Western Europe. But, at the same time, it seems to reduce the chances of early convertibility of sterling, unless, of course, Britain has reached any secret understanding with the U.S. on this question during the recent discussions which Mr. Butler and Mr. Eden had with White House officials at Washington.

The relaxation of restriction on imports into Britain has been made in three ways. First, a considerable range of goods, mainly foodstuffs and manufactures, including unrationed cheese, textile yarns and piecegoods, gloves, footwear, carpets, plate and sheet glass, and cork and cork manufactures, has been restored to O.G.L. Secondly, the global quotas for the import of certain goods from Western Europe and some other countries, which must remain restricted, have been increased for the second half of the year. Thirdly, the travel allowances for tourists to Europe have been increased from £25 to £40 for adults and from £15 to £30 for children, besides raising the motor car allowance from £15 to £20. All these three measures together are expected to cost the foreign exchange resources of the U.K. to the tune of £40 million, of which £8 million represents the share of increased tourist allowances. The effect of the liberalisation of restrictions on trade will be to raise from 44 to 58 the percentage of the U.K. imports on private account from Western Europe which are free from quantitative restrictions.

Britain is not in desperate need of most of the goods which have now been allowed to be imported into the U.K. under the O.G.L. and increased global quotas. Yet, if it has allowed their import, it is, perhaps, because of the realisation that the continuance of stringent import restrictions was not conducive to the attainment of the goal of expanding world trade, one of the objectives agreed to at the last Commonwealth Economic Conference. It will be recalled, in this connection, that, in November, 1951 and March, 1952, Britain had to impose quantitative restrictions on a wide range of goods imported from Western Europe and certain other countries, in order to check the drain on its reserves. This object was very well served, as evidenced by the subsequent sharp improvement in the foreign exchange reserves of the U.K. But the restrictions have had an adverse effect on the economy of certain West European countries, especially France and Italy. In recent months, their position had deteriorated to such an extent that some of these countries had almost decided to make drastic reductions in their imports from the sterling area, particularly from Britain. Any such development would have aggravated the undesirable tendency towards restrictionism in the sphere of world trade, and that at a time when the need is to find new markets for absorbing the increase in industrial production the world over. Faced with such an uncomfortable prospect, the British Government would appear to have shifted the emphasis from convertibility of currency to relaxation of restrictions on imports. The one important lesson that emerges from this is that any attempt to bring about convertibility of currencies through import restrictions is bound to fail ultimately. In other words, the removal of restrictions on both trade and convertibility must go hand in hand.

It may be argued that, as the loss of foreign exchange, consequent on the relaxation of import restrictions, is no more than £40 million per annum, the conclusion that the chances of early convertibility of sterling have become slender tantamounts to undue pessimism. On the face of it, this contention sounds sensible. But a careful analysis of the position of sterling area reserves, as well as the trend of Britain's trade with the O.E.E.C. countries, suggests that there is something to be said in favour of the scepticism that has now come to prevail. In the first place, the recent surplus on balance of payments with Europe is only of a seasonal nature. It has been achieved "during the flush season for sterling area commodity exports and at a time of the year when British tourist spending is low." Secondly, the current payments surplus with Europe is so small that it would not be sufficient to counter a speculative movement in the opposite direction, if it were to arise. "Quite a small shift in prices, or in the volume of trade or in the mood of traders and foreign exchange dealers abroad about the future of sterling would," according to the *Financial Times*, London, "be sufficient to convert the present surplus, at least temporarily into a deficit." Thirdly, Britain has already a cumulative deficit of £300 million, including £100 million to be paid in gold, with the E.P.U. Although the British Treasury is confident of winning back the £100 million gold payment, the fact that at present there is a large deficit cannot be ignored. And, finally, the total foreign exchange reserves of Britain (and the sterling area as a whole) are not so large as to make one feel confident that Britain can safely embark upon relaxation of its import restrictions and still hope to make sterling freely convertible without any risk whatever.

Be that as it may, the gesture made by Britain to West Europe has averted the imminent danger of restrictionist policies receiving a fresh lease of life. Western Germany has freed from quotas a substantial part of its imports. France, which was about to slash its imports, has changed its mind and postponed the contemplated import restrictions. The French Minister for Economic Affairs has stated that he would have to review the position and revise the import programme for the six months beginning from April, in the light of the British Government's decision. Thus, it looks as though Britain has now a fair chance of making good a part of the foreign exchange loss, arising from relaxation of its import restrictions, through increased exports to Western Europe. Even if this were not to materialise, the possibility of a drop in Britain's exports to O.E.E.C. countries which was there before has been prevented.

The assurances given by Britain in regard to the E.P.U. are believed to be even more important than the relaxation of restrictions on imports for determining the prospects for sterling.

convertibility. So long as Britain is a member of the E.P.U., convertibility of sterling will not be practicable, unless fundamental changes are made in the rules of that clearing organisation, changes which will convert the Union into a wider system of multilateral payments. It is true that the Council of Ministers of the E.P.U., while agreeing to extend the life of the Union for one more year from June next, have stated that the rules of the Union will be subjected to a scrutiny by a team of experts in order to find out the lines on which they should be modified to meet the changed circumstances. It is, of course, not possible to anticipate the future changes, except to say that, if the object of convertibility of currencies is to be achieved at an early date, the term for squaring up unbalanced positions will have to be stiffer than they are at present. It is, however, doubtful whether two of the member-countries, namely, France and Italy, will be in a position to accept such terms. The economic position of France, in particular, is still extremely difficult. That country has yet to overcome inflation and its budget is heavily in deficit. In these circumstances, it is scarcely possible to envisage convertibility of the franc in the foreseeable future. And, without France, how can the E.P.U. be transformed into a multilateral system? If this hurdle is to be overcome, the U.S. must come forward to render substantial assistance. The attitude of the U.S. administration towards this question is yet to be known. An O.E.E.C. Mission, headed by Sir Hugh Ellis Rees, will shortly be visiting Washington to discuss this subject.

There is, of course, nothing that prevents Britain to decide on convertibility of sterling if it wants to do so. Only, the latest assurances given by it to the Council of the O.E.E.C. make the task a little more complicated than before. Hitherto, Britain was insisting on the right to withdraw from the E.P.U. by giving three months' notice, if the life of the Union were to be extended. In the Paris Conference, last week, Britain gave up this demand and agreed to a compromise that "any member may renegotiate the agreement within the twelve months' extension in the event of a move towards a wider system of multilateral payments." Although this clause provides scope for a member to withdraw from the Union, Britain has given an additional undertaking that it will not do so without giving "ample notice and opportunity for discussion to the others." Moreover, Britain has been maintaining that it is not in favour of a unilateral decision on the convertibility of sterling. If this were to mean, as we believe it does, that it would agree to convertibility of sterling only if the other major European currencies are ready for it, the conclusion is irresistible that the prospects for convertibility are distant. This view is further strengthened by reports that the chances of the U.S. coming forward with any assistance to ensure convertibility of the pound sterling alone are not bright. All advices from Europe and the U.S. suggest that a joint plan for multilateral convertibility of all West European currencies may evoke more ready response from the U.S. Administration than the Commonwealth Plan.

All this, however, does not mean that Britain has swerved from the Commonwealth ideal of securing multilateral trade and convertibility of currencies. On the contrary, Mr. Butler reiterated this ideal at the Paris meeting of the O.E.E.C. Council and expounded the following six-point programme to achieve it:

(1) There must be sound internal policies, especially by debtor countries.

(2) The gradual freeing of payments must be linked with the freeing of trade. Convertibility must not be secured at the expense of a strangulation of intra-European trade.

(3) Action must be taken not only by the debtor countries but also by the creditor countries of the world to provide a balanced pattern of trade between the dollar and the non-dollar areas.

(4) Special measures will be needed to deal with the problem of inadequate gold reserves.

(5) Overseas investment must be encouraged and led in the right directions. The sterling area countries, for their part, are determined that investment shall be for productive purposes and shall help the balance of payments.

(6) Effective use should be made of existing international institutions. In particular, special efforts should be devoted to the task of revitalising the International Monetary Fund.

The above programme contains nothing new; it is practically the same as that adopted by the Commonwealth Economic Conference. We are told that the O.E.E.C. Council has given its wholehearted support to it. This then means that there is now no difference of opinion between the Commonwealth and Western Europe on the broad lines in which the basic economic issues affecting international trade should be tackled. If this unity of purpose between Western Europe and the Commonwealth is to make any impression on the U.S., it must soon be followed by a concrete plan for translating the idea, with which all democratic countries are generally agreed, into a reality.

ANDHRA STATE

MR. Jawaharlal Nehru, Prime Minister of India, announced in Parliament, last December, that the Government had decided to establish an Andhra State, consisting of the Telugu-speaking areas of the present Madras State, but not including the city of Madras, and that the Government was appointing Mr. Justice K. N. Wanchoo, Chief Justice of the Rajasthan High Court, to report on the financial and other implications of this decision. Mr. Justice Wanchoo submitted his report on 7th February, 1953. The Prime Minister has also accepted, on behalf of the Government of India, the major recommendations made by Mr. Justice Wanchoo. Mr. Nehru stated, on 25th March, 1953, that the new Andhra State would consist of the Telugu-speaking districts of the Madras State, namely, (1) Srikakulam, (2) Vishakapatnam, (3) East Godavari, (4) West Godavari, (5) Krishna, (6) Guntur, (7) Nellore, (8) Kurnool, (9) Anantapur, (10) Cuddapah, (11) Chittoor, (12) a part of Bellary district. In Bellary district, only the three taluqs, namely, Adoni, Alur and Rayadurg, will become part of the Andhra State, while the rest of the district, consisting of six Kannada-speaking taluqs, will form part of the Mysore State. The Government's other decisions are: (1) A boundary commission will be appointed some time later to determine the exact boundaries of the new State; (2) the legislature of the new State, which will consist of the present Andhra members of the Madras State, will be allowed to determine the location of the capital; (3) since the Tungabhadra project consists of two parts, one in Hyderabad and the other in the Hospet taluq merged with the Mysore State, the latter part of the project will be jointly administered by the Mysore and Andhra State Governments, in view of the importance of the project to both the States; and (4) until such time as the new legislature decides upon the location of the new High Court, the present Madras High Court will function as the High Court for the Andhra State also.

Mr. Nehru did not commit himself to any statement on the financial implications of the formation of the Andhra State. He announced, however, that they were receiving the attention of the Government. He could not, naturally enough, be expected to make a statement on the financial implications of this domestic partition, particularly because they raise questions of principle, which are bound to be quoted as precedents in similar instances of linguistic division. Mr. Justice Wanchoo's report proves beyond any shadow of doubt that the Andhra State will be a deficit State. This fact alone should make those who will shortly be administering the new State more realistic than the administrators in other States. Mr. Justice Wanchoo has calculated the revenue of the new State at Rs. 17.70 crores and expenditure at Rs. 22.73 crores. This leaves a deficit of Rs. 5.03 crores. So far as the residuary State (that is, the rest of the Madras State) is concerned, it will have a small surplus, namely Rs. 2.13 lakhs; the revenue and expenditure of this State are placed at Rs. 41.73 crores and Rs. 41.71 crores, respectively.

Almost the first question, which the new State will be called upon to tackle, is that of bridging the yawning gap between revenue and expenditure. Mr. Justice Wanchoo agrees that there is scope for an increase of about Rs. 2 crores in revenue, through such sources as tobacco tax and sales tax, and for some reduction, estimated at Rs. 50 lakhs, in expenditure. All this will reduce the deficit but will not wipe it out. Mr. Justice Wanchoo is, therefore, emphatic that prohibition should go. His line of argument is convincing, as will be seen from the following extract from his report:

"The only other method which I can think of for reducing this deficit immediately is by scrapping prohibition in the new State. The last year in which there was no prohibition in any of the districts which would form the new State was 1945-46. The income from Excise in that year was Rs. 560 lakhs. The only way which I can see for balancing the budget immediately is by getting this Excise income. It is, of course, for the leaders of the new State to decide whether they will scrap prohibition in their area. But unless they do so, I am afraid, it will not be possible for them to balance their budget for a long time. On the other hand, if they scrap prohibition and get the Excise revenue, they will have some surplus each year which they can utilise for nation-building purposes and for financing the Five-year Plan. Without the Excise income, it would be absolutely impossible for the new State to find any money for its nation-building activities and for expenditure on the Five-year Plan, except by way of borrowing from the Central Government or in the open market. I would, therefore, recommend for the serious consideration of the leaders of the new State the necessity of giving up prohibition, if their State is to avoid bankruptcy from the very beginning."

For dividing the liabilities, namely the debts, Mr. Justice Wanchoo has recommended the adoption of a ratio of 36 : 64 based on the population of Andhra and the residuary State, respectively. The total debt of the undivided State, as on 31st March, 1952, is Rs. 43.42 crores. Of this, the share of local bodies constitutes Rs. 21.78 crores. Thus, the effective debt to be divided between the two States is of the order of Rs. 21.64 crores and, according to the basis recommended by Mr. Justice Wanchoo, the Andhra State will begin with a public debt of Rs. 7.36 crores. There is, however, no indication as to who will be responsible to the holders of the existing Madras Government State loans for payment of interest and the principal. Perhaps, the method followed at the time of the partition of the country, will be taken as a precedent, in which case the responsibility will be that of the residuary State.

For the division of assets, Mr. Justice Wanchoo has recommended the unexceptionable principle that all assets attached to land should pass to the State in which they are situated. But adjustments have necessarily to be made for capital expenditure incurred by the undivided State on projects, such as irrigation, navigation, electricity schemes and industrial schemes. This raises the difficult question of valuation of these assets, for the book value of these assets does not take into account the depreciation or rise in prices. Mr. Justice Wanchoo, has, however, recommended that the works executed before 31st March, 1940 should be taken at double their book value, and those carried out after that year at cost. Now, the total capital expenditure upto 31st March, 1952, was Rs. 86.82 crores, of which the amount spent in the Andhra districts aggregates Rs. 33.09 crores. The outlay on these items upto 31st March, 1940 was Rs. 24.31 crores, of which Rs. 8.76 crores were spent in Andhra area. By doubling the expenditure incurred before 31st March, 1940, and adding to this doubled figure the cost of the projects completed after that date, Mr. Justice Wanchoo values the assets in Andhra area at Rs. 41.86 crores and those in the residuary State at Rs. 69.28 crores. As the respective shares of the two States on this basis are in line with their population ratio, namely 36:64, Mr. Justice Wanchoo has suggested that there is no case for payment of any amount in cash or otherwise by the residuary State to the new State so far as the outlay on capital works is concerned. But he feels that the new State should get a credit of Rs. 2.30 crores for building its capital from the residuary State. Since the residuary State has no liquid resources from which to pay for this item, he has suggested that the new State's liability on account of public debt may be reduced by this amount, the residuary State taking over the extra debt burden.

The foregoing account is a broad outline of the recommendations made by Mr. Justice Wanchoo. Many minor objections could, of course, be raised. For instance, the validity of the formula for the assessment of the value of pre-war assets might be questioned. Perhaps, the Andhras might feel that insufficient account has been taken of their needs, particularly of their need for a new Capital. Mr. Justice Wanchoo has, however, recommended the grant of a loan of Rs. 5 crores by the Central Government to enable the new State to build its Capital estimated to cost Rs. 10 crores. In view of the extremely difficult financial conditions under which the Andhra State will have to work in the beginning, the leaders must show both realism and constructive vision, if they are to succeed in their experiment in Statecraft.

TREND OF MARKETS DOWNWARD AGAIN

INTEREST RATES ON DEPOSITS—SALES TAX JUDGMENT—ESTATES DUTY BILL

WEDNESDAY, 5 P.M.

THE slump in shares during the last three days has belied the earlier impression that the post-budget advance in equity values was based on an appreciation of the intrinsic merits of the Indian economic situation. It confirms the view, often expressed in this column, that the principal cause for the recent improvement in price was speculative buying and that it would be risky to follow it. This view is clearly borne out by a fall of as much as Rs. 62-8 in Tata Deferreds and of Re. 1-4 in Indian Irons. The decline in the value of textiles also has been fairly heavy, Kohinoors having lost Rs. 17 and Bombay Dyeings Rs. 23-12. Two developments have upset the apple-cart of the bulls. The unexpected, but welcome, move by China to end the fighting in Korea was one and the publication of the Select Committee's report on the Estates Duty Bill, confirming the worst fears of the operators, was another. The Chinese move would not have taken the operators unaware, as it has now done, had they taken note of the hints from Moscow during the past fortnight and of the hesitancy of commodity markets in the U.S. and the U.K. There is now a fear in market circles that, if the renewed efforts at settling the Korean issue were to succeed, it might result in a fresh wave of recession in many parts of the world from which India cannot hope to escape completely. Whether this will actually materialise or not, one cannot say, but there is no doubt that one must be cautious in one's activities in markets. It is better to avoid overtrading, because, generally speaking, the supply of goods all over the world has increased, while the purchasing power is falling.

MARKET GOSSIP

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A brief reference is made later on this page to the salient features of the Select Committee's report on the Estates Duty Bill. The proposal of the Committee to fix the exemption limit at Rs. 75,000 for individuals and at Rs. 50,000 to each interest in a joint-family is undoubtedly a serious blow to the investment market. It will be difficult to assess the exact effects of this Duty on investments, unless the rates of Duty are known. Broadly speaking, the introduction of Estates Duty will adversely affect the flow of savings into equities, but this factor must have been discounted already, for everybody knew that sooner or later this measure would be introduced. It is reported that one of the sequels to the introduction of Estate Duty will be the abolition of blank transfers. This seems quite likely, for, if this system is allowed to continue, it will make evasion of the Duty easy.

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The downward trend in values has not been the feature of share markets alone. It has been noticeable in other markets also, especially in commodities. Cotton, for instance, has dropped from Rs. 705 (for I.C.C. May) a week ago to Rs. 687-8. The depression in raw jute and jute manufactures has deepened, with rates declining to rock-bottom levels. Oilseeds are extremely quiet and so also bullion. Over the week, they do not show any perceptible fall in prices, but buyers, who were aggressive only a few days ago, are now on the defensive. Trading in piecegoods and yarn is very dull, as there is no offtake. Export demand is slack again, with no country evincing any interest in Indian textiles. Many operators are wondering whether the markets are on the threshold of a fresh wave of recession.

The Chairmen of both the Central Bank of India Ltd. and the United Commercial Bank Ltd. have made a reference in their annual speeches to the shareholders to the cost of procuring deposits in the changed conditions of the money market. And both of them have come to the conclusion that, but for the existence of Exchange banks in this country, the position would not be so bad as it is. On this point, the Chairman of the United Commercial, Mr. G. D. Birla, whose speech is published in full elsewhere in this issue, is more specific than Mr. H. P. Mody, Chairman of the Central Bank, and goes to the extent of inviting the Reserve Bank to control the situation. Their explanation, in our opinion, is neither a fair nor a full account of the causes for the present state of the short-term money market. Our study of the position, however, is as follows:

1. Nobody is more responsible than the monetary authorities of the country for the higher interest rates. It was the change in their policy that led to an all-round increase in interest rates. We are not concerned here with the question whether they were right or wrong in doing so.

2. Interest rates in many parts of the world, especially in those countries with which India has close economic relations, started rising and India could not have isolated itself from this influence. Higher interest rates in India is thus a part of world-wide development and nobody can and need be blamed for it.

3. Conditions in the money market in India were quite different before the change in the Bank of England rate which was followed by an increase in the Reserve Bank rate. It was last year's extreme local stringency which brought matters to a head. There was no *direct* connection between tighter money in London and tighter money in India. Therefore, the flow of funds could not have been affected by conditions in the respective markets to such an extent as has been made out. In fact, a perusal of the balance-sheets of the Exchange banks will show that they brought very large sums into India last year and we are told that they are still doing so this year, though to a lesser extent because there is not the same demand.

4. Merchant call deposits are not an innovation introduced by the Exchange banks. Owing to developments last year and the large depreciation in Government securities because of the raising of the Bank rate in India, coupled with the steep fall in commodity prices, merchants with large funds on their hands, as a result of liquidating stocks, wished to use these to the best effect. They could not be persuaded to place the money on time deposit, because they wished to keep their local funds readily available should market developments justify their using them. They would, therefore, only place money at call. With few exceptions, all banks met this development, not only the Exchange banks.

5. It is quite wrong to say that all the funds on call now would normally have been in current accounts, carrying next to no interest at all. Merchants would not leave large balances idle, pending a favourable opportunity of investing in goods and commodities; hence their taking to offering call deposits.

6. The smaller Indian banks quoted the present high rates long before the Exchange banks ever thought of doing so.

7. The following pointers must also be borne in mind to get a correct picture of the present conditions:

(*a*) The Government itself is borrowing on Treasury Bills at 2½ per cent.

(*b*) Government Bonds are generally quoted at a 3½ per cent. level.

(*c*) The Reserve Bank lends at only 3½ per cent. against Government Securities.

(*d*) The Bill Scheme available for approved overdrafts carries 3 per cent. plus half the cost of stamps.

Should not all these factors have some natural effect on the rates quoted to the public?

8. The inter-bank call rate has been pushed up by at least one large Indian bank. Other large Indian banks, when they had funds available, avidly lent at high rates, aided and abetted by the brokers whose interest it is to keep rates up. The brokers have, in fact, consistently talked the market into tight conditions for months.

9. Bombay has always been a free money market. Fixed rates have never existed. In Calcutta, on the other hand, where the Exchange banks quoted fixed rates by agreement on a low level, they found their funds going to the Indian banks. The Exchange banks, therefore, had to take steps to protect their deposits by increasing their own rates.

10. Before the Banking Tribunal, much was made of the fact that the Exchange banks brought money from outside and were, therefore, in a better position than other banks. Now they are using Indian funds for Indian business and paying good rates to Indian depositors. Yet this is also frowned upon.

11. Is the Indian depositor, who has had a raw deal in the past and who is now in a stronger position because of the increased use for money, to be left entirely out of account? In other words, are only borrowers from banks to be considered? Should these borrowers not pay somewhat higher rates which would, at the same time, accord with the curtailment of credit which was ordained some time ago by the Reserve Bank and has not yet been relaxed?

12. It looks as if Mr. Birla, instead of requiring the Reserve Bank to protect domestic monetary conditions as the custodian of national financial policy, would like the Reserve Bank to act as the protector of the Indian banks' business. The Exchange banks must be just as desirous of obtaining cheap money as the Indian banks.

13. Incidentally, there was a time when three of the large Indian banks ganged up against the inter-bank call market by refusing to lend at less than 2 per cent. when the market rate was around 1½ per cent. This was when these three banks were in a less strained position themselves. Now that they are also borrowers, they are offering just as much as all other banks.

14. There have been Indian banks lending time and call money in preference to investing in Government Securities because of the possibility of depreciation thereon. The call money has been at varying periods of notice and the money was not available at under 2½ per cent. to 2¾ per cent. according to the state of the market itself. It is, therefore, not all one-way traffic nor confined to the Exchange banks.

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To sum up, rates of interest on deposits reflect the simple fact that the supply of money, especially of savings, is short of demand. If the banks find that they are unable to absorb the additional cost, they should charge more on their advances. The cost of bank credit in this country is still much lower than what it should be, having regard to the enhanced Bank rate, the higher yields available on other investments and the cost of everything else. Further, the spread between interest rates on deposits and those on advances is much smaller than in many other parts of the world. Cheap bank credit encourages overtrading, which must be discouraged if general economic conditions in the country are to remain healthy. There have been signs of unhealthy competition among banks for obtaining deposits. A certain measure of competition is always desirable and any attempt to peg the rates of interest, when conditions are normal and no emergency exists, will not be in keeping with the spirit of private enterprise. Voluntary efforts on the part of banks to control rates of interest on deposits or advances by mutual agreement will provide no charges of monopoly against them and strengthen the hands of those who are advocating nationalisation of banking.

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The upward trend in pepper, which began towards the close of January last, persisted for some time this week also. Prices touched the peak levels of the year with Alleppey and Calicut quoting Rs. 3,500 and Rs. 3,700 respectively, as compared with Rs. 2,300 and Rs. 2,400 in the first week of January. The firmness was due to bullish advices from New York. It is learned that a West Coast dealer has been making large purchases for various positions, at prices ranging between $1.48 and $1.55 per lb. ex-dock. In the past two days, however, a reaction seems to have set in as dealers in both Alleppey and Calicut are showing willingness to sell, though sparingly, at lower levels, at Rs. 3,400 and Rs. 3,500 respectively. The soft tone is attributed to fears of an impending depression in commodities following the possible success of the present Korean peace move. Messrs. Parekh & Co., in their weekly report, observe: "Encouraged by the present high prices at New York, owing to cornering of pepper stock by speculative interests, if the Indian growers continued to sell sparingly without paying proper attention to the stock position and to the impending depression in other commodities subsequent to the Korean peace, they might miss the bus, as from July onwards India will have to face competition from Sarawak and Lampong." Enquiries by our correspondent show that the crop in Sarawak this year will be the same as last year.

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The eagerly awaited decision of the Supreme Court on the Bombay Sales Tax Act was announced this week. The Supreme Court has held that the Act is not *ultra vires* the Constitution. The judgment was given on the case in which the Bombay Government appealed against the High Court's judgment that the Act was *ultra vires* the Constitution. The High Court's view, which was based on the consideration that the Act permitted taxation of prohibited categories of sales, has been rejected. The Chief Justice of the Supreme Court has, in his judgment, discussed at some length the implications of the Articles 286(1), 286(2), 301 and 304, which are of particular relevance to a State's powers of taxation. Article 301 affirms the principle of freedom of trade. Article 304 empowers a State to impose on goods imported into the State any tax to which similar goods manufactured or produced in that State are subject and also to impose reasonable restrictions on trade with or within that State. Article 286(1) prohibits the taxation of a sale when the sale takes place outside the State or where it takes place in the course of import into, or export out of, the Indian territory. For purposes of this Article, a sale or purchase is deemed to have taken place in the State in which the goods have been delivered for the purpose of consumption in that State. Article 286(2) prohibits the imposition of a tax on inter-State trade. These are the sections which have given rise to considerable litigation in the collection of sales tax. Explaining the scope of Article 286(1), the Chief Justice said that the Article provided a workable test for determining which State had the power to tax goods which passed from one State to another. The test was: Were the goods actually delivered in the taxing State for the purpose of consumption therein? Then, such sale or purchase would be deemed to have taken place in that State and outside all other States. The latter State, the Chief Justice said, was prohibited from taxing the sale or purchase; the former alone was left free to do so. Multiple taxation of the same transaction by different States was thus avoided. He added that the expression "for the purpose of consumption in the State" should be understood as having reference not merely to the individual importer or purchaser but as contemplating distribution eventually to consumers in general—within the State. Thus, all buyers within the State of delivery, except those buying for re-export, out of the State, would be within the scope of the explanation and liable to be taxed by the State on their inter-State transactions. This is no doubt a clear exposition of the position of all purchases of out-of-State goods under the sales tax legislation. But it does not make the administration of the Sales Tax Acts any the less difficult. This is because the exposition does not solve the problem of determining whether goods imported into a State are for purposes of genuine consumption in that State or for purposes of re-export.

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The Chief Justice rejected the Bombay Advocate General's contention that both the exporting States and the delivery States were entitled to tax inter-State sale or purchase on the ground that the acceptance of this contention would tantamount to the subjection of a transaction to double taxation. The person, who imported goods from another State, would then be subject to double tax, whereas the local dealer would pay only one tax. This would place inter-State trade at a disadvantage in competition with local trade. Article 286(2), the Chief Justice said, was intended to avoid precisely such discrimination. He also rejected, by implication, the view that neither State could tax the sale or purchase of goods which were exported from one State to another. He rejected this view on the ground that its acceptance would mean that consumers could get out-of-State goods more cheaply than local goods; it would place the local dealers at a competitive disadvantage as compared with outside dealers. And he added that it would be a

(*Continued on page 631*)

EQUITIES RULE WEAK

BULL LIQUIDATION BRINGS DOWN VALUES

(From Our Own Correspondents)

BOMBAY, 1st *April*

THE Stock Exchange experienced a shake-out this week, as sellers wielded the upper hand and depressed the market. After the recent sustained bull sway over the market following the presentation of the Central Budget proposals, bears seized the opportunity this week to hammer down equities, as factors turned in their favour. Thus, the Chinese Premier's offer to the United Nations of proposals to resume talks on the exchange of prisoners of war and the acceptance of the offer by the U.N. Supreme Commander brightened the prospects for the peace move. On top of this adverse news, presentation of the Select Committee's report on the Estate Duty Bill further affected the operators' sentiment. The recommendations of the Select Committee with regard to the fixation of the exemption limit at Rs. 50,000 in the case of a joint family and at Rs. 75,000 in other cases came up to the worst expectations of the market. This, however, did not bring about a rot, as the market still clung to the hope that the scales of duty would not be very high. Rumours that the Mediators' award on the conversion of Tata Deferred shares would be postponed, restrained speculative activity. The break in cotton prices and the depression on the art silk yarn market on reports of a slump in Japanese markets also had a sympathetic reaction. Further, there were rumours that the labour in the Tata Iron and Steel Works at Jamshedpur was asking for an increase in the profit-sharing bonus. It was feared that blank transfer of shares for delivery on the Exchange would be abolished. Under the impact of these adverse factors, the main body of shares came under heavy selling pressure, and prices registered sharp declines.

In the steel section, Tata Deferreds opened on Monday at Rs. 1,861-4 and fell to Rs. 1,820 yesterday. After a partial recovery to Rs. 1,830 they slumped again to Rs. 1,807-8 to-day and wound up at Rs. 1,810. As rumours regarding the postponement of the Mediator's award came in, selling pressure in Tata Ordinaries was subdued on Monday and bear covering lifted up the shares from Rs. 319-4 to Rs. 321-8, but the general weakness of the market dragged them down to Rs. 315-4 at the close. Indian Irons dropped under persistent offerings from Rs. 25-10 to Rs. 24-6, the lowest level since the second week of February.

Lack of buying power and bouts of bull liquidation hit the textile shares and almost the entire list of them suffered fair measure of losses. Bombay Dyeings started at Rs. 394-6 and after a mild upward reaction to Rs. 397-8, gave way to Rs. 385. Kohinoors were pressed down from Rs. 308 to Rs. 291, Centurys fell by Rs. 11 to Rs. 269-8, Central Indias by Rs. 7-8 to Rs. 154. Finlays by Rs. 5 to Rs. 310 and New Greats by Rs. 3 to Rs. 150-8. Simplex retreated from Rs. 182-8 to Rs. 177 despite the Directors' reported decision (subject to the sanction of the Controller of Capital Issues) to issue bonus shares at the rate of one share for every three shares held at present, by capitalising a sum of Rs. 10.5 lakhs from out of the reserves. Standards gave way from Rs. 295 to Rs. 282-8 and Svadeshis from Rs. 258 to Rs. 256.

Bank shares presented a mixed trend. Barodas were a fraction better at Rs. 112-8. Central Banks reacted from Rs. 67 *cum-div.* to Rs. 62-8 *ex-div.* and their New shares from Rs. 68-12 *cum-div.* to Rs. 64-8 *ex-div.* Imperials Fully Paid were lower by Rs. 15 at Rs. 1,840 and Contributories by Rs. 7-8 at Rs. 450. Bank of Indias were up by As. 8 at Rs. 154-4 *ex-div.* United Commercials dropped a fraction to Rs. 35-8.

Selective support was given to electricity shares. Andhra Valleys improved by Rs. 5 to Rs. 1,442-8, Tata Powers by Rs. 2-8 to Rs. 1,540 and Bombay Suburbans by As. 5 to Rs. 124-1. Tata Hydros were marked down by Rs. 2 at Rs. 151-8, Ahmedabad Electrics by As. 15 at Rs. 113-12 and Surat Electrics by As. 6 at Rs. 121-8.

Miscellaneous shares came under pressure and the more speculative issues sustained sizable losses. A.C.Cs. dropped Rs. 3 to Rs. 170 and Belapurs Rs. 3-8 to Rs. 235. After a somewhat brisk activity on buying support early in the week, Bombay Burmahs relapsed to lose Re. 8-12 at Rs. 385-10. B.I.Cs. lost As 8 to Rs. 8-3 *ex-div.* National Rayons sagged by Re. 1-12 to Rs. 73, Premier Constructions by Rs. 5-4 to Rs. 85-12, Tata Chemicals by As. 9 to Rs. 9-3 and Tata Oils by As. 12 to Rs. 34. Alcocks moved down by Rs. 3-12 to Rs. 302-8, Shivrajpurs by Rs. 2 to Rs. 61, and Indian Coppers by As. 1½ to Rs. 3-1½. Scindias were a weak spot with a loss of As. 9½ at Rs. 13-12½ and Bombay Steams with Re. 1-8 at Rs. 34. Wimcos provided a notable exception to the general trend with a rise of Rs. 2-8 to Rs. 233-12.

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Calcutta Stock Exchange

CALCUTTA, 31st *March*

Trading on the Calcutta Stock Exchange was dominated by active dealings in tea shares. Broadened enquiries at advancing rates for tea shares provided a striking contrast to the otherwise dull and featureless market. This performance of the shares may be regarded as something unusual. Having been held tightly, rarely have these shares been attracting attention of speculators. With the solitary exception of these shares the market was listless owing to the depressed state of the jute market. In the absence of any selling pressure during the major part of the week, prices were moving within a narrow range. On the closing day (that is to-day), however, industrial equities, led by steels, succumbed to selling pressure induced by reports of peace moves, apprehensions about the Estate Duty Bill, on which the Select Committee submitted its report, and the report that the Government would not favour the cut in the production of jute goods. The week finished with rates closing a shade lower than what they were last week in all sections, barring, of course, in tea shares.

In the engineering section, Indian Irons opened at Rs. 25-5 and moved between Rs. 25-11 and Rs. 25-1 till yesterday. Under to-day's selling pressure, the scrips fell to Rs. 24-13 at the close, and in the kerb dealings they drifted still lower to Rs. 24-8. Kumardhubi Engineerings reacted from last week's closing of Rs. 8-5 to Rs. 7-14. Marshalls recorded a decline from Rs. 6-12 to Rs. 6-1. Texmaco shares were As. 2 lower at Rs. 5-5. Jessops reacted from Rs. 25 to Rs. 24-3. Britannia Engineering were done at Rs. 20 and Burns at Rs. 271-8.

The jute section staged a recession on reports of a slump in the goods market, following the suggestions that the Government would not agree to the proposal of restricting output by sealing looms. Howrahs which were done at Rs. 24 at the close of last week were on offer to-day at Rs. 23-8. Champdanys fell from Rs. 161-8 to Rs. 159, Indias from Rs. 130 to Rs. 126 and Reliances had sellers at Rs. 13-7, as against Rs. 13-10. Ballys were Re. 1-8 lower at Rs. 152. Standards drifted lower from Rs. 141 to Rs. 138-8. Agarparas closed at Rs. 18-6 *ex-div.*, as against Rs. 19-14 *cum-div.* last week. Two of the jute companies under the management of Messrs. Jardine Henderson Ltd. announced this week their dividends for the half-year ended 31st December, 1952. Kankanarrah has declared a dividend of Rs. 4 per share (Rs. 100) which is Rs. 2 lower than that paid for the half-year ended 30th June, 1952, and Rs. 3-8 less than that paid for the corresponding six months of 1951. Kamarhatty's dividend of Rs. 6 per share compares unfavourably with Rs. 8-8 and Rs. 12-8 paid for the two preceding half-years, respectively.

Coal shares displayed a hardening tendency in limited turnover early in the week, but such failed to be consolidated in the face of the downward trend towards the close. Bengals which looked up from Rs. 540 to Rs. 543 reacted to Rs. 535. Burrakurs fell from Rs. 11-2 to Rs. 10-14. Centrals Indias after going up from Rs. 5-6 to Rs. 5-12 came back to Rs. 5-6. East Indias disclosed a net loss of As. 11 to Rs. 23-1. New Beerbhooms were taken up from Rs. 22-13 to Rs. 23-1 before being brought down to Rs. 22-10. Western Bengals were done up to Rs. 5-5, as against last week's closing of Rs. 4-11, but finished at Rs. 5.

As already noted, tea shares were in the limelight, though enquiry was mainly confined to select scrips of companies in Assam and Dooars, evidently on account of their lower production costs, as compared with those in other areas and the quality tea which they produce. The general sentiment was, however, one of buoyancy and prices hardened over a wide front. Thus, Birparas were picked up at Rs. 54-8, as against Rs. 50. Basmatias were done at Rs. 24-4. Dimakusis hardened from Rs. 28-8 to Rs. 30, Hantaparas from Rs. 138 to Rs. 142 and New Samanbaghs from Rs. 6-15 to Rs. 7-4. Singtoms advanced from Rs. 3-2 to Rs. 3-14, Sonai Rivers by as much as Re. 1 to Rs. 5-14, Teliaparas from Rs. 74 to Rs. 75, Tenganis from Rs. 18-8 to Rs. 20-4 and Tukvars from Rs. 5 to Rs. 5-4.

Miscellaneous scrips closely followed the market current and the entire list suffered losses over the week on predominance of sellers. B.I.Cs. drifted from Rs. 8-11 to Rs. 8-8. Indian Coppers were found neglected at Rs. 3-2, as the continued labour strike at the Company's works for the fourth week in succession gave rise to apprehensions about the profit for the current year. Martin Burns receded from Rs. 19-6 *ex-div.* to Rs. 18-9. Titaghur Papers moved down from Rs. 37 to Rs. 36-10 and Orient Papers from Rs. 35-8 to Rs. 34-8. India Steamships eased by As. 2 to Rs. 6-8. Rallis India were dull at Rs. 77, as also Alkali and Chemicals at Rs. 13-12. Assam Saws were quiet at Rs. 6-11, Indian National Airways at Rs. 4, Airways India at Rs. 11-8 and Bharat Airways at Re. 1-12. Calcutta Electrics were, however, in favour to harden by As. 3 to Rs. 6-4.

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Madras Stock Exchange

MADRAS, 31st *March*

The broad buying interest which was a general feature of the Madras Share Market for some time past subsided to a considerable extent during the week. Prospects of cessation of hostilities in Korea which induced a quiet trend in the Bombay and Calcutta markets was responsible for the subdued tone. The textile section ruled quiet in the absence of expected demand for yarn. In plantings, teas met with selective buying, while rubbers and coffees were almost colourless. Miscellaneous scrips came in for scattered enquiry. Consequently, the volume of business was comparatively less and price variations limited to a narrow range.

In the textile section, only a few shares came in for some attention. Thus, Bangalore Woollens rallied Rs. 5 to Rs. 243. Janardanas and Lakshmis were higher by Re. 1 each to Rs. 59 and Rs. 78, respectively. Mysore Spuns and Travancore Rayons were fractionally higher at Rs. 4-14 and Rs. 4-6, respectively. But for these, the market was cheerless. Rajalakshmis lost Rs. 4¼ to Rs. 72-8. Cambodias were down by As. 10 at Rs. 10-12. Vasantas eased by Rs. 2 to Rs. 164 *cum-div.*

Teas accounted for moderate turnover. Nonsuch Teas gained As. 8 to Rs. 24-4 *cum-div.* and Highland Produce As. 4 to Rs. 9-14. Nilgiri Teas and Chandramalais were fractionally higher at Rs. 10-11 and Rs. 2-4½, respectively. But, Peermades slipped by Rs. 2-4 to Rs. 35-8. Kalasas eased by As. 2 to Rs. 10 and Chembras As. 1¼ to Rs. 2-12.

Rubbers met with some enquiry. Thamarapallys and Peninsulars put on As. 2 each to Rs. 12-14 and Rs. 7-14, respectively. Malankaras, gained Re. 1 at Rs. 102. Be Bes, however, disclosed a fall of an anna at Re. 1-14. Cochin Malabars were lower by As. 1¼ at Rs. 6-4.

Coffee scrips were eventless. Coffee Lands and Cons. Coffees were lower by an anna each at Rs. 9-5 and Rs. 17-1, respectively. Shevroys, however, were higher by nine pies at Re. 1-3¾. Kadur Coffees were unchanged at Re. 1-8.

Among miscellaneous scrips, Prithvi insurance scrips hardened by As. 4 to Rs. 6-12. The Directors have announced proposal to mutualise the company. Indian Steel Rolling Mills were done at Rs. 11-12, as against Rs. 11-8. Mysore Papers and Tobaccos improved by As. 2 each to Rs. 13-9 and Rs. 10-4, respectively. Ranes (Rs. 50 paid-ups) lost As. 8 to Rs. 75 and Spencers As. 4 to Rs. 14-8. F.A.C.Ts. eased by As. 2½ to Rs. 3-2½ and Parrys an anna to Rs. 5-10.

In the banking section, Imperial Banks shot up by Rs. 40 to Rs. 1,865, while contributories lost Rs. 2½ to Rs. 450. Indian Banks (Rs. 100 paid-ups) gained Rs. 2 to Rs. 176 *cum-div.* Bank of Mysore and Andhra Bank were unchanged at Rs. 281 and Rs. 105, respectively.

Notices

THE TRAVANCORE RUBBER & TEA COMPANY, LIMITED

(Incorporated in Travancore)

NOTICE IS HEREBY GIVEN THAT THE Ninth Ordinary General Meeting of the Company will be held on Wednesday the 29th April, 1953, at the Registered Office of the Company in Alleppey at 2-30 p.m. to transact the following business:—

1. To receive and adopt the Directors' Report and the audited Accounts and Balance Sheet for the year ended 31st December, 1952.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors.
5. To transact any other competent business which may be brought before the meeting.

The Transfer Books of the Company will be closed from 12th April, 1953, to 1st May, 1953, both days inclusive.

By Order of the Board,
THE TRAVANCORE RUBBER & TEA CO., LTD.,
Per Pro ASPINWALL & CO.
(TRAVANCORE) LTD.,
Managing Agents.

ALLEPPEY, 30*th March*, 1953.

NASKARPARA JUTE MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 39th Ordinary General Meeting of the Members of the Company will be held at the Registered Office of the Company, No. 8, Dalhousie Square East, Calcutta, on Monday the 20th April, 1953, at 5 p.m., for the purpose of receiving the Directors' Report, passing the Audited Accounts and declaring the Dividends recommended by the Directors for the half-year ended the 30th April, 1952, electing Director, appointing Auditors and for transacting any other business of the Company that may be brought forward.

The Share Transfer Register of the Company will be closed from the 13th April, 1953, to 20th April, 1953, both days inclusive.

By Order of the Board,
For and on behalf of
NASKARPARA JUTE MILLS CO., LTD.,
HOWRAH TRADING CO., LTD.,
Managing Agents,
(Sd.) K. D. JALAN,
Director.

CALCUTTA, 26*th March*, 1953.

NEWS IN BRIEF

THE night air mail services in India carried during 1952, approximately 27,000 passengers, 30 lakh lbs. of mails and 10 lakh lbs. of freight.

The Government of India has decided to continue free licensing of export of raw wool beyond 31st March, 1953, upto a ceiling of 9 million lbs.

Of about 550 million kwh. of electricity generated annually in India, the cities of Bombay and Calcutta consume approximately 40 per cent.

The Government of India has extended the free licensing of wool waste for shipment, which expired on 31st last month, upto 30th September, 1953.

The Government of India has extended the period of validity of open general Licence XXVI, which is applicable to Pakistan only, upto 30th June, 1953.

The Agricultural Income Tax Bill, 1953, seeking to levy tax on agricultural income exceeding Rs. 3,000 per annum, was introduced in the Bhopal State Assembly on 30th March.

The manufacturing cost of an air-conditioned railway coach on the broad-gauge is Rs. 2,71,000, of a second class coach Rs. 1,47,000 and of a third-class coach Rs. 1,17,000.

A Bill designed to abolish personal and miscellaneous *inams* was introduced in the Mysore Legislative Assembly on 28th March. Religious and charitable *inams* have, however, been excluded from its provisions.

The Government of India has released a further quantity of 100,000 tons of sugar out of the 1952-53 production of all the factories for sale in the free market. This brings the total quantity so far released to 366,000 tons.

The 1953-54 budget estimates for Patiala and East Punjab States Union disclose a deficit of Rs. 68.61 lakhs. Revenue receipts are estimated at Rs. 634.93 lakhs and expenditure at Rs. 703.54 lakhs. The budget proposes no new taxes.

The Mysore Legislative Assembly adopted the Mysore Motor Spirit (Taxation on Sales) (Amendment) Bill seeking to increase the sales tax on petrol from As. 4 to As. 6. This increase is expected to result in a revenue of Rs. 8 lakhs.

The *khadi* development budget, approved by the *Khadi* and Village Industries Board the other day, provides for an expenditure of Rs. 1 crore, recurring and non-recurring. It also provides for loans to finance development schemes to the extent of Rs. 1.75 crores.

The area under tobacco, according to the all-India first crop estimate in the 1952-53 season, is 735,000 acres, as against 727,000 acres of the adjusted first estimate of last year. This shows an increase of 8,000 acres or 1.1 per cent. The estimate, however, does not cover the entire area sown to tobacco. Past experience shows that the acreage at the supplementary (final) estimate stage is about 11 per cent. higher than at the first estimate stage.

The Government of India has decided to issue licences for the import of spare parts of prime movers required for complete power-driven agricultural machinery, power-driven pumps and generating sets, on the basis of five per cent. of half of 1st year's imports of the complete machinery in question. The licences issued will, however, not be valid to cover import of the prohibited types of spares and also such spares as have been separately shown under the Import Trade Control Schedule, such as piston rings and ball bearings.

A 100-acre site in Mahul village near Trombay Island, has been selected by the Atomic Energy Commission of the Government of India for locating its proposed uranium-thorium factory. The site is located near the proposed oil refineries and the land is at present being acquired by the Bombay Government on behalf of the Atomic Energy Commission. It is expected that all formalities in connection with the acquisition of the land will be over by the end of this month and work of construction of the factory will begin early in May. The factory is likely to go into operation within the next 15 months.

The Government of India has accepted the proposal of Messrs. Caltex (India) Ltd. for the establishment of a modern oil refinery at Visakhapatnam, with an initial capacity to refine 500,000 long tons of crude oil per annum. This agreement follows broadly the lines of the previous agreements concluded in 1951 with the Standard-Vacuum Oil Company of New York and the Burmah-Shell Group of Companies for the establishment of two oil refineries at Trombay Island near Bombay. Caltex (India) Ltd. will form an Indian Company, which will own and operate the refinery. Indian investors will be given an opportunity to subscribe up to 25 per cent. of the share capital in the form of cumulative preference shares. The construction of the refinery is expected to be undertaken towards the beginning of 1955.

The Pakistan Government has so far not agreed to the setting up of even a single joint committee, out of the five joint committees to be set up in India and Pakistan, under the Movable Property Agreement of June 1950, to assist the evacuee owners in obtaining compensation for property already acquired and sale proceeds of property already sold. The Movable Property Agreement lays down the following three basic principles: (1) In cases where movable property is still available, the evacuee owner has a right to its restoration; (2) where the property has been acquired, the owner is entitled to payment of compensation; and (3) where the property has already been sold off, the sale proceeds are payable to the owner. The only benefit which evacuees have derived from the Movable Property Agreement, so far, is a limited recovery of household and personal effects left with friends and relations in the other country.

An operational agreement was signed on 27th March in New Delhi between the Governments of India and the U.S. The agreement provides for a joint Indo-U.S. Project for locust control and plant protection. The U.S. will provide for the Project $221,000 and India Rs. 5 lakhs. Under the agreement, the facilities and services of the regional project established by the Technical Co-operation Administration under the last year's agreement will be made available to India during the months of July, August, September and October, 1953, to the extent of three planes, as may be required, with the necessary pilots and technical personnel. The project will also be extended to include prevention of damage to crops by other pests and diseases, such as, rice-bugs and wheat-rust, the intention being to provide general plant protection measures so as to minimise loss of agricultural production from pests and diseases.

The Government of India announced on 26th November, 1952, that packing charges for cement would be fixed every quarter on the basis of the average market price for packing material ruling on the first day of each month during the immediately preceding nine months plus Re. 1-4 per ton to cover incidental charges. On this basis, were fixed the existing packing charges of Rs. 14-11 per ton which will be in force upto the end of March, 1953. The industry could no doubt calculate on this basis the packing charges applicable to the quarter commencing from 1st April, 1953. In order, however, to make the position clear, the Government of India have informed all the State Governments that the packing charges for that quarter will be Rs. 12-4 per ton. These are the maximum charges applicable to cement packed in new bags only. Packing charges for cement packed in old bags will be a matter for settlement between the buyer and the seller subject to the maximum indicated above.

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From Abroad

Turkey has banned free entry of British goods in retaliation for the U.K. not purchasing its goods.

The Austrian National Bank has reduced the Bank rate from 5½ to 5 per cent., with effect from 26th March last.

The Japanese Government does not propose to effect any drastic cut in imports from the sterling area during the six months, April-September, 1953.

The U.K. Ministry of Materials has reduced the price of electrolytic copper from £285 to £280 per ton, delivered at consumers' works. The last time the price of copper was reduced was in August 1952, when it was cut from £287 to £285.

The population of Ceylon exceeds 8.1 million, an increase of over 1.4 million in seven years, according to the census taken on 20th March this year. The increase in population is said to have been assisted by a substantial drop in death rate.

It is learned that proposals for Ceylonisation of trade by legislation, which were placed before the Government recently, by the Minister of Trade and Commerce, Mr. R. G. Senanayake, have now been withdrawn.

The Chrysler Corporation of the U.S., manufacturers of Chrysler, Plymouth, Dodge and De Soto cars, has announced a reduction in prices averaging $100 on all its passenger models. A reduction of $40 in the price of Dodge lorries has also been announced.

Steel makers in Japan propose to establish a central organisation to study and make recommendations on counter-measures against the Schuman Plan. They fear that the Schuman Pool will threaten Japanese steel markets in West Europe, the Near East, South-East Asia, South America and Australia.

Pakistan and the U.S. Governments have signed an agreement, under which Pakistan will receive $12.25 million of economic assistance from the U.S., during the current year. The agreement envisages the setting up of a special fund to which the American contribution will be credited and the Pakistan Government will make available a sum in rupees equivalent in value to the dollars made available. The agreement provides for supply of capital goods as well as technical assistance for the execution of developmental projects on hand.

The Government of Burma has given three months' notice to the U.S. to terminate the Technical Co-operation Agreement Aid Programme to Burma. It will be recalled that Burma signed an agreement for aid and assistance in September, 1950. When the U.S. Government wanted to change this aid into Mutual Security Assistance in 1952, Burma objected. Aid to Burma was then brought under the Technical Co-operation Administration. Burma has so far received about $14 million worth of aid and will have received about $30 million by June this year for programmes already approved.

PERSONAL

DR. John Matthai has resigned his position as a Director of Tata Industries Ltd., following his acceptance of the Chairmanship of the Taxation Enquiry Commission.

Mr. R. G. Dube, a member of Parliament, has been appointed Parliamentary Secretary to the Ministry of Production, Government of India.

Mr. Balakrishna K. Mehta has been elected President of the Association of Merchants and Manufacturers of Textile Stores and Machinery (India), Bombay for 1953.

Mr. P. L. Saraogi has been re-elected President of the Bharat Chamber of Commerce for the year 1953. Mr. G. L. Mehta (not to be confused with India's Ambassador to the U.S.) and Mr. R. N. Bangur have been elected Senior Vice-President and Junior Vice-President, respectively.

Mr. C. Stribling Snodgrass, an international expert in the utilisation and transmission of natural gas, has arrived in Karachi. Mr. Snodgrass is to prepare a report for Pakistan Petroleum Ltd. on the question of the distribution of gas from Sui in Baluchistan to other parts of the country, with special reference to bringing it to Karachi *via* Sukkur, Rohri and Hyderabad.

Mr. R. W. Bullock, Chairman and Managing Director of Messrs. Forbes, Forbes Campbell and Co., Ltd., Bombay, retired on the 1st inst., after a distinguished service of 34 years with the firm. He has been succeeded by Mr. F. H. Kemple.

During his service, Mr. Bullock rendered yeoman service to trade and industry in the country. He was a Trustee of the Bombay Port Trust from 1939 to 1953, Vice-President of the Bombay Chamber of Commerce during 1941-42, besides being its Committee Member for ten years after 1937-38, and a member of the Committee of the Millowners' Association, Bombay, for three years.

Mr. Pranlal Devkaran Nanjee, Chairman of the Devkaran Nanjee Banking Co., Ltd., Mr. H. C. Captain, Managing Director, Central Bank of India, and Mr. P. S. Nayak, General Manager, Canara Bank Ltd., have been re-elected Chairman, Vice-Chairman and Honorary Secretary, respectively, of the Indian Banks' Association for the year 1953. The other elected members of the Committee are: Messrs. A. C. Clarke (Bank of India), Mathew S. D'Souza (Bank of Baroda), R. G. Saraiya (United Commercial Bank), M. S. Captain (Union Bank of India), Shriyans Prasad Jain (Punjab National Bank), S. Krishnaswamy Iyengar (Indian Bank), Sanjiban Banerjee (United Bank of India), S. L. Kothari (Bank of Jaipur), and C. V. Joag (Bank of Maharashtra).

Nawab Ali Yavar Jung, Ambassador of India in Argentina, is representing the Government of India at the 15th session of the Economic and Social Council, now being held at New York. Mr. A. S. Lal, Consul-General of India, New York, Mr. B. R. Shenoy, Alternate Executive Director for India on the I.M.F. and the World Bank, and Mrs. Shyam Kumari Khan of Allahabad are the alternate representatives. Mr Avtar Singh, First Secretary, Indian Delegation to the United Nations, is the Secretary-General and Adviser to the Indian Delegation. Mr. P. K. Banerji, First Secretary, Indian Delegation to the United Nations, is the Adviser.

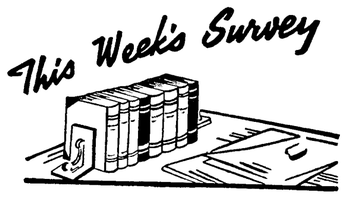
"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 7*th April*

The Wagon Industry

The Steel Protection Bill relating to the manufacture of railway wagons and underframes, component parts thereof, and wire and wire nails has been passed by the Legislative Assembly—not as it was presented in the House, but in a radically modified form. It was based on the report of the Indian Tariff Board, the recommendations of which were accepted with considerable modification. The Government of India agreed with the Board that the continuance of the bounty scheme was unnecessary and held that tenders should, in the first instance, be called for only in India and that the lowest tender should be accepted, provided it was reasonable. The Government of India, therefore, decided that the rate of duty on wagons and underframes and their component parts other than wheels, axles, vacuum brakes and certain other component parts which were not made in India should be raised to the rates applicable to fabricated steel generally, namely, 17 per cent. *ad valorem*, if of British manufacture, and 17 per cent. *ad valorem* plus Rs. 15 per ton, if not of British manufacture. As the manufacture of forgings is merely a process incidental to the construction of wagons, these are also to be subject to the increased duty. The Government of India could not accept the bounty scheme recommended by the Board in respect of steel castings, inasmuch as the conditions justifying protection for the manufacture of these were non-existent. The Tariff Board had no recommendation to make regarding spring steel, as it is not manufactured on a commercial scale; but the Government of India accepted the recommendations of the Board that, on all bolts and nuts falling under Article 61 of the Statutory Tariff Schedule, a specific duty of Rs. 2 per cwt. should be levied, in place of the existing *ad valorem* duty of 10 per cent., and that the protective duty on wire and wire nails should be discontinued.



VOLUNTARY NEGOTIATION

EMPLOYERS are increasingly becoming conscious of the value of the method of voluntary negotiations for settling labour disputes, as distinguished from the method of compulsory arbitration and adjudication. In a sense, this is not their new discovery, for, before the elaborate labour laws were placed on the statute book, they were wont to regard the method of negotiations as the only sure means for ensuring industrial peace. Only, they are now re-discovering the value of this old and tried instrument, thanks to the lead given by the Central Government. And yet, the battle for voluntary negotiations has not been won; the State Governments, a few labour leaders, and, one suspects, the "labour" machinery of the State Governments are not yet completely reconciled to the prospect of the abolition of compulsory adjudication. These doubters will do well to note what Mr. H. Gibson, who has known this country for over a quarter of a century now, had to say on the subject of labour legislation a few days ago.

Addressing the annual meeting of the Indian Engineering Association, held recently at Calcutta, Mr. Gibson said that the "system of compulsory arbitration has encouraged disputes, has magnified the differences between employers and workers and has given a prestige and standing to irresponsible agitators which they do not properly deserve and which is not in the best interests of either the workers themselves or of the industry as a whole." This is a strong but not baseless indictment of a legislation which was so obviously meant to usher in an era of industrial peace. That this legislation has succeeded in maintaining some sort of industrial peace, it is difficult to deny. But equally difficult it is to deny Mr. Gibson's contention that it is an "illusory kind" of industrial peace. It has been gained at a heavy cost, at the cost of industrial efficiency, and what is even more damaging, at the cost of the development of responsible labour leadership.

Why then does compulsory adjudication exercise so great a fascination for labour and some State Governments? Mr. Gibson was at some pains to answer this question. He said that the system appeals to labour because, "since tribunals seldom, if ever, give awards which detract from the existing privileges of labour, they have everything to gain and nothing to lose by forcing demands to the point of adjudication." It appeals to the Government because it "relieves them of the responsibility for taking unpleasant decisions." It is of a piece with the Government's general habit of referring inconvenient questions to committees, then waiting for their report. Action is always unpleasant. But there is something impersonal about a committee or a tribunal. Only, the Government does not realise the great harm that is done to the cause of industrial progress or to that of employer-employee relations by compelling the parties which must willy-nilly work together, to appear before an external authority in the unreal guise of plaintiffs and defendants.

It is, however, unlikely that the system of compulsory adjudication will be completely abandoned. Perhaps, this is not altogether a disadvantage, for there is something to be said for its gradual disappearance. The more important question, as Mr. Gibson said, is "at what stage and under what circumstances Government will invoke compulsion." And he suggested that, if the Government were to decide to retain the tribunal machinery, the Appellate Tribunal should also be retained. He also urged that the sections in the Industrial Disputes Act and the Appellate Tribunal Act, which prohibit changes in conditions of service during the pendency of tribunal proceedings, should be revised. These and certain other sections, which interfere with the employers' right of negotiation, of agreement with workers and of the organisation of the industry on an efficient basis, deserve to be amended without delay.

TRIPARTITE MACHINERY

Inaugurating the Rajasthan Tripartite Conference of Labour, Government and Industry, Mr. V. V. Giri, Union Minister for Labour, highlighted the importance of the role of tripartite machinery in the settlement of industrial disputes. He remarked that, if he were asked what machinery in the field of labour had been most productive of results in the avoidance and settlement of disputes and in the promotion of harmonious relations between labour and management, he would certainly have no hesitation in giving the pride of place to the machinery of tripartite conferences. He strengthened his statement by pointing out that even the International Labour Organisation was of the same opinion.

That the potentialities of the tripartite machinery in the settlement of growing industrial disputes are very great is a matter of common knowledge. It is true that labour laws, the world over, have created many agencies for conciliation, arbitration and adjudication, both voluntary and compulsory. Although they all play an important role in the maintenance of harmonious industrial relations, their functions are somewhat limited, in that they are designed to tackle and solve specific problems. But there is no such restriction implied in the tripartite conferences. They can comprehend the whole field of industrial problems from any or all angles.

A significant feature about the tripartite machinery is that it is born of the realisation that the problem of industrial relations is, in the wider aspect, one of keeping human relations straight and smooth, at any cost, and that mutual consultation among the parties alone is the best method of tackling industrial disputes. The primary role of tripartite conferences is, in the first instance, the creation of an atmosphere of goodwill, trust and confidence, an atmosphere in which suspicion is nipped in the bud and co-operation and compromise are sown in what might otherwise be a fertile field of conflict and opposition. Thereafter, it tries to tackle the disputes concerned.

The future of the maintenance of peaceful industrial relations lies in the success of tripartite machinery in solving labour disputes. If the tripartite system is to usher in an era of healthy industrial relations, it should become what one might call "the way of life," as Mr. Giri aptly put it. It must be ingrained in the attitude and the outlook of parties that the occasional need to resort to direct action, leading to deterioration of industrial relations, is a distasteful and cruel one. Surely, the settlement of disputes through tripartite machinery is the only sensible way in this world of complex labour problems.

COIR INDUSTRY

Whether there should be a separate board to look after the affairs of the coir industry or the Indian Central Coconut Committee itself should be assigned that duty has been hotly debated for some time now. The Coir Industry Bill, 1953, introduced in the House of the People on 26th March, has set at rest this controversy by proposing a statutory board with a view to controlling production of coir industry and improving the quality of coir products. The Union Government seeks to exercise control over this industry through the Board which would consist of a chairman, a secretary and members not exceeding 40, representing coir interests, the Governments of principal growing States, representatives of Parliament and other Central Government nominees. The Bill proposes to levy a customs duty not exceeding Re. 1 on coir fibre, coir yarn, and coir products exported from India to finance the Board's activities. The levy at the maximum rate is expected to yield approximately Rs. 12 lakhs a year. It is not possible at the present stage to indicate what expenditure will be incurred on the proposed Coir Board. It is, however, estimated that, initially, the expenditure would not exceed Rs. 6 lakhs a year, which would be met from the coir fund.

The coir industry in India does certainly need a central organisation to look after its affairs. India is one of the principal coir producers in the world. And the industry is of great importance to Travancore-Cochin State, where it is largely concentrated. The aggregated production of coir, manufactured and unmanufactured, is estimated at 1.3 lakh tons, Travancore-Cochin accounting for a lakh tons and Madras for almost the rest. In the former State, the industry provides employment to nearly 6 lakhs people. It is also an important foreign exchange earner. Thus, the total value of exports of coir, manufactured and unmanufactured, during 1951-52, fetched Rs. 10.26 crores, as against Rs. 10.85 crores during 1950-51.

The need for regulating the industry arises from the fact that it has developed in a haphazard manner without any considerable improvement in manufacturing technique. The cost of production is high and the quality of its goods lacks uniformity. Besides, the industry is experiencing severe competition from products of other hard fibres in overseas markets. The prices of coir and coir goods have declined in recent months. Although India exported during the nine months ended December, 1952, as much as 905,315 cwts. of coir goods, about 227 cwts. less than the exports during the corresponding period in the previous year, the value realised was only Rs. 5.15 crores, as against Rs. 7.98 crores. The exports of coir during April to December, 1952, were, however, higher at 633 tons, as compared with 451 tons during the corresponding period in the previous year. But the value realised during the period under reference was actually lower at Rs. 5.39 lakhs. If the industry is to maintain its position in overseas markets, there is clearly need for reducing its costs and improving its quality. The Coir Board should be able to assist in the development of the industry along correct lines. It must, however, be pointed out that the proposed levy should be fixed at a level that will not hamper the export trade.

PUBLIC CO-OPERATION TO DEVELOPMENT PLANS

The Planning Commission has suggested to State Governments that they should give the highest priority to the process of splitting up the National and State plans into programmes of local units such as district, town, and village, so that the people in these areas might be enabled to appreciate what the plan means to them. It has further suggested the integration of development schemes of State Governments and local bodies with programmes under the Five-year Plan. It is this wider conception of development which, according to the Commission, has to be placed before the people. This suggestion is designed to enlist the co-operation of the people in the implementation of the development programmes. The Commission has urged the need for setting up a rural extension service in each State, under a plan which would cover the entire area of the State in a period of ten years and a third of the area during the planning period, establishment of *panchayats* in villages or groups of villages and development of a system of regional co-ordination and supervision of district development programmes. It has highlighted the importance of closer association of members of State Legislatures and Parliament, irrespective of their party affiliations, in the framing and working out of local development programmes and utilisation of the services of social service organisations. These organisations, it has suggested, should be financially assisted in their work.

The insistence of top priority to the process of breaking up of the National and State plans into local units is most welcome. For it is only in terms of local programmes that local enthusiasm can be created and sustained. The plan can then become a medium and focus of constructive activity in every part of the country and can be further strengthened and developed by the effort of the people themselves. Thus, the people will become partners in the formulation of the plan, as well as in its execution. In a fascist country, a national plan might be imposed from above. But a truly democratic plan must, at all its varied stages, take the people into confidence; their co-operation should be enlisted so that they might feel that the plan is a part of their daily life and activity. Thus, public co-operation and public opinion constitute the principal force and sanction behind democratic planning.

The integration of development schemes which are part of the normal activities of the State and those of local self-governing bodies will help orderly progress of the developmental programmes. Public co-operation need, by no means, be limited to the schemes included in the Five-year Plan alone. The Plan should, as the Commission has rightly emphasised, be treated as part of the wider national effort which comprises all activities, made by the State Governments, local authorities, and voluntary organisations. The establishment of *panchayats* will certainly provide the necessary local leadership for the implementation of the Plan. These agencies are intended to be responsible for the framing of programmes of production for the villages and securing minimum standards of cultivation, reclamation of waste lands, organisation of community effort, co-operative management of farms and implementation of land reform measures. Besides, they would serve as channels through which Government assistance could be rendered. The closer association of members of State Legislatures and Parliament, irrespective of their political affiliations, and the utilisation of the services of social service organisations will prove valuable in developing non-official leadership, especially in the rural areas.

PROBLEM OF DEPRECIATION

A pressing problem confronting industries for a considerable time now, not only in India but abroad, has been that of finding finance for replacement programmes, thanks to the widening gap between original and replacement costs. The expenditure on replacement of plant and machinery and on modernisation in the various industries, which have a large backlog of arrears of depreciation to make up, is estimated by the Planning Commission at Rs. 150 crores for the five years ending March, 1956. Although this problem has been repeatedly stressed time and again, it is regrettable that it has not received adequate attention at the hands of the Government. Now that only three years remain for the implementation of the Five-year Plan, the need for providing rehabilitation finance assumes special importance. It was precisely to this need that Mr. Pannalal Saraogi, President of the Bharat Chamber of Commerce, drew pointed attention in the course of his address at the Chamber's fifty-third annual general meeting, held recently at Calcutta.

Inasmuch as the enquiry by the Taxation Commission will take a long time before it is completed, Mr. Saraogi urged the Government to adopt some interim measures with a view to enabling the industries to meet the various problems of replacement finance and to plough back a sizable portion of their profits. Without a larger flow of savings to industrial investment in the private sector, he said, it would be difficult for the latter to play the part assigned to it in the Plan.

Another intriguing problem facing the Indian industries, to which also Mr. Saraogi drew pointed attention, relates to high cost of production. In the context of the emergence of a buyers' market the world over, the importance of lowering the cost structure, improving quality and effecting rationalisation cannot be too strongly emphasised. When Mr. Saraogi emphasised the last aspect, he was, of course, fully aware of the immediate effect of rationalisation, namely, displacement of labour. Surplus labour, he maintained, could be absorbed by developing cottage and small-scale industries on the Japanese model. In this connection, he attached considerable importance to the need for encouraging industries producing artistic, semi-luxury or luxury goods, and also industries which depend on the supply of material or components from large-scale industries, as, for example, manufacture of tape, bobbin, laces, etc. At the same time, he warned that any "artificial" protection of small industries, by placing burden on larger industries and consumers, was a dangerous course.

Mr. Saraogi suggested that the Government should buy all its requirements from indigenous manufacturers *even at a sacrifice*. This is perhaps an overstatement of the case for *swadeshi*. If this suggestion were implemented, it would restrict the freedom of the Government to buy the quality product it wants. The quality of several products produced in India is somewhat below western standards. Moreover, the stores purchase policy, motivated by 100 per cent. spirit of *swadeshi*, has a tendency to take away from the factories the incentive to improve quality and reduce production costs. There is, therefore, the need to proceed cautiously in the matter. The industries should get the support a national Government ought to give it. But, at the same time, industries should see that the quality of their products is steadily improved.

LIFE INSURANCE AND THE COMMON MAN

NEED FOR DEVELOPING NEW METHODS FOR REACHING HIM

(Contributed)

LIFE insurance in India has a history of over 75 years. The Indian Life Offices Association is now celebrating its Silver Jubilee. Yet it is a significant feature of life insurance in India, unlike in the other countries of the world where life insurance has attained a leading position in the country's economy, that it remains far apart from the common man. It is the purpose of this article to explain how this position arises and to examine the future prospects.

Life insurance in India is divided by the Insurance Act into two parts. First is the life business of insurers, restricted to issuing life policies of Rs. 1,000 *or more* per life. This corresponds to what is internationally known as ordinary life insurance. Second is the business of provident societies, restricted to issuing of policies of Rs. 1,000 *or less* per life. This corresponds to industrial life insurance in other countries.

Thus, we have two broad and clearly separated categories of insurance companies, one for offering life insurance service to that section of the population which can afford to purchase policies of Rs. 1,000 or more per life, and the other for catering to those who can afford to purchase only policies of less than Rs. 1,000 per life. It is assumed, in this connection, that, although provident societies are permitted by law, in common with insurers, to issue policies of Rs. 1,000 exactly per life, the choice of the people for policies of Rs. 1,000 per life is more likely to be in favour of insurers rather than provident societies, since the former offer greater security and better service.

This dividing line in the population dependent on the capacity to afford to take out a policy for Rs. 1,000 per life corresponds to an income of, say, Rs. 2,000 to Rs. 2,500 per annum. Those with higher incomes can afford to take out policies of Rs. 1,000 and more per life, whilst those with lower incomes have to be content with policies of less than Rs. 1,000 per life. The average policy of life insurers in India costs, per Rs. 1,000 sum insured, Rs. 55 per annum and for holding such a policy, a person has to save at least Rs. 55 each year, in addition to maintaining an average family of 5 at the present scale of the cost of living. Life insurance premiums, however, cannot constitute the whole charge on his savings and they are probably less than half of such personal savings. So, taking the total saving per annum of such a person at Rs. 110, and assuming the total personal savings to be 5 per cent. or less of the income at the income level, which enables an average family man to take out a policy of Rs. 1,000 per life, the income level is estimated at Rs. 2,000 to Rs. 2,500 per annum per family of 5.

OFF THE RECORD

Owing to indisposition, "Rover" very much regrets that he has been unable to write his customary feature for the second week in succession. He, however, hopes to resume his work next week.

Considering this income level in comparison with the *per capita* income in India of Rs. 255 per annum or Rs. 1,275 per annum for a family of 5, and remembering the very uneven distribution of incomes in India (for example, the total number of income-tax payers is only 8,85,399 against a population of 36 crores), it is obvious that the vast majority of the people lie below the minimum income level which enables them to take out a policy of Rs. 1,000 per life in addition to making two ends meet with an average family of 5. If, therefore, the common man is to be found mostly below this income level, the extent to which life insurance has reached the common man is to be judged by the progress of life insurance business below the Rs. 1,000 per life level rather than above it.

The actual position, however, as reported by the latest *Insurance Year Book*, namely, that covering the year 1951, is as follows:—

Definition	Insurers: *Issue policies of Rs. 1,000 or more per life*	Provident societies: *Issue policies of Rs. 1,000 or less per life*
No. of companies (Indian and Foreign)	180	81
Total business—		
No. of policies	34 lakhs	63,097
	Rs.	Rs.
Sum insured	793 crores	3½ crores
Premium income	40 ,,	21 lakhs
Expenses	11.5 ,,	8.3 ,,
Payments to policyholders or their dependents by way of claims and surrenders	15.2 ,,	7.4 ,,
Increase in funds	15.2 ,,	6.1 ,,
Total investments	260 ,,	85 ,,

N.B.—The figures are taken from the *Year Book* as given there, subject to various omissions, but they do not affect the argument here.

The achievement so far of the life insurance business in India summarised above brings out quite clearly the fact that the progress below the line of Rs. 1,000 per life is very poor as compared with the achievement above that line. The number of policies below the line is hardly 64,000 and the premiums collected out of the savings of the people below the corresponding income level of Rs. 2,000 per annum per family are less than Rs. 25 lakhs, while above the line the total number of policies is 36 lakhs, with a premium income of Rs. 40 crores collected out of the savings above the same income level. So, the test referred to above to signify the extent to which the common man and life insurance are brought together only serves to show clearly how far they are apart.

No data is available to the writer about the number of people in this country whose individual incomes are below Rs. 2,000 per annum against the number of those above that level. However, the *per capita* income of Rs. 255 per annum for the whole population is low enough to indicate that the vast majority, perhaps three-quarters of the total population, are below that level; but, of them, less than 64,000 have received the benefit of life insurance through provident societies, while, out of one-fourth the population above that income level, a much larger number has benefitted by life insurance.

Clearer Proof

This is quite the reverse of the position in other countries of the world, where life insurance has achieved a leading position in their economy. Whether you take the U.K., U.S.A., Canada or Australia, or an Asian country like Japan, the number of policies of industrial assurance, which corresponds to the business of our provident societies, is overwhelmingly more than for ordinary life insurance, showing that the number of persons covered by life insurance in the lower income categories is much more than in the higher ones, although the total premium income derived from the lower income levels may not be equally large comparatively as the relative number of policies might indicate. Even so, the premium income derived through industrial insurance in those countries bears a respectable comparison with that of ordinary life insurance; as against this, the premium income of provident societies in India makes a miserable comparison even with reference to ordinary life business of this country. One cannot have a clearer proof of the wide gulf that separates life insurance from the common man in this country.

What is the reason for this position? It is a question of the extent to which small savings are being tapped for purposes of life insurance. The Government is collecting each year a net sum of something like Rs. 40 crores by way of small savings. How is it then that life insurance gets such a small share of these small savings—almost as much as what life insurers collect out of the higher income brackets?

Essence of Insurance

There can be no question that the need of life insurance is less for people with small savings than for those with big savings. In terms of need, the small saver should be getting more of life insurance, not less. In essence, life insurance consists of collecting the savings of the people at a time when they can afford to part with them and returning it to them when they need it most. When the need is likely to arise most is determined by the insured beforehand—mostly either death or survival to a certain age—and the amount payable is determined mathematically. Meanwhile, the collected funds are invested, less the expenses of management and payments to policyholders, for promoting national development, either through Government or otherwise, according to the requirements of the insurance law. So whether, we see it in terms of insurance protection to the individual savers or in terms of collecting savings for national development, the need of life insurance for the common man is no less than for the relatively well-to-do—probably it is more these days when the mobilisation of small savings is so much in the picture. And yet how comes it that the small saver is so badly ignored by life insurance?

The Answer

The answer lies in the fact that collection of small savings through the medium of life insurance is done everywhere in the world in two ways, both of which are conspicuous by their absence in this country. Either the savings are collected as premiums through the employer for the whole, or nearly whole, group of his employees under a Group Insurance Policy or they are collected at the home of the policyholder through Home Service Insurance.

The premiums paid by the employer may be a specific reduction from the wages of the employee supplemented by his own contribution, or may be additional to the known wages, but, in any case, in real terms, they are part of the total wages of the employee. The savings are collected through the employer before the employee receives his "take home-pay" for spending on his immediate necessities.

The other way is through policies of industrial insurance or home service insurance, which are voluntarily purchased by the workers but the servicing of these policies is done at the homes of the policyholders by the agents of insurance companies. All collections are made at the homes, all enquiries are answered and doubts settled at the homes and all payments are made at the homes. Without this home service insurance, these workers with low incomes would never have the benefit of life insurance, because the other demands on their scanty incomes are so pressing that they would always get priority unless somebody collects the savings required for maintenance of life insurance at the right time each week or month from the treasurer of the home—the wife!

(*Continued on page 631*)

INDIA'S CREDIT POLICY COMMENDED

DEVELOPMENT OF NEW INDUSTRIES

(From A Special Correspondent)

NEW DELHI, *30th March*

THE main objective of the Finance Ministry of the Government of India in inviting the International Monetary Fund Mission to pronounce its expert and independent opinion on the financial policies of the Government during the last one or two years, as also on its proposal for undertaking deficit finance to some extent for implementing the Five-year Plan, has been more than vindicated by the statement made by the leader of the Mission, Mr. E. M. Bernstein, to the Press before his departure from this country. It was a well deserved tribute to Mr. C. D. Deshmukh and his principal advisers when Mr. Bernstein declared: "India has had an exceptionally successful record in combating inflation in the past few years. This is no accident at a time when prices were rising throughout the world. It is a result of a determined and intelligent credit policy. The same determination and intelligence will be needed to shape credit policy in the next few years, when the Plan is being carried out. With such a policy, there is no great risk that deficit financing will get out of hand and result in inflation."

DELHI LETTER

Implementation of the Plan

There was no particular need for Mr. C. D. Deshmukh to invite this Mission. But, being a man of great modesty and humility, despite his high intellectual equipment and administrative skill, he would appear to have been anxious to fortify himself against ill-informed criticism from a section of the public which has made it a habit to decry the achievements of this country, however laudable and impressive they might be from an independent point of view. The leader of the I.M.F. Mission is reported to have submitted a preliminary report to the Government while the final report will take some more time before it is submitted to the Government. When the final report is received, the Government should take prompt steps to issue it to the public so that the latter may know that their Government has been following a right and judicious financial policy. The leader of the Mission has also confirmed the fact that deficit financing, if undertaken within limits for development purposes, will be beneficial to the economy of the country on the whole. Prospects for the implementation of the Five-year Plan have now become brighter.

On account of the rapid development of many engineering industries, several new items have begun to be produced for the first time in the country on a commercial basis. Among these, mention may be made of industrial boilers, autojiggers, interlock knitting machines, card and gill pins, fluorescent tubes, some radio components such as loudspeakers, plastic moulded cabinets, etc., pick-up heads for radio-gramophones, some machine tools such as wood planing machine, power press, all geared 40 tons capacity, small tools, water meters, pistons, bicycle spokes, industrial sewing machines, etc.

In the manufacture of many of the above new items, a number of concerns have been able to enlist successfully the co-operation of leading foreign firms, particularly those from the U.K. For instance, a textile machinery factory of Calcutta was able to undertake the manufacture of Lancashire type of industrial boilers since March, 1952, with the technical assistance of a noted U.K. firm. In the production of sparking plugs, the collaboration of both U.K. and German firms have been secured. In the production of fuel injection equipment for diesel engines, a German firm has been helping a Madras firm while in the manufacture of electric horns, a British company has been assisting another Madras concern. An Italian concern has proposed to help an Indian firm in Hirakud in the establishment of a ferro-manganese plant with an annual capacity of 10,000 tons. The assistance of a U.S. company for the production of borehole turbine pumps has been forthcoming in Calcutta. A Bombay company has commenced production of electrodes, since December last, in technical collaboration with a Swiss firm. It has an installed capacity of 50 million feet of mild steel electrodes, although in the initial stage the production will be restricted to 25 million feet. Besides the above, considerable progress has been made in the manufacture of centrifugal pumps, twist drills, reamers, cutters, etc., tungsten carbide tools, wood screws, hinges, A.C.S.R. conductors, switchgears, bicycle parts, umbrella ribs, etc. A Calcutta firm is stated to have received sanction for the manufacture of typewriters in the country of a well-known foreign make.

Progress of Chemical Industries

In the chemical industries section, considerable progress has been made during the last one year and more. For instance, calcium carbide used for making acetylene, was produced for the first time in India during 1952. Production of benzene hexachloride, an important insecticide, was also undertaken in 1952. The manufacture of rayon grade caustic soda by the mercury cell process was initiated during the year. The regular commercial production of ferric chloride in quantities sufficient to meet the entire domestic requirements also commenced during the year. Among the minor chemical items produced for the first time in the country during 1952, mention may be made of medicated soaps and Binaca tooth paste. In the drugs group, production of important antibacterial sulpha drugs was started in 1952. New plants are being set up for the production of calcium carbide, ammonium chloride, phosphoric acid, etc. Among other industries which have come to production stage, mention may be made of the installation of modern machinery for making window sheet glass upto 36 ozs., planned capacity being 27,000 tons and installed capacity, 18,000 tons. Another factory has installed—the only plant of its kind in the country—automatic machines for making bottles, pressed ware and lampware, capacity being 10,800 tons. The manufacture of thermos flasks, synthetic stones (in collaboration with a Swiss firm), gilded glass beads, artificial pearls, penicillin vials, etc., is being undertaken in the country. Schemes for the production of micanite and mica products are being taken up under the supervision of a German technician. Manufacture of zinc oxide, titanium dioxide, etc., is also being taken up on a fairly large scale in the country.

The fruits of integration of Travancore-Cochin States into the Indian Union about four years ago are now slowly discernible in the economic activity of that area. For the first time in the history of the country, concerted action is being taken by the Central Government to develop the industrial and agricultural potential of these States on a large scale. The Government of India has already made a thorough enquiry of the spices industry, as well as other hill products of these States, and it will be taking shortly a comprehensive action towards the expansion of the above from the agricultural, industrial and export points of view. The Rubber and Coconut Boards have already started functioning.

(Concluded from next column)

"Green Pool" will go. They have not yet, however, solved the problems of their own little Green Pool between Holland, Belgium and Luxemburg.

One cannot help feeling that the approach to international co-operation in the case of agricultural products would be more successful, if the problem were tackled commodity by commodity. Producers inevitably look to their own particular interests, as soon as the question of a common market is raised, and argument, which begins in general terms, can only find solution in particular terms.

Regard must be had to the desire of countries such as Great Britain to give special assistance to their own producers and this country has now got to face the problem, as the Government goes out of the direct importation of the principal feeding stuffs, of how to couple private trade and imports with the guarantees of markets and prices to the home producer. If the "Green Pool" Committee tackled specific problems such as this, presenting the European line to the United Kingdom, but with a proper understanding of this country's difficulties, there would be much greater likelihood of an outcome satisfactory to the agricultural exporters in Europe. At the moment, one is tempted to conclude that the promoters of the "Green Pool" are aiming much too high to achieve any results.—*All Rights Reserved.*

THE "GREEN POOL"

PROMOTERS' AIM TOO HIGH

(From Our Own Correspondent)

LONDON, *28th March*

AFTER steel and coal comes agriculture. The indefatigable unionists of West Europe have been attempting in Paris to set up a common market for European agricultural produce and all nations of the O.E.E.C., represented by their Ministers of Agriculture or their Deputies, have held their first conference on what they call the "Green Pool."

The products in which it was proposed to create a common market ranged from meat to cereals, covering eggs, fruit and vegetables on the way. Undoubtedly, the promoters of the plan—initiated some time ago by the then French Minister for Agriculture, Mr. Pfimlin —would be satisfied for a start with something less, but the general possibilities of doing anything had first to be explored. As one commentator remarked sagely, "prudence was the keynote of the conference," and after nearly a week of discussion, the work of further examination of the possibilities was relegated to official committees and the next plenary session of the conference was set for the autumn.

LONDON LETTER

The "Green Pool" plan is based on the premise that food production in Europe is not increasing anything like as much as it should; that in too many countries, it shelters stagnantly behind protective barriers and that low output, inefficient production and high prices restrict consumption and prevent development. All countries try to produce all products and the advantages of concentrating on the most suitable forms of production are lost. The alternative under a supra-national authority, it is argued, would be to sweep away the mass of tariffs and quotas which are stronger for agricultural products than for anything else and to turn West Europe into a common agricultural market. The next stage would be to increase the production inside this market until Europe was self-sufficient. The supra-national authority would have to study the flow of supplies as they began to develop under completely free conditions and would have to "organise production" (how, is not yet stated) to meet the new demands as they arose. In order to have order in this market, quotas of production would have to be established for particular products in each country. Furthermore, prices would be fixed, at least ceiling and floor prices, for exports between countries and, no doubt, levies would have to be raised, in order to even out costs of production between different countries.

"Ossification" of Agriculture

While the abolition of agricultural quotas and tariffs is in itself a desirable thing, the mind boggles a little at the thought of the machine to fix production quotas and prices for all Europe, and envisages an ossification of agriculture greater than exists to-day in the most highly protected country. The British delegate, indeed, had these fears in mind, for, in the first instance, Britain has declined to be directly associated with the plan, although attending the conference and prepared to discuss it. Both Britain and Denmark are opposed to the principle of the "Green Pool," though for different reasons.

Britain has accepted a special responsibility towards its growers which has involved a system of guaranteed prices, or at least guaranteed minimum prices, often much higher than those ruling abroad. Secondly, it gives preferential treatment to foodstuffs supplied from the other members of the Commonwealth. Thirdly, this country has become highly conscious of the need for a balanced agricultural production as part of the national defence system and it would not be prepared to concentrate on particular products to the exclusion of others.

Denmark, on the other hand, has built up agriculture out of a poor soil and has concentrated on dairy products, eggs and bacon, which she can export at competitive prices not only anywhere in Europe but anywhere in the world. She does not, therefore, desire any tutelage or interference in how she is to conduct her agricultural affairs.

The Dutch have also built up a highly efficient agriculture, but they are involved in Benelux and are committed to the principle of economic co-operation, so they are much more disposed to see how the discussions on the

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AMERICAN LETTER

PROCESSION OF EUROPEAN DIPLOMATS TO UNITED STATES

FARM PRICES AND GILT-EDGED VALUES FALL

(From Our Own Correspondent)

NEW YORK, *26th March*

THE procession of European diplomats on official missions to the United States continues. Since my last despatch, Mr. Anthony Eden, British Foreign Secretary, and Mr. R. A. Butler, Chancellor of the Exchequer, have come and gone. After that, Lord Mayor of West Berlin Reuter was here and, presently, Premier of France Rene Mayer is visiting Washington.

What can be said for the benefit of readers in India is that the British delegation was considerably impressed. The top people in the new Eisenhower Cabinet took out three full days to talk to their counterparts in the Whitehall Government.

The London emissaries were given no promises and no half-promises. They explained the official United Kingdom desire for freer world trade. Now that as many internal regulations as possible have been removed in the British Isles themselves, the same idea is to be translated in the realm of foreign affairs. A corner-stone of this plan is convertibility of sterling.

The off-the-record attitude of the new Republican Administration in Washington is sympathetic to these aims. The immediate results of the talks has been that a series of further discussions are planned, because London feels a free Commonwealth trade policy is incapable of accomplishment unless it has the full support and backing of the United States.

Two Broad Avenues of Support

The British delegation has been pleading for two broad avenues of support. One concerns sterling, the other trade policy. London would like the creation of a foreign exchange and gold cushion to protect sterling in the event of convertibility beyond the reserves now available. The theory is, in brief, that, if a bank has sufficient reserves, a run on it is unlikely to occur, but, if its protection is too thin, such an emergency may happen. Thus, in order to prevent an outflow of capital on a large scale, Whitehall was to be able to cope with it.

The second and larger question of trade policy is, of course, a matter of legislation which neither the President of the United States nor the Secretary of the Treasury can decide. They can suggest a general reduction of tariffs, they could order a more efficient customs procedure, but they can do very little in actually eliminating the barriers which impede the flow of world trade.

Yet, the question of the monetary cushion and that of trade are inter-related. One might be self-defeating without the other. At this point, the voices for free trade are rising in the United States and it is just barely possible that a reasonable compromise might be achieved by which both aims may be facilitated.

The British delegation was smart enough not to propose any iron-clad outlines. London, they said, does not care particularly whether the required monetary cushion would be provided by the International Monetary Fund, by combined action of the United States and United Kingdom treasuries or by a stabilisation fund. Although this has not been published before, I can say with authority that the Britishers are pressing for prompt action, feeling that the entire international situation is in a state of rapid flux and delay can only be detrimental.

Of equal importance in the international scheme of things was the visit of Mayor Reuter of West Berlin, an ex-Communist, now a member of the Socialist Party in West Germany. In a number of Press interviews and public appearances, the Mayor shed considerable light on the Russian situation, as he saw it.

He declared that the Soviets were considerably weaker to-day than they were one or two years ago. While Stalin enjoyed the status of a Communist "saint," it would take several years before anyone else could assume such a position in the Kremlin again.

Pointing to the influx of thousands of refugees every day to the West, he went so far as to say that there were no Communists left, to speak of, in either East or West Germany since everyone was now acquainted with what is in store under the Soviet regime.

He suggested that the shooting down of Allied planes was merely a measure of the new masters of the Kremlin to impress the satellite countries with their "strength" and was, in effect, a manifestation of weakness. His viewpoint made sense to many Americans, although the Press and less informed people still cling to the proverbial fear of a sneak attack by Russia.

The visit of the Premier of France will probably boil down to discussions about the combined European defence community, Germany's participation in such a scheme and America's contribution in terms of dollars.

No Clear Cut Outline

All these are terribly important factors in shaping American policy. So far, no clear cut outline is visible on what the new Administration proposes to do, except that it has lifted nearly all domestic controls on production and prices which had been obsolete anyway, since most prices were below official ceilings.

In groping for a new policy, several weak spots have appeared. Prices for farm products have fallen to the dismay of those concerned with production and to the pleasure of consumers.

Government bond prices have also taken a dip. The longest term Treasury obligations bearing 2½ per cent. interest are now below 91 which is the lowest point since their issuance. This is in line with the higher yields in all money markets and the gradually higher rates which borrowers have to pay in all segments of the investment markets.

This, however, is still a period of what might be called an interregnum. No official plans have as yet been announced how the Administration proposes to go about in refinancing the vast maturities due this year.

The question of the future course of business is still on everyone's mind. There is a continued cleavage of opinion between the theoretical economists and the practical industrialists. The former suggests a recession is inevitable with receding defence expenditures. The latter are as optimistic as they were before.

In the meantime, the United States economy is proceeding at top speed, at full employment and at extraordinarily high levels of income in nearly all segments. The official position is that, for the next three months, no appreciable changes from that condition can be foreseen.—*All Rights Reserved.*

(Concluded from next column)

what practical use will it be? For the purposes of currency backing, a reserve of only Rs. 60 crores or so is needed and our reserves have always been adequate for the purpose."

An important announcement that the Finance Minister of Pakistan made on the floor of Parliament a few days ago relates to the Government's decision to constitute a tribunal, consisting of a High Court Judge and an Income-tax Expert, to scrutinise the particulars of hoarded wealth which may be submitted by the taxpayers. The decision is a sequel to the representations, received by the Government from time to time, that there is considerable hoarded wealth in the country which is not being brought out for fear of being taxed. The contention in all these representations is that what is hoarded is not concealed income which has escaped income-tax, but capital which is not liable to tax at all. It is, therefore, stated that if any attempt is made to tax hoarded wealth, it would result in the drying up of the very sources of investment. But the Government says that it cannot exempt income from tax which is legally due to it. In view of these conflicting opinions, the Government has decided to settle the question once for all and to allay any fear among the taxpayers that their hidden capital, when brought out and invested, would be subjected to income-tax.

PAKISTAN NOTES

CONTROL OVER PRICES OF COMMODITIES

MOVE TO TAX HOARDED WEALTH

THE Government of Pakistan has assumed legislative powers—an official Bill to this effect was passed in Parliament last week—to introduce, on an all-Pakistan basis, control over prices of commodities hitherto controlled by the Provinces and not subject to the Essential Supplies (Temporary Powers) Act, 1946. This is one more indication to suggest that Pakistan has been passing through difficult times. It was only recently that the Government imposed drastic restrictions on imports, thanks to the imperative need to bridge the widening gap in the balance of payments position. Thus, the open general licence has been cancelled. The number of items for which import licences are being given has been reduced from 303 to 215. Imports from the dollar area have been considerably curtailed. No import licences are issued for consumer goods of which 'sufficient' stocks exist in the country or are produced in the country. Import of luxury items, such as cosmetics, toilet goods, etc., has been banned.

Immediately following the announcement of the restricted import policy, prices of several essential articles—cloth, medicines, cigarettes, petrol and sugar products—shot up to very high levels. Forced by such a situation and with a view to preventing a further rise in prices, the Government of Pakistan assumed, as already stated, powers to control prices of commodities and also to declare any commodity as an "essential" commodity. Already, prices of many articles have been fixed in Karachi by the Chief Commissioner and drastic action is being taken against those who play foul with controls. To what extent the assumption of power to control prices by the Central Government and the fixation of prices for some of the items will prove a success, it is difficult to say. This much must, however, be admitted, namely, that a system of haphazard control would only worsen the situation by giving rise to anti-social activities on the part of the traders. If, therefore, price control is to yield fruitful results, it is imperative that the authorities should impose a blanket control on all commodities for some time and keep a vigilant watch over the supply position.

Commercial Policy Defended

The increase in the prices of consumer goods is not the only factor which is causing anxiety to the authorities. There is the persistence of the recession in prices of cotton and jute, Pakistan's two staple earners of foreign exchange. There has been continued slackness in the export demand for these commodities, which has adversely affected Pakistan's balance of payments position. The situation has been aggravated by the critical food shortage in the country, compelling the Government to import large quantities of food at the cost of much precious foreign exchange. It is not, therefore, surprising that the business and commercial community should have all along been very critical of the Government's policies. But the Government spokesmen point out that these criticisms are not justified in the least. They claim that the Government has been doing everything in its power to develop the economy of the country "which could bear the strain of this world-wide recession." This, in short, is the sum and substance of the observations of the Minister for Finance and the Minister for Commerce and Economic Affairs made in Parliament during the recent general discussion on the budget.

In the course of his speech, the Minister for Commerce and Economic Affairs claimed that his Government had considerably succeeded in implementing its commercial policy. The basic principles underlying the commercial policies from the very beginning, he said, had been to strengthen the internal finances of the country, to sustain the programme of economic development and defence, to provide employment for persons uprooted from their homes and to facilitate their rehabilitation, to enable industrialisation to be achieved at comparatively low cost, and to bring articles of daily consumption within the reach of the masses. Referring to the criticism on the marked fall in Pakistan's foreign exchange reserves, the Minister observed thus: "Too much has been made in recent months of the fall in reserves. The maintenance of high level of reserves is not an end in itself and has no intrinsic merit. If we build up our reserves, say, to five times the present figure of

(Continued in previous column)

DIFFICULTIES OF INDIAN BANKS

TALK OF SOCIALISATION DEPLORED

A COMPREHENSIVE review of India's banking problems was made by Mr. Pranlal Devkaran Nanjee, Chairman of the Indian Banks Association, when he addressed the Association's sixth annual general meeting, held at Bombay this week. Mr. Pranlal alluded to the general slackness in the banking business and described how the banks had been adversely affected, on the one hand, by the mounting establishment charges and, on the other, by the downward trend of profits. For instance, the total net profits of 18 member-banks of the Association for the year 1952, as compared with 1951, were lower by over Rs. 50 lakhs. According to him, the banks "have not been able to overcome completely the trade recession which overtook them in the early months of last year and the sellers' markets have now given place to buyers' markets generally." This, he said, had limited the capacity of the clients to pay increased charges.

In view of these considerations, Mr. Pranlal reiterated the hope he expressed last year that the award of the Industrial Tribunal (Bank Disputes), the proceedings of which had lasted longer than expected, might prove welcome not only to the employees and the banks but also to the clients of the banks. In this connection, he struck a note of caution to the effect that the banks could meet the demands of their employees only according to their capacity to pay and, if banks had to pay emoluments which were beyond their capacity, the result would be that the banks would be compelled to increase their charges to their clients and, if that did not prove to be a practical proposition, reduce or restrict their sphere of activity. There is considerable force in this contention and it is to be hoped that the Tribunal will not ignore these considerations.

Mr. Pranlal was critical of the attitude of quasi-Government institutions, such as Port Trusts, Municipalities, etc., towards Indian banks. He regretted that, even after several years of independence, their attitude towards Indian banks had not changed. Inasmuch as there were several Indian banks that can compare favourably with the large and sound banks in any part of the world, Mr. Pranlal thought—and not without justification—that it was the duty of the quasi-Government institutions "definitely" to place all their business with Indian banks.

The Indian Banks' Association Chairman referred to the problems of tapping the savings of the people. Replying to the charge that Indian banks had not helped to tap the savings by opening branches in the smaller towns and villages and in other ways, he mentioned two difficulties which had been interfering with the banks in the discharge of this responsibility. They were: (1) mounting establishment costs and (2) the "formidable" competition from the Government for savings deposits. He said that the latter was offering attractively higher rates of interest and that, too, free of tax, on National Savings Certificates and Treasury Savings Deposits. He substantiated his contention by pointing out that the savings deposits of banks had either gone down or not grown as they would otherwise have done. Nevertheless, he gave the assurance that the bankers would certainly not lag behind others in "playing their role dutifully and willingly for the success of the Plan."

Two other aspects to which Mr. Pranlal also alluded related to participation of Indian banks in foreign exchange business and development of bill market. While on the former, he observed as follows:

"To increase the usefulness of Indian banks to the nation, it appears necessary that they should increasingly participate in foreign exchange business. As the overseas trade of India is large and is expanding, it is but natural that India, like most other countries, should depend largely upon its own banks for providing the international banking services required by it. More than two decades ago, the Indian Central Banking Enquiry Committee stressed the importance of making efforts in this direction. That the financing of the foreign trade of the country should be largely in the hands of the Indian banks is the natural aspiration of the nation, in general, and the managements of Indian banks, in particular, and I am glad to find that some of our member-banks are actively exploring the scope for expanding their foreign exchange business. I wish them success in their efforts. The need for the public, the Government of India and the Reserve Bank of India to help their efforts in this direction is strengthened by general economic, strategic and balance of payments considerations."

Mr. Pranlal commended the efforts of the Reserve Bank of India for establishing a bill market. But as only those banks which have deposits of Rs. 10 crores and over are now allowed to take advantage of the Reserve Bank's scheme, he wanted it to be made applicable to all the Scheduled Banks. "There are," he said, "good reasons for believing that the scheme will prove helpful to the banking system and, through it, to India's commerce."

The Chairman referred to the talks of socialisation of banking emanating from certain quarters, sometimes, unfortunately, even from responsible quarters, and remarked that such was definitely discouraging for the expansion of banking in the country. He rightly averred that loose talk of socialisation or nationalisation of a key industry like banking, which had an immense bearing on trade, commerce, industry and agriculture, was "inopportune, unwarranted and injurious" to the country's progress. In this connection, Mr. Pranlal said:

"A bank in practice means public relations, and every office, branch or sub-office of a bank deals daily with a continuous stream of the public who are its clientele, finishing the business of each in a few minutes. Thus, millions of our people are daily served by our banks to their general satisfaction. I believe that Government has neither the personnel nor the resources to undertake this huge task and also that Government, by its very nature, is altogether ill-fitted for it."

In the considered opinion of Mr. Pranlal, it is in the best interests of the country that the manifold benefits and services which the public receives from joint-stock banking under free enterprise should not only continue unabated but also increase. It is, therefore, important that the uncertainty about the future of Indian banks, which "such utterances create in the minds of those concerned with banking, should not be allowed to develop."

A brief reference may now be made to the activities of the Indian Banks Association. The aggregate number of members of the Association is at present 36 Scheduled Banks; the working funds of these banks exceed 90 per cent. of the total working funds of all the 78 Scheduled Indian Banks. All the bigger, medium-sized and smaller banks are members of the Association. Twelve meetings of the Managing Committee were held during 1952. At these meetings, the Committee discussed several matters of much importance to the banks. Among the subjects that came under discussion were the Banking Companies Act, Bombay and Bihar Moneylenders Act, Reserve Bank's questionnaire on warehousing, and exemption from income-tax of the profits of banks carried to the reserve fund.

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ENCOURAGING RESULTS OF TRAVANCORE BANK

PROFIT FOR 1952 BETTER

THE year 1952 has turned out to be another favourable one for the Travancore Bank Ltd. (Managing Director: Mr. R. F. Wishart). The audited accounts of the Bank for the year ended 31st December, 1952, show, as compared with the previous year, an improvement in profit to the extent of Rs. 1.12 lakhs, that is, from Rs. 5.76 lakhs to Rs. 6.88 lakhs which is the highest earned by the Bank so far since its inception in January, 1946. But the improvement has not been large enough to enable the Bank to enter the dividend list.

The rise in profits noted above would probably have been more marked but for the general slackness in business—following the recession in the commodity prices during the major part of the year—on the one hand, and the increase in expenses, on the other. Considering the general experience of the Indian banks as a whole, it is, indeed, noteworthy that the performance of the Travancore Bank has been quite encouraging. The results indicate that the resources of the Bank must have been judiciously utilised, with due regard for the safety of depositors' funds. The Bank's combined ratio of investments and cash balances as on 31st December, 1952, was higher at 86.0 per cent., as against 74.4 per cent. a year before, while the advances ratio has receded from 57.2 per cent. to 48.2 per cent. The high level of ratio of liquid assets has been possible because of the large capital of the Bank.

The financial results of the Bank for the year under review are highlighted against the background of those for the previous three years in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Interest and discount	18.41	15.81	12.87	12.33
Commission and exchange	3.55	3.47	1.85	2.70
Interest paid	6.79	6.20	4.22	4.75
Expenses	7.97	7.05	6.76	6.03
Depreciation	0.33	0.28	0.24	0.24
Profit	6.88	5.76	4.27	4.02
To taxation	1.00	0.80	0.25	1.00
To reserves	2.00	4.25	3.50	2.00
To depreciation reserve on investments	5.00	..	..	..
Carry forward	0.38	1.50	0.79	0.26

	As on 31st December			
	1952	1951	1950	1949
Capital	100.00	100.00	100.00	100.00
Reserves	17.50	15.50	13.65	11.23
Deposits	380.62	402.85	369.40	297.80
Borrowings from other banks	..	1.50	..	..
Advances	183.61	230.60	166.97	168.95
Investments	236.80	246.96	242.38	166.62
Cash and money at call	90.92	52.74	73.88	74.19
Balance-sheet total	577.62	615.04	553.63	470.19
Ratio to deposits of—	%	%	%	%
Advances	48.2	57.2	45.2	56.6
Investments	62.2	61.3	65.6	55.9
Cash	23.8	13.1	20.0	24.9

The above table reveals that the Bank's earnings by way of interest and discount have gone up by Rs. 2.60 lakhs to Rs. 18.41 lakhs. Receipts under commission and exchange are also higher at Rs. 3.55 lakhs. Although, in common with other banks, expenses and interest paid have gone up, the improvement in gross earnings has been large enough to result in a good increase in profit. Consequent on larger profit, the Bank has been able to write off a sizable portion (Rs. 5 lakhs) of the depreciation in the value of Gilt-edged securities brought about by the rise in the Bank rate in November, 1951. This provision does not mean a loss to the Bank. So long as the securities are not sold but kept till maturity, it actually constitutes a secret reserve. Taxation has absorbed a fractionally larger amount than in the previous year. The allocation to reserves, however, has been reduced by Rs. 50,000 to Rs. 2 lakhs. With this addition, the published reserves of the Bank, as at the end of December, 1952, stand higher at Rs. 17.5 lakhs.

There has been a slight fall in deposits, from Rs. 402.85 lakhs to Rs. 380.62 lakhs, but this has not resulted in any reduction in interest charges paid, which has actually moved up by Rs. 59,124. Evidently, the Bank, in common with other banks, must have had to pay higher rate of interest on deposits. There do not seem to have been any borrowings from other banks during the year; at any rate, as at the end of the year, there were no borrowings from other banks. A year before, it may be noted here, there was a small outstanding of Rs. 1.5 lakhs under this head. Investments are lower at Rs. 236.80 lakhs, as against Rs. 246.96 lakhs a year before. Nearly half of this decline represents the amount written down from the profits of the year and, of the balance of the fall, the liquidation of debentures accounts for Rs. 3.44 lakhs. All the investments are now in Gilt-edged securities. The market value of these investments (as at 31st December, 1952) is lower by Rs. 14.93 lakhs—even after writing off, as already stated, a sum of Rs. 5 lakhs out of the profits. Cash balances and money at call have staged substantial advance from Rs. 52.74 lakhs to Rs. 90.92 lakhs, thereby raising the ratio of liquid assets to deposits to an impressive level.

Ceylon had a net inflow of Rs. 9 million of private capital in 1952, according to the Bank of Ceylon. The total outflow from the Island was Rs. 51 million, as against an inflow of Rs. 60 million. The two-way movement was mainly with Britain.

PROGRESS OF UNITED COMMERCIAL BANK

LARGE VOLUME OF BUSINESS BUILT UP IN THE FIRST TEN YEARS

THE United Commercial Bank Ltd. (General Manager: Mr. B. T. Thakur, Calcutta) holds a unique position in the sphere of Indian joint-stock banking, unique because no other joint-stock bank in this country has a record of such phenomenal progress as this Bank has during the first 10 years of its existence. Now that the Bank has completed its first 10 years, a reference to its achievements as an introduction to its results of working during 1952, will be quite appropriate. Our task in this connection has been rendered easy by a brief description given by the Bank's Chairman, Mr. G. D. Birla, himself in the course of his thought-provoking address at the tenth annual general meeting of the Bank held at Calcutta last week, the full text of which is published elsewhere in this issue.

In order to have a clear idea of the Bank's progress during these years, it is necessary to refer, first, to the difficulties which banks in India had to overcome. The most important of these arose from the partition of the country in 1947. Then there was a heavy drop in prices of securities in 1951, followed by a sudden and sharp fall in prices of goods and commodities in 1952, paralysing trade and business in the country. These catastrophic happenings brought about the collapse of a number of small and medium-sized banks and crippled quite a few others. Established in January, 1943, the United Commercial Bank has come out unscathed from all these crises and now occupies a position of eminence, ranking, as it does, among the first five in India. Another distinction which this Bank holds is that it occupies the first place among Indian banks in the field of international banking.

The Bank's activities are being conducted through a network of 90 branches and extend over seven different countries. The number of accounts standing in the Bank's books is over 100,000, with a variety of clientele. An idea of the volume of business that the Bank has built up during its brief existence of a decade can be gained from the fact that its total working funds are as large as Rs. 45.20 crores (as at the close of 1952), of which deposits alone account for Rs. 30.88 crores. Its net earnings from its inception to the end of 1952 aggregate Rs. 782 lakhs. Out of this, it has distributed Rs. 342 lakhs to the staff, paid Rs. 78 lakhs to the Government by way of taxation and utilised Rs. 50 lakhs to meet the depreciation on investments. It has built up a reserve fund of Rs. 75 lakhs and distributed Rs. 43 lakhs to its shareholders.

Now to review the working of the Bank during the year ended 31st December, 1952. Readers are already aware that the past year was one of adverse business conditions, with no relief from high cost of operations, and that the earnings of banks in India for that year suffered a setback. In the case of the United Commercial Bank, the decline has been somewhat sharp, the profit having dropped from Rs. 35.03 lakhs for 1951 to Rs. 24.80 lakhs, the lowest to be recorded since 1945. The principal reasons for the fall in profit are (1) fall in commercial advances, (2) higher rate of interest on deposits with little or no corresponding increase in rates of interest earned on advances and investments, the latter having been bought during periods of low yield on Government securities, and (3) increase in establishment expenses. The shrinkage in profit, however, has not affected either the transfer to the reserve fund or the dividend to the shareholders which has been unchanged at 4 per cent. per annum.

The following comparative table shows the trend of the Bank's earnings and their disposal during the last four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Interest and discount earned	107.04	105.04	97.45	97.33
Commission and exchange	60.49	53.27	38.96	30.71
Interest paid	48.69	38.12	29.00	32.86
Expenses	90.00	81.83	64.98	60.18
Loss on sale of Government securities	..	..	5.50	..
Depreciation on property	5.24	4.37	3.36	2.91
Profit	24.80	35.03	34.07	32.41
Appropriations to—				
Taxation	10.00	8.00	11.50	13.00
Reserve fund	7.50	7.50	7.50	7.50
Investment account	..	15.00	5.00	..
Bonus to staff	..	..	..	3.00
Dividend	8.00 (4%)	8.00 (4%)	8.00 (4%)	7.00 (3.5%)
Carry forward	1.01	1.71	5.18	3.10

The progress in the Bank's financial position since 1949 is fully reflected in the following comparative table:

(In lakhs of rupees)

	As on 31st December			
	1952	1951	1950	1949
Capital	2,00.00	2,00.00	2,00.00	2,00.00
Reserve fund	75.00	67.50	60.00	52.50
Deposits	30,87.73	29,58.10	33,28.48	30,74.60
Borrowings from other banks	65.25	2,21.40	3,11.70	3,38.87
Bills for collection	2,75.03	2,41.51	2,39.29	1,98.22
Acceptances	5,60.89	10,15.00	9,18.30	1,97.04
Advances and bills	14,17.62	17,91.56	16,76.35	14,41.37
Investments	14,81.49	12,13.02	16,72.81	16,27.30
Cash	6,62.67	5,03.71	5,64.89	5,58.60
Balance-sheet total	45,20.27	48,73.59	52,22.43	41,94.86
Ratio to deposits of—	%	%	%	%
Advances	45.9	60.6	50.4	46.9
Investments*	45.8	33.5	40.9	41.9
Cash	21.0	17.0	17.0	18.2

* After taking into account the investments earmarked against borrowings from other banks.

A striking feature of the balance-sheet is the sizable expansion of Rs. 1.30 crores in deposits, in refreshing contrast to the general trend of bank deposits. A marked fall of Rs. 1.56 crores is noted in borrowings from other banks and this is due to the contraction in the demand for funds occasioned by adverse business conditions. The Bank's bills business has been continuously expanding. Thus, bills for collection, payable in India as well as outside, show an increase of Rs. 33.52 lakhs. Bills purchased and discounted have risen from Rs. 421.25 lakhs to Rs. 506.52 lakhs. Acceptances on behalf of customers have declined from Rs. 10.15 crores to Rs. 5.61 crores, due to India's restrictive policy in the matter of imports, diminishing need for purchase of foreign cotton and lower values. The Bank's advances show a substantial fall from Rs. 13.70 crores at the end of 1951 to Rs. 9.11 crores at the close of 1952. This is the result of the fall in the values of commodities and exports and the consequent diminished demand for credit from trade and industry. A part of this decline has been offset by the increase in bills purchased and discounted noted above. The total of advances and bills bears a ratio of 45.9 per cent. With the expansion in resources and fall in commercial credits, the Bank has had to enlarge its investments and cash balances. Investments, at Rs. 14.81 crores, are shown at or below market value. We are assured that the Bank's policy of putting its funds in Government securities having early maturities is being continued. Cash balances have risen by Rs. 1.59 crores to Rs. 6.63 crores, which, with the investments, give a high liquidity ratio of 66.8 per cent. to deposits. Though such a high level of liquid assets means a low rate of earnings for the Bank, the Directors have deliberately chosen to follow a very cautious policy by giving primary importance to safety and liquidity of the Bank's money and assigning a secondary place to lending or higher income available therefrom, in view of the uncertain and difficult period of business through which the world is now passing.

As part of its programme of expansion, the Bank opened a branch in Hong Kong during 1952 and arrangements are being made to open a branch in London, the necessary permission having been obtained from the Reserve Bank of India.

(*Concluded from next column*)

bered portion of investments to deposits shows a rise, because of the substantially smaller borrowings from other banks in 1952 secured by the investments. Though the investments are lower, the gap between the book value and market value has widened from Rs. 43.34 lakhs at the end of 1951 to Rs. 57.07 lakhs. This depreciation is covered to the extent of Rs. 18 lakhs by the sum of Rs. 9 lakhs standing to the credit of sinking fund and Rs. 9 lakhs to non-statutory reserve fund. The redemption value is also lower than the book value, but this gap is well within the total of these two reserves. The cash balances (including balances with other banks and money at call) give a coverage of 14.4 per cent. to deposits. The combined total of unencumbered investments and cash balances gives a comfortable ratio of 55.8 per cent. to the deposits.

INDIAN BANK'S DEPOSITS AT RECORD LEVEL

PROFIT LOWER—DIVIDEND UNCHANGED

THE most arresting feature of the statement of accounts of the Indian Bank Ltd. (Secretary: Mr. N. Gopala Iyer, Madras) for the year ended 31st December, 1952, is that the sustained upward trend in the Bank's deposits noted since 1949 has not only been kept up but the pace of advance has been far more striking than in previous years. Consequently, the deposits of the Bank at the end of 1952 were the highest on record. Although this is not a feature peculiar to this Bank alone—a few others also have shown an increase in their deposits but the number of such banks, however, is very small—the expansion of Rs. 2.43 crores in the year-end figures is, indeed, something exceptional. This increase has been utilised to strengthen the liquidity of the Bank's resources.

The trend of the Bank's earnings during the past year was, however, similar to that of the majority of banks in this country. Thus, although the gross income expanded considerably, the net profit fell short of the previous year's level, thanks to a sharp rise in interest paid, and administrative charges and to a sizable loss on sale of investments.

The following comparative table shows, in an easily recognisable manner, the salient features of the Bank's financial results for the last four years and the progress in its balance-sheet position since 1949:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Interest and discount earned	89.86	78.52	63.36	71.64
Commission and exchange	19.79	18.26	14.59	11.08
Interest paid	42.80	34.50	28.30	33.85
Expenses (including bonus to staff)	48.47	42.76	38.63	34.39
Depreciation and repairs	1.42	0.88	0.95	0.42
Loss on sale of investments	5.37	4.75*	1.45	4.40
Profit	14.18	16.82	14.22	12.57
To taxation	3.90	2.60	3.55	5.20
,, reserves	3.50	7.50	4.00	1.00
,, building account	0.10	0.25	0.25	0.25
Dividend	6.56	6.36	6.36	6.09
Carry forward	(12½)† 1.04	(12½)† 0.93	(12½)† 0.82	(11½%) 0.76

	As on 31st December			
	1952	1951	1950	1949
Capital	55.33	52.98	52.97	52.96
Reserves	73.50	70.00	72.50	68.50
Deposits	20,30.63	17,87.43	17,82.88	16,03.63
Borrowings from other banks	47.02	3,68.43	42.51	2,00.64
Bills for collection	2,00.29	2,11.56	1,58.60	1,68.18
Acceptances	1,10.49	1,55.36	1,39.99	90.00
Advances and bills	10,62.06	10,97.70	7,25.45	7,56.23
Investments	8,86.99‡	9,65.08‡	9,61.83	9,60.98
Cash balances	2,92.64	2,70.51	3,07.30	2,31.74
Balance-sheet total	26,13.76	27,55.61	23,52.87	22,70.48
Ratio to deposits of—	%	%	%	%
Advances	52.3	61.4	40.7	47.1
Investments§	41.4	33.3	51.5	47.4
Cash	14.4	15.1	17.2	14.4

* Net loss after adjusting Rs. 10 lakhs from sinking fund.
† Includes a bonus of 2 per cent. per annum.
‡ Include investments of staff security deposits.
§ Ratio arrived at after taking into account the securities earmarked for borrowings from other banks.

The Bank's total income in the year under review at Rs. 112.24 lakhs is not only Rs. 12.54 lakhs higher than that for 1951, but constitutes a record. A substantial part of the increase is accounted for by interest and discount earned. The increase in earnings has been more than counteracted by the rise of Rs. 8.30 lakhs in interest paid and of Rs. 5.71 lakhs in expenses. Although the loss on sale of investments charged to the profit and loss account is slightly higher than that met out of the 1951 profit, the total loss on this account in the preceding year was much heavier.

The capital of the Bank was raised from Rs. 53 lakhs to Rs. 55.40 lakhs (of which over Rs. 7,000 represent unpaid calls) by making a fresh call of Rs. 5 on the Rs. 75 and Rs. 50 paid-up shares. Despite the withdrawal of Rs. 10 lakhs from the sinking fund last year, the total reserves stand at the impressive level of Rs. 73.50 lakhs. A break-up of deposits shows that all the classes of deposits, except savings bank accounts, have shared in the rise, the fixed deposits going up from Rs. 4.34 crores to Rs. 5.80 crores, season and short-term deposits from Rs. 2.06 crores to Rs. 2.93 crores and current and other accounts from Rs. 7.62 crores to Rs. 7.76 crores. Savings bank deposits have recorded a small drop from Rs. 3.85 crores to Rs. 3.82 crores. Advances and bills purchased and discounted have not declined to any marked extent—the decline being of the order of Rs. 35.64 lakhs only—but the sharp rise in deposits has brought down the ratio of the former to the latter from 61.4 per cent. to 52.4 per cent. Investments (at cost) are lower by Rs. 78.09 lakhs, but the ratio of the unencum-

(*Continued in previous column*)

HONGKONG AND SHANGHAI BANKING CORPORATION

PROFIT RECORDS FURTHER RISE

THOUGH the world-wide recession in trade and anti-inflationary measures taken by the various Governments during 1952 led to a considerable shrinkage in the turnover of business of many banks, especially those whose operations extend over a number of countries where economic conditions are far from uniform, quite a few banks have had the envious distinction of showing an improvement in their profits for that year. To this class of banks belongs the Hongkong and Shanghai Banking Corporation (Chairman and Chief Manager: The Hon'ble Sir Arthur Morse, C.B.E.) The profit of this Bank for the year ended 31st December, 1952, shows a rise of H.K.$37,734 to H.K.$17,321,405. It is, indeed, heartening to note that this improvement compares well with that of H.K.$33,967 recorded in 1951 which was the most prosperous year in the history of the Bank till then. Judged from the point of view of the disclosed profit, 1952 has beaten 1951 by a good length and is the best year for the Bank since 1930.

Bank profits, as published, are not true guides to the exact trend of earnings, because of the statutory immunity they enjoy from publishing the figures of earnings before making provision for secret reserves. This position has been rendered even more complicated by the fluctuations in prices of securities in the past year. But they can be taken as a reliable indication of the trend of earnings, as the comparative figures of published profits are arrived at after providing for contingency reserves out of which reserves provision is made for any diminution in the value of current assets. Since the Hongkong and Shanghai Bank also follows this practice, the profits are strictly comparable and as such it can safely be assumed that 1952 was quite a profitable one, despite a contraction in the volume of business. The net profit of H.K.$17.32 million, along with the balance of H.K.$8.08 million brought in from the previous year, has been utilised as follows:

To write off Bank premises (H.K.$3 million) and to pay a dividend of £5 per share of H.K.$125—*the same rate as that paid for 1951*—leaving to be carried forward H.K.$9.49 million which is H.K.$1.41 million more than that brought in.

The following comparative table will give an idea of the Bank's progress in the past three years:

(In thousands of H.K. $)

	As at 31st December			
	1952	1951	1950	1949
Capital	20,000	20,000	20,000	20,000
Reserve fund	96,000	96,000	96,000	96,000
Note issue	755,742	755,742	755,742	753,242
Current deposits and other accounts	2,659,319	3,134,136	2,558,669	1,820,511
Acceptances	12,861	52,000	11,572	8,470
Cash	421,383*	374,211*	446,436*	315,580
Money at call	654,597	860,035	341,600	193,200
Securities against excess note issue	725,187	721,783	718,783	713,583
Investments—				
In gilt-edged and other securities†	387,435	111,817	521,160	493,766
In subsidiary companies	2,135	2,137	2,137	2,137
Advances	699,441	803,109	770,154	700,914
Bills receivable	615,918	823,318	623,213	149,821
Premises	21,754	21,860	21,637	22,138
Balance-sheet total	3,541,413	4,074,059	3,456,602	2,711,630

* Includes balance of remittances in transit.
† Include sums deposited as security for authorised note issue.

The sharp decline in the balance-sheet total reflects the effects of the world-wide recession in trade and the anti-inflationary measures taken by the Governments of several countries where the Bank is operating. The Bank enjoyed a continuous period of prosperity during the post-war years, with 1951 witnessing the peak. Thus, the Bank's balance-sheet total had an unbroken rise from H.K.$2,050.86 million at the close of 1946 to a record figure of H.K.$4,074.06 million at the end of 1951. But, as the Bank's Chairman said in his statement to the shareholders, the fall in the value of primary commodities and the general recession in the trade, which took place during the year in the areas in which the Bank is most interested, brought about some contraction in its figures. It is, however, interesting to note that the 1952 total is better than the 1950 total of H.K.$3,456.69 million. In other words, barring 1951, the past year's total constitutes a record in the history of the Bank.

The fall in the balance-sheet total reflects partly the fall of H.K.$494.82 million in current deposits and other accounts and partly the decline of H.K.$39.23 million in acceptances on behalf of customers. Current deposits and other accounts, as well as acceptances at the end of 1952, were still well above those at the end of 1950 or 1949. On the assets side, a notable decline has taken place in advances which is in consonance with the general trend. There has also been a fall in bills receivable, in investments in Gilt-edged and other securities and in money at call. The contraction in money at call has been partially offset by an increase in cash balances. Though there has been an aggregate decline of H.K.$158.86 million in cash and money at call, their total provides a coverage of 40.45 per cent., as against 38.66 per cent a year ago, to the Bank's liabilities to its customers. Investments are shown at below market values, full provision having been made in the profit for meeting the depreciation in their value.

INTEREST RATES OF LAND MORTGAGE BANKS

The rising trend in interest rates during the past one year is likely to handicap land mortgage banks both in Bombay and Madras in providing cheap long-term credit to agriculturists in the two States. A resolution passed at the twenty-third Conference of Co-operative Land Mortgage Banks at Madras, presided over by Mr. Bhogaraju Venkataratnam, referred to in a previous issue of *Commerce*, states that the rate of interest at 6¼ per cent. charged to the ultimate borrowers is too high and, therefore, appeals to the Government of India to make funds available to land mortgage banks at sufficiently low rates of interest to enable them to finance long-term agricultural operations at a reasonably low rate of interest. Another plea is also made to the Reserve Bank of India for assistance on similar lines. Mr. Venkataratnam, in his speech at the Conference, pointed out that the rate of interest was one per cent. more than the rate at which a private lender can legally recover from the agriculturist. "This is a rate which I feel," he remarked, "is too high and, therefore, heavy for an agriculturist of our State to bear and it is necessary in the interest of the country that the Government and the Reserve Bank should address themselves suitably to deal with the problem with a view to reducing interest rates."

In Bombay, the borrowing rate of the Provincial Land Mortgage Bank is now about 4.4 per cent. The Bank lends to the primary land mortgage banks at a margin of 1½ per cent. to cover its expenses. This means that the borrowing rate of the primary banks is about 6 per cent. As the working costs of these banks entail, on an average, 1½ per cent., they are finding it impossible to lend below the rate of 7½ per cent. In order to overcome this difficulty, the Government has sought to raise the maximum rate of interest chargeable by these banks. Accordingly, the Government proposes to amend the Bombay Agricultural Debtors' Relief Act, 1947—a Bill to this effect was passed in the State Legislative Assembly last week—so as to increase the maximum rate of interest to be charged by the banks from the current rate of 6 per cent. to Rs. 7-13. This increase is, of course, likely to affect adversely the work of land improvement by agriculturists in the State, but it is still very much below the effective rate of interest which agriculturists pay when they borrow from private moneylenders.

(*Concluded from next column*)

drop in cash and balances with other banks, which are lower at Rs. 2.84 crores, in advances which have moved down to Rs. 5.22 crores and in bills and in constituents' liabilities for acceptances which together are lower at Rs. 4.28 crores, as compared with Rs. 8.42 crores in 1951. The "overseas" character of the Bank is reflected not only in this item but also in its investment portfolio of Rs. 2.74 crores, which includes Rs. 47.40 lakhs of foreign Government's securities (Ceylon Government Securities and British National War Bonds). It is further reflected in the Bank's bills position in which the bills payable outside India at Rs. 183.92 lakhs preponderate over the bills payable in India at Rs. 14.67 lakhs. Deposits are, as already stated, higher at Rs. 9.93 crores, as compared with Rs. 9.70 crores at the end of 1951. Actually, the deposits would have been higher still but for the drop of about Rs. 50 lakhs to Rs. 5.01 crores in the Bank's current accounts. The increase in deposits, is, of course, modest, especially when the increase is compared with what took place over the year 1951. Nevertheless, it is in refreshing contrast to the general trend disclosed by the consolidated statement of Scheduled Banks for the year. A notable feature in the case of deposits is the substantial increase in fixed and time deposits, from Rs. 2.80 crores to Rs. 3.48 crores; two years before, these were only Rs. 1.92 crores.

A glance at the disposition of the Bank's assets indicated in the comparative table given above will show that the proportion of liquid assets to deposits has recorded a sizable improvement.

INDIAN OVERSEAS BANK

RESERVES STRENGTHENED

AS one bank balance-sheet after another comes out, a common feature which the financial results of banks discloses is the increase in earnings through interest and discount, in interest paid and the drop in advances. This reflects the continued effect of lower prices, the higher Bank rate and the Reserve Bank's directive to banks to restrict their lending to essential purposes. The latest report of the Indian Overseas Bank Ltd. (Chairman: Mr. M. Ct. M. Chidambaram Chettyar) for the year ended 31st December, 1952, also discloses this common feature. Thus, its income by way of interest and discount has recorded a steep increase of Rs. 12.07 lakhs to Rs. 36.83 lakhs, while the interest paid on deposits has moved up from Rs. 10.50 lakhs to Rs. 15.33 lakhs. At the same time, the advances have declined from Rs. 5.48 crores to Rs. 5.22 crores.

Apart from these trends, which the Bank shares with all other banking institutions in the country, there are a few notable features which mark this Bank out from its sister institutions. Thus, over the three-year period ended 1952, the Bank, which enjoys the distinction of being a pioneer in extending banking services to overseas countries, has shown commendable improvement in earnings. The latest report shows that the income through interest and discount has, as already stated, moved up from Rs. 24.76 lakhs to Rs. 36.83 lakhs, while the income through commission, exchange and brokerage has improved from Rs. 24.58 lakhs to Rs. 29.31 lakhs. Outgoings are listed under many headings, of which interest paid on deposits is the heaviest after salaries and other operating expenses. Interest paid on deposits and borrowings is higher by Rs. 4.83 lakhs at Rs. 15.33 lakhs, as also salaries and allowances by Rs. 7.25 lakhs at Rs. 25.66 lakhs. The increase in the former item has only to be compared with the increase of Rs. 23 lakhs in deposits to Rs. 9.93 crores and the actual decline of about Rs. 67.4 lakhs to Rs. 17.565 in borrowings to realise the effect of the end of the era of cheap money.

The following table reflects the changes in the balance-sheet and profit and loss account of the Bank over the three-year period ended 1952:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Gross income	66.37	49.43	37.48	39.58
Interest and discount earned	36.83	24.76	19.99	25.24
Commission and exchange	29.31	24.58	17.48	14.21
Interest paid	15.33	10.50	8.21	11.31
Expenses	36.40	26.37	21.28	21.92
Depreciation and repairs	1.78	1.10	0.96	1.00
Profit	12.87†	11.46†	7.03†	5.35
Transfers to—				
Taxation	6.75	5.50	2.93	1.40
Reserve fund	3.50	3.00	1.50	1.00
Depreciation on securities	..	..	..	1.41
Dividend	2.95 (D. 6%)	2.52 (D. 6%)	1.85 (D. 4% + B. 1%)	1.66 (D. 4% + B. 1%)
Carry forward	1.90	2.23	1.79	1.04

	As at 31st December			
	1952	1951	1950	1949
Capital	48.98	47.36	37.16	37.15
Reserves	19.00	15.50	12.50	11.00
Deposits	9,93.32	9,69.61	7,55.54	5,89.67
Borrowings from other banks	0.18	67.56	..	52.77
Bills for collection and acceptances	4,28.29	8,42.58	2,75.87	2,86.02
Advances and bills	5,21.77	5,47.79	3,02.44	3,07.58
Investments	2,74.12	2,66.65	3,02.35	2,47.35
Cash and money at call	2,83.96	3,13.57	2,22.35	1,50.68
Balance-sheet total	15,29.96	19,91.44	11,17.10	10,14.21
Ratio to deposits of—	%	%	%	%
Advances	52.5	56.5	40.0	52.1
Investments	27.6*	21.9*	40.0	33.7*
Cash	28.6	32.3	29.4	25.5

* After taking into account the investments earmarked against borrowings from other banks.
† After providing for depreciation on investments.

The working of the Bank during 1952 has resulted in a profit (before providing for taxation but after providing for depreciation on investments) of Rs. 12.87 lakhs as compared with Rs. 11.46 lakhs in 1951, an increase of Rs. 1.41 lakhs. The profit, together with Rs. 2.23 lakhs, the amount brought forward from the previous year, makes in all Rs. 15.09 lakhs which is available for disposal. This year, taxation absorbs Rs. 6.75 lakhs, as against Rs. 5.50 lakhs in the previous year, while the reserve fund, which received only Rs. 3 lakhs in 1951, has been augmented by Rs. 3.50 lakhs. The reserve fund now stands at Rs. 19 lakhs. The dividend has been maintained at 6 per cent. on the capital of Rs. 48.98 lakhs—the capital structure was raised in 1951 from the level of Rs. 37.16 lakhs—at a cost of Rs. 2.95 lakhs, leaving a sum of Rs. 1.90 lakhs to be carried forward to current year's accounts.

The balance-sheet total of the Bank is lower by Rs. 4.61 crores at Rs. 15.30 crores. This shows that the Bank had, on the whole, less resources at its disposition than in 1951, though this has fortunately not affected its earning position. The decline in the total reflects, on the assets side, a

(*Continued in previous column*)

THE TRAVANCORE BANK, LIMITED.

(INCORPORATED IN TRAVANCORE IN 1945)

BALANCE SHEET AS AT 31st DECEMBER, 1952

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED CAPITAL— 8,00,000 Shares of Rs. 25 each	2,00,00,000	0	0			
ISSUED AND SUBSCRIBED CAPITAL— 4,00,000 Shares of Rs. 25 each fully paid				1,00,00,000	0	0
2. Reserve Fund and Other Reserves—						
General Reserve	12,00,000	0	0			
Contingent Reserve	5,50,000	0	0			
				17,50,000	0	0
3. Deposits and Other Accounts—						
Fixed Deposits	1,70,37,049	7	8			
Savings Bank Deposits	15,20,567	11	2			
Current Accounts, Contingency Accounts, etc. (Partly secured by Investments per contra of the face value of Rs. 7,00,000)	1,94,94,915	0	2			
				3,80,61,532	3	0
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	Nil					
(ii) Outside India	Nil					
				Nil		
PARTICULARS—						
(i) Secured by part of investments per contra	Nil					
(ii) Unsecured	Nil					
5. Bills Payable				1,86,063	15	0
6. Bills for Collection being Bills Receivable as per contra—						
(i) Payable in India	13,28,249	5	4			
(ii) Payable outside India	7,26,596	2	10			
				20,54,845	8	2
7. Other Liabilities				4,89,749	9	3
8. Acceptances, Endorsements and Other Obligations per contra				40,44,420	15	2
9. Branch Adjustments				11,38,201	2	5
10. Profit and Loss—						
Balance as per Balance Sheet as at 31st December, 1951	1,49,583	2	7			
ADD—Profit for the year ended 31st December, 1952, brought from the Profit and Loss Account	6,88,046	15	6			
	8,37,630	2	1			
LESS—Appropriations thereof— Rs. a. p.						
General Reserve 2,00,000 0 0						
Reserve for Taxes 1,00,000 0 0						
Transferred to Depreciation Reserve on Investments as per contra 5,00,000 0 0	8,00,000	0	0			
				37,630	2	1
11. Contingent Liabilities—						
(a) Claims against the Banking Company not acknowledged as debts	13,249	15	4			
(b) Money for which the Banking Company is contingently liable— Rs. a. p.						
Guarantee given by the Banking Company on behalf of Directors or Officers Nil						
Others Nil						
(c) Arrears of cumulative preference dividends	Nil					
(d) Liability on Bills of Exchange rediscounted	Nil					
(e) Liability on account of outstanding forward exchange contracts	36,37,504	9	7			
	36,50,754	8	11			
Total .. Rs.				5,77,62,443	7	1

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In hand and with Reserve Bank and Imperial Bank (Foreign currency notes—Nil)	45,53,479	0	4			
With Travancore-Cochin Divisional Treasury	5,03,378	9	8			
				50,56,858	3	0
2. Balances with Other Banks—						
On Current Accounts—						
(i) In India	1,87,718	3	9			
(ii) Outside India	9,29,984	7	3			
	11,17,702	11	0			
On Deposit Accounts—						
(i) In India (on account of Staff Security Deposits)	67,300	0	0			
(ii) Outside India	Nil					
				11,85,002	11	0
3. Money at Call and Short Notice				28,50,000	0	0
4. Investments at or below Cost—						
(i) Securities of the Central and State Governments and other Trustee Securities. (Treasury Bills of the Central and State Governments—Nil)	2,41,80,229	3	0			
(ii) Shares	Nil					
(iii) Debentures or Bonds	Nil					
(iv) Other Investments	Nil					
(v) Gold	Nil					
	2,41,80,229	3	0			
LESS—Depreciation Reserve on Investments	5,00,000	0	0			
(Market value as at 31-12-1952 Rs. 2,21,87,642-3-0)				2,36,80,229	3	0
5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)						
(I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.						
(i) In India 1,66,92,251 6 11						
(ii) Outside India Nil						
	1,66,92,251	6	11			
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—						
(i) Payable in India 9,10,292 3 4						
(ii) Payable outside India 7,58,368 4 5						
	16,68,660	7	9			
PARTICULARS OF ADVANCES—				1,83,60,911	14	8
(i) Debts considered good in respect of which the Banking Company is fully secured	1,70,32,533	1	2			
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	2,53,038	0	1			
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	10,74,440	13	5			
(iv) Debts considered doubtful or bad, not provided for	Nil					
	1,83,60,911	14	8			
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	9,184	5	6			
(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	68,11,092	11	2			
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	16,997	0	6			
(viii) Maximum total amount of advances including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	1,21,33,509	6	2			
(ix) Due from Banking Companies	4,45,614	5	1			
6. Bills Receivable being Bills for Collection as per contra—						
(i) Payable in India	13,28,249	5	4			
(ii) Payable outside India	7,26,596	2	10			
				20,54,845	8	2
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				40,44,420	15	2
8. Premises less Depreciation				Nil		
9. Furniture and Fixtures less Depreciation—						
At cost as per Balance Sheet as at 31st December, 1951	2,59,891	7	10			
Additions during the year	25,527	4	3			
	2,85,418	12	1			
LESS—Sales and Adjustments during the year	2,845	8	3			
	2,82,573	8	10			
LESS—Depreciation written off to date	1,37,067	7	9			
				1,45,506	12	1
10. Other Assets including Silver—						
Interest Accrued on Investments	1,43,848	15	5			
Books, Stationery and Stamps	59,966	0	10			
Advance Payment of Income-tax	1,65,506	12	4			
Sundries	15,347	7	5			
				3,84,669	4	0
11. Non-Banking Assets Acquired in Satisfaction of Claims				Nil		
Total .. Rs.				5,77,62,443	7	1

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1952.

EXPENDITURE	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	6,79,187	1	7
2. Salaries and Allowances and Provident Fund (this includes Salaries, Allowances and Provident Fund paid to the Managing Director Rs. 39,794-2-0)	5,52,464	0	2
3. Directors' and Local Committee Members' Fees and Allowances	5,500	0	0
4. Rent, Taxes, Insurance, Lighting, etc.	81,264	7	6
5. Law Charges	6,496	3	9
6. Postages, Telegrams and Stamps	23,815	4	9
7. Auditors' Fees	2,000	0	0
8. Depreciation on and Repairs to the Banking Company's Property	32,667	2	5
9. Stationery, Printing, Advertisement, etc.	45,326	1	7
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil		
11. Other Expenditure (including provision for leave salary and passage, etc., of Managing Director Rs. 12,000)	80,333	6	11
12. Balance of Profit	6,58,046	15	6
Total .. Rs.	21,97,050	12	2

INCOME (less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest and Discount	18,41,286	8	10
2. Commission, Exchange and Brokerage	3,55,020	1	4
3. Rents	Nil		
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil		
7. Other Receipts	Nil		
8. Loss (if any)	744	2	0
Total .. Rs.	21,97,050	12	2

AUDITORS' REPORT TO THE SHAREHOLDERS OF THE TRAVANCORE BANK, LTD.

We have audited the Balance Sheet of the Travancore Bank, Ltd., as at 31st December, 1952, and the Profit and Loss Account for the year ended that date as above set forth, with the Books of Account at the Head Office and the certified returns received from the Branches of the Bank and have obtained all the information and explanations we have required, which were found to be satisfactory.

In our opinion, such Balance Sheet and Profit and Loss Account are drawn up in conformity with the Law and the Balance Sheet exhibits a true and correct view of the state of affairs of the Bank as at 31st December, 1952, and the Profit and Loss Account shows a true balance of profit and loss for the period covered by such account according to the best of our information and the explanations given to us and as shown by the books at the Head Office and the certified returns from the Branches.

We are further of the opinion that the Bank has maintained the Books of Account as prescribed by Law, the transactions of the Bank which have come to our notice are, in our opinion, within the powers of the Bank and the certified returns received from the Branch Offices of the Bank have been found adequate for the purpose of this audit.

SURI & CO.,
Chartered Accountants.

TRIVANDRUM, 28th *February*, 1953.

K. V. MATHEW,
PARAYATH E. RAMAN MENON,
K. SREENIVASA KARAYALAR,
G. PARAMESWARAN PILLAI,
C. I. ABRAHAM.
} *Directors.*

D. R. VEDAMUTHU,
General Manager.

R. F. WISHART,
Managing Director.

EXCISE ON FINE AND SUPERFINE CLOTH

REDUCTION IN THE FORMER IMPERATIVE

A VIGOROUS plea for the revision of the Government of India's policy in regard to the new rates of excise duty on fine and superfine cloth, fixed on the basis of yardage in the last budget, was put forward by Mr. Chandulal P. Parikh, President of the Ahmedabad Millowners' Association, in the course of his address at the annual general meeting of the Association held at Ahmedabad last week. Mr. Parikh is not alone in holding this view, for a considerable section of the industry and trade is also of the same opinion. Great concern over the high incidence of the excise duty on fine and superfine cloth produced in India was being expressed for quite a long time now. This concern has now become a source of great anxiety, following the sharp increase in the excise duty on fine counts, in particular, consequent on the change in procedure from *ad valorem* to specific rates of duty. In the context of the continued resistance from consumers, the levy of a high level of excise duty will, sooner or later, tend adversely to affect consumption. Several representations, pleading for a substantial reduction in, if not abolition of, the levy have been made to the Government of India. It is, indeed, unfortunate that the latter should have, instead of conceding the demand, actually enhanced the rate of levy, as we shall presently show.

Under the new procedure, the fine and superfine varieties of cloth bear "absolute" specific duties, the *ad valorem* assessments having been done away with, on 27th February, 1953. Accordingly, superfine cloth is being charged a duty of As. 3-3 per yard and fine cloth a duty of As. 1-3 per yard. The official explanation given in support of this change is as follows: When the Government of India decided—in May last year—to prescribe certain specific duties as maximum duties, the duty being levied at these rates or at the *ad valorem* rates, whichever was less, it was then expected that the rates of specific duty fixed would eliminate *ad valorem* assessments in most cases. The fall in cloth prices belied this expectation and led to the preponderance of *ad valorem* assessments, giving rise to administrative difficulties and continual friction between the mills and the assessing staff on the question of the adequacy of the declared prices. In order to overcome these difficulties, it was decided to do away with *ad valorem* assessments altogether and to prescribe absolute specific duties.

Higher Incidence of Duty

While announcing this change in the course of his Budget speech, the Finance Minister said that it would not mean any increase (or reduction) in revenue but would only make the task of assessment and collection easier. This statement is hardly convincing in the light of what he has done. Actually, the new procedure amounts to a significant increase in the incidence of the duty on fine counts. For instance, the excise duty on fine cloth (serial No. 75 quality), the *ex*-mill price of which was Re. 1 per yard when the control was in force, is now an anna and a quarter, as against seven pies before. In addition to this, there is also the special excise duty of three pies per yard, collected for the specific purpose of subsidising handloom and *khadi* industry. As readers are aware, this additional excise was not in force prior to 15th February, 1953. Since then, therefore, there has been an increase of 157 per cent. in the incidence of excise duty on fine cloth. This is undoubtedly too heavy an increase to be borne by the trade without a serious fall in their turnover.

In the case of superfine cloth, the revised rate of excise duty, including the special excise of three pies, is As. 3-6 per yard, irrespective of the price of cloth. Excise duties previously applicable were at a flat rate of 20 per cent. of the value of cloth per yard. The effect of the change in respect of these varieties of cloth is that, where the price exceeds Re. 1-1-6 per yard, the duty is lower than what it would be on the basis of 20 per cent. *ad valorem* and that, where the price is lower than Re. 1-1-6, the incidence will be practically the same or a little higher. But, as the prices of most of the varieties of superfine goods are invariably higher than Re. 1-1-6, the change in procedure does not make the position worse than it was before, except to the extent of the special excise of 3 pies per yard. But this does not necessarily mean that the present rate of duty on superfine varieties is bearable. It is undoubtedly much higher than what the traffic can bear at present. In short, the rates of excise duty on both fine and superfine require to be reduced, if the domestic offtake of cloth is to be encouraged and production maintained at a high level. If the Government is not prepared to concede this demand, it must at least agree to reduce the rate of duty on fine counts, especially as its intention was only to change the basis of the rate and not its incidence.

Complementary Relationship

To revert to Mr. Parikh's address. Referring to the restriction on production of *dhotis* and dyeing of *saris* by mills, Mr. Parikh felt that, as it would be difficult for the handlooms to produce immediately the necessary quantity of dyed *saris* and *dhotis*, a progressive reduction in production by mills should have been enforced. It is unnecessary to go into this question again, as a detailed reference to it has already been made on more than one occasion. Few would, however, fail to recognise the force of Mr. Parikh's statement that, in the present state of national economy, it is essential that all the three sectors of the cotton textile industry, namely, mills, handlooms and powerlooms should be made complementary to each other, not in a piecemeal manner, but by following well-thought-out long-term measures. For that is the most effective way of enabling the country to attain the twin objectives of securing adequate supply of cloth and providing employment to as large a number of people as possible. But this is easily said than done. It is to be hoped that Mr. Parikh and his colleagues in the industry will show the way, by indicating the lines on which the ideal solution mentioned by him could be translated into practice.

The Ahmedabad Millowners' Association President also chose for special comment the question of export trade in cotton manufactures. He was confident that the export target of 1,000 million yards could be reached, provided, of course, the Government of India took necessary steps to augment the export trade. He put forward two suggestions, in this connection, neither of which is new. He wanted (1) full rebate of the import duty on foreign cotton utilised in the manufacture of cloth for export, and (2) introduction of a system of voluntary checking of goods meant for export. These suggestions assume special importance now that competition for export markets in cloth has become very keen.

* * * *

Since writing the above, the Millowners' Association, Bombay, has addressed a communication to the Government of India urging the latter to revise the rates of excise duty on fine cloth. In support of this plea, the Association has clearly brought out the extent of increase in the incidence of the new rates of excise. According to it, the levy of the specific rate of duty of 15 pies per yard on fine cloth is higher than the highest rate of duty applicable under the previous system. Thus, in the lower categories of fine goods—these constitute the poor man's cloth—the increase in duty works out to more than 114 per cent. This will be considerably more in the case of low-priced goods, where *ad valorem* duty at 5 per cent. yields less than seven pies per yard, as will be seen from the table below:

Name of mill	*Present ceiling price* Rs. a. p.	*Present excise duty* Pies	*New excise duty* Rs. a. p.	*Percentage increase*
India United Mills Ltd.—				
Grey longcloth ..	0 10 6	6.3	0 1 3	138
Grey shirting ..	0 10 11	6.5	0 1 3	131
Split border checks ..	0 8 8	5.2	0 1 3	189
Printed cloth ..	0 7 6	4.5	0 1 3	233
B.R. Cotton Mills Ltd.—				
Bleached mulls ..	0 9 3	5.5	0 1 3	172
,, ,, ..	0 9 10	5.9	0 1 3	154
Swadeshi Mills Co., Ltd.—				
Dyed voiles ..	0 7 6	5.0	0 1 3	200

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Laxmi Road, Poona 2

The Association feels that such an increase in the excise duty will result in a swing from the use of imported cotton to Indian cotton which is already in short supply. The one reason for the downward trend in prices, it says, is consumers' resistance and, by increasing the incidence of tax, the Government is only making things difficult for the mills to sell particularly cloths with 36 warp and 40 weft made out of foreign cotton. The Association accordingly urges the Government to readjust the rates of excise duty. In its opinion, if the *ad valorem* duty at five per cent. on fine cloth yields a revenue which is less than 15 pies per yard, then, that duty should be applied.

OUTLOOK FOR WOOL

Despite the growing competition from synthetic fibres, wool seems still to hold its ground and there are indications to suggest that it would continue to do so in future. The trend of events in the world textile trade since the war will bear clear testimony to this fact. Thus, the world output of wool is now running at the rate of 2,500 million lbs., a level which is very much higher than that prevailing in the immediate pre-war years.

There are many factors which are responsible for wool's important position on the world textile map. The first and foremost is that wool is generally cheaper than the new fibres, such as nylon, "Orlon," "Dacron" and "Terylene," although it is not so cheap as rayon. For instance, a good 64s top was sold in mid-1952 at 170 cents per lb., which compared with 180 cents quoted for nylon and "Dacron" and 190 cents for "Orlon." Again, the resilience of wool—this enables garments to maintain their shape—is practically unmatched, although it is approached by nylon. Wool also recovers well from stretching, when wet, and its resistance to repeated flexing is as good as nylon and superior to that of other fibres. What is more, in the important characteristic of ability to absorb moisture, wool is unrivalled.

To add to these, there are certain fundamental disadvantages of some of the manufactured fibres which have enhanced the competitive capacity of wool. Thus, the supply of raw materials such as sulphuric acid, required for the production of synthetic fibres, is not unlimited, while some have alternative uses as food. The cost of materials, power, machinery and labour has risen sharply during the recent inflationary phase, while the natural processes of raising sheep have shown less effects from such rises in cost.

Against these disadvantages, there are a few advantages which have enabled the synthetic fibres to compare favourably with wool. The quality and quantity of the fibres can be controlled under factory conditions. There is no variation in quality from season to season, as with wool, and sale by description is facilitated, with its attendant economies of time and labour. Output can be stepped up or reduced more quickly than with a growing fleece. Economies of mass production are likely to grow, especially as heavy research and establishment costs are overtaken, the processes being more amenable to close control than in primary production. Some synthetic fibres are easier and cheaper to maintain than wool. Some are easier to wash and do not require pressing, which is particularly convenient for manufacturing clothes, uniforms and upholstery. Two other qualities are appearance and resistance to moths, chemicals and water.

A conclusion that emerges from this brief study of the competitive position of wool *vis-a-vis* the synthetic fibres is that each fibre will find its particular use, sometimes supplanting wool to some extent. The new fibres, therefore, should be regarded not merely as substitutes but as products with special attributes qualifying them to meet particular purposes. At worst, they will supplant wool in some uses, but, at best, they will stimulate larger consumption of wool by cheapening and improving the products resulting from the blends of wool and other synthetic fibres. Indeed, one may confidently expect that wool will continue to play a prominent role in the world textile trade.

WOOL INDUSTRY IN U.P.

The U.P. Government proposes to launch a five-year scheme, estimated to cost Rs. 30 lakhs, for the planned development of sheep and goats and production of quality wool in the hills. Investigation will also be conducted as to the possibility of developing the *pashmina* and *mohair* industry. Unlike most of the other States, Uttar Pradesh is potentially rich in sheep and wool and its importance in this respect is second only to Rajasthan. The State possesses greater facilities for improving both carpet wool in the plains as well as fine long and medium staple wool in the hills. The total sheep population of the State is about 2 million, which is estimated to produce 3.8 million pounds of coarse wool and 1.3 million pounds of fine wool, valued at Rs. 30 lakhs.

IMPORT OF TEXTILE MACHINERY

The Government of India has announced that no import licences will be granted for ring frames during the current half-year. Carding engines of 45 inches, however, are permitted to be imported freely by those who have been using them exclusively. The import of carding engines of other dimensions will not ordinarily be allowed to be imported. But applications from actual users, who experienced difficulty in using 40-inch standard cards manufactured in India, for the import of 37-inch or 38-inch or other dimension carding engines will be considered on merit, provided full justification for the proposed import is furnished.

TRENDS IN YARN PRODUCTION

CLOTH EXPORTS BELOW LAST YEAR'S AVERAGE LEVEL

(From A Special Correspondent)

MANCHESTER, 24*th March*

MANCHESTER LETTER

SINCE the beginning of the year the gap between British cotton and rayon yarn output and production totals 12 months ago has steadily narrowed until in the final week of February the mills exceeded the corresponding figure in 1952, which had then shrunk to below 17,000,000 lbs. Current output is only a shadow of its former self but in view of the severe wastage of manpower 12 months ago, this development was inevitable.

The following table indicates the trend of output and recruitment in the first two months of the year:

(Production in 000's lbs.)

Week ending—	*Yarn production* 1953	1952	*Recruitment* 1953	1952
Jan. 3	14,090	17,220	+ 77	— 129
,, 10	17,090	21,010	+369	— 9
,, 17	17,290	20,870	+172	— 202
,, 24	17,420	20,620	+ 97	— 339
,, 31	17,520	19,930	+102	— 670
Feb. 7	17,680	19,520	+138	— 528
,, 14	17,490	19,310	+113	— 549
,, 21	17,090	19,210	+ 91	— 1,009
,, 28	17,910	16,980	— 55	— 973
Mar. 7	18,010	17,360	+156	— 844

In the ten weeks so far recorded, 1953's total production of yarn is still nearly 20,000,000 lbs. below the quantity spun in the same period last year. Man-power, however, shows a very different picture despite the net loss shown in the final week of February. Whereas this year the labour force in spinning has gained more than 1,250 workers, the prevailing slump at the beginning of 1952 had drained nearly 5,250 operatives away from the industry.

Cloth Exports

Overseas trade in cotton goods from the United Kingdom last month was rather disappointing, as despite the fewer working days involved, the average of exports was smaller than in January. The value of shipments amounted to £9,997,295 compared with £15,326,469 in February, 1952. At that time the full impact of last year's depression had not yet been reflected in export figures.

Recent reports from shippers of piecegoods have been generally discouraging, although occasional advices from foreign outlets have given rise to hopes of slightly better trade which has yet to materialise. Shipments in February showed a fall of more than 12,000,000 square yards compared with the previous month and were below the average for the whole of 1952. The table below shows the recent experience of cloth exporters:

Monthly average in :	*Piecegoods* Sq. yds.	*Value* £	*Average price per sq. yd.* d.
1939	116,115,000	2,665,000	5.51
1949	75,298,000	8,809,000	28.07
1950	68,539,000	8,358,000	29.26
1951	72,096,000	11,016,000	36.67
1952	59,234,000	8,404,047	34.05
1953 (*a*)	58,412,000	7,415,953	30.47
January	64,796,000	8,223,374	30.46
February	52,027,000	6,611,090	30.49

(*a*) Two months' average.

The projected drive to increase trade with West Africa has not yet materialised and so far this year shipments to that area have declined compared with 1952. On the other hand, there has been a welcome revival in business for South Africa, although the turnover is still well below the 1951 level. The main disappointment has been the slump in trade with Pakistan, following the import restrictions. Cloth exports in the two months have been below 2,000,000 yards compared with more than 10,000,000 yards in the same period last year.

Leading consumers of Lancashire cotton piecegoods in the past two months are (in square yards, with 1952 comparisons): British West Africa 27,760,000 (36,038,000); South Africa 15,138,000 (8,751,000); Australia 8,235,000 (26,718,000) and Malaya 6,070,000 (4,506,000). Slight gains have been recorded in trade with several European outlets as well as Canada and the Irish Republic.

Yarn Sales Maintained

There has been a limited revival in yarn exports during the past few months and this welcome trend was maintained in February, when shipments were only slightly below those of December and January. The restrictions imposed on export yarn activities when there was a threatened shortage of supplies for home use will clearly harass the industry for some considerable time ahead.

Cotton yarn exports last month exceeded the average during the whole of 1952 and there was also an increase in the average price earned, as the following table shows:

Monthly average in :	*Yarn* Lbs.	*Value* £	*Average price per lb.* d.
1939	9,471,800	745,500	18.89
1949	6,838,400	1,002,500	68.88
1950	5,915,500	2,127,900	86.33
1951	5,547,900	2,648,500	116.46
1952	2,976,800	1,470,163	119.25
1953 (*a*)	3,378,200	1,431,492	101.70
January	3,467,700	1,427,349	98.79
February	3,288,900	1,434,904	104.77

(*a*) Two months' average.

As in the case of cloth exports the figures for Pakistan show a startling decline this year compared with last. Only 2,600 lbs. has been shipped against 1,034,500 lbs. in the first two months of 1952. Trade with Australia has also fallen away but conversely bigger shipments of yarn have been recorded for the Irish Republic, Canada and some European countries.

Chief importers of Lancashire cotton yarn so far this year have been (with 1952 comparisons): Irish Republic 1,044,500 lbs. (647,900 lbs); Australia 669,900 lbs. (1,072,100 lbs); Canada 664,500 lbs. (386,700 lbs); Denmark 493,900 lbs. (255,800 lbs.) and Norway 423,500 lbs. (438,100 lbs.).

More Jap Cloth

Mainly as a result of the arrival of larger quantities of Japanese cloth, imports of unbleached piecegoods last month were higher than in January. Arrivals from all quarters aggregated 6,367,000 square yards, of which 5,147,000 square yards came from Japan.

This brings the total for the two months to 10,954,000 yards, against 38,163,000 square yards in the same period last year. The cost of this material has been cheaper on average as imports to the end of February were valued at £999,499, against £4,473,853 a year ago.

Keeping Prices Steady

Control of world cotton supplies and prices as a move to reduce the risk of unemployment and financial crashes in the textile industry was urged last week by Mr. Charles Schofield, General Secretary of Britain's Operative Cotton Spinners' Amalgamation.

Mr. Schofield, in his Annual Report to 20,000 Amalgamation members, said the fact that the textile industry in this country and abroad was so vulnerable to trade winds, made it imperative that efforts to bring about more stable conditions should be explored to the full. Otherwise, cycles of good trade followed by periods of depression would continue, bringing the misery of unemployment and financial ruin.

"Much could be done in this direction by the establishment of control of world cotton supplies and prices," he said. In view of the expressed anxiety of growers and users of raw cotton, it did not appear that devising a scheme which would be fair and reasonable to all would be impracticable.

Raw Cotton Imports

American cotton comprised nearly half the imports of raw cotton reaching British ports this week. United States growers supplied 15,755 bales out of total arrivals of 33,326 bales. Of this quantity, 18,427 bales was on Raw Cotton Commission account. Imports of Egyptian cotton at 6,059 bales were the highest in a single week since January, 1952. Still at sea for Britain are 61,820 bales mainly from Pakistan, the United States and East Africa.—*All Rights Reserved.*

U.K. WOOL INDUSTRY

Reviewing the conditions in the U.K. wool industry, during the year ended October, 1952, Mr. F. J. Hill, Chairman of Messrs. G. R. Herron & Sons (Holdings), Ltd., wool merchants and top makers, observed at the recent annual meeting of the Company, in London, as follows:

"At the beginning of the financial year on 1st November, 1951, the wool trade generally continued very much in the doldrums and the outlook was extremely gloomy. There was a complete lack of interest by the public in purchasing all types of textile goods, with the result that wholesalers and retailers, in the hope that they would be able to buy at lower prices later on made no attempt to replace falling stocks.

"In the meantime, the price of wool, which had rallied sharply but unconvincingly in the autumn of 1951, started to sag again and continued to fall steadily until the end of March, 1952, by which time prices for Merinos were back to the level of the previous September and Crossbreds were considerably lower.

"In April, the first signs of some slight return of confidence became apparent and the price of wool began to harden again and, with the exception of one short-lived break in early September, continued to rise steadily until the end of the financial year. "Trade, however, remained lifeless and the depression was not really over until the unseasonable cold snap early in September caused the public to take an active interest in buying woollens. Towards the end of the financial year, business was exceptionally good and in the last two months of it we actually sold more tops than ever before in a similar period."



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THE INDIAN BANK LIMITED, MADRAS

(ESTABLISHED 1907)

DIRECTORS' NINETY-FIRST REPORT

The Directors have the pleasure to submit a statement of Assets and Liabilities and of Profit and Loss Account of the Bank for the year ended 31st December, 1952. The Auditors' Report is also annexed.

2. The Net Profit of the Bank for the year amounts to Rs. 14,17,656-5-11 and together with the sum of Rs. 92,544-13-6 carried from the previous year's account, makes a total of Rs. 15,10,201-3-5.

3. Out of this sum, the Directors have made the following interim appropriations—

	Rs.	a.	p.
An ad-interim dividend at the rate of 5 per cent. and a bonus of 1 per cent. (both free of income-tax) was paid which absorbed	3,23,000	0	0
The Directors now recommend that the following further appropriations may be made—			
To pay a final dividend of 5 per cent. and a bonus of 1 per cent. (both free of income-tax) thereby making the dividend and bonus for the year amount to 12 per cent.	3,33,000	0	0
To provision for taxes	3,90,000	0	0
To transfer to the Reserve Fund under Section 17 of the Banking Companies Act, 1949, raising it to Rs. 55½ lakhs	2,50,000	0	0
To transfer to Sinking Fund raising it to Rs. 9 lakhs	1,00,000	0	0
To transfer to Bank's Buildings Account	10,000	0	0
To carry forward	1,04,201	3	5
Total .. Rs.	15,10,201	3	5

4. The Bank rate remained unchanged at 3½ per cent. during the year under report.

5. An Office of the Bank was opened during the year at Hyderabad (Deccan). A Pay Office for the use of the Members of Legislature was opened on 15th July, 1952 in the Government House Estate. This will function only during the sessions of the Legislature.

6. In accordance with Articles 95 and 96 of the Articles of Association of the Bank four Directors Messrs. O. M. SP. L. M. Meyyappa Chettiar, A. M. A. MR. Murugappa Chettiar, M. R. Guruswamy Mudaliar and C. Krishnamoorthy Mudaliar retire this year by rotation and they, being eligible, offer themselves for re-election.

INDIAN BANK BUILDINGS,
MADRAS, 6th March, 1953.

BALANCE SHEET AS AT 31st DECEMBER, 1952

Corresponding figures as at 31st Dec., 1951 Rs. a. p.	CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
	1. Capital—		
	AUTHORISED CAPITAL—1,00,000 Shares of Rs. 100 each ..	1,00,00,000 0 0	
	ISSUED CAPITAL FOR PAYMENT IN CASH—72,000 Shares of Rs. 100 each ..	72,00,000 0 0	
	SUBSCRIBED CAPITAL—72,000 Shares of Rs. 100 each ..	72,00,000 0 0	
	AMOUNT CALLED UP—		
	24,000 Shares at Rs. 100 each ..	24,00,000 0 0	
	20,000 Shares at Rs. 80 each	16,00,000 0 0	
	25,000 Shares at Rs. 55 each	15,40,000 0 0	
		55,40,000 0 0	
	LESS—Calls unpaid	7,338 15 6	
		55,32,661 0 6	
52,98,811 0 6	ADD—Forfeited Shares	Nil	55,32,661 0 6
	2. Reserve Fund and Other Reserves—		
	(i) Reserve Fund under Section 17 of the Banking Companies Act, 1949 ..	53,00,000 0 0	
	(ii) Reserve Fund other than under Section 17 of the Banking Companies Act, 1949	9,00,000 0 0	
67,00,000 0 0	(iii) Sinking Fund	8,00,000 0 0	70,00,000 0 0
	3. Deposits and Other Accounts—		
	Fixed Deposits	5,79,56,897 0 7	
	Season and Short-term Deposits ..	2,92,85,727 15 5	
	Savings Bank Deposits	3,82,40,254 10 1	
	Current Accounts, Contingency Accounts, etc.	7,75,79,870 0 7	
17,87,43,469 14 3			20,30,62,750 0 8
	4. Borrowings from Other Banking Companies, Agents, etc.—		
	(i) In India	47,02,052 1 0	
3,08,43,136 13 0	(ii) Outside India	Nil	47,02,052 1 0
	PARTICULARS—		
	(i) Secured (secured by part of Investments in Central and State Government securities as per contra) Rs. 47,02,052 1 0		
	(ii) Unsecured Rs. Nil ..		
63,17,436 7 9	**5. Bills Payable**		53,08,277 14 3
	6. Bills for Collection Being Bills Receivable as per contra—		
	(i) Payable in India	1,02,29,980 13 7	
2,11,55,783 4 3	(ii) Payable outside India	97,99,527 6 10	2,00,29,503 4 5
	7. Other Liabilities—		
	(i) Rebate on Bills	17,764 11 0	
	(ii) Unclaimed Dividends	56,721 13 3	
	(iii) T.Ts. Payable	2,71,267 6 3	
	(iv) Sundries Payable	6,21,348 15 1	
	(v) Branch Adjustment	7,94,922 8 10	
39,70,907 4 3	(vi) *Provision for Taxes	17,41,944 11 5	35,03,970 1 10
1,55,36,241 5 0	**8. Acceptances, Endorsements and Other Obligations** per contra		1,10,49,382 1 8
	9. Profit and Loss—		
	Profit as per Balance Sheet as at 31st December, 1951	9,05,544 13 6	
	LESS—Appropriations—		
	(i) Final dividend of 5 per cent. and a bonus of 1 per cent. (both free of income-tax) .. .. Rs. 3,18,000 0 0		
	(ii) Provision for taxes 2,60,000 0 0		
	(iii) Sinking Fund .. 3,00,000 0 0		
	(iv) Depreciation on Bank's Premises 25,000 0 0		
		9,03,000 0 0	
		92,544 13 6	
	ADD—Profit for the year brought from the Profit and Loss Account	14,17,656 5 11	
		15,10,201 3 5	
	LESS—Interim appropriations— Ad-Interim Dividend of 5 per cent. and Bonus of 1 per cent. (both free of income-tax)	3,23,000 0 0	
9,95,544 13 6			11,87,201 3 5
	10. Contingent Liabilities—		
	(1) On partly paid up shares of Banks Rs. 30,075-0-0.		
	(2) Claims against the Bank not acknowledged as debt—		
	(a) Rs. 25,000-0-0 falling which Rs. 670-11-0.		
	(b) Rs. 73,794-7-10.		
	(3) On guarantees given on behalf of constituents Rs. 11,48,725-12-1.		
	(4) On Forward Exchange Contracts Rs. 1,51,74,283-4-2.		
27,55,60,830 14 6	Total .. Rs.		26,13,75,802 11 9

*1. There is a liability of Rs. 37,191-11-0 on account of Income-tax for the year 1941 which has not been paid but adequate provision has been made.

2. There is a liability of Rs. 3,06,762-6-0 on account of Income-tax for the year 1942 in respect of the trading of overseas branches during the war period. An appeal against this assessment is pending. A statement showing the net assets and liabilities of the Bank under the Singapore and Malayan Ordinances providing for the scaling down of the debts due to and by the Bank has been filed for the entire occupation period (1942 to 1945) and in view of the small profit shown by this statement it is expected that orders will be passed in appeal substantially reducing the demand of Rs. 3,06,762-6-0 levied for 1942.

Corresponding figures as at 31st Dec., 1951 Rs. a. p.	PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
2,13,30,437 10 5	**1. Cash—** In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		1,98,69,453 6 10
	2. Balances with Other Banks—†		
	(i) In India— Rs. a. p.		
	On Deposit .. 2,60,100 0 0		
	In Current Account. 22,99,544 13 9	25,59,644 13 9	
	(ii) Outside India—		
	On Deposit .. 9,500 0 0		
	In Current Account. 57,25,074 10 3	57,34,574 10 3	
56,70,837 3 4			82,94,219 8 0
Nil	**3. Money at Call and Short Notice** ..		11,00,000 0 0
	4. Investments (at cost)—†		
	(i) Securities of the Central and State Governments (Terminable Loans) and other Trustee Securities, including Treasury Bills of the Central and State Governments. Face Value Rs. 8,44,85,200-0-0 .. .. .. (Average Market Value Rs. 8,05,57,821-3-0)	8,59,21,599 5 6	
	(ii) Shares— Preference (other than Banking Companies)— Rs. a. p.		
	Fully paid .. 66,900 0 0		
	Ordinary (Banking & other Companies)—		
	Fully paid .. 15,32,342 8 0		
	Partly paid .. 1,18,019 8 0	17,17,762 0 0	
	(Market Value Rs. 14,72,765-12-0)		
	(iii) First Mortgage Debentures (Face Value Rs. 9,000-0-0) .. (Market Value Rs. 8,550-0-0)	9,157 8 0	
	(iv) Other Investments— Malayan and F.M.S. Terminable Loans of Face Value St. $475,500. (Market Value Rs. 6,33,011-5-6)	7,33,793 10 8	
	British 3% 1955-59 War Loan Face Value £12,212 10s. 4d. at cost .. (Market Value Rs. 1,62,856-13-3)	1,59,143 10 1	
	Ceylon Government 3% 1959-69 War Loan Face Value Rs. 1,55,000 at cost .. .. (Market Value Rs. 1,57,325-0-0)	1,57,325 0 0	
	(v) Gold	Nil	
	(Provision in Sinking Fund and Non-statutory Reserve Fund as per contra about Rs. 17 lakhs towards depreciation on investments.)		
9,65,07,841 5 9			8,86,98,786 2 3
	5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of Auditors)		
	(1) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
	(i) In India .. 7,97,83,926 15 7		
	(ii) Outside India 73,35,214 0 1	8,71,09,141 5 8	
	(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— Rs. a. p.		
	(i) Payable in India .. 1,49,76,924 13 11		
	(ii) Payable outside India. . 41,19,682 14 11	1,90,96,607 12 10	
10,97,70,313 1 2	(Particulars of Advances shown in next page)		10,62,05,749 2 6
	6. Bills Receivable Being Bills for Collection as per contra—		
	(i) Payable in India	1,02,29,980 13 7	
	(ii) Payable outside India	97,99,527 6 10	
2,11,55,783 4 3			2,00,29,503 4 5
	7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,10,49,382 1 8
1,55,36,241 5 0			
	8. Premises—		
	At cost as at 31st December 1951 .. 4,40,465 9 0		
	Additions during the year 32,655 0 0		
		4,73,120 9 0	
	LESS—Depreciation written off to 31st December, 1951	4,01,215 9 0	
64,250 0 0			71,905 0 0
	9. Safes, Furniture and Fixtures—		
	At cost as at 31st December, 1951 .. Rs. a. p. 9,01,263 7 6		
	Additions during the year 1,26,845 15 4		
		10,28,109 6 10	
	LESS—Deductions in the year	37,078 5 3	
		9,91,031 1 7	
	LESS—Depreciation written off to 31st December, 1952	4,23,244 11 6	
5,68,034 15 7			5,67,786 6 1
	10. Other Assets, including Silver—		
	Books and Stationery	4,98,586 4 10	
	Sundries Receivable (including Advance Income-tax and Compulsory Excess Profits Tax Deposit amounting to Rs. 41,57,188-5-11)	42,59,438 7 7	
	Interest Accrued on Investments ..	7,01,277 14 5	
	Stamps and Drafts	29,710 1 2	
	Silver	Nil	
49,07,042 1 0			54,89,012 12 0
Nil	**11. Non-Banking Assets Acquired in Satisfaction of Claims**		Nil
	† Includes investments of staff security deposits.		
27,55,60,830 14 6	Total .. Rs.		26,13,75,802 11 9

(Continued on next page)

PROSPECTS FOR WORLD COTTON CONSUMPTION

ENCOURAGING TREND PREDICTED

THE prospects for cotton consumption in any season are certainly of great interest to the traders in this commodity. But they have special reason to be interested in the outlook for it in the 1952-53 season, considering the textile situation in 1952 was marred by the low level of cloth offtake in many parts of the world and the consequent closure, or partial working, of several mills in many textile producing countries. There has, of course, been some welcome recovery in textile production since the earlier part of 1952, when there was a world-wide slump in textiles. The partial revival of replacement demand in some countries and better domestic demand in the main consuming countries are regarded by the International Cotton Advisory Committee, Washington, as among the factors which point to a "more encouraging" outlook for cotton consumption in the world during the current season.

The following table, extracted from the Committee's journal *Cotton* (March issue), gives the world cotton consumption during the three years ended 1951-52 and also the preliminary estimates for 1952-53:

Cotton Consumption

(In million bales of 478 lbs. each)

Country	1949-50	1950-51	1951-52	1952-53*
U.S.	8.9	10.5	9.2	9.5
Other W. Hemisphere ..	2.3	2.5	2.3	2.3
India	3.2	3.1	3.5	3.7
Japan	1.0	1.6	1.8	1.9
Cont. W. Europe ..	4.9	5.4	4.9	6.1
U.K.	2.1	2.4	1.8	
Others	1.3	1.3	1.5	1.6
	23.7	26.5	25.0	25.1

* Preliminary estimates.

The above table shows that the world cotton consumption in 1952-53 is likely to be somewhat higher than in 1951-52, though it will still be below the level touched in 1950-51. Commenting on the prospects for cotton consumption in the 1952-53 season, the Committee says:

"Assuming that there are no major setbacks during the remainder of the 1952-53 season, cotton consumption over this period is likely to be at a higher rate than a year ago. This assumption appears to be justified in the light of the finding at the recent Textile Conference. Participating countries appeared more optimistic about their respective domestic demand for cotton textiles, while textile exports were expected to increase slightly as compared with 1952."

The prospects for cotton consumption in individual countries, as a glance at the above table will show, differ widely. Estimates for cotton consumption in the U.S. point to some increase in the season over the level of 9.2 million bales consumed in 1951-52. The more satisfactory state of the textile industry in the U.S., the Committee says, is reflected in the continuous fall in textile stocks since July last year. Even more encouraging from the manufacturers' point of view is the "relative firmness displayed by textile values in the face of falling cotton prices."

An appraisal of consumption prospects for the 1952-53 season in Continental Western Europe, according to the Committee, is difficult, since there are divergent trends in textile production in Europe. However, consumption in most European countries during the early months of the current season showed a recovery from the low level prevailing at the end of the 1951-52 season, although it was well below the rate of consumption during the corresponding period of the previous year. Exceptions here, however, were the Federal Republic of Germany, the Netherlands, and Finland where consumption was running at roughly the 1951-52 level.

Although cotton consumption in the U.K. over the first five months in the present season was somewhat less than it was a year ago there has been a marked recovery from the low point reached in June and July last year. In November and December, cotton yarn production in the U.K. was fairly steady at about 13 million pounds per week. From the demand viewpoint, although exports of both cotton yarns and manufactures recovered in the last quarter of 1952, they were still appreciably under those in the same period a year ago. Rayon also shared in this revival in export demand.

The prospects for cotton consumption in India have been reviewed in the journal by Mr. P. D. Gadkari, Deputy Secretary, Indian Central Cotton Committee, who says that the reduction in export duty on cloth, permission for mixing Indian with foreign cotton, substantial relaxation in the control on cloth, and permission to export yarn of limited quantities to relieve pressure on mills are the factors which "may, to some extent, stimulate cotton consumption in India." As regards foreign cotton, Mr. Gadkari says that the American and East African cotton bought in 1951-52 at high prices are still with the mills which are reluctant to go in for new crop. He places the likely consumption of all cottons during the 1952-53 season at about 37 lakh bales (of 478 lbs. each), made up of 30 lakh bales of Indian cotton and about 7 lakh bales of foreign cotton. Commenting on the long-term outlook for cotton consumption, he says:

"Consumption of cotton in India reached the peak figure of 40 lakh bales in 1942-43, i.e., during World War II. There is no reason why this should not be reached during peace-time also, as there has since been an increase of about 12 per cent. in spindleage. Further, the Five-year Plan estimates the requirements of the Indian textile industry in 1955-56 at 4.1 million bales of cotton. This will provide for the production of 6,400 million yards of cloth (5,746 million yards for internal consumption at 15 yards *per capita* and 654 million yards for exports) and 125 million pounds of yarn for supply to other industries. Cotton consumption, of course, will depend largely on the relative price level of cotton, the extent of the internal and external demand for cloth, the size of the Indian cotton crop, the improvement or otherwise of the purchasing power of the people of India and the mill industry's capacity to compete in export markets for textiles where Japan is a potential competitor.

"Among the factors which may affect the long-term trend of cotton consumption, mention may be made of the recent increase in the imports of staple fibre and rayon yarn into India which was 40 million pounds in 1951-52, against 3 million pounds in 1949-50. This may be of interest so long as the prices of the imported cotton are high, but its competition with the present price level of cotton needs watching."

The overall conclusion reached by the study of the consumption pattern in many countries is that, on present indications and provided that there is no major change in the international outlook, the consumption of cotton in the free world will be roughly the same as in the 1951-52 season, namely, 25 million bales. Even if this figure is not very encouraging, it indicates that the position is at least much less disturbing than what it appeared to be in the earlier part of last year.

THE INDIAN BANK LIMITED, MADRAS—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1952

Corresponding figures as at 31st Dec., 1951 Rs. a. p.	EXPENDITURE	Rs. a. p.	Rs. a. p.
34,50,152 12 10	1. Interest paid on Deposits, Borrowings, etc.	42,80,525 5 7	
30,74,178 7 7	2. Salaries and Allowances, and Provident Fund and Bonus (Salary and Allowances other than Bonus paid to Secretary Rs. 48,098-10-8)	33,92,837 10 0	
42,727 12 0	3. Directors' and Local Committee Members' Fees and Allowances	43,160 15 0	
2,91,287 14 2	4. Rent, Taxes, Insurance, Lighting, etc.	3,35,825 8 3	
11,422 7 0	5. Law Charges	27,258 0 11	
2,28,952 5 7	6. Postage, Telegrams and Stamps	2,55,327 4 0	
14,367 3 0	7. Auditors' Fees	20,263 0 0	
	8. Depreciation on and Repairs to the Banking Company's Property	1,41,770 12 4	
87,777 12 8			
2,58,907 0 8	9. Stationery, Printing, Advertisement, etc.	3,21,656 2 5	
Nil	10a. Loss from Sale of or Dealing with Non-Banking Assets ..	Nil	
4,74,926 2 6	10b. Net Loss on Sale of Investments	5,37,157 9 9	
3,53,677 6 9	11. Other Expenditure	4,50,197 11 7	
36,81,582 14 4	12. Balance of Profit	14,17,656 5 11	
99,69,949 12 11	Total .. Rs.	1,12,23,636 5 9	

Corresponding figures as at 31st Dec., 1951 Rs. a. p.	INCOME (Less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
78,52,217 6 3	1. Interest and Discount	89,86,080 12 6
18,26,358 7 0	2. Commission, Exchange and Brokerage	19,76,917 6 2
85,489 6 3	3. Rents	86,603 7 7
Nil	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets. (Not credited to Reserves or any particular fund or account)	Nil
Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets. (Not credited to Reserves or any particular fund or account)	Nil
Nil	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
2,05,884 9 5	7. Other Receipts	1,72,034 11 6
99,69,949 12 11	Total .. Rs.	1,12,23,636 5 9

PARTICULARS OF ADVANCES REFERRED TO ON THE ASSETS SIDE OF THE BALANCE SHEET AS AT 31st DECEMBER, 1952

PARTICULARS	Amount Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured ..	8,53,38,265 11 7
(ii) Debts considered good for which the Banking Company holds no other security than the debtor's personal security .. .. Rs. a. p.	1,95,30,763 10 1
Advances under Joint and several Pronotes 97,54,943 1 7	
Advances to individual parties including Bills Discounted and Purchased 97,75,260 8 6	
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	8,27,666 12 2
(iv) Debts due on temporary overdrafts and other advances	5,09,113 0 8
(v) Debts considered doubtful or bad not provided for	Nil
Total .. Rs.	10,62,05,749 2 6

PARTICULARS	Amount Rs. a. p.
(vi) Debts due by Directors or officers of the Banking Company or any of them either severally or jointly with any other persons (of which Rs. 8,94,185-9-9 is fully secured)	9,01,495 2 8
(vii) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, partners or Managing Agents or, in the case of private companies, as Members (of which Rs. 34,38,732-4-4 is fully secured)	45,08,277 13 3
(viii) Maximum total amount of advances, including temporary advances, made at any time during the year to Directors or Managers or officers of the Banking Company or any of them either severally or jointly with any other persons (of which Rs. 13,62,019-7-0 is fully secured)	13,71,088 8 3
(ix) Maximum total amount of advances, including temporary advances granted during the year to companies or firms in which the Directors of the Banking Company are interested as Directors, partners or Managing Agents or, in the case of private companies, as Members (of which Rs. 82,67,471-7-11 is fully secured)	97,27,631 12 9
(x) Due from Banking Companies	31,40,225 8 0

We have audited the above Balance Sheet of the Indian Bank Limited as at 31st December, 1952, and also the above Profit and Loss Account of the Bank for the year ended on that date in which are incorporated the audited returns of four overseas Branches and authenticated returns from other Branches and Sub-Offices and report that—

(a) We have obtained all the information and explanations we have required;
(b) Such information and explanations have been found to be satisfactory;
(c) The returns received from the Branches have been found adequate for the purpose of our audit;
(d) The transactions of the Bank as have come to our notice have been, in our opinion, within the powers of the Bank;
(e) In our opinion, the Profit and Loss Account shows a true balance of Profit for the period covered by the Audit;
(f) In our opinion, the above Balance Sheet and Profit and Loss Account are drawn up in conformity with the Law;
(g) Such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us and as shown by the books of the Bank; and
(h) In our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

M. K. DANDEKER & CO.,
B. PURUSHOTTAM & CO.,
SUNDARAM & SRINIVASAN,
V. SOUNDARARAJAN & CO.,
} Chartered Accountants, Auditors.

O. M. SP. L. M. MEYYAPPA CHETTIAR,
A. M. A. MR. MURUGAPPA CHETTIAR,
M. R. GURUSWAMI MUDALIAR,
C. KRISHNAMOORTHY MUDALIAR,
L. ALAGUSUNDARAM CHETTIAR,
P. V. RM. KULANDAYAN CHETTIAR,
} Directors
K. BALASUBRAMANIA IYER,
E. M. MUTHAPPA CHETTIAR,
M. A. CHIDAMBARAM,
R. K. VENKATACHALAM,
R. SUNDRAM IYER,
M. R. M. S. PERIANNAN CHETTIAR,

A. K. PRABHU, Chief Accountant.
D. P. PARTHASARATHY, Deputy Secretary.
N. GOPALA IYER, Secretary.

MADRAS, dated 11th March, 1953.

PRICE OF SUGARCANE

MADRAS DEMANDS AN INCREASE

WHILE the general demand all over the country is for a reduction in the price of sugar, the Madras Government has come forward with a suggestion for increasing the price of sugarcane. Replying to a question in the Madras Legislative Assembly a few days ago, Dr. R. Nagan Gowda, the State's Agriculture Minister, revealed that the question of securing a higher price for cane than the statutory minimum of Re. 1-5 per maund fixed for the current (1952-53) season was under correspondence with the Government of India. No effort, he added, would be spared to see that a solution was arrived at which would be fair both to the cane cultivator and the factories.

The Madras Government's suggestion for an upward revision in the price of sugarcane may have been prompted by its anxiety to better the lot of the agriculturist, an aim which generally commands good support in the country. But what one fails to understand is that these advocates ignore the fact that, as it is, the price of sugarcane is high and, if the Government of India concedes the demand for a rise, then, it would be defeating its own objective of reducing the price of sugar to a level which suits the pockets of the ordinary consumer.

It will be recalled that, when the Government announced a reduction in the price of cane from Re. 1-12 to Re. 1-5 per maund in September last, it clearly stated that that decision had been taken after reviewing the trend of sugar production during the last two or three years and the anticipated production in 1952-53, besides other factors, such as the price of *gur* and alternate crops. The decision, it was further said, was in conformity with the world trend of sugar prices which had been declining for the last one year or more. In fact, the reduction in sugarcane prices had been long overdue. It was as early as in March, 1950, that the former Indian Tariff Board suggested, in its report on the sugar industry, that the sugarcane price should be reduced to Re. 1-4 "in the next two or three years and, possibly, to Re. 1 per maund in a period of five years." This, it considered, was a fair price based on the estimated return from *gur*.

Present Price High

In view of the recent decline in the prices of consumer goods and, consequently, in the cost of living in rural areas, even the present minimum price for sugarcane is not justified. It is, as we pointed out on an earlier occasion, too high a price as compared with the prices of other agricultural crops. Perhaps the Government feels that, if the price of sugarcane were reduced further, it would result in a fall in the production of sugarcane and an increase in the output of other competing crops, thereby making it difficult for the sugar factories to secure adequate supplies of cane at the statutorily fixed prices.

There is not much substance in this line of argument. For, even if the area under sugarcane crop were to be cut—it may be noted that the second official estimate of sugarcane crop for the 1952-53 season places the area under sugarcane lower at 4,248,000 acres, as compared with the final estimate of 4,326,000 acres for 1951-52—it would not adversely affect sugarcane supplies to the factories. Even after making allowance for such a fall, there will still be sufficient quantity of cane for meeting the needs of factories. Again, despite reduced acreage, the actual yield of sugarcane may rise, what with all the emphasis that is now being laid on the intensive development of cane cultivation by the Planning Commission and the active steps that are reported to have been taken by the State Governments. Moreover, a lower price for sugar will mean a still lower price for *gur*. This is obvious. When the price of sugar goes down, its consumption will increase, as a large number of those who consume *gur* will prefer the clean, white sugar. This in turn will occasion a fall in the price of *gur*, thereby reducing the capacity of *gur* manufacturers to compete with the factory owners producing white sugar. After all, of the aggregate yield of sugarcane, only about 20 to 25 per cent. goes into the production of white sugar.

Fair Price

Inasmuch as the question of sugarcane prices has, once again, been raised, an attempt may be made here to assess the fair price for sugarcane. As no reliable data relating to the return on alternative crops, the price levels of consumer goods, foodgrains and the actual cost of production are available, the only practicable way to determine the fair price of cane is the one followed by the Tariff Board in 1950, namely, the estimated return from *gur*. There is also very good reason why this basis is preferable to others. A little over 50 per cent. of the sugarcane crop in the country is utilised in the production of *gur*. Naturally enough, the cane cultivator, in deciding whether or not he should supply his cane to the factories at any minimum price fixed by the Government, considers what return he is likely to obtain if he converts his cane into *gur*, instead of supplying it to the factory. The average price of *gur*, now prevailing in the country, is about Rs. 13. It is estimated that the cost of producing 1 maund of *gur* in Uttar Pradesh is Rs. 2-10. This means that the average gross return to the cultivator per maund of *gur* is Rs. 10-6. On the basis that 10 maunds of sugarcane are required to produce one maund of *gur*, the gross return per one maund of cane works out to Re. 1-0-7, which includes presumptive costs—as, for example, interest on capital value of the land—and profits. To this must be added the cost of transport at As. 3-9 per maund to arrive at the fair price for cane. On this basis, Re. 1-4-3 per maund happens to be the fair price. Accordingly, the present price of Re. 1-5 per maund is more than a reasonable price for the cane grower.

SUGAR PRODUCTION AND STOCKS

The total production and despatches of sugar during the current (1952-53) season amounted to 834,351 tons and 464,190 tons, respectively, as against 908,478 tons and 354,971 tons during the corresponding period of the previous season.

The opening stock, production, despatches and closing stocks of sugar during the fortnight ended 28th February, 1953, were 744,512 tons, 125,654 tons, 67,590 tons, and 802,576 tons, respectively. The figures for the corresponding fortnight of the previous season were 568,316 tons, 129,213 tons, 44,734 tons and 652,795 tons.

(*Concluded from next column*)

the remaining two collieries, namely, Bokharo and Kargali, has been engaging the attention of the Union Government for some time. These are two of the biggest collieries in India employing a large labour force and the problems attendant on the introduction of departmental working in these collieries have been many and complex. The change-over would necessitate additional capital expenditure. In view of the financial stringency, it has not so far been possible for the Government to replace contract system in these two collieries. The Government has, however, now recognised that the implementation of the decision should not be deferred any longer. It is accordingly setting in motion necessary action for the introduction of the departmental system of working and every endeavour will be made to complete this by 1st April, 1954.



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OWNERSHIP OF RAILWAY COLLIERIES

MINISTRY OF PRODUCTION TO TAKE POSSESSION

THE decision of the Government of India to transfer the ownership of the railway collieries from the Railway Ministry to the Ministry of Production is a step in the right direction. This decision has been taken on the ground that the ownership of the collieries should not be dissociated from their management which is now the responsibility of the Ministry of Production. The Chief Engineer of the Mining Board is discharging this duty, under the direct control of the Coal Commissioner, an official of the Production Ministry.

It is stated that the implementation of this decision would help rationalise administration and economise costs. But mere vesting of ownership and management of railways collieries in a single Ministry will not be sufficient for the purpose. At best, it will only eliminate the botheration of the Chief Mining Engineer in going to various ministries for petty sanctions needed in the day-to-day management of the collieries and avoid delay in the execution of his work. What is really needed is a drastic change in the administrative set-up of the collieries.

The operating results of the railway collieries do not bear any comparison with the financial results of the private collieries. The working of the collieries during 1951-52, the latest year for which figures are available, disclose a net profit of Rs. 11.2 lakhs, as against a loss of Rs. 69.98 lakhs during the previous year. Although the profit is encouraging, it is negligible considering that the capital outlay is as high as Rs. 7.38 crores. It may be argued that a public enterprise is not operated for profit, but for public benefit. But that does not justify its management showing any less concern for costs than private enterprise does.

The question of running the railway collieries on economic lines has been engaging the attention of the public and the powers-that-be for a long time. The Railway Collieries Enquiry Committee was of the opinion that the establishment of an autonomous statutory body for the management of the collieries was not only desirable but imperative, so that the present policy of running these collieries through a Government department might be substituted by the system followed by well-managed industries. But the Working Party for Coal found itself unable to recommend the formation of an autonomous statutory body for a group of collieries alone. It felt that the efficiency hoped for by the Committee might be effected through the formation of a private limited company or a joint-stock corporation, the President of the Republic being the 100 per cent. shareholder.

The recommendation of the Working Party for coal, suggesting a private limited company or a joint-stock company, deserves serious consideration. It is, of course, assured here that such a company or corporation will be free from red-tapism, so characteristic of Government departments, and be allowed to work efficiently. This will be possible only if the corporation or company is not regarded as an appendage of the Ministry concerned and is given freedom of action to implement the policies of the Government in the best possible manner. The Working Party, it will be recalled, suggested that the management of the Company so formed be vested in a Chairman and a Board of Directors. Each of the Directors is to receive a share in the company from the President of the Republic, which is to be held only during the tenure of his office, and any profit accruing or dividend declared should be credited to the Government and not to the person concerned. This arrangement, while ensuring a certain measure of autonomy for the company, will give the Government of India full control over the running of the collieries.

CONTRACT SYSTEM IN RAILWAY COLLIERIES

The contract system of coal raising in the railway collieries, by which is meant a system under which coal is raised through contractors who recruit, control and pay their own labour and are paid by the Government on the basis of the total tonnage raised, had been the object of repeated criticism by various committees and commissions which had examined the question on the ground that it gave rise to several abuses. Labour had also been insistent in demanding the termination of this system. Recognising the force of the criticism, the Government of India decided some time back to abolish the contract system in the 11 railway collieries. In pursuance of this decision, the system has already been abolished in nine of the collieries and the introduction of the departmental system of working in its place in

(*Continued in previous column*)

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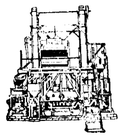

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DEPRESSION IN THE JUTE INDUSTRY

IS CURTAILMENT OF PRODUCTION DESIRABLE?

IT is a month now since the export duty on sacking was cut from Rs. 175 to Rs. 30 per ton. But, so far, there has been no improvement in the offtake of sacking and the prices of both jute goods and jute have actually gone down. One of the objects, in fact the main object, of the Government in reducing the export duty on sacking was to impart some strength to raw jute and prevent it from slipping down to a level at which it will become uneconomic for the grower to produce jute. This object has certainly not materialised. Thus, while the prices of jute manufactures have recovered a little from the lowest levels to which they had fallen a few days ago, the price of raw jute is still at the lowest level, as will be clear from the following table giving an idea of the trend of prices during March, 1953, as compared with those on the eve of the Union budget:

Date	*B. twills* Per 100 bales	*Hessians* 40" 10-oz.	*Raw jute Assam bottoms*
	Rs. a.	Rs. a.	Rs. a.
Pre-budget week	95 8	43 1	21 8
4th March	94 14	43 2	21 0
11th ,, ...	92 14	41 14	19 8
18th ,, ...	90 12	40 2	18 8
23rd ,, ...	88 12	39 12	18 8
25th ,, ...	93 8	40 12	18 8
26th ,, ...	92 12	40 8	18 8

The above table shows that the declining trend, which started early in March, persisted till the 23rd of that month when they saw the lowest levels of the period. The decline was hastened by the accumulation of heavy stocks with mills, lack of demand for sacking, competition from the Continental mills and buyers' resistance in the U.S. There may have been some speculative selling, but it could not have been much, owing to the suspension of the *fatka* market. Since then, however, raw jute prices have remained more or less unaltered, while B. twills and hessians have recovered a little. The relatively better tone in jute manufactures is attributed to rumours of an Argentine order for 20,000 tons of hessians, occasional buying of sacking by Australia and some Continental importers, and expectation of a further scaling of looms in order to meet the disquieting situation created by the absence of any appreciable demand for jute goods. If the improvement has not been sizable, it is attributed to some fundamental changes in the size and pattern of demand for jute goods. The latest theory is that the high prices of jute goods in recent years have resulted in a permanent loss of a part of the pre-war markets for these goods. In support of this view, it is pointed out that, first, exports of sacking to Far Eastern markets have shrunk considerably during the last 10 or 12 years. Thus, the offtake of bags has declined sharply from 116.5 million in 1938-39 to 35.9 million in 1951-52. This fall has been interpreted by some that India has substantially lost its chief market for sacking. Secondly, even offers made to the U.S., the U.K. and Australia at lower levels have not evoked any response from importers in these countries. Again, the U.S. purchases of burlap from India in January, 1953, amounted to only 55.5 million yards as compared with 75 million yards in December, 1952. This decline seems to have unnerved the market in jute goods.

Advices from Calcutta indicate that, after consultations with the Government of India, the jute industry has decided, for all practical purposes, to curtail production. As mentioned by us last week, this course is fraught with many dangers and will aggravate the injury already caused by the high level of prices in the past. The most important question that must be answered in this connection is whether such a step will serve the object in view. There are reasons to believe that it may not. What certainty is there that such a sacrifice by India will not be taken advantage of by jute mills in other parts of the world? It should not be forgotten that India no longer has the monopoly it had in jute manufactures a few years ago and that Pakistan is making feverish attempts to increase its capacity for manufacturing jute goods. Some idea of this can be had from the fact that India now accounts for only about 57 per cent. of the jute looms in the world, as against over 80 per cent. at one time before the war, and that this share is steadily going down. If Indian jute mills cut their production, their confreres in other countries may increase their output. A solution to the problem of accumulating stocks, therefore, must be found in ways other than restrictive practices, if India is not to yield further its position in the world trade in jute goods to other countries.

The jute goods market being stagnant, as already mentioned, there is little to inspire activity in the raw jute section where prices are more or less stationary, with Assam jute remaining in the neighbourhood of Rs. 18-8 per maund since the second half of March. The depressed condition of the raw jute market, despite the closing of futures trading and substantial reduction in export duty on sacking as noted at the outset, has created fears that the production target for raw jute set in the Five-year Plan will not be achieved. In fact, critics have gone so far as to blame the Government that, instead of helping the jute grower by taking prompt steps to ensure him an adequate price for his jute, the Central and State Governments are unconsciously lending support to the mills bent on depressing the price of raw jute. The Indo-Pakistan Agreement, signed last week, paving the way for the purchase of a minimum of 18 lakh bales jute a year, has been quoted as an instance of the Government of India's lack of appreciation of the plight of the jute grower. This accusation of the Government is only a travesty of the truth, for the agreement signed by the Government was guided not by the motive of depressing jute markets here but by other considerations of larger, and long-term, interests of the country. As the various implications of the agreement have been clearly brought out in the course of a leading article last week, there is no need to repeat them here. But it is necessary to refer to the problem facing the raw jute producers in the country to-day, as set out by Mr. Bhagirath Kanoria, President of the Raw Jute Interests Joint Committee.

At a Press Conference held at Calcutta on the 26th ultimo, Mr. Kanoria drew attention to the distress prevailing in the raw jute market. He stated that the total estimated consumption of jute in the country was 5.5 million bales. As against this, the supplies available were about 6.6 million bales, consisting of 5.3 million bales of Indian jute and 1.1 million bales of Pakistan jute imported so far and 0.3 million bales of outstanding contracts due to be fulfilled by Pakistan. Thus, at the end of the current season, that is, 30th June, 1953, the carry-over is expected to amount to 1.1 million bales. As the price of raw jute had already declined to Rs. 18 per maund, as against an economic price of Rs. 27 per maund, Mr. Kanoria suggested that the Government or the jute industry should buy the available supply of jute at a reasonable price or the Government should allow the export of such raw jute as was not required by the Indian mills.

A few observations may be made here on Mr. Kanoria's suggestions noted above. He advocates that the Government or the mills should purchase the jute at a reasonable price. In other words, he desires that the Government should adopt a price support scheme. In this connection, it is worthwhile recalling Pakistan's experience. The quality of jute in Pakistan, unlike that of Indian jute, is superior and is readily taken up by the industry in overseas countries including India. Despite this basic advantage, the price support scheme failed miserably in Pakistan. The reasons are varied and many. The jute crop last year was a bumper one on account of favourable weather conditions. To carry out the price support scheme successfully, the Pakistan Government did not have adequate finance to purchase all the jute offered to the Jute Board. Excess jute stocks were not able to go out of the country for the price of jute in terms of the appreciated Pak rupee limited the scope of free buying from overseas jute consumers. Above this, the Government imposed export duties which further acted as a check on exports. In addition, the Government's policy of discrimination against India, its principal customer, was hardly conducive to facilitate increased exports to this country. In the circumstances, the price support policy had to fail. The Indian Governments, of course, can avoid the mistakes which the Pakistan Government made, but, even then, a price support scheme for raw jute may prove costly. The last course will be to permit export of the surplus jute. But the question is one of finding markets for the type of jute available in the country for export. Granting that exports are allowed, care should be taken to see to it that the type of jute required by the mills is reserved for the use of the mills in the country. This again bristles with a number of problems, one of which is irksome controls.

As regards the question of mills themselves buying jute, it must be mentioned here that their financial resources having been locked up already in the accumulated stocks of jute goods, they do not have the wherewithal to buy and stock raw jute also. The mills can buy jute only when they are in a position to dispose of their goods. Besides, there is no means by which they can hedge themselves against a loss in such a huge transaction as the one advocated by Mr. Kanoria.

The solution to the present situation lies in restricting the production of raw jute to the areas where it can be grown economically and discourage the cultivation of low quality jute in areas unsuited to its cultivation. The so-called self-sufficiency drive in jute is superficial, for much of the jute produced is unfit to be put to good use. A committee has already been appointed by the Government to go into this question and it is to be hoped that, as a result of its deliberations, the self-sufficiency programme of raw jute would be revised and planned on a more rationalised basis than at present, bearing in mind the attitude of Pakistan towards exports of jute to India.

U.S. BURLAP CONSUMPTION AND STOCKS

The U.S. consumption of burlap during January, 1953, is estimated at 73 million yards including 1.2 million yards delivered to the armed forces, states the Indian Central Jute Committee. Although short of 2 million yards of the December, 1952, figure, this compares favourably with the 48 million yards consumed in the same month last year. U.S. stocks of burlap at the end of January, 1953, declined by 20 million yards from December, 1952. The estimated 193 million yards includes 129 million yards spot and 64 million yards afloat.

The U.S. purchases from India during January, 1953, totalled 55.5 million yards as compared with 45' million, 40.8 million and 75 million yards bought, respectively, during October, November and December, 1952, from the same source. U.S. purchases from the Continent during the last three months of 1952 were 7.6 million, 12.6 million and 4.5 million yards respectively. Complete official figures of burlap shipments to the U.S.A. for 1952 add up to 721 million yards, an increase of 227 million yards over 1951.

That burlap's immediate future is, says the Committee, brighter than it has been for many years is the sentiment prevalent among U.S. burlap circles. These circles believe that the bag dealers and manufacturers have before them a grand opportunity to regain most of the business so far lost to the burlap trade.

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THE INDIAN OVERSEAS BANK, LIMITED, MADRAS

Directors' Report to the Shareholders for the year ended 31st December, 1952

The Directors submit herewith the Balance Sheet of the Bank as on 31st December, 1952, and the Profit and Loss Account for the year ended on that date, together with the Auditors' Report.

PROFITS AND THEIR DISTRIBUTION

Corresponding figures for 1950	Corresponding figures for 1951		
Rs. a. p.	Rs. a. p.		Rs. a. p.
7,02,084 6 9*	11,46,142 9 11*	Net Profit for the year .. .. (*After providing in full for depreciation in the market value of the Securities as on 31st December)	12,86,614 4 11*
1,03,801 5 9	1,78,863 4 6	Brought forward from last year	2,22,825 2 5
8,06,785 12 6	13,25,005 14 5		15,09,439 7 4
		Out of this sum, the Directors have made the following appropriations:—	
2,93,000 0 0	5,50,000 0 0	Provision for Taxation	6,75,000 0 0
1,50,000 0 0	3,00,000 0 0	Transfer to Reserve Fund	3,50,000 0 0
4,43,000 0 0	8,50,000 0 0		10,25,000 0 0
		The Directors recommend that the balance be disposed of as under:—	
1,84,922 8 0	2,52,180 12 0	Payment of dividend at the rate of 6 per cent. per annum free of income-tax	2,94,522 0 0
(6%)	(6%)		
1,78,863 4 6	2,22,825 2 5	Carry forward to next year	1,89,917 7 4
8,06,785 12 6	13,25,005 14 5		15,09,439 7 4

2. The Bank's business and profits continue to show gratifying progress.

During the course of the year we have closed the Pay Office at Srivilliputhur.

3. On the 23rd February 1953 Mr. Mulraj Kersondas tendered his resignation from the Board due to ill health. The Directors have accepted the resignation with regret and wish to place on record their appreciation of his services to the Bank.

4. In accordance with Article 94 of the Bank's Articles of Association Messrs. M. Ct. M. Chidambaram Chettyar and Ar. Rm. Ramanathan Chettiar retire by rotation and being eligible offer themselves for re-election. Under Article 86, Mr. A. Subbiah was co-opted as a Director on 1-4-1952 and being eligible offers himself for re-election.

5. The Shareholders are requested to appoint Auditors for the ensuing year and to fix their remuneration. Messrs. Suri & Co., the retiring Auditors, are eligible for re-appointment.

M. CT. M. CHIDAMBARAM CHETTYAR,
Chairman.

MADRAS, *2nd March*, 1953.

ABRIDGED BALANCE SHEET AS AT 31st DECEMBER, 1952.

Corresponding figures for 1950 Rs.	Corresponding figures for 1951 Rs.	CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
		1. Capital ..		
		AUTHORISED CAPITAL— 1,00,000 Shares of Rs. 100 each ..	1,00,00,000 0 0	
		ISSUED AND SUBSCRIBED CAPITAL— 50,000 Shares of Rs. 100 each ..	50,00,000 0 0	
		AMOUNT CALLED UP AT RS. 100 PER SHARE— 49,087 Shares	49,08,700 0 0	
		L688—Calls unpaid	26,125 0 0	
			48,82,575 0 0	
		ADD—Forfeited Shares	15,850 0 0	
37,16,325	47,35,750			48,98,425 0 0
12,50,000	15,50,000	**2. Reserve Fund and Other Reserves** ..		19,00,000 0 0
		3. Deposits and Other Accounts—		
1,92,13,239	2,80,31,456	Fixed, Time and Staff Security Deposits	3,48,56,723 4 10	
1,06,62,177	1,38,51,424	Savings Bank Deposits	1,43,98,899 0 4	
4,56,78,638	5,50,77,905	Current Accounts, Contingency Accounts, etc.	5,00,76,114 14 6	
7,55,54,054	9,69,60,785			9,93,31,737 3 8
		4. Borrowings from Other Banking Companies, Agents, etc.—		
		(i) In India	Nil	
.....	67,56,077	(ii) Outside India	17,564 15 7	
				17,564 15 7
		PARTICULARS—		
		(i) Secured by part of Investments per contra	10,638 0 11	
28,31,003	25,34,140	(ii) Unsecured	6,926 14 8	
		5. Bills Payable		18,96,590 13 8
		6. Bills for Collection being Bills Receivable as per contra—		
		(i) Payable in India	14,66,558 11 4	
1,57,04,119	2,09,42,705	(ii) Payable outside India ..	1,83,91,694 6 1	
				1,98,58,253 1 5
57,632	6,94,536	**7. Other Liabilities**		9,94,039 8 9
1,11,83,473	6,33,15,198	**8. Acceptances, Endorsements and Other Obligations** per contra		2,29,71,121 3 11
10,49,088	11,79,853	**9. Branch Adjustment Account**		6,43,623 5 9
		10. Profit and Loss Account—		
		Profit as per Balance Sheet as at 31st December, 1951	4,75,005 14 5	
		LESS: Appropriation— Dividends declared	2,52,180 12 0	
			2,22,825 2 5	
		ADD: Profit for the year brought from the Profit and Loss Account ..	12,86,614 4 11	
			15,09,439 7 4	
		LESS: Appropriation— Provision for Taxation .. Rs. 6,75,000 0 0		
		Transfer to Reserve Fund .. 3,50,000 0 0		
			10,25,000 0 0	
3,63,786	4,75,006			4,84,439 7 4
		11. Contingent Liabilities—		
		(1) Claims against the Banking Company not acknowledged as debts ..	6,72,796 10 4	
		(2) Money for which the Banking Company is contingently liable— Guarantees given by Banking Company	27,18,026 3 2	
		(3) Liability on Bills of Exchange re-discounted	2,73,707 8 0	
		(4) Liability on account of outstanding Forward Exchange Contracts ..	5,82,07,380 1 5	
			6,18,72,000 6 11	
11,17,10,380	19,91,44,059	Total .. Rs.		15,29,95,794 12 1

Corresponding figures for 1950 Rs.	Corresponding figures for 1951 Rs.	PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
		1. Cash—		
		In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)	81,46,378 1 6	
		2. Balances with Other Banks—		
		In Current Account— Rs. a. p.		
		(i) In India .. 3,89,565 13 2		
2,08,35,020	3,13,56,847	(ii) Outside India 1,51,68,896 3 1	1,55,49,462 0 3	
				2,36,95,840 1 9
14,00,000	Nil	**3. Money at Call and Short Notice**		47,00,000 0 0
		4. Investments at or below market value—		
		(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	2,25,69,236 11 6	
		(ii) Shares—Fully paid Ordinary Shares.	1,00,575 0 0	
		(iii) Debentures or Bonds	1,380 0 0	
		(iv) Other Investments—		
		Ceylon Government Rs. a. p. Securities .. 11,21,137 8 0		
		British National War Bonds .. 36,19,278 1 3		
			47,40,415 9 3	
		(v) Gold	Nil	
3,02,35,254	2,66,65,332			2,74,11,607 4 9
		5. Advances—		
		(Other than bad and doubtful debts for which provision has been made to the satisfaction of the auditors)		
		I. Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
		(i) In India .. 2,14,46,975 11 11		
		(ii) Outside India .. 80,99,483 10 9	2,95,46,459 6 8	
		II. Bills discounted and purchased (excluding Treasury Bills of the Central and State Governments)— Rs. a. p.		
		(i) Payable in India 48,61,550 4 9		
		(ii) Payable outside India 1,77,68,994 14 7	2,26,30,545 3 4	
3,02,44,069	5,47,79,293			5,21,77,004 10 0
		6. Bills Receivable being Bills for Collection as per contra—		
		(i) Payable in India	14,66,558 11 4	
		(ii) Payable outside India	1,83,91,694 6 1	
1,57,04,119	2,09,42,705			1,98,58,253 1 5
		7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		2,29,71,121 3 11
1,11,83,473	6,33,15,198			
		8. Premises Less Depreciation—		
		At cost as on 31st December, 1951 ..	4,79,955 7 6	
		Additions during the year	36,257 14 6	
			5,16,213 6 0	
		LESS—Depreciation to date	24,274 2 8	
1,72,059	4,67,429			4,91,939 3 4
		9. Furniture and Fixtures Less Depreciation—		
		At cost as on 31st December, 1951 ..	8,65,471 9 10	
		Additions during the year	1,99,984 4 1	
			10,65,455 13 11	
		LESS—Deductions during the year ..	32,946 7 9	
			10,32,509 6 2	
		LESS—Depreciation to date	5,28,643 9 1	
4,55,823	4,52,812			5,03,865 13 1
		10. Other Assets, including Silver—		
		Interest, etc., receivable on Investments and Bills	4,23,127 12 6	
		Books, Stationery and Stamps ..	3,55,837 11 4	
		Income-tax Account	6,978 2 4	
		Sundries	4,00,368 11 8	
14,80,562	11,64,442			11,86,162 5 10
1	1	**11. Non-Banking Assets Acquired in Satisfaction of Claim** (at Nominal Value) ..		1 0 0
		12. Profit and Loss		Nil
11,17,10,380	19,91,44,059	Total .. Rs.		15,29,95,794 12 1

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1952.

1950 Rs.	1951 Rs.	EXPENDITURE	Rs. a. p.	Rs. a. p.
8,21,517	10,49,550	1. Interest paid on Deposits, Borrowings, etc.	15,32,928 15 10	
		2. Salaries and Allowances and Provident Fund and Provision for Pension Fund (Includes payment of Salaries, Allowances and Provident Fund of Managers in Charge Rs. 64,078, and Pension and allowance to Retired General Manager .. Rs. 14,062 8 0		
14,78,869	18,41,080			25,66,232 1 1
10,848	14,254	3. Directors' and Local Committee Members' Fees and Allowances	20,100 4 0	
2,37,551	2,59,616	4. Rent, Taxes, Insurance, Lighting, etc.	3,38,078 0 11	
15,374	16,221	5. Law Charges	57,036 7 2	
92,554	1,03,007	6. Postage, Telegrams and Stamps	1,05,602 6 8	
2,500	3,500	7. Auditors' Fees	6,000 0 0	
96,196	1,09,987	8. Depreciation on and Repairs to Banking Company's Property	1,77,585 7 10	
1,28,727	1,53,464	9. Stationery, Printing and Advertisement, etc.	2,01,842 8 6	
		10. Loss from Sale of or Dealing with Non-banking Assets ..	Nil	
1,63,494	2,45,886	11. Other Expenditure (includes compensation granted to Retired General Manager Rs. 85,000/-)	3,44,540 7 4	
7,02,984	11,46,143	12. Balance of Profit (subject to Income-tax)	12,86,614 4 11	
37,48,514	49,42,658	Total .. Rs.		66,36,651 0 3

1950 Rs.	1951 Rs.	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary Provisions).	Rs. a. p.
19,98,617	24,76,144	1. Interest and Discount	36,83,091 4 9
17,47,857	24,53,106	2. Commission, Exchange and Brokerage	29,30,891 11 0
		3. Rents	5,700 0 0
		4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)	Nil
	5,206	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)	Nil
		6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil
2,040	3,202	7. Other Receipts	16,968 0 6
		8. Loss (if any)	Nil
37,48,514	49,42,658	Total .. Rs.	66,36,651 0 3

INDIAN POSTS, TELEGRAPHS AND TELEPHONES

PROGRESS OF DEVELOPMENT PROGRAMMES REVIEWED

THE Report of the Indian Posts and Telegraphs Department for the year 1952-53, circulated to members of Parliament a few days ago, gives, among others, a brief review of the Department's working and the progress of development programmes on hand. This is the third year of the Five-year Plan for the posts, telegraphs and telephones, estimated to cost Rs. 50 crores. Already, as much as Rs. 12 crores have been expended. The development programmes envisage chiefly the provision of postal facilities in rural areas, the expansion of telephone facilities in larger cities and extension of telegraph channels.

A brief review of the Report discloses that there were 36,501 rural and 5,583 urban post offices on 31st March, 1952, as against 19,181 and 4,160 on the same date four years before. The programme for the provision of a post office for every village with a population of 2,000 and above, which began some years ago, has just been completed. The All-up Air Mail Scheme, introduced in 1949, has accelerated mail services, specially over long distances. Replying to the debate on the working of the Posts and Telegraphs Department last week, Mr. Jagjivan Ram, Minister for Communications, gave an assurance to the House of the People that, under the new scheme, the population basis for opening new post offices in frontier, hilly and tribal areas would be related to distance, so that no post office would be beyond the reach of two miles' walk. The development programmes on the postal side include, *inter alia*, mechanisation of postal services and installation of slot machines for vending post cards, envelopes, etc. and modernising the workshop for the manufacture of improved type of date stamps.

It is claimed that, in the context of distances over which the mail is carried and the present level of prices, the postage rates in India are very low. It has been found, says the Report under reference, by actual cost-accounting, that the postal side loses in all the branches of its business excepting in the case of the inland letter and the inland letter card. For instance, in the case of a postcard sold for 9 pies, the cost of printing and handling comes up to more than 13 pies.

The aggregate number of telephone exchanges in India at the end of 1952 was 604 and the number of telephones 199,934, as against 278 and 114,922, respectively, at the time of Partition. The total number of public call offices is now 1,839. Although about 85,000 new telephones have been installed since Partition, the unsatisfied demand for telephones is still very heavy. Every attempt is being made, we are told, to meet the demand by the installation of additional exchanges and new equipment. A number of trunk circuits has been provided to cater to increased trunk traffic. Schemes are also on hand for laying underground cables between all the important cities in the country, so that trunk service will be free from interruptions. When this scheme is implemented, the number of circuits available between the main centres will be ten times the present number. The services will then be trouble-free and the delays will be reduced to the absolute minimum.

The radio-telephone service with foreign countries has been extended to more and more foreign countries. There is at present direct radio-telephone service to the U.K., Egypt, Iran and Japan. The introduction of similar services to Nairobi and Burma is under consideration. Extension of the India-U.K. radio-telephone service to Brazil, Greece, Austria and Israel is also under contemplation.

The additional equipment installed for the telephone trunks provides for additional telegraph channels also. At present, there are 8,360 offices, as against 7,330 on 31st March, 1948. The policy of opening telegraph offices in every town with a population of over 5,000 and in every sub-divisional headquarter, irrespective of the size of population, is being implemented to the extent permitted by the funds at the disposal of the Department. Substantial improvement has been achieved in the working of teleprinters. The improvement is most marked on the main routes, on which traffic delays have decreased considerably. The proportion of express telegraph traffic has been steadily decreasing, indicating the growing confidence of the public in the ordinary telegrams.

The Indian languages telegraph service is being popularised. There are at present 122 places where telegrams written in *Devanagri* script are accepted. The number of these telegrams is increasing but very slowly. The English teleprinter has been modified for typing the *Devanagri* script. The *Hindi* teleprinter was first used at Nanal Nagar during the last Congress session and it proved a success. It is proposed to use these machines at the more important telegraph offices.

Incidentally, it may be noted that the Posts and Telegraphs Department looks after certain agency functions like Post Office Savings Bank, National Savings Certificates, Postal Life Insurance, collection of broadcast receiver licence fees and anti-piracy work relating thereto, on behalf of other Departments of the Government. A Director has been appointed at Bombay for implementing, in consultation with the Reserve Bank of India, the recommendations of the Committee which had been set up in 1950 to suggest improvements in the working and expansion of the Postal Savings Bank. Latest reports indicate that cheque facility will be introduced shortly in the Post Office Savings Banks.

EXPLORATION OF GROUNDWATER RESOURCES

An operational agreement, between India and the U.S. with a view to undertaking a nation-wide survey of the groundwater resources in India, was concluded last week. Under the agreement, the U.S. will provide $4.5 million and India Rs. 1.2 crores which together are estimated to help drilling approximately 350 exploratory wells in the various parts of India. Although the test borings, under the present agreement, will be conducted primarily for the exploration of the potentialities of water-bearing strata, the borings will be developed and equipped for use as irrigation wells or related purposes where economical productive aquifers are encountered. Such wells will be handed over to the State Governments concerned which will be responsible for their maintenance and operation. The value of the developed and equipped wells will be treated as loan to the States from the Centre.

The Central Ministry of Food and Agriculture will be responsible for the general supervision and administration of the project. Technical aspects of drilling, testing and sampling will be the functions of the Geological Survey of India. The exploratory drilling and equipment of wells will be conducted under contract which shall be negotiated and executed by the Government of India. The agreement provides that exploratory drilling should commence as soon as possible with a view to completing the project within a period of 36 months from the date of the contract. The Geological Survey of India will assign the necessary geologist to carry out geological and hydrological tests. The U.S. Technical Co-operation Administration is responsible, under the agreement, for the recruitment and assignment to India of such specialists as are needed from outside India.

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EXECUTION OF HIRAKUD PROJECT

GOVERNMENT'S DECISION ON P.A.C. REPORT

THE 66-page document of the Public Accounts Committee presented to Parliament on the 26th ultimo contains a scathing indictment of inefficiency and public waste of money. It draws special attention to the continued execution of works without detailed sanctioned estimates for five years from the commencement of the Rs. 92-crore Hirakud Project and the failure to make adequate arrangements for proper storage of crores of rupees worth of plant and machinery and for the maintenance of their systematic accounting. It has expressed concern at the flouting of financial rules and accounts regulations by responsible officers. It has highlighted specific instances of non-observance of such rules in the case of purchase of 14,000 sleepers and import of bullocks and buffaloes all the way from Punjab for earth-moving work. The Report has quoted several instances of "nugatory and infructuous expenditure." A glaring example of maladministration is expenditure on an unfinished bridge over a non-existing canal.

The Committee's chief recommendation relates to the need for the appointment of a "high-level all-round administrator to be in entire charge of the project." The other recommendations include the separation of the functions of the Financial Adviser and the Chief Accounts Officer, adequate disciplinary action against officials responsible for gross irregularities, stock verification of all stores, including those not likely to be required during the next few years, and dismantling of the railway track linking the subsidiary dam with the main project. The Report has suggested that the Chairman and members of the Water and Power Commission should confine themselves to the work of consultants and advisers.

Mr. Gulzarilal Nanda, Minister for Irrigation and Power, announced on 27th March in Parliament that the Government of India has accepted many of the recommendations of the Public Accounts Committee on the affairs of the Hirakud Dam Project and that other recommendations were receiving the Government's careful consideration. He, however, made it clear that the acceptance of the Committee's recommendations did not imply that he had accepted or concurred with all the statements made in the Report. He expressed that full examination of the statements was necessary before he could form any definite opinion on the individual statements affecting the project or the officers concerned.

The Government of India is, according to the statement laid on the table of the House on 27th March, examining the question of devising proper administrative set-up for the river valley projects in general. It has partly accepted the recommendations regarding the bifurcation of the functions of the Financial Adviser and Chief Accounts Officer and is considering the details of financial advice and control. It has agreed to take disciplinary action against officials responsible for irregularities. The Government states that care will be taken to ensure that the system of stores accounting, in which necessary modifications would be made from time to time, would be enforced and that the stock verification of all stores, including those not likely to be required in the next few years, is being made. The question of dismantling the railway track, referred to, is being considered by the Government. The Government holds the view that it is necessary to consider carefully the proposal that the Central Water and Power Commission should be an advisory and consultative body with authority to undertake investigation of water-power resources, research, etc., and should not be permitted to undertake the execution of projects.

While on this subject, it may be noted that, on 24th March, Mr. C. D. Deshmukh, Finance Minister, indicated, during question hour in Parliament, that accounts of river valley projects which were at present run on the basis of centralised system would be decentralised in some of the works like the Hirakud. He revealed that there was no proposal at present for altering the provisions in the Public Works Codes or in any current orders of the Central Government, which require that previous concurrence of the Finance Ministry should be obtained, before financial commitments are entered into by the project officers.

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PROVIDING INCOME FOR RETIREMENT

NEED FOR PENSION SCHEME IN INDIA

AN increasingly popular scheme with both employers and workers in the West is the scheme for providing a pension at retirement age for the benefit of employees. The popularity of the scheme with the employers is due to the fact that they have found in it the best means of keeping with them an able body of workers who find a pension scheme so attractive that they seldom like to risk losing this benefit by changing their employers. Apart from the fact that a pension scheme represents an important application of the Welfare State idea, there is no doubt that the scheme provides an excellent incentive for any body of workers to continue in the service of the particular firm or factory in which they are employed. Small wonder, then, that the demand for group and pension insurance continues apace.

So far as India is concerned, there is no well organised system of pension insurance in the country. The only agency which provides pensions for employees, as a matter of employment policy, is the Government itself. But here, the pension is administered as a part of the Government's expenditure pattern. No insurance calculations enter into the provision of pensions. Another scheme, which bears some resemblance to a pension scheme, is the Government's scheme of national savings certificates. Under the scheme, a certain sum of money is allowed to be invested every month in the certificates. After a period of 12 years, the sum invested increases by 50 per cent. This surplus may be drawn by the investor, leaving the original sum to be reinvested in the certificates. But the scheme, on the whole, entails the investment of a large sum of money, month after month, which is difficult for most employees.

Apart from the Government, there are a few well-established firms, generally foreign-owned firms, which give to employees of approved service a small pension at retirement age. But the provision of pension is not a part of the contract of employment. It could be given or refused at the employer's will. Hence, there is urgent need to evolve a pension scheme which will not depend on the employer's will, as such, but could be relied upon, under all circumstances, to give a steady income after a person completes his working life of active service. By and large, Indian insurers, as a class, have not yet been able to evolve a popular scheme for providing insurance at retirement, presumably because such a scheme would involve a high rate of premium which would not appeal to a wide class of persons. Even so, it should not be beyond the powers of the Government, the insurers, the employers and workers to evolve an acceptable pension scheme for the benefit of large classes of workers in all walks of life who are, willy-nilly, forced upon their own resources at the end of their working life.

It might be contended that a pension scheme, in which both employers and employees participate, is not an unmixed blessing, since it might prevent mobility of labour which is an important economic consideration. After all, labour turnover, within certain limits, is not an evil, for it permits the economic employment of human resources to maximum advantage. Nevertheless, there is much to be said for continuity of service and a life free from fears and anxieties about reaching old age without adequate provision, which a sound pension scheme alone can give.

In the U.K., the pension scheme is administered as part of the wider scheme of national insurance. The total expenditure under the National Insurance Fund is now running at an annual rate of about £517 million. It is noteworthy that a large part of this expenditure consists of expenditure arising from the payment of retirement pensions. Thus, out of the total expenditure of £517 million, the provision of retirement pension accounts for £335 million while the rest is spent on all other benefits such as sickness, maternity, widows and unemployment benefits together with guardians' allowances and death grants.

Besides the Government's scheme, there are, in the U.K., several other schemes, arranged by private employers and insurers for providing a steady income for employees on reaching retirement age. Where group life cover has been effected in addition, a capital sum is made available to the dependents in the event of the death of the employee before the retirement age is reached. The private individual or the self-employed man can make provision for himself and his dependents in ths same way. Suitable use of endowment policies and deferred annuities will enable a man to secure the advantages of group life and pensions scheme. Many endowment policies carry an annuity option clause, by which the person, who has taken out such policies, may elect to take an annuity instead of the capital sum. The annuity option is in lieu of the capital sum otherwise payable. When the maturity date is reached, if a better scheme is available at that time, the capital sum payable under the policy can be used to secure such return.

But retirement income is best provided by means of an annual payment of premium which results in a deferred annuity, commencing at the retirement age. This annuity has two forms, life annuity or annuity certain; the former is available for life and the latter for only a fixed term of years. Commenting on the use of these and other forms of insurance policies, the Insurance Correspondent of the *Financial Times*, London, writes:

"Many group pension schemes allow the pensioner to allocate part of his pension to his wife, so that, should he predecease her, her portion of the pension will continue to be payable. A similar provision can be made by the private individual.

"There are many forms of annuity available for two or more lives, where the income provided can be on a joint basis. For instance, a man may purchase, by annual premium payment, a deferred annuity which will be payable in full during the lifetime of his wife and himself, and at the reduced rate after the death of the first partner. These joint and survivorship annuities represent a suitable medium through which the married man may make provision for his later years.

"Where endowment policies are used to make provision for retirement, one question which has to be decided is whether with-profit or non-profit contracts should be effected. As a general rule there is no doubt that the with-profit contract offers a better return to the policyholder."

An aspect of the problem of pensions and of pension insurance schemes, which has, so far, not been satisfactorily solved, is the fact that no pension scheme provides any protection against the loss of purchasing power of the currency. A decline in purchasing power of the currency in which pension is paid means that the retirement income provides a standard of living far lower than was contemplated when the pension arrangement was made. A man may have denied himself a good deal of comfort, in order to save the money to provide a pension for his old age and find, at the end of his active life, that he has denied himself much in exchange for paltry comfort; he may find that the game (pension) was not worth the candle of his sacrifice. But this problem has already attracted the attention of actuaries in some countries, notably in the U.S., who have now come to think that, since inflation is a continuing evil, some tentative schemes should be devised to see that pension schemes, which, by their very nature, are long-term financial propositions, are not excessively vitiated by the decline in the purchasing power of the currency.

SOCIAL SECURITY IN NEW ZEALAND

Few countries spend a greater proportion of their expenditure on social security measures than New Zealand. It spends about £60 million a year, or approximately 28.4 per cent. of its total expenditure, on social security benefits. Besides, there are other social services, which are not provided specifically out of the Social Security Fund. These are education, health and other services. These services cost the country £40 million a year, or 17.9 per cent. of the total expenditure. Thus, social services, in all their forms, absorb some £97 million or 46.3 per cent. of the total expenditure.

Out of the £60 million, monetary benefits account for over £48 million and hospital, medical and certain emergency benefits absorb nearly £11 million. Administration costs account for about £1 million. The social security charge of 1s. 6d. on all income, earned and unearned, and including the income of companies, produces about £45 million. There is thus, a deficiency of about £15 million which is made up by transferring £14 million from the Consolidation Fund to the Social Security Fund—that is, from the pockets of the general taxpayers.

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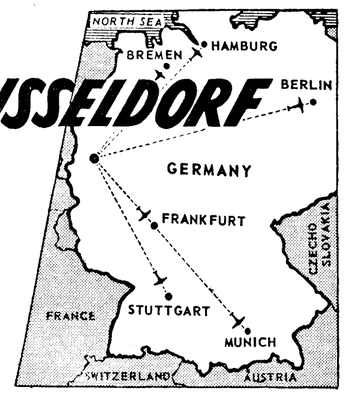

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SUBSCRIBED CAPITAL	**Rs. 4,00,00,000**	**RESERVE FUND**	**Rs. 75,00,000**

TENTH REPORT OF THE BOARD OF DIRECTORS

The Directors submit to the shareholders the audited Balance Sheet of the Bank as on, and the Profit and Loss Account for the year ended, 31st December, 1952.

	Rs.	a.	p.
The net profit for the year, including Rs. 1,70,952-7-9 brought forward from the previous account, after providing for all known and anticipated charges and expenses of opening branches, amounts to	30,24,733	7	4
The Directors have made the following appropriations out of the net profit :			
1. Transfer to Reserve Funds	7,50,000	0	0
2. Provision for Taxes	10,00,000	0	0
3. Disbursed as Ex-gratia Payment to Staff	3,73,614	5	4
4. Balance	9,01,119	2	0
	Rs. 30,24,733	7	4

Out of the balance of Rs. 9,01,119-2-0 the Directors recommend to the shareholders payment of Dividend at Rs. 2 per share, free of Income-tax, which will absorb Rs. 8,00,000 leaving Rs. 1,01,119-2-0 to be carried forward to the next year's account.

During the year under report, your Bank paid Rs. 7,276 as contributions for charitable, benevolent and public purposes.

During the year under report your bank acquired the following properties :
(1) Plot of land at Parliament Street, New Delhi, for constructing Bank's building.
(2) Two flats in Bombay.

Payments have been made for the same and the title deeds will be obtained in due course.

Looking to the difficult monetary and credit conditions in 1952, your Directors consider the business and profit for the last year as satisfactory. The Bank's investments appear in the Balance Sheet at below market value.

During the year, the Bank opened a branch at Hongkong and closed its office at Palwal in India. Arrangements are in hand to open a branch of the Bank in London.

The Directors are thankful to the shareholders and the clients of the Bank for their continued support. They also express their gratitude to the members of the Bank's Local Boards and Advisory Committees for their able help and guidance.

The Directors place on record their appreciation of the work done by your General Manager, Mr. B. T. Thakur, and the staff of the Bank and thank them for their ceaseless efforts in the interests of the Bank and for devotion to duty.

Under Article 95 of the Bank's Articles of Association, four of your Directors,
Shri G. D. Birla — Shri M. L. Dahanukar
Shri G. L. Bangur — Shri P. D. Himatsingka
retire by rotation, and, being eligible, offer themselves for re-election.

The shareholders are requested to appoint Auditors for the current year and to fix their remuneration.

By Order of the Board,
G. D. BIRLA,
Chairman.

CALCUTTA, 25th February, 1953.

BALANCE SHEET AS AT 31st DECEMBER, 1952.

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED CAPITAL— 8 lakhs shares of Rs. 100 each	8,00,00,000	0	0			
ISSUED AND SUBSCRIBED CAPITAL— 4 lakhs shares of Rs. 100 each	4,00,00,000	0	0			
AMOUNT CALLED-UP— 4 lakhs shares at Rs. 50 per share				2,00,00,000	0	0
2. Reserve Fund and Other Reserves— Reserve Fund (including under Section 17 of the Banking Companies Act)				75,00,000	0	0
3. Deposits and Other Accounts—						
Fixed Deposits	9,74,60,450	4	6			
Savings Bank Deposits	2,97,83,016	4	0			
Current Accounts, Contingency Accounts, etc.	18,15,29,271	0	6			
				30,87,72,737	9	0
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	61,50,000	0	0			
(ii) Outside India	3,75,381	9	11			
				65,25,381	9	11
PARTICULARS—						
(i) Secured by part of Investments per contra	65,25,381	9	11			
(ii) Unsecured	Nil					
5. Bills Payable				1,74,80,503	12	4
6. Bills for Collection being Bills Receivable as per contra—						
(i) Payable in India	1,29,26,367	6	9			
(ii) Payable outside India	1,45,76,300	3	9			
				2,75,02,667	10	6
7. Other Liabilities—						
(i) Branch Adjustments	70,71,065	1	4			
(ii) Unclaimed Dividends, etc.	1,84,983	9	8			
				72,56,048	11	0
8. Acceptances, Endorsements and Other Obligations per contra				5,60,89,073	1	7
9. Profit and Loss—						
Profit as per last Balance Sheet	9,70,952	7	9			
LESS—Dividend	8,00,000	0	0			
	1,70,952	7	9			
ADD—Profit for the year (Rs. 28,53,780-15-7 less Ex-gratia Payment to Staff Rs. 3,73,614-5-4)	24,80,166	10	3			
	26,51,119	2	0			
LESS—Appropriations made—	Rs.	a.	p.			
To Reserve Funds	7,50,000	0	0			
To Reserve for Taxation	10,00,000	0	0			
	17,50,000	0	0			
				9,01,119	2	0
10. Contingent Liabilities—						
(i) Claims against the Banking Company not acknowledged as debts Rs. 1,01,412-4-0.						
(ii) On Foreign Bills Rediscounted Rs. 79,435-5-11 of which upto 21st February, 1953, Rs. 77,126-4-8 have run off.						
(iii) Forward Exchange Contracts outstanding for the purchase and sale of Bills and Telegraphic Transfers Rs. 13,29,64,788-14-1 of which upto 21st February, 1953, Rs. 8,19,48,814-5-0 have been delivered.						
(iv) On partly paid shares Rs. 3,31,875-0-0						
Carried forward .. Rs.				45,20,27,531	8	4

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash— In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)				3,14,09,933	7	8
2. Balances with Other Banks (including Foreign Government Treasuries)—						
On Current Account—						
(i) In India	6,52,569	11	9			
(ii) Outside India	3,33,04,666	4	7			
				3,39,57,236	0	4
3. Money at Call and Short Notice				9,00,000	0	0
				6,62,67,169	8	0
4. Investments (at below market value)—						
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	13,34,27,252	7	9			
(ii) Shares— Rs. a. p.						
Fully paid Preference Shares 55,000 0 0						
Shares in Imperial Bank—						
Fully Paid 16,63,965 0 0						
Partly Paid 3,61,287 8 0						
	20,70,252	8	0			
(iii) Debentures or Bonds	19,88,975	0	0			
(iv) Securities of the U.K., the U.S.A., Burma, Malaya and Pakistan Governments and Foreign Trustee Securities	1,06,63,009	11	4			
(v) Gold	....					
				14,81,49,489	11	1
5. Advances (other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—						
(I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.						
(i) In India 7,78,86,719 13 3						
(ii) Outside India 1,32,22,656 15 1						
	9,11,09,376	12	4			
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—						
(i) Payable in India 2,31,45,193 10 1						
(ii) Payable outside India 2,75,07,222 3 5						
	5,06,52,415	13	6			
				14,17,61,792	9	10
PARTICULARS OF ADVANCES—						
(i) Debts considered good in respect of which the banking company is fully secured	10,58,74,424	6	11			
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	1,10,80,796	1	0			
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	2,48,06,572	1	11			
(iv) Debts considered doubtful or bad, not provided for	Nil					
	14,17,61,792	9	10			
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons (fully secured)	1,66,500	0	0			
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members— Rs. a. p.						
Fully secured 1,30,02,939 10 8						
Secured by personal liability of borrowers 1,22,880 6 2						
	1,31,25,820	0	10			
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	1,66,500	0	0			
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	2,37,56,055	12	6			
(ix) Due from banking companies	11,72,204	4	5			
6. Bills Receivable being Bills for Collection as per contra—						
(i) Payable in India	1,29,26,367	6	9			
(ii) Payable outside India	1,45,76,300	3	9			
				2,75,02,667	10	6
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				5,60,89,073	1	7
Land and Buildings— Rs. a. p.						
Cost as per last Balance Sheet 23,57,101 11 2						
Additions during the year 3,80,364 10 0						
27,37,466 5 2						
LESS—Depreciation written off to date. 2,08,234 3 5						
25,29,232 1 9						
Carried forward .. Rs.				43,97,70,192	9	0

THE UNITED COMMERCIAL BANK, LIMITED—*Continued.*

BALANCE SHEET AS AT 31st DECEMBER, 1952—Continued.

CAPITAL AND LIABILITIES—(Contd.)	Rs.	a.	p.	Rs.	a.	p.
Brought forward .. Rs.				45,20,27,531	8	4
Total .. Rs.				45,20,27,531	8	4

PROPERTY AND ASSETS—(Contd.)	Rs.	a.	p.	Rs.	a.	p.
Brought forward .. Rs.				43,97,70,192	9	0
Details—						
8. Premises Less Depreciation—						
Cost as at 1st January, 1952	11,18,039	0	0			
Additions during the year	1,25,393	14	0			
	12,44,332	14	0			
LESS—Depreciation written off to date	1,08,109	3	5			
				11,36,223	10	7
Other Land and Buildings—						
Cost as at 1st January, 1952	12,38,162	11	2			
Additions during the year	2,54,970	12	0			
	14,93,133	7	2			
LESS—Depreciation written off to date	1,00,125	0	0			
				13,93,008	7	2
9. Furniture and Fixtures Less Depreciation (including Vehicles and Equipment)—						
Cost as per last Balance Sheet	41,65,586	12	2			
Additions (Rs. 5,78,338-3-11) less deductions (Rs. 76,578-5-7) during the year	5,01,759	14	4			
	46,67,346	10	6			
LESS—Depreciation written off to date	19,94,691	13	0			
				26,72,654	13	6
10. Other Assets, including Silver—						
(i) Interest accrued on Investments	17,89,854	2	7			
(ii) Estimated amount of refund of Income-tax (Income-tax assessment for five years 1948 to 1952 not yet completed)	42,67,238	7	4			
(iii) Stamps, Stationery and Library	9,98,359	6	2			
(iv) Silver	....					
				70,55,452	0	1
11. Non-Banking Assets Acquired in Satisfaction of Claims				....		
12 Profit and Loss				....		
Total .. Rs.				45,20,27,531	8	4

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1952.

EXPENDITURE	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	48,69,238	9	0
2. Salaries and Allowances and Provident Fund including Salaries and Allowances of General Manager Rs. 89,400 and ex-gratia Payment to Staff Rs. 3,73,614-5-4	61,16,835	6	3
3. Directors' (Rs. 34,250) and Local Committee Members' Fees and Allowances	42,522	0	0
4. Rent, Taxes, Insurance, Lighting, etc.	12,48,839	2	6
5. Law Charges*	69,719	11	10
6. Postage, Telegrams and Stamps	3,23,882	5	6
7. Auditors' Fees for Statutory and Periodical Audits	78,795	5	4
8. Depreciation on and Repairs to the Banking Company's Property	5,24,037	11	7
9. Stationery, Printing, Advertisement, etc.	6,75,968	7	5
10. Loss from Sale of or Dealing with Non-banking Assets	....		
11. Other Expenditure	4,43,112	10	2
12. Balance of Profit	24,80,166	10	3
Total .. Rs.	1,68,73,117	15	10

* Includes Rs. 20,724-7-0 paid to a Solicitor's firm of which a director is a partner.

INCOME	Rs.	a.	p.
(Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)			
1. Interest and Discount	1,07,04,041	8	8
2. Commission, Exchange and Brokerage	60,49,443	14	1
3. Rents	1,17,814	9	1
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets	....		
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets	....		
6. Income from Non-banking Assets, and Profit from Sale of or Dealing with such Assets	....		
7. Other receipts	1,818	0	0
8. Loss	....		
Total .. Rs.	1,68,73,117	15	10

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the United Commercial Bank, Limited, as at 31st December, 1952, and also the foregoing Profit and Loss Account of the Bank for the year ended on that date, in which are incorporated the Branch returns audited by the Statutory or Local Auditors, and report that :—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory ;
(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank ;
(c) the returns received from branch offices of the Bank have been found adequate for the purpose of the audit ;
(d) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law ;
(e) such Profit and Loss Account shows a true balance of profit for the year ;
(f) such Balance Sheet exhibits a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us and as shown by the books of the Bank, and
(g) in our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

G. P. KAPADIA & CO.
K. N. GUTGUTIA & CO. } Chartered Accountants.
RAY & RAY

CALCUTTA, 25th February, 1953.

B. T. THAKUR,
General Manager.

G. D. BIRLA
Chairman.

I. P. GOENKA
A. C. LAW
BAIJNATH JALAN
G. L. BANGUR
P. D. HIMATSINGKA
R. L. NOPANY
R. G. SARAIYA
M. L. DAHANUKAR
M. L. SHAH
M. L. TAPURIAH
M. R. RUIA
NAVINCHANDRA MAFATLAL
} Directors.

R. B. SHAH,
Chief Accountant.

For Your Insurance Requirements write to us:

THE CONCORD OF INDIA
Insurance Company Ltd.
(INCORPORATED IN INDIA)
Head Office: **8, Clive Row, CALCUTTA**
Telephone: Bank 4310/19 Telegrams: YULINSURE

BRANCH OFFICES:

BIHAR STATE — Jamal Road, PATNA
BOMBAY STATE — Hongkong Bank Building, Veer Narimna Road, Fort, BOMBAY; Sir Chinubhai Building, Revdi Bazar, Cross Lane, AHMEDABAD; Konnur Building, Ramdev Galli, BELGAUM
DELHI STATE — 50, Queensway, Post Box No. 51, NEW DELHI
EAST PAKISTAN — Dewanhat, Pathantolli, P.O. CHITTAGONG
HYDERABAD STATE — 69-D, Kingsway, SECUNDERABAD (Dn.)
MADRAS STATE — Dare House, 1st Line Beach, MADRAS
MADHYA PRADESH — Kingsway, NAGPUR
PUNJAB STATE (India) — Sadderbazar Road, AMBALA CANTT
PUNJAB (Pakistan) — 46, The Mall, LAHORE
SAURASHTRA STATE — Near Power House, BHAVNAGAR
UNITED KINGDOM — Friars House, New Broad Street, LONDON, E.C. 2
UTTAR PRADESH — Moons Lall and Sons Building, Mahatma Gandhi Road, Post Box No. 43, KANPUR; Hazratganj, LUCKNOW

Pakistan Control Office: SIND—McLeod Road, Post Box No. 756, KARACHI

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THE UNITED COMMERCIAL BANK LIMITED

FIRST DECADE OF REMARKABLE PROGRESS COMPLETED

MR. G. D. BIRLA'S ADVICE TO BUSINESS MEN

"CHALLENGE TO OUR ABILITY AND INTENTIONS MUST BE ACCEPTED"

ADDRESSING the shareholders of the United Commercial Bank Ltd., Calcutta, at their Tenth Ordinary General Meeting, held at Calcutta on 26th March, 1953, Mr. G. D. Birla, Chairman of the Bank, appealed to business men to adjust themselves to the new social concepts and conditions and convince the people of this land by their deeds that they could deliver the goods. Mr. Birla was making this appeal in the context of the business community's role in the Plan for raising the standard of living of the people. Drawing the pointed attention of business men to the Prime Minister's call to them to function effectively and lead the country towards the Welfare State, Mr. Birla said: "In other countries, private enterprise has delivered the goods. In this country, too, if we have to justify our position, we must follow suit." Proceeding, he observed: "Our one and only aim should be to create prosperity in the country on the widest possible scale. I hope that the business community will rise equal to the occasion and successfully take up the challenge to its ability and intentions."

The following is the full text of Mr. Birla's speech at the meeting:

"GENTLEMEN,

"I have great pleasure in welcoming you to our Tenth Annual General Meeting. The balance-sheet and profit and loss account of the Bank have been in your hands for some time.

Bank's Business

"The deposits of the Bank at the close of 1952 stand at Rs. 30.88 crores, as compared to Rs. 29.58 crores at the end of 1951, showing a small increase of Rs. 1.30 crores. You will be glad to know that, although there is a small recession in deposits of Scheduled Banks, your Bank records some improvement.

"Cash in hand and balances with banks stand at Rs. 6.63 crores. This gives a ratio of over 21 per cent. to deposits, as against 17 per cent. at the close of 1951, showing considerable increase.

Investments

"Investments of the Bank stand at Rs. 14.81 crores, as compared to Rs. 12.13 crores at the end of the preceding year, showing an increase of Rs. 2.68 crores. The ratio of investments less amounts borrowed thereagainst to deposits is 45.8 per cent., as against 33.5 per cent. at the close of 1951. Cash, balances with banks and unencumbered investments in the aggregate amount to Rs. 20.79 crores, as against Rs. 14.96 crores at the end of the previous year. The ratio of these assets to deposits has improved from 50.6 per cent. to nearly 67 per cent. The Bank's investments appear in the balance-sheet at or below market value at the end of December, 1952. The policy of your Board in the matter of investments continues to be to put the Bank's funds in Government securities having early maturities.

Bills Purchased

"The amount of bills purchased and discounted has gone up from Rs. 4.21 crores at the end of 1951 to Rs. 5.07 crores as at the end of December last. These assets form 16.4 per cent. of the Bank's total deposits. You will notice that the Bank's business in bills has been continuously expanding.

Foreign Exchange Business

"Foreign exchange business continues to form a prominent part of your Bank's business. The amount of foreign bills receivable stands at Rs. 2.75 crores, as against Rs. 2.46 crores at the end of 1951. The amount of letters of credit opened and guarantees given on behalf of Bank's customers has, however, gone down from Rs. 10.15 crores at the end of 1951 to Rs. 5.61 crores at the end of 1952. India's restrictive policy in the matter of imports, diminishing need for purchase of foreign cotton and lower values are responsible for fall in this figure. Your Bank, however, continues to get a fair share of the available business.

Global Arrangements

"Your Bank has global arrangements to handle directly, speedily, efficiently and cheaply foreign exchange business with all parts of the world. I invite Government, merchants, industrialists, visitors and students increasingly to avail themselves of your Bank's service in the matter of remittances to foreign countries, opening of letters of credit and financing of imports and exports.

Advances

"Advances of the Bank show a substantial fall, from Rs. 13.70 crores at the end of 1951 to Rs. 9.11 crores at the end of 1952, the reduction being of the order of Rs. 3.59 crores. The ratio of advances to deposits has come down from 46.3 per cent. to less than 30 per cent. The combined total of advances and bills has fallen from Rs. 17.92 crores to Rs. 14.18 crores, a fall of Rs. 3.74 crores or nearly 21 per cent. The percentage of advances and bills to deposits has come down from 60.6 per cent. at the end of 1951 to 49 per cent. at the end of 1952. The principal reason for such heavy decline in your Bank's lendings is fall in the values of India's commodities and exports and diminished demand for credit from trade and industry. The diminution in your Bank's lendings, to such a large extent, however, exemplifies in a tangible manner the self-liquidating nature of your advances. But shrinkage in such assets of the Bank has adverse effect on earnings.

High Liquidity

"The liquidity of the Bank's business continues to be very high. The total of the liquid assets, viz., cash, bank balances, unencumbered investments and bills purchased and discounted comes to Rs. 25.85 crores, which is nearly 113 per cent. of the Bank's demand liabilities as represented by current and savings bank deposits and bills payable amounting in the aggregate to Rs. 22.88 crores. The ratio of these liquid assets to total deposits and bills payable, amounting to Rs. 32.62 crores, is 79.2 per cent. In both these respects, the Bank's liquidity is far greater than what it was last year and is actually much more than what is necessary. But during uncertain and difficult periods of business, your Directors think it prudent to follow an extremely cautious policy of giving primary importance to safety and liquidity of Bank's money and to assign secondary place to lendings or higher income available therefrom.

Profit

"The profit of the Bank for the year 1952 is Rs. 28.54 lakhs. This is lower than the previous year's profit. Principal reasons for fall in profits are: (1) shrinkage in the Bank's lendings, principally due to fall in prices to which I have already referred; (2) increase in the rates of interest on deposits with little or no corresponding increase in the rates of interest earned on Bank's advances and investments, the latter having been bought during periods of low yield on Government obligations; and (3) increase in establishment expenses, due to tribunal awards and absence of freedom to retrench staff or to close down unremunerative branches. We are trying to overcome the first factor by encouraging new acceptable business. Lowering the rates of interest on deposits, however, requires greater co-operation among banks. In this connection, I may mention that these rates are greatly disturbed by foreign banks offering higher rates than are warranted by return available on domestic bank loans and investments. By way of illustration, I may mention that, before the Bank of England raised its rate of interest, foreign banks in India for years continuously used to pay a maximum of ½ per cent. per annum on call loans, but, after increase in the British Bank rate, they offer 3 per cent. per annum for call loans and call deposits. This has not only led to substantial all-round increase in rates of interest on deposits in India, but even diverted large sums from interest-free or very cheap current deposits to costly call deposits. In the formulation of their policy on rates of interest on deposits, these foreign banks are perhaps influenced by the fact that bringing in funds from their parent offices for employment in this country costs them now more, because interest rates have gone up in their countries of origin. But, obviously, foreign banks cannot be allowed to disturb domestic monetary conditions. Some of the big exchange banks have also entered the field of savings bank deposits offering higher interest than the big Indian banks can give. This competition is keenly felt by small banks. The Reserve Bank, as a custodian of national financial policy, should look into this question and, if necessary, use its wide powers under law to enforce necessary correctives. With regard to the last factor, the establishment expenses, the matter is under investigation by the Industrial Tribunal for bank disputes. Banks are unable to bear the increasingly onerous burden of expenses imposed upon them by earlier awards. The general fall in bank profits must convince the Tribunal that the era of high profits, which induced excessively liberal awards, has come to an end and that banks cannot afford to continue them. Banks have a very important role to play in the expansion of the country's economy. This they are unable to do under the present conditions. They must have freedom to regulate their expenses according to their earnings.

"Diminished earnings of banks also call for co-operative action on the part of banks to study and jointly take decisions so as to improve the position of profits. Banking is the only industry in which the pre-war rates for services still continue to operate, in spite of substantial increases in interest rates on deposits and working costs. No branch of economy has to face greater brunt of monetary and economic crisis as banking. It is, therefore, imperative for banks to maintain their earnings in a very healthy condition, so as to absorb the effect of such crisis and of weaknesses in borrowers and investment markets resulting therefrom, without endangering their safety and services. This question of adequate earnings is of much greater importance in the case of small banks and small branches of big banks, which are vital to the introduction of banking in the countryside, a fresh and expanding field of new savings, so necessary for the development of our economy and the fulfilment of the Five-year Plan. The Reserve Bank, as the custodian of banking safety and banking growth, can also take initiative in this matter.

Appropriation of Profits

"Including the amount brought forward from 1951, the amount of profit available is Rs. 30,24,733-7-4. Out of this, the Directors have already disbursed Rs. 3,73,614-5-4 as *ex-gratia* payment to staff, appropriated Rs. 7½ lakhs to the Reserve Fund, which is of the same order as last year, and provided Rs. 10 lakhs for taxes. The balance available after these appropriations is Rs. 9,01,119-2-0. The Directors have already recommended to you in their report to sanction payment of dividend at Rs. 2 per share, same as last year, leaving Rs. 1,01,119-2 to be carried forward to the next year's account.

Branches

"During the year 1952, the Bank opened its branch at Hongkong. During the same period, we closed our office at Palwal, near Delhi. Sanction of the Reserve Bank of India, as required by law, has been received to open a branch of the Bank in London. Arrangements for opening the London branch have been taken up in hand. Premises have been leased in Fenchurch Street in the heart of the banking area of the City of London. It is hoped that this branch will start functioning within the coming few months.

Policy for Licensing New Branches of Banks

"In connection with opening of new branches by banks in India or abroad, I wish to suggest that there should, as far as possible, be avoidance of duplication of efforts. It happens at times that, when a bank has successfully established its branch in any place, another bank tries to rush to the same place and take advantage of the pioneering spadework of the earlier bank. The Reserve Bank should discourage such attempts by effectively using its powers and refusing permission in such cases. This should be particularly observed in the case of the Imperial Bank, which, on the basis of its privileged position, enjoys unduly great competitive power. It is true that, as a result of the recommendations of the Rural Banking Enquiry Committee, it is required to open many new branches, but these need be only at such places as lack reliable and sufficient banking facilities. Unless ordinary commercial banks can be sure of being safe from such unwarranted and privileged competition, they cannot afford to venture in small places which have just sufficient field for one bank and no more.

Bank Completes Ten Years

"During this first decade of its history, the Bank has built up large volume of banking business, total working, as disclosed in the last balance-sheet, being of the order of Rs. 45 crores. The Bank has a network of 90 branches spread in seven different countries. It has arrangements with over 55 leading foreign banks in all the continents of the world for attending to its foreign exchange business. We have over 1,00,000 accounts on our books. The Bank's customers consist of several Governments, including our own, many public bodies like Municipal Corporations, Improvement Trusts, Port Trusts, Government Corporations, Universities and a large number of industrialists, merchants, exporters and importers, and the general public. Such a varied list of clients from the biggest to the smallest, some of whom are highly discerning and selective in choosing their bankers, speaks volumes for the great confidence your Bank enjoys. I take this opportunity to convey to every one of the Bank's customers our sincerest gratitude for their trust and patronage.

Large Contributions to National Economies and Employment

"Your Bank's contributions to the national economies and employment of the countries in which we work are substantial. The Bank's total net earnings on interest, exchange, commission and miscellaneous receipts from inception to the end of the tenth year, December, 1952, amount to Rs. 782 lakhs. Out of this, the Bank has paid Rs. 342 lakhs to our employees by way of salary, allowances, contribution to provident fund, bonus and *ex-gratia* payments. This accounts for over 42 per cent. of total net earnings. The number of people in the Bank's employment exceeds 2,200. Other expenditure has accounted for Rs. 190 lakhs, total expenses for working the Bank during these ten years thus coming to Rs. 532 lakhs or 66 per cent. of the total earnings. Out of the balance of Rs. 249 lakhs, we have built up a reserve fund of Rs. 75 lakhs, paid Rs. 78 lakhs by way of taxes, provided Rs. 50 lakhs for depreciation on investments, written off bad and doubtful debts amounting to Rs. 2 lakhs and paid, as or provided for, dividends to shareholders Rs. 43 lakhs. The balance of Rs. 1 lakh is undistributed profit carried forward to the eleventh year's account.

Difficult Period Successfully Overcome

"These ten years have not been free from difficulties. There was partition of the country necessitating closing down of many branches of banks in Pakistan involving heavy losses. There has been heavy drop in the price of securities and investments. Last year, prices of goods and commodities suddenly came down, involving business men in appreciable losses. Your Bank has come out unscathed from all these big crises. Due to the foresight of your Board and management, adequate precautions were taken to protect the Bank from the adverse effects of such catastrophic happenings, which brought about collapse of many a small- and medium-sized bank, crippled several banks and involved even some older and bigger banks in huge losses, in some cases, equalling their reserve funds. Throughout this period, your Bank has been considerably expanding its activities both in India and abroad. To-day, it ranks amongst the first big five banks of the country out of a total of over 500 banks registered in India with Number One status among Indian Banks in the field of international banking.

New Features in Service

"We have introduced additional important features in the field of banking service. We are the only commercial bank in the country which has a regular and well-equipped economic and statistical section engaged in the work of studying economic and financial questions. The *Quarterly Review* published by this division of the Bank is in demand from banking, financial and public institutions all over the world. Special studies conducted by your Bank on commodities like jute, tea, mica, fill long-felt need for knowledge and systematised information of economists, business men and bankers. Again, your Bank is the only institution of its kind in the East which has a staff training centre of its own. These activities, as well as programme of expansion of branches, involve large expenditure, which is met from current revenue. But they are good long-term investments, results of which should increasingly accrue to us in the future.

Unique and Unsurpassed Record

"Looking to the size and range of our Bank's developments, we have every reason to be gratified and proud of our phenomenal progress in a short period of first ten years. This is a unique and unsurpassed record not only in the banking history of India but even in the banking history of many other countries.

Management

"For the splendid performance and progress of the Bank, I must specially congratulate your General Manager, Mr. B. T. Thakur, who has ceaselessly worked, without a single day's leave or holiday for the last ten years, to build up this Bank. His is an example of an extraordinarily high sense of duty and devotion to work and singleness of purpose. His one aim in life has been to build up a first-rate international bank for the country. In him we have one of the ablest bankers of the country enjoying great international reputation. In the task of building up your Bank, he is ably assisted by his colleagues, Mr. S. T. Sadasivan, Deputy General Manager, and Mr. R. B. Shah, Chief Accountant of the Bank. The Regional Manager for South-East Asia, Mr. J. P. Sen Gupta, has done splendid work for the Bank in the territory under his charge. From this year, another post of Regional Manager for Western India has been created and Mr. O. H. Gheewala, our Bombay Manager, has been promoted to this post. As your Bank grows in size and work, your General Manager suggests to your Board the creation of more regions for quicker disposal of work and adequate service to your Bank's clients. To our General Manager, his associates and all other employees of the Bank I convey our sincere thanks for their untiring efforts in building up the Bank.

General Conditions

"Although the year 1952 started with difficult monetary conditions which persisted for several months, during which even seasonal credit requirements could only be met by the Indian banking system by resorting to large-scale borrowing from the Reserve Bank, things greatly improved by the mid-year and this improvement was maintained right up to the year-end. The ratio of advances and bills to deposits, which stood at 64.1 per cent. at the end of 1951, went up as high as 71.5 per cent. in March, 1952. This ratio came down to 53.4 per cent. on 28th November and reached 56.4 per cent. at the end of 1952. Unlike 1951, there was no absorption of advance, but, on the contrary, there was much larger repayment, due to substantial realisation of debt made by banks in 1951. But, in spite of such great shrinkage in banks' lendings, the Scheduled Bank deposits show relatively very little fall. Such behaviour of deposits and advances probably indicates diminution in the absorptive power for hoarding money in the countryside.

Investment Trends

"The statements and graphs attached to this speech will show the changes that have occurred in the financial system. After many years of continuous fall in price, Government of India securities show a fractional improvement, the index number rising from 92.0 at the end of 1951 to 92.3 at the end of 1952. But index numbers of other investments, whether paying fixed or variable dividend, still continue to fall, the former coming down from 94.1 to 90.6 and the latter from 121.5 to 104.9. The slight betterment in the value of Government bonds is due to fall in loans of commercial banks and consequent increase in their investable funds, large investments of insurance companies, which, by law, are required to have 60 per cent. of their funds mostly in Government loans, and to demands of investment by many provident funds which industries are now required by law to introduce for the benefit of their employees. Excluding these special classes of investors tied to investment in Government bonds, there seems to be diminution in demand for investments. The index number of ordinary shares is now very much closer to the pre-war figure, in spite of very large increase in the replacement cost of industrial machinery, plant and building.

Urgency of Capital for Replacement

"At the last annual meeting, I also referred to this question of capital formation and discussed factors which militate against expansion of savings. There is no need to refer to them again, excepting to remind you that, with the annual wear and tear of industrial factories installed at low pre-war costs, the question of replacements at present high costs, and absence of savings with which to buy new equipment, the depreciation funds built up on the basis of original cost being grossly inadequate, we are fast approaching a situation where solution of this fundamental and basic problem can no longer be delayed without serious risk to our national economy. According to the Employers' Association, Calcutta, the total amount of money needed by the Indian industries over and above the regular depreciation allowance and the requirements of new plants installed in post-war years, for the purpose of renewal and replacement, will be at a minimum of Rs. 600 crores. This has to be found somehow, if our industrial production has to continue unchecked.

Other Economic Trends

"The year 1952 is notable for converting a sellers' market into a buyers' market. The break in prices first occurred in February, when the index number of wholesale prices, which stood at 433.1 in December, 1951, fell to 415.8 and further came down to 367.1 in the month of May. Since then it has fluctuated within a narrow range standing at 372.7 at the end of December last. The index number of raw materials is also about 25 per cent. lower. This phenomenon of falling prices is not peculiar to India alone but common to most of the eastern countries which mainly subsist on agricultural economy. It is a very serious matter for them, and creates many economic and political problems. The cost of living index number has, however, increased, having gone up during the first ten months of the year from 314 to 329. This is mainly due to food prices which enter to the extent of about 50 per cent. in the preparation of the index, which, on account of world shortages, have gone up and also partly due to time lag in lower adjustments of retail prices. It is hoped that this trend will be reversed this year.

"Burma, where your Bank has large flourishing business, is an exception to this general statement, because its economy mainly depends upon the production and export of rice; and on account of tremendous world shortage the price of rice, instead of coming down, actually went up to over £80 a ton, which brought that country badly needed more money for the strengthening of its defences and to rehabilitate its war-torn economy.

Increased Production

"The food situation in the country was much easier which induced the Government to allow relaxations in food controls. Productions of cotton and jute, essential raw materials for India's fabricating industry, which play such

PRINCIPAL ECONOMIC FIGURES

Year (Last Friday)	Money Market: Amounts (Rs. crores)				Economic Trends: Index Numbers					
					Investments: 1938=100					
	Deposits (a)	Advances and inland bills (b)	Currency circulation	Money supply	Government of India	Fixed yield	Variable yield	Wholesale price August, 1939=100	Working class cost of living (Bombay) August, 1939=100	Industrial production 1946=100
1947	965.07(c)	404.95	1225.36	2414.18	103.4	118.6	178.6	314.2	265	97.2
1948	933.88	442.09	1188.20	2190.71	101.9	108.0	130.7	383.6	288	108.4
1949	833.37	410.62	1106.47	2003.73	101.3	100.8	117.9	381.3	292	106.1
1950	862.77	445.15	1163.25	2085.00	99.2	100.3	126.7	412.6	298	105.0
1951	846.21	542.52	1141.09	2080.59	92.0	94.1	121.5	433.1	314	117.2
1952	830.72	468.33	1092.12	1938.05	92.3	90.6	104.9	372.7	329 (d)	128.7 (d)
Percentage change between 1947 and 1952	—13.9	+15.7	—10.9	—19.7	—10.7	—23.6	—41.3	+18.6	+24.2	+32.4

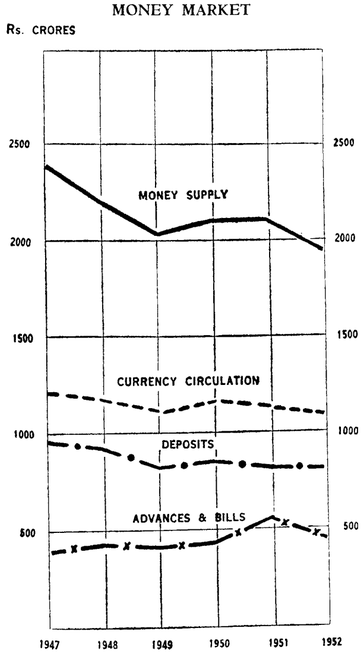
Crore=10 million. (a) Of Scheduled Banks. (b) Of Scheduled Banks: excluding foreign bills. (c) Including "borrowing from banks." (d) October 1952.

important role in the country's export trade, show substantial improvements, bringing India nearer to self-sufficiency. Production of manufactured goods, such as cotton textiles, jute goods, sugar, cement, coal, paper, iron and steel and chemical, shows appreciable increase. The index number of general industrial production improved from 117.2 at the end of 1951 to 128.7 at the end of October, 1952.

Future Outlook of Production

"There is some apprehension as to how far these improvements would be maintained, particularly in view of the lower purchasing power due to fall in prices, and the increased competition for exports in the overseas markets. If economic forces are not artificially interfered with by law, and wages, taxes and other elements which make up cost of production are allowed to adjust themselves to the price which buyers can pay, there is no reason why India's industries should not continue to expand. The only factor which can interfere with cost and volume of industrial production is inability to replace worn-out machinery, due to lack of funds. Increasing unemployment, increasing competition for our products in external markets, and increasing buyer resistance due to falling incomes in the home market are fast leading to a situation where, it is hoped, inescapable necessity will compel Government, industrialists and

MONEY MARKET



workers to solve all outstanding economic problems in a spirit of commonsense and realism, so that, through hard and efficient work, we may lower production costs to what the buyer can pay, without reducing wages.

India's Five-year Plan

"The most important economic event for this country which took final shape last year is India's Five-year Plan. I welcome the Plan, because it is a document which gives a concrete shape to the earnestness of the Government to grapple with the problems of Indian poverty. There could be no stability in a democracy, if its people do not have sufficient to eat and to clothe themselves and have houses to live in. It is a challenge to every one of us; and it invites each and every member of society to put his shoulders to the wheel of progress and to strive hard to translate the programmes of the Plan into actual achievements.

"Out of Rs. 2,069 crores, the estimated cost of the Plan, Rs. 630 crores have already been spent and only Rs. 1,438 crores are still to be spent in the remaining three years, i.e., up to March, 1956. I do not attach much importance to the ways and means by which this money is proposed to be raised. People may criticise the details and express doubts about the availability of finance from this or that source. But this is all meaningless. Whether the money is to be found from external assistance or from revenue or by raising loans or by deficit financing is immaterial. What is material is that the nation has decided to spend this much money through the public sector and, therefore, it must be found. Instead of wasting our time over the Plan's minor details, we should look to its fundamental importance and do everything possible to make it a success.

"I do not call this document a Plan, because Rs. 2,000 and odd crores to be spent on the Plan is nothing more than the capital budget of the Government up to 1956. A substantial portion of this expenditure is proposed to be devoted to agriculture and irrigation which will absorb just a little less than 50 per cent. of this total proposed budget. Another 25 per cent is allocated to transport and communications and the rest towards social services and industries. It is thus clear that this is not an all-embracing plan comprising all the total capital outlay of the country. It merely discusses the schemes which the Government will undertake on its own account during this period of five years and the size of its capital budget for the same period.

Government's Role

"I am glad the Government have confined their task to the undertaking of a few economic programmes of basic and public character. No democratic Government, however powerful, can do the entire work of economic growth, requiring the all-out effort of the whole nation. All that a Government can do is to draw its own budget and for the rest draw the attention of the people to the urgency of the problem and ask them fully to mobilise their energies and resources for the completion of other programmes not undertaken by the Government. Government should also create the necessary congenial climate and conditions, so that the total objective of economic growth may be achieved. In the final analysis, it is the people who can build up economic prosperity whether through a Government plan or private programmes.

When the Plan is fully implemented, it will create enough food in the country and make us free from hunger and famines. It will improve transport and communications. The Plan will, in short, lay the foundation on which the upper storey of our economic edifice can be built. But we must make no mistake and think that the Plan represents the finality of our economic efforts. Much greater effort and work will be needed as soon as the foundation is ready. The Plan must be a never-ending process. Although many have criticised the Plan as being too ambitious, I consider it as a modest beginning. This modesty does not weaken the Plan in any way; on the contrary, in it lies the Plan's greatest strength.

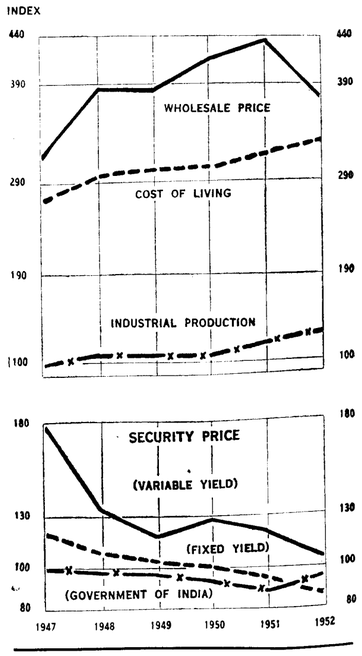
Private Enterprise

"Excepting the three branches of economic activity, agriculture, irrigation and transport, reserved by the Government for its own work, it has left the entire field of economic enterprise to private effort. And this is a right thing that that they have done. Government obviously cannot cover the whole field. It is the people who can undertake such a task. It is thus a challenge to the private sector—not just to the big industries alone but to the big, the small and the cottage industries—to plan for themselves in other branches, and show and prove, by actual achievement, their importance and usefulness. It will be a great misfortune, if we just continue to criticise Government and punch holes in their Plan and rest content with such criticising. Private enterprise owes a duty to itself, to the country and to the poverty-stricken masses, to make the fullest contribution to the development of the branches of India's economy not covered by the Plan.

"We often say that politicians have not enough experience of production and distribution. And since we claim to have greater knowledge in this respect, it is our duty to show the way. Government has made if amply clear—and the Prime Minister more so—that they seek the co-operation of the private sector. He has rightly asked us to function effectively and lead the country towards the Welfare State. In other countries, private enterprise has delivered the goods. In this country, too, if we have to justify our position, we must follow suit.

"When I talk of private sector, I have in mind all types of business and industrial undertakings from the smallest shopkeeper to the largest industrial producer. But, in the context of my suggestion of planning by private sector, I may remark that, at the present stage, the preliminary work of study, survey and planning should be undertaken by the leaders of large-scale industry. They should sit down, examine the import list, and determine what categories of goods imported by India could be produced within the country. They should then estimate the quantities needed in the next five years and then prepare plans for producing them in the country. Once they begin studying in this manner, they will find that there is considerable degree of interdependence in production; and unless all these interdependent functions in industrialisation are taken up collectively, it will not be possible singly to tackle production of many items. For instance, in heavy chemicals, if we want to produce just one thing alone, say *x*, we cannot do so economically. We must produce along with it, if it has to be produced economically, many other articles like y, z, w, etc., depending upon its by-products for their raw materials. And, perhaps, there is no demand for these additional goods like y, z, w, etc., and, therefore, the problem of utilisation of by-products remains unsolved, making it impossible to manufacture even x, for which there is good demand. We come back where we started. It is likely that lack of demand for the additional goods is due to absence of purchasing power. Human desire for their possession and use is there, but the means to buy are lacking. But once the tasks of production gather momentum, we shall find that new markets for new things will automatically spring up. The newly created purchasing power will supply the money

ECONOMIC TRENDS



with which to buy; and many things that are not needed to-day shall be needed to-morrow. It is up to us, therefore, to assist and guide the Government, tell them when and what should be done, how it should be done, what help we want from Government, and what sort of monetary and fiscal policies should be adopted to achieve the purpose of further and newer productions.

Economic Relationship

"In considering these questions of productions by private sector, I must emphatically refer to one significant development in the economic relationship. The days of *laissez faire* are gone for ever. There is no such thing now as undiluted capitalism in the world; nor is there such a thing as undiluted socialism, excepting perhaps in totalitarian countries. It is something compounded of these two systems which we may call, for the sake of convenience, 'mixed economy.' The Socialist leaders in England have realised that they must not go too far or too quickly on the road of nationalisation. Politicians in this country too have come to the same conclusion, through a process of trial and error. And if they have not realised it fully as yet, it is because the private sector, in spite of its making a great contribution to the economic growth through fresh investments of something like Rs. 500 crores during the last five years, has not quickly fallen in alignment with the development of this new concept in national economy. We must so shape our policy and plan our actions that the people are fully convinced of our ability to 'deliver the goods,' even under new social concepts and conditions.

"The days of criticism should now come to an end. Mutual recriminations should now be replaced by mutual understanding and mutual co-operation. Our one and only aim should be to create prosperity in the country on the widest possible scale. I hope that the business community will rise equal to the occasion and successfully take up the challenge to its ability and intentions.

Basic and Essential Truths

"In connection with the foregoing, I should like to place before the country, and specially before the Government, industry and labour, a few basic and essential truths for their consideration and acceptance. We must always keep these fundamental requirements before us and never lose sight of them, even for a moment, if we are to achieve real advancement in our prosperity and diminution in our poverty. They are:

"(1) Prosperity of the people is the vital necessity and fundamental condition for the stability of a democratic society. There can be no difference of opinion on this point.

"(2) Hard work, as put forth by Japan and Germany in the post-war period, is the only way to prosperity. Slogans and speeches do not lead us anywhere. Reward is the greatest incentive force which will move men to work efficiently and hard. Reward does not mean reward to a few men, it must be broad-based, everyone participating in it according to his capacity and contribution. These principles of hard work, incentive and reward must be accepted by the Government, capital and labour. Labour and capital must work in harmony and realise that, to a great extent, they have an identity of interest. Capital must know that, in accepting a Welfare State as the goal, they are not weakening, but, on the contrary, strengthening their own position. In a State where purchasing power is high, business prospers. Satisfied labour and contented society greatly enlarge scope and field for our work. It is enlightened self-interest to accept the change in social concept. Labour must also realise that, without increased production, their future is bleak.

Capital

"(3) Capital is only a synonym for resources and hard work. The harder one works to develop production, the greater is the capital formed. In this context, monetary system and discipline play very important parts. With all the resources and hard work, we may not achieve our economic purpose and production, because of a wrong monetary approach. The monetary policy, therefore, should be such as will promote 'capital,' viz., hard work and economic development. Those who talk of lack of capital in India seem to be insufficiently aware how modern financial technique, coupled with financial discipline, can work wonders. India, in my opinion, does not suffer from want of capital. It suffers, because there is absence of conditions which will impel men to work hard. We must create such conditions and social climate in which all, in their own self interest, will work hard. But financial set-up being an integral part of productive machinery, it is necessary to revise our ideas about finance, its structural organisation, and the mechanism and methods of its working. The business community can assist in the tasks of improving financial organisations, whereby deficiency of capital will not be insurmountable.

"(4) The economic growth in a democracy, or for the matter of that, even in a totalitarian regime, is not the responsibility of just a few men at the top in Government, but of every section of the society—the politician, the administrator, the labourer and the owner of capital. Without the fullest co-operation of all these people, extending over all fields of work, even the most cherished objectives become incapable of achievement. A crusade against poverty in which every one joins and every one does his bit, particularly those in charge of private enterprise, must be ruthlessly launched, if the objectives of prosperity and Welfare State are to be achieved.

Industrialisation

"(5) Economy largely based on agriculture, with population so large and continuously growing, and individual holdings of land so small, as we have, can never provide full employment or create prosperity in the true sense in any country. The only way we can accomplish this is to shift 30 to 40 per cent. of population from the farm to secondary and tertiary occupations. In other words, we can create full employment, only if we build industries of all sizes—cottage, small, medium and big—in large numbers, so as to create scope for new secondary and tertiary employment, which can absorb about 10 crores of our population, thereby making room for fuller employment of the remaining rural population at present insufficiently employed. Mr. Bevan, the Socialist leader, rightly remarked recently, 'If India succeeds in changing over her economy to closer approximation to a modern industrial community under the ægis of democratic institutions, she will achieve what no other nation in the world has achieved.'

"(6) If, for the sake of hypothesis, we estimate the existing industrial investment to be of the order of Rs. 2,000 crores with secondary and tertiary occupations already absorbing nearly 6 crores of the population, we must aim at investing another Rs. 8,000 crores in industry—may be in the coming 10 or 15 years—which, even with labour-saving devices, should give occupations to nearly half of the working population in secondary and tertiary jobs. We shall then get manufactured goods four times or more of the present quantum of production. To increase production to this level, Government too will have to increase its investments in the public sector.

Manufacture of Capital Goods

"(7) We can provide capital on such a large scale, and what is still more important, we can get deliveries of capital goods and tools to such a large extent, only if we produce these capital goods within the country. If we have to import capital goods of, say, Rs. 4,000 crores (half of the new Rs. 8,000 crores investment will probably be the value of capital goods needed for such expansion) from abroad, obviously, we have no means to pay for them. Payment will be needed in foreign currencies in which we are indeed poor. And so the ambition will remain unfulfilled. On the other hand, if we produce these goods ourselves within the country, we create simultaneously, along with the increase in wealth, new experience—and new employment even in the production stage.

"(8) It is true that, for the accomplishment of such a large industrial task, both in the consumer and capital goods sections, we require know-how. We are bound to have difficulties in producing them without necessary technical knowledge and skill. But we should not exaggerate these difficulties. We can start by buying foreign experience and know-how in the early stages. India has already started producing complicated machinery by using foreign models and designs. At least 75 per cent. of the required capital goods can be produced in this country, provided we have enough steel.

"(9) Steel being basic to all machine tools, we must install new plants to produce 2 million tons more of steel. This is the most urgent necessity. We must increase production in steel to this extent before 1957. Thereafter, all steel plants, major portions thereof at any rate, should be manufactured within the country. To do this, we also need to install capital goods producing factories. This is equally urgent.

Nation Should Decide to Work

"I have tried to scan the horizon of our industrial needs and production so as to locate the goal that we have to reach, and reach within the shortest possible period. It is not correct to say that 'time is gliding fast away.' Time stands. It is we who glide fast away. Events do not wait for us. Therefore, we must start individually to work hard, and so march onward, quickly and steadily, to reach our goal. But in looking round and scanning the vast economic horizon, I do not do so as a visionary or a doctrinaire. No hard-headed business man, even in his sixties, can suddenly become a dreamer even if he wanted to be one. When I say something big can be done, I say so on the basis of experience derived from production of different varieties of goods, and this too against obstacles and hindrances in the pre-independence days, extending over four decades. If only the nation decides to work, it shall move.

"And after all, what individuals like me can accomplish has its limits; much more can be accomplished by the whole people who are bigger and more powerful than individuals. This should, indeed, be easier, now that we are in charge of our own destiny. But the first essential is that we must work with one voice and with united determination. We must once for all make up our mind to achieve really big things. It is only when a nation as a whole decides to march forward unflinchingly that it makes progress. If India is determined wholeheartedly to move forward, she *shall* move forward and nothing can stop her progress. But it is self-confidence, determination, single-mindedness of purpose and real hard work which alone can ensure this."

QUESTION HOUR IN PARLIAMENT

Salt Production

A NUMBER of model factories and test laboratories are proposed to be opened in salt-producing areas such as Orissa, Madras and Travancore-Cochin in order to improve the quality of salt produced in India. The Salt Department is already giving technical advice to private manufacturers and running a model factory at Wadala in Bombay, to demonstrate the value of modern methods of manufacture and scientific lay-out of factories. Another model factory is to be established shortly at Tuticorin. A central salt research station is also being set up at Bhavnagar, in Saurashtra, under the auspices of the Council of Scientific and Industrial Research, to investigate problems connected with salt.

—Minister for Production

Sillimanite Reserves

According to the Director, Geological Survey of India, the world's largest concentration of sillimanite is in Khasi Hills, Assam, which contains reserves of the order of 251,000 tons. Sillimanite is used in the manufacture of furnace lining in the iron and steel industry, in the glass and ceramic industry, and in the manufacture of laboratory equipment and high temperature cement. There is a demand for this mineral in the world market.

—Deputy Minister for Natural Resources

Import of Pakistani Jute

Though under the Indo-Pakistan agreement, India is to purchase only 18 lakh bales of Pakistani jute, this country may need about 25 lakh bales. The Government, however, is bound to issue licences for 18 lakh bales only. In view of Indian prices being low and the Pakistani jute to be imported being of a better quality, the Government does not feel that there will be further depression in Indian prices. In any case, the jute mills will be purchasing the entire quantity produced in India.

—Minister for Commerce and Industry

Electricity Cut

The recent electricity cut in Madras State has affected the cement and textile industries. The 50 per cent. cut has been increased to 66⅔ per cent. from 1st March, 1953. As a result of the cut, it is estimated that there will be a loss of about 3.7 million lbs. of yarn, two million yards of cloth and 3,000 tons of cement, per month.

—Commerce Minister

I.M.F. Mission

The object of the International Monetary Fund Mission, now on a visit to India, is to collect and study statistical and other data pertaining to the fiscal, monetary and other economic policies of the Government of India and make a broad assessment of such policies in relation to the Five-year Plan. The mission proposes to hold discussions with the Government of India at the conclusion of its tour.

—Deputy Minister for Finance

Swiss Coaches

About 50 light-weight coaches have been received from Messrs. Schlieron of Switzerland under the agreement entered into with that firm for the supply of coaches. The total amount of advances, paid at the time the orders for a total of 100 coaches were placed in Switzerland, on the basis of 50 per cent. of the estimated cost of coaches, was Rs. 61.87 lakhs. The Government has stopped payment to the firm. No yearly payment has been made and no further orders placed because there was some delay in completing the implementation of the agreement. The Government has sent a high-ranking official to negotiate revision of the agreement. The agreement pertaining to the training of Indians for the manufacture of similar coaches in India is being fulfilled. The work on the construction of a factory at Perambur near Madras for building such coaches was started early in 1952, but it will be at least another two years before that factory goes into production.

—Deputy Minister for Railways and Transport

Procurement of Coarse Grains

The Government of India is considering the question as to whether special agents should be appointed to procure on behalf of the Centre coarse grains in the States. Following the decision to remove restrictions on internal movement of coarse grains within each State, it was decided that the purchase of such coarse grains from surplus States should be co-ordinated by the Centre. In the beginning, the Governments of the surplus States promised to make such procurement but, except in one State, no headway has been made. While small quantities are thus secured by the Governments, the trade points out that large stocks are accumulating.

—Minister for Food and Agriculture

Land Tenure Systems

A study of the economic results accruing from different forms of land tenure has been undertaken by the Indian Council of Agricultural Research under the scheme of village rehabilitation at Amroli, Baroda District, Bombay. The main objective of the scheme is to rehabilitate the Ranipara Bhils on the lands from which they have been ousted by money-lenders. Originally, peasant proprietary, lease tenancy, collective, and co-operative systems of farming were tried. On the recommendations of an expert officer, tenancy *in perpetuo* and collective farming system which were found successful are now being tried. The scheme is still continuing. From the point of view of profit, the peasant proprietary system is found to yield the largest amount and lease tenancy, collective farming and co-operative farming come next in order.

—Minister for Agriculture

EXPANSION OF PAPER INDUSTRY

RESPONSIBILITY OF STATE GOVERNMENTS

JUDGED from the various recommendations of the Planning Commission for the development of the paper industry in India, there is little evidence to show that the various State Governments are bestowing the attention that is due to it. Each State Government, particularly the major ones, must have some idea of the problems facing this industry, as each one of these has within its borders at least one unit, if not more, engaged in the manufacture of paper and paper board. One rarely comes across the budgets presented by these Governments to their respective Legislatures any specific recommendations calculated to encourage the development of the paper industry. If this attitude of indifference to the requirements of the industry were to persist, there is little hope for the industry to achieve even the modest targets set it by the Planning Commission under the Five-year Plan. For the implementation of the majority of the recommendations of the Commission depends on the action to be taken by the State Governments.

For long, the main problem of the paper industry has been the shortage of the principal raw materials, namely, bamboo and *sabai* grass, despite the fact that these are abundant in the forests of the country. The position is worse in the case of the paper factories in West Bengal, as they have been deprived of their supplies of bamboo which was being obtained from East Bengal in the pre-Partition period. Along with Bengal, Bihar too will have to look elsewhere for the supply of bamboo to its paper mills. The solution suggested by the Planning Commission is that some of the units in these two States should try to get their needs of bamboo from the forests in Orissa. It is not that Orissa has no paper mill at all. It has a big paper mill, but the supply of raw material in that State is large enough to meet a part of the needs of the mills in the neighbouring two States too. This does not mean that the other two State Governments can go to sleep. If the industry in these three States is to remain prosperous, all the three State Governments must strive to increase the supply of raw materials. Their aim should be to ensure adequate supplies of raw material first to the existing factories and later on to new units. The shortage of raw material is being experienced in other States also.

Bamboo and Grass

Shortage of raw material is not the only problem that needs to be considered by State Governments. The terms under which they allow the mills to have the available supply of raw material are also unsatisfactory. For the terms of supply of both bamboo and *sabai* from State forests to the factories by the State Governments have been generally framed on considerations which rarely coincide with the interests of the paper industry. In the result, supplies of these materials have been irregular, inadequate and untimely; the prices charged in different States for these materials have varied and have often been known to bear no relation at all to the market price of the finished product.

In order to overcome these handicaps, the Planning Commission has made the following suggestions, all of which seem to be quite reasonable and as such should be acceptable to the Governments of States:

(1) Reservation of specific forest areas for the paper industry and grant of long-term leases for working such areas;

(2) a rational method of price fixation on an all-India basis to enable the industry to obtain regular supplies of bamboo and *sabai* grass at reasonable prices. To safeguard the interests of the State Governments, arrangements might be made for the supply of such raw materials to the industry on the basis of a basic price, and a premium closely related to the selling price of the manufactured product or the profit margin; and

(3) development of roads in forest areas for facilitating transport.

It will be superfluous to emphasise the importance of the paper industry. Suffice it to say that the ambitious programmes of State Governments to spread education among the people will remain unfulfilled, unless there is a progressive rise in the production of paper in this country. The State Governments must, therefore, give up their indifference towards this vital industry and take an active interest in the promotion of its progress on the lines indicated by the Planning Commission.

The responsibilities of the State Governments will by no means end with the implementations of these measures alone. For, although bamboo and grass are the chief raw materials, there are others too which can be exploited to the best advantage of the industry. These include rags, hemp, hemp ropes and waste paper. One of the existing paper mills is, in fact, entirely dependent upon supplies of waste paper and rags. In view of the scarcity of raw materials which continues to affect most of the units, it is imperative that adequate facilities should be provided by the Government for the mills to secure their requirements. The industry, for instance, has been clamouring that all waste paper from Government offices, both Central and States, which is now being sold to contractors who sell it in the bazar for packing and other purposes, should be sold to the paper mills at reasonable prices. The Planning Commission seems to have made no reference to this specific claim. It has, however, recommended that the Governments should consider the question of careful regulation, or even total banning, of the export of cloth cuttings, hosiery cuttings, hessian and jute cuttings and waste paper. The Commission's emphasis on the importance of these resources to the industry will be appreciated from its observations quoted below:

"The development of the paper industry during the period of the Plan would involve an increasing utilisation of the bamboo resources in all areas, except in the north, where the expansion project of the Shree Gopal Paper Mills would have to depend for its success on the availability of *sabai* grass, rags and waste paper and probably bagasse as well. Measures should, therefore, be concerted for plantation of bamboo, to make good the depletion of this material and for development of *sabai* grass in Uttar Pradesh and the Punjab. At the same time, the collection of waste paper, rags, etc., should be more efficiently organised so that these subsidiary raw materials would also become available to an increasing extent.

"The State Governments, under the guidance of the Central Board of Forestry, should evolve a uniform policy for the leasing of bamboo and other timber forests and grasslands with the object of aiding the development of the paper industry."

Supply of Electricity

Although there has been marked improvement in the transport situation, the mills located in certain parts of the country are known to be experiencing considerable difficulty in obtaining supplies of coal. This is specially the case with the mills in the south. With a view to minimising the hardship, suggestions have been made in the past for the supply of electric power to the mills wherever it is possible. Commenting on this problem, the Planning Commission says that electric power is being utilised at present by the paper mills in the States of Mysore, Travancore-Cochin and Bombay only, and, therefore the possibility of extending the use of electric power in other areas should be explored. In the mills using hydel power, coal consumption is comparatively lower, and costs, therefore, too would be lower.

The paper industry also needs, besides bamboo and *sabai* grass, etc., other raw materials such as chemicals. These include lime, caustic soda, soda ash, chlorine, sulphur, sodium sulphate, resin and clay. While most of the factories obtain their requirements from manufacturers, there are some who produce their own requirements of chemicals. Besides, substantial quantities of soda ash and caustic soda are sometimes obtained from abroad. The main obstacle in the way of procuring some of these is the high cost of the materials and sometimes transport difficulties. These problems too need the attention of the Government and industries concerned, if only to lower the cost of production of paper.

Cost of Production

The cost of production of paper can be reduced by the industry if it adjusts its production programme in such a way as to meet the requirements of some of the principal industrial consumers. For instance, industries engaged in the manufacture of matches, cigarettes, packing materials, abrasives, etc. need large quantities of special kinds of paper. The requirements of these industries can be met by specialisation and introduction of modern techniques of production. Apart from this, the cost of production can be reduced, according to the Commission, in two ways, namely, (*a*) by economy in the consumption of fuel and different raw materials; and (*b*) improvement in the quality of the different varieties of paper, particularly wrapping paper and kraft paper. It is to be hoped that the industry will pay heed to this advice of the Commission.

Given the co-operation of the State Governments, the paper industry in India can be expected to discharge the important role allotted to it in the economic and social programmes envisaged in the Plan. The production of paper and paper board is to be stepped up, according to the planners, from 114,000 tons in 1950-51 to 200,000 tons in 1955-56, and that of strawboard and other fibre boards from 20,000 tons to 52,600 tons in the same period. In the case of the former, the target is considered to be adequate to meet the anticipated domestic requirements. The Commission, therefore, feels that there may not be any need to establish any further new units in the period of the Plan. There is, however, likely to be a gap of about 17,400 tons between production (77,000 tons) and estimated requirements (77,600 tons) of strawboard and other fibre boards, even after the implementation of the expansion programme. The Planning Commission suggests that it should be possible to bridge this gap if some of the sugar factories, instead of consuming bagasse as fuel, utilise other fuels such as wood or charcoal, and release bagasse for the manufacture of boards. The practicability of this suggestion is in great doubt for a number of reasons, the most important of them being the cost of alternative fuels and their ready availability.

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VALUE OF STANDARDISATION TO TRADE

Certain implications of the Indian Standards Institute (Certification Marks) Act, 1952, were explained by the Commerce and Industry Minister, Mr. T. T. Krishnamachari, in the course of his address at the annual meeting of the General Council of the Indian Standard Institution held at New Delhi on the 27th ultimo. He said that this Act, passed in February last year, was a definite measure in the direction of implementing Indian standards. He pointed out that the Act did not envisage a compulsory enforcement of the I.S.I. Standards. It would be much better, he said, if the standards, as a rule, were to be adopted voluntarily, and on account of their own intrinsic merits than on account of any legal compulsion. The standards to be enforced by law should only be those where the sub-standard product was, in some way, dangerous.

Commenting on the choice of items in which standardisation was to be attempted, Mr. Krishnamachari felt that the choice should always be governed by practical consideration. The item must be one where the existing standard would give to the consumer a ready yardstick to apply in measuring the worth of a particular product. In this context, the Minister said that, during a recent review of the plywood and plywood tea chest industry, a number of Indian and foreign experts had expressed the view that Indian specifications for plywood and plywood tea chests were of a very high standard and might be considered the best in the world. He then referred to lac and mica and stated that the need for an international standard for these two commodities had been felt for a long time. But he doubted whether the immediate application of standard certification marks to these products would help the position of lac and mica in the world markets as the question had to be considered in all its various aspects.

The Commerce Minister dwelt on the important role which standardisation played in the external and internal trade of the country. "Progress of trade rests," he said, "on the quality and cheapness of the goods a country produces and sells in competition with the world outside, and it is gratifying to note that there has been growing realisation amongst our trade and industry of the need to strive for greater efficiency in our industrial and agricultural production. The I.S.I. has been able to make, to some extent, valuable contribution in this respect."

The Minister gave figures to indicate the progress of the I.S.I. In 1952, the number of subscribers

(*Continued on page 617*)



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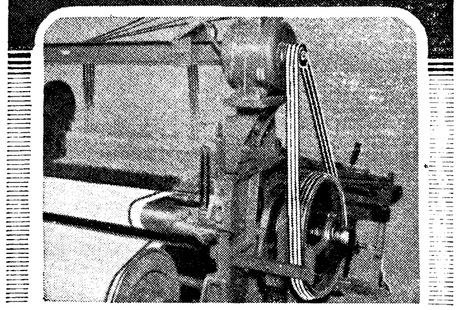

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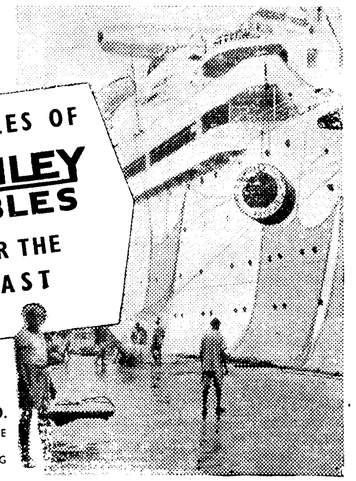

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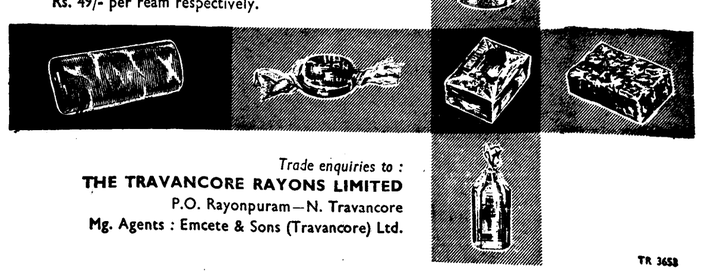

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THE AIRWAYS CORPORATION BILL

SOME OF THE PROVISIONS EXAMINED

(By "RUDDERBAR")

THE long-awaited Airways Corporation Bill has at last been introduced in the House of the People and speculation as to its contents is laid to rest. The Bill, in fact, tells us little that was not already known. Compensation to private enterprise takes the form of acquisition of their physical assets only, and that on terms which cannot, by any stretch of the imagination, be considered generous. No compensation whatsoever is to be made for "goodwill" other than a very small sum of Rs. 10,000 payable to each company for "intangible assets"; the giving of it, however, is so hedged about with stipulations, provisos and conditions that it is very doubtful whether any company will, in fact, receive such payment.

It is difficult to understand why there has, so far, been so little attempt on the part of the air companies to obtain better terms. Their physical assets, for example, would have fetched, in the world market, at least four times as much as Government propose to pay, and in certain cases as, for example, "Skymaster" aircraft, the difference would be considerably greater. It is true that, owing to the ban on export of aircraft, the air companies are not able to avail themselves of world market prices, but surely such world values should have been taken into account?

So far as compensation for intangibles is concerned, there is an even stronger case. It cannot be denied that, in any industry, capital development losses are normal in the early stages. The air transport industry has incurred just such "development losses" in building up, over the past six years, a comprehensive network of air transport services. Starting almost from nothing, the domestic scheduled air services to-day carry over 5 lakh passengers and half lakh tons of freight per year. Given time and reasonably good fortune, the majority of operators would have made a success of their undertakings, particularly if the Government had taken a less Shylockian view of their customs dues on aviation spirit.

The rock on which the air transport industry has been wrecked is their inability to put in the reserve sufficient funds to renew their fleets. Such renewal was probably unnecessary for some six to eight years, at least so far as our domestic routes are concerned, but the day of reckoning was bound to come. It was this joint in their armour that enabled Government to press home their nationalisation scheme. There is, nevertheless, a very reasonable case for compensation in respect of development losses, as the Government Corporations will inherit, not only the traffic built up over a period of six years, but skilled personnel in every category, the majority of whom have been trained at the expense of the existing companies.

An Unusual Feature

Leaving the question of compensation, which in any event is now probably a dead issue, the point of most interest in the Bill is the manner in which the new Corporations will be constituted. It is laid down that the Boards of each Corporation will consist of a Chairman and five to nine members, all appointed by the Central Government. Furthermore, the General Manager of each Corporation is also to be "approved" by the Central Government, although appointed by the Board. This is an unusual feature and might lead to some disharmony.

It is, of course, natural that the Central Government should take powers to give directions to the Corporations. The relevant clause in the Bill reads as follows:

"The Central Government may give to either of the Corporations directions as to the exercise and performance by the Corporation of its functions, and the Corporation shall be bound to give effect to any such directions."

It is essential, however, that these powers are used sparingly and are not delegated to comparatively minor officials, as otherwise the Directorate of Civil Aviation may obtain quite undue authority over the affairs of the Corporations.

The Bill also sets up an air council, consisting of a Chairman and not more than eleven members, all appointed by the Central Government. Thus, the Air Council will advise the Government on matters relating to the fares charged, the facilities provided and the efficiency or adequacy of services run by the Corporations. It will be appreciated that the air transport industry in our country is, comparatively speaking, very small. To impose this edifice on top of the two Corporations, and when there is already a Directorate of Civil Aviation far too large and costly to be justified by the scope of air transport operations and civil aviation generally, is surely to balance the pyramid on its apex. Quite apart from the fact that the whole structure will be top-heavy, a quite unnecessary degree of interference in the affairs of the Corporations is invited which may seriously affect smooth working and which, in any event, robs them of any genuine autonomy.

Employment Policy

It is relevant, in this connection, to note that, even before the Corporations are actually brought into being, they have been saddled with a directive of the Central Government to employ all those presently employed in the existing companies, and on the same terms and conditions of service as heretofore. The clause of the Bill which relates to this particular directive does, it is true, leave a loophole, in that the Corporations "shall continue to employ him (the employees of existing companies), unless and until his employment in the Corporation is terminated or until his remuneration, terms or conditions are duly altered by the Corporation."

It is difficult to understand what really is intended by the Government in respect of former employees. Is the Government sincere in directing the Corporations to absorb all the former employees or is this merely a political side-step to stifle criticism of the Bill on grounds of unemployment to which it might lead? It is obvious that, were the former employees merely to be absorbed for a brief period into the Corporations after the vesting date and subsequently retrenched, as surplus to requirements, the Government will certainly be guilty of leading these men "up the garden path." If, however, the Government is sincere in introducing this particular directive, then, as previously stated, the Corporations' autonomy, in respect of labour policy at least, will have been seriously infringed.

One thing is certain. The Corporations will have, one way or another, considerable labour difficulties to contend with at their very inception. If not retrenchment, then clearly a fairly substantial reduction of salaries to keep the wage and salary bills within economic limits.

Provident Funds

Whilst on the subject of personnel, the clause in the Bill which requires that "provident funds" of former companies shall be transferred to the Corporations is going to lead to considerable discontent. Provident fund rules usually preclude an employee, discharged for an offence, from receiving the company's contribution to his fund. Let us suppose that two pilots, A and B, are transferred to the Corporation from different companies. Pilot A has served with a company which has a provident fund and Pilot B with a company which did not run such a fund. Both pilots commit an offence and are discharged from the Corporation. The Corporation decides to withhold the Corporation's contribution to their funds. Pilot A, who accumulated some Rs. 20,000 in his fund before transfer, may thus lose Rs. 10,000 on discharge. Pilot B loses a few hundreds only, that is to say, the Corporation's contribution to his provident fund. This is clearly unfair, and there should certainly be an undertaking by the Corporation to pay in full to an employee discharged for any reason whatsoever, the full provident fund transferred from the employee's previous company.

One final word on personnel matters. The Bill lays down that any officer or other employee, who does not wish to join the new Corporations, must give one month's notice in writing prior to the vesting date. This is to ignore facts. How is any officer or employee to know, prior to joining the Corporation, what appointment he will receive, in what location and on what terms and conditions? It would be more fair to permit any officer or employee, whose terms and conditions of service are altered by the Corporations, to leave the Corporation without loss of any privileges, should the new terms and conditions be unacceptable.

Non-Scheduled Operators

It is curious that, in an otherwise carefully drafted Bill, there is no specific mention made regarding the existing non-scheduled operators. Clause 18 of the Bill, which by its heading, purports to lay down the reservation of "scheduled air transport" to the Corporations, deals, in fact, mainly with various kinds of "aerial work" which may be permitted, notwithstanding the Corporations' monopoly of "scheduled air transport." Instances of permissible aerial work are flying instruction, ambulance flying, relief flying during a national calamity, crop dusting, locust extermination and joy-riding, with the proviso, in the latter instance, that take off and landing must be on the same aerodrome.

No mention whatever is made of any exemption in the case of non-scheduled operators presently engaged in the business. These companies own and operate 10 to 15 aircraft to-day and are mainly engaged in the carriage of freight from Calcutta to points in West Bengal and Assam.

The point to be determined is whether this is a deliberate lacuna in the Bill or merely bad drafting. If the former, then it would appear that the existing non-scheduled operators are to be permitted to continue on sufferance, until such time as the Corporations challenge their activities or the Central Government decides that their future existence is not necessary.

It would do no good to the non-scheduled operators to continue with such a "sword of Damocles" suspended over their heads. Sub-clause 2 of clause 18 states as follows:—"Any person who

(Continued on page 631)

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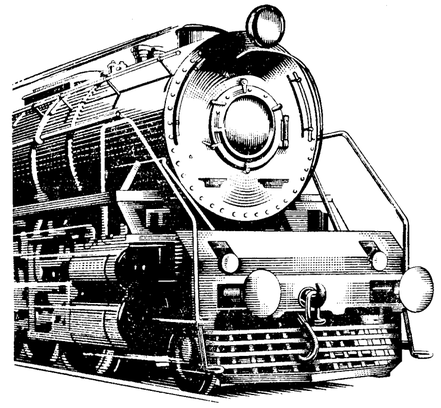

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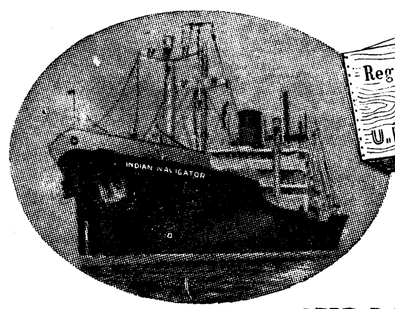

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PRECIPITOUS FALL IN EARNINGS OF KOHINOOR MILLS

FINANCIAL POSITION SATISFACTORY

THE Indian cotton textiles industry, like its confrere in other countries, has seen many vicissitudes in its long history and, during the post-war years in particular, its fortunes have fluctuated rather widely. The year 1952 was one of the years in which its fortunes stood at a low ebb. The profit of the mills for that year turned out to be one of the lowest for some years, even though production was at its peak. The experience of the Kohinoor Mills Co., Ltd, (Agents: Messrs. Killick Industries Ltd., Bombay), during the year ended 31st December, 1952, was no exception to this trend. Its gross profit for that year has fallen from Rs. 93.02 lakhs for 1951 to Rs. 23.22 lakhs, that is, by 75 per cent. Not since the year 1940 has the Company seen such a low profit. In 1940, it may be recalled, the Company earned a gross profit of Rs. 12.30 lakhs. But even the gross profit of Rs. 23.22 lakhs should be regarded as satisfactory, considering the heavy fall in the price of cotton and the unremunerative prices of cloth.

The marked fall in profit has not seriously affected the return to the shareholders. Last year, the Company's Directors had split up, with commendable foresight, the large distribution of 25 per cent. (as against 18 per cent. paid for 1950) into a dividend of 18 per cent. and a cash bonus of 7 per cent. This action clearly meant that the shareholders should not expect a return of 25 per cent. in the following year also. The Directors must have known, even while deciding the return for 1951, that the trading conditions during 1952 would not be so favourable as they were in 1951. Their decision to maintain the dividend to shareholders at no more than 18 per cent. cannot, therefore, be a matter for disappointment. On the contrary, it is a matter for pleasant surprise, for, on the basis of the trend of textile trade in 1952, many were wondering whether the Company would be able to pay even 18 per cent. That their doubts were not unjustified will be clear from the fact that the Directors have had to draw heavily on the E.P.T. post-war refunds amounting to Rs. 18.33 lakhs (net) for paying this dividend. In other words, the dividend of 18 per cent. for 1952 has not come out of the profit for that year, but from that part of the previous years' earnings conserved for future use.

The following comparative table shows, at a glance, the progress made by the Company since 1949:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Sale proceeds (net) ..	725.27	814.38	524.63	558.44
Miscellaneous receipts ..	1.59	1.46	3.14	0.80
Expenses	703.64	722.82	468.16	496.55
Gross profit	23.22	93.02	59.89	71.33
Agents' remuneration ..	5.42	9.39	6.05	6.91
Depreciation	14.38	18.22	20.14	16.70
Taxation	3.00	28.00	15.00	18.00
Net profit	0.42	37.41	18.70	29.71
E.P.T. post-war refund (less tax)	18.33	..	..	..
Reserves	1.00	12.00	4.50	14.00
Dividend	18.00	25.00	18.00	15.62
	(18%)	(25%)†	(18%)	(15½%)*
Carry forward	2.23	2.48	0.53	0.28

* Excluding 11½ per cent. deferred dividend paid out of the profit for 1948.
† Includes bonus of 7 per cent.

The sale proceeds for the year under review have declined by Rs. 89.11 lakhs from those for the previous year. As against this, expenses have gone down by only Rs. 19.18 lakhs. This will show to what extent the cost remained at a high level. It will also show that the gradual relaxation of controls begun in April, 1952, did not go a long way towards improving the profitability of cloth manufacture. The gross profit has almost been wiped out by the provisions made for Agents' remuneration, depreciation and taxation. Fortunately, the Company received during the year a sum of Rs. 30.47 lakhs, being the balance of E.P.T. post-war refund. Out of this amount, a sum of Rs. 12.15 lakhs had to be repaid to the Government by way of tax on the refund. This left a balance of Rs. 18.33 lakhs which has been added to the profit available for distribution. It will thus be noted that the dividend for the year was not earned during the year.

The Directors' observations in their report to the shareholders on the trading conditions during 1952 bear reproduction here to enable our readers to gauge the results of the Company in their correct perspective:

"Price control on Indian cotton was maintained throughout the year, but was relaxed on certain varieties of cloth, yarn and sewing thread. Distribution control was also relaxed to the extent that mills were permitted to sell to dealers of their own choice, or to export 80 per cent. of cloth and 50 per cent. of yarn manufactured from Indian cotton and 100 per cent. of cloth and yarn manufactured from foreign cotton. All foreign cotton markets experienced a serious slump, and Egyptian and Sudan cottons were marked down to half the value they commanded at the beginning of the year. As a result, prices of textiles also declined sharply."

The setback in the results for 1952 has not seriously affected the Company's financial position, as indicated by the balance-sheet as at the end of the year, which continues to be sound. The reserves and surplus stand at Rs. 151.23 lakhs, as compared with the paid-up capital of Rs. 100 lakhs. The gross block of Rs. 290.52 lakhs has been written down to Rs. 82.71 lakhs, the depreciation provided so far amounting to Rs. 207.81 lakhs. Current assets amounting to Rs. 298.29 lakhs exceed the current liabilities (Rs. 129.78 lakhs) by as wide a margin of Rs. 168.51 lakhs. Among the current liabilities, loans from banks secured by stocks and stores show a sharp rise from Rs. 16.61 lakhs to Rs. 64.43 lakhs. Of the current assets, stock-in-trade shows an increase from Rs. 184.36 lakhs to Rs. 201.08 lakhs.

The Company has been spending large amounts on the expansion and modernisation of its mills. During the year, it has spent no less than Rs. 9.57 lakhs on buildings, plant and machinery, the exact amount spent on buildings alone being only Rs. 74,651. The total amount spent on fixed assets during the past seven years is as large as Rs. 141.06 lakhs. As a result of this heavy capital expenditure, the Company's mills are now one of the most up-to-date ones in India, capable of meeting the challenge of a buyers' market in yarn and piecegoods with confidence and success.

The Rs. 100 paid-up ordinary shares of the Company are currently being quoted at Rs. 308, the yield on which, on the basis of the dividend for 1952, works out to 5.8 per cent. per annum, free of income-tax.

(Concluded from next column)

reserve and maintain the dividend at 15 per cent. paid for 1950. But there were no such additional incomes in the year under review to supplement the net profit, which was inadequate to pay even the reduced dividend of 12½ per cent. The Directors have thought it appropriate to utilise a part of the reserve, created in 1950, against a fall in values of stocks and stores, for making good the loss occasioned by the fall in cotton prices in 1952. Accordingly, a sum of Rs. 10 lakhs was drawn from the stock and stores reserve and a dividend of 12½ per cent. was declared.

According to the Corporation's latest balance-sheet the paid-up capital remains unchanged at Rs. 406 lakhs. The reserves and surplus amount to Rs. 96.99 lakhs, as compared with Rs. 109.14 lakhs at the end of 1951, the decline being accounted for by the sum of Rs. 10 lakhs drawn from the stock and stores reserve and the sizable fall in the undistributed surplus. Current liabilities, including provision for taxation, amount to Rs. 301.14 lakhs, which are Rs. 149.83 lakhs less than those at the end of the previous year. The reduction in the liabilities has been brought about mainly by the repayment of the loan taken from the Corporation's bankers to the extent of Rs. 94.06 lakhs and the unsecured loans, amounting to Rs. 27.05 lakhs, taken from a subsidiary company. Last year, the Corporation had to borrow large sums of money to finance the replacement of stocks at inflated prices. "The demand for finance for this purpose," the Directors' report for 1952 says, "was less at the end of 1952 than at the beginning of that year, inasmuch as, owing to the uncertainty prevailing, raw materials were not replaced during the year to the full extent utilised." The provision for taxation is also less by Rs. 19.27 lakhs at Rs. 43.97 lakhs, which sum the Directors consider adequate for meeting the Corporation's possible liability to taxation. The gross block of the value of Rs. 238.42 lakhs has been written down to Rs. 47.78 lakhs. A sum of Rs. 14.85 lakhs has been spent on additional buildings and machinery during the year. Current assets amount to Rs. 756.35 lakhs (as against Rs. 926.65 lakhs last year) which are more than 2.5 times the current liabilities. The current assets include stock-in-trade at Rs. 299.48 lakhs, stores and spares at Rs. 101.11 lakhs, investments at Rs. 226.22 lakhs, debts and advances at Rs. 105.34 lakhs and cash balances at Rs. 24.20 lakhs.

The Rs. 5 paid-up ordinary shares are now being quoted at Rs. 9-5, at which rate the dividend for 1952 gives a yield of 6.7 per cent. per annum, free of income-tax.

B.I.C. HAS ANOTHER UNFAVOURABLE YEAR

DIVIDEND LOWERED

FOR the second year in succession, the British India Corporation Ltd. (Chairman and Managing Director: Sir Robert Menzies, Kanpur) has had to experience unfavourable trading conditions, the year referred to here being 1952. The Company's earnings for 1952 have suffered a set-back, mainly due to the sharp fall in prices of cotton which had to be bought at very high prices under Government control, and the decline in the output of leather and footwear. The gross profit, which had fallen last year from Rs. 185.76 lakhs for 1950 to Rs. 123.45 lakhs, has declined further to Rs. 71.46 lakhs, the lowest since 1940. As a result of this decline in profit, the dividend to shareholders has been reduced from As. 12 per share of Rs. 5 to As. 10. Even to pay this dividend, the Directors have found it necessary to withdraw Rs. 10 lakhs from the reserves.

Describing the trading conditions under which the Corporation had to work during the year under review, the Directors, in their report to the shareholders, observe as follows:

"In the last Directors' report, the hope was expressed that the price of wool had then become more stabilised, and that easier manufacturing and trading conditions in the year 1952 would result. The Directors are pleased to report that their hopes in this regard were eventually realised; the price of wool remaining much more stabilised after the first few months of 1952 than had been the case in 1951, and, accordingly, manufacturing and trading conditions were, on the whole, easier. Raw material prices, however, still remain very much above their pre-war level, with the result that the public is unable to purchase, to the same extent as formerly, certain popular items of woollen and worsted manufacture. The Corporation's cotton branch experienced a most unfortunate year, as the result of the operation of continued control by Government. Early in 1952, the cotton branch, in common with other cotton manufacturing units in Uttar Pradesh, was given a clear indication by the Government of India that, if allocations of raw materials already made to it on a zonal basis were not taken up forthwith at the prices then ruling, it might not be possible for Government to make further allocations at a later date. The mills, accordingly, had little or no option but to buy their entire requirements of raw materials for 1952 without delay. Almost immediately after these purchases had been completed, the market price of raw cotton slumped materially, as a result of which the Government of India reduced, on an all-India basis, the controlled selling price of cotton cloth and yarn. Protests made on behalf of mills situated in Uttar Pradesh and elsewhere in Northern India, that such operation of Government control would involve them in considerable loss, produced no satisfactory answer and, as a result, material losses, completely divorced from real manufacturing or trading conditions, could hardly be avoided in this branch. The leather and footwear branches again experienced a shortage of suitable quality hides, and this affected their output, particularly for export purposes. Products of the leather branches, however, continued to be in good demand."

The following comparative table gives one an idea as to how far the foregoing experience of the Corporation has affected its financial results:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Sale proceeds	784.45	845.84	809.37	713.41
Stocks	299.48	424.36	171.75	216.91
Raw materials and manufacturing charges	352.63	750.06	505.68	561.21
Gross profit	71.46	123.45	185.76	101.60
Provision for—				
Depreciation	6.50	6.50	6.50	6.50
Taxation	30.00	55.00	80.00	51.25
Net profit	34.96	29.50*	99.26	43.85
Adjustment on account of revised valuation of stocks and stores ..	..	41.39	..	..
E.P.T. refund	..	22.50	..	..
Transfer for stock and stores reserve ..	10.00	..	..	30.00
To reserves	..	30.00	45.00	..
Dividend—				
8 per cent. preference.	6.48	6.48	6.48	6.48
Ordinary	40.62 (12½%)	48.75 (15%)	48.75 (15%)	36.56 (11¼%)
Carry forward	1.99	4.14	4.91	5.88

* After debiting a sum of Rs. 41.39 lakhs on account of adjustment arising from revised method of valuation of stocks and stores. This sum was, however, written back to the credit of the profit and loss appropriation account.

The decline in sale proceeds, closing stocks and manufacturing charges, reflects the fall in the Corporation's turnover. The increase of Rs. 14.40 lakhs in the net profit, indicated in the foregoing table, is due to the fact that the figure for 1951 has been arrived at after making the adjustment arising from a revision in the method of valuation of stocks effected in that year. The sum so debited was, however, written back to the credit of the profit and loss appropriation account. Besides this amount thus taken credit, the Corporation received last year a sum of Rs. 22.50 lakhs by way of E.P.T. refund, less tax, which enabled the Directors to set aside a sum of Rs. 30 lakhs to the rehabilitation

(Continued in previous column)

Points From The Chair

Capital—A Synonym for Resources and Hard Work

"CAPITAL is only a synonym for resources and hard work. The harder one works to develop production, the greater is the capital formed. In this context, monetary system and discipline play very important parts. With all the resources and hard work, we may not achieve our economic purpose and production, because of a wrong monetary approach. The monetary policy, therefore, should be such as will promote 'capital,' viz., hard work and economic development. Those who talk of lack of capital in India seem to be insufficiently aware how modern financial technique, coupled with financial discipline, can work wonders. India, in my opinion, does not suffer from want of capital. It suffers because there is absence of conditions which will impel men to work hard. We must create such conditions and social climate in which all in their own self-interest will work hard. But financial set-up being an integral part of productive machinery it is necessary to revise our ideas about finance, its structural organisation, and the mechanism and methods of its working. The business community can assist in the tasks of improving financial organisations, whereby deficiency of capital will not be insurmountable."

G. D. BIRLA,
United Commercial Bank Ltd.

An Anomaly in Return on Capital

"To provide for the much needed expansion of electricity supply in this country, very considerable capital outlay will be involved, for which the investing public has every right to demand a satisfactory assurance that it will get a reasonable return on its money. Unfortunately, what the investing public understands by a reasonable return under the present circumstances, is by no means the same as the reasonable return as defined in the Electricity (Supply) Act, 1948. The Federation has been urging that a return of 5 per cent. on the capital invested is, under the present-day conditions, no longer reasonable, and has been pressing for a revision to at least 6 per cent. So long as the return is pegged at its present, I maintain, unreasonable level, there are many other fields for investment that are more profitable and at the same time provide reasonable security. It is surely anomalous that our industry should be pegged to an overall return of 5 per cent. when, for instance, even fully secured loans from the Central Government's own Industrial Finance Corporation call for gross interest at 6 per cent."

K. G. MILNE,
Ahmedabad Electricity Co., Ltd.

Natural Rubber Growers' Anxiety

"The transfer of the synthetic plants to private ownership should assist the natural rubber producers in fair competition in the open market, freed from what is now virtually an industry subsidised by Government. Synthetic rubber would then have to be produced and sold on a commercial basis. It is understood that talks at a high level are now proceeding with the United States on the rubber question and it is to be hoped, if rumour is correct, that the present unsatisfactory state of affairs for growers may improve and the price of rubber be placed on an economic oasis. Naturally, the co-operation of the United States is essential."

SIR LIONEL SMITH-GORDON,
Broome Rubber Plantations, Ltd.

Cost of Production of Tea Must be Adjusted

"The tea industry was the subject of much public discussion, and it seems that the difficulties of the producers now have more chance of general recognition. The losses incurred in 1951 and 1952 caused some of the less prosperous gardens to close and, though prospects now seem rather better, it seems clear that the industry must be permitted to adjust its costs of production to changes in prices and demand even though the adjustment may involve a decrease in the labour force and some diminution in wages and amenities."

SIR EVAN M. JENKINS,
Eastern Bank Ltd.

Bane of Economic Existence

"The bane of our economic existence to-day is 'autarchy,' a policy bred by fear out of nationalism. When, for instance, rice can be grown at less than half the cost of buying it in world markets it is surely plain commonsense to put capital into agriculture rather than into industries, the products of which have to be subsidised. That may be an over-simplification, it is, nevertheless, basically true."

J. K. MICHIE,
National Bank of India, Ltd.

Notices

KANKNARRAH COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Fortieth Ordinary General Meeting of Shareholders will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, at 12 noon on Friday, 24th April, 1953, for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 31st December, 1952, and the Balance Sheet as at that date.

(2) To declare Dividends.

(3) To elect a Director.

The Share Transfer Books of the Company will be closed from 10th April to 24th April, 1953, both days inclusive.

By Order of the Board,
JARDINE HENDERSON, LTD.,
D. FORDWOOD,
Secretary,
Managing Agents.

4, CLIVE ROW,
CALCUTTA-1, *27th March*, 1953.

Note.—Payment of any dividend declared will be made only to those members whose names are registered in the Books of the Company on the 24th day of April, 1953, or to their Mandatees. No applications for Warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

KAMARHATTY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Fiftieth Ordinary General Meeting of Shareholders will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, at 12-5 p.m. on Friday, 24th April, 1953, for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 31st December, 1952, and the Balance Sheet as at that date.

(2) To declare Dividends.

(3) To elect a Director.

The Share Transfer Books of the Company will be closed from 10th April to 24th April, 1953, both days inclusive.

By Order of the Board,
JARDINE HENDERSON, LTD.,
D. FORDWOOD,
Secretary,
Managing Agents.

4, CLIVE ROW,
CALCUTTA-1, *27th March*, 1953.

Note.—Payment of any dividend declared will be made only to those members whose names are registered in the Books of the Company on the 24th day of April, 1953, or to their Mandatees. No applications for Warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

THE PEERMADE TEA COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifteenth Annual General Meeting of the Shareholders will be held at the Registered Office of the Company, Alleppey, at 11 a.m on Thursday the 23rd April, 1953, for the following purposes:—

1. To receive and consider the Report of the Directors, Accounts and Balance Sheet for the year ended 31st December, 1952.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors.
5. To transact any other competent business which may be brought before the meeting.

The Transfer Books of the Company will be closed from 8th April, 1953, to 26th April, 1953, both days inclusive.

By Order of the Board,
THE PEERMADE TEA CO., LTD.,
Per Pro ASPINWALL & Co.
(TRAVANCORE) LTD.,
Secretaries.

ALLEPPEY, *25th March*, 1953.

UNITED BANK OF INDIA LIMITED

Registered Office:
UNITED BANK BUILDINGS
4, CLIVE GHAT STREET, CALCUTTA

NOTICE

NOTICE IS HEREBY GIVEN THAT THE next Ordinary General Meeting of the Shareholders of UNITED BANK OF INDIA LIMITED will be held at the Registered Office of the Bank at the UNITED BANK BUILDINGS, 4, Clive Ghat Street, Calcutta, on Sunday, the 26th April, 1953, at 10 a.m. to transact the following business:—

1. To receive the Directors' Report and Audited Accounts for the year ended 31st December, 1952.
2. To declare a Dividend.
3. To elect Directors in place of those retiring by rotation.
4. To appoint Auditors and fix their remuneration.

By Order of the Board,
A. K. ROY,
Secretary.

CALCUTTA, *20th March*, 1953.

N.B.—The Share Transfer Books of the Bank will remain closed from Monday the 13th April to Sunday the 26th April, 1953, both days inclusive.

The Dividend, when sanctioned, will be payable on and after the 4th May, 1953, to those Shareholders whose names stand on the Register on the 26th April, 1953.

Dividend Warrants will be posted to Shareholders in India at their registered address or in accordance with their mandates. Payment of Dividend to Shareholders domiciled or permanently resident in Pakistan will be arranged in Pakistan Currency at the official exchange rate on receipt of necessary application.

Early intimation should be given to the Bank of any change of address.

COMMERCE AND INDUSTRIES

(Concluded from page 612)

rose from 715 to 819. Revenue from subscriptions in 1952 at Rs. 2.19 lakhs was twice as much as that in 1951. The number of active committees and councils stood at 370, with a membership of 3,750 experts from various industries. The number of standards prepared aggregated 468. Of this, as many as 351 had already been published, 35 were in the press and 82 just finalised. The implementation of Indian Standards was, he said, a fairly formidable task. However, he felt that the achievements so far made were fairly satisfactory, although there remained a great deal more to be done. The purchasing departments of the Government of India had adopted in all 198 standards. State Governments too were pursuing the implementation of Indian standards. The progress made by them, according to the Minister, was not unsatisfactory, though not up to the expectations of the Central Government.

SOME CHANGES IN TRADE CONTROLS

The Government of India has announced certain changes in controls on exports and imports from and to India. One of these relates to the exports of *vanaspati* (vegetable oil products). Hitherto this item was under O.G.L., but now it has been removed from O.G.L. This action is a sequel to the hardship caused to the consumer of oils and oilseeds in the country, owing to a hectic rise in the prices of these commodities. Exports henceforward will be licensed freely on presentation of shipping bills up to an overall quota of 3,000 tons for 1953. The trade is advised to present shipping bills only when consignments are ready for shipment. Shipping bills will be endorsed valid only for a period of 15 days.

The Government has also decided to extend the free licensing of export of wool waste for shipment upto 30th September, 1953. On 8th November last, the Government had announced its decision to license freely for shipment upto 31st March, 1953, exports of this raw material. This concession which expired last Tuesday has, as a result of the above decision, been extended by a further six months.

Similarly, the Government has allowed exports of all varieties of cloth valid for shipment till the end of September this year. Such permission, according to a previous decision taken early in January, was valid only upto June, 1953.

With regard to imports, the Government has decided to issue licences for the import of spare parts of prime movers, required for complete power-driven agricultural machinery, power-driven pumps, and generating sets on the basis of five per cent. of half of last year's imports of the complete machinery in question. The licences issued will, however, not be valid to cover import of the prohibited types of spares and also such spares as have been separately shown under the import trade control schedule such as piston-rings and ball-bearings.

SHIVRAJPUR SYNDICATE REPORTS BUMPER RESULTS

CUT IN DIVIDENDS OF SOME ANDREW YULE JUTE COMPANIES

Shivrajpur Syndicate, Ltd.

THE directors of the above Company (Managing Agents: Messrs. Killick Industries Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th November, 1952.

Steady progress in mining and development work was maintained during the year and as a result, the output from Shivrajpur and Bamankua group of mines amounted to 81,232 tons as against 82,830 tons in 1950-51. The small drop in output is due to the considerable development and exploratory work that was undertaken, which should lead to increased outputs in future years. Consequent on continued improvement in the supply of wagons, shipments showed a substantial increase, being 1,22,310 tons as compared with 59,118 tons in the previous year. Forward contracts were entered into with regular buyers for delivery extending into the financial year 1953-54. Moreover, there had been a steady demand for the Company's ores, and the opportunity was taken to conclude further sales at favourable rates for forward delivery to 1953-54; thus bringing the total outstanding commitments to 1,92,000 tons at the close of the year.

The difficulties which had arisen during development operations in No. 2 shaft, have been overcome and tram drives as well as the drives on the ore body at the 200 ft. level towards the east and west proceeded satisfactorily; the total progress on the ore body upto the end of year being 835 ft. and 971 ft. respectively. The tonnage yielded from these operations was 4,968 tons as against 780 tons during 1950-51. The progressive increase in development in this sector is calculated to help meet future commitments, but with a view to stepping up production further, other areas adjacent to the existing leases are being explored including 960 acres over which a prospecting licence has recently been granted by Government. It has also been felt for sometime that the present generating plant at the Shivrajpur Mines is of insufficient capacity to cope with the demands which have arisen on account of increased mining operations, etc. The directors have, therefore, sanctioned a scheme for the conversion from direct to alternating current and the existing 230 Volts D/C plant will be replaced by 440 Volts A/C 3-phase, alternators. This plan involves a capital expenditure of nearly Rs. 1½ lakhs and every endeavour is being made to see that the scheme is completed within the shortest possible time.

During the year further conciliation proceedings took place with the Union and another settlement was reached on 24th April, 1952, when it was agreed to pay to all the employees an annual bonus equivalent to 1/5th of their basic wages for the year 1950-51.

Effective measures taken to intensify expansion and modernisation at the Mines, are expected to result in higher production and increased amenities to the workers. The prospects, therefore, for the ensuing year should prove satisfactory, but further demands by the Union can only result in increased costs which sooner or later will affect the competitive capacity of the Company in the international market.

As expected, the Company received during the year under review, a sum of Rs. 4-7-6 per share being the final instalment on the Syndicate's holding of 1,218 Shares. This brings the amount distributed to Rs. 12-7-6 per share, or a total of Rs. 15,187 on the Company's holdings.

A credit for the net amount of the E.P.T. post-war refund of Rs. 13,463 was given by the excess profits tax authorities during the year, after deducting tax amounting to Rs. 9,212 from the gross amount of Rs. 22,675. Income-tax assessments on the profits for the years ended 30th November, 1950 and 1951 are pending with the authorities, but it is hoped that they will be finalised in the very near future.

The increase granted in wages and dearness allowance to labour has resulted in the cost of production moving up, and it has again been necessary to value the ore stocks on hand at the close of the year at higher rates.

The trading profit for the year amounted to Rs. 34,24,742 (Rs. 10,25,156) after deducting depreciation of Rs. 1,50,855 (Rs. 88,249). To this has been added Rs. 22,675 (*nil*) being the gross amount of the post-war E.P.T. refund, Rs. 1,754 (Rs. 9,908) being profit on sale of assets and Rs. 3,444 (Rs. 800) being the balance brought forward from last year's accounts, which includes an adjustment of Rs. 17 in respect of over provision of dividend last year. After providing Rs. 12,66,500 (Rs. 3,75,796) for income-tax and super-tax writing off loss on realisation of investments amounting to Rs. 313 (*nil*), writing off the expenses incurred on the issue of new shares amounting to Rs. 124 (Rs. 8,779), setting aside Rs. 4,272 (Rs. 4,875) to workmen's compensation reserve, Rs. 5,42,809 (Rs. 3,53,110) to staff Welfare Reserve, Rs. 6,00,000 (*nil*) to mine development and prospecting reserve, Rs. 4,00,000 (Rs. 70,000) to General Reserve and Rs. 1,35,000 (Rs. 15,000) to equalisation of dividends reserve, the balance available for distribution is Rs. 5,03,597 (Rs. 2,17,407), which it is proposed to appropriate as follows:—

To payment of a dividend for the year ended 30th November, 1952, at the rate of Rs. 5 (Rs. 3-8) per share, free of income-tax (proportionately on new shares) Rs. 3,49,780 (Rs. 2,13,980), to payment of a bonus for the year ended 30th November, 1952 at the rate of Rs. 2 (*nil*) per share, free of income-tax (proportionately on new shares) Rs. 1,39,920 (*nil*), and balance to be carried forward Rs. 13,897 (Rs. 3,427).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,99,570	Block ...	11,67,521
Reserves ...	19,58,000	Work-in-Progress ...	1,97,987
Provision for taxation ...	15,44,540	Stock ...	9,96,190
Liabilities ...	31,66,934	Stores, tools, etc. ...	8,68,332
Profit and loss account ...	13,897	Debts, deposits and advances ...	33,75,038
		Investments ...	4,99,321
		Cash ...	2,78,552
Rs.	73,82,941	Rs.	73,82,941

Budge-Budge Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st October, 1952.

After providing Rs. 15,000 (Rs. 3,50,000) for taxation there is a balance of Rs. 2,91,098 (Rs. 6,39,808) at the credit of profit and loss account from which the directors recommend payment as follows:—

Dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share Rs. 31,500 (Rs. 31,500), and on ordinary shares at Rs. 6-8 (Rs. 12) per share Rs. 2,34,000 (Rs. 4,32,000), leaving Rs. 25,598 (Rs. 1,76,308) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association the mills worked 42½ hours per week with 12½ per cent. of the total looms sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	45,00,000	Block ...	37,48,599
Reserves ...	28,28,926	Stock ...	34,48,957
Provision for taxation ...	1,56,965	Stores ...	12,75,373
Liabilities ...	18,91,895	Debts, deposits and advances ...	8,22,301
Profit and loss account ...	25,598	Investments ...	75,794
		Cash ...	32,360
Rs.	94,03,384	Rs.	94,03,384

National Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st October, 1952.

After providing Rs. 3,60,000 (Rs. 7,50,000) for taxation there is a balance of Rs. 4,17,233 (Rs. 8,47,309) at the credit of profit and loss account from which the directors recommend payment as follows:—

Dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share Rs. 17,500 (Rs. 17,500) and on ordinary shares at Re. 1 (Re. 1-8) per share Rs. 3,50,000 (Rs. 5,25,000), leaving Rs. 49,733 (Rs. 3,04,809) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association, the mills worked 42½ hours per week with 12½ per cent. of the total looms sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Block ...	18,90,344
Reserves ...	41,83,437	Stock ...	21,94,595
Provision for taxation ...	2,23,063	Stores ...	9,81,901
Liabilities ...	11,46,508	Debts, deposits and advances ...	7,15,509
Profit and loss account ...	49,733	Investments ...	85,200
		Cash ...	37,35,192
Rs.	96,02,741	Rs.	96,02,741

Orient Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th November, 1952.

After transferring Rs. 1,75,000 (*nil*) to general reserve, there is a balance of Rs. 2,30,816 (Rs. 3,32,183) at the credit of profit and loss account from which the directors recommend payment of a dividend on ordinary shares at Rs. 6 (Rs. 12) per share absorbing Rs. 1,49,460 (Rs. 2,98,920) and leaving a balance of Rs. 81,356 (Rs. 33,263) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association, the mills worked 42½ hours per week with 12½ per cent. of the total looms sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,91,000	Block ...	22,47,171
Reserves ...	22,73,049	Stock ...	16,52,274
Provision for taxation ...	6,18,488	Stores ...	11,69,611
Liabilities ...	6,05,960	Debts, deposits and advances ...	6,84,626
Profit and loss account ...	81,356	Investments ...	53,201
		Cash ...	2,62,970
Rs.	60,69,853	Rs.	60,69,853

Caledonian Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th November, 1952.

After providing Rs. 25,000 (Rs. 3,20,000) for taxation there is a balance of Rs. 1,75,228 (Rs. 4,72,253) at the credit of profit and loss account from which the directors recommend payment as follows:—

Dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share Rs. 35,000 (Rs. 35,000), and on ordinary shares at Rs. 6 (Rs. 12) per share Rs. 108,000 (Rs. 2,16,000), leaving Rs. 32,228 (Rs. 2,21,253) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association, the mills worked 42½ hours per week with 12½ per cent. of the total looms sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	28,00,000	Block ...	38,11,423
Reserves ...	28,46,734	Stock ...	18,34,409
Provision for taxation ...	5,97,000	Stores ...	10,17,205
Liabilities ...	12,49,444	Debts, deposits and advances ...	8,05,571
Profit and loss account ...	32,228	Investments ...	45,688
		Cash ...	11,210
Rs.	75,25,406	Rs.	75,25,406

Vaikundam (Travancore) Rubber Co., Ltd.

The directors of the above Company (Agents and Secretaries: Messrs. Harrisons & Crosfield Ltd., Quilon) submit the audited accounts of the Company for the year ended 31st December, 1952.

	1952	1951
Crop (lbs.)	414,000	411,100
	Cts.	Cts.
Cost of production	50.55	48.10
Average price	122.53	119.28

During the year under review Rs. 5,665 (Rs. 6,940) was expended on the 25 acres immature rubber and Rs. 2,682 on the 5.20 acres new clearing. The estimates for 1953 provide for a crop of 4,00,000 lbs. (3,80,000 lbs.) to cost 53.56 cents (50.66 cents) per lb. Rs. 8,037 (Rs. 5,490) has been provided on capital account for the upkeep of the 30.20 (25) acres of immature rubber and Rs. 26,851 (Rs. 2,195) for the 1953 new clearing of 30 (2.25) acres.

After allowing for Travancore-Cochin agricultural income-tax, sales tax and depreciation, the net profit as shown in the accounts is Rs. 1,90,742 (Rs. 1,88,483) to which is added the balance brought forward from 1951, of Rs. 28,140 (Rs. 15,374) making a total of Rs. 2,18,882 (Rs. 2,03,856). Out of which the directors propose to pay a dividend of 20 (20) per cent. free of agricultural income-tax absorbing Rs. 1,25,716 (Rs. 1,25,716) and to transfer to general reserve Rs. 60,000 (Rs. 50,000) leaving to be carried forward the balance of Rs. 33,166 (Rs. 28,140).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,28,580	Block ...	6,96,538
Reserves ...	2,69,050	Stock ...	1,32,258
Liabilities ...	2,41,391	Stores ...	9,435
Profit and loss account ...	33,166	Debts, deposits and advances ...	9,392
		Cash ...	3,24,564
Rs.	11,72,187	Rs.	11,72,187

South Karanpura Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st August, 1952.

As much as 99,222 tons of coal were raised and 1,02,845 tons were despatched as compared with 1,00,069 tons raised and 97,451 tons despatched in the previous half-year. The directors report a further increase in the raisings figure in the new quarry.

Despatches from the colliery have exceeded raisings, but this cannot be regarded as satisfactory, if it is realised that through lack of transport facilities the colliery is working to some 60 per cent. of its potential.

Representations have been made to Government at the highest level, calling attention to the fact that here in part is a readymade solution to relieve the transport difficulties affecting other coalfields.

Shortages in money and materials are retarding the necessary development of the Karanpura area but that at long last, some improvement is anticipated. In spite of a small decrease in raising costs the directors would draw Government's attention to the unfair burden of subsidising food for colliery labour. Not only does the coal industry undertake the duty of acting as the Government's distribution agency—an onerous task—but in doing so, has been left with meeting the difference between purchasing prices and prices at which foodstuffs are issued to labour. It is estimated that this item alone has added more than Re. 1-2 per ton to raising costs since 1947.

A recent tendency is for Government to authorise the sale of State Collieries' coal to Government and Government-sponsored projects. While the Company in common with the industry cannot object to this procedure in principle, the directors cannot reconcile this action with the present state of coal overproduction in the country and the view often expressed of maintaining State collieries as strategic reserves against emergencies. Procurement of stores items from abroad continued to be difficult.

The profit and loss account after providing Rs. 27,701 (Rs. 25,140) for depreciation, Rs. 20,000 (*nil*) for current taxation, Rs. 14,000 (*nil*) for tax contingency reserve and including Rs. 28,050 (Rs. 47,846) brought forward from last half-year, shows an available balance of Rs. 81,493 (Rs. 88,440) which the directors propose to dispose of as follows:—

In paying a dividend at the rate of 7½ (7½) per cent. per annum without any deduction for income-tax paid by the Company Rs. 65,625 (Rs. 65,625), and in carrying forward Rs. 15,868 (Rs. 22,815).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	17,50,000	Block ...	20,89,139
Reserves ...	10,70,000	Capital expenditure in progress ...	79,591
Provision for taxation ...	54,652	Stock ...	87,531
Liabilities ...	7,17,122	Stores and spare plant	3,42,401
Profit and loss account ...	15,868	Debts, deposits and advances ...	9,94,951
		Cash ...	14,429
Rs.	36,07,842	Rs.	36,07,842

Agra Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September, 1952.

The schedule of units sold and revenue set out herein, indicates that satisfactory progress has been maintained.

Half-year Ended	*Units Sold*	*Revenue* Rs.
31st March, 1950 ...	7,404,163	11,61,728
30th September, 1950	9,213,686	10,87,741
31st March, 1951 ...	8,746,660	13,23,102
30th September, 1951	10,513,757	12,53,521
31st March, 1952	9,703,497	14,04,904
30th September, 1952	11,463,384	14,97,507

After complying with the provisions of the Electricity (Supply) Act, 1948, and making adequate provision for liabilities and setting aside Rs. 50,000 (Rs. 50,000) for development and extensions, there was a balance of Rs. 1,42,938 (Rs. 1,50,493), including Rs. 44,463 (Rs. 49,732) brought forward from the previous half year, available for distribution, and this the directors disposed of in payment of a dividend at the rate of 10 (10) per cent. per annum free of income-tax Rs. 99,920 (Rs. 99,920) and in carrying forward to next half-year Rs. 43,018 (Rs. 50,573).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,98,500	Block ...	37,72,992
Debentures ...	10,00,000	Stores, tools, etc. ...	9,08,173
Reserves ...	19,68,961	Other assets	44,240
Provision for taxation ...	2,71,488	Debts, deposits and advances ...	7,62,350
Liabilities ...	20,89,051	Investments ...	11,65,176
Profit and loss account ...	1,42,938	Cash ...	8,18,007
Rs.	74,70,938	Rs.	74,70,938

Jubbulpore Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1952.

The schedule of units sold and revenue set out herein, indicates that satisfactory progress has been maintained.

Half-year Ended	*Units Sold*	*Revenue* Rs.
31st March, 1950 ...	6,938,976	9,60,176
30th September, 1950	8,196,189	9,47,458
31st March, 1951 ...	7,934,113	11,45,828
30th September, 1951	8,649,661	10,24,776
31st March, 1952 ...	8,537,639	11,70,070
30th September, 1952	9,626,474	10,74,752

After complying with the provisions of the Electricity (Supply) Act, 1948, and making adequate provision for liabilities and setting aside Rs. 30,000 (Rs. 30,000) for development and extensions, there remains a balance of Rs. 1,22,308 (Rs. 1,16,196), including Rs. 30,826 (Rs. 34,965) brought forward from the previous half-year, available for distribution and this the directors recommend be disposed of in payment of a dividend at the rate of 8 (8) per cent. per annum free of income-tax absorbing Rs. 89,982 (Rs. 89,982), and carrying forward to next half-year Rs. 32,326 (Rs. 26,214).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	22,49,700	Block ...	38,85,306
Reserves ...	13,47,440	Stores, tools, etc. ...	7,03,569
Provision for taxation ...	2,38,690	Other assets	281
Liabilities ...	14,03,018	Debts, deposits and advances ...	3,72,752
Profit and loss account	1,22,308	Investments	55,986
		Cash ...	3,43,262
Rs.	53,61,156	Rs.	53,61,156

N.B.—Figures within brackets relate to the corresponding period of the previous year.

COMPANY MEETINGS AND DIVIDENDS

TUNGABHADRA INDUSTRIES LTD. Annual General Meeting, Calcutta, 6th April, 1953. Dividend: *Nil*. Transfer books closed from 25th March to 6th April, 1953, both days inclusive.

HOWRAH-AMTA LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 6th April, 1953. Dividend: Rs. 3 per share, less income-tax. Transfer books closed from 28th March to 6th April, 1953, both days inclusive.

SHAHDARA (DELHI) SAHARANPUR LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 6th April, 1953. Dividend: Rs. 3 per share, less income-tax. Transfer books closed from 28th March to 6th April, 1953, both days inclusive.

ARRAH-SASARAM LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 6th April, 1953. Dividend: Rs. 3 per share, less income-tax. Transfer books closed from 28th March to 6th April, 1953, both days inclusive.

CHAPARMUKH-SILGHAT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 6th April, 1953. Dividend: Re. 1-4-7.8 per share. Transfer books closed from 28th March to 6th April, 1953, both days inclusive.

HOWRAH-SHEAKHALLA LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 6th April, 1953. Dividend: Rs. 3 per share, less income-tax. Transfer books closed from 28th March to 6th April, 1953, both days inclusive.

FUTWAH-ISLAMPUR LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 6th April, 1953. Dividend: Re. 0-15-7.5 per share. Transfer books closed from 28th March to 6th April, 1953, both days inclusive.

SHIVRAJPUR SYNDICATE LTD. Annual General Meeting, Bombay, 9th April, 1953. Dividend: Rs. 7 per share (including bonus). Transfer books closed from 20th March to 9th April, 1953, both days inclusive.

SRI RAMALINGA CHOODAMBIKAI MILLS LTD. Annual General Meeting, Tirupur, 9th April, 1953. Transfer books closed from 27th March to 9th April, 1953, both days inclusive.

ORIENT JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 10th April, 1953. Dividend: Rs. 6 per share. Transfer books closed from 28th March to 10th April, 1953, both days inclusive.

CALEDONIAN JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 10th April, 1953. Dividend: Rs. 6 per share. Transfer books closed from 28th March to 10th April, 1953, both days inclusive.

CENTURY SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 11th April, 1953. Dividend: Rs. 20 per share (including interim dividend of Rs. 8 per share). Transfer books closed from 26th March to 11th April, 1953, both days inclusive.

RAYALSEEMA MILLS LTD. Annual General Meeting, Rayanagar, Adoni-Thungabhadra Road, Adoni P.O., 12th April, 1953. Dividend: Rs. 6 per share. Transfer books close from 6th to 20th April, 1953, both days inclusive.

KOHINOOR MILLS CO., LTD. Annual General Meeting, Bombay, 14th April, 1952. Dividend: Rs. 18 per share. Transfer books closed from 25th March to 14th April, 1953, both days inclusive.

SHREE MAHAKALI COAL MINES LTD. Half-yearly General Meeting, Calcutta, 15th April, 1953. Transfer books closed from 1st to 15th April, 1953, both days inclusive.

BROACH ELECTRIC SUPPLY AND DEVELOPMENT CORPORATION LTD. Annual General Meeting, Bombay, 16th April, 1953. Transfer books closed from 26th March to 16th April, 1953, both days inclusive.

RAVALGON SUGAR FARM LTD. Annual General Meeting, Bombay, 16th April, 1953. Dividend: Rs. 9 per ordinary share, tax-free, and As. 12 per deferred share, less income-tax. Transfer books close from 6th to 20th April, 1953, both days inclusive.

COIMBATORE COTTON MILLS LTD. Annual General Meeting, Singanallur (Coimbatore District), 20th April, 1953. Transfer books close from 6th to 20th April, 1953, both days inclusive.

WALCHANDNAGAR INDUSTRIES LTD. Annual General Meeting, Bombay, 21st April, 1953. Dividend: Rs. 14 per share, free of income-tax. Transfer books close from 18th to 30th April, 1953, both days inclusive.

PURE SITALPUR COAL CONCERN LTD. Half-yearly General Meeting, Calcutta, 15th April, 1953. Transfer books closed from 1st to 15th April, 1953, both days inclusive.

COMPANY REGISTRATIONS

J. P. & Co., LTD. (First Director: Shri Shantilal Nagardas Gosalia.) Business: Manufacturers, Sellers and Distributors of Produce, Merchandise, etc. Authorised capital: Rs. 20,00,000. Private company. Address: Chapel Lane, Santa Cruz West, Bombay 23.

J. B. VON MALTZAN LTD. Merchants, Importers, Exporters, Distributors, Wholesale and Retail Dealers, Agents and Manufacturers of all kinds of Machinery, etc. Authorised capital: Rs. 10,00,000. Private company. Address: 306, Himalaya House, Palton Road, Bombay.

GEETANJALI FILMS LTD. (First Director: Mr. Gaya Prasad Singh.) Business: Cinematograph Trade and Industry in all its aspects. Authorised capital: Rs. 5,00,000. Private company. Address: Industrial Assurance Building, opposite Churchgate Station, Fort, Bombay.

NATIONAL INDIA IMPEX LTD. (First Director: Mr. S. Shrinivasan.) Business: Importers and Exporters. Authorised capital: Rs. 5,00,000. Private company. Address: King Edward Road, Sewri, Bombay 15.

Notices

WALCHANDNAGAR INDUSTRIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-fifth Ordinary General Meeting of the Company will be held at "Construction House," Ballard Estate, Fort, Bombay, on Tuesday the 21st April, 1953, at 4-30 p.m. (S.T.), for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 30th September, 1952, and to declare dividends on Preference, Ordinary and "A" Ordinary Shares.
2. To elect Directors in place of those who retire by rotation and who are eligible for re-election.
3. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will remain closed as from Saturday the 18th April, 1953, to Thursday the 30th April, 1953 (both days inclusive).

By Order of the Board,
THE PREMIER CONSTRUCTION CO., LTD.,
Agents.
B. D. SARDESAI,
Secretary.

CONSTRUCTION HOUSE,
BALLARD ESTATE,
BOMBAY, *17th March*, 1953.

Note.—The Dividends, if sanctioned, will be paid at the Bank of India Ltd., Fort, Bombay, on and from Monday the 11th May, 1953, to those shareholders whose names stand on the Company's Register on Thursday the 30th April, 1953.

To the Shareholders of the above Company and more particularly to—

Mrs. Marie Mascarnhas Monteiro and Alfred Hurley.

THE RAVALGAON SUGAR FARM LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twentieth Ordinary General Meeting of the Company will be held at "Construction House," Ballard Estate, Fort, Bombay, on Thursday the 16th April, 1953, at 4-30 p.m. (S.T.), for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 30th September, 1952, and to declare dividends on Preference, Ordinary and Deferred Shares.
2. To elect Directors in place of those who retire by rotation and who are eligible for re-election.
3. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will remain closed as from Monday the 6th April, 1953, to Monday the 20th April, 1953 (both days inclusive).

By Order of the Board,
WALCHAND & CO., LTD.,
Managing Agents,
LALCHAND HIRACHAND,
Director.

CONSTRUCTION HOUSE,
BALLARD ESTATE,
BOMBAY, *17th March*, 1953.

Note.—The Dividends, if sanctioned, will be paid at the Bank of India Ltd., Fort, Bombay, on and from Monday the 27th April, 1953, to those shareholders whose names stand on the Company's Register on Monday the 20th April, 1953.

To the Shareholders of the Company and in particular to—

Mr. Zal Shiavax Daver of Karachi.

MONEY RATES REMAIN FIRM

(From Our Own Correspondent)

BOMBAY, 31*st March*

The short-term money market experienced another spell of stringency during the week under review. With a further broadening of demand for meeting financial year-end requirements and financing of trade and movement of crops, accompanied by a drying up of floating funds, banks were scarcely able to meet the demand without resorting to borrowing from the Reserve Bank of India and the Imperial Bank of India. Lenders in the inter-bank call money were scarce, resulting in a further dwindling of activity in this section. Interest rate for inter-bank call money remained firm at 3 per cent. both among the Exchange and big Indian banks, as well as among the smaller Indian banks. Term money rates were unchanged at 2¾ to 3 per cent. for 3 months' deposits and at 2½ to 2¾ per cent. for six months.

Leading finance brokers report that their day-to-day business this week was the lowest for several years. An idea of the shrinkage in inter-bank borrowings is provided by the latest weekly returns of Scheduled Banks. The interbank borrowings (other than those from the Reserve Bank and Imperial Bank) is no more than about Rs. 14 crores, as against Rs. 28 crores in the corresponding week of last year. The stringency in the money market does not, however, mean that the business of banks has expanded to any appreciable extent. Their turnover is still very much below what it was, say, this time last year. The extent to which business has fallen even during the peak period of the traditional busy season is revealed by clearing house statistics. The clearing house returns for the week ended 27th March, 1953, from the three main centres, Bombay, Calcutta and Madras, disclose that the total number of cheques cleared was only 3,76,215 for an aggregate amount of Rs. 98.88 crores, as compared with 4,16,895 cheques cleared in the corresponding week of 1952 for a total sum of Rs. 126.83 crores.

Tenders for Rs. 1 crore of three months' Government of India Treasury Bills continued to elicit poor response, this week's offerings amounting to no more than Rs. 101 lakhs (as against Rs. 101.50 lakhs last week). The average rate of accepted tenders remained unchanged at Rs. 2-7-0 per cent. per annum.

The statement of affairs of the Reserve Bank of India for the week ended 27th March, 1953 discloses no material changes in the currency department. The small increases of Rs. 10.75 lakhs in notes in circulation and of Rs. 30.11 lakhs in notes held in the Banking Department are covered by the increase in rupee coin. The large depletion of Rs. 24.97 crores in Central Government deposits noted in the Banking Department last week has been partly made good by a rise of Rs. 13.24 crores in the week under review. Deposits of other Governments, which had gone up by Rs. 27.66 crores a week before, have dropped by Rs. 9.25 crores. Deposits of banks have improved by Rs. 3.45 crores, while those of others have gone down by Rs. 81.24 lakhs. Cash balances are higher by Rs. 35.97 lakhs, while balances held abroad are lower by Rs. 1.10 crores. Loans and advances to Governments show a small decline of Rs. 16 lakhs, but other loans and advances, including loans to Scheduled Banks against usance bills, disclose a rise of Rs. 4.05 crores of which outstanding advances against usance bills account for Rs. 1 crore. The total amount of such advances availed of by Scheduled Banks since 1st January, 1953 is Rs. 14.24 crores, the increase over the week being Rs. 4.50 crores. Government Treasury Bills purchased and discounted are higher by Rs. 1.13 crores.

The consolidated statement of position of Scheduled Banks for the week ended 20th March, 1953, as compared with that for the previous week, shows a rise of Rs. 2.75 crores in the banks' demand deposits and a decline of Rs. 2.23 crores in time deposits. Inter-bank borrowings show a decline of Rs. 48.20 lakhs. Borrowings from the Reserve Bank account for a rise of Rs. 4.70 crores and those from the Imperial Bank for Rs. 1.29 crores. Advances have gone up by Rs. 5.06 crores and bills purchased and discounted by Rs. 2.45 crores. An increase of Rs. 1.30 crores is noted in investments. Cash-in-hand and balances with the Reserve Bank have risen by 60.07 lakhs, while balances with other banks and money at call and short notice have together declined by Rs. 2.46 crores.

The Gilt-edged market was devoid of any new developments, except for some enquiry for a few State loans. For sheer want of support, the 3 per cent. 1986 Conversion Loan fell by As. 6 to Rs. 82-10. In the absence of fresh incentives, the other securities disclosed little or no change in prices. But the undertone was steady.

The foreign exchange section of the money market was dull with no change in the rupee-U.S. dollar rates. But minor variations in the rates for sterling were seen in New York. The spot rate for £ sterling rose from $2.81¼-2.81⅝ to $2.81-9/16-2.81-11/16 on 25th March, but reacted to $2.81-7/16-2.81-9/16 on the 27th only to close unchanged at $2.81¼-2.81⅝ yesterday.

HIDES STEADY

(From Our Own Correspondent)

KANPUR, 29*th March*

During the week under review, the hides and skins market remained steady. There was good demand for upper grade goats and buff. Fresh arrivals were considerable and offtake was prompt. The main purchasers were the local tanners.

The latest quotations are: Wet salted cow 1st grade Rs. 380, 2nd grade Rs. 280 and 3rd grade Rs. 200 per score; wet salted buff 1st grade 1 lb. 12 ozs. and 2nd grade 2 lbs. 4 ozs. per rupee; goat skins 1st grade Rs. 240 and 2nd grade Rs. 200 per 100 pieces; and sheep skins Rs. 220 per 100 pieces.

GOLD REACTS AFTER SHARP RISE

(From Our Own Correspondent)

BOMBAY, 31*st March*

Trading on the Bullion Exchange during the week under review was dominated by activity in gold which experienced some wide fluctuations. Expectations of a shortage in floating stocks due to confiscation of large quantities of smuggled gold in the city inspired some speculative activity in the earlier part of the week. As a result, there was a sharp rise in the price of gold. Towards the close, however, there was a reaction on rumours of larger arrivals and reports of peace moves, which almost wiped out the earlier gains.

Silver, on the other hand, suffered an early setback due to switching over operations in which gold was bought against sale of silver. Latterly, the white metal regained ground to some extent on fresh bull support, but finished the week a shade lower.

Silver for forward delivery in end of March settlement opened at Rs. 157-3, as against last week's closing of Rs. 158-7, and relapsed further to Rs. 156-2 on the opening day itself. After rallying to Rs. 159-13 yesterday, it once again drifted lower to Rs. 157-7 before finishing at Rs. 158-3. Business for end of April settlement began at Rs. 157-5, but the rate soon touched a low of Rs. 156-4. It, however, came upto Rs. 160-1 yesterday, the carry forward charges against purchasers widening from As. 2 to As. 4. In the reaction which ensued to-day, the rate came down to Rs. 157-13 but wound up a shade higher at Rs. 158-9, the carry forward charges standing at As. 6.

Ready silver (.996 Mint) moved between Rs. 156-2 and Rs. 159-13 and closed at Rs. 158-3. The floating stocks of silver are estimated at 1,800 bars. The daily average offtake was 10 to 15 bars.

Gold for forward delivery in end of March settlement advanced from Rs. 84-12½ to Rs. 86-11, but reacted to close at Rs. 85-5. The business for the end of April settlement opened on Friday at Rs. 85-4 and moved up to Rs. 86-8 before closing at Rs. 85-4.

Ready gold rose from Rs. 85 to Rs. 86-13, but closed at Rs. 85-3. The floating stocks of gold are placed at 60,000 tolas. The daily average arrivals were 5,000 tolas. The offtake was also of the same order on an average.

The following comparative table shows the trend of the market during the week under review:

	31-3-53	Highest	Lowest	25-3-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	85 3	86 13	84 9	85 3
Forward	85 4	86 11	84 8	85 2
Sovereign	56 4	57 4	56 0	55 8
SILVER				
Ready (.996 fine Mint)	158 3	159 13	156 2	158 7
Forward	158 3	159 13	156 2	158 7
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½*c.*	—	—	85½*c.*

ART SILK YARN CLOSES LOWER

(From Our Own Correspondent)

BOMBAY, 31*st March*

After remaining steady practically throughout the week, the forward section of the art silk yarn market reacted towards the close. The steadiness during the early part was the result of uncertainty regarding grant of import quota to actual consumers. Buyers were extremely hesitant to enter into commitments, while sellers were somewhat reserved. Activity in the market was, therefore, considerably restricted, with values moving within narrow limits. To-day, however, the market came under selling pressure, induced by Communist China's new Korean peace proposal and extremely bearish advices from Japanese markets. Also, here were reports of heavy arrivals of imported yarn. Consequently, values of art silk yarn touched the lowest for the past sixteen days, although, towards the close, there was some recovery on account of mild support at low levels. The closing quotations were lower than those at the end of last week. Thus, 150D March contract opened at Rs. 833 and, after improving to Rs. 835 yesterday, reacted to Rs. 808 to-day. At the close, however, it stood a shade higher at Rs. 873. April contract touched Rs. 843, before declining to Rs. 876 to-day. It finished the day's trading slightly higher at Rs. 821.

Values of yarn in the ready section were fully steady throughout the week. Thus, the quotations for 120 Japan, 150 Japan and 120 Italy were unaltered at Rs. 4-12, Rs. 4-6, and Rs. 4-3, respectively. 150 Italy, however, lost an anna to Rs. 4-2 today for want of support.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 25th and 18th inst.

	31-3-53	25-3-53	18-3-53
	Rs. a.	Rs. a.	Rs. a.
Art Silk Yarn—			
150D March (per case of 200 lbs.)	813 0	838 0	853 0
150D April ,, ..	821 0	845 0	860 0
120 Japan (per lb.)	4 12	4 12	5 1
150 Japan ,, ...	4 6	4 6	4 8
120 Italy ,, ...	4 3	4 3	4 4
150 Italy ,, ...	4 2	4 3	5 4

In the staple fibre section, prices have remained more or less unchanged. Although stocks continue to be scarce, prices have not staged an advance. This is due to slackness in demand. For, owing to high level of prices for yarn and low prices offered for cloth, the genuine consumers, particularly silk mills and handlooms it is stated, have been compelled to purchase their requirements only in very small lots.

SETBACK IN COTTON

(From Our Own Correspondent)

BOMBAY, 31*st March*

The hesitancy of the mills to burden themselves more with stocks of Indian cotton, which was indicated last week in this review, was further emphasised during the current week. Though not exactly slack, the demand was certainly more selective and even in these favourite styles the volume of demand was lower to the extent of reducing prices all round. The mills are still fairly keen buyers of imported cottons at reasonable rates. But their interest in Indian styles at the end of March was not as great as at the beginning of that month. The reason for this is to be sought in the changing pattern of cloth consumption. There are, however, no indications of a big slump in cotton, just as there are no signs of a boom, apart from an occasional boomlet in certain styles.

It is not only the standard varieties of cotton generally in demand by the mills that have suffered from this declining tendency. The recession in prices is more marked in the case of exportable varieties. The supply position with regard to Bengals in the port towns is definitely expected to be easier in the coming weeks and shippers are therefore in no hurry to secure stocks for fulfilling their contracts at unreasonably high prices. In the case of Bengals, high prices in recent weeks were not a result of the overall supply position but of the strictly localised paucity of stocks in Bombay. As in sugar, the stocks were not at the right place and the railways were responsible for this artificial scarcity. Now that strong representations have been made to the railway authorities to correct this position, the prices are returning to the normal level.

Of late, this occurrence of maldistribution resulting in scarcity pockets and high prices in various commodities, arising from the vagaries and lack of intelligent anticipations and adjustments by the railway authorities with regad to the transport of important commodities, is of a frequent nature and needs some investigation as to whether it is not a product of certain machinations and manipulations by interested groups of traders and certain sections of the railway traffic staff. This is a matter for important chambers of commerce to take up with the railway authorities, because in the already highly speculative markets in India provision of transport or the lack of it at the crucial time goes to make the markets more speculative and to provide further grounds for rigging the markets by powerful dealers.

On the futures market also the tendency has been more or less the same as in the spot market. As remarked in the preceding issue, the prices seem to have touched their peak during the previous week and are now trying to seek a steadier level. At the same time, it must be noted that there is always support forthcoming at lower levels and this is a very healthy sign for the market. The tendency at present appears to point to a stalemate round about Rs. 700 for the May delivery. There will be less of hedging in evidence in future weeks, as fresh arrivals will not be on a large scale now that the season is coming to an end. The following are the latest available quotations from the Sewri market: Bengal Deshi Rs. 560-70; Berar Jarilla Rs. 725; Vijay Rs. 155-60 on May; Moglai Rs. 680; Khandesh Rs. 800; Oomra Deshi Rs. 10 off May.

The following is the trend of prices in the forward market over the six days ended 31st March:

	Opening	*High*	*Low*	*Closing*
I.C.C. May (Rs.) ...	700	708	690	690
I.C.C. Aug. (Rs.) ...	709	718½	701½	701½

A piquant situation has arisen over the imported East African cotton, for the importers are intrigued by the attitude of certain mills which have refused to take delivery of such cotton. This cotton was imported last year, in accordance with the Government's scheme for the bulk purchase of cotton from the Lint Marketing Board. The importers' contention is that, since they had purchased the cotton under instructions from the Government, they were acting only as the nominees of the Government. The importers argue that, as the purchase and selling prices and the terms of purchase, and the mills to which the cotton should be sold were all decided by the Government, the latter has a moral responsibility to see that the stocks are marketed in an orderly manner. It would appear that the Textile Commissioner contemplated, at one time, taking action against the mills which refused to take delivery of the cotton allotted to them by withholding extra allocation of this season's new crop Indian cotton but later found that such action would be illegal. The importers now feel that it is the Government's duty to take over stocks of cotton imported under its instructions, and to pay them the full value of the cotton, together with the carrying and other charges.

At Karachi, the week has been exceptionally quiet with hardly any transactions of note with any foreign country during this period, apart from some re-sales, at reduced rates, of cotton previously purchased by France to some buyers in the U.K. and Germany. The market was already feeling depressed with no favourable results forthcoming from the protracted negotiations with Japan for a huge barter deal. It is now feeling more depressed because it is openly admitted that there has been a hitch in the negotiation, though hopes of a final satisfactory issue are not abandoned. The difficulty appears to be centred round the question of the quantity of cloth that Pakistan is willing to accept against its supply of cotton to Japan. Naturally enough, the authorities, at Karachi, are more keen on obtaining capital goods in exchange than cloth, while as a textile exporting country Japan is laying more stress on the supply of cloth than machinery. Perhaps the negotiators will meet half-way and Karachi will agree to accept one-half of the price of cotton supplied by it in machinery and one-half in textiles. This stalemate and lack of buying by other countries on the Continent has increased stocks in Karachi with every fresh arrival from up-country and little, if any, offtake. It is believed that the stocks are about two lakh bales higher at present than those registered at the same time in 1952.

The following are the latest available quotations from the Karachi market: Punjab Deshi Rs. 68; 4F Punjab R.G. Rs. 60; S.G. Rs. 65; L.S.S. Punjab R.G. Rs. 62; S.G. Rs. 67½; N.T. R.G. Rs. 62; S.G. Rs. 67½; 286F. Punjab R.G. Rs. 68; S.G. Rs. 74.

Conditions at Alexandria during the week have been the reverse of those at Karachi. There, the spot market has been active with buyers keen to collect as much Karnak as possible in view of the anticipated lower production next year. But apart from this, enquiry by the U.K., the U.S.A. and one or two West European countries for the lower staple varieties of Giza 30 and Ashmouni have also been plentiful and the price level is likely to go a little higher as shippers make purchases against the barter deals entered into with several of the East European countries. It is now very clear that the pattern of cotton trading outside India and to a certain extent New York is changing rapidly in other producing countries. More and more emphasis is being laid on barter deals than on cash sales. Most of the European countries, whether in the West or in the East, are now engaged in such deals and a recent example of these is the disposal of a fairly large quantity of cotton by Turkey to several countries on this basis. But even with the increased interest in Egyptian cotton during recent weeks stocks at Alexandria of the current season's production are higher by about 60,000 bales than at this time last year which will act as a check to the rise in prices. India's interest in Egyptian cottons continues to be as active still as in the past, though some of it is being diverted to the auctions being held at Uganda.

At New York, the price trend has been moderately bearish during the week under review. Earlier in the week, there was a slight rise owing to purely technical adjustment, but the declining tendency reasserted itself almost immediately and it has been in evidence throughout the rest of the week because of lack of support from buyers for internal consumption and the weakness of some of the other commodity markets. This is attributed to the fast improving international political conditions and the end of the fight in sight in Korea. With more favourable developments from this quarter, American markets are likely to give way during the coming weeks and this is bound to have a profound effect on all the other world markets sooner or later and in the case of cotton, sooner rather than later.

The following are the latest available quotations from New York as compared with those of a week and a fortnight before:

	(In cents per lb.)		
	30-3-53	25-3-53	17-3-53
Spot	33.80	33.80	34.30
May	33.17	33.19	33.74
July	33.27	33.39	33.74
October	33.39	33.51	33.71
December	33.48	33.59	33.74

GROUNDNUTS EASY

(From Our Own Correspondent)

BOMBAY, 31*st March*

The removal of *vanaspati* from the O.G.L. for export, with effect from 27th March, was interpreted as the first step on the part of the Government towards arresting, if not reversing, the rising trend of oil and oilseeds prices. This factor, together with the defence of the Centre's policy regarding import of copra and coconut oil on 28th March, by Mr. T. T. Krishnamachari, Minister for Commerce and Industries, and the concern he expressed at the spurt in the prices of groundnut seeds and oils dampened the enthusiasm of the operators. As a result, the oil and oilseeds market turned easy, the prices declining to lower levels.

Although the decline during the week was considerable, prices were still substantially higher than those four weeks ago. There are several reasons for the high prices of oils and oilseeds. First, the announcement of export quota of 3,000 tons of *vanaspati*, simultaneously with its removal from the O.G.L. for export, robbed much of the bearish effects of the latter. Secondly, the overall vegetable oil deficit in the country for the year 1953 works out to about 3 million tons, groundnut oil accounting for a little above 2½ million tons and coconut oil 40,000 tons. The deficit cannot be wiped out unless there are large imports of coconut and palm oil. Indications are that import of coconut oil and copra in terms of oil would not be more than 40,000 tons to 50,000 tons during 1953.

The price trend during the week in the groundnut section was, however, somewhat easier, as stated already. Groundnuts, bold ready and Khandesh quality declined by Re. 1 each to Rs. 40-12 and Rs. 41-4, respectively. Overseas advices for groundnut oil during the week were discouraging. Groundnut oil, which was quoted at £155 per ton in bulk on the Continent, was almost out of parity with the local quotations. Since *vanaspati* interests switched over their purchases from groundnut oil to kardi and niger seeds, groundnut oil ready fell from Rs. 22-14 to Rs. 22-2. Railway receipts lost As. 10 to Rs. 22.

The castorseeds section too was out of favour. Castor oil, I pressure was enquired at £160 per ton and commercial quality at £150 per ton on the Continent. At these rates, only millers were in a position to sell. But they too could not make any encouraging profits. Therefore, Castor oil, I pressure eased from Rs. 19-4 to Rs. 18-12 and Commercials from Rs. 18-4 to Rs. 17-14. Among seeds, May delivery, which opened steady at Rs. 153-12 fluctuated between Rs. 154-8 and Rs. 146, before closing at Rs. 147. Madras quality was done at Rs. 31 as against Rs. 32.

The linseed section proved no exception to the general trend. *Vanaspati* interests, who had earlier shown some interest in linseed and linseed oil, partially withdrew their support. Linseed, Bold ready eased from Rs. 29-6 to Rs. 28-12. Linseed oil was lower by As. 14 at Rs. 14-4.

Kardi and niger seeds were slightly easy. Niger, Madras quality lost As. 4 to Rs. 33 and kardi, Bold ready As. 10 to Rs. 23-2.

The following table shows the prices of oilseeds and oil on the 31st inst., as compared with those on the 24th and 18th inst.

	31-3-53	24-3-53	18-3-53
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Bold Ready New (per cwt.) ..	40 12	41 12	43 0
Khandesh New (per cwt.) ..	41 4	42 4	43 4
Linseed—			
Bold Ready (per cwt.) ..	28 12	29 6	30 8
Castorseeds—			
May (per candy of 5 cwts.) ..	147 0	153 12	158 8
Madras (per cwt.)	31 0	32 0	33 0
Groundnut oil—			
Ex-mill Ready (per quarter)	22 2	22 14	23 8
Castor Oil—			
Commercial (per quarter) ..	17 14	18 4	18 14

TEA DUSTS WELL SUPPORTED

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 28*th March*

The offerings in dust sale "F" which was held on Tuesday, 24th March, amounted to approximately 1,97,000 lbs. There was a good general demand and prices were irregularly As. 1 to As. 2 dearer. Clean, black, well made dusts were particularly well supported.

London Market.—Market generally 1d. dearer. Strongest feature mediums.

Colombo Market.—3,750,000 lbs. Lowgrowas declined, following rise in duty. Better sorts less demand; considerably lower rates.

Calcutta Market—Export.—54,000 packages. Assam and clean common brokens firm to dearer. Others generally steady, but sometimes irregular.

Dust.—Best sorts fully firm, others occasionally half to one anna lower.

Export Quota.—1952-53 quota again remained steady at 1¼ pies. A certain amount of business has been done in 1953-54 export quota at 12 pies.

Forthcoming Auctions.—Due to Easter holidays, dust sale "G" will be held on Thursday, 9th April.

As we go to press, Messrs. Forbes, Ewart and Figgis, Ltd., wire as follows:—

"*Sale* 7.—9,62,000 lbs. Good general demand, particularly for all fannings grades. Market fully firm for low and medium descriptions. But good medium and best brokens easier. Whole leaf strong."

TEAS DEARER IN EXPORT

(From Our Own Correspondent)

CALCUTTA, 31*st March*

Moderate demand pushed up prices during yesterday's export sale when offerings aggregated 51,300 packages. Keen competition was offered from buyers on behalf of Britain. Good liquoring types had a steady market, while medium brokens, common and low medium brokens, low medium fannings, and whole-leaf grades recorded gains of As. 2 each. The rates were: Best C.T.C. Assam B.P. Rs. 2, clean black pekoe Re. 1-8-6 to Re. 1-9, clean common B.P. Re. 1-11, and medium Assam B.P. Re. 1-12.

Offerings during last week's internal auction amounted to 20,100 and 1,450 packages of dust and other grades respectively. Conditions were generally quiet as demand was limited. The feature in the dust market was the firmness in the quotations for coloury and bright liquoring Dooars and autumnal teas. Best C.T.C. Assams were irregular, prices often tending to move down. Powdery and residue varieties lost about an anna. The rates were: Best Assam C.T.C. Rs. 2, medium Dooars Re. 1-7, and medium grainy Assams Re. 1-8-6 to Re. 1-9.

HESSIANS STEADY

(From Our Own Correspondent)

CALCUTTA, 31*st March*

By and large, it is realised that the rate of production in sackings has, during recent months, far outstripped demand, and this factor has been responsible for the recent landslide in prices making production in mills uneconomic. This realisation and the inevitable step, viz., curtailment of production, which mills have soon to take, brought some improvement in quotations for manufactured goods during the week under review. A reduction in sacking production is easy to suggest, but would have to be carefully planned. For such a step should not affect hessian, which is regaining markets lost to it during the past one year in view of high prices. So, there is the need to maintain output of hessian at current levels, and the cuttings left over can only be consumed in producing sacking goods. Any reduction in sacking output would, therefore, increase production costs for hessian. All these problems are now before the mills, and the market is full of rumours that mills would soon announce their decision in regard to a decrease in the output of sacking goods.

B. twills opened at Rs. 92 last Wednesday, and the disinclination of sellers to part with their holdings at this rate raised the price to Rs. 93-4. At this stage, some quantity passed to bazar stocks, and buyers paid the higher price in view of the expected improvement in quotations following a possible curtailment in production. Over the week-end, however, Rs. 92-12 was realised, and yesterday the quotation was Rs. 91. Yesterday's easiness was due to an appreciation of the difficulties mills will have to face in implementing any decision to curtail sacking output.

In the hessian market, a note of steadiness was in evidence, and prices gained fractionally. Moderate support was forthcoming from bears, but buyers were over. The fear that any curtailment in sacking output would also mean a reduction in the hessian looms also encouraged bears to cover their sales. Hessian 40" 10 oz. advanced steadily from Rs. 40-4 to Rs. 40-12, with the April-June offer improving from Rs. 40-6 to Rs. 40-14.

Quotations for raw jute remained unchanged. Demand was, however, poor. Assam bottoms were offered at Rs. 18-8 per maund, with the new crop being nominally quoted at Rs. 19-8. Now that regular jute supplies from East Bengal are assured, and as the domestic production of the inferior varieties of jute is more than what can be consumed by mills, the market is confident that the Government would permit the export of *mesta*, *bimli* and *daisee* types of jute. Some such step is necessary to relieve stockists of their holdings and encourage cultivators to continue producing these varieties in moderate quantities. No doubt, a good check at ports has to be maintained to ensure that the superior varieties are not made to masquerade as *bimlis* and *mestas* and exported.

GOOD DEMAND FOR KIPS

(From Our Own Correspondent)

MADRAS, 30*th March*

The kip market has ruled steady and prices are above U.K. levels by a penny or two, due to shippers purchases. Arrivals have been as usual. There is good demand for inferior fifties cow for inland trade, as well for shipment to the U.K. but prices have continued to be firm making it unprofitable to shippers to operate. Enquiries are small for buff hides and patchy for cow calf and buff calf.

In the March London public sales, prices of goat skins advanced by 1*s.* to 1*s.* 6*d.* over January levels and those of sheep by 2*s.* to 2*s.* 6*d.* for primes, 1*s.* 3*d.* to 1*s.* 9*d.* for middle class and 3*d.* to 9*d.* for commons.

Raw skins prices have ruled firm in sympathy with the general trend.

FURTHER DECLINE IN FOODGRAIN PRICES

(From Our Own Correspondent)

HAPUR, 30*th March*

The overall food position in the country continued to be very satisfactory. The Union Food Minister has declared that, nowhere in the country to-day, there is a shortage of foodgrains. "If there is anything, it is lack of purchasing power in certain areas hit by famine," he says. The Government of India has offered to supply any quantity of foodgrains demanded by State Governments. The working of decontrol, the Minister claims, has been working "wonderfully well." But he feels that complete decontrol of foodgrains all over the country is not possible at present in view of the policy of controlled economy pursued by the Government. Imports this year will not exceed 2,400,000 tons.

India is expected to be completely independent of rice by the end of 1953 and as such will not need any imports during the year. The Government of India expects to procure within the country over one million tons of rice this year, instead of about 200,000 tons procured hitherto. What little rice India will import during the current year would be utilised for building reserve stocks within the country.

The Government of India is considering the question as to whether special agencies should be appointed to procure coarse grains in the States. Following the decision to remove restrictions on internal movement of coarse grains within each State, it is decided that the purchase of such grains from surplus States should be co-ordinated by the Centre. The Governments of the surplus States have made no headway in the matter of purchases.

Foodgrains markets in Uttar Pradesh remained quiet to unsteady. Harvesting of *rabi* grains is in full swing and arrivals have begun in all principal *mandies*. Market supplies have been increasing and prices have been declining slowly and steadily. Crop yield prospects are generally believed to be fairly good. It is reliably learned that sale of grams and barley from Government relief quota shops in the statutory rationed areas will be discontinued after the present stocks are exhausted. The sale was undertaken by the Government towards the last week of January this year all over the State. The offtake of the items from the ration shops, however, was miserably poor and not even 5 per cent. of the amount offered was lifted. Reserve stocks of barley and gram with the different food regions in the State have been offered for sale by auction and these run into several lakh maunds.

The following are the latest quotations: Wheat (wholesale): Shamli Rs. 20-8, Hapur Rs. 20, Chandosi Rs. 20-4, Kasganj Rs. 21-12 and Gonda Rs. 20-8. Gram Rs. 13-12, barley Rs. 10-10, *bejhar* Rs. 10-6, maize Rs. 11, *bajra* Rs. 11. Rice: *basmati* Rs. 34, *hansraj* Rs. 30, *sela* Rs. 28-8, coarse Rs. 23, *jowar* Rs. 9-8 to Rs. 11-8, peas Rs. 12-4 to Rs. 14.

The Punjab Minister of Civil Supplies has declared that the policy of control on foodgrains would be continued without any change for at least one year. The Government, however, may relax the rigour of controls to remove hardships which the people are experiencing. Procurement of foodgrains would continue, but the Government may not be able to procure according to the target quota because of the slight failure of rains at the time of the sowing of the crops.

(*Continued on page 624*)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (Pre-war)	26th Mar., 1953	A week ago	A month ago	A year ago
RESERVE BANK :					
Issue Department					
Notes in circulation	172.44	1,133.10	1,138.10	1,121.36	1,147.44
Notes held in Banking Department	35.05	16.73	11.26	19.22	28.68
Foreign Securities	39.50	578.15	578.15	568.15	603.15
Rupee Securities	37.39	449.86	449.86	449.86	464.63
Banking Department					
Deposits of :					
Government of India	14.89	139.72	147.51	153.12	163.84
Other Governments	..	10.48	1.44	5.06	36.69
Balances held abroad	10.08	146.23	146.81	153.53	48.90
SCHEDULED BANKS					
Demand Liabilities	134.37	531.22	529.00	527.03	561.63
		(11.84)†	(12.38)†	(11.07)†	(27.26)†
Time Liabilities	102.84	312.45	314.63	315.44	285.35
Borrowings from Reserve Bank	..	(2.06)	(2.01)†	(1.93)†	(0.56)
		14.63	9.99	4.26	60.02
		(4.24)†	(4.24)†	(0.74)†	(25.92)†
Borrowings from Imperial Bank‡	..	9.65	8.36	5.42	N.A.
Cash in India	6.71	31.95	32.51	32.92	34.68
Balances with Reserve Bank	25.28	41.74	40.58	43.22	46.80
Excess over statutory limits	15.52	8.93	7.84	10.56	13.02
Balances with other banks in current account in India	..	10.64	10.82	11.07	10.02
Money at call and short notice in India	..	13.57	15.86	16.95	11.07
Investments (at book value)	..	303.13	301.83	302.06	295.78
Advances and bills	105.09	520.30	512.79	499.68	585.38
IMPERIAL BANK					
Deposits	87.76	210.05	208.87	208.76	233.65
Investments	51.99	82.17	81.24	82.82	85.73
Advances	30.37	130.01	127.33	123.53	162.75
Cash	14.69	17.49	16.19	15.37	23.13

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets). N.A. = Not available.
† Borrowings against usance bills and promissory notes.
* Figures prior to 18th April, 1952, not available.

CLEARING HOUSE RETURNS

Centre	27th March, 1953		20th March, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	1,62,397	35,02,72,000	2,42,935	64,90,63,000
Calcutta	1,42,343	50,06,80,911	1,54,334	58,20,74,209
Madras	71,475	12,88,96,639	67,041	7,77,25,263
All Centres	..	..	25,49,000	5,47,76,00,000
Dec., 1952	..	..	25,74,469	5,52,14,90,000
Jan., 1953	..	..	1,06,41,941	26,75,51,57,000
1952	..	..	1,09,04,122	31,80,56,86,359
1951	..	..	1,09,04,122	31,80,56,86,359

Reserve Bank of India

Statement of Affairs for the week ended 27th Mar. 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government	135 77 95,000	
(2) Other Governments	19,84 61,000	
(b) Banks	46,52,46,000	
(c) Others	62,80,68,000	
Bills Payable	1,06,41,941	26,75,51,57,000
Other Liabilities	4,38,29,000	
	26,30,79,000	
Rupees		305 64 78,000

ASSETS	Rs.
Notes	17,03 47,000
Rupee Coin	17,13,000
Bills Purchased and Discounted—	3,05,000
(a) Internal	
(b) External	22,50,000
(c) Government Treasury Bills	
Balances held abroad*	8,57 89,000
Loans and Advances to Governments	145,59 77,000
Other Loans and Advances	3,30,00,000
Investments	26 94 56,000
Other Assets	99 11,74,000
	7 71,67,000
Rupees	305 64 78,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 5,24,18,000 advanced to Scheduled Banks against usance bills under section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 14,24,18,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	17,03 47,000	
Notes in circulation	1133 11,50,000	
Total Notes issued		1150,14,97,000
Total Liabilities		1150,14,97,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion :		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	578,15,11,000	
Total of A		618,16,82,000
B. Rupee Coin		82,12 11,000
Government of India Rupee Securities		449,86 04,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1150,14,97,000

Ratio of Total of A to Liabilities: 53.747 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 20th Mar., 1953

	Rs
1. Demand Liabilities in India:	
(i) Borrowings from banks	11,84,42,000†
(ii) Other demand liabilities	519,37,39,000
2. Time Liabilities in India :	
(i) Borrowings from banks	2,06,00,000†
(ii) Other time liabilities	310,38,67,000
3. Cash in India	31,95,06,000
4. Balances with the Reserve Bank in India	41,74,16,000
5. Balances with other banks in current account in India	10,63,87,000
6. Money at call and short notice in India	13,57,28,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	303,12,64,000
8. Advances in India	467,61,02,000
9. Inland Bills purchased and discounted in India	52,68,98,000

* *N.B.*—Figures are provisional since complete returns have not been received from some banks.

†Excludes borrowings from the Reserve Bank, and with effect from the 18th April 1952 as also those from the Imperial Bank.

EXCHANGE RATES

		31st March, 1953	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5½	1-5⅜
Sellers T.T. D.D. upto six months	s.	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	s.	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	s.	1-6⅛	1-6⅛
Bombay on New York—			
Sellers T.T. D.D.	Rs.	475¼	475¼
Buyers T.T.	Rs.	471¼	471¼
London on New York	$	2.81¼-2.81⅜	2.81½-2.81⅝
London on Paris	Frs.	9874-988	9874-988
London on Berne	Sw. Frs.	12.19	12.18½-12.19
New York on London	$	2.81¼-2.81⅜	2.81¼-2.81⅜

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	*Per capita* income (Rs.)
India	1948	342.12	..	..	8,730	255
Pakistan	1949	75 04	..	..	1,671	223
Burma	1951	18 67	Kyats	3,166	317	167
Ceylon	1951	7 74	..	..	451	564
Japan	1951	84 30	Y.	4,564,400	6,608	716
Philippines	1951	20 25	Ps.	7,586	1,820	856
New Zealand	1951	1 95	£ (N.Z.)	615	820	4,206
Australia	1951	8 41	£ (A.)	3,256	3,454	4,317
U.K.	1951	50 56	£	11,384	15,179	2,976
U.S.A.	1951	154 36	$	277,630	132,190	8,564
Canada	1951	14 01	$	17,220	8,552	6,098
France	1951	42 24	F. Fr.	9,092,000	12,372	2,929
W. Germany	1951	48 11	Dm.	99,200	10,227	2,126
Italy	1951	46 60	Lr.	7,746,000	5,002	1,267
Norway	1951	3 29	Kr.	15,504	3,450	4,296
Sweden	1951	7 07	Kr.	36,800	3,439	4,864
Netherlands	1951	10 26	Fl.	16,940	2,151	2,096
Denmark	1951	4 30	Kr.	20,718	1,439	3,346
Switzerland	1951	4 75	S. Fr.	19,509	2,166	4,558

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, January, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 20th March, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	34,73,65 000
(b) Provincial Governments	1,93,39,000
(c) Banks	11,38,65 000
(d) Others	3,19,72,000
Bills Payable	17,33,000
Other Liabilities	5,52,35,000
Rupees	62,95,59,000

ASSETS	Rs.
Notes	3,84,58 000
Rupee Coin	4,000
Subsidiary Coin	3,000
Bills Purchased and Discounted :—	
(a) Internal	..
(b) External	..
(c) Government Treasury Bills	21,87,000
Loans and Advances to Governments	1,63 00,000
Provincial Governments Debtor Balances	3,15,74,000
Other Loans and Advances	7 27,99,000
Investments	38 43,78,000
Other Assets	8,38,56,000
Rupees	62,95,59,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	3,84,58,000	
Notes in circulation	209,53,75,000	
Total Notes issued		213,38 33,000
Total Liabilities		213,38,33,000

ASSETS	Rs.	Rs.
I A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	..	
Sterling Securities	38,64,21,000	
Government of India Securities	11,87,77,000	
India Notes representing assets receivable from the Reserve Bank of India	29,03,06,000	
		88,42,46,000
B. Rupee Coin	6,21,40,000	
Government of Pakistan Securities	114,49,72,000	
Internal bills of exchange and other commercial paper	.....	
		120,71,12,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06 12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		213 38 33,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 43 29 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953				Rs. a. p.	%
6th Jan.	1.00	1.45	1.00	2 6 5	55
13th ,,	1.00	1.22	1.00	2 6 9	79
21st ,,	1.00	1.23	1.00	2 7 0	81
27th ,,	1.00	1.00	1.00	2 7 0	100
3rd Feb.	1.00	1.14	1.00	2 7 0	87
10th ,,	1.00	1.19	1.00	2 6 11	84
17th ,,	1.00	1.39	1.00	2 7 0	100
24th ,,	1.00	1.02	1.00	2 7 0	100
3rd March	1.00	1.02	1.00	2 7 0	98
10th ,,	1.00	1.16	1.00	2 6 11	86
17th ,,	1.00	1.09	1.00	2 7 0	93
24th ,,	1.00	1.02	1.00	2 7 0	100
31st ,,	1.00	1.01	1.00	2 7 0	100
Total ..	13.00	14.01	13.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	26th March, 1953	5½	5
Belgium	13th Sept., 1951	3½	3½
Canada	17th Oct., 1950	1½	2
Denmark	2nd Nov., 1950	4½	5
Finland	16th Dec., 1951	7½	5½
France	9th Nov., 1951	3	4
Greece	12th July, 1948	10	12
India	15th Nov., 1951	3	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	5.84
Netherlands	1st Aug., 1952	3½	3
New Zealand	26th July, 1941	2	1½
Norway	9th Jan., 1946	3	2½
Portugal	12th Jan., 1944	3	2½
South Africa	27th Mar., 1952	3½	4
Spain	18th Mar., 1949	4½	4
Sweden	1st Dec., 1950	2½	3
Switzerland	26th Nov., 1936	4	1½
Turkey	26th Feb., 1951	2	3
United Kingdom	12th Mar., 1952	2½	4
U.S.S.R.	1st July, 1938	8	4
U.S.A.	16th Jan., 1953	1½	2
West Germany	8th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	November, 1952	1951	Eight months—April to Nov., 1952	1951
Import Duties :				
Revenue	8,14	11,85	73,93	85,88
Protective	6,6	85	5,42	7,17
On surplus disposals	0,6	2	3	19
Total import duties	8,81	12,72	79,37	93 24
Export Duties	3,23	7,74	38,16	60,34
Land Customs	23	50	1,91	2,03
Miscellaneous	8	13	82	80
Gross total customs	12,35	21,08	120,28	156,42
Refunds and drawbacks	18	1,28	1,99	3,44
Net Customs	12,17	19,81	118,27	152,98
Gross excise	4,61	7,72	50,84	62,04
Refnds	5	17	1,05	1,15
Net Excise	4,56	7,55	49,79	60,89
Net total of customs and excise	16,73	27,36	168,06	213,87

Imperial Bank of India

Statement of Affairs for the week ended 27th March, 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
		5,62,50,000
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
		11,25,00,000
Reserve Fund and other Reserves		210,04,87,000
Deposits and other Accounts		3,50,00,000
Borrowings from other Banking Companies		6,54,84,000
Agents		
Bills Payable		
Bills for Collection being Bills Receivable as per contra		55,03,000
Acceptances, Endorsements and Other Obligations as per contra		2,87,000
Other Liabilities (including Inter-Office Adjustments)		1,66,74,000
Total	Rs.	234,31,85,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		13,42,03,000
Balances with other Banks		4,06,49,000
Money at Call and Short Notice		62,56,000
INVESTMENTS—		
Government and other Trustee Securities	71,00,51,000	
Other Authorised Investments	11,16,18,000	
		82,16,69,000
ADVANCES—		
Loans, Cash Credits and Over drafts, etc.	106,65,41,000	
Bills Discounted and Purchased	23,35,50,000	
		130,00,91,000
Bills Receivable being Bills for Collection as per contra		55,03,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		2,87,000
Premises less Depreciation		1,31 87,000
Furniture and Fixtures less Depreciation		34,31,000
Other Assets (including Inter-Office Adjustments)		1,78,19,000
Total	Rs.	234,31,85,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits. Outstandings@	3½% Ten-year Treasury Savings Deposit Certificates ‡	
	5-Year		7-Year		12-Year						
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*
1950-51 ..	2,03	5,01	96	2,40	20,67	50,53	97,80	61,36	— 22,32	5,31	5,81
1951-52 ..	1,76	6,10	77	2,91	22,07	66,81	1,07,55	74,18	— 27,55	13,10	18,39
December 1951	13	5,74	6	2,76	1,64	62,58	7,66	67,91	— 26,30	70	16,51
January 1952	13	5,82	7	2,81	1,51	63,62	7,75	68,04	— 26,68	66	17,17
February ,,	13	5,90	5	2,83	1,64	64,79	8,21	68,27	— 27,02	53	17,70
March ,,	20	6,10	10	2,91	2,63	66,81	15,04	74,18	— 27,55	71	18,39
April ,,	14	6,17	5	2,93	2,28	68,56	10,01	76,52	— 27,91	95	19,33
May ,,	12	6,22	8	2,99	2,12	70,22	9,95	77,85	— 28,25	56	19,86
June ,,	12	6,28	6	3,02	1,82	71,64	9,38	80,03	— 28,57	69	20,53
July ,,	15	6,34	10	3,09	2,03	73,14	10,29	82,54	— 28,91	74	21,25
August ,,	14	6,40	6	3,12	1,76	74,45	8,60	83,75	— 29,15	65	21,89
September ,,	10	6,44	3	3,12	1,84	75,73	8,78	84,89	— 29,40	52	22,38
October ,,	11	6,48	5	3,14	1,71	76,77	8,36	85,24	— 29,68	56	22,92
November ,,	10	6,50	4	3,16	1,71	77,99	8,03	85,51	— 29,98	58	23,48
December ,,	8	6,51	3	3,16	1,86	79,34	8,45	85,92	— 30,22	48	23,94
January 1953 ..	..	..	..	..	..	..	..	..	.....	58	24,48

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from 1st June, 1948. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)

I. All-India

Group and Sub-Group	Week Ended 14-3-'53	7-3-'53	14-2-'53	15-3-'52
(A) Government and Semi-Government Securities ‡	**92.2**	**92.2**	**92.2**	**91.4**
1. Government of India Loans	92.4	92.3	92.3	91.4
2. Municipal, Port Trust and Improvement Trust Loans	86.9	86.9	86.8	87.6
(B) Fixed Dividend Industrial Securities	**90 1**	**90 0**	**90 2**	**92 8**
1. Electricity	78 2	78 2	77 3	74 7
2. Cotton	127 0	126 3	125 6	133 1
3. Jute	79 8	79 9	80 4	82 3
4. Coal	95 7	95 5	95 2	99 2
5. Iron and Steel	84 0	83 8	84 4	89 4
6. Sugar	87 6	87 8	88 3	97 0
7. Paper	85 3	85 4	85 4	93 2
8. Plantations	96.7	97.2	97.2	103.9
(C) Variable Dividend Industrial Securities	**107.4**	**108.7**	**104 2**	**113 9**
1. Banks	104 5	104 2	103 3	107.6
2. Insurance	96 3	96 2	93 5	105 2
3. Investment Trusts	143 4	140.4	139 9	149.8
4. Electricity Companies and Tramways	82 6	83.5	82 8	84.7
5. Shipping and Other Transport Companies	88 5	87.5	86.1	89.5
6. Railways	75.5	75.4	75 1	81 5
7. Plantations	113.1	110.9	108.3	159.7
8. Cotton Woollen and Silk	135.4	133.9	127 8	154 2
9. Miscellaneous	71 9	71 9	71 9	80 7
10. Coal	91 1	89 6	87 2	103 1
11. Mining and Oil	64 4	64 5	63.6	64 2
12. Iron and Steel	143 8	138 3	128 1	130 0
13. General Engineering	150 6	149 4	140 9	149 8
14. Sugar	81 3	80.2	77 8	92 0
15. Breweries	59 3	60 5	58 0	68 2
16. Chemicals	133 2	131 9	128 4	154 7
17. Paper	115 1	114 4	113 3	115 2
18. Cement	143 5	143.0	138.7	138.2

II. Regional

Region and Group	Week Ended 14-3-'53	7-3-'53	14-2-'53	15-3-'52†
(A) BOMBAY—				
Government and Semi-Government Securities	92.0	92.0	91.9	..
Fixed Dividend Industrials	92.4	92.2	92.2	..
Variable Dividend Industrials	128.1	127.3	122.5	..
(B) CALCUTTA—				
Government and Semi-Government Securities	92.8	92.7	92.8	92.0
Fixed Dividend Industrials	86.5	86.5	86.8	90.6
Variable Dividend Industrials	94.3	93.6	92.0	100.5
(C) MADRAS—				
Government and Semi-Government Securities	91.9	91.8	91.9	90.8
Fixed Dividend Industrials	102 2	102.4	102.7	109.5
Variable Dividend Industrials	127.5	126.7	126.7	145.9

*Source: Department of Research and Statistics, Reserve Bank of India.
‡ Including Part 'B' State Loans.
† Bombay Stock Exchange being closed during the week, Regional Index numbers for Bombay are not given. Regional Index numbers for Calcutta are based on the quotations of 14th March, and All-India Index numbers are based on the available Calcutta & Madras quotations.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950 ..	814	719,883	12,806,704
1951 ..	1,071	691,321	2,948,978
1952 ..	1,145	910,430	3,356,708
October 1950 ..	78	258,549	2,266,894
November ..	84	56,736	313,837
December ..	68	41,061	163,718
January 1951 ..	120	93,696	370,990
February ..	61	44,025	203,660
March ..	79	47,728	317,889
April ..	120	95,747	331,552
May ..	109	56,604	277,314
June ..	146	93,446	448,258
July ..	130	72,454	671,705
August ..	108	64,684	359,907
September ..	88	24,777	93,109
October ..	108	67,396	190,761
November ..	123	64,147	189,374
December ..	113	76,196	365,149
January 1952† *	95	305,831	674,340
February *	88	63,180	215,607
March ..	87	42,430	142,493
April ..	134	59,437	234,346
May ..	118	80,093	252,895
June ..	101	59,381	257,062
July ..	82	40,754	171,263
August *	87	48,507	148,475
September*	90	57,575	460,552
October* ..	94	77,639	347,684
November ..	83	47,902(a)	206,284(a)
December ..	80	27,401	153,717
January 1953 ..	82	40,244	239,159

Figures for 1952 are provisional * Revised.
(a) Not known in five cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns ‡	Units generated ‡	Units Sold
1950-51 ..	545	5,279.9	4,225.9
1951-52 ..	573	5,948.1	4,840.0
July 1951 ..	541	501.2	408.8
August ,, ..	546	507.7	412.0
September ,, ..	551	506.8	409.7
October ,, ..	554	494.5	403.4
November ,, ..	556	506.9	412.8
December ,, ..	557	491.7	409.8
January 1952 ..	561	500.9	414.3
February ,, ..	568	500.8	409.7
March ,, ..	571	480.7	391.0
April ,, ..	573	481.8	392.9
May ,, ..	577	488.8	392.8
June ,, ..	581	514.4	413.1
July ,, ..	583	500.1	408.8
August ,, ..	588	534.0	429.7
September ,, ..	592	531.6	428.7
October ,, ..	597	539.3	430.6
November ,, ..	599	548.2	441.5
	605	520.7	436.4

* Excluding railway, military and factory power stations; Cholapower station, being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	14th Mar., 1953	7th Mar., 1953	15th March, 1952	February 1953	February, 1952	Percentage of increase (+) or decrease (—) in Feb., 1953 as compared with Feb., 1952	1952	1951
Food Articles	**388.6**	**381 6 R**	**335.2**	**361 6**	**375.4**	**— 3.1**	**359.8**	**409.8**
Cereals	439	430 R	458	4.0	463	— 7.1	450	483
Pulses	544*	552*	391	609	488	+24.8	483	506
Other	245	242	200	233	242	— 3.7	225	290
Industrial Raw Materials ..	**453 8 R**	**442 4 R**	**382.8**	**440.1**	**545 4**	**— 0 9**	**453.8**	**608.2**
Fibres	417	410	379	404	582	—30 6	454	622
Oil seeds	538	540	370	527	551	— 4 4	484	679
Minerals	457	442 R	466	456	460	+ 0 3	458	626
Others	356	358	360	363	413	—12.1	341	533
Semi-Manufactures	**349.0**	**348.1 R**	**339.0**	**347 2**	**364 2**	**— 4 6**	**348.5**	**377.5**
Leather	434	429	341	421	340	+24 0	345	453
Mineral oils	223	223	218	223	218	+ 2 3	221	197
Vegetable oils	478	473	376	462	548	— 15 6	459	679
Cotton yarn	446*	446*	498*	442	497*	—11 0	465*	643
Metals	227	227	201	228	204	+11 7	211	197
Oil Cakes	407	402	403	414	468	—11 2	440	590
Others	311	211	286	230	302	—23 8	273	330
Manufactured Articles ..	**368.5**	**368.8**	**376.6**	**367.8**	**394.1**	**— 6 7**	**377.5**	**385.5**
Textiles	407	407	424	405	456	—11 2	423	498
Jute	379	381	479	390	670	—41 8	506	803
Cotton	408*	406*	410*	408*	410*	— 0.9	401*	409*
Rayon and Silk	513*	513*	443*	477*	531*	—10 1	485*	611*
Woollen	313	313	388	296	388	— 2.4	346	378
Metal products	336	336	311	336	304	+10 5	321	285
Others	288	288	288	301	288	— 5 1	298	300
Miscellaneous	**579.2**	**591.4**	**610.8**	**595 4**	**709 8**	**—16.1**	**635.6**	**729.8**
All Commodities	**386.0**	**382.9**	**364 9**	**381 5**	**415.8**	**— 7.8**	**386.9**	**439.3**

* Estimated. R=Revised.

WORKING CLASS COST OF LIVING INDICES

Base	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
February 1951 ..	321	253	294	441	388	347	327	138	176	129	157	169
March ,, ..	332	268	301	439	390	356	329	138	174	139	157	166
April ,, ..	335	270	304	440	391	365	333	139	171	140	157	166
May ,, ..	335	278	314	443	394	374	335	140	176	141	158	166
June ,, ..	337	271	313	447	394	382	337	144	178	138	158	169
July ,, ..	333	270	318	454	394	385	337	145	182	140	153	173
August ,, ..	328	261	322	459	392	387	338	146	181	143	161	171
September ,, ..	325	253	319	470	389	375	340	144	179	150	161	170
October ,, ..	332	254	323	469	393	374	336	144	181	145	163	171
November ,, ..	333	252	325	464	397	374	337	147	182	155	168	165
December ,, ..	331	252	325	449	397	370	337	144	181	150	166	158
January 1952 ..	331	246	323	442	393	357	338	142	179	148	163	156
February ,, ..	324	241	318	441	382	343	336	141	175	145	155	155
March ,, ..	313	229	300	412	378	340	333	136

MARKET REPORTS

(Concluded from page 621)

Procurement of rice in the Orissa State this year have exceeded all previous records, since foodgrains came under control of the Government within five months of the beginning of this *kharif* year, over 170,000 tons of foodgrains (in terms of rice) have been procured, against the target of 200,000 tons for the year.

SUGAR SUPPLIES IMPROVE

(From Our Own Correspondent)

HAPUR, *30th March.*

Sugar markets remained quiet to bearish during the week under review. With the further release of sugar quota for free sale by the Government, and the earlier releases, supplies of sugar in all the leading markets in the country have considerably improved. There have been good despatches in recent weeks from North Indian sugar mills. Calcutta and Bombay report of heavy stock accumulations, while the stringent stock position at Madras has eased considerably. Stockists are everywhere inclined to sell at current prices, whereas buyers are restricting their purchases to immediate needs only.

Efforts are being made to step up production during the next three years by transferring some of the factories at present lying idle to places where they would be assured of constant supply of sugarcane. The Hanura Factory in the P.E.P.S.U. is migrating to the U.P., two other U.P. factories are changing their location within the State. The main problem facing the industry, it appears, is not production, which experience has shown can be increased, but extension of the market to absorb the total production.

The Indian Food Minister has warned the industry that, if the sugar industry is to survive, it must be able to produce sugar at a price at which it would be possible to compete in the world market. The industry has been given protection for a fairly long time to enable it to stand on its own legs and it should try to justify that protection.

Gur markets have remained fairly steady. The season is drawing to a close and arrivals have been very small. There is moderately good demand from many importing areas, but stock movements have been small, due to non-availability of railway wagons for transport. West U.P. *mandies* hold good stock accumulations.

Khandsari markets remained very quiet with very little demand from the importing areas. There is little offtake. The bearish outlook in the crystal sugar section has affected the sentiment.

The following are the latest quotations in the sugar, *gur* and *khandsari* markets:

	Sugar	*Gur*	*Khandsari*
	Rs. a.	Rs. a.	Rs. a.
Ambala	30 4	12 8	24 0
Amritsar	30 14	14 9	—
Delhi	30 3	14 0	24 8
Jullundur	29 4	13 0	—
Agra	29 0	14 8	24 4
Hapur	28 8	14 12	20 0 to 27 0
Kanpur	27 10	13 14	20 0
Mathura	29 4	13 9	24 10
Meerut	29 4	14 0	25 0
Muzaffarnagar	29 12	14 8	25 14
Patna	31 2	13 0	—
Calcutta	28 8	13 6	—
Gauhati	31 6	16 0	—
Cocanada	31 8	14 2	—
Madras	31 9	19 4	—
Bombay	31 0	—	—
Bhavnagar	31 2	—	—
Nagpur	31 4	16 14	—
Indore	28 10	15 9	23 8

BRADFORD TOPS FIRM

(Messrs. J. Hardacre & Co.)

BOMBAY, *30th March*

There has been a further general advance in quotations for Bradford tops. A fairly large amount of business has been done this week on the basis of prices quoted on Monday. Now, higher prices are being asked for practically all qualities. To a large extent, the driving force is coming from the raw material market, but there has also been a notable response in the volume of new business done in tops and yarns. It is not uncommon for business to be booked for delivery up to the end of the year and even up to next year.

In the merino section of the top market, there are notable variations in the prices asked by topmakers. They range as high as 172*d.* for a 64s warp, although 171*d.* is probably nearer the average at which business can be done.

In the fine crossbred section, quotations range up to 120*d.* for 58s super, while medium-carded sorts are quoted around 86*d.* for 50s. There are firms which are firmly quoting as high as 87*d.* for the latter quality.

A feature is the reluctance of most spinners to take on further business in fine-count weaving yarns. They have already sold output in many cases right up to the end of the year and are not willing to anticipate the future beyond that.

Prices of tops and yarns have advanced recently at a pace which is causing some uneasiness, but the facts have to be faced. There continues to be marked reluctance to support a further upward movement, and most top-makers and spinners would be content to push ahead with production and delivery rather than enter into speculative commitments.

The current quotations (in pence per lb. c.i.f. Bombay) for Bradford oilcombed tops (May-June, 1953 delivery) are given below:

48s carded 89*d.*, 58s super 127*d.*, 60s super 152*d.*, 64s super 172*d.*, and 70s super 191*d.*

Fibro (3D.4") 43½*d.*

46-48s scoured clothing wool—84*d.*

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Year ended 31st March, 1949	917,800	906,700	671,000
Do. 31st March, 1950	10,41,700	927,500	720,000
Do. 31st March, 1951	11,15,200	10,62,100	7,76,500
Do. 31st March, 1952	11,30,000	10,57,100	7,99,200
Do. Eleven months ended February, 1953	10,60,600	9,75,300	7,26,300
January 1951	1,01,300	97,900	67,700
February ,,	87,700	82,200	66,300
October ,,	94,100	88,800	63,800
November ,,	92,700	85,200	65,900
December ,,	1,02,900	97,000	69,100
January 1952	99,600	96,700	71,400
February ,,	94,000	82,800	67,000
October ,,	99,400	97,100	67,900
November ,,	1,03,500	93,700	65,700
December ,,	98,200	91,400	69,700
January 1953	1,02,400	95,500	69,000
February ,,	92,400	82,000	61,700

SEA- AND AIR-BORNE TRADE : INDIA.

Particulars	December,		Nine Months, April to Dec.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:—				
Foodstuffs	6,93	23,60	149,87	178,79
Raw materials	16,28	25,92	146,11	179,86
Manufactures	20,13	23,52	207,06	249,90
Other items	20	58	3,32	2,99
Total Imports*	43,54	73,62	506,36	607,54
Exports :—				
Foodstuffs	11,80	14,82	107,03	119,66
Raw materials	12,30	8,22	100,68	107,09
Manufactures	19,42	31,86	205,26	311,52
Other Items	36	35	3,02	2,63
Tota Exports	43,97	55,85	424,99	540,26
Total Re-exports	59	62	3,64	11,71
Balance of trade in merchandise	+ 93	— 17,14	— 77,73	— 55,59
Balance of transactions in private treasure	..	— 1	— 4	9
Total Visible Balance of Trade	+ 93	— 17,15	— 77,77	— 55,68
Imports :—				
Total C'wealth Countries	18,45	25,91	193 30	217,34
Total Foreign Countries	25,09	47,71	313,06	390,20
Exports:—				
Total C'wealth Countries	20,38	27,45	199,50	280,98
Total Foreign Countries	23,59	28,37	225,49	259,28

* Excludes value of certain special imports of foodgrains and stores, full particulars of which are not yet available.

LAND-BORNE TRADE : INDIA

Particulars	December,		Nine months April to Dec.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	1,24	3,05	17,24	17,64
Imports	91†	4 02	16,86†	67,21
Balance of trade in merchandise	‡ —	97	‡	—49,57

† Incomplete—Excludes the value of 37,093 tons or 207,721 bales of raw Jute imported during December, 1952, awaiting adjustment.
‡ Data Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	103¼
4 ½% Bonds	1926-33	63,30,26,000	1960-70	102⅜
3 ½% Loan	1938-39	1,16,17,46,000	1963-65	92⅜
3 ½% Loan	1943	1,14,60,58,000	1953-55	100⅜
3 ½% Loan	1950	50,33,10,000	1964	92⅜
3 ½% Loan	1943	1,10,11,78,000	1966-68	90⅜
3 ½% V. Loan	1944	1,14,06,89,000	1957	99⅛
3 ½% Loan	1945	1,15,05,83,000	1970-75	86⅜
3 ½% Loan	1945	1,15,65,64,000	1959-61	96⅛
3 ½% Loan	1951	50,00,00,000	1958	98⅛
2½% Loan	1946	45,63,07,000	1960	93⅛
2½% Loan	1946	27,00,69,000	1961	90⅜
2½% Loan	1946	35,06,06,000	1954	98⅛
2½% Loan	1946	14,77,48,000	1976	82⅛
2½% Loan	1947	75,86,72,000	1962	91⅜
2½% Loan	1948	60,45,01,000	1955	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,36,000	At option of Government after three months, notice	82⅛
3 % Loan	1946	48,91,90,000	On September, 1986 or later at option of Government after three months, notice.	82⅛

REPATRIATE STERLING LOANS

3½% Loan	1933	12,85,66,000	1954-59	100⅛
4½% Loan	1928	5,85,20,000	1958-68	105

PROVINCIAL LOANS

3 % Bombay	1942	3,54,23,300	18th Sept. 1955	98⅛
3 ½% Bombay	1943	3,50,00,000	14th Sept. 1956	98⅛
3 ½% Bombay	1944	3,44,00,000	15th Aug. 1958	97⅛
3 ½% Bombay	1949	6,00,00,000	1st Aug. 1962	93
3 ½% Bombay	1950	3,00,00,000	31st July 1960	95
3 ½% Bombay	1951	3,00,00,000	17th Sept. 1962	98
4 % Bombay	1952	3,50,00,000	1st Aug. 1964	101–4⅛
3 ½% Cochin	1943	30,00,000	1st Oct. 1953-55	98
3 ½% Cochin	1945	1,00,00,000	16th Dec. 1955-58	99
3½% Cochin	1936	70,09,000	1st June 1956-61	98 ⅜
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95
3 ½% Madras	1938	1,42,08,300	15th Sept. 1953	100-0⅛
3 ½% Madras	1939	1,29,76,600	21st June 1959	95⅜
3 ½% Madras	1942	1,23,25,000	18th Sept. 1955	98⅜
3 ½% Madras	1943	1,25,10,000	14th Sept. 1956	98
3 ½% Madras	1944	1,08,00,000	15th Aug. 1958	96⅛
3 ½% Madras	1945	2,82,19,000	14th Sept. 1960	94⅛
2½% Madras	1946	3,90,93,200	1st Sept. 1961	90⅜
3 ½% Madras	1950	4,47,00,000	31st July 1960	94–3⅛
3½% Madras	1951	3,00,00,000	17th Sept. 1962	97
4 % Madras	1952	5,00,00,000	1st Aug. 1964	101⅞
3 ½% Mysore(f)	1930	1,63,44,300	1st Nov. 1955	105⅛
4 ½% Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100⅜
4 ½% Mysore(f)	1936	5,99,72,900	30th April 1956-61	98⅛
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	98⅛
3 ½% M.P.	1942	50,00,000	18th Sept 1955	98⅛
3 ½% M.P.	1943	50,54,200	14th Sept. 1956	98⅛
3 ½% M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 ½% M.P.	1948	2,03,00,000	15th Sept. 1964	91⅛
3 ½% M.P.	1950	1,00,28,800	31st July 1960	94⅛
3½% M.P.	1951	1,00,00,000	17th Sept. 1962	97⅛
3 ½% Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99
3 ½% Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅛
3 ½% Punjab**	1943	2,48,78,300	14th Sept. 1956	99
3 ½% Punjab**	1945	2,95,81,600	14th Sept. 1960	98⅛
3 ½% Travancore	1944	3,00,00,000	15th May 1952-54	98⅛
3½% Travancore	1936	50,00,000	16th Aug. 1956	99⅛
4½% U.P.	1936	1,69,39,800	15th Sept. 1961-66	90⅛
3 ½% U.P.	1944	3,23,96,800	1st Aug. 1958	97
3 ½% U.P.	1945	2,36,31,900	14th Sept. 1960	94⅛
3 ½% U.P.	1946	2,41,19,800	1st Sept. 1961	95⅜
3 ½% U.P.	1951	2,00,00,000	17th Sept. 1962	97⅛
3 ½% U.P.	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1951	1,75,00,000	17th Sept. 1962	98⅜
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	97⅛
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	98⅛
88,25,000	4	1914	1975	99⅜
10,00,000	4	1915*	1960	
55,00,000	4	1915	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	97⅛
76,90,100	4	1915	1975	97⅛
68,02,300C	3½	1921	1981	79N
1,50,00,000C	6½	1921	1981	144N
1,24,06,300	6	1925	1955–85	105
98,21,600	5½	1926	1956–86	104
99,84,500B	5	1926	1956–86	103
1,49,49,500B	5	1927	1957–87	103⅛
1,49,30,000	5	1928	1958–88	104
80,00,000	4½	1931	1991	92⅛
50,00,000	3	1949	1954	99
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79N
1,50,00,000	3½	1951	1961	97⅛
STERLING LOANS				
£892,600	5	1923	1953–83	£83
£901,000	5	1924	1954–84	£85
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1882	
7,46,044	5	1920	1982	
2,15,852	6	1921	1952	
1st Aug. 3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	
STERLING LOAN				
£330,000	5½	1923	1953	£100

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97⅛
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1909	1969	
18,00,000	4	1913	1973	97⅛
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
25,00,000	5	1919	1979–79	113
66,00,000	6	1920	1955–80	
25,00,000	5	1926	1956–86	115
25,00,000	5	1927	1967–97	98
10,00,000	3½	1936	1966	96⅛
STERLING LOANS				
£566,600	4	1909	1969	£95⅛
£333,000	4	1910	1970	£95⅛
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	104
25,00,000	6	1925	1959	107
50,00,000	4	1934	1964	99⅛
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	90
20,00,000	3	1938	1963–68	88
80,00,000	4	1952	1962	100
STERLING LOANS				
£700,000	5½	1923	1953	£100

MUNICIPAL LOANS

Rs.	**BOMBAY**			Rs.
49,40,000	4	1913–14	1954	100
60,60,000	4	1913–15	1974	99⅜
20,00,000	4	1913–15	1955	100
10,00,000	5	1920	1980	113
10,00,000	5	1924	1954	103⅜
25,00,000	5	1928	1958	105
26,14,000	5	1929	1949–59	to
8,45,500	5	1929	1954–59	103
26,21,500	3½	1929	1959	86⅛
8,25,00,000	3½	1947	1977	85
2,50,00,000	3½	1949	1979	91⅛
4,00,00,000	3½	1950	1965	100⅜
2,50,00,000	4	1952	1964	96⅛
2,00,00,000	3½	1951	1966	
Rs.	**CALCUTTA**			Rs.
34,45,500	6½	1925	1955	106
84,70,000	6	1925	1959	106
36,00,000	5	1928	1958	103⅜
25,00,000	5	1929	1957	103⅜
25,00,000	5	1929	1958	103⅜
10,00,000	5½	1932	1955	108
33,91,000	3½	1935	1965	93⅛
5,19,000	3	1936	1953	99⅛
60,00,000	3	1936	1953	99⅛
1,46,100	3	1936	1953	99⅛
3,11,400	3	1937	1954	98⅛
4,67,100	3	1937	1954	98⅛
1,62,500	3	1937	1954	98⅛
4,18,100	3	1937	1954	98⅛
47,50,000	3	1938	1968	97⅛
10,67,700	3	1938	1955	99⅛
15,56,800	4	1939	1956	99⅛
15,56,800	4	1940	1957	99⅛
17,64,400	3½	1942	1959	92
21,10,300	3½	1942	1972	96
15,49,000	3½	1951	1960	96
16,33,000	3½	1951	1961	96
66,88,000	3½	1951	1966	
Rs.	**MADRAS**			Rs.
5,00,000	4	1903	1953	101
5,00,000	6	1923	1953	107
3,40,000	7	1925	1955	107⅜

ABBREVIATIONS.—M—Held by Government of Madras. N—Nominal. '—Various Issues repayable to Government.
B—Taken up by Imperial Bank of India. D—Domestic Loan on market-basis. C—Held by Commissioners. * Loans held entirely by the Treasury
(a) This includes the amount of loan converted into First Development Loan 1957–74. (Income-tax free A—Held by Government of India.
Rate of interest reduced from 6 to 5 per cent with effect from 1st June 1944
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935 ** Quotations in Pak. Currency.

PREFERENCE SHARES

Company	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation Rs.	Paid-up per Share Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	127	100
BREWERIES AND SUGAR						
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	78	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	140	100
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	117	100
†East India Distilleries	£200,000	1897	7	Jan. July	Sh. 15⅜	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	65	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	65	100
Partabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Ramnagar Cane	4,00,000	1933-36	6	Aug. ..	90xd	100
Rayalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	70	100
South Behar Sugar	5,00,000	1936	7(a)	Oct.	75N	100
Travancore	15,00,000	1946	5c	Dec. ..	6½	10
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	115	100
Berwas	4,00,000	1896-97	6½	Oct. Apr.	115	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	118	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	4,00,000	1895	6	Mar. Sept.	112xd	100
Karampura Collieries	7,50,000	1946	5½(a)	.. ..	82	75(pp
†Kajora	1,93,000	1931	7	Mar. Sept.	6N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12	10
Sindal	2,00,000	1898-99	6½	Apr. Oct.	112	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108⅜	100
Bangalore	6,00,000	1884	6	Jan. July	137	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	6⅜	10
Benares Cotton	1,05,200	1919	7	July Jan.	55	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	119	100
Burrash 'A'	6,00,000	1900	7	Feb. Aug.	125	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	78	100
Bradbury	14,75,000	1919	7	June Dec.	310⅜	250
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	142⅜	100
Cambodias	1,00,000	1928	7	Apr. ..	131⅜	100
Central India	50,00,000	1912	5	Apr. Oct.	510	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	130⅜	100
Elgin	11,00,000	1912	8	May Nov.	139	100
Ind. 'B' Pref.	4,20,000	1943	5	July Jan.	10	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	96⅜	100
Experam	20,00,000	1919	7	June Dec.	120	100
Khatau Makanji	10,00,000	1925	6	Nov. ..	—	100
Do. (2nd)	29,92,500	1947	4	.. ..	85	100
Kothari	12,00,000	1937	6	Nov. ..	9⅜	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	.. ..	235	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	January	72	100
Moti Mills	30,00,000	1900	6	Jan. July	108	100
Mysore Spg.	8,00,000	1905	7	.. ..	..	50
New Great	7,45,050	1913	6	.. ..	..	100
New Victoria	8,00,000	1913	5½(a)	Mar. ..	175xd	200
Podar Mills	26,05,500	1920	6	Apr. Oct.	3⅜	5
Rajlakshmi	10,00,000	1943	4	Feb. ..	80	100
Shree Niwas Cotton	2,00,000	1932	6½	Apr ..	56	50
Sholapoor	4,80,000	1944	4	.. ..	..	100
Swadeshi	32,00,000	1943	3(c)	.. ..	80	100
Swadeshi (Kanpur)	15,00,000	1935	5	Apr. Oct.	110cd	100
Vasanta (1st)	35,00,000	1927	6	June ..	88	100
Do (2nd)	3,00,000	1931	6½	Apr. Oct.	121⅜	100
Vishnu	1,50,000	1938	6	.. ..	111⅜	100
—	15,66,500	1908	7(a)	Apr £	553⅜	500
ELECTRICS						
Andhra Valley Power Supply	49,34,000	1917	7(a)	May Nov.	1,170cd	1,000
Calcutta Electric	61,90,000	1899-11	5(f)	June Dec.	2½	61
Dacca Electric	6,00,000	1940	6	Dec. ..	9	10
Madhumati Electric	1,30,000		7	Mar. ..	—	100
Peona Electric	4,00,000	1935	7(a)	June Dec.	103⅜	100
South Arcot	2,00,000	1933	6	Jan. July	95⅜	100
South Madras (1st)	6,00,000	1940	5½	July Nov.	10	10
Do. (2nd)	8,00,000	1940	5½		9⅜	10
Surat Electric Co.	2,50,000	1939	6½	Apr. ..	127⅜	100
Tata Hydro-Electric Power	89,28,000	1907	7(a)	May Nov.	127⅜	100
Tata Power	89,28,000	1918	7½(a)	May Nov.	1,295	1,000
Visag.	1,25,000	1928	6	Mar. Sept.	8⅜	10
	1,00,000	1933	6½(a)	Sept. ..	82⅜	100
ENGINEERING						
Arthur Butler (Mosaffarpore)	1,30,000	1919	7	Mar. ..	8⅜	10
Burn & Co., Ltd. (1st)	13,00,000	1895-98	7	Feb. Aug.	127	100
Do. (2nd)	13,00,000	1902	6	Feb. Aug.	114	100
Indian Iron and Steel Co., Ltd.	1,50,00,000	1950	5	Dec. ..	108	100
Indian Standard Wagon	19,66,500	1918	7	June ..	127	100
Indian Steel Rolling	4,90,950		5½	.. ..	9⅜	100
†Kumardhubi Engin.	10,00,000	1941	5	May Nov.	106	100
Larsen and Toubro Ltd.	12,00,000	1915	5	June Dec.	98	100
McKenzies (1st)	13,00,000	1946-47-51	5	.. ..	85	100
Premier Construction (1st)	5,50,000	1907	5½	.. ..	80	100
Do. (2nd)	10,00,000		6½(a)	.. ..	98⅜	100
Steel Products do. (3rd)	15,00,000	1938	6½(a)	.. ..	8	100
Tata Iron and Steel (1st)	56,25,000	1947	4½(a)	.. ..	5⅜	10
Do. (2nd)	3,00,000	1917	5	.. ..	1½N	10
do.	75,00,000	1908	5	Nov ..	177⅜	150
	6,93,81,900	1908	6(a)	May ..	132⅜	100
			7½(a)			
JUTE						
Asiatics	10,00,000	1927	7	Jan. July	121	100
Auckland	9,00,000	1909	7	May Nov	104	100
Caledonian	9,00,000	1894	7	May Nov.	120	100
Cheviot	6,00,000	1934	6½	Jan. July	98	100
Clive 1st Pref.	10,00,000	1915	7	June Dec.	119	100
Do. (A) 2nd Pref.	10,00,000	1919	7	June Dec.	117	100
Dalhousie	5,00,000	1928	7	Mar. Sept.	114	100
Delta	8,00,000	1900	6	May Nov.	94	100
Hastings	15,00,000	1903-13	7	May Nov.	113	100
Hoogly	5,00,000	1897	6	June Dec.	100	100
Port Glosters	10,00,000	1912	7	Feb. Aug.	114	100
Do. 2nd Pref.	14,00,000	1890-98	7	May Nov.	118	100
Ganges	7,00,000		5	.. ..	94	100
Serampore	10,00,000	1911	7	May Nov.	118N	100
Standard	6,00,000	1916	8	June Dec.	120	300
Titaghur	26,50,000	1895-04	6	May Nov.	104	100
Victoria	25,00,000	1935	6	Mar. Sept.	107	100
Do. (A)	11,76,000	1913	10	May Nov.	15	10
Hukumchand	8,75,000	1890	7	May Nov.	123	100
Kamarhatty	17,50,000	1903-06	7	May Nov.	117	100
Kankarrah	40,00,000	1919	7	June Dec.

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. G=Guaranteed shares. P=Preference shares. P O.=Preferred Ordinary shares. R=Rebate shares. Y=Accounts published yearly. H=Accounts published Haf-yearly. Q=Accounts bublished e 15 months. T=Company has Debentures R.L.=Reserve Liability on shares. N=Nominal Quotation. i=Interim Dividend. f=Dividend for first half-year, y=Dividend for the year. x=Ex. Dividend c.d.=Cum. Dividend.

Shares:—If a company has different classes of shares—as, for example, 'A shares and 'B shares—these are indicated by the same letters 'A' and 'B under "Paid-up Per Share."

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12 indicate the months of June and December, respectively 'Reserves" ludes general and other reserves and all other funds which a company may have as also depreciation on block items, when this is charged to separate account "Block" represents actual cost of land, buildings, machinery, and all such er items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends:—Dividends for completed years are calculated at per cent. per annum, but where quoted for portion of a year, they represent percentages of the dividend on the paid-up share value. For companies closing the books f-yearly in the first three months of the year, and for companies closing their books yearly during the first half of the year dividends are shown as for the previous year.

COTTON MILLS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	¶Number Installed: Spindles	¶Number Installed: Looms	Mill	Latest Available Quotation. Rs.	Paid-up Per Share Rs	Dividends (per cent.) 1949	1950	1951	1952	Accounts closed	Reference
BOMBAY CITY AND ISLAND															
50,00,000	59,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	2½	2	12½	12½	15½		12	Y.
40,00,000	96,25,655	1,22,39,883	45,646	B. R. Sons, Ltd.	50,828	1,021	Beharilal Ramcharan Cotton Mills	51½	100	6	6	—		3	T.P.Y.
2,50,98,000	4,84,93,400	3,45,45,592	2,49,665	Nowrosjee Wadia & Son, Ltd. ..	1,82,072	4,855	Bombay Dyeing, etc. ..	387½cd	250	16	7	8		12	Y.
10,00,000	68,56,275	52,02,609	2,59,868	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	725	250	24	40	40		3	P.Y.
1,09,42,800	3,69,11,265	2,42,52,821	5,30,869	Birla Bros., Ltd	1,09,320	2,706	Century	272½cd	100	15	18	20	20	12	Y.
49,00,000	76,78,063	1,06,30,358	5,066	V. J. Pilani, Esq. (Chairman)	39,408	698	Colaba Land & Mill ..	71½	100	—	—	4		12	Y.
26,00,000	47,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd.	27,308	680	Coorla	112½xd	100	7½	7½	7½		3	Y.
16,00,000	61,03,791	61,88,798	2,30,356	Ramnarain Sons, Ltd.	38,304	..	Dawn	71½	50	4	—	12		12	Y.
34,00,000	78,85,000	63,06,555	91,036	Puranmal Radhukishan & Co. ..	50,296	928	Edward Textiles	240	200	7½	7½	7½		12	Y.
25,00,000	82,92,517	1,09,92,288	64,188	Chidambaram, Mulraj & Co., Ltd.	44,768	886	Elphinstone	44	50	10	8	—		12	Y.
40,00,000	1,20,24,649	75,61,616	4,37,206	James Finlay & Co., Ltd.	46,072	784	Finlay	310	100	15	15	20		12	P.Y.
50,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	71,608	1,259	Hind Mills	—	10	5½	4½	5½		6	P.Y.
12,00,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co.	45,752	1,022	Hindustan	3,260	1,000	17½	20	20*		3	P.Y.
00,00,0000	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	9¾	10	7½	7½	10½		12	P.Y.
50,00,000D								1-10½		12½	12½	25			
8,65,000								3,260	1,000	17½	20	20*		3	Y.
35,000	1,33,65,320	98,10,275	7,671	Damodhar Thack Mooljee & Co.	47,172	1,191	Indian Manufacturing	—	500						
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co	77,404	1,517	Khatau Makanjee	192¼	100	12	14	10		6	P.Y.
1,00,00,000	3,45,80,831	2,90,52,252	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor	294cd	100	27k	18	25*	18	12	Y.
28,80,000	62,72,416	4,58,523	11 567	Hall & Anderson Ltd. Props. ..	61,516	1,742	Madhusudan Mills	80	100A	7½	5			6	Y.
3,60,000B								—	20B						
51,75,000	1,65,94,653	1,71,00,015	2,80,686	Piramal Gangadhar & Others ..	60,652	1,450	Morarjee Goculdas	180	100	17	15*	12	10	12	P.Y
24,00,000	67,21,958	71,22,987	42 053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay ..	166½xd	100	11	12½	15	10	12	Y.
30,00,000	79,78,669	86,82,525	70,277	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Eastern ..	151xd	100	6½	10	12½		12	P.Y.
12,70,100	27,38,754	13,13,391**	941	Mafatlal Chandulal & Co.	33,720	875	New Union	22½	10	—	5	10		12	Y.
48,00,000	1,14,83,245	1,34,29,555	2,40,353	Ramnarain Sons, Ltd.	54,208	1,190	Phœnix	118½	100	6	10	10		12	P.Y.
40,00,000	45,61,000	23,31,581	1,35,988	Podar Sons, Ltd.	32,600	930	Podar	130	100	9	9	10		12	Y.
5,00,000	27,64,626	29,73,962	3,162	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk ..	22	10	26½	20	20		12	Y.
25,00,000	35,63,793	17,86,230	1,316	M. G. Investment Corpn.	60,240	1,254	Sassoon Spinning	23½	10	—	7½	10		12	P.Y.
60,00,000	93,52,612	65,79,388	3,19,198	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	180	100	12½	14	17½		12	T.Y.
21,50,000	1,00,00,000	76,05,952	50,222	Forbes, Forbes, Campbell &Co.,Ltd.	36,116	1,276	Simplex	179xd	50	28	34	301		3	Y.
36,00,000	1,84,55,730	1,14,25,402	17,129	Mafatlal Gagalbhai & Sons ..	53,892	1,633	Standard	291½	100	15	15	26 ×		12	P.Y.
75,00,000	1,97,81,673	92,45,129	70,099	Tata Industries Ltd.	65,040	2,000	Svadeshi	257cd	100	14	16	18		12	P.Y.
54,00,000	99,65,496	54,00,802	5,62,977	James Finlay & Co., Ltd.	35,804	552	Swan	455	100	20	20	25		12	P.Y.
32,54,438	92,22,538	68,88,347	25,338	Tata Industries Ltd.	63,248	1,800	Tata	44¼cd	25	8	8	16		3	T.Y.
12,00,000	1,17,01,933	86,62,657	4,299	Thackersey Mooljee Sons & Co. ..	45,888	1,176	Western India Spinning ..	3,110	1,000	17½	20	20			
AHMEDABAD															
20,00,000	84,99,543	51,95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance ..	147½	100	8	12	10		6	P.Y.
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Huthesing & Sons Ltd. ..	42,768	912	Aruna	390	100	13*	15*	20*	25	12	Y.
21,00,000	2,83,78,675	1,18,76,140	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind	725	100	22½	25	2.5		12	P.Y.
10,00,000	93,20,000	70,77,166	92,811	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning	261½	200	15	15	17½		12	P.Y.
12,00,000	1,48,97,000	79,36,000		Lalbhai Dalpatbhai & Co. ..	37,368	912	Asoka	449	100	15*	17	22		12	Y.
1,24,74,017	3,42,43,180	3,39,18,894	2,89,575	Karamchand Premchand & Co. ..	1,39,120	2,370	Calico	308½	125	8	10	14-2/5		12	P.Y.
30,00,000	1,00,20,000	83,66,716	748	Tricumlal Bhoglal & Co.	39,316	867	New Commercial	1,055	500	10	11	12		12	
39,00,000	1,17,35,075	88,73,039	19 706	Mafatlal Chandulal & Co.	47,952	864	New Shorrock	550	125	28	28	28	30*	12	Y.
5,00,000	79,61,645	43,89,260	4,583	Jagabhai Bhoglal Nanavati & Co.	24,840J	528J	Nutan	555	100	25*	28*	28*	25	12	Y.
10,00,000	1,49'90'022	73,95,913	3,599	Lalbhai Dalpatbhai & Co. ..	31,120	637	Raipur	700	100	22½	25	25		12	Y.
12,00,000	50,40,334	63,41,241	1,09,340	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Rajnagar	160	250	6	6	8		6	P.Y.
32,50,000	58,29,453	74,07,003	3,873	Lalbhai Dalpatbhai & Co. ..	33,156	645	Rohit	120	100	8	30	9		12	Y.
24,90,150	1,76,92,721	93,49,718	93,168	Haribalabhdas Kalidas & Co. ..	73,796	1,383	Shri Ambica Mills	309	50	25	30	36		12	P.Y.
28,00,000	59,44,524	80,38,656	20,958	Haridas Acharatlal & Co., Ltd.	32,816	776	Vijaya	448½	100	11½*		8½*			
WEST BENGAL															
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agency Ltd., ...	13.044	356	Basanti Cotton	3¾	10	—	5	3½		12	P.T.Y
7,11,280	22,53 684	37,16,899	32,931	Bengal Textile Agency Ltd. ..	28,448	936	Bengal Luxmi	38N	40	—	7½	7½		3	Y.
6,00,000	74,31,075	77,07,829	—28,432	K. Bullen & Co., Ltd.	42,872	841	Bowreah	215	100	—	—	7	—f	6.12	Y.
19,00,000	96,49,115	96,66,017	—27,794	K. Bullen & Co., Ltd.	42,944	518	Dhunseri	124	100	5½	—	7	—f	6.12	P.Y.
1,20,00,000	3,29,34,362	3,04,56,320	84,976	Birla Bros., Ltd.	69,352	1,990	Kesoram	21	15	12½	12½	7½		3	Y.
6,00,000A	71,09,841	79,53,833	51,255	Chakravarti Sons' & Co.	23,484	442	Mohini	—	25	12½‖	7½	7½		12	
33,96,097B									10						
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12 300	374	Arona Spg. & Wvg. Mills ..	5	10	9	3	—		12	T.Y
15,00,000	26,53,246	59,15,375	2,736	Ramlal & Co. Ltd.	50,000	..	Alagappa Textiles	6½	10	—	9	6		12	
71,95,030ss	91,90,031	1,69,30,772	27,626	Ind. Trust Fund	19,944	440	Azam Jahi Mills	65	100	15*	5½‖	61		9	P.H
40,50,000	3,00,10,004	2,73,75,544	2,49,801	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	238	100	14½	17½	20	15	6.12	T.I
27,00,000	71 21,986	69,56,123	40,145	Shaw Wallace & Co., Ltd. ..	29 936	782	Bengal Nagpur	15½	10	5	1½	10	5f	6.12	P.Y.
60,00,000	77 87,070	1,03,33,381	11,806	Binodiram Balchand	57,312	1,338	Binod Mills	100N	100	17	5	5		12	P.Y.
15,00,000	1,33,79 264	84,27,674	4,60,089	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	58N	10	25	25	30		6	P
1,78,47,800	4,09,27,251	5,14,83,572	2,39,790	Binny & Co., Ltd. (Madras) ..	1,19,916	2,781	Buckingham & Carnatic ..	121	100	6½	6½	7½	4	6.12	P.Y.
20,00,000	32,17,315	27,32,911	55,358	Peirce, Leslie & Co., Ltd. ..	37,536	4	Cambodia	11¼	10	7½	—	12½		12	P.Y
30,00,000	64,46,347	47,79,878	32,599	Begg Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	8¼	5	11½	11½	11½		3	P.Y
46,87,500	2,25,77,600	2,00,84,126	—16,28,224	Tata Industries Ltd.	1,15,188	2,062	Central India	155	100	6	6	2		6	P.Y
12,00,000	33,42,813	25,08,393	1,52,180	R Beema Nayudu & Co.	28,864	..	Coimbatore Cotton	150	100	12½	12½	12½		12	Y.
20,00,000	17,94,432	20,04,313	9,816	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills ..	101	100	7	6	—		6	P.Y
20,76,900	70,83,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg. ..	45	50	5	10	—		6	Y.
24,34 800	40,26,054	37,58,169	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi	188cd	100	25	25	20	10	12	Y.
2,89,84,925	3,84,95,614	5.77.14.605	1,63,862	Bharat Ram, Esq.	75.604	1,830	Delhi Cloth (inc. Lyallpur Mills)	28½	25	4	10			6	P.Y.
1,00,503									2½						
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd.	52,652	1,198	Elgin	17½	10	12½	11½	15		9	P.Y
39,04,700	1,01,50,000	82,22,587	1,03,575	F. Forbes Campbell & Co., Ltd.	72,960	2	Gokak	225	100	15	10	14	17*	12	Y.
30,00,000	44,17,977	1,21,16,721	6,989	Govindram Seksaria (Indore)	50,420	1,420	Indore-Malwa United	93½	100	4	4	5		12	Y.
8,90,000	22,88,977	18,75,134	487	G. V. Naidu & Co.	23 784	..	Janardhana	59	50	16	10	15		12	P.Y
6,50,000	17,20,576	40,18,454	7,677	A. L. A. R. A. Chettiar and another	30,304	325	Kaleeswarar	347½	100					6	
24,00,000	23,50,000	43,06,106	54,377	Kothari & Sons, Ltd.	13,824	..	Kothari	10	10	7	7½	7½		12	P.Y
32,00,000	1,52,51,325	1,35,66,651	2,77,976	The Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton	600	250	15	15	20§		12	Y.
35,64,100	90,51,492	78,03,494	7,921	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	38½	50	8	8	10		3	
17,82,050A									25						
1,75,02,480	5,94,39,299	4,16,07,732	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura	343xd	15	17½	15	20	20	12	
12,00,000	20,47,239	23,90,961	—15,121	A. L. A. R. S. Chettiar and 2 others	21,856	..	Malabar	150	200	7½	4	6		12	
60,00,000	93,17,047	52,62,343	50,249	W. A. Beardsell & Co., Ltd.	24,252	603	Mettur Industries	186	100	25	12½	12½		3	
29,80,884	65,78,942	71,79,459	22,669	N. Sirur & Co., Ltd.	36,416	678	Minerva	105	100	8**	6	6		12	
94,91,850	96,08,312	1,34,73,361	29,643	B. Ahirchand Dadabhoy & Co. ..	49,456	952	Model Mills, Nagpur	143½	250	6	3	3		6	
30,00,000	1,55,94,651	1,53,39,271	7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir	215	100	24‡	—	7½		12	
9,71,850	4,06,541	20,43,991	—2,16,536	A. Sambha Moorty, Esq.	69	..	Mysore Silk Filatures	28	10	20	18*	20§		2	
19,86,800	1,15,59,739	82,55,416	36,347	N. Sirur & Co., Ltd.	49,632	500	Mysore Spinning	123½xd	50	5d	6½	—		12	
13,61,780	22,98,130	27,85,556	—4,60,000	R. Suryanarayana Rao, Esq	6,000	..	Mysore Spun Silk	44	10					3	
22,89,882	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd	50.228	1,148	New Victoria	1½	2½	—	—	—		12	
3,07,095O								—	DI						
86,93,300	1,16,62,352	1,46,35,293	1,161	Ind. Trust Fund	30.896	717	Osmanshahi Mills	95	100	14*	5½	6½		9	
4,00,000A	19,98,937	20,58,777	19,670	Baghyalakshmi & Co.	22,800	..	Palani Andavar	52	50	4	10	16		12	
15,00,000	21,04,314	32,27,259	4,411	C. S. R. Mudaliar & Sons ..	27,980	..	Ramalinga Mills	100	100	4	7½	5		12	
25,30,420	36,19,473	40,65,619	11,306	A. G. G. Naidu & Co.	38,864	200	Radhakrishna	149	100	15	16	16		12	
15,00,000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	25,896	..	Rajalakshmi	76	50	9	9	10		12	
15,02,500	31,53,264	35,65,211	11,407	P. S. G. Nayudu & Sons ..	28,972	88	Ranga Vilas	42	50	6	7	7½		12	
60,00,000	89,59,172	1,04,60,739	5,506	Sir J. P. S. & Sons (Rampur), Ltd	32.580	600	Raza Textiles	5§	10	—	—	—		12	
16,00,000	1,58,55,370	2,03,51,339	—78,03,793	M. J. Divekar, Esq.	82,992	2,234	Sholapur	1,750	1,000	—	—	—		3	
22,41,300	9,49,300	25,98,011	66,528	Gopaldas Liladhar & Co., Ltd	15,824	440	Shree Sajjan	75N	100	6				3	
17,79,700	17,05,383	21,50,229	3,083	T. R. A. Ayyar & Bros., Ltd.	18,416	416	Sitaram	35½	60	6§	—	5		8	
36 69 700	33 91,188	62,29,128	26,556	B. S. Visweswaraiya, Esq. ..	25 200	292	Sri Krishnarajendra Mills ..	36½	60	8*	8*	6*		3	
15,00,000	1,30,50,807	64,96,084	58,49,305	Birla Brothers Ltd.	27,340	992	Sutlej Cotton Mills	37	10	40	40	40		3	
17,50,000	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,12,216	2,077	Swadeshi (Cawnpore	9½	10	5	5	5		12	
1,97,50,000P.O.								9½	10P.O.	9	9	9			
9,32,990	20,80,396	12,56,097	61,026	M. R. & Sons	16,000	..	Trichinopoly	10	10	10	10	10		12	
21,00,000	33,78,057	44,54,040	38,800	R. K. S. Chetty & Bros.	33,704	270	Vasanta	164cd	100	7	9	10		12	
32,00,000	1,27,03,612	1,16,39,613	2,69,813	The Bombay Co., Ltd.	54,280	1,495	Vishnu	170§	100	10	9	14		12	

• Includes Bonus. I. On Increased Capital. ‡ Only Depreciation. ¶ As on 31st August, 1952. †† Does not include depreciation.
× Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46. — Nil Dividend. xd=Ex. Dividend. C.d.=Cum. Dividend.
k) Includes Rs. 11-6 paid out of deferred Dividend Amount. † Subject to tax. J=As on 1st January, 1953. ** Net Block.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs	Paid-up per Share Rs	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
ART SILK AND RAYON MILLS													
1,60,42,600	37,92,725	4,15,55,170	4,66,206	Chinai & Co., Ltd.	National Rayon Corporation ..	74½	100	—	—	—		12	P.Y
99,92,020	46,91,585	2,65,93,471	4,93,263	Emcete & Sons (Travancore) Ltd.	Travancore Rayons	4½	10	—	—	—		12	P.Y
BREWERIES AND DISTILLERIES													
13,28,000	65,17,840	96,16,910	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	20½	25	11½	11½Q	—		5	P.Y.
6,64,000						9½	10						
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	6	5	20	10	—		3	Y.
£330,000	£915,047	£1,010,005	£55,705	Parry's Holdings Ltd.	East India Distilleries and Sugar ..	15½cd	A 16sh	10	10	10		9	P.Y
						21½cd	B 20sh		15	15			
24,00,000	8,54,296	1,56,660	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4	10	—	—	—		8	Y.
6,00,000	21,13,566	12,13,593	3,951	B. A. Mallya Esq.	United Breweries	150	75	15	10	20		3	Y.
CEMENT													
31,19,724	21,33,493	67,56,656	15,850	The Andhra Engineering Co. Ltd.	Andhra Cement Co	89	100	3§	3§	7½		12	P.Y.
43,14,600	16,94,310	17,14,992	1,01,035	Eastern Corporation Ltd.	Assam Bengal Cement	4½	10	5	—			3	Y.
4,70,976D						½	1						
10,56,20,438	11,11,06,440	15,65,68,404	7,08 841	Cement Agencies, Ltd.	Associated Cement Companies ..	170½	100	7	8A	9½	9½	7	Y.
10,56,20,438						6½	10						
86,49,312	95,24,901	1,45,62,309	61,188	Hari Bros. Ltd.	Dalmia Cement	½	1	—	5	6½		12	Y.
5,00,000D						16½	25						
61,01,180	27,27,600	1,26,09,755	90,853	Essen Ltd.	India Cements Ltd.	3-0½	5D	—	—	5		3	P.Y
7,50,000D	1,46,20,109	1,65,80,416	81,840	Martin Burn Ltd.	Sonevalley Portland Cemen	7½	5	8	6	8		12	Y
75,00,000													
CERAMIC; MINING AND QUARRYING													
81,70,655	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2½	2½	2½	5	6½		12	Y.
10,00,000	37,00,990	51,64,271	28,729	Bird & Co.	Biara Stone Lime Co	29	10	16½	17½	17½		3.9	H
30,00,000						9½	10 O	10	10	5f			P.
88,00,000D	17,91,749	50,93,341	12,332	Ram Kumar Agarwala & Bros.	Chrestien Mica Industries	6½	5 D	15	15	7½f		12	P.Y.
£914,200	£1,650 110	£1,643,983	£85,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3-2½	2sh.	12½†	12½†	12½		12	Y
15,00,000D						14	10	—	—	—		61.2	H
89,99,900F	38,79,403	43,65,527	1,29,079	Bird & Co., Ltd.	Karanpura Development		10	—	—	—		61.2	H
4,00,000	6,40,199	7,98,882	9,812	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	9½	10	5§(d)	10	10		3	Y.
60,00,000	37,28,402	31,47,718	74,275	Bird & Co., Ltd.	Orissa Minerals	34½	10	6½	6½	12½	15f	6.12	H.
6,00,000	24,28,739	25,13,779	27,403	Andrew Yule & Co.	Reliance Firebricks	17	10	10	10	11½		2.8	H.
5,99,390	20,61,475	17,98,676	3.427	Killick Industries Ltd.	Shivrajpur Syndicate	62½cd	10	15	15	17½		11	Y.
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	23,14,270	1,02,937	S. V. S. Iyer, Esq.	Kemp & Co.	245§	200	10	15	10		3	Y.
92,14,870	55,77,268	2,53,78,334	8,595	Tata Sons, Ltd.	Tata Chemicals	93½	10	—	—	—		6	T.Y.
1,12,500	1,38,486	61,178	4,101	B. D. Nagar, Esq.	Thompson & Taylor	4½	3	8½	12½			3	Y.
Other Centres													
25,00,000	54,68,041	63,66,814	59,559	Bhailal Amin & Sons., Ltd.	Alembic Chemical Works Co ..	100½	100	—	8	8		12	Y.
62,00,000	1,07,29,152	2,20,10,944	2,51,870	Imperial Chem. Industries (India), Ltd.	Alkali and Chem. Corpn. of India	13½	10	10	6			9	Y.
84,700'0.O	88,00,287	74,49 987	18,67,480	S. P. Sen, Esq.	Bengal Chemical & Phar.	104½	100	6				4	Y.
21,30,000	45 64 469	38,97 031	1.09.732	Sahu Bros. (Saurashtra) Ltd. ..	Dhranagadhra Chemicals	168	100	6	15	15		3	Y.
4,95,000	1,50,922	1,53,108	—21,738	D. C. Collaco, Esq.	Frank Ross & Co.	3	6	5†	4½	—		2	P.Y
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MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
OIL; PETROL, ETC.													
£750,000	£987,630	£257,232	—£718,934	I. C. H. Glass, Esq.	British Burma Petroleum Co.	1–2½	4sh.	—	—	—		3	P.T.Y.
22,50,000	81,89,204	52,69,225	1,85,955	N. C. Alcock, Esq.	British Ceylon Corporation	13½	7½	20†	24†	32†		12	P.Y.
1,00,00,000	2,27,04,997	1,10,70,867	2,10,829	Steel Brothers & Co.	Indo-Burma Petroleum Co.	55½	40	10	10	10		12	P.Y.
70,07,475	1,02,93,586	1,52,15,713	10,002	Tata Industries Ltd.	Tata Oil Mills	34	25	4	6	8		3	P.Y.
6,00,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tide Water Oil Co. (India)	16	10	15	15	17½	5f	4.10	H.
PAPER													
45,00,000	1,56,25,500	1,94,47,651	3,21,991	Balmer Lawrie & Co.	Bengal Paper Mills	44½	25	10	10	12½	6¼f	6.12	P.T.H.
30,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	155	100	7	10	11	5f	3.9	H.
25,00,000	48,31,215	47,81,895	52,615	P. R. Balakrishnan, Esq.	Mysore Paper Mills	13⅞	10	5d	7½	10*		3	Y.
41,95,000	2,47,61,003	3,22,48,806	1,68,019	Birla Bros., Ltd.	Orient Paper	35	10	15	25	20		3.9	P.T.H.
50,06,895	1,10,93,378	84,10,902	1,86,914	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	20⅜	10	9½	11½	15	7½f	6.12	P.T.H.
20,00,000						7½	10	—	—	5		3.9	P.T.H.
10,00,000 A*	31,49,465	48,58,730	6,430	Bajoria & Co.	Star Paper Mills								
4,37,500 B*						41	10	10	10	10	5f	3.9	
A*56,00,000	5,15,53,313	4,78,98,548	5,00,114	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	A10	2½	2½	10	20*	10*f	3.9	P.H.
B 56,04,800						36½	b10	20	12½	20*	10*f	3.9	
PLANTING; PRODUCE AND RUBBER													
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	6½	3	10	20	20		2	P.Y.
47,70,000	48,44,853	83,16,040	4,37,564	R. C. Paterson, Esq.	Consolidated Coffee Estate	17½	10	17	20	18		6	P.Y.
4,00,000	2,29,804	4,49,625	13,951	Associated Planters, Ltd.	Cottanad Plantations	9½	10	7½	10			3	T.Y.
8,28,950	1,46,540	4,67,078	1,389	A. V. Thomas & Co., Ltd.	Fringford Estates	2½	10	—	—			4	P.W.
6,00,000	19,08,079	9,81,715	46,448	A. V. Thomas & Co., Ltd.	Highland Produce	9½	10	25	45	45		12	P.Y.
4,80,000	9,67,558	7,20,390	43,506	A. V. Thomas & Co., Ltd.	Kalpetta Estates	17½	10	17½	20			4	Y.
4,50,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Malankara Rubber and Produce Co.	101	20	17½	30	35		3	Y.
27,00,000	25,83,648	14,90,888	83,433	A. V. Thomas & Co., Ltd.	Midland Rubber and Produce Co.	9½	10	6	12½	15		3	P.Y.
3,35,000	1,38,538	12,94,936	28,190	A. V. George & Co., Ltd.	Nenmony Rubber	10	10	5	6¼	10		12	P.Y.
2,00,000	1,94,721	24,72,000	2,305	Associated Planters, Ltd.	Nilambur Rubber Co.	9	10	6	10	10		12	P.Y.
19,45,980	48,35,083	38,14,428	1,78,110	Peirce, Leslie & Co., Ltd.	Ouchterloney Valley Estates	4	2	25	25	45		10	T.Y.
13,50,000	5,82,973	28,05,590	31,101	A. V. Thomas & Co., Ltd.	Rajagiri Rubber and Produce Co.	10⅜	10	9	12½	15		6	P.Y.
10,80,000	3,36,390	1,56,824	936	East India Agencies, Ltd.	Teekoy Rubbers (India) Ltd.	7	10	—	7½	9		3	P.T.Y.
9,50,000	1,81,279	2,11,395	66,520	A. V. George & Co.	Thearpanally Rubber	12½	10	6¼	6¼	15		12	P.Y.
3,05,100	5,01,650	6,03,723	31,510	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co. Ltd.	21xd	1	17½	20	25	25	12	Y.
6,00,000	1,17,222	7,40,149	3,953	K. C. Cheriyan, Esq. (secretary)	Travancore Rubbers	13½	10	2½	10	20		12	Y.
41,00,000	14,90,372	67,61,277	3,25,086	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber and Tea Co. Ltd.	6¾	10	2½	6	10		12	Y.
20,00,000	1,51,49,1††	18,47,082	1,775	P. T. Thomas, Esq.	Tropical Plantations Co.	20⅝	25	10	—	—		12	P.Y.
8,20,000	53,026	3,26,408	40,587	A. V. George & Co. Ltd.	Udyagiri Rubber	6¾	10	5	5			12	Y.
4,28,580	2,79,994	7,07,482	33,166	Harrisons & Crossfield Ltd.	Valkunder (Travancore) Rubber Co., Ltd.	15xd	10	10	12½	20	20	12	Y.
1,68,000	78,624	3,43,636	14,082	M. K. Thomas & Co.	Woodland Estates	7⅛	10	7½	6¼	—		3	Y.
PRESSING													
1,00,000	18,78,066	19,01,857	2,322	Andrew Yule & Co.	Calcutta Hydraulic Press	80	100	3	3			3	Y.
4,30,000	5,58,036	6,89,525	1,116	Pyne and Sons.	Camperdown Pressing	90N	100	4	6	7		7	Y.
8,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Central Hydraulic Press	95	100	3	5	5		6	Y.
PROPERTY AND LAND													
10,00,780	25 11 061	42 65 283	419	S. A. Basil, Esq.	Humayan Properties	10½	10	—	6	—	5	9	P.Y.
40,00,000	34 67 735††	83 61 045**	—	David Sassoon & Co., Ltd.	Fort Canning Land	28½	100	2	1½	2		4	Y.
94,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co.	Midnapore Zamindary	38½	100	—	3			4	P.Y.
SAW MILLS AND TIMBER													
13,99,998	29,73,877	10,38,508	60,887	Bird & Co.	Assam Saw Mills and Timber	6½	8	16½	16½	16½		9	Y.
50,00,000	4,89,22,437	2,47,99,361	1 57,498	Wallace & Co.	Bombay-Burmah Trading	387½	125	12	30	18		5	Y.
42,00,000						143½	50	12	30	18		5	Y.
6,00,000	7,04,037‡	7,80,451	—1,19,103	Jardine Henderson Ltd	Bengal Timber Trading	70N	100	5	—			6	P.Y.
14,00,000	25,94,349	13,51,606	73,653	G. Arbuthnot & Co.	Indian Wood Products	47½	10	25	35	35		9	Y.
SUGAR (U. P. and Bihar)													
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co.	Balrampur Sugar	6¾	5	—	20	—		6	Y.
12,00,000	28,96,740††	15,70,684**	2,81,000	Narang Bros.	Basti Sugar	120N	100	6½	10	—		4	Y.
19,49,050	20,10,694	26,89,188	2,24,418	Bangur Bros., Ltd.	Belsund Sugar	8	7½	—	—	8½		9	Y.
5,00,000	21 11,580	15,38,162	40,743	Cotton Agents Ltd.	Bharat Sugar	15N	10	10	15	15		6	P.T.Y
12,00,000	99 90 130	1,26 88,817	—5,15,881	Gladstone Lyall & Co., Ltd.	Carew & Co.	5½	10	5	—	—		6	P.Y.
15,00,000	1,30,69,452	96,28,542	31,891	Begg Sutherland & Co.	Cawnpore Sugar	30	10	15	20	30	20	10	P.Y.
18,00,000	78,43,538	40,37,156	17,488	Begg Sutherland & Co.	Champrun Sugar	21½	10	15	15	20		6	
45,00,000	57,00,000	68,17,572	50,477	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	13½N	100	5½	6	12*		6	P.Y.
1,40,00,000	41,78,374	68,10,159	—4,15,271	Kilachand Devchand & Co.	Kesar Sugar	20N	40	—	3	4	—	7	P.Y.
4,00,000						20N	40	—	—	—		6	
7,89,100	31,59,777	25,99,076	115,051	Cotton Agents Ltd.	New India Sugar Mills	21	10	10	25	25		6	Y.
11,00,000	27,48,180	36,39,370	3,895	Karam Chand Thapar & Bros., Ltd	New Savan	6½	10	5	6¼	5		3	Y.
13,59,375	58,13,356	52,06,760	8,31,015	Cotton Agents, Ltd	New Swadeshi Sugar Mills	180N	100	15	20	20		6	Y.
						45N	25						
77,45,350	1 08,98,159	1,56,10,992	1,981	Cotton Agents, Ltd.	Oudh Sugar Mills	80N	100	2½	2½			7	P.Y.
						20N	25						
1,40,000	39,11,078	36,43,844	71,500	Narang Bros	Punjab Sugar Mills	15N	12½					10	Y.
9,00,000	42,50 793	23,72 806	19,435	Begg Sutherland & Co.	Purtabpore Company	110N	100	—	6	—		6	P.Y.
8,00,000	26,05,463	24,18,182	15,410	Begg Sutherland & Co.	Ryan Sugar	17½	10	10	20	20	10	6	P.Y.
11,99,000	38,06,835	36,11,360	23,281	Begg Sutherland & Co.	Samastipur Central Sugar	2·2	10	15	25	10		6	Y.
20,00,000	57,29,582	93,96 808	27,889	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	13¾	10	10	20	20		6	P.T.Y.
9,99,992	11,66,782	21,41,729	10,162	H. K. Ghose, Esq & R. N. Datta.	Shujpore Sugar	10½	10	—	3⅜	10		7	Y.
6,50,000 O	11,94,395	27,92,174	—14,73,656	N. K. Jain & Co., Ltd.	South Behar Sugar	5½	10	5	5	5		6	Y.
1,75,000 D						3N	10						
8,00,000	54,46,474	70,75,580	57,216	Cotton Agents, Ltd.	Upper Ganges	1N	25	2½				6	Y.
						30	17½	20	20				
(Indian States and Other Centres)													
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Balapur Co.	23½	50	16½	25	28	32	9	Y.
18,93,900	18,53,357	37,63,451	21,012	J.P.Srivastava&Sons(MadhyaBharat)Ltd.	Gwalior Sugar Co., Ltd.	4·N	100	—	5	3		9	P.Y.
13,00,000	38,42,751	22,63,689	2,71,331	India Sugar Agencies Ltd.	India Sugar & Refineries	20	10	12½	15	25		9	Y.
33,57,350	46,47,856	58,47,284	4,84,518	Govan Bros. (Rampur), Ltd.	Buland Sugar	10·N	10	7	7½	10		9	Y.
81,79,280	1,49,74,559	97,24,107	8,27,296	M. Mallaby-Jones, Esq.	Mysore Sugar	45	10	20*	20	20		6	P.Y.
50,00,000	96,62,468	1,03,94,086	3,18,594	Mafatlal, Apte & Kandlal, Ltd	Phaltan Sugar Works	89½	50	14	16	16	16	9	P.Y.
16,50,820	45,75,389	24,76,150	1,61,652	Anderson Wright Ltd.	Ramnugger Cane & Sugar Co., Ltd.	16½	10	15	6	7½	20	8	P.T.Y.
20,00,000	68,39,148	74,55,840	1,89,531	Walchand & Co., Ltd.	Ravigipaon Sugar Farm Ltd.	50	50	7	14	18	18	9	Y.
19,99,580	50,82,224	42,94,120	6,05,982	Govan Bros. (Rampur), Ltd.	Rasa	12	10	6	10	12½		9	Y.
30,00,000	23,82,353	58,70,150	20,980	Parry & Co., Ltd	Travancore Sugars	4½	10	—	—	—		9	P.T.Y
1,01,00,000	1,29,20,737	1,71,87,516	2,07,926	Premier Construction Co., Ltd	Walchandnagar Industries Ltd.	161½	100	17½	12	14	14	9	
UNCLASSIFIED (Bombay)													
1,50,00,000	1,14,37,216	46,81,706	—4,88,411	Tata Industries Ltd.	Air-India Ltd.	84	100	—	—	—	17½	12	Y.
2,40,000	4,90,364	5,64,538	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	705	200	15	15	15		9	P.Y.
59,89,550	2,64,61,902	3,70,82,113	53,607	Scindia Steam Navigation Co., Ltd.	Bombay Steam Navigation Co., Ltd.	34½	25	—	—			6	Y.
15,98,860	1,28,267	2,19,255	32,663	Parakh Agencies Ltd.	Bombay Suburban Electric	54N	50	5	5	5		12	Y.
25,00,000	1,50,000	24,37,096(k)	12,787	Dena Sons Ltd.	Devkaran Nanji Investment Co.	93	25	3	3	3		4	Y.
14,98,360	17,39,540	10,69,197	4,425	F. H. Mehta Esq.	Estrela Batteries	23N	50	6	6	6		3	Y.
99,99,250	18,35,375	1,27,45,383(K)	1,85,257	Premchand Roychand & Sons	Industrial Investment Trust	74	100	3½	4	4½	4½	12	Y.
84,98,865	15,91,304	12,58,924	2,833	K. G. Milne, Esq.	Killick Industries	147	100	8	8½	10		6	Y.
2,06,71,500 A	65,85,939	2,20,52,503	4,52,797	Aero-Auto Ltd.	Premier Automobiles Ltd.	44	10						Y.
10,00,000 B													
6,59,62,018	9,89,24,387	12,98,97,421	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	13–14½xd	15	—	—	3½		6	Y.
1,10,000	3,71 437	2,21,590	3,145	R. B. Sandekar Esq.	Thacker & C.	50N	50	10	10	10		3	Y.
10,21,200	17,95,712	14,71,107	36,733	Sir Joseph Kay, K.B.E.	United Motors (India) Ltd.	43	20	7½	10	15	15	12	Y.
2,20,40,000	2,10,74,172	2,01,34,774	2,84,710	T. M. Aidin Esq.	Western India Match Co.	231½	100	11*	11*	11*		12	Y.
45,00,000	46,57,108	1,24,608	41,429	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	350N	150	8-5/6	13½	13½	13½	12	Y.
Other Centres													
47,50,000	4,90,364	5,64,538	702	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	4½	10	—	—	—		3	P.T.Y.
2,50,00,000													
30,00,000	53,38,668	31,59,164	5,24,909	Turner Morrison & Co., Ltd.	Angelo Brothers Ltd.	18½	10	10	17½*	25*	12½	8	Y.
20,00,000	23,25,002	22,18,452	1,00,002	T. H. Rydin Esq.	Assam Match	20	10	12½*	12½*	12½*		12	Y.
80,00,000	50,63,089	92,32,652	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	5·⅜	10	7½	5			12	P.T.Y.
30,00,700	15,57,826	45,95,360	5,19,159	O. T. Jenkins, Esq.	Balmer Lawrie & Co.	301	100O	20*	20*	20*	5,858	12	Y.
20,00,000	11,19,26,323	1,24,61,121	2,04,690	Andrew Yule & Co., Ltd.	Bengal Assam Steamship Co., Ltd.	152xd	40D	15	15	20		10	P.Y.
20,00,000	8,38,806	24,05,998(K)	1,25,380	Lowndes & Lewis	Birds Investments Ltd.	153	100	5	10	12½	12½	9	P.Y.
1,00,00,000	1,00,01,435	2,26,31,139	1,16,835	Dinshaw Ltd.	Bharat Line	153	100	11½	11½	12½	12½	9	Y.
30,64,680	50,81,266	83,30,736	1,82,277	A. P. Chanda Esq.	Britannia Biscuit	155	100	3	3	4		12	P.Y.
3,50,00,000	2,85,64,167	47,78,193**	1,99,112	Sir Robert Menzies Kt., O.B.E.	British India Corporation Ltd.	17½	100	12½	12½	7½–1		12	P.Y.
1,60,00,000	3,77,71,321	4,07,06,331	7,01,468	Cecil Stack, Esq.	Dunlop Rubber Co. (India Ltd.	84xd	10	14	15	15	12½	12	P.Y.
51,26,000	47,57,061	1,26,55,42(K)	3,15,489	Bird & Co., Ltd.	Eastern Investments Ltd.	29·cd	10	20	20	15–1		12	P.Y.
7,00,000	29,85,708	24,09,700	17,400	Macneill & Barry Ltd.	Ganges Rope	138½	100	8	9	9		12	H.
65,00,000	34,13,857	15 62 902	2,07,524	A. J. Elkins, Esq.	Gillanders Arbuthnot & Co., Ltd.	190	100	20	22½	15*		3	P.Y.
30,00,000	37,25,649	60,01,406	6,213	B. P. R. Syndicate	Great Eastern Hotel Co.	129	100	7½	10	10		3	P.Y.
18,12,800	36,42,049	54,90,206	17,214	Birla Brothers, Ltd.	Hind Cycles	252	100	6	6	6		3	P.T.Y.
1,96,12,650	59,45,519	2,61,39,292	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	100N	100	5	7½	7½		12	Y.
60,00,000	1,33,45,017	2,82,89,199	—	J. W. E. Johnson, Esq.	Indian Aluminium Co.	4½	10	—	—	—		3	P.Y.
52,80,320	1,31,92,732	57,92,390	9,29,554	D. J. McIntosh, Esq.	Indian Cables	115	100	35	35	5		9	P.Y.
5,75,000 O						18·⅜	10	85	10*	10*		3	
5,00,000 P	51,91,428	95,82,228	—15,72,246	Govan Bros., Ltd.	Indian National Airways	4·⅜	10	—	—	—		12	P.Y.
1,25,000 D						68	10	—	—	—			
8,37,875	12,79 395	14,27,460	39,038	George Spencer Moulton & Co. (India)	Indian Rubber Manufacturers	⅜	1	—	—	—		3	P.Y.
1,25,00,000	1,60,38,685	3,87,93,801	2,26,066	Lionel Edwards Ltd.	India Steamship Co., Ltd.	14	10	10	10	10		3	P.T.Y.
2,40,000	4 33 028	67,247	36,496	G. V. Swaiks, Esq.	Ivan Jones	6½	10	—	—	5		3	Y.
1,00,00,000	53,39 143	27 16 440	8,86,648	J. D. K. Brown, Esq.	Jardine Henderson	3⅜	2	21½	—	21½		9	P.Y.
6,34,000	9,97 633	6,91 531	—64 994	James & Co., Ltd.	Macfarlane & Co. Ltd.	126	10	10	10	10		3	P.Y.
10,00,0000	63,35,248	23,69,220	85,717	A. T. Doig, Esq.	McLeod & Co. Ltd.	21	5	—	—	—		3	P.Y.
5,00,00000						156N	O. 100	10	12½	12½	12½	12	P.Y.
1,30,55,750	33,32,702	11,34,840	2,31,092	T. Leslie Martin Esq.	Martin Burn Ltd.		D. 10	5	7½	7½		12	P.Y.
6,35,190	4,10,333	7,47,410	10,548	Ogale Glass Works Ltd.	Mysore Lilaa & Enamel Works	19½	10	10	12½	11½	13½	12	Y.
3,75,000	7,74,553	8,79,856	3,666	R. Bharaniah, Esq.	Mysore Lamp Works	5	10	—	—			12	P.T.Y.
1 ,00,000	3,95,907	11,45,855	1,11,329	V. S. Arunachalam, Esq.	Mysore Tobacco	18½	10	10	20	—		3	T.Y.
20,00,000	51,92,159	50,16,078	11,045	Associated Ind. Development Co., Ltd	National Insulated Cable Co., of India Ltd.	10½	10	—	10	10		3	P.T.Y.
70 97,000	65 83,152	1,04,50,524	8,86,147	B. N. Elias & Co., Ltd.	National Tobacco Co.	12½	10	5	7½	12		3	P.T.Y.
14,87,137	6,67,096††	23,58,52,568**	23,513	S. P. Ogale & Co.	Ogale Glass Works	11½	10	—	2½	5		12	P.T.Y.
40,00,000	36,64 522	60,86,006	1,04,446	Parry's Holdings Ltd.	Parry & Co.	3	5	—	—	—		12	P.T.Y.
2,25,00,000	62,51,619	1,69,49,507	24,847	G. U. Euthymopulo, Esq.	Rallis India Ltd.	5½	2	6½	80–1	32½		12	P.Y.
1,44,00,000	2 29 15 257	5,79,03,905	31,87,941	Sahu Jain Ltd.	Rohtas Industries	77	100	8	8½	9	—	8	P.Y.
40,00,000	1,53,62,299	1,19,84,861	5,36,552	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	9·⅜	10	—	—	7½		10	P.Y.
75,00,000	22,00,000	1,75 74 498	2,62,138	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	14½	10	—	—	—		6	Y.
9,98,280	3,19,364	8,90,420	1,855	Ogale Bros., Ltd.	Travancore Ogale Glass	13½	10	10	10	15		12	Y.
						3½	10	—	4	—		12	

†† Does not include depreciation. ‡ Only Depreciation. * Includes Bonus. — Nil Dividend. K = Investments. ** Net Block. † Less income-tax. C.D.—Cum Dividend. X.R.—Ex-Right. ‡ On increased Capital. (c) For six months ended June, 1949. (d) For nine months ended March, 1950.

TEA COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1948	1949	1950	1951	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
ASSAM														
4,65,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	450N	100	9	20	25	—	12	P.Y.
3,50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd.	400‡	Anaadabag	25	10	16	25	40	30	12	Y.
5,50,000	10,64,192	12,05,396	—89,152	McLeod & Co., Ltd.	573	Baghmari	10½	10	12½	12½	17½	—	12	Y.
3,40,000	9,12,881	7,05,721	44,989	Andrew Yule & Co., Ltd.	360	Basmatia	23	10	18½	30	30	25	12	Y.
3,20,000	7,24,887	8,38,278	71,941	Williamson Magor & Co.	556	Bateli	10½	5	25	25	30	10	12	T.Y.
3,20,000	6,19,032	6,72,731	54,942	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	23½	10	25	20	35	15	12	Y.
16,50,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co	4,004	Bishnauth	27	10	30	35	50	5	12	T.Y.
6,00,000	4,80,346	9,78,429	—1,90,802	Octavius Steel & Co., Ltd.	493	Bokakhat	4½	10	10	5	5	—	12	Y.
1,50,000	5,06,959	7,64,836	22,297	McLeod & Co., Ltd.	450	Bormah Jan Tea Co., Ltd.	11½	10	15	15	15	15	12	P.Y.
35,00,000	22,18,001	70,96,925	87,990	Brooke Bond India Ltd.	2,670	Brooke Bond	11½	10	7½	10	10	10	6	P.Y.
1,20,000	3,06,715	3,66,030	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	8	10	6¾	6¾	15	—	12	Y.
6,00,000	22,17,578	24,24,301	25,545	Jardine Henderson Ltd.	1,341	Dessai & Parbatia	215	100	5	15	30	22½	12	P.T.H.
17,33,440	7,15,393	19,11,105	54,461	James Warren Ltd.	426	Dhelakhat	10½	10	10	10	16	12	12	Y.
4,68,970	8,90,863	13,71,610	25,794	James Finlay & Co., Ltd.	613.37	Dhunseri	10	10	6¾	10	20	10	12	T.Y.
4,50,000	2,55,384	3,84,097	9,913	McLeod & Co., Ltd.	458	Dibrugarh Co., Ltd.	7½	10	7½	—	10	5	12	Y.
2,36,700	6,57,785	9,86,816	35,408	Williamson Magor & Co. Ltd.	611	Dimakusi	27	10	40	40	45	15	12	P.Y.
5,60,500	12,72,787	15,08,787	1,01,960	Williamson Magor & Co. Ltd.	669	Duffleghur	35½	10	25	35	40	40	12	Y.
10,00,000	10,31,120	18 91 120	45 079	Williamson Magor & Co.	1,157	East India Tea	18½	10	15	20	22½	22½	12	Y.
3,60,000	6,43,762	7,69,087	16,947	Andrew Yule & Co., Ltd.	407	Gillapukri	16	10	15	17½	22½	10	12	Y.
3,38,000	9,01,149	12,09,149	1,11,346	Williamson Magor & Co.	520	Gohpur	26½	10	30	35	40	30	12	P.T.Y
4,54,360							A 10	30	35					
2,40,790	17,46,514	17,08,255	82,387	Octavius Steel & Co., Ltd.	1,284	Grob	B 5	7½	10	30	20	12	Y.	
2,00,000	8,16,550	5,82,005	58,806	Andrew Yule & Co., Ltd.	436‡	Hoograkuli	31	10	23½	30	45	30	12	Y.
4,35,000	15,78,587	17,05,269	35,208	Andrew Yule & Co., Ltd.	1,133	Hoolongooree	275N	100	25	25	25	17½	12	Y.
7,50,000	7,46,426	11,98,156	29,063	Gillanders Arbuthnot & Co., Ltd.	866	Jutlibari	10‡	10	5	2½	12½	5	12	Y.
2,40,000	8,88,549	2,47,119	15,953	Shaw Wallace & Co., Ltd.	1,576	Kingsley Golaghat	198N	100	5f	5	20	—	12	Y.
6,50,000	6,32,416	6,29,717	496	Duncan Bros. & Co., Ltd.	1,047‡	Lalee	9½	10	7½	2½	20	—	12	Y.
4,80,000	9,73,778	8,52,930	28,286	Duncan Bros. & Co., Ltd.	973	Mohoona	16	10	—	—	—	12½	12	P.Y.
1,50,000	2,97,754	3,37,106	30,206	Kettlewell Bullen & Co., Ltd	435	Methola	850N	100	58	40	45	35	12	Y.
2,00,000 P	8,21,124	8,59,324	32,644	Andrew Yule & Co., Ltd.	315	Morphulani	18‡	10	15	25	30	20	12	Y.
4,00,000	7,00,011	5

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
60,00,000	1,02,72,190	95,73,184	3,33,368	879	B. N. Elias & Co., Ltd.	Agarpara	19xd	10	10	15	20	10f	3.9	P.T.H
12,00,000	50,61,739	45,32,316	16,522	498	Sahu Jain Ltd.	Albion	234	100	—	14	30	8f	5.11	P.H.
6,00,000	30,55,572	47,33,264	—3,29,636	446	McLeod & Co., Ltd.	Alexandra	210	100	—	5	5	—f	6.12	T.P.H.
30,00,000	85,82,864	1,17,03,966	—13,63,074	1,264	McLeod & Co., Ltd.	Alliance	169	100	—	2½	—	—f	6.12	P.H.
49,20,700	2,31,84,144	2,24,03,099	1,44,601	2,561	Duncan Bros. & Co.	Anglo-India	225	100	—	20	20	10f	3.9	P.H.
40,00,000	1,18,83,050	1,31 13,967	71,745	810	Bird & Co., Ltd.	Auckland	122	100	1½	10	10	4f	3.9	P.T.H.
20,00,000	92,46,901	97 14,511	55,967	959	Jardine Henderson & Co.	Bally	153½	100	7	12	1	—f	3.9	P.H.
£275,000	£1,680,379	£1,328,460	£91,091	1,890	Jardine Henderson & Co.	Barnagore	169	£5	20	20	20		3	P.Y.
28,00,000	82,01,627	87,37,598	3,65,214	820	Andrew Yule & Co.	Belvedere	204	100	13	17	27½		6.12	P.H.
45,00,000	78,51,305	51,03,385	4,07,701	600	Soorajmull Nagarmull	Bengal	165	10	13¾	15	30	3	6	T.P.Y.
30,42,000	3,71,54,115	3,06,60,933	1,38,294	1,373	Birla Bros.	Birla	35‡	10	25	30	30	3	3	P.Y.
36,00,000	98,57,668	1,07,77,342	25,598	991	Andrew Yule & Co., Ltd.	Budge-Budge	173	100	7	13	22	6¾f	4.10	H.
7,47,380	30,53,704	39,44 698	34,120	502	Dayaram & Sons	Calcutta Jute Manufacturing	23	10	—	—	20		6.12	T.P.H.
18,00,000	65,79,289	75,43,878	32,226	616	Andrew Yule & Co.	Caledonian	161xd	100	5	14	22	12	5.11	P.H.
59,16,400	2,11,26,602	1,62,21,807	1,35,299	1,400	James Finlay & Co., Ltd.	Champdany	161	100	3	10	14	8f	3.9	P.H.
15,95 000	79,98,514	78,92,619	19,870	530	Andrew Yule & Co., Ltd.	Cheviot	211	100	13½	16	22	6f	5.11	P.H.
10,05,000	83,89,114	55,21,773	60,392	500	McLeod & Co.	Chitavalsah	27	10	12½	15	60	25f	6.12	T.P.H.
16,00,000	80,24,460	77,89,914	1,01,979	969	Shree Krishna Investment Co., Ltd.	Clive	26½	10	12½	35	20		3	P.H.
31,49,200	1,21,56,497	1,16,59,962	21,356	766	Bird & Co., Ltd.	Dalhousie	145	100	1	11	12	1f	3.9	P.H.
28,00,000	86,35,708	73,68,012	21,890	779	Andrew Yule & Co.	Delta	226xd	100	11	17½	32½		5.11	P.H.
15,00,000	83,75,460	74,82,092	45,656	500	McLeod & Co.	Empire	21½	10	10	20	25	5f	6.12	T.P.H.
51,00,000	2,35,23,130	2,62,73,643	1,801	1,884	Kettlewell Bullen & Co.	Fort Gloster	285	100	2½	12½	22½	—f	3.9	P.T.H.
14,00,000	48,25,115	69,94,729	—8,32,397	1,014	G. C. Bangur, Esq.	Fort William	305N	100	—	10	—		3.9	P.H.
84,32,100	1,42,71,745	2,06,96,669	42,572	1,709	Macneill & Barry Ltd.	Ganges	77	100	—	6½	2½		3.9	P.H.
10,80,000	71,71,252	67,89,135	25,156	607	G. Arbuthnot & Co.	Gondalpara	880	300	—	15	30		12	T.P.H.
24,00,000	2,02,41,185	2,18,72,990	89,236	1,394	Macneill & Barry Ltd.	Gouripore	273	100	2½	25	11½		3.9	P.H.
40,00,000	81,93,062	81,94,127	3,06,824	1,078	Bangur Bros. Ltd.	Hastings	233N	100	10	7	10		6.12	P.Y.
16,80,000	58,02,116	64,29,355	64,417	728	G. Arbuthnot & Co.	Hooghly	30	10	10	30	15	3	3	P.Y.
65,62,500	1,56,21,640	1,59,50,625	71,001	1,948	Jardine Henderson Ltd.	Howrah	24	10	7½	17½	18½	8½f	3.	P.H.
30,00,000	1,74,30,109	2,25,00,109	3,91,968	2,272	Ramdutt Ramkissendas	Hukumchand	40	7½	46½	66½	66½		3	T.P.Y
30,000	88,97,267	1,11,41,130	77,979	1,076	Mackinnon Mackenzie & Co.	India	128	{O. 125 D. 1	5½ 5½	10	3½ 3½	2½f	3.9	P.H.
43,20,000	1,35,11,140	1,36,47,095	67,132	1,797	Jardine Henderson Ltd.	Kamarhatty	203	100	—	8½y	22½	8½f	3.9	P.H.
54,00,000	1,13,89,109	91,56,930	1,07,129	1,527	Jardine Henderson Ltd.	Kanknarrah	152	100	—	—	12½	6f	6.12	P.H.
21,00,000	1,13,89,109	91,65,930	1,07,129	703	McLeod & Co.	Kelvin	221	100	10	20	25	7½f	6.12	P.H.
54,00,000	1,18,86,997	1,59,17,038	2,06,473	1,530	Anderson Wright Ltd.	Khardah	165	100	—	25	16		3.9	P.H.
48,00,000	1,94,15,089	2,09,37,751	1,16,651	1,250	F. W. Heilgers & Co.	Kinnison	198	100	2½	14	19	7f	3.9	P.T.H
24,48,000	1,24,25,159	1,33,71,480	40,487	931	Bird & Co., Ltd.	Lansdowne	136	100	2	21	15	3f	3.9	T.P.H
28,00,000	1,19,87,748	1,13,75,507	6,954	840	Bird & Co., Ltd.	Lawrence	190	100	6	21½	22	4f	3.9	P.H.
10,00,000	70 33,427	50,24,402	64,167	558	Andrew Yule & Co.	Lothian	215	100	—	15	32½	30	5.11	P.H.
81,65,200	1,38,82,204	1,94,76,907	1,17,533	1,008	Mackinnon Mackenzie & Co.	Megna	101xd	100	4½	8½	3½	2½f	3.9	H.
29,98 900	1,29,58,303	1,55,05,495	—2,80,351	815	F. W. Heilgers & Co.	Naihati	128	100	—	15	12	—f	3.9	P.T.H.
12,00,000	29,95,424	24,75,180	42,447	425	Howrah Trading Co., Ltd.	Naskarpara	15‡	10	11½	13½	15f		4.10	T.P.H
35,00,000	50,49,988	27,56,895	45,733	852	Andrew Yule & Co.	National	25‡	10	11½	15	25	10f	4.10	P.H.
7,50,000	52,11,917	24,37,663	21,345	316	McLeod & Co.	Nellimarla Jute	29	10	25	30	75	20	6.12	T.P.H.
10,50,000	66,36,905	45,98,858	7,738	709	Sahu Jain Ltd.	New Central	220	100	6	14	30	10f	6.12	P.H.
16,79,880	98,33,709	1,18,62,645	5,954	567	Bird & Co., Ltd.	Northbrook	20	10	—	—	20	2½f	3.9	P.T.H.
66,79,500	1,73,80,223	2,06,56,876	72,170	1,092	Macneill & Barry Ltd.	Noddea	45	50	—	5½	4½		3.9	T.H.
24,91,000	70,60,941	70,35,063	81,356	601	Andrew Yule & Co., Ltd.	Orient	185	100	9	14	24	7	5.11	H.
25,00,000	63,83,642	80,79,256	—4,76,887	400	McLeod & Co.	Presidency	5‡	5	—	—	2½	—	6.12	T.H.
20,00,000	7,67,493‡	26,15,293	—3,29,549	305	Macneill & Co.	Rameshwara	5‡	10	—	1½	—		3.9	H.P.
49,50,000	55,07,248	1,23,45,796	58,685	1,276	Jardine Henderson Ltd.	Reliance	13‡	10	—	—	—		3.9	P.H.
66,00,000	£9,99,904	£11,96,402	£76,498	2,013	Thomas Duff & Co. (India) Ltd.	Samnuggur	14‡xd	11	6‡‡	10‡‡	10	10	12	P.Y.
30,00,000	68,57,466	95,49,412	87,40,952	911	Bagaria More Co., Ltd.	Shree Ambica (Adamjee)	17‡	10	—	15	10f		3.9	P.H.
7,00,000	45,17,785	48,14,456	2,73,383	401	Hindustan Investment Copn.	Soorah	23‡N	10	—	10	—		12	P.Y.
25,19,600	1,06,20 961	93,73,041	12,665	650	Bird & Co., Ltd.	Standard	147	100	4	15	16		3.9	P.H.
£6,00,000	£8,36,984	£9,78,287	£1,29,393	1,794	Thomas Duff & Co. (India) Ltd.	Titaghur	11	sh 14‡xd	6‡‡	10‡‡	10		12	Y.H.
35,98,600	1,80,41,145	1,73,93,324	15,098	1,326	Bird & Co., Ltd.	Union	165	100	2	19½	21	1f	3.9	P.T.H.
£4,00,000	£6,35,795	£10,47,385	£1,00,239	1,331	Thomas Duff & Co. (India) Ltd.	Victoria	11	sh 14‡xd	6‡‡	10‡‡	10		12	Y.H.
2,50,000	32,89,383	55,48,403	—47,909	465	McLeod & Co.	Waverley	5½	1	—	5	5	—f	6.12	P.T.H.

(y) For ten months ended 31st December, 1951. ‡‡ Subject to foreign income-tax. ‡ Only Depreciation. • Includes bonus.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
25,50,000	61,24,011	64,99,011	25,799	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	21‡	10	17½	20	13‡	5f	3.9	H.
12,00,000	42,18,417	37,16,954	60 294	Jardine, H. & Co., Ltd.	Bararee Coke	18‡xd	10	14‡	13‡	14‡	7½f	3.9	H.
40,00,000	70,50,712	1,17,79,347	73,814	Sahu Jain Ltd.	Bharat Collieries	6‡	10	6‡	6‡	6‡		6	P.T.Y.
1,00,00,000	3,35,25,103	5,08,61,725	8,02,968	Andrew Yule & Co., Ltd.	Bengal	541‡	200	33½	17½	18‡•	10•f	4.10	P.H.
4,49,350	5,82,303	8,49,159	3,152	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	2‡N	10	2½	2½	2½	1‡f	6.12	H.
2,25,000	27,12,507	25,84,461	4,280	Andrew Yule & Co., Ltd.	Bengal-Nagpur	18‡	10	22½	16‡	10	3‡f	6.12	P.H
15,97 900	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	4‡	10	—	2½	1‡		9	Y.
7,15,000	50,04,831	50,17,715	3,437	F. W. Heilgers & Co., Ltd.	Bhulanbararee	12‡	10	—	6‡	6‡	2‡f	6.12	H.
16,00,000	53,46,046	67,83,723	—1,37,184	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	11‡	10	5	—	—		6.12	T.H.
7,50,000	42,42,776	40,82,736	1,07,078	F. W. Heilgers & Co., Ltd.	Borrea	30	10	20	30	30•	15•f	6.12	P.H.
90,92,480	3,23,04,936	3,94,53,208	1,54,703	Bird & Co., Ltd.	Burrakur	11‡	10	10‡	7½	7‡	3‡	6.12	P.T.H.
8,00,000	45,46,717	49,09,377	2,273	Anderson Wright & Co.	Central Kurkend	17	10	17‡	12½	—	—f	6.12	P.H.
6,00,000	1,40,000	7,50,000k	28,918	F. W. Heilgers & Co., Ltd.	Churulia	3‡	4	6‡	4‡	1‡	1f	6.12	P.H.
16,00,000	30,89,961	44,04,602	12,039	Macneill & Barry Ltd.	Dhemo Main	11‡	10	10‡	10	12½	2‡f	6.12	H.
£120,000	£1,084,338	£872,414	£78,839	Jardine Henderson Ltd.	East Indian	23‡	£1	13‡	37½	37‡		4	Y.
29,63,760	3,25,97,992	3,19,86,409	2,12,912	Macneill & Barry Ltd.	Equitable	45xd	10	25	25	25	15f	6.12	H.
10,00,000	4,83,963	8,41,725	66,865	Bhatter's Agency Ltd.	Ghusick and Muslia	17 N	3	20	5			3	Y.
8,00,000	21,59,376	21,52,141	14,404	Macneill & Barry Ltd.	Hurriladih	14‡	10	12½	15	15	7½f	6.12	H.
3,50,000	11,63,346	12,53,839	40,107	Andrew Yule & Co., Ltd.	Kalapahari	48‡N	10	26½	35	35•	17½f	2.8	H.
20,00,000	68,3401	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	95‡	100	—	—	—		2	Y.
5,00,000	42,58,631	42,08,253	1,46,012	Andrew Yule & Co., Ltd.	Katras Jherriah	40‡	10	27½	35	37½	20f	1.7	P.H.
1,38,400	5,20,519	11,63,519	1,063	Beriwala Bros.	Khas Kajora	22N	10	11‡	10	5f		6.12	P.Y.
11,00,240	10,19,288	15,64,007	5,201	H. V. Low & Co., Ltd.	Kusunda	3‡	10	10	30	15	3	6	Y.
13,50,000	29,43,024	28,41,241	13,549	H. V. Low & Co., Ltd.	Lakurka	12N	10	10	10	7½		4	H.
5,65,750	11,41,667	22,37,077	2,691	Beriwala & Co.	Mandulpoor	7N	10	5	7½			6.12	H.
7,48,240	10,34,138	11,24,142	14,690	Associated Commercial Co., Ltd.	Nazira	6‡	10	5	2½	5‡		6.12	H.
7,00,000	3,77,590	9,53,521	4,597	Amritlal Ojha & Co., Ltd.	New Bansdeopur	6‡‡N	10	6‡	7½	6‡		3.9	H.
17,76,230	89,43,381	1,14,99,344	39,912	Andrew Yule & Co., Ltd.	New Beerbhoom	22‡	10	3	6	—		4.10	
6,00,000	24,61,802	30,92,604	—2,10,056	Octavius Steel & Co. Ltd.	New Manbhoom	10‡	10	12½	7½	—		3.9	P.H.
2,50,000	6,84,984	3,45 859	1,387	Jatia Bros. Ltd.	North Dumuda	3‡N	2½					3.9	H.
1,15,000	10,81,297	12,56,672	12,237	Andrew Yule & Co. Ltd.	North West	{15N 14N	10 7½	16½	13½	5	2½f	3.9	H.
1,57,500													P.H.
7,50,000	12,54,532	3,97,666	1,23,852	F. W. Heilgers & Co., Ltd.	Ondal	19‡N	10	12‡	25	22½•	10f	6.12	T.Y.
10,00,000	14,15,045	32,73,178	46,739	K. C. Thapar Bros. Ltd.	Oriental Coal	12N	10	10	10	10		12	H.
8,34,000	5,98,486	16,29,203	70,539	Deepchand Kishenlall	Parasea	3‡	10	—	—	—f		6.12	
15,75,000	34,87,649	39,37,649	31,995	Shaw Wallace & Co., Ltd.	Pench Val'ey	21‡	10	16½	12½	10	6‡f	2.8	H.
23,99,500	88,51,195	1,02,79,253	—8,92,750	B. N. Elias & Co., Ltd.	Raneegunge	8‡	10	—	—	—		6.12	H.
13,50,000	28,66,087	29,99,087	35,349	Shaw Wallace & Co., Ltd.	Rewa	8‡	10	8‡	12‡	10	7½f	6.12	H.
20,00,000	15,10,118	28,07,516	165	Jaipuria Sons Ltd.	Samla Collieries	6‡	10	—	5	1‡f		6.12	H.
1,25,000	12,44,124	13,05,188	18,451	Gillanders Arbuthnot & Co., Ltd.	Searsole	20	20	20	20	20		12	T.
2,80,000	18,31,795	27,82,403	26,724	Andrew Yule & Co., Ltd.	Seebpore	26‡	7	35-5/7	32-1/7	28-4/7		6.12	P.H.
8,00,000	34,57,222	36,96,604	10,379	F. W. Heilgers & Co., Ltd.	Sendra	10‡	10	5	5	3‡	—f	6.12	H.
63,21,450	2,13,85,164	3,04,98,616	23,658	Industrial Trust Fund	Singareni	6‡	10	4‡	5	5		12	T.Y.
17,50,000	24,10,707	34,29,846	15,868	Bird & Co., Ltd.	South Karanpura	14‡	10	18‡	10	7½	3‡f	2.8	H.
8,00,000	35,43,816	39,93,119	74,094	F. W. Heilgers & Co., Ltd.	Standard	18	10	16‡	15	10	5f	6.12	H.
10,00,000	15,41,499	29,34,045	—2 46,174	Villiers Ltd.	Talcher	3‡	2‡	—	—	—		9	Y.
3,50,000	17,36,513	18,94,910	74,927	Williamson Magor & Co., Ltd.	Union	25‡	10	20	27½	27½	12½f	6.12	H.
7,00,000	26,75,667	36,17,323	29,272	Macneill & Barry Ltd.	West Jamuria	19‡	10	15	15	15	—f	6.12	H.

* The following explanatory notes relate to the abbreviations and marks shown on page 632 in the bentures section:—

■ Option to repay on six months' notice, on any nterest date after 31st December, 1951, at 102 per cent. Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 102 per cent

(a) Option of repayment at any time at 3 per cent. premium.

(b) Bearer bonds of Rs. 1,000 each repayable at par

Bearer bonds of Rs 1,000 each repayable on 31st July, 1959

(d) Bearer bonds of Rs 1,000 ach with option of redemption in whole or in part at par on 30th June, 1952, or on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months notice in each case.

Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ½ per cent. premium, after 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March, 1957

(h) Option of redemption on or after 1st July, 1949, at par.

(f) Option of repayment at any time at par at any time on or after 30th June 1947 on six months notice.

LIFE INSURANCE AND THE COMMON MAN

(*Concluded from page 587*)

This home service insurance has been developed to a high degree by private enterprise in the U.K. and the U.S.A. It is not just an accident that the biggest life insurer in the U.K., the Prudential, is known in that country more for its home service insurance than for its ordinary life insurance. The total number of industrial insurance policies at the end of 1951 was 100 million against a population of 50 million and the total premium income was something like 60 per cent. of the total ordinary life premiums. Again, the leading life insurers of the U.S.A., the Metropolitan and Prudential of New York, have more industrial insurance policies and group insured lives on their books than ordinary insured lives. The total number of industrial insurance policies and group life insurance certificates in the U.S.A. at the end of 1951 was 145 million, against a population of 150 million, while the ordinary policies were only 72 million. In amount, the former two covered about 60 per cent. of the total sum insured under the ordinary policies. This gives a measure of the extent to which life insurance has permeated the life of the common man in those countries.

Example of Japan

But where the common man's life insurance is not so developed by private enterprise in advanced countries, it has become a State Service. Japan provides a clear example of this. While ordinary insurance has been developed by private companies in this country, industrial insurance is run there by the State through the Post Office. The number of industrial insurance policies in force through the Post Office is much larger than the number of those issued by private insurers in respect of ordinary life insurance. The amount of life insurance business based on small incomes is less, but it was as much as 67 per cent. of private companies' life business in March, 1950, it was as much as 92 per cent. in 1949-50, in the case of new business. This is certainly impressive life insurance service to the common man.

We thus see how, because of the lack of development of group insurance and industrial, *alias* home service insurance for the lower income population, the common man remains so far apart from life insurance in this country. How this position would be rectified in the future is a matter for conjecture. One thing that is probably indisputable is that, in these days of democracy and planning, every phase of the economic activity of the country is to be judged by the extent to which it is useful to the whole population instead of only to the cream of relatively high incomes at the top. No doubt, the investments of life insurers benefit the whole population, but it is no answer to the denial of life insurance service to the common man and the canalising of his savings for national development through life insurance. On this view, it is to be regretted that life insurance, even in this year of grace, remains so far from the people of India.

Possible Future Development

Government have now established a Corporation for rendering health insurance service to industrial workers and there is also the Provident Funds Scheme recently established. It may not be long before it is discovered that, in order to complete the protection offered to the worker and his family, Government would also have to provide life insurance protection for the prematurely dying worker. Perhaps, the organisation of group life insurance for industrial workers is, therefore, the next step to be undertaken by the State before long, as an adjunct to either the Provident Fund Scheme or the Health Insurance Scheme, with either of which it can easily be integrated. The State no doubt has the advantage that it can get the necessary contributions for the life insurance benefit compulsorily from the employers without necessarily increasing the heavy burden they are already bearing. A part of the provident fund contribution can be utilised to pay the premium for group life insurance, the need for which cannot be too strongly emphasised. Private insurers will be at a disadvantage to persuade employers to voluntarily undertake an additional burden for taking out group life insurance policies, though there is a field left open to them also in respect of the provident funds which are exempt from the Provident Funds Act and which continue to be managed by the employers.

Industrial workers, however, are a small section of the total small income population of the country. The real question remains of how to extend the benefit of life insurance to the millions of small savers who are contributing as much as (or at least the bulk of) Rs. 40 crores each year to the small savings scheme of Government. Government may not be immediately interested in whether or not these small income earners receive life insurance protection, so long as the requisite sum of small savings is being collected for the Five-year Plan. Steps are being taken through the State Governments to increase the savings so collected, with an assurance that any excess over the centrally budgetted amount will be available to the collecting State for its own development schemes.

One does not know the full potentiality of small savings in this country and the extent to which the total volume of small savings collected can be increased by offering the benefit of life insurance through a Home Service system. It is, however, a test of the faith which life insurers and provident societies in this country have in the need of taking life insurance to the very homes of the common men of this country. Two or three big life insurers have established provident societies as their subsidiaries for rendering life insurance service to the small man, but the number of policies issued by them in the small man's field is insignificant, owing to the absence of home service. It only emphasises the fact that trying to sell life insurance to the common man in the same way as to the relatively well-to-do man will not work. Even in the ordinary life insurance business, the heavy lapses noticed among the smallest policies may only be an indication of ordinary life insurance, at or near the minimum Rs. 1,000 per life level, having touched the boundary of the common man's area, and thus being unable to maintain itself without the home service which the holders of the smallest policies—being common men themselves—need.

Stupendous Task

The task is, indeed, a stupendous one, because of various problems such as untrained personnel, inadequate transport and banking facilities in the rural areas, and the cost of building up the home service system over vast areas which has probably been nowhere attempted in the rest of the world under conditions similar to those in India. We do not have here populations living in highly concentrated urban communities, with a high standard of literacy easily approachable by communications open all the year round. Maybe America, too, has vast distances as in India, but the people have higher incomes, more education and more insurance-mindedness, better developed transport and banking—all leading to much better conditions for the organisation of home service insurance. But all this only shows the difficulties to be surmounted. It is not enough to justify the complete absence of this vital service which makes life insurance in this, a proverbially poor man's country quite unavailable to him in the only way it is available to his opposite numbers in other lands. How can insurers take shelter under the alleged lack of insurance-mindedness of their common folk, when so much can be said, with evidence, of their own lack of service-mindedness? Not till they provide the essential home service as in other countries can they complain against the so-called apathy of the common man, if they still find it to exist there after rendering such service. If the general election established the reputation of the common man for a common sense that lags behind none anywhere in the world, perhaps the establishment of home service would show, in its turn, that his savings-mindedness and insurance-mindedness also lag behind none. This is a question which life insurers celebrating the Silver Jubilee of their Association might ponder over, with some profit to their souls.

The Five-year Plan expects the *per capita* income to double in about 25-30 years, that is, an increase from Rs. 21 per month to Rs. 42 per month by about 1977. If we assume that the consequent increase in personal incomes will be better distributed between the lower and higher income levels than at present, we should probably expect the number and quantum of incomes to grow below the Rs. 2,000 per annum per family level, without necessarily taking them above the line. If so, the prospects are that the future development of life insurance in this country, to the heights it has attained in the more advanced countries of the world, is linked with the extent to which it reaches the common man who will continue to have no more purchasing power for ordinary life insurance above the Rs. 1,000 per life level than he has to-day. This does not and need not mean that the scope for the growth of life insurance above the common man's level is unduly limited, but it could be said to be limited in contrast with the potentialities in the common man's field. Time will show when this will receive practical recognition at the hands of our life insurers—if they are not overtaken by some other agency in the race for building up Home Service Insurance.—*All Rights Reserved.*

THE AIRWAYS CORPORATION BILL

(*Concluded from page 614*)

operates an air transport service in contravention of the provisions of this section shall be liable in respect of each offence to a fine which may extend to one thousand rupees or to imprisonment, which may extend to three months or to both." It will be noted that the operative words are "air transport service" and not "scheduled air transport service." It is quite clear then that non-scheduled operation of the type which is carried out to-day would be an offence covered by this clause.

It is needless to say that the best interests of the country would be served by retaining the non-scheduled operators who, apart from the fact that they create their own business, definitely add to the country's air power potential. Nor would the competition, if any, which they might offer to the Corporations be of a very serious nature. In the interests of all concerned, then, the point under consideration requires clarification and a fresh clause should be introduced to make legal, in given circumstances, the activities of non-scheduled operators.

In this topsy-turvy world, readers will perhaps forgive a reference to the "statement of objects and reasons" of the Bill at the end and not at the beginning of this article. It is stated in clauses one to three of the "objects and reasons" that the Planning Commission examined the question of the air transport industry and decided that "under present conditions of traffic load and intensity of operation, development of the air transport industry on an economic basis could be achieved only if there was a single agency in charge of all scheduled air transport operations."

This is a very large assumption. The only evidence available to the Commission was probably the Rajadhyaksha Committee's report. Whilst open to correction, it is the belief of this writer that the evidence of the report did not add up to such a finding. There is, on the contrary, quite a lot of evidence that, given reasonable encouragement by the Government, in the form of a remission of the petrol tax and, possibly, at some later date, a loan for the renewal of fleet, private enterprise would, in the not far distant future, have made a financial success of its undertaking.

This writer at least, then, after reading the Bill and after visualising the manifold difficulties of bringing the actual integration of the companies into effect, is left with a final speculation as to "whether the Bill is really necessary."—*All Rights Reserved.*

MARKET GOSSIP

(*Concluded from page 583*)

"curious perversion" of the principle of freedom of inter-State commerce to drive local customs across the border to outside dealers and that such a position could not have been contemplated by the authors of the Constitution.

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His Lordship held that sales or purchases effected in Bombay in respect of goods in Bombay but delivered for consumption outside the State were not taxable in Bombay. Referring to the contention that this category of sales was not expressly excluded from the Bombay Sales Tax Act, the Chief Justice said that, although it was true that no such exclusion was specifically mentioned in the Act, it was also true that the Act did not make any provision for taxing such sales or purchases. On the other hand, the rules, made under the Act, specifically excluded such sales for purposes of sales tax. The Bombay State cannot, therefore, be considered to have made a law imposing or authorising the imposition of a tax on excluded sales or purchases. He, however, held that the rule under the Act, which prescribes that, in order to claim deduction in respect of inter-State transactions, the goods should be consigned only through a railway, shipping or aircraft company or country boat registered for carrying cargo, was *ultra vires* the rule-making authority, since there was no reason why sales of goods despatched by other modes of transport should not also be deducted from the taxable turnover. Thus, from the legal and constitutional points of view, the Bombay Sales Tax Act has been effectively vindicated, except in one respect. The economic, as also the administrative, aspects of the Act will, however, continue to create problems for the State's trade and industry.

• • • •

It is extremely unlikely that the Select Committee Report on the Estates Duty Bill will meet with wide approval. It is proposed to create fresh controversy on the Bill, considering that it has fixed the minimum exemption limit at as low as Rs. 50,000 in the case of an interest in property belonging to a joint Hindu family and Rs. 75,000 in other cases. General power has been vested in the Central Government to grant reliefs in suitable cases. The Committee has specifically mentioned the cases which deserve exemption. Apart from books (not intended for sale), wearing apparel (excluding those which have any precious or semi-precious stones), paintings and similar artistic goods, the list of exemptions consists of:

1. Property taken under a gift made by the deceased for a public charitable purpose within a period of six months from his death to the extent of Rs. 2,500 in value; (2) property taken under a gift made by the deceased for any other purpose within a period of two years before his death to the extent of Rs. 1,500 in value; (3) household goods, including tools of artisans, agricultural implements or any other tools or implements as were necessary to the deceased to enable him to earn his livelihood to the extent of Rs. 25,000 in value; (4) moneys payable under one or more policies of insurance effected by the deceased on his life for the purpose of paying estate duty or assigned to the Government for the said purpose to the extent of the amount of duty payable; and (5) moneys payable under one or more policies of insurance effected by the deceased on his life to the extent of Rs. 5,000 and (6) gifts made by a deceased parent or natural guardian in consideration of the marriage of any of his female relatives dependent on him for the necessaries of life, or moneys earmarked for such purpose under policies of insurance or declarations or trust or settlements effected or made by the deceased, to the extent of Rs. 5,000 in respect of the marriage of each of such relatives.

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The list does not certainly err on the side of generosity. By fixing the duty-free limit for purposes of public charity at Rs. 2,500, the Committee has not shown sufficient appreciation of the large projets in India which owe their existence to the munificence of the donors. Again, it is not clear why the tax-free limit, in respect of insurance policies, has been fixed at as low as Rs. 5,000. In an inflationary era, such as the one in which we live, the limit of Rs. 5,000 is too low. Further, the insurance habit has still to spread in this country to wider sections of the public. Surely, it would be a great blow to the spread of the insurance habit, if the tax-free policy amounts were fixed at a low level. The Committee could, on the other hand, have given a great impetus to insurance by providing a higher limit since such would prove an additional argument for convincing a prospect of the benefits of insurance. After all, insurance is an anti-inflationary force, and makes available funds from which Government loans could be supported. In view of these considerations, one would have expected the Committee to fix a higher limit for duty-free insurance policies.

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The Committee has suggested that the administration of the Act might, for the first few years, be left in the hands of a board and that the question of setting up an appellate tribunal might be considered later. There need be no serious opposition to this

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
16,00,000	1,08,33,956	10,66,174	Allahabad Bank	340	100	18½	18½	18½	18½	12	Y.P.
14,50,000				170	50						
1,01,000	11,73,500	2,21,655	Andhra Bank	105	100	5	6	6	3i	6.12	H.
23,99,000				52½	50						
1,00,00,000	1,28,00,000	2,14,790	Bank of Baroda	112½	50	12½	12½	12½	5i	12	Y.
50,00,000	10,00,000	7,107	Bank of Bikaner	20	25	—	3	3	—	12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	153½xd	50	14	14	14	14	6.12	R.L.Y.
15,30,375	24,00,000	63,200	Bank of Indore	60	25	12½	12½	12½	12	12	Y.
50,00,000	15,00,000	35,324	Bank of Jaipur	23	50	3	3	3	3	12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	281	100	16½	16½	16½	16½	12	Y.
59,18,600	42,61,693	25,280	Bombay State Co-operative Bank	58½	50	5i	5	5	—	6	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	9	9	9	9	12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	9½	10½	10½	10½	12	Y.P.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	64xd	25	14	14	14	14	12	R.L.Y.
52,42,375 A)				65½xd	25						
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	35	50	3	3	3¾	3¾	12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88	20	6¾	10	20	20	12	Y.
1,25,00,000	15,20,000	65,220	Hindustan Commercial Bank	11½	50	—	—	—	—	12	Y.
50,00,000	1,00,000	3,806	Hindustan Mercantile Bank	11	50	—	—	—	—	12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105N	100	5	6¾	6¾	5	9	Y.
3,75,00,000	6,35,00,000	42,07,573	Imperial Bank of India	1,847½	500	14	16	16	16	6.12	R.L.H.
1,87,50,000				457½	125	14	16	16	16	6.12	R.L.H.
24,00,000				174cd	100						
16,00,000	73,50,000	1,94,201	Indian Bank	131½cd	80	11½	12½	12½	12½	6.12	R.L.H.
15,40,000				93cd	55						
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	98cd	100	4½	5½	6	6	6.12	R.L.H.
6,25,000				79cd	100(A)	9	9	7½	6		
2,50,000	6,33 939	1,380	Indo-Commercial Bank	193cd	25(B)	9	9	7½	6	6.12	H.
10,00 000				393cd	50(C)	6	6	6	6		
4,55,266	30,61,350	60,357	Punjab and Sind Bank	35	25	7½	7	—	—	6.12	Y.
87,50,000	87,50,000	5,33,829	Punjab National Bank	23	25	6	4	4	3i	12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	10½	25	—	—	—	—	12	Y.
40,00,000	30,00,000	2,66 135	Union Bank of India	5	5	6½	6½	6½	6½	12	Y.
2,00,00,000	75,00,000	1,01 119	United Commercial Bank	35½xd	50	3¾	4	4	4	6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£11 ⅛xd	£5	12†	14†	14†	16‡†	12	R.L.Y.
£1,000,000	£800,000	£69,917	Eastern Bank	£6½xd	£5	6†	6†	6†	2¼†	12	R.L.Y.
H.K. $20,000,000	H.K. $96,000,000	H.K. $9,489,174	Hongkong and Shanghai Banking Corporation	£82‡	H.K. $125	5y*	5*	5*	5*	12	Y.
£14,372,956				£2 10 0	£1	12y†	12y†	12†	12†	12	R.L.Y.
£1,437 296	£16,000,000	£418,242	Lloyds Bank	£1 6-3		5y‡	5‡	5‡	5‡	12	R.L.Y.
£375,000				£25xd	A £12½						
£375,000	£1,500,000	£200,143	Mercantile Bank o India	£25xd	B £12½	12y†	12†	12†	14†	12	R.L.Y.
£300,000				£16½xd	C £5						
£2,281,250	£3,738,892	£318,652	National Bank of India	£29	£12½	16y†	16†	16†	8i	12	L.Y.

‡Includes Bonus. †Less Tax.
‡‡Subject to taxation.
(c) Paid-up Capital Increased

(a) There are also Rs. 67,08,155 partly paid Ordinary Shares.
††O.S. Currency.
(i) Interim
P) Pakistan Currency. *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company		Latest Available Quotations (per hundred) Rs. or £	Principal Repayable	
BREWERIES AND SUGAR							
19,50,000	5½	1st December and 1st June	Carew & Co.	1938	97	1st June	1953(b)
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90½	28th February	1960(f)
6,00,000	5½	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd.	1936	98	30th December	1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102½	27th December	1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91	1st November	1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	103	1st April	1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	92	1st November	1959-64
COTTON							
6,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April	1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	96	15th November	1956(a)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99½	1st January	1967-72
13,68,000	5½		Jayshree Textiles	1949	78N	1st January	1956-59
ELECTRICS							
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	95	31st March	1965
1,25 000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		101	14th June	1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100½	1st October	1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	92	31st December	1964
2,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	102½	1st January	1970
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	84	31st December	1970
15,00,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	94	30th June	1976
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	1940	97		1957-6:
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	1939	95		1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94½		1953-63
4,63,800	4½	1st April and 1st October	South Madras Electric Supply		94	1st July	1957-67
49,23,000	4	1st April and 1st October	Tata Power	1940	100½	15th September	1951-55(b)
1,00,00,000	4	1st April and 1st October	Tata Power		92½	15th September	1965-70
ENGINEERING							
5,00,000	5	30th June and 31st December	Britannia Engineering	1945	95	31st December	1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	95	30th June	1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	100	1st July	1957-62
£1,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	£89½	31st December	1966(iii)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84½	31st May	1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	100½	1st October	1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	94	31st December	1960
JUTE							
12,00,000	4½	1st October and 1st April	Agarpara	1939	97	31st March	1954
6,00,000	4½	30th June and 31st December	Alexandra	1939	96	30th June	1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	92	31st December	1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	96	30th June	1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90	30th June	1960
10,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July	1959(c)
12,00,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	97	30th June	1966
8,94,000	5	30th June and 31st December	Empire	1951	97	15th July	1966
25,00,000	3½	1st January and 1st July	Hukumchand	1947	91	30th June	1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	98	31st December	1964
25,00,000	5½	30th June and 31st December	Naihati	1952	100	31st March	1967
5,00,000	3½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1947	97N	31st March	1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May	1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	86	31st December	1964
8,00,000	4	30th June and 31st December	Presidency	1943	91	30th June	1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	95	5th September	1965
8,00,000	4½	14th March and 14th September	Scottish Jute	1937	94	14th September	1957
12,00,000	4½	30th June and 31st December	Union	1937	94	30th June	1957(d)
10,00,000	3½	31st January and 31st July	Waverley	1925	83	31st July	1960(e)
RAILWAYS ; STEAMSHIP AND TRAMWAYS							
4,00,000	6	31st March and 30th September	Bankura Damodar River Railway Co., Ltd.	1931	100N	9th March	1961
4,00,000	3½	31st March and 10th September	Bankura Damodar River Railway Co.	1938	39	31st March	1953
4,50,000	4	1st January and 1st July	Baraset-Basirhat Light Railway	1936	84	1st July	1956
6,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	1945	99	1st November	
3,50,000	3½	31st March and 30th September	Burdwan-Cutwa Railway Co.	1938	99	31st March	1943–53
£350,000	4½	1st January and 1st July		1900	£100N	A 105% at any time on 6 months' notice or at par or every seventh year.	
			Calcutta Tramways				
£226,500	5	1st April and 1st October		1933	£102N	1st October	1976
3,00,000	3½	30th September and 31st March	Kalighat-Falta Railway	1934	98½	30th September	1953
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	89	31st December	1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£90½N		
6,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation		96	1st September	1963
PLANTING							
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943	100		1945–55
3,68,200	5½	31st March and 30th September	Teekoy Rubber Estates	1944	100		1945–59
50,00,000	5	30th June and 31st December	Waterfalls Ltd.	1943	101½		1945–55
MISCELLANEOUS							
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	102	30th September	1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	99	31st December	1965
27,60 000	4½	1st April and 1st October	Associated Hotels of India	1948	86	31st December	1963
4,60,800	4½	30th June and 31st December	Bengal Paper Mills	1937	95	30th June	1957(i)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February	1964
22,60 000	4½	1st July and 1st January	Clive Buildings	1936	89	1st July	1966
20,00,000	5	15th March and 15th September	Dalhousie Properties	1946	86	15th September	1960
1,30,00,000		1st January	Dunlop Rubber	1950	102½	1st January	1971
20,00,000		Rs. 5 at or by purchase at or 102 per cent. by	Metur Chemical Industries	1949	97		1964
39,00,000		Option of repayment at any time at 3 per cent.	Martin Burn Ltd. (Convertible Notes)	1946	450 (per note)	30th September	1976
			McLeod & Co., Ltd (Convertible Notes)	1947	410 (per note)	31st December	1972
(b) Bearer bonds of Rs. 1,000 each repayable at			Macneill and Barry Ltd.	1951	94N	1st April	1971
			Orient Paper Mills Ltd.	1951	87	31st March	1961
Bearer bonds of Rs 1,000 each repayable on			Rohtas Industries Ltd.	1946	80½	31st December	1959
Bearer bonds of Rs 1,000 each with option							

See page 630 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 1st April, 1953.

	Opening quotations	High	Low	Closing quotations
BANKS	Rs.	Rs.	Rs.	Rs
Bank of India (50)	153½	154½	153½	154½
Bank of Baroda (50)	113	113	112	112½
Central (25)	65	65	62½	62½
Imperial (F.Pd.) (500)	1,847½	1,850	1,840	1,840
Imperial (P.Pd.) (125)	457½	458½	450	450
Union Bank (5)	6½	6½	6½	6½
United Com. (50)	35½xd	35½	35½	35½
COTTON MILLS				
Ahm. Adv. (100)	147½	—	—	147½
Apollo (2)	2½	—	2–11½	2½
Bombay Dyeing (250)	402½	402½	380	381½
Central India (100)	159	159½	153½	154
Century Mills (100)	279	279	269½	269½
Colaba (100)	71½	71½	71	71½
Edward Textile (200)	240	—	—	240
Elphinstone (50)	44	—	—	44
Finlay (100)	314	314	309	310
Gokak (100)	223	227	223	224
Ind. Unit. Defd. (1)	1½	1½	1–10½	1–10½
Ind. Unit. Ord. (10)	9⅛	9½	9–5½	9–5½
Indore Malwa (100)	93½	93½	94½	91½
Khatau (100)	192½	—	—	192½
Kohinoor (100)	305½	306	290½	291
Lakshmi (250)	600	—	—	600
Madhusudan (100)	80	—	—	80
B. R. Cotton Mills (100)	50	51½	50	51½
Minerva Mills (100)	105	—	—	105
Model Nagpur (250)	142½	143½	142½	143½
Morarji (100)	185	185	180	180
Mysore (50)	123½	—	—	123½
New City (100)	176½	—	—	176½
New Great (100)	153	153½	149½	150½
Phoenix (100)	118½	118½	113½	113½
Podar Mills (100)	130	—	—	130
Sassoon Silk (10)	22	—	—	22
Sassoon Spg. (10)	23½	—	—	23½
Sholapur (1,000)	1,750	—	—	1,750
Simplex (50)	182	182	177	177
Svadeshi (100)	262	262	255	256
Swan (100)	450	—	—	450
Tata M. (25)	46½	46½	44	44½
Vishnu (100)	170⅜	—	—	170⅜
Western India (1,000)	3,150	—	—	3,150
ELECTRIC COS.				
Ahmedabad (100)	115	115	113½	113½
Amalgamated (10)	10½	10½	10⅛	10½
Andhra Valley (1,000)	1,437½	1,442½	1,437½	1,442½
Bom. Sub-El. (100)	123½	124⅛	123½	124⅛
Surat (100)	121½	—	—	121½
Tata Hydro (100)	153½	153½	151½	151½
Tata Power (1,000)	1,536½	1,542½	1,536½	1,540
INSURANCE COS.				
British India (10)	13⅜	—	—	13⅜
Empire of India (100)	545	—	—	545
Ind. Mercantile (20	38½	—	—	38½
Jupiter (15)	7	—	—	7
New India (15)	42½	42½	42	42½
Oriental (200)	6,800	6,810	6,700	6,710
Universal (10)	7⅜	—	—	7⅜
Vulcan (10)	11⅛	—	—	11⅛
STEAMER COS.				
Bom. Steam (25)	35½	35½	34	34
Scindia (15)	14–6½	14–6½	13–12½	13–12⅜
STEEL COS.				
Ind. Iron (10)	25⅛	25–5½	24–5½	23⅜
Tata Steel Defd. (30)	1,861½	1,862½	1,807½	1,810
Tata Steel Ord. (75)	318½	321	314½	315½
MISCELLANEOUS				
Alcock Ashdown (100)	306½	306½	302½	302½
Associated Cis. (100)	172½	172½	169½	170
Balapur Sugar (5)	237½	238	235	235
Bom. Burmah (125)	393⅛	397½	385	385⅛
Do. (New) (50)	145	145	142½	142½
Br. B. Petrol (4 sh.)	1–2⅜	1⅛	1–2⅛	1–2⅛
Br. I. Corpn. (5)	8⅛xd	8⅛	8⅛	8⅛
Indian Copper (2 sh.)	3⅛	3⅛	3–1⅛	3–1⅛
Ind. Inv. Tr. (100)	73½	74	73½	74
Port Canning (100)	30	—	—	30
Premier Con. (30)	90½	90½	85½	85½
Shivrajpur (10)	63½	64	61	61
Tata Chemicals (10	9⅜	9⅜	9⅛	9⅛
Tata Oil (25)	34½	34½	34	34
Walchand Ind. (100	161½	161½	158½	158½
W. I. Match (100	230½	233½	230½	233½

GOVERNMENT SECURITIES	Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	Rs
2½% 1954	98½	—	3.37	98½
2½% 1955	98½	—	3.24	98½
2½% 1961	90½	—	3.89	90½
2½% 1962	93½	—	3.81	93½
2½% 1962	91½	—	3.88	91½
2½% 1976	82½	—	3.89	82½
3% 1953-55	100⅛	—	2.78	100⅛
3% 1957	98½	—	3.34	98½
3% 1958	98½	—	3.35	98½
3% 1959-61	96½	3.70	3.54	96½
3% 1964	92½	—	3.84	92½
3% 1963-65	92½	3.90	3.78	92½
3% 1966-68	90⅛	3.94	3.85	90⅛
3% 1970-75	86⅜	4.09	3.91	86⅜
3% 1986 Con. Loan	82⅜	—	3.63	82⅜
3½% 1954-59*	100½	3.37	3.46	100½
4% 1960-70	102½	3.65	3.82	102⅛
4½% 1955-60	103½	3.14	4.00	103½
4½% 1958-68*	105	3.40	4.05	105

BRITISH GOVERNMENT SECURITIES	26-3-53 £	High £	Low £	31-3-53 £
2½% Brit. Consols	59½	59½	59½	59⅝
3% Savings Bonds 1965-75	84⅜	85½	84⅜	85½
3% War Loan 1955-59	99⅜	100	99⅜	100
3½% War Loan 1952	79⅜	80⅛	79⅜	80⅛
3½% Brit. Iron and Steel 1979-81	89⅜	90	89⅜	90
4% Funding Loan 1960	98⅜	99	98⅜	99

xd = Ex-dividend.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake

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U.N. REPORT ON WORLD TRADE

THE end of the last war saw certain powerful political and economic forces at work, dividing the world into several groups, namely, the communist and the non-communist, and the developed and underdeveloped countries. Since then, these forces seem to have gained further momentum, thereby widening the gulf between these groups. The *World Economic Report* for 1951-52, published by the United Nations, brings into bold relief as to how these influences dominate the developments in the field of world production and trade.

World industrial production to-day is 75 per cent. higher than what it was in 1937. The production of food, however, has risen, on an average, by only 10 per cent., while the increase in population has gone up by as much as 15 per cent. Another notable feature of the trend in production is that, although industries in the world are mostly concentrated in Europe and North America, the rate of expansion in industrial production has been most rapid in the communist world. While in the former group, the rate of increase between 1951 and 1952 was only 3 per cent., it was 11 per cent. in the Soviet Union, 24 per cent. in Hungary and 47 per cent. in China.

A similar upward trend is noticeable in the sphere of international trade also. The volume of world trade is now 33 per cent. larger than that in 1937. And this has taken place in spite of war and post-war restrictions, quotas and exchange controls. As these restrictions, though modified in certain cases in several countries, continue to prevail in some form or other, the achievement of international economic balance has yet to be fulfilled. But one striking feature is that both the worlds—the communist and the non-communist—are expanding trade more and more within their own spheres, thereby causing a shrinkage in East-West trade. The relevant figures given by the U.N. Report are revealing. In pre-war days, East European countries transacted 90 per cent. of their trade with the rest of the world and only 10 per cent. with each other. The extent of transformation which has since taken place will be evident from the fact that the trade carried on amongst themselves now accounts for as much as 66 per cent. The case of China is singularly striking. Only one per cent. of China's foreign trade in 1937 was with the countries now under communist rule. Since then, the proportion has risen to as much as 61 per cent. of the total foreign trade which by itself during the period has risen by 60 per cent. This tendency of confining economic activity to the two divided camps of the world is disquieting. Besides being a cause of suspicion and distrust, it checks the flow of trade between the two parts of the world and thus arrests expansion of international trade which is necessary for stabilising standards of living in the different countries of the world.

The U.N. Report has devoted a special chapter to the undeveloped countries. The picture presented by it, though not discouraging, is far from happy. In these countries, there is a growing consciousness of their backwardness which has, in its turn, created an urge for economic progress. This urge has come to stay. But certain formidable factors are blocking their progress. Growing population, deficit of foodgrains, inflationary tendencies, and lack of capital and technical skill are some of the handicaps facing them. To overcome these, the undeveloped and the underdeveloped countries look to the West. Unfortunately, assistance from that end has been very little, as compared with the magnitude of the requirements. It is true, as the U.N. Report says, that the main burden of the solution to these problems rests with the countries themselves. For instance, food production, which is essential to their economic development, depends on social organisation and land tenure problems. But there are vast areas in these countries where land tenure problems are no bar to progress and, if some capital is forthcoming, they can be developed without waiting for land reforms. This point does not seem to receive the attention it deserves, whenever U.N. bodies lay emphasis on the need for the backward countries to follow the policy of self-help. The U.N. Report, however, says that, given an easing of rearmament pressures in the industrialised countries, there should be no difficulty in supplying the underdeveloped countries with a greatly expanded volume of capital equipment. This again begs the question: Will there be a slowing down in the rearmament programme in the near future? Of course, the possibilities of a slow down are indicated by the present peace moves, but past experience shows that one can hardly hazard a prediction. Nevertheless, instead of waiting for the elusive peace to come, industrially advanced nations will do well to recognise the importance of developing the backward economies as soon as possible. For such a development will bring about increase in the purchasing power of these countries and thereby raise the demand for goods. That is the surest way of ensuring the prosperity of the world.

For another good reason also the economic development of the underdeveloped countries should be pushed ahead. For in it lies an effective solution to the "three major economic problems which still dominate the world scene and qualify, to some extent, the physical progress in economic development achieved since the end of the war." The three problems are posed by the U.N. Report thus: Can a slump be avoided? Can the dollar gap be closed? And can the poor countries ever catch up with the rich ones? The answers provided by the Report to these questions have a special significance to backward countries. Taking the first question, the Report opines that it is doubtful whether the world can avoid a slump. For fluctuations in the volume of stockpile buying are, according to it, sure to rock the boat of international trade. The disturbance caused by such shaking can be met only, if the countries concerned possess large supplies of gold and foreign exchange. As the existing supplies of these with most countries are insufficient, they cannot stand the strain without taking recourse to import restrictions or deflation. But, as industrially advanced countries cannot expand their trade in the absence of imports, they are likely to face recession. This danger can, however, be avoided, if facilities are provided for underdeveloped countries to expand their economies, for these countries will then be in a position to absorb the surplus production. This point has been adequately emphasised by the Report.

The Report is equally pessimistic on the second question, namely, can the dollar gap be closed? Of late, the gap has tended to narrow, but the Report characterises the improvement as "precarious." For, as has been pointed out elsewhere in this issue, to a considerable extent, it has been the result of special factors, "such as the imposition of tighter import restrictions by many countries in the non-dollar world, and a fall in the rate of stock-building there due to the slackening of industrial activity. At the same time, production continued to expand in the U.S. and unemployment there was reduced to unusually small dimensions." Even granting that the U.S. will adopt several methods to increase the dollar supplies to non-dollar countries, the dollar problem, in the opinion of the authors of the Report, will not be completely solved, because the latter countries will still have to make adjustment in their economies for importing less from, and exporting more to, the dollar countries. Such adjustments are likely to entail, in certain cases, changes in their structure of trade and, if need be, in their exchange rates, followed by disinflationary measures for arresting the spiral of wages and prices. As such measures will be politically unpleasant, they may not be resorted to the extent necessary, with the result that the "dollar gap" is likely to persist for a much longer time than many are inclined to believe at present. The position, however, will not be so bad, if real peace comes to prevail in the world and East-West trade is restored to its pre-war pattern. Hence the urgency of ending the present disquieting trend which is accelerating the division of the world into two independent economic blocs.

The third question, which relates to the economic development of the backward countries, is, as the Report itself admits, a crucial one. The solution of this problem has also in it the real answer to the first two questions dealt with above. There is a wide gulf between a country such as the U.S., with its vastly developed economic resources, and the backward countries such as India, Burma, and Indonesia in which resources await development. The gap can be bridged provided the latter are supplied with the means to build their economies. As stated already, an economically highly developed Asia, with a growing standard of living, will provide additional new markets for capital and consumer goods of the industrially advanced countries. It will thus not only help stem the tide of depression but add considerably to the strength of the non-dollar world to expand its trade with the dollar countries and thus reduce the dollar gap.

There is nothing new in the suggestions discussed in the foregoing paragraphs. They have been mentioned ever so often without

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evoking any tangible results that a repetition of them may give rise to the impression that one is wasting one's time and may make the readers cynical. Even the authors of the Report under review seem to have been overcome by a feeling of frustration, as witness their description of the world as it is to-day: what to think of a "world frantically intent on industrialising; a world in danger of producing too many bicycles and too little bread; a world divided year by year by two ever-widening gaps—a political one between communist States and the rest, and an economic one between the rich and the poor: a world managing to avoid the catastrophe of economic depression; and a world pitifully unable to fit together the wealth of the U.S.A., with the investment opportunities in the under-developed continents?"

This is doubtless a gloomy picture of the world, but there is no exaggeration in it. It is to be hoped, however, that those in charge of the destinies of the world to-day will realise that it lies in their power to change this picture and thereby earn for themselves the gratitude of the masses all over the world. This is a chance for them to attain an honourable place in the history of the world. And they should not miss it.

LABOUR WELFARE

THE decision of the first All-India Conference of Labour Welfare Officers, which concluded its four-day session in Bombay early this week, to form an *ad hoc* All-India Council of Labour and Welfare Officers, is welcome. For the Council, representing as it will, the various labour training institutes and industries, should help usher in a new era of labour relations and welfare in India. The Council proposes to co-ordinate the activities of all associations of personnel and welfare officers and prepare the way for future conferences. The Council intends to deal with the implementation of the various recommendations relating to labour welfare adopted at the Conference.

The main resolution passed at the Conference suggested that professional institutions should include, in their training programmes, (1) pre-employment course of studies for all new entrants to the profession, (2) in-service training for those untrained officers already in employment and refresher or extension courses for practising welfare officers. This recommendation is of great importance, because the responsibilities of labour and welfare officers have, of late, grown in complexity and number. Several factors have been responsible for this. First, labour and welfare officers have to deal with human beings. Secondly, they have to function in consonance with business objectives. Thirdly, mechanical inventions are progressing day by day, introducing changes in environments of work and working methods. Fourthly, developments in social sciences have brought forth new theories regarding man and his treatment and suggested new techniques for the solution of human relations. Fifthly, labour has organised itself into unions. Sixthly, labour legislation and industrial jurisprudence have grown in bulk and complexity. It will thus be seen that, if one wishes to be a successful labour welfare officer, one must get himself properly trained and equipped with knowledge on the various subjects mentioned above.

The Conference recommended that the Union Government should sponsor an institute of industrial health and hygiene for (a) advising industrial establishments on matters pertaining to the health of industrial workers and (b) undertaking research in working conditions, such as heat, humidity, ventilation, etc., in co-operation with other existing bodies. Few can deny the truth of the well-known saying that only something is lost when wealth is lost, but everything is lost when health is lost. After all, the end and aim of society are the well-being of the humanity it is composed of. And the objective of industries is not merely the production of utilities but, even more, the development of healthy and well-adjusted human beings. It needs no reiteration that an industry which does not afford its workers protection against disease which might be contracted during the course of their work and the prevention of accidents, does not deserve to exist. Every effort should be made to co-ordinate the activities carried on by the personnel officer, medical officer, safety engineer and welfare officer with a view to enhancing the utility and effectiveness of welfare measures.

The delegates to the Conference advocated that, for the proper administration of labour policy, it was essential to have the functions regarding personnel management, labour welfare and industrial relations delegated to one officer, who might, however, be assisted by one or more officers, depending on the size of the undertaking concerned. The value of this suggestion is dubious, for the three functions are entirely distinct. It is an admitted fact that welfare activities should be free from the tensions in the field of personnel management or industrial relations. Besides, labour welfare activity should be carried out for its own sake. The principle that the provision of welfare measures does not carry the stigma of paternalism and philanthropy, should be clearly accepted. We feel, therefore, that it is absolutely necessary to bifurcate the authorities for welfare, personnel management and labour relations. This, however, does not mean that the activities of these three authorities should not be co-ordinated at the higher level.

The Conference felt that it would be desirable for trade unions in India to undertake welfare programmes as in the industrial West. This, however, presupposes the existence of healthy trade unionism, free from inter-union rivalries, in the country, a state of affairs which unfortunately is absent, except in a handful of individual industrial companies. There are too many trade unions not only in individual industries but even in individual companies, having affiliations with some political party or other. As a result, most of them are suffering from insufficiency of members, lack of funds and absence of quality in leadership. It is true that some of the delegates who spoke on this resolution were conscious of the defects in trade unionism which would make their proposal impractical. Nevertheless, they emphasised that a beginning must be made in this direction. There can, of course, be no difference of opinion on the objective they have in view nor on their plea that a start must be made. Those trade unions which command a large majority and are united can certainly take the initiative. The Ahmedabad Labour Association readily comes to our mind as one which can give a lead to the rest of the country. Ultimately, such efforts may prove to be a good solution to the problem of a multitude of trade unions and lack of unity among the workers. If the workers were to find, from the lead given by some of the well-organised unions, that, by remaining united, they could help themselves to a much greater extent than by remaining divided, they would themselves strive, sooner or later, to end the lack of unity.

The subject that attracted the greatest attention of the Conference was the philosophy underlying labour welfare. A number of eminent persons, including Mr. J. R. D. Tata, Mr. S. T. Edward, Mr. T. L. A. Acharya, Dr. K. S. Basu, Mr. G. K. Ved and Mr. G. S. Ahluwala presented papers on the subject. The gist of the papers is that industry is not merely a mass of machines' and technical processes, but a complex of humanity. Industry fulfils its functions not by virtue of some impersonal force but by human energy and, as such, the aim of industry should be the creation of a society, where work will become the instrument of well-being. As was pertinently pointed out by one of these persons, the reserve of loyalty of labour to work cannot be bought but earned by providing satisfaction of such human needs as every one has a right to expect. There is, therefore, no gainsaying the fact that the neglect of the legitimate rights of labour is fraught with dire consequences not only to industry, in particular, but to the State, in general. This warning must be noted especially by countries that wish to have democracy as its creed, for failure to heed it will hasten the end of this most ideal system in the world.

MR. WALCHAND HIRACHAND

WITH the passing away of Mr. Walchand Hirachand on Wednesday this week, India has lost an outstanding personality—a real *entrepreneur* who strove hard to place India on the industrial map of the world. But for his indefatigable efforts against heavy odds, it is extremely doubtful whether India to-day will be building ships, aircraft and automobiles. It is true, that, in automobiles there is a number of manufacturers, but the credit for doing pioneering work and fighting the vested interests that were opposed to India making a beginning in this field goes to him. In the sphere of shipping and shipbuilding also, he met with powerful opposition, but he succeeded in overcoming it by his tenacity of purpose and courage of conviction. Mr. Walchand's interests were not confined to transport alone; they covered a wide range, embracing, as they did, practically all fields of economic life, including banking and insurance, mining, and industry. He was associated with more than a score of industrial establishments, some of which are in Burma and Ceylon as well.

Mr. Walchand was born at Sholapur on 23rd November, 1882 and had his early education at Aurangabad, Sholapur, Poona and, finally, Bombay. His success in life is a thrilling story. From the humble beginnings of a middle class boy, he worked his way up in quick stages and retired as a millionaire. We are told that he started his business career at the early age of 20 as an assistant to a commission agent at Talikota. After gaining sufficient knowledge of business, he entered the construction engineering line as a contractor. By dint of hard work, keen foresight, courage and determination, he carried out successfully several construction works, including railway lines, river bridges, large military works and big public buildings. The most outstanding piece of his construction work is the Bhore Ghat Tunnel. It was in 1920 that he joined the Tata Construction Company as its Managing Director on the invitation of the House of Tatas and, in this capacity, he carried out various engineering projects. In course of time, he became the master of the whole show, the Company losing its identity with the Tatas. Mr. Walchand did some pioneering work in the field of modern agriculture also—he always regarded agriculture as India's largest and most important industry—and achieved remarkable success. The township of Walchandnagar bears eloquent testimony to this fact. He was one of the leading lights of the Indian sugar industry and contributed much to its development. To him goes, to a large extent, the credit for securing protection to the sugar industry, for he took the initiative and put up a courageous fight.

It was, perhaps, more in the sphere of transport than in any other that Mr. Walchand played a pioneering role, with the spirit of a buccaneer. He laid the foundations of the Scindia Steam Navigation Company firmly—a purely indigenous enterprise—nursed it through the difficult days of depression, and built it up as the largest shipping company in this country. Not content with plying ships, Mr. Walchand planned and constructed the first and the only shipbuilding yard in India. His ambition was to see India completely self-sufficient in shipping. Although he did not realise this in full during his lifetime, he has not only shown the way but placed the country well on to it. It is for his successors in the Scindia Company and the Government of India, which has taken over the shipbuilding yard, to complete the tasks undertaken by him. Mr. Walchand was also responsible for promoting the first aircraft construction factory, the second best aviation company and an automobile factory. In every one of the undertakings established by him, he took special pride in employing Indians even for jobs requiring considerable technical skill. He proved to the world, at a time when India was not a politically free country, that, given a fair chance, Indian engineers and technicians were capable of carrying out any job thoroughly and efficiently.

Mr. Walchand was connected with a number of institutions of all India importance and spared sufficient time to serve the cause of commerce and industry. He was President of the Indian Merchants' Chamber, Bombay (1927), Maharashtra Chamber of Commerce (1927-38), Indian National Committee of the International Chamber of Commerce (1931-33), Federation of Indian Chambers of Commerce and Industry (1932-33), All-India Organisation of Industrial Employers (1933-34), and Indian National Shipowners' Association (1934-35 and 1936-37). He was a member of the Governing Body of the Indian (then Imperial) Council of Agricultural Research for five years. He also played an active role in the affairs of some of the world organisations. He was, for instance, the Vice-President of the International Chamber of Commerce (1934-35 and 1936-37) and the Employers' delegate to the I.L.O. Conference at Geneva in 1932. He led the Indian delegation to the International Chamber of Commerce at Berlin (1937) and Copenhagen (1939).

The achievements of Mr. Walchand may be briefly summed up thus: He laboured hard at constructional engineering, regarded the development of transport industry—shipping, aircraft and automobile—as his special mission in life and played at agriculture in his spare time. Indeed, he was one of the builders of modern industrial India. His loss is not a loss merely to his family and friends, nor just to Walchandnagar Industries, nor, for that matter, Bombay alone, but to the whole country.

WILL PEACE LEAD TO DEPRESSION?

NON-FERROUS METALS—STERLING AREA GOLD AND DOLLAR RESERVES—NATIONALISATION

THURSDAY, 5 P.M.

THE markets seem to have got over the shock administered by the peace moves in Korea and the publication of the Select Committee's report on the Estate Duty Bill. In equities, a good part of the loss sustained in the previous week has been recovered. Tata Deferreds, for instance, have gained Rs. 22-8 over the week. Similarly, Bombay Dyeings have improved by Rs. 13-12. Some of the leading miscellaneous counters such as Belapurs, Bombay Burmahs and Wimcos have also registered modest gains. In bullion, gold is quite steady. Silver, after going down to a low of Rs. 151-11, has spurted to about Rs. 155; in fact, at one time it was as high as Rs. 155-8. Among commodities, cotton has once again looked up. The weakness that was noticed last week proceeded further and, on Tuesday, prices touched the lowest levels for the week. I.C.C. May, which stood at Rs. 706 on 30th March, slipped down by stages to reach a low of Rs. 675-8 on the 7th inst. Thereafter, it spurted to Rs. 691-8 and is being currently quoted at Rs. 689. The hesitant tone that was displayed by oilseeds a week ago has once again given way to a firm trend, with all seeds and oils staging a fairly sizable advance. Groundnuts (ready) have gone up from Rs. 40-12 to Rs. 42 and castorseeds (May) from Rs. 147 to Rs. 154-12. The only notable exceptions to this trend are the non-ferrous metals to which we shall refer presently.

MARKET GOSSIP

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Although, over the week, values show an improvement, the closing rates in many cases, especially in commodities and bullion, are slightly below the best levels witnessed a day earlier. From this, it would appear that operators are still uncertain about the short-range outlook and that the earlier improvement was chiefly the result of covering by bears. In any case, there are no signs of any sustained bullish fervour. There is, of course, quite a lot of buying activity in Tata Deferreds at the time of writing. But that is due purely to speculation on conversion ratio, on which the Mediator's award is long overdue. The latest rumour is that the ratio will be at 31 Ordinaries per 5 Deferreds, in which case the Deferreds should be well over Rs. 1,900, assuming that the Ordinaries will remain unchanged at about Rs. 315. The present activity will, therefore, die down once this source of provocation disappears.

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It is yet too early to judge the future trend of markets in the light of the welcome change visible in the foreign policy of the Communist powers, for one does not know to what extent this change is genuine and will lead to real peace in the world. Korea is not the only controversial issue with the Communists. There is a series of issues such as Indo-China, Formosa, Austria and Germany. If the Korean affair is settled, the cold war may become a little less comfortable than at present, but, if it is to end at all, and if both democratic and communist countries are to sit together to solve the economic problems of humanity, then all these issues must be satisfactorily solved. Are we very near such a miracle? One's guess of the answer to this poser is as good as another's.

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There is, however, some justification for the feeling of hesitancy among business men all over the world. The lessening of tension in the international situation is ultimately bound to result in a downward adjustment of defence expenditure. The plant and machinery now engaged in the production of armaments will switch over a part of their productive capacity to articles for civilian use. The supply of goods will thus increase, perhaps at a rate faster than the ability of the civilian markets to absorb them. Prices then will tend to decline and manufacturers will not be keen on paying the same price for raw materials as they are doing to-day. It is common knowledge that the cost aspect does not generally weigh heavily with industrialists when they are engaged in producing armaments. Further, a cutback in the output of armaments may not be completely offset by a corresponding increase in the production of civilian goods. If this assumption turns out to be correct, it will result in an automatic fall in the demand for raw materials. Thus, the prospects are that raw material producers will be faced with a fall not only in demand but also in prices. In fine, it looks as though a transition from cold war to peace will not be absolutely painless and it is better to be prepared for a recession in many parts of the world.

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It will, however, be a hazardous task to attempt at measuring the magnitude of such a recession. Nevertheless, a careful consideration of the pros and cons suggests that it will not be of a disastrous type. Two important reasons may be cited in support of this view. The inflation and the boom that followed in the wake of the Korean war have already been reversed to a very great extent. Ever since the slump a year ago, operators have been careful not to indulge in excessive overtrading and industries throughout the world are working with limited stocks. The Governments all over the world are more experienced than at any time before in the art of controlling a depression. The very fact that the slump in the first and early second quarters of 1952 was not allowed to deteriorate into a full-fledged depression is proof of this, if any proof were needed. Much will, of course, depend upon the state of economic conditions in the U.S., in whose bandwagon most of the democratic countries are now travelling. But all competent observers are confident about the resilience of the U.S. economy.

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In so far as India is concerned, it is by no means less easy to interpret the latest developments in the international situation, nor to anticipate the effects of the end of the cold war. If the prices of key raw materials such as tin and rubber were to decline, it would adversely affect the economies of South-East Asian countries. In such an event, India's exports to these countries may suffer to some extent. In addition to this, competition from Japan in these markets may become more intensive than at present, as the end of the Korean war will mean the loss of an important source of outlet to its productive capacity. As against this, there is the prospect of the Chinese market becoming accessible to the non-communist countries, including India. If peace comes to prevail in Indo-China, Malaya, Burma and other parts of the world, the trade with these countries will tend to look up, though, perhaps, at a lower level of prices. But then there is also another side to this picture. China itself will emerge as a competitor of India in some of these markets, for there has been a sharp improvement in Chinese industrial production. Besides this, China's vast coal and iron ore will become available to non-communist countries and this is bound to tell on India's exports of these materials to Japan, Australia and other Far Eastern markets.

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These adverse influences on Indian economy will, however, be offset, to some extent, by the large development expenditure planned by the Government of India. A fall in world price levels, following a rise in industrial production of civilian goods, will improve the chances of the Plan becoming a success. It will reduce the volume of deficit financing, inasmuch as the cost of the projects will come down. The possibility of India getting aid from the U.S. and other Western countries will also improve, for two reasons. In the first place, these countries will have more goods to dispose of and as such will be anxious to spare some for India on favourable terms. Secondly, India's foreign policy will not be a deterrent to getting substantial assistance from the U.S. as it is said to be at present. Thus, if the Plan were to be successfully implemented, it would provide a good market for almost all the domestic industries and keep them well employed. Nevertheless, one must be prepared for a lower margin of profits. The inflationary impact of the implementation of the Plan on the economy of the country may not be as heavy as it is feared it will be at present. To sum up, an economic depression of a serious nature in India seems extremely unlikely. But, at the same time, the days of large profits and bumper dividends are not likely to recur.

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As already mentioned, the non-ferrous metals have suffered a substantial fall in prices both in foreign countries and India. The main reason given is the Korean peace move, but there are also other causes. The worst sufferers have been tin and copper. In fact, the rot began in the former and spread to others. After remaining remarkably steady, the price of tin on the London Metal Exchange suddenly gave way last week and lost about £100 per ton in less than seven days. According to London advices, the downward trend was touched off by the indication that the Reconstruction Finance Corporation in the U.S. was likely to terminate its activities in tin gradually. The downward trend was accelerated by the enhanced prospects of peace in Korea, as well as by reports that Bolivia, one of the main producers of tin in the world, was continuing its secret talks with the U.S. for a long-term contract and that these talks had reached an advanced stage. The unexpectedly large drop in the price of tin on the London Metal Exchange induced heavy selling pressure in the Bombay metal market also, bringing down the price from Rs. 155 to Rs. 136 per cwt. Activity in this market has been suspended for the time being to facilitate settlement. In sympathy with tin and with other commodity markets, zinc and lead also declined, even though, unlike tin, these metals had experienced a fall some time ago. In London, zinc lost £2 to £3 per ton during the week and lead about £5 per ton. In Bombay, electrolytic zinc for forward was marked down from Rs. 54-8 to Rs. 52-8 per cwt. The fall in lead (forward delivery) was a little more steeper, from Rs. 64-8 to Rs. 57 per cwt. Well-informed observers of the market feel that the worst is not yet over for all the non-ferrous metals.

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There was a recession of over Rs. 10 in copper during the week, the latest rate for it in Bombay being Rs. 172 to Rs. 173 per cwt. for forward delivery. In the overseas markets, buyers are keeping aloof, while some of the Continental countries, especially Belgium, are anxious to sell to the U.S. at lower prices. Chile, the principal exporter of copper, is still trying to stick to its rate of 35.50 cents per lb. f.o.b., as against 32.00 cents c.i.f. New York quoted by Belgium, but it is felt that Chile's quotation will have to come down sooner or later. In this context, the following assessment of the copper situation by the *Financial Times* a few days ago will be read with interest:

"The present outlook for copper is confused. On the surface, it appears 'bearish.' If the market is freed in a few months' time, as is hoped, fabricators of copper will naturally try to 'price' their 'pipe-line' of copper and copper products, in order to be able to return to the pre-war practice of quoting firm prices for their goods. They will do this by making 'paper' sales on the market. In these circumstances, there may, for a time, appear to be very heavy quantities pressing down the price. This may well fall initially. Even some of those taking an optimistic view of the medium and longer term prospect concede that a fall of, say, £50 per ton is quite likely. There are large quantities of copper in Government hands. On the other hand, it would be rash to suggest that total copper stocks in the U.K. are as high as they were pre-war. Consumers have been running down their inventories and so have the consumers of fabricated copper. It takes about three months for copper to move from the mine to the consumer. If, moreover, as seems to be the case, the total stock is somewhat unbalanced, a further delay of up to a month may be involved in turning excess blister or fire-refined copper into electrolytic metal. The question of balance between different shapes also arises. Usually, a general copper shortage begins with particular shortages. Without implying that shortage will again emerge this year, it is worth pointing out that there is a number of rash assumptions being made now which could easily lead to the sort of miscalculation about 'pipe-line' stocks, which, for instance, occurred with Indian tea last year. In addition, it must be conceded that Chile holds a fairly strong position as the world's largest exporter of copper.

"The present position in which mercantile and consuming interests lay much stress on the weak points of the copper market is not accidental. It arises from the stringency of financial resources and the weakened ability to take calculated risks. Over the immediate future, with prices very high, with peace moves in Korea and with the transition to normal marketing, the course of copper prices must be uncertain. Once the transition is over, however, the market may reveal underlying strength, especially since lower prices would undoubtedly check the use of substitutes."

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In our issue dated 21st March, 1953, we observed in these columns as follows:

"Our enquiries in high Government circles reveal that the Ministers are quite aware that the Government machinery is not efficient enough to undertake additional responsibility in the sphere of trade and industry. There is absolutely no move to nationalise or socialise either banking or insurance and no change is being contemplated in the existing regulations in regard to these companies. If any changes were at all to be made in them, they would be such as to make the credit institutions more useful for promoting industrial development in the country under the auspices of private enterprise, as indicated in the Plan."

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The foregoing categorical statement did not evoke much notice, presumably because of Mr. Nehru's parleys with Mr. Jaya Prakash Narain for a sort of coalition with the Praja-Socialist Party and also because of Mr. Narain's revelation at a Press Conference that Mr. Deshmukh had expressed the view to Mr. Asoka Mehta that banking and insurance must be nationalised. The determination with which the Government **was pursuing its plan to nationalise civil aviation** was also one of the factors that raised doubts in the minds of business men about the intentions of the Government. But all these doubts will, we hope, be laid to rest, thanks to the categorical observations made by Mr. C. D. Deshmukh in Parliament on Tuesday this week, observations **which confirm what we stated three weeks ago.** In view of the importance of this pronouncement, it needs to be extracted here, *in extenso*, for purposes of record. This is what he said:

"I have studied now the operation of various economic systems in various countries of the world and I am prepared to say that, given certain conditions, it is more than one system that can be made to work and can be made to yield results. But, what one has to find out is whether, in the conditions of this country, in cold blood, one could choose a particular form, rather an unorthodox form of economic governance. After mature consideration, I have come to the conclusion that, in the conditions prevailing in this country, neither Communism nor Socialism nor any other variant of those systems will work... In regard to the Praja Socialists, although they profess to operate within the four corners of the Constitution and the democratic system, and although the difference in the final objectives is not too great, yet there the difference is really in regard to practicability and that matter also has been referred to time and again. What is required is not only leadership but very great resources in men and administrative machinery, and it is not possible to think in terms of widespread nationalisation in view of our current difficulties in these two respects. . .

"I now come to a different category of subjects, nationalisation of banking and insurance. I would request honourable members to read very carefully the paragraphs concerning this in the Five-year Plan. First, paras 28, 29 and 30 on page 37 of the full volume; they relate to the credit system. The other, in regard to insurance companies, is para 54 on page 68. It would be inadvisable on my part to try to paraphrase what has been set out after careful consideration in the paragraphs that I have mentioned. All that I would like to say here is that these paragraphs are being studied very carefully, and that the objective is not so much to nationalise for the sake of nationalisation, but to secure the results that it is alleged nationa-

(*Continued on page* 683)

EQUITIES RECOVER AFTER HEAVY DROP

SPECULATIVE BUYING REVIVES

(From Our Own Correspondents)

BOMBAY, 9*th April*

LAST week's slump in equities deepened further and persisted during the major part of this week. This was because negotiations for the exchange of prisoners of war took place at a quicker pace than was expected. Under the pressure of renewed nervous liquidation, equities dived down. The dive was more pronounced in steel shares than in other counters, with the result that steel shares receded to the pre-budget position at one time during the week. The low levels, however, brought a fresh bout of buying in the last two sessions. It was followed by covering by bears who had hammered down the markets last week. The revived support was inspired by the view that the earlier selling pressure had been overdone and that the present talks on exchange of prisoners of war would not mean an immediate cessation of hostilities. Operators appeared to be conscious of the fact that there were still many issues to be settled between the conflicting nations and that unless a general agreement was signed there were no chances of a reduction in expenditure on rearmament. The buying spree was assisted by the improved trend noted in bullion, commodity and cotton prices. The operators derived strength also from renewed rumours about the conversion ratio for Tata Deferreds, the Mediator's award on which is expected to be announced in the next few days. Market rumours place the conversion terms in the ratio of 31 ordinary shares to 5 deferred shares.

In the steel section, the well liquidated position in Tata Deferreds provided the basis for a handsome recovery on the opening day, and on renewed speculative and buying, the scrips rallied from last week's closing of Rs. 1,810 to Rs. 1,831-4. This speculative activity was, however, soon curbed by favourable prospects for peace in Korea and weakness of silver. In the spell of selling activity which followed as a result, Tata Deferreds slumped to Rs. 1,791-4 on Tuesday this week, the lowest level since 27th February last. A sizable recovery, however, ensued at this level and the shares moved up to close at Rs. 1,832-8 to-day. Tata Ordinaries reacted from Rs. 315-4 to Rs. 311-4, before regaining to Rs. 315-8. Indian Irons moved between Rs. 24-9 and Rs. 24-0 and closed at Rs. 24-8.

Textile shares moved in sympathy with steels, but the fluctuations were confined to a narrow range. Bombay Dyeings worked up from Rs. 381-4 to Rs. 395 on Monday, but the weakness of steel on Tuesday brought them down to Rs. 382-8 on that day. Subsequently, they staged a rally to Rs. 396-14 to-day before closing at Rs. 395. Kohinoors came up from Rs. 291 to Rs. 297-8 on Monday. After receding to Rs. 289-12, they advanced to Rs. 294-8 at the close to-day. Central Indias and Centurys gained a rupee each to close at Rs. 155 and Rs. 270-8, respectively. Gokaks moved up by Rs. 5 to Rs. 229, Lakshmis by Rs. 3-8 to Rs. 294-8 and Standards by Rs. 12-12 to Rs. 296-4. India United Ordinaries were better by As. 1½ at Rs. 9-7. Simplex showed no change over the week at Rs. 177. Notable exceptions to this steady trend were Finlays which went down by Rs. 3 to Rs. 307. New Greats which were lower by a rupee at Rs. 149-8, Svadeshis which were quiet at Rs. 255-8, Swans which lost Rs. 12-8 to Rs. 437-8, and Tatas which shed Rs. 4 to Rs. 40-8.

Bank shares presented a steady tone, but activity was restricted. Central Banks were up by a rupee at Rs. 63-8 and their new shares by As. 8 at Rs. 65, Imperial Fully Paids improved by Rs. 2-8 to Rs. 1,862-8, but the Contributories fell by as much to Rs. 447-8. Barodas were a fraction lower at Rs. 112 and Bank of Indias at Rs. 154. United Commercials put on a fraction to Rs. 35-12.

A rise of Rs. 425 to Rs. 7,135 in Orientals was the outstanding feature in the insurance section, where turnover was limited. Empires gained Rs. 7-8 to Rs. 552-8. New Indias remained steady at Rs. 42-4. Jupiters were unchanged at Rs. 7, as also Indian Mercantiles at Rs. 38-4.

Electric shares continued to be a steady feature, though no worthwhile rise in prices was noted. Ahmedabad Electrics were quoted at Rs. 108-12 *ex-div.* as against Rs. 113-12 *cum-div.* last week. Andhra Valleys were unchanged at Rs. 1,442-8 *cum-div.* Bombay Suburbans gained As. 5 to Rs. 124-6. Surat Electrics were maintained Rs. 121-8 and Tata Powers at Rs. 1,540 cum-div. but Tata Hydros put on As. 12 to Rs. 152 *cum-div.*

In the miscellaneous section, Associated Cements after moving down from Rs. 170 to Rs. 166-12 recovered to Rs. 168-12. Belapurs moved up by Rs. 3 to Rs. 238. Bombay Burmahs were in favour to score a gain of Rs. 10 at Rs. 395-10. B.I.Cs added As. 2½ and closed at Rs. 8-5½. A sharp rise of Rs. 8 was recorded by National Rayons. Tata Chemicals rose by As. 1½ to Rs. 9-4½, but Tata Oils were quiet at Rs. 33-12. Walchandnagars gained Re. 1-4 to Rs. 160, but Wimcos were maintained at Rs. 233-12.

In the transport group, Scindias witnessed lack of buying power and drifted from Rs. 13-12½ to Rs. 13-5 before closing at Rs. 13-8. Bombay Steams were unchanged at Rs. 34. Air-Indias were done at Rs. 81 and Air-India Internationals at Rs. 101. Bharat Lines stood at Rs. 94. Hindustan Motors were quiet at Rs. 4-1.

In the engineering and mining group, Alcocks made an impressive rise of Rs. 6-8 to Rs. 308-12. Indian Coppers were colourless at Rs. 3-1 and Shivrajpurs were steady at Rs. 61-4. Premier Constructions forged ahead from Rs. 85-12 to Rs. 88-12. Josts Engineerings were held at Rs. 82. Tata Locomotives were done at Rs. 87-8.

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Calcutta Stock Exchange

CALCUTTA, 7*th April*

Generally easy conditions prevailed on the Calcutta Stock Exchange during the week. This was due to satisfactory progress of talks relating to exchange of prisoners which is being taken as an indication of a possible cessation of hostilities there. The easiness was pronounced in the jute section because of the rejection by the Government of the industry's demand for permission to cut working hours in mills as also of the weakness of the sackings section. Despite the recent Indo-Pakistan trade agreement providing for regular export of coal to Pakistan, coal shares failed to put on a cheerful sentiment, on account of fears of a possible loss of overseas markets in coal to China, if peace talks in Korea were to succeed. Teas, however, ruled steady in anticipation of demand from the U.K. and the U.S. Miscellaneous scrips came in for selective buying, on speculative demand.

Jute shares staged a further recession, Baranagores lost Rs. 3 to Rs. 154 and Ganges Rs. 2 to Rs. 71. Champadanys were done lower by Re. 1 to Rs. 157. Howrahs eased by As. 6 to Rs. 23-1 and Agarparas As. 3 to Rs. 18-3. Empires, however, gained As. 4 to Rs. 21, on some special support. Indias were unchanged at Rs. 125.

Excepting a few scrips, others in the coal section displayed a slightly easy trend. Bengals gained Rs. 8 to Rs. 538. East Indias were fractionally higher by As. 2 at Rs. 23. But Central Indias lost As. 4 to Rs. 5-1. Burrakurs were done As. 2 lower at Rs. 10-10. Beerbhooms and West Bengals were lower by an anna each to Rs. 21-5 and Rs. 4-11, respectively.

In the tea section, Central Cachars improved by As. 8 to Rs. 60-8 and Oodlalaris by As. 6 to Rs. 2-8. Hansqua gained As. 4 to Rs. 15-12 and Sonai River As. 2 to Rs. 5-14. Tukvar, however, lost an anna to Rs. 5-3.

The engineering section was not in favour. Burn & Co., Ltd., declined from Rs. 268 to Rs. 265. Indian Irons had a fall of As. 8 to Rs. 24-2. Kumardhubis and Marshals were lower by As. 3 each to Rs. 8 and Rs. 5-6, respectively. Jessops, however, gained As. 3 to Rs. 24-5.

The miscellaneous scrips came in for some enquiry. Dunlop Rubbers advanced by As. 8 to Rs. 28-8 and Indian Wood Products As. 4 to Rs. 38-4. National Cables hardened by As. 2 to Rs. 12-1 and Indian National Air (P.O.) an anna to Rs. 6-15. Angelo Bros., however, lost anna to Rs. 17-12 and B.I. Corporation As. 3 to As. 4 to Rs. 17-12 and B.I. Corporation As. 3 to Rs. 8-5. Indian Cables declined by As. 2 to Rs. 17-11 and F. and C. Osler an anna to Rs. 6-2.

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Madras Stock Exchange

MADRAS, 7*th April*

Cheerless conditions prevailed in the Madras Stock Exchange during this week. They were in evidence particularly in the textile section, which put on a slightly easier trend on fears that the success of the peace moves in Korea, the prospect for which has been brightening, would mean low overseas demand for commodities generally. In plantings, teas came in for some selling, while coffees and rubbers were out of favour. The miscellaneous section disclosed more sellers than buyers. As a result, the volume of business done was comparatively low and prices, on balance, declined and disclosed widespread losses over the week.

Reports regarding lack of demand for cloth and yarn from consuming centres depressed sentiment in the textile section. Consequently, Vasantas eased by Rs. 2-8 to Rs. 161-8. Buckingams were done at Rs. 119, as against Rs. 121. Coimbatore Spinnings were lower by As. 8 at Rs. 41-8 and Maduras by As. 6 at Rs. 34-14. Rangavilas suffered As. 4 to Rs. 41-12 and Travancore Rayons an anna to Rs. 4-5. Bangalore Woollens were unchanged at Rs. 243 and Coimbatore Pioneers at Rs. 101.

In plantings, rubbers were quiet. Mr. T. T. Krishnamachari's statement that the Government would allow export of raw rubber if the manufacturers were not able to increase their offtake did not have any appreciable effect on the rubber shares, in view of the reported mounting stocks and discouraging conditions in overseas markets. Cochin Malabars and Thamrapallys declined by an anna each to Rs. 6-3 and Rs. 12-13, respectively. Vaikundams too suffered a similar amount to Rs. 15-8 *cum-div.* Udayagiris (rubber and tea) eased by As. 2 to Rs. 6.

Overseas enquiries for tea were not encouraging during this week. As a result tea shares remained generally dull. Ouchterlonys lost As. 4 to Rs. 3-11 and Neelamalais an anna to Rs. 3-10. Peermades declined by Re. 1-8 to Rs. 34 *cum-div.* following the declaration a dividend of 25 per cent. for the year 1952, as against 52½ per cent. for the previous year. The Company has proposed to capitalise a sum of Rs. 4.25 lakhs out of the capital reserves and distribute the same as capital bonus by the free issue of one fully paid share of Rs. 10 for every three shares held. Parksides, however, put on As. 2 to Rs. 11-12 and Chembras an anna to Rs. 2-13.

Coffees were dull. Shevaroys were fractionally lower at Rs. 1-3. Consolidated Coffees were unchanged at Rs. 17-1 and Mysore Coffees at As. 10. Coffee Lands, however, were higher by an anna at Rs. 9-6. Operators awaited with anxiety the Government's move to reduce prices of coffee.

In the miscellaneous section, Spencers lost As. 6 to Rs. 14-2. Deccan Sugars (Rs. 10 paid-ups) declined by As. 7 to Rs. 8-10 and Rs. 25 (paid-ups) As. 4 to Rs. 20. E.I.D.'B's. eased of As. 10 to Rs. 20-8 *cum-div.* Travancore Sugars were fractionally lower at Rs. 4-10. Rallis, however, put on As. 12 to Rs. 78-4. Gudivada Electrics hardened by Rs. 1-12 to Rs. 63-12. Mysore Papers and Indian Steel Rolling Mills were higher by As. 2 each at Rs. 13-11 and Rs. 11-14, respectively.

Notices

THE VISHNU COTTON MILL LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-sixth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, No. 9, Wallace Street, Fort, on Wednesday the 29th April, 1953, at 4-30 p.m. (Standard Time), for the purpose of transacting the following business:—

(1) To adopt the Directors' Report and the Audited Accounts for the year ended 31st December, 1952.

(2) To sanction the declaration of a dividend.

(3) To confirm the appointment of Mr. J. F. Parry as Director.

(4) To elect Directors in place of Mr. Pratapsinh Mathuradas and Mr. C. M. Khatau, who retire by rotation but being eligible offer themselves for re-election. Mr. Pratapsinh Mathuradas is interested as a partner in the firm of cotton buyers to the Company.

(5) To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board of Directors,
OF THE VISHNU COTTON MILL LIMITED,
FOR THE BOMBAY COMPANY, LIMITED,
L. F. H. GOODWIN,
Managing Director,
Secretaries, Treasurers and Agents.

BOMBAY, 31*st March*, 1953.

THE LAKHSHMI COTTON MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifty-eighth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, No. 9, Wallace Street, Fort, on Thursday the 30th April, 1953, at 4-30 p.m. (Standard Time), for the purpose of transacting the following business:—

(1) To adopt the Directors' Report and the Audited Accounts for the year ended 31st December, 1952.

(2) To sanction the declaration of a dividend.

(3) To confirm the appointment of Mr. R. E. Forrester as Director.

(4) To elect Directors in place of Mr. Pratapsinh Mathuradas and Mr. D. M. Khatau, who retire by rotation but being eligible offer themselves for re-election. Mr. Pratapsinh Mathuradas is interested as a partner in the firm of cotton buyers to the Company.

(5) To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board of Directors,
OF THE LAKHSHMI COTTON MFG. CO., LTD.,
FOR THE BOMBAY COMPANY, LIMITED,
L. F. H. GOODWIN,
Managing Director,
Secretaries, Treasurers and Agents.

BOMBAY, 31*st March*, 1953.

NEWS IN BRIEF

PRODUCTION of lead in India rose from 859 tons in 1951 to 1,132 tons in 1952.

The Government of Kashmir is not in favour of introducing prohibition in the State.

The central conciliation machinery decided 2,081 cases in 1952, as compared with 1,756 in 1951.

The receipts from Indian Railways form about 34 per cent. of the total income of the Central and State Governments.

An expenditure of Rs. 88 lakhs has so far been incurred in connection with regrouping of railways. No railway employee has been retrenched as a result of regrouping.

The Malabar Tenancy (Amendment) Bill, 1953, has been referred to a joint-select committee, consisting of 24 members—16 from the Madras Legislative Assembly and six from the Legislative Council.

The retail prices of cement in Delhi State has been reduced from Rs. 5-2-3 to Rs. 5 per bag of one cwt. The reduction has been made possible by a proportionate fall in the price of gunny bag packings.

India's food imports during the current year is expected to be reduced to 25 lakh tons, as against the original estimate of 29 lakh tons, following improved food situation. The imports in 1952 were 39 lakh tons and in 1951, 47 lakh tons.

The Government of India has decided to extend for a further period, upto 30th September, 1953, the existing arrangements for payment to displaced pensioners of advances of pensions, pending the transfer of their pensions from Pakistan.

General Motors India Ltd. has been granted a limited import quota for truck components, believed to be for 2,800 trucks. The quota will enable the Company to land trucks in completely knocked down condition and then to assemble them for sale.

The all-India first estimate of *rabi* pulses, other than gram and *tur* for 1952-53, puts the current year's area at 6,525,000 acres against 6,513,000 acres of the corresponding adjusted estimates of last year. This shows an increase of 12,000 acres or 0.2 per cent.

The Rajasthan Government has decided to appoint a five-man committee under the chairmanship of the Commissioner, Civil Supplies, to examine and review the working of the existing control measures in the State, with a view to improving the working and administration of controls in the State.

A Bill for acquiring the *zamindaris* in West Bengal will be introduced in the State Assembly shortly. It is estimated that the Government will have to pay a total compensation of about Rs. 18 crores when the 150-year old landlordism in the State established by Lord Cornwalis under the system of permanent settlement is abolished.

Lungis of 6 feet by 3½ feet manufactured in Sholapur will be exported to South Africa. The Government of India's marketing office at Bombay is understood to have placed an order for 6,000 pairs of these lungis for export to South Africa. The Sholapur Industrial Association, with whom the orders are said to have been placed, has so far supplied 2,300 pairs. Formerly, Japan was supplying these lungis to South Africa.

The Bhopal State Assembly passed, on the 2nd inst., the Agricultural Income-tax Bill. The Bill provides for the imposition of tax on agricultural incomes. This levy is expected to yield a revenue of Rs. 3,44,546 per annum. The proceeds of the levy will be used for giving impetus to production schemes and other development works. Provision has been made in the Bill to exempt income invested for charitable purposes and for developing waste land.

Air-India International Ltd. has placed an order for two De Havilland Comet Mark III jet airliners for use on their inter-continental routes. The cost of the airliners, together with the necessary spare parts and engines, which will be delivered early in 1957, is Rs. 2½ crores. These super-Comets are said to represent an advance over the Mark I flying to-day over many air routes and the Mark II which will be placed in service next year on some airlines. Weighing 150,000 lbs., these giant jet transports will carry 60 passengers at 500 miles per hour at an altitude of 40,000 feet.

The State Insurance Department of Rajasthan has so far, during its 9 years of work, issued 8,165 policies with a total risk of Rs. 53,84,563, of which 397 policies with a total risk of Rs. 1,33,038 have been paid. This cover is provided only to Government employees. A sum of Rs. 94,608 has been paid on 210 policies on death and Rs. 38,429 on maturity of 187 policies. The Government is contemplating extending this compulsory insurance scheme, which was started on 1st August, 1943 in the former Jaipur State, to the entire State of Rajasthan. All permanent employees of the State who are below 50 years of age and who are drawing more than Rs. 20 are covered by the scheme.

A Bill to provide for the levy of a higher tax on the sales of intoxicants in the State of Bombay has been published in the *Bombay Government Gazette* of the 6th inst. Clause 3 of the Bill provides for levy of tax, in addition to the general tax payable under the Bombay Sales Tax Act, 1953, at not more than one stage of the sale of intoxicants, (*a*) on potable foreign and country liquor at annas six in the rupee; (*b*) on spirituous medicinal preparations at annas four in the rupee, and (*c*) on other intoxicants, that is, non-potable liquor, opium and hemp drugs, at one anna in the rupee.

The U.P. Government has included in its Five-year Plan, a scheme for the construction of 340 tube-wells in the districts of Mainpuri, Etah, and Farukhabad. These tube-wells will form part of the 995 tube-wells to be sunk in the State under the Indo-U.S. Technical Co-operation Administration programme to develop irrigation facilities. The U.P. Government has also decided to install a 10,000-kilowatt power station at Mainpuri to supply energy to operate these tube-wells. The station will supply power for domestic and industrial purposes also. The Mainpuri power station, it is estimated, will cost Rs. 2.4 crores, but, since it will give energy for industrial and domestic purposes, it is expected to work at a profit.

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From Abroad

A record monthly output of 10 million tons of steel was reached by American steel mills in the month of March this year.

World crude petroleum production during September, 1952, averaged a record 12,549,000 barrels daily, including a daily average U.S. production of 6,518,000 barrels.

A barter agreement for the exchange of goods worth $2 million has been concluded between France and Argentina. Under the agreement, France will provide iron and steel products in exchange for Argentine wool, hides, timber, fats and grains.

A new variety of rice, which gives a better stand and has greater resistance to disease, has been developed by the Rice Experiment Station of the U.S. Department of Agriculture. The new variety, named "Sunbonnet," yields larger crops in percentage of whole kernels.

A cheap process has been found in the U.S. to convert inedible tallow, grease and vegetable oils into ingredients for making plastic products. In the process, acid portions of animal fats are treated, resulting in a specially oxidised oil that makes plastics soft and pliable.

The U.S. Senate has passed a Bill putting off, until 15th May, 1953, the deadline for presidential recommendations to the Congress on selling the Government's synthetic rubber plants to private industry. The Bill has now gone to the House of Representatives, to be taken up by the Armed Services Committee.

The relaxations in Australian import controls, announced by the Prime Minister on 16th February, 1953, came into effect on the 1st inst. As a result of the relaxations, about £A.50 million worth of additional goods will be imported into Australia in the financial year 1953-54. The relaxations are so designed as to benefit the entire range of Australia's import trade from the sterling area.

The Soviet Government has ordered a cut in retail prices. The prices of bread, flour, macaroni, beans and peas have, accordingly, been reduced by 10 per cent. and those of meat and meat products by 15 per cent. Prices of socks and stockings also have been reduced by 20 per cent., of cotton, natural silk and felt hats by 15 per cent., of straw hats by 10 per cent., of linen by 8 per cent., and of wool and wool mixtures by 5 per cent.

The weekly average production of steel in the U.K. during February amounted to 352,400 tons, which compares with 346,300 tons in January, 1953, and 313,100 tons in February, 1952. Pig iron production was at a weekly average rate of 213,500 tons in February this year, as compared with the average of 213,900 tons a week in the previous month and 197,400 tons in the corresponding month of 1952.

A small independent committee to review the whole problem of the present and future cost of maintaining a proper and adequate National Health Service is to be set up by the British Government. The proposed committee is also to suggest means—whether by modifications in organisations or otherwise—of ensuring the most effective control and efficient use of such Exchequer funds as may be made available. It is to advise, too, as to how, in view of the burdens on the Exchequer, a rising charge upon it can be avoided, while providing for the maintenance of an adequate service. Mr. C. W. Guillebaud, a Cambridge economist, will be the Chairman of the Committee.

The U.S. Government has reduced the export quota for copper sulphate to 15 million lbs. for the current quarter, as against 25 million lbs. for the preceding quarter and 18 million lbs. for the corresponding quarter of 1952. The reduction is a sequel to the anticipated heavy seasonal domestic demand for agricultural purposes, and also to the lower output during the second-half of last year. The production of copper sulphate during the first six months of this year is said to be not sufficient to meet more than the domestic demand and the 15 million lbs. now allowed for export. It is, however, stated that, if the situation were to improve, a supplementary export quota might be granted.

PERSONAL

MR. Dag Hammarskjoeld of Sweden has been unanimously elected Secretary-General of the United Nations *vice* Mr. Trygve Lie who resigned.

Mr. P. M. Chinai and Mr. T. Murli have been elected President and Vice-President, respectively, of the Silk Merchants' Association, Bombay.

Mr. S. Kannan, Development Engineer, National-EKCO Radio and Engineering Company, Bombay, left for the U.K. for undergoing technical training.

Mr. M. K. Vellodi, until recently State Counsellor, Hyderabad, has assumed charge as Secretary, Ministry of Works, Housing and Supply, Government of India.

Sardar Datar Singh, Additional Secretary, Central Ministry of Food and Agriculture, returned from Rome, after attending the meeting of the U.N. Food and Agricultural Organisation held there recently.

Mr. Jehangir Ghandy has joined the Board of Directors of the Tata Iron and Steel Co., Ltd., in place of Dr. John Matthai who resigned following his acceptance of the chairmanship of the Taxation Enquiry Commission.

Mr. T. T. K. Allan, General Manager, National Bank of India Limited, has been appointed a Director, in place of Mr. J. R. H. Pinckney who has retired. Mr. N. W. Chisholm, Deputy General Manager, has succeeded Mr. Allan as the General Manager and Mr. W. Kerr, London Manager, has become Deputy General Manager.

OBITUARY

Mr. ASAF ALI

It is with deep regret that we record the demise of Mr. Asaf Ali, Indian Minister to Switzerland. Mr. Asaf Ali was the Minister for Transport and Railways in the interim Cabinet from September, 1946 to January, 1947. He was later appointed the first Indian Ambassador to the U.S., which post he held till April, 1948. On his return to India, he was posted as Governor of Orissa. His last assignment under the Government of India was as India's Ambassador to Switzerland and the Vatican.

Mr. G. W. CLARIDGE

We regret to announce the death of Mr. George William Claridge at Southport (England) on 25th March, 1953. Mr. Claridge, who was 89 at the time of his death, was associated with Messrs. G. Claridge & Co., Bombay, for a long period of 35 years, until his retirement in 1921, and was one of the pioneers in the printing industry in India.

"COMMERCE" 1928

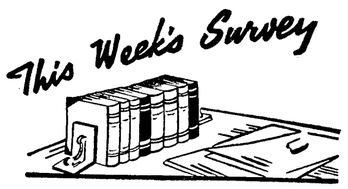
FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 14*th April*

Marvellous Uncertainty

The three successive, distressful setbacks that the rubber industry has experienced during the last few weeks have been directly caused by the marvellous uncertainty of His Majesty's Government—by its lack of decision—followed suddenly and unexpectedly by a petulant withdrawal of the restriction scheme. In our issue of last week, we published informative correspondence in favour of a retention of the scheme in a proposed modified form. The arguments of our correspondents were, we think, quite sound. The restriction scheme is a good scheme; it has well served its purposes; it should not have been withdrawn. But if its withdrawal was imperative, it should have been taken away gradually by a periodic lessening of its operative power. The existing status of chaos would thus have been avoided. The muddling manner in which the matter has been treated by the departmental officers concerned is on all fours with the mess that has been made of the Indian coal trade by the Government of India.

Mr. Baldwin has undoubtedly been influenced by what the Chairman said at the recent annual general meeting of the Ceylon Chamber of Commerce, just as the Government of India was influenced in its dealings with the coal trade of the country by extraneous interests. The rubber industry, collectively, of the Federated Malay States, has been sacrificed to the much smaller rubber interests of Ceylon. At the annual general meeting of the Ceylon Chamber of Commerce, the Chairman said: "There is no doubt that our restriction scheme has been an important controlling factor in the situation in the past few years, but, with the established use of reclaimed rubber and the ever-increasing output of the Dutch East Indies, I find it difficult at this stage to put forward any reasonable argument for its continuation. It seems to me that, unless Dutch interests are prepared to come in with us, we are bound to weaken our own position eventually by continuing our efforts to control the position by restricting our exports." It is upon the basis of these somewhat random utterances that Mr. Baldwin fashioned his altered tactics when, unexpectedly and disastrously, he withdrew the restriction scheme.



EMPLOYEES' PROVIDENT FUNDS

THE decision of the Government of India to levy an inspection charge of ¾ per cent. of the aggregate employers' and employees' contributions on factories exempted from the provisions of the Employees' Provident Funds Act, 1952, is unwarranted. For quite apart from the cost aspect, there is no need for such inspection, as we shall presently show. On the basis of ¾ per cent. of the total employers' and employees' contributions, the factories will have to pay As. 1-6 towards inspection charges for every worker getting Rs. 100 as emoluments and contributing 6¼ per cent. of his emoluments towards his contribution to provident fund. It may be argued that this sum is very small and the employers could bear it easily. But it is not so, at a time when the sellers' market has vanished for most of the industries, especially textiles and cigarettes. If there were a sellers' market, the employer would naturally transfer the burden on the consumer. But now, when competitive forces are prevailing, he will have to meet this additional cost from his meagre profit.

The proposal involves a fundamental principle also. Where is the necessity for the proposed inspection when the income and expenditure of the fund have to be on lines approved by the Government and audited every year, by qualified auditors? Further, every beneficiary will be given a statement showing the position of his fund at the end of each year. This gives him an opportunity to exercise his own check on the affairs of the fund. The moneys of the fund can be invested only in securities approved by the Government. Moreover, every subscriber before joining the fund is given a copy of the rules, and he joins the fund with the full knowledge of his rights and liabilities. If the Government, however, believes that, in spite of all this, outside inspection should be done in the public interest, the cost of such inspection should legitimately be a charge on the general revenues of the country and not on the income of the employers of the exempted factories.

IMPORTS FROM JAPAN INTO COLONIES

The British Government has decided to recommend to the Colonial Governments certain limited relaxations of restrictions on imports from Japan—both for their own needs and for *entrepot* trade. The decision is a sequel to the agreement arrived at after negotiations between the Governments of the two countries held at Tokyo recently. It will be recalled that, some time ago, the Japanese Government sent a request to the British Government to the effect that, in view of the heavy deficit on its current payments accounts with the sterling area since July, 1952, the existing restrictions on sterling area imports from Japan should be relaxed, as, otherwise it would have to reduce its purchases from the sterling area. An indication of this difficult position is provided by the fact that, at the end of February last, Japan's sterling reserves had gone down as low as £55 million, as against over £100 million in mid-1952. Following this and with a view to maintaining the present level of Japanese purchases from the sterling area, the British Government has, as already stated, decided to ask the Colonial Governments to relax restriction on Japanese imports.

To what extent the restrictions should be relaxed is a matter for the Colonial Governments to decide. The British Government, however, hopes that the relaxation would be sufficient to stop the present drain on Japan's sterling reserves, so that Japan can continue to bring as much as it is now doing from the sterling area countries.

Whether or not the British Government also would relax restrictions on imports of Japanese goods, especially grey unfinished cotton cloth, it is not known. At any rate, the announcement does not make any reference to this. Probably, the U.K. Government may feel that such relaxation will not materially help Japanese exports.

Be that as it may, freer imports of Japanese goods into the Colonies and the Japanese Government's decision to allow, once again, exporters to retain 10 per cent. of their sterling and open account revenue are bound to affect India's exports to the British Colonies. The effect will particularly be severe in the case of cotton textiles. Already, Japan is offering stiff competition to India in the African Colonies. Freer imports of Japanese goods into Colonies will only mean that the benefits of the preferential treatment accorded by the Colonies to Indian cloth *vis-a-vis* Japanese cloth under the system of Imperial Preference will be neutralised to a great extent. Indian exporters, however, must redouble their efforts and meet the competition from Japan by improving the quality and packing of their goods and by giving all possible facilities to importers in the Colonies. The Government of India, too, must play its part by not placing any handicap on the competitive capacity of Indian industries.

COMMUNITY PROJECTS

Inasmuch as 80 per cent. of India's population lives in villages, the ultimate success of the Five-year Plan will naturally be judged by the extent to which the village life will have been rehabilitated by the end of the Plan period. For achieving success, fervent hopes are now rested on the Community Development Programme and the National Extension Organisation. These are the two planks on which the scheme for transforming the rural economy and generating "a new life, a new hope and a new aspiration" is being implemented. In this uphill task, special responsibility devolves on those in charge of implementing the scheme. It was, therefore, in the fitness of things that Mr. V. T. Krishnamachari, Deputy Chairman of the Planning Commission, should have emphasised this point, while inaugurating the Social Education Organisers' Training Centre at Nilokheri the other day, that the principal aim of the community project workers should be to attempt to give a new orientation to the rural life of India, whereby the people themselves would strive for their betterment through their own effort. "The workers," he rightly said, "should approach the villagers in a spirit of humility, trying to learn rather than to teach." This is indeed sound advice which can be turned to practical advantage by all social reformers. The advice deserves to be noted especially by the more enthusiastic sections of the public which want to bring about a radical transformation of rural life overnight, overlooking the realities of the situation.

The programme of community development, according to Mr. Krishnamachari, is three-fold. First, it aims at providing additional scope for work in the rural areas, thereby reducing the volume of underemployment. Secondly, it emphasises that the improvement of the condition of villages is the responsibility of the community as a whole and, therefore, the whole community must work together and, only through such collective effort, progress is possible. And, finally, it seeks to utilise the vast potentialities existing to-day in the countryside for the benefit of the nation, thereby benefiting the individual also in the process.

The Deputy Chairman of the Planning Commission referred to the "tremendous lot of unutilised manpower in the country and said that, because of lack of irrigation facilities which permitted only one crop, 40 million agricultural families had regular work only for a period of three to four months. Even in irrigated areas, about 15 to 20 million families had work for eight months only. This clearly indicates the imperative need for not only increasing further the irrigational facilities but also finding additional sources of employment for absorbing the idle manpower. This forms, in fact, the crux of rehabilitating rural life in the country. In this context, Mr. Krishnamachari's remarks are quite pertinent. He observed that, unless the unutilised manpower was usefully employed for the community's benefit on most parts of India, the country could not be economically strong.

Another aspect of the rural development programme which Mr. Krishnamachari did well to stress relates to the carrying of such improvements and technology to the villager which are tested and found acceptable and which are backed with necessary supplies of material and equipment. For the Indian agriculturist, as he stated, is not a conservative person as is believed; he is willing to adopt agricultural practices and techniques, but, being a man with small resources, he is not in a position to take any risk. Mr. Krishnamachari also sought to impress the fact that village improvement could be sustained and continuous, only if the necessary organisation was created in the village level. In his considered opinion, *panchayats* are a useful medium, and effort should be made to work village programmes through well constituted *panchayats* and multi-purpose co-operative societies.

COMMONWEALTH DEVELOPMENT FINANCE

A recent event of considerable importance to the Commonwealth countries is the incorporation in London of a company entitled the Commonwealth Development Finance Company, Ltd. The object of this Company, as its name itself suggests, is to finance the development of the economic resources of countries in the Commonwealth. The formation of this Company is a sequel to one of the specific recommendations of the Commonwealth Prime Ministers, at their London Conference in December last, to the effect that, within the limits of the Commonwealth savings, development should be more purposely directed towards expanding its resources and strengthening the sterling area's balance of payments position. The details of the Company are very much as had been expected earlier, as will be evident from the following description:

The Company has an authorised capital of £15 million, divided into 9.25 million "A" ordinary shares of £1 each and 6.75 million "B" ordinary shares of £1 each. The "A" shares are to be subscribed by the leading industrial, commercial, mining, shipping and financial interests, and the "B" shares by the Bank of England. Although the whole of the authorised capital is to be issued, initially it is intended to call up only 10 per cent. of the capital. The Company cannot, however, trade purely with its own capital; it will have to finance its projects by borrowings elsewhere, particularly in the world capital markets, including the World Bank. The Company has been vested with powers to borrow up to an amount equal to twice its issued capital, that is up to £30 million. The Company's operations at present, it is stated, would be financed mainly through the exercise of this power.

A significant feature of the Company is that it is in charge of competent persons with considerable industrial and financial skill. Thus, the Company has as its Chairman Sir Frederick Godber, Chairman, Shell Petroleum, "Shell" Transport and Trading, Anglo-Saxon Petroleum and United British Oilfields of Trinidad. Among the other Directors on the Board are Mr. R. E. Fleming, Sir Geoffrey Heyworth, Mr. H. C. B. Mynors, Sir Ernest Oppenheimer, Sir Edward Peacock, Sir Robert Sinclair, and Mr. I. A. R. Stedeford. With such persons on the Board, there is no doubt that the Company will command the confidence of investors all over the world.

It is not so much the details of the Company's constitution, given above, but as to how exactly the Company will operate that really matters and is important. From the information so far made available, it is gathered that the Company will—this is only as it should be—supplement, and not supplant, the other organisations engaged in the development of Commonwealth resources. While financing the projects, the Company will have to satisfy itself fully that these projects are perfectly sound. Emphasising this aspect, the *Financial Times*, London, observes: "The projects which will be considered will have to satisfy three conditions. They will have to be shown to be directly relevant to the sterling area's dollar balance of payments. Secondly, they will have to be shown to be firmly earthed in ordinary commercial prudence. Finally, they will have to be shown not to have been brought to the new company as a means of by-passing the ordinary and existing channels of international finance."

Considering the Herculean efforts now being made by the Commonwealth countries to bring about a rapid economic development, the efforts of the British industrialists and financiers at establishing the Company for financing the exploitation of the resources and strengthening the balance of payments are, indeed, commendable. But it must be emphasised, in this connection, that, in addition to direct finance, the Company will do well to render all other assistance possible. A usual defect in schemes of this sort is that they merely envisage assistance to projects which are so sound that they can raise their finances anyway. If, therefore, the Commonwealth Development Finance Company is fully to achieve the objective for which it has been set up, it should at least ensure that no worthwhile project is frustrated for lack of capital. It must at the same time be stated that, if the Company is to fulfil this task, the Governments concerned should follow not only healthy economic policies but also pay special attention to the question of encouraging savings. The latter aspect of this condition is very important, for, unless savings are allowed to be made and accumulated, the Company will not be able to repatriate the capital it provides to Commonwealth countries for developing their resources. Hence, the aptness of the remark by a contemporary of ours that, if the Commonwealth Governments do not actively promote savings, the whole project will be akin to "fine new ship built on a slipway from which the sea has long since receded."

WITHDRAWAL OF 'HALI' CURRENCY

Thanks to the proper precautionary measures taken by the Chief Minister of Hyderabad and the Finance Minister, demonetisation of *hali* currency in Hyderabad has proceeded apace smoothly in the past seven or eight days. Nothing untoward has happened since the inauguration of the demonetisation on the 1st inst., as was once feared on account of the public demonstration staged before the State Assembly towards the end of last month.

Although the Osmania currency (*halli sicca*) will continue to be legal tender in the Hyderabad State for two more years, all banks and the Government have begun making their payments in Indian currency since the 1st inst. as the first step towards complete demonetisation of the 80-year-old *hali* currency. Banks have commenced their transactions, with all their Osmania currency accounts converted into Indian currency accounts.

In order to ensure that a fair and equitable amount of *hali* currency small coins is made available to a large number of people, the State Government has made arrangements at offices of the Hyderabad State Bank and Government treasuries to issue *hali sicca* coins up to five rupees per day to individuals and up to 10 rupees a day to establishments and shops. The people are allowed to change reasonable amounts in Indian currency into *hali* coins but *hali* coins of eight annas and less only will be made available to them. Banks are thus giving *hali* change for about ten or fifteen rupees for each *bona fide* purpose. The standard exchange rate is Rs. 100 Indian currency is equal to Rs. 116-10-8 *hali*.

The State Government had withdrawn Rs. 17 crores worth of *hali* currency in the past three years. Still as on the 1st inst. as much as Rs. 40 crores of *hali* currency was in circulation. Since then, a sum of Rs. 25 crores has been withdrawn by automatic conversion of all Government papers and bank investment into Indian currency. The remaining *hali* money of Rs. 15 crores is expected to be withdrawn in the course of the next six months. The *hali* money, as stated above, has, however, been allowed to remain in circulation in the private sector for a period of two years. This is in order to make the change-over as smooth as possible.

All payments by Governments are now made in Indian currency at the rate of exchange stated above. Dues payable to Government are acceptable in both currencies for the period of two years allowed under the demonetisation scheme. The railway and post offices have been advised to accept either currency during this period. They have also been directed by the Union Government to retain imprest money to provide adequate conversion facilities. Arrangements have also been made for adequate publicity regarding the changes in the currency system and the measures adopted by the Government to minimise hardships.

The Government has appointed a Demonetisation Advisory Committee for tendering advice on problems connected with the changeover of *hali* currency. The Committee consists of 40 members, representing the various interests in the State and of the Ministries of Commerce and Industries, Labour, Information, and Supply and Revenue of the State Government. This Committee will have a small executive committee which would meet from time to time and advise the Government on day-to-day problems arising from the change-over.

The fear that abolition of *hali* currency would result in higher prices of commodities was, for some time, responsible for a demand by the working classes that their wages should be paid in an equal amount of Indian currency after demonetisation. The Government has, however, pointed out that the implementation of such a demand was impossible, as the Government will have to find the wherewithal to the extent of Rs. 1 crore, if it decided to pay the salaries of its employees drawing Rs. 100 and below in Indian rupees equivalent to *hali* currency. It has, however, proposed to issue an order, under the Essential Goods Control Act of the Government of India, for preventing any rise in prices consequent on demonetisation. Addressing the first meeting of the Advisory Committee mentioned above, the Chief Minister of Hyderabad said, on the 6th inst., that the Government would shortly announce its decision for checking inflation in prices, fixing a certain date as the standard for ascertaining fair prices and leaving a small margin for fluctuation in prices. This decision is a sequel to the rising tendency in the prices of vegetable, food and provision markets. It is reported that some merchants have raised the prices by about 20 per cent. in the hope of getting prices that prevailed before the 1st inst. in Indian currency at a later date.

There are also reports that black-marketing activities are going on in converting *hali* currency into Indian currency. Rates Rs. 112 (*hali*) are being charged for every Rs. 100 (Indian currency). The Chief Minister observed that as currency was a Central subject, action to put an end to the black-marketing in the rates of exchange should be taken by the Centre through the powers vested in it by the Indian Coinage Act and the Indian Paper Currency Ordinance. The matter is under the consideration of the Centre and action is expected to be taken shortly. The Chief Minister complained that the State Government laboured under a handicap, as it did not know the final shape of the Bill for demonetisation of *hali* currency introduced in the House of the People last month. Although the Bill had been passed, he said, no notification had been issued yet under it.

The Hyderabad Government has with it the Osmania Stabilisation Reserve, estimated at about Rs. 4 crores. This Reserve is invested in Government of India securities and is held by the State Government on account of the Central Government. Besides this, there is the *hali* reserve of Rs. 36 crores. It is stated that negotiations are in progress for the handing over of this reserve by the State Government to the Centre.

OFF THE RECORD

(By "ROVER")

THE Government of Bombay has been celebrating a Prohibition Week all over the State. In view of the increasing volume and venom of the criticism of this controversial policy of the Government, both within and without the legislature, it was but natural that the Government should consider it necessary to stage some demonstrations in support of it at this stage. There is a world of difference, however, between voluntary and spontaneous demonstrations by a section or the whole of the population for some popular cause and organised, official summoning of its supporters to wave flags and shout slogans. From the very nature of the thing itself, it was bound to lack life and strength, virility and enthusiasm witnessed on occasions of roused public feeling for or against some right or wrong cause.

If the celebrations staged to prop up prohibition proved to be limp, languid and lifeless like a wet rag, it was not the Government's fault. They could not have been otherwise. Being bureaucratically inspired and officially organised, smothered in red-tape and solemnity and lacking in imagination and exercise of the dramatic art, smelling of the musty odour of the Secretariat and the Old Custom House, not to say anything of the old files of the *Government Gazette*, they were destined from the moment of conception to prove as effete, dead and heavy, unavailing, uninviting and unentertaining as the daily run of Government publicity and propaganda poured from the Directorate of Publicity.

Demonstrations which fail to demonstrate and celebrations which are devoid of full-throated and lusty cheer or a sense of gaiety and temporary abandon are, in a sense, worse than useless; they do damage even to a good and worthy cause, by merely emphasising the distance between the sponsors of the cause and the general public for whose especial benefit the cause is being vigorously espoused. I must, however, concede that the absence of dust and din and vociferous stampede does not go to prove that prohibition as a policy is wrong any more than their success would have proved it right. All that it proves is that the policy, beneficial or otherwise, wise or ill-conceived, has failed to secure that emotional response from the public, which would transform it from being an official policy into a popular cause.

Incidentally, this proved two other things of which the Government and students of public affairs must take note: public opinion in the State of Bombay is not regimented; it cannot be commandeered by those in authority to support their whims and that, even within less than a year of its coming into power, the Government has lost intimate touch with the public, if it ever had it. The former is something for us to rejoice over, the latter we must all deplore, all the more so, when the Five-year Plan and the Community Projects need popular support and participation.

I should like to make it clear here, at the outset, that I am not endeavouring to examine the rights or wrongs of the prohibition policy of the Government of Bombay in any of its aspects—moral, political, legal or economic. Outside the pages of the Rubayat, I have not come across any sane person who would want to stand up in defence of drunkenness, if it is drunkenness that the Government is out to banish. I doubt if even old Omar advocated drunkenness as such. My intention is merely to comment on some phases of the recent celebrations organised by the Government as an item of the news parade.

I know that I am not qualified to undertake any serious probe into this policy; there are enough able philosophers, politicians, social reformers, lawyers and economists amongst us to undertake this difficult task. I hate to wade beyond my depth and, if I indulged in some such quixotic adventure obviously beyond my strength, I should be guilty of the same crime of which I accuse the Government of Bombay in engaging itself in staging this show. As a confirmed epicure, I am more interested in the frills and flounces than in the gross limbs they try to cover with a studied and intentional lack of success.

One of the curious things I noticed early in connection with the production of the play called Prohibition Week was that, like all producers, the Government of Bombay were also bent more on obtaining good press notices from the dramatic critics than on winning the approval of the audience. The other day, Mr. Jaya Prakash Narayan accused Mr. Nehru and the Government of India of valuing chits of recommendations for its plans and achievements from foreign visitors more than the evaluation placed on them by the people of the country. I thought this was a weakness confined to New Delhi because of its artificially created atmosphere of cosmopolitanism and internationalism. But I find that the disease in a modified form is more widespread.

The present Government of Bombay, which makes no secret of the fact that it stands or falls by its policy of prohibition, seems to seek with equal earnestness approval of its key policy from New Delhi than from the bulk of the citizens of the State. Having defied the Union Government several times in the past on this very point, the Chief Minister of Bombay seems now to have gone out of his way to gather testimonials and recommendations from this very source. And like the courteous and obliging visitors from abroad, the gods at New Delhi have proved equally accommodating. They have issued certificates of merit as they do at public exhibitions to those exhibitors who fail to win prizes.

I am certain that the Government of Bombay feels elated at receiving this "chit" from the Prime Minister. I have, however, subjected this rather equivocal and half-hearted certificate of merit to a critical examination and I am struck not so much by the general support it purports to give this policy as by all the "ifs" and "buts" and "howevers", which go to hedge in the limp and frequently faltering prop that it is meant to give Mr. Morarji Desai's pet policy. If I were applying for an important appointment on which I had set my heart, I would certainly hesitate to produce such a document to back up my application. In any case, I would not flourish it in the face of the members of the recruiting board or one of the many public service commissions, as something that clinches the matter in my favour for good.

The drafting of this message, which must have necessitated a strenuous effort and a good deal of direct or indirect pressure on the part of the State Government to obtain from so forthright a man as Mr. Jawaharlal Nehru, must have put a great strain on the ingenuity and capacity for equivocation of whoever undertook this difficult task. It also goes to show that diplomacy and penmanship are not dead in the Prime Minister's personal secretariat. It also does great credit to the resilience and political amiability of our gifted Prime Minister, because he could, with such great nicety and balance, combine personal integrity and political loyalty to a valuable party colleague. And to crown his great achievement, Mr. Morarji Desai also succeeded in dragging our astute Governor to support publicly this policy. But, as under our Constitution, the Governor or a Rajpramukh of a State cannot normally be held responsible for any of his public and political utterances, I, like the good constitutionalist that I profess to be, should naturally like to leave Mr. G. S. Bajpai out of this discussion. I wonder, however, if his lukewarm support lends any additional strength to the cause to what is already inherent in it.

The most outstanding thing, however, which I came across in this official campaign is something, which not only touches an important section of the business community very intimately, but also our whole future course of history as a democratic nation. Carried away by his newly found enthusiasm for this cause, Dr. Jivraj Mehta, the Prohibition Minister, who had gone to Ahmedabad to sponsor and inaugurate these celebrations, not merely deplored the misuse that various alcoholic tinctures were being put to by a misguided populace, but actually incited the people there openly and unashamedly to resort to *satyagraha*, to prevent the sale of tinctures in the larger interest of society. As if this was not enough, he went further and assured his audience that "there is no breach of law in such action."

Dr. Mehta and his Government have done all that is legally possible under the country's Constitution, to prevent the sale of certain pharmaceuticals where they are likely to be misused as intoxicants. Whatever sales which are now taking place in shops of tinctures are not only perfectly legal but backed by Government licences. The vendors are officially entitled to make these sales under the conditions of their licences. To ask and incite a body of men to obstruct the exercise of a legal right amounts almost to giving encouragement to officially organised and inspired lawlessness.

As it is, the country is being threatened, at innumerable places, with disintegration, by a misuse of this undemocratic and unconstitional weapon in support of causes good, bad or indifferent. I wonder if a man, who was not a responsible and senior Minister of one of the most advanced and progressive States, would not come within the clutches of the preventive detention legislation for such barefaced illegal incitement. This subject is of such tragic importance for our country at the present moment that I propose to examine it, if nothing more untoward requiring my attention happens in the meantime, by reverting to it in a future issue.—*All Rights Reserved.*

INDUSTRIAL POLICY OF GOVERNMENT

NEW MEASURES TO STIMULATE PRODUCTION AND EXPANSION IN THE OFFING

(From A Special Correspondent)

NEW DELHI, 7th April

DELHI LETTER

WITHIN this week-end, the voting on the grants for the various Ministries of the Government of India will be complete. It is not yet settled as to how long Parliament will be in session and what further business it should take up before it rises for the summer vacation. Now that the Prime Minister has returned to the capital from his Assam-border tour, a decision will be reached on this question in a day or two. The Finance Ministry is anxious to proceed with the Estate Duty Bill, as also with the Income-tax Amending Bill. Since the former is a revenue-yielding measure and will augment the resources of Government, so necessary for the implementation of the Five-year Plan, the Finance Minister does not like to have an indefinite postponement of the Estate Duty Bill. Although there is some force in the argument of those who want the consideration of this Bill shifted to a later date pending the final recommendations of the new Taxation Enquiry Committee, the Government is not likely to accept this argument inasmuch as such a course will delay the enforcement of the Bill by a few years. It will take at least two years for the Taxation Committee to submit its report and another year or so for Government to arrive at a decision on the recommendations of the Committee. By this time, Government will have completed the Five-year Plan period and, since the sponsors of the Plan have already taken into consideration, in their assessment of additional revenue, the yield from this source, the Finance Ministry is very keen to expedite this Bill and place it firmly on the Statute Book as early as practicable. It is, however, stated that a section of the Congress Party wants to adopt delaying tactics and it is possible that it will succeed in postponing this highly controversial measure, perhaps to the autumn session.

Encomiums to Ministry

The proceedings in Parliament on the voting of the grant of the Commerce and Industry Ministry this week were livelier and more interesting than the debates on the work of other ministries in the previous weeks. One reason for this is the fact that this Ministry has considerable direct dealings with the public both in the trade and the industrial spheres. A year or two ago, this Ministry was subject to trenchant criticism in regard to import and export control policies. With the emergence of a buyers' markets in a number of imported articles, coupled with stringent credit conditions, it has become no longer remunerative to hoard goods and hence members of Parliament were less critical in regard to export and import control administration. The relationship between these departments and the trade has become more cordial, instances of friction becoming negligible. In view of the improvement that has taken place in the administrative sphere during the last one year, many members paid well deserved encomiums to the efficient administration of this Ministry.

More Capital Goods

The reply of the Minister, Mr. T. T. Krishnamachari, to the debate was interesting from more points of view than one. The Minister utilised the occasion to make important pronouncements on the policy that his Ministry would be following in the course of this year with a view to augmenting industrial production as well as expansion. He was particularly conscious that Government should provide more stimulus for the manufacture of capital goods and other ancillary parts required in respect of several industries. For this purpose, he proposed to set up a high level body of experts to make a detailed survey of the available capacity and to indicate the uses to which it could be economically put. He was confident that, as a result of this survey, India should be able to produce a considerable quantity of machinery for the manufacture of cement, paper, jute goods, textiles, sugar, etc., which was being imported at high costs. It may be mentioned here that India has ere now been importing, on an average, about Rs. 95 crores worth of capital goods from abroad per year.

The Minister also advocated the importance of rationalisation in industry. He pointed out that greater production could be achieved by better utilisation of existing plant and machinery. The industrial production of the country, he said, had been planned on the assumption that each unit should manufacture the article in its entirety. There was no attempt to develop subsidiary industries manufacturing components on a large scale. Even when a manufacturer depended on the import of a particular component, he rarely made an attempt to explore and see whether the component could not be supplied by any other industry in the country. The Minister further observed: "We have, therefore, the paradox of a considerable fabricating capacity lying idle in the country, while we are still importing goods which could be produced by them, as well as extra plant and machinery for the making of such goods. If this form of national waste is to be avoided, we must, as a first step, make a survey of the existing capacity to discover what possible uses it could be put to." This method of approach to increase industrial production in the country is highly commendable and, if properly accomplished, will yield rich dividends in course of time.

Canalising Public Investment

Another announcement, which is also highly constructive in nature, made by the Minister for Commerce and Industry, related to the inducements proposed to be offered in order to increase the inflow of capital into industry. He stated that the Government proposed, during the year, to explore the possibilities of making investments in certain approved fields "more attractive." As a result of this, he asserted that "Indian capital will be seeking investment next year in desirable fields of production in a much greater measure than in the recent past." During the post-war period, a number of countries adopted special measures with a view to promoting a more rapid growth of some important industries. Among them mention may be made of increased amortisation for a specified time, guaranteeing of minimum interest for some years since it takes a few years for the establishment of key industries, exemption of income-tax for the money invested in specific industries, option to sell the shares to Government after a few years at a particular price, special encouragement for established industries to canalise a part of earnings into expansion activities by the exemption of income-tax for the money ploughed back into reserves, special railway concessions for the carriage of raw materials and also reduction of import duties, etc., exemption of tax on earnings from the sale of goods earmarked for export markets, etc.

Tea Propaganda in the U.K.

It is definite that Mr. H. V. R. Iengar, Secretary, Commerce and Industry Ministry, will be going to London some time in May in order to study the possibilities of increasing the consumption of tea in the U.K. and Continental countries. It is a well-known fact that Englishmen have not only been the most enterprising planters but also the greatest tea drinkers in the world. Wherever they have gone and colonised, they have taken this tea habit with them. Thus, to-day, besides the U.K., Canada and Australia consume more tea than any other country in the world on *per capita* consumption basis. Consumption of Indian tea in the U.K. has been averaging about 280 million lbs. per annum, valued at about Rs. 55 crores. Despite derationing of tea in August last, the intake of indian tea in that country has not improved to any marked extent. When the prices of tea in India declined in May last, the Government of India undertook certain measures in order to stimulate the import of tea by Continental countries. For instance, it relaxed the restrictions placed on the re-exports of tea from the U.K. to the Continental countries. Despite these measures, there was not any appreciable rise in the exports of tea, the total 'off-take of all the European countries put together not exceeding 10 million lbs. Generally, European countries have been accustomed to drink coffee or cocoa. If tea has not made any headway in these countries, it is due, to some extent, to the absence of large-scale propaganda. It is possible that judicious propaganda may, in due course, spread the consumption of tea. Since India and Ceylon are the two big tea exporting

(Continued in next column)

ECONOMIC OUTLOOK FOR THE U.K.

OFFICIAL SURVEY OPTIMISTIC

(From Our Own Correspondent)

LONDON, 2nd April

LONDON LETTER

THE Government's Economic Survey for this year—the non-planners of Conservatism have considered it desirable to keep the same watch on economic trends as their Socialist predecessors—is a good deal more optimistic than the same document of a year ago.

The past year has been one of disinflation and the Government consider they have got the economy on to a fairly even keel which can be maintained by a sufficiently strong but practicable stress on exports. The basic reason for the quietly confident but not too complacent survey of the coming year is the tremendous improvement which 1952 showed in this country's overseas balance of payments over 1951, an improvement which, though it may not be bettered, might be maintained in 1953.

In 1951, the U.K. had a deficit of some £400 million with the rest of the world. In 1952, this has been changed to a surplus of £291 million—an improvement of £689 million. This improvement has been made up as to £569 million by import cuts (of which the only encouraging feature is the substantial fall in commodity prices accounting for over half); higher export earnings £88 million, offset unfortunately by a fall in invisible earnings of £85 million; and finally defence aid receipts of £117 million. The following table compares the payment picture for 1951 and 1952:—

(In millions of £'s.)

	1951	1952
Total imports f.o.b.	3,496	2,927
Exports and Re-exports ...	2,748	2,836
Government expenditure ...	−187	−208
Other invisibles (net)	533	469
Balance	−402	+170
Defence aid	+4	+121
Final balance	−398	+291

It is unsatisfactory that invisible income should have fallen somewhat from the level of 1951 (the result of a drop in freights) and also that Government expenditure overseas should snatch back so much of the hard-earned income. Nevertheless, the standard of living has not suffered in the past year, thanks largely to the way in which commodity stocks have been able to buffer the drop in imports. For the coming year, particularly if the more confident outlook in international relations is maintained, commodity prices may continue to move advantageously to this country and compensate the otherwise undoubted need for some higher expenditure on imports.

So far as the sterling area as a whole is concerned, it is significant that the U.K.'s current balance is made up of a surplus with the rest of the sterling area of some £350 million and a *deficit* with the rest of the world of £60 million. The other sterling area countries, on the other hand, earned a net income with the non-sterling world of £135 million, so that the sterling area as a whole earned a net £75 million. If there had not been the repayment and interest on the U.S. and Canadian loans, this surplus would have been £150 million and the gold and dollar reserves would have risen over the past 12 months by no less than £200 million.

The future outlook for exports is uncertain: over 1952 prices rose by 5 per cent. not quite countering the drop of 6 per cent. in *volume*—mainly in cars, textiles, clothing and other consumer goods. Export prices are now dropping and competition is becoming fiercer. The Government can exhort but do little else: nevertheless they expect that industry will be able to maintain its position in overseas markets. The likelihood of this will be examined in one of my next despatches.—*All Rights Reserved.*

(Concluded from previous column)

countries in the world, it would appear that, in regard to tea propaganda, both these countries now appreciate the need for taking concerted measures in close co-operation. It will be remembered that, only recently, the Government of India came to an understanding with an important publicity firm in the U.S.A. for the promotion of Indian tea consumption in that country.—*All Rights Reserved.*

PAKISTAN NOTES

FOOD SUBSIDIES WITHDRAWN

CONSUMER TO PAY HIGHER PRICE FOR WHEAT

THE Government of Pakistan has withdrawn the scheme of subsidising foodgrains transactions, thanks to financial stringency. The chief consideration which has weighed with the Government in withdrawing the scheme is that not only did it not make any profit out of the food transactions but actually spent Rs. 2.5 crores during 1952-53 in order to make up the difference between procurement price and issue price. This difference had arisen from two main factors. First, the quantity of foodgrains procured inside the country during 1952-53 was a small proportion of the country's total requirements; the Government procured only 160,000 tons inside the country, but imported as much as 800,000 tons from abroad. Secondly, the price of imported foodgrains was substantially higher than that of grains procured internally and it was the average of these prices that was charged to the consumers.

As a result of the withdrawal of food subsidies, the price charged to the consumer is now exactly what it actually costs the Government to procure foodgrains, indigenous and imported. In addition to the cost of procurement, there are incidental charges of transport, handling, etc., which add to the cost to be recovered from the consumer. The procurement price of wheat has accordingly been raised by Rs. 2-8 to Rs. 12 per maund. This has been done to effect better procurement inside and also to provide inducement to cultivators to grow more wheat.

Pakistan is still faced with a difficult food situation, following failure of rains. The deficit in wheat is of the order of 1.25 million tons. The situation was very critical last year. Production of wheat during 1952-53 had gone down to 2,988,000 tons, as compared with 3,933,000 tons in the previous year, representing a fall of 945,000 tons. This had led to a sharp rise in prices everywhere. With a view to meeting food shortage and to bring down prices, the Government of Pakistan made vigorous efforts to import foodgrains from abroad. Arrangements for importing 800,000 tons of wheat were made. Of this quantity, 650,000 tons have already arrived and been distributed to the deficit areas. Efforts are being made by the Government to import a further substantial quantity of wheat against loans or aid. An approach has already been made to the U.S. and Australia.

"Grow-more-food" Campaign

The measures adopted by the Government to meet the food shortage have not been confined merely to arrangements for importing foodgrains from abroad. A vigorous "grow-more-food" campaign has been launched. The Provincial and State Governments have been taking active steps to bring about a re-diversion of area under commercial crops to food crops. Thus, to encourage the cultivation of wheat, the Sind Government has revised the assessment on oilseeds as against wheat. The Punjab Government and other administrations have granted remissions in assessment on additional areas and for areas diverted from non-food to food crops. Good quality goods are being supplied to cultivators in large quantities and at subsidised rates, and 12,000 tons of fertilisers have already been distributed in West Pakistan for use on *rabi* crops.

In addition to the above measures, several long-term measures are being adopted. These cover supply of water on a regular basis, cut in the area under jute cultivation, restriction on cultivation of other cash crops, import of 115,000 tons of ammonium sulphate, and sinking of a large number of tube-wells.

Textile Imports

The decision of the Pakistan Government to ban imports of cotton textiles during the current shipping period was bitterly criticised by the Textile Merchants' Association at the annual function of the Association held at Karachi the other day. The decision, it was said, had been responsible for the sudden rise in prices. Replying to this criticism, Pakistan's Minister for Commerce, Mr. Fazlur Rahman, maintained that there were enough stocks available in the country and as such there was no justification for the sudden rise in prices. In this connection, the Minister cited statistics to prove that there had been very heavy imports of cotton piecegoods in the past. Here are the figures:

(In crores of rupees)

Year	*Value*
1948-49	35.29
1949-50	21.41
1950-51	33.90
1951-52	37.12
Six months ended December, 1952	7.44

The Minister, once again, appealed to the trade not to speculate and corner the stocks. He also gave an assurance that if the stocks of cotton piecegoods, or for that matter any other essential consumer goods, declined, the Government would import them.

Balance of Payments

Pakistan had an adverse balance of payments to the tune of Rs. 77.69 crores during 1952, as against a huge surplus of Rs. 52 crores in the previous year. This was due, in the main, to heavy imports of foodgrains and defence equipment on Government account. The sharp fall in the demand for, and consequently the prices of, Pakistan's exports, following the world-wide recession in commodity markets, also was responsible for the reduction in the foreign exchange earnings. The adverse balance of payments during 1952 is fully reflected in the marked decline in Pakistan's foreign assets, from as high as Rs. 150.52 crores in the beginning of 1952 to Rs. 82.15 crores on 2nd January, 1953. The position seems to have worsened still of late, as will be evident from the fact that the assets stood lower at Rs. 80.51 crores as on 20th March, 1953.

Faced with such a situation and with a view to bridging the widening gap in the balance of payments, the Government of Pakistan has drastically curtailed imports. As a reference to this has already been made in the previous week's notes, it is unnecessary to refer to it again. But suffice it to say that, considering the persistence of heavy imports of foodgrains, on the one hand, and decline in exports, on the other, it would not be surprising if the current calendar year were to end with a wider adverse balance of payments than at present.

Radio Communications

An expansion scheme for the radio communications system is reported to have been finally approved by the Government of Pakistan. The proposed scheme envisages installation of five new transformers and 14 receiving sets in the country's four major centres of communication. The creation of additional circuits for the maritime mobile service in the seaports of Karachi and Chittagong is also included in the scheme. The whole scheme has been prepared by Mr. S. Q. Cabalerio, a Colombian tele-communications expert, working in Pakistan under the U.N. Technical Assistance Programme.

FIGHTING CANCER

In search of new and more powerful armaments to detect and combat diseases, General Electric has developed the latest equipment for fighting the dreaded disease of Cancer. The Chittaranjan Cancer Hospital at Calcutta has recently installed a G-E million volt X-ray apparatus; the biggest installation of its kind in Asia, this apparatus offers immense possibilities in the research and treatment of Cancer.

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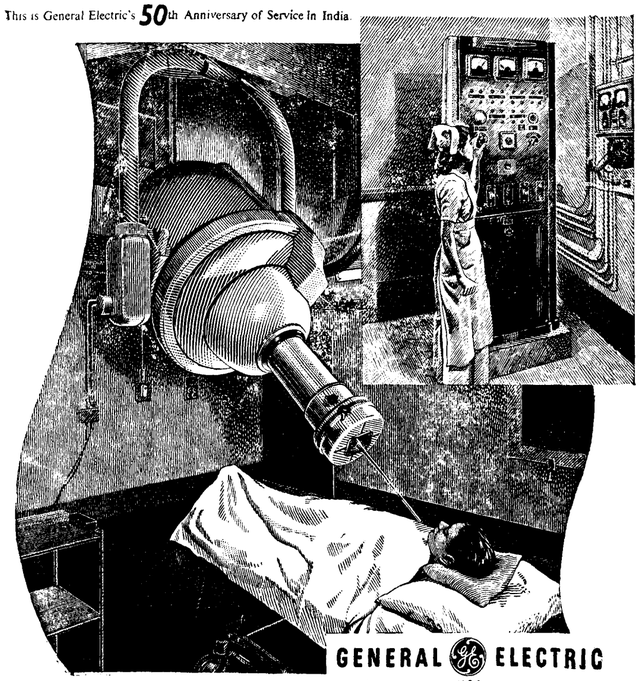

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FOREIGN HOLDINGS OF GOLD AND DOLLAR ASSETS IN U.S.

RISE EXPECTED TO CONTINUE IN 1953

IN the past three months, the U.S. gold stocks have staged a decline of $675 million. This swing dates back to the spring of 1952. According to the U.S. Department of Commerce, foreign countries acquired $404 million from the U.S. in the second quarter of 1952. In the next quarter, their earnings climbed to $735 million, but dropped to $395 million in the last quarter. Thus, in the last nine months of 1952, foreign countries are estimated to have added slightly over $1.5 billion to their gold and dollar reserves. The accumulation was concentrated in dollars up to December, 1952, when conversions into gold began at the rate of $50 million a week on an average. The impulse to this movement was given by rumours of an increase in the U.S. price of gold which were rampant at the time. Besides, it was also considered safe by the acquiring countries that some part of the gains in foreign dollar resources should be converted into gold.

Foreign holdings of gold and dollars in the U.S. were at their lowest point just before the devaluation in 1949. Devaluation of most foreign currencies in September, that year, led to a recovery in the holdings which were further enlarged by American purchases abroad after the outbreak of the war in Korea in June, 1950. By June, 1951, foreign gold and dollar reserves were up by $4.75 billion. During the following nine months, however, the trend turned downward. While some countries such as Japan and Germany continued to gain in this period, the U.K. was, according to the *Monthly Letter* of the National City Bank of New York, a heavy loser on account of the collapse of the world prices of wool, tin and rubber. Consequently, the U.K. and sterling area countries had to tighten their import restrictions and change their monetary policy. These moves to correct their balance of payments, coupled with intensified efforts to increase their exports to dollar areas, brought about a change in the British position during the spring and summer of 1952. The U.K. added $184 million to its international reserves between 31st March and 31st December, 1952, after paying $181 million on its American and Canadian post-war loans. This trend continued in the first quarter of the current year also, the net accretion to the U.K.'s gold and dollar reserves being $320 million. These reserves now stand at $2,166 million, after dipping to a low of $1,685 million at the end of June, 1952.

The swing in the flow of gold and dollars from the U.S. to the rest of the world does not mean that there is no longer a "dollar gap." Nor should it be taken to indicate that the era of dollar shortage is over. All that it means is that the dollar scarcity which was acute in the first half of 1952 had eased considerable in the second half of that year. In fact, during the major part of the last two quarters of 1952, the U.S. lost gold or increased its dollar liabilities, despite the continuance of the "dollar gap." The dollar gap, which ordinarily means the deficit of the rest of the world with the U.S., is, says the *International Financial Statistics* of the I.M.F., difficult to define, and any precise indication of its magnitude is necessarily somewhat arbitrary. Nevertheless, broadly stated, the dollar gap can be stated to represent the net flow of goods and services from the U.S. minus the net receipts of dollars of the rest of the world on account of (1) private donations, (2) private capital movements, and (3) certain non-compensatory official financing transactions. Compensatory official financing comprises grants and loans induced by balance of payments pressure abroad, together with the movements in U.S. gold holdings and foreign dollar balances in the U.S. The arbitrary element in this definition of the dollar gap lies in the difficulty of separating compensatory and non-compensatory grants and loans. Again, it should be borne in mind that changes in the U.S. gold holdings are not the obverse of changes in the rest of the world's gold holdings, owing to the availability—to either the U.S. or the rest of the world—of current gold production and owing to outflows from the gold holdings of both the U.S. and the rest of the world into industrial consumption or private hoards.

The following table culled from the *Monthly Letter* of the National City Bank of New York, referred to above, indicates the changes in the U.S. balance of international payments since the year 1949:

U.S. International Payments.
(In billions of dollars)

	1949	1950	1951	1952*
Transactions Supplying Dollars:	$	$	$	$
Merchandise imports	7.1	9.3	11.7	11.4
Foreign freight and shipping ..	0.7	0.8	0.9	1.0
Travel by Americans	0.7	0.7	0.7	0.8
U.S. Government expenditure abroad	0.7	0.7	1.2	1.6
Private gifts, miscellaneous items	0.7	0.7	0.7	0.7
Dividends and interest ..	0.3	0.4	0.4	0.4
Goods and services, total ..	10.2	12.6	15.6	15.9
Other dollars supplied:				
U.S. Overseas investments ..	1.5	1.3	1.1	1.3
Other capital transactions ..	−0.1	0.8	0.7	0.1
U.S. Government economic aid.	5.2	3.7	3.0	2.0
Total	6.4	4.2	4.8	3.4
Total dollars supplied	16.6	16.8	20.4	19.3
Transactions using dollars:				
Merchandise exports	12.3	10.7	15.5	15.5
Less military aid		0.3	1.1	2.2
Commercial exports	12.3	10.4	14.4	13.3
American freight and shipping	1.2	0.9	1.5	1.1
Travel by foreigners	0.4	0.4	0.4	0.5
Dividends and interest ..	1.4	1.7	2.0	1.9
Miscellaneous items	0.7	0.7	0.8	1.0
Goods and services, total	16.0	14.1	19.1	18.1
Surplus on Trade and Service Account	5.8	1.5	3.5	2.2
Deficit in International Payments.	−0.6	−2.7	−1.3	−1.2
Increase (−) or Decrease (−) in—				
Foreign gold and $ balances ..	−0.2	+2.6	+1.0	+1.0
Errors and omissions ..	+0.8	+0.1	+0.3	+0.2
Net	+0.6	+2.7	+1.3	+1.2

Based on the Department of Commerce data: 1952* partly estimated by the National City Bank of New York.

It will be seen from the table above that, among transactions supplying dollars to foreign countries, merchandise imports top the list. This reflects in a large measure the impact of the Korean war on Government expenditure. The value of imports which stood at $7.1 billion in 1949, gradually rose to $9.3 billion in the following year and to the peak of $11.7 billion in 1951. Although the estimates for 1952 place the value of imports slightly lower at $11.4 billion, it is necessary to bear in mind the decline in prices of imported raw materials in the year, while judging the magnitude of imports. Another notable item is the increase of $0.4 billion in the estimated U.S. Government expenditure to $1.6 billion in 1952. Under the heading "other dollars supplied" the U.S. investments abroad amount to annually $1.3 billion in all the years except 1951, when they were slightly lower at $1.1 billion. But the total dollars supplied under the U.S. Government economic aid shrunk gradually from $5.2 billion in 1949 to $2 billion in 1952. Nevertheless, the total dollar supplies improved from $16.6 billion in 1949 to $19.3 billion in 1952.

Among transactions requiring dollars, notable increases are reported in commercial exports which amounted to $14.4 billion in 1951 as against $10.4 billion in 1950. The estimates for 1952 place them lower at $13.3 billion, the fall being due mainly to the tightening of import restrictions in some countries and partly increase in production of agricultural crops in countries outside the U.S.

The gradual decline in the net U.S. surplus of receipts over payments from $2.7 billion in 1950 to $1.2 billion in 1952 is attributed to (a) the use of fiscal and credit policies to suppress inflation in the rest of the world; (b) the maintenance of tight foreign exchange and trade restrictions; (c) the continuance of the abnormal U.S. outlays abroad under the Mutual Security Act and other assistance programmes, and (d) U.S. capital investments. These have swollen the flow of dollars abroad to a point where they exceed the amounts the rest of the world require to pay for goods and services purchases in the U.S.

It will be noted from the aforesaid account that the setback in the net balance of payments position of the U.S. is not due to an excess of imports over exports but to the continued payments made by that country to the rest of the world on non-trade account. Accordingly, the "dollar gap" is still in existence, but the size of the gap has considerably narrowed down.

The U.S. Department of Commerce is of the view that, with favourable climatic conditions abroad and continued favourable business conditions in the U.S., foreign countries should be able to raise their gold and dollar assets again in 1953; though probably, at a slower rate. This view is based on the following points:

(1) Private investment may not decline below the rate of the last six months of 1952, since, except for Canada, the net outflow of funds for direct investment had already shrunk to an annual rate of less than $100 million.

(2) Military spending is the major source from which foreign countries can expect higher dollar receipts, since these are likely to rise as deliveries are made on contracts already placed.

(3) Government aid, other than military, is expected to continue to move downward, although a temporary upturn in grants is likely over the relatively low fourth quarter rate.

(4) The volume of merchandise imports required for current use in 1953 is likely to remain as high as in 1952. With steady U.S. demand and perhaps rising demand abroad, prices may stabilise, but at the level of the last quarter of 1952, they still would be 3 to 4 per cent. lower than the 1952 full year average.

(5) Textile production abroad has been rising, which may indicate a rise in U.S. raw materials exports. But excess capacity in U.K. metals products industries may result in increased competition for U.S. manufacturers.

(6) Large stocks of coal abroad will postpone the need for imports from the U.S., even if the demand for coal should increase. Foreign wheat inventories would postpone an upturn in purchases here even if the foreign supply situation becomes less favourable.

(7) The movement of funds abroad, reflected in the unrecorded transactions probably was a temporary factor. The amount available for transfer is limited and the recent rise in U.S. short-term interest rates probably has reduced the incentive for such transfers.

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RESERVE BANK APPOINTED BANKER TO HYDERABAD STATE

The Government of Hyderabad has, as indicated previously in these columns, fallen in line with other State Governments, namely, Travancore-Cochin, Madhya Bharat and Mysore, which have appointed the Reserve Bank of India as their sole banker. According to an agreement signed at Hyderabad on the 31st ultimo between the Hyderabad Government and the Reserve Bank of India, the latter has been functioning as the banker to the State Government from the 1st inst. The Bank will, accordingly, conduct the banking, remittance and exchange business of the State Government, receive and keep in deposit its cash balances and also manage the public debt of the State, including issues of new loans. The agreement provides also for certain transitional arrangements designed to minimise dislocations.

Under a separate agreement, the Hyderabad State Bank, which has taken over the entire business of the Mercantile Bank of Hyderabad, becomes the agent of the Reserve Bank of India in the State of Hyderabad, the first to be so appointed in a Part B State. The Hyderabad State Bank will, on behalf of the Reserve Bank, transact the banking business of the State Government and also of the Central Government (including transactions pertaining to railways) within the territorial limits of the Hyderabad State. The terms of agency follows broadly, though not wholly, the pattern of the existing arrangements between the Reserve Bank of India and the Imperial Bank of India which enable the latter to function as the Reserve Bank's agent in Part A and Part C States. The Reserve Bank of India has established currency chests and small coin deposits at the offices and branches of the Hyderabad State Bank where Government cash business is transacted.

The Government of Hyderabad has agreed to appoint, in exercise of its powers under the Hyderabad Bank Act, a representative each of the Central Government and the Reserve Bank of India as Directors on the Board of the Hyderabad State Bank.

PROGRESS OF NATIONAL BANK OF INDIA SATISFACTORY

DEPOSITS AT RECORD LEVEL

THE steady expansion in the business of the National Bank of India Ltd. (General Manager: Mr. N. W. Chisholm, London), noted in the past several years, received a check in the year ended 31st December, 1952. From the statistics available with us we find that the Bank's balance-sheet total had steadily grown from £61.87 million at the end of 1943 to a record level of £125.30 million at the close of 1951. The marked growth in the Bank's activities reflected in these figures suffered a minor setback in the past year, as witnessed the slight decline of £1.84 million in the year-end balance-sheet total to £123.46 million. This fall was inevitable in the light of business conditions that prevailed during the year. It has not been as serious as in the case of many other banks. Further, it will be interesting to note that the 1952 total of £123.46 million is still well above the 1950 total of £109.97 million. A distinctly heartening feature disclosed by the accounts for 1952 is that there has been an expansion in the Bank's deposits by about £1 million to stand at £110.93 million. In fact, the Bank has had an unbroken record of continued expansion in deposits since 1938 when they stood at £27.86 million. As advances, however, have been lower and costs have remained unchanged, there has been a shrinkage in profit.

The following synopsis of the Bank's balance-sheet, as at the end of the year under review, as compared with those at the close of the previous three years, gives an idea of the Bank's progress in recent years:

(In thousands of £'s sterling)

	As on 31st December			
LIABILITIES (MAIN)	1952	1951	1950	1949
Capital	2,281	2,281	2,281	2,281
Reserve fund	3,675	3,675	3,600	3,500
Current assets and deposits ..	110,932	109,960	101,576	84,265
Bills payable	1,584	1,780	1,507	1,286
Loans payable	741	4,000	..	..
Acceptances for customers ..	1,010	1,963	452	..
ASSETS (MAIN)				
Cash balances	20,345	17,370	21,887	18,111
Investments—				
British Government and other securities	11,484	11,780	14,772	14,167
Indian, Pakistan, Ceylon and East African Governments and other securities	10,868	9,944	11,799	9,963
Bills of exchange (including Treasury Bills)	23,722	16,363	15,452	8,864
Advances and loans	53,318	65,476	43,351	39,746
Fixed assets (net)	1,202	952	724	614
Balance-sheet total	123,458	125,298	109,971	92,972
Number of shareholders	3,039	3,057	3,033	3,047

The deposits of the Bank as at the end of 1952 show an increase of £97,000 which is, however, very much less than that of £8.38 million noted at the end of 1951 and £17.32 million at the close of 1950. In other words, the pace of expansion considerably slackened during the year under review. This is only as it should be, in view of the disinflationary forces that were released during the year.

The slight improvement in resources was not accompanied by any increase in the Bank's commercial credits. The lower demand for credit from private borrowers coupled with the Bank's alertness to tune its lending policy in conformity with the official policy, has resulted in a contraction of its advances and loans by £12.16 million, in contrast to the spectacular rise of £22.13 million recorded in 1951. The decline in advances and loans in 1952 would have been less marked had it not been for the exceptionally large demand for accommodation at the end of 1951 and early in 1952. Acceptances for customers have also declined by about £95,000. The decline in these two items has been partially offset by the increase of £7.36 million in bills of exchange, including Treasury Bills. There has also been an increase in investments and cash balances. As will be noted from the foregoing table, the rise in investments has been only in Indian and other Government securities. As in the previous years, investments are shown at below market value. The combined total of investments and cash balances gives a liquidity ratio of 38.5 per cent. as against 35.5 per cent. a year ago.

The drop in the main source of income, namely, advances, has not very seriously affected the Bank's profit. The consolidated profit of the Bank (that is, including the profit of the subsidiaries) after providing for taxation and transfers to staff pension funds and to contingency reserves, out of which provision has been made for diminution in value of assets, amounts to £411,676. This shows a decline of £29,781 only, as compared with the profit for the previous year. The allocation to the premises account has been reduced by half to £75,000. Reserve fund, which had received £75,000 last year, has not been credited with anything. The Directors have, however, chosen to strengthen the inner reserves by increasing the allocation to them from £20,000 to £140,000. The dividend, at 16 per cent. per annum (same as that paid for 1951), absorbs £191,625, leaving an unappropriated surplus of £323,703, as compared with £318,652 brought in.

CANARA INDUSTRIAL AND BANKING SYNDICATE LTD.

The audited statement of accounts of the Canara Industrial and Banking Syndicate Ltd. (General Manager: Mr. T. A. Pai, Udipi, S. India), for the year ended 31st December, 1952, fully reflects the great caution exercised by the Bank's Directors in employing the resources of the Bank judiciously during the past year which proved to be one of the most strenuous ones for banks. At the same time, the accounts bear testimony to the successful efforts of the management in strengthening the resources of the Bank. Thus, the Bank's deposits at the end of 1952 show a striking improvement of Rs. 39.36 lakhs, an achievement which very few small banks can boast of. Advances were lower by only Rs. 9.82 lakhs, but, in terms of the level of deposits, they disclose a sharper fall, as is evident from the decline in the advances, ratio from 70 per cent. to 60.5 per cent. As in the case of every other bank, the effect of the decline in advances was more than offset by the larger income earned on it on account of the higher rates of interest on such advances. But the increase in establishment charges and higher interest paid on deposits counteracted the increase in the income, with the result that the Bank's profit for the year under review suffered a small decline from Rs. 4.01 lakhs for 1951 to Rs. 3.52 lakhs.

Interest and discount earned went up from Rs. 19.28 lakhs to Rs. 21.04 lakhs, but commission and exchange received declined from Rs. 3.19 lakhs to Rs. 2.87 lakhs. Interest paid on deposits and borrowings were up by Rs. 1.03 lakhs to Rs. 8.19 lakhs and establishment expenses from Rs. 12.14 lakhs to Rs. 12.89 lakhs. Out of the profit of Rs. 3.52 lakhs, provision for taxation absorbed Rs. 65,000 (as against Rs. 1.15 lakhs), transfer to the reserve fund Rs. 1 lakh (same as in the previous year) and bonus to staff Rs. 37,000 (Rs. 37,000). The dividends on the ordinary shares at 9 per cent. and on the 6 per cent. and 5 per cent. cumulative preference shares—all tax free—together took up Rs. 1.50 lakhs, as compared with Rs. 1.46 lakhs.

During the year, the Bank raised its paid-up capital from Rs. 24.38 lakhs to Rs. 25.11 lakhs. Its reserve fund as at the end of the year amounted to a respectable figure of Rs. 11 lakhs. Deposits stood at Rs. 401.07 lakhs, the increase over the year being Rs. 39.36 lakhs. A notable feature of the Bank's deposits is that fixed deposits form the bulk of them. These deposits amounted to Rs. 233.67 lakhs at the end of 1952, having risen by Rs. 22.64 lakhs. Current deposits too were up from Rs. 74.39 lakhs to Rs. 84.48 lakhs and so also savings bank deposits from Rs. 76.29 lakhs to Rs. 84.93 lakhs. Borrowings from other banks, which had been on a fairly high level last year at Rs. 46.85 lakhs on account of the heavy demand for funds, were reduced to a negligible sum of Rs. 15,084. As already noted, advances declined by Rs. 9.82 lakhs, that is, from Rs. 252.53 lakhs to Rs. 242.71 lakhs. Investments at cost amounted to Rs. 130.69 lakhs (an increase of Rs. 2 lakhs over the year), of which Gilt-edged securities account for Rs. 129.63 lakhs. The average market value of the latter was lower at Rs. 122.66 lakhs. Cash balances show a negligible drop from Rs. 77.18 lakhs to Rs. 76.97 lakhs. The investments and cash balances give a combined coverage of 51.8 per cent. to total deposits.

(*Concluded from next column*)

lakhs in saving deposits. Advances have declined by Rs. 61.18 lakhs and, as the fall in deposits has been greater than that in advances, the ratio of advances to deposits has gone down by only a small extent. Investments and cash balances do not show any worthwhile variation but, with the decline in deposits, the liquidity ratio has improved from 50.7 per cent. to 58.7 per cent. As in the previous year, investments are shown at book value. The market value of the same as at the close of 1952 was Rs. 181.75 lakhs, the depreciation being of the order of Rs. 5.91 lakhs.

The year 1953 may well prove to be a turning point in the history of the Bank, if the proposed amalgamation of the three banks in Rajasthan, namely, the Bank of Jaipur, the Bank of Bikaner and the Bank of Rajasthan, which has been approved by the Reserve Bank of India in principle, is carried through in the next few months.

BANK OF JAIPUR COMPLETES A DECADE

DIVIDEND MAINTAINED

THE war-time prosperity in India was fully availed of by a few enterprising industrialists to spread modern banking in places, particularly the Princely States, which had till then been served mostly by indigenous bankers. Quite a number of Scheduled Banks thus sprang up during those years. To the rank and file of banks thus established and which have completed a decade of useful service in 1952 belongs the Bank of Jaipur Ltd. (General Manager: Mr. S. L. Kothari, Jaipur). Established in February, 1943 (the Bank's business actually commenced in May of that year), the Bank, which has earned the distinction of being the first modern bank in any of the former Rajputana States, has not, however, had a smooth sailing during these ten years. The decade saw many political and economic changes which left their impress on the Bank. The political integration of the Rajputana States, in particular, has adversely affected the Bank, inasmuch as it deprived the Bank, to a large extent, of the patronage and support that was being extended to it by the former Jaipur State Government. Moreover, it has had to face keen competition from the banks of the other integrated units of the present Rajasthan State, as well as from other banks operating in that area. Though the effect of these factors on the working results of the Bank in recent years has been perceptible, the Bank has stood the test of time and been working fairly satisfactorily in recent years.

During the ten years of its working, the Bank has built up a reserve fund of Rs. 15 lakhs against a paid-up capital of Rs. 50 lakhs. Its deposits as at the end of 1952 stand at Rs. 516.28 lakhs (though they have fallen from the peak of Rs. 826.32 lakhs touched at the end of 1948, a trend common to most of the Scheduled Banks) and its total working funds at Rs. 655.20 lakhs. The Bank paid a maiden dividend of 4 per cent., less British Indian tax, in the fourth year of its working, i.e., in 1946. In the following year, the dividend was reduced to 3 per cent., free of income-tax, which rate has since been maintained. It has a network of 38 branches, as many as 20 of them being in Rajasthan.

The working of the Bank during the year 1952 has resulted in a small decline in its profit, that is from Rs. 4.59 lakhs for 1951 to Rs. 3.99 lakhs. After providing a sum of Rs. 1 lakh for taxation, the net amount available for appropriation is only Rs. 2.99 lakhs. But, with the addition of Rs. 1.21 lakhs brought in from the previous year, the Directors have been able to strengthen the reserves by a sizable sum of Rs. 2.35 lakhs, and also maintain the dividend at 3 per cent. (absorbing Rs. 1.50 lakhs), leaving to be carried forward a sum of Rs. 35,324.

The following comparative table gives an idea of the Bank's progress since 1949:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Interest and discount earned ..	23.37	21.64	24.37	25.18
Commission and exchange ..	3.60	4.26	4.07	3.99
Interest paid	8.49	7.89	8.36	9.19
Expenses	14.19	13.20	14.51	13.86
Depreciation	0.48	0.39	0.46	0.44
Profit	3.99	4.59	5.22	5.91
To taxation	1.00	1.25	2.25	2.50
,, reserves	2.35	1.00	3.55	1.60
,, bonus and gratuity	..	..	..	0.25
Dividend	1.50	1.50	1.50†	1.50
	(3%)	(3%)	(3%)	(3%)
Carried forward	0.35	1.21	0.37	0.95

	As on 31st December			
	1952	1951	1950	1949
Capital	50.00	50.00	50.00	50.00
Reserves	15.00	12.65	11.65	12.10
Deposits	516.28	591.48	649.90	667.82
Borrowings from banks	2.00	5.15	3.00	..
Bills for collection and acceptances	24.80	45.79	65.40	37.80
Advances and bills discounted ..	307.01	368.19	395.84	361.44
Investments	187.66	186.07	163.09	214.53
Cash (including money at call) ..	117.64	118.56	133.06	148.85
Balance-sheet total	655.20	736.24	801.86	779.70
Ratio to deposits of—	%	%	%	%
Advances	59.5	62.2	60.9	54.1
Investments	35.9*	30.7*	29.2*	32.1
Cash	22.8	20.0	20.5	22.3

* After taking into account investments earmarked against borrowings from other banks.
† Paid out of dividend equalisation fund.

The deposits at the end of the year show a drop of Rs. 75.20 lakhs. The bulk of this recession, Rs. 71.43 lakhs to be precise, has occurred in current and contingency accounts. Fixed deposits too are lower by Rs. 9.49 lakhs, but this decline has been offset, to some extent, by the rise of Rs. 5.71

(*Continued in previous column*)

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EXPORTS OF INDIAN CLOTH IN 1952

MARKED DECLINE IN QUANTITY

REVIEWING the highly encouraging trend of India's exports of cloth in 1950 two years ago—*vide* page 580 of *Commerce* dated 31st March, 1950—we observed that there could be little jubilation over it, for India would not be able to repeat that performance and retain its first rank among exporters of cloth. That this conclusion was not at all exaggerated is clearly borne out by the appreciable shrinkage in the quantity of cloth exported during the last two years, when India was pushed to the fourth place, preceded by the U.S., the U.K. and Japan. The shrinkage in exports was particularly marked in 1952. Thus, exports of cloth by India during the year under review—it was only a few days ago that the full statistical details of exports by sea and air became available—amounted to 591.51 million yards, as compared with more than 750 million yards exported by Japan, 711 million yards by the U.K., and 761 million yards by the U.S. It must, however, be mentioned here that the figures for India do not include exports through land. It is estimated that large quantities of cloth have crossed into Pakistan, part of it officially and part unofficially. Even if allowance is made for this, it is doubtful whether India's total exports would exceed those of any of these three countries.

For the current year (1953), the target for exports from India is fixed at 1,000 million yards. It is, however, doubtful whether this target will be reached, what with the growing competition in the world markets for textiles, especially by the Japanese, British and Continental mills, and the severe restrictions imposed in several countries, such as Pakistan, necessitated by balance of payments difficulties. Moreover, the vagaries of the Government of India's export policy and high export prices of cloth, thanks to export duty on coarse and medium counts and import duty on cotton, are doing a lot of avoidable harm to India's export trade in cloth. All this is an old story which has been referred to in these columns on a number of occasions in the past and as such it is unnecessary to repeat it in detail again. It is, therefore, proposed to confine the present review only to a statistical analysis of India's exports of cotton manufactures through sea and air during 1952, against the background of those in the previous two years.

As already mentioned, India exported 591.51 million yards of cloth during the year under review, which compares unfavourably with 775.97 million yards in 1951 and 1,119.62 million yards in 1950, representing a decline of 23.9 per cent. and 47.2 per cent., respectively. The value of exports aggregated Rs. 63.48 crores, as against Rs. 82.74 crores and Rs. 96.90 crores, respectively, the percentage of decline being 23.3 and 34.5. As will be seen from these figures, the extent of fall in value is not as large as in the case of quantity.

The decline in exports of cloth during 1952 was accounted for solely by mill-made piece-goods, the quantity actually shipped being 537.66 million yards, as against 732.34 million yards in 1951 and 1,078.47 million yards in 1950. Exports of handloom cloth, however, were substantially higher at 53.85 million yards, as compared with 43.63 million yards and 41.15 million yards, respectively, in the preceding two years. The fall in exports of mill cloth in 1952 was more marked in grey (unbleached) varieties than in other varieties, as will be seen from the figures given below:

(In million yards)

	1950	1951	1952
Grey (unbleached) ...	475.92	386.11	207.90
White (bleached) ...	219.13	132.25	104.29
Coloured (printed or dyed)	383.41	213.98	225.47

The following table gives a country-wise analysis of India's export trade in mill cloth in 1952, as compared with the two preceding years:

(In million yards)

	1950	1951	1952
Singapore	200.21	171.07	84.12
Burma	130.47	24.60	69.84
Aden	86.88	48.55	58.79
Pakistan	53.51	11.90	53.17
Sudan	53.91	27.99	53.06
Kenya, Zanzibar and Pemba	35.47	16.46	28.56
Tanganyika	18.81	5.52	22.41
Ceylon	48.91	25.11	16.59
Hongkong	27.36	20.48	8.64
Malaya	33.58	13.06	6.62
Australia	45.54	38.90	7.07
United Kingdom	71.87	89.12	5.48
Canada	4.80	15.14	1.52
U.S.A.	5.55	68.33	0.15
Other countries	261.60	156.11	121.64
Grand total ..	1,078.47	732.34	537.66

The above table reveals that the major part of the fall in exports of mill cloth in 1952 was accounted for by Singapore, the offtake of which during the year under review declined by more than 50 per cent. and 57 per cent., as compared with 1951 and 1952, respectively. The fact that, besides this, the Federated States of Malaya also bought a smaller quantity of cloth from India suggests that not only the internal consumption must have been downwards but also the re-export of cloth from Singapore to the surrounding countries, especially Indonesia, must have been adversely affected by the stiff competition offered by Japan. Another important *entrepot* centre to which cloth exports fell is Hongkong; the quantity of cloth exported to this place during 1952 was 8.64 million yards, as against 20.48 million yards in 1951 and 27.36 million yards in 1950. A conclusion that can be drawn from these figures is that the *entrepot* centres can no longer be depended upon for purposes of exports when the buyers' market comes to stay and when competition among exporting countries is the order of the day. Efforts must, therefore, be made by exporters in this country to contact the consuming countries direct and thereby improve the chances of establishing permanent markets in those countries.

Lower Offtake by U.K.

There has been a sharp decline in the quantity of cloth shipped to the U.K., from 71.87 million yards in 1950 and 89.12 million yards in 1951 to a bare 5.48 million yards in 1952. This was due to the world-wide recession in cloth trade and also to the efforts on the part of the Lancashire mills to step up exports of cloth manufactured by themselves. Most of India's exports of cloth in the previous years, it may be remembered, represented grey cloth which was subsequently finished in Britain and then re-exported. There has also been a sharp fall in exports to the U.S., which is the result of the slowing down of the stock-piling programme in that country. Exports to Australia, too, were very low, due to the import restrictions necessitated by balance of payments difficulties.

In contrast to the general trend, Burma, Aden, Pakistan, Sudan, Kenya and Tanganyika purchased larger quantities of cloth from India during the year under review.

India's export trade in twist and yarn also received a severe setback during 1952. The quantity actually shipped was not more than 20 million lbs. valued at Rs. 5.02 crores, as against 26.20 million lbs. valued at Rs. 6.93 crores in 1951 and 184.72 million lbs. valued at Rs. 17.46 crores in 1950. The most important buyer of Indian cotton twist and yarn was Hongkong, its offtake amounting to 6.12 million yards. Other important buyers were Burma accounting for 3.27 million lbs., Singapore for 3.25 million lbs., Aden for 2.37 million lbs., and Pakistan for 1.93 million lbs. The quantity exported by India would have been higher, but for the restrictions on exports by the Government of India in order to conserve supply for handlooms.

"WORRALL'S DIARY"

That the book, *Indian Textile and Engineering Diary*, published by the well-known firm of Messrs. John Worrall Ltd., Oldham, England, specialists in the field of textile publicity (Agents in India: Messrs. W. H. Brady & Co., Ltd., Royal Insurance Buildings, Veer Nariman Road, Fort, Bombay), has completed sixty-four years of existence is itself a clear proof of its growing popularity. The present edition, just like its predecessors, is replete with valuable data relating to the purchase and sale of textile machinery, accessories and other suppliers. The *Diary* contains a comprehensive buyers' guide furnishing information on three important aspects, namely, (1) machinery, accessories, power transmission equipment, mill supplies and services, (2) chemicals, auxiliaries, mineral products, oils, etc., and (3) raw materials, yarn spinning, processing manufacturing, finishing, merchanting and the like. It also gives pictorial trade marks and designs, besides an alphabetical list of trade names.

The utility of the publication is enhanced by the inclusion of notes and formulæ relating to spinning machinery and cotton preparing and series of tables indicating the easy way of numbering yarns by counts, finding out warp and weft weights, determining piece-weight of small patterns, carding cloth, etc. Also given at the end of the publication is a list of cotton, silk and rayon and jute mills and of miscellaneous textile firms. The other notable features of the *Diary* are classified list and glossary of textile fabrics (Indian Section), statistical survey of cotton spindles and looms in India, and list of textile associations and other organisations interested in the textile fabrics in India and Pakistan.

IMPORT OF BOBBINS INTO INDIA

PLEA FOR REVISION OF POLICY

THE Government of India's policy in regard to imports of bobbins requires a thorough revision, if the textile industries are to maintain their competitive capacity in the world and if the quality of Indian-made bobbins themselves is to improve. The present policy of the Government is to restrict the imports to the barest minimum, thereby providing for all practical purposes a closed market for the domestic manufacturers of bobbins. Although the latter have been enjoying this protection for the past four years, there has been no improvement in the quality of their products, according to the Millowners' Association, Bombay.

The Association has submitted to the Government a well-argued and convincing case for the relaxation of restrictions on quantum of bobbin imports into this country. The main ground on which the Association has based its demand is that the quality of the bobbins produced in a large number of factories is still "extremely unsatisfactory," in spite of the Government's protection by way of regulated imports. The total production of bobbins in India in 1951 was 334,929 gross, against the average consumption of 389,291 gross per annum, which means that the lag between domestic requirements and supply from indigenous sources was roughly 15 per cent. Evidently, the Government has been endeavouring to regulate imports of this item in such a manner as not to permit them exceed this 15 per cent., though, as a matter of fact, in more than one quota period, licences reported to have been given did not even exceed 50 per cent. of the difference between the estimated domestic demand and production. Having been assured of the market thus, the indigenous bobbin industry has shown no enthusiasm to improve its equipment and production. The cotton mills have, therefore, been driven to the necessity of taking to use even sub-standard bobbins, regardless of every other consideration.

Modernisation of Equipment

Certainly, this is not what the Tariff Board expected when it recommended to the Government, more than four years ago, regulation of bobbin imports with a view to maintaining and expanding indigenous production. For in its report, the Board has clearly stated that the manufacturers of bobbins should take early steps to equip their units with modern machinery and tools. The Government accepted this suggestion and promised all reasonable facilities in this regard when approached by the industry. The Tariff Board had also recommended that (*a*) "Government should arrange to have adequate tests carried out regarding the suitability of different kinds of timber for the manufacture of bobbins and secure the co-operation of textile mills for this purpose," and (*b*) "pending adoption of standard specifications, Government should appoint two timber experts to carry out a rapid survey of the industry and draw up a list of factories which are suitably equipped to produce quality bobbins." These factories were to be known as approved factories. Neither bobbin producers nor the Government have carried out these key recommendations with the result that, even four years after the Board's report, there has been no improvement in the quality of bobbins. There are no approved factories even to-day from which the mills can confidently buy their requirements. Consequent on this and also on imports being drastically curtailed, the cotton mill industry, as already stated, has been compelled to use sub-standard bobbins. There is, therefore, no exaggeration whatever in the statement of the Millowners' Association that the protection, which the import regulations seek to confer on the indigenous bobbin industry, regardless of its standard of equipment and production, ignores one of the main objectives of the Tariff Board, namely, improvement of quality.

From the foregoing one should not, however, rush to the conclusion that the Association is objecting to the Government's giving "reasonable measure of protection" to the indigenous bobbin industry. Far from it; the Association fully recognises the need for such protection. Only it emphasises, and rightly so, the fact that the claim for protection should be based on the needs of reasonably efficient units manufacturing bobbins, and, as the Tariff Board has ruled out a protective duty, imports of bobbins should be related to the difference between the *estimated indigenous production of reasonably efficient quality bobbins* and the estimated requirements of the Indian textile industry. "If this procedure had been followed," to quote the Association, "it would have given an inducement to indigenous bobbin manufacturing units whose equipment and qualities are not, according to the Tariff Board, upto the standard to improve their equipment and production."

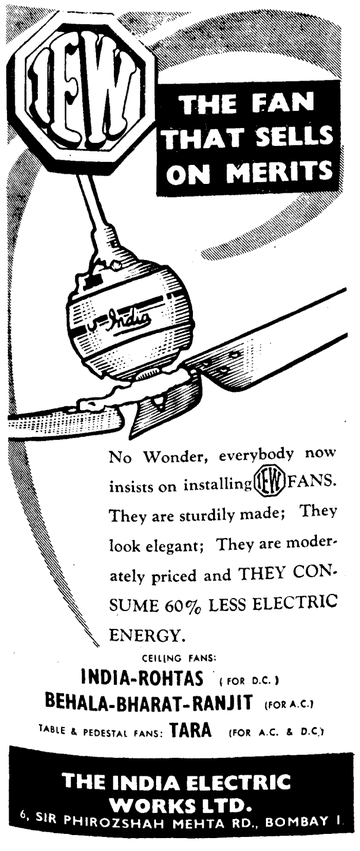
In view of this, the Association urges the Government to undertake an immediate review of the whole case. Otherwise, it warns, the use of faulty bobbins will lead to spinning of bad yarn, which, in turn, will lower the standard of cloth production. This warning is, indeed, quite timely, considering the fact that, with the return of a buyers' market, utmost attention needs to be paid to maintain a high quality of cloth production.

COMMONWEALTH WOOL

The U.K. is expected to be the largest buyer of Commonwealth wool during the current season. The bulk of the U.K.'s requirements is met from Australian wool. It is interesting to note that the U.K. has regained from the U.S. the distinction of being the largest buyer of Australian wool. The U.K. has also taken more than half the total shipments from New Zealand and about a third from South Africa. The rise in the offtake of wool by the U.K., in a way, indicates that the recovery in wool textile trade must have been more rapid than that in any other country, although the U.K. itself is supplying large quantities of wool in processed form to other countries which have found themselves inadequately stocked, at a time when improved demand again manifested itself.

The Commonwealth wool marketing season has entered its final stages. Only 8 more sales—those exclude "crutching" sales—are to take place in New Zealand. In South Africa, most of the full-length wools have been disposed of, the wool now remaining to be sold being short varieties. By far the largest proportion of the Australian clip has now passed under the hammer.

The statistical position of wool is commercially regarded as strong. The Commonwealth wool markets closed for the Easter recess at the highest point ever touched during the current season. The current prices, however, are less than half of those ruling at the post-war peak reached at Easter two years before. A healthy state of activity in most of the chief wool consuming countries is an encouraging augury for demand during the remaining part of the wool marketing season. Reviewing the trend of world wool markets, the International Wool Secretariat observes: "It is a matter of satisfaction throughout the industry that the substantial recovery in world wool textile activity this season has been accomplished without any repetition of the wool price stampede which occurred early in 1951 and had harmful repercussions from which consuming countries are only lately recovering."



QUALITY CONTROL ON TEXTILE EXPORTS

Replying to a question in the House of the People last week, Mr. T. T. Krishnamachari, Union Commerce and Industry Minister, revealed that the Government of India had been urging the cotton textile industry to institute some kind of quality control in regard to exports. The question now was, he said, whether it should be voluntarily adopted or compulsorily done and the matter was still under negotiation.

In the present context of growing competition in the world textile markets, the need for maintaining a high standard of quality, careful packing and attractive finishing cannot be too strongly stressed. Exports of poor quality textiles, thanks to the absence of proper check, have already done, and are doing, a lot of avoidable harm to India's export trade in cotton textiles. In many places, Indian cloth has earned a bad name for no other reason than poor quality, defective packing and lack of proper finish. Care taken in these respects will go a long way towards removing from the consumer's mind the impression that Indian goods are inferior in quality. There seem to be some mills which do not appear to realise this and it is doubtful whether they will ever do so unless they are compelled. Consequently, an organisation for promoting and supervising Indian textiles exports is badly required.

As to whether quality control is to be voluntarily adopted by the industry or be enforced by the Government has, however, been a matter of divided opinion for a considerable time now. The Minister for Commerce and Industry has categorically stated that, if quality control is not adopted by the industry, the Government would institute a compulsory scheme. It would be better, of course, if instead of allowing the Government to do it, the industry itself were to launch a scheme for enforcing quality control over exports of cotton textiles. This question has been before the industry for a long time now. Unless it does something about it, the Government will be justified in taking the initiative and establishing an organisation of its own to regulate the quality of Indian cotton goods exported from this country.

"TERYLENE" TO BE MANUFACTURED IN CANADA

A plant for the manufacture of "Terylene," the new synthetic polyster fibre, is to be set up at Millhaven, near Kingston, Ontario (Canada), by Imperial Chemical Industries (I.C.I.). The erection of the plant is estimated to cost more than $20 million which will be raised in Canada itself in accordance with the proposals approved by the Bank of England. Options on suitable land have already been secured, and building and engineering teams are expected to begin field work at an early date. The construction of the plant is to be initiated by a new wholly-owned Canadian subsidiary of the I.C.I. After the proposed segregation of the I.C.I. and du Pont interest in the Canadian Industries Ltd. (C.I.L.), it is intended to offer the project to that successor company of the C.I.L. in which the I.C.I. will be the principal shareholder and in which Canadians will participate as shareholders.

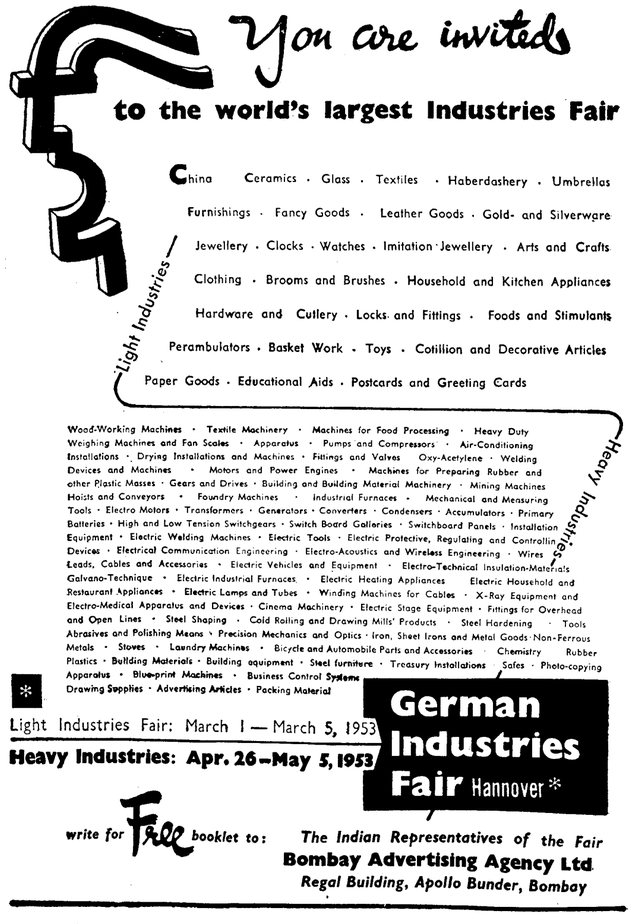
"Terylene"—a product of British research—was discovered in the laboratories of the Calico Printers' Association. The I.C.I. acquired the world rights, apart from the U.S. where the fibre is being manufactured and sold under the name of "Dacron." The basic Canadian patent was granted in February last.

The I.C.I. has invested substantial sums in research and development on the fibre and production in the U.K. on a pilot-plant scale started some years ago. The construction of a full-scale plant—the Wilton Plant—involving a large capital expenditure, is well advanced. The plant, the planned capacity of which is as much as 11 million lbs. per annum, is expected to go into production towards the end of 1954 or early in 1955.

WOOLLEN YARN OUTPUT IN JAPAN

The target of woollen yarn production in Japan for the current year 1953-54 has been fixed at 144.6 million lbs. by the Association of Wool Spinners and Weavers. This represents a fall of 6.57 million lbs., as compared with the estimated production for the previous year. Of the production of 144.6 million lbs. targeted for the current year, combed woollen yarn accounts for 72.6 million yards and carded woollen yarn for 72 million lbs. The figures for 1952-53 were 68.28 million lbs. and 82.89 million lbs., respectively. The bulk of the total output of combed woollen yarn is for domestic consumption, the quantity expected to be actually consumed being 65.53 million lbs. As much as 4.07 million lbs. are for export, 1.5 million lbs. to meet U.S. Army orders and 1.5 million lbs. for other purposes. As regards carded woollen yarn, 59.9 million lbs. are for domestic consumption, 6.8 million lbs. for the U.S. Army, 2.0 million lbs. for export and 3.3 million lbs. unallocated.

If the target of woollen yarn production is to be attained, it will be necessary for Japan to import 739,000 bales of raw wool. The Association has appealed to the authorities to allocate $206.92 million to the indigenous woollen industry for importing raw wool.



LANCASHIRE AT CROSS-ROADS AGAIN

READJUSTMENT IN WAGES DEMANDED

(From A Special Correspondent)

MANCHESTER, 31*st March*

MANCHESTER LETTER

INTERNATIONAL competition in textiles took pride of place among the subjects discussed by Mr. George Hasty, in his presidential address at the annual meeting of the Master Cotton Spinners' Federation, this week. The Lancashire mills, he said, did not panic in 1952 and did not intend to give away their yarn at unremunerative prices. Mills in other countries should also recognise this important principle of standing firm. Nothing, he contended, could be more suicidal than an international price war, based, not on relative efficiency, but on a competition as to who was prepared to sacrifice the biggest proportion of those sums which should properly be devoted to maintaining and renewing capital equipment.

Mr. Hasty laid stress on the vital necessity of ensuring that Lancashire mills must provide the most attractive conditions, in order to rebuild their labour force from the low point reached at the height of last year's slump. "If we do not modernise to the best of our ability and at the same time reduce costs, our industry will decline," he warned, and added: "The average age of our employees, which is already too high, will increase still further and we shall not attract the young people of Lancashire."

Readjustment in Wage Lists

More money has been spent on new machinery in Lancashire in proportion to the size of the industry than in any other European country since the war. But readjustments are necessary in the existing wage lists, Mr. Hasty continued, proposing that the trade unions and employers should confer on how a fair day's work for each occupation with the particular equipment available should be calculated.

Like many others, Mr. Hasty also believes that Lancashire is once more at the cross-roads. The industry, he said, could gradually contract, relying almost entirely on the old methods. It would still continue to contribute for a long time towards the national economy but, as equipment became older and the average age of the labour force increased, it would be less and less able to compete in a modern world. The alternative was to go forward with the aim of making the trade the most up-to-date and competitive in the world. Then Lancashire would be able to take advantage of the increasing demand for textiles which must inevitably result from the efforts being made to raise the standard of living in the undeveloped countries.

Freer Cotton Buying

A switch-back to private importation of raw cotton by "a much larger number of spinners," after years of buying their raw material through the Raw Cotton Commission, Liverpool, was also forecast by Mr. Hasty. To quote him: "We have all got much to learn or to re-learn as the raw cotton market opens up. But an industry which relies to a great extent on specialities and quality must welcome the chance to make its own exact choice once more, provided that we can count on a reasonable cover scheme."

The experience of contracting-out spinners during the experimental period had been generally satisfactory. "The experiment has also depended on the Raw Cotton Commission acting in a broadminded and unbiased manner. Under Sir Ralph Lacey's guidance, this has been achieved," Mr. Hasty told the meeting.

It was certain that firms which were now arranging their own imports of raw material had appreciated the chance of matching their requirements for particular types of cotton much more exactly than they ever could under a centralised buying scheme.

Continental Textiles

Importation of yarn and cloth into Britain has been a sore point on which Lancashire tempers have been frayed on more than one occasion in recent years. The whole subject has risen to the fore again with the relaxation of import restrictions on West European trade, announced by the President of the Board of Trade.

Most of the arguments which have arisen over foreign cloth purchases since the war have centred round the arrival of large quantities of grey cloth from Japan and India. The conflict between manufacturers and finishers on this point has not been resolved and pressure is even now being exerted in some quarters for assurances that no more Japanese fabric is to be procured. The volume of cloth received from European sources has been very much smaller, being mostly speciality cloths in the finished state.

What Lancashire traders chiefly fear is the possibility of the dumping here of unwanted supplies from Continental mills, despite import duties which still exist. There are several angles to this controversial problem, for which there is no all-embracing answer. If, on the one hand, Lancashire traders persist in their campaign for the lowering of American and other tariff barriers, they can hardly expect to retain restrictions on goods entering their own country. On the other hand, the depressing circumstances of the past 12 months should be borne in mind when considering whether Lancashire mills should be protected against foreign competitors.

Government Aid

There is an important, and vocal, school of thought in Lancashire which believes that the Government is none too helpful when negotiating trade treaties with other countries, involving textile supplies. The President of the Board of Trade, in answer to a question about the industry in the House of Commons, recently said: "I have the interests of Lancashire close to my heart." It is easy to see why some critics regard such remarks cynically when the industry is shortly afterwards left wide open to the inroads of European competitors.

At the same time, the prospects for Lancashire, as an important manufacturer of textiles, would be grim, indeed, if it was felt that rival countries in Europe could easily obtain trade on her very doorstep. There must certainly be something wrong with an industry with such a great history which is so vulnerable that it cannot compete successfully for its home market.

Wages and Hours

By the end of October last, when the Ministry of Labour took its latest census of average earnings in British industry, the cotton trade was showing signs of revival after its wretched experience over the first half of 1952. The upward movement in wage rates in industry generally at that time showed no sign of slackening and the earnings of the 6,500,000 employees covered by the survey showed a further advance, as compared with the average in April, 1952.

The continual increase in average wages paid since the war is shown in the comparative table below:—

	Men (over 21)	*Youths (under 21)*	*Women (over 18)*	*Girls (under 18)*	*All Workers*
	s. d.	*s. d.*	*s. d.*	*s. d.*	*s. d.*
October, 1938 ..	69 0	26 1	32 6	18 6	53 3
July, 1945 ..	121 4	45 6	63 2	35 1	96 1
April, 1950 ..	145 9	61 5	80 6	51 10	124 1
April, 1951 ..	160 2	66 11	87 4	65 11	136 2
October, 1951 ..	166 0	69 1	90 1	57 11	141 1
April, 1952 ..	173 7	71 9	92 2	57 9	147 3
October, 1952 ..	178 6	74 11	96 4	60 9	151 11
Percentage rise over October, 1938 ..	159	187	196	228	185

Less short-time was in operation in cotton mills in October as compared with that six months before and average earnings in spinning and weaving rebounded sharply. The level of wages has, in fact, only been exceeded once before—in October, 1951—at the height of the post-war boom, as the following table shows:—

	Men (over 21)	*Youths (under 21)*	*Women (over 18)*	*Girls (under 18)*	*All workers*
	s. d.	*s. d.*	*s. d.*	*s. d.*	*s. d.*
July, 1945 ..	107 1	55 0	64 1	43 2	74 7
April, 1947 ..	114 0	56 3	71 0	48 3	83 2
April, 1948 ..	129 2	71 10	81 11	62 1	96 6
April, 1949 ..	133 7	71 2	84 0	63 6	99 8
April, 1950 ..	140 10	74 11	88 6	66 7	105 2
April, 1951 ..	158 1	84 7	99 5	75 6	117 11
October, 1951 ..	166 10	90 6	105 1	79 11	124 5
April, 1952 ..	149 0	80 4	93 9	70 4	111 6
October, 1952 ..	160 6	88 6	102 5	77 8	121 0
October, 1951—					
Spinning ..	168 8	93 10	102 3	81 0	123 11
Weaving ..	163 10	83 11	109 6	78 3	125 3
April, 1952—					
Spinning ..	145 6	81 11	87 0	67 10	106 9
Weaving ..	154 5	77 8	103 0	74 1	118 4
October, 1952—					
Spinning ..	159 8	92 1	99 7	78 6	119 3
Weaving ..	161 10	82 1	107 0	76 3	123 11

Despite the effects of the slump, cotton mills still offer remunerative wages to women workers, and juveniles, in particular, can earn more than in many other industries. In the case of girls under 18, the average pay for spinning is higher than in any of the other 90 occupations listed.

The average number of hours worked in the cotton industry in April, 1952, had shrunk from around 44½ to 39½ per week. Increasing machine activity last autumn raised the average hours worked to 43.1 weekly by the end of October, but spinning mills were still operating more irregularly than weaving sheds. In spinning, the average was 42.7 hours and, in weaving, 43.6 hours per week. In industry generally, the improved trend resulted in average weekly hours worked, increasing from 45.6 in April to 46.1 in October, the same level as 12 months before.

Trade Chances

There are big opportunities for British producers of capital equipment—particularly electrical and engineering goods—in India, Pakistan and Ceylon, but speedy delivery is a key factor in meeting competition from American, Japanese and Continental suppliers. Sir Percival Griffiths, adviser to the India, Pakistan and Burma Association, said this in Manchester last week at the end of a conference with exporters to these markets at the Manchester Chamber of Commerce.

Development was going ahead in India and Pakistan on sound and well-balanced Five-year Plans. These projects would demand a lot of co-operation from the outside world, particularly from Britain, but the raising of living standards in the Far East was a vital need in combating the spread of Communisim. The political situation in India, Pakistan and Ceylon, said Sir Percival, was not unsatisfactory. Their problems, like those of the West, were economic.

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FRENCH COTTON INDUSTRY

The French cotton industry is preparing a reorganisation scheme providing, among other things, for the closing down of out-of-date mills. It is proposed to compensate the owners of the enterprises which would disappear and to safeguard the interests of their workers who would be transferred to other industries after training in special centres. The scheme will be submitted at an early date to the authorities and the promoters expect that the measure will result in the general improvement in the industry.

The U.S. Department of Agriculture has formally announced that it will support the price of domestic wool for the 1953-54 marketing year at 90 per cent. of parity or at a national average price of 53.1 cents per lb. (Grease basis). The support price for 1952-53 was 54.2 cents per lb.

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THE DUNLOP RUBBER CO. (INDIA), LTD.

MR. CECIL STACK'S REVIEW OF PROGRESS

THE Twenty-seventh Annual General Meeting of the Dunlop Rubber Co. (India) Ltd. was held in Calcutta on 2nd April, 1953. Addressing the shareholders, Mr. Cecil Stack, Managing Director of the Company, observed as follows:

"The Directors' report and accounts for the year 1952 have been in your hands for some time and with your permission I will take them as read.

The Year's Trading

"I am afraid I am not in the happy position of a year ago of being able to report to you an expansion of business and higher profits. Turnover was, in fact Rs. 121½ lakhs, or 8½ per cent. lower than in 1951. This was partly due to reductions in selling prices, but even more to an all-round drop in the volume of business. Compared with the 1951 level a sharp decline took place early in 1952 and persisted throughout the rest of the year. Although there has been some slight recovery since, I am afraid, this feature of our 1952 trading, brought about by tighter credit conditions and general recession of trade, must be regarded as a contraction of demand which may not be fully restored for some time to come.

"Although tyre stocks were adequate throughout the year under review, the distribution of our products was again hampered to some extent by transport difficulties and delays. Rail transport to the districts more remote from our factory was frequently not available and the irregularities of coastal and river services caused temporary shortages in various parts of the country, particularly Assam and South India.

"I was able to advise you at our last annual general meeting that cycle tyre selling prices had been reduced in April, 1952. Falling raw material prices enabled us to reduce our prices of motor and giant tyres in September. This trend has continued and I am glad to say that further substantial reductions were found possible last month, applicable on this occasion to motor, motor cycle, truck and bus, tractor and cycle tyres, also Dunlopillo Latex Foam cushioning. These developments bear out the remarks I made last year regarding your Board's policy of passing on to the consumer without delay the benefits of lower manufacturing costs.

"Although the net profit declined by Rs. 8 lakhs compared with 1951, the ratio of profit to turnover remained at almost the same level—7.7 per cent. compared with 7.6 per cent., both figures being gross before deduction of tax. To those who consider industrial profits are excessive I suggest, as I did on this occasion last year, that the ratio to sales rather than the amount of profit is the real measure. The results achieved by your Company in recent years, representing as they do the wholesale distributor's profit as well as the manufacturer's profit, are in the opinion of your Board no more than adequate. To cut margins any finer would be an unhealthy and even dangerous policy.

New Products

"The range of tyres being manufactured by the Company is constantly under review and a number of new sizes and types were added during the year to meet the requirements of users in this country. Several modifications in line with the latest developments in tyre construction were introduced with entirely satisfactory results. The quality of our products has never been higher than it is to-day and the widespread acceptance of this fact by the public is a source of great encouragement to your Board and to all employees of the Company.

"I informed you a year ago that Dunlopillo Latex Foam cushioning had been added to our range of products manufactured at Sahaganj. I am glad to say that output is expanding satisfactorily and this product is rapidly gaining in popularity. In addition to domestic articles such as mattresses, pillows, cushions and furniture upholstery, this material is widely employed for seating in cinemas, omnibuses, cars and aircraft.

"During the year, we commenced production of industrial transmission belting at Sahaganj. Our plant is the first installation in India for the manufacture of this type of rubber ply belting to British Standard Specifications, large quantities of which have been imported in the past. By supplying their needs of high quality belting more quickly and economically, this installation will, I feel sure, prove to be a valuable source of supply to the industries of this country.

"Two further products recently added to our range are fan belts and industrial Vee belts. Here again, the plant which the Company has installed is the first of its kind in India and the quality of the belts which we are now producing has hitherto had to be imported. Our range of sizes is as yet restricted, but early results are most encouraging and I have no doubt that this development will in course of time result in adequate supplies of highest quality belts being available in India at reasonable prices.

"The enterprise behind these extensions to the Company's manufacturing activities is an indication of your Board's determination to utilise the resources of the Company in a manner which it is hoped will be beneficial not only to the shareholders but also to the country. These developments provide a notable contribution to the national productive effort by affording increased opportunities for direct employment as well as encouraging the growth of the indigenous rubber planting industry.

Raw Materials

"The raw material supply position was on the whole much better in 1952 than in any previous post-war year. In the early months we had difficulty in obtaining sulphur, but the restrictions in the United States were relaxed and the supply position eased as the year progressed. Indigenous rubber was difficult to procure for a time until, on 28th October, 1952, the Government controlled price was increased by Rs. 10 per 100 lbs. Apart from indigenous rubber, the general price trend was downwards in the latter half of the year, although the Company's inventory position prevented the financial year 1952 getting the full benefit of this decline in prices. I have already referred to the reductions made in the Company's selling prices and it will be noted that no upwards adjustment was felt necessary when the price of rubber was increased in October last.

"I would now like to comment very briefly on the accounts.

Profit and Loss Account

"I have already referred to the decline in sales which resulted in a reduction of Rs. 8 lakhs in the net profit compared with the previous year. After deducting the lower debit for taxation, the balance available for disposal is, however, higher at Rs. 73,58,469. The Directors are recommending the same rate of ordinary dividend as for 1951, i.e., 15 per cent., which will absorb Rs. 24 lakhs. The Directors also recommend the transfer of Rs. 39 lakhs to general reserve, as against Rs. 32 lakhs last year. This will increase the total general reserve at the end of 1952 to Rs. 1 crore 14 lakhs, as shown in the balance-sheet.

Balance-sheet

"The Company expended Rs. 50 lakhs on additions to fixed assets, against Rs. 45½ lakhs in 1951. These additions, in the main, consisted of buildings and plant required for the recent expansion in our range of products. The depreciation written off in 1951 included a special provision for plant obsolescence and the normal depreciation in 1952, amounting to Rs. 26 lakhs, is considered adequate.

"Inventories were Rs. 12½ lakhs higher in value than at the end of 1951, but at that time the quantities held of certain raw materials were abnormally low. There is, however, a reduction of over Rs. 14 lakhs in sundry debtors in line with the lower turnover, so that in total current assets show little variation compared with the previous year. The net working capital of the business increased by Rs. 32,00,000 during the year, which is partially reflected in the closing bank overdraft of Rs. 146 lakhs, compared with Rs. 125 lakhs at the end of 1951.

Employee Relations

"It is usual at this meeting each year to ask you if I might send, on your behalf, a message of thanks to Dunlop employees for their work during the year. The recession in our business to which I have already referred necessitated the working hours at Sahaganj being reduced below normal at various times during the year and this naturally involved some financial loss to the operatives. Nevertheless, the situation was accepted loyally and there was no deterioration in the hourly rate of production. By the same token, the task of the sales staff to maintain and in many districts improve our position in the market was harder. All employees have continued to exert their best endeavours throughout the year and I would like to send them your renewed thanks for their faithful service and devotion to duty.

Five-year Plan

"It is fitting at this time that I should make a brief reference to the impact of the Five-year Plan on the rubber manufacturing industry in general, and your Company in particular. The allowance under the Plan for road development would appear to be disproportionately low, but, nevertheless, it must be obvious to all of you that implementation of the Plan will increase the demand for such consumer goods as tyres of all kinds, industrial belting and hoses, etc. I can only assure you that your Company will be prepared to play its part, as always in the past, in meeting any additional demands placed upon it and in contributing towards the well-being of the community and the national economy in every possible way."

The report and accounts were adopted.

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CAUSES FOR HIGH PRICE OF SUGAR

TAXATION ON THE COMMODITY TOO HEAVY

THE warning that unless the Indian sugar industry produced sugar at a price at which it would be possible to compete in the world market it would not survive at all, was once again administered by Mr. Rafi Ahmed Kidwai, Union Minister for Food and Agriculture, while addressing the gathering on the occasion of the annual cane growing competition, organised by the Bihar Co-operative Federation, at Patna recently. It was due to the high price of Indian sugar, he said, that Pakistan and Ceylon were getting their supplies from foreign markets, and added: "The industry has been given protection for a fairly long time to enable it to stand on its own feet and it should try to justify that protection."

This warning is unnecessary so far as the factories are concerned. They are fully aware of the danger to which Mr. Kidwai drew attention in his speech. It is the administrators and those who speak on behalf of the cane-growers that should take note of this warning. Anyone who carefully studies the causes for the high prices of Indian sugar will find that there is precious little the factories can do to bring down the price and that much can be done by the Governments and cane-growers to achieve this object. It will also be found that the present high level of prices is due, in a large measure, to the Central Government's defective control policy. Although the Government does not exercise, at present, any control over prices and distribution, it continues to regulate the flow of sugar from factories. This is being done in a manner that still sustains an atmosphere of scarcity in the country and gives scope for manipulation of the market by dealers and factories in their favour. The quickest way to bring down the price of sugar now is to remove all controls on the freedom of factories to market their production.

Long-term Solution

The foregoing is only a short-term remedy. The long-term solution lies in bringing down the price of sugarcane. It is common knowledge that the high cost of sugar is due primarily to the high level of sugarcane prices, thanks to the anxiety on the part of the State Governments to secure for the cane-growers as large a proportion of profit as possible and to net in, for its own sake, a sizable amount of revenue by way of cane cess. Thus, the fixation of a high minimum price for cane, imposition of a large cess on cane, commission charged by co-operative societies, and transport charges together account for more than 67 per cent. of the total cost of sugar production. On top of these, there is the Central excise on sugar. The table below gives the different elements entering the cost of producing one maund of sugar (all-India average) at present, as compared with the position existing during the period 1932-33 to 1937-38:

	1932-33 to 1937-38		1952-53	
	Cost Rs. a. p.	Percentage to total	Cost Rs. a. p	Percentage to total
Price of cane ..	3 4 0		13 2 0	
Transport of cane ..	0 2 0	44.4	0 5 3	52.5
Co-operative societies commission	0 1 0		0 6 9	
Cane cess			1 14 0	
Central excise	0 14 6	14.2	3 12 1	21.3
Salaries and wages ..	0 10 0	8.1	3 12 10	14.4
Manufacturing expenses (less molasses realised).	1 8 0	20.9	1 13 6	7.0
Packing bags	0 2 0	..	0 5 0	1.2
Net profit (estimated by Government) ..	0 15 0	12.4	0 14 9	3.6
Total ..	7 6 6	100	26 5 6	100

A look at the items above will clearly show that there is vast scope for reduction in the cost of sugar to consumers by lowering Government taxes. The Central excise duty and the cane cess imposed by State Governments together come to Rs. 5-10-1, representing no less than 21 per cent. of the total price of sugar. This is, indeed, a high rate of commodity tax, particularly for such an article of food as sugar. There can thus be no possibility of sugar being made cheap for consumers, to any substantial extent, unless the Governments are prepared to reduce their taxes on it. In their anxiety to collect as much revenue as possible for implementing the Five-year Plan and for meeting their high level of expenditure, the Governments, however, are reluctant to give up any source of their income or to take less than they are taking at present. On the contrary, there is a tendency on their part to increase their share of burden on consumers of sugar. Not long ago, the Centre raised the excise duty on sugar. Now Bihar has decided to raise the cane cess by a quarter anna, from As. 3 to As. 3-3 per maund, which works out to as much as 15 per cent. of the cost of cane. Nowhere in the world is such a heavy cess being collected for the development of cane. The major part of this revenue, it will be remembered, flows into the general revenues of the State Government. We, therefore, reiterate that, consistently with the probable requirements of cane development, the cess can be reduced to, say, As. 1-6, as the former Tariff Board has recommended, and it is to be hoped that the State Governments will make this reduction as early as possible. There is also the need for reducing the sugarcane price to Re. 1-4 per maund. on the basis of cost of *gur* production.

Cane Development

Reduction in the price of cane and in the cess will lower the cost of sugar production by as much as Re. 1-9 to Rs. 24-12-6 per maund of sugar. If the price of cane could be further reduced to Re. 1 per maund, by increasing the yield and improving the quality of cane, the cost of sugar manufacture could be reduced by a further sum of Rs. 2-8 per maund, bringing it down to Rs. 22-4-6. Intensive research in the development of cane, with a view to improving the sucrose content of cane and reducing the quantity of cane required per maund of sugar, is thus of paramount importance in any drive for reducing the price of sugar.

There is also scope for reducing manufacturing expenses under certain items. It is stated, for instance, that an appreciable economy in fuel is possible in most of the mills through an improvement in furnace construction. Some economy can be effected, too, in repairs and consumable stores by replacing the inefficient and worn-out plants with more up-to-date ones. Furthermore, there are said to be a large number of surplus workers who cannot be discharged, owing to certain rules and regulations laid down by the State Governments concerned. No reliable data as to how far the mills are actually burdened with such surplus labour is available, but it must be admitted that there is some surplus labour in several sugar mills. Ways and means should, therefore, be explored to dispose of this surplus labour.

Considering all these factors, it can reasonably be expected—on the assumption, of course, that there will not be any marked rise in the general price level in the country—that the price of sugar can be brought down to Rs. 20 or Rs. 21 per maund. Surely, reduction in prices is the only effective way of placing the sugar industry on a firm foundation.

SUGARCANE CESS RAISED IN BIHAR

The Government of Bihar proposes to raise the cess on sugarcane crushed in the sugar factories from As. 3 to As. 3-3 per maund, with effect from the beginning of the current crushing season. An official Bill seeking the imposition of the enhanced cess—the Bihar Sugar Factories Control (Amendment) Bill—was accordingly introduced in the State Legislative Assembly last week. The statement of objects and reasons underlying the Bill says: "With a view to encouraging the co-operative movement among cane-growers, the State Government has exempted the co-operative societies from the operation of the Bihar Finance Act, 1950. This has reduced the income for the Government and, to make up the deficiency, it is necessary to increase the rate of cess."

The aforesaid decision of the Bihar Government is a deplorable one. The co-operative societies in Bihar are already said to be in possession of substantial funds—it may be noted that the societies charge a commission of As. 6-9 for every maund of cane delivered to the factory—which can be utilised for expanding their activities. These societies, therefore, are not in need of the assistance they are now getting by way of exemption from the cess. The co-operative movement is now fairly well established and has reached a stage when they could be asked to pay at least a smaller rate of cess, say, an anna per maund. Even the existing rate of As. 3 per maund is unconscionably high. Many impartial persons have testified to that effect. What is needed, therefore, is a reduction in cane cess and not an increase. As a result of the increase in the cess, it may be noted here, the additional burden on the sugar factories in Bihar will be of the order of Rs. 11 lakhs, assuming that the factories crush 70 million maunds of sugarcane during the current season.

COAL CONSUMPTION BY RAILWAYS

RECOMMENDATIONS OF FUEL ENQUIRY COMMITTEE

AFTER 16 long months of investigation, the Railway Fuel Enquiry Committee has just published its Report to the Government of India on the various aspects of railway fuel problem. It will be recalled that, in October, 1951, the Committee was appointed under the chairmanship of Mr. Darab Cursetji Driver, "to examine the supply, consumption and reserve stocks of coal on railways and make recommendations for economy in expenditure on coal used as fuel." The enquiry was initiated because of the fact that the fuel bill and, consequently, the cost of operation of the railways had been, and still is, increasing year by year.

The full text of the Report is not yet available. But the Press summary of the Report reveals that in regard to coal required for use in locomotives—loco coal, as it is called—the Committee recommends that efforts should be made to exclude from the future loco-coal programmes, as far as transport permits, coals of calorific value of less than 12,500 B.t.u./lb. and that the use of low grade coal (calorific value below 11,500 B.t.u./lb.) on shunting locomotives should be gradually discontinued. In other words, the Committee feels that the present policy of the railways tending to use more and more of low grade coals should not be carried too far. The chief idea behind these recommendations is that a change-over from coal of higher calorific value to that of lower calorific value involves an increase in the consumption of the quantity of coal which, in turn, results in the wastage of transport facilities. It is said that for every 100 miles of transport, if Grade II coal (11,100 B.t.u./lb.) is used, as against selected coal (12,500 B.t.u./lb.) railways will have to incur an increase in the cost of coal to the extent of about 20 per cent. Besides, it is stated that if coals of lower calorific value were to be used, the life of even the "W.P." locomotives, which have been designed to burn low-grade non-coking coal, would be shorter than their scheduled period. Further, their efficiency will begin to deteriorate much sooner than expected.

Coal Grading

The Committee recommends that an official committee, under the Coal Board, should be appointed immediately to evolve new grades of coal and fix a price which has proper relationship to the "as fired" calorific value. This recommendation is welcome, because, at present, a considerable quantity of coals graded lower has calorific value actually better than those of coals included in the higher grades and that coal prices have been fixed more or less arbitrarily, on the basis of grades determined several years ago.

The Committee says that the railways should in future select their own coals by inviting offers from collieries and by arranging for supplies on contract basis. It feels that a standing loco-coal committee should be set up to undertake all work connected with the framing of loco-coal programmes, inviting offers from collieries for scrutiny and acceptance and the allocation of their approved offers, according to the supplies of transport available. In order to simplify and rationalise transport and to ensure regular and reliable supplies of coal to railways, steps should be taken, according to the Committee, to introduce the system of grouping collieries, with distributing centres to serve as primary receiving points in respect of supplies to railway zones. The liberty allowed to the railways to select their own coals by inviting offers will not be acceptable to owners of small collieries, as it would deprive most of them of loco-coal orders. Nevertheless, the system proposed needs to be supported, because it would enable the railways to get better coal. Besides, it would encourage small collieries to amalgamate and form themselves into big organisations.

The Committee says that collieries and consuming areas should be in zones, rationally linked up to afford movement of block loads along specified directions, and that coal orders should be allocated colliery-wise and pilot-wise to form block loads. In other words, a zonal system, under which points of consumption would be assigned to specified collieries, should be ushered in. This system will not only regularise coal transport, but also reduce wastage in the use of transport facilities, thereby leading to economy in transport costs. Naturally, this proposal will be welcomed as a move in the right direction.

The Committee recommends electrification of a number of sections of railways and steps to introduce diesel traction on the Saurashtra Section of the Western Railway, diesel light rail-car services on suitable sections and diesel power for shunting services throughout India. The recommendation for electrification includes 11 sections of railway lines, with a total length of 2,187 miles. These sections include the suburban services in Howrah and Sealdah Divisions, and, on the main lines, Burdwan-Gaya, Gaya-Moghalsarai, Igatpuri-Bhusaval, Quilon-Ernakulam, Madras-Trichinopoly, Madras-Bangalore, Madras-Bezwada, Virar-Ahmedabad and Delhi-Ambala. The Committee suggests enlargement of power and fuel research and early action to set up a "standing railway power and electrification planning committee" to ensure co-ordination among the authorities responsible for industrial, power, transport, fuel and other national developments, among others. Electrification of railways will undoubtedly help conservation of coals, especially of higher grades. Middlings from washeries and low-grade coals can be used to produce electricity which can be transported over areas at reasonable costs. Introduction of diesel traction and diesel light cars, etc., will also reduce the dependence of railways, especially in areas far away from coalfields.

All these measures clearly spotlight the need for the constitution of regional departments to ensure control over consumption and progress in fuel and power research. The Committee feels that each railway zone should have a fuel control department and a training school. Besides, it urges a central fuel directorate and a central training school. The control measures should be the function of the fuel control organisation and power and fuel research should be the concern of the Railway Testing and Research Centre working in collaboration with Fuel Research Institute.

Further, the Committee has made a number of recommendations, specific and general, with which there can be little defference of opinion. Those of a specific nature relate to the need for the installation of a pilot washing plant at the Fuel Research Institute and the exploration of the possibilities of coal washing, as also setting up washing plants at selected sites. The recommendations of the Committee, which are of a general nature, are that high priority should be given to mining and exploitation of South Arcot lignite, immediate steps to develop outlying coalfields, particularly in Vindhya Pradesh, Madhya Pradesh and Hyderabad, modification of the existing practice of allocation of coal orders and wagons to give effect to regional distribution of coal, and increase in the production of high-grade non-caking coal in Raniganj and Karanpura.

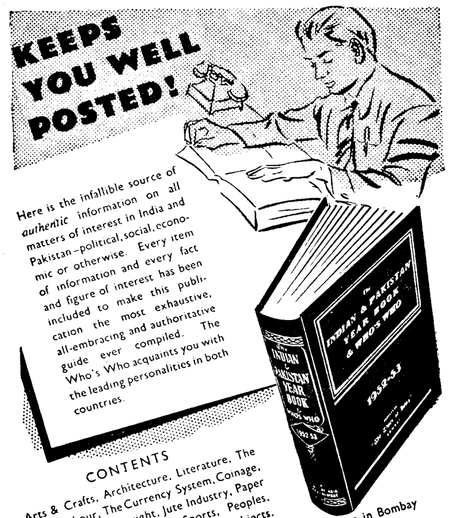
The implementation of the recommendations of the Committee is estimated to result in a saving of about Rs. 6 crores annually for the next five years in the fuel bill of the railways. It is estimated that there would be savings in the consumption of coal by railways to the extent of 20 per cent. of the present consumption. Of the total railway coal supplies of about 20 million tons at present, as much as 83.5 per cent. is consumed by locomotives, 9.5 per cent. is used for non-loco purposes and the balance of 7 per cent. is lost in pilferage.

The Committee has deprecated the tendency to examine rail transport schemes on the conventional basis of immediate financial return detached from the overall picture of national requirements and ultimate economic and working advantages. It states, for instance, that, even though schemes for suburban electrification may initially indicate a low yield, the rapid development of suburban traffic, which invariably follows electric traction, will be accompanied by increased financial returns.

COAL STATISTICS FOR FEBRUARY 1953

According to the Chief Inspector of Mines in India, 826 collieries and 8 coke plants were reported to have worked during the month of February, 1953. On an average, 356,530 persons were employed daily and 8,218,958 man-shifts worked. The overall percentage of absenteeism was 13.01. The output per man-shift for miners and loaders was 1.03 tons, for all persons employed in underground and open-workings 0.57, and for all persons employed 0.37.

During the month, 3,061,067 tons of coal were produced. As much as 105,919 tons of soft coke, 165,379 tons of hard coke and 12,370 tons of other kinds of coke were also manufactured. 2,355,032 tons of coal, 87,698 tons of soft coke, 34,135 tons of hard coke and 4,095 tons of other kinds of coke were despatched during the month. The coal stocks at the collieries on the last day of the month were 3,368,523 tons.





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GOVERNMENT'S RAW JUTE POLICY

OPEN MARKET SUPPORT RULED OUT

THE Commerce Minister's statement on the Government's raw jute policy in the House of the People on the 1st inst., though welcome, does not represent a full-fledged discussion of the problem of raw jute. He, of course, gave good reasons as to why the Government was not willing to extend support to raw jute by making purchases in the open market, but did not explain as to what he proposed to do to relieve the distress among jute growers. Nor did he project his thoughts a little further and say how he would meet the adverse effects of the present policy on the production of jute within the country in future. He did not also refer at all to the question of permitting exports of raw jute, especially *bimli* and *mesta*, the inferior quality jute substitutes not so much in demand from Indian mills as they used to be at one time. The fact that these questions were left unanswered by the Government suggests that it has no clear cut conception of the trend of developments in the future that it has no plan and that it would allow things to take their own course.

Explaining why the Government could not support the raw jute market, Mr. Krishnamachari recalled the unhappy experience of Pakistan in this respect. He was, of course, aware that the position in India was slightly different from that in Pakistan. But, fundamentally, the position was the same, in that the price of raw jute depended on the price of finished goods. In the circumstances, assuming that the Government was prepared to accept the risks of supporting the raw jute market, the losses would run into several crores of rupees. Even though the price at which support could be extended to raw jute would only be at a very low level. "If we fix a price for bottoms at Rs. 17-8 a maund delivered at a railway station so as to work at about Rs. 20 in Calcutta, it might not be," he said, "very satisfactory to the people concerned." The Government could not give more than this price, because the price had to depend on the prices obtained for manufactured goods, he added. In view of these difficulties, few would quarrel with the Government for not extending open market support to raw jute. But one can hardly afford to overlook the effects of this policy on raw jute production in India in the coming years.

With regard to imports of raw jute from Pakistan under the latest agreement, the Minister gave some figures to justify the stand taken by the Government. He stated that the Government would give licences for importing 1.8 million bales from Pakistan only after carefully considering all the consequences and after satisfying itself that the price of jute produced in India would not suffer thereby. This assurance should be taken note of carefully, as this means that, in the event of any serious fall in the price of raw jute in India, the Government will not be bound by the agreement to import 1.8 million bales.

The Minister's arguments justifying the fixation of the quantity of raw jute imports at a minimum of 1.8 million bales from the 1953-54 season onwards deserves to be noted here. This was the quantity, according to him, which was actually imported from Pakistan in the 1951-52 season and yet it had no adverse effect on growers of jute in India. In 1952-53 also imports of Pakistani jute of this size are expected to cause no hardships to growers. For the stocks with the mills on 28th February, 1953, were only 1.2 million bales. Further arrivals from the Indian markets are expected to be one million bales. The total at the end of the season will be 2.3 million bales. As against this, the consumption upto September when the new crop is to arrive is expected to be 3.36 million bales, leaving a deficit of one million bales. As there is need to provide for a carry-over of two months' stocks, that is, 0.96 million bales, the deficit will be nearly 2 million bales. As the country has received so far only 1.1 million bales from Pakistan, there will still be some deficit left uncovered even granting the balance of 7 lakh bales is received from Pakistan. Consequently, the Minister felt that the estimated minimum imports of 1.8 million bales from Pakistan was not on the high side.

Even from the long-term point of view, the Minister considered that the minimum of 1.8 million bales to be imported from Pakistan was not on the high side. For the annual requirements of mills were, he said, of the order of 6 million bales. As against this, the current Indian crop was estimated at 4.1 million bales. If this level of production were maintained, it would leave a gap of 1.9 million bales, a figure higher than the stipulated quantity of imports from Pakistan. The Minister next referred to the targets fixed under the Five-year Plan. By 1955-56 the requirements of raw jute were expected to go up to 7.2 million bales, while the target for Indian production to be reached by then was 5.4 million bales. This left a balance of 1.8 million bales to be filled by imports. The Minister, therefore, maintained that the agreement with Pakistan could not, in reality, be a discouraging factor to indigenous production.

The only flaw in the above estimates is in regard to the estimate of production in the current season. The Minister has placed this at 4.1 million bales, which is the estimate of the I.J.M.A., whereas the official estimate is 4.7 million bales. This, however, does not affect his conclusion, because, if allowance were made for stocks to be held by the mills and the trade, it would be found that the gap would be much more than 1.9 million bales. Moreover, the output of jute in the next, as well as the future, seasons may not be as large as in the current season, in view of the current low level of prices for the commodity. A lower estimate of available supplies of Indian raw jute will not, therefore, lead to wrong conclusions while considering the requirements of Pakistan jute.

While Mr. Krishnamachari convincingly proved that imports of raw jute from Pakistan as provided in the agreement recently concluded with that country were not incompatible with India's desire to expand its production of raw jute, he conveniently refrained from answering the question whether, on the basis of the present level of prices for jute, India would be able to maintain the production of jute at the current level, let alone increase it. Really speaking, this is the crux of the problem of raw material for the jute industry. Sooner or later, the Government will have to face it and find a solution if the Five-year Plan for jute is not to turn out to be a mere paper plan.

5,000 "KENAF" BAGS SOLD IN THE PHILIPPINES

The first commercial sale of 5,000 bags made of *kenaf* grown in the Philippines is reported from Manila. The new sacks are manufactured from 70 per cent. *kenaf* and 30 per cent. jute. The President of the company making this sale stated that, with the successful utilisation of home-grown *kenaf* in the manufacture of much-needed bags for rice, sugar, copra and for other uses, larger areas for its cultivation and establishment of centres for the decortication of the fibre might be expected. With greater supply of the fibre in the future, and through improved manufacturing methods, he expressed the hope of eventually being able to utilise *kenaf* for the manufacture of all the bags required.

A new $1 million jute bag plant to be built at Davoa, Southern Philippines, is expected to be in operation within a year.

GIANT CEMENT BAG

A new type of giant cement bag made of jute has been developed by a firm of jute manufacturers in Europe, according to the Indian Central Jute Committee. Designed to be carried by lorries, and its size depending on the size of the automobiles, the new container can hold any quantity of cement, and with reasonable care, is capable of making at least 20 journeys. It also lends itself easily to waterproofing by the application of a synthetic finish. The jute industries all over the world have now practically surrendered the cement carrying trade to paper, but the commercial use of the giant jute bag is likely to cause a break in paper's monopoly.

(Concluded from next column)

and Italy. Pakistan had set up, he continued, new plants: the Philippines had also gone in for a plant; and there was talk that plants were coming up in the Middle East too. Many of these plants concentrated, according to him, on the production of sacking. "It is difficult to say," he said, "whether we should look to a situation when the demand for sacking would slow down or would at least remain stationary." These observations are rather disquieting, and one cannot help feeling that, if the industry has come to this pass, it is not a little due to the past mistake of the Government, not in imposing heavy export duties but in retaining them longer than was necessary.

WEAKNESS IN SACKING CAUSES CONCERN

DELEGATION TO VISIT AUSTRALIA

THE Indian Jute Mills' Association, Calcutta, has done well in deciding to send a delegation to Australia to study the conditions of the market for sackings there and to explore the possibilities of expanding the sales in that market. The delegation will consist of Mr. J. G. Walton, Deputy Chairman, and Mr. D. P. Goenka, Vice-Chairman of the Association, and an official of the Government of India. The delegation is expected to leave India some time next week. Its itinerary is likely to include Malaya, Indonesia and a few of the Middle East countries growing rice. This is the second delegation during the last 12 months that the I.J.M.A. is sending abroad to study the market for the sale of jute goods manufactured by its members. The first one was sent last year under the leadership of W. G. Moncur to the U.S.A. and the U.K.

Australia has been an important market for Indian jute goods, especially sacking. It lifted from India 62.5 million gunny bags valued at Rs. 19.33 crores in the nine months ended December, 1951. In the same period last year, however, its offtake of Indian gunny bags dropped by about 50 per cent. to 30 million bags valued at Rs. 8.45 crores. A sharper fall was noticed in its purchases of gunny cloth, which, in April-December, 1952, amounted to only 9 million yards worth Rs. 83 lakhs, as against 29.7 million yards valued at Rs. 4.57 crores in the same period in 1951. Such a shrinkage in the size of a fertile post-war market is indeed a serious development and fully justifies the decision of the I.J.M.A. to conduct an on-the-spot study. From the various reports it is gathered that the recent high prices of jute goods were responsible for encouraging the Australian market to adopt bulk handling methods for transporting and storing grain. It is feared that consumers of jute goods have now become so used to these methods that India is unlikely to regain the position it has lost there. One should, however, wait for a true account of the Australian market till the return of the proposed delegation from its tour.

The worsening position of sacking in India is evident from the remarks of Mr. T. T. Krishnamachari, Minister for Commerce and Industry, in the House of the People during question hour on the 1st inst. The production of sacking during the second half of 1951 was, according to him, 276,800 tons. During the similar period in 1952, it was the same, being about 277,300 tons. During the first 12 weeks of 1952, production of sacking was 144,000 tons, whereas, in the corresponding period this year, it had dropped, he said, to 96,000 tons, though there had been a very slight increase during this period in the production of hessian. Similarly, the stocks of sacking during January and February, 1952, averaged about 53,600 tons, while the stocks in the corresponding period in 1953 averaged higher at about 86,400 tons. It was this weakness in the position of sacking that made the Government, he stated, to reduce the export duty on sacking from Rs. 175 to Rs. 80 per ton. He thought it was a little too premature to judge the results of this reduction. He added, however, that the despatches during January and February, 1952, of sackings, both export and internal, were 108,000 tons, whereas, in the corresponding months in 1953, they had dropped to 59,000 tons, the weakness essentially being in export of sackings.

The decision to send the delegation to Australia would appear to be a sequel to the Government of India's rejection of the I.J.M.A.'s proposal to allow its member mills to curtail production. Although the Government has its own reasons for brushing aside the mills' move, it must be admitted that such would have hardly provided a cure for the accumulation of stocks with the mills. It would have only provided, as we have already pointed out, further encouragement to the industry outside India to expand its production and reduce its cost to the permanent disadvantage of the Indian jute industry. The developments in overseas countries were clearly brought out by Mr. Krishnamachari in his statement referred to above. He said that there had been a change-over all over the world to bulk handling. Besides, the phenomenal price that was ruling for jute goods in 1951 diverted the demand into substitutes and encouraged the setting up and expansion of jute mills in other parts of the world. That happened in Germany

(Continued in previous column)

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Paid-up Capital - -	,, 3,14,54,250
Reserve Fund and other Reserves -	,, 3,99,08,177
Deposits as at 31-12-1952 -	Rs. 1,23,37,17,701

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1952-4A

HOUSING IN INDIA

NATIONAL BUILDING ORGANISATION IN THE OFFING

SARDAR Swaran Singh, Minister for Works, Housing and Supply, indicated in Parliament last week that the Government of India had decided to establish shortly a national building organisation. The main object of this proposal, according to the Annual Report of the Ministry for 1952-53, is to initiate research into the problems of cheap housing. The functions of the Organisation include, among others, (a) standardisation of building components and building practices, (b) documentation of the latest results of research in construction technique and wide publicity to these ideas, and (c) the economic utilisation of available building materials in relation to national requirements, etc.

The Organisation is also expected to arrange exhibitions and demonstration projects. Mr. Swaran Singh announced that the Government would organise, in less than a year's time, an international exhibition and seminar on cheap housing. While organising this exhibition, proper care would be taken, he said, to see that the various units put up to represent ideas on cheap housing by the Central or State Governments or by foreign countries, were so situated as to enable their utilisation later on without demolishing them.

Lack of Materials at Cheap Cost

It is now common knowledge that the problem of clearing the tremendous backlog in the construction of houses, especially in industrial cities cannot be solved unless an effective programme for building houses at moderate cost is drawn up and implemented effectively. The planners of such a programme will do well to understand the exact meaning of the phrase "cheap housing." Cheap housing does not mean constructing poor houses. It means, as the Annual Report of the Ministry pertinently observes, that there should be reduction in the cost of building without a diminution in the volume or standard of accommodation provided in a unit.

It was pointed out at the E.C.A.F.E. Conference on cheap housing, held in Delhi towards the close of last year, that what was in the way of development of housing was the lack of steel and other essential materials at a cheap cost. It recommended two pilot projects—one for investigating into the treatment of bamboo and secondary wood species as substitutes for steel and timber in building houses, and the other for the survey and study of clay suitable for making bricks, tiles, etc. Among the methods for reducing cost, the Working Party recommended self-help, simplification of design, time zoning and the like, even if they were to mean a shorter span of life of the houses so built. It is claimed by certain authorities that since approximately half the building costs is spent on labour, the utilisation of the spare time of workers and of the available members of their family would have practically the effect of doubling the volume of housing for a given supply of funds.

In the course of the debate on the Works, Housing and Supply Ministry's demands for grants on 1st April, a number of suggestions were made by members of Parliament for speedily implementing housing programmes, especially urban. The suggestions included imposition of some kind of control on profiteering in sales of building sites, provision of cheap building materials at low rates of interest, suburban development around cities and the like. Mr. Mohanlal Saxena, M.P. from U.P., highlighted the part played by housing corporations and insurance companies in building houses in the industrialised West.

So far, the Government of India has concerned itself mostly with the question of industrial housing, and that for very good reasons. It is admitted on all hands that, among the badly housed, the industrial workers in the larger cities are the worst affected. Attempts have been made, ever since 1946-47, to deal with the problem of solving industrial housing shortage with no substantial results. The main reason for the lack of success in these attempts is that the cost of building, even after assistance by Government, turned out to be high, while the rents that could be realised from the workers had to be low so as to be within their capacity to pay. With a few notable exceptions, voluntary efforts in the field of industrial housing have not produced any satisfactory result.

The success of the present industrial housing policy, announced late in 1952, depends on a number of factors such as the enthusiasm of State Governments, employers and workers' co-operative societies, the quantum of aid at the appropriate time and the supply of cheap building materials. It is gratifying to note that some considerable research has already been done on the subject of bringing down the cost of construction and securing the fullest utilisation of indigenous building materials and other allied subjects at Roorkee and Dehra Dun and at other State Centres. The scheme envisages liberal financial assistance in the shape of both subsidies and loans at reasonable rates of interest towards industrial housing projects undertaken by State Governments, employers or industrial workers' co-operatives. Minimum specifications have been prescribed for single-storeyed and multi-storeyed one-roomed tenements and standard figures have been worked out and these constitute the basis of assistance. According to the scheme, a subsidy of 50 per cent. of the admitted cost of production and a loan towards the rest of the cost of industrial projects undertaken by State Governments or their Housing Boards are being given. In the case of employers or industrial workers' co-operative societies, the subsidy is 25 per cent. and the loan 37½ per cent.

Funds Sanctioned

The response to this scheme has been satisfactory so far. Funds have been sanctioned for the industrial housing schemes of Saurashtra, Madhya Bharat, Hyderabad, Punjab, U.P., Madhya Pradesh and Bombay Governments aggregating Rs. 4,91,02,792, to be disbursed equally as subsidy and loan. These schemes provide for 15,920 tenements by the end of June, 1953. Schemes submitted by private employers have also been sanctioned, their value aggregating Rs. 22,58,635, 25 per cent. of which will be given as free grant and 37½ per cent. as loan by the Central Government. These schemes provide for 1,405 tenements for workers.

Any plan for industrial housing should necessarily include slum clearance. The limiting factor for slum clearance is one of finance. The industrial tenements which are being constructed now can, however, act as buffer pool accommodation, at some places, to take in the slum population so that the slums can be cleared and rebuilt. But it is clear that a bolder policy will have to be initiated to overcome the evil of the slums. As a first step in this direction, the State Governments have been asked to send specific plans for slum clearance in order to help the formulation of a realistic policy on the subject by the Centre on an all-India basis. It is to be hoped that the States will promptly comply with this request from the Centre.

ALUMINIUM MANUFACTURE

It is learned that the expansion programmes of the two aluminium manufacturing units, namely, the Indian Aluminium Company, Ltd., Calcutta, and the Aluminium Corporation of India, Ltd., Calcutta would be complete by the end of the current year. This would result in increasing the aggregate capacity of the aluminium industry in India from the present 4,000 tons of ingots and 3,500 tons of sheets to 7,000 tons and 8,000 tons, respectively. The latest reports indicate that plans are well ahead for the establishment of a smelter with an annual capacity of 10,000 tons by 1956 in the Hirakud area and for the expansion of mining of bauxite at Lohardaga.

MARINE OIL TERMINAL AT BOMBAY

The proposal to construct a marine oil terminal at Bombay harbour for the Rs. 40-crore oil refinery project has been approved by the Bombay Port Trust and work on the project is expected to begin in October next. The terminal will be situated at Butcher Island, three and a half miles east of Bombay harbour. When completed, the project will be the first of its kind in the East. The scheme, which is expected to be completed by April, 1955, envisages building of berths and deepening channels to accommodate oil tankers. A two-mile long pipe-line in the bed of the sea will also be laid on the lines of those in the Middle East oil installations.

STATE TRANSPORT IN BOMBAY

PRESENT POSITION AND PROSPECTS

ADDRESSING a meeting of the Rotary Club, Bombay, last week, Mr. C. S. Patel hailed the experiment in the nationalisation of road transport under way in Bombay as the biggest which any State Government had so far undertaken. Envisaging a bright future, he assured the Rotarians that nationalisation of goods transport, which is to start shortly, would be carried out in such a manner that the existing private transport operators were not subjected to any avoidable hardship.

Mr. Patel prefaced his address by a review of the existing position of the nationalised industry. His account discloses how the State transport industry has developed from scratch into a mighty organisation. Thus, the State Transport has developed from a modest beginning with 36 buses into a fleet of 1,927 vehicles. The service covers two-thirds of the State of Bombay and has a route mileage of about 32,000 and a total service mileage of approximately 1,38,200 a day. The financial aspects of the State Transport Corporation, according to Mr. Patel, are satisfactory. The annual income in 1951-52 was Rs. 505.41 lakhs, as against Rs. 408.41 lakhs in 1950-51, Rs. 211.37 lakhs in 1949-50 and Rs. 55.11 lakhs in 1948-49. The annual income in 1952-53 is expected at Rs. 575 lakhs. It is estimated that it would be Rs. 819 lakhs in 1953-54. The capital employed in 1952-53 was Rs. 877.20 lakhs, as compared with Rs. 505.83 lakhs in 1950-51 and Rs. 160.05 lakhs in 1948-49. The percentage of income to capital generally works out to 65 during 1952-53, 80 in 1950-51 and 40 in 1948-49. It may be noted that the entire capital of the Corporation is contributed by the Union and State Governments, the Union Government accounting for Rs. 584.80 lakhs and the State Government for Rs. 292.40 lakhs.

Mr. Patel, however, gave no indication of the profitability or otherwise of the S.T.C. He did not say, for instance, as to what was the gross return on capital employed and what would be the net return if allowance were made for payment of taxes to the Centre at the same rates as is being done by joint-stock companies owned by private enterprise. In the absence of this vital information, it is difficult to say at what cost the Government has been able to provide transport facilities to the public.

Baseless Charge

Answering the criticism that State transport is costlier than private transport, Mr. Patel contended that it was a baseless charge. He pointed out that, in spite of the increase in the cost of operation, the Corporation had struck to its original fare of 9 pies per mile. Some idea of the increase in cost of operation will be evident from the fact that it was 173.5 pies per bus mile in 1948-49, 240.4 pies in 1951-52 to 247 pies now. In other words, the cost has gone up roughly by 30 per cent., but no increase has been made in fares.

How, then, has this rise in cost been met? Mr. Patel explained that it had been covered by expanding divisions and thereby reducing overhead costs, conversion of engines from petrol to diesel which are substantially cheaper in operation, increase in the average seating capacity of the bus from 28 to 42 and improved techniques of maintenance of vehicles, among others. It is calculated that saving of a pie in the cost of operation per *bus* mile would result in an income of Rs. 2.5 lakhs annually. When the entire State routes are covered by the Corporation, it would result in an income of Rs. 3.5 lakhs to Rs. 4 lakhs per annum. An increase of only one pie per *seat* mile in the rate structure would raise the annual revenue of the Corporation by about Rs. 62.5 lakhs with the present operations and Rs. 90 to Rs. 95 lakhs with the ultimate operations.

CERAMIC INSULATORS

The Government of India will shortly set up a plant for the manufacture of ceramic insulators of all types in India. The productive capacity of the proposed plant is expected to be 2,000 tons a year initially and 4,000 tons ultimately. India at present manufactures Rs. 3.5 crores worth of ceramic goods annually and imports Rs. 2.7 crores worth to cover the deficit between demand and supply. It is now importing all its requirements of high tension insulators for its fast expanding power industry.

An American expert on ceramics, Mr. Walter A. Weldon, whose services have been obtained under the United Nations Technical Assistance Service to India, is already in this country to advise the Government in setting up the plant and on general manufacturing techniques including testing methods and the erection of tunnels and kilns.

THE BANK OF JAIPUR, LIMITED

(INCORPORATED IN JAIPUR, LIABILITY OF MEMBERS BEING LIMITED.)

DIRECTORS' REPORT TO SHAREHOLDERS

The Directors beg to submit the audited Balance Sheet and Profit and Loss Account of the Bank of Jaipur Ltd., for the year ended 31st December 1952.

After providing for all expenses and making necessary provisions, the nett Profit of the Bank for the year amounted to Rs. 3,98,954-9-11 to which is to be added Rs. 1,21,369-13-11 brought forward from last year making a total profit of Rs. 5,20,324-7-10 available for distribution. The Directors recommend its appropriation as under :—

	Rs.	a.	p.
Reserve under Section 17 of the Banking Companies Act	95,000	0	0
Reserve other than under Section 17 of the Banking Companies Act	1,40,000	0	0
Dividend at 3 per cent. tax-free	1,50,000	0	0
Provision for Taxes	1,00,000	0	0

and the balance of Rs. 35,324-7-10 be carried forward to next year's account.

After making appropriations as above total Reserves and other Funds of the Bank will now amount to Rs. 15 lakhs.

During the year branches of the Bank were opened at Bikaner, Kotah and Sawai Madhopur.

The following Directors of the Bank retire under Article 114 of the Articles of Association and being eligible offer themselves for re-election :—

(1) Rawal Sahib Madan Singhji.
(2) Shri Kanai Lall Jatia.

The Directors wish to convey their thanks to the members of the various Local Boards for their guidance and valuable support and the members of the Staff of the Bank for their services.

Shareholders are requested to appoint Auditors for the ensuing year and fix their remuneration.

For and on behalf of the Board,
RAMNATH A. PODAR,
Chairman.

BOMBAY, 23rd March 1953.

BALANCE SHEET AS AT 31st DECEMBER, 1952.

CAPITAL AND LIABILITIES.	Rs. a. p.	Rs. a. p.
Capital—		
AUTHORISED CAPITAL—		
2,00,000 shares of Rs. 100 each	2,00,00,000 0 0	2,00,00,000 0 0
ISSUED AND SUBSCRIBED CAPITAL—		
1,00,000 shares of Rs. 100 each	1,00,00,000 0 0	1,00,00,000 0 0
AMOUNT CALLED-UP at Rs. 50 per share in cash on 1,00,000 shares	50,00,000 0 0	
Less—Calls unpaid	Nil	
	50,00,000 0 0	
ADD—Forfeited shares	Nil	50,00,000 0 0
Reserve Fund and other Reserves		12,65,000 0 0
Deposits and other accounts —		
Fixed Deposits	1,77,03,467 0 5	
Savings Bank Deposits	58,86,413 2 5	
Current Accounts, Contingency Accounts, etc.	2,80,38,553 2 0	5,16,28,433 4 10
Borrowings from other Banking Companies, Agents, etc.—		
(i) in India	2,00,000 0 0	
(ii) Outside India	Nil	2,00,000 0 0
PARTICULARS—		
(i) Secured by part of Government Securities as per contra	2,00,000 0 0	
(ii) Unsecured	Nil	
Bills Payable		26,73,503 3 0
Bills for Collection being Bills Receivable as per contra—		
(i) Payable in India	19,49,611 14 2	
(ii) Payable outside India	2,34,634 8 9	21,84,246 6 11
Other Liabilities		17,53,026 9 0
Acceptances, Endorsements and other Obligations as per contra		2,95,434 4 0
Profit and Loss Account—		
Profit as per last Balance Sheet	4,96,369 13 11	
LESS—Appropriations—		
Transfer to Reserve Fund as provided under Section 17 of Banking Companies Act	1,00,000 0 0	
	3,96,369 13 11	
LESS—		
Payment of Dividend 1,50,000 0 0		
Provision for taxes 1,25,000 0 0	2,75,000 0 0	
	1,21,369 13 11	
ADD—Profit for this year brought from the Profit and Loss Account	3,98,954 9 11	5,20,324 7 10
Contingent Liabilities—		
In partly paid shares of Joint Stock Companies	2,500 0 0	
Liability on account of outstanding Forward Exchange Contracts	3,33,333 5 4	
Claims against the Bank not acknowledged as debts	11,94,200 0 0	
Liability on Bills of Exchange re-discounted (of which Rs. 1,27,239-1-9 have run off)	1,54,211 2 6	
Total .. Rs.		6,55,19,968 3 7

PROPERTY AND ASSETS.	Rs. a. p.	Rs. a. p.
Cash—		
In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		96,29,664 3 8
Balance with other Banks in Current Accounts—		
(i) In India	9,55,182 6 10	
(ii) Outside India	19,288 14 8	9,74,471 5 6
Money at Call and Short Notice		11,60,000 0 0
Investments (at Book Value)—		
(i) Securities of the Central and State Governments other Trustees Securities, including Treasury Bills of the Central and State Governments. Part of the Securities are lodged with other banks for borrowing arrangements as per contra		1,76,07,790 10 0
Face value Rs. 1,77,76,000-0-0		
Average value Rs. 1,71,79,189-6-0		
Market value Rs. 1,70,84,954-6-0		
(ii) Shares— Rs. a. p.		
(a) Fully paid preference shares 1,44,442 0 0		
(b) Fully paid ordinary shares 7,12,895 1 1		
(c) Partly paid ordinary shares 6,750 0 0		
Market value Rs. 7,93,920-13-4	8,64,087 1 1	
(iii) Debentures or Bonds (Market value Rs. 2,96,000)	2,94,000 0 0	
(iv) Other Investments (to be classified under proper heads)	Nil	
(v) Gold	Nil	1,87,65,877 11 1
Advances (Other than bad and doubtful debts for which provision has been made to the satisfaction of the auditors)		
(i) Loans, Cash Credits, Overdrafts, etc.		
(a) In India	2,60,91,561 4 3	
(b) Outside India	Nil	
(ii) Bills discounted and purchased (excluding Treasury Bills of the Central and State Governments)—		
(a) Payable in India	42,71,418 5 3	
(b) Payable outside India	3,37,955 4 0	3,07,00,934 13 6
PARTICULARS OF ADVANCES—		
(i) Debts considered good in respect of which the Banking Company is fully secured	2,30,96,438 10 2	
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security (this includes Rs. 37,99,199-13-1 due from the Government of Rajasthan)	67,29,938 14 3	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	8,74,557 5 1	
(iv) Debts considered doubtful or bad not provided for	Nil	3,07,00,934 13 6
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	42,467 9 0	
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or in the case of private companies, as members	23,69,150 11 0	
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	94,106 6 3	
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or in the case of private companies as members	27,05,676 6 0	
(ix) Due from Banking Companies	44,965 3 9	
Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	19,49,611 14 2	
(ii) Payable outside India	2,34,634 8 9	21,84,246 6 11
Acceptances, Endorsements and other Obligations per contra		2,95,434 4 0
Premises at Cost		37,258 9 8
Furniture and Fixtures—		
At cost upto 31-12-1951	5,57,985 15 0	
Additions and transfers	1,06,900 7 6	
	6,64,886 6 6	
LESS—Sales and Transfers	18,223 3 6	
	6,46,663 3 0	
Rs. a. p.		
LESS—Depreciation—		
Upto 31-12-1951 2,40,562 3 0		
During the year 41,814 0 5	2,82,376 3 5	3,64,286 15 7
Other Assets including Silver—		
Stamps	1,130 7 0	
Stationery	1,05,422 4 10	
Advance payment to Government of India re : Tax	6,87,243 7 0	
Interest accrued	1,95,610 15 9	
Taxation at source	4,18,386 11 6	14,07,793 14 1
Non-Banking Assets Acquired in Satisfaction of Claims		Nil
Profit and Loss		Nil
Total .. Rs.		6,55,19,968 3 7

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1952.

EXPENDITURE	Rs. a. p.	Rs. a. p.
To Interest paid on deposits, borrowings, etc.		8,49,529 15 5
,, Salaries, allowances and provident fund—		
(i) General Manager	43,010 7 9	
(ii) Staff	10,22,046 6 9	10,65,056 14 6
,, Directors' and Local Committee Members' fees and allowances		12,982 8 0
,, Rent, taxes, insurance, lighting, etc.		1,24,863 8 1
,, Law charges		21,272 8 0
,, Postage, telegrams and stamps		51,427 11 1
,, Auditors' fees		5,350 0 0
,, Depreciation on and repairs to the Banking Company's property		48,134 4 8
,, Loss from sale of or dealing with non-banking assets		90,366 12 10
,, Other expenditure		Nil
,, Balance of profit (subject to taxation)		47,887 2 11
		3,98,954 9 11
Total .. Rs.		27,15,765 15 5

INCOME (less provision made during the year for bad and doubtful debts and other usual or necessary provisions).	Rs. a. p.
By Interest and discount	23,36,850 8 4
,, Commission, Exchange and Brokerage	3,60,373 1 9
,, Rents	Nil
,, Net Profit on sale of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular fund or account)	Nil
,, Net Profit on Revaluation of Investment, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular fund or account)	Nil
,, Income from non-banking assets and profit from Sale of or dealing with such assets.	Nil
Other receipts	18,542 5 4
Total .. Rs.	27,15,765 15 5

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have audited the above Balance Sheet of the Bank of Jaipur Ltd., as at 31st December, 1952 and also the above Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the authenticated returns from branches, and report that :—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory ;
(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;
(c) the returns received from Branch offices of the Bank have been found adequate for the purposes of the audit;
(d) in our opinion, the above Balance Sheet and Profit and Loss Account are drawn up in conformity with the law ;
(e) such Profit and Loss Account shows a true balance of Profit for the year ;
(f) such Balance Sheet exhibits a true and correct view of the state of affairs of the Bank according to the best of our information and the explanations given to us and as shown by the books of the Bank, and
(g) in our opinion, books of account have been kept by the Bank as required by section 130 of the Companies Act.

BOMBAY, 23rd March, 1953.

K. N. GUTGUTIA & Co.
Chartered Accountants.

S. B. BILLIMORIA & CO.
Chartered Accountants.

RAMNATH A. PODAR, Chairman.
KANAI LALL JATIA, Vice-Chairman.
MADAN SINGH, RADHAKRISHNA R. RUIA, } Directors.
SUNDERLAL THOLIA, V. NARAYANAN.
S. L. KOTHARI, General Manager.
S. B. L. BHARGAVA, Manager, Jaipur.
J. F. LOBO, Manager, Bombay.

SOME CURRENT INSURANCE PROBLEMS

EXEMPTION OF POLICIES FROM ESTATE DUTY URGED

THE proceedings of the Annual Conference of the Patna Insurance Club, held at Patna on the 28th ultimo, bear interesting and arresting evidence to show that causes calculated to advance the progress of insurance in India still remain distressingly neglected. Particularly the addresses delivered by Mr. Mrityunjay Prasad as President of the Conference and by Mr. S. D. Srinivasan, Manager of the National Insurance Co., Ltd., Calcutta, as chief guest, highlight how the insurance industry in India has yet to tackle successfully its problems such as training of insurance agents, insurance publicity, competition among the branches of different companies, policy lapses, etc. The emphasis laid on these insurance topics by the two speakers, as also Mr. Prasad's interpretation of the implications of the Estates Duty Bill from an insurer's angle, deserves to be noted carefully.

To take first the insurer's views on the Estate Duty Bill. As readers may be aware from our reference to the Estate Duty Bill in the Market Gossip columns last week, the Bill, as presented by the Select Committee with its report to Parliament, envisages the fixation of the exemption limit at Rs. 50,000 to each interest in a joint-stock family and Rs. 75,000 in the case of individual property owners. It contemplates, among others, the fixation of the rates yearly through the Finance Act. Referring to these provisions particularly and to others generally, Mr. Prasad made certain notable suggestions which the legislators who are to consider the Select Committee's report may well take note of. In fact, there is force in his contention that fluctuating direct taxes, involving uncertainty, breed ill-will towards the Government. He, therefore, wants that the Act itself should prescribe a minimum exemption limit, with the Government vested with powers only to raise and not to lower the limit. With regard to the rate of tax, however, he desires that the Act should specify the maximum rate once for all. This suggestion will, if adopted, make the tax system rigid and hence it is likely to prove unsuitable. Perhaps, the suggestion that the rates of duty should not be frequently changed to suit the budgetary needs of the State and that, once fixed, the rates should remain unaltered for a long time, say, five or ten years, will have a better appeal to both the Government and public alike.

Life Policy—a Contingent Obligation

Mr. Prasad has, however, some commendable suggestions to make in respect of estate duty as applied to life insurance policies. He observes that a life insurance policy is that type of property which can be defined as the right to compel payment on the maturity of the policy and till then it is only a contingent obligation. Death duty on such property should be considered, he says, from this angle. As the Bill stands drafted, conditional assignments and nominations do not entitle the policy moneys to be exempt from this tax. Mr. Prasad, therefore, urges that insurance policies meant as provision for the family should be exempted from the operations of this tax upto Rs. 1 lakh. This limit is reasonable, and if accepted, it should go a long way towards giving a fillip to the insurance industry and the savings thus effected should help augment the process of capital formation in India.

Again, in order to avoid the break up of a business, the unwanted and forced sale of a valuable house or property, people will be found to go in for life insurance with the specific purpose of providing ready cash to their heirs to pay the estate duty. Mr. Prasad pleads that insurance mainly meant for this purpose should be free from the tax subject to a maximum of Rs. 1 lakh. This suggestion has, in principle, been accepted by the Select Committee and a recommendation that moneys payable under one or more policies of insurance effected by the deceased on his life for the purpose of paying estate duty or assigned to the Government for that purpose to the extent of the duty payable has been made by it.

Training of Insurance Agents

Emphasising the importance of providing facilities for imparting training to insurance agents, Mr. Prasad regrets that very little has been achieved in this direction. Expressing appreciation of the good work that is being done by the Indian Life Offices' Association in training and examining candidates in the theory and practice of insurance, he tells us that some of the insurance executives have not been evincing keen interest in extending their co-operation to fulfilling, in this respect, the objects of the Association. For, he quotes instances of companies victimising their staff for trying to improve their qualifications by studying for insurance examinations. We are told that one office assistant had to give up the examination for want of a week's leave to prepare for it. Another local branch manager had to resign his job, as his employers refused to give him, even without pay, study-leave to go to the U.K. to qualify for the F.C.I.I. degree. These examples hardly bring credit to the managements of the insurance companies concerned; for this attitude of theirs is not at all conducive to the building up of well qualified and competent executives. The Insurance Association mentioned above should take up the question of training insurance staff with their member-companies in order to see to it that the companies give all reasonable facilities to their staff for equipping themselves with the necessary technical knowledge.

Insurance Publicity

It is well known that non-Indian insurers generally pay close attention to the conduct of insurance publicity through finely printed, attractively designed and alluringly drafted pamphlets. These pamphlets shine by contrast with some of the poor specimens of insurance literature released by some of the Indian companies. This indifference of Indian insurers is regrettable indeed. In this connection, Mr. Prasad's observations are worth recalling here. He says: "Really, to capture the imagination of our masses and bring home our appeal to them, we have got to devise our posters, advertisements, sales-talks in the light of our peculiar problems, our social structure, the changed socio-economic picture and the Indian psychology. In short, we must launch a specialised propaganda. But this is too big a problem to be individually and adequately tackled by individual companies. Over and above individual advertisements, it is high time our insurance offices launched a joint and collective campaign to make our people insurance-minded."

Mr. Prasad is convinced that the success of the Five-year Plan is bound to open new avenues of insurance business, both life and non-life. He regrets, however, that, at the moment, the position is not satisfactory. He says: "Our new business is going down rather than increasing; we are paying more in loans to policyholders, more policies are lapsing due to financial difficulties than in the past. This can be explained by the fact that the average Indian policyholder is hard hit by rising costs of living, rising taxes and depreciation in his capital as well as lowered earning capacity." These considerations should provoke one to think calmly over the possible effect on insurance business of deficit financing which is being resorted to to implement the Five-year Plan.

Lapse of Policies

In view of the unsatisfactory position of new business in India, Mr. Srinivasan's references to increased number of policy lapses acquire special significance. He says: "The shutters must be put on the lapses which, of course, occur genuinely at times due to fluctuations in the economic conditions of the country. But a good portion of the lapses is due to defective selling. Sometimes lapses are also due to overselling by really good agents. But both these can be considerably checked, if there is a better liaison between the agents and the branch. Lapses could also be effectively minimised, if the premium notices and reminders were sent in time and regularly followed up by a more actively induced interest in the agents and the organisers to meet the policyholders more frequently."

The fact that the gathering consisted of insurance men of branches of different insurance companies seems to have prompted Mr. Srinivasan to point out that branches should compete but create no bad blood. "You can certainly fight," he says, "your legitimate battles to a finish without getting bitterness in the bargain. There should be no lack of feeling of charity and there should be no hesitation in admitting that the better man has won. Competition is bad only if it is sordid. The world could do with more of honest competition." To him branch offices of insurance companies are like branches, which are visible signs of life, to a tree, and he asks: "What is your branch, if it is not the life-giving cells of your company?" The supreme tasks which lie before branches, according to Mr. Srinivasan, are prevention of policy lapses, provision of complete and comprehensive service to policyholders and organisation of publicity for popularising insurance among the people.

ENFORCEMENT OF CODE OF CONDUCT

The Executive Committee of the General Insurance Council of the Insurance Association of India, at its meeting held at New Delhi on 30th and 31st March last, discussed the question of implementing the Code of Conduct drawn up by the Council early last year. With a view to exchanging views on improving and strengthening the Code, the Committee decided to meet the representatives of the Advisory Committee of Directors of the Indian Insurance Companies' Association, Bombay, towards the close of this month when it is expected to meet here.

It may be remembered (*vide Commerce* dated 13th December, 1952) that, at its meeting held on 26th and 27th November last, the Executive Committee reviewed the arrangements made for the enforcement of the Code of Conduct for rooting out the evil practice of rebating which continues to prevail in the sphere of general insurance business in India. As a result of the review a decision was taken to do the administrative work in connection with the enforcement of the Code of Conduct in close co-operation with the four Regional Councils at Bombay, Calcutta, Delhi and Madras. In order to ensure close co-operation, it was decided to appoint a sub-committee at each regional centre, with one representative each of the Executive Committee and the Regional Council and two other leading insurance men from the area and to attach to the sub-committee an investigating officer appointed by the Executive Committee. It is now understood that arrangements for the completion of this administrative machinery to enforce the Code of Conduct evolved for general insurance companies are being expedited. The Executive Committee is expected to appoint shortly the four investigation officers referred to above.

It will be noted that already a Code of Conduct has been in operation, pending the establishment of the administrative machinery. This Code is being observed by all insurers carrying on general insurance business in India. The Code forms Appendix 'A' attached to the circular letter No. 2 addressed by the Executive Committee to all the members in March 1952. Appendix 'B' of the same letter will take effect soon after the coming into existence of the administrative machinery mentioned above. This Code requires all licensed insurance agents to register their names with the administrative machinery. It has provisions controlling the activities not only of the agents under certain conditions but also of inspectors, organisers, and branch offices, with the object of seeing to it that no underhand dealings are practised by deflecting general insurance business from one insurer to another. While certain well established insurers have come forward to support wholeheartedly the implementation of the Code of Conduct, there appears to be another section, composed mostly of smaller units, which does not seem to view the move with a friendly eye. Since there are several ways in which the rules could easily be circumvented, the administrative machinery will find it very difficult to implement the code successfully. Success will largely depend on the co-operation of the members of the Association. If at least a large majority of them offer their wholehearted support, there is some chance of the evil of rebating being brought under control. But we wonder whether it will ever be possible to kill the evil itself by these means, so long as general insurance is allowed to remain a competitive business.

PRITHVI INSURANCE TO BE MUTUALISED

The Directors of the Prithvi Insurance Company (Head Office: Madras, Managing Director: Mr. S. Parthasarathy) have decided to mutualise their company. The salient features of the proposed mutualisation scheme are as follows:

The Company has an authorised capital of Rs. 50 lakhs divided into 5 lakh shares of Rs. 10 each. Of this the issued, subscribed and paid-up capital amounts to Rs. 15 lakhs, consisting of 1.5 lakh shares of Rs. 10 each. In order to redeem the paid-up liability on account of the shareholders, the Directors propose refund of Rs. 5 per share in cash out of the amount paid up. Again, for every five shares held, it is proposed to issue two shares of Rs. 5 each fully paid up in the Prithvi's subsidiary, the Asiatic Government Security and General Life Assurance Company. The shareholders will continue to have claim on the amount distributable from out of the accumulated reserves in the general department of the "Prithvi." However, to those who do not elect to take the "Asiatic" shares in satisfaction of Rs. 2 per share, a sum of Re. 1-8 is refundable in cash within 18 months. The mutual company will handle only life insurance, and its subsidiary company will take over the general insurance business of the "Prithvi." The acceptance of the scheme is subject to the approval of the Central Government and the consent of the general body of the shareholders of the Company. If the scheme is finally approved; every existing shareholder gets Rs. 6-8 per share in cash if he refuses to have the shares of the subsidiary company. If he accepts the shares of the latter, he gets Rs. 5 per share in cash and if he holds five of these shares, two shares of Rs. 5 paid-ups of the subsidiary in lieu of Rs. 7-8 in cash.

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J. F. WOOD,
General Manager.

AB. 13

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Managing Director.

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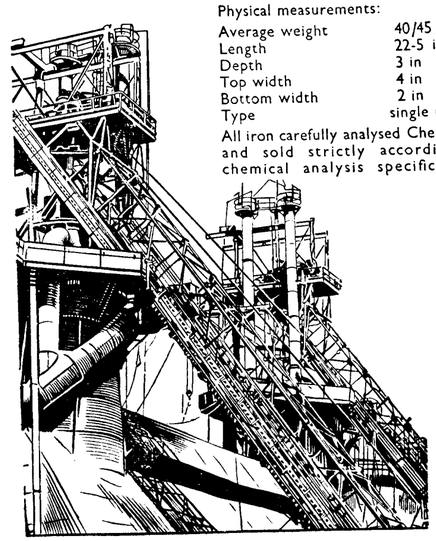

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Depth	3 in
Top width	4 in
Bottom width	2 in
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THE CANARA INDUSTRIAL AND BANKING SYNDICATE LIMITED

DR. T. M. A. PAI WANTS EFFECTIVE CONTROL ON FINANCING OF PLAN

ADDRESSING the shareholders of the Canara Industrial and Banking Syndicate Ltd. at their Twenty-seventh Annual General Meeting, held in Udipi, South Kanara, on 15th March, 1953, Dr. T. M. A. Pai, the Bank's Chairman, referred, in the course of his speech, to the financing of the Five-year Plan and pointed out that the ultimate limit of deficit financing and the consequences thereof would be entirely within the hands of the monetary authority and the discipline of the citizens collectively in the days to come. He desired that people must realise that the money to meet the cost of various projects must ultimately come from their own pockets. Adverting to deficit financing, he uttered a note of warning that utmost control would be necessary to see such financing did not become the "handmaid of political pressure." He also called upon banks "to have a voluntary restraint in the qualitative control of their advances."

The following is the full text of Dr. Pai's address:

"GENTLEMEN,

"We have met after the Central and several of the State budgets have been presented to Parliament and the legislatures. It has now been made clear in the picture that has emerged out of these budgets that in the third year of the Five-year Plan, resources calculated to come out of the revenue surpluses of the Governments, both at the Centre and the States, amounting to about Rs. 568 crores, have shown a bleak prospect of realisation. In the absence of savings and Government loans and in the absence of the States' abilities to resort to further taxation, the alternative that has been left to the Government is deficit financing. The Planning Commission has indicated an estimate of Rs. 290 crores as being the probable limit of this means of raising additional revenues, but once we have accepted the principle as not only necessary but theoretically sound, the ultimate limit and consequences of deficit financing will be entirely in the hands of the monetary authority and the discipline of the citizens collectively in the days to come.

"Sine Qua Non" of Economic Policy

"While the taxable capacity of the people is almost reached and borrowing has its own limitations, the cost of various projects which we have undertaken has to be met either by external aid or by alternative internal resources. The scope of external aid is getting restricted. Reserves built up by the States have almost disappeared, while the spate of spending continues unabated. It seems to me that the time has now come for a pause for reflection on what has happened in the past few years of our independence—how we have spent our resources—and make a qualitative and quantitative assessment of our progress relative to the cost we had to bear for it in the name of a welfare State. What we have planned for the future should have necessarily a bearing on what has happened in the past. Have we not attempted to do too many things within too short a time, however desirable those objectives were? Have our priorities been right? An individual may desire to have so many things for himself, but may not afford them. Ultimately he will find that he can have only what he can afford. Collectively, of course, we are prone to feel that the Government ought to fulfil all our desires without limit, without realising that this money has to come from somewhere and that ultimately this cost has to come from the pockets of the people themselves. In a new democracy, the increasing recognition of this principle by our people and politicians is a *sine qua non* of a stable economic and financial policy. Our resources being extremely limited, we have to use them to the maximum advantage. Before the Planning Commission came into the picture, we were under the illusion that we were a prosperous country and embarked on several schemes which could have been very well given up or postponed, with the result that when really useful schemes are to be taken up, we find ourselves short of resources. This fact alone should have been a corrective for our spending, but if a psychology is now sought to be created that money could be found by resorting to deficit financing, utmost control would be necessary to see such financing does not become the handmaid of political pressure, as otherwise people would never realise that capital formation should come out of savings which could only be the product of hard work and prudent spending. In making the monetary policy effective, the banks themselves would do well to have a voluntary restraint in the qualitative control of their advances. In fact, the Plan itself envisages that 'special effort will have to be made to ensure that credit facilities become available in those lines of production which have been given high priority in the Plan.'

Bank's Working

"It is in this background, I wish to review our working for 1952. The most significant aspect of the Bank's business during the year is a rise of about Rs. 40 lakhs in deposits, showing the deposits at Rs. 4,01,07,199 at the year-end. This has enabled the Bank to keep its advances steady with its own resources, thus reducing the Bank borrowings to Rs. 15,083 from Rs. 46,85,019 on 31st December, 1951. With the voluntary calls that are coming in, the paid-up capital stood at Rs. 25,01,526 as on 31st December, 1952, while the reserves inclusive of the current year's transfer were at Rs. 11 lakhs. Considering the rise in the deposits, the capital would leave some scope for increase, but our subscribed capital is Rs. 32,10,987 and I consider, as experience has shown, whatever in theory one may have to say in its favour, over-capitalisation in banking business brings its own train of difficulties. It would be advantageous instead, to rapidly allow the reserves to grow. The increase in deposits amounting to nearly 11 per cent. over last year has been achieved by an increasing number of deposit accounts which have come to about 1,20,000 so far as your Bank is concerned. While most of the banks have shown a reverse trend in this matter, it is gratifying to note that our experience has been different. This brings us to reflect over a problem that has been confronting banks in South India generally. Even in the case of the biggest of us in South India during the peak periods of their deposits, the total deposits did not exceed Rs. 25 crores. Thereafter the deposits have shown a steady decline. It means, therefore, unless banks try to cover either a bigger area of operation or try to reach more and more remote strata of society neither in their savings nor in their operation banks should be considered to have reached their optimum size. The reason is, South India does not provide for large-scale industries which are in a position to maintain large balances in current account with banks. Even such of those industries that we have, have had to largely depend on bank borrowings with the result not only were the demand liabilities of South Indian banks lower in proportion to the time liabilities even during the war days, thereafter now the shift has been prominently into time liabilities with the result that the average rate of borrowing of the banks has been generally high. Our bank has been no exception to this. With the increase in the cost of operation, the lending rates also have been high. But unless the margin of profits in trade and industries is considerable, which is by no means so, this means, borrowers will not be able to pay a high borrowing rate and yet thrive in their business. The need to reduce the cost of operation by banks is, therefore, imperative.

Increase in Costs

"The ratio of our advances to the deposits stood at 60 per cent., while that of cash-in-hand with bankers and money at call was 19 per cent. and that of investments in G.P. notes to the deposits was 32.5 per cent. With the price falls in commodities, the same physical quantity of the produce could be financed with a much less quantum of money. This is reflected, therefore, both in the fall in bills for collection, as well as the total commission earned. Though the gross earnings remained more or less the same, the net profits were less by nearly 22 per cent. mainly on account of an increase under establishment and interest paid on deposits. The operational costs of the Bank will be the ultimate result of the efficiency of the staff and, therefore, the recruitment policy of the Bank, promotions and training has been mainly directed towards this goal. The staff of the Syndicate has done exceedingly well in loyally discharging their responsibilities and the management will do everything possible to increase their staff amenities. I should like to pay a word of tribute to Mr. T. A. Pai, the General Manager, and the rest of the officers at the head office and branches. They have, each of them, devoted themselves to the task of making the Bank more serviceable, stronger and the great instrument of good that it continues to be. To you, gentlemen, we are grateful for the interest you have been evincing and, I am sure, you will always recommend this Bank and its services to your friends, as a satisfied shareholder or a customer is the best advertisement any bank would desire."

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Estd: 1923

Head Office: **MASULIPATAM**

(A Scheduled Bank)

Paid-up Capital and Reserves over .. **Rs. 36,73,500**
Total Working Funds exceed .. .. **Rs. 6,00,00,000**

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Mylapore Office — **77, Kutchery Road**
Madras Branch — **322-23, Linghi Chetty Street**
Thyagarayanagar Office — **87, Pondy Bazar**

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SUB-OFFICES

Amadalavalasa (Srikakulam Dt.), Challapalli (Krishna Dt.), Duggirala, Gollaprolu, Gandhinagar (Vijayavada), Ichhapuram (Srikakulam Dt.), Jaggayyapet, Maharanipet (Vizag), Narasannapet (Srikakulam Dt.), Nidadavolu, Parvatipuram, Pedana (Krishna Dt.), Peddapuram, Pithapuram, Ramaraopet (Kakinada), Salur, Samalkot, Tirupati, Vinukonda, Kurnool, Anantapur, Cuddapah, Bellary.

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E. RAMACHENDRAMURTI, M.R. C.A.I.I.B. *General Manager.*

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LIMITED

Chairman of the Board

Sir A. RAMASWAMI MUDALIAR, K.C.S.I., D.C.L. (Oxon.)

Offices in Madras City:

Netaji Subhas Chandra Bose Road, Periamet, Triplicane, Mylapore, and Thyagarayanagar

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Erode
Kanchoopuram
Karaikudi
Kumbakonam
Madhurai
Mayavaram
Palghat
Pudukottah
Ramnad
Shiyali
Tanjore
Tenkasi
Tirunelveli Junction
Tirunelveli Town
Tiruchirapalli
Vellore
Vijayapuram
Villupuram
Virudhunagar

K. S. VAIDYANATHAN, *Assistant Secretary.*

THE NATIONAL BANK OF INDIA, LIMITED

PROSPECTS FOR CURRENT YEAR QUITE FAVOURABLE

MR. J. K. MICHIE'S IMPRESSIONS OF THE EAST

THE Annual General Meeting of the shareholders of the National Bank of India, Limited will be held in London on 14th April, 1953. In the course of his statement circulated to the shareholders along with the Directors' report and accounts of the Bank for the year ended 31st December, 1952, Mr. J. K. Michie, Chairman, not only makes a customary review of the economic conditions in the countries in which the Bank operates but also gives his impressions of the recent tour of the countries in the East undertaken by him. His expectations that the year 1952 would be "a year of adjustment" had proved to be true. In some countries and in certain sections of commerce and industry, it involved considerable pain and tribulation. It was a poor year for the importer, he says, but the position is now being rectified and, "if smaller in volume, trade should now be sounder in character than it was." Summing up his impressions of the East, he observes that all these countries require and want foreign aid in the form of capital, and hopes that "a mutually happy *modus vivendi* for British capital and its necessary British personnel will be found." But he adds that goodwill and tolerance will be necessary on both sides.

The following is the full text of Mr. Michie's statement:

"Before dealing with the accounts, I wish to refer to changes in our Board of Directors and our General Management.

"Recently, Mr. J. R. H. Pinckney has been reducing his business responsibilities and expressed a wish to retire from our Board. He will cease to be a member after this meeting and we part with him with great regret. Mr. Pinckney is the doyen of the Board, having joined it in June, 1934, and we shall greatly miss his wise counsel emanating from long experience and a well-stored mind and, in particular, his wide knowledge of the tea industry. We shall also miss him as a friend.

"To fill this vacancy we have appointed to the Board Mr. T. T. K. Allan who retires from the position of General Manager on 31st March. It is our wish that the accumulated experience which Mr. Allan has gained in fifty years of service should not be lost to us and you will be asked to confirm this appointment. But Mr. Allan's qualifications do not rest on service alone. As your General Manager since 1st February, 1946, he has shown a breadth of vision in his approach to the problems of the Bank and a calm appreciation of all aspects of a situation which has been of immense value to myself, to the Board, to his colleagues and, therefore, to the Bank.

"We could not have wished for a better chief executive and the staff could not have a head more sympathetic to their difficulties and their legitimate aspirations.

"Mr. Chisholm, who takes his place, needs no introduction to the shareholders or to our constituents and he carries our full confidence, as does Mr. Kerr, who has become Deputy General Manager.

Accounts for 1952

"Turning to the accounts for 1952, the total of the consolidated balance-sheet shows a reduction of £3,816,532 to £143,467,142 which, in the conditions met during the year, is a relatively small decline. The figure relating to the National Bank of India Ltd, alone has fallen by £1,839,229, although the total of deposits has, in fact, risen slightly—loans payable, on the other hand, have fallen from £4,000,000 to £740,663.

"On the other side of the book, advances have fallen by over £12 millions and, in consequence, cash and investments, including bills of exchange, etc., show an overall increase of £10,962,165. As I explained last year, there were special reasons for advances being temporarily high at 31st December, 1951.

"After making full provision for taxation and other necessary reservations, net profits are £381,444, a reduction of £29,229, as compared with 1951 results, which were exceptional. We are, therefore, satisfied with the results and with the progress the Bank is making.

"We continue to have to spend money on premises and housing, but because of the long-term nature of these assets we have decided it is more logical to spread writings-down over a more extended period and this year we are allotting £75,000 for this purpose. As you can appreciate, your properties are worth very much more than the figure at which they stand in the books. We have allocated £115,000 to contingencies reserve account, thereby strengthening our inner reserves, leaving the carry forward practically unaltered.

"Grindlays Bank Ltd. again had a satisfactory year and we continue to be satisfied with their progress. There is no special feature requiring comment in regard to the operations of our Finance and Development Corporation.

"Branches of the Bank have been opened at the following places since my last report:

Hargeisa, Somaliland Protectorate,
Eldoret, Kenya,
Moshi, Tanganyika Territory.

"The offices at Soroti and Tororo, opened originally as sub-branches to Mbale, Uganda, have now become full-time independent branches. Other developments are in train.

"Through no fault of our own we have again been disappointed in our hopes of opening a West End branch in St. James's Square, but since the beginning of the year progress made by contractors—who are not under our control—has been much better and we can safely promise to be functioning in the autumn. It is regrettable that we shall not be open for the Coronation.

1952—A Year of Adjustment

"The expectation, I expressed last year, that 1952 would be 'a year of adjustment' was certainly proved true and, in some countries and in certain sections of commerce and industry, it involved considerable pain and tribulation.

"Hardly a commodity in the finance of which we are concerned escaped a severe fall in value—jute, cotton and tea in India and Pakistan, rubber, copra and coconut oil in Ceylon (her tea industry suffered but in a minor degree), cotton in Uganda and sisal in Tanganyika. Prices of coffee in East Africa and rice in Burma were exceptions, but the rise in the price of Burma rice embarrassed still further her neighbouring consumers, India and Ceylon.

"Consumer buying power inevitably fell and this was aggravated in some countries by the previous excessive imports resulting in a very poor year for the importer. This position both through Governmental restrictions made necessary by lack of foreign exchange and by the common sense of importers is now being rectified and, if smaller in volume, trade should now be sounder in character than it was.

India

"India is our largest and oldest field. Since the General Election, which returned Congress to power last spring, the Government has shown a firmer purpose in economic and labour matters than was obvious in pre-election days and this must be welcomed.

"The financial policy being followed by the Finance Minister, Sir Chintaman Deshmukh, while recognising the need for lightening the tax burden on individuals, is anti-inflationary and interest rates are now being allowed to play their part in a country in whose money markets that commodity is in short supply.

"The Government has also wisely reduced the export duty on certain jute products and so helped the Calcutta mills to compete with an industry in Europe and elsewhere which need never have been developed to its present extent.

"The tea industry was, in 1952, a headache to itself, to its bankers and to the Government and at the end of the year prospects for quite a large section of the industry were far from bright. Fortunately, due to a combination of causes and circumstances the picture has since improved radically and there is now reasonable grounds for optimism though not for complacency.

"A year ago, there was no cloud in the sky, merely the prospect and hope that in the United Kingdom tea would be derationed and decontrolled. Unfortunately, a long period of bulk contracts in which quality was not sufficiently discriminated for or against in price, encouraged human frailty to assert itself and in all too many cases coarse plucking was indulged in. When decontrol and free auctions arrived, simultaneously came the inevitable consequences, good teas went up in price, poor teas fell catastrophically.

"I am glad to say that the industry took immediate steps to rectify its policy, while the Government of India has given valuable assistance in lightening the burden previously imposed on the industry in the form of subsidies on food, although they have as yet done nothing by way of reducing the imposts of excise and export duties. Fortunately, also the stock position in this country is not so heavy as was feared and the cumulative result has been a steady recovery in prices which we hope will be maintained. My excuse for writing at length on the subject of tea is that because the lesson has been short and sharp, I hope it will not be quickly forgotten. We cannot dissociate ourselves from the problems and policy of one of our largest interests.

"Food production in India remains its biggest and most intransigent economic difficulty and, although by better agricultural methods, by irrigation schemes and by encouraging the use of artificial fertilisers, real, if unspectacular, progress is being made, a continually growing population largely, if not entirely, negatives the gains. The Government's Five-year Plan aims particularly at meeting this crying need.

Pakistan

"1952 was almost as disastrous a year for Pakistan's economy as the previous year was favourable.

"Her foodgrain crops were poor, while prices of cotton in West Pakistan and jute in East Pakistan fell steadily and steeply. She had also in the flush of previous prosperity allowed imports on far too generous a scale.

"To help the situation the Government—I think mistakenly—indulged in price support schemes which in the event left it with stocks on which it has lost considerably. Earlier realisation would have saved their budget from losses and would have benefited the country's external trade balance.

"The Government of Pakistan is now taking energetic steps to rectify the situation which fundamentally is quite sound by limiting non-essential imports and by stimulating exports, though I regret to see a modern State reverting to barter as a method of trading. This, I fear, is another consequence of non-convertibility of currencies.

"Trade between India and Pakistan is not dead, but it is far from being as alive as it should be, and, even though a mere and obvious truism, one must point to the enormous mutual advantages that would derive from a free flow of commerce within the sub-Continent.

Ceylon

"Ceylon is another country that has had to adjust its ideas of importing and Governmental spending to a reduced income. Her major problem is the cost of the necessary imports of foodstuffs, mainly rice and, as her yearly needs are not less than 450,000 tons, this, if imported entirely as rice at present world prices, would cost over £30,000,000. Further, Ceylon was subsidising rice to such an extent that it was cheaper to the consumer than wheat products, which, in fact, cost less than half. Obviously the Government cannot afford such a policy and I am confident it will amend it in its coming budget.

"The feature of Ceylon's economic year has been the barter deal with China of 50,000 tons sheet rubber for 270,000 tons of rice both at prices which seem favourable to Ceylon. Each side will try to assure that shipments balance as nearly as possible and this may well interfere with the smooth working of the agreement. Already the rubber market in Colombo is suffering from the lack of Chinese tonnage.

"Another, and possibly serious obstacle, is the decision of the United States of America and of Great Britain not to allow the use of its tonnage and to forbid the bunkering at its stations of any tonnage used for the transport to China of strategic materials—under which rubber falls.

"If a little slowly, the reconstruction of Colombo harbour is proceeding steadily.

Burma

"During 1952, the control of the Burma currency previously vested in a Currency Board sitting in London was removed to Rangoon under the Union Bank of Burma and the name of the rupee changed to the *kyat*, a name by which it was always known in the Burmese language, and it is now a decimal currency. Under the Union Bank of Burma Act the value of the International Reserve maintained by the Bank shall be not less than 25 per cent. of the Bank's liability on account of deposits and currency in circulation. The present ratio is 90.26 per cent.

"While there are definite and sore irritations, such as the activities of Chinese Nationalist troops in the Shan States and of Red and White Communist guerillas whose sporadic raids are most unsettling, not to forget the continued lack of a firm settlement of the Karen question, the past year has, on the whole, been one of progress, politically and economically.

"The very high prices obtained for her rice surplus have assured Burma of an extremely favourable trade balance—which shows every sign of being increased in 1953—and as Government insists that 300 post-war *kyats*—less 'expenses'—is at least as good a price to the cultivator as was 125 to 150 pre-war rupees, this means that the Government's policy is anti-inflationary—that it is piling up balances which so far it has hardly begun to spend, while the purchasing power of the cultivator remains low. True progress through the increase of law and order will only be reflected in a higher production and it is confidently expected that 1953 will see a larger surplus of rice for export.

"Now that the constitutional position has been cleared by a reference to the Supreme Court, it is expected that negotiations for the projected joint venture in the oil industry will be resumed, and others may follow.

Aden

"Aden has inevitably suffered in trade from the general recession, as a port that is partly *entrepôt* must suffer, and merchants have had to face considerable losses on their stocks of imports, but, on the whole, trade is remarkably active and is, undoubtedly, being aided by the erection of the A.I.O.C. Ltd. refinery in Little Aden.

Somaliland Protectorate

"Our branch at Hargeisa only functioned for nine months in 1952, but the volume of business done is encouraging.

East Africa

Kenya.—"The economy of the Colony has been gravely disturbed by the tragic emergence of the 'Mau Mau' organisation created by a small, but fanatical, section of the Kikuyu tribe.

"There are, in fact, two tragedies; one, that the crisis was not forestalled, and the other, the aftermath of fear and bitterness it will leave behind, however soon the present emergency may be resolved. This will want all the statesmanship and goodwill at the command of the Governor and his advisers to whom our sympathy goes out.

"So far the effects of the 'Mau Mau' activities on agriculture and industry have been less than was to be expected, but they may well increase and last for a long time for Government are being forced to postpone certain schemes of development they had in train.

Uganda.—"Although cotton prices fell, production was good and coffee did well.

"The Owen Falls Electricity Scheme can already sell its potential production and the formation of the Uganda Development Corporation to take over suchlike projects, as the Tororo Cement Works, is a sound move. Considerable mineral development in the Kilembe district is in prospect and a rail link with that area is under construction.

Tanganyika.—"Although sisal and cotton prices have fallen, they are still adequate and, on the whole, the territory had a satisfactory year. As with Uganda, the lack of adequate road and rail communication remains the main obstacle to development, particularly, of mineral potentialities.

Zanzibar.—"Cloves, the principal source of income made satisfactory prices.

"I have just returned from a tour of the East, during which I visited all except four of our branches east of Suez.

"What I saw of our business and our staff was encouraging. Our relations with the various Governments and with the Central Banks, which, in our sphere of activities, represent them, are excellent and the spirit of service which is a well kept tradition throughout the staff is appreciated by our customers.

"The changes caused by the achievement of political independence in India, Pakistan, Burma and Ceylon have demanded a reorientation by British business operating in these countries and, I think, the necessary adjustments, mental and otherwise, have been made very successfully.

"One cannot but be struck by the initiative being displayed by the new Governments made up in some cases of names previously quite unknown to the political scene.

"That their dynamic urges spurred in varying degree by nationalism have led to actions and policies which have not been particularly successful, they themselves would probably admit, but the past two years have at least brought firsthand experience which I hope will be heeded in future.

"Extreme nationalism, I fear often, regards its aims as justifying themselves irrespective of their economic results; on the other hand, all these countries require and want foreign aid in the form of capital and I hope that a mutually happy *modus vivendi* for British capital and its necessary British personnel will be found. Goodwill and tolerance will be necessary on both sides.

"I was struck by the calibre, *esprit de corps* and enthusiasm of our staff of all ranks, wherever I went, and once again we owe them genuine praise and sincere thanks for their work during the past year.

Convertibility of Sterling

"I will end by reference to an issue, about which I am often asked and with which all countries in the sterling area and we, as an Exchange Bank, are deeply concerned—free convertibility of sterling. It has been my view

(*Continued on next page*)

THE NATIONAL BANK OF INDIA, LIMITED

REGISTERED IN LONDON UNDER THE COMPANIES ACT OF 1862 ON THE 23RD MARCH, 1866.

ESTABLISHED IN CALCUTTA, 29th SEPTEMBER, 1863.

Subscribed Capital	**£4,562,500**	**Reserve Funds**	**£3,675,000**
Paid-up Capital	**£2,281,250**	**Number of Shareholders**	**3,039**

BALANCE SHEET, 31st DECEMBER, 1952.

1951 £		£	1952 £	1951 £		£	1952 £
4,562,500	CAPITAL— Authorised and Subscribed—182,500 Shares of £25 each	4,562,500		17,370,212	CURRENT ASSETS— Cash on Hand, at Call and Short Notice, and at Bankers		20,345,056
2,281,250	Paid-up £12 10s. per Share		2,281,250	11,779,649	Investments at under Market Value— British Government and other Securities quoted on the London Stock Exchange	11,483,585	
3,675,000	RESERVE FUNDS—Including Share Premium Account £1,128,750 (1951—£1,128,750)		3,675,000	8,811,300	Indian, Pakistan and Ceylon Government and other Rupee Securities quoted on Overseas Stock Exchanges	9,876,253	
275,161	PROFIT AND LOSS ACCOUNT— Profit unappropriated		274,980	1,132,521	East African Government Securities amounting to £966,200 and other unquoted Investments	991,488	
6,231,411			6,231,230	16,362,679			22,351,326
				65,476,404	Bills of Exchange, including Treasury Bills		23,725,144
				1,962,702	Advances, Loans receivable, and other sums due to the Bank		53,317,597
	CURRENT LIABILITIES, PROVISIONS AND OTHER ACCOUNTS—				Customers for Acceptances per contra		1,010,296
89,803,997	Current and other Accounts, including provision for Doubtful Debts, Taxation on profits to date and reserves for contingencies	89,004,213		122,895,467	Total Current Assets		120,746,419
20,156,131	Fixed and Short Deposits	21,927,618		1,450,000	SUBSIDIARY COMPANIES— Shares at cost less amounts written off		1,450,000
1,267,707	Amounts due to Subsidiary Companies	2,864,043					
4,000,000	Loans Payable	740,663			FIXED ASSETS— Bank Premises, Property and Furniture at cost, less amounts written off		1,261,996
1,779,884	Bills Payable	1,584,541		952,177			
1,962,702	Acceptances for Customers	1,010,296					
95,812	Second Interim Dividend less Income Tax for the year ended 31st December, 1952	95,812					
			117,227,185				
£125,297,644			£123,458,415	£125,297,644			£123,458,415

NOTES

1. Securities to the nominal value of £642,500 (1951—£612,500) have been lodged as security for Government accounts and for guarantees issued to Indian Government Departments.
2. Bills receivable rediscounted £116,814 (1951—£14,680,169) of which up to 12th March 1953—£66,700 have run off.
3. Forward contracts outstanding for the purchase and sale of Bills and Telegraphic Transfers £46,929,156 (1951—£113,834,771).
4. Liabilities have been incurred in respect of building contracts for new premises amounting to approximately £565,107 (1951—£516,689).
5. There are contingent liabilities in respect of confirmed credits outstanding amounting to £9,233,520 (1951—£23,586,847).
6. There are contingent liabilities in respect of guarantees entered into in the ordinary course of business.
7. Overseas Current Assets and Liabilities have been converted at the rate of 1/6d. per Indian Rupee, 1/6d. per Ceylon Rupee, 1/6d. per Burma Kyat, 2/2d. per Pakistan Rupee and £1 per 20 East African Shillings, and other currencies at the rates of exchange ruling on 31st December, 1952.

T. T. K. ALLAN, *General Manager.*
D. A. DEELEY, *Accountant.*
J. K. MICHIE, A. N. STUART, R. L. HIRD, } *Directors.*

REPORT OF THE AUDITORS TO THE MEMBERS.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Bank so far as appears from our examination of those books and proper Returns adequate for the purposes of our audit have been received from Branches not visited by us. We have examined the above Balance Sheet which is in agreement with the books of account and Returns. In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet gives the information required by the Companies Act, 1948, in the manner thereby authorised for Banking Companies and on such basis the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at 31st December, 1952.

We have also examined the annexed Consolidated Balance Sheet and Consolidated Profit and Loss Account of the Bank and its Subsidiaries dealt with thereby with the audited accounts of those Companies. In our opinion such Consolidated Balance Sheet and Consolidated Profit and Loss Account have been properly prepared from such accounts in accordance with the provisions of the Companies Act, 1948, in the manner thereby authorised for Banking Companies and, on this basis, give a true and fair view of the state of affairs and of the profit ascertained in the manner therein indicated of the Bank and its Subsidiaries so far as concerns members of The National Bank of India, Limited.

COOPER BROTHERS & CO.,
W. A. BROWNE & CO.,
Chartered Accountants. } *Auditors.*

LONDON, 18th *March*, 1953.

ROLE OF MANAGEMENT CONSULTANCY—II

THE COUNTER TO ADMINISTRATIVE INERTIA

(By J. SANDFORD SMITH)

[Readers will recall that the first instalment in the series of articles on Management Consultancy appeared in Commerce dated 21st March last. The second and final of the series appears below.—Ed.]

HOW should a Board of Directors or Management, thinking about using consultancy services, get in touch with a reputable and expert firm on whose professional standard of conduct they can rely? Next, having found this paragon, how can they ensure making the fullest and the best use of consultancy advice?

In 1948 Sir Charles Renold, the President of the British Institute of Management, speaking of the purposes of the Institute said "... it is necessary that industry shall have confidence in the standing of the firms and individuals who offer their service as management consultants. Unfortunately, the profession is one which could easily become the happy hunting ground of quacks, and for this reason, an industrial concern may well hesitate to seek this kind of help. To meet this situation the Institute is in consultation with leading management consultants with a view to establishing a Register of Consultants of accepted standing." Since then the Institute has devoted a great deal of time to preparing a Register of Consultants of accepted standing.

Its first and principal task has been to satisfy itself by independent reference that any firm on the Register has proved over the years its ability to render a valuable service to its clients. The Institute has examined qualifications of all practising consultants and continues to check up each year to ensure that a proper standard of competence is maintained.

Professional Code

It has devised a code of professional conduct in the following terms: "It shall be regarded as unprofessional conduct: (1) to advertise consultancy services in the public Press except in the case of classified advertising for staff; (2) to accept, or permit any of their staff to accept, any trade commission, discount, or consideration of any sort, in connection with the supply of goods or services to clients: (3) to have any financial interest in goods or in services (other than their own) recommended or supplied to clients by them, or to be controlled directly or indirectly by a supplier of such goods; (4) to calculate their remuneration on any basis other than a fixed fee agreed in advance (which may be on a time basis); (5) to disclose or permit to be disclosed, confidential information regarding their clients' business: (6) to pay commission or any other form of remuneration to persons not on their staff for the introduction of clients; or (7) to do anything likely to lower the status of Management and Industrial Consultancy as a profession."

Above all, the Registration Committee represents a focal point of which any complaints about consultancy services can be directed in the full confidence that they will be investigated thoroughly and impartially. Any board of directors, municipality or government, can obtain from the British Institute of Management the names of approved consultants of high professional standing and technical competence.

It is natural, perhaps, that United Kingdom consultancy services are being sought for by management all over the world. Britain led the industrial revolution; she has already passed through the stage of totalitarian management when perhaps the main incentive to work was the risk of dismissal and starvation. She is beginning to work out a true industrial democracy in which the native resource and inventiveness of her people, and respect for quality —whether in man or machines, may build a new industrial revolution on the foundations of the old.

Measuring Potential Benefit

The client contemplating the use of consultancy services has to envisage a sizable expenditure in fees before any tangible advantage accrues. How can he be certain that the cost of the fees will represent, in the long run, a profitable investment?

In certain directions, the anticipated benefit to be obtained from consultancy services can be measured with a fair degree of accuracy. As an example, there is the introduction of improved work methods and incentive schemes whereby in normal circumstances a consultant can forecast with reasonable certainty that production will increase by a certain figure, say, 25 per cent. Again, in the general run of consultant service designed to seek economies in administrative and overhead costs, the consultant's usual objective is to achieve a reduction in the annual operating costs at least equal to the whole of his fees; thus that investment in consultant service in this instance should render 100 per cent. return on the money invested.

It is the purpose of the preliminary survey report made by the consultant to set out what service in his view should be rendered and what advantages are likely to accrue from it. Though in many cases he cannot measure these precisely, no reputable firm of consultants will set out gains which from their own experience and knowledge are unlikely to accrue.

The management consultant is the counter to administrative inertia. His is the task of carrying out research, designing plans and helping to implement. It is not suggested that the administrator—the business manager—is habitually the slave of inertia or is incapable himself of trying to bring about change and improvements. But the burdens which he has to carry to-day, and the complexity of the environment in which he works, greatly increase the natural difficulties of promoting changes from within. The consultant can concentrate his attention single-mindedly on the problem.

NATIONAL BANK OF INDIA, LIMITED

(Concluded from previous page)

that this most desirable consummation can only come by being worked for and that to experiment with such a measure before ensuring adequate safeguards in the form of gold and dollar balances would be catastrophic.

"At the time of writing, the means to a solution of this question are under discussion in Washington and it is to be hoped that the result will be a positive contribution. Until then barter arrangements with their restrictive effects are likely to continue.

"The bane of our economic existence today is 'autarchy' a policy bred by fear out of nationalism. When, for instance, rice can be grown at less than half the cost of buying it in world markets, it is surely plain common sense to put capital into agriculture rather than into industries the products of which have to be subsidised. That may be an oversimplification; it is, nevertheless, basically true.

"Despite the difficulties of the times through which we are passing, I have complete faith that your business will grow and expand and, I believe, our prospects for 1953 are quite favourable."

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Sun Life benefits paid during 1952 exceeded Rs. 39 Crore.

Sun Life benefits paid since the first policy was issued in 1871 now total Rs. 868,20,14,906.

FINANCIAL STATEMENT AS AT DECEMBER 31, 1952

ASSETS

Bonds—Government, municipal, public utility and other	Rs. 411,36,30,050	7	5
Stocks—Preferred and guaranteed	10,36,56,820	6	11
Stocks—Common	26,62,69,596	10	8
Mortgage loans on homes, industrial plants, etc.	77,86,00,624	9	1
Real estate (including Company's buildings)	5,35,07,149	13	4
Loans to policyholders on their policies	24,74,56,403	7	6
Outstanding and deferred premiums	8,35,14,350	0	0
Interest and rents due and accrued	4,94,08,694	14	5
Cash	10,60,90,179	0	0
Other assets	74,51,893	2	8
	Rs. 580,95,85,762	8	0

LIABILITIES

Reserves on assurances	Rs. 340,68,14,813	5	4	
Reserves on annuities	123,30,91,090	0	0	
				463,99,05,903 5 4
Policy proceeds and other amounts left at interest for future distribution to policyholders and beneficiaries				56,03,22,493 0 0
Reserves on Company pension plans				3,79,98,951 11 3
Death claims reported for which proofs had not been received prior to December 31st				3,20,62,220 11 3
Provision for unreported claims				1,39,19,400 0 0
Matured endowments, annuity and dividend payments awaiting discharge				2,39,84,559 13 10
Dividends payable to policyholders during balance of dividend year and dividends contingently allotted				3,31,73,988 12 3
Taxes, commissions, medical fees, etc. due and accrued				1,93,84,080 0 0
Miscellaneous reserves and liabilities				3,40,97,346 5 10
Investment reserve				2,00,00,000 0 0
Accident and sickness insurance fund				10,27,146 8 0
Shareholders' account				80,52,737 14 11
Capital	Rs. 66,66,666 10 8			
Contingency reserve	5,00,00,000 0 0			
Surplus	32,89,90,267 10 8			
				38,56,56,934 5 4
				Rs. 580,95,85,762 8 0

82 YEARS OF PUBLIC SERVICE

A summary of the progress of Canada's leading life company since the first Sun Life policy was issued in 1871.

	Insurance Sold During Year	Insurance in Force	Benefits Paid During Year	Total Benefits Since Organization
1877	Rs. 42,14,473	Rs. 99,83,526	Rs. 77,210	Rs. 1,63,113
1892	2,66,37,323	7,96,70,153	14,71,726	66,89,573
1907	5,95,99,310	37,04,52,313	79,78,306	5,83,87,090
1922	30,26,62,163	211,29,11,353	5,20,51,686	43,43,64,613
1937	83,35,46,703	965,52,97,010	25,40,11,143	374,10,24,480
1952	181,86,04,870	1,740,98,23,666	39,53,94,050	868,20,14,906

The above figures are based on the Reports submitted in dollars to the Canadian Department of Insurance and have been converted into Rupees at the rate of 0.3 dollars to the rupee.

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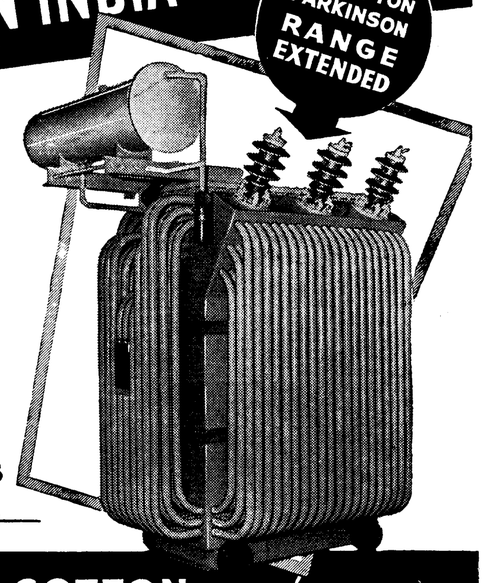

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NEW PUBLICATIONS

Governmental Policies Concerning Unemployment, Inflation and Balance of Payments—1951-52. Published by the Department of Economic Affairs, United Nations, New York. Available from: Oxford Book and Stationery Co., Scindia House, New Delhi. Price: $ 1.00

THE above publication is an analysis of the replies sent by the Governments of the member-countries of the United Nations to questions relating to the trends and policies bearing on the maintenance or achievement of full employment and on related balances of payments.

An annual enquiry concerning these subjects, conducted in accordance with a request by the Economic and Social Council, was initiated in 1949. It was greatly elaborated in 1950 and further modified in 1951 by the Council and, in 1952, by the General Assembly. The major objective underlying the Council's request is to provide the means for a periodic review of the extent to which the Governments have responded to the recommendations of the U.N. with respect to national and international full employment policies. The questions, which were submitted to the Governments by the Secretary-General in February, 1952, were divided into two parts; Part A concerned domestic policies, and Part B covered policies relating to the balance of payments. By August, 1952, replies had been received from 25 Governments; 17 of these replied to both parts of the questionnaire; an additional seven Governments replied only to Part A and one only to Part B.

The replies to the questions dealing with domestic conditions indicate that the more developed private enterprise economies expected a moderate increase, ranging up to five per cent., in total national output in 1952. While Government expenditures were expected to continue to rise in 1952, as a result of increased military outlay, private investment was, in many instances, expected to decline, largely because the rate of inventory accumulation in 1952 was likely to be slower than that in 1951.

With some exceptions, as in the U.K., personal consumption was expected to rise, despite rising levels of armament. No increased pressure of demand upon available supplies and no drop in real wage rates was generally anticipated.

The average level of unemployment in 1951 was less than four per cent., except in Belgium, Denmark and Italy. The pockets of unemployment that had begun to develop in several countries during the second half of 1951 were generally made the object of remedial action. The principal measures took the form of relaxations of tax and commodity control measures so as to increase effective demand and employment opportunities, in view of the fact that armament expenditures and production were proceeding at a slower pace than had been anticipated.

Of the Governments with centrally planned economies of eastern Europe, only Czechoslovakia, the U.S.S.R. and Yugoslavia replied to the questionnaire. The reply of the U.S.S.R. did not include a statement of objectives for 1952; however, from the draft directives for the Five-year Plan for 1951 to 1955 which have been published in the meantime, it appears that an average increase of about 10 per cent. per annum in real national income was proposed for the period in question. The planned increase in consumption appears to be only a little less. In Czechoslovakia, according to the analysis, it was proposed to increase the real national income in 1952 by a little less than 20 per cent. and consumption by about 10 per cent. over the 1951 level. In Yugoslavia, both real national income and consumption were expected to be maintained in 1952 at roughly the same level as in 1951. In Czechoslovakia and the U.S.S.R., there was to be a considerable expansion of investment, while, in Yugoslavia, investment was expected to decline in 1952. In all the three countries, a further increase in military expenditure was planned for 1952.

The underdeveloped countries did not report their development objectives for 1952. These countries, which are primarily exporters of raw materials, experienced a sharp rise in the volume and prices of their exports during 1950 and the early part of 1951. This was followed by a decline in the demand for raw materials and in the prices of such products. Several of the countries reported that they had introduced measures during 1950 with the aim of siphoning off export profits, but had found it necessary to rescind such measures. In India, where the influence of raw material exports is of limited significance for the economy as a whole, the overriding factor in the economic situation in both 1951 and 1952 was the problem of grain shortage, which was reflected in the continuous rise in grain prices.

In its resolution concerning full employment, the Economic and Social Council tried to encourage Governments to prepare in advance the measures which they would be ready to institute in order to meet any threatening growth of unemployment beyond a previously announced limit. The analysis notes that, while several of the economically more developed countries with private enterprise economies adopted policies and measures designed to maintain high levels of employment in relation to their available labour supply, the U.K. remained the only country that adopted a specific full employment standard. This standard was defined as three per cent. of the employees at the seasonal peak. The position of the U.S. continued to be that outlined in the Employment Act of 1946, namely, employment goals are announced from year to year as part of the economic report which the President submits to the Congress. The centrally planned economies reported, in effect, that the development of their economies is planned to utilise their entire labour force and that their effective consumer demand, investment programmes, and related economic policies are arranged to eliminate the possibility of the problem of unemployment.

With respect to the economically less developed private enterprise economies, the Council has recognised that their major employment problem is that of underemployment of labour and of under-utilisation of natural resources. The achievement of conditions of full employment by these countries is, therefore, recognised as involving the promotion of interrelated economic development policies.

An appendix to the analysis contains a table listing the various anti-inflationary measures introduced late in 1950 and in 1951 by a number of Governments which replied to the questionnaire.

The national policies which have been applied in recent years to govern external transactions were largely of two very different kinds. One type comprises predominantly monetary or fiscal measures which affect external transactions only indirectly, chiefly through their influence upon effective demand in general. In their action on the balance of payments, such policies are likely to be on the whole non-selective as to the kind of goods or services exchanged with other countries and non-discriminatory as to the geographical orientation of trade. Such policies, therefore, bear on the global balance of transactions, but may have little more than a proportionate effect on the balance of transactions with particular countries or regions. Various replies received to the questionnaire point to a tendency towards relaxing import restrictions and using curbs on domestic demand, in order to achieve a more stable balance, not only internally but also in external transactions. The other type of policy includes measures bearing directly upon foreign transactions. Such measures are almost invariably selective, in the sense that they favour the exchange of certain goods at the expense of others (exchange control, for instance, is likely to accord priority to the import of essential goods), or that they discriminate among different areas. This type of policy naturally lends itself to influencing the balance of payments with particular countries or groups of countries.

The information, explicit or implicit, in the statements received from the Governments makes it clear that, under prevailing conditions, both types of policy are considered indispensable to countries in the conduct of their foreign business transactions.

As the pressure on the payments situation of many countries increased with the fall in international market prices of numerous staple products, beginning in the second quarter of 1951, many Governments tightened their trade restrictions of the selective and discriminatory type, in order to protect their payments position. The explanations supplied clearly indicated the reasons for this. The difficulties which these countries experienced were not related exclusively to the balancing of their global accounts, but, to a large extent, to the triangular settlement of accounts. In this situation, their chief concern was to reduce these difficulties through a reorientation of trade involving a balancing of accounts with individual countries or groups of countries. Accordingly, outside the very limited group of countries that experience no difficulty in triangular settlements, the pattern of policies applied may be described as one by which the Governments seek to régulate the general or global balance in external transactions chiefly through monetary or fiscal policies bearing on domestic demand, while difficulties of triangular settlement, while not eliminated, may be mitigated by quantitative restrictions, exchange control and similar discriminatory measures.

Surveying the use of restrictions by member-countries in May, 1952, the International Monetary Fund reported that only seven of its 51 members—Canada, El Salvador, Guatemala, Honduras, Mexico, Panama and the United States—had refrained from availing themselves of the "transitional arrangements" of the Fund. Practically all countries employing restrictions on international transactions have discriminated in the application of such restrictions between hard and soft currencies. The analysis finds that the persistence of discriminatory trade controls and widespread non-convertibility of currencies suggests that a satisfactory solution of the problem of balance of payments equilibrium is a matter of international concern.

An appendix to the analysis gives detailed balance of payments forecasts for 1952 and estimates for 1951 by a number of Governments which replied to the questionnaire.

The Demographic Yearbook 1952. Published by the Statistical Office of the United Nations, New York. Available from: Oxford Book and Stationery Co., Scindia House, New Delhi. Price: $ 6.00

The continued increase in city dwellers as opposed to farm residents may necessitate the development of a more elaborate and centralised system for distributing goods and services, according to the 1952 edition of the United Nations *Demographic Yearbook*.

In a study of the increase in urbanisation, the new *Yearbook* points out that the twentieth century move to the cities has brought about a concentration in large cities. In almost every country listed in a table showing the percentage of urban population, most of the population lives in cities of 50,000 or more. The *Yearbook* sees this as the natural follow-up of the surge of industrial development since 1900. It indicates, however, that this concentration may call for important revisions in the distribution set-up.

The 1952 *Yearbook* is the fourth in this demographic series. In nearly 400 pages of statistical tables, two introductory chapters in French and English, indexes, maps and a bibliography, it compiles current and retrospective population and migration data for every country which has available figures. Almost all data are official statistics supplied by national Governments, and supplemented through research in national official publications. A foreword points out that the Statistical Office has made every effort to improve the *Yearbook*, as it has every year. The number of countries included is increased, the code evaluating the quality of statistics has been extended, and comparative figures with earlier years are given in a number of the key tables.

In an interpretive chapter on "Urban Trends and Characteristics," the *Yearbook* emphasises several results of the current move to the cities. It points out that, in general, cities have a greater proportion of women than men, and that the larger the city, the more women there are as compared to men. The study notes, however, that the proportion of city men seems to be greater in countries with a "non-western" or partly "non-western" cultural pattern, though the data on which this conclusion is made may be inconclusive.

Despite the greater proportion of women in cities, the birth rate is lower in cities than in farm areas, the *Yearbook* says. Moreover, fertility as a whole is lower in urban industrial countries than in agricultural countries, and lower in urban areas than in rural parts of the same country, whether the country concerned is industrially advanced or not.

The study also points out that infants in rural areas have a greater life expectancy than those in cities, and that urban mortality far exceeds the rural death rate.

A special map of the world, showing the location of all cities with 100,000 or more inhabitants, reveals where industrial urban development has reached its highest peaks. It clearly points to the concentration of big cities in Western Europe, the eastern United States and Japan. The list of cities shown in this map, with their population and the date on which the figures are based, is given in a statistical table.





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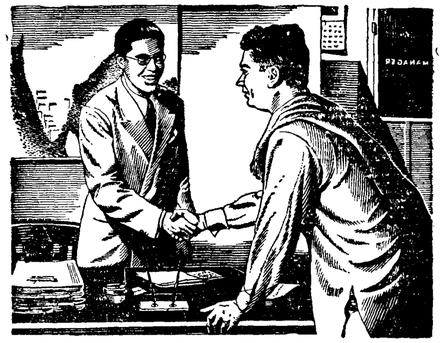

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INDUSTRIAL UNDERTAKINGS OF GOVERNMENT

FAIR PROGRESS IN 1952-53 REPORTED

JUDGED by the developments recorded in the first Annual Report of the Ministry of Production, just published, the Ministry may be said to have achieved a fair measure of progress in the organisation and development of industries in the public sector. To the extent of this progress, the Ministry may well claim the credit of fulfilling the objectives for which it was constituted last year. It will be recalled that the Ministry of Production was created on 13th May, 1952, by the bifurcation of the former Ministry of Works, Housing and Supply into two ministries, namely, Ministry of Works, Housing and Supply and Ministry of Production. The object of creating the Ministry of Production is to ensure the fulfilment of the objectives of the Industrial Policy Resolution, 1948. The Resolution seeks to secure rapid industrialisation of the country by planning and by active and progressive participation of the State in the creation of new industrial undertakings in certain basic industries of national importance.

The main items of work of the Ministry of Production relate to (1) the management of all Government industrial undertakings, excluding those specifically allotted to any other Ministry, (2) production and distribution of salt and coal, and (3) oil refineries. Among the important industrial undertakings are: (1) Sindri Fertilisers and Chemicals Ltd., Sindri; (2) Machine Tool Factory, Jalahalli, Mysore State; (3) National Instruments Factory, Calcutta; (4) Hindustan Cables Ltd., Rupnarainpur (West Bengal); (5) Penicillin Factory, Pimpri (Bombay State); (6) Government Housing Factory, New Delhi; (7) D.D.T. Factory, Delhi; (8) Government (Railway) Collieries; (9) Hindustan Shipyard Ltd., Vishakapatnam, and (10) Rajasthan Salt Sources, Sambhar Lake. The Ministry is responsible for planning and co-ordinating policy, and for controlling and managing industries in the public sector. The company form of management has generally been adopted in the State enterprises under its control, with a view to providing flexibility in administration, by adoption of commercial principles and practices.

Sindri

The Report hails the setting up of the Rs. 23-crore Sindri Fertiliser Factory as a great national achievement aimed at making India self-sufficient in foodgrains. The first quantity of crystalline ammonium sulphate was turned out on 31st October, 1952. The bagging plant was commissioned on 4th February. At the end of 1952, the daily average production stood at 803 tons. During the first few days of 1953, the production was as high as 965 tons a day. There were occasions when the plan was run at about 1,100 tons a day for periods ranging from four to nine days at a stretch. The peak production reached on any single day so far has been 1,317 tons, which is 317 tons more than the average rate of output per day. The total production upto 28th February, 1953, was 2,31,590 tons.

The initial price of Rs. 350 a ton, which was effective till 31st December, has been reduced by Rs. 65 to Rs. 285 a ton and a further reduction is contemplated after the establishment of a coke oven plant for the manufacture of 600 tons of coke per day and the erection of a cement manufacturing plant by the A.C.C., with an installed capacity of 600 tons of cement a day, for the utilisation of the by-product—namely, chalk sludge. It is also proposed to utilise the coke oven gases for the manufacture of urea, a stable fertiliser with high nitrogen contents, ideal for rice cultivation. The plant is estimated to cost Rs. 9½ crores. The entire production of Sindri is contributed to the Fertiliser Pool administered by the Food and Agriculture Ministry. It is intended, however, that Sindri will constitute its own marketing organisation and take over distribution responsibilities from 1st January, 1954. It may be added here that the distribution aspect of the Sindri product has remained neglected since its inception, and the decision to have its own marketing organisation is to be welcomed. It is to be hoped that the move will not be delayed any longer.

Machine Tool

So far as the Machine Tool Factory is concerned, plant and machinery valued at Rs. 110 lakhs ordered overseas have been arriving in a steady flow and are being installed at the factory site at Jalahalli, Bangalore. The hangars for the machine shops are nearing completion. It is expected that initial production will commence by the end of 1953 and reach full production in 1955. In the first stage, production in the factory will be confined to the manufacture of 4,000 lathes of 8½" size a year. The authorised capital of the Company is Rs. 12 crores, but the estimated cost of the project is Rs. 8.73 crores. The Government holds 85 per cent. of the shares and Oerlikons, a Swiss firm of machine tool manufacturers of international fame, the remaining 15 per cent.

Instruments

The reorganisation of the National Instruments Factory at a cost of Rs. 1.82 crores is planned by the Ministry of Production. This factory, one of the oldest in the country, came into existence in 1830, as a small repair and service depot for survey instruments. Under the impetus of the war, it developed into a full-fledged instruments factory, producing no less than 250 broad types of survey, drawing, mathematical, optical and other instruments. Of the amount of Rs. 1.82 crores for reorganisation, Rs. 80 lakhs will be spent within the Five-year Plan period. The scheme covers construction of new buildings, purchase of balancing equipment and of new machinery to replace old and obsolete ones and, what is more important, the manufacture of optical glass. Another important new activity will be the manufacture of linen measuring tapes. The foundation-stone for the construction of new buildings was laid on 22nd February, 1953. Production at the factory has been rising steadily and in the first nine months of 1952-53, it had produced articles worth Rs. 14 lakhs, which is more than the annual production in any of the three preceding years. It is anticipated that production in the full year will be of the value of Rs. 20 lakhs.

Cables

Construction of the Hindustan Cables Ltd. is in progress. The factory is expected to go into production by June, 1953, and reach full production in about six months thereafter. The factory has been planned to produce about 470 miles length of cables of different specifications a year. The sale value of the annual output at present price levels will be about Rs. 87 lakhs. The cost of the factory is estimated Rs. 110 lakhs. India's requirements of dry-core paper insulated telephone cables, at present met entirely from imports, are of the order of Rs. 1 crore a year. The annual consumption by the Posts and Telegraphs is about Rs. 80 lakhs. The Company has concluded a technical assistance agreement with Messrs. Standard Telephone and Cables, Ltd. of the U.K.

Penicillin and D.D.T.

A penicillin factory is being established with the assistance of W.H.O. and U.N.I.C.E.F. The Government of India will contribute Rs. 130 lakhs towards its capital and the other two organisations $12 lakhs. The ownership, as well as administration of the factory, will vest with the Government of India. The factory is planned to produce 3,600 billion units of penicillin a year to start with, rising to 9,000 billion units a year. The factory is expected to go into initial production by December, 1953, and reach full production a year later.

A D.D.T. factory is being established also with the assistance of the W.H.O. and U.N.I.C.E.F. The contribution of the Government of India is Rs. 22.45 lakhs and the W.H.O. and U.N.I.C.E.F. $3.5 lakhs. The factory, with a capacity of 700 tons of D.D.T. per year, is expected to go into production before the end of 1953.

Shipbuilding

The participation of the Government of India in shipbuilding by acquiring a two-third interest of the Hindustan Shipyard, at about Rs. 180 lakhs, is expected to be a prelude to the development of the Shipyard to meet India's growing needs for shipping. A French naval firm of international reputation, with which an agreement for technical aid co-operation is concluded, has submitted a report which is under the consideration of the Board of Directors. The Shipyard is planned to be equipped to build ships of all descriptions, passengers and cargo vessels, tankers and naval units up to a tonnage of 15,000. Provision has also been made for the manufacture of modern engines and boilers and for the expansion of berths for increasing its shipbuilding capacity. The Planning Commission has made a provision of Rs. 14 crores in the Five-year Plan on account of the Hindustan Shipyard.

The Government of India accepted, last year, the proposals of the Standard-Vacuum Oil Company of New York and the Burmah-Shell Group of Companies, London, for the establishment of oil refineries, one each at Trombay. Only a few days ago, it accepted the proposal of the Caltex Company of New York to set up another refinery at Vishakapatnam. The total capacity of the refineries is estimated at 3.8 million tons of crude oil per annum. The refineries, besides providing a major part of India's oil requirements, are expected to furnish the basis for a modern petro-chemical industry, utilising numerous by-products from the refineries.

Among other units with which the Ministry is connected, mention may be made of the following: (1) The Hindustan Housing Factory Ltd. has been incorporated as a private limited company, with the Government of India and Messrs. Basakha Singh-Wallenbang Ltd. as equal partners. The paid-up share capital is Rs. 1 lakh. The Company will manufacture foam concrete roofing panels, pre-stressed concrete components, woodwork for buildings, etc.; (2) the Mandi Salt Mines, the only known rock salt deposits of India, is proposed to be developed and a provision of Rs. 1 crore on this account has been made in the Five-year Plan. Core drilling of the mines is being carried out to ascertain the extent of salt deposits, before the development is taken on hand; (3) a heavy electrical power plant for the establishment of which the Planning Commission has signified its intention to provide Rs. 7 crores; and (4) the Nahan Foundry in the former Sirumur State, was purchased by the Union Government from the ex-ruler of Sirampur State, following the integration of the State with Himachal Pradesh. The foundry manufactures sugarcane crushers, sugar boiling pans and other miscellaneous articles required for our manufacture.

The Government of India has set up a Coal Board under the Coal Mines (Conservation and Safety) Act, 1952, to deal effectively with problems relating to safety in mines and conservation of coal. The railway collieries continued to be managed by the Ministry of Production during 1952. The working of collieries during 1951-52 resulted in a profit of Rs. 11 lakhs. The ownership of the railway collieries is shortly to be transferred to the Ministry of Production. The Government has under consideration the question of setting up a State-owned iron and steel project.

IMPORT OF COPRA AND COCONUT OIL

GOVERNMENT'S POLICY DEFENDED

IN the course of a discussion on import of copra and coconut oil the other day in Parliament, Mr. T. T. Krishnamachari, Minister for Commerce and Industry, Government of India, vigorously defended the Government's import policy. Mr. V. P. Nayar, a Communist M. P. from Madras, at whose instance the discussion was raised, condemned the import policy as callous and stepmotherly and calculated to encourage industries at the expense of millions of coconut growers in India, especially in Travancore-Cochin and the district of Malabar in Madras State. He alleged that the pursuance of this policy would result in "killing the goose that laid the golden egg." He based his arguments on the ground that the prices of copra and coconut oil were on the downward trend, as a result of the Government's import policy. He contended that the bulk of coconut oil and copra was being consumed for industrial purposes and that only a small percentage represented domestic consumption.

Anyone who studies the facts about this industry will find that, true to the policy of his party, the Communist member spoke nothing but untruth. It is gratifying to find that the Minister concerned, Mr. Krishnamachari, tore Mr. Nayar's version to pieces by quoting facts and figures which are unassailable.

Mr. Krishnamachari declared, without any fear of contradiction, that there was no basis whatsoever in the complaints made and that "much ado about nothing" was made. He pointed out that the prices of copra and coconut oil had not been dropping but had been following an upward trend in recent months. Thus, copra was quoted in March, 1953, at Rs. 1,253 a ton, as against Rs. 1,132 a ton in November, 1952, and Rs. 871 a ton in March, 1952. The price of coconut oil last month was Rs. 1,887 a ton, as compared with Rs. 1,648 a ton in November, 1952, and Rs. 1,300 a ton in March, 1952. It will be seen from these figures that the prices of copra and coconut oil are even to-day much higher than what consumers can afford to pay. Incidentally, the ruling prices for coconut oil are higher than the price of Rs. 1,620 a ton considered to be quite remunerative by the Indian Central Coconut Committee in June last year. But even this price, as Mr. Krishnamachari said, is on the high side and out of parity with the prices of other commodities. It is significant that, while there has been a progressive decline in the price of industrial commodities like cotton textiles since May last, the prices of agricultural commodities like copra and coconut oil have been upward. Surely, as Mr. Krishnamachari pertinently observed, "we cannot, in the circumstances, allow the price of agricultural commodities to rise to offset any reduction in the cost of living achieved by the drop in prices of manufactured goods."

No Sound Reason

The grievance of coconut producers arises from the fact that to-day's prices are below the peak levels seen towards the end of 1950 when the Korean War boom was on. At that time, the price of coconut stood at Rs. 1,644 a ton and the price of oil at Rs. 2,464 a ton. But these rates were inordinately high, being as much as eight times the pre-war level. Surely, no one can expect to enjoy such boom times for all time. Consequently, the non-availability of boom prices can scarcely be regarded by the producer of any commodity as a good ground for grievance against the Government.

A brief review of production, consumption and imports of copra and coconut oil discloses that the charge of domestic producers having been let down by excessive imports is baseless. The average production of coconut oil during the last three years has been about 107,700 tons per annum, as against the estimated requirements approximately of 150,000 tons. There is thus definitely a shortfall of 40,000 tons of coconut oil which has to be met by imports from abroad. As against these, imports in 1952 amounted to 28,288 tons of oil and 18,350 tons of copra. In other words, imports were just sufficient to meet the shortfall in supplies. Accordingly, it would be incorrect to presume that excessive imports have had an adverse effect on prices.

The contention that the prices of coconut and coconut oil do not matter very much to consumers is pure nonsense. For 55 to 60 per cent. of the total supply of these in India is used for edible purposes. Of the balance, only 12.5 per cent. is taken up by the soap industry, the rest

representing consumption for toilet, domestic and illumination purposes. The higher the price of this edible oil, the higher will be the cost of living in those parts of the country where it is widely used.

The present prices of copra and coconut oil at Rs. 1,253 and Rs. 1,648 per ton are very high. It is feared that they might shoot up further. For the groundnut crop this year is poor and the deficit in the supply of groundnut oil is expected e no less than 2½ million tons. If we are to the normal deficit of 40,000 tons of coconut the overall deficit of vegetable oils will be ut 3 million tons. It is because of this possiy that prices of all oilseeds and oils have n showing an upward trend.

Expressing concern at this development, Krishnamachari said:

"The cost of living index has been steadily g from December, 1952. The whole scheme of our planning for the future depends upon our holding the price line firm and I do not mind admitting to the House that we view this rise in the cost of living with considerable alarm, and the Government would take every possible step to bring down the prices of articles of internal consumption to reasonable levels."

Now that the Minister himself admits that something must be done to bring down prices, it is to be hoped that he will favourably consider the suggestion that imports of copra and coconut oil must be placed under the O.G.L. and that the Government should offer some positive encouragement to soap manufacturers to utilise non-edible oils in preference to edible oils. The implementation of these two suggestions will result in an increase in the supply of vegetable oils in the country and thereby induce a fall in prices, especially of edible oils.

SUPERIOR AIR DRYING VARNISHES

Formulations for the production of superior air drying varnishes have been worked out at the National Chemical Laboratory, Poona.

In India, oil varnishes are usually prepared from ester gum and zinc resinate, the films of which are not sufficiently resistant to water, acids and organic solvents and are comparatively less flexible compared to films from other resins.

In the new formulations by the N.C.L. metallic salts of polymerised fatty acids are employed in place of the resins. The films obtained through their use have a high gloss and are flexible and tenacious. They also possess good resistance to common organic solvents, water and acid solutions. Oil varnishes prepared from these metallic salts have been tested for their weathering properties over a period of six months and have been found superior to corresponding ester gum varnishes. Besides ordinary uses, these varnishes can be used for waterproofing of textiles.

The various raw materials required for the manufacture of these metallic salts are readily available from indigenous sources. The process is simple and requires little extra equipment.

in Madras... they know that

more motorists use triple-action Mobiloil

than any other motor oil in the world!



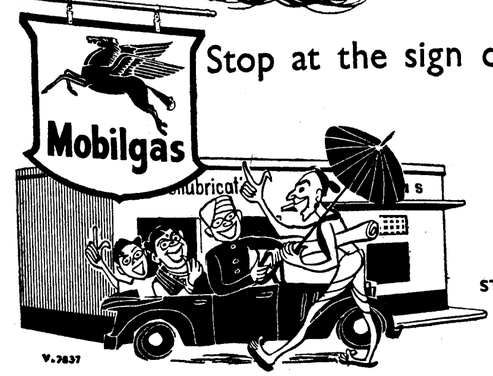
The people of Madras, endowed with an enviable gift for pronouncing long names, are also noted for their proficiency in mathematics. The Madras motorist, for instance, has no hesitation in saying 'Mobiloil' as he pulls in at the sign of the Flying Red Horse; and on adding up his accounts, he readily proves that Mobiloil reduces his running costs.

Like his fellow motorists all over the world, he knows that Mobiloil is a *Heavy-Duty* oil, giving greater protection than regular or premium-type oils – and can see for himself that it ...

SAVES ON WEAR *by lubricating properly at all temperatures;*

SAVES ON REPAIRS *by preventing harmful carbon deposits in the engine;*

SAVES ON PETROL *by preventing acids eating away the metal parts, which causes loss of power.*



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IMPORTANCE OF FOOD PRESERVATION INDUSTRY

NEW PLANT INAUGURATED AT CHITALENAGAR

THE seasonal character of food and fruit gives rise to the need for preserving them, with their nutritive value intact. This need is met by the development of food preservation industry. Preserved foods can be used not only in the off-season but also in urban centres and distant areas which are poorly endowed with nature's bounties. In a country such as India which is a land of distances and where failure of monsoon is frequent, occurrence of famine common, and growth of population persistent, manufacture of nutritious foods preserved in cans and bottles lessens the rigours of the food problem.

The canned food industry has, however, its own problems. Canned foods are still a luxury in this country. People too are generally not in the habit of consuming canned food. There is also a certain amount of prejudice which needs to be eliminated before people can be expected to accustom themselves to the use of canned food on a large scale. In several directions a move has to be made by the industry to make preserved food popular. Not only does the quality of the food now manufactured require to be improved but a high standard should be maintained. The prices of such food also require to be reduced considerably in order to enable the common man to use it. High cost of sugar and cans and freight rates form a substantial proportion of the cost of production. The future of the food preservation industry, therefore, largely depends on the extent to which these problems are solved. The industry needs to be built up on progressive lines, with the help of research. The establishment of the Central Food Technological Research Institute at Mysore is intended to serve this end. Given proper encouragement, the industry can undoubtedly look forward to a great future.

The lines on which leaders of this industry are applying their minds to develop it are provided by some thought-provoking observations made by Mr. N. Y. Kashalkar in his presidential address at the Tenth Annual Conference of the All-India Food Preservers' Association in New Delhi recently. He said that production of fruit and vegetables must be increased by a very high percentage in order to raise the nutrition standards of the people of India. He was absolutely certain that the increase has to be very much larger than the five per cent. visualised in the Five-year Plan. He drew attention to the F.A.O. recommendations that India should grow 350 per cent. more fruit and vegetables. According to this U.N. body, South-East Asian diets contain too little proteins and vitamins. Any such increase in fruit and vegetable production would only result, Mr. Kashalkar stated, in more food being wasted, if it is not accompanied by a corresponding increase in the country's preservation capacity. "Food preservation was," he declared, "the twin-sister of good production. The Government must also realise that food did not mean merely cereals." He said he had a plan to open 600 canneries in a period of five years with a total capacity of 3,000 tons a day. These canneries should be run primarily in the interest of the consumer. Preservation of larger quantities of food could, he opined, be helpful in keeping the prices of food low. This would also mean making factories more hygienic.

While on this subject, it will be interesting to record here the exploits of the Chitale Agricultural Products Ltd., Chitalenagar, in Malshiras Taluk, Sholapur District. Under the management of two enterprising brothers, Messrs. S. D. Chitale and W. D. Chitale, this company has started a subsidiary, known as the Chitale Syrups and Allied Products Ltd., for the manufacture of preserved foods. The subsidiary has put up a fully equipped plant which was declared open last week by Dr. A. V. Baliga, President, Association of Surgeons of India. The factory is designed to manufacture preserved foods such as jams, jellies, pickles, syrups, etc., on hygienic lines.

The new venture seems to have been preceded by considerable planning, preparation and research calculated to make it a success. The raw materials required by the industry, namely, sugarcane, papayas, lemons, oranges, grapes, bananas are all cultivated in the lands owned by the parent company. Modern methods of agriculture, involving large-scale farming, scientific system of irrigation, preparation of composts, use of agricultural tractors, hybridised seeds, mixed-farming, and extensive and intensive cultivation, have all gone into the production of these crops. Care bestowed on designing special types of bunding operations for the entire area suitable to the particular physical features of the tract with a view to using the irrigated water to the best advantage is a special feature of the methods of cultivation practised by the management. Substantial increase in yields—record ones in some cases—has enabled the Company to supply the raw materials not only on a scale that permits large-scale manufacture but at a price which should help reduce considerably the cost of the finished product. As sugarcane juice, instead of sugar, is used directly as a raw material, this factory scores an advantage over its confreres using sugar, in that it saves the additional cost involved in converting the juice into sugar.

Another notable feature which is likely to make the new venture a success is the attention devoted to the welfare of the workers of the factory, numbering nearly 4,000. The Company has built *pucca* residential quarters which are being provided free of rent. Tap water and electricity are also provided free of charge. Free medical aid, education, provision for recreational facilities, establishment of an art centre and library are the other amenities which go to secure the willing co-operation of the workers in giving their best to increase productivity in the factory. Viewed as a whole, the Chitalenagar Colony may be taken as an example of what a community project, now sponsored by the Government, should be like.

(Concluded from next column)

either on the basis of area to be covered or on the output of work. Rates are fixed in this manner for preparatory operations such as embanking and also for harvesting and thrashing. At the time of enquiry, in certain villages selected in Assam, the piece rate for transplanting, for instance, was Rs. 12 per acre. The daily wages of casual workers in many of the States were sometimes supplemented by customary perquisites, such as household sites, light refreshment or daily meals, etc.

Rates of minimum wages for agricultural wages have been fixed in a number of States including the Punjab, Delhi, Kutch, Bilaspur, Himachal Pradesh, Uttar Pradesh, and Coorg. The main object of fixing minimum wages is to see that the worker is assured of a subsistance living or that he is paid a wage which bears a fair proportion to the market value of the products. The Report gives a brief review of the minimum wages fixed in the various States at the time of enquiry.

The Report also deals with the question of *begar* or involuntary labour. Article 23 of the Constitution of India prohibits traffic in human beings, *begar* and other forms of forced labour. The States may, however, impose compulsory service for public purposes. Section 374 of the Indian Penal Code, 1860, renders liable to imprisonment or fine anyone illegally employing forced labour. A mild form of forced labour was permissible under the Criminal Tribes Act, 1924, which was repealed by the Criminal Law (Repeal) Act, 1952. The Act also repealed every other law corresponding thereto in any State or part thereof with effect from 31st August, 1952. The State Governments have been requested to give the widest publicity in the rural areas to the constitutional and legal provisions so that the evil of forced labour existing either in disguised or any other form might be totally eradicated.

A brief review of the Report thus discloses that only a beginning towards regulation of wages of agricultural workers has been initiated. Minimum wages are to be fixed yet in certain States. There is, therefore, quite a lot to be achieved yet. But there is the danger that any arbitrary or ideal levels fixed might have adverse effect on the agricultural economy. The position in most of the States is that, owing to low productivity of farms and in the absence of scientific methods of cultivation, wages cannot be maintained at levels that can afford a reasonable standard of living to workers. The problem of fixing a fair minimum wage, therefore, is not an easy one. It remains to be seen how the authorities will tackle it satisfactorily, without violently upsetting the present set-up in rural areas.

AGRICULTURAL WAGES IN INDIA

FINDINGS OF MINISTRY OF LABOUR

THE Report of the Union Labour Ministry on agricultural wages in India, published recently, contains the results of an enquiry into the working conditions of agricultural labour, conducted on a nation-wide scale for the first time. The Report is expected to help the authorities to evolve protective and ameliorative measures for workers engaged in agriculture, including the fixation of minimum wages under the Minimum Wages Act, 1948, in States where they have not been fixed so far. The importance of this Report lies in the fact that agriculture occupies the major place in the economy of the country and is the chief source of income for the majority of the population. The level of agricultural wages, therefore, is a crucial index of the standard of living of the nation.

The rate of agricultural wages in India is mostly determined by custom and tradition. And it is the general experience that, in backward areas, the economically stronger party is usually able to exercise some degree of pressure to mould custom and convention to its own advantage. Subject to these, the law of supply and demand for labour operates. And as the pressure of population on land is great, the levels of wages tend to stabilise at, if not decline below, the existing levels and the chances of any improvement are, therefore, remote.

There are two distinct kinds of labour, namely, permanent labour and casual labour. The employment of casual labour arises from the exigencies of work to be done on the farm. The Report, based on a sample survey of villages in the various States, discloses that, except in P.E.P.S.U., where the attached or permanent workers are of the order of 74 per cent., the bulk of agricultural workers fall in the category of casual labour. In Assam, Madras, West Bengal, Mysore, Rajasthan, Saurashtra, Travancore-Cochin, Coorg, and Tripura, the percentage of attached workers is less than 10; in Bombay, Madhya Pradesh, Orissa, Hyderabad, Madhya Bharat and Ajmer, it is above 10 but less than 15; in Jammu, Uttar Pradesh and Bhopal, it is above 20 but less than 25; in Delhi, Himachal Pradesh and Vindhya Pradesh, it is above 25 but less than 35 and in Bilaspur it is 40.

The terms of employment of attached or permanent workers and the methods of remunerating them vary from State to State. The terms governing the period of contract, conditions of employment and modes and amount of wages are generally settled between workers and the employers by mutual agreement, which is usually oral, though sometimes reduced to writing. Attached workers are engaged either for a year or at least for a month, but frequent cases of lifelong and even hereditary employment were noticed during the enquiry. Driven into debt by their poverty, the agricultural workers have to render lifelong service to their creditors, when they cannot pay. In West Bengal, for example, loans are advanced to workers on condition that they or any other member of the family remain attached to the creditor for agricultural work or household duties. In Bihar and Orissa, an attached worker is usually allowed a loan of Rs. 50 to Rs. 100, at the beginning of the year, and unless and until he repays the sum, he is not permitted to leave his employer. In some States, it is customary for the employer to bear all expenses on account of marriages in the workrs' family, on the understanding that the workers would be attached to the creditor for agricultural work.

The average rates of wages for adult men in 1949-50 ranged between Re. 1-15-3 and Rs. 2-2-7 a day, in Assam; a little above Re. 1 in Bombay, Bihar, Punjab, Uttar Pradesh and West Bengal, except for weeding in Bombay, where the adult worker was paid Re. 0-14-3, on an average. Relatively lower rates of wages prevailed in the villages selected in Madhya Pradesh, Orissa and Madras, where the average wages were mostly below Re. 1 a day. In computing these figures, the Report has included the cash value of perquisites received by workers to wages paid in cash. The price factor has thus entered in the computation of the average wage. Piece-wages have, however, not been taken into account, since piece earnings depend on the varying capacity of individual workers.

As already mentioned, casual workers form the bulk of the agricultural labour force. Wages are paid to them, according to time or piece rates. Piece-work is generally remunerated

(Continued in previous column)

Notices

THE MODERN MILLS, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Nineteenth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, Temple Bar Building, 70, Forbes Street, Fort, Bombay, on Friday the 8th May, 1953, at 4-30 p.m. (S.T.).

(1) To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st October, 1952.
(2) To declare a Dividend.
(3) To elect Directors in place of those who retire by rotation but who are eligible for re-election, and
(4) To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from Saturday the 18th April, 1953, to Friday the 8th May, 1953, both days inclusive.

By Order of the Board,
N. SIRUR & Co., LTD.,
Managing Agents,
V. N. CHANDAVARKAR,
Managing Director.

BOMBAY, 30*th March*, 1953.

N.B.—The dividend when declared will be made payable at the Registered Office of the Company on and after Monday the 18th May, 1953, between 12 noon and 3.00 p.m. on week days other than Saturdays and between 12 noon and 1.30 p.m. on Saturdays, to shareholders whose names stand on the Register of Members on the 18th April, 1953.

THE SVADESHI MILLS COMPANY LIMITED

NOTICE

THE SIXTY-SEVENTH ORDINARY GENERAL Meeting of the Shareholders of THE SVADESHI MILLS COMPANY, LIMITED, will be held at the Registered Office of the Company, Bombay House, Bruce Street, Fort, Bombay, on Thursday the 30th April, 1953, at 4-30 p.m. (S.T.), to transact the following business:—

(1) To adopt the Directors' Report and the audited Statements of Accounts of the Company for the year ended 31st December, 1952.
(2) To declare Dividends.
(3) To elect three Directors in place of those who retire by rotation but are eligible for re-election.
(4) To appoint Auditors and to fix their remuneration.

As already notified, the Transfer Books of the Company have been closed from Tuesday the 24th March to Wednesday the 22nd April, 1953, both days inclusive.

By Order of the Board of Directors,
TATA INDUSTRIES LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 2*nd April*, 1953.

Note.—The dividends, if sanctioned at the General Meeting, will be payable from Friday the 1st May, 1953, to the shareholders whose names stand on the Register of the Company on the 24th March, 1953, and the dividend warrants will be duly posted to the registered addresses of such shareholders.

THE SVADESHI MILLS COMPANY LIMITED

NOTICE

THE DIRECTORS OF THE COMPANY have decided to recommend to the Annual General Meeting the payment of the following dividends, both free of income-tax, to the shareholders for the year ended 31st December, 1952:—

Rs. 5 per share on Preference shares.
Rs. 16 per share on Ordinary shares.

For and on behalf of
THE SVADESHI MILLS CO., LTD.,
TATA INDUSTRIES LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 2*nd April*, 1953.

THE DURBHANGA SUGAR COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-first Ordinary General Meeting of The Durbhanga Sugar Company, Limited, will be held at the Maharaja's Office (Raj Secretariate) at Darbhanga on the 11th day of May, 1953, at 9-00 a.m., for the following purposes:—

(1) To receive and adopt the Directors' Report and Accounts for the year ended 31st August, 1952, and the Balance Sheet and Report of the Auditors thereon.
(2) To declare a Dividend.
(3) To elect a Director in the place of the retiring Director.
(4) To elect Auditors for the ensuing year and to fix their remuneration.
(5) To transact the ordinary business of the Company.

The Share Transfer Book of the Company will be closed from the 1st May, 1953, to 11th May, 1953, both days inclusive.

By Order of the Directors,
W. F. MALDEN,
Secretary.

LOHAT,
DISTRICT DARBHANGA, 14*th March*, 1953.

THE INDIAN IRON AND STEEL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors has sanctioned payment of Preference Dividend for six months to those who are entitled as original Preference Shareholders of the Company and for three months to those who have been allotted Preference Shares of the Company under the Iron and Steel Companies Amalgamation Act, 1952, for the period ending 31st March, 1953, due on the 1st May, 1953.

The Preference Share Registers will be closed from the 21st to 30th April, 1953, both days inclusive. Payment will be made on or after the 1st May, 1953, to those Preference Shareholders whose names are on the Company's Register on the 30th April, 1953, or in accordance with their instructions.

By Order of the Board,
MARTIN BURN LTD.,
T. LESLIE MARTIN,
Director,
Managing Agents.

12, MISSION ROW,
CALCUTTA, 8*th April*, 1953.

JESSOP AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Directors have declared the payment, on 1st May, 1953, of the Dividend due on the 5 per cent. Cumulative Preference Shares of the Company for the half-year ending 30th April, 1953, without any deduction in respect of Income-tax payable by the Company.

The Preference Shares Transfer Register of the Company will be closed from 20th April to 1st May, 1953, both days inclusive.

Dividends are paid only to Registered Shareholders or their Mandatees.

By Order of the Board,
F. RANKEN,
Secretary.

63, NETAJI SUBHAS ROAD,
CALCUTTA, 31*st March*, 1953.

THE TATA MILLS, LIMITED

NOTICE

THE FORTY-FIRST ORDINARY GENERAL MEETING of the Shareholders of the TATA MILLS, LIMITED, will be held at the Registered Office of the Company, Bombay House, Bruce Street, Fort, Bombay, on Friday the 1st May, 1953, at 4-30 p.m. (S.T.), to transact the following business:

(1) To adopt the Directors' Report and the audited Statements of Accounts of the Company for the year ended 31st December, 1952.
(2) To declare a Dividend.
(3) To elect a Director in place of Mr. F. H. Mehta, who retires in terms of Article 113, but is eligible for re-election.
(4) To elect three Directors in place of those who retire by rotation but are eligible for re-election.
(5) To appoint Auditors and to fix their remuneration.

The Transfer Books of the Company have been closed from Tuesday the 24th March to Wednesday the 22nd April, 1953, both days inclusive.

By Order of the Board of Directors,
TATA INDUSTRIES LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 2*nd April*, 1953.

Note.—The dividend, if sanctioned at the General Meeting, will be payable from Saturday the 2nd May, 1953, to the shareholders whose names stand on the Register of the Company on the 24th March, 1953, except those who have been allotted shares on 1st January, 1953, in exchange for debentures. The dividend warrants will be duly posted to the registered addresses of such shareholders.

To

The Shareholders of Tata Mills, Limited and in particular to:

Abdulla Rahimtullah; Maj. Arthur Coleman Flower; Mrs. Banoobai Rattanji Khambatta; Bhupal Shumsher Jung Bahadur Rana; Claudino Xavier Menezis; Hassen Saleh Mia; Dr. Hormazshaw Jamshedji Wania & anr.; Husenbhai Ramjee; Habib Bank Ltd.; Ismail Moosa Chiboo; Minoo Dinshaw Challa & anr.; Nathubhai Jivanji Desai; Pirosha Eruchshaw Malbari; Bai Ratna Kumari Devi w/o Bhupal Shumsher Jung Bahadur Rana; Rustam Jehangirji Master; Rustom Fakirjee Cowasjee & anr.; Bai Serene Khursedjee Dubash; Stavoros Andrew Melas; Valeriano De Sa & anr.; Mrs. Valmy Lucy Canning Raymond; Dr. W. J. Wanless.

THE TATA MILLS, LIMITED

NOTICE

THE DIRECTORS OF THE COMPANY have decided to recommend to the Annual General Meeting the payment of a dividend on Ordinary Shares at Re. 1 per share, free of income-tax, to the shareholders for the year ended 31st December, 1952.

For and on behalf of
THE TATA MILLS, LTD.,
TATA INDUSTRIES LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 2*nd April*, 1953.

THE UNITED FLOUR MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventy-ninth Ordinary General Meeting of the Members will be held at the Registered Office of the Company, No. 4, Bankshall Street, Calcutta, at 4-20 p.m. on Wednesday the 15th April, 1953, for the following purposes:—

(1) To receive the Directors' Report and the Audited Accounts for the half-year ended 30th November, 1952.
(2) To declare a Dividend.
(3) To elect a Director.
(4) To appoint Auditors for the current year.

The Transfer Register will be closed from the 8th April to the 15th April, 1953, both days inclusive.

By Order of the Board,
SHAW WALLACE & CO., LTD.,
Managing Agents.

CALCUTTA, 28*th March*, 1953.

CENTURY MILLS' PROFIT LOWER

DIVIDEND UNCHANGED—FINANCES STRONG

THE financial results of the Century Spinning and Manufacturing Co., Ltd. (Managing Agents: Messrs. Birla Brothers Ltd., Bombay), for the year ended 31st December, 1952, do not show any deviation from the general trend of cotton mill profits, except that the extent of fall in profit is not as marked as it has been in some cases. Thus, the gross profit has suffered a recession from Rs. 92.55 lakhs for 1951 to Rs. 51.17 lakhs, representing a drop of 44.8 per cent. Evidently, the Company was able to avert a more drastic recession in profit because of the substantial relaxation of control over prices and distribution of a number of varieties of cloth during the latter half of the year. Apart from the improvement in trading conditions in the second half of 1952, the judicious valuation of the stocks at the close of 1951 and 1952 has also been responsible for the relatively satisfactory results for the past year. The fall in profit has affected the allocation to the reserves from the earnings for the year, but this has been nearly made good by the transfer to the reserves of the post-war E.P.T. refund received from the Government. The dividend to shareholders has been kept unchanged at 20 per cent. per annum, to which level it was raised last year from 18 per cent. paid for 1950.

The following comparative table shows at a glance the Company's progress since 1949:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Sale proceeds	724.56	732.65	471.17	458.84
Stocks	188.42	281.74	243.05	230.39
Expenses*	676.81	640.21	403.53	412.31
Gross profit	51.17	92.55	69.30	48.57
Provision for—				
Agents' remuneration		0.18	7.06	4.98
Depreciation	11.00	11.00	12.10	8.60
Taxation	15.00	33.00	23.06	15.23
Net profit	25.17	48.37	27.08	19.76
Post-war refund of E.P.T. (net) ..	18.24			
To reserves	18.24	22.00	8.94	3.05
To provision for compensation to ex-Managing Agents		3.00		
Dividend	21.89 (20%)	21.89 (20%)	19.70 (18%)	16.42 (15%)
Carry forward	5.31	2.02	0.54	2.10

* Only approximate.

The sale proceeds of cloth, yarn, waste, etc., are more or less the same as those for 1951. This is evidently due to better sales at higher prices during the latter months of the year. The Company's stocks of unsold cloth at the end of 1951 had been valued by the Directors in a conservative and farsighted manner. By the time the accounts for 1951 were ready, a fall in prices of cloth and cotton had taken place and the Directors knew that, if they did not provide for this depreciation in the value of stocks, at least in part, from out of the profit for 1951 which was a bumper one, the profit for 1952 would show a precipitous decline. They accordingly adjusted a part of this depreciation against the profit for 1951. As regards the valuation of stocks as at the close of 1952, as the Directors do not anticipate any fall in cloth prices, they have valued them at market rates prevailing at the end of 1952.

The aforesaid change in the method of valuing closing stocks has, to some extent, helped the Company to prevent a phenomenal fall in the profit for 1952. The gross profit at Rs. 51.17 lakhs is lower than that for 1951 by only Rs. 41.38 lakhs, a fall relatively small as compared with the performance of mills of equal size and equipment. The net profit, after providing for depreciation and taxation, is Rs. 23.20 lakhs or 48 per cent. less than that for 1951. This net profit is supplemented by the receipt of Rs. 30.27 lakhs, representing post-war refunds of E.P.T. Out of this sum of Rs. 30.27 lakhs, taxation absorbs Rs. 12.03 lakhs, so that the net refund received is Rs. 18.24 lakhs. The whole of this amount has been utilised to strengthen the dividend equalisation fund, which, it may be noted here, had received a handsome sum of Rs. 17 lakhs last year from out of the profit for 1951. After distributing a sum of Rs. 21.89 lakhs by way of dividend, the unappropriated surplus left to be carried over, at Rs. 5.31 lakhs, is sizably larger than the sum of Rs. 2.02 lakhs brought in.

The Company enjoys a strong financial position. The paid-up capital of Rs. 109.43 lakhs is supplemented by reserves and surplus to the tune of Rs. 143.19 lakhs, represented by general reserve amounting to Rs. 60.05 lakhs, premium on shares Rs. 4.43 lakhs, extension fund Rs. 1.55 lakhs, dividend equalisation fund Rs. 55.24 lakhs, insurance fund Rs. 22.61 lakhs and undistributed surplus Rs. 5.31 lakhs. As against a gross block of the value of Rs. 243.74 lakhs, including Rs. 19.12 lakhs expended on it in 1952, a deterioration and repairs fund of Rs. 125.23 lakhs has been built up. The current assets, aggregating Rs. 356.16 lakhs, consists of stock-in-trade Rs. 176.42 lakhs, stores and spares Rs. 14.06 lakhs, debts, deposits and advances Rs. 58.25 lakhs, investments Rs. 3.72 lakhs and cash balances Rs. 103.70 lakhs. As against these, the current liabilities (including provision for taxation) are no more than Rs. 116.04 lakhs.

The Managing Agency of the Company was in the hands of Messrs. Chunilal V. Mehta and Sons Ltd. until 23rd April, 1951, when it was terminated as from that date by the shareholders and handed over to Messrs. Birla Brothers Ltd. A fresh managing agency agreement between the Company and the latter firm was negotiated and approved by the general body of the shareholders, on 7th February, 1953. The appointment of the new Managing Agents took effect from 2nd March, 1953. The agreement is for a period of 10 years and provides for a commission of 10 per cent. on the net profits of the Company, with a minimum commission, in case of absence, or inadequacy, of profits in each year of Rs. 50,000. The present Managing Agents are not entitled to any remuneration for the period from 2nd March, 1953 to 30th June, 1954. Their remuneration will commence as from 1st July, 1954.

The Company's Rs. 100 fully paid-up shares are being currently quoted at Rs. 272, at which rate and on the basis of the dividend for 1952, the yield works out to 7.35 per cent. per annum, free of income-tax.

SIMPLEX MILLS TO ISSUE BONUS SHARES

The Directors of the Simplex Mills Co., Ltd. (Agents: Messrs. Forbes, Forbes Campbell & Co., Ltd., Bombay), have decided to capitalise a sum of Rs. 10.50 lakhs from out of the accumulated reserves and issue bonus shares to the existing shareholders. The issue is subject to the sanction of the Controller of Capital Issues (C.C.I.), to whom application has just been made, and the approval of the general body of the shareholders. If the proposal meets with the sanction of the C.C.I. and is approved by the shareholders, it will be the third bonus issue in the history of the Company, all since 1947.

According to the Directors' decision, a sum of Rs. 4 lakhs, being part of the post-war refund of E.P.T., and Rs. 6.50 lakhs, being part of the machinery renewal reserve account, making in all Rs. 10.50 lakhs, will be capitalised and issued as capital bonus to the existing shareholders at the rate of one share for every three shares held by them. The present paid-up capital of the Company is Rs. 31.50 lakhs, made up of 63,000 shares of Rs. 50 each. This is sought to be raised to Rs. 42 lakhs by the proposed bonus issue. The machinery renewal reserve account stands (as disclosed by the balance-sheet as on 31st March, 1952), at Rs. 37 lakhs, after the transfer of Rs. 5.49 lakhs to capital last year. In April, 1952, the Company received a net sum of Rs. 7.85 lakhs (gross Rs. 12.95 lakhs, less income-tax and super-tax Rs. 5.10 lakhs), being the post-war refund of E.P.T. Out of this refund a sum of Rs. 50,000 was utilised for the purchase of 500 shares of Rs. 100 each of the National Machinery Manufacturers Ltd. After the capitalisation of a sum of Rs. 4 lakhs out of the balance, under the proposal on hand, there will be left Rs. 3.35 lakhs, the disposal of which will be found in the accounts for the year ended 31st March, 1953.

The first occasion when the Directors capitalised a part of the reserves was in September, 1947, when a sum of Rs. 7 lakhs from out of the general reserve was capitalised and issued as bonus shares in proportion of one ordinary share of Rs. 50 each for every two ordinary shares held. This raised the paid-up capital from Rs. 14 lakhs to Rs. 21 lakhs, necessitating the raising of the authorised capital from Rs. 14 lakhs to Rs. 25 lakhs. In accordance with the resolutions passed by the shareholders in January, 1952, the authorised capital of the Company was increased from Rs. 25 lakhs to Rs. 50 lakhs to enable the capitalisation of a sum of Rs. 10.50 lakhs (Rs. 5.01 lakhs from the reserve fund and Rs. 5.49 lakhs from the machinery renewal reserve account) and issue of bonus shares in the proportion of one share for every two held. The paid-up capital was thus raised to Rs. 31.50 lakhs. No explanation is available as to why the Directors propose to make another bonus issue in less than 15 months since the last issue.

GOKAK MILLS LTD.

The enhancement of the distribution to the shareholders of the Gokak Mills Ltd. (Agents: Messrs. Forbes, Forbes Campbell & Co., Ltd., Bombay), for the year ended 31st December, 1952, from 14 per cent. to 17 per cent. per annum was one of the rare exceptions to the general trend of dividends of cotton textile mills for the past year. What was even more noteworthy about it was the fact that the Directors raised the dividend despite the marked shrinkage in the Company's earnings. The Company's gross profit for the year under review amounted to no more than Rs. 8.19 lakhs and represented a contraction of nearly 60 per cent. from Rs. 20.23 lakhs earned in 1951. The net profit, after providing for Managing Agents' remuneration, depreciation and taxation, showed a decline from Rs. 8.24 lakhs to Rs. 2.81 lakhs.

The decline in earnings was due to the adverse business conditions in respect of yarn which prevailed during the year. Referring to this, the Company's Chairman, Mr. R. W. Bullock (now retired), observed, in his address to the shareholders at their annual general meeting held early last week, thus:

"The fall in prices of all commodities early in the year was reflected in the yarn market and State nominees were slow to take up their allotments and stocks of yarn accumulated. A reduction in the controlled price was put into operation in May, 1952, which further aggravated the position. Distribution control was relaxed to some extent in March, which assisted in the liquidation of stocks, and from June, mills were permitted to sell one-third of their packed production to buyers of their own choice, and this was extended to 50 per cent. of packed production from October last, a concession which should have been granted to spinning mills many months earlier. Let us hope that a complete withdrawal of distribution control is imminent, thereby leaving the mill to manage its own affairs, at any rate, to the extent of the choice of buyers. The control of exports of yarn reduced our export business to a negligible figure."

The net profit of Rs. 2.81 lakhs would have meant a drastic reduction in the dividend to the shareholders but for the sum of Rs. 6.19 lakhs, being the net amount received from the Government towards the post-war refund of E.P.T., credited to the profit and loss account. The Directors felt that such a transfer was justified, in view of the Company's already strong reserves position. This addition enabled them not only to recommend a dividend of Rs. 12 per share of Rs. 100 each and a bonus of Rs. 5 per share but also to transfer a sum of Rs. 1.50 lakhs to the dividend equalisation account and Rs. 48,336 to the reserve fund. It must be mentioned here that the dividend part of distribution to the shareholders was actually reduced from Rs. 14 to Rs. 12 per share and that the increase in the total distribution was the result of paying an additional cash bonus of Rs. 5 per share.

The Company has a programme of rehabilitation and the latest balance-sheet shows a satisfactory financial position. The following is a synopsis of the balance-sheet:

Liabilities	Rs.	Assets	Rs.
Capital ...	39,04,700	Gross block ...	82,22,587
Reserves and surplus ...	44,13,575	Less—Depreciation ...	60,50,000
Provision for taxation ...	2,90,796	Net block ...	21,72,587
Liabilities ..	21,52,251	Stock-in-trade	44,09,536
		Stores and shares ...	6,90,904
		Debts, deposits and advances ...	4,35,585
		Investments	1,75,000
		Cash	28,77,710
Rs.	1,07,61,322	Rs.	1,07,61,322

It will be observed that current liabilities are covered by cash balances alone by a comfortable margin.

INDUSTRIAL INVESTMENT TRUST LTD.

The decision of the Directors of the Industrial Investment Trust Ltd. (Secretaries: Messrs. Premchand Roychand and Sons, Bombay) to maintain the return to shareholders for the year ended 31st December, 1952, at 4½ per cent. paid for 1951 (after having raised it successively from 3¾ per cent. for 1949 and 4 per cent. for 1950), may well be taken as a reflection of the measure of prosperity enjoyed by the Company in 1952 and a pointer to the Directors' view of the outlook for the current year. The Company's fortunes being dependent upon the experience of the industries, in which its funds are invested, during the preceding year, its results for 1952 have turned out to be satisfactory as a result of the increase in dividends earned during the year.

The Company's gross income for the year shows a small improvement from Rs. 6.28 lakhs to Rs. 6.69 lakhs. Almost the whole of this income represents dividend and interest earned, which, in 1951, amounted to Rs. 6.12 lakhs. There has been no profit on sale of investments, as was the case last year. On the other hand, the sale of investments had resulted in a small loss of Rs. 1,708. With no increase in expenses—except for the negligible loss on sale of investments—to counteract the improvement in gross income, the profit, at Rs. 5.65 lakhs, reveals a small increase over that of Rs. 5.26 lakhs for 1951. As a result, the Directors have been able to transfer a sum of Rs. 1 lakh to the investment reserve. Despite the small rise in profit the Directors have not carried further the process of raising the dividend, even though they did so last year notwithstanding a slight recession in profit. This indicates that the Directors of the Trust are taking a cautious view of the outlook for 1953. This caution is justified, considering that the results of industrial concerns for 1952 published so far during the current year reveal an all-round fall in dividends. After paying the dividend at 4½ per cent., the sum left to be carried over at Rs. 1.85 lakhs (subject to taxation for the years 1949, 1950, 1951 and 1952) is a shade higher than that of Rs. 1.66 lakhs brought in.

The Company's aggregate investments, at cost, amount to Rs. 126.82 lakhs, an increase of Rs. 1.27 lakhs over the year. The market value of the investments is lower than the book value by 9.75 per cent., the gap having widened from 0.26 per cent. at the end of 1951, because of the fall in values during 1952. A break-up of the investments shows that holdings of Gilt-edged securities, preference shares and debentures are unchanged at Rs. 3.33 lakhs, Rs. 19.05 lakhs and Rs. 7.72 lakhs, respectively, while an increase of Rs. 1.27 lakhs is noted in equities, at Rs. 96.72 lakhs. The distribution of the investments among different classes of undertakings shows minor variations. The largest share of holdings is in cotton textiles (16.42 per cent.). Banks come next with 11.01 per cent. Jutes, public utilities, sugar come next in order, with 8.99 per cent., 8.82 per cent. and 7.97 per cent. respectively. Investments in miscellaneous undertakings amount to 17.55 per cent. The other main classes of undertakings in which the Trust's funds are invested and the percentage of each are: shipping 4.74 per cent. iron and steel 4.29 per cent., tea 3.99 per cent., paper 3.32 per cent. and cement 3.22 per cent.

(Continued in next page)

Points From The Chair

Need for Credit Control

"BEFORE the Planning Commission came into the picture, we were under the illusion that we were a prosperous country and embarked on several schemes which could have been very well given up or postponed, with the result that when really useful schemes are to be taken up, we find ourselves short of resources. This fact alone should have been a corrective for our spending, but if a psychology is now sought to be created that money could be found by resorting to deficit financing, utmost control would be necessary to see such financing does not become the handmaid of political pressure, as, otherwise, people would never realise that capital formation should come out of savings which could only be the product of hard work and prudent spending. In making the monetary policy effective, banks themselves would do well to have a voluntary restraint in the qualitative control of their advances. In fact, the Plan itself envisages that special effort will have to be made to ensure that credit facilities become available in those lines of production which have been given high priority in the Plan."

DR. T. M. A. PAI,
Canara Industrial and Banking Syndicate, Ltd.

U.K.'s Cloth Export and Japanese Competition

"At the International Cotton Conference held at Buxton last year, the United Kingdom representatives put forward an export target of 1,350 million square yards of cotton cloth, which compares with actual export figures of 865 million square yards in 1951 and 710 million square yards in 1952. This figure was regarded by many, even in Lancashire, as unrealistic; but, in our view, it is not being immoderate to fix a target which is only equivalent to the yardage exported in the slump year of 1938. Three-quarters of Lancashire's exports find their way to Commonwealth and Colonial Empire markets and there should be every prospect of retaining this volume, while adding to it exports of quality cloths to neutral markets. This prospect, of course, could be irreparably damaged, if the United Kingdom and Commonwealth Governments consented to the admittance of Japan on terms of equality to the General Agreement on Tariffs and Trade. The U.K. and American joint cotton mission to Japan a few years ago warned Japan's industrial leaders against the expansion of her capacity owing to the limited size of the world market, but their advice was ignored. It would be foolish in the extreme to remove this barrier against floods of Japanese textiles which would disrupt not only United Kingdom but world trade."

JAMES EWING,
Bradford Dyers' Association Ltd.

Importance of Life Assurance

"Nowadays men are marrying and acquiring family responsibilities at earlier ages than in pre-war years. For them, a life assurance policy with family income benefits is an absolute essential. Furthermore, in present circumstances, most young men in business, or in profession, require to buy a house, but do not have enough capital. To borrow on the security of the house alone, without life assurance cover, might mean the sale of the house in the event of the borrower's premature death; but a loan covered by an endowment assurance policy has a twofold advantage. First, the sum assured is payable on the death of the borrower should that occur before the policy matures, so that the loan is repaid and the house can be retained by the widow or sold at will instead of immediately. Secondly, should the borrower survive to the maturity date, the loan is at once repaid out of the maturity value of the policy."

CHARLES R. MUNRO,
Scottish Life Assurance Co., Ltd.

Prospects for U.K. Electrical Industries

"There is no doubt that the demand for electricity must continue to expand; as I mentioned last year, the consumption of electricity per head of population in this country is still only about half the corresponding figure in the United States. There is every indication, however, that we are entering a period when conditions will once again be highly competitive. During the years of inflation, success has depended very largely on maintaining production in the face of shortage of all kinds. Often more expensive materials and methods of manufacture have had to be adopted to overcome them. As the material supply position improves, costs are again of prime importance, and our future prosperity will depend on our being able to manufacture at least as cheaply as our competitors both at home and abroad."

SIR GEORGE E. BAILEY,
Associated Electrical Industries, Ltd.

(*Concluded from previous page*)

INCOME-TAX REVENUE STATISTICS FOR 1951-52

MARKED INCREASE IN NUMBER OF ASSESSEES

ALTHOUGH India has a total population of about 360 million, the number of assessees on the register of the Income-tax Department of the Government of India on 31st March, 1952, was only 885,399, including 134,305 in part "B" States and merged territories, as compared with 540,002 immediately after the Partition. This information is disclosed in the income-tax revenue statistics for the financial year 1951-52 compiled by the Central Board of Revenue of the Union Ministry of Finance, not only on an all-India basis but also for the assessments made in particular States during the period, a study of which reveals some interesting features.

The total number of assessments, including those brought forward from the preceding years, completed in 1951-52 was 1,159,616, as against 856,209 in the previous year. The assessments resulting in demand during the year numbered 647,376, as compared with 472,419 in 1950-51, but the difference between these two sets of figures does not necessarily indicate the number of infructuous cases.

A bulk of the difference is covered by cases (i) where an adequate amount of tax had been deducted at source, or (ii) where the assessment was on a registered firm and the tax assessed was payable by the partners, or (iii) where the assessment resulted in a refund. Even excluding these three types of cases, there is a considerable number of cases where the total income assessed is below the minimum taxable limit or where there is a loss.

In 1951-52, there were only 4,737 assessees with income over Rs. 1,00,000 which worked out to .0013 per cent. of the total population, but they accounted for nearly 63.5 per cent. of the total gross demand of Rs. 195.8 crores levied during the year. Assessees with income between Rs. 25,000 and Rs. 1,00,000 made up 21.5 per cent. of the total demand and those with income between Rs. 10,000 and Rs. 25,000 about 9.5 per cent. of the demand. By far the larger number of persons assessed (510,412) fell in the category with income below Rs. 10,000 and accounted for only 5.5 per cent. of the demand.

Of the 647,376 persons assessed during the year to a positive demand, 547,539 were individuals, 65,750 Hindu undivided families, 23,326 unregistered firms and other associations of persons and 10,761 companies and other concerns assessable at the company rate. In 1950-51, the number of persons assessed was 472,419 of whom 395,017 were individuals, 52,401 Hindu undivided families, 16,482 unregistered firms and 8,519 companies.

The total income assessed in 1951-52 was Rs. 782.9 crores, as against Rs. 574.6 crores in the preceding year, the share of the different categories of assessees being as under:

(In crores of rupees)

	1951-52	1950-51
Individuals	475.5	342.3
Hindu undivided families ...	80.3	64.4
Unregistered firms	27.2	22.0
Companies and other concerns	199.9	145.9
Total ...	782.9	574.6

Classes of Income Assessed

The number of persons with income from salaries assessed went up from 211,508 in 1950-51 to 280,288 during the year under review. Government and non-Government employees numbered 98,018 and 182,270, respectively, as against 84,059 and 1,27,449 in 1950-51. The total salary income brought under assessment in 1951-52 was Rs. 178.4 crores, as compared with Rs. 125.9 crores in the previous year.

In 1951-52, there were 187,443 persons, with income from property amounting to Rs. 30.2 crores, on which Rs. 6.1 crores were demanded as tax. The corresponding figures for the preceding year were 141,221 persons, with an income of Rs. 22.8 crores, on which the demand was Rs. 4.9 crores. Of the persons assessed during the year, 368,868 had income from business and professions, as against 252,779 in 1950-51. The income assessed was Rs. 455.9 crores and Rs. 337.7 crores and the tax demand Rs. 132.6 crores and Rs. 104.9 crores, respectively. Among them, only 23,348 persons were engaged in the various professions, while the rest were in business. The number of persons with income from dividends rose from 95,951 in 1950-51 to 118,507 during the year under review. Income from dividends included in the assessments for 1951-52 amounted to Rs. 52.3 crores, as against Rs. 38.2 crores in the preceding year. Income-tax taken to have been paid on behalf of the shareholders was Rs. 13.4 crores in 1951-52, as against Rs. 10.1 crores in 1950-51. Income accruing or arising abroad brought under assessment in 1951-52 aggregated Rs. 29.3 crores, of which a sum of Rs. 6 crores was assessed on a remittance basis. The income-tax demand on this class of income was Rs. 3.7 crores and super-tax demand Rs. 3.4 crores.

The total demand levied in assessment, including tax on capital gains, penalties and demand on account of minor rectifications of assessments amounted to:

(In crores of rupees)

	Income-tax	*Super-tax*
1951-52	130.2	85.3
1950-51	102.9	63.2

from which the following reductions were allowed:

(In crores of rupees)

	1951-52		1950-51	
	I.T.	*S.T.*	*I.T.*	*S.T.*
Refunds or rebates	17.8	16.2	17.2	12.8
Tax deducted or paid at source ...	30.0	3.5	23.2	2.8
Exempted income	0.6	—	0.8	—
Total ...	48.4	19.7	41.2	15.6

resulting in a net demand of

	Income-tax	*Super-tax*
1951-52	81.8	65.6
1950-51	61.7	47.6

Refunds and Rebates

The principal items on which refunds and rebates were allowed pertain to double taxation relief, losses, reduction in demand, income accruing or arising in Pakistan, undistributed profits, provident fund, insurance premia and donations to charities.

Relief in tax granted in respect of income which had also suffered taxation in the United Kingdom, Burma, Ceylon, Aden and other Dominions amounted to

(In lakhs of rupees)

	Income-tax	*Super-tax*
1951-52	331	7
1950-51	496	5

Of this, relief in respect of income suffering taxation in the U.K. alone amounted to Rs. 246 lakhs and Rs. 414 lakhs, respectively.

The amount of loss carried forward from the preceding years and set-off in the assessment for 1951-52 was Rs. 755 lakhs. A similar set-off allowed in the assessment for 1950-51 amounted to Rs. 581 lakhs. As a result, the taxation liability was reduced by

(In lakhs of rupees)

	Income-tax	*Super-tax*
1951-52	121	78
1950-51	116	67

Reduction in demand on account of revisions as a result of appellate decisions, rectification of assessments and other refunds amounted to Rs. 177 lakhs income-tax and Rs. 242 lakhs super-tax. Similar figures for 1950-51 were Rs. 439 lakhs and Rs. 233 lakhs, respectively.

As regards income accruing or arising in Pakistan, in view of the agreement for the avoidance of double taxation, abatement of tax had been allowed in 1951-52 in 2,395 cases on income amounting to Rs. 200 lakhs. In 1950-51, similar abatement had been given in 1,463 cases on incomes aggregating Rs. 130 lakhs. The effect of this rebate in terms of tax was Rs. 102 lakhs in 1951-52 and Rs. 50 lakhs in 1950-51.

In respect of undistributed profits, 4,664 Indian companies were granted an income-tax rebate of Rs. 135 lakhs during the year. In 1950-51, a similar rebate granted to 3,075 companies amounted to Rs. 139 lakhs.

In the assessments for 1951-52, rebate on contributions to provident funds to which the Provident Fund Act of 1925 applied as also to provident funds recognised under the Income-tax Act was granted to 20,074 persons. The amount of their contribution was Rs. 174 lakhs and of income-tax forgone Rs. 16 lakhs. In 1950-51, 14,075 persons had been given rebate on income aggregating Rs. 103 lakhs, the amount of income-tax forgone being Rs. 10 lakhs.

In addition, 26,420 persons got rebates amounting to Rs. 519 lakhs in the assessments for 1951-52 on account of contributions to provident and superannuation funds of business organisations recognised under the provisions of the Income-tax Act. The reduction in income-tax payable by them amounted to Rs. 47 lakhs. In the 1950-51 assessments, similar concession had been granted to 22,587 persons on an income of Rs. 402 lakhs, the income-tax on which amounted to Rs. 44 lakhs.

In the 1951-52 assessments, 130,672 persons claimed rebate on total insurance premia of Rs. 1,585 lakhs, the income-tax on which amounted to Rs. 165 lakhs. In 1950-51, this rebate had been given to 1,03,224 persons on premia of Rs. 1,222 lakhs, the income-tax on which came to Rs. 137 lakhs.

In 1951-52, having donated Rs. 94 lakhs to approved charitable institutions or funds, 2,123 persons got rebates of Rs. 23 lakhs in income-tax and Rs. 4 lakhs in super-tax in their assessments. In 1950-51, this concession had been granted to 2,223 persons who had donated Rs. 123 lakhs and got rebates of Rs. 32 lakhs and Rs. 6 lakhs, respectively.

Tax Deducted or Paid at Source

The amount deducted or paid at source considered in the assessments for 1951-52 came to Rs. 2,999 lakhs as income-tax and Rs. 353 lakhs as super-tax, as against Rs. 2,319 lakhs and Rs. 275 lakhs, respectively, in the previous year. Private salaries assessed in 1951-52 amounted to nearly twice as much as all the Government salaries taken into account in the assessments during the year.

Tax on exempted income may sound strange, but what really happens is that some of these incomes are included in the total income for determining the rates of tax and a rebate thereon is given at the average rate. The total of such income included in the assessments made in 1951-52 was Rs. 237 lakhs, of which dividends accounted for Rs. 128 lakhs and interest on securities Rs. 104 lakhs. In all, a total rebate of Rs. 58 lakhs was given in 1951-52, as compared with Rs. 85 lakhs in the previous year.

RESULTS OF RAYALASEEMA MILLS ENCOURAGING

RAVALGAON SUGAR MAINTAINS DIVIDEND

Rayalaseema Mills, Ltd.

THE directors of the above Company (Managing Agents: The Rayalaseema Development Co., Adoni) submit the audited accounts of the Company for the year ended 31st December, 1952.

The net profit for the year, after providing Rs. 3,12,094 (Rs. 3,10,271) as depreciation on plant and machinery, buildings, etc. together with the last year's carry over of the profit of Rs. 31,324 (Rs. 6,589) amounts to Rs. 10,14,238 (Rs. 3,75,352). Out of this amount, the directions have made the following appropriations.

Provision for taxes Rs. 30,000 (*nil*), general reserve Rs. 6,00,000 (Rs. 1,50,000), plant replacement reserve Rs. 1,00,000 (*nil*), dividend equalisation reserve Rs. 50,000 (Rs. 50,000), and bonus to employees (at one-sixth of the basic earnings in 1952) Rs. 35,825 (Rs. 32,900), leaving a balance of profit of Rs. 1,78,413 (Rs. 1,65,352) for disposal. The directors recommend that a dividend of 6 (6) per cent. free of income-tax be distributed for the year ended 31st December, 1952, amounting to Rs. 1,34,028 (Rs. 1,32,443) and the balance of Rs. 44,385 (Rs. 32,909) be carried forward to the next year.

The working of the Mills has been very satisfactory. This satisfactory result is due mainly to the judicious purchases of cotton by the managing agents. The concession of selling the Mills' yarn through the Mills' retail depots is being continued and this has contributed to the profits to a large extent. The retail margin of 6¼ per cent. allowed by the Government was reduced to 4-11/16 per cent. during January and February, 1952, but was again increased to 6¼ per cent. from the 1st March, 1952. The market conditions were very disturbing during the last quarter of the year and it was found impossible to market the Mills' yarn with the full retail margin.

The Government of India has decided to allow exports of cotton yarn on a quota basis under which scheme the Mills would also be entitled to a quota. The allotment is expected for the licensing period January to June, 1953.

As for the expansion of production, the machinery for the first 3,000 spindles with necessary drawing, carding and simplex frames is expected very shortly.

In order to provide pucca houses to the labour force, about 19 acres of suitable land has been bought. Application has been made to the Government of India through the Commissioner of Labour, Madras for the sanction of subsidy and loan under the Industrial Housing Scheme, 1952-53. As soon as sanction is obtained, the labour colony work will be taken up.

Though the market conditions of cotton show higher prices and the selling prices of yarn have been fixed lower by the Government, yet as a result of the steps that the Government is taking in regard to export of yarn and cloth, the directors expect satisfactory results during the present year also.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	22,09,452	Block ...	23,52,395
Reserves ...	2,00,000	Stock ...	12,55,212
Liabilities ...	9,54,233	Stores, etc. ...	1,11,596
Profit and loss account ..	10,14,238	Debts, deposits and advances ...	2,68,870
		Investments	24,200
		Cash ...	3,65,650
Rs.	43,77,923	Rs.	43,77,923

Ravalgaon Sugar Farm Ltd.

The directors of the above Company (Managing Agents: Messrs. Walchand & Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th September, 1952.

During the year, the Company has made a profit of Rs. 7,06,601 (Rs. 11,90,662) after providing Rs. 3,40,000 (Rs. 4,75,000) for depreciation. The balance available for disposal is Rs. 8,87,513 (Rs. 13,31,904) including the sum of Rs. 1,80,913 (Rs. 1,41,242) brought forward from the last balance sheet. The directors recommend that the following appropriations be made:—

Dividend on preference shares at 5½ (5½) per cent. (less income-tax) Rs. 1,10,000 (Rs. 1,10,000) on ordinary shares at 18 (18) per cent. (free of income-tax) Rs. 3,60,000 (Rs. 3,60,000), on deferred shares at 7 (7) per cent. (less income-tax) Rs. 28,000 (Rs. 28,000), for reserve fund Rs. 2,00,000 (Rs. 4,54,880) and to carry forward Rs. 1,89,513 (Rs. 1,80,913).

The factory commenced crushing on 12th November, 1951, and stopped on 25th May, 1952. Sugarcane crushed during the season was 1,25,471 (79,783) tons while sugar manufactured was 1,25,180 (92,500) bags with a recovery of 9.97 (11.7) per cent.

During the year, the confectionery plant at Ravalgaon produced about 563 tons of confectionery and about 10,000 maunds of sugarcandy. The confectionery and the sugarcandy produced found on the whole, a ready market. Owing however, to the general slump since the beginning of last year, the demand for confectionery has been fluctuating and consequently the confectionery plant could not be worked to its capacity.

The factory was carrying on experiments for producing wax from cane mud. As the experiments proved successful, the production of wax on a commercial scale was commenced during the year. About 14,400 lbs. of wax was produced and the same found a ready market.

The area of land taken on lease by the Company is 3,085 acres and 22 gunthas, while the area of land owned by the Company is 6,534 acres and 30 gunthas.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	44,00,000	Block ...	74,55,841
Debentures	20,57,761	Plantation in progress ...	17,29,606
Reserves ...	66,39,148	Stock ...	34,18,899
Liabilities ...	32,81,186	Stores, etc. ...	23,93,103
Profit and loss account ...	8,87,513	Debts, deposits and advances ...	3,47,530
		Investments	16,22,158
		Cash ...	2,98,471
Rs.	1,72,65,608	Rs.	1,72,65,608

Delta Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th November, 1952.

After providing Rs. 2,00,000 (Rs. 6,12,000) for taxation there is a balance of Rs. 3,43,326 (Rs. 8,33,128) at the credit of profit and loss account from which the directors recommend payment as follows:—

Dividends on preference shares at Rs. 2-8 (Rs. 2-8) per share Rs. 12,500 (Rs. 12,500) and on ordinary shares at Rs. 10 (Rs. 17-8) per share Rs. 2,80,000 (Rs. 4,90,000), leaving Rs. 50,826 (Rs. 3,30,628) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association, the mills worked 42½ hours per week with 12½ per cent. of the total looms sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	33,00,000	Block ...	28,41,032
Reserves ...	41,33,929	Stock ...	23,75,254
Provision for taxation ..	14,76,648	Stores, etc. ...	10,21,157
Liabilities ...	9,83,537	Debts, deposits and advances ...	7,44,490
Profit and loss account ...	50,826	Investments	31,903
		Cash ...	29,31,104
Rs.	99,44,940	Rs.	99,44,940

Cheviot Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th November, 1952.

After transferring Rs. 75,000 (*nil*) to dividend equalisation reserve there is a balance of Rs. 1,76,539 (Rs. 4,20,927) at the credit of profit and loss account from which the directors recommend payment as follows:—

Dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share Rs. 35,000 (Rs. 35,000) and on ordinary shares at Rs. 6 (Rs. 12) per share Rs. 95,700 (Rs. 1,91,400), leaving Rs. 45,839 (Rs. 3,30,628) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association, the mills worked 42½ hours per week with 12½ per cent. of the total looms sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,95,000	Block ...	25,59,403
Reserves ...	24,52,872	Stock ...	15,01,268
Provision for taxation ...	8,94,879	Stores, etc. ...	14,83,240
Liabilities ...	8,58,325	Debts, deposits and advances ...	7,27,410
Profit and loss account ...	45,839	Investments	66,325
		Cash ...	5,09,269
Rs.	68,46,915	Rs.	68,46,915

Port Shipping Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1952.

After providing Rs. 12,391 (Rs. 14,008) for depreciation and Rs. 7,500 (Rs. 20,000) for taxation, and after transferring Rs. 44,500 (Rs. 5,500) to reserve for bad and doubtful debts and Rs. 1,00,000 (Rs. 2,00,000) to reserve for repairs, there is a balance of Rs. 1,30,199 (Rs. 1,39,810) at the credit of the profit and loss account. The directors recommend payment of a dividend of As. 8 (As. 8) per share, absorbing Rs. 70,411 (Rs. 70,411) and leaving a balance of Rs. 59,788 (Rs. 71,561) to be carried forward.

Freight earned during the period shows a satisfactory increase over the previous half-year, partly as a result of an increase in freight rates during the half-year. There was also increased expenditure on repairs and stores.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	14,08,220	Block ...	26,89,428
Reserves ...	24,00,000	Stock of foodstuffs ...	3,452
Provision for taxation ...	28,712	Debts, deposits and advances ...	10,23,138
Liabilities ..	5,36,717	Investments	1,33,798
Profit and loss account ...	59,788	Cash ...	5,83,621
Rs.	44,33,437	Rs.	44,33,437

Shree Sitaram Sugar Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Karamchand Thapar & Bros., Ltd., Calcutta) submitted the audited accounts of the above Company for the year ended 31st December, 1952.

The total crush during the season pertaining to the year was 22,78,642 mds. of cane as against 17,23,706 mds. of the previous season, and as against an average crush of 17,05,440 mds. for the last ten years, while a bumper cane crop and comparatively lower *gur* prices are responsible to some extent for diverting more cane to the manufacture of sugar, the efforts of the management in different directions to augment cane supplies are also largely responsible for the increased crush. During the year the Company were able to utilise a sizable fleet of their own tractors, trailers and trucks and so while on one hand the cost of transport was reduced, on the other hand better facilities were made available to distant cane growers resulting in larger intake of cane from the distant areas. The cane acreage in the reserved area of the factory was also increased by sustained work on cane development.

From the very beginning of the season, however, it could be foreseen that the increased sugar production in the country react strongly on the market. The Government controlled prices and rationing scheme managed to work for a part of the year under great stress and strain, but very soon it was found that the Government dealers refused to lift their respective quotas. Sugar mills were thrown on their own resources to sell their product in a glutted market, but on account of the sound grasp of the situation and an efficient sales organisation, the management steered the course of the Mill admirably during the difficult times. As a result of protracted negotiations and conferences between the Government and the Industry the sugar policy of the Government has since been revised. The controlled price was reduced with effect from the 1st of December, 1952, in respect of 1951-52 stocks, and the control on price as also rationing were abolished for 1952-53 sugar. A policy of subsidising exports has also since been announced by the Government.

Cane development work done during the year, for the benefit of future years included sinking of tubewells in collaboration with the Co-operative Societies, to whom recoverable loans were advanced by the Company. Generous loans were also given to farmers in the shape of seeds and manures. It is confidently hoped that these steps and other development work contemplated will enable the Mill to gradually increase the annual crush to 30 lakh maunds within a couple of years or so.

Simultaneously with the cane development work, an elaborate scheme has been taken in hand for additions and alterations to increase the crushing capacity to 1,000 tons and to improve the efficiency of the Mill. An additional boiler, a 150-kva Turbo generating set and a vacuum pan are already under installation and will be put into commission during the later half of 1952-53 season.

During the year, the Company made a gross profit of Rs. 7,46,440 (Rs. 8,08,230). After providing for debentures and other interest, depreciation and managing agents' remuneration by way of profit, commission, etc., there was a net profit of Rs. 5,18,636 (Rs. 6,54,302) out of which Rs. 2,40,000 (Rs. 3,00,000) was set aside for provision for income-tax, leaving a balance of Rs. 3,42,768 (Rs. 3,88,306) in profit and loss account including Rs. 64,141 (Rs. 34,004) brought forward from the previous year, which the directors distributed to payment of a dividend on ordinary shares for the year ended 31st August, 1952, at Re. 1 (Re. 1-8 inclusive of bonus As. 8) per share Rs. 79,450 (Rs. 1,19,175) to reserve for contingencies Rs. 1,00,000 (Rs. 1,50,000), to dividend equalisation fund Rs. 75,000 (Rs. 55,000) and to carry forward Rs. 88,318 (Rs. 64,131).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,95,462	Block ...	13,46,877
Debentures ...	5,12,178	Stock ...	31,95,867
Reserves ..	12,74,066	Stores, etc. ...	4,88,568
Provision for taxation ...	9,06,648	Work-in-progress ...	32,048
Liabilities ...	35,63,683	Debts, deposits and advances ...	9,51,450
Profit and loss account ...	3,42,768	Investments	7,63,100
		Cash ...	6,16,895
Rs.	73,94,805	Rs.	73,94,805

N.B.—Figures within brackets relate to the corresponding period of the previous year.

COMPANY MEETINGS AND DIVIDENDS

T.I. CYCLES OF INDIA LTD. Annual General Meeting, Madras, 13th April, 1953. Transfer books closed from 1st to 13th April, 1953, both days inclusive.

AIRWAYS (INDIA) LTD. Annual General Meeting, Calcutta, 16th April, 1953. Transfer books closed from 2nd to 16th April, 1952, both days inclusive.

DAWN MILLS CO., LTD. Annual General Meeting, Bombay, 16th April, 1953. Dividend: Rs. 6 per share, payable on and after 22nd April, 1953. Transfer books closed from 6th to 30th April, 1953, both days inclusive.

PHŒNIX MILLS LTD. Annual General Meeting, Bombay, 17th April, 1953. Dividend: Rs. 8 per share, payable on and after 27th April, 1953. Transfer books closed from 6th to 30th April, 1953, both days inclusive.

BUDGE-BUDGE JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 17th April, 1953. Dividend: Rs. 6-8 per share. Transfer books closed from 2nd to 17th April, 1953, both days inclusive.

NATIONAL CO., LTD. Half-yearly General Meeral Meeting, Calcutta, 17th April, 1953. Dividend: Re. 1 per share. Transfer books closed from 2nd to 17th April, 1953, both days inclusive.

NASKARPARA JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 20th April, 1953. Transfer books close from 13th to 20th April, 1953, both days inclusive.

GOLD MOHUR MILLS LTD. Annual General Meeting, Bombay, 22nd April, 1953. Dividend: Rs. 12-8 per share. Transfer books closed from 6th to 22nd April, 1953, both days inclusive.

PORT SHIPPING CO., LTD. Half-yearly General Meeting, Calcutta, 22nd April, 1953. Dividend: As. 8 per share. Transfer books closed from 9th to 23rd April, 1953, both days inclusive.

INDIAN ALUMINIUM CO., LTD. Annual General Meeting, Calcutta, 23rd April, 1953. Dividend: Rs. 5 per share. Transfer books closed from 3rd to 23rd April, 1953, both days inclusive.

SWAN MILLS LTD. Annual General Meeting, Bombay, 23rd April, 1953. Dividend: Rs. 30 per share. Transfer books closed from 6th to 23rd April, 1953, both days inclusive.

KANKNARRAH CO., LTD. Half-yearly General Meeting, Calcutta, 24th April, 1953. Transfer books closed from 10th to 24th April, 1953, both days inclusive.

KAMARHATTY CO., LTD. Half-yearly General Meeting, Calcutta, 24th April, 1953. Transfer books closed from 10th to 24th April, 1953, both days inclusive.

FINLAY MILLS LTD. Annual General Meeting, Bombay, 24th April, 1953. Dividend: Rs. 20 per share. Transfer books closed from 6th to 24th April, 1953, both days inclusive.

DELTA JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 24th April, 1953. Dividend: Rs. 10 per share. Transfer books closed from 11th to 24th April, 1953, both days inclusive.

CHEVIOT MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 24th April, 1953. Dividend: Rs. 6 per share. Transfer books closed from 11th to 24th April, 1953, both days inclusive.

PREMIER CONSTRUCTION CO., LTD. Annual General Meeting, Bombay, 28th April, 1953. Dividend: Rs. 4-8 per share, free of income-tax, payable on and from 25th May, 1953. Transfer books close from 18th April to 11th May, 1953, both days inclusive.

TRAVANCORE RUBBER AND TEA CO., LTD. Annual General Meeting, Alleppey, 29th April, 1953. Transfer books close from 12th April to 1st May, 1953, both days inclusive.

MODERN MILLS LTD. Annual General Meeting, Bombay, 8th May, 1953. Transfer books close from 18th April to 8th May, 1953, both days inclusive.

TATA POWER CO., LTD. *Ad-interim* dividend of Rs. 25 per ordinary share, free of income-tax, payable on and after 23rd April, 1953.

TATA HYDRO-ELECTRIC POWER SUPPLY CO., LTD. *Ad-interim* dividend of Rs. 3 per ordinary share, free of income-tax, payable on and after 21st April, 1953.

ANDHRA VALLEY POWER SUPPLY CO., LTD. *Ad-interim* dividend of Rs. 30 per ordinary share, free of income-tax, payable on and after 22nd April, 1953.

COMPANY REGISTRATIONS

M. B. BROTHERS LTD. (First Director: Mr. Issak Haji Shakoor.) Business: Exporters, Importers and Merchants. Authorised capital: Rs. 50,00,000. Private company. Address: Noor Palace, 101, Mohamedali Road, Bombay 3.

HIMALAYA TILES AND MARBLE LTD. (First Director: Shri Har Lal Sher Singh Gupta.) Business: Manufacturers and Dealers in Marble, Marble Articles, Wall Tiles, etc. Authorised capital: Rs. 10,00,000. Private company. Address: 17-19, Dalal Street, Fort, Bombay.

TEXTILE PROCESSORS LTD. (First Director: Shri Bhagwatiprasad Khetan.) Business: Cotton Spinners and Doublers, Flax, Hemp and Jute Spinners, etc. Authorised capital: Rs. 10,00,000. Private company. Address: Khetan Bhavan, 198, Jamshedji Tata Road, Churchgate Reclamation, Bombay 1.

MINERVA TRADERS LTD. (First Director: Saraswati Devi.) Business: Dealers and Manufacturers of Hardware Goods, Iron Founders and Mechanical Engineers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 332, Kalbadevi Road, Bombay.

QUESTION HOUR IN PARLIAMENT

Deposits in Foreign Banks

THE deposits in foreign Scheduled Banks in India as on 26th December, 1952, amounted to Rs. 173.96 crores, investments being Rs. 45.92 crores and advances including bills discounted being Rs. 126.52 crores.

—Finance Minister

Adulteration of Ghee

The *vanaspati* factories have been directed to maintain, with effect from 1st April, 1953, a record of Baudouin test of each batch of *vanaspati* produced in the factory. Each batch has to be certified by the factory chemist to the effect that the same conforms to the required Baudouin test. The State Governments have been asked to instruct the local bodies to make an extensive use of this test for detecting adulteration of ghee with *vanaspati*. It has been decided to add 300 international units of synthetic vitamin 'A' per ounce of *vanaspati* and arrangements for import of the same are being finalised. The Ministry of Natural Resources and Scientific Research has been requested to consider the possibility of setting up a plant in India for production of synthetic vitamin 'A'. The research for a suitable colour for colouring *vanaspati* is being continued.

—Minister for Agriculture

Employees' State Insurance

The Government hopes to implement the Employees' State Insurance Scheme in May, 1953, in the towns of Amritsar, Ludhiana, Jullundur, Ambala and Bhiwani, and, if arrangement for medical care can be completed by the State Government, also in Batala and Adullahpur.

—Deputy Minister for Labour

Persian Gulf-Japan Shipping Conference

Beyond Press reports regarding the formation of a Persian Gulf-Japan Shipping Conference, the Government has no information in the matter. Ships under this Conference will not participate in the Indian coastal shipping. The Indian coastal trade has been reserved for Indian shipping and there is no question of any foreign shipping company being allowed to participate in that trade.

—Parliamentary Secretary to the Minister for Transport

Nationalisation of Collieries

There is no proposal to nationalise the collieries owned and worked by foreign companies. The policy contained in the Prime Minister's 1948 statement on foreign capital continues to govern the Government's policy in regard to nationalisation. The total capital investment in coal mines is approximately Rs. 29 crores. On the basis of the census of India's foreign liabilities and assets conducted by the Reserve Bank, the share of the British capital in this is Rs. 14 crores.

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Salt Production

India is expected to produce about 800 lakh maunds of salt in 1953 as compared to 768 lakh maunds in 1952. Attention is being paid continuously to the improvement of quality of salt production. Salt content fixed for edible salt is being raised gradually from year to year.

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Shipbuilding in India

About 60 per cent. of the parts of a ship, including the hull, superstructure, deck and cabins are constructed at Vishakapatnam, while the remaining 40 per cent., including electric fitting, copper pipes and steam fittings together with all the prime and auxiliary machinery are imported mostly from the U.K. The question of manufacturing these items in the country is also receiving Government's attention. The report of the French experts in this connection has just been received and the whole matter will be gone into.

—Minister for Production

Enquiry Into Working of Hirakud

The Comptroller and Auditor-General of India will be visiting Hirakud shortly for an on-the-spot study of the working of the accounting system at Hirakud. His advice after such study will be accepted and given effect to by Government. The progress at Hirakud achieved at the end of the last working season is being maintained. In order to ensure that the work has been progressing satisfactorily, it has been arranged to report how far targets for the working season have been achieved. This will be demonstrated by charts.

—Deputy Minister for Irrigation and Power

Rubber for Export

The Government will allow export of raw rubber in case the manufacturers have not been able to increase their offtake in the country. The manufacturers have been purchasing their normal quota of indigenous rubber. There have, however, been some accumulation of stocks with producers. At the end of last month, the stocks with dealers and estate owners were in the region of 5,100 tons. Government have lifted the control on the movement of rubber, so that the manufacturers can purchase whatever quantity they desire. Four hundred tons of "group 4" rubber which include pale latex crepe, is being allowed to be exported, and so also 200 tons of sole crepe. The Government has also under consideration measures like advancing of loans so that the surplus stocks with producers can be taken off the market. The world prices of rubber are moving down further.

—Minister for Commerce and Industry

Notices

THE WESTERN INDIA MATCH COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirtieth Ordinary General Meeting of the Shareholders of the abovenamed Company will be held at the Registered Office of the Company at Indian Mercantile Chambers, Nicol Road, Ballard Estate, Bombay, at 3 p.m. (S.T.), on Wednesday the 29th day of April, 1953, to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December, 1952.
2. To declare a Dividend and a Bonus.
3. To elect two Directors in the place of those who retire by rotation but are eligible for re-election and offer themselves accordingly.
4. To appoint Auditors and to fix their remuneration for the ensuing year.

The Transfer Books of the Company will be closed from the 18th day of April, 1953, to the 7th day of May, 1953, both days inclusive.

By Order of the Board,
T. RYDIN,
Managing Director.

INDIAN MERCANTILE CHAMBERS,
NICOL ROAD, BALLARD ESTATE,
BOMBAY, *30th March*, 1953.

The dividend and bonus when declared will be payable at the Central Bank of India Ltd., Bombay and Calcutta, on and after the 8th day of May, 1953, to those shareholders whose names stand on the Register on the 7th day of May, 1953, and warrants will be posted in due course to each shareholder at his registered address.

THE PODAR MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-eighth Ordinary General Meeting of the Company will be held at the Registered Office of the Company, Podar Chambers, Parsee Bazar Street, Fort, Bombay, on Monday the 4th May, 1953, at 3-30 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December, 1952.
2. To sanction, if thought fit, the payment of Dividend on the Preference and the Ordinary shares of the Company.
3. To elect Directors in place of those who retire but are eligible for re-election.
4. To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will remain closed from Friday the 1st May, 1953, to Friday the 15th May, 1953, (both days inclusive).

By Order of the Board of Directors,
For PODAR SONS LIMITED,
Managing Agents,
RAMNATH A. PODAR,
Managing Director.

BOMBAY, *6th April*, 1953.

Note.—The Dividend, when declared will be payable at the Bank of Jaipur, Ltd., Bombay, on and after Monday, the 18th May, 1953. Dividend Warrants will be posted to those shareholders whose names stand on the Company's Register on Friday the 15th May, 1953.

STRINGENCY IN MONEY CONTINUES

(From Our Own Correspondent)

BOMBAY, *8th April*

The short-term money market experienced, during the week under review, no easing of the stringent conditions which had been noted in the preceding few weeks. In fact, the stringency was more keenly felt this week. There was, no doubt, a small influx of funds into the banks, but such was too negligible to make any impression on the market. The inter-bank call money rate remained unchanged at 3 per cent. among the Exchange banks, as well as big and small Indian banks.

Merchants are said to have locked up their funds in commodities or used them to pay income-tax. The surplus funds of semi-Government bodies too have gone to the Government's bankers. Another important factor which has contributed to the stringency in the money market during the week under review was the appointment of the Reserve Bank of India as bankers to the Hyderabad State with effect from the 1st inst. in place of the Hyderabad State Bank. Formerly, the State Bank, which collected the revenues of the State and retained them with it, used to be a lender of funds to the Bombay market, but, with the change in its position from the 1st inst. to one of an agent of the Reserve Bank to collect the revenues of the State, it has to remit the funds to the Reserve Bank. As a result, the supply of funds to the market from this source has ceased.

Finance brokers feel that the present stringency may not continue for long, as the current crop season is nearly over. Further, with the revival of the downward trend in world commodity markets the export demand for Indian goods may remain slack for a considerable time to come. This view has given rise to the feeling that merchants will have no other recourse but to sell their stocks even at a loss. If, however, they decide to hold on, a sizable amount of funds will remain locked in stocks. But, if exports materialise, as has been the case, to some extent, with cloth, then the present tightness in money will yield place to relatively easy conditions at any early date. In their opinion, the trend of exports must, therefore, be carefully watched to judge the short-term outlook for the short-term money market.

Term deposit rates are unchanged at 2½ to 3 per cent. for three months' deposits and at 2½ to 2¾ per cent. for six months. The Treasury Bill rate too is unchanged at Rs. 2-7 per cent. per annum, though the response to this week's tenders for Rs. 1 crore of bills was slightly better at Rs. 135 lakhs, as against Rs. 101 lakhs offered last week.

An expansion of Rs. 16.54 crores in notes in circulation is the outstanding feature of the statement of affairs of the Reserve Bank of India for the week ended 3rd April, 1953. Notes held in the Banking Department are, on the other hand, lower by Rs. 7.12 crores, so that the total notes issued disclose an increase of Rs. 9.43 crores. This is covered by a rise of Rs. 5 crores in foreign securities and of Rs. 4.43 crores in rupee coin. On the liabilities side of the Banking Department, a spectacular fall of Rs. 48.49 crores is noted in deposits of the Central Government, while those of other Governments and banks have gone up by Rs. 19.57 crores and Rs. 5.72 crores, respectively. On the assets side, cash balances have contracted by Rs. 7.24 crores and balances held abroad by Rs. 2.05 crores. Loans and advances to Governments are higher by Rs. 30 lakhs, whereas other loans and advances show a decline of Rs. 1.50 crores. There has been a fresh advance of Rs. 1.50 crores to Scheduled Banks against usance bills, but the outstanding advances against the usance bills have fallen by Rs. 4.50 crores. Investments have gone down by Rs. 9.80 crores.

The Scheduled Banks' statement for the week ended 27th March, 1953, discloses a rise of Rs. 2.76 crores in the Banks' demand deposits and a fall of Rs. 42.04 lakhs in time deposits. Inter-bank borrowings are lower by Rs. 13.15 lakhs. Borrowings from the Reserve Bank and Imperial Bank have risen by Rs. 4.18 crores and Rs. 81 lakhs, respectively. The rising trend in advances and bills purchased of banks is maintained, with a further increase of Rs. 6.32 crores and Rs. 1.91 crores respectively. The increase in Scheduled Banks' total advances during the current season so far, that is, from the beginning of December last, is Rs. 76.98 crores, as compared with Rs. 76.35 crores during the same period last year, and the level of total advances as on 27th March, 1953, at Rs. 528.53 crores, is short of that at Rs. 580.48 crores a year ago by only Rs. 51.95 crores. Investments disclose a small rise of Rs. 18.19 lakhs. Cash-on-hand and balances with the Reserve Bank have together risen by Rs. 1.49 crores and balances with other banks by Rs. 36.64 lakhs, while money at call and short notice has shrunk by Rs. 90.64 lakhs.

The Gilt-edged market was in a subdued mood, with no support from any quarter. Consequently, a slightly easy trend was in evidence. The volume of business also was small. 3 per cent. 1953-55 and 3 per cent. 1957 were the notable exceptions to the general trend, in that they held their ground at Rs. 100-1 and Rs. 98-12, respectively. 3 per cent. 1958 fell by an anna to Rs. 98-7 and 3 per cent. 1959-61 by as much to Rs. 96-3. 3 per cent. 1963-65 and 3 per cent. 1964 each eased by As. 2 to Rs. 92-8. 3 per cent. 1966-68 was placed at Rs. 90-6 *ex-voucher*, as against Rs. 90-9 *cum-voucher*. 3 per cent. 1970-75 was quiet at Rs. 86-10, as against Rs. 86-11. 3 per cent. 1976 Conversion Loan declined sharply by As. 5 to Rs. 82-5.

After a lapse of two weeks, the foreign exchange section of the money market experienced, during the week under review, a minor fluctuation in the rupee-U.S. dollar rate. The variation was only in the selling rates of banks, but, over the week, there was no change even in these rates, as the table appended below will show. In the New York market, some small fluctuations were noted in the sterling-dollar rate. The spot rate for £ sterling, which stood at $2.81⅛—2.81⅜ on the 30th ultimo, declined to $2.8-13/16—2.81-5/16 on the 1st inst., but improved to close at $2.81⅝—2.81⅜ yesterday.

SELLING	18-3-53 Rs.	2-4-53 Rs.	7-4-53 Rs.
T.T./D.D. (other than B.C.'s) for amounts $2,000 and over:			
Ready and within 5 days	475¼	476	475¼
Delivery within 3rd month	477	477¼	477
,, ,, 6th ,,	478¼	478¼	478¼
T.T./D.D., B.C.'s and amounts under $2,000:			
Ready and within 5 days	476¼	476¼	476¼
Delivery within 3rd month	477¼	478	477¼
,, 6th ,,	479	479¼	479
T.T. Clean:			
Ready and within 1st month / Delivery within 3rd month / ,, ,, 6th ,,	471¼	471¼	471¼
T.T. Documentary:			
Ready and within 1st month / Delivery within 3rd month / ,, ,, 6th ,,	471	471	471

SILVER WEAK, GOLD STEADY

(From Our Own Correspondent)

BOMBAY, *8th April*

The week under review witnessed heavy fluctuations in silver prices on the Bullion Exchange, while gold ruled relatively steady. During the major part of the week, silver experienced a sharp break in values, due to the weakness of the Calcutta market following the developments in the international situation and on hopes of an early cessation of hostilities in Korea. Under the impact of heavy unloading by prominent bull operators, silver slumped to a low of Rs. 151-11 on Monday this week, a level not seen since 7th January this year. Thereafter, a quick rally ensued, on reports of good offtake in the ready section at the rate of 100 bars, but the closing prices still disclosed sizable losses over the week.

Gold presented, a steady trend, with very minor fluctuations in prices, due to good demand for it.

Silver for forward delivery (1st May settlement) opened at Rs. 158-7 and reacted to a low of Rs. 151-11 on Monday. As the closing rate on that day, namely, Rs. 152-15, was over Rs. 5 below the previous clearing rate, a special clearing was enforced in silver and gold, the clearing rate for silver being fixed at Rs. 152-12 and for gold at Rs. 84-12. With the recrudescence of buying activity induced by favourable offtake, silver recovered to Rs. 155-7 to-day and closed at Rs. 155-1.

Ready silver (.996 Mint) opened at Rs. 158-2, that is, at a discount of As. 5 below the forward rate for May settlement and declined to Rs. 151-11 on Monday to be on par with the forward rate, reflecting a higher offtake in ready. It rallied to close at Rs. 155-5, at which level it commanded a premium of As. 4 over the forward. The floating stocks of silver are 1,700 bars. The daily average offtake was 50 bars.

Gold for forward delivery (30th April settlement) improved from Rs. 85-4 to Rs. 86-5 early in the week, but, after declining to Rs. 84-3 on Monday in sympathy with silver, recovered to Rs. 85-3 at the close.

Ready gold disclosed a gain of As. 12 over the week to Rs. 85-15, the discount of an anna below the forward rate at the beginning of the week yielding place to a premium of As. 12, due to the excellent offtake during the week and, more particularly, in the last three days. The floating stocks of gold are reported to be 50,000 tolas. The daily average arrivals were 6,000 tolas, while the offtake was of the order of 10,000 to 12,000 tolas on an average.

The following comparative table shows the trend of the market during the week under review:

	8-4-53	Highest	Lowest	31-3-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	85 15	86 8	84 13	85 3
Forward	85 3	86 5	84 3	85 4
Sovereign	58 0	58 0	56 8	56 4
SILVER				
Ready (.996 fine Mint)	155 5	159 4	151 11	158 3
Forward	155 1	159 10	151 11	158 3
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½*c.*	—	—	85½*c.*

HIDES AND SKINS QUIET

(From Our Own Correspondent)

MADRAS, *6th April*

Quieter conditions prevailed in the E.I. tanned hides and skins market, due to Easter holidays and lack of overseas interest. Prices ruled steady, except in the case of inferior grades cow hides for which there was good inland demand.

The market for tanned goat and sheep skins ruled easier at origin and prices were As. 3 lower than those last week.

Shipments (in bales) during the month of March, 1953 were: To the U.K.: 4,500 cow hides, 322 cow calf, 332 buff hides, 416 buff calf, 961 goat and 754 sheep; to the Continent: 3 buff calf, 293 goat and 38 sheep; to the U.S.: 91 cow hides, 4 cow calf, 67 buff hides, 109 buff calf, 145 goat; to Japan: 20 goat, 599 sheep.

COTTON WEAK

(From Our Own Correspondent)

BOMBAY, *8th April*

For all practical purposes, mills appear to have withdrawn themselves from the spot market at Sewri, at least for the time being. Many of them have done so for the simple reason that they have covered the greater part of their requirements for months ahead. Some might still be waiting for a further break in prices, while some others are more interested in imported cotton than in Indian styles, as in their judgment, there will be a greater margin for them in cloth made from foreign cotton. Thus, though the reasons for paucity of buyers in the market may be varied, the effect on the price structure is uniform and prices are giving way gradually, if not precipitately in the absence of offtake. Another reason for this may also be that the output during this season is likely to prove higher than anticipated earlier, by about a couple of lakhs of bales. Dholleras were the only bright spots in a weak market at Sewri. This may be due to some enquiries for exports for this so far neglected variety.

The forward market at Kalbadevi also showed signs of great weakness day after day during the major part of the week, with prices touching lower and lower levels. Thus, at one time during the current week, the quotation for May delivery dipped by about Rs. 37 below the highest level touched only a short while ago. The bulls seemed to have lost not only their enthusiasm but even their hopes, and they were inclined to liquidate gradually their holdings in a market, which was not in a position to absorb all the offerings. Earlier in the week under review, bears themselves came to the rescue of the bulls by large-scale short coverings. But as the week progressed, they realised the weakness of their opponents and showed a tendency to sit tight. Towards the close of the week, however, there was a slight improvement in the tone of the market and prices staged smart recovery on call-fixing by mills, scattered buying by the trade and covering by a prominent bear. The result was that closing rates were substantially above the lowest levels and only a shade lower than the closing rates of the previous week.

On the export and import fronts, there have been no developments of note during the week, except for a revival of interest in Dholleras mentioned earlier. There are no enquiries for Bengals, now that the supply position is easier. Conditions with regard to imports also have remained unchanged. India's interest in Egyptian cotton continues as before.

The following are the latest available quotations from the Sewri market: Bengal *Deshi* Rs. 550; Berar Jarillas Rs. 640; Vijay Rs. 850; Moglai Rs. 680; Kandesh Rs. 790; and Oomra *Deshi* Rs. 695.

The following table shows the trend of prices in the forward market during the week under review:

	31-3-53	*High*	*Low*	8-4-53
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
I.C.C. May ...	690 0	684 8	681 0	688 4
I.C.C. Aug. ...	701 12	700 0	692 0	698 12

Karachi has been equally void of any interesting developments. Even the Japanese, who are credited with indefinite patience in negotiations, are wondering at the delay on the part of Pakistan negotiators in coming to some conclusion, with regard to the barter deal under discussion for a long time. They are reported to have made fresh proposals to accommodate Karachi's requirements to a greater degree, and it is believed that the authorities in Pakistan will now try to close the bargain. If the deal gets through, Pakistan is likely to be relieved of a good deal of its anxiety regarding the disposal of its cotton crop, because the quantity of cotton involved in the deal is believed to be about six lakh bales. Apart from this, there is little enquiry for Pakistan cotton from the Continent though the U.K. is a buyer of certain varieties at lower prices. Cotton exports at Karachi, however, taking the year as a whole, are better than last year.

The following are the latest available quotations from Karachi market: Punjab *Deshi* Rs. 66-8; 4F Punjab R.G. Rs. 55; S.G. Rs. 59; 4S.S. Punjab R.G. Rs. 58; S.G. Rs. 62-8; N.T. R.G. Rs. 58-8; S.G. Rs. 63; 289F Punjab R.G. Rs. 63-8 and S.G. Rs. 69.

At Alexandria, the Government has expressed its decision to continue the present scheme of marketing during the next season. This means that no forward trading will be allowed in this market and that all cotton will be bought by the authorities from the growers and sold to intending exporters as also to internal consumers. The prices will remain as at present closely related to those at New York from day to day. In the spot market several West European countries as well as India continue to be buyers and nearly a third of the season's production is believed to have been already exported. The period of shipment for the outstanding contracts for export is likely to be extended in individual cases by four months beyond 31st August, provided all "On" call business is fixed by the end of August.

At New York, the same bearish trend as in the previous weeks continues. It is now admitted that the carry-over at the end of the current season will be about a million and a half bales more than at the end of July, 1952, provided the export objective of four million bales is reached. The exports during the first half-year, however, amounted only to 1.8 million bales. The spot demand is also falling and it is believed that the carry-over ultimately might prove to be heavier than expected. In this case, the distant positions are also likely to suffer a setback, especially in view of very favourable weather conditions for fresh plantings reported from all cotton-producing areas.

The following are the latest available quotations from New York as compared with those of a week and a fortnight before:

(In cents per lb.)

	7-4-53	30-3-53	25-3-53
Spot	33.80	33.80	33.80
May	33.27	33.17	33.19
July	33.34	33.27	33.39
October	33.38	33.39	33.51
December	33.48	33.48	33.59

SELLING PRESSURE IN ART SILK YARN

(From Our Own Correspondent)

BOMBAY, *8th April*

A heavy landslide in values of yarn, both forward and ready sections, was witnessed in the art silk yarn market this week. It was brought about by renewed prospects of Korean peace, heavy imports and slackness in art silk fabrics trade. The downward trend persisted till to-day, when, on expectations of a further increase in prices by Continental producers, firm advices from the bullion market and revival of demand in the ready section, art silk yarn staged a sizable recovery. But the recovery was not so marked as to erase completely the previous losses. The closing rates to-day were, therefore, very much lower than those at the end of last week.

In the forward section 150D April contract was marked down at Rs. 778 yesterday, representing a fall of Rs. 35, as compared with the quotation on the 31st ultimo. On good buying support, it recovered to close at Rs. 794 to-day. The net loss in this contract over the week was Rs. 20. May contract commenced business at Rs. 815 on Wednesday last and, after receding to Rs. 783, recovered slightly to finish the week at Rs. 799, the net loss being Rs. 16.

In the ready section, 120 Japan declined from Rs. 4-10 to Rs. 4-6 yesterday but improved to Rs. 4-7 to-day. 150 Japan, 120 Italy and 150 Italy dropped As. 2 each to Rs. 4-3, Rs. 4 and Rs. 3-15, respectively. To-day, however, they were higher at Rs. 4-4, Rs. 4-0½ and Rs. 4.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 31st and 25th inst.

Art Silk Yarn—	8-4-53 Rs. a.	31-3-53 Rs. a.	25-3-53 Rs. a.
150D March (per case of 200 lbs.)	794 0	813 0	838 0
150D April ,, ...	—	821 0	845 0
150D May ,, ...	799 0	—	—
150 Japan (per lb.)	4 7	4 12	4 12
150 Japan ,, ...	4 4	4 6	4 6
150 Italy ,, ...	4 0½	4 3	4 3
150 Italy ,, ...	4 0	4 2	4 3

The Korean peace developments have led the traders to envisage the possibilities of slowing down of stockpiling programme, which means increased arrivals of yarn from Japan and Continental countries, leading to a fall in yarn quotations. Consequently, the traders are extremely cautious to hold large stocks, while buyers are restricting their purchases to small lots just sufficient to meet the immediate requirements. In this context, even rumours of a further rise in the prices of art silk yarn by Continental shippers are discounted by a section of the trade; for, in its opinion, Continental producers cannot at all enhance prices further, what with Japan offering stiff competition in the world art silk yarn market.

Turnover of business in the staple fibre yarn section has been greatly limited, thanks to acute scarcity of stocks. The yarn producing units are reported to have been very much handicapped for want of adequate supplies of fibre at reasonable prices. The price of ready staple fibre now ruling in the market is as high as Rs. 2-8 per lb., as against Re. 1-12 (c.i.f. Bombay) quoted by exporters in overseas countries. Utter disappointment is, therefore, expressed at the postponement of import policy for staple fibre by the Government. Several communications, it is said, have been addressed to the Government, urging the latter to announce the policy immediately. An announcement is expected next Wednesday and, according to one source, import licences may be granted only to actual users.

GROUNDNUTS RECOVER

(From Our Own Correspondent)

BOMBAY, *8th April*

A notable development of considerable significance to the oilseeds and oils market this week was the Government's announcement on 1st April of certain concessions to trade regarding shipment of oils. The Government has decided to allow the balance of January-June, 1953, quotas of groundnut oil and H.P.S. groundnuts to be shipped upto the end of August, 1953. It may be noted that against established shippers' quotas of groundnut oil for January-June, 1953, announced on 13th December last, not more than half the quantity, in the case of quotas exceeding 75 tons, had been allowed to be exported upto the end of March, 1953. This period has, as a result of the above decision, been extended till the end of August for the balance of the quota. Similarly, the Government has extended to newcomers also the period of shipment of quotas of groundnut oil which were valid till March, 1953, granted in November last, till the end of August, 1953. The Government has further decided to continue the free licensing of linseed oil on shipping bills (subject to a maximum quantity of 500 tons at a time by a shipper) upto the end of June, 1953. These developments came as a surprise to operators who all along feared a ban on exports of oils in view of the short groundnut crop during the current year. As a result, the easy trend witnessed last week in all the sections yielded place to a hardening tendency with prices looking up all round.

In addition to the above, considerable demand for groundnuts and groundnut oil from *vanaspati* interests contributed to the improvement in the groundnut section. Bold ready advanced from Rs. 40-12 to Rs. 42-6. Khandesh quality rallied Rs. 1-2 to Rs. 42-6. Groundnut oil, ex-mill ready delivery, hardened by As. 6 to Rs. 22-8 and railway receipts As. 10 to Rs. 22-10. May and June deliveries were done at Rs. 22-12 and Rs. 22-15, as against Rs. 22-3 and Rs. 22-6, respectively.

The castorseeds section also improved, on rumours of reduction in export duty on castor oil. India occupies a very important place among the producers of castor oil and its export does not in any way affect the edible oil position in India; for it is used mainly for medicinal and industrial purposes. Hence, stimulus to exports by a reduction in export duties is not ruled out. This, in fact, explains the credence in the rumours. May delivery which opened steady at Rs. 147 shot up to as high as Rs. 157-8, before closing at Rs. 151-12. Madras quality gained As. 6 to Rs. 31-6. Castor oil, First Pressure, lost As. 6 to Rs. 18-6 and Commercials As. 4 to Rs. 17-10, on lack of overseas demand.

Linseed ruled steady. Bold ready, after moving up from Rs. 28-12 to Rs. 29-4, declined to close at Rs. 28-12. Linseed oil was higher by As. 4 at Rs. 14-8.

Kardi and *niger* seeds also registered an uptrend, on encouraging demand by *vanaspati* interests and other oil merchants. There were also enquiries from the Continent. Consequently, *niger*, Madras quality advanced by As. 8 to Rs. 33-8, and *kardi* seeds, ready bold by As. 6 to Rs. 23-8.

The following table shows the prices of oilseeds and oil on the 8th inst., as compared with those on the 31st and 24th inst.

	8-4-53 Rs. a.	31-3-53 Rs. a.	24-3-53 Rs. a.
Groundnuts—			
Bold Ready New (per cwt.) ..	42 6	40 12	41 12
Khandesh New (per cwt.) ..	42 6	41 4	42 4
Linseed—			
Bold Ready (per cwt.) ..	28 12	28 12	29 6
Castorseeds—			
May (per candy of 5 cwts.) ..	151 12	147 0	153 12
Madras (per cwt.)	31 6	31 0	32 0
Groundnut oil—			
Ex-mill Ready (per quarter)	22 8	22 2	22 14
Castor Oil—			
Commercial (per quarter) ..	17 10	17 14	18 4

PEPPER QUIET

(Messrs. Parekh & Co.)

BOMBAY, *8th April*

The week under report was shortened by the intervening holidays. In the earlier part, black peppar at Alleppey and Calicut attempted to withstand the bearish sentiments prevailing in other Indian markets, as New York showed resistance and recorded a fall very much smaller than that in other commodities like rye, wheat, maize, barley, soya-beans, castorseeds, castor oil, copra, coconut oil, both on the U.S. and the Continental markets. Arrivals at Alleppey were negligible owing to Easter holidays and this also served as a prop to the market. A small quantity was reported sold at Alleppey at Rs. 3,400. In the A.S.T.A. section, at Bombay, some of the bulls who believed in the ability of New York speculators for a successful manœuvring of a corner tried to support the market and bought April and May-June at price from $1.47 down to $1.46. In the later part, however, as the growers and dealers in India were not very confident about the future of pepper, because they believed that the immediate bearish reaction to Korean peace parleys in Indian and in other foreign markets will make itself felt sooner or later, pepper at Alleppey dropped from Rs. 3,350 to Rs. 3,100 with few buyers. The fall in almost all the primary centres was accentuated by the drop in the A.S.T.A. market at Bombay where the party who has got an office at New York and who is believed to be in the confidence of New York speculators was an aggressive seller. The merchant sold more than 50 tons for April shipment at price from $1.46 down to $1.41 per lb. c. & f. New York. The U.S.A. report was discouraging where buyers were quoting a nominal price between $1.41 and $1.42 without any firm bid to buy. A knowledgeable source in the market cites that the speculators in New York may not be able to stage a successful bull-squeeze as the demand from the grinders is likely to fall owing to the present peace psychology and the recent heavy fall in Wall Street and in other speculative markets, is likely to act as a damper against further pyramiding of contracts.

At the time of writing, Alleppey is reported to have improved after touching the new low level of Rs. 3,100 to Rs. 3,250 under pressure of short covering. May shipment to New York in Bombay is reported done at $1.44. Accumulation of stock at Alleppey and Calicut is reported, but the growers, because of their bullish inclinations, are reported storing their stock against loan account even after paying heavy rate of interest to the local shroffs.

Following are to-day's nominal quotations:— Ready delivery Rs. 2,850, April Rs. 2,720-50, and May Rs. 2,750-80 per candy of 5½ cwts.

GOOD GENERAL DEMAND FOR TEA

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, *4th April*

The offerings in sale No. 7, which was held on Tuesday, 31st March, amounted to approximately 9,62,000 lbs. Quality had shown a slight falling away, but there were still many useful teas on offer. The sale opened to a good general demand, particularly for common, low medium and medium descriptions, and these remained fully firm at last rates. Although good medium and best liquoring grades sold well, prices inclined easier. The strongest feature of the sale were fannings grades which were occasionally dearer. Whole leaf grades met with keen competition and must be quoted dearer. The following were the quotations:—

	1953 Rs. p.
Low grown Travancore B.O.P. ...	1 13 0
Medium Travancore B.O.P. ...	2 2 0
	to 2 3 0
Anaimallais B.O.P.	2 5 6
Best liquoring Nilgiri B.O.P. ...	3 13 0
Well made black leaf O.P.	2 4 6

London Market.—Market generally ½*d.* to 1*d.* dearer on the week, but Wednesday no stronger than Monday.

Colombo Market.—4,500,000 lbs. Market again lower except price tea and good liquoring fannings.

Calcutta Market—Export.—51,000 packages. Strong general demand. Prices irregularly As. 1 to As. 2 dearer for all brokens, sometimes As. 1 to As. 3 dearer for fannings. Assam B.O.Ps. and better whole leaf grades weakest feature, but little deterioration in prices.

Dust.—Strong general demand. Prices generally firm to dearer.

Export Quota.—Special licence is still quoted at 1¼ pies, although business has been small. 1953-54 quota stands at 12 pies sellers.

Forthcoming Auctions.—Sale No. 8 will now be held on Wednesday, 15th April.

WEAKNESS PERSISTS IN JUTE

(From Our Own Correspondent)

CALCUTTA, *7th April*

Prices of jute goods recorded sizable losses during this week, as it became evident that New Delhi was also sharing the desirability of the West Bengal Government to postpone any decision of mills to restrict the output of sacking. There is indeed some force in the view put forward by the Government that sufficient time has not elapsed since the duty cut and that, because of this, its effect on marketing cannot be assessed now. The experience of hessian—it was ten months after the reduction in the duty foreign demand began to assume a reasonable proportion to output—is cited to support Government's contention. However, it is difficult to draw any comparison between sacking and hessian, since export figures for the former during recent years go to show that there has been a progressive decline in demand; especially the decline is pronounced in the demand from Far Eastern countries. Unless, therefore, there is a change basically, the experience gained by hessian may not be expected to repeat in the case of sacking. Demand for sacking has fallen, it is thought, in view of countries like Australia introducing bulk handling to reduce packing costs. Due to the ravages of war and of rebellion, Burma's rice exports are much less than the pre-war rate. Under this context, the announcement that an Indian Jute Mills Association delegation will go to Australia this month, study on the spot the causes for decline in demand for sacking from that country, and create goodwill between Indian mills and consumers there is welcomed in the market. Australia is reported to be having a bumper agricultural crop this year, and the visit of the delegation is well-timed. It may not be possible for the industry to send similar missions to every country, but the Government of India can assist the mills by advising its Consular offices in other countries to explore the possibilities for jute goods and find out in what particular way mills could assist consumers.

B. twills opened last Wednesday at Rs. 37-2, and business was difficult to materialise. Foreign buyers were not prepared to enter into commitments, and speculative holders were not interested to increase their stocks. On Thursday, however, some business was reported at Rs. 87. Friday and Saturday the market remained closed on account of Easter. Some change in sentiment was in evidence when the market re-opened yesterday, and as a result the rate advanced fractionally to Rs. 87-10.

Suggestions that more sacking looms would be transferred to the production of hessian affected sentiment in the hessian market, and the quotation for 40" 10 oz. was quiet at Rs. 38-14 last Thursday. However, yesterday, the price was better at Rs. 39-4. Hessian 40" 8 oz. was offered at Rs. 32-8 f.a.s. and at Rs. 39-4 f.o.b.

Depression in the goods was duly reflected in the quotations for raw jute. Mills did not desire to enter into buying commitments, and as sellers were also anxious for business, rates were depressed. Stockists have yet to dispose of jute mostly fit for the production of sacking, and as such only an improvement in the prices of sacking would prevent heavy losses for holders of indigenous jute. Assam bottoms eased to Rs. 17 from Rs. 18, and *bimli* f.a.q. had no buyers even at Rs. 13-8. There is the need for the Government to consider sympathetically the trade demand for permission to export the excess of the inferior qualities of Indian jute, unwanted by the mills. Pakistani jat bottoms were priced at Rs. 21. Other quotations were: Dalcola Rs. 19, Kissanganj Rs. 18, Dinhatta Rs. 17, and Pucca bale firsts ready Rs. 100 per bale.

SHARP BREAK IN FOODGRAINS PRICES

(From Our Own Correspondent)

HAPUR, *6th April*

With the first arrivals from the *rabi* harvest flowing into the markets, food prices have come tumbling down in Uttar Pradesh. Wheat, which was quoted at Rs. 21 per maund 10 days ago, is reported to be selling at Rs. 15 in one or two wholesale markets and at Rs. 16-8 generally. When the full impact of the harvest is felt, the price is likely to drop further by about Rs. 2 per maund. Harvesting is now over all over the State and threshing operations are in full swing. A normal yield

(*Continued on page 683*)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	27th Mar., 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,133.12	1,133.16	1,119.52	1,141.11
Notes held in Banking Department	35.05	17.03	16.73	29.86	35.82
Foreign Securities	39.50	578.15	578.15	568.15	603.15
Rupee Securities	37.39	449.86	449.86	449.86	461.63
Banking Department					
Deposits of:					
Government of India	14.89	135.78	135.72	149.99	180.16
Other Governments	..	10.85	10.48	11.40	25.06
Balances held abroad	10.08	145.53	146.23	152.26	119.92
SCHEDULED BANKS					
Demand Liabilities	134.37	534.05	531.22	525.46	567.46
	..	(11.91)	(11.84)	(12.19)	(25.35)
Time Liabilities	102.84	311.58	312.45	315.78	293.51
Borrowings from Reserve Bank	..	(1.80)	(2.00)	(2.38)	(9.95)
	..	18.87	14.60	4.15	54.13
	..	(5.24)†	(4.24)†	(1.74)†	(27.82)†
Borrowings from Imperial Bank‡	..	10.46	9.65	6.64	N.A.
Cash in India	6.71	32.49	31.95	31.25	33.97
Balances with Reserve Bank	25.28	42.70	41.74	42.47	44.78
Excess over statutory limits	15.52	9.77	8.93	9.89	10.74
Balances with other banks in current account in India	..	11.01	10.64	10.34	11.44
Money at call and short notice in India	..	12.67	13.57	16.96	12.16
Investments (at book value)	105.09	303.31	303.13	301.21	296.07
Advances and bills		528.53	520.30	504.53	580.48
IMPERIAL BANK					
Deposits	87.76	214.15	210.05	208.28	233.59
Investments	51.99	82.22	82.17	82.28	85.73
Advances	30.37	123.71	130.01	125.01	160.14
Cash	14.69	18.43	17.49	14.06	21.10

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets). N.A.=Not available.
‡ Figures against usance bills and promissory notes.
* Figures prior to 16th April, 1952, not available.

CLEARING HOUSE RETURNS

Centre	2nd April, 1953		27th March, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,28,229	66,61,34,000	1,62,397	35,92,72,000
Calcutta	1,37,555	61,56,26,780	1,42,343	50,06,89,911
Madras	59,454	8,52,75,454	71,475	12,88,96,639
All Centres				
Dec., 1952	..	..	25,49,000	5,47,76,00,000
Jan., 1953	..	..	25,74,000	5,52,14,00,000
1952	..	..	1,06,41,941	26,79,51,57,000
1951	..	..	1,09,94,122	31,80,56,86,359

Reserve Bank of India

Statement of Affairs for the week ended 3rd April, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	87,28,64,000
(2) Other Governments	39,41,82,000
(b) Banks	52,24,62,000
(c) Others	63,69,95,000
Bills Payable	6,58,11,000
Other Liabilities	27,24,18,000
Rupees	286,47,32,000

ASSETS	Rs.
Notes	9,91,59,000
Rupee Coin	4,92,000
Subsidiary Coin	3,12,000
Bills Purchased and Discounted—	
(a) Internal	22,50,000
(b) External	....
(c) Government Treasury Bills	9,45,61,000
Balances held abroad*	143,47,32,000
Loans and Advances to Governments	3,80,00,000
Other Loans and Advances	25,44,48,000
Investments	86,31,59,000
Other Assets	7,96,19,000
Rupees	286,47,32,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 74,18,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 15,74,18,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,01,59,000	
Notes in circulation	1149,66,06,000	
Total Notes issued	..	1159,57,65,000
Total Liabilities	..	1159,57,65,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion:		
(a) Held in India	40,01,71,000	
(b) Held outside India	....	
Foreign Securities	583,15,11,000	
Total of A	..	623,16,82,000
B. Rupee Coin	..	86,54,79,000
Government of India Rupee Securities	..	449,86,04,000
Internal Bills of Exchange and other commercial paper	..	....
Total Assets	..	1159,57,65,000

Ratio of Total of A to Liabilities: 53.741 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 27th Mar., 1953

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks	11,91,27,000†
(ii) Other demand liabilities	522,18,53,000
2. Time Liabilities in India:	
(i) Borrowings from banks	1,86,00,000†
(ii) Other time liabilities	309,96,63,000
3. Cash in India	32,48,64,000
4. Balances with the Reserve Bank in India	42,69,53,000
5. Balances with other banks in current account in India	11,00,51,000
6. Money at call and short notice in India	12,66,64,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	303,30,83,000
8. Advances in India	473,93,16,000
9. Inland Bills purchased and discounted in India	54,59,83,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.

†Excludes borrowings from the Reserve Bank, and with effect from the 18th April 1952 as also those from the Imperial Bank.

EXCHANGE RATES

	7th April, 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 11/16	1-5 3/4
Sellers T.T. D.D. upto six months	1-5 13/16	1-5 13/16
Buyers T.T. spot to nine months	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	1-6 3/16	1-6 3/16
Bombay on New York—		
Sellers T.T. D.D.	Rs. 475 1/4	475 1/4
Buyers T.T.	Rs. 471 1/2	471 1/2
London on New York	$ 2.81 1/2-2.81 5/8	2.81 1/2
London on Paris	Frs. 987 1/2-988	987 1/2-988
London on Berne	Sw. Frs. 12.17 1/2-12.18 1/2	12.19
New York on London	$ 2.81 1/2-2.81 3/8	2.81 3/8-2.81 3/8

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India	1948	342.12	..	8,730	255
Pakistan	1949	75.04	..	1,071	223
Burma	1951	18.67	Kyats 3,166	317	197
Ceylon	1951	7.74	..	451	564
Japan	1951	84.30	Y. 4,564,400	6,038	716
Philippines	1951	20.25	Ps. 7,586	1,820	856
New Zealand	1951	1.95	£(N.Z.) 615	820	4,206
Australia	1951	8.41	£(A.) 3,238	3,454	4,317
U.K.	1951	50.56	£ 11,384	16,179	2,976
U.S.A.	1951	154.36	$ 277,600	132,190	8,564
Canada	1951	14.01	$ 17,229	8,552	6,108
France	1951	42.24	F. Fr. 9,082,000	12,372	2,929
W. Germany	1951	48.11	Dm. 90,200	10,227	2,126
Italy	1951	46.60	Lr. 7,746,000	5,002	1,207
Norway	1951	2.29	Kr. 15,504	1,055	3,206
Sweden	1951	7.07	Kr. 26,800	3,439	4,864
Netherlands	1951	10.26	Fl. 16,940	2,151	2,096
Denmark	1951	4.30	Kr. 20,716	1,439	3,346
Switzerland	1951	4.75	S. Fr. 19,500	2,166	4,556

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, January, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 27th March, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	33,25,41,000
(b) Provincial Governments	2,13,57,000
(c) Banks	11,54,70,000
(d) Others	3,14,33,000
Bills Payable	27,04,000
Other Liabilities	5,27,70,000
Rupees	61,62,84,000

ASSETS	Rs.
Notes	4,79,00,000
Rupee Coin	2,000
Subsidiary Coin	7,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	61,85,000
(c) Government Treasury Bills	1,63,00,000
Loans and Advances to Governments	2,70,88,000
Provincial Governments Debtor Balances	6,73,99,000
Other Loans and Advances	39,54,17,000
Investments	8,59,86,000
Other Assets	61,62,84,000
Rupees	

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	4,79,00,000	
Notes in circulation	208,68,36,000	
Total Notes issued	..	213,47,36,000
Total Liabilities	..	213,47,36,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	....	
Sterling Securities	38,72,56,000	
Government of India Securities	11,87,77,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,96,000	
B. Rupee Coin	6,30,43,000	88,50,71,000
Government of Pakistan Securities	114,41,47,000	
Internal bills of exchange and other commercial paper	....	120,71,90,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	4,24,75,000
Total Assets	..	213,47,36,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 43.31 per cent.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953				Rs. a. p.	%
13th Jan.	1.00	1.22	1.00	2 6 9	79
21st ,,	1.00	1.22	1.00	2 7 0	81
27th ,,	1.00	1.00	1.00	2 7 0	100
3rd Feb.	1.00	1.14	1.00	2 7 0	87
10th ,,	1.00	1.19	1.00	2 6 11	84
17th ,,	1.00	1.39	1.00	2 7 0	100
24th ,,	1.00	1.00	1.00	2 7 0	100
3rd March	1.00	1.02	1.00	2 7 0	98
10th ,,	1.00	1.16	1.00	2 6 11	86
17th ,,	1.00	1.09	1.00	2 7 0	93
24th ,,	1.00	1.02	1.00	2 7 0	100
31st ,,	1.00	1.01	1.00	2 7 0	100
7th April	1.00	1.35	1.00	2 7 0	100
Total	13.00	13.91	13.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	26th March, 1953	5	5
Belgium	13th Sept., 1951	3 1/2	3 1/2
Canada	17th Oct., 1950	1 1/2	2
Denmark	2nd Nov., 1950	4 1/2	5
Finland	16th Dec., 1951	7 1/2	6 1/2
France	9th Nov., 1951	8	4
Greece	12th July, 1948	10	12
India	16th Nov., 1951	3	3 1/2
Italy	6th April, 1950	4 1/2	4
Japan	1st Oct., 1951	5.11	5.84
Netherlands	1st Aug., 1952	2 1/2	3
New Zealand	26th July, 1941	2	1 1/2
Norway	9th Jan., 1946	3	2 1/2
Portugal	12th Jan., 1944	3	2 1/2
South Africa	27th Mar., 1952	3 1/2	4
Spain	18th Mar., 1949	4 1/2	4
Sweden	1st Dec., 1950	2 1/2	3
Switzerland	26th Nov., 1936	4	1 1/2
Turkey	26th Feb., 1951	2	3
United Kingdom	12th Mar., 1952	2 1/2	4
U.S.S.R.	1st July, 1936	8	4
U.S.A.	16th Jan., 1953	1 1/2	2
West Germany	8th Jan., 1953	4 1/2	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	November, 1952	November, 1951	Eight months—April to Nov., 1952	Eight months—April to Nov., 1951
Import Duties:				
Revenue	8,14	11,85	73,93	85,88
Protective	6,6	85	5,42	7,17
On surplus disposals	0,6	2	3	19
Total import duties	8,81	12,72	79,37	93,24
Export Duties	3,23	7,74	88,16	60,34
Land Customs	23	50	1,91	2,03
Miscellaneous	8	13	82	80
Gross total customs	12,35	21,08	120,26	156,42
Refunds and drawbacks	18	3	1,99	3,44
Net Customs	12,17	19,81	118,27	152,98
Gross excise	4,61	7,72	50,84	62,04
Refunds	5	17	1,05	1,15
Net Excise	4,56	7,55	49,79	60,89
Net total of customs and excise	16,73	27,36	168,06	213,87

Imperial Bank of India

Statement of Affairs for the week ended 3rd April, 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,50,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,85,00,000
Deposits and other Accounts		221,15,02,000
Borrowings from other Banking Companies Agents		20,14,000
Bills Payable		3,17,50,000
Bills for Collection being Bills Receivable as per contra		54,35,000
Acceptances, Endorsements and Other Obligations as per contra		2,87,000
Other Liabilities (including Inter-Office Adjustments)		6,14,88,000
Total	Rs.	243,22,26,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		16,45,84,000
Balances with other Banks		4,75,85,000
Money at Call and Short Notice		1,35,89,000
INVESTMENTS—		
Government and other Trustee Securities	71,06,50,000	
Other Authorised Investments	11,16,18,000	82,22,77,000
Advances—		
Loans, Cash Credits and Over drafts, etc.	108,99,43,000	
Bills Discounted and Purchased	25,07,63,000	
Bills Receivable being Bills for Collection as per contra		134,07,06,000
Customers' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		54,35,000
Premises less Depreciation		2,87,000
Furniture and Fixtures less Depreciation		1,31,87,000
Other Assets (including Inter-Office Adjustments)		34,53,000
Total	Rs.	2,11,23,000
		243,22,26,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits. Outstandings@		3½% Ten-Year Treasury Savings Deposit Certificates ‡	
	5-Year		7-Year		12-Year							
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*
1950-51	2,08	5,01	96	2,40	20,67	50,53	97,80	61,36	—	22,32	5,31	5,31
1951-52	1,76	6,10	77	2,91	22,07	66,81	1,07,55	74,18	—	27,55	13,10	18,39
December 1951	13	5,74	6	2,76	1,64	62,68	7,66	67,91	—	26,30	70	16,51
January 1952	13	5,82	7	2,81	1,51	63,62	7,75	68,04	—	26,68	66	17,17
February ,,	13	5,90	5	2,83	1,64	64,79	8,21	68,27	—	27,02	53	17,70
March ,,	29	6,10	10	2,91	2,63	66,81	15,04	74,18	—	27,55	71	18,39
April ,,	14	6,17	5	2,93	2,28	68,56	10,01	76,52	—	27,91	95	19,33
May ,,	12	6,22	8	2,99	2,12	70,22	9,95	77,85	—	28,25	56	19,86
June ,,	12	6,28	6	3,02	1,82	71,64	9,38	80,03	—	28,57	69	20,52
July ,,	15	6,34	10	3,09	2,03	73,14	10,29	82,54	—	28,91	74	21,22
August ,,	14	6,40	8	3,12	1,76	74,45	8,60	83,75	—	29,15	65	21,89
September ,,	10	6,44	3	3,12	1,84	75,73	8,78	84,89	—	29,40	52	22,38
October ,,	11	6,48	5	3,14	1,71	76,77	8,36	85,24	—	29,86	56	22,92
November ,,	10	6,50	4	3,16	1,71	77,90	8,03	85,51	—	29,98	53	23,48
December ,,	8	6,51	3	3,16	1,66	79,34	8,45	85,92	—	30,22	48	23,94
January 1953	..	..	..	..	..	..	..	..	—	....	58	24,48

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from 1st June, 1948. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)

1. All-India

Group and Sub-Group	Week Ended 28-3-'53	21-3-'53	28-2-'53	29-3-'52
(A) Government and Semi-Government Securities ‡	**92.2**	**92.3**	**92.2**	**91.3**
1. Government of India Loans	92.4	92.4	92.3	91.3
2. Municipal, Port Trust and Improvement Trust Loans	86.9	86.9	86.9	87.6
(B) Fixed Dividend Industrial Securities	**90.2**	**90.2**	**90.0**	**92.4**
1. Electricity	78.6	78.8	78.1	74.7
2. Cotton	127.0	126.9	125.8	132.0
3. Jute	79.7	79.7	80.0	81.8
4. Coal	95.0	95.0	95.2	95.6
5. Iron and Steel	84.2	84.2	83.7	85.2
6. Sugar	87.6	87.6	87.8	97.0
7. Paper	84.6	84.6	85.4	91.4
8. Plantations	97.0	97.0	97.5	103.7
(C) Variable Dividend Industrial Securities	**106.9**	**107.2**	**105.2**	**113.1**
1. Banks	104.1	104.4	104.1	106.7
2. Insurance	97.4	97.4	99.2	104.4
3. Investment Trusts	142.4	140.8	138.7	135.7
4. Electricity Companies and Tramways	82.6	82.6	82.9	84.1
5. Shipping and Other Transport Companies	88.5	88.3	85.2	87.3
6. Railways	75.3	76.0	75.3	80.9
7. Plantations	114.5	113.6	109.8	156.8
8. Cotton Woollen and Silk	135.9	136.1	130.2	152.8
9. Jute	70.7	71.8	70.7	82.4
10. Steel	87.5	88.0	88.3	101.2
11. Mining and Oil	63.0	63.7	64.5	64.5
12. Iron and Steel	141.6	143.1	131.7	127.3
13. General Engineering	150.6	150.8	145.5	146.1
14. Sugar	80.6	80.8	79.6	89.0
15. Breweries	60.2	59.3	59.7	67.6
16. Chemicals	136.0	133.0	130.9	154.8
17. Paper	117.0	116.0	114.1	116.4
18. Cement	142.8	143.2	141.0	137.3

II. Regional

Region and Group	Week Ended 28-3-'53	21-3-'53	28-2-'53	29-3-'52
(A) BOMBAY—				
Government and Semi-Government Securities	92.1	92.1	92.0	91.2
Fixed Dividend Industrials	92.7	92.7	92.1	92.3
Variable Dividend Industrials	127.2	128.0	124.5	127.0
(B) CALCUTTA—				
Government and Semi-Government Securities	92.8	92.9	92.7	91.8
Fixed Dividend Industrials	86.4	86.3	86.5	89.0
Variable Dividend Industrials	93.8	94.0	92.7	100.2
(C) MADRAS—				
Government and Semi-Government Securities	91.9	91.9	91.9	90.7
Fixed Dividend Industrials	102.3	102.3	102.4	109.2
Variable Dividend Industrials	127.7	127.8	127.1	143.9

*Source: Department of Research and Statistics, Reserve Bank of India.
‡ Including Part 'B' State Loans.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work	Number of workers involved	Number of man-days lost
1950	814	719,883	12,806,704
1951	1,071	691,321	2,948,978
1952	1,145	910,430	3,320,708
October 1950	78	288,849	2,266,994
November	94	56,736	313,837
December	68	41,061	163,718
January 1951	120	93,696	370,990
February	61	44,025	203,660
March	79	47,723	317,869
April	120	95,747	331,232
May	109	56,604	277,214
June	146	93,446	448,258
July	130	72,454	671,705
August	108	64,684	289,907
September	93	24,777	93,109
October	108	67,396	190,761
November	125	64,147	189,374
December	113	76,196	265,149
January 1952†	96	305,881	674,340
February *	88	63,180	215,607
March ,,	87	42,430	142,493
April ,,	134	59,487	234,646
May ,,	118	80,093	254,885
June ,,	101	59,881	257,062
July ,,	82	40,754	171,263
August* ,,	87	49,507	148,475
September* ,,	96	57,875	460,552
October* ,,	94	77,689	347,684
November ,,	83	47,902(a)	266,234(a)
December ,,	80	27,401	158,717
January 1953	82	40,244	239,159

Figures for 1952 are provisional * Revised.
(a) Not known in five cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51	545	5,279.9	4,225.9
1951-52	573	5,948.1	4,849.0
July 1951	541	501.2	408.8
August ,,	546	507.7	412.0
September ,,	551	506.8	409.7
October ,,	554	494.5	403.4
November ,,	556	508.9	412.8
December ,,	557	491.7	409.8
January 1952	561	500.9	414.8
February ,,	568	500.8	409.7
March ,,	571	480.7	391.0
April ,,	573	481.8	392.9
May ,,	577	488.8	392.8
June ,,	581	514.4	418.1
July ,,	588	500.1	408.8
August ,,	588	504.0	423.7
September ,,	592	531.6	428.7
October ,,	597	530.3	430.6
November ,,	599	549.2	441.5
	605	529.7	436.4

* Excluding railway, military and factory power stations; Chola Power Station, being interconnected with the Tata Power System, has been included. ‡ Excluding purchases from non-electric utilities.
§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	21st Mar., 1953	14th Mar., 1953	22nd March, 1952	February 1953	February, 1952	Percentage of increase (+) or decrease (—) in Feb., 1953 as compared with Feb., 1952	1952	1951
Food Articles	366.6	368.6	345.7	361.6	375.4	— 3.1	359.8	409.8
Cereals	430	430	433	430	463	— 7.1	450	488
Pulses	502*	541*	412	609	488	+24.8	493	606
Other	246	245	213	233	242	— 3.7	225	290
Industrial Raw Materials	458.1	453.8	420.8	440.1	545.4	— 0.9	453.8	608.2
Fibres	417	417	432	404	582	—30.6	454	622
Oil seeds	573	558	413	527	551	— 4.4	484	679
Minerals	459	457	450	450	456	+ 0.8	458	436
Others	359	356	393	363	413	—12.1	341	558
Semi-Manufactures	351.8	349.0	340.1	347.2	384.2	— 4.6	348.5	377.8
Leather	441	434	310*	421	340	+24.0	345	458
Mineral oils	223	223	218	218	218	+ 2.3	221	197
Vegetable oils	491	478	411	462	548	—15.6	459	679
Cotton yarn	446*	446*	403*	442	497*	—11.0	455*	453
Metals	227	227	200	228	204	+11.7	211	197
Oil Cakes	429	407	391	414	466	—11.2	440	500
Others	211	211	282	230	302	—23.8	273	330
Manufactured Articles	369.2	368.5	383.8	367.8	394.1	— 6.7	377.5	398.5
Textiles	409	407	437	405	456	—11.2	433	468
Jute	571	570	390	670	670	—41.8	506	808
Cotton	405*	406*	410*	406*	410*	— 0.9	401*	400*
Rayon and Silk	525*	513*	442*	477*	531*	—10.1	515*	611*
Woollen	313	313	288	296	388	— 2.4	346	378
Metal products	336	336	311	336	304	+10.5	321	285
Others	291	288	300	288	304	— 5.1	298	300
Miscellaneous	582.9	579.2	589.9	595.4	709.8	—16.1	635.6	729.8
All Commodities	388.8	386.0	376.5	381.5	415.8	— 8.2	388.9	439.3

* Estimated. R=Revised.

WORKING CLASS COST OF LIVING INDICES

Base	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
February 1951	321	253	294	441	388	347	327	138	176	129	157	169
March ,,	332	268	301	439	390	356	329	138	174	139	157	166
April ,,	335	270	304	440	391	365	333	139	173	140	159	166
May ,,	335	278	314	443	394	374	333	140	174	141	158	166
June ,,	337	271	313	447	394	382	337	144	178	138	158	169
July ,,	333	270	318	454	394	385	337	145	182	140	155	173
August ,,	328	261	322	459	392	387	338	146	181	143	161	171
September ,,	325	253	319	470	389	375	340	144	179	150	161	170
October ,,	332	254	323	469	393	375	336	144	181	143	163	171
November ,,	333	252	325	464	397	374	337	144	181	152	165	168
December ,,	331	252	325	449	397	370	337	144	181	150	166	158
January 1952	331	246	323	442	393	357	338	142	179	147	162	156
February ,,	324	241	318	441	382	343	336	141	175	145	157	150
March ,,	313	229	300	412	378	340	333	136	177	140	150	145
April ,,	345	262	321	415	377	339	326	145	169	139†	153	144
May ,,	339	264	310	412	376	339	327	148	169	143†	153	143
June ,,	338	263	300	424	375	342	330	145	171	141†	153	148
July ,,	330	263	304	436	377	354	331	143	175	143†	154†	155
August ,,	340	267	312	460	380	369	330	143	176	149†	153†	157
September ,,	341	269	310	463	381	364	328	145	178

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS
(000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final.	1951-52 Final	1950-51 Final.
Rice	tons	73,595	75,975	20,767	20,295
Wheat	tons	23,235	24,134	5,768	6,374
Jowar	tons	38,329	38,419	5,509	5,403
Bajra	tons	21,856	22,767	2,151	2,549
Barley	tons	7,800	7,701	2,136	2,341
Maize	tons	8,003	7,794	1,959	1,701
Ragi	tons	5,296	5,441	1,167	1,407
Gram	tons	16,719	18,709	3,157	3,593
Other millets & pulses	tons	39,725	39,770	6,386	6,401
Total foodgrains		234,558	240,213	49,002	50,064
Jute	bales	1,8341	1,9515††	4,6951	4,6781†
Cotton 3rd	bales	13,7491	13,7331†	2,4671	2,6861†
Sugarcane 2nd	tons	4,2481	4,3261†	5,0351	5,2851††
Groundnut	tons	11,2621	11,7981†	2,3941	3,1451†
Linseed	tons	3,298	3,447	309	361
Castorseed	tons	1,423	1,378	104	104
Rape and Mustard Seed	tons	5,707	5,097	900	748
Sesamum	tons	5,5371	5,5161††	4261	4161†
Tobacco	tons	764	902	225	263
Pepper	tons	192	197	28	31
Ginger	tons	42	41	15	15

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).

† Relates to 1952-1953. †† Relates to 1951-52.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During February, 1953	68.6
	Corresponding month 1952	83.6
	July 1952 to Feb., 1953	597.3
	Corresponding period 1951-52	623.9
Stocks	At the end of February, 1953	136.3
	Corresponding month 1952 *d*	106.4
		(In 000 bags)
Exports (Jute Bags)	Week ended 21st Feb., 1953	13.65
	Corresponding week 1952	1,21.03
	From 1st Jan., to 21st Feb., 1953	2,01.28
	Corresponding period 1952	5,62,11
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 21st Feb., 1953	56.87
	Corresponding week 1952	53.34
	From 1st Jan., to 21st Feb., 1953	15,70.09
	Corresponding period 1952	11,14.81
	RAW JUTE	(In 000 bales)
Exports*	Week ended 21st Feb., 1953	—
	Corresponding week 1952	—
	From July, to December, 1952	—
	Corresponding period of 1951	—
Consumption by Mills†	February 1953 (in lakh bales)	3.98
	Corresponding month 1952	4.85
	Eight months ended Feb., 1953	34.65
	Corresponding period 1952	36.19

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION
(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Year ended 31st March, 1949	917,800	906,700	671,000
Do. 31st March, 1950	10,41,700	927,500	720,000
Do. 31st March, 1951	11,15,200	10,62,100	7,76,500
Do. 31st March, 1952	11,30,000	10,57,100	7,99,200
Do. 31st March, 1953	11,58,000	10,01,900	7,91,500
January 1951	1,01,300	97,900	67,700
February ,,	87,700	82,200	66,300
March ,,	91,300	86,600	71,400
November ,,	92,700	85,200	65,900
December ,,	1,02,800	97,900	69,100
January 1952	99,800	96,700	71,400
February ,,	94,000	82,000	67,000
March ,,	1,02,100	92,100	67,400
November ,,	1,03,500	93,700	68,700
December ,,	98,200	91,400	69,700
January 1953	1,02,400	95,500	69,900
February ,,	92,400	82,000	61,700
March ,,	97,400	86,600	65,300

SEA- AND AIR-BORNE TRADE : INDIA.

Particulars	December,		Nine Months. April to Dec.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:—				
Foodstuffs	6,93	23,60	149,87	178,79
Raw materials	16,28	25,92	146,11	175,86
Manufactures	20,17	28,52	207,06	249,90
Other items	20	58	3,02	2,99
Total Imports*	43 54	78,62	506,36	607,54
Exports :—				
Foodstuffs	11,86	14,82	107,03	119,02
Raw materials	12,39	8,82	103,68	167,09
Manufactures	19,42	31,86	205,26	311,52
Other items	36	35	3,02	2,63
Tota Exports	43,97	55,85	424,99	540,26
Tota Re-exports	50	62	3,64	11,71
Balance of trade in merchandise	+ 93	— 17,14	— 77,73	— 55,59
Balance of transactions in private treasure	..	— 1	— 4	— 9
Total Visible Balance of Trade	+ 93	— 17,15	— 77,77	— 55,68
Imports :—				
Total C'wealth Countries	18,45	25,91	193,80	217,84
Total Foreign Countries	25,09	47,71	313,06	390,20
Exports:—				
Total C'wealth Countries	20,38	27,48	199,50	280,98
Total Foreign Countries	23,59	28,37	225,49	259,28

* Excludes value of certain special imports of foodgrains and stores, ful particulars of which are not yet available.

LAND-BORNE TRADE : INDIA

Particulars	December,		Nine months April to Dec.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	1,24	3,05	17,24	17,64
Imports	91†	4 02	16,86†	67,21
Balance of trade in merchandise	‡ — 97		‡ —49,57	

† Incomplete—Excludes the value of 37,093 tons or 207,721 bales of raw Jute imported during December, 1952, awaiting adjustment.
‡ Data Incomplete.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES
(Base: 1944 = 100)

Name of Centre	Cereals		Pulses		Other articles of Food		All articles of Food		Fuel and Lighting		Clothing		Miscellaneous	
	Nov., 1951	Oct., 1952	Nov., 1952	Nov., 1951	Oct., 1952	Nov., 1952	Nov., 1951	Oct., 1952	Nov., 1952	Nov., 1951	Oct., 1952	Nov., 1952	Nov., 1951	Oct., 1952	Nov., 1952	Nov., 1951	Oct., 1952	Nov., 1952
Eastern Zone																		
Bamra	169	219	206†	111	92	88	185	139	138	170	144	141	96	114	114	202	219	217	188	193	204†
Malhang	163	x	x	133	x	x	174	x	x	166	x	x	112	x	x	164	x	x	116	x	x
Shankargarh	125	158	147	155	168	172	211	159	158	170	160	157	101	95	95	164	140	141	141	139	140
Sonaili	354	271	262	181	162	167	257	193	197	260	201	202	125	125	125	273	208	201	348	278	278
Northern Zone																					
Multapi	188	124	124	168	153	153	182	173	175	179	161	162	115	123	123	148	166	165	169	197	197
Nana	322	279	260†	274	307	268†	236	195	197	258	225	218	144	129	113†	233	205	205	208	204	197
Salamatpur	268	265	249†	301	297	300	240	214	211	257	240	235	100	129	129	144	137	136	257	262	266
Southern Zone																					
Krishna	313	193	197	202	187	186	201	164	160	222	171	169	145	129	124	180	139	136	211	207	202
Lakh	179	249	249	176	176	183	174	132	128	175	160	159	86	91	86	132	138	138	144	131	131
Malur	161	171	171	173	133	134	174	134	135	171	142	143	89	100	100	427	234	230	179	163	163
Muniguda	326	225	220	270	222	231	348	213	218	331	217	220	105	135	134	221	208	205	246	261	259
Kudchi	123	189	177†	150	153	153	202	162	162	181	165	163	100	127	127	145	141	134	164	192	186

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 2nd April, 1953	59,557
	Corresponding week, 1952	80,275
	1st Sept. 1952 to 2nd April, 1953	11,01,301
	Corresponding period, 1951-52	10,38,232
Cotton Exports	Week ended 2nd April, 1953	8,032
	Corresponding week, 1952	
	1st Sept. 1952 to 2nd April, 1953	2,18,590
	Corresponding period, 1952	996
Mill Consumption	1st Sept. 1952 to 2nd April, 1953	6,85,497
	Corresponding period, 1951-52	5,97,487
Stock (with exporters, dealers and mills)	On 2nd April, 1953	4,49,471
	Corresponding date, 1952	4,50,329
Karachi (Pakistan)*		
Receipts	Week ended 28th Mar., 1953	N.A.
	Corresponding period, 1952	16,526
	1st Sept. 1952 to 28th Mar., 1953	13,31,777(a)
	Corresponding period, 1951-52	12,27,530
Exports	Week ended 28th Mar., 1953	N.A.
	Corresponding period, 1952	39,000
	1st Sept. 1952 to 28th Mar., 1953	8,92,000(a)
	Corresponding period, 1951-52	7,62,700

Particulars	Period	Quantity (Bales of 400 lbs.)
Indian Union		
Cotton Exports to—		
United Kingdom	From 1st Sept., '52 to 6th April, 1953	11,410
Continent		72,695
China		318
Japan		1,12,332
U.S.A.		24,893
Other Countries		3,976
Total to all foreign countries		2,25,584
Coastal Ports		96,101
	From 1st Sept., '51 to 6th April, 1952	1,496 60,881
Consumption of Cotton—	Period	
Indian	November, 1952	3,14,991
Foreign		65,805
Indian	Three months September to November, 1952	8,68,944
Foreign		2,29,523
Indian	Same Period 1951	7,04,453
Foreign		3,66,394
Stocks (Mills and Elsewhere)—		
Indian	As on 30th Nov., 1952	8,87,133
Foreign		3,12,933
Indian	As on 30th Nov., 1951	7,93,858
Foreign		2,25,610
Cotton Pressed†	Week ended 27th Mar., 1953	6,458
	Corresponding week, 1952	14,341
	1st Sept. 1952 to 27th Mar., 1953	16,84,607
	Corresponding period, 1951-52	18,80,372

* As reported by the Karachi Cotton Association Ltd. N.A.—Not Available. (a) Upto 21st March, 1953. † Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	103½
4% Bonds	1926-33	63,30,26,000	1960-70	102½
3½% Loan	1938-39	1,16,17,46,000	1963-65	92½
3½% Loan	1943	1,14,60,58,000	1953-55	100 3/8
3½% Loan	1950	30,33,10,000	1964	92½
3½% Loan	1943	1,10,11,78,000	1966-68	90½
3½% V. Loan	1944	1,14,06,89,000	1957	98½
3½% Loan	1945	1,15,05,83,000	1970-75	86½
3½% Loan	1945	1,13,65,64,000	1959-61	96 3/4
3½% Loan	1951	50,00,00,000	1958	98½
2½% Loan	1946	45,63 07,000	1960	93½
2½% Loan	1946	57,00,69,000	1961	90½
2½% Loan	1946	35,06,06,000	1954	98½
2½% Loan	1946	14,77,48,000	1976	82½
2½% Loan	1947	75,86,72,000	1962	91½
2½% Loan	1948	60,45,01,000	1955	98½
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,36,000	At option of Government after three months, notice	82½
			On September, 1986 or later at option of Government after three months, notice	82½
3% Loan	1946	48,91,90,000		82½
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,85,66,000	1954-59	100½
4½% Loan	1928	5,85,20,000	1958-68	105
PROVINCIAL LOANS				
3% Bombay	1942	3,54,23,300	18th Sept. 1955	98½
3½ Bombay	1943	3,50,00,000	14th Sept. 1956	98½
3½ Bombay	1944	3,44,00,000	15th Aug. 1958	97½
3½ Bombay	1949	6,00,00,000	1st Aug. 1962	97½
3½ Bombay	1950	3,00,00,000	31st July 1960	95
3¼ Bombay	1951	3,00,00,000	17th Sept. 1962	91½
4% Bombay	1953	3,50,00,000	1st Aug. 1964	101½
3½ Cochin	1943	30,00,000	1st Oct. 1953-55	98
3½ Cochin	1945	1,00,00,000	16th Dec. 1955-58	98½
3¼ Cochin	1936	70,09,000	1st June 1956-61	93
2½ Cochin				
Bridge (New)	1936-37	2,31,07,100	1956-66	95
3½ Madras	1938	1,42,08,300	15th Sept. 1953	100
3½ Madras	1939	1,29,76,600	21st June 1959	95½
3½ Madras	1942	1,23,25,000	18th Sept. 1955	98½
3½ Madras	1943	1,25,10,000	14th Sept. 1956	98½
3½ Madras	1944	1,08,00,000	15th Aug. 1958	96½
3½ Madras	1945	2,82,19,000	14th Sept. 1960	94½
2½ Madras	1946	3,50,93,200	1st Sept. 1961	90½
3 Madras	1950	4,47,00,000	31st July 1960	94-3/4
3¼ Madras	1951	3,00,00,000	17th Sept. 1962	97½
4% Madras	1952	5,00,00,000	1st Aug. 1964	101½
3½ Mysore(f)	1933	1,63,44,300	1st Nov. 1953	105½
4½ Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100½
4½ Mysore(f)	1936	5,99,72,900	30th April 1956-61	98½
3½ Mysore	1947	5,08,05,700	25th Jan. 1958	98½
3½ M.P.	1942	50,00,000	18th Sept. 1955	98½
3½ M.P.	1943	50,54,200	14th Sept. 1956	98½
3½ M.P.	1944	52,69,800	15th Aug. 1958	96½
3½ M.P.	1948	2,03,00,000	15th Sept. 1964	91½
3½ M.P.	1950	1,00,28,800	31st July 1960	94½
3¼ M.P.	1951	1,00,00,000	17th Sept. 1962	97½
3½ Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99½
3½ Punjab**	1942	2,35,20,000	18th Sept. 1955	99½
3½ Punjab**	1943	2,48,78,300	14th Sept. 1956	99½
3½ Punjab**	1945	2,95,81,600	14th Sept. 1960	98½
3½ Travancore	1944	3,00,00,000	15th May 1952-54	98-3/4
3½ Travancore	1936	50,00,000	16th Aug. 1956	99½
4½ U.P.	1936	1,69,39,800	15th Sept. 1961-66	90½
3½ U.P.	1944	3,23,96,800	1st Aug. 1958	97
3½ U.P.	1945	2,36,31,900	14th Sept. 1960	94½
3½ U.P.	1946	2,41,19,800	1st Sept. 1961	95N
3½ U.P.	1951	2,00,00,000	17th Sept. 1962	97½
3½ U.P.	1952	2,00,00,000	1st Aug. 1964	100½
¾% W. Bengal	1951	1,7500,000	17th Sept. 1962	98½N
¾% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	97½
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	97½
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	98½
88,25,5000	4	1914	1975	99N
10,00,000	4	1915*	1960	
53,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98
76,90,100	4	1915	1975	98
68,02,300C	3½	1921	1981	79N
1,50,00,000C	6½	1921	1981	144N
1,24,06,300	6	1925	1955-85	105
98,21,600	5½	1926	1956-86	104
99,84,500B	5	1926	1956-86	103
1,49,49,500B	5	1927	1957-87	103½
1,49,30,000	5	1928	1958-88	104
80,00,000	4½	1931	1991	92½
21,75,000C	3	1931	1954	99
60,00,000	3½	1935	1955	95½
25,00,000	3	1938	1963-68	88
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1981	82½
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000C	2½	1947	1977	78½
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94½
30,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
1,50,00,000	3	1951	1981	79N
1,50,00,000	3½	1951	1961	97½
STERLING LOANS				
£892,600	5	1923	1953–83	£83
£801,994	4	1923	1954–84	£85
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1917	1982	A
3,42,951	5	1918	1882	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug.				
3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	
STERLING LOAN				
£330,000	5½	1923	1953	£100

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.		**BOMBAY**		Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
30,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	97½
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	113
66,00,000	5	1920	1955–80	
25,00,000	5	1926	1956–86	115
25,00,000	4	1927	1961–70	98
66,88,000	3½	1936	1966	96½
STERLING LOANS				
£566,600	4	1909	1969	£95½
£333,000	4	1910	1970	£95½
Rs.		**CALCUTTA**		Rs.
50,00,000	5	1925	1955	104
50,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99½
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	90
20,00,000	3	1938	1963–68	88
80,00,000	4	1952	1962	100
STERLING LOANS				
£700,000	5½	1923	1953	£100

MUNICIPAL LOANS

Rs.		**BOMBAY**		Rs.
49,40,000	4	1913–14	1954	100
20,60,000	4	1913–15	1974	98½
20,00,000	4	1913–15	1955	100
20,00,000	4	1914	1980	113
1,60,00,000	6	1924	1954	103½
25,00,000	5	1928	1958	
26,14,000	5	1929	1949–59	105 to 103
8,45,500	5	1929	1954–59	
26,21,500	5	1929	1959	
8,23,00,000	3½	1947	1977	86½
2,50,00,000	3½	1949	1979	85
4,00,00,000	3½	1950	1965	91½
2,50,00,000	4	1952	1964	100½
2,00,00,000	3½	1951	1966	96
Rs.		**CALCUTTA**		Rs.
34,45,500	6½	1925	1955	104
84,70,000	6	1925	1955	104
36,00,000	5	1928	1958	103½
25,00,000	5	1929	1957	103½
25,00,000	5	1929	1958	103½
10,00,000	5½	1932	1962	108
33,91,000	3½	1935	1965	99½
5,19,000	3	1936	1953	99½
60,00,000	3	1936	1966	99½
1,46,100	3	1936	1953	99½
3,11,400	3	1937	1954	98½
4,67,100	3	1937	1954	98½
1,52,500	3	1937	1954	98½
4,18,100	3	1937	1954	98½
47,50,000	3	1938	1968	88
10,67,700	3	1938	1955	97½
15,56,800	4	1939	1956	99½
15,56,800	4	1940	1957	99½
17,64,400	3½	1942	1959	96½
21,10,000	3½	1942	1959	92
15,49,000	3½	1951	1960	96
16,33,000	3½	1951	1961	96
66,88,000	4	1951	1966	96
87,36,000	4	1952	1962	99½
Rs.		**MADRAS**		Rs.
5,00,000	4	1903	1953	101
5,00,000	3	1923	1953	107
3,40,000	7	1925	1955	107½

ABBREVIATIONS.—M=Held by Government of Madras. N=Nominal. !=Various Issues repayable to Government.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable C=Held by Commissioners. * Loans held entirely by the Trustees.
(a) This includes the amount of loan converted into First Development Loan 1970-75. (Income-tax free. A=Held by Government of India.
Rate of interest reduced from 6 to 1 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935 ** Quotations in Pak. Currency.

PREFERENCE SHARES

Company	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share Rs.
BANKS							
Allahabad Bank	15,00,000	1901	6	Mar.	Sept.	130	100
BREWERIES AND SUGAR							
Crew & Co.	8,00,000(b)	1875	6½	Mar.	Sept.	82	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb.	Aug.	140	100
Upper Ganges	12,00,000	1932	5	Dec.	..	90N	100
Do.	15,00,000	1946	5(a)	Dec.	..	70N	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July	Apr.	117	100
East India Distilleries	£200,000	1897	7	Jan.	July	Sh. 15½	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec.	..	75	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec.	..	75	100
Parnashore Co.	6,00,000	1922	10	Oct.	..	15£	10
Ramnagger Cane	4,00,000	1933-36	6	Aug.	..	93xd	100
Ravalgaon Sugar	20,08,000	1943	5½	Oct.	Apr.	70	100
South Behar Sugar	5,00,000	1936	7(a)	Oct.	..	75N	100
Travancore	15,00,000	1946	5c	Dec.	..	6¾	10
Bharat Sugar	5,00,000	1931	5	Dec.	..	75N	100
COAL							
Bengal-Nagpur	1,12,500	1905	7	Jan.	July	115	100
Serras	4,00,000	1896-97	6½	Oct.	Apr.	115	100
Burrakur (1st)	22,99,800	1901-19	7	Apr.	Oct.	118	100
Do. (2nd)	4,50,000	1946	6(a)	..	..	8¼	10
Equitable	4,00,000	1893	6	Mar.	Sept.	113xd	100
Karanpura Collieries	7,50,000	1946	5½(a)	..	..	83¼	75(pp)
‖Khas Kajora	1,93,000	1931	5	Mar.	Sept	6N	10
New Beerbroom	2,00,000	1930	7	Jan.	July	12½	10
Ondal	2.00.000	1898-99	6½	Apr.	Oct.	112	100
COTTON							
Ahmedabad Advance	10,00,000	1939	5	Apr.	Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan.	July	137	100
Basanti Cotton	5,00,000	1938	6½	Nov.	..	7	10
Benares Cotton	1,05,200	1919	7	July	Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr.	Oct.	120	100
Bowrash 'A'	6,00,000	1900	8	Feb.	Aug.	125	100
Do. 'B'	4,00,000	1900	7	Feb.	Aug.	78	100
Bradbury	14,75,000	1919	7	June	Dec.	310½	250
Buckingham & Carnatic	21,30,200	1920	7½	Jan.	July	142½	100
Cambodias	1,00,000	1928	7	Apr.	..	131½	100
Central India	50,00,000	1912	5	Apr.	Oct.	510	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov.	..	130‡	100
Elgin	11,00,000	1913	8	May	Nov.	139	100
Do. 'B' Pref.	4,20,000	1943	5	July	Jan.	10	10
Elphinstone	25,00,000	1919	7(a)	May	Nov.	95	100
Kesoram	20,00,000	1919	7	June	Dec.	122	100
Khatau Makanji	20,00,000	1923	7	Nov.	..	—	100
Do. (2nd)	29,92,500	1947	4	..	..	83	100
Kothari	12,00,000	1937	6	Nov.	..	10½	10
Lakshmi Cotton (Bombay)	1,00,000	1919	5(a)	..	..	235	250
Morarjee Goculdas Spg. & Wvg	17,25,000	1947	4½	January		72	100
Mule Mills	30,00,000	1900	6	Jan.	July	108	100
Mysore Spg.	4,20,000	1943	4½	..	..	90	100
New Great	7,45,050	1913	5½(a)	Mar.	..	175xd	200
New Victoria	26,03,500	1920	6	Apr.	Oct.	3½	5
Podar Mills	10,00,000	1943	4	..	..	80	100
Rajlakshmi	2,00,000	1932	6½	Apr	..	56	50
Shree Niwas Cotton	4,80,000	1944	4	..	..	—	100
Sholapoor	32,00,000	1943	3(e)	..	..	80

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. G=Guaranteed shares. P=Preference shares. P.O.=Preferred Ordinary shares. R=Rebate shares. Y=Accounts published yearly. H=Accounts published Half-yearly. Q=Accounts published once 15 months. T=Company has Debentures. R.L.=Reserve Liability on shares. N=Nominal Quotation. i=Interim Dividend. f=Dividend for first half-year, y=Dividend for the year. x=Ex. Dividend c.d.=Cum. Dividend.

Shares:—If a company has different classes of shares—as, for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under "Paid-up Per Share."

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12 indicate the months of June and December, respectively. "Reserves" includes general and other reserves and all other funds which a company may have as also depreciation on block items, when this is charged to separate account "Block" represents actual cost of land, buildings, machinery, and all such other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends:—Dividends for completed years are calculated at per cent. per annum, but, where quoted for portion of a year, they represent percentages of the dividend on the paid-up share value. For companies closing the books half-yearly in the first three months of the year, and for companies closing their books yearly during the first half of the year dividends are shown as for the previous year.

COTTON MILLS

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation.	Paid-up Per Share	Dividends (per cent.): 1949	1950	1951	1952	Accounts closed	Reference
Rs.	Rs.	Rs	Rs.					Rs.	Rs						
BOMBAY CITY AND ISLAND															
50,00,000	59,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	211½	2	12½	12½	15%		12	Y.
40,00,000	96,25,655	1,22,39,883	45,646	B. R. Sons, Ltd.	50,828	1,021	Beharilal Ramchand Cotton Mills	51½	100	6	6	—		3	T.P.Y.
2,50,98,000	5,35,78,969	3,76,37,187	1,80,774	Nowrosjee Wadia & Son, Ltd.	1,82,072	4,855	Bombay Dyeing, etc.	393½cd	250	16	7	8	8	12	Y.
10,00,800	68,56,275	52,02,609	2,59,868	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	69¾	250	24	40	40		3	P.Y.
1,09,42,800	3,69,11,265	2,42,52,821	5,30,869	Birla Bros., Ltd	1,09,320	2,706	Century	269½cd	100	15	18	20	20	12	Y.
49,00,000	76,78,063	1,06,30,358	5,066	V. J. Pilani, Esq. (Chairman)	39,408	698	Colaba Land & Mill	71	100	—	—	4		12	Y.
26,00,000	47,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd.	27,308	680	Coorla	108½xd	100	7½	7½	7½		3	
16,00,000	64,96,041	63,03,745	76,868	Ramnarain Sons, Ltd.	38,304	..	Dawn	70	50	4	—	12	12	12	Y.
34,00,000	78,85,000	63,06,555	91,036	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	240	200	7½	7½	7½		12	Y.
25,00,000	82,92,517	1,09,92,288	64,188	Chidambaram, Muliraj & Co., Ltd.	44,768	886	Elphinstone	44	50	10	8	—		12	Y.
48,00,000	1,32,62,580	80,34,752	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay	307	100	15	15	20	20	12	
50,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	71,608	1,259	Hind Mills		10	2½	4½	5½		6	P.Y.
12,00,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co.	45,752	1,022	Hindustan	3,260	1,000	17½	20	20		3	P.Y.
1,00,00,000	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	9½ / 1½ / 3,260	10 / 1,000	7½ / 12½	12½	10½ / 25		12	P.Y.
8,65,000	1,33,65,320	98,10,275	7,671	Damodhar Thack. Mooljee & Co.	47,172	1,191	Indian Manufacturing	—	500	17½	20	20*		3	Y.
35,000															
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co	77,404	1,517	Khatau Makanjee	192½	100	12	14	10		6	P.Y.
1,00,00,000	3,45,80,831	2,90,52,252	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor	293½xd	100	27½	18	25*	18	12	Y.
28,80,000	62,72,416	4,58,523	11 567	Hall & Anderson Ltd. Props.	61,516	1,742	Madhusudan Mills	80 / —	100A / 20B	7½	5			6	Y.
51,75,000	1,65,94,653	1,71,00,015	2,80,686	Piramal Gangadhar & Others	60,652	1,650	Morarjee Goculdas	182½	100	17	15*	12		6	P.Y
24,00,000	67,21,958	71,22,987	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay	166½xd	100	11	12½	15	10	12	Y.
30,00,000	79,78,669	86,82,525	70,277	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Eastern	151½xd	100	6½	10	12½	10	12	P.Y.
12,70,100	27,38,754	13,13,391**	941	Mafatlal Chandulal & Co.	33,720	873	New Union	25½	10	—	5	10		12	Y.
48,00,000	1,14,83,245	1,34,29,555	2,40,353	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix	110	100	6	10	10		12	P.Y.
60,00,000	45,61,000	23,31,581	1,35,988	Podar Sons, Ltd.	32,600	930	Podar	125	100	9	9	10		12	P.Y.
5,00,000	27,64,626	29,73,962	3,162	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk	22½	10	26½	20	20		12	Y.
25,00,000	35,63,793	17,86,230	1,316	M. G. Investment Corpn.	60,240	1,254	Sassoon Spinning	23½	10	—	7½	10		12	P.Y
90,00,000	93,52,612	65,79,388	3,19,198	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	176½xd	50	28	34	301		3	T.Y.
21,50,000	1,00,00,000	76,05,932	50,222	Forbes, Forbes, Campbell & Co., Ltd.	36,116	1,276	Simplex	295	100	15	15	26×	20	12	P.Y.
26,00,000	2,07,23,386	1,18,80,653	2,889	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard	255½cd	100	14	16	18		12	P.Y.
75,00,000	1,97,81,673	92,45,129	70,099	Tata Industries Ltd.	65,040	2,000	Svadeshi	435	100	20	20	25	30	12	P.Y.
24,00,000	1,20,11,676	65,86,475	5,71,220	James Finlay & Co., Ltd.	35,804	552	Swan	400cd	100	8	8	16		12	P.Y.
32,54,438	92,22,538	68,88,347	25,338	Tata Industries Ltd.	63,248	1,800	Tata	402cd	25	8	8	16		12	T.Y.
12,00,000	1,17,01,933	86,62,657	4,299	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spinning	3,110	1,000	17½	20	20		3	
AHMEDABAD															
20,00,000	84,99,543	51,95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	142½	100	8	12	10		6	P.Y
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Futheesing & Sons Ltd.	42,768	912	Aruna	390	100	13*	15*	20*		12	Y.
21,00,000	2,83,78,675	1,18,76,140	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind	729	100	22½	25	25	25	12	P.Y
10,00,000	93,20,000	70,77,166	92,811	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning	261½	200	15	15	17½		12	P.Y
12,00,000	1,63,65,455	81,44,027	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	912	Asoka	449	100	15*	17	22	22*	12	Y.
1,24,77,072	3,38,63,311	3,71,68,168	2,87,005	Karamchand Premchand & Co.	1,39,120	2,370	Calico	306½	125	8	10	14-2/5	14-2/5	12	P.Y
30,00,000	1,00,20,000	83,66,716	748	Tricumlal Bhoglal & Co.	39,316	867	New Commercial	1,055	500	10	11	12		12	
39,00,000	1,17,35,075	88,73,039	19,706	Mafatlal Chandulal & Co.	47,952	864	New Shorrock	544	125	28	28*	28*	30*	12	Y.
5,00,000	79,61,649	43,89,260	4,583	Jagabhai Bhoglal Nanavati & Co.	34,940J	5282	Nutan	555	100	25*	25	25	12	12	P.Y.
10,00,000	1,49,90,022	73,98,913	3,599	Lalbhai Dalpatbhai & Co.	31,120	637	Raipur	700	100	25	25	25		12	P.Y.
12,00,000	50,40,334	63,41,241	1,09,340	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Rajnagar	160	250	6	6	8		12	P.Y.
32,50,000	58,29,493	74,07,003	3,873	Lallubhai Gordhandas Ltd.	33,156	648	Rohit	1158½	100	25	30	36		12	Y.
24,90,150	1,76,92,721	93,16,718	93,168	Harbhabhdas Kalidas & Co.	73,796	1,383	Shri Ambica Mills	316	50	25		30*		12	P.Y.
28,00,000	39,44,524	80,38,656	20,958	Haridas Acharatlal & Co., Ltd.	32,816	776	Vijaya	448½	100	11½*		88*			
WEST BENGAL															
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agency Ltd.,	13,044	356	Basanti Cotton	3½	10	—	5	3½		12	P.Y
7,11,280	22,93,686	37,16,999	32,931	Bengal Laxmi Agency Ltd.	28,448	936	Bengal Laxmi	38N	40	—	7½	7½		3	Y
6,00,000	74,31,075	77,07,829	—28,432	K. Bullen & Co., Ltd.	42,872	841	Bowreah	212	100	—	—	—	—f	6.12	P.Y.
19,00,000	96,49,451	96,66,017	—27,794	K. Bullen & Co., Ltd.	42,944	518	Dunbar	123	100	5½	—	7	—f	6.12	H.
1,20,00,000	3,29,34,362	3,04,56,320	84,979	Birla Bros., Ltd.	69,252	1,990	Kesoram	20½	15	12½	12½	11§‡		3	P.Y
6,00,000A / 33,96,097B	71,09,841	79,53,833	51,255	Chakravarti Sons & Co.	23,484	442	Mohini	—	25 / 10	12§§	7½	7½		12	Y.
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,386	C. Samuel Aaron, Esq.	12,300	374	Aruna Spg. & Wvg. Mills	5	10	9	3	—		12	T.Y.
15,00,000	26,53,246	59,15,375	2,736	Ramlal & Co., Ltd.	50,000	..	Alagappa Textiles	5½	10	—	9	6		12	P.Y.
71,94,400oa	96,26,706	1,90,39,719	18,450	Ind. Trust Fund	19,944	440	Azam Jahi Mills	65	100	15*	5½	61	6	9	Y.
40,50,000	3,00,10,004	2,73,75,544	2,49,801	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	243	100	14½	17½	20	15	6.12	P.T.H.
27,00,000	71,21,986	69,56,823	40,045	Shaw Wallace & Co., Ltd.	29,936	782	Bengal Nagpur	153	10	5	1§	5	5f	6.12	P.Y.
60,00,000	77,87,270	1,03,33,381	11,906	Binodiram Baldeand	37,132	1,338	Binod Mills	100N	100	17	7	3		12	Y.
15,00,000	1,33,79,264	84,27,674	4,60,089	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	58N	10	25	25	30		3	P.Y.
1,78,47,800	4,09,27,251	5,14,83,572	2,39,790	Binny & Co., Ltd. (Madras)	1,19,916	2,781	Buckingham & Carnatic	121	100	6½	6½	7½	4	6.12	
20,00,000	32,17,315	27,32,911	55,358	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia	11	10	7½	—	12½		12	P.Y.
30,00,000	64,46,347	47,79,878	32,599	Begg Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	8	5	11½	11½	11½		3.9	T.Y
46,87,500	2,25,77,600	2,00,84,126	—16,38,224	Tata Industries Ltd.	1,15,188	2,062	Central India	153½	100	6	6	2		6	Y.
12,00,000	33,42,813	25,08,393	1,52,180	R. Beenua Nayudu & Co.	28,864	..	Coimbatore Cotton	150	100	12½	6	12½		12	Y.
20,00,000	17,94,432	20,04,313	9,816	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills	101	100	7	6	—		12	P.Y.
20,76,900	70,83,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	41½	50	5	10	—		6	Y.
24,34,800	40,26,054	37,58,169	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi	178xd	100	25	25	20	10	12	P.Y.
2,89,84,925	3,84,95,614	5,77,14,605	1,63,862	Bharat Ram, Esq.	75,604	1,830	Delhi Cloth (Inc. Lyallpur Mills).	28§ / —	25 / 2½	4	10			6	P.Y
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd.	52,652	1,198	Elgin	171	10	12½	11½	15		3	T.Y.
39,04,700	1,01,50,000	82,22,587	1,03,575	F. Forbes Campbell & Co., Ltd.	72,960	2	Gokak	225	100	15	10	14	17*	12	Y.
50,00,000	84,17,797	25,08,393	6,989	Govindram Sakseria (Indore)	49,450	1,420	Holkar-Malwa United	90	100	4	4	5		12	T.Y.
8,90,000	22,88,977	18,75,134	487	G. V. Naidu & Co.	23,784	..	Janardhana	59	50	16	10	15		12	Y.
6,50,000	17,20,576	40,18,454	7,677	A. L. A. R. A. Chettiar and another	50,304	325	Kaleeswarar	347½	100	7	7½	7½		6	P.Y
24,00,000	25,50,000	43,66,106	54,577	Kothari & Sons	13,824	..	Kothari	10	10	—	—	—		6	Y.
32,00,000	1,32,31,325	1,35,66,651	2,77,976	The Bombay Co., Ltd	53,642	1,213	Lakshmi Cotton	600	250	15	15	20*		12	Y
35,64,100	90,51,492	78,03,494	7,921	G. K. Naidu & Co	73,504	200	Lakshmi Mills	78 / 38§	50 / 25	8	8	10		3	Y
1,75,02,480	5,94,39,299	4,16,07,732	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura	35xd	15	17½	15	20	20	12	Y.
12,00,000	20,47,239	23,90,961	—15,121	A. L. A. R. S. Chettiar and 2 others.	21,856	..	Malabar	150	200	7½	4	6		12	Y.
60,00,000	93,17,047	52,62,343	50,249	W. A. Berriedl & Co., Ltd	24,252	603	Mettur Industries	186	100	25	12½	12½		3	Y.
29,80,884	65,78,942	71,79,459	22,669	N. Sirur & Co., Ltd.	36,416	678	Minerva	105	100	8*	6	6		12	Y.
94,91,850	96,08,512	1,34,73,361	29,643	B. Abirchand Dadabhoy & Co.	49,456	952	Mofatlal Mills, Nagpur	1443½	250	6	3	3		6	P.Y.
30,00,000	1,55,94,451	1,53,39,271	7,77,790	Indian Textile Syndicate Ltd.	86,318	1,834	Muir	212	100	24§	—	—		12	Y
9,71,850	4,06,541	20,43,991	—2,16,536	A. Sambha Moorty, Esq.	69	..	Mysore Silk Filatures	2§	10	—	—	7½		12	P.Y
19,86,800	1,15,39,739	82,55,416	38,347	N. Sirur & Co., Ltd.	49,632	300	Mysore Spinning	123½xd	50	20	18*	20*		2	
13,61,780	22,98,130	27,85,556	—4,60,000	R. Suryanarayana Rao, Esq	6,000	..	Mysore Spun Silk	49§	10	5d	6§	—		3	Y
22,89,882	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd	50,228	1,148	New Victoria	1½ / —	2½ / D1	—	—	—		12	P.T.Y.
87,03,800	1,20,94,970	1,58,62,385	17,946	Ind. Trust Fund	30,896	717	Osmanshahi Mills	95	100	14*	5½	6½	7	9	Y.
4,00,000A	19,98,937	20,58,777	19,670	Baghyalakshmi & Co.	22,800	..	Palani Andavar	52	50	4	10	16		12	P.Y
15,00,000	21,04,316	32,27,239	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills	55	100	4	7½	5		12	P.T.Y
25,30,420	36,19,473	40,65,619	11,306	A. C. G. Naidu & Co.	38,864	200	Radhakrishna	149	100	15	16	16		12	Y.
15,00,000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	25,896	..	Rajalakshmi	72½	50	9	9	10		12	P.Y
15,02,500	31,53,264	35,65,211	11,407	P. S. G. Nayudu & Sons	28,972	88	Ranga Vilas	41§	50	6	7	7½		12	P.Y.
60,00,000	89,59,172	1,04,60,739	5,506	Sir J. P. S. & Sons (Rampur), Ltd.	32,580	600	Raza Textiles	25-5½	10	—	—	—		12	
16,00,000	1,58,35,370	2,03,51,339	—78,03,793	M. J. Divekar, Esq.	82,992	2,234	Sholapur	1,750	1,000	—	—	—		3	P.Y.
22,41,300	9,49,500	25,98,011	66,528	Gopaldas Lladhar & Co., Ltd	15,824	440	Shree Saljan	75N	100	6	—	—		3	Y.
17,79,700	17,05,383	21,50,229	3,083	T. R. A. Ayyar & Bros., Ltd.	18,416	416	Sitaram	35§	50	8	—	5		3	Y.
36,69,700	33,91,188	62,29,128	26,556	B. S. Visweswaraiya, Esq.	25,200	292	Sri Krishnarajendra Mills	36§	50	8*	8*	6*		3	Y.
15,00,000	1,30,50,807	64,96,084	58,49,305	Birla Brothers Ltd.	27,340	992	Sutlej Cotton Mills	37	10	40	40	40		3	Y.
17,90,000								9§	10	5	5	5		3	P.Y.
1,97,50,000P.O. / 9,32,990	1,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,12,216	2,077	Swadeshi (Cawapore	9§	10P.O.	9	9	9		12	Y.T.
	20,80,396	12,56,097	61,026	M. R. & Sons	16,000	..	Trichinopoly	10cd	10	10	10	10		12	P.Y.
21,00,000	53,78,057	44,54,040	38,800	R. K. S. Chetty & Bros.	33,704	270	Vasanta	161xcd	100	7	9	10		12	P.Y.
32,00,000	1,27,03,612	1,16,39,613	2,69,813	The Bombay Co., Ltd.	54,280	1,495	Vishnu	170	100	10	9	14		12	P.Y.

• Includes Bonus. I. On Increased Capital. ‡ Only Depreciation.

× Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46.

a) Includes Rs. 11-6 paid out of deferred Dividend Amount.

¶ As on 31st August, 1952.

— Nil Dividend.

† Subject to tax.

J—As on 1st January, 1953.

†† Does not include depreciation.

xd—Ex. Dividend. C.d.—Cum. Dividend.

•• Net Block.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.): 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs	Rs.						
ART SILK AND RAYON MILLS													
1,60,42,600	37,92,725	4,15,55,170	4,66,206	Chinai & Co., Ltd.	National Rayon Corporation	77	100	—	—	—		12	P.Y
19,92,020	46,91,585	2,65,93,471	4,93,263	Emcete & Sons (Travancore) Ltd.	Travancore Rayons	4§	10	—	—	—		12	P.Y.
BREWERIES AND DISTILLERIES													
13,28,000 / 6,64,000	65,17,840	96,16,910	12,127	Parry & Co Ltd	Deccan Sugar & Abkhari	20 / 8§	25 / 10	11½	11½	—		5	P Y
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	5§	5	20	10	—		3	Y
£330,000	£915,047	£1,010,005	£55,705	Parry's Holdings Ltd.	East India Distilleries and Sugar	15§cd / 21§cd	A 16sh. / B 20sh.	10	15 / 15	15		9	P.Y
24,00,000	8,54,296	7,56,660	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4	10	—	—	—		8	Y
6,00,000	21,13,586	12,13,593	3,951	B. A. Mallya Esq.	United Breweries	150	75	15	10	20		3	Y.
CEMENT													
81,19,724	21,33,493	67,56,656	15,850	The Andhra Engineering Co. Ltd.	Andhra Cement Co.	89	100	3§	3§	7½		12	P Y.
43,14,600 / 4,78,976D	16,94,310	17,14,992	1,01,035	Eastern Corporation Ltd.	Assam Bengal Cement	4§ / ½	10 / 1	5	—			3	Y.
10,56,20,438 / 10,56,20,438 / 86,49,312	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.	Associated Cement Companies	168	100	7	8½	9½	9½	7	Y.
1,00,000D / 61,01,180	95,24,901	1,45,62,309	61,188	Hari Bros. Ltd.	Dalmia Cement	6½ / ½ / 16§	10 / 1 / 25	—	5	6½		12	Y. A.
7,50,000D / 78,00,000	27,27,600	1,26,09,755	90,853	Esson Ltd.	India Cements Ltd.	3–6§	5D	—	—	—		3	P.Y.
	1,46,20,109	1,65,80,416	81,840	Martin Burn Ltd.	Sonevalley Portland Cement	7§	5	3	6	8		12	Y.
CERAMIC; MINING AND QUARRYING													
31,70,625	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2§	2§	2§	5	6§		12	Y.
18,00,000	37,00,990	51,64,271	28,729	Bird & Co.	Biara Stone Lime Co.	29§	10	16§	17§	17§		3.9	H.
38,00,000 / 68,00,000D	17,91,749	50,93,341	12,332	Ram Kumar Agarwala & Bros.	Chrestien Mica Industries	93xd / 62xd	10 O / 5 D	15	15	7½		12	P.Y.
69,14,200	£1,650 110	£1,643,983	£85,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3–0§	2sh.	12½	12½	12½		12	Y.
15,00,000 / 5,00,000P	38,79,403	43,65,527	1,29,079	Bird & Co., Ltd.	Karanpura Development	13§	10	—	—	—		61.2	H.
4,00,800	6,40,199	7,98,882	9,812	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	9§	10	5½(d)	10	10		61.2	H.
10,00,000	37,28,402	31,47,718	74,275	Bird & Co., Ltd.	Orissa Minerals	33§	10	6§	6§	12½	15f	3	Y.
12,50,000	24,28,739	25,13,779	27,403	Andrew Yule & Co.	Reliance Firebricks	17	10	10	10	11§		6.12	H.
6,99,390	20,61,475	17,98,676	3,427	Killick Industries Ltd.	Shivrajpur Syndicate	61§cd	10	13	17§	35		2.8	H.
												11	Y.
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	23,14,270	1,02,937	S. V. S. Iyer, Esq.	Kamp & Co.	245§	200	10	10	10		3	Y.
92,14,870	55,77,268	2,53,78,334	8,595	Tata Sons, Ltd.	Tata Chemicals	9–4§	10	—	—	—		6	T.Y.
1,12,500	1,38,486	61,178	4,101	B. D. Nagar, Esq.	Thompson & Taylor	4§	3	8§	12§			3	Y.
Other Centres													
25,00,000	54,68,041	63,66,814	59,559	Bhailal Amin & Sons., Ltd.	Alembic Chemical Works Co.	103§	100	—	8	8		12	Y.
62,00,000	1,07,29,152	2,20,10,944	2,51,870	Imperial Chem. Industries (India), Ltd.	Alkali and Chem. Corpn. of India	13§	10	—S	4	6		9	Y.
£3,84,700P.O.	£8,00,287	78,49,987	£0,67,486	S. P. Sen, Esq.	Bengal Chemical & Phar.	106§	100	6	6			4	Y.
81,30,000	45,64,469	38,97,031	1,09,732	Sahu Bros. (Saurashtra) Ltd.	Dharangadhra Chemicals	168	100	6	15	15		5	Y.
4,95,000	1,50,922	1,53,108	—21,738	D. C. Collaco, Esq.	Frank Ross & Co.	3§	6	5†	—	—		2	P.Y.
8,45,97,740	86,89,264‡	4,01,40,091	—10,83,735	Seshasayee Bros. (Travancore) Ltd.	F.A.C.T.	3§	10	—	2½	—		12	Y.
46,49,143	30,74,302	83,46,263	21,842	Seshasayee Bros. Ltd	Mettur Chemicals	4–2§	10	—	—	3§		5	Y.
26,81,220	34,32,111	40,15,501	14,741	E. V. Ganapati Iyer, Esq.	Mysore Chemicals and Fertilisers	8§	10	4½	9	9		5	Y.
5,00,000	3,18,752	4,52,143	19,283	Krishna & Co.	Mysore Chemical Mfrs.	12	10	3§	12½	10		3	P.Y.
5,00,000	19,82,894	15,88,659	48,158	C. A. Buxton, Esq.	Smith, Stanistreet & Co.	5§	10	10	10	10		6	P.Y.
ELECTRICS (Bombay Presidency)													
5,24,68,240	1,92,18,232	7,57,55,041	3,319	Killick Industries Ltd.	Ahmedabad Electricity Co. Ltd.	117§xd	100	6	6	6§	6§	9	T.Y.
2,12,77,000	2,28,03,288	3,23,55,938	35,587	Tata Hydro-Electric Agencies	Andhra Valley Power Supply Co.	1,442§cd	8,000	7½	7½	7½		6	P.T.Y.
1,34,97,300	56,55,204	1,51,38,887	1,642	Killick Industries Ltd.	Bombay Suburban Electric Supply	124§	100	7	7	7		3	Y.
1,07,020	68,06,509	22,75,857	13,649	T. L. Kirpalani, Esq.	Broach Electric Supply Development	6§N	10	3½	—	—		12	P.Y.
11,88,400	4,23,681	10,27,284	41,705	Rajputana Textiles (Agencies) Ltd.	Nasik-Deolali Electric Supply	—	100	6	6	6		12	P.Y.
48,49,000	7,20,259	20,01,110	2,110	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	121§	100	6	7	7		12	P.Y.
48,49,000

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Refer to
	Rs.	Rs.	Rs.			Rs.	Rs.						
OIL; PETROL, ETC.													
£750,000	£987,630	£257,232	—£718,934	I. C. H. Glass, Esq.	British Burma Petroleum Co.	1⅛	4sh.	—	—	—		3	P.Y.
22,50,000	81,89,204	52,69,225	1,85,955	N. C. Alcock, Esq.	British Ceylon Corporation	13½	7½	20†	24†	32†		12	P.Y.
1,00,00,000	2,27,04,997	1,10,70,867	2,10,829	Steel Brothers & Co.	Indo-Burma Petroleum Co.	56½	48	10	10	10		12	P.Y.
70,07,475	1,02,93,586	1,52,15,713	10,092	Tata Industries Ltd.	Tata Oil Mills	33⅛	25	4	6	8		3	P.Y.
6,00,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tide Water Oil Co. (India)	15½	10	15	15	17½	5f	4.10	H.
PAPER													
45,00,000	1,56,25,500	1,94,47,651	3,21,991	Balmer Lawrie & Co.	Bengal Paper Mills	44½	25	10	10	12½	6¼f	6.12	P.T.H
30,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	153	100	7	10	11	5f	3.9	H.
25,00,000	48,30,213	47,81,895	52,615	P. R. Balakrishnan, Esq.	Mysore Paper Mills	13⅜	10	5d	7½	10*		3.9	Y.
41,95,000	2,47,61,003	3,22,48,806	1,68,019	Birla Bros., Ltd.	Orient Paper	33½	10	15	25	20		3.9	P.T.H
50,06,895	1,10,93,378	84,10,902	1,86,914	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	18½	10	9½	11½	15	7½f	6.12	P.T.H
90,00,000	31,49,465	48,58,730	6,430	Bajoria & Co.	Star Paper Mills	8	10	—	—	5		3.9	P.T.H
4,37,500 PO													
A'56,00,000 O	5,15,53,313	4,78,98,548	5,00,114	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	4⅞	2½	10	10	10	5f	3.9	P.H.
B'56,04,800 O						36½ A10	20	10	18½	20*	10*f	3.9	
						36½ B10	20	10	18½	20*	10*f	3.9	
PLANTING; PRODUCE AND RUBBER													
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	6¾	3	10	20	20		2	P.Y.
47,70,000	48,44,853	83,16,040	4,37,964	R. C. Paterson, Esq.	Consolidated Coffee Estate	17½	10	17	20	18		6	P.Y.
4,00,000	2,29,814	4,49,625	13,951	Associated Planters, Ltd.	Cottanad Plantations	9¼	10	7½	10			3	T.Y.
8,28,750	1,46,340	4,67,078	1,389	A. V. Thomas & Co., Ltd.	Fringford Estates	2½	10	—	—			4	P.Y.
6,00,000	19,08,079	9,81,715	46,448	A. V. Thomas & Co., Ltd.	Highland Produce	9⅞	10	25	45	45		12	P.Y.
4,00,000	9,67,358	7,20,390	43,506	A. V. Thomas & Co., Ltd.	Kalpetta Estates	17½	10	17½	20			4	Y.
4,00,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Malankara Rubber and Produce Co.	102	30	17½	30	35		3	P.Y.
27,00,000	25,83,648	14,90,888	83,433	A. V. Thomas & Co., Ltd.	Midland Rubber and Produce Co.	19	10	6	12½	15		3	P.Y.
1,35,000	1,38,538	12,94,936	28,190	A. V. George & Co., Ltd.	Nenmony Rubber	10	10	5	6	10		12	P.Y.
2,00,000	1,93,721	24,72,500	2,305	Associated Planters, Ltd.	Nilambur Rubber Co.	9	10	6	10	10		12	P.Y.
19,45,980	48,35,083	38,14,428	1,78,110	Peirce, Leslie & Co., Ltd.	Oochiterpore Valley Estates	4	2	25	25	45		10	T.Y.
13,50,000	5,82,973	28,05,590	31,101	A. V. Thomas & Co., Ltd.	Rajagiri Rubber and Produce Co.	10⅜	10	9	12½	15		6	P.Y.
10,80,000	3,36,390	1,86,824	936	East India Agencies, Ltd.	Teekoy Rubbers (India) Ltd.	6½	10	—	7½	9		3	P.T.Y.
9,50,000	1,81,279	5,11,395	66,520	A. V. George & Co.	Thanjavur Rubber	9⅞	10	6¼	6¼	15		12	P.Y.
3,05,100	5,01,650	6,03,723	31,510	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co. Ltd.	24-9f	1	10	20	25	25	9	Y.
6,00,000	1,17,322	7,40,149	3,953	K. C. Cheriyan, Esq. (Secretary)	Travancore Rubbers	13½	10	3½	10	20		12	T.Y.
41,00,000	14,90,372	67,61,277	3,25,086	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber and Tea Co., Ltd.	12⅞	10	6¼d	6	10		12	Y.
20,00,000	1,31,49,11†	18,47,082	1,275	P. T. Thomas, Esq.	Tropical Plantations Co.	20⅜	25	10	—	—	20	12	P.Y.
8,20,000	53,026	3,26,408	40,587	A. V. George & Co. Ltd.	Udyagiri Rubber	6¼	10	—	⅛	—		12	P.Y.
2,28,580	2,29,994	7,07,282	33,166	Harrisons & Crosfield Ltd.	Valkundam (Travancore) Rubber Co., Ltd.	15½cd	10	10	12½	20	20	12	Y.
1,68,000	78,624	3,43,636	14,082	M. K. Thomas & Co.	Woodland Estates	7⅛	10	7½	6¼	—		3	Y.
PRESSING													
8,00,000	18,78,066	19,01,857	2,322	Andrew Yule & Co.	Calcutta Hydraulic Press	80	100	3	3	5		3	Y.
4,30,000	5,58,036	6,89,525	1,116	Pyne and Sons.	Camperdown Pressing	90N	100	4	6	7		6	Y.
6,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Central Hydraulic Press	95	100	3	5	5		6	Y.
PROPERTY AND LAND													
10,00,780	25,11,061	42,65,283	419	S. A. Basil, Esq.	Humayan Properties	10¼	10	—	6	—	5	9	P.Y.
60,00,000	34,67,735††	83,61,045**	—	David Sassoon & Co., Ltd.	Fort Canning Land	28½	100	2	1½	1		4	P.Y.
94,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co.	Midnapore Zemindary	35½	100	—	3	2		4	P.Y.
SAW MILLS AND TIMBER													
13,99,998	29,73,877	10,38,508	60,887	Bird & Co.	Assam Saw Mills and Timber	6¾	8	16½	10§	16§		9	Y.
80,00,000													
42,00,000	4,89,22,437	2,47,99,361	1 57,498	Wallace & Co	Bombay-Burmah Trading	393‡	125	12	30	18		5	Y.
						143‡	50	12	30	18		5	Y.
6,00,000	7,04,037‡	7,80,451	—1,19,103	Jardine Henderson Ltd	Bengal Timber Trading	55N	100	5	—	—		6	P.Y.
12,00,000	25,96,349	15,51,606	73,653	G. Arbuthnot & Co.	Indian Wood Products	38xr	10	25	35	35		9	Y.
SUGAR (U. P. and Bihar)													
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co.	Balrampur Sugar	6¾	8	—	20	—		6	Y.
12,00,000	28,96,740††	15,70,684**	2,81,000	Narang Bros.	Basti Sugar	120N	100	6½	10	—		4	Y.
19,49,050	20,10,694	26,89,188	2,24,418	Bangur Bros., Ltd.	Belsund Sugar	8	7½	—	—	8½		9	Y.
15,00,000	21,13,180	15,38,162	40,743	Cotton Agents Ltd.	Bharat Sugar	15N	10	5	10	15		6	P.T.Y
12,00,000	99,90,130	1,26,88,817	—5,15,881	Gladstone Lyall & Co., Ltd.	Carew & Co.	54⅜	10	10	15	20	20	10	P.Y.
15,00,000	1,30,69,452	96,28,542	31,891	Begg Sutherland & Co.	Cawnpore Sugar	28½	10	15	—	30		6	P.Y.
18,00,000	78,40,338	80,37,156	17,488	Begg Sutherland & Co.	Champarun Sugar	21	10	15	15	20		6	P.Y.
45,00,000	57,00,000	68,17,572	50,477	Buchhraj & Co., Ltd.	Hindustan Sugar Mills	130N	100	5½	6	12*		7	P.Y.
14,00,000	41,78,374	68,10,159	—4,15,271	Kilachand Devchand & Co.	Kesar Sugar	50N	80				—	7	P.Y.
6,00,000						20N	40	}	3	4			
7,89,100	31,59,777	25,99,076	115,051	Cotton Agents Ltd.	New India Sugar Mills	21	10	10	25	25		6	P.Y.
11,00,000	27,48,180	36,39,370	3,895	Karam Chand Thapar & Bros., Ltd.	New Savan	5½	10	5	6½	5		6	Y.
12,59,375	58,13,266	52,06,760	6,33,095	Cotton Agents, Ltd.	New Swadeshi Sugar Mills	180N	100	} 15	20	20		7	P.Y.
						45N	25						
77,45,350	1,08,98,159	1,56,10,992	1,981	Cotton Agents, Ltd.	Oudh Sugar Mills	100N	100	} 3½	3½			7	P.Y.
						20N	25						
14,00,000	29,31,078	26,43,844	71,590	Narang Bros.	Punjab Sugar Mills	15	10	—	10	20	10	10	Y.
9,00,000	42,50,793	33,72,806	19,435	Begg Sutherland & Co.	Purtabpore Company	24⅜	10	15	25	10		10	P.Y.
8,00,000	26,05,463	24,18,182	15,410	Begg Sutherland & Co.	Ryan Sugar	13⅜	10	10	20	20		6	P.Y.
11,99,000	38,06,835	36,11,360	23,281	Begg Sutherland & Co.	Samastipur Central Sugar	13⅜	10	—	20	10		6	P.Y.
28,00,000	93,96,808	93,96,808	27,889	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9½	10	—	38	10		7	P.T.Y.
9,99,975	11,66,782	21,41,729	10,162	R. K. Ghosa, Esq. & R. N. Dutta.	Shivpore Sugar	5¾	10	—	—	5		6	Y.
6,50,000 O						3N	10						
1,79,000 D	11,94,395	27,92,174	—14,73,656	N. K. Jain & Co., Ltd.	South Behar Sugar	1N	10	} —	—	—		10	Y.
8,00,000	54,46,474	70,75,580	57,216	Cotton Agents, Ltd.	Upper Ganges	18N	25	} 17½	20	20		6	Y.
(Indian States and Other Centres)													
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Belapur Co.	237‡	50	16½	25	28	32	9	Y.
33,57,350	46,47,856	38,47,284	4,64,518	Govan Bros. (Rampur), Ltd.	Buland Sugar	10¼N	10	7	7½	10		6	P.Y.
18,53,900	18,32,332	37,53,451	21,012	J.P.Srivastava&Sons(MadhyaBharat)Ltd.	Gwalior Sugar Co., Ltd.	4⅜N	10	—	5	3		6	Y.
13,00,000	38,42,751	22,63,689	2,71,331	India Sugar Agencies Ltd.	India Sugar & Refineries	20	10	12½	15	25		9	Y.
81,79,280	1,49,74,559	97,24,107	8,27,296	M. Malleshayya, Esq.	Mysore Sugar	43	10	20*	20	20		6	Y.
96,62,400	1,03,94,086	3,18,594	Mahtlal, Apte & Kantilal, Ltd.	Phaltan Sugar Works	80½	10	14	16	16	16	9	P.Y.
16,59,820	45,75,389	24,76,150	1,61,652	Anderson Wright Ltd.	Ramnugger Cane & Sugar Co., Ltd.	17xd	10	15	6	7½	20	8	P.T.Y.
20,00,000	68,39,148	74,55,840	1,89,513	Walchand & Co., Ltd.	Ravalgaon Sugar Farm Ltd.	90N	50	7	14	18	18	9	P.Y.
19,99,580	50,82,224	42,94,120	6,05,982	Govan Bros. (Rampur), Ltd.	Raza	12	10	6	10	12½		7	Y.
30,00,000	23,35,358	38,70,150	20,980	Parry & Co., Ltd.	Travancore Sugars	4⅜	10	—	—	—		7	P.T.Y.
1,01,00,000	1,29,20,737	1,71,89,516	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries Ltd.	159‡	100	17½	12	14	14	9	
UNCLASSIFIED (Bombay)													
1 50,00,000	1,14,37,216	46,81,706	—4,88,411	Tata Industries Ltd.	Air-India Ltd.	81	100	—	—	—		12	Y.
2,40,000	4,90,364	5,64,538	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	705	200	15	15	15	17½	9	Y.
59,89,550	2,64,61,962	3,70,82,313	$3,607	Scindia Steam Navigation Co., Ltd.	Bombay Steam Navigation Co., Ltd.	34	25	—	—	—		6	P.Y.
15,98,860	1,28,267	2,19,255	32,663	Parakh Agencies Ltd.	Bombay Uganda	54N	80	5	5	5		4	Y.
25,00,000	1,50,000	24,37,096(k)	12,787	Dena Sons Ltd.	Devkaran Nanji Investment Co.	3½	25	5	5	5		3	P.Y.
14,98,360	17,35,350	10,69,107	4,425	H. H. Mehta Esq.	Industrial Investment Trust	23N	100	6	6	5		3	Y.
99,99,250	18,35,375	1,27,45,383(k)	1,85,257	Premchand Roychand & Sons	Kilick Industries	74cd	100	3½	4	4½		12	Y.
84,98,865	15,91,304	12,58,924	2,833	K. G. Milne, Esq.	Premier Automobiles Ltd.	147	100	8	8½	10		6	Y.
2,06,71,500 A													
10,00,000 B	65,85,939	2,20,52,503	4,52,797	Asco-Auto Ltd.	Scindia Steam Navigation Co., Ltd.	40	10	—	—	—			Y.
6,59,62,018	9,89,24,387	12,98,97,421	1,58,231	Narottam Morarjee & Co.	Steel Corporation of India Ltd.	13-7½xd	15	—	—	3½		6	Y.
1,50,000	1,71,437	2,21,590	3,145	R. B. Sandoka Esq.	Thacker & Co.	50N	50	10	10	10		3	Y.
10,21,200	17,95,172	14,71,107	36,734	Sir Joseph Kay, K.B.E.	United Motors (India) Ltd.	43	20	7½	10	15	15	12	Y.
2,20,00,000	2,06,24,172	2,01,34,774	8,84,210	T. N. Krdia Esq.	Western India Match Co.	235	100	11*	11*	11*		12	Y.
45,00,000	46,57,108	1,24,608	41,429	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	350N	150	8-5/6	13½	13½	13½	12	
Other Centres													
47,50,000	4,90,364	5,64,538	702	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	4⅜	10	—	—	—		3	P.T.Y.
2,50,000 D													
30,00,000	53,38,668	31,39,164	5,24,909	Turner Morrison & Co., Ltd.	Angelo Brothers Ltd.	17½	10	10	17½*	25*	12½	8	Y.
20,00,000	23,25,002	22,18,452	1,00,402	T. H. Rydin Esq.	Assam Match	19‡	10	12½*	12½*	12½*		12	P.T.Y.
80,00,000	50,63,088	92,32,652	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	5‡	10	6	6			3	Y.
30,00,700	15,57,826	45,95,360	5,19,159	O. T. Jenkins, Esq.	Balmer Lawrie & Co.	301	100	20*	20*	25*		12	Y.
10,00,000							40	15	15	20			
20,00,000	1,19,26,323	1,24,61,121	2,04,690	Andrew Yule & Co., Ltd.	Bengal Assam Steamship Co., Ltd.	146xd	100	5	10½	12½	10	P.Y.
20,00,000	8,38,806	54,05,998(K)	1,25,380	Lovelock & Lewes	Birds Investments Ltd.	15‡	10	11½	11½	12½		9	P.Y.
1,00,00,000	1,00,01,435	2,26,31,139	1,16,835	Dinshaw Ltd.	Bharat Line	94	100	3	3	4		12	P.Y.
30,64,680	50,81,266	83,30,736	1,82,292	A. P. Chanda Esq.	Britannia Biscuit	18	10	13½	13½	7½—1		12	P.Y.
3,75,00,000	2 85 64,167	47,78,193**	1,99,112	Sir Robert Menzies Kt., O.B.E.	British India Corporation Ltd.	8-4½xd	5	15	15	15	12½	12	P.T.Y
1,60,00,000	3,77,71,321	4,07,06,331	7,01,468	Cecil Stack, Esq.	Dunlop Rubber Co. (India) Ltd.	28½xd	20	20	15	15-1	15	12	P.Y.
51,26,000	47,57,000	1,26,55,420(K)	3,15,489	Bird & Co., Ltd.	Eastern Investments Ltd.	138xd	100	9	9	9	9	12	H.
7,00,000	29,82,308	24,09,208	17,900	Mansell & Barry Ltd.	Ganges Rope	190	100	20	22½	25		3.9	Y.
65,00,000	34,13,857	15,62,902	2,07,524	A. J. Elkins, Esq.	Gillanders Arbuthnot & Co., Ltd.	130	100	7½	10	10		3	Y.
30,00,000	37,25,649	60,01,406	6,213	B. P. R. Syndicate	Great Eastern Hotel Co.	252	250	6	6	6		3	P.T.Y.
18,42,500	36,42,949	54,49,206	12,214	Birla Brothers, Ltd.	Hind Cycles	100N	100	6	7½	7½		6	Y.
4,96,12,650	59,45,519	2,61,59,292	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	4½	5	—	—	—		3	P.Y.
1,60,00,000	1,59,65,053	3,07,88,193	22,27,867	J. W. E. Johnson, Esq.	Indian Aluminium Co.	110xd	100	—	3½	5	5z	12	P.Y.
1,52,89,220	1,31,92,732	57,92,390	9,29,354	D. J. Molinesh, Esq.	Indian Cables	17⅜	10	25	10*	10*		3	P.Y.
83,75,000 O						4	10	—	—	—			
5,00,000 P	51,91,428	75,82,228	—15,73,246	Govan Bros., Ltd.	Indian National Airways	6¼	10	—	—	—		12	P.Y.
1,25,000 D						1	—	—	—	—			
8,27,978	12,79,385	14,27,460	39,038	George Spencer Moulton & Co. (India).	Indian Rubber Manufacturers	13⅜	10	10	10	10		3	P.Y.
2,25,00,000	1,60,38,685	3,87,93,801	2,26,066	Lionel Edwards Ltd.	India Steamship Co., Ltd.	6½	10	—	—	5		3	P.T.Y.
2,40,000	4,33,028	67,247	36,496	G. V. Swaika, Esq.	Ivan Jones	3⅛	2	21½	21½	21½		9	Y.
2,00,00,000	53,39,843	27,16,040	8,48,448	J. D. K. Brown, Esq.	Jardine Henderson Ltd.	12½‡	100	10	10	10		9	P.Y.
6,34,000	9,97,633	6,91,531	—64,994	James & Co., Ltd.	Macfarlane & Co. Ltd.	2½	5	—	—	—		3	Y.
40,00,000 O						137	100	10	12½	12½		12	P.Y.
5,00,000 D	63,35,248	23,69,220	85,717	A. T. Doig, Esq.	McLeod & Co. Ltd.	—	10	1	7½	7½		12	P.Y.
1,30,55,750	33,32,702	11,34,840	2,31,092	T. Leslie Martin Esq.	Martin Burn Ltd.	18½	10	10	12½	13½	13½	9	Y.
6,35,190	4,10,333	7,47,410	10,548	Ogale Glass Works Ltd.	Mysore Glass & Enamel Works	5	10	—	6¼	—		12	Y.
3,75,000	7,73,591	8,79,856	3,666	R. Bharanlah, Esq.	Mysore Lamp Works	18½	10	10	20	10		3	Y.
13,00,000	3,95,997	11,45,855	1,11,329	V. S. Arunachalam, Esq.	Mysore Tobacco	10⅜	10	—	10	10		3	T.W.
20,00,000	51,92,159	50,16,078	11,045	Associated Ind. Development Co., Ltd.	National Insulated Cable Co., of India Ltd.	12½	10	5	5	7½		3	P.T.Y.
79,97,000	65,83,152	1,04,50,524	8,86,347	B. N. Elias & Co., Ltd.	National Tobacco Co.	9½	10	—	2½	5		12	P.T.Y.
14,87,137	6,67,696††	18,52,569**	22,513	S. P. Ogale & Co.	Ogale Glass Works	3	5	—	—	—		12	Y.
40,00,000	36,64,522	60,88,006	1,94,446	Parry's Holdings Ltd.	Parry & Co.	5⅜	2	62½	80-1	32½		12	P.T.Y.
2,25,00,000	62,51,619	1,69,49,507	24,847	G. U. Euthymopulo, Esq.	Rallis India Ltd.	77	100	8	8½	9		8	P.Y.
1,14,00,000	2,29,15,252	8,78,03,905	33,67,941	Sahu Jain Ltd.	Rohtas Industries	9	10	—	10	7½		10	P.Y.
40,00,000	1,53,62,299	1,19,84,861	5,36,552	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	14½	10	10	10	15		6	P.Y.
75,00,000	22,00,000	1,75,74,498	2,62,138	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	12⅛	10	10	10	10		12	Y.
9,98,280	3,19,364	8,90,420	1,855	Ogale Bros., Ltd.	Travancore Ogale Glass	3⅜	10	—	4	—		12	Y.

†† Does not include depreciation. ‡ Only Depreciation. Z.=For fifteen months ended 31st December, 1952. —Nil Dividend. K=Investments. * Includes Bonus. † Less income-tax. ** Net Block. C.D.—Cum Dividend. X.R.=Ex-Right. I On Increased Capital. (c) For six months ended June, 1949. (d) For nine months ended March, 1950

TEA COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1948	1949	1950	1951	Accounts Closed	Refer to
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
ASSAM														
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	450N	100	9	30	25	—	12	P.Y.
3,50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd.	400‡	Anandabag	25‡	10	16	25	40	30	12	Y.
3,50,000	10,64,192	12,05,396	—89,152	McLeod & Co., Ltd.	573	Baghmari	10‡	10	12½	12½	17½	—	12	Y.
3,40,000	9,12,883	7,05,721	44,989	Andrew Yule & Co., Ltd.	360	Basmatia	24‡	10	18¾	30	30	25	12	T.Y.
3,30,600	7,24,887	8,38,278	71,941	Williamson Magor & Co.	556	Batell	10	10	25	25	25	30	12	Y.
3,20,000	6,19,032	6,72,731	54,942	Gillanders Arbuthnot & Co., Ltd.	566	Batjan	24	10	25	20	35	15	12	T.Y.
16,50,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co.	4,004	Bishnauth	26‡	10	50	35	50	5	12	Y.
6,00,000	4,80,346	9,78,429	—1,90,802	Octavius Steel & Co., Ltd.	493	Bokakhat	4‡	10	10	5	5	—	12	P.Y.
7,50,000	5,06,959	7,64,836	22,297	McLeod & Co., Ltd.	450	Borrnah Jan Tea Co., Ltd.	11‡	10	15	15	15	15	12	P.Y.
35,00,000	22,18,001	70,96,925	87,599	Brooke Bond India Ltd.	2,670	Brooke Bond	11‡	10	7½	10	10	10	6	P.Y.
1,20,000	3,06,715	3,66,030	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	8‡	10	6¾	10	10	—	12	Y.
6,00,000	22,17,578	24,24,301	25,545	Jardine Henderson Ltd.	1,341	Dessai & Parbatma	220	100	5	15	30	22½	12	Y.
17,53,440	7,15,393	19,11,105	54,401	James Warren Ltd.	426	Dhalakhat	10‡	10	10	10	20	10	12	T.Y.
4,68,970	8,90,863	13,71,610	25,794	James Finlay & Co., Ltd.	613.37	Dhunseri	8‡	10	7½	—	10	5	12	Y.
4,50,000	6,57,785	9,86,816	14,389	McLeod & Co., Ltd.	458	Dilbrugarh Co., Ltd.	30	10	40	40	45	15	12	P.Y.
2,36,700	6,75,511	7,95,511	35,408	Williamson Magor & Co., Ltd.	611	Dimakusi	669	10	25	35	40	25	12	Y.
5,60,500	12,72,787	15,08,787	1,01,960	Williamson Magor & Co., Ltd.	669	Dullingbur	18‡	10	13	20	22½	22½	12	Y.
16,00,000	10,31,120	18,91,120	45,079	Williamson Magor & Co.	1,157	East India Tea	16‡	10	15	17½	22½	10	12	Y.
3,60,000	6,43,852	7,69,087	16,947	Andrew Yule & Co., Ltd.	407	Gillapukri	26‡	10	30	35	40	30	12	P.T.Y
3,38,000	9,01,149	12,09,149	1,11,344	Williamson Magor & Co.	520	Gohpur	9	A 10	30	35		20	12	Y.
4,94,360					1,284	Grob	9	B 5	7½	10	30			
1,40,790	17,46,514	17,08,255	82,387	Octavius Steel & Co., Ltd.			32‡	10	25f	30	30	30	12	Y.
1,00,000	8,16,550	5,82,005	58,806	Andrew Yule & Co., Ltd.	436‡	Heogrami	300N	100	25	25	25	17½	12	Y.
4,35,000	15,78,587	17,05,269	35,208	Andrew Yule & Co., Ltd.	1,133	Hoolungooree	10‡	10	5	12½	5	—	12	Y.
7,50,000	7,46,426	11,98,156	29,063	Gillanders Arbuthnot & Co., Ltd	866	Jhilliheri	198N	100	5	5	20	—	12	Y.
2,40,000	8,88,549	2,47,119	15,953	Shaw Wallace & Co., Ltd.	1,576	Kingsley Gein.Su	9‡	10	7½	2½	20	—	12	Y.
6,50,000	6,32,416	6,52,259	496	Duncan Bros. & Co., Ltd.	1,047½	Ledo	2‡	10	—	—	—	—	12	P.Y.
4,80,000	1,10,084	8,52,930	286	Duncan Bros. & Co., Ltd.	973	Mahsena	850N	100	58	40	45	35	12	Y.
1,50,000	2,97,754	3,37,106	30,206	Mantewali Rubber & Co., Ltd	435	Methela	19	10	10	25	30	20	12	Y.
2,00,000 PO	8,21,124	8,59,324	32

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
60,00,000	1,02,72,130	95,73,184	3,33,368	879	B. N. Elias & Co., Ltd.	Agarpara	18	10	10	15	20	10f	3.9	P.T.H.
12,00,000	50,61,739	45,32,316	16,522	498	Sahu Jain Ltd.	Albion	190	100	—	14	30	8f	5.11	P.H.
6,00,000	30,55,572	47,33,264	—3,29,636	446	McLeod & Co., Ltd.	Alexandra	200	100	—	5	5	—f	6.12	T.P.H.
30,00,000	85,92,864	1,17,03,466	—13,63,074	1,264	McLeod & Co., Ltd.	Alliance	160	100	—	2½	—	—f	6.12	P.H.
49,20,700	2,31,84,144	2,24,03,099	1,44,601	2,561	Duncan Bros. & Co.	Anglo-India	220	100	—	20	20	10f	3.9	P.T.H.
40,00,000	1,18,83,050	1,31 13,967	71,745	810	Bird & Co., Ltd.	Auckland	120	100	1½	10	10	4f	3.9	P.H.
20,00,000	92,46,901	97,14,511	55,967	959	Jardine Henderson & Co.	Bally	150	100	7	12	1	—f	3.9	P.H.
£275,000	£1,680,379	£1,328,460	£91,091	1,890	Jardine Henderson & Co.	Barnagore	154	£5	20	20	20		3	P.Y.
28,00,000	82,01,627	87,37,598	3,65,214	820	Andrew Yule & Co.	Belvedere	200	100	13	17	27½		6.12	P.H.
45,00,000	78,51,305	51,03,385	4,07,701	600	Soorajmull Nagarmull	Bengal	16	10	13⅓	15	30		6	T.P.Y.
80,42,000	3,71,54,151	3,06,60,933	1,18,294	1,373	Birla Bros.	Birla	351	10	25	30	30		3	P.Y.
36,00,000	98,57,668	1,07,77,342	25,598	991	Andrew Yule & Co., Ltd.	Budge-Budge	165xd	100	7	13	22	6½	4.10	H.
7,47,380	30,53,704	39,44 698	34,320	502	Dayaram & Sons	Calcutta Jute Manufacturing ..	20 N	10	—	—	20		6.12	T.P.H.
18,00,000	65,79,289	75,13,878	32,229	616	Andrew Yule & Co.	Caledonian	159xd	100	5	14	22	12	5.11	P.H.
39,16,400	2,11,26,602	1,62,21,807	1,35,299	1,400	James Finlay & Co., Ltd.	Champdany	157	100	3	10	14	8f	3.9	P.H.
15,95 000	78,33,608	79,40 140	45,839	530	Andrew Yule & Co., Ltd.	Cheviot	205xd	100	13½	16	22	12	5.11	T.P.H.
10,05,000	83,89,114	55,21,773	60,392	500	McLeod & Co.	Chitavalsah	261	10	12½	15	60	25f	6.12	P.H.
16,00,000	80,24,460	77,89,914	1,01,979	969	Shree Krishna Investment Co., Ltd	Clive	25	10	12½	35	20		3	
31,49,200	1,21,56,497	1,16,59,962	21,356	766	Bird & Co., Ltd.	Dalhousie	140	100	1	11	12	1f	3.9	P.H.
28,00,000	86,65,708	73,72,811	50,826	779	Andrew Yule & Co.	Delta	234	100	11	17½	32½	20	5.11	P.H.
15,00,000	83,75,460	74,82,092	45,656	300	McLeod & Co.	Empire	204	10	10	20	25	5f	6.12	T.P.H.
81,00,000	2,35,23,130	2,62,73,643	1,801	1,884	Kettlewell Bullen & Co.	Fort Gloster	278	100	2½	32½	22½	—f	3.9	P.H.
14,00,000	48,20,115	69,94,729	—8,32,397	1,014	G. C. Bangur, Esq.	Fort William	3055N	100	—	10	—		3.9	P.H.
84,32,100	1,42,71,745	2,06,96,669	42,572	1,709	Macneill & Barry Ltd.	Ganges	71	100	—	6½	2½		3.9	T.P.H.
10,80,000	71,71,252	67,89,135	25,156	607	G. Arbuthnot & Co.	Gondalpara	800	300	—	15	30		12	P.H.
24,00,000	2,02,41,185	2,15,72,990	89,236	1,394	Macneill & Barry Ltd.	Gourepore	271	100	2½	25	11½		3.9	P.Y.
40,00,000	81,93,062	81,94,127	3,06,824	1,078	Bangur Bros. Ltd.	Hastings	233N	100	10	7	10		3	P.Y.
16,80,000	58,02,116	64,29,355	64,417	720	G. Arbuthnot & Co.	Hooghly	29	10	10	30	15		3	P.H.
45,62,500	1,56,27,560	1,59,30,625	1,71,001	1,948	Jardine Henderson Ltd.	Howrah	233	10	7½	17½	18½	8½f	3.	T.P.Y.
30,00,000	1,74,30,109	2,25,00,109	3,91,968	2,272	Ramdutt Ramkissendas	Hukumchand	40	7½	46⅔	66⅔	60		3	P.H.
87,00,000	88,97,267	1,11,41,130	77,979	1,076	Mackinnon Mackenzie & Co.	India	125	{O. 125 D. 1	5½ 5½	10 3⅓	3⅓ 3⅓	21f 21f	3.9 3.9	P.H.
43,20,000	1,35,11,140	1,36,47,095	67,132	1,797	Jardine Henderson Ltd.	Kamarhatty	194	100	—	8⅓	22½	8½f	6.12	P.H.
34,00,000	1,13,89,109	91,56,930	1,07,129	1,527	Jardine Henderson Ltd.	Kanknarrah	145	100	—	—	12½	6f	6.12	P.H.
21,00,000	1,13,89,109	91,65,930	1,07,129	703	McLeod & Co.	Kelvin	221	100	10	20	25	7½f	6.12	P.H.
24,00,000	1,18,86,997	1,59,17,038	2,06,473	1,530	Anderson Wright Ltd.	Kilburdah	165	100	—	25	16		3.9	P.T.H.
48,00,000	1,94,15,089	2,09,37,751	1,16,651	1,250	F. W. Heilgers & Co.	Kinnison	196	100	2½	14	19	7f	3.9	T.P.H.
24,48,000	1,24,25,159	1,33,71,480	40,487	931	Bird & Co., Ltd.	Lansdowne	132	100	2	21	15	3f	3.9	P.H.
28,00,000	1,19,87,748	1,13,75,507	6,954	840	Bird & Co., Ltd.	Lawrence	178	100	6	21½	22	4f	3.9	P.H.
10,00,000	70,30,427	50,24,402	64,167	558	Andrew Yule & Co.	Lothian	230	100	—	15	32½	30	5.11	H.
81,65,200	1,38,82,204	1,94,76,907	1,17,533	1,008	Mackinnon Mackenzie & Co.	Megna	98xd	100	4½	8½	3½	2½f	3.9	P.T.H.
89,98 900	1,29,56,495	1,55,05,495	—2,80,351	1,115	F. W. Heilgers & Co.	Mohini	128	100	—	15	12	—f	3.9	T.P.H.
12,00,000	29,95,424	24,75,180	52,447	425	Howrah Trading Co., Ltd.	Naskarpara	15½	10	11½	13⅓	15f		4.10	P.H.
35,00,000	50,49,988	27,56,895	45,733	852	Andrew Yule & Co.	National	23⅛	10	11½	15	25	10f	6.12	T.P.H.
7,50,000	52,11,917	24,37,663	21,345	316	McLeod & Co.	Nellimarla Jute	24½xd	10	25	30	75	10f	6.12	P.H.
10,00,000	66,36,905	45,98,858	7,738	709	Sahu Jain Ltd.	New Central	220	100	6	14	30	10f	3.9	P.T.H.
16,79,880	98,33,709	1,18,62,645	5,954	567	Bird & Co., Ltd.	Northbrook	19½	10	—	—	20	2½f	3.9	T.H.
66,79,500	1,73,80 223	2,06,56,876	72 170	1,092	Macneill & Barry Ltd.	Nuddea	47	50	—	5½	4½	7	5.11	H.
34,91,000	70,60,941	70,35,063	81,356	601	Andrew Yule & Co., Ltd.	Orient	173	100	9	14	24			
25,00,000	63,83,642	80,79,256	—4,76,887	400	McLeod & Co.	Presidency	4⅜	5	—	—	2½	—	6.12	T.H.
30,00,000	7,67,493‡	26,15,293	—3,29,549	305	Macneill & Co.	Rameshwara	5⅛	10	—	1½	—		3.9	H.P.
49,50,000	55,07,248	1,23,45,796	58,685	1,276	Jardine Henderson Ltd.	Reliance	12⅛	10	—	—	15	20	3.9	P.Y.
66,00,000	£9,99,994	£11,96,402	£76,498	2,013	Thomas Duff & Co. (India) Ltd.	Samnuggur	14½xd	11	6‡‡	10‡‡	10‡‡		3.9	P.H.
90,00,000	68,57,465	95,49,412	87,40,952	911	Bagaria More Co., Ltd.	Shree Ambica (Adamjee)	17½	10	—	15	10f		12	T.Y.
7,00,000	45,17,785	48,14,456	2,73,383	401	Hindustan Investment Corpn.	Soorah	23½N	10	—	10	—		3.9	P.H.
25,19,600	1,06,20,961	93,73,041	12,665	650	Bird & Co., Ltd.	Standard	145	100	4	15	16		12	Y.H.
66,00,000	68,36,984	£9,78,287	£1,29,393	1,794	Thomas Duff & Co. (India) Ltd.	Titaghur	14½xd	11	6‡‡	10‡‡	10		12	P.T.H.
25,98,600	1,80,41,145	1,73,93,324	15,098	1,326	Bird & Co., Ltd.	Union	162	100	2	19½	21	1f	3.9	Y.H.
£4,00,000	£6,35,795	£10,47,385	£1,00,239	1,331	Thomas Duff & Co. (India) Ltd.	Victoria	14½xd	11	6‡‡	10‡‡	10		6.12	P.T.H.
2,50,000	32,89,383	55,48,403	—47,909	465	McLeod & Co.	Waverley	5½	1	—	5	5	—f	6.12	

(c) For ten months ended 31st December, 1951. ‡‡ Subject to foreign income-tax. Only Depreciation. * Incudes bonus.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
25,50,000	61,24,011	64,99,011	25,799	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	20	10	17½	20	13⅜	5f	3.9	H.
12,00,000	42,18,417	37,16,954	60,294	Jardine, H. & Co., Ltd.	Bararee Coke	14⅜	10	14⅓	13⅓	14⅜	7½f	3.9	H.
40,00,000	70,50,712	1,17,79,347	23,814	Sahu Jain Ltd.	Bharat Collieries	6⅛	10	6½	6½	6½		6	P.T.Y.
1,00,00,000	3,35,25,103	5,08,61,725	8,02,968	Andrew Yule & Co., Ltd.	Bengal	538	200	33⅓	17½	18⅜*	10*f	4.10	P.H.
4,49,150	5,82,303	8,49,159	3,152	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	4N	10	2½	2½	2½	1½f	6.12	H.
2,25,000	27,12,507	25,84,461	4,280	Andrew Yule & Co., Ltd.	Bengal-Nagpur	18½	10	22½	16⅔	10	3½f	6.12	P.H.
15,97,700	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	4⅛	10	—	2½	1½		9	Y.
7,15,000	50,04,831	30,17,715	3,437	F. W. Heilgers & Co., Ltd.	Bhulanbararee	12½	10	—	6½	6½	2½f	6.12	H.
16,00,000	53,46,046	67,83,723	—1,37,184	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	11½	10	5	—	—		6.12	T.H.
7,50,000	42,42,776	40,82,736	1,07,078	F. W. Heilgers & Co., Ltd.	Borrea	30½	10	20	30	30*	15f*	6.12	P.H.
90,92,480	3,23,04,936	3,94,53,208	1,54,703	Bird & Co., Ltd.	Burrakur	10⅜	10	10⅜	7½	7½	3½	6.12	P.T.H.
8,00,000	45,46,717	49,09,377	2,273	Anderson Wright & Co.	Central Kurkend	16½	10	17½	12½	—	—f	6.12	P.H.
6,00,000	1,40,000	7,50,000k	28,918	F. W. Heilgers & Co., Ltd.	Churulia	3	4	6½	4⅜	1⅜	1f	6.12	P.H.
16,00,000	30,89,961	44,04,602	12,039	Macneill & Barry Ltd.	Dhemo Main	10½xd	10	10⅜	10	12½	2½f	6.12	H.
£120,000	£1,084,338	£872,414	£78,839	Jardine Henderson Ltd.	East Indian	£1	23	13⅓	37½	37½		4	Y.
29,63,760	3,25,97,992	3,19,86,409	2,12,712	Macneill & Barry Ltd.	Equitable	43xd	10	25	25	25	15f	6.12	H.
10,00,000	4,83,963	8,41,725	66,865	Bhatter's Agency Ltd.	Ghusick and Muslia	15N	3	20	5			3	Y.
8,00,000	21,59,376	21,52,141	14,404	Macneill & Barry Ltd.	Hurriladih	16xd	10	12½	15	15	7½f	6.12	H.
3,50,000	11,63,346	12,53,839	40,107	Andrew Yule & Co., Ltd.	Kalapahari	47N	10	26⅔	35	35*	17½f	2.8	H.
20,00,000	68,340‡	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	85	100	—	—	—		2	Y.
5,00,000	42,58,631	42,08,253	1,46,012	Andrew Yule & Co., Ltd.	Katras Jherriah	40⅜	10	27½	35	37½	20f	1.7	H.
1,38,400	5,20,519	11,63,519	1,063	Beriwala Bros.	Khas Kojora	20N	10	11½	10	5f		6.12	P.H.
11,00,240	10,19,288	15,64,007	5,201	H. V. Low & Co., Ltd.	Kuardi	6½N	10	3⅜	3⅜			6	Y.
13,50,000	29,43,024	28,41,241	13,549	H. V. Low & Co., Ltd.	Lakurka	12N	10	5	7½	7½		4	H.
5,65,750	11,41,667	22,37,077	2,691	Beriwala & Co.	Mandulpoor	7N	10	5	2½	5f		6.12	H.
7,48,240	10,34,138	11,24,142	14,690	Associated Commercial Co., Ltd.	Nazira	6⅜N	10	6½	7½	6½		6.12	H.
7,00,000	3,77,590	9,53,321	4,597	Amritlal Ojha & Co., Ltd.	New Bansdeopur	21⅜N	10	3	6	—		3.9	H.
17,76,230	89,43,381	1,14,69,344	39,912	Andrew Yule & Co., Ltd.	New Beerbhoom	21⅜	10					4.10	P.H.
6,00,000	24,61,802	30,92,604	—2,10,056	Octavius Steel & Co. Ltd.	New Manbhoom	10⅜	10	12½	7½	—		3.9	H.
2,50,000	6,84,984	5,45 859	1,387	Jatia Bros. Ltd.	North Damuda	4N	2½					3.9	
1,15,000	10,81,297	12,56,672	12,237	Andrew Yule & Co., Ltd.	North West	15N	10	16½	13½	5	2½f	3.9	H.
1,57,500						11½N	7½						P.H.
7,30,000	12,54,532	3,97,666	1,23,852	F. W. Heilgers & Co., Ltd.	Ondal	19½N	10	12⅜	25	22½*	10f	6.12	T.Y.
10,00,000	14,15,045	32,73,178	46,739	K. C. Thapar Bros. Ltd.	Oriental Coal	12N	10	10	10	10		12	H.
8,34,000	5,98,486	16,29,203	70,539	Deepchand Kishenlall	Parasea	3⅛	10	—	—	—f		6.12	
15,75,000	34,87,649	39,37,649	31,995	Shaw Wallace & Co., Ltd.	Pench Valley	20½	10	16½	12½	10	6½f	2.8	H.
23,99,500	91,95,359	1,09,49,971	—4,53,764	B. N. Elias & Co., Ltd.	Raneegunge	8⅛	10	—	—	—f	—f	3.9	H.
13,50,000	28,66,087	29,99,087	35,349	Shaw Wallace & Co., Ltd.	Rewa	18	10	8⅜	12½	10	7½f	6.12	H.
20,00,000	15,10,118	28,07,516	165	Jaipuria Sons Ltd.	Samla Collieries	6⅜	10	—	5	1½f		6.12	Y.
1,25,000	12,44,124	13,05,188	18,451	Gillanders Arbuthnot & Co., Ltd.	Searsole	10½N	2½	20	20	20		1	P.H.
2,80,000	18,31,795	27,82,403	26,724	Andrew Yule & Co., Ltd.	Seebpore	27	7	35-5/7	32-1/7	28-4/7		6.12	H.
8,00,000	34,57,222	36,96,604	10,379	F. W. Heilgers & Co., Ltd.	Sendra	11½	10	5	5	3⅜	—f	6.12	
£3,21,450	2,13,85,164	3,04,98,616	23,658	Industrial Trust Fund	Singareni	6⅜	10	4½	5	5		12	T.Y.
17,50,000	24,10,707	34,29,846	15,868	Bird & Co., Ltd.	South Karanpura	14xd	10	18⅜	10	7½	3½f	2.8	H.
8,00,000	35,43,816	39,93,119	74,094	F. W. Heilgers & Co., Ltd.	Standard	18	10	16½	15	10	5f	6.12	H.
10,00,000	15,41,499	29,34,045	—2,46,174	Villiers Ltd.	Talcher	3⅜	2½					9	Y.
3,50,000	17,36,513	18,94,910	74,927	Williamson Magor & Co., Ltd. ..	Union	25	10	20	27½	27½	12½f	6.12	H.
7,00,000	26,75,667	36,17,323	29,272	Macneill & Barry Ltd.	West Jamuria	19	10	15	15	15	—f	6.12	

* The following explanatory notes relate to the abbreviations and marks shown on page 684 in the bentures section:—

■ Option to repay on six months' notice, on any nterest date after 31st December, 1951, at 102 per cent. Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 102 per cent.

(a) Option of repayment at any time at 3 per cent. premium.

(b) Bearer bonds of Rs. 1,000 each repayable at par.
Bearer bonds of Rs. 1,000 each repayable on 31st July, 1959.

(d) Bearer bonds of Rs. 1,000 ach with option of 'edemption in[whole or in part at par on 30th June, 1952, or on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months notice in each case.
Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ½ per cent. premium, afte 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1 stMarch, 1957

(h) Option of redemption on or after 1st July, 1949, at par.

(f) Option ofrepayment at any time at par at any time on or after 30th June 1947 on six months' notice

MARKET GOSSIP

(Concluded from page 635)

lisation will bring. In regard to banking, it should be clear to any dispassionate observer that, while we are running a mixed economy and have a very important private sector, nothing is to be gained by the nationalisation of banks. Such a process takes place automatically as the public sector increases and assumes greater importance. So long as the private sector exists, I think it will be admitted that it is best to leave these matters to be managed by private agencies, so long as due control is exercised. That is important. From my own experience and from the measures that I myself initiated, I can say with confidence that the control and regulation of banking in this country is as thorough-going as one would hope to find in any country run on a generally democratic system.

"As regards insurance, there seems to be some fallacy in the argument that one has only to nationalise insurance in order to be able to get hold of funds for the completion of the Plan. For that purpose, one must make a distinction between the private sector and the public sector, and our Plan, though it is in terms of the public sector, does take into account the private sector. Something, perhaps, could be done by a greater supervision of the objects to which the investible funds of insurance companies are devoted after they have invested in what are called approved securities. And there are certain, at the moment inchoate, proposals that are under examination, with a view to finding out whether something could be done to direct investment a little further positively. We have not, I confess, gone very far in this direction. Of course, there is a very small core of nationalised insurance already in existence in this country in the shape of the Postal insurance, and it may be that, in the course of development, that sector will be allowed to expand its business, if, for instance, it shows good results in the sector in which it is allowed to operate, viz., that of Government servants. So, the point I make is that the closer examination of this problem that has been recommended by the Planning Commission is being made at present, and a study of the trends in the world and the experience of the countries which have nationalised insurance has been undertaken. And that is as far as I would wish to go into this matter at the present moment."

* * * *

The foregoing observations are as clear as they can be about the Government's intentions. They mean, as we read it, that (*a*) there will be no nationalisation of banking and insurance, (*b*) some changes may be made in the Insurance Act to enable the insurance companies to take greater interest in the financing of industrial development, and (*c*) no increase in the percentage investments in Government and approved securities is likely. There is, however, one criticism against Mr. Deshmukh. And that is that the Government is opposed to nationalisation not on principle but on grounds of expediency. While it is gratifying to find that the present Government is more practical in its approach towards this question than the socialists. It is, nevertheless, regrettable that it is not willing to concede the superior merits of private enterprise over the State ownership. Perhaps, in course of time, it will be realistic enough to admit this also in a generous manner. But that, we recognise, will depend to a large extent on the behaviour of private enterprise itself in the next few years. It is to be hoped, therefore, that business men in this country will realise that they are on trial now.

* * * *

The latest returns, namely, those for March, on the sterling area's holdings of gold and dollar reserves show a further improvement though the rate of expansion has been lower. Thus, the end of March figures disclose a surplus of $63 million, which compares with that of $125 million and $132 million recorded in the two preceding months, namely, February and January, respectively. The marked decline in the quantum of surplus in March is due to a substantial dollar payment by the U.K. to the U.S. for tobacco already bought. Lest this decline should lead to any misgivings, the authorities have taken care to add a warning that "too much must not be read into the changes of a single month which are not indicative of general trends. Any individual month may be affected by a particularly heavy dollar outlay or receipt." During the month the value of tobacco to be paid for and shipped was in the region of 50 million dollars. It is, however, not known whether all or what part of this liability was disbursed in March, but the point to be noted is that it is an outlay on account of six months' supply of tobacco held in America by the U.K. traders 'on option' till the dollars were made available to the trade for buying it.

* * * *

With the month's surplus of $63 million, the total holdings of gold and dollar reserves of the sterling area improved to $2,166 million, the highest level since December, 1951. The surplus earned in March included $29 million received from the U.S. on account of defence aid. Of the balance of the $32 million, as much as $19 million represented part of the U.K.'s surplus with the European Payments Union in February which was received in gold. The U.K. had also a surplus with the E.P.U. in March to the extent of $7.5 million. According to the agreement with the Union, the E.P.U. has to settle this in April by payment of £4 million in gold, the balance being used for reducing the book debt of the U.K. which now stands at $200 million, besides another £100 million repayable in gold. The U.K. has succeeded in running a surplus with the E.P.U. since September, 1952. Prior to that, there had been deficits for 18 months.

* * * *

In the past two quarters, the sterling area's reserves have been *slowly creeping up. This is* an encouraging trend. In fact, the reserves in the first quarter of this year improved by as much as $320 million which compares favourably with an increase of $161 million recorded in the preceding quarter and a loss of $635 million in the first quarter of 1952. Thus the sterling area's determination to retrieve its lost ground by conserving what it had and by building up additional reserves has been achieved to a certain extent. As a result, the sterling area's reserve position to-day is far beyond the danger zone. But the leeway yet to cover for freeing the pound sterling is still large and the path before it is a hardy and rugged one. For much of the present improvement is due to "aid and not trade" and not to "trade and not aid." There is therefore, still no room for complacency. What is more, it is difficult to forecast the trend of gold holdings in the current quarter. For one thing, Britain has relaxed its import restrictions on trade with Western Europe and the effects of this on the trade remain to be seen. For another, last month's surplus with the E.P.U. was due to French deficit with the U.K. With recent cuts in French imports, it is likely that the U.K.'s trade with France may stage a setback. These considerations lead to the conclusion that the stage is not yet set for the convertibility of the pound sterling.

MARKET REPORTS

(Concluded from page 673)

is expected. The peak touched by wheat during the pre-harvest scare some weeks ago was Rs. 27 per maund, necessitating the establishment of fair price shops, through which imported wheat was sold to the public at 1 *seer*, 14 *chataks* per rupee. All other *rabi* cereals—gram, barley, *bejhar* and peas—have also shown a downward tendency, a substantial fall having already been recorded.

The U.P. Government has now finalised its food policy for the current *rabi* season. Rice, barley and gram will be bought from licenced dealers at declared prices on the basis of the dealers giving to the Government a percentage of their stocks so purchased. *Juwar* and *bajra* will be bought from the free market. No decision has yet been taken in respect of wheat purchases. Rice is being purchased for supply to the Centre, as the State already produced more rice than is consumed within. Coarse grains are being bought to build up a reserve stock in the State for purposes of austerity and hill-provisioning areas. The State Government will only import foreign wheat at Rs. 17-8 per maund. It will purchase foodgrains stocks at the following rates: Rice: first Rs. 29, second Rs. 21-4, third Rs. 18-8, fourth Rs. 14-8 and fifth Rs. 12; *bajra* and gram Rs. 11, barley and *jowar* Rs. 10.

The latest free market quotations in the Hapur *mandi* are: Wheat Rs. 16-12, gram Rs. 13-10, barley Rs. 9-12, *bejhar* Rs. 9-10, peas Rs. 11-4, maize Rs. 10, *bajra* Rs. 11-8 and *jowar* Rs. 9-8 to Rs. 11-8; rice: *basmati* Rs. 34, *hansraj* Rs. 30, *sela* Rs. 28-8 and coarse Rs. 23.

OFFTAKE OF SUGAR DECLINES

(From Our Own Correspondent)

HAPUR, 6*th April*

Sugar markets throughout India remained quiet to bearish. Following heavy despatches from mills, resulting in accumulations of huge stocks with trade, free market crystal experienced strong selling pressure. On the other hand, the offtake has declined, as buyers are operating very indifferently and confining their purchases to immediate needs only. The demand from consuming areas is now mostly confined to bold grain of sugar which has ruled comparatively steady. The market for ready sugar at Calcutta remained slightly steadier under brisk demand from South India by sea. The Bombay market ruled quiet, in sympathy with the forward market and also on account of poor demand from Malabar which is now reported to be buying sugar from Calcutta.

The current free sale sugar quotations are: Ambala Rs. 29-14, Amritsar Rs. 31, Delhi Rs. 30-3, Jullundur Rs. 29-5, Agra Rs. 28-14, Hapur Rs. 29-8, Kanpur Rs. 27-12, Mathura Rs. 29-4, Meerut Rs. 29-4, Muzaffarnagar Rs. 30, Patna Rs. 30-14, Calcutta Rs. 28-8, Gauhati Rs. 31, Cocanada Rs. 31-4, Madras Rs. 31-8, Bhavanagar Rs. 30-10, and Indore Rs. 31-2.

Out of the 67 sugar factories in Uttar Pradesh, 30 have closed down for want of adequate supplies of sugarcane. This is likely to shorten the current crushing season in that State. The closure of sugar factories in western and central U.P., it is feared, may curtail the aggregate output to about 12 lakh tons during the current season, as against 13.5 lakh tons anticipated by the trade. As many as 10.5 lakh tons are reported to have already been produced.

The Uttar Pradesh Governor has now declared that the turnover in respect of sugar shall not, with effect from the 1st inst., be liable to tax, except (1) in the case of sugar manufactured in the U.P. at the point of sale by the manufacturer and (2) in the case of sugar imported from outside U.P. at the point of sale by the importer. The Governor has further declared that such turnover will be taxed at the rate of 6 pies per rupee. Formerly the sale tax was 2 pies.

SLUMP IN TIN PRICE

(From Our Own Correspondent)

CALCUTTA, 7*th April*

The changed attitude of the Russian rulers to international problems and the distinct possibility of peace in Korea following the willingness of the Chinese to exchange prisoners of war affected metal prices, which moved in the downward direction. Tin was especially the hardest hit during the week. Consumers, who had been covering only for the day-to-day requirements for many months past, were thus encouraged to inquire only for still smaller quantities. Further, reports from London and New York were far from encouraging. Tin showed a loss of Rs. 43 at Rs. 583.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
16,00,000	1,08,33,956	10,66,174	Allahabad Bank	345	100	18‡	18‡	18‡	18‡	12	Y.P.
14,50,000				170	50						
1,01,000	11,73,500	2,21,655	Andhra Bank	105cd	100	5	6	6	3i	6.12	H.
23,99,000				52½cd	50						
1,00,00,000	1,28,00,000	2,14,790	Bank of Baroda	111	50	12‡	12‡	12‡	51	12	Y.
50,00,000	10,00,000	7,107	Bank of Bikaner	20	25	..	3	3	..	12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	154xd	50	14	14	14	14	6.12	R.L.Y.
15,30,375	24,00,000	63,200	Bank of Indore	60	25	12½	12‡	12½	12	12	Y.
50,00,000	15,00,000	35,324	Bank of Jaipur	23	50	3	3	3	3	12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	281	100	16½	16‡	16½	16‡	12	Y.
39,18,600	42,61,693	25,280	Bombay State Co-operative Bank	58½	50	5‡	5	5	..	6	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	9	9	9	9	12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	9‡	10‡	10‡	10‡	12	Y.P.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	63xd	25	14	14	14	14	12	R.L.Y.
52,42,375'A'				64½xd	25						
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	35	50	3	3	3¾	3¾	12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88	20	6¾	10	20	20	12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	11½	50	—	—	—	—	12	Y.
50,00,000	1,00,000	3,806	Hindustan Mercantile Bank	10½	50	—	—	—	—	12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105N	100	5	6‡	6‡	5	9	Y.
3,75,00,000	6,35,00,000	42,07,573	Imperial Bank of India	1,842½	500	14	16	16	16	6.12	R.L.H.
1,87,50,000				445	125	14	16	16	16	6.12	R.L.H.
24,00,000				176cd	100						
16,00,000	73,50,000	1,04,201	Indian Bank	131½cd	80	11½	12‡	12‡	12‡	6.12	R.L.H.
15,40,000				93cd	55						
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	92xd	100	4½	5‡	6	6	6.12	R.L.H.
6,25,000				79	100(A)	9	9	7½	6		
2,50,000	6,33,939	1,380	Indo-Commercial Bank	19	25(B)	9	9	7½	6	6.12	H.
10,00,000				38½	50(C)	6	6	6	6		
4,55,266	30,61,350	60,357	Punjab and Sind Bank	35	25	7½	7	..	..	6.12	Y.
87,50,000	87,50,000	5,33,829	Punjab National Bank	23	25	6	4	4	3i	12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	10½	25	—	—	—	—	12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	6¾xd	5	6‡	6‡	6‡	6‡	12	Y.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank	35¾xd	50	3‡	4	4	4	6.12	H.

PRINCIPAL EXCHANGE BANKS

£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£11½	£5	12†	14†	14†	16½†	12	R.L.Y.
£1,000,000	£800,000	£69,917	Eastern Bank	£6‡	£5	6†	6†	6†	2½	12	R.L.Y.
H.K.$20,000,000	H.K.$96,000,000	H.K.$9,489,174	Hongkong and Shanghai Banking Corporation	£79½	H.K. $125	5y*	5*	5*	5*	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-11-0	£1	12y†	12y†	12†	12†	12	R.L.Y.
£1,437,296				£1-6-3		5y†	5†	5†	5†	12	R.L.Y.
£375,000				£24½	A £12½						
£375,000	£1,500,000	£200,143	Mercantile Bank o India	£24½	B £12½	12y†	12†	12†	14†	12	R.L.Y.
£300,000				£10	C £5						
£2,281,250	£3,675,000	£323,703	National Bank of India	£29½	£12½	16y†	16†	16†	16†	12	L.Y.

‡Includes Bonus. †Less Tax.
‡‡Subject to taxation.
(c) Paid-up Capital Increased.
(a) There are also Rs 67,08,155 partly paid Ordinary Shares
††O.S. Currency.
(i) Interim
P) Pakistan Currency
*£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company		Latest Available Quotations (per hundred) Rs. or £	Principal Repayable	
BREWERIES AND SUGAR							
19,50,000	5½	1st December and 1st June	Carew & Co.	1938	97	1st June	1953(b)
5,50,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	1941	90½	28th February	1960(f)
6,00,000	5½	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd.	1936	98	30th December	1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102½	27th December	1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91	1st November	1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	103	1st April	1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	92	1st November	1959-64
COTTON							
6,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April ‡	1964
4,00,000	4½	30th May and 10th November	Bengal-Nagpur	1937	96	15th November	1956(a)
1,80,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99½	1st January	1967-72
13,68,000	5½		Jayshree Textiles	1949	78N	1st January	1956-59
ELECTRICS							
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	95	31st March	1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		101	14th June	1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100½	1st October	1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	92	31st December	1964
2,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	102½	1st January	1970
25,00,000	4	30th June and 31st December	Gouripore Electric Supply Co., Ltd.	1945	94	31st December	1976
15,00,000	5	1st January and 1st July	Sijua (Dherrish) Electric Supply Co. Ltd.	1951	94	30th June	1957-61
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	1940	97	..	1954
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	1939	95	..	1953-63
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94½	..	1957-67
4,63,800	4½	1st April and 1st October	South Madras Electric Supply		94	1st July	1951-55(b)
49,23,000	4	1st April and 1st October	Tata Power	1940	100½	15th September	1965-70
1,00,00,000	4	1st April and 1st October	Tata Power		92½	15th September	
ENGINEERING							
5,00,000	5	30th June and 31st December	Britannia Engineering	1945	95	31st December	1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	95	30th June	1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	100	1st July	1957-62
£1,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	£89½	31st December	1966(ff)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84‡	31st May	1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	100½	1st October	1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	94	31st December	1960
JUTE							
12,00,000	4½	1st October and 1st April	Agarpara	1939	97	31st March	1954
6,00,000	4½	30th June and 31st December	Alexandra	1939	96	30th June	1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	92	31st December	1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	96	30th June	1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90	30th June	1960
10,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July	1959(c)
12,00,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	97	30th June	1966
8,94,000	5	30th June and 31st December	Empire	1951	97	15th July	1966
25,00,000	3½	1st January and 1st July	Hukumchand	1947	91	30th June	1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	98	31st December	1964
25,00,000	5½	30th June and 31st December	Naihati	1952	100	31st March	1967
5,00,000	3½	31st March and 30th September	Nellimarla Jute Mills Co., Ltd.	1947	97N	31st March	1954
3,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May	1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	86	31st December	1964
8,00,000	4	30th June and 31st December	Presidency	1943	91	30th June	1958
25,00,000	5	31st March and 30th September	Ralianee Jute Mills Co., Ltd.	1950	95	5th September	1965
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	94	14th September	1957
12,00,000	3½	30th June and 31st December	Union	1937	94	30th June	1957(d)
10,00,000	3½	31st January and 31st July	Waverley	1925	83	31st July	1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS							
4,00,000	6	31st March and 30th September	Bankura Damodar River Railway Co., Ltd.	1931	100N	9th March	1961
4,00,000	3½	31st March and 10th September	Bankura Damodar River Railway Co.	1938	29	31st March	1953
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1936	84	1st July	1956
6,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	1945	99	1st November	
3,30,000	3½	31st March and 30th September	Burdwan-Cutwa Railway Co.	1938	99	31st March	1943–53
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£100N	A ↑105% at any time on 6 months' notice or at par or every seventh year.	
£225,500	5	1st April and 1st October		1933	£102N	1st October	1974
3,00,000	3½	30th September and 31st March	Kalighat-Falta Railway	1934	98½	30th September	1953
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	89	31st December	1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£90½N		
6,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation		96	1st September	1963
PLANTING							
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943	100	..	1945–55
3,68,200	3½	31st March and 30th September	Teekoy Rubber Estates	1944	100	..	1949–59
50,00,000	5	30th June and 31st December	Waterfalls Ltd	1943	101½	..	1945–55
MISCELLANEOUS							
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	102	30th September	1953
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	99	31st December	1965
27,60,000	4½	1st April and 1st October	Associated Hotels of India	1948	86	31st December	1962
4,90,300	4½	30th June and 31st December	Bengal Paper Mills	1937	95	30th June	1957(1)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February	1964
22,60,000	4½	1st July and 1st January	Clive Buildings	1936	89	1st July	1986
20,00,000	6	15th March and 15th September	Dalhousie Properties	1946	86	15th September	1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	1950	102½	1st January	1971
20,00,000	5	15th March and 15th September	Mettur Chemical Industries	1949	97		1964
39,87,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	450	30th September	1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	(per note) 410 (per note)	31st December	1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	94N	1st April	1971
1,80,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	87	31st March	1961
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	80½	31st December	1959

Note—See page 682 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 9th April, 1953.

—	Closing quotations 1-4-'53	High	Low	Closing quotations 9-4-'53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	154½	154½	153½	154
Bank of Baroda (50)	112½	112½	111½	112
Central (25)	62½	63½	61½	62½
Imperial (F.Pd.) (500)	1,840	1,842½	1,836½	1,842½
Imperial (P.Pd.) (125)	450	450	443½	445
Union Bank (5)	6½	6½	6¾xd	6¾
United Com. (50)	35½	35½	35½	35½
COTTON MILLS				
Ahm. Adv. (190)	147½	147½	142½	142½
Apollo (2)	2½	2½	2-11½	2-11½
Bombay Dyeing (250)	381½	396½	382½	395
Central India (100)	154	156	151	155
Century Mills (100)	269½	273	266½	270½
Colaba (10)	71½	71½	71	71
Edward Textile (200)	240	—	—	240
Elphinstone (50)	44	—	—	44
Finlay (100)	310	309	306½	307
Gokak (100)	224	229	220	229
Ind. Untd. Defd. (1)	1-10½	1½	1-9½	1½
Ind. Untd. Ord. (10)	9-5½	9-7½	9½	9¾
Indore Malwa (100)	91½	91½	89½	90
Khatau (100)	192½	—	—	192½
Kohinoor (100)	291	297½	290½	294½
Lakshmi (250)	600	602½	600	602½
Madhusudhan (100)	80	—	—	80
B. R. Cotton Mills (100)	51½	—	—	51½
Minerva Mills (100)	105	—	—	105
Model Nagpur (250)	143½	—	—	143½
Morarji (100)	180	186½	180	182½
Mysore (50)	123½	—	—	123½
New City (100)	176½	—	—	176½
New Great (100)	150½	151½	149½	149½
Phoenix (100)	113½	—	—	110
Podar Mills (100)	130	130	125	126½
Sassoon Silk (10)	22	22½	21½	22½
Sassoon Spg. (10)	23½	—	—	23½
Sholapur (1,000)	1,750	—	—	1,750
Simplex (50)	177	180	175	177
Swadeshi (100)	256	258½	251½	255½
Swan (100)	450	450	435	437½
Tata Mills (25)	44½	44½	39½	40½
Vishnu (100)	170½	—	—	170½
Western India (1,000)	3,150	—	—	3,150
ELECTRIC COS.				
Ahmedabad (100)	113½	114½	107¾xd	108½
Amalgamated (10)	10½	10¾	10¾	10½
Andhra Valley (1,000)	1,442½	1,442½	1,440	1,442½
Bom. Sub-El. (100)	124¾	124½	124¾	124½
Surat (100)	121¾	—	—	121½
Tata Hydro (100)	151½	152½	151	152
Tata Power (1,000)	1,540	1,541½	1,536½	1,540
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	545	552½	545	542½
Ind. Mercantile (20	38½	—	—	38½
Jupiter (15)	7	—	—	7
New India (15)	42½	42½	42	42½
Oriental (200)	6,710	7,135	6,700	7,135
Universal (10)	7⅜	—	—	7⅜
Vulcan (10)	11¾	—	—	11¾
STEAMER COS.				
Bom. Steam (25)	34	—	—	34
Scindia (15)	13–12½	13–13½	13¾	13½
STEEL COS.				
Ind. Iron (10)	24½	24¾	24	24½
Tata Steel Defd. (30)	1,810	1831½	1,791½	1,832½
Tata Steel Ord. (75)	315½	316½	311½	315½
MISCELLANEOUS				
Alcock Ashdown (100)	302½	312½	302½	308½
Associated Cts. (100)	170	170½	166½	168½
Belapur Sugar (5)	235	239	234	238
Bom. Burmah (125)	385½	396½	380	395½
Do. (New) (50)	142¼	145	142¼	143½
Br. B. Petrol (4 sh.)	1-2½	1-3½	1-2½	1-2½
Br. I. Corpn. (5)	8¾	8½	8-3½	8-3½
Indian Copper (2 sh.)	3-1½	3-1½	3-0¾	3-1½
Ind. Inv. Tr. (100)	74	—	—	74
Port Canning (100)	30	—	—	30
Premier Con. (30)	85½	88½	85½	88½
Shivrajpur (10)	61	61½	60	61½
Tata Chemicals (10	9¾	9¾	9¾	9¾
Tata Oil (25)	34	34½	33½	33½
Walchand Ind. (100	158½	160	159½	160
W. I. Match (100	233½	235	230	233½

GOVERNMENT SECURITIES	Rs	Gross Yield Earlier Redemption	Gross Yield Later Redemption	Rs
2½% 1954	98½	—	3.37	98½
2¼% 1955	98½	—	3.27	98½
2½% 1961	90½	—	3.89	90½
2½% 1960	93¼	—	3.81	93½
2½% 1962	91½	—	3.88	91½
2½% 1974	82¾	—	3.89	82¾
3% 1953-55	100¾	—	2.78	100¾
3% 1957	98½	—	3.34	98½
3% 1958	98½	—	3.34	98½
3% 1959-61	96½	3.70	3.55	96½
3% 1964	92½	—	3.84	92½
3% 1965-65	92¾	3.90	3.78	92½
3% 1966-68	90¾	3.95	3.85	90¾
3% 1970-75	86½	4.10	3.91	86½
3% 1986 Con. Loan	82½	—	3.65	82¾
3½% 1954-59*	100½	3.37	3.45	100½
4% 1960-70	102¾	3.65	3.83	102½
4½% 1955-60	103½	3.14	4.00	103½
4½% 1958-68*	105	3.40	4.05	105

BRITISH GOVERNMENT SECURITIES	1-4-53 £	High £	Low £	8-4-53 £
2½% Brit. Consols	59⅜	59½	59⅜	59½
3% Savings Bonds 1965-75	85½	85¾	85½	85¾
3% War Loan 1955-59	100	—	—	100
3½% War Loan 1952	80¾	80¾	80¾	80¾
3½% Brit. Iron and Steel 1979-81	90	90½	90	90½
4% Funding Loan 1960	99	—	—	99

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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CENTENARY OF INDIAN RAILWAYS

SIXTEENTH April, 1953, marked the completion of the first Centenary of the Indian railways. Exactly 100 years before that date, on 16th April, 1853, the first train in India steamed out from Bombay City to Thana, a distance of 21¾ miles. Thus, it was Bombay City that had the proud privilege of witnessing the first railway train in action in India, nay, in the whole of Asia. It is, therefore, in the fitness of things that the City should celebrate this great event in a suitable manner. Strangely enough, the Bombay Municipal Corporation, which represents the City, has done scarcely anything to commemorate this occasion. But the managements of the railways have done their part very well in reminding the public of the memorable day in the history of this City.

From a modest beginning a century ago, the Indian railways constitute to-day the largest single nationalised enterprise in the country. The capital invested in them exceeds Rs. 860 crores. They have a route mileage of 34,120 spread all over the country. Their gross earnings amount to Rs. 275 crores a year, while their expenditure runs to Rs. 230 crores. They play a vital part in the economy of the country, their aggregate revenue and expenditure forming about 34 per cent. and 27 per cent., respectively, of the Central and State Governments' total income and expenditure. They offer direct employment to 925,000 persons. It is, however, estimated that they support families covering more than three million persons. Some idea of the magnitude of the work done by them can be had from the fact that, in 1951-52, the railways carried some 1,200 million passengers, as also 96 million tons of goods, in a total of 188 million train-miles. Such is the size and economic importance of Indian railways to-day.

The railways in India are one of the constructive contributions made by the British to this country. Whatever might have been the motives behind the development of railways in India, the fact remains that it was British capital and British technical skill that gave the start for linking the various parts of the country with modern means of communication. A price, of course, had to be paid for these services. But that was in keeping with the spirit of the times and the political status of the country. Those were the days when the economic philosophy that held the field was plain *laissez faire*. The State could not bring itself to engage in commercial activity which was considered to be the sphere of private enterprise. As indigenous capital was shy, recourse had to be had to foreign private capital. In the then political conditions, Britain was the only source of foreign capital to India. And British capital would run the risk of investment in India only on its own terms. Free grant of land and a guaranteed rate of interest, ranging from 4½ per cent. to 5 per cent., payable at a preferential rate of exchange, were the main incentives offered to British capital. These terms proved very onerous and disproportionately high as compared with the results achieved. By the end of 1900, the Government had lost a net sum of as much as £51½ million by way of guaranteed interest to the railway companies.

Experience even in the initial stages of railway development revealed that, whatever might have been the achievements in other parts of the world, private enterprise was unsuited to this task in India and that the best means of ensuring quick development of railways was State ownership and State initiative. Thus, as early as in 1869, Lord Lawrence, the then Governor-General, recorded a very decided opinion to the effect that the direct agency of Government would be more economical than that of the railway companies (owned and operated by private enterprise) and that there would almost certainly be advantages to the State financially and, therefore, to the community of India at large, if the Government were to construct railways hereafter through its own engineers with money directly borrowed from the market for the purpose. As years passed, private enterprise contributed a progressively declining share to the development of railway communications, even though it did not completely disappear from the picture till so recently as 1944. It is true that, in 1881, the policy of State construction had to be changed and the help of private enterprise invited once again. But the conditions under which assistance was taken were such that the State had an active control over its activities. The point that we wish to make here is that, almost from the very beginning, the influence of the State over the development of railways was very strong, even though a large part of the capital was provided by private enterprise. The latter was not given unrestricted scope in the field of railways as elsewhere in the world. Its role in the growth of railways in India was accordingly of a limited nature.

Another feature that emerges from the study of the history of Indian railways is that, in the last quarter of their first century, there was hardly any expansion. On the contrary, this period actually witnessed a contraction in the area served by the railways, the route mileage to-day being smaller than that a decade ago by about 2,000 miles. This state of affairs was due to two reasons. One was the economic depression of the 'thirties which put an end to the rapid expansion programme that followed the adoption of the first Railway Convention as recommended by the Acworth Committee. It may be interesting to note here that, between 1920 and 1930, the route mileage had gone up from about 36,700 to about 42,000. The second reason was World War II. Unlike in the case of some of the industries, both the First and the Second World Wars meant a serious drain on the physical resources of the railways, which greatly undermined their operational efficiency. In World War II, the attrition of assets, due to intensive use and postponement of renewals, was far heavier than in World War I. Over 8 per cent. of metre-gauge locomotives and 15 per cent. of metre-gauge wagons, 4,000 miles of track and 4 million sleepers were transferred from the Indian railways to the Middle East. The political disturbances and the Partition of the country that followed soon after World War II accentuated the strain imposed on the railways by the war. The railways, therefore, could not make good the damage suffered during the war years. As the problem of rehabilitating and improving the existing equipment became urgent and had to be given priority, the question of opening new lines had to be relegated to the background. This position continues even to-day,

as will be seen from an analysis of the development programme of the railways under the Five-year Plan published elsewhere in this issue.

Even though the size of railways was smaller in the post-war than in the pre-war years, the volume of traffic handled by them, it must be said to the credit of the railway authorities, recorded a phenomenal increase, as will be seen from the following set of figures:

	(In millions)	
	1938-39	1949-50
Passengers carried	372	1,061
Freight tons carried ...	86	105
Passenger miles	12,589	32,344
Freight ton miles	17,047	23,144

It will be noted that the volume of passenger traffic had increased more than 2½ times. Goods traffic had also gone up. Some idea of the efforts that must have been put forward by the managements of railways to move all this traffic can be had only if one had a clear picture of the formidable state of affairs that prevailed, say, at the beginning of 1949-50. The position then was that a large number of locomotives, coaching vehicles and wagons were overage and obsolete. The track had deteriorated to dangerous levels which demanded severe speed restrictions and slowing down of movement of trains. The partition of the country had affected the pattern of traffic and the loss of the Port of Karachi added to the burden on the Bombay-Delhi route, necessitating augmentation of line capacity, increase of yard capacity, and facilities and readjustment of many other essential operational arrangements. The power position also had deteriorated and called for urgent attention at the hands of the authorities.

In the course of the past three years, most of these difficulties were overcome with courage and determination. One redeeming feature of the Second World War was that it helped the railways to strengthen their financial position and build up a fairly sizable reserve for post-war reconstruction. The position in this respect improved further by the high level of traffic which continued in the post-war years. A new system of fares and freights was brought into effect in 1948 and the rates themselves were revised in an upward direction later. All this enhanced the revenue of the railways. The comfortable financial position thus achieved facilitated the implementation of their rehabilitation programme.

During the past five years, much has been done to improve the efficiency of the railways. Many reforms of a far-reaching nature have been introduced in their administration and finances. New constructions have doubtless been few in comparison in recent years, the Assam rail link and the Deesa-Kandla connection, each about 180 miles in length, being the only lines that could be undertaken. But rehabilitation of major assets and improvements necessary to obtain optimum performance from existing equipment have been given the highest priority in capital programmes and these have yielded satisfactory results. On the whole, the railways can legitimately claim a progressive and commendable record in the post-war years. Thanks to the new Financial Convention introduced in 1949, the association of railways with the State has not impaired the observance of commercial principles so necessary to maintain efficiency, while, at the same time, the public utility aspect of their functions has been steadily kept to the fore. Greater recognition is being given to the comfort of third class passengers and the staff is being treated better. Yet much remains to be done. If the railways are to meet in full the demand for transport that will arise as a result of a growing population and the plans that are being implemented to increase the economic wealth of the country, they must be expanded considerably and modernised. A comparison of the railways in this country with those in the U.S. and Europe will be sufficient to show how they are backward in their method of operations and outmoded in their equipment, and to indicate the great scope that exists for technical improvements in several directions. A great responsibility rests with those who are in charge of the railways, for no plan for the economic development of the country will succeed, unless the transport lifeline is expanded and kept in readiness to meet the additional traffic that will flow from such development. They must realise that the problem is not merely one of providing adequate transport facilities, but that it is also one of offering such facilities at a cost which will be well within the capacity of users.

THE CHALLENGE OF SYNTHETIC FIBRES

THE textile industry in India and the world stand to gain much by the wealth of information on the world fibre position, provided by the Commonwealth Economic Committee in its latest review of industrial fibres, published last week. An analysis of their relative roles as raw materials indicates how the changes in their economic position have considerably influenced the textile industry to adjust itself to these changes. Thus, prior to this century, cotton, wool and silk fibres dominated as the raw materials of the textile industry. However, with the advent of the synthetic fibres of the rayon group at the beginning of this century and their rapid expansion during the inter-war period and since the Second World War, the relative proportions of the various fibres consumed by the textile industry have also changed.

The expansion of synthetic fibre output is reflected in the increasing proportion of rayon in the total production of apparel fibres, as will be seen from the table below:

(In thousands of metric tons)

Fibre	1934-38	1948-49	1949-50	1950-51	1951-52
Cotton ..	6,433	6,320	6,845	6,001	7,200
	(80)	(75)	(75)	(70)	(72)
Wool ..	934	976	997	1,036	1,061
	(12)	(12)	(11)	(12)	(10)
Rayon ..	632	1,113	1,225	1,585	1,795
	(8)	(13)	(14)	(18)	(18)
Total ..	7,998	8,408	9,069	8,622	10,061
	(100)	(100)	(100)	(100)	(100)

N.B.—Figures in brackets indicate percentage to total production.

The table above shows some interesting trends in the production of the fibres. As compared with the average output for 1934-38, the proportion of cotton to the total has declined from 80 per cent. to 72 per cent. in 1951-52. The proportion of wool production, however, shows relatively little change. The rapid growth of synthetic fibre is evident from the increase in proportion to the total from 8 per cent. in 1934-38 to 18 per cent. in 1951-52. This increase suggests the significant extent to which synthetics have supplanted cotton by their increased use for mixture with both wool and cotton.

The trend of production of apparel fibres as above, disclosed by earlier studies, is confirmed by the latest review of the world fibre position prepared by the Commonwealth Committee. According to the Committee, the world output of all industrial fibres rose sharply in 1951-52 to reach the new record level of 31,700 million lbs., as compared with 26,400 million lbs. in 1950-51. The output of apparel fibres alone rose by 19 per cent., while that of all other types increased by 23 per cent. The predominant increase occurred in cotton. The wool clip also continued to expand along with rayon, but the expansion in both cases was relatively smaller, as compared with that in cotton. The Commonwealth Committee indicates that the output in 1952-53 may equal that of 1951-52, while the consumption is likely to register some improvement. This upward trend in the world fibre position may be taken as an indication that world scarcity of these fibres, experienced in recent years, is now past history.

The Commonwealth Committee review deals at considerable length with the most notable development in the world fibre situation in recent years, namely, the entry into commercial production of the artificial fibres to which a brief mention has been made at the outset. Its findings make enlightened reading. The artificial fibres are divided into two broad categories, namely, semi-synthetic and wholly synthetic. The former class of fibres belongs to what is commonly known as the rayon group and the latter the nylon group. The rayon fibres are produced from cellulose, as well as protein. Under the category of these protein fibres come newer synthetics known as *ardil*, *vicara*, and *lanital* used in the manufacture of clothing. The nylon group of synthetics, chiefly derived from the by-products of coal and oil, includes nylon, *perlon*, *terylene*, *orlon* and *saran*. In regard to these two groups of synthetic fibres, a point of utmost interest to the textile industry and trade is the fact that, while rayon is firmly established in certain fields, the other fibres are still in an early stage of commercial development. Accordingly, trade in synthetic fibres other than rayon is confined almost to nylon. But the other synthetic fibres, which are of recent origin, though produced on a relatively small scale, are meeting with steadily rising demand for use in mixture fabrics and certain types of underwear mostly used by women in America and Europe. By reason of their strength and durability, they are in demand for some industrial uses also, such, for instance, as for producing beltings, awnings and tarpaulins. Resistance to acids and mildew and non-inflammability are the main characteristic features of these fibres which have found for them use in the manufacture of car upholstery, curtains, acid-resisting cloths, etc.

Besides their intrinsic qualities, synthetic fibres confer certain other economic advantages to their consumers. The most important of them is that long-distance shipment of some of these fibres does not add prohibitively to their cost. In recent years, this characteristic feature has encouraged many industrial countries, which wanted to achieve self-sufficiency in textiles, or to conserve their foreign exchange resources, to take to the manufacture of synthetic textiles. Typical instances of such countries are Germany, Italy and Japan, all three of which stimulated the production of rayon staple before the war by subsidies and by making provisions for its compulsory admixture with cotton and wool. Among the limitations of the wholly synthetic fibres is the difficulty of dyeing them. Rayon production requires so large an investment in plant that it is difficult for backward countries with limited capital resources to establish these units in large numbers. This limitation explains the concentration of these units in Europe and the U.S.A., and that too mostly in the hands of a few large firms. In the U.S., in 1950, there were 17 rayon producers, of whom two or three dominated the scene. Similarly, in the U.K., the bulk of the country's output is accounted for by two of its eleven producers.

The world output of synthetic fibres in 1951 is estimated by the Commonwealth Committee at 247 million lbs., as compared with 169 million lbs. in 1950, or barely one per cent. of the total. The total capacity of production of these fibres is expected to be raised to 564 million lbs. by 1955 in seven countries alone, namely, the U.K., Canada, the U.S., Germany, France, Japan and Italy. Among these countries, the U.S. is still by far the biggest producer of synthetic fibres, its share in 1950 and 1951 being 145 million lbs. and 200 million lbs., respectively, out of the total production mentioned above. According to the Commonwealth Committee, the U.S. share is expected to drop below 70 per cent. of the world total by 1955, while the output of the U.K. is likely to rise from 11 million lbs. in 1951 to 61 million lbs. in 1952-53. In the course of this year or so, the output of Germany is to reach 20 million lbs., as against 9 million lbs. in 1951. The production of synthetic fibres in France is expected to increase from 7 million lbs. in 1951 to 23 million lbs. in 1953 and that of Italy from 4 million lbs. to 8 million lbs.

This marked expansion in the output of synthetic fibres raises the question as to how far these fibres will challenge the position held by the natural fibres, namely, cotton, wool and silk. Although the production of rayon and nylon has increased remarkably during the past decade and a half, so far as one can see to-day, they are unlikely to oust the natural fibres to any marked extent. The total output of synthetics, even when it reaches the target of 564 million lbs. by 1955, will constitute only a small fraction of the fibres needed by the world's textile industry. With its various limitations on rapid expansion in the different parts of the world, synthetic fibres may take yet another decade to reach a level which will be equal to half the total production of all fibres to-day. And any appreciable headway made by it to catch up with the demand for uses in apparel industry is likely to be offset by the increased demand for clothing from the underdeveloped countries when their economies are improved. It is true that nylon has driven silk out from the stocking markets of Europe and the U.S.; yet silk and cotton and wool have their own exclusive spheres where they are bound to remain unchallenged. As rayon, however, enjoys a much more favourable price relationship to the natural fibres, it will have a strong influence on the choice of the fibre used by the textile mills. It may find increasing favour with them as a mixture with cotton and other natural fibres. But even this influence can be neutralised, to a certain extent, by possible new uses of the fibre in fields other than textiles. Besides, any rapid progress which can be expected from synthetic fibres is at present limited to rayon and nylon. And even here, the development of nylon is likely to be slow, as compared with that of rayon, as the latter costs much less than nylon. Considering these factors, one can safely conclude that the trade in the old natural fibres need not view with any anxiety the expansion of synthetic fibres as a source of danger.

FIRM TREND IN MARKETS PERSISTS

OUTLOOK FOR U.S. BUSINESS—BANK RATES—NEW WHEAT AGREEMENT

THURSDAY, 5 P.M.

MARKET GOSSIP

EQUITIES have hardened further. The upward trend noted last week has been fairly well maintained, though it has not been perceptibly aggressive. Operators in the local market have noted with satisfaction that London and New York Stock Exchanges have thrown off their hesitant feeling and that values in both of them have once again started looking up. This has been interpreted to mean that no adverse effects on the economies of these countries are expected as a result of the latest moves to secure peace in Korea. If, however, operators have not chosen to become aggressively bullish, it is because they are awaiting the mediator's award on the issue of conversion of Tata Deferreds into Ordinaries. There is a strong belief at the time of writing that the award will be made public this week-end. The majority, however, prefer not to speculate on this issue, as expectations in the past had led to nothing but disappointment.

* * * *

The latest advices from Washington indicate that the U.S. official experts are of the view that peace in Korea will have no bearish effect on the U.S. economy. The staff of the Congressional Joint-Economic Committee has issued, in consultation with the Administration experts, a statement disagreeing with the stock market's bearish interpretation of the Korean peace move. The statement says that "the present outlook for private business activity and continued high levels of production and employment remains good." While admitting that there is a danger of a psychological reaction reversing the immediate post-Korean buying sprees, it avers that a truce in Korea would not remove the basic threat of Communist aggression. It further contends that military and economic adjustments resulting from a truce would be comparatively minor and adds: "the present business investment plans made in expectation of a cut in defence spending from the present year's peak appear to be based on long-term considerations and hence are reasonably secure from fluctuations due to a Korean truce. Consumer expenditures seem likely to be stable or rising through the next 15 months." Although no official comment is available on the future trend of defence expenditure in the U.S., unofficial advices suggest that no cut in such spending is likely this year. On these indications, as well as on the possibility of an increase in the price of steel in the U.S., Wall Street has been looking up during the last two days. The shares of heavy industries, and steel companies in particular, have registered sizable gains.

* * * *

The London Stock Exchange, too, has been displaying a firm undertone, but for an entirely different reason. The British Chancellor of the Exchequer has sprung a pleasant surprise on investors by giving liberal tax concessions. He has reduced the standard rate of income-tax by 6*d.*, promised to abolish the Excess Profits Levy from 1st January, 1954, restored the initial depreciation allowances and reduced the purchase tax rates by 2½ per cent. In short, his latest budget is a real incentive budget, designed to lighten the burden on industries and the people and to liberate their energies for securing increased production. It is this budget that has enthused the London Stock Exchange.

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Before Mr. Butler presented his budget, there were expectations that the Bank of England rate might be reduced. These were based on two grounds, (1) the belief that the danger of inflation was over, and (2) the tendency in other parts of the world to reduce the Bank rate. Only a few days ago, the Netherlands Bank rate was lowered to 2½ per cent. This was the third cut, of ½ per cent. on each occasion, since January, 1952. A few days prior to this, the Australian Central Bank had reduced its discount rate to 5 per cent. This was the second downward revision since the beginning of this year. Yet another country to reduce the Bank rate this year was West Germany which fixed it down at 4 per cent. This was the fourth alteration in less than a year, the aggregate cut effected during this period being 2 per cent. In December last, Belgium had lowered its official discount rate. Mr. Butler, however, did not announce any reduction in the Bank rate. He, of course, said nothing specific about the monetary policy, but his observations on general economic conditions indicate a broad continuation of the monetary measures now in operation. A few well-informed observers also feel that there is still need for retaining the dearer money correctives. A factor that has to be taken into account, in this connection, is the pronounced tendency on the part of the present administration in the U.S. to keep the interest rates high. So long as this trend persists, the U.K. is unlikely to reverse its current monetary policy.

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So far as this country is concerned, there is hardly any justification for altering the Bank rate at present. Markets have more or less settled down, adjusting themselves to the existing Bank rate. Any change, even if it be in an upward direction, will bring about fresh disturbances in the state of the markets and lead to a violent rise in prices. The price levels have already tended to move up and a rise in the Bank rate will be a signal for a fresh bullish momentum which will be most undesirable.

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Curiously enough, while London was speculating on the possibility of a fall in Bank rate, the Gilt-edged market in Bombay turned quiet, with the Conversion Loan, in particular, losing some ground. The reasons for this are different. A few weeks ago, some operators expected that the monetary authorities would soon initiate measures for bringing down the yields on Government securities. They, therefore, took a "long" position in the Conversion Loan and pushed it up to a little over Rs. 83. They held on for several days but nothing happened. In the meanwhile, conditions in the money market became a little more stringent, with keen competition among banks for inter-bank money. These operators, therefore, decided to liquidate their purchases. As usual in such circumstances, buyers completely withdrew and the price of the Conversion Loan quickly slided down from Rs. 83 to Rs. 81-8. It is now believed that, as most of the speculative purchases have been squared up, steadier conditions will come to prevail in the security.

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The upward trend in bullion and commodity markets noted in the past week has also been well maintained. Over the week, the price of silver has gone up by Rs. 5 and gold by Rs. 2, owing to good offtake and a substantial fall in floating stocks. Cotton and oilseeds too have been ruling firm, with a further fractional advance in prices. Even jute and jute goods have improved a little. The non-ferrous metals, however, have continued to fall, as will be seen from the following set of quotations for spot delivery in the Bombay market. Forward trading still remains suspended:

	7th April	15th April
	Rs. a.	Rs. a.
Copper (per cwt.)	183 0	177 0
Lead (per cwt.)	64 0	62 8
Zinc (per cwt.)	56 0	53 0
Tin (per cwt.)	147 0	130 0

The above fall in prices is in keeping with the trend of the London Metal Exchange where tin for forward delivery had crashed to as low as £680 on Tuesday, as against £830 per ton a week before.

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Strong criticism of the retention of production control on the Indian cotton textile industry was voiced by Mr. E. D. Sheppard, Chairman of the Kohinoor Mills Co., Ltd., in his address to the shareholders at their annual general meeting held on Tuesday this week. With the return of the buyers' market, mills have necessarily to cater to the needs of the public by manufacturing only those varieties which are in demand. The retention of production control was, therefore, considered by Mr. Sheppard not only as unnecessary but as "a very real hindrance to the industry." He wanted the Government to review this aspect of its control policy without further delay.

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In any discussion of the outlook for textile mills, one has to take into account the cost of the various burdens that have been imposed by the Central and State Governments in recent months. Mr. Sheppard, therefore, did well in enumerating the effects of these measures on costs of the Kohinoor Mills. The chief among these are the compulsory Provident Fund Scheme, the Employees' State Insurance Scheme, the special cess on mill-made cloth (subsequently converted into additional excise duty) and the multi-point sales tax. The Kohinoor Chairman was not opposed to the Provident Fund Scheme, as the Company had already one for many years, but the compulsory contribution of 6¼ per cent. on the basic pay plus dearness allowance, instead of the present rate of 8⅓ per cent. on basic pay only, would cost the Company about Rs. 5.40 lakhs per annum more. The Employees' State Insurance Scheme, which has not yet come into force in Bombay, would cost Rs. 1.02 lakhs per annum worked on the basis of ⅜ per cent. of the monthly wage bill. The special cess, now converted into an additional excise duty, would have, in its original form of a levy of 3 pies per yard, involved an outgo of Rs. 5 lakhs per annum. But a part of this, so far as the controlled varieties of cloth are concerned, can now be passed on to the consumer, under the modified special excise duty. But it is doubtful whether this relief will last to any appreciable length of time. For, with a buyers' market steadily gathering momentum, a stage may soon come when the whole of this levy will have to be met by the mills themselves. The multi-point sales tax was described by Mr. Sheppard as "the most undesirable of all measures taken by the Government." He felt that "it might very easily lead to a further recession in trade, as the already reduced purchasing power of the average man in the street would be further curtailed." The increase of 10 per cent. in dearness allowance recently awarded by the Industrial Court payable to workers, is an additional burden on the industry, and we are told that in the case of the Kohinoor Mills, it would raise the wage bill by Rs. 7.25 lakhs per annum.

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From the foregoing, it can readily be seen that the Kohinoor Mills will have to earn at least Rs. 18.67 lakhs more, if it is to maintain its normal margin of profit. This is not all. For the Chairman, who is also connected with a number of electrical undertakings, disclosed that there is likely to be a power cut again in 1956 with the consequent loss of production and wages to workers, in view of the delay by the Government of Bombay in extending the period of licences to hydro-electric companies. The cost of power was also bound to be higher, he said, on account of the higher cost of plant and machinery which would be used in the erection of a new steam power station at Trombay. There was, therefore, sure to be an overall upward revision of the tariffs for power and an interim increase had already been notified.

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With the shackles of production control and the heavy burdens imposed by the Government, Mr. Sheppard found it difficult to assess the future of the industry, but he drew the shareholders' attention to the encouraging sign in the return of relative stability to the various cotton markets of the world. It appeared to him unlikely that the wild fluctuations of the past two years would be witnessed in the foreseeable future. "This, in turn, should restore confidence among our merchants and buyers who lost heavily in last year's slump," he said. Referring to the outlook for the Kohinoor Mills in particular, he said: "I can say, however, that, subject to this handicap (production control), your mills are in excellent fettle and well prepared to weather any storms, or to take full advantage of any opportunities, which the future may hold in store." This is, of course, a general statement, but the market has interpreted it optimistically. Many of the operators seem to feel that, given no upsets, the Company will be able to earn sufficient profit in the coming years to maintain its dividend at Rs. 13 per share, the 1952 level. It is perhaps this impression that is responsible for the smart rise in the value of the Company's shares from Rs. 295-8 to Rs. 301 after its Chairman's statement.

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Of considerable significance to this country is the signing of the World Wheat Pact by India on the 9th inst. The pact will extend the present agreement, due to expire on 31st July next, for a further period of three years, that is, till 31st July, 1956. It commits India to the purchase, during each of the three years, of a million and a half tons at rates higher than the prices under the current wheat agreement. The price levels under the new agreement range between a maximum and minimum of $2.05 and $1.55 a bushel, respectively, as against the existing range of $1.80 and $1.20 a bushel. The prices are for Manitoba northern wheat, delivered at Fort William, Port Arthur on Lake Ontario. The carrying charges will be extra. Under the agreement, the exporting countries are to deliver only when the importer offers the maximum price and the importer guarantees to buy from the exporting countries only when wheat is offered at the minimum price. This stipulation is intended to leave some leeway for free trading; but experience in the past four years shows that the maximum price has always been effective. The present market rate in U.S. is $2.50 a bushel.

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The signing of the new wheat agreement will mean a substantially higher price for wheat imported into India. For, if any exporting country were to offer wheat at the minimum price which is 35 cents per bushel more than the current minimum, India will have to pay an additional sum of more than Rs. 9 crores on its purchases of 1.5 million tons under the agreement. However, if circumstances at home force India to go in for the wheat, the chances are that it will have to buy at rates varying between the minimum and maximum. The target of food imports for the current year has been fixed at 2.9 million tons, as compared with 3.9 million tons in 1952 and 4.7 million tons in 1951. The reduction in the target is evidently due to the steady improvement in internal production and procurement. Besides, there is also the prospect of getting larger quantities of rice from Burma on barter basis. The domestic supply position of rice is also satisfactory as it opened the year with a stock on hand of 1.3 lakh tons. During the current year, India expects to receive 22,000 tons of rice from Pakistan in return for wheat supplied last year. Besides, Ceylon has to repay 15,000 tons of rice loaned to it in 1952. If, in addition, the present mission to Burma for negotiating a barter agreement for another 3.5 lakh tons were to succeed, the necessity for India to import the high-priced wheat will be considerably lessened.

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Along with India, 17 other countries have signed the Pact. These countries include the U.S. and Canada, the two principal producing countries, besides Belgium, Ceylon, Denmark, the Dominican Republic, Egypt, France, the Federal Republic of Germany, Guatemala, Haiti, Italy, Japan, Liberia, Holland, the Philippines and Switzerland. The Pact will be open for signature until 27th April. It will have to be ratified before 15th July by the Governments intending to participate and will go into operation on 1st August next. It is, however, significant that Britain, the leading importing country, has not signed it so far. And if this country finally refuses to participate in the agreement, the whole arrangement may fail. It may be mentioned here that the quota allotted to Britain is as high as 177 million bushels out of the total of 580 million bushels. After opposing any increase in the maximum price from $1.8 per bushel, it yielded to some extent by agreeing to pay a maximum of $2 a bushel, but it has firmly refused to pay anything more than that. An increase in the rate to $2 per bushel will mean a rise of $30 million a year in its food bill. If it accepted the rate of $2.05, the expenditure would go up by a further $10 a year. Besides, Britain feels that, as wheat stocks in the four leading export countries are about double the level they were a year ago, the demand for higher prices is somewhat artificial. But for the U.S. Government's support price of $2.20 per bushel, the market price of wheat will come down appreciably in due course.

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The increase in the minimum and maximum prices under the agreement is mainly the result of the insistence by the U.S., which has an export

(*Continued on page* 735)

EQUITIES RULE STEADY

SPURT IN ALCOCK ASHDOWNS

(From Our Own Correspondents)

BOMBAY, *16th April*

THE Stock Exchange presented a steady tone during the week under review. After remaining subdued on the opening day, due to absence of fresh buying and scattered liquidation on end-of-account considerations, equities showed signs of steadiness in the new account. The efforts of certain professional operators to lift up values in later sessions were successful only to some extent. For progress was halting due to absence of appreciable buying support. It is reported that, as almost all the big bulls had diverted their attention to the bullion and commodity markets, support to the market was confined to small operators. These were encouraged by favourable advices from Calcutta and the local bullion market. As a result, equities, on balance, finished with moderate gains over a wide front.

Though there is no fresh force to stimulate any large-scale speculative activity, the steady conditions reflect the market's appreciation of the Finance Minister's gesture to provide more incentives to private enterprise, as indicated by the latest amendments to the Finance Bill. Particularly, the exemption of genuine jobbing and arbitrage transactions by brokers of recognised Stock Exchanges from the provision contained in the Finance Bill to the effect that all speculative losses and gains should be treated independently of other incomes—a concession announced by the Finance Minister—has been quite welcome to the market. The suggestion that the Finance Minister is likely to hold consultations with party leaders on the Estate Duty Bill, with a view to accommodating any suitable suggestions, is taken to imply that further relaxation in the provisions of the Bill is possible. These factors seem to have a steadying effect on the sentiment of the market at present.

In the steel section, Tata Deferreds started at Rs. 1,837-8 and drifted to Rs. 1,815 early on Monday. But in response to fresh buying support, they touched a high of Rs. 1,852-8 yesterday before closing to-day at Rs. 1,850. Tata Ordinaries advanced from Rs. 315-8 to Rs. 321-12, but closed at Rs. 320-12. Indian Irons were in favour on encouraging advices from Calcutta where the shares sought encouragement from the improvement in the jute market. The scrips, therefore, hardened by As. 9 over the week and closed at Rs. 25-1.

Barring a few weak spots, the textile section, as a whole, was steady with small gains. Bombay Dyeings, after dropping from Rs. 395 to Rs. 386-14, regained to close at Rs. 387-8 *ex-div.* Kohinoors received good attention on optimistic outlook for the Company and gathered Rs. 6-8 to Rs. 301. Central Indias put on Re. 1 to Rs. 156. Century was listed *ex-div.* to-day and closed at Rs. 259-8 *ex-div.*, as against Rs. 270-8 *cum-div.* last week. Finlays improved by Rs. 2 to Rs. 309, New Greats by Re. 1 to Rs. 150-8 and Svadeshis by Rs. 2-8 to Rs. 258. Podar Mills were in good form with a rise of Rs. 8-12 to Rs. 135 on favourable results disclosed by the accounts for 1952. Khataus were lower by Rs. 7-8 at Rs. 185. New Citys, which were dormant at Rs. 166-14 *ex-div.* till yesterday, suddenly drifted lower to Rs. 152-8 *ex-div.* Simplex reacted from Rs. 177 to Rs. 173-8. Standards by Re. 1-4 to Rs. 295 and Swan by Rs. 2-8 to Rs. 435.

Small activity was witnessed in bank shares with minor gains in select scrips. Imperial Fully Paids were marked up by Rs. 15 to Rs. 1,857-8 and the Contributories by Rs. 6-4 to Rs. 451-4. Centrals (Old) hardened by Re. 1-12 to Rs. 65-4 and the New shares by Re. 1-8 to Rs. 66-8. Barodas were up by As. 8 at Rs. 112-8. Indias were steady at Rs. 154. United Commercials were a fraction down at Rs. 35-8.

A further rise of Rs. 150 to Rs. 7,285 in Orientals was the outstanding feature of business in insurance shares. New Indias were in request and put on Re. 1-4 to Rs. 43-8. Jupiters were a shade quiet at Rs. 6-14. Indian Mercantiles were taken up As. 4 better at Rs. 38-8. Other scrips disclosed little change and business was next to nothing.

Activity was on a limited scale in the public utility section and support was selective, but the undertone was steady. Ahmedabad Electrics were lower by As. 5 at Rs. 108-7. Andhra Valleys lost Rs. 2-8 to Rs. 1,440. Tata Hydros were up by a rupee at Rs. 153 and Tata Powers by Rs. 3-12 at Rs. 1,543-12. Poona Electrics gained As. 10 to Rs. 122-8 and Surat Electrics advanced by Rs. 3-8 to Rs. 125. Bombay Suburbans were unchanged at Rs. 124-6.

Selective buying interest was witnessed in the miscellaneous section. Belapurs were in favour, to go up by Rs. 4-8 to Rs. 242-8. A.C.Cs were steady at Rs. 169. Bombay Burmahs receded from Rs. 395-10 to Rs. 390 early in the week, but were keenly sought after on rumours that the Company had been invited by the Burma Government to explore the possibilities of reviving the timber trade. The shares, therefore, closed at Rs. 400. B.I.Cs. were unchanged at Rs. 8-5-6 *ex-div.* National Rayon Ordinaries were steady at Rs. 81, while their Preferences were keenly bid at Rs. 83-8, as against Rs. 80. The Company proposes to clear off the arrears of dividend on the preference shares for 1950 and 1951 and pay the dividend on them for 1952 also. Tata Chemicals were taken up As. 2½ better at Rs. 9-7 and Tata Oils As. 12 higher at Rs. 34-8. Wimcos rose by Re. 1-4 to Rs. 235.

In the transport section, there was a revival of support to Scindias which moved up by As. 3½ to Rs. 15-14½. Bombay Steams, on the other hand, reacted from Rs. 34 to Rs. 32. Bharat Lines were done at Rs. 95. Air-Indias were in request to go up by Rs. 3 to Rs. 84 and Air-India Internationals by as much to Rs. 104.

In the mining and engineering section, Alcocks staged a spurt of Rs. 23-12 to Rs. 332-8 on expectations of better results. Shivrajpurs added Re. 1-4 to Rs. 62-8, while Indian Coppers were quiet at Rs. 3-14. Premier Constructions attracted attention and put on Rs. 2-8 to Rs. 91-4.

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Calcutta Stock Exchange

CALCUTTA, *14th April*

The Calcutta Stock Exchange was in a mood of lethargy during the week, which was again short of two working days on account of holidays on Monday and Tuesday. During the four days, transactions remained restricted and prices easy. The change in the international situation and the bright prospects of an early settlement in Korea all means at present that operators should move cautiously and that they have to look for incentives, for extending commitments, from within the country and not from without.

Conditions in the jute industry being what they are, jute shares could not give their customary leadership to the market. Stocks of finished goods are accumulating, and although during the week prices of jute goods have turned better on the decline, there is a wide gap between current and economic levels. Unless, therefore, this gap is bridged and mills are relieved of stocks, interest in shares will continue to be just nominal. The general weakness also affected tea shares.

Market circles have encouragingly noted the Finance Minister's outright rejection of the "nationalisation" proposals put forward in Parliament and his able defence of the country's banking and insurance systems. The reported possibility of Government directing insurance companies to invest funds in industrial shares has been viewed favourably.

Sectionwise, textiles were quiet. Cawnpores were traded at Rs. 8, while Basantis at Rs. 3-11 lost As. 3. Among banks, United Commercials were lower at Rs. 35-6 and Hinds changed hands at Rs. 21.

Only small interest was shown to coals, Burrakurs meeting with business at Rs. 10-12. Bengals were unchanged at Rs. 524, while Equitables, in sympathy with the general trend, searched a lower level and at Rs. 42-12 were easier by As. 4. Western Bengals changed hands at Rs. 4-9, and Talchers realised Rs. 3. Standards were, however, better at Rs. 18-4 as against Rs. 17-14 earlier, and at Rs. 5-3 Central Indias tended to be steady. Karanpura Collieries were favoured at Rs. 94-8, Raneegunges at Rs. 8-6 and Churulias at Rs. 3.

The jute section wore a deserted appearance. Speculative Howrahs opened at Rs. 22-15 and after moving to Rs. 23-4 were shaded to Rs. 22-14. The closure over the week-end was, however, at Rs. 23-2. Agarparas declined to Rs. 4-12 from Rs. 5, and Reliances to Rs. 12-8 from Rs. 12-14.

In the engineering section, Indian Irons closed quiet for the week at Rs. 24-5. During March, production of the Company was 60,640 tons pig iron, 39,350 tons steel ingots, and 22,090 tons semis and finished steel. From Rs. 24-8, Jessops improved to Rs. 24-11. Braithwaites were favoured at Rs. 11. Sarans realised Rs. 10-1 and Kumardhubis Rs. 7-14.

Among tea shares, New Samanbaghs were taken at Rs. 7, while Hantaparas declined to Rs. 135 from a previous rate of Rs. 142. Banarhats were unchanged at Rs. 300. Dhunseris at Rs. 9-14 were lower by As. 8, and Bisnauths were shaded to Rs. 26-8 from Rs. 26-12. Other shares that fractionally eased included Hattikhiras, Sonai Rivers, Nagri Farms and Bokahats.

In sympathy with the general trend, miscellaneous industrials also remained quiet. Rallis were, however, better and steady at Rs. 77, while Indian Cables were offered at Rs. 17-6 as against Rs. 17-11 earlier. Godfrey Phillips were searched at Rs. 28-4, Dunlop Rubbers being fractionally lower at Rs. 28-4. Some Valley Cements changed hands at Rs. 7-4 and Indian Coppers were quiet at Rs. 3-1. Titaghur Papers were fractionally lower at Rs. 36.

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Madras Stock Exchange

MADRAS, *14th April*

The Madras Stock Exchange witnessed yet another week of cheerless conditions. The imposition of further power-cut and the lessening international tension were responsible for the dull trend. Textiles were out of favour with enquiries confined to certain stray scrips. Rubbers and coffees were easy, while teas met with some buying in a few selected scrips. Miscellaneous scrips came in only for a few odd transactions. Consequently, prices were generally downward and disclosed, on balance, perceptible losses. Volume of transactions remained restricted to a narrow range.

In spite of the fact that many of the mills have been installing their own electric power generating units, trading in shares was not happy, because of lower dividends declared by some mills. Vasantas declined from Rs. 161-8 to Rs. 160. Coimbatore Spinnings were down by As. 8 at Rs. 41. Travancore Rayons lost As. 2 to Rs. 4-3. Cambodias were done at Rs. 11 *cum-div.*, as against Rs. 10-14. The Directors have declared a dividend of 10 per cent. (free of income-tax) for the year ended 31st December, as against 12½ per cent., (free of income-tax) during the previous year. Radhakrishnas Rs. 100 paid-ups were sticky at Rs. 149 *cum-div.* and Rs. 50 paid-ups at Rs. 72 *cum-div.* The Company has declared a dividend of 6 per cent. for the year ended 31st December, 1952, as against 16 per cent. for the previous year. S.R.C. Ambikais were done at Rs. 142-8, as against Rs. 148-8 *cum-div.* Metturs, however, put on Rs. 2 to Rs. 188. Janardanas were higher by As. 8 to Rs. 59-8.

There was very little offtake of rubber by tyre manufacturers this week also. With stocks remaining high, rubber shares were generally unwanted, even at lower rates. Cochin Malabars eased by As. 2 to Rs. 6-1. Kailas declined by an anna to Rs. 3-3. Pullangodes, Thirumbadis, Velimalais were also lower at Rs. 2-7½, Rs. 2-9 and Rs. 2-1½, respectively. Tharmarpallys, however, put on an anna to Rs. 12-14.

Operators seemed to await the action to be taken by the Government of India to bring down prices of coffee, which have been at a high level. They were averse to commit themselves. Coffee Lands suffered As. 3 to Rs. 9-3 and Consolidated Coffees an anna to Rs. 17. Puthuthottams were fractionally lower at Rs. 4-12. Mysore Coffees were unchanged at As. 10.

Business in tea shares was subdued. Haileyburias declined by As. 4 to Rs. 13-10. Chembras were lower by an anna at Rs. 2-12. Udayagiris (rubber and tea) were done at Rs. 5-12, as against Rs. 6. Peermades, however, put on As. 4 to Rs. 34-4 *cum-div. cum-right* and Periakaramalais As. 3 to Rs. 24-12.

In the miscellaneous section, Rallis lost Rs. 2-4 to Rs. 76. Mettur Chemicals were slightly lower at Rs. 4-2. Andhra Cements 'B' were, however, higher by As. 3 at Rs. 9-4 and F.A.C.Ts. by As. 2 at Rs. 3-4. Spencers gathered an anna to Re. 14-3. Deccan Sugars came in for enquiry As. 2 higher at Rs. 8-12.

STANVAC REFINERY PROJECT

The work on the Standard-Vacuum refinery under construction at Trombay is progressing according to schedule and India's first modern oil refinery will go into production, as planned, in 1954. Clearing and grading of the site was started in December 1952. An area of 280 acres, formerly covered with dense undergrowth and large trees, has been cleared and the area graded where the refinery process units are to be located. A number of the major foundations for the refinery units, which will have a crude capacity of 25,000 barrels per day, have been poured. This work has been accomplished in record time by employing modern earth-moving machinery and over 1,000 labourers. It is expected that the surface drainage ditches, roads and all underground work will be completed prior to the monsoon, thus permitting erection of vessels, towers, buildings, etc., to proceed during the rains.

A great deal of equipment consisting of pipe, reinforcing steel, erection machinery, etc., has already been delivered to the site. A warehouse is nearing completion for the storage of materials. A concrete bath plant dominates the skyline. It is equipped with conveyors, hoists and power-driven mixers capable of delivering 720 cu. yds. of concrete every 24 hours. This equipment will ensure uniform quality of the concrete required for the massive foundations.

Work is already under way in the harbour for determining rock formations on the harbour bottom for the installation of the salt water pumphouse and 30" intake lines to the refinery area. This refinery, consisting of the most modern processing equipment known to the industry, will require over 24 million gallons of sea water for cooling each day. This volume is roughly equivalent to the fresh water requirements of a city of over half a million people.

It will be recalled that Standard-Vacuum was the first oil company to conclude an agreement with the Government of India for the erection of a modern refinery in India.

Notice

THE BELSUND SUGAR COMPANY LIMITED

THE ANNUAL ORDINARY GENERAL MEETing of Shareholders will be held at the Registered Office of the Company,. 14, Netaji Subhas Road, Calcutta, 1, on Thursday the 30th April, 1953, at 11-30 a.m., for the purpose of receiving the Directors' and Auditors' Report for the year ended 30th September, 1952, passing the Accounts, declaring Dividends, confirming declaration of dividends for the year ended 20th September, 1951, electing Directors and Auditors in place of those retiring, and transacting any other business that may be brought forward.

NOTICE is hereby given that the Share Transfer Books of the Company will be closed from 23rd April to 30th April, 1953, both days inclusive.

The Dividend Warrants will be sent to Registered Shareholders.

By Order of the Board,
BANGUR BROTHERS LTD.,
(Sd.) N. D. BANGUR.
Managing Agents.

14, NETAJI SUBHAS ROAD,
CALCUTTA, *7th April*, 1953.

NEWS IN BRIEF

ORDERS for the supply of 200,000 tons of ammonium sulphate, to be despatched to various destinations according to the Government of India's phased programme, have been placed with the Sindri Fertiliser Factory.

The Union Finance Ministry is proposing to introduce a Bill in the House of the People for the levy of terminal taxes on goods or passengers carried by road, sea or air. These taxes will be collected by the Centre but assigned to the States.

The Hyderabad Sugarcane Cess Bill, which provides for the levy of Rs. 6 per ton on sugarcane brought to the factories for producing sugar, has been passed by the State Legislative Assembly. The proceeds of the levy—to be paid by the factories—will be spent on improving agriculture.

About 400 tons of steel sheets imported from Japan were unloaded in Bombay last week. This is part of the 50,000 tons of steel allotted to India under the U.S. Technical Co-operation Administration's aid programme. India has so far imported 2,500 tons of steel under the programme.

The Government of India has decided to consider on merit the applications for import licences for special types of biscuit and bread-making machinery intended to be used for more balanced production and improving the quality of the indigenous production. Imports of these were hitherto banned.

The Government of India has decided to reallocate the unshipped balance of the quota of 10,000 flasks of mercury, announced in October, 1952, for export only to shippers who have utilised their licences. Such shippers will be granted further export allocations equivalent to the quantities actually shipped by them. The licences will be valid for shipment upto 31st August, 1953.

A Rs. 3.25-crore contract for the construction of the main harbour works at Kandla Port has been signed between the Government of India and three engineering firms—two Indian and one German. Four German engineers are already at work on the new harbour and a few more technicians are expected shortly. The first consignment of engineering accessories of the German firm has already arrived.

Negotiations for an Indo-Egyptian trade and payments agreement will be held in Cairo shortly between the representatives of the Governments of the two countries. The Government of India will be represented by Mr. H. V. R. Iyengar, Secretary, Ministry of Commerce and Industry, and assisted by two officials, one from the Central Finance Ministry and another from the Reserve Bank of India, respectively.

The Bombay Industrial Court announced its award on the claims of workers in the City's cotton textile mills on the 10th inst. Under the award, whenever the cost of living index number exceeds 325, the amount of dearness allowance should be increased by 10 per cent. The Court, however, has declined to grant any rise in the minimum wages based on an earlier decision. It has also rejected the demand for amalgamating the dearness allowance with basic wages.

The Madhya Pradesh Government proposes to replace by a new land revenue code about 90 enactments regulating the existing tenancy system, and an official Bill to this effect has been introduced in the State Legislative Assembly. Under the proposed measure, there will be only three types of cultivators. The village community properties are to be vested in a *gram panchayat* which will also collect land revenue. A portion of this revenue will go towards a village development fund. The changes do not cover land holdings and other agricultural reforms, for which separate legislation is expected to be enacted.

The cost of the newsprint project in Madhya Pradesh—the N.E.P.A. mills—has gone up to Rs. 6 crores, against the original estimate of Rs. 3 crores. This was disclosed by the Madhya Pradesh Industries Minister in the State Legislative Assembly recently. According to the Minister, the cost had been underestimated by the former managing agents and was subsequently revised by the Shroff Committee to Rs. 4.72 crores. Owing to increase in the dollar expenditure on imported machinery, labour charges and engagement of foreign technical personnel, the cost now works out to Rs. 6 crores. The Government of India has agreed to give Rs. 34 lakhs as loan to the Madhya Pradesh Government to finance the project. The Centre has so far given as loans Rs. 98 lakhs.

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From Abroad

The East African High Commission has announced that no import licences for Japanese textiles will be issued this year. For goods other than textiles, however, there will be some relaxations in existing restrictions.

The Mutual Security Agency has allocated $3.3 million to Turkey for the purchase of tractors and their spare parts and other agricultural machinery. This brings the total allocation so far made to that country during 1953 to $50 million.

Pakistan will receive $287,500 from the U.S. during 1953 under an agreement signed with the U.S. Technical Co-operation Administration last week. This contribution, which is a part of $12.25 million sanctioned by the T.C.A., will be spent on health projects.

Following the enhanced duties on aviation spirit, the aviation company in Pakistan has raised, by 10 per cent., the fares on all internal routes with effect from the 4th inst. The fares on inter-dominion routes, however, are not affected for the time being.

President Eisenhower has asked the U.S. Congress to extend, by one more year, the period of the Reciprocal Trade Agreements Act, under which the U.S., in common with other countries, agrees to reduce tariffs. The Act is due to expire on 12th June next.

The British Government has abolished, with effect from the 9th inst., price control over secondary copper and copper scrap. These metals, it is said, are now in good supply and are selling below the controlled maximum prices. This step brings to an end the last of the statutory price control over secondary non-ferrous metals.

The Government of Pakistan has granted protection to the indigenous sodium silicate industry. This is a sequel to the recommendations of the Tariff Commission. Accordingly, the revenue duty of 30 per cent. *ad valorem* has been enhanced to 60 per cent. *ad valorem*, such being converted into a protective duty.

The U.S. Government has announced that it will not make any further purchases of copper for the national stockpile for the present. The existing contract for stockpile purchases, however, are not affected by this decision. The decision has been taken with a view to preventing "added strain" on the market where copper "is not in too plentiful supply."

Britain's sterling payments agreement with Poland has been extended by three months with effect from 10th March, 1953. The agreement signed in March, 1948, covers trade and financial payments between the residents of Poland and those of the sterling area. It allows Poland to have a transferable "National Bank of Poland No. 1 Account" at the Bank of England.

The Australian Government has granted Pakistan £A2 million (about Rs. 1.5 crores) for the purchase of 45,000 tons of Australian wheat under the Colombo Aid Plan. The money realised from the sale of the wheat will be utilised for the economic development of Pakistan. This is in addition to the contribution of £A3.7 million already made by the Government of Australia.

The world maize production in 1952-53 is estimated at 5,600 million bushels, which is higher by 30 million bushels, as compared with the previous estimate made in February last. North America accounts for 3,517 million bushels, Asia for 700 million bushels, and Africa for 270 million bushels. The corresponding figures for the year 1951 were 3,108 million bushels, 670 million bushels and 260 million bushels, respectively.

The Hong Kong Government has removed restrictions on certain items of imports from Japan. Accordingly, rayon yarn and piecegoods, household utensils, enamelware, toys, cigarettes, lighters, cigarette cases, fountain pens, pencils, bicycles and bicycle parts, and chinaware are now permitted to be imported freely from Japan. Restrictions on imports of Japanese yarn and piecegoods will, however, continue to remain in force.

One Hundred Years of Banking in the East

The Chartered Bank of India, Australia & China, which celebrates this year the Centenary of its incorporation by Royal Charter, is exhibiting at the British Industries Fair, Earls Court, London, from 27th April to 8th May.

Visitors from the East are cordially invited to call at the Bank's stand, No. V8, where encashment facilities and information services will be available.

PERSONAL

SIR Joseph Kay, K.B.E., Managing Director of Messrs. W. H. Brady and Co., Ltd., left for the U.K. on the 16th inst.

Mr. W. R. Natu, India's Executive Director, International Monetary Fund, left for Washington on Tuesday last.

Mr. R. A. P. Misra, Managing Director of Indian Wild-Barfield Co., Ltd., left on a business tour of the U.K. and the Continent.

Haji Mohd. Haza and Mr. R. F. Barbey have been elected Chairman and Vice-Chairman, respectively, of the Tanners Federation of India for 1953.

Mr. G. N. Desai, until recently Mayor of Bombay, has been elected Chairman of the B.E.S.T. Undertaking, vice Mr. Gordhandas G. Morarji.

Mr. J. G. Pradhan, Section Sales Manager of Caltex (India) Ltd., has been sent to the U.S.A. for advanced training under Caltex (India) Limited's "Technical Training Programme."

Mr. T. Benson Gyles, a chemical and metallurgical engineer of considerable experience in Europe and Australia, has joined the Sindri Fertiliser Factory as its General Superintendent. Mr. Gyles' services have been made available to the Government of India by arrangement with the U.N. Technical Assistance Administration.

Mr. D. R. F. Brower, Regional Information Officer, British Information Services, Bombay, will relinquish his post early next month and proceed to Pakistan as Regional Information Officer, Karachi. Mr. Brower will be succeeded by Mr. R. P. Ross-Williamson, until recently Press Attache to the U.K. Ambassador at Dublin.

Mr. P. H. Sykes of Messrs. Bengal Paper Mills Co., Ltd., and Mr. C. J. E. Keene of Messrs. Titaghur Paper Mills Co., have been elected Chairman and Vice-Chairman, respectively, of the Indian Paper Makers Association for the year 1953-54. Messrs. V. Mehta, C. G. Hutchison and J. C. Longfield are the other elected members of the Committee.

Mr. S. N. Haji, Joint General Manager, Scindia Steam Navigation Co., Ltd., left for Liverpool to attend the annual meeting of the Association of Navigation Schools in the U.K. on behalf of the training ship *Dufferin*. Mr. Haji will also attend the annual meeting of the International Shipping Federation scheduled to be held in Brussels on 7th and 8th May next and the biennial conference of the International Chamber of Commerce commencing on 18th May.

Mr. B. L. Agarwalla has been re-elected President of the Indian Colliery Owners Association for the current year. Mr. Rashiklal Worah and Mr. D. K. Samanta have been elected Vice-President and Honorary Secretary, respectively. The other elected members of the Committee are: Messrs. Ratilal M. Dave, Umedrai Worah, Jiwandas Arya, D. R. Rathor, K. S. Sahai, M. G. Chaora, Madanlal Basawatia, Madanlal Agarwalla, B. L. Gutgutia, Hukum Chand Bhutani, B. D. Sharma and Shyamlal Sunda.

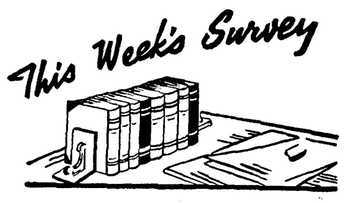
"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *21st April*

Financial Combines and Scientific Research

A huge combine of financiers is the latest thing in company promotion. The venture—the stupendous nature of which almost takes one's breath away—will be known as the Finance Company of Great Britain and America. It is difficult at the moment to visualise the place to which the corporation aspires in the industrial life of the world; but it should find ample scope for its activities, being supported, as it is, by advisers who possess expert knowledge and vast experience in financial, industrial and commercial matters. In seeking a justification for the favourable reception that has been accorded to the enterprise by the London and Provincial Press, it is, perhaps, essential to notice the vastly important effect which the development of large-scale business has had, and is having, upon scientific discovery and invention. If we contrast the lot of the inventor one hundred years ago with that of to-day, we observe at once how great the progress has been in the interval. The inventor was scoffed at in the old days, whereas, now, he is sure of ample financial recompense for his pains. Speaking recently at Manchester, at the annual dinner of the Society of Dyers and Colourists, Sir Josiah Stamp said that, while it might be true that a great combine, with its research establishments, would keep to itself for a time the secret processes and discoveries made by its scientists, and in this sense, there might be a retardation in the speed with which new discovery became common property, there was such enormous gain at the outset that the community were, on the whole, the gainers. In the first place, the research was carefully recorded, whether a failure or not, and each year and each worker had its predecessors to build upon. When results were achieved, they received immediate valid scientific sanction and the whole force of interest was to get them into full working order as quickly as possible. There was ample finance at the outset and ample staying power during the early periods.



INDUSTRIES ACT TO BE AMENDED

AN official Bill seeking to amend the Industries (Development and Regulation) Act was introduced in the House of the People on the 10th inst. by Mr. T. T. Krishnamachari, Commerce and Industry Minister. Although the primary object of the Bill is said to be the removal of some of the difficulties experienced in the working of the Act, it envisages an increase in the Government's power to control industries. Thus, by an amendment, six more industries—silk, artificial silk, dyestuff, soap, plywood and ferro-manganese—are sought to be added to the 37 industries enlisted in the First Schedule of the Act. Again, by deleting section 4 of the Act, all undertakings, even with a capital below Rs. 1 lakh in industries mentioned in the Schedule, are sought to be brought under the purview of the Act. Further, the Government of India proposes to increase its power to take over the management and control of industrial units. Power is also proposed to be taken to control the distribution and prices not only of goods produced by the scheduled industries but also of similar goods of imported origin. The Government has sought to assume power to revoke the registration of any industrial undertaking.

It is thus evident that, by tightening the provisions of the Act and assuming additional powers, the Government of India seeks to exercise greater control over the industries Originally, it may be recalled, the provisions, such as taking over control, etc., had been limited to industries which were of national interest, as, for example, iron and steel and aircraft. The list was subsequently enlarged so as to include 37 industries, including small hand tools. This has since been proposed, as already stated, to be enlarged further still to cover six more industries. In so doing, the Government may be said to have apparently not given proper consideration to the question of availability of trained technical personnel required to administer the controls for which power is being sought by it.

Be that as it may, the new clause in the Bill vesting in the Central Government power to assume management and control of recalcitrant industrial undertakings is intended to remove a lacuna in the present law. In the absence of legal provisions, the Government is facing two difficulties. These are: (1) inability of the Government to take over managements, even in a situation calling for emergent action, without first issuing directions to it and waiting to see whether or not they are obeyed, and (2) want of details in the existing law with regard to the consequences of the Government taking over the management. The difficulties are understandable and the Government may, no doubt, be justified in taking over the management of any concern in certain emergencies under the proposed new clause. But the point is whether the Government would guarantee any losses as a result of its mismanagement. It is not difficult to foresee such cases. No provision has been made in the Bill to meet such a contingency. Besides, there is also a need to prescribe a time limit for the continuation of control by Government, say, three or four years, at the end of which the management should be returned to the original owners or their rightful successors, provided there is no blemish against them. If, however, the Government feels that the management should continue to remain in its hands, for some valid reason, provision may be made in the law for extending the period for another term.

Another feature in the Bill is the extension of the period of six months allowed under the Act for the registration of undertakings. As the Act now stands, only those units which came within its scope on the day it came into force—8th May, 1952—are required to register. This excludes industrial units which have since been established. This is a lacuna which has come to light in the course of the administration of the Act. And it is with a view to removing this lacuna that the Government of India has now sought power to fix the period of registration by notification in the *Gazette* with respect to industrial undertakings generally or to any class of them. Also, the provisions relating to licensing are to be extended to make them applicable to (1) industrial undertakings which, though required to be registered, are not registered within the time limited for the purpose, (2) industrial undertakings, which though not registrable at the commencement of the Act, becoming registrable subsequently by reason of the definition in the Act becoming applicable, (3) industrial undertakings proposing to change their location, and (4) industrial undertakings proposing to take up the manufacture of goods of new brands (and types) within the same scheduled industry or of goods pertaining to any other scheduled industry, without any additional plant and machinery or factory buildings.

PAPER INDUSTRY

Mr. C. I. Turcan, Chairman of the Indian Paper Makers Association, put forward, in the course of his address at the annual meeting of the Association held at Calcutta recently, a vigorous plea for the adoption of a co-ordinated forest policy embodying long-term leases of bamboo forests for paper mills at reasonable royalty. There are good reasons in support of this plea. A serious handicap retarding the development of the Indian paper industry is the lack of adequate supplies of bamboo and grass—staple raw materials—at reasonable prices for reasons mentioned in a previous issue of *Commerce* (*vide* page 612 dated 4th April, 1953). An additional difficulty not mentioned there is the demand for an increase in royalties by the State Governments, in their anxiety to net in the maximum revenue possible from bamboo forests. Despite repeated representations, it is unfortunate that the Government of India has not yet taken any step to solve this difficulty of the industry. It will be recalled that, as early as in 1950, it had given an assurance to the industry that it would consider the question of evolving a co-ordinated forest policy, but this assurance is yet to be implemented.

The need for a co-ordinated forest policy has been recognised even by the Planning Commission. Thus, in its final report, the Commission states: "The State Governments, under the guidance of the Central Board of Forestry, should evolve a uniform policy for the leasing of bamboo and other timber forests and grasslands with the object of aiding the development of the paper industry." In view of the new paper projects now being implemented and the expansion of the existing ones, as envisaged in the Five-year Plan, the demand for bamboo supplies (and grass) is bound to increase considerably. In fact, as Mr. Turcan rightly observed, ample supplies of bamboo (and grass) at reasonable prices constitute the life-flood of the Indian paper industry. It is to be hoped that the Development Council for the Paper Industry will give due consideration to this problem, as also to the question of lowering the railway freight for bamboos from the forests to the mills which is at present said to be very high.

Another problem confronting the Indian paper industry arises from increased competition from imported paper and newsprint. Alluding to this subject, Mr. Turcan wanted the industry to be protected from "unfair competition." This, he said, could be done only if the Government were to adopt a selective import policy, under which only those qualities of paper that were not manufactured in India and that were still in short supply would be imported. He justified this demand by claiming that the indigenous industry was in a position to meet the country's requirements of standard printing and writing papers and that the complaints of consumers related almost entirely to special qualities of paper not manufactured in India.

Referring to the price which the Government was paying for the paper purchased by it, Mr. Turcan maintained that such was not sufficient to provide for adequate depreciation and return of capital. In support of this contention of his, he referred to the heavy backlog of maintenance and renovation of plants, on the one hand, and the enormous rise in the prices of plant and machinery on the other. Few would dispute this point. The paper industry, just as so many other industries, is hard-pressed for finance for implementing their replacement programmes, what with increasing labour costs, high level of freight on coal and bamboo, and huge coal consumption, owing to the low grades which the industry has to accept, not to speak of taxes levied by State Governments. Now that only three more years remain for the completion of the development programme for the paper industry, the need for providing the industry with adequate rehabilitation finance assumes special importance. There is, therefore, no exaggeration in the statement of Mr. Turcan that, unless adequate provision for depreciation and renovation is included in the price of the finished product, it will be impossible for the industry to maintain itself in an efficient condition.

FAVOURITISM IN TEXTILES

The Government of India would appear to have relaxed restrictions on production of *dhotis* in certain mills. In fact, it is reported that one mill in Orissa has been given almost complete freedom to manufacture any quantity of *dhotis*. No reasons are stated to have been offered for this strange move. If, however, the Government feels that the relaxation has been necessitated by the fact that the mill or the mills on which restrictions have been relaxed, or completely abolished, have been faced with peculiar handicaps, it must be said that there are several mills in other parts of the country which are also confronted with the same handicaps. Why not then, one would ask, allow these latter mills too to enjoy the benefit of relaxation now extended to Orissa mills? In the absence of any explanation, the Government's move is tantamount to discrimination, which, in certain sections of the mill industry, has been taken to mean favouritism. In fact, the vigorous protest against this discriminatory policy of the Government, lodged by the Millowners' Association, Bombay, in a communication addressed to the Government, is only quite appropriate. According to the Association, the manner in which the relaxation has been given to certain mills is not the proper procedure to adopt. The relaxation, it points out, is calculated to lead to frustration and undermine the efforts of the industry to maintain production regardless of a number of handicaps. It argues that, "if the need for keeping the handloom industry by ordering mills to restrict their output of *dhotis* had been proved beyond all doubt, then the order should have been enforced on all mills alike."

The protest of the Millowners' Association is justified. In the absence of details regarding the Government of India's announcement, one would want to know from the Government the circumstances under which it has relaxed restriction on production of *dhotis* in certain mills and the names of the mills concerned. The Association is, therefore, quite right in urging the Government to disclose this information.

Availing itself of this opportunity, the Association has reiterated its demand for abolition of restrictions on *dhoti* production. The demand is based on the ground that the Government's announcement limiting *dhoti* output in mills was immediately followed by (1) reports from various centres drawing attention to inadequate supplies of *dhotis* and the increase which the lag between supply and demand had brought about in the prices of the smaller supplies of *dhotis* available, and (2) a substantial increase in the production of long-cloth, which could not readily be absorbed and which naturally resulted in prices being unduly depressed in this sector, leading to accumulation of stocks with the mills. "This," to quote the Association, "is extremely unfortunate; while, on the one hand, the industry as a whole has been endeavouring to maintain production at the optimum to keep prices at reasonable levels and to meet the reasonable requirements of the people, here is a case where an artificial shortage brought about by executive instructions of Government, is likely to produce the contrary effect." Few will dispute the reason underlying these observations. It is, therefore, to be hoped that the Government will reconsider the question and abolish restrictions, at least till such time as the Cotton Textile Enquiry Committee has submitted its recommendations. As the Association has aptly remarked, no such restriction should be imposed, unless the Government is in possession of complete statistical data regarding the total needs of the country in the shape of *dhotis* and the output of *dhotis* by handlooms and mills.

BANKERS SUPPORT FIVE-YEAR PLAN

It is said that bankers are generally hard-boiled and level-headed business men, who do not allow sentiment to get the better of them while judging economic issues. Accordingly, the views of bankers on the Five-year Plan have a special merit. If they all say that the Plan is a good one and quite practical, then the Plan must be regarded so. Almost every one of the bankers who referred to the Plan in their annual speeches paid encomiums to it. They included both Indian and British bankers. Two more bankers have also said the same thing this week, as will be seen from their statements published elsewhere in this issue. They are Lala Yodhraj of the Punjab National Bank Ltd. and Mr. Ramnath A. Podar of the Bank of Jaipur Ltd. Posing the query, "will it work," the latter answers it by observing that the proposed outlay of Rs. 2,069 crores on the Plan means only an investment of about 5 per cent. of the national income which cannot be considered to be unduly heavy. The money outlay is, after all, according to him, a bare rupee per head per month for five years. And this suggests that the ambitions of the Planning Commission are surely modest enough. He concedes that deficit financing could be injurious if abused, but feels the target of Rs. 290 crores is a modest one and that, therefore, there is no cause for alarm. He is confident that the Finance Minister can be trusted to keep the situation well under control.

Lala Yodhraj, however, goes deeper still into the Plan but comes more or less to the same conclusion as that of Mr. Podar. In his statement to the shareholders, he perceives many good things in the Plan. Thus, he says: "With the progress of the Five-year Plan, we will be saving a large amount of foreign exchange now utilised for the import of foodgrains. As the industries of the country develop on the basis of the increased agricultural production including jute, cotton, oilseeds, etc., banking is bound to expand and the habit of saving will grow. We should, therefore, look forward to larger profits resulting from increased prosperity of the country."

If Mr. Yodhraj sees scope for larger bank profits in the Plan, it is because his examination of the various aspects of the Plan reveals that the Plan is workable. To him, as it is to many others of his way of thinking, the Plan is democratic in character, proletarian in aim, bold in conception, and sound in the order of priority drawn by laying the first accent on agriculture. He is, however, not unaware of the limitations to work it. The limitations underline the greater dependence on the Government for implementing it, the need for a strong, competent incorruptible administration and the harnessing of public enthusiasm to work it vigorously.

Coming to the financial aspect of the Plan, Lala Yodhraj makes certain suggestions some of which are open to controversy and, therefore, deserve to be carefully examined. One such relates to the raising of sufficient funds for India's Plan through the banking system and credit mechanism of the country by means of Government guaranteed deposits. This suggestion is the result of his studies of practices followed in countries such as Germany and Russia —countries which differ politically, socially and economically from India, and, therefore, what held good there may not be suitable for this country. His emphasis on the need for taking off from land 25 per cent. of superfluous labour and transferring it to the sites of multi-purposes projects and to towns should not, however, be lost sight of by the planners. He thinks that such a transfer can march in company with an actual increase in the output of agriculture on large tracts of lands brought about by consolidation of holdings and changes in tenure laws now being effected by many State Governments.

COCONUT PRODUCTION

Inaugurating the seventeenth meeting of the Indian Central Coconut Committee last week, Dr. Punjabrao Deshmukh, Union Minister for Agriculture, stressed the need for increased production of coconuts in India. He also revealed that there were proposals to set up as early as possible seedling growing farms in coconut-growing areas, provided they did not already exist there, to celebrate Coconut Days on the lines of *Vana Mahotsava* and to open research stations in different parts of the country and to publish the results of important researches in the requisite regional languages.

The need for increasing production of coconuts is well known. According to Dr. Deshmukh, the production of these in India amounts to 113,000 tons, whereas the demand is 1,98,000 tons. Thus, there is a deficit of as much as 85,000 tons. The Planning Commission has estimated the deficit in copra, to be covered during the period of the Planning period, at about 1,00,000 tons in terms of copra. At the rate of 6,773 coconuts per ton of copra, India will require an additional

(*Continued on page 735*)

OFF THE RECORD

(By "ROVER")

MR. Walchand Hirachand is dead. He died on the 8th of this month, away from his home, at a small wayside town—Sidhpur in North Gujerat, while on a tour of pilgrimage. The end, though tragic, was more formal than real. For Indian industry, for the many business organisations which he had helped in building up during the course of a memorable generation, memorable for its courage, enterprise and achievements, and for his own many concerns, Mr. Walchand had been virtually dead for a little over three years now.

With his broad back to the wall, he fought against that relentless spectre death, holding it at bay for three years and longer, till it gained inch by inch on his rapidly weakening physique, with the same grim determination, utter disregard of consequences, unbendng tenacity of purpose and unawareness of defeat, which he had displayed in his long and often lone struggle with astute British bureaucrats in India and still more astute and deadly foes abroad, who were out to strangle the infant Indian shipping enterprise established by him, as they had done time and again during a cruel century of extermination. The manner of his death was typical of the man, his life, his personality and his character.

The greatness or the strength of his adversaries did not unnerve him: on the contrary, it put him on his mettle and went to stiffen his resolve. In fact, he chose and sought out his adversaries from amongst the reputedly mighty. His search always was for foemen worthy of his steel. He found them in plenty and he must often have experienced that supreme exhilaration, which brave men find on the battlefield and which, to a certain extent, has been responsible for keeping war as an ever live issue through the long ages.

Mr. Walchand died, as every one of us must, but even in dying he turned his death-bed into a field of battle. When he found that he could not engage in a fight with any fellow mortal, he threw his gauntlet to death itself and challenged it, chivalrously leaving the choice of weapons and the field of operation to his enemy. He was bound to succumb in this unequal struggle and he did, but without any consciousness of defeat or surrender. I had the honour of seeing him surrounded by mountains of fresh flowers in his eternal sleep. It was the same defiant Walchand in death as I had seen him often striding with long steps in active life.

Many have written about Mr. Walchand's great achievements in many a field. The Editor has honoured him with an editorial recording his great services. Others will speak and write now and later in greater details, about his life and work in an epoch of Indian history replete with great men and noble deeds. There would be no point in my engaging in this task and repeating what others have related and could relate in a better manner and with greater authority than I could command. But for a singular aspect of the life of the Indian business community, which has been troubling me for some time and which is well illustrated by Mr. Walchand's end, I should not have chosen it as a subject for my piece this week for this column.

Why is the country and the business community here so often deprived of the services of the leaders by death or disablement, just at that stage of their development and experience, when they are capable of giving of their best? Why do we lose so many outstanding men of business and industry when they are in the prime of their life? There must be something radically wrong with the manner of leading their lives, if captains of industry and prominent leaders in the world of finance and commerce, appear in India to crease and crumble up like a sheet of paper dipped in water at about sixty-five or even earlier.

Under other climes and in other countries, men are just ripe and mature, at this age and good for at least ten to fifteen years for putting in their best efforts. With the passions of youth assuaged, with the fever in their blood worked out, with the cynicism which creeps in with middle age duly corrected and balanced by the birth of a new sense of detachment, their minds, when they arrive at this age, are purged of much of the dross that weighs down human nature. Their perception is more comprehensive and their judgment more mature and dependable. In any business or industry abroad, the presence of one or two such leaders at the helm, who, leaving active work to others, serve with their minds, form more valuable assets than all the items enumerated on the right-hand side of their balance-sheets.

Mr. Walchand had just turned seventy when his end came. But long before this, he had been compelled by a stroke of illness to retire completely from all business activities. His launching the s.s. *Jalaphankhi* at the Vizag Shipyard of the Scindias and his memorable speech on this occasion, on the 6th of December, 1949, constituted this great man's swan song. I still remember the crisp and cold but sunny morning on the east coast of the country, when this ceremony was performed with great rejoicings. But there was an undercurrent of uneasiness and a barely perceptible shadow of the loss the country and this industry were to suffer at no distant date in the midst of all this cheer. Even Mr. Walchand appeared to have a premonition, not of course of the inevitable end, which was still far ahead, but of his infirmity. Apart from the whole tenor of his speech, which was coloured by this impending doom, there were distinct references to it two or three times in the course of that moving address, which brought tears to some eyes.

I ask again why it should be so with our leading personalities in the economic field. Imagine the great usefulness of a man of Mr. Walchand's ability, imagination, experience and drive to our infant Republic, when its whole future is staked on the success of its many plans for economic regeneration and rehabilitation and you will realise the importance of the issue I am raising. If a dynamic personality like that of Walchand Hirachand, with his unparalleled wealth of experience apart from his own innate strength of mind, were behind some of our key industries during the whole of the decade from 1950 to 1960, if his counsel were available during this crucial period both to the political leaders of our country at New Delhi and to the various organisations in the private sector of industry, not only would the progress be greater but many of the pitfalls could be avoided. The country could ill afford this grievous loss.

Leaving aside those imbued with a belief in blind fate, common sense would accept that the loss was not unavoidable. Because Mr. Walchand had attained an all-India and international eminence, his case draws our attention, but every year there are many instances of losses suffered by premature retirement or death to many business concerns and institutions of men less well known but of equally great usefulness to them in a narrower field. And the immediate cause in a majority of such cases is either nervous breakdown, paralysis, high blood pressure or heart disease. There is no denying the fact that the toll taken by these fell diseases during the last ten to fifteen years has been much higher than at any time in the past except during periods of raging epidemics. There must be some reason for busy business man meeting this sad fate in greater numbers than any other section of society.

To my mind this heavy drain in the economic field is due entirely to two reasons. Soon after the war, our business men began not only to live at high pressure, carrying a greater load of worry and risks on their head but worked longer hours. They saw the chance of a lifetime to make more money and to expand their undertakings. One after another, the controls made their appearance and added to the pressure under which they lived. Those with a more elastic conscience and a more enterprising mind increased their burden of business or financial worries by adding to it apprehensions of legal consequences following from evasions of controls and suppression of private gains. These anxieties gnawed at their vitals and deprived them of rest and recreation. There is nothing more wearing than an uneasy conscience and a heavy load of financial worries. When this goes on month after month, year after year, for a long stretch of time, it is not surprising that those so handicapped should fall victim to any or all of the diseases I have mentioned above. There are few cases of high blood pressure or heart disease amongst those who lead a healthy, normal life, with periods of rest and recreation for recuperation.

Even when business is normal or slack, the Indian business man is a stranger to sport, relaxation or the real art of living. An American or European director or top executive, carrying as much responsibility or more than his Indian counterpart leads a better and more ordered life. He lays aside his work every day however pressing the problems facing him, at the appointed hour and goes for his golf or tennis or swimming. He relaxes at his club, when a wealthy Indian merchant labours late in his office without a thought of his mental or physical health or consideration for his staff. It is the same with regard to weekly day of rest or his annual holidays. The result of all this is that our industrialist pays for his lack of regard for these simple rules of life by years of prostration and disease or premature death. Keeping healthy and maintaining one's ability to work at the highest possible level is a duty, which a citizen owes not only to himself, his family and his business, but to his country and there is neither patriotism nor self-interest in working in a manner, which would impair the machine and shorten its life.

There is another reason also for more frequent cases of breakdown or early end amongst business men in India. They have never learnt the art of decentralisation and parting with powers and responsibility, so that they filter down to the lowest level of their employees. They like to hold all the strings in their hands and they are pulling them all the time. This adds to their fatigue without doing any real good to the business itself. Only a few realise that creating a sense of responsibility and capacity for taking initiative in their lieutenants is a better way of doing business than trying to control the minutest details themselves.

I have seen scores of important but ill-informed and untrained business magnates wasting their time and energy in wrestling with paltry details and small bills, which, in a properly organised business, would be even below the notice of the fourth in command. Apart from the harm it does to the business itself, it ages the man and renders him unfit for useful work at fifty. And what is worse, this propensity for distrust of his subordinates and lust for petty powers on the part of our business men prevent business houses from consolidating and expanding with the passing of each generation as in the West. Here, with a very few exceptions, a business or industry begins to deteriorate and crumble as soon as the man who founded it is gone. Mr. Walchand's prolonged illness and his untimely death, causing such a loss to the community and the country, can be suitably mourned only if those left behind mend their mode of life.—*All Rights Reserved.*

SPOONFEEDING OF THE KHADI AND HANDLOOM INDUSTRIES

TRIBUTES TO INDIA'S ADMINISTRATIVE SET-UP

(From A Special Correspondent)

NEW DELHI, 14th April

DELHI LETTER

THE Khadi and other Handloom Industries Development (Additional Excise Duty on Cloth) Bill, 1953, passed by Parliament this week, represents a new departure by Government in the sphere of taxation. Until now, the practice of the Government of India has been confined to the levy of cesses on a few agricultural commodities, the proceeds of which used to be specially earmarked for the purpose of research and intensification of production and marketing of the specified commodities so taxed. This is the first time when Government has begun to tax a particular industry for the purpose of assisting the development and expansion of other competing industries.

The Bill aims at the encouragement of the adoption of improved methods of manufacturing khadi and other handloom cloth by promoting research in the technique of production and designs, assistance to the maintenance of institutes which have similar objects, improvement of the marketing of these products through co-operative effort and introduction of standardisation and quality control measures in the production of these goods. In its statement of objects and reasons, the Central Government points out that both the khadi and the handloom industry have a definite place in the country's economy. While khadi makes its contribution towards the relief of rural unemployment and provides a supplementary source of livelihood to our agricultural population, the handloom industry has a substantial part to play in supplying the demand for cloth in the country. "Both these industries, however, have been suffering from many handicaps of late, mainly in finding an adequate market for their products. They have to cater to certain special markets and to individual and local tastes. For this purpose, they need assistance in order to obtain adequate supplies of cotton and yarn at reasonable rates." In order to finance these industries for the above-mentioned objectives, the Bill has proposed to levy a cess of three pies per yard in the form of an excise duty on mill-made cloth other than cloth exported out of India.

Humanitarian Point of View

The debate on the Bill revealed considerable misgivings on the eventual stabilisation of these industries on an economic basis. Although from the humanitarian point of view and also from the consideration of the number of people employed in them, these industries deserve to be helped, it is a moot point whether they will ever be able to stand on their feet without any spoon-feeding from the Government. The Minister for Commerce and Industry evaded this aspect of the problem in his reply to the debate, but recognised the inadequacy of help granted to handlooms through this tax. The mere fact that the result achieved would be only fractional as compared with the size of the problem was not an argument against taking a step towards the result which they wanted to achieve, naively stated the Minister. Mr. Krishnamachari further told the House that in order to prevent abuses in the distribution of the proceeds, the help to these industries would be channelised through co-operative societies. This is no satisfactory reply either, because the co-operative movement itself is not free from such defects as favouritism and nepotism.

The Government of India's approach to help the khadi and handloom industries directly from the proceeds of the levy on mill cloth is defective in another respect. The economic position of the Indian mill industry is not satisfactory at the present time and, therefore, the imposition of an additional burden on this industry is indefensible. Its competitive capacity has been largely vitiated by the fact that a large section of the industry has been working not only with old but completely outmoded machinery. The renewal of the machinery is an urgent problem with the industry at the present time. According to the Working Party for the Cotton Textile Industry, 90 per cent. of the present machinery in Bombay is more than 25 years old. Machinery prior to 1910 which exists in mills is obsolete in design and completely worn out and should be replaced by modern equipment at the earliest time. According to the Millowners' Association, the cost of plant and machinery has trebled since the war and the depreciation set apart is not adequate for the purpose of renovation. The industry has, therefore, asked Government to come to its rescue. The requirements of the mills in Bombay City and Island alone for renovation purposes are estimated at Rs. 80 crores, while the reserves and other funds available are approximately Rs. 30 crores, thus leaving a balance of Rs. 50 crores. The Millowners' Associations have suggested a levy of 6 to 10 pies per yard on a graduated scale for creating a fund, out of which Government could grant loans for purposes of rehabilitation. When such is the urgency for raising the funds needed for implementing the renovation programme of the mill industry, it is not opportune on the part of the Government to levy an excise duty on mill-made cloth and utilise the proceeds to help the khadi and handloom industries. Apparently, in this case, the age-old adage that "charity begins at home" does not suit the convenience of the Government of India.

Efficiency of Administration

At the annual general meeting of the Congress Parliamentary Party this week, the Prime Minister is reported to have referred to the report of an American expert who had ranked the Indian administration among the 12 best in the world. During the past one or two years, it may be mentioned that a number of American experts who had specialised in administration have had the opportunity to make a close study of the administrative set-up in this country. All of them have paid uniformly well merited tributes to the way the Indian administration is being carried on. They are of the opinion that the number of political and administrative leaders are somewhat limited as compared with the needs of the country, but most of those that are available are of outstanding quality and devotion. Their presence and the presence of more junior personnel in various functional fields and levels of responsibility, it is suggested, provide nucleus resources of an impressive sort and reflect high potentialities in the society. These experts are of the view that more honesty and disinterested devotion are found in the administrative square inch in the Government than in any large private organisation. This is in bold contrast to the allegations of some members of Parliament this week on the conduct of Government servants when they demanded the appointment of a commission to enquire into the investments of all responsible officers and to report to Parliament from time to time. While every effort should be made by Government to check the abuses and administrative lapses of Government servants, it behoves political leaders and administrators to take special care to maintain the morale of the right type of Government servants, which is very essential for the smooth functioning of democracy.

New Steel Plant

The latest indications are that the Government of India is likely to decide in favour of the establishment of a new steel plant rather than financing the extension of the existing steel plants. Despite the fact that the latter may cost relatively less than the new plant, the Government is of the view that further extension of the old factories will become cumbersome from the administrative point of view at a later date. The capacity of the new plant will be 500,000 tons in the first instance, but it would be so laid out as to permit expansion to one million tons in the second phase of development. Although the present estimated cost is likely to be about Rs. 60 crores, the cost of actual construction may be lower, if peace comes to prevail in the world. Whether the proposed plant is to be located in Orissa or Madhya Pradesh will depend on the trend of negotiations with the Japanese industrialists who have been evincing a keen desire to secure from this country iron ore on a long-term basis. In case some understanding is reached with Japan, it is possible that construction costs will come down still further, for, in this case, Japan is expected to bear the capital cost of the railway line.

INDUSTRIAL PRODUCTION

UPWARD TREND LIKELY

(From Our Own Correspondent)

LONDON, 9th April

LONDON LETTER

THE *Economic Survey* for 1953—last week's letter dealt with the balance of payments aspects—is mostly concerned with a review of 1952 plus a tailpiece of prospects for the current year.

1952 was a year of recession, and industrial production fell by nearly 3 per cent. In the third quarter the index (1948=100) had sunk as low as 105, against 112 in the same period the previous year and an average of 114 in 1950. Prices, however, continued their rise of previous years, though more moderately, and with a 7 per cent. increase pushed up the value of the national income by £700 million to a new "high" of £17,000 million (compared with under £14,000 million in 1950). By the end of the year, personal consumption was again rising and the domestic economy seemed to have got on to a stable footing.

It is natural that this Government should eschew anything that looked like a "plan" for the future, but the *Survey* does indicate what is possible in the economy. We are told that supplies of basic materials, including coal and steel, will permit a higher level of production, while manpower and machine capacity is adequately available. Already the level of industrial production is back to that before the recession of last year (agricultural production has never ceased its steady rise) and with the disinflationary brake no longer applied hard, the prospects for a further advance are at least reasonable.

But what of demand? Defence, which takes one-eighth of national production, will increase its pull on resources to the extent of £125 million. But part of this is expenditure on personnel—there are 2 million persons in the forces and directly engaged on defence work or 9 per cent. of the working population—and the Government will try to prevent any increased strain on the metal-using and engineering industries.

The civil expenditure of the Government will not increase and spending by local authorities will be only slightly up, so that the total defence plus other Government pulls on resources will be up by, say, £150 million, which is a very small percentage of the national income.

Housing Programme

The housing programme will be pushed towards its target of 300,000 per annum, which, now that industrial building demand has been slackened by deflation, looks achievable. In 1952, as many as 240,000 houses were completed.

Total fixed investment in plant and machinery is likely to increase and indeed, the Government is alive to the "vital importance" of "the re-equipment of industry and the maintenance of full efficiency." Whether this appreciation will be reflected in practical fiscal measures in the Budget remains to be seen, although it is said that "the policies of the Government will continue to be directed to achieving these ends."

Trading stocks were run down during 1952, and if production goes on trending upwards some increase may be looked for here. Finally, personal consumption which slumped heavily last year is unlikely at the worst to be any lower.

The *Survey* concludes cautiously: "Both home and export demand for consumer goods may, even after some recovery, be lower than in some previous years; while both home and export demand for the products of most of the capital goods industries is likely to remain high."

An interesting point to which the *Survey* gives little clue is the Government's attitude—to be revealed in the Budget—to the inflationary effect of public investment on the economy. Total revenue, including non-recurring items, may in the new fiscal year exceed ordinary expenditure by £400 million, while public investment (loans to local authorities for housing, etc.) will more than absorb this. If the Chancellor decides that capital expenditure must be covered by revenue, there could be no tax remissions; but if he decides that since the economy stood in 1952-53 an overall deficit (i.e., after allowing for capital expenditure) of £400 million, that it can do with a repeat dose, there will be ample room for tax easements to give some incentives to increased production.—*All Rights Reserved.*

AMERICAN LETTER

FEAR OF OVERPRODUCTION IN THE U.S.

INDIA'S FIVE-YEAR PLAN PRAISED BY FEDERAL RESERVE BANK

(From Our Own Correspondent)

NEW YORK, 8th April

THE Russian peace offensive has dominated the business and financial scene here for the last two weeks. Stocks on the New York Stock Exchange took their worst tumble in two years. Corporate bonds followed suit and U.S. Treasury securities were unsettled for several weeks before an official announcement was made of a new 3¼ per cent. 30-year bond to be issued later. The break in stocks was the worst since the Korean War started and the so-called war-babies, among the equities, took the brunt of the selling. In effect, the break in prices dramatised the fear of a relatively small but vocal group of analysts and academicians. They have insisted, for some time, that even under conditions of hot war in Korea, the country would soon be faced with overproduction in several fields.

Such a condition would be aggravated, they maintain, by an actual truce between the East and the West on the Asiatic mainland since the pressure of public opinion, in those circumstances, would demand further curtailment of Government expenditures beyond those planned now. The same theorists were not unhappy last year over the prolonged steel strike which postponed overproduction in that basic commodity and they would be willing to give silent approval to an automobile workers' strike which is a possibility about 1st May. This would postpone a possible overproduction of cars of which about 4 million will have been made by 30th June, without a strike—presumably more than the market can absorb.

Point No. 2 is concern over the commodity price situation. Prices for farm products have been dropping steadily for about six months, even though in recent weeks they have shown some steadying tendencies. Beef prices, the Department of Agriculture says, have now more or less stabilised because of a steadily increasing demand at lower prices.

But there is still no jubilation because farm surpluses are piling up. The mild winter has spurred output of dairy products to the point where imports had to be restricted more sharply. The ban spread from dried milk to butter and peanuts and importers fear that all farm imports may be shut off completely which may have a damaging effect on the balance of payments of exporting nations.

There is talk of a possible potato glut in addition to the large known carry-overs of grain and cotton from the last harvest. The cotton situation in particular will bear watching, since farmers are refusing to listen to the Government's plea for planting smaller areas this year. Planting intentions so far are estimated at 27 million acres, but the Government's target is not more than 21 to 22, possibly 23 million acres.

The Brighter Side

On the brighter side, business and industrial activity proceeds at top levels in all categories. Automobile assemblies in the beginning of April were 44 per cent. ahead of a year ago and actual car production so far this year has been 50 per cent. over 1952. This is attributable chiefly to relaxation of controls and greater availability of materials.

Easter trade was good in all sections of the country and large gains were registered particularly in the Far West, the South and the South-west of the United States. Other parts of the country did not quite do so well because of incessant rains. However, nationally, Easter retail business was about 5 per cent. ahead of 1952, both in terms of dollars and of physical volume.

Reasons to complain are few, *indeed*, at least at the moment and continuation of present high levels of employment and business activity seems assured for at least several months to come.

India's Five-year Plan

The Federal Reserve Bank of New York has published in its April *Monthly Review*, a comprehensive study, entitled "India: Retrospect and Prospect." The Bank reviews the history of the past five years since independence—the pressure of a great population on limited resources, the serious inflationary pressures inherited from the last war and the unfortunate succession of severe droughts.

"That India has managed as well as it has, is a tribute to the wisdom and skill of its leaders; that it has not done more is a measure of the difficulties that have confronted the new nation," it is pointed out in the introduction.

The Five-year Plan, adopted by the Indian Parliament in December, has been praised. "Its approach is one not of rapid forced development, but rather of comparatively few strategic controls, co-operation with private enterprise and economic development sufficiently gradual not to require excessive sacrifices from the people."

Industrial Base in India

The Bank speaks of the broadening of the industrial base in India over and beyond the significant replacement of worn-out equipment. "The addition of two new plants will be of great importance for future economic expansion. One of these, the Sindri fertiliser plant, which was opened early in 1952, will shortly be able to produce sufficient sulphate of ammonia to increase food output by a million tons a year, representing an annual foreign exchange saving of more than $80 million."

The second project referred to is the Bokaro steam power plant, reputedly the largest in Asia. Discussing the Damodar Valley development as a whole, the area, the Bank points out, "contains about 85 per cent. of the world's known reserves of high-grade mica, most of India's coal and iron deposits, large quantities of manganese, aluminium and other important minerals. The exploitation of some of these could eventually result in sizable exports to the dollar area."

The *Monthly Review* concludes that "the Five-year Plan reflects the fact that India is a federal union of many States. A large part of the Plan is based upon projects started by the State Governments in previous years and expenditures by the State Governments will account for 40 per cent. of the outlay. There appears little likelihood of overly centralised direction, and changes as may be necessary in the interest of national development will no doubt be made as experience is gained and ideas are tested in practice."—*All Rights Reserved.*

(Concluded from next column)

where further exploration and prospecting can be carried out. The Department of Geological Survey is also being asked to study the report to see if it can be of any use to the Government.

The Industries Minister referred next to the measures taken by the Government for the development of mineral resources. In view of the shortage of technical personnel, the Government has introduced a scheme for training of six mining surveyors each year. Two batches have already been trained and the surveyors employed by mine-owners and Government Departments dealing with mining of coal. A chair of Geology has been set up at the Punjab University. A scheme for the training of mining engineers in the Punjab College of Engineering and Technology, which was drawn up some time ago, has now been approved by the Government. Several students have already been sent abroad for training in geology and oil technology. Means of communication in the mining areas of Sharigh have been improved by construction of a metalled road.

As a result of the steps taken by Government, there have been activities in the mining areas *leading to the discovery* of a number of new minerals and increased production of various minerals being mined at present. The number of mining concessions has also increased. The pace of progress can be judged from the fact that production of almost all minerals has steadily increasing from year to year. For instance, the production of coal had increased from 3¼ lakh tons in 1949 to over 600,000 tons in 1952.

PAKISTAN NOTES

INDO-PAK ECONOMIC CONFERENCE

CANAL WATERS ISSUE TO BE DISCUSSED

A MEETING of the senior officials of the Governments of India and Pakistan is to be held in New Delhi shortly. The subjects that will be discussed at this meeting are not known. From the information so far made available, it is, however, gathered that the meeting is being convened to chalk out an agenda for an official conference—presumably the conference of the Prime Ministers of the two countries—to consider the several outstanding Indo-Pakistan economic problems. One of these problems, it may be expected, will be the one relating to the canal waters dispute.

It was nearly a year ago that the World Bank took the initiative in bringing about an amicable settlement of the canal waters dispute between the two countries. Although, since then, the engineers of the two countries have been engaged in drawing up a comprehensive plan for the development of the water resources in the Indus basin, no appreciable progress has been made and the dispute still remains unsettled. In fact, it may be said to have worsened, with the Pakistan Government openly denouncing India's attitude towards the question. With the talks heard recently of a fresh approach for a better understanding between the two countries, it was expected that a settlement of the dispute was at a near end. It now looks unlikely that these expectations will materialise, in view of the unfounded allegations of the Prime Minister of Pakistan. In the course of a Press Conference in Karachi the other day, he stated that the food crisis of Pakistan was attributable, albeit partly, to the supply of water in the canals being "liable to interference by India."

That the above charge is clearly exaggerated will be evident from the fact that, of the 16 canal systems in undivided Punjab, 12 fell entirely within Pakistan, and India has no control over them. Three lie wholly in India and it is only one that is common to both the countries. Further, of the total flow of the six rivers of the Indus system, Pakistan utilises 40 per cent. of the waters and India 5 per cent., while as much as 55 per cent. runs as waste to the sea. There are only two canals in Pakistan which get supplies from headworks in India. Water to these canals is being given in accordance with a programme communicated to Pakistan before the commencement of each sowing season. Pakistan has not objected either to the programme or to the supplies actually received. In view of this, it is stated that Pakistan's allegations are absolutely baseless; the Government of Pakistan has not lodged any protest whatsoever to the Indian Government to the effect that water has been stopped.

Mineral Resources

An interesting account of the steps taken by the Government of Pakistan for developing the mineral resources in that country was given by Pakistan's Industries Minister, Sirdar Abdur Rab Nishtar, in Parliament the other day. According to the Minister, the reports of Messrs. Lurgi of Frankfurt (Germany) and Powell Duffryn Technical Services Ltd., London, on the working of the lignite deposits in East Pakistan have been received by the Government. Both the firms have stated that, although peat exists over a wide area in East Pakistan, the deposits seen by their investigators are not sufficiently big to justify large-scale development for generating electric power or for producing briquettes to provide a convenient solid fuel. It is suggested that comprehensive exploration by drilling should be undertaken to prove accurately the extent of occurrence of the reserves. Such an exploration, it is said, may well prove one or two deposits of economic importance. The Government of Pakistan is considering the steps to be taken for carrying out the investigation recommended by the two firms.

With regard to the oil-bearing areas, the Standard-Vacuum Oil Co., Ltd., recently submitted its report. The report contains maps, photographs and other data collected during the aeromagnetic survey of East Pakistan, with a view to selecting the promising oil-bearing areas. The technical experts of the Company are studying the data in order to select areas

(Continued in previous column)

PROGRESS OF PUNJAB NATIONAL BANK IMPRESSIVE

MARKED EXPANSION IN DEPOSITS

THE results of the Punjab National Bank, Ltd. (Chairman and General Manager: Lala Yodhraj, Delhi), for the year ended 31st December, 1952, make encouraging reading. In fact, they are so good as to suggest that the Bank must have fared better than any of the big Indian joint-stock banks during the year under review. Its deposits at the end of the year show a striking increase, in refreshing contrast to the general banking trend as shown by the consolidated statement of Scheduled Banks' position. The two principal revenue-yielding assets of the Bank also disclose impressive increases. This has enabled the Bank to withstand the effect of higher administrative expenses and higher interest rates on deposits. Consequently, the profit of the Bank has been well maintained at the previous year's level. The dividend has been raised from 4 per cent. to 6 per cent., thereby restoring the cut made two years before.

A study of the Bank's accounts for the past six years reveals that it has almost recovered from the effects of the Partition in 1947 and built up its business steadfastly. Its resources have gone up to such an extent that it has regained its former rank, namely, the second largest Indian joint-stock bank. The Bank's total working capital, as at the end of 1952, amounts to Rs. 73.99 crores which compares fairly well with the record of Rs. 77.81 crores touched in the immediate pre-Partition year of 1946. The secret of such success lies in its having been able to build up its deposits. Of the total working funds at the end of 1952, deposits alone account for Rs. 58.94 crores, a level which falls short of the record of Rs. 62.02 crores, touched in 1946, by only Rs. 3.08 crores. In other words, the deposits which fell from Rs. 62.02 crores in 1946 to Rs. 42.95 crores in 1949 have been very nearly regained.

The Bank, which had paid a dividend of 12 per cent. for 1946, could not pay anything for 1947 as a result of the adverse effects of the Partition, but resumed payment in the next year with a distribution of 6 per cent. This rate was maintained for 1949, but was reduced to 4 per cent in the subsequent year. After repeating this rate for 1951, it has now raised it to 6 per cent. Though the dividend has thus been restored to the 1949 level, it is still well below the 1946 level.

The following comparative table gives the trend of the Bank's earnings and appropriations thereof since 1949:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Interest and discount earned ..	214.36	177.51	171.59	168.73
Commission and exchange ..	47.80	43.74	29.38	29.19
Other income	32.70	35.84	20.57	12.89
Interest paid	83.53	67.39	41.92	42.41
Establishment and other expenses ..	171.15	150.14	118.75	114.39
Depreciation and repairs ..	6.05	5.39	4.24	4.88
Profit	34.12	34.17	36.63	30.13
To taxation	15.00	1.00	0.08	4.40
,, reserves ..	3.46	..	1.52	..
,, depreciation on investments ..	..	10.68	16.28	..
,, bonus to staff ..	5.48	3.77	8.42	8.40
,, Other appropriations*	8.31	10.44	6.37	12.06
Dividend	5.25	3.50	3.50	5.25
	(6%)	(4%)	(4%)	(6%)
Carry forward	1.95	5.34	0.56	0.31

* Include sums utilised for scaling down Pakistan assets in view of Displaced Persons (Debts and Adjustments) Act, 1951, for writing down other assets, bad debts written off, assets lost in Pakistan and charity.

The income from interest and discount has gone up sharply by Rs. 36.85 lakhs, as compared with the relatively smaller increases noted in the previous two years. This indicates that the Bank's funds must have been well employed. The rise of Rs. 4.06 lakhs in commission and exchange is not as marked as in the previous year, thereby reflecting the decline in bills business. There has, however, been a fall of Rs. 3.14 lakhs in other income, thereby reducing the net increase in the gross income of the Bank to Rs. 36.77 lakhs. As against this increase, expenses have gone up, by Rs. 16.14 lakhs under interest paid and by Rs. 21.01 lakhs under establishment and other expenses. The rise in interest paid is due partly to larger borrowings and partly to higher rate of interest on deposits. Of the increase of Rs. 21.01 lakhs in expenses, staff alone accounts for Rs. 10 lakhs. The mounting expenses—in the case of the Punjab National the increase during the last three years has been as much as Rs. 56.76 lakhs or nearly 50 per cent.—have been a source of deep concern to banks. Commenting on this trend, Lala Yodhraj states, in his statement to the shareholders circulated along with the accounts: "The total cost of establishment is bound to keep on rising by the amount of annual promotions due. The profits of the Bank must be increased to cover fully these, including the increased costs of annual promotions. I am an optimist on this point. . . . As the industries of the country develop on the basis of increased agricultural production . . . banking is bound to expand and the habit of saving to grow. We should, therefore, look forward to larger profits resulting from an increased prosperity of the country." There has been no drain on the Bank's profit this year by way of provision for depreciation on investments, for which an aggregate sum of Rs. 26.96 lakhs had been set aside in the previous two years. But provision for taxation which had been of an insignificant size in the previous two years, has absorbed a sum of Rs. 15 lakhs this year. A sum of Rs. 7.92 lakhs has been utilised to write down the Bank's assets in Pakistan under the Displaced Persons (Debts Adjustments) Act, 1951. After allocating Rs 1.71 lakhs more for bonus to staff and with the sizable sum of Rs. 5.34 lakhs brought in from the previous year, the Directors have been able to step up the dividend, as already stated.

The following table brings out the variations in the Bank's main balance-sheet items as at the close of the last four years:

(In lakhs of rupees)

	As on 31st December			
	1952	1951	1950	1949
Capital	87.50	87.50	87.50	87.50
Reserves	80.00	87.50	1,13.84	1,09.55
Deposits	58,94.02	51,94.37	44,19.92	42,94.58
Borrowings from other banks ..	2,50.63	1,99.71	9.35	1,01.90
Bills for collection ..	5,05.19	6,12.36	3,29.50	2,58.90
Acceptances	1,92.36	1,31.86	1,15.59	47.66
Advances and bills ..	29,29.40	24,22.65	19,78.07	18,77.73
Investments	28,79.90	26,55.04	19,08.79	22,92.73
Cash and money at call ..	6,63.78	6,91.52	5,63.79	5,25.35
Balance-sheet total ..	73,58.68	67,51.82	54,71.92	52,06.51
Ratio to deposits of—	%	%	%	%
Advances	49.7	46.6	44.7	44.2
Investments*	44.6	47.3	45.0	51.5
Cash	11.3	13.3	18.2	12.4

* Ratio arrived at after taking into consideration the securities earmarked against loans from other banks.

A striking feature disclosed by the foregoing table is the expansion in deposits in distinct contrast to the general trend which has been downward. Studied together, the balance-sheet at the end of 1952 and the Chairman's statement give an idea of the manner in which these resources have been utilised. Another notable feature is the expansion in the Bank's foreign trade bills business as indicated by the figure of acceptances on behalf of customers which has risen from Rs. 1.32 crores to Rs. 1.92 crores. The rise in advances by Rs. 5.07 crores is also a deviation from the general trend, the advances of all Scheduled Banks showing a contraction of Rs. 74.2 crores at the end of 1952.

Investments show an increase of Rs. 2.25 crores to Rs. 28.80 crores (at or below cost), the market value of which is Rs. 26.35 crores. Of these investments, Government securities account for Rs. 27.30 crores, the market value of the same as on 31st December, 1952, being Rs. 26.97 crores. Cash balances, including money at call and short notice, are fractionally lower, and because of the sharp rise in deposits, the cash coverage is lower at 11.3 per cent., as against 13.3 per cent. a year before. The combined ratio of cash and investment in Government securities (unencumbered) is as high as 55.9 per cent.

1953
BIF
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ALLAHABAD BANK'S RESULTS GOOD

DIVIDEND RECORD WELL MAINTAINED

THE audited accounts of the Allahabad Bank Ltd. (General Manager: Mr. J. F. Wood, Calcutta) for the year ended 31st December, 1952, reveal that the steady progress which the Bank had been making in recent years was fully maintained during the year under review also. Thus, the profit for the year 1952, at Rs. 18.39 lakhs, is lower by only about Rs. 50,000 from that for 1951 and about Rs. 12,000 less than that for 1950. The distribution to shareholders is kept unchanged at the sumptuous rate of 18 per cent. (made up of a dividend of 12 per cent. and a bonus of 6 per cent.), a rate which the Bank has been consistently paying from the year ended 31st March, 1925, the earliest year for which statistics are available with us. It may incidentally be noted that the Bank changed its accounting year-end from 31st March to 31st December in 1949, in order to conform to the provisions of the Banking Companies Act. The other features of the accounts for 1952 are: (1) the reserves are nearly 2.5 times the paid-up capital; (2) the deposits have not suffered any marked decline, the drop being only about 4 per cent., and (3) the liquidity ratio is at the impressive level of 54 per cent.

The following comparative table gives the salient features of the profit and loss account of the Bank for the last three years, as well as of its balance-sheet at the end of each of these years:

(In lakhs of rupees)

	For the year ended 31st December		
	1952	1951	1950
Interest and discount ..	106.76	108.05	97.69
Commission and exchange ..	22.83	25.01	14.56
Interest paid	34.86	37.98	27.27
Establishment and other expenses ..	75.98	75.63	66.09
Depreciation and repairs	1.73	1.91	1.69
Profit	18.39	18.89	18.51
To investments	5.00	10.00	5.00
,, staff pension fund	1.00	1.00	1.00
,, bonus to staff	..	5.29	4.94
Dividend—			
6 per cent. preference ..	0.90	0.90	0.90
Ordinary	5.49	5.49	5.49
	(D. 12% +B. 6%)	(D. 12% +B. 6%)	(D. 12% +B. 6%)
Carried forward	10.66*	4.66	8.45

	As on 31st December		
	1952	1951	1950
Capital	45.50	45.50	45.50
Reserves	1,08.34	1,08.36	1,08.64
Deposits	26,85.84	28,05.56	27,15.49
Bills for collection and acceptances ..	1,94.44	2,16.65	1,05.92
Advances	14,01.94	16,38.07	14,96.54
Investments	11,16.51	8,05.17	10,44.43
Cash, including money at call	3,32.14	4,32.34	3,36.15
Balance-sheet total	31,03.38	32,35.30	30,34.80
Ratio to deposits of—	%	%	%
Advances	52.2	58.4	55.1
Investments	41.5	31.9	38.4
Cash	12.4	15.4	12.4

* Subject to payment of bonus to staff.

It will be noted that the income from interest, discount, commission and exchange has declined by Rs. 3.47 lakhs. This fall is small indeed, but the deviation from the general trend is significant. Interest paid is also lower by Rs. 3.12 lakhs, which is also contrary to the general trend, but this decline has nearly offset the reduction in interest, discount, etc., earned. Establishment expenses have not gone up to any appreciable extent. The reduction in the amount provided for investments from Rs. 10 lakhs to Rs. 5 lakhs is explained by the fact that the depreciation in Gilt-edged over the year was relatively smaller than that in 1951. The prospects of further depreciation are also remote. Moreover, the book value of the Bank's investments continues to be below the market value; there is, therefore, no need for any provision for depreciation at all. If, however, the management of the Bank has thought fit to make some provisions, it has done so as a precautionary measure.

As already noted, the Bank's reserves stand at the impressive level of Rs. 108.34 lakhs, as against a paid-up capital of Rs. 45.50 lakhs. Despite the decline of Rs. 1.19 crores over the year, the deposits continue to be at a high level. A break-up of the deposits discloses that fixed deposits have gone down by Rs. 1.54 crores to Rs. 12.50 crores, and current and contingency accounts by Rs. 50 lakhs to Rs. 10.36 crores, while savings deposits are higher by Rs. 34 lakhs at Rs. 4 crores. Of the decline of Rs. 2.36 crores in total advances, loans, cash credits and overdrafts account for Rs. 1.81 crores and bills purchased and discounted Rs. 55.54 lakhs. Investments are higher by Rs. 2.21 crores, the bulk of which, namely, Rs. 2.19 crores, is in Government of India and Indian State Government securities. Almost the entire investments are in Gilt-edged securities—Rs. 10.57 crores in Indian securities and Rs. 59.57 lakhs in Pakistan securities. Cash balances are lower by Rs. 1 crore, but that has not in the least affected the liquidity ratio. With the decline in deposits and the rise in investments, the liquidity ratio has actually gone up from 47.3 per cent. to 54 per cent.

UNITED STATES ON EDGE OF RECESSION?

ITS EFFECT ON STERLING AREA

NOW that peace in Korea seems to be in sight once more, it is but natural that the thoughts of the world should turn again to the danger of a recession arising in the U.S. and then spreading to other parts of the world. Bound up with this vital problem is the question of the policy of the new Republican Administration in the U.S. towards international economic problems. The policy will become clearer by next June or July; but so far, the reaction of the Administration to these problems has been what was expected by most people. In his State of the Union Message to Congress, President Eisenhower emphasised the great importance of an approach on the lines of "trade, not aid" and supported an extension of the Reciprocal Trade Agreement Act, simplification of American customs regulations, continuance of offshore purchases, increased American investment abroad and larger American purchases of foreign raw materials. He, however, qualified this support by demanding that no encouragement should be given to those foreign industries which were competing seriously with the normal peacetime industries of the U.S. The writer of an article in the latest (March 1953) issue of the *Banker* states that the belief of most people is that even in the field of "trade, not aid," the Republican Administration would turn back more quickly to the American traditional protectionism than its predecessor would have done on the first signs of a recession in the U.S.

Liquidity Cushion

Such signs will frighten Europe and the sterling area into abandoning its attempts to develop freer world trade, unless the Republican Administration provides a "liquidity cushion," in the form of raising the price of gold substantially and using the enormous cash profit that the American Treasury would obtain from the revaluation of its stock of gold, as a stabilisation fund made available to European countries to enable them to do away with currency restrictions. Well-informed American journals, however, have expressed the opinion that the idea of providing such a cushion is not likely to find favour with the Republican Administration and that the most that may be expected of it is its support to some marginal modifications in the rules and functions of the International Monetary Fund, if a recession overtakes the world.

At present, the Republican Administration is laying great stress on unity among European countries and freer exchange of goods and services among themselves on the ground that, in Europe, there are areas of labour surplus as well as of shortage and agricultural areas needing machines and industrial areas needing food. Its spokesmen have made it clear that the extent of American aid to Europe in the immediate future will depend upon the extent to which Europe makes serious endeavours to realise this objective.

French Government's View

The French Government is in agreement with this view of the American Administration. The former has made it clear to the British Government that it is opposed to any system of currency convertibility, which involves the continuance or extension of the existing import restrictions and that the British and Commonwealth Governments should relax their restrictions on imports from the countries of Continental Europe, before they proceed with their plan for convertibility of sterling. There is undoubtedly some substance in this plea, because the Commonwealth will hardly promote freer trade, even by allowing foreigners to spend sterling as they choose, if at the same time it increases import restrictions which prevent them from earning sterling. In response to the plea, the British Government has now relaxed restrictions on imports from Western Europe. But the danger is that the group of deficit European countries may work up such feverish activity in their internal markets and their mutual trade as to derange their balance of payments with the outside world and may then be compelled to impose rigid restrictions against imports from the outside world. To avoid this danger, the present breathing space provided by brisk economic activity should be used to adjust the economies of the sterling area and Western Europe in such a manner as would enable them to earn together a surplus large enough to permit an appreciable relaxation of restrictions against imports from North America. This would prevent their suffering too large a deficit with North America, if a trade recession overtakes the world. Unless they work out such a policy now, the appearance of even a moderate recession will spell disaster to all.

Three Aspects

This analysis raises the fundamental question: is a recession in the U.S. likely in the immediate or near future? This question has three aspects. First, is an inventory recession likely? The analysis below indicates an answer in the affirmative. Secondly, is such a recession likely to develop into a real slump before the end of the current year? The answer to this question appears to be in the negative. Finally, is a real slump likely to occur within the next three or four years? This question is the most important and it is not possible to give a reassuring answer to it.

The following table brings out the close connection between the rate of building of business inventories in the U.S. and the economic fortunes of the sterling area:

	Increase (+) or decrease (−) in U.S. inventories $ million at annual rate	*Changes in rate of inventory accumulation from previous half-year* (1952) prices	*Increase (+) or decrease (−) in sterling area gold and dollar reserve* $ million
1949—			
January-June ..	— 900	— 3,900	— 205
July-December ..	— 1,800	— 900	+ 38
1950—			
January-June ..	+ 1,800	+ 3,600	+ 735
July-December ..	+ 4,200	+ 2,400	+ 877
1951—			
January-June ..	+ 6,900	+ 2,700	+ 568
July-December ..	+ 3,800	− 3,100	− 1,533
1952—			
January-June ..	Nil	− 3,800	— 650
July-December ..	+ 2,000	+ 2,000	+ 161

The above table shows that in four of the last eight half-years, the rate of inventory accumulations in the U.S. increased and that, in each of these, the sterling area's gold and dollar reserve also increased. In the other four half-years, the rate declined, and in three of them, the sterling area's reserve also declined, the exception being the latter half of 1949, which witnessed extensive bear-covering after devaluation. This shows that, broadly speaking, the rate at which U.S. inventories increase or decrease depends on the rate of industrial purchases of raw materials from the sterling area.

Inventory Accumulations High

The recent rate of inventory accumulations in the U.S. has been too high. The reason for this high rate has been that the physical controls, which were imposed at the commencement of the Korean War, induced an unthinking scramble for raw materials and semi-finished goods by people who did not really need them but who were afraid that they would not get licences if and when they needed the materials later. The price and wage controls also helped the scramble. Consequently, while, according to experts, the normal rate of inventory accumulation would be between $2 and $2½ billion for every $10 billion increase in the gross national product of the U.S., since the Korean War business inventories alone in the U.S., ignoring defence inventories, have run up by $17 billion in terms of 1952 prices, although the annual rate of gross national product, on the same basis, has run up by only $42 billion.

Gross National Product

The President's Council of Economic Advisers, on the assumption of an increase of 700,000 workers (1 per cent.) annually and an increase of 2½ per cent. in individual productivity per annum, has calculated that the gross national product of the U.S. can rise by $10 or $12 billion a year between 1953 and 1955, provided there is adequate demand. The rate of accumulation of inventories that will go with this estimate is substantially below the present level. The present breathing space of the sterling area may not, therefore, continue, even if there is no regular slump in the U.S. There is real danger that the position of the sterling area in this respect may start deteriorating even before the end of the current year.

What are the possibilities of a slump in the U.S.? On the whole, it appears that demand will be sufficiently buoyant in the current year. The prospect for defence expenditure seems to be that it will steadily rise to a plateau in the last quarter of the current year of about $4 billion above the present annual rate. The intention seems to be to maintain this plateau until the middle of next year, after which defence expenditure may begin to fall. As regards civil expenditure of Government, in spite of the Republican desire to cut it, it is likely to be $5 or $10 billion higher in the current year than in the last year, especially on account of the estimated increase in the State and local government expenditure by about $3 billion in the current year. Much the same appears to be true of investment expenditure in the current year, on account of the removal of physical controls and credit restrictions. Personal consumption in the current year will depend on whether new purchases on the instalment system increase or fall off, while people are paying their heavy instalments on the purchases of previous years. It should be noted that owing to the purchases of the past seven years, 96 per cent. of all American homes wired for electricity now have radio sets, 89 per cent. have refrigerators, 76 per cent. have washing machines and 47 per cent. have television sets. Most of these appliances are probably now reaching the end of the possible range of sales to new owners and will have to depend on replacement demand. Hence, the middle years of the present decade will probably be a lean period for the sale of durable consumer appliances.

Consumer Expenditure

Further, a high proportion of the consumer expenditure in the U.S. is now capable of postponement. If American consumers begin to feel that prices are likely to fall, they can postpone 40 per cent. of their expenditure without any substantial fall in their standard of living. Such postponement can start an American slump, which can soon spread to other countries. The effect may be so devastating as to necessitate a quick counter-cyclical action on the part of the American Government, if Government action is to be in time.

American consumers will expect a fall in prices only when demand looks like falling below the level of potential supply. The above analysis indicates that they have no reason to expect this during the current year. But 1954 and 1955 may tell another story. By that time, defence expenditure may begin to fall, the Republican efforts at reducing the civil expenditure of Government may begin to succeed, the backlog of demand for commercial and recreational construction may be largely met, the country may begin to realise that accumulated stocks are at a high level even for full employment production and that starting the construction of 1,100,000 houses annually is not required for new family formations numbering about 600,000 annually, replacement demand for automobiles may move towards a cyclical low point and the demand for luxury appliances, including television sets, may be more or less fully satisfied.

This gloomy forecast may be falsified, if the cold war becomes hot, or if a new boom in civil investment based, for instance, on industrial use of atomic energy, comes into existence or if new objects of consumer demand come into favour. But, at present, there are no indications of such developments.

Adjustment in Economics Needed

The conclusion from this analysis is clear. The free world was saved from destruction during the war years and has been saved from collapse during the post-war years by the dynamism of the free enterprise system of the U.S. But one of the penalties of this dynamism is that the system is rushing onward at great speed on the edge between boom and slump, and it may topple temporarily from boom into slump in the next two or three years. If the countries of Europe and the sterling area are to live with the U.S. and not on it, they must adjust their economies so as to build up reserves of gold and dollars during the years of boom and equilibrium. This would enable them to draw on the reserves during a temporary recession and thereby avoid the imposition of severe import cuts, which might necessitate the closure of many factories through shortage of raw materials and a further fall in the general standard of living. The British Government must give the other countries of the sterling area a lead in reorienting their economies for this purpose. Otherwise, as pointed out by the writer of the article in the *Banker*, mentioned above, the present recovery of the sterling area may prove to be not a breathing space but the last gasp of a group of Welfare States.

ADDITIONAL EXCISE ON MILL CLOTH

PARLIAMENT GIVES ITS CONSENT

AFTER a six-hour debate, spread over three days, the House of the People passed the *Khadi* and Other Handloom Industries Development (Additional Excise Duty on Cloth) Bill on the 9th inst. The Government's move to impose a cess of three pies per yard on mill-made cloth sold internally had both supporters and opponents. Several members felt that the aid envisaged in the Bill for the handloom weaver was very inadequate. Some even went to the extent of urging exclusive reservation of certain types of cloth for production by handlooms. Others opposed, in principle, the penalisation of the mills by discriminatory treatment extended to handlooms. This section included that extremist element which said that *khadi* was nearly a dead thing and that there was no point in trying to bring it to life again. On the whole, however, the Government's move, as was only to be expected by reason of the Government's majority in the House, received support and the Bill, as stated at the outset, was passed by the House.

Moving the motion for the consideration of the Bill, Mr. T. T. Krishnamachari, the Union Minister for Commerce and Industry, sought to justify the cess on mill-cloth on the score that his Government was determined to render "all possible help" to weavers, so that they might be made an integral part of society and of the country's economy. "We shall," to quote Mr. Krishnamachari, "foot the bill whether by means of a cess or by other means which the Government had at their disposal, provided the whole scheme works for the betterment of the handloom weavers." Again, while replying to the debate, he said: "This measure is a solution of a purely practical problem. It is a problem of unemployment, underemployment and disguised underemployment. *Charka* would give them some cheer. The very sympathy that was extended to the worker was enough to put some cheer into the life of those millions. To a large extent, therefore, it is a matter of social work."

Cess Not Justified

These observations of Mr. Krishnamachari clearly reflect the keen anxiety on the part of the Government of India to better the lot of the handloom industry. Any one will fully appreciate this anxiety and few will dispute the need for giving assistance to the industry. But in this anxiety, the Government has unfortunately relegated to the background the strict canons of taxation. It is wrong in principle to tax one sector of the industry just for the sake of developing another sector. Moreover, the Government has also overlooked the fact that the imposition of a cess on mill-made cloth is bound to have disquieting effect on the mills, especially in the present context of the buyers' market for textiles when the incidence will have to be borne by the mills themselves. Thus, it is said to be difficult to sell fine and superfine varieties of cloth, as, in a number of cases, the whole excise duty, or the major portion of it, comes from the pockets of the manufacturer and not from those of the consumer. In the case of coarse and medium goods, the total excise duty is an imposition on a large section of the community which depends on this type of cloth. It is indeed regrettable that these considerations should have simply been brushed aside by the powers that be. The Government seems to have been prompted more by sentiments rather than purely economic considerations, as is evident from the following statement of Mr. Krishnamachari himself:

"Even though the U.K. is a highly mechanised country, this industry flourished and has its own market even in the U.S.A., another highly industrialised country. *Khadi* can be maintained and can be sustained likewise, along with the sentiments attached to it. The sentiment is that the country is free to-day and ought to be free all the time. I am afraid that, if the adherents to *khadi*, however imperfect they might be, lose faith then, they may lose the concept of freedom altogether. Let us keep the sentiment alive. It is easily possible to maintain the sentiment of the people in a subject like this. If I get possibly within a measurable time 100 million yards of *khadi* absorbed in the country, I shall be grateful. There is enough strength in the sentiment perhaps to build up a trade of 100 million yards of *khadi* within the next three or four years."

Mr. Krishnamachari's basis for the imposition of cess on these sentimental grounds is not quite justifiable. Apart from the question as to who bears the burden of the duty, the urgent need, as the Millowners' Association, Bombay, rightly stated, in a communication addressed to the Government some time ago, is more productive "to secure a fair and competitive level of prices" in the country. A high excise duty and the attempts at reserving certain categories of cloth for the production exclusively by handlooms will cut across this main objective by not only making cloth costlier for the consumer but also adversely affecting output. There is, therefore, no exaggeration whatever in the statement of Mr. G. D. Somani that the Bill seeks to enforce a permanent burden of Rs. 6 crores on the mills, irrespective of the fact whether, at any time in the future, it would be in a position to bear the additional burden or not and that it is doubtful whether the industry even to-day is in a position to bear this burden.

Further Restrictions on Mills

When the mill industry is thus subjected to considerable hardship by the present measure, it is certainly amazing that some members of Parliament should have gone so far as to suggest the imposition of further restrictions on production of cloth by mills. Mr. M. Ananthasayanam Iyengar, for instance, wanted the production of *dhotis* and *saris* to be exclusively reserved for the handloom industry. This suggestion is to be wholly deplored. For, besides adversely affecting the mills, the implementation of the suggestion will not at all provide an enduring solution to the ills of the handloom industry. The issue that needs to be faced by all those who champion the cause of the handlooms, it must be pointed out—even at the risk of repetition—is that the major sector of handloom industry is an uneconomic unit, in that the cost of their manufactures is beyond the capacity of the average consumer to pay. It is gratifying that Mr. Krishnamachari should have acknowledged the force of this contention, as witness his remark: "I am aware of the trouble from which the handlooms industry is suffering. I do feel that, by mere reservation of some items for them, we cannot achieve the desired result. Something more and something concrete has to be done to help the handloom weavers."

In this context, the two suggestions which Dr. Shyama Prasad Mookerjee put forward deserve particular mention. First, yarn has to be provided at reasonable rates to the weavers which cannot be done without subsidising it. Secondly, production by handlooms should be standardised and a marketing organisation set up; the latter should purchase the output and sell it to consumers at reasonable prices. It may be said that the Ministry of Commerce is alive to the need for implementing these suggestions of Dr. Mookerjee. In fact, the policy which the Minister said that he would propose to the State Governments would be more or less on these lines. The salient features of the proposed policy are as follows:

The State Governments should work for the formation of co-operative societies. Every weaver must be brought into these societies. The societies may also undertake supply of yarn to weavers and help in the dyeing, finishing and marketing. They may have the goods transported to markets and, if need be, open marketing centres to sell the goods, the object being the elimination of middlemen. Losses are inevitable and the Government does not want the weavers to suffer losses nor does it want sweated labour. Its idea is to draw away these individual weavers from the clutches of the middlemen who have been exploiting them. They should be paid decent wages. The Government has to make up the losses which they may suffer. The tastes of markets have to be studied. All this work will have to be undertaken by the Handloom Boards which should be set up by the State Governments. The finances required by the Boards for conducting the operation will be met from the proceeds of the cess on mill-made cloth. The Government would also ask the Reserve Bank of India to help the co-operative banks to finance the societies.

Referring to the expenditure on the handloom industry, the Commerce and Industry Minister stated that the money would be paid to the State Governments and it would be the duty of the latter to see that the money was spent properly. Broadly, the Centre might lay down certain principles on which the money was to be spent. So far as *khadi* was concerned, the Minister disclosed that his Government proposed to use roughly Rs. 1 crore this year. The necessary budget was being prepared. It would be a subsidy for the workers primarily. Proceeding, he said: "The idea of the Government is that it should operate like a social insurance scheme and it should be a means of avoiding unemployment. . . the Government do not propose to insist upon the method of spending. The House may be well assured that it would be spent properly."

A prominent member of Parliament suggested that there should be no further increase in the loomage in the textile mills in the country. Alluding to this suggestion, Mr. Krishnamachari referred to the policy of the Government to grant permission for the expansion of looms and said that the question had been his "primary headache." The textile industry everywhere, he stated, wanted expansion of looms and even the Madras Government, which looked after the interests of handloom weavers jealously, had recommended addition of a few looms here and there. The Government of India had been refusing permission for installation of looms for some time past, the idea being that it should have before it the full picture which would emerge from the Textile Enquiry Committee's report.

COTTON MILLS IN SAURASHTRA

How the cotton textile mills in Saurashtra have been passing through very difficult times, especially since the merger of the State, was described by Mr. Shantilal Mangaldas, President of the Saurashtra Millowners' Association, in the course of his address at the eleventh annual general meeting of the Association held at Rajkot last week. An idea of the critical position of the mills can be had from the references made by Mr. Shantilal to the innumerable handicaps faced by them to-day. These handicaps included the location of mills in isolated places, high freight on transport of cotton, cloth, coal and stores, inefficient labour, increased working capital, on account of maintenance of large stocks of cotton and storage of materials, and lower realisation of cloth prices, as a result of absence of rich markets, such as the mills in Ahmedabad and Bombay, have in these cities. These disadvantages, he said, had placed the mills in Saurashtra in a none too happy position *vis-a-vis* the mills in Ahmedabad and Bombay. In support of this contention, he cited certain figures which are given below:

The complement of labour up to spindle point in Saurashtra mills is about 18 per 1,000 spindles per shift, as against 12 in Ahmedabad and Bombay mills. For a composite spinning and weaving mill, the number of workers per loom per shift is 2, as against 1.6 or even less. The mills in Saurashtra are paying coal freight at the rate of Rs. 22 to Rs. 24 per ton, as against Rs. 18 paid by Ahmedabad mills. This does not take account of the greater loss percentage in transit, owing to additional transhipment at Sabarmati or Viramgam. It has been worked out that, for every 100 tons of coal loaded at the collieries only 85 tons are received at the mills. One of the mills running on public power is paying 25 pies per unit of electric energy, as against 6 pies in Bombay.

The wage bill of the textile industry of Saurashtra was fast mounting up. The average daily basic wage of a worker, excluding dearness allowance, rose from As. 15 in 1948 to Re. 1-6-6 in 1952, an increase of 50 per cent. Owing to the unnatural linking up of the dearness allowance with that payable by Ahmedabad mills, the dearness allowance shot up by Rs. 8 per month per worker, a rise of about 15 per cent., when the food subsidy was withdrawn by the Government of Bombay last year and the cost of living index went up in Ahmedabad on that account. The introduction of the State Insurance Scheme increased the wage bill, inclusive of dearness allowance, by ¾ per cent. Then came the Provident Fund Scheme for workers which means an increase of 6¼ per cent. in the basic wage and dearness allowance, ignoring the contribution to be made towards the administrative expenses. It has been worked out that the total wage of a worker, which, on an average, stood at about Rs. 60 per month in 1948, rose to about Rs. 105 per month in 1952, an increase of 75 per cent. These figures include dearness allowance, provident fund, leave with pay, etc. By way of comparison, it may be mentioned that the average monthly earnings of a worker in 1939 were about Rs. 25. There has thus been a rise of over 300 per cent. in the total earnings of a worker since 1939.

In view of all these, Mr. Shantilal said that the cost of production in Saurashtra is higher than that in Bombay and Ahmedabad, so much so that the textile mills in the State were gradually losing their competitive capacity. He, therefore, warned that the textile industry in Saurashtra could not at all work satisfactorily, unless it was drastically reorganised and its efficiency raised. He felt that it was possible to place the textile industry of Saurashtra on a stable footing, if only the mill-owners, the workers and the Government made concerted move in the direction. Inasmuch as the problem of the textile industry hinges on cost of production, Mr. Shantilal stressed the need for reducing it. Such, in his opinion, could be effected by an economy drive and systematic rationalisation of labour on the part of the management, by better efforts of the workers to raise output, and by the Government's assistance by way of re solving disputes amicably.

WORLD TEXTILE TRADE IN 1952

YARN OUTPUT IN LANCASHIRE MILLS CLIMBING UP

(From A Special Correspondent)

MANCHESTER, *7th April*

MANCHESTER LETTER

BRITAIN'S Cotton Board has now issued official figures showing that world trade in cotton piecegoods last year shrunk by almost 1,000 million yards, equivalent to nearly one-sixth of the total volume of exports in 1951. Britain was not alone in having to report a depressing period and all the chief exporting nations experienced a fall in the quantity of their shipments of cotton cloth, with the exception of Holland and Germany.

International trade in rayon and mixture fabrics also declined by about 13 per cent. last year, as compared with 1951, but its volume was about one and a half times its size, as compared with the immediate pre-war period. Shipments of cotton goods were barely 75 per cent. of the pre-war level. Some idea of the impact of the textile slump in 1952 can be obtained from the following tables showing comparative export achievements in recent years:

Cotton and Rayon Piecegoods Exports

(In million sq. yds.)

Country	1938	1949	1950	1951	1952
U. K.	1,445	1,075	1,017	1,083	912
U. S.	352	1,140	245	1,015	969
Japan	2,578	777	1,286	1,412	1,113
India	186	466	1,108	776	617
Hong Kong	52	119	181	194	170*
Germany	223	199	150	299	334*
Belgium	146	158	247	271	178*
France	483	591	634	684	423†
Italy	567	339	509	596	286
Spain		86	148	123	50
Holland	210	160	186	196	227
Portugal	25	57	110	110	87

Cotton Yarn Exports

(In million lbs.)

U. K.	123	82	71	65	35
U. S.	10	25	18	30	18‡
Belgium	26	48	38	55	44*
Italy	43	79	62	73	47
Japan	42	21	24	26	28
India	41	33	83	26	19§

* Eleven months. † Eight months.
‡ Six months. § Nine months.

According to the latest reports circulated to the industry by the Cotton Board, Lancashire's slow recovery is being mirrored in other parts of the world, including the United States and various leading cotton-textile manufacturing countries. Output is showing a gradual improvement, but exports remain below the levels of the last few years. Pride of place among shippers of cotton goods in 1952 went to the United States, but Japan raised her exports of rayon piecegoods by 30,000,000 yards, as compared with 1951, and retained her position as leading world supplier of cotton and rayon cloth. At the end of last year, Japan possessed 7,500,000 operable cotton spinning spindles and 1,500,000 spindles for rayon yarn output, the total spindleage being as high as at any time before the war.

Wages for "More-loom" Weavers

New developments in connection with wages in the British cotton industry, other than straightforward applications for advances, have been rare since the spinning section re-organised its pay systems by means of the Evershed and Aronson lists. In the weaving branch, the fresh methods of calculating earnings allied to redeployment, advocated by the Cotton Manufacturing Commission, have only been adopted on a limited scale. Now, from the weaving unions comes a new scheme affecting a fundamental principle of wage rates. Later this week, the employers will be approached to establish a higher level of wages for weavers operating more than the traditional four looms.

Contention over this problem dates as far back as 1932, when a joint agreement set out the wage scale for the "more-looms-to-a-weaver" system. Because these operatives were provided with unskilled labour to perform such jobs as sweeping, cleaning and oiling the machines, it was then agreed that their wages should not be calculated on the same ratio as those weaving on four looms. Actual earnings were, of course, greater, but not proportionately so.

During the post-war boom, the quest for labour and ever-increasing output led employers to raise the standard of earnings of "more-loom" weavers in ratio to those operating four looms on the uniform list. As trade has slackened, the tendency has been for wages to slip back to the same basis which existed before the war. The unions now want to establish the higher ratio of pay for weavers operating six looms and more to cover all weaving firms.

Rising Output

Production of yarn by the Lancashire spinning industry is steadily climbing back towards the level of pre-recession days. A formidable gap remains to be bridged before weekly output can be favourably compared with the latter months of 1951, when the industry repeatedly set up new records for the post-war years, but a survey of production over the past eight months shows that steady progress has been made towards recovery.

Latest returns issued by the Cotton Board reveal that cotton, spun rayon and mixture yarn output in the third week of March was the highest for 13 months. The mills' production of 18,270,000 lbs. of yarn compared with 18,210,000 lbs. in the previous week and 15,710,000 lbs. in the corresponding week of 1952. It was the sixth week in succession in which output has improved.

The latest yield of 18,270,000 lbs. contrasts with a weekly average of about 22,000,000 lbs. when the spinning industry was experiencing its best period of post-war activity in the final quarter of 1951. Then, of course, the mills had a labour force over 17,000 stronger than the present-day total on spinners' books of 107,500. The margin between the two figures must obviously be a limiting factor on how near the industry can approach the output returns of 15 or 18 months ago.

At the worst period of the recession, output was running at an average of about 12,000,000 lbs. a week. By the beginning of this year, production had exceeded the 17,000,000-lb. mark and, in the three months covered by the latest returns, another 1,000,000 lbs. have been added to the weekly output. Man-power in the spinning mills is also steadily mounting. In little less than eight months, following the end of the drift of workers to other jobs, the industry has built up its labour force by 6,200 full-time operatives.

Holiday Pay

A guaranteed holiday payment for Lancashire's 275,000 cotton industry workers, payable at the start of the Wakes Fortnight holiday in each town, is to be urged on employers, according to Mr. Charles Schofield, one of Lancashire's "Big Three" cotton unions. "It is only fair and reasonable that the payment should not fall below a certain level and efforts to bring about a more adequate payment to meet this contingency will be exerted," declares Mr. Schofield in his annual report to members. At the present time, employers put aside each week a certain percentage of each workers' earnings to cover the annual paid holiday. "The pleasure of having two successive weeks' holiday, he says, "was to many workers somewhat clouded by the fact that, owing to the prevalence of short-time working, the holiday payment was reduced by a substantial amount below the normal wage earnable. The agreement governing the holiday payment—whilst providing fair allowance when full-time has been worked—fails to make adequate provision when short-time working has been prevalent."

Profits—1953 Version

Because of the arbitrary division of the calendar, the results published by Lancashire cotton mill companies during 1952 gave a distorted picture of the conditions which prevailed in the industry during that year. Those firms which issued reports 12 months ago were, of course, basing their figures on the trading circumstances of 1951 and it was only in the latter half of the year that the profits and losses reflected the true state of affairs.

The aggregate profit earned by 30 firms which have so far announced results this year was £1,099,616, as compared with £3,251,003 announced in 1952. There has been a drastic reduction in the average profit per company, which has shrunk from £108,367 to £36,654. The average dividend distributed this year has been 15.81 per cent., whereas a year before it was 17.37 per cent.

Although individual companies have differed in their attitude towards the decreased profit rate, the trend has been largely similar. Many firms have maintained their dividend to shareholders, but have dispensed with allocations to reserves, while the sums carried forward have, in the majority of instances, been in excess of those of 12 months before.

Raw Cotton Imports

Imports into the United Kingdom last week aggregated 38,853 bales, comprising 18,742 bales Pakistan, 11,259 bales East African, 3,709 bales West African, 1,225 bales American, 920 bales Egyptian, 372 bales Argentine, 250 bales Indian, 69 bales Mexican and 2,307 bales sundries—*All Rights Reserved.*

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THE HINDUSTAN COMMERCIAL BANK, LIMITED

DIRECTORS' REPORT TO SHAREHOLDERS

GENTLEMEN,

The Directors beg to submit the Audited Balance Sheet as at and the Profit and Loss Account for the year ended 31st December, 1952.

The profits for the year including the balance of Rs. 65,220-4-3 brought forward from the last year and after providing for all working expenses and depreciations amounted to Rs. 5,45,608-13-0. Your Directors have decided to make the following adjustments and appropriations therefrom :—

		Rs.	a.	p.
1.	Amount utilised for writing off of Bad Debts	4,00,000	0	0
2.	Transfer to Investment Reserve Fund	1,00,000	0	0
3.	Provision for Bonus to Staff	35,000	0	0
4.	Balance to be carried forward to the next year's account	10,608	13	0
	Total	5,45,608	13	0

In spite of the difficult monetary and credit conditions during the year 1952, the Bank's business continued to function satisfactorily. Our continued policy of caution, consolidation and effecting economy in expenses wherever possible has enabled the Bank to show better results this year, which progress, we hope, shall continue in years to come. The Bank's sub-branch at Ratanpole (Ahmedabad) had to be closed down during the year as it was found to be uneremunerative.

The Directors deeply regret the death on 9th November, 1952, of their esteemed colleague Lala Motilal Agarwala, who took a keen interest in the affairs of the Bank. They place on record their appreciation of his very valuable services.

The Directors are thankful to the constituents and shareholders for their continued confidence and support. They also express their grateful appreciation to the members of the Local Advisory Boards for their able help and guidance.

We have examined the list of accounts drawing our special attention, as received from the Auditors, and are of opinion that the accounts mentioned therein are either not bad or doubtful or have either been written off or that the Bank holds adequate provision for them.

According to the Articles of Association of the Bank two Directors, viz.,

1. R. R. Kedar Nath Khetan, and
2. S. B. Sardar Gurbaksh Singh

retire from the Board. They are both eligible for re-election.

You are requested to appoint Auditors for the current year and to fix their remuneration.

For and on behalf of Directors,
PADAMPAT,
Chairman.

16th March, 1953.

BALANCE SHEET AS AT 31st DECEMBER, 1952

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED CAPITAL— 5,00,000 Ordinary Shares of Rs. 100 each				5,00,00,000	0	0
ISSUED AND SUBSCRIBED CAPITAL— 2,50,000 Ordinary Shares of Rs. 100 each				2,50,00,000	0	0
AMOUNT CALLED AND PAID-UP— Rs. 50 per share on 2,50,000 Ordinary Shares of Rs. 100 each				1,25,00,000	0	0
2. Reserve Fund and Other Reserves						
(i) Reserve Fund as per last Balance Sheet	14,00,000	0	0			
(ii) Sinking Fund in respect of Buildings as per last Balance Sheet	1,20,000	0	0			
				15,20,000	0	0
3. Deposits and Other Accounts—						
(i) Fixed Deposits, Short-term Deposits, Three Years' Cash Certificates and Security Deposits	2,05,65,210	9	0			
(ii) Savings Bank Deposits	62,47,695	7	8			
(iii) Current, Contingency (unadjusted) and Other Accounts	1,82,70,387	15	0			
				4,50,83,293	15	8
4. Borrowings from Other Banking Companies, Agents, etc.— In India (secured by part of Investments per contra)				1,02,00,000	0	0
5. Bills Payable				12,01,471	4	3
6. Bills for Collection being Bills Receivable as per contra—						
(i) Payable in India	36,80,596	10	0			
(ii) Payable outside India	1,91,636	5	7			
				38,72,232	15	7
7. Other Liabilities—						
(i) Unclaimed Dividend	6,386	10	0			
(ii) Branch adjustments	4,98,131	4	2			
				5,04,517	14	2
8. Acceptances, Endorsements and Other Obligations as per contra				33,45,956	12	8
9. Profit and Loss Account—						
Balance as per Balance Sheet as at 31st December, 1951	65,220	4	3			
ADD—Net Profit for the year 1952 as per statement annexed subject to taxation after making a provision of Rs. 4,00,000 towards Bad and Doubtful Debts	80,388	8	9			
				1,45,608	13	0
10. Contingent Liabilities—	Rs.	a.	p.			
(a) On partly paid Shares of Joint Stock Companies	3,12,500	0	0			
(b) Claims against the Banking Company not acknowledged as Debts	6,05,586	5	6			
(c) Liability on Bills of Exchange rediscounted	Nil					
(d) Liability on account of outstanding Forward Exchange Contracts	Nil					
(e) Money for which the Banking Company is contingently liable for indemnity on behalf of Constituents and Director	5,175	0	0			
Total	Rs.			7,83,73,081	11	4

NOTE.—(1) No account has been taken of the present liability in respect of future payments of gratuity to staff.

(2) The figures of Bank's Branches in Pakistan as at 31st December, 1952, have been incorporated in the Balance Sheet and the Profit and Loss Account at the official rate of exchange and the difference in exchange has been utilized for purpose of writing of Bad Debts in Pakistan.

(3) The liability of the Bank in respect of taxes payable for the year 1947 and onwards in Pakistan and in respect of years from 1949 to 1952 in India has not been ascertained.

(4) The classification of Loans and Advances does not take into account the Displaced Persons (Debts Adjustment) Act, which may have an effect on the same

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In hand and with the Reserve Bank and Imperial Bank				65,76,760	12	10
2. Balances with Other Banks on Current Accounts—						
(i) In India	4,85,367	6	10			
(ii) Outside India	40,346	8	0			
				5,25,713	14	10
3. Money at Call and Short Notice				Nil		
4. Investments (at Book Value)—						
(i) Securities of the Central and State Governments— (Market value of the Government Securities based on average market rates for the preceding eighteen months and of Port and Trust Debentures as on 31st December, 1952, and that of Industrial Finance Corporation of India at cost Rs. 2,24,79,360-14-0. Face Value Rs. 2,41,33,900-0-0)	2,42,23,015	3	0			
(ii) Shares of Joint Stock Companies—	Rs.	a.	p.			
Preference Shares (fully paid-up)	26,03,314	6	0			
Preference Shares (partly paid-up)	3,00,000	0	0			
Ordinary Shares (fully paid-up)	13,86,297	0	3			
Ordinary Shares (partly paid-up)	17,908	12	0			
Debentures and Convertible Notes	4,12,500	0	0			
	47,20,080	2	3			
NOTE.—Market value as at 31st December, 1952, has been estimated by applying market rates where available and taking book value where market rate is not available, at Rs. 32,48,321-14-0.						
(iii) Gold	Nil					
				2,89,43,095	5	8
5. Advances—						
(i) Loans, Cash Credits, Overdrafts, etc.—	Rs.	a.	p.			
(i) In India	2,47,92,061	4	7			
(ii) Outside India	26,83,937	14	4			
(Converted at Pakistan Official rate of exchange)	2,74,75,999	2	11			
(ii) Bills Discounted and Purchased— (Excluding Treasury Bills of the Central and State Governments)						
(i) Payable in India	27,79,686	14	6			
(ii) Payable outside India	5,91,141	9	0			
(Particulars as per separate Schedule attached)	33,70,828	7	6			
	3,08,46,827	10	5			
6. Bills Receivable being Bills for Collection as per contra—						
(i) Payable in India	36,80,596	10	0			
(ii) Payable outside India	1,91,636	5	7			
				38,72,232	15	7
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra				33,45,956	12	8
8. Land and Buildings—						
Bank premises at cost (provision of depreciation in Sinking Fund as per contra)				13,99,788	15	3
9. Furniture, Fixtures and Equipments, etc.—						
Book Value as on 1st January, 1952	11,12,090	6	8			
ADD—Additions less Sales and Amounts written off during the year	6,204	6	3			
	11,18,294	12	11			
LESS—Amount written off to-date for depreciation	4,92,879	3	8			
				6,25,415	9	
NOTE.—(i) Includes Rs. 88,366-6-0 for articles in West Punjab Branches, the existence of which could not be verified.						
10. Other Assets including Silver—						
(i) Interest accrued on Investments and Outstanding Dividend on Shares of Joint Stock Companies	2,94,656	1	3			
(ii) Deposits with Electric Supply Companies and Government Departments	2,969	9	0			
(iii) Telephone Suspense	3,550	0	0			
(iv) Prepaid Expenses, Advance Payments and other Amounts Recoverable	1,24,227	5	5			
(v) Amount of Refund due from Income-tax Department	1,25,065	9	0			
(vi) Income-tax deducted at source on Interest on Government Securities and Shares of Joint Stock Companies. Rs. 9,63,046 14 0 LESS—Provision for Taxation 20,585 3 9	9,42,461	10	3			
(vii) Stamps, Stationery and Library at Cost, including Rs. 20,000 for articles in West Punjab Branches, the existence of which could not be verified	2,27,179	3	4			
(viii) Silver	Nil					
(ix) Motor Cars— Cost as on 31st December, 1951 51,888 8 0; Additions less sales during the year 18,819 14 6; 70,708 6 6; LESS Depreciation written up-to-date 29,996 0 6	40,712	6	0			
(x) Land for premises and non-banking assets comprising property not acquired in satisfaction of any claims	41,102	6	0			
	4,40,078	8	0			
11. Non-Banking Assets Acquired in Satisfaction of Claims (at cost). (NOTE.—Market value as per Certificate of the Managing Director : Rs. 40,000.)				22,01,239	11	3
				35,000	0	0
Total Rs.				7,83,73,081	11	4

Schedule of Particulars required by the Banking Companies Act, 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December, 1952

PARTICULARS OF ADVANCES	Rs.	a.	p.
(i) Debts considered good in respect of which the Banking Company is fully secured	2,45,86,012	9	8
(ii) Debts considered good representing claims reported to have been lodged but not yet admitted with (a) West Punjab Government for commodities alleged to have been taken by them or sale proceeds deposited into Treasuries of Pakistan; (b) Government clearing agents under grain procurement arrangements; (c) debts against mortgage of immovable property in West Punjab; (d) Stocks stated to have been held in the factories and godowns of the debtors; (e) with Postal authorities in Pakistan, etc., as per information disclosed on the respective files in the Bank (NOTE.—Due to abnormal conditions, the Auditors are unable to express any opinion on this)	15,45,875	3	5
(iii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security (NOTE.—It includes a sum of Rs. 11,38,062-10-11 (representing Rs. 7,90,321-4-11 in West Pakistan currency), regarding advances in West Punjab Branches in respect of which the Auditors are unable to express any opinion)	40,81,096	15	0
(iv) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	6,83,842	14	4
(v) Debts considered doubtful or bad not provided for	Nil		
	3,08,46,827	10	5

PARTICULARS OF ADVANCES	Rs.	a.	p.
(vi) Debts due by Directors or Officers of the Banking Company or any of them severally or jointly with any other persons	97,500	14	6
(vii) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	21,61,709	13	
(viii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,01,836	0	0
(ix) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	35,14,284	0	0
(x) Due from Banking Companies	Nil		

(Continued on next page)

REPORT ON COTTON TEXTILE INDUSTRY

SALIENT FEATURES OF WORKING PARTY'S SUGGESTIONS

THE Working Party for the Cotton Textile Industry, appointed by the Government of India under the chairmanship of Mr. A. Ramaswami Mudaliar about three years ago, has approached the problems confronting the industry from a constructive point of view. The Party, it will be recalled, was asked to examine and make recommendations on measures necessary to achieve a higher production, to reduce cost of production and to improve the quality of production. Besides, the Party was to suggest measures necessary for effecting a speedy rationalisation of the industry and also for improving the efficiency of the labour management and the organisation of the industry as a whole. Now that the industry had been able, during the last few years, to foster a sizable export market, the Party was asked to bear this aspect of the problem in its mind when recommending measures for the better marketing of its products, internal as well as external.

The Party was asked to report on the above problems within six months, but it took nearly two years to finish its labours. The Government of India had taken yet another year to publish the report. The result is that some of the recommendations of the Party have become out of date, especially those concerning the bulk purchase of cotton, etc. It might have been better, had the Government issued a neat and exhaustive summary of the Report to the public soon after its receipt and taken necessary steps, towards the implementation of the measures for the rationalisation of industry, with a view to reducing production costs and augmenting quality output. Now that the Commerce and Industry Minister, Mr. T. T. Krishnamachari, has recently unfolded his desire to maximise production by utilising the full installed capacity of the industry and also by removing all the bottlenecks towards that objective, it is expected that he will implement many of the constructive suggestions of the Working Party, which are practicable at the present time. The textile industry, being the biggest in the country, offers greater scope for the Minister than any in this direction and his attention to the solution of its problems will yield him commendable results at the shortest possible time.

The Working Party constituted three sub-committees, (i) for machinery and equipment, (ii) for rationalisation, and (iii) for cotton. It was also able to carry out a factual survey to find out the man-hour and machine-hour production in major production departments of representative mills. This survey was undertaken by a few technical experts and their findings have been appended at the end of the report. The report is as interesting as it is revealing about the present conditions of the mills, the imperative need for rationalisation and rehabilitation of the industry having been forcefully brought to the attention of the Government of India.

Changes in Production Pattern

During the last two decades, notable changes have taken place in the pattern of production. For instance, many concerns, which were principally engaged in spinning counts below 30, have had readjustments made in their machinery and also additions which have enabled them to spin finer counts of yarn and manufacture finer varieties of cloth. The progress of the industry in this direction is reflected in the quantities of imported cotton from year to year, notably Egyptian, East African and American. The report emphasises the fact that, while protection to the Indian textile industry was largely based on the ground that raw material was available in abundance within the country and the industry was helping the agriculturists to find a market for such raw material, the situation is tending to take a reverse turn and requires careful watching. It also observes that, "in many of the industrial units, proper attention was not paid to the repairing and reconditioning of machinery during the war period. There are, of course, other units where, owing to such prompt attention being paid to the maintenance of the machinery in good order, there has been no material deterioration in the effective work of the machinery, in spite of the strain that was put on it during the war years."

The Working Party has made a pertinent reference in regard to the changes in the management of mills during recent years, which have, in many instances, proved detrimental to the proper development of the industry. Till the beginning of the last war, most of the units were under the management of those who had grown in experience in the working of the textile industry and who had acquired fairly intimate knowledge of the complexities of technical management. The Working Party regretfully observes that the management of several mills are now in the hands of those who have had no experience of any industry, least of all experience of the textile industry. They were mere financiers hitherto and, having an ambition to become industrialists, they bought up some of these concerns and came into the category of industrialists without experience of running any industrial concern.

Production Control and Efficiency

In regard to Government's control measures, the Party is of the opinion that, "unless the industry as a whole is in a position to put its house in order and adopt measures which will expose erring members and mete suitable punishment to such, if necessary, by claiming powers from the Government for such reform measures being adopted by them, it will be difficult to get out of the era of controls which many of them desire." In order to maintain some production standard, the Party states that Government should revive the suggestions put forward by the Textile Production (Control) Committee of 1948 and appoint a team of technical experts who, along with the Textile Commissioner and the Advisory Committee, would be required to assist by their specialised knowledge of spinning, weaving and finishing branches of the industry and whose main functions would be to suggest ways and means of improving the technical efficiency of the mills. In this connection, the Party is of the view that the industry itself, through its various millowners' organisations, should regulate the production control and check the tendency to produce unwanted cloth or cloth of inferior quality by some of the mills. The Party desires that there should be some flexibility in regard to the third shift and the whole question could be left to the discretion of the management and labour. It has turned down the suggestion that mills should be given stimulus to produce more by giving greater freedom to export a part of the extra production. This recommendation was made at a time when there was shortage of cloth in the country. Now that cloth production has increased appreciably and there are already signs of a glut in the cloth markets, this recommendation has become out of date.

Inspection Necessary

Alluding to the bulk purchase of foreign mill stores, the Mudaliar Committee gives preference to the maintenance of the present system to some extent, but "feels that, if the mills can take the responsibility for the bulk purchase of mill stores through an organisation of their own associations, facility should be given to them to do so; the present state of controls

(Continued on page 721)

THE HINDUSTAN COMMERCIAL BANK, LIMITED—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1952.

EXPENDITURE	Rs.	a.	p.	INCOME	Rs.	a.	p.
				(Less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)			
1. Interest paid on Deposits, Borrowings, etc.	11,52,602	3	11	1. Interest and Discount	20,20,499	5	1
2. Salaries and Allowances and Provident Fund (including Rs. 52,800 being the salary and allowances paid to the Managing Director)	12,49,273	14	11	2. Commission, Exchange and Brokerage	5,61,396	2	9
3. Directors' and Local Committee Members' Fees and Allowances— Directors' Fees and Local Committee Members' Fees 4,710 0 0; Directors' Travelling Expenses (including Rs. 5,466-15-0 paid to Managing Director) 6,110 1 9	10,820	1	9	3. Rents on Bank premises (excluding rent on premises used by the Bank)	1,93,272	8	3
4. Rent, Taxes, Insurance, Lighting and Expenses on Bank's Property	2,22,601	6	10	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
5. Law Charges	33,688	10	8	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
6. Postage, Telegrams, Telephones and Stamps	52,764	6	1	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil		
7. Auditors' Fees	7,000	0	0	7. Other Receipts— Dividends, Share Transfer Fees, Refund of Taxes due, etc.	2,62,252	9	10
8. Depreciation on Company's Property and Amounts written off	62,816	12	3				
9. Stationery, Printing, Advertisement, etc.	83,885	1	1				
10. Loss from Sale of or Dealing with Non-banking Assets	Nil						
11. Net Loss on Sale of Investments	26	0	0				
12. Other Expenditure	81,463	7	8				
13. Balance being Net Profit, subject to taxation carried to Balance Sheet (after making a provision of Rs. 4,00,000 towards Bad and Doubtful Debts) Rs. 4,80,388 8 9; 4,00,000 0 0	80,388	8	9				
Total Rs.	30,37,420	9	11	Total Rs.	30,37,420	9	11

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the Balance Sheet of the Hindustan Commercial Bank Ltd., as at 31st December, 1952, as above set forth and the annexed Profit and Loss Account for the year ended the same date with the books and accounts kept at the Head Office in Kanpur in which are incorporated (a) the returns of the Bank's Branches in India and Pakistan (Lahore) certified by the respective Branch Managers and amended at the Head Office on the basis of the information with the Head Office, and (b) Statements of Accounts prepared at the Head Office based on the records of the various other branches in Pakistan which were evacuated in the year 1947. Subject to the complete disclosure and adequate provision for Bad and Doubtful Debts and the notes appearing on the face of the Balance Sheet, we report that :—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory.

(b) The transactions of the Bank which have come to our notice, have been within the powers of the Bank.

(c) The returns received from the Branch Offices of the Bank have been found adequate for the purpose of audit.

(d) In our opinion the said Balance Sheet and Profit and Loss Account are drawn up in conformity with the law.

(e) The Balance Sheet exhibits a true and correct view of the state of the Bank's affairs and the Profit and Loss Account shows a true balance of Profit for the year according to the best of our information and explanations given to us and as shown by the books and records of the Bank kept at its Head Office, and

(f) In our opinion Books of Account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

P. L. TANDON & CO.,
Chartered Accountants,
Auditors.

KANPUR, 16th March, 1953.

U. S. MEHROTRA, Inspector of Branches.
M. N. KHANNA, Secretary.
KISHEN CHAND PURI, Managing Director.
PADAMPAT, Chairman.
GURBAKSH SINGH, SITAL PRASAD, GURUSHARAN LAL, } Directors.

SUGARCANE CULTIVATION IN U.P.

HOLDINGS TO BE CONSOLIDATED

NOW that the *Consolidation of Holdings Bill* has been passed by the U.P. State Legislative Assembly, the Uttar Pradesh Government's move to consolidate agricultural holdings is of special significance to sugarcane development. At present, sugarcane cultivation in Uttar Pradesh is carried on in small plots of land. Out of the total cropped area of 47.5 million acres in U.P. in 1951-52, more than 2.96 million acres were under sugarcane. Although the sugarcane grower is said to be cultivating, on an average, less than five acres, the actual size of the area devoted to cane is exceedingly small, as a part of this area is utilised for growing other crops also. The worst feature of these holdings is that they are not, it is stated, to be found in compact blocks; they are fragmented into a number of plots scattered all over the State. This process of subdivision and fragmentation, in some cases, is carried to such extremes that the size of the holdings is not more than a fraction of an acre! The result has been that the development of cane cultivation in the State has suffered immensely.

Consequent on the sugarcane growing areas being scattered—and the size being too small—the introduction of scientific methods of cultivation has been greatly handicapped. It is no wonder, therefore, if both yield of cane per acre and recovery percentage in Uttar Pradesh today is very much lower, as compared with the Deccan and South India where sugarcane is cultivated in comparatively larger and more compact blocks of land. In the latter areas, readers may be aware, most of the sugar factories themselves own large sugarcane estates. Thus, the yield of cane per acre in U.P. is as low as 320 maunds, as against 790 maunds in Bombay, 740 maunds in Madras and 490 maunds in Hyderabad. The recovery percentage of cane also is very low, such being 9.57, as against 12 in the Deccan. What is worse, not only has the yield of sugarcane in U.P. been decreasing but the State's share in the country's aggregate cane area and production has been falling, in distinct contrast to the trend in the Deccan and the South, as will be seen from the table below:

	Percentage of total cane acre in India		Percentage total cane production in India	
	1936-37	1951-52	1936-37	1951-52
U.P.	65.5	62.7	62.5	53.7
Bombay	2.3	4.5	4.2	10 2
Madras	3.2	5.5	6.7	11.6
Hyderabad	1.2	2 1	1.9	3.2

It will be seen from the above figures that the share of Uttar Pradesh in the aggregate production of sugarcane has declined more than in proportion to the fall in its percentage share in cane area, while the reverse is the case with regard to the other States. This indicates that the trend of yield per acre has been distinctly downward. In fact, the low yield of sugarcane per acre in U.P. is largely responsible for the high cost of sugarcane cultivation and, consequently, the high cost of sugar production. Now that the holdings are to be consolidated, the scope for cane development work has been considerably widened. It will facilitate the provision of irrigation and drainage. Steps to check damage to crops by insects and diseases can be easily undertaken. Scientific methods of cultivation, designed to augment yield of high quality cane can be adopted. This will go a long way towards reducing the cost of sugarcane cultivation, and thereby lower sugar prices which are at present high in all conscience.

The U.P. Government's move to consolidate agricultural holdings is indeed long overdue. It must, however, be pointed out that whatever benefits accrue from such consolidation are bound to be neutralised, if the Government does not revise its taxation policy. The Government has, for instance, a proposal to enhance irrigation rates by 50 per cent., although it is stated that this will not be enforced in the coming *kharif* season. When implemented, this levy will be injurious to the interests of the industry. The Government proposes to lower the exemption limit for holdings for purposes of levying the agricultural income-tax; the official Bill seeking the amendment has already been passed by the Legislative Assembly. Accordingly, the taxable limit for holdings is to be reduced from 50 acres to 30 acres, but the holder of 30 acres will not be taxed if his agricultural income is less than Rs. 3,000 per annum. This measure too would handicap the progress of the sugar industry in U.P.

CANE DEVELOPMENT

Reviewing the development of cane cultivation *in India in these columns* six weeks ago (*vide* page 388 of *Commerce* dated 7th March, 1953), we observed that, despite the efforts of the Indian Central Sugarcane Committee (I.C.S.C.), cane cultivation had not only not registered any improvement but actually deteriorated. In support of this contention, we referred to the marked decline in both yield of cane per acre and recovery percentage of cane during 1951-52, as compared with 1943-44, that is the year before the I.C.S.C. was established. Apropos this reference, we have received a note from an official spokesman, wherein it is claimed that cane cultivation has definitely improved. The following is an extract from the note:

"It is well known that only 20 to 25 per cent. of the total production of cane is utilised by the sugar factories for the manufacture of crystal sugar and that development work at present is confined mainly to the factory zones which constitute only a small fraction of the total area under cane. As the factories draw most of their supplies from these zones only, development work naturally has had to be confined mostly to these areas. As a result of the activities of the development schemes during the last three or four years, definite progress has been made both in yield and quality of the cane cultivated in these areas. These increases are very near the targets laid down."

Substantiating his statement, the spokesman has given the following figures:

Average yield (in tons) of cane per acre

States	Before commencement of the schemes 1947-48	Achieved by 1951-52	Targeted for after five years
Uttar Pradesh ..	12.9	18.4	25.7
Bihar	12.0	16.1	20.0
Bombay	31.0	40.5*	34.1
		23.8†	
Madras	25.0	33.5	30.0
Punjab (I)	12.9	17.8	18.4
West Bengal	16.1	16.8	20.1

* For Deccan Canal. † For Karnatak tract.

It will be evident from the above account that the official spokesman has taken into consideration only the cane development work in the factory zones, while we have taken the entire area and yield of sugarcane. Moreover, the comparison made by the official spokesman is between 1947-48 and 1951-52, whereas our comparison was between 1943-44 and 1951-52. It is no doubt true that the factories draw most of their sugarcane supplies from these zones. But, inasmuch as the factory zones constitute, as the official spokesman himself admits, only a small fraction of the total area under cane, it would be necessary to take the whole area into account, if the progress of the cane development work were to be accurately assessed. That apart, the official spokesman has cited figures to show that the yield of sugarcane has risen since the development schemes were launched. He would have done well, if he had also cited figures to indicate the progress in raising the quality of the cane. Our own feeling is that, barring the instance of a few individual estates which have been endeavouring to cultivate better quality cane, the quality of cane has generally been rather poor.

(*Concluded from next column*)

Tribunal if the management did not follow proper principles in effecting retrenchment.

It is learned that India's coal export again fell considerably in March, 1953, due to paucity of shipping. While in February, 42 steamers both foreign and coastal with a total cargo of 2,64,434 tons left the Calcutta port, in March only 1,43,609 tons of coal were shipped in 27 steamers. Twelve foreign ships, exactly half the number of ships that called in February, visited the port in March, while the number of coastal ships came down by three to fifteen.



CONSERVATION OF COAL

HAS OFFICIAL POLICY FAILED?

SPEAKING at the twentieth annual general meeting of the Indian Colliery Owners Association, held recently at Dhanbad, the President, Mr. B. L. Agarwalla, declared that the Union Government's policy of coal conservation had proved a bitter failure. Characterising the policy as "indecisive, hesitant and arbitrary," he contended that the 7.9 million tons fixed as target of production for selected A and B grades of coal for 1952, was found "in excess of the capacity of the industry by at least 2 million tons." Further, he alleged that restrictions on retrenchment of labour and absence of compensation for collieries subject to hardship, as a result of pegging of their output, taken together with concessions allowed to certain individual collieries to exceed their targets, undermined the whole policy of conservation. As a result, he maintained, conservation still remained in the dreamland of wishful planners. Thus, Mr. Agarwalla presented a dismal picture regarding conservation of metallurgical coal.

A careful review of the position regarding conservation since the Government passed the Coal Mines (Conservation and Safety) Ordinance 15 months ago discloses that the production targets of 7.9 million tons for 1952 and of 7.4 million tons for 1953 have been fixed on the basis of the mining capacity of the collieries concerned. In fact, the targets have been arrived at on the basis of 108 and 100 per cent. of the performance of collieries in 1950. The Government's conservation policy does not at all err on the side of over-fixing the targets. There is nothing wrong in giving concession to a colliery, the operation of which would become uneconomic, consequent on pegging its output by allowing it to exceed its target.

Mr. Agarwalla's contention that restrictions on retrenchment defeat the purpose of conservation, however, is beyond doubt. For it is to an axiomatic truth that conservation cannot be carried out successfully without retrenchment of surplus labour. Although the plea that economically affected collieries should be compensated by the Government sounds reasonable, the State, faced as it is with financial stringency, cannot afford to bear the burden of compensation, however willing it may be to do so.

Mr. Agarwalla has also made a scathing attack on the Government's policy of financial assistance to collieries carrying out voluntary stowing. He further seems to disapprove of the policy of relaxation of restrictions on the output of coking coal in the case of those mines which have undertaken stowing measures. These attacks emerge from an incorrect appreciation of the definition of conservation. It is an admitted fact that conservation of wasting assets such as coal lies not so much in restriction of output as in inefficient extraction and utilisation. Experts aver that stowing offers one of the best means of conservation of coal in general and metallurgical coal in particular. But stowing is a costly process. As such, any assistance or concession to collieries undertaking stowing measures is surely justifiable. We do not feel, as did Mr. Agarwalla, that such assistance to voluntary stowing as is being given now should be re-examined immediately. One cannot judge the success or failure of an experiment immediately. The experiment of assistance to voluntary stowing needs to be watched for a sufficiently long time before any opinion is expressed on it. We, therefore, certainly do not agree with the view of Mr. Agarwalla that assistance to voluntary stowing tantamounts to premium on collieries which had worked inefficiently for long and were compelled to take up to stowing as an inevitable measure. Assistance should be given not only for stowing but also for washing coals and blending them.

RETRENCHMENT IN RAILWAY COLLIERIES

The Industrial Tribunal, Dhanbad, has granted permission to retrench surplus labour, numbering about 4,145 persons, in railway collieries. This is the outcome of an application for permission to retrench surplus labour employed in different collieries by the authorities concerned. The Tribunal held that it was the right of the management to decide the number they should engage and retrench the rest so long as the decision was not actuated by any ulterior motive, and there was a *prima facie* case for the same. The Tribunal observed that the workmen were, however, free to move the Government to make a reference to the

(*Continued in previous column*)

INDIAN RAILWAYS AND FIVE-YEAR PLAN

WAGON USERS' UTOPIA IS OUT OF QUESTION

(By F. C. BADHWAR, Chairman, Railway Board)

THE general objectives of the Five-year Plan are well known but the exact role which Indian railways should play in progressing them is perhaps not so clear to the public. Railway programmes, as far as the Plan is concerned, must necessarily be consequential to the targets and important projects to which high priority is given but have, at the same time, to be based on the realities of resources available.

Before deciding the actual steps that should be taken to provide the additional carrying capacity which the Plan requires, it will be as well to review the main functions that important users expect the railways to perform during the next three years. Few agree on the emphasis that should be given to the various aspects of railway performance and competing interests are naturally pressing for those railway facilities that affect them most. Let us, therefore, examine the views that have been expressed by the leading organisations of railway users during the past few months.

At its last annual meeting, the Associated Chambers of Commerce, while paying a tribute to the "admirable way in which railways had faced up to the colossal tasks with which they had been confronted in recent years and managed, despite many vexatious difficulties, to cope with the demands of industry to a large measure," expressed the view that the supply of transport facilities must be equated to the growing demands from industry and that 'railway expansions must precede and keep ahead of the increases in production." In other words, railways should plan to provide slightly more carrying capacity, some months earlier than it is actually required, to enable industry to expand and make forward arrangements with confidence.

The point of view of agriculture is that railways should make all the arrangements that are necessary for carrying its produce during, or shortly after, harvest periods, even if this involves special considerations like supplying many more wagons at certain seasons than during the remainder of the year.

Trade and commerce, which are particularly interested in exports and imports, both regional and foreign, require wagons at comparatively short notice in the numbers, and of the types, and at the times and stations that are most suitable for each transaction. For example, firm arrangements for moving a consignment may be finalised while a ship is unloading at a particular port and the interest concerned often want train-loads to be rushed down from their factories or mines to the port within a few days, even if this involves empty haulage in one direction.

That such demands, as well as the seasonal requirements of agriculture, can be met only if appreciable reserves of wagons and power are regularly maintained by railways, is not always taken into account.

Most States, and other regional interests, want new railway lines to open areas, neglected in the past in respect of transport facilities, where economic development is, in consequence, being hampered, sometimes to the detriment of the country as a whole. Passenger associations focus their demands on more and better travelling facilities and modern amenities at stations. There are many other demands also, usually from vocational or sectional interests, and, in a responsive democracy, it is neither desirable nor possible to ignore them.

The Five-year Plan has given an opportunity to all users of railways to press for the fulfilment of their particular requirements during the Plan period and few are prepared to let this chance go by default.

The railways themselves also have a number of urgent new requirements connected with the removal of operational and engineering difficulties and with the need for achieving self-sufficiency in respect of the specialised components which they use. The coontry's demands on railways since Partition and Independence are, in many cases, different from those under the previous regime and it is not always possible to adapt existing systems and installations to meet the new conditions. There are certain purely railway requirements, therefore, which have to be met, if the organisation is to work more efficiently, and these have to be added to the many demands from industry, agriculture, trade, States and other interests.

All A Question of Priorities

The majority of these numerous demands cannot be termed as either unjustified or unreasonable, but their fulfilment is obviously not possible within five or even 10 years. Railways have to make the best possible use, from an all-India angle, of such resources as are likely to be made available to them and their programmes for execution really boil down to questions of priorities to meet the most pressing needs of the Five-year Plan, to such an extent as is possible, by the end of 1955-56. Two years of the Plan period have passed and the remaining three are all too inadequate, both in respect of time and funds, to bridge the full gap between what is wanted and what can be provided.

Let us see what resources are actually earmarked for railways during these remaining three years of the Plan period. An allotment of Rs. 400 crores for the five years is shown in the Plan, this figure being based on the assumptions that the railways will themselves contribute Rs. 320 crores, representing the estimated difference between their gross earnings and their total working expenses during this period, and that the remaining Rs. 80 crores will be found from Central revenues.

During the first two years of the Plan period, expenditure of a capital nature on railways has amounted to about Rs. 150 crores, thus leaving approximately Rs. 250 crores for the remaining three years. Railway programmes, therefore, have to be contained within an average overall annual expenditure of about Rs. 83 crores during 1953-54 and each of the two succeeding years. Any downward fluctuations in net earnings, or tightness of funds in the Central balances, will tend to slow down, or curtail, such programmes, while increased railway revenues will enable quicker progress to be made, or additional items to be included.

Rehabilitation—First Need

As explained in the Five-year Plan itself, the railway programmes must necessarily concentrate on rehabilitation first and some operating, technical and productivity improvements next, with a few of the more urgent expansions being added, if funds permit. There can be no dispute about rehabilitation getting first preference, as efficient and intensive performance from existing assets can be ensured only if each is brought up to, and maintained in, good serviceable condition. Operating and technical improvements and modernisation of equipment for signalling, workshops, engine sheds, etc., are also necessary to obtain the best results from the present installations.

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Some indication of the benefit that has already been obtained from such measures is provided by the average monthly net ton-miles carried in 1952-53 as compared with 1948-49. The increase has been over 40 per cent., though the number of locomotives and wagons in the total holdings of railways was practically the same throughout this period. The increase in performance by railways, during the same period, of which the train-miles run is an index, was also substantial. The monthly average passenger train-miles went up by about 16 per cent., while goods train-miles rose by about 25 per cent. These figures show the significant efforts made by railways, since the Partition, to get the best out of the equipment they have had to work with.

Training of Staff

Rehabilitation and improvements should not be confined to track, rolling stock, signalling, workshops and marshalling yards, but must be extended to the training of staff and some amelioration in their working and living conditions. There has been much loose talk about the low productivity of Indian workmen without a fair and objective analysis of the conditions under which they have to live and do their work and the physical and nutritive factors that must affect them. For improving output on Indian railways modern equipment is not the whole answer, even if it could be afforded on an extensive scale, and well trained, well rested and well nourished workers are as important as well designed equipment, perhaps even more so in our trying climatic conditions. The line of approach on railways is, therefore, to balance these important factors and try to obtain increased output and higher efficiency from the existing staff by better training and improved working and living conditions as well as modern equipment.

Operating Improvements

The more urgent operating improvements being undertaken include the provision of about 40 per cent. increased line capacity between Bezwada and Madras, various items essential for the additional rail movements required for the expansion of our two steel works, including the doubling of the Rourkela-Manoharpur and Adra-Asansol sections, some works for increasing the distribution of coal, like increased capacity on the Annupur-Katni and Barkakhana-Sone East Bank sections, a broad-gauge bridge over the River Ganga near Mokameh and doubling of a part of the Ahmedabad-Mehsana line. Track and signalling standards are also being improved on intensively worked main lines, and mechanical and electrical equipment, and techniques in workshops, are being gradually modernised. Training facilities for staff of all levels, including the Central Staff College at Baroda and the zonal transportation and signalling schools on each railway, are being improved and expanded.

Additions and Expansions

It is only after these first priorities have been covered that it will be possible to divert such funds, and other resources, as remain to the provision of some urgent additions and expansions, which can be listed, broadly, under two main heads, namely, new rolling stock and new lines.

With regard to new rolling stock, programmes within the allotment for railways in the Plan cannot include many additions as there are heavy accumulations of arrears of replacements to overtake. There were 8,209 locomotives, 19,193 passenger carriages and 1,99,049 wagons in service on Indian railways on 31st March, 1951, and of these 3,956 locomotives, 9,916 carriages and 73,371 wagons will be over-age at the end of the Plan period, namely, on 31st March, 1956, many of them being of obsolete types. It is, of course, not possible to obtain regular normal performance from more than a proportion of such average stock and the replacement of most of it is, therefore, both important and economical. It is not, however, always necessary to provide 100 new engines for each 100 old ones removed from service. The present standard types, designed by the Railway Board for Indian conditions and thoroughly tested in service, are, in some cases, more powerful and can, therefore, haul longer and heavier trains. It is also obvious that for the same level of performance a lesser number of locomotives and wagons, which are both under-age and in good condition, is required than is the case when the stock is over-aged. If, therefore, the problem was one of replacement only, and there was no necessity to cater for rising levels of traffic, the formidable figures indicated above might be reduced to some extent. But railways have to plan for an expanding economy

and every precaution must be taken to provide safeguards against pronounced shortages of rolling stock in future. The actual funds available, however, must decide the final postponement programmes and so far it has not been possible to plan for more than 1,444 new locomotives, 6,166 new passenger coaches, and 5,662 new wagons during these five years. The doubts expressed by the Associated Chambers of Commerce regarding the adequacy of the provision for progressive increases in the movements of goods and mineral traffic are, therefore, not without some foundation.

New Lines

Coming to the provision for new lines, so many are wanted and, comparatively, so few can be provided, that the problem is where to start and what to include. After the new works required in connection with the oil refineries that are being set up, a new line connecting the large metre-gauge systems of north and south India with each other, through the Khandwa-Hingoli link, is now the most urgent; but there are also many other projects which are important to both railways and other interests. The need for new lines to open up undeveloped areas in many parts of the country is apparent and will have to be accepted as soon as some resources can be spared for this purpose. It would be more methodical to deal with this problem by setting aside a specific sum each year to be spent on such new lines during the next decade. At present-day price levels, the inclusive cost of a new line through average terrain may be assumed at Rs. 4 lakhs per mile—it is less for metre-gauge but somewhat more for broad-gauge—and on this basis each 100 miles of new line would cost about four crores. Construction to austerity standards, designed for light traffic only, may reduce first costs by 10 to 15 per cent. but there is still the question of working expenses, i.e., recurring costs, to consider as new lines can seldom even pay their way for the first six to a dozen years. Where mountainous country, or heavy bridging, have to be faced, the cost may well rise to range from Rs. 9 to Rs. 12 lakhs per mile. These figures do not include the cost of the additional rolling stock that would be required to work these sections and before new lines are constructed on an appreciable scale, therefore, the necessary funds and reasonable returns have to be assured.

Electric Traction

Electric traction offers advantages on some sections of Indian railways and there are two in particular where its introduction should not be delayed much longer. The Calcutta suburban sections which have reached saturation point with steam traction should be electrified as early as possible, this electrification being extended to the Bengal-Bihar coalfields as funds permit. The extension of electric traction from Igatpuri to Bhusaval, on the main Central Railway line serving Bombay, will also have to be undertaken before very long, as the capacity of this double line section has practically no margin left for more steam trains and, unless electrification, or a third railway line over 200-mile length, is provided, the quantum of goods moved to and from Bombay cannot be increased.

Distribution of Funds

After a very careful study of all aspects of these many problems, the Railway Board have decided to distribute the Rs. 250 crores that they expect to get for expenditure of a capital nature during the next three years, as shown below:

(In crores of rupees)

(*a*)	Rehabilitation, including steps to attain self-sufficiency	193
(*b*)	Operating and technical improvements and amenities for passengers and staff	33
(*c*)	Additions and expansions under rolling stock and new lines (including works in progress)	30
(*d*)	Miscellaneous, including investments in road services, etc.	4

These are round figures and, in some cases, there is no sharp dividing line between rehabilitation and improvements, but, in the context of the Plan's requirements from railways, with particular reference to the projects which have been given high priority, the Board are convinced that it would be difficult to arrange a better distribution of these funds. It is obvious that railways cannot, during the Plan period, wholly satisfy the demands of the many interests wanting increased carrying capacity and industry, agriculture, trade, development of backward areas and passengers will all have to continue to accept some degree of rationing as far as rail transport is concerned. Present trends, however, indicate that such rationing will be less severe than hitherto and, unless heavy movements of foodgrains or some similar emergency upset calculations, at least 90 per cent. of traffic offering will be freely moved. There should also be no undue apprehensions about serving the remaining 10 per cent. provided the railways are permitted to deal with it in their own time. It will not, however, be possible to afford that reserve margin of extra carrying capacity which would enable industry, or agriculture, to obtain, promptly on demand the full numbers and exact type of wagons required at any station for any destination—in other words, a wagon users' utopia is out of the question.

The Five-year Plan is neither static nor rigid and is only a beginning. It has been accepted by the Planning Commission that each new major project which is examined should include the full transport component necessary for its success. In all such schemes that are sanctioned for execution in future, therefore, the railway element will automatically be provided. This includes new steel plants, schemes for the export of minerals, new industries and multi-purpose river valley projects, etc., that may be undertaken hereafter.

Wanted A Blood Transfusion

An eminent foreign economist, who is also a widely experienced planner, asked me about two months ago to name, if possible, the single most urgent and vital requirement of Indian railways that could, if met, produce the greatest benefit to the country immediately, even if it took some time to make good other shortages. My answer was that a "blood transfusion" of about 500 new locomotives and 20,000 new wagons, which our existing line capacity could easily and usefully absorb, would enable Indian railways to move freely practically all the goods traffic offering to-day. This stock would, however, have to be imported as the entire installed capacity for manufacturing engines and wagons in the country has already been fully booked for the next three years. Without this replenishment, however, it may take some time, beyond the Plan period, to equate the carrying capacity of Indian railways to the increased production aimed at in the Five-year Plan.—*All Rights Reserved.*

(Concluded from next column)

Thus, the output of hessian has moved up from 29,011 tons in February to 31,635 tons in March. Similarly the production of sackings has risen from 37,171 tons to 40,049 tons. The output of other varieties has gone up from 2,433 tons to 2,746 tons.

Latest reports from Dundee, however, disclose that jute manufactures producing centres outside India are much better placed than the Indian jute mills. Continental manufacturers are extremely busy. Many of the mills in Dundee, for instance, are working overtime, but are still unable to cope with the internal demand. It is stated that the Continental manufacturers have obtained orders by shading their terms below those of Calcutta. It is, however, admitted by the Continental manufacturers that the prices contracted for have left little or no profit. The only recompense has been the receipt, from the sale of their goods, of foreign currency, particularly from the dollar markets. But this state of affairs cannot continue long. Herein lies the silver lining in the cloud for the jute mills in India.

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STOCK POSITION OF JUTE GOODS IN MARCH

UPWARD TREND STILL PERSISTS

STOCKS of jute manufactures with the Indian jute mills as at the close of March, 1953, disclose a further rise over those in the previous month. Thus, they were 139,385 tons at the end of the month under review, as against 136,106 tons, at the end of February, 1953, thereby representing a fractional rise of 1.6 per cent. This increase in percentage compares with a rise of 6 per cent. in the stocks at the end of February, 1953, when stocks stood at 128,413 tons. The stocks at the end of the month under review shows an increase of 24 per cent. over those at the end of March, 1952, when they amounted to 111,574 tons.

An analysis of the stock position of different categories of goods discloses that whereas the rise in hessian stocks has been markedly upward, the stocks of sackings and others have registered a slight decline. Thus, stocks of hessian increased from 38,632 tons at the end of February to 41,732 tons, at the end of the month under review. But, sackings and others declined during the same period from 95,000 tons and 2,474 tons to 94,494 tons and 2,159 tons, respectively. The increased stocks of sackings continue to indicate that the reduction of import duties has failed to stimulate demand for sackings. It is, in fact, this position that forced the mills to request the Government to permit them to seal 20 per cent. of their looms, instead of the existing 12½ per cent. The request has, as stated previously, been turned down.

A summary of the detailed position of jute goods stocks with mills as at the end of March, 1953, as compared with those at the end of the two preceding months and 31st March, 1952, is given in the table below:

(In tons)

	As on			
Civil	31-3-1953	28-2-1953	31-3-1953	31-3-1952
Hessian	40,611	37,760	36,439	42,123
Sacking	92,158	92,228	85,389	57,793
Others	2,122	2,340	2,544	1,697
Total	1,34,893	1,32,354	1,24,372	1,01,613
Government				
Hessian	1,119	846	832	1,828
Sacking	2,336	2,772	3,052	8,086
Others	37	134	156	42
Total	3,492	3,752	4,046	9,956
Grand total	1,38,385	1,36,106	1,28,418	1,11,574

The heavy accumulation of stocks reflects the gravity of the situation. How difficult the position of mills is will be evident from the weak trend in the jute goods market; if the trend of prices is an indication, B Twills, for instance, which was quoted in the Budget week at Rs. 96 is now placed at as low as Rs. 86-8.

The table below gives the output of jute goods during each of the three months ended March, 1953, as also on 31st March, 1952:

(In tons)

	As on			
Civil	31-3-1953	28-2-1953	31-1-1953	31-3-1952
Hessian	29,553	26,846	28,251	25,364
Sacking	39,560	36,979	39,338	49,734
Others	2,746	2,419	2,834	2,564
Total	71,859	66,244	70,423	77,662
Government				
Hessian	2,082	2,165	2,083	116
Sacking	489	192	422	5,106
Others	..	14	67	15
Total	2,571	2,371	2,572	5,237
Grand total ..	74,430	68,615	72,995	82,899

It is seen in the table that the output of jute goods at 74,430 tons in March, 1953, has registered a rise of 8.4 per cent. over that of the previous month. The consumption of raw jute calculated on the basis of production can be placed at 431,694 bales, as against 395,151 bales in February, 1953. With the output of jute goods in the month under review, the total production during the nine months of the 1952-53 season aggregated 671,957 tons, as compared with 707,205 tons in the corresponding period of the preceding season. The consumption of raw jute, so far during the season may be put at 3,777,350 bales as compared with 4,101,739 bales.

An analysis of production of jute goods, category-wise, shows that there has been an increase in all the three varieties of goods.

(Continued in previous column)

ALLAHABAD BANK, LIMITED

(AFFILIATED TO THE CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA)

Balance Sheet as on 31st December, 1952

CAPITAL AND LIABILITIES	Amount	Total
1. Capital—	Rs. a. p.	Rs. a. p.
AUTHORISED CAPITAL—		
85,000 Ordinary Shares of Rs. 100 each.	85,00,000 0 0	
15,000 6 per cent. Cumulative Preference Shares of Rs. 100 each	15,00,000 0 0	
	1,00,00,000 0 0	
ISSUED AND SUBSCRIBED CAPITAL—		
60,000 Shares of Rs. 100 each	60,00,000 0 0	
AMOUNT CALLED UP—		
16,000 Ordinary Shares of Rs. 100 each fully paid in cash.	16,00,000 0 0	
29,000 Ordinary Shares of Rs. 100 each Rs. 50 paid in cash.	14,50,000 0 0	
15,000 6 per cent. Cumulative Preference Shares of Rs. 100 each fully paid in cash	15,00,000 0 0	
	Nil	
LESS—Calls Unpaid	Nil	
ADD—Forfeited Shares		45,50,000 0 0
2. Reserve Fund and Other Reserves—		
Reserve Fund	1,08,00,000 0 0	
Reserve for Branch Development	33,556 1 0	
		1,08,33,956 1 0
3. Deposits and Other Accounts—		
Fixed Deposits	12,50,39,863 14 9	
Savings Bank Deposits	3,00,61,977 2 7	
Current Accounts, Contingency Accounts, etc.	10,35,81,748 9 11	
		26,35,83,587 11 3
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	Nil	
(ii) Outside India	Nil	
PARTICULARS—		
(i) Secured (stating the nature of security)	Nil	
(ii) Unsecured	Nil	
5. Bills Payable		48,28,819 8 1
6. Bills for Collection being Bills Receivable as per contra—		
(i) Payable in India	87,11,212 5 10	
(ii) Payable outside India	13,91,811 3 8	
		1,01,03,023 9 6
7. Other Liabilities—		
Cashiers' Provident and Fidelity Fund partly invested per contra	6,63,319 14 8	
Unclaimed Dividends	43,481 6 0	
Deposit by Nominee Subsidiary	5,000 0 0	
		7,11,801 4 8
8. Acceptances, Endorsements and Other Obligations per contra		93,41,281 15 4
9. Profit and Loss Account—		
Profit as per last Balance Sheet	13,14,623 8 2	
LESS—Appropriations—		
Paid to Shareholders, Dividend at 12 per cent. per annum and Bonus at 6 per cent. per annum on Ordinary Shares for six months ending 31st December, 1951 (free of Income-tax) Rs. a. p. 2,74,500 0 0		
Dividend on Preference Shares for six months ending 31st December, 1951 (free of Income-tax) 45,000 0 0		
Bonus to Staff (General Manager Rs. 8,000) 5,29,254 3 0		
	8,48,754 3 0	
	4,65,869 5 2	
ADD—Profit for the year brought from Profit and Loss Account	18,39,304 8 11	
	23,05,173 14 1	
LESS—Appropriations—		
Interim Dividend to Shareholders at 12 per cent. per annum and Bonus of 6 per cent. per annum on Ordinary Shares for six months ending 30th June, 1952 (free of Income-tax). Rs. a. p. 2,74,500 0 0		
Interim Dividend on Preference Shares for six months ending 30th June, 1952 (free of Income-tax) 45,000 0 0		
Transferred to Bank's Investments 5,00,000 0 0		
Transferred to Trustees, Staff Pension Fund 1,00,000 0 0		
	9,19,500 0 0	
		13,85,673 14 1
10. Contingent Liabilities—	Rs. a. p.	
Claims against the Bank not acknowledged as debts	60,862 0 0	
Guarantees and Indemnities—		
On behalf of Customers	96,182 6 0	
On behalf of Directors and Officers	Nil	
Liabilities on account of Outstanding Forward Exchange Contracts—		
Sterling	£2,47,393 11 0	
U. S. Dollars	$ 85,490	
Total .. Rs.		31,03,38,144 0 8

PROPERTY AND ASSETS	Amount	Total
1. Cash—	Rs. a. p.	Rs. a. p.
In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		2,82,29,844 13 5
2. Balances with Other Banks in Current Account—		
(i) In India	3,38,476 4 11	
(ii) Outside India	14,93,571 9 4	
		18,32,047 14 3
3. Money at Call and Short Notice		31,52,000 0 0
4. Investments, below Market Value—		
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	10,56,89,139 13 0	
(ii) Shares	Nil	
(iii) Debentures or Bonds	5,000 0 0	
(iv) Other Investments (Securities of the Pakistan General and Provincial Governments)	59,66,727 8 6	
(v) Gold	Nil	
		11,16,60,867 8 5
5. Advances—		
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
(i) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India .. 12,88,83,293 13 11		
(ii) Outside India .. 33,16,551 6 11		
	13,22,00,815 4 10	
(ii) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India .. 68,15,157 5 1		
(ii) Payable outside India .. 11,78,078 0 9		
	79,93,235 5 10	
		14,01,94,050 10 8
PARTICULARS OF ADVANCES—		
(i) Debts considered good in respect of which the banking company is fully secured	13,22,63,049 14 7	
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	59,67,221 3 7	
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	9,63,179 8 6	
(iv) Debts considered doubtful, or bad, not provided for	Nil	
	14,01,94,050 10 8	
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	Nil	
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	Nil	
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	Nil	
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	Nil	
(ix) Due from banking companies	26,15,909 14 4	
6. Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	87,11,212 5 10	
(ii) Payable outside India	13,91,811 3 8	
		1,01,03,023 9 6
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		93,41,281 15 4
8. Premises Less Depreciation—		
Total cost to 31st December, 1951	63,40,831 4 10	
ADD—Additions for the year to 31st December, 1952	60,957 10 0	
	64,01,788 14 10	
LESS—Sales for the year to 31st December, 1952	500 0 0	
	64,01,288 14 10	
LESS—Total depreciation to 31st December, 1951	38,38,281 4 2	
	25,63,007 10 8	
LESS—Depreciation for the year to 31st December, 1952	63,382 3 0	
		24,99,625 7 8
9. Furniture and Fixtures Less Depreciation—		
Total cost to 31st December, 1951	13,06,334 10 2	
ADD—Additions for the year to 31st December, 1952	3,63,326 14 6	
	17,64,661 8 8	
LESS—Sales for the year to 31st December, 1952	21,994 15 5	
	17,42,666 9 3	
LESS—Total depreciation to 31st December, 1951	9,21,932 7 11	
	8,20,734 1 4	
LESS—Depreciation for the year to 31st December, 1952	63,789 15 7	
		7,56,944 1 9
10. Other Assets including Silver—		
(i) Deposit under Section 2 of Excess Profits Tax Ordinance, 1943	4,03,027 0 0	
(ii) Cashiers' Provident and Fidelity Fund Investment in Central Government Securities at market value	5,32,844 6 0	
(iii) Interest accrued on Investments but not collected	10,28,659 12 11	
(iv) Stationery at cost	4,11,853 15 10	
(v) Stamps	15,900 11 11	
(vi) Nominee Company	5,000 0 0	
The net assets of the Nominee Company amount to Rs. 5,000 represented by deposit with the Bank, per contra.		23,97,285 14 8
11. Non-Banking Assets Acquired in Satisfaction of Claims— Immovable Property—Estimated Realisable Value		1,80,872 6 0
12. Profit and Loss		Nil
Total .. Rs.		31,03,38,144 0 8

Profit and Loss Account for the year Ended 31st December, 1952

EXPENDITURE	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	34,85,728 3 10
2. Salaries and Allowances and Provident Fund (General Manager Rs. 67,700)	53,21,045 11 3
3. Directors' and Local Committee Members' Fees and Allowances	13,800 0 0
4. Rent, Taxes, Insurance, Lighting, etc.	12,55,737 9 2
5. Law Charges	24,103 11 10
6. Postage, Telegrams and Stamps	2,50,967 8 6
7. Auditors' Fees	5,750 0 0
8. Depreciation on and Repairs to the Banking Company's Property	1,73,383 1 3
9. Stationery, Printing, Advertisement, etc.	2,72,068 0 8
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil
11. Other Expenditure	4,51,994 6 8
12. Balance of Profit	18,39,304 8 11
Total .. Rs.	1,30,96,882 14 1

INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. a. p.
1. Interest and Discount	1,06,76,090 3 11
2. Commission, Exchange and Brokerage	22,83,421 15 11
3. Rents	1,37,370 10 8
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)	Nil
5. Net Profit on revaluation of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
7. Other Receipts	Nil
8. Loss (if any)	Nil
Total .. Rs.	1,30,96,882 14 1

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Allahabad Bank, Ltd., as at 31st December, 1952, and also the foregoing Profit and Loss Account of the Bank, in which are incorporated the audited Returns of Calcutta and Bombay Branches and the authenticated Returns of the remaining Branches for the year ended on that date, and report that:

(a) we have verified the cash and securities at Head Office and have obtained all the information and explanations which we have required and have found them to be satisfactory;
(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;
(c) the Returns received from Branch Offices of the Bank have been found adequate for the purpose of the audit;
(d) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;
(e) such Profit and Loss Account shows a true balance of profit for the twelve months;
(f) such Balance Sheet exhibits a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us and as shown by the books of the Bank; and
(g) in our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

A. F. FERGUSON & CO.,
Chartered Accountants.

CALCUTTA, Dated 7th February, 1953.

J. F. WOOD,
General Manager.

D. C. SENGUPTA,
Accountant.

E. J. PAKES,
U. C. MAHTAB,
IQBAL AHMAD,
A. H. FORD,
J. F. WOOD.
} Directors.

WORLD STEEL DEVELOPMENTS

JAPAN'S PLAN TO COUNTER SCHUMAN THREAT

IN recent weeks, certain interesting developments have taken place in the world of steel. The European producers have taken the view that the fall in export prices, which had been proceeding almost uninterruptedly for several months, has been overdone. They, therefore, have made a sudden and concerted move to raise their export prices. The move is to raise the rate to $85 per ton f.o.b. Antwerp, from below $80 prevailing now. It may, however, be noted that last summer when the U.S. steel strike was on, the rate was as high as $100 per ton.

The proposal is reported to have been referred to the European Iron and Steel Cartel, which was reconstituted in the third week of March last, with Belgian, Luxemburg, German and French producers as its members. The Cartel is of special importance to Belgium and Luxemburg producers, who rely predominantly on export trade and are among the world market's biggest suppliers of steel. The Cartel, as re-formed, does not, it is stated, infringe the regulations of the European Coal and Steel Community, the authorities of which are said to have been informed of the Cartel's constitution and decisions. It is stated that the Cartel will not affect free competition within the six-member nation countries of the Schuman Plan. The Cartel is now reported to confine itself to the fixing of export price only and it is believed that the price will be so adjusted as to be, as far as possible, not lower than the internal price that would be charged in the common market, the opening of which is scheduled for 1st May.

The British export prices for steel and steel products are now well above the Continental quotations, and in some products the gap has been widening, since the beginning of this year. It is true that the U.K. export prices were cut in the beginning of the year, but the reductions were on a comparatively small scale and did not cover the heavy products. Even the proposed increase in European steel price still will not be sufficient to close the gap between the rates of the U.K. and the Continent.

There is a feeling in the Continent that the U.K. export prices are high. But British exporters point out that their price policy has always been based on considerations different from that of the Belgian industry, which largely determines the export prices of Continental producers. The Belgians charge much higher export premia than the U.K. at the height of the boom. Traditionally, their prices fluctuate much more frequently in response to slight changes in market sentiment. The British exporters further aver that their steel is superior to Continental steel. This argument, however, does not hold good in all cases. The gap between the U.K. and the Continental prices for structural steel is very great and it cannot be accounted for by difference in quality alone.

The U.K. steel industry is, however, watching the situation carefully. So far, it has not found any compelling reason to reduce its export prices. The prime object of the U.K. Government's policy in regard to export prices for steel seems to be to guarantee a large quantity of cheaper steel to the British steel industries—cheaper than is available to any of its competitors—and to rely chiefly on indirect exports in the form of finished metal goods. At present, the U.K. is exporting only about 15 per cent. of its total production of 16 million long tons. There are many Government restrictions on tonnages and destinations of steel exports.

Japanese steel makers are much perturbed by the prospects of competition from the European Steel and Coal Pool. They fear that the Pool will threaten their steel markets in West Europe, the Near East, South-East Asia, South America and Australia. They propose to counter this threat by establishing a central organisation. A preliminary conference of the Japanese Iron and Steel Manufacturers' Association, held towards the end of March last at Osaka, was of the view that an export of 1.2 million tons of steel annually would absolutely be necessary, if Japan were to obtain sufficient credit to pay for vital imports of iron ore. The Osaka Conference also decided to urge the Government to appoint a foreign official thoroughly acquainted with the steel industry on the Japanese Legation in Luxemburg and further to organise a joint Government and private body to make policy recommendations. Already, it may be noted, the Japanese steel makers have stationed a representative at Luxemburg and the Yawata Iron and Steel Company, one of Japan's biggest steel concerns, has also sent a special expert to Bonn to report on the activities of the Schuman Plan. The delegates to the Conference agreed to co-operate in the purchase and dispositions of scrap iron. At present, the anti-monopoly law, among others, prevents the Japanese steel industry from setting up a joint-purchasing organisation to buy scrap at lower prices on behalf of the entire industry. There are doubts even as to the legality of the current agreement to co-operate voluntarily in the purchase and disposal of scrap. It is, therefore, hinted that pressure will be brought to bear upon the Government to amend the anti-monopoly law.

It is, however, difficult to forecast the prospects for prices on the basis of present pattern of prices. For, almost in every country, plans are ahead towards expanding steel production. When the present plans come to fruition, it will raise the present production of steel by over 60 million long tons in the five years that lie ahead. The production in 1952 was 208 million long tons, as against 134 million tons in 1947 and, if there had not been the steel strike in the U.S., the world production would have approached 225 million tons. The shortage of steel, which the world is still experiencing, is mainly due to the absorption of the metal, to a large extent, by the war industries. And if peace were to return shortly to this tormented world, then a sizable supply of metal would be released from war to peaceful pursuits. As against this prospect, there is the fact that the capacity for consuming steel has also been expanding simultaneously throughout the world, so that the prospects of any burdensome surplus of steel are not bright, provided the price of metal promptly adjusts itself to suit the changed conditions. Some, however, argue that the volume of world trade in steel as such may tend to decline. They contend that installation or extension of steel-making facilities in importing countries clearly portends a reduction in the tonnage of steel entering international trade, unless consumption in these countries exceeds indigenous production at a rapid rate. And in their opinion, indications are that this influence is not, however, likely to be very strong over the next few years. At the same time, they concede that there is little likelihood of the world trade in high quality steel products declining in the near future. For the consuming countries intending to establish or already establishing steel-making plants, it is natural to begin with simple products, such as heavy section, rail, etc. and import such items as sheet, tinplate, tubes, wire and alloy steel. It is so even in cases of extensions to existing plants in countries which have not well-developed steel units.

One general conclusion that can be safely deduced is that the future expansion in the consumption of steel in the world will depend on the ability of the industry to supply steel at a price within the purchasing power of the consumers. This will be the main factor that will determine the volume of world trade in steel. The sellers' market is already fading and it will not be long before the buyers' market is established strongly in many parts of the world.

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BUILDING RESEARCH IN INDIA

CENTRAL INSTITUTE OPENED

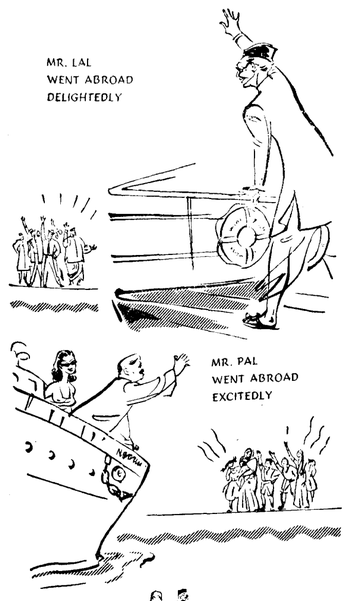
THE Central Building Research Institute which was formally opened on Sunday last at Roorkee, is the last in the network of eleven research institutes included in the first plan of the Council of Scientific and Industrial Research (C.S.I.R.) and the first major national building research institute set up in the tropics. It will be recalled that the establishment of this institute was recommended as early as in 1944 by the Building Research Committee set up by the C.S.I.R. in 1943. As in the case of other national research institutions, research work in building construction did not wait for the erection of the institute buildings, but was started in 1947 in temporary quarters at Roorkee. The foundation-stone of the new building, now opened, was laid in 1951.

The importance of research in building problems needs no emphasis, especially in modern times. It is an admitted fact that shifts in population due to changing pattern of economy and political conditions, limited availability of land, shortage of conventional building materials and other similar factors have all emphasised the need for research in building techniques and materials, with a view to reducing costs and improving the quality of work. Among prominent aspects, which require investigation, mention may be made of problems of design, functional requirements of buildings, basic studies of structures, standardisation of building components and evolution of new materials or substitutes. Attention has also to be devoted to the nature and properties as well as treatment of clays, minerals and soils. Materials and practices evolved in foreign countries require to be studied to facilitate their adoption to suit Indian conditions and climates.

The first building research station was established in the U.K., in the early twenties, with a view to combating increasing cost of building construction, which followed the First World War, 1914-18: Many more countries in Europe and elsewhere followed suit in the next decade, and as a result, there exist now building research institutes in all major countries of the world. The Building Research Institute in India is the latest addition to their numbers.

Although the problems for investigation in building research institutes are generally common, the solutions to them, however, vary from country to country, according to climate, soil, availability of indigenous materials and other factors. So far as India is concerned, the solution found in Europe and the U.S. in reducing costs and improving quality of buildings is not of much value, in view of the basically different character of Indian and Western houses, or more exactly, because of the basically different standards of performance required in temperate and tropical zones. The Institute will, therefore, pay special attention to factors governing comfort and efficiency under tropical conditions and the use of indigenous materials such as, stone, clay and bamboo, among others. The work of the Institute will be carried out under four main heads, viz., problems relating to (*a*) building materials, (*b*) methods of construction, (*c*) performance of buildings, and (*d*) survey and information. Work done so far in the Institute regarding soil stabilisation, improvement of dwelling construction and waterproofing have already yielded some results. Research work in these will be carried further.

If at all research is to be successful, it must be carried out, as pertinently pointed out by Dr. Kurt Billig, Director of the Central Building Research Institute, on the occasion of its formal opening, in close contact with the building industry interests, namely, manufacturers of building materials and contractors on one side, and designers, architects and consultants, on the other. It is gratifying to note that the Institute is to be a clearing house for the results of building research carried out in this country in the various institutes including itself as well as in foreign countries. For that purpose, we are told, there will be attached to this Institution (*a*) pilot plants for the introduction of promising manufacturing processes and valuable techniques from abroad, as well as for the development of novel methods initiated in India. (*b*) a building centre with a permanent exhibition of building materials, fittings, plant and construction processes, and (*c*) an information centre for the collection of foreign building practices and of the research results from the institutes and universities in this country.



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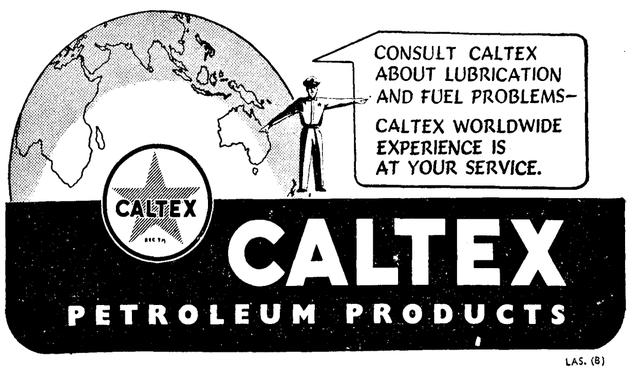
ARABIA



Behind the Arab of today there lies about three thousand years of history. Many centuries before it became the birthplace of Mohamed, Arabia was the home of a great civilisation. With the spread of Islam Arabia contributed greatly to the learning of the Western world, particularly in the realm of mathematics, while Arabic culture has also strongly influenced the East. Though his country consists mostly of desert, it adequately supports the hardy Bedouin who breeds the famous horses and camels. It also has one vast source of wealth . . . petroleum. The Caltex organisation, with its expert knowledge of the latest developments in petroleum research and its efficient system of distribution, is very much at the service of the Arab people.



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LIFE POLICIES AND ESTATE DUTY BILL

MR. VAIDYANATHAN CONSIDERS MODIFICATION OF CERTAIN CLAUSES NECESSARY

A RECENT development which has considerably perturbed the Indian insurance industry is the Select Committee's Report on the Estate Duty Bill, 1952. This measure has been on the Legislative anvil for nearly seven years now. A similar Bill was introduced in the old Legislative Assembly in 1946. It was later reintroduced in the Provisional Parliament in 1948. Subsequently it was referred to a Select Committee, but before its report was considered the Provisional Parliament was dissolved and the Bill, therefore, lapsed. After the new Parliament assembled, it was introduced again and, for the second time, referred to a new Select Committee. It is the report of this Committee that is now before Parliament. Ever since the report of this Committee was published, it has attracted the attention of leading life insurers in this country on account of certain disquieting provisions contained in the Bill. Last week, we referred to the views on the Bill of Mr. Mrutyunjaya Prasad, expressed at the Patna Insurance Club. Since then, other insurers too have expressed their reactions, and among these, certain well considered suggestions made by the veteran insurer, Mr. L. S. Vaidyanathan, Manager of the "Oriental," India's leading life office, merits full consideration.

Writing last week in the *Insurance Supplement* of the *Hindustan Times*, Mr. Vaidyanathan has made a convincing case for modifying substantially certain sections of the Bill, as it stands, for furthering the development of life insurance in India. These are sections 9, 10 and 14 of the Bill. Before referring to these sections, it is necessary to point out that the Bill seeks to levy a duty on estate passing on the death of an individual to his heirs. As the Bill stands framed, if the estate of deceased persons includes moneys received under a life policy owned by the deceased person, it would also attract the estate duty payable by the heir. At the outset, Mr. Vaidyanathan says that "it is imperative that a specific exemption from estate duty in respect of life insurance policies, at any rate upto a limit of Rs. 1 lakh, should be granted where policy moneys are payable to named beneficiaries, that is, nominee or assignee who has already been determined by the policyholder and in whose favour he has before his death executed a nomination or assignment, either absolute or conditional." He considers that a specific provision should be incorporated in the Bill itself for granting such exemption. The *raison d'etre* for this exemption is as follows:

(1) There is need for carefully fostering insurance consciousness among the public;

(2) the development of life insurance is of greater importance to the country, as it is the chief source of savings necessary for the formation of the country's capital;

(3) the importance is all the more great because, social security, in the form of provision for one's old age and for the family in the event of death of the bread-winner, has, in India, to be provided by the individual himself, in the absence of a State-sponsored comprehensive scheme;

(4) the provisions of the Insurance Act, 1938, with respect to nomination and conditional assignment, are extremely useful to policyholders and claimants. Nominations and conditional assignments now account for 90 per cent. of the total transfers of life insurance policies. Nothing, therefore, should be done to deprive policyholders of this advantage conferred by the Insurance Act. But the benefits of the Act are neutralised by certain sections of the Estate Duty Bill; and

(5) in the overwhelming majority of cases, policyholders make gifts of their policies either at the very time of taking out policies or very soon thereafter by way of nomination or assignment. The intention is that policy moneys are meant for the benefit of the nominees or assignees. Policies should be treated as gifts and, therefore, should be exempted from estate duty.

Now to come to the clauses referred to above. Clause 9 in the Bill provides that *bona fide* gifts of property by a deceased person at least two years prior to death are exempt from estate duty. Some have doubted whether this exemption applies to gifts of moneys payable under life insurance policies. Mr. Vaidyanathan is, however, sure on that point. He opines that gifts under life policies are not quite different from gifts of any other types of property. He, therefore, suggests that clause 9 of the Bill should be suitably amended so as to make it clear that the exemption provided therein applies also to gifts (by way of assignments or nomination or taking out the policy under the Married Women's Property Act) of life insurance policies made *bona fide* and not less than two years before the death of the deceased. In the U.K., there is, he says, a similar exemption in respect of *bona fide* gifts made three years before the death of a person and such exemption applies to gifts of life insurance policies also.

Fixation of Minimum Period

There is one more consideration to be borne in mind in regard to the fixation of a minimum period which should elapse between the date of the gift and the date of death, if the gift is to be exempted from the duty. In the majority of cases, policyholders make a gift of their policies at the time of effecting insurance to nominees or assignees. If, after some time, the nominee or assignee dies, the policyholder usually effects a new nomination. If a minimum period is laid down, it may well happen that in a number of cases the policyholder may die before the expiry of the minimum period of two years from the date of the second nomination. It will not be fair to deny the second nominee the benefit of exemption from the duty, as policyholder himself had established his intention to divest himself of the interest in the policy on the very day of his first nomination.

Clause 10 of the Bill provides that the gift to be entitled to exemption must be such that the donee immediately assumes possession and enjoyment of the property and thenceforward retains it to the entire exclusion of the donor. Commenting on this section, Mr. Vaidyanathan says that it is not right to lay down this onerous condition which insists on the donor to divest himself of all interest in the policy. This restriction will undo the entire benefit conferred on policyholders and claimants by the Insurance Act, 1938, as stated already. To force the donor to effect absolute assignment as a condition of exemption of the policies from the duty, is a disservice to policyholders and claimants. Because, the difficulties and hardships to claimants which flow from the restriction would outweigh the advantages that would accrue from exemption from the estate duty.

Clause 14 lays down that money received under a policy of insurance effected by a person where the policy is kept up by him for the benefit of the donee, whether nominee or assignee, or a part of such money in proportion to the premiums paid by him where the policy is partially kept up by him for such benefit shall be subject to estate duty. This clause is bodily lifted from the English Act, but Mr. Vaidyanathan feels that the framers of the Bill have overlooked the vast difference between the conditions obtaining in the two countries. In this country, the large majority of gifts of life policies are made for the benefit of the wife of the policyholder, whereas in the U.K. it is fairly common for the wife to have a separate income wherewith she would be in a position to pay the premiums on a policy gifted to her by her husband. In India, in a minority of cases, wives will have an income of their own to pay premiums on policies gifted to them by their husbands. Again, even in cases where nomination and assignments are made, the premiums are actively paid mostly by the policyholders themselves, with the result the benefit of clause 9 exempting the policy from estate duty will not be available. Consequently, clauses 9, 10 and 14 together will render illusory the relief in respect of life insurance policies envisaged in these sections. The suggestions for amendment of the Bill of Mr. Vaidyanathan are as follows:

(i) A specific provision should be incorporated in the Bill itself for granting exemption from estate duty in respect of life insurance policies, at any rate up to a limit of Rs. 1 lakh where the policy moneys are payable to named beneficiaries, i.e., where the policy is effected under the Married Women's Property Act or where the policyholder has executed a nomination or assignment either absolute or conditional.

(ii) Proceeds of life insurance policies payable to the estate of the deceased person himself where the policy was taken out for the specific purposes of paying estate duty should be exempt from estate duty up to the extent of the estate duty itself, subject to a maximum limit of Rs. 1 lakh.

(iii) It should be made clear that clause 9 of the Bill applies also to gifts of life insurance policies. So far as gifts of life insurance policies are concerned, the conditions in clauses 9 and 10 that the gift should have been made at least two years before the date of death and that the donee should assume possession and enjoyment of the property to the entire exclusion of the donor should not operate. Clause 14 should be deleted.

The Manager of the "Oriental" finally observes that Estate Duty Acts operating on proper lines have been found to give a fillip to the progress of life insurance in other countries. The Bill now before the House of the People in India, unless modified on the lines noted above, will, he says, retard the progress of life insurance. To that extent, it will have a deleterious effect on the development of thrift habits, so very essential for social well-being and building up of national wealth. These views are worth bearing in mind by Members of Parliament, while considering the Estate Duty Bill. The modifications suggested by Mr. Vaidyanathan are necessary, if the Bill were to be of any material benefit to the country.

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BOMBAY FIRE AND GENERAL INSURANCE

SMALL RISE IN PROFITS FOR 1952

A MODEST increase of Rs. 62,870 in the total earnings is disclosed by the results of working of the Bombay Fire and General Insurance Co., Ltd. (Manager: Mr. B. H. Reporter, Bombay), for the year ended 31st December, 1952, as compared with those for the previous year. Thus, the aggregate profit earned by the three departments of the Company, namely, fire, marine and accident, inclusive of interest and transfer fees, amounted to Rs. 3,84,966, as against Rs. 3,22,096 in the preceding year. The credit for this increase goes, in the main, to the marine department, the profit of which has gone up from Rs. 16,789 for 1951 to Rs. 67,057. This marked improvement is in refreshing contrast to the setback suffered by this department last year. The fire department, too, has shown an improvement in profit, albeit slightly, from Rs. 2.56 lakhs to Rs. 2.64 lakhs. The profit of the accident department, however, is slightly lower at Rs. 15,427, as against Rs. 16,257 for 1951. The return to shareholders has been maintained, as in previous years, at 5% per cent. per annum.

A detailed analysis of the performance of individual departments reveals that, in the fire department, the net premiums received staged a setback from Rs. 10.22 lakhs in 1951 to Rs. 8.89 lakhs in the year under review. The fall is due to a decline in the receipts from business effected both in India and abroad. Thus, premiums earned in India witnessed a sharp drop from Rs. 6.71 lakhs in 1951 to Rs. 5.87 lakhs and those derived from outside India from Rs. 3.51 lakhs to Rs. 3.02 lakhs. Expenses of management, including commission, were slightly higher at Rs. 4.84 lakhs, as against Rs. 4.64 lakhs. The claims experience was also slightly unfavourable, in that the total claims amounted to Rs. 1.93 lakhs, as compared with Rs. 1.75 lakhs. Although the fire fund stood lower at Rs. 4.60 lakhs, as against Rs. 5.26 lakhs, it represents over 50 per cent. of the net premiums.

The net premiums received in the marine department too show a small recession of about Rs. 23,000 to Rs. 2.60 lakhs. The recession is solely due to a setback in the business done in India. For the premiums received on this account have declined from Rs. 1.72 lakhs to Rs. 1.37 lakhs in the year under review. It is, however, gratifying to note there has been a steady improvement in marine premiums derived from business effected outside India. Thus, these premiums, which amounted to Rs. 1.03 lakhs in 1950 rose gradually to Rs. 1.11 lakhs in the following year and to Rs. 1.24 lakhs in 1952. Expenses of management, including commission, have registered a marked decline from Rs. 1.17 lakhs to Rs. 84,837. Claims incurred aggregated Rs. 1.30 lakhs, as against Rs. 1.73 lakhs in the previous year. The marine fund, which is slightly lower at Rs. 2.60 lakhs, remains at 100 per cent. of the premium income. The net effect of lower expenses and claims, as against a fall in premium receipts, has been an improvement in the profit from Rs. 16,789 to Rs. 67,057.

The performance of the accident department during the year under review was slightly unfavourable, as compared with that in the previous year. Premium receipts from business in India declined from Rs. 1.38 lakhs to Rs. 1.19 lakhs, although those derived from abroad improved from Rs. 14,161 to Rs. 20,533. In the result, the total premiums earned by the department were lower at Rs. 1.40 lakhs, as against Rs. 1.52 lakhs during the preceding year. The loss ratio was lower at 41 per cent., as against 43.1 per cent. a year before. The expense ratio, however, rose from 36.5 per cent. of the premium income to 51.2 per cent. The accident fund has had to be reduced from Rs. 77,445 to Rs. 71,330, but it is still over 50 per cent. of the premium income.

The profit and loss account shows that, during the year, no provision has been made for either loss on realisation in investments as in the previous years. The sum available for disposal amounts to Rs. 5,91,974, as against Rs. 4,30,608, which includes Rs. 2,07,008 brought in from the previous year. Out of this sum, the Directors have provided a larger sum of Rs. 2,00,000 for taxation (as against Rs. 1,50,000 in 1951). The transfer reserve for contingencies at Rs. 1,00,000 is twice as high as the sum set apart in the preceding year. The Directors have maintained the dividend to shareholders at 5% per cent. per annum. This means that the dividend on shares of Rs. 10 paid-up is As. 9 per share and on Rs. 40 paid-ups is Rs. 2-4 per share. As this distribution to shareholders absorbs Rs. 23,600, the amount carried forward to the current year is substantially higher at Rs. 2.68 lakhs, as against Rs. 2.07 lakhs brought in.

PANDYAN INSURANCE CO., LTD.

The year ended 31st December, 1952, has turned out to be another favourable one for the Pandyan Insurance Co., Ltd. (Manager: Mr. S. C. Rawlinson, Madurai, S. India), so far as new business underwritten is concerned. For there has been an all-round increase in the premium income, less reinsurances, derived from all the three departments, namely, fire, marine and miscellaneous. In the marine [illegible] claims, however, the Company's experience has not been equally encouraging, inasmuch as claims paid and outstanding have gone up both absolutely and in relation to the premium income. The heavier claims experience has inevitably affected the balance available for appropriation, after maintaining the reserves for unexpired risks at 50 per cent. of the premium income of each of the fire and miscellaneous departments and at 100 per cent. of that of the marine department. The addition to the general reserve has been reduced from Rs. 3 lakhs to Rs. 2.5 lakhs, but the dividend is maintained at 15 per cent. per annum, free of income-tax.

The fire revenue account shows that premiums, less reinsurance, have gone up from Rs. 8.12 lakhs to Rs. 8.15 lakhs, but the improvement has not been of the same order as that noted in the previous year. Of these premiums, those derived from business effected in India has declined from Rs. 3.57 lakhs to Rs. 3.16 lakhs, while those from outside India has improved from Rs. 4.55 lakhs to Rs. 4.98 lakhs. Claims paid and outstanding disclose a sharp rise from Rs. 1.87 lakhs to Rs. 3.03 lakhs, representing a rise from 23 per cent. to 37.1 per cent. of the premium incomes for 1951 and 1952, respectively. After meeting all expenses and commission on reinsurances and after providing a reserve for unexpired risks of 50 per cent. of the premium income, the balance transferred to the profit and loss account is Rs. 2.30 lakhs, as against Rs. 2.40 lakhs a year ago.

Marine premium income has risen from Rs. 5.67 lakhs to Rs. 6.25 lakhs, the incomes from business effected in both India and outside participating in the increase. The claims, at Rs. 95,795 (as against Rs. 39,023) represent 15.3 per cent. of the premium, as compared with 6.9 per cent. in the preceding year. The marine fund stands at Rs. 6.25 lakhs or 100 per cent. of the premium, but the balance transferred to the profit and loss account is lower at Rs. 2.28 lakhs as against Rs. 3.08 lakhs a year before.

The premium income from miscellaneous insurance has gone up from Rs. 2.27 lakhs to Rs. 3.13 lakhs and alongside of it the claims also. The claims ratio has gone up from 22.7 per cent. (Rs. 51,517) to 48.1 per cent. (Rs. 1.51 lakhs). After providing 50 per cent. of the premium income for miscellaneous insurance fund, the profit and loss account has been credited with Rs. 10,959 (as against Rs. 78,025).

The following table gives an idea of the Company's financial position as at the end of 1952:

	Rs.	Rs.
Capital (paid up)		20,00,000
General reserve		47,50,000
Profit and loss account (after providing for a dividend of 15 per cent.) ...		4,354
Insurance funds:		
Fire	4,07,408	
Marine	6,25,037	
Miscellaneous	1,56,651	
		11,89,096
		Rs. 79,43,450

The Company's investments in Gilt-edged securities, shares and debentures in India at book value amount to Rs. 48.96 lakhs, the market value of the same being Rs. 49.99 lakhs. Its investments in Pakistan Government securities of the face value of Rs. 3.50 lakhs are valued at Indian Rs. 5.03 lakhs.

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THE BANK OF JAIPUR LIMITED

TENTH ANNUAL GENERAL MEETING

MR. RAMNATH A. PODAR ACCORDS SUPPORT TO FIVE-YEAR PLAN

ADDRESSING the shareholders of the Bank of Jaipur Ltd., at their Tenth Annual General Meeting held in Jaipur on the 13th inst., Mr. Ramnath A. Podar, Chairman of the Bank, made a brief reference to the Five-year Plan. He was of the opinion that the ambitions of the Planning Commission were modest and that the country had nothing to be alarmed about the outlay on the Plan. He held out the assurance that banks in the country would never hesitate to throw their full weight with the Government in its task of implementing the Plan successfully. He felt confident that deficit financing would have plain sailing, so long as the quantum of such financing remained strictly limited to the ability of the Government to impose effective controls over credit and money. "Orthodox principles of sound finance have sometimes to be sacrificed to suit the circumstances prevailing at a given time to attain a certain end," he added. Even though there was bound to be some inflation, as a result of deficit financing, he thought that the risk was worth taking. Referring to the proposed merger of banks in Rajasthan, Mr. Podar assured the shareholders that the Directors would safeguard the interests of the latter to the best of their ability.

The following is the full text of Mr. Podar's speech:

"GENTLEMEN,

"I have much pleasure in welcoming you to this, the Tenth Annual General Meeting. The balance-sheet and the statement of accounts have now been in your hands for some time and I trust you have perused them with interest and pleasure.

"A decade is nothing in the æon of time, neither is it much in the history of banks, even in this country, but it is certainly a landmark in the progress of your Bank and, I think, it is a matter for satisfaction that we have been able to keep our head above water, so to speak, amidst so many vicissitudes and hardships, not uncommon in the first formative years of institutions such as yours. I may, however, point out that we have been able to pay continuous dividends for seven out of ten years and you will agree, that it is not at all a mean achievement.

Bank's Accounts

"The first thing that must have struck you while perusing the balance-sheet is the fall in profits. Even though it is nothing extraordinary in the banking industry this year, it requires some explanation. You will remember that in recent years, our advances were over-extended and naturally profits were higher. Deposits were also much higher and far less expensive. But times change and the year under review saw a change. It has been the most difficult year in the history of the Bank. First, due to a rise in the Bank of England rate, the local Exchange banks found it more profitable to obtain funds locally, and money rates commenced an upward swing. Secondly, due to contraction of money supply during the year, floating money in the country touched bottom and there was a regular scramble for available deposits at continously rising rates. Call money touched an unprecedented rate, at least during the last quarter century, of 3 per cent. and banks competed for fixed maturities at even higher rates. Those who stuck to orthodox principles were the losers in this keen struggle. Our deposits declined during the year, chiefly due to the reason that, as a matter of policy, we declined to accept funds at what we considered uneconomic rates, the extent of fall being of the order of about Rs. 75 lakhs. It is small consolation that several others, far older and considerably larger banks than ours, suffered the same fate in more or less degree. Even the deposits of the Imperial Bank this year have been the lowest in the past ten years.

"Deposits having declined and become more expensive, as will be seen from the amount of interest paid, there has also been a rise in charges due to higher salaries paid to clerical and subordinate staff in accordance with the Award, which, unlike during former years, is being made applicable to Part B States also. Thus, we have been forced to burn the candle at both ends. The All-India (Banks) Tribunal, before whom protracted proceedings took place for about a year, is believed to have submitted its report to Government, but one does not know when Government will make it public. It is, however, likely to be far more comprehensive and to embrace practically all cadres in the banks' service. Thus, banking is being threatened with fetters and shackles on all sides and prospects of peaceful progressive development seem to be fraught with considerable anxiety and apprehension.

"Banking, unlike other concerns, commercial or industrial, is conservative, stolid and reserved. To keep our position perfectly safe, it was necessary to cut down ruthlessly our advances, not only in conformity with the decline in deposits, but even further, though, at the end of the year, the overall decrease is only about Rs. 60 lakhs. Nevertheless, the judicious employment of funds during the year has, on the whole, been satisfactory, culminating in higher gross earnings, and has resulted in a net profit of Rs. 3,98,954-9-11, as compared with the corresponding figure of Rs. 4,59,120-13 last year. The dividend has been maintained, the necessary provision for reserves and taxation has been made and there is a carry forward of Rs. 35,324-7-10 for the next year.

"It may also be mentioned that, in the balance-sheet, all reserves are lumped together, while actually reserves under section 17 of the Banking Companies Act now amount to Rs. 6 lakhs. Reserves under other than section 17 which can be freely handled are Rs. 8 lakhs. Dividend equalisation fund amounts to Rs. 1 lakh. In all, the total of our reserve funds is Rs. 15 lakhs, which, I am sure, you will consider not at all unsatisfactory.

"There is one more item which needs explanation and that is the figure of Rs. 11,94,000 shown as claims against the Bank not acknowledged as debts. Of this amount, a sum of Rs. 11½ lakhs has been claimed by the Bank in the exercise of its right of set-off against moneys due to the Bank. The remaining amount of Rs. 40,000 is in respect of a payment claimed under a forged token.

Progress in Rajasthan

"Having fully and frankly explained what I deemed points of domestic interest to you, I should like briefly to touch upon matters of interest in the Rajasthan State. Formerly, for several years in succession, your Bank had played a very prominent part in the financial field, as affecting the Jaipur State, and latterly the State of Rajasthan. But now the development projects, such as the Chambal Valley Project, public health and rural sanitation, are some of the items provided for in Rajasthan's budget for 1953-54. The Five-year Plan has allotted Rs. 16.81 crores to Rajasthan and about Rs. 4 crores will be spent during the coming financial year, including, of course, the allocation from the State sector. The Community Projects Scheme has roused the enthusiasm of the people and their co-operation in the implementation of the scheme has been very much in evidence. Even though the food situation is not entirely free from anxiety, rationing has been abolished and the State is making every effort to be self-dependent and, if the contretemps obtaining in the political field just now is patched up, there is every hope of the Government of Rajasthan making a good job of it. In fact, the Chief Minister's recent speech ends with the hope that, given guidance and assistance by the Centre, there will be 'none ill-housed, ill-clad and ill-nourished and every one would be placed in a position to live better, have better educational, medical and other facilities and lead a life of prosperity and progress.'

The Five-year Plan

"As regards the Plan itself, the Union Government has only acted in a logical and rational manner. It is but a poor sailor who ventures on a voyage without a chart or compass; a coachman with only a carriage, but no horse. The Plan has its protagonists as well as its antagonists. This is as it should be, for it is impossible to please everybody. The pessimist is afraid that the Plan will fail, the optimist is determined to make it succeed. One is full of complaints that agriculture has not received its adequate share; that industry has been neglected; that the private sector has been ignored; that the targets set are too ambitious; that Government resources have sunk to the bottom. The other gently points out that the main thing is to get going and learn by experience; that we talk too much and do too little. There may possibly be something in each of these. But, by and large, the Plan has received considerable praise for its thoroughness not only in this country but throughout the world. Business men, on the whole, have pledged their co-operation to the Plan, while banks in the country will never hesitate to throw their full weight towards its successful implementation.

"The question 'will it work?' has been on the lips of every thinking person both in and out of the country. It is one thing to chalk out grandiose plans and quite another to make them work. Some say we have pushbyke income and Rolls Royce taste. But it must not be forgotten that the one who aims at the sky will shoot higher than the other who aims at the tree-top. The total outlay of Rs. 2,069 crores really means an investment of about 5 per cent. of the national income, which cannot be considered to be unduly heavy. The present Government debt of about Rs. 2,500 crores works out to about Rs. 70 per head. Similar commitments in other progressive countries are considerably larger and I feel this country has nothing to be alarmed about. And, after all, what does it mean in money outlay—a hare rupee per head per month for five years! Surely, the ambitions of the Planning Commission are modest enough.

Deficit Financing

"As regards deficit financing, it is the principle that is objected to in most quarters. Deficit financing or created money can certainly be bad, lead to inflation, unhealthy rise in prices and other evils. Some even say that it is the most inequitous form of taxation which makes the rich richer and the poor poorer. Deficit financing is like a stimulant. If used well, it can do good; if abused, it can do harm. Moreover, economic climate for deficit financing appears to be, at present, favourable and, so long as the quantum of deficit finance is strictly limited to the ability of the Government to impose effective controls over credit and money supply, I am confident that it will be plain sailing. Orthodox principles of sound finance have sometimes to be sacrificed to suit the circumstances prevailing at a given time to attain a certain end.

"It must be remembered that for a country like ours, with its vast potential resources, deficit financing to the extent of Rs. 290 crores is of a modest nature indeed. What most people fear, however, is not the size of the deficit financing, nor even the ability of the Union Government to wield this instrument with skill, but the effectiveness of its control over the State Governments or their unwillingness to co-ordinate their policies in tune with the Centre. Co-operation of the people of the country is necessary to make a success of a Plan of this nature. The Finance Minister is fully aware of the risks of the policy of deficit finance. He has assured the country that he will watch the impact of deficit financing on the national economy at every stage, that he would apply the brakes where and when necessary and has asked the country to place confidence in him. If the past is any guide, it would appear that the credit of the country is in very good hands and it is the duty of every citizen to go all out to lend his valuable and enthusiastic support. Even though I do not want to give an impression of elation at the prospect of inflation, for some inflation there is bound to be, I think the risk is worth taking.

"Time was when fantastic pronouncements on major matters of policy emanated from various quarters, but that responsible Ministers should talk of nationalisation of banking and insurance at this time appears to me to be most inopportune. When all encouragement, direct and indirect, is avidly looked for, unpalatable forebodings are likely to discourage those labouring in these fields.

"In a country like ours, where direct taxation is already higher than anywhere in the world, except perhaps in the United States and the United Kingdom and that too on topmost slabs only, the recent budget of the Union had to be so designed as to keep alive, even to a limited degree, the incentive to produce and save. It is also welcome news that the Taxation Enquiry Commission headed by the veteran Dr. John Matthai will enquire into our taxation problems and the Finance Minister will have the benefit of its report before he formulates his next budget.

"The country has now definitely turned the proverbial corner, thanks to the adoption, two years ago, of the policy outlined in the Plan. We have spent already some Rs. 600 crores and there has been an all-round rise in the output of various commodities, including food. In the field of foreign trade, the Government has revised its policy to stimulate exports which are so very important for the success of the Plan. Our adverse balance of Rs. 170.39 crores in the first six months was reduced in the second half-year to Rs. 3.72 crores. Various projects, such as the Damodar Valley, designed for 2,00,000 kw. capacity, towards which a total aid of 38 million dollars has been given by the World Bank, have made headway and it is but a matter of time when India will have firmly conquered the cruel vagaries of nature in the shape of droughts and floods, rendering destitute and hungry millions of people all over the land. It is this fight that the country is at present engaged in and it is here that all our resources are to be mobilised. The main problem to be solved, as Sir George Schuster recently said, is to place the great bulk of the natural increase in population in industry or tertiary employment, to expand our manufacturing industry and increase our agricultural production. India's development, he said, depended on four elements—men, material, machines and money. Far more stress is laid on money than it really deserves. What is far more important is the man-power judiciously employed. Peaceful and placid nation that we are, it is, nevertheless, necessary to lend our individual might to control the forces of destruction from all sources, internal or external, natural or artificial, to make this country a place worthy to live in and noble to die for.

The Merger of Banks in Rajasthan

"I will now come to the subject which must be uppermost in your minds and naturally you will expect me to throw some light on it. As early as 1946, I had mentioned that amalgamation rather than nationalisation would be the most appropriate for the integration of small units in the banking industry. Three years later, you will remember that the Government of Jaipur, through its Chief Minister, had expressed its wish to see the three banks, originating in Rajasthan and, at present, entrusted with the State Treasury business, consolidated into one strong unit, following the pattern of integration of the Rajasthan States. Soon after, in my speech at the seventh annual general meeting, I stated that your Directors welcomed this suggestion of amalgamation, in principle, and that they were ready to make every sacrifice. But, due to several difficulties as a result of Partition, etc., it was not possible for all the three banks to come to a decision. The Reserve Bank having now shown their willingness to entrust their agency throughout Rajasthan and give their currency chest and Treasury work to the new institution, in case the three banks, the Bank of Rajasthan, the Bank of Bikaner and ourselves merge themselves into one unit, I am happy to inform you that all the three banks have agreed to get together and work out details. Things being more or less in a fluid state you will not expect me to go into details of advantages likely to accrue to the institution, as a whole, but suffice to say that the benefits will be considerable, the status much enhanced, competition for business eliminated and wasteful expenditure avoided.

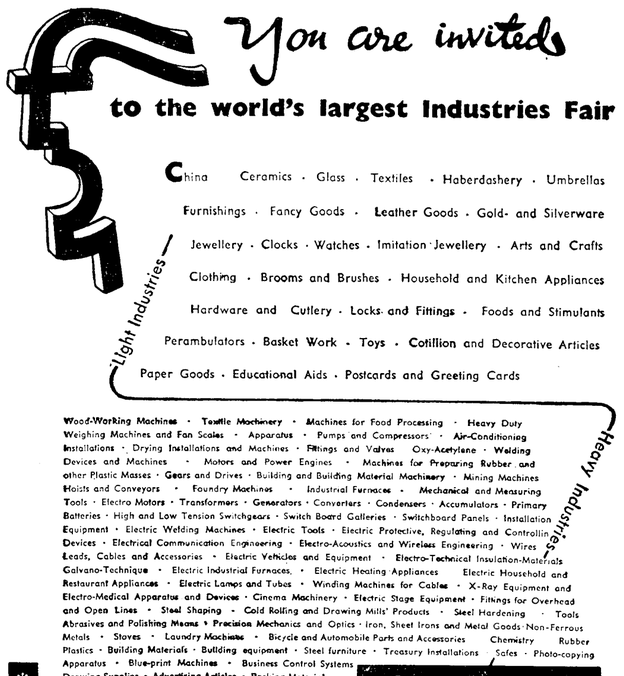
"I can assure you that your Directors will safeguard your interests to the best of their ability and if the scheme materialises, as everyone is optimistically inclined to believe it will, we may have to call a special general meeting of shareholders to consider the scheme in all its details.

Head Office Premises

"You will remember that this beautiful building specially designed and constructed for the Bank was opened last year by His Highness the Rajpramukh of Rajasthan in the presence of a very large gathering and now affords ample space for the staff, comfortable banking hall for our constituents and a luxurious safe deposit vault for the public at large.

"In conclusion, I trust that the Government of Rajasthan, the shareholders, our customers and well-wishers will continue their patronage, guidance and goodwill in ever-increasing measure, till we come out as we earnestly hope, in new feathers in the shape of consolidated and considerably stronger, larger and closely-knit unit in the very near future.

"On your behalf and mine, I would like to express our cordial thanks to the General Manager, officers and the staff of the Bank for their faithful services throughout the year."



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DEPOSITS OF PUNJAB NATIONAL BANK HIGHER

LALA YODHRAJ'S PLEA FOR GOVERNMENT GUARANTEE OF BANK DEPOSITS

IMPORTANCE OF LARGER INVESTMENTS IN GILT-EDGED STRESSED

WITH an array of facts and figures, supported by examples of other industrially advanced countries such as Germany, Soviet Russia, the U.S. and the U.K., Lala Yodhraj, Chairman and General Manager of the Punjab National Bank Ltd., puts forward the thesis that, if the State is to avoid resort to deficit financing, it is imperative that the banks should hold more Government securities, which is possible only when there is an increase in their total deposits. This thesis forms the main theme of his statement circulated to the shareholders, along with the accounts of the Bank for the year 1952, to be considered at the 106th Ordinary General Meeting in Delhi on 9th May, 1953. The increase in deposits, Lala Yodhraj feels, can be brought about if the Government guarantees the deposits. For the implementation of this proposal, he suggests the setting up of a "suitable machinery to examine periodically the statements of assets, including loans and advances, of each bank and to give necessary directions to the management." Reviewing the recent economic trends, he opines that the Government of India is in a favourable position to frame sound monetary policies for providing adequate finance for the successful implementation of the Five-year Plan. Nevertheless, he apprehends a possible slump, following the slowing down of stock-piling in the U.S., and emphasises the need for adopting a judicious expansion of credit policy.

The following is the full text of Lala Yodhraj's statement:

"GENTLEMEN,

"It is a great pleasure to me to meet the shareholders again at the annual meeting and to submit for approval the audited balance-sheet and profit and loss account for the year ended 31st December, 1952. The year's working has resulted in a profit of Rs. 39,46,306-7 (including Rs. 5,33,828-14-11 brought forward from the previous year's account). After paying dividend at 6 per cent. per annum to the shareholders, it is proposed to make the following allocations:—

		Rs.	a.	p.
1.	Bonus to the staff	5,48,462	3	3
2.	Provision for income-tax ...	15,00,000	0	0
3.	Scaling down of Pakistan assets in view of Displaced Persons' (Debts Adjustments) Act, 1951	7,92,275	6	6
4.	Transferred to reserve fund	1,45,707	10	11
5.	Transferred to contingency reserve	2,00,000	0	0

Prospects of Banking Development

"A sum of Rs. 1,92,604-14 is being carried forward to the next year's account. Our paid-up capital continues at the old figure of Rs. 87,50,000, but our reserve fund has gone up by Rs. 1,50,000, during 1952; both aggregate Rs. 1,76,50,000. Of the profits, bonus paid to the staff during the year is 13.8 per cent., while the dividend paid to the shareholders is 13.3 per cent. The establishment expenses have gone up by about rupees one million. The largest slice in this increase is represented by annual increments to the workmen including a sum of Rs. 1,72,000, on account of increase in the bonus paid. The staff as a whole has received Rs. 1,32,00,000 during the year. The total cost of establishment is bound to keep on rising by the amount of annual promotions due. The profits of the Bank must be increased fully to cover these, including the increased costs of annual promotions. I am an optimist on this point. Our country is enjoying the benefits of a sound and stable Government. Private enterprise is expanding, industrial and agricultural production going up and total employment in factories increasing. With the progress of the Five-year Plan, we will be saving a large amount of foreign exchange now utilised for the import of foodgrains. As the industries of the country develop on the basis of increased agricultural production, including jute, cotton, oilseeds, etc., banking is bound to expand and the habit of saving to grow. We should, therefore, look forward to larger profits resulting from an increased prosperity of the country.

"Deposits and other accounts stand at Rs. 58,94,02,036,10-7 and represent an increase of Rs. 70 million over last year's figure, as against a decrease of Rs. 240 million in the case of Scheduled Banks (from 28th December, 1951 to 2nd January, 1953). This rise in our deposits is entirely due to the confidence the public places in our institution and in the ability of the management to conduct its affairs efficiently. The sound loaning policy of the Bank has helped in creating the necessary background for this confidence. Our total working capital is Rs. 73,98,67,929-7-7, as against Rs. 67,51,82,527-15-8 last year. The total working capital of the 'Big three' banks, which have published their balance-sheets, shows a decline of Rs. 265 million. As against this, the working capital of your bank has gone up by Rs. 6,46,85,401-7-11 and it now ranks *second* among the 'Big Five.'

Assets

"On the assets side, the figures indicate a strong liquid position. Cash, bank balance, money at call and short notice and investment in Government securities aggregate Rs. 33,94,04,829-7-2, forming 57.5 per cent. of deposits. The demand drafts in hand amount to Rs. 2,49,85,388-5. If these are added to the other liquid assets, the total comes to Rs. 36,43,90,217-12-2, raising the ratio of our liquid assets to deposits to 61.8. This must be considered as very satisfactory.

"The total of our loans and advances amounts to Rs. 29,29,39,977-5-9, as against Rs. 24,22,04,981-5-11 in 1951, which is equivalent to 39.5 per cent. of our total assets and 49.7 per cent. of our deposits. The general trend, as revealed by the published figures of the Scheduled Banks, shows a decline of Rs. 742 million under this head. The 'Big Three' record a decline of Rs. 197.6 million. Our policy in the making of loans and advances has been to maintain a balance between the needs of the small and the large borrower and proper utilisation of loanable funds in different areas. The total number of loan accounts at one time during the last year was approximately 14,500 and the average amount of advance about Rs. 20,300. On 26th December, 1952, nearly 62 per cent. of our loans and advances were against agricultural produce, manufactured and sundry goods in effective possession of the Bank and 5.3 per cent. against G.P. notes and shares. Loans against bank deposits and surrender value of life policies and D.Ds. purchased, which may be considered as self-liquidating assets, accounted for 16 per cent. Advances against gold and silver were 4.2 per cent., while mortgage loans amounted to another 4.2 per cent. Our total lendings are well spread over a wide range of securities and over all parts of the country.

Business Conditions in India During 1952

"The year 1951 was marked by increased rearmament activity, heavy stock-piling, cornering of goods by speculators and rising prices in almost all countries. But the close of the year saw the situation take a turn for the better. There was a marked fall in the demand for essential raw materials and staple commodities, which, coupled with increased production, led to a slump in prices. India was particularly hard hit. Her principal articles of export, like jute and jute manufactures, oils and oilseeds, mica, tea, cotton, hides and skins, etc., suffered severely. The Indian wholesale price index, which stood at 432 at the end of December, 1951, (base: August 1939=100), came down to 364.9 by the first week of March, 1952. There began a slow recovery thereafter. Since June, 1952, with a short break in September, the price index showed an upward trend and stood at 374.5 at the close of the year. During the year, the recession in industrial raw material sector was the greatest, i.e., 25 per cent., as compared to 10.5 per cent. in food articles, 6.7 per cent. in manufactured goods and 6 per cent. in semi-manufactured goods. The later part of the year witnessed the lifting of controls from various strategic raw materials and staple articles in important producing countries of the world. There were also signs of overproduction in the world steel industry.

"The equity market in India suffered a setback during the year. The index of variable dividend industrial securities dropped by 14 per cent. from 121.7 to 107.7. The rates of ordinary shares practically receded to their 1939 levels, though the fixed dividend yielding securities showed only fractional losses.

"The bullion market was also not left untouched by recession and, twice during the year, it touched the lowest level, never before seen in the post-war period. The difference between the highest and the lowest levels touched, in the ready section, was Rs. 55-3 per hundred tolas of silver and Rs. 29-8 per tola in gold. In distinct contrast to the commodity, share and bullion markets during the year, Gilt-edged presented a relatively steady trend. The index number of Government and semi-Government securities stood at 91.8 on 29th December, 1951. It steadied upto 92.2 in the second week of June, 1952. The year, however, closed at the starting point of 91.8.

Effect of Monetary Discipline

"The effect of monetary discipline and disinflationary measures enforced by the monetary authorities in several countries was reflected not only in their prices but also in their monetary and banking sectors. The volume of currency shrank, net deposits of the Scheduled Banks declined, volume of credit fell, and advances and bills discounted and purchased dropped from the previous level in India. These, in turn, led to a fall in the profits of the banks which are estimated to be on the lower side from 5 to 10 per cent., as compared with last year. The main reason affecting the profits of banks has been the substantial rise in expenses without any compensating factor. The banks, moreover, had to concede higher rates on deposits, which were not compensated for adequately by an increase in loan rates, as their total advances during the year dropped by as much as Rs. 666 million.

Five-year Plan

"Before I close, I would like to refer to India's Five-year Plan and the role which the banks can play in its successful implementation. We could profit from a study of the methods adopted by other countries and make necessary modifications in these to suit our peculiar needs and conditions.

"All development plans are strictly conditioned by the existing potential capacity of heavy industry, the willingness of the foreign countries to allow export of machinery and materials and the amount of foreign exchange available for such imports. Resources for development can be further supplemented by a curtailment of consumption, diversion of a part of existing output capacity of consumers' goods industries to the making of capital goods, and postponement of repairs and replacements.

"On the financial plane, in the last resort, the economic development is essentially limited by the 'savings fund' of the community, that is, the difference between the existing income and consumption. There is, however, growing inclination among the economists to regard such a pre-existing 'savings fund' as a myth. The margin between income and consumption can be enlarged by augmenting the former as by lowering the latter. Plans of capital construction augment the income of the people from the moment of their inception and not when they are completed. Release of purchasing power, whether it comes from printing of new notes, borrowings or surplus balances from the annual budget, automatically and simultaneously increases the income of the community. An assumption underlying this argument is that the economic system does contain elements of reserve productive capacity in the shape of unutilised or under-utilised labour and resources and that the purchasing power released by Governmental spending on the Plan is wholly, or a considerable part of it, siphoned back into savings. From this point of view, India is in a favourable position. We have a vast reserve of unemployed or under-employed labour in the country and the gap between potential capacity and actual production is not inconsiderable. A greater part of the target of production laid down in the Plan can be covered by existing productive capacity of industry.

"If, during the period of the Plan, cottage industries of India could be harnessed for the production of more and more consumers' goods, this would enable the resources of the machine industry to be diverted to the production of goods more urgently required for the completion of the Plan. Of a total farm population of about 249 million in India engaged in agriculture, about 85 million may be considered as active farm workers. Twenty-five to 30 per cent. of them may be considered as superfluous, who could be taken off the land without loss to agriculture. With the reorganisation in the social and property relations of the village and consolidation of scattered holdings, etc., the transfer of labour from village to the sites of multi-purpose projects and to towns can march in company with an actual increase in the output of agriculture.

Possible Snag

"Plans, however detailed they may be, can deal only with the main contours of economy. The filling out of these with details, the application of general directives to particular situations, must be decentralised. The Plan has to reach out, in its last details, the people who have actually to work it. The character of the personnel near the periphery is as important as the quality of central leadership. The general shape of the Plan may be good, as it undoubtedly is in the case of India, but the snag may come from the lack of capable lieutenants and sergeants on whom the general has to depend. In some countries, the plans have met with passive resistance, if not economic sabotage, from the *entrepreneurs* holding the rights of economic sovereignty. Fortunately for India, private business has come forward with their bold offer of wholehearted co-operation in the implementation of the Plan.

"'Plan fulfilment' is as important as the preparation of a plan. If the Plan is not followed up by supervision over its fulfilment, it becomes a scrap of paper. Supervision does not mean simply a *post facto* audit or inspection to allot praise or blame for achieving or failure, but the process of fitting a plan to actual data and of testing out its correspondence with reality. A democratic Government must conduct its economic planning in a manner which preserves the maximum possible freedom of choice to the individual and leaves undisturbed the essential flexibility of the economic life of the community. The Indian Plan is essentially a democratic plan. It does aim, like 'proletarian plans,' at the improvement of the position of the propertyless classes of society by a redistribution of income derived from property. But it nowhere implies collective ownership of the material means of production or collectivist direction or control of their use. It is possible to have much planning with little socialism or little planning with much socialism. The Indian Plan steers clear of both. In fact, it is not a plan in the formal sense of the word in which it is used in the Communist countries. The corner-stone of India's Plan is its combination of bold plans of multi-purpose projects with yet a bolder transformation of the property relations in the rural economy, which still bears marks of feudalism.

Arrangement of Priorities

"The best way to proceed is so to arrange priorities as will reduce the dependence on foreign food. All such investments as increase the output of food, e.g., irrigation, land reclamation, production of manures and improvement of livestock, are of the greatest urgency. The Indian Plan, from this point of view, is conceived on right lines. But we have to remember that planning in backward countries imposes a much bigger task on Government than it does in advanced countries, as the Government has to do many things which, in the latter countries, can be left to *entrepreneurs*.

"Planning also requires a strong, competent and incorrupt administration which must be able to enforce its measures, such as enforcement of controls and rationing without black markets. It must be able to understand the large issues that are at stake and to act reasonably and rapidly. The masses, even if they are inarticulate, will sooner or later resist violently such measures as are corruptly administered, however acceptable otherwise these may be.

The Crux of the Problem

"The crux of the problem in India is its backward system of agriculture, lack of scientific knowledge, poor equipment, inefficient marketing, insecure tenure, uneconomic small-scale of operations and rural over-population. For all these, there are recognised remedies, and fortunately for India, the public works, the roads and railways, irrigation, electric and water systems, etc., are all fairly well established. Health, education, courts, and police are also functioning well. It should, however, be remembered that very little headway will be made with planning, unless the interest and the enthusiasm of the people are awakened and held. Popular enthusiasm is both the lubricating oil of planning and petrol of economic development—a dynamic force that almost makes all things possible. The democratic countries felt this enthusiasm during the war period. India could also progress rapidly, if its Government could tap this dynamic force. The Government of India have politically and economically broken the landowners, and by diverse social and labour legislation, finally sealed the economic and political fate of big finance. But these are only negative achievements. For positive results and to fill up the vacuum, they must give something about which the public enthusiasm can be roused.

Russian Example

"Russia affords a unique example of the transformation of a formerly backward country to a country of extensive industrialisation and modern technique, brought about unaided by any considerable import of foreign capital.

"Prior to 1917, she was not unlike India which to-day stands upon the threshold of ambitious schemes of development. Like India, she had a small *per capita* national income, a low standard of life, relatively little developed industries and majority of the rural population engaged in types of agriculture, which had a very low yield in relation both to man-power and acreage. She was again, like India, overwhelmingly dependent on imports for the supply of an extensive range of both capital and consumers' goods. Russia may be considered as the pioneer of plans. Her success in this has indicated the feasibility of central planning without the device either of a market for capital goods or of an interest charge on capital as an accounting category. Her industrial development, during the period of the plans beginning in 1928, has generally taken the form of constructing large specialised plants and concentrating on the production of a few standard types of machines and goods. The Soviet planning has mainly been occupied with the development of new sources of power and of raw materials, completion of engineering workshops for the production of machinery, physically transplanting whole industries in newer regions, in fact, in transforming the very constants of her economic geography. Russia's success has proved that (1) the period of time in which a programme of capital investment can become an aid to the output of consumption goods, instead of a competitor with it, is relatively a short one, (2) that the launching of a plan does not necessarily entail any prior or concurrent fall of consumption, (3) that the previous backwardness of industrial development in a region may really be due to a deficiency of economic organisation which can be made up with a little effort. Russia has paid particular attention to the steering of the plan in operation. She has paid attention to the minutest details. There are planning boards, consisting of 15 to 30 persons, in all the autonomous republics of Russia at each of the levels of the territory, the region and the canton. These boards are further divided into a number of sub-sections concerned with local industries, industrial co-operatives, agriculture, trade and road transport.

Private Enterprise

"Planning in a democratic country like India has necessarily to exclude certain courses of action and certain sectors of economy from its purview. It has to set limits within which the private sector would be allowed to function. For this purpose, it must possess extensive controlling powers and duplicate the normal apparatus of economic administration. In the public sector, sectional interests and departmentalism may arise creating centrifugal tendencies which conflict with co-ordination. There may not be a close-knit identity of aims and interests between the framers of the plan and the individuals and groups which operate the plan. There is no internal pressure to reform, and as the case of Sindri shows, production may not be adjusted to the changing conditions of demand. In the private sector, on the other hand, the profit motive, though it may not succeed in earning profits, will normally prevent a loss from being incurred. The contrast between the two will naturally work to the disadvantage of the public sector. In these circumstances, State planning must be pursued with a degree of caution or a method evolved in which the business acumen and the managerial skill of private enterprise can be fully harnessed for the service of State projects.

"Germany is an example where finance for planning (pre-war) was provided under an ingenious system. Public works were carried out by private *entrepreneurs* under contracts given by public authorities. The contractors would draw 'work creation bills' which would be accepted by the drawees and accepted by the bank designated for the area. These bills were usually of three months' maturity, but, as a rule, could be automatically renewed 20 times. Redemption at maturity was guaranteed by the State, the guarantee being the equivalent of a collateral security behind an ordinary commercial bill.

"After 1935, the German authorities developed special types of short-term paper adapted to the particular conditions of the German money market. 'Special bills' replaced the 'works creation bills.' The bills thus were direct obligations of the Reich and represented a temporary expedient of pre-financing. A new instrument, known as the 'delivery certificate,' was devised for intermediary financing and could be used as collateral against advances from the Reich Bank upto 75 per cent. of face value. By April, 1939, the 'delivery certificates' were scrapped for what came to be known as 'new finance plan,' under which 40 per cent. of the amount due to business enterprises for their deliveries under public contracts was to be paid in 'tax-credit certificates,' which were accepted in payment of Reich taxes at par plus accrued interest, after their date of issue according to the length of maturity.

The German Method

"Stripped of its roundabout features, the 'work creation bills' procedure amounted to the financing of the public spending by central bank credit, with the Reich Bank acting as the credit generating agent for the Reich. This was also true of the 'special bills' and, to a large extent, of the other type of credit instruments of the later period. Through these bills, the business needs for operating funds were covered outside of the financing apparatus of commercial banking. The control of the process of credit expansion was determined outside the banking system. To do so, a reform of the Reich Bank was carried out in October, 1933, under which its credit generating powers were considerably expanded by (1) removing the restrictions upon its powers to engage in open market operations, (2) making inoperative 40 per cent. minimum requirements of gold or gold exchange reserve, (3) giving the legal status of 'reserve' to Reich Bank holdings of fixed interest securities acquired in the open market, and (4) making the Reich Bank a Reich agency under the jurisdiction of the Department of Economics. The parallel between the Reich Bank, after these reforms were carried out, and the Reserve Bank of India is marked. The Reserve Bank has also unlimited powers to engage in open market operations and, since nationalisation, it is a Government agent under the Ministry of Finance. By making a few changes in its statutory powers, the Government could enable it to play an active part in mobilising credit on the German model for the service of the Five-year Plan. The German system made it possible to finance new investments without the pre-existence of savings. It was essentially a transitional and temporary phase, as the credit created through these instruments was but in anticipation of future saving which was bound to emerge from increased economic activity and liquidate the loans.

Institutional Savings

"The German Government evolved new methods of diverting institutional savings into Government loans which can be adopted with profit in India. This was achieved by (i) packing of their assets with Reich long-term paper; (ii) virtually eliminating alternative investment channels; (iii) imposing restrictions upon the issue of securities of the mortgage type; (iv) special long-term loans were floated and placed entirely with particular institutions, e.g., trusts, banks and insurance companies, etc., (v) a complete embargo was put on mortgage credit; (vi) all banks, co-operative credit societies, public and private insurance companies were prohibited from granting mortgage loans of any kind on real estate or building, exemptions being granted only in specified cases; and (vii) admission of new securities to official trading on stock exchanges was made subject to the approval of the Government and the same obligation was extended to non-enlisted securities traded in the free market.

"By adopting similar measures, it is possible, in my opinion, to raise sufficient funds for India's Five-year Plan through the banking system and credit mechanism of the country.

THE PUNJAB NATIONAL BANK, LIMITED, DELHI

(Established in 1895)

DIRECTORS' 106th REPORT TO THE SHAREHOLDERS FOR THE YEAR ENDED 31st DECEMBER, 1952

The General Board of Directors begs to submit to the Shareholders the audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1952.

The transactions for the year under report have resulted in a profit of Rs. 39,16,306-7-0 (including *Rs. 5,33,828-14-11 brought forward from the previous year's account*). The following amounts have been appropriated for the under-mentioned purposes:—

		Rs.	a.	p.
1.	Bonus paid to Staff during the year	5,48,462	3	3
2.	Transferred to Income-tax Provision	15,00,000	0	0
3.	Transferred to Contingency Reserve	2,00,000	0	0
4.	Transferred to Reserve Fund	1,45,707	10	11
5.	Scaling down of Pakistan Assets in view of Displaced Persons (Debts Adjustments) Act, 1951	7,92,275	6	6
6.	Charity	42,256	4	4
7.	Ad-interim Dividend at 6 per cent. per annum free of Income-tax for the half-year from 1st January, 1952 to 30th June, 1952 paid	2,62,500	0	0
	Total .. Rs.	34,91,201	9	0

The Directors recommend that the balance of Rs. 4,55,104-14-0 be disposed of as follows:—

		Rs.	a.	p.
(a)	Dividend at 6 per cent. per annum free of Income-tax, for the half-year from 1st July, 1952 to 31st December, 1952	2,62,500	0	0
(b)	Carry forward to the next year's account	1,92,604	14	0

The Bank rate remained unchanged at 3½ per cent. per annum.

The Directors consider that the working of the Bank has been satisfactory.

By Order of the General Board of Directors,
YODHRAJ,
Chairman.

DELHI, 7th March, 1953.

BALANCE SHEET AS AT 31st DECEMBER, 1952

CAPITAL AND LIABILITIES	Amount			Total		
1. Capital—	Rs.	a.	p.	Rs.	a.	p.
AUTHORISED CAPITAL—4,00,000 Shares of Rs. 25 each				1,00,00,000	0	0
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL—3,50,000 Shares of Rs. 25 each				87,50,000	0	0
2. Reserve Fund and Other Reserves—						
Reserve Fund as on 1st January, 1952	87,50,000	0	0			
ADD—Unclaimed dividends and interest on advance calls *forfeited*	4,292	5	1			
Amount transferred from Profit and Loss Account	1,45,707	10	11			
	1,50,000	0	0			
				89,00,000	0	0
3. Deposits and Other Accounts—						
Fixed Deposits	22,12,57,851	4	7			
Savings Bank Deposits	16,00,08,092	1	6			
Current Accounts, Contingency Accounts, etc.	20,43,12,915	9	3			
Employees' Security Deposits (held by the Bank itself)	38,23,177	11	3			
				58,94,02,036	10	7
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	2,50,62,660	1	8			
(ii) Outside India	Nil					
				2,50,62,660	1	8
PARTICULARS—(i) Secured by part of Government Securities lodged as per contra	2,50,62,660	1	8			
(ii) Unsecured	Nil					
5. Bills Payable				3,73,90,851	3	9
6. Bills for Collection being Bills Receivable as per contra—						
(i) Payable in India	4,82,63,440	3	8			
(ii) Payable outside India	22,55,825	1	1			
				5,05,19,265	4	9
7. Other Liabilities—						
Dividends and Interest on Advance Calls unclaimed	1,47,820	5	0			
Rebate on *Bills Discounted*	3,804	9	0			
				1,51,624	14	0
8. Acceptances, Endorsements and Other Obligations as per contra				1,92,36,386	6	10
9. Profit and Loss Account—						
Profit as per last Balance Sheet	9,83,828	14	11			
LESS—Dividend for the year ended 31st December, 1951, at 4 per cent. per annum free of Income-tax	3,50,000	0	0			
Transferred to Provision for Income-tax Account	1,00,000	0	0			
	4,50,000	0	0			
	5,33,828	14	11			
ADD—Profit for the year brought from Profit and Loss Account	20,29,483	10	0			
	25,63,312	8	11			
LESS—Ad-interim Dividend at 6 per cent. per annum free of Income-tax paid for the half-year ended 30th June, 1952	2,62,500	0	0			
Transferred to Provision for Income-tax Account	15,00,000	0	0			
Transferred to Contingency Reserve	2,00,000	0	0			
Transferred to Reserve Fund	1,45,707	10	11			
	21,08,207	10	11			
				4,55,104	14	0
10. Contingent Liabilities—						
(i) Claims against the Bank not acknowledged as debts	37,51,764	4	9			
(ii) Guarantees given on behalf of Directors or Officers	Nil					
(iii) Guarantees given on behalf of others	8,13,758	4	9			
(iv) Arrears of Cumulative Preference Dividends	Does not arise					
(v) Bills of Exchange rediscounted	1,68,227	0	3			
(vi) Outstanding Forward Exchange Contracts	Nil					
(vii) Liability for Calls on partly paid Ordinary Shares of Rehabilitation Housing Corporation Ltd., sponsored by the Central Government	3,75,000	0	0			
(viii) In respect of disputes with labour as decided by Industrial Tribunal and under appeal to the Appellate Tribunal	1,03,185	0	0			
NOTE.—The figures in respect of the Bank's Pakistan Offices have been taken at par.						
Total .. Rs.				73,98,67,929	7	7

PROPERTY AND ASSETS	Amount			Total		
1. Cash—	Rs.	a.	p.	Rs.	a.	p.
In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)				5,78,18,372	8	1
(This includes Rs. 11,85,010 being cash remittances through instrd post since received.)						
2. Balances with Other Banks—	Current Account Rs. a. p.	Deposit Account Rs. a. p.				
In India	3,36,689 12 4	45,00,000 0 0				
Outside India ..	27,23,337 3 9	Nil				
	30,60,027 0 1	45,00,000 0 0				
(Includes Rs. 6,30,420-6-4 with State Bank of Pakistan and Rs. 4,32,936-7-0 with the Union Bank of Burma)				75,60,027	0	1
3. Money at Call and Short Notice				10,00,000	0	0
4. Investments at or below Cost—						
(i) (a) Securities of the Central and State Governments .. (Face value Rs. 27,64,33,700; Market value Rs. 28,36,70,076-6-0 and Average market value as determined by Reserve Bank of India Rs. 27,05,33,909-7-0)			27,30,26,429	15	0	
(b) Other Trustee Securities			49,34,076	14	0	
			27,79,60,506	13	0	
(ii) Shares of Indian Joint Stock Companies—	Fully paid-up Rs. a. p.	Partly paid-up Rs. a. p.				
Preference ..	13,44,141 5 0	Nil				
Ordinary ..	14,54,300 5 9	1,25,000 0 0				
			29,23,441	11	9	
(iii) Debentures of Indian Joint Stock Companies			44,28,493	2	0	
(iv) Other Investments—	Rs. a. p.					
Pre-partition Punjab Bonds held in India	22,63,600 0 0					
Pre-partition Punjab Bonds held in Pakistan	2,34,405 4 0					
Rangoon Municipal Debentures held in Burma	1,80,110 0 0					
			26,78,115	4	0	
(v) Gold			Nil			
						28,79,90,556 14 9
(Market value and estimated market value of the above investments is Rs. 28,35,06,927-0-4)						
(Securities of the face value of Rs. 14,52,35,900 lodged with banking companies against borrowing arrangements)						
5. Advances—						
(Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)						
(1) Loans, Cash Credits, Overdrafts, etc.—	Rs. a. p.					
(i) *In India*	26,20,29,210 4 7					
(ii) Outside India	59,25,378 12 2		26,79,54,589	0	9	
(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—						
(i) Payable in India ..	2,44,53,792 3 3					
(ii) Payable outside India ..	5,31,596 1 9		2,49,85,388	5	0	
						29,29,39,977 5 9
(Particulars of Advances as per Schedule attached)						
6. Bills Receivable being Bills for Collection as per contra—						
(i) Payable in India			4,82,63,440	3	8	
(ii) Payable outside India			22,55,825	1	1	
						5,05,19,265 4 9
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra						1,92,36,386 6 10
8. Premises Less Depreciation—						
Balance on 1st January, 1952 (at cost)			34,53,122	13	1	
Additions during the year (Includes Rs. 15,751-9-0 transferred from Non-banking Assets acquired in satisfaction of Claims)			3,75,470	2	9	
			38,28,592	15	10	
LESS—Depreciation up to 31st December, 1951	Rs. a. p. 1,77,339 1 1					
Depreciation for 1952	63,061 6 3		2,40,400	7	4	
						35,88,192 8 6
9. Furniture and Fixtures at Cost Less Depreciation—						
As per last Balance Sheet			70,98,778	3	9	
LESS—Transferred to Motor Cars, Cycles and other Vehicles ..			4,75,447	12	1	
			66,23,330	7	8	
Additions during the year			10,10,758	9	4	
			76,34,089	1	0	
LESS—Sales, Write-offs and Adjustments during the year ..			6,25,827	15	4	
			70,08,261	1	8	
LESS—Depreciation up to 31st December, 1951	Rs. a. p. 23,43,654 1 9					
Transferred to Motor Cars, Cycles and other Vehicles	1,26,127 15 5					
	22,17,526 2 4					
ADD—Depreciation for 1952	4,24,367 4 4		26,41,893	6	8	
						43,66,367 11 0
10. Other Assets (including Silver)—						
(a) Interest Accrued and Outstanding and Dividends Due on Investments			30,38,364	9	11	
(b) Prepaid Expenses, Advance Payments and Amounts Recoverable			3,89,065	11	9	
(c) Interest Accrued on Deposits with Other Banks ..			3,795	10	6	
(d) Property not used as Bank Premises less Depreciation ..			21,26,375	1	0	
(e) Land Purchased for Building Bank Premises			3,01,686	1	0	
(f) Library, Motor Cars, Cycles and other Vehicles less Depreciation			3,37,231	0	6	
(g) Stationery and Stamps			10,68,540	15	7	
(h) *Deposit with Electric Supply Companies and Government Departments*			24,132	2	5	
(i) Income-tax deducted at source on yield of Investments—	Rs. a. p.					
India (1949-1952)	78,03,711 5 10					
Pakistan (1947-1952)	3,56,387 11 0					
	81,60,099 0 10					
LESS—Provision for taxation as per last Balance Sheet ..	18,25,862 1 11					
Additions made during the year.	16,00,000 0 0					
	34,25,862 1 11					
LESS—Adjustments for 1948-49 and 1949-50 assessments and refunds	27,95,266 5 3		6,30,596	12	8	
			75,29,503	4	2	
						1,48,18,594 6 10
11. Non-Banking Assets Acquired in Satisfaction of Claims—						
Balance as per last Balance Sheet			46,307	8	0	
LESS—Depreciation to date	Rs. a. p. 366 12 0					
Transferred to premises less depreciation	15,751 9 0		16,118	5	0	
(The book value is less than the realisable value)						30,189 3 0
Total .. Rs.				78,98,67,929	7	7

The main emphasis should be on increasing the total deposits of the banks and increasing the banks' holdings of Government securities. If the banks could hold more Government securities, they could help the State in avoiding resort to deficit finance. The Scheduled Banks' investments in Government securities formed 35.8 per cent. of their total deposits on 27th March, 1953. This percentage could be suitably raised. There are two aspects of the problem, positive and negative. The deposits of Scheduled Banks could be increased, if these are guaranteed by the Government of India and the law so modified as fully to protect the liquidity of bank assets and to ensure the ultimate realisation of deposit liabilities. Government securities should form a larger percentage of deposits, and loans and advances and cash be limited to a certain percentage. These ratios may not be fixed legally, but should be considered as 'norms' from which no deviation be allowed by the Reserve Bank. Negatively, where money is required for consumption or for keeping assets with a view to book appreciation in value, the banks should not be allowed to lend. Loans against bullion, gold and silver ornaments, shares of joint-stock companies, etc., and real estate hardly form 16 per cent. of the total loans. Limiting of loans and advances to a certain percentage of deposits, or placing of restrictions on purely consumer and speculative loans, will not adversely affect the private sector. The Government's guarantee of deposits is bound to increase their volume. It may be noted, in this context, that, while the deposits in the U.K. and the U.S.A. are a little more than 4 and 3½ times, respectively, of their total note *circulation*, in India, this proportion is only 73.4, as against 130 in 1938-39.

"For the implementation of my proposal, a suitable machinery will have to be set up to examine periodically the statements of assets, including loans and advances, of each bank, and to give necessary directions to the management. The Government will not be running any appreciable risk in guaranteeing deposits. Loss, if any, could be paid out of a special account which can subsequently be reimbursed by charging a small commission from the banks in proportion to the magnitude of the guarantee involved in each case. This accounting may be done once in three years. Of course, the Government should also take other measures for the protection of credit institutions, e.g., enactment of a law to protect them from malicious attacks, baseless rumours, etc.

Government-sponsored Schemes

"The financing and carrying out of some Government-sponsored schemes through private enterprise was allowed in Germany. The same could be allowed in India for the distribution and sale of electricity generated from multi-purpose schemes and water from Government tube-wells with a guarantee of minimum profits. The execution of Government projects, or parts of projects, could also be entrusted to private enterprise. Instead of the State undertaking the entire work from A to Z, these projects should be divided into sections and sub-sections and responsibility for executing these passed on to private and public companies with a State guarantee of minimum profit.

"The U.S.A. affords an example *par excellence* of a country which has made unparalleled progress through private enterprise and where the allocation of resources is made by countless decisions of men and women in response to price and income movements. The motive force of economic activity is the sovereignty of the consumer. Only during periods of depression and war, the Government assumes an increased responsibility for the use to be made of labour, capital and management. The United States does not believe in any central planning. The Council of Economic Advisers, while laying down economic objectives, made it clear that these were not to be confused with economic blue-prints or plans used in regulated economies.

"In the U.K., the Government relies primarily on private enterprise, though the Labour Government, in its *Economic Survey* for 1947, did commit itself further in the direction of a planned economy. They, however, disavowed a desire for a detailed system of controls which would interfere with fundamental liberties.

Rise in Productivity

"A recent review shows that political uncertainties, economic crises of 1947 and the Korean war have disturbed the even tenor of the plans of various countries. The advances on the economic front have been restrained and planners have been disappointed. A rise in productivity is the corner-stone of every plan, but annoying bottlenecks have interfered in unexpected places. The planners are generally over-ambitious in their investment programmes. Some plans call for allocations of as much as 30 per cent. of the national income. Almost all plans, excepting those of the Soviet pattern, are based on the assumption that foreign aid in plenty will be freely forthcoming. With almost every country in the world seeking aid from abroad, primarily from the United States, the 'mendicants,' as Prof. Harrod calls them, are bound to be disappointed. Western Germany, Japan, Greece and France have already become the economic wards of the U.S.A. If to these are added other 'mendicants' from Asia, the problem for Uncle Sam, however, willing and generous he may be, becomes difficult and the strain on his charity or loan portfolio terrific.

"Plans can be easily upset by untoward economic and political developments in a country or in the international sphere. In agricultural countries like Poland or India, these may be upset merely by bad weather or failure of monsoons. Their success depends upon the administrative setup and availability in the country of trained personnel for their execution. Due attention must be paid to lessening the strain of huge investment expenditure on the price structure and the balance of payments. The national plans must also be integrated with those of other countries.

"India has been efficiently solving her problems of law and order, and the country is enjoying the benefits of political stability. These conditions are not a rule in Middle and South-East Asia. India presents a welcome exception. An Indian by nature is a peace-loving, cool and calculative individual. By long traditions, he is inclined to save by restricting his consumption. Thus, both the political stability and the national character of the people favour the development of the country.

Signs Favourable

"The signs are favourable. The rise in industrial production during the two years of the Plan has been very satisfactory. This has resulted in checking the rise in prices and stabilising them at a lower level, as is shown by the following figures:

Index Numbers of Wholesale Prices and Industrial Production in India

	Wholesale prices (Base: August, 1939=100)	*Industrial production* (Base: 1946=100)
1947	—	97.2
1950	400.7	105.0
1952	386.9	128.5

"The increased production has taken place mainly in the private sector of industry which has been able to achieve the aforesaid results by additional investment of Rs. 4,900 million during the period 1947 to 1952. The rise in production has contributed to the economic stability, which, in turn, has promoted political stability. Therefore, the Government of India is in a favourable position to frame sound monetary policies for providing adequate finance for the successful completion of the Plan. The armament programme of the U.S.A. has reached such a proportion that any further stock-piling may not continue at the present rate. The markets may, therefore, experience a slump. In these circumstances, a judicious expansion of credit will not only provide finance for the Plan but may prove highly beneficial for maintaining the economic stability of the country by acting as an antidote against the apprehended slump."

THE PUNJAB NATIONAL BANK, LIMITED, DELHI—*Contd.*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1952

EXPENDITURE	Total			INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Total		
	Rs.	a.	p.		Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	83,53,477	9	1	1. Interest and Discount	2,14,35,872	1	6
2. Salaries and Allowances and Provident Fund (includes Rs. 99,991-8-0 paid to the General Manager, besides free residential accommodation)	1,32,16,768	9	1	2. Commission, Exchange and Brokerage	47,80,147	1	9
3. Directors' and Local Committee Members' Fees and Allowances	29,613	8	0	3. Rents	7,94,888	9	11
4. Rent, Taxes, Insurance, Lighting, etc.	9,96,121	5	2	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
5. Law Charges	3,02,371	3	1	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
6. Postage, Telegrams and Stamps	9,34,514	2	6	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil		
7. Auditors' Fees	8,000	0	0	7. Other Receipts	24,75,047	3	5
8. Depreciation on and Repairs to the Banking Company's Property	6,04,817	14	9				
9. Stationery, Printing, Advertisement, etc.	7,30,418	14	6				
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil						
11. Other Expenditure	22,30,368	4	5				
12. Balance of Profit (subject to Taxation)	20,29,483	10	0				
Total .. Rs.	2,94,85,955	0	7	Total .. Rs.	2,94,85,955	0	7

Schedule of Particulars required by the Banking Companies Act, 1949 (Act X, 1949) attached to and forming part of the Balance Sheet as at 31st December, 1952.

PARTICULARS OF ADVANCES	Rs.	a.	p.
(i) Debts considered good in respect of which the Banking Company is fully secured	26,91,70,422	12	9
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	1,58,93,510	10	11
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	78,76,043	14	1
(iv) Debts considered doubtful or bad not provided for	Nil		
	29,29,39,977	5	9

PARTICULARS OF ADVANCES	Rs.	a.	p.	Rs.	a.	p.
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons—						
Directors	Nil					
Officers and Staff (secured Rs. 1,06,289-12-0)	1,08,177	7	7	1,08,177	7	7
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members				1,34,48,340	13	0
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons				1,65,538	9	2
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members				1,68,53,186	6	1
(ix) *Due from Banking Companies*				11,97,562	13	8

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE PUNJAB NATIONAL BANK, LIMITED, DELHI.

We have audited the annexed Balance Sheet of the Punjab National Bank, Ltd., Delhi, as at 31st December, 1952, and the annexed Profit and Loss Account for the year ended on that date, with the books and accounts kept at the Head Office in Delhi, in which are incorporated the Returns of the Bank's Branches in Indian Union, Pakistan and Burma certified by the respective Branch Managers. We report that:

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory;

(b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;

(c) the Returns received from the Branch Offices of the Bank have been found adequate for the purposes of the audit;

(d) in our opinion the said Balance Sheet and Profit and Loss Account are drawn up in conformity with law;

(e) the Balance Sheet exhibits a true and correct view of the state of the Bank's affairs and the profit and Loss Account shows a true Balance of Profit for the year, according to the best of our information and explanations given to us and as shown by the books and records of the Bank kept at its Head Office; and

(f) in our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

V. SANKAR AIYAR & CO.,
Chartered Accountants.

DELHI, 14th March, 1953.

S. L. VERMA,
Superintendent, Central Office.

M. K. PANDIT,
Chief Accountant, Central Office.

B. N. PURI,
Secretary.

YODHRAJ, General Manager and Chairman.

KESHAB CHANDER,
AMARNATH CHOPRA,
MAHARAJ KRISHNA KAPUR,
JASWANTRAI,
J. N. BHAN,
KAMALNAYAN BAJAJ,
SHRIYANS PRASAD,
C. L. BAJORIA. } Directors.

R. L. TULI,
P. R. MEHTA,
A. S. PURI. } Assistant Secretaries.

FOREIGN EXCHANGE BUDGET IN THE PLAN

INCOMPLETE ESTIMATES HANDICAP CORRECT ASSESSMENT OF POLICY

(Contributed)

THE success or failure of a plan for economic development of an underdeveloped country such as India depends largely upon ready availability of foreign exchange for the purpose; because the scope for any sizable reduction in the domestic consumption levels to finance development is limited. While the implementation of the various schemes in the plan may increase import requirements, the nature of development itself and its effects on the incomes of the people may lead to sizable reduction in many directions of exports: and thus create acute foreign exchange difficulties during the initial period of the plan. In order to assess the needs and availability of foreign exchange resources and to devise an appropriate policy to balance the foreign exchange budget, it is necessary to estimate accurately import requirements of the plan and their cost, and possible changes in the volume and composition of exports as its result. For this purpose, a careful study of the trends in the balance of payments of a country is vital.

Balance of Payments Trends

India's post-war balance of payments have been heavily adverse. The trends show large and recurring deficits in the total balance of payments, and a serious and growing imbalance with the dollar area. The main causes for this severe weakness in the country's balance of payments position are the effects on its economy of (1) the war, (2) the Partition and (3) the successive droughts and floods since 1944-45.

During the war, increased industrial production was given priority over replacement and renovation of plant, regardless of the heavy wear and tear of machinery it involved. The acute scarcities of durable consumer and intermediary goods due to cessation of imports and transport difficulties led to the establishment of several industries. To catch up with the backlog of replacement and renovation, on the one hand, and to ensure even development of the newly established industries, on the other, there was heavy import of machinery and capital equipment in the post-war period.

Secondly, the partition of the country reduced India's resources in food and in agricultural raw materials, such as jute and cotton. This together with the successive droughts and floods since 1944-45, necessitated heavy imports of foodgrains to feed the population, and agricultural raw materials to maintain the required level of exports of their manufactures.

Owing to the extensive war-time devastation of the productive potential, the traditional supply sources of India's capital goods could not meet India's demand for these goods. Similarly, the post-war exchange difficulties and transport shortage made the restoration of the pre-war pattern of trade impossible, and reliance on the dollar area for the bulk of food imports and a substantial portion of capital goods supply, unavoidable. Moreover, the labour welfare policies of the Government of India substantially increased the structure of industrial costs and reduced the competitive capacity of Indian products in foreign markets, causing heavy deficits in its total balance of payments, and a severe imbalance with the dollar area.

The foreign exchange budget in the Five-year Plan presents two separate estimates based on a development outlay of Rs. 1,700 crores and Rs. 2,069 crores. The estimates of requirements, earnings and availability of foreign exchange, deficits in the balance of payments and the extent of foreign aid required are calculated on the 1950-51 import-export, prices and on the assumption of strict import and export controls during the planning period.

As the emphasis of the proposed development is on agriculture and labour-intensive schemes, the Plan estimates direct demand for foreign exchange, on account of development in the public sector, to amount to Rs. 400 crores, assuming a development outlay of Rs. 1,700 crores. The development proposed to be achieved in the spheres of agriculture, irrigation and industries by 1955-56 are expected to reduce import requirements, particularly in raw jute (—10.7 lakh bales), raw cotton (—0.3 lakh bales), and fertilisers (—2.2 lakh tons); and increase exports, particularly of jute manufactures (+3.5 lakh tons), coal (+2 million tons), cement (+2.7 lakh tons) and oils (+.5 lakh tons (*vide* Table I below), so as to increase export earnings by Rs. 133 crores. This will, however, be offset by increased imports of capital goods and machinery to the extent of Rs. 108 crores. In other words, the Plan estimates a net improvement of Rs. 25 crores in the balance of payments for 1955-56 over the 1950-51 level. This estimate excludes, however, foreign exchange earnings due to installation of oil refineries and increased exports to South-East Asian countries and also foreign exchange requirements for additional imports of capital goods.

In order to ensure a balanced development of the economy and to allow the schemes initiated during the second half of the planning period to mature, the Plan considers a development outlay of Rs. 2,069 crores essential. This level of expenditure will reduce the level of exports in some directions and increase import requirements due to a rise in domestic incomes. The estimated effects of this outlay on exports are set out in Table II. Besides these, exports from newly developed lines of production such as sewing machines, textile machinery, electric fans, etc., particularly to South-East Asian countries, are expected to increase. The changes in imports cannot be accurately estimated, but imports of processed raw materials, capital equipment, heavy durables, and metals to help attain the prescribed targets of production of the industries concerned will increase substantially. The net result of these changes will be a deterioration in the country's balance of payments, which is expected to show an annual deficit of Rs. 180-200 crores. In other words, an increase of Rs. 369 crores in the development outlay will wipe out the estimated improvement of Rs. 25 crores and will lead to a net annual indebtedness of Rs. 180-200 crores.

Foreign Assistance Needed

While the deficits in the balance of payments over the rest of the planning period (3¼ years) will thus amount to Rs. 600-650 crores, India's capacity to cover them out of the annual sterling releases is limited to Rs. 50 crores a year or Rs. 160 crores over the period, leaving a net deficit of Rs. 450 to Rs. 500 crores. To cover this deficit, and also to help import capital and consumer goods in accordance with the desired targets of domestic consumption and investment, foreign assistance in a form flexible enough to be used in accordance with the needs of the Plan is needed. As foreign assistance amounting to Rs. 156 crores has already been received, foreign aid needed may, therefore, be placed at Rs. 300-360 crores.

The importance of external assistance to the implementation of the Plan lies mainly in avoiding undue pressure on domestic consumption and investment level and also in checking inflationary pressure arising from increased Government outlay and temporary scarcities of goods. If foreign assistance is not available or is available in a form not flexible enough to be used in accordance with the needs of the Plan, "by appropriate adjustments in exports and imports, it will be the function of commercial policy to ensure the most effective utilisation of such resources (foreign exchange resources) *without affecting either the domestic industries or the export prospects in the future.*"

The role of commercial policy in the Plan is, thus, a functional one. With a view to conserving as well as to maximising returns from the limited foreign exchange resources, the Plan lays down five criteria for policy: (1) close interrelation between imports and the production and consumption targets of the Plan; (2) maintenance of high level of exports; (3) management of the balance of payments within the available exchange resources; (4) control of exports in accordance with the fiscal and price policies laid down in the Plan; and (5) continuity in policy and trade relations to the extent practicable.

Validity of the Estimates

Although the Planning Commission considers "that, on long view, any improvement in the terms of trade over the 1948-49 level is likely at best to be of a temporary character and that, in fact, the terms of trade might become more unfavourable to India to the extent of 10 per cent." the estimates in tables I and II below make no allowances for this estimated deterioration in the terms of trade. The calculation of the earnings and requirements of foreign exchange during the period of the Plan, on the 1950-51 export-import prices, is particularly inappropriate, inasmuch as the prices that year were abnormal owing to the Korean War and the consequent stockpiling programme in the West.

Secondly, the Plan does not present anywhere the estimates of foreign-exchange requirements for development in the private sector, nor does it indicate the methods of financing it: From the analysis presented in the Plan, it is not clear whether the estimated surplus of Rs. 25 crores in the first estimate, is considered adequate to finance the imports of capital goods required for the development in the private sector or whether the private sector is to finance those imports in any other manner or whether it has left the financing of the private sector's needs to the second half of the Plan. The second estimate also fails to specify how much of the estimated annual deficit of Rs. 180-200 crores is due to the imports of capital machinery for the private sector and how much for the public sector. It is, therefore, clear that the estimates are incomplete, not only because they leave out of account the estimated additional foreign exchange earnings due to the installation of oil refineries and expansion of exports to South-East Asia, and additional requirements due to increased capital imports during the second half of the Plan, but also because they fail to assess separately the foreign exchange needs of the public and private sectors, and indicate the methods of financing them.

Thirdly, although the Plan admits that the estimated improvement in the balance of payments on the basis of a development outlay of Rs. 1,700 crores may not materialise, it does not provide any clue or understanding the reasons for the estimated annual deficits of Rs. 180-200 crores in the second estimate. The additional expenditure in the second estimate is mainly on social services which are likely more to reduce the level of exports in some directions and to increase imports of consumer goods than to increase import of capital goods. It is precisely on this account that the calculations appear to be of doubtful validity.

Fourthly, the estimated decreases in imports and increases in exports depend on the attainment of the prescribed targets of agricultural production by 1955-56, the certainty of which, despite the Commission's allowances "for seasonal variations," is doubtful. The only economies in imports likely to materialise are in food imports due to improved domestic availability, which according to the National Sampling Survey amounted to 61.6 million tons in 1949-50, and in fertilisers; the other projected reductions may not be possible, if the development outlay is Rs. 2,069 crores.

The estimated increase in exports, particularly of textiles, jute manufactures, and black pepper, depends upon: (1) continuance of external demand as in 1950-51, which is unlikely; (2) ready availability abroad of machinery and materials for development, which depends upon the availability of foreign exchange resources; and (3) the development of domestic industries concerned in accordance with the time-schedule, which is dependent on the condition above. The attainment of the export targets in the Plan depends upon the effectiveness of commercial policy.

Adequacy of Policy

None of the criteria for commercial policy laid down in the Plan accords with the urgent need for active export promotion inasmuch as the first four of them are mere truisms. Although the need to draw up a commercial policy with a long-term perspective has long been felt, nothing in the Plan shows any attempt to draw up a policy on those lines, nor rationalise trade relations in accordance with the needs of development of the country's economy. There is, for instance, no attempt to review the policy of levying export duties for revenue purposes or assess its effects of the export trade of India under the changed international conditions or the effects of any change in that policy on the estimated budget surpluses. The Plan does not, therefore, consider the relative efficacy of any long-term positive measures to expand exports. The assumption of increases in exports of this magnitude, in the face of increasing international competition in a buyers' market, particularly in the absence of positive export-promotion measures, is not realistic. Thus the criteria for commercial policy prove to be little more than platitudes.

If commercial policy is to play its all-important role in the Plan, it must be based upon the structure and needs of the several sectors of the economy to attain the prescribed targets of development and production. The primary need of the economy during the next three years will be to maximise foreign exchange earnings by increasing exports to finance essential imports and to avoid altogether non-essential imports. The realisation of this twofold objective depends upon the ability of the industries in the private sector to develop in the desired manner, because the bulk of the planned increase in exports and the major portion of the 7 per cent. increase in domestic consumption levels are to be supplied by them. Adequacy of policy must, therefore, be judged not by general principles laid down for it, but by the operative conditions it establishes for the even development of the private sector towards the prescribed goals.

The main operative hurdle of industrial development is the absence of continuity and perspective in fiscal, industrial and commercial policies. The Plan recommends continuity in policy and trade relations, without emphasising that such a policy cannot be devised or followed without long-term concepts of the respective roles of the public and private sectors.

The more appropriate measures to help attain the objectives of the Plan may be considered to be (1) revision of the policy of export duties to accord with changed international market conditions; (2) positive export-promotion measures such as periodic expert surveys of foreign markets, and provision of facilities for popularisation of products abroad; (3) reduction or abolition of import duties on raw materials, capital goods, etc., and also a more rational domestic labour policy to keep costs of production low; and (4) appropriate amendment of the existing local, State and Union taxes to provide adequate financial incentives to industries to develop faster and attain the set objectives quicker. Without a rationalisation of all policies directly or indirectly affecting industrial development, it is neither possible nor profitable to lay down any criteria for commercial policy. The success of the Plan, as a whole, depends upon the development of industries in the private sector in accordance with the time schedule.

TABLE I

Estimates of Production, Imports and Exports of Major Commodities in 1955-56

(On the assumption of an Investment programme of Rs. 1,700 crores)

Commodity	Unit	Production		Imports		Exports	
		1950-51	1955-56	1950-51	1955-56	1950-51	1955-56
Raw cotton	Lakh bales	20.7	42.2	12.3	12.0	0.8	1.3
Raw jute*	Lakh bales	33.0	53.9	18.8	8.1	..	..
Oil seeds	Lakh tons	51.0	55.0	0.4	..	2.0	0.5¶
Sugar	Lakh tons	11.6	15.0	0.6	..	0.3	0.1
Foodgrains†	Million tons	54.0	61.6	2.1	3.0	..	..
Cotton manufactures—							
(i) Yarn	Million lbs.	1,179.0	1,640.0	0.5	..	74.5	10.0
(ii) Cloth	Million yds.	3,718.0	4,700.0	5.7	1.0	1,288.0	1,000.0
(iii) Handloom	Million yds.	810.0	1,700.0				
Jute manufacture	Lakh tons	8.9	12.0	..	..	6.5	10.0
Coal	Million tons	32.0	36.0	..	..	1.0	3.0
Pig iron‡	Lakh tons	3.5	7.0	..	..	..	..
Steel	Lakh tons	10.0	13.7	2.8	5.0	..	..
Ammonium sulphate	Lakh tons	0.5	4.5	3.7	1.5	..	..
Others	Lakh tons	0.6	1.8	0.7	0.2	..	..
Oils	Lakh tons	11.25	13.0	0.2	0.4	1.2	1.7
Cement	Lakh tons	26.9	48.0	0.06	..	0.3	3.0

N.B.—(i) Value of imports and exports in 1955-56 is estimated at 1950-51 prices. (ii) Value of exports includes export duty.

* Exclusive of the production of meesta.

† Production in 1950-51 was 52.7 million tons; the targeted increase in the period of the Plan is over the 1949-50 level when the production was 54.0 million tons. Provisionally it has been assumed that about 3 million tons of foodgrains will have to be imported every year in the period of the Plan.

‡ Available for the foundries, i.e., over and above what is consumed in the manufacture of steel.

§ Production in 1950-51 has been assumed to be the same as in 1949-50.

¶ The fall in the exports of oilseeds will be to a large extent compensated by the increase in the exports of oil.

TABLE II

Estimated Increase in Exports by 1955-56

(On the assumption of an Investment programme of Rs. 2,069 crores)

Commodity	Unit	1948-49	1955-56	Percentage of increase
Cotton piecegoods	Million yds.	341	1,000	193.3
Jute yarn and manufactures	'000 tons	929	1,000	7.6
Manganese ore	'000 tons	309	1,000	223.6
Oil	Million gals.	15.5	41.4	167.1
Coal and coke	'000 tons	1,137	3,000	163.9
Black pepper	'000 cwts.	141	300	112.8
Tobacco	Million lbs.	55	96	71.4
Coir manufacture	'000 cwts.	869	1,700	95.6
Woollen manufactures	Million lbs.	8.3	16.0	92.8

INDIAN PAPER MAKERS ASSOCIATION

MR. C. I. TURCAN URGES RAW MATERIAL SUPPLY AT REASONABLE PRICES

THE view that the importance of a co-ordinated forest policy and the effect of the establishment of new paper mills on the supplies of raw materials to existing mills should receive the close attention of the Development Council for Paper was forcefully put forward by Mr. C. I. Turcan, Chairman of the Indian Paper Makers Association, in the course of his address at the Annual General Meeting of the Association held at Calcutta on 8th April, 1953. Mr. Turcan drew particular attention to the enormous rise in prices of bamboo and grass, as a result of exorbitant railway freight and increase in royalties demanded by State Governments, only to emphasise the fact that manufacturing costs had not fallen, despite higher production. In his considered opinion, ample supplies of bamboo and grass at reasonable prices constitute the life-blood of the Indian paper industry. Mr. Turcan also urged the Government to adopt a selective import policy under which only those qualities of paper which were not manufactured in India, or were still in short supply, would be imported.

The following is the full text of the speech delivered by Mr. Turcan:

"GENTLEMEN,

"The annual report for 1952 has now been in your hands for some days.

"On this occasion last year, my predecessor described the previous year as an uneventful one, in that there had been no major or minor changes in the sentiment of the market which had remained uniformly firm throughout the year. Broadly speaking, the same can be said of 1952, although, lately, there has been a trend towards a better equilibrium of supply and demand, both as regards raw materials and the finished product. Supplies of raw materials, coal and chemicals were more freely available than during the previous year; transport was easier; and production increased slightly, while paper prices remained unchanged.

"Although the present state of the paper industry can be considered as reasonably healthy, nevertheless there are indications of difficulties which lie ahead.

Basic Price of Paper

"Last year, my predecessor drew attention to the fact that the basic price of paper for Indian-made paper had remained static at Rs. 1,370 per ton, against a landed cost of Rs. 3,306 for the similar quality of imported paper. During the past year, the price of imported paper has fallen considerably, while the price of Indian-made paper is unchanged. The margin between the prices of imported and Indian-made paper is still substantial, but it is a matter of some concern that Indian mills' manufacturing costs have not fallen despite increased production. There are several reasons for this. Increasing labour costs, increased freight on coal, and high coal consumption owing to the low grades which the industry has to accept, are but some of them. The main reason is, however, the cost of the industry's staple raw materials, bamboo and grass.

"Bamboo prices are now nearly five times what they were in 1939. One of the reasons for this is the exorbitant freight which has to be paid on the transport of bamboos from the forests to the mills. This has been the subject of many representations to the railways but without any success. Railway freights are, however, but one of the causes of the increase in bamboo and grass prices. The root of the trouble lies in the rates which mills have to pay for leases. Not only is the industry perturbed by the steady increase in royalties demanded by State Governments, but the position regarding the availability of future supplies is also disturbing. Repeated representations have been made to the Central Government, and in 1950 the industry was assured that the Government of India considered it essential that there should be a co-ordinated forest policy embodying long-term leases for paper mills at reasonable royalty rates and the development of roads and communications, etc.

"Unfortunately, very different policies are being followed by certain States, which appear to be interested only in extracting the highest possible revenue from their bamboo forests, heedless of what the effect may be on the paper industry or on the forests. That the industry's fears regarding future supplies are not groundless is shown by the fact that at least one State will not consider applications for leases from existing mills on the grounds that there is a possibility that a new mill will be constructed in the State. Thirty years ago, the production of paper was about 33,000 tons, in the manufacture of which less than 25,000 tons of bamboo were consumed. Since then, production has risen to over 130,000 tons and consumption of bamboos is now probably well over 300,000 tons. The Five-year Plan envisages a production of 200,000 tons of paper and pulp boards by 1956, so a further considerable increase in the paper industry's consumption of bamboos is inevitable. During the past year, the Industries (Development and Regulation) Act, 1951, came into force, and I trust that both the importance of a co-ordinated forest policy and the effect of the establishment of new paper mills on the supplies of raw materials to existing mills will receive the close attention of the Development Council for paper. We must never lose sight of the fact that ample supplies of bamboo and grass at reasonable prices constitute the life-blood of the Indian paper manufacturing industry.

"A further point of concern to the industry is Government's policy regarding the import of paper and newsprint. You will have observed in your Committee's report a reference to correspondence with the Government of India regarding competition from imported paper and newsprint. Undoubtedly, from time to time, there are complaints from consumers that they cannot obtain their full requirements of paper. These complaints, however, relate almost entirely to special qualities which are not manufactured in India. The indigenous industry can meet the country's requirements of standard printing and writing papers; and what is required is a selective import policy under which only those qualities of paper which are not manufactured in this country, or are still in short supply, would be imported. It is only thus that the industry will be protected from unfair competition and, at the same time, the consumer will obtain his requirements in full.

"You will also have observed in the report reference to the industry's dissatisfaction with the manner in which negotiations regarding the supply of paper to Government had taken place. The dissatisfaction arose principally from the different views held by Government and the industry as to the amount to be included in the price for depreciation and return on capital. During the war, not only did plant and machinery suffer an abnormal strain, owing to the increased production which the industry was called upon to make, but it was not possible for normal maintenance and renovation of plant and machinery to be carried out in full, with the result that the end of the war found the industry with considerable arrears of maintenance and plant renovation. At the same time, plant and machinery prices have nearly trebled; and unless adequate provision for depreciation and renovation is included in the price of the finished product, it will be impossible for members of the industry to maintain their mills in an efficient condition. Unfortunately, this view has so far not been accepted by the Government of India in fixing the price for supplies of paper.

Joint Action

"If the Indian paper industry is to continue to flourish, these difficulties, and many others of a similar nature, must be overcome. I say of a similar nature, because a common factor in all these problems is that they arise from causes over which the industry has no control. Consequently, these problems can only be resolved by joint action by Government and the industry, and for this, close liaison with frank exchange of views and discussion of problems is essential. The inclusion of the paper industry in the schedule to the Industries (Development and Regulation) Act, 1951, is, therefore, an event of major importance to the industry and I trust that it will not be long before the Advisory Council for Paper, for which this Association has been asked to nominate two members, is functioning.

"In conclusion, gentlemen, I must place on record my appreciation of, and gratitude for, the co-operation and assistance which I have received from my follow members of the Committee and from our Secretary."

INDIA'S FOREIGN TRADE IN 1952

SUBSTANTIAL DEFICIT RECORDED

INDIA'S foreign trade in 1952 recorded a sizable deficit, the actual figure being Rs. 170.95 crores, as compared with Rs. 59.06 crores in the preceding year. It is possible that the deficit in 1952 is likely to be somewhat higher in case some adjustments in the land frontier account are made in the coming weeks. One noteworthy feature of the sea- and air-borne trade on export account was the considerable shrinkage in value, exports declining from Rs. 763.09 crores (1951) to Rs. 592.51 crores—a drop of 22.4 per cent. Imports on sea- and air-borne account receded slightly from Rs. 769.06 crores (1951) to Rs. 761.07 crores. On the land frontier trade account imports into India showed a substantial decline from Rs. 73.97 crores (1951) to Rs. 30.10 crores, mainly due to the fall in the quantum as well as in the value of raw jute imported from Pakistan. Thus, total imports into India in 1952 amounted to Rs. 791.17 crores, as against exports valued at Rs. 620.24 crores, while in the previous year, the respective values came to Rs. 843.03 crores and Rs. 783.97 crores.

In view of the fact that the terms of trade were moving considerably adverse against India during the last one year, the trade gap widened to a marked extent in 1952. In 1950, India was able to achieve a moderate surplus of Rs. 37.96 crores on sea- and air-borne trade account when its exports amounted to Rs. 543.16 crores, as against imports valued at Rs. 505.20 crores. The index number of average unit of declared values for imports stood at 127 in January, 1952, improving to the high level of 135 in April. Thereafter, the import index declined to 121.4 by August—the lowest for the year. During the subsequent months, the figure moved both ways, the latest figure for November last being 127.2. On the other hand, there was a substantial decline in the export index. Starting from 164.4 in January, 1952, it declined to the low level of 116.7 by September. Thereafter, the fluctuations became somewhat narrow, the November figure being 117.1. It may be mentioned that practically the entire adverse trade balance during 1952 was incurred during the first half of the year when, on the sea- and air-borne trade account alone, it amounted to Rs. 170.02 crores. During this period, India was importing substantial quantities of foodgrains and raw cotton which had been contracted at high prices early in the year.

Rise in Foodgrains

On the import side (sea- and air-borne account) the value rose from Rs. 215.42 crores (1951) to Rs. 233.87 crores in 1952 in the food group. In the raw material group, imports remained steady at Rs. 233.68 crores, the previous year's figure being Rs. 224.68 crores. In the manufactures group, they were marked down from Rs. 325.61 crores to Rs. 297.20 crores. Foodgrains alone accounted for a major share in the food group, the total for the year being Rs. 207.93 crores, as compared with Rs. 183.61 crores in 1951 and Rs. 104.61 crores in 1950. Imports of wheat and rice were marked up from Rs. 108.43 crores and Rs. 39.54 crores to Rs. 121.28 crores and Rs. 48.75 crores, respectively, while those of *jowar* and *bajra* declined appreciably from Rs. 25.79 crores to Rs. 6.34 crores. Next to food is raw cotton which accounted for Rs. 114.98 crores, as compared with Rs. 113.31 crores and Rs. 87.20 crores in 1951 and 1950, respectively. Despite the fact that there was very little change in the value of raw cotton imports, the quantum of imports during 1952 was higher at 203,000 tons, as against 165,000 tons in the previous year. Machinery imports at Rs. 94.51 crores were lower than in 1951 when they amounted to Rs. 96.31 crores. The intake of mineral oils has been showing a steady increase in recent years. From Rs. 71.51 crores in 1951, it improved to Rs. 84.23 crores, while in 1950 it amounted to Rs. 58.87 crores only. A part of the increase, especially in lubricating oils, was the result of the increased industrial activity in the country. Imports of iron and steel were higher at Rs. 25.52 crores, as against Rs. 20.05 crores, while those of non-ferrous metals remained more or less steady at Rs. 19.42 crores, the previous year's figure being Rs. 19.80 crores. Chemicals and drugs continued to remain high, the value in 1952 being Rs. 30.28 crores, as against Rs. 31.33 crores in 1951 and Rs. 15.64 crores in 1950. Imports of dyes and colours recorded a substantial decline from Rs. 21.74 crores to Rs. 12.43 crores, as also those of cutlery and hardware from Rs. 19.41 crores to Rs. 15.88 crores. Imports of paper and paste-board at Rs. 12.53 crores were lower than in 1951, when they amounted to Rs. 15.84 crores. The intake of vehicles increased from Rs. 29.39 crores to Rs. 31.40 crores and that of electrical goods from Rs. 9.16 crores to Rs. 12.92 crores. Among other imports, spices were marked down from Rs. 8.37 crores to Rs. 4.26 crores, fruits and vegetables from Rs. 9.38 crores to Rs. 9.20 crores, provisions and oilman's stores from Rs. 9.04 crores to Rs. 7.69 crores and miscellaneous articles from Rs. 4.99 crores to Rs. 3.59 crores. In the land-frontier trade, imports of raw jute in 1952 were valued at Rs. 26.83 crores.

Decline in Exports

On the export side, there was a marked decline in the value of a number of goods sent from India, mainly due to a sharp fall in the prices of many export articles. In the food group, the value of exports dropped from *Rs. 162.50 crores to Rs. 146.46 crores*—a fall of about 10 per cent. In the raw material group, exports were marked down from Rs. 160.93 crores to Rs. 147.78 crores. The manufactures group was the worst sufferer, the value receding from Rs. 416.86 crores to Rs. 294.07 crores—a decline of more than 25 per cent. Exports of fruits and vegetables increased from Rs. 13.51 crores to Rs. 16.49 crores mainly due to higher quantum of despatches of cashew kernels, the value of which rose from Rs. 9.76 crores to Rs. 12.08 crores. Sendings of spices receded from Rs. 29.87 crores to Rs. 22.79 crores. In this section, pepper accounted for Rs. 17.99 crores, as against Rs. 25.14 crores in 1951. The quantum of pepper exports declined from 16,700 tons (1951) to 13,200 tons. Exports of tea came down from Rs. 96.85 crores to Rs. 80.90 crores, the quantity receding from 450.24 million lbs. to 409.13 million lbs. Sugar exports were markedly higher at Rs. 3.99 crores, as against Rs. 43 lakhs in the previous year, while those of tobacco declined from Rs. 16.44 crores to Rs. 14.62 crores.

In the new material group, coal showed a substantial rise from Rs. 5.87 crores to Rs. 8.94 crores, the quantity moving up from 18.79 akh tons to 26.02 lakh tons. Despatches of mica and quarry products declined from Rs. 14.62 crores to Rs. 10.49 crores and those of lac by nearly 50 per cent. from Rs. 18.30 crores to Rs. 9.17 crores. Raw hides and skins were also lower at Rs. 5.87 crores, as against Rs. 9.94 crores in the previous year. Impressive increase was seen in the exports of manganese which moved up from Rs. 16.19 crores to Rs. 38.57 crores. The quantity of manganese exports increased from 904,300 tons to 1,401,500 tons in 1952. Vegetable oil exports were maintained at a high level, namely, Rs. 25.30 crores, as compared with Rs. 23.23 crores in 1951 and Rs. 13.06 crores in 1950. The value of oilseeds exports was negligible at Rs. 5.24 crores, the respective figures for 1951 and 1950 being Rs. 12.60 crores and Rs. 18.05 crores. Raw cotton exports declined from Rs. 25.73 crores to Rs. 24.57 crores, but the quantity despatched increased from 27,600 tons to 46,000 tons. Exports of raw wool were marked up from Rs. 6.87 crores to Rs. 8.72 crores in 1952, but the quantum of exports registered more than 100 per cent. rise from 8,400 tons to 17,900 tons.

In the manufactures section, the sharp decline in the prices of jute goods, as well as the substantial reduction in the export duty on them, brought down the value of exports of this commodity from Rs. 240.09 crores (1951) to Rs. 162.54 crores. In 1950, the value stood at Rs. 119.33 crores. The quantum of exports was marked down from 771,800 tons to 735,500 tons. Despatches of cotton piecegoods and yarn receded from Rs. 94.07 crores to Rs. 73.15 crores, the quantum coming down from 785.9 million yards to 592.3 million yards in 1952. Exports of tanned hides and skins declined from Rs. 33.42 crores to Rs. 17.56 crores.

Importance of U.S.A. in Import Trade

In the distribution of import trade, the U.S.A. has been able to maintain the first rank because it has now become the principal supplier of foodgrains and raw cotton to India during the last one or two years. Total imports from the U.S.A. amounted to Rs. 272.34 crores, as compared with Rs. 201.69 crores in the preceding year. In 1950, the U.S.A. accounted for Rs. 107.17 crores worth of imports. The total value of goods imported from all the Commonwealth countries put together cannot come to the level of that of the U.S.A. In 1952, imports from these amounted to Rs. 265.37 crores as against Rs. 279.38 crores in the previous year. Imports from the U.K. increased from Rs. 144.11 crores to Rs. 149.74 crores. After the cessation of mineral oil imports from Iran, those from Bahrein Islands, and Saudi Arabia recorded a marked rise, the figures for 1952 being Rs. 17.22 crores and Rs. 15.76 crores, as against Rs. 9.34 crores and Rs. 6.50 crores, respectively, in the previous year. Imports from West Pakistan shrank from Rs. 10.43 crores to Rs. 23 lakhs. The intake from Singapore declined from Rs. 19.53 crores to Rs. 13.78 crores while those from Kenya remained very steady at Rs. 19.69 crores. Perhaps, the sharp decline in the offtake of Sudan cotton was responsible for the reduced imports from that country which were marked down from Rs. 14.54 crores to Rs. 3.52 crores. Imports from Canada rose from Rs. 12.22 crores to Rs. 29.66 crores, while those from Australia declined slightly from Rs. 17.88 crores to Rs. 15.09 crores. In 1950, imports from that country stood at the high level of Rs. 57.33 crores, largely due to despatches of wheat. Shipments to India from West Germany were slightly lower at Rs. 24.22 crores, as compared with Rs. 26.01 crores in the previous year, while those from the Netherlands moved up from Rs. 9.22 crores to Rs. 12.33 crores. Cargoes from France were steady at Rs. 12.23 crores, while those from Switzerland came down from Rs. 10.18 crores to Rs. 7.85 crores. Iran's exports to India sharply declined from Rs. 32.82 crores to Rs. 3.93 crores. But the value of imports from Burma rose from Rs. 23.45 crores to Rs. 31.06 crores, while that from Japan declined from Rs. 22.17 crores to Rs. 19.39 crores. Goods received from *Egypt and Thailand receded* from Rs. 44.08 crores and Rs. 13.47 crores to Rs. 20.11 crores and Rs. 9.16 crores, respectively. Imports from China were somewhat higher at Rs. 15.44 crores as against Rs. 13.65 crores in 1951.

U.K. as Best Customer

In the sphere of export trade, the U.K. continues to hold the place of pride, its offtake of Indian merchandise in 1952 being valued at Rs. 126.48 crores, as compared with Rs. 196.14 crores in the previous year. Exports to all the Commonwealth countries amounted to Rs. 284.57 crores, the previous year's figure being substantially higher at Rs. 382.12 crores. Next to the U.K. comes the U.S.A. which imported Rs. 119.76 crores of goods, as compared with Rs. 137.05 crores in 1951. Japan has become the third best customer, importing from this country Rs. 26.48 crores worth of goods as compared with Rs. 15.55 crores in the previous year. Exports to Burma improved from Rs. 18.80 crores to Rs. 23.51 crores and those to West Pakistan from Rs. 10.53 crores to Rs. 17.60 crores. The offtake by Ceylon was slightly higher at Rs. 19.75 crores, as compared with Rs. 18.15 crores in the previous year. Despatches both to Singapore and Hongkong—free ports—declined from Rs. 23.68 crores and Rs. 12.80 crores to Rs. 15.08 crores and Rs. 6.44 crores, respectively. Sendings from Australia dropped from Rs. 45.12 crores to Rs. 23.46 crores, *mainly due to severe* import restrictions imposed by that country in March last year. Canada's imports were lower at Rs. 12.73 crores, as compared with Rs. 16.19 crores in the previous year. Exports to West Germany and the Netherlands were marked up moderately from Rs. 9.25 crores and Rs. 9.47 crores to Rs. 12.77 crores and Rs. 10.36 crores, respectively.

Apropos our references in *Commerce*, dated 21st March, 1953, to the Indian Tariff (Amendment) Bill explaining Imperial Preference, a reader, in a letter addressed to us, writes that the preference should not be allowed to diminish the protection that an Indian industry requires. He says:

"These preferences, however, go deeper than they would appear to do. For example, electrical goods have a difference of 12 per cent. on import duty between U.K. and non-U.K. manufactures. Electrical goods from U.K. are levied a duty of 24 per cent. preferential, while from others 36 per cent. is levied. This, combined with consideration of tenders being compared and decided on basis of f.o.r. values, would almost monopolise the British electrical goods for acceptance in India, with the result that the U.K. can sell to India electrical goods at a rate still higher than their own rates offered to other countries. They can raise their price even upto a certain percentage and still have a preference in Indian markets. This would, more or less, mean monopoly so far as Indian markets are concerned.

"However, this point is more outstanding in cases where electrical component parts are being imported into India, first, for assembling, and in the future for manufacturing the same, as in the case of house-service meters. Here is a glaring case where preferences are allowed to diminish the protection that this new and important industry so adequately requires."

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OUTPUT AND EXPENSES OF AGRICULTURE

FIRST U.N. REPORT ON SOME EUROPEAN COUNTRIES

THE U.N. Report* on the output and expenses of agriculture in some European countries, just published, makes interesting reading. It gives a broad outline of the agricultural structure of 14 countries, namely, Belgium, France, Ireland, Luxemburg, the Netherlands, Switzerland, the U.K., Denmark, Finland, Norway, Sweden, West Germany, Greece and Italy and summarises the main developments in recent years. Being the first of its kind, the Report, however, is of an exploratory character, mainly confining itself to the assembling of basic data. It is more descriptive than analytical.

The purpose of this report will be served better still, if further intensive and critical studies are initiated. Such studies would go a long way towards solving the problem of increasing production of food of the right kinds at as low a cost as possible, while at the same time enabling the agriculturists to have a reasonable standard of living. It is true that some important steps have been taken in the past, but these are insufficient. New efforts are doubtless needed for making agriculture a highly remunerative venture without increasing the burden of the consumers of farm produce.

The Report discloses that in 1950, the 14 countries mentioned above, produced about $19 billion worth of agricultural products, as against $10½ billion before the Second World War. The increase of $8½ billion was mainly due to the general rise in prices or, in other words, to the decline in the purchasing power of the dollar in terms of agricultural products. There was also, however, a rise of about 10 per cent. in the volume of output. As much as 15 per cent. of the value of output, as against 17 per cent. pre-war, represented the cost to farmers of purchases of feed and other raw materials, namely, seeds, livestock, fertilisers, pesticides, fuel and electricity. The difference is mainly attributable to the greater degree of self-sufficiency in feeding stuffs, which many European farmers have achieved during post-war years.

The net receipts from agriculture—that is, the sum which remains if current expenses (except repairs, maintenance and labour costs) are deducted from gross realised output—have increased in all countries, if current money values are compared with corresponding figures for pre-war years. These money values, however, have been inflated by general price increases. In comparison with changes in cost of living, the balance per head of the agricultural population appears to indicate an improvement in the purchasing power of agricultural income in the U.K., the Netherlands, Western Germany, Sweden and Ireland. The authors of the Report say that it has not been possible to examine the position in all countries, because of lack of even approximate data on changes in the agricultural population. Similarly, available information does not permit calculation to be made of, either of the distribution of net agricultural income between the different recipients, namely, farmers, hired workers and proprietors, or of the trend in net income per head of agricultural population compared with income per head in other groups of the population. As such, it has been found difficult to arrive at precise conclusions. There is, therefore, the need for accurate measurement and analysis of these trends which call for more adequate statistical material for the purpose of intensive studies.

The value of net output per head of active agricultural population, according to the Report, in the United Kingdom was $1,550, Belgium $1,300, Denmark $1,200, and Switzerland $1,150. Finland and Italy account for the lowest with $350 each per head of active agricultural population. The value of net output per hectare was the highest in Switzerland, the Netherland and Belgium. Thus, it was $408 in Switzerland, $377 in the Netherlands, and $371 in Belgium. The lowest in the ladder was Ireland, accounting for $65.

In a number of countries, according to the study, the wage bill of hired labour absorbed from 10 to 20 per cent. of total receipts. It is interesting to note that since 1948, there has been a tendency for hired labour to take a diminishing part of gross receipts, particularly in the Netherlands, the U.K., Denmark and Western Germany. If it is correct to suppose that agricultural wage rates have generally been well maintained in relation to other agricultural prices, this reduction in the wage-bill per unit of output (in money value) appears to reflect an increase in the productivity of labour. Generally speaking, the number of hired workers is declining and in some cases the decline is offset by a substantial rise in wage rates.

Although it is difficult to arrive at precise conclusions, it is clear that there is a great need for increasing the volume of production, keeping costs at sufficiently low levels, as indicated earlier. It is gratifying to note that Governments, individually and collectively, are endeavouring to create the conditions which they consider are most appropriate to the situation. Emphasis is laid on the benefits to be expected from improvements in equipment and the application of technical knowledge. In recent years, the effects which might follow an increase in competition brought about by a reduction in existing tariffs and by the organisation of common markets have also been pointed out.

The shortcomings of the present Report are expected to be made up by further studies on the subject. The studies are expected to deal with recent trends in net agricultural income, and comparison of productivity to-day, especially of labour, with that of pre-war years. Other problems which merit examination, among others, include the distribution of social income of agriculture, the influence of price policies in raising productivity, concealed unemployment in agriculture and the profitability of farms, according to size.

**Output and Expenses of Agriculture. Prepared by United Nations Economic Commission for Europe (F.A.O. Division), Geneva. Available at Oxford Book and Stationery Company, Scindia House, New Delhi.*

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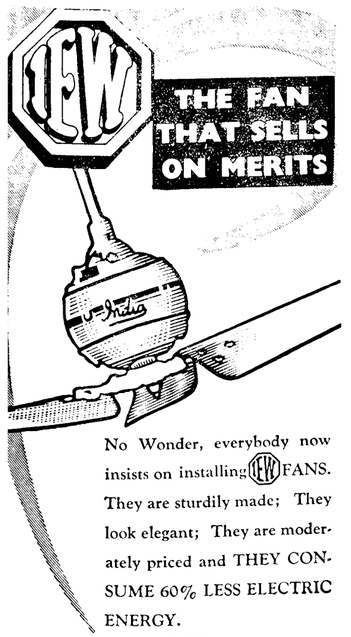

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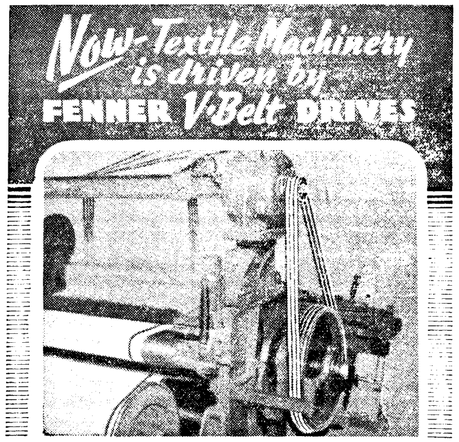

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INDIAN ALUMINIUM'S PROGRESS SATISFACTORY

EXPANSION PROGRAMME GOES AHEAD

READERS' attention is invited to the change-over in the accounting year of the Indian Aluminium Co., Ltd. (General Manager: Mr. J. W. Cameron, Calcutta), from the end of September to the end of December, so as to bring the same in line with the calendar year. The latest accounts of the Company, therefore, cover a period of 15 months, that is, from 1st October, 1951 to 31st December, 1952. This change is to be borne in mind before the results for the period under review are studied in conjunction with those for the previous periods, as the results of the two are not strictly comparable.

The Directors' report and accounts for the 15 months under review make, on the whole, satisfactory reading in the light of the adverse trading conditions during 1952 consequent on the slump in the aluminium market. The average rate of monthly sales of the Company's products during the period was higher than in any of the previous years. This was because of the new lines of manufacture undertaken during 1952 which offset the lower demand for its other products. The Company's output of ingot sheets and circles was lower due to causes beyond the control of the management and this resulted in an increase in the cost of production with the consequent decline in the margin of profit.

The trading profit for the 15 months under review, amounting to Rs. 32.58 lakhs, does not compare well with that of Rs. 31.36 lakhs for the previous 12 months. The net profit, at Rs. 10.70 lakhs, discloses a sharper fall, as compared with Rs. 13.64 lakhs for the year ended 30th September, 1951. In spite of the decline in profit, the Directors have added a useful sum of Rs. 3.95 lakhs to the general reserve. Unfortunately, they have had to make a provision of Rs. 2.50 lakhs for bad and doubtful debts on account of the failure of two of the Company's large customers. After paying the preference dividend, the Directors have had reluctantly to prune the dividend from 5 per cent. per annum paid for the previous year to 4 per cent. (Rs. 5 per share of Rs. 100 for 15 months). But the distribution of even this lower dividend has necessitated the drawing of a sum of Rs. 5.60 lakhs from the undistributed surplus brought in from the previous year.

The following summary of the accounts for the period under review, as compared with those for the previous years, portrays the Company's progress since 1949:

(In lakhs of rupees)

	For 15 months ended 31st Dec., 1952	For the year ended 30th September 1951	1950	1949
Sale proceeds	161.46	120.62	102.43	78.44
Manufacturing expenses (including raw materials consumed)	109.06	73.01	65.39	53.25
Depreciation and depletion	19.82	16.25	17.32	17.90
Trading profit	32.58	31.36	19.73	7.29
Other income	..	..	..	0.72
Other expenses	19.56	10.48	9.22	7.29
Further depreciation	0.35	0.08	0.07	..
Taxation	3.50	8.00	..	..
Net profit	10.70	13.04	10.82	0.72
Refund of taxes and provisions written back	..	11.14	21.85	..
To reserves	3.95	11.05	20.00	..
To bad and doubtful debts	2.50	..	..	..
Dividend—				
Preference 5% less tax	1.85*	1.47	1.47	1.50
Ordinary	8.00* (5%)	8.00 (5%)	5.60 (3½%)	..
Carry forward	22.28	27.88	23.62	18.02

* For fifteen months ended 31st December, 1952.

The Company's operations at Lohardaga Mines and the Muri Alumina works continued to be below capacity as demand from the smelter was on the low side. Demand on account of outside sales too was lower. There was, besides, a loss of production of about 150 tons of ingot at Alupuram smelter on account of the power cut imposed during the year. Production of sheets and circles at the Company's Belur rolling mills was restricted to meet sales requirements, which in the latter part of the period was much below capacity. Owing to the shortage of electric power in Bombay and the poor demand from the paint trade, production of aluminium paste was undertaken on an intermittent basis. The absence of adequate demand for ingots on the one hand and the starting of the new aluminium power and paste plant, on the other, resulted in an accumulation of stocks of raw materials and finished products, the value of closing stocks being as high as Rs. 153.61 lakhs, as against Rs. 113.73 lakhs at the end of the previous year.

The Company's total reserves and surplus stand at Rs. 60.93 lakhs, (as against a paid-up capital of Rs. 200 lakhs) of which the general reserve represents only Rs. 15 lakhs which indicates the leeway to be made up in the matter of building up a strong reserve. Fixed assets replacement reserve accounts for Rs. 20 lakhs. Current liabilities (including provision for taxation) show a sharp rise of Rs. 61.19 lakhs, that is from Rs. 58.22 lakhs to Rs. 119.41 lakhs, mainly on account of the unsecured loan of Rs. 50 lakhs taken from Aluminium Ltd. (repayable between 1955 and 1962) to finance the Company's expansion programme. During the period under review, the Company made additions to its Alupuram smelter and Belur rolling mill at a cost of Rs. 17.64 lakhs, as part of its programme of expansion which is estimated to cost Rs. 1 crore. The current assets, at Rs. 193.47 lakhs, amply cover the current liabilities at Rs. 119.42 lakhs, by a wide margin of Rs. 74.05 lakhs.

A more detailed picture of the Company's financial position, as on 31st December, 1952, is depicted in the following synopsis of its balance-sheet:

Liabilities	Rs.	Assets	Rs.
Capital ...	2,00,00,000	Gross block	3,07,88,193
Reserves and surplus ...	60,92,867	*Less*—Depreciation ...	1,21,00,053
Provision for taxation ...	11,50,000	Net block ...	1,86,88,140
Liabilities ...	1,07,91,838	Stocks ...	1,53,61,465
		Debts and advances ...	17,86,010
		Investments	10,093
		Cash ...	21,88,997
Rs.	3,80,34,705	Rs.	3,80,34,705

The Directors are keenly alive to the responsibilities thrown on private industry by the Planning Commission towards the achievement of the production targets set by it. It is with a view to achieving that target, that the Directors have launched a scheme of expansion which, according to them, is as follows:

"As announced by the Chairman at the fourteenth ordinary general meeting of the Company, expansion of the Company's smelter facilities at Travancore from a capacity of 2,500 to 5,000 tons per annum, as envisaged in the original plan of that works, has been approved by the Government of India, and work in this connection is proceeding satisfactorily. It is expected that completion of this expansion will coincide with the availability of additional power from new facilities being constructed by the suppliers, which are expected to be finished during the first half of 1954. Expansion of the rolling mill at Belur, which was announced at the same time, is also proceeding satisfactorily and, provided no undue delays occur in the delivery of equipment, is expected to be completed by the end of 1953. Application has been made under the Industries (Development and Regulation) Act for a licence to install extrusion facilities. This will enable your Company to offer a wide range of semi-fabricated products which, at the present time, are not manufactured in India. Preliminary steps have been taken to assess the possibility of constructing a new smelter with an initial capacity of 10,000 tons a year in the vicinity of the Hirakud Project. An application has been made for a licence under the Industries (Development and Regulation) Act. Negotiations are in progress with the appropriate authorities regarding suitable and satisfactory contracts for the land, water and power required for the smelter."

It may be noted here that the Planning Commission has envisaged the following expansion of primary ingot:

	1950-51	1955-56 (In tons)
Rated capacity	4,000	20,000
Production	3,677	12,000

The Commission has also recognised the importance of aluminium paste and powder to the economy of the country. It has fixed a target of 750 tons for expansion in both rated capacity and production of these commodities, to be reached by 1955-56. Expansion of the aluminium industry is expected by the Commission to cost a capital investment of Rs. 9 crores.

REFORM OF COMPANY LAW

Considerable progress is reported to have been made with the drafting of the new Companies Bill, but the Bill is not likely to be introduced in the current session of Parliament. The proposed Bill will not only be an amending measure but also a consolidating one, and the Government is apparently anxious to take all possible steps to ensure that the Bill is drafted as carefully as possible.

Mr. D. L. Mazumdar, I.C.S., Special Officer, Ministry of Finance (Department of Economic Affairs), and Mr. E. H. Marker, former Under-secretary of the Board of Trade, U.K., who paid a four-day visit to Bombay recently in this connection, met the representatives of the Chambers of Commerce and other associations and discussed with them some of the basic principles underlying the English Companies Act, 1948, on which the recommendations of the Company Law Committee have been largely based. Mr. Marker also reviewed the working of the new English Companies Act and the manner in which the Board of Trade administered it. He emphasised the importance of a quasi-independent organisation for this purpose with sufficiently comprehensive powers covering the entire field of the formation and management of joint stock companies and related matters like the regulation of stock exchanges.

PROFIT OF VASANTA MILLS SHRINKS

DIVIDEND, HOWEVER, RAISED

FOR the fourth year in succession, the dividend on the ordinary shares of the Vasanta Mills Ltd. (Managing Agents and Secretaries: Messrs. R. K. Shanmugham Chetty and Bros., Coimbatore) has been raised, the latest enhancement being in respect of the year ended 31st December, 1952. The first occasion on which the dividend was raised (after the Company's ordinary capital was increased in 1947 from Rs. 7 lakhs to the present level of Rs. 21 lakhs) was in 1949 when the Directors paid a dividend of 7 per cent. as against 5 per cent. for 1948. This was stepped up consecutively to 9 per cent. in 1950, 10 per cent. in 1951 and 12 per cent. in 1952. The latest dividend, it may be noted, represents a return of 36 per cent. on the previous paid-up capital and compares very favourably with the highest rate of 30 per cent. paid in 1943 on that capital. What is rather more striking is that the latest dividend has been enhanced despite the shrinkage in earnings for the year under review, which has proved to be one of the leanest in the post-war history of the Company. Thus, the gross profit for the year under review shrunk by as much as over 54 per cent., that is from Rs. 18.67 lakhs in 1951 to Rs. 8.52 lakhs. If the Directors have paid a higher return to the shareholders despite this marked contraction in earnings, it may be conceded they have done so, paying due consideration to the modest dividend policy they had followed in the preceding years and the strength of the Company's financial position.

Textile mills all over the country had an unhappy experience during the past year so far as trading conditions were concerned. In the case of mills in the South, there was an additional disquieting factor in the cut in electric power supply which contributed to a fall in production, a trend which is in striking contrast to the record production of their confreres in other parts of India. "Owing to the unusually low water level conditions at the Government hydro-electric supply source," the Directors observe in their report to the shareholders, "large restrictions were imposed on the consumption of energy by the mills for over nine months of the year under report. The consequent fall in production is estimated at 25 per cent." In order to avert a large-scale fall in production, the Directors took steps to augment the supply of current from the Government system by installing a generator. The generator is expected to meet nearly 20 per cent. of the current requirements of the mills. As it was installed only at the end of the year under review, the full benefit of the additional supply of power could not be derived during the year.

The Company's earnings and the disposition thereof for the last four years are compared in the following table:

(In lakhs of rupees)

	For the year ended 31st December, 1952	1951	1950	1949
Sale proceeds	140.88	172.36	111.84	125.72
Gross income	141.16	172.77	112.16	126.03
Raw materials and manufacturing expenses	128.21	150.03	94.79	104.78
Other expenses	4.43	4.06	4.70	6.49
Gross profit	8.52	18.67	12.67	14.75
Agents' commission	0.55	1.20	0.93	1.26
Depreciation	2.52	4.26	2.96	2.16
Taxation	1.50	6.00	2.00	4.00
Net profit	3.95	7.21	6.78	7.33
To reserve fund	0.50	2.00	0.50	4.00
To other reserves	0.50	2.78	4.15	1.50
Dividends—				
Preference (6½% and 6%)	0.28	0.28	0.28	0.28
Ordinary	2.52 (12%)	2.10 (10%)	1.89 (9%)	1.47 (7%)
Carry forward	0.50	0.39	0.40	0.49

The profit for the year under review at Rs. 8.52 lakhs has been arrived at after revaluing the stock of American cotton at the end of the year at par with the market rate that ruled on 31st December, 1952. This has been done in view of the steep fall in the price of American cotton during the year. The appropriation of the profit is clear from the figures in the table. It will be noted that the net profit has been utilised for paying the higher dividend only after adding a useful sum of Rs. 50,000 to the general reserve and Rs. 50,217 to the reserve for contingencies.

The Company's financial position continues to be sound. Even after the capitalisation of a sum of Rs. 14 lakhs in 1947, the reserves and surplus now stand at Rs. 28.50 lakhs, against a paid-up capital of Rs. 25.50 lakhs. The gross block of Rs. 47.61 lakhs (including Rs. 3.15 lakhs added during the year) has been written down to a book value of Rs. 18.85 lakhs, the depreciation provided so far being Rs. 28.76 lakhs or 60.4 per cent. of the value at cost. The current assets, at Rs. 59.11 lakhs, exceed the current liabilities, at Rs. 23.96 lakhs, by as wide a margin as Rs. 35.15 lakhs.

The Company's Rs. 100 fully paid-up ordinary shares are currently quoted on the Madras Stock Exchange at Rs. 160 *cum-div.* On the basis of the *ex-div.* rate, the latest dividend gives a yield of 8.1 per cent., free of income-tax.

Points From The Chair

Risk of Deficit Financing Worth Taking

"IT must be remembered that for a country like ours, with its vast potential resources, deficit financing to the extent of Rs. 290 crores is of a modest nature indeed. What most people fear, however, is not the size of the deficit financing, nor even the ability of the Union Government to yield this instrument with skill, but the effectiveness of its control over the State Governments or their unwillingness to co-ordinate their policies in line with the Centre. Co-operation of the people of the country is necessary to make a success of a plan of this nature. The Finance Minister is fully aware of the risks of the policy of deficit finance. He has assured the country that he will watch the impact of deficit financing on the national economy at every stage, that he would apply the brakes where and when necessary and has asked the country to place confidence in him. If the past is any guide, it would appear that the credit of the country is in very good hands and it is the duty of every citizen to go all out to lend his valuable and enthusiastic support. Even though I do not want to give an impression of elation at the prospect of inflation, for some inflation there is bound to be, I think the risk is worth taking."

RAMNATH A. PODAR,
Bank of Jaipur Ltd.

Economic Development Limited by Savings

"On the financial plane, in the last resort, the economic development is essentially limited by the 'savings fund' of the community, that is, the difference between the existing income and consumption. There is, however, growing inclination among the economists to regard such a pre-existing 'savings fund' as a myth. The margin between the income and consumption can be enlarged by augmenting the former as by lowering the latter. Plans of capital construction augment the income of the people from the moment of their inception and not when they are completed. Release of purchasing power, whether it comes from printing of new notes, borrowings or surplus balances from the annual budget, automatically and simultaneously increases the income of the community. An assumption underlying this argument is that the economic system does contain elements of reserve productive capacity in the shape of unutilised or under-utilised labour and resources and that the purchasing power released by governmental spending on the Plan is wholly or a considerable part of it siphoned back into savings. From this point of view, India is in a favourable position."

LALA YODHRAJ,
Punjab National Bank Ltd.

Estate Duty Bill

"That there is no new taxation in the Budget seemed to give relief to some people, but the proposal to modify the interpretation of the word 'income' by separating speculative losses and gains from other income is very disturbing. If carried, the proposal threatens to wreck certain functions of finance which are the *sine qua non* of all forward markets. . . . The Finance Minister in his Budget speech referred to the question of living costs. Unfortunately, as the largest spender in the country, the Government has not set an example in wise living. If prices have come down, as is claimed to be the case, Government expenditure ought to have been reduced to some extent. But we find that it is not so. Actually, the Government would do well to set a good precedent by attempting to live within their means. . . . I am sorry to say that our Government is determined to implement its socialistic ideas. The unseemly vehemence with which they are proceeding, for instance, with the Estate Duty Bill is to be deplored. It is scarcely realised that in a country like India where industries are only in the developing stage, such a drastic measure can only have the effect of restricting the flow of capital into industry."

MANEKLAL PREMCHAND,
Industrial Investment Trust Ltd.

Securities on the London Stock Exchange

"Fifty years ago the Stock Exchange Market was dominated by railway securities (both home and overseas) and by foreign bonds, and the British Government section was comparatively small. Insurance companies held a very small proportion of their assets in British Government securities—for example, the institution's proportion was less than 1 per cent.—while foreign Government bonds and foreign railway bonds were well represented in our portfolios. Who were the good foreign borrowers of those days? Mexico, Russia and Germany were among the best, while Chile and other South American countries stood fairly high. What changes have taken place since then. I know something about Mexico, having long had business interests there, and having served as chairman of the Mexican Railway Company Ltd. for many years until its eventual sale to the Mexican Government seven years ago. I take some pride in the fact that the debenture holders of that railway ultimately fared a good deal better than those of most other Central American railways, all of which had been very popular fields for investment for British money in the early years of this century."

VINCENT W. YORKE,
National Provident Institution.

REPORT ON COTTON TEXTILE INDUSTRY

(*Concluded from page 699*)

over imports necessarily means that licences for import of these mill stores should be granted to the organisation which mills may establish for the purchase and we recommend to the Government and to the industry that these steps may be adopted." The Party stands for the encouragement of the mill stores manufactured within the country, but suggests that, "while protection should be afforded to these industries by compelling the mills to purchase indigenous goods, there is need for constant inspection of the goods so produced." For this purpose, it wants the Government or the mill industry itself to set up an organisation for the constant inspection of the goods so manufactured in the country.

The Party has paid particular attention to the problem of utilising the home-made textile machinery, the rationalisation of production and the rehabilitation of the industry. It was only a few weeks ago that the Commerce and Industry Minister convened a conference of textile machinery manufacturers to find ways and means for the greater absorption of the locally produced machinery and decided that standardisation methods should be introduced in the production of various components, such as ring frames, looms, carding machines, etc. The Government of India has earmarked a sum of Rs. 25 lakhs in this year's Budget as loan to the Machinery Manufacturers Corporation which is manufacturing good quality carding machines. In order to encourage quality production, the Working Party has recommended that, "in consultation with the textile industry and the textile machinery manufacturing industry, a competent and adequate system of inspectorate should be organised by the Government and that such inspectorate should be authorised to certify to the quality of the products of the industry." This suggestion was accepted at the last meeting of the Government of India, machinery makers and the mill industry. The latest proposal of the Commerce and Industry Minister to maximise production of capital goods is expected to provide some stimulus to this industry.

Top Priority for Scientific Work-load

The Mudaliar Committee is of the view that some sort of scientific work-load should be ascertained and that highest priority should be given to the question of the scientific assessment of work-load for the industry as a whole and its application, with proper modifications according to the circumstances existing in each individual mill. If such work-loads were accepted by both managements and labour unions, it would promote healthier relations between workers and management. The Working Party further suggests that a panel of names of experts, approved both by management and labour unions, should be set up for the purpose of assessing the work-load in the industry regionwise. In regard to rationalisation of production, the Committee is emphatic that it should be viewed not merely from a national but from an international point of view. It points out that, unless the industry is rationalised, unless its productive capacity is increased and costs of production decreased, unless modern methods are adopted and plant and machinery renovated so as to suit such modern methods, the position of the industry, especially in its export markets, will be in serious jeopardy. The maintenance of export markets for Indian cloth, which has been developed during recent years, can only be made possible by paying particular attention to rationalisation. Since rationalisation should not adversely effect labour, it should be undertaken along with an expansion of the unit, in which case the displaced personnel can be employed in the expanded portions of the industry. The gains of rationalisation should be distributed to the management, the worker, the shareholder and the consumer. Thus, the problem of rationalisation covers different aspects, namely, (i) plant and machinery, including replacement, rehabilitation and renovation, and introduction of machinery capable of better and speedier production in the first phase, (ii) redesigning of buildings, where necessary, so as to make operation by workers under more healthy conditions, and (iii) rationalisation of the management of the mills.

The Working Party has devoted particular attention to the subject of supervision and efficiency of technical labour. In view of the large-scale growth of the industry, it feels that closer relations can now be possible in some cases, only if the supervisory staff virtually takes the place of the management in relation to the workers. In this connection, it suggests that, in those textile colleges where technicians are trained, the subject of a proper human relationship to the worker, the social *aide* of the activities of the technicians, may also be studied and a course of studies prescribed so composed as to give the opportunity to the student to acquire at least a previous and preliminary knowledge of these matters and of how these relations can be properly adjusted. In order to improve the efficiency of the worker, the Working Party is emphatic that a preliminary training should be given to the worker, and for this purpose, it suggests that Government should set up the necessary machinery by way of a pilot plant in the chief centres of textile production and have the staff to train the workers for a suitable period before they are taken back by the mill employing them.

In order to ensure a stable export market for Indian cloth, the Mudaliar Committee suggests that an organisation should be set up for inspecting cloth intended for export. It may be mentioned that the Government has already begun to take steps in this direction. Since the textile industry is the largest single industry employing nearly 750,000 workers on multi-shift basis and producing cloth and yarn valued at between Rs. 350 and Rs. 400 crores per annum, the Working Party concludes that Government, industrialists, technicians and labour leaders should combine together and make joint and sustained efforts to improve the efficiency of the industry from all angles, so that it can play a creditable part in the economy of the country in the coming years.

Notices

NASKARPARA JUTE MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 39th Ordinary General Meeting of the Members of the Company will be held at the Registered Office of the Company, No. 8, Dalhousie Square East, Calcutta, on Monday the 20th April, 1953, at 5 p.m., for the purpose of receiving the Directors' Report, passing the Audited Accounts and declaring the Dividends recommended by the Directors for the half-year ended the 30th April, 1952, electing Director, appointing Auditors and for transacting any other business of the Company that may be brought forward.

The Share Transfer Register of the Company will be closed from the 13th April, 1953, to 20th April, 1953, both days inclusive.

By Order of the Board,
For and on behalf of
NASKARPARA JUTE MILLS CO., LTD.,
HOWRAH TRADING CO., LTD.,
Managing Agents,
(Sd.) K. D. JALAN,
Director.

8, DALHOUSIE SQUARE EAST,
CALCUTTA, 26*th March*, 1953.

KHARDAH COMPANY LIMITED

NOTICE

LOST: CERTIFICATE FOR 11 ORDINARY shares Nos. 1196/206, inclusive, registered in the name of Mrs. Jessie Marion-King Taylor, having been lost, Notice is hereby given that a fresh Certificate will be issued within one month from this date unless valid objection be lodged with the undersigned prior thereto.

For and on behalf of
ANDERSON WRIGHT LTD.,
B. P. KEDIA,
Director,
Managing Agents.

7, WELLESLEY PLACE,
CALCUTTA—1, 10*th April*, 1953.

PREMIER CONSTRUCTION RAISES DIVIDEND

SHARP FALL IN PROFIT OF CALICO MILLS

Premier Construction Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Walchand & Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1952.

During the year, the Company has made a profit of Rs. 8,71,432 (Rs. 8,00,048). To this has to be added the sum of Rs. 42,987 (Rs. 46,209) being the balance brought forward from the last year's accounts, making a total of Rs. 9,14,419 (Rs. 8,46,257), which the directors propose to appropriate as follows:—

For dividends on 6¼ (6¼) per cent. cumulative preference shares at Rs. 6-4 (Rs. 6-4) per share (less income-tax) Rs. 62,500 (Rs. 62,500), on 6¼ (6¼) per cent. cumulative second preference shares at Rs. 6-4 (Rs. 6-4) per share (less income-tax) Rs. 93,750 (Rs. 93,750), on 4½ (4½) per cent. cumulative third preference shares at As. 7 pies 2.4 (As. 7 pies 2.4) per share (less income-tax) Rs. 2,53,125 (Rs. 2,53,125), on ordinary shares at Rs. 4-8 (Rs. 4-8) per share (free of income-tax) Rs. 3,37,500 (Rs. 3,00,000), on promoters shares at As. 11 pies 10.43 (As. 6 pies 4.20) per share Rs. 25,963 (Rs. 13,890), for reserve fund Rs. 88,143 (Rs. 80,005), and for carrying forward the balance of Rs. 53,438 (Rs. 42,987).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,05,06,250	Block ...	62,657
Reserves ...	1,15,34,059	Debts, deposits and advances ...	37,85,621
Provision for taxation ...	14,25,000	Investments	2,31,74,262
Liabilities ...	28,02,927	Cash ...	1,60,115
Profit and loss account ...	9,14,419		
Rs.	2,71,82,655	Rs.	2,71,82,655

Ahmedabad Manufacturing and Calico Printing Co., Ltd.

The directors of the above Company (Agents: Messrs. Karamchand Premchand Ltd., Ahmedabad) submit the audited accounts of the Company for the year ended 31st December, 1952.

During 1952, there was a general and precipitate decline in prices. However, the directors consider the working results to be satisfactory.

Under Article 3 of the agreement with the managing agents, the board of directors have fixed for 1952 the amount of commission payable to the managing agents at Rs. 16,50,000 instead of Rs. 21,68,396. It has been the policy of this Company to value stocks below cost. For the purpose of income-tax assessment, however valuation is made on the basis of cost. Accordingly, the Company does not expect any liability for taxes on income for 1952. Hence, no provision for taxes has been made in the accounts.

A sum of Rs. 45,67,966 (Rs. 1,00,64,013) of 1952 is available for appropriation which together with Rs. 2,89,575 (Rs. 2,45,178) brought forward from the previous year's account amounts to Rs. 48,57,541 (Rs. 1,03,09,191). The directors have transferred Rs. 26,00,000 (Rs. 28,00,000) to depreciation fund and Rs. 38,536 (Rs. 1,87,616) paid as donations are debited in profit and loss appropriation account. The directors recommend:—

Payment of dividend on 'A' cumulative first preference shares for the year 1952 at 4½ (4½) per cent. on 1,600 shares of Rs. 125 each bearing interest at 4½ (4½) per cent. per annum free of income-tax absorbing Rs. 9,000 (Rs. 9,000), payment of dividend on diamond jubilee cumulative second preference shares for the year 1952 at 4½ (4½) per cent. on 16,000 shares of Rs. 50 each bearing interest at 4½ (4½) per cent. per annum subject to income-tax absorbing Rs. 36,000 (Rs. 36,000), payment of dividend on cumulative third preference shares for the year 1952 at 4½ (4½) per cent. on 38,666⅔ shares of Rs. 50 each bearing interest at 4½ (4½) per cent. per annum subject to income-tax absorbing Rs. 87,000 (Rs. 87,000), payment of final dividend for the year 1952 of Rs. 10 (Rs. 10) per share free of income-tax on 1,00,000 ordinary shares together with the interim-dividend at Rs. 8 (Rs. 8) per share for the year 1952 absorbing Rs. 18,00,000 (Rs. 18,00,000), and carry forward to the following year's account the balance of Rs. 2,87,005 (Rs. 2,89,575).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,54,10,274	Block ...	3,71,68,168
Reserves ...	3,38,63,311	Stock ...	84,22,837
Provision for taxation ...	24,03,316	Stores, etc. ...	17,11,464
Liabilities ...	71,55,113	Debts, deposits and advances ...	1,01,12,643
Profit and loss account ...	14,19,005	Investments	3,55,609
		Cash ...	24,80,307
Rs.	6,02,51,019	Rs.	6,02,51,019

Belvedere Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1952.

After transferring Rs. 1,00,000 (*nil*) to general reserve there is a balance of Rs. 2,60,847 (Rs. 8,09,714) at the credit of profit and loss account from which the directors recommend payment as follows:—

Dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share Rs. 24,500 (Rs. 24,500) and on ordinary shares at Rs. 7-8 (Rs. 15) per share Rs. 2,10,000 (Rs. 4,20,000) and leaving Rs. 26,347 (Rs. 3,65,214) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association, the mills worked 42½ hours per week with 12½ per cent. of the total looms scaled.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	35,00,000	Block ...	40,32,986
Reserves ...	32,59,373	Stock ...	30,04,687
Provision for taxation ...	1,38,668	Stores ...	12,98,694
Liabilities ...	18,67,792	Debts, deposits and advances ...	3,67,286
Profit and loss account ...	26,347	*Investments*	*55,360*
		Cash ...	33,167
Rs.	87,92,180	Rs.	87,92,180

Trichinopoly Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Mooljee Ramjee & Sons, Ramjeenagar) submitted the audited accounts of the Company for the year ending 31st December, 1952.

The profit for the year is very meagre compared with those of the previous years. Due to the continued slump in the yarn trade, yarn prices ruled even below the already unremunerative prices fixed by the Government, while the mills had to consume high priced American, Egyptian, as well as Indian cotton stocked by it. Prospects for the year 1953 seem to be equally gloomy. The cut in energy supply which was prevalent in varying degrees for almost 9 months in the year added to the cost of production.

The appeal filed by the directors against the award of the Industrial Tribunal regarding bonus to workers for the year 1950, is still pending. The dispute over the quantum of bonus to workers for the year 1951, was adjudicated upon by the Industrial Tribunal, Madurai and the award is expected very shortly.

The net profit for the year after providing for all expenses and writing off Rs. 56,748 (Rs. 45,358) as depreciation on fixed assets, is Rs. 71,470 (Rs. 6,65,963). With Rs. 61,026 (Rs. 5,362) the balance carried forward from last year, there is a sum of Rs. 1,32,497 (Rs. 6,71,325) at the credit of the profit and loss account. The directors recommend to dispose of this sum as follows:—

To provision for taxation Rs. 37,000 (Rs. 2,75,000), to pay a tax-free dividend of 7 (10) per cent. on the old shares and 7 per cent. on the new shares from the date of their allotment to shareholders Rs. 85,654 (Rs. 93,299) and to carry forward the balance of Rs. 9,843 (Rs. 61,026) to next year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,98,630	Block ...	3,46,014
Reserves ...	7,25,505	Stock ...	14,68,544
Provision for taxation ...	3,05,598	Stores, etc. ...	1,65,703
Liabilities ...	1,76,650	Debts, deposits and advances ...	7,06,685
Profit and loss account ...	1,32,497	Cash ...	51,934
Rs.	27,38,880	Rs.	27,38,880

Peermade Tea Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Aspinwall & Co., (Travancore) Ltd., Alleppey) submit the audited accounts of the Company for the year ended 31st December, 1952.

The net profit for the year, amounts to Rs. 3,12,093, which compares with a profit of Rs. 9,84,920 in 1951, and Rs. 9,47,784 in 1950. As usual the necessary provisions for depreciation on buildings and machinery have been made; also full provision has been made for taxation at current rates. The teas unsold have been conservatively valued.

The crop harvested in 1952 was 18,24,487 (19,34,298) lbs. Although this figure is less than the estimate of 18,50,000 lbs., also 1,09,811 lbs. behind the 1951 record figure, yet compares favourably with the average crop *1948-1951* of 17,11,590 lbs. The harvesting of a finer quality leaf, and a less favourable rainfall distribution during the year, are the main causes for the short-fall in crop.

Except for a small dust contract, all the remaining dusts and export grades were offered at the Cochin auctions. Some export grades which received unsatisfactory bids in Cochin auctions were withdrawn and shipped for sale in London. Unfortunately, during the year tea prices fell sharply, but this fall was not unexpected with tea changing from a sellers' to a buyers' market. In 1952, the average sale price was 155.98 cents or 44.17 cents below the 1951 figure. The average prices of 1950 and 1951 would appear unlikely to be repeated, although export grades have met with better prices since the first auction of 1953.

Effective from 30th June, 1952, the Travancore Government notified minimum wages for plantation labour at high rates above those ruling in neighbouring States. The increase in estate expenditure above estimate, in 1952 is mainly caused by such legislation.

The table below gives the results of the last four years:—

Year	Crop	Estate expenditure	All-in cost	Average sale price	Net profit
	Lbs.	Cts. per lb.	Cts. per lb.	Cts. per lb.	Cts. per lb.
1949 ...	16,60,853	119.48	141.98	171.82	32.50
1950 ...	17,47,388	97.43	138.72	191.19	54.24
1951 ...	19,34,298	108.13	150.76	200.15	50.92
1952 ...	18,24,487	124.21	139.73	155.98	17.19

For 1953, a crop of 18,50,000 (18,50,000) lbs. is estimated to be collected at an estate expenditure of 122 (109.42) cents per lb. Compared with this time last year, the present crop figure is slightly ahead.

Although less than the record crop year of 1951, yet the crop of 18,24,487 lbs. is the second highest in the history of the Company and represents an all-over yield of 1,172 lbs. per acre, which must be considered extremely satisfactory.

Commenting on the recent yields the visiting agent states that it is quite remarkable that on a property of this size there was only one field during the last pruning cycle which did not reach the 1,000 lbs. per acre mark and this demonstrates clearly the quality of the tea as a whole.

The directors' policy of improvement of housing for labour and labour conditions generally on the estate has continued with the building of new lines and the renovation of old lines. Three creches were also built during the year and pipe water supply to lines and buildings is being extended where possible. Buildings and factories are well maintained and the tea machinery is running satisfactorily and is well cared for. The visiting agent, reports that the property is in good order.

The profit and loss account shows that, inclusive of the profit for the year, the amount available for appropriation is Rs. 5,75,950 (Rs. 9,49,732) and the directors recommend that this balance be disposed of as follows:—

By payment of a total dividend on the paid up ordinary capital at the rate of 25 (52½) per cent. Rs. 3,18,750 (Rs. 6,69,375) and by transfer to non-executive staff retirement fund Rs. 12,500 (Rs. 35,000), leaving to be carried forward the balance of Rs. 2,44,670 (Rs. 3,72,857).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	14,25,000	Block ...	13,77,904
Reserves ...	9,91,743	Stock ...	7,51,400
Provision for taxation ...	8,16,371	Stores, etc. ...	1,84,358
Liabilities ...	5,23,144	Debts, deposits and advances ...	3,90,916
Profit and loss account ...	5,75,950	Investments	13,30,648
		Cash ...	2,96,982
Rs.	43,32,208	Rs.	43,32,208

Dawn Mills Co., Ltd.

The directors of the above Company (Agents: Messrs. Ramnarain Sons, Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The result of the year's working showed a profit of Rs. 2,14,939 (Rs. 10,59,071) after providing for depreciation and staff gratuity fund. To this was added the sum of Rs. 2,30,356 (debit of Rs. 86,715), brought forward from last year's account, making a total of Rs. 4,45,295 (Rs. 9,72,356) which, the directors disposed of in payment of a dividend at the rate of Rs. 6 (Rs. 6) per share, free of income-tax for the year Rs. 1,92,000 (Rs. 1,92,000), transferred to reserve fund Rs. 1,76,427 (Rs. 3,00,000) leaving to be carried forward the balance of Rs. 76,868 (Rs. 2,30,356)

The mill buildings with machinery and stocks of cotton, yarn, hosiery, etc., are insured against fire and riot risks to the extent of Rs. 1,34,47,172 (Rs. 1,76,04,066). The profits and fixed charges, including the risk of riot and civil commotion, have been insured for Rs. 20,00,000 (Rs. 20,00,000) covering indemnity for 24 months.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,00,000	Block ...	63,03,745
Reserves ...	63,19,614	Stock ...	21,53,041
Provision for taxation ...	10,37,699	Stores ...	6,69,449
Liabilities ...	12,39,696	Debts, deposits and advances ...	6,73,719
Profit and loss account ...	4,45,295	Investments	80,000
		Cash ...	7,62,350
Rs.	1,06,42,304	Rs.	1,06,42,304

Broach Electric Supply and Development Corporation Ltd.

The directors of the above Company (Managing Agents: The Rajputana Textiles (Agencies) Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The performance of the power plant during the year was satisfactory and a steady, continuous supply of energy was maintained. The additional plant capacity resulting from the commissioning of the 155 k.w. mirrlees-brush set in the preceding year was fully absorbed. Furthermore, there is the matter of replacing the old sulzer set—No. 3—which has been fully depreciated in terms of the Electricity (Supply) Act 1948. The Company's agents are therefore actively considering the placing of an order for a suitable generating set and the requisite enquiries have already been set afoot.

The directors have had under consideration, the question of raising the additional finance necessary for expansion of the plant capacity as also for the extension and strengthening of the distribution system, and after examining all aspects of the matter, have come to the conclusion that the most suitable method under prevailing circumstances would be to issue first mortgage debentures. These debentures will in the first instance be offered to shareholders of the Corporation.

The distribution system was well maintained and attention is being concentrated on efficient supply to consumers. As a result of the large number of additional connections given during the year, it was found that the feeders were getting somewhat over-loaded. Accordingly the work of constructing a 3.3 k.v. high tension line in one section of the area of supply was taken on hand during the year. The progress of the Corporation during the past five years is reflected in the following tabulation:—

Year	Number of consumers	Connected load	Units of energy sold	Revenue from energy sold
		kw.		Rs.
1952	3,574	1,813	1,318,456	4,24,373
1951	2,905	1,630	1,222,540	3,39,269
1950	2,657	1,467	1,004,204	3,08,155
1949	2,550	1,412	937,448	2,62,232
1948	2,656	1,420	1,118,152	2,88,456

The sales, revenues and number of consumers served reflect satisfactory increases. The report of the rating committee appointed by the Government of Bombay pursuant to the provisions of the Electricity (Supply) Act 1948, was finalised during the year, and on receipt of the requisite Government orders the rates authorised therein were brought into effect from the August, 1952, billings. It may be mentioned that Government orders have created a certain amount of dissatisfaction amongst the motive power consumers, as the rating committee has directed that a flat rate should be applied to all consumers irrespective of the size of the installation of any particular consumer. Capital expenditure during the year amounted to Rs. 58,982 (Rs. 1,16,771). The profit and loss account shows that the result of the year's operations, compared with the previous year, was as follows:—

	1952 Rs.	1951 Rs.
Revenue from sales of energy	4,24,373	3,39,269
Revenue from other sources	20,682	16,933
Total gross revenue ...	4,45,055	3,56,202
All charges including depreciation and taxes ...	3,74,524	3,16,651
Net profit	70,531	39,551

While total gross revenue showed a satisfactory increase, the charges including depreciation and taxes also rose substantially with the result that only a portion of the increased revenues were carried through to the net profit. It will be noted that there is a large liability on account of arrears of depreciation as ascertained in accordance with the provisions of the Electricity (Supply) Act 1948, and the major portion of the profit has therefore been applied towards reduction of this statutory liability.

As a result of the above factors the net balance available for disposal after making the several appropriations and adding the amount brought forward and the excess tax provision and refund of taxes paid in the previous year as also the amount due to adjustment of the 1950 profits, amounted to Rs. 34,043 (Rs. 29,624) and the directors utilised this balance in paying a dividend on shares at As. 5-9 (As. 4-9) per share (3.59 (2.96) per cent.) free of income-tax Rs. 25,409 (Rs. 20,990), leaving to be carried forward a sum of Rs. 8,634 (Rs. 8,634).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,07,020	Block ...	11,99,885
Reserves ...	6,35,667	Stores, tools, etc. ...	92,674
Provision for taxation ...	33,265	Other assets	53,978
Liabilities ...	1,07,326	Debts, deposits and advances ...	86,096
Profit and loss account	8,634	Investments	5,975
		Cash ...	53,304
Rs.	14,91,912	Rs.	14,91,912

Chaparmukh-Silghat Railway Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st March, 1952.

The route mileage of line open for traffic at the end of the half-year was 30.81 miles, gauge 3' 3¾", and date of first opening for traffic 30th March, 1920. The total capital expenditure to the close of the half-year was Rs. 35,18,317 (Rs. 34,91,077). The gross earning during the half-year were Rs. 2,76,245. During the corresponding period in 1951 they were Rs. 2,36,396. The increase was Rs. 39,849 (Rs. 14,354) or 16.85 (6.07) per cent. The working expenses are as usual, 50 per cent. of the gross earnings, plus management expenses Rs. 4,394 (Rs. 9,624). The net earnings were therefore Rs. 1,33,728, against Rs. 1,08,574 in 1951 exclusive of interest on loans. The balance available for distribution, including net profit of Rs. 65,318 (Rs. 57,207) and balance brought forward of Rs. 32,574 (Rs. 69,050), was Rs. 97,892 (Rs. 1,26,257). The directors disposed of this amount in payment of a dividend for the half-year of Re. 1-4-7.8 (Re. 1-7-3.6) per share, without deduction of tax Rs. 40,009 (Rs. 45,143) and carried forward Rs. 57,883 (Rs. 51,257). The amount thus distribute at 3¾ per cent. per annum amounted to Rs. 40,009 for the half-year ended 31st March, 1952, the same as for the previous half-year. This amount, however, includes Rs. 28,482 paid towards income-tax and surcharge.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	31,00,000	Block ...	27,82,596
Reserves ...	75,000	Other assets	7,35,721
Provision for taxation ...	74,821	Debts, deposits and advances ...	1,00,824
Liabilities ...	3,74,233	Cash ...	1,02,805
Net revenue account ...	97,892		
Rs.	37,21,946	Rs.	37,21,946

N.B.—Figures within brackets relate to the corresponding period of the previous year.

COMPANY MEETINGS AND DIVIDENDS

KANKNARRAH CO., LTD. *Half-yearly General* Meeting, Calcutta, 24th April, 1953. Dividend: Rs. 4 per share. Transfer books closed from 10th to 24th April, 1953, both days inclusive.

KAMARHATTY CO., LTD. Half-yearly General Meeting, Calcutta, 24th April, 1953. Dividend: Rs. 6 per share. Transfer books closed from 10th to 24th April, 1953, both days inclusive.

UPPER JUMNA VALLEY ELECTRIC SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 24th April, 1953. Dividend: As. 10 per share (including an additional payment of As. 2 per share), free of income-tax. Transfer books closed from 18th to 24th April, 1953, both days inclusive.

NEW MANBHOOM COAL CO., LTD. Half-yearly General Meeting, Calcutta, 24th April, 1953. Dividend: *Nil.* Transfer books closed from 17th to 24th April, 1953, both days inclusive.

SHAHJAHANPUR ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 24th April, 1953. Dividend: As. 8 per share. Transfer books closed from 17th to 24th April, 1953, both days inclusive.

TRICHINOPOLY MILLS LTD. Annual General Meeting, Tennore, Tiruchirapalli, 25th April, 1953. Dividend: As. 12 per share. Transfer books closed from 8th to 25th April, 1953, both days inclusive.

NEW UNION MILLS LTD. Annual General Meeting, Bombay, 28th April, 1953. Dividend: Re. 1-4 per share, free of income-tax. Transfer books closed from 10th April to 1st May, 1953, both days inclusive.

SASSOON SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 28th April, 1953. Dividend: Re. 1-4 per share, free of income-tax. Transfer books closed from 10th April to 1st May, 1953, both days inclusive.

VISHNU COTTON MILLS LTD. Annual General Meeting, Bombay, 29th April, 1953. Dividend: Rs. 10 per share, free of income-tax. Transfer books closed from 10th to 30th April, 1953, both days inclusive.

WESTERN INDIA MATCH CO., LTD. Annual General Meeting, Bombay, 29th April, 1953. Dividend: Rs. 11 per share (including bonus of Re. 1 per share). Transfer books closed from 18th April to 7th May, 1953, both days inclusive.

STANDARD MILLS CO., LTD. Annual General Meeting, Bombay, 29th April, 1953. Dividend: Rs. 20 per share, free of income-tax. Transfer books closed from 7th to 24th April, 1953, both days inclusive.

TRAVANCORE RUBBER AND TEA CO., LTD. Annual General Meeting, Alleppey, 29th April, 1953. Dividend: 6 per cent. Transfer books closed from 12th April to 1st May, 1953, both days inclusive.

BELSUND SUGAR CO., LTD. Annual General Meeting, Calcutta, 30th April, 1953. Transfer books close from 23rd to 30th April, 1953, both days inclusive.

SEEBPORE COAL CO., LTD. Half-yearly General Meeting, Calcutta, 30th April, 1953. Dividend: Re. 1 per ordinary share. Transfer books closed from 18th to 30th April, 1953, both days inclusive.

SVADESHI MILLS CO., LTD. Annual General Meeting, Bombay, 30th April, 1953. Dividend: Rs. 16 per share. Transfer books closed from 24th March to 22nd April, 1953, both days inclusive.

LAKSHMI COTTON MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 30th April, 1953. Dividend: Rs. 37-8 per share, free of income-tax. Transfer books closed from 10th to 30th April, 1953, both days inclusive.

TATA MILLS LTD. Annual General Meeting, Bombay, 1st May, 1953. Dividend: Re. 1 per share. Transfer books closed from 24th March to 22nd April, 1953, both days inclusive.

BELVEDERE JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 1st May, 1953. Dividend: Rs. 7-8 per share. Transfer books closed from 18th April to 1st May, 1953, both days inclusive.

PODAR MILLS CO., LTD. Annual General Meeting, Bombay, 4th May, 1953. Dividend: Rs. 10 per share. Transfer books close from 1st to 15th May, 1953, both days inclusive.

MODERN MILLS LTD. Annual General Meeting, Bombay, 8th May, 1953. Dividend: Rs. 5 per share. Transfer books close from 18th April to 8th May, 1953, both days inclusive.

DURBHANGA SUGAR CO., LTD. Annual General Meeting, Durbhanga, 11th May, 1953. Transfer books close from 1st to 11th May, 1953, both days inclusive.

WEST COAST ELECTRIC SUPPLY CORPORATION LTD. Interim-dividend of As. 6 per share free of income-tax for the half-year ended 30th September, 1952. Transfer books close from 19th to 26th April, 1953, both days inclusive.

ROHIT MILLS LTD. Dividend of Rs. 9 per share (including bonus of Re. 1 per share), for the year ended 31st December, 1952.

MAFATLAL FINE SPINNING AND MANUFACTURING CO., LTD. Dividend of Rs. 17-8 per share for the year ended 31st December, 1952.

NEW COMMERCIAL MILLS LTD. Dividend of Rs. 70 per share, for the year ended 31st December, 1952.

QUESTION HOUR IN PARLIAMENT

Balance of Payments

INDIA'S balance of payments position on current account with the U.K. from April to December, 1952 showed, according to tentative estimates, a deficit of Rs. 59.2 crores.

* * * *

National Sample Survey

It has been decided to develop the National Sample Survey into a Central focal agency, under which all schemes of national sample survey may be conducted. In pursuance of this decision, the co-ordinated schemes for crop survey and the preliminary inquiry in connection with the agricultural census have been transferred to the National Sample Survey.

—*Finance Minister*

Spinning Mills in India

There are 113 cotton spinning mills and 276 composite mills in the country. Their installed production capacity, according to the Planning Commission, is 1,510 million pounds of yarn and 4,744 million yards of cloth. Their estimated production in 1952-53 yas 1,450 million lbs. of yarn and 4,700 million yards of cloth.

* * * *

"Khadi" Production

As much as 92,31,204 sq. yards of *khadi* were produced in India in 1951-52. The comparative figures for 1950-51 and 1949-50 were, 72,88,501 sq. yards and 71,54,407 sq. yards, respectively. The Government purchased in 1951-52 Rs. 67,287 worth of *khadi*, Rs. 96,277 worth in 1950-51 and Rs. 2,587 worth in 1949-50.

—*Minister for Commerce*

Rice-Wheat Deal

There was an agreement between India and Pakistan, under which India exchanged 38,378 tons of wheat with Pakistan rice. The value of the wheat, at the prevailing market prices abroad, is Rs. 229 lakhs. Recently, Pakistan was reported to have entered into a deal with Japan for such exchange. I think that no further deal will be entered by Pakistan with India.

—*Minister for Food and Agriculture*

Hirakud Dam Committee

The recommendations of the Advisory Committee on the Hirakud Dam Project are considered and mostly accepted in regard to stage one which is in hand, excepting some items. They include irrigation in the Mahanadi delta, transmission lines, etc., which are still under investigation. Final decision in the matter will be taken after the detailed investigations are completed.

—*Deputy Minister for Irrigation*

Trade Unions

While the Government would welcome any more towards elimination of unhealthy rivalry among trade unions, this is a matter in which they would not intervene. It is for the workers themselves to discourage the formation of trade unions by refusing to join more than one union in the same industry. Parallel and rival trade unions, sometimes two or more, are functioning in some of the major industries and in some industrial centres. The ideal arrangement would be to have one union in one industry and, naturally, the existence of parallel trade unions in the same industrial concern tends to weaken the trade unions and, consequently, make them less effective. Sometimes, however, a parallel trade union in the same industrial concern exist only in name and does not very much affect the effectiveness of a strong trade union functioning on proper trade union lines.

—*Minister for Labour*

Caltex Oil Refinery

Caltex (India) Ltd., which is to establish an oil refinery at Visakhapatnam with a capacity to refine 50,000 long tons of crude oil per annum, has been assured by the Government against nationalisation for a period of 25 years. The Company has also been exempted from sections 15 to 18 of the Industries (Development and Regulation) Act, 1951, and would be allowed freedom to make its own arrangements for the import of crude oil and for the distribution of the refined products in India, as also to export such products as may not be required for the Indian market. On its part, the firm has assured the Government that it would (1) spend Rs. 15 lakhs to provide housing for their labour, (2) make available, at reasonable prices, the surplus by-products to subsidiary Indian chemical industries, (3) not use tankers of countries discriminating against India, and it would use Indian Government tankers, if required, (4) take adequate steps to train Indian personnel subject to the right of the management to select personnel, and (5) use Indian crude oil, if available in sufficient quantity and suitable for processing. The refinery would be owned and operated by a public company, to be promoted by Caltex under the Indian Companies Act, with an issued capital of Rs. 7½ crores, 25 per cent. of which would be offered to Indian investors. Caltex would be permitted to fix the prices from time to time at any level not higher than that at which they can make available for equivalent imported products, provided that, subject to this principle, it would consult the Government before altering the prices.

—*Minister for Production*

CALL MONEY RATE LOWER

(From Our Own Correspondent)

BOMBAY, 15*th April*

The most outstanding event of the week under review in the money market is the slight fall in the inter-bank call money rate among the Exchange banks and the big Indian banks. After having been firmly held at 3 per cent. for several weeks, this rate declined to as low as 2½ per cent. early in the week and then remained steady at 2¾ per cent. Some stray business was, however, reported even at 3 per cent. towards the close, but the general rate was no more than 2¾ per cent. There has been a slight fall in the demand for funds, with some of the big banks not showing the same amount of anxiety to borrow on call as in the preceding two weeks. The rate among the smaller Indian banks continued unchanged at 3 per cent.

Term money rates also were a shade lower, at 2¾ per cent. for one to three months—3 per cent. was offered occasionally for renewals—and 2½ per cent. for six months. The Treasury Bill rate, however, showed no change and stood at the self-same rate of Rs. 2-7 per cent. per annum. The response to the weekly tenders continued to be lukewarm, this week's tenders for Rs. 1 crore of bills having brought an offer of only Rs. 120.5 lakhs.

For the second week in succession, the notes in circulation have gone up by over Rs. 16 crores. The statement of affairs of the Reserve Bank of India for the week ended 10th April, 1953, which discloses the latest rise of Rs. 16.57 crores, however, shows a fall of Rs. 1.67 crores in notes held in the Banking Department. The total notes issued, as a result, have risen by Rs. 14.89 crores. This rise has been covered by the transfer of Rs. 15 crores in the foreign assets from the Banking Department to the Issue Department. A small decline of Rs. 10.43 lakhs in rupee coin is also noted. On the liabilities side of the Banking Department, deposits of the Central Government which had declined by Rs. 48.49 crores in the previous week have risen by Rs. 11.06 crores in the week under review. Deposits of other Governments, however, show a decline of Rs. 17.71 crores, in contrast to the rise of Rs. 19.57 crores in the previous week. Deposits of *banks too have declined by Rs. 9.56 crores and those* of others by Rs. 2.11 crores. On the assets side, balances held abroad have shrunk by Rs. 15.80 crores. A decline of Rs. 2.17 crores is disclosed by loans and advances other than to Governments. A fresh advance of only Rs. 25 lakhs has been made to Scheduled Banks against usuance bills during the week.

A notable rise of Rs. 5.41 crores in demand deposits is disclosed by the consolidated statement of position of Scheduled Banks for the week ended 3rd April, 1953, while time deposits are lower by Rs. 37.09 lakhs. Inter-bank borrowings repayable on demand have risen sharply by Rs. 2.58 crores and those of a time nature by Rs. 35 lakhs. Borrowings from the Reserve Bank against usance bills have declined by Rs. 4.50 crores, but total borrowings show a fall of only Rs. 1.94 crores. Borrowings from the Imperial Bank, on the other hand, show a rise of Rs. 2.30 crores. Advances reveal no variation, but inland bills purchased and discounted have moved up by Rs. 3.16 crores. Investments are lower by Rs. 2.06 crores. Cash on hand and balances with the Reserve Bank are together higher by Rs. 9.55 crores, balances with other banks by Rs. 23.51 lakhs and money at call and short notice by Rs. 3.74 crores.

The Gilt-edged market experienced listless conditions during the week under review. In the absence of any support prices were down in some cases—the 3 per cent. Conversion Loan showing the largest decline—and the volume of business dwindled. 3 per cent. 1959-55 was unchanged at Rs. 100-1, but 3 per cent. 1957 was an anna down at Rs. 98-11. 3 per cent. 1958 stood at Rs. 98-7, whereas 3 per cent. 1959-61 gained an anna to Rs. 96-4. 3 per cent. 1963-65 and 3 per cent. 1964 were unchanged at Rs. 92-8. 3 per cent. 1966-68 was placed an anna lower at Rs. 90-5. 3 per cent. 1970-75 was maintained at Rs. 86-10, despite the payment of interest to-day. 3 per cent. 1986 Conversion Loan declined by as much as As. 10 to Rs. 81-11.

There was no change in the rupee-U.S. dollar rate. Nor was there any significant variation in the sterling dollar rate during the week. The dollar continued to be quoted at Rs. 4753 per $100 (banks selling for ready delivery) and Rs. 4764 (banks buying for ready). In New York, £ sterling stood at $2.81¾—2.81¾ per £ for spot and the rate for three months forward which had remained unchanged at $2.81—2.81¼ till Monday shaded off to $2.81-1/16—2.81-3/16.

EXPORT DEMAND FOR TEA SHRINKS

(From Our Own Correspondent)

CALCUTTA, 14*th April*

In contrast with the trend of auctions during recent weeks, export sale yesterday suffered from a shrinkage in demand, and as a result certain lines of teas offered recorded a decline in prices. The downward movement was pronounced in the case of residue and stalky teas. Offerings amounted to 47,000 packages. Despite the general weakness, prices for whole leaf grades possessing useful leaf appearance improved by one anna, while best liquoring B.O.Ps. and fannings tended dearer. The quotations were: best C.T.C. Assam B.P. Rs. 2, medium Assam B.P. Re. 1-12, clean common B.P. Re. 1-11, and clean black pekoe Re. 1-9.

An irregular trend was also the feature of last week's sale for domestic consumption. Dusts offered aggregated 19,960 packages, and leaf grades 1,290 packages. A small decline in demand was in evidence. In the dust market, prices for the best liquoring C.T.C. sorts eased. Teas suitable for export were in demand. Low mediums and commons were steady. A one-anna rise was recorded in the prices for mediums. The rates were: best Assam C.T.C. Rs. 2 to Rs. 2-1, medium Dooars Re. 1-7-6, and medium Assam grainy Re. 1-9-6. The leaf market was steady, and prices were higher.

BULLION FIRM

(From Our Own Correspondent)

BOMBAY, 15*th April*

The trend of the bullion market was rather erratic during the week, but prices generally managed to move forward and remain at higher levels, as the undertone was distinctly bullish in both the metals.

The upward trend in silver witnessed towards the close of last week failed to assert itself during the first few days of the week. During these days, prices actually declined due to selling by an erstwhile bull operator. But from Monday onwards a distinctly bullish trend came to prevail on strong speculative buying induced by good offtake from both local and up-country centres. To-day, however, the advance was halted a little and price closed below the best levels of the week. Nonetheless, silver scored a handsome gain of Rs. 3-10 over the week.

Gold was firmly steady throughout the week due to a shrinkage of floating stock and fairly good offtake. At the close, reports of a decline in offtake checked the rise, but on balance, the yellow metal stood Re. 1-10 per tola higher for ready delivery and Re. 1-13 for forward.

Silver for forward delivery (1st May settlement) began at Rs. 155-5 and after touching Rs. 156-1 on Friday the 10th inst. reacted to a low of Rs. 154 early on Monday this week. But, on revival of speculative buying, the rate advanced to Rs. 159-12 yesterday. As yesterday's closing rate, namely, Rs. 157-12, was Rs. 5 more than the last clearing rate, automatic interim clearing came into force in both the metals, the clearing rate being fixed at Rs. 159-8 for silver and Rs. 87 for gold. To-day, however, the white metal lost a part of the previous day's gain and closed at Rs. 158-11.

Ready silver (.996 Mint) opened at Rs. 155-9 and moved down to Rs. 154-4, but recovered to close higher at Rs. 158-15, the premium over the forward rate being kept up at As. 4 throughout. The floating stocks of silver are placed at 1,300 bars. The daily average offtake was 50 bars.

Gold for forward delivery (30th April settlement) steadily advanced from Rs. 85-1 to Rs. 87-10 yesterday, but finished to-day at *Rs.* 87.

Ready gold moved up from Rs. 85-15 to Rs. 88-4 before closing at Rs. 87-9. The premium of As. 13 which the ready metal commanded over the forward early in the week narrowed down to As. 9 at the close. The floating stocks of gold are estimated at 35,000 tolas. The daily average arrivals were 7,000 tolas, while the offtake was 5,000 tolas on an average.

The following comparative table shows the trend of the market during the week under review:

	15-4-53	Highest	Lowest	8-4-53
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	87 9	88 4	86 0	85 15
Forward	87 0	87 10	85 3	85 3
Sovereign	58 10	58 10	58 4	58 0
SILVER				
Ready (.996 fine Mint)	158 15	160 0	154 4	155 5
Forward	158 11	159 12	154 0	155 1
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½*c.*	—	—	85½*c.*

ALL-ROUND DECLINE IN METALS

(From Our Own Correspondent)

CALCUTTA, 14*th April*

The steep fall in the prices of tin in the London, Singapore and local markets affected all sections of the metal market during the week, and this coupled with a three-day suspension of activity in the Bombay market to meet the emergency, made consumers put off even purchasing their day-to-day requirements. The result has been depression all-round and he would be a bold man who invests money at the present stage. The element of risk has been thus brought to a climax. Tin provided a feature at Rs. 592, with a sharp decline to Rs. 540 on Wednesday last. At this stage, a ray of steadiness was reported in the London and Far Eastern markets, and the recovery that ensued in the local market saw the quotation improve to Rs. 558. However, the lack of business could not sustain the recovery, and the week's closure was extremely quiet at Rs. 540. It appears that the worst phase of the decline is now over, but at what level the price would get stabilised remains to be seen. Till then business would continue to remain almost at a standstill. The cause for this heavy decline is undoubtedly the settlement over the prisoners-of-war issue in Korea, and the clear possibility of an early peace there.

Electrolytic copper eased from Rs. 185 to Rs. 182. The decline would have been even more pronounced had it not been for the continuance of the difficult labour situation in Ghastila and the shortage of the ingots material. It is expected that in view of the changed international outlook, prices in foreign markets would fall further and for this reason consumers refrain from entering into commitments of a long-term nature. The emphasis continues to be on the procurement of scrap.

Lead was unchanged at Rs. 66, and stockists were not prepared to discount the rate in view of the expectation that consumer demand would soon revive. In sympathy with the general trend, electrolytic zinc declined from Rs. 57 to Rs. 55-8. Stocks are heavy, but consumer demand is not expected to change the general nature of the stock position. After declining to Rs. 465, mercury staged a recovery to Rs. 485 but Government's decision to reallocate the unshipped balance of the quota of 10,000 flasks for export only to shippers who have utilised their earlier licences is not expected to bring any noticeable change in the price inasmuch as the re-export quota has not been increased.

COTTON PRICES ADVANCE

(From Our Own Correspondent)

BOMBAY, 15*th April*

Ordinarily April is not a dull month for cotton markets in India. But, due to a combination of circumstances, conditions verging almost on dullness are likely to prevail in these markets during the next few weeks. For the present, however, the forward market is still bullish and prices have gone up further. Much of this increase is due to covering by bears. Now that the market has moved up to high levels, fluctuations are likely to be within a narrower range than in the last few weeks, when the market experienced fairly wide fluctuations.

Instead of setting the tone for the marketing of cotton in general, the forward market is now coming to depend more and more on the conditions in the spot markets. The only factor of uncertainty at present in the forward market is that of the entry of certain outside interests possibly from the northern and eastern parts of the country. The behaviour of the markets is likely to be shaped more by the activities of these new entrants. Apart from this the bear and the bull forces are more or less evenly balanced.

The spot market as indicated above is drawing greater attention from operators though the turnover is not very remarkable. A significant feature, however, to be noted is the gradual trekking back of the mill interests to the market for purchases at lower rates. All of a sudden the mills have lost interest in imported cotton and are reverting once again to Indian styles. One of the reasons responsible for this wholesome change is the changing pattern of purchases in the cloth market. Demand for lower priced cloth appears to have increased possibly due to pre-monsoon buying in mofussil centres. This has induced the mills to replenish their stocks of Indian cotton. It is also expected that the issue of fresh allocations to mills, especially those having less than two months' supply, will give a certain impetus to demand.

The controversy with regard to the crop estimate continues and market opinion is, on the whole, for lower levels which will also go to lend a certain strength to prices. The carry-over at the end of the year, both with regard to foreign and Indian styles, is also expected to be very much lower than in the previous year. This in itself is a bullish factor, because even though efforts to increase production next year in certain parts of the country are afoot, this would need some planning and the increase could only be gradual and spread over two or three years. One of the States keen on effecting such an increase is U.P., where the authorities are endeavouring to raise the acreage by about 50,000 during the next sowing season.

Bengals are still in the doldrums and there is not much enquiry even at lower levels. Holders of stock both here and in up-country centres are, however, living in hopes that some enquiry is bound to be forthcoming from local shippers with commitments for April shipments. With regard to imports, the interest as before is still confined mostly to Egyptian cotton.

The following are the latest available quotations from the Sewri market: Bengal *Deshi* Rs. 560; Berar Jarillas Rs. 750; Vijay Rs. 850; Moglai Rs. 700; Kandesh Rs. 780; and Oomra *Deshi* Rs. 690.

The following table shows the trend of prices in the forward market during the week under review:

	8-4-53	*High*	*Low*	15-4-53
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
I.C.C. May	688 4	704 0	693 4	698 4
I.C.C. Aug.	698 12	715 8	709 4	709 4

At Karachi, nothing has happened during the week to change the pattern. Dealers are marking time for the conclusion of the negotiations regarding the big barter deal with Japan. It is not known whether Karachi has sent any definite counter-proposals to the revised proposals submitted by the Japanese for purchase of six lakh bales of Pakistan cotton. Western Europe is too much shaken by the recent peace moves to indulge in any fresh buying of cotton and the little interest which some of these countries had in Pakistan cotton is in abeyance at least for the time being.

The following are the latest available quotations from Karachi market: Punjab *Deshi* Rs. 64 to Rs. 66; 4F Punjab R.G. Rs. 57-8; S.G. Rs. 61-8; L.S.S. Punjab R.G. Rs. 59-8; S.G. Rs. 64-8; N.T. R.G. Rs. 60; S.G. Rs. 65-1; 289F Punjab R.G. Rs. 65; and S.G. Rs. 70-5.

At Alexandria also, the market is adjusting itself gradually to the prospects of the continuance of the present scheme of marketing for the next year. The operators are actually engaged in a series of threefold operations: Buying from producers, delivering this at a little premium to the Government at fixed prices and purchasing back those varieties more in demand abroad from the Government for export at a light discount and trying to make a living out of these varied transactions. On the whole, from the attitude of the Government it is apparent that the producers will not get the same guaranteed prices for their cotton next year, because the Government cannot afford to go on incurring losses to subsidise the farmers.

More or less the same position obtains at New York. There too the authorities are feeling a little tired of the price support scheme. The combined effect of all these trends is likely to be a general lowering of the price structure in the new year, provided the international situation does not take a sudden turn for the worse for any reason. This is likely to put off foreign buyers from making commitments ahead and the U.S. markets, which are so sensitive to exports, are likely to react unfavourably as the export demand shows a further recession. But for the liberal dollar allocations to various countries for purchase of U.S. cotton, even the present demand would not have been there and there are reports that some of these allocations are going unused because of comparatively cheaper cotton of corresponding staple avail-

e from the sterling areas. If one takes into sideration all these clouds gathering from ious directions, it looks as if a heavy storm is wing for the cotton world which might burst the 1953-54 cotton year.

The following are the latest available quotas from New York as compared with those of week and a fortnight before:

(In cents per lb.)

	14-3-53	7-4-53	30-3-53
ot	33.75	33.80	33.80
ly	33.20	33.27	33.17
ly	33.38	33.34	33.27
tober	33.50	33.38	33.39
cember	33.59	33.48	33.48

ART SILK YARN RECOVERS

(From Our Own Correspondent)

BOMBAY, 15*th April*

The recovery in values of yarn witnessed in e art silk yarn market towards the close of last eek, was carried a stage further on the opening y of the week under review, on firm advices om the local bullion market. But on the follow- g session, the market staged a setback which assisted till the 13th inst. The setback was ought about by renewed reports of heavy arrivals imported yarn and expectation of still larger pplies in the coming weeks. There were, besides, eports of progress in Korean peace talks. These actors induced operators to liquidate their stocks, nd buyers being reserved, values of yarn, particularly in the specific delivery contract, drifted ownwards. Yesterday, however, the sentiment of perators changed for the better and, on rumours hat consumers of art silk yarn would receive per oom very limited yarn import licences during the urrent half-year, values staged a marked recovery which continued to-day also. Not only were the previous losses completely erased but the closing rates stood very much higher than those at the end of last week.

In the forward section, 150D April delivery contract opened the week higher at Rs. 811, as against Rs. 794. After receding to Rs. 797 on the 13th inst., it recovered to finish at Rs. 828 to-day, the net gain over the week being Rs. 34. May contract improved from Rs. 799 to Rs. 816 on the opening day, but declined gradually to Rs. 804 on Monday. Yesterday, however, it strengthened to Rs. 826 and a further nine points were added to-day. The contract gained Rs. 36 over the week.

Values of yarn in the ready section moved in sympathy with those in the forward section. Thus, 150 Italy opened the week an anna higher at Rs. 4-1 and, after declining to Rs. 4 on Monday, moved up to Rs. 4-3 to-day. 120 Italy fluctuated between Rs. 4-0½ and Rs. 4-2 before closing at Rs. 4-2. 120 Japan and 150 Japan were on the whole better by As. 2 and an anna at Rs. 4-9 and Rs. 4-5, respectively.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 8th April and 31st March, 1953.

Art Silk Yarn—	15-4-53 Rs. a.	8-4-53 Rs. a.	31-3-53 Rs. a.
150D April (per case of 200 lbs.)	828 0	794 0	821 0
150D May ,, ...	835 0	799 0	— —
120 Japan (per lb.) ,, ...	4 9	4 7	4 12
150 Japan ,, ...	4 5	4 4	4 6
150 Italy ,, ...	4 2	4 0½	4 3
150 Italy ,, ...	4 3	4 0	4 2

Despite imports of large quantities of art silk yarn in the last few weeks, prices are still ruling high. In fact, it is reported that several looms using yarn are lying idle, as a result of high prices for yarn *vis-a-vis* prices of rayon cloth. Disappointment is, therefore, expressed at the restricted import policy of the Government. To quote one report: "It is unfortunate that, at a time when Continental suppliers are offering their yarns at cheap and attractive prices for prompt shipments, the Government of India do not take advantage by granting more liberal licences both to the consumers and to the established Importers and unnecessary scarcity is felt, as a result of which almost 50 per cent. of the looms remain idle and unemployment has been the order of the day."

The staple fibre and staple fibre yarn section was quiet this week. Turnover of business continued to be small, owing to shortage of floating stocks in the market.

CASTORSEEDS IMPROVE

(From Our Own Correspondent)

BOMBAY, 15*th April*

The oil and oilseeds market came in for considerable enquiry this week. On business reported done with the U.S. in castoroil First Pressure at 19 cents per quarter and Commercials at 18¾ cents per quarter, the castorseeds sections ruled bright. The groundnuts section advanced further on demand by *vanaspati* interests. As a result, prices in the two sections improved and disclosed sizable gains. The linseed and kardi seed sections, however, ruled slightly easy and disclosed minor losses in values. But nigerseeds remained almost unchanged.

At one time in the castorseeds section, there was some liquidation in May delivery by a prominent shipper. This in its wake brought forth selling pressure from the smaller fry also. Consequently, prices were slightly easy. But the easiness was short-lived, as prices recovered subsequently. The earlier liquidation, however, wiped out to a considerable extent the difference between May and September quotations. September delivery, therefore, to-day disclosed at a premium of only As. 12 at Rs. 153-12. May delivery which opened at Rs. 152, as against Rs. 151-12, fluctuated between Rs. 151-12 and Rs. 157-12, before closing at Rs. 153. September delivery improved from Rs. 155 to Rs. 157-8 and finally eased to close at Rs. 153-12; the lowest touched during the week was Rs. 151. F.A.Q. hardened by Re. 1 to Rs. 31-8 and Madras As. 6 to Rs. 31-12. Castoroil First Pressure advanced by As. 10 to Rs. 19, while Commercials were steady at Rs. 17-10.

The improvement witnessed in the groundnuts section last week gathered some momentum especially at the end of the week on heavy demand by *vanaspati* interests. Bold ready gained As. 10 to Rs. 43. Coromandals ready was higher by As. 6 to Rs. 42-12. Khandesh quality too put on a similar amount to Rs. 42-12. Groundnut oil ready gained As. 2 to Rs. 22-10. Railway receipts were steady at Rs. 22-10. May delivery was unchanged at Rs. 22-11.

The linseed section was easy on lack of local enquiries. Bold ready lost As. 4 to Rs. 28-8. Linseed oil ready was down by As. 2 at Rs. 14-6.

Nigerseeds Madras quality gathered As. 8 to Rs. 34, while Fair Average Quality was unchanged at Rs. 33-8. Kardis Bold ready lost As. 8 to Rs. 23.

The following table shows the prices of oilseeds and oil on the 15th inst., as compared with those on the 8th April and 31st March, 1953.

	15-4-53 Rs. a.	8-4-53 Rs. a.	31-3-53 Rs. a.
Groundnuts—			
Bold Ready New (per cwt.) ..	43 0	42 6	40 12
Khandesh New (per cwt.) ..	42 12	42 6	41 4
Linseed—			
Bold Ready (per cwt.) ..	28 8	28 12	28 12
Castorseeds—			
May (per candy of 5 cwts.) ..	153 0	151 12	147 0
Sept. (per candy of 5 cwt.) ..	153 12	.. ..	.. ..
Madras (per cwt.)	31 12	31 6	31 0
Groundnut oil—			
Ex-mill Ready (per quarter)	22 10	22 8	22 2
Castor Oil—			
Commercial (per quarter) ..	17 10	17 10	17 14

EASY TREND IN PEPPER

(Messrs. Parekh & Co.)

BOMBAY, 15*th April*

Black pepper during the week continued to present an easy trend, with prices in Bombay touching the lowest figure of Rs. 2,595 for April delivery. Primary markets on the Malabar coast remained closed for a couple of days owing to local holidays, but the curb trading showed a softer tendency. Sellers there were willing to meet buyers, but New York having withdrawn, no notable business was reported except some covering against past sales by exporters. In the delivery section, there being a disparity between Bombay and Coast markets, the volume of business remained small. Instead there was a notable pick up in A.S.T.A. business and on an average 10 to 20 tons were changing hands almost daily, April-May and May-June were done at $1.38 per lb. c. & f. New York. There was slight improvement to-day, and sellers were quoting for April and May at $1.40, while buyers were asking for $1.39. Sarawak and Lampong which were stiff sellers till recently are now reported offering at price ranging from $1.38 to $1.32 for various positions for July onwards. Sentiment of the sellers there seems to have been affected by the weakness in rubber and tin. Peace psychology has been responsible for the recent somewhat bearish feeling. Expectations of the end of Korean War following the signing of agreement on exchange of sick and wounded prisoners have led to general belief that, with the change in the situation, the remnants of inflation which are still in evidence here and there will die a natural death, and that deflation would set in with cut in Defence expenditure everywhere. With the stockpiling programme no longer required and with the added production capacity, depression will first set in the U.S.A. affecting other sectors of the world though slowly but surely.

Following are to-day's nominal quotations: Ready delivery Rs. 2,800, April delivery Rs. 2,640-70 and May delivery Rs. 2,660-90 per candy of 5¼ cwts.

IMPROVED TONE IN JUTE

(From Our Own Correspondent)

CALCUTTA, 14*th April*

There was a small but welcome improvement in the tone of the jute goods market during the week. Gains, although fractional, were well sustained, and this trend was in evidence very perceptibly yesterday. However, it is difficult to say whether the upward movement would raise prices to levels economic to mills during the coming weeks, as buyers realise that mills' godowns are overstocked with finished goods and that manufacturers desire to seize every opportunity to sell. Now that mills have to put up with Government's decision against curtailment in sacking production, for the present at any rate, mills are reported to be eager to avail the yearly holidays of ten days, before long in order that the temporary stoppage of working would enliven market activity, raise prices, and relieve godown space. Rumours in this regard served this week as useful factors for bulls to push up prices. They also, with advantage, circulated unconfirmed reports that some mills were transferring a percentage of sacking looms to the production of hessian.

A report, quite welcome to the market, indicates that foreign manufacturers are no longer able to under-quote Calcutta goods, and that foreign buyers are holding off entering into commitments. It is expected that if only a steady trend is maintained in local prices, more orders for export would be received. In this context, the decision of the Government postponing consideration of the mills' demand for a reduction in the rate of sacking goods production is unwelcome to Dundee and other Continental manufacturers. The fulfilment of contracts, which they had entered into during recent months and which diverted business from this country, has in certain cases resulted in losses to them, it is reported. Although this is the position, Indian mills are constrained to the view that, in view of the shrinkage in world demand, there is the need at the present time to curtail output of sacking, so that the accumulated stocks can be marketed and funds released. If, therefore, Government feels that it cannot concede the demand for a reduction in output, mills should be permitted to avail their yearly holidays now. No doubt, the stoppage of production might affect hessian prices, but hessian stocks, which amount to, as stated above, 41,700 tons, will be a check on any attempt of bulls at taking up the prices to unnatural levels.

Although hessian prices followed an irregular pattern, the closing yesterday was higher on balance. Opening at Rs. 37-10 on Wednesday last, moderate covering demand raised the rate to Rs. 38-2. At this, mills adopted a reserved tendency in an attempt to raise the price, and a further rise to Rs. 38-10 on Friday was aided by American enquiries for moderate quantities and by suggestions that burlap manufacturers in the United States would need more burlap to meet a huge order for sandbags expected to be placed on them by the Army. Selling pressure made its presence felt, however, and the closing over the week-end was somewhat quiet at Rs. 38-4. But later rumours which anticipated moderate business with foreign buyers imparted a steady trend yesterday, and covering demand from bazar dealers helped the quotation to move up to Rs. 38-12, which was higher by Re. 1-2 compared to the opening on last Wednesday.

In company with hessian, heavy goods were also better on the decline. Some business was put through in sacking in general, and a moderate quantity changed hands in cornsacks and green heavy cees in particular. Heavy cees plain were better at Rs. 88-8, as against Rs. 87-8 earlier, and greenstriped heavy cees were offered at Rs. 100-8. Opening at Rs. 85-4 last Wednesday, B. twills were taken up to Rs. 86-12, but gave way to Rs. 85-14 over the week-end. A feature of yesterday's trend was the reserved tendency on the part of mills, which helped the rate to close better at Rs. 86-10.

Since mills' interest in offers of raw jute was only nominal, prices ruled easy for most part of the week. However, yesterday, a portion of the decline was made good as sellers were reserved. The decline in prices during recent months are encouraging cultivators to grow less jute this season. Stockists, who are bearing the brunt of the decline in prices are, therefore, encouraged to adopt a reserved tendency, with the hope that the 1953-54 output would be much smaller than that for 1952-53 and jute prices as a consequence might return to natural levels. Assam bottoms at Rs. 17-8 were better by As. 8, while *pucca* bales first marks remained unchanged at Rs. 100 a bale. Sellers were prepared to part with Murshidabad district tossa bottoms at Rs. 16-8, and Murshiganj jute at Rs. 13. Dalcolas were quoted at Rs. 20 as against Rs. 19 a week ago, Dinhattas at Rs. 18 as against Rs. 17, Kisanganjs at Rs. 19 as against Rs. 18, and *bimli* f.a.q. at Rs. 14 as against Rs. 13-8. Pakistan jat bottoms were priced at Rs. 21.

TEA DUSTS IRREGULARLY DEARER

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 11*th April*

Dust sale "G" which was held on Thursday, 9th April, contained approximately 1,84,000 lbs. There was a strong general demand for all types and prices were irregularly one anna dearer. Well-made black dusts were often sold at a premium.

London Market.—No sale this week.

Colombo Market.—No sale this week.

Calcutta Market—Dust.—19,800 packages. Good general demand market. Opened easier, but strengthened as the sale progressed.

Export Quota.—Small transactions have taken place in special license at 1½ pies. 1953-54 export quota stands at 9 pies sellers.

Forthcoming Auctions.—Dust Sale "H" is due to be held on Tuesday, 21st April.

As we go to press, Messrs. Forbes, Ewart and Figgis, Ltd., wire as follows:—

"*Sale No.* 8.—10,89,000 lbs. Less demand. Common fully firm; low medium half to one anna easier; medium As. 2 to As. 4 lower; and best liquoring As. 8 to As. 12 down, following decline in quality."

SHARP FALL IN WHEAT PRICES

(From Our Own Correspondent)

HAPUR, 13*th April*

Mr. Rafi Ahmed Kidwai, the Union Food and Agriculture Minister is leading a food delegation to Rangoon to negotiate a Rs. 40-crore deal for the supply of half a million tons of rice to India. India may benefit from the downward trend in rice prices in Burma.

The overall food position in the country has remained unchanged. *Rabi* grain arrivals have begun in N. India and the crop yield outlook is good. Orissa has harvested a bumper rice crop.

In the U.P., wheat and other *rabi* grain arrivals have begun all over the State, and the quantity received is increasing daily. There has been a precipitous fall in wheat prices. In some districts, wheat has been sold at Rs. 13, in others at Rs. 15, and, in still others, at Rs. 16 to Rs. 17. In most of the rationed towns, free market prices have fallen below Government sale rates and the offtake from ration shops stopped. The State Government has decided not to sell imported foreign wheat on rationed shops at any subsidised price and the retail selling rate will continue to be 2 *seers* and 2 *chattaks* per rupee. Rationing is to be terminated all over the State with effect from 1st May, 1953, except in 34 towns, that is, towns in the Eastern region of the State prone to scarcity

(*Continued on page* 735)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	3rd April, 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,149.66	1,133.12	1,136.12	1,157.07
Notes held in Banking Department	35.05	9.92	17.03	13.31	19.46
Foreign Securities	89.50	583.15	578.15	578.15	603.15
Rupee Securities	37.39	449.86	449.86	449.86	464.63
Banking Department					
Deposits of:					
Government of India	14.89	87.29	135.78	139.72	158.02
Other Governments	..	39.42	19.85	10.48	11.94
Balances held abroad	10.08	143.47	145.53	146.23	118.20
SCHEDULED BANKS					
Demand Liabilities	134.87	542.04	534.05	526.48	574.69
		(11.49)	(11.91)	(11.91)	(23.96)
Time Liabilities	102.84	311.81	311.83	311.81	284.36
		(2.21)	(1.86)	(2.01)	(0.96)
Borrowings from Reserve Bank	..	16.93	18.87	9.38	17.20
		(0.74)†	(3.24)†	(3.24)†	(23.13)†
Borrowings from Imperial Bank‡		12.76	10.46	7.76	N.A.
Cash in India	6.71	35.59	32.49	33.35	34.75
Balances with Reserve Bank	25.28	51.14	42.70	41.62	50.27
Excess over statutory limits	15.52	17.81	9.77	9.00	15.85
Balances with other banks in current account in India	..	11.24	11.01	10.77	11.70
Money at call and short notice in India	..	16.41	12.67	16.38	12.17
Investments (at book value)	..	301.25	302.24	300.90	296.67
Advances and bills	105.09	551.77	528.53	510.84	583.51
IMPERIAL BANK					
Deposits	87.76	221.15	214.15	209.89	236.99
Investments	51.99	82.23	82.22	81.24	86.99
Advances	30.37	134.07	133.71	127.10	162.79
Cash	14.69	21.22	18.43	15.31	23.15

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets). N.A.—Not available.
† Borrowings against usance bills and promissory notes
‡ Figures prior to 18th April, 1952, not available.

CLEARING HOUSE RETURNS

Centre	10th April, 1953 Number of Cheques	10th April, 1953 Amount Rs.	2nd April, 1953 Number of Cheques	2nd April, 1953 Amount Rs.
Bombay	2,61,208	65,14,43,000	2,28,220	66,61,34,000
Calcutta	1,51,289	50,23,84,276	1,37,553	61,56,26,780
Madras	76,100	9,18,01,281	59,454	8,52,75,454
All Centres				
Dec., 1952	..	..	25,49,000	5,47,76,00,000
Jan., 1953	..	..	23,74,000	5,52,14,00,000
1952	..	..	1,06,41,941	26,75,51,57,000
1951	..	..	1,05,84,122	31,80,56,86,359

Reserve Bank of India

Statement of Affairs for the week ended 10th April, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	93,35,00,000
(2) Other Governments	21,71,00,000
(b) Banks	42,55,78,000
(c) Others	61,59,19,000
Bills Payable	5,05,00,000
Other Liabilities	27,61,54,000
Rupees	267,00,51,000

ASSETS	Rs.
Notes	8,24,52,000
Rupee Coin	11,23,000
Subsidiary Coin	4,99,000
Bills Purchased and Discounted—	
(a) Internal	..
(b) External	20,50,000
(c) Government Treasury Bills	9,34,38,000
Balances held abroad*	127,67,66,000
Loans and Advances to Governments	3,77,00,000
Other Loans and Advances	23,27,60,000
Investments	86,33,49,000
Other Assets	7,99,14,000
Rupees	267,00,51,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 99,18,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 15,99,18,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,24,52,000	
Notes in circulation	1166,22,70,000	
Total Notes issued		1174,47,22,000
Total Liabilities		1174,47,22,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion:		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	598,15,11,000	
Total of A		638,16,82,000
B. Rupee Coin		86,44,36,000
Government of India Rupee Securities		449,86,04,000
Internal Bills of Exchange and other commercial paper	....	
Total Assets		1174,47,22,000

Ratio of Total of A to Liabilities: 54.337 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 3rd April, 1953

		Rs.
1.	Demand Liabilities in India:	
	(a) Borrowings from banks	14,49,07,000†
	(b) Other demand liabilities	527,54,86,000
2.	Time Liabilities in India:	
	(a) Borrowings from banks	2,21,00,000†
	(b) Other time liabilities	309,59,54,000
3.	Cash in India	33,59,42,000
4.	Balances with the Reserve Bank in India	51,13,73,000
5.	Balances with other banks in current account in India	11,24,62,000
6.	Money at call and short notice in India	16,41,13,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	301,24,63,000
8.	Advances in India	474,01,26,000
9.	Inland Bills purchased and discounted in India	57,76,20,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.

†Excludes borrowings from the Reserve Bank, and with effect from the 18th April 1952 as also those from the Imperial Bank.

EXCHANGE RATES

		14th April, 1953	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot.	s.	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	s.	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	s.	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	s.	1-6⅛	1-6⅛
Bombay on New York—			
Sellers T.T. D.D.	Rs.	475¼	475¼
Buyers T.T.	Rs.	471¼	471¼
London on New York	$	2.81¼	2.81¼–2.81⅜
London on Paris	Frs.	987½–988	987½–988
London on Berne	Sw. Frs.	12.17½–12.18	12.17½–12.18¼
New York on London	$	2.81⅛–2.81¼	2.81¼–2.81⅜

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	*Per capita* income (Rs.)
India	1948	342.12	..	..	8,730	255
Pakistan	1949	75.04	..	..	1,671	223
Burma	1951	18.67	Kyats	3,166	317	167
Ceylon	1951	7.74	..	..	451	564
Japan	1951	84.30	Y.	4,564,400	6,038	716
Philippines	1951	20.25	Ps.	7,586	1,820	856
New Zealand	1951	1.95	£(N.Z.)	615	820	4,206
Australia	1951	8.41	£(A.)	3,238	3,454	4,317
U.K.	1951	50.56	£	11,384	15,179	2,976
U.S.A.	1951	154.36	$	277,600	132,190	8,564
Canada	1951	14.01	$	17,229	8,552	6,108
France	1951	42.24	F. Fr.	9,082,000	12,372	2,929
W. Germany	1951	48.11	Dm.	90,200	19,227	4,126
Italy	1951	46.60	Lr.	7,746,000	5,902	1,267
Norway	1951	3.29	Kr.	15,504	1,055	3,206
Sweden	1951	7.07	Kr.	36,500	3,439	4,864
Netherlands	1951	10.26	Fl.	16,940	2,151	2,096
Denmark	1951	4.30	Kr.	20,716	1,439	3,346
Switzerland	1951	4.75	S. Fr.	19,509	2,166	4,558

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, January, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 3rd April, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	28,22,90,000
(b) Provincial Governments	2,00,17,000
(c) Banks	11,16,05,000
(d) Others	3,26,12,000
Bills Payable	12,14,000
Other Liabilities	4,79,33,000
Rupees	55,57,21,000

ASSETS	Rs.
Notes	2,31,84,000
Rupee Coin	2,000
Subsidiary Coin	6,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	1,01,84,000
(c) Government Treasury Bills	1,83,00,000
Loans and Advances to Governments	2,05,38,000
Provincial Governments Debtor Balances	4,91,74,000
Other Loans and Advances	35,25,45,000
Investments	7,87,88,000
Other Assets	..
Rupees	55,57,21,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	2,31,84,000	
Notes in circulation	211,09,42,000	
Total Notes issued		213,41,26,000
Total Liabilities		213,41,26,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	..	
Sterling Securities	38,72,56,000	
Government of India Securities	11,87,77,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,96,000	
		88,50,71,000
B. Rupee Coin	6,24,33,000	
Government of Pakistan Securities	114,41,47,000	
Internal bills of exchange and other commercial paper	....	
		120,65,80,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		213,41,26,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 43.32 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953				Rs. a. p.	%
21st Jan.	1.00	1.23	1.00	2 7 0	81
27th ,,	1.00	1.00	1.00	2 7 0	100
3rd Feb.	1.00	1.14	1.00	2 7 0	87
10th ,,	1.00	1.19	1.00	2 6 11	84
17th ,,	1.00	1.39	1.00	2 7 0	100
24th ,,	1.00	1.00	1.00	2 7 0	100
3rd March	1.00	1.02	1.00	2 7 0	98
10th ,,	1.00	1.16	1.00	2 6 11	86
17th ,,	1.00	1.09	1.00	2 7 0	92
24th ,,	1.00	1.02	1.00	2 7 0	100
31st ,,	1.00	1.01	1.00	2 7 0	100
7th April	1.00	1.35	1.00	2 7 0	100
14th ,,	1.00	1.21	1.00	2 7 0	100
Total	13.00	13.90	13.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	26th March, 1953	5½	5
Belgium	13th Sept., 1951	3½	3½
Canada	17th Oct., 1950	1½	2
Denmark	3rd April, 1953	3	2½
Finland	16th Dec., 1951	7½	5½
France	9th Nov., 1951	5	4
Greece	12th July, 1948	10	12
India	16th Nov., 1951	3	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	5.84
Netherlands	1st Aug., 1952	3½	3
New Zealand	26th July, 1941	2	1½
Norway	9th Jan., 1946	3	2½
Portugal	12th Jan., 1944	3	2½
South Africa	27th Mar., 1952	3½	4
Spain	18th Mar., 1949	4½	4
Sweden	1st Dec., 1950	2½	3
Switzerland	26th Nov., 1936	4	1½
Turkey	26th Feb., 1951	2	3
United Kingdom	12th Mar., 1952	2½	4
U.S.S.R.	1st Jan., 1936	3	4
U.S.A.	16th Jan., 1953	1½	2
West Germany	8th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE
GOVERNMENT OF INDIA

(In lakhs of Rs.)

	November, 1952	November, 1951	Eight months—April to Nov., 1952	Eight months—April to Nov., 1951
Import Duties:				
Revenue	8,14	11,85	73,93	85,88
Protective	6,6	85	5,12	7,17
On surplus disposals	0,6	2	3	10
Total import duties	8,81	12,72	79,37	93,24
Export Duties	3,23	7,74	38,16	60,34
Land Customs	23	50	1,91	2,03
Miscellaneous	8	13	82	80
Gross total customs	12,35	21,08	120,26	156,42
Refunds and drawbacks	18	1,28	1,99	3,44
Net Customs	12,17	19,81	118,27	152,98
Gross excise	4,61	7,72	50,34	62,04
Refunds	5	17	1,05	1,15
Net Excise	4,56	7,55	49,79	60,89
Net total of customs and excise	16,73	27,36	168,06	213,87

Imperial Bank of India

Statement of Affairs for the week ended 10th April, 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,35,00,000
Deposits and other Accounts		219,24,28,000
Borrowings from other Banking Companies Agents		4,31,000
Bills Payable		3,91,63,000
Bills for Collection being Bills Receivable as per contra		48,96,000
Acceptances, Endorsements and Other Obligations as per contra		2,92,000
Other Liabilities (including Inter-Office Adjustments)		1,81,66,000
Total .. Rs.		237,51,26,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		11,06,42,000
Balances with other Banks		4,60,68,000
Money at Call and Short Notice		1,49,23,000
INVESTMENTS—		
Government and other Trustee Securities	71,71,27,000	
Other Authorised Investments	11,41,18,000	
		83,12,45,000
Advances—		
Loans, Cash Credits and Over drafts, etc.	106,56,12,000	
Bills Discounted and Purchased	25,52,63,000	
		132,08,75,000
Bills Receivable being Bills for Collection as per contra		48,96,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		2,92,000
Premises less Depreciation		1,31,97,000
Furniture and Fixtures less Depreciation		34,79,000
Other Assets (including Inter-Office Adjustments)		2,95,09,000
Total .. Rs.		237,51,26,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS										3½% Ten-year Treasury Savings Deposit Certificates §	
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings@			
	5-Year		7-Year		12-Year							
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*
1950-51	2,08	5,01	96	2,40	20,67	50,53	97,80	61,36	—	22,32	5,31	5,31
1951-52	1,76	6,10	77	2,91	22,07	66,81	1,07,55	74,18	—	27,55	13,10	18,39
December 1951	13	5,74	6	2,76	1,64	62,58	7,66	67,91	—	26,30	70	16,51
January 1952	13	5,82	7	2,81	1,51	63,62	7,75	68,04	—	26,68	66	17,17
February ,,	13	5,90	5	2,83	1,64	64,79	8,21	68,27	—	27,02	53	17,70
March ,,	29	6,10	10	2,91	2,63	66,81	15,04	74,18	—	27,55	71	18,39
April ,,	14	6,17	5	2,93	2,28	68,56	10,01	76,52	—	27,91	95	19,33
May ,,	12	6,22	8	2,99	2,12	70,22	9,95	77,85	—	28,23	56	19,86
June ,,	12	6,28	6	3,02	1,82	71,94	9,38	80,03	—	28,57	69	20,53
July ,,	15	6,34	10	3,09	2,03	73,14	10,29	82,54	—	28,91	74	21,25
August ,,	14	6,40	6	3,12	1,76	74,45	8,60	83,75	—	29,15	65	21,89
September ,,	10	6,44	3	3,12	1,84	75,73	8,78	84,89	—	29,40	52	22,38
October ,,	11	6,48	5	3,14	1,71	76,77	8,36	85,24	—	29,68	56	22,92
November ,,	10	6,50	4	3,16	1,71	77,99	8,03	85,51	—	29,98	58	23,48
December ,,	8	6,51	3	3,16	1,85	79,34	8,45	85,92	—	30,22	48	23,94
January 1953	..	..	..	..	..	..	..	..	..	....	58	24,48

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from 1st June, 1948. § Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)

I. All-India

Group and Sub-Group	Week Ended 4-4-'53	28-3-'53	7-3-'53	5-4-'52
(A) Government and Semi-Government Securities ‡	**92.2**	**92.3**	**92.2**	**91.2**
1. Government of India Loans	92.4	92.4	92.3	91.3
2. Municipal, Port Trust and Improvement Trust Loans	86.9	86.9	86.9	87.6
(B) Fixed Dividend Industrial Securities	**90.1**	**90.2**	**90.0**	**92.3**
1. Electricity	78.3	78.6	78.2	74.7
2. Cotton	127.1	127.0	126.3	131.7
3. Jute	79.8	79.7	79.9	81.6
4. Coal	95.0	95.0	95.5	95.6
5. Iron and Steel	84.3	84.2	83.8	85.0
6. Sugar	87.6	87.6	87.8	96.6
7. Paper	84.6	84.6	85.4	91.4
8. Plantations	96.3	97.0	97.2	104.9
(C) Variable Dividend Industrial Securities	**106.7**	**106.9**	**108.7**	**110.4**
1. Banks	103.1	104.1	104.2	105.4
2. Insurance	97.4	97.4	96.2	103.1
3. Investment Trusts	142.7	142.4	140.4	138.7
4. Electricity Companies and Tramways	83.1	82.6	83.5	83.7
5. Shipping and Other Transport Companies	87.3	88.5	87.5	84.2
6. Railways	75.0	75.3	75.4	78.3
7. Plantations	116.2	114.5	110.9	154.3
8. Cotton Woollen and Jute	134.6	135.9	133.9	148.0
9. Jute	70.2	70.7	71.9	79.9
10. Coal	87.7	87.5	89.6	98.2
11. Mining and Oil	63.8	62.0	64.5	63.4
12. Iron and Steel	142.2	141.6	138.3	119.9
13. General Engineering	148.0	150.6	149.4	140.8
14. Sugar	89.4	89.6	89.2	87.8
15. Breweries	61.8	60.2	60.5	64.5
16. Chemicals	137.0	136.9	131.9	149.3
17. Paper	116.8	117.0	114.4	116.5
18. Cement	140.9	142.8	143.0	132.6

II. Regional

Region and Group	Week Ended 4-4-'53	28-3-'53	7-3-'53	5-4-'52
(A) BOMBAY—				
Government and Semi-Government Securities	92.0	92.1	92.0	91.2
Fixed Dividend Industrials	92.6	92.7	92.2	92.2
Variable Dividend Industrials	125.5	127.2	127.3	122.6
(B) CALCUTTA—				
Government and Semi-Government Securities	92.8	92.8	92.7	91.7
Fixed Dividend Industrials	86.5	86.4	86.5	89.7
Variable Dividend Industrials	94.3	93.8	93.6	98.5
(C) MADRAS—				
Government and Semi-Government Securities	91.9	91.9	91.8	90.6
Fixed Dividend Industrials	101.7	102.3	102.4	109.6
Variable Dividend Industrials	126.6	127.7	126.7	142.5

*Source: Department of Research and Statistics, Reserve Bank of India.
‡ Including Part 'B' State Loans.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,393	12,806,704
1951	1,071	691,921	2,948,978
1952	1,145	910,430	3,326,708
October 1950	78	288,349	2,266,894
November	94	56,736	813,857
December	68	41,061	168,718
January 1951	120	93,696	870,990
February	61	44,025	205,860
March	79	47,723	317,869
April	120	95,747	331,282
May	109	56,604	277,314
June	146	93,446	449,258
July	130	72,464	671,705
August	108	64,684	289,907
September	83	24,777	93,109
October	108	67,896	190,761
November	125	64,147	189,374
December	113	76,196	365,149
January 1952†	95	305,831	674,340
February ,,	88	63,180	215,607
March ,,	87	42,430	142,493
April ,,	134	59,437	234,346
May ,,	118	80,093	254,885
June ,,	101	59,381	257,062
July ,,	82	40,764	171,268
August ,,	87	48,507	148,475
September*	96	57,875	460,552
October ,,	94	77,639	347,684
November ,,	88	47,902(a)	296,254(a)
December ,,	80	27,401	153,717
January 1953	82	40,244	239,159

Figures for 1952 are provisional * Revised.
(a) Not known in five cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51	545	5,279.9	4,225.9
1951-52	573	5,946.1	4,849.0
June 1951	541	501.2	408.8
July ,,	546	507.7	412.0
August ,,	551	506.8	409.7
September ,,	554	494.5	403.4
October ,,	556	506.9	412.8
November ,,	557	491.7	409.8
December ,,	561	500.9	414.8
January 1952	568	500.8	409.7
February ,,	571	480.7	391.0
March ,,	573	481.8	392.9
April ,,	577	488.8	392.8
May ,,	581	501.4	413.1
June ,,	583	500.1	408.8
July ,,	588	534.0	429.7
August ,,	588	531.6	428.7
September ,,	592	530.8	430.6
October ,,	597	548.2	441.5
November ,,	599	529.7	436.4

* Excluding railway, military and factory power stations; Chola Power Station, being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	28th Mar., 1953	21st Mar., 1953	29th March, 1952	March, 1953	March, 1952	Percentage of increase (+) or decrease (—) in Mar., 1953 as compared with Mar., 1952	1952	1951
Food Articles	**362.6**	**365.6 R**	**339 3**	**365 0**	**342.7**	**+ 6 5**	**359.8**	**409.8**
Cereals	440	439	441	437	412	— 1.0	450	483
Pulses	438*	502*	418	507*	417	+21.6	483	506
Other	245	244 R	200	244	207	+17.9	225	290
Industrial Raw Materials	**455.7**	**458.3 R**	**447.1**	**453 1**	**424.2**	**+ 6.8**	**453.8**	**608.2**
Fibres	418	417	476	415	435	— 4.6	454	522
Oil seeds	558	574 R	423	558	412	+35.4	484	679
Minerals	462	459	482	455	456	— 0.2	458	426
Others	361	359	336	359	361	— 0.5	341	533
Semi-Manufactures	**350.5**	**351.8**	**340.6**	**349.8**	**343.2**	**+ 1.3**	**346.5**	**377.5**
Leather	444	441	383*	437	324	+36.9	345	452
Jute	223	223	218	223	218	+ 2.3	221	197
Mineral oils	482	491	435	481	415	+15.8	459	679
Vegetable oils	440*	446*	498*	446*	498*	—10.5	465*	483
Cotton yarn	227	227	199	227	201	+12.9	211	197
Metals	413	426	397	412	408	+ 0.9	440	500
Oil Cakes	211	211	277	211	284	—25.7	273	330
Others	..	..	..	..	..	..	..	..
Manufactured Articles	**369.4**	**369.2**	**382 4**	**369.0**	**373.0**	**— 3.8**	**377.5**	**395.5**
Textiles	407	406	434	407	437	— 6.8	423	468
Jute	375	371	558	376	554	—32.1	506	803
Cotton	406*	406*	410*	406*	410*	— 0.9	401*	400*
Rayon and Silk	525*	525*	439*	513	521*	+10.6	485*	611*
Woollen	313	313	388	313	388	+19.3	346	378
Metal products	336	336	311	336	310	— 8.4	321	285
Others	290	291	300	289	301	— 4.0	298	300
Miscellaneous	**585.5**	**584.2 R**	**590.9**	**585.5**	**625.6**	**— 6.4**	**635.6**	**729.8**
All Commodities	**385 0**	**386 6 R**	**378.2**	**385.2**	**377.5**	**+ 2.0**	**388.9**	**439.3**

* Estimated. R=Revised.

WORKING CLASS COST OF LIVING INDICES

Base	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
February 1951	321	253	294	441	388	347	327	138	176	129	157	169
March ,,	332	268	301	439	390	356	329	138	174	130	159	166
April ,,	335	270	304	440	391	365	333	139	173	140	159	166
May ,,	335	278	314	443	394	374	335	140	176	141	158	166
June ,,	337	271	313	447	394	382	337	144	178	138	158	169
July ,,	333	270	318	454	394	385	337	142	182	140	155	173
August ,,	328	261	322	459	392	387	338	146	181	143	161	171
September ,,	325	253	319	470	389	375	340	144	179	150	161	170
October ,,	332	254	323	469	393	375	336	144	181	145	163	171
November ,,	333	252	325	464	397	374	337	147	182	155	168	165
December ,,	331	252	325	449	397	370	337	144	181	150	164	158
January 1952	331	246	323	442	393	357	338	142	179	147	162	158
February ,,	331	246	323	442	393	357	338	142	179	147	162	158
March ,,	331	241	318	441	382	343	336	141	175	145	155	153
April ,,	330	240	312	440	378	340	333	136	177	140	150	145
May ,,	329	262	321	415	377	339	327	136	176	139	153	144
June ,,	330	263	304	456	377	354	331	143	176	139†	153	143
July ,,	330	263	304	456	377	354	331	143	176	149†	153†	157
August ,,	330	267	312	460	380	359	330	143	176	144†	155†

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS
('000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final.	1951-52 Final	1950-51 Final.
Rice	tons	73,595	75,975	20,767	20,295
Wheat	tons	23,235	24,134	5,768	6,374
Jowar	tons	38,329	38,419	5,509	5,403
Bajra	tons	21,856	22,267	2,153	2,549
Barley	tons	7,800	7,701	2,136	2,341
Maize	tons	8,003	7,704	1,959	1,701
Ragi	tons	5,296	5,444	1,167	1,407
Gram	tons	16,719	18,709	3,157	3,593
Other millets & pulses	tons	39,725	39,770	6,386	6,401
Total foodgrains	tons	234,558	240,213	49,002	50,064
Jute	bales†	1,814‡	1,951††	4,695†	4,678††
Cotton 3rd	bales	13,749†	13,733††	2,467†	2,686††
Sugarcane 2nd	tons	4,256†	4,326††	5,035†	5,280††
Groundnut	tons	11,862†	11,798††	2,894†	3,045††
Linseed	tons	3,298	3,447	309	361
Castorseed	tons	1,423	1,378	104	104
Rape and Mustard Seed	tons	5,707	5,097	900	748
Sesamum	tons	5,537†	5,516††	426†	416††
Tobacco	tons	764	902	225	263
Pepper	tons	192	197	28	31
Ginger	tons	42	41	15	15

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar *gur*).

† Relates to 1952-1953. †† Relates to 1951-52.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During March, 1953	74 4
	Corresponding month 195	82 9
	July 1952 to March, 1953	671 7
	Corresponding period 1951-52	706 8
Stocks	At the end of March, 1953	138 4
	Corresponding month 1952	111 6
		(In 000 bags)
Exports (Jute Bags)	Week ended 28th Feb., 1953	56,91
	Corresponding week 1952	1,97,50
	From 1st Jan., to 28th Feb., 1953	2,58,21
	Corresponding period 1952	10,59,61
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 28th Feb., 1953	3,40,59
	Corresponding week 1952	1,08,11
	From 1st Jan., to 28th Feb., 1953	19,10,68
	Corresponding period 1952	12,22,92
	RAW JUTE	(In 000 bales)
Exports*	Week ended 28th Feb., 1953	—
	Corresponding week 1952	—
	From July, to December, 1952	—
	Corresponding period of 1951	—
Consumption by Mills†	March, 1953 (in lakh bales)	4.32
	Corresponding month 1952	4.81
	Nine months ended Mar., 1953	38.97
	Corresponding period 1952	41.00

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION
(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Year ended 31st March, 1940	917,800	906,700	671,000
Do. 31st March, 1950	10,41,700	827,500	720,000
Do. 31st March, 1951	11,15,200	10,02,100	7,76,500
Do. 31st March, 1952	11,80,000	10,57,100	7,99,200
Do. 31st March, 1953	11,58,000	10,61,900	7,91,800
January 1951	1,01,300	97,900	67,700
February ,,	87,700	82,200	66,300
March ,,	91,300	86,600	71,400
November ,,	92,700	85,200	65,900
December ,,	1,02,800	97,000	69,100
January 1952	99,800	96,700	71,400
February ,,	94 000	82,500	67,000
March ,,	1,02,100	92,100	67,400
November ,,	1,03,500	98,700	68,700
December ,,	98,200	91,400	69,700
January 1953	1,02,400	95,500	69,900
February ,,	92,400	82,000	61,700
March ,,	97,400	86,600	65,500

SEA- AND AIR-BORNE TRADE : INDIA.

Particulars	December,		Nine Months April to Dec.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :—				
Foodstuffs	6,93	23,60	149,87	178,79
Raw materials	16,28	25,92	146,11	175,46
Manufactures	20,13	23,52	207,06	249,99
Other Items	20	53	3,32	2,99
Total Imports*	43 54	73,62	506,36	607,54
Exports :—				
Foodstuffs	11,80	14,82	107,03	110,02
Raw materials	12,39	8,82	102,65	107,99
Manufactures	19,42	31,86	205,28	311,52
Other Items	36	35	3,02	2,03
Tota Exports	43,97	55,85	424,99	540,26
Tota Re-exports	50	62	3,64	11,71
Balance of trade in merchandise	+ 93	— 17,14	— 77,73	— 55,59
Balance of transactions in private treasure	—	— 1	— 4	— 9
Total Visible Balance of Trade	+ 93	— 17,15	— 77,77	— 55,68
Imports :—				
Total C'wealth Countries	18,45	25 91	198,30	217,34
Total Foreign Countries	25,09	47,71	313,06	390,20
Exports :—				
Total C'wealth Countries	20,38	27,48	199,50	280,98
Total Foreign Countries	23,59	28,37	225,49	259,28

* Excludes value of certain special imports of foodgrains and stores, ful plarticulars of which are not yet available.

LAND-BORNE TRADE : INDIA

Particulars	December,		Nine months April to Dec.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
orts	1,24	3,05	17,24	17,64
orts	91†	4,02	16,86†	67,21
nce of trade in merchandise	‡ —	97	‡	—49,57

ncomplete—Excludes the value of 37,093 tons or 207,721 bales of te imported during December, 1952, awaiting adjustment,
ata Incomplete.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES
(Base : 1944 = 100)

Name of Centre	Cereals			Pulses			Other articles of Food			All articles of Food			Fuel and Lighting			Clothing			Miscellaneous		
	Nov. 1951	Oct. 1952	Nov. 1952	Nov. 1951	Oct. 1952	Nov. 1952	Nov. 1951	Oct. 1952	Nov. 1952	Nov. 1951	Oct. 1952	Nov. 1952	Nov. 1951	Oct. 1952	Nov. 1952	Nov. 1951	Oct. 1952	Nov. 1952	Nov. 1951	Oct. 1952	Nov. 1952
Eastern Zone																					
Bamra	169	219	206†	111	92	88	185	139	138	170	144	141	96	114	114	202	219	217	188	193	204†
Maibang	163	x	x	133	x	x	174	x	x	166	x	x	112	x	x	164	x	x	116	x	x
Shankargarh	125	158	147	155	168	172	211	159	158	170	160	157	101	95	95	164	140	141	141	139	140
Sonaili	354	271	262	181	162	167	257	193	197	260	201	202	125	125	125	273	208	201	348	278	278
Northern Zone																					
Multapi	188	124	124	168	153	153	182	173	175	179	161	162	115	123	123	148	166	165	169	197	197
Nana	322	279	260†	274	307	268†	236	195	197	258	225	218	144	129	113†	233	205	205	208	204	197
Salamatpur	268	265	249†	301	297	300	240	214	211	257	240	235	100	129	129	144	137	136	257	262	266
Southern Zone																					
Krishna	313	193	197	202	187	186	201	164	160	222	171	169	145	129	124	180	139	136	211	207	202
Lakh	179	249	249	176	176	183	174	132	128	175	160	159	86	91	86	132	138	138	144	131	131
Malur	161	171	171	173	133	134	174	134	135	171	142	143	89	100	100	427	234	230	179	163	163
Muniguda	326	225	220	270	222	231	348	213	218	331	217	220	105	135	134	221	208	205	246	261	259
Kudchi	123	189	177†	130	153	153	202	162	162	181	165	163	100	127	127	145	141	134	164	192	186

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 9th April, 1953	52,647
	Corresponding week, 1952	62,501
	1st Sept. 1952 to 9th April, 1953	11,54,448
	Corresponding period, 1951-52	11,00,823
Cotton Exports	Week ended 9th April, 1953	11,042
	Corresponding week, 1952	—
	1st Sept. 1952 to 9th April, 1953	2,30,532
	Corresponding period, 1951-52	1,496
Mill Consumption	1st Sept. 1952 to 9th April, 1953	7,07,547
	Corresponding period, 1951-52	6,18,690
Stock (with exporters dealers and mills)	On 9th April, 1953	6,08,384
	Corresponding date, 1952	4,79,055
Karachi (Pakistan)*		
Receipts	Week ended 4th April, 1953	71,254
	Corresponding period, 1952	28,591
	1st Sept. 1952 to 4th April, 1953	14,29,771(a)
	Corresponding period, 1951-52	12,56,111
Exports	Week ended 4th April, 1953	34,700
	Corresponding period, 1952	37,300
	1st Sept. 1952 to 4th April, 1953	9,94,709(a)
	Corresponding period, 1951-52	8,00,000

Particulars	From 1st Sept., '52 to 13th April, 1953 Bales	From 1st Sept., '51 to 13th April, 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	11,860	—
Continent	76,325	585
China	318	—
Japan	1,15,811	500
U.S.A.	27,129	300
Other Countries	4,276	111
Total to all foreign countries	2,36,519	1,496
Coastal Ports	98,806	70,159

Period		Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	November, 1952	3,14,991
Foreign		65,805
Indian	Three months September to November, 1952	8,68,944
Foreign		2,29,523
Indian	Same Period 1951	7,04,453
Foreign		3,66,394
Stocks (Mills and Elsewhere)—		
Indian	As on 30th Nov., 1952	8,87,133
Foreign		3,12,933
Indian	As on 30th Nov., 1951	7,98,658
Foreign		2,28,630
Cotton Pressed†	Week ended 3rd April, 1953	9,249
	Corresponding week, 1952	12,040
	1st Sept. 1952 to 3rd April, 1953	18,50,203
	Corresponding period, 1951-52	20,06,636

* As reported by the Karachi Cotton Association Ltd. (a) Upto 28th February, 1953. † Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,66,000	1955-60	103¼
4% Bonds	1926-33	63,30,26,000	1960-70	102¼
3½% Loan	1938-39	1,16,17,46,000	1963-65	92¼
3½% Loan	1943	1,14,60,58,000	1953-55	100¼
3½% Loan	1950	30,33,10,000	1964	92½
3½% Loan	1943	1,10,11,78,000	1966-68	90⅜
3½% V. Loan	1944	1,14,06,89,000	1957	98⅛
3½% Loan	1945	1,15,05,83,000	1970-75	86½
3½% Loan	1945	1,13,65,64,000	1959-61	96½
3½% Loan	1951	50,00,00,000	1958	98⅜
2½% Loan	1946	45,63,07,000	1960	93¼
2½% Loan	1946	57,00,69,000	1961	90⅛
2½% Loan	1946	35,06,06,000	1954	98½
2½% Loan	1946	14,77,48,000	1976	82½
2½% Loan	1947	75,86,72,000	1962	91¼
2½% Loan	1948	60,45,01,000	1955	98⅜
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,36,000	At option of Government after three months, notice / On September, 1986 or later at option of Government after three months, notice	81⅛ / 81⅛
3 % Loan	1946	48,91,90,000		
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,85,66,000	1954-59	100⅛
4½% Loan	1928	5,85,20,000	1958-68	105
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	18th Sept. 1955	98⅛
3 % Bombay	1943	3,50,00,000	1st Dec. 1956	98⅛
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97⅛
3 % Bombay	1949	6,00,00,000	1st Aug. 1962	93
3 % Bombay	1950	3,00,00,000	31st July 1960	95
3½% Bombay	1951	3,00,00,000	17th Sept. 1962	98
4 % Bombay	1952	3,50,00,000	1st Aug. 1964	101⅛
3 % Cochin	1943	30,00,000	1st Oct. 1953-55	98
3 ½ Cochin	1945	1,00,00,000	16th Dec. 1955-58	98⅜
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95
3 % Madras	1938	1,42,08,300	15th Sept. 1953	100
3 % Madras	1939	1,29,76,500	21st June 1959	95⅛
3 % Madras	1942	1,23,25,000	18th Sept. 1955	98⅛
3 % Madras	1943	1,25,10,000	14th Sept. 1956	98⅛
3 % Madras	1944	1,08,00,000	15th Aug. 1958	96⅛
3 % Madras	1945	2,82,19,000	14th Sept. 1960	94
2½% Madras	1946	3,80,93,200	1st Sept. 1961	90⅛
3 % Madras	1950	4,47,00,000	31st July 1960	94–3/4
3 % Madras	1951	3,00,00,000	17th Sept. 1962	97⅛
4 % Madras	1952	5,00,00,000	1st Aug. 1964	100⅛
3 % Mysore(J)	1930	1,63,44,300	1st Nov. 1955	103⅛
3 % Mysore(J)	1933	2,95,85,200	1st Dec. 1953-63	100⅛
3 % Mysore(J)	1936	5,99,72,900	30th April 1956-61	98⅛
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	98⅛
3 % M.P.	1942	50,00,000	15th Sept. 1955	98⅛
3 % M.P.	1943	50,54,200	14th Sept. 1956	98⅛
3 % M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 % M.P.	1948	2,03,00,000	15th Sept. 1964	91⅛
3 % M.P.	1950	1,00,28,800	31st July 1960	94
3½% M.P.	1951	1,00,00,000	17th Sept. 1962	97⅛
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99⅛
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅛
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99⅛
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	98⅛
3 % Travancore	1944	3,00,00,000	15th May 1952-54	98⅛
3½% Travancore	1936	50,00,000	16th Aug. 1956	99⅛
4 % U.P.	1936	1,69,39,800	15th Sept. 1961-66	90⅛
3 % U.P.	1943	3,23,96,800	1st Aug. 1958	97
3 % U.P.	1945	2,36,31,900	14th Sept. 1960	94⅛
3 % U.P.	1946	2,41,19,800	1st Sept. 1961	95⅜
3 % U.P.	1951	2,00,00,000	17th Sept. 1962	97⅛
3 % U.P.	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1951	1,75000,000	17th Sept. 1962	98⅛N
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	97½
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,33,876	4	1913*	1960	D
80,00,000	4	1913	1974	90½
88,25,000	4	1914	1975	99N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,50,000	3½	1935*	1975	
13,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98
76,90,100	4	1915	1975	98
68,02,300C	3†	1921	1981	79N
1,50,00,000C	6‡	1921	1981	144N
1,24,06,300	6	1925	1955–85	105
98,21,500	5½	1926	1956–86	104
99,84,500B	5	1926	1956–86	103
1,49,49,500B	5	1927	1957–87	103⅛
1,49,50,000	5	1928	1958–88	104
80,00,000	4‡	1931	1991	92½
21,75,000C	3	1933	1954	99
60,00,000	3½	1935	1965	95½
25,00,000	3	1938	1963–68	88
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82½
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78½
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94½
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79N
1,50,00,000	3½	1951	1961	97½
STERLING LOANS				
£892,600	5	1923	1953–83	£83
£901,000	5	1924	1954–84	£85
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1982	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug. 3,32,322	4½	1922	1952	
4,47,597	5½	1923	1952	M
STERLING LOAN				
£330,000	5½	1923	1953	£100N

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	97½
30,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957–79	113
66,00,000	5	1920	1958–80	
25,00,000	5	1926	1956–86	115
25,00,000	4	1927	1961–70	98
10,00,000	3½	1936	1966	96½
STERLING LOANS				
£566,600	4	1900	1960	£95½
£333,000	4	1910	1970	£95½
Rs.		**CALCUTTA**		Rs.
50,00,000	6	1925	1955	104
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99½
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	90
20,00,000	3	1938	1963–68	88
80,00,000	4	1952	1962	100
STERLING LOANS				
£700,000	5½	1923	1953	£100

MUNICIPAL LOANS

Rs.		BOMBAY		Rs.
49,40,000	3	1913–14	1954	100
20,60,000	4	1913–15	1974	99½
20,00,000	4	1913–15	1955	100
10,00,000	5	1920	1980	113
1,60,00,000	6	1924	1954	103
25,00,000	5	1928	1958	
26,14,000	5	1929	1949–59	105 (to 103)
8,45,500	5	1929	1954–59	
26,21,500	5	1929	1959	
8,25,00,000	3½	1947	1977	85
2,50,00,000	3½	1949	1979	85
4,00,00,000	3½	1950	1965	91½
2,50,00,000	4	1952	1964	100⅛
2,00,00,000	3½	1951	1966	96
Rs.		**CALCUTTA**		Rs.
34,45,500	6‡	1925	1955	106
84,70,000	6	1925	1955	104
36,00,000	6	1928	1958	103⅛
25,00,000	5	1929	1957	103½
25,00,000	5	1929	1958	103½
10,00,000	3½	1932	1962	93⅛
33,91,000	3½	1933	1963	93⅛
5,19,000	3	1936	1953	99½
60,00,000	3	1936	1966	89½
1,46,100	3	1936	1953	99½
3,11,400	3	1937	1954	98⅛
4,67,100	3	1937	1954	98⅛
1,62,500	3	1937	1954	98⅛
4,18,100	3	1937	1954	98⅛
47,50,000	3	1938	1968	88
10,67,700	3	1938	1955	97⅛
15,56,800	4	1939	1956	99½
15,56,800	4	1940	1957	99⅛
17,64,400	3½	1942	1959	96½
21,10,000	3½	1942	1972	96
15,49,000	3½	1951	1960	96
16,33,000	3½	1951	1961	96
66,88,000	3½	1951	1966	96
87,36,000	4	1952	1962	99½
Rs.		**MADRAS**		Rs.
5,00,000	4	1903	1953	101
5,00,000	6	1923	1953	107
3,40,000	7	1925	1955	107½
10,00,000	4	1900	1960	

ABBREVIATIONS.—M=Held by Government of Madras. N=Nominal. I=Various Issues repayable to Government.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable C=Held by Commissioners. * Loans held entirely by the Trustee.
(a) This includes the amount of loan converted into First Development Loan 1970-75. (Income-tax free. A=Held by Government of India.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935 ** Quotations in Pak. Currency.

PREFERENCE SHARES

Company	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept	131	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec.	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	87	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	140	100
Deccan Sugar & Abkhari 'A'	7,00,000	1926	7	July Apr.	117	100
†East India Distilleries	£200,000	1897	7	Jan. July	Sh. 15½	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec.	77	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec.	77	100
Parbhpore Co.	6,00,000	1922	10	Oct.	15	10
Ramnagger Cane	4,00,000	1933-36	6	Aug.	95	100
Ravalgaon Sugar	20,00,000	1943	3½	Oct. Apr.	70	100
Sonth Behar Sugar	10,00,000	1936	7(a)	Oct.	75N	100
Travancore	5,00,000	5c	Dec		6½	10
Upper Ganges	15,00,000	1946	5	Dec.	90N	100
Do	12,00,000	1932	5	Dec.	70N	100
	15,00,000	1946	5(a)	Dec.		
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	115	100
Berree	4,00,000	1896-97	6½	Oct. Apr.	115½	100
Barrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	118½	100
Do. (2nd)	4,50,000	1944	6(a)		8½	10
Equitable	4,00,000	1895	6	Mar. Sept.	114	100
Katrapura Collieries	7,50,000	1946	5½(a)		84½	75(pp)
†Kaa Katora	1,91,000	1931	5	Mar. Sept.	6N	10
New Beerbhoom	1,00,000	1920	7	Jan. July	12½	10
Oudal	2,00,000	1898-99	6½	Apr. Oct.	112	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan. July	137	100
Basant Cotton	5,00,000	1938	6½	Nov.	7	10
Benares Cotton	5,00,000	1919	7	July Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	120	100
Bererah 'A'	6,00,000	1908	8	Feb. Aug.	120	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	78	100
Bradbury	14,75,000	1919	7	June Dec.	310½	250
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	142½	100
Cambodia	40,00,000	1928	7	Apr.	131½	100
Central India	50,00,000	1912	8	Apr. Oct.	515	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov.	130½	100
Elgin	11,00,000	1913	8	May Nov.	140	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	10	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	95	100
Kesoram	20,00,000	1919	7	June Dec.	126	100
Khatau Makanji	10,00,000	1923	6	Nov.	—	100
Do. (2nd)	29,22,500	1947	4		85	100
Lodna	12,00,000	1937	6	Nov.	10½	10
Lakshmi Cotton (Bombay)	16,00,000	1896	6		235	250
Morarjee Gouldas Spg. & Wvg.	17,25,000	1947	4½	January	72	100
Muir Mills	20,00,000	1900	6	Jan. July	108	100
Mysore Spg.	7,45,050	1944	4½			50
New Great	8,00,000	1913	5½(a)	Mar.	175xd	200
New Victoria	26,05,900	1920	6	Apr. Oct.	3½	5
Podar Mills	10,00,000	1943	4	Feb.	80	100
Rajlakshmi	2,00,000	1932	6½	Apr.	56	50
Shree Niwas Cotton	4,80,000	1944	4			100

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. G=Guaranteed shares. P=Preference shares. P.O.=Preferred Ordinary shares. R=Rebate shares. Y=Accounts published yearly. H=Accounts published Hat-yearly. Q=Accounts publishe once 15 months. T=Company has Debentures. R.L.=Reserve Liability on shares. N=Nominal Quotation. i=Interim Dividend. f=Dividend for first half-year. y=Dividend for the year. x=Ex. Dividend c.d.=Cum. Dividend.

Shares:—If a company has different classes of shares—as, for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under "Paid-up Per Share."

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12 indicate the months of June and December, respectively "Reserves" ncludes general and other reserves and all other funds which a company may have as also depreciation on block items, when this is charged to separate account "Block" represents actual cost of land, buildings, machinery, and all such other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends:—Dividends for completed years are calculated at per cent. per annum, but, where quoted for portion of a year, they represent percentages of the dividend on the paid-up share value. For companies closing the books half-yearly in the first three months of the year, and for companies closing their books yearly during the first half of the year dividends are shown as for the previous year.

COTTON MILLS

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	¶Number Installed: Spindles	Looms	Mill	Latest Available Quotation.	Paid-up Per Share	1949	1950	1951	1952	Accounts closed	Reference
Rs.	Rs.	Rs	Rs.					Rs.	Rs						
BOMBAY CITY AND ISLAND															
50,00,000	59,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	2½	2	12½	12½	15§		12	Y.
40,00,000	96,25,655	1,22,39,883	45,646	B. R. Sons, Ltd.	50,828	1,021	Behariial Ramcharan Cotton Mills	51½	100	6	6	—		12	T.P.Y.
2,50,98,000	5,33,82,946	3,76,37,187	1,80,778	Nowrosjee Wadia & Son, Ltd.	1,82,072	4,855	Bombay Dyeing, etc.	395cd	250	16	7	8	8	12	Y.
10,00,000	68,56,275	52,02,609	2,59,868	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	697½	250	24	40	40		3	P.Y.
1,09,42,800	3,69,11,265	2,42,52,821	5,30,869	Birla Bros., Ltd	1,09,320	2,706	Century	269½cd	100	15	18	20	20	12	Y.
45,00,000	76,78,063	1,06,30,358	5,066	V. J. Pilani, Esq. (Chairman)	39,408	698	Colaba Land & Mill	71	100	—	—	4		12	Y.
26,00,000	47,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd.	27,308	680	Coorla	108½xd	100	7½	7½	7½		3	Y.
16,00,000	64,96,041	63,03,745	76,868	Ramnarain Sons, Ltd.	38,304	..	Dawn	70	50	4	—	12	12	12	Y.
34,00,000	78,85,000	63,06,555	91,036	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	240	200	7½	7½	7½		12	Y.
25,00,000	82,92,517	1,09,92,288	64,188	Chidambaram, Muiraj & Co., Ltd.	44,768	886	Elphinstone	44	50	10	8	—		12	Y.
40,00,000	1,32,62,580	80,34,752	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay	309	100	15	15	20	20	12	P.
50,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	71,608	1,259	Hind Mills	—	10	5½	4½	5§		6	P.Y.
12,00,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co.	45,752	1,022	Hindustan	3,260	1,000	17½	20	20*		3	P.Y.
2,00,00,000	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co	2,38,030	6,278	India United	9½	10	7½	7½	10½		12	P.Y.
8,65,000								1–10½				25			
50,00,000D								3,100	1,000	17½	20	20*		3	Y.
35,000	1,33,65,320	98,10,275	7,671	Damodhar Thack Mooljee & Co.	47,172	1,191	Indian Manufacturing	—	500	—	—	—			
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co	77,404	1,517	Khatau Makanjee	192½	100	12	14	10		6	P.Y.
1,00,00,000	3,45,80,831	2,90,52,252	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor	298½cd	100	27k	18	25*	18	12	Y.
28,80,000	62,72,416	4,58,523	11 567	Hall & Anderson Ltd. Props.	61,516	1,742	Madhusudan Mills	80	100A	7½	5			6	Y.
3,60,000B								—	20B						
51,75,000	1,65,94,653	1,71,00,015	2,80,686	Piramal Gangadhar & Others	60,652	1,650	Morarjee Goculdas	181½	100	17	15*	12		6	P.Y
24,00,000	67,21,958	71,22,987	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay	166½xd	100	10	12½	15	10	12	Y.
30,00,000	79,78,669	86,82,525	70,277	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Eastern	150xd	100	6§	10	12½	10	12	P.Y.
12,70,100	35,74,176	28,92,872	423	Mafatlal Chandulal & Co.	33,720	873	New Union	25§	10	—	5	10	12½	12	Y.
48,00,000	1,14,83,245	1,34,29,555	2,40,353	Ramnarain Sons, Ltd.	54,208	1,190	Phœnix	108½	100	6	10	10	10	12	P.Y.
40,00,000	59,51,640	24,14,088	1,25,251	Podar Sons, Ltd.	32,600	930	Podar	136½	100	9	9	10		12	Y.
5,00,000	27,64,626	29,73,962	3,162	David Sassoon & Co., Ltd.	9,220	277	Sassoon & Alliance Silk	23§	10	26½	20	20	12½	12	Y.
25,00,000	59,86,822	41,49,241	21,950	M. G. Investment Corpn.	60,240	1,254	Sassoon Spinning	23§	10	—	7½	10		12	Y.
60,00,000	93,32,612	65,79,388	8,19,198	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	180	100	12½	14	17½		12	P.Y.
31,50,000	1,00,00,000	76,05,952	50,222	Forbes, Forbes, Campbell &Co.,Ltd.	36,116	1,276	Simplex	174xd	50	28	34	30†		3	T.Y.
56,00,000	2,07,23,386	1,18,80,653	2,889	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard	295	100	15	15	26×	20	12	P.Y.
75,00,000	2,10,92,537	1,57,29,109	91,399	Tata Industries Ltd.	65,040	2,000	Svadeshi	257cd	100	14	16	18	16	12	P.Y.
24,00,000	1,20,11,676	65,86,475	5,71,220	James Finlay & Co., Ltd.	35,804	552	Swan	438½	100	20	20	25	30	12	P.Y.
32,54,438	88,66,976	76,66,704	—2,05,128	Tata Industries Ltd.	63,248	1,800	Tata	41cd	25	8	8	16	4	12	P.T.Y.
12,00,000	1,17,01,933	86,62,657	4,299	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spinning	3,110	1,000	17½	20	20		3	T.Y.
AHMEDABAD															
20,00,000	84,99,543	51,95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	141½	100	8	12	10		6	P.Y.
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Hutheesing & Sons Ltd.	42,768	912	Aruna	396	100	13*	15*	20*		12	Y.
21,00,000	2,83,78,675	1,18,76,140	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind	729½	100	22½	25	25	25	12	P.Y.
10,00,000	93,20,000	70,77,166	92,811	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning	261½	200	15	15	17½		12	P.Y.
12,00,000	1,63,65,455	81,44,027	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	912	Asoka	446	100	15*	17	22	22*	12	Y.
1,24,77,072	3,38,63,311	3,71,68,168	2,87,005	Karamchand Premchand & Co	1,39,120	2,370	Calico	305	125	8	10	14–2/5	14–2/5	12	P.Y.
30,00,000	1,00,20,000	83,66,716	748	Tricumlal Bhoglal & Co.	39,316	867	New Commercial	1,055	500	10	11	12		12	P.Y.
39,00,000	1,17,35,075	88,73,039	19,706	Mafatlal Chandulal & Co.	47,952	864	New Shorrock	553	125	28	28	28	30*	12	Y.
3,00,000	79,61,645	43,89,260	4,583	Shanbhu Nathji Nanavati & Co.	24,840J	5281	Nutan	555	100	25*	28*	28*	25	12	Y.
10,00,000	1,49,90,022	73,98,913	3,599	Lalbhai Dalpatbhai & Co.	31,120	637	Raipur	700	100	22½	25	25		12	Y.
12,00,000	50,40,334	63,41,241	1,09,340	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Rajnagar	160	250	6	8	9		12	P.Y.
32,50,000	58,29,453	74,07,003	3,873	Lallubhai Gordhandas Ltd.	48,648	1,276	Rohit	33,156	100	8	30	36		12	Y.
24,90,150	1,76,92,721	93,49,718	93,168	Harbhaibhai Kalidas & Co.	73,796	1,383	Shri Ambica Mills	313	50	25		84*		12	P.Y.
28,00,000	99,44,524	80,38,656	20,958	Haridas Acharatlal & Co., Ltd.	32,816	776	Vijaya	448½	100	11½*				12	
WEST BENGAL															
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agency Ltd.,	13,044	356	Basanti Cotton	3½	10	—	5	3§		12	P.T.Y
7,11,280	22,53,684	37,16,899	32,931	Bengal Textile Agency Ltd.	28,448	936	Bengal Luxmi	38N	40	—	7½	7½		3	Y.
6,00,000	74,31,075	77,07,829	—28,432	K. Bullen & Co., Ltd.	42,872	841	Bowreah	215	100	—	—	7	—f	6.12	P.
19,00,000	96,49,145	94,66,017	—27,784	K. Bullen & Co., Ltd.	42,944	1,196	Dunbar	121	100	5½	—	11§†	—f	6.12	H.
1,20,00,000	3,29,34,362	3,04,56,320	84,976	Birla Bros., Ltd.	49,352	1,990	Keoram	20	15	12½	12½			3	P.Y.
6,00,000A								—	10	12½§	7½	7½		12	Y.
38,96,097B	71,09,841	79,53,833	51,255	Chakravarti Sons & Co.	23,484	442	Mohini		25						
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12,300	374	Arona Spg. & Wvg. Mills	5	10	9	3	—		12	T.Y.
15,00,000	26,53,246	59,15,375	2,736	Ramlal & Co., Ltd.	50,000	..	Alagappa Textiles	6§	10	—	9	6		12	P.Y.
71,94,400a	96,26,706	1,90,39,719	18,450	Ind. Trust Fund	19,944	440	Azam Jahi Mills	65	100	15*	5§†	6†	6	9	Y.
40,50,000	3,00,10,004	2,73,75,544	2,49,801	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	243	100	14§	17½	20	15	6.12	P.T.H.
27,00,000	71,21,986	69,56,923	40,043	Buze Wallace & Co., Ltd.	29,936	782	Binnyal Nagpur	15	10	5	1§	5	5f	6.12	P.Y.
60,00,000	77,87,070	1,03,33,381	11,806	Binodiram Balchand	57,312	1,338	Binod Mills	100N	100	17	20	30		12	Y.
15,00,000	1,33,79,264	84,27,674	4,60,989	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	58N	10	25	25	—	3	6.12	P.F.
1,78,47,800	4,09,27,251	5,14,83,572	2,39,790	Binny & Co., Ltd. (Madras)	1,19,916	2,781	Buckingham & Carnatic	119	100	6½	6½	7½	4	6.12	P.Y.
20,00,000	32,17,315	27,32,911	55,358	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia	11cd	10	7½	—	12½		12	P.Y.
30,00,000	64,46,347	47,79,878	32,599	Begg Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	8	5	11½	11½	11½		3.9	T.Y.
46,87,500	2,25,77,600	2,00,84,126	—16,28,224	Tata Industries Ltd.	1,15,188	2,062	Central India	155	100	6	6	2		6	P.Y.
12,00,000	33,42,813	25,08,393	1,52,180	R. Beema Nayudu & Co.	28,864	..	Coimbatore Cotton	150	100	12§	12½	12½		6	P.
20,00,000	17,94,432	20,04,313	9,816	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills	101	100	7	6			6	P.Y.
20,76,900	70,83,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	41	50	5	10	—		6	Y.
24,34,800	40,26,054	37,58,169	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi	178	100	25	25	20	10	12	Y.
8,89,84,925	3,84,95,614	5,77,14,605	1,63,062	Bharat Ram, Esq.	75,604	1,830	Delhi Cloth (Inc. Lyallpur Mills).	28	25	4	10			6	P.Y.
1,00,503								2½	2½						
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd.	52,652	1,198	Elgin	216½xd	10	12½	11§	15	9	12	P.T.Y.
39,04,700	1,01,50,000	82,22,387	1,03,575	F. Forbes Campbell & Co., Ltd.	72,960	2	Gokak	90	100	15	10	14	17*	12	Y.
30,00,000	84,17,977	1,21,16,721	6,989	Govindram Sakaria (Indore)	90,420	1,420	Indore-Malwa United	100	100	4	4	5		12	Y.
8,90,000	22,88,977	18,75,134	487	G. V. Naidu & Co.	23,784	..	Janardhana	59½	50	16	10	15		12	T.Y.
6,50,000	17,20,576	40,18,456	7,677	A. L. A. R. A. Chettiar and another	90,304	325	Kaleeswarar	347½	100	—	—	—		6	P.Y
24,00,000	25,50,000	43,66,106	94,377	Kothari & Sons	13,824	..	Kothari	10	10	7	7½	7½		6	P.Y
52,00,000	1,62,37,879	1,37,67,873	1,99,524	The Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton	596½	250	15	15	20§	15	12	P.Y.
35,64,100	90,51,492	78,03,494	7,921	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	78	50	8	8	10		3	Y
17,82,050A								38½	25						
1,75,02,480	5,94,39,299	4,16,07,732	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura	35	15	17½	15	20	20	12	Y.
12,00,000	20,47,239	23,90,961	—15,121	A. L. A. R. S. Chettiar and 2 others.	21,856	..	Malabar	150	200	7½	4	6		12	Y.
60,00,000	93,17,047	52,62,343	50,249	W. A. Beardsell & Co., Ltd	24,252	603	Mettur Industries	188	100	25	12½	8		12	P.Y.
29,80,884	65,78,942	71,79,459	22,669	N. Sirur & Co., Ltd.	36,416	678	Minerva	180	100	8*	6	6		12	Y.
94,91,836	96,08,312	1,34,73,361	29,643	B. Abirchand Dadabhoy & Co.	49,456	952	Model Mills, Nagpur	143½	250	6	3	3		6	P.Y.
30,00,000	1,55,94,651	1,53,39,271	7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir	215	100	24§	—	—		12	P.Y.
9,71,850	4,06,541	20,43,991	—2,16,336	A. Sambha Moorty, Esq.	69	..	Mysore Silk Filatures	28	10	—	—	7½		12	P.Y.
19,86,800	1,15,39,739	82,55,416	38,347	N. Sirur & Co., Ltd.	49,632	500	Mysore Spinning	32½xd	10	20	18*	20§		12	P.Y.
13,61,780	22,98,130	27,85,556	—4,60,000	R. Suryanarayana Rao, Esq	6,000	..	Mysore Spun Silk	4½	10	5d	6§	—		3	Y.
22,89,882	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd	50,228	1,148	New Victoria	1½	—	2§	—	—		12	P.T.Y.
3,07,095O								—	D1						
87,03,800	1,20,94,970	1,58,62,385	17,946	Ind. Trust Fund	30,896	717	Osmanshahi Mills	95	100	14*	5§†	6§†	7	9	Y.
4,00,000A	19,98,937	20,58,777	19,670	Baghyalakshmi & Co.	22,800	..	Palani Andavar	52	50	4	10*	16		12	P.Y.
15,00,000	21,04,318	32,27,259	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pandia Nadu	100	100	4	7½	5		12	P.T.Y.
25,30,420	36,19,473	40,65,619	11,306	A. G. G. Naidu & Co.	38,864	200	Radhakrishna	149cd	100	15	16	16		12	Y.
15,00,000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	25,896	..	Rajalakshmi	72½	50	9	9	10		12	P.Y.
15,02,500	31,53,254	35,55,211	11,407	P. S. G. Nayudu & Sons	28,972	88	Ranga Vilas	42	50	6	7	7§		12	Y.
60,00,000	89,59,172	1,04,60,739	5,506	Sir J. P. S. & Sons (Rampur), Ltd.	32,580	600	Raza Textiles	5–11§	10	—	—	—		12	P.Y.
16,00,000	1,58,55,370	2,03,51,339	—78,03,793	M. J. Divekar, Esq.	82,992	2,234	Sholapur	1,750	1,000	—	—	—		3	P.Y.
22,41,300	9,49,500	23,98,011	66,528	Gopaldas Liladhar & Co., Ltd	15,824	440	Shree Sajjan	75N	100	6	—	—		3	Y.
17,79,700	17,05,383	21,50,229	3,083	T. R. A. Ayyar & Bros., Ltd.	18,416	416	Sitaram	35§	60	6§	—	5		3	Y.
36,69,700	53,91,316	62,29,128	3,556	B. S. Viswanarayiya, Esq.	25,200	292	Sri Krishnarajendra Mills	36§	50	8*	8*	6*		3	Y.
15,00,000	1,30,50,807	64,96,084	58,49,305	Birla Brothers Ltd.	27,340	992	Sutlej Cotton Mills	37	10	40	40	40		3	Y.
17,50,000								9§	10	5	5	5			
7,50,000F.O.	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,12,216	2,077	Swadeshi (Cawnpore	9	10P.O.	9	9	9		12	P.Y
13,98,630	16,70,493	12,91,002	9,843	M. R. & Sons	16,000	..	Trichinopoly	10cd	10	10	10	10	7	12	Y.T.
21,00,000	56,75,811	47,61,131	50,000	R. K. S. Chetty & Bros.	33,704	270	Vasanta	160cd	100	7	9	10	12	12	P.Y.
32,00,000	1,34,16,851	1,18,73,996	2,21,881	The Bombay Co., Ltd.	54,280	1,495	Vishnu	170§	100	10	9	14	10	12	P.Y.

• Includes Bonus. 1. On Increased Capital. ‡ Only Depreciation. ¶ As on 31st August, 1952. †† Does not include depreciation.
× Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46. — Nil Dividend. xd=Ex. Dividend. C.d.=Cum. Dividend.
§) Includes Rs. 11-6 paid out of deferred Dividend Amount. † Subject to tax. J=As on 1st January, 1953. •• Net Block.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
ART SILK AND RAYON MILLS													
1,60,42,600	37,92,725	4,15,55,170	4,66,206	Chinai & Co., Ltd.	National Rayon Corporation	81	100	—	—	—		12	P.Y.
99,92,020	46,91,585	2,65,93,471	4,93,263	Emcete & Sons (Travancore) Ltd.	Travancore Rayons	4½	10	—	—	—		12	P.V.
BREWERIES AND DISTILLERIES													
13,28,000						20	25	11½	11½Q	—		5	P.V.
4,64,000	65,17,840	96,16,910	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	8§	10						
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.		5§	5	20	10	—		3	W.
						15½cd	A 16sh	10	10	10		9	P.V.
£330,000	£915,047	£1,010,005	£55,705	Parry's Holdings Ltd.	East India Distilleries and Sugar	20½cd	B 20sh		15	15		8	V.
24,80,000	8,54,296	7,56,660	—7,87,632	S. P. Smith, Esq.	Murree Brewery	10	—	—	—	—		3	V.
6,00,000	21,13,586	12,13,593	3,951	B. A. Mallya Esq.	United Breweries	150	75	15	10	20			
CEMENT													
81,19,724	21,33,493	67,56,656	15,850	The Andhra Engineering Co., Ltd.	Andhra Cement Co.	93	100	3§	3§	7½		12	P.Y.
43,14,600	16,94,310	17,14,992	1,01,035	Eastern Corporation Ltd.	Assam Bengal Cement	4½	10	5	—	—		3	Y.
4,70,976D						½	1						
40,56,20,438					Associated Cement Companies	168½	100	7	8½	9½	9½	7	Y.
40,56,20,438	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.		6	10	—	5	6½		12	Y. 6.
86,49,312					Dalmia Cement	1	1						
8,00,000D	95,24,901	1,45,62,309	61,188	Hari Bros. Ltd.		16§	25	—	—	5		3	P.Y.
61,01,180					India Cements Ltd.	3–6½	5D	—	—	—			
7,50,000D	27,27,600	1,26,09,755	90,953	Essen Ltd.	Sonevalley Portland Cement	7½	5	3	4	8		12	Y.
75,00,000	1,46,20,109	1,65,80,416	81,840	Martin Burn Ltd.									
CERAMIC; MINING AND QUARRYING													
81,70,633	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2½	2½	2½	5	6§		12	Y.
10,00,000	37,00,990	51,64,271	28,729	Bird & Co.	Bisra Stone Lime Co.	29½	10	16§	17½	17½		3.9	H.
30,00,000A						9½	10	10 O	10	—		12	P.Y.
48,00,000D	17,91,749	50,93,341	12,332	Ram Kumar Agarwala & Bros.	Chrestien Mica Industries	6½	5 D	15	15	7½†		12	Y.
69,14,200	£1,650,110	£1,643,983	£85,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3–1½	2sh.	12½†	12½†	12½		61.2	H.
15,00,000					Karanpura Development	13½	10	—	—	—		61.2	H.
8,00,000F	38,79,403	43,65,527	1,29,079	Bird & Co., Ltd.		9§	10	5§(d)	10	10		3	Y.
4,00,000	6,40,199	7,98,882	9,812	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	33§	10	6§	10	12½	15f	6.12	H.
10,00,000	37,28,402	31,47,818	74,275	Bird & Co., Ltd.	Orissa Minerals	10	10	10	10	11§		2.8	H.
6,00,000	24,28,739	23,15,779	27,403	Andrew Yule & Co.	Reliance Firebricks	17	10	15	17§	35.		11	Y.
6,99,390	20,61,475	17,98,676	3427	Killick Industries Ltd.	Shivrajpur Syndicate	62½cd	10						
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	23,14,270	1,02,937	B. V. S. Iyer, Esq.	Kemp & Co.	245§	200	10	10	10		3	Y.
92,14,870	55,77,268	2,53,78,334	8,595	Tata Sons, Ltd.	Tata Chemicals	9§	10	—	—	—		6	T.Y.
1,12,500	1,38,486	61,178	4,101	B. D. Nagar, Esq.	Thompson & Taylor	4§	3	8§	15§			3	Y.
Other Centres													
25,00,000	34,68,041	63,66,814	59,559	Bhailal Amin & Sons., Ltd.	Alembic Chemical Works Co.	103§	100	—	8	8		12	Y.
62,00,000	1,07,29,152	2,20,10,944	2,51,870	Imperial Chems. Industries (India), Ltd.	Alkali and Chem. Corpn. of India	13§	10	—S	4	6		9	Y.
38,64,700'B'.O	48,00,287	78,49,987	10,67,466	S. P. Sen, Esq.	Bengal Chemical & Phar.	105	100	6	6	—		4	Y.
81,30,000	45,64,469	38,97,031	1,09,732	Sahu Bros. (Saurashtra) Ltd.	Dharangadhra Chemicals	168	100	6	15	15		5	Y.
4,95,000	1,50,922	1,53,108	—21,738	D. C. Collaco, Esq.	Frank Ross & Co.	3§	10	6	8	4§		3	P.Y.
3,45,97,740	86,89,2641	4,01,40,091	—10,83,735	Seshasayee Bros. (Travancore) Ltd.	I.A.C.T.	4§	10	—	8§	—		12	Y.
40,49,345	30,74,302	83,46,263	21,842	Seshasayee Bros. Ltd.	Mettur Chemicals	8§	10	4§	9	9		5	Y.
24,81,220	34,32,111	40,15,501	14,741	B. V. Ganapati Iyer, Esq.	Mysore Chemicals and Fertilisers	10N	A 10	3§	12§	10		3	P.Y.
3,00,000	68,18,658	72,69 725	2,87,549	Krishna & Co.	Mysore Chemical Mfrs.	12	B 100	15	10	10		6	P.Y.
5,00,000	19,82,894	15,88,659	48,158	C. A. Burton, Esq.	Smith, Stanistreet & Co.	5½	.5	10	10	10		6	P.Y.
ELECTRICS (Bombay Presidency)													
3,24,68,240	1,92,18,232	7,57,55,041	3,319	Killick Industries Ltd.	Ahmedabad Electricity Co. Ltd.	108½xd	100	6	7½	6	6½	9	T.Y.
5,12,77,000	9,28,03,288	5,23,55,938	35,587	Tata Hydro-Electric Agencies	Andhra Valley Power Supply Co.	1,440cd	1,000	7½	7	7½		6	P.T.Y.
1,24,97,300	56,55,204	1,51,38,887	1,642	Killick Industries Ltd.	Bombay Suburban Electric Supply	124§	100	7	7	7		3	Y.
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MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
					OIL; PETROL, ETC.								
£750,000	£987,630	£257,232	—£718,934	I. C. H. Glass, Esq.	British Burma Petroleum Co.	1-4½	4sh.	—	—	—		3	P.Y.Y.
22,50,000	81,89,204	52,69,225	1,85,955	R. C. Alcock, Esq.	British Ceylon Corporation	13⅜	7½	20†	24†	32†		12	P.Y.
1,00,00,000	2,27,04,997	1,10,70,867	2 10,829	Steel Brothers & Co.	Indo-Burma Petroleum Co.	55½	40	16	16	10		12	P.Y.
70,07,475	1,02,93,586	1,52,15,713	10,002	Tata Industries Ltd.	Tata Oil Mills	34½	25	4	6	8		3	P.Y.
6,00,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tide Water Oil Co. (India)	15½	10	15	15	17½	5†	4.10	H.
					PAPER								
45,00,000	1,56,25,500	1,94,47,651	3,21,991	Balmer Lawrie & Co.	Bengal Paper Mills	44	25	10	10	12½	6¼†	6.12	P.T.H.
50,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	151	100	7	10	11	5†	3.9	H.
25,00,000	48,30,215	47,81,895	52,615	P. R. Balakrishnan, Esq.	Mysore Paper Mills	13⅜	10	5d	7½	10*		3	P.T.H.
41,95,000	2,73,41,080	3,27,84,408	1,91,321	Birla Bros., Ltd.	Orient Paper	32½d	10	15	25	20	10f	3.9	P.T.H.
50,06,895	1,10,93,378	84,10,902	1,86,914	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	18½	10	9½	11½	15	7½†	6.12	P.T.H.
80,00,000						7½	10	—	—	5		3.9	
10,00,000 'A'	31,49,465	48,58,730	6,430	Bajoria & Co.	Star Paper Mills								
4,37,500 PO						4½	24	10	10	10	5f	3.9	
A'56,00,000	5,15,53,313	4,78,98,548	5,00,114	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd. ..	36	A10	20	18½	20*	10*f	3.9	P.H.
'B'56,04,800 O						36	B10	20	18½	20*	10*f	3.9	
					PLANTING; PRODUCE AND RUBBER								
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	6⅜	3	10	20	20		2	P.Y.
47,70,000	48,44,853	83,16,040	4,37,964	R. C. Paterson, Esq.	Consolidated Coffee Estate	17	10	17	20	18		6	P.Y.
4,00,000	2,29,884	4,49,623	13,951	Associated Planters, Ltd.	Cottanad Plantations	9½	10	7½	10			3	T.Y.
3,12,990	1,46,540	4,67,078	1,389	A. V. Thomas & Co., Ltd.	Fringford Estates	2½	10	25	45	45		4	P.Y.
6,00,000	19,08,079	9,81,715	16,448	A. V. Thomas & Co., Ltd.	Highland Produce	9½	10	15	20			4	Y.
4,00,000	9,67,558	7,20,390	43,506	A. V. Thomas & Co., Ltd.	Kalpetta Estates	17½	10	17½	20	35		3	Y.
4,00,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Mankara Rubber and Produce Co. ..	102	20	10	15	15		3	P.Y.
27,00,000	25,83,648	14,90,888	83,433	A. V. Thomas & Co., Ltd.	Midland Rubber and Produce Co. ..	9½	10	6	12½	15		12	P.Y.
3,33,000	1,38,538	12,94,936	28,190	A. V. George & Co., Ltd.	Nenmony Rubber	10	10	5	6½	10		12	P.Y.
2,00,000	1,93,721	24,72,600	2,305	Associated Planters, Ltd.	Nilambur Rubber Co.	9	10	6	10	45		10	P.Y.
19,45,980	48,35,083	38,14,428	1,78,110	Peirce, Leslie & Co., Ltd.	Ouchterloney Valley Estates	3⅜	2	25	25	15		6	P.Y.
13,50,000	5,82,973	28,05,590	31,101	A. V. Thomas & Co., Ltd.	Raigarh Rubber and Produce Co. ..	10‡	10	—	7½	9		3	P.Y.
10,00,000	3,36,390	1,56,824	936	East India Agencies, Ltd.	Teakoy Rubber (India) Ltd.	6‡	10	6½	6½	15		12	P.Y.
1,50,000	1,81,279	5,11,395	66,520	A. V. George & Co.	Thamarapally Rubber	12½	10	17½	20	25	25	9	Y.
3,05,100	5,01,650	6,03,723	31,510	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co. Ltd.	13½	10	3½	10	20		12	T.Y.
4,00,000	1,17,222	7,40,149	3,933	K. C. Cheriyan, Esq. (Secretary)	Travancore Rubber and Tea Co., Ltd.	6‡cd	10	2½	6	10		12	Y.
41,00,000	14,99,372	67,61,227	3,25,086	Aspinwall & Co., (Travancore) Ltd.	Travancore Rubber and Tea Co., Ltd.	20N	25	10	—	—		12	P.Y.
20,00,000	1,51,493††	18,47,082	1,275	P. T. Thomas, Esq.	Tropical Plantations Co.	5	10	5	—	—		12	Y.
8,20,000	53,026	3,26,408	40,587	A. V. George & Co., Ltd.	Udayagiri Rubber	13¾xd	10	10	12½	20	20	12	Y.
6,28,150	2,79,994	7,07,402	33,166	Harrisons & Crosfield Ltd.	Valdumbam (Travancore) Rubber Co., Ltd.	7⅜	10	7½	6¼	—		3	Y.
1,68,000	78,624	3,43,636	14,082	M. K. Thomas & Co.	Woodland Estates								
					PRESSING								
8,00,000	18,78,066	19,01,857	8,322	Andrew Yule& Co.	Calcutta Hydraulic Press	80	100	3	3	5		3	Y.
4,30,000	5,58,036	6,89,525	1,116	Pyne and Sons, ...	Camperdown Pressing	90N	100	4	6	7		7	Y.
4,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Central Hydraulic Press	95	100	3	5	5		6	Y.
					PROPERTY AND LAND								
10,00,780	25,11,061	42,65,283	419	S. A. Basil, Esq.	Humayun Properties	10½	10	—	6	—	5	9	P.Y.
60,00,000	34,67,735††	83,61,045**	—	David Sassoon & Co., Ltd.	Port Canning Land	24½	100	2	1½	2		4	P.Y.
94,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co.	Midnapore Zemindary	36	100	—	3			4	
					SAW MILLS AND TIMBER								
13,99,998	29,73,877	10,38,508	60,887	Bird & Co.	Assam Saw Mills and Timber	6⅜	8	16‡	16‡	16‡		9	Y.
50,00,000	4,89,22,437	2,47,99,361	1 57,498	Wallace & Co.	Bombay-Burmah Trading	398‡	125	12	30	18		5	Y.
42,00,000						146‡	50	12	20	18		5	Y.
						55N	100	5	—	—		6	P.Y.
6,00,000	7,04,037†	7,80,451	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	38	10	25	35	35		9	Y.
14,00,000	25,94,349	15,51,606	73,653	G. Arbuthnot & Co.	Indian Wood Products								
					SUGAR (U. P. and Bihar)								
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co.	Balrampur Sugar	6⅜	8	—	20	—		6	Y.
12,00,000	28,96,740††	15,70,684**	2,81,000	Narang Bros.	Basti Sugar	120N	100	6½	10	—		4	Y.
19,49,050	20,10,694	26,89,188	2,24,418	Bangur Bros., Ltd.	Belsund Sugar	8‡	10	7½	—	8½		6	Y.
8,00,000	21,11,590	15,38,162	40,743	Ceylon Agents Ltd.	Bharat Sugar	15N	10	10	15	15		6	P.T.Y.
12,00,000	99,90,130	1,26,88,817	—3,15,881	Gladstone Lyall & Co., Ltd.	Carew & Co.	5⅜	10	5	—	—		6	P.Y.
15,00,000	1,30,69,452	96,28,542	31,891	Begg Sutherland & Co.	Champaran Sugar	28‡	10	15	20	30	20	6	P.Y.
8,00,000	78,43,538	40,37,156	17,488	Begg Sutherland& Co.	Champaran Sugar	20‡	10	15	15	20		6	P.Y.
45,00,000	57,00,000	68,17,572	50,477	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	130N	100	5½	6	12*		7	P.Y.
13,00,000	41,78,374	68,10,159	—4,15,271	Kilachand Devchand & Co	Kesar Sugar	50N	80	—	3	4	—	6	P.Y.
6,00,000						20N	40						
7,89,100	31,59,777	25,99,076	115,051	Cotton Agents Ltd.	New India Sugar Mills	16	10	10	25	25		8	Y.
11,00,000	27,48,180	36,39,370	3,895	Karam Chand Thapar & Bros., Ltd.	New Savan	6½	10	5	6½	5		6	Y.
						180N	100	15	20	20	20	10	P.Y.
						45N	25						
13,50,375	58,13,366	52,06,760	6,30,009	Cotton Agents, Ltd.	New Swadeshi Sugar Mills	80N	100	—	—	—		7	P.Y.
						30N	20						
97,45,350	1,08,98,159	1,96,10,992	1,981	Cotton Agents, Ltd.	Oudh Sugar Mills	15N	12½					10	Y.
14,00,000	29,31,078	26,43,844	71,500	Narang Bros.	Punjab Sugar Mills	100N	100	—	6	—		6	P.Y.
9,00,000	42,50,793	33,72,806	19,435	Begg Sutherland & Co.	Purabpore Company	15	10	10	20	20	10	6	P.Y.
8,00,000	26,00,855	24,18,182	15,410	Begg Sutherland & Co.	Rajpur Sugar	24½	10	15	20	10		6	Y.
11,99,000	38,06,835	36,11,360	23,281	Begg Sutherland & Co.	Ramastipur Central Sugar	13½	10	10	20	20		6	P.T.Y.
20,00,000	57,29,582	93,96,808	27,889	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	9‡	10	—	—	5		6	Y.
9,99,995	11,66,782	21,41,729	10,162	Birla Bros. Ltd.	Shivpore Sugar	5‡	10	—	—	—		10	Y.
6,50,000						3‡							
1,73,000	11,94,395	27,92,174	—14,73,656	N. K. Jain & Co., Ltd.	South Behar Sugar	2½	25	—	—	—		6	Y.
8,00,000	54,46,474	70,75,580	57,216	Cotton Agents, Ltd.	Upper Ganges	18N	30	17½	20	20		6	Y.
					(Indian States and Other Centres)								
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Belapur Co.	239‡	50	16½	25	28	32	9	Y.
33,57,350	46,47,856	38,47,284	4,64,518	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	104N	100	7	5	3		6	P.Y.
15,93,900	18,53,357	37,63,451	21,012	J.P.Srivastava&Sons(MadhyaBharat)Ld.	Gwalior Sugar Co., Ltd.	45N	20	12½	15	25		6	Y.
13,00,000	38,42,751	22,63,689	2,71,331	India Sugar Agencies Ltd.	India Sugar & Refineries	20	10	7½	10	20		6	Y.
81,79,280	1,49,74,559	97,24,107	8,27,296	M. Muthiah, Esq.	Mysore Sugar	43	10	20*	16	16	16	9	P.Y.
50,00,000	96,62,468	1,03,94,086	3,18,594	Mafatlal, Apte & Kantilal, Ltd. ..	Phalan Sugar Works	80‡	10	14	16	16	20	9	P.T.Y.
16,59,820	45,75,389	24,76,150	1,61,652	Anderson Wright Ltd.	Ramnagger Cane & Sugar Co., Ltd.	17	10	15	6	7½	18	9	Y.
20,00,000	68,39,148	74,55,840	1,89,513	Walchand & Co., Ltd.	Ravalgaon Sugar Farm Ltd.	90N	50	7	14	18		5	Y.
19,99,580	50,82,224	42,94,120	6,05,982	Govan Bros. (Rampur), Ltd.	Raza	12	10	6	10	12½		6	Y.
30,00,000	23,82,353	58,70,150	20,980	Parry & Co., Ltd	Travancore Sugars	4‡	10	—	—	—	14	9	P.T.Y.
1,01,00,000	1,29,20,737	1,71,89,516	2,07,926	Premier Construction Co., Ltd. ..	Walchandnagar Industries Ltd. ..	160	100	17½	12	14		4	
					UNCLASSIFIED (Bombay)								
1,50,00,000	1,14,37,216	46,81,706	—4,88,411	Tata Industries Ltd.	Air-India Ltd.	81	100	—	—	—	17½	12	Y.
2,40,000	4,90,364	5,64,538	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	705	200	15	15	15		9	Y.
59,89,550	2,64,61,962	3,70,82,313	53,607	Scindia Steam Navigation Co., Ltd.	Bombay Steam Navigation Co., Ltd.	32	25	—	5	5		6	P.Y.
15,98,860	1,28,167	2,19,255	52,663	Parekh Agencies Ltd.	Bombay Uganda	54N	80	5	3	3		12	Y.
25,00,000	1,50,000	24,37,096(k)	12,787	Dena Sons Ltd.	Devkaran Nanji Investment Co. ..	91	25	3	3	3		3	Y.
14,98,360	17,39,540	10,69,107	4,425	F. H. Mehta Esq.	Estrela Batteries	23N	80	6	6	4½	4½	3	P.Y.
99,99,250	18,35,375	1,27,45,393(k)	1,85,257	Premchand Roychand & Sons	Industrial Investment Trust	74cd	100	3‡	6	4½		12	P.Y.
84,98,865	15,91,304	12,58,924	2,833	K. G Milne, Esq.	Killick Industries	147	100	8	8½	10	6	12	Y.
2,06,71,500	65,85,939	2,20,52,503	4,52,797	Aero-Auto Ltd.	Premier Automobiles Ltd.	41	100	—	—	—		6	Y.
10,00,000 B							10	—	—	3½		9	Y.
6,59,62,018	9,89,24,387	12,98,97,421	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co., Ltd.	13–10‡	50	10	10	15		3	Y.
1,50,000	3,71,437	2,21,590	3,145	R. B. Bandekar Esq.	Thacker & Co.	30N	20	7½	10	15	15	12	Y.
10,21,200	17,95,712	14,71,107	36,733	Sir Joseph Kay, K.B.E.	United Motors (India) Ltd.	40xd	10	11*	11*	11*	11*	12	Y.
2,20,00,000	2,54,09,975	2,16,78,739	4,20,869	T. H. Rydin, Esq.	Western India Match Co., Ltd. ..	235	100	8-5/6	13½	13½	13½	12	Y.
45,00,000	46,57,108	1,24,608	41,429	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	350N	150						
					Other Centres								
47,50,000	4,90,364	5,64,538	702	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	4	10	—	—	—		3	P.T.Y.
2,50,000 D						17‡	10	10	17½*	25*	12½	8	Y.
30,00,000	53,38,668	31,59,164	5,24,909	Turner Morrison & Co., Ltd.	Angelo Brothers Ltd.	20	10	12½*	12½*	12½*		3	Y.
20,00,000	23,25,002	22,18,452	1,00,402	T. H. Rydin Esq.	Assam Match	5	10	7½	6			2	P.T.Y.
90,00,000	50,63,088	92,32,652	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	302	100D	20*	20*	25*		12	Y.
30,00,700						—	40D	15	15	20		12	P.Y.
50,00,000	15,57,826	45,95,360	5,19,159	O. T. Jenkins, Esq.	Balmer Lawrie & Co.	146xd	100	5	10	12½	12½	10	P.Y.
20,00,000	1,19,26,323	1,24,61,121	2,04,690	Andrew Yule & Co., Ltd.	Bengal Assam Steamship Co., Ltd.	15‡	10	11‡	11‡	12½	12½	9	P.Y.
20,00,000	8,38,806	54,05,998(K)	1,25,380	Lovelock & Lewes	Birds Investments Ltd.	93	100	3	3	3		12	P.Y.
1,00,00,000	1,00,01,435	2,26,31,139	1,16,835	Dinshaw Ltd.	Bharat Line	14‡	10	12½	12½	7½–1		12	P.Y.
30,64,680	50,81,266	83,30,736	1,82,277	A. P. Chanda Esq.	Britannia Line	8–5½xd	5	11‡	15	15–1	12½	12	P.T.Y.
3,25,00,000	2,85,64,167	47,78,193**	1,99,112	Sir Robert Mayne Kt., O.B.E.	British India Corporation Ltd. ..	28‡	100	20	20	15–1	15	12	P.Y.
1,60,00,000	3,77,71,321	4,07,06,331	7,01,468	Cecil Stack, Esq.	Dunlop Rubber Co. (India) Ltd. ..	139	100	8	9	9	9	12	P.Y.
51,26,000	47,57,061	1,26,55,420(K)	3,15,489	Bird & Co., Ltd.	Eastern Investments Ltd.	192	100	20	22½	15f		3.9	H.
7,00,000	29,85,208	24,09,208	17,900	Macneill & Barry Ltd.	Ganges Rope	130	100	7½	10	10		3	P.Y.
65,00,000	34,13,857	15,62,902	2,07,524	A. J. Ellis, Esq.	Gillanders Arbuthnot & Co., Ltd.	252	250	6	6	6		3	Y.
30,00,000	37,25,649	60,01,406	6,213	B. P. R. Syndicate	Great Eastern Hotel Co.	100N	100	5	7½	7½		3	P.T.Y.
18,42,800	36,42,049	54,49,206	12,214	Birla Brothers, Ltd.	Hind Cycles	10	10	—	—	—		3	Y.
4,96,12,650	39,45,179	2,61,59,292	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	4½	10	—	3½	5	5½	12	P.Y.
1,60,00,000	4,59,65,053	3,07,88,193	22,27,867	J. W. E. Johnson, Esq.	Indian Aluminium Co.	109xd	100	15	10*	10*		12	P.Y.
1,52,89,220	1,31,92,732	57,92,390	9,29,554	D. J. McIntosh, Esq.	Indian Cables	17‡	10	—	—	—		3	P.Y.
83,75,000 O						3⅜	10	—	—	—		12	P.Y.
5,00,000 P	51,91,428	75,82,228	—15,72,246	Govan Bros., Ltd.	Indian National Airways	6⅜	10	—	—	—			
1,25,000 D						1	1	—	—	—			
18,27,978	12,79,385	14,27,460	39,038	George Spencer Moulton & Co. (India)	Indian Rubber Manufacturers	13⅜	10	10	10	10		3	P.T.Y.
8,25,00,000	1,60,38,687	3,87,9,501	2,26,066	Lionel Edwards Ltd.	India Steamship Co., Ltd.	10	—	—	—	5		3	Y.
2,40,000	4,33,028	67,247	36,496	G. V. Swalks, Esq.	Ivan Jones	2	21‡	21‡	21‡	21‡		9	P.Y.
2,00,00,000	53,39,843	27,16,440	8,86,448	J. D. K. Brown, Esq.	Jardine Henderson	125	100	10	10	10		3	P.Y.
6,34,000	9,97,633	6,91,531	—64,994	Hamel & Co., Ltd.	Macfarlane & Co. Ltd.	2½	5	—	—	—		3	P.Y.
40,00,000 O	63,35,248	23,69,220	85,717	A. T. Doig, Esq.	McLeod & Co, Ltd.	137	O. 100	10	12½	12½		12	P.Y.
5,00,000 D							D. 10	5	7½	7½		12	P.Y.
1,30,55,750	33,32,702	11,34,840	2,31,092	T. Leslie Martin Esq.	Martin Burn Ltd.	18‡	10	10	12½	11‡	13‡	9	Y.
6,35,190	4,10,533	7,47,410	10,548	Ogale Glass Works Ltd.	Mysore Glass & Enamel Works ..	9	10	5‡	5			12	P.Y.
3,75,000	7,74,553	5,79,856	3,666	R. Bharaniah, Esq.	Mysore Lamp Works	18‡	10	10	10	10		3	P.Y.
18,00,000	3,95,707	11,45,855	1,11,329	V. S. Arunachalam, Esq.	Mysore Tobacco	10‡	10	5	5	7½		3	P.T.Y.
20,00,000	51,92,159	30,16,078	11,045	Associated Ind. Development Co., Ltd.	National Insulated Cable Co., of India Ltd.	12	10	—	2½	5		3	P.T.Y.
79,97,000	65,83,352	1,04,50,524	8,86,347	B. N. Elias & Co., Ltd.	National Tobacco Co.	3‡	10	—	—	—		12	P.Y.
14,87,137	6,67,696††	18,52,569**	23,513	S. P. Ogale & Co.	Ogale Glass Works	5	5	—	—	—		12	P.T.Y.
40,00,000	34,64,522	60,88,006	1,94,446	Parry's Holdings Ltd.	Parry & Co.	5‡	2	62½	80–1	32½		12	P.Y.
2,25,00,000	62,51,619	1,69,49,507	24,847	G. U. Euthymopulo, Esq.	Rallis India Ltd.	77	100	8	8‡	9	—	8	P.T.Y.
1,14,00,000	2,29,15,252	5,78,03,905	33,67,941	Sahu Jain Ltd.	Rohtas Industries	9	10	—	—	7½		10	P.Y.
40,00,000	1,53,62,299	1,19,84,861	5,36,552	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	14‡	10	10	10	15		6	Y.
75,00,000	22,00,000	1,75,74,498	2,62,138	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	12‡	10	10	10	10	—	12	Y.
9,98,280	3,19,364	8,90,420	1,855	Ogale Bros., Ltd.	Travancore Ogale Glass	3‡	10	—	4	—		12	Y.

†† Does not include depreciation. * Includes Bonus. ** Net Block. C.D.—Cum Dividend. I On Increased Capital.
‡ Only Depreciation. — Nil Dividend. † Less incometax. (c) For six months ended June, 1949.
Z.—For fifteen months ended 31st December, 1952. K—Investments. X.R.—Ex-Right. (d) For nine months ended March, 1950

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
						ASSAM								
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	450N	100	20	25	—		12	P.Y.
1,50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd	400‡	Anaudabag	25‡	10	25	40	30		12	Y.
5,50,000	10,64,192	12,05,396	—89,152	McLeod & Co., Ltd.	360	Baghmari	10‡	10	12½	17½			12	Y.
3,40,000	9,12,883	7,05,721	44,989	Andrew Yule & Co., Ltd.	556	Bamaria	24	10	30	30	25		12	Y.
1,30,600	7,24,887	8,38,278	71,941	Williamson Magor & Co.	566	Batjan	24	10	20	35	10		12	T.Y.
3,20,000	6,19,032	6,72,731	54,942	Gillanders Arbuthnot & Co. Ltd	1,004	Bishnauth	35	50	35	50	5		12	Y.
16,50,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co.	493	Bokakhat	4‡	10	5	5	—		12	P.Y.
6,00,000	4,80,346	9,78,429	—1,90,802	Octavius Steel & Co., Ltd.	450	Bormah Jan Tea Co., Ltd.	11‡	10	15	15	15		6	P.T.
7,50,000	5,06,959	7,64,836	22,297	McLeod & Co., Ltd.	2,670	Brooke Bond	11⅛	10	10	10	10		12	Y.
35,00,000	22,18,001	76,96,925	87,990	Brooke Bond India Ltd.	282	Dejoo Valley	8‡	10	6¼	15			12	Y.
1,20,000	3,06,715	3,66,030	—29,101	McLeod & Co., Ltd.	1,341	Dessai & Parbatta	220	100	15	30	22½		12	P.Y.
6,00,000	22,17,578	24,24,301	25,545	Jardine Henderson Ltd.	426	Dhalakhat	10½	10	10	16	12		12	T.Y.
17,53,440	7,15,393	19,11,105	54,461	James Warren Ltd.	613.37	Dhunsseri	9‡	10	10	20	10		12	Y.
4,68,970	8,90,863	13,71,610	25,794	James Finlay & Co., Ltd.	458	Dibrugarh Co., Ltd.	8‡	10	14	35	40		12	P.Y.

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
60,00,000	1,02,72,130	95,75,184	3,33,368	879	B. N. Elias & Co., Ltd.	Agarpara	18½	10	10	15	20	10f	3.9	P.T.H.
12,00,000	50,61,739	45,32,316	16,522	498	Sahu Jain Ltd.	Albion	190	100	—	14	30	8f	5.11	P.H.
6,00,000	30,55,572	47,33,264	—3,29,636	446	McLeod & Co., Ltd.	Alexandra	200	100	—	5	—f	6.12	6.12	T.P.H.
30,00,000	85,82,864	1,17,03,066	—13,63,074	1,264	McLeod & Co., Ltd.	Alliance	151	100	—	2½	—	f	6.12	P.H.
49,20,700	2,31,84,144	2,24,03,099	1,44,601	2,561	Duncan Bros. & Co.	Anglo-India	214	100	—	20	20	10f	3.9	P.H.
40,00,000	1,14,83,050	1,31,13,967	71,745	810	Bird & Co., Ltd.	Auckland	120	100	1½	10	10	4f	3.9	P.T.H.
20,00,000	92,46,901	97,14,511	55,967	959	Jardine Henderson & Co. ..	Bally	150	100	7	12	1	—f	3.9	P.H.
£275,000	£1,680,379	£1,328,460	£91,091	1,890	Jardine Henderson & Co. ..	Barnagore	£5	20	20	20	20		3	P.Y.
25,00,000	30,27,627	88,01,241	26,347	820	Andrew Yule & Co.	Belvedere	200	100	13	17	27½	15	6.12	P.H.
45,00,000	76,51,305	51,03,395	4,07,701	600	Andrew Yule & Co.	Booja-Booja	35	10	25	30	30		3	P.Y.
30,42,000	3,71,54,151	3,06,60,933	1,38,294	1,373	Sooraimull Nagarmull	Bengal	160xd	100	7	13	22	6¼f	4.10	H.
36,00,000	98,57,668	1,07,77,342	25,598	991	Birla Bros.	Birla	151N	10	—	—	20		6.12	T.P.H.
7,47,380	50,53,704	39,43,698	34,320	302	Andrew Yule & Co., Ltd. ..	Budge-Budge	155	100	5	14	22	12	5.11	P.H.
18,00,000	65,79,289	75,43,578	12,225	616	Dayaram & Sons	Calcutta Jute Manufacturing ..	303N	100	3	10	14	8f	3.9	P.H.
39,16,400	2,11,26,602	1,62,21,807	1,35,299	1,400	Andrew Yule & Co.	Caledonian	109	10	—	—	20		6.12	T.P.H.
15,95,000	78,53,605	79,40,146	45,839	530	James Finlay & Co., Ltd. ..	Champdany	157	100	5	14	22	12	5.11	P.H.
10,05,900	83,09,114	55,21,773	60,392	500	Andrew Yule & Co., Ltd. ..	Cheviot	205xd	100	3	10	14	8f	3.9	P.H.
16,00,000	80,24,460	77,89,914	1,01,979	969	McLeod & Co.	Chitavalsah	103	100	13½	16	22	12	5.11	P.H.
					Shree Krishna Investment Co., Ltd	Clive	25½	10	12½	15	60	25f	6.12	T.P.H.
31,49,200	1,21,56,497	1,16,59,962	21,356	766			25	10	12½	35	20		3	P.H.
28,00,000	86,65,708	73,72,811	50,826	779	Bird & Co., Ltd.	Dalhousie	135	100	1	11	12	1f	3.9	P.H.
15,00,000	83,75,460	74,42,092	45,656	500	Andrew Yule & Co.	Delta	230xd	100	11	17½	32½	20	5.11	P.T.H.
51,00,000	2,35,23,130	2,65,73,643	1,801	1,884	McLeod & Co.	Empire	21	10	10	20	25	5f	6.12	T.P.H.
14,00,000	48,25,115	69,94,729	—8,32,197	1,014	Kettlewell Bullen & Co. ..	Fort Gloster	278	100	2½	32½	22½	—f	3.9	P.T.H.
84,32,100	1,42,71,745	2,06,96,669	42,572	1,709	G. C. Rangur, Esq.	Fort William	305N	100	—	10	—	—	3.9	Y.
10,80,000	71,71,963	63,80,135	25,156	607	Macneill & Barry Ltd.	Ganges	73	100	—	6½	2½		3.9	P.H.
24,00,000	2,02,41,185	2,18,72,990	89,216	1,394	G. Arbuthnot & Co.	Gondalpara	800	100	—	15	30		3	H.
40,00,000	81,93,062	81,94,127	3,06,824	1,078	Macneill & Barry Ltd.	Gouripore	265	100	2½	25	11½		3.9	P.H.
16,80,000	58,02,116	64,29,355	64,417	728	Bangur Bros. Ltd.	Hastings	233N	100	10	7	10		3	P.Y.
65,62,500	1,56,21,640	1,59,50,625	1,71,001	1,940	G. Arbuthnot & Co.	Hooghly	29½	10	10	30	15		3	P.Y.
30,00,000	1,74,30,109	2,25,00,109	3,91,968	2,272	Jardine Henderson Ltd. ..	Howrah	23½	10	7½	17½	18½	8½f	3.	P.H.
87,00,000					Ramkutt Ramkissendas	Hukumchand	35	7½	46½	66⅔	66⅔		3	T.P.Y.
30,000	88,97,267	1,11,41,130	77,979	1,076	Mackinnon Mackenzie & Co. ..	India	123	O. 125	5½	10	3⅓	21f	3.9	P.H.
24,00,000								D. 1	5½	5½	3⅓	21f	3.9	P.H.
19,20,000 B	1,36,54,330	1,36,47,095	92,899	1,797	Jardine Henderson Ltd.	Kamarhatty	188xd	100	—	17	22½	14½	6.12	P.H.
30,00,000							174xd	100						
24,00,000 B	1,04,29,702	1,30,34,859	83,881	1,527	Jardine Henderson Ltd.	Kanknarrah	141xd	100	—	—	12½	10	6.12	P.H.
21,00,000							132xd	100						
54,00,000	1,13,89,109	91,65,930	1,07,129	703	McLeod & Co.	Kelvin	221	100	10	20	25	7½f	6.12	P.H.
48,00,000	1,18,86,997	1,59,17,038	2,06,473	1,530	Anderson Wright Ltd.	Khardah	160	100	—	25	25		3.9	P.H.
24,48,000	1,94,15,089	2,09,37,751	1,16,651	1,250	F. W. Heilgers & Co.	Kinnison	190	100	2½	14	19	7f	3.9	P.T.H.
28,00,000	1,24,25,159	1,33,71,480	40,487	931	Bird & Co., Ltd.	Lansdowne	130	100	2	21	15	3f	3.9	T.P.H.
10,00,000	70,13,427	50,24,402	64,167	840	Bird & Co., Ltd.	Lawrence	176	100	6	21½	22½	4f	3.9	P.H.
81,65,200	1,38,82,204	1,94,76,907	1,17,533	1,008	Andrew Yule & Co.	Lothian	230	100	—	15	32½	30	5.11	P.H.
29,98,900	1,29,56,303	1,55,05,495	—2,80,351	815	Mackinnon Mackenzie & Co. ..	Megna	97	100	4½	8⅔	3⅔	2½f	3.9	H.
12,00,000	29,95,424	24,75,180	52,447	425	F. W. Heilgers & Co., Ltd. ..	Naihati	126	100	—	15	12	—f	3.9	P.T.H.
35,00,000	50,49,988	27,56,895	45,733	852	Howrah Trading Co., Ltd. ..	Naskarpara	15½	10	11½	13⅓	15f		4.10	T.P.H.
7,50,000	52,11,917	24,37,663	21,345	316	K. C. Thapar Bros. Ltd.	National	24½xd	10	11½	15	25	10f	4.10	P.H.
10,50,000	66,39,013	45,98,858	7,738	709	McLeod & Co.	Nellimarla Jute	27	10	25	30	75	20	6.12	T.P.H.
16,79,880	98,33,709	1,18,62,645	5,954	567	Sahu Jain Ltd.	New Central	220	100	6	15	30	10f	6.12	P.H.
66,79,500	1,73,80,223	2,06,56,876	72 170	1,092	Bird & Co., Ltd.	Northbrook	18½	10	—	—	20	2½f	6.12	P.T.H.
24,91,000	70,69,941	70,35,063	81,356	601	Macneill & Barry Ltd.	Nuddea	42½	50	—	5½	4½		3.9	T.H.
					Andrew Yule & Co., Ltd.	Orient	172	100	9	14	24	7	5.11	H.
25,00,000	63,83,642	80,79,256	—4,76,887	400	McLeod & Co.	Presidency	4½	5	—	—	—	2½	—	6.12	T.H.
20,00,000	7,67,933*	26,15,293	—3,29,549	305	Macneill & Co.	Rameshwara	5½	10	—	1½	—			3.9	H.P.
49,50,000	55,07,248	1,23,45,796	58,685	1,276	Jardine Henderson Ltd.	Reliance	12⅞	10	—	—	—			3.9	P.H.
66,00,000	69,99,994	£11,96,402	£76,498	2,013	Thomas Duff & Co. (India) Ltd.	Samnuggur	14½xd	11	6½	10½	10			12	P.Y.
30,00,000	68,57,466	95,49,412	87,40,952	911	Bagaria More Co., Ltd.	Shree Ambica (Adamjee)	17½	10	—	15	10	10f		12	P.H.
7,00,000	45,17,785	48,14,456	2,73,383	401	Hindustan Investment Copn. ..	Soorah	13¾	10	—	10	—			12	P.Y.
66,00,000	£8,36,984	£9,78,287	£1,29,393	1,794	Bird & Co., Ltd.	Standard	135	100	4	15	16			3.9	P.H.
35,98,600	1,80,41,145	1,73,93,324	15,098	1,326	Thomas Duff & Co. (India) Ltd.	Titaghur	14½xd	11	6½	10½	10			12	Y.H.
64,00,000	£6,35,795	£10,47,385	£1,00,239	1,331	Bird & Co., Ltd.	Union	156	100	2	19½	21	1f		3.9	P.T.H.
2,50,000	32,89,383	55,48,403	—47,909	465	Thomas Duff & Co. (India) Ltd.	Victoria	14½xd	11	6½	10½	10			12	Y.H.
					McLeod & Co.	Waverley	5½	1	—	5	5	—f		6.12	P.T.H.

(a) For ten months ended 31st December, 1951. ‡‡ Subject to foreign income-tax. Only Depreciation. • Incudes bonus.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
25,50,000	61,24,011	64,99,011	25,799	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	20	10	17½	20	13⅓	5f	3.9	H.
42,00,000	42,18,417	37,16,954	60 294	Jardine, H. & Co., Ltd.	Bararee Coke	17½	10	14⅔	13⅓	14⅔	7½f	3.9	H.
1,00,00,000	70,50,712	1,17,79,347	23,814	Sahu Jain Ltd.	Bharat Collieries	6xd	10	6⅔	6⅔	6⅔		6	P.T.Y.
4,49,150	5,82,303	8,49,159	3,152	Andrew Yule & Co., Ltd.	Bengal	528	200	33⅓	17½	18⅔*	10*f	4.10	P.H.
2,25,000	27,12,507	25,84,461	4,280	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	24N	10	2½	2½	2½	1½f	6.12	H.
					Bengal-Nagpur	18½	10	22½	16⅔	10	3⅓f	6.12	P.H.
15,97,700	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	4⅞	10	—	2½	1⅔		9	Y.
7,15,000	50,04,831	50,17,715	3,437	F. W. Heilgers & Co., Ltd. ..	Bhutanbararee	12⅞	10	—	6⅔	6⅔	2½f	6.12	H.
16,00,000	53,46,046	67,83,723	—1,37,184	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	11½	10	5	—	—		6.12	T.H.
7,50,000	42,42,776	40,82,736	1,07,078	F. W. Heilgers & Co., Ltd. ..	Borrea	29⅜	10	20	30	30*	15f*	6.12	P.H.
90,92,480	3,23,04,936	3,94,53,208	1,54,703	Bird & Co., Ltd.	Burrakur	10⅜	10	10⅜	7½	7½	3⅓	6.12	P.T.H.
8,00,000	45,46,717	49,09,377	2 273	Anderson Wright & Co.	Central Kurkend	17	10	17½	12½	—	—f	6.12	P.H.
6,00,000	1,40,000	7,50,000k	28,918	F. W. Heilgers & Co., Ltd. ..	Churulia	3	4	6⅔	4⅓	1⅓	8f	6.12	P.H.
16,00,000	30,89,961	44,04,602	12.039	Macneill & Barry Ltd.	Dhemo Main	10⅜	10	10⅜	10	12½	2½f	6.12	H.
£120,000	£1,084,338	£872,414	£78,839	Jardine Henderson Ltd.	East Indian	22½	£1	13⅓	37½	12½		4	Y.
29,63,760	3,25,97,992	3,19,86,409	2,12,912	Macneill & Barry Ltd.	Equitable	42⅔	10	25	25	25	15f	6.12	H.
10,00,000	4,83,963	8,41,725	66.865	Bhattar's Agency Ltd.	Ghusick and Muslia	15N	3	20	5			3	Y.
4,00,000	21,59,376	21,52,141	14,404	Macneill & Barry Ltd.	Hurriladih	16	10	12½	15	15	7½f	6.12	H.
3,50,000	11,63,346	12,53,839	40,107	Andrew Yule & Co., Ltd.	Kalapahari	47N	10	26⅔	35	35*	17½f	2.8	H.
20,00,000	68,340‡	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	94	100	—	—	—		2	H.
5,00,000	42,58,631	42,08,253	1,46,012	Andrew Yule & Co., Ltd.	Katras Jherriah	40⅔	10	27½	35	37½	20f	1.7	H.
1,38,400	5,20,519	11,63,519	1,063	Beriwala Bros.	Khas Kajora	18N	10	11¼	10	5f		6.12	P.H.
11,00,240	10,19,288	15,64,007	5,201	H. V. Low & Co., Ltd.	Kuardi	61N	10	3⅓	3⅓			6	Y.
13,50,000	29,43,024	28,41,241	13,549	H. V. Low & Co., Ltd.	Lakurka	12N	10	10	10	7½		4	Y.
5,65,750	11,41,667	22,37,077	2,691	Beriwala & Co.	Mandulpoor	11N	10	5	7½			6.12	H.
7,48,240	10,34,138	11,24,142	14,690	Associated Commercial Co., Ltd.	Nazira	7⅜	10	5	7½	5		6.12	H.
7,00,000	3,77,590	9,53,321	4,597	Amritlal Ojha & Co. Ltd.	New Bansdeopur	6½	10	6½	2½	5½		6.12	H.
17,76,230	89,43,381	1,14,69,344	39,912	Andrew Yule & Co., Ltd.	New Beerbhoom	5¾	10	6½	7½	6½		3.9	H.
						2 1½	10	3	6	—		4.10	H.
6,00,000	21,87,920	31,32,540	—7,595	Octavius Steel & Co. Ltd.	New Manbhoom	10½	10	12½	7½	—	—f	3.9	P.H.
2,50,000	6,84,984	5,45 859	1.387	Jatia Bros. Ltd.	North Damuda	4N	2½					3.9	H.
1,15,000	10,81,297	12,56,672	12,237	Andrew Yule & Co., Ltd.	North West	15N	10	16½	13⅔	5	2½f	3.9	H.
1,37,500						11N	7½						
7,50,000	12,54,532	3,97,666	1,23,852	F. W. Heilgers & Co., Ltd. ..	Ondal	19½N	10	12⅔	25	22½*	10f	6.12	H.
10,00,000	14,15.045	32,73,178	46,739	K. C. Thapar Bros. Ltd.	Oriental Coal	12N	10	10	10	10		12	P.H.
8,34,000	5,98,486	16,29,203	70,539	Deepchand Kishenlall	Parasea	3½	10	—	—	—f		6.12	T.Y.
													H.
15,75,000	34 87,649	39,37,649	31,995	Shaw Wallace & Co., Ltd.	Pench Valley	20½	10	16½	12½	10	6⅓f	2 8	H.
23,99,500	91,95,359	1,09 49 971	—4,53,764	B. N. Elias & Co. Ltd.	Raneegunge	8⅜	10	—	—	—	—f	3 9	H.
13,50,000	28,66,087	29,99,087	35,349	Shaw Wallace & Co., Ltd.	Rewa	18½	10	8⅓	12½	10	7½f	6 12	H.
20,00,000	15,10,118	28,07,516	165	Jaipuria Sons Ltd.	Samla Collieries	6⅔	10	—	5	10f		6 12	H.
1,25,000	12,44,124	13,05,188	18,451	Gilanders Arbuthnot & Co., Ltd.	Searsole	10N	2½	20	20	20		6 12	H.
2,80,010	19,76 795	28,04,696	30 184	Andrew Yule & Co., Ltd.	Seebpore	27	7	35-5/7	32-1/7	28-4/7	28-4/7	1	T.
4,00,010	34,57,222	36,96,604	10,379	F. W. Heilgers & Co., Ltd. ..	Sendra	11	10	5	5	3⅓	—f	6 12	P.H.
												6.12	M.
63,21,450	2,13,85,164	3,04,98,616	23,658	Industrial Trust Fund	Singareni	6⅔	10	4½	5	5		12	T.Y.
17,50,000	24,10,707	34,29,846	15,868	Bird & Co., Ltd.	South Karanpura	13⅓	10	18⅔	10	7½	3⅓f	2 8	H.
8,00,000	35,43,816	39,93,119	74,094	F. W. Heilgers & Co., Ltd. ..	Standard	17½	10	16⅔	15	10	5f	6 12	H.
10,00,000	15,41,499	29,34,045	—2,46 174	Villiers Ltd.	Talcher	3	2½	—	—	—		6 12	H.
3,50,000	17,16,513	18,94,910	74,527	Williamson Magor & Co., Ltd.	Union	25	10	20	27½	27½	12½f	9	Y.
7,00,000	26,75,667	36 17,323	29 272	Macneill & Barry Ltd.	West Jamuria	19	10	15	15	15	—f	6 12	H.
												6 12	H.

• The following explanatory notes relate to the abbreviations and marks shown on page 684 in the bentures section:—

Option to repay on six months' notice, on any nterest date after 31st December, 1951, at 102 per cent Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 102 per cent

(a) Option of repayment at any time at 3 per cent. premium.

(b) Bearer bonds of Rs. 1,000 each repayable at par.

(c) Bearer bonds of Rs 1,000 each repayable on 31st July, 1959.

(d) Bearer bonds of Rs. 1,000 ach with option of redemption in whole or in part at par on 30th June, 1952, o on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months notice in each case.

(f) Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ½ per cent. premium, afte 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1 st March, 1957

(h) Option of redemption on or after 1st July, 1949, at par,

(i) Option ofrepayment at any time at par at any time on or after 30th June 1947 on six months' notice.

SURVEY

(Concluded from page 691)

production of 677.3 million coconuts, which is about 20 per cent. of the existing production of 3,399 million coconuts.

The gap between demand and supply can be overcome in two ways; one by encouraging imports and the other by stepping up domestic production. Imports mean a drain on the country's resources. They should, therefore, be avoided, if possible, by increasing the domestic production. The question that needs to be answered, in this connection, is whether India can achieve self-sufficiency in coconut production in an economic manner? If it can, measures must be taken to achieve that goal as early as possible.

Self-sufficiency can be achieved through better methods of cultivation, which includes utilisation of quality seedlings for sowing purposes, among others. It is gratifying to note that the nursery schemes started by the Indian Central Coconut Committee have already been capable of supplying about five lakh quality seedlings of coconuts per day. As this, however, is considered inadequate, it is urged that the number of seedling farms should be increased.

The need for opening regional research stations and publishing the results in regional languages is a long-felt one. Research will help explore, *inter alia*, better remedies for controlling pests and diseases, thereby improving the quality and increasing the quantity of coconuts. The publication of the results of such research in regional languages or, in other words, in the language spoken and read by the farmer, will help carry the results of research to those for whom they are intended.

The celebration of Coconut Day on the lines of *Vana Mahotsava* will provide the psychological drive necessary to stimulate the farmer to plant more coconuts. If, however, this drive is to yield the results expected of it, the farmer must be made to realise that there is money in coconut plantation. The profit incentive is the surest means of ensuring increased production.

WORLD TIN PROBLEMS

The International Tin Study Group has come to the conclusion that it is necessary to regulate the supply of tin in accordance with the demand. As a first step in this direction, it has appointed a Working Party to examine the question in all its aspects. The move seems to have been prompted by the demand for tin not keeping pace with production. The price of the metal has been fluctuating so violently as to cause no little concern. At present, the rate for spot tin in London is about £800 per ton, as against £942 towards the close of March, 1953, and £967 a year ago. In January, 1951, when the Korean boom was at its height, it stood as high as £1,620 per ton. The statistical position of world tin discloses rising production and declining demand. Production of tin improved from 165,500 tons in 1951 to 172,000 tons in 1952, despite political uncertainties in Malaya and Bolivia, while the consumption actually declined from about 147,500 tons in 1950 to 127,500 tons last year. According to these figures, the present rate of production exceeds the demand by as much as 44,500 tons.

Of the world's total tin production, over 40 per cent., according to *World Production of Raw Materials*,* is consumed by the tinplate industry. In recent years, tinplate is being used for an increasing number of purposes, but the consumption of tin has not kept pace with this development, for with the new electrolytic process much thinner coatings of tin have become possible. Tinning is a similar process to tinplating and is used for copper wire, pails, and cooking utensils. A large amount of tin is required for tin alloys, of which solder, babitt, bronze and gun-metal are the most important. Secondary tin, which is recovered in the United States in quantities not far short of the output of virgin metal, can also be used for tin alloys. In its pure form, tin can be used for collapsible tubes, foil for wrapping, pipes and tubes, but all these uses are declining, partly because of war-time and immediate post-war restrictions and partly because of the development of alternative materials.

The U.S. Reconstruction Corporation, which has been absorbing world surplus tin for stockpile purposes at ruling prices is expected to withdraw from the market gradually, as it will cease to exist from June, 1954, according to a recent U.S. Government announcement. This development is likely to aggravate the downward trend in demand, unless the U.S. makes alternative arrangements to continue its purchases. Pricewise, this possibility has already been discounted, but it remains to be seen whether there will be a further fall in prices, when the R.F.C. completely withdraws from the market.

The Tin Study Group is believed to have enquired into these developments. But its findings are not available. The Working Party, which will meet in June, will study afresh all the aspects of the problem and decide whether the time is ripe for international regulation of supplies of tin. Its decision will be duly conveyed to the Chairman of the Steering Committee of the United Nations Geneva Tin Conference, held in Autumn of 1950, and which was adjourned *sine die*, following abortive attempts to regulate tin supplies and set up buffer stocks.

The decision of the Tin Study Group to constitute a Working Party to enquire into the question of international regulation of supplies does not indicate, however, any immediate progress towards the production of any specific scheme to regulate supplies of tin. It is, however, a clear indication that the U.S., which has all along taken objection to international regulation of supplies, and which was also responsible for the breakdown of the 1950 Conference, is at least prepared to consider the possibility of an international agreement. The U.S. objections are attributed to its fears that the producers of tin are seeking to revive the pre-war cartel arrangements.

It is common knowledge that violent fluctuations in prices do no good either to producers or consumers and that a reasonably stable level of prices, be it for tin or any other commodity, is a desirable objective. The intention behind the move to regulate supplies of tin the world over is precisely to achieve this object. But this cannot be done without the co-operation of the U.S., which is the main consumer of tin in the world.

*World Production of Raw Materials. Published by Royal Institute of International Affairs, London and New York. Price 7s. 6d.

MARKET GOSSIP

(Concluded from page 687)

quota of 253 million bushels annually. The pressure for a higher price is dictated by the U.S. domestic agricultural policy. Even at the new maximum of $2.05 a bushel of wheat sold abroad under the agreement, the U.S. Government will have to pay a subsidy of 15 cents a bushel to the American wheat grower, since the domestic support price, is $2.20 a bushel. The U.S. is anxious to reduce, as far as possible, this element of subsidy in its expenditure. With this end in view, at one time, in the course of negotiations, the U.S. pitched its price at as high as $2.50. As the agreement means for that country an outlet for despatching a million bushels per annum, any failure of its renewal would give rise to the problem of facing the disposal of all this wheat. Consequently, it agreed to bring down its price to $2.05 a bushel, to which several countries, as already indicated, have agreed. The question now before the International Wheat Council is as to what would be the position of the agreement, if Britain, the world's biggest importer of wheat, were to remain outside the Pact. Meanwhile, an official statement from the U.K. clarifying its policy is imminent at any moment.

MARKET REPORTS

(Concluded from page 725)

and famine and those that have a population of over one lakh. This will reduce the Government's food commitments by more than 8,000 tons per month.

The Union Food Minister has sent a communication relieving the Punjab Government of the responsibility of supplying foodgrains to the Centre. He has intimated that Delhi's requirements will be met by 8,000 tons of wheat from the P.E.P.S.U. and imported wheat. The State has also been allowed the freedom of inter-State control. The Punjab Government, it is understood, is considering a proposal to lift control on all coarse grains, including gram. The position in regard to wheat and rice will not be materially changed.

The Government of India has decided to maintain the present issue price of wheat and *atta* in Delhi. Efforts are being made to move as much wheat as possible from the Punjab and the P.E.P.S.U. to Delhi. Stocks of imported wheat held by the Centre in Delhi will be released, when necessary, to supplement the availabilities of stocks to indigenous wheat.

The Madhya Bharat Government has fixed the procurement price of wheat at Rs. 14 and Rs. 14-8 per maund, according to quality. The selling price of wheat may also be reduced. Procurement will be made in the free market from licensed traders.

BRADFORD WOOL QUIET

(Messrs. J. Hardacre and Co.)

BOMBAY, 14*th April*

Following the news of a possible settlement in Korea and the general fall in the prices of all commodities, there has been a widespread feeling of uncertainty in the trade, and, for the most part, buyers in all countries have been adopting a wait and see attitude. Possibly, on the resumption of sales in Australia and New Zealand next week, this situation may be resolved, but for the past week, the Bradford market, though very quiet, has remained firm in all sections.

It is pointed out that the demand for wool in the past few months has owed little to defence requirements, unlike metals and other commodities which have declined in the past week. Furthermore, there is little unsold stock being carried by the trade, and to meet the demand which is expected to continue in the next few months, there are not more than 50,000 bales of medium crossbred top making fleece remaining unsold in New Zealand, and merino stocks in Australia or South Africa are correspondingly small. In view of this, the trade in general is of the opinion that the market will re-establish itself in the near future and there is no reason to anticipate any serious decline in prices. In fact, during the last two days, there has been a marked increase in demand, particularly from the Continent.

The current quotations (per lb. c.i.f. Bombay) for Bradford oilcombed tops are given below:

48s carded (July, 1953) 88d., 58s super (June-July, 1953) 124d., 60s super (June-July, 1953) 148d., 66s super (June-July, 1953) 170d., Fibro (2D. 4") (June-July, 1953) 43½d., Type 114 (June-July, 1953) 80d., and 70s super (July 1953) 190d.

LINSEED FIRM

(Messrs. A. Bradley & Co.)

CALCUTTA, 13*th April*

Linseed prices have shown little change during the past week and fair business has been reported, with the undertone of the market being firm. There has been a fairly keen interest shown by sellers for new crop forward delivery, and fairly large quantities have been changing hands daily. Ready goods are rather scarce, but there are no enquiries for this position. There are no enquiries at present in

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
16,00,000 14,50,000 1,01,000 23,99,000	1,08,33,956	10,66,174	Allahabad Bank	345 171	100 50	18‡	18‡	18‡	18‡	12	Y.P.
1,00,00,000	11,73,500	2,21,655	Andhra Bank	105cd 52½cd	100 50	5	6	6	3i	6.12	H.
1,00,00,000	1,28,00,000	2,14,790	Bank of Baroda	112	50	12‡	12‡	12‡	5i	12	Y.
50,00,000	10,00,000	7,107	Bank of Bikaner	20	25	..	3	3	..	12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	153½xd	50	14	14	14	14	6.12	R.L.Y.
15,30,375	24,00,000	63,200	Bank of Indore	60	25	12‡	12‡	12‡	12	12	Y.
30,00,000	15,00,000	35,324	Bank of Jaipur	23	50	3	3	3	12	12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	281	100	16‡	16‡	16‡	16‡	12	Y.
59,18,600	42,61,693	25,280	Bombay State Co-operative Bank	58½	50	5‡	5	5	..	6	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	9	9	9	12	12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	9‡	10‡	10‡	10‡	12	Y.P.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	65½xd	25	14	14	14	14	12	R.L.Y.
52,42,375‹A›				66½xd	25						
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	35	50	3	3	3½	3‡	12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88	20	6‡	10	20	20	12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	11‡	50	—	—	—	—	12	Y.
50 00,000	1,00,000	3,806	Hindustan Mercantile Bank	10‡	50	—	—	—	—	12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105N	100	5	6‡	6‡	5	9	Y.
3,75,00,000	6,35,00,000	42,07,573	Imperial Bank of India	1,850	500	14	16	16	16	6.12	R.L.H.
1,87,50,000				450	125	14	16	16	16	6.12	R.L.H.
24,00,000				176cd	100						
16,00,000	73,50,000	1,04,201	Indian Bank	131½cd	80	11‡	12‡	12‡	12‡	6.12	R.L.H.
15,40,000				93cd	55						
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	92xd	100	4½‡	5‡	6	6	6.12	R.L.H.
6,25,000				79	100(A)	9	9	7½	6		
2,50,000	6,33,939	1,380	Indo-Commercial Bank	19	25(B)	9	9	7½	6	6.12	H.
10,00,000				38½	50(C)	6	6	6	6		
4,55,266	30,61,350	60,357	Punjab and Sind Bank	35	25	7½	7	..	..	6.12	Y.
87,50,000	89,00,000	1,92,605	Punjab National Bank	23	25	6	4	4	6	12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	10‡	25	—	—	—	—	12	Y.
40,06,000	30,00,000	2,06,135	Union Bank of India	6¾xd	5	6‡	6‡	6‡	6‡	12	Y.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank	36xd	50	3‡	4	4	4	6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£11‡	£5	12†	14†	14†	16‡†	12	R.L.Y.
£1,000,000	£800,000	£69,917	Eastern Bank	£6‡	£5	6†	6†	6†	2‡†	12	R.L.Y.
H.K.$20,000,000	H.K.$96,000,000	H.K.$9,489,174	Hongkong and Shanghai Banking Corporation	$84‡	H.K. $125	5*†	5*	5*	5*	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-11-0	£1	12½†	12½†	12†	12†	12	R.L.Y.
£1,437,296				£1-7-0		5½†	5†	5†	5†	12	R.L.Y.
£375,000				£24‡	A £12½						
£375,000	£1,500,000	£200,143	Mercantile Bank o India	£24‡	B £12½	12½†	12†	12†	14†	12	R.L.Y.
£300,000				£10‡	C £5						
£2,281,250	£3,675,000	£323,703	National Bank of India	£29‡	£12½	16½†	16†	16†	16†	12	L.Y.

£Includes Bonus. †Less Tax.
‡‡Subject to taxation.
(e) Paid-up Capital Increased.

(a) There are also Rs. 67,08,155 partly paid Ordinary Shares
††O.S. Currency.
(f) Interim
P) Pakistan Currency *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	5½	1st December and 1st June	Carew & Co.	1938	97	1st June .. 1953(b)
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90½	28th February .. 1960(f)
6,00,000	5½	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd	1936	98	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102½	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	103	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	92	1st November .. 1959-64
COTTON						
6,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	96	15th November .. 1956(a)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99‡	1st January .. 1967-72
13,68,000	5½		Jayshree Textiles	1949	78N	1st January .. 1956-59
ELECTRICS						
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	95	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		101	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	92	31st December .. 1964
2,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	102‡	1st January .. 1970
25,00,000	4	30th June and 31st December	Gwalior Electric Supply Co., Ltd.	1945	84	31st December .. 1970
15,00,000	5	1st January and 1st July	Sijua (Dherriah) Electric Supply Co. Ltd.	1951	94	30th June .. 1976
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	1940	97	 1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	1939	95	 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94‡	 1953-63
4,63,800	4½	1st April and 1st October	South Madras Electric Supply		94	1st July .. 1957-67
49,23,000	4	1st April and 1st October	Tata Power	1940	100½	15th September .. 1951-55(b)
1,00,00,000	4	1st April and 1st October	Tata Power		92‡	15th September .. 1965-70
ENGINEERING						
5,00,000	5	30th June and 31st December	Britannia Engineering	1945	95	31st December .. 1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	95	30th June .. 1938
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	100	1st July .. 1957-62
£1,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	£89½	31st December .. 1966(§§)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84‡	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	100‡	1st October .. 1960-65
40 00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	94	31st December .. 1960
JUTE						
12,00,000	4½	1st October and 1st April	Agarpara	1939	97	31st March .. 1954
6,00,000	4½	30th June and 31st December	Alexandra	1939	96	30th June .. 1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	92	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	96	30th June .. 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90	30th June .. 1960
10,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July .. 1959(c)
12,00,000	5	30th June and 31st December	Chitavvisah Jute Mills	1951	97	30th June .. 1966
8,94,000	5	30th June and 31st December	Empire	1951	97	15th July .. 1966
25,00,000	3½	1st January and 1st July	Hukumchand	1947	91	30th June .. 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	98	31st December .. 1964
25,00,000	5½	30th June and 31st December	Naihati	1952	100	31st March .. 1967
5,00,000	3½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1947	97N	31st March .. 1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	86	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	1943	91	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	95	5th September .. 1965
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	94	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	1937	94	30th June .. 1957(d)
10,00,000	3½	31st January and 31st July	Waverley	1925	83	31st July .. 1960(e)
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,00,000	6	31st March and 30th September	Bankura Damodar River Railway Co., Ltd.	1931	100N	9th March .. 1961
4,00,000	3½	31st March and 30th September	Bankura Damodar River Railway Co.	1938	39	31st March .. 1953
4,50,000	4	1st January and 1st July	Baraset-Basirhat Light Railway	1936	84	1st July .. 1956
6,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	1945	99	1st November ..
3,50,000	3½	31st March and 30th September	Burdwan-Cutwa Railway Co.	1938	99	31st March .. 1943–53
£350,000	4½	1st January and 1st July		1900	£100N	A 1105% at any time on 6 months' notice or at par or every seventh year.
			Calcutta Tramways			
£226,500	5	1st April and 1st October		1933	£102N	1st October .. 1974
3,00,000	3½	30th September and 31st March	Kalighat-Falta Railway	1934	98‡	30th September .. 1953
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	89	31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£90½N	
6,80,00,000	4½	1st March and 1st September	Scindia Steam Navigation		96	1st September .. 1963
PLANTING						
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943	100	 1945–55
3,68,200	5½	31st March and 30th September	Seakoy Rubber Estates	1944	100	 1949–59
50,00,000	5	30th June and 31st December	Waterfalls Ltd	1943	101‡	 1945–55
MISCELLANEOUS						
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	102	30th September .. 1955
10,00,000	3	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	99	31st December .. 1965
27,60 000	4½	1st April and 1st October	Associated Hotels of India	1948	86	31st December .. 1962
4 90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	95	30th June .. 1957(1)
21,00,000	3½	1st February and 1st August	Chowringhee Properties	1915	92	1st February .. 1964
22,60 000	4½	1st July and 1st January	Clive Buildings	1936	89	1st July .. 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	86	15th September .. 1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	1950	102‡	1st January .. 1971
20,00,000	5	15th March and 15th September	Mettur Chemical Industries	1949	97	 1964
99,87,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	450 (per note)	30th September .. 1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410 (per note)	31st December .. 1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	94N	1st April .. 1971
1,00,00,000	3½	31st March	Orient Paper Mills Ltd.	1951	87	31st March .. 1961
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	80‡	31st December .. 1959

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend o transactions on the Bombay Stock Exchang during the week ended 16th April, 1953.

	Closing quotations 9-4-'53	High	Low	Closing quotations 16-4-'53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	154	154	152½	154
Bank of Baroda (50)	112	112½	112	112½
Central (25)	63½	65½	63½	65½
Imperial (F.Pd.) (500)	1,842½	1,857½	1,845	1,857½
Imperial (P.Pd.) (125)	445	451½	450	451½
Union Bank (5)	6⅜	6⅝	6⅜	6⅝
United Com. (50)	35½	36	35½	35‡
COTTON MILLS				
Ahm. Adv. (100)	142½	—	—	142½
Apollo (2)	2-11½	2‡	2‡	2-11
Bombay Dyeing (250)	395	396½	381½	387‡xc
Central India (100)	155	158	153	156
Century Mills (100)	270½	270½	259½	259‡xc
Colaba (100)	71	71½	71	71
Edward Textile (200)	240	—	—	240
Elphinstone (50)	44	—	—	44
Finlay (100)	307	309	307	309
Gokak (100)	229	228	209½xd	211
Ind. Untd. Defd. (1)	1⅛	1-10½	1-9½	1-10
Ind. Untd. Ord. (10)	9⅞	9⅛	9⅞	9⅛
Indore Malwa (100)	90	90⅝	90	90
Khatau (100)	192½	192½	185	185
Kohinoor (100)	294½	301	290½	301
Lakshmi (250)	602½	602½	596½	600
Madhusudhan (100)	80	—	—	80
B. R. Cotton Mills (100)	51½	—	—	51‡
Minerva Mills (100)	105	—	—	105
Model Nagpur (250)	143½	—	—	143‡
Morarji (100)	182½	182½	181½	181‡
Mysore (50)	123‡	—	—	123‡
New City (100)	176‡	176‡	152½	152‡
New Great (100)	149½	151	149	150‡
Phoenix (100)	110	110	108½	108‡
Podar Mills (100)	126½	136½	126½	135
Sassoon Silk (10)	22‡	23‡	22‡	23‡
Sassoon Spg. (10)	23‡	—	—	23‡
Sholapur (1,000)	1,750	—	—	1,750
Simplex (50)	177	177½	172½	173‡
Svadeshi (100)	255½	259½	251½	258
Swan (100)	437½	438½	435	435
Tata Mill (25)	40½	41	40½	41
Vishnu (100)	170‡	—	—	170‡
Western India (1,000)	3,150	—	—	3,150
ELECTRIC COS.				
Ahmedabad (100)	108‡	108‡	107‡	108⅞
Amalgamated (10)	10‡	—	—	10‡
Andhra Valley (1,000)	1,442½	1,442½	1,440	1,440
Bom. Sub-Bl. (100)	124‡	—	—	124‡
Surat (100)	121‡	125	121½	125
Tata Hydro (100)	152	153½	152	153
Tata Power (1,000)	1,540	1,543‡	1,540	1,543‡
INSURANCE COS.				
British India (10)	13‡	—	—	13‡
Empire of India (100)	542½	—	—	552½
Ind. Mercantile (20	38‡	—	—	38‡
Jupiter (15)	7	7	6‡	6‡
New India (15)	42½	43½	42½	43‡
Oriental (200)	7,135	7,330	7,175	7,285
Universal (10)	7⅜	—	—	7⅜
Vulcan (10)	11‡	—	—	11‡
STEAMER COS.				
Bom. Steam (25)	34	32‡	31‡	32
Scindia (15)	13½	13-12½	13‡	13-1
STEEL COS.				
Ind. Iron (10)	24½	25-1½	24-2½	24⅜
Tata Steel Defd. (30)	1,832½	1,852½	1,815	1,850
Tata Steel Ord. (75)	315‡	321‡	313	320‡
MISCELLANEOUS				
Alcock Ashdown (100)	308‡	332½	306‡	332‡
Associated Cts. (100)	168‡	169‡	168‡	169
Belapur Sugar (5)	238	243	238	242‡
Bom. Burmah (125)	395‡	402½	390	400
Do. (New) (50)	143‡	146‡	143‡	146‡
Br. B. Petrol (4 sh.)	1-3‡	1-5‡	1-3‡	1-5
Br. I. Corpn. (5)	8-5‡	8‡	8⅜	8-5
Indian Copper (2 sh.)	3⅜	3-1‡	3-0‡	3-1
Ind. Inv. Tr. (100)	74	—	—	74
Port Canning (100)	30	25	24‡	24‡
Premier Con. (30)	88‡	91‡	87‡	91‡
Shivrajpur (10)	61‡	62‡	61	62‡
Tata Chemicals (10	9-4‡	9⅞	9⅜	9-
Tata Oil (25)	33½	34‡	34	34‡
Walchand Ind. (100	160	—	—	160
W. I. Match (100	233‡	235	232‡	235

GOVERNMENT SECURITIES	Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	Rs.
2½% 1954	98‡	—	3.37	98‡
2½% 1955	98⅛	—	3.27	98⅜
2½% 1961	90‡	—	3.89	93‡
2½% 1959	93‡	—	3.81	91‡
2½% 1962	91‡	—	3.88	89‡
2½% 1976	82‡	—	3.89	100⅜
3% 1953-55	100⅜	—	2.74	98⅛
3% 1957	98‡	—	3.33	98⅛
3% 1958	98⅛	—	3.34	96‡
3% 1939-61	96⅛	3.71	3.54	92‡
3% 1964	92‡	—	3.84	92‡
3% 1963-65	92‡	3.91	3.78	90⅜
3% 1966-68	90⅜	3.96	3.85	86‡
3% 1970-75	86‡	4.10	3.92	81‡
3% 1986 Con. Loan	82⅛	—	3.68	100‡
2½% 1954-59*	100‡	3.34	3.45	102‡
4% 1960-70	102‡	3.65	3.83	103‡
4½% 1955-60	103‡	3.14	4.00	105
4½% 1958-68*	105	3.40	4.05	

BRITISH GOVERNMENT SECURITIES	9-4-53 £	High £	Low £	15-4-53 £
2½% Brit. Consols	59⅜	60‡	59⅜	60‡
3% Savings Bonds' 1965-75	85‡	86⅛	85⅜	86⅛
3% War Loan 1955-59	100⅛	100⅜	99⅜	100⅛
3½% War Loan 1952	80‡	81‡	80‡	81‡
3½% Brit. Iron and Steel 1979-81	90‡	91	90‡	91
4% Funding Loan 1960	99	99½	99	99‡

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake

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COTTON TEXTILE INDUSTRY

THE review of cotton textile industry, made by Mr. G. D. Somani, M.P., the retiring Chairman of the Millowners' Association, Bombay, in the course of his speech at the annual general meeting of the Association held this week, was an exhaustive and a fair one. Mr. Somani was critical, albeit mildly, not only of the Government but also of the industry itself, in that he frankly acknowledged its shortcomings. At the same time, he was zealous in answering unwarranted or ill-informed criticisms against the industry. Further, he did not hesitate to give credit to the Government where credit was due.

The first question that Mr. Somani posed and answered was whether it was necessary to continue the control on the industry. He was, of course, aware that the Government had already relaxed the control to a very substantial extent and that, at present, only a small proportion of the industry's production was subject to control. Nevertheless, he felt that there was no justification for the continuance of even this limited control and offered very good reasons in support of his contention. It is common knowledge that control was introduced at a time when there was a large shortage in the supply of cloth and yarn. The purpose of this control was to ensure an equitable distribution of available supplies of cloth and yarn at fairly reasonable prices. To-day, the supply position has improved beyond expectations, thanks to production running at record levels, and the *per capita* availability of cloth is as high as it used to be in pre-war years.

In 1952, the mill industry produced 1,449 million lbs. of yarn, out of which it wove 4,599 million yards of cloth, leaving a substantial quantity of yarn for use by the handlooms. This was a record high for the Indian Union and compared very favourably with 1,304 million lbs. of yarn and 4,076 million yards of cloth produced in 1951. If the trend of output in the first quarter of this year is any indication, it looks as though the industry's performance in this respect during the current year will be brighter than in the preceding year. Thus, in the first three months of 1953, the mills produced 1,201 million yards, as compared with 1,029 million yards in the corresponding quarter of the previous year, the monthly average being 400 million yards, as against 384 million yards. Similarly, the output of yarn in the quarter just ended was higher at 364 million lbs. as against 336 million lbs. in the same quarter of last year, the monthly average being 121 million lbs., as against 112 million lbs. In other words, cloth and yarn production was at the rate of 4,800 million yards and 1,452 million lbs., respectively. Assuming that handloom production will be of the order of 1,200 million yards and that exports will be 1,000 million yards—the offtake by foreign countries so far this year suggests that exports will be much less than this figure—the quantity of cloth available for domestic consumption will easily be 5,000 million yards, giving a *per capita* availability of 14 yards. The *per capita* quantum will actually be more if exports fail to reach the target and if the output of handloom cloth increases, as, indeed, it must, in view of the substantial assistance that is being rendered to it by the authorities. According to Mr. Somani, the quantity of cloth that was available for domestic consumption in 1952 was greater than the aforesaid estimates, being of the order of 5,600 yards, a quantity sufficient to distribute at the rate of about 16 yards per head of population. When so much cloth is available for the population of this country, what justification is there for the Government to continue the control on prices and production?

The Government has yet to offer a convincing reply to the aforesaid question. It may conceivably argue that it has to retain control on the limited quantity of the industry's production, because (*a*) the price of Indian cotton is subject to control and (*b*) the common man, who consumes mostly coarse and medium varieties of cloth, must be assured of supplies at reasonable prices. Neither of these arguments cuts any ice. The price of cotton is even to-day well below the ceiling and the mere removal of price and production controls on these varieties is unlikely to push the prices up to the ceiling. The assumption that the common man is able to get these varieties of cloth at control prices is unfounded, for, as there is no control on distribution, the merchants are charging the maximum that the traffic can bear. The only sufferers are the mills which manufacture these varieties and which have free yarn to sell in the market. Further, the prices of the controlled varieties of cloth, as well as those of all free yarn, have not been raised at all, as they should have been under the Tariff Board formula, even though the price of cotton has gone up substantially since the last revision was made. If the sacrifice of these mills at least served the object the Government has in mind, it would be something worthwhile. But as it is not so, there is no purpose in putting them to these hardships. On the contrary, if the Government abolishes the remaining controls on prices and production, primarily meant for the benefit of consumers, there will be some advantage to the Government itself, for it will get, in the form of taxes, a good part of the additional profit which the industry will earn following the removal of controls.

As a result of the partition of this Sub-Continent, the well-being of the Indian cotton mill industry is dependent not merely on the domestic market but also on overseas markets. The importance of developing export markets for Indian cloth will become even more obvious if it is remembered that the country's capacity to consume cloth at the pre-war rate of 16 yards *per capita* has been adversely affected by the sharp rise in the cost of production, unaccompanied by a corresponding rise in the purchasing power of the people. As Mr. Somani pertinently pointed out, the price of cloth to-day is four to five times the pre-war price, while incomes have not gone up to any such extent. That being so, it is inconceivable how the country can absorb cloth at pre-war consumption levels. Accordingly, if production is to be maintained at the current high level, the cost of production must be brought down and exports must be encouraged. This is a problem that can be solved only by the combined efforts of the Government, management and labour.

To take labour first, it must agree to a scientifically evolved programme for achieving higher productivity through modernisation of plant and machinery and rationalisation of the methods of production. Any such programme is bound to result in some displacement of labour in the initial stages. The trade unions must be prepared to face this rather unpleasant fact. The Government has to realise that a buyers' market for cloth and yarn has come to stay and that it cannot, therefore, continue to subject the exports of cotton goods to such handicaps as export duty on cloth and yarn and import duty on raw material. The Government will have also to reduce, in due course, the heavy burden of taxes on cotton manufactures and cry a halt immediately to the addition of labour welfare measures. The Government, of course, needs revenue for financing the various development programmes it has undertaken. Its policy of taxing consumption within the country has, therefore, to be accepted, especially because of the absence of suitable alternatives. But such taxation should be within reason and should not be carried to such an extent as to have an adverse effect on production and employment through a sharp fall in consumption. With production running at a high level to-day, the Government may feel that the existing rates of taxes on cloth and yarn are not so high as is being made out by the millowners. That is, perhaps, the reason why the Government has not yet yielded to the industry's demand for reducing at least the excise duty on fine counts which has been stepped up unduly by 114 to 230 per cent. in the latest Budget, while converting the basis of the duty from *ad valorem* to specific rate. But a wise Government will not wait for concrete proofs of the adverse effects of its fiscal policy on industry, such as accumulation of stocks, actual fall in production and rising unemployment. It will act by seeing the signs on the wall and by carefully studying the prospects for the industry. Though, in the past, the Government of India was not so wise as all that, it is to be hoped that, in future at least, it will act in time, taking a sympathetic view of the industry's needs.

There is also one more thing that the Government has to do to keep down the cost of cotton manufactures. And that is the abandonment of the policy of taxing the efficient units of the industry in order to assist the cottage industry. All that Mr. Somani said on this subject in the course of his speech under reference was relevant and economically justified. The policy is wrong in principle and will give impetus to the unhealthy tendency of protecting uneconomic units at the expense of economic units in utter disregard of the interests of consumers. Again, the Government has resorted to the extraordinary practice of subsidising the handloom and *khadi* industry at the cost of the mill industry even before the Committee appointed to report on this question commenced its work. The proper thing to do would have been to await the findings of this Committee before adopting any remedial measures. In departing from this healthy principle by imposing the burden of a special excise of quarter anna per yard of cloth and by restricting the production of *dhotis* and *saris* by mills, the Government has, to quote Mr. Somani's words, "prejudged the issue and gravely prejudiced the industry's case before the Committee of Enquiry." The adverse effects of this action on the consumer are already visible. The fall in mill production of

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dhotis and *saris* has not been matched by an increase in the handloom output of these goods at reasonable prices. Consequently, a shortage in the supply of these varieties is fast developing, accompanied by a rise in their prices. Actually, this development may turn out to be a blessing in disguise later, if the Committee of Enquiry takes note of it from the consumers' point of view. In saying all this, we do not mean to suggest that the handloom industry does not deserve to be helped. We are fully alive to the importance of this cottage industry as a source of employment to millions in the rural areas. But the way in which the Government is trying to help this industry will not yield satisfactory and sustained results. On the contrary, it will perpetuate the uneconomic character of the industry, as the subsidy and doles that are being given to the weavers will provide no incentive to them to improve the efficiency of their production. If this industry is to survive and stand on its own feet, it must be organised on scientific lines.

A brief indication of what is expected of labour and the Government to enable the cotton mill industry to face a firmly established buyers' market has been given in the foregoing paragraphs. We must now refer to what the industry itself has to do in this respect. A careful study of Mr. Somani's speech will show that there are several things which it has to do. In the first place, the industry must "conform to the highest standard of managerial efficiency and integrity" and "must make a determined drive to eradicate the evils and malpractices which seem to have crept into its ranks." This is a reiteration of what Mr. Somani said last year; nevertheless, it is worth repetition, because there is no future for the industry, unless the standard of management of those units which had deteriorated in recent years is raised to a high level of efficiency and integrity. The Working Party for the Textile Industry has also emphasised this point. Mere repetition of this weakness of the industry, however, will not do much good. What is more important is the remedy for this weakness. Has the industry, as a whole, found any remedy for it? We wish Mr. Somani had thrown some light on this point. There is, of course, one way of dealing with the erring members of the industry under the Industries (Development and Regulation) Act which is now being amended. But considering the Government's lack of experience and personnel to run industrial establishments, one wonders whether it will be an effective remedy and whether it will not turn out to be a case of the remedy being worse than the disease. In this connection, it will be recalled that the Working Party is of the opinion that the industry itself, through the various millowners' associations, should put its house in order by adopting such measures as will expose the erring members and mete out suitable punishments to them. This is a better solution than the one contained in the Industries (Development and Regulation) Act. The leaders of the industry will, therefore, do well to consider it carefully and make it workable. That is the only way to keep the irksome controls of the Government down to the minimum.

Allied to the general problem of toning up the managerial efficiency and integrity of the industry is the urgent necessity to regulate the quality of cloth exported by this country. If the industry is to retain and expand the sizable share which it has already won in the world trade in textiles, if it is to hit the target of 1,000 million yards which it zealously defended at the Buxton Conference, it must work hard for it. This requires, as Mr. Somani fully recognised, (*a*) "initiation of measures which will go to assure the overseas buyers that India will sell what they want and their grievances, if any, will be properly attended to; and (*b*) a systematic survey of every sizable overseas market." It is in this context that Mr. Somani outlined the salient features of the "export contract" for cotton piecegoods drawn up by the Committee of his Association. This "contract" offers a reasonable measure of check on the quality of cloth exported and a remedy to importers to proceed against shippers who default. It provides, *inter alia*, for the following:

(i) mills preparing a counter sample against the requirements of the overseas buyers and securing the approval of the buyer before bulk supply;

(ii) opportunity for the overseas buyer or his representative in Bombay to inspect the cloth which has been manufactured against the buyers' orders, before the goods are actually baled;

(iii) an arbitration procedure in Bombay in the event of any dispute arising between the buyer and the seller;

(iv) an undertaking from the seller to become a party to an arbitration proceedings which may be held overseas in certain circumstances; and

(v) a standard packing practice to ensure freedom from damage when the goods are in transit.

It may be argued that a mere contract on the above lines will not achieve the desired object. The Millowners' Association is conscious of this and has, therefore, evolved something more than a contract, as will be evident from the following observations of Mr. Somani:

"We have worked out a scheme which seeks to raise the standard of export qualities to reasonable levels, called the 'Indian Standards.' We propose to introduce the use of certain quality numbers and ask all those who desire to use these quality numbers to ensure that the goods are in accordance with the specifications laid down, and to get them inspected and passed before they are stamped with the relevant quality numbers. So much for grey goods. In regard to non-greys, we propose to lay down that the buyer shall have the option of asking for bulk inspection of the goods tendered under a contract, to ensure that the goods are strictly according to the dimensions ordered and free from weaving flaws. Minimum standards of weaving flaws will be laid down in consultation with all concerned, and mills will be bound to supply the cloth in conformity with these standards. The Committee's proposals are at present before the Cotton Textiles Fund Committee, as an alternative to their own proposals for a general pre-export inspection of all cotton textiles exported out of the country, to which the Committee of the Association have taken very strong objection."

Voluntary control by the industry to ensure the quality of exports as proposed by the Association is, of course, preferable to a rigid scheme of inspection prior to shipment as contemplated by the Government. But, if voluntary control is to be acceptable to the Government, the industry and shippers must soon agree to some such arrangement as the one suggested by the Millowners' Association, Bombay; for any delay on the part of the trade and industry will provide an excuse for the authorities to enforce their scheme. Moreover, this question has been hanging fire for several years now and failure by the industry to settle it promptly, without any further delay, will cast a serious reflection on its ability to put its house in order without official interference.

The attention which the industry has devoted to research is not worth mentioning. This is one of the subjects about which the industry has talked much but done precious little. Mr. Somani's speech shows that he is aware of the importance of research, for he said that research would be "the prop and stay of the industry," but it is doubtful whether all the millowners realise this. It is true that efforts are being made to establish some research institutions, but, considering that a beginning in this direction was made as early as in 1944, the absence of any concrete achievement, barring the collection of a few crores of rupees for this purpose through the Government, is a striking testimony to the fact that the industry as a whole is not at all research-minded and that it prefers to rest content with making profits. This is a deplorable state of affairs. The industry must realise that a stage has now been reached when it cannot expect to secure a reduction in the cost of social amenities to workers and that the only course open to it to discharge its responsibility to the workers, shareholders and the country, in general, is through the most efficient use of scientific research in the widest possible field and through modernisation of its equipment.

FOOD FRONT

FRESH signs of a distinct improvement in the food situation in the country are now visible. The Punjab Government has decided to decontrol wheat as from the 25th inst. In future, there will be no monopoly procurement of wheat nor restrictions on price and movement of the grain in the State. News also comes from Mysore that the State Government has decided to terminate the ten-year old rationing system—now confined to the three cities of Bangalore, Kolar Gold Fields and Davanagere—with effect from 1st May next. The Government's ration shops will, however, continue as fair price shops. The Food Minister of Ajmer has stated that a definite announcement regarding decontrol in the State will be made within the next ten days. The Central Food Minister is reported to have informed the U.P. Government that the Centre was no more desirous of purchasing rice from U.P. and that the State should restrict its purchases to wheat, barley and grain, allowing the grain trade to purchase the grains in large quantities as another step forward towards complete decontrol. A report from Lucknow says that thanks to a bumper wheat crop, there has been a sharp fall in the price of dust-free and clean wheat sold in the free markets and that the dust-laden foreign wheat sold in ration shops is going abegging. The U.P. Government has decided to abolish rationing in 28 towns, each with a population of less than a lakh, from 1st May, 1953. Rationing will, however, continue in towns with a population of more than one lakh, as well as in towns in the eastern and hill districts irrespective of their population.

The developments mentioned above are an indication that the country has definitely turned the corner in food. The position in regard to rice also points to the same conclusion. The estimated requirements of Governments to meet their commitments of rice this year are about 900,000 tons. Internal procurement at the middle of April had exceeded the potential demand. Up to 15th of this month, procurement of all foodgrains aggregated 1,042,400 tons, of which rice accounted for 911,600 tons, wheat 28,750 tons and the balance other grains. The total procurement of rice, according to official estimates, is expected to reach 1,200,000 tons which will be 300,000 tons in excess of requirements. In addition, India has a carry-over of 167,000 tons, including 22,000 tons obtained from Pakistan and 15,000 tons repaid by Ceylon. India is also buying 150,000 tons of rice from Burma under the existing agreement, thus taking the potential surplus to over 600,000 tons. Apart from this, rice production is expected to increase next year on account of larger acreage sowings and the more generous use of fertilisers.

While thus the rice position in India is quite promising, the world position too seems to be happy. According to the U.S. Department of Agriculture, world rice production in 1952-53 (August-July) is expected to reach a record of 357,000 million pounds of rough rice. This, it is stated, is four per cent. larger than the previous post-war high, six per cent. larger than a year earlier and seven per cent. bigger than the pre-war average. The large crop is attributed to record plantings and favourable weather in most countries. The largest gains have occurred in Asia, the output of the Continent, excluding China, being 224,000 million lbs. The Department states that India has planted one of the largest acreages in rice and that production has increased in Japan, Pakistan and Korea as well. The 1952-53 production of rice-exporting countries is estimated to have increased between 1,000 and 2,000 million pounds of rough rice. Major gains are seen in Burma, Brazil, U.S. and Italy. About 86 per cent. of Burma's increased exports are expected to be absorbed by India and Ceylon and India is a principal buyer of Thailand's rice.

This improvement in rice position explains many offers of rice to India. Thailand, for instance, has consented to sell 150,000 tons to India, but the offer has been kept in abeyance pending the outcome of negotiations between India and Burma now in progress in Rangoon for a barter agreement for the exchange of Burmese rice for Indian manufactures. The official team, led by Mr. Rafi Ahmed Kidwai, India's Food Minister, which left New Delhi on the 18th inst. for this purpose, consists of Mr. D. P. Karmarkar, Commerce Minister, Mr. R. S. Krishnaswamy, Director-General of Food, and Mr. P. C. Bhattacharya, Financial Commissioner of Railways. The latest reports from Rangoon regarding the progress of the barter deal indicate that Burma is demanding a high price of Rs. 30 per maund, whereas India is prepared to pay Rs. 20 or Rs. 22 per maund, which itself is substantially higher than the price of Rs. 15 per maund prevailing in the internal markets of Burma. It is true that India has already purchased 150,000 tons of rice at Rs. 30 per maund under the existing agreement, but, in view of the improvement that has taken place since then in the supply of rice both in India and elsewhere, the Indian mission is justified in asking Burma to quote a lower price. Moreover, the quantity which India is prepared to buy is large enough to deserve special consideration at the hands of Burma.

COTTON STATISTICAL POSITION STRONG

MARKETS FIRM ALL ROUND—PAKISTAN'S ECONOMIC POSITION EXTREMELY WEAK

THURSDAY, 5 P.M.

MARKET GOSSIP

A STEADY to firm trend continues to prevail in all the markets, with no signs of a setback. In shares, there has been selective buying in the leading counters and business has broadened a little. Over the week, some sprinkling of gains is noticeable on a long list. A sizable advance has taken place in Tata Deferreds in particular, consequent on bear covering and some fresh speculative buying. But investment support to equities, in general, is still of a restricted nature. The Calcutta market has been inclined to follow Bombay for a while, but activity there is somewhat slackening at the time of writing. The Gilt-edged market, which was a shade quiet last week, has looked up again, in the expectation that the Reserve Bank may begin grooming the market soon for a new loan. In the bullion market, silver has gone up by about Rs. 2 since last week, while gold is steady at about the same level. Among commodities, cotton is ruling very firm, in view of its strong statistical position and the continued high level of production by the mills. Good cotton is getting scarce once again. Raw jute, too, has looked up. Early in the week, Assam bottoms had spurted to Rs. 20 per maund from Rs. 17 a few days ago, but they are a little lower at Rs. 18-8 at the time of writing. A feeling is steadily gaining ground that the jute crop in the coming season will be much smaller both in Pakistan and India and that the era of burdensome surpluses will come to an end with that season. There has been a fractional improvement in the quotations for jute manufactures also. Oilseeds have gained further in value during the week under review, following the revival of trading in specific forward delivery contracts. The following table will show the extent to which share, bullion and commodity prices have improved, after the initial shock of the Communist powers' move for peace in Korea, and how the latest quotations compare with those early in the year, as well as a year ago:

	Latest 23-4-1953	*Soon after peace moves* 31-3-1953	*Early in January* 13-1-1953	*A year ago* 23-4-1952
SHARES	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Tata Deferred ..	1,676 4	1,630 0	1,698 12	1,686 4
Tata Ordinary ..	321 8	316 8	300 8	327 8
Indian Iron ..	25 4	24 15	23 0	22 10
A.C.C. ..	170 0	170 12	175 8	165 0
Belapur ..	243 0	235 8	216 0	224 0
Bombay Dyeing ..	389 6	387 8	356 14	380 0
Kohinoor ..	307 0	294 8	263 8	305 8
BULLION				
Gold (ready) ..	87 7	85 3	89 3	91 10
Silver (ready) ..	160 10	158 3	156 2	162 10
COMMODITIES				
Cotton—				
I.C.C. May ..	717 8*	690 0	664 0	..
Berar Jarilla (new) ..	745 0*	725 0	500 0	625 0
Vijaya (new) ..	890 0*	861 8	800 0	800 0
Bengal Deshi ..	575 0	570 0	500 0	445 0
Jute—				
Raw Jute (Assam Bottoms) ..	18 8*	18 8	23 0	37 0
Hessians (40×10) ..	38 10*	39 14	42 2	48 8
Sackings (B. Twills) ..	86 6*	90 0	94 8	145 0
Oilseeds—				
Groundnut (Bold ready)	45 12	40 12	32 4	30 4
Linseed (Bold ready)..	31 8	28 12	27 6	25 12
Castorseeds (Madras)..	33 0	31 0	30 6	26 0
May ..	161 4	147 0	130 8	133 0

* Latest available quotation.

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Two more items were added to the long list of speculative counters in Bombay markets this week, with the resumption of trading in non-transferable specific delivery contracts in groundnuts and linseed, under the auspices of the Bombay Oilseeds Exchange. Business is now permitted in June-July and August-September contracts in the current crop upto the end of September. It will be recalled that trading in non-specific delivery contracts in groundnuts and linseed was suspended in May, 1952, by the Government of Bombay for 14 days and subsequently prohibited by the Bombay Oilseeds Exchange, following the demoralisation of the market consequent on the March slump in seeds and other equities.

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Operators in oilseeds have welcomed the resumption of trading in these contracts, but consumers have given it a cold reception. Prices of edible oils are already high and these, they fear, may be boosted up further by the entry of speculative elements. Their fears are not unwarranted for a number of reasons. The most important of these is the fact that the groundnut crop, which accounts for 75 per cent. of the edible oilseed crops, is short by about 25 per cent. this season. Another reason is that, though trading is confined to non-transferable specific delivery contracts, it is not unlikely that it will soon degenerate into full-fledged futures trading, as had been the case in the past. It would have been better, therefore, if the authorities of the market had refrained from giving permission to resume trading in these forward contracts.

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The current season cotton crop in India has now reached a stage which permits an estimate of the supply and demand position to be made with a fair degree of accuracy. A leading cotton firm, with branches and agents all over the country, places the crop for the 1952-53 season at 3,553,000 bales of 400 lbs. each, including village consumption. This, together with stocks of foreign and Indian cotton at the beginning of this season, amounting to 2,458,000 bales, gives a supply of 6,011,000 bales. As imports during the current season are expected to be not less than 600,000 bales, the total supplies during the season will amount to 6,611,000 bales. As against this, consumption by mills is likely to be of the order of 4,400,000 bales, while exports may absorb 300,000 bales. If allowance were made for the customary village consumption at 270,000 bales, the total disappearance of cotton during the current season would be nearly 5,000,000 bales, leaving a balance of a little over 1,600,000 bales at the end of the season. A break-down of these stocks by the firm referred to above shows that Indian cotton with the mills and the trade will be in the neighbourhood of 1,386,000 bales and of foreign cotton at about 329,000 bales. As compared with the stocks at the commencement of the season, these figures show a drop of 567,000 bales in Indian cotton and 180,000 bales in foreign cotton. In other words, the stocks will be a good deal smaller than those a year ago. The conclusion of the firm, therefore, is that, "although there will unquestionably be enough cotton to tide the industry over until the new crop cotton comes into the market, there can be little doubt that the stock position will be a great deal less comfortable than a year ago. The next crop will have to be bigger than the current one and imports will have to be larger, if the present rate of production of cloth and yarn is to be maintained."

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Those in this country who had been closely watching the developments in Pakistan in recent months knew full well that all was not well with our neighbour and that the country was heading for a revolution. The dramatic developments that took place towards the close of last week did not, therefore, come as a surprise to them. What was, however, surprising was that the change in administration was brought about in such a peaceful manner. Though this change was made within the four corners of the old Government of India Act and as such perfectly constitutional, it amounts to a *coup d'etat* for all practical purposes. It, however, has the merit of not having resulted in any bloodshed. The rapidity with which the old Nazimuddin Cabinet was dismissed and a new one was installed indicates that the Governor-General of Pakistan has a good grip over the administration of the country and must have prepared the ground for the shift well in advance. Again, the absence of any violent repercussions to the dismissal of Mr. Nazimuddin and some of his colleagues is proof enough to show that the general population of Pakistan is still law-abiding and peaceful. Both these features of the situation in Pakistan are encouraging and justify the hope that nothing untoward will happen which will disturb the peace in that country.

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The main cause for the fall of Mr. Nazimuddin's Cabinet is the deterioration in the economic situation to a dangerous level, brought about by maladministration. This is a striking instance to show that no political stability can be achieved, if a country is allowed to drift to economic bankruptcy. It is to be hoped that administrators in this country, who are continuously disregarding the importance of economic stability and are indulging in policies leading to heavy loss of revenue and wasteful expenditure, will profit by the experience of Pakistan.

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To give an idea of the extent to which economic conditions in Pakistan have deteriorated, it is enough to mention the fall in the Government's cash balances and external reserves and the high level of defence expenditure. In 1952-53, Pakistan spent no less than Rs. 67.24 crores on defence, out of a general revenue of Rs. 118.97 crores, excluding the receipts from railways. For 1953-54, a sum of Rs. 60.10 crores has been earmarked for defence. This sum is no doubt Rs. 7 crores less than that for the year just closed. But it constitutes as much as 65 per cent. of the general revenue which is placed at no more than Rs. 91.60 crores. An infant State like Pakistan, with an enormous backlog of nation-building expenditure, cannot afford to spend such large sums on an unproductive item like defence. Most of it is unnecessary, because the country of which it is said to be afraid and which is regarded as its enemy is no enemy at all, but its sincerest friend. If only the rulers of Pakistan have faith and trust in India and work for the restoration of the trade that existed between the two parts of this Sub-Continent, most of their economic difficulties will be over.

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In the course of the past one year, gold and sterling reserves of Pakistan have declined from Rs. 140 crores to about Rs. 60 crores, a loss of Rs. 80 crores. During the same period, the cash balances of the Government have shrunk from Rs. 62.17 crores to Rs. 32.64 crores, a depletion of Rs. 30 crores. By the end of the current year, they are expected to be at no more than Rs. 19.67 crores and that too after taking credit for foreign loans and aid and for borrowing in the open market to the extent of Rs. 20 crores. "Thus, the balances bequeathed to Pakistan at Partition have," to quote from a despatch to the *Financial Times*, London, "evaporated, to all intents and purposes, and the country's finances have reached a parlous condition."

In spite of the heroic efforts made by Mr. Nazimuddin's Cabinet to dispose of its large crops of cotton and jute, Pakistan still has heavy surpluses of these silver and golden textile fibres. The official price support schemes for cotton and jute are estimated to have resulted in a loss of Rs. 14 crores to the Government. It is not unlikely that a further loss remains to be incurred on this account, for the Government still holds a fair-sized stock of jute, if not cotton. While Pakistan has a surplus of these commodities, it is running a serious shortage of foodgrains which it has to import at a high price and sell to the public at subsidised rates. In its anxiety to conserve its fast depleting foreign exchange resources, the Pakistan Government has imposed severe import restrictions even on essential goods. This has led to a serious shortage of several goods and a flourishing black market. If onions, which are selling at As. 4 a seer in Bombay were not available in Karachi a few days ago even at Rs. 2 per seer, one could easily imagine the state of hardship which the people of Pakistan are undergoing now. The overvalued rupee, which was expected to make imports cheaper, has proved to be the curse of the common man. Of course, for a time the rulers of Pakistan were successful in getting the best of both the worlds, thanks to the boom following the Korean War. But, when the tide turned against them and commodity prices took a downward trend, they failed to realise that they must change their policy. They thought they could get away with a highly overvalued rupee. If only they had devalued their rupee early in 1952, their position to-day would not have been as bad as it is. Even now, they have no way out except devaluation. The earlier they do it, the better for them, for that is the only way to correct the serious disequilibrium in their economy.

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It is not easy to predict the attitude of the new Pakistan Government towards India. The new Cabinet consists of some of the old guards like Sir Zafrullah Khan, Mr. M. A. Gurmani, and Mr. C. Mohammad Ali (the Finance Minister) who formed part of the old Cabinet which was by no means friendly or tolerant towards India. It is true that Mr. Fazlur Rahman, who held the Commerce portfolio and pursued a wholly unrealistic policy in the face of dwindling demand for cotton and jute, is out of the Cabinet now. But his exit has been neutralised by the inclusion of the demagogic Abdul Quaiyum Khan, a bitter opponent of India and the Congress Party. The only new Minister who understands India better than anyone else is Mr. Mohammed Shuab Qureshi, who was Pakistan's Ambassador to India until recently, but he holds a minor portfolio, namely, Information, Broadcasting and Kashmir Affairs. The new Prime Minister, Mr. Mohammed Ali, who was Ambassador in Washington, is a dark horse, insofar as India is concerned. In any political assessment, he must be regarded, to quote a correspondent, "as almost an entirely unknown and untried figure."

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A feature of the trading in shipping shares on the Bombay Stock Exchange this week was the spurt of Rs. 5 to Rs. 37 in the value of Bombay Steams. In fact, this scrip had been presenting a steady front for some months past on reports that the Directors of the Scindia Steam Navigation Co., Ltd. (who are the Managing Agents of the Bombay Steam) had been considering the question of taking over this concern. The fresh spurt in these shares this week was due to the fact that the reports had proved correct. A circular to this effect was circulated on Wednesday by the Scindia Steam Navigation Co. to the shareholders and debenture-holders of both the companies. A meeting of the ordinary shareholders of the Bombay Steam Navigation Co. has been convened for 9th June, 1953, to consider the scheme of amalgamation.

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The salient features of the scheme are: (1) the amalgamation will have retrospective effect from 30th June, 1952, by the transfer of the assets and liabilities of the Bombay Steam to the Scindia Steam. (2) The 20,000 bearer debentures of Rs. 1,000 each of the Bombay Steam (total value Rs. 2 crores) will be redeemed at par with *pro rata* interest thereon upto 30th June, 1953, within 30 days after the merger scheme is sanctioned by the High Court. (3) The 6,000 6 per cent. cumulative preference shares of Rs. 250 each of the Company will be paid off at the rate of Rs. 325 per share by way of compensation within 30 days after the scheme is sanctioned by the High Court. Of these 6,000 shares, 2,274 shares are held by the Scindia Steam Navigation Co. and these will, therefore, automatically stand redeemed and cancelled. (4) The holders of ordinary shares of the Company will be offered 2½ ordinary shares of the Scindia Steam Navigation Co. for every share of the former held on 20th June, 1953. This offer exceeds the fair value, namely, 2⅜ shares, assessed by the auditors of both the companies. Of the 2,39,582 ordinary shares of the Bombay Steam, 1,40,092 shares are held by the Scindia Steam and there will be no allotment to the Scindia Steam Navigation Co. in respect of its holdings in the Bombay Steam; only the balance of 99,490 shares held by the public will be allotted the shares of the Scindia, and (5) simultaneously with the merger of the Bombay Steam with the Scindias, the latter Company will set up two separate new and wholly-owned subsidiary companies for the purpose of transferring to each of them, respectively, the business carried on by the Bombay Steam, namely, (*a*) ship-repairing and general engineering carried on in its workshop, and (*b*) running the passenger and ferry services in the Bombay Harbour and on the Konkan Coast.

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The Directors have decided to merge the two companies with a view to securing more economical and efficient working of both the companies. "Till very recently, the Bombay Steam Navigation Co., Ltd.," the Directors state, "had a monopoly of the trade on the West Coast of India both in

(*Continued on page 779*)

EQUITIES ADVANCE HESITANTLY

TATA DEFERREDS SCORE FAIR GAIN

(From Our Own Correspondents)

BOMBAY, *23rd April*

UNDER sustained buil support, equities on the Stock Exchange moved further ahead during the week under review. Although day-to-day movements indicated a feeling of hesitancy, due to an urge for booking profits at every bulge, the undertone was steady with shares revealing modest gains, over the week, on a wide front.

The news of the Government of India's proposal to lend Rs. 10 crores to the Tata Iron and Steel Co., Ltd., for the expansion of its steel works at Jamshedpur, the fond hope of a higher retention price for steel as a result of the Tariff Commission's enquiry which was concluded a few days ago, the spurt in commodity and bullion prices, the postponement of the final consideration of the Estate Duty Bill to the autumn session of Parliament, and rumours regarding a further sharp rise in notes in circulation (though this later on proved incorrect) were the factors which induced speculative buying and short covering. But, as in the previous week, the buying was not aggressive, and the upward trend was faltering, as operators preferred to book profits at every rise. The main cause of the hesitancy was the delay in the announcement of the Mediator's award on the Tata Deferred conversion ratio. Activity was, therefore, somewhat restricted.

Sectionwise, Tata Deferreds led the steel section and the scrips made handsome advances to reach fresh high levels not seen since nearly a month. Opening at Rs. 1,851-4, Tata Deferreds hardened to Rs. 1,862-8 on the same day, but retreated to Rs. 1,846-4 on the following day. However again gathering fresh strength on Monday spurred by the rise in other commodities, the scrips moved up to Rs. 1,875 before scattered selling pressure brought them down yesterday morning to Rs. 1,860. There was renewed buying yesterday which lifted the shares to Rs. 1,885, but they finished to-day on a quiet note at Rs. 1,876-4. Tata Ordinaries was colourless, but the undertone was steady. After moving between Rs. 319 and Rs. 323, the scrips finished with a fractional gain of As. 12 at Rs. 321-8. Indian Irons attracted enquiries in the earlier sessions of the week and advanced from Rs. 25-1 to Rs. 25-9½ on Monday, but rumours of strike at the Company's works induced some selling, with the result that the shares receded to Rs. 25-2½ before closing better at Rs. 25-4. The Company's production of pig iron during the month of March amounted to 60,640 tons, as against 54,600 tons in February and 56,370 tons in January. Output of finished steel amounted to 22,090 tons in March, as against 20,090 tons and 28,650 tons, respectively, in the preceding two months.

Textile shares too maintained their upward trend, but the pace of advance was less marked than in the previous week. Bombay Dyeings, after an early advance from Rs. 387-8 to Rs. 391-4, gave way to Rs. 385 on Saturday. Subsequently, they rallied to Rs. 390-10 before winding up the week at Rs. 389-6. Kohinoors were strong and the shortage of scrips lifted them up from Rs. 301 to Rs. 308-4, but finished at Rs. 307. Centurys gathered as much as Rs. 8 to Rs. 267-8. Central Indias put on Rs. 3 to Rs. 159 and Svadeshis Rs. 3-8 to Rs. 261-8. Finlays showed no change at Rs. 309, Gokaks added Re. 1 to Rs. 212, New Greats Re. 1-8 to Rs. 152, Standards As. 10 to Rs. 295-10, Vishnus As. 10 to Rs. 171-4, Tata Mills As. 4 to Rs. 41-4 and India United Ordinaries As. 2½ to Rs. 10-0½. Simplex provided a notable exception, being marked down from Rs. 173-8 to Rs. 168. New City, which declined from Rs. 166-14 to Rs. 152-8 last week, gave way further to Rs. 141-4. A good parcel of these shares is reported to have changed hands this week.

Bank shares were quiet with the leading counters recording fractional losses. Imperial Fully Paids were lower by Rs. 5 at Rs. 1,852-8, but the Contributories were better by Rs. 2-8 at Rs. 453-12. Centrals (Old) lost As. 12 to Rs. 64-8 and the New shares As. 8 to Rs. 66. Barodas were maintained at Rs. 112-8, while Indias were a fraction better at Rs. 154-4. United Commercials were unchanged at Rs. 35-8.

Insurance shares were steady, though business passing was small. Orientals, after their last week's advance to Rs. 7,285, reacted to Rs. 7,135. New Indias closed at the last week's rate of Rs. 43-8, after being done at one time at Rs. 43-12. Some business passed in Jupiters at Rs. 7, a rise of As. 2. Vulcans were done at Rs. 11-3.

Public utilities presented a bright feature with handsome gains in leading scrips. Ahmedabad Electrics added As. 5 and closed at Rs. 108-12. Surat Electrics showed a smart rise of Rs. 2-8 to Rs. 127-8. Andhra Valleys which closed at Rs. 1,440 *cum-div.* last week was listed *ex*-dividend yesterday at Rs. 1,422-8 and rose to Rs. 1,425 today. Tata Hydros were done at Rs. 151-8 *ex-div.* to-day, as against Rs. 153 *cum-div.* and Tata Powers finished at Rs. 1,537-8 *ex-div.*, as compared with Rs. 1,543-12 *cum-div.* Bombay Suburbans, however, closed Re. 1-4 lower at Rs. 123-2.

In the miscellaneous section, Associated Cements picked up some strength towards the close and finished Re. 1 higher at Rs. 170, on expectations of a better price for cement, induced by the reference to the Tariff Commission of the industry's demand for a rise in the price of that commodity. Belapurs were steady round about Rs. 243. Bombay Burmahs were adversely affected by reports that the current year's earnings of the Company would be lower and the scrips fell by Rs. 3-2 to Rs. 391-14. B.I.C.s were unchanged at Rs. 3-5½. National Rayons were in demand and the shares gained Rs. 5 to Rs. 84.

In the mining and engineering section, there was a reaction in Aircok Ashdowns after their recent spurt, and the shares lost Rs. 11-4 to Rs. 221-4. Indian Coppers were quiet at Rs. 3-0½. Shivrajpurs closed at Rs. 57-8 *ex-div.* as against Rs. 62-8 *cum-div.* Premier Constructions were subdued at Rs. 91.

In the transport section, Bombay Steams were in the limelight with a rise of Rs. 5 to Rs. 37, following the Directors' decision to amalgamate the Company with the Scindia Steam Navigation Co., Ltd. Scindias rose from Rs. 13-11½ to Rs. 13-13, but closed at Rs. 13-11. Bharat Lines were done at Rs. 92, as against Rs. 93. Air-Indias improved by a rupee to Rs. 85 and Air-India Internationals by Rs. 1-4 to Rs. 105-4. Tata Locomotives had sellers at Rs. 84.

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Calcutta Stock Exchange

CALCUTTA, *21st April*

Although turnover was limited, the week under review on the Calcutta Stock Exchange was noted for a revival of interest in the jute section which is the barometer of the market. Speculative buying in jute shares was indulged in by operators following the fractional improvement in prices of jute goods, moderate business in hessian with American buyers, and the prospect of good business with the United States in the coming few weeks. Particularly yesterday and to-day, jutes added substantial gains. Incentive was also provided from the rumour that, although the Government of India was against any immediate restriction of sacking goods production or the sealing of further looms, some sort of arrangement might be permitted by the Government in order that the production of sacking would be affected.

With the prospect of Korean peace having been made brighter with the proposal to resume truce talks by the week-end, operators were pausing for the emergence of a clearer picture before entering into commitments of a long-term nature. Yet, speculative counters in other sections were also supported, as it was suggested that any recession in the prices of commodities following a Korean peace would be substantially neutralised by the increasing *tempo* of industrial progress under the Five-year Plan within the country. This view gained strength by this week's improvement in the commodities markets in general. Mr. Chintaman Deshmukh's hopeful references about the country's future economy provided further ground for optimism. Encouragement was derived from the likelihood that the Estate Duty Bill would not become law in the present session of Parliament.

Speculative trading in the engineering section was assisted by expectations of new retention prices this month as the Tariff Commission had completed the enquiry. The possibility of the Government granting a loan to Tata Steels for expansion was also utilised by bulls. Indian Irons were sent up to as high as Rs. 25-11 from Rs. 24-12. In contrast to the conditions in the past few weeks, transactions in teas thinned this week. Operators used the opportunity for profit-taking, but not much could be put through as buyers desired to wait and watch what actual effects the new method of levying the excise duty on tea would have on marketing.

In an otherwise dull textile section, Dunbars impressed the market with a rise from Rs. 123 to Rs. 124-8, while Muir Mills maintained the previous rate of Rs. 215. Kesorams adopted an air of lethargy at Rs. 20, Basantis remaining unchanged at Rs. 3-11 and Elgin Mills realised Rs. 17-1.

In the bank section, United Commercials were fractionally better at Rs. 35-12, but Imperial Fully Paids eased to Rs. 1,837-8 from Rs. 1,840.

Jutes found buyers at increasing rates. Howraths improved from Rs. 23-4 to Rs. 24-4, and Anglo-Indias impressively rose by seven points to Rs. 230. Barnagores disclosed a gain of Rs. 9 at Rs. 163. Kinnisons came to business at Rs. 193, Presidencies displaying moderate strength at Rs. 5-6 as against Rs. 4-14 last Thursday. Interest was shown in Reliances at Rs. 13-5, Nuddeas at Rs. 45, and Orients at Rs. 185. Lansdownes picked up strength at Rs. 132, Indias spurted from Rs. 123 to Rs. 127, and Ganges from Rs. 72-8 to Rs. 73-8. Nationals were better at Rs. 24-13 as against Rs. 24-4 earlier.

Coals came in for little attention. Even so fractional gains were recorded in selected counters. Bengals were better at Rs. 530, but Burrakurs were unchanged at Rs. 10-15. East Indias added As. 5 to close at Rs. 23-2. Central Indias were transacted at Rs. 5-2, while Equitables at Rs. 44 showed an impressive rise of Re. 1-4. Khatras Jherriahs were fractionally raised to Rs. 41, and Raneegunges had buyers at Rs. 8-8. Standards moved up from Rs. 18-4 to Rs. 18-8 and Eharats from Rs. 5-15 to Rs. 6.

A great amount of speculative enthusiasm was evinced in Indian Irons which opened at Rs. 24-12 last Wednesday and closed at Rs. 25-5 on Saturday. During Monday a high of Rs. 25-11 was touched, but the closure to-day was slightly lower at Rs. 25-7.

Although not much attention was shown to miscellaneous shares earlier in the week, selected counters recorded gains in the last two sessions of the week. Dunlop Rubbers were better at Rs. 28-8, and Assam Saws recovered from Rs. 6-3 to Rs. 6-8. Martin Burns hardened from Rs. 18-8 to Rs. 18-12, but the gain was lost to-day. F. & C. Oslers met with business at Rs. 5-3. B.I. Corporations changed hands at Rs. 8-5 and, Angelo Bros. at Rs. 17-13, while Rohtas Industries rose from Rs. 8-13 to Rs. 9. India Steamships were wanted at Rs. 6-7, Orient Papers at Rs. 32-12, and Indian Cables at Rs. 18-4.

In contrast to the earlier trend, teas were quiet. This was attributed to the confusion resulting from the readjustment of the excise duty on tea. Consequently, profit-taking followed. Bormahajans receded from Rs. 11-9 to Rs. 11 and Hantaparas from Rs. 135 to Rs. 131. However, Eastern Cachars were better at Rs. 3-9 and Dufflaghurs at Rs. 35-12. Sonai Rivers, after realising Rs. 5-14, eased to Rs. 5-12.

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Madras Stock Exchange

MADRAS, *21st April*

No perceptible change was visible in the conditions noticed last week on the Madras Stock Exchange. Dull trading persisted this week also with business confining to a limited number of shares. Excepting for a few stray deals, the textile section remained mostly eventless. In plantings, teas came in for some support, following the reduction of excise duty payable by tea gardens on their bulk sales of loose tea. The Government of India has decided to cut India's exports of tea by about 15 per cent. during 1953-54, to arrest, if not reverse, the down-trend in prices of teas in overseas markets. It is, however, too early to forecast the effects of this decision on tea shares. Rubbers and coffees were virtually stagnant. Miscellaneous scrips were quietly steady. As a result, price movements were confined comparatively to a narrow range and the undertone was hesitant.

In the textile section, Bangalore Woollens improved from Rs. 243 to Rs. 245 and Sri Krishnarajendras from Rs. 36-8 to Rs. 38. Balasubrahmanias and Ashers were higher by Re. 1 each to Rs. 74 and Rs. 30, respectively. Anglo-French, however, lost Rs. 5 to Rs. 84. Dhanalakshmis were down by Rs. 4 to Rs. 174. Coimbatore Spinnings eased by Re. 1-8 to Rs. 39-8. Lakshmis 'A' were lower by As. 8 at Rs. 38. Vasantas were done at Rs. 148, as against Rs. 160 *cum-div.*

The decision of the Government of India to cut exports of tea is expected to lead to a fall in the price of tea for domestic consumption. Operators were, therefore, hesitant to commit themselves. But some selective support took the prices of Highland Produces up by As. 4 to Rs. 10-2. Periakaramalais too put on a similar amount to Rs. 25. Kil Kotgiris were higher by an anna at Rs. 5. Chembras and Parksides, however, lost As. 2 each to Rs. 2-10 and Rs. 11-10, respectively. Business in Kalasas was done at Rs. 9-14, as against Rs. 10.

Among rubbers, Anandams improved by As. 2 to Rs. 9-8. Cochin Malabars were higher by an anna at Rs. 6-2. Kailas scrips were fractionally better at Rs. 3-3¼. But, Mercaras were down by As. 2 at Rs. 3-6 and Pullangodes by As. 1½ at Rs. 2-6. Be Bes were slightly lower at Rs. 1-12½. Tharmarpaly and Thirumbadis were unchanged at Rs. 12-14 and Rs. 2-9, respectively.

Rumours that the price of coffee to consumers will be cut induced a quiet tone in coffee scrips. Kadur Coffees and Mysore Coffees were dull at Re. 1-8 and As. 10, respectively. Consolidated Coffees were unchanged at Rs. 17. But Coffee Lands improved by an anna to Rs. 9-4.

In the miscellaneous section, Rallis hardened by Re. 1 to Rs. 77. Indian Steel Rolling Mills gained As. 10 to Rs. 12-8. Deccan Sugars Rs. 10 paid ups put on As. 4 to Rs. 9 and Rs. 25 paid ups As. 8 to Rs. 20-8. Transactions were reported done in Mysore Stonewares at Rs. 10, as against Rs. 9-12. But Mettur Chemicals lost As. 2 to Rs. 4 and Indian Cements As. 2 to Rs. 16-4.

Notice

THE CALCUTTA TRAMWAYS COMPANY, LIMITED

(Incorporated in England)

THE DIRECTORS OF THE CALCUTTA Tramways Company, Limited, announce that an Interim Dividend of 2½ per cent. free of Income-tax will be paid on the Ordinary Shares to the Shareholders registered in the Books on the 1st May, 1953, in respect of the profits for the year ended 31st December, 1952. Transfer Books will be closed from the 2nd May to the 15th May, 1953, inclusive, and Dividend Warrants will be posted on the 15th May, 1953.

By Order of the Board,
A. C. T. BLEASE,
Agent.

P-4, MISSION ROW EXTENSION,
CALCUTTA, *22nd April*, 1953.

NEWS IN BRIEF

APPROXIMATELY 1,565,000 workers employed in about 33,600 factories are not covered by the Employees' Provident Fund Act, 1952, at present.

A 33⅓ per cent. power-cut in Madras City and an additional cut of 8⅓ per cent. in the southern districts of the State affecting about 200,000 domestic and industrial consumers came into effect on the 16th inst.

The Pharmaceutical Enquiry Committee will hold its second meeting at Bombay on 7th May, 1953. During its one-week stay in the City, the Committee proposes to visit some of the pharmaceutical establishments and hold discussions with the representative associations of industry and trade, as well as individuals.

The term of the I.L.O. Productive Mission, which has been in India since 5th December, 1952, expires on 31st May, 1953. The question of extending the term is under the consideration of the Government of India. An expenditure of Rs. 21,835 has been incurred by the Government during the financial year 1952-53. The work studies and method studies of the Mission are still in progress.

A sample survey to collect agricultural statistics will be carried out by the U.P. Government during the next four months. The survey is a sequel to the Government's decision to participate in the world census of agriculture, organised by the U.N. Food and Agriculture Organisation. The data will be collected on the various items as proposed by the F.A.O.

The Government of India has released a quota of 200,000 lbs. of Madras and Mysore silk waste for export by the trade from ports in Madras State during 1953. Licences against this quota will be granted both to established shippers who were in the trade in the basic period from 1948-49 and also to newcomers who participated in the export of Madras and Mysore silk waste in 1952-53. Established shippers will be granted export licences on the basis of exports in the best year out of the basic period 1948-52, while newcomers will be given export licences on the basis of actual exports in 1952-53.

Representations have been received by the Central Finance Ministry, to the effect that, under the recent changes in the assessment of package tea, tea cleared from the gardens on payment of an excise duty of 3 annas per lb. will have to bear a further duty of As. 3, if it is taken into a packers' or blenders' premises after 15th April, 1953, for such blending or packing. The Government of India has, therefore, authorised the Collectors of Central Excise to collect only an additional one anna per lb. on such tea at the time of clearance after packaging from the blenders' or packers' premises where it is established from documentary evidence to the Collector's satisfaction that such tea brought into the blenders' or packers' premises after the 15th inst. had paid excise duty at the rate of As. 3 at the garden.

India signed the new International Wheat Agreement on the 17th inst., leaving only Britain among the major wheat importing nations still out of the pact. Sweden and Equador also signed the Agreement the same day, bringing the number of nations who have joined to 24, as compared with 46 in the expiring Agreement, Britain, the world's largest wheat importer has refused to accept the new maximum wheat price of $2.50 and is only prepared to pay $2. The new Agreement will be open for further signatures until the 27th inst., and must be ratified by the respective Governments by 15th July, 1953. Three of the four exporting nations, the United States, Canada and France, have already signed. Australia, the other exporter, is expected to join next week.

Two operational agreements were signed between the Governments of India and the U.S. last week, one dealing with a project for development of building materials under the auspices of the Central Building Research Institute at Roorkee and the other for the demonstration of improved methods of low-cost house construction, at a joint cost of $75,000 and Rs. 1,50,000. Under the agreement covering the development of building materials, additional equipment to augment the present facilities of the Central Building Research Institute at Roorkee will be provided for developing and demonstrating the production of indigenous building materials. The joint cost of this project is $100,000 and Rs. 1 lakh. The project for the construction of low-cost houses seeks to develop and demonstrate more economical methods of housing designs and construction through the introduction of modern building methods and equipments.

Under a supplementary operational agreement signed between the Governments of India and the U.S. in New Delhi on the 20th inst., 650 additional tube-wells would be constructed in the Punjab, Uttar Pradesh and Bihar within the next three years. The total joint cost of this project will be $5.26 million and Rs. 2.20 crores, the dollar expenditure representing the U.S. contribution, while the rupee expenditure will be by the Government of India. Since the signing of last year's agreement for 2,000 tube-wells, the cost of their construction, as well as that for providing electric power for these tube-wells, has increased by $2.54 million and Rs. 2.5 crores. To cover up this gap, the present agreement provides a sum of $930,927. The rest of the required amount, namely, $1,609,073 has been found by a reallocation from Operational Agreement No. 1, an amendment to which was also signed this week. The additional rupee expenditure of Rs. 2.5 crores will be contributed by the Government of India.

The Government of Madras has instituted proceedings against the Madras Electric Tramways Co., Ltd., alleging that it has declared an "illegal lock out" and made "illegal alterations in the service conditions of its 1,700 employees." It has also decided to refer to the Industrial Tribunal for adjudication the employer-employee dispute arising out of the suspension of tramway operations. It will be recalled that the Company suspended its 60 years of service to the public of Madras on 11th April, 1953, on the ground that it had been sustaining a loss to the extent of Rs. 40,000 to Rs. 50,000 per month in recent months. The Company has a fleet of 103 single-deck cars plying over a track of 16¼ miles. About 1,600 persons depend on it for livelihood and 125,000 for transport facilities.

* * * *

From Abroad

The U.N. Korean Reconstruction Agency will ship more than 150,000 metric tons of fertilisers to Korea in time for the spring planting. The quantity is sufficient to fertilise about one-fourth of the Republic's farmland.

In 1952, a representative group of companies in Australia earned, on an average, 8.3 per cent. on funds employed by them, as against 9.3 per cent. in the previous year. The dividend percentage, therefore, fell to 5.7, as against 6.1.

Steel production in the U.S. reached a new record of 10,153,000 tons of ingots and steel in March, 1953. This brought production for the first three months of the year to a new quarterly record of 28,981,137 tons.

The U.S. Government filed on the 21st inst., a civil suit against the major U.S. and other oil companies which are alleged to have taken part in an international oil cartel. The criminal grand jury enquiry has been abandoned for security reasons.

During the week ended 10th April, Britain purchased 1 million metric tons of wheat from Canada under the International Wheat Agreement. This is stated to be an unprecedented quantity for a single week and is equal to almost two months' export quota of Canada.

The Australian Government has lifted control over lead and zinc, but subject to one condition, that the domestic price should not exceed the export price. Copper, however, will continue to be under control, with the domestic price reduced from £A350 to £A330 per ton.

Australian wool cheque for the nine months ended March, 1953 was £A307.0 million, as compared with £A247.9 million in the corresponding period of the previous year. The average price of greasy wool was £A103-19s. per bale (or 82.17*d.* per lb.), as against £A92 2s. 2*d.* per bale (or 74.61*d.* per lb.) in the previous year.

The purchase of 1 million tons of Cuban sugar, announced by the Chancellor of the Exchequer in his budget speech, is estimated to cost about £22 million to £23 million over a period of two years. Of the total quantity of 1 million tons of Cuban sugar to be purchased by the U.K., 600,000 tons will arrive this year and the balance next year.

The amount now being spent on oil and gas development in West Canada is of the order of about $1 million per day. Canada as a whole is expected to be self-sufficient in oil within five years. Over 150 million acres are being actively explored for petroleum and natural gases, which compares with hardly 20 million acres in 1946.

The Sulphur Committee of the International Materials Conference is to be dissolved on the 30th inst. This is a sequel to the Committee's recent decision to discontinue international allocation of crude sulphur from 1st March, 1953 and reflects the continuing improvement in the supply and demand position of sulphur in the free world.

Japan is reported to have launched a drive to secure iron ore from South-East Asia, particularly from the Philippines, India, Thailand and Malaya. The big five steel manufacturers of Japan are trying, with Government backing, to build up stable supplies of iron ore by expanding imports or extending arrangements for investment of capital and technical aid.

The Ceylon Government has allocated a sum of Rs. 1.15 crores out of the profits it realised from the sale of sheet rubber to China for the rehabilitation of the rubber industry. The fund will be administered by a Rubber Rehabilitation Board, consisting of six nominated members. The scheme, which envisages replanting of 10,000 rubber trees every year, is now being worked out by the Food and Agriculture Ministry.

The U.K. Board of Trade has completed arrangements for licensing private imports of cereals and animal feeding stuffs with effect from 1st May next. Importers will be granted open general licences for import of wheat and flour, feed grains and certain miscellaneous animal feeding stuffs and fertilisers from any country. They will, however, be obliged to render weekly returns to the Ministry of Food in respect of imports other than fertilisers and monthly returns to the Ministry of Materials in respect of fertiliser imports.

PERSONAL

MR. E. L. C. Gwilt, Managing Director, Glaxo Laboratories (India) Ltd., Bombay, left for the U.K. on a short trip.

Mr. D. N. Khandke has been elected President of the Western India Automobile Association for the year 1953-54.

Mr. H. Wrigley has assumed charge as Australian Trade Commissioner in Bombay, succeeding Mr. S. D. Schubart.

Mr. Shanti Prasad Jain of Messrs. Sahu Jain Ltd., Dalmianagar, has been elected President of the Bihar Chamber of Commerce.

Mr. R. W. Bullock, till lately Chairman and Managing Director of Messrs. Forbes Forbes Campbell & Co., Ltd., Bombay, sailed for the U.K. this week on retirement.

Mr. W. B. Moncur, former Chairman of the Indian Jute Mills Association and Director, Andrew Yule & Co., Ltd., Calcutta, left India last week on retirement.

Mr. S. D. Srinivasan, Manager, National Insurance Co., Ltd., Calcutta, has been elected President of the Indian Insurance Companies' Association for the current year.

Mr. R. P. Ross-Williamson, who has been appointed Regional Information Officer of the British Information Services in Bombay, arrived from London on Tuesday this week. He will assume charge of his office on 14th May.

Mr. E. H. S. Marker, former Under-Secretary, British Board of Trade, who was on a six-week visit to India to advise the Government of India on Company Law reform, sailed for the U.K. this week.

Mr. Bernard E. Loshbough, Deputy Director of the U.S. Technical Co-operation (Point Four) Administration for India and Adviser on Community Development, has resigned his post, following his appointment as Deputy Representative in India for the Ford Foundation Philanthropic Trust.

Mr. I. I. Chundrigar, Commerce Minister in the Interim Cabinet of undivided India and now Governor of Punjab (P), has been appointed High Commissioner for Pakistan in India, *vice* Mr. Shuaib Qureshi who has joined the new Cabinet in Pakistan.

Mr. B. C. Mukherji, Managing Director of the Sindri Fertiliser Factory, and leader of the Indian fertiliser mission to Japan, Canada, the U.S., the U.K., Germany, France, Italy and other European countries, returned to Calcutta on Tuesday last. The other members of the mission who also returned are: Dr. A. Nagaraja Rao, Industrial Adviser to the Union Ministry of Commerce and Industry, Dr. Van Evera of the T.C.A., and Mr. K. C. Sharma, Manager, Sulphate Plant, Sindri. The mission visited modern fertiliser factories in various countries to study fertiliser manufacture processes, with a view to determining what other nitrogenous fertilisers can be produced with advantage in India.

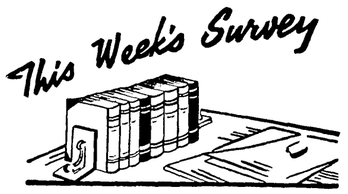
"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *28th April*

Jute Problem in Bengal

Under the above caption, Mr. N. R. Sarker, member, Bengal Legislative Council, delivered, last week, an address to the members of the Bengal National Chamber of Commerce, Calcutta, which must somewhat be irritating to certain Calcutta jute interests. Mr. Sarker made a laudable effort to suppress the politician in him and express himself as a student of economics. In the abundance of his sympathy for the cultivator, Mr. Sarker was, perhaps, a bit too severe upon middlemen, who are useful members of society, and are, considering all circumstances, a necessary evil in the upkeep of the trade and industry of the country. With his elucidation of the problem of intensive cultivation as applied to jute production, we have no quarrel, but the solution Mr. Sarker is anxious to apply to it seems to us to be utopian. There are at all events ample areas available in India for carrying on simultaneously a more extensive cultivation of both jute and food crops. Mr. Sarker has bestowed considerable care and thought on the subject he handled and his marshalling of facts and figures is deserving of the best attention of all concerned. At the outset, Mr. Sarker doubted—and not without reason—if the importance of the jute trade in the economic life of Bengal and its wide and varied implications are appreciated to any adequate degree in the Province. It is, of course, common knowledge that, as it is widely cultivated in Bengal, it is one of the staple products of our agriculture and is second in importance only to rice, our staple grain and food. Mr. Sarker tried to give full idea of its importance from the facts and figures bearing on jute. Jute, he said, puts more than Rs. 30 crores a year into the hands of the cultivator and jute exports from Calcutta amount to over Rs. 75 crores and from Chittagong Rs. 1 crore annually, while the coastal and rail-borne trade in jute is valued at Rs. 5 crores each. This enormous export trade gives rise to other services and utilities in the shape of transport, insurance and banking, which, at 10 per cent. of the value of the coastal and sea-borne trade, would represent a value of Rs. 8 crores.



FIRST DEVELOPMENT COUNCIL

TWO years after the Industries (Development and Regulation) Act was passed in 1951, this country has just been able to have its first Development Council constituted and started under the provisions of the Act. The time lapse is by no means a short one and, therefore, the first Development Council, namely, that for Internal Combustion engines and power-driven pumps, has come not a day too soon. The delay in taking this first concrete step under the provisions of the Act serves to underline the stupendous preliminary work the Government has to do before constituting a council. Certain modifications to the Act, which the Government had to effect later, the time needed for implementing the preliminary provisions of the Act, the lack of experience in giving effect to some of the provisions of the Act such as those relating to development councils, licencing bodies, etc., and the dearth of trained personnel to serve on these bodies, all these explain the delay. Nevertheless, the inaugural meeting of this first Council held in New Delhi on Monday last, under the chairmanship of Mr. G. R. Damodaran, M.P., may be considered as heralding a new era in the industrial development of this country. Incidentally, it may be mentioned that the Government has constituted a Development Council for the heavy chemicals industry also but it has yet to start work.

Inaugurating the meeting, Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, exhorted the Council to show "concrete results" and said that, if the experiment turned out to be successful, the Government would be able to appoint more Development Councils for ensuring development of industries along right lines. The Minister assured—a most welcome assurance, indeed—that the Government would treat the recommendations of the Council with the utmost consideration and would, as far as possible, be guided by the Council in the policy to be adopted in respect of the industry the development of which had been entrusted to its care.

The Development Council for internal combustion engines and power-driven pumps has before it a very great responsibility for two reasons. First, there are so many pressing problems confronting the industry that the Council will have to address itself in right earnest for solving them. The Council, for instance, has to recommend targets of production, suggest coordinating production programmes and review the progress of the industry from time to time. It has to suggest norms of efficiency, with a view to eliminating waste, obtaining maximum production, improving quality and reducing cost. It has also to make arrangements for better marketing and standardisation of products and propose measures for increasing the productivity of labour. These are the general problems of the industry. Besides these, there are certain special problems which the Council has to face immediately. One such is the fall in demand, which has resulted in accumulation of stocks with the factories. Consequently, several units have already closed. The industry, therefore, put forward a plea for stopping imports, which has been conceded by the Government. But stoppage of imports completely for any length of time is not desirable, inasmuch as it takes away all incentive from the indigenous industry to raise efficiency of production with a view to improving quality and reducing cost. Moreover, as the Commerce and Industry Minister aptly remarked, it is necessary to allow trickle imports in order to keep in touch with developments abroad. The main problem of the industry, hitherto was, however, shortage of raw materials, particularly pig iron. The position seems to have somewhat eased of late, as is borne out by the encouraging trend of production in the recent past.

The Development Council has to do a lot for the power-driven pumps industry also. This industry assumes special significance in the present context of the implementation of the large industrial and agricultural programmes. Power-driven pumps are required extensively for several industrial and agricultural purposes, namely, for feeding boilers, pumping sewage, etc., and for watering fields in the rural areas. There are at present, in India, 20 organised factories—all in the private sector—manufacturing power-driven centrifugal pumps, the number of persons employed being 4,500. The aggregate rated capacity, assessed on an eight-hour single-shift basis, is estimated at 42,800 pumps per annum. The actual production during 1951, however, was higher at 47,989 pumps, against the estimated demand for 60,000 pumps at present and 100,000 pumps (including tube-well pumps) by 1955-56. During 1952-53, the production of pumps is estimated at 50,000 and that envisaged for 1955-56 at 80,000 to 85,000. It is on the success or otherwise of the working of this Council that the setting up of Development Councils for other industries will depend, to a large extent, as it is the first of its kind to be tried in this country.

COMMUNITY PROJECTS

The Conference of Development Commissioners, held at New Delhi this week, under the chairmanship of Mr. V. T. Krishnamachari, Deputy Chairman, Planning Commission, must have provided a good opportunity for the Commissioners from 26 States to compare the progress of work done in the Community Projects, the difficulties encountered and the solutions evolved to overcome them in each area. The survey of the work done by these Commissioners reveals that the progress in all cases has not been uniform on account of certain difficulties peculiar to particular areas. But, as admitted by the Chairman, Mr. Krishnamachari, the progress was in no way disappointing. Personally, the Chairman seems to feel optimistic about the success of the programme. His emphasis on the importance of the Co-operative Movement, drawing the particular attention of the Development Commissioners to it, is perhaps an indication that the Commissioners have not yet paid the Movement the attention it deserves. In view of the importance attached to the Co-operative Movement in the Plan, it is necessary for the Commissioners to join hands with the officers of the Co-operative Department and thereby give a fillip to introduce the Co-operative system in the various spheres of rural life.

The crux of the problem of the Community Projects centres round increasing the avenues of employment in rural areas. Both Mr. Krishnamachari and the Prime Minister who addressed the Conference laid stress on this problem. The Prime Minister's forceful expression of his views on this problem merits the attention of the Development Commissioners. He said: "The most important consideration must be what we can do for providing fuller employment, because mass production of commodities cannot raise the standard of living, unless there is mass consumption which means that the mass, as a whole, must have greater purchasing power. The simplest way whereby the people in general will have greater purchasing power is to create work which again will keep the industrial machinery functioning." Proceeding, he said that, as technological revolution had changed the face of the world, there was need to utilise this technology for the benefit of small-scale industries which could survive and flourish only then. Provision of small-scale industries has been one of the planks of the Community Projects, and so far there is no indication to show as to what progress has been made in the Projects which have been in operation for more than a year and a half now. One would like to hear on this point from the Community Projects Administrator.

LABOUR WELFARE FUND

The Bombay Labour Welfare Fund Bill adopted by the State Legislative Assembly, last week, is a highly objectionable and an unwarranted one. It is wholly contradictory to the new approach advocated by the Central Government towards labour problems, inasmuch as it seeks to constitute statutorily a Labour Welfare Fund under the direct control of the Government of Bombay, thereby stifling the voluntary efforts of employers towards provision of labour welfare amenities. It gives the misleading impression that the Government alone is the benefactor of labour and not the employer. The directive issued by the Centre in November, last year, requested the State Governments to issue instructions to employers' organisations and/or industrial undertakings to constitute labour welfare funds on a voluntary basis. This was done, we believe, on the clear recognition of the healthy principle that statutory measures, however desirable, are not capable of yielding satisfactory results, since they are devoid of the personal touch, a primary requisite for the successful implementation of labour welfare measures.

That apart, the measure seeks to impose additional burdens on industry, though not immediately. It is true that the Bill, as passed by the Assembly, proposes to constitute the Fund from "fines realised from employees, unpaid accumulations and voluntary donations." It is also true that the measure empowers the Labour Welfare Board, the body to administer the Fund, to borrow any sum required for the purpose of carrying on welfare activities after obtaining the previous sanction of the Government. It may so happen that the Government will have to resort to borrowing earlier than expected, and, if the expedient fails, it will call upon the employers to finance the Fund. This is clear from the remark of Mr. Shantilal Shah, Labour Minister, some time in February, that, if it became necessary to raise additional funds, employers might have to contribute a "nominal fee." The definition of "nominal fee" will doubtless depend upon the circumstances and the needs of the Labour Welfare Fund activities.

The proposal to constitute a common pool of fines and accumulated balances with the various factories, with a view to utilising the same for labour in general, is a reprehensible one. It is contrary to the present practice of utilising such funds on the workers' of the units in which they are accumulated. It is true that section 22 of the Act provides for exemption of any class of establishment from all or any of the provisions of the measure, subject to such conditions, as may be necessary. This, however, does not mean that exemptions will be the general rule. If that were to be so, there would have been no necessity for this legislation. The correct thing to do will be to have welfare funds unit-wise. There is no need for the State to interfere in the administration of such funds. It has neither the resources nor the personnel to administer them.

The Labour Welfare Board, envisaged in the Act, will be an appendage of the Government. It does not enjoy any freedom in the discharge of its functions. Under section 7, for instance, the Board will have to carry out such measures "as may be specified by the State Government from time to time." Again, section 10 says that "the State Government may give the Board such directions as in its opinion are necessary or expedient in connection with expenditure from the Fund or for carrying out the purposes of the Act," and adds that "it shall be the duty of the Board to comply with such directions." The Board will, of course, consist of representatives of employers and employees of equal numbers as well as of independent members. But all of them will be nominated by the Government. All this shows that the Government wants to have one more machinery through which it can exercise control over labour and influence it. In short, this legislation has been motivated by political considerations and not by a sincere desire to improve the lot of workers. If the latter were the only objective, it could have been achieved by informal directives to employers and through persuasion.

Lest we should be misunderstood, we hasten to add that we are not against the provision of welfare measures for labour. We recognise that the provision of welfare activities designed to improve the standards of labour by providing community and social education centres, games and sports, excursions and facilities for learning useful hobbies should be encouraged. In fact, such facilities are already being provided by well established units of industry. Where they are not being provided, the authorities could have persuaded employers to do the needful. But what we are against is the manner in which the Bombay Government has decided to introduce welfare measures.

MERGER OF RAILWAY UNIONS

A welcome development of the week in the sphere of labour is the decision of the two premier railway labour organisations, the All-India Railwaymen's Federation and the Indian National Railway Workers' Federation, to merge into a single unit. As all students of trade unionism will admit, each industry should have one union only as far as possible. For the success of collective bargaining, it is essential that there should be one single bargaining agent over as large an area of industry as possible. Separate unions for different units in the same industry are inimical to the growth of healthy trade unionism and their existence may be justified only in very exceptional circumstances. A single consolidated union will facilitate representation of grievances of workers forcefully and effectively. Such a step will accelerate progress towards the introduction of uniformity in wages and conditions of service throughout the industry.

Mr. J. P. Narayan and Mr. Hariharnath Shastri, President of the A.I.R.F. and I.N.R.W.F. respectively, have decided to keep the union affairs free from the influence of any political parties or factions. This decision is a tribute to the wisdom of both the presidents. For it is an admitted principle that trade unions should be economic entities devoted to improve the living standards of its members. Contrary to trade union developments elsewhere in the industrial West, especially in the U.K., trade unions in India are in perpetual conflict with one another by virtue of their affiliations with the various political organisations.

There is a fear that a single union, commanding the allegiance of lakhs of workers, especially in public utility undertakings, is a potential danger not only to the undertaking, in particular, but also to the country, in general. The effect of labour unrest and the consequent stoppage of railways is only to be imagined, they say. This fear is not unwarranted. Unless the union is led by leaders whose sense of responsibility to the society as a whole is high and who believe in negotiation and conciliation of disputes and not in a demonstration of the union's might by holding the authorities and the general public at its mercy, the merger will have been in vain. In view of the existence of a permanent machinery, with a tribunal at the apex to decide unresolved disputes, it is to be hoped that such a contingency will not arise in the railways.

The benefits of having a single union with a large membership are enormous, apart from its role in the settlement of labour disputes. In view of its considerable resources by way of membership fee, etc., it can initiate labour welfare activities on the lines undertaken by the unions in the industrial West. It can, for instance, run co-operative societies, undertake cultural activities and the like, thereby making the life of its members happier. Trade unionism, the offspring of industrialism, is the only force, with dynamic energy, for ensuring the fundamental welfare of labour in a society where the standards of workers are appalling.

TREND OF COMMODITY PRICES

Reviewing the economic conditions in India, in the course of his budget speech on 27th February last, the Union Finance Minister, Mr. C. D. Deshmukh, stated that prices had on the whole remained steady at lower levels. This statement of the Minister was evidently based on the variations in prices during the closing months of 1952, when the trend happened to be slightly downward, a common occurrence at year-ends, on account of expected arrival of agricultural commodities. Since the beginning of this year, however, prices have again registered an upward trend, with the general index of wholesale prices (base: August, 1939=100) standing higher at 385.2 in March, 1953, as against 372.7 in December, 1952 and 377.5 a year before, although it is lower as compared with 430.3 in January, 1952, or the pre-Korean war level of 397.1. The increase in wholesale prices during the first quarter of this year has been shared practically by all the commodities, as will be seen from the figures below:

(Base: August, 1939=100)

	Pre-Korean war	*March* 1952	*Dec.* 1952	*March* 1953
	24-6-50			
General Index ...	397.1	377.5	372.7	385.2
Food articles ...	407.1	342.7	344.5	365.0
Industrial raw materials ...	494.2	424.2	421.7	453.1
Semi-manufactures ...	335.5	343.2	342.6	349.8
Manufactures ...	346.9	383.8	367.6	369.0
Miscellaneous ...	692.4	625.6	625.3	585.5

It will be noted from the above figures that the wholesale price index would have shown a steeper rise than that indicated but for the recession in the index for the miscellaneous group. In other words, this means that the consumer has been paying very much higher prices for almost all his essential requirements. Thus, the index for food articles—the most important item—has registered an appreciable rise, owing to higher price of *jowar* at Amravati, of rice at Patna and Vijayawada, and of *bajra* at Hyderabad.

The prices of industrial raw materials have been steadily advancing, the index moving up from 421.7 in December, 1952, to 427.6 in January, 440.1 in February, and 453.1 in March this year. The increase has been entirely due to rise in the prices of fibres and oilseeds. This rise has been particularly marked in the case of raw cotton.

The prices of oilseeds also have gone up considerably, thanks to the general shortage of supplies.

The index for the manufactured group, as already stated, which had receded from 400.9 in January, 1952, to 367.6 at the end of the year, has since risen to touch 369 in March last. The rise has been mainly under wool, rayon and silk products. Cotton and jute manufactures, however, have proved an exception. The index of cotton manufactures, for instance, has all along remained at 406 since November, 1952—a level which is below that (410) prevailing in the slump period early last year. This is an indication of the emergence of a buyers' market for cotton textiles. This will be clear still further, if it is remembered that the increase in the price of cotton has failed to reflect itself on the price of manufactured cotton piecegoods.

OFF THE RECORD

(By "ROVER")

I DO not know if the short respite offered to the moneyed classes and the business community, by the Business Advisory Committee of the House of the People deciding to put off the consideration and the passage of the dread Estate Duty Bill to the next session of Parliament, is to be welcomed even by those who are most directly affected by it. Sometimes the prolonged suspense of a standing menace is more unnerving and more painful than the sharp edge of the guillotine descending in one clean, swift stroke and putting an end to the agony. Only a week ago, these condemned people had been startled by the news that the Congress Parliamentary Party had made up its mind to give top priority to this Bill and to put it on the Statute Book before the end of the current session. This *volte face* about the timing of such an important measure is certainly very intriguing and I wonder if it can be taken as an indication of the Government and the majority party being in two minds with regard to at least some of its more drastic provisions, if not the Bill itself.

I must, however, concede that, in sharp and pleasant contrast with the practice of our Governments to rush headlong with hastily conceived and carelessly drafted legislation on subjects of the gravest import to the social, political or economic structure of the country, the Government of India deserves to be congratulated on the time and thought they have given to this subject, the hesitancy and circumspection with which they have approached it and their readiness to give consideration and accommodation to the various interests which will be affected by it. The Government's position in this respect has been singularly difficult. In the first place, its own immediate need for raising more money is there. That this need is both real and urgent can be easily discerned from its decision to launch a fresh wave of inflation with all its ugly implications to the country's economy, where the standard of life of a vast bulk of its population is not merely woefully low but subhuman. For full five years, this very Government had been concentrating its efforts and resources in fighting this very inflation.

In the second place, the party in power in the country was pledged to bring in some such measure without undue loss of time. There is an important section within the ranks of its own supporters and a still more desperate one outside these ranks clamouring for it. There was, therefore, nothing to be surprised at in the Government and the Finance Minister making up their mind suddenly to introduce this Bill. Constituted as it is and with the heavy pressure which was being brought to bear upon it from several directions, the surprising part of it was that it could resist this pressure so long and so successfully. The credit for this must go, in full and overflowing measure, to Mr. Chintaman D. Deshmukh, the Finance Minister.

Unlike the clamouring crowds swayed by a desire not so much to help the country or its economy, as by some half-defined ideological urge and hunger to despoil those who have managed to save and lay by in the past, whether righteously and at a sacrifice or unsocially and as a result of some unjustifiable privileges they enjoyed in the past, our Finance Minister knew the heavy responsibility which would rest on him and his Government, for disturbing the social and economic structure of the country, which had a great many thick layers going down and having its roots in hoary antiquity. He stayed his hand as long as he could. He took time to think out and study the implications of this form of capital levy to a poor and at the same time sentiment and tradition-ridden country. I should not be at all surprised if he is still a little hesitant, if not actually doubtful, about the wisdom of some of the more drastic and narrow provisions of the Bill as it has emerged from the hands of the Select Committee. And, finally, it is not to his discredit that, though he had made no mention of it in his budget speech, he was stampeded, half reluctantly perhaps, to move in this matter during this very session, without giving a due warning to the populace. There are times when a wise minister, not unlike a gifted and charming woman, does well in stooping to conquer.

I see his hand once again in reversing the earlier decision to rush through this Bill in the present session. It must have been his wise and restraining influence which brought about this change, irrespective of the agency and legislative machinery which actually worded and registered it. Considering the number of minutes of dissent and the multiplicity of amendments which were bound to be moved, the House, already fatigued and harassed by New Delhi's gruelling temperature in the month of May, could never have spared enough time during this session, to assure mature and cool deliberation of the many points of view on the various administrative provisions of the Bill.

The central idea of the Bill is no longer in question; even the richest classes have reconciled themselves to this progressive idea making for greater social justice. But it is the mechanism devised for implementing a principle that matters more than the soundness of the principle itself, when it comes to reaping the harvest. Many a good idea, such as temperance or abstinence, has been ruined and turned into an engine of torture and totalitarianism by being framed into a hasty, and unbaked law. It could cause and create more fresh mischief, corruption and demoralisation, if unwisely and injudiciously administered, as the results in those States which have rushed into a policy of total prohibition go to demonstrate.

In spite of the time taken over it, nobody would claim that the Bill, as it now stands, would make its implementation and administration smooth and its effects on the structure of our complicated economy so graduated as not to mar the basic pillars of the structure itself. Evolution from a semi-feudal, semi-capitalist and caste-ridden society into a full-fledged democratic and socialist economy is a painful process of progress, which must be hedged in by and tempered with balances and adjustments. The pace may be increased if you remove the brakes and balances or do away with the nice adjustments, but pace alone cannot be the governing factor in bringing about fundamental social changes. It has to be conditioned by the gradient and the road surface of the route we travel on. A pace which would upturn the vehicle itself and injure it can never take us quicker to the goal. Instead, it might retard the very progress which we all desire and aim at. Before we launch this new vehicle of Estate Duty on its journey, it is imperative that we check it at every point and in every part. Army men would tell us that, in some terrain, a caterpillar is a more suitable and more speedy means of locomotion than a high-powered and well-appointed car.

So long as we have private property and private savings, so long as our mixed economy has to rest partly on these props, an Estate Duty Bill, which, in the gushing enthusiasm of its authors and their unregulated longing to secure full social justice at a stroke, would ruin and put out of action all the little incentives to savings and formation of capital, would certainly not be a vehicle taking us further in our uphill task. It might just land itself in a ditch on the roadside, pinning us down with its dead weight and crippling us for our onward march.

And it should not be forgotten that social justice, if it is to be called justice, must also take note of and provide for the group of those unfortunates in our society, who, for no faults of their own, have been left fully dependent on the past savings of their forbears for maintaining life itself on a very modest scale, without any strength, training, skill and experience of earning their living at an age, where making a fresh beginning is both a physical and psychological impossibility for them. There is little either of abstract or social justice in condemning them cruelly as economic parasites and leaving them to their fate in a dazzled, bewildered and helpless state. It is one thing to take steps to prevent creation of fresh recruits for this class; it is quite another to exterminate and liquidate those whom our past has saddled us with. I would appeal to our legislators to spare a thought for these forlorn creatures, these orphans of the storm, when they sit down again to finalise the various clauses of this Bill, after the preliminary general debate.

It is on these grounds that I welcome the further suggestion thrown out by Mr. Deshmukh, to arrange for an informal, inter-sessional conference of members to consider all such amendments to the Bill as are likely to be tabled and to deliberate on differences in a more cool and less surcharged atmosphere, so as to secure as large an area and degree of agreement as possible, before the Bill is finally and formally taken up for second reading in the House in its autumn session. This is a very valuable suggestion, which deserves to find a permanent place in our machinery and procedure for legislating on important subjects. With the growing volume of lengthy legislation on various subjects, which by their very nature are full of complications and which our dynamic urge towards peaceful social revolution is bound to bring up in large numbers in Parliament during the next few years, we must devise some such machinery to secure greater and deeper deliberation, as also to give better scope and chance to the minorities to influence policy and laws.

Our so-called parliamentary democracy, which has, in recent times, shown a tendency to go with a heavy steam or diesel-engine roller over the minorities, will drop democracy along the way and march towards totalitarianism, unless we safeguard it with some such device, as suggested by Mr. Deshmukh in the case of the Estate Duty Bill, as a permanent part of our democratic structure. In the meantime, as an inveterate cynic put it to me the other day, those of the rich who are determined that the Government should not be allowed to help itself to a big slice of the estate which they propose to leave behind, should utilise the interval offered to them by a kind Parliament, and arrange to die betimes before this Bill becomes law and comes into force, so as to cheat Mr. Deshmukh of his unearned gains.—*All Rights Reserved.*

PARLIAMENT ADOPTS 1953-54 BUDGET

IMPROVEMENT IN FOOD POSITION

(From A Special Correspondent)

NEW DELHI, 21st *April*

DELHI LETTER

HAVING given its consent to the Budget, Parliament has taken on hand important legislative matters. Before it rises for the summer vacation some time mid-May, it is expected to pass a number of Bills. The first among them is the Air Corporations Bill, which has been referred to a select committee to-day. While introducing the Bill, the Government spokesman, Mr. Jagjivan Ram, sought to justify the nationalisation of air transport by giving these reasons: the deterioration of the financial position of the operating companies, their inability to undertake development plans without large-scale financial help from Government, the importance of internal air transport both for maintaining law and order and defence and the need for rationalisation of air transport. The Minister for Communications further stated that the Government's idea was that the proposed two corporations should function as public utilities on business principles. According to him, they could have the advantages of unified operations such as the utilisation of workshop capacity, technical personnel, equipment, etc.

After the Air Corporations Bill, Parliament will take up the Income-tax (Amendment) Bill, the Industries (Development and Regulation) Amendment Bill, the Tea Bill, etc. In regard to the controversial Estate Duty Bill, five days have provisionally been allotted for general discussions during the current session. It is likely that members would be asked to give notices of amendments which might be considered during the inter-session period. The Finance Minister is expected to call an informal conference of members and thrash out the amendments before the Bill is taken up for clause-by-clause consideration during the next session. This procedure will save the time of the House and give an opportunity to members to place their points of view before Government. These apart, Parliament will dispose of another 10 minor Bills during the next three weeks.

The debate in Parliament on the Appropriation and Finance Bills has left one abiding impression on the onlooker. It is the fact that Mr. C. D. Deshmukh has been able not only to establish himself as a skilful Parliamentarian but also to dominate himself in the discussions on economic subjects. In other words, just as the Prime Minister, Mr. Jawaharlal Nehru, has been able to establish himself head and shoulders above his colleagues in the political sphere, Mr. Deshmukh has been gradually attaining for himself a similar place in the economic sphere. The combination of these two distinguished men, who are being motivated mainly by the laudable determination to endeavour steadfastly to strengthen the economy of the country in different fields, will do immense good to the country. People will be able to appreciate the good work they are doing in course of time.

Mr. Deshmukh's Reply

Mr. Deshmukh's reply to the debates in Parliament is characterised by some notable features. It is logical as well as analytical; cogent as well as convincing; informative as well as pertinent. For instance, in respect of super-tax payable on dividends from wholly subsidiary Indian companies he observed that the present pattern of taxation had become disincentive to the formation by foreign companies of Indian subsidiaries which could become more beneficial to the economy of the country. He stated that he would be increasing the rebate admissible on dividends received by a foreign company from its Indian subsidiary from one anna to one and a half anna. By doing so, the existing disparity would be halved. He realised that this was not sufficient. So he promised to remove it completely at another stage. The Finance Minister was equally logical in regard to the readjustment of the excise duty on tea, his main motive in this connection being to confer some benefit on the grower, without sacrificing Government revenue. By reducing the excise duty payable by the tea gardens to one anna when they sent out tea in bulk to the markets, Mr. Deshmukh claimed that the initial financial commitment of the tea gardens would be substantially reduced. He made some wise remarks on defence expenditure both in India and Pakistan and said that "instead of wasting our resources in trying to purchase the latest equipment in almost every sector of armament from foreign countries, it would be better to confine our purchases to what is absolutely essential and then to divert resources in the form of capital for starting industries which will enable us to produce these other things." Now that many notable administrative changes have taken place in the Pakistan Ministry, it is to be hoped that Pakistan will hereafter be able to take a realistic attitude and come to an understanding with India on all controversial issues which will be of immense benefit to both the countries.

Wheat Decontrolled in Punjab

The announcement regarding the decontrol of wheat in the Punjab, which will become effective from 15th May next, is yet another landmark in the food administration of the country, indicating the improvement that has taken place in its food supply position during the last few months. The favourable *rabi* harvest throughout North India this year, the anticipation that many of the small irrigation schemes undertaken during the last few years will become productive hereafter, and above all the hope that water will be let down from the Bhakra for a limited area from the forthcoming *kharif* crop resulting in greater outturn of food and commercial crops, had inspired the Punjab Government to take this bold decision. There has already been evidence of a sharp decline in the prices of pulses, the index number of which now stands at 427 (4th April), as against 617 at the end of February last. In East Punjab, after mid-May, there will be no price control of wheat and no rationing. The export of wheat will, however, continue to be prohibited, but movement within the State will be free. Control on rice will be continued as the commodity is required for export. The decision on decontrol of wheat is reported to be the result of an assurance given by Mr. Kidwai, Food Minister to the Government of India, that the Punjab need not contribute 60,000 tons of wheat to the Central Pool, in order to facilitate the smooth working of the decontrol policy. In this connection, the Chief Minister of that State recently observed: "In order to stabilise prices and to ensure some stocks in Government hands in case of any shortage developing in any part of the State during the year, Government will purchase a portion of the arrivals in markets at the market price."

It is likely that the decontrol of wheat will be introduced in the P.E.P.S.U. and the Delhi State also, barring perhaps Delhi proper. Even in the Capital, some relaxations are likely to be introduced in the distribution system, with the result that the Government will be gradually restricting the rationed area so as to lift the entire food control at the opportune time. It is perhaps these developments on the food front that spurred the Government of India's Food Minister to announce at Calcutta early this week that India had no food problem at the present time. If he were able to conclude a successful barter deal in rice with Burma for securing about 3.5 lakh tons of rice extra, he would be able to enrich the stock position of rice for any eventuality. It may be mentioned here that the procurement of rice in West Bengal, Orissa, Madhya Pradesh, etc. has so far yielded very encouraging results.

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exports. Britain's external economy is well founded at the moment but the deration of sugar which is promised will cost some $80 million and more wheat will have to be imported now that a lower extraction rate is allowed to the flour milling industry yielding a whiter loaf. The way that the Wheat Agreement has gone suggests that Britain may have to pay more for her wheat next year than this. With this higher dollar expenditure, it is obviously important that American commodity purchases from the sterling area should remain high. A renewed outflow of gold would certainly lead to demands for more deflation at home and price reductions and a bleaker budget in a year's time. This would clearly not suit the Government's political book and they must, therefore, be confident of continuing to dwell in an expanding economy.—*All Rights Reserved.*

MR. BUTLER'S LARGESSE

OPPOSITION'S INGENIOUS INTERPRETATION

(From Our Own Correspondent)

LONDON, 18*th April*

LONDON LETTER

MR. Butler found that he finished the last financial year with a surplus of £88 million. In the financial year just beginning he estimates that revenue, on the old basis of taxation, would have brought him in £98 million more, as a result of the recovery in trade, while expenditure would be cut by about £92 million. He found himself, therefore, with £278 million in hand. With his deflationary policy at least as successful as he had wished, he decided that the "below the line" expenditure, consisting principally of loans to local authorities and other capital items, could be left to look after itself and need not swallow up the surplus on current account. Accordingly, he decided to aim at carrying forward £109 million of his estimated surplus and to distribute in largesse to the various kinds of taxpayer £169 million.

The income-tax payers are the principal beneficiaries, with a reduction of 6*d.* in the £ at each of the stages of taxation. This reduction varies from 6 per cent. to 16 per cent. and, as far as commercial companies are concerned, will leave them with £45 million more of undistributed profits to plough back into their businesses.

The purchase tax is generally reduced by 25 per cent. and it is thought that this will give a fillip to sales of motor cars and a number of luxury and semi-luxury items which, with reduced spending power, were failing to find a market. Among the personal concessions is an interesting one which allows authors to spread their royalties over two years, instead of being taxed to the full extent in the year in which the income is received.

Mr. Butler regarded his budget as giving a great fillip to production and investment. Apart from the cut in income-tax, the much disliked excess profits levy, penalising progressive companies which increased their profit over those made in a basic year, is to go and increased initial allowances will be made again for tax purposes on plant and machinery, industrial buildings, and mining equipment and buildings.

Opposition Attacks

From the point of view of industry, this does not look at all a bad incentive budget but there are some doubts whether too much incentive is not given to the production of luxury goods. The Opposition could not find much to criticise in the way the largesse was distributed except to point out that the concentration of relief on income-tax gave the most well-to-do more. For instance, the bachelor with £20,000 a year unearned income will get an extra £10 a week, but the married man with two children and an earned income of £10 a week will only get an additional 1*d.* Clearly there is not much incentive to additional production in these cases. But the greatest capital that Mr. Gaitskell could make out of his opponent in office was to say that the fillips which Mr. Butler was giving were necessary to put right the damage done by his deflationary policy. The Chancellor, he argued, was trying to represent that, as a result of a more prosperous economy, there was a budget surplus to be given away, while in truth he "realised that what the budget had to deal with was not a booming economy, flourishing in a splended way, but a stagnating economy, with production flagging, which had to be given a shot in the arm." Mr. Gaitskell obtained loud and prolonged Opposition cheers by his summary that, like last year's budget, "it would fail to produce that rise in production which was long overdue; and like last year's budget it would long be remembered as only one more example of the Tory efforts to put back the clock and strengthen the wealth, power and privilege of the well-to-do." This is excellent polemics and there is no doubt that most of the lower paid workers who do not have to pay income-tax will find little good in what Mr. Butler has done. Nevertheless, by and large, the nation must feel the better for these reliefs.

If we accept, then, Mr. Butler's budget as a "popular" one, it is clear that he is gambling on increased investment as a result of the tax concessions rather than increased spending on consumer goods, and also that there is unlikely to be a significant world recession in trade, starting in America, which would hit British

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PAKISTAN NOTES

NEW MINISTRY STARTS WELL

PAKISTAN-JAPANESE TRADE PACT

THE most dramatic development in the political history of Pakistan so far has been the removal of the Khwaja Nazimuddin Cabinet on the 17th inst. and the appointment of a new cabinet, with Mr. Mohammed Ali, until recently Pakistan's Ambassador to the U.S., as the Prime Minister. The development was sudden, although it was not altogether unexpected; only, it came very much earlier than was orginally thought. Indeed, this is the culmination of a political crisis which had been brewing for a considerable time past, thanks to growing uneasiness at the "extremely difficult conditions" with which Pakistan had been faced. The Pakistan Governor-General's statement, announcing the removal of the Nazimuddin Cabinet, bears eloquent testimony to this. In this statement, the Governor-General observes thus: "There is the very grave food situation. The general economic outlook presents several features which must be dealt with vigorously. The law and order situation needs firm handling. There has been most serious criticism of Government measures and even more of the lack of measures to meet the situation. I have been driven to the conclusion that the Cabinet of Khwaja Nazimuddin has proved entirely inadequate to grapple with the difficulties facing the country."

Pakistan's present problems are indeed formidable. To what extent the new Cabinet—this consists of a few Ministers in the previous Cabinet, such as Mr. Zafrullah Khan and Mr. Mohammed Ali—will be able to set right the economic conditions in the country will be watched with utmost interest throughout the world, and by India, in particular. Immediately after assuming office, Mr. Mohammed Ali, the new Prime Minister, made a unity call to the people of Pakistan. He assured his countrymen that he would endeavour most to ensure "a clean and efficient administration free from corruption and nepotism." With the new regime, one may expect a better understanding and more harmonious relations between India and Pakistan. Indications are provided by the reassuring message of Mr. Mohammed Ali to the Prime Minister of India that it would be his Government's earnest endeavour to promote friendly relations between the two countries.

Food Problem

Mr. Mohammed Ali may be said to have started off quite well. Fortuitously enough, the circumstances also have turned out to be favourable. The biggest problem confronting Pakistan is the persistence of food shortage; the deficit in foodgrains is to the extent of nearly 1.5 million tons. The U.S. Government is expected to give substantial food aid to Pakistan. The State Department is drafting legislation for Congressional approval which would permit shipment of 300,000 tons to 500,000 tons of wheat to this country. The Governments of Australia, New Zealand and Canada have also come forward with food aid to Pakistan under the Colombo Plan. The Australian Government has already announced a gift of £A2 million (Rs. 1.5 crores) for the purchase of 45,000 tons of wheat. The New Zealand Government has announced a grant of £250,000 during 1953-54. The precise amount of Canadian assistance for the current year is now being discussed by Mr. Nik Cavell, Director of the International Economic and Technical Co-operation Division of the Canadian Department of Trade and Commerce, with Pakistan Government officials. These promises are encouraging and should go a long way towards reviving the confidence of the public in the new Government.

The new Government will, of course, find helpful the decisions taken at a two-day Food Conference of the Central and Provincial Governments held in Karachi earlier. The Conference considered the wheat requirements of various Provinces and States for the coming *rabi* year and discussed arrangements for procuring wheat from this year's crop. An important decision taken at the Conference was, besides embarking on long-term plan, to increase the output of the forthcoming summer crop. This is precisely the recommendation made by Lord Boyd-Orr. It was decided that 57,000 tons of fertilisers should be made available to the Punjab(P), 35,000 tons to Sind and 8,000 tons to other areas in West Pakistan. These fertilisers will be made available under the T.C.A. programme by the U.S.A. Additional land would be brought under cultivation by using lift pumps and by digging channels at suitable places.

Trade Pact with Japan

A trade agreement between Pakistan and Japan was signed at Tokyo on the 10th inst. Under the agreement, Japan has agreed to buy from Pakistan commodities worth about £32 million during the current financial year. These include 650,000 bales of raw cotton and 250,000 bales of jute, besides cottonseeds, hides and skins, cotton linters, rock salt, ophedrine, etc. This is in addition to about 200,000 bales raw cotton contracted for during January to March, 1953. Japan has also agreed to supply capital goods and machinery worth at least £6 million on a long-term credit basis, facilitating payment in instalments without any interest. In return, Pakistan has agreed to import £5.5 million worth of cotton fabrics, £1 million worth of cotton yarns, £1.5 million worth rayon and other textiles, and £1.5 million worth metals exclusively from Japan and has, in addition, agreed to throw open general currency area import licences for the first time to Japan.

The quantity of cotton manufactures that Pakistan will import from Japan during 1953-54 under the agreement is estimated at 80 million square yards, as against 191 million square yards in 1952 and 250 million square yards in 1951. The value of cotton to be purchased by Japan is expected to be of the order of £26 million.

Japanese Aid for Agriculture

The signing of the trade agreement by Pakistan and Japan is an indication of the better economic relations between the two countries. Another indication is provided in the attempts now being made to have a long-term agricultural co-operation agreement. A ten-man Japanese agricultural mission, headed by Dr. Y. Togari, a world authority on rice cultivation, is now in Pakistan at the invitation of the Government. During its stay in the country, the mission will tour the different areas, with a view to investigating the possibilities of adopting Japanese methods of rice cultivation. The recommendations of this mission are expected to result in a long-term agreement, under which Japan will send agricultural experts and machinery to Pakistan in return for Pakistani products.

Scientific Research

A call to the people to revive the brightest traditions of a spirit of enquiry and zeal to utilise the resources of nature and knowledge for the service of humanity was made by the Governor-General of Pakistan, Mr. Ghulam Mohammed, while inaugurating the Council of Scientific and Industrial Research at Karachi the other day. "Our needs," the Governor-General said, "are many and our present resources are limited, but, with will and determination, I have no doubt, we shall overcome these handicaps.

The Governing Body of the Council has already taken several important decisions to ensure rapid development of scientific and industrial research organisation in the country. Two important committees have been set up by the Governing Body. The first of these is the Planning Committee, under the chairmanship of Dr. Nazir Ahmad, Chairman, Tariff Commission. It is entrusted with the planning of the central laboratories of the Council in Karachi and with examining the question of setting up of regional laboratories in East and West Pakistan. This Committee is further charged with the selection of site for the central laboratories and drawing up its planning and programme of work. The second committee, of which the Industries Secretary is the chairman, will frame the by-laws.

The Governing Body has also set up a Selection Board for the appointment of the gazetted staff of the Council with powers to co-opt specialists in the branches of science relating to particular appointments of the scientific staff. Sanction for the immediately needed additional staff for the nucleus laboratories has also been accorded. For examining the various research schemes, already received from research scientists of the country, working in the universities or other research institutions, six Research Committees have been set up.

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defence is to be strong and adequate and social services are to be maintained at desirable levels. After allowing for £140 million, estimated as likely to be received as the sterling counterpart of U.S. aid, direct defence expenditure is put at £1,497 million, to which must be added a further £139 million on other defence measures, coming under headings, such as air-raid precautions, stockpiling, etc. The total thus averages more than £30 per head of the population —man, woman and child.

The estimated cost of health and educational services, pensions, housing subsidies and other social services will be higher by £80 million at £1,264 million. Food subsidies, which have been reduced from a level of some £410 million in 1951-52, will cost about £220 million in 1953-54. This brings the total of social payments of all kinds to £1,484 million, which is £152 million less than the total to be spent under defence headings.

Judged by the reception given to the various proposals, the Budget should achieve its objectives. It will reduce the field of certain Government activities and leave more to be done by the private citizen. This will be particularly noticeable in the field of investment, where more activity will be financed out of savings. Other measures will help to reduce the cost of production and make British exports more competitive, thereby aiding the continuing task of improving the overseas balance of payments position, strengthening the sterling area gold reserves, and bringing nearer the day when it will be possible to restore full convertibility to sterling.

THE BRITISH BUDGET

TAX REDUCTIONS PROVIDE INCENTIVES TO INDUSTRY

(By JOHN KINGSLEY)

THREE notable points stand out in the British Budget for the fiscal year to 31st March, 1954, as presented on 14th April last. First, for the first time since the war, no new taxes are imposed. Secondly, a variety of tax reductions provide incentives to workers and industry to increase their earnings and turnover and, in the process, improve Britain's competitive position; these aslo encourage private saving. Thirdly, no attempt is made to provide, out of taxation, for all, or a substantial part of, the capital expenditure on housing, local government building, war damage and other developments which averaged some £575 million over the previous six years.

Such changes are possible, because, although further efforts are necessary, the anti-inflationary monetary policy pursued by the Government has been successful and a balance has been reached on overseas payments earlier than expected. With a prospective surplus of £278 million at old rates of taxation, the Chancellor of the Exchequer, Mr. R. A. Butler, has chosen to pass on a large proportion to a wide range of taxpayers. Income-tax is reduced, cuts are made in purchase taxes, and industry is encouraged to expand by the reintroduction of special tax allowances in the first year on new capital expenditure and the abolition of the excess profits levy imposed a year ago.

In the result, the total ordinary revenue is estimated at £4,368 million, ordinary expenditure at £4,259 million and the prospective surplus at £109 million. As other expenditure of a capital and similar nature is estimated at £549 million, some £440 million of this total will be financed by borrowing to meet outgoings, which, incidentally, will mostly be self-liquidating over future years by repayment from the local government and other bodies to which they are advanced.

Income-tax Reductions

The various tax cuts are estimated to be worth £169 million in the current financial year and £288 million in a full one. As much as three-quarters applies to income-tax, the four rates of which are to be reduced by 6*d.* to 2*s.* 6*d.*, 5*s.*, 7*s.*, and 9*s.* in the pound. (The income-tax rates are 2*s.* 6*d.* in the pound on the first £100 of taxable income, i.e., income after allowances for self, wife, children, etc., have been taken into account; 5*s.* on the next £150; 7*s.* on the next £150; 9*s.* thereafter until £2,000 income a year, when surtax rates begin.) This will directly benefit all income-tax payers, private and corporate. The allowances for dependent relatives and housekeepers also are increased by £10 to £60 and people of 65 with incomes of under £600 a year get some additional relief on their income from investments and property.

The effect of the 6*d.* reduction means that the income-tax payable by a single person earning £500 a year will be reduced from £63 6*s.* 8*d.* to £56 12*s.* 2*d.*, and from £604 7*s.* 9*d.* to £568 10*s.*, if the earned income is £2,000. A married man without children earning £500 a year will have his tax reduced from £36 13*s.* 10*d.* to £32 4*s.* 5*d.*, and one with one child from £14 1*s.* 8*d.* to £11 14*s.* 8*d.* Savings for the higher income groups will be proportionately greater.

Purchase tax reductions—most of them equal to 25 per cent.—will reduce the prices of a wide range of goods, including motor cars, radio and television sets, domestic refrigerators, washing machines, electric and gas fires, sewing machines, cameras, jewellery, perfumes and cosmetics.

Restoration of the initial first-year depreciation allowances at rates of 10 per cent. for industrial buildings, 20 per cent. for plant and machinery, and 40 per cent. for mining works—all allowable against income and profits taxes—will certainly encourage businesses to increase their expenditure on modernisation and in the process to increase their efficiency and competitive powers. It should also help to stimulate the production of British gold and base-metal mining companies operating overseas.

The excess profits levy is to be abolished as from 1st January, 1954. The effect on tax revenue will, therefore, not begin to be operative until about the 1954-55 fiscal year, but in a full year, it should mean a loss of revenue of £125 million at current levels of company profits—the tax is levied only on limited companies.

The reductions in taxation are probably the most that could have been expected, in view of the high rate of spending which is necessary, if

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MODERATE FALL IN PROFIT OF BANK OF BARODA

LIQUIDITY RATIO AT COMFORTABLE LEVEL

THE decline of Rs. 2.97 lakhs or 10.5 per cent. in the profit of the Bank of Baroda Ltd. (General Manager: Mr. Mathew S. D'Souza, Baroda) disclosed by the audited statement of accounts of the Bank for the year ended 31st December, 1952, as compared with those for the previous year, is neither surprising nor serious. It represents, in fact, a relatively smaller recession than that suffered by some of the other Scheduled Banks. An analysis of the accounts indicates that the Bank's turnover was somewhat restricted, as in the case of others. But that does not seem to be the main cause for the decline in profit. For the gross earnings actually show a handsome rise over the year to stand at a record level. A substantial rise in interest paid on deposits and borrowings and a further rise in expenses have cumulatively more than offset the rise in gross earnings. The setback in profit has not necessitated any cut in the return to shareholders who will receive the self-same rate of 12 per cent., made up, as usual, of a dividend of 10 per cent. and a bonus of 2 per cent., which they had received consistently since 1946.

The salient features of the profit and loss account for the year under review and the balance-sheet at the end of the year are presented against the background of those relating to the previous three years in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Interest and discount ..	108.43	97.82	87.41	84.12
Commission and exchange	13.08	13.08	7.52	9.71
Gross income	122.39	111.81	95.80	94.65
Interest paid	46.41	31.97	25,53	24.19
Expenses	50.34	48.32	43.54	37.48
Depreciation and repairs.	0.56	0.72	0.50	0.50
Loss on sale of securities.	..	2·73	..	..
Profit	25.09	28.06	26.21	32.48
To taxation	3.00	3.50	2.00	10.00
,, reserve fund ..	..	7.00	6.75	9.25
,, investment account.	4.50	3.00	..	..
,, bonus to staff ..	5.35	5.25	4.80	5.00
Dividend	12.00 (D. 10% +B. 2%)	12.00 (D. 10% +B. 2%)	12.00 (D. 10% +B. 2%)	12.00 (D. 10% +B. 2%)
Carry forward	2.38	2.15	4·84	4.18

	As on 31st December			
	1952	1951	1950	1949
Capital	1,00.00	1,00.00	1,00.00	1,00.00
Reserve fund	1,28.00	1,28.00	1,21.00	1,14.25
Deposits	29,17.12	31,32.15	31,90.46	30,68.97
Borrowings from other banks	..	21.00	..	..
Advances	14,56.79	19,20.06	15,85.50	14,59.16
Investments	10,96.09	11,05.80	13,97.10	13,65.84
Cash	5,77.25	3,68.91	4,71.74	4,54.73
Balance-sheet total ..	33,73.75	39,47.45	37,29.76	34,34.53
Ratio to deposits of—	%	%	%	%
Advances	49.9	61.3	50.0	47.5
Investments	37.6	34.1*	43.8	44.5
Cash	19.8	11.5	14.7	14.8

* After taking into account the investments earmarked for borrowing from other banks.

The gross income of the Bank has been steadily on the increase year after year, though the pace of increase in 1952 was not of the same order as that in 1951. Whatever increase there has been in gross income has been almost entirely due to the rise in interest and discount earned. While the higher rates of interest that prevailed during the year has thus been helpful to the Bank to earn more, they have also been responsible for the increase in interest paid on deposits and borrowings. This item of expenses has gone up by Rs. 14.44 lakhs, a rise which is much sharper than in any of the previous years. The increase of Rs. 2.02 lakhs in administrative and other expenses, however, is much less than that noted in 1951 or 1950. The decline in profit would have been greater, had there been any loss on sale of securities as in the previous year. Nonetheless, since the depreciation in the Bank's holdings of Government securities has been greater than in the previous year, the Directors have thought it fit to raise the allocation to the investment account from Rs. 3 lakhs to Rs. 4.50 lakhs. No addition to the reserve fund has been possible. The transfer of a sizable sum of Rs. 7 lakhs to this account in the past year was possible because of the increase in the profit for that year and the handsome amount brought in from 1950. The Bank already enjoys a strong reserve position. Consequently, the non-addition of any sum to the reserve fund this year is immaterial. The distribution to the shareholders has been comfortably maintained at 12 per cent. per annum.

The Bank's deposits, as at the close of the year, show a decline of Rs. 2.15 crores, of which current and contingency accounts account for Rs. 1.46 crores, fixed deposits for Rs. 22.98 lakhs and savings deposits for Rs. 46.46 lakhs. A fall in the Bank's activity during the year is indicated by the decline in the bills for collection from Rs. 76.44 lakhs to Rs. 60.29 lakhs and in acceptances on behalf of customers from Rs. 4.07 crores to Rs. 99.10 lakhs. Advances too have declined by Rs. 4.63 crores. As this fall is sharper than that in deposits, the ratio of advances to deposits is perceptibly lower at 49.9 per cent. The decline in investments is negligible, while cash balances are impressively higher, with the result that the combined ratio of cash and investments to deposits is at a very comfortable level of 57.4 per cent. Of the investments, Government securities maturing in 1962 or earlier are shown at book value, while those maturing in 1963 or later, other securities and investments are shown at or below market value. The book value of the securities maturing in 1962 or earlier is Rs. 8.35 crores, their market value as on 31st December, 1952, being Rs. 7.95 crores. In other words, the depreciation on investments, amounting to Rs. 39.38 lakhs, is in short-dated securities only. Accordingly, the Directors have decided not to make any transfer from reserve or other funds to cover this deficit.

HINDUSTAN COMMERCIAL BANK LTD.

The statement of accounts of the Hindustan Commercial Bank Ltd. (Managing Director: Mr. Kishen Chand Puri, Kanpur), for the year ended 31st December, 1952, reveals that the hope expressed by the Directors last year that the Bank's progress would continue in years to come has been realised to some extent. If there has not been any appreciable change for the better in the Bank's results for the year under review, such is to be attributed to the difficult monetary and credit conditions which prevailed during the year. Nevertheless, it is gratifying to find that the profit for the year, after meeting all expenses and depreciation on property, is higher at Rs. 4.80 lakhs, as compared with Rs. 3.90 lakhs for 1951. With the sum of Rs. 65,220 brought in from the previous year, the amount available for appropriation is Rs. 5.46 lakhs, out of which a sum of Rs. 4 lakhs has been utilised to write off bad debts. Last year, the Directors had utilised Rs. 3.80 lakhs for a similar purpose, which had left only a paltry sum of Rs. 65,220 to be carried forward. This year, the sum of Rs. 1.80 lakhs available has been appropriated thus: Rs. 1 lakh to the investment reserve fund; Rs. 35,000 to bonus to staff and Rs. 10,608 to be carried forward.

The following table gives the comparative position of the salient features of the Bank's balance-sheet:

(In lakhs of rupees)

	As at 31st December			
	1952	1951	1950	1949
Capital	125.00	125.00	125.00	125.00
Reserves	15.20	15.20	15.20	15.20
Deposits	450.83	497.88	520.10	575.13
Borrowings from banks.	102.00	84.75	37.00	55.48
Advances	308.47	310.86	305.25	355.79
Investments	289.43	289.66	271.64	271.53
Cash	71.02	86.02	85.43	106.87
Balance-sheet total ..	783.73	810.29	786.39	862.73
Ratio to deposits of—	%	%	%	%
Advances	68.4	62.4	58.7	61.8
Investments*	41.6	41.1	45.1	37.5
Cash	15.7	17.3	16.4	18.6

* Ratio is arrived at after taking into account the securities earmarked for borrowings from banks.

The market value of the Bank's investments, according to the particulars given in its balance-sheet, which was published in full in our last issue, is less than the book value by Rs. 32.15 lakhs, of which depreciation on non-Government securities alone is Rs. 14.72 lakhs. The auditors' report suggests that adequate provision for bad and doubtful debts has not been made. Referring to this, the Directors observe as follows:

"We have examined the list of accounts drawing our special attention, as received from the auditors, and are of opinion that the accounts mentioned therein are either not bad or doubtful or have either been written off or that the Bank holds adequate provision for them."

We are told that the Bank continues its policy of caution and consolidation and of effecting economy in expenses wherever possible.

MADHYA PRADESH'S NEW AGREEMENT WITH RESERVE BANK

A new agreement has been entered into between the Madhya Pradesh Government and the Reserve Bank of India with effect from 1st April, 1953, which provides that the State's minimum balance with the Bank should, with effect from that date, be Rs. 20 lakhs, instead of Rs. 10 lakhs, as provided under the previous agreement of 1937.

The new agreement also provides that the State Government would now be entitled to ways and means advances to the extent of Rs. 40 lakhs, that is twice the minimum balance. The rate of interest on these advances will oe one per cent. less than the Bank rate. The Reserve Bank has agreed to grant short-term loans to the extent of Rs. 2 crores, against cover of Government of India securities owned by the State Government, over and above the limit of ways and means advances, the rate of interest on these varying according to the quantum of accommodation. Thus, interest will be charged at ¾ per cent. below the Bank rate, if the amount does not exceed Rs. 50 lakhs; at ½ per cent. below the Bank rate, if the advances amount to between Rs. 50 lakhs and Rs. 125 lakhs; and at Bank rate, if the amount exceeds Rs. 125 lakhs. It will thus be seen that the larger the advances the higher will be the rate of interest, the underlying idea evidently being to discourage the State from borrowing too much.

SILVER REFINERY

Replying to a question in the House of the People, last week, the Deputy Finance Minister, Mr. A. C. Guha, said that two firms would join in setting up a silver refinery project. The firms were Messrs. Demag Electro Metallurgie, Karlsruhe (Germany), and Messrs. Sepulchre Brothers (India), Bombay. Messrs. Demag, with whom a contract had already been executed, would supply the plant and machinery for the project on payment in instalments of the sum of Rs. 3,65,975 (subject to price variation). The firm would also supervise the work of erection of the plant by Messrs. Sepulchre Brothers. Messrs. Demag had guaranteed proper performance of the plant to the Government of India's satisfaction. A separate contract was being executed with Messrs. Sepulchre Brothers, who would be responsible only for the erection, testing and putting into service of the plant, including its transport to the site of the project.

The total quantity of the quarternary alloy in the shape of coins for refining was about 500 million ounces, from which about 250 million ounces of pure silver were estimated to be extracted. On the basis of the estimated annual output of 23 million ounces of fine silver, the refinery would take about 11 years to finish the work of extracting silver from these quarternary coins.

NATIONAL SAVINGS BANK SUSPENDS PAYMENT

The National Savings Bank Ltd., one of the Scheduled Banks with its head office in Bombay, suspended payment temporarily on Tuesday this week. This step was taken by the Bank following the decision of the Reserve Bank of India to exclude the name of the Bank from the Second Schedule of the Reserve Bank of India Act, 1934, in exercise of the powers conferred upon it under sub-section 6 of the section 42 of the Act. As a result of the Reserve Bank's action, the National Savings Bank would no longer enjoy the Clearing House facilities. The Bank proposes to make an application to the High Court for granting it a memoratorium. The Bank was incorporated in Bombay in 1941, under the Indian Companies Act.

1953 BIF

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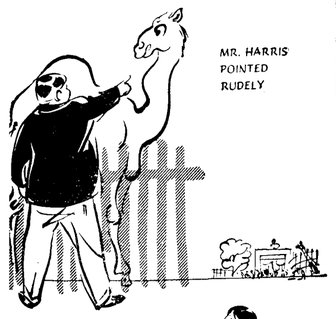



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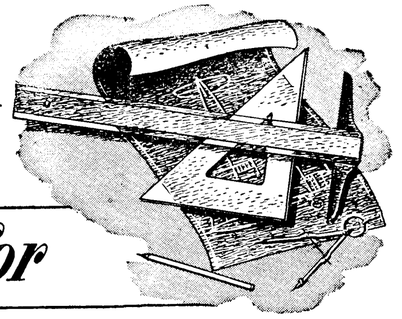

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DEMANDS OF BOMBAY COTTON MILL WORKERS

INDUSTRIAL COURT'S AWARD ANALYSED

AS was briefly reported last week, the Bombay Industrial Court announced its award on the claims of workers in the City's cotton textile mills on the 10th inst. The award, it may be recalled, followed the application filed by the *Rashtriya Mill Mazdoor Sangh*, for modification of the Court's two previous awards announced in May, 1947, and April, 1948, respectively. These awards, *inter alia*, standardised the wages, after fixing the minimum wage at Rs. 30 per month, and fixed the dearness allowance payable to workers at 1.9 pies per day per point rise in the cost of living index number over the pre-war figure (106). In its award in 1948, the Court had said that, if the cost of living index number reached 325, either party—the workers or the mills—would be at liberty to ask for a revision by applying to the Court. The application for revision of the previous awards, it is stated, was necessitated largely by the fact that the cost of living index number had exceeded 325 and showed signs of increasing still further. The main demands that the *Sangh* put forward in its application may be summarised as follows :

(1) The rate of dearness allowance should be revised so as to neutralise completely the rise in the cost of living of an average worker ;

(2) Such revised dearness allowance should be amalgamated with the basic wages at the level of cost of living index number 315 ;

(3) The minimum wage of Rs. 30 per month should be raised ; some standardisation of wages still remains to be done in the case of certain categories ; and

(4) Differentials will have to be revised, if the minimum wage is raised and the existing anomalies removed.

The aforesaid demands of the textile labour were stoutly opposed by the Millowners Association, Bombay, on the score that the financial position of the industry had not improved, as compared with 1946-47, and a large number of workers were not at present having an adequate work-load, so that the efficiency of the workers had deteriorated since the date of the previous award. According to the Association, there was no justification for revising the minimum wage, the differentials or the dearness allowance. The demand for consolidation of basic wage and dearness allowance at a certain level was also opposed, particularly on the ground that, if such a consolidation were to be made, it should be on an all-India basis. It finally contended that, if the existing differentials were to be revised, such a revision should be made only after proper scientific enquiry and a readjustment of the normal work-load for each worker on the basis of such enquiry.

Principle of Compromise

The award of the Industrial Court, as usual, is based on the principle of compromise and, in doing so, it has not departed from its previous practice of making the compromise in favour of workers. Thus, the Court has accepted, albeit partially, the demand of the labourers for an increase in the dearness allowance, though it has rejected all the other demands, as will be shown presently. The award, as is only to be expected, has pleased neither the workers nor the millowners, because it has fallen below the expectations of both. It is not surprising, therefore, that both the parties are reported to have decided to go to the Appellate Tribunal. In the meantime, the consumer, who is a non-participant in the dispute, is left wondering whether he will have to pay higher prices for cloth.

As already stated, the Industrial Court has conceded, albeit partially, the demand for an increase in the dearness allowance of textile workers. Thus, under the award, the amount of dearness allowance, which falls due for payment in the month of June, 1953, and the subsequent months, shall be calculated and paid as under :

10 per cent. of the dearness allowance on the present basis (1.9 pies per day for rise of a point in the cost of living index number) should be added thereto to make up the required amount, provided that the cost of living index number for the month in respect of which the dearness allowance is calculated and paid is more than 325.

In support of its decision to increase the dearness allowance as above, the Court observes as follows :

"There is no doubt that, if practicable, an increase in the dearness allowance is now called for, particularly in view of the fact that, under the Government Provident Fund Scheme, even the lowest paid worker has, for the time being, to part with 6¼ per cent. of his total emoluments, a circumstance which must make it impossible even for the most thrifty worker drawing the lowest pay to make both ends meet. We think that the ends of justice require that the amount of dearness allowance, whenever the cost of living index number exceeds 325, should be increased by 10 per cent., provided that the payment of such additional allowance is not beyond the capacity of the industry. In our opinion, the industry is capable of bearing the burden of this addition. The increase thus given would roughly offset the temporary deprivation of a part of the emoluments of the lowest paid worker on account of the Provident Fund Scheme."

Incidence of Higher Dearness Allowance

As a result of the upward revision of the dearness allowance, the textile worker in Bombay will be getting, on an average, about Rs. 6 more per month or Rs. 72 per annum. Inasmuch as the contribution to provident fund is to be based on the total of basic wage and dearness allowance, he will also get a larger share of the employer's contribution to the provident fund, the actual amount being about Rs. 4-8 per annum. These two are estimated to cost the cotton textile industry an additional sum of over Rs. 1.6 crores. The industry has already been sufficiently burdened with the enormous rise in the cost of machinery, stores and fuel and the compulsory contributions under the Employees' Provident Fund Act, not to speak of the additional excise on cloth and other taxes. There is also the prospect of further additional burdens being placed on the industry on account of the State Insurance Scheme, compulsory welfare funds, labour housing, etc. Considering these and also the imperative need for rehabilitating the worn-out machinery and plant—the aggregate cost of rehabilitation is estimated at about Rs. 120 crores—the upward revision in the dearness allowance now effected is indeed inopportune. It is difficult to appreciate the force of the Industrial Court's observation that "the industry is capable of bearing the burden of this addition." It has not given any reason to substantiate this statement. Further, its line of reasoning suggests that the industry should pay a penalty in the form of higher dearness allowance just because of the introduction of the provident fund scheme which was not their seeking. The Court's argument implies that, if the provident fund had not been introduced, the workers would not have had a case for higher dearness allowance. This interpretation may sound strange, but that is what the Court's argument amounts to.

The Industrial Court has, however, rejected the textile workers' demand for the amalgamation of dearness allowance with basic wages, for, in its opinion, it will not result in any material advantage, in view of the fact that the contributions to the provident fund which both the employers and the employees have to make are on the basis of both basic pay and dearness allowance. Moreover, there is no gratuity or pension scheme applicable to workers nor any other benefit connected with the basic wage alone, so that the benefit will be increased by such amalgamation.

While this decision of the Court is correct, its argument in support of it is defective in principle. Dearness allowance is meant to cover only the increase in cost of living and the quantum of such allowance will fall when the cost of living declines. The question of contribution to provident fund or gratuity does not at all arise in deciding the quantum of this allowance. We are afraid that the Court's argument may later on be quoted by the workers in their favour when the cost of living falls and the rate of dearness allowance has to be reduced. They may then contend that such a reduction should not be made, as it will adversely affect the contribution to provident fund.

The Industrial Court has also declined to grant an increase in the minimum wages from Rs. 30, fixed by the previous award, to Rs. 47 per month. "No sufficient case," says the Court, "has been made out to justify a revision of the minimum wage fixed in the standardisation award of 1947." According to it, it can hardly be said that the conception of minimum wage has so advanced since the date of the standardisation award that the figure for it, which was arrived at by the Court after careful consideration of the relevant facts and arguments, must now be disturbed. In support of this conclusion, the Court has mentioned the following considerations :

(a) "*The Rashtriya Mill Mazdoor Sangh* had accepted, with satisfaction, the minimum wage of Rs. 30 as fixed by the assessors, one of the assessors being no less a labour leader as Mr. Khandubhai K. Desai ;

(b) "It is to be remembered that a very large number of awards have been made since 1947 on the basis of the minimum wage fixed for the cotton textile industry in Bombay, regarding which awards it may be said with truth that they have resulted in the establishment of industrial peace in the case of a large number of industries to a great extent. If the minimum wage in the case of cotton textile industry at Bombay is now increased, it would, in our opinion, be likely to let loose a flood of agitation in other industrial concerns and 'would lead to numerous industrial disputes';

(c) "Another consideration is to be found in the Planning Commission's Report. Says the Commission: 'An increase in wages at this juncture may injure the country's economic stability by raising the cost of production. The volume of employment may also be affected adversely. Wage increase should, therefore, be avoided except to remove anomalies or when the existing rates are abnormally low or if increased productivity can be obtained from renewal or modernisation of plant or to restore the pre-war real wage' ;

(d) "The proper body for the consideration of the general question of price wage structure would be a Commission, appointed by Government, perhaps on an all-India scale, rather than the Industrial Court called upon to consider the limited question of the modification of a single award made by it a few years ago."

A Sensible Stand

These arguments show that, at least in this case, the Court has taken an eminently sensible stand, bearing in mind the general economic conditions in the country. It is, however, surprising that it did not attach the same importance to the Planning Commission's recommendation as it has done here, while sanctioning an increase in the dearness allowance to workers.

The Industrial Court has rejected, too, the workers' plea for a revision of differentials in the emoluments of workers. For the Court does not consider that the ratio of 1 to 4, in the case of emoluments of the lowest paid worker, as compared with the highest paid, is unduly low. It no doubt admits that, since 1947, the profits of some of the textile mills have been fairly large, but points out that the workers have got their shares of such profits by way of increased bonuses. The Court refers, in this connection, to the enormous rise in the cost of replacement and rehabilitation of machinery.

EXPORTS OF COTTON YARN

Replying to a question in the House of the People, Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, said that the export of cotton yarn to be allowed in the current year would not affect the supply of yarn to the handloom industry. According to the Minister, the total free yarn available to the handloom industry is 72,000 bales every month. The allotment for export is 22,000 bales but the actual export figures are not available. There is no destinational quotas. Export permits are given in order to relieve the stock position in mills because of lack of offtake of yarn by the handloom industry for seven or eight months and accumulation of stocks. Allotments for export would be made to mills according to their total output which relate to their deliveries of cotton yarn for internal consumption during 1952. The total quantity of cotton yarn likely to be licensed under this scheme for the half-year January-June, 1953, is estimated at about 26,000 bales. Under this scheme about 200 mills would be eligible to receive allotments for export but so far allotment letters have been issued in respect of 105 mills.

WORLD TRADE IN WOOL TOPS

A striking feature of the world trade in wool tops during 1952 was the marked expansion in the volume of trade, despite the decline in output. According to the latest survey of the Commonwealth Economic Committee, the world trade in tops in 1952 was almost back to the record 1950 level ; the volume of trade in the last quarter was probably larger than that in any other three-month period since the war. The output of wool tops in the nine major producing countries—these account for at least three-quarters of the world total—amounted to only 730 million lbs., as against 770 million lbs. in 1951 and 970 million lbs. in 1950. The bulk of the increase in the quantity of wool tops exported during the year under review was accounted for by shipments from France and Uruguay, thanks to the special measures introduced in these countries for promoting export sales.

OUTPUT OF LANCASHIRE MILLS RISING

REALISTIC ATTITUDE OF WORKERS TOWARDS LOWERING PRODUCTION COST

(From A Special Correspondent)

MANCHESTER, 14*th April*

SOME measure of the leeway still to be made up by the Lancashire cotton spinning industry before the recession in trade is completely surmounted is given by Cotton Board figures of yarn production in the first quarter of this year. Output of cotton, spun rayon and mixture yarn from the mills in January, February and March aggregated 227,930,000 lbs., the returns show. This represents a decrease of 8,350,000 lbs. on the first quarter of last year when the first effects of shortening order books was beginning to be reflected in weekly figures of yarn production.

MANCHESTER LETTER

A clearer picture of the margin between current production and that before the recession hit Lancashire can be obtained by a comparison with production figures for the first quarter of 1951. In the first three months of that year, the spinning mills turned out 263,970,000 lbs. of single yarn—just over 36,000,000 lbs. more than in the comparative period this year. Output figures are now showing a steady upward trend, however. Production has shown an increase in each of the last seven weeks for which returns are available and the level of output is approaching that of 13 months ago. How near the mills can return to the output figures of two years ago, before the recession set in, largely depends on whether the cotton labour force can be built up again to its former proportions.

Training for Beginners

Many important ventures have, in the past, arisen from small beginnings. A new scheme of introducing workers to cotton, planned by a number of mills grouped in the Salford and District Textile Training Guild, may well create a precedent for other areas to follow. School-leavers, who have joined the mills, are beginning this week a short course to prepare them for their daily job, by giving them a wider view of the industry as a whole. On three afternoons for each of the next three weeks, they will hear talks by experts on such subjects as safety, health, wages, quality and the opportunities and responsibilities of operatives in cotton mills.

Many a worker, not only in the cotton trade, has been pitchforked into a job at the outset of his career without realising the implications of the particular task he performs. In an industry as diversified as cotton, it is only right that each operative should have some idea of the varying processes which come before and after his own. If this experiment is successful, the educational authorities at the Cotton Board will doubtless recommend it to other districts and it seems an admirable way of impressing on the juvenile mind the interdependence of the various branches of the industry. A greater realisation of this fact would eventually lead to a reduction of the inter-sectional competition which has for so long been an impediment to progress.

Agreement Still Lacking?

While the younger generation newly entering the sphere of cotton is being taught how each section is interdependent, their elders are still arguing over the lack of co-operation between individual branches of the industry. The trade unions have returned to the attack in the Annual Report of the United Textile Factory Workers' Association, which will be presented to the operatives' conference at the end of the month. This document calls for substantial changes in the pattern of the organisation of the industry, especially in the light of last year's events.

"While the sellers' market continued merrily and profits for all sections remained high, co-operation between the sections functioned reasonably well," the report declares. "But, as soon as the slump came, it was apparent that voluntary agreement on steps necessary to meet the changed conditions would be impossible. Sectional interests, however courteously clothed, were paramount."

The union leaders, as they hinted at the recent conference on double shifts, are highly suspicious of the Yarn Spinners' Agreement, feeling that any sacrifices their members make in reducing productive costs by redeployment, re-equipment, work study techniques and shift working will not be passed on to the consumer, because of the minimum prices for yarn. At the same time, the workers are fully aware of the disastrous internal price-cutting which was rampant in the trade 20 years ago, and they have no desire to see a return to the unrestricted cut-throat competition of that time.

The view expressed by the workers' representatives is that they have a right to be satisfied that their co-operation in reducing costs of production is directed primarily to increasing the competitive ability of the industry and widening the range of demand for its products by reducing prices. They contend that, if the competitive challenge of the time is to be successfully met, it will mean reductions of margins all long the line and not merely concentrated on those sections least able to build up defensive barriers.

Far Eastern Rivalry

Japanese competition can deal the biggest blow to the preservation of Lancashire's export potential, Mr. William T. Winterbottom, the new President of the Master Cotton Spinners' Federation, warned last week. Lancashire is restless about Japanese competition, he said. Whatever the outcome of the discussions on the entry of Japan into the G.A.T.T. (General Agreement on Tariffs and Trade), the British Government must go on doing its utmost to limit Japanese competition inside the Commonwealth.

The biggest immediate danger to Britain's exports came from Japan, declared Mr. Winterbottom, writing in the *Federation of British Industries Review*. Lancashire exporters have welcomed the news that the ban on imports of Japanese textiles into East Africa is to be extended until the end of 1953.

Mr. Arthur Robens, an executive member of the Africa Section of the Manchester Chamber of Commerce and an authority on East African trade, said the decision would create greater confidence to continue the drive on East African markets, in operation since last July. "But," he warned, "Lancashire must take care to keep its prices down, now that we have this golden opportunity in East Africa, so that we can hold the market for ever and not just for the next nine months while the Japanese are kept out."

Empire Cotton Crops

The 1951-52 cotton crop in Empire countries and the Anglo-Egyptian Sudan amounted to 974,500 bales, according to the Annual Report of the British Cotton Growing Association. Although 76,350 bales below the record crop of the 1950-51 season, the production was still 91,500 bales above anything achieved prior to the previous year's record-breaking season. A major factor was a decreased production in the Sudan of over 214,000 bales, although this was partly offset by increases of 74,000 bales in East Africa (Uganda 34,000, Tanganyika 30,000, Kenya 2,000 and Nyasaland 8,000), 37,000 bales in Nigeria and 26,000 bales in South Africa and Southern Rhodesia.

The large decrease in the case of the Sudan was accounted for by extremes of seasons, an exceptionally favourable climatic season in the Sakel cotton areas in 1950-51 being followed by an unfavourable one.

Production by countries last season (with corresponding totals for the previous year in brackets) was: Anglo-Egyptian Sudan 312,000 bales estimated (526,600) ; East and Central Africa 486,300 (411,950) ; Nigeria 113,500 (76,600) ; West Indies 5,800 (6,100) ; Southern Rhodesia 9,500 (4,100) ; Union of South Africa 35,000 (13,800) ; Australia 1,900 (1,400) ; and sundries 10,500 (10,300).

The increases in East African and Nigerian production are described as "particularly encouraging," the main factor being the work and efforts of the various local authorities in co-operating in encouraging the farmer towards bigger production by providing him with better seed, better marketing facilities, and guaranteeing prices over a period. In South Africa and Southern Rhodesia, the report states, the high world price was no doubt the main factor contributing to the increased production. The bulk of the crop was consumed locally.

First shiploads of Brazilian cotton under the £4,000,000 jets-for-cotton barter deal are now on the way across the Atlantic for eventual use in Lancashire mills. Bought by the Raw Cotton Commission in exchange for Meteor jet aircraft supplied to Brazil by the Gloster Aircraft Company, the cotton consists of about 85,000 bales. In its weekly supply figures, the Commission announced that 23,403 bales of Brazilian cotton was at sea scheduled for Britain. Arrivals of 27,503 bales of cotton this week included 17,075 bales on Raw Cotton Commission account. Chief suppliers were American growers who provided 17,179 bales.—*All Rights Reserved.*

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THE BANK OF BARODA, LIMITED

(ESTABLISHED: 1908.)

BALANCE SHEET AS AT 31st DECEMBER, 1952.

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. CAPITAL—		
AUTHORISED CAPITAL— 2,50,000 Shares of Rs. 100 each	2,50,00,000 0 0	
ISSUED CAPITAL— 2,00,000 Shares of Rs. 100 each	2,00,00,000 0 0	
SUBSCRIBED CAPITAL— 2,00,000 Shares of Rs. 100 each	2,00,00,000 0 0	
AMOUNT CALLED UP at Rs. 50 per Share		1,00,00,000 0 0
2. RESERVE FUND AND OTHER RESERVES		1,28,60,000 0 0
3. DEPOSITS AND OTHER ACCOUNTS—		
Fixed Deposits	13,06,57,510 4 1	
Savings Bank Deposits	5,51,54,196 10 4	
Current Accounts, Contingency Accounts, etc.	5,59,03,191 12 8	
		24,17,11,940 11 6
4. BORROWINGS FROM OTHER BANKING COMPANIES, AGENTS, ETC.—		
(i) In India	Nil	
(ii) Outside India	Nil	
		Nil
5. BILLS PAYABLE		17,61,992 11 3
6. BILLS FOR COLLECTION BEING BILLS RECEIVABLE as per contra—		
(i) Payable in India	51,72,455 4 7	
(ii) Payable outside India	8,56,297 1 10	
		60,28,752 6 5
7. OTHER LIABILITIES		42,23,914 9 1
(Including Branch adjustments Rs. 33,51,922-12-1)		
8. ACCEPTANCES, ENDORSEMENTS AND OTHER OBLIGATIONS per contra		99,10,222 13 6
9. PROFIT AND LOSS—		
Profit as per last Balance Sheet	9,14,790 8 6	
Less—Appropriations	7,00,000 0 0	
Add—Profit for the year brought from the Profit and Loss Account	2,14,790 8 6	
	25,08,591 12 11	
	27,23,382 5 5	
Less—	Rs. a. p.	
Ad-interim dividend paid at 10 per cent. per annum for the half-year ending 30th June, 1952 (free of Income-tax).	5,00,000 0 0	
Provision for Taxation	3,00,000 0 0	
Amount transferred to Bank's Investment Account	4,50,000 0 0	
Bonus to Staff	5,35,000 0 0	
	17,85,000 0 0	
		9,38,382 5 5
10. CONTINGENT LIABILITIES—	Rs. a. p.	
(i) On partly paid shares of Joint Stock Companies	3,00,500 0 0	
(ii) Claims against the banking company not acknowledged as debts	5,32,760 7 6	
(iii) Money for which the banking company is contingently liable (including Rs. 5,000 for guarantees given on behalf of officers of the Bank)	2,47,328 14 6	
(iv) Liabilities on Bills of Exchange rediscounted	Nil	
(v) Liability on account of outstanding Forward Exchange Contracts	47,91,963 1 0	
Total .. Rs.		33,73,75,205 0 2

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.	Rs. a. p.
1. CASH—			
In hand and with Reserve Bank and Imperial Bank			3,69,90,336 10 1
2. BALANCES WITH OTHER BANKS IN CURRENT ACCOUNT:			
(i) In India		1,99,32,592 13 3	
(ii) Outside India		7,71,12 11	
			2,07,41,504 10 2
3. MONEY AT CALL AND SHORT NOTICE			Nil
4. INVESTMENTS			
(i) Securities of the Central and State Governments and other Trustee Securities—			
(a) Securities maturing in 1962 or earlier at book value	Rs. a. p. 8,34,67,159 12 5		
Face value .. 8,35,60,600 0 0			
Market value 7,75,29,987 0 0			
(b) Securities maturing in 1963 or later at or below market rate ..	1,09,20,789 13 2		
(c) Trustee Securities (for which there are no market quotations) at cost	10,00,000 0 0		
		9,53,88,249 9 7	
(ii) Shares at or below market rate—	Fully Paid Rs. a. p.	Partly Paid Rs. a. p.	
(a) Preference	32,78,025 12 0	Nil	
(b) Ordinary	23,54,096 1 6	5,14,254 15 11	
(c) Deferred ..	Nil	Nil	
	56,32,021 14 3	5,14,254 15 11	
		61,47,173 14 2	
(iii) Debentures or Bonds at or below market rate		80,73,775 0 0	
(iv) Other investments		Nil	
(v) Gold		Nil	
			10,96,09,198 7 9
5. ADVANCES—			
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)			
I. Loans, Cash Credits, Overdrafts, etc.—	Rs. a. p.		
(i) In India	13,22,84,469 12 10		
(ii) Outside India	Nil		
		13,22,84,469 12 10	
II. Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—			
(i) Payable in India	1,15,18,217 10 11		
(ii) Payable outside India	18,76,645 15 1		
		1,33,94,863 10 0	
			14,56,79,333 6 10
PARTICULARS OF ADVANCES—	Rs. a. p.		
(i) Debts considered good in respect of which the banking company is fully secured	12,97,48,228 10 0		
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	1,56,43,476 5 10		
This includes—			
Advances under joint and several Promotes and Bills Discounted .. 1,49,43,596 8 4			
Advances to individual parties 6,99,879 13 6			
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	2,87,628 7 0		
(iv) Debts considered doubtful or bad, not provided for	Nil		
	14,56,79,333 6 10		
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	5,265 4 3		
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	3,31,54,326 6 8		
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	6,519 8 3		
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	4,46,84,997 9 10		
(ix) Due from banking companies	11,82,671 12 10		
6. BILLS RECEIVABLE BEING BILLS FOR COLLECTION as per contra—			
(i) Payable in India		51,72,455 4 7	
(ii) Payable outside India		8,56,297 1 10	
			60,28,752 6 5
7. CONSTITUENTS' LIABILITIES FOR ACCEPTANCES, ENDORSEMENTS AND OTHER OBLIGATIONS per contra			99,10,222 13 6
8. PREMISES LESS DEPRECIATION—			
Premises at cost to 31st December, 1951		24,03,234 12 0	
Additions during the year		3,29,153 14 0	
		27,32,388 10 0	
Less—Total depreciation to date		7,41,244 8 5	
			19,91,144 1 7
9. FURNITURE AND FIXTURES LESS DEPRECIATION—			
Furniture and Fixtures at cost to 31st December, 1951		10,81,627 9 5	
Additions during the year		1,25,252 8 1	
		12,06,880 1 6	
Less—Sales during the year		762 0 0	
		12,06,118 1 6	
Less—Total depreciation to date		4,35,656 12 11	
			7,70,461 4 7
10. OTHER ASSETS—			
(i) Compulsory Excess Profits Tax Deposit		7,01,563 0 0	
(ii) Advance Payments of Tax		4,24,784 6 0	
(iii) Estimated amount of Double Taxation Relief due from Indian Dominion and Refund of Income Tax due from Baroda State Authorities		25,00,000 0 0	
(iv) Interest accrued on Investments		6,91,677 15 8	
(v) Stamps and Stationery		1,05,184 13 10	
(vi) Silver		Nil	
			44,23,210 3 6
11. NON-BANKING ASSETS ACQUIRED IN SATISFACTION OF CLAIMS AT OR BELOW COST			12,38,040 15 9
Total .. Rs.			33,73,75,205 0 2

(Continued on next page)

MANUFACTURE OF RAYON FROM BAGASSE

PHILIPPINES GIVE THE LEAD

OF considerable interest and importance to the Indian rayon industry, as also to the sugar industry, is the report from Manila that rayon fabrics will be produced from bagasse, the sugarcane waste, at a factory being built near Bacolod, Central Philippines. The rayon filament industry in India, as it has developed at present, is dependent, to a large extent, on foreign countries for its raw materials, especially dissolving pulp, although plentiful supplies of materials required to produce the pulp are available in the country itself. If, therefore, the rayon industry is to be strengthened, it is of the utmost importance that great attention should be devoted to the manufacture of pulp in India. The need for this has become all the greater, now that the rayon industry has been accorded a very high place—fourth place, to be precise—in the Five-year Programme of industrial development allocated to the private sector. And in this venture, the experience of the Philippines sugar industry in establishing a plant for the production of purified rayon pulp from bagasse will doubtless be of immense value.

The utilisation of bagasse for the manufacture of rayon pulp is also important for the sugar industry, in that it will go a long way towards reducing the cost of sugar production which is at present high in all conscience. Supplies of bagasse in the country are plentiful. Even on a conservative estimate, the quantity of bagasse available is of the order of over 11 million tons per annum, excluding the quantity left after *gur* and *khandsari* manufacture. As a result of the absence of sufficient commercial use, the major portion of bagasse is now being utilised as fuel.

To revert to the proposed factory for the manufacture of rayon fabrics from bagasse in the Philippines. This venture is said to be the first of its kind in the world. A corporation, with a capital of 60 million pesos ($30 million), has been formed by the proprietors of four big sugar factories on the island of Negros to establish the industry. Of this capital, 95 per cent. is to be contributed by the owners of sugar factory group, independent sugarcane planters associated with the factories and local banks. The remaining 5 per cent. will be retained by the American technical associates and advisers, Messrs. Oscar Kohorn and Co., Ltd. (New York).

The most outstanding feature of the new enterprise is that the entire process of converting the bagasse to purified rayon pulp, to filament rayon yarn and staple, to spun rayon yarn, to crepe and novelty yarns, to woven grey goods, and, ultimately, to dyed, printed and finished rayon fabrics will take place under one roof. A new town site on the banks of the Bago River has been selected to accommodate the plant and house the 2,500 workers and their families, as well as all the necessary services and subsidiary trades that such a population would require and attract. Adequate water and rail transport facilities already exist at the site.

The proposed factory, which is expected to go into full production by 1955, will have 850 looms with an aggregate productive capacity of 33 million square yards of dyed and finished rayon textiles per annum. The total quantity of bagasse (with 60 per cent. moisture content) that will be utilised is estimated at 20,000 tons per annum; the rate of production of pulp will be 10 tons per day. It is interesting to note, in this connection, that supplies of bagasse to the rayon plant will be made available by the sugar factories free of charge till such time as the total investment is recovered, after which a royalty of 6 per cent. of the net profit will be paid. With a view to making the industry self-sufficient, the sponsors of the scheme have also proposed to set up plants for producing sulphuric acid, carbon bisulfide, caustic soda and chlorine—some of the most important raw materials—besides a water purification plant, a complete workshop, and chemical and textile laboratories.

The technical management of the plant will be under the well-known American technical associates and advisers, Messrs. Oscar Kohorn and Co., Ltd. (New York). They have a staff of 80 expert chemists, engineers and other specialists, with rich experience in the establishment of new rayon plants all over the world. Philippine engineers and chemists will also be sent for training to different plants operated by Kohorn in other countries, so as to be able to take over, at the earliest possible date, the operation of the plant from the Kohorn experts.

The proposed rayon plant is bound to play a vital role in the economy of the Philippines. Besides giving employment to a large number of persons and contributing to Government revenues, it will result in the saving of much precious foreign exchange which is now being spent on imports. The Philippines has been spending, on an average, about 100 million pesos ($50 million) on imports of rayon fabrics. The quantity actually imported during the last three years amounted to 21 million yards, 27 million yards and 50 million yards, respectively. It will thus be noted that the factory, when completed and worked to full capacity, will be able to meet the major portion of the Island's needs of rayon fabrics.

PAKISTAN COTTON FOR JAPAN

Raw cotton figures prominently in the trade agreement between Pakistan and Japan signed at Tokyo on the 10th inst. Under the agreement, Japan will purchase 650,000 bales of raw cotton from Pakistan during the current (1953-54) financial year. This is in addition to the 200,000 bales contracted for during the period January to March, 1953. The agreement, coupled with the reports that China is enquiring for Pakistan cotton and that fairly large quantity of new crop cotton has been sold through normal commercial trade channels recently, has been received well by cotton traders in Pakistan. Some are even so optimistic as to declare that the critical position of Pakistan's silver fibre has almost disappeared. The optimism is based on the fact that a fairly large quantity of new crop cotton has already been sold through normal commercial channels and that foreign buyers are now showing increased interest in Pakistan cotton, which, it is said, is still cheaper than the comparable U.S. types. Old crop stocks had been cleared earlier in the year through special barter deals. The carry-over stocks at the end of the current cotton season is estimated at not more than 200,000 bales.

The U.K. Raw Cotton Commission, it is reported, has not been buying Pakistan cotton lately. This is evidently due to changes in the U.K.'s buying arrangements. The total quantity of cotton (current season's crop) so far purchased by the Commission is estimated at not more than 40,000 to 50,000 bales, in the previous season, it had bought 80,000 bales.

The total quantity of raw cotton exported from Karachi so far during the current season (upto 2nd April, 1953) amounts to 998,300 bales, as compared with 778,500 bales in the corresponding period of the previous season. Despite the increase in exports during the current season, stocks at Karachi are still high, being a little over 700,000 bales.

QUALITIES OF U.S. COTTON

Cotton produced in the United States to-day is strikingly superior in two important qualities—fibre length and fibre strength—to that grown only a decade ago, according to plant scientists of the U.S. Department of Agriculture. The improved fibres make stronger and more easily processed yarns and fabrics. This is the result of a survey by Mr. J. E. Hite, cotton agronomist for the Bureau of Plant Industry, Soils and Agricultural Engineering. Mr. Hite compared the two fibre properties of the commercial cottons most widely grown in 1939-41 with those of 1949-51. He chose 1939-41 as the earliest three-year period in which newly devised instruments were used to make rapid determinations of fibre qualities in small amounts of cotton from the breeding plots.

In previous research, the scientists had established the importance of fibre length and fibre strength in the spinning performance of a cotton and had shown that these were inherited. Cotton breeders use fibre length and strength as a guide in making selections and crosses in varietal improvement.

The survey shows that new varieties with increased fibre length and fibre strength are being grown across the cotton belt. The average length of fibres (as measured on a Fibrograph) of nearly 12 million bales produced in the first period was .98". The average index of fibre strength, as indicated on a Pressley strength tester, was 6.78. Ten years later, the average fibre length of nearly 14 million bales was 1.04" and the index of average fibre strength was 7.23. The plant scientists see the 10-year gains as only the beginning of cotton fibre improvement that can be accomplished through research.

A draft specification for mercerised cotton fabric for gliders has just been circulated to textile interests in the country by the Indian Standards Institution. This draft specification prescribes constructional details and other particulars of mercerised cotton fabric used for covering gliders with wing loading up to 8 lbs. per sq. ft. and "placard never-exceed-speed" up to 135 miles per hour. The specification has been formulated by the I.S.I.'s 20-man Sectional Committee for Cotton Yarn and Cloth at the request of the Directorate General of Civil Aviation.

THE BANK OF BARODA, LIMITED—*Continued.*

Profit and Loss Account for the Year Ended 31st December, 1952

EXPENDITURE	Rs. a. p.	Rs. a. p.	INCOME (Less Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. a. p.	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.		46,40,897 13 8	1. Interest and Discount		1,08,43,420 11 8
2. Salaries and Allowances and Provident Fund— (i) To General Manager	1,08,186 3 0		2. Commission, Exchange and Brokerage		13,07,620 6 9
(ii) To other Members of the Staff	37,89,709 10 7		3. Rents		34,442 0 0
		38,97,895 13 7	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets		Nil
3. Directors' and Local Committee Members' Fees and Allowances		49,110 2 0	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets		Nil
4. Rent, Taxes, Insurance, Lighting, etc.		3,09,180 8 11	6. Income from Non-banking Assets		52,040 0 0
5. Law Charges		39,103 3 9	7. Other Receipts		1,494 12 0
6. Postages, Telegrams and Stamps		1,49,701 5 11			
7. Auditors' Fees		15,000 0 0			
8. Depreciation		55,668 2 9			
9. Depreciation on and Repairs to the Banking Company's Property		2,30,935 7 5			
10. Stationery, Printing, Advertisement, etc.		36,275 2 0			
11. Expenditure on Non-banking Assets		3,06,568 5 6			
12. Other Expenditure		25,08,591 12 11			
Balance of Profit					
Total .. Rs.		1,22,39,017 14 5	Total .. Rs.		1,22,39,017 14 5

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have audited the above Balance Sheet of the Bank of Baroda, Ltd., as at 31st December, 1952, and also the above Profit and Loss Account of the Bank for the year ended on that date, in which are incorporated the audited returns from Bombay, Calcutta, Ahmedabad and Surat Branches, and the authenticated returns from the other Branches and report that :—

(*a*) We have obtained all the information and explanations we have required, and have found them to be satisfactory ; (*b*) in our opinion, the said Balance Sheet and the Profit and Loss Account are drawn up in conformity with the law ; (*c*) such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us and as shown by the books of the Bank ; (*d*) in our opinion, the books of the account have been kept by the Bank as required by law ; (*e*) the transactions of the Bank which have come to our notice are within the powers of the Bank ; (*f*) the returns received from the Branch Offices of the Bank have been found adequate for the purpose of our audit ; and (*g*) the profit and loss account shows a true balance of Profit and Loss for the period covered by the accounts.

K. S. AIYAR & CO.,
N. M. RAIJI & CO.,
Chartered Accountants.

BARODA, 31*st January*, 1953.

TULSIDAS KILACHAND, *Chairman.*
DURGAPRASAD S. LASKARI,
KANTILAL NAHALCHAND,
ANANDLAL HIRALAL,
CHINUBHAI CHIMANBHAI,
ARVIND N. MAFATLAL,
B. K. DAPHTARY. } *Directors.*

GOPAL Ch. BASU,
Ag. Accountant.

MATHEW S. D'SOUZA,
General Manager.

SALES TAX ON SUGAR IN U.P. RAISED

KANPUR MERCHANTS' PROTEST

IT was only two weeks ago that we referred, in these columns, to the causes for the high price of sugar in India and stated that there could be no possibility of sugar being made cheaper for consumers, to any substantial extent, unless the Governments were prepared to reduce their taxes on it. It is unfortunate that the Governments should, instead of realising this and reducing the incidence of the various taxes on the industry, go on increasing them. Thus, the Government of India had enhanced the excise duty on sugar some time ago. Some time later, the Bihar Government raised the sugarcane cess. A few days ago, the Hyderabad Government decided to levy a cess on sugarcane crushed in the factories for production of sugar. Now the Government of Uttar Pradesh has increased the sales tax on sugar from two pies to six pies in the rupee. As a result of this increase, the price of sugar in the U.P. has gone up by more than As. 9 per maund. Consequently, the additional revenue to the Government will be of the order of Rs. 1.37 crores.

The U.P. Government's move to enhance sales tax on sugar is, indeed, regrettable and goes counter to the declared objective of reducing the price of sugar. A look at the history of the Indian sugar industry ever since its inception, more especially since the end of the Second World War, will clearly reveal that sugar prices have all along remained very high *vis-a-vis* other sugar producing countries. The average price of sugar now ruling in India is, despite the reduction in sugarcane prices, as high as Rs. 30 per maund, against Rs. 14 in the world market. It is this high price of sugar which is responsible mostly for retarding the consumption of sugar in the country.

The U.P. Government's decision to raise the sales tax on sugar has met with strong protest from traders. The Kanpur Sugar Merchants' Association, for instance, has submitted a memorandum to the State Government (as also to the Government of India) drawing its attention to the adverse effect of the higher sales tax on the distribution system of sugar merchants and urging refund of tax on sugar exported to areas outside the State. The very distinctive qualities of all the important distribution centres in the State, the Association declares, will be completely annihilated if the refund of tax is not allowed to the sugar trade on exports to areas outside the State. In support of this contention, it observes as follows:

"Under the sales tax constitution, the mills are free to despatch sugar outside the State without the charge of sales tax either from their mill godowns or from some other distributing centres from where booking facilities are available to them. The result will be that, in order to swallow the sugar trade of various important centres in the State, the manufacturers will open their own sale depots and will despatch sugar outside the State, thus reaping the full advantage of the sales tax. The sugar merchants, on the other hand, will not be able to compete with these manufacturers at the distributing centres, as they will have to pay sales tax on their stock-holdings at the rate of six pies per rupee, which comes to As. 13-6 per maund. Naturally the customers of the various districts in the adjoining States will not purchase their requirements from the sugar merchants whose sugar will be dearer to them by As. 13-6 per maund than the sugar of the mills' depots at such centres."

Proceeding, the Association points out that Kanpur is the main distributing centre for sugar in the whole of Northern India. According to it, there is record to show that, during the previous year, about two lakh bags of sugar were despatched from Kanpur to various districts of the adjoining States. If, therefore, refund of sales tax is not allowed to sugar merchants at various centres on their stock-holdings—the business of these merchants mainly depends on the dealings with customers scattered at various places outside the side—they will be completely ruined. The Association also points to the increasing competition in distribution of sugar between the mills and the merchants. Thus, it is stated that, till now, when the sales tax on sugar was only two pies per rupee, there was no wide difference in price and the business of merchants at various centres with the State was not disturbed much. Now, the sugar mills have taken full advantage of the increase in sales tax "by capturing the business of sugar merchants at the various important centres of the State by way of offering sugar to the customers of the adjoining States at lower prices." For this purpose, they will keep the goods on their account. The sugar merchants, on the other hand, will be totally deprived of their heriditary business, as they will not be able to compete with the sugar mills, who, under the Constitution, are exempted from the charge of sales tax.

In view of all these, the Association has urged upon the U.P. Government to grant refund of sales tax on stocks of merchants meant for export to places outside the State. In this connection, it suggests that such refund may be allowed on presentation of railway certificates to prove that sugar has been really despatched for consumption outside the State. This is indeed a pertinent suggestion. In fact, according to Article 286 of the Constitution, imposition of sales tax on goods sold for consumption outside a State is prohibited.

SUGAR SUPPLIES IN U.K.

Thanks to the comfortable sugar supply position, the days of sugar rationing in the United Kingdom may be said to be almost over. Mr. Ian D. Lyle, a Director of Messrs. Tate and Lyle Ltd., well-known sugar refiners in the U.K., for instance, declared at Eastbowne recently that the sugar crop estimates, particularly in South Africa and Australia, were so favourable that sugar rationing could not go on far into 1954 "at the very worst." To deration sugar, Mr. Lyle said, an extra 500,000 tons per annum were needed to satisfy the country's unrestricted requirements of 2.5 million tons. According to him, the supplies of sugar available will be more than this quantity, the actual estimate being 2.6 million tons. This includes 1.8 million tons imported from the Commonwealth sugar-producing countries, 600,000 tons of home-grown beet sugar and about 200,000 tons to be imported from the soft currency areas.

The quantity of 2.6 million tons, Mr. Lyle said, was adequate to deration sugar in the U.K. Nevertheless, he pointed out that 600,000 tons of Empire and soft currency sugar were being diverted from the U.K. to the sterling area countries. Despite this diversion, however, the supplies of sugar in the U.K. will be plentiful. For, as the Chancellor of the Exchequer disclosed in his budget speech last week, the British Government had arranged to buy, at an advantageous price, one million tons of "surplus" sugar from Cuba. There does not, therefore, seem to be any justification for the continuance of sugar rationing in the U.K. According to Mr. Lyle, "there is little doubt that the present Government is eager to decontrol sugar when it sees the way clear."

That the British Government is anxious to lift sugar rationing will be evident from the statement of the Chancellor of the Exchequer which reads thus: "Our purpose is to end sugar rationing and the allocation of sugar to food manufacturers, and we shall now be able to do so soon. The details are still being worked out, and I cannot announce the precise date on which rationing will end. It will take some time to get enough sugar refined and distributed. But, as a preliminary step, the ration will be increased by 2 ozs. on 17th May. The cost to the balance of payments of the extra sugar will be partly offset by a substantial fall in our imports of expensive substitutes. After rationing has ended, the present small subsidy on sugar for domestic use will end too, but it is by no means certain that this will lead to a rise in price. The ending of this particularly irksome piece of rationing will, I know, be tremendous encouragement to every housewife."

The total production and despatches of sugar for the current (1952-53) sugar season amounted to 980,930 tons and 540,130 tons, respectively, as against 1,035,825 tons and 418,934 tons during the corresponding period of the previous season.

The opening stock, production, despatches and closing stock of sugar during the fortnight ended 15th March, 1953, were 800,389 tons, 126,275 tons, 63,507 tons and 863,157 tons, respectively. The figures for the corresponding fortnight of the previous season were 678,781 tons, 114,031 tons, 58,366 tons and 734,446 tons.

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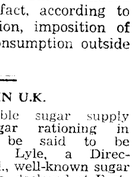

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LABOUR IN COAL MINES

REVISION OF 1947 CONCILIATION AWARD DEMANDED

A DEMAND for revising or replacing the 1947 Conciliation Board Award relating to the coal industry has been made by a section of workers. It will be recalled that, after World War II, there was great unrest among the colliery workers due to high price of the necessities of life and that a Conciliation Board was set up to examine this problem. The award of the Board, which defines terms and conditions of service, was submitted in 1947 and came into force from May the same year. The Award was then hailed as an important milestone in the coal miners' progress.

But, now after six years of working, it has come in for a good deal of criticism from among the ranks of labour. Mr. M. John and Mr. Hariharnath Shastri, President and General Secretary of the Indian National Trade Union Congress, respectively, have threatened to launch a strike, if the Conciliation Award was not revised in the near future. While addressing the Miners' Day meeting held recently at Jharia, they contended that, as compared with the level of wages prevalent in other important industries, the standard prescribed by the 1947 Coal Board Award was very low now. It is the considered opinion of the I.N.T.U.C., as well as of other trade unions, as pointed out in the Minute of Dissent of their representatives to the Working Party Report 1951, that the Award does not provide for anything like minimum living wage for the workers. Not only are the rates of wages low, says the I.N.T.U.C., but there is no grading system for different categories of workers in the coal industry. It admits that, of late, some big groups of employers have introduced the grading system, but points out that the small employers have done nothing in this respect. It also alleges that the question of standardisation of wages was neglected by the Conciliation Board.

The employers' organisations are against revising or reopening the Conciliation Award. The Indian Mining Association says, in a memorandum on the economic conditions of the coal industry, submitted to the Government of India, that "not only does the industry extend substantial benefits to its labour force under the terms of the Conciliation Board Award but those concessions have been considerably increased by liberal interpretations, particularly what is known as the Joshi Agreement, which have subsequently been placed upon the Award." Any revision of the wage structure especially now, when the cost of production is increasing at an abnormal rate, would, the colliery owners emphasise, only aggravate the ills the industry is suffering at present, by increasing the costs of the industry further.

A brief analysis of the present position of the industry discloses that the demand of labour for the revision of the Conciliation Award is not timely. The industry is in need of substantial relief from the many burdens placed on it, in recent years. The biggest item of cost relates to the supply of foodgrains at concession prices to colliery labour. The loss, as a result, to the industry at the rate of about Rs. 18 per maund is estimated at Rs. 6 lakhs to Rs. 7 lakhs per week. The price of colliery stores has gone up very substantially; it has been calculated that the expenditure on stores, expressed as cost per ton of coal raised, has increased by As. 3 to As. 9 per ton since 1947. The operation of the Mines Act, 1952, is said to have involved the industry in increased expenditure on labour.

In these circumstances, the question of revising the structure of workers' wages should be deferred till the return of better days. In fact, the Government should grant the industry some substantial measure of financial relief, even of interim character, to tide over the present stringent financial circumstances. We feel that, if the Award is re-opened, it is labour that will suffer most. For, whatever may be the arguments, based on humanitarian grounds, for increasing the present structure of wages, ultimately it is the paying capacity that is to decide the overall remuneration of the workers. Judged by the existing circumstances, labour is definitely getting more than what the industry can afford to pay. Further, if the wages of workers in this industry were to be increased, then a rise in the prices of coal over and above the restoration of the partial price-cut demanded, would be inevitable. This would lead to the revival of inflationary spiral of rising wages and prices all round in other industries, and this would be detrimental to the economic development of the country under the Five-year Plan.

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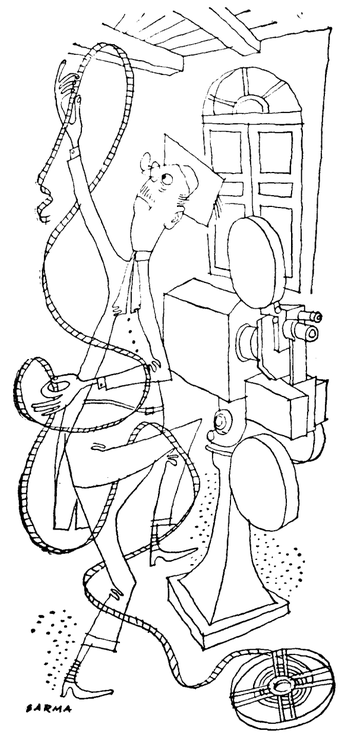

BURMAH-SHELL... IN INDIA'S LIFE AND PART OF IT



JUTE MISSION LEAVES FOR AUSTRALIA

CUT IN PRODUCTION UNDESIRABLE

THE Indian Jute Mills Association's trade delegation left Calcutta on the 15th inst. on its four weeks' tour of Australia and New Zealand. The delegation consists of Mr. J. G. Walton, Deputy Chairman, I.J.M.A., Mr. D. P. Goenka, Vice-Chairman, I.J.M.A., and Mr. L. K. Jha, Joint Secretary, Ministry of Commerce and Industry. The delegation may also visit Burma, Indonesia and other countries on its way back. As already stated in these columns, the object of the delegation is to make a first-hand examination of the factors affecting the demand for gunnies in Australia and New Zealand.

The purpose of the trade delegation was clearly explained at a Press Conference held at Calcutta before the departure of the delegation, by Mr. G. J. Gardner, Chairman of the I.J.M.A. The delegation had been sponsored, he said, by the I.J.M.A. in furtherance of its policy of exploring means for "actively and aggressively" developing markets abroad for Indian jute goods. The Association's goodwill mission to the U.S.A. last October and the publicity campaign under way in that country were part of the same policy, he said, and added that a delegation similar to the one now visiting Australia would be sent by the I.J.M.A. to Burma, Indonesia and other countries to collect information about the conditions of jute goods markets there.

Mr. Walton who also addressed the Press Conference explained that this mission was different from the one that went to the U.S. last year. In addition to promoting goodwill, the delegation visiting Australia and New Zealand would function as a fact-finding body with the object of helping in the development of the markets for Indian jute goods in these countries. "It would make," he added, "a first-hand examination of the present state of the Australian and New Zealand markets and of factors affecting the demand for, and the consumption of, gunnies and try to estimate future trends on a long and a short-term basis." Continuing, Mr. Walton said that the delegation would hold talks with trade circles in the countries visited and would, therefore, also serve to establish useful personal contacts between the manufacturing industry and its customers. He further stated that, as one of the world's main producers of primary agricultural commodities, and in particular of wheat and wool, Australia naturally made large use of jute goods for packaging and distribution purpose and, with an annual offtake of gunnies amounting, in normal years, to between 80,000 and 90,000 tons, the country constituted one of the Indian jute industry's most important individual markets, particularly for sacking. New Zealand being also a substantial primary producer, especially of wool, consumed jute goods on a considerable scale. He reiterated the view that the Australian and New Zealand mission represented a further extension of the Association's post-war policy of maintaining a close touch with overseas markets, studying the needs and problems of individual consumers and providing a service to users of packaging materials which would enable jute goods to maintain and extend their long-established lead in this field.

Answering a question, Mr. Walton stated that the main factors affecting the demand from Australia and New Zealand for Indian jute goods were bulk handling and the use of substitute packaging material. In recent years, there had been, he observed, some variation in the offtakes by these two countries of jute goods which depended largely on the condition of crops there. There was no reason to believe that the markets there could not be expanded.

Incidentally, Mr. Walton welcomed the Government's decision to send Mr. L. K. Jha along with the delegation. The inclusion of Mr. Jha in the delegation, he said, was an encouraging indication of the Government's interest in the retention and expansion of the jute industry's foreign markets.

The delegation, as was pointed out in these columns a fortnight ago, has been the outcome of the Government's reported decision not to permit the jute mills to effect a further cut of 7½ per cent. in the total looms now in operation. However, despite this decision, rumours have been afloat that the Centre would revise its decision and agree to a cut in the output of jute goods by sealing more looms. It is, therefore, quite appropriate that a spokesman of the Commerce and Industry Ministry should have scotched the rumours by discounting them totally. He, however, stated that the Government had not taken any final decision on the industry's demand for sealing 7½ per cent. of testing looms. But he pointed out that sealing of looms had a speculative aspect. The Government had already sealed 12½ per cent. of the looms and any further cut could not be permitted without full investigations. In the opinion of the Government of India, the position of the jute industry was not as bad as had been made out in certain quarters. Exports in January and February were not, perhaps, good, but the figures for March was quite encouraging. The Government felt that the time which had elapsed since the reduction of the export duty on sacking had not been sufficient to enable the effects to be seen. In fact, it was pointed out that it took several months before the hessian markets began to react to the reduction in the duty on hessian and, therefore, it was felt that the effect of the cut in the duty on sacking could only be noticed after another month or two. The American buyers normally entered the market, he said, in June or July and the Government of India thought it was inopportune to cut down output now and push up prices, not to mention unemployment which the proposed measure would cause.

The Government's unwillingness to permit the sealing of looms and cut production would appear to be quite justified. In the first place, when once a cut in production is effected, it is difficult to restore it. For instance, the jute mills which sealed off 12½ per cent. of their looms in 1949 have not been able to retrieve the lost ground since then. In the result, it encouraged the foreign mills, especially the Continental units, to step in the breach created by the cut in production then. If the mills were to follow once again a similar step, it would be suicidal. For one thing, it will amount to yielding ground to its competitors abroad voluntarily and, for another, it will handicap the work of the trade delegation in Australia and New Zealand, in that it can hardly tempt buyers there to support a rising market in jute goods. The industry should rather cut its prices temporarily to its customer and incur losses that could be recovered later, than cut its production and suffer damage which might turn out to be beyond repair. It is to be hoped that the need for a cut in working hours will not at all arise, as a result of the efforts of the present delegation's visit to Australia.

NEW CENTRAL EXCISE DUTIES ON TEA

The Central Excises and Salt (Amendment) Bill, 1953, which was introduced in Parliament on 14th April, 1953, proposes differential rates of Central excise duty on bulk tea and package tea, and the discrimination so made has been strongly criticised in some quarters. The present rate of excise duty is 3 annas a lb. which is collected on *all* teas at the time they leave the factories. The proposed new duties are at the rate of one anna per lb. if packed in unit containers containing more than 60 lbs. net, and at the rate of four annas a lb. if packed in unit containers containing not more than 60 lbs. net. The duty would be levied and collected at the time the tea is issued from the factories.

It is further provided that tea which has been issued from the producing factories in containers containing more than 60 lbs. net on payment of duty at 1 anna a pound and which is later repacked at the premises of blenders and packers will be assessed to a further duty of 3 annas per lb. if repacked into unit containers containing not more than 60 lbs. net, but would be entitled to be issued without payment of further duty if repacked into unit containers of more than 60 lbs. net.

The decision of the Government to grant relief of duty to the extent of two annas on bulk tea will, no doubt, be widely welcomed by the producing industry. Nevertheless, the Government's action in trying to make good the revenue loss by increasing the duty on package tea is strongly resented by the trade as well as by some sections of the producers. It is pointed out that the consumers of package tea will have to pay more than those who buy tea in bulk, and in this way the middle class consumer will suffer. It is understood that strong representations are to be made by the tea trade in getting this discrimination removed without affecting the relief now proposed for bulk tea.

The tea gardens have been confronted with a new problem by reason of this decision. Many of them carry huge stocks of small size tea chests for which they will apparently have no use hereafter.

TREND OF TEA PRICES

OUTLOOK BETTER

WITH the passage this week of the amendment to the Finance Bill, seeking certain changes in the levy of excise duty on tea, attention has, once again, been focussed on the outlook for the tea industry. The trend of tea prices during the last three or four months has certainly been encouraging, but it is too much to think that the recent crisis in the tea industry was not as serious as was made out to be. The accounts of tea companies for 1952, when published, would bear testimony to the effect of the crisis on the finances of the companies. An analysis of the trend of tea prices at auctions held in Calcutta during the season ended 31st March, 1953, shows that the revival in the last few months has, however, been helpful to the industry to tide over what once appeared to be a critical situation and, if the present trend in demand for tea is maintained in the coming months also, the industry will be able to show a better performance in 1953.

During the season 1952-53, 41 sales were held for both export and internal consumption, as against 40 in 1951-52. The quantity of tea sold for export during the past season amounted to 1,768,576 packages which, as compared with that disposed of in 1951-52, shows a decline of 94,301 packages. The average price realised was lower at Re. 1-6-5 per lb., as compared with Re. 1-13-3 a year ago. For internal sales, 36,478 packages of leaf at an average price of Re. 1-1-6 and 614,054 packages of dusts fetching an average price of Re. 1-5-8 were auctioned, as against 92,448 packages of leaf at Re. 1-3-9 and 575,832 packages of dust at Re. 1-11-1 in the preceding season.

The following table gives the trend of prices of different varieties of tea sold both for export and internal consumption:

	Closing Sale for 1952-53. Per lb. Rs. a. p.	*Lowest touched in Nov. '52.* Per lb. Rs. a. p.	*Closing Sale for 1951-52.* Per lb. Rs. a. p.
EXPORT SALE.			
Clean B.P.	1 8 6 to 1 9 0	1 4 6 to 1 5 0	1 3 0
Clean Common B.P. ..	1 11 0	0 11 0	Not quotable
Medium Assam B.P. ..	1 12 0	0 12 0	1 5 0 to 1 6 0
Good Assam B.P.	2 0 0	1 10 0 (Nom.)	2 1 0 to 2 3 0
INTERNAL SALE.			
Medium Dooars dust ..	1 7 0	1 0 0 to 1 1 0	1 6 0 to 1 6 6 (Nom.)
Medium Assam grainy dust .	1 9 0 to 1 9 6	1 5 6	....
Best Assam C.T.C. dust ..	2 1 0	1 13 6	2 9 0 to 2 10 0

It will be noted from the foregoing table that, in most cases, the recovery in prices, since November, 1952, has been so marked that the closing prices are well above those for 1951-52. The best feature of the sales has been clean common black pekoe which has advanced by a rupee from the bottom touched in November, closely followed by medium Assam B.P. Good Assam B.P. at one time touched a high of Rs. 2-2 per lb. and the recession towards the close is attributed to a falling away in appearance and cup quality. The general recovery mentioned above in prices is due to strong demand from overseas, competition from the U.K. buyers having been particularly keen. It would appear that buyers from the U.K. and local blenders had overestimated their stock position earlier and had effected fairly large purchases in recent weeks in order to make up the shortfall in stocks.

The increase in the rate of exports has been at such a pace that the accumulated stocks have been cleared quickly. The following comparative table shows the trend of exports of Indian tea from Calcutta to some of the main consuming countries during the last three seasons:

(In million lbs.)

	1952-53	1951-52	1950-51
Britain	235.44	231.76	248.35
U.S.	21.33	17.83	28.65
Canada	15.58	11.86	15.20
Egypt	12.56	2.90	3.19
Australia	8.72	4.66	10.44
Red Sea Ports ...	8.96	3.94	3.78
Persian Gulf ...	8.74	8.38	10.79

It will be observed that the offtake by Britain during 1952-53 has outstripped that in 1951-52 and is clearly the result of the abolition of tea ration in the U.K. Reports from London suggest that tea consumption in the U.K. has improved recently. The present level of consumption is said to be of the order of 500 million lbs. per annum. A shortage of stocks is expected in the London market until August or September next when the new crop Indian tea will be coming in. It is expected, therefore, that blenders of tea will have to pay higher prices at the London auctions to meet any demand from retailers. It is also considered that there may not be a recession again after the new crop comes in, as the supplies in the 1953-54 season are expected to be relatively smaller than in the season just ended.

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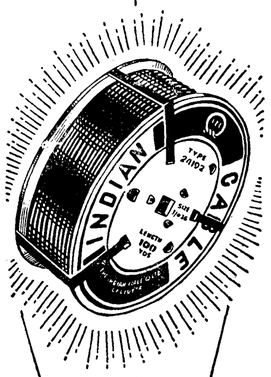

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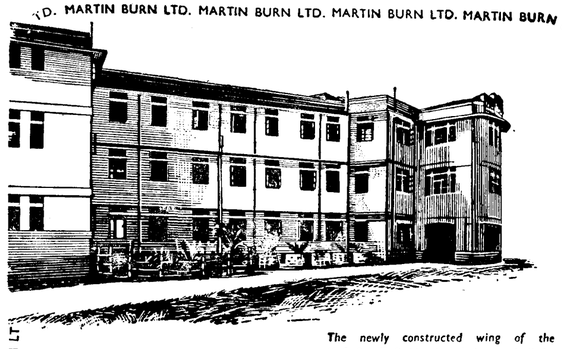
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MINERAL RESOURCES OF ASIA AND FAR EAST

FIRST E.C.A.F.E. CONFERENCE IN SESSION

A MINERAL Resources Conference, under the auspices of the United Nations Economic Commission for Asia and the Far East, is now in session at Tokyo. The Conference is the first of its kind to be held in Asia. The main object of the Conference is to review the current mineral resources in the E.C.A.F.E. region and consider proposals for speedier development of the mineral wealth of this region. Particular attention is being paid to the need for a geological survey of the mineral resources in the region and for increasing the output of lignite.

Reports from Tokyo reveal that about 100 experts from Burma, China, France, India, Indonesia, the Netherlands, the Philippines, Thailand, the Soviet Union, the U.K., the U.S., Borneo, Federation of Malaya, Hong Kong and Laos are attending the Conference. Besides, the U.N. Technical Assistance Administration has also sent four experts to participate in its proceedings. Japan is represented by a delegation of 20. About 50 papers on questions relating to development of mineral resources have been prepared for the Conference by the various Governmental and non-Governmental experts, the E.C.A.F.E. Secretariat and the U.N. Technical Assistance Administration.

The importance of this Conference needs no emphasis. For minerals constitute the key raw materials for industrialisation and they are, therefore, of basic importance for the economic development of the less industrialised areas. It must also be considered that, as industrialisation advances, more and more minerals are required to keep existing factories going and to enable the setting up of new factories. In order to be able to supply increasing quantities of minerals from domestic sources, it is, in the first place, necessary to have adequate geological surveys. This explains why the Conference has been giving particular attention to the geological survey of mineral resources in the region. It is common knowledge that the geological investigation and mineral exploitation so far undertaken has been scattered and neither intensive nor extensive, with the result that the knowledge of mineral resources of the region is inadequate.

Special Report

A special report prepared for the Tokyo Conference reviews the mineral raw material situation based on existing information. The full text of the Report has not yet been made available to the public. An E.C.A.F.E. handout, just published, however, discloses that the Report emphasises that the region's output of minerals is very small, as compared with that of the rest of the world. It observes that the main characteristics of the coal resources of the region are the predominance of lignite deposits in many countries, while higher-grade coal deposits are limited to a few countries; coking coal is short in the entire region, except China and India. India possesses two-thirds of the region's known iron ore resources, with China running second. As for ferro-alloys, the region is well off in tungsten, manganese and titanium ore, moderately well off in molybdenum, chromium and vanadium and poor in others including nickel and cobalt. The region appears to be deficient in non-ferrous metals.

Latest reports indicate that almost all the countries of the E.C.A.F.E. region have plans to complete aerial surveys of the region as soon as possible. In fact, several countries, including British Borneo, China, Ceylon, India, Japan and the Philippines are already engaged in making such surveys. The Governments of India and Pakistan have granted the Standard-Vacuum Oil Company permission to make a geophysical survey of the Bengal basin by airborne magnetometer. The aerial reconnaisance covers an area of over 73,000 sq. miles in the great alluvial plain at the head of the Bay of Bengal. An aerial photographic survey of the mineral resources of Pakistan is already under way with Canadian assistance under the Colombo Plan. Some 3,500 sq. miles of Sarawak have been surveyed and photo-geological map produced. It would have taken a geologist five years to obtain the same amount of information without aerial help. An actual survey of Thailand was carried out by the British R.A.F. at the end of World War II, but only a small portion (confined to the southern part of the peninsula) of this survey is available. During the early part of 1951, a total area of 19,425 sq. kilometres was surveyed from the air. While stressing the need for aerial surveys and other exploratory measures, the E.C.A.F.E. experts, however, aver that it is unlikely that any "new sensational discoveries will be made."

Lignite

The Conference is paying special attention to raising the output of lignite. This is because, except for India and China, almost all the other countries of the region are suffering from shortage of fuel which is the first requisite for ensuring the economic development of any country. The urgency for exploratory work in the sphere of lignite resources has increased enormously, as a result of changed political conditions in the region after the last war. Politically, Burma, Pakistan and India were, for instance, before they achieved independence, all in the same family. It was not economical for Burma to develop lignite deposits in the Upper Chindwin area, when Bengal coal was available in the Rangoon market. But the picture is now different. Efforts are being made even in India, which is comparatively richly endowed with high-grade coal, to develop the huge lignite deposits of Madras. And this is being done not only because the bituminous coal reserves of India are limited, but also because South India can ill afford to pay large sums in terms of transport costs for Bengal and Orissa coals.

Output of Minerals

If we are to take the output of minerals, as the index of a nation's progress towards industrialisation, the E.C.A.F.E. region provides a pathetic picture. Taking the world as a whole, the output of the region's basic resources of coal, petroleum and iron ore is very small. The total output of coal in 1951, amounting to 119,575,000 tons, is about the same as the estimated production of West Germany alone and is only one half the production of the U.K. and 22 per cent. of the U.S. in the same year. The total iron ore production, excluding China, of 5.7 million tons is about 5 per cent. of that of the U.S. and the total production of petroleum is less than 3 per cent. of world output (excluding the Soviet Socialist Republics). Another feature of the region, however, is that Malaya, Thailand and Indonesia contribute about 60 per cent. of the total tin production of the world, that is, 172,000 tons. The region holds a dominant position in the world market in such export minerals as ilmenite (from India), tungsten ore (from China), graphite (from Ceylon), mica (from India), and manganese ore (from India).

The region depends mostly on the U.S. and Europe for the disposal of its minerals. This is, however, having a deleterious effect on its economy, especially in the case of such countries as Malaya, Thailand and Indonesia, which depend entirely on the U.S. and West European markets for its raw minerals. Such dependence makes their economies susceptible to even slight changes in international economic conditions. Since their economies are underdeveloped, the impact of inflationary and deflationary situations elsewhere in the world subject them to great hardship. The present depression in the tin and rubber markets is a standing example. If any plan for increasing the mineral and other raw materials output in this area is to succeed, it must, therefore, be accompanied by a scheme guaranteeing an economic price to producers.

RIVER VALLEY PROJECTS

The priority for construction of river valley projects in famine areas in Maharashtra has not been revised. The principal considerations governing the inclusion of irrigation schemes in the Five-year Plan are whether a scheme is under execution at the time of formulating the Plan and whether it is calculated to provide an early increase in food production. In the case of Bombay, the Plan contemplates that irrigation schemes already begun should be completed as early as possible. A number of recommendations have been made by the Ramamurti Committee, but they are mostly of long-term character and are not of current and immediate interest. These are under examination. Loans have been given for minor irrigation works to the extent of Rs. 23 lakhs as a measure of immediate relief.

WORLD STEEL STATISTICS

SLIGHT INCREASE IN OUTPUT

THE steady growth in 1952 of world steel production was arrested by the eight weeks' strike in the U.S., which cost that country some 16 million tons of steel. At an estimated total of 208 million tons in 1952, world production was only about a million tons above the 1951 level and some demands, consequently, went unsatisfied. But, whereas the American output fell by 11 per cent. from 94 to 83 million long tons, production in the rest of the world rose by 10 per cent. from 113 to 125 million. World production is now about 36 per cent. above the 1948 level and as much as 72 per cent. above the 1937-38 average. The following table gives countrywise production of steel in 1952, as compared with that in 1951 and 1948 and the average for 1937-38:

(In million long tons)

Country	Average 1937-38	1948	1951	1952
U.S.A.	39.46‡	70.14	93.03	83.18
United Kingdom	11.08	14.88	15.64	16.42
Western Germany	18.49*	5.80*	13.20	15.56
France	6.96	7.12	9.68	10.70
Belgium	3.02	3.86	4.99	5.02†
Luxembourg	1.94	2.41	3.03	2.95
Italy	2.17	2.09	3.01	3.48
Saar	2.41	1.21	2.56	2.78
Netherlands	0.05	0.34	0.54	0.67†
Total Schuman countries	35.04	22.83	37.10	41.16†
Austria	0.65	0.63	1.01	1.04
Sweden	1.02	1.24	1.48	1.64
Spain	0.36	0.61	0.81	0.88†
Yugoslavia	0.19	0.36	0.42	0.44†
Denmark	0.02	0.07	0.16	0.17†
Switzerland	..	..	0.14	0.15†
Turkey	..	0.10	0.14	0.14†
Finland	0.07	0.11	0.13	0.14†
Norway	0.06	0.07	0.08	0.10
Trieste	†	0.02	0.05	0.06†
Greece	0.01	0.02	0.03	0.04†
Irish Republic	..	..	0.03	0.03†
Total other Western Europe	2.38	3.23	4.48	4.83†
Total Western Europe	49.10	40.04	57.22	62.41†
U.S.S.R.	17.62	18.60	30.80	34.45†
Czechoslovakia	2.03	2.61	3.26	3.44†
Poland	1.48	1.02	2.75	3.20†
Eastern Germany	§	§	1.53	1.97†
Hungary	0.65	0.75	1.21	1.37†
Rumania	0.26	0.33	0.64	0.68†
Total other Eastern Europe	4.42	5.61	9.39	10.66†
Total Eastern Europe	22.04	24.21	40.19	45.11†
Southern Rhodesia	..	..	0.03	0.03†
Canada	1.28	2.86	3.19	3.32
India	0.92	1.26	1.50	1.57†
Australia	0.14	1.38	1.43	1.61
South Africa	0.33	0.68	0.93	1.18
Total Commonwealth	3.67	6.18	7.08	7.71†
Brazil	0.09	0.48	0.83	0.92†
Mexico	0.05	0.27	0.45	0.39
Argentina	0.01†	0.17†	0.25	0.25†
Chile	..	0.03	0.18	0.30†
Total Latin America	0.15†	0.95†	1.71	1.86†
Japan	6.04	1.09	6.40	6.97
Other	0.54	0.15	0.87	..
Total all other countries	6.58	1.84	7.27	8.00†
Grand Total	121.00	153.26	207.40	208.27†

* Includes Eastern and Western Germany.
† Estimated.
‡ Included in Italy.
§ Included in Western Germany.

In contrast to last year's setback in the U.S., considerable advances were made by the principal steelmakers elsewhere. In Britain, there was a sharp recovery from the difficulties of 1951, as new capacity was brought into use and raw material supplies improved. The Schuman group recorded an increase of 4 million tons (about 10 per cent.)—of which the lion's share was contributed by Germany. With the removal of former restrictions, indeed, German production is climbing rapidly to the British level. Progress was slower last year in France, Belgium and Italy, while Luxembourg registered a slight decline, owing to the slackening of export business. Among the smaller producers of Western Europe, advances were general, these countries showing an aggregate increase of 350,000 tons, to an estimated total of 4.8 million tons.

The British Commonwealth producers—Canada, Australia, India and South Africa—also continued to make headway, their combined output in 1952 being estimated at about 7.7 million tons, or 9 per cent. more than in the previous year.

Substantial progress seems also to have been achieved in the Soviet Union and its satellites in response to the great efforts now being made to expand steel production. An E.C.E. estimate credits Russia with an output of 34,450,000 tons last year, as against 30,800,000 tons in 1951. With output also rising in Czechoslovakia, Poland, Hungary and Rumania, total steel production in the Russian sphere probably now exceeds 45 million tons a year.

It is not without interest to note that, compared with pre-war, output has more than doubled in what is now the Russian sphere, as well as in the U.S. and (at a much lower

(*Continued on page 779*)

INVESTMENTS OF INSURANCE FUNDS

COMMERCE MINISTER'S SUGGESTIONS

IN an article to the *Indian Insurance Supplement* of the *Hindu*, Madras, Mr. T. T. Krishnamachari, Minister for Commerce and Industry, has made available to the public his views on insurance. Besides containing a brief historical review of insurance legislation in India and the progress of the industry, the article is replete with a number of valuable suggestions, some of which, if implemented, will accelerate the growth of insurance in this country. Before making a reference to these suggestions, it is necessary to draw the attention of readers to the Minister's introductory remarks to the article under reference. These remarks emanate from his anxiety that nothing that he has stated therein should be taken as the views of the Government of India. He says: "I think the invitation has emanated beause the Editor felt that I had taken some interest in insurance legislation in the past. It is also true that I hold views on insurance which may not be popular with the concerned interests. Therein comes the embarrassment, for the reason that, being a member of the Government of India, it is likely that my views might be construed as being the views of the Government. Luckily, I do not handle the insurance portfolio. But I do hope that nothing that I say in the following paragraphs would be considered to be the views the Government as a whole hold on this matter."

This qualification is, no doubt, important and accepted as it is. Yet one cannot completely brush aside the feeling that, although the Minister no longer holds the insurance portfolio, the views he holds may have a bearing on the views of the Cabinet, if not completely, at least to a certain extent. It is this feeling that makes one pay more than ordinary attention to the views of the Minister.

Mr. Krishnamachari's review of insurance legislation, though refreshing, need not be recalled here, because those who are interested in the progress and development of insurance in India are quite familiar with the ground covered by him. But what is rather more pertinent to the matter in hand is Mr. Krishnamachari's conclusions about insurance. These may be summarised thus: (*a*) The law has not gone far enough to help the insurance industry; (*b*) with the life fund investments being placed more or less in a straight-jacket by reason of the provisions of clauses 27 and 27A of the Insurance Act, its attractiveness to policyholders as a method of investment is practically non-existent, and (*c*) the costs of management of life business are still very much on the high side.

Suggestions for Improvement

The suggestions designed to improve the climate for the development of insurance industry may be summarised thus:

(1) It is time for the State to cease looking at insurance from a purely negative and regulative point of view;

(2) the State should look upon the industry as a positive source of investment not only in Government securities but also in the field of equity investments;

(3) nationalisation does not solve all the problems of the industry. In the absence of nationalisation, attention should be diverted to two foremost things, namely, (*a*) amalgamation of the weaker units reducing their number to something like 50 companies, and (*b*) canalisation of a large portion of the life fund into equity investments;

(4) relaxation of sections 27 and 27A of the Act enabling more funds to flow towards investment in equities;

(5) the appointment of a statutory body to be in charge of diverting the funds into equity investments;

(6) limiting the handling of insurance business to firms which pursue only insurance business and nothing else; and

(7) the establishment of a reinsurance corporation to handle reinsurance business.

The suggestions in (3) (b), (4) and (5) above have attracted attention of operators in the share market and are one of the reasons for the present cheerful sentiment of the market. If these are to be implemented, there is need for a complete reformation in the thoughts on insurance of the present Government. In view of the importance of these suggestions, the relevant extracts from Mr. Krishnamachari's article are reproduced here:

"The question has, therefore, to be considered whether it is time for the State to cease looking at insurance from a purely negative and regulatory point of view and to look upon it as a positive source of investment not merely in Government and municipal securities but also in the field of equity investment thus playing a vital role in national development. This aspect of the problem has to be carefully studied for more reasons than one. The war-period has done a lot of damage to the middle classes who had in the past developed a habit of thrift and were slowly getting accustomed to investing their savings in equity investments. The surplus income of these classes available for investment has become non-existent and, in fact, their standards of living are rapidly deteriorating. It would be wrong to say that there is no other class coming into existence to replace the outgoing middle classes, because the industrial working classes are certainly making more money than they were formerly, and would naturally take the place of the outgoing classes in due course. Be that as it may, it seems the normal channels from which saving and investment flow no longer obtain and, with the present level of taxation and possibilities of increased direct taxation in the future, Government have to look for economic development to other sources of saving and investment. That life insurance could be a valuable contributory agent for economic development cannot be altogether ignored, and if this is realised, Government have not merely to make life insurance cheaper, they have to make the return more attractive, the organisation more efficient and also eliminate the wasteful competition among insurers that now exists to some extent.

More Attractive Terms to Policyholders

"There have been talks of nationalisation and these have been going on almost from 1937. That is a matter of high policy. While nationalisation might cut the Gordian knot and simplify problems, it does not solve all the problems connected with tapping people's savings for purposes of investment. Even if that has to be done, it must follow a pattern of administration which cannot be very far from what obtains, while insurance is being administered by private enterprise. Two things stand out foremost in this connection. One is reduction in the cost of insurance which indicates a certain amount of strengthening of the weaker links among the insurance firms and reducing their total number to something reasonable, like 50 companies. The second fact is that the only way in which we could offer more attractive terms to the policyholder is by canalising a large portion of the life fund into equity investments. It seems to me that it is an inescapable proposition for Government, if they wish to stimulate private investment for industrial development, that they should provide guarantee both in regard to the safety of such investment and also in regard to a reasonable return, at least in certain important industries. If this obligation is taken up by Government, it seems that some portion of the life funds can be diverted into industry, if the rigid provisions of sections 27 and 27A of the Insurance Act are suitably amended. But this will also result in Government having to create a body which would be in charge of diverting investment of the life fund into equity investment. To the extent that a statutory body takes up the responsibility for investing the life fund, to that extent the interest of the people who control insurance companies by holding blocks of shares, would diminish. It seems to me that the people concerned will have to think on these lines before long so as to make life insurance more attractive to the policyholder and also to make life insurance a means of stimulating national saving which could be canalised for economic development."

EXPORT CREDITS INSURANCE

Canadian exporters were paid $996,809 in 1952 by the Export Credits Insurance Corporation, covering losses due mainly to exchange transfer difficulties in foreign countries, according to the Corporation's annual report, which was tabled on 23rd March last in the House of Commons.

During the seven years since it commenced operations in 1945, the Corporation has paid claims totalling $1,702,704. Of this amount, $592,403 has been recovered. The total claim payments outstanding on the books of the Corporation at 31st December, 1952, were $1,092,114, of which it is expected a substantial part will be recovered.

Export sales insured by the Crown-operated Corporation in 1952 were valued at $35,836,484. Premiums paid in respect of these sales amounted to $354,348. Total sales insured by the Corporation since it commenced operations amount to $211 million.

INSURANCE CORPORATION FOR PAKISTAN

Subscriptions are being received, it is reported, towards the capital of the Pakistan Insurance Corporation to be established under the Pakistan Insurance Corporation Act, 1952. One of the main functions of the Corporation is to work for the development of insurance business in Pakistan. It is, besides, authorised to do all kinds of insurance, counter-insurance, reinsurance, further reinsurance work, the business of taking over the management of recalcitrant insurance companies, to promote new insurance companies, to assist insurance companies in organising training schemes for their staff and to underwrite the issue of the stock, shares, bonds or debentures of an insurance company. The Corporation will get compulsory reinsurance up to 10 per cent. of the business of all insurers operating in Pakistan.

The authorised capital of the Insurance Corporation is Rs. 1 crore, divided into shares of Rs. 500 each. The Central Government of Pakistan will hold 51 per cent. of the capital. At present Rs. 100 per share is payable with the application. The balance will be called up later on.

AIR CASUALTY RISKS IN 1952

According to statistics collected by the International Air Transport Association and the International and Civil Aviation Organisation, the number of passengers carried by aircraft increased from 39 million in 1950-51 to 45 million in 1951-52, or an increase of 13 per cent. The total number of passengers and crew killed was 757. This means that, making allowance for crew members killed, only one out of 70,000 passengers carried was killed. If the scheduled airlines be considered alone, the low figure may only be 1 out of 100,000. Thus, the risk of death through aircraft accident for passengers carried by the recognised airlines may safely be said to be extremely small.

The statistics reveal that, as the second half of 1952 was favourable, the figures for the whole of 1952 disclose a very remarkable improvement. The improvement is attributed to the continuous efforts of the various airlines to make air transportation safe and to minimise the risk as much as possible.

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EMPLOYER-EMPLOYEE RELATIONS

JUDICIAL PRONOUNCEMENTS ON DISMISSAL, RETRENCHMENT AND LOCK-OUTS

(By "LIBRA")

A WORKMAN refuses to obey the orders of his foreman; another workman is searched at the factory gate by the watchman and is found to have stolen some articles from the factory. The matter is reported to the manager. "Dismiss them," says the manager. Someone nearby reminds him that an adjudication of a dispute between the company and the workmen is pending before an industrial tribunal and, under section 33 of the Industrial Disputes Act, the permission of the tribunal will have to be obtained for dismissing these offending workers. It is an annoying recollection.

The perturbation of the management at the prospect of approaching an industrial tribunal for obtaining its permission to discharge the workers is not wholly groundless. Such a permission can be granted only after hearing both the parties. Some delay is, therefore, inevitable. The employers feel that discipline suffers if the management cannot take prompt steps to check insubordination. There are, of course, two sides to the medal. Only a few enlightened employers have realised that labour is an important partner in that most exciting and fruitful enterprise called production. Most of them still believe in the common law right of the employer to "hire and fire" his employees. It is, therefore, the duty of the State to protect the worker from the whims and fancies of his employer, preserving unfettered, at the same time, his right to take *bona fide* action against the worker. The work of harmonising capital and labour by holding the balance even between these two factors of national production is of the very essence in a Welfare State. How far the industrial law of the land has succeeded in striking this golden mean, is the subject of study in this article.

A survey of the law, regarding discharge, dismissal and retrenchment of workers, as laid down by the judicial pronouncements of the highest industrial tribunal in the land, namely, the Labour Appellate Tribunal, will be eminently apposite, in this connection. The decisions are quoted verbatim, as far as possible.

Discharge and Dismissal

"Normally an employer has the power to discharge or dismiss his workmen or to change the conditions of their service. In exercising that power, he takes the risk of an industrial dispute being raised and, if it is raised and the dispute is referred for adjudication by the appropriate Government, he will have to justify his act before an industrial tribunal in an investigation conducted by it on the lines laid down by the Labour Appellate Tribunal in the *Buckingham and Carnatic Mills* case." (1951—II L.L.J. p. 314).[1]

Section 33 of the Industrial Disputes Act comes into play when there is any change in the conditions of service of workmen concerned in a dispute, when proceedings regarding that dispute are pending before a conciliation officer or a tribunal. Section 33 was amended and section 33A was introduced in 1950 by Act XLVIII of 1950. The sections run as follows:

Section 33: "Duruing the pendency of any conciliation proceedings or proceedings before a tribunal in respect of any industrial dispute, no employer shall—

(*a*) alter to the prejudice of the workmen concerned in such dispute, the conditions of service applicable to them immediately before the commencement of such proceedings; or

(*b*) discharge or punish, whether by dismissal or otherwise any workman concerned in such dispute, save with the express permission in writing of the conciliation officer, Board or Tribunal as the case may be."

Section 33A: "Where an employer contravenes the provisions of section 33 during the pendency of proceedings before a tribunal, any employee aggrieved by such contravention, may make a complaint in writing, in the prescribed manner to such tribunal and on receipt of such complaint that tribunal shall adjudicate upon the complaint as if it were a dispute referred to or pending before it, in accordance with the provisions of this Act and shall submit its award to the appropriate Government and the provisions of this Act shall apply accordingly."

"Section 33A cannot be dissociated from section 33. The object of enacting section 33 was to ensure fair and satisfactory inquiry in the pending adjudication by forging a safeguard against victimisation of the employees concerned in the pending adjudication or against unfair labour practice on the part of the employer at that stage, by requiring him to obtain permission from the tribunal in respect of acts specified in that section."

"The position before the amendment of 1950 seems to have been that, if section 33 was contravened, two remedies were available to the workmen, namely, (1) prosecution under section 31, and (2) a reference under section 10 of the Act. Both these remedies were dependent upon sanction by Government. Section 33A has conferred a right on the aggrieved workmen to have at their instance the dispute regarding the change of conditions of service or their discharge or punishment by dismissal or otherwise, during the pendency of adjudication proceedings, adjudicated upon directly by the tribunal. Two objects have thus been attained, (1) avoidance of multiplicity of proceedings, and (2) speedy determination of dispute."[2]

"The functions of a Tribunal under section 33 of the Industrial Disputes Act are judicial functions; and a proper inquiry or investigation must be made to test the truth and sufficiency of the statement made in the application by the management."[3]

"The fundamental principle is that an industrial worker must be placed in such a position that the security of his service may not depend upon the caprice or arbitrary will of the employer. The power of the management to direct its internal administration, which includes the enforcement of discipline of the personnel, cannot be denied, but, with the emergence of modern concepts of social justice that an employee should be protected from the vindictive action on the part of the management, this power has to be subjected to certain restrictions.

"In such cases the tribunal does not act like a court of appeal but rather as a supervising body, exercising powers of reversion for correction of basic errors which go to the root of the matter. The decision of the management in relation to the charges against an employee will not prevail, if (*a*) there is want of *bona fides*, or (*b*) it is a case of victimisation or unfair labour practice or violation of the principles of natural justice, or (*c*) there is a basic error on facts, or (*d*) there has been a perverse finding on the materials."[4]

"It has been held in various cases by the Labour Appellate Tribunal that it is primarily the function of the management to decide as to what punishment should be awarded when a charge is proved after inquiry. However, it has been made clear that the Evidence Act, with all its rigour, does not apply to proceedings before the domestic tribunal. The evidence adduced before the domestic tribunal has to be taken into account and considered for disposing of an application under section 33 of the Act. No court can interfere with the decision of the domestic tribunal, except in cases of want of *bona fides*, unfair labour practice, victimisation, perversity or violation of the principles of natural justice. A tribunal cannot exercise a jurisdiction with which it is not vested, as, for example, to substitute the punishment of suspension for dismissal.[5] The tribunal may or may not grant permission to an employer as prayed but it is not competent for the tribunal to decide what the appropriate punishment should be."[6]

Temporary Workmen

The legal position regarding the discharge of workmen discussed above, pertains mainly to permanent workmen. "The termination of the services of a workman who is engaged on a temporary basis for a specific period, does not amount to a contravention of section 33, as his services are terminated by operation of law, without any action on the part of the employer and, if the employer notifies the termination of his services, he only invites the attention of the workman concerned to the terms of the agreement, explicit or implied."[7] "A temporary operative does not become permanent, even though his appointment is extended temporarily beyond the period of contract. But it is wrong to discharge a temporary worker retaining the services of a temporary worker junior to him."[8] "The employer has also the right to discharge a probationer, after the termination of his probationary period, if in his opinion, his services were not considered satisfactory."[9]

If a workman commits theft or assault or an act of insubordination or any act which may fall under the category of misconduct, the management has the right to suspend such a workman, pending inquiry and until permission of the tribunal under section 33 is granted. The Labour Appellate Tribunal has held that no permission of the tribunal is necessary for suspending a workman under section 22 of the Industrial Disputes (Appellate Tribunal) Act, 1950, which corresponds to section 33 of the Industrial Disputes Act, 1947.[10] Mr. K. C. Sen, Industrial Tribunal, Bombay, has held that "an order of suspension is ordinarily made in accordance with the ordinary conditions of service of employees and no conditions of service can be said to be altered to the prejudice of the workman concerned when he is suspended pending inquiry.[11] On the question of payment of wages to an employee during the period of suspension, the Industrial Tribunal of West Bengal, consisting of Mr. S. N. Modak, Mr. P. R. Mukherjee and Mr. M. C. Bannerjee, in its order in the case of *Champdany Jute Mills* and *Certain Workmen* (1952—I L.L.J., p. 554) has held that "an employer is not obliged to pay wages or any subsistence allowance during a period of suspension by way of security measure." Section 7 of the Payment of Wages Act, 1936, however, lays down that "the wages of an employed person shall be paid to him without deductions of any kind, except those authorised by or under this Act." It is, therefore, quite clear that a workman will have to be paid his wages for the period of his suspension.

"In the case of a misconduct, on the part of a workman, for which a criminal case is launched against him, the management is under no duty to await the result of a prosecution in order to discharge the workman for conduct subversive of discipline or to reinstate him on being discharged or acquitted in any such prosecution.[12] An acquittal in a criminal case is not considered a determining factor and a tribunal can consider the evidence against the workmen afresh and arrive at its own conclusions."[13]

The Bombay Bench of the Labour Appellate Tribunal has held that "permission to dismiss an employee can be given from a date prior to the order giving such permission, as, for example, from the date on which a workman was suspended pending the permission of the Tribunal."[14] This decision has been followed by a number of tribunals in Bombay and other States. But, in a recent decision, the Calcutta Bench of the Appellate Tribunal has held that "all that a tribunal is required to do is to accord the permission or to withhold it. If it accords the permission, it has no right to direct the company to discharge the workman from a date fixed by it. The permission only removes the bar and it is for the Company to decide as from when the discharge is to be effected and, in making the discharge, the company has to follow the rules and procedure laid down by its Standing Orders."[15] The position in this regard needs to be clarified.

"Section 33 is not contravened by the management by the declaration of a lockout. A lockout has not the effect of a discharge, as it does not automatically terminate the services of workmen. It does not also amount to punishment, for punishment presupposes an offence or misconduct.[16] But a change of work-load, during the pendency of a reference to a tribunal, changing the conditions of service to the detriment of workmen is a breach of section 33."[17]

Retrenchment

The question of large-scale retrenchment for trade reasons or for the introduction of rationalisation is also of vital importance to industry and labour. The guiding principles, on which permission for such retrenchment is to be granted by the tribunals, are now well settled by various decisions of the Labour Appellate Tribunal. "The onus of making out a case for retrenchment is on the management. If the management is able to establish a case for retrenchment, either on the ground of rationalisation, economy or other sufficient causes, the next question to consider would be the extent of retrenchment, which has to be considered under two sub-heads: (1) whether the action of the management in retrenching workmen is *bona fide*, and (2) whether, in determining the extent of retrenchment, it acts partially on extraneous considerations or improper motives. The increase of work-load on the workmen retained would be an instance of extraneous consideration. Similarly, victimisation or unfair labour practice in effecting retrenchment would be instances of improper motive."[18]

In the case of *Fertilisers and Chemicals, Travancore Ltd., Alwaye* and *Their Workmen* (1951—II L.L.J., p. 211), the Labour Appellate Tribunal held that the management should observe two important principles in effecting retrenchment, namely, (1) the principle of last come first go should be followed, (2) if there is a fresh recruitment and suitable retrenched employees are available, they should be given priority, the older hands being first taken into service. The Tribunal did not favour the idea that, upon re-employment, the services of the retrenched personnel before retrenchment and after re-employment should be treated as continuous for the purpose of seniority as this would have a prejudicial effect upon permanent staff.

However, in the case of *British Institute of Engineering Technology (India) Ltd., Bombay*, vs. *K. S. Rao and 20 others* (Application Miscellaneous (Bom.) No. 90 of 1952 decided on 6th May, 1952), in granting permission to retrench 19 employees, the Lower Appellate Tribunal laid down the following condition:

"Should the Institute decide to increase its staff in the future the retrenched persons will have prior claim to appointment according to seniority and if appointed will continue in service as if there had been no break."

Although there is apparent divergence in these two views, each case is decided on its own merits and the particular aspects of the case regarding the British Institute of Engineering Technology, cited above, must have required the imposition of such a condition. But the normal principle seems to be that laid down in the case of Fertilisers and Chemicals Travancore Ltd.

"On retrenchment, it is just and proper that the persons who are thrown out of employment for no fault of their own should be given some compensation in order to maintain themselves for a certain period during which they can secure other jobs. In many cases before the Labour Appellate Tribunal, compensation besides pay for the period of notice has been allowed."[19] "The measure of compensation on retrenchment would have to be determined by a tribunal, keeping in view the length of service, the nature of service and the reasonable period of time, within which the discharged workmen are likely to get other employment, having regard to the nature of the occupation."[20]

It has also been held that the mere fact that there has been a decrease in profits would not entitle a company to retrench its workmen. In the case of shortage of orders or for any trade reason of a temporary nature, which includes shortage of raw materials, it would not be permissible to retrench the workmen and deprive them totally of their maintenance. The workers can be played-off for some days in a month, if there is such a provision in the Standing Orders.[21] There will be no violation of section 33, when, acting in accordance with the Standing Orders, a company plays off its workers.[22]

Lock-out

Nothing can prevent the management from closing down an undertaking if it runs at a loss. The Madras High Court has held that, "if under the Constitution, a citizen has the right to carry on any business, he must be at liberty not to carry it on, if he so chooses. A person can no more be compelled to carry on a business than can a person be compelled to acquire or hold property. It is not open to canvass the grounds which prompted the owner to discontinue his business. The grounds may be actual loss or apprehended loss or disinclination to run the risk of running the business."[23] The Labour Appellate Tribunal has, however, laid down that, even in the case of closure, a mill is bound to apply for permission of the tribunal, if this occurs during the pendency of proceedings before it.[24]

Thus, the main principles regarding discharge, dismissal, retrenchment and closure have now been well settled by the judicial pronouncements of the Labour Appellate Tribunal, which has brought much needed uniformity in the decisions of the Industrial Tribunals in this country. It will be evident from the above survey of these decisions that the disability imposed upon employers by section 33 of the Industrial Disputes Act, while protecting the workers from the unfair labour practice of a few capricious and vindictive employers, does not adversely affect the interests of the general run of employers of normal integrity. Of course, the delay in the disposal of applications under section 33 inconveniences the managements to a certain extent. Even though the tribunals dispose of such applications expeditiously, some reasonable delay is bound to occur when the matters are to be decided judicially. But the opportunity such applications offer for redressing individual and collective grievances, thus reducing tension in the labour-management relations, amply compensates for the inconvenience caused.

Section 33 can safeguard the interests of the workers only during the pendency of adjudication proceedings before a tribunal. A collective dispute might lead to an adjudication. The discharge or dismissal of a prominent union leader might equally well set the adjudication machinery in motion. No such safety valve is open to an ordinary worker who rightly or wrongly believes that he has been the victim of a wrongful dismissal.

It would not be out of place here to make a suggestion for being considered for what it is worth. At present, the workers can have recourse to section 33A during the period of pendency of proceedings before a tribunal. When no such proceedings are pending, the individual worker or workers who are aggrieved by the discharge or dismissal orders of their employers should be able to approach the tribunals direct, if the Government Labour Officer, after preliminary investigation, certifies that the complaints are not frivolous and that there are *prima facie* grounds for such complaints. This would, of course, increase the work of the tribunals enormously, but will also pay rich dividends by prompt redress of grievances, thus paving the way for better employer-employee relations. The smouldering embers of individual grievances, though they may appear trifling to short-sighted vision, may, in the long run, explode into collective violence and strikes. I, therefore, cannot conclude this article on a better note than that struck by Mr. W. L. McKenzie King, the late Prime Minister of Canada, in his illuminating book entitled *Industry and Humanity*. He said:

"The germ of discontent is like any other germ; it grows and reproduces and multiplies and there is no germ so virulent as that of unredressed wrong, whether the wrong be real or imaginary. To neglect investigation or to delay adjustment merely aggravates the case. A continual adjustment of little things is better than a grand adjustment of many things accumulated over a series of years. The latter usually comes too late. Something in the nature of continuous administrative machinery for the orderly disposition of controversies is as necessary for the establishment of law and order in industry as in the State. There is the same need for definition of rights and obligations, the formulation and interpretation of rules, and authoritative decisions in matters of controversy."

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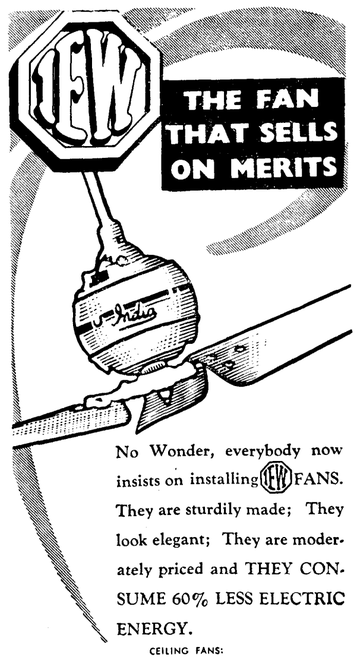

TRENDS OF FACTORY WORKERS' EARNINGS

A series of index numbers showing the trends of earnings of factory workers in India during the years 1944 to 1949, compiled by the Labour Bureau, with 1939 as base, has been published, in an article in the February 1953 issue of the *Indian Labour Gazette*. The index numbers have been compiled on the basis of data relating to the annual earnings of workers collected under the Payment of Wages Act. The industries covered account for nearly five-sixths of the total factory employment in the country.

The index which stood at 211 in 1946 (1939=100), showed an increase of 46 points in 1947, 52 points in 1948 and another 37 points in 1949 and reached the peak figure of 346 in 1949. On a comparison of the index of eanings with the interim all-India Working Class Cost of Living Index, now being published by the Labour Bureau, it is estimated that the real earnings of factory workers increased by 22 per cent. between 1944 and 1949. In the absence of an all-India cost of living index with a pre-war base, it has not been possible to compile an index of real earnings on 1939 as base. Considering, however, the phenomenal increases in the cost of living index numbers during the period 1939 to 1944 at some of the major centres such as Bombay, Ahmedabad, Madras, Nagpur and Kanpur, and the comparatively low rise in workers' earnings during that period, it is inferred that real earnings of factory workers might have had a considerable fall during that period. Though there was a sharp and continuous rise in the real earnings of workers between the years 1946 and 1949, the indications are that, compared to 1939, the level of real earnings in 1949 was a little lower.

AMERICAN INTERNATIONAL TRADE POLICY

EXTENSION OF RECIPROCAL TRADE ACT URGED

CERTAIN developments of significance to the trade of the United States with the rest of the world are in the offing. The most important of them relates to the demand of President Eisenhower to continue the present U.S. Reciprocal Trade Agreements Act for one more year, pending a thorough and comprehensive re-examination of the economic foreign policy of the United States. The Ways and Means Committee of the U.S. House of Representatives has begun public hearings on a Bill to make agreements for reducing tariffs under the Reciprocal Trade Agreements Programme, which has remained the corner-stone of U.S. trade policy for nearly two decades now.

The Reciprocal Trade Agreements Act, 1934, empowers the President to reduce duties on imports from all foreign countries which do not discriminate against the commerce of the U.S. It has since been renewed from time to time until June, 1951, when it was further renewed upto 11th June, 1953. In 1948, an amendment was made for the determination by the Tariff Commission of "peril points" below which the Executive should not reduce the import duty. Though this amendment was repealed in 1949, it was reintroduced on 16th June, 1951.

The Bill under consideration of the Ways and Means Commission now restricts, however, the freedom of the President to reach international trade agreements. In the past, possible damage to a domestic industry or national security constituted sufficient cause to withdraw certain tariff concessions to foreign products. In the proposed Bill, the question of employment in the domestic field would also be taken into consideration in extending or modifying tariff concessions. If, for instance, it were found that by showing tariff concessions to imports of certain products, the employment in the corresponding domestic industry would be adversely affected, the concessions might not be given; if they had already been given, they might even be withdrawn. Further, the President's power to veto recommendations of the Tariff Commission, in regard to concessions granted to competing import products, is also sought to be removed. It may be noted that, through the international trade programme, the U.S. has entered into reciprocal agreements with more than 40 countries to cut tariffs and other barriers to trade. The trade of these nations accounts for 80 per cent. of the world's total trade. The effect of the Programme is reflected in the fact that U.S. trade with countries with which reciprocal agreements have been reached has increased twice as fast as that with other nations.

Although concessions have been granted on thousands of imported commodities, only less than 50 official investigations have been held or referred to the Tariff Commission so far. Out of these, the Commission found that that it could justify only five claims as having caused injury to U.S. producers. Of these five, two were not accepted by the President. In other words, the tariff concessions were modified only in regard to three cases. All this clearly shows that tariff concessions once given are not easily whittled down in U.S. administration to please the domestic manufacturers and that, generally speaking, the Reciprocal Trade Agreements have worked well to the satisfaction of the countries concerned.

Another important development in the sphere of U.S. trade with foreign countries relates to the extension of Mutual Security Administration. The Sub-Committee on Foreign Economic Policy, under the chairmanship of New York Republican Mr. Jacob K. Javits, is holding hearings to consider extension of the M.S.A. Mr. Kenneth H. Campbell, representing 3,000 chambers of commerce and trade organisations throughout the U.S., made these points before the Committee:

(1) U.S. aid should serve to increase production in other nations;

(2) economic aid should not be suspended until trade completely replaces aid and

(3) the U.S. Chamber of Commerce favours simplification of customs regulations, treaties and agreements to protect U.S. investments abroad, and private U.S. investments as the basis for aid to less developed areas.

Mr. W. S. Swingle, President of the National Foreign Trade Council, told the Sub-Committee that his organisation would support a three-year extension of the Reciprocal Trade Agreements Act without amendments. He opposed "any new tariff duties, import taxes or other devices designed to increase the present impediments to the flow of imports" into the U.S. Thus the general consensus of opinion among trade circles appears to be in favour of not adding further to the existing tariff barriers.

We are told that the U.S. Mutual Security Agency has already drafted plans to extend its private investment guarantee programme to some more countries. At present, it is guaranteeing investments in 15 countries. Under the Programme, the U.S. offers to new private investment abroad insurance protection against the risk of loss through confiscation or expropriation. Although there are impediments to the flow of private investments to other parts of the world, officials in the U.S. are encouraged to find that the countries in need of such investments are now in a better position to appreciate the importance of creating favourable climate for attracting foreign private capital.

According to U.S. officials, it is a part of U.S. foreign economic policy to encourage investment not only by American private investors but also by private enterprise of other countries in the West. Its investment programme is twofold: First, to improve the climate for private enterprise in other free countries and, second, to encourage overseas investment by American companies and individuals. In order to accomplish the first objective, the U.S. is seeking to expand its negotiations of commercial treaties. Also wider use of private enterprise will be made in foreign aid and technical assistance programmes. Specific information on overseas investment opportunities and general information about investment conditions are being made available to U.S. business men by the Commerce Department. As a complementary operation, a U.S. Government liaison service is being operated in many countries to aid foreign business men in getting in touch with American business men who have capital to invest or who are interested in licensing the manufacture of their products abroad.

From these moves, it is clear that the fear that President Eisenhower's administration might mark the beginning of an era of comparative isolationism of the U.S. is unwarranted. It is true that, during election time, some of the Republicans promised relief to the U.S. taxpayer through reduction of foreign aid and greater protection to industries. But when they were voted to power, they could not but eschew their former utterings, for, in this democratic world, a palatial building amidst thatchments cannot hope to exist long in isolation with all its splendour. It is being increasingly recognised in the U.S. that the more fortunate among the nations of the world, by aiding the less fortunate, are not only helping the latter to raise their standards of living but also maintaining, if not improving, their own standards.

LAC INDUSTRY IN INDIA

The Report of the Indian Lac Cess Committee for the year 1951-52, just published, follows the pattern of its previous year's report. It gives a bright record of the performance of the Indian lac industry during the year 1951-52, as compared with that in the previous few years. Thus, the production of lac during the year under review was as much as 1,219,400 maunds, as against 1,002,900 maunds in 1950-51, 1,166,250 maunds in 1949-50 and 827,200 maunds in 1948-49. The normal yield based on the average production during the period of ten years before the war is 1,151,000 maunds. Of the aggregate production of 1,219,400 maunds, Bihar accounted for 666,000 maunds, that is, more than 50 per cent. The runners-up were Madhya Pradesh, with a total production of 357,000 maunds and West Bengal with 59,000 maunds. The total production of Vindhya Pradesh was 47,650 maunds, Assam 30,000 maunds, Bombay 16,000 maunds, Orissa 15,750 maunds, Uttar Pradesh 9,400 maunds and other Indian States 18,600 maunds.

An analysis of export figures discloses that, during 1951-52, they were the highest in value so far recorded. The total exports of all kinds of lac during the year were 712,736 cwts. valued at Rs. 14.83 crores. This compares with 660,758 cwts. valued at Rs. 11.87 crores exported in 1950-51 and 455,304 cwts. valued at Rs. 8.08 crores in 1949-50. The U.S. imported the highest amount of lac, that is, 235,526 cwts. valued at Rs. 4.85 crores. It purchased the largest quantity of seed lac, the exact quantity being 93,075 cwts. The U.K. which came next, among importers, accounted for 162,738 cwts. of lac, valued at Rs. 3.57 crores. It was the most important purchaser of shellac, the quantity taken up by it in 1951-52 being 1,43,702 cwts. The following table gives exports during 1951-52 to various countries from the port of Calcutta and their respective values:

Country	Quantity Cwts.	Value Rs.
U.S.A.	2,35,526	4,85,88,389
U.K.	1,62,738	3,57,30,629
U.S.S.R.	84,667	1,95,91,279
Germany	71,956	80,32,653
Brazil	37,048	93,06,014
France	17,689	36,02,301
Sweden	15,975	26,95,144
Australia	15,827	37,23,206
Italy	13,495	32,32,739
Argentina	8,956	22,93,517
Hong Kong	7,576	19,88,292
Belgium	5,478	12,04,773
Canada	4,907	9,61,772
Other countries	31,171	74,38,983
Total for 1951-52 ...	7,12,649	14,83,89,741
Total for 1950-51 ...	6,60,758	11,87,52,168
Total for 1949-50 ...	4,55,304	8,08,45,020
Total for 1948-49 ...	4,90,623	8,67,81,417

Exports from Bombay to other countries amounted to 87 cwts. valued at Rs. 25,163, according to figures supplied by the Bombay Chamber of Commerce.

The aggregate imports of stick and seed, shell and button as well as other kinds of lac accounted for 39,053 cwts. valued at Rs. 34.67 lakhs during 1951-52, as compared with 69,511 cwts. valued at Rs. 65.16 lakhs during 1949-50 and 1,20,973 cwts. valued at Rs. 1.06 crore during 1948-49. The main source of these imports was Thailand which accounted for 73 per cent. of the total imports.

The Report also gives monthly average prices of some of the important varieties of lac during the year. A brief review discloses that pure button lac, which stood at Rs. 157-8 per maund in April, 1931, shot up to Rs. 174-3 in September, 1951, but declined gradually to Rs. 109 in March, 1952. Shellac fluctuated between Rs. 137 and Rs. 170-3, before closing at Rs. 194 in March, 1952. It may, however, be noted that the fall in price continued in the remaining months of 1952. Shellac was quoted at Rs. 68 per maund in December, 1952, in the Calcutta market, as against Rs. 140 in January, 1952. The price in the London market was £8 in December, 1952, as against £19 a year before. These developments in 1952 affected the cultivators and retarded the Lac Cess Committee's plan for expansion of its cultivation.

During the year under review, a good deal of emphasis was laid on attempts to increase the output of lac in India by increasing production in areas where cultivation was already taking place on a large scale and stimulating production in areas where cultivation of lac was low or practically non-existent. The Madhya Bharat Government started taking interest in lac cultivation and the Forest Department initiated some work during the year. The most vigorous attempt at bringing idle hosts under cultivation is being done by the Forest Department in Madhya Pradesh. The cultivation in Bihar is showing some increase. In West Bengal the vast *palas* areas in the northern portions of the Bankura District remain to be brought under cultivation. In Assam, steps are being taken to have the cultivation extended to the plain areas. The States of Uttar Pradesh, Bombay, Punjab (I), Mysore and Madras are also taking interest in extending the cultivation in their respective areas. The Forest Department in Uttar Pradesh has initiated experimental cultivation in some of the Divisions with the object of extending it later on. In Bombay, the Forest Department is also trying lac cultivation on an experimental scale and has also a scheme for training the personnel at Namkum. The Punjab Government has also initiated the cultivation in some of the Divisions like Ambala, Amritsar, Hoshiarpur and Karnal.

The role of the lac industry in the country's economy is quite valuable. It provides employment to no less than three million workers, not to speak of the thousands of workers engaged in subsequent stages of processing this commodity. Shellac is an essential ingredient in industrial processes such as gramophones, varnish, furniture trade, etc. The industry has two important rivals. One is Thailand, which is producing a sizable quantity of lac, and the other is a synthetic product which has proved itself to be an effective substitute for shellac. If properly organised and prices are competitive, the Indian lac industry should be able to hold its prominent position in world trade.

SALES TAX ON TOBACCO

A Bill to levy sales tax on certain kinds of manufactured tobacco was adopted by the Madras Legislative Assembly a few days ago. It will be recalled that, last month, the Bombay Government also enacted a Bill, amending the law relating to sales tax in the State, which withdrew the exemption from general tax on sales of tobacco. The Mysore Legislative Assembly too adopted a Bill the other day amending the Mysore Sales Tax Act, 1948, providing for a levy of a higher rate of sales tax on certain kinds of manufactured tobacco.

The levy of sales tax on tobacco in Madras and Bombay was necessitated, consequent on the termination of arrangements between them and the Government of India, under which they were receiving compensation for not levying any tax on tobacco; Bombay was receiving Rs. 54 lakhs and Madras Rs. 56 lakhs as compensation. The Finance Commission, which went into the question of allocation of revenues between the Centre and the Units, recommended that a part of the excise duty on this commodity should be distributed to the States. It urged freedom to the States to levy tax on it as they thought fit. In the light of this recommendation, it felt that it would be anomalous to continue compensation to these States in lieu of tax on tobacco. It, therefore, recommended the termination of the payment of compensation by the Centre.

(Continued on page 779)

RAILWAY FINANCE AND BUDGETING

IMPLICATIONS OF 1949 CONVENTION

(Mr. N. C. DEB, Director, Finance, Railway Board)

THE vital importance of the railways to our national economy needs hardly any emphasis. They constitute the nation's largest public utility industrial undertaking with a capital investment of over Rs. 860 crores, earning about Rs. 275 crores and spending about Rs. 230 crores in a year. The extent to which railway finance plays a part in the national economy can be gauged from the fact that the railway receipts and expenditure form about 34 per cent. and 27 per cent., respectively, of the Central and States Governments' total income and expenditure.

The story of railway finance, besides chronicling the difficulties which the railways in India had to face in the initial stages of construction, is woven round three main strands, viz., (*a*) progressive extension of State ownership and State management, (*b*) measures to ensure the financial stability of the undertaking, and (*c*) the changing concept of the role it has to play in the economy and welfare of the country.

The political background of the country has left a deep impress on its railways. The need for a rapid means of locomotion was felt by the Government of India, under the East India Company, for maintaining their power and authority in the country, as well as for exporting raw materials to England and for transporting imported manufactured goods from the ports to the hinterland. The State could not, however, bring itself to engage in commercial activity which was, in the contemporary political and economic philosophy of *laissez faire*, considered to be the legitimate sphere of private enterprise. Indigenous capital was shy, and British capital would run the risk of investment in India only on its own terms. After the initial hesitation in evolving a policy in regard to construction of railways in India, it was Lord Dalhousie's famous despatch of 1853 which for the first time stimulated construction of trunk lines in the country by Guaranteed Companies incorporated in England through free grant of land and a guaranteed rate of interest ranging from 4½ per cent. to 5 per cent. payable at a preferential rate of exchange. This method of financing construction prevailed till 1869, by which time it was found that this system was far too onerous from the point of view of the Indian taxpayer. The evils inherent in the guarantee of minimum interest, breeding extravagance on the part of the companies, became too apparent and the Government, thereafter, embarked on a new policy of State enterprise in the field of railway construction. The railways, however, continued to be unremunerative and the country-wide famines of 1874-79 taxed the Government's resources to such an extent that it had to abondon this constructive activity. In the eighties of the last century, the Government again reverted to the guarantee system, but at less onerous terms with lower rate of interest and with provision for a fair share in the profits earned. When the contracts with the old guaranteed companies expired, they were either renewed on the new basis or the lines were purchased and taken over for State management.

Process of Nationalisation

The beginning of this century marked a turn in the fortunes of Indian railways. In the first decade, the railways for the first time started showing profits. In the second, however, under the severe strain of the First World War, they came very near to breaking point, giving rise to serious problems in the administrative and financial spheres. The Acworth Committee, which was appointed in 1920 to investigate into these problems, gave a clear verdict in favour of State ownership and State management, thus laying the foundation of India's largest nationalised undertaking. This recommendation was accepted by Government and implemented with vigor and promptitude. The E.I. and the G.I.P., two of the largest guaranteed railways in India, were taken over by the Government for direct management in 1925. The process of nationalisation, although halted during the economic depression of the thirties, was completed by 1944 by termination of the contracts with the remaining guaranteed companies. Railways in Princely India, of some 7,000 miles, still remained outside the control of the Government of India. With the integration with the Union of the federal functions of these States with effect from 1st April, 1950, the ownership and management of all these railway lines also came to be transferred to the control of the Union. Today, barring about 800 miles of odd narrow-gauge lines, the entire railway system in India is a unified undertaking owned and managed entirely by the Union Government.

Separation Convention of 1924

The evolution of the policy of State ownership and State management had also focussed attention on the scope and constitution of the Central Authority as well as on financial relationship between Railways and the General Finances of the Central Government. In regard to the first, in view of the growing responsibilities of the State in railway management and control, the Railway Board, which was constituted for the first time in 1905, was expanded in 1925, with a Chief Commissioner at its head and as the sole technical adviser to the Government, assisted by three functional members. The other important change was the creation of the post of Financial Commissioner exercising full financial authority of the Government of India and full control over railway finances from within as an ex-officio member of the Railway Board. As regards the second, the Acworth Committee, after a very careful study of the conditions prevailing in India and parallel organisations in other countries, recommended the separation of Railway Finance from General Finance. This was a recommendation of far-reaching significance intended to free the railways, which were a commercial undertaking, from the trammels of a system of budgetary control designed to meet the needs of the spending departments of Governments. This recommendation found concrete shape three years later in the Separation Convention of 1924 which stipulated that, besides the interest liability on the capital at charge, the Railways would contribute to the General Revenues an additional 1 per cent. on the capital of commercial lines plus one-fifth of the surplus profits earned. The balance of the surplus profits was to be credited to the Railway Reserve Fund, provided that if in any year, the amount available for transfer to the Railway Reserve Fund should exceed Rs. 3 crores, one-third of the excess would be paid to the General Revenues. Under this arrangement, the loss on strategic lines was to be borne by the General Finances. The Railway Reserve was to be used to secure the payment of the annual contribution, to provide if necessary for arrears of depreciation and for writing down capital and generally to strengthen the financial position of the railways. A Depreciation Reserve Fund was also instituted, with effect from 1st April, 1924, to provide for expenditure on renewal and replacement of assets when due.

Reserves Depleted

After the separation, the financial results of the Indian State-owned railways were satisfactory for the first five years. During this period, the railways were able to earn enough to meet the interest on their capital outlay and make suitable provisions for their Depreciation and Revenue Reserve Funds and also contribute substantially for the relief of the general taxpayer. But during the next five years coinciding with the world-wide economic depression, the picture changed completely and earnings were insufficient to discharge the liabilities of the Railways to the General Revenues. In 1929-30, the net surplus after meeting the interest charges was not sufficient to meet the contribution, and from 1930-31 to 1935-36, the net receipts were insufficient even to meet the interest charges. As a result, the Railway Reserve Fund was depleted and interest payments were made by taking loans from the Depreciation Reserve Fund. At the end of 1936-37, loans from the Depreciation Reserve Fund to meet deficits stood at Rs. 30.29 crores, and arrears of contribution to General Revenues stood at Rs. 30.74 crores. A moratorium had to be declared in 1937, and again extended in 1939, suspending repayments to the Depreciation Reserve Fund and all payments of contributions to General Revenues. The Second World War, however, brought prosperity to the railways, and by 1942-43, the entire loan taken from the Depreciation Fund as well as the arrear contributions to General Revenues were fully paid up.

The Convention for separation of railway finance from general finance had two-fold objects, viz., (*a*) relieving the general budget from violent fluctuations and (*b*) enabling the railways to carry a continuous railway policy suited to its own end. The first object underlying the Convention was to some extent fulfilled in that the General Revenues were assured of a more or less steady return, and fluctuations in the general budget, so far as they related to contributions from railways, were reduced to the minimum possible, though not altogether eliminated. Even during the years of depression, when the railways did not earn enough to meet the full obligation under the 1924 Convention, the interest charges were paid in full to General Finance, either from the Revenue Reserve Fund or by taking loans from the Depreciation Fund. It can perhaps be assumed that, had there been no separation, the deficits of these years would have been borne by the Central Government and withdrawals from the Depreciation Fund would have been used for legitimate purposes of renewals and replacements only. The second object of enabling the railways to follow a continuous railway policy, irrespective of the vicissitudes of the Central budget, does not appear to have been achieved. In spite of large appropriations to the Depreciation Reserve Fund, the railways had to line up with the policy laid down by General Finance of restricting expenditure to the absolute minimum requirements in the period of depression and to curtail considerably their programme of renewals and replacements.

The Separation Convention of 1924 provided for a review after three years. A committee was accordingly appointed in 1928, but it did not pursue the enquiries in view of the constitutional changes then impending. Another committee appointed in 1943 too found it impossible to foresee the conditions which might prevail after the war and, in recommending the postponement of the permanent revision of the Convention suggested that, until a new Convention was adopted, the allocation of the surplus should be determined every year on consideration of the respective needs of the Railways and the General Revenues. This *ad hoc* distribution of surpluses between the Railways and the General Revenues continued until 1949-50 and, during this period, General Revenues received an aggregate contribution of Rs. 142 crores out of the total surplus of Rs. 212 crores in railway working, against Rs. 109 crores due under the previous formula which had been suspended. The permanent revision of the Convention was taken in hand, as soon as the conditions prevailing immediately after the war and Partition had become comparatively more stable, through a committee of the Legislature and a new Convention was adopted in December, 1949, to be effective for five years from 1st April, 1950.

Revised Financial Convention

The new Convention stipulates that the separation of Railway Finance from General Finance will continue, but the subsisting relationship between them should be so altered as to give the general taxpayer the status of the sole shareholder in the railway undertaking entitled to a guaranteed dividend of 4 per cent. on the loan capital invested in the undertaking. The revised Convention is a great step forward in the development of railway financial policy. The old formula involving an indeterminate contribution to General Revenues is now replaced by a simpler and more easily workable arrangement, in the shape of a fixed dividend on the capital investment, which assures to the General Revenues, over the period agreed upon, a fixed annual return. This would facilitate not merely forward economic planning in the civil field, but assist at the same time the railway undertaking in building up its reserves and planning and implementing a comprehensive programme of rehabilitation for overtaking the heavy arrears of renewals, replacements and neglected maintenance as well as of improvement and expansion of railway service. The fulfilment of this objective is seen from the fact that, since the time the Convention has been in operation, it has been possible to earmark large sums of money for implementing the rehabilitation programme of the railways. Thus a sum of Rs. 32 crores was earmarked in 1950-51, Rs. 43 crores in 1951-52 and Rs. 57 crores in 1952-53. In spite of these large amounts having been diverted towards renewals and replacements of railway assets, the Reserve Funds have been strengthened; they increased from Rs. 130 crores at the end of 1949-50 to Rs. 178 crores at the end of 1951-52.

Another important provision contained in this Convention is the constitution of a Railway Development Fund to finance expenditure on the construction of new lines which are necessary but unremunerative, as well as for meeting expenditure on passenger amenities and labour welfare works as also expenditure on unremunerative projects for improving opera-

tional efficiency in excess over Rs. 3 lakhs. This change may rightly be considered as an important landmark in the history of railway construction in India. Hitherto, railway development had been influenced mainly by commercial considerations. In the case of branch and feeder lines, if the construction of such a line was not remunerative but was taken in hand at the instance of a State Government or local body in purely local interests, the construction was undertaken by Central Government either on a guarantee from them to make good the loss sustained from year to year or such proportion of the capital expenditure being borne by them as to make the net revenue return economical on the share of capital invested by the Central Government. With the implementation of the new Convention, this policy has undergone a radical change. In the present altered conditions, a system of nationalised railways must fulfil a positive and complementary role in the general economic development of the country, and the Central Government being responsible for rail transport has to undertake the obligations to extend rail facilities in undeveloped areas, unhampered too much by considerations of the adequacy of the return on the capital invested. The commercial principle of ploughing back surplus revenues of prosperous years for expansion has thus come to be an integral part of the new financial policy of the railways.

Contribution to Depreciation

The new Convention also lays down that the contribution to the Depreciation Reserve Fund should be a minimum of Rs. 15 crores per annum and that the full cost of replacement, including the improvement and inflationary elements in it should be charged to the Depreciation Fund. The creation of a proper Depreciation Reserve Fund was one of the financial reforms included in the scheme of separation of Railway from General Finances of the country in 1924. Renewal Reserve Funds had existed before 1875 on several of the old guaranteed railway companies but were abolished, being either inconsistent with the terms of their contracts or because the Government found it difficult to meet the guaranteed rate of interest after meeting the depreciation charges. The serious and unavoidable postponement of renewals of permanent-way and rolling stock during the First World War brought the question of reserve fund again into prominence and, on the recommendation of the Acworth Committee, which criticised Government's failure to establish such a reserve, a depreciation fund was instituted on 1st April, 1924 in railways owned and worked by the State. The Fund was formed by setting aside from current revenues every year a sum which would equal the original cost of each unit of wasting assets at the end of its normal life. This procedure involved, in actual practice, the maintenance of elaborate accounts and, with a view to simplification, the contribution has been made yearly at a flat rate of one-sixtieth of the capital at charge with effect from 1935-36, and at this rate the contribution credited to Depreciation Reserve Fund in the year 1949-50 amounted to about Rs. 11 crores. During the three years the new Convention has been in operation, an annual contributioin of Rs. 30 crores has been made to the Depreciation Reserve Fund. The raising of the rate is based on the consideration that present-day replacement costs bear no relation either to the original costs of acquisition or the estimated lives of the assets—the two factors which have hitherto determined the rate of contribution. The present disparity between the original and replacement costs is considerable, and for certain assets like locomotives, railways are withdrawing eight rupees for every rupee put into the fund in respect of these assets upto the date of replacement. If the practice followed hitherto of making the contributions to the Depreciation Reserve Fund on the historical cost of the assets had been continued, the Fund would have been depleted in no time in financing the arrears of replacement at the present-day price levels. The provision made in the new Convention that the full cost of replacement, including the improvement element, should be charged to the Depreciation Reserve Fund may be open to criticism, as the improvement element indicates increased earning capacity and might, according to the orthodox rules of accountancy, be a capital charge. In these days of rapid scientific progress, however, any new equipment is seldom an exact replica of the old one which it replaces, and it is not unjustified if improvements, which are nowadays concomitant to all replacements, are also financed from the Depreciation Fund which in fact is only a renewal and replacement fund. Incidentally, this also prevents over-capitalisation of the undertaking.

By agreeing upon a fixed dividend payable to General Revenues, the new Convention has bestowed greater freedom on the railways in the regulation of their day-to-day financial transactions, e.g., framing the rules of allocation of expenditure, etc., which under the old Convention were controlled by General Finance, so far as they affected the calculation of the surplus in which the latter was interested. It is, however, to be observed that even the new Convention does not seek to bring about a real separation of Railway from General Finances. Although two distinct accounts are maintained, it does not effect a separation of the ways and means parts of the two wings of the Government. General Finance acts as the banker for railways and the reserve funds of the railways are deposited with their banker who is free to utilise them for his ways and means financing. General Finance, however, pays to the railways interest on the balances accumulated in these reserve funds. This involves a certain amount of limitation on the freedom of the railways to draw upon their balances, according to their requirements.

Further, all loan capital required by railways for expenditure of a capital nature is raised only by General Finances as an integral part of their resources. The over-capitalisation of Indian railways, arising mainly out of the history of their ownership, has been commented on adversely by various expert committees from time to time. The Indian Railway Enquiry Committee (1947) pointed out that out of the total capital-at-charge of railways, about Rs. 68 crores represented intangible assets, which should be gradually written off through a Debt Redemption Fund to be built up by contributions from revenue at the rate of 1 per cent. of the gross receipts. The capital invested on railways being a part of the Public Debt of India, no large-scale writing down of railways' capital-at-charge has, however, been possible so far.

Annual Railway Budget

The railways are a monopolistic undertaking with vast financial resources and economic power and, therefore, their public accountability is a matter of great importance in a democracy. This is particularly so when, within limits, the Railway Administrations can manipulate fares and freight rates to augment revenues. Parliamentary control can be most effective through control of expenditure and this has been provided through budget and by an examination of the Appropriation Accounts by the Public Accounts Committee. The annual budget also provides an effective means in the hands of the Railway Administrations and the central authority in regulating the working of the railways and improving their operating efficiency. The primary purpose of an annual budget for the railways is to develop a forecast of traffic volume and financial results and to establish systematic controls to achieve such results. The annual budget, in effect, consists of three parts, viz., a revenue budget, a rehabilitation and capital improvement budget and a financial budget showing the relationship between anticipated revenue receipts and operational expenses, and other long-range financial requirements which might project into the future year. The preparation of an operating and financial budget on a sound basis requires skill and research. While it is true that the central authority or the head of each Railway Administration has to take overall decisions, every employee from departmental heads down to supervisors in the lower brackets, has control over expenses in his own area of responsibilities and, to a proportionate degree, is in a position to contribute to the economical working of his railway. In order to achieve maximum results in this field, there must be co-operation and enthusiasm in a large measure on the part of each employee and this spirit can be fostered and maintained through the operating budget if it is prepared and administered efficiently.

Under the Separation Convention, a railway budget was presented to the Legislature for the first time in 1925-26 separately from the general budget. The total expenditure, amounting to Rs. 87 crores, excluding the expenditure on the central authority, was covered by only five demands for grants, two for working expenses, one for appropriation to Depreciation Fund and two for works expenditure. Control of operational expenses of this magnitude through these two demands only was not found very effective. From 1934-35, working expenses were rearranged into eight separate demands corresponding to each department of railway working. This rearrangement of the demands, however, placed severe restrictions on the General Managers powers of reappropriation which hampered efficient railway operation. To remedy the difficulties arising from the rigidity of these restrictions, a convention was established that the Railway Administrations could set off excess expenditure under any of the demands against savings anticipated in other demands of working expenses. The Public Accounts Committee, which investigated into the arrangements of budget demands, however, thought that the effect of this convention was tantamount to re-appropriations being allowed between the eight different demands which was contrary to all canons of budgetary and financial control. With a view to rectifying these defects, the demands were rearranged and seven demands are now operated upon for working expenses, one each for administration, repairs and maintenance, operating expenses—staff, operating expenses—fuel, operating expenses—other than staff and fuel, miscellaneous expenses and labour welfare. This rearrangement is more rational than the previous one and secures reasonable balance between the needs of administrative flexibility and efficient financial control. As the largest employer of labour, the railways are spending enormous sums of money on labour welfare services, and a separate demand under "working expenses" for labour welfare expenditure was introduced from 1950-51 to exhibit in one place the provisions made for such expenditure which was previously scattered over the various revenue demands. Similarly, to enable Parliament to watch the interests of labour, a separate demand head has also been opened for labour welfare works, such as quarters, hospitals and other amenities for staff, e.g., institutes, etc. In recent years, great emphasis has also been laid on the measures taken to ameliorate the conditions of railway passengers, particularly the third class passengers, which had been neglected in the old company days. For this purpose, a Betterment Fund was created in 1946, but under the new Convention, this fund has been merged in the Development Fund with a definite stipulation that, for five years from 1950-51, a sum of Rs. 3 crores should be made available every year from the new fund for expenditure on passenger amenities. This is provided for under a separate demand, but along with all other expenditure financed from the Development Fund.

The Railway estimates are presented to both the House of the People and the Council of States and there is general discussion in both the Houses on these estimates. The Lower House only has, however, the right to vote supplies. After all the demands have been voted, an Appropriation Bill is presented to authorise the Government to withdraw necessary moneys from the Consolidated Fund of India. In the course of discussion of the Appropriation Bill, the House can again raise any question of general policy or public importance, but, by convention, such discussions at this stage are confined within narrow limits. The Appropriation Bill, after it is passed by the Lower House, then goes to the Upper House which cannot reject the Bill, but can return it to the Lower House with such recommendations as it may like to make. After the Appropriation Bill has been passed by both the Houses, the budget estimates stand approved by Parliament to be operated upon by the railways, and the central authority then communicates the budget sanctions to each railway through "budget orders." The annual operating budget, as sanctioned by Parliament and as may be revised by the same authority from time to time during the financial year depending on sharp business changes or basic changes in wage rates, material prices, etc., becomes the guide post to the railways in working out appropriations on a month-to-month basis. The anticipated revenues and expenses are compared with the actual figures each month. At the end of the year, a comprehensive review is made of the total expenditure incurred during the year against the grants voted by Parliament, through appropriation accounts and submitted to the Comptroller and Auditor-General of India for his scrutiny. The Railway Appropriation Accounts as well as the Auditor-General's report on financial irregularities relating to the railways are subjected to a searching examination by the Public Accounts Committee as in the case of any other ministry.

A Suggestion

Unlike most other spending departments of Government, railway expenditure is largely influenced by the need to carry traffic offering, and the non-availability of grants based on forecasts made in advance cannot prevent a railway administration from carrying out the service expected of it. Whether the Appropriation Accounts of the railways, the receipts and expenditure of which are extremely sensitive to vagaries of climate and gusts of wind that affect the economic barometer of the country, should be subjected to a system of scrutiny, against Parliamentary grants, comparable to those for a purely spending ministry is a question on which opinions may differ. This matter, however, is linked with the more fundamental question as to whether the railways should be managed and administered as a part of a ministry of the Government or by an autonomous body subject only to general control of Government and Parliament. The provisions regarding setting up of a Federal Railway Authority of the kind envisaged in the Government of India Act, 1935, were rightly excluded from free India's Constitution, but the experience of other democratic countries in the management of their nationalised undertakings, including the railways, as well as our own experience in the running of State enterprises, will perhaps lead some day to a reopening of the important and intricate question of the form that the central controlling authority for railways should take.



Notices

THE SASSOON SPINNING & WEAVING COMPANY, LIMITED

NOTICE

THE EIGHTIETH ORDINARY GENERAL Meeting of the Shareholders of the Company will be held at the Registered Office, Maneckji Wadia Building, 127, Mahatma Gandhi Road, Fort, Bombay, on Tuesday the 28th April, 1953, at 4-0 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report, Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1952.
2. To declare a Dividend.
3. To elect a Director in place of Mr. M. N. Pochkhanawalla who retires by rotation and is eligible for re-election.
4. To elect a Director in place of Mr. Kaushikprasad Chandulal who retires by rotation and is eligible for re-election.
5. To elect a Director in place of Mr. Arvind N. Mafatlal who retains office till the General Meeting under Company's Articles of Association but is eligible for re-election.
6. To elect a Director in place of Mr. Yogindra N. Mafatlal who retains office till the General Meeting under Company's Articles of Association but is eligible for re-election.
7. To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will be closed from Friday the 10th April, to Friday the 1st May, 1953 (both days inclusive).

By Order of the Board of Directors,
M. G. INVESTMENT CORPORATION LTD.,
N. MAFATLAL,
Director,
Managing Agents.

MANECKJI WADIA BUILDING,
127, MAHATMA GANDHI ROAD, FORT,
BOMBAY, *17th March*, 1953.

N.B.—If Dividend, as recommended by the Directors, is passed at the Meeting, the payment will be made at the Registered Office of the Company on and after Monday, the 18th May, 1953, during office hours, excepting Saturdays, to those shareholders whose names are on the Company's Register on 1st May, 1953.

Shareholders are requested to intimate the Company immediately any change in their registered address.

NOTICE is hereby given to the Shareholders of the Sassoon Spinning and Weaving Co., Ltd., and in particular to:

Col. Bhupal Shum Shere Jung Bahadur Rana, Mr. Elerahim Suleman Asmal, Lt.-Col. Richard Lawrence Ferard, Mr. Franklin Piedade, Mr. Haji Davji Mohamed Sidat, Mr. Ismail Mohmed Vavda, Mr. Joaquim Cardide Pereira, H.H. Maharani Krishna Kumari, Mr. Nissim Cohen Sassoon and Mr. Timothy Mariano Fernandes.

THE NEW UNION MILLS, LIMITED

NOTICE

THE SIXTEENTH ORDINARY GENERAL Meeting of the Shareholders of the Company will be held at the Registered Office, Maneckji Wadia Building, 127, Mahatma Gandhi Road, Fort, Bombay, on Tuesday the 28th April, 1953, at 4-30 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report, Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1952.
2. To declare a Dividend.
3. To elect a Director in place of Mr. M. N. Pochkhanawalla who retires by rotation and is eligible for re-election.
4. To elect a Director in place of Mr. Kaushikprasad Chandulal who retires by rotation and is eligible for re-election.
5. To elect a Director in place of Mr. Arvind N. Mafatlal who retains office till the General Meeting under Company's Articles of Association but is eligible for re-election.
6. To elect a Director in place of Mr. Yogindra N. Mafatlal who retains office till the General Meeting under Company's Articles of Association but is eligible for re-election.
7. To elect a Director in place of Mr. Jayantilal D. Vasa who retains office till the General Meeting under Company's Articles of Association but is eligible for re-election.
8. To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will be closed from Friday the 10th April to Friday, the 1st May, 1953 (both days inclusive).

By Order of the Board of Directors,
MAFATLAL CHANDULAL & Co. (BOMBAY) LTD.,
N. MAFATLAL.
Director,
Managing Agents.

MANECKJI WADIA BUILDING,
127, MAHATMA GANDHI ROAD, FORT,
BOMBAY, *17th March*, 1953.

N.B.—If Dividend, as recommended by the Directors, is passed at the Meeting, the payment will be made at the Registered Office of the Company on and after Monday, the 11th May, 1953, during office hours, excepting Saturdays, to those shareholders whose names are on the Company's Register on 1st May, 1953.

Shareholders are requested to intimate the Company immediately any change in their registered address.

NOTICE is hereby given to the Shareholders of the New Union Mills Limited, and in particular to:

Mrs. Elvira De Sa e Santos & Nicolan Pinto Sa, Mr. Franklin Piedade Xavier de Souza & Mrs. Flory de Souza, Mrs. Lena Ribeiro & Nicolan Pinto Sa and Mrs. Mehra Phiroz Cooper.

THE KUARDI COAL COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Sixty-ninth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office, No. 3, Synagogue Street, Calcutta, on Tuesday the 5th May, 1953, at 3 p.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the year ended 30th June, 1952, declaring Dividend, electing Directors and Auditors in place of those retiring and transacting any other ordinary business that may be brought forward.

The Share Registers of the Company will remain closed from the 27th April to 5th May, 1953, both days inclusive.

By Order of the Board,
H. V. LOW & CO., LTD.,
Managing Agents.

3, SYNAGOGUE STREET,
CALCUTTA, *17th April*, 1953.

IMPORTANT:—Dividend is Payable on Application.

ANDERSON WRIGHT, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Interim and Final Dividend at 4½ per cent. per annum for the year ended 31st December, 1952, has been declared on the Preference Shares of the Company at a Meeting of the Board of Directors held to-day. Warrants will be posted to the registered shareholders or to their Mandatees very shortly.

By Order of the Board of Directors,
G. J. K. HOOK,
Director.

7, WELLESLEY PLACE,
CALCUTTA, *15th April*, 1953.

RESULTS OF WIMCO ENCOURAGING

DIVIDEND UNCHANGED—FINANCES SOUND

THE decision of the Directors of the Western India Match Co., Ltd. (Managing Director: Mr. T. H. Rydin, Bombay), to maintain the distribution to the Company's shareholders for the year ended 31st December, 1952, at 11 per cent. (made up of a dividend of 10 per cent. and a bonus of 1 per cent.) does not reflect in full measure the favourable results achieved by the Company during the year, as compared with those for the previous year. The Company's gross profit for 1952 has recorded an expansion of Rs. 12 lakhs, that is from Rs. 94.63 lakhs for 1951 to Rs. 106.62 lakhs. If, despite this improvement, the Directors have not chosen to enhance the return to the shareholders, it is, perhaps, because of their policy of maintaining a steady dividend and ploughing back sizable sums year after year. This policy has stood the Company in good stead and has endowed it with a sound financial position, as we shall presently show.

This is the fourth year in succession that the distribution has been maintained at 11 per cent. Barring the year 1948, the rate of distribution has shown very little fluctuation during the last twelve years. The return to the shareholders remained unchanged at 12 per cent. from 1941 to 1947 (both inclusive). This was reduced to 6½ per cent. in 1948 due to the Dividend Limitation Ordinance, but, in the subsequent year, this was raised to 11 per cent. and has been kept up at that level since then. While recalling this dividend record of the Company, mention should, however, be made of the fact that, during the last twelve years, the Company's paid-up capital was raised three times by the capitalisation of reserves. Thus, in 1943, the Directors increased the paid-up capital from Rs. 70 lakhs to Rs. 77 lakhs by the capitalisation of a sum of Rs. 7 lakhs out of the sum standing to the credit of the general reserve, and distributed one share for every 10 shares. In February, 1947, a large sum of Rs. 77 lakhs out of the general reserve fund was capitalised, raising the capital to Rs. 1.54 crores, and distributed as capital bonus in the proportion of one share for every existing share held, the new shares ranking *pari passu* with the old shares for dividend out of the profit for 1946. This was followed by a further bonus issue in December, 1948, when the capital was raised to the present level of Rs. 2.20 crores by capitalising Rs. 66 lakhs from the reserves and issuing bonus shares in the proportion of three new shares for every seven old shares held. As on the previous occasion, the new shares qualified for the dividend paid out of the profit for 1948.

It will be noted from the foregoing that, though the present rate of distribution is only one per cent. less than that paid in 1941, the sum required for such lower distribution is nearly three times (Rs. 24.20 lakhs) that taken up twelve years ago (Rs. 8.40 lakhs). Thus, the Directors have been following a steady dividend policy with good justification. It may further be noted that they did not reduce the dividend in 1950 when the profit fell from Rs. 122.92 lakhs to Rs. 94.59 lakhs, a recession more perceptible than the increase registered in 1952.

To revert to the analysis of the results for 1952. Readers' attention is drawn to the following table giving the salient features of the financial results for 1952, as compared with those for the preceding three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Gross sale proceeds ..	11,85.11	11,04.30	11,23.46	11,22.39
Closing stocks	27.11	24.05	18.57	34.75
Other income	15.88	6.91	6.61	6.80
Purchase of finished goods	2.20	14.95	8.46	13.21
Excise duty	5,69.75	5,75.86	5,46.33	5,53.51
Manufacturing and other expenses	5,25.49	5,21.23	4,64.51	4,58.23
Gross profit	1,06.62	94.63	94.59	1,22.92
Managing Agents' commission	9.80	8.91	9.10	12.03
Provision for—				
Depreciation	13.50	11.43	10.05	8.88
Taxation	33.15	32.00	31.00	46.00
Net profit	50.17	42.29	44.44	55.79
To Shahdara factory goodwill written off ..	0.01	..	..	..
To reserves	20.00	12.00	17.00	20.00
,, dividend	24.20 (D. 10% +B. 1%)	24.20 (D. 10% +B. 1%)	24.20 (D. 10% +B. 1%)	24.20 (D. 10% +B. 1%)
,, gratuity	..	3.27	4.19	..
,, Managing Agents ..	4.61	4.19	4.19	5.65
Carry forward	4.21	3.86	4.16	9.30

The Company's factories in India are reported to have worked to their full capacity and sales have been good. The Company's factory at Shahdara, in Pakistan, which was closed in August, 1951, however, continued to remain closed during 1952. The relatively small decline in sale proceeds and excise duty paid shows that the factories in India must have almost made good the absence of production in Pakistan. The increase in the depreciation provision by over Rs. 2 lakhs is due to the fresh addition made to the fixed capital expenditure during the year. The net profit shows a rise of nearly Rs. 8 lakhs which sum has been utilised to enhance the addition to the reserves. Whereas the whole of the Rs. 12 lakhs added to the reserves last year represented the sum transferred to the general reserve, this year's allocation is made up of a sum of Rs. 17.50 lakhs to the general reserve and Rs. 2.50 lakhs to the dividend equalisation fund.

The Company's financial position is quite impressive, as the following synopsis of its balance-sheet as on 31st December, 1952, would reveal:

LIABILITIES	Rs.	ASSETS	Rs.
		Gross block ...	2,16,78,740
Capital ...	2,20,00,000	*Less*—Depreciation ...	1,40,91,183
Reserves and surplus ...	1,17,39,692	Net block ..	75,87,557
		Stock-in-trade	27,10,585
Reserve for taxation ...	1,02,54,674	Stores, raw materials, etc. ...	1,72,60,532
Liabilities ...	1,26,90,721	Debts, deposits and advances ...	1,40,33,305
		Investments	31,016
		Cash balances ...	1,50,62,062
Rs.	5,66,85,057	Rs.	5,66,85,057

The reserves stand strengthened not only by the addition of a sum of Rs. 20 lakhs from out of the profit for the year but also by the transfer of Rs. 15.94 lakhs, being the sum received during the year from the Government by way of post-war refund of E.P.T., after deducting Rs. 10.46 lakhs for taxes, in respect of the optional and compulsory deposits made for the years 1941 to 1946. The gross additions to the block during the year amount to Rs. 17.60 lakhs. During the last several years, the Company has been spending sizable sums every year on fresh additions to the block, the amount thus spent since 1945 aggregating Rs. 71.05 lakhs. The other features of its financial position are: (1) the fixed assets have been well written down; (2) the current assets exceed the current liabilities by a huge margin of Rs. 261.53 lakhs and (3) the current assets include a large amount of cash balances.

The Company's Rs. 100 fully paid-up shares are being currently quoted at Rs. 236-14, at which rate the latest dividend gives a yield of 4.64 per cent. free of income-tax.

(Concluded from next column)

tary dividends for the years 1942, 1945 and 1946. This amount was met out of the general reserve.

The financial position of the Company is sound. The paid-up capital of Rs. 68 lakhs is supplemented by reserves and surplus aggregating Rs. 115.56 lakhs, made up of, in the main, premium on shares Rs. 16.87 lakhs, general reserve Rs. 54.20 lakhs, dividend equalisation fund Rs. 10 lakhs and rehabilitation and development reserve Rs. 30.74 lakhs (including Rs. 10.74 lakhs added during the year from the post-war refund of part of E.P.T. for the years 1941 to 1945). As against a gross block of Rs. 113.81 lakhs a depreciation reserve of Rs. 78.39 lakhs and a special depreciation reserve of Rs. 15.16 lakhs have been built up. The current assets aggregate Rs. 219.97 lakhs, made up of stock-in-trade Rs. 70.89 lakhs, stores, spares, etc., Rs. 12.81 lakhs, book debts, advances and deposits Rs. 49.81 lakhs, investments Rs. 5.04 lakhs and cash balances Rs. 81.44 lakhs. The current liabilities amount to no more than Rs. 61.67 lakhs, which are more than adequately covered by cash balances alone.

The Company's Rs. 100 fully paid-up ordinary shares are being currently quoted at Rs. 295 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of 7.3 per cent. per annum, free of tax.

STANDARD MILL CO. LTD. REPEATS DIVIDEND

RESERVES AT AN IMPRESSIVE LEVEL

THE dividend of Rs. 20 per share of Rs. 100 paid by the Standard Mills Co., Ltd. (Managing Agents: Messrs. Mafatlal Gagalbhai and Sons, Bombay), on its ordinary shares for the year 1951—it had been raised from Rs. 15 paid for 1949 and 1950—is proposed to be repeated for the year ended 31st December, 1952, also, although the earnings for the year have not been at the same high level as in the previous year. The gross profit for 1952 shows a drop of Rs. 27.43 lakhs, that is, from Rs. 61.41 lakhs to Rs. 33.98 lakhs. This decline, though marked, is in keeping with the general trend of cotton mill profits for the past year. If the Directors have chosen to maintain the dividend at the previous year's level, it is probably due to the relatively smaller recession in net profit, from Rs. 23.82 lakhs to Rs. 15.54 lakhs, which in turn is the result of substantially lower provision for taxation. The financial position of the Company is so satisfactory that it permits a cut in the allocation to the reserves and the maintenance of the dividend level. The Directors could have maintained the dividend even without reducing the transfer to the reserves, if they had only chosen to follow the mode adopted by many other mills, namely, by bringing into the profit and loss account the E.P.T. refunds. But they have taken the E.P.T. refund (about Rs. 10.74 lakhs) due to the Company straight to the rehabilitation and development reserve, in strict conformity with the purpose for which the E.P.T. refund was originally intended.

The following comparative table gives the salient features of the Company's results for the last four years.

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Sale proceeds	305.72	298.53	197.14	214.03
Other income	8.70	24.58	7.09	1.37
Stocks	43.88	31.62	31.95	29.22
Expenses*	292.70	261.36	175.37	195.53
Gross profit	33.98	61.41	29.48	20.13
Managing Agents' commission	2.94	5.72	2.53	1.46
Depreciation	8.00	7.37	8.81	5.73
Taxation	7.50	24.50	9.00	5.25
Net profit	15.54	23.82	9.14	7.69
Reserves	4.00	12.11	1.00	..
Dividend—				
Preference 4% ..	0.48	0.48	0.48	0.48
Ordinary	11.20 (20%)	11.20 (20%)	7.60 (15%)	7.20 (15%)
Carry forward	0.03	0.17	0.13	0.07

* Approximate.

The increases in sale proceeds, closing stocks and expenses indicate that the output by the Mills must have been on a higher level during the year. The Directors report that the mills worked day and night shifts, as well as a third shift partially during the year. The small increase in sale proceeds shows that the relaxation of price control on many varieties of cloth from 1st October, 1952, must have enabled the Company to get more remunerative prices than in the earlier months of the year. But this advantage, if any, has been counteracted by the decline in "other income," mainly on account of the fall in processing charges from Rs. 23.13 lakhs to Rs. 4.54 lakhs, and by the rise of Rs. 31.34 lakhs in expenses. Of the sum of Rs. 8 lakhs provided for depreciation, Rs. 4.70 lakhs represent the transfer to the usual depreciation reserve and Rs. 3.30 lakhs to the special depreciation reserve. The cut in the provision for taxation is in tune with the decline in earnings. The dividend equalisation fund receives Rs. 3 lakhs (as against Rs. 2.11 lakhs added last year) and the reserve fund Rs. 1 lakh (as against *nil*). Last year, in addition to the sum of Rs. 2.11 lakhs, the Directors had added Rs. 10 lakhs from the profit for 1951 to the rehabilitation and development reserve, but now the profit for 1952 does not permit of such an addition. However, as already indicated, the Directors have strengthened this reserve by transferring the E.P.T. refund of Rs. 10.74 lakhs. It may be added here that, apart from the proposed dividend of Rs. 20 per share, the shareholders had received, during 1952, a sum of Rs. 3.36 lakhs, being supplemen-

(Continued in previous column)

PROFIT OF AZAM JAHI AND OSMANSHAHI MILLS WELL MAINTAINED

OUTLOOK FOR CURRENT YEAR PROMISING

A REFRESHING feature of the audited accounts of the Azam Jahi Mills Ltd. and the Osmanshahi Mills Ltd. (Secretaries, Treasurers and Agents: The Industrial Trust Fund, Government of Hyderabad), for the year ended 30th September, 1952, is that the profits of both the mills have been nearly maintained at the previous year's levels. Thus, Azam Jahi's profit for the year under review amounts to Rs. 6.93 lakhs, as compared with Rs. 6.98 lakhs for the previous 12 months, and that of Osmanshahi Rs. 9.42 lakhs, as against Rs. 9.52 lakhs for 1950-51. These results are all the more heartening considering that throughout the Companies' accounting year, there was no relaxation of control on prices of many varieties of cloth. It was only in October, 1952, that controls on the prices of a number of varieties of cloth were relaxed. In fact, during the year under review, the controlled prices of cloth were actually lowered.

The appropriation of the profits of the two Companies slightly differs from each other. Azam Jahi has raised its allocations to depreciation and general reserve a little, but has maintained the dividend at 6 per cent. to which level it was raised last year from 5.5 per cent. paid for 1950. Osmanshahi has maintained the transfer to the general reserve (which includes provision for taxation) after placing a slightly higher sum to depreciation, but has stepped up the dividend from 6.5 per cent. to 7 per cent. It may be noted here that this is the second year in succession to witness an increase in the dividend after the same was drastically cut in 1949-50 to 5.5 per cent. from 14 per cent. (made up of a dividend of 10 per cent. and a bonus of 4 per cent.) paid for the year 1948-49.

The following comparative tables, giving the salient features of the results of the two mills for the last four years, provide an idea of their progress in these years:

Azam Jahi Mills

(In lakhs of O.S. rupees)

	For the year ended 30th September			
	1952	1951	1950	1949
Sale proceeds (net) ..	158.62	162.71	141.81	137.63
Manufacturing and other expenses	152.91	156.76	138.88	128.55
Managing Agents' commission	0.99	0.94	0.59	1.36
Profit	6.93	6.98	4.12	9.57
Provision for—				
Depreciation	2.25	2.00	2.00	3.00
General reserve* ..	1.00	0.75	0.75	2.50
Workers' welfare reserve	..	..	..	2.50
Dividend	4.32 (D. 6%)	4.32 (D. 6%)	3.96 D. 5.5%	5.40 (D. 10% +B. 5%)
Carry forward	0.18	0.28	0.46	3.20

Osmanshahi Mills

(In lakhs of I.G. rupees)

	For the year ended 30th September			
	1952	1951	1950	1949
Sale proceeds (net) ..	160.02	160.54	142.23	132.58
Manufacturing and other expenses	161.07	151.45	135.42	120.52
Managing Agents' commission	1.35	1.29	0.82	1.68
Profit	9.42	9.52	5.71	11.76
Provision for—				
Depreciation	2.50	3.00	2.00	2.15
General reserve* ..	1.00	1.00	1.00	2.40
Workers' welfare reserve	..	..	..	1.65
Dividend	6.12 (D. 7%)	5.69 (D. 6.5%)	4.81 (D. 5.5%)	7.00 (D. 10% +B. 4%)
Carry forward	0.18	0.01	0.19	1.79

* Including provision for taxation. D—Dividend. B—Bonus.

The difficult trading conditions which the two mills had to experience is aptly described by the Chairman of the Companies, Mr. Vinayakarao Koratkar (Minister for Commerce and Industry and Labour, Government of Hyderabad), in his address to the shareholders thus:

"Trading conditions during the greater part of the year have been very difficult. Controlled prices of cloth and yarn remained unchanged for the first six months, but an all-India financial crisis developed during the first three months of 1952, finally coming to a head in March with prices declining sharply in all markets. As a result, cloth became, for a time, very difficult to sell and many mills were compelled to sell at below controlled rates. I am very pleased to be able to say that due to the good reputation our cloth enjoys in the market, we were able to obtain controlled prices though for some time deliveries were below normal. During the year under review, the controlled prices of cloth underwent a gradual decline. The first cut came in May, 1952, when prices were lowered as much as 16 per cent. on coarse sorts and 7 per cent. on medium. A very small rise of about 1 per cent. on coarse sorts was given in June, the medium sorts being lowered a further 1 per cent. From July to September a rise of 5 to 6 per cent. was given in coarse sorts, medium being lowered a further 1½ per cent. The prices of yarn were also reduced during the year. I have gone into these details, so that when judging the results of the year's working you may give due consideration to the effect this fall in prices has had on our profits and, although this was to some extent offset by a continued decline in the price of cotton, it was not possible to take the fullest advantage of lower prices as the main cotton season is during the months of December, January and February, when the bulk of good cotton arrives in the market, and many mills throughout the country had already covered the greater portion of their requirements before the steep fall in prices which started from March, 1952. As regards exports, we managed to obtain almost exactly the same amount of business as in the previous year, but the price realised was considerably lower."

The latest balance-sheet of the Azam Jahi Mills shows that the Company's reserves and surplus amount of O.S. Rs. 51.87 lakhs, as against a paid-up capital of O.S. Rs. 71.94 lakhs. During the year, there was an addition of O.S. Rs. 21.13 lakhs to the fixed capital expenditure, bringing the total gross value of the block to O.S. Rs. 190.40 lakhs. This has been written down to a book value of O.S. Rs. 145.12 lakhs. Current assets aggregate O.S. Rs. 105.43 lakhs whereas current liabilities amount to O.S. Rs. 126.75 lakhs, of which loans from bank secured by the hypothecation of movable assets and guaranteed by the Industrial Trust Fund alone account for O.S. Rs. 108.76 lakhs.

As regards the extensions to the Company's plant and machinery, the Chairman observes as follows:

"With regard to the extensions we were not able to get the new turbine tested until August, as due to the failure of the monsoon we had insufficient water in the cooling tanks to keep the old turbine running and test the new one at the same time. In addition, the first tests were not satisfactory, and it was not until November that the new turbine was able to take the load. We are now running 550 looms with the necessary spinning machinery and it is anticipated that the whole mill will be running by June."

The financial position of the Osmanshahi Mills, as disclosed by its latest balance-sheet, is quite satisfactory. The paid-up capital of I.G. Rs. 87.04 lakhs is supplemented by reserves and surplus aggregating I.G. Rs. 61.71 lakhs. Current liabilities of the value of I.G. Rs. 62.73 lakhs are covered by current assets amounting to I.G. Rs. 112.61 lakhs by a wide margin of I.G. Rs. 49.88 lakhs. The gross block of the value of I.G. Rs. 158.62 lakhs (including I.G. Rs. 12.39 lakhs added during the year) has been written down to I.G. Rs. 98.86 lakhs.

The conversion machinery for erection in the mills was received partly in August, 1952, and partly in December. It was not, therefore, possible to augment the mills output of yarn. Hence the mills were working during the last six months of the year on 750 looms. This number has since been raised to 850. It is expected that the increased working will lower the cost of production.

As regards the outlook for the two mills, the Chairman's observations may be quoted *in extenso*:

"I must, however, state that for reasons which I shall mention later the benefits that will accrue as a result of the increase in production will not be as much as was anticipated previously owing to several new factors having since arisen. In my speech last year, I referred to the fresh burdens in the shape of the Provident Fund Act and the Employees' State Insurance Act, that have been placed on the industry by various legislations. These have since been added to by several other forms of taxation both direct and indirect. Sales tax on cotton and the increase in income-tax rates which have been brought in level with the rest of India will considerably affect the profits of the Company. Excise duty on cloth has been doubled and sales tax on cloth and yarn has been imposed at multiple points and, although these imposts are ultimately borne by the buyer, they are, doubtless, a hindrance to the smooth flow of trade. Added to these, demands of labour are still on the increase, although the profits of the industry are curtailed. In spite of all these adverse factors, however, your Directors hope, without being too optimistic, that the prospects for the current year should be better than the year under review."

PODAR MILLS' PROFIT HIGHER

FINANCES QUITE SATISFACTORY

AN increase of about Rs. 1 lakh in the gross profit, from Rs. 20.92 lakhs for 1951 to Rs. 21.90 lakhs, is the notable feature of the audited accounts of the Podar Mills Ltd. (Managing Agents: Messrs. Podar Sons, Ltd., Bombay), for the year ended 31st December, 1952. The improvement may be small, being of the order of 4.7 per cent., but what is significant about the rise is that it is in refreshing contrast to the heavy recession suffered by many of the Company's confreres and the loss sustained by a few others. The net profit, however, shows a decline of Rs. 1.12 lakhs to Rs. 9.81 lakhs, but that is due to larger provisions made for depreciation and taxation. The dividend has been kept unchanged at the liberal rate of 10 per cent. per annum, free of tax, to which level it was raised last year from 9 per cent. paid for 1950 and 1949.

The gross sale proceeds of cloth disclose a fall from Rs. 141.32 lakhs for 1951 to Rs. 115.59 lakhs, while closing stocks of cloth show a rise from Rs. 10.13 lakhs to Rs. 25.10 lakhs. The decline in sale proceeds of cloth has been made good to some extent by the increase in gross sale proceeds of yarn from Rs. 11.78 lakhs to Rs. 16.70 lakhs. Sales of waste are also lower at Rs. 1.58 lakhs, as against Rs. 3.72 lakhs. Cost of cotton purchases amounts to Rs. 76.80 lakhs, as compared with Rs. 94.24 lakhs, while other expenses have gone up from Rs. 44.74 lakhs to Rs. 47.91 lakhs. The fall in the value of purchases of cotton and sales suggests that the Company must have been cautious in making purchases of cotton and restricting output in view of the difficult marketing conditions during the year.

The salient features of the Company's accounts for the last four years are compared in the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Sale proceeds (net) ..	146.65	159.74	123.84	130.62
Expenses (including cost of purchases of cotton)	126.17	139.42	109.11	113.89
Loss on shares	1.06	0.42	..	1.74
Gross profit	21.90	20.92	16.12	15.96
Managing Agents' commission	2.09	1.98	1.48	1.50
Provision for—				
Depreciation	1.00	0.50	0.50	0.50
Taxation	9.00	7.50	6.00	10.00
Net profit	9.81	10.93	8.14	3.96
To reserves	5.51	6.00	4.16	..
Dividend—				
4% preference ..	0.40	0.40	0.40	0.40
Ordinary	4.00 (10%)	4.00 (10%)	3.60 (9%)	3.60 (9%)
Carry forward	1.25	1.36	0.83	0.84

The table shows that the Company's profit level has been on the progressive side since 1949. The profit for 1952, it may be noted here, is the highest since the year ended 30th September, 1946, (the Company changed its accounting year-end in 1947 from 30th September to 31st December), but falls very much short of the record profit of Rs. 75.47 lakhs touched in the year 1943-44. The Directors had provided only a sum of Rs. 50,000 for depreciation for each of the years 1948 to 1951, but they have now doubled this provision to Rs. 1 lakh for 1952. Provision for taxation has also been raised from Rs. 7.50 lakhs to Rs. 9 lakhs. The increase of Rs. 2 lakhs in these provisions has resulted in a drop of Rs. 1.12 lakhs in net profit. Nonetheless, the net profit, together with the unappropriated surplus of Rs. 1.36 lakhs brought in from last year, is sufficient to add more than 50 per cent. of the net profit to the reserves and maintain the dividend. Reserve fund gets Rs. 4 lakhs as against Rs. 2 lakhs, while the allocation to the dividend equalisation fund has been reduced by half, from Rs. 2 lakhs to Rs. 1 lakh, and that to the rehabilitation fund from Rs. 2 lakhs to Rs. 51,467.

The capital structure of the Company is unchanged at Rs. 50 lakhs, made up of 40,000 ordinary shares of Rs. 100 each and 10,000 4 per cent. cumulative preference shares of Rs. 100 each. The reserves and surplus aggregate Rs. 41.92 lakhs, representing nearly 84 per cent. of the paid-up capital. These reserves have been built up after capitalising as much as Rs. 30 lakhs during the years 1943 to 1947. The provision for taxation amounts to Rs. 14.55 lakhs. The gross block of Rs. 24.15 lakhs has been written down almost entirely, the depreciation provided so far being Rs. 21.50 lakhs. The current assets, amounting to Rs. 120.49 lakhs, cover the current liabilities, including provision for taxation, at Rs. 31.22 lakhs, by a huge margin. Of these current assets, cash balances alone, amounting to Rs. 32.01 lakhs, provide ample coverage to the current liabilities.

The Rs. 100 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 135, at which rate the dividend for 1952 gives a yield of 7.4 per cent. per annum, free of tax.

SASSOON SPINNING AND NEW UNION ENHANCE DIVIDEND LEVELS

PROFITS OF KANKNARRAH AND KAMARHATTY JUTES RECEDE

Sassoon Spinning and Weaving Co., Ltd.

THE directors of the above Company (Managing Agents: M.G. Investment Corporation Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1952.

The result of the working for the year under review shows a profit of Rs. 25,18,427 (Rs. 14,51,128), to which is added the balance profit brought forward from 1951 Rs. 1,316 (Rs. 17,813) making available a sum of Rs. 25,19,743 (Rs. 14,68,941). This sum the directors have appropriated as under:—

Reserve fund Rs. 1,00,000 (Rs. 4,00,000), provision for taxation Rs. 10,00,000 (Rs. 6,00,000), special depreciation fund Rs. 5,85,293 (Rs. 2,17,625) and dividend equalisation fund Rs. 5,00,000 (*nil*). From the balance of Rs. 3,34,450 (Rs. 2,51,316), the directors recommend, the payment of a dividend of Re. 1-4 (Re. 1) per share, free of income-tax, absorbing Rs. 3,12,500 (Rs. 2,50,000) leaving a credit balance to carry forward to 1953 account Rs. 21,950 (Rs. 1,316).

The values of the mill buildings and plant and machinery have been increased by Rs. 23,342 (Rs. 70,318) and Rs. 27,46,923 (Rs. 5,40,945) respectively due to extensions and purchase of new machinery. Some of the machines have been installed and are working satisfactorily.

The directors report that the Company has received from the Government a net amount of Rs. 3,20,219 during the year under review on account of refundable excess profits tax which sum has been credited to the replacement of machinery fund.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,00,000	Block ...	41,49,241
Reserves ...	48,01,529	Stock ...	32,45,586
Provision for taxation ...	10,31,962	Stores ...	6,22,709
Liabilities ...	19,76,734	Debts, deposits and advances ...	23,95,900
Profit and loss account ...	25,19,743	Investments	1,04,635
		Cash ...	23,11,897
	Rs. 1,28,29,968		Rs. 1,28,29,968

New Union Mills, Ltd.

The directors of the above Company [Managing Agents: Messrs. Mafatlal Chandulal & Co. (Bombay) Ltd., Bombay] submit the audited accounts of the Company for the year ended 31st December, 1952.

The result of the working for the year under review shows a profit of Rs. 13,53,499 (Rs. 9,13,903) to which is added the balance brought forward from 1951 of Rs. 941 (Rs. 3,884), making available a sum of Rs. 13,54,440 (Rs. 9,17,787). This sum the directors have appropriated as under:—

Provision for taxation Rs. 5,00,000 (Rs. 1,00,000), special depreciation fund Rs. 4,45,254 (Rs. 99,836) and dividend equalisation fund Rs. 2,50,000 (*nil*). From the balance of Rs. 1,59,186 (Rs. 1,27,951) directors recommend the payment of a dividend of Re. 1-4 (Re. 1) per share (free of income-tax) absorbing Rs. 1,58,762 (Rs. 1,27,011) leaving a credit balance to carry forward to 1953 account Rs. 423 (Rs. 941).

The values of the mill buildings, plant and machinery have been increased by Rs. 50,326 (Rs. 12,876) and Rs. 17,51,809 (Rs. 4,45,890) respectively due to extensions and purchase of new machinery. Some of the machines have been installed and are working satisfactorily.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,70,100	Block ...	28,92,872
Reserves ...	28,78,922	Stock ...	26,36,655
Provision for taxation ...	4,06,585	Stores ...	6,12,137
Liabilities ...	21,41,490	Debts, deposits and advances ...	16,35,544
Profit and loss account ...	13,54,440	Investments	50,000
		Cash ...	2,24,329
	Rs. 80,51,537		Rs. 80,51,537

Lakhshmi Cotton Manufacturing Co., Ltd.

The directors of the above Company (Secretaries, Treasurers and Agents: The Bombay Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1952.

The accounts show a profit for the year of Rs. 18,47,514 (Rs. 36,39,320), to which must be added balance brought forward from last year of Rs. 2,77,976 (Rs. 13,966) giving a total of Rs. 21,25,489 (Rs. 36,53,286). Out of this sum the interim dividend paid in November, 1952 of Rs. 10 (Rs. 12-8) per ordinary share absorbed Rs. 1,28,000 (Rs. 1,60,000). They have transferred to depreciation Rs. 9,53,966 (Rs. 10,69,310), reserve for taxation Rs. 3,60,000 (Rs. 11,00,000), engine and machinery fund Rs. 48,000 (Rs. 4,83,000) and gratuity fund Rs. 25,000 (Rs. 24,000), leaving a sum available of Rs. 6,10,524 (Rs. 8,16,976).

Out of this balance the directors recommend the payment of a dividend of Rs. 12-8 (Rs. 12-8) per share less income-tax on 6,400 preference shares, and a final dividend of Rs. 27-8 (Rs. 25 plus a bonus of Rs. 12-8) per share on 12,800 ordinary shares (making Rs. 37-8 (Rs. 50) per share for the year) free of income-tax, absorbing Rs. 4,11,000 (Rs. 5,39,000) and to carry forward the balance of Rs. 1,99,524 (Rs. 2,77,976).

The amount transferred to engine and machinery fund from the profits of 1952 covers the estimated amount of initial depreciation for the year. This depreciation does not affect the block and is not shown in the schedule of fixed capital expenditure. A sum of Rs. 15,250 representing surplus on sale of old machinery has been credited directly to engine and machinery fund, and Rs. 3,295 being dividends forfeited during the year has been added to reserve fund.

There was a serious crisis in internal cloth markets during the early part of the year and mills were also handicapped by the low prices fixed for goods manufactured from dearly bought cotton. The mill continued to do a fair export business. The present outlook appears to promise more stable conditions generally.

Additions to machinery during the year cost Rs. 2,15,191 (Rs. 9,61,111). The main items were two carding engines, two grinding machines, two fire service pumps, and the renovation of nine doubling frames.

During the year the Industrial Court awarded a bonus of 6¼ per cent. of basic earnings in respect of 1950. In respect of 1951 workers received a bonus of 25 per cent. of basic earnings.

The profits and fixed charges of the Company have been insured for the sum of Rs. 60 lakhs for a period of two years. Buildings and machinery were insured against fire and riot and civil commotion for Rs. 3,35,32,850 (Rs. 2,77,32,000) on the basis of reinstatement value. Stocks of cotton, cloth, yarn and stores at Sholapur and elsewhere are fully insured under declaration policies.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs
Capital ...	48,00,000	Block ...	45,00,322
Reserves ...	68,94,345	Stock ...	55,92,614
Provision for taxation ...	14,48,715	Stores ...	14,69,081
Liabilities ...	35,58,296	Debts, deposits and advances ...	28,25,258
Profit and loss account ...	6,10,524	Investments	7,80,182
		Cash ...	21,44,423
	Rs. 1,73,11,880		Rs. 1,73,11,880

Vishnu Cotton Mill Ltd.

The directors of the above Company (Secretaries, Treasurers and Agents: The Bombay Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1952.

The accounts show a profit for the year of Rs. 13,39,541 (Rs. 27,76,449), to which must be added balance brought forward from last year Rs. 2,69,813 (Rs. 31,142), giving a total of Rs. 16,09,354 (Rs. 28,07,590). From this the interim dividend paid in November, 1952 of Rs. 3 (Rs. 4) per ordinary share absorbed Rs. 96,000 (Rs. 1,28,000) leaving an available sum of Rs. 15,13,354 (Rs. 26,79,590). From this amount the directors have transferred to depreciation Rs. 6,68,602 (Rs. 7,21,907), reserve for taxation Rs. 2,50,000 (Rs. 9,00,000), depreciation, renewal and extension fund Rs. 44,000 (Rs. 3,50,000), and gratuity fund Rs. 24,000 (Rs. 37,000). Out of the balance of Rs. 5,26,752 (Rs. 6,70,683), the directors recommend the payment of a dividend of Rs. 35 (Rs. 35) per share less income-tax on 3,133 preference shares, and a final dividend of Rs. 7 (Rs. 6 plus a bonus of Rs. 4) per share, on 32,000 ordinary shares (making Rs. 10 (Rs. 14) per share for the year), free of income-tax Rs. 3,04,870 (Rs. 4,00,871) and to carry forward the balance of Rs. 2,21,881 (Rs. 2,69,813).

The amount transferred to depreciation, renewal and extension fund from the profits of 1952 covers the estimated amount of initial depreciation for the year. This depreciation does not affect the block and is not shown in the schedule of fixed capital expenditure.

A sum of Rs. 2,723 being surplus on sale of old machinery has been credited directly to depreciation, renewal and extension fund. Forfeited dividends amounting to Rs. 2,984 have been added to reserve fund.

There was a serious crisis in internal cloth markets during the early part of the year and mills were also handicapped by the low prices fixed for the goods manufactured from dearly bought cotton. The Company's mill continued to do a fair export business. The present outlook appears to promise more stable conditions generally.

Additions to buildings during the year cost Rs. 11,697 (Rs. 5,574), and to machinery Rs. 1,58,313 (Rs. 8,35,745).

During the year the Industrial Court awarded a bonus of 6¼ per cent. of basic earnings in respect of 1950. In respect of 1951 workers received a bonus of 25 per cent. of basic earnings.

The profits and fixed charges of the Company have been insured for the sum of Rs. 60 lakhs for a period of two years. Buildings and machinery were insured against fire and riot and civil commotion for Rs. 3,15,86,950 (Rs. 2,61,98,450) on the basis of reinstatement value. Stocks of cotton, cloth, yarn and stores at Sholapur and elsewhere are fully insured under declaration policies.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	47,66,500	Block ...	35,38,905
Reserves ...	48,90,559	Stock ...	64,84,340
Provision for taxation ...	11,37,666	Stores ...	15,96,598
Liabilities ...	40,98,330	Debts, deposits and advances ...	30,86,770
Profit and loss account ...	5,26,752	Investments	6,62,167
		Cash ...	51,227
	Rs. 1,54,19,807		Rs. 1,54,19,807

Svadeshi Mills Co., Ltd.

The directors of the above Company (Managing Agents: Tata Industries, Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1952.

The profit for the year, after making a provision of Rs. 6,00,000 for depreciation, amounts to Rs. 10,41,300 (Rs. 25,29,138). Adding thereto the balance brought forward from the accounts of the previous year Rs. 70,099 (Rs. 80,961) there is a total amount of Rs. 11,11,399 (Rs. 26,10,099). From this sum the directors have appropriated to equalisation of dividend fund Rs. 10,00,000 (Rs. 14,25,000) and to provision for gratuities account Rs. 20,000 (Rs. 15,000) leaving a balance of Rs. 91,399 (Rs. 70,099) to be carried forward. The directors recommend payment of the following dividends, free of income-tax, for the year ended 31st December, 1951 (to be paid out of the equalisation of dividend fund):—

On preference shares at Rs. 5 (Rs. 5) per share Rs. 75,000 (Rs. 75,000) and on ordinary shares at Rs. 16 (Rs. 18) per share Rs. 12,00,000 (Rs. 13,50,000).

The directors hope that looking to the conditions experienced by the industry during the year, the results will be considered fairly satisfactory.

The Employees' Provident Funds Act, 1952 was brought into force from 1st November, 1952. Under the Act all employees at the mills whose basic wages do not exceed Rs. 300 per month are required to be members of the fund. Further the contribution, which is fixed at 9¼ per cent., is to be calculated on the dearness allowance as well as on the basic wages. The extra cost that the Company had to bear on account of the increased membership of the fund and the calculation of the contribution on the dearness allowance amounted to about Rs. 50,000 during the last two months of 1952. The increase in cost will be about Rs. 3,00,000 per year.

The Company had also to incur an expenditure of about Rs. 44,062 under the Employees' State Insurance Act. Although initially the provisions of the Act apply only to the State of Delhi and the Kanpur area of the State of Uttar Pradesh, employers in other parts of the country have had to make a contribution to the cost of the scheme at the rate of ¼ per cent. of their total wage bill from the 24th February, 1952. Over a whole year the cost would be about Rs. 51,000 and at 1½ per cent., the rate in force in Delhi and Kanpur, it would amount to about Rs. 86,000.

Owing to a substantial rise in the price of liquid fuel the Company had to bear an extra cost of over Rs. 3,00,000 during the year under report. Machinery of the value of about Rs. 30,96,000 against the long term plan of reorganisation and renovation of the mills was received and installed during the year. Further machinery worth about Rs. 24,90,000 was also received but remained to be installed.

The last date for the presentation of fractional certificates against the issue of 15,000 ordinary shares made in 1949, has been further extended by the directors by one year upto the 30th September, 1953. During the year under report 24 fractional certificates were presented for conversion into six whole shares, leaving a balance of 38 shares on the 31st December, 1952 still to be allotted. The directors decided during the year to take up further 1,350 shares of Rs. 100 each of the National Machinery Manufacturers Ltd., the bulk of whose capital is held by the textile industry. The total holdings of the Company now amount to 4,500 shares.

During the year the Company received from Government a net sum of Rs. 11,36,304 as refund of one-tenth of the excess profits tax, after deduction of income-tax and super-tax. The directors have decided to credit this amount to the equalisation of dividend fund. A further sum of Rs. 9,197 being repayment of the sum deposited with the Government against post-war refund of excess profits tax, was also received in 1952.

The Company's buildings, machinery and stocks were insured as at 31st December, 1952 for Rs. 3,27,86,000 (Rs. 3,24,31,000). Profits and standing charges were insured for Rs. 50,00,000 (Rs. 35,00,000) per annum, indemnity being payable for 24 months.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	90,00,000	Block ...	1,57,2[illegible]
Reserves ...	2,10,92,537	Stock ...	99,2[illegible]
Provision for taxation ...	7,89,877	Stores and spare parts ...	11,4[illegible]
Liabilities ...	53,06,470	Debts, deposits and advances ...	19,1[illegible]
Profit and loss account ...	91,399	Investments	69,9[illegible]
		Cash ...	5,7[illegible]
	Rs. 3,62,80,283		Rs. 3,62,8[illegible]

[illegible]knarrah Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Jardine Henderson, Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st December, 1952.

After taking credit for Rs. 50,000 (Rs. 2,00,000) being commission waived by the managing agents, the profits of the half-year amounted to Rs. 5,45,057 (Rs. 8,42,525). To this was added the balance brought forward from the previous half-year of Rs. 1,14,824 (balance of Rs. 1,67,260 and E.P.T. refund of Rs. 2,49,131) making a total of Rs. 6,59,881 (Rs. 12,58,917). From this sum was deducted provision for taxation Rs. 2,30,000 (Rs. 1,25,000) and depreciation Rs. 1,00,000 (Rs. 2,00,000), leaving an available balance of Rs. 3,29,881 (Rs. 9,38,917). The directors have disposed of this as under:—

Payment of the half-year's dividend on the preference shares at Rs. 3 (Rs. 3) per share without any deduction for income-tax paid by the Company Rs. 30,000 (Rs. 30,000), payment of a dividend on the ordinary shares at Rs. 4 (Rs. 7-8) per share without any deduction for income-tax paid by the Company Rs. 1,20,000 (Rs. 2,25,000), payment of a dividend on the "B" ordinary shares at Rs. 4 (Rs. 7-8) per share without any deduction for income-tax paid by the Company Rs. 96,000 (Rs. 1,80,000) and carry forward Rs. 83,881 (Rs. 1,98,917).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	64,00,000	Block ...	38,23,956
Reserves ...	12,18,800	Stocks ...	41,32,322
Provision for taxation ...	10,68,727	Stores ...	21,75,550
Liabilities ...	43,88,911	Debts, deposits and advances ...	26,28,135
Profit and loss account ...	83,881	Investments	1,66,353
		Cash ...	1,84,003
	Rs. 1,31,60,319		Rs. 1,31,60,319

Kamarhatty Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Jardine Henderson, Ltd., Calcutta) submitted the audited accounts of the Company, for the half-year ended 31st December, 1952.

After taking credit for Rs. 50,000 (Rs. 2,00,000) being commission waived by the managing agents, the profit of the half-year amounted to Rs. 8,37,987 (Rs. 11,15,311). To this was added the balance brought forward from the previous half-year of Rs. 67,132 (balance of Rs. 2,23,696 and E.P.T. refund of Rs. 3,88,973) making a total of Rs. 9,05,099 (Rs. 17,27,980). From this was deducted provision for taxation Rs. 3,55,000 (Rs. 4,50,000) and depreciation Rs. 1,50,000 (Rs. 1,00,000), leaving an available balance of Rs. 4,00,099 (Rs. 11,77,980). The directors disposed of this sum as under:—

Payment of the half-year's dividend on the preference shares at Rs. 3 (Rs. 3) per share without any deduction for income-tax paid by the Company Rs. 48,000 (Rs. 48,000), payment of a dividend on the ordinary shares at Rs. 6 (Rs. 12-8), per share without any deduction for income-tax paid by the Company Rs. 1,44,000 (Rs. 3,00,000), payment of a dividend on the "B" ordinary shares at Rs. 6 (Rs. 12-8) per share without any deduction for income-tax paid by the Company Rs. 1,15,200 (Rs. 2,40,000) and carry forward Rs. 92,899 (Rs. 1,89,980).

Jute stocks have been valued at average cost and stocks of sold goods at contract rates. Goods unsold on 31st December, 1952, have been valued at market rates.

In compliance with the main and supplementary working time agreements of the Indian Jute Mills Association, the Mills worked 42½ hours per week throughout the half-year with 12½ per cent. of the total looms, sealed.

The remedial measures of reduced export duties adopted by Government as a means to stimulate trade, with a further reduction of Rs. 95 per ton in the export duty on sacking goods as from 28th February, 1953, have, unfortunately, failed to produce the results which might reasonably have been expected. The demand from consuming markets has been much below expectations especially for sacking goods which have become more and more difficult to dispose of.

The labour situation remained quiet during the period under review and there was some improvement in efficiency in most departments.

As a result of discussions between the Governments of India and Pakistan, lately concluded, the latter has agreed to abolish the discriminatory licence fee of Rs. 2-8 per maund on the export of all jute to India and to decrease by As. 12 per maund the export duty on all exports of jute to India packed in *kutcha* bales. These measures should result in an easier flow at cheaper rates of such qualities of jute as are necessary to maintain a good standard of production.

The Managing Agents have waived the sum of Rs. 50,000 out of their commission for the half-year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	59,20,000	Block ...	20,00,740
Reserves ...	20,07,975	Stocks ...	41,51,390
Provision for taxation ...	18,74,622	Stores ...	32,14,335
Liabilities ...	33,02,759	Debts, deposits and advances ...	34,47,612
Profit and loss account ...	92,899	Investments	1,89,428
		Cash ...	1,94,750
	Rs. 1,31,98,255		Rs. 1,31,98,255

N.B.—Figures within brackets relate to the corresponding period of the previous year.

COMPANY MEETINGS AND DIVIDENDS

NEW UNION MILLS LTD. Annual General Meeting, Bombay, 28th April, 1953. Dividend: Re. 1-4 per share, free of income-tax. Transfer books closed from 10th April to 1st May, 1953, both days inclusive.

SASSOON SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 28th April, 1953. Dividend: Re. 1-4 per share, free of income-tax. Transfer books closed from 10th April to 1st May, 1953, both days inclusive.

VISHNU COTTON MILLS LTD. Annual General Meeting, Bombay, 29th April, 1953. Dividend: Rs. 10 per share, free of income-tax. Transfer books closed from 10th to 30th April, 1953, both days inclusive.

SEEBPORE COAL CO., LTD. Half-yearly General Meeting, Calcutta, 30th April, 1953. Dividend: Re. 1 per ordinary share. Transfer books closed from 18th to 30th April, 1953, both days inclusive.

SVADESHI MILLS CO., LTD. Annual General Meeting, Bombay, 30th April, 1953. Dividend: Rs. 16 per share. Transfer books closed from 24th March to 22nd April, 1953, both days inclusive.

LAKSHMI COTTON MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 30th April, 1953. Dividend: Rs. 37-8 per share, free of income-tax. Transfer books closed from 10th to 30th April, 1953, both days inclusive.

SHREE KRISHNA GYANODAY SUGAR LTD. Annual General Meeting, Dalmianagar (Bihar), 30th April, 1953. Dividend Re. 1-8 per share free of income-tax. Transfer books closed from 24th to 30th April, 1953, both days inclusive.

BELSUND SUGAR CO., LTD. Annual General Meeting, Calcutta, 30th April, 1953. Dividend: As. 12 per share. Transfer books closed from 23rd to 30th April, 1953, both days inclusive.

NEW BEERBHOOM COAL CO., LTD. Half-yearly General Meeting, Calcutta, 30th April, 1953. Dividend: As. 8 per share. Transfer books closed from 20th to 30th April, 1953, both days inclusive.

TATA MILLS LTD. Annual General Meeting, Bombay, 1st May, 1953. Dividend: Re. 1 per share. Transfer books closed from 24th March to 22nd April, 1953, both days inclusive.

BELVEDERE JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 1st May, 1953. Dividend: Rs. 7-8 per share. Transfer books closed from 18th April to 1st May, 1953, both days inclusive.

PODAR MILLS CO., LTD. Annual General Meeting, Bombay, 4th May, 1953. Dividend: Rs. 10 per share. Transfer books close from 1st to 15th May, 1953, both days inclusive.

NASIK-DEOLALI ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Bombay, 5th May, 1953. Transfer books closed from 16th April to 5th May, 1953, both days inclusive.

STAR TEXTILES LTD. Annual General Meeting, Calcutta, 5th May, 1953. Transfer books close from 27th April, to 5th May, 1953, both days inclusive.

MODERN MILLS LTD. Annual General Meeting, Bombay, 8th May, 1953. Dividend: Rs. 5 per share. Transfer books closed from 18th April to 8th May, 1953, both days inclusive.

CAMBODIA MILLS LTD. Annual General Meeting, Coimbatore, 9th May, 1953. Dividend: Re. 1 per share. Transfer books closed from 25th April to 9th May, 1953, both days inclusive.

ASSAM MATCH CO., LTD. Annual General Meeting, Bombay, 11th May, 1953. Dividend: **Re. 1-4 per share** (including bonus of As. 3 per share.) Transfer books close from 4th to 16th May, 1953, both days inclusive.

NATIONAL RAYON CORPORATION LTD. Annual General Meeting, Bombay, 21st May, 1953. Transfer books close from 1st to 21st May, 1953, both days inclusive.

BHARAT LINE LTD. Annual General Meeting, Bhavnagar, 26th May, 1953. Transfer books close from 27th April to 26th May, 1953, both days inclusive.

RADHAKRISHNA MILLS LTD. Dividend of Rs. 6 per share. Transfer books closed from 20th April, to 9th May, 1953, both days inclusive.

PHOENIX MILLS LTD. Dividend of Rs. 8 per share for the year ended 31st December, 1952.

COMPANY REGISTRATIONS

CARONA SAHU CO., LTD. (First Director: Mr. Gianchand Jain.) Business: Manufacturers. Repairers and Dealers in Rubber, Sponge Rubber, Leather, Textiles, Jute, Balata, Rubber Seats, Cushions, Pillows, Mattresses, Tyres, etc. Authorised capital: Rs. 50,00,000. Private company. Address: 143, Mahatma Gandhi Road, Fort, Bombay.

TARUN COMMERCIAL MILLS LTD. First Director: Sjt. Ratilal Nathalal.) Business: Cotton Spinners and Doublers, Wool, Silk, Flax, Jute, and Hemp Spinners and Doublers and Manufacturers of Linen, etc. Authorised capital Rs. 50,00,000. Private company. Registered office: Ahmedabad.

BUDHABHOY EXPORT IMPORT LTD. (First Director: Mr. Fidahusein Budhabhoy.) Business: Importers, Exporters and Dealers in all kinds of Iron Scrap, Iron Ores Manganese Ores, Iron and Steel Goods, Hardware Goods, etc. Authorised capital: Rs. 50,00,000. Private company. Address: 199, Abdul Rehman Street, Bombay 3.

QUESTION HOUR IN PARLIAMENT

Overprinted Burma Notes

ARRANGEMENTS have been made by the Government for the exchange of overprinted Burma currency notes which have been so altered that the alteration cannot be readily detected. There have been a number of cases of overprinted Pakistan and Burma currency notes having been imported into India and passed off as India notes after cleverly removing the overprinting by some chemical or other processes. Customs authorities are taking every possible step to prevent smuggling. The public have also been warned against such notes and their serial numbers also have been published. The notes in circulation have decreased considerably of late, as a result of these steps.

—Finance Minister

Sales Tax on Tobacco

Representations have been received from the Tobacco Merchants' Associations of Sompeta and Srikakulam in Madras State complaining that tobacco products like cheroots and cigars are, with effect from 1st April, to pay sales tax to the State Government as well as excise duty to the Centre. The Central Government has considered the matter. The levy of sales tax by the State Government is within its rights under item 54 of the Seventh Schedule to the Constitution and the Government of India cannot intervene in the matter.

* * * *

No Double Taxation in Part 'B' States

Inter-State transit duties are being levied in certain Part 'B' States, while the Indian Income-tax Act now applies to all those States, except Jammu and Kashmir. The agreement entered into with all these States under Article 306 of the Constitution, provide for the abolition of inter-State transit duties within a maximum period of five years from the commencement of the Constitution in Saurashtra, Rajasthan and Madhya Bharat and four years from the same date in the case of Hyderabad. As regards income-tax, the old State laws ceased to have effect from 1st April, 1950, and are applicable only to arrear assessments of the pre-integration period. There is thus no double taxation.

—Deputy Finance Minister

Coal Export Charges

The question of abolition of the commercial charges on coal export as a general issue is under examination. The commercial charges on coal export to Pakistan have been abolished from 25th March, 1953, and the amount of loss will be about Rs. 1 crore. Commercial charges varied from country to country.

* * * *

Water Transport Board

A proposal is under consideration at present for the setting up of an inland water transport board for Travancore-Cochin State. The Study Group of Inland water Transport has not submitted its report to the Government of India. The Economic Commission for Asia and the Far East expects to finalise the report by December, 1953. The recommendations, in the final report, are not expected to differ materially from those in the interim report. Progress has been made further in formulating the pilot project with shallow draft tugs in consultation with an inland water transport expert provided by the U.N.

* * * *

Tata Locomotive

The recommendation of the Public Accounts Committee that the Government should take over from TELCO the manufacture of boilers and locomotives and run it as a State-owned industry is still under examination.

* * * *

Highways Scheme

The Mysore State Government has not so far elected to participate in the national highway scheme on the same basis as the other States.

—Deputy Minister for Transport

Hirakud Project

The Government of Orissa has given its approval to the revised estimate for the first stage of the Hirakud Project. This estimate is now under scrutiny by the Hirakud Control Board. As soon as the recommendations of the Board are received, necessary revised sanction of the Government of India will be issued. This, however, is not affecting the programme of construction which is being pursued with vigour.

—Minister for Planning, Irrigation and Power

Bhakra Canal Scheme

The construction of the Bhakra canal is proceeding according to schedule and the supply of water from the canal system will become available for irrigation purposes by May, 1954. The length of the main canal will be 108 miles and the branches will be about 442 miles, irrigating in all 5[illegible] acres of land.

* * * *

Power Station at Konar

A proposal to construct an underground hydro-electric station at Konar dam in the D.V.C. is under consideration of the Government. The estimated expenditure on it is Rs. 3.85 crores.

—Deputy Minister for Irrigation

MONEY RATES FALL

(From Our Own Correspondent)

BOMBAY, *22nd April*

The week under review witnessed perceptible signs of a slackening of demand for funds in the short-term money market. In the inter-bank call money sector, conditions were more favourable to borrowers. The inter-bank rate, for day-to-day call money among the Exchange banks and big Indian banks, which was placed at 2¾ per cent. last week, with stray transactions having been done at 2½ per cent. early in that week, was uniformly quoted at 2½ per cent. throughout this week. Some banks, however, offered 2¾ per cent. for renewal of good money. The rate among the smaller banks was unchanged at 3 per cent. and they were able to get their requirements in full.

There was no keen bidding for short-term deposits. Almost all banks quoted 2¾ per cent. for 1 to 3 months and 2 to 2½ per cent. for six months. The Treasury Bill rate was again unchanged at Rs. 2-7 per cent. per annum. The amount offered against this week's tenders for *Rs. 1 crore* was *Rs. 129.50 lakhs*, as against Rs. 120.50 lakhs last week.

After two weeks of sharp rise in notes in circulation to the tune of over Rs. 33 crores, there has been a small drop of Rs. 75.39 lakhs in the week ended 17th April, 1953, as shown by the Reserve Bank's statement for that week. Notes held in the Banking Department are up by Rs. 1.12 crores. The rise of Rs. 36.98 lakhs in total notes issued is covered by a corresponding increase in rupee coin. The deposits of the Central Government, which had gone up by Rs. 11.06 crores in the previous week, have risen further, but by a small sum of Rs. 35.83 lakhs, in the week under review. A further drop of Rs. 4.75 crores, following the decline of Rs. 17.71 crores in the previous week, is noted in deposits of other Governments. Deposits of banks have gone up by Rs. 2.39 crores, while those of others are lower by Rs. 1.12 crores. Cash balances are better by Rs. 1.15 crores, but balances held abroad are lower by Rs. 3.73 crores. Loans and advances to Governments show a small rise of Rs. 37 lakhs, whereas other loans and advances disclose a fall of Rs. 2.67 crores. Advances to Scheduled Banks against usance bills have gone up by Rs. 1.24 crores. Government Treasury Bills purchased and discounted show a rise of Rs. 1.74 crores.

A sharp rise in deposits of the Scheduled Banks is disclosed by their consolidated statement of position for the week ended 10th April, 1953, as compared with that for the previous week. The demand deposits are higher by Rs. 3.16 crores and time deposits by Rs. 5.73 crores. Inter-bank borrowings have declined by Rs. 1.63 crores. Borrowings from the Reserve Bank have also gone down by Rs. 1.96 crores and those from the Imperial Bank by as much as Rs. 3.56 crores. Advances and bills purchased and discounted too have declined by Rs. 32.83 lakhs and Rs. 46.13 lakhs, respectively. Investments are better by Rs. 42.65 lakhs. Cash-on-hand and balances with the Reserve Bank have together dwindled by about Rs. 9 crores, but balances with other banks in current account have improved by Rs. 2.91 crores. Money at call and short notice are lower by Rs. 59.70 lakhs.

After several weeks of dull conditions, the Gilt-edged market presented a cheerful appearance, with all-round appreciation in values, the rise in undated securities being much sharper. The improvement is attributed to the stoppage of selling of securities by the Reserve Bank, the emergence of investment demand and shortage of floating stocks. 3 per cent. 1953-55 was well maintained at Rs. 100-1. 3 per cent. 1957 and 3 per cent. 1958 hardened by an anna each to Rs. 98-12 and Rs. 98-7, respectively. 3 per cent. 1959-61 was placed As. 2 higher at Rs. 96-6. 3 per cent. 1963-65 firmed up by As. 2 to Rs. 92-10. Likewise, 3 per cent. 1964 advanced by As. 2 to Rs. 92-10 and 3 per cent. 1966-68 were in demand to rise by As. 2 to Rs. 90-7. 3 per cent. 1970-75, which had declined to Rs. 86-8 *ex-voucher* early in the week, regained to Rs. 86-9 at the close. 3 per cent. 1986 Conversion Loan, after touching a low of Rs. 81-8, rose spiritedly to Rs. 82-2 at the close.

The foreign exchange section was dull with no change in the rupee-U.S. dollar rate. The dollar is quoted at Rs. 475¼ per $100 (banks selling for ready delivery) and Rs. 476¼ (banks buying for ready). In New York too, the sterling was featureless, excepting for minor fluctuations in the forward rates. The spot rate for £, which had stood at $2.81½-2.81⅝ on the 14th inst. was placed at $2.81.11/16-2.81.13/16 throughout this week. The forward rate for three months closed at $2.81-2.81¼, after touching $2.81¼-2.81½ and that for six months at $2.80¼-2.80⅝ after being placed at $2.80⅝-2.80⅞.

KEEN DEMAND FOR LINSEED

(Messrs. A. Bradley & Co.)

CALCUTTA, *22nd April*

Distinctly steady conditions have prevailed in the linseed market throughout the past week and, while the undertone remains firm, trading has been reported on an increased scale. Up-country markets are reported to be very firm and arrivals to this centre, though somewhat improved, are mainly against earlier commitments. Demand at producing centres is reported to be good. Local crushers have shown a keen interest for both early and forward deliveries and, although the daily turnover has been fairly large, there have been buyers over. General conditions in the oil section have improved and the demand from local buyers has increased in sympathy with the price advance in mustard oil. Shippers also have been active and fair business has been reported.

Latest quotations are: April-May Rs. 18-4 and June-July Rs. 18-10 per maund.

SPURT IN SILVER

(From Our Own Correspondent)

BOMBAY, *22nd April*

The trading on the Bullion Exchange during the week under review was characterised by a fresh spurt in the price of silver which touched a new high level after more than a month. Although towards the close, the white metal had to shed a part of its gains, the undertone was still bullish. the rise over the week being Rs. 2-8 per 100 tolas. *Gold, on the other hand,* was featureless, but the undertone was steady.

The rise in silver was due to the active support from bull operators who tightened their grip over the market. Aided by strong up-country advices, inspiring reports from other commodity markets and encouraging offtake from up-country centres silver forged ahead in enlarged dealings The upward trend persisted till yesterday morning, but thereafter a reaction set in. To-day attempts by some of the bull operators to push up the market was not fully successful, as profit-taking set in at every rise.

Silver for forward delivery (1st May settlement) began at Rs. 158-2 and advanced to Rs. 163-6 yesterday morning, but reacted to close at Rs. 161-3.

Ready silver (.996 fine) opened at Rs. 158-6 and appreciated to Rs. 163-10 before winding up at Rs. 161-7. The floating stocks of silver are placed at 1,200 bars. The daily average offtake was estimated at 35 bars.

As already indicated, activity in gold was less pronounced due to lack of aggressive buying. The offtake was on a smaller scale than in the previous week, but the significant factor which contributed to *the steadiness of gold* was the dwindling in arrivals. Gold for forward delivery (30th April) started at Rs. 86-15 and soon touched Rs. 88-3. After receding to Rs. 87-5 on Saturday it once again improved to Rs. 88-2 yesterday before finishing lower at Rs. 87-6 to-day.

Ready gold opened at Rs. 87-3 and, after moving between Rs. 88-11 and Rs. 87-11 closed at Rs. 87-12. The floating stocks of gold are placed at 40,000 tolas. The daily average arrivals were 6,000 tolas, while the offtake was no more than 4,000 tolas on an average.

The trend of the international free market in gold was a little quiet, with the rate remaining at $36.95-$37.05.

The following comparative table shows the trend of the market during the week under review:

	22-4-53	Highest	Lowest	15-4-53
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	87 12	88 11	87 6	87 9
Forward	87 6	88 3	86 13	87 0
Sovereign	58 12	59 0	58 8	58 10
SILVER				
Ready (.996 fine Mint)	161 7	163 10	158 2	158 15
Forward	161 3	163 6	157 14	158 11
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½c.	—	—	85½c.

PEPPER WEAK

(Messrs. Parekh & Co.)

BOMBAY, *22nd April*

There has been a further deterioration in the tone of the pepper market, since our last report and values have broken down through the level of Rs. 3,000 at Alleppey which has been generally considered to be a point of resistance, if not necessarily a market "floor." Calicut reached a low figure of Rs. 3,000 with anxious sellers, while April delivery at Bombay stood as low as Rs. 2,450-80. At one time at Alleppey, there were sellers at Rs. 2,950, but few buyers, and the bankers who advanced loan against pepper at round about Rs. 2,900 actually demanded margin. Next day, however, on report of slight improvement at New York, growers pushed up their prices at Alleppey to Rs. 3,100 which brought about a lot of short coverings in A.S.T.A. section at Bombay. About 50 tons for May shipment to New York changed hands at $1.35 to $1.37 per lb. c. & f. New York. April shipment was done at prices from $1.35 down to $1.33.

The undertone of the market appears to be weak, but at every new low level, there is found to be a strong resistance from the growers who think that their weakness, instead of attracting business, is likely to keep back new buyings from foreign countries. The present sustaining factor in the otherwise gloomy outlook for the commodity is the improvement in the commodity markets in India, in spite of better prospects of Korean peace.

Following are to-day's nominal quotations:—Ready delivery Rs. 370 per Bengali maund; April Rs. 2,495-2,525, May Rs. 2,520-50 and June Rs. 2,520-50 per candy of 5¼ cwts.

HIDES RECEDE

(From Our Own Correspondent)

MADRAS, *20th April*

Arrivals of E.I. tanned hides and calf were as usual. Owing to lack of response from U.K. importers, there was some nervousness in the local market and prices ruled weaker. A few shippers are reported to have accepted lower prices, though several large tanners have declined to follow London levels. If importers keep out of the market for a week or two and shippers make offers freely, lower prices will be inevitable.

The tanned skins section also continued weak and prices declined by As. 4 to As. 6 per lb. There was good clearance of stocks in the local bazaar.

COTTON PRICES ADVANCE

(From Our Own Correspondent)

BOMBAY, *22nd April*

In common with all commodities, the week under review has seen a steady improvement in demand and in prices in the spot cotton markets. Even Bengal has shown unusual steadiness in view of the fact that shippers do not appear to be interested, for the time being, in this variety. The mills' interest in suitable varieties is easily understandable, because, as stocks of desirable styles get thinner as the season advances, the mills are forced to cover their estimated requirements of these styles. For mills it is not merely a question of buying any cotton, but cottons of specified grade and staple. Such demand is usual at this time of the year and it is bound to continue for a little while longer, unless there is a sudden development in the form of depreciation of the Pakistani currency as a result of the political changes effected at Karachi.

Cotton merchants in Bombay, and even in certain other up-country centres, have once again started worrying their heads about possibilities of import of staple varieties from Pakistan if devaluation comes. While this contingency cannot be ruled out altogether, because the new Ministry promises a realistic approach to problems, there is no possibility of large-scale dumping of Pakistani cotton in India, even if the currency is devalued at an early date. In any case, this menace will serve as a standing damper preventing a large-scale rise in prices. This is also likely to be aided by the fact that the mills in the South will be required to restrict their production for want of enough power, thus reducing their demand for raw material to a certain extent. On the whole, the factors making for a bullish and bearish trend in the market are well balanced.

In the forward market, prices have forged ahead considerably. Though an effort is bound to be made by some speculators to use the possibility of currency devaluation at Karachi to stage a reaction, much will depend on the strength and readiness of those who hold the contracts for May delivery to take delivery of likely tenders. If they show weakness, the bears will certainly take advantage of it. On the other hand, the steadiness in the spot market will go to prevent large-scale deliveries and the shorts might be forced to cover their sales. The position is, therefore, intriguing and developments could be awaited by operators with keen interest during the coming months.

The following are the latest available quotations from the Sewri market: Bengal *Deshi* Rs. 575; Berar Jarillas Rs. 745; Ujjay Rs. 890; Moglai Rs. 715; Khandesh Rs. 815; and Oomra *Deshi* Rs. 720.

The following table shows the trend of prices in the forward market during the week under review:

	15-4-53	*High*	*Low*	22-4-53
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
I.C.C. May	698 4	717 0	707 0	714 0
I.C.C. Aug.	709 4	726 4	715 8	723 4

The auctions at Kampala are now over and this source is now closed to the trade and industry for the time being. Interest is, therefore, being switched over to the Sudan, while it continues in the case of Egyptian cotton. Though there is a modest revival for imported styles in Bombay, the market interest this year centres more round Indian cotton and the position is not likely to change during the coming months, unless the trade pattern for textiles undergoes a sudden change and a new demand for fine and superfine cloth crops up.

Even more important than the sudden change in the Government for the cotton market and the cotton grower in Pakistan is the news of a trade pact with Japan, negotiated by the delegation headed by Mr. I. H. Usmani who is the Controller of Imports and Exports. Amongst other things, this pact ensures an export of 650,000 bales of raw cotton from Karachi to Japan in return for cotton fabrics and yarn, some machinery, metals and consumer goods. This is bound to have a good effect on the morale of the market at Karachi and on the volume of export of cotton from the U.S.A. to Japan. The change in Government has also once again brought to the front the issue of devaluation. But it would be useless to speculate on this issue before it is finally settled. The immediate effect, even if devaluation comes, on outside demand will not be appreciable because the first reaction to such a move will be a proportionate rise in the price of cotton at Karachi.

The following are the latest available quotations from Karachi market: Punjab *Deshi* Rs. 66; 4F Punjab R.G. Rs. 57 to Rs. 58; S.G. Rs. 61 to Rs. 62; L.S.S. Punjab R.G. Rs. 60-8; S.G. Rs. 65; N.T. R.G. Rs. 60-8; S.G. 65; 289F Punjab R.G. Rs. 65-8 to Rs. 66; and S.G. Rs. 71 to Rs. 71-8.

At Alexandria, export clearances are better this year than those at the same time in 1952. The market has discovered that it have oversold Giza 30 and this quality is likely to command good premia for this season. The spot market is fairly active. Even apart from the demand for Giza 30, some business with Germany, France and Japan is reported.

The situation in the New York market is a little bewildering. In spite of many factors favouring a bearish trend, the market this week has been unusually steady, though the volume of business has gone down. The large-scale credit allocations to various European countries and Japan have slightly improved the position with regard to export enquiry. But this is not on such a scale as to account for this steadiness. Possibly the market is bidding time to seek the resulting position with regard to the May delivery, and only after this is known, a definite trend either way will be discernible. It is also felt that the gloom generated by the peace movement has been overplayed, and it is being gradually realised that the consumption of commodities will not come to an end or be reduced drastically merely because political tension is reduced. In any case, India has at present little interest in U.S.A. cotton and price movements at New York or New Orleans serve more as a guide than for any practical purpose of imports from the U.S.A.

The following are the latest available quotations from New York as compared with those of a week and a fortnight before:

(In cents per lb.)

	21-3-53	14-3-53	7-4-53
Spot	33.55	33.75	33.80
May	32.96	33.20	33.27
July	33.17	33.38	33.34
October	33.37	33.50	33.38
December	33.43	33.59	33.48

ART SILK YARN RALLIES AT CLOSE

(From Our Own Correspondent)

BOMBAY, *22nd April*

Renewed reports of a possible upward revision in prices of art silk yarn by Continental producers and highly encouraging advices from rayon cloth market imparted steadiness to the art silk yarn market on the opening day of the week under review. The marked recovery in values witnessed at the close of last week was thus fully sustained. But the steadiness gave way to a wave of selling pressure during the subsequent sessions, under the bearish influence of a grant of Rs. 1.25 crores worth of import licences to the Silk and Art Silk Mills Association, Bombay, for the January-June, 1953 period. Arrivals of considerable quantities of imported yarn also contributed to the selling pressure. This, coupled with the unwillingness on the part of traders to take delivery of goods—this is a common occurrence at month-ends—brought about a fall in values of yarn which persisted till late to-day. At the close, however, lower levels attracted some support, which, along with firm advices from other markets, pushed up values. But the recovery noticed thus was not so marked as to erase completely the previous losses, and the closing rates were, therefore, lower than those at the end of last week.

In the forward section, 150 April delivery contract opened the week higher by Rs. 4 at Rs. 832 and, after receding to Rs. 798 early to-day, finished higher at Rs. 816, the net loss over the week being Rs. 16. May contract was fully steady at Rs. 837 on the opening day, as against Rs. 835. It gradually declined to Rs. 806 to-day, but recovered to close at Rs. 824. The net loss was thus limited to Rs. 9. In the ready section, 120 Japan and 150 Japan lost an anna each to Rs. 4-8 and Rs. 4-4, respectively, yesterday. To-day, however, they were better each by half an anna. 120 Italy, after losing As. 2 to Rs. 4-2, finished higher at Rs. 4-2½. 150 Italy suffered a loss of As. 2½ to Rs. 4-0½ before closing at Rs. 4-1½.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 15th April and 8th inst.

	22-4-53 Rs. a.	15-4-53 Rs. a.	8-4-53 Rs. a.
Art Silk Yarn—			
150D April (per case of 200 lbs.)	816 0	823 0	794 0
150D May ,, ..	824 0	835 0	799 0
120 Japan (per lb.)	4 8	4 0	4 7
150 Japan ,, ...	4 4½	4 5	4 4
120 Italy ,, ...	4 2½	4 2	4 0½
150 Italy ,, ...	4 1½	4 3	4 0

As already stated, the Government of India has granted to the Silk and Art Silk Mills Association, Bombay Rs. 1.25 crores worth of licences for importing art silk yarn during the current half-year. The quantum of licences, it is considered, is very negligible. According to the trade, each loom—there are said to be as many as 22,000 looms in Bombay—will not get more than Rs. 600 worth of artificial silk yarn, which, on the basis of present level of prices, comes to about a couple of hundred lbs. This, it is pointed out, is "extremely insufficient" and the industry will have to undergo considerable inconvenience and loss, "particularly because it will not be possible for the mills to work their looms even for a few days and even for one shift, not to talk of the double shift which some of the mills have been running at present." That apart, it is not known whether the licences now granted will be distributed among the mills, thereby enabling imports on an individual basis, or be utilised to make bulk purchase as was done on the previous occasion.

The staple fibre yarn section remained steady with a moderate improvement in demand. The marked rise in the prices of 2/40s staple fibre yarn, despite very limited offtake in the market, is due to speculative purchases by dealers in the Punjab market. The other counts of yarn, such as 20s, 30s and 40s, were all fully steady. The staple fibre section was somewhat easy, following reports that the Joint Chief Controller of Imports had started granting licences to consuming mills. A few mills are already reported to have opened letters of credit in favour of their supplies. Arrivals are expected in the next four to five weeks.

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, *22nd April*

A notable feature of this week in the oilseeds market was the resumption of trading in non-transferable specific delivery contracts in groundnuts and linseed. Business is confined during the present season to June-July and August-September contracts in the current crop upto the end of September. It will be recalled that trading in such contracts was suspended in May last by the State Government, following the slump in seeds and oils. The resumption of trading in these contracts was facilitated by the changes effected this week in the by-laws of the Exchange.

Market circles have been jubilant over this development. But consumers have given it a cold reception. The latter seem to feel that it would push up further the already high prices, as especially the groundnut crop, constituting 75 per cent. of the oilseeds crops in India, is admittedly short by about 25 per cent. Besides, oil being an essential commodity of life, they fear that further increases in oil prices will substantially contribute to raise the cost of living index. Although trading is confined to non-specific delivery contracts, it is felt that it would tend to degenerate into full-scale futures trading, as had been the case prior to suspension of these contracts. Whatever the ultimate consequences of the resumption of trading, it had this week a bullish effect on the market. As a result, prices in the groundnuts and linseed sections soared high to new levels of the year and recorded substantial gains.

The bullish trend in the groundnuts section was also influenced by scarce offerings and buying by crushers. Consequently, Bold ready shot up from Rs. 43 to Rs. 45 and Khandesh quality from Rs. 42-12 to Rs. 45-4. Bold June-July, which opened at Rs. 45 yesterday, was done to-day at Rs. 45-4. August-September was done to-day at Rs. 46-4, as against Rs. 45-10 yesterday. Groundnut oil ex-mill ready gained Rs. 1-6 to Rs. 24 and railway receipts Rs. 1-2 to Rs. 22-10.

In the linseed section, Bold ready rallied Rs. 2-8 to Rs. 31. June-July deliveries changed hands between Rs. 31 and Rs. 31-14 and August-September deliveries between Rs. 31-10 and Rs. 32-8. Linseed oil was done at Rs. 15, as against Rs. 14-6.

The free licensing period of castor oil exports expires on 30th April. Traders, therefore, awaited the new export policy. They, however, expected the continuation of free licensing. The U.S. decided to export freely medicinal castor oil by placing it on the O.G.L. This was interpreted by traders to give rise to greater imports of oil from India. As a result of these factors as well as the general upward trend of other markets, the castor-seeds section also looked up. May delivery which opened at Rs. 152-8 as against Rs. 153, shot up to a high of Rs. 162, before closing at Rs. 160-8. September delivery fluctuated between Rs. 153-12 and Rs. 164, before finishing to close at Rs. 162-12 F.A.Q. gained Re. 1 to Rs. 32-8 and Madras quality Rs. 1-8 to Rs. 33-4. Oil I Pressure was done at Rs. 19-8, as against Rs. 19 and Commercials at Rs. 18-2, as compared with Rs. 17-10. Business was reported done with the U.S. in small quantities in Commercial quality at 18.35 cents per lb. Brazil was reported to have sold First Pressure at 19 cents per lb.

The following table shows the prices of oilseeds and oil on the 22nd inst., as compared with those at the end of the previous two weeks.

	22-4-53	15-4-53	8-4-53
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Bold Ready New (per cwt.) ..	45 0	43 0	42 6
June-July	45 4	—	—
August-Sept.	46 4	—	—
Linseed—			
Bold Ready (per cwt.) ..	31 0	28 8	28 12
Castorseeds—			
May (per candy of 5 cwts.) ..	160 8	153 0	151 12
Sept. (per candy of 5 cwt.) ..	162 12	153 12	155 0
Madras (per cwt.)	33 4	31 12	31 6
Groundnut oil—			
Ex-mill Ready (per quarter)	24 0	22 10	22 8
Castor Oil—			
Commercial (per quarter) ..	18 2	17 10	17 10

DEMAND FOR HESSIANS IMPROVES

(From Our Own Correspondent)

CALCUTTA, *21st April*

Steady conditions were again witnessed in all sections of the jute market during the week. Jute goods added fractional gains, the stabilisation of which was a healthy feature. However, much headway has yet to be made for prices to reach such levels as are economic to mills. A good start has been made in the last two weeks. Although rumours regarding the sealing of 7½ per cent. of existing looms have been discounted in New Delhi, it was strongly suggested in the market that the production of sacking would have to be restricted sooner or later. This was again one of the factors for the fractional gains which heavy goods recorded this week. Certain quarters have suggested that mills should not be permitted to avail their annual holidays now since any such thing might retard the present expansion of market activity in hessian. As stated in these columns last week, much emphasis need not be given to this fear, as stocks of hessian are plentiful and they can check any unfair rise in prices.

The hessian market was in cheerful spirits; this was not due to any sizable improvement in prices which, as stated above, was only *just fractional* and insignificant, but due to the prospect of good business with foreign buyers. Even this week, a moderate quantity changed hands for export to the United States. Although it was only a "routine" affair, sentiment was assisted by the American army placing an order for 10,000,000 sandbags in India. In addition, incentive was also drawn from details of bids which the U.S. Corps of Engineers would open on 22nd April. The Corps is in need of 40,330,000 sandbags, of which 22,630,000 would be for delivery in the eight weeks ending 15th November 1953, and the remainder for delivery between 16th November and 31st January next. For manufacturing bags for the latter quantity, burlap, *osnaburg or kenaf* cloth may be used, whereas for the former only burlap. It is thought that American burlap manufacturers would cover their requirements for a good portion of burlap required from India, since Indian quotations are now competitive compared to those of the Continental manufacturers. That osnaburg or *kenaf* cloth can be used for the latter quantity has been carefully noted.

Ready 40" 10 oz. hessian opened at Rs. 39-4 last Wednesday, which took with it an improvement of As. 8 from Monday. This improvement was maintained almost throughout the week, but the closure over the week-end as well as yesterday was Rs. 39-2, as, although mills were reserved business passing was restricted. That enquiries from, and business with, American buyers havs tended to increase has been taken as a definite sign that burlap, because of its new cheapness, is ousting its substitutes, such as paper and cloth bags, in the United States. The market reacted favourably to the report that burlap consumption in America during March amounted to 69 million yards, representing a substantial increase of 17 million yards over February. Another cheerful report picked up in the market is Argentina's need for a substantial quantity of hessian. Hessian 40" 8 oz. was offered at Rs. 31-4 f.a.s. and at Rs. 38 f.o.b.

The steadiness in sacking goods during the week was more in sympathy with a firm hessian market than with actual business. In addition, there were fresh rumours that the Government of India might permit mills to seal a further percentage of looms. Healthy stabilisation of the gains recorded would call for much more substantial business. B. twills were pushed up to Rs. 87-4 from Rs. 86-10 last Wednesday, but declined to Rs. 87 on profit-taking by local holders. Mills adopted a reserved tendency in anticipation of a further rise in prices, and although business was small, the closure during the week-end was firm at Rs. 87-4, which was maintained yesterday. Heavy cees plain was offered at Rs. 88-4 and green stripped heavy cees at Rs. 100-8. The market is jubilant over the present visit of the I.J.M.A. mission to Australia and New Zealand, which, on its way back, is likely to pay short visits to Burma and Indonesia. The hope that as a result of the mission's efforts exports of sacking goods would increase is held.

The raw jute market was also in better form, as mills gave moderate support and bought a fair quantity. Expectations of a shorter crop during the season are assisted by the continuance of the hot and dry weather, which is affecting sowings. Even if it rains, in all likelihood, the acreage would represent a decline in view of the level of prices which are below the economic rates. These factors have naturally encouraged holders to adopt a hesitant tendency in finalising business, and Assam bottoms gained Rs. 20 from Rs. 17-8. A ten-rupee rise to Rs. 110 a bale was recorded in *pucca* bales first marks. Pakistani bottoms were priced at Rs. 23 showing an improvement of Rs. 2. Latest quotations of other varieties of jute, all of which show gains of Re. 1-8 to Rs. 2. are: Dalcola Rs. 21-8, Murshidabad dist. tossa bottoms Rs. 18-8, Kissanganj Rs. 20-8, *mesta* bottoms Rs. 15, *Bimli* f.a.q. Rs. 15-8, Murshiganj Rs. 15, Salmari-Sonaili tossa Rs. 20, and Dirhatta Rs. 19-8.

FURTHER DROP IN METAL PRICES

(From Our Own Correspondent)

CALCUTTA, *21st April*

The recession in the prices of metals continued during the week with even greater force than during the period covered by our last report. Weak advices from overseas markets, dread of consumers to enter into commitments in the present unsettled conditions, and continued closure of the Bombay market for an indefinite period, were all factors which slashed prices further. Traders in manufactured products are only interested in ready material and in unavoidable cases for stores for the near delivery positions. Electrolytic copper was one of the worst affected sections this week, and, despite a tight supply position, the price was taken down to Rs. 171 from Rs. 180. For a time, however, it appeared as though the downward movement would stop at Rs. 177, but this was not to be. The fall in prices in America, following the American Smelting and Refining Company reducing the May shipment rate from 33 cents to 32 cents a lb. and the possibility of Chile revising its price, chilled the sentiment of local holders. At the lowest level, some transactions took place.

The further drop in prices in the London and the Far Eastern markets was reflected in tin, which moved down from Rs. 520 to Rs. 485, but closed higher at Rs. 505. Not much movement back is necessary to see the price at the pre-Korean war level. Now that a truce in Korea is a matter of only a few weeks, it is thought that the price would get stabilised at the level of mid-1950. In contrast to the general weakness, mercury was slightly better at Rs. 500 a flask, and some ready material changed hands. Electrolytic zinc eased from Rs. 53-8 to Rs. 52 and lead from Rs. 66 to Rs. 64-8.

FOOD SITUATION BRIGHT

(From Our Own Correspondent)

HAPUR, *18th April*

The food situation in India for the current year is regarded as very bright in Government circles. Total imports for the current year will be only 2.5 million tons, as against 3.7 million tons last year. There was an opening stock of wheat of 10 lakh tons, thanks to the American wheat loan. The internal procurement target is half a million tons and the wheat crop in Northern India is so good that the actual procurement may easily exceed the target. Arrangements have already been concluded for the import of 1.8 million tons of wheat.

In the case of rice, the current year opened with a stock on hand of 130,000 tons. India expects to receive during the current year 22,000 tons of rice from Pakistan, in return for wheat supplied last year, and another 15,000 tons of rice loaned to Ceylon last year. Internal procurement, thanks to good

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MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	10th April, 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,166.23	1,149.66	1,138.01	1,165.18
Notes held in Banking Department	35.05	8.25	9.92	11.26	16.18
Foreign Securities	29.50	508.15	583.15	578.15	603.15
Rupee Securities	37.39	449.86	449.86	449.86	464.63
Banking Department					
Deposits of :					
Government of India	14.89	98.35	87.29	147.51	145.19
Other Governments	...	21.71	39.42	1.44	7.29
Balances held abroad	10.08	127.68	143.47	146.81	111.91
SCHEDULED BANKS					
Demand Liabilities	134.37	543.72	542.04	529.00	572.79
		(16.01)	(14.49)	(12.38)	(22.74)
Time Liabilities	102.84	317.30	311.81	314.63	284.45
Borrowings from Reserve Bank	...	(2.66)	(2.21)	(2.01)	(1.33)
	...	14.97	16.03	9.99	42.47
		(0.99)†	(0.74)†	(4.24)†	(24.38)†
Borrowings from Imperial Bank†	...	9.20	12.76	8.36	N.A.
Cash in India	6.71	32.59	32.59	32.51	37.39
Balances with Reserve Bank	25.28	43.34	51.14	40.58	45.97
Excess over statutory limits	15.52	9.81	17.81	7.84	11.65
Balances with other banks in current account in India	...	14.16	11.24	10.82	10.81
Money at call and short notice in India	...	15.81	16.41	15.86	13.44
Investments (at book value)	...	301.67	301.25	301.83	294.80
Advances and bills discounted	105.09	530.99	531.77	512.79	581.98
IMPERIAL BANK					
Deposits	...	87.76	219.24	221.15	208.87	233.36
Investments	...	51.99	83.12	82.23	81.24	86.36
Advances	...	30.37	132.06	134.07	127.33	162.63
Cash	...	14.69	15.67	21.22	16.19	18.65

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets). N.A.—Not available.
† Borrowings against usance bills and promissory notes.
‡ Figures prior to 18th April, 1952, not available.

CLEARING HOUSE RETURNS

Centre	17th April, 1953		10th April, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,40,328	53,23,11,000	2,61,208	65,14,43,000
Calcutta	1,42,556	42,80,27,729	1,51,280	50,23,84,276
Madras	64,122	6,27,09,282	70,100	9,18,01,281
All Centres—				
1951	...	...	1,05,04,122	3180,56,86,359
1952	...	...	1,06,41,941	29,79,51,57,903
Jan., 1953	...	...	25,74,000	5,52,14,00,000
Feb., ,,	...	...	24,45,000	5,23,39,00,000

Reserve Bank of India

Statement of Affairs for the week ended 17th April, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	97,99,17,000
(2) Other Governments	16,35,74,000
(b) Banks	45,08,35,000
(c) Others	60,46,94,000
Bills Payable	5,12,70,000
Other Liabilities	28,25,56,000
Rupees	263,88,26,000

ASSETS	Rs.
Notes	9,37,09,000
Rupee Coin	12,74,000
Subsidiary Coin	6,01,000
Bills Purchased and Discounted—	
(a) Internal	...
(b) External	20,50,000
(c) Government Treasury Bills	...
Balances held abroad*	11,07,94,000
Loans and Advances to Governments	123,94,65,000
Other Loans and Advances	4,14,00,000
Investments	20,60,71,000
Other Assets	86,33,56,000
Rupees	8,01,06,000
	263,88,26,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 2,23,68,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 17,23,68,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,37,09,000	
Notes in circulation	1165,47,11,000	
Total Notes issued		1174,84,20,000
Total Liabilities		1174,84,20,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion :		
(a) Held in India	40,01,71,000	
(b) Held outside India	...	
Foreign Securities	598,15,11,000	
Total of A		638,16,82,000
Rupee Coin		86,81,34,000
Government of India Rupee Securities		449,86,01,000
Internal Bills of Exchange and other commercial paper	...	...
Total Assets	...	1174,84,20,000

Ratio of Total of A to Liabilities: 54.319 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 10th April, 1953

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	13,01,25,000†
	(ii) Other demand liabilities	530,70,85,000
2.	Time Liabilities in India :	
	(i) Borrowings from banks	2,06,00,000†
	(ii) Other time liabilities	315,32,86,000
3.	Cash in India	32,39,14,000
4.	Balances with the Reserve Bank in India	43,34,36,000
5.	Balances with other banks in current account in India	14,15,53,000
6.	Money at call and short notice in India	15,81,43,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	301,67,28,000
8.	Advances in India	473,68,43,000
9.	Inland Bills purchased and discounted in India	57,30,07,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.

†Excludes borrowings from the Reserve Bank, and with effect from the 16th April 1952 as also those from the Imperial Bank.

EXCHANGE RATES

			21st April, 1953	Previous week
Bombay on London—				
Sellers T.T. D.D. Spot	s.		1-5$\frac{11}{16}$	1-5$\frac{11}{16}$
Sellers T.T. D.D. upto six months	s.		1-5$\frac{13}{16}$	1-5$\frac{13}{16}$
Buyers T.T. spot to nine months	s.		1-6$\frac{1}{16}$	1-6$\frac{1}{16}$
Buyers T.T. 10 to 12 months	s.		1-6$\frac{3}{16}$	1-6$\frac{3}{16}$
Bombay on New York—				
Sellers T.T. D.D.	Rs.		475$\frac{1}{2}$	475$\frac{1}{2}$
Buyers T.T.	Rs.		471$\frac{1}{2}$	471$\frac{1}{2}$
London on New York	$		2.81$\frac{1}{2}$	2.81$\frac{1}{2}$
London on Paris	Fcs.		987$\frac{1}{4}$-988	987$\frac{1}{4}$-988
London on Berne	Sw. Fcs.		12.18-12.18$\frac{1}{2}$	12.17-12.18
New York on London	$		2.81$\frac{13}{16}$-2.81$\frac{15}{16}$	2.81$\frac{1}{2}$-2.81$\frac{1}{2}$

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	*Per capita* income (Rs.)
India	1948	342.12	...		8,730	255
Pakistan	1949	75.04	...		1,671	223
Burma	1951	18.67	Kyats	3,166	317	167
Ceylon	1951	7.74	...		451	564
Japan	1951	84.30	Y.	4,564,400	5,088	716
Philippines	1951	20.25	Ps.	7,686	1,820	856
New Zealand	1951	1.95	£ (N.Z.)	615	820	4,206
Australia	1951	8.41	£ (A.)	3,238	3,454	4,317
U.K.	1951	50.56	£	11,384	15,179	2,976
U.S.A.	1951	154.36	$	277,600	132,190	8,564
Canada	1951	14.01	$	17,229	8,552	6,108
France	1951	42.24	F. Fr.	9,082,000	12,372	2,929
W. Germany	1951	48.11	Dm.	90,200	10,227	2,126
Italy	1951	46.60	Lr.	7,746,000	5,902	1,267
Norway	1951	3.29	Kr.	15,504	1,055	3,206
Sweden	1951	7.07	Kr.	36,800	3,439	4,864
Netherlands	1951	10.28	Fl.	16,940	2,151	2,096
Denmark	1951	4.30	Kr.	20,716	1,439	3,346
Switzerland	1951	4.75	S. Fr.	19,500	2,166	4,556

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, January, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 10th April, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	28,53,15,000
(b) Provincial Governments	91,84,000
(c) Banks	12,76,32,000
(d) Others	2,04,09,000
Bills Payable	14,38,000
Other Liabilities	4,81,20,000
Rupees	56,10,98,000

ASSETS	Rs.
Notes	2,79,93,000
Rupee Coin	4,000
Subsidiary Coin	7,000
Bills Purchased and Discounted :—	
(a) Internal	...
(b) External	...
(c) Government Treasury Bills	1,74,94,000
Loans and Advances to Governments	1,83,00,000
Provincial Governments Debtor Balances	5,76,15,000
Other Loans and Advances	4,44,74,000
Investments	31,04,71,000
Other Assets	8,47,40,000
Rupees	56,10,98,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs
Notes held in the Banking Department	2,79,93,000	
Notes in circulation	213,52,91,000	
Total Notes issued		216,32,84,000
Total Liabilities		216,32,84,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	...	
Sterling Securities	38,72,56,000	
Government of India Securities	11,87,77,000	
India Notes representing assets receivable from the Reserve Bank of India	29,08,96,000	88,50,71,000
B. Rupee Coin	6,15,91,000	
Government of Pakistan Securities	117,41,47,000	
Internal bills of exchange and other commercial paper	.....	123,57,38,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	4,24,75,000
Total Assets		216,32,84,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 42.74 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953				Rs. a. p.	%
27th Jan.	1.00	1.00	1.00	2 7 0	100
3rd Feb.	1.00	1.14	1.00	2 7 0	97
10th ,,	1.00	1.19	1.00	2 6 11	84
17th ,,	1.00	1.39	1.00	2 7 0	100
24th ,,	1.00	1.09	1.00	2 7 0	100
3rd March	1.00	1.02	1.00	2 7 0	98
10th ,,	1.00	1.16	1.00	2 6 11	86
17th ,,	1.00	1.09	1.00	2 7 0	93
24th ,,	1.00	1.02	1.00	2 7 0	100
31st ,,	1.00	1.01	1.00	2 7 0	100
7th April	1.00	1.35	1.00	2 7 0	100
14th ,,	1.00	1.21	1.00	2 7 0	100
21st ,,	1.00	1.30	1.00	2 7 0	100
Total	13.00	13.97	13.00	...	...

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	26th March, 1953	5$\frac{1}{2}$	5
Belgium	12th Sept., 1951	3$\frac{1}{2}$	3$\frac{1}{2}$
Canada	17th Oct., 1950	1$\frac{1}{2}$	2
Denmark	3rd April, 1953	3	2$\frac{1}{2}$
Finland	16th Dec., 1951	7$\frac{1}{2}$	5$\frac{1}{2}$
France	9th Nov., 1951	3	4
Greece	12th July, 1948	10	12
India	15th Nov., 1951	3	3$\frac{1}{2}$
Italy	6th April, 1950	4$\frac{1}{2}$	4
Japan	1st Oct., 1951	5.11	5.84
Netherlands	1st Aug., 1952	2$\frac{1}{2}$	3
New Zealand	26th July, 1941	2	1$\frac{1}{2}$
Norway	9th Jan., 1946	3	2$\frac{1}{2}$
Portugal	12th Jan., 1944	3	2$\frac{1}{2}$
South Africa	27th Mar., 1952	2$\frac{1}{2}$	4
Spain	18th Mar., 1949	4$\frac{1}{2}$	4
Sweden	1st Dec., 1951	2$\frac{1}{2}$	3
Switzerland	26th Nov., 1936	4	1$\frac{1}{2}$
Turkey	26th Feb., 1951	2	3
United Kingdom	12th Mar., 1952	2$\frac{1}{2}$	4
U.S.S.R.	1st July, 1936	8	4
U.S.A.	16th Jan., 1953	1$\frac{1}{2}$	2
West Germany	8th Jan., 1953	4$\frac{1}{2}$	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	November, 1952	1951	Eight months—April to Nov., 1952	1951
Import Duties :				
Revenue	8,14	11,85	73,93	85,88
Protective	6,6	85	5,42	7,17
On surplus disposals	0,6	2	3	19
Total import duties	8,31	12,72	79,37	93,24
Export Duties	3,23	7,74	38,16	60,34
Land Customs	23	50	1,91	2,03
Miscellaneous	3	13	82	80
Gross total customs	12,35	21,08	120,26	156,42
Refunds and drawbacks	18	1,28	1,99	3,44
Net Customs	12,17	19,81	118,27	152,98
Gross excise	4,61	7,72	50,84	62,04
Refunds	5	17	1,05	1,15
Net Excise	4,56	7,55	49,79	60,89
Net total of customs and excise	16,73	27,36	168,06	213,87

Imperial Bank of India

Statement of Affairs for the week ended 17th April, 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,35,00,000
Deposits and other Accounts		216,61,11,000
Borrowings from other Banking Companies Agents		
Bills Payable		3,01,50,000
Bills for Collection being Bills Receivable as per contra		45,53,000
Acceptances, Endorsements and Other Obligations as per contra		2,92,000
Other Liabilities (including Inter-Office Adjustments)		2,69,70,000
Total	Rs.	234,78,26,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		12,63,80,000
Balances with other Banks		4,77,39,000
Money at Call and Short Notice		1,09,22,000
INVESTMENTS—		
Government and other Trustee Securities	71,54,70,000	
Other Authorised Investments	11,41,18,000	82,95,88,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	102,77,13,000	
Bills Discounted and Purchased	26,22,26,000	128,99,39,000
Bills Receivable being Bills for Collection as per contra		45,53,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		2,92,000
Premises less Depreciation		1,31,98,000
Furniture and Fixtures less Depreciation		34,87,000
Other Assets (including Inter-Office Adjustments)		2,17,28,000
Total	Rs.	234,78,26,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings@		3½% Ten-year Treasury Savings Deposit Certificates ‡	
	5-Year		7-Year		12-Year							
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*
1950-51	2,08	5,01	96	2,40	20,67	50,53	97,80	61,36	—	22,32	5,31	5,31
1951-52	1,76	6,10	77	2,91	22,07	66,81	1,07,55	74,18	—	27,55	13,10	18,39
January 1952	13	5,82	7	2,81	1,51	63,62	7,75	68,04	—	26,68	66	17,17
February ,,	13	5,90	5	2,83	1,64	64,79	8,21	68,27	—	27,02	53	17,70
March ,,	29	6,10	10	2,91	2,63	66,61	15,04	74,18	—	27,55	71	18,39
April ,,	14	6,17	5	2,93	2,28	68,56	10,01	76,52	—	27,91	95	19,33
May ,,	12	6,22	8	2,99	2,12	70,22	9,95	77,85	—	28,25	56	19,86
June ,,	12	6,28	6	3,02	1,82	71,64	9,38	80,03	—	28,57	69	20,53
July ,,	15	6,34	10	3,09	2,03	73,14	10,29	82,64	—	28,91	74	21,25
August ,,	14	6,40	6	3,12	1,76	74,45	8,60	83,75	—	29,15	65	21,89
September ,,	10	6,44	3	3,12	1,34	75,73	5,78	84,89	—	29,40	52	22,38
October ,,	11	6,48	5	3,14	1,71	76,77	8,86	85,24	—	29,68	56	22,92
November ,,	10	6,50	4	3,16	1,71	77,99	8,03	85,51	—	29,98	58	23,48
December ,,	8	6,51	3	3,16	1,38	79,24	8,45	85,92	—	30,22	48	23,94
January 1953	10	6,54	4	3,18	2,02	80,77	8,38	86,06	—	30,50	58	24,48
February ,,	...	...	...	...	...	...	...	...	...	...	62	25,08

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from 1st June, 1948. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)

1. All-India

Group and Sub-Group	Week Ended 11-4-'53	4-4-'53	14-3-'53	12-4-'52
(A) Government and Semi-Government Securities ‡	92.1	92.2	92.2	91.2
1. Government of India Loans	92.3	92.4	92.4	91.2
2. Municipal, Port Trust and Improvement Trust Loans	86.9	86.9	86.9	87.6
(B) Fixed Dividend Industrial Securities	90.0	90.1	90.1	92.1
1. Electricity	78.3	78.3	78.2	74.7
2. Cotton	126.8	127.1	127.0	131.4
3. Jute	79.6	79.8	79.8	81.4
4. Coal	95.0	95.0	95.7	95.8
5. Iron and Steel	84.3	84.3	84.0	84.8
6. Sugar	87.6	87.6	87.6	96.5
7. Paper	84.6	84.6	85.3	91.4
8. Plantations	96.4	96.3	96.7	105.0
(C) Variable Dividend Industrial Securities	105.9	108.7	107.4	109.4
1. Banks	102.5	103.1	104.5	104.9
2. Insurance	97.8	97.4	96.3	102.9
3. Investment Trusts	143.1	142.7	143.4	138.7
4. Electricity Companies and Tramways	82.9	83.1	82.6	83.4
5. Shipping and Other Transport Companies	84.7	87.3	88.5	83.2
6. Railways	75.0	75.0	75.5	78.0
7. Plantations	116.4	116.2	113.1	152.8
8. Cotton Woollen and Silk	133.6	134.6	135.4	146.1
9. Jute	68.9	70.2	71.9	79.4
10. Coal	86.8	87.7	91.1	96.6
11. Mining and Oil	63.0	63.8	64.4	62.0
12. Iron and Steel	141.1	142.2	143.8	119.3
13. General Engineering	146.1	148.0	150.6	137.2
14. Sugar	80.0	80.4	81.3	86.8
15. Breweries	60.2	61.8	59.3	64.3
16. Chemicals	135.8	137.0	133.2	148.3
17. Paper	116.5	116.8	115.1	116.4
18. Cement	139.2	140.9	143.5	130.6

II. Regional

Region and Group	Week Ended 11-4-'53	4-4-'53	14-3-'53	12-4-'52
(A) BOMBAY—				
Government and Semi-Government Securities	91.9	92.0	92.0	91.2
Fixed Dividend Industrials	92.5	92.6	92.4	92.0
Variable Dividend Industrials	124.4	125.5	128.1	121.6
(B) CALCUTTA—				
Government and Semi-Government Securities	92.7	92.8	92.8	91.7
Fixed Dividend Industrials	86.3	86.5	86.5	89.5
Variable Dividend Industrials	93.6	94.3	94.3	97.6
(C) MADRAS—				
Government and Semi-Government Securities	91.8	91.9	91.9	90.6
Fixed Dividend Industrials	101.6	101.7	102.2	109.6
Variable Dividend Industrials	126.3	126.6	127.5	141.4

*Source: Department of Research and Statistics, Reserve Bank of India.
‡ Including Part 'B' State Loans.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,863	12,806,704
1951	1,071	691,321	3,945,978
1952	1,145	910,430	3,326,708
October 1950	78	238,349	2,256,894
November	84	56,736	313,597
December	68	41,061	165,715
January 1951	120	93,696	370,990
February	61	44,025	208,640
March	79	47,733	317,099
April	139	95,747	331,282
May	109	56,504	277,314
June	146	98,446	448,258
July	130	72,454	671,705
August	108	64,684	289,907
September	88	24,777	93,109
October	108	67,396	190,761
November	125	64,147	189,374
December	113	76,196	355,149
January 1952†	96	305,881	674,340
February ,,	88	63,180	215,907
March ,,	87	42,480	142,493
April ,,	134	59,437	284,346
May ,,	118	90,092	254,385
June ,,	101	59,381	257,062
July ,,	82	40,754	171,288
August* ,,	87	48,507	149,475
September* ,,	96	57,875	460,552
October* ,,	94	77,639	347,684
November* ,,	83	47,902(a)	266,234(a)
December* ,,	80	27,401	153,717
January 1953	82	40,244	239,159

Figures for 1952 are provisional. * Revised.
(a) Not known in five cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51	545	6,279.9	4,225.9
1951-52	573	5,948.1	4,849.0
July 1951	541	501.2	408.8
August ,,	546	507.7	412.0
September ,,	551	506.8	409.7
October ,,	554	494.5	403.4
November ,,	556	506.0	412.8
December ,,	557	491.7	409.8
January 1952	561	500.9	414.8
February ,,	568	500.8	409.7
March ,,	571	460.7	391.0
April ,,	572	481.8	392.9
May ,,	577	488.8	392.8
June ,,	581	514.4	413.1
July ,,	583	500.1	408.8
August ,,	588	534.0	429.7
September ,,	592	531.6	428.7
October ,,	597	530.3	430.6
November ,,	599	548.2	441.5
December ,,	605	589.7	476.4
January 1953	608	552.2	457.8

* Excluding railway, military and factory power stations; Chola Power Station, being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	4th April, 1953	28th Mar., 1953	5th April, 1952	March, 1953	March, 1952	Percentage of increase (+) or decrease (—) in Mar., 1953 as compared with Mar., 1952	1952	1951
Food Articles	359.1	362.6	347.8	365.0	342.7	+ 6.5	359.8	409.8
Cereals	432	440	446	437	442	— 1.1	450	488
Pulses	427	438*	433	507*	417	+21.6	438	508
Other	247	245	212	244	207	+17.9	225	290
Industrial Raw Materials	445.4	455.7	442.6	453.1	424.2	+ 6.8	453.8	503.2
Fibres	491	498	464	435	464	— 6.6	454	522
Oil seeds	556	558	429	558	412	+35.4	484	579
Minerals	459	462	446	455	456	— 0.2	458	486
Others	365	363	333	359	361	— 0.6	341	538
Semi-Manufactures	350.1	350.5	338.6	348.8	343.2	+ 1.6	346.5	377.8
Leather	443	444	253	437	324	+34.9	345	445
Mineral oils	223	223	232	218	213	+ 2.3	221	197
Vegetable oils	431	432	441	481	415	+15.9	459	579
Cotton yarn	440*	440*	496*	440*	493*	—10.4	485*	488
Metals	285	287	197	327	201	+62.9	311	197
Oil Cakes	407	413	415	412	408	+ 1.0	400	300
Others	211	211	277	211	284	—25.7	278	330
Manufactured Articles	367.1	369.4	381.5	369.0	383.8	— 3.9	377.5	388.5
Textiles	403	407	432	407	437	— 6.9	438	468
Jute	260	275	558	276	554	—50.1	406	503
Cotton	408*	406*	410*	406*	410*	— 1.0	401*	400*
Rayon and Silk	513*	528*	417*	521*	471*	+10.6	485*	511*
Woollen	318	313	308	313	308	+19.3	344	378
Metal products	335	338	311	336	310	— 8.4	321	285
Others	290	290	300	289	301	— 4.0	298	300
Miscellaneous	604.0	585.5	598.1	585.5	625.6	— 6.4	625.6	720.8
All Commodities	382.0	385.0	379.9	388.2	377.5	+ 2.9	380.9	430.3

* Estimated.

WORKING CLASS COST OF LIVING INDICES

Base	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
March 1951	352	268	301	439	390	356	329	138	174	139	157	166
April ,,	355	270	304	440	391	360	333	139	173	140	159	166
May ,,	335	278	314	443	394	374	335	140	176	141	158	166
June ,,	337	271	313	447	394	382	337	144	178	138	158	169
July ,,	333	276	318	454	394	385	337	145	182	140	155	173
August ,,	328	261	322	459	392	387	338	146	181	143	161	171
September ,,	325	255	319	470	389	375	340	144	179	150	161	170
October ,,	332	254	323	469	393	375	344	141	181	145	163	171
November ,,	333	252	325	464	397	374	337	147	182	135	168	169
December ,,	331	252	325	449	397	370	337	144	181	150	166	158
January 1952	331	246	323	442	393	357	338	142	178	147	162	156
February ,,	324	241	318	441	382	343	336	141	175	145	155	159
March ,,	319	239	300	412	378	340	333	136	177	140	150	145
April ,,	345	263	321	412	377	339	339

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

('000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final.	1951-52 Final	1950-51 Final.
Rice	tons	73,595	75,975	20,767	20,295
Wheat	tons	23,235	24,134	5,768	6,174
Jowar	tons	38,329	38,419	5,509	5,403
Bajra	tons	21,856	22,267	2,153	2,549
Barley	tons	7,800	7,701	2,136	2,341
Maize	tons	8,003	7,794	1,959	1,701
Ragi	tons	5,296	5,444	1,167	1,407
Gram	tons	16,719	18,709	3,157	3,593
Other millets & pulses	tons	39,725	39,770	6,386	6,401
Total foodgrains		234,558	240,213	49,002	50,064
Jute	bales	1,834†	1,951††	4,695†	4,678††
Cotton 3rd	bales	13,749†	13,713††	2,467†	2,686††
Sugarcane 2nd	tons	4,248†	4,326††	5,035†	5,288††
Groundnut	tons	11,862†	11,798††	2,894†	3,045††
Linseed	tons	3,298	3,447	309	361
Castorseed	tons	1,423	1,378	104	104
Rape and Mustard Seed	tons	5,707	5,097	900	748
Sesamum	tons	5,537†	5,516††	426†	416††
Tobacco	tons	764	902	225	263
Pepper	tons	192	197	28	31
Ginger	tons	42	41	15	15

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar *gur*).

† Relates to 1952-1953. †† Relates to 1951-52.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During March, 1953	74·4
	Corresponding month 1952	82·9
	July 1952 to March, 1953	671·7
	Corresponding period 1951-52	706·8
Stocks	At the end of March, 1953	138·4
	Corresponding month 1952	111·6
		(In 000 bags)
Exports (Jute Bags)	Week ended 7th Mar., 1953	56.74
	Corresponding week 1952	52,21
	From 1st Jan., to 7th Mar., 1953	3,14,95
	Corresponding period 1952	11,11,82
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 7th Mar., 1953	5,39,41
	Corresponding week 1952	2,53,86
	From 1st Jan., to 7th Mar., 1953	24,50,09
	Corresponding period 1952	14,76,78
	RAW JUTE	(In 000 bales)
Exports*	Week ended 7th Mar., 1953	—
	Corresponding week 1952	—
	From July, to December, 1952	—
	Corresponding period of 1951	—
Consumption by Mills†	March, 1953 (in lakh bales)	4·32
	Corresponding month 1952	4·81
	Nine months ended Mar., 1953	38·97
	Corresponding period 1952	41.00

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Year ended 31st March, 1949	917,800	906,700	671,000
Do. 31st March, 1950	10,41,700	927,500	720,000
Do. 31st March, 1951	11,15,200	10,62,100	7,76,500
Do. 31st March, 1952	11,30,000	10,57,100	7,99,200
Do. 31st March, 1953	11,58,000	10,61,900	7,91,800
January 1951	1,01,300	97,900	67,700
February ,,	87,700	82,200	66,300
March ,,	91,300	86,600	71,400
November ,,	92,700	85,200	65,900
December ,,	1,02,800	97,900	69,100
January 1952	99,800	96,700	71,400
February ,,	94,000	82,600	67,000
March ,,	1,02,100	92,100	69,400
November ,,	1,03,500	98,700	68,700
December ,,	98,200	91,400	69,700
January 1953	1,02,400	95,500	69,300
February ,,	92,400	82,000	61,700
March ,,	97,400	86,600	65,500

SEA- AND AIR-BORNE TRADE : INDIA.

Particulars	December,		Nine Months. April to Dec.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:—				
Foodstuffs	6,93	23,60	149,87	178,79
Raw materials	16,28	25,92	146,11	175,86
Manufactures	20,13	23,52	207,06	249,99
Other Items	20	53	3,32	2,90
Total Imports*	43·54	73,62	506,36	607,54
Exports :—				
Foodstuffs	11,20	14,82	107,03	119,02
Raw materials	12,20	8,82	102,83	107,09
Manufactures	19,42	31,86	205,26	311,52
Other Items	36	35	3,02	2,63
Tota Exports	43,97	55,85	424,99	540,26
Tota Re-exports	50	62	3,64	11,71
Balance of trade in merchandise	+ 93	— 17,14	— 77,73	— 55,59
Balance of transactions in private treasure	..	— 1	— 4	— 9
Total Visible Balance of Trade	+ 93	— 17,15	— 77,77	— 55,68
Imports :—				
Total C'wealth Countries	18,45	25,91	193,30	217,34
Total Foreign Countries	25,09	47,71	313,06	390,20
Exports:—				
Total C'wealth Countries	20,38	27,48	199,50	280,98
Total Foreign Countries	23,59	28,37	225,49	259,28

* Excludes value of certain special imports of foodgrains and stores, ful particulars of which are not yet available.

LAND-BORNE TRADE : INDIA

Particulars	December,		Nine months April to Dec.,	
	1952	1951	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	1,24	3,05	17,24	17,64
Imports	91†	4,02	16,86†	67,21
Balance of trade in merchandise.	‡ — 97		‡	—49,57

† Incomplete—Excludes the value of 37,093 tons or 207,721 bales of Jute imported during December, 1952, awaiting adjustment. Data Incomplete.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base: 1944 = 100)

Name of Centre	Cereals			Pulses			Other articles of Food			All articles of Food			Fuel and Lighting			Clothing			Miscellaneous		
	Nov., 1951	Oct., 1952	Nov., 1952	Nov., 1951	Oct., 1952	Nov., 1952	Nov., 1951	Oct., 1952	Nov., 1952	Nov., 1951	Oct., 1952	Nov., 1952	Nov., 1951	Oct., 1952	Nov., 1952	Nov., 1951	Oct., 1952	Nov., 1952	Nov., 1951	Oct., 1952	Nov., 1952
Eastern Zone																					
Bamra	169	219	206†	111	92	88	185	139	138	170	144	141	96	114	114	202	219	217	188	193	204†
Maibang	163	x	x	133	x	x	174	x	x	166	x	x	112	x	x	164	x	x	116	x	x
Shankargarh	125	158	147	155	168	172	211	159	158	170	160	157	101	95	95	164	140	141	141	139	140
Sonaili	354	271	262	181	162	167	257	193	197	260	201	202	125	125	125	273	208	201	348	278	278
Northern Zone																					
Multapi	188	124	124	168	153	153	182	173	175	179	161	162	115	123	123	148	166	165	169	197	197
Nana	322	279	260†	274	307	268†	236	195	197	258	225	218	144	129	113†	233	205	205	208	204	197
Salamatpur	268	265	249†	301	297	300	240	214	211	257	240	235	100	129	129	144	137	136	257	262	266
Southern Zone																					
Krishna	313	193	197	202	187	186	201	164	160	222	171	169	145	129	124	180	139	136	211	207	202
Lakh	179	249	249	176	176	183	174	132	128	175	160	159	86	91	86	132	138	138	144	131	131
Malur	161	171	171	173	133	134	174	134	135	171	142	143	89	100	100	427	234	230	179	163	163
Muniguda	326	225	220	270	222	231	348	213	218	317	217	220	105	135	134	221	208	205	246	261	259
Kudchi	123	189	177†	130	153	153	202	162	162	181	165	163	100	127	127	145	141	134	164	192	186

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 16th April, 1953	59,902
	Corresponding week, 1952	60,773
	1st Sept. 1952 to 16th April, 1953	12,14,350
	Corresponding period, 1951-52	11,61,596
Cotton Exports	Week ended 16th April, 1953	8,191
	Corresponding week, 1952	—
	1st Sept. 1952 to 16th April, 1953	12,14,350
	Corresponding period, 1952	11,61,596
Mill Consumption	1st Sept. 1952 to 16th April 1953	7,29,597
	Corresponding period, 1951-52	6,37,559
Stock (with exporters, dealers and mills)	On 16th April, 1953	6,26,632
	Corresponding date, 1952	5,07,018
Karachi (Pakistan)*		
Receipts	Week ended 11th April, 1953	58,631
	Corresponding period, 1952	35,944
	1st Sept. 1952 to 11th April 1953	14,88,402
	Corresponding period, 1951-52	12,92,055
Exports	Week ended 11th April, 1953	25,799
	Corresponding period, 1952	26,500
	1st Sept. 1952 to 11th April 1953	10,24,111
	Corresponding period, 1951-52	8,26,500

Particulars	From 1st Sept., '52 to 20th April, 1953 Bales	From 1st Sept., '51 to 20th April, 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	12,702	—
Continent	77,901	1,390
China	318	—
Japan	1,10,587	1,999
U.S.A.	30,101	1,760
Other Countries	4,276	111
Total to all foreign countries	2,44,885	4,261
Coastal Ports	1,00,797	73,904

Period		Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	December, 1952	3,38,414
Foreign		60,131
Indian	Four months September to December, 1952	12,07,358
Foreign		2,89,854
Indian	Same Period 1951	9,61,150
Foreign		3,49,028
Stocks (Mills and Elsewhere)—		
Indian	As on 31st Dec., 1952	8,92,077
Foreign		2,93,796
Indian	As on 31st Dec., 1951	9,04,007
Foreign		2,41,049
Cotton Pressed†	Week ended 10th April, 1953	14,852
	Corresponding week, 1952	17,418
	1st Sept. 1952 to 10th April 1953	18,75,120
	Corresponding period, 1951-52	20,27,180

* As reported by the Karachi Cotton Association Ltd. † Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	103½
4% Bonds	1926-33	63,30,26,000	1960-70	102½
4% Loan	1938-39	1,16,17,46,000	1963-65	99½
3½% Loan	1943	1,14,06,89,000	1963-55	100
3% Loan	1950	30,33,10,000	1964	92½
3% Loan	1943	1,10,11,78,000	1966-68	90
3% V. Loan	1945	1,14,05,89,000	1957	98½
3% Loan	1945	1,13,05,83,000	1970-75	86½
3% Loan	1945	1,13,65,64,000	1959-61	98½
3% Loan	1951	50,00,00,000	1958	98½
2½% Loan	1946	45,63,07,000	1960	93½
2½% Loan	1946	57,00,69,000	1961	95½
2½% Loan	1946	35,06,05,000	1954	98½
2½% Loan	1946	14,77,48,000	1976	82½
2½% Loan	1947	75,86,72,000	1962	91½
2½% Loan	1948	60,45,01,000	1955	96½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,36,000	At option of Government after three months, notice	82½
			On 1st September, 1986 or later at option of Government after three months, notice.	82½
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,85,66,000	1954-59	100½
4½% Loan	1928	5,85,20,000	1958-68	105
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	15th Sept. 1955	98½
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	98½
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	98½
3 % Bombay	1949	6,00,00,000	1st Aug. 1962	93
3 % Bombay	1950	3,00,00,000	31st July 1960	95
3 % Bombay	1951	3,00,00,000	17th Sept. 1962	98
3½ % Bombay	1952	3,50,00,000	1st Aug. 1964	101½
3 % Cochin	1943	30,00,000	1st Oct. 1953-55	98
3½ % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98½
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95
3 % Madras	1938	1,42,08,300	15th Sept. 1953	100
3 % Madras	1939	1,29,76,600	21st June 1959	95½
3 % Madras	1942	1,23,25,500	18th Sept. 1955	98½
3 % Madras	1943	1,23,10,000	14th Sept. 1956	98½
3 % Madras	1944	1,08,00,000	15th Aug. 1958	96½
3 % Madras	1945	2,82,19,000	14th Sept. 1960	94
2½ % Madras	1946	3,90,93,200	1st Sept. 1961	90½
3 % Madras	1946	4,47,00,000	31st July 1960	94–3/4
3 % Madras	1951	3,00,00,000	17th Sept. 1962	97½
3½ % Madras	1952	5,00,00,000	1st Aug. 1964	100–13/4
3 % Mysore(f)	1933	1,63,44,300	1st Nov. 1955	105½
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100½
3 % Mysore(f)	1936	2,99,72,900	30th April 1956-61	98½
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	98½
3 % M.P.	1942	50,00,000	18th Sept. 1955	98½
3 % M.P.	1943	50,54,200	14th Sept. 1956	98½
3 % M.P.	1944	52,69,800	15th Aug. 1958	96½
3 % M.P.	1948	2,03,00,000	15th Sept. 1964	91½
3 % M.P.	1950	1,00,28,800	31st July 1960	94½
3 % M.P.	1951	1,00,00,000	17th Sept. 1962	97½
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99½
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99½
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99½
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	98½
3 % Travancore	1944	3,00,00,000	15th May 1952-54	98½
3½% Travancore	1936	50,00,000	15th Sept. 1956	99½
3 % U.P.	1936	1,69,39,800	15th Sept. 1961-66	90½
3 % U.P.	1944	3,23,96,800	1st Aug. 1958	97
3 % U.P.	1945	2,36,31,900	14th Sept. 1958	94½
3 % U.P.	1946	2,41,19,800	1st Sept. 1961	95½
3 % U.P.	1951	2,00,00,000	17th Sept. 1962	97½
3 % U.P.	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1951	1,75,00,000	17th Sept. 1962	98½N
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
45,00,000	4	1908	1969	97½
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	99½
88,25,000	4	1914	1975	99N
10,00,000	4	1915*	1980	
55,00,000	4	1915	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1924*	1960	
35,00,000	3½	1929	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
17,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98
76,90,100	4	1915	1975	98
68,02,300C	3½	1921	1981	79N
1,50,00,000	6½	1921	1981	144N
1,24,06,300	6	1925	1955-85	105
98,21,600	5½	1926	1956-86	104
99,84,500B	5	1926	1956-86	103
1,49,49,500B	5	1927	1957-87	103½
1,49,30,000	5	1928	1958-88	104
80,00,000C	4½	1931	1991	92½
21,75,000C	3	1933	1954	99
40,00,000	3½	1935	1965	95½
25,00,000C	3	1938	1963–68	88
30,00,000	3	1945	2005	78N
30,00,000	3	1945	1975	82½
30,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000C	2½	1947	1977	78½
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94½
50,00,000C	3	1950	1980	80
1,00,00,000C	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79N
1,50,00,000	3½	1951	1961	97½
STERLING LOANS				
£892,600	5	1923	1953–83	£83
£901,000	5	1924	1954–84	£85
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1982	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug.				
3,32,322	4½	1922	1952	
4,47,597	5½	1923	1952	M
STERLING LOAN				
£330,000	5½	1923	1953	£100N

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
18,00,000	4	1912	1972	
18,00,000	4	1913	1973	97½
30,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957–79	113
66,00,000	6	1920	1955–80	
25,00,000	5	1926	1956–86	115
25,00,000	4	1927	1961–70	98
10,00,000	3½	1936	1966	96½
STERLING LOANS				
£566,600	4	1909	1969	£95½
£333,000	4	1910	1970	£95½
Rs.		**CALCUTTA**		Rs.
50,00,000	6	1925	1955	104
28,00,000	5½	1929	1959	107
50,00,000	5	1934	1964	99½
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	90
20,00,000	3	1938	1963–68	88
80,00,000	4	1952	1962	100
STERLING LOANS				
£700,000	5½	1923	1953	£100

MUNICIPAL LOANS

Rs.		**BOMBAY**		Rs.
49,40,000	4	1913–14	1954	100
20,60,000	4	1913–14	1955	99½
20,00,000	4	1913–15	1955	100
10,00,000	5	1920	1980	113
1,60,00,000	5	1924	1955	103½
25,00,000	5	1928	1958	
26,14,000	5	1929	1949–59	105
24,45,500	5	1929	1954–59	80
26,21,500	5	1929	1959	103
8,25,00,000	3½	1947	1977	85
2,50,00,000	3½	1949	1979	85
4,00,00,000	3½	1950	1965	92
2,50,00,000	4	1952	1964	100½
2,00,00,000	3½	1951	1966	96
Rs.		**CALCUTTA**		Rs.
34,45,500	6½	1925	1955	106
84,70,000	6	1925	1955	104
36,00,000	5	1928	1958	103½
25,00,000	5	1928	1957	103½
25,00,000	5	1929	1958	103½
10,00,000	5½	1932	1962	108
23,91,000	5	1935	1965	93½
5,19,000	3	1936	1953	99½
60,00,000	3	1936	1966	88½
1,46,100	3	1936	1953	99½
3,11,400	3	1937	1954	98½
4,67,100	3	1937	1954	98½
1,62,500	3	1937	1954	98½
4,18,100	3	1937	1954	98½
47,50,000	3	1938	1968	88
10,67,700	3	1938	1955	97½
15,56,800	4	1939	1955	99½
15,56,800	4	1940	1957	99½
17,64,400	3½	1942	1959	96½
21,10,000	3½	1942	1972	92
15,49,000	3½	1951	1960	96
16,33,000	3½	1951	1961	96
66,88,000	3½	1951	1966	96
87,36,000	4	1952	1962	99½
Rs.		**MADRAS**		Rs.
5,00,000	4	1903	1953	101
5,00,000	5	1923	1953	107
3,40,000	7	1925	1955	107½

ABBREVIATIONS.—M—Held by Government of Madras. N—Nominal. I—Various Issues repayable to Government.
B—Taken up by Imperial Bank of India. D—Domestic Loan not marketable. C—Held by Commissioners. * Loans held entirely by the Trustee
(a) This includes the amount of loan converted into First Development Loan 1970-75. (Income-tax free. A—Held by Government of India.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935 ** Quotations in Pak. Currency

PREFERENCE SHARES

Company	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	132	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	87	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	141	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	117	100
†East India Distilleries	£200,000	1897	7	Jan. July	Sh. 15½	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	77	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	75	100
Parbatpore Co.	6,00,000	1922	10	Oct. ..	15½	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	96	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	70	100
Sonth Behar Sugar	5,00,000	1936	7(a)	Oct. ..	75N	100
Travancore	15,00,000	1946	5c	Dec ..	6½	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	116	100
Berrea	4,00,000	1896-97	6½	Oct. Apr.	116	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	119	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	4,00,000	1895	6	Mar. Sept.	113	100
Karanpura Collieries	7,50,000	1946	5½(a)	.. ..	85	75(pp
††Khas Kajora	1,53,000	1931	5	Mar. Sept.	6N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12½	10
Ondal	2,00,000	1898-99	6½	Apr Oct	113	100
COTTON						
Ahmedabad Advances	10,00,000	1939	5	Apr. Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan. July	137	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	7	10
Benares Cotton	1,03,200	1919	7	July Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	121	100
Berwah 'A'	6,00,000	1900	8	Feb. Aug.	120	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	78	100
Bradbury	14,75,000	1919	7	June Dec.	310½	250
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	142½	100
Cambodia	1,00,000	1928	7	Apr. ..	131½	100
Central India	1,00,000	1912	5	Apr. Oct.	515	500
Coimbatore Pioneer	1,00,000	1933	6½	Nov. ..	130½	100
Elgin	11,00,000	1913	8	May Nov.	140	100
Do. 'B' Pref.	4,30,000	1943	5	July Jan.	10	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	95	100
Empress	20,00,000	1919	7	June Dec.	128	100
Khatau Makanji	10,00,000	1923	6	Nov. ..	85	100
Do. (2nd)	29,92,308	1947	4	.. ..	85	100
Kohari	12,00,000	1937	6	Nov. ..	10½	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	.. ..	235	250
Morarjee Goculdas Spg. & Wvg	17,25,000	1947	4½	January ..	72	100
Muir Mills	30,00,000	1900	6	Jan. July	108	100
Mysore Spg.	7,45,050	1944	4½	.. ..	..	50
New Great	8,00,000	1913	5½(a)	Mar. ..	175xd	200
New Victoria	26,05,500	1920	6	Apr. Oct.	3½	5
Podar Mills	10,00,000	1943	4	Feb. ..	80	100
Rajlakshmi	2,00,000	1932	6½	Apr ..	56	50
Shree Niwas Cotton	4,80,000	1944	4	.. ..	..	100
Sholapoor	32,00,000	1943	3(e)	.. ..	80	100
Swadeshi	15,00,000	1935	5	Apr. Oct.	110cd	100
Swadeshi (Kanpur)	35,00,000	1927	6	June ..	88	100
Vasanta (1st)	3,00,000	1931	6

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. G=Guaranteed shares. P=Preference shares. P.O.=Preferred Ordinary shares. R=Rebate shares. Y=Accounts published yearly. H=Accounts published Hal-yearly. Q=Accounts publishe once 15 months. T=Company has Debentures. R.L.=Reserve Liability on shares. N=Nominal Quotation. i=Interim Dividend. f=Dividend for first half-year, y=Dividend for the year. x=Ex. Dividend c.d.=Cum. Dividend.

Shares:—If a company has different classes of shares—as, for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under "Paid-up Per Share."

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12 indicate the months of June and December, respectively. 'Reserves" ncludes general and other reserves and all other funds which a company may have as also depreciation on block items, when this is charged to separate account "Block" represents actual cost of land, buildings, machinery, and all such other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends:—Dividends for completed years are calculated at per cent. per annum, but, where quoted for portion of a year, they represent percentages of the dividend on the paid-up share value. For companies closing the boo half-yearly in the first three months of the year, and for companies closing their books yearly during the first half of the year dividends are shown as for the previous year.

COTTON MILLS

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	¶Number Installed		Mill	Latest Available Quotation.	Paid-up Per Share	Dividends (per cent.				Accounts closed	References
					Spindles	Looms				1949	1950	1951	1952		
Rs.	Rs.	Rs	Rs.					Rs.	Rs						
BOMBAY CITY AND ISLAND															
50,00,000	59,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	2½	2	12½	12½	15½		12	Y.
40,00,000	96,25,655	1,22,39,885	45,646	B. R. Sons, Ltd. ..	50,828	1,021	Beharilal Ramcharan Cotton Mills	51½	100	6	6	8		3	T.P.Y.
2,59,98,000	5,35,82,946	3,76,37,187	1,80,774	Nowrosjee Wadia & Sons, Ltd. ..	1,82,072	4,855	Bombay Dyeing, etc.	390cd	250	16	7	8	8	12	P.Y.
10,00,000	68,56,275	52,02,609	2,39,868	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	685	250	24	40	40		3	P.Y.
1,09,42,800	3,69,11,265	2,42,52,821	5,30,869	Birla Bros., Ltd ..	1,09,320	2,706	Century	269xd	100	15	18	20	20	12	Y.
49,00,000	76,78,063	1,06,30,358	5,066	V. J. Pilani, Esq. (Chairman)	39,408	698	Colaba Land & Mill	71	100	—	—	4		12	Y.
26,90,000	47,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd. ..	27,308	680	Coorla	108½xd	100	7½	7½	7½		3	Y.
16,00,000	64,96,041	63,03,745	76,868	Ramnarain Sons, Ltd.	38,304	..	Dawn	64xd	50	4	—	12	12	12	Y.
34,00,000	78,85,000	63,06,555	91,036	Puranmal Radhakishan & Co. ..	50,296	928	Edward Textiles	240	200	7½	7½	7½		12	Y.
25,00,000	82,92,517	1,09,92,288	64,188	Chidambaram, Mulraj & Co., Ltd.	44,768	886	Elphinstone	41½	50	10	8	—		12	P.
40,00,000	1,32,62,580	80,34,752	5,41,142	James Finlay & Co., Ltd. ..	46,072	784	Finlay	300cd	100	15	15	20	20	12	P.Y.
30,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	71,608	1,259	Hind Mills	—	10	5½	4½	5½		6	P.Y.
12,00,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co. ..	45,752	1,022	Hindustan	3,260	1,000	17½	20	20*		3	
8,00,00,000O	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	1–10½	1	12½	12½	25		12	P.Y.
50,00,000D								3,310	1,000	17½	20	20*		3	Y.
8,65,000	1,33,65,320	98,10,275	7,671	Damodhar Thack. Mooljee & Co.	47,172	1,191	Indian Manufacturing ..	—	500	—	—	—		6	P.Y.
35,000								182½	100	12	14	10			
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co	77,404	1,517	Khatau Makanjee	307cd	100	27k	18	25*	18	12	P.Y.
1,00,00,000	3,45,80,831	2,90,52,252	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor								
28,80,000A	60,88,538	4,61,890	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	80	100A	7½	5	6½		6	Y.
3,60,000B								—	20B						
51,75,000	1,65,94,653	1,71,00,015	2,80,686	Piramal Gangadhar & Others ..	60,652	1,650	Morarjee Goculdas	185	100	17	15*	12		6	P.Y
24,00,000	67,21,958	71,22,987	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay ..	141½xd	100	11	12½	15	10	12	Y.
30,00,000	79,78,669	86,82,525	70,277	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Eastern ..	151xd	100	6½	10	12½	10	12	P.Y.
12,70,100	35,74,176	28,92,872	423	Mafatlal Chandulal & Co. ..	33,720	873	New Union	25½	10	—	5	10	12½	12	Y.
48,00,000	1,14,83,245	1,34,29,555	2,40,353	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix	108½	100	6	10	10		12	P.Y.
40,00,000	59,51,640	24,14,688	1,25,251	Podar Sons, Ltd.	32,600	930	Podar	135	100	9	9	10	10	12	Y.
5,00,000	27,64,626	29,73,962	3,162	David Sassoon & Co., Ltd. ..	9,320	277	Sassoon & Alliance Silk ..	23½	10	26½	20	20		12	Y.
25,00,000	59,86,822	41,49,241	21,950	M. G. Investment Corpn.	60,240	1,254	Sassoon Spinning	23½	10	—	7½	10	12½	12	Y.
60,00,000	93,52,612	65,79,388	9,19,198	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	170	100	12½	14	17½		12	P.Y.
31,50,000	1,00,00,000	76,05,952	50,222	Forbes, Forbes, Campbell & Co., Ltd.	36,116	1,276	Simplex	170xd	50	28	34	30†		3	T.Y.
56,00,000	2,07,23,386	1,18,80,653	2,889	Mafatlal Gagalbhai & Sons ..	53,892	1,633	Standard	295cd	100	15	15	26×	20	12	P.Y.
75,00,000	2,10,92,537	1,57,29,109	91,399	Tata Industries Ltd.	65,040	2,000	Svadeshi	263cd	100	15	16	18	15	12	P.Y.
24,00,000	1,20,11,676	65,86,475	5,71,220	James Finlay & Co., Ltd. ..	35,804	552	Swan	435cd	100	20	20	25	30	12	P.Y.
32,54,438	88,66,976	76,66,704	—2,05,128	Tata Industries Ltd.	63,248	1,800	Tata	411cd	25	8	8	16	4	12	P.T.Y.
12,00,000	1,17,01,933	86,62,657	4,299	Thackersey Mooljee Sons & Co. ..	45,888	1,176	Western India Spinning ..	3,110	1,000	17½	20	20		3	T.Y.
AHMEDABAD															
20,00,000	84,99,543	51,95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	141½	100	8	12	10		6	P.Y.
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Hutheesing & Sons Ltd.	42,768	912	Aruna	396	100	13*	15*	20*		12	Y.
21,00,000	2,83,78,675	1,18,76,140	1,309	Narottam Laibhai & Co.	62,448	1,216	Arvind	744½	100	22½	25	25	25	12	P.Y.
10,00,000	93,20,000	70,77,166	92,811	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning	261½	200	15	15	17½		12	P.Y.
12,00,000	1,63,65,455	81,44,027	1,05,810	Lalbhai Dalpatbhai & Co. ..	37,368	912	Asoka	446	100	15*	17	22	22*	12	Y.
1,24,77,072	3,38,63,311	3,71,68,168	2,87,005	Karamchand Premchand & Co. ..	1,39,120	2,370	Calico	313½	125	8	10	14–2/5	14–2/5	12	Y.
30,00,000	1,00,20,000	83,66,716	748	Tricumlal Bhoglial & Co.	39,316	867	New Commercial	1,055	500	10	11	12		12	P.Y.
39,00,000	1,17,35,075	88,73,039	19,706	Mafatlal Chandulal & Co.	47,952	864	New Shorrock	563	125	28	28	28		12	Y.
5,00,000	79,61,645	43,89,260	4,583	Jagabhai Bhoglial Nanavati & Co.	24,840J	528J	Nutan	555	100	25*	28*	28*	30*	12	Y.
10,00,000	1,49,90,022	73,98,913	3,599	Lalbhai Dalpatbhai & Co. ..	31,120	637	Raipur	707‡	100	22½	25	25	25	12	P.Y.
12,00,000	30,40,334	63,41,241	1,09,340	Manaklals Girdhardas Parekh Ltd.	45,568	1,095	Rajnagar	160	100	6	6	8		3	Y.
32,50,000	58,29,453	74,07,003	3,873	Lallubhai Girdhardas Ltd. ..	33,156	648	Rohit	118‡	100	8	30	9		12	P.Y.
24,90,150	1,76,92,721	93,49,718	93,168	Haribalabhdas Kalidas & Co. ..	73,796	1,383	Shri Ambica Mills	315‡	50	25	30	36		12	W.
28,00,000	39,44,524	80,38,656	20,958	Haridas Acharatlal & Co., Ltd. ..	32,816	776	Vijaya	448‡	100	11½*		8½*		12	P.Y.
WEST BENGAL															
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agency Ltd., ...	13,044	356	Basanti Cotton	3½	10	—	5	3½		12	P.T.Y
7,11,280	22,53,684	37,16,899	32,931	Bengal Textile Agency Ltd. ..	28,448	936	Bengal Luxmi	38N	40	—	5	7½		3	Y
6,80,000	74,31,075	77,07,829	—28,432	K. Bullen & Co., Ltd.	42,872	841	Bowreah	212	100	—	—	—	—f	6.12	P.Y.
19,00,000	96,49,451	96,66,017	—7,784	K. Bullen & Co., Ltd.	42,944	518	Dunbar	124‡	100	5½	—	—	—f	6.12	H.
1,20,00,000	3,29,34,362	3,04,56,320	84,976	Birla Bros., Ltd.	69,352	1,990	Kesoram	20½	15	12½	12½	11§‡		3	P.Y.
6,80,000A	71 09,841	79,53,833	51,255	Chakravarti Sons & Co.	23,484	442	Mohini	—	25	12½§	7½	7½		12	W.
38,96,097B									10						
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12,300	374	Arona Spg. & Wvg. Mills ..	5	10	9	3	—		12	T.Y.
15,00,000	26,53,246	59,15,375	2,736	Ramlal & Co., Ltd.	50,000	..	Jagappa Textiles	6½	10	—	9	6		12	P.Y.
71,94 4000a	96,26,706	1,90,39,719	18,450	Ind. Trust Fund	19,944	440	Azam Jahi Mills	65	100	15*	5½	61	6	9	Y.
40,50,000	3,00,10,004	2,73,75,544	2,49,801	Binny & Co., (Madras), Ltd. ..	40,068	1,085	Bangalore	245	100	14½	17½	20	15	6.12	P.T.H.
27,00,000	71,21,986	69,56,823	40,045	Shaw Wallace & Co., Ltd. ..	29,936	782	Bengal Nagpur	15	10	5	1½	10	5f	6.12	P.Y.
60,00,000	17,87,070	1,03,33,381	11,806	Binodram Balchand	37,312	1,338	Binod Mills	100N	100	17	5	30		12	Y.
15,00,000	1,33,79,264	84,27,674	4,60,089	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	58N	10	25	25	30		3	P.Y.
1,78,47,800	4,09,27,251	5,14,83,572	2,39,790	Binny & Co., Ltd. (Madras) ..	1,19,916	2,781	Buckingham & Carnatic ..	119	100	6½	6½	7½	4	6.12	P.Y.
20,00,000	32,63,706	30,52,641	93,399	Peirce, Leslie & Co., Ltd. ..	37,536	4	Cambodia	11cd	10	7½	—	12½	10	12	P.Y.
30,00,000	64,46,347	47,79,878	32,599	Begg Sutherland & Co., Ltd. ..	28,796	591	Cawnpore Textiles	8½	5	11½	11½	11½		3.9	T.Y.
46,87,500	2,25,77,600	2,00,84,126	—16,38,224	Tata Industries Ltd.	1,15,188	2,062	Central India	160	100	6	6	2		6	P.Y.
12,00,000	33,42,813	25,08,393	1,52,180	R. Seema Nayudu & Co.	20,504	..	Coimbatore Cotton	100	100	12½	12½	12½		6	Y.
12,00,000	17,94,432	20,04,313	9,816	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills ..	101	100	7	6	—		6	P.Y.
20,76,900	70,83,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg. ..	41	50	5	10	—		6	Y.
24,34,800	40,26,054	37,58,169	20,746	M. N. Chettiar & Sons	29,300	201	Dhanalakshmi	178	100	25	25	20	10	12	Y.
8,89,84,925	3,84,95,614	5,77,14,605	1,63,862	Bharat Ram, Esq.	75,604	1,830	Delhi Cloth (inc. Lyallpur Mills).	28½	25	4	10			6	P.Y.
1,00,503									2½						
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd. ..	52,652	1,192	Elgin	17½	10	12½	11½	15	9	P.T.Y.	
39,04,700	1,01,50,000	82,22,587	1,03,575	F. Forbes Campbell & Co., Ltd.	72,960	2	Gokak	212xd	100	15	10	14	17*	12	Y.
50,00,000	84,17,977	1,21,16,721	6,989	Govindram Seksaria (Indore) ..	50,420	1,420	Indore-Malwa United	90	100	4	4	5		12	Y.
8,90,000	22,88,977	18,75,134	487	G. V. Naidu & Co.	33,784	..	Janardhana	99‡	50	16	10	15		12	T.Y.
6,50,000	17,20,576	40,18,454	7,677	A. L. A. R. A. Chettiar and another	30,304	325	Kaleswarar	347‡	100					12	P.Y.
24,00,000	25,50,000	43,66,106	54,377	Kothari & Sons	13,824	..	Kothari	10	10	7	7½	7½		6	P.Y.
32,00,000	1,62,37,879	1,37,67,873	1,99,524	The Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton	600cd	250	15	15	20*	15	12	P.Y.
35,64,100								78	50						
17,82,050A	90,51,492	78,03,494	7,921	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	38½	25	8	8	10		3	Y.
1,75,02,480	5,94,39,299	4,16,07,732	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura	35	15	17½	15	20	20	12	Y.
12,00,000	20,47,239	23,90,961	—15,121	A. L. A. R. S. Chettiar and 2 others.	21,856	..	Malabar	150	200	7½	4	6		12	Y.
60,00,000	93,17,047	52,62,343	30,249	W. A. Beardsell & Co., Ltd ..	24,252	603	Mettur Industries	188	100	25	12½	12½		3	Y.
29,80,884	65,78,942	71,79,459	22,669	N. Sirur & Co., Ltd.	36,416	678	Minerva	105	100	8*	6	6		12	Y.
94,91,850	96,08,512	1,34,73,361	29,643	B. Abirchand Dadabhoy & Co. ..	49,456	952	Model Mills, Nagpur	143‡	250	6	3	3		6	Y.
30,00,000	1,55,94,651	1,53,39,271	7,77,290	Indian Textile Syndicate Ltd. ..	86,318	1,834	Muir	215	100	24½	—	7½		12	P.Y.
9,71,850	4,04,541	20,43,991	—2,16,536	A. Sambu Moorty, Esq.	69	..	Mysore Silk Filatures	78	10	—	—	—		12	P.Y.
19,86,800	1,15,59,739	82,55,416	38,347	N. Sirur & Co., Ltd.	49,632	500	Mysore Spinning	123‡xd	50	20	18*	20*		2	P.Y.
13,61,780	22,98,130	27,85,556	—4,60,000	R. Suryanarayana Rao, Esq. ..	6,000	..	Mysore Spun Silk	4½	10	5d	6½	—		3	Y.
22,89,882	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd ..	50,228	1,148	New Victoria	1§	2½	—	—	—		12	P.T.Y.
3,07,09SO								—	D‡						
87,03,800	1,20,94,970	1,58,62,385	17,946	Ind. Trust Fund	30,896	717	Osmanshahi Mills	95	100	14*	5½	6§‡	7	9	Y.
4,00,000A	19,98,937	20,58,777	19,670	Baghyalakshmi & Co.	22,800	..	Pallavi Andavar	52	50	4	10	16		12	P.Y.
15,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills	65	100	4	7½	5		12	P.T.Y.
25,30,420	36,19,473	40,65,619	11,306	A. G. G. Naidu & Co.	38,864	200	Radhakrishna	149cd	100	15	16	16		12	Y.
15,00,000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	25,896	..	Rajalakshmi	72‡	50	9	9	10		12	P.Y.
15,02,500	31,53,264	35,65,211	11,407	P. S. G. Nayudu & Sons ..	28,972	88	Ranga Vilas	42	50	6	7	7½		12	Y.
60,00,000	89,39,172	1,04,60,739	5,506	Sir J. P. S. & Sons (Rampur), Ltd.	32,580	600	Raza Textiles	5–11½	10	—	—	—		12	P.Y.
16,00,000	1,58,55,370	2,03,51,339	—78,03,793	M. J. Divekar, Esq.	82,992	2,234	Sholapur	1,750	1,000	—	—	—		3	P.Y.
22,41,300	9,49,306	25,98,011	66,528	Gopaldas Lilladhar & Co., Ltd	15,824	440	Shree Sajjan	75N	100	6	—	—		3	W.
17,79,700	17,05,383	21,50,229	3,083	T. R. A. Ayyar & Bros., Ltd. ..	18,416	456	Sitaram	35‡	60	6§	—	—		3	W.
36,69,700	53,91,188	62,29,128	26,556	B. S. Visweswaraiya, Esq. ..	25,200	492	Sri Krishnarajendra Mills ..	58	50	8*	8*	5		8	W.
15,00,000	1,30,50,807	64,96,084	58,49,305	Birla Brothers Ltd.	27,340	992	Sutlej Cotton Mills	37	10	40	40	40		3	Y.
17,50,000								9§	10	5	5	5			
1,57,50,000P.O.	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,12,216	2,077	Swadeshi (Cawnpore	7½	10P.O.	9	9	9		12	P.Y.
13,98,630	16,70,493	12,91,002	9,843	M. R. & Sons	16,000	..	Trichinopoly	10cd	10	10	10	10	7	12	W.T.
21,00,000	56,75,811	47,61,131	50,000	R. K. S. Chetty & Bros.	33,704	270	Vasanta	160cd	100	7	9	10	12	12	P.Y.
32,00,000	1,34,16,851	1,18,73,996	2,21,881	The Bombay Co., Ltd.	54,280	1,495	Vishnu	170‡	100	10	9	14*	10 ‡‡	12	P.Y.

* Includes Bonus. I. On Increased Capital. ‡ Only Depreciation.

× Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46.

k) Includes Rs. 11-6 paid out of deferred Dividend Amount.

¶ As on 31st August, 1952.

—JNil Dividend.

† Subject to tax.

J—As on 1st January, 1953.

†† Does not include depreciation.

xd=Ex. Dividend. C.d.=Cum. Dividend

** Net Block.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.)				Accounts Closed	References
								1949	1950	1951	1952		
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
ART SILK AND RAYON MILLS													
1,68,42,600	37,92,725	4,15,55,170	4,66,206	Chinai & Co., Ltd.	National Rayon Corporation	84½	100	—	—	—		12	P.Y.
99,92,020	46,91,585	2,65,93,471	4,93,263	Emcete & Sons (Travancore) Ltd.	Travancore Rayons	4½	10	—	—	—		12	P.Y.
BREWERIES AND DISTILLERIES													
13,28,000	65,17,840	96,16,910	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	20	25	11½	11½Q	—		5	P.Y.
6,64,000						8½	10						
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	5½	5	20	10	—		3	W.
						15½cd	A 16sh	10	10	10		9	P.Y.
£330,000	£915,047	£1,010,005	£55,705	Parry's Holdings Ltd.	East India Distilleries and Sugar ..	20½cd	B 20sh	10	15	15		9	P.Y.
24,80,000	8,54,296	7,56,660	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4	10	—	—	—		8	Y.
6,00,000	21,13,586	12,13,593	3,951	B. A. Mallya Esq.	United Breweries	150	75	15	10	20		3	Y.
CEMENT													
31,19,724	21,33,493	67,56,656	15,850	The Andhra Engineering Co., Ltd.	Andhra Cement Co.	93	100	3½	3½	7½		12	P.Y.
43,14,600	16,94,310	17,14,992	1,01,035	Eastern Corporation Ltd.	Assam Bengal Cement	4½	10	5	—	—		3	Y.
4,70,976D						##	1						
10,56,20,438	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.	Associated Cement Companies ..	169½	100	7	8½	9½	9½	7	Y.
10,56,20,438						5½	10	—	5	6½		12	Y.
86,49,312	95,24,901	1,45,62,309	61,188	Hari Bros. Ltd.	Dalmia Cement	1	1	25	5D	—	—	3	P.Y.
4,00,000D						16§	5D	—	—	5			
61,01,180	27,27,600	1,26,09,755	90,853	Essen Ltd.	India Cements Ltd.	3–6½	5	8	6	8		12	Y.
7,50,000D						7½							
73,00,000	1,46,20,109	1,65,80,416	81,840	Martin Burn Ltd.	Sonevalley Portland Cement ..								
CERAMIC; MINING AND QUARRYING													
81,70,655	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2½	2½	3½	5	6½		12	Y.
18,90,000	37,00,990	51,64,271	28,729	Bird & Co.	Biara Stone Lime)Co.	29N	10	16½	17½	17½		3.9	H.
30,00,000				Ram Kumar Agarwala & Bros.		9½	10 O	10	10	5f		12	P.Y.
20,00,000D	17,91,749	50,93,341	12,332		Chrestien Mica Industries	6½	5 D	15	15	7½f			
50,14,200					Indian Copper Corporation		2ab.	12½†	12½†	12½		12	Y.
15,00,000	41,650,110	81,643,983	85,540	Gillanders Arbuthnot & Co., Ltd.		3–11½	25	16	—	—		61.2	H.
2,50,000					Karanpura Development	13	10	—	—	—		61.2	H.
4,00,000F	38,79,403	43,65,527	1,29,079	Bird & Co., Ltd.	Mysore Stoneware Pipes & Potteries	9½	10	5½(d)	10	10		3	Y.
4,00,000F						33½	10	6½	6½	12½	15f	6.12	H.
8,00,000	6,40,199	7,98,882	9,812	Mysore Industrial Development Co.	Orissa Minerals	17	10	10	10	11½		2.8	H.
10,00,000	37,28,402	31,47,718	74,275	Bird & Co., Ltd.	Reliance Firebricks	57½xd	10	15	17½	35.		11	Y.
6,00,000	24,28,739	25,13,779	27,403	Andrew Yule & Co.	Shivrajpur Syndicate..								
5,99,390	20,61,475	17,98,676	3,427	Killick Industries Ltd.									
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	23,14,270	1,02,937	S. V. S. Iyer, Esq.	Kemp & Co.	245½	200	10	10	10		3	Y.
92,14,870	55,77,268	2,53,78,334	8,595	Tata Sons, Ltd.	Tata Chemicals	9½	10	—	—	—		6	T.Y.
1,12,500	1,38,486	61,178	4,101	B. D. Nagar, Esq.	Thompson & Taylor	4½	3	8½	18½			3	Y.
Other Centres													
25,00,000	54,68,041	63,66,814	59,559	Bhailal Amin & Sons., Ltd. ..	Alembic Chemical Works Co. ..	105	100	—	8	8		12	Y.
62,00,000

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
OIL; PETROL, ETC.													
£750,000	£987,630	£257,232	—£718,934	I. C. H. Glass, Esq.	British Burma Petroleum Co.	1-4½	4sh.	—	—	—		3	P.Y.
22,50,000	81,89,204	52,69,225	1,85,955	N. C. Alcock, Esq.	British Ceylon Corporation	13½	7½	20†	24†	32†		12	P.Y.
1,00,00,000	2,27,04,997	1,10,70,867	2,10,829	Steel Brothers & Co.	Indo-Burma Petroleum Co	55½	40	10	10	10		12	P.Y.
70,07,475	1,02,93,586	1,52,15,713	10,002	Tata Industries Ltd.	Tata Oil Mills	34½	25	4	6	8		3	P.Y.
6,00,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tide Water Oil Co. (India)	15	10	15	15	17½	5f	4.10	H.
PAPER													
45,00,000	1,56,25,500	1,94,47,651	3,21,991	Balmer Lawrie & Co.	Bengal Paper Mills	44½	25	10	10	12½	6¼f	6.12	P.T.H.
30,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	151	100	7	10	11	5f	3.9	H.
25,00,000	48,30,215	47,81,895	52,615	P. R. Balakrishnan, Esq.	Mysore Paper Mills	13½	10	5d	7½	10*		3	Y.
41,95,000	2,73,41,080	3,27,84,408	1,91,321	Birla Bros., Ltd.	Orient Paper	33	10	15	25	20	10f	3.9	P.T.H.
30,06,895	1,10,93,378	84,10,902	1,86,914	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	18½	10	9½	11½	15	7½f	6.12	P.T.H.
80,00,000	31,49,465	48,58,730	6,430	Bajoria & Co.	Star Paper Mills	8½	10	—	—	5		3.9	P.T.H.
90,00,000'A'						4½	2½	10	10	10	5f	3.9	
4,37,500PO						35½	A10	20	11½	20*	10*f	3.9	P.H.
A'56,00,0000	5,15,53,313	4,78,98,548	5,00,114	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd. ..	35½	B10	20	10½	20*	10*f	3.9	
B'56,04,8000						35½							
PLANTING; PRODUCE AND RUBBER													
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar Estates	6½	3	10	20	20		2	P.Y.
47,70,000	48,44,853	83,16,040	4,37,964	R. C. Paterson, Esq.	Consolidated Coffee Estate	17	10	17	20	18		6	P.Y.
6,00,000	2,29,884	4,49,625	13,951	Associated Planters, Ltd. ..	Cottanad Plantations	9½	10	7½	10			3	T.Y.
8,33,900	1,46,540	4,67,078	1,389	A. V. Thomas & Co., Ltd. ..	Fringford Estates	22½	10	—	—	—		4	P.Y.
6,00,000	19,08,079	9,81,715	46,448	A. V. Thomas & Co., Ltd. ..	Highland Produce	9½	10	25	45	45		12	Y.
4,00,000	9,67,558	7,20,398	43,506	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	17½	10	17½	20			4	Y.
4,00,000	9,41,308	11,82,479	—	A. V. Thomas & Co., Ltd. ..	Malankara Rubber and Produce Co.	102	20	17½	30	35		3	P.Y.
27,00,000	25,83,648	14,90,888	83,433	A. V. Thomas & Co., Ltd. ..	Midland Rubber and Produce Co...	9½	10	6	12½	15		3	P.Y.
3,33,000	1,38,538	12,94,936	28,190	A. V. George & Co., Ltd. ..	Nenmony Rubber	10	10	5	6½	10		12	P.Y.
2,00,000	1,93,721	24,72,600	2,305	Associated Planters, Ltd. ..	Nilkamby Rubber Co.	9	10	5	10	10		10	P.Y.
19,45,980	48,35,083	38,14,428	1,78,110	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	3½	2	25	25	45		6	P.Y.
13,50,000	5,82,973	28,05,590	31,101	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber and Produce Co.	10½	10	9	12½	15		3	P.T.Y.
10,00,0000	3,36,390	1,56,854	936	East India Agencies, Ltd. ..	Teekoy Rubber (India) Ltd. ..	6½	10	—	7½	9		3	P.Y.
1,50,0000	1,81,279	5,11,395	66,520	A. V. George & Co.	Thamarapully Rubber	12½	10	6½	15	15		12	P.Y.
3,05,100	5,01,650	6,03,723	31,510	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co. Ltd... ..	2½	1	17½	20	25	25	9	Y.
6,00,000	1,17,222	7,40,149	3,953	K. C. Cheriyan, Esq. (Secretary	Travancore Rubbers	13½	10	10	20	20		12	Y.
41,00,0000	14,90,372	67,61,27	3,25,086	Aspinwall & Co., (Travancore)	Travancore Rubber and Tea Co., Ltd.	6¾cd	10	2½	6	10		12	Y.
20,00,000	6,09,535	22,92,945	2,575	P. T. Thomas, Esq.	Tropical Plantations Co.	20N	25	10	5	12½		12	P.Y.
3,30,000	53,026	3,26,408	40,587	A. V. George & Co. Ltd. ..	Udayagiri Rubber	5½	10	5	—	—		12	Y.
6,38,180	2,79,294	7,07,482	33,166	Harrisons & Crosfield Ltd. ..	Valkondam (Travancore) Rubber Co., Ltd.	13½xd	10	10	12½	20	20	12	Y.
1,60,000	78,624	3,43,636	14,082	M. K. Thomas & Co.	Woodland Estates	7½	10	7½	6¼	—		3	Y.
PRESSING													
6,00,000	18,78,066	19,01,857	2,322	Andrew Yule& Co.	Calcutta Hydraulic Press	80	100	3	3	5		3	Y.
4,30,000	5,58,036	6,89,525	1,116	Pyne and Sons.	Camperdown Pressing	90N	100	4	6	7		7	Y.
8,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Central Hydraulic Press	95	100	3	5	5		6	Y.
PROPERTY AND LAND													
10,00,780	25,11,061	42,65,283	419	S. A. Basil, Esq.	Humayan Properties	10½	10	—	6	—	5	9	P.Y.
60,00,000	34,67,735††	83,61,045**	—	David Scanlan & Co., Ltd. ..	Fort Canning Land	24½	100	2	1½	1		4	P.Y.
94,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co.	Mildapore Zamindary	36	100	—	3	2		4	
SAW MILLS AND TIMBER													
13,99,998	29,73,877	10,38,508	60,887	Bird & Co.	Assam Saw Mills and Timber	6½	8	16‡	16‡	16‡		9	Y.
60,00,000	4,89,22,437	2,47,99,361	1 57,498	Wallace & Co.	Bombay-Burmah Trading	393½	125	12	30	18		5	Y.
42,00,0000						143½	50	12	30	18		5	P.Y.
6,00,000	7,04,037‡	7,80,451	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	55N	100	5	—	—		5	Y.
12,00,000	25,94,349	15,51,606	73,653	G. Arbuthnot & Co.	Indian Wood Products	37½	10	2½	25	35		9	Y.
SUGAR (U. P. and Bihar)													
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co.	Bairampur Sugar	6½	5	—	20	—		4	Y.
12,00,000	28,96,740††	15,70,684**	2,81,000	Narang Bros.	Basti Sugar	120N	100	6½	10	—		4	Y.
19,49,050	20,10,694	26,89,188	2,24,418	Bangur Bros., Ltd.	Belsund Sugar	8½	7½	—	15	8½		6	Y.
19,00,000	21,11,580	15,38,162	40,743	Cotton Agents Ltd.	Bharat Sugar	15½N	10	10	15	15		6	P.T.Y
12,00,000	99,90,130	1,26,85,817	—6,15,881	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	5½	10	5	—	30	20	10	P.Y.
15,00,000	1,30,69,452	96,28,542	31,891	Begg Sutherland & Co.	Cawnpore Sugar	28	10	15	20	20		6	P.Y.
18,00,000	60,37,156	78,43,150	17,488	Begg Sutherland & Co.	Champarun Sugar	101	10	15	15	20		6	
45,00,000	57,00,000	68,17,572	50,477	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	130N	100	5½	6	12*		7	P.Y.
12,00,000						50N	80						
6,00,000	41,78,374	68,10,159	—4,15,271	Kilnahand Devchand & Co	Kesar Sugar	20N	40	—	3	4	—	6	P.Y.
7,89,100	31,59,777	25,99,076	115,051	Cotton Agents Ltd.	New India Sugar Mills	19	10	10	25	25		6	Y.
11,00,000	27,48,180	36,39,370	3,895	Karam Chand Thapar & Bros. Ltd	New Sevaa	6½	10	5	6½	5		6	Y.
13,59,375	58,13,956	53,06,760	6,36,095	Cotton Agents, Ltd	New Swadeshi Sugar Mills	180N	100	15	20	20		7	P.Y.
77,45,250	1,08,98,159	1,86,10,992	1,981	Cotton Agents, Ltd.	Oudh Sugar Mills	45N	25	2½	2½				
14,00,000	29,31,078	26,43,844	71,500	Narang Bros.	Punjab Sugar Mills	20N	25	—	—	—		10	P.Y.
9,00,000	42,50,793	33,72,806	19,435	Begg Sutherland & Co.	Purtabpore Company	100N	100	—	10	20	10	10	P.Y.
8,00,000	26,05,855	24,18,182	15,416	Begg Sutherland & Co.	Ryam Sugar	15	10	15	25	10		6	
11,99,000	38,06,835	36,11,360	23,281	Begg Sutherland & Co.	Samastipur Central Sugar	24½	10	10	20	20		6	P.T.Y.
20,00,000	69,94,641	1,03,56,230	4,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	13½	10	10	20	15		7	Y.
9,99,95‡	11,66,782	21,41,729	10,162	H. K. Ghose, Esq & R. N. Datta.	Sitalpore Sugar	10½	10	—	3½	5		6	Y.
6,50,0000						5½	10	—	—	—		10	
1,78,000D	11,94,395	27,92,174	—14,73,656	N. K. Jain & Co., Ltd.	South Behar Sugar	3N	25	—	—	—		6	Y.
8,00,000	54,46,474	70,75,580	57,216	Cotton Agents, Ltd.	Upper Ganges	1N	25	—	—	—			
						24½	30	17½	20	20		6	Y.
(Indian States and other Centres)													
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd. ..	Belapur Co.	24¾	50	16½	25	28	32	9	Y.
33,57,350	46,47,856	38,47,284	4,64,518	Gevan Bros. (Rampur), Ltd. ..	Baland Sugar	10½N	10	7	7½	10		5	P.Y.
15,93,900	18,53,357	37,63,451	21,012	J.P.Srivastava&Sons(MadhyaBharat)Ltd.	Gwalior Sugar Co., Ltd.	40N	100	—	5	5		6	Y.
13,00,000	38,42,751	22,63,689	2,71,331	India Sugar & Refineries	India Sugar & Refineries	20	10	12½	15	25		9	Y.
21,79,280	1,49,74,559	1,49,74,107	1,27,296	M. Mallayabrys, Esq.	Mysore Sugar	43	10	20‡	20	20		9	Y.
50,00,000	96,62,468	1,03,94,086	3,18,594	Mahtalal, Apte & Kanslial, Ltd. ..	Phalsan Sugar Works	85	50	14	16	16	16	8	P.Y.
16,59,820	45,75,389	24,76,150	1,61,652	Anderson Wright Ltd.	Ramnugger Cane & Sugar Co., Ltd.	16½	10	15	14	18	18	9	P.T.Y
20,00,000	68,39,148	74,55,840	1,89,513	Walchand & Co. Ltd.	Ravalgaon Sugar Farm Ltd.	90N	50	7	10	12½		6	Y.
19,99,580	50,82,224	42,94,120	6,05,982	Gevan Bros. (Rampur), Ltd. ..	Raza	12	10	6	10	—	—	7	Y.
30,00,000	23,82,353	58,70,150	20,980	Parry & Co., Ltd	Travancore Sugars	4½	10	—	12	14	14	9	P.T.Y.
1,01,00,000	1,29,20,737	1,71,89,516	2,07,926	Premier Construction Co., Ltd. ..	Walchandnagar Industries Ltd. ..	160	100	17½					
UNCLASSIFIED (Bombay)													
1,50,00,000	1,14,37,216	46,81,706	—4,88,411	Tata Industries Ltd.	Air-India Ltd.	84	100	—	—	15	17½	12	Y.
2,40,000	4,90,364	5,64,538	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	705	200	15	15			9	P.Y.
89,89,550	2,64,61,962	3,70,82,313	83,607	Scindia Steam Navigation Co., Ltd. ..	Bombay Steam Navigation Co., Ltd.	37	25	5	5	5		12	Y.
15,98,860	1,18,29,255	1,19,22,555	92,663	Parekh & Co.	Bombay Upasana Ltd.	54N	50	5	5	5		3	Y.
25,00,000	1,50,000	24,37,096(k)	12,787	Dena Sons Ltd.	Devkaran Nanji Investment Co. ..	9½	25	6	6	5		3	P.Y.
14,98,360	17,39,540	10,69,107	4,425	F. H. Mehta Esq.	Hutwala Batteries	23N	100	3‡	4	4½	4½	12	Y.
99,99,250	18,35,373	1,27,49,383(k)	1,85,257	Premchand Roychand & Sons ..	Industrial Investment Trust	74cd	100	8	8½	10		6	Y.
84,98,865	15,91,304	12,58,924	2,833	K. G. Milne, Esq.	Killick Industries	151	100	—	—	—			Y.
2,06,71,500A						41½	10						
10,00,000 B	65,85,939	2,20,52,503	4,52,797	Aero-Auto Ltd.	Premier Automobiles Ltd.	15	10	—	—	—			Y.
6,39,62,018	9,89,24,387	12,98,97,421	1,58,251	Narottam Morarjee & Co.	Scindia Steam Navigation Co., Ltd.	13½	50	10	10	10		6	Y.
1,50,000	3,71,437	2,21,590	3,145	R. B. Bandekar Esq.	Thacker & Co.	50N	20	7½	10	15	15	12	Y.
10,21,200	17,95,712	14,71,107	36,733	Sir Joseph Kay, K.B.E.	United Motors (India) Ltd.	40cd	100	11*	11*	11*	11*	12	Y.
2,20,00,000	2,54,09,972	2,16,78,739	4,20,869	T. H. Rydin, Esq.	Western India Match Co., Ltd. ..	236‡	100	11*	11*	11*	11*	12	Y.
45,00,000	46,57,108	1,34,608	41,429	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	350N	150	8-5/6	13½	13½	13½	12	Y.
Other Centres													
47,50,000	4,90,364	5,64,538	702	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	4	10	—	—	—		3	P.T.Y.
2,50,000D	53,38,668	31,59,164	5,24,909	Turner Morrison & Co., Ltd. ..	Angelo Brothers Ltd.	17½	10	10	17½*	25*	12½	8	Y.
30,00,000	57,04,139	42,88,118	1,35,909	T. H. Rydin, Esq.	Assam Match Co., Ltd.	20	10	12½*	12½*	12½*	12½*	12	Y.
20,00,000	50,63,088	92,32,652	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	53	10	7½	6	6		3	P.T.Y.
80,00,000						303	100D	20*	20*	25*		12	Y.
30,00,700	15,57,826	45,95,360	5,19,159	O. T. Jenkins, Esq.	Balmer Lawrie & Co.		40D	15	15	20			
10,00,000						147	100	5	10	12½	12½	10	P.Y.
20,00,000	1,19,26,323	1,24,61,121	2,04,690	Andrew Yule & Co., Ltd.	Bengal Assam Steamship Co., Ltd.	15½	10	11½	11½	12½	12½	9	P.Y.
20,00,000	8,38,806	34,05,998(K)	1,25,380	Lovelock & Lewes	Birds Investments Ltd.	93	100	3	3	4		12	Y.
1,00,00,000	1,00,01,439	2,26,31,139	1,16,835	Dinshaw Ltd.	Bharat Line	148	10	12½	12½	7½—I		3	P.Y.
30,64,680	50,81,266	83,30,736	1,82,277	A. P. Chanda Esq.	Britannia Biscuit	8-5‡xd	5	11½	15	15	12½	12	P.Y.
3,25,00,000	2,85,64,167	47,78,193**	1,99,112	Sir Robert Menzies Kt., O.B.E.	British India Corporation Ltd. ..	28½	10	20	20	15-I	15	12	P.T.Y.
1,60,00,000	3,77,71,131	4,07,06,331	1,01,468	Cecil Stack, Esq.	Dunlop Rubber Co. (India) Ltd. ..	138	100	8	9	9	9	12	P.Y.
51,26,000	47,57,061	1,26,55,420(K)	3,15,489	Bird & Co., Ltd.	Eastern Investments Ltd.	100	100	20	10	22½	15f		H.
7,00,000	29,85,208	24,09,208	17,900	Macneill & Barry Ltd.	Ganges Rope	192	100	7½	10	10		3.9	Y.
65,00,000	54,15,902	15,52,902	2,07,524	A. J. Elkins, Esq.	Gillanders Arbuthnot & Co., Ltd. ..	128	100	10	10	6		3	P.Y.
30,00,000	37,25,649	60,01,406	6,213	B. P. R. Syndicate	Great Eastern Hotel Co.	252	250	6	6	6		3	P.T.Y.
18,42,880	36,42,049	54,49,286	12,214	Birla Brothers, Ltd.	Hind Cycles	100	100	5	7½	7½		3	P.Y.
4,96,12,650	59,45,519	2,61,59,293	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	4½	10	—	—	—		3	P.Y.
1,60,00,000	1,59,65,053	3,07,88,193	22,27,867	J. W. B. Johnson, Esq.	Indian Aluminium Co.	110	100	—	3½	5	5z	12	P.Y.
1,52,89,220	1,31,92,732	57,92,390	9,29,554	D. J. Malaviah, Esq.	Indian Cables	17½	10	8f	10*	10*		3	P.Y.
83,75,000						3½	10	—	—	—			
5,00,000	51,91,428	95,82,228	—15,72,246	Gevan Bros., Ltd.	Indian National Airways	6½	10	—	—	—		12	P.Y.
1,25,000D						1	10	—	—	—			
8,87,976	12,79,385	14,27,460	39,038	George Spencer Moulton & Co. (India)	Indian Rubber Manufactures	13½	10	10	10	10	10	3	P.Y.
2,25,00,000	1,60,38,685	3,87,93,903	2,26,066	Lionel Edwards Ltd.	India Steamship Co., Ltd.	6-5½	10	—	—	5		3	P.T.Y.
2,40,000	4,33,028	67,247	36,496	G. V. Swalka, Esq.	Ivan Jones	4½	2	21½	21½	21½		9	Y.
2,00,00,000	53,39,843	27,16,440	8,86,448	J. D. K. Brown, Esq.	Jardine Henderson	12½	10	10	10	10		3	P.Y.
6,34,000	9,97,633	6,91,531	—64,994	James & Co., Ltd.	Macfarlane & Co. Ltd.	2	5	—	—	—		3	Y.
40,00,0000						137	O. 100	10	12½	12½		12	P.Y.
5,00,0000	63,35,248	23,69,220	85,717	A. T. Doig, Esq.	McLeod & Co. Ltd.		D. 50	10	12½	17½		12	P.Y.
1,30,55,750	33,32,702	11,34,840	2,31,092	T. Leslie Martin Esq.	Martin Burn Ltd.	18½	10	10	10	11½	13½	12	P.Y.
6,35,190	4,98,833	7,47,410	10,548	Ogale Glass Works Ltd.	Mysore Glass & Enamel Works ..	5	10	—	—	—		3	P.Y.
3,75,000	7,74,353	8,79,856	3,666	R. Bharaniah, Esq.	Mysore Lamp Works	18½	10	10	20	20		3	T.Y.
10,00,000	3,95,997	11,45,855	1,11,329	V. S. Arunachalam, Esq.	Mysore Tobacco	10½	10	5	5	10		3	P.T.Y.
20,00,000	51,92,139	50,16,078	11,045	Associated Ind. Development Co., Ltd.	National Insulated Cable Co., of India Ltd.	12	10	10	5	7½		3	P.T.Y.
79,97,000	65,83,352	1,04,50,524	8,86,347	B. N. Elias & Co., Ltd.	National Tobacco Co.	9½	10	5	2½	5		12	Y.
14,87,137	6,67,696††	18,52,569**	23,513	E. P. Ogale & Co.	Ogale Glass Works	3	5	—	—	—		12	P.T.Y.
40,00,000	34,64,522	90,88,006	1,94,446	Parry's Holdings Ltd.	Parry & Co.	5½	2	62½	80-I	32½		12	P.Y.
2,25,00,000	62,51,619	1,69,49,507	24,847	G. U. Euthymopulo, Esq.	Rallis India Ltd.	76‡	100	8	8½	9	—	8	P.Y.
1,14,00,000	2,29,15,252	5,78,03,905	33,67,941	Sahu Jain Ltd.	Rohtas Industries	8½	10	—	7½	7½		12	P.Y.
40,00,000	1,33,62,299	1,19,84,861	5,56,552	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	14½	10	10	10	15		6	Y.
75,00,000	22,00,000	1,75,74,498	2,62,138	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	12½	10	10	10	10		12	Y.
9,98,280	3,19,364	8,90,420	1,855	Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	—	4	—		12	Y.

†† Does not include depreciation. * Includes Bonus. ** Net Block. C.D.—Cum Dividend. I On Increased Capital,

‡ Only Depreciation. —Nil Dividend. † Less income-tax. (c) For six months ended June, 1949.

Z.—For fifteen months ended 31st December, 1952. K—Investments. X.R.—Ex-Right. (d) For nine months ended March, 1950

TEA COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs				Rs.	Rs.						
ASSAM														
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amiookie	450N	100	80	25	—		12	P.Y.
3,50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd.	400‡	Anandabag	25‡	10	25	40	30		12	Y.
5,50,000	10,64,192	12,05,396	—89,152	McLeod & Co., Ltd.	573	Baghmari	10	10	12½	30	—		12	Y.
3,40,000	9,12,883	7,05,721	44,989	Andrew Yule & Co., Ltd.	360	Bamaata	24	10	20	30	25		12	Y.
3,30,600	7,24,887	8,38,278	71,941	Williamson Magor & Co.	556	Bateli	10½	5	25	30	10		12	T.Y.
3,20,000	6,19,032	6,72,731	54,942	Gillanders Arbuthnot & Co., Ltd.	4,004	Bishnauth	24	10	20	35	15		12	Y.
16,50,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co.	493	Bokakhat	26½	10	35	50	5		12	Y.
6,00,000	4,80,346	9,78,429	—1,90,802	Octavius Steel & Co., Ltd. ..	450	Borrnah Jan Tea Co., Ltd.	4½	10	5	5	—		12	P.Y.
7,50,000	5,06,959	7,64,836	22,297	McLeod & Co., Ltd.	2,670	Brooke Bond	11½	10	15	15	15		12	P.Y.
35,00,000	22,18,001	70,96,925	87,990	Brooke Bond India Ltd.	282	Dejoo Valley	8½	10	6½	15	—		12	Y.
1,20,000	3,05,715	3,66,030	—29,101	McLeod & Co., Ltd.	1,341	Dessai & Parbattia	225	100	15	30	22½		12	Y.
6,00,000	22,17,578	24,24,301	25,545	Jardine Henderson Ltd.	426	Dhalakhat	10½	10	10	16	12		12	Y.
17,53,440	7,15,393	19,11,105	54,461	James Warren Ltd.	613.37	Dhunsiri	10	10	10	20	10		12	T.Y.
4,68,970	8,90,863	13,71,610	25,794	James Finlay & Co., Ltd.	458	Dibrugarh Co., Ltd.	8½	10	—	40	15		12	Y.
4,50,000	6,57,785	9,86,816	14,389	McLeod & Co., Ltd.	611

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Number of Looms	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
60,00,000	1,02,72,130	95,73,184	3,33,368	879	B. N. Elias & Co., Ltd.	Agarpara	19 3/8	10	10	15	20	10f	3.9	P.T.H.
12,00,000	50,61,739	45,32,316	16,522	498	Sahu Jain Ltd.	Albion	190	100	—	14	30	8f	5.11	P.H.
6,00,000	30,55,572	47,33,264	—3,29,636	446	McLeod & Co., Ltd.	Alexandra	200	100	—	5	5	—f	6.12	T.P.H.
30,00,000	85,82,864	1,17,03,966	—13,63,074	1,264	McLeod & Co., Ltd.	Alliance	153	100	—	2½	—	—f	6.12	P.H.
40,20,700	2,31,84,144	2,24,03,099	1,44,601	2,561	Duncan Bros. & Co.	Anglo-India	230	100	—	20	20	10f	3.9	P.H.
40,00,000	1,18,83,050	1,31 13,967	71,745	810	Bird & Co., Ltd.	Auckland	120	100	1½	10	10	4f	3.9	P.T.H.
90,00,000	92,46,901	97,14,511	55,967	959	Jardine Henderson & Co. ..	Bally	150	100	7	12	1	—f	3.9	P.H.
£275,000	£1,680,379	£1,328,460	£91,091	1,890	Jardine Henderson & Co. ..	Barnagore	161	£5	20	20	20		3	P.Y.
28,00,000	80,27,627	88,01,241	26,347	820	Andrew Yule & Co.	Belvedere	198xd	100	13	17	27½	15	6.12	P.H.
45,00,000	78,51,305	51,03,385	4,07,701	600	Soorajmull Nagarmull	Bengal	15	10	1¾	15	30		6	T.P.Y.
30,42,000	3,71,54,151	3,06,60,933	1,36,294	1,373	Birla Bros.	Birla	35	10	25	30	30		3	P.Y.
34,00,000	98,57,668	1,07,77,342	25,598	991	Andrew Yule & Co., Ltd. ..	Budge-Budge	168	100	7	13	22	6¼f	4.10	H.
7,47,380	30,53,704	39,44 698	34,320	502	Dayaram & Sons	Calcutta Jute Manufacturing	18¼N	10	—	—	20		6.12	T.P.H.
18,00,000	65,79,289	75,43,878	32,228	616	Andrew Yule & Co.	Caledonian	152	100	5	14	22	12	5.11	P.H.
89,16,400	2,11,26,602	1,62,21,807	1,35,299	1,400	James Finlay & Co., Ltd. ..	Champdany	161	100	3	10	14	8f	3.9	P.H.
15,95,000	78,33,608	79,40,140	45,839	530	Andrew Yule & Co., Ltd. ..	Cheviot	199	100	13½	16	22	12	5.11	P.H.
10,05,000	83,89,114	55,21,773	60,392	500	McLeod & Co.	Chitavalsah	26	10	12½	15	60	25f	6.12	T.P.H.
16,00,000	80,24,460	77,89,914	1,01,979	969	Shree Krishna Investment Co., Ltd.	Clive	25	10	12½	35	20		3	P.H.
31,49,200	1,21,56,497	1,16,59,962	21,356	766	Bird & Co., Ltd.	Dalhousie	134	100	1	11	12	1f	3.9	P.H.
28,00,000	86,65,708	73,72,811	50,826	779	Andrew Yule & Co.	Delta	217xd	100	11	17½	32½	20	5.11	P.H.
13,00,000	81,75,960	74,82,092	45,656	500	McLeod & Co.	Empire	20 ¾	10	10	20	25	5f	6.12	T.P.H.
81,00,000	2,35,23,130	2,62,73,643	1,801	1,884	Kettlewell Bullen & Co. ..	Fort Gloster	278	100	2½	32½	22½	—f	3.9	P.T.H.
14,00,000	48,25,115	69,94,729	—8,32,397	1,014	G. C. Bangur, Esq.	Fort William	305N	100	—	10	—		3.9	P.H.
84,32,100	1,42,71,745	2,06,96,669	42,572	1,789	Macneill & Barry Ltd.	Ganges	73½	100	—	6¼	2½		3.9	P.H.
10,80,000	71,71,252	67,89,135	25,156	607	G. Arbuthnot & Co.	Gondalpara	800	300	—	15	30		12	T.P.H.
24,00,000	2,02,41,185	2,18,72,990	89,236	1,394	Macneill & Barry Ltd.	Gourepore	265	100	2½	25	11½		3.9	P.H.
40,00,000	81,91,962	81,94,127	3,06,824	1,078	Bangur Bros. Ltd.	Hastings	233N	100	10	7	10		3	P.Y.
16,80,000	38,02,116	64,29,355	44,417	720	O. Arbuthnot & Co.	Hooghly	29½	10	10	30	15		3	P.Y.
45,62,500	1,56,21,640	1,59,50,625	1,71,001	1,940	Jardine Henderson Ltd.	Howrah	24½	10	7½	17½	18½	8¾f	3.	P.H.
30,00,000	1,74,30,109	2,25,00,109	3,91,968	2,272	Ramdutt Ramkissendas	Hukemchand	36½	10	7½	46¾	66¾	66¾	3	T.P.Y
87,00,000 / 30,000	88,97,267	1,11,41,130	77,979	1,076	Mackinnon Mackenzie & Co.	India	127	{O. 125 / D. 1	5½	10	33	24f	3.9	P.H.
24,00,000 / 19,20,000'B' / 30,00,000	1,36,54,330	1,36,47,095	92,899	1,797	Jardine Henderson Ltd.	Kamarhatty	195xd / 180xd / 143xd	100 / 100 / 100	—	17	22½	14¼	6.12	P.H.
24,00,000'B' / 21,00,000	1,04,29,702	1,30,34,859	83,881	1,527	Jardine Henderson Ltd.	Kanknarrah	135xd	100	—	—	12½	10	6.12	P.H.
24,48,000	1,13,89,109	91,65,930	1,07,129	703	McLeod & Co.	Kelvin	221	100	10	20	25	7½f	6.12	P.H.
54,00,000	1,18,86,997	1,59,17,038	2,06,473	1,530	Anderson Wright Ltd.	Khardah	155	100	—	25	16		3.9	P.H.
48,00,000	1,94,15,089	2,09,37,751	1,16,651	1,250	F. W. Heilgers & Co.	Kinnison	192	100	2½	14	19	7f	3.9	P.T.H.
24,48,000	1,24,25,159	1,33,71,480	40,487	931	Bird & Co., Ltd.	Lansdowne	129	100	2	21	15	3f	3.9	T.P.H.
28,00,000	1,19,87,748	1,13,75,507	6,954	760	Bird & Co., Ltd.	Lawrence	176	100	6	21½	22	4f	3.9	P.H.
10,00,000	70,30,427	50,24,402	64,167	538	Andrew Yule & Co.	Lothian	229	100	—	15	32½	30	5.11	P.H.
81,65,200	1,38,82,204	1,94,76,907	1,17,533	1,008	Mackinnon Mackenzie & Co.	Megna	99	100	4½	8¾	3½	2½f	3.9	H.
29,98,900	1,29,56,303	1,55,05,495	—2,80,351	815	F. W. Heilgers & Co.	Naihati	126	100	—	15	12	—f	3.9	P.T.H.
12,00,000	29,95,424	24,75,180	52,447	425	Howrah Trading Co., Ltd. ..	Naskarpara	15½	10	11½	13¾	15f		4.10	T.P.H.
33,00,000	50,49,988	27,56,895	45,733	852	Andrew Yule & Co.	National	24¾	10	11½	15	25	10f	4.10	P.H.
7,50,000	52,11,917	24,37,663	21,345	316	McLeod & Co.	Nellimarla Jute	26¾	10	25	30	75	20	6.12	T.P.H.
10,50,000	66,36,905	45,98,858	7,738	709	Sahu Jain Ltd.	New Central	220	100	6	14	30	10f	6.12	P.H.
16,79,880	98,33,709	1,18,62,645	5,954	567	Bird & Co., Ltd.	Northbrook	18½	10	—	—	20	2½f	3.9	P.T.H.
66,79,500	1,73,80,223	2,06,56,876	72,150	1,092	Macneill & Barry Ltd.	Noddea	45	50	—	5½	4½	7	3.9	T.H.
84,91,000	70,60,941	70,35,063	81,356	1001	Andrew Yule & Co.	Orient	185	100	9	14	24	—	5.11	H.
25,00,000	63,83,642	80,79,256	—4,76,887	400	McLeod & Co.	Presidency	5½	5	—	—	2½		6.12	T.H.
20,00,000	7,67,493‡	26,15,293	—3,29,549	305	Macneill & Co.	Rameshwara	5½	10	—	1½	—		3.9	H.P.
49,50,000	55,07,248	1,23,45,796	58,685	1,276	Jardine Henderson Ltd.	Reliance	13½	10	—	—	—		3.9	P.H.
156,00,000	£9,99,994	£11,96,402	£76,498	2,013	Thomas Duff & Co. (India) Ltd.	Samnuggur	14½	11	6‡‡	10‡‡	10		12	P.Y.
30,00,000	68,57,466	95,49,412	87,40,952	911	Bagaria More Co., Ltd.	Shree Ambica (Adamjee) ..	17½	10	—	15	10f		3.9	P.H.
7,00,000	45,17,785	48,14,456	2,73,383	401	Hindustan Investment Corpn.	Soorah	10½	10	—	—	—		12	P.Y.
25,19,600	1,06,20,961	93,73,041	12,665	650	Bird & Co., Ltd.	Standard	135	100	4	15	15		3.9	P.H.
66,00,000	£8,36,984	£9,78,287	£1,29,393	1,794	Thomas Duff & Co. (India) Ltd.	Titaghur	14½	11	6‡‡	10‡‡	10		12	Y.H.
35,98,600	1,80,41,145	1,73,93,324	15,098	1,326	Bird & Co., Ltd.	Union	160	100	2	19½	21	1f	3.9	P.T.H.
£4,00,000	£6,35,795	£10,47,385	£1,00,239	1,331	Thomas Duff & Co. (India) Ltd.	Victoria	14½	11	6‡‡	10‡‡	10		12	Y.H.
2,50,000	32,89,383	55,48,403	—47,909	465	McLeod & Co.	Waverley	5½	1	—	5	5	—f	6.12	P.T.H.

(y) For ten months ended 31st December, 1951. ‡‡ Subject to foreign Income-tax. Only Depreciation. • Incudes bonus.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
25,50,000	61,24,011	64,99,011	25,799	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	19¼	10	17½	20	12½	5f	3.9	H.
12,00,000	42,18,417	37,16,954	60,294	Jardine, H. & Co., Ltd.	Bararee Coke	17¼	10	14½	13½	14½	7½f	3.9	H.
40,00,000	70,50,712	1,17,79,347	23,814	Sahu Jain Ltd.	Bharat Collieries	5⅜	10	6½	6½	6½		6	P.T.Y.
1,00,00,000	3,35,25,103	5,08,61,725	8,02,968	Andrew Yule & Co., Ltd.	Bengal	527	200	33½	17½	18½	10•f	4.10	P.H.
4,49,350	5,82,303	8,49,159	3,152	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	4N	10	2½	2½	2½	1½f	6.12	H.
2,25,000	27,12,507	25,84,461	4,280	Andrew Yule & Co., Ltd.	Bengal-Nagpur	18	10	22½	16¼	10	3½f	6.12	P.H.
15,97,200	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	4½	10	—	2½	1½		9	Y.
7,15,000	50,04,831	50,17,715	3,437	F. W. Heilgers & Co., Ltd. ..	Bhulanbararee	12½	10	—	—	6½	2½f	6.12	H.
16,00,000	53,46,046	67,83,723	—1,37,184	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	11½	10	5	—	—		6.12	T.H.
7,50,000	42,42,776	40,82,736	1,07,078	F. W. Heilgers & Co., Ltd. ..	Borrea	29¼	10	20	30	30•	15f•	6.12	P.H.
90,92,480	3,23,04,936	3,94,53,208	1,54,703	Bird & Co., Ltd.	Burrakur	10 3/8	10	10	7½	7½	3½	6.12	P.T.H.
49,97,000	—	23,16,089	8,776	Hindusthan Investment Corpn., Ltd. ..	Central India	5⅜	10	—	—	—	—f	3	Y.
8,00,000	45,46,717	49,09,377	2,273	Anderson Wright & Co.	Central Kurkend	16¾	10	17½	12½	—	—f	6.12	P.H.
6,00,000	1,40,000	7,50,000k	28,918	F. W. Heilgers & Co., Ltd. ..	Churulia	3	4	6½	4 3/8	1 1/8	1f	6.12	P.H.
16,00,000	30,89,961	44,04,602	12,039	Macneill & Barry Ltd.	Dhemo Main	10⅜	10	10 3/8	10	12½	2½f	6.12	H.
£120,000	£872,414	£1,084,338	£78,839	Jardine Henderson Ltd.	East Indian	22 3/8	£1	13½	37½	37½		4	Y.
29,63,760	3,25,97,992	3,19,86,409	2,12,912	Macneill & Barry Ltd.	Equitable	44	10	25	25	25	15f	6.12	H.
10,00,000	4,83,963	8,41,725	66,865	Bhatter's Agency Ltd.	Ghusick and Muslia	20	3	15N	5	—		3	Y.
8,00,000	21,59,376	21,52,161	14,404	Macneill & Barry Ltd.	Hurriladih	16	10	12½	15	15	7½f	6.12	H.
3,50,000	11,63,346	12,53,839	40,107	Andrew Yule & Co., Ltd.	Kalapahari	47N	10	26¼	35	35•	17½f	2.8	H.
20,00,000	68,340‡	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	94	100	—	—	—		3	Y.
3,00,000	42,58,631	42,08,253	1,46,012	Andrew Yule & Co., Ltd.	Katras Jherriah	41	10	27½	35	37½	20f	1.7	H
1,38,400	5,20,519	11,63,519	1,063	Beriwala Bros.	Khas Kajora	8N	10	11¼	10	5f		6.12	P.H
11,00,240	10,19,288	15,64,007	3,201	H. V. Low & Co., Ltd.	Kuardi	6¾N	10	3¾	3¾			6	Y.
13,50,000	29,43,024	28,41,241	13,549	H. V. Low & Co., Ltd.	Lakurka	12N	10	10	10	7½		4	Y.
5,65,750	11,41,667	22,37,077	2,691	Beriwala & Co.	Mandulpoor	11N	10	5	7½			6.12	H.
7,48,240	10,34,138	11,24,142	14,690	Associated Commercial Co., Ltd.	Nazira	6¾	10	5	2½	5½		6.12	H.
7,00,000	3,77,590	9,53,321	4,597	Amritlal Ojha & Co., Ltd. ..	New Bansdeopur	5N	10	6¼	7½	6¼		3.9	H.
17,76,230	91,68,381	1,16,02,944	55,799	Andrew Yule & Co., Ltd.	New Beerbhoom	21 3/8	10	3	6	—	5f	4.10	H.
6,00,000	21,87,920	31,32,540	—7,595	Octavius Steel & Co. Ltd. ..	New Manbhoom	10½	10	12½	7½	—	—f	3.9	P.H.
2,50,000	6,84,984	5,45 839	1,387	Jatia Bros. Ltd.	North Damuda	4N	2½					3.9	H.
1,15,000 / 1,57,500	10,81,297	12,56,672	12,237	Andrew Yule & Co., Ltd.	North West	{15N / 11¼N	10 / 7½	16½	13½	5	2½f	3.9	H
7,50,000	12,54,532	3,97,666	1,23,852	F. W. Heilgers & Co., Ltd. ..	Ondal	19¼N	10	12 3/8	25	22½•	10f	6.12	P.H.
10,00,000	14,15,045	32,73,178	46,739	K. C. Thapar Bros. Ltd.	Oriental Coal	12N	10	10	10	10		12	T.Y
8,34,000	5,98,486	16,29,203	70,539	Deepchand Kishenlall	Parasea	3½	10	—	—	—f		6.12	H.
15,75,000	34,87,649	39,37,649	31,995	Shaw Wallace & Co., Ltd.	Pench Val'ey	19½	10	16½	12½	10	6½f	2.8	H.
23,99,500	91,95,359	1,09,49,971	—4,53,764	B. N. Elias & Co., Ltd.	Raneegunge	8⅞	10	17½	10	10	—f	3.9	H
13,50,000	28,66,087	29,99,087	35,349	Shaw Wallace & Co., Ltd.	Rewa	17½	10	8⅜	12½	10	7½f	6.12	H.
20,00,000	15,10,118	28,07,516	165	Jalpuria Sons Ltd.	Samla Collieries	6⅜	10	—	8	13f		6.12	H.
1,25,000	12,44,124	13,05,188	18,451	Gillanders Arbuthnot & Co., Ltd.	Searsole	10¼N	2½	20	20	20		3	Y.
2,80,000	19,76,795	28,04,696	30,184	Andrew Yule & Co., Ltd.	Seebpore	252xd	7	35-5/7	32-1/7	28-4/7	28-4/7	6.12	P.H
8,00,000	34,57,222	36,96,604	10,379	F. W. Heilgers & Co., Ltd. ..	Sendra	11½	10	5	5	14	24	6.12	H.
63,21,450	2,13,85,164	3,04,98,616	23,658	Industrial Trust Fund	Singareni	6¾	10	4½	5	5	7	12	T.Y.
17,50,000	24,10,707	34,29,846	15,868	Bird & Co., Ltd.	South Karanpura	13¾	10	18½	10	7½	3½f	2.8	H.
8,00,000	35,43,816	39,93,119	74,094	F. W. Heilgers & Co., Ltd. ..	Standard	18½	10	16½	15	10	5f	6.12	H.
10,00,000	15,41,499	29,34,945	—2,46,174	Villiers Ltd.	Talcher	3	2½	—	—	—		12	Y.
3,50,000	17,36,513	18,94,910	74,927	Williamson Magor & Co., Ltd. ..	Union	25	10	20	27½	27½	12½f	6.12	H.
49,98,000	11,13,461	43,49,365	42,176	Hindusthan Investment Corpn. Ltd. ..	Western Bengal	4 3/8	10	2½	2½	2½		3	Y.
7,00,000	26,75,667	36,17,323	29,272	Macneill & Barry Ltd.	West Jamuria	18	10	15	15	15	—f	6.12	H.

* The following explanatory notes relate to the abbreviations and marks shown on page 780 in the bentures section:—

Option to repay on six months' notice, on any nterest date after 31st December, 1951, at 102 per cent. Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 102 per cent.

(a) Option of repayment at any time at 3 per cent. premium.

(b) Bearer bonds of Rs. 1,000 each repayable at par.

(c) Bearer bonds of Rs. 1,000 each repayable on 31st July, 1959.

(d) Bearer bonds of Rs. 1,000 each with option of redemption in whole or in part at par on 30th June, 1952, or on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months notice in each case.

(f) Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ½ per cent. premium, after 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March, 1957

(h) Option of redemption on or after 1st July, 1949, at par.

(i) Option of repayment at any time at par at any time on or after 30th June 1947 on six months' notice.

MARKET GOSSIP

(Concluded from page 739)

cargo and passengers. Since the close of the Second World War, and especially since the Partition of India, the whole character of the coastal trade of India, and particularly of the West Coast, has changed to the detriment of the Bombay Steam Navigation Co., Ltd., and the advent of a number of relatively small shipping companies into this trade has taken away a good slice from the cargo trade both to the north and to the south of Bombay. The trade with Pakistan (which was formerly coastal trade) has practically disappeared." The capital structure of the Bombay Steam is unbalanced with a debenture loan of Rs. 2 crores and a share capital of Rs. 75 lakhs. Looking to the tonnage which the Company presently possesses and the natural limitations to any further expansion of its activities, it is stated, the possibility of utilising the cash resources of the Company for purchasing new tonnage that could be profitably employed within its normal zone of operations is not much.

* * * *

The present capital structure of the Scindia Steam is made up of an authorised capital of Rs. 6.75 crores, divided into 45 lakh shares of Rs. 15 each and a paid-up capital of Rs. 6.60 crores divided into 44.01 lakh shares of Rs. 15 each. The paid-up capital of the Bombay Steam is Rs. 74.90 lakhs, made up of 2.40 lakh ordinary shares of Rs. 25 each and 6,000 preference shares of Rs. 250 each. As the authorised capital of the Scindia Steam is very nearly fully issued and paid-up, the amalgamation of the Bombay Steam and the allotment of the Scindia Steam shares to the Bombay Steam shareholders require the raising of the Scindias' authorised capital. The Directors of Scindia, therefore, propose to enhance this by Rs. 45 lakhs by the creation of 3 lakh new shares of Rs. 15 each ranking *pari passu* with the existing shares. They have applied to the Controller of Capital Issues for necessary sanction in this connection.

ENGINEERING

(Concluded from page 756)

absolute level) in the British Commonwealth. In the U.K., it has risen by 40 per cent., in the Schuman countries by 17 per cent. and in Western Europe as a whole by 27 per cent.

Consumption Per Head

In the light of these production figures, it is of interest to attempt an estimate of apparent consumption per head in the principal industrialised countries. The estimates are made by adding the ingot equivalent of imports to home production, deducting the ingot equivalent of exports and dividing the resulting total by the population. The fact that no allowance can usually be made for increases or decreases in stocks means that year-to-year changes in the estimates must be treated with reserve. Nevertheless, the figures afford a useful guide to comparative levels of consumption —though "consumption" in this sense naturally includes the steel which eventually leaves the country in the shape of metal goods exports.

Since complete trade figures are not yet generally available for 1952, the latest period for which the consumption estimates can be made is 1951. The following table gives apparent consumption of steel per head in some important countries:

(In ingot lbs.)

	Average 1937-38	1948	1950	1951
U.S.	641	1,131	1,237	1,343
Canada	346	623	614	703
Sweden	482	625	645	715
Australia*	428	415	538	643
U.K.†	495	614	630	642
Germany‡	598	278	469	497
Belgium-Luxembourg	353	757	501	488
Netherlands	333	326	370	428
France§	289	408	332	497
Italy	123	110	141	166

* Year ended 30th June.
† Adjusted for stock changes.
‡ Includes the Saar in 1937 and 1938; W. Germany only 1948-51.
§ Includes the Saar 1948-51.

Though only the larger consumers are shown, the first impression is of the wide gulf that separates the U.S. from the rest of the world; there are also considerable differences between the levels of consumption in the several West European countries. On a *per capita* basis, consumption in the U.S. is twice as high as in the U.K. This is a reflection of that country's enormous oil industry, its huge annual output of motor cars and its high level of industrialisation generally. On the same basis, consumption in France is only two-thirds, and in Italy about one-quarter that of the United Kingdom.

Since pre-war years, consumption in the U.S. has more than doubled, as a result of the remarkable expansion of the consuming industries and the general rise in the standard of living. Even more rapid has been the rate of advance in Canada, that country having risen from seventh to second place in terms of *per capita* consumption. The U.K. has occupied fifth place since the war, consumption per head showing a steady advance. The actual figure for 1951 was influenced by raw material shortages, which temporarily depressed steel production and from which a sharp recovery has since been made.

In Western Europe, German consumption has naturally made a marked recovery in recent years, though in 1951 it was still below the pre-war level. A decline in home production and an increase in exports are the reasons for the post-war fall in apparent consumption in Belgium-Luxembourg. A stable level of consumption seems to have been maintained in France between 1948 and 1951, while in Holland and Italy considerable increases were recorded.

Since no labour difficulties are expected in the United States this year, world steel production may well rise to between 235 and 240 million tons. Steel should, therefore, become more plentiful throughout the Western world. In the absence of unforeseen difficulties, consumption will be able to show a further marked advance, assuming no lack of demand for the products of the steel-processing industries.—*Monthly Statistical Bulletin. Published by British Iron and Steel Federation, London.*

COMMERCE AND INDUSTRIES

(Concluded from page 760)

A brief analysis of the measures discloses that, in Bombay, tobacco in any form, whether manuiactured or not, is subject to general tax at 3 pies in a rupee. The new law, in addition, subjects cigars, cheroots and pipe tobacco (other than *hooka* tobacco) to special tax at nine pies in the rupee. The Madras Bill taxes only certain kinds of manufactured tobacco. Cigarettes which cost three pies or less each at the retailer's point will not be liable to taxation. Only cigars costing more than As. 2 each at the retailer's point are taxable. The tax would be levied at the rate of 10 per cent. on cigarettes costing six pies or less, and 20 per cent. on cigarettes costing more than six pies but not more than nine pies each at the retailer's point. For varieties costing more than nine pies each, the tax will be 30 per cent. There will be no tax on *bidis*, chewing tobacco, snuff or any preparation of tobacco which is not a cigar, cigarette, cheroot or pipe tobacco. The amendment to the Mysore Sales Tax Act was necessitated to avoid smuggling of tobacco to Madras from Mysore, on account of higher prices fetched there.

The Bombay Act has not evoked much criticism. The Madras measure has, however, come in for some comment. It has been criticised on the ground that the differential rates of taxation would divert a substantial class of smokers from the costlier to the cheaper varieties of cigars which are injurious to health. The raising of the top slab to 30 per cent. has been condemned outright. The Madras Government, however, feels that the rates are adjusted according to the capacity of the people to pay. There are some who feel that tobacco is the not taxed sufficiently heavily and that the measures are not stiff enough to discourage the tobacco habit. This criticism is easily met. The object of sales tax on tobacco is not enforcement of a moral or health reform but to raise revenue for the State. Secondly, smoking has become almost second nature and should not be compared to drinking.

MARKET REPORTS

(Concluded from page 769)

rice crop, has been extremely satisfactory. In the first quarter of this year, 900,000 tons have been procured. The total commitments of the Government of India during the year is of the order of 1 million tons. Rice supplies already assured would, therefore, be sufficient to meet current year's requirements and at the same time carry forward a surplus.

The Indian Food Minister has, nevertheless, proceeded to Burma to conclude a barter agreement for the purchase of another 350,000 tons of rice, so as to be able to create confidence amongst the people of India that, even if there were adverse production next year, there could be no rice shortage.

It has been made clear that the additional 350,000 tons of rice will be purchased from Burma only if prices are reasonable. The position is that either there would be a barter deal on the basis of a reasonable price or India would be content with the rice it has already purchased.

The foodgrains markets in Uttar Pradesh remained quiet to steady. Arrivals are still poor and there is good consumers' offtake, since, with the free market prices falling below rationed grain levels, offtake from ration shops has been stopped. The estimated rice production in the U.P. this year (1,845,000 tons) shows an increase of more than 20 per cent. over last year's production. The Indian Food Minister, it is understood, has intimated to the State Government that the Centre may no longer purchase rice from the State and that rice procurement in the State may consequently be stopped.

The State Government is not at present lifting its quota of imported wheat from the Central pool, in view of the fact that imported wheat is no longer in demand, as it is priced higher than the indigenous wheat, the arrivals of which are in full swing these days. Ration-shop keepers are facing a loss, as the Government has refused to take back the unsold stock and also to bear any loss on underselling the same. It has been proposed to purchase 25,000 tons of gram and barley this year to replenish the stocks in the eastern districts.

The latest quotations in the local market are: Wheat Rs. 16 to Rs. 17; arrivals averaged 500 maunds daily; gram Rs. 14-8; there are no arrivals; barley Rs. 11-6; *bejhar* Rs. 11-6; rice: *basmati* Rs. 34, *hansraj* Rs. 30, *sela* Rs. 28-8 and coarse Rs. 23; maize Rs. 12; *bajra* Rs. 11-8; *juar* Rs. 11 to Rs. 13-8; *guwar* Rs. 13-4; peas: ready dara Rs. 13-4, superior white Rs. 20 to Rs. 25 and forward *jeth* Rs. 13-6; arrivals averaged 3,500 to 5,000 maunds daily. Thrashing results are reported to be generally disappointing and the pressure of arrivals may not last long. *Arhar* ready Rs. 13-8; arrivals averaged 300 to 400 maunds daily and forward

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
16,00,000	1,08,33,956	10,66,174	Allahabad Bank	346	100	18‡	18‡	18‡	18‡	12	Y.P.
14,50,000				170	50						
1,01,000	11,73,500	2,21,655	Andhra Bank	105cd	100	5	6	6	31	6.12	H.
23,99,000				53cd	50						
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	112‡	50	12‡	12‡	12‡	12‡	12	Y.
50,00,000	10,00,000	7,107	Bank of Bikaner	20	25	..	3	3	..	12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	153‡xd	50	14	14	14	14	6.12	R.L.Y.
15,30,375	24,00,000	63,200	Bank of Indore	60	25	12‡	12‡	12‡	12	12	Y.
50,00,000	15,00,000	35,324	Bank of Jaipur	23	50	3	3	3	3	12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	281	100	16‡	16‡	16‡	16‡	12	Y.
59,18,600	42,61,693	25,280	Bombay State Co-operative Bank	58‡	50	5‡	5	5	6	12	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	9	9	9	9	12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	9‡	10‡	10‡	10‡	12	Y.P.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	641xd	25	14	14	14	14	12	R.L.Y.
52,42,375 A				66xd	25						
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	35	50	3	3	3‡	3‡	12	Y.
1,00,00,000	1,00,00,000	1b,10,825	Habib Bank (P)	88	20	6‡	10	20	20	12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	11‡	50	—	—	—	—	12	Y.
50 00,000	1,00,000	3,806	Hindustan Mercantile Bank	10‡	50	—	—	—	—	12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105N	100	5	6‡	6‡	5	9	Y.
3,75,00,000	6,35,00,000	42,07,573	Imperial Bank of India	1,850	500	14	16	16	16	6.12	R.L.H.
1,87,50,000				453‡	125	14	16	16	16	6.12	R.L.H.
24,00,000				170xd	100						
16,00,000	73,50,000	1,04,201	Indian Bank	126‡xd	80	11‡	12‡	12‡	12‡	6.12	R.L.H.
15,40,000				91xd	55						
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	90	100	4‡‡	5‡	6	6	6.12	R.L.H.
6,25,000				76	100(A)	9	9	7‡	6		
2,50,000	6,33,939	1,380	Indo-Commercial Bank	19	25(B)	9	9	7‡	6	6.12	H.
10,00,000				38‡	50(C)	6	6	6	6		
4,55,256	30,61,350	60,357	Punjab and Sind Bank	35	25	7‡	7	—	—	6.12	Y.
87,50,000	89,00,000	1,92,605	Punjab National Bank	23	25	6	4	4	6	12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	10‡	25	—	—	—	—	12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	6‡xd	5	6‡	6‡	6‡	6‡	12	H.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank	35‡xd	50	3‡	4	4	4	6.12	
PRINCIPAL EXCHANGE BANKS											
£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£11‡	£5	12†	14†	14†	16‡†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£6‡	£5	6†	6†	6†	6†	12	R.L.Y.
H.K.$20,000,000	H.K.$96,000,000	H.K.$9,489,174	Hongkong and Shanghai Banking Corporation	£86	H.K. $125	5y*	5*	5*	5*	12	R.L.Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-10-9	£1	12y†	12y†	12†	12†	12	R.L.Y.
£1,437,296				£1-6-3		5y†	5†	5†	5†	12	R.L.Y.
£375,000				£24‡	A £12‡						
£375,000	£1,500,000	£200,143	Mercantile Bank o India	£24‡	B £12‡	12y†	12†	12†	14†	12	R.L.Y.
£300,000				£10‡	C £5						
£2,281,250	£3,675,000	£323,703	National Bank of India	£29‡	£12‡	16y†	16†	16†	16†	12	L.Y.

‡Includes Bonus. †Less Tax.
‡‡Subject to taxation.
(c) Paid-up Capital Increased.

(a) There are also Rs. 67,08,155 partly paid Ordinary Shares.
††O.S. Currency.
(i) Interim
P) Pakistan Currency. *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	5‡	1st December and 1st June	Carew & Co.	99	1st June .. 1953(b)
5,50,000	5‡	1st March and 180h September	Carew & Co. (2nd mortgage)	98‡	28th February .. 1960(f)
6,00,000	5‡	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd.	98	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	102‡	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	90	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	103	1st April .. 1956-61
25,00,000	4‡	1st May and 1st November	Walchandnagar Industries (New)	92	1st November .. 1959-64
COTTON					
6,00,000	5‡	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April .. 1964
4,00,000	4‡	10th May and 10th November	Bengal-Nagpur	96‡	15th November .. 1956(a)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	98‡	1st January .. 1967-72
13,68,000	5‡		Jayshree Textiles	78N	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills.	101‡	 1956-71
ELECTRICS					
10,00,000	4‡	30th June and 31st December	Agra Electric Supply Co., Ltd.	95	31st March .. 1965
1,25,000	4‡	15th June and 15th December	Ahmedabad Electric Co., Ltd.	101	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	100‡	1st October .. 1939
12,00,000	4‡	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December .. 1964
2,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101‡	1st January .. 1970
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	83	31st December .. 1970
15,00,000	5	1st January and 1st July	Sijua (Dherriah) Electric Supply Co., Ltd.	93	30th June .. 1976
4,95,000	3‡	1st January and 1st July	South Madras Electric Supply	97	 1957-61
2,00,000	5‡	1st May and 1st November	South Madras Electric Supply	95	 1954
3	1,00,000	1st January and 1st July	South Madras Electric Supply	94‡	 1953-63
4,63,800	4‡	1st April and 1st October	South Madras Electric Supply	94	1st July .. 1957-67
49,23,000	4	1st April and 1st October	Tata Power	100‡	15th September .. 1951-55(b)
1,00,00,000	4	1st April and 1st October	Tata Power	92‡	15th September .. 1965-70
ENGINEERING					
5,00,000	5	30th June and 31st December	Britannia Engineering	96	31st December .. 1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	95‡	30th June .. 1958
30,00,000	5‡	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	100‡	1st July .. 1957-62
£1,183,400	4‡	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	£93‡	31st December .. 1966(ßß)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	84‡	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	100‡	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	94	31st December .. 1960
JUTE					
12,00,000	4‡	1st October and 1st April	Agarpara	98	31st March .. 1954
6,00,000	4‡	30th June and 31st December	Alexandra	94	30th June .. 1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	91	31st December .. 1964
10,00,000	4‡	30th June and 31st December	Bengal Jute Mill Co.	97	30th June .. 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	89	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	90	31st July .. 1959(e)
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	97	30th June .. 1966
8,86,000	5	30th June and 31st December	Empire	93	15th July .. 1968
25,00,000	3‡	1st January and 1st July	Hukumchand	91‡	30th June .. 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	98	31st December .. 1964
25,00,000	5‡	30th June and 31st December	Naihati	100	31st March .. 1967
5,00,000	3‡	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	97N	31st March .. 1954
5,00,000	4‡	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	86	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	91	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	96	5th September .. 1965
8,00,000	4‡	14th March and 14th September	Soorah Jute	94	14th September .. 1957
12,00,000	4‡	30th June and 31st December	Union	94‡	30th June .. 1957(d)
10,00,000	3‡	31st January and 31st July	Waverley	83	31st July .. 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,00,000	6	31st March and 30th September	Bankura Damodar River Railway Co., Ltd.	100N	9th March .. 1961
4,50,000	4	1st January and 1st July	Baraset-Basirhat Light Railway	84	1st July .. 1956
6,00,00,000	4‡	10th November and 10th May	Bombay Steam Navigation Co.	99	1st November ..
£350,000	4‡	1st January and 1st July	Calcutta Tramways	£100N	At 105% at any time on 6 months' notice or at par or every seventh year.
				1933	£102N 1st October .. 1974
£201,067	5	1st April and 1st October	Kalghat-Fatta Railway	98‡	30th September .. 1953
3,00,000	2‡	30th September and 31st March	Katakhal-Lalabazar Railway	89	31st December .. 1959
6,50,000	3‡	30th June and 31st December			
£200,000	4‡	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	£90‡N	1906
5,00,00,000	4‡	1st March and 1st September	Scindia Steam Navigation	96	1st September .. 1963
PLANTING					
1,20,000	5	31st December and 30th June	Blue Mountain Estates	100	 1945-55
3,68,200	5‡	31st March and 30th September	Teekoy Rubber Estates	100	 1949-59
50,00,000	5	30th June and 31st December	Waterfalls Ltd	101‡	 1945-55
MISCELLANEOUS					
15,00,000	5‡	31st March and 30th September	Aluminium Corporation of India Ltd.	101	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	31st December .. 1965
27,60,000	4‡	1st April and 1st October	Associated Hotels of India	86	31st December .. 1962
4,90,500	4‡	30th June and 31st December	Bengal Paper Mills	95	30th June .. 1957(1)
21,00,000	3‡	1st February and 1st August	Chowringhee Properties	92	1st February .. 1964
22,60,000	4‡	1st July and 1st January	Clive Buildings	89	1st July .. 1956
20,00,000	4	15th March and 15th September	Dalhousie Properties	86	15th September .. 1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	102‡	1st January .. 1971
20,00,000	5	15th March and 15th September	Mettur Chemical Industries	97	 1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	450	30th September .. 1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	(per note) 410	31st December .. 1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	(per note) 91N	1st April .. 1971
1,00,00,000	5‡	31st March	Orient Paper Mills Ltd.	88	31st March .. 1961
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	83	31st December .. 1959

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 23rd April, 1953.

—	Closing quotations 16-4-'53	High	low	Closing quotations 23-4-53
BANKS	Rs.	Rs.	Rs.	Rs
Bank of India (50)	154	153‡	153‡	154‡
Bank of Baroda (50)	112‡	113	112‡	112‡
Central (25)	65‡	65‡	64	64‡
Imperial (F.Pd.) (500)	1,857‡	1,860	1,845	1,852‡
Imperial (F.Pd.) (125)	451‡	455	450	453‡
Union Bank (5)	6‡	6‡	6‡	6‡
United Com. (50)	35‡	35‡	35‡	35‡
COTTON MILLS				
Abm. Adv. (100)	142‡	—	—	142‡
Apollo (2)	2-11‡	2‡	2-11‡	2‡
Bombay Dyeing (250)	387‡xd	391‡	385	389‡
Central India (100)	156	160	156	159
Century Mills (100)	259‡xd	269‡	257	267‡
Colaba (100)	71	—	—	71
Edward Textile (200)	240	—	—	240
Elphinstone (50)	44	44	41‡	41‡
Finlay (100)	309	310	308	309
Gokak (100)	211	212‡	210‡	212
Ind. Unit. Defd. (1)	1-10‡	1-11‡	1-10‡	1-10‡
Ind. Unit. Ord. (10)	9‡	10‡	9‡	10-0‡
Indore Malwa (100)	90	90‡	89‡	90
Khatau (100)	185	—	—	182‡
Kohinoor (100)	301	308‡	298‡	307
Lakshmi (250)	600	—	—	600
Madhusudhan (100)	80	82‡	80	82‡
B. R. Cotton Mills (100)	51‡	—	—	51‡
Minerva Mills (100)	105	—	—	105
Model Mfgr (250)	143‡	—	—	143‡
Morarji (100)	181‡	185	181‡	185
Mysore (50)	123‡	—	—	123‡
New City (100)	152‡	150	141‡	141‡
New Great (100)	150‡	152	150	152
Phenix (100)	108‡	—	—	108‡
Podar Mills (100)	135	135‡	135	135
Sassoon Silk (10)	23‡	—	—	23‡
Sassoon Spg. (10)	23‡	—	—	23‡
Sholapur (1,000)	1,750	—	—	1,750
Simplex (50)	173‡	174	167	168
Svadeshi (100)	258	263‡	256‡	261‡
Swan (100)	435	—	—	435
Tata Mfg. (25)	41	41‡	40‡	41‡
Vishnu (100)	170‡	171‡	170‡	171‡
Western India (1,000)	3,150	—	—	3,150
ELECTRIC COS.				
Ahmedabad (100)	108‡	109‡	108‡	108‡
Amalgamated (10)	10‡	—	—	10‡
Andhra Valley (1,000)	1,440	1,440	1,422‡xd	1,425
Bom. Sub-Bl. (100)	124‡	124‡	122‡	123‡
Surat (100)	125	127‡	124‡	127‡
Tata Hydro (100)	153	153‡	151xd	151‡
Tata Power (1,000)	1,543‡	1,565	1,537‡	1,537‡x
INSURANCE COS.				
British India (10)	13‡	—	—	13‡
Empire of India (100)	552‡	—	—	552‡
Ind. Mercantile (20	38‡	—	—	38‡
Jupiter (15)	6‡	7	6‡	7
New India (15)	43‡	44	43‡	43‡
Oriental (200)	7,285	7,285	7,125	7,135
Universal (10)	7‡	—	—	7‡
Vulcan (10)	11‡	11‡	11‡	11‡
STEAMER COS.				
Bom. Steam (25)	32	37	32	37
Scindia (15)	13-11‡	13‡	13‡	13‡
STEEL COS.				
Ind. Iron (10)	25‡	25-9‡	25-1‡	25‡
Tata Steel Defd. (30)	1,850	1,885	1,846‡	1,876‡
Tata Steel Ord. (75)	320‡	323	319	321‡
MISCELLANEOUS				
Alcock Ashdown (100)	332‡	332‡	320	321‡
Associated Cm. (100)	169	170‡	168‡	170
Belapur Sugar (5)	242‡	245	241‡	243
Bom. Burmah (125)	400	402‡	390‡	391‡
Do. (New) (50)	146‡	146‡	143‡	143‡
Br. B. Petrol (4 sh.)	1-5‡	1-5‡	1-4‡	1-
Br. I. Corpn. (5)	8-5‡	8-6‡	8‡	8-
Indian Copper (2 sh.)	3-1‡	3‡	3-0‡	3-
Ind. Inv. Tr. (100)	74	—	—	74
Port Canning (100)	24‡	—	—	24‡
Premier Con. (30)	91‡	92‡	90‡	91
Shivraj (10)	63‡	63‡	56‡	57‡
Tata Chemicals (10	9‡	9‡	9‡	9‡
Tata Oil (25)	34‡	35	34‡	34‡
Walchand Ind. (100	160	160	158‡	158‡
W. I. Match (100)	235	236‡	236‡	236‡

GOVERNMENT SECURITIES	Rs	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	Rs
2½% 1954	98‡	—	3.37	98‡
2½% 1955	98‡x	—	3.26	98‡
2½% 1961	90‡	—	3.89	90‡
2½% 1960	93‡	—	3.81	91‡
2½% 1963	91‡	—	3.88	89‡
2½% 1976	82‡	—	3.89	100
3 % 1951-55	100‡x	—	2.74	98
3 % 1957	98‡x	—	3.33	98
3 % 1958	98‡x	—	3.30	96
3 % 1959-81	96‡	3.70	3.52	92
3 % 1964	92‡	—	3.83	92
3 % 1963-65	92‡	3.91	3.77	90
3 % 1966-68	90‡x	3.96	3.85	86
3 % 1970-75	86‡	4.11	3.91	82
3 % 1986 Con. Loan	81‡	—	3.85	100
2½% 1954-59*	100‡	3.34	3.45	102
4 % 1960-70	102‡	3.65	3.82	103
4½% 1955-60	101‡	3.14	4.00	10
4½% 1958-68*	105	3.40	4.03	

BRITISH GOVERNMENT SECURITIES	16-4-53 £	High £	Low £	22-4 £
2½% Brit. Consols	60‡	60‡	60‡	60
3 % Savings Bonds 1965-75	86‡	87‡	86‡	87
3 % War Loan 1955-59	100‡x	100‡	100‡x	100
3½% War Loan 1952	81‡x	81‡	81‡x	81
3½% Brit. Iron and Steel 1979-81	91‡	91‡	91‡	91
4 % Funding Loan 1960	99‡	99‡x	99	99

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake

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SECRETARIAT LIBRARY 4 MAY 1953 MADRAS GOVERNMENT

REAL CHARTER FOR BANK EMPLOYEES

THE award of the three-man Tribunal, under the chairmanship of Mr. S. Panchapagesa Sastry, on the "industrial disputes" between certain banking companies and their workmen is an eminently reasonable one. It has sought to meet the grievances of workers in a liberal manner, bearing in mind the general economic conditions prevailing in the country. In certain respects this award, of course, offers to workers a little less than the Sen Award, which, however, was declared null and void by the Supreme Court, but, in certain other respects, it is definitely better. Further, it should not be forgotten that the Sen Award was too liberal to have stood the test of time, even if it had not become invalid. It sought to confer on workers in banks monetary benefits and other facilities which the banks could not afford and which were completely out of tune with general standards of wages and living in the country. It ignored the interests of the community as a whole and placed a burden which, had it been allowed to continue, would have brought about the closure of many banks and accentuated the unemployment situation in the country. It will not, therefore, be wise on the part of employees of banks to compare the Sastry Award with the unrealistic Sen Award and nurse a grievance that they have had a raw deal under the former. On the contrary, they have now an award to which their employers are more or less reconciled, even though the latter have good reasons to feel disappointed with it, and which assures them of a standard of living higher than what they can get in comparable callings in the private sector or in Government service. Those who doubt the accuracy of this statement need only study the minute of dissent added by Mr. M. L. Tannan, a member of the Tribunal, who is well known for his knowledge of banking in this country and elsewhere in the world. In fact, it is Mr. Tannan's contention that the award errs in favour of employees. One may not agree with this and many other remarks of his on the details of the award on grounds of practicability, but there is no doubt that there is considerable force in most of his arguments.

A refreshing feature of the Sastry Award is that every one of its decisions is supported by arguments. The case presented by both the parties to the dispute has received careful examination and the pros and cons of the various suggestions made have been considered. The Tribunal has taken extraordinary care to state its conclusions forcefully and precisely. Among the several issues referred to the Tribunal, the most important related to basic pay, dearness allowance, bonus, provident fund and hours of work. On the question of basic pay, the ideal principle of "equal pay for equal work," laid down in our Constitution, has been found impracticable by the Sastry Tribunal also. Even some of the unions of workers seem to have recognised this, as is evident from the schemes submitted by them to the Tribunal for the classification of banks according to their ability to pay. Uniformity even in regard to basic wages, however desirable in principle, will not be possible, so long as there are banks of varying strength, resources and capacity to pay and all such banks are considered as essential. This was recognised in all the awards which preceded the present one. The Sastry Tribunal, however, has found it necessary to have four classifications, instead of three as under the Sen Award. This has been done with a view to giving some relief to smaller banks. Under the Sen Award, all banks, the working funds of which were below Rs. 7.5 crores, were classed together under one group. This proved to be a great handicap to several banks with limited resources. Consequently, the Tribunal has introduced a new group, consisting of banks the working funds of which are below Rs. 1 crore. Mr. Tannan, in his minute of dissent, does not favour this classification on the ground that it is an unsound policy to encourage small banks. In a brief discussion, he has sought to show that the country stands to benefit by depending more upon the big banks to spread the banking habit than upon small banks. But this is a question of major policy on which a decision can be taken only by the Government and which is clearly outside the purview of the Tribunal. The two other members of the Tribunal, therefore, did well in disregarding this question while fixing the level of pay and other allowances for the employees of small banks.

Another classification followed by banks for determining the basic pay and allowances is the regionwise division of branches on the basis of population. This has become necessary in view of the considerable difference in the cost of living in the various parts of the country. It would obviously be unfair to have the same scale of emoluments for the employees in all these places. The Tribunal decided to meet this difficulty by having slightly varying scales of pay, supplemented by local allowances for different localities on a graded scale according to the cost of living. The classification of the areas has been done on the basis of population. As Mr. Tannan points out, this is by no means a flawless basis, but, in the absence any other workable alternative, the Tribunal had no choice in the matter.

The Sastry Tribunal has made a fundamental departure from the Sen Award in deciding to fix the dearness allowance at a flat rate on a percentage basis linked to the basic pay, subject to a minimum and maximum, for the clerical staff, and at a flat rate for the subordinate staff, instead of at a fluctuating rate linked directly to the movements in the cost of living index for the different centres, as prescribed in the Sen Award. This is, indeed, a welcome departure, as the formula laid down by the Sen Award proved to be very complicated and difficult to operate. It led to many anomalies too, as cost of living indices were available only for 46 centres, as against 894 places where the banks concerned have their branches. The Sastry Tribunal has followed a fairly scientific basis in arriving at the quantum of dearness allowance. Further, it also provides for automatic revision of the dearness allowance half-yearly on the basis of the variation in the interim series of all-India average working class cost of living index number, which the Government of India has been compiling and publishing in the *Indian Labour Gazette* since the beginning of this year. The revised dearness allowance compares favourably with what was being paid under the Sen Award and nearly offsets the slight reduction in the basic pay. Thus, the total emoluments under the Sastry Award for one who starts as a clerk in one of the A Class banks in Bombay or Calcutta is Rs. 128 per month, as against Rs. 129-8 under the Sen Award. Employees who have already put in several years' service also do not stand to lose anything, inasmuch as they are not asked to take a cut if they are already getting more than what they are entitled to under the time-scale fixed by the new Award.

On the issue of bonus to workers, the Sastry Tribunal has displayed a commendable degree of common sense and a clear appreciation of the practical difficulties involved in linking the bonus to dividend, as had been done in the Sen Award. The scheme which it has put forward for determining the quantum of bonus to workers eschews the many defects noticed in the one adopted by the Labour Appellate Tribunal in regard to textile workers of Bombay and Ahmedabad and makes suitable allowances to meet the prior claims of banks on their profit to safeguard their position as credit institutions. Though it remains to be seen whether the scheme will work without any hitch in actual practice—the Exchange Banks, for instance, might find some difficulty in operating it—the workers' right to a definite share in the surplus profit of banks is firmly secured in the award. Similarly, their right to promotion is also ensured; it will not henceforth be dependent upon the sweet will of their superiors. They will automatically get it, provided they work conscientiously and without any blemish. The real merit of the Sastry Award is that it safeguards the self-respect and dignity of the workers in banks, provides for a decent wage as well as for retirement benefits, and assures them fair and decent working conditions. It is a real charter of rights for them, a generous charter, indeed, considering the low level of economic standards in the country. Although it provides no worthwhile relief to most of the banks in the present high cost of administration, they should accept it wholeheartedly in the hope that it will, in course of time, lead to better relations with their workers.

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LOCAL FINANCE

WITH the Local bodies gradually becoming alive to their responsibilities, there is everywhere a profound discontentment with the economic backwardness of these ancient institutions. Small wonder, then, that there was, at the All-India Local Bodies Conference, held at Madras this week, a chorus of protest against the dismally low levels of their revenue position. Dr. C. P. Ramaswamy Iyer, who opened the Conference, described the Local bodies as "a beneficiary and beggar," perpetually in want and asking for grants from the State Governments. Mr. R. K. Sidhwa, who presided over

the Conference, deplored that no serious effort had been made to "formulate a plan for bettering the economic conditions of local bodies."

The scope for the extension and improvement of the work of Local bodies is certainly immense in this country which has an abysmally low level of civic amenities. Five out of six villages, it has been stated, are without primary schools. Less than 10 per cent. of India's population is served by protected water supply. Medical relief is non-existent over large parts of the country. Modern sanitation is confined only to a few large towns and cities; and even here, it is far from perfect. Village roads are an apology for communications. And yet the Local bodies are charged with the responsibility for providing education, sanitation, medical relief and roads to the people whom they serve. The best intentions of the authors of local self-government have foundered on the rock of finance. Lack of finance has not only engendered a feeling of despair, but the consequent lack of avenues for useful service, has provided scope for these institutions to become cesspools of personal intrigue, and rural faction. In sheer despair, State Governments resort to supercession of these institutions, without realising that such is hardly any remedy for the disease.

The chief cause of the malady is inadequate financial resources. It calls for speedy relief. In any country, the allocation of resources between the State and Local bodies presents a difficult enough problem. The problem becomes well-nigh intractable in a Federal State where there are three claimants—the Centre, the States and the Local bodies—for the available sources of revenue. Local bodies in India, a Federal State, are, therefore, in an unenviable plight. And their position has been rendered worse by reason of the fact that a few sources of revenue, such as electricity tax, entertainment tax, amusement tax and advertisement tax, which are regarded in many countries as the exclusive monopoly of Local bodies, have been appropriated by the State Governments. It is true that it would be no solution to their problem if the list of permissible sources of revenue were merely augmented by addition of new sources, so long as the Local bodies are unwilling, for fear of popular disapproval, to utilise fully their existing sources of revenue. But then, Local bodies alone are not to be blamed for the short-sightedness. Are not State Governments themselves unwilling to impose a surcharge on land revenue? The problem deserves to be tackled not through apportionment of blame but through resolute action at some level.

The one way of doing it is to give Local bodies some elastic sources of revenue. Property tax, to which they are entitled, is an inelastic source, and in villages, where house rent is purely nominal, little revenue could be gathered. This applies to several other sources of revenues, such as profession tax, which are assigned to local institutions. Now that the whole structure of taxation, Central, State and local, is shortly to be reviewed by the Taxation Enquiry Commission, under the chairmanship of Dr. John Matthai, it is only reasonable to hope that the Commission will be able to make up for the past neglect of this essential field, namely, the sphere of local taxation. The Commission will no doubt be greatly assisted by the valuable ground that has been covered already by the Local Finance Enquiry Committee.

A look at the resolutions, passed at the Madras Conference, will reveal many practical suggestions, capable of immediate implementation. The main resolution accorded its full support to the various recommendations made in the report of the Local Finance Enquiry Committee. It urged the State Governments to take immediate steps for the implementation of the recommendations of this Committee. The Conference resolved that the State Government should meet the full expenditure incurred by local authorities towards the attainment of free and compulsory education to all children of school-going age within a period of 10 years. It requested the various State Governments to amend the City and District Municipality Acts and Local Bodies Acts framed, either prior to or after the advent of independence, so as to give absolute autonomous powers to Local bodies in consonance with the present democratic set-up. It urged the Centre to issue necessary directions to all the State Governments to organise village *panchayats* on a real democratic basis, with all the powers, functions and privileges within their area necessary for the effective discharge of their legitimate functions and duties. It further resolved that wastelands belonging to Government in civil and cantonment areas inside the limits of Local bodies, which remain uncultivated or unused for a period of ten years, and above, should be automatically transferred to the respective Local bodies free of cost, as the Local bodies find that these lands remain in insanitary conditions without supervision of anybody and endanger the health of the people. Finally, it authorised the President, Mr. R. K. Sidhwa, to lead a deputation to the Prime Minister to urge him to implement the recommendations of the Local Finance Enquiry Committee.

Among the many reforms, which are indicated in India's fiscal field, the change in the administration of octroi must take an important place. Since octroi remains the only important source of revenue for the Local bodies, they levy this impost often with scant regard for the interests of trade and industry. The schedule of rates varies from one State to another, and even within the same State, there does not seem to be any great uniformity in rates. A terminal tax, according to the Local Finance Enquiry Committee, would be less objectionable than octroi which is admittedly an irksome obstacle to the free movement of goods. The Committee, accordingly, recommended the transfer of the entry relating to terminal taxes from the Union list to the State list.

Tracing the history of terminal tax, Mr. Sidhwa pointed out how all Local bodies were empowered, prior to the Government of India Act 1935, to levy terminal tax subject to the approval of the items and the rates by the State Governments concerned. Under the Government of India Act, 1935, the Local bodies were deprived of this right. This position has been maintained under the new Constitution also. Mr. Sidhwa pleaded for the amendment of the Constitution, with a view to enabling the Local bodies, now deprived of an important source of revenue, to levy terminal taxes. The subject is not, however, free from controversy, for, as Mr. R. D. Kapila, member, Local Finance Enquiry Committee, pointed out, in his minute of dissent, it would be wrong to alter the present position, whereby the terminal taxes leviable in respect of goods and passengers carried by railway, sea or air are placed in the Union list and terminal taxes on goods and passengers are placed in the State list. The whole issue must be thoroughly examined before Mr. Sidhwa's suggestion is accepted by the Government.

There are, of course, many non-controversial suggestions for improving the state of their finances which have been made from time to time by the Local bodies. Many of them have been considered and recommended for adoption by the Enquiry Committee referred to above and were emphasised by more than one speaker at the conference. These include the withdrawal of the concession of freedom from local taxation, granted to State property, if that property is used for purposes of State trading, measures to prevent the evasion of octroi duty, revision of the schedule of professional tax and provision of adequate grants-in-aid to Local bodies. These suggestions could be implemented without delay. At least, they ought to be so implemented, if the Local bodies are to be raised to a state of solvency and if they are to discharge effectively their function as nurseries of democracy.

ANOTHER MINIMUM WAGE AWARD

THE Bombay Industrial Court has announced its award fixing the minimum wages for unskilled workers engaged in sugarcane farms of certain sugar factories in the Deccan. The award is the outcome of a reference to the Court in 1950, by the Government of Bombay and the employees, of a dispute between seven sugar companies and their workers. The employees put forward their claims for a minimum wage of Rs. 30 for a month of 26 working days when the cost of living index number was at 105. Contending this demand as excessive, the sugar companies argued that, as the present wages of workers were 4½ times higher than what they were in pre-war years, there was no need to fix any minimum wage at all; but if the Court thought it was absolutely necessary to fix such a wage, they stated, a sum of Rs. 11 for a month of 26 days might be taken to be more than a sufficient minimum wage for unskilled workers. In order to assist in its work, the Court, however, appointed a committee of assessors. After visiting the factories and their farms and collecting necessary information and evidence, the assessors unanimously recommended a minimum wage of Rs. 22-12 for a month of 26 days. The Court, after examining the data in the light of similar awards in the cotton textile industry and bearing in mind, at the same time, the complete rural character of the region in which the factories are situated, has prescribed a minimum wage of Rs. 23-2-6 for a month of 26 working days or Re. 0-14-3 per day on the pre-war level of prices.

The various considerations, mentioned by the Court to justify the minimum wage level prescribed by it as above, provide adequate indication that it has made the best of a bad job. A point to be noted, in this connection, is the fact that the Court was greatly handicapped by lack of accurate statistics to assess the real position of workers in the area covered by the dispute. The award may be taken to be in keeping with the gradual change that has taken place in the concept of minimum wage. Says Mr. S. H. Nayak, member of the Court: "It is no longer based upon the subsistence theory which held that the minimum wage equalled the amount of commodities necessary to feed and clothe a worker and his family. It is now made to include not only bare physical necessities but also a modicum of comfort, otherwise known as conventional necessities." On the question of the ability of employer to pay, the Court has taken the view that "an industry which is incapable of paying the minimum wage has no right to exist," a view clearly endorsed by the Labour Appellate Tribunal in the Buckingham and Carnatic Mills' case.

Although the fixation of the minimum wage reflects the spirit of the times through which the country is passing, its repercussions on the fortunes of the seven sugar factories concerned can hardly be ignored. These factories have to pay, with retrospective effect as from 1st October, 1952, a basic minimum wage of Rs. 23-2-6 for a month of 26 days, whereas hitherto they were paying about Rs. 11 only. The increase of Rs. 12-2-6, consequent on the award, is a primary and recurring burden which the factories have to shoulder now. Further, as the dearness allowance of these workers is linked to the basic wage, the higher basic wage will mean a corresponding increase in the dearness allowance also. Besides, some of the skilled workers employed in the factories have a static dearness allowance not related to the basic wage, and they may now find that their dearness allowance is less than that of the unskilled labourer. This, in turn, will lead to considerable dissatisfaction among them and possibly unrest also. The factories may ultimately have to step up the dearness allowance of these workers too, incurring thereby further additions to their costs of manufacture, if they are not to have any trouble with their workers. This is unfortunate, because the sugar industry has now entered a stage when the need for keeping down the cost of production is paramount.

A notable feature of the award is that it makes no discrimination between a male and a female worker, while prescribing the minimum wage for the workers. This is in line with the accepted principle of equal pay for equal work. On economic and social considerations the acceptance of this principle is justifiable. In the present instance, however, it looks as though this principle may work against the interests of women workers in the region. For, at present, they are being paid a lower wage on a six-hour basis. Now that the implementation of the award entails additional expense by way of increased wages and dearness allowance, there will be a tendency to avoid employment of women when male workers are readily available for the same wage. The elimination of female workers will almost halve the earnings of most of the workers' families, of which both husband and wife usually work on the farms. This, in its turn, would affect adversely the standard of living of these families, defeating thereby the very purpose of the award, namely, to improve the living standards of the working classes.

The award has placed the seven factories which are parties to the dispute at a great disadvantage. It singles them out for incurring excessive additional burdens which their confreres neither in the Deccan Canal area nor in U.P. and Bihar are required to bear. To the extent of this burden, the competitive capacity of these factories stands impaired. As the award benefits only an infinitesimal fraction of workers employed in land cultivation, it will not make the slightest impression on the standard of living of agricultural workers as a whole. The award is yet another instance to show that those who resort to scientific methods for improving their production must be prepared to pay some penalty of trying to be more efficient than their rivals in the field. The Deccan factories in question, however, can have the satisfaction of having proved that large-scale farming, with the help of modern implements, brings far greater benefits to landless labourers than farming in small plots under peasant proprietorship.

BULLISH FERVOUR IN SHARES

KOHINOORS TO EXPAND—NEW LOAN NEXT MONTH

THURSDAY, 5 P.M.

THE bullish fervour in the share market, which has been the dominant feature of trading on the Stock Exchange in the last three weeks, has not yet waned. On the contrary, it seems to be a little stronger than a week ago. The trend of prices has generally been upward, with both steels and textiles recording handsome gains. Tata Deferreds touched to-day a high of Rs. 1,922-8, the highest level to be seen for over a year now. The strength of the market during the week is due, to a very large extent, to the revival of the Calcutta market where both jute shares, which had remained depressed all along, have been meeting with some selective buying. Reports about profit margins of mills are also encouraging. An impression is gaining in the minds of operators that 1953 will turn out to be an infinitely better year for cotton mills than 1952. Some even go so far as to say that it will prove to be one of the best post-war years. Millowners, however, do not share this robust optimism, though it is true that they do not take a pessimistic view either. They feel that the market is not making adequate allowance for the new burdens that have been heaped on the industry. A point to be borne in mind, while anticipating the profits of mills, is that the days when broad generalisation could be made are over and that, with no price control on over 70 per cent. of the industry's production and considerable freedom for the mills to buy their requirements of raw material, the profits of individual mills will vary to a considerable extent. Those mills, which had the foresight to buy early this year the major portion of cotton needed by them for the whole year, for instance, will be able to show a much better profit than those which had bought only a limited quantity, for, in recent weeks, the cost of cotton has been consistently going up, with little chances of any appreciable fall in them in the next few months.

MARKET GOSSIP

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Among the cotton mill shares, Kohinoors have recorded a good rise, the exact gain over the past two weeks being as much as Rs. 18 per share or 6 per cent. In the initial days of the fortnight, this counter evoked some investment buying stimulated by the note of optimism struck by the Company's Chairman in his speech at its last annual meeting. But, in recent days, the rise has been rapid and this is attributed to reports that the Company is planning to expand its productive capacity by acquiring one of the mills in Bombay, which is for sale. Our enquiry reveals that the mill in question is the Raghuvanshi Mills, which has 33,160 ring spindles and 197 looms. The machinery of this mill is modern, having been installed only some eight or nine years ago, after the old machinery was destroyed in a fire. This machinery was bought during the war years, with the help of the War Department, under a special priority, and that before the British textile machinery makers put up their prices. It is considered to be good for another 25 years. Market operators believe that the cost of acquiring this mill will be relatively cheaper as compared with the cost of buying new machinery. It is, however, too early to say as to what will be the outcome of the proposed deal. According to one source, the Kohinoor Mill Company is experiencing some competition from another party who is also said to be bidding for the mill.

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Why is it that even a leading company such as Kohinoors prefers to buy a second-hand mill, instead of going in for brand new plant? Is the cost factor so attractive as to induce it to do so? Some feel there must be other considerations besides the cost factor. One of them may be the Government's stringent restrictions on imports of foreign textile machinery, with a view to giving protection to domestic textile machinery makers. If this is true, then it looks as though these restrictions have enhanced the value of foreign spinning and weaving plants already in this country, even though they may have been in use for some time.

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As already stated, there has been a perceptible improvement in the value of some selected jute shares. Anglo-India, for instance, has gone up from Rs. 224 a fortnight ago to Rs. 236, Champdany from Rs. 155 to Rs. 163, Cheviot from Rs. 199 to Rs. 212. Among the more speculative counters, Howrah has gained over a rupee to Rs. 24-11. The interest that is now being evinced in these shares is the result of the firmness of the jute manufactures and jute markets. On reports of fair-sized orders for jute goods from Argentina and the U.S. Army Department, the price of 40"x10 cz. hessians has gone up to Rs. 42-6, which compares very favourably with Rs. 39-2 a week ago and Rs. 38-4 on 10th April, 1953. The price of sackings has also advanced from about Rs. 86 towards the close of last week to Rs. 93-8. On 10th April, it was as low as Rs. 85-14. In the raw jute market, mills have been buying again. Their re-entry into the market is attributable partly to the revival of export enquiry for their manufactures and partly to apprehensions that, in the next season, the output of raw jute both in India and Pakistan may suffer a perceptible fall, owing to adverse weather conditions and a fall in the area devoted to jute. It is stated that for want of rains, the tender jute plants in certain parts of East and West Bengal are withering. These reports have pushed up the prices of raw jute. Assam Bottoms, which had come down to Rs. 18-8 after advancing to Rs. 20 last week, have again gone up to stand at Rs. 22. Twenty days ago, these were being offered at as low a level as Rs. 16-8 per maund.

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The Gilt-edged market too has been ruling firm, with a gain of As. 4 to As. 6 in the value of all long-dated loans, as will be seen in the following table:

	30-4-1953	23-4-1953	16-4-1953	9-4-1953
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
3% 1953-55	100 1	100 1	100 1	100 1
3% 1957	98 12	98 12	98 11	98 12
3% 1958	98 10	98 10	98 7	98 7
3% 1959-61	96 9	96 6	96 4	96 3
3% 1963-65	92 14	92 10	92 8	92 8
3% 1964	92 14	92 10	92 8	92 8
3% 1966-68	90 9	90 7	90 5	90 5
3% 1970-75	86 12	86 9	86 8	86 10
3% 1986 Conversion Loan	82 12	82 4	81 8	82 3

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The improvement noted above is mainly the result of the Reserve Bank's open market operations designed to prepare the market for a new loan. The Bank is said to have put up its selling rates for these long-dated loans by a couple of annas. This has induced the other sellers to hold back their sales, in the expectation of a further rise. Consequently, the market is bare of floating stock. The Reserve Bank itself is not a keen seller, we are told. Does the grooming of the market on these lines warrant the belief that the Bank will be able to push up the market to such an extent that the Government of India will be able to issue a new loan on terms less favourable to lenders than the current yields? We have our own doubts. We do not think that the Reserve Bank will be so unwise as to resort to artificial methods of boosting up the values to such an extent as to bring about a significant fall in the current yields on Government securities. Its objective in preparing the market even now for a loan that may be offered early next month is, in all probability, no more than to whet its appetite. It is not unlikely to take the risk of keeping the yield on the new loan at a level which does not offer any attraction over the current loans. If the new loan is to find ready buyers, it will have to be issued on terms that will give a yield of 3.80 per cent. for 10 or 11 years. Since 1964 is the most convenient year from the point of view of repayment—the outstanding of the existing loan maturing in that year is no more than Rs. 30 crores—the new loan is almost bound to be repayable in that year. As the existing 2½ per cent. 1964 loan is offering a yield of about 3.80 per cent., the rate of interest on the new loan will have to be 3¼ per cent., with the issue price being at a discount of Re. 1-8 or Rs. 2 per cent.

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Many are wondering as to why no announcement has yet been made about the proposed debenture issue of the Standard-Vacuum Oil Refineries about which much has already appeared in the financial columns of the daily Press. In fact, one or two readers have written to us, asking as to when this issue will be offered to investors. Our enquiries show that it will be some time next month. It would appear that the Government of India wishes to complete its borrowing programme first and then allow others to enter the long-term capital market to raise their requirements. As readers are aware, the debentures of "Socony" Refineries will carry interest at the rate of 3½ per cent. (taxable) for a period of 10 to 15 years. Out of a total issue of Rs. 4 crores, the amount that is proposed to be offered to investors in this country will be about Rs. 2.5 crores. It is understood that the Tata Hydro-electric Companies will also be approaching the capital market shortly for a sum of Rs. 3 crores by way of debentures. The rate of interest on these will be, it is believed, at 5 per cent., subject to tax. In that case, the issue price may be at a slight discount.

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The recent merger of the Mercantile Bank of Hyderabad Ltd. with the Hyderabad State Bank, about which a brief reference was made in an earlier issue of this journal, has been negotiated, it is stated, on most satisfactory terms. Although complete details of the merger, which took effect from 1st April, 1950, are not available, it is learnt that the merger was based more or less on the same lines as those followed by the Punjab National Bank Ltd. when it took over the assets and liabilities of the Bharat Bank Ltd. It would appear that the authorities of the Hyderabad State Bank showed considerable spirit of accommodation in assessing the dead stock, stationery and other non-banking assets of the Mercantile Bank of Hyderabad, as also in taking over the entire staff of the latter Bank. The staff were assured their salaries, emoluments and allowances, and also their continuity of service. The customers of the Mercantile Bank of Hyderabad are also assured of continuity of service, because all the Bank's branches (except the Latur branch) will now function as the State Bank's branches. That the terms of the merger must have been satisfactory to the merging bank is evident from the fact that the Directors are confident of being able to pay back a "very high percentage of the share capital to the shareholders of the Bank."

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An irksome and wholly unnecessary restriction has been sought to be placed on the banks which wish to receive current account deposits from local bodies or quasi-Government institutions. These institutions are allowed to keep their moneys normally with the Reserve Bank of India or the Imperial Bank of India. But, should they choose to keep their surplus funds with any other Scheduled Bank, the official regulations require that the concerned bank should lodge with the investing institution sufficient Government securities as a cover against the amount deposited. The intention is that, if the bank defaults payment of deposit, the securities might be sold in order to recover the deposit amount. Adequate arrangements, it is stated, will be made for the safe custody of the securities and also for the payment of interest on them. The scheme is obviously motivated by the 'safety-first' principle. But no good bank will reconcile itself to the prospect of having to lodge Government securities with local bodies just for receiving current deposits. It actually amounts to banks taking a loan from local bodies, a loan repayable on demand. Further, such a procedure would seriously reduce their ability to borrow from the Reserve Bank or other bankers, as Government securities are generally used as a cover for their borrowing operations. Since good banks would not care to abide by these restrictions, it is only reasonable to expect that it is only the second-rate banks, anxious to attract deposits at any cost, which might agree to keep securities with the local bodies. If the Government of India, which is said to have directed the local bodies to insist on such a condition, sincerely want the Scheduled Banks to have the benefit of being bankers to local bodies, then it must withdraw this directive. If, however, it has no confidence in such bodies, it can direct them to be guided in their choice of their bankers by the Reserve Bank which might be asked to advise them. With the greater control and powers of supervision which the Reserve Bank has acquired under the Bank Act, it should be possible for the Bank to guide the local bodies properly in selecting their bankers.

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Mr. Ramdas Kilachand urged, in the course of his presidential address at the twenty-sixth annual general meeting of the Bombay Oilseeds Exchange, held last week, the need for the opening of hedge contracts in linseed and groundnuts on the lines of those in castorseeds. This plea deserves to be examined somewhat critically, in view of the fact that the statistical position of the vegetable oilseeds in India discloses a tight supply situation, particularly in edible oils. Consequently, there is a danger of speculative elements pushing up the prices of groundnuts and linseed and their oils, which are already high, to still higher levels, if hedge trading facilities are provided.

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It would be wrong to take a measure which might conceivably tend to push up the prices of an essential article of the daily food of millions of people. In fact, even the resumption of forward trading in non-transferable specific delivery contracts last week in linseed and groundnuts is being regarded with misgivings in certain quarters. But it must be conceded, at the same time, that the world oil supply position is tending to ease, with better crop prospects during the current season in the important producing countries. Also, if Korean peace is established, it might lead to a lowering of prices of oilseeds. If China joins the list of other competitors to India in the world's oilseed markets, as Mr. Kilachand himself pointed out in another context, there may well be a fall in the prices of oilseeds. The Government has, however, in the machinery of the Forward Controls (Regulation) Act, a fairly sound instrument for controlling excessive speculation. It would also be wrong to withhold indefinitely the facilities for hedging in the case of so important a commodity as oilseeds. There is thus a case for allowing hedge trading in this commodity, but the point to be considered is whether the time for doing so has arrived or whether it is still far off.

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The need for maintaining an adequate level of exports of vegetable seeds and oils was forcefully urged by Mr. Kilachand. Before the last world war, India was by far the largest exporter of groundnuts, but since then, Nigeria and French West Africa have taken the lead. Linseed exports have also declined sharply in recent years, and the commodity has been priced out of world markets. Again, castor oil exports from India are facing keen competition from Brazil. If India's exports, as Mr. Kilachand pointed out, were quantitatively the same as in pre-war years, the foreign exchange earnings would be four to five times higher than those in the pre-war period. The decline in exports is mainly due to increasing domestic demand. If, therefore, exports are to be maintained at reasonable levels, without sacrificing domestic consumption, it is clear that the production of oilseeds should be stimulated. And there is good scope for doing so. It may be noted here that the yield per acre in India of groundnuts is only about 800 lbs., as against 1,500 lbs. in China, of linseed 325 lbs., as against 550 lbs. in Argentina, and of castorseeds a maximum of about 700 lbs., as against 2,000 lbs. in Brazil. It is gratifying to note that the Indian Oilseeds Committee is taking up research schemes in this connection and trying to provide improved strains of oilseeds at reasonable prices. Better methods of cultivation, as Mr. Kilachand suggested, ought to lead to "larger production of oilseeds even on the same acreage."

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A development in the sphere of European steel industry and market for steel which calls for some special notice is the reported agreement between producers to keep prices at a particular level. Belgian steel producers, for instance, are reported to have reached an agreement with the German steel producers that Belgian steel will not be sold in Germany below German prices. In return, the German producers have assured the Belgians that they will keep out of the best of the Belgian export markets. Such agreements are clearly contrary to the spirit of the European coal and steel community. And it is perhaps unfortunate that they have come on the eve of the opening of the Pool's common market which takes effect from 1st May. M. Jean Monnet, President of the High Authority of the European Coal and Steel Pool, warned against a European price racket in steel and said that he would use all means open to him to defeat the racket.

FIRM TREND IN SHARES PERSISTS

TATA DEFERREDS RISE HIGH

(From Our Own Correspondents)

BOMBAY, 30th April

THE hardened sentiment in equities which had been in evidence on the Stock Exchange since the shake-out caused four weeks ago by the peace move by China, was fully preserved during the week under review. Under the combined influence of professional support and public buying, equities were able to rear their heads a good extent this week. Over a wide front most of the speculative equities regained their losses suffered in the shake-out. The performance of Tata Deferreds, in particular, was exhilarating, recording as they did to-day, a new high level after more than a year. A feature of the upward trend during the last four weeks was a cautious rise in values in the absence of any sharp reaction at bulges, and this helped equities to consolidate their gains well.

Operators on the Stock Exchange appeared to have been guided this week less by considerations regarding the Tata Deferreds conversion ratio issue than by other favourable influences. Thus the current difficulties encountered in the Korean armistice talks, hopes of better trade relationship between India and Pakistan engendered by the more friendly tone of the Pakistan Premier's utterances and his desire for a peaceful settlement of all outstanding issues between the two countries, prospects of better earnings by textile mills as a result of the decontrol on prices of two more varieties of cloth from 1st May, and the strength of the bullion and commodity markets were all helpful factors for the improved sentiment of the operators.

In the steel section, Tata Deferreds hardened from Rs. 1,876-4 to Rs. 1,895 on Monday. After a mild corrective reaction to Rs. 1,886-4 on Tuesday, the shares regained stability and moved up cautiously to Rs. 1,922-8 to-day, the highest level since 27th February, 1952, but closed at Rs. 1,917-8. Tata Ordinaries worked up from Rs. 321-8 to Rs. 329-12 and closed at Rs. 329-4. Indian Irons advanced from Rs. 25-4 to Rs. 25-9 on Monday. After receding to Rs. 25-6 on Tuesday, they once again appreciated to Rs. 25-14 before finishing fractionally lower at Rs. 25-12-6.

Optimism regarding the outlook for textile mills gave rise to bouts of buying in textile shares. Kohinoors were particularly strong, due to good investment demand and reports that the Company was negotiating to purchase another textile unit under its plan of expansion. As a result, the scrips reaped a handsome gain from Rs. 307 to Rs. 319-12 before winding up at Rs. 318. Bombay Dyeings were in demand to advance from Rs. 389-6 to Rs. 398-2 yesterday. To-day, some profit-taking intervened to cut part of the earlier gain and the shares closed at Rs. 396-14. Central Indias were in good form, recording a rise of Rs. 12 to Rs. 171. New Greats attracted attention and closed with a gain of Rs. 3 at Rs. 155. Simplex, which were in disfavour in the previous two weeks, rose by Rs. 9 to Rs. 177 this week. Standards gathered Rs. 8-12 to Rs. 304-6, Svadeshis Rs. 8-8 to Rs. 270, Tata Mills Re. 1-8 to Rs. 42-12, Gokaks Rs. 4 to Rs. 216 and Indu Ordinaries As. 5½ to Rs. 10-6. Finlays were quoted to-day Rs. 303 *ex-div.* (dividend being Rs. 20) as against Rs. 309 *cum-div.* a week ago.

Barring Imperials and Barodas, other bank shares were listless. Good activity was noted in Imperials, the Fully Paids advancing by Rs. 32-8 to Rs. 1,885 and Contributories by Rs. 10 to Rs. 463-12. Barodas recorded a gain of Re. 1-8 at Rs. 114. Centrals were quiet, with both Old and New shares losing As. 4 each to Rs. 64-4 and Rs. 65-12, respectively. Indias were lower by As. 4 at Rs. 154. United Commercials were fractionally higher at Rs. 35-12.

Persistent investment enquiry for select issues was a feature of trading in the public utility section. Although activity was not brisk, prices displayed a rising tendency. Ahmedabad Electrics rose by As. 15 to Rs. 109-11, Bombay Suburbans by As. 5 to Rs. 123-7 and Surats by Rs. 3-2 to Rs. 130-10. Tata Hydros were only better by a fraction at Rs. 152. Tata Powers and Andhra Valleys were, however, unchanged at Rs. 152 and Rs. 1,425, respectively.

The miscellaneous section displayed a diverse trend. A.C.Cs. were in request and, as a result, went up by Rs. 7-8 to Rs. 173-8. Belapurs lost Rs. 2 to Rs. 241. Bombay Burmahs moved between Rs. 387-8 and Rs. 398-2 and closed at Rs. 389-6. B.I.Cs. changed hands As. 4 higher at Rs. 8-9½. Killick Industries were picked up Re. 1-8 better at Rs. 152. National Rayons continued to be in favour, and gained further ground from Rs. 84 to Rs. 86. Tata Chemicals were quiet at Rs. 9-5, but Tata Oils were unchanged at Rs. 34-12. Wimcos were a steady feature at Rs. 236-14.

In the transport section, Scindias had a fairly steady spell and closed at Rs. 13-12. After last week's spurt, Bombay Steams reacted to Rs. 35-8, losing on balance Re. 1-8. Air-Indias were done at Rs. 84 and Air-India Internationals at Rs. 105. Hindustan Motors were marked up by a fraction to Rs. 4-3.

In the mining and engineering group, Alcocks were picked up Rs. 2-8 better at Rs. 323-12. Indian Coppers were quiet at Rs. 3. Premier Constructions were dull at Rs. 90-8. Tata Locomotives had business at Rs. 84.

Calcutta Stock Exchange

CALCUTTA, 28th April

Reports that peace talks in Korea were not proceeding as smoothly as expected earlier, imparted a ray of steadiness during the last two days on the Calcutta Stock Exchange, and speculative counters made a bid to make good the earlier losses. Much headway could not, however, be made due to lack of outside buying support. In fact, part of the funds normally available to the share market was diverted for speculative activity in the bullion and the commodities markets. Earlier during the week, the market was almost lifeless, and even despite the maintenance of the gains in the prices of jute goods, jute shares also lacked enthusiasm. Operators were anxious not to extend commitments, as they believed that without a reduction in the rate of sacking goods production, they could not expect much change in mills' working reports for the current accounting period.

There were reports that Indian coal exports were declining, and these affected coal shares. Hope is, however, expressed that in view of the expected change in the political relationship between India and Pakistan, Pakistan would find it profitable to import coal from India only. The increasing level of business in tea shares received a check this week, when it was learnt that the Indian tea exports would be cut down by 15 per cent. However, sentiment was better during the two closing sessions of the week, following the resumption of tea auctions yesterday.

In the textile section, Elgin Mills were unchanged at Rs. 17 and Kesorams were easier at Rs. 19-14. Cawnpores realised Rs. 8-7. Among banks, Hindustan Commercials changed hands at Rs. 11-12, while United Commercials eased by one point to Rs. 34-12.

Coals were easy, and transactions were limited. Burrakurs gradually receded from Rs. 11 to Rs. 10-11, but gained to-day to Rs. 11 in transactions of small lots. Interest in Bengals could not raise the quotation to more than Rs. 431. Central Indias declined from Rs. 5-2 to Rs. 5-1. South Karanpuras from Rs. 14-4 to Rs. 13-14, Western Bengals from Rs. 5-1 to Rs. 4-13. Earlier, however, Khatras Jherriahs improved from Rs. 41 to Rs. 41-9. After gaining As. 2 on Monday, East Indias returned to-day to Rs. 23-2. Raneegunges were better to-day at Rs. 9, adding As. 8 from the previous rate.

The feature in the jute section was the slightly improved trend during the last two sessions following Monday's gains in the prices of jute goods. However, transactions were limited. Last Wednesday, speculative Howrahs opened at Rs. 24 and had declined to Rs. 23-15 on Saturday; however, the quotation recovered to-day to Rs. 24-6. One of the features in the section was the continued interest shown in Khardahs which were pushed up from Rs. 168 to Rs. 185. Deltas were also steady and at Rs. 233 showed a five-point improvement. Nationals met with buying at Rs. 24-14 and Presidencies at Rs. 5-6, while Lansdownes were easy at Rs. 127. Anglo-Indias were earlier quiet at Rs. 228, but were steady to-day at Rs. 232. Nuddeas gave way from Rs. 45 to Rs. 42. Champadanies recovered from Rs. 160 to Rs. 161-8.

The movement in Indian Irons was on both ways but within a narrow range, to-day's closure at Rs. 25-7 comparing with an opening rate of Rs. 25-6 last Wednesday. National Irons came to business at Rs. 5-10, Braithwaites sticking around Rs. 11-3. Kumardhubis changed hands at Rs. 8-2, Marshalls at Rs. 5-8, and Britannia Engineerings at Rs. 19.

In an otherwise quiet miscellaneous section, selected scrips were better. Indian General Navigations gained from Rs. 81 to Rs. 84-8, while India Steamships, after losing from Rs. 6-7 to Rs. 6-4, were better to-day at Rs. 6-8. Rallis after moving from Rs. 75-8 to Rs. 76-8, were lower at Rs. 75-4. Indian Cables declined to Rs. 18-1, while Dunlop Rubbers were fractionally better at Rs. 28-10.

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Madras Stock Exchange

MADRAS, 28th April

There was some revival of interest this week on the Madras Stock Exchange. This was attributed to prospects of restoration of a sizable portion of the cut in power supplies effected some time ago. It is stated that generation of more power is now possible, consequent on a rise in the water level of the Pykara, Mettur and other dams. Textile scrips came in for considerable attention on speculative support as well as on reports of some demand for piecegoods and yarns from consuming centres. Plantings were comparatively better than last week. Rubbers and teas attracted selective buying, while coffees were dull. Miscellaneous scrips met with sporadic enquiries. The trading on balance revealed that the scrips disclosing gains were more than those showing losses. The undertone was steady.

The threat of a labour strike in Coimbatore, following the reported unwillingness of employers to concede the labour demand of compensation for involuntary unemployment caused by power shortage, had no effect on the market. In fact, the operators discounted the possibility of the success of such a strike move. On the other hand, revival of demand for cloth in consuming centres flared up the values of certain scrips. Thus, Bangalore Woollens rose from Rs. 245 to Rs. 247-8, thereby recording a gain of Rs. 2-8. Janardanas too put on a similar amount to Rs. 62. Rajalakshmis gained Re. 1-2 to Rs. 74-8.

On steady advices from the U.K., tea scrips staged a smart rally. Mlamallays firmed up by Re. 1-8 to Rs. 37. Devasholas hardened by As. 8 to Rs. 15-8. Periakarmalais (Tea and Coffee) were up by As. 4 at Rs. 25-4. Parksides improved by As. 2 to Rs. 11-12. But Twyfords lost As. 4 to Rs. 12. Talyars eased by As. 3 to Rs. 86. Peermades were done at Rs. 24 *ex-div. ex-right*, as against Rs. 34-8 *cum-div. cum-right*. Stanes Amalgamateds (Coffee and Tea) were lower by As. 2, at Rs. 8-6. Coonoor Teas were unchanged at Rs. 21-12 *cum-div.* The Directors have declared a final dividend of 12½ per cent., thus making a total of 17½ per cent. for the year ended 30th September, as against 30 per cent. for the previous year.

Rubbers displayed a similar trend. Nellithnams gathered As. 4 to Rs. 7-10 *cum-div.* and Cochin Malabars As. 2 to Rs. 6-4. Tirumbadis and Velimalais were better at Rs. 2-9½ and Rs. 2-14½, respectively. But Malankaras lost As. 8 to Rs. 101-8 and Rajagiris As. 4 to Rs. 10. Be Bes were slightly lower at Rs. 1-12.

Among the miscellaneous scrips, Andhras gained Re. 1 to Rs. 94. Rallis As. 8 to Rs. 77-8 and Mysore Papers As. 2 to Rs. 13-12. Spencers improved by an anna to Rs. 14-4. But India Cements lost As. 4 to Rs. 16 and Mysore Chemicals and Fertilisers an anna to Rs. 8-1. India Aluminiums were done at Rs. 122, as against Rs. 127 *cum-div.* Aluminium Industries were unchanged at Rs. 11-8 and F.A.C.Ts. at Rs. 3-3.

HIND BANK LTD.

A decline of Rs. 2.68 lakhs to Rs. 7.10 lakhs in gross profit is disclosed by the audited accounts of the Hind Bank Ltd. (General Manager: Mr. C. D. Pardiwala, Calcutta) for the year ended 31st December, 1952. This fall in earnings has not, however, affected the allocation to reserves or the distribution to the shareholders. The modest maiden dividend of 2 per cent. which the shareholders received last year, has been repeated. That the results have been satisfactory considering the difficult business conditions that prevailed during the past year is further indicated by the fact that the year's profit is substantially above those for 1950.

The following comparative table of the Bank's results for the past three years and the synopses of the balance-sheets at the end of these years reflects the Bank's progress since 1950:

(In lakhs of rupees)

	For the year ended 31st December		
	1952	1951	1950
Interest and discount earned ..	10.67	10.99	8.93
Commission and exchange ..	9.11	10.45	7.05
Total income	19.84	21.48	16.02
Interest paid	4.87	3.40	3.55
Expenses	7.86	8.30	8.63
Loss on sale of investments ..	..	..	0.73
Gross profit	7.10	9.78	3.84
Depreciation and repairs ..	0.36	0.30	0.21
Taxation	2.90	2.70	1.85
Net profit	3.84	6.78	1.78
To reserve fund	2.50	2.25	1.25
,, investment account ..	..	3.35	0.50
Dividend	1.00 (2%)	1.00 (2%)	..
Carry forward	0.86	0.86	0.68

	As on 31st December		
	1952	1951	1950
Capital	50.00	50.00	50.00
Reserves	20.00	17.50	15.25
Deposits	317.59	348.30	276.78
Borrowings from other banks ..	0.78	..	15.00
Bills for collection and acceptances..	153.87	146.91	105.97
Advances	175.06	174.99	123.21
Investments	114.63	115.52	106.41
Cash (including money at call) ..	100.31	119.60	105.92
Balance-sheet total	552.19	568.93	470.43
Ratio to deposits of—	%	%	%
Advances	55.1	50.2	44.5
Investments	35.8*	33.2	33.0*
Cash	31.6	34.3	38.2

* After taking into consideration the securities earmarked against borrowings from other banks.

It will be noted that the total income of the Bank for 1952, has dropped by Rs. 1.64 lakhs, the fall being shared by the main sources of earnings. This decline in income has been accompanied by a rise of Rs. 1.47 lakhs in interest paid. The combined effect of these two changes has been partially offset by the drop of about Rs. 44,000 in administrative and other expenses. It is noteworthy that the Bank's expenses have been showing a downward trend since 1950. Although the decline has not been perceptible, it is in refreshing contrast to the general trend of bank expenses. Another feature disclosed by the table is that nearly 70 per cent. of the net profit for 1952 has been added to the reserve fund. This shows how the management is keen on strengthening the Bank's reserves. Yet another notable feature is that no sum has been provided this year for depreciation on investments, evidently because the book value of the Bank's investments at the close of 1952 has been below market value.

The decline in the Bank's deposits is only in consonance with the general trend of bank deposits. But contrary to the downward trend of bank advances, the advances of the Hind Bank are almost unchanged, so that the ratio of advances to deposits is at a slightly higher level. The decline of Rs. 19.29 lakhs in cash balances and the slight fall in investment portfolio has not seriously affected the liquidity ratio, which has been maintained at as high a level as 67.4 per cent. Of the investments, about 97 per cent. are held in Government securities, of which about 48 per cent. mature within the next 5-6 years and the rest within the next 10 years.

NEWS IN BRIEF

INDIAN shipping tonnage at the end of 1952 was 4,52,274 G.R.T.

During 1952-53, Indian customs revenue collections amounted to about Rs. 167 crores.

The route mileage operated by the Indian airline companies as on 1st January, 1953, was 14,050 internal services and 13,713 international services.

Two fish cold storage plants, of 20 tons capacity each, will be arriving in India shortly. These are being made available under the U.S. technical aid programme. Of the two plants, one will be established at Visakhapatnam and the other at Tuticorin.

The next meetings of the Import and Export Advisory Councils will be held in New Delhi on the 22nd and 23rd inst., respectively. The Minister for Commerce and Industry, Government of India, will preside over these meetings.

Out of the total price of Rs. 64 crores for sugarcane supplied to the sugar mills during 1951-52, Rs. 70 lakhs still remain to be paid to cultivators. The Government of India has asked the State Governments to use their good offices in getting the arrears cleared as early as possible.

The Government of India has sanctioned a loan of Rs. 1.51 crores to the Bombay State for minor irrigation works in the scarcity areas. It has also agreed to charge a specially reduced price of Rs. 14 per maund, up to a limit of 200,000 tons, for imported wheat issued to persons employed in relief works in the famine or scarcity affected areas.

The scheme for the setting up of the National Building Organisation is reported to have been finalised by the Government of India. The main objective of the proposed organisation is to provide technical information and assistance to Central and State Governments, public organisations and individuals engaged in house-building activities.

The Madras Government has reduced, with effect from the 1st inst., the power cut from 75 per cent. to 60 per cent. in the hydro-electric areas and from 33⅓ per cent. to 20 per cent. in Madras City. The restoration in power cut is a sequel to the improvement in the storage position in the reservoirs, particularly in the Mettur reservoir.

The Government of India has sanctioned a loan of Rs. 1 crore to Hyderabad for the purchase and distribution of fertilisers to cultivators, with a view to augmenting food production. The loan will be partly in cash and partly in the shape of ammonium sulphate supplies. Fertilisers will be distributed to cultivators as *taccavi*, to be recovered in instalments at the time of harvest, preferably in kind.

Control over prices of sucis and shirtings has been abolished with effect from the 1st inst. On 1st October last, the Government of India lifted price control over certain categories of cloth, such as *dhotis* and *saris*, mulls and voiles, poplins and crepes, drills, *mazri* cloth, *dosuti*, bed-ticking cloth, and a few other less important items. A few more items were included in the list on 1st January, 1953—superfine cloth falling within group XIII, twills and coatings.

The next class for training in inland fisheries at the Central Inland Fisheries Research Station at Barrackpore will commence on 1st June, 1953. Admission is generally open to graduates in zoology. The course, which is primarily designed to train personnel for the fisheries departments of the State Governments, lasts for about 10 months and covers training in the general principles and practice of inland fisheries work.

A marked improvement in industrial disputes in India was registered during the month of February, 1953. The number of disputes resulting in work stoppages was 42, the number of workers involved was 23,284 and the number of man-days lost was 116,398 which were the lowest recorded in recent months. Eight of the disputes resulted in lockouts, affecting 3,246 workers and accounted for 34,211 man-days lost. Six of these were in West Bengal and one each in Bombay and the Punjab.

The Government of India has decided to remove shortly all restrictions on trade in wheat products, such as *rava*, *sujee* and *maida*. The flour mills will accordingly be permitted to manufacture these "fines" from imported wheat and sell them in the free market. No flour mills will, however, be allowed to utilise home-grown wheat for the purpose. Imported wheat will be issued to the mills by the Centre direct, and not by any State Government, at Rs. 21-2 per maund at the port of discharge or at a Central Government godown.

The death rate in India in 1950 was 16 per 1,000 population. The corresponding figures for 1947, 1948 and 1949 were 19.7, 17.0 and 15.8, respectively. The actual infantile mortality (deaths under one year) was 9,32,620 for 1947, 8,06,260 for 1948, 8,30,270 for 1949, and 8,55,261 for 1950. These work out to an infantile mortality rate of 145.6 per 1,000 of live births, 130.1, 122.8, and 127.1, respectively. In 1950, 18.3 per cent. of the deaths was among the age group 1-5, while 5.7 per cent. was in the age group 5-10 years. The figures for the three previous years were: 16.9 per cent. for the age group 1-5 years and 5.7 per cent. for age group 5-10 in 1947; 17.2 per cent. and 6.2 per cent. in 1948; and 17.0 per cent. and 5.6 per cent. in 1949. While accurate figures are not available in many States, it is estimated that about 200,000 women die annually in India from causes arising from child-birth.

Under a supplementary operational agreement signed in New Delhi on Saturday last between the Governments of the United States and India, additional technical assistance, equipment and supplies for the Hirakud, Ghataprabha and Gangapur projects will be available for expediting the construction work. The joint cost of the project is $1,880,300 and Rs. 1,25,00,000, representing, respectively, the contributions of the two Governments. The equipments, etc., now proposed to be made available to those three development projects, are in addition to those already provided in a previous operational agreement signed last year. The present sum has been allotted out of $38.5 million provided by the U.S. Government under the supplementary Indo-U.S. Technical Co-operation Agreement signed in November, 1952.

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From Abroad

The Government of Ceylon has relaxed exchange control restrictions on the repatriation of foreign capital invested in Ceylon.

The Government of Chile is planning to nationalise all public services, including electricity and telephone companies.

Egypt's total trade deficit during 1952 was of the order of £73.7 million, including £2.3 million spent for importing gold to cover the Egyptian currency.

The total world merchant ship losses arising from all causes during the third quarter of 1952 amounted to 198,268 tons, the number of ships involved being 131. Losses as a result of casualties were 50,730 tons (40 vessels).

The Argentine Foreign Trade Promotion Institute has abandoned the system of fixed prices for hides exports. The export sales are now made by inviting bids. The Institute will offer the product of each packer individually, selling it to the highest bidder, but reserving the right to refuse sole under its current price ideas.

The total capital expenditure in Canada during the current calendar year is expected to be higher by 6 per cent., as compared with 1952. The outlay on new construction plant and machinery is estimated at $7,464 million, as against $7,110 million in 1952 and $6,472 million in 1951. New construction is expected to entail an expenditure of $3,433 million, repair and maintenance of existing plant and equipment $2,043 million, and new machinery $1,988 million.

The licensing and other restrictions on imports of all but super-luxuries, machines and oil products from the E.P.U. and most other countries into Greece have been removed. An import licence is, however, needed for imports from the U.S. and Canada, if payment is in free dollar. A Bank of Greece licence is also needed for imports from dollar countries of wheat, flour, rice, coffee, sugar and coal. Exports of machines, and spare parts and oil products will continue to be subject to foreign trade administration licensing procedure.

An official Bill seeking to provide for the "immediate" abolition of the luxury tax of 30 per cent. in Holland has been introduced in the Dutch Parliament. The goods falling under this tax—these include luxury furniture, textiles, radio valves, several electrical apparatus, gas and electrical ovens, gramophone records, pianos, watches and clocks, gold and silver ware, cosmetics, etc.—will henceforth be subject only to a turnover tax of 15 per cent. This decision of the Dutch Government is expected to cost the Treasury about Fl. 10 million.

The American Council of the International Chamber of Commerce has urged the U.S. Government to effect a progressive reduction in all tariffs beginning with a cut of no less than 20 per cent. in January. It has also urged the repeal of preferential legislation, including the "Buy American" Act, which restricts the purchase of foreign goods. The other suggestions of the Council include simplification of customs measures, gradual abolition of import quota restrictions and appointment of a special advisory group of business men to study ways of expanding the foreign trade of the U.S.

The British Government has permitted, with effect from 27th April, 1953, exports of certain categories of copper, iron and steel goods to any destination other than China, Hong Kong, Macao or Tibet under open general licence, if the value of goods exceeds the value of the copper, copper alloy, iron or steel content, calculated at the rate of £380 per ton for copper, £250 per ton for alloys (mainly of copper) and £30 per ton for iron and steel. Under similar previous licences, which are now revoked, the values were £430, £350 and £40 per ton, respectively. The reduction in the minimum values has been made in order to facilitate exports of these goods.

PERSONAL

MR. George V. Allen, U.S. Ambassador-designate to India, arrived in New Delhi on 24th April, 1953.

Mr. Luang Bhadravadi has been appointed Thai Ambassador to India, in succession to Mr. Luang Vichit Vadakan.

Mr. Yesdezard Dinshaw Gundevia, till recently Minister in the Indian Embassy at Moscow, has been appointed Minister of India to Switzerland.

Mr. N. M. Ayyar, formerly Chairman of the Calcutta Port Trust, has taken over charge as Secretary, Ministry of Transport, Government of India.

Mr. H. L. Jerath, Senior Deputy Director-General, Posts and Telegraphs, will represent India at the Universal Postal Union to be held at Berne shortly.

Dr. Ladislav Durdil, Chief of Section, Ministry of Foreign Affairs, Government of Czechoslovakia, has been appointed Czechoslovakian Ambassador to India.

Mr. Ivan Alexandrovich Benedictor, Deputy Minister of Agriculture and Procurement, Government of Soviet Russia, has been appointed Soviet Ambassador to India.

Mr. U. M. Rao, until recently Manager of the Supply Department of General Motors India Ltd., has been elected to the Board of Directors of the Company, by its management in recognition of his long and distinguished service.

Gen. K. M. Cariappa, who recently retired as the Commander-in-Chief of the Indian Army, has been appointed High Commissioner for India in Australia, in succession to Mr. M. S. Duleepsinhji. Gen. Cariappa is expected to take up his assignment in Canberra some time in July next.

Mr. R. G. Saraiya, Vice-Chairman, Messrs. Narandas Rajaram and Co., Ltd., and Mr. E. R. Mama have been elected President and Chairman, respectively, of the Commerce Graduates' Association, Bombay, for 1953-54.

Mr. N. V. Gadgil, former Minister in the Union Cabinet, has been appointed Chairman of the Committee constituted by the Government of India to review the arrangements arising from the financial integration of the four Part B States—Rajasthan, Madhya Bharat, Saurashtra and the P.E.P.S.U., with a view to rendering financial and technical assistance to these States. The other members of the Committee are Mr. S. V. Ramamurthy, Programme Administration Adviser, Planning Commission, and Mr. Bimal Comar Ghose. Member, Council of States. Mr. C. Ganesan, Deputy Secretary, Central Ministry of States, is the Secretary to the Committee.

OBITUARY

We regret to record the demise of Mr. W. W. Laws, head of Messrs. W. W. Laws and Co., in Bombay last week. Mr. Laws was a highly respected British resident of Bombay.

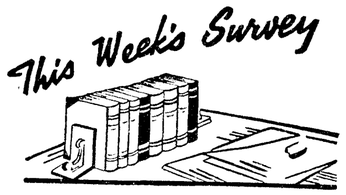
"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 12th *May*

Better Trade

There are unmistakable signs in the West that trade is on the mend. The improvement thus indicated will be reflected upon the East in due course. The return, issued last week by the Bank of England coinciding with the third anniversary of Britain's reversion to the gold standard, discloses the strongest technical position recorded in any return since the outbreak of the war. The ratio borne by the reserve of notes and coin in the banking department to liabilities, which is the best index of the Bank of England's position, stood at 22.1 per cent., when the reversion to gold became effective. To-day it stands at 40.3 per cent., which exceeds fractionally the last bank return before the outbreak of war. The actual amount of the reserve, which is over £45,000,000, is the highest since the return to gold. The figures encourage optimism. Successful banking is based on successful trading, and the first considerations of the banker must be the state of affairs in the wide world of industry, in which he is called upon to exercise functions at once beneficent and lucrative. Academic theses on theoretical questions, while of profound interest to the professional economist, are not of much practical importance and seldom carry far. In the enhanced financial strength now recorded by the Bank of England, we have concrete evidences of a revival in England from the setback sustained in 1926. The curve of industrial activity is undoubtedly tending upward. The official trade forecast of the Federation of British Industries for the first three months of the current year is somewhat more optimistic in tone than it has been for several preceding quarters. The forecast states: "While the heavy losses of the coal stoppage have still to be met, and the coming year is likely to see important changes in the sphere of industrial reorganisation, it seems possible to hold out the expectation that a settlement of these difficulties should see the end of our major post-war problems, and at long last, permit the foundations to be laid for a sustained expansion of British trade."



STATE GOVERNMENTS AND LABOUR DISPUTES

THE State Governments in India, especially those which have under their jurisdiction highly advanced industries, will do well to ponder over the carefully considered views of Mr. Vithal N. Chandavarkar, Deputy Chairman, the Millowners' Association, Bombay, on the attitude of State Governments towards industrial disputes. Speaking at the annual meeting of the Association last week, he referred to a number of instances in which the State Governments, by introducing an element of partiality in their decisions on these disputes, had acted in a manner calculated to destroy employers' faith in Government. The attitude of the Government of Travancore-Cochin is particularly striking. Thus, when the Fertilisers and Chemicals (Travancore) Ltd. retrenched no less than 600 employees two years ago and the workers' appeal was turned down by the Appellate Tribunal, the State Government did not deem it necessary to invoke its special powers. Again, the Public Works Department Workshops at Trivandrum were permitted by the States Industrial Tribunal to retrench 64 workers in 1951. The retrenchment went through and it did not occur to the State Government that any public grounds were involved. Then again, when the Tribunal gave permission for retrenching a number of paddy procurement officers of Government in March, 1953, the Government did not deem it necessary to interfere. But, when the Labour Appellate Tribunal permitted the Tata Oil Mills Co., Ltd., at Tatapuram to retrench 60 of its surplus workers, the Government rejected the permission, as was pointed out in detail in a previous issue of this journal.

Another State Government whose attitude towards labour problems has not been impartial is that of Madhya Pradesh. This State Government constituted a Tripartite Committee to arrive at an agreed solution of the problem of bonus in the cotton textile industry, as there arose a dispute between workers and mills in the State over the bonus for the year 1949-50. This Committee appointed a sub-committee. The Sub-Committee evolved a formula and submitted it to the Tripartite Committee. The latter accepted the formula and asked the millowners to work out the figures for themselves and to announce the grant of bonus on that basis. The millowners applied that formula and found that they had made no profits and that, therefore, there was no bonus to pay. The workers were dissatisfied with this outcome and, in order to please them, the Government referred the matter to adjudication by the Industrial Court. Commenting on this episode, Mr. Chandavarkar said: "Having themselves constituted a sub-committee to go into this matter, and having also been a party to an agreement, which apparently contained a formula for the determination of bonus, I expected the State Government to call upon labour to honour the agreement or, if they wanted to satisfy themselves, to ask the Court to make sure that the formula has been properly interpreted and worked. This they apparently did not do and so far as I can see, the Court was asked to assess what bonus, if any, was payable to textile workers for the year in question."

If instances of this type were allowed to happen, they would undermine one's faith in settling industrial disputes by means of direct negotiations. For, if the Governments of States take sides with the party which has not had all its way in these negotiations, who will take seriously to the settlement of disputes through direct negotiations? No wonder, therefore, that Mr. Chandavarkar found it necessary to observe that "if agreements or settlements reached by direct negotiations are to be allowed to be treated in this manner, Mr. Giri's approach may not lead us anywhere." In observing thus he was not, however, unconscious of a number of cases in which direct negotiations had resulted in success. But he attributed such success mainly to the personalities conducting the negotiations. In other words, if the "Giri approach" is to succeed, two things are essential, (1) a high state of organisation on both sides, and (2) the association of responsible and enlightened leaders with the conciliation proceedings. His considered view is that these prerequisites are not to be found in the present state of affairs in the country. With leaders of the trade unions and spokesmen of State Governments being what they are, there is nothing to suggest that any settlement arrived at, after days of negotiation, will be faithfully accepted and acted upon. He, therefore, desired that the new Labour Relations Bill, which was being moulded at present, should contain suitable and adequate safeguards for ensuing the success of the "Giri approach."

PROSPECTS FOR ALUMINIUM

What exactly are the prospects for aluminium in the country? This light white metal, which seems to be invading new fields almost every year, and the consumption of which is everywhere on the increase, was developed only recently in India, despite the fact that this country has been well endowed by nature in regard to the supply of the basic raw material for aluminium. The output of this metal is less than 4,000 tons per year. But there is scope for its extended use and, therefore, for an increase in its production. Some of these aspects of India's aluminium problem were discussed, ably indeed, by Mr. K. C. Mahindra, Chairman of the Indian Aluminium Co., Ltd., at the recent annual meeting of the Company.

Mr. Mahindra deplored that there should be a certain section of opinion in the country which believes that India cannot consume 20,000 tons of aluminium ingots by the year 1956. Discussing the prospects for the increase in the consumption of this metal, he pointed out that India was already following the practice of other countries by increasing the use of aluminium in its transport system. The cabs and platforms of locomotives now being built at Chittaranjan and "Telco" use aluminium alloys. Other articles or industries in which its use could be increased are: "all steel" coaches of the Perambur coaching factory, in which aluminium is used in doors, windows, frames and other fittings, aircraft industry, bodies of trucks and chassis, electrical industry, particularly in the wiring system, kitchenware, grain storage equipment and prefabricated housing structures.

There is no doubt that India cannot afford to lag behind other countries in the development of its aluminium industry, particularly when nature has been so generous in the provision of its chief raw material, namely, bauxite. But further use of aluminium will, on the one hand, depend on the progress of the transport, electrical and other industries which are now only relatively small consumers of aluminium and, on the other, on the price at which it is made available to its users. The latter consideration is likely to prove increasingly important in the next few years. And here, it is the duty of the Government, as it is the responsibility of the industry, to work for the removal of the two chief obstacles—how one wishes that Mr. Mahindra had thrown some light on these issues—which stand in the way of the lowering of the cost structure, namely, the relatively uneconomic size of the industry and the high cost of electric power consumed by it.

But these problems are part of the larger economic problem—the problem of finding the finance needed for the modernisation, re-equipment and expansion of industries. On some of these larger problems, Mr. Mahindra expressed himself with commendable clarity and forthrightness. He asked, in effect, why this country, which is so woefully short in capital, should be apprehensive of foreign investments, especially when it has a democratic right to determine the safeguards for the protection of its national interest. He pleaded particularly for the expansion of capital-goods producing industries. He urged the Government to facilitate, through tax relief and other means, the ploughing back of profits in industry for purposes of re-equipment of capital goods. But he did not overlook the vital consideration that capital in the ultimate analysis—he quoted, approvingly, Mr. G. D. Birla on the subject—is a synonym for "resources and hard work." The latter factor can never be too strongly emphasised in this country.

TECHNICAL AID UNDER COLOMBO PLAN

The report of the Colombo Plan Council for Technical Co-operation for 1952 makes encouraging reading. The report indicates an appreciable expansion in the flow of assistance to the countries of South-East Asia. The total number of technical experts whose services were made available to different countries during the year under review was double that provided in the previous year, the actual figure being 90, as against 45, bringing the total since the inception of the scheme in June, 1950, to 135. Of these, 67 were sent from the U.K., 40 from Australia, 17 from New Zealand, six from Canada and five from India. Most of the experts were engaged for specific projects where their duties included training of local personnel for implementing the schemes on which they were engaged. Similarly, the number of training places provided in 1952 rose by as much as 229 to 538, as compared with 1951; since June, 1950, a total of 847 places has been provided—286 by Australia, 279 by the U.K., 109 by New Zealand, 106 by Canada, 66 by India and one by Pakistan. The total cost of the whole scheme till the end of 1952 was £1.7 million. Up to the end of 1952, India received 33 experts and sent out 301 trainees, while, during the same period, it furnished five experts and provided places for 56 trainees.

The technical assistance that has so far been given by the Council relates to three aspects of development—the drawing up of plans, the execution of specific projects, and the training in their own countries of the numerous technicians of all kinds needed. The third aspect is claiming—this is only as it should be—increasing attention of late. As the report rightly points out, from a longer-term point of view, it is vitally important that the countries of the region should develop facilities for producing their own technicians of all grades, from the agricultural extension worker and the mechanic to the university professor and the soil scientist.

The year 1952 also witnessed notable progress in schemes relating to combined capital and technical assistance. Mention, for instance, may be made of: (1) the experimental livestock farm in the Thal area of Pakistan under assistance rendered jointly by the Governments of Australia, Canada and New Zealand; (2) a pilot project in mechanised fishing in Ceylon assisted by Canada; (3) Canadian assistance in the aerial and geological survey of Pakistan; and (4) help rendered by the U.K. and Australia to the Ceylon Government in the latter's campaign against tuberculosis.

The year under review witnessed, too, a steady increase in the demand for the provision of equipment for use by experts and for training and research institutions. For example, Pakistan has asked for equipment for technical high schools and Ceylon has applied for equipment for 100 workshops to be attached to the senior secondary schools. These requests are being met, albeit partly, by the Governments of the U.K. and Australia.

From the foregoing brief account, it will no doubt be evident that the Technical Co-operation Scheme of the Colombo Plan has been making satisfactory progress of which the Colombo Plan Council may justifiably feel proud. But considering the huge demand for technical assistance in the countries of South-East Asia, it must be said that what the Council has provided is only a very small part of the total need. Nevertheless, a brave start has been made in tackling this problem. And, as has been aptly remarked, if the tree of technical knowledge is well planted in Asia to-day, it will produce thousands of healthy seeds to-morrow. Surely, the Council has planted such a tree and the growth of it in future will, naturally enough, be watched with considerable interest.

WORLD BANK AND I. M. F.

The wide disparity in the distribution of the World Bank's loans between the West and the East is quite significant to escape notice. Of the total sum of $1,524 million distributed by the Bank in 1952, only $180 million or about a ninth of the total went to Asian and Middle-East countries having 50 per cent. of the world's population. This point was highlighted by India's representative on the U.N. Economic and Social Council at its latest session held on the 15th April. His emphasis that a balanced distribution of assistance to development schemes in both industrial and agricultural spheres should be ensured is quite appropriate and it is to be hoped that those in charge of dealing with loan applications to the Bank will bear in mind the need for eliminating the disparity in future.

There are, of course, good reasons for the relatively small loans sanctioned by the World Bank to backward countries. The Bank authorities are more familiar with the economic and social conditions in the Western countries than they are with those in the East. Highly organised industries, abundance of skilled labour, advanced stage of technological progress, availability of statistics and their ability to draw up large schemes of economic development place the Western countries in a decidedly advantageous position as compared with their confreres in the East. The paucity of appropriate projects of development in many Asiatic countries and their dependence for drawing up these schemes on the experts from the West cause delay in preparing and presenting schemes for assistance from the Bank. Nevertheless, some of the advanced countries amongst them, such as India, Pakistan, Burma and Ceylon have already such projects and plans which are awaiting the assistance the World Bank can easily render. This is, of course, not to belittle the good work that the Bank has done so far by providing technical and financial aid to these countries. With the studies of social and economic conditions instituted by the various U.N. organisations in the Asian countries, the Bank authorities are gaining familiarity with the problems of development in these countries and this should enable them to increase the pace of aid to these countries in future.

If much assistance from the two world institutions is not available, such is also due to the limitations imposed by the Articles of Agreement. These limitations are a severe handicap to the International Monetary Fund in particular. This is evident from the frantic efforts that are being made by the I.M.F. to widen the scope of its assistance to member-countries within the four corners of the Articles of Agreement. Thus, the I.M.F. is seeking to provide extensive use of its resources as a means of secondary reserves for its member-countries. The Fund has also revised its scale of charges so as to make the use of its resources for a short term less expensive. Standby arrangements have been made for assisting member-countries which run into temporary balance of payments difficulties. All these measures have been found quite inadequate. That the Fund's authorities are, however, anxious to enlarge the scope of assistance is evident from the invitation extended by Mr. Ivor Rooth, Chairman and Managing Director of the Fund, to all the members of the Fund to join in the task of improving its techniques. The opportunity provided by this invitation should not be missed by the member-countries.

(Concluded from third column)

be conceded that an industry can set apart only a limited and specified proportion of its earnings or assets for this purpose. If you take away this portion meant for research from the industry on the plea of doing it yourself, you cannot turn round and pillory it for neglecting it. If you misappropriate these amounts for purposes other than industrial or agricultural research as the case may be, you not only sacrifice your right to upbraid industry for neglect of research but make yourself liable for answering this very charge, apart from incurring the opprobrium involved in what undoubtedly amounts to a moral turpitude. But this is exactly what some of our State Governments are perpetrating without any qualm of conscience.

I have in mind the case of sugarcane cess collected exclusively from the sugar factories by several State Governments. A probe into how the huge income from this cess levied for financing research in sugar technology, sugarcane cultivation and agriculture in general, is being squandered or misappropriated, will undermine whatever enthusiasm an industrialist might have retained for undertaking research. Income from this source in 1952-53 amounted to a little over six crores of rupees. So far about fifty crores of rupees have been collected from the industry during the fifteen years since it was first imposed in U.P. and later adopted by other States. If even a fraction of this money had been spent wisely and conscientiously on research, the country would have been flooded with sugar at a price within the means even of the poorest. When Ministers of these very Governments turn round and take the sugar industry to task for neglecting research, I feel towards them as I do towards a man I know, who helps himself to his baby's milk and then, when the baby cries because of hunger, he takes his wife to task for not keeping the brat quiet.

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OFF THE RECORD

(By "ROVER")

IT is not as if I am unaware of the many defects of industry and industrialists in this country. If anything, I am myself inclined to be a little too engrossed with and too sensitive to these. They are there and, even if you were afflicted with a somewhat defective vision, you could not help noticing them. I grant that they are a little too much in a hurry to get rich quick to have the patience to lay a sound foundation and to build up their concerns on the lines of quality and consumer service. I concede that self-interest rules high with them in the final reckoning and further that even this self-interest is not of the enlightened variety but in a majority of cases of the vulgar bazaar type. I am even prepared to yield that, barring a few honourable exceptions, the fierce glare of high profits is likely to dazzle most of them to the extent of rendering them blind not only to the dim and flickering light of business ethics but even to their own safety.

But doing all this, I refuse to join in the general chorus of condemnation or to adopt the newest fashion of investing them with every imaginable form of wickedness and stupidity. This has now come almost to a stage when one would be justified in exclaiming, "Give a dog a bad name and you might as well hang him." Sometimes hanging a fellow-being is a cleaner and more humane process of dealing out popular justice than throwing stones at him at random. Apart from the centuries-old wise adage warning residents in glass houses against throwing stones at their neighbours' windows, one must not lose one's sense of proportion or fairplay in upbraiding others for their shortcomings. Mobs or even the common run of long-suffering citizens can claim unwritten privilege for ignoring such niceties and dictates of justice, but the Press which claims to be better informed and should, therefore, possess greater enlightenment, as well as the responsible and non-demogogic section of the politicians, would be wrong in using any stick that happens to be handy, to chastise this class, merely because it has earned a bad name.

I noticed this particularly during the last week-end, when even newspapers and journals of standing, with a reputation for balance and judgment, tried to decry industry, in general, and the textile industry, in particular, for not being research-minded. Our politicians have, of course, been saying this for years, more to win popular applause than to correct any shortcomings on the part of the business community. In fact, one is almost left with the impression that politicians rejoice at heart that the business community is full of so many imperfections. If it were not, then spotless white *khadar* dress and self-righteousness would not look so immaculate. Even our Prime Minister, who, though impulsive and outspoken, is, as a rule, fair-minded to all sections of the community, has at times in his enthusiasm for this pet subject of his, rated business men for neglecting scientific research in the past.

It is far from my mind to underrate the importance of research for the development of our industries. Equally, it is not at all my intention to uphold Big Business for its apathy towards research. Nor do I want to exonerate the cotton millowners in the country or in Western India, where the textile industry is concentrated from the charge of not having done anything substantial to endow and organise research in the problems of their industry, though I would like to give them due credit for their recent awakening after a somnolence lasting for a century. All I want to say is that there is another aspect of this problem, too, which we, in our newly awakened but still vague interest in industrial research, are apt to ignore, while sitting in judgment over business men on this question.

I maintain that we cannot carry on industrial research either in vacuum or in darkness. This research has to be related to certain definite problems which any given industry has to face at the moment. Industrial research, to be of any service, has to be objective and co-related to conditions of production. These conditions have also to be such as would create a certain degree of confidence as to their continuance for some length of time. If official policies with regard to industry in general, or with regard to any specific industry, are fluid, vague and liable to change from time to time—either in relation to the disposal of products or the nature of the products themselves, the target for production and other relevant factors, which go to determine the running of an industry—there will be little point and less profit in spending large sums of money on research or on finding out solutions of problems, which might change overnight or might cease to be problems as a result of some executive action.

Even in the limited field of cotton textiles, an ignorant and often unthinking bureaucracy has changed its policy with regard to exports of piecegoods during the last six years to such an extent that it would take a volume to write the history of our cloth export policy and to record all the changes that have taken place. What would be the value of research to an industry which has not known what to produce, how much to produce, whether to produce for internal consumption or for export, and if for export to what destination? During this long period, the textile industry has been one of the biggest victims of official and political vagaries and bureaucratic interference. After all, research can aid only planned production and any planning in cloth or yarn production was rendered impossible during this period of rapid changes and successive blunders. The position is in no way better to-day. An industry, which can be asked one fine morning not to produce *saris*, with certain types of borders or which can be coerced into abandoning 40 per cent. of its production of *dhotis* during one week-end, without any prior consultation or notice, when it had been asked only a short while ago to concentrate on this particular line and to reserve a specified percentage of its loomage for this purpose, cannot be blamed for not undertaking scientific research.

Handloom itself was a fruit of earlier and unorganised research. It was an improvement, as a result of such research, on earlier and cruder methods of cloth production. Further research in this direction has brought us to the present stage of cloth production by mills. There cannot be any artificial limits imposed on the growth of human knowledge and it is not difficult to imagine that fresh research might even render the most up-to-date weaving and spinning mills of to-day and the present processes obsolete. Unless we are prepared to follow where advance in knowledge takes us and make necessary adjustments and the requisite sacrifice involved and inherent in such advance, it would be irrational to insist upon any industry undertaking research merely for the satisfaction of knowing that things could be made cheaper or at less cost. For a country and a Government which has not yet made up its mind whether it wants to be atrophied at the stage of handloom or at that of mill production or which has not yet succeeded in establishing a close co-relation and demarcation of boundaries between these two wings, a good deal of research undertaken by the mill industry would only mean a waste of money.

Successful research always tends to eliminate waste or duplication in materials, machinery, man-power and time. Invention of improved machinery or creation of better processes is bound to result, at least temporarily, in reducing the number of workers required for a given amount of production. Machinery means replacement of and saving in human labour and improved machinery means a greater degree of this replacement. From the attitude that organised textile labour has taken up with regard to rationalisation or replacement of the present machinery with more up-to-date and labour-saving machinery and from the open or half-concealed or indifferently concealed support of the authorities for this attitude for purely political reasons, would anyone in his senses want to risk large sums of money on research leading to more rational methods or processes?

I shall not probe deeper into this aspect of the textile industry, which, in the absence of an accepted policy, renders all talk of research into just so much moonshine, because this industry itself is a sore point with not only many of our slogan-loving public men but because of its past behaviour even to large sections of the public itself. I shall try to apply my mind instead to another consideration, which must govern any industry's willingness and capacity to spend a part of its profits in undertaking or encouraging scientific research in its own problems. It must

(Continued in first column)

BRISK LEGISLATIVE BUSINESS IN PARLIAMENT

CONSTRUCTIVE APPROACH TO PROBLEMS

(From A Special Correspondent)

NEW DELHI, *28th April*

DELHI LETTER

DESPITE scorching summer and intermittent heat waves, not to speak of occasional dust-storms, the turnover in Parliament was unusually brisk this week. The level of debates was particularly high. The speeches of most Parliament members were noted alike for their clarity and substance. Even Communist members were constructive in their criticisms. Three important Bills, keenly debated, were the Air Corporations Bill, the Industries (Development and Regulation) Amendment Bills and the Income-tax Amending Bill. The first two Bills were again referred to the Select Committee, while the third was passed rather speedily to the surprise of the Treasury Benches. There was genuine dissatisfaction regarding the proposed compensation to many air companies, in which many shareholders had lost heavily. Among the Government spokesmen, both Messrs. Krishnamachari and C. D. Deshmukh made admirable speeches, both at the time of introducing their respective Bills and while replying to the debates at the end. Among opposition members, Dr. Shyma Prasad Mookerjee, Mr. Tulsidas Kilachand and Mr. Hiren Mukerjee, Communist leader, offered vigorous and constructive criticisms on many controversial points which were very much appreciated. It was Dr. Shyma Prasad who suggested that the Government should set up an organisation which would be capable of managing any industrial unit taken over by it. The Communist leader Mr. Mukherjee, advocated the extension of State trading and larger participation of the State in industrial policy, especially when the behaviour of the private sector of industry had not been commendable. Mr. Tulsidas, the Bombay industrialist, refuted some of the statements of the Communist leader and pointed out that for the success of industrial undertakings, both finance and co-operation from labour were indispensable and that instances of mismanagement of industries were few and far between. In regard to the Income-tax Amending Bill, the criticisms of the Opposition spokesmen centred round a few problems such as the prevention of tax evasion, the association of Apellate Assistant Commissioners with judicial functions, easy payment facilities, etc.

Tantalum for Private Enterprise

The clarification, once more, of the Government of India's industrial policy in Parliament was the keynote of Mr. Krishnamachari's speech during the debate on the Industries (Development and Regulation) Bill. The Minister characterised the Bill in his own inimitable way when he described it as a "tantalum for private enterprise." The main motive of the Bill was to rectify some of the defects in industrial management which had become pronounced during the last decade when the control of some companies had gone into undesirable hands. As matters stood, the Government could not take over the management of any industrial undertaking, even in a situation calling for emergent action, without first issuing directions to it and waiting to see whether or not they were obeyed. According to the Minister, the Government's role under the new dispensation was to be that of a trustee when it took direct management or control of industrial undertakings. In other words, it is "analogous to what is called a court of wards in the States, when they have to deal with landed estates either during the time of the minority or imbecility of the owner." In such instances, Government, it may be noted, took them over and managed the estates and ultimately handed them over to the rightful owners. Mr. Krishnamachari further remarked that the Government's aim was "to keep the wheels of industry moving" and to put an end to the misbehaviour of some unscrupulous financiers masquerading in the garb of industrialists. Government's intention was to work this measure not from a punitive aspect but largely from the development angle. The Minister fully concurred with the view, expressed by Dr. Mookherjee, that a sort of Government corporation was necessary for managing industrial concerns dealt with under the provisions of the Bill. Perhaps, it may take some time for the Minister to develop this idea in concrete terms. Incidentally, he indicated the policy of the Government in regard to Development Councils. He stated that the Government would be going through this matter very carefully and watching for some time the results of working of the two Councils, namely, diesel engines and fertilisers, before it proceeded further in regard to the constitution of other Development Councils.

Wheat Agreement

There was a certain amount of unreality in the debate concerning India's participation in the International Wheat Council which was recently renewed for another three years. Mr. Kidwai, Food Minister, appeared to be somewhat defensive on the whole to the criticism of the opposition members when they drew the attention of the Government to the fact that the latter need not have displayed such haste in signing the Agreement since both the stock position and the outturn of crop were satisfactory in the country at present. The observations made by the Opposition were theoretical, to say the least. Although India has committed itself to buy 1.5 million metric tons of wheat as per the Agreement during the next three years, it has the option to refrain itself from doing so at the maximum rate of 205 cents per bushel. Only when the price declines to the minimum level of 155 cents per bushel, it has to honour the Agreement. During the last few years, it will be remembered, India has been getting about three lakh tons or slightly more from Argentina under a barter deal in exchange for hessians. In case India's food position maintains the improvement, she could reduce the quantum from the international pool substantially if prices were to stand near about the maximum level. India's participation as a signatory must be viewed from a protective angle; it is a sort of insurance against crop failures and recurrence of famine conditions, when India will be able to secure an assured quantity at a certain price. Mr. Kidwai briefly pointed out that, under the present international set-up, the U.S.A. had a considerable pull in influencing the price levels of important agricultural commodities through its domestic price support programme. Since this policy was to continue for yet another two years, there was no likelihood, according to him, for any drastic reduction in the prices of foodgrains. It may be noted that, while many sensitive world commodities such as non-ferrous metals, rubber, some industrial fibres, etc., have recorded an impressive decline since the beginning of April, resulting in a moderate recession of index number in the U.K., their counterpart in the U.S. has been able successfully to display considerable resistance. For instance, while the *Financial Times* index (July, 1952-100) has now receded below 88 as compared with 93 in mid-February, the Dow Jones spot index in the U.S.A. has been very steady around 169. The steadiness of the latter is attributable to the price support programme in the U.S. which is also a contributory cause to the aggravation of the dollar scarcity problem of the world.

Mr. H. V. R. Iyengar, Secretary, Ministry of Commerce and Industry, Government of India, is leading a trade delegation to Egypt early in May, it was officially disclosed here. The new treaty that is proposed to be negotiated with Egypt will be the fourth with that country since India attained independence. The delegation is likely to seek increased imports of Egyptian raw cotton and exports of Indian jute, tea, tobacco and spices. The previous trade agreement with Egypt, it may be noted, expired on 31st March, 1953.

INDUSTRIAL FINANCE CORPORATION OF INDIA

KEELING ROAD, NEW DELHI

NOTIFICATION

IT IS HEREBY NOTIFIED THAT THE SHARE Register of the Corporation will be closed and the registration of transfers suspended from 16th June, 1953, to 30th June, 1953 (both days inclusive).

V. R. SONALKER,
Managing Director.

21st *April*, 1953.

BRITISH TENDER REJECTED BY U.S.

FIXING DOLLAR PRICE FOR WHEAT

(From Our Own Correspondent)

LONDON, *25th April*

AT no time in recent years has the American Administration been under greater criticism in the City than at present as a result of quite an accumulation of circumstances. It is now old history since the British Chancellor, Mr. Butler, coined the slogan "Trade not Aid," and there is a silly story from Washington that Senator Taft when asked whether he agreed with it said that he agreed with the second half. Apparently the isolationist wing of the Republican Party is convinced that, now that Britain's gold and dollar balances are steadily creeping up and that there is £100 million a year in dollars coming in as America's defence contribution to swell the Chancellor's coffers, there is really no need for the United States to make any further contribution towards increasing the dollar income of the Western world.

LONDON LETTER

The principal cause of the present irritation here is, of course, the famous case of the English Electric Company's tender for the Chief Joseph Dam Project in Washington which, being well within the Administration's power to accept, as it was substantially below the lowest American tender, has been reopened on what amounts to a legal quibble. The English Electric Company will bid again but in the circumstances it will be much more difficult for it either to put in the lowest bid or to be sufficiently below the U.S. bill to oblige the American Administration to accept it. It is extraordinary that after all that has been said, on the other side of the Atlantic as much as here, on the need to develop trade between the dollar and non-dollar areas, protectionism of this order should still make it impossible for British exports to the States to increase.

Insistence on Maximum Price

The other recent incident has, of course, been the American Administration's insistence on a maximum dollar price of wheat of $2.05 per bushel. Although 100 per cent. of the exporting countries agreed that this should be the ceiling, it was only because the United States as the dominant supplier would not budge. Admittedly, the United States was thinking of avoiding heavy subsidy payments to its own domestic producers, but the result is seen as an attempt to hold the non-dollar world to ransom on dollar wheat. Less than 70 per cent. of the importing countries are likely to ratify the Agreement, but under the new procedure a 50 per cent. ratification will be enough and this is assured. This country's non-appearance will, of course, greatly weaken the effectiveness of the $2.05 ceiling. But coming at a time when the British Government is turning the import trade over to private shippers it will need a great deal of restraint in this country to avoid making purchases in Canada at the top figure.

When British Ministers were in Washington recently, they were as good as told that Britain's dollar problems were ended, but Mr. Butler pointed out that this was the very narrowest of thinking since dollar imports into the United Kingdom are severely restricted. British exports to North America have shown a rise over the past months but imports appear to be outrunning them, and although specific dollar expenditure such as the Cuban sugar purchase is possible as a spot transaction under temporarily favourable conditions, the British balance of payments with the dollar area needs to be far more active before it can be said that trade between the two countries is reverting to "normal" in terms of pre-war freedom. Although the atmosphere here at present is one of cynicism about the Administration's intentions, it may be that the pretty plain speaking that is going on between both business and Government circles in London and Washington will have some effect in turning American policy back to more liberal ways.—*All Rights Reserved.*

Statistics prepared by the Board of Trade show that production of paper of all types in the U.K. during 1952 was at a weekly average rate of 32,539 tons, as compared with 38,005 tons in the previous year. For the year as a whole, production was down by 15 per cent. Production of newsprint rose by 2 per cent., while that of board by 13 per cent.

AMERICAN LETTER

UNCERTAIN FEELING ABOUT ECONOMIC CONDITIONS IN U.S.

GOVERNMENT'S POLICY BEING MISUNDERSTOOD

(From Our Own Correspondent)

NEW YORK, *23rd April*

A NUMBER of question marks are arising on the American scene. The biggest one concerns the future of business in the light of the Soviet peace offensive and the psychological reaction to it. Another is the relative unfamiliarity of the Eisenhower Administration with the burning questions of the day. The two are rather involved stories. On point number one, the impact is strictly psychological. While succeeding Democratic Administrations at Washington were openly regarded as inflationist, the new Republican regime is popularly considered deflationist. This, of course, is completely wrong since I have yet to talk to any Cabinet officer who even in private talks would say he favours a little recession. Nobody does. Yet, the impression remains, and it is pretty difficult to eradicate, particularly for those who remember that the last Republican Administration was defeated in a maze of unemployment and closed banks. It must be clearly admitted that such a mass psychology has within itself the germs of grave dangers. Uncertainty alone can make people hoard their money, instead of spending it, which is injurious to the American mass production economy.

Superimposed on all this is the peace offensive and the apparent olive branches offered by the new dictators at the Kremlin. The American economy has been sustained by emergency Government spending since 1933 and, thus, the idea has taken hold that, without this support, activity will decline fractionally or more. There is no concrete evidence to support such views, but they prevail just the same.

As I have said in previous despatches, the prophets of gloom are found mostly among the academicians and the slide-rule theorists who can prove by statistics that, unless there is a General Motors strike lasting several months, there will be an overproduction of automobiles, unless people abandon their caution and begin to spend more rather than save. But this assumption alone contains three equations, not one. Moreover, theorists do not determine mass attitudes.

So far as the peace moves are concerned, it is being hammered into American consciousness by editors, reporters and radio commentators that proof has yet to be forthcoming that the overtures made so far are genuine. As a very practical matter, too, the Government spending for defence is scheduled for so long in advance that no abrupt halt or slow-down could be expected, even if real peace were around the corner.

Meaning of Higher Interest Rates

There is acute awareness of all these problems in present Administration quarters and I know this from personal knowledge. How far this is going to be translated into a campaign of public education remains to be seen. The Eisenhower Administration is already under attack for having issued a 3¼ per cent. 30-year bond and for having abandoned the easy money policy.

The reasoning behind this decision simply is to get more of the public debt out of the inflationary area of bank-held short-term securities into the hands of real long-term investors. While it has a slightly deflationary effect, temporarily, the intention is an honest and good one. But this could be misread by the public who is not used to such manœuvres and has to be educated to the philosophy that the integrity of the dollar will be preserved.

In a broader perspective, highly placed spokesmen of the new Republican Administration have assured me that they are trying to avoid mistakes, that they will avoid making major decisions before being perfectly certain of their facts. The same has been told to visiting European diplomats. As a practical matter, it means that nothing will be done before the first of next year. It will take that long to complete "exhaustive staff studies."

General Eisenhower, as a former Army Commander, is thoroughly geared to working through a staff, in this instance the Cabinet and their advisors. Apparently, he will not be rushed into any decision without previous study, unless immediate steps have to be taken for emergency purposes.

Another characteristic of the current thinking in the executive branch of the Government is extreme sensitivity to the possible charge that an ex-military man is likely to have the desire to dominate both the legislative and judiciary branches of the U.S. Government. Consequently, General Eisenhower leans over backward to avoid any such impression. However, the net result of all this is that he wants to work *with* Congress and not against it. If there is a cleavage of opinion on a course to be pursued, he is inclined to persuade the legislators rather than to pound the desk or stamp his feet. It is an ideal target, but it would seem extremely difficult of accomplishment.

Major Decisions Postponed

Meanwhile, all major decisions are being postponed, such as the controversial reciprocal trade legislation, an overhaul of the Federal tax structure and the foreign aid programmes. Any impartial observer must admit that all this adds up to a psychological let-down.

People expected action, but they did not get it. They expected an outline of leadership which would, at least, point to a solution of pending problems, but they do not understand the very understandable caution of the new Administration to make their position known. This creates uncertainty which is not salutary to business. As pointed out above, it might easily lead to mass psychological complications which are undesirable. This is not to say that it will happen, but it might.

If any recession should occur, it is difficult to see how such a movement could be sustained. Savings and capital continue to accumulate at an unprecedented rate and the statutory accumulation of some $2,500 million in pension and retirement funds, plus insurance premia, almost guarantee that nothing serious can happen to share prices. However, rising money rates and the decision of the U.S. Treasury to issue a 3¼ per cent. 30-year bond have played havoc in the bond markets were outstanding obligations have adjusted themselves by downward price movements to the new scale.

This has also led to an increase in call money rates and prime lending quotes are expected to go up shortly out of sympathy. All this is somewhat deflationary, of course, but it is meant as a brake on inflation rather than as a retarding influence. Fiscal managers here are fully cognisant that it is more difficult to stop a recession than inflation and, with full co-operation of the Treasury, they aim at stability. The present state of the American economy is called as being in "a precarious balance" and the target is to preserve this balance without any too violent ups and downs even in the event of peace. Whether this can be achieved remains to be seen.—*All Rights Reserved.*

PAKISTAN NOTES

COTTON YARN CONTROL

AGRICULTURE IN THAL AREA MAKES HEADWAY

THE Government of Pakistan has promulgated the Cotton Textiles (Yarn Control) Order, 1953. Under the Order, which came into effect on 21st April, 1953, the production, import, distribution movement, and prices of all cotton yarn, excluding hand-spun yarn, have all been brought under control. The chief consideration that has weighed with the Government in deciding to control cotton yarn is the need to ensure "equitable" supplies of cotton yarn to handloom and powerloom weavers, hosiery factories, and other consumers at "reasonable" prices.

As a preliminary to fixing of prices and regulating distribution, the Textile Commissioner has frozen all stocks of yarn and also asked importers, manufacturers, dealers and all other persons (including banks) who hold one bale or more of yarn to declare their stocks in the prescribed form. Contravention of these rules is punishable under the Essential Supplies (Temporary Powers) Act, 1946.

With a view to augmenting agricultural production in the country, the Pakistan Agricultural Development Finance Corporation has decided to encourage *zamindars*, by providing financial assistance, to set up tractor farms on a co-operative basis. Two conditions, however, have been laid down for granting such assistance. First, the *zamindars* sponsoring the farms should produce adequate security for the Corporation's investments and running expenses. Secondly, the farms should be corporate bodies, possessing their own tractors, spare parts, workshops and engineers, which must hire out the tractors for cultivation of private lands of *zamindars* and tenants.

Wheat Purchase in Punjab

A monopoly procurement scheme for the purchase of wheat during the current crop year has been enforced by the Punjab Government with effect from 15th April, 1953. Under the scheme, the Government has assumed monopoly powers over purchase of all wheat coming to the *mandis* for sale through authorised *pucca arthis* who will be paid a commission of an anna per maund, besides incidental charges according to prescribed scale. The producers will be paid the price on the spot by the *pucca arthis*. The price of fair average quality wheat is fixed at Rs. 12 per maund.

The Government has also prohibited movement of wheat or wheat products by mechanised transport, such as rail, trucks, motor cars, aircraft and river-craft. There is, however, no restriction on transport of wheat (or wheat products) from one place to another within the Province by head-loads, carts or pack-animals. Export of all foodgrains, including pulses from the Province, has also been banned. Again, no one is allowed to deal in foodgrains without a licence.

Agriculture in the Thal Development Area has made appreciable headway in recent months. An indication of this is provided in the marked increase of 90,000 acres in the area brought under food production during the current *rabi* crop year. The yield of wheat in the area is about 12 to 15 maunds per acre, which is said to compare very favourably with the yield in the adjoining areas.

The Thal Development Authority has decided to raise further the total areas under cultivation by 150,000 acres to 450,000 acres. It is actively considering arrangements for the storage of flood water from the river Indus. The proposed arrangements are designed not only to help irrigate the areas throughout the year but also to prevent damage to food crops during flood periods. An agreement has already been reached between the Sind Government and the Authority, under which the latter has agreed to utilise only 6,000 cusecs of water from the Indus per annum. As the water supply from the river Indus is thus not sufficient, the Authority is considering proposals to irrigate 3.5 million acres of land through tube-well scheme and 1.5 million acres through canal scheme.

The representatives of the Governments of India and Pakistan and also of East Bengal, West Bengal and Assam are expected to meet shortly to work out an agreement on border trade among these States. The proposed conference is a sequel to the Indo-Pakistan Trade Conference held in New Delhi in March last, which agreed on certain principles for regulating border

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trade. The Conference will decide whether the agreement on border trade should be a long-term or a short-term one. The border trade between East Bengal and West Bengal, Assam, and Tripura States normally covers a wide variety of food items and articles of daily use.

Several recommendations relating to the development of sugar industry in East Bengal were made by the East Pakistan Sugar Advisory Board at its meeting held at Dacca recently. The recommendations cover improvement of sugarcane cultivation, better transport facilities, training of Pakistani personnel in engineering and manufacturing sections of sugar mills, and development of industries based on sugar and its by-products. In view of the special importance of sugarcane cultivation, the Board has suggested the constitution, on the model of the Central Jute Committee, of an autonomous body charged with the responsibility for research and development work on sugarcane.

There are at present four sugar factories in East Bengal, with an aggregate daily cane-crushing capacity of 2,800 tons.

ACHIEVING OBJECTIVES OF BRETTON WOODS SYSTEM

SOME CHANGES TO AVOID FAILURE SUGGESTED

THE Bretton Woods system, as it was conceived seven years ago, had and is still having, as its main objective the achievement of multilateral non-discriminatory trade and convertibility of currencies. This objective is clearly embodied, along with others, in the Articles of Agreement of the International Monetary Fund. Many an economist, who has judged how far this objective has been achieved by the Bretton Woods system, in the light of analysis of past experience, is known to have come to the conclusion, generally, that up to now the Bretton Woods programme has been a dismal failure. The reasons for this conclusion are not far to seek. Thus, the quantitative trade restrictions, which were in existence when the system was instituted, have not been reduced much. Convertibility of currencies has not been restored. Exchange controls are still being continued and, what is more, in every other year, there has been a new balance of payments crisis, and, where there have been moderate successes, in freeing trade and making currencies partially convertible or transferable, such have been on a regional, that is, on a discriminatory basis, as within the European Payments Union and the sterling bloc. These failures are generally attributed to the persistence of the dollar shortage which has come to be regarded as an incurable disease.

While thus there has been a strong body of opinion, both in the U.S. and in Europe, which still holds that the Bretton Woods programme has so far been a dismal failure, as stated at the outset, it is refreshing to hear that Prof. G. Haberler, of the world-renowned Harvard University, thinks that all this pessimism and defeatism are "entirely unwarranted, superficial and devoid of historical sense and perspective." The Professor considers that the situation is not as bleak as it is made out to be and that the possibility of moving towards convertibility exists, if it is really wanted.

It will be interesting to note the grounds on which Prof. Haberler bases his conclusions. He has stated his views in the course of an article to *Wirtschaftsdienst*, a monthly review published from Hamburg. At the outset, he focusses attention on certain post-war developments which prove that, despite the recurrent dollar crisis and the persistent U.S. surplus, the situation has greatly improved and that the objective conditions—at least as distinguished from political and psychological prerequisites—for a restoration of convertibility are now more favourable than they ever have been since the end of the last war. First, the overall production and the volume and value of trade have everywhere grown fast and almost uninterruptedly. Secondly, the value and volume of exports of many key countries—U.K., Germany, and Netherlands, for example—have risen very promisingly. Thirdly, U.S. imports have grown fairly continuously not only in value but also in volume, and recurrent spurts in the U.S. export surplus are mainly due to jumps in exports rather than to drops in imports. This is considered by Prof. Haberler as a significant fact, in that it strongly suggests that the periodic recrudescence of the dollar scarcity is due to periodic changes in foreign demand rather than to fluctuations in the U.S. demand. The changes in foreign demand are again caused by spending sprees, delayed adaptation to unfavourable changes, relaxation in credit and import controls and the like. Fourthly, there is the rediscovery of money and of monetary policy adopted by many countries. Lastly, in most cases, where there was a deterioration in the balance of payments situation, it can be traced to inflationary excess. "The upshot of all this is," says Prof. Haberler, "that conditions have become much more favourable for making progress in the direction of convertibility and multilateral trade than they were for a long time."

Plea for Free Exchange Rates

The Professor then proceeds to answer the poser: how should we go about to achieve the goal of convertibility? In answering this question, he says: "I have nothing new to offer, and I am convinced that there are no magic formulæ, no clever gadgets, which would carry us easily and painlessly to convertibility." His basic prescription to achieve the goal, however, is this: "Let exchange rates find their equilibrium level, avoid inflation, and apply disinflationary policies. I am convinced that, if exchange rates were set free and countries pursued, what Meade calls 'policies of internal balance' that is, keep internal money-wage level approximately stable, the balances of payments would quickly equilibrate themselves without sharp shifts in the terms of trade." On the face of it, the remedy suggested by Prof. Haberler is an extremely radical solution. However, he is conscious of its revolutionary nature as he himself calls it "a dash towards convertibility" and is aware that it has no chance of adoption. He, therefore, tries to find a more gradual approach to achieve the aim. He favours beginning with decreasing real expenditure, by which he means less domestic consumption, caused by a rise in exports and/or fall in imports, by a country which seeks to improve its balance of payments position. His observations, in this connection, are worth quoting here, if only to make his argument clear. He says: "In the absence of widespread unemployment, any improvement in the balance of payments, however brought about, implies a decrease in real expenditure, consumption and investment, because, if exports rise and/or imports fall, less is available for domestic use. This unavoidable decrease in real expenditure, I call the primary burden of equilibrating the balance of payments. This primary burden can be either magnified by a secondary burden or reduced by a secondary benefit. We have a secondary burden if, as a consequence of the method used for the elimination of the deficit, e.g., as a result of devaluation, the terms of trade deteriorate. If the terms of trade improve we have a 'secondary benefit.'"

He opines that the primary burden is tolerable for all countries and that there is no danger that it would be so greatly magnified as to make it intolerably large, if non-discriminatory methods are used to fill the dollar gap.

Changes in I.M.F. Articles Needed

Stating the general position thus, Prof. Haberler then proceeds to discuss a few specific points and some changes in policies and procedures which he thinks are essential for the attainment of the basic objectives of the I.M.F. He points out that some of these changes could be effected within the framework of the Articles of Agreement, others may require renegotiation of the Fund Agreements. In the light of the experience gained since the inception of the Fund as an operating agency, he says that the experts who assembled at Bretton Woods paid much too little attention to the problem of inflation, as they were pre-occupied with fighting the last crisis, with deflation rather than inflation, with competitive depreciation rather than with overvaluation and reluctance to adjust the exchange rates. He, therefore, advocates that the Fund will have to concern itself more intensely with the internal economic and financial policies of various countries than was contemplated by the authors of the Articles of Agreement.

The Professor then proceeds to refer to another equally serious defect in the present system. That is the rigid attitude to exchange rates. Unfortunately this is, he observes, a defect which it seems to be very difficult to remedy without a revision of the Agreement. The law ought to make it permissible, he asserts, for a country to adopt a system of freely fluctuating exchanges without being cut off from support from the Fund, and the Fund ought to be able to make not only a once-for-all adjustment in the exchange rate, but also the introduction of freely fluctuating rates, at least for a while, a condition of financial assistance. He adds that the policy of accepting unrealistic par values should be changed.

If once the changing exchange rates are permitted, Prof. Haberler observes that—as a means of initiating adjustment of exchange rates—foreign exchange retention schemes, broken cross rates and similar devices have a certain value. True these practices are a nuisance, but, if they are gradually generalised and thus become a wedge driven into the tight rate structure, loosening it up and preparing the way for a general adjustment of currency values as well as serving as a barometer for the true value of a currency, they have, he says, a very useful function to perform.

In both respects, namely, in exerting influence on members to control inflation, as well as in suggesting necessary changes in currency values, the Fund would be, according to the Professor, in a stronger position, if it were to use its resources more freely as an inducement. Moreover, the help of the Bank should be enlisted, loans by the Bank should be made conditional upon certain minimum requirements with respect to controlling inflation and establishing realistic exchange rates.

Triangular Trade

In order to illustrate what might be achieved by concentrating efforts at a strategic point, Prof. Haberler calls attention to the fact that inflationary pressure, coupled with rigid exchange rates not only ruins the balance of payments of the country concerned but also prevents triangular trade settlement and thus causes difficulties for other countries. In this connection, he thinks that the dollar shortage can be overcome at least partially if not completely by means of triangular trade among the U.S., Europe and the Latin American countries. "It would seem to be natural," he says, "for Europe to eliminate her present deficit with the U.S., at least partially, in a triangular fashion, namely, by developing a surplus with Latin America and other raw material exporting countries which, in turn, would have a surplus with the U.S. There can be no question of elastic demand, and all the real and alleged difficulties of penetrating the U.S. market do not exist in that case. Europe must be able to replace many U.S. exports to Latin America—it is only a question of price. He thinks that there is no danger of the U.S. insisting on bilateral balancing of its trade. But what prevents this triangular adjustment is either too high European prices or too slow delivery of goods, or inflation and overvalued currencies in the Latin American and other raw material exporting countries. If these countries suffer from overall deficit in the balance of payments position on account of rigid exchange rates and inflation, they cannot be expected to play the game of triangular trade.

A triangular adjustment would be in the interest of all concerned. It would be easier and cheaper for Europe to get into dollar balance; Latin America would get her imports at more favourable terms and the U.S. could cut down on European aid and enable the American taxpayer (by means of tax reductions) to buy for as many dollars more as exports to Latin America have fallen. The U.S. imports from Latin America, etc., as well as untied dollar loans to those countries, would greatly facilitate the adjustment and increase the scope for triangular trade. Prof. Haberler feels that, if one or two Latin American countries are persuaded to permit triangular trade, others might be encouraged to follow the example.

Regionalism in International Payments

Prof. Haberler next considers the problem of regionalism in the field of international payments, as represented by the E.P.U. and the sterling area. He raises several objections against regional payments unions. These are:

(1) the regional payments unions do not solve the problem of multilateral trade; taken separately, the sterling area is better than the E.P.U.;

(2) if some members of such unions lack discipline others are also adversely affected;

(3) the functioning of any such unions is always threatened by the emergence of large debtor and creditor positions; thus, if the whole group is in balance with the rest of the world, there will always be some members who have deficits with the outside world offset by surpluses with the rest of the Union, and others who have surpluses with the world offset by deficits with the Union. Disequilibrium is likely to arise on account of any indiscipline among them or differences in the degree of controls, etc.;

(4) even if the unions succeed in overcoming these difficulties by keeping sufficient discipline and operate with tolerable technical efficiency, there remain all the objections to discriminatory treatment of outsiders. And discrimination constitutes an infringement upon the optimum conditions of international division of labour and, therefore, curtails elimination of world income, as compared with a non-discriminatory free trade position. Prof. Haberler confidently asserts that the dollar gap can be eliminated without the use of discriminatory methods.

Strong Currency Approach

After examining the operation of the E.P.U. in detail, Prof. Haberler says that the E.P.U. highlights what he stated at the outset. Elaborating the point, he says: "If the Fund is to fulfil its function, it must adopt a tougher attitude with respect to internal and fiscal policies of its members. Since it is not in a position to do that on a global scale, since it has no stick and no sufficiently attractive carrot to coerce or induce recalcitrant members to adopt reasonable policies of internal and external equilibrium, it should not waste its resources on hopeless cases, but should concentrate its efforts and energies on those countries which are near convertibility and which have shown that they are willing and able to keep their finances in order and avoid inflation. This policy may be called the strong currency approach, because efforts are concentrated on relatively strong (hard) currencies which are near convertibility." He feels that the approach will be promising if a sizable group of countries participates. He suggests that the sterling area, Germany, Holland, Belgium, Denmark, Japan, together with countries already possessing convertible currencies—the U.S., Canada, Mexico, etc.—should form a strong currency bloc in the first instance, to be joined by France and others later on.

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The approach of Prof. Haberler to the problem of convertibility as summed up in the foregoing paragraphs, seems to be a realistic one, and there is no reason why it should not be seriously examined by the forthcoming Commonwealth Economic Conference and by the authorities of the I.M.F. and the World Bank. An important point which, however, needs to be carefully considered in this connection is to what extent the policy advocated by the Professor will suit the convenience of underdeveloped countries like India which are eager to raise their economic wealth within a very short period of a few years.

ANDHRA BANK LTD.

Slackness in the demand for bank finance, following the recession in commodity markets, adversely affected the working of the Andhra Bank Ltd. (General Manager: Mr. E. Ramachendramurti) during the year ended 31st December, 1952. This is fully reflected in the marked contraction in advances and bills from Rs. 321.32 lakhs at the close of 1951 to Rs. 240.69 lakhs as at the end of 1952. Despite such contraction, the gross income of the Bank was more or less maintained at the same level as in the previous year, thanks to an increase in interest earned. But this advantage was more than offset by a rise in administrative expenses, with the result that the net profit shows a fall of Rs. 78,042 to Rs. 3.68 lakhs. There is nothing unusual about this fall; as readers are aware, many a bank in this country has reported lower profit for 1952. In fact, judged against the background of adverse business conditions which neutralised the benefits of dearer money to a considerable extent, the working of the Bank during 1952 may be regarded as quite satisfactory.

In consonance with the fall in net profit as noted above, the allocation for taxation has been reduced by Rs. 50,000 to Rs. 1.40 lakhs. The transfer to the statutory reserve fund also is lower by Rs. 11,000 at Rs. 75,000. The dividend to the shareholders, however, has been maintained at 6 per cent., free of income-tax, which absorbs Rs. 1.50 lakhs. After making all these provisions, there is a balance of Rs. 7,231 which has been carried forward to the current year. This compares with Rs. 3,977 brought in from the previous year.

The balance-sheet of the Bank as at the close of the year under review discloses, as compared with that for the previous year, a modest rise of Rs. 22.41 lakhs to Rs. 4.67 crores in deposits, which is in refreshing contrast to the general recession in the deposits of Scheduled Banks. This improvement has been shared both by current and fixed deposits, the actual increase being from Rs. 1.00 crores and Rs. 2.15 crores to Rs. 1.14 crores and Rs. 2.18 crores, respectively. Savings deposits, however, are slightly lower at Rs. 1.35 crores, as against Rs. 1.36 crores. There are no borrowings from other banks, which a year ago stood at Rs. 68 lakhs. On the assets side, investments are a shade higher at Rs. 154.93 lakhs, as against Rs. 154.65 lakhs a year before. Nevertheless, the ratio of investments to deposits has shot up from 19.3 per cent. to as high as 33.1 per cent. This has been so because of the absence of any borrowings from other banks. Of the total investments, as much as Rs. 154.16 lakhs are in Gilt-edged securities—all in dated loans. Of these, 84 per cent. are in loans maturing within 10 years and 16 per cent. in 10 to 15 year-loans. The market value of these investments are lower than the book value by Rs. 9.11 lakhs, but the redemption value is higher by Rs. 6,700.

The Bank's advances and bills discounted, as already stated, show a marked decline of Rs. 80.63 lakhs to Rs. 240.69 lakhs. Consequent on this decline and also on the rise in deposits, the ratio of advances and bills to deposits stands very much lower at 51.5 per cent., as against 72.1 per cent. The rise in deposits in the face of a decline in advances, coupled with the absence of any perceptible rise in investments, has resulted in an improvement in cash position, the amount of cash in hand, balances with other banks and money at call held by the Bank as at 31st December, 1952 being Rs. 120.89 lakhs, as compared with Rs. 91.70 lakhs a year before. The ratio of cash to deposits is thus higher at 25.8 per cent., as against 20.7 per cent. The combined ratio of both cash and investments to deposits is as high as 58.9 per cent.

The progress of the Bank during 1952, as compared with that in the previous three years, is clearly indicated in the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Interest and discount earned	23.01	23.40	20.54	18.66
Gross income	29.14	29.38	25.97	23.30
Interest paid	11.11	11.21	10.03	9.66
Administrative and other expenses	14.01	12.80	10.69	10.30
Depreciation	0.20	0.16	0.15	0.14
Profit	3.68	4.46	5.09	3.20
Appropriations—				
Reserves	0.75	0.86	1.10	0.65
Taxation	1.40	1.90	2.25	1.30
Bonus to staff	..	0.42	..	..
Dividend	1.50	1.50	1.50	1.25
	(6%)	(6%)	(6%)	(5%)
Carry forward	0.07	0.04	0.26	0.02

(In lakhs of rupees)

	As at 31st December			
	1952	1951	1950	1949
Capital	25.00	25.00	25.00	25.00
Reserves	11.28	11.02	11.35	10.70
Deposits	407.45	445.04	442.37	411.51
Borrowings from other banks, etc.	..	68.00	59.00	32.00
Advances and bills	240.69	321.32	290.15	256.12
Investments	154.93	154.65	160.96	141.21
Cash	120.89	91.70	97.20	97.67
Balance-sheet total	603.12	660.62	612.54	570.68
Ratio to deposits of—	%	%	%	%
Advances	51.5	72.1	66.9	62.2
Investments*	33.1	19.3	16.3	26.3
Cash	25.8	20.7	21.9	23.7

* After taking into consideration the investments pledged against borrowings from banks.

Discussing the outlook for the current year, the Chairman, S. R. Y. Sivarama Prasad Bahadur, in his statement to shareholders at their recent annual meeting, observed as follows:

"With the expansion in trade conditions, I expect the current year's results would improve. Your directors are, however, taking effective steps to improve the earnings of the Bank and observe economy in expenses."

BANK OF BIKANER MAINTAINS PROGRESS

A satisfactory expansion in the business of the Bank of Bikaner Ltd., (General Manager: Mr. Satya Dev, Bikaner) is disclosed by its audited accounts for the year ended 31st December, 1952. Reflecting this are the rise of Rs. 1.04 crores in deposits, of Rs. 65 lakhs in advances, and of about Rs. 8,000 in the profit. The expansion in deposits has been utilised to strengthen the investment portfolio by Rs. 1.03 crores. There has been no provision for depreciation in this asset as there was last year. But the Bank has strengthened its reserves by a sizable amount, as compared with only a small sum which it had added to this account last year. The dividend has been maintained at the modest level of 3 per cent. which the shareholders had received in the previous two years.

The following comparative table gives an idea of the Bank's progress in recent years:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Interest and discount earned	36.55	30.91	28.73	19.77
Commission and exchange	8.49	8.33	4.49	2.59
Gross income	46.41	39.63	34.59	24.85
Interest paid	19.50	15.28	12.09	7.93
Expenses	18.64	16.40	14.81	10.37
Depreciation and repairs	0.80	0.57	0.48	0.29
Loss on sale of investments	..	..	0.14	..
Profit	7.47	7.38	7.10	6.35
Taxation	2.00	..	1.50	2.00
To reserve fund	3.50	0.50	2.50	2.50
Investment account	..	5.50	1.50	1.00
Bonus to staff	0.45	..	0.41	0.45
Dividend	1.50	1.50	1.50	..
	(3%)	(3%)	(3%)	
Carry forward	0.09	0.07	0.19	0.53

(In lakhs of rupees)

	As on 31st December			
	1952	1951	1950	1949
LIABILITIES (Main)				
Capital	50.00	50.00	50.00	50.00
Reserves	14.00	10.00	10.00	7.50
Deposits	11,10.27	10,06.48	9,08.96	8,06.13
Borrowings from other banks	3.00	..	..	..
Bills for collection and acceptances	71.17	64.11	55.68	31.96
ASSETS (Main)				
Advances (including bills discounted)	4,95.92	4,30.95	3,46.92	3,27.09
Investments	4,92.85	3,90.21	4,88.15	3,55.04
Cash balances (including money at call)	1,84.75	2,44.56	2,01.21	1,74.96
Balance-sheet total	12,79.46	11,64.93	11,20.77	9,14.54
Ratio to deposits of—	%	%	%	%
Advances	44.7	42.8	35.8	41.8
Investments	44.1*	38.8	50.4	43.8
Cash	16.6	24.3	20.8	21.5

* After taking into account the securities earmarked against borrowings from other banks.

The large sum of Rs. 5.50 lakhs which the Bank had provided last year for investment account had been necessitated by the heavy fall in Gilt-edged securities. Though the Bank's holdings of securities at the end of 1952 show a much larger depreciation than at the end of 1951, the Directors have presumably not thought it necessary to make any provision this year.

As already pointed out, deposits have gone up by Rs. 1.04 crores to Rs. 11.10 crores, which is a record in the history of the Bank. The rise of 10 per cent. in the Bank's deposits is in distinct contrast to the fall of 2 per cent. in the case of all Scheduled Banks. Alongside the growth of deposits, the Bank's advances also have gone up by Rs. 65 lakhs, raising the ratio of advances to deposits to 44.7 per cent. But even this ratio is considerably less than that (55 per cent.) in the case of Scheduled Banks as a whole at the end of 1952. Referring to the Bank's advances, the Chairman of the Bank, Mr. Khushalchand B. Daga, said, in his address to the shareholders, that the Directors were keen on adhering to the "safety first" policy in the matter of selection of security towards advances granted from time to time. It was their established policy, he added, to lend against readily marketable and first class securities only. In keeping with the increase in its resources, the Bank's investment portfolio has been raised by Rs. 1.03 crores, so as "to afford a safe, liquid and remunerative cover to such of the Bank's day-to-day funds as may be remaining surplus." We are told that the Bank's investment in Gilt-edged securities consist only of short and medium-dated securities, the risk of depreciation on which is minimum. The book value of the Government securities stands at Rs. 4.77 crores, as on 31st December, 1952, and the average market value as prescribed by the Reserve Bank of India is Rs. 4.64 crores. The depreciation of Rs. 13 lakhs is larger than that of Rs. 7 lakhs noted at the end of 1951. The book value of investments other than in Government securities is Rs. 15.92 lakhs, their market value being Rs. 15.06 lakhs. Cash balances are lower by Rs. 60.19 lakhs, but the combined ratio of investments and cash to deposits stands at the impressive level of 60.7 per cent.

BANK OF BARODA LTD.

In the profit and loss account of the Bank of Baroda Ltd., published on page 751 of our issue dated 25th April, 1953, the item No. 2(i) under expenditure should read as "To General Managers" and not "To General Manager" as was erroneously stated therein.

RESULTS OF EASTERN BANK ENCOURAGING

DIVIDEND LEVEL RAISED

AN expansion of a little over £2 million in deposits and other accounts to a record level of £28 million, a rise of about £2,000 in net profit and an enhancement of the dividend from 6 per cent. to 7 per cent. are the highlights of the accounts of the Eastern Bank Ltd. (Joint General Managers: Mr. F. B. Sadler and Mr. H. Millew, London) for the year ended 31st December, 1952. The improvement in the Bank's resources during a period of difficult trading conditions, as the past year proved to be, is not a feature of the working of this Bank alone; for, as readers are aware, some of the British banks operating in India and a few Indian Scheduled Banks have also been able to report this achievement. But what is noteworthy about the rise in the resources of the Eastern Bank is that the upward trend has continued unbroken since 1949 and that the expansion in 1952 has been greater than that in 1951.

The net profit of the Bank for the year under review (after providing for taxation and making provisions, and after an appropriation to the credit of reserve for contingencies, out of which reserve provision has been made for any diminution in value of current assets) amounts to £126,722, representing an increase of £1,959 over the year. With the unappropriated surplus of £92,625 brought in from 1951, which itself is higher than the corresponding sum of the preceding year, namely, £89,362, the available sum for appropriation amounts to £219,347, as against £214,125. Out of this, a sum of £50,000 has been added to the reserve fund. No transfer to the reserve fund was made in the previous year, but, instead, a sum of £60,000 was taken to the reserve for contingencies. The Bank premises account has been credited with £30,000, as in the previous year. After making these essential allocations, the available surplus is £15,222 more than the corresponding sum of 1951. This has been utilised to enhance the distribution to the shareholders from £31,500 (at 6 per cent. less tax) to £36,750 (at 7 per cent. less tax) and carry over to the next year a larger sum of £102,597, as compared with £92,625 brought in.

The increase in the dividend level is in consonance with a similar step taken by a few other British banks operating in India. The dividend for the year has been raised by increasing the final distribution from 3½ per cent. less tax, to 4½ per cent. less tax, the interim dividend having been maintained at 2½ per cent. less tax. Explaining the step taken by the Directors in enhancing the dividend level, the Chairman, Sir Evan M. Jenkins, says, in his statement accompanying the accounts: "I must explain that the increase in dividend relates to the year as a whole, and is, in the opinion of your Directors, justified by the results achieved over a period of years, and by the fact that, when dividend restraint was officially requested, a very conservative policy was already being followed." Thus, the Bank's dividend policy is influenced not only by the results of the year to which the dividend relates but also by the results over a few years. The conservative policy followed by the Bank in the matter of dividend will be evident from the following dividend record in the past decade and over: 1941: 4½ per cent.; 1942: 5 per cent.; 1943-45: 5½ per cent.; 1946-51: 6 per cent.; and 1952: 7 per cent.

The following comparative table gives an idea of the progress in the Bank's financial position since 1949.

(In thousands of £'s sterling)

	As on 31st December			
	1952	1951	1950	1949
Capital	1,000	1,000	1,000	1,000
Reserve fund	1,250	1,200	1,200	1,000
Unappropriated Surplus	103	93	89	88
Current, deposit and other accounts	28,038	25,969	24,352	20,972
Bills payable	664	684	715	571
Acceptances	213	324	236	419
Advances	8,459	9,214	6,687	5,700
Investments	11,113	8,712	11,010	10,862
Cash balances	6,286	5,809	4,768	3,871
Bills receivable	4,020	4,014	3,956	2,422
Bank premises	363	251	204	156
Ratio to deposits of—	%	%	%	%
Advances	30.2	35.4	27.5	27.2
Investments	39.6	33.5	45.2	51.8
Cash	22.4	22.4	19.6	18.5

The reserves and surplus stand at a more impressive level, at the close of 1952, than three years ago. The deposits and other accounts (including reserve for contingencies) have gone up by over £7 million in the course of the last three years. The level of advances also has gone up, the exact increase being of the order of about £2.8 million. Excepting for the rise in 1951 by a modest extent, the ratio of advances to deposits has undergone very little change. A noteworthy feature of the Bank's financial position is the high level of liquid assets.

The following observations of the Bank's Chairman on the prospects for the Bank will be read with interest:

"As far as can now be foreseen, our prospects for the next few years at least are quite good. There are, of course, risks of a political nature in the East, as in most other parts of the world; they are, perhaps, no graver in the countries which we serve than they are elsewhere."

TEXTILE INDUSTRY IN WESTERN EUROPE

POST-WAR TREND REVIEWED

THE textile producing countries in Western Europe play a notable part in the world trade in textiles. Some idea of this can be had from the fact that, out of 5,346 million square yards which entered the world in 1950, W. Europe accounted for 2,507 million sq. yards. In 1951, the share of these countries expanded to 2,732 million sq. yards, out of a total of 5,521 million sq. yards. Complete figures for 1952 are not available, but the estimates made at the Buxton Conference place W. European countries' exports at 2,470 million sq. yards, out of a total of 4,820 million sq. yards. The target for 1953, as announced by these countries at the Buxton Conference, is 3,050 million sq. yards. It will be clear from these figures that the developments in the sphere of textile industry in these countries will greatly influence the pattern of world trade. Inasmuch as India is endeavouring its utmost to maintain a high level of exports, the developments assume considerable significance to this country and, as such, deserve to be prominently noticed. There is, therefore, no doubt that the review of the post-war trends in the textile industry in the W. European countries, contained in the *Economic Survey of Europe Since the War*, just published by the U.N. Economic Commission for Europe, will be read with great interest.

According to the *Survey*, the textile industry in W. Europe, having shared in the general growth of production and exports after the war, was the first and the most acutely affected by the recession in consumer goods in 1951-52. The recession meant a decisive turning point for the textile industry. Thus, on the one hand, the pre-war tendency for exports to contract has now reasserted itself and, on the other, the trend of output has been distinctly downwards, thanks to shrinkage in demand—home and foreign. In short, textiles in W. European countries are regarded as a "declining industry."

Post-war Recovery

The review of the textile industry in W. European countries is made under three heads—post-war recovery, recession of 1951-52 and prospects for the future. To take post-war recovery first. At the end of the war, Europe as a whole had little or no problem of textile capacity in a quantitative sense, although much of the capacity was old and obsolete. Before the war, there was considerable surplus of capacity in the textile exporting countries and war-time losses were comparatively light in most of them. In a number of textile importing countries, capacity was expanded during the war years. Practically all countries witnessed a notable expansion in the rayon sector. In fact, at the end of 1947, the number of spindles and looms in some of the smaller countries, such as Denmark and Norway, was higher than that prior to the war and it was only one-tenth lower in Austria and France.

As there was a high level of demand for textiles, which was guaranteed, for a number of years, by the universal desire to make good the depletions of war-time, the rate of recovery in textile production in W. Europe depended primarily on the speed with which the industry could rebuild its labour force. There had been a sharp contraction in spinning and weaving operations in most belligerent or occupied countries, with a consequent reduction in the labour force. In the immediate post-war period, several countries had, therefore, been faced with a textile man-power problem, as is indicated by the following table showing the wage and salary earners employed in the textile industries:

(In thousands of persons)

Country	1937-39	*End*-1946	1950-51
Great Britain ...	1,160	844	1,015
Italy ...	602	635	635
France ...	602	550	605
W. Germany ...	522	270	620
Belgium ...	162	170	192
Netherlands ...	78	75	109
Austria ...	56	46	87
Switzerland ...	61	65	71
Sweden ...	53	55	62

It will be seen from the above table that, in most of the countries, the man-power problem was of comparatively short duration; in Italy, Belgium, Switzerland and Sweden, employment by the end of 1946 was above the pre-war level and, in the Netherlands, it was only just below pre-war. The two countries where man-power difficulties persisted for the longest period were France and the U.K.

Rayon Industry

A good deal of the rise in the textile activity in Europe since 1937 has been in producing substitutes for (primarily dollar) imported raw materials rather than in final production. The development of rayon industry, which was stimulated in Continental Europe during the war by shortage of natural fibres, has been encouraged further in the post-war period by the need to reduce dollar expenditure on cotton, continuing improvements in the technical properties of rayon, and—most important—the cheapening of rayon prices in relation to those of cotton and wool. This movement of relative prices in favour of rayon had been very striking even before the great boom in natural fibre prices which followed the outbreak of the Korean war. Between 1937 and the middle of 1950, the price of raw wool rose by 75 per cent. and that of raw cotton nearly trebled, whereas the price of viscose staple fibre rose by only 30 per cent. and that of acetate staple actually fell. The same movement is seen in yarns, an increase of less than one-quarter in rayon yarns contrasting with a doubling of the price of cotton and wool yarns. By the middle of 1950, rayon yarn, either spun or filament, was cheaper absolutely than cotton yarn, although, in 1937, it had been over one-third dearer. The comparison is based on U.S. prices. In view of the devaluation against the dollar, the shift in favour of rayon is even more striking for European countries.

Extent of Substitution

The extent of this substitution of artificial for natural fibres is illustrated by the following table:

Composition of Yarn Production in Five European Countries:*

	Percentage to total production	
	1938	1951
Cotton	62	48
Wool	26	24
Rayon	12	28
	100	100

* U.K., Italy, France, Austria and Belgium.

It will be seen that rayon has more than doubled its importance amongst the three major apparel fibres, primarily at the expense of cotton. Had Italy moved in the same way as other European countries, the substitution would appear even more striking. In fact, however, rayon has been a smaller proportion of total fibre consumption in Italy than before the war and, even in 1951, rayon production was little higher than in 1938 and far below the peak level of war-time production. While it is no doubt true that, in the pre-war period, the substitution of rayon was pushed well beyond the point which was then justifiable, in the post-war period, the possibility of financing imports of American cotton through dollar-aid has led Italy to increase its dependence on the dollar area and to forgo the increased employment which the full use of rayon capacity would have created. Even in 1951, roughly one-third of Italian capacity for producing rayon seems to have been unused. In Western Germany, on the other hand, rayon capacity seems to have been fully employed by 1951.

Exports

The following table compares the importance of textiles in the export trade of six W. European countries in 1939 and 1951:

	Percentage to total exports	
	1938	1951
Italy	23	33
U.K.	17	15
France	13	13
Belgium	7	11
W. Germany	4*	1
Netherlands	†	—

* Figures relate to whole of Germany.

† In 1938, textile exports were 20 per cent. less than textile imports.

It is thus evident that the dependence of the U.K. and Germany on earnings from textile exports has been reduced, while that of Belgium and Italy raised. The fall in the ratio for the U.K. (and to a lesser extent Germany) is in part the result of an increase in imports of textile manufactures, of which Italy and Belgium have been important suppliers. So far as exports to overseas are concerned, earnings from textiles accounted in 1951 for rather less than one-fifth of the total visible exports of the six countries combined. But the position varies considerably from country to country. France and the U.K. (and to a lesser extent Italy) account for most of the textile trade with the world outside W. Europe. The remaining countries are heavily specialised on inter-European trade, so much so that their total exports to Europe greatly exceed those of France and the U.K. combined, in spite of the much greater absolute importance of the two latter as exporters. This general pattern is repeated in each of the major apparel fibres, although in varying degree. For the six countries taken together, the whole increase in the volume of trade—about 12 per cent. in all—has been in exports to other countries in the same region, namely, W. Europe. This reflects, in general, the relative absence of imports restrictions in W. Europe, following liberalisation of trade among the O.E.E.C. countries and, in particular, the formation of the Benelux Union.

All the countries shared in the expansion of intra-European trade. This was particularly in marked evidence in the case of countries the exports of which are normally focussed on the areas. In the Latin American market, on the other hand, the W. European textile exporting countries lost their hold to a substantial extent, as the war and its aftermath had established not only new trade connections for the U.S. textile industry but also for the taste for American fashions, in the imitation of which the European producers seem to lack enthusiasm. The notable expansion in French textile exports has been concentrated on the dependent or associated territories of Africa and Asia and is, to a large extent, the result of the heavy increase in French military expenditure and capital investment in these areas. Similarly, it is in the dependent or affiliated areas of Africa and Oceania that the U.K. has made its chief advances.

The five years of almost uninterrupted expansion in textile production in W. Europe noted thus were followed by the sharp textile recession of 1951-52. Production of textiles fluctuated more violently than net exports. Thus, while exports of cotton and rayon tissues in the first half of 1952 were still above the level of the second half of 1950, production had fallen by nearly one-tenth. The contraction in production has been most severe in the U.K., particularly in cotton and rayon goods, and least serious in France, with Italy occupying an intermediate position.

Prospects for Future

Europe's biggest market for textiles is in Africa and the Middle East. Out of the total quantity of cotton and rayon goods imported into this area, nearly 70 per cent. is accounted for by the six European countries referred to above. Similarly, the share of European countries in the aggregate imports into Oceania (Australia and the neighbouring islands) is to the extent of more than 75 per cent. The countries of Asia, however, account for poor offtake of cloth from European countries, as the bulk of the requirements are met by Japan and India. The Latin American countries also account for a small portion of Europe's trade in textiles; almost the whole of these countries' imports from the outside world is supplied by the U.S.

The prospects of larger exports of European textile goods in the coming years will depend, to a considerable extent, on competition from other exporting countries, especially Japan, the U.S. and India. It will also depend on the trend of consumption in the importing countries, not to speak of the expansion in the size of the textile industries. The U.N. *Survey* considers the prospects of a rise in the demand for textiles in Asia, Africa and the Middle East as less favouable than before.

The textile producing countries of W. Europe are thus confronted, on the one hand, with a substantial fall in their export earnings and, on the other, with the internal problems created by a declining industry. The impact of these developments is likely to be felt primarily by the major producing countries. Most of the smaller countries of W. Europe are still deficit in textiles. In the absence of protection, their own industries might bear part of the burden of a contraction in domestic demand. In the case of countries like Greece and Turkey, where labour is plentiful but capital scarce, some protection against competition seems not only inevitable but also desirable. Among the major producing countries, Belgium and Italy seem likely to suffer a considerable fall in their exports. Although the immediate effects of contraction in overseas exports will be felt by France and the U.K., these countries have also been substantial importers of textiles from the rest of Europe and are, therefore, in a position to offset a significant part of their losses overseas by lower purchases in Europe.

It has been suggested that some 700 million square yards of overseas exports may be at risk in the foreseeable future. At present prices, this represents a loss of export earnings of some $350 to $400 million. Perhaps, one-third of this loss would be offset by the consequential saving in raw material imports, and further savings will result if production for home use fails to return to 1951 levels and from the further substitution of artificial for natural fibres. All in all, the net deterioration in W. Europe's balance of payments may not exceed some $200 to $250 million. Moreover, to the extent that the loss of European exports is the result of increased production within the franc or sterling areas, the payments difficulties created will be in the least difficult sector of Europe's external financial relations. The effects of falling exports may be particularly serious for Italy; both on its external position—because textile exports account for roughly one-third of its total export earnings—and on its internal position—because of the heavy unemployment already existing and of the shortage of capital for creating new industrial capacity. The unfavourable prospects for textiles emphasise the importance of practicable action to minimise textile protectionism by more-developed European countries.

Improvement in Efficiency

The prospect of a contraction in the size of the W. European textile industry has implications for investment policy generally. It was suggested earlier that the heavy investment in textiles over the last five years was itself a mistake. *A fortiori*, further investments should be confined to any necessary expansion of import-saving rayon capacity or to exploiting the possibilities of the newer synthetic fibres. On the other hand, there will be a pressing need in some countries for Government action to concentrate production and man-power on the most efficient plants and ensure intensive utilisation of such capacity. All the experience of the 1930's suggests that the operation of market forces does not bring about rationalisation in industries where firms are small and numerous.

Finally, labour problems arise when an industry contracts, even in countries where demand, employment and activity are generally kept at a high level. Special problems will arise from the geographical concentration of the textile industry. Moreover, there may be resistance to schemes for nationalising and enhancing the efficiency of production, if the immediate effect is to reduce still further the demand for labour. Further, there will be the problem, which full employment will itself create generally, of maintaining the flow of juvenile labour to the industry necessary to keep a balanced labour force in the long run. Alluding to all these, the *Survey* concludes that it is doubtful whether satisfactory solutions for some of the problems will develop from the operation of market forces alone.

CAMPAIGN FOR RELIEF FROM PURCHASE TAX LAUNCHED

OUTLOOK FOR COTTON CONSUMPTION

(From A Special Correspondent)

MANCHESTER, 21*st April*

HAD it not been for a misunderstanding over the purchase tax concessions which led traders at first to believe that textiles were included in the cuts, Mr. Butler's Budget would have received the full approbation of industrialists in this area. It has been hailed as an "incentive Budget" because of the additional incentives it should provide by reintroducing initial allowances, ending the excess profits levy, and reducing income-tax. The necessity of stimulating activity in industry has been stressed on so many occasions in recent years that a real attempt to provide the impetus by cutting taxation instead of increasing it is held to be a step in the right direction.

MANCHESTER LETTER

But for textile men at any rate, the purchase tax problem took on an aspect perhaps out of proportion to the rest of the proposals. For nearly a year tax on textile goods has been lower than on other merchandise but now the rates will be the same. In this instance there was no delay in acquainting the Government with the unmistakable opinion of not only cotton, but the rayon, silk and linen industries, on the unjustifiable omission of those goods from the tax concessions. The fact that the general rates of purchase tax on textiles was reduced last year is not regarded as an adequate reason for failing to adjust them on this occasion.

"Drop-the-tax" Plea

Serious concern at the omission of textiles from the Budget purchase tax concessions was expressed at a special meeting this week by leaders of the cotton, rayon, silk and linen industries. The tax hindered the export drive, retarded modernisation and limited the range of goods in the home market, it was stated when representatives of 17 organisations in the non-wool section of the textile industry met in Manchester to launch a new campaign for purchase tax relief.

Sir Raymond Streat, Chairman of the Cotton Board, described the tax as "hanging like an old man of the sea round the neck of the industry." The industry was disappointed and dismayed at the Chancellor's response to what had been conceived as a "strong and unanswerable" case for P.T. relief put to Mr. Butler in a personal interview. This was a time, Sir Raymond said, when the textile industry should be freed from shackles to allow it to compete more effectively with its rivals overseas.

The Conference agreed that Lancashire was having to produce more lower quality goods to keep below the "D" line. This was hitting at the export trade, for without a wide range of designs for the home market the industry could not give export markets either the choice or the delivery which rival suppliers could offer. Answering the charge that textiles were given tax relief last year, Sir Raymond said that concessions then were merely in the light of the "D" scheme and not in relation to purchase tax as a whole.

Mr. W. T. Winterbottom, President of the Master Cotton Spinners' Federation, said that Lancashire's export trade would be ruined unless the Chancellor saw the textile industry's point of view on the P.T. issue. The whole pattern of the industry would be changed if something was not done quickly and more mills would be producing lower quality goods. The first step in the new campaign to secure the complete abolition of purchase tax has been to furnish every M.P. with a detailed memorandum outlining the textile industry's case for purchase tax revision.

Level of Employment

Strong criticism of Mr. Butler's decision was also voiced by leaders of Lancashire's 275,000 cotton operatives. Following a meeting in Manchester of the Legislative Council of the United Textile Factory Workers' Association, the President, Mr. A. C. C. Robertson, said there were fears about the effect of purchase tax on the level of employment in the cotton industry once Coronation orders had been cleared.

The unions felt a very strong case had been made out for the total abolition of the tax on textiles. Concessions made in last year's budget had resulted in very little extra business coming to the mills.

What the trade wants is nothing less than the complete removal of purchase tax, an impost which has been as much abused as any burden ever imposed on industry. Only just before the Chancellor's statement it was announced that direct representations had been made to Mr. Butler by Sir Raymond Streat on behalf of all non-wool textile industries for the removal of the tax. This special appeal was made some months ago and had been kept secret for the obvious reason that when such representations are made buyers are liable to withhold purchases if they think there is a possibility of some relief.

Because little has been said about it for some time a feeling may have developed in circles outside the cotton trade that the "D" scheme which was introduced last year is proceeding satisfactorily. Nothing could be further from the truth. The arbitrary division of taxable and non-taxed goods has caused exactly the result its critics foretold—production of goods below the "D"-line at whatever cost in quality and style.

Mr. R. Robson, Director of Economics and Statistics at the Cotton Board, has surveyed cotton consumption prospects in Britain for the International Advisory Committee. His prediction is that Lancashire mills this season will use probably about 1,600,000 bales, the lowest since the worst years of war-time concentration. Mill margins, he says, are little more than half and production only about three-quarters of the peak levels reached in November, 1951.

Cotton Consumption

The immediate outlook for the home market is favourable, Mr. Robson adds, and stocks at all stages of distribution have been reduced to very low levels, mainly because of the weakness in cotton prices earlier in the year. Discussing long-term prospects, he says it should be remembered that at no time since the end of the war has consumption per head of cotton and rayon textiles attained the pre-war level, despite the increased use of textiles for industrial purposes. The most probable reason for this is the high price of cotton in recent years.

On exports, Mr. Robson is inclined to be optimistic, pointing out that shipments to such countries as Australia can be expected to regain their normal level when import restrictions are eased. In addition, if the present ban on the import of foreign grey cloth for processing and re-export is continued, a much greater proportion of total shipments of cotton goods from Britain will be of local manufacture than has been the case in recent years.

At the same time, it is clear that cotton will have to meet stiffer competition from synthetic fibres, and in particular from rayon staple. Price stability is one reason for the growing interest in rayon and the use of synthetics for new fabric constructions is an important factor. It is interesting to note that in the final quarter of last year deliveries of rayon and mixture apparel cloths to the home trade were very little less in volume than those of cotton goods.

Cotton and Wool

An organisation such as Bradford Dyers' Association, which handles the products of textile mills in both Lancashire and Yorkshire, can take an unprejudiced view of the conditions in the manufacturing sections of both counties. Mr. James Ewing, the Chairman, has drawn a comparison in his Annual Report between the pattern of distribution of cotton and woollen goods during the past generation. Lancashire trade, he says, has undergone changes to a far greater extent than the West Riding of Yorkshire trade, which has been more stable, largely because of the retention of its old goodwill and its production of worsted goods from the lightest dress fabrics to men's outer wear.

Although Lancashire has been much more vulnerable to the erosion of her trade by tariffs, development of domestic industries in former markets, including the industrialisation of Asia, and the aftermath of two world wars, Mr. Ewing feels that definite steps have been taken to meet the challenge of changing world conditions, aided by scientific and technological advances. "By the installation of modern plant, redeployment of labour and exploratory steps in double-shift working, Lancashire is showing her determination to leave the past behind," he observes.

A further pointer to the ground gained by the Lancashire cotton spinning industry since the difficult times of a year ago is provided by Cotton Board production figures for the week ended 4th April. Production of cotton, spun rayon and mixture yarn during the week, which was curtailed through the Good Friday holiday, aggregated 14,940,000 lbs.—*All Rights Reserved.*

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PLACE OF COTTON IN MIDDLE EAST'S ECONOMY

INCREASE IN PRODUCTION AND EXPORTS

EGYPT overshadows every other country in the cotton economy of the Middle East region so that the improvement that is taking place in cotton cultivation in other parts of this region seldom attracts sufficient notice. It is, for instance, not common knowledge that cotton has surpassed Iraq's wool exports and that it now ranks as the third major export item. Again, cotton has become a major export item of Turkey, supplanting dried fruits and tobacco. These facts are revealed in the U.N. Report, *Review of Economic Conditions in Middle East* 1951-52, which includes an interesting section on cotton production and trade in this region.

Although the information furnished by the Report refers by no means to the very recent period, it is important for the comprehensive data it gives about the cotton economy of the Middle Eastern region. The Report says that during the past fifteen years, the area planted to cotton and the total production of cotton in the Middle East have varied considerably from year to year. During the Second World War and the immediate post-war period, the shortage of imports encouraged the development of food crops at the expense of cotton in several countries. The area under cotton in Egypt declined from 746,000 hectares in 1934-38 to 297,000 in 1942; in Syria from 32,000 hectares in 1934-38 to 15,000 hectares in 1942; and in Iran from 158,000 hectares in 1934-38 to 118,000 in 1944. The movement was reversed after the war as more food supplies became available in most areas and by 1948, cotton output in the Middle East as a whole had regained the pre-war level.

There has, in recent years, been a slackening of output in Egypt, the largest producer in the region, in contrast to the marked rise in production in the Anglo-Egyptian Sudan, Syria, Turkey and Iraq. The increased in the latter countries more than offset the decline in Egypt, with the result that the production of the region in 1949, 1950 and 1951 showed a distinct improvement over the pre-war level. As the new producers did not have any sizable capacity to consume the cotton they grew, they had to export their production. Accordingly, to the traditional cotton exporters of the region, Egypt and the Anglo-Egyptian Sudan, were added Iran, Iraq, Syria and Turkey.

The expansion in output was a result of the rise in cotton prices, following a sharp increase in demand, and the flexibility of cotton production. The shortage of dollars and the devaluation of sterling in 1949 placed the producing countries in the Middle East in a particularly favourable situation with respect to cotton exports. The international demand, which was already high, again increased sharply after the events in Korea in 1950-51. The quantity exported increased from about 460,000 tons in 1949 to 570,000 tons in 1950. At the same time, local demand for cotton was stimulated by growing domestic use, chiefly for expanding textile industries in the Middle East cotton-producing countries. During the second half of 1951, however, prices began to decline, chiefly because of the abundant cotton harvest in the U.S., the existence of large cotton stocks and some slackening in demand as a result of the previous high level of prices. From 1950 to 1951 the volume of cotton exports from the Middle East declined by approximately 120,000 tons. This decline was more than accounted for by the drop of 170,000 tons in exports of Egypt alone.

The Report also discusses the country-wise position in the region's cotton economy. In Egypt, the cotton harvest of 1950 and 1951 were rather poor; the 1951 harvest, in particular, was 9 per cent. below the average for 1934-38 despite expansion in acreage. In 1951, as in 1950, the authorities determined the minimum area to be planted to cereals, thus indirectly limiting the total area planted to cotton, but the effectiveness of these measures was somewhat reduced by the appeal of high cotton price. The poor yield seems to have been due chiefly to the boll weevil, to sun-scorching and, in Lower Egypt, to shortage of water.

In order to support cotton prices, the Government of Egypt fixed minimum prices from the beginning of 1951 and later announced that it would buy any amount of cotton tendered at such prices. This policy was abandoned in 1952, in view of the cessation of exports and the accumulation of large stocks. The Government has since then adopted, as is well known, several measures designed to maintain cotton prices at what it regards as reasonable levels.

Syria, where cotton-growing is not new, vastly increased its output during the past three or four years. The quantity rose from 5,700 tons in 1939 to 50,000 tons in 1951, while the area under cotton increased from 32,000 hectares in 1934-38 to 217,000 in 1951. Expansion in cotton production was encouraged by the authorities who saw not only an opportunity for expanding the area under cultivation but also a means of providing more employment. Acreage was added chiefly in El Jezira and the Euphrates region. Use of tractors and agricultural machinery made it possible to expand the area under cultivation rapidly; there was a substantial investment of capital.

The yield of cotton also increased in Syria. In 1952, the yield was 460 kilogrammes per hectare—as high as that of Egypt. There was, however, considerable decline in yield in 1951. Among the reasons for the decline in yield were plant parasites, lack of experience, poor selection of seed, shortage of water and, on some areas, late rainfall, which delayed preparation of soil. Other obstacles to be overcome included technical problems in picking, storing, ginning and pressing cotton fibres, financing the harvest, providing sufficient man-power for cotton picking and regulation of property rights. The area under cultivation was reduced from 217,000 hectares in 1950-51 to about 150,000 hectares in the 1951-52 season, chiefly because of the downward trend of prices. A cotton office was set up by a decree in 1952, to regulate cotton production by controlling cultivation, ginning, sorting and export. Steps were also taken to limit the area planted to cotton, to improve the quality of the seed and to supply producers with equipment for insect control.

Both exports and domestic consumption of cotton increased in Syria. Thus, total exports for 1951-52 were estimated at about 40,000 tons, as compared with about 24,000 tons in the 1950-51 period. Cotton was the most important item of export in 1951. In 1950-51, 7,000 tons were used by the mills in Syria, an increase of about 40 per cent. in comparison with 1949-50; in 1951-52, the quantity increased to 8,000 tons. The chief purchasers of Syrian cotton in 1950-51 were France, Lebanon, Italy and the U.K.

The area planted to cotton in Iran and Iraq too increased substantially. In Iran, it rose from 100,000 hectares in 1949 to 130,000 in 1950 and 150,000 in 1951. Selection of seeds and standardisation of quality, according to the Report, appeared inadequate. Cotton was the main export of Iran in 1950-51, next only to petroleum.

In Iraq, the area under cotton increased from 11,000 hectares in 1949 to 32,000 in 1950 and 44,000 in 1951, when it was almost three times the average for 1934-38. Production in 1951, despite the expansion of the area under cultivation, remained below the output of the preceding year. The total output in 1951 was under 7,000 tons, with a yield of about 140 kilogrammes to the hectare. Drought and heavy damage by the spiny bollworm were chiefly responsible for the low yield. Most of the harvest was exported but the local textile industry was beginning to absorb a part of it. For the first time, in 1951, cotton surpassed, as already stated, wool exports and ranked as the third major export item.

Stimulated by high prices prevailing in foreign markets, cotton production, the Report says, made important advances in Turkey in 1950 and 1951. Average export prices increased by 67 per cent. between 1950 and 1951, reaching about nine times the average price of 1934-38. The area under cultivation rose from 249,000 hectares in 1934-38 to 305,000 hectares in 1949, 448,000 hectares in 1950 and 642,000 in 1951. As compared with the pre-war period, the 1951 cutput increased three times and the average yield was also higher. The value of cotton exports reached £T216 million in 1951. Cotton thus became the major Turkish export, surpassing the exports of dried fruits and tobacco, the exports of which had encountered difficulties for several years owing to limited world demand in relation to production and stocks. At the end of 1951 and the beginning of 1952, prices showed a downward trend and price support measures were taken, in particular through the action of cotton co-operative unions.

WORLD COTTON PRODUCTION

The current (1952-53) cotton season is expected to register a slight fall in the production of cotton, the quantity actually produced during the year being 28.3 million bales (excluding the Communist countries), as against 28.6 million bales, according to the estimates of the International Cotton Advisory Committee. The bulk of the production of cotton in 1952-53 is accounted for by the Northern Hemisphere, where the production at 25 million bales is the same as that in the previous year.

In the U.S. cotton production averaged higher in grade but lower in staple. White and extra white, strict low middling and higher grades represented 76 per cent. of the ginnings which more than compensated for the higher lower carry-over of stocks of these grades.

The supply of cottons of one inch and shorter for the year under review is estimated to be higher by 1.2 million bales, as compared with the previous year, owing to larger carry-over and reduced average length of the crop. The supply of cotton over one inch, on the other hand, is estimated lower by 800,000 bales. Recent reports indicate shortage of higher grades in countries other than the U.S. This, together with the fact that much of the annual production of American cotton in these countries average around one inch in staple length, lends support to the general conclusion that, in medium-staple group, surplus may be more pronounced than in short-staple lower grade cotton.

The current season's stocks of extra long staple cotton (1⅛" and over) indicate an increase of 350,000 bales in the world production of these staples and a relative decline in demand account for the present surplus in these countries. The production of long-staple cotton (1⅛" to 1⅛") is expected to rise by 200,000 bales, while that of cotton below 1⅛" is expected to be lower by over 750,000 bales, as compared with 1951-52.

EGYPTIAN COTTON

The Egyptian Government has decreed that the acreage to be sown under cotton during 1953 should be reduced from 1,895,000 acres to 1,590,000 acres. The main decline will be in Karnak, the acreage under which is sought to be reduced from 572,000 acres to 337,000 acres. It is believed that this measure will enable the top-heavy Karnak supply position to correct itself during the next season.

It has been officially announced that there is no prospect of the Alexandria cotton market reopening at an early date. The present arrangements for buying and selling cotton will be continued until the end of the season. The Government will not pay the growers the same prices as it is paying for cotton of the 1952-53 crop. Selling prices will, according to a Government spokesman, continue to be based on New York cotton futures.

The Government has accepted, it is stated, about 1,800 bales of U.S. cotton which were tendered by Scheduled Banks in Bombay to realise the loan moneys, advanced by them to the mills concerned for financing the mills' purchase of American cotton. The price paid by Government is reported to be about Rs. 1,644 per candy. A survey panel consisting of three members from the trade has been appointed to report on the quality of the cotton tendered. It will be recalled that, in March, 1952, the Government had assured the Scheduled Banks that the American and East African cotton pledged with them against loans granted to the mills would be bought by the Government at stated prices if the banks found it necessary to sell the cotton in order to realise the loan.

In official circles, the supply of cotton in India for the 1952-53 season is said to be estimated at 6.5 million bales, made up of 5.3 million bales of Indian cotton and 1.2 million bales of foreign cotton. Consumption of cotton is placed at 4.5 million bales (3.6 million bales of Indian cotton and 855,000 bales of foreign cotton), while total exports are placed at 300,000 bales. Thus, the carry-over of cotton, as on 31st August, 1953, is expected to be about 1.7 million bales.

Japan will buy from Pakistan, according to a trade agreement between the two countries, 150,000 bales of cotton in the second quarter of 1953, 100,000 bales in the third quarter, 275,000 bales in the fourth quarter and 125,000 bales in the first quarter of 1954. Thus Japan will buy 650,000 bales of Pakistan cotton by the end of March, 1954. It is, however, believed that purchases might be delayed because of scarcity of sterling in Japan.

The fourth and final Pakistan cotton crop forecast places the 1952-53 cotton acreage at 3,430,000 acres and production at 1,468,000 bales, as compared with 3,244,000 acres and 1,376,000 bales respectively in 1951-52.

The Sudan cotton crop is placed at 280,000 bales, comprising 140,000 bales each of 'S' and 'L' varieties. Total sales, so far, by the Sudan Gezira Board are placed at about 240,000 bales, leaving a balance of about 35,000-40,000 bales of unsold cotton. It is, however, stated that higher grades have been entirely disposed off.

The U.S. Secretary of State for Agriculture, Mr. Benson, stated recently that the Government is not contemplating cotton export subsidies either now or in the foreseeable future. This should set at rest the rumours about grant of subsidies.

INCOME-TAX AMENDMENT BILL PASSED

MAIN PROVISIONS SURVEYED

THE Income-tax Amendment Bill, which was approved this week by Parliament, marks a definite stage in the evolution of the law on the subject, in that it embodies, partially at least, the considered views of so expert a body as the Income-tax Investigation Commission (Chairman: Mr. S. Varadachariar) which submitted its report in 1948. The Bill has also been the subject of considerable discussion both in the Press and by the public since it was referred to the Select Committee in July last. This 31-clause Bill has also had the benefit of a very careful examination of a 26-member Select Committee, the report of which was published in November, 1952. Out of the operative clauses of the Bill, 14 are beneficial, 11 procedural and the rest designed to check evasion of taxes.

Among the important changes made by the Select Committee, mention must be made of the change in clause 1, whereby the extent and commencement of this measure has been modified to make it clear that the substantive provisions of the Bill (except when specific retrospective effect has been provided) come into force from the assessment year 1952-53 and that the procedural provisions apply to pending cases also. Some slight change has been made by the Committee to make it clear that the "previous year" of a firm is the "previous year" of a partner of the firm also in respect of his share therein only where the firm itself has been assessed as a unit. Where the firm is not separately assessed, the partner can include the firm's share in the "previous year" adopted by him. Some apprehensions were expressed in the Select Committee whether, under the amended definition, it would be open to a new business to adopt, in the first year, a "previous year" exceeding 12 months, as at present. The Finance Minister, Mr. C. D. Deshmukh, made it clear that such a period could be adopted, "provided it was not designed to evade any income-tax by including losses or excluding profits of a latter period."

Payments for Charity

The Select Committee has also recast the proposed clause (1) to section 4 (3) in such a manner as to enlarge the scope of payment for charitable purposes. The following changes deserve notice:

(a) The income is exempt from tax even if it is not applied to religious or charitable purposes in one year but is accumulated for application to such purposes subsequently;

(b) The charitable purposes should normally relate to something done within the taxable territories and that in cases where such purposes are without the taxable territories, the income will not be exempt unless the Central Board of Revenue grants the necessary exemption, and

(c) the exempted income is liable to tax when it is diverted to any other purpose or ceases to be set apart for religious or charitable purposes.

As regards the question whether scholarship granted to Indian nationals for studies abroad would not lose the exemption on the ground that this did not relate to anything done in India, Mr. Deshmukh assured the House that, so long as it was done for the "benefit of the country," exemption would be available in respect of the amounts spent on such scholarships.

Small Appeals

In the original Bill, it was provided that, where an inspecting Assistant Commissioner made an assessment functioning as Income-tax Officer, the appeal should be heard direct by the Income-tax Appellate Tribunal. The Select Committee has reversed this provision and allowed the existing practice of a first appeal to the Commissioner to continue. In this connection, Mr. Deshmukh pointed out that about 90 per cent. of the small appeals are settled by the Department to the satisfaction of the appellants, and that the concerned officers are given "absolute discretion and independence in the matter of deciding appeals in a judicious manner." The Committee has, however, given the assessees the option to demand a re-hearing of the whole or a part of the proceeding whenever any proceedings under the Income-tax Act are taken up by a succeeding authority. The Committee has further provided that the time limit for re-hearing will be excluded for purposes of computing the time limit for completing an assessment.

A notable feature of the Bill is the liberalisation of the provisions relating to the exemption from tax of newly established industrial undertakings. Section 15 of the existing Act provides, it may be mentioned here, for the exemption from tax of any industrial undertaking which is established after April 1948 and which employs more than 50 persons, the exemption period lasting till 31st March, 1954. The section applies only when the profits of the undertaking do not exceed six per cent. on the capital employed in the undertaking. Now the amendment provides that the tax exemption applies also to any new manufacturing concern run with the aid of power and employing ten or more workers or any such concern without the aid of power but employing 20 or more workers. This provision will certainly enable many small new industries to earn some relief in taxation.

Two Lacunæ

Two important lacunæ in the existing Act have been removed. In the first place, an assessee who incurred a loss could not file a return voluntarily nor was the Income-tax Officer bound to serve him with a notice calling for a return of income. The Act has now been amended, with a view to giving him the right to claim the determination of loss and to file a loss return voluntarily before the expiry of time given in the general notice issued every year before 1st May. The loss-return can also be filed later if permitted by the Income-tax Officer. As regards the right to claim determination of losses for and upto the assessment year 1952-53, Mr. Deshmukh announced that instructions would be issued to the effect that returns received for some time after the passing of the Bill should be regarded as having been made in time.

Secondly, the Finance Minister moved an amendment, not originally incorporated in the Bill, designed to facilitate the carry-forward of losses. In the case of *Anglo-French Textile Co., Ltd.* vs. *C.I.T.* Madras, which was noticed and commented upon in this journal at the time the Supreme Court decided the case (*vide Commerce* dated 21st March, 1953), the Supreme Court held, in effect, that no loss could be carried forward, unless the assessee had more than one head of income. We then urged that the situation created by the judgment called for expert examination and speedy remedy in order to rectify what appeared after all to be a legal flaw. This view has now been accepted by the Finance Minister who confessed that it was never the intention of the authors of the Act that the loss could be carried forward only when the assessee had more than one head of income. Accordingly, the Minister moved an amendment to section 24 (2), which seeks to clarify the position, so that, even if an assessee has no other head of income, the loss incurred under the head "business" could be carried forward.

Other notable provisions in the Bill include the exemption of daily allowance of Members of Parliament, the requirement that the President of the Appellate Tribunal should ordinarily be a judicial member and the provision that the Government should continue to pay (this requirement had been withdrawn under the original Bill) interest on the instalments of tax paid under section 18-A.

Legal Decisions

Little has been done in the Bill to alter the present position under which the Appellate Assistant Commissioners of Income-tax are under the control of the Central Board of Revenue. The chief argument against the arrangement rests on the ground that the consideration that the advancement in services of the Appellate Assistant Commissioners is dependent on the good opinion of the Board of Revenue might influence their decisions in cases of appeal. Referring to this argument, the Income-tax Investigation Commission wrote:

"We have no reason to think that Appellate Assistant Commissioners have not been impartial in the discharge of their duties or that the independence of their judgment is vitiated by any considerations irrelevant to the decision of the appeal. But, on the principle that not only should justice be done but that it should appear to be done and should inspire confidence in the persons concerned, we think that the present system requires alteration."

In a forceful minute of dissent, Mr. A. K. Basu, member of the Select Committee, stated:

"The Appellate Assistant Commissioner who is the judge is considered adequate to represent the department—an unusual responsibility for a judge to undertake. The party really becomes a judge in his own case. This is a perversion of judicial procedure and is against all cardinal principles of administration of justice. . . . There should be a permanent separate Income-tax judicial cadre."

During the debate on the Bill, many members raised this issue. In his reply to the debate, Mr. Deshmukh argued that it was not fair to say that the principle of separation of the executive from the judiciary had not been adopted, since the questions, involving legal issues, did go up to the Appellate Tribunal. Answering the question why a fully judicial machinery should not be provided at a lower stage, he said that appeals to Appellate Income-tax Commissioners were, in effect, only administrative reviews. He pointed out that there was scarcely any country in which the first appeal lay with judicial officers as such. Again, he quoted figures to show that only a small percentage of assessees went in appeal against the Appellate Commissioners' decisions. Thus, in 1951-52, appeals were preferred over the Appellate Commissioners' decision in respect of only 13 per cent. of the cases; one-fifth of such appeals was fully successful, two-fifths partially successful and two-fifths were unsuccessful. These figures do certainly show that the Appellate Commissioners discharge their functions with a considerable degree of impartiality and fair-mindedness. Even so, it seems unfair to disregard a vital principle on the basis of statistical data relating to successful and unsuccessful cases.

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U.S. SYNTHETIC RUBBER PLANTS

The President of the United States recommended to the Senate, last week, the enactment of legislation for the sale of the Government-owned synthetic rubber plants to private industry. This recommendation was based on the report of the U.S. Reconstruction Finance Corporation (R.F.C.)—the agency which is responsible for the Government's synthetic rubber operations—submitted on 1st March, 1953, regarding the disposal of the plants, in accordance with the Rubber Act of 1948.

In a special message, asking the Congress to enact the necessary legislation, Mr. Eisenhower expressed his "hearty accord" with the policy of the Congress that the security interests of the nation would be best served by the development within the U.S. of a free competitive synthetic rubber industry, and he considered the present moment as opportune for disposing of the plant.

The recommendations of the R.F.C., in his opinion, provided the basic outline of a satisfactory method of achieving this objective. The disposal of these plants, he said, must be consistent with three objectives: (1) the Government should realise its fair value; (2) disposal should be effected in such a way as to ensure the benefits of fair competition; and (3) the facilities (plants) must always be available for the production of synthetic rubber in times of emergency.

The Government's huge synthetic rubber industry was set up, at a cost of $770 million, at the beginning of World War II, when the U.S. was denied access to its normal supplies of natural rubber. There now remain plants worth $550 million in Government ownership and these plants supply nearly all the requirements of synthetic rubber in the U.S. In 1952, the requirements amounted to 806,500 long tons out of a total U.S. consumption of 1,260,000 long tons of raw rubber. The consumption of natural rubber thus amounted to just over 450,000 tons.

With the building up of its synthetic rubber plants, the U.S. had a strong influence over world rubber prices, as the largest consumer of raw rubber and the biggest producer of synthetic rubber. In recent years, the influence has been felt more strongly, at the cost of the natural rubber growers in Malaya. Thus, the consumption of natural rubber by the U.S. dropped from 720,262 tons in 1950 to 454,276 tons in 1951 and 453,000 tons in 1952. The price of natural rubber now stands at about 20d. per lb. on the London Rubber Exchange, as against 32½d. a year ago and 67d. early in 1951. The current price of natural rubber is competitive with the price of synthetic rubber. So long as the natural rubber remains competitive, the future for natural rubber should cause no concern.

SUGARCANE CESS IN BIHAR TO BE RAISED

GOVERNMENT'S MOVE UNJUSTIFIED

THE Bihar Government's move to enhance the cess on sugarcane, from As. 3 to As. 3-3 per maund was bitterly criticised by several members of the State Legislative Assembly in the course of the debate on the official Bill seeking to amend the Bihar Sugar Factories Control Act recently. Some members characterised the proposed increase in cess as highly unjust and felt that such would ultimately jeopardise the sugar industry in the State. A few went even to the extent of dubbing the measure as one of immoral taxation.

These criticisms are by no means unjustified, for the increase of three pies in the rate of cess on sugarcane will raise the cost of sugar manufacture by As. 2-6 per maund. As it is, the cess works out to as much as 15 per cent. of the cane cost. That despite the plea for reduction in cess on sugarcane, repeatedly put forward in the Press and on the platform, for a considerable time past, the Government of Bihar should have not only not reduced it but actually proposed to enhance it further amounts to contempt for public opinion. As pointed out in these columns recently, this move runs counter to the recommendation of the Tariff Board (1950), namely, that the cess on sugarcane should be reduced from As. 3 to As. 1-6 per maund.

Judging from the figures of total collection of cess and expenditure on cane development in Bihar, it must be said that there is no justification at all for raising large revenues by way of cane cess which is meant only for the specific purpose of financing research in production of cane. Thus, while the total amount now being collected by the Government of Bihar by way of cess is of the order of more than Rs. 1.14 crores per annum, the expenditure that is actually being incurred for cane development is said to be not much. That this conclusion is not unfounded will be evident from the statement of Bihar's Industries Minister, Mr. Mahesh Prasad Sinha, himself. He said: "The entire cess cannot be, for obvious reasons, used for betterment of the industry alone," for many more tube wells are being sunk and better manure provided for betterment of cane. No one has suggested that the cane cess fund should be utilised solely for the benefit of the sugar industry. But what is objected to is the expending of the proceeds of this tax in a manner which does not serve the interests of either the grower of sugarcane or the crusher of cane exclusively.

Cess Should be Reasonable

Viewed thus, the explanation hardly sounds convincing. There is no doubt that a large part of the cess on sugarcane is being used largely for purposes for which funds should be found from general revenues. It is wrong in principle to tax sugarcane, the basic raw material required by the sugar industry, for such purpose. Further, sugar is an essential article of consumption and, since the Governments are already collecting excise duty, sales tax, etc., on sugar, it is not proper to collect cess on sugarcane also. As the Tariff Board has pertinently remarked, the levy of a tax on raw material is, as a rule, wrong in principle generally, and much more so when it is imposed on the raw material of an industry "which has been nursed by the consumers all over the country for a period of 18 years and for which they have made a heavy sacrifice during all these years." Since, however, the cess on sugarcane has become a part of the system of State taxation and is required for improving the yield, quality and marketing of sugarcane, one may allow the imposition of the levy. But it must be pointed out that the rate of cess should be at a reasonable level, say, As. 1-6 per maund, that is, at a rate consistent with the requirements of the cane development programme.

Replying to the criticisms made by the memmers, the Industries Minister sought to justify the imposition of a higher cess on sugarcane on two grounds. First, the increase in cess would make good the loss—estimated at Rs. 12 lakhs per annum—which has resulted from the exemption of sales tax granted by the Government to cane growers' co-operatives. Secondly, the present market price of sugar is not causing much hardship either to cane growers or to consumers who will not be affected, as the increase in cess will be borne by the sugar mills themselves.

Neither of these arguments cuts any ice. The co-operative societies in Bihar (as also in Uttar Pradesh) are charging as high a commission as As. 1-9 per maund of cane supplied to the factories which is more than sufficient to expand their activities. There was, therefore, no need to exempt them from sales tax. In fact, there is no justification even for the commission which these societies are allowed to charge. For the main function of these societies is development and marketing of sugarcane, which is largely the function of the Government's Cane Development Department. In other words, this means that the funds required by the societies for cane development at least should be provided out of the money raised from the cane cess. "It would thus follow," to quote the Tariff Board, "that no separate commission should be charged from the mills."

The argument that higher cess on sugarcane will not cause hardship to consumers, in view of the recent decline in sugar prices, is simply ridiculous. It means that the Minister concerned is opposed to the generally accepted policy of bringing down prices and that he cares little for the consumer. That apart, despite lower sugarcane prices and higher production, the price of sugar is still high in all conscience. Indeed, it is the high cost of sugar that is keeping down the level of consumption in the country. Even at the risk of repetition, it must be said that, if the level of sugar consumption in India is to be raised, it is imperative that the price of sugar must be reduced substantially. This will be possible only when the Governments—Central and State—reduce their taxes. It is to be hoped that the Government of Bihar will reconsider its decision and, instead of enhancing the cess on sugarcane, will reduce it. The Government need not be afraid of a fall in its revenue, for a reduction in the incidence of taxation will stimulate the turnover and bring in more revenue to the State.

SUGAR PRODUCTION IN 1952-53

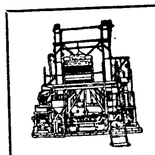
The production of sugar during the current (1952-53) sugar season is expected to aggregate 1,300,000 tons, according to the latest official estimate, the number of factories working being 134, as against 139. This represents a fall of more than 13 per cent., as compared with the previous season's output of 1,497,000 tons. The fall in sugar output follows the marked decline in the quantity of cane crushed, from 15.5 million tons in 1951-52 to 13.0 million tons during the current season. The fall would have been steeper, but for the improvement in percentage recovery of sugar from cane, a welcome sign, indeed. Thus, the all-India recovery for the season under review is estimated at 10.01 per cent., which compares favourably with 9.57 per cent. in 1951-52. The chief factor responsible for such an improvement has been the late start of the crushing season, which enabled the factories to get fully matured cane containing larger sugar content. It will be recalled that the early commencement of crushing in the previous season led to cutting of immature cane, the sugar content of which is generally poor.

Several factors have been responsible for the downward trend in sugar output during the current season, as compared with the previous one. The Union Minister for Agriculture, Dr. Punjabrao Deshmukh, for instance, referred, while replying to a question in the House of the People the other day, to four factors. These are (1) decline in area under sugarcane crop, (2) diversion of cane supplies in the factory zones to *gur* manufacture, thanks to relatively high prices for *gur*, (3) closure of seven sugar factories in Uttar Pradesh, and (4) late starting of crushing by factories. According to the Minister, the 1951-52 sugar season was an abnormal one, when, due to a bumper sugarcane crop and low prices of *gur*, there was considerable diversion of cane supplies from *gur* to sugar production. If that season were to be excluded, then the production during the current season would be more than that in any of the eight preceding seasons.

Despite the decline in sugar output, the supply position is quite comfortable, thanks to the large opening stocks. The production of 1,300,000 tons of sugar expected for the current season, together with 436,000 tons (excluding the quantity of 25,000 tons exported) brought in from the previous season, gives a total supply of 1,736,000 tons for the current season, which compares favourably with 1,660,000 tons available during 1951-52. In spite of such comfortable supply position, and of a reduction in sugar prices from Re. 1-12 to Re. 1-5 per maund, price of sugar continues to stay at a high level. The average price quoted in the Bombay sugar market, for instance, is as high as Rs. 92 per bag, as compared with a low of Rs. 80 per bag witnessed in the first week of December, 1952, and the previous control price of Rs. 82-6.

"INDIAN SUGAR"—ANNUAL NUMBER

The Indian Sugar Mills' Association, Calcutta, has just brought out the annual number of its monthly journal *Indian Sugar*, the first to be published since the Association took over its publication in June, 1951. The number—Edited by Mr. J. S. Mehta—reviews the proceedings of the recent annual general meeting of the Association and contains several valuable articles on the different aspects of the Indian sugar industry. The subjects cover sugarcane and its problems, sugar technology, confectionery manufacture, power alcohol production, and labour problems. The utility of the publication is enhanced by an analysis of the programmes of development of sugar and power alcohol sectors, as outlined in the Five-year Plan. The publication also contains statistical tables relating to sugarcane cultivation and sugar production in India, distribution of sugar mills in India and Pakistan, and world sugar crops. The Annual will be useful not merely to those connected with the sugar industry but also to those who wish to know something about the problems of this important Indian industry.



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EXPORTS OF INDIAN COAL

SHARP DECLINE IN MARCH

PROSPECTS of cessation of hostilities in Korea and rumours that the Government of India would soon abolish all existing surcharges on exports of coal are reported to have adversely affected exports of Indian coal in recent weeks. It will be recalled that the Government of India withdrew surcharge on exports of coal to Pakistan, with effect from 25th March last, under the Indo-Pakistan Agreement concluded some time earlier. This development has led to the belief that the Government may, sooner or later, abolish the surcharge on exports of coal to other destinations. In fact, in the week in which the Indo-Pakistan trade agreement was concluded, some of the newspapers actually reported that this would happen. The rumours, referred to above, are perhaps the outcome of these reports.

Latest reports from the port of Calcutta indicate that certain prominent buyers have practically given up buying Indian coal. Japan which imported 750,090 tons in 1952 is following a cautious policy. It is stated that Japanese importers are reluctant to enter into fresh commitments for fear that the end of hostilities in Korea may lead to a fall in industrial activity in their country. Hong Kong, another important buyer of Indian coal, is already confidently looking forward to revive coal trade with the Chinese mainland.

Paucity of shipping space has also been adversely affecting exports of coal in recent months. Last month, only 27 steamers were available for shipment of coal, as against 42 in February and 32 in January. Consequently, the tonnage shipped in March is said to be only 143,689, as against 264,434 in February, and 199,374 in January. The corresponding figures in 1952 were 231,790, 306,973 and 218,173 tons, respectively.

If a truce were to be concluded in Korea at an early date and, as a result, China were to enter the Far and South-East Asian markets, exports of Indian coal may suffer a sharp decline, with its consequent effects on foreign exchange earnings. Already, hopes of an increase in exports to Pakistan have been receding, with indications that Pakistan is trying to import not more than 70,000 tons per month by rail, a quantity which does not show any improvement over the actual exports in the previous months. Efforts, however, are being made to step up exports to Pakistan by another 10,000 tons per month.

As a result of all these developments, the decision taken by the Government of India last month to relax control on exports of coal has been of little value so far. The concession given to shippers to offer coal to foreign countries, except Pakistan, without prior permission of the Coal Commissioner has failed to bear any fruit.

Peace in Korea will mean the entry of China into the Far and South-East Asian markets, where India has been practically holding a monopolistic position in recent years. India can hope to withstand Chinese competition only if it can supply coal of high quality at competitive prices. This will not be possible without rationalisation of the Indian coal industry and setting up of washeries to wash and blend coals. It also requires priority of attention towards transport requirements from the coalfields to the port of Calcutta and storage facilities at the requisite centres. It is high time India took energetic measures to establish its position in the Far and South-East Asian markets more firmly than ever before.

COAL STATISTICS FOR 1952

During the year 1952, as many as 862 collieries were reported to have worked. On an average, 348,663 persons were employed daily, of which 182,762 males were employed underground and 114,433 males and 51,468 females were employed above ground. The overall percentage of absenteeism was 13. The output in tons per man-year employed for miners and loaders was 309, for all persons employed underground and in open workings 167, and for all persons employed 104. The output in tons per man-shift worked for miners and loaders, was 1.05, for all persons employed underground and in open workings 0.57, and for all persons employed 0.35.

As much as 36,301,865 tons of coal were produced during the year. The quantities of coal produced in some of the important coalfields were as follows: Jharia 13,303,184 tons, Raniganj 12,074,285 tons, Bokaro 2,485,947 tons, Karanpura 1,014,740 tons, Madhya Pradesh 3,449,077 tons, and Hyderabad 1,434,194 tons. Further, 111,396 tons of hard coke and 1,302,016 tons of soft coke were also manufactured. Of these, 31,183,666 tons of coal, 120,806 tons of hard coke and 1,319,874 tons of soft coke were despatched during the year. The coal stocks at the collieries on the last day of the year were reported to be 3,019,795 tons.

THE

CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA

(Incorporated in England by Royal Charter, 1853)

(Liability of Shareholders Limited)

Capital (Paid-up) - £3,500,000

Reserve Fund - - £4,500,000

Branches throughout India, Pakistan and the East

AFFILIATED BANK IN INDIA & PAKISTAN:

THE ALLAHABAD BANK LTD., with over 70 offices in India & Pakistan.

The Bank offers a complete Overseas Banking Service and provides exceptional facilities for financing every description of trade with the East.

Deposits for Fixed Periods or repayable at call or at short notice are received at rates which may be ascertained on application.

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Branch: 28 Charles II St., Haymarket, London S.W.I.

Manchester Branch : 52 Mosley Street.
Liverpool Branch : 27, Derby House, Exchange Buildings, Liverpool, 2.
Hamburg Agency : Borsenbrucke 2A, Hamburg II.

New York Agency: 65 Broadway, New York City

Bombay Branch, H. C. MacCOLL *Manager.*

23-25, Mahatma Gandhi Road, Bombay I.

THE

SOUTH INDIA INSURANCE COMPANY, LIMITED

(Incorporated in India)

(Established 1934)

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Fire, Marine, Accident and Miscellaneous Insurance Business

Authorised Capital Rs. 1,00,00,000

Subscribed Capital ,, 50,00,000

Paid-up Capital - ,, 10,00,000

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Mahatma Gandhi Road
Fort, BOMBAY

THE BOMBAY STATE CO-OPERATIVE BANK, LTD., BOMBAY

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Money deposited with this Bank helps the Indian Agriculturist and Co-operatives.

		Rs.
PAID-UP SHARE CAPITAL:		
Subscribed by the Shareholders	Rs. 33,27,750	
Subscribed by Government of Bombay	26,00,000	
		59,27,750
RESERVE AND OTHER FUNDS:		47,57,000
TOTAL DEPOSITS		8,16,20,000
WORKING CAPITAL		12,05,57,000

63 BRANCHES IN 15 DISTRICTS

Collection arrangements in many of the important cities of the Indian Union. Deposits of all kinds accepted. Terms on application.

V. P. VARDE, *Hon. Managing Director.*

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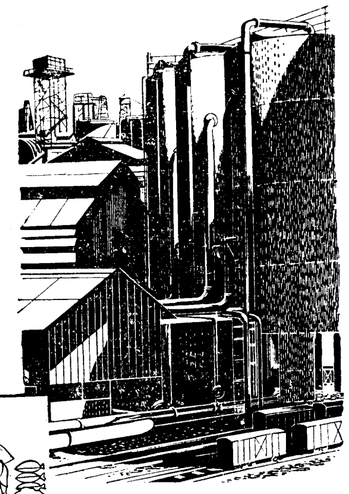
Built to last with ACC cement









ACC Cement has been largely used in the construction of this fine new factory – the largest Fertilizer Factory in Asia. It is sending out hundreds of tons of desperately needed synthetic fertilizer to put new life into the soil of India, to give new hope to agriculture – more food to the people.

Cement means better living for everyone – and the A.C.C. continues to make more and more *quality* Cement.

The Cement Marketing Company of India Ltd.
Sales Managers of
THE ASSOCIATED CEMENT COMPANIES LIMITED



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BABCOCK BOILERS

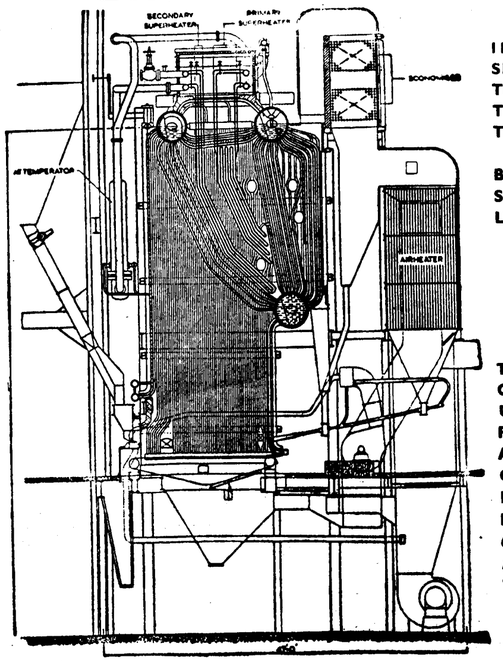

ILLUSTRATION SHOWS ONE OF THE SIX BABCOCK TRIDRUM BENT TUBE BOILERS WITH BABCOCK-DETROIT STOKERS RECENTLY COMMISSIONED AT SINDRI

THE STEAMING CAPACITY OF EACH UNIT IS 175,000 LB. PER HOUR MAKING A TOTAL OUTPUT OF 1,050,000 LB. PER HOUR AT A WORKING PRESSURE OF 650 LB. PER SQ. INCH AND A FINAL TEMPERATURE OF 835° F.

AT THE SINDRI FERTILIZER FACTORY

BABCOCK & WILCOX OF INDIA LIMITED

WALLACE HOUSE, 4 BANKSHALL STREET, CALCUTTA

BOMBAY MUTUAL ANNEXE, GUNBOW STREET, BOMBAY

READJUSTMENT OF EXCISE DUTY ON TEA

GOOD QUALITY TEAS PENALISED

THE Central Excise and Salt (Amendment) Bill, which was passed by the House of the People last week, has, we are told, two objects, namely, to (1) render some assistance to the tea gardens, and (2) bring direct benefit to a large section of the consumers, particularly of the poorer classes. So far as the first object is concerned, it has been welcomed by the growers not because it confers on them any substantial direct benefit, but because it affords them some relief in the initial outlay which they have to make by payment of duties to the Government. As regards the second object, it is sought to be achieved not by any direct method for bringing down the retail prices, but by a readjustment of the excise duty which existed till recently. (The readjusted duty came into effect from the 15th ultimo.) The method by which the Government has chosen to readjust the levy has been widely resented by manufacturers of packed tea, inasmuch as it discriminates them against dealers in loose tea. It is also feared that this step might lead to practices which certainly could not be the intention of the Government to promote.

The Government has, as readers are aware, adjusted the erstwhile excise duty at the flat rate of As. 3 per lb. levied at the time of issue of the tea from the producing gardens thus:

(1) Tea packed in containers having more than 60 lbs. of tea and issued from the producing gardens—One anna per lb.

(2) Package tea, i.e., tea packed in any kind of container having not more than 60 lbs. net—

(*a*) If issued from the producing gardens—As. 4 per lb.

(*b*) If issued from the premises of blenders and packers—As. 3 per lb.

The export duty of As. 4 per lb. remains unchanged. At the time of export, the difference, if any, between the new excise duty and the export duty will continue to be collected as hitherto.

Thus, it will be noted that two different and discriminating rates of duty are now being levied. The excise on bulk tea in packages of more than 60 lbs., in other words, loose tea, which was As. 3 per lb. before, has been reduced to one anna, while that on tea packed in quantities of 60 lbs. and less, which was also As. 3 per lb., has been increased by one anna to As. 4 per lb.

Explaining the provisions of the Bill, Mr. Deshmukh, the Union Finance Minister, claimed that, after careful consideration of the question of reducing the excise duty, which was one of the measures suggested to help the industry, the Government was convinced that any flat reduction in the excise duty would confer little or no benefit on the producer of tea, as such concession was more likely to be absorbed by the middleman. In other words, Mr. Deshmukh feared that the middleman, that is, the blender and packer, would not reduce his selling price to the extent of the reduction in excise duty. The Finance Minister's fear was based on the fact that, when there was a slump in auction prices last year, the retail prices of tea did not decline to any perceptible extent. The flat reduction of excise duty would thus only lead to a considerable sacrifice of revenue to the Government which it could ill afford. The Government, therefore, thought that, without any sacrifice of revenue, the excise duty should be so readjusted as to prove of practical benefit to the grower.

This conclusion of the Finance Minister is a naive one. The reduction of excise duty from As. 3 to an anna per lb. at the time the tea leaves the garden in bulk may not confer any material benefit on the grower, for the middlemen, namely, the blenders and packers, may try to pass on the incidence of the duty to producers by bidding at lower prices in the auctions. In a sellers' market, the incidence of such duty is generally passed on to the consumer, but, in a buyers' market, such as the one prevailing at present, this will not be possible and the burden of the duty is invariably borne by the producers. Mr. Deshmukh placed the estimated internal consumption at 210 million lbs. of which only about one-third was sold in retail in the form of loose tea and two-thirds was marketed by blenders and packers in small packets of suitable sizes. It will thus be seen that the major portion of tea sold for domestic consumption will bear a higher rate of excise duty. Accordingly, the readjustment of the excise duty will act as a damper on consumption of tea within the country.

Mr. Deshmukh contended that the kind of readjustment of duty which had been proposed in the Bill should be of direct benefit to a not inconsiderable section of consumers, particularly of the poorer classes who bought loose tea. He admitted that the consumer who preferred to buy tea in packets might have to pay an anna more per lb. He, however, expected that a good portion, if not the whole, of the extra one anna per lb. might be borne by the packers and other middlemen. Is this assumption correct? We have our own doubts. If the packers and blenders did not reduce their prices to consumers during the period when there was a slump, it is too much to expect them to bear the additional burden now. As already mentioned, they may either pass this on to consumers by increasing the price of their packets or to the producers by offering them lower prices. If they increase the price to the consumers, they may suffer a fall in their business, as consumers will turn to loose tea, which will actually be cheaper by As. 2 per lb. The chances, therefore, are that the blenders may offer lower prices to producers or sell more than they are doing at present in the form of loose tea.

The Government's proposal will thus certainly lead to an increase in the sale of tea in loose form. There will be no incentive to traders to take the trouble of choosing quality tea and packing them to preserve quality. The sale of tea in loose form provides scope for adulteration and underweighment. In other words, the Government's object to make available to a large section of consumers tea at cheaper rate in this manner will be achieved only at the cost of quality. In fine, the Government's action amounts to nothing more than placing a premium on the sale of inferior teas and levying a penalty on good quality teas. A somewhat similar step was taken in December last when the Government abolished the export duty on inferior teas (tea wastes) with the object of affording relief to the industry. But soon the Government realised that it was encouraging the production of inferior teas, and therefore, it had to withdraw that concession.

The present action shows that the Government has not learnt anything from its past mistake. In his reply to the debate on the Bill, Mr. Deshmukh complacently stated that the Government had sufficient powers to keep a watch on undesirable developments of the kind, referred to above. This means that the Government will be capable of preventing adulteration. But knowing the efficiency of the Governments as we do and the extent of adulteration that is daily taking place in food articles, in spite of all laws, we have not the least doubt that the task is beyond them. That apart, why deliberately give room for a disease to set in and then think of a remedy for it, and that too, a remedy which the authorities are incapable of administering?

COST OF PRODUCTION OF COFFEE

Mr. S. Boothalingam, Joint Secretary to the Ministry of Commerce and Industry, Government of India, accompanied by the Chairman and Vice-Chairman of the Indian Coffee Board, made a tour of some of the coffee estates in the Baba budin range of Mysore on 20th April, 1953. It is stated that the visit was in connection with ascertaining the cost of production of coffee, and particularly in connection with the fixation of a new basic price of coffee. Growers of coffee have been considering the question for some time and it is stated that strong representations would be made to Government pointing out that the present basic prices are by no means on the high side and that the dealers and middlemen are making more profits than the growers. The benefit of price for the consumer should come only by a reduction of the large profits that are being made by the middlemen and not by cutting the basic price for the grower, and it is this point that the growers propose to urge on the Government.

(*Concluded from next column*)

such as rice, wheat, gram, barley, *jowar*, *bajra*, etc., has recorded a production increase of over 12 per cent. since 1939. Production of sugar, both raw and crystal, which is an important consumer of jute bags, has gone up by over 67.8 per cent. from 35,43,000 tons in 1939 to 59,49,000 tons in 1949, and the latest reports indicate further rise in sugar output. Some of the industrial raw materials have also recorded a rise in total production. Oilseeds, for instance, have increased from 48,11,000 tons in 1939 to 50,95,000 in 1949."

The trend of production is bound to be upward still with the progress of the Plan which has set targets to be achieved for each of the commodities noted above. It is for the industry to study further to see how it can develop the home market for its products.

HOME MARKET FOR JUTE GOODS

NEED FOR NURSING IT IMPERATIVE

THE crisis that has now overtaken the Indian jute industry underlines the importance of developing the home market for its goods. The origin of the present crisis is seen in the Partition of India. In pre-Partition days, India was the producer of both raw jute and jute goods. After the Partition, the jute mills were cut off from their source of the raw material, namely, East Pakistan. While India sought to rely increasingly on home-grown jute, East Pakistan not only began to supply raw jute to India's competitors in Dundee and on the Continent of Europe but also began installing its own mills for the production of jute goods. Thus, Indian mills began to face growing competition from the mills in the Continent and elsewhere. In addition to this, the unhelpful export duties, which increased the prices of jute goods to consumers, encouraged the development of substitute packing materials made of cotton and paper. The result is that to-day, the monopoly which India enjoyed once is no longer there and the importance of jute goods as the largest single earner of foreign exchange for the country has declined considerably. In view of this, the need for expanding the home market for Indian jute goods assumes great significance. Geographically India is one of the biggest countries; its industrial and agricultural potentialities are immense. The Five-year Plan envisages huge expansion in both. The internal packaging need will slowly increase as the Plan progresses. The home market and its possibilities for larger usage of jute goods, doubtless, offer, therefore, scope for interesting study. The Indian Central Jute Committee has done well in drawing the attention of those interested in the subject by publishing a pamphlet entitled *Structure of the Home Market for Jute Goods* written by Mr. A. K. Mukherjee, Publicity Officer of the Committee.

A review of the pamphlet discloses that, during the ten-year period, 1930-39, local and upcountry despatches of jute manufactures from the reporting mills of the I.J.M.A. steadily rose along with a similar trend in the export trade for jute manufactures. This was, indeed, a period of expanding markets for the goods. The despatches of jute bags for internal consumption increased from 62.29 million yards in 1930 to 104.5 million yards in 1939. Jute bags exported from India also rose from 546.29 million yards to 939.9 million yards in 1939. Gunny cloth exports increased during this period from 1,395.5 million yards to 1,552.2 million yards. Gunny cloth despatches for local and upcountry purposes advanced from 24.3 million yards to 72.4 million yards. The expansion was, however, not continuous, the consumption being affected by the economic depression of the thirties. Expressed in percentage, the increase in local and upcountry despatches of gunny bags between 1930 and 1939 was 67.7, as against an expansion in foreign despatches by 35.1 only. Similarly, despatches of gunny cloth for internal purposes went up by about 200 per cent. while foreign despatches of the same commodity rose by only 11.2 per cent. Comparatively speaking, therefore, the expansion of the internal market for both the varieties of gunny products was at a much higher rate than that of the foreign market.

The upward trend of despatches of both cloth and bags noted above continued upto 1942, assisted by the Second World War. By that year, the war had become a global one. Shipping transport was seriously affected by it. Since then, the internal consumption of hessian and sacking has continued to decline. Thus, hessian consumption dropped from 46,900 tons in 1944-45 to 11,800 tons in 1949-50 and sacking consumption from 138,700 tons to 89,000 tons in the same period. To what extent these declines reflect the index of economic activity in the country with which the fate of packaging materials generally is tied and to what extent they present the scarcity conditions for jute goods in recent years is stated to be a guess. But it cannot be denied that internal consumption has accounted for a steadily declining share of the total jute goods production. It did decline from 23.1 per cent. in 1944-45 to 11.8 per cent. in 1949-50. The Indo-Pakistan currency deadlock, stockpiling programme after the Korean War, high prices of jute goods, and the Government of India's directive to chambers of commerce and trade associations to effect a cut of 25 per cent. in the consumption of jute manufactures were the causes of the decline.

For the reasons already mentioned the need of the hour is to nurse the internal market and develop it. That there is scope for the same will be evident from the remarks made by Mr. Mukherjee in the pamphlet referred to above. He says:

"The demand for jute goods is virtually a derived demand, varying largely with the growth of population, progress of industrialisation, growth of export trade, expansion of agriculture, etc. India's population has increased by 29.4 per cent. during the last 20 years. Industrialisation in general, as may be assumed from the trend of industrial activity, has advanced by over 46 per cent. during the same period. In the sphere of agricultural production, the food group comprising cereals

(*Continued in previous column*)

THE BANK OF BIKANER, LIMITED

(ESTABLISHED 1944.)

BALANCE SHEET OF THE BANK OF BIKANER, LIMITED, AS AT 31st DECEMBER, 1952

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
AUTHORISED CAPITAL— 4,00,000 Shares of Rs. 50 each	2,00,00,000 0 0	
ISSUED AND SUBSCRIBED CAPITAL— 2,00,000 Shares of Rs. 50 each	1,00,00,000 0 0	
AMOUNT CALLED UP AND PAID— At Rs. 25 per share on 2,00,000 Shares	50,00,000 0 0	
ADD—Forfeited Shares	60 0 0	50,00,060 0 0
Reserve Fund and Other Reserves—		
As per last Balance Sheet	10,50,000 0 0	
Additions during the year	3,50,000 0 0	14,00,000 0 0
Deposits and Other Accounts—		
Fixed Deposits and 3 years Cash Certificates	4,05,63,712 9 11	
Savings Bank Deposits	69,82,471 2 2	
Current Accounts, Contingency Accounts, etc.	5,44,80,752 2 0	
Staff Security Deposits (deposited with this Bank itself being a Scheduled Bank)	2,30,994 15 3	11,12,57,930 13 4
Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	3,00,000 0 0	
(ii) Outside India	Nil	3,00,000 0 0
PARTICULARS— (i) Secured (against Securities of the Central Government).	3,00,000 0 0	
(ii) Unsecured	Nil	
Bills Payable		26,13,296 2 10
Bills for Collection being Bills Receivable (as per contra)—		
(i) Payable in India	56,33,564 13 8	
(ii) Payable outside India	12,539 15 0	56,46,104 12 8
Other Liabilities—		
(i) Sundry Creditors	83,098 8 5	
(ii) Dividend Account	15,650 2 0	
(iii) Rebate on Bills Discounted	51 8 0	98,809 2 5
Acceptances, Endorsements and Other Obligations (as per contra)		14,71,031 13 8
Profit and Loss Account (subject to Taxation)—		
Profit as per last Balance Sheet	2,07,106 13 1	
LESS— Rs. a. p.		
Statutory transfer to Reserve Fund as per Section 17 of the Banking Companies Act, 1949 — 50,000 0 0		
Dividend at 3 per cent. per annum free of income-tax for the year ended 31st December, 1951 — 1,50,000 0 0	2,00,000 0 0	
	7,106 13 1	
ADD—Balance brought from the Profit and Loss Account	7,46,560 9 11	
	7 53,667 7 0	
LESS—Appropriations as under— Rs. a. p.		
Reserve for Taxation — 2,00,000 0 0		
Statutory Transfer to Reserve Fund as per Section 17 of the Banking Companies Act, 1949 — 1,50,000 0 0		
Transfer to General Reserve Fund — 2,00,000 0 0		
Bonus to Staff — 45,000 0 0	5,95,000 0 0	1,58,667 7 0
10. Contingent Liabilities — Rs. a. p. Nil		
NOTE.—The figures in respect of Pakistan balances have been incorporated in the accounts at pre-devaluation parity.		
Total .. Rs.		12,79,45,900 3 6

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash— In hand, in transit and with Reserve Bank and Imperial Bank.		1,77,10,118 0 5
2. Balances with Other Banks— In Current Account—		
(i) In India	7,03,031 7 6	
(ii) Outside India	62,080 1 11	7,65,111 9 5
3. Money at Call and Short Notice		Nil
4. Investments (At Book Value)—		
(i) Securities of the Central and State Governments—Face Value Rs. 4,80,50,600-0-0 .. (Average Market Value as determined by Reserve Bank of India Rs. 4,64,45,586-10-0.)	4,76,93,058 9 6	
(ii) Shares of Joint Stock Companies—		
Preference (Fully Paid Up)	1,78,750 0 0	
Ordinary (Fully Paid Up)	3,95,037 8 0	
(iii) Debentures or Bonds	10,17,858 7 10	
(iv) Other Investments	Nil	
(v) Gold	Nil	4,92,84,704 9 4
(Market Value of items (ii) and (iii) Rs. 15,06,412-8-0) (Part of the securities lodged with other Banks against borrowing arrangements.)		
5. Advances—		
1. Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India — 4,69,37,776 9 3		
(ii) Outside India — 27,714 0 1	4,69,65,490 9 4	
2. Bills Discounted and Purchased—		
(i) Payable in India — 26,26,614 10 9		
(ii) Payable outside India — Nil	26,26,614 10 9	4,95,92,105 4 1
PARTICULARS OF ADVANCES—		
(i) Debts considered good in respect of which the Banking Company is fully secured	4,75,71,567 15 6	
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security (includes Rs. 15,29,306-6-0 due from the Government of Rajasthan)	19,70,063 12 4	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	50,473 8 3	
(iv) Debts considered doubtful or bad not provided for	Nil	4,95,92,105 4 1
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other person	56,926 7 2	
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	6,59,518 15 10	
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	77,000 14 6	
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	10,12,859 0 0	
(ix) Due from Banking Companies	92,907 3 9	
6. Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	56,33,564 13 8	
(ii) Payable outside India	12,539 15 0	56,46,104 12 8
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		14,71,031 13 8
8. Premises Less Depreciation		Nil
9. Furniture, Fixtures and Vehicles— Rs. a. p.		
At cost as per last Balance Sheet (31st December, 1951) — 9,63,627 14 2		
Additions during the year — 1,47,366 3 6		
— 11,10,994 1 8		
DEDUCT—Sales or write offs — 21,775 15 3	10,89,218 2 5	
DEDUCT—Depreciation—		
Upto 31st December, 1951 — 1,70,760 1 1		
For the year — 80,433 13 4		
— 2,51,193 14 5		
LESS—Depreciation on sales and write offs — 3,502 2 5	2,47,691 12 0	8,41,526 6 5
10. Other Assets—		
(i) Prepaid Expenses and Other Amounts, Receivable or Adjustable	54,104 6 1	
(ii) Interest accrued on Investments	4,26,313 4 0	
(iii) Stationery and Stamps on hand	1,59,969 11 10	
(iv) Advance Payments of Taxes and Income-tax Deducted at source (Estimated liability of taxation provided contra)	19,94,810 6 0	
Income-tax Assessments from 1948-49 have yet to be completed.		26,35,197 11 11
11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
Total .. Rs.		12,79,45,900 3 6

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1952

Dr. Cr.

EXPENDITURE	Rs. a. p.	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	19,50,035 7 3	
2. Salaries and Allowances and Provident Fund (this includes Salaries and Allowances paid to the General Manager Rs. 34,000)	13,64,704 7 5	
3. Directors' and Local Committee Members' Fees and Allowances	4,689 15 0	
4. Rent, Taxes, Insurance, Lighting, etc.	1,70,214 15 7	
5. Law Charges	9,488 8 3	
6. Postage, Telegrams and Stamps	81,458 0 6	
7. Auditors' Fees and Expenses	6,057 4 6	
8. Depreciation on and Repairs to the Banking Company's Property	80,433 13 4	
9. Stationery, Printing, Advertisement, etc.	82,075 5 7	
10. Loss from Sale of or Dealing with Non-banking Assets	Nil	
11. Other Expenditure— Rs. a. p.		
(i) Travelling, Conveyance and Remittance Charges — 1,29,704 10 9		
(ii) Miscellaneous Expenses — 15,152 9 3	1,44,857 4 0	
12. Balance carried to Balance Sheet	7,46,560 9 11	
Total .. Rs.	46,40,575 11 4	

INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. a. p.	Rs. a. p.
1. Interest and Discount		36,54,809 2 10
2. Commission, Exchange and Brokerage — 8,59,859 2 5		
LESS—Commission, Exchange and Brokerage paid — 41,297 7 11		8,48,561 10 6
3. Rents		Nil
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)		Nil
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)		Nil
6. Income from Non-banking Assets, and Profit from Sale of or Dealing with such Assets		Nil
7. Other Receipts		1,37,204 14 0
Total .. Rs.		46,40,575 11 4

AUDITORS' REPORT TO SHAREHOLDERS.

We have audited the above Balance Sheet of the Bank of Bikaner Ltd., as at 31st December, 1952, and also the Profit and Loss Account for the year ended that date in which are incorporated the audited returns from Bombay (Fort), Bombay (Zaveri Bazar), Calcutta, Delhi, and Bikaner Branches and the authenticated returns from other branches. We report that :—

(a) We have obtained all the information and explanations we have required ;

(b) In our opinion the above Balance Sheet and Profit and Loss Account are drawn up in conformity with the Law ;

(c) Such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs according to the best of our information and explanations given to us and as shown by the books of the Bank ;

(d) In our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913 ;

(e) The information and explanations required have been found to be satisfactory ;

(f) The transactions of the Company which have come to our notice have been within the powers of the Company ;

(g) The returns received from the branch offices of the Company have been found adequate for the purposes of the audit ; and

(h) The Profit and Loss Account shows a true balance of Profit and Loss for the period covered by such account subject to Taxation and the appropriations made.

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Chartered Accountants.
SINGHI & CO.,
Chartered Accountants.

K. B. DAGA, Chairman.

M. D. HEGDE, Chief Accountant.

SATYA DEV, General Manager.

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CHHAGANMULL CHOPRA,
BUDHMAL DUGAR,
PREM SINGH,
V. NARAYANAN,
CHANDRAPAL SINGH,
ROOP NARAIN SHARMA,
SHIVRATAN G. MOHATTA,
JORMAL PERIWAL. } Directors.

BOMBAY, 2nd March, 1953.

FINANCING CONSTRUCTION OF ROADS

FLOTATION OF LOANS SUGGESTED

ADDRESSING the annual general meeting of the Indian Roads and Transport Development Association (Madras Branch), Mr. T. S. Santhanam, Chairman, suggested for consideration of the Government of India the flotation of road loans and the issue of road bonds for financing construction of new roads. This, he expressed, was necessary in view of the allocation of a meagre sum of Rs. 104.5 crores under the Five-year Plan, as against a minimum requirement of Rs. 400 crores for a national network of roads, according to Nagpur Plan of 1943, at the then estimated cost. This is not the first time that a suggestion of this kind has been made. It will be recalled, from our references in these columns, that Mr. E. A. Nadirshah, speaking at the Institution of Engineers (India), M.P. Centre, nearly two years ago, advocated tagging these loans with the formulation of a special scheme of prize bonds.

A scheme for the flotation of road loans, together with a special scheme of prize bonds, is worth consideration, although it is true that it is difficult to estimate the success of road loans. Despite the fact that an investment in prize bonds assures the investor a steady rate of return and a prize if he is lucky, the scheme may not be such a great success in the present climate of the capital market as some seem to believe. But no harm will come in giving a trial to these schemes, on an experimental basis in certain selected areas, and extending them subsequently, to other places, if found successful.

Another point referred to by Mr. Santhanam related to a separate Road Transport budget on the lines of the Railway budget. The revenue from motor vehicles, he claimed was as much as Rs. 50 crores in 1952. Further, he stated that railways recover from passenger travel Rs. 95.5 crores, annually, while the total receipts from buses, taxis and private cars aggregated Rs. 105 crores. The sizable increase in receipts from roads, as compared with those from passenger traffic through rail, makes out a case, the Chairman added, for fostering a live road programme, as in the case of railways. This explains the need, according to Mr. Santhanam, for a separate road budget.

Although Mr. Santhanam's demand for a separate road budget appears to be reasonable on the face of it, it will not find sympathetic response from the States in the present circumstances, for roads other than national highways are a State subject under the Constitution and much preliminary work has to be done in winning over the State Governments to the view of having a common road budget, on the lines of the railway budget. As these Governments are in the habit of using the proceeds of tax collected from transport for purposes other than road construction, their response to the new idea is likely to be little. Besides, the problem involves complications, arising out of roads being under the jurisdiction of municipalities, district boards and States, in regard to such matters as the collection of taxes, their allocation among the various units and the division of responsibility for construction and maintenance of roads. In other words, it means centralisation of authority which might be unsuitable to the development, especially of rural roads. All that is possible is the constitution of a Central Road Fund and State Road Funds, into which all the money made available for expenditure on roads could be credited, on a non-lapsable basis. This arrangement will enable the authorities responsible for roads to plan ahead without fear of lapse of funds, because they will be tolerably sure of their road budgets for a sizable number of years to come. The authorities in the U.S. know the road budget two years in advance, before work on a project commences, and it is noteworthy that grants are not allowed to lapse there, till the particular project is completed. Such grants, once announced, can be taken on a "matching basis", the State authorities undertaking to raise equivalent funds from their own resources within three years after construction actually commences.

Mr. Santhanam dealt also with another aspect, namely, the heavy incidence of taxes on roads. In fact, the heavy Central and State taxes have made motor vehicle taxation in India perhaps the highest in the world. There are, in addition to Central and State taxes, local levies also. The average goods lorry pays in Central and State taxes alone twice the average earnings per ton of goods carried by rail. So far as Madras is concerned, a bus now pays, on an average, nearly 45 per cent. of its gross takings to the State and the Centre. Surely, no other industry or trade pays such a large contribution to the general exchequer.

The heavy incidence of taxation is a point which has been complained of by almost every person concerned with motor vehicles. It has retarded the growth of road transport industry. Especially in India, a land of vast distances not traversed by railways sufficiently, the development of road transport requires high priority of attention. Even the Motor Vehicle Taxation Enquiry Committee has complained that heavy and unco-ordinated taxation is detrimental to cheap, rapid and efficient development of road transport. It is high time that some relief was given to owners and users of motor vehicles. It is to be hoped that the Matthai Taxation Enquiry Committee will go into the question thoroughly and make suitable recommendations.

ROAD SWEEPING MAGNET

Conservation of tyres is a matter of utmost importance for motor transport operators, as tyre consumption is one of the major items of their running costs, and works out to about 10 per cent. of the total cost of operation. The Road Sweeping Magnet offers the most effective form of conservation of tyres. Messrs. Southern Roadways, Ltd., Madurai, have imported one such unit from the U.S. at a cost of Rs. 17,000. The Magnet, installed in a Chevrolet truck, automatically, efficiently and swiftly attracts and picks up bullock-shoes, nails, spikes and wires from the roads and thus saves motor vehicle tyres from premature destruction. The cost of operation of this magnet is Re. 1-6 per mile (inclusive of fuel, lubrication, maintenance, driver's wages and depreciation). Having regard to the thousands of tyres saved from destruction by bullock-shoes and iron pieces scattered on roads, the operational cost is very negligible.

The Road Sweeping Magnet is just a heavy truck, run on charcoal gas, with a heavy electro-magnet (6 ft. long, 18 inches wide) slung at the rear of the vehicle and weighing about 3,000 lbs. The road clearance is 4½ inches. An electric generator 2½ kw. and 120 volts is used to magnetise the electro-magnet. To sweep a road of average width, the sweeper will have to run one side each way. On idle haulage, the petrol-run generator need not work. During the operation, the running speed is five miles an hour. If the sweeper is not worked, the vehicle can run at an average speed of 20 miles.

SOUND AND HEAT ENERGIES

Intensive studies on the thermal effects of ultrasonics by Dr. S. Parthasarathy, Head of the Acoustics Division of the National Physical Laboratory, New Delhi, have culminated in the discovery of the relationship between sonic and thermal energies. It has been established that sound is always converted into heat in a definite ratio and this ratio is 4.19×10^7 ergs/cal., which is in remarkable agreement with similar constants of proportionality determined by the conversion of mechanical and electrical energies into heat.

The unit of mechanical energy is the erg, which is the measure of work done by a dyne, that is, by a force which, acting for one second upon a mass of 1 gramme produces a velocity of one centimetre per second. A joule is 10 million—usually written 10^7 ergs. The calorie is a thermal unit and measures the amount of heat needed to raise a gram of water one degree Centigrade in temperature. The studies confirm that, whatever the form of energy, mechanical, electrical or sonic, the heat produced by that energy is the same as long as its value remains the same.

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TRAVANCORE-COCHIN BACKWATERS

INLAND WATER TRANSPORT BOARD TO BE SET UP

THE Government of India is considering a proposal for the setting up of an Inland Water Transport Board for Travancore-Cochin. The main object of the Board is the development of backwaters of Kerala for navigation purposes, which is expected to increase the prosperity of the State. Latest reports indicate that progress is being made in the formulation of a pilot project with shallow draft tugs in consultation with an inland water transport expert provided by the U.N. Again, there have been consultations between the Madras and Travancore-Cochin Governments on certain questions that are common to them both in the development of the backwaters of Travancore-Cochin State and Malabar.

One of the reasons that is retarding the development of Travancore-Cochin State is the lack of proper communications. The major means of transport is through these backwaters. Statistics regarding the volume of traffic carried on these backwaters are not available. But the value must be large considering that goods transport carriers by land are few and they too are unorganised. Unfortunately, the backwaters and the canal system are in a very poor condition, thanks to the lack of administrative care and facilities for the upkeep of these waters. There is frequent congestion, at the locks and gates, of boats and barges. Again, there is the steady silting of canals.

Water transport is the cheapest of all inland systems of transport. It is a pity that this system of transport should be neglected, especially when it could effectively supplement roads and railways. Mr. Otto Popper, E.C.A.F.E. Expert on inland navigation, who was in India some time ago and who submitted his interim report on inland navigation, investigated into the question of improving navigation in these backwaters. The E.C.A.F.E. Commission for Asia and the Far East will finalise his report and forward it to the Government of India, in course of time. The report is stated to limelight the potentialities of developing the Travancore-Cochin backwaters for transport purposes. In this connection, it is noteworthy that Mr. U. Shanker Rao, an Indian authority on the subject, has stressed the need for the development of backwaters, deepening and widening of channels, effective measures for speeding up of passage through the locks, and goods—landing and load facilities at the main traffic approaches. He has further made out a case for a dependable and power-operated craft for goods traffic.

Mr. U. Shanker Rao has also urged, in the course of an article in the *Hindu*, the constitution of a Joint Transport Board for Travancore-Cochin comprising the railway, the backwater operators and the road services. The purposes of the Board, according to him, should be the co-ordination and the stimulation of the three main systems of transport so that "they can, while developing each in its own way, avoid mutually exclusive policies and in time build up a well-knit State-wide transport system on the most modern lines." This would help avoidance of waste of transport facilities besides ensuring full and satisfactory service to the public. "The Board can," according to him, "build up a fund and provide initiative and knowledge required for turning the backwaters from the slow, inefficient and uncomfortable means of transport that they are now into one of equal importance and utility to the existing and future road and rail systems in the State."

INDIAN SHIPPING

During question hour in the Council of States, Mr. O. V. Alagesan, Deputy Minister for Transport, stated that the Government had already taken adequate measures to prevent the development of monopolistic trends in Indian shipping. It could be legitimately claimed that there are no such trends in India at present. A Consultative Committee of Shipowners had been set up and it had so far held two meetings. Among the subjects discussed at the meetings, were the grant of certain income-tax concessions to the Indian shipping industry, collection of shipping statistics, the setting up of a salvage organisation in India and the improvement of the existing facilities at certain ports. These suggestions were under Government's consideration.

Asked whether there were differences of opinion between the smaller shipowners and the major shipping interests in the Committee, the Deputy Minister said that he had no knowledge. The Committee had six members nominated by the Indian National Steamship Owners' Association, one representative of the Eastern Shipping Corporation and two persons nominated by Government from among the shipping companies which were not members of the I.N.S.O.A.

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FIRE INSURERS' PROBLEMS

IMPRESSIONS OF A BRITISH INSURER

FEW nations can boast of so widespread an insurance institution as the U.K. Through the centuries, British insurance institutions have stood the test of time and have emerged successfully from the many perils and hazards which they have had to face in their long history. Of these institutions, British fire insurance has certainly a creditable record of good service in diverse lands under very trying conditions. Most of the problems which the British fire insurers have faced and are still facing are by no means purely British in character, for they are essentially international. So intricate are the problems involved in the work of these insurers that a study of the activities of the Fire Offices Committee (Foreign) of the British fire insurers will evoke considerable interest. From this point of view, it is instructive to turn to the masterly address which Mr. A. S. Hinshelwood, Chairman of the Fire Offices Committee, delivered at a recent meeting of the Insurance Institute of London, in which he surveyed briefly but comprehensively the Committee's functions in the field of international fire insurance.

The importance of the Fire Offices Committee (Foreign) will be evident from the fact that, with a membership of over 230 companies, members and associations, the Committee functions in no less than 43 countries, each with its own separate distinct characteristics, laws and traditions. It is a tribute to the flexibility and the adaptability of the British insurance system that it has been able to adjust itself, since its establishment as far back as in 1869, in a remarkably successful manner to ever-changing conditions in the many countries in which it operates. Mr. Hinshelwood divided the functions of the Fire Offices Committee (Foreign) into three categories: the establishment and maintenance of the business of fire insurance on the soundest possible lines, the continuous development of knowledge of fire hazards and of the means to counteract them and the making of that knowledge generally available to the concerned interests, and the common defence of common interests. Mr. Hinshelwood said that the Committee had sought to discharge the first of these functions, from the earliest days, by establishing local associations, most of which were now autonomous bodies. Despite this development, it is interesting to note that such associations continue to look to the Committee for assistance as the need arises and work in co-operation with the Fire Offices Committee (Foreign). The Committee exercises an integrating influence through the regular prescribed consultations with the U.S. Fire Companies Conference, the French Overseas Section and the Council in Amsterdam, all of which are concerned with problems of fire insurance.

The second function of the Fire Offices Committee is the development and dissemination of the knowledge of fire hazards and the means to counteract them. Referring to this, Mr. Hinshelwood remarked: "I doubt whether there is any other body in any industry which has so wide a field of experience, both geographically and in relation to those engaged in the industry, upon which to draw." The Committee is fortunate in the fact that not only has it its own technical staff and the staffs of the companies at its call, but it can also avail itself of the knowledge and experience of the other important technical organisations in the U.S. and elsewhere, with which it maintains very friendly relations. Again, there are two important institutions devoted to the investigation of fire hazards, namely, the Joint Fire Research Organisation and the Fire Offices Committee Fire Protection Association, which, together with the Fire Offices Committee organisation, according to Mr. Hinshelwood, constitute a "very fine technical workshop for the analysis and defeat of fire hazards."

The third function of the Committee is what Mr. Hinshelwood described as the "common defence of common interests." To this class belongs "war risk," for it is through the joint endeavour of the fire insurers that the principle that insurers should refrain from covering war risk to property on land was accepted in 1936. Again, a common problem is the coverage of explosion risks. In this connection, the Chairman referred to the explosion of the ammunition ship in Bombay in 1944 where the damage done was placed at £20 million. The hazard, as Mr. Hinshelwood observed, grows as each new explosive is produced. It, therefore, constitutes a matter of common concern to all fire insurers.

Referring to the accidents which might be caused by the release of atomic energy in times of war, he said that they are covered by the war risk regulations in force in the U.K. Insurers are, therefore, concerned only with the accidental release of atomic energy. And here, he was not satisfied that the time had come for the inclusion in fire policies of a general protective clause. Finally, fire insurers are called upon to face the losses inflicted on property during a period of civil commotion and disorder. It is true that many fire policies do cover these accidents. But then, civil commotion has begun to assume grave proportions in many countries and to cause greater damage than in the past, thanks to the modern powerful explosives to which the unruly elements in the population have freer access than before. In these circumstances, civil commotion passes the limit of what is ordinarily understood by "civil commotion" and becomes what should be regarded as an "insurrection." These developments pose difficult problems for fire insurers.

A far graver source of irritation to fire insurance companies, as indeed it is to all types of insurers, is the growing volume of legislation relating to insurance. Analysing the general features of the legislative action of the Governments in the field of insurance, Mr. Hinshelwood said:

"First come those requirements which purport to improve the security of the policyholder. In general they take the form of the compulsory deposit of guarantees and technical reserves and the investment of those funds in a prescribed range of securities. Unhappily, this is more or less common form where control legislation exists. Under the second head come those measures designed to protect the national companies. Broadly speaking, they cover differential taxation in favour of national companies; compulsory co-insurance with national companies; compulsory reinsurance with national companies; the compulsory placing of certain classes of business with national companies; finally, limitation of acceptances. The third category of legal provisions are those which pave the way for direct participation by the State in the insurance industry. That participation may be in respect of direct writing or of reinsurance. As to the former, most of the principal companies in France have been acquired by the State; State-owned companies exist in Iran, Iraq, Pakistan, Turkey and Uruguay, while in Burma, the two Burmese life companies have been nationalised. In the field of reinsurance we have the Instituto Mixto Argentino de Reaseguros in the Argentine, the Instituto de Resseguros de Brasil in Brazil, the Caja Resseguradora de Chile in Chile and the Caisse Centrale de Reassurance in France. With the exception of the State-owned companies in Turkey and Uruguay and of the State reinsurance concern in Chile, all these State insurance or reinsurance institutions have come into existence since the outbreak of the last war. That is broadly the position to-day. But it would seem that there is still more in store for, at this moment, legislation affecting insurance, whether original or amending is threatened or pending in 16 countries."

Mr. Hinshelwood was not, of course, opposed to the principle of protecting the citizens against "unsound and unscrupulous" insurance concerns. Only, he was not convinced that the measures which insist on "compliance with a prescribed standard of solvency and nothing more" were wrong. Perhaps, Mr. Hinshelwood might have done well to explain his point of view more elaborately, for the lamentable fact remains that it is in those countries where insurance has not made much headway that most stringent regulations are found necessary to protect the citizens against their being exploited by unscrupulous insurers.

Mr. Hinshelwood deplored, in so many words, the extravagance of extreme nationalism which shows itself in the field of insurance legislation. The "indisputable effect" of legislation, in this field, in many countries is, as he said, to encourage "insurance self-sufficiency." He quoted approvingly from the report of the organisation of the European Economic Co-operation which observed in 1950, "that in view of the international character of the insurance business," it should be granted the "greatest possible measure of freedom." He said:

"The more that the world becomes articulated into separate political units, the more assertive that national consciousness becomes, the more that national differences are stressed—indeed exalted—and similarities ignored, the more and more necessary is the active play of every countervailing force. Such a force is to be found in insurance and the more imbued those engaged in it are with a consciousness of their own unity in that purpose, the greater will be its effect. Insurance possesses a basic international quality which is capable of transcending national differences and barriers and might, in the fullness of time, contribute something to their removal."

There is, of course, no denying the validity of the principle that insurance gains by its being internationalised. From this point of view, excessive restrictions placed on insurance to meet national aspirations are certainly to be deplored. But this represents only one side of the picture. After all, if national insurance institutions are not encouraged, it leads to an unhealthy dependence on foreign insurers on the part of an underdeveloped country, and ultimately to difficulties in balance of payments. It is, therefore, necessary that the Governments of the countries should not altogether be prevented from adopting policies which are designed to assist domestic insurers.

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NATIONAL INSURANCE IN CZECHOSLOVAKIA

The system of national insurance has received a great impetus in Czechoslovakia in post-war years, as is evident from the fact that the sum spent on providing free medical care alone, as part of health insurance scheme, has increased from 779 million crowns in 1937 to over 10,000 million crowns in 1952. A large variety of allowances is paid to those who are disabled from work because of sickness. Such persons are paid allowances amounting from 15 to 159 crowns per day for a period of one year. After the 92nd day of illness, these allowances are increased by 10 per cent. and after the 182nd day of illness by 15 per cent. Other allowances paid from the national health insurance funds include: an allowance of 2,500 crowns paid to every woman after giving birth to a child; maternity allowances, ranging from 1,890 up to 20,034 crowns, paid to mothers during the 18-weeks maternity leave; financial support for household work if a woman with a child cannot do the household work; allowance to the family if a patient who remains in a health institute; allowances for patients undergoing special treatment at home; an "outfit allowance" for newly-married couples amounting to 5,000 crowns; funeral allowance of 5,000 crowns and allowances paid in the case of death of a family member of an insured person. Workers also receive "children's allowance" ranging from 190 to 540 crowns per month per child, depending upon the number of children in a family.

Pension insurance forms another substantial part of the Czechoslovak national insurance system. The pension insurance scheme is applicable not only to workers in organised industries but also to independent workers, such as farmers and craftsmen. Generally speaking, old-age pensions become payable to the insured persons on their reaching 60 years of age. Miners get the pension earlier than other classes of workers—on their reaching 55 years of age. A feature of the pension scheme is that it is paid to the insured's wife or companion who is not employed and has no pension of her own. Other pensions include a pension paid to orphans up to the age of 16 (to students up to the age of 25) and amounting to one-half of the income earned by the late supporter; an injury pension; a social pension amounting to 8,400 crowns a year which is paid to all old and disabled citizens; educational allowances paid for each child the pensioner looks after. All pensions can be increased up to a maximum of 50 per cent. of the normal pension, if the pensioner is so helpless that another person must take care of him. The monthly old-age pensions amounted to an average of 2,080 crowns in 1949 and to 2,449 crowns in 1952.

MUTUAL INSURERS

Replying to the debate on the Income-tax Amendment Bill last week, Mr. C. D. Deshmukh, Finance Minister, made a reference to the demand that mutual insurers should be treated like co-operative societies for tax purposes. He said that there was no difference between proprietory insurance companies and mutual insurers; the former reserved 90 per cent. of the surplus for bonus to policyholders and the latter the entire surplus. Nevertheless, mutual insurers had already been given a concession and they were now paying a lower tax than proprietory concerns. There was, therefore, "no room for further concession" to them, said the Finance Minister.

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Published in November 1952, this report by the Secretariat of the U.N. Economic Commission for Asia and the Far East assesses Asian and Far Eastern economic developments during 1951. Part I of the study covers trends in production, foodstuffs, raw materials, fuel and power and manufactures. Part II discusses international trade and payments. Money and credit, public finance and inflation and deflation are reviewed in Part III.

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INDIAN ALUMINIUM COMPANY, LIMITED

FIFTEENTH ANNUAL GENERAL MEETING

MR. K. C. MAHINDRA OUTLINES MEASURES FOR CAPITAL FORMATION

THE task ahead of the Indian Aluminium Company, Ltd., in the implementation of the development programme of the Planning Commission in respect of the aluminium industry, formed the main thesis of the address of Mr. K. C. Mahindra, Chairman of the Company, at the Fifteenth Annual General Meeting of the Company held in Calcutta on 23rd April, 1953. The cost of the expansion programme prepared by the Commission is Rs. 9 crores and the bulk of this finance will have to be found by the Indian Aluminium Co., Ltd., holding as it does the pride of place in the industry. In the speech under reference, Mr. Mahindra made a searching analysis of the climate for capital formation in this country and suggested several measures for the promotion of savings. These included: (1) Government should reduce its expenditure, thus indicating the way to thrift and encouraging savings among the citizens; (2) people must be induced to work hard and develop the habit of saving; (3) the present disincentives to investment must be removed; (4) a self-revolving co-operative method of financing replacing of worn-out plant and machinery should be set up by the major industries; (5) Government should grant relief in income-tax on undistributed profits of companies and on such individual savings which are invested in approved industrial enterprises; and (6) foreign investment should be encouraged.

The following are extracts from Mr. Mahindra's speech:

"The audited accounts of the Company for the 15-month period ended 31st December, 1952, together with the report from the Directors have been circulated to the shareholders.

"The period of 15 months covered by the report involved a severe shake-up in the trading world. I will not use the word 'regression,' because industrial pointers do not indicate that there has been a setback of the type associated with this word. It is, nevertheless, apparent from our experience that the purchasing power in this country has shrunk and the average consumer either has not the funds or has decided to conserve his resources in contrast to the habits and inclinations displayed by him in previous years.

"The problem of replacement of old and worn-out plant and machinery is looming large on the industrial horizon in India. Your Directors have been continuously studying this problem. The total cost of the fixed assets of the Company in 1950 amounted to about Rs. 258 lakhs. Against this, we had made a provision of Rs. 85 lakhs by way of depreciation and a replacement reserve of Rs. 20 lakhs. That is, in other words, by the end of 1950 we had provided for 41 per cent. of the original cost as a measure of assurance for the future. But I should like you to bear in mind that costs have increased fourfold since 1939. Keeping this factor prominently before us, my personal view is that provision should be made by this Company to bring up the depreciation and the replacement reserves to a figure of at least 100 per cent. of the total fixed asset costs in 1950 at as early a date as possible. I hope and trust that the future operations of this Company will enable your Directors to make such recommendations over the course of the next few years, so that we will have tackled this problem of replacement finance in a scientific and assured manner.

Expansion Programme

"In my address to you last year, I gave you a brief description of the immediate expansions which your Company has undertaken. The progress at Belur and at Alupuram has been according to schedule. It is expected that, while the modernisation and expansion of Belur Mills will be virtually finished by the end of 1953, the Alupuram expansion will be completed in time to make use of the additional power which is promised for the summer of 1954.

"A brief reference has been made in the Directors' report to the new developments at Hirakud. While our negotiations with both the Central and the State Governments are taking their usual course, there has been a certain amount of criticism over the forecast and anticipations of the Planning Commission and of the objectives clearly delineated in its Report in respect of the aluminium industry. It has been stated in certain responsible quarters that India will not be able to consume as much as 20,000 tons of primary ingots by the year 1956. Such pessimism, possibly prompted by shortsighted self-interest and certainly by very inadequate market appreciation, does a great harm to the development of an infant industry. India has not been a great consumer of aluminium products for the one principal reason that aluminium was not available in large quantities in the various forms and alloys at reasonable prices."

The Company's Task

Mr. Mahindra then visualised the shape of things to come and traced the probable expansion in the uses of aluminium in transport, electrical development, grain storage and housing. Referring to the Company's task in the coming years, he said:

"The most important task ahead of your Company in the coming years will be the implementation of the Hirakud scheme. I have briefly referred above to the potential consumption-uses for aluminium products in the country within the next few years. It is, therefore, appropriate that with the specific approval of the Planning Commission, your Company should proceed to formulate proposals for installation of additional production facilities within the country. The Planning Commission has stated that the expansion programme in respect of the aluminium industry over the next few years will cost in the region of Rs. 9 crores. Bulk of this finance will require to be furnished under the ægis of the Indian Aluminium Company. How is this to be procured?

Deficit Financing

"There has been considerable talk in the last few months about 'deficit financing.' This is an unfortunate phrase. If there is a gap between State revenues and State expenditure, the gap is usually called a surplus or a deficit. The deficit again, under orthodox canons of public finance, is usually sought to be covered either by additional taxation or by public borrowings or in the last resort by printing of currency notes.

"In the words of a British banker, 'there is no such thing as a State purse, but only a State sieve. Into this sieve is poured a large number of your earnings and mine, to be poured out again in many directions, some essential, some desirable and some waste.' It should be added that into this sieve one should hesitate to pour in currency notes of Government's own volition, because the pouring out can lead to no other result than a rapidly mounting inflation. Discarding, therefore, the use of the printing press, the gap between revenue and expenditure (both current and development) should under normal circumstances be bridged by additional taxation and public loans. For satisfaction of these two purposes, there is an immediate and intensive need for inducing the formation of capital in the country. Such increments of capital could be syphoned into the development programme of the Government through public loans or used for stimulating the growth of private enterprise.

"India, admittedly, is a poor country, and, therefore, the total volume of her savings is negligible, as compared to the resources required for implementing our development programme. When the saving habits of individuals are extremely uneven, example is usually better than precept. It behoves the Minister of Finance, therefore, to deliberate whether the mounting Government expenditure on civil services and ancillary activities could not be drastically curtailed. There are to-day nearly 150 Ministers in various States functioning throughout the country, in contrast to perhaps 30 Executive Councillors in the old regime in undivided India. I suggest that the Government should indicate the way to thrift by direct example and thus encourage savings by the average citizen.

"Mr. G. D. Birla has recently stated that 'capital is only a synonym for resources and hard work; India does not suffer from want of capital; it suffers because there is absence of conditions which will impel men to work hard.' But the only realistic compulsion for work known to man proceeds either from the stick or from the carrot. In our country, however, the use of either of these is limited—democratic concept forbids slave driving; welfare economy restricts individual incentives. What will be more correct to say is that, while a pitiless tropical sun engenders lassitude in action, our inherited philosophical approach to life begets resignation and individual un-ambition. It is difficult to control the tribulations of tropics, but it should not be difficult to instil and develop pride of individual performance and so to encourage ambition. It should not be a discredit to accumulate money, just as it is no reflection to accumulate political wisdom. Savings will be the result of hard work alone and it should be the continuing consideration of our Government to-day to induce hard work and thus develop the habit of savings by each and every means under any circumstances.

"It will not be denied that in the last few years there has been a plethora of disincentives against investment in industrial concerns. It is not enough that these disincentives should be removed. With the acceptance of the Five-year Plan, it devolves upon the Government, not only to remove the disincentives but to provide positive measures for encouragement to save, for channelling such savings into investments, both public and private, for directing corporate earnings into expansions and for providing recognition and dignity to risk capital.

Problem of Replacing Plants

"Submissions have been made to the Government that the problem of replacement of worn-out plant and machinery in itself is a colossal problem of finance and, for this purpose alone, several desirable steps could be formulated. I give prominence to one such self-revolving co-operative method. At present the majority of our industries depend upon overseas suppliers for the bulk of their machinery requirements. It is not outside the practical experience of each respective industry to raise enough funds by a voluntary cess, for the purpose of setting up co-operatively a machine building industry to serve its respective plant requirements and of supplying credit finance for individual units to purchase locally manufactured machinery. If a few of the major industries, e.g., cotton textiles, jute and sugar were to follow this suggestion (already introduced to a small extent by the cement combine), there will be taken a great forward step in strengthening our production facilities and lessening our current dependence upon imports. We should not always look upon the Government to furnish this climate or that for our salvation, but by concrete examples provide ourselves with the sinews to build up our deteriorating production economy and thereby earn the trust and confidence of our legislators for further beneficiation.

"Amongst other measures, one may ask the Government to consider the granting of relief in income-tax on undistributed profits of companies and on such individual savings which are invested in approved industrial enterprises. The Government should also consider the removal of double taxation in cases where certain companies hold shares or stocks in other companies and are, therefore, subject to double corporation taxes. Liberal depreciation allowance and permission to write off fixed assets of certain mature age will be of some assistance. In fact, there should be a real tax holiday on productive capital investment.

Foreign Investments

"In the context of capital formation, the use of foreign investments has not been ruled out. The views of a foreign industrialist, sympathetic to India, were prominently displayed a little while ago. It was stated that between the Government and the public, the Press and the Parliamentary opposition, a potential foreign investor is faced with a long series of nightmares. Many of these, however, have been exaggerated. It is, nevertheless, true that doubts are there and these should be removed, while the Government has resolved on an integrated plan of production in all spheres, encouragement should be afforded wherever possible and in whatever form it is practicable to increase the physical product-yielding facilities within the country, irrespective of the source of their financing.

"In this context, India should take a long and searching look at what has happened in

(*Continued on page 831*)



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POST-WAR PROGRESS OF W. EUROPE

ECONOMY LAPSES INTO STAGNATION

THE years following the end of the Second World War witnessed so many outstanding developments in the economies of countries of Western Europe that an authentic account of them will evoke great interest among business men and economists. *The Economic Survey of Europe Since the War**, just published by the United Nations Economic Commission for Europe, offers such a review. The *Survey* reviews the economic developments in W. Europe, in the post-war years, examines the present problems and assesses the prospects. The salient feature of the *Survey* are as follows :

The economy of Western Europe has for about one and a half years lapsed into stagnation. Demand has shrunk and profit margins have become lower. Increases in production and trade have been checked, in spite of the continued boom in the U.S. and flow of American aid and rising levels of defence expenditure in Western Europe. W. European countries are still faced with the task of making great adjustments in their dollar accounts to be able to cover even their minimum import requirements. And they must make still greater readjustments, if they are to take their place in a more liberal system of international trade and payments.

Behind the continuing weakness in the trade and payments position of W. European countries and their vulnerability to future disturbances lies the failure to evaluate realistically the potentialities and the limitations of different lines of action in relation to the nature and magnitude of the strains at work. The avoidance of a setback in intra-European trade, and thereby in production, depends on co-ordinated policies to maintain steady economic progress throughout Europe.

While W. European countries have been able recently to add to their dollar and gold reserves, this has been accomplished more by cuts in imports than in increase of exports. One of the "hard facts" of the present situation arises from the low level of gold and dollar reserves of most of these countries. With few exceptions, they are not in a position to cover more than two or three months, at most, of current imports out of their present reserves, even if the whole of these reserves were available for this purpose (without regard to minimum working balances) and none were drained away by flight of capital.

After the war, as a result of "deep-rooted" changes in the world economy, the dependence of W. European countries on the dollar area as a source of supply increased and it became far more difficult than before for these countries to earn from other countries the means to cover the deficit. In these circumstances, there could be no resumption of a free flow of international trade and payments, and hence no question of restoring currency convertibility, until W. Europe could greatly reduce its need for dollars by reviving and developing alternative sources of supply, or greatly increasing its dollar earnings from the U.S. or restoring its ability to earn dollars from third countries.

Fundamental Changes Needed

It appears that, taking into account various factors including the loss of economic aid, a total annual adjustment of at least $2,000 million to $2,500 million will have to be made in other items of dollar expenditure or dollar receipts whether direct or indirect. If the broader objective of removing discriminatory controls against dollar goods and of strengthening currency reserves is to be achieved, the total readjustment required becomes considerably greater and would probably be more of the order of $4,000 million annually.

What is needed at this juncture as a prelude to more specific action and continued co-operation is a general agreement at the responsible political levels on the fundamental characteristics of the present imbalance and on the nature and magnitude of the adjustments to be sought. Within the practical limitations of the situation, the following are suggested as the main courses open :

(1) An increase in W. Europe's dollar earnings from sales of goods and services to the U.S. and other dollar countries ;

(2) an increase in production of food and raw materials both in W. Europe and in other non-dollar areas with the double aim of meeting the needs of expanding population and industry in the world, generally, and of reducing the present one-sided dependence on dollar sources of supply ;

(3) a displacement of U.S. exports of manufactured goods in W. Europe, as well as in the affiliated overseas areas, whether as the result of stronger competition by European producers or, alternatively, of increased discriminatory restrictions against dollar goods ; and

(4) finally (as a line of action cutting across all the other three), a more effective use of the great amounts of goods and capital supplied by W. Europe to the affiliated overseas countries so as to receive larger returns in the form of essential imports or of dollars and to decrease the direct dollar outlays of these countries.

To obtain these and other objectives should have been, and must be, the main preoccupation of the countries concerned. Conditions now necessitate as much as ever the creation of a new pattern of economic relationships harmonising the needs and interests of W. Europe with those of other areas. The realisation that fundamental changes are needed and that they involve both time and capital should, however, not detract from the urgency of the need to work out an integrated and consistent programme adequate to the problem, since further postponement will mean that international trade and payments become increasingly dependent on the discriminatory controls erected to force a balance between dollar expenditures and dollar earnings.

Trade With Other Areas

Sources of W. Europe's fundamental difficulties in trade and payments are indicated by changes in the direction and composition of W. Europe's imports from other areas and exports to other areas. The table from the *Survey* reproduced below shows that the major shifts in W. Europe's imports have been just the opposite of those needed to produce equilibrium in its dollar accounts, and have been very different also from those foreseen in the European recovery programme drawn up by the members of the O.E.E.C. in 1948.

(Millions of dollars at 1948 prices, *c.i.f.*)

Source	1938	1948	1950	1951
Dollar area	5,200	6,250	4,900	6,700
Overseas sterling area*	4,400	3,050	4,300	4,400
Non-British dependent territories.	2,150	2,050	2,350	2,300
Non-dollar Latin America ..	2,100	2,000	1,700	1,400
Other overseas countries ..	2,400	1,250	1,800	1,800
Eastern Europe	3,150	1,150	1,000	850
Total ..	19,400	16,000	16,050	17,350

* Including British dependent territories.

Imports

It will be seen from the above table that the fall has been greatest in W. Europe's imports from Eastern Europe but also very severe in those imports from the non-dollar countries of Latin America—mainly Argentina—and from other overseas countries outside the sterling area and dependent territories. Together, these regions supplied 40 per cent. of W. Europe's imports from the outside world in 1938, but in 1951, the volume obtained from them had fallen by nearly one-half or by some $3,500 million at 1948 prices. Imports from both the overseas sterling area and the non-British dependencies made up for none of this deficiency, at least in global terms, whereas imports from the dollar area were, even in 1950, only fractionally less in volume than those in 1938 and, in 1951, almost 30 per cent. larger.

Imports of engines, machinery, synthetic fibres and manufactures, and medicinal and pharmaceutical preparations, which had been negligible before the war, accounted in real terms, for more than 40 per cent. of the total increase in W. Europe's imports of manufactures from the U.S. These increases, tended to be concentrated especially in France, Italy, Belgium and Switzerland. Petroleum has become the largest single element in W. Europe's total dollar disbursements.

Despite the rise in imports of manufactured goods and petroleum and the exceptional imports of coal, W. Europe has been able to keep the total volume of its imports from other areas lower than before the war and still meet the consumption requirements of a larger population and the raw material needs of a greatly expanded industrial output. Probably, the most important factor in this development is that the increase in industrial production has been largely in lines, such as engineering, where the raw material import content is extremely low. A second factor is that significant economies or substitutions have been made in industrial raw materials.

Exports

The following table reveals that export achievements, though substantial, have been inadequate for the needs of W. Europe :

(Millions of dollars at 1948 prices)

Area of destination	1938	1949	1950	1951
Dollar area	2,800	1,700	2,750	3,300
Overseas sterling area*	2,650	3,350	4,450	4,650
Non-British dependent territories.	950	1,300	2,000	2,300
Non-dollar Latin America ..	1,200	1,000	1,350	1,650
Other overseas countries ..	1,600	950	1,350	1,550
Eastern Europe	1,600	800	750	700
Total ..	10,900	9,100	12,650	14,150

* Including British dependent territories.

The 40 per cent. increase in the total volume of exports to the outside area from 1938 to 1951, while substantial, was itself not sufficient to cover the deterioration in the terms of trade, the loss of property income and the diminished scope for invisible earnings, even if the whole proceeds of the additional exports had been available for settling current liabilities. In fact, this was by no means the case. The share of total exports going to the dollar area has risen only moderately, even though exports in 1951 were swollen by abnormal purchases and 1938 was itself a bad year for exports to the dollar area.

The major change in the geographical distribution of exports has been the huge increase in exports to the affiliated overseas countries, partly at the expense of a fall in exports to other non-dollar countries. Such a pattern of exports could provide equilibrium in Europe's dollar accounts, only if the affiliated overseas countries themselves earned a substantial dollar surplus. They have signally failed to do so.

Primary Production

It is urgently necessary to lay a firmer foundation than has been done hitherto for the expansion of primary production in the world. This is required to provide for the further growth of world population and industrial production, as well as to meet its food requirements more adequately than at present. From the standpoint of W. Europe, the need for such an increase in non-dollar sources will be all the more acute, should it prove impossible to open the way for very great increase in exports to the U.S.

Possibilities exist for a considerable expansion of agricultural production in W. Europe itself through more efficient methods of land use and exploitation. One of the conditions for such an expansion is the investment of large amounts of capital in agriculture, part of which aiding the development of the impoverished areas of Southern Europe. Another condition, if the potentialities of agricultural production are to be realised, would be the conclusion of agreements among W. European countries to provide for the expansion of their trade with one another in agricultural products and to give assurances of market stability.

Similarly, an increase in production and supply of food and raw materials in other areas, such as E. Europe, Australia and Argentina, is likely to come only as part of comprehensive agreements relating to such questions as the goods which W. European countries are to furnish in return, determination of prices, and continuity of market outlets. Here also, the expansion of primary production on the scale needed will require heavy investments and the conscious diversion of capital funds from other purposes. In the circumstances, it is natural that much of this investment should be supplied by the interested importing countries.

A great deal and perhaps most of this expansion will have to be secured through direct arrangements between W. European countries and their trading partners in other areas. The initiative lies, to a great extent, in the hands of W. European countries themselves, because of their ability to enter into long-term purchase contracts and to supply part of the investment funds required.

Development Programme

A major step forward in working out an integrated pattern of trade would be taken, if the European countries, the overseas countries affiliated with them, and the U.S. could fix the general outline and overall magnitude of a long-term development programme, followed by the elaboration of specific projects. Such a development programme should meet the following criteria :

(a) it should be reasonably firm as to the total investment contemplated and its scheduling over the period ;

(b) it should give European countries an even chance to provide the capital equipment and other goods financed with dollar loans, so that they, in turn, can better cover their imports from the dollar loans ;

(c) it should be co-ordinated with other development programmes, such as the Colombo Plan and the investments undertaken by France and Belgium in their dependent territories ; and

(d) it should seek to effect an equitable balance between the development of dollar-earning and dollar-saving exports of foodstuffs and raw materials from the overseas countries and the industrial development aims of these countries.

Given the special importance to W. Europe of increasing primary production in other areas, the possibility could be considered for uniting private capital from W. Europe with the greater resources available from the U.S. in joint ventures under which the former would bear the top risks or underwrite the loan funds obtained.

Agriculture

The physical possibilities of higher agricultural output in most European countries, particularly in the poor ones, are very great. Southern Europe has a greater density of agricultural population and a lower output, not only per man but also per hectare of arable land, than in other European areas. In this large area, nearly one-half the European agricultural population, tilling 40 per cent. of its arable land, produces only 25 per cent. of Europe's total agricultural output.

The large differences between countries in agricultural production and consumption levels and prospects all point to two major conclusions. First, the full utilisation of existing possibilities depends, to an important extent, on development of intra-European trade in food. The large differences in the density of agricultural population in European countries is evidence of the need for a higher degree of international specialisation on more or less labour-intensive products, such as expensive vegetables, fruit, wine and tobacco. By contrast, nearly all W. European countries have grain deficits which are often very considerable. Secondly, the long-term solution of the problems of European agriculture is to be found outside agriculture in an expansion of industry. Only a large-scale transfer of both wage-earners and millions of small holders to industry, can pave the way to the radical transformation and rationalisation of European agriculture, which is necessary to raise the living standards of the European population. Such a transformation is badly needed not only in southern Europe but on the whole European Continent.

While the goal in the highly industrialised countries should be further mechanisation, both in agriculture and in industry, the goal of over-populated countries in S. and E. Europe should be an expansion of employment in industry hand-in-hand with an increase in total food production.

The population trends over the next decade point to further widening of the gap in economic development between S. and N. Europe. In S. Europe, the rate of increase of population of working ages will diminish only slightly and the industrial expansion required to eliminate open and concealed unemployment in S. Europe, or even to prevent it from growing further, is far beyond what these countries would be able to finance unaided without using methods as severe as those employed in E. Europe.

Heavy Industries

As compared with the development of coal, steel and electricity production in the U.S. and the Soviet Union in the last four decades, the performance of Europe is far from impressive. Targets have been set for a further expansion of steel and energy production in W. Europe, but these targets are "much less ambitious" than those in E. Europe. Both past investment and future plans reflect strong tendencies to autarky in the basic industries of W. Europe, and it remains to be seen as to how far the European Coal and Steel Community, which now embraces all major steel producers, will be able to reverse this trend.

Any plans for expansion of the W. European economy need to take into account that engineering and steel production will have to expand at a faster rate than the home demand for these products, which, in turn, must rise at a faster rate than that envisaged for the national income. Indeed, in view of the relatively high dependence of W. European economy on foreign trade, too low a target set for steel and energy production means planning for a depression or at least a stagnation of European production, unless Europe is once more to be made dependent on dollar imports of commodities which could relatively easily be produced at home. The further expansion of steel, coal and electricity production in W. Europe is limited not by physical scarcities but by the amount of investment which can be undertaken, although, even in the wealthier countries, great investment costs set a limit to the rate at which these production increases can be expanded without disturbing monetary stability.

It is possible that concern for monetary stability is often exaggerated or that it is used as a pretext by monopolistic groups more interested in the high profits, engendered by scarcity than in expanding production. It may also be that inflationary pressures created by expansion in the basic industries can be combated by direct controls, such as is done more or less successfully both in N. and E. European countries. Nevertheless, it remains true that capital is so scarce in all European countries that a careful choice has to be made among different investment objects. Capital-intensive modernisation should take place primarily in branches most exposed to American competition and not in more or less sheltered branches where the effect will be only to lower prices to European consumers—a purpose which might equally well be achieved by less costly investments in other sectors of the economy such as agriculture. This consideration is no argument against heavy investments to lower the costs of European steel, the main raw material of the engineering industry which is Europe's biggest and most promising export industry—an industry which itself must be expanded and modernised to allow it to make full use of the increased quantities and improved quality of steel. The disadvantages of some over-investment in basic industries are much smaller than those of the same amount of under-investment.

Climate for Investment

Private investors, including those in heavy industries and engineering, decide, to a great extent, not only their own fate but that of the whole economy. If they distrust the future and reduce investment, they destroy the market for their own goods. At worst, a depression may ensue, and at best, the future growth of the economy is hampered, because a delay in investments in the heavy industries takes a long time to make good.

The present climate for investment is not very favourable, because the Governments are holding down demand, on account of balance of payments difficulties and fears of inflation. Without greater investment and changes in production, Europe cannot balance its payments. And this might even worsen the present unsatisfactory level of European consumption, trade and production.

Economic stagnation would be fatal for even the most humble efforts to break the historical trends towards national economic autarky in W. Europe. A general climate of *expanding economy* is required to avoid a setback in intra-European trade and thereby in production. Private business must be given firm confidence that Governments take responsibility for maintaining total demand at a high level. The Governments need to lay the foundation for a *new equilibrium* in international trade and payments and for a more regular and normal functioning of the world market before removal of controls on trade and payments and the achievement of currency convertibility are possible without serious threats to European production and trade. Action must be taken on several fronts, if Europe's dollar shortage is not to be solved by Europe going without the goods it needs. The recovery and expansion of food and raw material production in the non-dollar areas is essential; this requires capital from Europe and elsewhere. Also, European goods will have to displace American goods somewhere, whether in Europe itself, in the U.S., where the removal of impediments to increased imports could open the way to increased dollar earnings, or in the rest of the world. A major expansion of U.S. foreign investment under conditions permitting free competition by European exports for the dollars made available in this way would contribute to an overall expansion of world trade in which all areas might benefit. The situation requires *adequate action* by the European countries themselves, with co-operative efforts on a wider scale to promote steady economic progress.

*Prepared by the Secretariat of the U.N. Economic Commission, for Europe, Geneva. Price: $3.5. Available in India: Oxford Book and Stationery Co., Scindia House, New Delhi.



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N. GOPALA IYER,
Secretary.

NEW USE FOR POWER ALCOHOL

EXTRACTION OF OILS FROM CAKES

(By Y. K. RAGHUNATHA RAO, Senior Scientific Officer, Central Food Technological Research Institute, Mysore)

THE E.C.A.F.E. Seminar on power alcohol, held at Lucknow during last November, drew attention to the present Indian output of six million gallons of power alcohol, which is hardly a third of the installed capacity, although the Five-year Plan has set the target at 21.1 million gallons, to be attained by 1955. One of the major reasons for the lack of enthusiasm for increasing production of power alcohol, is stated to be the absence of a keen demand for the commodity by the motorists. The use of power alcohol is said to require minor adjustments and alterations to the fuel system to eliminate troubles and to give better mileage, e.g., the petrol tank has to be cleaned, spark plugs readjusted, ignition advanced and alternative fuel-pump, diaphragm and carburettor-float have to be substituted. The average car owner who is not a mechanic cannot be blamed, if he prefers straight petrol for his high-priced luxury car. Petrol consumption is over 200 million gallons in India, and since the output of power alcohol is only six million gallons and localised near sugar factories, the scheme envisaged by the Indian Power Alcohol Act, 1948, is enforced only in some regions. A uniform excise policy and less irksome restrictions may allow easy transport of power alcohol to consuming centres. However, unless there is a greater demand for the product, there is little practical prospect of reaching the production target. In fact, the Indian output of 15 million maunds of molasses permits a maximum production of 31.5 million gallons of alcohol. There are other commonly used raw materials like *mhowa* flowers for producing additional alcohol, if need be. Other industrial uses of alcohol have only been minor ones, taking off an inconsequential fraction of the total Indian output. There appeared, therefore, little real prospect of expansion hitherto in power alcohol output.

Recent Discovery

However, a recent discovery that power alcohol is an ideal material for solvent extraction of oils, both edible and industrial, from oilseeds and oilcakes, has created a new, optimistic situation. The oil mills, when they take to this modern development using alcohol for recovering large quantities of oil now being wasted in oilcakes, would not only need six million gallons of power alcohol now being produced but the demand would reach even 15 million gallons annually. It is at once realisable that this demand would create the much needed fillip to power alcohol.

It is well known that power alcohol has only two-thirds the calorific value of petrol and, therefore, is an inferior fuel. It is mainly the policy of self-sufficiency in liquid fuels that encourages power alcohol being used as a fuel. But in view of its greater suitability as an industrial oil-solvent, in which function it is superior on account of its special properties to petrol, it is better to be employed more and more as an irreplaceable valuable solvent than to turn it away as an inferior fuel.

Recent Discovery

A new development makes use of the physical and chemical solvent properties of alcohol, which ordinarily has little affinity with common oils at atmospheric temperatures. But on heating, the alcohol to near its boiling point, it is readily miscible with most oils. Thus when a commercial oilcake such as that of groundnut is powdered and mixed with boiling alcohol, the latter dissolves the residual oil in the oilcake and when the solution is allowed to cool to the ordinary temperature, the oil separates itself out as a bottom layer and the alcohol can be reused for a subsequent extraction.

Power alcohol has been employed in a pilot plant at the Central Food Technological Research Institute, Mysore, in this manner to extract many common oils such as groundnut, cottonseed, mustard, castor, etc. Large quantities of oils, now being wasted, can be extracted by alcohol not only from commercial oilcakes but also from various oilseeds, e.g., cottonseed, *mhowa*, *neem*, tobacco, *honge*, etc., which have hitherto been allowed largely to go to waste. The total quantity of oils thus recoverable would amount to over 200,000 tons valued at Rs. 15 to Rs. 20 crores. The oil recovered by alcohol extraction is a high grade, semi-refined quality oil unlike oil recovered by the use of other usual solvents such as petrol hydrocarbons or chlorinated hydrocarbons which yield dark coloured oils requiring further refining. Use of alcohol scores over other solvents in the fact that alcohol is non-toxic. With other solvents, care has to be exercised that they contain no toxic or noxious components and that they are completely eliminated from the recovered oil and from the extracted solid meal in order that the latter may be edible either by animals or by men. Evidently alcohol is a more suitable non-toxic solvent. It is economic to use power alcohol as a solvent, since it costs only about two rupees per gallon including excise duty, compared with more than twice this price for any imported solvent.

Edible Oil Flours

Solvent extracted oilseed meals have long been in use as livestock feed in the U.S.A. Instances are soyabean, linseed, and peanut meals. Small portions of the extracted soyabean and peanut meals are used as flour for human foodstuffs. The solvent used there, has been a selected grade of petrol hydrocarbons which are available at low cost, in plenty. In India the dearth of hydrocarbons and the plenitude of cheap ethyl alcohol is favourable to the use of the latter as a solvent to manufacture edible groundnut flour and other oilseed flours. Groundnut flour, e.g., obtained in pilot plant trials, has proved a satisfactory edible material; it is a soft, white to cream coloured substance, which can be used as a cheap nutritious supplement to wheat, rice or other cereal flours in various food preparations. Tasty biscuits have also been made out of it.

The quantity of such edible oilseed flours which could be manufactured would amount to almost a million tons, valued at several crores of rupees. The prospect of obtaining so much additional food from present waste materials is well worth urgent, and serious consideration by the public and the Government. Alcohol extracted cottonseed meal is a very nutritious feed for livestock, while much valuable oil is also recovered.

From the foregoing it is evident that power alcohol has to be looked upon from a new viewpoint. It is a valuable industrial solvent especially for the oil industry and having more valuable and unique properties than those of petrol and, therefore, the first call, on the production of alcohol in this country should be as an industrial chemical rather than as a fuel. This approach, made commercially possible by this modern Indian development (patented by C.S.I.R.) not only confers immediately new benefits on the Indian oil industry, and creates a *new food industry* but also envisages a fresh and increasing demand for absolute (power) alcohol which will reach and pass the production target set by the Planning Commission.

The new discovery is of great significance to the country's economy.



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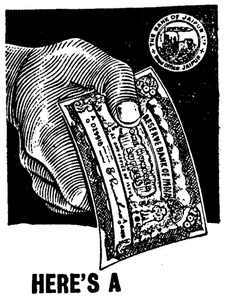

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THE ANDHRA BANK, LIMITED

ESTABLISHED : 1923

Head Office : **MASULIPATNAM**

BALANCE SHEET AS AT 31st DECEMBER, 1952

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
Capital—		
AUTHORISED CAPITAL— 1,00,000 Shares of Rs. 100 each		1,00,00,000 0 0
ISSUED CAPITAL— 49,999 Shares of Rs. 100 each for payment in cash	49,99,000 0 0	
10 Shares of Rs. 100 each for consideration other than cash	1,000 0 0	50,00,000 0 0
SUBSCRIBED CAPITAL— 48,990 Shares of Rs. 100 each		48,99,000 0 0
AMOUNT CALLED UP— On 1,010 Shares at Rs. 100 per Share	1,01,000 0 0	
On 47,980 Shares at Rs. 50 per Share	23,99,000 0 0	
	25,00,000 0 0	
LESS—Calls unpaid	Nil	
	25,00,000 0 0	
ADD—Forfeited Shares	Nil	25,00,000 0 0
Reserve Fund and Other Reserves—		
Statutory Reserve under Section 17 of the Banking Companies Act, 1949	2,61,000 0 0	
Other Reserves	8,67,000 0 0	11,28,000 0 0
Deposits and Other Accounts—		
Fixed Deposits (including Cash Certificates and Season Deposits)	2,17,61,918 6 4	
Savings Bank Deposits	1,35,47,562 13 10	
Current Accounts, Contingency Accounts, etc.	1,14,35,376 13 3	4,67,44,858 1 5
Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	Nil	
(ii) Outside India	Nil	Nil
PARTICULARS—		
(i) Secured by part of investments per contra	Nil	
(ii) Unsecured	Nil	
Bills Payable		5,35,791 13 5
Bills for Collection being Bills Receivable as per contra—		
(i) Payable in India	28,31,004 3 9	
(ii) Payable outside India	43,50,792 6 8	71,81,796 10 5
Other Liabilities—		
Unclaimed Dividends	39,595 13 3	
Branch Adjustments	15,29,816 15 8	
Rebate on Bills Discounted	807 6 9	15,70,220 3 8
Acceptances, Endorsements and Other Obligations per contra		3,54,237 14 1
Profit and Loss—		
Profit as per Balance Sheet as at 31st December, 1951	3,54,977 5 2	
LESS—Appropriations— Rs. a. p.		
Final Dividend @ 6 per cent. per annum free of Income-tax	75,000 0 0	
Statutory Reserve under Section 17 of the Banking Companies Act, 1949	86,000 0 0	
Provision for Taxes	1,90,000 0 0	
	3,51,000 0 0	
	3,977 5 2	
ADD—Profit for the year brought from the Profit and Loss Account	3,68,253 4 11	
	3,72,230 10 1	
LESS—Ad-interim Dividend @ 6 per cent. per annum free of Income-tax	75,000 0 0	2,97,230 10 1
Contingent Liabilities— Rs. a. p.		
(1) Claims against the Banking Company not acknowledged as debts	500 0 0	
(2) Uncalled Capital on partly paid shares held as Investments	26,250 0 0	
(3) Liability on account of Outstanding Forward Exchange Contracts	Nil	
Total .. Rs.		6,03,12,135 5 1

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash— In hand and with Reserve Bank and Imperial Bank		67,19,472 14 8
2. Balances with Other Banks in Current Accounts—		
(i) In India	7,80,008 5 9	
(ii) Outside India	89,764 0 10	8,69,772 6 7
3. Money at Call and Short Notice		45,00,000 0 0
4. Investments at Cost—		
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments. (The average market value of all the above securities over the period of eighteen months immediately preceding 31st December, 1952, was Rs. 1,46,40,095-10-0, Market value Rs. 1,45,04,571-10-0) Face Value Rs. 1,54,23,000 0 0	1,54,16,346 7 0	
(ii) Shares—		
(a) Fully paid-up ordinary shares of the Madras Industrial Investment Corporation Ltd. 25,000 0 0	25,000 0 0	
(b) Fully paid-up ordinary shares of Joint Stock Companies 750 0 0	1,315 10 0	
(c) Partly paid-up ordinary shares of Joint Stock Companies 26,250 0 0 (Market value Rs. 74,943-12-0)	50,625 0 0	
(iii) Debentures or Bonds Nil	Nil	
(iv) Other Investments Nil	Nil	
(v) Gold Nil	Nil	1,54,93,287 1 0
5. Advances— (Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)		
(1) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India 2,21,95,307 2 2		
(ii) Outside India Nil	2,21,95,307 2 2	
(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India 18,73,602 13 11		
(ii) Payable outside India Nil	18,73,602 13 11	
(Particulars as per separate schedule attached.)		2,40,68,910 0 1
6. Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	28,31,004 3 9	
(ii) Payable outside India	43,50,792 6 8	71,81,796 10 5
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		3,54,237 14 1
8. Premises Less Depreciation—		
Cost as per Balance Sheet of 31st December, 1951	1,06,748 14 0	
Additions (net) during the year	69,372 2 6	
	1,76,121 0 6	
LESS—Depreciation written off to date	2,499 0 0	1,73,622 0 6
9. Furniture and Fixtures Less Depreciation—		
Cost as per Balance Sheet of 31st December, 1951	3,18,678 7 5	
Additions (net) during the year	52,045 5 4	
	3,70,723 12 9	
LESS—Depreciation written off to date	1,10,913 12 3	2,59,810 0 6
10. Other Assets including Silver—		
Sundries (including Income-tax deducted at source, Advance Payment of Income-tax and E.P.T. Deposits refundable)	3,80,991 9 1	
Stationery on hand at cost	1,74,778 0 6	
Stamps on hand	3,864 10 0	
Accrued Interest on Investments	1,28,979 13 11	
Library at cost	2,702 3 9	6,91,226 5 3
11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
Total .. Rs.		6,03,12,135 5 1

Particulars of 'Advances' forming part of the Balance Sheet as at 31st December, 1952

PARTICULARS	Rs. a. p.
Debts considered good in respect of which the Banking Company is fully secured	2,08,30,819 15 1
Debts considered good for which the Banking Company holds no other security than the debtors' personal security (The above includes Rs. 27,39,303-4-2 for which more than one person is liable.)	29,12,257 4 1
Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of debtors	3,25,832 12 11
Debts considered doubtful or bad not provided for	Nil
	2,40,68,910 0 1

PARTICULARS	Rs. a. p.
5. Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons (fully secured)	5,66,096 3 1
6. Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members (Fully secured Rs. 34,04,140-2-0)	37,50,484 9 2
7. Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons (fully secured)	11,74,056 8 9
8. Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members (Fully secured Rs. 34,04,140-2-0)	38,69,694 4 4
9. Due from Banking Companies	3,367 10 0

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1952

EXPENDITURE	Rs. a. p.	Rs. a. p.
Interest paid on Deposits, Borrowings, etc.		11,11,392 4 11
Salaries and Allowances and Provident Fund— Rs. a. p.		
Managing Director's Honorarium	6,000 0 0	
General Manager	14,411 10 8	
Others	10,19,265 0 1	10,39,676 10 9
Directors' and Local Committee Members' Fees and Allowances		16,500 0 0
Rent, Taxes, Insurance, Lighting, etc.		91,589 9 7
Law Charges		2,263 2 0
Postage, Telegrams and Stamps		82,290 10 9
Auditors' Fees		5,000 0 0
Depreciation on and Repairs to the Banking Company's Property		19,639 0 1
Stationery, Printing, Advertisement, etc.		1,00,140 9 8
(a) Loss from Sale of or Dealing with Non-banking Assets		Nil
(b) Net Loss on Sale of Investments		13,369 10 0
Other Expenditure		63,559 1 0
Balance of Profit		3,83,253 4 11
Total .. Rs.		29,13,634 15 8

INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.	Rs. a. p.
1. Interest and Discount		23,60,789 0 9
2. Commission, Exchange and Brokerage		5,02,402 11 0
3. Rents		1,500 0 0
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)		Nil
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)		Nil
6. Income from Non-banking Assets, and Profit from Sale of or Dealing with such Assets		Nil
7. Other Receipts— Rs. a. p.		
Sundry Receipts	48,442 15 11	
Share Transfer Fee	500 4 0	48,943 3 11
Total .. Rs.		29,13,634 15 8

AUDITORS' REPORT.

We have audited the Balance Sheet of the Andhra Bank Ltd., as on 31st December, 1952, and the Profit and Loss Account for the year ended on that date, as set forth above, with the books of the Head Office and the certified returns from Branches and Sub-Offices and we beg to report that :—

(a) We have obtained all the information and explanations we have required and such information and explanations have been found to be satisfactory ;
(b) the transactions of the Company which have come to our notice have been within the powers of the Company ;
(c) the returns received from the Branch Offices of the Company have been found to be adequate for the purpose of our audit ;
(d) the Profit and Loss Account shows a true balance of profit for the year ended 31st December, 1952 ;
(e) the Balance Sheet and Profit and Loss Account are, in our opinion, drawn up in conformity with the Law ;
(f) the Balance Sheet exhibits a true and correct view of the state of the Bank's affairs as on that date according to the best of our information and explanations given to us and as shown by the books of the Bank ; and
(g) that, in our opinion, the books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act.

MADRAS, 31st March, 1953. BRAHMAYYA & CO., } Chartered Accountants.
GUNTUR, 30th March, 1953. CH. V. LAKSHMIAH & CO., }

S. R. Y. SIVARAMA PRASAD BAHADUR, Chairman, Board of Directors.
K. SUBBARAO, Deputy Chairman.
TADEPALLY SRIRAMULU, Managing Director.
SEDIMBI RAMACHANDRA RAO, Chief Accountant.
ELESVARAPU RAMACHENDRAMURTI, General Manager.

P. PARDHASARADHI,
K. SUBRAHMANYA DUTT,
J. MANIKYALA RAO,
R. SATYANARAYANAMURTY,
M. SESHAGIRI RAO,
D. SURYA RAO,
P. SOBHANADRI,
D. VISWESWARA RAO,
M. SUDARSANAM. } Directors.

NEW PUBLICATIONS

Banking in the British Commonwealth. Edited by R. S. Sayers. Published by Oxford University Press, Amen House, London E.C. 4. Price: 35s. net.

THIS book has been edited by R. S. Sayers, Professor of Economics, University of London, and may be regarded as a companion volume to his well-known book, *Modern Banking*. It gives an account of the development, present organisation and problems of banking in Australia, Canada, India, Pakistan, Ireland, New Zealand, South Africa, Ceylon and the British Colonies, which are, or have until recently been, included in the British Commonwealth. The Editor has realised that some people in the new Dominions and in Ireland may not like the inclusion of the word "British." Nevertheless, he has thought it necessary to say "British Commonwealth" to avoid confusion, as there are other "Commonwealths." He has, however, made it clear that no political implication is intended and that the space given to each country has likewise no political implication and has depended mainly on the complexity of the picture to be drawn. There is also a chapter on the sterling area. Most of the chapters of the book were completed by the middle of 1951 and events that occurred afterwards have, therefore, not been covered.

Out of the eight writers of the chapters, four, namely, J. S. G. Wilson, A. C. L. Day, Paul Bareau and G. S. Dorrance have been associated with the Editor in the teaching of monetary economics at the London School of Economics and two others, namely, W. T. Newlyn and H. A. de S. Gunasekera were his pupils at the School. Only for the chapters on Ireland and New Zealand has he found it necessary to rely upon two outsiders, namely, G. A. Duncan and C. G. F. Simkin. The reviewer had an opportunity to discuss some of the banking problems of India with Mr. Wilson, on the eve of his departure from India, where he had come to study these problems and he was struck by the grasp which the latter had obtained of the problems. This opinion of his is fully borne out by Mr. Wilson's chapters on India, Pakistan and Australia.

Although the book is published chiefly for the benefit of University students, it will be found interesting and useful by bankers and others interested in the comparative study of financial institutions, as it is not written in highly technical language. Most of the contributors belong to, or at least have some first-hand knowledge of, the countries of which they have written. They have considered commercial banks, as well as central banks, both in relation to each other and in relation to the broad problems of economic development of the countries concerned.

The common feature of the banking systems described in this book has been that they have, or have had in a formative stage, close links with London, in addition to the fact, mentioned above, that their countries are, or have until recently been, parts of the British Commonwealth. This has provided some justification for a tendency to look upon all the systems as merely variations of a single pattern. Hence, most of the plans for reforming them have hitherto been more or less of the same kind. The authors of this book, however, have made it clear that, along with the universality of some political and financial ties with London, there is great diversity of historical background and even of the course of development of the various banking systems which they have discussed. This means that measures for the improvement of each banking system must be evolved with proper regard to the conditions in which it has been functioning. The authors have considered the structure of each banking system not merely in terms of the number of banks and branches, but also in terms of the business which they have been doing, the local peculiarities of trading and property which the business reflects, the relationship of banks to other financial institutions and the relationship of the local banker to his head office and to the local community in which he works.

The book shows that, in some of the countries considered in it, particularly in Canada and Australia, there is a well-established commercial banking system, run by commercial bankers, who, in efficiency and soundness, can bear comparison with their fellows in any other part of the world. In other countries, commercial banking is in a much earlier stage of development, without a stable structure or settled methods of doing business. For the latter, a strong and intensive system of bank supervision is very desirable. This service can be rendered by the central bank. If wisely rendered, it can accelerate the development of a strong and sound commercial banking system and also give the central bank a better understanding of, and influence with, commercial banks.

There is a central bank in each of the countries covered by this book, except the colonial territories, and a separate chapter is given to each central bank. All of them are youngsters in comparison with the great central banks of Europe, having been established only during the 'twenties or the 'thirties of the present century. The authors have pointed out that the constitutions of these banks have been changing according to changes in public opinion. In the reconstruction period after the First World War, the demand was that they should be independent, shareholders' banks, because the Bank of England and the Federal Reserve System were independent of the executive Government and because the subordination of central banks to the financial needs of Governments in Continental countries had led to enormous inflation there. But, after the outbreak of monetary nationalism in the early 'thirties, public opinion changed in favour of Government control over central banks and led to changes in the constitutions of some of the central banks in the Commonwealth. The exigencies of finance for the Second World War maintained and strengthened the hold of Governments on them. But recently, there are signs, particularly in Australia, that the pendulum is turning back again in favour of greater freedom for central banks from Government control.

Another thing which the authors have brought out is that the power of a central bank to command an automatic response to its use of the discount rate and open market operations depends not only upon full dependence of the money market upon the central bank as lender of last resort, but also upon the existence of a market offering to the individual banker indefinitely elastic supplies of a very attractive earning asset. In some of the Dominions, hopes were expressed and some attempts were made for the development of a bill market. But nothing effective could be done and, in India, fusion of the diverse money elements has continued to elude the efforts of the Reserve Bank of India and other banking reformers. A close banker-customer relationship continues to determine the volume of earning assets in all parts of the Commonwealth. As long as this situation remains, the control of the central bank over commercial banks has to depend upon direct contacts rather than upon an impersonal wielding of conventional weapons.

A third feature brought out by the authors is that there is no short and easy road to success in central banking and that a somewhat ineffective "settling-in period" is inevitable for central banks. The general view is that a central bank needs something like 20 years to establish its influence. Developments since the Second World War, however, seem to have speeded up the process.—*Dr. S.G.P.*

The Wealth of India, Vol. III. Published by the Council of Scientific and Industrial Research, Old Mill Road, New Delhi. Price: Rs. 18.

This is the third volume of the publication *Wealth of India*—the first and second volumes were published in 1948 and 1950, respectively. The volume under reference contains articles which deal with about 600 species of economic plants, three minerals and four animal products. The volume thus introduces to the reader the pageantry of Indian flora. The subjects on which information regarding production, processing, utilisation and trade has been assembled and presented include timber and forest products, medical plants, cereals and pulses, fruits and vegetables, oilseeds, spices, animal products, and minerals.

In the case of botanical subjects, the scientific name of the genius forms the title of each article and is followed by a brief account of the genus. The important economic species are described in the alphabetical order of their scientific names. No attempt is made to give a botanical description of either the genus or the species. The parts of economic importance, however, are described adequately. Where the species are of minor importance, a short generic note is considered sufficient, although purely ornamental or horticultural plants have not been included. For animals and animal products, their common names have been found more convenient. Articles on minerals, it is stated, have been scrutinised by the Geological Survey of India.

Canada 1952. Published by the Dominion Bureau of Statistics, Department of Trade and Commerce, Ottawa.

This is a very interesting handbook, depicting a balanced picture of the general economic and social structure of Canada. The handbook is replete with colourful photographic diagrams and statistical tables, reviewing the progress which Canada has made in recent years. It begins with a brief and excellent review of the economic conditions in the country at the close of 1951 and then proceeds to describe the system of government, health and welfare activities, education and scientific research, and social and cultural relationships. Aspects relating to national income and trend of production form the subject-matter of a separate chapter. An analysis of the developments in the spheres of primary production—classified according to agriculture, forestry, mines and minerals, water powers, fisheries and furs—and secondary production—manufactures and construction—is also given in the volume. Among the other aspects dealt with are those relating to labour, transport and communications, domestic and foreign trade, and finance.

Even a cursory glance at the handbook under review will clearly bear out the utility of the publication. Indeed, it is an attractive record of current economic conditions in Canada and will undoubtedly be of great use, not merely to students of world economic history and business men interested in trade with Canada, but also to anyone who cares to know something about Canada—its people and their problems.

The International Labour Code, 1951 (Vols. I and II). Published by International Labour Office, Geneva. Price: £3.

Encouraged by the response to the International Labour Code, 1939, published in 1941, the International Labour Organisation has brought out a revised and enlarged edition of the Code in two volumes. The first volume contains a systematic collection of Conventions and Recommendations adopted by the I.L.O. since 1919, while the second volume includes appendices embodying other standards of social policy framed or approved by the various conferences and committees, held, from time to time, under the auspices of the I.L.O. The two volumes have been prepared by Mr. C. Wilfred Jenks, Assistant Director-General of, and Legal Adviser to the I.L.O., who has participated in the drafting of all the Conventions and Recommendations adopted by the I.L.O. during the last 20 years and who has served in the drafting committees of many of the conferences and committees, the conclusions of which appear in the appendices.

The Code must not, however, be regarded as the final word of the I.L.O. on any of the subjects dealt with, but essentially as the "working manual of a living organisation." The present volume, however, provides the necessary grounding for officials preparing proposals for new legislation or treaties. It will also serve as a reference volume to students of social legislation. This edition will certainly be widely welcomed, thus rewarding the enormous labour involved in its preparation, for it sets forth the principles of labour legislation which have been discussed and accepted by the representatives of nearly all the democratic countries of the world.

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THE HIND BANK, LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have pleasure in presenting herewith the Audited Accounts of the Bank for the year ended 31st December, 1952.

		Rs.	a.	p.
The Profit and Loss Account after deduction of all working expenses shows a profit of	.. ..	6,74,922	13	9
to which must be added the amount brought forward from previous account	.. ..	86,262	1	7
	Total ..	Rs. 7,61,184	15	4
which the Directors have disposed of as follows:—				
Amount transferred to Reserve Fund	.. ..	2,50,000	0	0
Provision made for taxation	.. ..	2,90,000	0	0
Bonus to Staff	.. ..	35,000	0	0
Balance	.. ..	1,86,184	15	4
	Total ..	Rs. 7,61,184	15	4

Out of the balance of Rs. 1,86,184-15-4 the Directors recommend to the shareholders payment of dividend Re. 1 per share free of Income-tax, which absorb Rs. 1,00,000-0-0 leaving Rs. 86,184-15-4 to be carried forward to the next year's account.

The business of the Bank during the year under review and the results achieved are satisfactory. The investment policy of the Bank during the year 1952 continued to be the same. About 65 per cent. of Time and Demand Liabilities are held in Cash and Investments. Of the Investments, about 97 per cent. are held in Government of India and State Government bonds, of which about 48 per cent. mature within the next 5/6 years and all of which mature within the next 10 years. The Bank's Investments in the Balance Sheet stand at below market value as at the end of December, 1952.

During the year under review Mr. J. R. Jacob, a well-known businessman of Calcutta, at the request of your Board, joined the Board of Directors. You are requested to confirm his appointment on the Board as a Director.

Under the provisions of the Articles of Association of the Company, Mr. K. P. Goenka, Mr. B. Kumar Birla and Mr. Chimanlal B. Parikh retire from the Board of Directors and being eligible offer themselves for re-election.

The Auditors appointed by the Shareholders at the last General Meeting, Messrs. K. N. Gutgutia & Co. and Messrs. Dalal and Shah retire, but offer themselves for re-appointment.

The Directors express their gratitude to the shareholders and the numerous constituents for their support in the growth of the institution and also to the members of the Local Advisory Boards at Ahmedabad and Bombay for their valuable advice. They also record their appreciation of the loyal and efficient services rendered by the staff at Head Office and Branches.

For and on behalf of the Board of Directors,
K. P. GOENKA,
Chairman.

CALCUTTA, 12th March, 1953.

BALANCE SHEET AS AT 31st DECEMBER, 1952

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
Capital—						
AUTHORISED CAPITAL— 2,00,000 Shares of Rs. 100 each	2,00,00,000	0	0			
ISSUED AND SUBSCRIBED CAPITAL— 1,00,000 Shares of Rs. 100 each	1,00,00,000	0	0			
AMOUNT CALLED UP— 1,00,000 Shares at Rs. 50 per share				50,00,000	0	0
Reserve Fund and Other Reserves— Reserve Fund (including under Section 17 of the Banking Companies Act)				20,00,000	0	0
Deposits and Other Accounts— Fixed Deposits	90,49,091	9	6			
Savings Bank Deposits	13,94,496	8	9			
Current Accounts, Contingency Accounts, etc.	2,13,45,225	14	7	3,17,58,814	0	10
Borrowings from Other Banking Companies, Agents, etc.— (i) In India	Nil					
(ii) Outside India	78,254	15	5	78,254	15	5
Particulars:— (i) Secured by part of Investments as per contra Rs. 78,254-15-5						
(ii) Unsecured	Nil					
Bills Payable				8,09,073	14	8
Bills for Collection being Bills Receivable as per contra— (i) Payable in India	50,19,514	5	4			
(ii) Payable outside India	6,63,628	1	0	56,83,142	6	4
Other Liabilities— (i) Unclaimed Dividends	4,113	5	0			
(ii) Branch Adjustments	66,864	13	3	70,978	2	3
Acceptances, Endorsements and Other Obligations per contra				96,33,013	12	9
Profit and Loss— Profit as per last Balance Sheet	1,86,262	1	7			
Less—Dividend	1,00,000	0	0			
	86,262	1	7			
ADD—Profit for the year brought from the Profit and Loss Account	6,74,922	13	9			
	7,61,184	15	4			
LESS—Appropriations thereof— Rs. a. p.						
Amount transferred to Reserve Funds 2,50,000 0 0						
Provision for Taxation 2,90,000 0 0						
Bonus to Staff 35,000 0 0	5,75,000	0	0	1,86,184	15	4
Contingent Liabilities— (i) Claims against the Banking Company not acknowledged as debts Rs. 37,456-4-0.						
(ii) On Imperial Bank Shares partly paid up Rs. 54,375-0-0.						
(iii) Liability on Bills of Exchange rediscounted Rs. 47,01,803-15-0 whole of which have run off upto 28th February, 1953.						
(iv) Liability on account of outstanding forward exchange contracts Rs. 4,20,93,525-6-11 of which Rs. 2,65,72,229-6-10 have been delivered upto 28th February, 1953.						
Total .. Rs.				5,52,19,462	3	7

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash— In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)				44,80,517	15	8
2. Balances with Other Banks— In Current Account— (i) In India	1,91,352	2	3			
(ii) Outside India	30,58,872	14	10	32,50,225	1	1
3. Money at Call and Short Notice				23,00,000	0	0
4. Investments (at below market value)— (i) Securities of the Central and State Governments and Other Trustee Securities, including Treasury Bills of the Central and State Governments	1,12,38,736	5	2			
(ii) (a) Imperial Bank Shares fully paid up	1,30,288	11	6			
(b) Imperial Bank Shares partly paid up	55,103	12	0			
(c) Joint Stock Companies Preference Shares fully paid up	8,501	0	0			
(iii) Debentures or Bonds	30,000	0	0			
(iv) Other Investments	....					
(v) Gold	....			1,14,62,609	12	8
5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors) (I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.						
(i) In India 91,91,371 8 6						
(ii) Outside India 35,25,310 8 0	1,27,16,682	0	6			
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—						
(i) Payable in India 14,80,438 3 3						
(ii) Payable outside India 33,08,691 13 9	47,89,130	1	0			
PARTICULARS OF ADVANCES—				1,75,05,812	1	6
(i) Debts considered good in respect of which the Banking Company is fully secured	1,35,64,407	15	8			
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	6,30,951	2	10			
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	33,10,452	15	0			
(iv) Debts considered doubtful or bad, not provided for	....					
	1,75,05,812	1	6			
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	2,000	0	0			
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	13,56,539	1	2			
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	2,000	0	0			
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	36,31,618	11	9			
(ix) Due from Banking Companies	....					
6. Bills Receivable being Bills for Collection as per contra— (i) Payable in India	50,19,514	5	4			
(ii) Payable outside India	6,63,628	1	0	56,83,142	6	4
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				96,33,013	12	9
8. Premises Less Depreciation				....		
9. Furniture and Fixtures less Depreciation (including Motor Cars)— Cost as per last Account	3,11,729	15	3			
Since added	27,138	10	3			
	3,38,868	9	6			
LESS—Sales and Adjustments	66,690	5	7			
	2,72,178	3	11			
LESS—Depreciation written off to date	1,37,935	9	5	1,34,242	10	6
10. Other Assets, including Silver— (i) Property (Freehold Land at cost)	2,34,917	4	0			
(ii) Interest accrued on Investments	86,319	15	4			
(iii) Stamps	3,053	11	3			
(iv) Income-tax deducted at source	4,38,012	8	1			
(v) Income-tax paid in advance	7,595	0	0			
(vi) Silver	....			7,69,893	7	1
11. Non-Banking Assets Acquired in Satisfaction of Claims				....		
12. Profit and Loss				....		
Total .. Rs.				5,52,19,462	3	7

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1952

EXPENDITURE	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	4,86,978	7	5
2. Salaries and Allowances and Provident Fund	5,67,611	1	8
3. Directors' (Rs. 1,850) and Local Committee Members' Fees and Allowances	2,600	0	0
4. Rent, Taxes, Insurance, Lighting, etc.	70,016	6	11
5. Law Charges	1,906	3	0
6. Postage, Telephone, Telegrams and Stamps	13,382	6	3
7. Auditors' Fees (including Periodical Audits)	9,732	0	0
8. Depreciation on and Repairs to the Banking Company's Property	35,557	14	6
9. Stationery, Printing, Advertisement, etc.	58,383	8	1
10. Loss from Sale of or Dealing with Non-Banking Assets	....		
11. Other Expenditure	62,732	7	11
12. Balance of Profit	6,74,922	13	9
NOTE.—Salaries and Allowances of the General Manager amount to Rs. 26,400.			
Total .. Rs.	19,83,523	5	6

INCOME (less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest and Discount	10,67,054	12	10
2. Commission, Exchange and Brokerage	9,11,306	8	8
3. Rents	4,579	0	0
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	....		
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	....		
6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	....		
7. Other Receipts	283	0	0
8. Loss	....		
Total .. Rs.	19,83,523	5	6

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Hind Bank, Ltd., as at 31st December, 1952, and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated Branch returns audited by the Statutory or Local Auditors, and report that:—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory;
(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;
(c) the returns received from Branch Offices of the Bank have been found adequate for the purpose of audit;
(d) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;
(e) such Profit and Loss Account shows a true balance of profit for the year;
(f) such Balance Sheet exhibits a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us and as shown by the books of the Bank; and
(g) in our opinion, books of accounts have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

K. N. GUTGUTIA & CO.,
Chartered Accountants,
DALAL & SHAH,
Chartered Accountants.

S. D. PARDIWALLA,
General Manager.

T. N. GANGULI,
Chief Accountant.

K. P. GOENKA, Chairman.
B. L. JALAN,
N. D. BANGUR,
B. KUMAR BIRLA,
J. R. JACOB,
JAL H. MEHTA,
C. B. PARIKH. } Directors.

CALCUTTA, 12th March, 1953.

INDUSTRIES (REGULATION AND CONTROL) AMENDMENT BILL

APPOINTMENT OF INDUSTRIAL CORPORATION CONTEMPLATED

THE trend of discussions in the House of the People on the Industries (Development and Regulation) Amendment Bill on the 22nd April indicates that the Minister for Commerce and Industry, Mr. T. T. Krishnamachari, will have hardly any difficulty in piloting the Bill successfully through the House in the current session. The convincing explanation given by him for introducing the several amendments seems to have gone a long way towards not only silencing the opposition but also winning the tallest among them. The support extended to the measure by Mr. Hiren Mukerjee, acting leader of the Communist group, and Dr. Shyama Prasad Mookerjee, leader of the National Democratic group, may be taken as a tribute to the Minister for sponsoring the Bill. The House committed the Bill to a Select Committee for report on the 29th. It may be noted here that this Bill, which was introduced on 10th April, replaces the one presented to the House on 20th December last.

Under the existing provisions of the Act, the Government can assume management of an industrial unit only after waiting for some time to see whether the directives issued by it were carried out or not. It cannot exercise immediate control in emergent cases. This lacuna is now sought to be removed by adding a new chapter in which provision is made for empowering the Government to assume charge of an undertaking the position of which calls for immediate action. It also contains suitable provisions for meeting the consequences of the Government taking over the control of an undertaking.

Among the amendments is one relating to Government's power to cause investigation to be made of scheduled industries "in certain circumstances." The term "public interest" used in the amendment was admitted by the Minister for Commerce and Industry in his speech, as one which was very wide but what was contemplated was, according to him, only investigation and nothing more. In any case, there was nothing peculiar about it, as legislations similar to the one under reference, such, for instance, as the Company Law, gave power, he said, to shareholders in certain matters such as these. He thought that it was possible that the Companies Act might be amended so that the Government authority which controls the operation of the Companies Act could work in a manner similar to what the present Bill proposed to do.

Direct Management

The new chapter in the Bill on direct management and control of industrial undertaking by the Central Government, in some cases, is almost a verbatim copy of the analogous provisions in the Industrial Finance Corporation Act. Explaining this clause, Mr. Krishnamachari points out that, in the case of the latter Act, the idea was as to how the Corporation should work an industrial unit which owed money to it and which it had to take over. In the present Bill, the Government's position was very nearly the same, the difference being, in one case, the unit would be taken over because the taking authority was a creditor, while, in the other, the Government stepped in as a trustee. He gave the assurance that the powers were not for nationalising an industry but for keeping the wheels of industry moving. Normally the procedure was to go to a court which appointed a receiver and that meant a time lag. "Here the Government must be," he said, "the sole judge about whether a particular industrial unit is a very necessary one in the economy of the country. The very fact that this chapter is in the Statute Book will be a guarantee against misbehaviour" by those managing industrial concerns.

Price and Distribution Control

Another chapter in the Bill deals with the Government's power to control supply, distribution and price of some articles. In the absence of the Essential Supplies (Temporary Powers) Act and the Supply and Prices of Goods Act, which are to remain only for a temporary period, the Minister said the responsibilities of the Government to a scheduled industry were so comprehensive that, without some kind of power to control prices, such responsibilities could not be discharged properly. But one of the Minister's reasons for powers to control prices makes strange reading. He said: "It may be that the Government would have actively to enter into the field of expanding industries and promoting the floating of new concerns. If it does so purely on its own as a nationalised unit, even then it has to make it a profitable one, or at any rate, see that it does not lose. So the prices have to be controlled." It must be admitted that there is a danger here in that the Government may exercise its power to control prices in order to protect it from losses arising out of its own mismanagement of a unit taken over by it under the Act. This danger should be avoided at all costs, as price controls for such a purpose will not be in the interests of consumers. It is the business of the House to safeguard the interests of consumers by laying down the specific circumstances in which the Government can introduce price controls under the provisions of this Act.

Development Councils

The establishment of Development Councils is another aspect of the Bill to which the Minister made certain references. It was originally intended to start with six councils. But so far only two have been started, one for diesel engines and another for chemicals and fertilisers. The delay in the establishment of the remaining Councils is due to the desire of the Government to proceed cautiously, as the Development Councils, which were first started in the U.K., had a chequered career. Mr. Krishnamachari revealed, in this context, that the Government was able to get an expert who was familiar with the working of such Councils in the U.K. and had given the Government of India the lines on which that country had proceeded with the starting of these Councils.

Among the other amendments in the Bill is the one which seeks to widen the Government's power to control the expansion of existing industrial undertakings falling within the scope of the schedule. Commenting on this amendment, Mr. Krishnamachari said that there was, at present, nothing to prevent a number of units now existing in this country, both Indian and foreign, from manufacturing a new article, a new brand of article, say a tooth paste, with a new name for which a licence is taken out. If any foreign exchange was involved in this manufacture, the units had to obtain the Government's permission and thus the Government could come to know of it. But, often-times, even this might not be brought to the notice of the Government, because the Government might say that it was not going to permit any money straightaway, and a mere agreement of a foreign company in regard to payment of royalty did not make it necessary for them to come to Government. The Government felt that even such cases should come before the Licensing Committee, so that it would have an opportunity to tell them, he said, whether the units should manufacture the articles or not, in which case the Committee would examine the amount of royalty which had to be paid and the remittances which would have to be made for that purpose.

Not a Punitive Measure

Concluding his remarks, the Minister assured the House that "it is the Government's intention to work this measure not from a punitive aspect but largely from the development aspect. . ." He said that the Government would not needlessly interfere with the management of industrial undertakings. Private enterprise need have no fear of such intervention so long as the industries under its control were worked efficiently and honestly and in a spirit of service to the public.

Dr. Shyama Prasad Mookerjee, supporting the Bill, stated that it was a complete guarantee to all industrialists who want to play the game that the Government had no desire to interfere with them. He suggested the establishment of an industrial management corporation under the ægis of the Government with adequate finance at its disposal for being able to take over a recalcitrant industry and managing it efficiently. The Minister for Commerce and Industry, in the course of his reply to the debate, referred to this suggestion and stated that his thoughts too, had been running in the same direction for some time now and that he had been discussing the question with the various interests concerned.

CHIEF CONTROLLER ON CERTAIN ASPECTS OF IMPORT POLICY

Certain problems of import controls were discussed by the representatives of the Southern India Chamber of Commerce with Mr. K. B. Lall, Chief Controller of Imports and Exports during the latter's visit to Madras last week. The Chamber complained of the change in the manner of constituting Import and Export Advisory Councils, thereby depriving the chances of representative commercial organisations to send their nominees to serve on these councils. It further pointed out that, under the present constitution, representatives of commercial organisations formed a microscopic minority. The Chamber pressed for the need for at least setting up Import Advisory Committees at ports. Mr. Lall replying to this point said that there was no objection to consult chambers of commerce informally on problems affecting imports. But he felt that the regular constitution of such committees entailed certain additional expenditure and establishment which he considered was not necessary. If, in specific instances, such committees were required, the request would be considered, he added.

The Chamber then represented that there was a tendency on the part of the Government to subdivide serial numbers to suit its licensing policy. This had necessitated reclassification of quotas. The insistence on minimum imports for each subdivision has resulted in many established importers losing licences, as their basic import for that particular serial number got split up and the imports in this class of articles covered by each sub-division fell short of the quota. The Chamber suggested that, in such cases, the quota might be calculated on the total imports of goods under the serial number taken as a whole. The Chief Controller promised to give due consideration to the suggestion.

The Chamber complained that the quota for import of packing and wrapping paper was very low. The Chief Controller observed that the question of increasing the quota of this variety of paper would be considered in due course. On the question of delay in the issue of licences for importing writing paper, the Government was awaiting clarification of certain issues and promised that the issue would be expedited. He further stated that the question of increasing the import quota of betelnuts by 50 per cent. and of allowing imports of cocoa in limited quantities would also be considered by the Government.

At present import of fountain pens is possible only if the value of each pen was Rs. 25 or more. The Chamber wanted this value to be reduced to Rs. 10, as the purchasing capacity of the people in the country was low. The Chief Controller said that fountain pen factories would be started in the country soon and that they would be able to supply pens at a cheap price. Till such factories were established the Government would, he said, consider the question of allowing imports of cheaper pens.

IMPORT POLICY ON FEW MORE ITEMS ANNOUNCED

The Government of India has announced its import policy regarding a few more items which had been kept in abeyance at the time of the previous announcements. Thus, according to a notification published in the *Gazette of India Extraordinary* dated 18th April, 1953, no import licences will be issued for tea chests for the current half-year. The restriction applies to tea chests, parts and fittings thereof, including tea chests containing aluminium but excluding aluminium tea chests linings. Nor will any licences be issued for raw wool (other than merino and cross-breeds) which was recently removed from the scope of the O.G.L. So also is the policy for zinc chloride for which it has been decided not to issue licences for the current half-year.

However, a 25 per cent. quota has been given for tinmen's rivets and a 100 per cent. quota for D.D.T., excluding preparations thereof. For printed advertising material, not supplied free of charge, applications will be considered *ad hoc*, licences up to the value of Rs. 1,250 in a six-monthly period being granted freely. Additional licences will be given for coloured and copying pencils and for fountain pen ink on which the import duty has been increased under the Finance Bill from 39⅜ per cent. to 66⅜ per cent. *ad valorem*. Not more than 1/20th of the face value of this additional licence can be utilised for the import of fountain pen ink. Copying and coloured pencils whose c.i.f. value is not less than Rs. 20 per gross only can be imported against the additional licence.

The import policy for penicillin has been reviewed, and it has been decided to license separately the import of three types of bottled penicillin for which it had been earlier announced that import licences would not be valid. The three types are (1) crystalline penicillin, sodium or crystalline penicillin potassium, (2) crystalline penicillin procaine, and (3) procaine penicillin G.W.M. fortified with crystalline penicillin (sodium or potassium) (aqueous). The import licences for the three varieties will be issued for both general and soft currency areas on the basis of 50 per cent of half of best year's imports.

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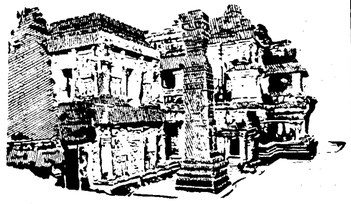
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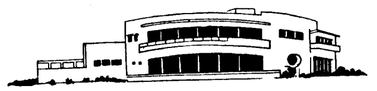
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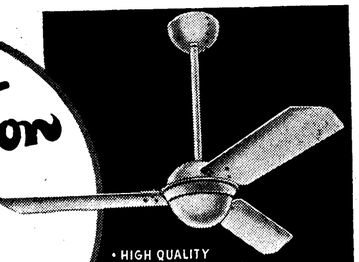
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(INCORPORATED IN INDIA)
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Chairman: FRAMROZE H. MEHTA General Manager: M. S. DASTUR

AGRICULTURAL CREDIT IN INDIA

NO NEED FOR NEW CENTRAL AGENCY

THE discussion on problems of agricultural credit in the Council of States on 24th April last, has served well to focuss the country's attention, once again, on this most vexed question of providing short-term finance for the ryot to carry on his agricultural operations remuneratively. The occasion for the discussion was provided by a resolution moved by Mr. N. G. Ranga who demanded the establishment of an All-India Agricultural Finance Corporation for facilitating expansion of rural credit. The debate on the resolution was inconclusive and will be resumed during the next session of the Council, if fresh notice is given and the motion secures a place in the ballot.

Although there was nothing new in Mr. Ranga's observations on the inadequate measures taken by the Government for supplying cheap rural credit to ryots, they deserve reiteration. The problem of agricultural indebtedness and rural credit is a very longstanding one. A number of committees has enquired into it, but very little has been done by the Government. In the circumstances, it is only natural that Mr. Ranga should have expressed his regret at this unsatisfactory progress even after independence. He said: "Though it was thought, at one time, that the war boom had reduced agricultural indebtedness, surveys have shown that only six per cent. of the agriculturists who owned more than 20 acres were benefited from the boom. The rest had actually suffered." While the total indebtedness might have been reduced, the reduction was, he observed, due mainly to the agriculturist selling away his land. Proceeding, he drew attention to the estimates by the Reserve Bank of India, of the agricultural credit requirements of India which were anything between Rs. 500 crores and Rs. 800 crores. Stating that the ryot was getting credit at about 24 per cent. interest, he asked: Can any other industry show progress if it is forced to get loans at such a rate of interest?

The mover of the resolution mentioned above then referred to the work done by the Reserve Bank of India in the sphere of agricultural credit. He said that the Reserve Bank of India was not performing its duty and responsibility of providing the credit. He gave figures regarding the amount of credit sanctioned by it through co-operative banks since 1946-47 to 1950-51. But these figures do not give a true picture of the assistance given by the Bank, as they do not include the figures for 1951-52 and 1952-53. The table below gives a better idea of the amount of credit advanced by the Reserve Bank of India to farmers through co-operative banks:

(In crores of rupees)

1946-47	0.15
1947-48	0.16
1948-49	1.02
1949-50	2.07
1950-51	5.37
1951-52	12.51
1952-53 (estimated)	15.00

It will be seen that there has been remarkable progress since, 1950-51 and, with the work now in hand, the Bank's advances are bound to increase. If the assistance rendered so far represents only a fraction of the total requirements, such is not due to any reluctance on the part of the Bank to extend credit facilities, but to certain legal limitations imposed on the Bank. It is a central bank which cannot directly participate in advancing loans at the farm level. In between the farmer and the Bank, there are agencies, namely, co-operative banks, which it can make use of as intermediaries to dispense the credit. So, in the first place, these agencies should be in sufficient number, which is not the case at present. The use of even those agencies that exist will be possible only, and if some of the legal restrictions on the Bank are relaxed. Steps are being taken in this direction and a move is afoot to amend the Reserve Bank of India Act in the light of experience gained so far by it. Legislation has been so framed as to place State co-operative banks on the same footing as scheduled commercial banks in respect of sale or rediscount of bills of exchange and promissory notes arising out of *bona fide* commercial trade transactions. Further, the period for which accommodation can be made available has been extended from nine months to 15 months. Again, recommendations have been made to the Government for making further changes in the law. The object of these recommendations is to include certain new categories of assistance such as short-term finance for mixed farming activities and processing of crops by agricultural producers, short-term finance for cottage industries through industrial co-operatives and, to a limited extent, medium-term finance for agricultural purpose. Besides, the area of operations of the Bank has been extended to include B States under the purview of the Act. Much headway would certainly have been possible, if some of the State Governments had come forward to encourage the development of the Co-operative Movement in their areas. It is a well-known fact that, so far, the growth of the Co-operative Movement has been confined only to a handful of States. All this is not to say that one is satisfied with the progress made by the Bank, as one has to admit that the process has been slow.

The setting up of an Agricultural Finance Corporation on the lines of the Industrial Finance Corporation, as pleaded by Mr. Ranga, has certain inherent difficulties. This Corporation, too, like the Reserve Bank of India, cannot be of much help if it does not establish direct dealings with the farming classes in the country. Such direct dealings for providing credit with millions of farmers are an impossibility, and, therefore, like the Reserve Bank of India, the Corporation too will find it necessary to seek the assistance of intermediaries such as the co-operative institutions. If that is so, it is difficult to see how the proposed Corporation can be in a better position than the Reserve Bank of India in dispensing credit. Instead of expending time, energies, and money on a new organisation such as the one suggested by Mr. Ranga, it is worthwhile concentrating increased attention on assisting the Reserve Bank to extend further not only the scope or area of operations of the Bank but also the provision of larger and freer flow of agricultural credit. In this context, the remarks of Mr. A. C. Guha, who intervened in the debate, are worth recording. He said: "The Government has every sympathy with the objectives of the resolution. But whether a central agency should be established or whether agricultural credit should be given through other means has to be explored. None of the committees which enquired into agricultural credit has recommended a central agency. In such a large country, it would not be possible for such a central agency to function effectively, specially for the purpose of short-term credit." Mr. Guha, continuing, stated that the Government had not a closed mind on the subject. He remarked that the Reserve Bank was at present conducting a further enquiry into the matter.

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QUESTION HOUR IN PARLIAMENT

Foreign Ships Leaving Calcutta

THE Government is aware that while foreign ships leaving Calcutta port go almost fully loaded, Indian ships leaving Calcutta for the U.K. and Europe go with insufficient cargo. Shipping is in the private sector and export trade also is largely in private hands. It is for Indian shipping companies themselves to take the initiative for securing adequate cargo for their ships plying in the overseas trade. The Government can render only limited assistance in this direction. The Government is always anxious to take such practical steps as would help Indian shipping companies, and it is keeping the subject under constant review.

* * * *

Coastal Trade

Coastal trade has already been reserved for Indian shipping. Instructions have also been issued that Government cargo should be carried on Indian ships where they are available. It is true that countries like the U.S.A. and Japan have stipulated that a portion of cargo leaving their shores must be carried in their national ships. India is unable to imitate them in view of its small tonnage. But in recent trade agreements a shipping clause has been introduced whereby the goods will be carried in Indian ships.

—Deputy Minister for Transport

Porcelain Factory

The Government-owned Mysore Porcelain Factory at Bangalore has a proposal to expand the factory to manufacture high-tension insulators. The estimated cost of the expansion scheme is Rs. 75 lakhs. The installed capacity is 650 tons and it is proposed to expand it to 2,200 tons.

—Minister for Commerce and Industry

Oil Refineries

The total annual production of refined oil from all the three refineries, when in full operation, will be about 3.4 million tons. The total annual consumption of crude oil by the refineries will be about 3.8 million tons. The companies have made arrangements for ensuring the supply of crude oil. The annual consumption of refined oil is in the neighbourhood of 4 million tons at present.

—Minister for Production

Loans to States

Loans given by the Central Government to the State Governments during 1951-52 amounted to Rs. 76 crores, against the Budget estimate of Rs. 63 crores, but the original budget estimate of Rs. 63 crores was raised to Rs. 79 crores by supplementary appropriations of Rs. 16 crores sanctioned during the year. Rates of interest varied with the period of each loan and market conditions prevailing at the time it was sanctioned.

—Finance Minister

Servicing World Bank Loans

The World Bank has not put any "ceiling" on the amount of "hard money" that India can service and authorise on it. The Bank, however, makes its own assessment of India's capacity to service the loan whenever a loan is sought from it.

—Deputy Finance Minister

World Bank Loans

Negotiations have recently been initiated for a loan of $14.7 million from the International Bank for the Trombay Electricity Project of Tatas. Negotiations are also nearing completion for a loan of $8 million to the Industrial Financial Corporation to enable it to make advances to various industrial companies to meet their foreign exchange obligations.

—Parliamentary Secretary to Finance Minister

Exemptions From Industrial Provident Fund Scheme

600 applications have been received seeking exemption from the Industrial Provident Fund scheme. These are under the consideration of the Government. At present, the Act covers 33,650 factories employing 18,65,000 workers. Under the scheme, Rs. 1 crore is being collected every month.

—Deputy Minister for Labour

Consumption of Coal by Railways

Indian railways consumed approximately 3.9 million tons of metallurgical coal and six million tons of non-metallurgical coal in 1952. There are no specific restrictions on the use of metallurgical coal. About 12 million tons of metallurgical coal are consumed in the country. The production of certain selected grades of metallurgical coal has been limited to 7.4 million tons in 1953 and of grades I and II to the level of production in 1952. The opening of new mines for producing metallurgical coal is also not being allowed.

—Deputy Minister for Works, Housing and Supply

Grow More Food Drive

Out of a total provision of Rs. 125 crores for all the States for increasing food production under the plans, a sum of Rs. 86 crores will be contributed by the Central Government for 'G.M.F.' purposes during the Five-year Plan. The provision for agricultural development in the States includes expenditure on "G.M.F." programmes also. Apart from the Rs. 86-crore expenditure by the Centre, a special additional provision of Rs. 10 crores for minor irrigation schemes in 1952-53 has been made. Similar provisions will also be made for the remaining three years of the Plan. Short-term loans for the supply of fertilisers, seeds, etc., were also made from year to year. India has received from the Ford Foundation a sum of Rs. 60,86,260 for all the Ford Foundation projects administered by the Food and Agriculture Ministry.

—Deputy Minister for Irrigation and Power

Notices

THE MAFATLAL FINE SPINNING AND MANUFACTURING COMPANY, LTD.

NOTICE

THE TWENTY-SECOND ORDINARY GENERAL Meeting of the Shareholders of the Company will be held at the Registered Office, Maneckji Wadia Building, 127, Mahatma Gandhi Road, Fort, Bombay on TUESDAY the 2nd June, 1953, at 3-0 p.m. (S.T.), to transact the following business:—

1. To adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account as approved by the Directors for the year ended 31st December, 1952.
2. To declare Dividends on Preference Shares and Ordinary Shares.
3. To elect a Director in place of Mr. Natverlal Bhikhabhai who retires by rotation and is eligible for re-election.
4. To elect a Director in place of Mr. Bhupendra Bhikhabhai who retires by rotation and is eligible for re-election.
5. To elect a Director in place of Mr. Arvind N. Mafatlal who holds office till the General Meeting and is eligible for re-election.
6. To elect a Director in place of Mr. Yogindra N. Mafatlal who holds office till the General Meeting and is eligible for re-election.
7. To elect a Director in place of Mr. Laxmanprasad D. Vasa who holds office till the General Meeting and is eligible for re-election.
8. To elect a Director in place of Mr. Kumudchandra K. Mahadevia who holds office till the General Meeting and is eligible for re-election.
9. To appoint Auditors for the current year and fix their remuneration.
10. To transact any other business of the Company that may be placed before the Meeting by the Chairman.

The Share Transfer Books of the Company will be closed from Friday the 15th May to Friday the 5th June, 1953 (both days inclusive).

By Order of the Board of Directors,
For and on behalf of
THE MAFATLAL FINE SPG. & MFG. CO., LTD.,
FOR NAVINCHANDRA PURSHOTAMDAS & CO., LTD.,
N. MAFATLAL.
Director,
Secretaries, Treasurers and Agents.

MANECKJI WADIA BUILDING,
127, MAHATMA GANDHI ROAD, FORT,
BOMBAY, 9*th April*, 1953.

N.B.—If Dividends, as recommended by the Directors, are passed at the Meeting, the payment will be made at the Registered Office of the Company, 127, Mahatma Gandhi Road, Fort, Bombay, on and after Monday the 22nd June, 1953, during office hours excepting Saturdays, to those shareholders whose names are on the Company's Register on 5th June, 1953.

Shareholders are requested to intimate immediately to the Company any change in their registered address.

THE BENGAL FLOUR MILLS COMPANY, LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Ordinary General Meeting of the Company a dividend at 12½ per cent. per annum for the half-year ended 31st December, 1952.

By Order of the Board,
BALMER LAWRIE & CO., LTD.,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 21*st April*, 1953.

THE GANESH FLOUR MILLS COMPANY LIMITED

DELHI

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 61st Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at Subzimandi, Delhi, on Sunday the 17th May, 1953, at 6 p.m., to transact the following business:—

(A) To receive Directors' Report and to pass Audited Accounts for the year ended 30th September, 1952.
(B) To declare Dividend.
(C) To elect Directors in place of Shri Satya Narain Gupta and Shri Bal Raj who retire by rotation and are eligible for re-election.
(D) To appoint Auditors and fix their remuneration.
(E) To consider and if thought fit to pass the following resolution as special resolution with or without modification:
"Resolved that the payment of Rs. 25,000 as donation to Shri Moti Lall Nehru Memorial Society be confirmed."

The Transfer Books of the Company will remain closed from 3rd May to 17th May, 1953 (both days inclusive).

By Order of the Directors,
(Sd.) KIRPA NARAIN,
Manager.

DELHI, 20*th April*, 1953.

SOCIETE GENERALE INDUSTRIELLE DE CHANDERNAGOR

(Societe Anonyme)

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Shareholders of the Company will be held at Clive Buildings, Netaji Subhas Road, Calcutta, on Friday the 29th May, 1953, at 12 noon, for the following purposes:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December, 1952.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. To transact any other business which may properly be transacted at the meeting.

NOTICE is also hereby given that the Register of Members will be closed from the 15th May to the 29th May, 1953, both days inclusive. Dividend Warrants will be sent only to Registered Shareholders or to their Mandatees.

By Order of the Board,
For SOCIETE GENERALE INDUSTRIELLE DE CHANDERNAGOR (SOCIETE ANONYME),
For GILLANDERS ARBUTHNOT & CO., LTD.,
K. R. FETTES,
Managing Director,
Agents.

CALCUTTA, 22*nd April*, 1953.

THE HOOGHLY FLOUR MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighty-fourth Ordinary General Meeting of the Members will be held at the Registered Office of the Company, No. 4, Bankshall Street, Calcutta, at 4-20 p.m. on Tuesday the 12th May, 1953, for the following purposes:—

(1) To receive the Directors' Report and the Audited Accounts for the half-year ended 31st December, 1952.
(2) To declare a Dividend.
(3) To elect a Director.
(4) To appoint Auditors for the current year.

The Transfer Register will be closed from the 5th to the 12th May, 1953, both days inclusive.

By Order of the Board,
SHAW WALLACE & CO., LTD.,
Managing Agents.

CALCUTTA, 18*th April*, 1953

SHARP FALL IN PROFIT OF MODERN MILLS

FINANCIAL POSITION COMFORTABLE

THE Modern Mills Ltd. (Managing Agents: Messrs. N. Sirur & Co. Ltd., Bombay) is one of the many mills in Bombay which were severely hit by the heavy fall in prices of cotton and the slashing of prices of cloth and yarn during the year 1952. The Company's gross profit for the year ended 31st October, 1952, at Rs. 3.91 lakhs, shows a fall of as much as Rs. 12.90 lakhs from that for the previous year. Expressed differently, the decline in profit is as much as 76.7 per cent. The year's profit is nearly the same as that for 1950 and is only half of that earned in 1947, one of the leanest post-war years for the cotton mill industry. Whatever little profit the Company has been able to make during the year under review was only from sales of cloth abroad. In the face of such heavy recession in earnings the Directors have found it necessary to cut the distribution to the shareholders from 14 per cent. to 10 per cent., which is, however, 2 per cent. more than that paid for 1950. It may also be noted that last year's distribution was made up of a dividend of 10 per cent. and a bonus of 4 per cent. Thus, the dividend part of the distribution has been maintained. Further, the cut in distribution is not as drastic as the fall in profit warrants.

Explaining the reason for the sharp fall in the earnings of the Company, the Directors observe in their report to the shareholders thus:

"The textile industry was faced with a severe crisis brought about by the sudden slump which set in about March, 1952. After the bulk of the cotton quotas was purchased at ceiling rates, the prices of the raw material declined precipitously, and the Government at once slashed down the prices of yarn and cloth, with the result that, for quite a long time, goods manufactured from high-priced cotton had to be sold at considerable losses. It was only when the Government, realising the gravity of the situation, relaxed the export controls that mills could sell some of their manufacture at better margins in the overseas markets. Your mills, however, being a composite unit with a large production of yarn to sell, was not much benefited, as yarn was practically not allowed to be exported and had to be sold at inland controlled prices. What little profits the Mills made was derived from the export sales of cloth during the year under report. The working of the Mills was also adversely affected by the cut imposed by Government in the electric power supply during the first eight months of the year under report. Although the Mills supplemented their power supply by installing their own generators, the production suffered to some extent."

The following salient features of the Company's accounts for the year under review, presented against the background of those for the previous three years, show how far the Company's fortunes have been affected by the above factors:

(In lakhs of rupees)

	For the year ended 31st October			
	1952	1951	1950	1949
Sale proceeds	163.92	159.94	114.13	122.06
Stocks of manufactured goods	40.44	39.44	19.61	25.96
Cost of raw materials purchased	109.87	114.67	70.08	70.59
Expenses	50.39	46.68	35.79	41.35
Gross profit	3.91	16.81	3.10	10.58
Managing agents' commission	0.43	1.72	0.37	1.09
Provision for—				
Depreciation	0.89	9.77	0.97	2.33
Taxation	0.28	0.35	..	3.10
Net profit	2.32	4.97	1.76	4.06
Other income	0.49	..	..	..
To reserves	0.47	1.55	0.04	0.70
,, gratuity	0.20	0.17	0.15	..
Dividend	2.21 (10%)	3.10 (14%)	1.77 (8%)	3.10 (14%)
Carry forward	0.24	0.81	0.16	0.86

The foregoing table clearly shows to what extent the cost of production remained high, despite the fall in production due to cut in electric supply. The provision for depreciation has been drastically reduced, but the Directors state that the cumulative depreciation provided so far is adequate. The extra income of about Rs. 49,000 (shown in the table) which supplements the net profit represents the profit on sale of machinery in previous years and surplus provision for bonus to staff at head office made in 1943 now written back. During the year, the Company received the final instalment of post-war refund of E.P.T. amounting to Rs. 1.98 lakhs. The Directors could have utilised a part of this sum to maintain the return to the shareholders. But they have chosen to follow the commendable policy of conserving the entire sum for the machinery rehabilitation reserve fund, which was created last year to enable the Company to meet the heavy expenditure that will have to be incurred in the near future in rehabilitating the existing old machinery. Not content with this addition, they have transferred to the same fund the sum of Rs. 47,228 from the year's profit also.

The Company's latest balance-sheet reflects a comfortable financial position. As against a paid-up capital of Rs. 22.13 lakhs, the reserves and surplus stand at Rs. 47.27 lakhs, that is well over twice the paid-up capital. Besides, the debenture loan of Rs. 12 lakhs there are secured loans amounting to Rs. 54.77 lakhs (which show a rise of Rs. 13.74 lakhs over the year) and unsecured loans of Rs. 8.34 lakhs (as against Rs. 8.08 lakhs). The increase in these liabilities is evidently due to the high price which the Company had to pay for cotton. The gross block of Rs. 101.01 lakhs, including the additions made during the year amounting to Rs. 9.18 lakhs, has been written down to Rs. 58.49 lakhs. The current assets aggregate Rs. 116.30 lakhs, made up of, in the main, stock-in-trade Rs. 96.44 lakhs, stores, spares, etc., Rs. 9.81 lakhs, debts, deposits and advances Rs. 5.66 lakhs and investments Rs. 4.26 lakhs. Despite the increase in loans taken, the current liabilities amount to only Rs. 93.38 lakhs and are more than adequately covered by current assets, the surplus of such assets over the current liabilities being Rs. 23.22 lakhs.

INDUSTRIAL PROFITS IN INDIA

The following comparative profits of the major industries of India for the years 1950, 1949 and 1948 were furnished by the Union Minister for Commerce and Industry last week in the House of the People, in reply to a question from a member:

(In crores of rupees)

	1950	1949	1948
Textile			
Gross	12.86	12.63	32.13
Net	4.59	5.25	14.35
Sugar			
Gross	2.61	3.49	5.46
Net	0.91	1.32	2.73
Cement			
Gross	3.86	3.21	2.81
Net	1.82	1.14	0.75
Tea			
Gross	3.13	1.98	1.64
Net	1.88	1.14	0.96
Jute			
Gross	6.04	—	6.33
Net	3.24	—	3.01
Coal			
Gross	1.70	2.02	1.66
Net	0.59	0.79	0.61

INDIA UNITED MILLS LTD.

A full and complete investigation into the working of the India United Mills Ltd., Bombay, has been ordered by the Government of India. Mr. S. D. Chopra, a chartered accountant of Delhi, has been deputed by the Government for the purpose. This action is being taken under the provisions of the Industries (Development and Regulation) Act, because the Government is of the opinion that there is likely to be a rise in the price of coarse and medium cloth manufactured by the mill. The Government is also of the opinion that the industrial undertaking is being managed in a manner likely to cause serious injury or damage to the interests of the consumers of the mills' products or a substantial body thereof.

T.W.A.'S RECORD EARNINGS

The Trans World Airlines, Inc., earned a gross revenue of $160,702,790 during 1952, which is a record in the history of the Airlines and represents a rise of 13 per cent. over that for 1951. The net earning, after providing $6,034,000 for Federal income-tax, amounted to $7,660,588, as compared with $7,660,262 in the previous year. The year 1952 was the fourth successive one of profitable operation and the Directors have recommended a dividend of 10 per cent. to the stockholders.

The record revenue was accompanied by a reduction in unit operating costs during the past year, according to the Airlines' consolidated report. This record income would have resulted in a higher net income but for the "sharply reduced temporary U.S. mail rates established by the Civil Aeronautics Board for T.W.A.'s international operations."

(Concluded from next column)

made by your Directors, the Skenandoa Rayon Corporation have agreed to receive the amount due to them by way of commission in three equal instalments instead of in one lump sum. They have further agreed to receive the sum of Rs. 15,75,000 instead of Rs. 16,80,000 due to them. Out of these three instalments, the first has been paid during the report year and the remaining two instalments will be paid during the years 1953 and 1954. The rebate of Rs. 1,05,000 given by the Skenandoa Rayon Corporation has been suitably adjusted in the fixed capital expenditure in the balance-sheet."

The Company's latest balance-sheet underlines its need for conserving its resources, particularly in view of the programme for expanding its plant capacity. The present paid-up capital is Rs. 332.08 lakhs, as against which there are no reserves. The current liabilities amounting to Rs. 155.89 lakhs, include loans from the Industrial Financial Corporation of India of the order of Rs. 50.84 lakhs secured by mortgage of the fixed assets and from banks Rs. 47.09 lakhs secured by hypothecation of stock-in-trade, stores, raw materials, etc. There has been a net addition of Rs. 7.36 lakhs to the fixed capital expenditure during the year, bringing the gross value of the block to Rs. 427.10 lakhs. The total depreciation provided so far on this block amounts to Rs. 70 lakhs. The current assets aggregate Rs. 134.59 lakhs, including Rs. 3.50 lakhs, being the balance of underwriting expenses to be written off.

RESULTS OF NATIONAL RAYON IMPRESSIVE

ARREARS OF PREFERENCE DIVIDEND PAID OFF

IF the impressive performance of the ordinary shares of the National Rayon Corporation Ltd. (Managing Agents: Messrs. Chinai & Co., Ltd., Bombay) on the Stock Exchange in recent days—in the last three weeks alone, they have gone up by nearly Rs. 10 to Rs. 84—reflected the investors' satisfaction with the Company's results for the year ended 31st December, 1952, it was not because their fond hope of receiving the maiden dividend this year had been realised, but because the prospects of their receiving one at least next year have been rendered brighter by its achievements in the past year. 1952 represents the first full 12 months since the Company commenced production in March, 1951 and, during this period, its output exceeded the rated capacity of its plant. The gross profit for the year, amounting to Rs. 71.14 lakhs, shows a striking rise of Rs. 12.37 lakhs over that for the preceding year. This encouraging result has enabled the Company to pay off all the accumulated arrears of dividend on its preference shares for the three years 1949 to 1951, as also for the year 1952. The profit, however, does not permit the transfer of any sum to the reserves. Even the payment of the preference dividend to date has been rendered possible by the sizable surplus brought in from the previous year.

The following comparative table giving the salient features of the accounts for the last two years shows the Company's progress during the year under review:

	For the year ended 31st December	
	1952 Rs.	1951 Rs.
Sale proceeds	2,11,20,717	1,25,55,102
Stocks	59,66,603	43,50,671
Other income	1,13,821	87,288
Raw materials and stores consumed	1,16,51,848	79,67,241
Expenses	40,78,256	31,48,447
Gross profit	71,14,366	55,77,248
Managing agents' remuneration	3,99,237	2,76,117
Provision for depreciation	35,00,000	35,00,000
,, ,, taxation	54,833	..
Net profit	31,60,296	21,01,131
Underwriting expenses written off ..	3,50,000	94,364
Preliminary and other expenses written off.		3,27,882
Reserve for bad and doubtful debts ..	..	2,69,600
Dividend—		
Preference 5 per cent.	32,39,198†	8,55,198*
Ordinary	38,933	4,66,206
Carry forward		

* For the years 1947 and 1948. † For the years 1949 to 1952.

A point to be noted here is that the results for 1952 are not strictly comparable with those for 1951, in that the Company's factory worked throughout 1952, whereas in 1951 its production commenced only in July. In fact, during 1952, its production exceeded the rated capacity. Nevertheless, it is significant that the sale proceeds for 1952 are not proportionately higher. This is evidently due to the persistence during 1952 of the adverse trading conditions in the rayon yarn market which began in June, 1951. The uneconomic prices that prevailed in the market during the year considerably affected the profit-margin of the Company. This is indicated by the fact that the ratio of gross profit to sale proceeds is disproportionately lower in 1952 than in 1951. The appropriations of the gross profit are clearly indicated in the table and needs no explanation.

Reviewing the progress made and the trading conditions that prevailed during the year, the Directors observe, in their report to the shareholders, as follows:

"The shareholders may be gratified to know that the actual production during the report year exceeded the rated capacity of the plant. Your Directors have decided to expand the capacity of the plant by the addition of further spinning frames and other auxiliary equipment, orders for which are being placed. The very difficult supply position of the important raw materials which was experienced in 1951 eased off considerably in the year under report. The trading conditions during the year under report remained adverse and the prices of rayon yarn continued to rule low due mainly to overstocked position of the market consequent upon heavy imports, and at times severe competition from foreign makers. In spite of these unfavourable conditions the Company has been able to achieve the results as disclosed by the accounts mainly because of the higher efficiency at which the plant was operated, resulting in higher production. You will be also glad to know that the quality of the yarn produced at the plant has improved and is being considered on par with the best of the imported yarns."

The following observations of the Directors regarding the commission payable to the Company's associates, the Skenandoa Rayon Corporation of New York, will be read with interest:

"The shareholders may be aware that ordinary shares of the face value of Rs. 14,00,000 were reserved for allotment to the Skenandoa Rayon Corporation for the balance of commission payable to them. In view of the loan taken from the Industrial Finance Corporation of India, the Skenandoa Rayon Corporation had an option to receive the commission either in cash or in shares of the Company, which option they have exercised in favour of receiving cash. On a representation having been

(Continued in previous column)

Points From The Chair

Foreign Investment Should be Encouraged

"IN the context of capital formation, the use of foreign investments has not been ruled out. The views of a foreign industrialist, sympathetic to India, were prominently displayed a little while ago. It was stated that between the Government and the public, the Press and the Parliamentary opposition, a potential foreign investor is faced by a long series of nightmares. Many of these, however, have been exaggerated. It is, nevertheless, true that doubts are there and these should be removed, while the Government has resolved on an integrated plan of production in all spheres, encouragement should be afforded wherever possible and in whatever form it is practicable to increase the physical product-yielding facilities within the country, irrespective of the source of their financing. In this context, India should take a long and searching look at what has happened in Canada where the economy in the past 15 years has been transformed from one based largely on primary industries, such as agriculture, mining and forestry, to one which now includes a highly developed and wide range of manufacturing industries. Canadians will readily admit that the envious position in which their country now finds itself is not one entirely of their own making but has come about as a result of the favourable climate created by the wise and stable fiscal and monetary policies of the Government which, along with the natural resources of the country, has proved an attraction for outsiders possessed of the requisite capital and know-how."

K. C. MAHINDRA,
Indian Aluminium Co., Ltd.

Co-operation of Industrialists and Workers in Five-year Plan

"The authors of the Plan who include the Prime Minister and Finance Minister desire that this Plan should be carried out with the co-operation and enthusiastic support of the people of the country. They reject the idea that the methods which have been adopted in totalitarian forms of government may be copied for the quick realisation of the targets laid down in the Plan. They emphasise that the democratic constitution of the country and the democratic way of life to which India has subscribed, require co-operative effort and not compulsion. I trust that the significance of the emphasis on the democratic way of life and of the democratic constitution, which we have adopted, will not be lost either on the industrialists or even more on workers engaged in industries. Experience of other methods in other countries has shown that where short cuts are attempted in the carrying out of such economic plans, the result has been that the worker has lost his comparatively free and independent position and has become an unwilling unit in the mechanism of production, while the private sector has disappeared. It behoves, therefore, both industrialists and workers to justify the trust that has been reposed in them, both by the Planning Commission and the Government of India."

A. RAMASWAMI MUDALIAR,
T.I. Cycles of India Ltd.

Need for a Stable Price Level

"The break in prices of all commodities in the first quarter of 1952 tended to reduce the level of prices in the country and the index number of wholesale prices which stood at 432.2 points at the end of December, 1951, fell to 374.5 points by the end of December, 1952, a drop of nearly 13 per cent. The downward movement was the result of a combination of internal and international factors and marked the change-over from sellers' to buyers' markets. There was a gradual relaxation in controls over many commodities with the increase in the production of foodstuffs and industrial materials. A stable price level is necessary for increasing the pace of production and keeping full level of employment and the authorities must ever be watchful of these matters for effectively dealing with them."

YARLAGADDA SIVARAMA PRASAD BAHADUR,
Andhra Bank, Ltd.

Investors Should Make Sacrifice

"It would be a truism to say that high profits are no longer in keeping with the social philosophy governing our country. Similarly, improving the lot and life of those who work in industry, to the extent that the position of the industry would allow, is now an accepted policy of our country and an underlying principle of our Constitution. This undoubtedly involves a certain sacrifice on the part of the investors. But I am sure that, so long as this burden or the ever-increasing burden of taxation is within your means and within the scope of your earnings, you will not grudge it in the overall interests of our country, and our countrymen. The future for your Company may not be rosy; I may assure you, however, that, provided we all work with zeal and efficiency, it is not bleak."

GULABCHAND HIRACHAND,
Premier Construction Co., Ltd.

Bank Merger in Rajasthan

"A move for the amalgamation of the Rajasthan banks doing Government work is afoot under the aegis of the Reserve Bank of India. Your Bank is by far the largest amongst the banks concerned. A heavier responsibility, therefore, rests on the Board of your Bank than on the Boards of the other Rajasthan banks as regards the long-range assessment of practical benefits accruing from such a merger and its effect on the welfare of the shareholders, staff and customers of your Bank. The matter is under careful study at present and the entire scheme will be brought before you if your Directors are fully satisfied with the various pros and cons involved."

KHUSHALCHANDJI B. DAGA,
Bank of Bikaner Ltd.

COMPANY MEETING

T.I. CYCLES OF INDIA LIMITED, MADRAS

SIR A. RAMASWAMI MUDALIAR'S SPEECH AT THIRD ANNUAL MEETING

THE progress made in the manufacturing activity of T.I. Cycles of India, Ltd., Madras, was reviewed by Sir A. Ramaswami Mudaliar, Chairman of the Company, in the course of his address to the shareholders at their Third Annual General Meeting held in Madras on 13th April, 1953. He highlighted the arrangements made for giving training in the U.K. to skilled hands of the Company. Alluding to the Planning Commission's report, Mr. Ramaswami Mudaliar offered the Company's co-operation to the authorities for hitting the targets prescribed by the Commission:

The following is the full text of Sir Ramaswami Mudaliar's speech:

"It gives me great pleasure to be present at this third annual meeting of the shareholders of T.I. Cycles of India Limited, and to welcome you to this gathering.

"You will see from the Directors' report that the manufacturing activity in the factory has been kept continuous throughout the period under review.

"I stated at the last annual meeting that we have a regular programme of manufacturing various components which go into the formation of a cycle, and that we propose to manufacture as many parts in this country as possible and as quickly as possible. Notwithstanding these assurances and notwithstanding the fact that the very size of the factory, which was completed in 1951, must have indicated the nature of the work intended to be carried out in the factory and notwithstanding the fact that certain processes had already started by the end of 1951, there was a continuous stream of false propaganda by interested parties to misrepresent the position of this Company, the work it was doing and intended to do. However, the visit of officers of Government to your factory and of responsible Ministers has dispelled these mischievous and false rumours set afloat by certain individuals and, to-day I feel, I can state with some confidence that the Government of India is convinced that we are keeping to the assurances that we gave when the formation of this Company was first sanctioned by Government.

Second Factory Nearly Completed

"You will find from the Directors' report that the construction of a second factory for the manufacture of the components is stated to be making rapid progress and I am glad to announce to-day that this second factory is practically completed. The second factory, called Factory B, will house the capital goods necessary for the manufacture of the component parts, and capital goods worth about Rs. 30 lakhs have either been received or are in the course of despatch, the Government having been pleased to give the necessary licences therefor.

"I have referred to the need for training skilled hands and for the rapid progress we are making therein. We have necessarily to get trained Indians in supervisory capacity and, in accordance with the policy of the Company and with the ready co-operation of our British collaborators, we are deputing trainees from time to time to the U.K. for undergoing training in our associate factories in Birmingham, and elsewhere, in various branches of the manufacture of cycle parts.

"Towards the end of 1951, the Hon'ble Mr. Karmarkar, now Minister of Commerce, visited our factory and during the current year both the Hon'ble Mr. T. T. Krishnamachari, Minister of Industry and Supply, and the Hon'ble Mr. V. V. Giri, Minister of Labour, have paid very welcome visits to the factory.

"It is gratifying to note that the Company has made a substantial profit. The Directors, however, anticipating your approval from the fact that the policy enunciated at the last annual meeting met with your concurrence, have proposed that full depreciation under various heads should first be provided before the net profit is allocated for any other purpose. 20 per cent. initial depreciation on all new machinery and 10 per cent. on buildings and the further extra depreciation of 10 per cent. on machinery allowed by the Government have all been, therefore, provided for in addition to the normal depreciation. This cautious policy has several advantages which it is unnecessary to dilate upon.

"Our collaborators in Great Britain have assured us that all help will be given to the Indian manufacturing concern. They have agreed to send from time to time their own experts to supervise the manufacturing processes in your factories and to guide the local officers, if necessary, in maintaining the quality of these products.

"We had the pleasure of welcoming one of the British Directors, Mr. Arthur Chamberlain, who visited us in February this year. His impression of the factory and the progress that has been made by us is gratifying. We hope to have the pleasure of welcoming the other British Director, Mr. Stedeford (Chairman of Tube Investments), some time during the closing months of the year.

Co-operation With Government Assured

"I would like to refer to an event of some significance which occurred during the closing months of the year under review. The final report of the Planning Commission has been published and the Government of India has adopted its recommendations. It is hardly necessary for me to state that your Company will do its best to meet the targets prescribed and to co-operate wholeheartedly with the Government in ensuring the successful completion of the Five-year Plan.

"Apart from the fact that the Plan visualises development, through the private sector, of several industries, I would like to draw your attention to a most significant statement in the Plan. The authors of the Plan, who include the Prime Minister and the Finance Minister, desire that this Plan would be carried out with the co-operation and enthusiastic support of the people of the country. They reject the idea that the methods which have been adopted in totalitarian forms of government may be copied for the quick realisation of the targets laid down in the Plan. They emphasise that the democratic constitution of the country and the democratic way of life to which India has subscribed, require co-operative effort and not compulsion. I trust that the significance of the emphasis on the democratic way of life and of the democratic constitution which we have adopted will not be lost either on the industrialists, or even more on workers engaged in industries. Experience of other methods in other countries has shown that where short cuts are attempted in the carrying out of such economic plans, the result has been that the worker has lost his comparatively free and independent position and has become an unwilling unit in the mechanism of production, while the private sector has disappeared. It behoves, therefore, both industrialists and workers to justify the trust that has been reposed in them, both by the Planning Commission and the Government of India.

"In conclusion, I should like to express on behalf of the Directors and on your behalf our appreciation of the devoted services of all the members of the staff both at the head office, in the branches and in the factory and, in particular, the workers for their enthusiastic co-operation in seeing that the concern is a success."

SHREE KRISHNA GYANODAY SUGAR REPORTS HIGHER PROFIT

CAMBODIA MILL PRUNES DIVIDEND

Shree Krishna Gyanoday Sugar Ltd.

THE directors of the above Company (Managing Agents: Messrs. Sahu Jain Ltd., Dalmianagar) submitted the audited accounts of the Company for the year ended 31st July, 1952.

After writing off depreciation amounting to Rs. 6,65,058 (Rs. 6,70,119), the year's working resulted in a net profit of Rs. 16,72,299 (Rs. 14,16,347). To this was added Rs. 27,889 (Rs. 2,042), brought forward from last year making a total of Rs. 17,00,188 (Rs. 14,18,389).

The directors distributed this amount in paying dividends for the year ended 31st July, 1952, to the shareholders as on 30th April, 1953, on 6,000 "A" class preference shares at Rs. 6 (Rs. 6) per share, free of income-tax Rs. 36,000 (Rs. 36,000), on 12,000 "B" class preference shares at Rs. 5 (Rs. 5) per share, free of income-tax Rs. 60,000 (Rs. 60,000), on 2,00,000 ordinary shares at Re. 1-8 (Re. 1) per share, i.e., 15 (10) per cent. free of income-tax Rs. 3,00,000 (Rs. 2,00,000), set apart for providing for taxation Rs. 7,00,000 (Rs. 6,70,000), and transferring to general reserve [making same at Rs. 17,00,000 (Rs. 11,00,000)] Rs. 6,00,000 (Rs. 4,25,000) leaving to be carried forward the balance of Rs. 4,188 (Rs. 27,889).

During the cane crushing season 1951-52, the position was as under:—

	Cane crushed Mds.	*Sugar produced* Mds. Srs.	*Recovery* Per cent.
Hathwa ...	26,24,804	2,74,292 10	10.45
Lauriya ...	29,68,623	3,04,651 16	10.26

Production of alcohol and spirit during the year under review was 7,52,572 bulk gallons, as compared to 5,64,558 bulk gallons in 1950-51. The same will be even higher in the current year. During the current year, cane crushed at Lauriya is highest ever achieved. Crushing in the current year is expected to exceed by about 6 to 7 lakh maunds cane over that of 1951-52 and the factory is still working. Hathwa sugar factory has also crushed higher quantity of cane during the current year. The project of laying tramway line at Hathwa for the purpose of increasing cane supply has not yet been completed. In this connection necessary formalities are being gone into and it is expected that the tram-line would be completed before the start of crushing season 1953-54. With a view to improving quality of sugar and reducing manufacturing losses, the sugar factory at Hathwa is being converetd into a double carbonation plant and the same is expected to work with changed process in the next crushing season. The prospects of profits of the current year are also expected to be satisfactory.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	38,00,000	Block ...	54,30,149
Debentures ...	15,00,000	Stock ...	64,60,907
Reserves ...	14,68,560	Stores, etc. ...	12,81,936
Provision for taxation ...	10,42,232	Debts, deposits and advances ...	23,50,940
Liabilities ...	60,98,422	Investments	7,337
Profit and loss account ...	17,00,188	Cash ...	78,133
	Rs. 1,56,09,452		Rs. 1,56,09,452

Cambodia Mills, Ltd.

The directors of the above Company (Managing Agents and Secretaries: Messrs. Peirce, Leslie & Co., Ltd., Coimbatore) submit the audited accounts of the Company for the year ended 31st December, 1952.

The result of the Company's working for the year after allowing Rs. 1,59,553 (Rs. 1,60,054) for depreciation is a profit of Rs. 4,16,041 (Rs. 7,99,516), to which is added the unappropriated profit brought forward of Rs. 55,358 (loss of Rs. 1,39,158), making a total of Rs. 4,71,399 (Rs. 6,60,358). From this is deducted dividend paid on cumulative preference shares at 7 per cent., free of income-tax, for the year ended 31st December, 1952, Rs. 7,000 (Rs. 7,000), and provision for taxation Rs. 1,71,000 (Rs. 1,68,000), leaving a balance of Rs. 2,93,399 (Rs. 4,85,358). This amount the directors propose to deal with as follows:

To pay a dividend of 10 (12½) per cent., free of income-tax, on the ordinary shares of the Company Rs. 2,00,000 (Rs. 2,50,000) and to carry forward Rs. 93,399 (Rs. 55,358).

The accounts show a considerable decrease on the profit earned for the year ended 31st December, 1951, and this can mainly be ascribed to the very difficult trading conditions experienced during the past year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,00,000	Block ...	14,20,771
Reserves ...	16,31,836	Stock ...	17,66,735
Provision for taxation ...	10,716	Stores, tools, etc. ...	2,93,235
Liabilities ...	9,62,715	Debts, deposits and advances ...	6,35,830
Profit and loss account ...	93,399	Investments	1,39,427
		Cash ...	5,42,668
	Rs. 47,98,666		Rs. 47,98,666

Coonoor Tea Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Matheson, Bosanquet & Co., Ltd., Belmont, Coonoor) submit the audited accounts of the Company for the year ended 30th September, 1952.

A crop of 195,637 lbs. made tea was secured against an estimate of 210,000 lbs., which compares with a crop of 218,766 lbs. obtained during last season. The crop was short of the estimate by 14,363 lbs., chiefly due to adverse weather conditions during the latter half of the season and on account of some blister blight infection. The crop was sold at a net average of 158.21 cts. compared with 186.98 cts. per lb., the fall in average price being due to the slump that prevailed from February, 1952 onwards. The total capital expenditure during the year amounted to Rs. 24,940 (Rs. 10,971).

After providing for depreciation, taxation, etc., the profit for the year amounted to Rs. 53,467 (Rs. 1,30,566), to which is to be added the balance brought forward from the previous season of Rs. 53,134 (Rs. 6,526), making a total of Rs. 1,06,601 (Rs. 1,37,092). The balance after appropriating Rs. 9,000 (Rs. 9,000) being 6 per cent. preference dividend and Rs. 12,493 (Rs. 18,740) being 5 (7½) per cent. interim-dividend free of tax is Rs. 85,108 (Rs. 1,09,352), from which the directors recommend a payment of 12½ (22½) per cent. final dividend free of tax, absorbing Rs. 31,233 (Rs. 56,219) and to carry forward the balance of Rs. 53,875 (Rs. 53,134) to the current season.

A crop of 2,10,000 (2,10,000) lbs. is estimated for the season 1952-53. Cost of production is estimated at 124.29 (112.67) cts. per lb. (including 16.73 (16.26) cts. for manuring. The estimate for capital expenditure of Rs. 9,760 covers the following:—

Dismantling and reconstructing old lines at Kodamalai with 4 labour quarters Rs. 7,600, building 4 chimneys on 4 cottage type sets Rs. 240, and four bathing rooms for Peargarden lines at Guernsey Rs. 1,920.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,99,860	Block ...	4,12,114
Reserves ...	1,66,204	Stock ...	54,040
		Stores ...	8,500
Provision for taxation ...	199	Debts, deposits and advances ...	7,143
Liabilities ...	13,208	Investments ...	1,27,333
Profit and loss account ...	85,108	Cash ...	55,444
	Rs. 6,64,579		Rs. 6,64,579

Assam Match Co., Ltd.

The directors of the above Company (Managing Director: T. H. Rydin, Esq., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1952.

The trading result of the year has been satisfactory. The factory worked to its full capacity and sales continued good. The factory and other property of the Company, have been adequately maintained. Rs. 2,13,313 (Rs. 1,55,762) has been provided for depreciation on buildings and machinery. A sum of Rs. 1,84,104 (*nil*) has been received from Government on account of post-war refund of E.P.T., after deducting Rs. 1,22,723, for taxes, in respect of the optional and compulsory deposits made for the years 1942 to 1946. The aforesaid amount of Rs. 1,84,104 has been transferred to the general reserve fund. For 1952, a provision of Rs. 4,20,000 (Rs. 3,80,000) has been made for taxation.

The net profit for the year, after providing for depreciation and taxes for 1952, as aforesaid, is Rs. 5,85,308, (Rs. 4,81,686) to which should be added the sum of Rs. 1,00,602 (Rs. 1,18,916), being the balance carried over from last year, making a total of Rs. 6,85,909 (Rs. 6,00,602), which the directors recommend may be dealt with as follows:—

To pay a dividend for the year ended 31st December, 1952 at the rate of 7½ (7½) per cent. per annum (i.e., As. 12 per share) free of income-tax absorbing Rs. 1,50,000 (Rs. 1,50,000), to pay a bonus for the year ended 31st December, 1952 at the rate of 5 (5) per cent. per annum (i.e., As. 8 per share) free of income-tax, absorbing Rs. 1,00,000 (Rs. 1,00,000), to set aside for dividend equalisation fund Rs. 50,000 (*nil*), to set aside for general reserve Rs. 2,50,000 (Rs. 2,50,000) and to carry forward to next year's account Rs. 1,35,909 (Rs. 1,00,602).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	25,69,105
Reserves ...	29,53,118	Stores, raw materials, etc. ...	17,99,088
Provision for taxation ...	7,32,007	Stock ...	3,22,894
Liabilities ...	4,16,559	Debts, deposits and advances ...	11,78,301
Profit and loss account ...	6,85,909	Investments	6,071
		Cash ...	9,12,134
	Rs. 67,87,593		Rs. 67,87,593

Belsund Sugar Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bangur Brothers, Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 30th September, 1952.

The results for the year, after providing for depreciation showed a profit of Rs. 7,32,732 (Rs. 7,96,837), from which has been deducted for taxation reserve Rs. 3,25,000 (Rs. 3,10,000) leaving a balance of Rs. 4,07,732 (Rs. 4,86,837). To this sum had been added the carry forward from the previous year of Rs. 2,24,419 (*nil*) leaving at credit of profit and loss account Rs. 6,32,151 (Rs. 4,86,837). This balance the directors disposed off as follows:

Transferred to reserve Rs. 2,00,000 (Rs. 1,00,000), made payment of dividend at As. 12 (As. 10) per share free of income-tax for the year ended 30th September, 1952, Rs. 1,94,903 (Rs. 1,62,419) and carried forward the balance of Rs. 2,37,248 (Rs. 2,24,418).

The factory commenced crushing on the 20th December, 1951 and finished on the 1st of May, 1952 with a total crush of 23,13,192.50 (20,00,741.50) maunds of sugarcane. The quality of the cane available was normal and the recovery was 10.86 per cent.—the highest yield in the last six years. The quality of sugar was maintained.

The cane price was Re. 1-12 (Re. 1-12) per maund and cane cess was levied at As. 3 (As. 3) per maund. Cane co-operative society commission was during the year, increased to pies 9 per maund of cane against As. 7½ per maund in the previous year.

During the year, the Government of India introduced a new policy of partial decontrol of sugar. There was also record production in sugar industry as a whole during this year and these two factors contributed a depressing effect on sugar prices.

Building was maintained in good order. There were some minor additions in staff bungalows during the season. The major additions to plant and machinery were a w.i.f. boiler and fifth mill plant.

During the season 1952-53 the cane supply is expected to be more than that of the last year. This year the Government has not controlled the sugar price though minimum cane prices have been fixed. By an announcement the Government of India has reduced the sugar price of 1951-52 stock to Rs. 27 per maund from 1st of December, 1952 and the difference shall be paid by the Government itself. An additional excise duty of Re. 1 per maund has been levied on sugar to be produced during the season 1952-53.

Full provisions for bonus upto season 1951-52 had been made in the account excepting bonus on free sugar awarded by the Tribunal for the year ending 30th September, 1951. The appeal of the award is pending in the Court of the Labour Appellate Tribunal, Calcutta.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,49,050	Block ...	6,94,063
Reserves ...	1,00,000	Machinery in process of installation	2,94,591
Provision for taxation ...	6,34,991	Stocks ...	28,15,626
Liabilities ...	24,17,211	Stores and spare gear	8,64,951
Profit and loss account ...	6,32,151	Other assets	1,21,744
		Debts, deposits and advances ...	8,89,664
		Investments	914
		Cash ...	51,830
	Rs. 57,33,403		Rs. 57,33,403

Orient Paper Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Birla Brothers, Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September, 1952.

After payment of the managing agents' remuneration, directors' remuneration and transfer of Rs. 5,00,000 (Rs. 8,00,000) to general reserve and Rs. 15,00,000 (Rs. 6,00,000) to reserve for repairs and renewals and providing for depreciation and taxation and taking into account the balance of the previous half-year, there remained a surplus of Rs. 7,87,508 (Rs. 7,48,505), which the directors disposed of as under:

Dividend on 20,000 preference shares at 5½ (5½) per cent. per annum, free of income-tax, Rs. 55,000 (Rs. 55,000), dividend on 60,000 preference shares at 5½ (5½) per cent. per annum, subject to income-tax Rs. 1,21,687 (Rs. 1,21,687), and dividend on 4,19,500 ordinary shares of Rs. 10 each fully paid up at Re. 1 (Re. 1) per share, free of income-tax Rs. 4,19,500 (Rs. 4,19,500), leaving a balance to be carried forward of Rs. 1,91,321 (Rs. 1,52,318).

The mills worked satisfactorily during the half-year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,21,95,000	Block ...	2,57,83,408
Debentures	1,00,00,000	Stocks ...	5,41,905
Reserves ...	2,03,40,080	Stores, etc.	14,90,333
Provision for taxation ...	40,32,511	Debts, deposits and advances ...	82,10,128
Liabilities ...	51,11,044	Investments	1,11,70,154
Profit and loss account ...	1,91,321	Cash ...	46,74,028
	Rs. 5,18,69,956		Rs. 5,18,69,956

N.B.—Figures within brackets relate to the corresponding period of the previous year.

COMPANY MEETINGS AND DIVIDENDS

NASIK-DEOLALI ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Bombay, 5th May, 1953. Dividend: Rs. 8 per share. Transfer books closed from 16th April to 5th May, 1953, both days inclusive.

KUARDI COAL CO., LTD. Annual General Meeting, Calcutta, 5th May, 1953. Transfer books closed from 27th April to 5th May, 1953, both days inclusive.

REWA COALFIELDS LTD. Half-yearly General Meeting, Calcutta, 8th May, 1953. Dividend: Re. 1 per share. Transfer books closed from 1st to 8th May, 1953, both days inclusive.

BENGAL FLOUR MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 8th May, 1953. Transfer books closed from 1st to 8th May, 1953, both days inclusive.

NUDDEA MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 11th May, 1953. Dividend: *Nil*. Transfer books close from 4th to 11th May, 1953, both days inclusive.

GOUREPORE CO., LTD. Half-yearly General Meeting, Calcutta, 11th May, 1953. Dividend: *Nil*. Transfer books close from 4th to 11th May, 1953, both days inclusive.

GANGES MANUFACTURING CO., LTD. Half-yearly General Meeting, Calcutta, 12th May, 1953. Dividend: *Nil*. Transfer books close from 4th to 12th May, 1953, both days inclusive.

POONA ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Bombay, 12th May, 1953. Dividend: Rs. 4 per share (final). Transfer books closed from 27th April to 12th May, 1953, both days inclusive.

METROPOLITAN GARAGES LTD. Annual General Meeting, Bombay, 16th May, 1953. Transfer books closed from 1st to 16th May, 1953, both days inclusive.

CALCUTTA TRAMWAYS CO., LTD. Interim dividend of 2½ per cent., free of income-tax on ordinary shares for the year ended 31st December, 1952.

STAR PAPER MILLS CO., LTD. Dividend of As. 4 per ordinary share, free of income-tax for the half-year ended 30th September, 1952.

SURAT ELECTRICITY CO., LTD. Final dividend of Rs. 4-8 per share, for the year ended 31st December, 1952. Transfer books close from 15th to 29th May, 1953, both days inclusive.

ALCOCK ASHDOWN & CO., LTD. Dividend of Rs. 17-8 for the year ended 31st December, 1952, payable on 10th June, 1953. Transfer books close from 4th to 19th May, 1953, both days inclusive.

SHREE NIWAS COTTON MILLS LTD. Dividend of Rs. 12-8 per share, for the year ended 31st December, 1952, payable on 25th May, 1953. Transfer books closed from 1st to 21st May, 1953, both days inclusive.

MALABAR SPG. AND WVG. CO., LTD. Dividend of Rs. 2 per share, for the year ended 31st December, 1952.

KILLICK INDUSTRIES LTD. Interim dividend of Rs. 4 per share, free of income-tax, for the year ending 30th June, 1953. Transfer books close from 4th to 18th May, 1953, both days inclusive.

COMPANY REGISTRATIONS

UNIVERSAL RUBBER WORKS LTD. (First Director: Mr. Hiralal Sen Gupta.) Business: Dealers in Rubber Goods, etc. Authorised capital: Rs. 20,00,000. Public company: Address: 52, Station Road, Calcutta, 31.

SOCKLATINGA TEA CO., LTD. (First Director: Mr. M. Chand Bagree.) Business: Acquire Socklatinga Tea Estate.) Authorised capital: Rs. 20,00,000. Public company. Address: 32, Cross Street, Calcutta.

INLAND VESSELS LTD. (First Director: Mr. S. C. Roy.) Business: Purchase, Hire, Build or Acquire Steam or other Ships. Authorised capital: Rs. 10,00,000. Public company. Address: P-19, Kambuliatola, Calcutta, 5.

T. LALL & CO., LTD. (First Director: Mr. B. N. Banerjee.) Business: Stevedores, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 12A, Rangalal Street, Kidderpore, Calcutta.

DAS CHOWDHURY & CO., LTD. (First Director: Mr. M. N. Das Chowdhury.) Business: Buyers, Sellers and Dealers in Merchandise, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Gandhi House, P-34, Mission Row Extension, Calcutta.

MAGADH CONSTRUCTIONS LTD. (First Director: Mr. K. N. Daga.) Business: Dealers in Building and Construction Equipments of all Kinds. Authorised capital: Rs. 5,00,000. Private company. Address: 8, Royal Exchange Place, Calcutta.

FRANK ROSS (DISPENSING) LTD. (First Director: Mr. S. S. Bhimwal.) Business: Dispensing Chemists and Druggists, etc. Authorised capital: Rs. 5,00,000. Public company. Address: 7, Chowringhee, Calcutta.

PREMIER CONSTRUCTION COMPANY LIMITED

MR. GULABCHAND SAYS OUTLOOK NOT BLEAK

AT the Thirty-third Ordinary General Meeting of the Premier Construction Company, Ltd., held at Bombay on 28th April, 1953, the shareholders were informed by their Chairman, Mr. Gulabchand Hirachand, that there was no reason for them to be apprehensive of the results of the Company for the current year, as the industrial expansion resulting from the implementation of the Five-year Plan was bound to bring a rising trend of business. This reassuring statement was made by Mr. Gulabchand in order to disabuse the impression in the minds of the Company's shareholders that the decline in the business of the various companies, the shares of which were held by this Company, might adversely affect its results. He remarked confidently: "The future of your Company may not be rosy, I may assure you, however, that, provided we all work with zeal and efficiency, it is not bleak."

The following is the full text of the speech delivered by Mr. Gulabchand at the meeting:

"Before I begin to deal with the items on the agenda, I feel I must make a reference to the sad demise of Seth Walchand Hirachand, the founder of your Company and Chairman of its Board of Directors for many years. Though Seth Walchand had retired from active participation in the affairs of your Company for the last two or three years, you are well aware of his deep interest in the welfare of this concern, which he had so fondly originated and reared to its present proud position in the economic structure of our country. Taking into consideration your feelings on this occasion, I would suggest that, if you so desire, you might express your feelings, in a suitable manner, for this great loss, which we have all suffered, after the conclusion of my speech and before we begin the formal business of the day.

Composition and Structure of the Company

"I take it that you are aware of the nature, composition and structure of your Company. I think it would make for smooth despatch of business and avoid any misunderstanding, if I explain to you the implications of our position. Your Company holds shares in a number of other companies. These other companies, in which your Company has holdings, are separate industrial entities under the law, with their own constitution, management and Board of Directors. The final authority on the management of these companies as well as the authority sanctioning the policies and the balance-sheets and statements of accounts are the general meetings of the shareholders of each of these companies.

"Any questions, or discussion with regard to the affairs or the management of these companies, therefore, would be out of place on this occasion. The balance-sheets and statements of accounts for their respective years are, as required in law, included in your Directors' report and statement of accounts of your Company merely for your information. It may not be possible for me and your Board of Directors to supply any further information on the affairs of these companies at this meeting, beyond what is included in the statement of accounts and balance-sheets printed as a part of this report.

"With your permission, I shall take this report and the statement of accounts of your Company for the year ended 31st December, 1952, which has been in your hands for some time, as read. As I had already indicated in my speech last year, the various companies, in which your Company is interested and draws its income from by way of dividends, are engaged in so many industries of varying nature that it would be very difficult to attempt a review of their workings. The industries covered by these companies, in which your Company holds shares, are construction engineering, manufacturing of engineering materials and machines, such as Hume pipes, rials and machineries, such as Hume pipes, railway fittings, fans, castings and oil engines and cultivation of sugarcane and other crops, as well as manufacture of sugar, *vanaspati*, industrial alcohol, etc.

General View Encouraging

"Except in a rising tide of inflation and a sellers' market, one cannot expect all the companies to have uniform success. While it is possible that, the atmosphere in a particular year, being favourable, some of them might be very successful; in the case of others, for various reasons, this success may be more modest, while still in the case of some, for reasons easily understandable, there may be little or no profits in any particular year. But the spreading out of the resources of your Company in various fields ensures better average return than if any concern like yours were to put all its eggs in one basket. If one company does not pay well, the other is bound to succeed better and so the average outturn is more satisfactory than would be the case, if their activities were all in one direction only. I have, therefore, to request you to take a general view of the total results obtained in the year under report, as detailed in the profit and loss accounts of your Company. I am certain that you will find these results very encouraging, considering that the year was one of a heavy slump.

"For the same reasons as I have outlined above, it is also difficult for me to assess in any manner the probable outcome of the returns at the end of the current year. The diversity of the activities of the various companies in which your Company is interested makes such a general bird's-eye view impossible. In addition to this, there is always the uncertainty which attends on changing Government policy with regard to industry in general or to specific industries. This policy is often conditioned not so much by purely economic considerations as by political factors and election prospects. This makes it all the more difficult to make definite prognostications with regard to even immediate future. Therefore, even if I were to attempt it, it would not serve as a reliable and useful guide for basing your anticipations. All I can say is that, as a result of the industrial expansion, which is bound to follow in various fields as a result of the Five-year Plan of our Government, there is no reason for you to be apprehensive about the results for the current year, except to the extent that these results would be conditioned by heavy taxation and increasing cost of production, due to labour legislation in advance of what the conditions of various industries would justify. This is a common factor reducing the future margins of profit for all industries, and to that extent it is bound to operate in the case of industries in which your Company is a participant.

A Truism

"It would be a truism to say that high profits are no longer in keeping with the social philosophy governing our country. Similarly, improving the lot and life of those who work in industry, to the extent that the position of the industry would allow, is now an accepted policy of our country and an underlying principle of our Constitution. This, undoubtedly, involves a certain sacrifice on the part of the investors. But I am sure that, so long as this burden or the ever-increasing burden of taxation is within your means and within the scope of your earnings, you will not grudge it in the overall interests of our country, and our countrymen. The future for your Company may not be rosy; I may assure you, however that, provided we all work with zeal and efficiency, it is not bleak.

"Gentlemen, you must have already taken a note of the improved business and profits of your Company during the year, as shown in the balance-sheet, and I am certain that in view of this, it will be your desire to put on record our sense of appreciation of the manner in which the staff of your Company have discharged their responsibility and coped cheerfully with the growing volume and complexity of the work of your Company."

COMFORTABLE CONDITIONS IN MONEY

(From Our Own Correspondent)

BOMBAY, 29th April

Conditions in the short-term money market remained comfortable during the week under review. There was no glut of funds, but supplies were on a larger scale than in recent weeks. At the same time, the demand for money was also good, with the result that there was a larger turnover. The inter-bank call rate was maintained almost throughout the week at 2½ per cent. among the Exchange banks and big Indian banks. However, on Saturday last after clearing hours, some surplus funds were offered at 2 per cent. Some old call money was still being renewed at 2¾ per cent. The rate among the smaller Indian banks remained unchanged at 3 per cent.

Some of the banks, which had till now been earning 3 per cent. on their surplus funds in the inter-bank call, are now stated to be turning to Government securities, thereby earning 1 per cent. more on their funds, being the difference between the present call money rate and yield on Government securities.

Banks were unwilling to pay competitive rates for term deposits. Although they were freely offering 2¾ per cent. for 1 to 3 months last week, this week some of them were reluctant to pay that much. Six months' deposits were offered 2 to 2½ per cent.

Despite the comfortable conditions in the market, response to the weekly tenders for Rs. 1 crore of three months' Government of India Treasury Bills was not encouraging, the amount offered this week being Rs. 100.50 lakhs, as against Rs. 129.50 lakhs offered last week. The average rate of accepted tenders again remained unchanged at Rs. 2-7 per cent. per annum.

There has been a contraction of Rs. 5.72 crores in notes in circulation during the week ended 24th April, 1952, in continuation of the fall of Rs. 75.59 lakhs in the previous week. The Reserve Bank's statement for that week, which discloses this, also shows a rise of Rs. 6.53 crores in notes held in the Banking Department. The increase of Rs. 30.72 lakhs in total notes issued is covered by a corresponding rise in rupee coin. A rise of Rs. 5.79 crores in deposits of the Central Government and a decline of Rs. 1.36 crores in those of other Governments are noted on the liabilities side of the Banking Department. Deposits of banks and others have also fallen by Rs. 1.97 crores and Rs. 1.47 crores, respectively. On the assets side, cash has risen by Rs. 6.53 crores, while balances held abroad have declined by Rs. 5.67 crores. No noteworthy variations are seen in loans and advances to Governments and other loans and advances, but there has been a sizable increase in advances against usance bills. The total amount of such advances availed of by the banks shows an increase of Rs. 4.70 crores over the week, but the outstanding advances are higher by only Rs. 2.45 crores. This indicates a repayment of Rs. 2.25 crores during the week. Treasury Bills purchased and discounted have gone up by Rs. 1.44 crores.

The consolidated statement of Scheduled Banks for the week ended 17th April, 1953, records a decline of Rs. 2.77 crores in banks' demand deposits and a rise of Rs. 1.88 crores in time deposits. Inter-bank borrowings are higher by Rs. 59.33 lakhs. Borrowings from the Reserve Bank and the Imperial Bank have gone down by Rs. 2.35 crores and Rs. 92 lakhs, respectively. Advances have declined by Rs. 6.66 crores, but bills discounted and purchased have risen by Rs. 2.07 crores. Investments reveal no change, as also cash-on-hand and balances with the Reserve Bank. Balances with other banks are lower by Rs. 75.54 lakhs, but money at call and short notice are higher by Rs. 55.94 lakhs.

The Gilt-edged market continued to be firm this week also, with a further all-round appreciation in prices. There was some investment demand from institutions, but, in the absence of sufficient floating stocks, the volume of business transacted was limited. Though the Reserve Bank resumed sale of some securities, namely, 3 per cent. 1963-65, 3 per cent. 1964 and 3 per cent. 1970-75, during the week, this had little effect on the prices, as the Bank had raised its selling rate. 3 per cent. 1953-55 was stagnant at Rs. 100-1. 3 per cent. 1957 moved up by an anna to Rs. 98-13, but closed lower at Rs. 98-12. 3 per cent. 1958 improved by As. 2 to Rs. 98-10 and 3 per cent. 1959-61 by as much as As. 3 to Rs. 96-9. 3 per cent. 1963-65 and 3 per cent. 1964, each advanced by As. 4 to Rs. 92-14. 3 per cent. 1966-68 was marked up by As. 2 to Rs. 90-9 and 3 per cent. 1970-75 was in good demand and went up by As. 3 to Rs. 86-12. 3 per cent. 1986 Conversion Loan spurted from Rs. 82-2 to Rs. 82-12.

There was no variation in the rupee-U.S. dollar rate during the week, but minor fluctuations were noted in New York in the sterling-dollar rate. The spot rate for sterling, after hardening from $2.81-11/16—2.81-13/16 to $2.81⅞—2.81¹⁵⁄₁₆ came back to $2.81-11/16—2.81-13/16 yesterday. The forward rate for three months closed at $2.81-1/16—2.81-3/16, as against $2.81—2.81⅛, but that for six months stood unchanged at $2.80⅞—2.80⅝.

KIPS WEAK

(From Our Own Correspondent)

MADRAS, 27th April

The kip market has ruled weaker and U. K. buyers have been offering lower prices. But sellers think that prices have now touched the bottom and cannot decline further. Demand has been mostly for lower grades in kips and for buff calf. There are patchy enquiries for cow calf and buff hides and the market is dull.

The tanned skins market has ruled firm. There has been good clearance of stocks of tanned sheep skins in the market with prices remaining higher by As. 4 to As. 6, as compared with the previous week. Prices of goat skins are also higher by As. 2 to As. 3.

BULLION IRREGULAR

(From Our Own Correspondent)

BOMBAY, 29th April

After displaying a soft tendency at the close of last week, the silver section of the bullion market was somewhat erratic during the week under review, but the undertone was bullish, with prices recording a further gain of As. 14 per 100 tolas over the week. Gold, too, was a little irregular, but finished with a loss As. 11 per tola on balance.

Although the atmosphere was favourable for a further spurt in prices, what with a satisfactory offtake from up-country centres, encouraging advices from Calcutta and persistent support from a section of the bull operators, silver failed to make a steady advance, as one of the prominent bull operators continued to sell. Trading on the whole, however, was thin and day-to-day movements were within a narrow range.

Opening the week at Rs. 160-13 silver for forward delivery (1st May settlement) advanced to Rs. 162-15 on Friday last on good buying support, induced by reports of good offtake from Kanpur and Delhi markets. It, however, reacted to Rs. 161-6 on the same day on selling by a prominent bull, but there was a spurt to Rs. 163-4 on Saturday. Lack of follow-up support and a slackening in offtake brought the price down again to Rs. 161-0 yesterday. The belief that, when the current settlement falls due, there would not be any delivery of silver encouraged buying towards the close, which pushed up the rate to Rs. 163 today. The closing rate was, however, a shade lower at Rs. 162-1.

Silver for forward delivery in the second settlement (end of May) began at Rs. 161-1 and touched a high of Rs. 163-7 on Saturday. Yesterday, it touched a low of Rs. 161-4 and closed today at Rs. 162-3.

Ready silver (.996 Mint) advanced from Rs. 161-1 to Rs. 163-8, but closed at Rs. 162-5. The floating stocks of silver are placed at 1,100 bars. The daily average offtake was 30 bars.

Gold for forward delivery (30th April settlement) began at Rs. 87-5 and hardened to Rs. 87-12 on Saturday due to steady offtake. As this level, there was some liquidation by the bulls and it drifted to Rs. 86-1 yesterday. Thereafter, aided by bear covering and fresh buying in ready as well as forward positions, the yellow metal improved to Rs. 87-2 to-day. With fresh arrivals and a fall in offtake to-day, there was a reaction to Rs. 86-11 at the close.

Gold for forward delivery in the second settlement opened at Rs. 87-5 and went up to Rs. 87-10 and closed at Rs. 86-10.

Ready gold improved from Rs. 87-10 to Rs. 88 before winding up at Rs. 86-15. The floating stocks of gold are estimated at 30,000 tolas. The daily average arrivals were 6,000 tolas, while the offtake was 5,000 tolas on an average.

In the international free market, gold was quiet at $36.90 per fine ounce.

The following comparative table shows the trend of the market during the week under review:

	29-4-53	Highest	Lowest	22-4-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	86 15	88 0	86 5	87 12
Forward	86 11	87 12	86 1	87 6
Sovereign	58 8	58 12	58 8	58 12
SILVER				
Ready (.996 fine Mint)	162 5	163 8	161 4	161 7
Forward	162 7	163 4	161 0	161 3
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½c.	—	—	85½c.

PEPPER IMPROVES

(Messrs. Parekh & Co.)

BOMBAY, 29th April

During the earlier part of the week, pepper market ruled quiet in sympathy with the easier advices from New York where there were re-sellers at $1.29 to $1.30 per lb. c. & f. much below the replacing parity. There was no business at Alleppey, as growers were reserved sellers even at Rs. 3,000, buyers asking Rs. 2,900. In the delivery section, Bombay ruled weak under pressure of selling by bears, who thought that the present dearth in the export demand would make the growers nervous and they would soon be forced to sell at lower limits to meet buyers. But, contrary to the expectation, the growers remained tight sellers and were reluctant to bring down pepper from the interior for marketing in the terminal centres of the coasts, in spite of the approaching monsoon. In the later part, however, the market improved, as the dealers had to buy against their sales for April shipment. Bombay also showed improvement in May and June deliveries, though there appeared off and on some short sellings by Singapore merchants who are said to be bearish on account of the present weakness in rubber and tin. The position of pepper in India appears to be intriguing, particularly in face of poor demand, smaller export, approaching monsoon, the impending competition from Lampong and Sarawak and the prospects of Korean Peace. Such strong resistance of sellers at this time of the season, according to a knowledgeable source, is attributed to a smaller final production than earlier estimated.

The following are to-day's nominal quotations: Ready delivery Rs. 380 per Bengal maund; May delivery Rs. 2,550-80 and June delivery Rs. 2,560-90 per candy of 5¼ cwts.

FORWARD COTTON FIRM

(From Our Own Correspondent)

BOMBAY, 29th April

The question of forward trading in the 1953-54 season's crop has already begun to exercise the mind of the cotton trade. This question has assumed a greater significance just at present, because operators find it very difficult to have dealings in the August Delivery Contract, for want of another contract ahead of this delivery to slide into when the actual time for delivery comes. But for such a contract, as the supply position stands at present, few will be inclined to offer any cotton for sale for August delivery and if there are no sellers the market cannot function. It is feared that by August, there will be little cotton left by way of floating stocks to tender against maturing contracts. The longs by merely sitting tight could then push prices up to the ceilings and squeeze the shorts to this limit. No shorts would, of course, be shortsighted enough not to notice this trap. Further, continuity and liquidity of forward contracts cannot be regarded as a goal in itself of cotton trading. And so the efforts of the more obstreperous section of the forward trade in cotton who are trying to hustle the Government of India into allowing forward trading in the new crop are likely to meet with failure.

The forward market is allowed to function because it aids the spot market and enables mills, merchants, ginners and producers to dispose of, to secure and to store the year's crop. The present position for the remaining few months of the year is such as to obviate the necessity for any aid from the forward market by way of elimination of risk for those holding cotton. This cotton, whether held by merchants or mills, because of the statistical position, is not likely to undergo any price reduction. To that extent forward trading becomes redundant and purely speculative. The authorities are likely to take their own time in fixing their marketing policy for the coming cotton year. It may, therefore, be taken for granted that the forward market will cease to have much interest for the cotton trade in general, after the expiry of the May Delivery Contract.

Forward cotton ruled firm during the week under review, thanks to hectic covering and continued bull support. Considerable encouragement was derived from the strong statistical position in cotton and good enquiry in the spot markets. I.C.C. May opened the week at Rs. 713 and moved up to Rs. 724 on 27th April. There was some profit-taking at this level which pushed prices down to a low of Rs. 718 on 28th April. But the May Contract again ruled firm on the last day of the week, touching a high of Rs. 726½ before closing the week at Rs. 725¼. A similar trend was witnessed in the August contract which opened at Rs. 723½ and moved up steadily to Rs. 735 on the last day of the week before finshing the week at Rs. 734. The following is the trend of prices during the week ended 29th April:

	Opening	*High*	*Low*	*Closing*
I.C.C. May (Rs.) ...	713	726½	710½	725¼
I.C.C. Aug. (Rs.) ...	723½	735	721½	734

The spot markets are all very active, with premia for staple and popular varieties increasing from week to week, as demands from mills becomes more evident. In spite of the lessening of the gap between the price of Indian cotton and imported cottons, the consumption of home-grown cotton has increased considerably during this year and it is expected to exceed this year's production by about two lakh bales, thus reducing the carry-over at the end of the season. If the rains are auspicious in the earlier part of the season, hopes of a better crop may go to relieve the pressure on the spot position to a certain extent. But even with a really successful season, we cannot hope for production to exceed consumption next year. Spot rates are, therefore, bound to rule fairly firm throughout the rest of the season. The following are the latest available quotations from the spot market:

Bengal *Deshi* Rs. 550; Berar Jarillas Rs. 750; Vijay Rs. 900; Moglai Rs. 710; Khandesh Rs. 840; Oomra *Deshi* Rs. 715.

Exports for the year might now be taken as completed, with the Government's refusal to convert unused quotas in Dholleras, Mathias, Oomras, etc., into Bengals or to give an additional quota for exports of Bengals, though efforts will continue by certain interests to persuade the Government to show some relaxation in this respect. With regard to imports also, apart from cotton that has already been purchased but remains unshipped, there is not much likelihood of large-scale fresh purchases from any source except perhaps Sudan. At a later stage there will be a revival of interest in Egyptian cotton, if the cloth market continues to be active for superfine varieties. Spot lots of imported cotton, however, are finding good buyers, and trading in imported cotton will continue uninterrupted. Some of the importers of East African cotton under Government auspices last year are very much worried about the stocks lying still on their hands, but the step taken by the Government to ease the burden of a part of the U.S.A. cotton has created a ray of hope amongst these dealers.

Things are at a stand still at Karachi and the rates quoted in the market are only nominal without any transactions taking place. An effort is being made by the authorities to overhaul the whole economy of the country and a feeling of suspense hangs over the trade. No details have been announced as to how the 6½ lakh bales promised to Japan are to be dealt with. The following are the latest available quotations from the Karachi cotton market:

Punjab *Deshi* Rs. 66; 4F Punjab R.G. Rs. 55-8; S.G. Rs. 59-8; L.S.S. Punjab R.G. Rs. 59; S.G. Rs. 64; N.T R.G. Rs. 60-8; S.G. Rs. 65; 289F. Punjab R.G. Rs. 65; S.G. Rs. 70-8.

At Alexandria also the week on the whole has been without any interesting development. The spot market continues to be fairly active. Interest from the Continent is sustained, while a new encouraging factor has been added to this by the entry of Japan and Formosa into this field. Looking to the statistical position, however, it is evident that the Egyptian Government must be carrying fairly large stocks, inasmuch as the quantity of cotton ginned during the season up to the end of March was 1,327,612 bales while exports upto the middle of April added up to 554,064 bales. Though the latter figure is higher by about 150,000 bales than the previous year's, it still shows a big gap between production and exports. The authorities, however, do not seem to be worried about the disposal of these stocks, as foreign enquiries are steadily coming in.

The position at New York has taken a turn and changed from weakness to firmness, possibly because the first tenders in May delivery have been well taken and partly because of fresh credit on a fairly large scale being given to West Germany for buying the U.S. cotton. How long this firmness in the market will last is a question in view of the fact that reports from various centres point to a large crop next season. The distant positions even to-day are not showing any strength and this is a good indicator for future developments.

The following are the latest available quotations from New York as compared with those of a week and a fortnight before:

(In cents per lb.)

	28-3-53	21-3-53	14-3-53
Spot	34.30	33.55	33.75
May	33.95	32.96	33.20
July	33.71	33.17	33.38
October	33.45	33.37	33.50
December ...	33.46	33.43	33.59

ART SILK YARN LISTLESS

(From Our Own Correspondent)

BOMBAY, 29th April

Listless conditions prevailed in the art silk yarn market during the week under review. In the absence of any encouraging development, traders were not enthusiastic about fresh purchases. They were more busy with the squaring up of transactions by switching over their delivery contracts from April to May. The volume of business was, as a result, extremely small, with prices moving irregularly within narrow limits. On balance, over the week, values of yarn recorded losses.

The market opened the week with a hesitant note. But on Saturday, a cheerful note was visible, on firm advices from Calcutta and reports of good demand in the ready section. Large turnover of business and higher prices in the art silk fabrics trade, especially in the markets in Delhi, Uttar Pradesh and the Punjab, also assisted the favourable sentiment of operators. Buying support that ensued, as a result, lifted up the art silk yarn quotations. The upward trend was, however, checked on Monday, when, on account of profit-taking, values again drifted downwards. But during the last two days, the market presented somewhat steady conditions.

In the forward section, 150D April delivery contract opened the week lower by Rs. 9 at Rs. 807. After improving to Rs. 827 on the 25th inst., it reacted to Rs. 816 on Monday. To-day, it was a shade higher at Rs. 812. The net loss over the week was to the extent of Rs. 6. May contract improved from Rs. 816 on the opening day to Rs. 834 on Saturday and, after receding to Rs. 816 on Monday, steadied upto Rs. 818 to-day, although at one time it had even touched Rs. 822. In the ready section, the net loss suffered by Italian and Japanese yarns was, on an average, about six to nine pies per lb. 120 Italy, however, elicited some special support and gained half-an-anna to Rs. 4-3.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 22nd and 15th inst.

	29-4-53	22-4-53	15-4-53
Art Silk Yarn—	Rs. a.	Rs. a.	Rs. a.
150D April (per case of 200 lbs.)	810 0	816 0	828 0
150D May	818 0	824 0	835 0
120 Japan (per lb.) ,, ..	4 8	4 8½	4 9
150 Japan ,, ...	4 4	4 4½	4 5
120 Italy ,, ...	4 3	4 3½	4 2
150 Italy ,, ...	4 0½	4 1¼	4 3

Looking at the trend of art silk values in the past few weeks, the highest and the lowest points for the forward contracts may be put at Rs. 840 and Rs. 800, respectively. In other words, the values are likely to be maintained at about these levels for some time to come, at least till such time as the rayon cloth markets in India witness some special development or the Continental markets undergo a change. So far as the supply position in respect of art silk yarn is concerned, it is reported to be not very comfortable, despite arrivals of large quantities of imported yarn. The quantity of yarn actually imported into India during the first quarter of this year was as large as 4.67 million lbs., as against 3.45 million lbs. in the corresponding quarter of 1952. The rate of imports in the past few weeks is said to be still higher. The bulk of these arrivals is said to be accounted for by dull quality (on cones) yarn, for which there is not much demand. But in the case of 150 deniers (on hanks), supplies are reported to be scarce.

In the staple fibre yarn section, prices remained more or less unchanged during the major part of the week. Latterly, however, a slightly easier undertone came to prevail, on possibility of increased yarn arrivals from South Indian centres, following the partial restoration of cut in the power supplies to Madras City and other hydro-electric areas, and on good demand from up-country centres.

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, 29th April

Trading in the oilseeds market during the week was characterised by a mixed trend. Thus, while the castorseeds section ruled easy, the groundnuts section was firm, with prices advancing further to new high levels not seen since July, 1951. This was due to paucity of supply which exaggerated the effect of even small buying orders on the price structure. Linseeds, *kardi* and *niger* seeds ruled in sympathy with the groundnuts. As a result of the wide disparity between the prices of the groundnuts and others, there was a switch over of buying activity from groundnut seeds and oils to linseed, *kardi* and *niger* seeds, the oils of which are now widely used as an adulterant to the high-priced groundnut oil.

In marked contrast to the firm trend in groundnuts, castorseeds registered a downward trend and this despite the continuance of free licensing of castoroil for export upto 31st July. The easiness was attributed to the reported withdrawal of the U.S. from the market as purchaser of castorseeds and oil for stockpiling purposes, as also to competition of South Africa in the U.S. and the Continental markets. Consequently, the castorseeds section sustained sizable losses over the week.

The stock position in the groundnut section is becoming tighter, while the demand from *vanaspati* manufacturers and crushers continues almost unabated. This state of affairs has virtually eclipsed discouraging overseas demand. Groundnuts Bold ready advanced from Rs. 45 to Rs. 46. Business in June-July and August-September deliveries were done at Rs. 46 and Rs. 46-8, as against Rs. 45-4 and Rs. 46-4, respectively. Khandesh quality registered a gain of Re. 1-6 to Rs. 46-10. Groundnut oil ready was steady at Rs. 24 and railway receipts at Rs. 23-12. May and June deliveries were done by As. 3 higher each at Rs. 23-13 and Rs. 23-15.

Linseed which was dormant during the past few months staged a sizable rally this week on support from oil merchants. Bold ready gained Re. 1 to Rs. 32. June-July and August-September deliveries improved from Rs. 31-14 and Rs. 32-8 to Rs. 32-8 and Rs. 33-4, respectively. Linseed oil shot up by Re. 1-6 to Rs. 16-6.

There were rumours that Japan had sold castoroil I Pressure to U.S. at 19c. in drums from its imported stocks. Again, offers of Indian castoroil, commercial quality at 18¾c. were reported to have been rejected by the U.S. These prices, as a result, affected the sentiment adversely and declined. May delivery which opened at Rs. 160-12, as against Rs. 160-8, fluctuated between Rs. 164 and Rs. 154-8, before closing at Rs. 156-4. September delivery lost Rs. 4-8 to Rs. 158-4, the highest and the lowest touched during the week being Rs. 166-4 and Rs. 156-12. Madras quality eased by Rs. 1-10 to Rs. 31-10. Castoroil I Pressure was done at Rs. 18-12, as against Rs. 19-8 and Commercials Rs. 17-8, as against Rs. 18-2 B.S.S. lost As. 10 to Rs. 19-2.

Niger, F.A.Q., ready gained As. 12 to Rs. 35-4 and *kardi* Bold ready As. 4 to Rs. 24-12.

The following table shows the prices of oilseeds and oil on the 29th inst., as compared with those at the end of the previous two weeks.

	29-4-53	22-4-53	15-4-53
Groundnuts—	Rs. a.	Rs. a.	Rs. a.
Bold Ready New (per cwt.) ..	46 0	45 0	43 0
June-July	46 0	45 4	—
August-Sept.	46 8	46 4	—
Linseed—			
Bold Ready (per cwt.) ..	32 0	31 0	28 8
Castorseeds—			
May (per candy of 5 cwts.) ..	156 4	160 8	153 0
Sept. (per candy of 5 cwts.) ..	158 4	162 12	153 12
Madras (per cwt.)	31 10	33 4	31 12
Groundnut oil—			
Ex-mill Ready (per quarter)	24 0	24 0	22 10
Castor Oil—			
Commercial (per quarter) ..	17 8	18 2	17 10

MODEST GAINS IN JUTE GOODS

(From Our Own Correspondent)

CALCUTTA, 28th April

Prices of jute goods registered modest gains during yesterday's trading. Although business in hessian with foreign buyers was moderate, earlier in the week price movements either way in that period were practically *nil*. As expected, Argentina has covered about half of its annual requirements of hessian by placing orders in India for 20,000 tons. Ready hessian 40" 10 oz. was steady at Rs. 39-2 during the week-end. Actually on Wednesday last the price had fallen to Rs. 38-10 from Rs. 39, but on Thursday a recovery to Rs. 39-2 was staged, following reports of the Argentine order. Had it not been for these reports, the price would have gone downwards. The trend yesterday took a different pattern, and very steady conditions visited the market. Hessian 40" 10 oz. gained to as high as Rs. 40-4 with the July-September position being dealt with at Rs. 40-10. Speculative support was moderate for forward delivery, and bear covering for near delivery enabled mills to adopt a reserved tendency.

The sacking goods market continued to suffer from a level business that would favourably compare with output and justify the current level of production. Prices did not stage a major fall this week; this was due to a steady hessian market. Trading during recent weeks has amply justified the proposal of the Indian Jute Mills Association to seal a percentage of the sacking looms. Last Wednesday, B. twills eased to Rs. 86-8 from Rs. 87-4, but on Friday registered a recovery to Rs. 86-12 in sympathy with the trend in the hessian section. Yesterday, the price was pushed up to Rs. 89, showing a gain of Rs. 2-8 on balance. The July-September goods were favoured at Rs. 89-12, and the near goods at Rs. 89-4. The quotation for heavy cees plain gained to Rs. 90-8 from Rs. 88-12. Similarly D.W. fourbags were better at Rs. 111-8, and A. twills at Rs. 111.

Support from mills was available to the raw jute market during the week, and prices kept steady. Assam bottoms changed hands at Rs. 20 a maund, and the gains in other constructions mentioned in these columns last week were well maintained. The season's first rain fell last night in certain jute districts of West Bengal and Assam, and this is expected to help farmers in sowing. According to weather forecasts, more rains are expected and the end of the dry weather would make further rise in prices slower. The change in the weather is not expected to show an increase in the jute acreage which, it is believed, would record a shrinkage this season in view of prices being much below what cultivators consider the economic rates. To this extent, mills would have necessarily to stock as much raw material as possible from the old season's crop, and stockists would naturally feel disinclined to part with much. However, the decline in prices of the Pakistani fibre is a helpful factor for mills, and is a check on the upward movement on local quotations. The *pucca* bales section was also steady, and first marks made a further recovery to Rs. 125 a bale from Rs. 110 earlier in the week. Lightning marks were quoted at Rs. 115, and Dundee Daisee at Rs. 120.

METALS DEPRESSED FURTHER

(From Our Own Correspondent)

CALCUTTA, 28th April

The depression in the metal market noted in the previous two weeks persisted in the week under review also. Quotations were, therefore, taken further down, and consumers' enquiries were limited to minimum requirements. Stockists of manufactured products desire only to cover for actual orders placed on them. The rate contracts of Government for 1953-54 would take some more time to be placed on manufacturers in view of the Budget formalities; as a result, manufacturers' acitvity shrank to the completion of outstanding quantities of the 1952-53 orders, as well as to meeting the small commercial demand.

There was no improvement in the supply situation of electrolytic copper ingots, and even a shortage existed for scraps. Had it not been for these factors, the maintenance of the quotation at Rs. 171 per cwt. could have been difficult, especially in view of the reports of continued weakness in the foreign markets. For a time, the rate moved even down to Rs. 170. The fire-refined material was available at Rs. 165. Prices of electrolytic zinc were affected by the landslide in quotations on the London Metal Exchange. Opening at Rs. 51-8, electrolytic zinc reacted to Rs. 46 on Saturday last. Yesterday, there was a slight recovery to Rs. 47-8. Another factor which pulled down the price was the expected addition to the already heavy stocks. The quantity that changed hands was almost insignificant.

The mid-week's steadiness in Singapore having proved to be short-lived, the local quotation for tin at the closing level of Rs. 480 yesterday showed a loss of Rs. 2 on balance. The lowest level of Rs. 478 was touched last Thursday. Some enquiries resulted in small business. The quotation for quicksilver was maintained at Rs. 500 a flask, and exporters, who have yet to utilise half of the export quota of 10,000 flasks, are less enthusiastic now, since the export duty of Rs. 300 a flask is stated to stand in the way of materialisation of business from overseas following the recent change in the international situation. The Government has already been told that the duty might have to be revised, if the export quota is to be realised in full. In sympathy with the general trend, lead also moved further down to Rs. 62 from Rs. 64-8.

SUGAR PRICES ADVANCE

(From Our Own Correspondent)

HAPUR, 28th April

During the week under review, the undertone in the free sugar markets remained steady with an advance in price. The upward trend in *gur* markets and non-release of free sale sugar quota by the Government of India for a long time were the two bullish factors. The difficulties in the transport of sugar from North India mills and the "sitting-tight-policy" of the traders who still hold the stocks of the previous free sale quota were additional factors forcing a price advance.

The release of the free sale quota is long awaited. The Bombay Sugar Merchants' Association has urged the Central Government to release an immediate sugar quota and to take steps for the quick movement of sugar from factories to the consuming centres to prevent the sharp rise in sugar prices. The Association says that sugar rates are rising daily in Bombay, as well as all over India, due to shortage of ready stocks. It is also complained that, although Bombay merchants had already made heavy purchases from factories, sufficient wagons were not available for their movement to consuming centres. Bombay sugar stocks have gone down and the Association has asked for a special quota of 25,000 tons of sugar for Bombay. The Government of India has since released a further quantity of 150,000 tons of sugar for sale in the free market.

Throughout the week the free sugar market at Calcutta ruled strong, due to heavy purchases by the South Indian buyers. At Madras too, the free market remained firm, due to limited stocks and good demand.

The latest quotations in the free markets are: Ambala Rs. 31, Amritsar Rs. 31-12 Delhi Rs. 32, Jullundur Rs. 30-2, Agra Rs. 30, Hapur Rs. 31-8,

(*Continued on page* 831)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	17th April, 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,165.47	1,166.23	1,133.10	1,155.93
Notes held in Banking Department	35.05	9.37	8.25	16.72	26.47
Foreign Securities	39.50	598.15	598.15	578.15	608.15
Rupee Securities	37.39	449.86	449.86	449.86	464.63
Banking Department					
Deposits of:					
Government of India	14.89	97.99	98.35	139.72	147.96
Other Governments	...	16.96	21.71	10.48	4.76
Balances held abroad	10.08	123.95	127.68	146.25	105.39
SCHEDULED BANKS					
Demand Liabilities	134.37	541.59	543.72	551.22	562.36
		(12.09)	(12.00)	(11.81)	(10.29)
Time Liabilities	102.84	319.22	317.39	312.45	285.56
Borrowings from Reserve Bank	...	(2.01)	(2.06)	(2.06)	(1.99)
		12.62	14.97	14.69	40.11
		(2.4)†	(0.99)†	(4.24)†	(26.50)†
Borrowings from Imperial Bank	...	8.28	9.20	9.65	8.50
Cash in India	6.71	33.48	32.39	31.95	35.11
Balances with Reserve Bank	25.28	42.33	43.34	41.74	45.83
Excess over statutory limits	15.52	8.87	9.81	8.93	11.95
Balances with other banks in current account in India	...	13.40	14.16	10.64	11.08
Money at call and short notice in India	...	16.37	15.81	13.57	12.45
Investments (at book value)	...	301.73	301.67	303.13	294.19
Advances and bills	105.09	526.39	530.99	520.30	570.88
IMPERIAL BANK					
Deposits	87.76	216.61	219.24	210.65	234.45
Investments	51.99	82.96	83.12	82.17	86.48
Advances	30.37	128.99	132.03	130.01	160.35
Cash	14.69	17.41	15.67	17.49	12.43

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	17th April, 1953 Number of Cheques	17th April, 1953 Amount Rs.	10th April, 1953 Number of Cheques	10th April, 1953 Amount Rs.
Bombay	2,40,838	53,23,11,000	2,61,208	65,14,43,000
Calcutta	1 42,956	42,80,27,720	1,51,280	50,23,84,276
Madras	64,122	6,27,60,282	76,100	9,18,01,281
All Centres—				
1951				1,05,94,122
1952				1,06,41,941
Jan., 1953				25,74,000
Feb., ,,				24,45,000

	3rd Sept., 1939 (pre-war)	19th April, 1952	26th April, 1952	3rd May, 1952
1951	2,80,38,000	5,23,11,000	5,66,07,000	5,66,07,000
1952		5,23,11,000	5,66,07,000	5,66,07,000
1953		5,23,11,000	5,66,07,000	5,66,07,000

Reserve Bank of India

Statement of Affairs for the week ended 24th April, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		104,13,60,000
(2) Other Governments		15,59,36,000
(b) Banks		43,11,20,000
(c) Others		59,00,04,000
Bills Payable		4,82,82,000
Other Liabilities		28,76,52,000
	Rupees	265,43,63,000

ASSETS	Rs.	Rs.
Notes		15,89,86,000
Rupee Coin		14,21,000
Subsidiary Coin		4,57,000
Bills Purchased and Discounted—		
(a) Internal		20,50,000
(b) External		...
(c) Government Treasury Bills		12,51,70,000
Balances held abroad*		118,27,97,000
Loans and Advances to Governments		3,97,00,000
Other Loans and Advances		19,94,47,000
Investments		86,33,67,000
Other Assets		3,99,07,000
	Rupees	265,43,63,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 4,08,68,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 21,93,68,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	15,89,86,000	
Notes in circulation	1159,75,06,000	
Total Notes issued		1175,64,92,000
Total Liabilities		1175,64,92,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion:		
(a) *Held in India*	40,01,71,000	
(b) Held outside India		
Foreign Securities	598,15,11,000	
Total of A		638,16,82,000
B. Rupee Coin		87,62,06,000
Government of India Rupee Securities		449,86,04,000
Internal Bills of Exchange and other commercial paper		...
Total Assets		1175,64,92,000

Ratio of Total of A to Liabilities: 54.282 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 17th April, 1953

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks	13,65,58,000†
(ii) Other demand liabilities	527,93,50,000
2. Time Liabilities in India:	
(i) Borrowings from banks	2,01,00,000†
(ii) Other time liabilities	317,21,37,000
3. Cash in India	33,48,03,000
4. Balances with the Reserve Bank in India	42,32,54,000
5. Balances with other banks in current account in India	13,39,99,000
6. Money at call and short notice in India	16,37,47,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	301,72,83,000
8. Advances in India	467,02,27,000
9. Inland Bills purchased and discounted in India	59,36,97,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.

†Excludes borrowings from the Reserve Bank, and with effect from the 18th April 1952 as also those from the Imperial Bank.

EXCHANGE RATES

		24th April, 1953	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	£	1-5 11/16	1-5 3/4
Sellers T.T. D.D. upto six months	£	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	£	1-6 1/8	1-6 1/8
Buyers T.T. 10 to 12 months	£	1-6 3/16	1-6 3/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	4/94	4734
Buyers T.T.	Rs.	4711	4714
London on New York	$	2.81 1/2	2.81 3/4
London on Paris	Frs.	987 1/4-988	987 1/4-988
London on Berne	Sw. Frs.	12.17 1/2-12.18 1/2	12.18-12.18 1/4
New York on London	$	2.81 1/2-2.81 1/4	2.81 3/4-2.81 1/4

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	*Per capita* income (Rs.)
India	1948	342.12	...	...	8,730	255
Pakistan	1949	75.04	...	...	1,671	222
Burma	1951	18.67	Kyats	3,166	317	167
Ceylon	1951	7.74	...	...	451	584
Japan	1951	84.30	Y.	4,564,400	6,038	716
Philippines	1951	20.25	Ps.	7,586	1,820	856
New Zealand	1951	1.95	£ (N.Z.)	615	820	4,206
Australia	1951	8.41	£ (A.)	3,238	3,454	4,317
U.K.	1951	*50.56*	£	*11,384*	*15,179*	*2,976*
U.S.A.	1951	154.36	$	277,600	132,190	8,584
Canada	1951	14.01	$	17,229	8,552	6,108
France	1951	42.24	F. Fr.	9,082,000	12,372	2,929
W. Germany	1951	48.11	Dm.	90,200	19,227	2,128
Italy	1951	46.60	Lr.	7,746,000	6,602	1,267
Norway	1951	3.29	Kr.	15,504	1,055	3,206
Sweden	1951	7.07	Kr.	36,800	3,439	4,864
Netherlands	1951	10.26	Fl.	16,940	2,151	2,096
Denmark	1951	4.30	Kr.	20,716	1,439	3,346
Switzerland	1951	4.75	Sw. Fr.	19,500	2,166	4,556

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, January, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 17th April, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	24,55,01,000
(b) Provincial Governments	1,09,43,000
(c) Banks	14,10,18,000
(d) Others	2,86,28,000
Bills Payable	12,38,000
Other Liabilities	5,16,92,000
Rupees	53,90,20,000

ASSETS	Rs.
Notes	4,11,43,000
Rupee Coin	3,000
Subsidiary Coin	8,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	1,74,94,000
Loans and Advances to Governments	1,83,00,000
Provincial Governments Debtor Balances	5,76,28,000
Other Loans and Advances	2,69,74,000
Investments	28,86,99,000
Other Assets	8,87,61,000
Rupees	53,90,20,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	4,11,43,000	
Notes in circulation	212,24,77,000	
Total Notes issued		216,36,20,000
Total Liabilities		216,36,20,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion		
Sterling Securities	87,51,16,000	
Government of India Securities	11,87,77,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,96,000	
		87,59,31,000
B. Rupee Coin	6,19,27,000	
Government of Pakistan Securities	118,32,87,000	
Internal bills of exchange and other commercial paper	....	
		124,52,14,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	*29,51,000*	
		4,24,75,000
Total Assets		216,36,20,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 42.31 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953				Rs. a. p.	%
3rd Feb.	1.00	1.14	1.00	2 7 0	87
10th ,,	1.00	1.19	1.00	2 6 11	84
17th ,,	1.00	1.39	1.00	2 7 0	100
24th ,,	1.00	1.09	1.00	2 7 0	100
3rd March	1.00	1.02	1.00	2 7 0	98
10th ,,	1.00	1.16	1.00	2 6 11	86
17th ,,	1.00	1.09	1.00	2 7 0	93
24th ,,	1.00	1.02	1.00	2 7 0	100
31st ,,	1.00	1.01	1.00	2 7 0	100
7th April	1.00	1.35	1.00	2 7 0	100
14th ,,	1.00	1.21	1.00	2 7 0	100
21st ,,	1.00	1.30	1.00	2 7 0	100
28th ,,	1.00	1.01	1.00	2 7 0	100
Total	13.00	13.98	13.00	...	...

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	26th March, 1953	5 1/2	5
Belgium	13th Sept., 1951	3 1/2	3 1/2
Canada	17th Oct., 1950	1 1/2	2
Denmark	3rd April, 1953	3	2 1/2
Finland	16th Dec., 1951	7 1/2	5 1/2
France	9th Nov., 1951	5	4
Greece	12th July, 1948	10	12
India	15th Nov., 1951	3	3 1/2
Italy	6th April, 1950	4 1/2	4
Japan	1st Oct., 1951	5.11	5.84
Netherlands	1st Aug., 1952	3 1/2	3
New Zealand	*26th July, 1941*	2	1 1/2
Norway	9th Jan., 1946	3	2 1/2
Portugal	15th Jan., 1944	3	2 1/2
South Africa	27th Mar., 1952	3 1/2	4
Spain	18th Mar., 1949	4 1/2	4
Sweden	1st Dec., 1951	2 1/2	3
Switzerland	26th Nov., 1936	4	1 1/2
Turkey	26th Feb., 1951	2	3
United Kingdom	12th Mar., 1932	2	4
U.S.S.R.	1st July, 1936	3	4
U.S.A.	16th Jan., 1953	1 1/2	2
West Germany	8th Jan., 1953	4 1/2	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	November, 1952	November, 1951	Eight months—April to Nov., 1952	Eight months—April to Nov., 1951
Import Duties:				
Revenue	8,14	11,85	73,93	85,88
Protective	6,6	85	5,42	7,17
On surplus disposals	0,6	2	3	19
Total Import duties	8,81	12,72	79,37	93,24
Export Duties	3,23	7,74	38,16	60,34
Land Customs	23	50	1,91	2,08
Miscellaneous	8	13	82	80
Gross total customs	12,35	21,08	120,26	156,42
Refunds and drawbacks	18	1,28	1,69	8,44
Net Customs	12,17	19,81	118,27	152,98
Gross excise	4,61	7,72	50,84	62,04
Refunds	5	17	1,05	1,16
Net Excise	4,56	7,55	49,79	60,89
Net total of customs and excise	16,73	27,36	168,06	213,87

Imperial Bank of India

Statement of Affairs for the week ended 24th April, 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,35,00,000
Deposits and other Accounts		214,76,18,000
Borrowings from other Banking Companies Agents		2,00,00,000
Bills Payable		2,69,38,000
Bills for Collection being Bills Receivable as per contra		48,71,000
Acceptances, Endorsements and Other Obligations as per contra		2,86,000
Other Liabilities (including Inter-Office Adjustments)		2,80,36,000
Total	Rs.	234,74,99,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		16,83,24,000
Balances with other Banks		4,63,13,000
Money at Call and Short Notice		1,82,56,000
INVESTMENTS—		
Government and other Trustee Securities	70,78,34,000	
Other Authorised Investments	11,41,18,000	
		82,19,52,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	104,44,61,000	
Bills Discounted and Purchased	26,41,71,000	
		130,86,32,000
Bills Receivable being Bills for Collection as per contra		48,71,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		2,86,000
Premises less Depreciation		1,32,00,000
Furniture and Fixtures less Depreciation		34,97,000
Other Assets (including Inter-Office Adjustments)		2,21,68,000
Total	Rs.	234,74,99,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings@		3½% Ten-year Treasury Savings Deposit Certificates ‡	
	5-Year		7-Year		12-Year							
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*
1950-51	2,08	5,01	96	2,40	20,67	50,53	97,80	61,36	—	22,32	5,31	5,31
1951-52	1,76	6,10	77	2,91	22,07	66,81	1,07,55	74,18	—	27,55	13,10	18,39
January 1952	13	5,82	7	2,81	1,51	63,62	7,75	68,04	—	26,68	66	17,17
February ,,	13	5,90	5	2,83	1,64	64,79	8,21	68,27	—	27,02	53	17,70
March ,,	29	6,10	10	2,91	2,63	66,81	15,04	74,18	—	27,55	71	18,39
April ,,	14	6,17	5	2,93	2,28	68,56	10,01	76,52	—	27,91	95	19,33
May ,,	12	6,22	8	2,97	2,09	70,22	9,95	77,85	—	28,25	56	19,86
June ,,	12	6,28	6	3,02	1,82	71,64	9,38	80,03	—	28,57	69	20,53
July ,,	15	6,34	10	3,09	2,03	73,14	10,29	82,54	—	28,91	74	21,25
August ,,	14	6,40	6	3,13	1,76	74,45	9,60	83,75	—	29,15	65	21,89
September ,,	10	6,44	3	3,12	1,84	75,73	8,73	84,89	—	29,40	52	22,38
October ,,	11	6,48	5	3,14	1,71	76,77	8,36	85,24	—	29,68	56	22,92
November ,,	10	6,50	4	3,15	1,71	77,99	8,03	85,51	—	29,98	58	23,48
December ,,	8	6,51	3	3,16	1,86	79,34	9,45	85,92	—	30,22	48	23,84
January 1953	10	6,54	4	3,18	2,02	80,77	8,33	86,06	—	30,50	58	24,48
February ,,	..	..	..	..	..	..	..	..	..	..	62	25,08

* At the *end* of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from 1st June, 1948. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)

Group and Sub-Group	Week Ended 18-4-'53	11-4-'53	21-3-'53	19-4-'52
1. All-India				
(A) Government and Semi-Government Securities ‡	92.1	92.1	92.3	91.2
1. Government of India Loans	92.2	92.3	92.4	91.2
2. Municipal, Port Trust and Improvement Trust Loans	86.9	86.9	86.9	87.6
(B) Fixed Dividend Industrial Securities	90.0	90.0	90.2	91.6
1. Electricity	78.0	78.3	78.8	73.2
2. Cotton	126.4	126.8	126.9	120.6
3. Jute	79.7	79.6	79.7	89.9
4. Coal	94.3	95.0	95.0	95.8
5. Iron and Steel	84.5	84.3	84.2	84.8
6. Sugar	87.6	87.6	87.6	96.5
7. Paper	83.7	84.6	84.6	91.2
8 Plantations	96.4	96.4	97.0	105.0
(C) Variable Dividend Industrial Securities	106.0	105.9	107.2	109.5
1. Banks	102.7	102.5	104.4	104.3
2. Insurance	98.6	97.8	97.4	102.9
3. Investment Trusts	142.9	143.1	140.8	138.3
4. Electricity Companies and Tramways	83.1	82.9	82.6	82.8
5. Shipping and Other Transport Companies	83.7	84.7	88.3	83.2
6. Railways	76.0	75.0	76.0	77.9
7. Plantations	115.9	116.4	113.6	151.5
8. Cotton Woollen and Silk	133.1	133.6	136.1	145.0
9. Jute	68.4	68.9	71.8	79.8
10. Coal	86.7	86.8	88.0	96.4
11. Mining and Oil	63.1	63.0	65.7	64.1
12. Iron and Steel	140.4	141.1	143.1	121.4
13. General Engineering	146.4	146.1	150.8	137.3
14. Sugar	79.9	80.9	80.8	86.7
15. Breweries	61.0	60.2	59.3	61.8
16. Chemicals	136.9	135.8	133.0	144.6
17. Paper	115.1	116.5	116.0	114.9
18. Cement	140.0	139.2	143.2	130.9
II. Regional				
(A) BOMBAY—				
Government and Semi-Government Securities	91.9	91.9	92.1	91.1
Fixed Dividend Industrials	92.6	92.5	92.7	91.2
Variable Dividend Industrials	125.2	124.4	128.0	120.8
(B) CALCUTTA—				
Government and Semi-Government Securities	92.7	92.7	92.9	91.7
Fixed Dividend Industrials	86.2	86.3	86.3	89.2
Variable Dividend Industrials	93.4	93.6	94.0	98.3
(C) MADRAS—				
Government and Semi-Government Securities	91.6	91.8	91.9	90.6
Fixed Dividend Industrials	101 6	101.6	102.3	109.5
Variable Dividend Industrials	126.4	126.3	127.8	140.5

*Source: Department of Research and Statistics, Reserve Bank of India.
‡ Including Part 'B' State Loans.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,883	12,806,704
1951	1,071	691,321	2,948,978
1952	1,145	910,430	3,326,708
October 1950	78	288,549	2,266,894
November	84	56,736	818,887
December	68	41,061	163,718
January 1951	120	93,698	370,990
February	61	44,025	* 203,680
March	79	47,723	317,809
April	120	95,747	381,232
May	109	56,604	277,314
June	146	93,446	448,258
July	130	73,454	671,705
August	103	64,984	289,907
September	83	24,777	93,109
October	108	67,896	190,761
November	123	64,147	189,374
December	113	76,196	*365,749*
January 1952† *	95	305,831	674,340
February *	88	68,180	215,907
March ,,	87	42,420	142,493
April ,,	134	59,437	234,346
May ,,	118	80,093	254,835
June ,,	101	59,381	257,962
July ,,	82	40,754	171,288
August * ,,	87	48,507	148,475
September* ,,	96	57,875	460,552
October* ,,	94	77,639	347,664
November,,	83	47,902(a)	266,234(a)
December,,	80	27,401	153,717
January 1953 *	82	40,244	239,159

Figures for 1952 are provisional * Revised.
(a) Not known in five cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns ‡	Units generated ‡	*Units* Sold
1950-51	545	5,279.9	4,225.9
1951-52	573	5,948.1	4,849.0
July 1951	541	501.2	408.8
August ,,	546	507.7	412.0
September ,,	551	506.8	409.7
October ,,	554	494.5	403.4
November ,,	556	506.9	412.8
December ,,	557	491.7	409.8
January 1952	561	500.9	414.8
February ,,	568	500.8	409.7
March ,,	571	490.7	391.0
April ,,	573	481.8	392.9
May ,,	577	488.8	*392.8*
June ,,	581	514.4	413.1
July ,,	583	500.1	408.8
August ,,	588	534.0	429.7
September ,,	592	531.6	428.7
October ,,	597	580.3	480.6
November ,,	599	548.2	441.5
December ,,	605	529.7	436.4
	608	552.2	457.8

* Excluding railway, military and factory power stations; Chola Power Station, being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
@ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	11th April, 1953	4th April, 1953	12th April, 1952	March, 1953	March, 1952	Percentage of increase (+) or decrease (—) in Mar., 1953 as compared with Mar., 1952	1952	1951
Food Articles	365.4	359.1	341.0	365.0	342.7	+ 6.5	359.8	409.8
Cereals	438	432	444	437	442	— 1.1	450	483
Pulses	430	427	439	507*	417	+21.6	488	506
Other	254	247	200	244	207	+17.9	225	290
Industrial Raw Materials	439.0	445.4	434.1	453.1	424.2	+ 6.8	453.8	608.2
Fibres	391	401	433	415	435	— 4.6	454	622
Oil seeds	561	556	426	558	412	+35.4	484	679
Minerals	432	432	449	455	456	— 0.2	458	626
Others	364	365	327	359	361	— 0.6	341	583
Semi-Manufactures	350.1	350.6 R	337.8	349.8	343.2	+ 1.9	346.6	377.5
Leather	436	443	230*	437	324	+34.9	345	458
Mineral oils	223	223	218	223	218	+ 2.3	221	197
Vegetable oils	486	481	438	481	415	+15.9	459	679
Cotton yarn	446*	446*	498*	446*	498*	—10.4	465*	458
Metals	226	228	199	227	201	+12.9	211	107
Oil Cakes	400	407	409	412	408	+ 1.0	440	500
Others	217	217 R	277	211	284	—25.7	275	330
Manufactured Articles	384.5	387.1	380.3	389.0	383.8	— 1.9	377.5	398.5
Textiles	399	403	431	407	437	— 6.9	422	468
Jute	252	369	545	376	554	—32.1	506	808
Cotton	406*	406*	406*	410*	410*	— 1.0	401*	400*
Rayon and Silk	480	513*	416*	521*	471*	+10.6	485*	611*
Woollen	313	313	303	313	388	+19.3	340	375
Metal products	336	336	311	336	310	+ 8.4	321	285
Others	289	290	299	289	301	— 4.0	298	300
Miscellaneous	601.0	604.0	594.7	595.5	625.6	— 8.4	635.6	729.8
All Commodities	382.2	382.1 R	375.7	385.2	377.5	+ 2.0	388.9	439.3

* Estimated. R=Revised.

WORKING CLASS COST OF LIVING INDICES

Base	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
March 1951	332	268	301	439	390	356	320	136	174	139	137	164
April ,,	335	270	304	440	391	365	335	139	173	140	139	166
May ,,	335	278	314	443	394	374	335	140	176	141	138	166
June ,,	337	271	313	447	394	382	337	144	178	138	138	169
July ,,	333	270	318	454	396	385	337	145	182	140	135	173
August ,,	328	261	322	455	392	387	338	146	181	143	161	171
September ,,	325	253	319	470	389	375	340	144	179	150	161	170
October ,,	332	254	323	469	393	375	336	144	181	145	165	171
November ,,	333	252	325	464	397	374	337	147	182	145	168	168
December ,,	331	252	325	449	397	370	337	144	181	150	166	158
January 1952	331	246	323	442	393	357	338	142	179	147	162	156
February ,,	324	241	318	441	382	343	336	141	178	145	158	158
March ,,	309	229	300	412	378	340	333	136	177	140	150	145
April ,,	345	262	321	415	377	339	326	145	169	139	153	144
May ,,	339	264	310	412	376	339	327	148	169	143	153	143
June ,,	338	263	300	424	375	343	330	145	171	141	153	148
July ,,	330	263	304	456	377	*354*	331

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS
(000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final.	1951-52 Final.	1950-51 Final.
Rice	tons	73,595	75,975	20,767	20,295
Wheat	tons	23,235	24,134	5,768	6,374
Jowar	tons	38,329	38,419	5,509	5,403
Bajra	tons	21,856	22,267	2,153	2,549
Barley	tons	7,800	7,701	2,136	2,341
Maize	tons	8,003	7,794	1,959	1,701
Ragi	tons	5,296	5,444	1,167	1,407
Gram	tons	16,719	18,709	3,157	3,593
Other millets & pulses	tons	39,725	39,770	6,386	6.401
Total foodgrains		234,558	240,213	49,002	50,064
Jute	bales	1,834†	1,951††	4,695†	4,678††
Cotton 3rd	bales	13,734††	13,733††	2,467†	2,686††
Sugarcane 2nd	tons	4,248†	4,326††	5,035†	5,288††
Groundnut	tons	11,862†	11,798††	2,894†	3,045††
Linseed	tons	3,298	3,447	309	361
Castorseed	tons	1,423	1,378	104	104
Rape and Mustard Seed	tons	5,707	5,097	900	748
Sesamum	tons	5,537†	5,516††	426†	416††
Tobacco	tons	764	902	225	263
Pepper	tons	192	197	28	31
Ginger	tons	42	41	15	15

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (gur).

† Relates to 1952-1953. †† Relates to 1951-52.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During March, 1953	74 4
	Corresponding month 1952	82 9
	July 1952 to March, 1953	671 7
	Corresponding period 1951-52	706 8
Stocks	At the end of March, 1953	138 4
	Corresponding month 1952	111 6
		(In 000 bags)
Exports (Jute Bags)	Week ended 14th Mar., 1953	77.68
	Corresponding week 1952	53,35
	From 1st Jan., to 7th Mar., 1953	3,92,63
	Corresponding period 1952	11,65,17
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 14th Mar., 1953	1,35,07
	Corresponding week 1952	2,69,70
	From 1st Jan., to 14th Mar., 1953	25,85,16
	Corresponding period 1952	17,46,48
	RAW JUTE	(In 000 bales)
Exports*	Week ended 14th Mar., 1953	—
	Corresponding week 1952	—
	From July, to December, 1952	—
	Corresponding period of 1951	—
Consumption by Mills†	March, 1953 (in lakh bales)	4 32
	Corresponding month 1952	4.81
	Nine months ended Mar., 1953	38.97
	Corresponding period 1952	41.00

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION
(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Year ended 31st March, 1940	917,800	906,700	671,000
Do. 31st March, 1950	10,41,700	927,500	720,000
Do. 31st March, 1951	11,15,200	10,62,100	7,76,500
Do. 31st March, 1952	11,30,000	10,57,100	7,99,200
Do. 31st March, 1953	11,58,000	10,61,900	7,91,800
January 1951	1,01,300	97,900	67,700
February ,,	87,700	82,200	68,300
March ,,	91,300	86,600	71,400
November ,,	92,700	85,200	65,900
December ,,	1,02,800	97,900	70,100
January 1952	99,800	96,000	71,400
February ,,	94,000	82,600	67,000
March ,,	1,02,100	92,100	67,400
November ,,	1,03,600	93,700	68,700
December ,,	98,200	91,400	69,700
January 1953	1,02,400	95,500	69,900
February ,,	92,400	82,000	61,700
March ,,	97,400	86,600	65,500

SEA- AND AIR-BORNE TRADE : INDIA.

Particulars	December, 1952	December, 1951	Nine Months. April to Dec., 1952	Nine Months. April to Dec., 1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:—				
Foodstuffs	6,93	23,60	149,87	178,79
Raw materials	16,28	22,92	146,11	176,96
Manufactures	20,13	23,52	207,06	249,90
Other items	20	58	3.32	2,99
Total Imports*	43 54	73,62	506,36	607,54
Exports :—				
Foodstuffs	11,80	14,82	107,03	119,02
Raw materials	12,39	8,82	103,68	107,09
Manufactures	19,42	31,86	205,98	311,52
Other items	36	35	3.02	2,63
Total Exports	43,97	55,85	424,99	540,26
Total Re-exports	50	62	3,64	11,71
Balance of trade in merchandise	+ 93	— 17,14	— 77,73	— 55,59
Balance of transactions in private treasure	..	— 1	— 4	— 9
Total Visible Balance of Trade	+ 93	— 17,15	— 77,77	— 55,68
Imports :—				
Total C'wealth Countries	18,45	25,91	193,30	217,34
Total Foreign Countries	25,09	47,71	313,06	390,20
Exports:—				
Total C'wealth Countries	20,38	27,49	199,50	280,98
Total Foreign Countries	23,59	28,37	225,49	259,28

* Excludes value of certain special imports of foodgrains and stores, ful particulars of which are not yet available.

LAND-BORNE TRADE : INDIA

Particulars	December, 1952	December, 1951	Nine months April to Dec., 1952	Nine months April to Dec., 1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	1.24	3,05	17.24	17.64
Imports	91†	4,02	16,86†	67,21
Balance of trade in merchandise	‡ — 97		‡	— 49,57

† Incomplete—Excludes the value of 37,093 tons or 207,721 bales of jute imported during December, 1952, awaiting adjustment; Data Incomplete.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES
(Base: 1944 = 100)

Name of Centre	Cereals			Pulses			Other articles of Food			All articles of Food			Fuel and Lighting			Clothing			Miscellaneous		
	Nov. 1951	Oct. 1952	Nov. 1952	Nov. 1951	Oct. 1952	Nov. 1952	Nov. 1951	Oct. 1952	Nov. 1952	Nov. 1951	Oct. 1952	Nov. 1952	Nov. 1951	Oct. 1952	Nov. 1952	Nov. 1951	Oct. 1952	Nov. 1952	Nov. 1951	Oct. 1952	Nov. 1952
Eastern Zone																					
Bamra	169	219	206†	111	92	88	185	139	138	170	144	141	96	114	114	202	219	217	188	193	204†
Maibang	163	x	x	133	x	x	174	x	x	166	x	112	x	x	x	164	x	x	116	x	x
Shankargarh	125	158	147	155	168	172	211	159	158	170	160	157	101	95	95	164	140	141	141	139	140
Sonaili	354	271	262	181	162	167	257	193	197	260	201	202	125	125	125	273	208	201	348	278	278
Northern Zone																					
Multapi	188	124	124	168	153	153	182	173	175	179	161	162	115	123	123	148	166	165	169	197	197
Nana	322	279	260†	274	307	268†	236	195	197	258	225	218	144	129	113†	233	205	205	208	204	197
Salamatpur	268	265	249†	301	297	300	240	214	211	257	240	235	100	129	129	144	137	136	257	262	266
Southern Zone																					
Krishna	313	193	197	202	187	186	201	164	160	222	171	169	145	129	124	180	139	136	211	207	202
Lakh	179	249	249	176	176	183	174	132	128	175	160	159	86	91	86	132	138	138	144	131	131
Malur	161	171	171	173	133	134	174	134	135	171	142	143	89	100	100	427	234	230	179	163	163
Muniguda	326	225	220	270	222	231	348	213	218	331	217	220	105	135	134	221	208	205	246	261	259
Kudchi	123	189	177†	130	153	153	202	162	162	181	165	163	100	127	127	145	141	134	164	192	186

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 23rd April, 1953	57,894
	Corresponding week, 1952	61,501
	1st Sept. 1952 to 23rd April, 1953	12,75,244
	Corresponding period, 1951-52	12,24,447
Cotton Exports	Week ended 23rd April, 1953	6,372
	Corresponding week, 1952	—
	1st Sept. 1952 to 23rd April, 1953	2,45,095
	Corresponding period, 1952	4,251
Mill Consumption	1st Sept. 1952 to 23rd April 1953	7,87,869A
	Corresponding period, 1951-52	6,52,887
Stock (with exporters dealers and mills)	On 23rd April, 1953	5,93,854
	Corresponding date, 1952	5,78,533
Karachi (Pakistan)*		
Receipts	Week ended 18th April, 1953	N.A.
	Corresponding period, 1952	27,712
	1st Sept. 1952 to 18th April 1953	14,88,402(a)
	Corresponding period, 1951-52	13,19,767
Exports	Week ended 18th April, 1953	N.A.
	Corresponding period, 1952	18,500
	1st Sept. 1952 to 18th April 1953	10,24,111(a)
	Corresponding period, 1951-52	8,45,000

Particulars	From 1st Sept., '52 to 27th April, 1953 Bales	From 1st Sept., '51 to 27th April, 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	12,852	—
Continent	83,405	1,390
China	818	—
Japan	1,19,757	1,075
U.S.A.	30,201	2,554
Other Countries	4,576	111
Total to all foreign countries	2,51,109	6,030
Coastal Ports	1,03,871	74,468

Period		Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	January, 1953	3,23,677
Foreign		65,067
Indian	Five months September to January, 1953	15 31,046
Foreign		3,55,621
Indian	Same Period 1951-52	12,07,406
Foreign		4,42,623
Stocks (Mills and Elsewhere)—		
Indian	As on 31st Jan., 1953	10,25,020
Foreign		2,77,317
Indian	As on 31st Jan., 1953	10,75,066
Foreign		2,72,722
	Week ended 17th April, 1953	7,604
	Corresponding week, 1952	10,918
Cotton Pressed†	1st Sept. 1952 to 17th April 1953	20,05,941
	Corresponding period, 1951-52	20,86,815

* As reported by the Karachi Cotton Association Ltd. * A. Adjusted. (a) Upto 11th April. N.A.—Not Available. † Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	103⅜
4 % Bonds	1926-33	63,30,26,000	1960-70	102¼
3 % Loan	1938-39	1,16,17,46,000	1963-65	92¼
3 % Loan	1943	14,60,58,000	1964	92¼
3 % Loan	1950	30,33,10,000	1965-70	90 ⅝
3 % Loan	1943	1,10,11,78,000	1957	98¼
3 % V. Loan	1944	1,14,06,89,000	1970-75	86¼
3 % Loan	1945	1,15,05,83,000	1959-61	96 ⅜
3 % Loan	1945	1,13,65,64,000	1958	98¼
3 % Loan	1951	50,00,00,000	1960	93¼
2½% Loan	1946	45,63 07,000	1961	90¼
2½% Loan	1946	57,00,69,000	1954	98 ⅛
2½% Loan	1946	35,06,06,000	1976	82¼
2½% Loan	1946	14,77,48,000	1962	91¼
2½% Loan	1947	75,86,72,000	1965	98¼
2½% Loan	1948	60,45,01,000	1955	98¼
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,36,000	At option of Government after three months, notice	82¼
			On September, 1986 or later at option of Government after three months, notice.	82¼
3 % Loan	1946	48,91,90,000		
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,85,66,000	1954-59	100¼
4½% Loan	1928	5,85,20,000	1958-68	105
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	18th Sept. 1955	98¼
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	98¼
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97¼
3 % Bombay	1949	6,00,00,000	1st Aug. 1952	95
3 % Bombay	1950	3,00,00,000	31st July 1960	95¼
3½% Bombay	1951	3,00,00,000	17th Sept. 1962	94
4 % Bombay	1952	3,50,00,000	1st Aug. 1964	98
3 % Cochin	1943	1,00,00,000	1st Oct. 1953-55	98 ⅛
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98 ⅛
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Travancore			1956-66	95
Bridge (New)	1936-37	2,31,07,100	15th Sept. 1953	100
3 % Madras	1938	1,42,08,300	21st June 1959	95 ⅛
3 % Madras	1939	1,29,76,600	18th Sept. 1955	98 ⅛
3 % Madras	1942	1,23,25,000	14th Sept. 1956	98 ⅛
3 % Madras	1943	1,25,10,000	14th Sept. 1956	98 ⅛
3 % Madras	1944	3,00,00,000	15th Aug. 1958	96¼
3 % Madras	1945	2,82,19,000	14th Sept. 1960	94¼
2½% Madras	1946	3,90,93,200	1st Sept. 1961	90 ⅛
3 % Madras	1950	4,47,00,000	31st July 1960	94¼
3½% Madras	1951	3,00,00,000	17th Sept. 1962	97½
4 % Madras	1952	5,00,00,000	1st Aug. 1964	100-13⅛
3 % Mysore(f)	1930	1,63,44,300	1st Nov. 1955	105¼
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100½
3 % Mysore(f)	1936	5,99,72,900	30th April 1956-61	98¼
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	98¼
3 % M.P.	1942	50,00,000	18th Sept. 1955	98¼
3 % M.P.	1943	50,54,200	14th Sept. 1956	98¼
3 % M.P.	1944	52,69,800	15th Aug. 1958	96¼
3 % M.P.	1948	2,03,00,000	15th Sept. 1964	91¼
3 % M.P.	1950	1,00,28,800	31st July 1960	94¼
3½% M.P.	1951	1,00,00,000	17th Sept. 1962	97¼
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99¼
3 % Punjab**	1943	2,35,20,000	18th Sept. 1955	99¼
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99¼
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	98¼
3½% Travancore	1944	3,00,00,000	15th May 1952-54	99¼
3½% Travancore	1936	50,00,000	16th Aug. 1956	99¼
4 % U.P.	1936	1,69,39,800	15th Sept. 1961-66	90¼
3 % U.P.	1944	3,23,96,800	1st Aug. 1958	97
3 % U.P.	1945	2,36,31,900	14th Sept. 1960	94¼
3 % U.P.	1946	2,41,19,800	1st Sept. 1961	95⅝
3 % U.P.	1951	2,00,00,000	17th Sept. 1962	97¼
3½% U.P.	1951	2,00,00,000	1st Aug. 1964	100¼
4 % W. Bengal	1951	1,7500,000	17th Sept. 1962	98⅛
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100¼

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
		BOMBAY		
Rs.				Rs.
36,50,000	4	1904	1964	
15,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1909	1970	97¼
40,00,000	4	1909	1970	
36,00,000	4	1910	1971	
75,00,000	4	1912	1972	
1,10,00,000	4	1912	1973	D
14,35,876	4	1913*	1960	90⅞
80,00,000	4	1913	1974	90¼
25,00,000	4	1914	1975	99N
10,00,000	4	1915*	1960	
10,00,000	4	1915*	1975	
55,00,000	4	1922*	1960	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1960	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1931*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1976	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
		CALCUTTA		
Rs.				Rs.
90,24,300	4	1914	1974	98
76,90,100	4	1915	1975	98
68,02,300C	3†	1921	1981	79N
1,50,00,000C	6½	1921	1981	144N
1,24,00,300	6	1925	1955-85	105
98,21,600	5½	1926	1956-86	104
99,84,300B	5	1926	1956-86	103
1,49,49,500B	5	1927	1957-87	103½
1,49,30,000	5	1928	1958-88	104
80,00,000	4‡	1931	1991	92½
21,75,000C	3	1933	1954	99
60,00,000	3½	1935	1965	95¼
25,00,000	3	1938	1963-68	88
50,00,000	3	1942	2005	70N
50,00,000	3	1945	1970	82¼
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2‡	1947	1977	78¼
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94½
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79N
1,50,00,000	3½	1951	1961	97¼
		STERLING LOANS		
£892,600	5	1923	1933-83	£83
£901,000	5	1924	1954-84	£85
£835,100	5½	1932	1962	£96
		MADRAS		
Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1882	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug.				
3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	
		STERLING LOAN		
£330,000	5½	1923	1953	£100N

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
		BOMBAY		
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
50,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
50,00,000	4	1905	1965	97½
20,00,000	4	1906	1966	
10,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	97½
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	113
66,00,000	5	1920	1955-80	
25,00,000	5	1926	1956-86	115
25,00,000	4	1927	1961-70	98
10,00,000	3½	1936	1966	96¾
		STERLING LOANS		
£566,600	4	1909	1969	£95½
£333,000	4	1910	1970	£95½
		CALCUTTA		
Rs.				Rs.
50,00,000	6	1925	1955	107
25,00,000	5½	1929	1959	99¼
50,00,000	4	1934	1964	94
35,00,000	3½	1935	1965	89
30,00,000	3	1936	1966	89
50,00,000	3	1937	1967	90
20,00,000	3	1939	1963-68	88
80,00,000	4	1952	1962	100
		STERLING LOANS		
£700,000	5½	1923	1953	£100

MUNICIPAL LOANS

Rs.		**BOMBAY**		Rs.
49,40,000	4	1913-14	1954	100
20,60,000	4	1913-15	1955	99¼
20,00,000	4	1913-15	1955	100
10,00,000	5	1920	1980	113
10,00,000	6	1924	1954	103½
25,00,000	5	1928	1958	
8,45,500	5	1929	1949-59	105
26,21,000	5	1929	1954-59	to
8,25,00,000	3½	1947	1977	103
2,50,00,000	3½	1949	1979	85
4,00,00,000	3½	1950	1965	91½
2,50,00,000	4	1952	1964	100½
2,00,00,000	3½	1951	1966	96
		CALCUTTA		
Rs.				Rs.
34,45,500	6½	1925	1955	106
84,70,000	5	1925	1955	104
36,00,000	5	1928	1958	103½
25,00,000	5	1929	1957	103½
25,00,000	5	1929	1958	103
10,00,000	5½	1932	1962	103
33,91,000	3½	1935	1965	99¼
5,19,000	3	1936	1955	88½
60,00,000	3	1936	1966	89½
1,46,100	3	1936	1953	98½
3,11,400	3	1937	1957	98½
4,67,100	3	1937	1954	98½
1,62,500	3	1937	1954	98½
4,18,100	3	1937	1954	98
47,50,000	3	1938	1968	97½
10,67,700	3	1938	1955	99½
15,56,800	4	1939	1956	99¼
15,56,800	4	1940	1957	99¼
17,64,400	3½	1942	1959	96
21,10,000	3½	1942	1972	96
15,49,000	3½	1951	1960	96
16,33,000	3½	1951	1961	96
66,88,000	3½	1951	1966	95¾
87,36,000	4	1952	1962	
		MADRAS		
Rs.				Rs.
5,00,000	4	1903	1953	101
5,00,000	6	1923	1953	107
3,40,000	7	1925	1955	107½

ABBREVIATIONS.—M=Held by Government of Madras. N=Nominal. I=Various Issues repayable to Government.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners. * Loans held entirely by the Trustees
(a) This includes the amount of loan converted into First Development Loan 1976-75. (Income-tax free. A=Held by Government of India.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935- ** Quotations in Pak. Currency

PREFERENCE SHARES

Company	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	132	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec.	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	88	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	141	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	117	100
†East India Distilleries	£200,000	1897	7	Jan. July	15½	£1
Gwalior Sugar	6,75,000(c)	1940	7½	Dec. ..	77	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	75	100
Partabpore Co.	6,00,000	1922	10	Oct. ..	15½	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	96	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	70	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	75N	100
Travancore	15,00,000	1946	5c	Dec. ..	90N	100
Upper Ganges	12,00,000	1932	5	Dec. ..	70N	100
Do	15,00,000	1946	5(a)	Dec. ..		100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	116	100
Berrea	4,00,000	1896-97	6½	Oct. Apr.	116	100
Barratur (1st)	22,95,800	1901-19	7	Apr. Oct.	119	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	113	100
Equitable	4,00,000	1895	6	Mar. Sept.	85	75(pp
Karanpura Collieries	7,50,000	1948	5½(a)	.. ..	6N	10
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	10	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12½	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	113	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan. July	131½	100
Basanti Cotton	3,00,000	1938	6½	Nov. ..	7	10
Benares Cotton	1,05,200	1919	7	Mar. ..	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	121	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	120	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	78	100
Bradbury	14,75,000	1919	7	June Dec.	310½	250
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	142½	100
Cambodias	1,00,000	1928	7	Apr. ..	131½	100
Central India	50,00,000	1912	7	Apr. Oct.	225	500
Coimbatore Pioneer	1,00,000	1933	6½	Nov. ..	130½	100
Elgin	11,00,000	1912	8	May Nov.	140	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	10	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	95	100
Kesoram	20,00,000	1919	7	June Dec.	128	100
Khatau Makanji	10,00,000	1923	6	Nov. ..	—	100
Do. (2nd)	29,92,500	1947	7	.. ..	85	10
Kothari	12,00,000	1937	6	Nov. ..	10½	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	.. ..	235	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	January	72	100
Muir Mills	30,00,000	1900	6	Jan. July	108	100
Mysore Spg.	7,45,050	1944	4½	.. ..	180xd	200
New Great	8,00,000	1913	5½(a)	Mar. ..		5
New Victoria	26,05,300	1920	6	Apr. Oct.	3½	100
Pedar Mills	10,00,000	1943	4	Feb. ..	80	100

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. G=Guaranteed shares. P=Preference shares. P.O.=Preferred Ordinary shares. R=Rebate shares. Y=Accounts published yearly. H=Accounts published Haf-yearly. Q=Accounts publishe once 15 months. T=Company has Debentures. R.L.=Reserve Liability on shares. N=Nominal Quotation. i=Interim Dividend. f=Dividend for first half-year, y=Dividend for the year. x=Ex. Dividend c.d.=Cum. Dividend.

Shares:—If a company has different classes of shares—as, for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under "Paid-up Per Share."

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12 indicate the months of June and December, respectively. 'Reserves" ncludes general and other reserves and all other funds which a company may have as also depreciation on block items, when this is charged to separate account "Block" represents actual cost of land, buildings, machinery, and all such other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends:—Dividends for completed years are calculated at per cent, per annum, but, where quoted for portion of a year, they represent percentages of the dividend on the paid-up share value. For companies closing the boo half-yearly in the first three months of the year, and for companies closing their books yearly during the first half of the year dividends are shown as for the previous year.

COTTON MILLS

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	¶Number Installed: Spindles	¶Number Installed: Looms	Mill	Latest Available Quotation.	Paid-up Per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts closed	Reference
Rs.	Rs.	Rs	Rs.					Rs.	Rs						
BOMBAY CITY AND ISLAND															
50,00,000	59,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	2–13¼	2	12½	12½	15¼		12	Y.
40,00,000	96,25,655	1,22,39,883	45,646	B. R. Sons, Ltd.	50,828	1,021	Beharilal Ramcharan Cotton Mills	51½	100	6	6	—		3	T.P.Y.
2,50,98,000	5,35,82,946	3,76,37,187	1,80,774	Nowrosjee Wadia & Son, Ltd.	1,82,072	4,855	Bombay Dyeing, etc.	395xd	250	16	7	8	8	12	Y.
10,00,000	68,56,275	52,02,609	2,59,868	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	707½	250	24	40	40		3	P.Y.
1,09,42,800	3,69,11,265	2,42,52,821	5,30,869	Birla Bros., Ltd	1,09,320	2,706	Century	273xd	100	15	18	20	20	12	Y.
49,00,000	76,78,063	1,06,30,358	5,066	V. J. Pilani, Esq. (Chairman)	39,408	698	Colaba Land & Mill	71	100	—	—	4		12	Y.
26,00,000	47,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd.	27,308	680	Coorla	108½xd	100	7½	7½	7½		3	
16,00,000	64,96,041	63,03,745	76,868	Ramnarain Sons, Ltd.	38,304	..	Dawn	64xd	50	4	—	12	12	12	Y.
34,00,000	78,85,000	63,06,555	91,036	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	241½	200	7½	7½	7½		12	Y.
25,00,000	82,92,517	1,09,92,288	64,188	Chidambaram, Muthaj & Co., Ltd.	44,768	886	Elphinstone	41½	50	10	8	—		12	Y.
40,00,000	1,32,62,580	80,34,752	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay	322cd	100	15	15	20	20	12	P.
50,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	71,608	1,259	Hind Mills	—	10	5‡	4‡	5‡		6	P.Y.
12,00,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co.	45,752	1,022	Hindustan	3,260	1,000	17½	20	20*		3	P.Y.
00,00,0000	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	103	10	7‡	7‡	10‡		12	P.Y.
50,00,0000								1–11‡	1	12½	12½	25			
8,65,000								3,310	1,000	17½	20	20*		3	Y.
35,000	1,33,65,320	98,10,275	7,671	Damodhar Thack. Mooljee & Co.	47,172	1,191	Indian Manufacturing	—	500	—	—	—			P.Y.
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co	77,404	1,517	Khatau Makanjee	182½	100	12	14	10		6	P.Y.
1,00,00,000	3,43,80,831	2,90,52,252	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor	317cd	100	27½	18	25*	18	12	Y.
28,80,000A	60,88,538	4,61,890	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	80	100A	7½	5	6‡		6	Y.
3,60,000B								—	20B						
22,13,050	88,02,988	1,01,00,576	24,034	N. Sirur & Co. Ltd.	33,750	451	Modern Mills	50	50	14	8	14	10	10	P.T.Y.
31,75,000	1,65,94,653	71,00,015	2,80,686	Piramal Gangadhar & Others	60,652	1,450	Morarjee Goculdas	185	100	17	15*	12	10	6	P.Y.
24,00,000	67,21,958	71,22,987	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay	141½	100	11	12½	15	10	12	P.Y.
30,00,000	79,78,669	86,82,525	70,277	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Eastern	156	100	6‡	10	12½	10	12	Y.
12,70,100	35,74,176	28,92,872	423	Mafatlal Chandulal & Co.	33,720	873	New Union	25‡	10	—	5	10	12½	12	Y.
48,00,000	1,14,83,245	1,38,66,478	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix	100xd	100	6	10	10	8	12	
40,00,000	59,51,940	24,14,688	1,25,251	Podar Sons, Ltd.	32,600	930	Podar	136½	100	9	9	10	10	12	P.Y.
5,00,000	27,64,626	29,73,962	3,162	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk	23‡	10	26‡	20	20		12	Y.
25,00,000	59,86,822	41,49,241	21,950	M. G. Investment Corpn.	60,240	1,254	Sassoon Spinning	27‡	10	—	7½	10	12½	12	
60,00,000	93,52,612	65,79,388	3,19,198	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	170	100	12½	14	17½		12	P.Y.
31,50,000	1,00,00,000	76,05,952	50,222	Forbes, Forbes, Campbell &Co.,Ltd.	36,116	1,276	Simplex	176½xd	50	28	34	301		3	T.Y.
56,00,000	2,07,23,386	1,18,80,653	2,889	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard	305cd	100	15	15	26×	20	12	P.Y.
75,00,000	2,10,92,537	1,57,29,109	91,399	Tata Industries Ltd.	65,040	2,000	Svadeshi	266½cd	100	14	16	18	16	12	P.Y.
24,00,000	1,20,11,676	65,86,475	5,71,220	James Finlay & Co., Ltd.	35,804	552	Swan	435cd	100	20	20	25	30	12	P.Y.
32,54,438	88,66,976	76,66,704	—2,05,128	Tata Industries Ltd.	63,248	1,800	Tata	42cd	25	8	8	16	4	12	P.T.Y.
12,00,000	1,17,01,933	86,62,657	4,299	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spinning	3,110	1,000	17½	20	20		3	T.Y.
AHMEDABAD															
20,00,000	84,99,543	51 95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	141½	100	8	12	10		6	P.Y.
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Hutheesing & Sons Ltd.	42,768	912	Aruna	410	100	13*	15*	20*		12	Y.
21,00,000	2,83,78,675	1,18,76,140	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind	763	100	22½	25	25	25	12	P.Y.
10,00,000	93,20,000	70,77,166	92,811	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning	261½	200	15	15	17½		12	
12,00,000	1,63,65,455	81,44,027	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	912	Asoka	450	100	15*	17	22	22*	12	P.Y.
1,24,77,072	3,38,63,311	3,71,68,168	2,87,005	Karamchand Premchand & Co	1,39,120	2,370	Calico	319	125	8	10	14–2/5	14–2/5	12	Y.
30,00,000	1,00,20,000	83,66,716	748	Tricumlal Bhogilal & Co.	39,316	867	New Commercial	1,055	500	10	11	12		12	P.Y
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agency Ltd.,	13,044	356	Basanti Cotton	3‡	10	—	5	3‡		12	P.T.Y
7,11,280	22,53,684	37,16,899	32,931	Bengal Textile Agency Ltd.	28,448	936	Bengal Luxmi	38N	40	—	7½	7½		3	
6,00,000	74,31,075	77,07,829	—28,432	K. Bullen & Co., Ltd.	42,872	841	Bowreah	212	100	—	—	—	—f	6.12	P.Y.
19,00,000	96,49,455	96,56,017	—27,794	K. Bullen & Co., Ltd.	42,944	818	Dunbar	124	100	5½	—	7	—f	6.12	H.
1,20,00,000	3,29,34,362	3,04,56,370	84,976	Birla Bros., Ltd.	69,352	1,990	Kesoram	19‡	15	12½	12½	11‡		3	P.Y
6,00,000A	71,09,841	79,53,833	51,255	Chakravarti Sons & Co.	23,484	442	Mobini	—	25	12½	7½	7½		12	Y.
33,96,097B									10						
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12,300	374	Arona Spg. & Wvg. Mills	5	10	9	3	6		12	T.Y
15,00,000	26,53,246	39,15,375	2,736	Ramlal & Co., Ltd.	50,000	..	Alagappa Textiles	6‡	100	—	9	6‡	6	12	P.Y
71,94 400s	96,26,706	1,90,39,719	18,450	Ind. Trust Fund	19,944	440	Azam Jahi Mills	65xd	100	15*	5‡			9	Y.
40,50,000	3,00,10,004	2,73,75,544	2,49,801	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	247‡	100	14‡	17½	20	15	6.12	P.T.H.
27,00,000	71,21,986	69,56,323	40,045	Binny & Co., (Madras), Ltd.	29,936	782	Bengal Nagpur	15	10	5	1‡	10	5f	6.12	P.Y.
60,00,000	77,87,070	1,03,33,381	11,806	Binoddram Balchand	37,312	1,338	Binod Mills	100N	100	17	5	5		12	P.Y.
15,00,000	1,33,79,264	84,27,674	4,60,089	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	58N	10	25	25	30		3	P.Y.
1,78,47,800	4,09,27,251	5,14,83,572	2,39,790	Binny & Co., Ltd. (Madras)	1,19,916	2,781	Buckingham & Carnatic	118	100	6‡	6‡	7½	4	6.12	
20,00,000	32,63,706	30,52,641	93,399	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia	11‡	10	7½	—	12½	10	12	P.Y.
30,00,000	64,46,347	47,79,878	32,599	Begg Sutherland & Co., Ltd.	28,796	391	Cawnpore Textiles	8‡	5	11‡	11‡	11‡		3.9	T.Y.
46,87,500	2,25,77,600	2,00,84,126	—16,38,224	Tata Industries Ltd.	1,15,188	2,062	Central India	163‡	100	6	6	2		6	P.Y.
12,00,000	33,29,989	27,82,848	—1,32,723	R Beema Nayudu & Co.	28,864	..	Coimbatore Cotton	150N	100	12½	12½	—	9	12	
20,00,000	17,94,432	20,04,313	9,816	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills	101	100	7	6	—		6	P.Y.
20,76,900	70,83,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	39‡	50	5	10	—		6	Y.
24,34,800	40,26,054	37,58,169	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi	174	100	25	25	20	10	12	P.Y.
8,84,94,925								28‡	25						
1,00,503	3,84,95,614	5,77,14,605	1,63,862	Bharat Ram, Esq.	75,604	1,830	Delhi Cloth (inc. Lyallpur Mills).	2½	2½	4	10			6	P.T.Y.
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd.	52,652	1,198	Elgin	17	10	12½	11‡	15		9	P.Y.
39,04,700	1,01,50,000	82,22,387	1,03,575	F. Forbes Campbell & Co., Ltd.	72,960	2	Gokak	216xd	100	15	10	14	17*	12	Y.
20,00,000	84,17,977	1,21,16,721	6,989	Govindram Seksaria (Indore)	30,420	1,420	Indore-Malwa United	91½	100	4	4	5		12	
8,90,000	22,88,977	18,75,134	487	G. V. Naidu & Co.	23,784	..	Janardhana	62	50	16	10	15		12	T.Y.
6,50,000	17,20,576	40,18,454	7,677	A. L. A. R. A. Chettiar and another	30,304	325	Kaleeswarar	305	100	—	—	—		12	Y.
24,00,000	25,50,000	43,66,106	54,577	Kothari & Sons	13,824	..	Kothari	10	10	7	7½	7½		6	P.Y.
32,00,000	1,62,37,879	1,37,67,873	1,99,524	The Bombay Co., Ltd	53,642	1,213	Lakshmi Cotton	600cd	250	15	15	20*	15	12	P.Y.
35,64,100	90,51,492	78,03,494	7,921	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	78‡	50	8	8	10		3	Y.
17,82,050A								38	25						
1,75,02,480	5,94,39,299	4,16,07,732	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura	35‡	15	17½	15	20	20	12	Y.
12,00,000	20,47,239	23,90,961	—15,121	A. L. A. R. S. Chettiar and 2 others.	21,856	..	Malabar	150cd	200	7½	4	6		12	Y.
60,00,000	93,17,047	52,62,343	50,249	W. A. Beardsell & Co., Ltd.	24,252	603	Mettur Industries	189½	100	25	12½	12½		3	Y.
29,80,884	65,78,942	71,79,459	22,669	N. Sirur & Co., Ltd.	36,416	678	Minerva	105	100	8*	5	6		12	Y.
94,91,850	96,08,512	1,34,73,361	29,643	B. Ahirchand Dadabhoy & Co.	49,456	952	Model Mills, Nagpur	143‡	250	6	3	3		6	P.Y.
30,00,000	1,55,94,651	1,53,39,271	7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir	215	100	24‡	—	—		12	P.Y.
9,71,850	4,06,541	20,43,991	—2,16,536	A. Sambha Moorty, Esq.	69	..	Mysore Silk Filatures	28	10	—	—	7‡		12	P.Y.
19,86,800	1,15,59,739	82,55,416	38,347	N. Sirur & Co., Ltd.	49,632	500	Mysore Spinning	123‡	50	20	18*	20*		12	P.Y.
13,61,780	22,98,130	27,85,556	—4,60,000	R. Suryanarayana Rao, Esq	6,000	..	Mysore Spun Silk	4‡	10	5d	6‡	—		3	
22,89,882	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd	50,228	1,148	New Victoria	1‡	2‡	—	—	—		12	P.T.Y.
3,07,095O								—	DI						
87,03,800	1,20,94,970	1,58,62,385	17,946	Ind. Trust Fund	30,896	717	Osmanshahi Mills	95N	100	14*	5‡	6‡	7	9	Y.
4,00,000A	19,98,937	20,58,777	19,670	Baghyalakshmi & Co.	22,800	..	Palani Andavar	52	50	4	10	16		12	P.Y.
15,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills	65	100	6	7½	5		12	P.T.Y.
25,30,420	36,19,473	40,65,619	11,306	A. G. G. Naidu & Co.	38,864	200	Radhakrishna	149cd	100	15	16	16		12	Y.
15,00,000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	25,896	..	Rajalakshmi	74‡	50	9	9	10		12	P.Y.
15,02,500	31,53,264	35,65,211	11,407	P. S. G. Nayudu & Sons	28,972	88	Sanga Vilas	42½	50	6	7	7½		12	P.Y.
60,00,000	89,59,172	1,04,60,739	5,506	Sir J. P. S. & Sons (Rampur), Ltd.	32,580	600	Raza Textiles	5–11‡	10	—	—	—			
16,00,000	1,58,55,370	2,03,51,339	—78,03,793	M. J. Divekar, Esq.	82,992	2,234	Sholapur	1,750	1,000	—	—	—		3	P.Y.
22,41,300	9,49,500	25,98,011	66,528	Gopaldas Liladhar & Co., Ltd	15,824	440	Shree Sajjan	75N	100	6	—	—		3	Y.
17,79,700	17,05,383	21,50,229	3,083	T. R. A. Ayyar & Bros., Ltd.	18,416	416	Sitaram	35‡	60	6‡	—	5		8	Y.
36,69,700	53,91,188	62,29,128	26,556	B. S. Viswesvaraiya, Esq.	25,200	292	Sri Krishnarajendra Mills	39	50	8*	8*	6*		3	Y.
15,00,000	1,30,50,807	58,49,305	58,49,305	Birla Brothers Ltd.	27,340	992	Sutlej Cotton Mills	37	10	40	40	40		3	P.Y.
17,50,000								9‡xd	10	5	5	5			
1,57,50,000O	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,12,216	2,077	Swadeshi (Cawnpore	9‡	10P.O.	9	9	9		12	P.Y.
13,98,630	16,70,493	12,91,002	9,843	M. R. & Sons	16,000	..	Trichinopoly	9‡xd	10	10	10	10	7	12	Y.
21,00,000	56,75,811	47,61,131	50,000	R. K. S. Chetty & Bros.	33,704	270	Vasanta	150	100	7	9	10	10	12	P.Y.
32,00,000	1,34,16,851	1,18,73,996	2,21,881	The Bombay Co., Ltd.	54,280	1,495	Vishnu	171‡cd	100	10	9	14*	10	12	P.Y.

* Includes Bonus. ‡ Only Depreciation. ¶ As on 31st August, 1952. †† Does not include depreciation.

× Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46. — Nil Dividend. xd=Ex. Dividend. C.d.=Cum. Dividend.

k) Includes Rs. 11-6 paid out of deferred Dividend Amount. † Subject to tax. ** Net Block.

J=As on 1st January, 1953.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs	Rs						
ART SILK AND RAYON MILLS													
60,42,600	72,66,192	4,27,10,526	38,933	Chinai & Co., Ltd.	National Rayon Corporation	84‡	100	—	—	—	—	12	P.Y
99,92,020	46,91,585	2,65,93,471	4,93,263	Emcete & Sons (Travancore) Ltd.	Travancore Rayons	4½	10	—	—	—	—	12	P.Y
BREWERIES AND DISTILLERIES													
13,28,000	65,17,840	96,16,910	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	20‡	25	11‡	11‡Q	—		5	P.Y.
6,64,000						9	10						
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	5‡	5	20	10	—		3	Y
						14‡xd	A 10sh.	10	10	10‡		9	P.Y
£330,000	£915,047	£1,010,005	£55,705	Parry's Holdings Ltd.	East India Distilleries and Sugar	18‡xd	B 20sh.		15	15			
24,00,000	8,54,296	7,56,660	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4	10	—	—	—		8	Y.
6,00,000	21,13,586	12,13,593	3,951	B. A. Mallya Esq.	United Breweries	150	75	15	10	20		3	Y.
CEMENT													
81,19,724	21,33,493	67,56,656	15,850	The Andhra Engineering Co., Ltd.	Andhra Cement Co.	94	100	3‡	3‡	7‡		12	P.Y.
43,14,600	16,94,310	17,14,992	1,01,035	Eastern Corporation Ltd.	Assam Bengal Cement	4‡	10	5	—			3	Y.
4,78,976D						‡	1						
10,56,20,438	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.	Associated Cement Companies	172‡	10	7	8‡	9‡	9‡	7	Y.
10,56,20,438						5‡	10	—	5	6‡		12	Y.
96,49,312	95,24,901	1,45,62,309	61,188	Hari Bros. Ltd.	Dalmia Cement	‡	1						
8,00,000D						16	25	—	—	5		3	P.Y.
61,01,180	27,27,600	1,26,09,755	90,853	Essen Ltd.	India Cements Ltd.	3–6‡	5D	—	—	—			
7,50,000D						7‡	5	3	4	8		12	Y.
15,00,000	1,46,20,109	1,65,80,416	81,840	Martin Burn Ltd.	Sonevalley Portland Cement								
CERAMIC; MINING AND QUARRYING													
31,70,655	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2‡	2‡	2‡	5	6‡		12	Y.
10,00,000	37,00,990	51,64,271	28,729	Bird & Co.	Biara Stone Lime Co.	29N	10	16‡	17‡	17‡		3.9	H.
80,00,000	17,91,749	50,93,341	12,332	Ram Kumar Agarwala & Bros.	Chrestien Mica Industries	9‡	10 O	10	10	5f		12	P.Y.
18,00,000D						6‡	5 D	15	15	7½f		12	Y.
89,14,200	£1,650 110	£1,643 983	£85,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	2–15‡	2ab.	12‡†	12‡†	12‡		61.2	H.
15,00,000	38,79,403	43,65,527	1,29,079	Bird & Co., Ltd.	Karanpura Development	13	10	—	—	—		61.2	H.
8,00,000F						10	10	—	—	—		3	Y.
6,00,000	6,40,199	7,98,882	9,812	Mysore Industrial Development Co.[.	Mysore Stoneware Pipes & Potteries	34	10	5‡(d)	10	10	15f	6.12	H.
10,00,000	37,28,402	31,47,718	74,275	Bird & Co., Ltd.	Orissa Minerals	17	10	6‡	6‡	12‡		2.8	H.
6,00,000	24,28,739	25,13,779	27,403	Andrew Yule & Co.	Reliance Firebricks	57xd	10	10	10	11‡		11	Y.
6,99,390	20,61,475	17,98,676	3,427	Killick Industries Ltd.	Shivrajpur Syndicate		10	15	17‡	35			
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	23,14,270	1,02,937	S. V. S. Iyer, Esq.	Kemp & Co.	245‡	200	18	10	10		3	Y.
92,14,870	55,77,268	2,53,78,334	8,595	Tata Sons, Ltd.	Tata Chemicals	9‡	10	—	—	—		6	T.Y
1,12,500	1,38,486	61,178	4,101	B. D. Nagar, Esq.	Thompson & Taylor	4‡	3	5‡	8‡‡			3	Y.
Other Centres													
25,00,000	54,68,041	63,66,814	59,559	Bhailal Amin & Sons., Ltd.	Alembic Chemical Works Co	105	100	—	8	8		12	Y.
62,00,000	1,07,29,152	2,20,10,944	2,51,870	Imperial Chem. Industries (India), Ltd.	Alkali and Chem. Corpn. of India	13‡	10	—S	4	6	6	9	Y.
12,84,700'B'O	68,00,287	78,49,947	10,67,400	S. P. Sen, Esq.	Bengal Chemical & Phar.	103‡	100	6	6			4	Y.
81,50,000	45,64,469	98,97,031	1,09,732	Sahu Bros. (Saurashtra) Ltd.	Dhranagdhra Chemicals	168	100	7	7	15		6	Y.
4,95,000	1,50,922	1,53,108	—21,738	D. C. Collaco, Esq.	Frank Ross & Co.	3‡	10	—	4‡	—		2	P.Y.
3,45,97,740	86,89,264‡	4,01,40,091	— 10,83,735	Seshasayee Bros. (Travancore) Ltd.	F.A.C.T.	3‡	10	—	2‡	—		12	Y.
90,49,345	30,74,302	83,46,263	21,842	Seshasayee Bros. Ltd.	Mettur Chemicals	4‡	10	—	—	3‡		3	Y.
24,81,220	34,32,111	40,15,501	14,741	E. V. Ganapati Iyer, Esq.	Mysore Chemicals and Fertilisers	8‡	10	4‡	9	9		5	Y.
75,00,000	6,18,752	4,52,143	19,283	Krishna & Co.	Mysore Chemical Mfrs.	12	10	3‡	5	12‡		3	P.Y.
5,00,000	19,82,894	15,88,659	48,158	C. A. Buxton, Esq.	Smith, Stanistreet & Co.	5‡	5	10	10	10		3	P.Y.
ELECTRICS (Bombay Presidency)													
5,24,68,240	1,92,18,232	7,57,55,041	3,319	Killick Industries Ltd.	Ahmedabad Electricity Co. Ltd.	110xd	100	6	6	6‡	6‡	9	T.Y.
2,12,77,000	2,28,03,288	5,23,35,938	35,587	Tata Hydro-Electric Agencies	Andhra Valley Power Supply Co.	1,425xd	1,000	7‡	7‡	7‡		6	P.T.Y.
1,24,97,300	56,55,204	1,51,38,887	1,642	Killick Industries Ltd.	Bombay Suburban Electric Supply	123‡	100	7	7	7		3	Y.
7,07,020	4,35,667	11,99,885	8,634	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	6‡xd	10	2.96	2.96	2.96	3.59	12	P.Y.
11,68,400	9,54,993	22,87,826	5,484	Rajaputana Textiles (Agencies) Ltd.	Nasik-Deolali Electric Supply	—	100	6	6	6	8	12	P.T.Y.
48,89,000	42,60,478	90,07,787	11,976	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	122‡	100	6‡	7	7‡		12	P.Y.
20,00,000	33,86,785	69,94,522	2,522	Killick Industries Ltd.	Rajaputana Electric Supply	130	100	7	7	7‡		12	P.Y.
1,00,00,000	1,82,69,078	3,68,77,954	18,192	Tata Hydro-Electric Agencies	Tata Hydro-Electric Power Supply	152xd	100	7

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
					OIL; PETROL, ETC.								
£750,000	£987,610	£257,232	—£718,934	I. C. H. Glass, Esq.	British Burma Petroleum Co.	1¼	4sh.	—	—	—		3	P.T.Y.
22,50,000	81,89,204	52,69,225	1,85,955	M. C. Alcock, Esq.	British Ceylon Corporation	13⅜	7½	20†	24†	32†		12	P.Y.
1,00,00,000	2,27,04,997	1,10,70,867	2,10,829	Steel Brothers & Co.	Indo-Burma Petroleum Co.	55¼	40	10	10	10		12	P.Y.
70,07,475	1,02,93,584	1,52,15,713	10,002	Tata Industries Ltd.	Tata Oil Mills	34⅜	25	4	6	8		3	P.Y.
6,00,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tide Water Oil Co. (India)	15	10	15	15	17½	5f	4.10	H.
					PAPER								
45,00,000	1,56,25,500	1,94,47,651	3,21,991	Balmer Lawrie & Co.	Bengal Paper Mills	44½	25	10	10	12½	6¼f	6.12	P.T.H.
30,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	159	100	7	10	11	5f	3.9	H.
25,00,000	48,30,215	47,81,895	52,615	P. R. Balakrishnan, Esq.	Mysore Paper Mills	13⅜	10	5d	7½	10*		3	Y.
41,95,000	2,73,41,080	3,27,84,408	1,91,321	Birla Bros., Ltd.	Orient Paper	32⅜	10	15	25	20	10f	3.9	P.T.H.
50,06,895	1,10,93,378	84,10,902	1,86,914	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	19⅜	10	9½	11½	15	7½f	6.12	P.T.H.
20,00,000													
10,00,000 'A'	58,56,913	76,25,937	9,851	Bajoria & Co.	Star Paper Mills	8⅜	10	—	—	5	2½f	3.9	P.T.H.
4,37,500 PO													
A*56,00,000 O	5,15,53,313	4,78,98,548	5,00,114	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	4¼	2½	10	10	10	5f	3.9	P.H.
B*56,04,800 O						35	A10	20	18⅔	20*	10*f	3.9	
						35	B10	20	18⅔	20*	10*f	3.9	
					PLANTING; PRODUCE AND RUBBER								
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	6¼	3	10	20	20		2	P.Y.
47,70,000	48,44,853	83,16,040	4,37,964	R. C. Paterson, Esq.	Consolidated Coffee Estate	17	10	17	20	18		6	P.Y.
4,00,000	4,20,814	4,49,625	11,931	Associated Planters, Ltd.	Cottanad Plantations	9½	10	7½	10			3	P.Y.
8,25,990	1,46,540	4,67,078	1,389	A. V. Thomas & Co., Ltd.	Pringford Estates	2½	10	—	—			4	P.Y.
6,00,000	19,08,079	9,81,715	46,448	A. V. Thomas & Co., Ltd.	Highland Produce	10⅛	10	25	45	45		12	P.Y.
4,00,000	9,97,558	7,20,198	43,506	A. V. Thomas & Co., Ltd.	Kaipatta Estates	17⅜	10	17½	20			4	Y.
4,00,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Malankara Rubber and Produce Co.	10¼	10	17½	30	35		3	Y.
27,00,000	25,83,648	14,90,888	83,433	A. V. Thomas & Co., Ltd.	Midland Rubber and Produce Co...	9½	10	6	12½	15		3	P.Y.
3,35,000	1,38,538	12,94,936	28,190	A. V. George & Co., Ltd.	Nennony Rubber	10	10	5	6f	10		12	P.Y.
2,00,000	1,93,721	24,72,000	2,305	Associated Planters, Ltd.	Nilambur Rubber Co.	8⅜	10	6	10	10		12	P.Y.
19,45,980	48,35,083	38,14,428	1,78,110	Peirce, Leslie & Co., Ltd.	Oonchariquey Valley Estates	3⅜	2	25	25	45		10	P.Y.
13,50,000	5,82,973	28,05,590	31,101	A. V. Thomas & Co., Ltd.	Rajagiri Rubber and Produce Co.	10	10	5	10	15		6	P.Y.
10,00,000	3,36,390	1,86,824	936	East India Agencies, Ltd.	Teekoy Rubbers (India) Ltd.	6¼	10	—	7½	9		3	P.T.Y.
8,50,000	1,81,279	5,11,395	66,520	A. V. George & Co.	Thamaraipally Rubber	12½	10	6¼	6¼	15		12	P.Y.
3,05,100	5,01,650	6,03,723	31,510	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co. Ltd.	2–5½	1	17½	20	25	25	9	Y
6,00,000	1,17,222	7,40,149	3,953	K. C. Cheriyan, Esq. (Secretary)	Travancore Rubbers	13¼	10	3½	10	20		12	Y.
41,00,000	14,90,372	67,61,27	3,25,086	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber and Tea Co., Ltd.	6	10	2½	6	10		12	P.Y.
20,00,000	6,09,535	22,92,945	2,575	P. T. Thomas, Esq.	Tropical Plantations Co.	20¾	10	10	12½	20	20	12	Y.
8,10,000	53,026	3,26,408	40,587	A. V. George & Co., Ltd.	Udayagiri Rubber	5⅜	10	5	—	—		12	P.Y.
6,25,850	2,79,994	7,07,482	33,166	Harrisons & Crossfield Ltd.	Vaikundam (Travancore) Rubber Co., Ltd.	13⅜	10	10	12½	20		12	Y.
1,68,000	78,624	3,43,636	14,082	M. K. Thomas & Co.	Woodland Estates	7⅜	10	7½	6¼	—		3	Y.
					PRESSING								
6,00,000	18,78,066	19,01,857	2,322	Andrew Yule & Co.	Calcutta Hydraulic Press	80	100	3	3	5		3	Y.
6,30,000	5,58,036	6,89,525	1,116	Pyne and Sons.	Camperdown Pressing	90N	100	4	6	7		7	Y.
8,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Central Hydraulic Press	95	100	3	5	5		6	Y.
					PROPERTY AND LAND								
10,00,780	25,11,061	42,65,283	419	S. A. Basil, Esq.	Humayan Properties	10½	10	—	6	—	5	9	P.Y.
60,00,000	34,67,735††	83,61,045**	—	David Sassoon & Co., Ltd.	Port Canning Land	24	100	—2	1½	1		4	Y.
94,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co.	Midnapore Zamindary	32	100	—	3	2		4	P.Y.
					SAW MILLS AND TIMBER								
15,99,998	29,73,877	10,38,508	60,887	Bird & Co.	Assam Saw Mills and Timber†	6¼	5	16⅔	15⅔	16⅔		9	Y.
50,00,000													
42,00,000	4,89,22,437	2,47,99,361	1 57,498	Wallace & Co.	Bombay-Burmah Trading	392½	125	12	30	18		5	Y.
						143⅜	50	12	30	18		5	Y.
6,00,000	7,04,037‡	7,80,451	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	55N	100	5	—	—		6	P.Y.
12,00,000	25,94,349	15,51,606	73,653	G. Arbuthnot & Co.	Indian Wood Products	37½	10	25	35	35		9	Y.
					SUGAR (U. P. and Bihar)								
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co	Bairampur Sugar	6⅜	5	—	20	—		6	Y.
12,00,000	28,96,740††	15,70,684**	2,81,000	Narang Bros.	Basti Sugar	120N	100	6½	10	—		4	Y.
19,40,050	23,60,462	27,54,525	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	7⅜xd	7½	—	15	8½	10	9	Y.
19,00,000	21,11,580	15,38,162	40,743	Cotton Agents Ltd.	Bharat Sugar	153N	10	10	15	15		6	Y.
32,00,000	1,03,86,777	1,29,41,870	41,747	Gladstone Lyall & Co., Ltd.	Carew & Co.	5⅜	10	5	—	—		6	P.T.Y
15,00,000	1,30,69,452	96,28,542	31,891	Begg Sutherland & Co.	Cawnpore Sugar	28	10	15	20	30	20	10	P.Y.
18,00,000	78,43,538	60,37,156	17,488	Begg Sutherland & Co.	Champarun Sugar	20⅛	10	15	15	20		6	
45,00,000	57,00,000	68,17,572	50,477	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	100	100	5⅛	6	12*		6	P.Y.
48,00,000	41,78,374	68,10,159	—4,15,271	Kilachand Devchand & Co	Kasar Sugar	80	5⅛	—	—	—		7	P.Y
7,89,100	31,59,777	25,99,076	115,051	Cotton Agents Ltd.	New India Sugar Mills	19	20N	40	—	3	4	6	P.Y.
11,00,000	27,48,180	36,39,370	3,895	Karam Chand Thapar & Bros., Ltd. ..	New Bavan	6¼	10	5	25	25		6	Y
							10	5	6¼	5		5	Y
12,59,575	58,13,366	53,06,760	8,39,095	Cotton Agents, Ltd	New Swadeshi Sugar Mills	180N	100	15	20	20		6	Y
						45N	25						
97,45,350	1,08,98,159	1,56,10,992	1,981	Cotton Agents, Ltd	Oudh Sugar Mills	80N	100	2½	2½			7	P.Y
						20N	25						
16,00,000	29,31,078	26,43,844	71,500	Narang Bros.	Punjab Sugar Mills	15N	12½	—	6			10	Y.
9,00,000	42,50,793	33,72,806	19,435	Begg Sutherland & Co.	Purtabpore Company	100N	100	—	—	20	10	10	P.Y.
11,99,000	26,05,463	24,18,182	15,410	Begg Sutherland & Co.	Ryam Sugar	15	10	15	25	20		6	P.Y.
20,00,000	69,96,641	1,03,56,230	4,188	Begg Sutherland & Co.	Samastipur Central Sugar	24½	10	15	20	20		6	Y.
9,99,950	11,66,782	21,41,729	10,162	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	13⅜	10	—	—	10	15	7	P.T.Y.
6,50,000 O				N. K. Ghose, Esq. & B. N. Datta.	Shujaipore Sugar	10⅛	10	—	—	5		6	Y.
1,75,000 D	11,94,395	27,92,174	—14,73,656	N. K. Jain & Co., Ltd.	South Behar Sugar	10	10	—	—	—		10	Y.
8,00,000	54,46,474	70,75,580	57,216	Cotton Agents, Ltd.	Upper Ganges	3N	10	—	—	—			
						2½	10	17½	20	20		6	Y.
						25½	30						
					(Indian States and Other Centres)								
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Balagar Co.	243	50	16½	25	28	32	9	Y.
33,57,350	46,47,856	38,47,284	4,64,518	Govan Bros. (Rampur), Ltd.	Buland Sugar	10¼N	10	7	7½	10		5	Y.
18,93,900	18,33,357	37,63,451	21,012	J.P. Srivastava&Sons(MadhyaBharat)Ld.	Gwalior Sugar Co., Ltd.	42N	100	—	5	3		6	P.Y.
13,00,000	38,42,751	22,63,689	2,71,331	India Sugar Agencies Ltd.	India Sugar & Refineries	20½	10	12½	15	25		6	Y.
81,79,280	1,49,74,559	97,24,107	6,27,296	M. Malleshayya, Esq.	Mysore Sugar	43	10	15	25	20	10f	3.9	P.T.H.
50,00,000	96,62,468	1,03,94,086	3,18,594	Mathilal, Apte & Kasilal, Ltd. ..	Phalsan Sugar Works	84⅜	50	14	16	16	16	9	P.T.Y
20,00,000	68,39,148	74,55,840	1,89,513	Anderson Wright Ltd.	Ramnugger Cane & Sugar Co., Ltd.	16⅜	10	7	14	18	18	9	P.T.Y
19,99,580	50,82,224	42,94,120	6,05,982	Govan Bros. (Rampur), Ltd.	Ravalgaon Sugar Farm Ltd.	90N	100	6	10	12½		9	Y.
30,00,000	23,82,353	58,70,150	20,980	Parry & Co., Ltd	Raza	12	10	—	—	—		7	P.Y.
1,01,00,000	1,29,20,737	1,71,89,516	2,07,926	Premier Construction Co., Ltd. ..	Travancore Sugars	4¼	10	—	—	—	14	9	P.T.Y.
					Walchandnagar Industries Ltd.	157½	100	17½	12	14		9	
					UNCLASSIFIED (Bombay)								
1 50,00,000	1,14,37,216	46,81,706	—4,88,411	Tata Industries Ltd.	Air-India Ltd.	84½	100	—	—	25		12	Y.
2,40,000	4,90,364	5,64,338	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	705	200	15	15	15	17½	9	Y.
59,89,550	2,64,61,962	3,70,82,313	53,607	Scindia Steam Navigation Co., Ltd. ..	Bombay Steam Navigation Co., Ltd.	36	25	—	—	—		6	P.Y.
15,98,860	1,28,207	2,19,255	32,663	Parakh Agencies Ltd.	Bombay Uprima	54N	50	5	5	5		12	Y.
25,00,000	1,30,000	24,37,096(k)	12,787	Dena Sons Ltd.	Devkaran Nanji Investment Co. ..	93	25	3	3	3		3	Y.
11,98,360	17,39,540	10,69,107	4,425	F. H. Mehta Esq.	Estrela Batteries	23N	50	6	5	3		3	P.Y.
94,99,250	18,35,375	1,27,45,383(k)	1,85,257	Premchand Roychand & Sons	Industrial Investment Trust	74cd	100	3	4	4½	4½	12	P.Y.
84,98,865	15,91,304	12,58,924	2,833	K. G. Milne, Esq.	Klilikk Industries	151	100	8	8½	10		6	Y
2,06,71,500 A							100						
10,00,000 B	65,85,939	2,20,52,503	4,52,797	Aero-Auto Ltd.	Premier Automobiles Ltd.	41	10	—	—	—			Y.
6,59,62,018	9,89,24,387	12,98,97,421	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co., Ltd.	13½xd	15	—	—	3½		6	Y.
1,50,000	3,71,437	2,21,590	3,145	R. B. Bandekar Esq.	Thacker & Co.	50N	50	10	10	10		6	Y.
10,21,200	17,95,712	14,71,107	36,713	Sir Joseph Kay, K.B.E.	United Motors (India) Ltd.	40xd	20	7½	10	15	15	12	Y
2,20,00,000	2,54,09,975	2,16,78,739	4,20,869	T. H. Rydin, Esq.	Western India Match Co., Ltd. ..	236½	100	11*	11*	11*	11*	12	Y
45,00,000	46,57,108	24,608	41,429	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	350N	150	8-5/6	13⅓	13⅓	13⅓	12	Y
					Other Centres								
47,50,000	4,90,364	5,64,338	702	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	4⅛	10	—	—	—		3	P.T.Y.
2,50,000 D													
30,00,000	53,38,668	31,59,164	5,24,909	Turner Morrison & Co., Ltd.	Angelo Brothers Ltd.	17⅜	10	10	17½*	25*	12½	8	Y.
20,00,000	57,04,139	42,88,118	1,35,909	T. H. Rydin, Esq.	Assam Match Co., Ltd.	20	10	12½*	12½*	12½*	12½*	12	P.Y.
30,00,000	50,83,038	92,32,652	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	5½	10	5	—	—		3	P.T.Y.
30,00,700	15,57,826	45,95,360	5,19,159	O. T. Jenkins, Esq.	Balmer Lawrie & Co.	297	100 O	20*	20*	25*		12	Y.
90,00,000							40 D	15	15	20			
20,00,000	1,19,26,323	1,24,61,121	2,04,690	Andrew Yule & Co., Ltd.	Bengal Assam Steamship Co., Ltd.	147	100	5	10	12½	12½	10	P.Y.
20,00,000	8,38,806	54,05,998(K)	1,25,380	Lovelock & Lewes	Birds Investments Ltd.	15⅛	10	11½	12½	12½	12½	9	P.Y.
1,80,00,000	1,00,01,433	2,26,31,139	1,16,835	Dinshaw Ltd.	Bharat Line	93	100	3	3	2		12	P.Y.
30,64,680	50,81,266	83,30,736	1,82,277	A. P. Chanda Esq.	Britannia Biscuit	14⅜	10	12½	12½	7½–I		3	P.Y.
3,35,00,000	2,85,64,167	47,78,193**	1,99,112	Sir Robert Menzies Kt., O.B.E.	British India Corporation Ltd. ..	8–5½	5	11½	15	15	12½	12	P.Y.
1,60,00,000	3,77,71,321	4,07,06,331	7,01,468	Cecil Stack, Esq.	Dunlop Rubber Co. (India) Ltd. ..	288	10	20	30	15–I	15	12	P.T.Y.
51,26,000	47,57,061	1,26,55,420(K)	3,15,489	Bird & Co., Ltd.	Eastern Investments Ltd.	138	100	8	9	9	9	12	P.Y.
71,00,000	29,82,208	24,09,208	17,990	Macneill & Barry Ltd.	Ganges Rope	193	100	20	22½	15f		3.9	P.Y.
65,00,000	34,13,857	15,62,902	2,07,524	A. J. Elkins, Esq.	Gillanders Arbuthnot & Co., Ltd.	128	100	7½	10	6		3	Y.
20,00,000	17,25,649	60,01,406	6,213	B. P. R. Syndicate	Great Eastern Hotel Co.	252	250	6	6	6		3	Y.
18,42,100	36,42,949	54,49,926	10,214	Birla Brothers, Ltd.	Hind Cycles	100N	100	—	7½	7½		12	P.T.Y.
4,96,12,650	39,45,519	2,61,59,292	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	10	10	—	—	—		12	Y.
1,60,00,000	1,59,65,053	3,07,88,193	22,27,867	J. W. E. Johnson, Esq.	Indian Aluminium Co.	110	100	—	3½	5	5z	12	P.Y.
1,52,89,220	1,31,92,732	57,92,390	9,29,554	D. J. McIntosh, Esq.	Indian Cables	18⅜	10	85	10*	10*		3	P.Y.
83,75,000 Q						3½	10	—	—	—			
5,00,000 P	51,91,428	95,82,228	—15,72,246	Govan Bros., Ltd.	Indian National Airways	7	10	—	—	—		12	P.Y.
1,25,000 D													
8,27,970	12,79,385	14,27,460	39,038	George Spencer Moulton & Co. (India).	Indian Rubber Manufacturers	13⅜	10	10	10	10		3	P.Y.
2,25,00,000	1,60,38,685	3,87,93,801	2,26,066	Lionel Edwards Ltd.	India Steamship Co., Ltd.	6⅛	10	—	—	5		3	P.T.Y.
2,40,000	4,33,028	67,247	36,496	G. V. Swalka, Esq.	Ivan Jones	4½	2	21⅛	21⅛	21⅛		9	Y.
2,00,00,000	53,39,343	27,16,648	8,35,848	J. D. K. Brown, Esq.	Jardine Henderson	127	100	10	10	10		1	P.Y.
6,34,000	9,97,633	6,91,531	—64,994	James & Co., Ltd.	Macfarlane & Co. Ltd.	2	5	—	—	—		3	Y.
40,00,0000 Y													
5,00,000 D	63,35,248	23,69,220	85,717	A. T. Doig, Esq.	McLeod & Co., Ltd.	137	O. 100	10	12½	12½		12	P.Y.
1,30,55,750	33,32,702	11,34,840	2,31,092	T. Leslie Martin Esq.	Martin Burn Ltd.	18⅛	D. 10	5	7½	7½		12	P.Y.
6,35,190	4,10,333	7,47,410	10,548	Ogale Glass Works Ltd.	Mysore Glass & Enamel Works ..	10	10	10	12½	11½	13⅜	8	P.Y.
2,75,000	7,74,593	8,79,856	3,666	R. Bharanjab, Esq.	Mysore Lamp Works	10	10	10	20	—		3	Y.
18,00,000	3,95,997	11,45,855	1,11,329	V. S. Arunachalam, Esq.	Mysore Tobacco	18⅛	10	—	10	10		3	P.Y.
20,00,000	51,92,159	50,16,078	11,045	Associated Ind. Development Co., Ltd.	National Insulated Cable Co., of India Ltd.	10⅛	10	5	5	7½		3	P.T.Y.
79,97,000	63,83,352	1,04,50,524	8,86,347	B. N. Elias & Co., Ltd.	National Tobacco Co.	11⅛	10	—	2½	5		3	P.T.Y.
14,87,137	6,67,696††	18,52,569**	23,513	S. F. Ogale & Co.	Ogale Glass Works	10⅛	10	—	—	2½		6	Y.
40,00,000	36,64,522	60,88,006	1,94,446	Parry's Holdings Ltd.	Parry & Co.	3	5	62½	80–I	32½		12	P.T.Y.
2,25,00,000	62,51,619	1,69,49,507	24,847	G. U. Euthymopulo, Esq.	Rallis India Ltd.	5⅜	10	8	8½	9		12	P.Y.
1 14,00,000	2,29,15,252	9,78,03,908	51,67,941	Sahu Jain Ltd.	Rohtas Industries	75⅜	100	—	—	7½	—	12	P.Y.
40,00,000	1,53,62,299	1,19,84,861	5,36,352	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	9⅛	10	—	—	—		10	P.Y.
75,00,000	22,00,000	1,75,74,498	2,62,138	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	12⅜	10	10	10	15		6	P.Y.
9,98,280	3,19,364	8,90,420	1,855	Govan Bros., Ltd.	Travancore Ogale Glass	3⅜	10	—	4	—	—	12	Y.

†† Does not include depreciation. * Includes Bonus. ** Net Block. C.D.—Cum Dividend. I On Increased Capital.
‡ Only Depreciation —Nil Dividend. † Less incometax. (c) For six months ended June, 1949.
Z.—For fifteen months ended 31st December, 1952. K—Investments. X.R.—Ex-Right. (d) For nine months ended March, 1950

TEA COMPANIES

Paid-up Ordinary Capital Rs	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
						ASSAM								
4,45,700	8,88,467	7,88,306	—	McLeod & Co., Ltd.	825	Amluckie	450N	100	20	25	—		12	P.Y.
3,50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd. ..	400½	Anandabagi	25½	10	25	40	30		12	Y.
3,50,000	10,64,192	12,05,396	—89,152	McLeod & Co., Ltd.	573	Baghmari	10	10	12½	17½	—		12	Y.
3,40,000	9,12,883	7,05,721	44,989	Andrew Yule & Co., Ltd.	360	Banmatia	24	10	30	30	25		12	Y.
3,30,600	7,24,887	8,38,278	71,941	Williamson Magor & Co.	556	Bateli	11½	5	25	30	10		13	T.Y.
3,20,000	6,19,032	6,72,731	54,942	Gillanders Arbuthnot & Co., Ltd. ..	566	Betjan	24	10	20	35	15		12	Y.
16,50,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co.	4,004	Bishnauth	26½	10	35	50	5		13	T.Y.
6,00,000	4,80,346	9,78,429	—1,90,802	Octavius Steel & Co., Ltd.	493	Bokakhat	4½	10	5	5	—		12	Y.
7,50,000	5,06,959	7,64,836	22,297	McLeod & Co., Ltd.	450	Borman Jan Tea Co., Ltd.	11	10	15	15	15		12	P.Y.
35,00,000	22,18,001	70,96,925	87,990	Brooke Bond India Ltd.	2,670	Brooke Bond	11⅜	10	10	10	10		6	P.Y.
1,20,000	3,06,715	3,66,030	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	8⅜	10	6½	15	—		13	Y.
6,00,000	22,17,578	24,24,301	25,545	Jardine Henderson Ltd.	1,341	Dessai & Parbattie	225	100	15	30	22½		13	Y.
17,53,440	7,15,393	19,11,105	54,461	James Warren Ltd.	1,365	Dhekiakhat	426	10	10	16	12		13	Y.
4,68,970	8,90,863	13,71,610	13,371	Andrew Yule & Co., Ltd.	613.37	Dhunseri	10	10	10	20	10		12	T.Y
4,50,000	6,57,765	9,86,816	14,389	McLeod & Co., Ltd.	458

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
60,00,000	1,02,72,130	95,73,184	3,33,368	879	B. N. Elias & Co., Ltd.	Agarpara	19	10	10	15	20	10f	3.9	P.T.H.
12,00,000	50,61,739	45,32,316	16,522	498	Sahu Jain Ltd.	Albion	190	100	—	14	30	8f	5.11	P.H.
6,00,000	30,75,572	47,33,264	—3,29,636	446	McLeod & Co., Ltd.	Alexandra	200	100	—	5	—	—f	6.12	T.P.H.
20,00,000	85,82,864	1,17,03,966	—13,63,074	1,264	McLeod & Co., Ltd.	Alliance	153	100	—	2½	—	—f	6.12	P.H.
49,20,700	2,31,84,144	2,24,03,099	1,44,601	2,361	Duncan Bros. & Co.	Anglo-India	228	100	—	20	20	10f	3.9	P.H.
40,00,000	1,18,83,050	1,31 13,967	71,745	810	Bird & Co., Ltd.	Auckland	117	100	1½	10	10	4f	3.9	P.T.H.
20,00,000	92,46,901	97,14,511	55,967	959	Jardine Henderson & Co.	Bally	154	100	7	12	1	—f	3.9	P.H.
£275,000	£1,680,379	£1,328,460	£91,091	1,890	Jardine Henderson & Co.	Barnagore	158	£5	20	20	20		3	P.Y.
28,00,000	80,27,627	88,01,241	26,347	820	Andrew Yule & Co.	Belvedere	198xd	100	13	17	27½	15	6.12	P.H.
45,00,000	78,51,305	51,03,385	4,07,701	600	Soorajmull Nagarmull	Bengal	15	10	13½	15	30		6	T.P.Y.
30,42,000	3,71,54,151	3,06,60,933	1,38,294	1,373	Birla Bros.	Birla	36½	10	25	30	30		3	P.Y.
96,00,000	98,57,668	1,07,77,342	23,598	991	Andrew Yule & Co., Ltd.	Budge-Budge	168	100	7	13	22	6½f	4.10	H.
7,47,380	30,53,704	39,44 698	34,320	502	Dayaram & Sons	Calcutta Jute Manufacturing	18½N	10	—	—	20		6.12	T.P.H.
18,00,000	65,79,289	75,43,878	32,228	616	Andrew Yule & Co.	Caledonian	152	100	5	14	22	12	5.11	P.H.
99,16,400	2,11,26,602	1,62,21,807	1,35,299	1,400	James Finlay & Co., Ltd.	Champdany	159½	100	3	10	14	8f	3.9	P.H.
15,95,000	78,33,608	79,40,140	45,839	530	Andrew Yule & Co., Ltd.	Cheviot	199	100	13½	16	22	12	5.11	T.P.H.
10,05,000	83,89,114	55,21,773	60,392	500	McLeod & Co.	Chitavalsah	26½	10	12½	15	60	25f	6.12	P.H.
16,00,000	80,24,460	77,89,914	1,01,979	969	Shree Krishna Investment Co., Ltd.	Clive	26	10	12½	35	20		3	
31,49,200	1,21,56,497	1,16,59,962	21,356	766	Bird & Co., Ltd.	Dalhousie	134	100	1	11	12	1f	3.9	P.H.
88,00,000	86,65,708	73,72,811	50,826	779	Andrew Yule & Co.	Delta	233	100	11	17½	32½	20	5.11	P.H.
15,00,000	87,15,460	74,82,992	45,656	300	McLeod & Co.	Empire	20	10	10	20	25	5f	6.12	T.P.H.
81,00,000	2,35,23,130	2,62,73,643	1,801	1,884	Kettlewell Bullen & Co.	Fort Gloster	275	100	2½	32½	22½	—f	3.9	P.H.
14,00,000	48,25,115	69,94,729	—8,32,397	1,014	G. C. Bangur, Esq.	Fort William	305N	100	—	10	—		3.9	P.H.
84,32,100	1,40,47,668	2,08,92,266	—12,29,673	1,709	Macneill & Barry Ltd.	Ganges	68	100	—	6½	2½	—f	3.9	T.P.H.
10,80,000	71,71,252	67,89,135	25,156	607	G. Arbuthnot & Co.	Gondalpara	800	300	—	15	30		12	P.H.
84,00,000	74,14, 915	1,35,90,393	96,381	1,394	Macneill & Barry Ltd.	Gourepore	270	100	2½	25	11½	—f	3.9	P.Y.
40,00,000	81,93,062	81,94,127	3,06,824	1,078	Bangur Bros. Ltd.	Hastings	233N	100	10	7	10		3	P.Y.
16,80,000	58,01,274	64,29,355	64,107	728	G. Arbuthnot & Co.	Hooghly	29½	10	10	30	15		3	P.H.
65,62,500	1,56,21,640	1,59,30,625	1,71,001	1,940	Jardine Henderson Ltd.	Howrah	24	10	7½	17½	18‡	8‡f	3.	T.P.Y
90,00,000	1,74,30,109	2,25,00,109	3,91,968	2,272	Ramduti Ramkissendas	Hukumchand	36½	10	7½	45‡	66‡		3	P.H.
87,00,000	88,97,267	1,11,41,130	77,979	1,076	Mackinnon Mackenzie & Co.	India	127	O. 125 D. 1	5½	5½	3‡	24f	3.9	P.H.
24,00,000														
19,20,000'B'	1,36,54,330	1,36,47,095	92,899	1,797	Jardine Henderson Ltd.	Kamarhatty	195xd	100	—	17	22½	14½	6.12	P.H.
30,00,000							180xd	100						
24,00,000'B'	1,04,29,702	1,30,34,859	83,881	1,527	Jardine Henderson Ltd.	Kanknarrah	143xd	100	—	—	12½	10	6.12	P.H.
81,00,000	1,13,89,109	91,65,930	1,07,129	703	McLeod & Co.	Kelvin	133	100	10	20	25	7½f	6.12	P.H.
84,00,000	1,18,86,997	1,59,17,038	2,06,473	1,530	Anderson Wright Ltd.	Khardah	221	100	—	25	16		3.9	P.H.
48,00,000	1,94,15,089	2,09,37,751	1,16,651	1,250	F. W. Heilgers & Co.	Kinnison	185	100	2½	14	19	7f	3.9	P.T.H.
24,48,000	1,24,25,159	1,33,71,480	40,487	931	Bird & Co., Ltd.	Lansdowne	195	100	2	21	15	3f	3.9	T.P.H.
88,00,000	1,19,87,748	1,13,75,207	6,954	940	Bird & Co., Ltd.	Lawrence	128	100	6	21½	22	4f	3.9	P.H.
10,00,000	70,30,427	50,24,402	64,167	558	Andrew Yule & Co.	Lothian	190	100	—	15	32½	30	5.11	P.H.
81,65,200	1,38,82,204	1,94,76,907	1,17,533	1,008	Mackinnon Mackenzie & Co.	Megna	229	100	4½	8‡	3‡	24f	3.9	H.
20,98 900	1,29,56,303	1,55,05,495	—2,80,351	815	F. W. Heilgers & Co.	Naihati	102	100	—	15	12	—f	3.9	P.T.H.
12,00,000	29,95,424	24,75,180	52,447	425	Howrah Trading Co., Ltd.	Naskarpara	126	100	—	10	15f		4.10	T.P.H.
85,00,000	50,49,988	27,56,895	45,733	852	Andrew Yule & Co.	National	15	10	10	15	25	10f	4.10	P.H.
7,50,000	52,11,917	24,37,663	21,343	316	McLeod & Co.	Nellimarla Jute	24‡	10	11‡	15	75	20	6.12	T.P.H.
10,50,000	66,36,905	45,98,858	7,738	709	Sahu Jain Ltd.	New Central	26‡	10	25	30	30	10f	6.12	P.H.
16,79,880	98,33,709	1,18,62,645	5 954	567	Bird & Co., Ltd.	Northbrook	220	100	6	14	30	12½f	6.12	P.T.H.
66,79,500	1,71,76,999	2 10,50,572	94 764	1,092	Macneill & Barry Ltd.	Noddea	18‡	10	—	—	20	—f	3.9	T.H.
84,91,000	70,60,941	70,35,063	81,356	601	Andrew Yule & Co., Ltd.	Orient	42	100	9	14	24	7	5.11	H.
							185							
85,00,000	63,83,642	80,79,256	—4,76,887	480	McLeod & Co.	Presidency	5‡	5	—	—	2½	—	6.12	T.H.
80,00,000	7,67,913‡	26,15,293	—3,29,549	305	Macneill & Co.	Rameshwara	5‡	10	—	1‡	—		3.9	H.P.
49,50,000	55,07,248	1,23,45,796	58,685	1,276	Jardine Henderson Ltd.	Reliance	13‡	10	—	—	—		3.9	P.H.
66,00,000	£9,99,994	£11,96,402	£76,498	2,013	Thomas Duff & Co. (India) Ltd.	Samnuggur	14‡	10	6‡‡	10‡‡	10	10f	12	P.Y.
30,00,000	68,57,466	95,49,412	87,40,952	911	Bagaria More Co., Ltd.	Shree Ambica (Adamjee)	17½	10	—	15	10		3.9	P.H.
7,00,000	45,17,785	48,14,456	2,73,383	401	Hindustan Investment Corpn.	Soorah	10‡	10	—	—	—		12	P.Y.
25,19,600	1,06,20,961	93,73,041	12,665	650	Bird & Co., Ltd.	Standard	100	100	4	15	15	16	3.9	P.H.
66,00,000	£8,36,984	£9,78,287	£1,29,393	1,794	Thomas Duff & Co. (India) Ltd.	Titaghur	135	10	6‡‡	10‡‡	10		12	Y.H.
85,98,600	1,80,41,145	1,73,93,324	15,098	1,326	Bird & Co., Ltd.	Union	11	100	2	10‡	21	1f	3.9	P.T.H.
64,00,000	£6,35,795	£10,47,385	£1,00,239	1,331	Thomas Duff & Co. (India) Ltd.	Victoria	160	11	6‡‡	10‡‡	10		12	Y.H.
2,50,000	32,89,383	55,48,403	—47,909	465	McLeod & Co.	Waverley	14‡	1	—	5	5	—f	6.12	P.T.H.
							5‡							

(t) For ten months ended 31st December, 1951. (For Nazira Coal) ‡‡ Subject to foreign income-tax. Only Depreciation. • Includes bonus.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
25,50,000	61,24,011	64,99,011	25,799	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	19½	10	17½	20	13‡	5f	3.9	H.
12,00,000	42,18,417	37,16,954	60,294	Jardine, H. & Co., Ltd.	Bararee Coke	17½	10	14‡	13‡	14‡	7‡f	3.9	H.
40,00,000	70,50,712	1,17,79,347	73,814	Sahu Jain Ltd.	Bharat Collieries	6½	10	6‡	10	10		4.10	P.H.
1,00,00,000	3,35,25,103	5,08,61,725	8,02,968	Andrew Yule & Co., Ltd.	Bengal	531	200	33½	17½	18‡•	10•f	6.12	H.
4,49,350	8,82,303	8,49,159	3,152	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	4N	10	2½	2½	2½	1‡f	6.12	P.H.
2,25,000	27,12,507	25,84,461	4,280	Andrew Yule & Co., Ltd.	Bengal-Nagpur	18	10	22½	16‡	10	3‡f	6.12	
15,97,900	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	4½	10	—	2½	1‡		9	Y.
7,15,000	50,04,831	50,17,715	3,437	F. W. Heilgers & Co., Ltd.	Bhulanbararee	12‡	10	—	6‡	6‡	2‡f	6.12	H.
16,00,000	53,46,046	67,83,723	—1,37,184	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	11‡	10	5	—	—		6.12	T.H.
7,50,000	42,42,776	40,82,736	1,07,078	F. W. Heilgers & Co., Ltd.	Borrea	29‡	10	20	30	30•	15f•	6.12	P.H.
90,92,480	3,23,04,936	3,94,53,208	1,54,703	Bird & Co., Ltd.	Burrakur	10‡	10	10‡	7½	7½	3‡	6.12	P.T.H.
49,97,000		23,16,089	8,776	Hindusthan Investment Corpn., Ltd.	Central India	5‡	10	—	—	—	—f	3	Y.
8,00,000	45,46,717	49,09,377	2,273	Anderson Wright & Co.	Central Kurkend	17½	10	12½	—	—	—f	6.12	P.H.
6,00,000	1,40,000	7,50,000k	28,918	F. W. Heilgers & Co., Ltd.	Churulia	16½	10	6‡	4‡	1‡	1‡	6.12	P.H.
16,00,000	30,89,961	44,04,602	12,039	Macneill & Barry Ltd.	Dhemo Main	3	4						
£120,000	£1,084,338	£872,414	£78,839	Jardine Henderson Ltd.	East Indian	10‡	10	10‡	10	10	2‡f	6.12	H.
29,63,760	3,25,97,992	3,19,86,409	2,12,912	Macneill & Barry Ltd.	Equitable	£1	10	12‡	37‡	37‡		4	Y.
10,00,000	4,83,963	8,41,725	66,865	Bhatter's Agency Ltd.	Ghusick and Muslia	44	10	25	25	25	15f	3	H.
8,00,000	21,52,141	21,57,376	14,404	Macneill & Barry Ltd.	Hurriladih	15N	3	20	5			6.12	H.
3,50,000	11,63,346	12,53,839	40,107	Andrew Yule & Co., Ltd.	Kalapahari	16	10	12½	15	15	7½f	6.12	H.
20,00,000	68,340‡	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	26‡	10	25	35	35•	17½f	2.8	H.
5,00,000	42,58,631	43,08,253	1,46,012	Andrew Yule & Co., Ltd.	Katras Jherriah	47N	10	—	—	—		2	Y.
1,38,400	5,20,519	11,63,519	1,063	Beriwala Bros.	Khas Kajora	94	100	—	—	—		2	Y.
11,00,240	10,19,288	15,64,007	5,201	H. V. Low & Co., Ltd.	Kurdi	41‡	10	27½	35	37½	20f	1.7	H.
13,50,000	29,43,024	28,41,241	13,549	H. V. Low & Co., Ltd.	Lakurka	8N	10	11‡	10	5f		6.12	P.H
5,65,750	11,41,667	22,37,077	2,691	Beriwala & Co.	Mandulpoor	6‡N	10	3‡	6‡			6.12	Y.
7,48,240	10,34,138	11,24,142	14,690	Associated Commercial Co., Ltd.	Nazira	12N	10	5	27	5‡		6.12	H.
7,00,000	3,77,590	9,53,321	4,997	Amritlal Ojha & Co., Ltd.	New Bansdeopur	5N	10	6‡	7‡	6‡		3.9	H.
17,76,230	91,68,381	1,16,02,941	55,799	Andrew Yule & Co., Ltd.	New Beerbhoom	21‡	10	3	6	—	5f	4.10	H.
6,00,000	21,87,920	31,32,540	—7,595	Octavius Steel & Co. Ltd.	New Manbhoom	10‡	10	12‡	7‡	—	—f	3.9	P.H.
2,50,000	6,84,984	5,45 839	1 387	Jatia Bros. Ltd.	North Domuda	4N	2½					3.9	H.
1,15,000	10,81,297	12,56,672	12,237	Andrew Yule & Co., Ltd.	North West	15N	10	16‡	13‡	5	2‡f	3.9	H
1,57,500						11‡N	7½						
7,50,000	12,54,532	3,97,666	1,23,852	F. W. Heilgers & Co., Ltd.	Ondal	19‡N	10	12•	25	22‡•	10f	6.12	P.H.
10,00,000	14,15,045	32,73,178	46,739	K. C. Thapar Bros. Ltd.	Oriental Coal	12N	10	10	10	10		12	T.Y.
8,34,000	5,98,486	16,29,203	70,539	Deepchand Kishendall	Parasea	3‡	10	—	—	—f		6.12	H.
15,75,000	34,87,649	39,37,649	31,995	Shaw Wallace & Co., Ltd.	Pench Val'ey	19‡	10	16‡	12‡	10	6‡f	2.8	H
83,99,500	91,95,359	1 09,49,971	—4,53,764	B. N. Elias & Co., Ltd.	Raneegunge	8‡	10	—	—	—	—f	3.9	H
13,50,000	30,62,857	29,87,472	36,004	Shaw Wallace & Co., Ltd.	Rewa	17‡	10	8‡	12‡	10	17‡	6.12	H.
20,00,000	15,10,118	28,07,516	165	Jaipuria Sons Ltd.	Samla Collieries	6N	10	—	—	14‡		6.12	H.
1,25,000	12,44,724	13,05,188	18,451	Cillanders Arbuthnot & Co., Ltd.	Searsole	10‡N	2½	20	20	20		6	Y.
2,80,000	19,76,795	28,04,096	30,184	Andrew Yule & Co., Ltd.	Seebpore	25‡xd	7	35-5/7	32-1/7	28-4/7	28–4/7	6.12	P.H.
8,00,000	34,57,222	36,96,604	10,379	F. W. Heilgers & Co., Ltd.	Sendra	11‡	10	5	5	3‡	—f	6.12	M.
63,21,450	2,13,85,164	3,04,98,616	23,658	Industrial Trust Fund	Singareni	7	10	4‡	5	5		12	T.Y.
17,50,000	24,10,707	34,29,846	15,868	Bird & Co., Ltd.	South Karanpora	13‡	10	18‡	10	7½	3‡f	2.8	H.
8,00,000	35,43,816	39,93,119	74,094	F. W. Heilgers & Co., Ltd.	Standard	18‡	10	16‡	15	10	5f	6.12	H.
10,00,000	15,41,499	29,34,045	—2,46,174	Villiers Ltd.	Talcher	3	2½	—	5	—		9	Y.
5,50,000	17,36,513	18,94,910	74,927	Williamson Magor & Co., Ltd.	Union	25	10	20	27½	27½	12½f	6.12	H.
49,98,000	11,13,461	43,49,365	42,176	Hindusthan Investment Corpn. Ltd.	Western Bengal	4‡	10	2‡	2½	2‡		3	Y.
7,00,000	26,75,667	36,17,323	29,272	Macneill & Barry Ltd.	West Jamuria	18	10	15	15	15	—f	6.12	H.

• The following explanatory notes relate to the abbreviations and marks shown on page 732 in the textures section:—

‡‡ Option to repay on six months' notice, on any interest date after 31st December, 1951, at 102 per cent. Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 102 per cent.

(a) Option of repayment at any time at 3 per cent. premium

(b) Bearer bonds of Rs. 1,000 each repayable at par

(c) Bearer bonds of Rs. 1,000 each repayable on 31st July, 1959.

(d) Bearer bonds of Rs. 1,000 each with option of redemption in whole or in part at par on 30th June, 1952, or on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months notice in each case.

(f) Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ½ per cent. premium, after 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March, 1957

(h) Option of redemption on or after 1st July, 1949, at par,

(l) Option of repayment at any time at par at any time on or after 30th June 1947 on six months notice

INDIAN ALUMINIUM COMPANY, LIMITED

(*Concluded from page 804*)

Canada where the economy in the past 15 years has been transformed from one based largely on primary industries, such as agriculture, mining and forestry, to one which now includes a highly developed and wide range of manufacturing industries. Canadians will readily admit that the envious position in which their country now finds itself is not one entirely of their own making, but has come about as a result of the favourable climate created by the wise and stable fiscal and monetary policies of the Government which, along with the natural resources of the country, has proved an attraction for outsiders possessed of the requisite capital and know-how. It does not seem to worry Canadians that 45 per cent. of their manufacturing industry is American-owned. Why then should we in India, as citizens of a sovereign democratic republic with an acknowledged need for foreign capital and 'know-how' and with every right to safeguard absolutely at every stage our national interests, create these 'nightmares' and make it virtually certain that the assistance we need will not be forthcoming in time and in the measure required?

"It should be remembered that under our planned economy, interest rates and the supply of credit together with the provisions of the Essential Goods Supplies Act and Industries (Development and Regulation) Act constitute, perhaps, the most powerful weapon of economic control and, therefore, there can always be kept a tight rein on something or other which may run away from the ambit of budgetary vista.

Co-operative Effort Between Government and Industrialists

"It is the general thesis of the Five-year Plan that agricultural development of the country is but a prelude to industrial development. In the development of industries in the country, the private business man has still a great role to play. To the extent that he meets the challenge, he will justify the continuation of trust in the system which he represents. Now that the Government has indicated very clearly that India is determined at all cost to implement the Five-year Plan, it is only realistic to hope that suitable climate for capital formation, for the growth of risk capital, for increased productivity and better use of men and material, would be furnished in ample measure, through a genuine co-operative effort between the Government and the industrialists.

"Your Company has undertaken a gigantic task of expansion and construction. I am sure that shareholders who have shown such admirable faith in the future of aluminium and, particularly, in the prospects of the Indian Aluminium Company, will continue to bestow their confidence on the management and the Board of Directors who have steered the Company throughout these years with determination and with success. This is only a prelude to greater efforts and, I hope, to a more bountiful crop.

"The employees of your Company deserve a special word of praise for their loyal and ungrudging services during the difficult period and I commend them for your thanks and appreciation."

MARKET REPORTS

(*Concluded from page 821*)

Kanpur Rs. 29-8, Mathura Rs. 31, Meerut Rs. 30-14, Muzaffarnagar Rs. 30, Patna Rs. 31-4, Calcutta Rs. 31-8, Gauhati Rs. 31, Cocanada Rs. 32, Madras Rs. 31-15, Bombay Rs. 35, Bhavnagar Rs. 33-8 and Nagpur Rs. 32-8.

The *gur* markets remained very steady throughout India. Arrivals in most of the markets were either stopped altogether or were only nominal. There was some enquiry from many importing areas but stock movements were poor, owing to railway booking difficulties. Stocks in the surplus mandies were small and this confirms the apprehensions that the overall production of *gur* has been lower this year, as compared with last year. Hapur quotations ranged between Rs. 18 and Rs. 18-8. *Gur* prices in the South Indian markets ranged between Rs. 20 and Rs. 22-8.

GRAIN ARRIVALS IN FULL SWING

(From Our Own Correspondent)

HAPUR, 28*th April*

The overall food position in India continued to be generally satisfactory. There are parts of Madras and Rajasthan where food scarcity is complained. Foodgrain supplies are being rushed to these affected areas. The Union Food Minister had earlier advised the Governments of the wheat growing States to stop procurement, in view of the abundance of stocks in Government hands. No direction has, however, been issued to any State for the decontrol, of wheat, but all States, except Delhi, had been given the option to remove or relax internal restrictions on movement of wheat, if their crop position justified this.

Foodgrains prices in Uttar Pradesh have showed no sign of easing down, although *rabi* grain arrivals have been in full swing all over the State. Some time ago, the State Government had offered to sell, by auction, several lakh maunds of gram and barley for exports outside the State or free sale within the State, but the auctions were not finalised, as the prices offered did not come to the mark, as expected. The latest quotations are: Wheat Rs. 16-8 to Rs. 18, gram Rs. 15-9 barley Rs. 11-12, *bejhar* Rs. 12, maize Rs. 13, *bajra* Rs. 12-8, *jowar* Rs. 11 to Rs. 14, *guwar* Rs. 14, peas: daragreen Rs. 14, white superior Rs. 16 to Rs. 20, *jeth* Rs. 13-14, *arhar* Rs. 14-8; urd Rs. 22-8, *moong* Rs. 20 to Rs. 22-8, and masoor Rs. 15-8 to Rs. 18.

DEMAND FOR TEA MODERATE

(From Our Own Correspondent)

CALCUTTA, 28*th April*

After a break of two weeks, tea auctions were resumed yesterday. Yesterday's export sale was the last time of this season. Offerings aggregated 24,343 packages, of which 343 packages were of the new season. However, suitable teas being inadequate in quantity, no quotations were provided. This was not surprising since the sale was more or less in the nature of a clearance auction, and the old season's offerings had a good proportion of unattractive types of teas. Demand was, nevertheless, moderate, and the feature was the firmness in the prices of well-made whole leaf grades. Other varieties showed a two-anna decline in prices. Offerings of the new season's teas met with sparse interest, and prices were well below brokers' valuations. With the completion of this season's sales, brokers would enjoy a recess during the next four weeks, as the first sale of the new season would take place on Monday, 1st June.

Auctions for domestic consumption, which had been postponed during the last two weeks, are to be resumed to-day, and are expected to be continued throughout May also. Since this year's turnover at gardens being larger than usual, four more auctions are considered necessary to clear stocks. A two-week suspension of the sales was necessary following the confusion caused by the readjustment of the excise duty on tea, made effective from 15th April. Doubts were held whether "double" duty would be exacted on tea which had left the gardens before 15th April but was in transit to the godowns of buyers as on that date. The excise authorities said that exemption of the adjusted duty on teas which had left estates prior to 15th April but had not reached buyers as on that date, would be granted only on documentary proof that the duty had been paid, as per the old arrangement, at the place of origin. In all cases, it was not possible to accommodate this condition of the authorities, although it was appreciated that no tea could have left the estates without payment of the excise duty. A satisfactory arrangement was arrived at last week between the tea trade and the authorities, and a new procedure has been adopted whereby the fear of "double" levy of the duty on teas in transit on 15th April has been removed.

FAIR DEMAND FOR TEA DUSTS

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 25*th April*

Dust sale 'H' which was held on Thursday, 23rd April, contained approximately 1,16,000 lbs. There was still a certain amount of apprehension on the part of buyers, due to the implementation of the new excise tariff. However, there was a fair general demand at prices which were irregularly As. 2 easier. There was some competition for clean, black, well made dusts.

Export Quota.—There has been an interim release of 70 per cent. of the basic crop. It is reported that the total release will amount to 115 per cent. of the standard exports. This would mean a reduction of 20 per cent. in the figure for last year. As a result of this announcement the quotation for 1953-54 quota hardened to 11¼ pies at which rate business has been done. Special licence is quoted at 1½ pies.

As we go to press, Messrs. Forbes, Ewart and Figgis, Ltd., wire as follows:

"*Sale* 9.—13,70,000 lbs. Much weaker demand. Commonest firm. Low medium and mediums As. 2 easier. Best liquoring neglected irregularly As. 8 easier. Whole leaf As. 1 to As. 2 easier."

BRADFORD TOPS FIRM

(Messrs. J. Hardacre and Co.)

BOMBAY, 27*th April*

The Bradford top market is firm to-day, in response to the similar behaviour of wool in the Dominion markets, and there is a better tone of trading conditions. Wool in Australia is selling extremely well at prices, which, though perhaps not dearer, make it progressively more difficult to buy on unchanged limits.

The Bradford market seems to have discarded the slight nervousness apparent about a fortnight ago, when mental speculation was rife as to whether the improved Korean outlook and the simultaneous curtailment of United Kingdom stockpiling of wool, would react on the world price of wool. Such fears are now discounted and the preponderant trade view is that the wool supply position is likely to be the dominating influence on prices for the remaining part of the season.

Values of merino fleece wools and skirtings appreciated 2½ per cent. at yesterday's sale. Other merino descriptions sold freely at improved rates. Values at Melbourne closed yesterday on the highest level of the series. At Cape Town, as also at East London, advances of 2½ to 5 per cent. were registered. Both the markets are fully firm.

The current quotations (in pence per lb. c.i.f. Bombay) for Bradford oilcombed tops are given below:

	July shipment
48s carded	86*d.*
58s super	124*d.*
60s super	150*d.*
64s super	173*d.*
70s super	184*d.*
	June-July shipment
Fibro (3D 4")	43¼*d.*
46/48s scoured clothing wool	76*d.*

The tendency of the market is very firm against buyers.

BRISK TRADING IN LINSEED

(Messrs. A. Bradley & Co.)

CALCUTTA, 27*th April*

The linseed market remained firm during the past week and trading has been fairly brisk at somewhat advanced prices. Up-country markets are reported to be firm and local sellers are reserved, with forward positions quoted at a premium. Arrivals, although mainly against previous commitments, have shown an improvement. Buyers have been keen for both ready, as well as forward deliveries, and the daily turnover has been good. Fair business is reported in the oil section, with shippers showing some interest. Besides, there has been increased demand from local buyers at higher prices. Latest quotations are: April-May Rs. 19-8 and June-July Rs. 19-12 per maund.

Notice

1952

CAREW & COMPANY, LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED 30th JUNE, 1952

NOTICE IS HEREBY GIVEN THAT THE Ordinary General Meeting of the Shareholders of this Company will be held at the Registered Office, No. 4, Fairlie Place, Calcutta, on 11th May, 1953, at 12 noon, for the purpose of:—

1. Receiving the Directors' Report and passing the Accounts to 30th June, 1952.
2. Declaring a Dividend on the Preference Shares.
3. Electing Auditors for the current year and fixing their remuneration.
4. Transacting such other business as may be brought before the Meeting.

The Transfer Books of the Company will be closed from 2nd May, 1953, to 11th May, 1953, both days inclusive.

Preference Shareholders and holders of Preference Shares under Blank Transfer should note that upon the declaration of the Dividend the Dividend Warrants will be posted to Registered Preference Shareholders or their Mandatees. No application for payment will be necessary.

GLADSTONE LYALL & CO., LTD.,
Managing Agents.

4, FAIRLIE PLACE,
CALCUTTA, 23*rd April*, 1953.

To the Shareholders of Messrs. Carew & Co., Ltd., and in particular to:

S. A. Ali, Esqr., W. Allan, Esqr., P. H. Antrobus, Esqr., B. W. Bagshawe, Esqr., Capt. W. F. Byrnes, F. W. C. Biallo Blotzky, Esqr., M. F. Irani, Esqr., Mrs. M. B. Blotzky, P. H. Compton, Esqr., Brigadier G. E. Collins, Mrs. A. F. Cowdrey, Mrs. E. F. M. Cockburn, T. C. Donald, Esqr., Miss Mona Daly, B. P. Dave, Esqr., Lt.-Col. D. L. Graham, W. Grimshaw, Esqr., Mrs. Emily Kinsey, P. S. E. Jackson, Esqr., Miss H. Lyall, Miss M. Lyall, Miss D. H. D. Lyall, R. A. Lloyd, Esqr., H. E. Rodrigues Esqr., E. H. Marshall, Esqr., Messrs. Mia & Sons, Ltd., Miss M. E. Mia, K. L. Palit, Esq., Lt.-Col. H. P. Rudolf,

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1949	1950	1951	1952	Account Closed	Reference
16,00,000 / 14,50,000 / 1,01,000 / 2,57,000	1,08,33,956	10,66,174	Allahabad Bank	346 / 170	100 / 50	18‡	18‡	18‡	18‡	12	Y.P.
1,00,000	12,03,000	7,231	Andhra Bank	105cd	100	5	6	6	6	6.12	H.
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	53¼cd	50	12‡	12‡	12‡	12‡	12	Y.
50,00,000	14,00,000	9,667	Bank of Bikaner	114	50	..	3	3	3	12	Y.
2,50,000	3 52,00,000	6,36,553	Bank of India	153‡xd	50	14	14	14	14	6.12	R.L.Y.
15,30,375	24,00,000	63,200	Bank of Indore	60	25	12‡	12‡	12‡	12	12	Y.
50,00,000	15,00,000	33,324	Bank of Jaipur	23	50	3	3	3	3	12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	281	100	16‡	16‡	16‡	16‡	12	Y.
59,18,600	42,61,693	25,280	Bombay State Co-operative Bank	38‡	50	5‡	5	5	..	6	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	9	9	9	9	12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	9‡	10‡	10‡	10‡	12	Y.P.
2,62,11,875 / 52,42,375‘A’	3,99,08,177	17,23,015	Central Bank of India Ltd.	64xd / 66‡xd	25 / 25	14	14	14	14	12	R.L.Y.
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	35	50	3	3	3‡	3‡	12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88	20	6‡	10	20	20	12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	11‡	50	—	—	—	—	12	Y.
50 00,000	1,00,000	3,806	Hindustan Mercantile Bank	10‡	50	..	..	..	..	12	Y.
75,00,000	70,00,000	1 59,127	††Hyderabad State Bank	105¾	100	5	6‡	6‡	5	9	Y.
3,75,00,000 / 1,87,50,000	6,35,00,000	42,07,573	Imperial Bank of India	1,890 / 467‡	500	14	16	16	16	6.12	R.L.H.
24,00,000				170xd	100	14	16	16	16	6.12	R.L.H.
16,00,000 / 15,40,000	73,50,000	1,04,201	Indian Bank	126‡xd / 91xd	80 / 55	11‡	12‡	12‡	12‡	6.12	R.L.H.
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	90	100	4‡‡	5‡	6	6	6.12	R.L.H.
6,25,000 / 2,50,000	6,33,939	1,380	Indo-Commercial Bank	76 / 19	100(A) / 25(B)	9	9	7‡	6	6.12	H.
10,00,000				38‡	50(C)	6	6	6	6		
4,55,266	30,61,350	60,357	Punjab and Sind Bank	35	25	7‡	7	..	..	6.12	Y.
92,50,000	89,00,000	1,92,607	Punjab National Bank	23	25	6	4	4	6	12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	11‡	25	—	—	—	—	12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	6‡xd	5	6‡	6‡	6‡	6‡	12	Y.
2 00,00,000	75,00,000	1,01 119	United Commercial Bank	35‡xd	50	3‡	4	4	4	6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3 000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£11‡	£5	12†	14†	14†	16‡†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£6‡	£5	6†	7†	6†	7*	12	R.L.Y.
H.K.$20,000,000	H.K.$96,000,000	H.K.$9,489,174	Hongkong and Shanghai Banking Corporation	$86‡	H.K. $125	5*	5*	5*	5*	12	Y.
£14,372,956 / £1,437,296 / £375,000 / £375,000 / £300,000	£16,000,000	£418,242	Lloyds Bank	£2-10-6 / £1-6-3 / £24‡ / £24‡ / £10	£1 / A £12½ / B £12½ / C £5	12y† / 5y† / 12y†	12y† / 5† / 12†	12† / 5† / 14†	12† / 5† / 12	12	R.L.Y.
£2,281,250	£3,675,000	£323,703	National Bank of India	£29‡	£12‡	16y†	16†	16†	16†	12	L.Y.

‡Includes Bonus. †Less Tax. (P) Pakistan Currency.
‡‡Subject to taxation.

††O.S. Currency.
(i) Interim.
*£ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company		Latest Available Quotations (per hundred) Rs. or £	Principal Repayable	
BREWERIES AND SUGAR							
19,50,000	5½	1st December and 1st June	Carew & Co.	1938	99	1st June	1953(b)
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	98½	28th February	1960(f)
6,00,000	5½	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd	1936	98	30th December	1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102½	27th December	1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	90	1st November	1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	103	1st April	1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	92	1st November	1959-64
COTTON							
6,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April	1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	99½	15th November	1956(a)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99½	1st January	1967-72
13,68,000	5½		Jayshree Textiles	1949	78N	1st January	1956-59
40,00,000	5	1st June	Tata Mills		101‡		1906-71
ELECTRICS							
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	95	31st March	1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		101	14th June	1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100‡	1st October	1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December	1964
2,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	101‡	1st January	1970
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	83	31st December	1970
15,00,000	5	1st January and 1st July	Sijua (Dherriah) Electric Supply Co., Ltd.	1951	93	30th June	1976
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	1940	97	..	1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	1939	95	..	1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94‡	..	1953-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply		94	1st July	1957-67
49,23,000	4	1st April and 1st October	Tata Power	1940	100‡	15th September	1951-55(b)
1,00,00,000	4	1st April and 1st October	Tata Power		92‡	15th September	1965-70
ENGINEERING							
5,00,000	5	30th June and 31st December	Britannia Engineering	1945	96	31st December	1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	95‡	30th June	1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	100‡	1st July	1957-62
£1,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	£89‡	31st December	1966(SS)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84‡	31st May	1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	100‡	1st October	1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	94	31st December	1960
JUTE							
12,00,000	4½	1st October and 1st April	Agarpara	1939	98	31st March	1954
6,00,000	4½	30th June and 31st December	Alexandra	1939	94	30th June	1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	91	31st December	1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	97	30th June	1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	89	30th June	1960
9,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July	1959(c)
10,59,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	97	30th June	1966
8,86,000	5	30th June and 31st December	Empire	1951	93	15th July	1966
25,00,000	3½	1st January and 1st July	Hukumchand	1947	91	30th June	1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	98	31st December	1964
25,00,000	5½	30th June and 31st December	Naihati	1952	100	31st March	1967
5,00,000	3½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1947	97N	31st March	1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May	1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	86	31st December	1964
8,00,000	4	30th June and 31st December	Presidency	1943	91	30th June	1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	96	5th September	1965
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	94	14th September	1957
12,00,000	4½	30th June and 31st December	Union	1937	94½	30th June	1957(d)
10,00,000	3½	31st January and 31st July	Waverley	1925	83	31st July	1960(e)
RAILWAYS ; STEAMSHIP AND TRAMWAYS							
4,00,000	6	31st March and 30th September	Bankura Damodar River Railway Co., Ltd.	1931	100N	9th March	1961
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1936	84	1st July	1956
6,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	1945	99½	1st November	
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900 / 1933	£100N	A 105% at any time on 6 months' notice or at par or every seventh year.	
£201,067	5	1st April and 1st October			£102N	1st October	1974
3,00,000	3½	30th September and 31st March	Kalighat-Falta Railway	1934	98‡	30th September	1953
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	89	31st December	1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£90½N		
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation		96	1st September	1963
PLANTING							
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943	100	.. ..	1945-55
3,68,200	5½	31st March and 30th September	Teekoy Rubber Estates	1944	100	.. ..	1949-59
50,00,000	5	30th June and 31st December	Waterfalls Ltd	1943	101‡	.. ..	1943-53
MISCELLANEOUS							
15,00,000	5‡	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	101	30th September	1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December	1965
27,60,000	4‡	1st April and 1st October	Associated Hotels of India	1948	86	31st December	1962
4 90,500	4‡	30th June and 31st December	Bengal Paper Mills	1937	95	30th June	1957(f)
21,00,000	5‡	1st February and 1st August	Chowringhee Properties	1915	92	1st February	1964
22,60 000	4‡	1st July and 1st January	Clive Buildings	1936	89	1st July	1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	86	15th September	1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	1950	102‡	1st January	1971
20,00,000	5	15th March and 15th September	Mettur Chemical Industries	1949	97		1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	450 (per note)	30th September	1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410 (per note)	31st December	1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	91N	1st April	1971
1,00,00,000	5‡	31st March	Orient Paper Mills Ltd.	1951	88	31st March	1961
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	83	31st December	1959

Note—See page 830 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 30th April, 1953.

	Closing quotations 23-4-'53	High	Low	Closing quotation* 30-4-53
BANKS	Rs.	Rs.	Rs.	Rs
Bank of India (50)	154½	154	153	154
Bank of Baroda (50)	112‡	114	112‡	114
Central (25)	64½	64‡	63‡	64½
Imperial (P.Pd.) (300)	1,852½	1,892½	1,852½	1,885
Imperial (P.Pd.) (125)	453½	467½	452½	463‡
Union Bank (5)	6‡	6‡	6‡	6‡
United Com. (50)	35‡	35‡	35‡	35‡
COTTON MILLS				
Abm. Adv. (100)	142‡	145	142‡	145
Apollo (2)	2‡	2–14‡	2‡	2–13
Bombay Dyeing (250)	389‡	398‡	386‡	396½
Central India (100)	159	171	157‡	171
Century Mills (100)	267‡	275‡	265‡	273
Colaba (100)	71	—	—	71
Edward Textile (200)	240	245	240	245
Elphinstone (50)	41‡	—	—	41‡
Finlay (100)	309	322	302	303xd
Gokak (100)	212	217	211‡	216
Ind. Unit. Defd. (1)	1–10‡	1‡	1–10‡	1–11
Ind. Unit. Ord. (10)	10–0‡	10–6‡	9‡	10‡
Indore Malwa (100)	90	91‡	89‡	91‡
Khatau (100)	182‡	182‡	182‡	182‡
Kohinoor (100)	71	319‡	306‡	318
Lakshmi (250)	600	—	—	600
Madhusudhan (100)	82‡	—	—	82‡
B. R. Cotton Mills (100)	51‡	51‡	46‡	46‡
Minerva Mills (100)	105	—	—	105
Model Nagpur (250)	143‡	—	—	143‡
Morarji (100)	185	—	—	185
Mysore (50)	123‡	—	—	123‡
New City (100)	141‡	—	—	141‡
New Great (100)	152	158	151	155
Phoenix (100)	108‡	—	—	108‡
Podar Mills (100)	135	136‡	135	135
Sassoon Silk (10)	23‡	25‡	23‡	25‡
Sassoon Spg. (10)	23‡	27‡	23‡	27‡
Sholapur (1,000)	1,750	—	—	1,750
Simplex (50)	168	178	167‡	177
Swadeshi (100)	261‡	270	260‡	270
Swan (100)	455	—	—	455
Tata Mfg. (25)	41‡	43	41‡	42‡
Vishnu (100)	171‡	—	—	171‡
Western India (1,000)	3,150	—	—	3,150
ELECTRIC COS.				
Ahmedabad (100)	108‡	110	109	109‡
Amalgamated (10)	10‡	—	—	10‡
Andhra Valley (1,000)	1,425	—	—	1,425
Bom. Sub-El. (100)	123‡	123‡	123‡	123‡
Surat (100)	127‡	131‡	127‡	130‡
Tata Hydro (100)	151‡	153	151‡	152
Tata Power (1,000)	1,537‡xd	1,540	1,537‡	1,537‡
INSURANCE COS.				
British India (10)	13‡	—	—	13‡
Empire of India (100)	552‡	—	—	552‡
Ind. Mercantile (20	38‡	39	38‡	39
Jupiter (25)	7	—	—	7
New India (15)	43‡	43‡	43	43‡
Oriental (200)	7,135	7,135	7,025	7,025
Universe (10)	7‡	—	—	7‡
Vulcan (10)	11‡	—	—	11‡
STEAMER COS.				
Bom. Steam (25)	37	37	35‡	35‡
Scindia (15)	13‡	13‡	13‡	13‡
STEEL COS.				
Ind. Iron (10)	25‡	25‡	25‡	25–12‡
Tata Steel Defd. (30)	1,876‡	1,922‡	1,876‡	1,917‡
Tata Steel Ord. (75)	321‡	329‡	321‡	329‡
MISCELLANEOUS				
Alcock Ashdown (100)	321‡	323‡	321‡	323‡
Associated Cts. (100)	170	173‡	170‡	173‡
Belapur Sugar (5)	243	244	240‡	241
Bom. Burmah (125)	391‡	398‡	387‡	389‡
Do. (New) (50)	143‡	143‡	140	140
Br. B. Petrol (4 sh.)	7–4‡	8–5‡	7–4‡	8–1‡
Br. I. Corpn. (5)	8–5‡	8‡	8‡	8–9‡
Indian Copper (2 sh.)	3–0‡	3‡	2–15‡	3
Ind. Inv. Tr. (100)	74	74	70‡	70‡xd
Port Canning (100)	24‡	24‡	24	24
Premier Con. (30)	91	91‡	89‡	90‡
Shirayama (10)	57‡xd	58‡	56‡	56‡
Tata Chemicals (10	9‡	9–6‡	9–4‡	9‡
Tata Oil (25)	34‡	35	34‡	34‡
Walchand Ind. (100	158‡	157‡	155	157‡
W. I. Match (100	236‡	236‡	236‡	236‡

GOVERNMENT SECURITIES	Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	Rs.
2½% 1954	98‡	—	3.37	98‡
2½% 1955	98‡	—	3.26	98‡
2½% 1961	90‡	—	3.85	90‡
2½% 1960	93‡	—	3.77	93‡
2½% 1962	91‡	—	3.84	91‡
2½% 1976	82‡	—	3.89	82‡
3% 1953-55	100‡	—	2.68	100‡
3% 1957	98‡	—	3.34	98‡
3% 1958	98	—	3.30	98‡
3% 1959-61	96‡	3 68	3.50	96‡
3% 1964	92‡	—	3.80	92‡
3% 1963-65	92‡	3.90	3.74	92‡
3% 1966-68	90‡	3.96	3.84	90‡
3% 1970-75	86‡	4.10	3.90	86‡
3% 1966 Con. Loan	82‡	—	3.62	82‡
3½% 1954-59*	100‡	3.34	3.45	100‡
4% 1960-70	102‡	3.63	3.82	102‡
4½% 1955-60	103‡	3.14	3.98	103‡
4½% 1958-68*	105	3.40	4.03	105

BRITISH GOVERNMENT SECURITIES	23-4-53 £	High £	Low £	29-4-53 £
2½% Brit. Consols	60‡	60‡	60‡	60‡
3% Savings Bonds 1965-75	87	87	86‡	86‡
3% War Loan 1955-59	100‡	101‡	100‡	100‡
3½% War Loan 1952	81‡	81‡	80‡	80‡
3½% Brit. Iron and Steel 1979-81	91‡	91‡	91‡	91‡
4% Funding Loan 1960	99	99‡	98‡	98‡

xd=Ex-dividend.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake

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INDUSTRIES REGULATION BILL

THE House of the People passed this week the Industries (Development and Regulation) Amendment Bill, 1953, as reported by the Select Committee of the House. The trend of the debate on the Bill discloses that the changes made in it by the Select Committee are by no means final. For Mr. T. T. Krishnamachari, Minister for Commerce and Industry, pointed out, in the course of the debate, that the provisions in the Act relating to price control were confined only to stocks and not to goods to be manufactured by the scheduled industries, while the intention of the Government was to apply the price control to both. He, therefore, proposed to bring forward an amendment accordingly. This change, when made, will be only one of the innumerable changes which this measure has undergone ever since the Government embarked upon its idea of development and regulation of industry in 1949. Incidentally, it may be noted that, apart from the present Select Committee, two other similar Committees of the previous Parliament have also scrutinised and suggested changes in the measure. These frequent modifications, as also the snail's pace at which the question of establishment of Development Councils is being handled, serve to underline the criticism that the Government still lacks clear ideas about the control of industries.

Although the present Select Committee has not made any radical changes in the Bill, some of its recommendations are of immense significance to India's industrial development. The Committee has suggested more stringent punishment for contravention of the provisions of the Act. Punishment in the original Bill was imprisonment extending to three months or fine extending to Rs. 2,000 or both. The Select Committee has extended the period of imprisonment to six months and enhanced the fine to Rs. 5,000. It has recommended that the Government may continue to manage an undertaking taken over by it even beyond the period of five years mentioned in the Bill, but has stipulated that the notification extending the term of control should be placed on the table of the House. The Committee has also exempted the Government undertakings from the provisions requiring licences for producing new articles. Provision has also been made for enabling the Government directives to override the memorandum and articles of association of undertakings taken over by the Government. Another change made by the Committee seeks to ensure that reasonable prices are fixed for articles covered by the Bill. The Committee has added to the schedule of industries not only textiles made of staple fibre, but also industries manufacturing toilet requisites.

The foregoing amendments to the Bill are, however, not the unanimous recommendations of the Select Committee. Five members have appended notes of dissent to the report, although all the members of the Committee are agreed on the principle of the Bill. But the measure of control envisaged in the Bill has been the most controversial part of it. While one section feels that the control provisions do not go far enough, another section, composed of practical business men, firmly believes that they are unnecessarily drastic. There is considerable force in the contention of the latter section, as represented by Mr. G. D. Somani, a member of the Committee, which feels that the provision for taking over a recalcitrant undertaking after investigation, without issuing directions or giving the management opportunities to explain the charges, is most disturbing. It has led to considerable genuine fears among the members of the industrial community in the country. The Federation of Indian Chambers of Commerce and Industry, in the course of a memorandum on the Bill, states, for instance, that certain provisions of the Bill have created grave doubts and misgivings in the minds of the 1,500 establishments covered by the Act.

The Federation, in its memorandum, suggested to the Government that the provision for taking over the management of a concern after investigation should be revised completely so as to see that it did not infringe the normal rights of the shareholders. Now that the Bill has been passed without this change, it is evident that the Federation's sound advice is not acceptable to the House. This is rather unfortunate in that the industrial unit concerned gets no opportunity to explain the charges before being taken over by the Government. The denial of a safeguarding provision in the Bill is to be deplored, as even a drowning person is supposed to have as many as three chances of life before reaching his watery grave. It is, however, to be hoped that the provisions of the Bill will be administered by the agencies appointed by the Government in the spirit in which these provisions have been conceived by the Commerce Minister. He said: "In this particular measure, we seek to control all means of production, we do not seek to nationalise. If in the public interest it is necessary to take over any unit which we think is mismanaged, we wish to do so. . . . It would not be a pleasure to take up the responsibility of managing an institution which would otherwise be properly run and where production would be maintained, labour would be kept employed and public interest would be served."

The insertion in the Bill of a new section requiring licence for producing new articles in so far as it applies to existing concerns is not calculated to help achieve the main objective of the Bill, *namely, development of industries* on right lines. From the statement of the Minister for Commerce and Industry, it looks as though the section is directed more towards conserving foreign exchange than towards creating facilities for expanding production. The Minister pointed out that the section would help the Government to know the amount of foreign exchange involved in producing a new article. While this knowledge might be useful, it should not be forgotten how the provision involves an unnecessary restriction on industry. After all, if all that the Government needs through this section is information about foreign exchange requirements, it is not clear why the formality of a special licence is deemed necessary.

Even now, an industrial undertaking has to approach the Government far too often. As was pointed out by the Federation in its memorandum, an industrial unit has to approach the Government for seeking registration. It has to secure a licence, if it is a new undertaking. It has also to secure a licence for substantial expansion and another for changing its location. Besides, it has to seek permission from the Examiner of Capital Issues before it augments its capital. In view of these considerations, how can it be said that conditions are favourable for smooth progress of industries in India? Enthusiasm chills as one thinks of the way in which Indian industry is asked to function under the guidance of the various bodies contemplated in the Industries (Development and Regulation) Act, 1951, in its amended form. For the progress of industry cannot but be checked by frequent delays and interference with its work by the Government, the Central Advisory Council, the Development Council and the Licensing Committees, to be followed, possibly, by yet another body, namely, the contemplated Industrial Management Corporation.

A word of caution is, therefore, needed. The Industries (Development and Regulation) Act, a legislative provision which was once, on compromise, considered as adequate enough to regulate the development of industries on right lines, has, by means of a series of amendments, now turned out to be the most drastic measure which must prove detrimental to private initiative and enterprise. It has strengthened the powers of the State to interfere with industrial management. The State has thereby assumed the responsibility of taking over the management of mismanaged concerns, mostly on the brink of collapse. In the task of bringing such units back to life, the position of the State is similar to that of a doctor called upon to attend a patient in his last stages of life. In order to infuse life into the industry, the State may have to be prepared to effect economies and to retrench surplus staff—a measure which it cannot be expected to carry out fully, as this measure would come into conflict with its obligations as a Welfare State to provide work for labour. It is to be hoped that the authorities will bear in mind limitations, such as this, before assuming control over recalcitrant units.

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ECONOMIC INTEGRATION OF EUROPE

FEW topics have, in recent years, aroused such widespread interest as the movement towards economic integration of Europe. The reason is plain enough. The two world wars have taught the lesson that peace in Europe is the first essential step towards world peace. Disharmony, economic competition, and trade rivalry in this part of the world are the most potent causes of world unrest. In the early post-war period, there were hopes of achieving considerable progress in the sphere of economic integration of Europe as well as of the world. These hopes have willy-nilly withered away under the impact of the cold winds of economic realities. The policy of aiming at modest economic targets has, accordingly, gained more adherents who realise that it is better to achieve small gains than to hanker after unrealisable ideals. Of these modest targets, the economic unity of Western Europe has a power-

ful appeal to many sections of political opinion; for, Eastern Europe has been, for all practical purposes, so powerfully insulated from the Democratic world that it is only the fortunes of W. Europe that lend themselves to public discussion. This point of view was effectively stated by Mr. Lionel Robbins, the leading British economist, who, in an article in a recent issue of *Lloyds Bank Review*, said: "For our generation, at least, the world is irrevocably divided. There is no reasonable hope of achieving peaceful co-operation with the Soviet bloc; the one hope of avoiding actual war is that the countries of the West should be sufficiently strong and sufficiently united to make it obvious to the other side that there is no chance of success that way. But this means, not merely the co-ordination of defence, but also the elimination of causes of disunity; and some of these causes may be economic."

The entire issue of economic integration of Europe, particularly W. Europe, has accordingly exercised a great fascination for the economic statesmen of that Continent. But the progress achieved, so far, has been limited to the creation of the European Coal and Steel Community and Benelux Union. There has no doubt been considerable progress in the field of economic consultation. And if the amity and goodwill, which mark their relations in the political field, are any indication of the shape of economic things to come, the W. European countries, it is reasonable to hope, are bound to be drawn closer together in future years. But it would be palpably wrong to overestimate the possibility of that integration or to underrate the admittedly intricate nature of the problems involved in that integration. From this point of view, the well-documented U.N. Report, *Economic Survey of Europe Since the War*, acquires a special significance by reason of the fact that it spotlights, in a particularly readable chapter entitled, "Problems of Economic Integration," not only W. Europe's achievements in the economic field but also the obstacles which beset its progress towards closer union.

Before reviewing the economic problems of W. Europe, it is perhaps well to take a look at what goes on behind the Iron Curtain. The view is by no means clear; for little information is available. But the U.N. *Survey* draws attention to a few salient features of the economy of E. Europe. The chief among these is the expansion of the trade relations of these countries with Soviet Russia. Russia never figured prominently in the foreign trade of these countries before the war. Its share then was only about 1 per cent. of the foreign trade of Poland, Czechoslovakia, Rumania, or Bulgaria; but, in 1951, Russia's share aggregated 25 per cent., 28 per cent., 51 per cent., and 58 per cent. of the foreign trade of these countries, respectively. There has also been a corresponding diminution in the trade of the E. European countries with the rest of the world. Between 1937 and 1951, the share of the rest of the world in Russia's foreign trade declined from 89 per cent. to 17 per cent. For E. Germany, the corresponding percentages were 83 per cent. and 21 per cent; for Poland, 93 per cent. and 42 per cent; for Czechoslovakia, 89 per cent. and 40 per cent; for Hungary, 87 per cent., and 33 per cent; for Rumania, 82 per cent. and 21 per cent; and for Bulgaria 90 per cent. and 8 per cent. An important development in E. Europe is thus the increasing dependence of these countries on Russia. Long-term bilateral agreements with Russia cover trade and receipt of technical and other forms of aid and improvement of the communications with Russia. The co-ordination of trade and planning of production is undertaken under the guidance of the Soviet-inspired Council of Mutual Economic Assistance.

For Europe, as a whole, the main problem is that presented by the fact that intra-European trade has not expanded in line with the expansion in commodity output over the four decades from 1913 to 1951. Thus, commodity output in Europe has increased by 70 per cent., whereas intra-European trade has increased only by 2 per cent. One cause of the failure of the European countries to increase their trade with one another was the increasing emphasis that came to be placed, after the First World War, on national self-sufficiency. Some ineffectual attempts were made to increase intra-European trade during the inter-war period, but the great depression of the thirties put an end to these attempts and generated a "new wave of protectionism and autarky." After World War II, trading was directed largely by bilateral agreements. But no great expansion could take place, thanks to the war-caused devastation of industries, inflation at home, and rigorous import restrictions in nearly all the countries in this area. More important than these factors is the political division of Europe, caused by the East-West split, which is too painfully obvious to be brushed aside, while considering the problem of economic integration. The *Survey* rightly proceeds on the assumption that the split is a "political datum" and that integration must be sought on the basis of two separate political entities.

The principal reasons for the failure to achieve a closer economic union in W. Europe are the prevailing restrictions on labour and capital movements. There is opposition even today against free movement of labour. This is a hangover of the inter-war period when unemployment became the "overriding and unanswerable" argument against such movements. Although free movement of labour is desirable in itself, the *Survey* emphasises that the possibilities for creating "common labour markets" are restricted to countries with stable employment conditions. A far more difficult problem is that presented by the absence of capital movement. An international capital market has practically ceased to exist since 1931. In post-war years, some significant capital movements have taken place, largely because of loans and grants made by the U.S. and a few other countries. But these sources of capital inflow into W. Europe are fast drying up. The *Survey* sums up the position by saying that "there would seem to be a strong case for a transfer of capital from the richer countries of north and north-western Europe to the poorer countries." But it recognises that such a flow of capital is "unlikely to come about in the form of private investment," and that Governments' sponsorship, in some form or other, would be imperative.

Some planning is, therefore, held necessary, in order that capital may flow to the several industrial sectors of these countries, which require it urgently. The need for international planning of investments, it is pointed out, arises most sharply in industries, such as coal, electricity and steel, which are "basic to the economy, where investments are costly and take a long time to mature and where the costs of a misdirection of investments are correspondingly high." But the *Survey* admits that the chances of reaching internationally agreed decision in investment planning "appear to be faint." The *Survey*, however, notes with satisfaction the fact that the investment problems of different industries which come up for discussion in international organisations may be of importance for investment decisions in the various countries. It is only necessary to add here that international discussion can hardly be expected to stimulate investment and that capital transfers are only possible in a climate of economic freedom.

Although the actual achievements in the field of economic integration are slight and the conditions for the possibility of that integration by no means very propitious, it is no doubt true that the limited agreement which has been achieved in the sphere of trade relations is heartening to a degree. The decision of the Netherlands, Belgium and Luxembourg to integrate their economies, though only in the limited sphere of customs, is a notable step towards integration. But there has been no complete freeing of trade between the countries, which is attributed to the different conditions of agriculture in Belgium and the Netherlands and to differences in monetary and financial policies. But the working of the Benelux Union has revealed a few defects, which owe their origin to the fact that the countries have for long developed as independent national units. It is the knowledge of these defects that led the economic statesmen of Europe to attempt a different approach to economic integration, namely, the approach of "integration of sector." The one important sector, where this approach is being tested, is the European coal and steel industry. The High Authority, created for this purpose, is a supra-national authority with wide powers. It has authority to prevent the formation of private cartels and to take decisions in the face of a crisis or shortage of essential commodities. The whole arrangement, with its delicately balanced adjustments, represents an "interesting experiment in international planning under conditions of free enterprise."

The other fields in which co-ordination might still be attempted with advantage are transport and agriculture. Transport lends particularly to planning, for lines of communications can be used more economically, if national frontiers can be ignored. Also, there are obvious advantages to be derived through international planning of transport which can bring about rationalisation and unification of tariff structures. Moreover, there is the important consideration that such planning will avert the danger of over-investment which is a common evil in many countries which have unregulated systems of transport. Agriculture, unlike transport, does not lend itself so readily to integration. In the first place, agriculture represents a sector in which the workers and owners are a powerful political group. No nation would like to allow so important a sector of its economic activity as agriculture to be controlled by an external authority. Also, since food prices are of vital significance to industrial labour costs, Governments would not like to yield the power of control over such an important element of industrial costs as food. This is why the various "Green Pool" plans for gradual unification of agricultural markets in Western Europe have failed to make much headway.

Such, in broad outline, are the problems of economic integration of Europe and the achievements in this sphere. The chief advantages of integration are obvious. In the industrial field, it would mean a higher level of productivity and absence of fierce competition. It would also mean a rational division of labour. In the agricultural field, it would mean a more efficient exploitation of soil and manpower for achieving larger production and better marketing of produce. But any plan for reaching this goal ought to take into account the basic realities of the European economic situation. Apart from the difficulties caused by the fact that national isolation and competitive habits have been the marked features of European economic life, there is the consideration that the area consists of countries at very different levels of development. The poorer countries need special attention, if they are to be brought up to the level of the advanced countries. Any attempt at implementing a uniform policy for the whole of W. Europe, which ignores these essential differences, must inevitably end in failure. There is, therefore, a need, as the *Survey* rightly emphasises, for an "empirical approach to the practical problems of economic integration." At any rate, there can be no simple solution. And to oversimplify the admittedly complex nature of the problems is to meet failures at every turn. Caution and patience are the qualities which the European statesmen need. There is fortunately some evidence, in the shape of Benelux and the European Steel and Coal Community, to show that they possess these qualities.

DR. R. K. SHANMUKHAM CHETTY

IN the death of Dr. R. K. Shanmukham Chetty, which occurred at Coimbatore on Tuesday last, the country has lost an accomplished debater, able economist, efficient administrator and far-sighted statesman. Indeed, as has been most aptly remarked, his disciplined life and ever-increasing multitude of activities, his scholarship, his unique way of tackling intricate problems, his simple manner of exposition, and his courage of conviction won for him both respect and admiration. The active part he played in the deliberations of the I.L.O. Conference at Geneva in April, 1932, the Imperial Economic Conference at Ottawa in July-August, 1932, the Assembly of the League of Nations at Geneva in September, 1938, and the World Monetary Conference at Bretton Woods in 1944 is only part of a career, at once exciting, useful and varied. As the elected President of the Central Legislative Assembly in 1933, he maintained not only the high standard of excellence set up by many of his predecessors but also a firm and genial control over the proceedings of the Assembly and won laurels at the hands of such great parliamentarians as Mr. Bhulabhai Desai, Mr. S. Satyamurthy and Mr. M. A. Jinnah.

The other aspects of his versatility were noticeable when he was Dewan of Cochin from 1935 to 1941, head of the Government of India's Purchasing Mission in America from 1941 to 1942, Chairman of the Industrial and Scientific Research Committee in 1944, Constitutional Adviser to the Chancellor of the Chamber of Princes in 1945, and Chairman of the Tariff Board from 1945 to 1947. To Dr. Shanmukham goes, to a considerable extent, the credit for the formulation of a tariff policy for the preservation and development of war-time industries. As the Finance Minister of the Government of India in 1947-48—the first Indian Finance Minister of Independent India—he brought to bear upon the solution of the many pressing problems of the day his active and independent powers of judgment. His death leaves a void in the economic and political life of the country which is difficult to fill.

SUBDUED TONE IN SHARES

MONEY STRINGENT—COMMODITY MARKETS LOOK UP—STERLING AREA'S GOLD RESERVES

THURSDAY, 5 P.M.

THE Stock Exchange has depicted a slightly subdued trend this week. The bullish fervour which had been in evidence in the past four weeks seems to have waned considerably. Under the leadership of steel shares the trend of prices has been generally downward all round. Tata Deferreds, for instance, have receded to Rs. 1,887-8 this week from Rs. 1,917-8 at the close of last week.

MARKET GOSSIP

The sentiment of operators in shares seems to have been adversely affected by several uncertain factors. Conflicting rumours regarding the conversion ratio, continued delay in the announcement of the Mediator's award as also of the Government's decision on retention prices of steel, disquieting conditions on the Burma border and in Thailand all seem to have induced some leading operators to switch over their interests from shares to other principal commodities. In fact, the relatively attenuated floating stocks of silver, cotton and groundnuts in the respective markets have acted as a strong stimulus to divert the attention of tired bulls from shares to these commodities. A leading bull is stated to have unloaded a large parcel of Deferreds in order to cover his commitments in silver. Share values, which declined to lower levels as a result, have since improved and the undertone of the market remains steady.

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Stringent conditions have again come to prevail in the short-term money market. Revival of activity in the principal commodity markets and the need for funds for moving cloth, cotton and sugar to consuming centres by merchants seem to have led to some good demand on banks' funds this week. Having gone short of loanable funds to meet the demand, some banks, it is stated, are reluctant to go in for call money and pay a rate higher than 2¾ per cent. They consider it more prudent and remunerative to obtain advances from the Reserve Bank at 3½ per cent. against their securities rather than pay 3 per cent. on call money in the open market. For, the loss of interest on the statutory margin to be kept with the Reserve Bank on call loan and the brokerage along with interest on the loan will exceed 3½ per cent. payable on borrowings from the Reserve Bank. This explains why the inter-bank call rate which hardened from 2½ per cent. to 2¾ per cent. has not exceeded the latter rate, despite heavy pressure for funds on banks. The renewed demand for funds has belied the expectations of the market some time ago that the slack season would commence this year earlier than expected.

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Quiet conditions prevail in the Gilt-edged market. The Conversion loan which stood at as high as Rs. 82-12 last week has dropped sharply to Rs. 82-4. The high level to which the Conversion loan had touched last week is now reported to be due to covering by a Calcutta operator who had heavily sold short previously. Now that the technical position has thus been corrected, the market can be expected to put on a steady appearance. The activity in other long and medium-dated loans is at present subdued in sympathy with the Conversion loan. 3 per cent. 1970-75 loan has shed As. 2 over the week to stand at Rs. 86-10. The Reserve Bank is offering this loan slightly higher at Rs. 86-12. 3 per cent. 1963-65 loan and 3 per cent. 1964 loan are unchanged at the Reserve Bank's selling rate of Rs. 92-14 for these loans. 3 per cent. 1966-68 loan is ruling annas below the Bank's selling quotation at Rs. 99-10. Transactions reported done, however, appear to be few and far between.

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Price movements in the cotton market disclose a brighter tendency throughout. Both in the ready and forward sections the price-trend is unmistakably upward. Over the week ended to-day, I.C.C. May has gained nearly Rs. 10 to Rs. 733, and I.C.C. August about Rs. 7 to Rs. 738½. The highest levels in both May and August contracts were witnessed to-day; they were Rs. 738 and Rs. 744 respectively. This firmness stems largely from statistical considerations which point to a tight supply position in cotton. There have, of course, been considerable switching operations from May contract to August contract. Apart from the fact that the cotton market tends to reflect the firmness in other commodity markets the main inspiration for the firmness in the market is the scarcity of good quality cotton. It is true that not all local mills have been active buyers. They have not received their quotas. But the holders of quality cotton feel that the mills must come into the market, sooner or later, and that their stocks would command a good market. Indian varieties, such as Vijay, Laxmi, and Jayadhar, continue to attract buyers. Among foreign varieties, Sudans and Egyptians are in request. Only a few hundred bales have been tendered against May contract so far—a fact which, in its turn, reflects the firmness in the ready section. An intriguing question is: what will be the trend in the cotton market once the May contract expires? There will then be only one contract left, namely, the August contract, which will become extremely vulnerable in the absence of any other contract with a convenient expiry month. Much interest attaches, therefore, to the question of new crop trading. No decision, it is learned, has yet been taken by the Government on this question. An early decision would naturally be welcome to the cotton traders. It is not clear whether the Government would like to wait till the new crop position gets a little clearer. In that case, it would have to wait till October-November. The Government's attitude is likely to be known, it is stated, before the end of this month.

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Silver has caused much flutter in the bullion market during the week. This is not the first time that silver has been the object of attraction of speculators. For several weeks now, silver has been in the limelight. This week's performance, therefore, offers no surprise. In some weeks, price fluctuations have been narrow and in others the movements have been wide. This week, it is the latter trend which has been in full evidence. Thus, the white metal dropped from Rs. 161-11 on Thursday last to as low as Rs. 156-2 on Saturday, on aggressive selling by shorts, in which a prominent bull operator also joined. This trend proved to be short-lived; for, since Monday tables have been turned against the short sellers, and the leading bull operator has gained control over the situation. Encouraged by reports of good offtake, he has managed to rig up the price. During the course of one day's trading alone, that is on Monday, he nearly made good the loss he suffered in the previous two days and with full control over the statistical position, he took the price further in his favour to as high as Rs. 165-3 yesterday, thus bringing about a rise of Rs. 9 in the course of three days. Currently, the ready rate stands at Rs. 164-9.

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The silver section of the bullion market has witnessed a trial of strength during the last four days, in which the leading bull operator has gained the upper hand. The operator derived his inspiration from the white metal's statistical position. It is stated that out of the total floating stocks of 3,500 bars all over India, about 2,000 bars are believed to be in the hands of the leading bull operator and the balance is scattered in the various centres. In addition, this bull operator has purchased in the forward position as many as 3,000 bars, while the leading bear operator has gone short to the extent of 4,500 bars. Thus, as against the floating stocks of only 1,500 bars, there has been a speculative business to the extent of 7,500 bars. If the present good offtake is maintained and the floating stocks dwindle further, then the bull operator can dictate his own terms at the time of settlement. Even if the offtake, on the other hand, were to decline, then also the bull operator would be able to retain his control over the market.

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It is understood that a number of important amendments will be proposed to the Tea Bill, as reported by the Select Committee, which is now before Parliament. One of the amendments, of which notice has been given, proposes to fix the number of seats to be allotted to various interests on the Board. This proposal allows for a Chairman to be appointed by the Government, and five members from Assam, three from West Bengal, and two each from Madras and Travancore-Cochin, respectively, to be nominated by "such bodies and in such manner as may be prescribed," two persons from the House of the People, one from the Council of States, one each from eight States to be nominated by the respective State Governments, four officials to be nominated by the Central Government, and such other persons to be nominated by the Central Government which, in its opinion, will represent labourers, manufacturers of tea, dealers, etc. Another amendment proposed specifically asks for representation on the Board for the following four principal all-India organisations of the working class, viz., the All-India Trade Union Congress, the Indian National Trade Union Congress, the *Hind Mazdoor Sabha* and the United Trades Union Congress. Other amendments have been proposed to ensure that in various important matters the Government does not make any decision affecting the tea industry without previous consultation with the Board.

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News is to hand that the International Tea Committee has fixed the tea export allotment from the producing countries for 1953-54 at 135 per cent. of the standard export quota. This decision has come against India's own decision to fix exports for the year at 115 per cent. of the standard quota. It will be remembered that Ceylon has already decided to fix its export figure at 135 per cent. In consequence of the International Tea Committee's decision it is considered probable that India's export figure also will be raised to 135 per cent.

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The Government of India has accepted the recommendations of the Tariff Commission in respect of the conversion charges payable to the registered re-rollers and the fair retention price of untested electric furnace billets produced by the registered re-rollers. Accordingly, the re-rollers have been granted Rs. 130 per ton as conversion charges for untested bars and rods 5/8" and above; and inland units have been allowed additional charges, on account of place extras, at 8.35 per cent. of the place extras. The fair retention price of untested electric furnace billets has been fixed at Rs. 310 per ton. The increased conversion charges and fair retention price have retrospective effect from 1st January, 1953, and will remain in force up to 31st December, 1955. The other recommendations of the Commission in this connection are under consideration of the Government. These are: (1) the desirability of making larger supplies of billets available to the re-rolling industry should be kept in view, since the production of steel in India is increasing and plans are in hand for major expansions in the near future, and the main producers should, therefore, be asked to make due provision for the requirements of this industry in their expansion projects; (2) exports of scrap should be strictly controlled with a view to ensuring that no melting scrap, which can be used by the electric furnace, is allowed to be exported; (3) the present system of place extras on scrap deserves re-examination by the Government; and (4) a committee should be appointed to examine the position and prospects of the re-rolling industry and to suggest suitable measures for its reorganisation.

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To the list of the non-ferrous metals which were returned by the U.K. Government to free trading, namely, tin, zinc and lead, has now been added another, namely, copper. The U.K. Government has given the necessary three months' notice to Commonwealth producers to end bulk buying. The London Metal Exchange will resume, it is stated, free dealings in copper on 5th August. Thus, the Exchange, which in pre-war years was a leading marketing institution for non-ferrous metals, is coming into its own. The Government's decision has been obviously prompted by the relatively sound position of the market for copper and other non-ferrous metals. A notable feature of world commodity markets in recent weeks has been the fall in prices of non-ferrous metals. These metals form part of an important group of defence materials, so that their prices are influenced by defence demands. So far as copper is concerned, larger quantities are expected to flow into world markets from Africa and Europe. Discussing the long-term trends in copper, the *London Financial Times* says:

"The key to the long-term trend of copper—as of other commodities—will lie in the U.S. and in the turn of political events. Mine production of copper has been increased to cover normal peacetime demand, rearmament programmes and U.S. stockpiling. If either of the last two is scaled down, then there will undoubtedly be a degree of over-production which the operation of a free market will automatically correct."

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The overseas markets are slowly shaking off the initial shock of the news regarding the cut in U.S. Governmental expenditure. But it would be rash to suggest that spectacular gains are imminent. In the U.K., there is less belief now than formerly in the possibility of a cut in the Bank rate. Writers on economics believe that the U.K. Government will watch the effect of the concessions it gave recently as part of its budget proposals before it tinkers again with the Bank rate. A notable development—and a development which is hardly calculated to further the hopes of a cut in the Bank rate—is that relating to bank advances. It was in November 1951, that the Government introduced its new monetary policy. During the twelve months from November, 1951, the credit totals of the London clearing house declined by £182 million to £1,743 million. At that point, there was a sharp reversal of trend. The total of loans granted by banks now stands at £1,814 million. During the past five months the banks have been granting an additional credit of £14 million per month. For the next few months, there is possibility of a further increase in advances, thanks to the proposed denationalisation of transport, and the return of grain import trade to private enterprise. There is, therefore, less need to stimulate banks' advances through the stimulus of a reduction in the Bank rate. At any rate, the Government, it is felt, will not take any decision on monetary policy, before it has studied the trends in bank advances and the effect of the recent reliefs in taxation which it has announced.

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The sterling area's gold and dollar reserves recorded yet another gain at the end of April, when they aggregated $2,273 million, as compared with $2,166 million at the end of March. Thus, during April, the area had a gold and dollar surplus of $107 million, which compares with surpluses of $63 million in March and $125 million in February. The April surplus includes $20 million received from the U.S. through military aid and $11 million through the E.P.U. settlement. It is now more than a year since the area's reserves touched so high a level. At the end of 1951, the area had gold and dollar reserves to the tune of $2,335 million. So the present level falls only slightly short of the high level at the end of 1951.

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It is, of course, difficult to assess the prospect of this area's dollar surplus in the coming months. For one thing, the U.S. Government has already slashed the appropriations for foreign aid. The effect of this reduction would begin to be felt from the next American fiscal year commencing from 1st July. Perhaps, any cut in this aid will be made good, at least partially, by fresh American demand for sterling area commodities, of which the U.S., it is stated, does not hold plentiful stocks. But the fact that these commodities do not command such good prices as they received in world markets in the post-Korean boom suggests that the possible dollar earnings through American purchase of these commodities cannot be very considerable. A commodity, which is particularly affected in this manner, is rubber. The position in regard to rubber was neatly summed up by Sir Sydney Palmer, Chairman of the Rubber Growers' Association, at the recent annual meeting of the Association. During the seven years since the end of the Second World War, natural rubber exports to the U.S. have earned the sterling area $1,350 million. If account is taken of the rubber exports to other dollar areas, this commodity has earned the sterling area over $1,600 million. In 1951, rubber exports to dollar area were valued at $400 million. In 1952 rubber's earnings dropped by half, and in the current year, it "looks as if they may be less than $100 million." The progressive decline in earnings reflects, in part, the fall in rubber prices.

EQUITIES REACT ON LIQUIDATION

TEXTILES, HOWEVER, STEADY

(From Our Own Correspondents)

BOMBAY, *7th May*

AFTER remaining firm for several weeks, equities on the Stock Exchange displayed a sagging tendency during the week under review. In the absence of any bullish incentive and selling pressure by shorts, there was a marking down of prices over a wide front. A notable exception to the general trend was, however, provided by select speculative scrips in the textile section which ruled firmly steady, thus indicating that the market was still inclined to be bullish, despite the recession in steels and other leading miscellaneous counters.

Though the firmness of the bullion and cotton markets and rumours of an early announcement of the steel retention price induced rallying attempts at times, equities could not hold their ground in the face of persistent selling by shorts who chose to depress the market. Reports of lower production by the Tata Iron and Steel Company at Jamshedpur during the month of April, fears of a fall in prices of steel in foreign countries due to a large increase in production, continued labour strike in the Indian Iron and Steel Company disturbed the sentiment of bulls.

In the steel section, Tata Deferreds opened on a quiet note at Rs. 1,906-4, and after going up to Rs. 1,916-4 on Saturday, reacted sharply to Rs. 1,886-4 on Monday. At this level, scattered bull support and bear covering came forward and lifted the scrips to Rs. 1,901-4, but they slipped back to Rs. 1,871-4 before closing at Rs. 1,887-8. Tata Ordinaries moved between Rs. 329 and Rs. 324 and finished at Rs. 328-8. Indian Irons were on offer and moved down from Rs. 25-12½ to Rs. 25-2½, but at the close gathered strength to Rs. 25-8 on hopes of an early settlement of the labour strike.

The textile section was generally steady and select scrips scored useful gains, on reports of a better demand for cotton piecegoods from external as well as internal markets. Kohinoors, which came down to Rs. 314-12 yesterday from Rs. 318, jumped up to Rs. 320 to-day before closing at Rs. 319-12. Bombay Dyeings were a shade lower at Rs. 395. Central Indias gained Rs. 5 to close at Rs. 176, Centurys, a rupee to finish at Rs. 276, Finlays Rs. 2 at Rs. 305, Indu Ordinaries As. 3½ at Rs. 10-9½. Gokaks showed no change at Rs. 216, but New Greats were marked up by Re. 1 at Rs. 156 and New City by Rs. 8-12 at Rs. 150. Standards were a shade quiet at Rs. 282-8 *ex-div.*, as against Rs. 304-6 *cum-div.* Svadeshis were steady at Rs. 254 *ex-div.* Simplex, however, disclosed a loss of Rs. 3-8 at Rs. 173-8.

Banks were featureless and select scrips disclosed minor losses. Imperial Fully Paid-ups, which came into the limelight last week with a gain of Rs. 32-8 to Rs. 1,885, were marked down by Rs. 27-8 to Rs. 1,857-8 and the Contributories by Rs. 8-12 to Rs. 455. Centrals (Old) were a fraction lower at Rs. 64, while the New shares were unchanged at Rs. 65-12. Indias were steady at Rs. 154, and Barodas at Rs. 114. United Commercials shed As. 8 to Rs. 35-4.

A feature of the trading in insurance shares was a drop of Re. 1 to Rs. 42-4 in New Indias. Orientals were, however, taken up by Rs. 125 to Rs. 7,150. Other scrips remained unchanged.

In the public utility section, the Tata Hydro group came in for selling, on reports that the Companies' new issue of shares for financing their Trombay Scheme would be offered to the existing shareholders at par. Tata Powers declined by Rs. 22-8 to Rs. 1,515. Tata Hydros were a fraction down at Rs. 151-4. Andhra Valleys, however, were, better off by Rs. 7-8 at Rs. 1,432-8. Ahmedabad Electrics shed As. 10 to Rs. 109-1, but Bombay Suburbans put on As. 15 to Rs. 124-6. Surat Electrics held their own at Rs. 130-10.

Miscellaneous industrials presented a quiet trend. A.C.Cs. drifted lower from Rs. 173-8 to Rs. 170, before winding up at Rs. 171. Belapurs relapsed from Rs. 241 to Rs. 234-8, but edged forward towards the close to Rs. 236. Bombay Burmahs receded by Rs. 5-10 to Rs. 383-12. B.I.Cs. were steady at Rs. 8-10½. National Rayons were in demand to go up by Rs. 3-8 to Rs. 89-8. Tata Chemicals were dull at Rs. 9-4 and Tata Oils disclosed a loss of As. 12 at Rs. 34. Wimcos backed away from Rs. 236-14 to Rs. 234-6.

In the mining and engineering section, Alcocks drifted down from Rs. 389-6 to Rs. 383-12, Shivrajpurs from Rs. 56-12 to Rs. 53 and Indian Coppers by As. 2 to Rs. 2-14. B.B. Petrols were quiet at Re. 1-2½. Premier Constructions were placed Re. 1-8 lower at Rs. 89.

In the transport section, Scindia Steams were weak with a decline of As. 4½ to Rs. 13-7½. Bombay Steams were steady at Rs. 35-8. Air-Indias were done at Rs. 84 and Air-India Internationals at Rs. 104.

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Calcutta Stock Exchange

CALCUTTA, 5*th May*

During the first two sessions of the week under review, that is, on Wednesday and Thursday last, the support given to jutes and steels imparted general steadiness to equities on the Calcutta Stock Exchange, but the following sessions of the week were dull and uninteresting. Judging from this week's trend, it would appear that operators are waiting for the emergence of clearer prospects before increasing commitments. Although the market could have derived a measure of strength consequent on the disappearance of the near-possibility of Korean peace, in view of the delay tactics adopted by the Russians, operators rightly placed more reliance on internal factors. The changed attitude of the Pakistani Government towards India has been noted, but operators wait for further developments which might improve the pattern of Indo-Pakistani trade.

This week's gains in prices of jute goods being substantial, an abnormal rate of business in jute shares would not have been any surprise at all. However, this was not to be, as after earlier steadiness in selected counters, prices drifted and to-day's closing rates are either lower on balance or carry insignificant gains. The reason behind this performance would appear to be operators' preference to wait for a time and see if the price gains of jute goods are well maintained. If they are not, jute mills cannot show better working results during the current accounting period. Coals were also far from steady, as anxiety was felt by the fall in the rate of exports.

Although there was a slight increase in the number of transactions in the textile section, prices did not move up. On the other hand, a recession was in evidence in certain counters. Thus, Kesorams were unchanged at Rs. 19-14, while Bengal-Nagpurs shaded from Rs. 15-4 to Rs. 14-14. Muir Mills were traded at Rs. 215, and Elgin Mills declined from Rs. 16-15 to Rs. 16-12.

Jutes could not maintain the earlier gains in most cases, and operators were cautious, as the increase in the price of jute goods had been accompanied by an advance in the price of the raw material. Speculative Howrahs opened at Rs. 24-9 and gained to Rs. 24-11. The closure on Saturday took the quotation down to Rs. 24-5, and during the last two days the rate fluctuated between Rs. 24-4 and Rs. 24-12 before closing to-day at the higher level. Nuddeas, after improving from Rs. 42 to Rs. 45, partially lost the gain at Rs. 44-12, while Reliances steadily advanced from Rs. 13-8 to Rs. 15. Gourepores were noted for a gain of Rs. 21 to Rs. 286. Barnagores were better by two points at Rs. 165. Unions changed hands at Rs. 163, Anglo-Indias at Rs. 231, and Indias at Rs. 131. Kinnisons realised Rs. 194.

Only nominal interest was shown in coal shares, and rates varied little. Burrakurs were wanted at Rs. 10-10. Raneegunges rose further from Rs. 9 to Rs. 9-4, but on Monday the gain was completely lost. East Indians were unchanged at Rs. 23-2, while Bengals were bought at Rs. 532. Khatras Jherriahs moved further from Rs. 41-9 to Rs. 43. Bengal-Nagpurs changed hands at Rs. 14-4 and Central Indias at Rs. 5.

Speculative support to the engineering section raised Indian Irons earlier from Rs. 25-7 to Rs. 25-13, but subsequently gave way to Rs. 25-3. The rate was around Rs. 25-8 during the last two sessions. Jessops were taken at Rs. 24-11, and Texmacos were bought at Rs. 5-6. Burn & Cos. realised Rs. 221.

In the miscellaneous section, features were limited. Carews were wanted up to Rs. 7, showing an overall gain of Re. 1-5, while Dharbanga Sugars receded from Rs. 9-2 to Rs. 8-15. After remaining at Rs. 12, Airways Indias slipped to Rs. 11-12, while Rohtas Industries were steady at Rs. 9-6. B.I. Corporations were traded at Rs. 8-9, Indian Cables showed a fractional improvement to-day at Rs. 18-6 and India Steamships changed hands at Rs. 6-5. Titaghur Papers were taken at Rs. 35-2, Sone Valley Cements at Rs. 7-4 and Alkali Chemicals at Rs. 13-6.

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Madras Stock Exchange

MADRAS, 5*th May*

There was considerable enquiry in the Madras Stock Exchange this week. The lull in the Korean peace talks stimulated the upward trend that was in evidence last week. Textiles advanced further on revival of demand for cloth and yarn from consuming centres and certain overseas enquiries. Plantings were steadier. Teas improved on encouraging Continental advices. Rubbers were better on speculative demand. Coffees too were lively in sympathy with the other two planting scrips. Miscellaneous scrips proved no exception to the general trend. As a result, the volume of business done was slightly better and prices recorded moderate gains over the week.

Some popular scrips in the textile section came in for fair support. Dhanalakshmis and Janardhanas were higher by Re. 1 each, at Rs. 175 and Rs. 63, respectively. Sri Krishnarajendras were done at Rs. 40, as against Rs. 39 at the end of last week. Lakshmis Rs. 50 paid-ups gained Re. 1-8 to Rs. 80 and Rs. 25 paid-ups Re. 1 to Rs. 39. Metturs were better at Rs. 190. Malabar Spinnings exchanged hands at Rs. 142, as against Rs. 150 *cum-div.*, and Rajalakshmis at Rs. 76-4 *cum-div.*, as against Rs. 74-8. The Directors of Rajalakshmi Mills have recommended a dividend of 9 per cent. on ordinary shares for the year ended 31st December, 1952, as against 10 per cent. for the previous year.

The crisis in tea is taken to have been virtually tided over. London advices were encouraging. Parksides hardened by As. 6 to Rs. 12-2. Highland Produces and Kalasas were quoted higher by As. 2 each at Rs. 10-4 and Rs. 10, respectively. Outcherlonys (tea and coffee) gained As. 4 to Rs. 3-15. Periakarmalais were done at Rs. 26-12 *cum-div.*, as against Rs. 25-4. The Directors have declared an interim dividend of 15 per cent. on ordinary shares for the year ended 31st March, 1953. Kil Kotagiris (tea and coffee) were up by As. 2 at Rs. 5-3 *cum-div.* The Directors have maintained the dividend of 30 per cent. on ordinary shares for the year ended 31st October, 1952.

There were reports of considerable reduction of rubber stocks with the leading rubber consuming factories. Consequently, Thamarapally improved by As. 4 to Rs. 13-2 and Rajagiris by As. 2 to Rs. 10-2. Anandams gained an anna and a half to Rs. 9-9½. Kailas and Pullangodes were steady at Rs. 3-4 and Rs. 2-7, respectively. Midlands (tea and rubber) were up by As. 2 at Rs. 9-10. Kalepettas (tea and rubber) were, however, lower by As. 2 at Rs. 17-8.

Among coffees, Coffee Lands improved by As. 3 to Rs. 9-9. Consolidated Coffees also advanced by a similar amount to Rs. 17-3. The coffee crop realised by this estate till the end of March is reported to have been considerably above expectations. Puthuthottams were slightly better at Rs. 4-1. But Shevaroys were fractionally lower at Re. 1-2½.

Among miscellaneous scrips, Andhra Cements Rs. 100 paid-ups were enquired at Rs. 95, as against Rs. 94 and Rs. 10 paid-ups at Rs. 9-10, as against Rs. 9-5. Mettur Chemicals and Mysore Chemicals and Fertilisers were fractionally higher at Rs. 4-1 and Rs. 8-2, respectively. Deccan Sugars Rs. 25 paid-ups were up by Re. 1 to Rs. 21-8. India Sugars were done at Rs. 22 *cum-div.*, as against Rs. 20-4. The Company has maintained the dividend of 25 per cent. for the year ended 30th September, 1952. Mysore Tobaccos were better at Rs. 10-5. Rallis, however, lost As. 8 to Rs. 77 and Mysore Papers As. 2 to Rs. 13-10.

ROLE OF STOCK EXCHANGES

Addressing the recent annual meeting of the Madras Stock Exchange, Mr. J. V. Somayajulu, Chairman, made a few notable observations on the role of stock exchanges, in general, and on the trading conditions of the Madras Stock Exchange, in particular. He said that a stock exchange was a delicate and sensitive mechanism which could be described as an economic barometer. Its services lie in the direction of providing continued liquidity to the securities quoted on it and of diverting capital into the most fruitful and essential channels of investment. The Madras Stock Exchange has, like other stock exchanges in the country, already witnessed a sharp fall in the volume of business. He attributed this development to the general change in the economic climate of the country, and, secondly, to the paucity of funds flowing into the market, thanks to the virtual absence of surplus savings in the community. But it must be said to the credit of the Madras Stock Exchange that it did not suffer from such violent downward movements as have characterised the working of the other chief stock exchanges in the country. Mr. Somayajulu attributed this fortunate development to the fact that the Madras Share Market was "primarily an investment market." However, what the stock exchange has gained in stability of prices has apparently been lost in turnover and liquidity, for Mr. Somayajulu said that the "volume of business has diminished to negligible dimensions at the present moment."

Reviewing the prospects for stock exchanges, he pointed out that the hopeful factors were the change in the international situation, the Republican Victory in the U.S., and the internal factors, such as the implementation of the Five-year Plan and the appointment of the Taxation Enquiry Commission. But he deplored the low exemption limits in the Estate Duty Bill—Rs. 75,000 for individuals and Rs. 50,000 for each member of a joint Hindu family.

Of the three major stock exchanges in the country, the Madras Stock Exchange takes a somewhat less important place than either the Bombay or the Calcutta Exchange. Mr. Somayajulu was, naturally enough, sorely exercised over this backwardness of the Exchange. He deplored that the Exchange was having a "rather stunted growth." He urged the need for the 7 founder-members and the 7 non-founder members to give up voluntarily their privileges and thereby ensure the growth and development of the Association. It is to be hoped that the concerned members will rise to the occasion and make the necessary sacrifice in the larger interests of the organisation which they have helped to establish and in whose progress they ought to be really and vitally interested.

Latest Quotations

Bullion	Gold Ready (.999)	Rs. 87- 2-0
	Gold Forward	„ 86-10-0
	Silver Ready (.996)	„ 164-13-0
	Silver Forward	„ 164- 9-0
Cotton	Vijay	Rs. 920-0
	Berar Jarillas	„ 775-0
	Moglai	„ 725-0
	Bengal Deshi	„ 550-0
Sugar	27.E	Rs. 28- 0-0
Jute	Raw Jute, Assam Bottoms per maund	Rs. 22- 0
	Hessians. (40" 10 ozs.)100Yds.	Rs. 41-13
	Heavy Goods B. Twill, (per 100 bags) Ready	Rs. 92- 0
Tea	For Internal Consumption— per lb.	
	Medium Dooars Dust	Re 1-8
	Best Assam C.T.C. Dust	Rs. 1-15 to 2-0
	For Export—	
	Clean Black Pekoe	Not Quoted
	Clean C. B. Pekoe	
	Medium Assam B. Pekoe	
	Good Assam B. Pekoe	
Produce	Linseed Rold (Cwt.)	Rs 32-4-0
	Groundnuts (B. Rdy) (Cwt.)	„ 48- 8-0
	Castor Seeds (Madras) (Cwt.)	„ 31-12-0
	Castor Oil Commercial	„ 17-10-0

NEWS IN BRIEF

THE Government of Madhya Bharat has appointed a committee to revise the Land Revenue and Tenancy Act, *Samvat* 2007.

The next meeting of the Import Advisory Council will be held on Friday, 22nd May, 1953, in New Delhi under the chairmanship of the Minister for Commerce and Industry. The Export Advisory Council will meet on the following day.

Sixty-nine foreign business institutions in India were sold to residents and 12 were liquidated during the period July, 1947 to December, 1952. The remittances received during the above period for investment in India amounted to Rs. 8.3 crores.

With a view to minimising any dislocation that may be caused, particularly to the lower income groups, by the withdrawal of the *hali sicca* currency, the Government of India has agreed to issue reasonable and adequate quantities of small coins of the denomination of annas eight and below in the local currency for a period of one year from 1st April, 1953 and *hali sicca* one-rupee notes for a temporary period. The legal tender character of the State currency has also been extended for two years.

The all-India fourth estimate of cotton for 1952-53, puts the area and the production at 15,030,000 acres and 2,906,000 bales, as against 15,126,000 acres and 3,042,000 bales of the corresponding adjusted estimate for 1951-52. This shows a decline of 96,000 acres and 1,34,000 bales in production. The decline is due to insufficient rains and adverse weather conditions in central and southern parts of India. The decline is mostly in the varieties of Oomras, Hyderabad Gaorani, Southerns, and in Hyderabad, Madhya Pradesh, Madras and Mysore.

Loans amounting to Rs. 73.91 crores were advanced to Parts "A" and "B" States in 1951-52, for schemes in the Five-year Plan. In 1952-53, loans advanced to these States aggregated Rs. 68.82 crores. The grants sanctioned in their favour for Grow More Food scheme and as special developmental grants to certain Part "B" States amounted to Rs. 12.35 crores for the two years, 1951-52 and 1952-53. The loans were for meeting expenses in connection with the centrally financed river valley projects, rehabilitation, G.M.F. scheme (including minor irrigation), natural calamities, industrial housing, Community Development Projects and miscellaneous schemes.

The States of Bombay, Punjab and Hyderabad have already enacted legislation for the levying of betterment fee in areas brought under irrigation by the new river valley projects. The States of Madras, Uttar Pradesh, West Bengal, Rajasthan and the P.E.P.S.U. have drafted Bills for this purpose which are under consideration. The States of Bihar, Orissa, Madhya Bharat and Travancore-Cochin have accepted, in principle, the levy of betterment fee in connection with new irrigation projects. The income from the levy of betterment fee would be credited wholly to the revenues of the States concerned. It would, of course, appear in the administration accounts of the projects concerned.

The question of development of river communications, particularly on the Ganga and its feeders, is under consideration of the Bihar Government. A board, known as the Ganga-Brahmaputra Water Transport Board, has been set up at the Centre in the Ministry of Transport on which Bihar is represented. This Board is actively considering questions which have direct bearing on the navigability of the river Ganga and Gogra. The State Government has also constituted an Inland Water Transport Advisory Committee consisting of the representatives of the steamer companies, the railways and the Governments concerned. The function of the Committee is to advise Governments mainly to ensure efficient transport of goods and passengers on the Ganga and the feeder services.

The Government of Bombay has decontrolled barley throughout the State of Bombay, with effect from the 2nd inst. It has consequently now become a derationed article. Among the restrictions removed are those which laid down the maximum percentage of extraction of bran from barley ground in roller-flour mills and prohibited manufacture of barley flour other than wholemeal barley flour in the Bombay Ration Area. The restrictions which will continue to exist in respect of barley are: (1) prohibition against the movement of the grain into or out of the limits of the State of Bombay, (2) those imposed by the Flour Mills (Chakki) Licensing Order, 1950 and (3) those arising under the Entertainment Restriction Order which regulate the number of persons that can be entertained at parties or functions with articles in which cereals are used.

The total concealed income unearthed in the year 1952-53 by the Income-tax Investigation Commission and through the disclosure scheme amounted to Rs. 20.54 crores. This information was given by the Deputy Finance Minister in the House of the People this week. Besides this, some amount was detected by officers of the Income-tax Department in the course of normal assessment proceedings, but information therefor is not readily available and cannot be collected without much time and labour. Generally speaking, the concealed income represents black-market money, speculation profits or profits suppressed through inflation of expenses, deflation of sales, undervaluation of stocks, purchase of speculation losses, bifurcation of transactions and such other devices. Moderate to heavy penalty is levied on offenders according to the facts and circumstances of each case.

The rates of postage applicable to packets and parcels have been revised with effect from 1st May, 1953. In the inland service, the postage on book, pattern and sample packets has been revised from nine pies to one anna for the first five tolas and from three pies to six pies for each subsequent two and a half tolas or part of that weight. For parcels, the postage has been revised from six annas to eight annas for every 40 tolas or part of that weight. The postage on registered newspapers remains unchanged. In the foreign post, for all destinations other than Aden, Ceylon, Nepal, Pakistan and Portuguese India, the postage on printed papers, business papers and sample packets has been revised from nine pies to one anna per two ozs., subject to a *minimum* charge of four annas in the case of business papers and two annas for sample packets. For packets of printed papers, etc., addressed to Aden, Ceylon, Nepal, Pakistan and Portuguese India, inland rates of postage are applicable.

Problems relating to the promotion of the horticulture industry in India will be considered at a special meeting of the Horticulture Committee of the Indian Council of Agricultural Research to be held at New Delhi on the 11th inst. The Committee will examine certain suggestions made by the Horticultural Society of India and make recommendations which might help horticultural improvement in the country on a rational basis. It will also discuss a proposal for establishing a horticultural division at the Indian Agricuitural Research Institute, Pusa. As work on horticulture will now be eligible for Grow More Food subsidy, the Committee will suggest the lines on which the States can, with advantage, intensify their horticultural work. It will review the status of horticulture in each State and recommend a phased programme of horticultural development on a regional basis during the next five years, taking into account the research work now being done. The Committee will go into the question of the State Governments setting up commercial gardens and orchards on scientific lines, to be worked more or less on a self-supporting basis.

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From Abroad

Sweden's engineering industry, excluding shipyards, has reported a 29 per cent. decrease in the number of shipping orders on hand during January and February this year. On an average, the orders on hand provide employment for 11 months.

The British Government has lifted control over the distribution of all iron and steel products, except tinplate. Steel supplies in the U.K. are said to be sufficient to meet domestic demand, as well as to provide somewhat larger quantities for export.

The Government of Malaya has decided to settle Indian labourers in Malaya on land. Two pilot schemes have been prepared by the Government for immediate execution. One of them will make State lands and the other estate lands available to Indian labourers in Malaya. In three out of the nine States in Malaya, some progress has already been made.

Commonwealth Prime Ministers will begin a series of meetings at No. 10, Downing Street, two days after the Coronation. The meetings are expected to last for about a week. The British Prime Minister, Sir Winston Churchill, will preside. It is understood that a provisional agenda has been drawn up for them, touching foreign affairs, defence and finance.

The first Wool Futures Market ever to be held in Britain opened in London on the 29th inst. The floor was crowded with many Commonwealth, United States, and European representatives, and associate members of the London Wool Terminal Market. Some nine lots, about 45,000 lbs. were traded, and prices varied between 158*d.* (Rs. 8.12) for September delivery, and 147d. (Rs. 8.4) for July, 1954, delivery.

The Norwegian State Housing Bank has financed the building of 60,000 homes since the war, as well as business premises and farm buildings, says the Bank's Annual Report. Last year, loans were approved for the construction of 20,000 new homes, about 30 per cent. more than in 1951. The Housing Bank now has loans outstanding amounting to £50,000,000 and has loan commitments amounting to another £15,000,000. The Bank says that from 1950 to the autumn of 1952, building costs rose by 20 to 30 per cent.

The British Government has removed all wartime price controls except on food, with effect from the 1st inst. The last remaining Board of Trade price control, on nylon stockings, has also lapsed. Price controls on subsidised food and feeding stuffs however, remain in force. Control on importing, distributing, and price of rice will end on 31st July. Private traders will be able to start importing rice from 1st July. British rice consumption, about 3½ lbs. per head a year, represents only a small fraction of world supplies and is not expected to rise with the lifting of controls.

A revolutionary type of pump, of extremely simple design, which is being shown for the first time at the Birmingham section of the British Industries Fair, has attracted much attention. Known as the Cycle-Plunge pump, its revolutionary features is that it is completely non-priming and has only three moving parts. The pump has passed stringent tests with the British Sugar Corporation and is considered suitable for pumping molasses. This is a considerable achievement as, up to the present, the pumping of molasses has had to be done by a heavy machine weighing over one ton. The new pump weighs 23 lbs. It gives 300 lbs. pressure and a 27-ft. suction lift.

PERSONAL

MR. George V. Allen, U.S. Ambassador to India, presented his credentials to the Union President on the 4th inst.

Mr. P. V. R. Rao has assumed charge as Accountant-General, Bombay, *vice* Mr. V. N. Adavi who has proceeded on leave.

Mr. Dhirajlal Maganlal has been elected Honorary Secretary of the Bombay Shareholders' Association, in place of the late Mr. Jagmohandas J. Kapadia.

Mr. K. L. Dalal, who was second Secretary to the Indian High Commission at Colombo, has been appointed Secretary to the Embassy of India in Prague, Czechoslovakia.

General K. M. Cariappa, High Commissioner-designate for India in Australia, has been concurrently accredited as High Commissioner for India in New Zealand.

Mr. Faiyazuddin Ahmed Faizi, Special Social Service Officer, Karimnagar, has been appointed Assistant Member of the Conditions of Work Division of the I.L.O. with headquarters at Geneva.

Lt.-Col. J. D. Kothawala, of Messrs. Polson Ltd., has been appointed a member of the Divisional Railway Users' Consultative Committee (of the Central Railways) in Bombay to represent the Indian Merchants' Chamber.

Mr. G. J. Gardner, Chairman of the Indian Jute Mills' Association, left for Singapore last week-end on a brief visit, with a view to collecting such information as is available at this focal point of Far Eastern countries and the extent to which changes in jute goods trade may be anticipated.

Rajkumari Amrit Kaur, Minister for Health, Government of India, and leader of the Indian delegation to the sixth session of the World Health Assembly which commenced at Geneva on the 5th inst., left for Geneva. Mr. C. G. Pandit, Secretary of the Indian Council of Medical Research, and Mr. R. Visvanathan, Deputy Director of Medical Services, accompanied the Health Minister.

Mr. S. M. B. Easwaran of Messrs. Dalal & Co. and Mr. V. Rangachari of Messrs. Maconochie & Co. have been elected President and Vice-President, respectively, of the Madras Stock Exchange Association Ltd. for the year 1953-54. Mr. S. Ramaswami Naidu of Messrs. Ramlal & Co. has been elected Honorary Treasurer, and Mr. K. Venkataraman of Messrs. Venkataraman & Co. and Mr. H. Subramaniam of Messrs. Chitra & Co., Joint Honorary Secretaries.

"COMMERCE" 1928

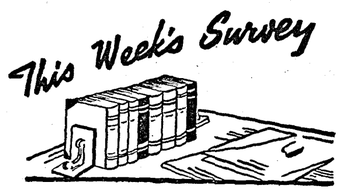
FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 19*th May*

Trade Barriers

Asked in the House of Commons last week whether any negotiations were under consideration for the removal of restrictions on imports to India, Sir Austen Chamberlain (Foreign Secretary) said that he thought conversations on the matter had been proceeding and no doubt, these would be continued. It may be recalled here that, at the recent annual meeting of the Association of British Chambers of Commerce in London, a resolution was adopted in favour of the removal of trade barriers within the Empire and recommending that the matter should be considered at a conference of representatives of Empire industry which was proposed to be called before the next Imperial Conference. And we have it on the authority of a cable from Geneva that the Government of India has signed a Convention and Statutes founding an International Relief Union and a Convention for the abolition of import and export prohibitions and restrictions. Both Conventions were concluded at Geneva in 1927. The time has come to put an end to the increase in tariffs and to move in the opposite direction was the most significant single conclusion of the World Economic Conference held at Geneva last year. It was at this Conference that the Government of India delegates, Sir N. Wadia, Sir Campbell Rhodes, and Dr. Hyder, recommended the permanent appointment of an Indian representative at Geneva to watch its interests. There were 194 members of the Conference, attended by 157 experts drawn from 50 countries in all quarters of the globe.

The Geneva Economic Conference has been followed by constructive work. About 20 countries had signed the Convention on export and import prohibitions prepared by the Diplomatic Conference in November last year. The Convention on the enforcement of foreign arbitration awards was signed by the British Government in the first week of December last. While the economic organisation of the League is entering on new tasks, it is of the utmost importance that all its members should carry out the agreements already made. The ratification of the past economic Conventions is by no means universal. If the league is to make satisfactory progress over new ground, they must consolidate the ground already covered. And it was well that M. Theunis, formerly Belgian Premier, emphasised at the Conference the futility shown in some countries by expending vast sums on ports and railways to reduce the costs and time of transport and neutralising this work by excessive and annoying tariffs, and many other speakers emphasised that the interests of European countries lay in facilitating, not impeding, the flow of international trade.



SLASH IN U.S. BUDGET EXPENDITURE

THE Republican fervour for enforcing economy in Governmental expenditure in the U.S. is showing itself in many ways. Already several departments of the U.S. Government, it is stated, are asking for a lower appropriation than those provided by the Democratic ex-President Truman when he presented, in January last, the Budget for the fiscal year ending June, 1954. But savings in Government expenditure, important as they are, could hardly be substantial, so long as defence and foreign aid constitute so important a part of the Federal Budget. With singular courage, the U.S. Administration is now tackling the problem of economy. President Eisenhower announced a cut of $8,500 million in his budgetary expenditure for 1953-54. The great bulk of the savings, it is stated, would be made by reductions in defence and foreign aid programmes.

Mr. Truman, in his budget message to Congress, last January, it may be recalled, had asked for $7,600 million for foreign aid and $46,000 million for defence expenditure. Since then, many Americans have been pressing the case for economy. Senator Taft, for instance, has been hoping for an economy of at least $4 billion on the expenditure proposed for defence. Mr. Eisenhower has now met the widespread American demand for economy by his agreeing to slash the budgetary expenditure by $8,500 million. But then, it is not clear how the cut would be split between defence expenditure and foreign aid.

However, Mr. Eisenhower proposed to the Congress this week a $5,800 million foreign aid programme, as against the $7,600 million programme suggested by his predecessor. This means a cut of $1,800 million in the original programme. If the President's intention is to effect a cut of $8,600 million in budgetary expenditure, the present cut in foreign aid programme succeeds only partially in achieving that objective. Presumably, further economies are being considered. However, the present reduced rate of $5,800 million foreign aid programme includes, it is stated, $5,250 million for military aid, while the balance, namely, $550 million would be spent for technical and economic development purposes. Again, out of the amount set apart for military aid, a sum of $2,534 million will be devoted towards assistance for the members of the N.A.T.O., $469 million for Middle Eastern countries, and $20 million for Latin America. This is for actual guns, tanks and planes shipped abroad. Also, about $995 million will be spent on "mutual defence payment," inclusive of the amounts set apart for purchases of materials and services for French and Indo-China forces fighting in Indo-China. A sum of $250 million is set apart for a "mutual special weapons planning" in order to provide special weapons to friendly nations. Finally, the Point Four Programme receives 140,234,000 dollars.

During 1952-53, a sum of $4,410 million was allocated to N.A.T.O. countries out of a total of about $5,780 million provided for foreign aid. Of the $4,410 million, about $3,128 million was allocated for military aid and $1,282 million for defence support expenditure. The chief recipients of the aid were the U.K. and France; the former received about $400 million and the latter about $300 million. Also, during 1952-53, $621 million out of the $3,128 million for military aid was set apart for offshore purchases. These items of American expenditure abroad were a fruitful source of dollar income to the European countries. Their reduction would certainly mean a smaller dollar income for these countries. But Mr. Eisenhower has been thinking in terms of "maximum military strength within economic capacities" of the American nation. He said last week: "Security based upon heavy armaments is a way of life that has been forced upon us and upon our Allies. We do not like it; in fact, we hate it. But so long as such an unmistakable, self-confirmed threat to our freedom exists, we will carry these burdens with dedication and determination." It would therefore appear that Mr. Eisenhower will seek economies in defence expenditure without in any way whittling down the military strength or preparedness of his nation. Military strength, Mr. Eisenhower pointed out in his special message to Congress, this week, must be based on "solid economic foundation." But the new climate of peace, which now prevails in the world, seems to have encouraged Mr. Eisenhower to pursue economies to which, in a different context, he might not have so readily consented. Even so, it would be widely deplored if the new American anxiety for economy were to lead to serious cuts in foreign aid, especially the aid for economic improvement of underdeveloped areas. From this point of view it is noteworthy that the President has provided, as already stated, about $140 million for the Point Four Programme of mutual development and technical progress. A notable feature of Mr. Eisenhower's special message to Congress is that he has again emphasised the need for the U.S. to help other free nations to help "themselves in eradicating conditions which corrode and destroy freedom and democracy from within."

ADMINISTRATIVE IRRESPONSIBILITIES

It is indeed a very sad commentary on the West Bengal Government that it should have laid itself open to grave charges of administrative irresponsibilities and even positive bungling at the hands of the Comptroller and Auditor-General of India. The Comptroller, in his Appropriation Accounts (1950-51) and Audit Report for 1952, refers to the series of acts of omission and commission on the part of the West Bengal Government, involving huge sums of money—public money, be it noted. Some irregularities are bound to creep in in one or two departments of the Government. This, however, could certainly be minimised by exercising strict vigilance over expenditure by the Ministries concerned. But, if the Ministries themselves were to prove recalcitrant, as it has been in the case of West Bengal, the entire administration machinery is prone to get corrupted.

A serious charge that has been levelled against the West Bengal Government relates to the purchase of a house in Calcutta for Rs. 7.15 lakhs for accommodating displaced persons by direct negotiation with the owner, thereby disregarding the Land Acquisition Act. The whole purchase is characterised as unremunerative and unnecessary, with no attempt being made to calculate whether the ultimate use to which the property might conceivably be put was a sound financial proposition. Thus, from the details furnished, it appears that, during the period of two and a half years the house was rented out, the rent realised was only Rs. 2,186, against Rs. 7,830 paid as municipal taxes and Rs. 10,000 provided for meeting the cost of repairs. Again, in respect of certain other premises requisitioned and lent out by the Government, no rent has been realised at all; the outstanding rent as at the end of September, 1950, was Rs. 4.36 lakhs and the defaulters included Government servants as well.

Another instance of similar bungling is the purchase of a *zamindari* estate. The price of the estate was fixed at thirty times its estimated net income. This rate is said to be substantially higher than that laid down in the executive instructions by the Government itself under the Land Acquisition Act for the capitalisation of the net annual profits of landholders. Besides, there are also instances of "wasteful expenditure on aeroplanes." No effective steps, we are told, were taken to introduce adequate control over consumption of aviation petrol and oil. No log books were maintained and whatever claims were preferred on this account by the firm concerned were readily admitted without checking the number and distance of flights made. Petrol was shown to have been supplied on certain dates on which the planes had performed no flights at all! Even more amazing is the fact that three planes were sold for a total amount of Rs. 6,206; the plane "Dominic," the book value of which was Rs. 25,000, was sold for Rs. 1,005 and another for Rs. 200. Irregularities are also witnessed in expenditure on road transport and on survey of an underground railway in Calcutta City—the survey is estimated to have cost Rs. 6 lakhs—in the issue of furniture to Ministers and certain officers in excess of the prescribed scale, and in the irregular issue of diets in some hospitals and non-acceptance of lower tenders by some others.

All these charges on the West Bengal Government will perhaps pale into insignificance, if one were to consider the flagrant abuse of administrative power which has occurred in the printing of certain handbills—in Bengali and Hindi—considered essential by the Government to counter the anti-social activities of a certain political party. What is even surprising is that the printing was entrusted to another political organisation which brought them out in its own name. The amount involved may no doubt be small, being only Rs. 3,140. But the method adopted, to quote the Comptroller, "was novel and unusual and it is felt that it would be wrong in principle to meet, out of public revenue, the cost of propaganda done by a political party in its own name." Surely, there can be no worse instance of political impropriety than this.

The foregoing account clearly brings out the lamentable lack of care in the use of public funds by the West Bengal Government. This is indeed highly discreditable and reflects on the integrity of persons who hold the reins of administrative machinery. As we had occasion to observe some time ago, nothing is more fatal to Government's prestige, nothing is more destructive of the confidence of the people in the integrity of Government departments than the impression that public money has been misused, and that deliberately. The Government, like Cæsar's wife, must be above suspicion, and it is deplorable that the West Bengal Government is not. It is to be hoped that the Ministers in charge of the various departments will exercise utmost restraint on themselves in the use of public money.

NATIONAL EXTENSION SERVICE

The three-day symposium on National Extension Service, convened recently by the Indian Council of Agricultural Research, to exchange and evaluate experiences of the past year in training multi-purpose village level workers at Bhopal, has evoked considerable interest. Few aspects of the Five-year Plan have better claim to appeal to public imagination than the establishment of a National Extension Service over a period of ten years. The Service seeks to harness mass enthusiasm for national effort. This aspect cannot be stressed too strongly, for no plan can have any chances of success unless the millions of small farmers in the country understand its meaning, regard it as their own, and are prepared to make the sacrifices necessary for implementing it.

The success of the scheme for the establishment of the National Extension Service, covering the five hundred thousand and odd villages in India, rests largely on trained personnel. Already, it may be noted that 34 extension training centres have been opened by the Government of India in the different parts of the country with financial aid from the Ford Foundation and the U.S. Technical Co-operation Administration. Incidentally, it may be noted that the scheme for the establishment of the National Extension Service, with which the Community Development Programme is to be integrated, will cover during the Plan period about 120,000 villages, or about one-fourth of the country, with a population of eight crores. The programme will be carried out jointly by the Central and State Governments and is expected to begin on 2nd October next. About 1,575 persons are at present undergoing training at these centres, while over 670 have completed their training.

The Indian farmer obviously needs the assistance of a multi-purpose worker at the village level, that is, a person who has a comprehensive understanding of the rural people and their problems and who would be prepared to identify himself completely with them. Such workers must be technically qualified, mentally alert and spiritually alive to the needs of the rural population and be prepared to show to their fellow-villagers, by personal example, the value of human effort.

This, indeed, was the keynote of the addresses delivered by the various speakers at the symposium held in Bhopal last week. Presiding over the symposium, Mr. S. C. Roy, Agricultural Extension Commissioner, for instance, rightly emphasised that the success of the Community Development Projects depended entirely on the type of personnel, especially the village-level worker, who was the link between the Government and the people. "The philosophy of the Community Project," to quote him, "is multi-purpose co-operative societies with the help of multi-purpose village level workers who are the intimate workers of a country-wide National Extension Service." If, therefore, the village worker is to be successful in broadening the horizon of the village people, he must be trained to approach them as a friend, to gain their confidence, to see their problems in the way as they do, and to know the things they value and for which they must work and sacrifice. Viewed thus, the observations of Mr. Douglas Ensminger, Ford Foundation representative in India, assume special significance. The training of the multi-purpose village workers should have a twofold focus in each of the major fields. First, he should know how to identify and, therefore, be familiar with the basic village problems in agriculture, health, education, housing, etc. Secondly, the village worker should be trained in a minimum of basic skills, so that he can assist the villagers in evolving self-help improvement programmes to solve their problems. Indeed, the preparation of the rural population for self-help ought to remain the constant aim of the project workers.

LABOUR PROBLEMS

In the course of his address to the sixteenth annual general meeting of the Employers' Association of Northern India, Kanpur, Seth Mungturam Jaipuria made some thought-provoking suggestions of significance both to employers and labour. The suggestions included, among others, the application of the principle of *res judicata* to labour cases, fixation of time limit for reference of disputes to conciliation and the introduction of standardisation of holidays for industrial establishments. He pleaded also for the retention of Labour Appellate Tribunal, as against the demand, in certain quarters, for the abolition of the same in the new Labour Relations Bill, in the offing.

Mr. Mungturam's demand for the application of *res judicata* to labour cases appears to be justifiable. For this would reduce litigation by closing up issues once decided from continuing to be a renewed source of agitation over and over again. It is true that labour cases should be dealt with in a manner quite different from the common law cases, as they involve issues relating to human relations. But that should not be used as a cloak to stimulate litigation by unscrupulous labour leaders who are more interested in their self-aggrandisement than in the interests of labour.

The time limit plea for reference of disputes to conciliation put forward by the Chairman of the Employers' Association mentioned above also sounds logical. Because, in the absence of such a limit, there is the tendency for cases, which have remote prospect of survival before the tribunals, to be kept alive by withholding their reference for a long time to the authorities concerned. Even here, it appears better to implement the common law rule of limitation of time for reference of disputes to court.

The need for standardisation of holidays, which figured prominently in Mr. Mungturam's speech, is admitted on all counts. In fact, the whole question of standardisation of holidays was included in the agenda of the International Labour Conference held at Nainital last year, but, unfortunately, it could not be discussed there for want of time. As it is, working days in Bombay, Ahmedabad and Baroda are 309, in Calcutta 308, in C.P. and Berar 311, and in Kanpur 296. The disparity in working days is responsible to a considerable extent for the difference in the cost of production in the various units of the same industry. The disparity needs in all conscience to be eliminated.

So far as the demand for the retention of Labour Appellate Tribunal is concerned, it may be pointed out that the demand becomes pointless if India adopts a policy of conciliation and voluntary arbitration for settling disputes, when the need for the Appellate Tribunal will be much less than at present. Moreover, industrial relations would receive a rude shock, if an agency were set up and maintained in the teeth of determined opposition from one of the parties concerned, namely, the workers. If the employers believe that the principle of collective bargaining and voluntary arbitration is not only desirable but also practicable in the present state of affairs, they should rely less on the Labour Appellate Tribunal for guidance and support.

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ever ugly and degrading it might appear to our new concept of equality, all I can say is that a caste system based on false sentiment is as poisonous and demoralising as one with birth as its basis. It is time clear-headed men like Mr. Rajagopalachari discarded some of these clogging sentiments, such as, the sacredness of hand-spinning and hand-weaving and measuring the moral worth and patriotism of a man or woman by the colour, quality and texture of the cloth which covers him or her.—*All Rights Reserved.*

OFF THE RECORD

(By "ROVER")

I THINK the weather at New Delhi in these dog days of May unjustifiably comes in for a lot of abuse and vituperation at the hands of visitors and legislators. I base this observation of mine on the very light-hearted manner in which responsible Ministers, and otherwise sombre and sedate members of Parliament, debauched from the dull discussion on the Industries (Development and Regulation) Amendment Bill, 1953, as reported on by the Select Committee of the House, into developing a highly entertaining and instructive thesis on the best method of handling a nagging wife. If the weather at the Capital were really as malignant and depressing as it is made out to be, nobody, not even Ministers and M.Ps. whom Nature in her partiality is supposed to provide a second protective layer of hide, could have felt inclined to bandy words or joked about such an old and awe-inspiring institution as a nagging wife.

Though my respect for the Chair in the House of the People would prevent me from calling the Deputy Speaker a kill-joy, I doubt if I could bring myself to feel exactly grateful to him for intervening and cutting short this entertaining and speculative dissertation on family life, as he called it, just when the Commerce and Industry Minister was giving the benefit of his researches in the solution of this most difficult of domestic problems. I hold that the public, as a whole, is far more interested in the discovery of the most effective method of silencing a spouse, who is apt to be troublesome with her tongue, than in the elimination of an erring industrial unit which "is being managed in a manner highly detrimental to the scheduled industry concerned or to public interest." For once a Minister of the Union Government was about to render some service to the public, which it might have found useful and of practical application, instead of appealing to it to make more and more sacrifices. But the Deputy Speaker pulled him up and condemned us once again, for an indefinite period, to this age-old tribulation from which the poor male has suffered in silence.

But in spite of the disappointment most of us must have undergone, at this abrupt termination of ministerial revelations about essays in unravelling chronic domestic complexities, I am inclined to believe, on second thoughts, that the Deputy Speaker was right and was really doing us a good turn, when he saved us from the due consequences of testing remedies recommended by a mere quack. If by any chance, you come to apply a wrong method of curing a nagging wife of her distressing proclivity to nag a patient husband, you might possibly end by lending a sharper edge to her tongue by your own undoing. And as it really turned out, what Mr. T. T. Krishnamachari was dishing up about managing wives, nagging or otherwise, had no stamp of personal experience and hence it was bound to be devoid of any authenticity. He confessed to the Chair that he had no wife.

This, however, gives me a good clue for testing the effectiveness of the method Mr. Krishnamachari has thought up about dealing with industrial concerns which habitually persist in misbehaving. In this respect too, the Minister is likely to prove himself a quack. I am confirmed in this belief by what I have been able to gather about the many industrial concerns, such as ordnance and aircraft factories and projects for manufacturing pre-fabricated houses, not to say anything of the glut and bottle-necks plaguing the Sindri Fertiliser Factory. I have not kept count of all the reported scandals about Government's stores purchase activities nor of the gross waste and irregularities galore at the three important river valley projects. In all these, the Government began at scratch with no initial handicaps. In the case of recalcitrant and mismanaged units of industries, which it will now have power to take over, these will already be in a bad way and burdened with many sins of long duration of disreputable managing agents.

I fail to understand how a Government which has made a sorry mess of everything it has touched, which was clean and nice and promising to start with, can be relied upon to take over the management of diseased and mangled bodies despoiled of all its blood and energy for setting them up on their legs so as to function properly. I could have had more confidence in official management of decrepit or diseased factories, if the Government had to its credit a single instance of running one industrial or commercial concern efficiently and economically. Of course, it is another matter if the Government claims that it has the sole monopoly of mismanaging things economic and the private sector of industry should not be allowed to trespass on this preserve.

In this case the Government would be within its rights in claiming all the rotten units of all the industries as its perquisites of office and the private sector would be well rid of such nuisances. While saying this, I am not unmindful of the case of the Sholapoor Mills. Apart from the fact that Government would never be able, in all cases, to find as good a team as that to which the management of this textile unit was transferred, Sholapoor would go to prove the wisdom of transferring all the mismanaged industrial concerns owned by the Government to bodies composed of selected men from the private sector, as Mr. V. N. Chandavarkar and his colleagues on the Board of Directors in charge of the Sholapoor Mills.

Rajaji Turns into a Realist

In spite of my occasional grouse against that gifted leader, Mr. Chakravarti Rajagopalachari, I have always entertained a great respect for his keen-as-a-razor's-edge intellect. He is perhaps the shrewdest senior statesman in the country to-day. When he wants to, he can see the rights and wrongs of an issue almost in a flash and, when it suits his purpose, he has the courage to confess his finding openly, without any thought of the offence he might give to interested parties. This is a quality rare amongst politicians, and as things are shaping to-day, it is likely to be rarer in the near future. I have still to come across a politician, who really counts in the scheme of things, outspoken enough to tell off important sections of the community controlling large blocks of votes like the agriculturists or industrial workers, when they are in the wrong. Mr. Rajagopalachari is, perhaps, the only person who would not be afraid of swimming against the current.

The other day he gave a demonstration of this valuable quality of his, when commenting on the proposal of the State Government undertaking to run the tramway service in Madras to save hundreds of people from being thrown out of employment. While having real sympathy for the widespread distress this closure might cause to the employees of the concern, he is reported to have observed that his Government would not be justified in running this outmoded, inefficient and uneconomic mode of transport at a loss, merely because of the distress its abandonment might cause to a comparatively large number of people. With this outspokenness, he cut across a lot of tangled but misplaced sentiment posing to-day in the country as humanitarianism.

I, however, wonder why so astute and logical a man like Mr. Rajagopalachari should fail to transfer the logic of his courageous stand in this case to the issue regarding cloth production by handlooms. Even under an ideal system of democracy, nobody would claim that the truth or untruth of a proposition could be decided by counting heads. What is right where only fifteen hundred men are affected should be no less right merely because in another instance the number of victims involved in an economic change is a million and a half. And still it is this same Mr. Rajagopalachari, so devastatingly logical, objective and unsentimental in his outlook where transport workers are concerned, who has been at the bottom of a host of wrong policies adopted by the Central Government with regard to the mechanised section of the textile industry.

I wonder if our Congress Governments, which are at such pains to exterminate caste and all that it implies in the social sphere, are engaged, perhaps unconsciously, in building up a new caste hierarchy amongst the citizens. By the look of things, those engaged in hand-spinning and working handlooms comprise the new race of *brahmins*; those who drive a bullock round and round a *ghanee* to crush oilseeds are possibly the *kshatriyas*; those employed in mechanised industries or transport cannot claim a higher status or consideration from the authorities except that of *vaishyas*. Possibly employees in breweries, dance-halls or the soulless film industry must be classed as *shudras*. And finally, to complete the picture, the small band of people engaged in trade or industry for personal profit must rest content by being regarded as *pariahs* or outcastes.

If this is true, and I have no reason to believe that I am very far from the actual truth, how-

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TRADE POLICY AND GOVERNMENT

MORE ECONOMIC HELP FROM AMERICA EXPECTED

(From A Special Correspondent)

NEW DELHI, *5th May*

THERE was some change in the legislative programme of Government. Early in the week, the Commerce and Industry Minister initiated the debate on the Tea Bill in the House of the People. The Government's main object in regard to the above was to achieve simplicity and administrative convenience by enacting a single consolidated Bill, in the place of the present two existing Acts, namely, the Indian Tea Control Act, 1938 and the Central Tea Board Act, 1949. The Bill, it may be noted, provides for the constitution of a statutory Board, called the Tea Board, which will practically be able to control the whole industry. The Tea Board is empowered to regulate and control tea sold by auction or otherwise and has powers in regard to the registration, licensing of brokers and blenders, quality control, etc. The proposed Bill gives considerable powers to Government in the matter of appointment of members to the Board, as also to control the wholesale and retail prices of tea. Generally speaking, leaders of the plantation industries have not been able to see eye to eye with Government in regard to its assumption of sweeping powers to control the industry.

DELHI LETTER

The forthcoming Import and Export Advisory Councils meetings, scheduled to take place in New Delhi on the 22nd and 23rd inst., respectively, will, as usual, be presided over by Mr. T. T. Krishnamachari, Minister for Commerce and Industry. Since their previous sessions some six months ago, a number of developments have taken place in the country's trade position. On account of a marked improvement in the food supply, the balance of payments position has become slightly in favour of India, due to reduced food imports during the last few months. The country is not anxious to import food at any cost from any area; on the other hand, the Food Ministry is anxious to stagger imports as far as practicable, in view of difficulties of storage. It is this reason that has recently prompted Government to suspend procurement of rice and wheat in some areas. In view of the moderate decline in the prices of foreign cotton in recent months, imports on this account will show a gradual reduction. There are already indications that the consumption of indigenous cotton by mills during the current season has been showing an increase of about 23 per cent., while that of foreign cotton has come down by about 21 per cent. With the gradual increase in the area under irrigation through the coming into operation of many small and medium-sized schemes from now on, it is possible that production of quality cotton will be showing a corresponding increase, with the result that the Government can effect some cut on the cotton budget.

This time last year, India was importing goods valued at between Rs. 70 and Rs. 80 crores per month. At present imports have declined to the Rs. 40-crore mark and they are likely to come down further. In view of the steady improvement in industrial production which now works out to about 7 per cent. more than that last year, the Government will have to scan the import list, in order to effect reduction in such of the goods as are being manufactured in the country. There is a case for substantial reduction in imports of goods, which are being produced in the country and which have, in recent months, been meeting with consumer resistance. However, the Government can adjust its import policy in such a way as to allow more luxury goods which yield impressive customs revenue and to utilise their proceeds to the financing of the Plan. Since it has already begun to follow this line of policy to some extent in recent months, it is possible that the Government will intensify it in the coming months.

In regard to exports, the time is now opportune for consolidation and the Export Advisory Council has important problems to tackle. With the emergence of a buyers' market, a certain amount of standardisation has become necessary. Steps must, therefore, have to be taken to set up an organisation for purposes of scrutinising the cloth earmarked for exports and also to improve its quality. The jute mission, which is now on tour in Australia, will be submitting a preliminary report on the conditions of sacking market in this area in a few weeks' time and the Government has to take suitable measures to implement this report. The Burmese trade delegation will be arriving shortly in order to conclude a barter agreement with India. In view of the possibilities of improvement in Indo-Pakistan relations, it is likely that an increased volume of trade might take place between these countries. Latest reports from overseas suggest that Indian prices in regard to oilseeds, oils, hides and skins have become out of tune with those prevailing in competing countries. Further, special efforts are being taken by a few countries to step up exports by resorting to extension of credit facilities, etc. The Export Council will have, therefore, to take note of these developments and adopt a realistic policy conducive to the growth of the export trade of this country.

Those who have had some misgivings about the continuity of American economic help for the financing of the Five-year Plan, after the departure from the Capital a few weeks ago of the previous American Ambassador, the vivacious and genial Mr. Chester Bowles, have proved themselves to be in the wrong, after hearing, at a Press Conference, the new Ambassador, Mr. George V. Allen, the Republican nominee, who presented his credentials to the President this week. Although the presentation of credentials by foreign Ambassadors has become a normal feature in the Capital nowadays, considerable significance is attached to the speech and the Press Conference of Mr. Allen, in view of the unique position that the U.S. has been occupying both in the economic and political spheres in the world. During the last two years and more, a closer economic link has been noticeable between India and the U.S. As a result of large-scale food and raw cotton imports from the latter, the U.S. has taken the first place in India's import trade, while, in regard to exports, it is next only to the U.K. At the same time, its timely wheat loan and the sizable financial allocation which it has been making in regard to Community Projects and kindred development schemes, not to speak of Point Four aid, the Ford Foundation schemes, etc., have gone a long way towards not only easing India's dollar position but also providing the much needed fillip in accelerating the pace of its economic development.

It will be remembered that, during 1952, the total economic assistance received from the U.S., in two instalments, amounted to $86.35 million (Rs. 41.7 crores). In 1951, India received a loan of $190 million (Rs. 90.25 crores) for the purchase of two million tons of foodgrains from the U.S. Purchases under this loan agreement were completed by the end of June, 1952. Although conceived primarily in relation to India's emergency food needs, this loan has, in fact, contributed to the implementation of the country's development programme. The counterpart funds realised by the Government of India from the sale of foodgrains purchased out of this loan are credited to a Special Development Fund to be utilised for financing development schemes and for assisting State Governments by short- and medium-term loans for their development schemes. These apart, India was able to secure, until now, a total sum of $109.8 million (Rs. 52.06 crores) from the International Bank for Reconstruction and Development, in which the U.S. has a lion's share of interest, having contributed a major portion of its working capital.

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is the newest substitute material. But boats made of plastic are also on show, while aluminium, of course, is now almost a traditional material. Aluminium alloy, combined with a two-way tension construction, has produced what the makers call a "challenge to 4,000 years of shipbuilding tradition" and nearly 600 of these craft have already been sold overseas.

The customary exhibits in London include pottery, but the export trade rarely shows much of worth, with its concentration on the gaudy and the over-ornate. The jewellery and clock industries have interesting displays, but the former is obsessed with Coronation emblems and, this year, there appears to be a brisk trade in tiaras. The scientific instrument makers have also, as usual a great deal to show, the most interesting developments being concerned with radar and television. One of the largest groups contributing to this country's export earnings is the chemical industry, and it is fascinating to see concerns such as Shell devoting their salesmanship not to oil but to the wide range of petroleum products, from fertilisers to pesticides, which are of immense value to agriculture; this is an industry which has grown up from nothing since the war. Similarly the Distillers Company, which one would naturally associate with whisky and gin, (exports of the former have reached a new high level in 1952-53) shows what it can produce out of mineral matter—new alloys and plastics.

The biggest single exhibit in London is that of textiles. Coronation robes are shown for those who are privileged to wear them; male mannequin parades strike a new note—it seems Edwardian styles are coming back, for those who are sensitive to such matters; the cheaper plastic materials are dying a natural death, but high quality plastics, less liable to tear, appear to have a future. One of the best displays is that of Nylon Spinners who have largely equipped this year's British Everest expedition in quilted clothing, tents and ropes, all of nylon. This material, either alone or combined with cotton, wool or silk, is now used for every possible type of clothing. But the newest material on show is Terylene, made by I.C.I., which appears with the qualities either of silk or rayon, or as a woollen type. Unlike nylon, terylene is warm to the touch, and, like it, it is crease-resistant and keeps shape wet or dry. It needs no ironing, and is easily washed and dries quickly. It is immune to insect attack and is highly resistant to weather action and sunlight. It can now be used for every type of garment and its industrial uses include filter cloths, which are far more durable than those made of "natural" materials. The textile industry appears to be turning away for good to chemical sources for its materials, but the capacity for manufacturing these new materials is necessarily limited. The sheep and the cotton field have a long life in front of them yet, for the first factory in this country which will be able to make terylene on a commercial scale will cost £10 million to build.—*All Rights Reserved.*

BRITISH INDUSTRIES FAIR

SOME NOVEL FEATURES ON SHOW

(From Our Own Correspondent)

LONDON, *9th May*

THE world's largest show of a nation's manufactured goods opened this week in London and Birmingham. This thirty-second British Industries Fair has adopted the Coronation as its motif and the emblem E.R.I.I. (*pace* the Scots to whom the Queen is E.R.I.) is brought into every conceivable type of decor. For several years now, the designers of the setting of the Fair have been given a free hand and if this year's displays are a little more subdued than those of the past two years, they have lost nothing in gracefulness and simplicity, so that the Fair is a pleasure to stroll around (although one would not advise attempting the whole 35 miles of stand frontage in one day in spite of the air links between the two groupings alleged to make this possible!) as well as a serious occasion for the 20,000 odd overseas buyers who make it their annual pilgrimage.

LONDON LETTER

The only non-British exhibits at the Fair are the displays on the Commonwealth stands. It is interesting to observe how countries such as Canada and New Zealand, which formerly featured their staple products such as foodstuffs, have—either because they see no point in showing goods which are a buying monopoly of the British Government or because of the growing strength of autarky—now concentrated themselves on showing their manufactured products which, presumably, they hope to export either elsewhere in the Commonwealth or to the U.K. All the principal Commonwealth countries have taken stands with the notable exceptions of India and Ceylon. Pakistan shows products ranging from modern industrial goods and sports goods to the exquisite examples of her cottage industries. Pakistan is the largest maker of sports goods in the East and second only to Britain in the world. Among other exhibits are machine tools, surgical instruments, handloom textiles (Dacca muslin is well featured) and silver filigree work.

This year's Fair has a number of novel features, but the pride of place goes to *The Times* newspaper with its miniature but complete rotary newspaper printing plant on wheels. Two vehicles, each comprising a Leyland "Beaver" tractor and a semi-trailer, together contain the complete printing plant. When placed parallel, the sides are opened down to form a floor between them and a portable roof and extending side panels are affixed to form the complete office. On one side of this office are two linotype machines for composing text, one of them equipped for radio typesetting. On the other side are the casting boxes for producing the semi-circular stereoplates from which the paper is printed and the large rotary press. Two other vehicles are required for operating the unit—a lorry for stores and a trailer containing an electricity generating plant. Finally, a jeep receives radio-telephone communications and another which can be operated some miles from the main unit provides radio typesetting. The oldest surviving newspaper in the English language is thus the proud pioneer of the latest development in mobile newspaper production.

After watching the production of a newspaper on this unit the rest of the large and important display of printing machinery seems less exciting than usual. In fact, all the exciting items at the Fair have, an element of mobility about them. If newspaper production can be mobile, so can the houses in which people live. The production of prefabricated houses has become increasingly ingenious since the war first started the demand, but the 1953 prefab claims to be transportable, erectable in the minimum of time (one of them can be put together by two men) and, in an extreme case, is built on skids so that to move the house one has simply to unfasten the divisions and mount the lot on lorries without troubling to pack or move out the furniture! The makers of these ingenious designs —in timber, aluminium, plastic and stressed steel— are now catering mainly for overseas markets. There is a 'Baltic' House which is warm and dry in the severest climatic conditions and the 'Tropical' House which keeps cool and insect-free. What is amazing about these new prefabs is the spaciousness and comfort (and insulation) and the completeness of the plumbing and domestic facilities, combined with lightness, ease of erection and cheapness. Moreover, size appears to be no problem, where precast concrete is used, and buildings such as hospitals and power stations can be built in Britain and shipped anywhere in the world. This line of exports only began in 1949, but last year the value of the shipments was no less than £7 million.

The remaining "mobile" exhibit which has created a sensation at this year's Fair has been the display of sailing craft. A start was made a year ago in a modest way, but this year the builders from every estuary from Dorset round to Suffolk appear to have competed to show what their ancient craft can do and a wide range of dinghies, of yachts under full sail, their canvas towering up into the roof of the exhibition hall, and of motor cruisers are tribute to an industry in which this country holds the premier place. Not all these vessels are built of timber: fibreglass, making a lightweight, one-piece seamless hull, the colour moulded in at manufacture, rot and corrosion-proof,

(Continued in previous column)

PAKISTAN NOTES

NEW COMMERCIAL POLICY

GOVERNMENT'S ANNOUNCEMENT EXPECTED SOON

EVER since Mr. Mohammed Ali, Prime Minister of Pakistan, disclosed—on 27th April, 1953, to be precise—that the Government would soon take a new major commercial policy decision, all sections of trade and industry have been eagerly awaiting the official announcement. The eagerness is only to be expected, in view of the fact that some of the ill-conceived commercial policies that the previous Government—the Nazimuddin Cabinet—had followed have already done a lot of avoidable harm to Pakistan's economy. Thus, on the one hand, there is the persistence of the growing food shortage, which has led to very high level of food prices and, on the other, the gap in the balance of payments continues to be fairly big. That Pakistan's balance of payments position is none too happy will be evident from the marked decline in that country's foreign assets from Rs. 150.52 crores in the beginning of 1952 to as low as Rs. 79.68 crores on 17th April, 1953.

A change in the policy that the Government might effect will have a close bearing on the Indo-Pakistan trade. As it is, the trade between the two countries has been very much restricted, notwithstanding the recent trade agreement. Now that the new Prime Minister of Pakistan has, on more than one occasion, indicated his keen anxiety to meet the Indian Prime Minister with a view to ironing out the several disputes remaining unsolved, one may expect that the commercial policy to be announced shortly will be so designed as to facilitate a freer movement of goods and commodities between the two countries. It is certainly gratifying to be told, in this connection, that three of the four Indo-Pakistan boundary disputes relating to the Lahore-Amritsar border were amicably settled at a meeting of the Financial Commissioners of the two Punjabs held at Lahore the other day. One of the disputes so settled relates to the cutting of *shisham* trees and some territory near the railway track between Wagah and Attari.

Economy Steps

From the reports that have been emanating from Karachi in the past few days, it looks as though the Government of Pakistan is determined to cut down all unnecessary expenditure as much as possible. In fact, a series of measures to effect substantial retrenchment is already reported to have been decided upon by the Government. Although the measures cover a fairly wide field, they are primarily applicable to certain sectors of the administrative machinery. While effecting economy in expenditure, the Government will pay due regard to the maintenance of efficiency and integrity. The economy measures, which have been necessitated by financial stringency, range from removal of telephones installed at the residence of Government officers to restrictions on the number of Pakistan delegations to be sent abroad in future.

It has been decided that all officers below the rank of a Joint Secretary should be asked immediately to surrender Government telephones at their residence. However, if a Ministry feels that it is essential for any other officer to have a telephone at his house, the matter is to be immediately referred to the Administrative Inquiry Committee set up by the Government for obtaining its concurrence. Similarly, to eliminate waste of electricity caused, for instance, by occasional negligence to turn off fans and lights after office hours, the Secretaries and Joint Secretaries in the various Ministries have been asked to ascertain the monthly requirements of the departments under them and to cut the expenditure on electricity to the tune of 20 per cent. All Government departments have also been instructed to reduce expenditure on contingents by 25 per cent. An identical cut in expenditure has been imposed in stationery used in Government departments. No new furniture is to be purchased in the current financial year, except in the case of new offices. The number of staff cars is also to be drastically reduced. No Ministry other than the Foreign Ministry will be allowed to retain more than one staff car. Four or five cars are to be kept in a central pool, others are to be sold forthwith. It has also been laid down that prior concurrence of the Ministry of Finance should be obtained for arranging official entertainments. As further measures of economy in expenditure, transfers other than those required under tenure rules are to be restricted and touring by air, except in the case of East Pakistan and foreign countries, is to be discouraged. No promotions for periods of less than four months are to be made and vacancies existing for even longer periods are not normally to be filled.

Economy in expenditure is proposed, too, to be effected by limiting Pakistan's participation in international conferences. Unless the vital interests of Pakistan are likely to be affected, either no delegation will be sent, or, if it is felt necessary to send a delegation, its personnel will be reduced to the minimum. As an alternative arrangement, it is suggested that the nearest Pakistan mission should be asked to send an officer as observer. Further, previous concurrence of the Ministry of Finance will have to be obtained in future for sending officers on tour to foreign countries. The same restriction has been imposed on heads of Pakistan missions abroad and members of their staff wishing to visit Pakistan for consultation.

Corruption in Railways

With a view to eradicating corruption in the railway administration, the Government of Pakistan has appointed a screening committee to review the conduct of those officials whose integrity is in doubt. Suitable action will be taken when the work of screening is completed. This is the first major step in the direction of "cleaning" the railway administration of corruption.

The Government of Pakistan has granted protection to the boot and shoe industry for a period of three years ending 31st March, 1956. The rate of protective duty is 40 per cent. *ad valorem* Protection—for the same duration—has also been granted to macaroni, spaghetti, and vermicelli and products thereof, the rate of duty being 45 per cent. *ad valorem*. In the case of biscuits, cakes, and farinaceous and patent foods (canned or bottled) not otherwise specified, however, the import duty of 45 per cent. *ad valorem* now imposed will be in the nature of revenue duty.

Punjab's Cotton Crop

A rise in the area under cotton cultivation is revealed in the fourth forecast of the cotton crop of the Punjab for *kharif* 1952. Thus, the estimate of the area is placed at 1,927,800 acres, which represents an increase of 10.4 per cent. and 3.4 per cent. of the corresponding (fourth) and the final forecast of the previous year, respectively. The rise in acreage under cotton is attributed to high prices of cotton prevailing up to sowing time and the generally satisfactory water-supply position. Of the total area under cotton, 1,727,100 acres are under American varieties and the rest under *desi* varieties. The rise in acreage, however, has not been followed by a proportionate improvement in the yield of cotton, which, during the season under review, is estimated at 725,000 bales (663,500 bales American and 61,500 bales *desi*), a rise of 7.3 per cent. and 2.3 per cent., respectively, as compared with the previous year's corresponding (fourth) and final forecasts.

The East Bengal Jute Regulation (Amendment) Act, 1953, was passed in the Provincial Legislative Assembly recently. The Act prohibits the cultivation of *mesta*, an interior variety of jute which is generally used as an adulterant in high quality jute. It also empowers the Government to prohibit the growing of jute or any particular variety of it in the whole or part of East Bengal.

(Concluded from next column)

To assert the same principle of loyalty and unity, the Congress General Council has listed a number of organisations which are proscribed as bodies to which local trades councils may become attached. These organisations include "breakaway" unions, communist and Fascist Parties, and subsidiary organisations of those parties which aim at one-party dictatorship. A few councils have from time to time transgressed their own rules by associating with a proscribed body. Each case is examined by the Joint Consultative Committee, whose influence is exerted to bring the local council into line. Only in a case of extreme recalcitrance on the part of a local council is Trades Union Congress recognition withdrawn from it.

TRADES COUNCILS IN THE U.K.

ROLE IN TRADE UNION MOVEMENT

(By HERBERT TRACEY)

LOCAL trades councils have played a significant part in the history of Britain's trade union movement. It is due to their initiative that the Trades Union Congress has been enabled to exercise a unifying influence. The Congress itself owes its origin to an action taken by one important trades council in calling the first assembly entirely on its own authority nearly three generations ago. Before that assembly met —in Manchester, in 1868—the trade union movement lacked any central organisation to give it direction and aim. The trades councils themselves exercised locally a certain measure of authority mainly in getting the affiliated branches of unions in each locality to concern themselves with the general interests of the movement. And they still have that responsibility under the guidance of the Trades Union Congress.

Between 400 and 500 trades councils are recognised by the Trades Union Congress as *bona fide* organisations, and they are linked together to the regional federations covering all the United Kingdom. Representation is accorded to them through their federations on the Joint Consultative Council, a central body composed of six members of the General Council of the Trades Union Congress and six elected by the Trades Councils' Annual Conference, held under the Congress auspices.

Building Up Membership

The objects which the trades councils are commissioned to serve include provision of services to the branches of unions in each locality, on a wide range of industrial, civic and educational matters. It is their task to build up trade union membership by carrying on recruitment campaigns, which are sometimes directed to a particular industry or factory where organised membership is low, and also take the form of propaganda campaigns and public demonstrations.

An important function of the trades councils is to secure representation of the trade union movement on the increasing number of committees, tribunals, and advisory bodies of every kind, such as hospital management committees, local employment committees, food control committees, boards of school governors, and the like. Most of this work is carried on voluntarily by active members of the trades councils, but provision is made for the payment of expenses and loss of earnings to those who serve on the various joint bodies.

Most of the trades councils provide the Trades Union Congress headquarters with monthly reports on their activities. These reports show consistent and steady service to the sick, the aged and the blind, and to adult education, mainly through week-end schools and summer schools for trade unionists. Thirty-three week-end schools were held last year to provide an opportunity for a study of the trade union movement's structure, the history of unions, and economic and industrial problems.

Arrangements are made each year for secretaries of trades councils to attend special training courses, both at week-end schools and summer schools. These educational activities are connected with the Trades Union Congress training centres, which are provided for full-time and voluntary officers of unions and trades councils and workshop representatives. At these training centres, there is systematic study in four-week courses of training in the main fields of trade union work, especially industrial relations, collective bargaining, and industrial and social legislation.

Loyalty to T.U.C.

Activities of this nature could not be carried on without the full co-operation of the trades councils. The vast majority of the trades councils are staunchly loyal to the Trades Union Congress, but occasionally, one gets out of line and the authority of the Congress has to be asserted.

It is a fundamental principle of trade unionism that the movement advances through unity on the basis of majority votes. The report of the Trades Councils' Joint Consultative Committee to this year's Conference notes with regret that this principle is disregarded by a number of councils in the London area. It has, therefore, been necessary for the General Council of the Trades Union Congress to withdraw its recognition from the London Trades Council and to establish a new federal organisation for the 49 councils in the metropolitan area.

(Continued in previous column)

CURE FOR CHRONIC DOLLAR SHORTAGE

MOBILISING BULLION HOARDS FOR DEVELOPMENT SCHEMES

THE world has been experiencing dollar shortage for nearly two decades now. Since the end of last war, the shortage has become almost acute. This is due to several factors. The world outside the dollar area has increased its purchases of plant, machinery and other goods for purposes of reconstruction and development. In the post-war period, many non-dollar countries depended on the U.S. for consumer goods too. On the other hand, American need for imports has lessened, thanks to the achievement of self-sufficiency in several directions and the introduction of synthetic products. American tariff regulation and certain other forms of discriminatory regulations have had also a restraining effect on imports into that country. Consequently, the main aim of almost all countries outside the hard currency areas has, naturally enough, been to overcome the dollar shortage by the adoption of various measures. The inadequacy of these measures to meet the situation has only served to spotlight the need for a more permanent and lasting cure for the problem of dollar shortage. Economists and leading business men both in India and abroad have suggested a series of remedies. Last week, it will be recalled, we gave a brief account of Prof. Haberler's views on the subject of convertibility of sterling which is closely linked to the problem of shortage of dollars. In this context, some of the measures suggested by Mr. Shantilal Sonawala, Partner of Messrs. Motilal Vijbhukhandas, a leading firm of bullion dealers in the city, make interesting reading.

In a pamphlet entitled *The Gold and Silver Problems*, published this week, Mr. Sonawala, examines the various remedies intended to overcome the dollar shortage and sets out to explain as to how the problem can also be tackled by bringing out dishoarded gold for purposes of utilising it for implementing the Five-year Plan. Surveying briefly the remedies adopted by several countries to meet the dollar shortage, Mr. Sonawala states that the devaluation of a number of currencies in 1949 was successful to a certain extent, but considers—and rightly too—that a further devaluation, as suggested in some quarters, may not yield effective results, as long as the fundamental disequilibrium in the internal conditions of the countries concerned remains uncorrected. Even deflation as a weapon to correct the adverse external payments position would, according to him, not be of practical help, because of the rigidities of internal economic conditions. He also rejects fluctuations in exchange rates as a step for overcoming dollar shortage—a suggestion which, for instance, has been put forward by Prof. Harberler. This suggestion has been brushed aside by Mr. Sonawala on the ground that fluctuating rates may aggravate movements on one side and thus create further difficulties when the balance of payments position continues to be adverse. It may even result, he says, in unstable trade conditions by bringing about a shift from production for export to production for domestic consumption. He does not also place much reliance on another measure, namely, foreign aid to meet the payments deficit; for he considers that it will be doubtful whether such aids would continue on a large scale on account of wider political issues.

Discarding thus, the use of devaluation, deflation, fluctuating exchange rates and foreign aid as measures for overcoming the chronic dollar shortage, the author of the pamphlet under review proceeds to consider the claims for increasing the price of gold. It has been argued that a rise in the dollar price of gold would help build up larger world monetary stocks of gold by (1) increasing the value of monetary reserves, (2) increasing the value of annual gold production, and (3) stimulating the production of gold. Some writers have, in this context, gone so far as to advocate the creation of a stabilisation fund by the U.S.A. out of the profit earned by raising the price of gold from $35 to $52 per ounce. Such profit will amount, it is stated, to $10,000 million out of which the U.S. can set aside a portion for issuing loans to the sterling area countries against their deficit on dollars. Mr. Sonawala thinks that this suggestion is a controversial one, as the effects of such loans will be inflationary in character and will be resented by the U.S.

Mr. Sonawala next proceeds to consider the effect of higher price of gold on hoarding, as it has been argued that such increase will encourage dishoarding of a large part of private stocks held in Western Europe, Middle East and India. He admits that bullion held on private account has some special economic and social significance. During the inflationary period, the absorption of bullion from the masses results in diverting the purchasing power of the people from commodities to bullion. In times of depression purchases of bullion by the Government tends to divert purchasing power in the hands of the public from bullion to commodities. Secondly, it leads to automatic expansion of currency during depression and contraction of currency during inflation, and thus brings about equilibrium of currency in terms of commodity during prosperity and depression. But, in spite of these functions, the investment in bullion is, in another sense, uneconomic, since it does not create wealth nor facilitate production, and what is more, its imports will be a drain on foreign exchange resources especially of a country like India which has limited resources of foreign exchange. All these considerations hold good, if there is dishoarding of gold from private holdings, following an increase in the price of gold. Mr. Sonawala thinks that it is doubtful whether an increase in gold price will be accompanied by dishoarding of gold; for the extent of dishoarding depends on the economic conditions of the country concerned and not merely on the increase in gold prices. Thus, an increase in gold prices also may not prove an effective remedy for the balance of payments difficulties.

The author of the pamphlet next proceeds to consider certain other measures adopted for the purpose of avoiding balance of payment difficulties, such as export and import restrictions, raising and lowering of customs duties, and short-term lending and borrowing between creditor and debtor countries. These measures have been successful though they are only short-term remedies. They lack the main objectives, namely, a relatively permanent solution, since they do not bring about the adjustments between the internal value of currency and commodities.

With a view to bringing about internal currency adjustments based on external payments position of currency, the author suggests a scheme for mobilising bullion hoards by means of issuing bullion certificates by the Government. The scheme, the main features of which were published in *Commerce* dated 11th October, 1952, is as follows:

Under this scheme, a person will deposit gold or silver with the Government of India, who, in turn, will issue a gold or silver certificate to him. The period for which such gold or silver deposits to be kept by the Government may be fixed at, say, 10 years. The bearer of the gold or silver certificates should be entitled to receive, at the end of this period, the same quantity of gold or silver which he deposited with the Government. The transaction does not concern the price of the bullion at all. Thus, a person depositing 100 tolas of gold in exchange for a gold certificate for 100 tolas, will get back his 100 tolas at the end of 10 years. To facilitate transactions, the certificates may be in denominations of 1, 5, 10 and 100 tolas for gold and a minimum of 50 tolas for silver. It should be a freely convertible bearer certificate and the title of the bearer should never be asked for either at the time of depositing the bullion or at the time of its withdrawal. It should be accepted as security against which loans and advances can be secured from the banks.

The advantage of this scheme of bearer certificate is, according to the writer, its flexibility. If the holder of these certificates so desires, he may liquidate them in the market at the current market rate for the metal concerned and get back the monetary value of the bullion. But, by this process of liquidation, the holder of the certificate loses his claim over bullion once for all.

For those who do not want to lose their bullion in this way, Mr. Sonawala says that a system may be evolved whereby the gold certificate may be exchanged for a Government bond, maturing at the end of a specific period of 10 years and carrying interest at the rate of 4 per cent. per annum. The value of the Government bonds should be fixed not at the current market value of the gold contents of the bond certificate but at the par value of the gold to be fixed by the Government. If the par value of the gold is Rs. 62½ per fine tola, based on the U.S. Government's price of $35 per fine ounce of gold, a person holding a gold certificate for 10 tolas would receive a Government bond worth Rs. 625, carrying 4 per cent. interest.

It should further be provided that, at any time within 10 years of maturity, the holder of the bond can demand the gold or silver against his bond. In that case, the Government may return the gold or silver, but if it is unable to do so, it may have the option to pay at the ruling market rate for gold or silver at the time of demand. Only in extreme cases, the option to pay in rupees should be resorted to. This is necessary in order to ensure confidence among the depositors of bullion in the ability of the Government to return their deposits. At the end of the maturity period, however, it should be obligatory on the part of the Government to return the bullion as specified.

Thus, the scheme provides for two elastic benefits. First, gold can be exchanged, says Mr. Sonawala, into gold certificates with the certainty of getting back gold (at the end of the specific period). Secondly, if the holder prefers to exchange the gold certificate for a Government bond, instead of keeping the certificate for himself, he gets an interest of 4 per cent. on the possession of Government bond with maturity of 10 years, at the end of which he will get back his gold certificate convertible into gold. Of course, as long as the market value of gold is higher than the par value of gold in rupees, very few people will prefer to exchange the gold certificate into the Government bond. But if gold certificates and Government bonds are made freely interconvertible, perhaps more persons may tend to evince interest in the Government bonds.

A part of the quantity of gold and silver thus collected, writes the author, may be pledged as security against which loans from foreign countries may be sought. These may be short-term loans from countries whose currencies we need to finance our purchases of capital goods. Care should be taken to see that the external resources that are obtained are used for productive purposes which would yield very quick results.

If this plan is to be applied to India, we are told that some further points must be borne in mind. (1) Since 1930, the external and internal value of the Indian rupee has been depreciating in terms of commodities. The rupee has also been depreciating in terms of gold. Further, the sterling value of gold in terms of commodities has also depreciated owing to many factors. Thus whether the rupee deserved this

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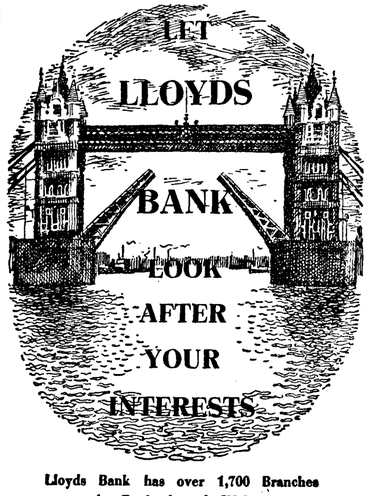

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DEFICIT FINANCING AND CAPITAL FORMATION IN INDIA

TAXATION POLICY NEEDS REVISION

(By P. C. JAIN, University of Allahabad)

THE theory of deficit financing can be stated in two different ways. According to the Keynesian analysis, "effective demand," that is, the point of equality between aggregate demand "price" and aggregate supply "price," is normally such as to bring about equilibrium at less than full employment. The main cause of this is that the marginal propensity to consume is less than unity. In other words, owing to psychological causes and to certain rigidities in the economic system, persons who receive income cannot possibly spend the whole of it. This prevents the consumers' demand from rising to a pitch at which gradually all the available resources would be fully utilised. This "gap" in effective demand can be filled in, if the State or some other agency makes new investment with the help of "created money." This would make the aggregate investments in any period greater than the aggregate savings. Greater investment leads to greater aggregate income. Out of the higher aggregate income, greater savings would be made. This process, under certain conditions, would go on till savings again become equal to investment at a higher level of aggregate income. In this way, "new" investment brings about an increase in the aggregate national income (which looked at from another point of view is the same thing as aggregate output), national savings and employment. If the State is to make this new investment at a sufficiently high rate to bring about an increase in the aggregate national income, and consequently the national savings, it must resort to deficit financing.

In the traditional way, the theoretical justification of deficit financing is quite different. The Government budget need not balance from year to year and no harm will be done, if the Government's budget shows a deficit for a number of years and a surplus for subsequent years so that, taking a long period of, let us say, five to ten years, the budget is balanced. This provides a justification for deficit financing.

Although the net result in both these cases is the same, namely, the development of national resources, the Government policies necessary to make the process a success are different in the two cases. In the traditional approach, the Government will have to raise taxes to obtain greater revenue in the future so as to cover the budget deficits in the past, with a view to balancing the budget over a long period. But if we consider the matter from the Keynesian point of view, any increase in taxation would prove extremely harmful, if it reduces the marginal propensity to consume. There might be cases in which higher taxation might not reduce the marginal propensity to consume, but in most cases it would do so. In other words, when people have to pay higher taxes, they will at least partly reduce their current expenditure. A reduction in the marginal propensity to consume would retard the process of increase in the aggregate national income as a result of "new" investment. The investment multiplier tells us by how much the aggregate national income would increase as a result of a certain investment. If the marginal propensity to consume is, let us say, 7/8 and the marginal propensity to save is 1/8 the multiplier is 8. The multiplier is $\frac{1}{1-c}$, where c is the marginal propensity to consume. If, as a result of additional taxation, the marginal propensity to consume is reduced to 3/4, the multiplier would be reduced to 4. Any further reduction in the marginal propensity to consume would reduce the multiplier to 2 and so on.

In India's Five-year Plan, it is expected that as a result of an investment of Rs. 2,069 crores in the period 1951 to 1956, the national income would rise from Rs. 9,000 crores in 1950-51 to Rs. 10,000 crores in 1955-56 and the national savings would increase from Rs. 450 crores (i.e., 5 per cent. of the national income) to Rs. 675 crores (i.e., 6¾ per cent. of the national income). It is further expected that, if in the subsequent period 10 per cent. of the additional income created is invested, the rate of national savings would rise to 11 per cent. by 1960-61 and to 20 per cent. by 1967-68. All these calculations are based on Keynes' theory of the multiplier.

If, as the Indian Finance Minister has said and has actually put his ideas into operation, the rate of taxation is increased to produce finance for the Five-year Plan, the very object of planning would be defeated. Additional taxation would reduce the multiplier and not an investment of Rs. 2,069 crores but of a much larger amount will have to be made to increase the aggregate national income to Rs. 10,000 by 1955-56. The policy of additional taxation to meet part of the finance has created a vicious circle. Additional taxation has been levied to find finance for the Plan, and this by itself makes it necessary to find more finance, if the objectives of the Plan are to be achieved. This would mean still higher taxation. The conclusion is irresistible that in order to achieve the objectives of the Plan, the Government's policy of additional taxation should be reversed. It is likely that the Finance Minister has confused the two theories of deficit financing. Additional taxation would be fully justified in the traditional theory but not in the Keynesian theory. In this the aggregate national savings would rise with every increase in the aggregate national income, as a result of investment till, in equilibrium, savings become equal to investment, thereby removing the "deficit." In order that India's national income by 1977-78 might reach a total of Rs. 25,000 crores with savings and investments at Rs. 5,000 crores each, it is necessary that the rate of taxation should not be increased and nothing else should be done to reduce the marginal propensity to consume.

The targets of national income in the Five-year Plan are based upon the assumption that it would be possible to invest 50 per cent. of the additional national income after 1955-56. For a poor country like India, this is much too high a rate. As a result of planning in the first period (1951-56), the income of all classes of people will rise, and since most of them are poor, with a low standard of living, it is not reasonable to expect that they would postpone the consumption of half their additional income when they have already suffered such great hardship for over a century. The Government has sought public co-operation in the fulfilment of the Plan, but it is too much to expect the people to make, over long periods, the sacrifice which the Plan asks them to make.

In the Keynesian scheme of things, inflation would not occur unless investment is pushed beyond the level of full employment. If there is inflation in the system beforehand, the increase in investment and, consequently, in the purchasing power in the hands of the consumers, might exhaust itself in pushing up the price level still higher. In order to check inflationary forces, it is necessary to increase production in the short period so that the higher purchasing power in the hands of the consumers might be counterbalanced by greater supply of goods in the market. But the main emphasis of India's Five-year Plan is on long period projects. The net result is that, while the purchasing power in the hands of consumers has increased, the supply of goods has not increased. This has intensified inflation. In order to increase the national income and the rate of capital formation, it is necessary to check inflation.

But the Government's anti-inflationary policy is such as to defeat its own object. Credit has been made tighter under its anti-inflationary policy, with the consequence that industry is not able to get the necessary finance for buying raw materials and keeping stocks of finished commodities. This has actually resulted in the closing down of some units and in the curtailment of output of some others, thereby reducing supply in the market and still further pushing up the price level. If the emphasis of the Plan is on long-period projects, great care has to be taken to increase industrial and agricultural production in India in the immediate future, in order to increase the supply of goods in the market. For this, the Government's monetary policy will have to be changed making available to producers more finances from banks and other sources.

Production in India cannot be expected to increase to the desired level and the prices to fall to the required extent if wage costs remain high owing to higher wages, low productivity and to increase in transport charges, taxes and duties, thereby adding to costs of production in industry.

The Five-year Plan relies upon Government controls to keep down the price level. Whether Government controls are or are not inevitable for the type of democratic planning we are having in India, there is no doubt that such controls cannot possibly keep the rising prices in check. Government controls can overcome temporary shortages of supply and can "ration" out the scarce commodities without leading to a rise in prices. But when there are volcanic forces in the shape of ever-rising costs of production, no amount of controls can keep the prices down. In order to achieve the levels of national income and savings envisaged in the Five-year Plan, the Government's industrial, labour and monetary policies will have to be changed, with a view to increase industrial and agricultural production in the immediate future.

WORLD BANK'S OPERATIONS DURING FIRST NINE MONTHS OF 1952-53

The net income of the World Bank for the nine months ended 31st March, 1953, amounted to $12,947,735, which compares favourably with $12,507,639 for the corresponding period of 1952. The increase in net income follows a rise in the gross income (exclusive of loan commission) of the Bank from $25,744,168 to $31,682,273. The net income earned by the Bank has been added to the supplemental reserve against losses on loans and guarantees, which now stands higher at $70,975,835. The receipts by way of commissions on loans derived by the Bank, during the period under review, aggregated $6,985,416, which have been credited—in accordance with the Articles of Agreement—to the special reserve, raising it to $34,670,070. The total reserve of the Bank as at 31st March, 1953, were thus substantially higher at $105,645,905, as against $85,712,754 a year before.

During the nine months under review, the Bank made three loans—$19.5 million to India, $30 million (various European currencies) to Yugoslavia, and $14 million to Northern Rhodesia. These loans bring the total loans signed since the commencement of operations and upto the end of March, 1953 to $1,587.77 million. The disbursements on loans were $56.66 million, bringing the total disbursements to $1,053.17 million.

The Bank received during the same period $999,289 by way of repayment of principal from borrowers. It also sold to private investors $1,105,186 of securities from its loan portfolio. These transactions bring the total portfolio sales to $66.77 million, of which $47.18 million are with the Bank's guarantee and $19.59 million without recourse.

A special feature of the World Bank loan to Yugoslavia was the permission which the various European members gave the Bank to use amounts aggregating the equivalent of $21.67 million from their domestic currency subscriptions to the Bank's capital. Also, the U.K. agreed to make £60 million ($168 million) from its sterling subscription available for lending by the Bank to Commonwealth countries in the sterling area; these funds are to be disbursed by the Bank over a period of at least six years on projects to be agreed upon between the Bank and the U.K.

WORLD BANK LOAN TO BRAZIL

The International Bank for Reconstruction and Development has granted a loan of $3,000,000 to Brazil to help finance a highway programme necessary for the continued development of the important agricultural and industrial State of Rio de Janeiro. The funds lent by the Bank will pay for imported equipment needed by the State Highway Department for the maintenance of its highway network and to help carry forward its programme of new highway construction and paving. The Bank's loan will be used primarily for the purchase of maintenance and paving equipment, with a small part for construction equipment. The new equipment will permit a shift from hand labour to mechanised methods which should result in better road maintenance at lower unit cost. The loan is for a term of five and carriers interest of 4¼ per cent., including the 1 per cent. commission. Amortisation payments will begin from 15th July, 1954.

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SERICULTURE INDUSTRY IN INDIA

CONTINUANCE OF PROTECTION UNDER TARIFF COMMISSION'S EXAMINATION

THE Indian sericulture industry, which produces what has aptly been termed "the queen of fibres," is one of the few industries which has enjoyed protection for such a long period as 18 years—it was on 1st April, 1934, that the industry was first granted protection—and which has been assiduously nursed by the State Governments concerned. Despite all this, the industry does not seem to have made any significant progress; in fact, it is said to be passing through very critical times. And the industry has, once again, urged for a further continuance of protection beyond 31st December next. This question is now under the examination of the Tariff Commission which held a public enquiry in Bombay last week.

Opening the enquiry, Mr. M. D. Bhat, Chairman of the Tariff Commission, remarked that it was difficult to feel satisfied with the progress of the sericulture industry. There is no exaggeration whatever in this remark, as will be evident from the fact that not only has production not increased but the quality of the indigenous silk has also not registered any appreciable improvement. The aggregate production of mulberry raw silk in 1952, for instance, was about 1.7 million lbs. only, as against 2 million lbs. in 1933 and the overall domestic demand of 3 million lbs. As regards quality, there was some improvement during the period 1948 to 1951, when the filature variety advanced to the international 'D' grade. Since then, however, the bulk of the indigenous filature silk does not seem to have improved beyond 'D' grade. Even the quality of Kashmir raw silk—this is generally of 'B' grade—is said to be, in some cases, only of 'E' and 'F' grades in neatness and evenness and, judged from penalty and clearance classification, it is much below the lowest of 'G' grade reeled in Japan.

Peculiar Problems

The none too happy position of the Indian sericulture industry, as noted above, has been the result of certain peculiar problems arising from its agro-industrial character. Sericulture industry is primarily, that is, at the bottom, an agriculturist's secondary occupation, whereas, at the top, that is, at the manufacturing stage, it has all the characteristics of a full-fledged industry. Often, the primary stage lags far behind the manufacturing stage, for raw silk production, both in quality and quantity, is woefully insufficient to meet the country's demand.

Several factors have been responsible for this state of affairs. Among others, three stand out prominently. First, the mulberry gardens are often adversely affected by failure of rainfall. Secondly, the presence of a natural defect in the multivoltine cocoons have largely contributed to the lowering of the grades of silk. Thirdly, the demand for raw silk has been gradually declining, thanks to the growing use of synthetic fibres, such as artificial silk and yarn which are sold at cheaper prices, and to the fall in the purchasing power of the consumer. If, therefore, the sericulture industry is to be stabilised on a solid and sound footing, it is imperative that these problems are tackled energetically. Such can be done only through the concerted endeavours of the industry, the Agricultural Departments of the State Governments, and the silk goods manufacturing industry. The problem of water-supply to mulberry gardens, for instance, can be solved by a well planned irrigation system. Similarly, greater attention should be paid to research designed to reduce "hairiness" and raise "neatness." Demand for raw silk can be stepped up by reducing the cost of production which is at present very high.

These are, indeed, formidable problems which somewhat justify the industry's claim for a continuance of protection beyond 31st December next. Even the representatives of interests other than raw silk producers, namely, importers, consumers, and Governments, have expressed themselves in favour of such continuance. The importers, however, have put forward a plea for a downward revision of the rate of duty. To what extent this plea is justified, it is difficult to say, in the absence of up-to-date statistics relating to prices. It may be recalled that, early last year, the Government of India reduced the level of protective duty on raw silk (excluding silk waste and noils) and silk cocoons from 30 per cent. *ad valorem* plus Rs. 6-8 per lb. plus 5 per cent. of the total duty to 30 per cent. *ad valorem* plus Rs. 3-14 per lb. If, therefore, the rate of duty is to be reduced still further, it will have to satisfy one condition, namely, that the gap between the fair selling price of raw silk produced in India and the landed cost of imported silk is narrower than that obtaining at the time of the previous reduction.

Other Suggestions

Be that as it may, besides tariff protection, various suggestions have been offered for the speedy development of the Indian sericulture industry on sound lines. These include quantitative regulation of imports, stabilisation of the prices of cocoons and raw silk, intensification of research, pooling of indigenous and imported raw silk. The first mentioned suggestion has already been implemented. For the quantum of imports is being so adjusted as to meet the gap between estimated demand and domestic production. There is nothing new in the suggestion relating to price stabilisation, inasmuch as it has been very clearly emphasised by the former Tariff Board. This question no doubt bristles with difficulties. Nevertheless, it deserves a thorough examination by Government. There is also the need for enlarging the scope of research. It is, however, difficult to accept the suggestion relating to the pooling of indigenous and imported raw silk, as it ignores the quality aspect. This is especially so when the quality of indigenous raw silk is not generally of a very high standard. Moreover, such a pooling arrangement will encourage complacency among producers of raw silk and remove what little urge there is among them now to improve the quality of the silk they produce.

(Concluded from next column)

trying time. If, therefore, the industry is to maintain a high level of production at an economic cost, it is of the utmost importance that the Government should reduce the level of taxation. There is also the need, on the part of the Government, to enable the industry to carry out their schemes of rehabilitating machinery and equipment. The pointed attention drawn to the problem of rehabilitation by both Mr. Shroff and Mr. Tata underlines its significance to the industry at the present moment. Mr. Shroff warned that, unless the Government liberalised depreciation allowances and thereby put the industry in a position to modernise on an extensive scale, the competitive capacity would be weakened. This warning is, indeed, quite timely and, it is to be hoped, will not go unheeded by the Government.

While these are matters which require Government's active attention, there is the imperative need for rationalising methods of production with a view to lowering cost. Indeed, a reduction in cost of production will bring down cloth prices, which alone is the most effective way of maintaining a high level of consumption—domestic and foreign. But, unfortunately, any attempt of the industry to effect rationalisation methods is being opposed by workers for fear of unemployment. Mr. Shroff also is fully aware of the fact that there will be unemployment but such would be confined only to a very limited number of workers. It should not be a bar against retrenchment, in view of the ability of the industry to reduce its cost and cheapen its product, as pointed out by Mr. Shroff, which must ultimately result in an overall increase of employment in the country.

PRODUCTION OF "DHOTIS" BY MILLS

It will be recalled that a reference to the Bombay Millowners' Association's protest against the reported relaxation on restrictions on production of *dhotis* by certain mills in Orissa State was made in our issue dated 18th April, 1953. The Government of India issued last week a Press note in which it has clarified the position. The Government admits that, in the case of 11 mills, it has permitted certain relaxations, but points out that such has been based on such considerations as the nature of their equipment or the need to make allowances for extra loomage installed since 1951-52. According to the Government, when the decision to restrict production of *dhotis* by mills to 60 per cent. of their production during the year 1951-52 was taken, it was recognised that some individual units would find it difficult to comply fully with the new order and that a certain degree of relaxation would be found necessary. The Government has refuted the allegation that one mill in Orissa has been given complete freedom to manufacture any quantity of *dhotis*.

OUTLOOK FOR COTTON TEXTILES

IMMEDIATE FUTURE NOT PROMISING

NOW that the buyers' market in cotton textiles has come to be established almost on a permanent basis, great concern is being expressed by both millowners and traders over the future of the Indian cotton textile industry and trade. The concern over the several disquieting problems confronting the industry was fully reflected in the addresses of Mr. N. H. Tata and Mr. A. D. Shroff, Chairmen of the Tata Mills and Svadeshi Mills, respectively, delivered at the annual meetings of their respective mills a few days ago. Mr. Tata presented a rather dismal picture of the state of affairs and said: "At present, the future of the cloth trade continues to be uncertain. Highly sensitive cloth markets, like ours, react very sharply, though temporarily, to imminent prospects of peace in Korea and talks of East-West political amity. With increased production in India and reduced offtake in both local and export markets, the immediate future does not look to be very promising." Expressing more or less similar views, Mr. Shroff observed: "... the inability of the industry to export anything like a thousand million yards a year may unfortunately drive the industry to curtail production and aggravate the problem of unemployment, which has already assumed rather large proportions."

The present disturbed situation of the Indian cotton textile industry and trade has been particularly aggravated by the ill-conceived policies of the Governments—Central and States—especially those relating to taxation. As readers are aware, the series of additional burdens imposed by the Governments in the form of fresh taxes has adversely affected the cotton textile industry and trade. It is not surprising that these policies should have been stoutly denounced by the two millowners referred to above. For instance, Mr. Tata said that, with a staggering array of tax burdens imposed by the Central Government, such as import duty on cotton, excise duty, contributions on account of Provident Fund, Employees' State Insurance, and additional excise, and an equally imposing list of taxes enacted by the Bombay Government, such as the multi-point sales tax, electricity duty and mounting municipal assessments on water and property, there was very little scope for economies that could be effected by the industry in the small sector of cost structure under its control. Proceeding, he said: "If, to-day, Government fixed in the textile industry a treasure chest which could be used freely to appease, at intervals, labour and handlooms at the expense of consumers and industry, the time will not be very far when an accusing finger may be pointed towards Government for crippling the growth of the premier industry of the country by levying imposts year after year."

The taxation proposals of Government were also the target of criticism at the hands of Mr. Shroff. His remarks are worth production in this connection. Said he:

"There appears to be a tendency on the part of Government to believe that the cotton textile industry can continue to absorb indefinitely additional burdens. On the top of the Employees' Provident Fund Act and the Employees' State Insurance Act, which will subject the industry to an additional recurring charge of Rs. 11 crores per year, now a new cess of 3 pies per yard is imposed to enable Government to help the handloom industry out of the proceeds. This is a curious way of helping the handloom industry, which everybody, including the cotton textile industry, wishes well. The two measures which have been recently taken to support the handloom industry, viz., restricted production of *dhotis* by the industry and the cess, are hardly calculated to attain the objective in view. The consumer has already started paying more for his *dhotis* and the mere distribution of the proceeds of the cotton cess will not ensure the prosperity of the handloom weaver. The cotton textile industry is naturally very anxious gradually to reduce the price of cloth, but, in the face of new burdens which are being continuously piled on the industry, it is inconceivable that the consumer can expect any relief in lower prices. As a matter of fact, the consumer has already started bearing the burden of higher prices, because of this new impost on the industry."

Any one who has followed the developments in the sphere of the cotton textile industry will fully appreciate the criticisms of the two millowners. As has been pointed out ere now in this journal, with taxes heavily loaded, expenditure mounting up, and prospects of growing trade remaining highly uncertain, the cotton textile industry in India is certainly having a

(Continued in previous column)

PRIVATE IMPORTS OF COTTON

COTTON GOODS EXPORTS BELOW LAST YEAR'S LEVELS

(From A Special Correspondent)

MANCHESTER, *28th April*

MANCHESTER LETTER

THE report of the Cotton Import Review Committee, set up by the Government to consider whether any changes are necessary in the duties of Britain's State-sponsored Raw Cotton Commission, will be issued in May. The recommendations of the Committee, which started its deliberations last month, will have an important bearing on the extension of free enterprise imports of raw cotton for Lancashire mills.

One in every three bales of raw cotton coming into Britain at the present time is by private arrangement. It is known, however, that this proportion will be sharply increased in favour of private importers, with a corresponding reduction in the volume of Raw Cotton Commission imports, when spinning mills have their next opportunity of "contracting-out" of the Commission this summer.

It is to prepare for this development and to recommend what should be done about the provision of cover—an insurance against losses at present operated by the Commission—that the Review Committee was set up.

Quarterly Exports

As if to underline the difficulties stressed by the trade in connection with exports due to the quality problems arising from purchase tax, the March returns for overseas shipments provided poor comfort for merchants and manufacturers alike. Although the value of cotton goods exported rose by more than £500,000 to £10,550,744, earnings from yarn and cloth for the quarter were substantially lower than a year ago, being £32,225,777 against £49,842,174.

The level of shipments of cotton piecegoods remains below the average recorded in 1952 and some startling development will be necessary if any serious attempt to reach the target figures is to be made. In the first quarter the amount of cloth shipped, at 173,406,000 square yards, compares with 211,765,000 square yards a year ago and the value has fallen from £33,209,435 to £21,984,335. Details of recent comparative shipments are shown below:—

	Piecegoods Sq. yds.	*Value* £	*Average price per sq. yd.* d.
Monthly average—			
1939	116,115,000	2,695,000	5.51
1949	75,398,000	8,809,000	28.07
1950	68,539,000	8,358,000	29.26
1951	72,006,000	11,016,000	36.67
1952	59,234,000	8,404,647	34.05
1953 (3 months' average) ..	57,802,000	7,328,112	30.42
January	64,706,000	8,223,374	30.46
February	52,027,000	6,011,090	30.49
March	56,283,000	7,136,820	30.43

To add to the difficulties of exporters, who are in many cases already beset by import restrictions and the wariness of foreign buyers, political distractions in some prospective consuming countries have arisen. Because of this the final arrangements for the provision of standard cloths for West Africa are held up and interference has been caused to the negotiations to send larger quantities of yarn to Pakistan. One of the few markets, now absorbing larger quantities of Lancashire cloth, is South Africa, whose imports this year are almost twice the quantity of the first quarter in 1952.

Leading buyers of Lancashire cotton cloth in the first quarter of this year have been (in square yards, with 1952 comparisons):—British West Africa 39,906,000 (53,021,000); South Africa 23,878,000 (12,699,000); Australia 12,963,000 (37,902,000) and Malaya 8,401,000 (6,820,000). Shipments to Pakistan have dipped sharply, being below 2,000,000 yards compared with more than 15,000,000 yards in the first quarter of 1952.

Rising Imports

Arrivals of foreign cloth into Britain in the first quarter this year are distinctly lower than in the corresponding period 12 months ago, but there was a tendency for imports to rise slightly last month. The value of all cotton goods imported so far this year is £3,486,164 against 13,110,909 in the first quarter of 1952.

Japanese grey cloth accounted for fully three-quarters of the unbleached material reaching Britain in March, the total being 8,199,000 square yards, the highest monthly figure since last September. For the three months shipments have been 19,144,000 square yards against 53,473,000 square yards a year ago, and Japan has supplied 12,175,000 yards of this total. Imports of finished cotton goods this year have been halved compared with 1952 at 5,617,000 square yards.

Further cuts in imports of cotton yarn have been effected, the quantity arriving in the first quarter being only 256,988 lbs. against 4,370,874 lbs. last year. The value of these yarns has been £68,654 against £1,238,356.

Limited Yarn Shipments

Very little variation took place last month in the quantity of yarn exported, which remains at a relatively low level compared with some recent years. Shippers are now sending barely 3,000,000 lbs. of yarn abroad each month, whereas in 1949 exports at one stage were three times that figure.

In the first three months of the current year, yarn exports totalled 9,879,300 lbs., at a value of £4,107,776. This compares with 12,198,600 lbs., valued at £6,443,254, shipped abroad in the corresponding period of 1952, and is barely one-third of the volume of exports immediately before the war. The following table shows the latest position:—

	Yarn Lbs.	*Value* £	*Average price per lb.* d.
Monthly average—			
1939	9,471,800	745,500	18.89
1949	6,838,400	1,962,500	68.88
1950	5,915,500	2,127,000	86.33
1951	5,547,900	2,648,500	116.46
1952	2,970,800	1,479,163	119.25
1953 (3 months' average) ..	3,293,100	1,369,259	99.79
January	3,467,700	1,427,349	98.79
February	3,268,900	1,484,904	104.77
March	3,114,500	1,241,552	95.67

Mention was made a month ago of the persistent decline in cotton yarn shipments to Pakistan, which so far this year have only been 20,600 lbs., as against 1,652,700 lbs. in the first quarter of 1952. A welcome feature, however, has been the revival in business for Canada, whose imports have increased from 596,700 lbs. to 1,088,300 lbs. Other leading consumers have been (with 1952 comparisons):—Irish Republic 1,430,500 (935,400) lbs.; Australia 1,024,500 (1,460,500) lbs., and Denmark 708,900 (394,300) lbs.

It is interesting to note that the decline in shipments of yarn from Lancashire this year has been mainly in the lower and very fine qualities. Whereas spinners producing yarns in the range of counts between 26s and 120s have actually raised their exports compared with a year ago, shipments of yarns up to 26s have fallen from 4,629,500 lbs. to 2,173,700 lbs., while those above 120s counts have declined from 120,600 lbs. to 67,700 lbs.

Empire Cotton

The importance of better transport and port facilities in Empire cotton-growing countries so that Lancashire's requirements of non-dollar cotton can be met, was emphasised at the annual meeting of the British Cotton Growing Association.

The President, Lord Derby, said the need for Britain to obtain its raw material from other than dollar countries was generally recognised. The position was not likely to undergo a rapid change and for a number of years Lancashire would have to look to sterling areas for more and more cotton. Africa—to a large extent that meant countries within the Empire—continued to produce the increased quantities of cotton required, but better railway and port facilities were necessary. Lord Derby said: "Unless these services are more efficient the efforts at increasing and expanding production can be greatly retarded."

The quantity of cotton produced in Empire countries and the Sudan last year amounted to 975,000 bales—the second highest total ever recorded. This was 75,000 bales less than in the previous year, which was a record. The decrease was caused by unfavourable climatic conditions in the areas of the Sudan which produce Sakel type cottons. Almost every other area was well above its post-war production, the main achievements being 50 per cent. increases in Nigeria and in the areas growing American-type cottons in the Sudan, while Tanganyika territory had returned to its best previous production.

Lord Derby said that a year ago it had been announced that the Governments of four African territories—Uganda, Tanganyika, Nyasaland and Nigeria—hoped for annual productions, amounting to over three-quarters of a million bales. A big stride towards that quantity was made last year, the four territories mentioned producing 584,000 bales—about 110,000 bales more than the previous year.

It was the Association's view that these countries could produce more than the quantity hoped for. There was every prospect, Lord Derby said, that this year's Empire crop would total about the same as in 1952. The Sakel cotton-producing areas of the Sudan had shown a substantial recovery from the setback of last year but due to climatic conditions there was likely to be rather smaller quantities from some other countries.—*All Rights Reserved.*

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LLOYDS BANK LIMITED

(INCORPORATED IN ENGLAND)

BALANCE SHEET 31st DECEMBER 1952.

LIABILITIES			ASSETS		
Capital :—			**Cash**, in hand, with Bank of England and Eastern Reserve Banks		£ 99,483,717
AUTHORISED : £74,999,680			**Balances with, and Cheques in Course of Collection on, Other Banks** in the United Kingdom and Ireland		54,735,498
in 14,560,000 "A" Shares of £5 each					£154,219,216
1,569,999 "B" Shares of £1 each			**Money at Call and Short Notice**		89,125,000
ISSUED : £73,302,676			**Balances with Banks Abroad**		8,820,867
in 14,372,956 "A" Shares of £5 each, £1 per share, paid up ..	£ 14,372,956		**British Government Treasury Bills**	184,410,000	
1,437,296 "B" Shares, converted into Stock	1,437,296		**British Bills of Exchange**	8,876,637	
Reserve Fund :—	£ 15,810,252		**Dominion, Colonial and Foreign Bills**	2,377,751	
Share Premium Account	1,143,683				195,664,388
General Reserve	14,856,317		**Treasury Deposit Receipts**		....
		16,000,000	**Investments** (see Notes I, II and III) :—		
Profit and Loss Balance, as per Account below		418,242	Securities of, or guaranteed by, the British Government	376,537,137	
		32,228,494	Other Investments, including Securities of Dominion and Colonial Governments, British Public Boards and British Municipal Corporations .. .. .. { Quoted .. 16,719,036 / Unquoted .. 12,763,234 }		406,019,407
Current, Deposit and Other Accounts, including Contingency Accounts ..	1,168,011,245		**Loans and Advances** after deducting provision for Bad and Doubtful Accounts.	309,778,455	
(Public Accounts secured as per Note III are also included)			**Balances in Account with Subsidiary Companies**	25	
Balances in Account with Subsidiary Companies	1,416,384				309,778,480
		1,169,427,629	**Items in Transit**		15,143,320
Final Dividends, less Income-tax (subject to confirmation by the Members) ..		471,613			1,178,770,677
Notes in Circulation (Isle of Man) (see Note III)		10,607	**Trade Investments**—		
Acceptances		2,761,533	Subsidiary Companies—		
Endorsements, Guarantees and Other Obligations		119,008,251	The National Bank of Scotland Limited—		
			Consolidated Capital Stock £4,894,650 (nominal), £1,076,823 paid up, taken at amount paid up, plus proportion of Reserve Fund and undivided profits	3,662,107	
			Indian Premises Company Limited	....	
			Lloyds Bank Executor and Trustee Company (Channel Islands) Limited— 100,000 Shares of £1 each, fully paid, at cost	100,000	
			Nominee and Other Companies (written down to nil)	....	
				3,662,107	
			Lloyds and National Provincial Foreign Bank Limited— 12,000 Shares of £50 each, fully paid, at £50 per share	600,000	
			Other Trade Investments at cost or under	3,921,658	
			NOTE.—There is a contingent liability for uncalled Capital in respect of a portion of these Investments.		8,183,765
			Other Assets and Accounts (including Sundry Properties at cost, less amounts written off)		7,227,919
			Bank Premises, at cost, less amounts written off		7,955,982
			Liabilities of Customers for Acceptances, as per contra		2,761,533
			Liabilities of Customers for Endorsements, Guarantees and Other Obligations, as per contra		119,008,251
	£ 1,323,908,127				£ 1,323,908,127

NOTES.

I. Investments in British Government Securities amounting to £376,537,137 which are all redeemable at fixed dates, the majority maturing within 10 years, are taken at or under cost and below redemption price. Market value of these Investments at the 31st December, 1952, was greater than the balance sheet figure.

II. Other Investments : the market value of the quoted investments at the 31st December, 1952, was greater than the balance sheet figure.

III. Securities and Other Investments totalling £670,000 (1951 : £808,000) nominal are lodged for Public and Other Accounts and for the Note Issue in the Isle of Man.

IV. Foreign Currencies have been converted at the official rates of exchange ruling at the 31st December 1952 ; in the case of Eastern Branches as at the 31st October, 1952.

A. H. ENSOR, E. J. HILL, } Chief General Managers.

T. HARRIS, Chief Accountant.

BALFOUR OF BURLEIGH, Chairman.
A. J. RAISMAN, Vice-Chairman.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1952.

Dr.		*Cr.*	
To Interim Dividends, less Income-tax	£ 471,613	By Balance brought forward	£ 596,803
,, General Reserve	1,200,000	,, Profit brought in, after providing for taxation on the profits of the year and after making transfers to the credit of contingency accounts out of which accounts full provision has been made for any diminution in value of assets	1,964,665
,, Reserve for Future Contingencies	....		
,, Final Dividends, less Income-tax (subject to confirmation by the Members)	471,613		
,, Balance to be carried forward	418,242		
NOTE.—Directors' Emoluments amounted to £64,973 (1951 : £68,364), of which sum £6,213 (1951 : £6,159) was paid to certain Directors by Subsidiary and other Companies.			
	£ 2,561,468		£ 2,561,468

REPORT OF THE AUDITORS TO THE MEMBERS OF LLOYDS BANK LIMITED

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Bank as far as appears from our examination of those books, and proper returns adequate for the purposes of our audit have been received from Branches not visited by us.

We have satisfied ourselves as to the Cash, in hand, with Bank of England and Eastern Reserve Banks the Balances with, and Cheques in course of collection on, other Banks in the United Kingdom and Ireland, the Balances with Banks abroad, and the Bills. We have also verified the correctness of the Money at Call and Short Notice and the securities representing the Investments of the Bank. We have examined the above Balance Sheet and Profit and Loss Account which are in agreement with the books of account at Head Office and certified returns from the Branches. The Eastern Branches accounts being brought in as at the 31st October, 1952. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required of banking companies by the Companies Act, 1948, and, on the basis authorised therein, the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at the 31st December, 1952, and the Profit and Loss Account gives a true and fair view of the profit, ascertained in the manner therein indicated, for the year ended on that date.

In our opinion the group accounts (comprising the Balance Sheet and Profit and Loss Account of the Bank and the annexed accounts of The National Bank of Scotland Limited), have been properly prepared in accordance with the provisions of the Companies Act, 1948, applicable to banking companies and, on this basis, give a true and fair view respectively of the state of affairs and of the profit of Lloyds Bank Limited and its subsidiary dealt with by such group accounts so far as concerns members of Lloyds Bank Limited.

3 Frederick's Place, E.C. 2, 13th January 1953.

PRICE WATERHOUSE & CO. Chartered Accountants.

BALANCE SHEET OF THE INDIAN BRANCHES OF LLOYDS BANK LIMITED AS AT 31st DECEMBER 1952.

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
Capital—						
Deposit with Reserve Bank of India under Section 11 (2) of the Banking Companies Act, 1949	22,60,037	8	0			
Reserve Fund and Other Reserves				Nil		
Deposits and Other Accounts—						
Short Deposits and Deposits at call	3,05,97,427	11	9			
Fixed Deposits	4,43,10,644	5	2			
Savings Bank Deposits	7,60,84,358	11	10			
Current Accounts, Contingency Accounts, etc.	20,55,54,192	2	6			
				35,65,46,622	14	6
Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	4,17,00,000	0	0			
(ii) Outside India	9,97,778	4	9			
				4,26,97,778	4	9
PARTICULARS—	Rs.	a.	p.			
(i) Secured by Central Government Securities per contra ..	2,65,00,000	0	0			
(ii) Unsecured	1,61,97,778	4	9			
	4,26,97,778	4	9			
Bills Payable				19,13,670	3	0
Bills for Collection Being Bills Receivable as per contra—						
(i) Payable in India	1,60,89,527	6	7			
(ii) Payable outside India	80,81,356	5	2			
				2,41,70,883	11	9
Other Liabilities—						
Inter Branch Balances—Net—Head Office and Branches outside India	61,03,916	3	1			
Inter Branch Adjustments—Branches in India	7,17,332	4	9			
Staff Provident Fund	52,33,774	14	8			
				1,20,55,023	6	6
Acceptances, Endorsements and Other Obligations per contra ..				2,54,77,564	3	7
Contingent Liabilities—						
Liability on account of outstanding Forward Exchange Contracts.	30,79,84,731	7	1			
Rs.				46,28,61,542	12	1

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
Cash—						
In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)				2,86,36,070	0	6
Balances with Other Banks—						
Current Accounts—						
(i) In India	1,55,623	4	10			
(ii) Outside India	92,356	6	6			
				2,47,979	11	4
Money at Call and Short Notice				Nil		
Investments—At or under Market Value—						
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	17,86,85,600	3	11			
(Of which nominal value Rs. 12,32,14,800 are lodged as security for Borrowings from Other Banks and for other accounts, liability against which at date amounts to Rs. 2,95,88,203-4-0)						
(ii) Shares	Nil					
(iii) Debentures or Bonds	Nil					
(iv) Other Investments	Nil					
(v) Gold				17,86,85,600	3	11
Advances—						
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)	Rs.	a.	p.			
(I) Loans, Cash Credits, Overdrafts, etc.—						
(i) In India	17,48,22,657	13	9			
(ii) Outside India	Nil					
				17,48,22,657	13	9
(II) Bills Discounted and Purchased (exclusive Treasury Bills of the Central and State Governments)—						
(i) Payable in India	41,93,678	2	2			
(ii) Payable outside India	2,35,86,363	9	9			
				2,77,80,041	11	11
				20,26,02,699	9	8
PARTICULARS OF ADVANCES—						
(i) Debts considered good in respect of which the Banking Company is fully secured				8,16,06,753	11	1
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security ..				3,09,54,664	8	8
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors				9,00,39,360	6	2
(iv) Debts considered doubtful or bad, not provided for ..				1,921	0	2
				20,26,02,699	9	8
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons				2,30,071	6	6
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members				Nil		
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons ..				2,92,164	10	0
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members				Nil		
(ix) Due from Banking Companies				1,22,70,082	3	6
Bills Receivable Being Bills for Collection as per contra—						
(I) Payable in India	1,60,89,527	6	7			
(II) Payable outside India	80,81,356	5	2			
				2,41,70,883	11	9
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				2,54,77,564	3	7
Premises Less Depreciation				9,52,667	15	0
Furniture and Fixtures Less Depreciation				Nil		
Other Assets, including Silver—						
Interest, Exchange, Commission, Discount and Expenses (No adjustments made as at 31st December, 1952, for the two months, November and December for accrued Interest and Exchange receivable and payable and Commission receivable)				20,88,077	4	4
Non-Banking Assets Acquired in Satisfaction of Claims				Nil		
Rs.				46,28,61,542	12	1

W. T. C. PARKER, General Manager (Eastern Branches)

(Continued in next page)

PATTERN OF WORLD TRADE IN COTTON

ROLE OF BILATERAL AGREEMENTS

ALTHOUGH it is relatively more difficult to predict the nature of demand for cotton than to estimate the available supplies of the commodity, a tentative survey, made by *Cotton*, the monthly review of the world cotton situation, issued by the International Cotton Advisory Committee, points out that possible increases in consumption of cotton are likely to occur in the U.S., India and Japan. Such increases, it is held, might offset the anticipated decline in cotton consumption in Western Europe. The journal remarks that these changes "may have some significance from the viewpoint of world cotton demand."

Free world production of cotton in 1952-53 is now estimated at 28.3 million bales (of 478 lbs. each) as compared with 28.6 million bales last season. The major part of this production consists of staple length $\frac{3}{4}$" to $1\frac{1}{8}$" (23.5 million bales) as compared with 24.4 million bales in the previous season. Free world stocks of raw cotton aggregated 13.3 million bales or 2.7 million bales more than on 1st August, 1951. Free world cotton consumption during the 1952-53 season is now expected to be of the order of 25.0 million bales. Thus, in general terms, there exists a surplus of cotton over anticipated world consumption this season, owing to the increased world carryover on 1st August, 1952, and to a continuing high level of production.

In estimating the consumption of cotton, an important factor is the trend in consumption in the net exporting countries. Total cotton consumption in net exporting countries is expected to increase mainly because of the expected higher consumption in the United States and the further development of domestic textile industries in primary producing countries. Taking account of the disinclination of mills to buy in a falling market and some statistical evidence, the journal says that, it is safe to assume that carry-over cotton stocks of mills in these countries were no larger than a year ago and perhaps smaller. From this it follows that domestic demand in net exporting countries for the full season will remain at least as high as last season. It is difficult even at this juncture to predict, with any degree of accuracy, the probable level of international trade during the present season. There exist, however, according to the journal, quite formidable arguments for "expecting trade to remain at a relatively high level although under last season."

The journal lists the following considerations as among the factors which go to show that trade in cotton will remain at a moderately high level:

"First, the influence of the changes in cotton consumption mentioned above might seem to argue for some decline in the volume of world cotton trade. Consumption in Western Europe, which normally accounts for well over 60 per cent. of world cotton imports, is expected to be less this season than last. On the other hand, this might be partly offset by the expansion of yarn and textile production in India and Japan so that, on balance, consumption in net importing countries may be not much less than in 1951-52. In any case, any decline in aggregate cotton consumption in these countries would represent only a small fraction of world cotton trade.

"Second, stocks in many importing countries on 1st August were generally on the low side.

"Third, and perhaps the strongest argument of all, is the possible effect of reduced prices. Under normal circumstances, this should operate to stimulate demand and even encourage buyers to purchase cotton for stock over and above current seasonal requirements. This latter will depend primarily on the trend of prices over the remaining months of the season which in turn is related to the probable level of cotton production during 1953-54. At the moment, it appears likely that there could be some decline in world production next season but this is highly conjectural, depending largely on weather conditions and how much cotton will be grown in the United States. If an appreciable drop in world production was indicated, it might affect market values at the end of the present season and induce heavier purchases of old crop cotton.

"Fourth, exchange difficulties in cotton trade are being countered by continuing dollar loans and grants, by special payments agreements and commercial treaties covering this commodity, and by barter arrangements. In the short run, these should react to promote greater cotton exports."

There are, however, a few factors which tend to restrict the volume of world trade. Thus, the U.K. and India, both heavy importers of the staple in 1951-52, are likely to import less cotton this season. Both the countries started the season with larger stocks. Again, cotton imports into both these countries will be influenced by price trend and exchange availability. Other factors which tend to restrict the volume of world cotton trade are:

"There is also the uncertainty attached to the level of cotton consumption in the various importing countries over the longer period which may restrain any policy to purchase cotton for stock. This is modified somewhat by the fact that cotton is a durable commodity and may be more than offset, if the price trend over 1953-54 was viewed bullishly.

"The volume of free world cotton trade is determined to no small extent by the amount of cotton which is exported to the Communist countries. The U.S.S.R., China, and several Eastern European countries have made fairly substantial purchases of cotton in Egypt and Pakistan which, if continued during the next few months, would mean that exports from the free world to these countries would be maintained at least at last season's level—namely, 800,000 bales."

Over the first half of the 1952-53 season, the volume of international trade in cotton, according to the journal, was lower than last season and over most of this period consumption in several important consuming countries was actually running over imports with a consequent reduction in stocks. Although there may have been several reasons for this reduction in trade, the over-riding factor was in many cases the bearish sentiment in world markets, with the almost continuous fall in world cotton values.

With a much greater export availability this season, the journal says, competition in the various cotton markets has become more intense. This is reflected in the fact that the U.S. cotton exports are reported to be still running at half last season's volume but with a tendency to increase. The position would have been worse if no special efforts had been made to stimulate cotton exports through Mutual Security Administration grants to foreign countries or through Export-Import Bank's allocation of dollars. Again, in spite of the competition of non-dollar growths, consumer preference for the U.S. cotton, it is stated, remains high in a number of importing countries, partly on grounds of spinners' resistance to changes in the source of supply and partly due to the quality of this season's crop in the U.S.

A notable feature of the world cotton trade is that it is characterised by a pronounced trend towards greater bilateralism. In few other commodities there are a large number of barter agreements than in the case of cotton. There are also agreements which seek to stimulate trade in cotton through revisions of payments procedures. In this connection, the journal says:

"The cotton export trade is still characterised by a pronounced trend towards greater bilateralism. Many of the major exporting countries, and in particular Brazil, Egypt, Pakistan, and Turkey, have been actively negotiating barter or other trade agreements for cotton against manufactures or foodstuffs. However, although no aggregate figures of the total volume of cotton involved in such agreements are available, it is believed that they do not amount to more than a relatively small proportion of total trade in raw cotton and, for the most part, are essentially short term in scope.

"Another important aspect of non-dollar cotton trade in recent weeks has been the efforts to stimulate trade by revisions in payments procedures. To accommodate foreign spinners, the Egyptian Government now rules that if cotton exports are payable in dollars or sterling, 25 per cent. of the total payment may be made in these currencies and 75 per cent. in Egyptian pounds (export account), which may be used or resold for the purchase of authorised imports. Payments were previously acceptable only on the basis of 60 per cent. or more in dollars or sterling.

"Although a free exchange market is now operating in Brazil, on which quotations represent a major depreciation on the official rates, it is reported to be applicable only to commodities that individually represent a small percentage of Brazil's exports and not to cotton."

It would, however, be wrong to deny that these trade or payments agreements have an important role in facilitating the expansion of trade in cotton. These agreements, as the journal recognises, promote cotton imports in the face of exchange difficulties as well as make it possible to maintain or expand their own export economies. Raw cotton trade of the producing country is often linked to cotton textile trade of the importing country, so that these agreements promote a two-way traffic in the trade in cotton and textile goods.

CONSUMPTION OF COTTON

The consumption of Indian cotton during the five months ended January, 1953, amounted to 1,531,046 bales, and that of foreign cotton to 355,621 bales. This works out to a monthly average of 306,210 bales of Indian cotton and 71,120 bales of foreign cotton, as compared with 248,950 bales and 90,340 bales, respectively, in the 1951-52 season. It will thus be evident that the consumption of Indian cotton has improved by 23 per cent. while that of foreign cotton has declined by 21 per cent.

At the auction held at Kampala on 15th April, a further quantity of about 15,000 bales, consisting mainly of ARBP 52, were sold. Prices realised, it is stated, were: Rs. 1,420-1,425 for ARBP 52, Rs. 1,410-1,415 for West Nile, Rs. 1,405-1,410 for Masaka, Rs. 1,380-1,385 for Kenya, and Rs. 1,375-1,380 for Bunyoro.

LLOYDS BANK LIMITED—*(Continued)*

AUDITORS' REPORT ON THE INDIAN BRANCHES OF LLOYDS BANK LIMITED UNDER SECTION 30 OF THE BANKING COMPANIES ACT, 1949.

We report that we have audited the Balance Sheet of the Indian Branches of Lloyds Bank Limited dated 31st December, 1952, and above set forth and the annexed Profit and Loss Account for the year ended 31st October, 1952, with the books and accounts as kept at the General Manager's (Eastern Branches) Office, Calcutta, in which are incorporated certified returns from the Indian Branches and have obtained all the information and explanations we have required. In our opinion such Balance Sheet and Profit and Loss Account are drawn up in conformity with the law and the Balance Sheet exhibits a true and correct view of the state of the Bank's Indian Branches' affairs according to the best of our information and the explanations given to us and as shown by the books of the Bank's Indian Branches. In our opinion books of account have been kept as required by law.

CALCUTTA, 25th March, 1953.

PRICE WATERHOUSE & CO., Chartered Accountants.

PROFIT AND LOSS ACCOUNT OF THE INDIAN BRANCHES FOR THE YEAR ENDED 31st OCTOBER, 1952.

EXPENDITURE	Rs.	a.	p.	INCOME	Rs.	a.	p.
To Interest paid on Deposits, Borrowings, etc.	37,98,217	14	7	(Less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)			
,, Salaries and Allowances and Provident Fund (includes General Manager (Eastern Branches) Rs. 91,332)	70,64,564	13	0	By Interest and Discount	1,37,83,533	3	8
,, Directors' and Local Committee Members' Fees and Allowances	....			,, Commission, Exchange and Brokerage	47,27,408	9	10
,, Rent, Taxes, Insurance, Lighting, etc.	4,90,280	12	3	,, Rents	13,590	0	0
,, Law Charges	65,723	5	8	,, Net Profit on sale of Investments, Gold and Silver, Land, Premises and Other Assets. .	....		
,, Postage, Telegrams and Stamps	1,33,607	5	11	,, Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets	....		
,, Auditors' Fees	7,500	0	0	,, Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	....		
,, Depreciation on and Repairs to the Banking Company's Property	4,16,394	13	1	,, Other Receipts	....		
,, Stationery, Printing, Advertisement, etc.	5,02,545	14	6	Loss	....		
,, Loss from Sale of or Dealing with Non-Banking Assets	....						
,, Other Expenditure (including Proportion of Head Office Expenditure)	8,01,965	0	1				
,, Balance of Profit (subject to Indian Income-tax and Super-tax)	52,43,731	14	5				
Rs.	1,85,24,531	13	6	Rs.	1,85,24,531	13	6

W. T. C. PARKER, General Manager (Eastern Branches).

SUGAR INDUSTRY IN INDIA

ITS SCIENTIFIC PROBLEMS AND THEIR SOLUTION

DESPITE the long period of 18 years of protection enjoyed by the Indian sugar industry, conditions in the industry have not stabilised yet. In fact, it is to-day faced with a score of disquieting problems which have been responsible for the high cost of sugar manufacture. Among these, three stand out prominently. First, the sugar factories are not getting adequate supplies of high quality sugarcane at an economic price, economic in the sense that sugar could be produced at a price that is either competitive with world prices or within the reach of the common man. Secondly, the technical efficiency of working of most of the factories is generally low. Thirdly, industrial utilisation of by-products of sugar has not been fully developed. If, therefore, the sugar industry is to be set on a stable and sound footing, it is of the utmost importance that these problems are solved by means of scientific research and development. Realising this doubtless, the Planning Commission has emphasised the need for improving the standards of efficiency "so as to enable the (sugar) industry to bring down its costs and to be in a position to meet foreign competition in due course." As to how this could be achieved has been discussed by Mr. Ram Behari Lal Mathur, in an interesting paper entitled "Scientific Problems of Sugar Industry" which he read at the recent meeting of the Academy of Sciences held at Trivandrum.

The main scientific problems of the Indian sugar industry has been studied under four heads, namely, (1) improvement of sugarcane cultivation, (2) adoption of more economical and less technical methods of production, (3) attainment of higher technical efficiency of working or minimising manufacturing losses, and (4) industrial utilisation of by-products.

Cane Cultivation

To take cane cultivation first. Scientific methods of cultivation should be introduced, special attention being devoted to the growing of disease-resisting varieties and also those types of cane which give better yield and contain more sucrose. The soil scientists and plant physiologists should labour to determine the amount of different fertilisers needed to produce maximum yield of cane. For organic manures, the State Governments should formulate and popularise schemes for utilising compost and farmyard manure and other organic village manurial sources. The efforts in this direction require wide publicity. There is also the need for effective control of pests and diseases. A few practical methods have been evolved for the protection of sugarcane against red rot, smut and mosaic diseases and for the control of borers and other insects. But these methods have not been amply demonstrated to cultivators. This defect must be removed without any delay. An intensive research in this direction of curative methods is urgently required.

Simultaneously with the efforts at improving cane cultivation, technological research on improved methods for the manufacture of cheaper and better quality sugar should be evolved. So far very little work has been done in this direction and a more intensive research is needed. Prof. J. M. Saha, Director of the Indian Institute of Sugar Technology, Kanpur, has evolved a process of manufacturing white sugar without sulphur. Another attempt has been made by Mr. D. N. Ghosh of the Science College, Patna, and this refers to the process of clarifying cane juice by an electrical process without the aid of chemicals and heat.

These processes are yet to be tried on a commercial scale. Unfortunately, the sugar factories seem to be very reluctant to undertake the risk of a trial with new research in their factories. In this respect, they seem to be as conservative as the Indian farmer to adopt improved methods of cultivation. It is, therefore, suggested that the experimental sugar factory, attached to the Sugar Institute, Kanpur, should be so enlarged in capacity and equipped sufficiently to enable practical technologists and research scholars to experiment there on an industrial scale.

The Indian sugar industry has no doubt achieved a fairly high standard of efficiency in working, as compared with the other leading sugar-producing countries of the world. The average overall efficiency of a sugar factory in India, for instance, has gone up from 83.5 per cent. in 1934 to about 86 per cent. at present, which is equal to that in Mauritius, Java and Cuba. It does not, however, compare favourably with the overall efficiency of 89 per cent. in Hawaii and 91 per cent. in Formosa. It is thus evident that the scope for enhancing the efficiency of sugar plant in India is still considerable.

The existing plant must be designed to avoid the basic causes of lack of high efficiency. The most skilled operator, regardless of his ability and devotion to work, cannot adjust and balance the operation as effectively as an automatic instrument. The utilisation of steam flow, pressure and vacuum recorders attached to various units will not only result in a more uniform operation but also save much fuel. It must be clearly understood that the secret of obtaining higher overall efficiency depends on the regularity in its operational conditions, regularity in the juice and steam flow, and maintenance of high vacuum without fluctuation. Unless these conditions are improved to the optimum, with the help of automatic instruments and devices, mere impovement in the constuction and design of the plant will not be of much avail.

Utilisation of By-products

Vast scope exists for the profitable utilisation of the several by-products of the industry, particularly bagasse and molasses. Bagasse has for long been recognised as a valuable material, possessing possibilities of commercial utilisation. The similarity between bagasse and a number of farm products, such as corn, stalk, rice, wheat and other straws, was recognised several years ago, and, although intensive scientific research has been undertaken in a few other sugar-producing countries, nothing worth the name has been done so far in this country.

It is common knowledge that India is short of cellulose materials and bagasse can as well be utilised as a source of cellulose in several essential industries such as paper and insulating materials. Cardboard manufacture from bagasse has been undertaken in certain factories, but paper pulp production entirely from bagasse is yet to be undertaken. As the availability of bamboos and sabai grass is limited, bagasse can be used in their place. It can also be utilised as a raw material in the manufacture of a wide range of insulating and hardboard products for the building industries. Besides being a source of useful fibre, bagasse is claimed to be an excellent source of chemicals, such as formaldehyde, forturaldehyde and various ketones. Inasmuch as bagasse contains a large proportion of pentosans, it is a very suitable raw material for the production of furfural, which has a wide range of uses—commencing from the manufacture of synthetic rubber and nylon to the separation of vegetable oils into food and paint oil constituents.

All this is true, but the fact remains that in India bagasse is being utilised as fuel by sugar factories and that there is not much wastage of this waste product. Unless it can be proved that the use of coal will be more economical than that of bagasse, that coal will be freely available to sugar factories, and that there will be a ready and assured demand for bagasse with adequate transport facilities for promptly moving this waste product from the factory areas, there will be no inducement to sugar mills to divert their supply of bagasse for the purposes mentioned above. Another point that has to be taken into consideration in this context is that there must be a marked improvement in transport facilities before anyone embarks upon schemes for the utilisation of bagasse.

The other important by-product of the sugar industry is molasses. Molasses is being utilised largely in the manufacture of power alcohol. This has, to some extent, solved the problem of molasses disposal. But the price of molasses fixed is unremunerative for the sugar mills. Molasses is being sold to the distilleries of Northern India at a price less than Rs. 6 per ton (*ex*-factory), while the actual sugar content of a ton of molasses —28 to 30 per cent. sucrose—has a value of as much as Rs. 175 to Rs. 200 at the present cost price of sugar. If, therefore, the price of sugar is to be reduced, it will not be sound economics to remain satisfied with this price of molasses, which may go down still lower if petrol becomes cheaper. It has not so far been possible to extract sugar from molasses profitably. But, intensive scientific research in other countries has shown that it should be possible to utilise the different constituents of molasses for producing other useful substances. Bio-chemical methods may come to the aid in producing lactic and citric acid. The improvement in the yield of acetone and butanol also requires close examination. Molasses contain an appreciable quantity of aconitic acid. If, in the near future, industries consuming aconitic acid and its derivatives are developed, molasses will find some outlet. Efforts should be made to develop a suitable method of recovering this particular acid. There are still many more possibilities to be explored and the field is still a fertile one in which notable developments may confidently be expected in the future.

CUBAN SUGAR CROP

The 1953 sugar crop in Cuba is restricted to 5,000,000 Spanish long tons. Approximately 18 mills had started functioning on 30th January, 1953 and on 2nd February about 66 mills of the 161 operating were reported grinding. The agreement reached between the mill owners and the cane growers for participation in the restricted crop gave additional protection to the small and medium-sized sugar mill owners and sugarcane growers at the expense of the larger mills, and to those mills producing administration cane and the cane growers who produced more than 500,000 arrobas (1 arroba=25 pounds) of sugarcane in 1952.

Cuba holds a special financed quota of 1,750,000 Spanish long tons of sugar, as a reserve to be distributed at the rate of 350,000 tons for the years 1953-57 to Cuba's quota for the United States. Except for this reserve, Cuba's surplus stocks at the end of 1952 equalled about 275,000 Spanish long tons.

The Cuban Sugar Stabilisation Institute announced some time ago that it had authorised the release to the United States market of 350,000 tons of special financed 1952 quota sugar. The Government also announced that, in order to facilitate the liquidating of accounts between mill owners and cane growers, it had fixed 3.40 cents per Spanish pound as the provisional general average price for the 1953 sugar crop. The 1952 provisional price was 4.18 cents per pound.

TRANSPORT OF COAL

INCREASE IN WAGON SUPPLIES

LATEST reports disclose that wagons loaded on broad and metre-gauges to transport coal from 1st April, 1952 to 31st January, 1953, was 1,034,709, as against 956,845 in the previous year. This discloses a gain of 8.14 per cent. The average coal loadings from Bengal and Bihar during 1952 amounted to no less than 3,163 wagons daily or 130 wagons a day better than in the previous year. This is a signal achievement and it is gratifying to note that the railways are planning for an even greater movement of coal during 1953-54. The improvement in wagon supply is attributed solely to regrouping of railways and the commendable progress of rationalisation measures.

It is, however, stated that the present available wagon capacity is hardly sufficient to carry 29 million tons a year, while the production is 34 million tons. It is estimated in trade circles that 3,700 wagons daily are required to move 28 million tons from Bengal and Bihar coalfields. If the transport of coal is to be raised to 34 million tons, that is, the annual output in India in 1952, an additional 650 wagons daily would be required. But with the expansion of agriculture and industry under the Five-year Plan, more and more coal would be required. This means that there should be a programme of progressive increase in the supply of wagons consistent with the increased requirements of coal of the country.

It is, however, alleged that regrouping has not in any way changed the conditions on the B.N.R. and E.I.R. collieries. It is reported that these collieries are still suffering, despite regrouping, from the continuance of restrictions that B.N.R. collieries could only despatch to B.N.R. destinations and E.I.R. collieries to E.I.R. destinations. This has led to the feeling that either regrouping has not been fully achieved or the facility for despatch in all directions which should have been possible has not been extended to collieries.

The low grade collieries have a bitter grouse against the Government. They have been complaining that the Government's promise to earmark 25 per cent. of total available wagons for lower grade coals, recommended by the Rationalisation Sub-Committee and endorsed by the Working Party on Coal, has not been fulfilled. They point out that the number of wagons allotted to lower collieries has been dwindling, year by year, resulting in forced shrinkage in the output of low-grade coal.

The problem of coal transport cannot be solved by the provision of more wagons. It should be supplemented by loading spaces on railway sidings, storage houses at ports and the like. There has been vehement opposition towards allotment on the basis of allocation of one wagon space for each 500 tons monthly cutput and an additional one wagon space for each 1,000 tons in stock. The railway sidings should be assisted by private sidings also. Complaints are frequent that even when a colliery applies for permission to construct a siding at its own cost, there is always inordinate delay in giving it.

Thus, it is clear from the foregoing that the problem of stimulating rationalisation of transport demands priority of attention. The laudable aim should be to enable every consumer to draw his coal from the nearest source of supply. Although this would result *prima facie* in considerable economy of transport, there is need for caution. If the outlying coalfields are extensively developed to supply adjacent consumers previously supplied by Bengal and Bihar, there will obviously be acute dislocation of work leading to unemployment in the latter collieries, if they are deprived arbitrarily of markets which they have been serving for nearly half a century. Again, there are many consumers who, for technical reasons, require special types of fuel which may not be available from the coalfields geographically close to them and, therefore, require to be exempted from the rationalisation edict, as Mr. W. H. S. Michelmore puts it. The question of rationalisation is thus a complicated one and requires to be closely examined in all its implications before any arbitrary directives are issued.

During the question hour in Parliament recently, Mr. S. N. Buragohain, Deputy Minister for Works and Housing, disclosed that Indian Railways consumed approximately 3.9 million tons of metallurgical coal and 6 million tons of non-metallurgical coal in 1952. There were no specific restrictions on the use of metallurgical coal. About 12 million tons of metallurgical coal were consumed in the country, he added. Further, he stated that the production of certain selected grades of this coal had been limited to 7.4 million tons in 1953 and of Grades I and II at the level of production in 1952.

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J. F. WOOD,
General Manager.

AB. 5.

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Erode	Pudukottah	Vijayapuram
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	Tenkasi	

K. S. VAIDYANATHAN,
Assistant Secretary.

FACTS ABOUT AUSTRALIA



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UNITED BANK OF INDIA LIMITED

BALANCE SHEET AS AT 31st DECEMBER, 1952

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED CAPITAL—						
1,00,000 "A" Shares of Rs. 50 each	35,00,000	0	0			
3,20,000 "B" Shares of Rs. 25 each	80,00,000	0	0			
6,05,000 "C" Shares of Rs. 20 each	1,21,00,000	0	0			
10,40,000 "D" Shares of Rs. 10 each	1,04,00,000	0	0			
	4,00,00,000	0	0			
ISSUED CAPITAL—						
10,000 "A" Shares of Rs. 50 each	20,00,000	0	0			
3,20,000 "B" Shares of Rs. 25 each	80,00,000	0	0			
6,05,000 "C" Shares of Rs. 20 each	1,21,00,000	0	0			
10,40,000 "D" Shares of Rs. 10 each	1,04,00,000	0	0			
	3,25,00,000	0	0			
SUBSCRIBED CAPITAL—						
39,003 "A" Shares of Rs. 50 each	19,50,150	0	0			
2,93,356 "B" Shares of Rs. 25 each	73,33,900	0	0			
6,00,155 "C" Shares of Rs. 20 each	1,20,03,100	0	0			
10,35,454 "D" Shares of Rs. 10 each	1,03,54,540	0	0			
	3,16,41,690	0	0			
CALLED AND PAID-UP CAPITAL—						
8,050 "A" Shares called at Rs. 50 per share	4,02,500	0	0			
30,953 "A" Shares called at Rs. 25 per share	7,73,825	0	0			
2,05,930 "B" Shares called at Rs. 25 per share	51,48,250	0	0			
87,426 "B" Shares called at Rs. 22·8 per share	19,67,085	0	0			
1,87,503 "C" Shares called at Rs. 20 per share	37,51,260	0	0			
4,12,592 "C" Shares called at Rs. 10 per share	41,25,920	0	0			
10,35,454 "D" Shares called at Rs. 10 per share	1,03,54,540	0	0			
	2,65,23,380	0	0			
LESS—Calls in arrear	1,037	8	0			
	2,65,22,342	8	0			
ADD—Forfeited Shares	4,05,510	0	0			
				2,69,27,852	8	0
(Reserve Liability of Shareholders Rs. 48,99,745)						
2. Reserve Fund and Other Reserves (including Investment Reserve Rs. 37,00,000)				1,03,00,000	0	0
3. Deposits and Other Accounts—						
Fixed Deposits and Cash Certificates	4,42,02,410	8	9			
Staff Security Deposits	9,32,639	4	5			
Savings Bank Deposits	11,35,61,429	13	6			
Current Accounts, Continuency Accounts, etc.	10,79,27,591	13	7			
				26,66,24,071	8	3
4. Borrowings from Other Banking Companies, Agents, etc.				Nil		
5. Bills Payable				52,88,346	8	10
6. Bills for Collection Being Bills Receivable as per contra—						
(i) Payable in India	1,08,71,217	10	5			
(ii) Payable outside India	85,89,618	2	0			
				1,94,60,835	12	5
7. Other Liabilities—						
Branch Adjustment	60,59,109	1	11			
Unclaimed Dividend	3,26,997	14	9			
Staff Gratuity Fund	1,05,818	1	3			
Capital Redemption Fund	88,577	8	0			
Sundry Liabilities for Expenses	81,576	0	9			
Bills Rediscounted	31,834	14	0			
				66,93,913	8	8
8. Acceptances, Endorsements and Other Obligations per contra				51,89,631	6	4
9. Profit and Loss—						
Balance of Profit and Loss Account as per last Balance Sheet	9,14,603	14	9			
LESS—Appropriation for Dividend	7,77,048	0	0			
	1,37,555	14	9			
ADD—Profit for the year brought from the Profit and Loss Account	20,20,986	7	7			
	21,58,542	6	4			
LESS—Appropriations—	Rs.	a.	p.			
Transfer to Reserve Fund under Section 17 of the Banking Companies Act	4,05,000	0	0			
Transfer to Investment Account	50,000	0	0			
Transfer to Provision for Taxation	7,50,000	0	0			
	12,05,000	0	0			
				9,53,542	6	4
10. Contingent Liabilities—	Rs.	a.	p.			
(i) Claims against the Bank not acknowledged as debts	29,25,436	10	2			
(ii) Money for which the Bank is contingently liable—						
(a) Liability for partly paid up shares held by the Bank on Investment Account	4,76,743	14	5			
(b) Guarantee given on behalf of Directors or Officers	Nil					
(c) Guarantee on behalf of others	4,59,491	15	6			
(iii) Liability on Bills of Exchange re-discounted	4,12,297	8	10			
(iv) Liability on account of outstanding Forward Exchange Contracts	1,00,36,458	13	5			
Total .. Rs.				34,14,38,193	10	10

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)				3,23,35,124	13	0
2. Balance with Other Banks in Current Accounts—						
(i) In India	6,43,644	1	2			
(ii) Outside India	60,94,169	11	3			
				67,37,813	12	5
3. Money at Call and at Short Notice				Nil		
4. Investments (at Book Value)—						
(i) Securities of the Central and State Governments and other Trustee Securities (Face Value Rs. 10,43,17,000-0-0) (Market Value Rs. 10,04,65,321-3-0)	10,34,93,734	8	0			
Treasury Bills of the Central and State Governments	Nil					
(ii) (a) Shares, Preference, fully paid-up	11,51,185	8	0			
(b) Shares, Preference, partly paid-up	7,700	0	0			
(c) Shares, Ordinary, fully paid-up	36,86,823	2	5			
(d) Shares, Ordinary, partly paid-up	4,53,405	1	5			
(e) Shares, Deferred, fully paid-up (Market Value of above shares Rs. 45,71,406-0-8)	2,726	4	0			
(iii) Debentures or Bonds (Market Value Rs. 63,14,727-8-0) Shares and Debentures of the Value of Rs. 75,86,389-2-0 not quoted, taken at cost.	64,48,376	10	6			
(iv) Other Investments—						
(a) Pakistan Central and Provincial Government Securities (Market Value Rs. 1,56,84,037-0-0)	1,57,92,835	5	1			
(b) Foreign Securities (Market Value Rs. 57,750-0-0)	87,500	0	0			
(c) Capital Redemption Policy	88,577	8	0			
(d) Gold	Nil					
				13,12,12,863	15	5
5. Advances (other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—						
(I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.						
(i) In India .. 10,76,04,009 6 3						
(ii) Outside India .. 1,72,15,806 5 6	12,48,19,815	11	9			
(II) Bills discounted and purchased (excluding Treasury Bills for the Central and State Governments)—						
(i) Payable in India .. 52,27,274 4 0						
(ii) Payable outside India .. 24,08,079 15 7	76,35,354	3	7			
				13,24,55,169	15	4
(Particulars required by Act X of 1949 as per separate Schedule annexed and forming part of this Balance Sheet)						
6. Bills Receivable Being Bills for Collection as per contra—						
(i) Payable in India	1,08,71,217	10	5			
(ii) Payable outside India	85,89,618	2	0			
				1,94,60,835	12	5
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				51,89,631	6	4
8. Premises less Depreciation—						
At cost as per last Balance Sheet less Land and Buildings not used as Bank's Premises transferred to "Other Assets"	23,34,662	3	9			
ADD—Additions during the year	32,154	3	0			
LESS—Sales or deductions made during the year	2,48,939	4	2			
	21,17,877	2	7			
Total cost to date	81,722	5	4			
LESS—Depreciation written off to date				20,36,154	13	3
9. Furniture and Fixtures less Depreciation—						
Cost as per last Balance Sheet	21,21,035	7	4			
ADD—Additions less deductions during the year	71,265	4	4			
Total cost to date	21,92,300	11	8			
LESS—Depreciation written off to date	5,42,133	15	8			
				16,50,166	12	0
10. Other Assets including Silver—						
Interest Accrued on Investment	13,59,951	12	4			
E.P.T. Deposits and Tax paid in advance and deducted at source	29,43,955	13	0			
Stores, Stationery and Printed Materials	3,93,846	11	3			
Cheques in hand	1,31,562	11	6			
Silver and Jewellery	9,960	0	0			
Land and Buildings not used as Bank's Premises less depreciation (Cost Rs. 27,66,229-10-5 less Rs. 2,43,604-1-2)	25,22,625	9	3			
Sundries (Temporary Advances, Suspense, Security Deposits, Outstanding Rents, Stock of Stamps Adjusting Accounts, etc.)	22,37,286	8	3			
				95,99,189	1	7
11. Non-Banking Assets Acquired in Satisfaction of Claims (Immovable property at Book Value)				7,61,243	5	1
Total .. Rs.				34,14,38,193	10	10

Schedule of particulars required under the Banking Companies Act, 1949, attached to and forming part of the Balance Sheet as at 31st December, 1952

PARTICULARS OF ADVANCES	Rs.	a.	p.
(i) Debts considered good in respect of which the Banking Company is fully secured	11,62,93,228	14	2
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	1,35,73,595	6	7
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	25,88,345	10	7
(iv) Debts considered doubtful or bad not provided for	Nil		
Total .. Rs.	13,24,55,169	15	4

PARTICULARS OF ADVANCES	Rs.	a.	p.
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,033	1	3
(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	44,35,674	11	4
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	11,773	11	5
(viii) Maximum total amount of advances including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	56,35,814	14	0
(ix) Due from Banking Companies	16,42,521	3	10

(Continued in next page)

PARLIAMENT DISCUSSES TEA BILL

COMMERCE MINISTER OUTLINES POLICY

THE House of the People took up for consideration on Saturday last (2nd inst.) the Tea Bill, as amended by the Select Committee, which presented its report to the House on 14th February, 1953. Mr. T. T. Krishnamachari, Minister for Commerce and Industry, who initiated the debate on the Bill, gave the House an idea of the Government's reading of the present position of the Indian tea industry and its policy towards the industry. Though one may not agree with all that the Minister had to say on the subject, his speech was notable for the frankness with which he gave expression to his (or the Government's) views.

Initiating the debate on the Bill, Mr. Krishnamachari referred at the outset to the criticism about the Government's attitude towards the industry during its last crisis. There is certainly some force in all this criticism, for the Government can take credit for nothing which helped the industry to tide over the slump—the industry has certainly not escaped unscathed from that crisis—except for its offer of limited guarantee of bank credit to gardens which many of them could not have availed of, and the belated reduction, with effect from 15th April, of excise duty on tea. Even as we read the Minister's review of the steps taken by the Government so far to help the industry, we do not find any single positive step taken by the Government of which it could be proud. The Minister said:

"As soon as this new Government was formed, it was more or less sensed that the industry was going to undergo a certain amount of difficulty and the Commerce and Industry Ministry applied its mind to the problem. With the help of the Finance Ministry, we were able to appoint a more or less one-man committee and the Rajaram Rao Committee's report has been before the House and the public for a long time. At the same time, we did feel that in order to put the tea industry on a proper footing there must be some kind of readjustment in the position of the foodgrain concession, which really meant that in estates, labour got foodgrains at about Rs. 5 a maund. When we considered this position the Government were fully alive to the necessity of protecting labour interests in this matter. I do remember mentioning to this House that the Rajaram Rao Committee would not recommend anything which would be in the nature of reducing the emoluments that labour was getting and a similar assurance was given by the Finance Minister when he was asked this question. We did so with a full sense of the responsibility that we had in this matter.

Converting Foodgrains Concessions into Cash

"At the time it was found that it would be proper to readjust this burden on the industry by converting the foodgrain concessions into cash at the then ruling prices, so that any addition by way of absenteeism or multiplication of the number of dependents in a labourer's house, which reacted adversely on the quantum of sacrifice that the estates had to make in respect of these foodgrain concessions, would be remedied. Unfortunately, labour leaders could not be persuaded by the Labour Ministry to accept a revision of those terms at that time. My regret that that was not done is not due to the fact that the Government's proposals were not accepted, but that the non-acceptance of the proposals at a time when conditions were opportune has reacted on a section of the industry, which is least able to bear any sacrifice. I am not happy that tea labour, particularly in Cachar and certain of the uneconomic gardens in Assam, have had to accept wages far below what they were getting in order to carry on.

"Thereafter there was a tripartite conference in Calcutta, at which my colleague the Labour Minister was present. One of the most curious things that have happened in a tripartite conference happened, which very nearly shook my belief in the efficacy of the tripartite conference as a useful instrument of resolving disputes. Two forces diametrically opposed, with a mentality like cat-and-dog, the employers and labour, came together and said, 'well the employer won't make any sacrifice and labour cannot make any sacrifice so let the Government forgo their revenue and everyone would be happy!' The labour leaders, unfortunately, more or less walked into the trap of the tea garden estate people in order to propose to the Government a proposition manifestly impossible of acceptance. After that the West Bengal Government acted and the Assam Government acted and a certain amount of diminution of wages did occur to the detriment, regrettably, of people who could least afford to bear that diminution."

It was the realistic step taken by labour in agreeing to accept lower wages, rather than face complete unemployment, coupled with the psychological effect of the producers' decision to restrict production in 1953 and the running down of stocks in the U.K. that were responsible for the improvement in the industry's position since the beginning of this year. But to say that the tea industry has now come up to a more or less stable equilibrium, because of the recovery in prices since January, is to exaggerate the value of this recovery. The financial position of many estates is still critical, as will probably be borne out by the accounts of the companies for 1952 which will be published in the course of the next few months.

This is not to deny that the Minister is unaware of the problem facing the industry, chief among which is one of finance. As the Secretary of the Commerce Ministry testified, after his visit to the tea gardens early in April, "the position is that in some gardens the atmosphere is one of pessimism, but in others there is determination to make a success of the whole venture even against odds. The industry, so far as the Indian-owned gardens are concerned (twenty per cent. of the entire industry), is in the doldrums." The reasons given for this state of affairs are, according to the Minister, that these were acquired at a relatively late stage when all the better lands had been occupied by the Europeans and Indian gardens have found a lot of difficulty in obtaining finances. The Minister expressed his concern over the steps to be taken in order to put these Indian gardens on a satisfactory footing. "I have been thinking about these problems," he added, "but my mind is not very clear as to what we could do. We do accept the position where we can save the marginal gardens and cannot save the submarginal ones, but even that is a very general proposition and wants further examination before it can be taken as a basis." He, however, hoped that he might be able to evolve some method by which the Government could either develop an institution or otherwise provide aid for these tea gardens where finance seems to be the main bottleneck, at the same time taking care that it was only an aid and not a dole.

Another important matter to which the Minister made a reference, in his speech is the question whether the industry would be able to pay reasonable minimum wages to labour and provide the necessary amenities. But to give an answer to this question an investigation of the cost structure of the industry should be made. Mr. Krishnamachari admitted the failure of the Government in making a beginning in this direction. He attributed this to the lack of suitable personnel. However, he hoped that the Government would be in a position to muster the personnel necessary for conducting the enquiry. "At the same time," he added, "the limitations of any enquiry into the cost structure have to be recognised."

Foreign Interests

Mr. Krishnamachari's references to the foreign interests which control 80 per cent. of tea estates will be widely deplored inasmuch as they are incompatible with the Government's policy of giving concessions to foreigners for investment in India. He said that two factors compelled the Government to become "a conscious and deliberate partner" in this industry rather than abdicate its rights in favour of the Indian or foreign interests that are to be found in the industry. One was the industry's unpreparedness to meet the crisis after an uninterrupted period of prosperity extending to 21 years. The other was that 80 per cent. of the industry was in the hands of people "who are not sons of the soil." But he conceded that "the elimination of the foreign element does not produce something better." He also added that he had no intention of discriminating against the foreigner provided the latter played the game. He particularly made a reference to the last Chairman and Deputy Chairman of the Indian Tea Association who, he said, were "positively obstructive." He, however, found the present Chairman more "reasonable." He told the House that with his co-operation, the Government would be able to better the lot of labour, improve the quality of tea and establish a name for Indian tea which India was losing "because of better propaganda and better sentimental support for Ceylon tea." He, however, recognised the place of foreign element and felt that "we have to work in the circumstances in which we are placed and see that the national industry is improved and at the same time our labour gets a square deal."

One of the steps proposed by the Government in this connection was the reorganisation of the Tea Board. "We do propose, consistent with our obligations to the industry and the economy of the country, to exercise control from time to time, when it is necessary," he said. When the Government had to undertake the responsibility, it must have power, he concluded. It is to be hoped that the power, when acquired, will be used with a full sense of the Government's responsibility for the progress of the industry.

The Government of India has decided to reduce India's exports of tea during the year 1953-54 by about 15 per cent. This step has been decided upon as a consequence of the fall in demand and its effect on prices. Under the International Tea Agreement, to which India, Pakistan, Ceylon and Indonesia are parties, standard export quotas for the four countries have been fixed. India's quota is 348.25 million lbs. a year, but the actual export quotas vary from year to year, according to a uniform percentage of the standard quota, fixed unanimously by the International Tea Committee. This percentage was 125 for 1949-50, 130 for 1950-51, 135 for 1951-52 and 1952-53. For 1953-54, India has decided to reduce it to 115 per cent., having taken into consideration that last year's export quota was very unrealistic. Thus, India's exports in the current year will be 399.68 million lbs., as against 470.13 million fixed for 1952-53.

UNITED BANK OF INDIA LTD.—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1952

EXPENDITURE	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	26,01,501	11	10
2. Salaries and Allowances and Provident Fund (General Manager Rs. 27,412-8-0)	64,14,253	9	11
3. Directors' and Local Committee Members' Fees and Allowances	42,091	0	8
4. Rent, Taxes, Insurance, Lighting, etc.	7,55,173	8	7
5. Law Charges	57,203	12	10
6. Postage, Telegrams, Telephones and Stamps	3,02,634	9	3
7. Auditors' Fees	20,165	0	0
8. Depreciation on and Repairs to the Banking Company's Property	3,96,871	2	6
9. Stationery, Printing, Advertisement, etc.	5,07,736	8	4
10. Loss from Sale of or Dealing with Non-Banking Assets	6,151	5	8
11. Other Expenditure	3,31,809	3	10
12. Balance of Profit	20,20,986	7	7
Total .. Rs.	1,34,62,585	1	0

INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest and Discount	98,38,278	4	11
2. Commission, Exchange and Brokerage	25,51,221	4	9
3. Rents	2,55,437	7	8
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	1,735	14	0
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	1,207	13	9
7. Other Receipts	8,14,704	3	11
Total .. Rs.	1,34,62,585	1	0

AUDITORS' REPORT.

We have audited the Balance Sheet as on 31st December, 1952, and Profit and Loss Account for the year ending 31st December, 1952, of United Bank of India Ltd., as above and in attached sheets set forth respectively with Books of Accounts as kept at the Head Office with which are incorporated the Branch Balance Sheets as on 31st December, 1952, and Profit and Loss Accounts for the year ending 31st December, 1952 (both in India and Pakistan) as audited, certified and reported to by the respective Auditors and report that—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory.

(b) The transactions of the Bank which have come to our notice have been within the powers of the Bank.

(c) The Balance Sheets and Profit and Loss Accounts and the relative returns received from branch offices of the Bank have been found adequate for the purpose of the audit.

(d) The Balance Sheet and the Profit and Loss Account are drawn up in conformity with the Law.

(e) Such Profit and Loss Account shows a true balance of Profit for the year.

(f) Such Balance Sheet exhibits a true and correct view of the state of the affairs of the Bank according to the best of our information and explanations given to us and as shown by the Books of the Bank.

(g) In our opinion the Books of Account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

CALCUTTA, 17th March, 1953.

RAY & RAY,
Chartered Accountants.

N. N. LAW,
Chairman.

B. K. DUTT,
General Manager (Director).

A. K. ROY,
Secretary.

P. N. BANERJEE,
S. CHAUDHURI,
K. G. M. FAROQUI,
J. M. DUTT,
B. N. CHATURVEDI,
N. C. DATTA,
S. B. DUTT,
K. C. DAS,
} Directors.

WORLD ZINC STATISTICS

PRODUCTION EXCEEDS CONSUMPTION

THE persistent easy trend in zinc prices which has been in evidence the world over now is partly due to a sympathetic reaction to decline in tin and other metals and partly to excess of supply over demand. Zinc (slab) production in 1953 is estimated at 2,355,000 short tons, as against consumption of 2,100,000 short tons, thus leaving a surplus of 255,000 short tons. The aggregate production in 1952 was 2,325,000 short tons, as against 1,990,000 short tons of consumption, resulting in a carry-over of 335,000 short tons. Productive capacity is adequate even to meet considerable unexpected demand and shortage can arise only through prolonged labour or transport difficulties. The present supply position is, virtually, disquieting. Indeed, the easiness at the end of 1952 was such that several domestic mines in the U.S. had to close down. It is, however, pointed out that the existing position may not persist, as a silver lining to the cloud is seen in the growing demand for zinc for special die-casting purposes. There is also prospect of a high level of output in industries using zinc as an essential raw material. Also zinc may still be absorbed for stockpile purposes.

Zinc is a non-corrosible metal that can be easily worked, but it is not strong. The most important use of zinc is in making brass. In its pure form, it is one of the principal constituents in electrical dry cells and batteries. Zinc sheeting is used extensively by the building industry for roofing, guttering and flashings. Rolled zinc plates are used in the printing trade. About half the zinc plates in peace-time is used for galvanising iron and steel products. Zinc is also coated on to metals as a productive layer as, for instance, ship hulls, window frames, steel pylons, and parts of aircraft bodies. Since the commencement of the last war, it is being increasingly used for alloy die-castings, particularly in the motor and general engineering industries. Since 1945, the consumption of high-purity and electrolytic zinc has increased very appreciably. In its non-metallic form, that is, zinc oxide, it is used as an ingredient for paints and glass.

The world production of raw materials published recently by the Royal Institute of International Affairs, London, gives a brief review of the importance of zinc among non-ferrous metals. It discloses that the U.S. is the largest producer of zinc ore. The other main producers are Canada, Australia, and Mexico. Smaller producers include Italy, Spain, Sweden, Yugoslavia, the Belgian Congo and Peru. Before the war, the U.S.S.R. accounted for about 4 per cent. of world output. The countries possessing the largest smelting capacity are the U.S. (where 5 per cent. of the output is derived from secondary material), Canada, Australia, the U.K., France and Belgium. The U.K. imports most of its zinc concentrates from Australia and a smaller amount from Canada; zinc metal is imported from Canada, the U.S., Australia and Belgium.

World production of zinc has increased to 20 per cent. above pre-war level. Of the major producers, Mexico has shown the most rapid expansion, compared with the pre-war years. In Canada and the U.S., the increase has been relatively small, and in Australia, the output is below the pre-war level.

In 1951 an international allocation scheme for zinc was introduced and it was discontinued in May, 1952. Free trading in the London Metal Market in zinc was resumed recently. It is already having an important influence on world prices. It is expected to provide the international price and hedging facilities, which are essential for satisfactory European trade in concentrates and the metal.

Mr. R. L. Stubbs, Director of the Zinc Development Association, U.K. dealing with the present trends in zinc production and consumption in Western Europe, in the course of his address at the American Zinc Institute, Missouri the other day, estimated European mine production, including Belgium and French overseas territories, to be higher by about 40,000 to 50,000 metric tons over the production of 526,000 metric tons in 1952. Consumption is estimated at 660,000 tons in the current year, as against 617,000 tons in 1952. Smelter production will also be higher, according to Mr. Stubbs, at some 651,000 metric tons, as a result of new capacity coming into operation.

It will be recalled that following the Second World War, the large Silesian mines with an annual production of about 209,000 tons of zinc in concentrates, passed on to Russian hands. Again, the important smelter capacity in Europe has been lost to Russia, which now controls the Polish, Czech and some of the German smelters, together producing about 180,000 tons of zinc in 1938. These losses, however, have been made good to some extent by recent developments in French overseas territories in Africa, which are expected to produce about 60,000 tons this year. In Belgian Congo, the annual production is estimated at about 90,000 tons. As a result of the growth of mine production in Africa, which for practical purposes can be included in European figures, and with the rise in the amount of scrap, which passes through smelters, it would seem that Europe's dependence on imports of concentrates from the American Continent and Australia would diminish.

Only Italy, Spain and Yugoslavia have enough ore and metal production to meet home consumption. France, however, is approaching self-sufficiency. A striking feature is that Belgium which is the largest metal producer outside the U.S. is entirely dependent on imports of concentrates. Britain, the largest consumer outside the U.S., is dependent, as already stated, on imports of both the concentrates and the metal. The European countries with a net export surplus of metal are Belgium, Norway, Yugoslavia, Italy and Holland.

In the opinion of the U.S. President's Materials Policy Commission which submitted its report in June, 1952, on the possible demand for, and the supply of, the important metals of the free world, the only metal in respect of which the outlook for production is bright is zinc. But it is clear that the future of the zinc industry depends on a sufficiently attractive price.

ASBESTOS AND BARYTES IN CUDDAPAH

About a quarter of a million tons of asbestos and barytes would be available from deposits in the Cuddapah District of Madras, according to the Geological Survey of India's report, "Asbestos and Barytes in Pulivendla Taluk, Cuddapah District," published recently.

The report observes that it will be possible to exploit the deposits on a small scale with simple mechanical aids and it is not necessary to employ costly machinery or highly paid technicians.

The deposits of asbestos and barytes in the Ceded Districts of Madras have been worked since before the First World War. At the request of the Government of Madras, they were studied by the Geological Survey and two Memoirs were published in 1934. The asbestos deposits of the Pulivendla taluk in the Cuddapah District, were worked for a few years in the early thirties by a private company but were given up soon after. The Government of Madras requested the Geological Survey to survey the asbestos deposits again to find out which of them was promising for commercial exploitation. The area between Brahmanapalle and Lingala was mapped in detail by Dr. M. S. Krishnan and Mr. M. S. Venkatram of the Geological Survey of India. Drilling was done in a few places under the supervision of these officers with drills supplied by the Government of Madras.

All the deposits of barytes occurring in the Pulivendla taluk were also investigated by Dr. Krishnan and Mr. Venkatram, who found that most of them were of small magnitude, and that the veins varied in thickness from less than an inch to as much as 6 feet in exceptional cases. The veins are irregular and it is not possible to make even approximate estimates of the quantities available. Nevertheless, the deposits are large enough to support mining at the present rate for several years to come. Much of the barytes mined at present is of second grade and off-colour, only a small percentage (5 to 10 per cent.) of the total quantity mined being first grade and of snow-white colour. The opinion is expressed that there is good scope for the discovery of new veins by detailed prospecting in the area.

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INEXPENSIVE SOLAR COOKER

A solar cooker to be of practical utility should be as cheap as possible, and it should be simple, easy to operate and efficient. A preliminary study conducted at the National Physical Laboratory, New Delhi, of the various possible methods of cooking with solar heat has disclosed that a reflector concentrating solar heat directly on the cooking utensil, that is, a direct reflector-type solar cooker, will be most suitable for Indian conditions.

The main parts of a direct reflector-type solar cooker are a reflector to focus the incident solar radiation on the cooking utensil, a support with turning mechanism to keep the reflector facing the sun, and a cooking utensil. The size and cost of the reflector are determined mainly by the heating capacity desired. The cost of the support and turning mechanism depends largely on the design. A number of designs were tried at the National Physical Laboratory for efficiency, cost, and convenience of operation.

It is found that a reflector with an effective face area of about 10 sq. ft. is convenient for handling. Aluminium of high purity with polished and anodized surface is a suitable reflector material. Concave spheroidal reflectors with regulated automatic turning arrangement may be used for cookers, but paraboloidal reflectors are most suitable for manually controlled cookers.

The cooking utensils should have blackened bottoms. An insulated pressure cooker is most suitable for cooking with solar heat. Insulated utensils with close fitting, vapour-tight lids also give good performance. Special attention has to be given to the utensil support so that the utensil can be kept horizontal for all positions of the reflector.

SAND-LIME BRICKS FROM LIME SLUDGE

Investigations at the Central Glass and Ceramic Research Institute, Calcutta, have shown that good quality sand-lime bricks can be manufactured from lime sludge obtained from acetylene gas works. Large quantities of lime sludge are obtained as a waste product during the manufacture of acetylene from calcium carbide. An average sized factory produces about 150-200 tons of this product per month, and its disposal is a problem for acetylene gas works.

Sand-lime bricks have proved superior to clay or red bricks for constructional purposes. They are stronger and more regular in size and shape than clay bricks. They resemble white sandstone in appearance and are often employed as facing bricks for obtaining artistic effects in buildings. By incorporating suitable pigments such as ochre, rouge, lamp black, etc., they can be made in a variety of pleasing colours.

The process for the manufacture of sand-lime bricks is different from that employed for clay or red bricks. It consists in shaping the bricks from sand mixed with lime equal to 10 per cent. of its weight in a hydraulic press and autoclaving the shaped bricks at a pressure of 120 to 160 pounds per square inch for 8 to 10 hours. No firing is required. Ordinary building sand is quite satisfactory, but it should be, as far as possible, free from impurities. The proportion of lime in the mixture and the forming pressure influence the quality of the bricks. Autoclaving of bricks should be carried out immediately after forming. The strength of the bricks increases as the pressure and the duration of autoclaving increase.

E.C.A.F.E. MINERAL RESOURCES CONFERENCE

The E.C.A.F.E. Regional Conference on Mineral Resources Development in Asia and the Far East considered the activities of the U.N. Technical Assistance Administration (T.A.A.) at its seventh session held in Tokyo at the end of last month. A detailed report of technical assistance in the field of mineral resources was presented to the Conference, composed of some 120 mining experts and Government officials from 20 countries and five international organisations. The delegates learned that a total of 34 fellowships and scholarships in mineral resources had been awarded so far by T.A.A. since 1949. Of these 18 went to India and six to Pakistan. T.A.A. also organised together with E.C.A.F.E., a group visit of Asian iron and steel experts to Japan in 1952-53.

Mr. N. E. S. Raghavachari of India, Far Eastern Representative of T.A.A., pointed out that technical assistance had been limited by lack of financial resources. This also applied to fellowships and scholarship grants, he said. Dr. P. S. Lokanathan, Executive Secretary of E.C.A.F.E. stressed the fact that the small number of grants for geologists had, however, not always been caused by inadequacy of funds. It was also up to the Governments to make specific requests for such scholarships and fellowships, and to decide on priorities for activities in which they wish to have the grants, he said.

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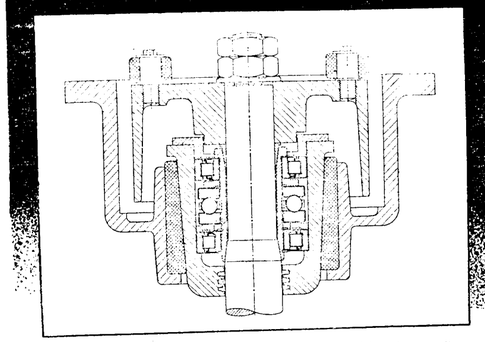

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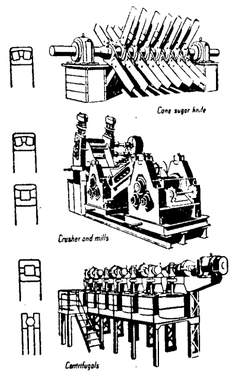

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NATIONALISATION OF INSURANCE

NEITHER NECESSARY NOR BENEFICIAL TO COUNTRY

*[In recent years there has been a demand, from certain quarters, for the nationalisation of insurance. In the following article, Mr. K. A. Pandit discusses some aspects of the problem and reaches the conclusion that the State ownership of insurance is neither necessary nor beneficial to the country.—*ED.*]*

[By K. A. PANDIT, B.SC., F.I.A. *(Lond.)]*

SINCE the time the Five-year Plan was published, the question of nationalisation or socialisation of insurance and banking has been agitating the official and the non-official mind. Of course, the recent statement of the Finance Minister has clarified the position as regards banking. However, the question of insurance is still in the air and it is difficult to read the official mind from the public statements sometimes made. It would be opportune, however, to consider the question of nationalisation of insurance in all its aspects.

First of all, let us discuss it from the standpoint of the needs under the Five-year Plan. One thing is clear: for financing the plan, money should be made available and for this purpose, credit institutions like banking and insurance might be tapped. Insurance companies, particularly those, transacting life business, accumulate funds year after year and, therefore, the investment of such funds is the primary factor which affects our discussion.

Assets of Insurers

From the figures available in the *Indian Insurance Year Book*, 1952, the assets of Indian insurers amounted to Rs. 249.82 crores on 31st December, 1951, and, out of this amount, Rs 121.60 crores were invested in Indian Government securities. Also, the increase in the funds was Rs. 15.23 crores in the year 1951. Thus, about Rs. 121 crores of assets have already been invested by insurance companies in Government securities and every year, about Rs. 15 crores is available for new investment. Out of this amount, Rs. 7 crores on an average can be taken as available for investment in Government securities. Thus, the remaining Rs. 127 crores of the total assets and Rs. 7 crores from the increases every year are the amounts which have to be considered from the point of view of the Plan.

Investments of insurance companies are generally distributed among certain categories. In addition to Government securities, they have to keep some amounts invested in:—(1) Loans on policies, (2) agents' balances, outstanding premiums, interest, etc., (3) deposits, cash and stamps, and (4) miscellaneous investments. Investment in these categories is essential for the conduct of business and thus, certain percentages have to be kept invested therein. The total investment in these categories was about Rs. 49.63 crores on 31st December, 1951. This amount forms about 40 per cent. of Rs. 127 crores. Even of the new premium income, every year, about 40 per cent. would be required for investment in these categories. Thus, the amounts available for investment under the Plan would be Rs. 76 crores to begin with and about Rs. 4.5 crores, (60 per cent. of Rs. 8 crores) annually.

It may be pointed out that, even out of the Rs. 76 crores, certain amounts are invested in: (1) Securities of Part B States, (2) British Colonial and Foreign Government securities. (3) Municipal, Port Trust and Improvement Trust Securities and (4) land and house property. These investments cannot be disturbed for re-investment, as they constitute important sectors of the public finance. The amount already invested in these categories is about Rs. 32 crores. Thus, the net amount available for re-investment to meet the objectives of the national Plan is Rs. 44 crores initially and Rs. 4.5 crores annually. By nationalising insurance, therefore, it may become possible for the Government to obtain control over investment to the extent of these amounts only.

Share Capital

Against this, it should be remembered that repayment of the share capital would constitute a very important problem. The total of the net paid-up share capital of companies shown in the *Insurance Year Book*, 1952, is about Rs. 7 crores. It may be that some part of this capital is available to cover valuation deficits. However, a large proportion pertains to bonus-paying companies whose shares have higher market values. Thus, the liability of repayment can be taken to exceed Rs. 7 crores. If, therefore, nationalisation on one side might give the control on investments to the tune of Rs. 44 crores initially and of Rs. 4.5 crores annually, the Government would have to provide for a liability of payment to the shareholders to the extent of more than Rs. 7 crores.

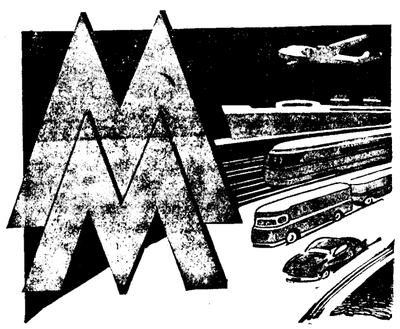
It is not clear how nationalisation or socialisation, which would make available these amounts, will serve the purposes of the Five-year Plan. Further, it should be realised that, by nationalisation, there is likely to be a fall in future business and thus a shrinkage of the yearly income.

Insurance Must Be Sold

Life insurance in this country has to be sold. It goes to the credit of the vast agency force that insurance has progressed to a certain extent. However, it is still in its infant stage. Compared to the vast population of our country, insurance business has an uphill task to perform. It has to penetrate deep into the country, extending its beneficial cover to each and every home in the villages. Would this be achieved by a nationalised industry? If the agency force is eliminated or modified, it is certain that the business will receive a large setback. It would be, therefore, very essential to consider this aspect of the business if nationalisation is thought of.

Further, could it be said that a nationalised industry would be managed at costs lower than what are now prevailing among the top companies? I think, this is also untenable. So long as the agency force is to be maintained, it is unlikely that the costs of operation will go down. Some of the top companies, transacting the major portion of insurance business in this country, are managed at the lowest costs and it will not be possible to introduce more economy. Thus, from either of the two standpoints, namely, that (1) by nationalisation, it would be possible to obtain control over investments which might be materially helpful to the working of the Five-year Plan, or (2) by nationalisation, the insurance business would be more economically managed, it cannot be argued that nationalisation is either necessary or will be beneficial to the country. What is necessary is that the Government should regulate the industry, with a view to creating healthy conditions in the field of insurance business, and keeping the incentive to private enterprise alive so that greater and greater effort could be put in by the insurers, in order to expand the spheres of business and thus cater to the needs of the country.

Further, a public sector of insurance business can be created by setting up insurance funds for the Government and semi-Government employees on the lines of the Postal Insurance Fund. If such funds can be developed, perhaps larger amounts will be available to the Government for purposes of investment. Even the national health insurance scheme can be placed on a funding basis, like the one prevailing in the U.K. Larger funds would thereby be obtained by the Government for investment.



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NEED FOR INCREASED SAVING

Insurance institutions perform a real national service in all countries by enabling the men of small means to save for purposes of meeting contingencies such as death and old age. To the individual, they thus offer protection, while to the nation they render a service by making available large funds for investment in channels which produce further wealth. This aspect of the service which the insurers render to the people was stressed by Mr. C. H. Shuttleworth, Chairman of the Royal London Mutual Insurance Society, at the recent annual meeting of the Society. He pointed out that capital was needed to re-equip British industry on modern lines at a faster pace than now, to develop new industries and to construct new factories, and added:

"Capital in these days is not the monopoly of the privileged few, but the accumulated savings of the many. The redistribution of income due to heavy taxation of the higher income groups makes it inevitable that savings, in future, must come from the mass of the people. It is in stimulating the expansion of these savings to satisfy the need for more and more capital that the industrial assurance offices have their part to play.

"The representatives of the industrial assurance offices call regularly at the homes of millions of their policyholders, collecting premiums and introducing new schemes of saving by means of life assurance policies."

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We have in an earlier issue (*vide Commerce*, dated 11th April, 1953) referred to the scheme for mutualisation of the Prithvi Insurance Co., Ltd. It would appear from what is stated there that the shareholders would get only Rs. 6-8 or Rs. 5 plus Rs. 2 worth of "Asiatic" shares and that the balance of the capital would be lost to shareholders. There need be no such apprehensions, for the scheme, we are told, contemplates that all the properties, assets and moneys of the original company, representing the capital and general funds, will be held by the mutual company in trust. After payment of the initial distribution of Rs. 6-8 in cash or Rs. 5 plus Rs. 2 worth of "Asiatic" shares to its shareholders, the balance of the trust funds remaining in the hands of the mutual company will be kept undistributed until the accounts of the reinsurance agreement and all claims against the general funds of the original company are settled and, in any case, for a period of 18 months. After the expiry of the period aforesaid, the balance of the trust funds remaining in the hands of the mutual company will be distributed amongst the shareholders *pro rata* the number of shares held by each shareholder.

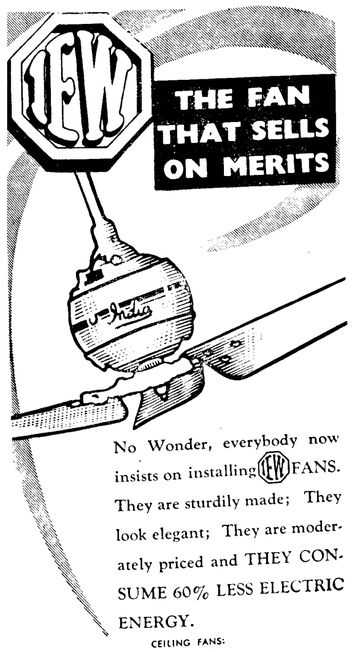
PAKISTAN INSURANCE ACT

The Pakistan Insurance Amendment Act, 1953, which may come into force on such a day as the Central Government may, by notification, in the official *Gazette* announce, inserts a new clause relating to "approved investment." Under the new clause, "approved investment" means investments specified by the Government as approved investments for the purposes of the Act, and in the case of securities or debentures of a corporation or a joint stock company, the concerned corporation or company should be so constituted that at least two-thirds of its capital is held by, and at least two-thirds of the members of the governing body consist of, Pakistan nationals.

CODE OF CONDUCT

A meeting of the Executive Committee of the General Insurance Council of the Insurance Association of India was held at New Delhi on the 27th April, 1953, under the chairmanship of Mr. K. G. Ambegaokar, Secretary, Ministry of Finance, Government of India. In order to exchange views with the trade on the Code of Conduct evolved for general insurers, the Advisory Committee of Directors of the Indian Insurance Companies Association, Bombay, had been invited to send representatives to meet the Committee. Seven such representatives also attended the meeting and put forward certain suggestions. The Committee appreciated the suggestions and gave them a preliminary consideration at the meeting itself; it was also decided to examine them in detail at the next meeting.

The Committee reaffirmed its faith in the Code of Conduct for General Insurers which will continue to be enforced. To make more effective the enforcement of the Code, it adopted a set of rules and regulations to guide the four sub-committees in the four regions already formed and the investigating officers, who, it decided, will be appointed with effect from the 1st June, 1953.



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NINTH ANNUAL GENERAL MEETING

SIR PADAMPAT SINGHANIA SUPPORTS DEFICIT FINANCING

THE view that infusion of money supply in the country was absolutely essential, considering the low purchasing power of the public at present to support the country's economy, was expressed by Sir Padampat Singhania, Kt., Chairman of the Hindustan Commercial Bank Ltd., in the course of his address to the shareholders of the Bank at their Ninth Annual General Meeting held in Kanpur on the 25th ultimo. Sir Padampat thus supported deficit financing in India, by which a sum of Rs. 290 crores is proposed to be raised to finance part of the Five-year Plan. He, however, made a distinction between the deficit financing resorted to during the war and that proposed now under the Plan in the present conditions. He also examined the possibilities of raising the amount required for financing that part of the Plan left to the private sector of industry to develop and made several suggestions in this connection.

The following are extracts from Sir Padampat's speech:

"It is once in a year that we, the shareholders of the Bank, meet to examine and review the working of the Bank, when I, as Chairman, place before you my views and offer clarifications not only on the trend of events and operations that have taken place during the year in our Bank, but also matters concerned with the economic survey and development of our country as a whole as the subject is interlinked with the financial operations and resources with which we are mainly concerned. Till such time we get into a position of full economic independence, political independence having already been achieved, we have got to continue to work hard and face all sorts of difficulties. Individuals or groups are not to look to the personal rewards of their hard work and endeavours, but to the betterment of the conditions of their countrymen. To my mind, the year 1952 closed on a somewhat hopeful note, though indications of improvement may not be to our full expectations. In the matter of our Bank, we have this year done better than before and I have now no doubt in my mind, as I said last year, that such consolidation of the Bank's position having been achieved as was warranted by the change of circumstances in the country, we can now safely go ahead with further development of our business as much as our resources and circumstances permit.

"The working of the year under review including the balance of Rs. 65,220-4-3 brought forward from the last year and after providing for all the working expenses, depreciation, etc., resulted in a net profit of Rs. 5,45,608-13 which indicates an improvement, though small, on the previous year's working. As you would have noticed in the Directors' report already submitted to you, your Directors decided to utilise Rs. 4 lakhs in writing off bad debts. Of the balance, a sum of Rs. 1 lakh has been transferred to investment reserve fund and Rs. 35,000 provided for bonus to the members of the staff. The balance of Rs. 10,608-13 has been carried forward to the next year's account.

"Cash and dues from banks amounted to Rs. 71 lakhs and represents about 16 per cent. of the total deposits and about 32 per cent. of the demand liabilities. The proportion of the cash in hand and with bankers, including the unencumbered securities, to the total deposits will amount to 41 per cent. which is double the statutory requirement. The figures will also indicate that the Bank's demand liabilities have almost been fully covered by the cash resources of the Bank, and this position has throughout been maintained since the inception of the Bank in order to maintain a sound liquid cash position.

Investments

"The Bank's investments in securities of the Central and State Governments and also Port Trust debentures, surely represent a position out of proportion to our deposits. This also explains our larger borrowings from the bankers against those securities. Market conditions did not and do not permit our disposing of a part of it, although we have had a careful watch on the market operations. Apparently, the difference between the book value of these investments and the market value is a big sum. You will, however, notice that the difference between the book value and the maturity value is below a lakh of rupees, and a reserve of Rs. 1 lakh to cover the same has been created from out of the profits made during the year under review. The figures given below will indicate that most of these securities are short and medium-dated, maturing for payment within nine years, when full value will be realised:

Securities maturing within five years, Rs. 2,12,900; securities maturing within seven years, Rs. 85,85,000; securities maturing within nine years Rs. 1,33,68,200; and securities maturing after nine years Rs. 17,17,800.

"In the matter of investments in the shares of the joint stock companies, which are mainly in cumulative preference shares, the position almost continues to be the same as indicated by me last year. I am confident that the position will improve with the improvement in the Stock Exchange markets of the country.

"The Bank's advances as at the close of the year, excluding those in Pakistan, represent 55 per cent. of the total deposits and including those in Pakistan, as against our total deposits, paid-up capital and reserves represent 46.5 per cent. in the matter of bills discounted and purchased, the figures represent purchases of demand bills only which is a short-term credit and is paid back within a few days.

"The period near about the close of the year represents an active season when money is more in demand, and your Directors have to some extent pursued a policy of intensive employment of funds in order to earn a satisfactory margin of profits. They, however, always follow a very conservative and cautious policy not only from the point of view of safety but also of liquidity of the funds.

"The Bank's investment in land and buildings, amounting to about Rs. 14 lakhs, indicates quite a happy position, as it is not only a safe and sound investment but the net return therefrom is over 10 per cent.

Deposits

"The figures in the balance-sheet will reveal that, as far as time deposits and savings deposits are concerned, and as compared to the previous year, the position is almost the same. It rather indicates a slight improvement, whereas in the matter of current deposits there is some fall and that is equally reflected in the deposit figures of the Scheduled Banks in the country. The total decline in deposits of the Scheduled Banks during the year under review is about Rs. 21 crores, being Rs. 869 crores on 28th December, 1951, against Rs. 848 crores on 26th December, 1952. The reasons are obvious, the scarcity in the money markets of the country continues.

"We have been operating in foreign exchange business mainly at our Calcutta and Bombay offices for the last many years. This business, however, has had our special attention during the year 1951 and in the year 1952, we created a special department at our Calcutta office to develop this business in order to be of greater service to our clientele and also to draw the necessary income from this business. I am glad to say that we are now doing well in that direction and further efforts continue to extend this facility at a larger scale to other commercial centres, particularly Bombay. You are requested to make use of our services in this direction and also to recommend to your friends to extend their patronage to us.

"A comparison of the profit and loss accounts for the years 1951 and 1952 will reveal an all-round improvement on the income-side. As for the expenses, they almost continue to be the same excepting an increase in the matter of interest paid. This was necessitated by a higher rate on deposits and borrowings from other banks. In the matter of establishment charges, the position is more or less the same, in spite of the retrenchment here and there of the surplus hands. The effect of the reduction under this head in the numerical strength either equalises or is even outweighed by the annual additions in the shape of increments even to the reduced number of the staff. The total earnings and analysis of the figures as a whole will surely indicate an improvement on the earning capacity of your institution. As I have said, your Directors are doing their best in the matter of improving the earning capacity and exercising every possible economy without impairing efficiency. I have no doubt that this progress will continue and in the years to come we will be in a position to show still better results.

Money and Banking

"The year 1952 made a beginning with a change in the monetary policy of our Government when the Bank rate was raised and open operations in the security market were withdrawn by the Reserve Bank of India. Some other complementary measures were also introduced and a stricter control was exercised on the credit operations of the Scheduled Banks. This was to check the inflationary trends and to bring down the price level. Experience and the reports received indicate that our Hon'ble Finance Minister, through the agency of the Reserve Bank of India, has been able to effect a beneficial control over the monetary system of the country. Though as a result of all this, the value of investments of banks has become more or less stable at a lower level and their market rates have indicated a further, though small, decline. There has been practically no change in the size of the banking system in India and the trend towards decline in the post-Partition period in the number of bank's offices has been checked. The big banks continued their cautious policy and actually reduced the number of their offices. On a review of the various factors connected with the banking system and structure in the country, I feel that the number of the bank's offices in the country is far below the requirements. Looking to the vastness of our country, its population and its unification after independence, the development of the banking habit amongst our countrymen is far from satisfactory. The habit of thrift and of savings is inborn amongst our people and to mobilise the same for the purposes of the nation-building programme, proper machinery is not available.

"The Central Government has introduced certain measures of tapping the savings of the urban people by introducing several schemes of attracting money on more remunerative terms, but the question of mopping up the savings of the rural population is still a problem. The Rural Banking Enquiry Committee recommended that the Imperial Bank of India, acting as the agents of the Reserve Bank of India, should open branches in the countryside for receiving deposits from the rural population. But no tangible results have been achieved so far, although the problem is pressing, specially during the period of planning. My suggestion is that an opportunity should be given to the Scheduled Banks of the country and the initial losses which may be incurred by them during the operations may be met by the Government. Encouragement can be given to them by lightening labour legislation as applicable to rural branches and also permitting the Local authorities and *panchayats* to make deposits of their surplus funds in these banks.

Bill Market

"On the occasion of the last general meeting I had referred to the Reserve Bank of India sponsoring a scheme for the discounting of the usance bills of the big banks (having deposits for Rs. 10 crores and over) under section 17 (4) (c) of the Act, particularly at that time, to remove the stringency caused in the money market when the Scheduled Banks' advances went up very high. I was unable to understand the reason for this discrimination. I am, however, glad to learn that the Reserve Bank of India has decided to make the scheme a permanent feature, and this will provide the foundation of a bill market in India, which need has been felt since long. Furthermore, they are seriously considering after a year's experience, of extending the scheme to other Scheduled Banks. I would welcome this move on the part of the central banking institution, as, by doing so, they will not only help to ensure short-term secured commercial advances but provide a big support to the commodity advances which is a very essential feature of Indian banking. I am confident that after another year of its working, as in the past, they will find an equal satisfaction of its operations with the medium-sized and smaller Scheduled Banks, as they have done in the case of the big ones.

"A need to create a bill market in the country was envisaged by the Central Banking Enquiry Committee, the recommendation of which gave rise to the establishment of the Reserve Bank of India. Unless its application is made as wide as to support all the Scheduled Banks throughout the country, the real objective of the creation of a healthy bill market for supply of short-term credit to the Indian markets will not be freely met. As it is, it simply tantamounts to an emergency measure to help the big banks to get out of financial stringency, whenever it arises. The procedure is, no doubt, cumbersome and its wider application may be a difficult task, but since this is a very important matter, Government have to devise ways and means.

Five-year Plan

"Considering the economic problems facing the country I have no doubt that the Planning Commission has produced a splendid plan in which top priority is given to agriculture. The success of the Plan obviously depends to a very large extent on the co-operation of our countrymen. Sums amounting to Rs. 722 crores have been earmarked for expenditure on agriculture, irrigation and power projects. It is hoped that the works envisaged in the Planning Commission's Report shall provide facilities for irrigation and cheap power in the countryside. But the farmer has yet to realise that not only his produce is for his own requirements and the requirements of his family but that on his production depends the life of all his countrymen. Thus, hard work on the part of everybody, including the farmer, is the *sine qua non* of the success of the Plan.

"The importance attached to the development of transport is only in the fitness of things. A sum of Rs. 497 crores is allocated to the development of transport and communication. While in the matter of railway route mileage India is not lagging far behind other countries with the exception of U.S.A., which has a route mileage of 2,25,800 miles as compared to India's 33,900, U.K.'s 20,600, Australia's 27,800 and Canada's 43,800. However, there is considerable room for improvement, if the population also is taken into account. Australia has 3.3 miles of route per 1,000 inhabitants, Canada 3.1, India 0.1, Japan 0.2, U.K. 0.4, and U.S.A. 1.5. We are at the bottom of the ladder in this list and considerable room for expansion to serve rural areas still exists. Our main difficulty, however, is that during the last war the replacement of engines and rolling stock and lines has fallen heavily into arrears. The excessive movement of traffic during the period of war coupled with a disregard for proper maintenance and repair, inflicted heavy damages on stock and track. The result is that the carrying capacity and speed of trains had to be curtailed. The foremost task of our Railway Minister is the work of rehabilitation. In fact, this has to take precedence even over expansion because on the speed of the trains depends the efficiency of the system.

"The total estimated expenditure in the Five-year Plan is estimated at Rs. 2,069 crores, out of which Rs. 290 crores is expected to be raised by deficit financing. Some critics have taken a very serious view of it, as, in their opinion, it would lead to further inflation. They quote the example of deficit financing during the last world war which resulted in shooting up of prices to such high levels, but the present conditions are widely different from those of war-time. During the war period, we had nothing more than I.O.U's of Great Britain (euphemistically called sterling balances), as against paper currency issued in this country and utilised for purchasing both industrial products and raw materials for purpose of the war, so that the supply of consumer goods fell short of the minimum requirements. At the same time, there was an increase in the purchasing power which naturally led to increase in prices. Deficit financing in the present conditions is entirely on different lines. No consumer goods are to be destroyed in war or exported against the paper currency to be issued. On the other hand, the money will be utilised in creating better means of production and works of lasting benefit to the country. These works will increase production and, consequently, there would be more goods available for consumers with no chances of prices rising up abnormally. In fact, considering the low purchasing power of the public at present, infusion of money supply in the country is absolutely essential to support the country's economy.

"While a sum of Rs. 2,069 crores is to be spent during the period of the Five-year Plan on different heads falling within the public sector, the private sector in industry is left to shift for itself for setting up new industries and improving the existing ones to step up production of consumer goods. I have not the slightest doubt that industrialists fully realise their responsibility in this matter. During the year 1952, in spite of adverse circumstances the production of industrial goods has gone up by 15 per cent. In the matter of finance, however, a serious problem has arisen. Replacement of worn-out parts is likely to cost about Rs. 120 crores. The need for replacement of worn-out and obsolete machinery is urgent. Depreciation reserves are insufficient considering that the cost of new machinery is between three and four times higher than the cost of machinery purchased before 1939. I drew the attention of all concerned to these points in my last year's speech, but no positive steps have been taken so far. In the present circumstances, the industry is being taxed not only on its profits but also on a portion of its capital which is represented by the difference in depreciation on the written-down value of the existing machinery and the cost of the new machinery which has to be installed at the present high price levels. This problem is getting more and more acute every year and I hope it will be examined by the Taxation Enquiry Committee during the course of its investigation. At least a sum of Rs. 230 crores will be required for expansion and starting of new industries. Where is this money to come from? Obviously in the present money market conditions, there is hardly any likelihood of substantial investments coming from the public. The industry will have to find this money from its own resources. This is possible, if most of the profits are ploughed back in the industry and the dividends are reduced as much as possible. In the new Finance Bill the Government has proposed an amendment so that companies investing their surplus funds in shares of companies floated after February, 1953, and engaged in the production of coal, iron, steel, motor and aviation fuel, heavy chemicals, heavy machinery, machinery and equipment for the generation, etc., of electric energy, non-ferrous metals, paper, internal combustion engines and power-driven pumps, shall not be liable to pay super-tax on the dividend income from such companies. This is a step in the right direction, but a new company formed for the above purposes is not likely to earn profits for distribution of dividends for several years and, consequently, this relief may not prove of much practical help. I think the situation demands that payment of double corporation tax should be altogether abolished on income from dividends paid by one company to another company. The income of a company from dividends should be altogether excluded from the total income for the levy of super-tax. Our present attempt should be to give every encouragement to the industry to let it plough back its profits in the expansion of the existing industries and starting of new ones. Consequently, anything which hampers the achievement of this objective should be removed. While a reasonable limit may be placed on the amount of dividend in the case of public companies, the provisions of section 23A of the Income-tax Act should be suspended at least for the period of the Plan and some time thereafter, so that the profits may be available for the expansion of the industry instead of being frittered away by compulsory distribution of dividends. Provisions of section 23A were suspended for two years during the war period, but the present emergency being one of greater consequence, there need be no hesitation in accepting the suggestion.

"Friends, we are passing through the period of planning. During this period, there must be maximum employment for our own countrymen. This would be possible, if we were to manufacture most of the equipment ourselves instead of looking to foreign countries for it. We should welcome the technical skill and the know-how, but we should, as far as possible, manufacture most of our requirements in this country, thus creating more work for our countrymen. This will incidentally solve, to some extent, the present problem of growing unemployment besides giving us experience in the manufacture of heavy machinery and capital goods. Our initial attempt may not be quite successful, but a beginning has to be made if we wish to achieve economic independence."

HASTY LABOUR LEGISLATION

NEED FOR CONSOLIDATION AND NOT EXPANSION

(By A Special Correspondent)

SINCE the coming of freedom to this country, there has been a phenomenal increase in the *tempo* of social legislation for the benefit of industrial labour. Far-reaching measures, such as health insurance and provident fund schemes, have already found their place on the Statute Book. Having accepted the principle of a Welfare State, it would, of course, be absurd to call in question measures designed to promote that end, but the point for consideration is whether, it would not be wise, in the present state of our industrial economy, to hasten slowly and to make a critical review of the laws that are already in force with a view to eliminating their defects.

This view is presented because Britain, which has provided inspiration for some of our major labour legislation, has itself not departed from the salutary doctrine of gradualness. It is, of course, true that social legislation in that country, particularly for the industrial community, is, to quote the Beveridge Report, "on a scale not surpassed and hardly rivalled in any other country of the world," but this commanding position in social progress was not achieved by it overnight. It is evident, from the history of the British labour laws, that the gains which they represent for the industrial worker came to him only after his country had achieved a great measure of industrial prosperity and not before. This is borne out by the fact that the scope of the Workmen's Compensation Act, the basis of all progressive labour legislation, was extended only as late as 1906. The point to be borne in mind is that in no country were far-reaching ameliorative measures for labour adopted in advance of their industrial prosperity and stability.

Employees' State Insurance Scheme

Viewed against this background, it is impossible to deny the fact that the Government of India has not been very circumspect in its desire to promote the well-being of industrial labour. Measures that call for a good deal of hard thinking have been rushed through and passed into law. A striking example of such hasty legislation is provided by the Employees' State Insurance Act. The scheme, envisaged under this Act, is certainly a splendid piece of social legislation which should go a long way towards eliminating some of the most serious disabilities of industrial workers. It provides for not only the health of the worker but also protection from hunger during the period of his enforced abstention from work owing to sickness. Even so, such a significant measure does not seem to have evoked the enthusiasm of its beneficiaries. The fact is that the scheme, as it has been conceived, is not on right lines since it ignores the serious shortage of medical facilities in the country.

For example, the Bhore Committee, whose Report was published in 1946, says: "Taking the population of British India as 300 millions, the proportion of doctors to population (considering graduates and licentiates together) is approximately 1 : 6,300. In England and the United States of America the corresponding proportions are 1 : 1,000 and 1 : 750 respectively." It is true, as Professor Adarkar pointedly says, that the scheme will only need some 2,000 to 3,000 whole-time medical men out of the total number of 42,000 medical practitioners in the country, but he does not seem to be on firm ground when he thinks that the withdrawal of some 3,000 doctors for the service of the industrial population alone will make no great difference to the medical needs of the community as a whole. Nor is there anything to support his view that the demand for more doctors will be automatically met once the health insurance scheme is set on its course. Experience of the "pilot project" at Delhi and Kanpur, inaugurated last year, does not seem to bear out this assumption.

More serious than the problem arising out of the shortage of doctors is that of the limited availability of hospital accommodation in the country. The Bhore Committee Report has drawn attention to this problem. It says that the number of beds available in British India, including those for the treatment of general and special diseases, is about 73,000, or about 1 bed to 4,000 of the population. The following figures compare British India with England and Wales and the United States of America in this respect:—

(Beds per 1,000 population)

U.S.A.	10.48
England and Wales	7.14
British India	0.24

The Committee estimates that on the basis of the existing morbidity and mortality rates, the number of beds required in this country should be over 40 times the present provision.

Medical Attention Inadequate

It will be conceded that the pivot of any health insurance scheme is the availability of a sufficient number of doctors and adequate hospital accommodation. Reports from both Delhi and Kanpur show that, apart from the fact that the insured workers at those centres are not receiving adequate and satisfactory medical attention, they are forced to put up with a great deal of inconvenience in obtaining their bottle of medicine. This situation did not exist in the dispensaries run by employers from whom they received medical service without paying for it. Their grievance seems to be all the more legitimate since they are under the statutory obligation to contribute to the scheme and are thus entitled to better medical facilities.

Here then is an excellent scheme whose value and usefulness are being whittled down solely because the practical difficulties in the way of its implementation were not sufficiently considered. This precisely is the reason why its extension to other industrial centres has been held in abeyance, in spite of the fact that January, 1953, was declared as the "deadline" for its inauguration in Bombay City. Indeed, the prospects of its introduction in Bombay City are dim and remote, unless, of course, the Government is prepared to modify the scheme so as to meet the actual situation obtaining in this most densely populated industrial centre. It is perhaps a measure of the ineptitude of the Corporation in charge of the scheme that it has been unable to resolve the deadlock over the remuneration of panel doctors. But even if this hurdle is overcome, it is inconceivable how the Corporation will arrange for hospital accommodation for the insured workers in the city. The number of beds available is extremely limited and insufficient for the growing population. If, in these circumstances, some of them are reserved for the workers, it will entail greater hardship to the general public who might well construe the scheme as being based on preferential treatment for the industrial worker.

Special Contribution

From the employers' point of view also, the scheme is not particularly attractive. The benefits that are available to an employee under it are sickness and maternity benefits and disablement and dependents' benefits. All these benefits, save that in regard to sickness, are already covered under the Workmen's Compensation Act and the Maternity Benefit Act. Despite this fact, factory employers outside Delhi and Kanpur, where the scheme is already in operation, are being compelled to contribute ¾ per cent. of the total wage bill towards a project that has still to be implemented. This means that, in addition to their statutory obligations, they have to bear financial liabilities without any *quid pro quo*. Industry is already burdened with heavy imposts in the shape of taxes and levies and this additional call upon its resources, amounting to some Rs. 67 lakhs in the case of the cotton mill industry alone, is calculated to undermine its competitive ability.

In this connection, it is pertinent to recall what a distinguished writer says on the subject of social services in Britain. In his booklet entitled *Social Security*, Sir Ronald Davidson writes: "It is, of course, through our modern services established since 1900, that we have done most to diminish poverty, disease, and ignorance, three of the giants in the path of social progress. *But we could not have achieved so much without the accompanying increase in the national income and in real wages during the years* 1900-39" (italics mine). Evidently, considerations like these have not weighed with the Indian authorities in formulating the social

service schemes for the benefit of the industrial worker.

An obvious remedy for this anomalous situation would, therefore, be either to withdraw the levy pending the introduction of the scheme at all the industrial centres outside Delhi and Kanpur or to inaugurate it at those centres without further delay. It is understood that the scheme was recently examined by a committee and that its recommendations are now with the Government. It is only fair that, where the medical facilities provided by employers are of a high standard, they should be taken over by the Corporation and financed by it. Alternatively, the employers might be allowed to continue these facilities, in which event the cost of maintaining them should be borne by the Corporation.

Provident Funds Scheme

One more glaring example of hasty legislation might be cited. It will be recalled that the Employees' Provident Funds Scheme was brought into operation last year by means of an Ordinance. It is not clear why this extra-constitutional method was considered necessary in formulating a measure, the basic principles of which had been accepted both by employers and workers. That apart, the scheme suffers from the grievous defect of over-centralisation. Neither the employer nor the worker has any effective say in administering the fund, although it is they who contribute to it. The system entails considerable hardship to the worker in the settlement of his claims and involves much avoidable delay in the day-to-day administration of the fund. Moreover, it fosters in the mind of the illiterate worker the feeling that the other quota of contribution to the fund is made by the Government and not the employer, and is calculated to rouse his resentment against the management for the delay and red-tapism in the disposal of his claims. Surely, the scheme, as it has been formulated, is not very helpful in promoting harmonious relations between employers and workers. Here again the Government seems to have recognised the weakness of the scheme and is, accordingly, persuading more and more employers to ask for exemptions. A more straightforward course would, however, be to amend the Act suitably so that the scheme might, as employers have all along suggested, be managed unit-wise.

Factories Act

A third instance of the Government's sentimental approach to labour problems is provided by its proposal to amend the Factories Act of 1948 with a view to reducing the days of workers' attendance to qualify themselves for leave with pay. Under the present legislation, a worker has to serve for 256 days in 308 working days in order to earn his leave with pay. The Government contemplates reducing this period to 200 days. Now, the object of holidays with pay is to enable the worker to have a period of rest during the year as well as to ensure his regular attendance. In the City of Bombay industrial labour is granted four paid holidays in addition to leave with wages. The paid festival holidays alone cost the textile industry in the City Rs. 32 lakhs every year. In these circumstances, if the period of attendance is further reduced, it will give a great impetus to absenteeism which is already rife in the Bombay cotton mill industry.

The wage system, as it exists to-day, puts a premium on inefficiency and irregularity in attendance. For example, the dearness allowance is linked, not to the worker's wages or his production, but to the cost of living—an arrangement that guarantees to him more than his basic wage even if he absents himself from work for a number of days in a month. At a time when the need is hard work and higher production, it is impossible to contemplate with equanimity any increase in the incidence of absenteeism.

Turning now to what has been described as the notorious section 33 of the Industrial Disputes Act, it is difficult even for a detached observer to discover any *raison d'etre* for this provision. According to this section, an employer is prohibited from taking any disciplinary action against his employees during the pendency of a dispute before a Conciliator or an Industrial Tribunal. Apart from the fact that this provision is calculated to encourage indiscipline and recalcitrance among the workers, it creates a kind of vested interest for them in litigation. The whole arrangement savours of what has been aptly described as "inverted slavery" inasmuch as the employer is placed at the mercy of his employees, whenever there is a dispute with them. This state of affairs is a clear negation of the "Giri approach," the essence of which is conciliation and collective bargaining.

Labour Welfare Fund

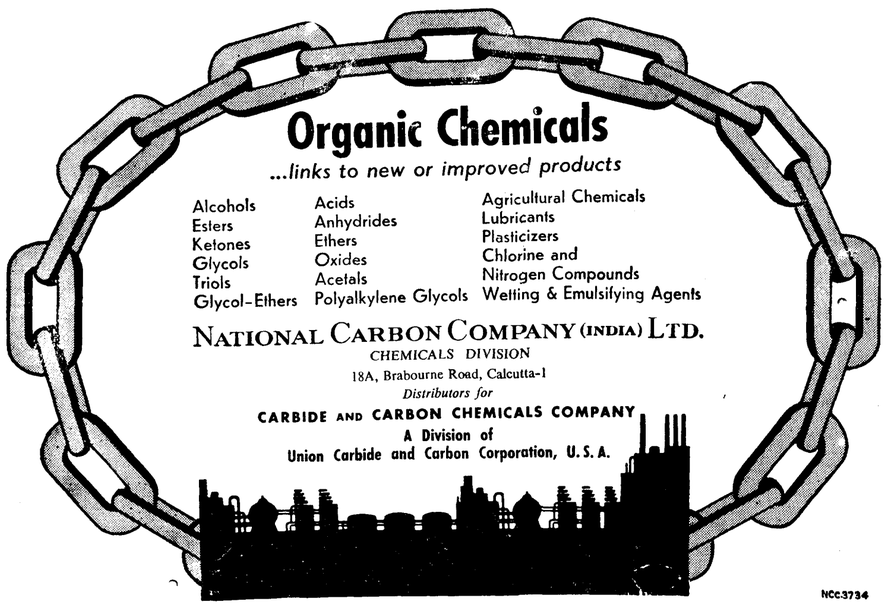
Lastly, the Bombay Government's scheme to create a centralised Labour Welfare Trust Fund is not in accord with the Union Labour Minister's policy of forging stronger bonds of goodwill and esteem between workers and employers. The scheme is likely to take away from employers all incentives to provide for the welfare of their employees. This will be a very great loss indeed to the latter, for the cotton mill industry in Bombay City alone spends more than Rs. 30 lakhs per annum on its workers' welfare. Most of the welfare measures undertaken by employers are the fruit of their own initiative and exemplify their solicitude for their men. The need for a centralised labour welfare trust fund has not been convincingly proved, especially when the Government of India, the originator of this idea, has abandoned it.

These are a few glaring examples of how the Government has allowed sentiment to outrun considerations of prudence and ignored the need for gradualness in legislating for the welfare of the industrial worker. A noteworthy feature of its policy in formulating this costly social legislation is to ignore completely the point of view of employers who, after all, are the persons that must bear the brunt of these measures. Apart from the great harm which this policy does to cordial industrial relations, it heavily mortgages the future of industry by imposing intolerable burdens on it, even before it has achieved a stable position, as its counterparts in countries like Britain, America and Japan have done. There is thus a clear need for calling a halt to new labour laws and for allowing a period of years to elapse for the consolidation of those already in force. This point of view is in full accord with the opinion of the Planning Commission.—*All Rights Reserved.*

NEW PUBLICATIONS

International Economic Co-operation. By V. S. Krishna. Published by the University of Madras. Price : Rs. 10.

IN this publication are reproduced six lectures on international economic co-operation, delivered by Prof. V. S. Krishna, Vice-Chancellor of the Andhra University, at the University of Madras early in 1951, under the Sir William Meyer Lectures. In the first lecture, Prof. Krishna studies the nineteenth century world economic order. He shows that, before the First World War, conditions for the continuance of the old economic order on the basis of private enterprise alone were not favourable, because private enterprise was not in a position to provide the necessary conditions for expansionary forces under which it could flourish. It is against this background that Prof. Krishna reviews, in a lucid and interesting manner, the inter-war development in the international economic field. The review is made under five heads—each forming the subject-matter of a chapter—namely, disintegration and beginning of mutual aid, extraordinary aids, chronic disequilibrium and world economic development, technical assistance and provision of long-term capital, and equitable exchange rates and non-discrimination. In these lectures, Prof. Krishna emphasises the need for providing an international forum for adjusting differences among the trading nations. Such a forum, Mr. Krishna remarks, would facilitate the transformation of the present chaotic world into a voluntary economic community, in which no country tries to grow rich at the expense of another and the prosperity of the whole becomes the concern of every member. It is, however, doubtful whether the significance of this conclusion will be appreciated by the leading countries of the world. But there is no gainsaying the fact that the emphasis on international economic co-operation deserves much wider support than it has obtained so far. This is not, of course, to decry the good work that is being done by some of the leading countries of the U.N.



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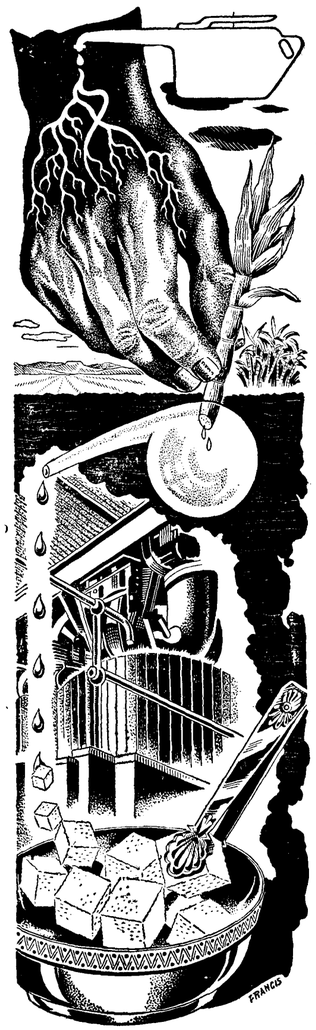
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INDUSTRIAL DEVELOPMENT IN BOMBAY STATE

LARGE SCOPE LEFT FOR PRIVATE SECTOR

IT is undoubtedly a matter for pride that Bombay State holds a leading position in the trade and industry of the Indian Union. It is also in the fitness of things that, out of the total expenditure of Rs. 829 crores to be incurred under the Five-year Plan by all the States of the country, as much as a sum of Rs. 146 crores has been allotted as the share of this State. According to the latest available statistics, a marked improvement was noted in the industrial production in 1951, when the index rose to 117.4 from 105.2 in 1950. The improvement was particularly noticed in industries such as cement, coal, sugar, steel, cotton textiles, engineering, heavy chemicals, rubber goods, etc. In that year, 7,632 factories were actually working in the State, as against 7,091 in 1950 and 6,835 in 1949. Although these figures make encouraging reading, the handicaps suffered by industries in the State are not a few in number. The progress of industries is checked by inadequate supply of power, lack of skilled labour, difficulty of securing raw materials in time on account of transport bottlenecks, and absence of timely financial assistance in an adequate measure for carrying on their normal operations. The State is also facing the problem of unemployment in common with other States in the country. Dwindling demand for some commodities and accumulation of stocks are reported in many industries.

The problems noted above call for energetic action on the part of the Government and the proceedings of the State Advisory Council of Industries, at its meeting held on two days last week, indicate that the Government is alive to the above developments in the industry. The Council, it may be noted, has a membership of 31 persons including the Ministers of Industries, Co-operation and Agriculture, key officials of several departments, industrialists and representatives of employers' associations, labour and cottage industries. Presiding over the meeting of the Council, Mr. Jivraj Mehta, Minister for Industries, stated that the responsibilities of the Council had increased correspondingly with the responsibilities of the State to implement the Five-year Plan. He referred to the handicap caused by the failure of monsoons and its effect on the supply of power and stated that when, after the completion of the various power projects, improved supply of power was available, a definite percentage should be allocated for small-scale industries and special types of industries not established hitherto in the State. He revealed that the Industrial Finance Corporation, with a capital of Rs. 2 crores, would soon come into existence. He sought the advice of the Council on the question whether any further relaxation was necessary in the provision which insisted that every new industry should provide accommodation for at least 60 per cent. of the labour employed by it. Assistance to be provided for small-scale industries was emphasised by him. He expressed satisfaction over the number of applications received by the Government for issue of licences for starting new factories under the Industries (Development and Regulation) Act.

The Council which then took up the various problems for consideration devoted considerable attention to the question of allocating the additional electric power which would be available when the present expansion schemes are implemented. The Government thermal plant at Chola, with its third boiler to be commissioned in 1954, would produce an additional quantity of 48 m.w. The Council felt that the additional power supply should be used for establishment of new, or expansion of existing, industries, as this would provide scope for employment of 50,000 additional workers, and not for removing staggering of holidays. In view of the opportunities that will be created by using the additional power for new expansion, the Council's decision should be accepted by the Government. The question of abolishing staggering should be taken up only when the power supply position exceeded the total requirements in the State.

But the Council's decision on housing for employees of new industrial establishments, although welcome, may not bring any improvement in the situation. As already stated, the Government has been insisting on all new industrial undertakings, which require licences, that it should make provision for housing 60 per cent. of the employees. In view of the hardship caused by this high percentage, the Council has done well in advising the Government to reduce the percentage to 40. Even this reduction will not be enough to stimulate the growth of new enterprises. For in view of the high cost of constructing houses, new undertakings find it hard to raise funds for investment on assets which bring in little or no return at a time when interest rates are high and the capital market is dry. The Government will do well to relax, for the time being, this provision by asking the undertakings to build a given number of houses every year during a specified period. Unless some such policy is followed, no tangible progress will be possible towards the establishment of new industries in the State.

About 40 applications for licences for starting new industries were received by Government, out of which only 27 were granted. The range of industries for which licences were granted included oil refineries, manufacture of power cables, electric equipment, motion picture equipment, internal combustion engines, thermos flasks, sewing machines, caustic soda and chlorine, paper and pulp, woollen textiles, etc. These industries, it is stated, will employ about 6,000 persons, whereas the Employment Exchanges in the Bombay region register, on an average, about 15,000 persons per month. This underlines how slow is the rate of industrialisation in the State, as compared with the need for employment. It is to be hoped that this point will be borne in mind by the Standing Committee appointed by the Council for examining the suggestions for industrial expansion and development referred to the Council by the Government.

The Council also noted the schemes of the Government for achieving the targets set under the Five-year Plan. The Government proposes to spend Rs. 103 lakhs for cottage industries, Rs. 100 lakhs for State Industrial Finance Corporation, Rs. 90 lakhs for trading estates, Rs. 11 lakhs for collecting census of manufacturing industries and industrial statistics and Rs. 9 lakhs for organisation of schemes. The only undertaking of the Government is the proposal to set up a D.D.T. plant at a cost of Rs. 40 lakhs. Thus the total expenditure of the State Government under the Five-year Plan would be of the order of Rs. 3.53 crores out of a total of Rs. 146 crores. The balance of Rs. 142.4 crores is to be spent by the private sector under the Plan. The scope left for private enterprise in the industrial field is very large indeed.

CONCESSION TO EXPORT INDUSTRIES

The Bill to amend the Indian Sea Customs Act, 1878, introduced in the House of the People on 14th April by the Minister for Finance is of much significance to industries, especially to those the manufactures of which are exported abroad. It proposes to allow concessions to industries in two respects. First, it makes provision for payment of drawback of import duty paid on the raw materials contained in the manufactured goods exported abroad. With a view to giving effect to this proposal, power is sought to be vested in the Government to frame rules for specifying the class of manufactured goods, the description of raw material used, the quantity of such raw material contained in the goods to be exported, the rate of drawback payable with reference to weight, quantity, the period of admissibility of drawback and other relevant provisions incidental to the payment of such drawback.

The second provision in the Bill seeks to allow "manufacture of goods in bond in order to facilitate industrial enterprise." The relevant provisions under this item propose to empower the Collector of Customs to permit any owner of goods, after warehousing the same, to carry on any manufacturing process, or blend the goods, or make any other alteration in bonded warehouses. The Central Government is empowered also to exempt any such goods when cleared for home consumption from the whole or any part of the duties leviable thereon.

The move to help export industries in India will be welcomed by business men in the country, inasmuch as it increases the scope for earning foreign exchange. It is, however, needless to add here that the object will be defeated if the customs authorities exercise the powers vested in them very rigorously and cause harassment to the parties concerned. This warning is considered necessary because past experience offers sufficient evidence of the unhelpful attitude of customs officials towards trade and industry in India.

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PHOSPHATE FERTILISERS

Suitable conditions for the preparation of phosphate fertiliser (dicalcium phosphate) by the action of hydrochloric acid on phosphate rock from Egypt and phosphatic nodules from Trichinopoly have been worked out in the National Chemical Laboratory, Poona. A continuous pilot-plant process is being evolved in the laboratory for the production of dicalcium phosphate from Egyptian phosphate rock. The present shortage of sulphur has led to increased efforts at replacing sulphuric acid wherever possible. Nearly six million tons of 70 per cent. sulphuric acid are consumed by the fertiliser industry all over the world for the manufacture of single superphosphate. India's present production of about 60,000 tons of single superphosphate consumes about 8,000 tons of sulphur, all of which is imported. India's caustic chlorine electrolytic plants, producing less than a quarter of the country's present requirements of alkali, simultaneously generate large amounts of chlorine, of which about 9,000 tons would be available for the manufacture of hydrochloric acid. Many caustic chlorine plants in the country are not working to full capacity to-day because of the difficulty in the disposal of chlorine.

In this context, the National Planning Commission envisaged the stepping up of phosphate fertiliser production without additional consumption of sulphuric acid and suggested that the work of making dicalcium phosphate from phosphate rock and hydrochloric acid might be taken up in the National Chemical Laboratory. The use of this fertiliser is of particular value to a vast country like India, because it is a concentrated phosphatic fertiliser, and considerable economy can be effected in transport. It is neutral and remains a free-flowing powder for a long time, and this renders its packing, handling and transport easy. In another series of experiments at the National Chemical Laboratory, semi-acidulated phosphates have been prepared by using between one-half to three-fourths of the acid required for superphosphate manufacture. The product obtained is highly effective as a phosphatic fertiliser, thus showing the possibility of reducing the acid consumption in the manufacture of phosphatic fertilisers from rock phosphate.

WORLD TRADE FAIR AT SAN FRANCISCO

The Sixth Annual World Trade Fair will be held from 24th to 28th June, 1953, at San Francisco. It is sponsored by the San Francisco Chamber of Commerce and the World Trade Association of San Francisco in conjunction with the authorities of the city and county. All nations in the free world are invited to participate in the Fair. In the past years, 12 to 16 foreign Governments have officially participated in the Fair, which in 1952 displayed products and services of more than 200 exhibitors from 20 countries. The attendance at the Fair in 1952 was approximately 50,000 and during this year it is expected to be more. The Fair authorities are emphasising consumer goods exhibits during this year. One of the larger exhibition halls, having about 5,000 square feet of space, which is about one-third of the total exhibit space, has been set up at the Fair as a temporary sub-zone of the San Francisco Foreign Trade Zone No. 3 for the special purpose of exhibiting foreign merchandise.

SWEDISH-SOVIET TRADE AGREEMENT

A trade agreement concluded between Sweden and the Soviet Union recently in Moscow, foreshadows an exchange of goods to a value of approximately Kr. 75,000,000 (£5,172,000) for the current year. Imports to Sweden will comprise, among other things, asbestos, apatite, chromium, manganese ore, diesel oil, paraffin and paraffin oil, maize and oilcakes. Swedish exports to the Soviet Union are to include traditional products such as butter, rayon wool, certain kinds of iron and steel, accumulators, welding electrodes, razor blades, electric bulb filament, machines, etc.

SHELLAC TRADING

The Government is considering the question of bringing forward trading in shellac and seedlac within the purview of the Forward Contracts (Regulation) Act of 1952. The banning of the export of sticklac is also under consideration. The Bihar Government has drawn the Central Government's attention to the crisis in the lac industry. The recession in the demand for shellac and the general fall in prices, as a result of the armistice after the Korean war, speculation in the commodity, increasing exports of seed lac and sticklac and increasing competition from synthetics are some of the reasons for the crisis in the industry. It is "partially true" to say that the lac export trade is in the hands of foreigners. Inquiries made in 1950 showed that in order to bring prices down, exporters were not exporting the commodity or buying it.

GOVERNMENT'S COMMERCIAL POLICY

A clarification of some of the issues pertaining to the Government of India's export-import policy was made by Mr. K. B. Lall, Chief Controller of Imports and Exports, in the course of his reply to the memorandum submitted by the Madura-Ramnad Chamber of Commerce during his visit to Madurai recently. Mr. Lall referred to four important points raised in the memorandum, namely, (1) consultation of commercial bodies representing sectional interests prior to the framing of the export and import policy, (2) decentralisation of authority for purposes of granting licences, (3) extension of the validity of licences from six months to one year, and (4) liberal issue of import licences for articles which are produced in India.

Referring to the first point above, Mr. Lall maintained that the present arrangement for consultation had been found adequate in practice. As there were frequent consultations with trade associations by means of representations and interviews, he considered that anything more specific and formal than this was unnecessary. He even warned that such might lead to difficulties.

While on the plea for empowering the Deputy Chief Controller of Imports and Exports (Madras and Cochin) to grant licences for all items so far as South India was concerned, Mr. Lall said that such was not possible in many cases. In support of this contention, he cited the instance of textiles. According to him, there are a number of textile items for which licences are being issued on an *ad hoc* basis in consultation with the Textile Commissioner. If such items are decentralised, it will mean a lot of delay. Similarly, the items which call for policy decisions and special attention cannot be transferred. With regard to items for which import licences are being issued from Calcutta, however, the Government would consider as to how many items can be transferred to Madras.

Mr. Lall alluded next to the extension of the validity of import and export licences. In his opinion, it is always difficult to foresee the position as a whole for a year in advance, especially when the exchange position fluctuates. The items which are not in ample production at the time of issue of licences and which will increase in production in about six months' time cannot be given licences for the 12-month period. But now that the foreign exchange position seems better and more stable, the Government is considering, we are told, a proposal to expand the number of items for which the period of validity of licences can be 12 months.

Finally, Mr. Lall clarified the position regarding the issue of import licences for articles produced in the country. Said he, "it is always the Government's policy to grant licences for import to the extent of the total demand minus the amount of production. In 95 per cent. of the cases, they are able to estimate correctly the demand. The import and export organisation has acquired sufficient experience during the last 10 years and has considerable data before it."

NEW PHOTOGRAPHIC FILM BASE FACTORY

Ilford Ltd., in conjunction with B.X. Plastics, Ltd., has constructed a new factory in the United Kingdom that manufactures photographic film base. The new £1.25 million project is already in full production. The additional production capacity will save almost $2 million annually in imports from the United States, the previous source of most of the film base used in the United Kingdom. Expansion of the United Kingdom's production of X-ray film is also expected, the demand for which has increased considerably since the extension of the British National Health Service.

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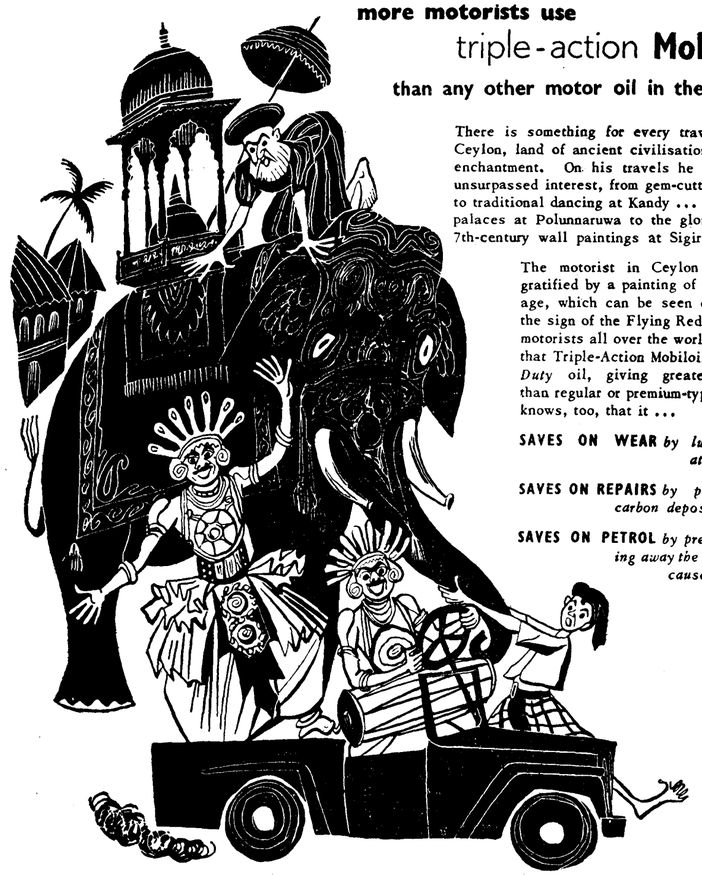

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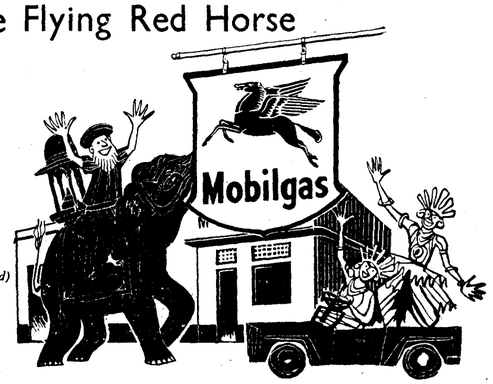

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WORKING CONDITIONS IN BOMBAY FACTORIES

REPORT OF INDUSTRIAL ENQUIRY COMMITTEE

THE Final Report of the Bombay Industrial Conditions Enquiry Committee which discusses the problems of industrial conditions in the cotton textile mills of Ahmedabad and other industrial centres in the State throws much light on labour conditions in these areas. But it must be remembered that the Committee which was appointed in November, 1946, and subsequently reconstituted in November, 1947, with Mr. Purushottam Kanji, as Chairman, submitted its Report in October, 1950, though it is made available to the public only now. Since the Committee commenced its enquiry, several changes have taken place in industrial conditions which might conceivably impair the Committee's observations and conclusions. Again, the members of the Committee appear to have been swayed by welfare conditions such as those which obtain in foreign countries rather than by the capacity of the industries in India to provide similar amenities.

The Report suffers from a too theoretical approach towards the problem of working conditions of labour. Further, it appears to have magnified isolated instances of remissness on the part of managements in a few industrial undertakings and generalised them for the industries, as a whole, in the State of Bombay. These explain their remark that the working conditions in the industries in general present a "drab and dreary picture of man's inhumanity to man." The Report alleges that the outlook and imagination of employers in general with regard to the provision of better working conditions have been clouded. Few employers, it says, seem to have been able to realise the long-term effect and value of the provision of better working conditions and that they, as a class, are concerned with immediate profits. Then, a number of employers, according to it, adopt methods to nullify the social objectives of legislation intended to help workers. In the first instance, the Report observes, efforts are often made towards studying statutory provisions and the lowest minimum requirements. This is followed by efforts to keep as far below the minimum standards, as is legally feasible. Seldom has any representative of management been able to point out instances where extra measures to supplement statutory provisions have been taken, it adds.

It is true that there are in the State a few employers who are diehards and treat labour with scant regard for their human rights. But it would be absurd to assert that the whole class of employers in the State belongs to this category. To give an impression that the working conditions in the State present a "drab and dreary picture of man's inhumanity to man" is neither fair nor just to the employers. Indeed, several instances could be quoted to show how employers in the State are far ahead of the employers in other States, in the matter of providing amenities for labour. Instances can also be quoted to show that the employers have voluntarily provided amenities above the standard expected of them by law. It is true that ideal conditions such as those which exist in the industrial West, do not obtain in this State. But this is due to the fact that not all industries in the country are so prosperous as in the West. It is grossly unfair to expect in these adolescent units working conditions which cannot be sustained by them.

All this is not to suggest that we are against the prescription of minimum standards of hygiene and sanitation, the provision of medical facilities to workers and recreational facilities. But the problem facing the country to-day is the improvement of the conditions of employment, wherever possible, without prescribing standards which industrial profits will not be able to support. Certainly, the absence of canteen facilities in several factories, as pointed out by the Committee, is a serious omission, though some factories might plead the excuse of want of adequate space for housing canteen management. But to expect these canteens to introduce menus on the basis of Dr. Aykroyad's nutritional standards is somewhat over-ambitious. Apart from the consideration that not all industrial establishments can maintain costly equipment in canteens, the fact remains that canteens become unpopular once they begin distributing what does not appeal to the workers' tastes, however nutritious the menu might be, or when they charge a little more than the normal rates for the menu they serve. However, the Committee's proposals with regard to the adoption of modern methods of humidification and ventilation inside the factories in which they do not exist in order to safeguard the health of the workers and to improve productive efficiency, the provision of cold drinking water during the hot weather and better sanitary arrangements are neither unreasonable nor extravagant.

The Committee has made a number of other recommendations which deserve urgent consideration. The most important of them is the constitution of a labour code for Bombay State. Among others, it has urged complete reorganisation of the Factory Inspectorate and Welfare Department, a unified Government organisation under the Chief Inspector of Factories to deal with various issues, and encouragement to all factories with 50 or more workers to develop health, hygiene and safety committees. It has finally urged the leading industrialists in the State "whose humanity and regard for the welfare of workers are exemplary" to help in the setting up of non-official organisations, such as institutes of industrial welfare. We would invite the attention of employers to this recommendation particularly, for, if they should avoid public criticism and irksome legislative enactments which such criticism would lead to, they should, in good time, start studying the problem of labour welfare and adopt measures which would ensure satisfactory conditions for the workers.

A notable feature of the Report is the pleasant surprise of the Committee at the high standards of welfare facilities and provision of amenities by the managements in certain establishments such as the Century and Zenith Mills, the India United Mills No. 1, the Britannia Biscuit Factory, the Finlay Mills, General Motors Factory, the Lakshmi, Vishnu, Calico and Silver Jubilee Mills, H.V.M. and the Firestone Factory.

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RESULTS OF MACNEILL AND BARRY JUTE GROUP DISAPPOINTING

DIVIDENDS PASSED OVER

THE Chairman of the three jute companies under the management of Messrs. Macneill and Barry Ltd., Calcutta, namely, the Ganges Manufacturing Co., Ltd., the Gourepore Co., Ltd., and the Nuddea Mills Co., Ltd., has chosen to adopt the unusual practice (unusual only in this country, though it is a common practice in the U.K.) of circulating to the shareholders copies of his speech, to be delivered at the companies' forthcoming annual general meetings, along with their accounts for the half-year ended 30th September, 1952. This step has been taken because he felt that there are "certain matters" which the shareholders should be informed. His observations refer not only to the results of the Companies during the half-year under review but also to certain general conditions in the jute industry. The results of the Companies' working during the half-year under review have proved to be rather disappointing, as the comparative table appended below would show.

It will be noted from the table that all the three companies have suffered losses, during the half-year under review, whereas in the corresponding half-year of 1951 all of them had shown profits. The "Ganges," which had shown the largest profit among the three, has now recorded the heaviest loss. In the half-year ended 31st March, 1952, however, one of them, namely, "Nuddea," was able to show a small profit. Of the other two, "Gourepore's" loss was the heavier. Thus, as compared with the performance during the previous half-year, the loss of the "Ganges" has widened rather by a sizable extent—the increase in loss being of the order of 178 per cent. "Gourepore's" loss has shrunk by 25.3 per cent, and the small profit of Nuddea has been converted into a moderate loss.

Commenting on the loss suffered by the Companies, their Chairman, Mr. A. W. Taylor, observes, in his speech referred to above, thus:

"Two factors were primarily responsible, (a) our high labour costs, and (b) depressed market conditions. Our retrenchment programme had only started in the course of the half-year and, in consequence, costs benefited only for part of the six months by the savings effected in wages. Since the close of the half-year retrenchment has continued and the position now is that your Company's labour costs are on a par with the average of the industry. So far as market conditions are concerned, the half-year opened with the Company holding large stocks of hessian and sacking goods for which reasonable offers could not be obtained. At that time overseas buyers were holding back in anticipation of a further reduction in export duties, and although, when the reductions were announced on 6th May business was done at slightly enhanced rates, prices were not maintained and rates for both hessian and heavy goods gradually receded over the remainder of the half-year. Although prices of raw jute declined too, these reductions always followed the decline in manufactured goods prices. As a result, the Company was compelled to sell the accumulated production on a falling market at a very substantial loss, particularly in the case of heavy goods."

Referring to the working of the Gourepore Co., Ltd., in particular, the Directors add in their report to the shareholders: "The poorer quality of Indian jute was more difficult to spin with the same efficiency, and markets for special hessians could not be maintained when the raw material was both scarce and expensive, so that the Company's business, much of which has been built up on special fabrics, was particularly adversely affected."

As a result of the adverse results, all the three Companies have been obliged to draw from the reserves to cover up their losses, but in the case of the "Ganges," a deficit of Rs. 12.30 lakhs is left uncovered as there are not enough reserves to draw from. All of them have had to pass over the dividends. "Ganges" and "Gourepore" have had to hold over even the dividends on their preference shares. This is the second half-year in succession that "Ganges" skips over the ordinary dividend, while "Gourepore" which had slashed the dividend on ordinary shares in the previous half-year from 20 per cent. per annum to 2½ per cent., has not been able to distribute even this token dividend.

One of the important matters to which Mr. Taylor draws the attention of the shareholders, in his speech referred to above, relates to the *phatka* market transactions which were held in November last, but which were subsequently closed. These transactions are stated to have received a certain amount of publicity and have given rise to "ill-informed" comments. Mr. Taylor has, therefore, sought to remove the misconceptions arising out of these. Thus, he observes:

"Another matter on which I would wish to comment, although it does not actually fall within the period to which the accompanying accounts refer, is a transaction in P.D.Os. which took place at the end of November last. These transactions have received a certain amount of publicity and much of the comment is ill-informed. At the end of November, in an attempt to take advantage of the premium, then being paid for ready delivery, the delivery of certain goods was brought forward and sales were made of goods which were rebought for delivery within a few days. As the Company, after granting an inspection order, did not produce the full quantity of the goods covered by the P.D.Os. the buyer who held the P.D.Os. claimed compensation. The Managing Agents have settled the claim for compensation and this Company has not sustained any loss in connection with the transaction."

The Chairman has also made a reference in his speech to the Central Government's repudiation of a contract for B twills. In spite of the support extended to the Companies by the Bengal Chamber of Commerce and the I.J.M.A., the Companies' claims are stated to have not been settled and they have, therefore, instituted suits against the Government. It may be pointed out here that the Companies have taken credit for the amounts of claim in their respective accounts, as the table below would show.

The Managing Agents of the three Companies have been assisting the Companies "very materially" for some years past by waiving a portion of the commission due to them under the managing agency agreement. This commission is based on sales. This is now sought to be changed to one on profits, which is in line with the recommendations of the Company Law Reforms Committee. The Directors have applied for permission of the Central Government to amend the terms of remuneration.

The following synopsis of the Companies' balance-sheets as on 30th September, 1952, give an idea of their financial position:

LIABILITIES	Ganges Rs.	Gourepore Rs.	Nuddea Rs.
Capital	90,32,100	50,50,000	66,79,500
Reserves and surplus	5,72,023*	35,33,478	37,24,556
Liabilities	92,44,305	146,02,402	47,32,117
ASSETS			
Gross block	2,10,12,266	2,18,72,970	2,10,50,572
Less—Depreciation	1,34,77,245	1,60,21,337	1,35,98,606
Net block	75,35,021	58,51,653	74,51,966
Stocks	45,06,973	55,09,824	33,25,775
Stores	16,39,319	18,68,108	15,42,168
Debts, deposits and advances	34,08,515	54,42,468	23,97,487
Investments	4,83,215	42,44,348	3,08,362
Cash	43,712	2,09,509	1,10,415
Profit and loss account	12,29,673	..	..
	Rs. 1,88,48,428	2,31,85,910	1,51,36,178

* Represents only provision for possible loss on forward contracts and provision for doubtful debts. There are no other reserves, as the entire amount of Rs. 5.50 lakhs, which was standing to the credit of contingency and replacement of machinery reserves at the end of the previous half-year, has been utilised to write down the loss for the half-year under review.

PROGRESS OF CAREW & CO. SATISFACTORY

Satisfactory progress is disclosed by the results of working of Messrs. Carew and Co., Ltd. (Managing Agents: Messrs. Gladstone Lyall & Co., Ltd., Calcutta) during the year ended 30th June, 1952. The Company incurred a net loss of Rs. 7.28 lakhs in the year 1949-50 and could not pay even the dividend on its preference shares for that year. In the following year, it was able to earn a small net profit of Rs. 1.64 lakhs which was adequate only to reduce the previous year's deficit brought in from Rs. 6.80 lakhs to Rs. 5.16 lakhs. Consequently, the Company had to fail in arrears of the preference dividend for the second year in succession. The working of the Company during the year under review has been more encouraging, in that it has earned a net profit of Rs. 4.15 lakhs. But even this sum has not been sufficient to wipe off the deficit of Rs. 5.16 lakhs brought in from the previous year. However, a sum of Rs. 2.95 lakhs, representing the net E.P.T. post-war refund, received during the year, has come in handy not only to wipe off the said deficit but also to make a provision of Rs. 1 lakh for bad debts and pay the preference dividend for the year ended 30th June, 1950. The balance left after these appropriations is a tiny sum of Rs. 41,747.

The following comparative table shows the Company's progress since the year 1948-49:

(In lakhs of rupees)

	For the year ended 30th June			
	1951-52	1950-51	1949-50	1948-49
Sale proceeds	149.14	145.10	181.34	186.99
Other income	10.20	10.70	8.84	12.70
Manufacturing expenses	132.27	132.71	180.02	132.67
Other expenses	14.29	13.32	13.10	7.78
Gross profit (+) or loss (—)	+12.78	+9.76	—2.94	+9.23
Managing agents' remuneration	1.13	0.66	0.15	0.73
Depreciation	4.08	4.26	4.19	4.65
Taxation	3.41	3.20	..	1.50
Net profit (+) or loss (—)	+4.15	+1.64	—7.28	+2.34
E. P. T. refund	2.95	..	..	..
To reserves	1.00	..	..	0.50
Dividend—				..
Preference 6½%	0.52	..	..	0.52
Ordinary	..	..	..	1.60 (5%)
Carry forward	0.42	—5.16	—6.80	0.48

All the three distilleries of the Company worked at a profit during the year under review. The profit was, however, slightly lower than in the previous year owing to shortage of molasses for Asansol and shortage of wagons to move spirits. The sale of the Company's pharmaceutical products at Darsana is reported to have made very rapid progress. Though the working of the pharmaceutical works resulted in a small loss, which is only to be expected in the early stages of production, the Directors are hopeful of building up a lucrative source of revenue from this section in future. The working of the Company's sugar factory at Darsana shows a satisfactory progress, the quantity of cane crushed, as well as recovery of sugar, disclosing an appreciable improvement over the previous year. Thus, the quantity of cane crushed was 24.30 lakh maunds with a recovery of 9.24 per cent., as against 8.65 lakh maunds with a recovery of 9.17 per cent. in the previous year. The factory at Rosa had a greatly increased crush of over 23 lakh maunds of cane, as compared with 14.45 lakh maunds, but recovery of sugar declined owing to the poor quality of the cane crushed by the factory. This, combined with the fall in price of free market sugar, resulted in a heavy loss at this factory.

The Company's reserves and surplus amount to Rs. 23.60 lakhs, as against a paid-up capital of Rs. 40 lakhs. There is a debenture liability amounting to Rs. 24.33 lakhs. The other current liabilities, including provision for taxation, aggregate Rs. 161.47 lakhs, including loans from bank secured by hypothecation of stocks and book debts amounting to Rs. 85.62 lakhs. The gross block of the value of Rs. 129.42 lakhs has been written down to a book value of Rs. 47.74 lakhs. The current assets aggregating Rs. 201.66 lakhs (made up of, in the main, stocks and stores Rs. 153.88 lakhs, book debts Rs. 16.08 lakhs, advances and deposits Rs. 28.33 lakhs, and cash balances Rs. 2.10 lakhs) cover the current liabilities by a wide margin of Rs. 40.19 lakhs.

The Company's prospects for the current year appear to be better, as will be noted from the following extracts from the Directors' report:

"Owing to the very helpful attitude of the Government of West Bengal, prospects for the current year (regarding the distilleries) are better and we may hope shortly to recapture a good portion of the Calcutta industrial spirit market. Since our last report, we have opened up an export market to Burma for denatured spirit, which promises well. . . . We are glad to report, however, that the current season (at Rosa) should show better results as a result of improvements made to the factory and of good quality cane, which have resulted in Rosa attaining a higher recovery figure than for very many years. . . . The current season's returns at Darsana also show considerable promise and the crush will be in the vicinity of 28 lakh maunds, but the recovery will be slightly less than that obtained last year, due to the fact that, towards the end of the season, we took over certain areas which had been previously zoned to other factories. Since these additional zones will be allocated to Darsana permanently, future crushes will be higher than have been obtained in past years and this, in turn, should enable Darsana to show even better results than have hitherto been possible."

	GANGES For the six months ended			GOUREPORE For the six months ended			NUDDEA For the six months ended		
	30-9-52	31-3-52	30-9-51	30-9-52	31-3-52	30-9-51	30-9-52	31-3-52	30-9-51
Sale proceeds	177.70	281.37	252.36	164.83	244.72	279.70	119.32	189.41	185.48
Stocks	16.13	23.26	24.44	39.21	55.41	39.57	14.02	20.94	25.04
Expenses	188.76	287.89	252.11	158.50	277.78	264.85	116.57	183.55	187.04
Gross profit (+) or loss (—)	—17.60	—6.32	+10.49	—11.76	—15.75	+7.20	+3.80	+2.32	+3.28
Managing Agents' commission	1.45	2.87	4.27	1.45	1.26	3.58	1.45	2.94	2.87
Depreciation	..	..	..	2.00	..	..	..	1.00	..
Taxation	..	..	..	..	..	..	..	..	0.07
Net profit (+) or loss (—)	—19.05	—9.19	+6.22	—13.21	—19.01	+3.62	—5.25	—1.62	+0.34
To provision for possible loss on forward contracts	0.56	2.44	..	3.53	1.90	2.00	0.61	0.31	..
To provision for doubtful debts	2.82	..	..	1.98	..	..	1.90	..	..
Other income*	2.59	4.14	1.18	5.94§	4.33	0.38	1.78	3.36	0.26
Provisions written back as no longer required	2.44	0.25	..	1.94	3.19	0.50	0.31	..	..
Transfer from reserves	5.50	7.65	..	13.00	19.14	1.00	7.00	..	0.80
To reserves	..	..	4.40	1.55†	..	..	0.95†	..	..
To retiral gratuities	0.83	0.56	0.31	0.53	0.21	0.31	0.14	0.08	0.17
Dividend—									
Preference	..	0.24 (8% p.a.)	0.24 (8% p.a.)	..	0.79 (6% p.a.)	0.79 (6% p.a.)	..	..	..
Ordinary	..	..	2.11 (5% p.a.)	..	0.80 (2½% p.a.)	2.40 (20% p.a.)	..	1.34 (4% p.a.)	1.67 (5% p.a.)
Carry forward	—12.30	0.42	0.83	0.96	0.89	0.28	0.95	0.72	0.71

N.B.—The profits have been arrived at before taking into consideration the various provisions made and provisions previously made now written back.
* Includes claims on the Government of India in respect of non-fulfilment of contracts.
§ Includes adjustment of estimated realisable value of oil stocks remaining unsold.
† Provision for sales tax in dispute.

Points From The Chair

Scheduled Banks and Rural Savings

"THE Central Government has introduced certain measures of tapping the savings of the urban people by introducing several schemes of attracting money on more remunerative terms, but the question of mopping up the savings of the rural population is still a problem. The Rural Banking Enquiry Committee recommended that the Imperial Bank of India, acting as the agents of the Reserve Bank of India, should open branches in the country-side for receiving deposits from the rural population. But no tangible results have been achieved so far, although the problem is pressing, specially during the period of planning. My suggestion is that an opportunity should be given to the Scheduled banks of the country and the initial losses which may be incurred by them during the operations may be met by Government. Encouragement can be given to them by lightening labour legislation as applicable to rural branches and also permitting the local authorities and *panchayats* to make deposits of their surplus funds in these banks."

PADAMPAT SINGHANIA,
Hindustan Commercial Bank, Ltd.

Outlook for Indian Economy

"Now that the budgets of the Central and several State Governments have been out, it appears that the various Governments have decided, as a matter of policy, not to levy any fresh taxation as far as possible. It is a matter of some satisfaction that the Governments have realised that taxation limits have been reached and any further taxation may show diminishing returns. The Central Government has also appointed a Taxation Enquiry Commission and it is to be hoped that, as a result of their labours, our taxation system will be rationalised, and taxes will be so levied as not to hamper initiative, but to encourage larger production and increase of trade. The recent improvement in our internal economy has enabled the public to view the future with some measure of confidence, and we look forward to a period of stabilised prices with increased production and fuller employment."

TULSIDAS KILACHAND,
Bank of Baroda Ltd.

Premium Income of Insurance Companies

"Owing to the world-wide distribution of our business, we are usually able to balance disaster in one area with good fortune in another, but we must always be prepared to deal with a major catastrophe which might be beyond the capacity of our normal spread to even out. In its financial aspect this means that our fire and accident income of £45½ million must be regarded not as new funds for investment, but as money constantly and necessarily on the move within the organisation. The premiums flow in according to the pattern of the risks underwritten and flow out in volume and direction according to the liabilities arising, leaving, in a favourable year, a balance of profit with the Company. Behind this, and to meet a major calamity, are our reserves, which must be readily available to support any unusual demand beyond the normal. The essential requisite of all our insurance contracts is that, in the event, payment is prompt and certain, and it is upon this basic fact that all our policyholders do business with us."

LT.-COL. JOHN LESLIE,
Commercial Union Assurance Co., Ltd.

Prospects for a Middleman-Industry

"On the last two occasions, I have not found it difficult to give a fairly accurate line on the forward prospects, but this time comment on our 1952-53 year is more hazardous. After a poor start, our merchanting business tended to improve, although not to the extent we should have liked. In volume, we may reach a turnover of £40 million but, while conditions have certainly become more stable, competition everywhere has become intense and the margins obtainable are small. Despite the fall in freight rates and in the price of sisal, both the Maritime and Ralli Estates should show satisfactory results, but not, of course, comparable with last year's record. Berg should do better and Dehns (Africa) Ltd. have found more demand from East Africa for their Kangas. While I, therefore, anticipate a reduction, perhaps appreciable, in the consolidated trading profit, provisions for taxation and doubtful outstandings which, for several reasons, were exceptionally onerous last year, should on present indication, call for a considerably smaller proportion of the profit."

JACK VLASTO,
Ralli Brothers Ltd.

Outlook for Shipping

"In the North Atlantic, prospects for passenger traffic during the coming Coronation season are good. World and trading conditions affect the cargo business of the group's services in varying ways. In the North Atlantic, outward cargoes are presently good, but there is a shortage homeward. The same conditions apply in the India, Pakistan and Ceylon trades, but in the Australian and New Zealand trades the reverse is the case. With such varying conditions in the different trades it is difficult to forecast results. However, experience has taught that fluctuations in commerce can be sudden, and growing crops and increased production could improve cargo conditions generally. We are an island people. It is, therefore, natural that we should look ever seaward and beyond for our living and trade. Without British merchant shipping we would continue to look in vain."

F. A. BATES,
General Steamship Company Ltd.

Notices

THE PULLANGODE RUBBER AND PRODUCE COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Tenth Annual General Meeting of the Shareholders will be held at the Registered Office of the Company at 11 a.m. on Tuesday the 26th May, 1953, for the following purposes:

(1) To receive and consider the Report of the Directors, Accounts and Balance Sheet for the year ended 31st March, 1953.
(2) To declare a Dividend.
(3) To elect a Director.
(4) To appoint Auditors.
(5) To transact any other competent business which may be brought before the meeting.

The transfer books of the Company will be closed from the 16th May, 1953, to the 28th May, 1953, both days inclusive.

(The Board will recommend to the meeting that a first and final dividend of 20 per cent. be declared for immediate payment, on the ordinary share capital.)

By Order of the Board,
ASPINWALL & CO., LTD.,
Managing Agents.

FORT COCHIN, *2nd May*, 1953.

MUTTRA ELECTRIC SUPPLY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE 50th Ordinary General Meeting of the Shareholders of MUTTRA ELECTRIC SUPPLY CO., LTD., will be held at the Registered Office of the Company, at No. 15, Shib Thakur Lane, Calcutta, on Saturday the 23rd May, 1953, at 2 p.m., to transact the business on the following Agenda:—

AGENDA

(a) To receive the Directors' Report for the year ended 31st March, 1952, and to approve the dividends recommended.
(b) To receive the Audited Accounts for the year ended 31st March, 1952 and to adopt the same.
(c) To transact any other competent business which may regularly be brought forward.

N.B.—The Share Transfer Books of the Company will be closed from the 16th May, 1953, to the 23rd May, 1953, both days inclusive.

By Order of the Board,
G. D. BHAGAT,
Chairman.

CALCUTTA-7, *24th April*, 1953.

THE INDIAN WOOD PRODUCTS COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-third Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office, Clive Buildings, Netaji Subhas Road, Calcutta, on Friday the 29th May, 1953, at 12-15 p.m. for the following purposes:—

1. To receive and adopt the Directors' Report and the audited Accounts for the year ended 30th September, 1952.
2. To declare a Dividend.
3. To elect a Director.
4. To appoint Auditors and fix their remuneration.
5. To transact any other ordinary business of the Company.

Notice is also hereby given that the Register of Members of the Company will be closed from the 15th May, 1953, to the 29th May, 1953, both days inclusive. Dividend Warrants will be sent only to Registered Shareholders or their mandatees.

By Order of the Board,
For GILLANDERS ARBUTHNOT & CO., LTD.,
P. E. G. W. PARISH,
Managing Director,
Managing Agents.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, *1st May*, 1953.

THE INDIA SUGARS & REFINERIES LIMITED

MADRAS

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Nineteenth Ordinary General Meeting of the Company will be held at the factory of the Company at Hospet at 4 p.m. on Monday the 1st June, 1953, to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Accounts for the year ended 30th September, 1952.
2. To declare dividends on Preference and Ordinary Shares.
3. To elect two Directors in place of
   (i) Mr. S. M. Ramakrishna Rao
   (ii) Mr. M. R. Morarka
   who retire and are eligible for re-election.
4. To appoint Auditors for the year 1952-53 and fix their remuneration, and
5. To consider any other subject that may be placed before the meeting by the Chairman.

The Share Transfer Books of the Company will be closed from 18th May, 1953, to 1st June, 1953 (both days inclusive).

By Order of the Board,
For THE INDIA SUGAR AGENCIES LTD.,
Managing Agents.
C. HARIPRASAD,
General Manager.

MADRAS, *28th April*, 1953.

(1) The Directors have recommended a payment of dividend at 7½ per cent. less income-tax on Preference Shares and 25 per cent. (free of Indian income-tax) on the amounts paid up in the Company's Ordinary Share Capital.

(2) The Dividend when declared will be made payable at the Imperial Bank of India, Bellary, on or after the 8th of June, 1953, and the Dividend Warrants will be posted to the Shareholders whose names stand in the Register of Members as on 18th May, 1953. Shareholders may kindly intimate to the Company any changes in address immediately.

THE COCHIN STATE POWER AND LIGHT CORPORATION, LIMITED

(Incorporated in Travancore-Cochin State)

Registered Office:
Karikkamuri Cross Road, Ernakulam

Branch Office:
20, Second Line Beach, Madras-1.

DIVIDEND ANNOUNCEMENT

NOTICE IS HEREBY GIVEN THAT THE Directors have resolved to declare an INTERIM Dividend of As. 6 per share of Rs. 7-8-0 paid up or 5 per cent. tax-free for the year 1952-1953.

The Dividend Warrants will be posted to the shareholders on or after 20th May, 1953, to those members whose names stand on the Register of Members on the 13th May, 1953.

By Order of the Board,
CHANDRIE & CO., LTD.,
Managing Agents.

MADRAS, *21st April*, 1953.

NEW SHORROCK MILL MAINTAINS DIVIDEND LEVEL

REWA COALFIELDS REPORT HIGHER PROFIT

New Shorrock Spg. and Mfg. Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Mafatlal Chandulal & Co., Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The profits for the year amounted to Rs. 15,84,089 (Rs. 30,64,208). From this was deducted the amount carried to depreciation account of Rs. 9,75,000 (Rs. 9,00,000), thus leaving a balance of Rs. 6,09,089 (Rs. 21,64,208). To this sum was added the amount brought forward from previous year's account of Rs. 19,706 (Rs. 22,498), making a total of Rs. 6,28,795 (Rs. 21,86,706). To this balance was added the amounts brought from dividend equilisation fund Rs. 1,50,000 (*nil*) and reserve fund Rs. 3,15,000 (*nil*) leaving an available balance of Rs. 10,93,795 (Rs. 21,86,706). The directors made payment of dividend for the year ended 31st December, 1952 on 31,200 ordinary shares at Rs. 35 (Rs. 35) per share, free of income-tax Rs. 10,92,000 (Rs. 10,92,000) and carried forward to next year's account Rs. 1,795 (Rs. 19,706).

There was an under provision for bonus for the years 1950 and 1951 of Rs. 1,81,803. After adjusting the same against the over provision for bonus for 1949 of Rs. 12,376 the balance of Rs. 1,69,427 was made good by the transfer of a like amount from the reserve fund.

Part E.P.T. refund for the years 1941 to 1945 amounting to Rs. 5,78,589. after payment of income-tax for the respective years, has been received during the year and the same has been credited to the machinery renewal fund.

The Mills worked day and night shifts during the year. The Mills have 47,952 spindles and 864 looms.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	39,00,000	Block ...	96,79,263
Reserves ...	1,31,07,324	Stocks ...	30,49,273
Provision for taxation ...	9,22,214	Stores and spare parts	8,38,619
Liabilities ...	26,73,984	Debts, deposits and advances ...	40,22,833
Profit and loss account ...	16,03,795	Investments	35,63,616
		Cash ...	10,53,713
Rs.	2,22,07,317	Rs.	2,22,07,317

Shorrock Spg. and Mfg. Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Mafatlal Chandulal & Co. (Ahmedabad) Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The profits for the year amounted to Rs. 12,91,043 (Rs. 23,01,157). From this was deducted the amount carried to depreciation account of Rs. 6,05,000 (Rs. 4,50,000), leaving a balance of Rs. 6,86,043 (Rs. 18,51,157). After adding the amount brought forward from the previous year's account of Rs. 12,027 (Rs. 870), there remained a total of Rs. 6,98,070 (Rs. 18,52,027). After deduction of Rs. 3,00,000 (Rs. 9,50,000) for provision for taxation there remained an available sum of Rs. 3,98,070 (Rs. 9,02,027). The directors made payment of dividend for the year ended 31st December, 1952 on 19,500 ordinary shares at Rs. 20 (Rs. 20) per share, free of income-tax, absorbing Rs. 3,90,000 (Rs. 3,90,000) and carried forward the balance of Rs. 8,070 (Rs. 12,027).

Part E.P.T. refund for the years 1941 to 1945 amounting to Rs. 3,84,666, after payment of income-tax for the respective years, had been received and the same had been credited to the machinery renewal fund.

The Mills worked day and night shifts during the year. The Mills have 36,624 spindles and 720 looms.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,52,500	Block ...	61,33,831
Reserves ...	94,78,968	Stocks ...	23,52,733
Provision for taxation ...	2,77,866	Stores and spare parts	6,27,769
Liabilities ...	18,36,482	Debts, deposits and advances ...	16,28,097
Profit and loss account ...	13,03,070	Investments	1,75,000
		Cash ...	39,31,456
Rs.	1,48,48,886	Rs.	1,48,48,886

New China Mills, Ltd.

The directors of the above Company (Managing Director: Navinchandra Mafatlal, Esq., Bombay) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The Company made a profit of Rs. 15,26,018 (Rs. 31,28,214) (after deducting Rs. 24,000 (Rs. 24,000) as managing director's remuneration). Adding the balance brought from the previous year of Rs. 3,254 (Rs. 3,040), there remained a total sum of Rs. 15,29,272 (Rs. 31,31,254). Out of this amount the directors made the following appropriations:—

To depreciation reserve Rs. 3,10,000 (Rs. 3,20,000), special depreciation reserve Rs. 2,22,000 (Rs. 2,44,000), provision for taxation Rs. 3,95,000 (Rs. 14,64,000), transferred to post-war rehabilitation and development fund Rs. 6,00,000 (*nil*), and carried forward to next year's account the balance of Rs. 2,272 (Rs. 3,254). During the year, the Mills worked day and night shifts. The Company's properties have been insured against fire, riot and civil commotion risks, standing charges and profits have also been insured. A net amount of Rs. 6,34,314 received during the year on account of refundable excess profits tax has been shown credited in the balance sheet to the post-war rehabilitation and development fund.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	31,80,000	Block ...	89,61,255
Reserves ...	1,36,86,514	Stocks ...	34,04,371
Provision for taxation ...	4,08,624	Stores and spare parts	5,80,359
Liabilities ...	10,51,930	Debts, deposits and advances ...	26,93,948
Profit and loss account ...	15,29,272	Investments	2,20,810
		Cash ...	39,95,597
Rs.	1,98,56,340	Rs.	1,98,56,340

Rewa Coalfields, Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st December, 1952.

The Company's profit for the half-year after the inclusion of Rs. 35,349 (Rs. 17,372) brought forward amounted to Rs. 4,86,908 (Rs. 1,87,930). After making provision for taxation Rs. 1,87,519 (Rs. 81,438) and writing off investments Rs. 25,000 (*nil*), there remained a total sum of Rs. 2,74,389 (Rs. 1,06,492). Out of this sum the directors placed to development reserve Rs. 1,00,000 (*nil*), capital reserve Rs. 3,385 (*nil*) and paid a dividend at the rate of 20 (10) per cent. per annum, free of income-tax absorbing Rs. 1,35,000 (Rs. 67,500), leaving to be carried forward the balance of Rs. 36,004 (Rs. 18,992).

Output and despatches of steam and other grades of coal for the last three half-years were as follows:—

Half-year ended.	*Raisings.* Tons.	*Despatches.* Tons.
31st December, 1952 ...	1,67,990	1,65,004
30th June, 1952 ...	1,49,417	1,49,773
31st December, 1951 ...	1,35,679	1,51,193

There was a welcome improvement in wagon supplies during the half-year which is reflected in the production and despatch figures and the better working results for the period. There had been a falling off in the supply of wagons since the close of the half-year due to heavy movements of grain traffic but this is expected to be temporary.

A new station was opened at Amilaii and a fresh application was submitted to the Railway for provision of a siding at this station to serve the partly developed new colliery in the Company's Bergama leasehold, work on which was suspended three years ago for lack of transport facilities. To meet the cost of developing and equipping the new colliery, a development reserve fund has been created which has been credited with Rupees One lakh.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,50,000	Block ...	6,13,000
Reserves ...	6,88,385	Stores ...	7,06,255
Provision for taxation ...	3,60,000	Stock ...	60,597
Liabilities ...	13,87,440	Debts, deposits and advances ...	13,52,107
Profit and loss account ...	36,004	Investments	1,30,000
		Cash ...	9,59,870
Rs.	38,21,829	Rs.	38,21,829

Marshall, Sons and Co. (India) Ltd.

The directors of the above Company (Managing Agents: Marshalls (Direction) Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 30th June, 1952.

The trading account showed a profit of Rs. 1,79,443 (Rs. 9,57,343). After adding profit on sale of plant and machinery, furniture and motor vehicles Rs. 18,885 (Rs. 11,540) and forfeited dividends Rs. 43,342 (*nil*), there was a total of Rs. 2,41,670 (Rs. 7,68,883). From this was deducted general depreciation Rs. 1,73,372 (Rs. 1,48,107) and adjustment in respect of previous years Rs. 14,882 (Rs. 27,511). The year's trading showed a net profit of Rs. 53,416 (Rs. 3,13,265) to which was added the balance carried forward from the previous year of Rs. 1,85,717 (Rs. 2,54,951) making a total of Rs. 2,39,133 (Rs. 5,48,217). From this the directors paid a dividend of 5 (25) per cent. free of Indian income-tax, amounting to Rs. 52,500 (Rs. 3,62,500), and carried forward the balance of Rs. 1,86,633 (Rs. 1,85,717).

With the reduced profit it was not considered necessary to make any specific provision for taxation, but the excess profits tax deposit fund which was no longer needed, was re-transferred to the reserve for taxation.

In spite of strenuous efforts to maintain the Company's trading on the high level of recent years, the general market recession caused a rapid and considerable fall in the turnover and profit. In consequence, the directors felt that there was no justification for recommending payment of a higher dividend than 5 (25) per cent. free of tax, for the year.

The crisis in the tea industry has particularly affected the Company for, it was closely concerned with supplying power plant, machinery and maintenance parts to the plantations. In addition to a serious drop in the value and volume of orders received, the Company had numerous requests from tea companies for cancellation of orders previously placed.

With the rapid change from a sellers' to a buyers' market, and the return to what some may consider more normal trading levels, the Company has felt the burden of heavy establishment and other charges built up in past prosperous years. The directors have recognised the urgent necessity of reducing expenditure to keep it within the limits imposed by the lower turnover of the Company, and a good deal has been done in this respect. There has been an inevitable time lag however, and such economies as have been made are not reflected to any great extent in the accounts.

Import restrictions had seriously affected the Company and this was the largest contributory factor to the lower turnover, thus forcing the directors to make important reductions in overhead expenses. Further, it created a problem in supplying replacement parts for the comprehensive range of power plant and machinery sold over the past years. In this connection, the possibility of increasing the Company's facilities for indigenous production is receiving the directors careful attention.

The Company's properties had been maintained in good condition throughout the year. Stocks had been under constant review and values depreciated as considered necessary.

The Company's New Delhi office is housed in a new building embodying good office, workshop and stores facilities. Apart from the resultant improvement in arrangements for handling the large volume of our agricultural and general machinery business in the North, the Company's position in dealing with the various departments of the Central Government will be considerably strengthened.

The Company's contract with the Government of India for servicing the indigenously produced Tata-Marshall road rollers continues to run smoothly. Up-to-date almost 900 of these steam road rollers have been delivered, and are working satisfactorily on the roads throughout the length and breadth of India.

The Marshall group in the United Kingdom, which embraces John Fowler & Co. (Leeds) Ltd., have now developed and brought on to the market a series of heavy diesel crawler tractors, being the first British manufacturers to produce a complete range. It is confidently anticipated that the Company will benefit from this most welcome enterprise.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,50,000	Block ...	4,19,378
Reserves ...	20,40,000	Work-in-progress ...	1,21,844
Provision for taxation ...	15,88,216	Stocks ...	92,79,437
Liabilities ...	98,35,053	Stores and loose tools	40,630
Profit and loss account ...	2,39,133	Debts, deposits and advances ...	44,26,662
		Investments ...	5,590
		Cash ...	4,58,862
Rs.	1,47,52,402	Rs.	1,47,52,402

Bengal Flour Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st December, 1952.

The profit for the half-year, after providing for taxation and depreciation, was Rs. 68,992 (Rs. 63,060), to which was added items relating to previous years Rs. 24,577 (*nil*) and refund of E.P.T. Rs. 9,433 (*nil*), making a total of Rs. 1,03,001 (Rs. 63,060). From this sum was deducted the debit balance brought forward Rs. 16,619 (credit of balance of Rs. 61,025), leaving a total sum of Rs. 86,382 (Rs. 1,24,086), the directors disposed of this amount in payment of a dividend on 1,20,000 shares at 12½ (12½) per cent. per annum Rs. 75,000 (Rs. 75,000) and carried forward Rs. 11,382 (Rs. 49,086).

During the first part of the half-year the Mills continued to work for the West Bengal Government, and the prices and distribution of wheat and *atta* remained under Government Control throughout. From mid-October the manufacture and sale of Flour and associated products were partially decontrolled, and this enabled the Company to gain some return for the work and money put into improving the Mills in recent years, the return of the Mills' branded products to the market meeting with a keen demand.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Block ...	3,87,208
Reserves ...	4,20,000	Stock ...	2,12,691
Provision for taxation ...	2,67,700	Goods-in-transit ...	11,750
Liabilities ...	15,63,946	Stores and spare parts	1,98,595
Profit and loss account ...	11,383	Debts, deposits and advances ...	19,97,341
		Investments	34,649
		Cash ...	6,20,795
Rs.	34,63,029	Rs.	34,63,029

N.B.—Figures within brackets relate to the corresponding period of the previous year.

COMPANY MEETINGS AND DIVIDENDS

CAREW & CO., LTD. Annual General Meeting, Calcutta, 11th May, 1953. Dividend: *Nil*. Transfer books closed from 2nd to 11th May, 1953, both days inclusive.

HOOGHLY FLOUR MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 12th May, 1953. Dividend: Re. 1 per share. Transfer books closed from 5th to 12th May, 1953, both days inclusive.

POONA ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Bombay, 12th May, 1953. Dividend: Rs. 4 per share (final). Transfer books closed from 27th April to 12th May, 1953, both days inclusive.

KIL KOTAGIRI TEA AND COFFEE ESTATES CO., LTD. Annual General Meeting, Kozhikode, 16th May, 1953. Dividend: As. 9-3/5 per share. Transfer books closed from 6th to 18th May, 1953, both days inclusive.

GANESH FLOUR MILLS CO., LTD. Annual General Meeting, Subzimandi, Delhi. 17th May, 1953. Transfer books closed from 3rd to 17th May, 1953, both days inclusive.

ALCOCK ASHDOWN & CO., LTD. Annual General Meeting, Bombay, 21st May, 1953. Dividend: Rs. 17-8 per share, payable on 10th June, 1953. Transfer books closed from 4th to 19th May, 1953, both days inclusive.

GODFREY PHILLIPS, INDIA LTD. Annual General Meeting, Bombay, 27th May, 1953. Dividend: Rs. 3-8 per share. Transfer books closed from 7th to 27th May, 1953, both days inclusive.

SOCIETE GENERALE INDUSTRIELLE DE CHANDERNAGOR (SOCIETE ANONYME). Annual General Meeting, Calcutta, 29th May, 1953. Dividend: Rs. 30 per share. Transfer books close from 15th to 29th May, 1953, both days inclusive.

INDIA SUGARS AND REFINERIES LTD. Annual General Meeting, Hospet, Madras, 1st June, 1953. Dividend: Rs. 2-8 per share, free of tax. Transfer books close from 18th May to 1st June, 1953, both days inclusive.

SHREE NIWAS COTTON MILLS LTD. Annual General Meeting, Bombay, 1st June, 1953. Dividend: Rs. 12-8 per share, payable on 25th May, 1953. Transfer books closed from 1st to 21st May, 1953, both days inclusive.

MAFATLAL FINE SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 2nd June, 1953. Transfer books close from 15th to 5th June, 1953, both days inclusive.

ROHIT MILLS LTD. Annual General Meeting, Ahmedabad, 20th June, 1953. Dividend: Rs. 9 per share. Transfer books close from 14th to 28th June, 1953, both days inclusive.

COCHIN STATE POWER AND LIGHT CORPORATION LTD. Interim dividend of As. 6 per share, for the year ending 31st March, 1953.

PERIA KARAMALAI TEA AND PRODUCE CO., LTD. Interim dividend of Re. 1-2 per share, for season 1952-53. Transfer books close from 10th to 18th May, 1953, both days inclusive.

COMPANY REGISTRATIONS

OM SHIPPING CO., LTD. (First Director: Mr. B. M. Ghose.) Business: Shippers and Owners of Steamers, etc. Authorised capital: Rs. 50,00,000. Public company. Address: P-29, Mission Row Extension, Calcutta.

SUN ROLLING MILLS LTD. Business: Iron Founders, etc. Authorised capital: Rs. 10,00,000. Private company. Address: 8, Cornwallis Street, Calcutta.

MASTERTONS LTD. (First Director: Mr. B. D. Ganguli.) Business: Agency, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 3, Clive Row, Calcutta.

VITAGEM LTD. (First Director: Mr. T. P. Bose.) Business: To Grow, Produce Food, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 25, Baranashi Ghose Street, Calcutta.

SAURASHTRA AGENCIES LTD. Business: General Merchants, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 33-B, Ezra Street, Calcutta.

PAN ASIAN TRADERS LTD. (First Director: Mr. A. Omar.) Business: General Merchants, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 12, Zakaria Street, Calcutta.

RIKHRAJ FILMS LTD. (First Director: Mr. Harnam Singh.) Business: Producers of Cinema Films, etc. Authorised capital: Rs. 5,00,000. Public company. Address: 50, Chowringhee Lane, Calcutta.

HINDUSTHAN MINERAL CORPORATION (EXPORTS) LTD. (First Director: Mr. B. K. Khaitan.) Authorised capital: Rs. 5,00,000. Private company. Address: 2, Dalhousie Square East, Calcutta 1.

REPUBLIC AGENCIES (INDIA), LTD. (First Director: Mr. R. P. Jhunjhunwala.) Business: Importers and Exporters of Industrial Products, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 28, 3rd Floor, 9, Royal Exchange Place, Calcutta.

MAHISHADAL FARMING AND DAIRY LTD. (First Director: Mr. D. P. Garga.) Business: To Purchase or Take on Lease any Land, Farm, Building, etc. Authorised capital: Rs. 5,00,000. Public company. Address: P.O. Mahishadal, Midnapore.

QUESTION HOUR IN PARLIAMENT

Loans to Kashmir and Nepal

THE total amount of Central Government loans outstanding against Kashmir on 31st March, 1953, was approximately Rs. 14.66 crores. A loan of about Rs. 1 crore was outstanding against Afghanistan on that date. A loan to Nepal has been agreed to in principle and a provision of about Rs. 50 lakhs is made in the final estimates of 1952-53, but the details are still being worked out.

—Finance Minister

Savings on Salary Bill

The Government of India expects to effect an annual saving of Rs. 75 lakhs in the salary bill of its employees. The Government is contemplating reduction or abolition of the dearness allowance to all employees drawing more than Rs. 750 per month. If the allowance is withdrawn, the saving will be Rs. 75 lakhs annually.

* * * *

Security Smuggling

A few cases of suspected smuggling of Pakistani securities and shares have come to the notice of the Government and the Reserve Bank of India is investigating them. No estimate is available of the value of Pakistani securities and shares held by Indian citizens.

* * * *

Insured Properties

The Centre has advised the State Governments that when they insure their properties the insurance should be placed with the recently formed Indian Insurance Companies Association Pool. The States have been advised that this will give much needed encouragement and support to Indian insurers.

* * * *

Loans for Building State Capitals

No loan has been given to the Punjab Government by the Centre for the construction of the new capital at Chandigarh. The Punjab(I) Government was, however, given a loan of Rs. 3 crores to find employment for refugees at the site of the capital. The Orissa Government has been given a grant of Rs. 171.26 lakhs for the construction of the new capital at Bhubaneshwar.

* * * *

Technical Aid by India

Since 1950, offers of technical assistance valued at Rs. 13,14,508 have been made by India to foreign countries. Four Indian experts have been sent out. During the same period, 100 foreign students have been undergoing training in India under the Colombo Plan and another 172 under other schemes, of which 161 have been under the General Cultural Scheme, two under the French Scholarships Scheme and nine under the Indo-German Industrial Co-operation Scheme.

* * * *

Official Price of Gold

There is no world price of gold as such. The conception of a fixed world price of gold is, in fact, based on the obligation of the members under the Articles of Agreement of the International Monetary Fund, that the monetary authorities buy and sell gold at prices corresponding to the par values of their respective currencies. These par values are fixed in terms of gold and, consequently in each country, there is an official price of gold in terms of its currency. This price is relevant only in official transactions of the monetary authorities. The prices prevailing in the Indian market on private transactions in gold are not controlled and not based on this official price.

—Deputy Finance Minister

Project Investments

As against an anticipated investment of Rs. 11.87 crores in 1951-52, Rs. 8.99 crores were invested by the Centre on all Central industrial projects. During 1952-53, the revised estimate of investment was Rs. 8.01 crores, against a budget provision of Rs. 13.06 crores. Of the 15 industrial projects of the Centre, the Rare Earths Factory and the new mint at Alipore had gone into production in 1952-53.

* * * *

D.V.C. Revenue Receipts

The revenue receipts of the Damodar Valley Corporation up to the end of 1952 were Rs. 36,00,309 by sale of power and Rs. 10,19,508 by miscellaneous receipts. The estimated revenue receipts in 1953-54 are Rs. 61,59,000 by sale of power, Rs. 1,66,500 by irrigation and Rs. 4,22,000 by miscellaneous receipts. Up to the end of 1952, Rs. 46,19,817 were taken into account as revenue receipts.

—Minister for Planning, Irrigation and Power

Tilaiya Dam

All work in connection with the Tilaiya Dam and Bokaro power station will be completed by July, 1953. There is no truth in the report that the Bokaro power station has been closed after its inauguration by Mr. Nehru and that the foundation of Tilaiya Dam is sinking.

* * * *

Expenditure on Community Projects

The total expenditure incurred on Community Projects upto the end of last year, was Rs. 15 lakhs. There were some complaints of delay in sanction of fund in the initial stages, but this defect has been removed, and the progress has been satisfactory. Power has been delegated to Development Commissioners in most of the States with a view to giving speedy sanction to schemes. The other States, which have not delegated powers, have been asked to take early action in this regard. The Planning Commission has a plan of "evaluation" and the members concerned with it will go round and find out the progress made by the Centres.

—Deputy Minister for Irrigation and Power

Steel Imports

The Government of India has entered into an agreement with the U.S. Government for the import of 110,000 tons of steel for agricultural purposes under the Technical Co-operation Programme. The sale proceeds of this steel will be utilised for the prosecution of further projects for economic development of India mutually agreeable to the two Governments as provided for in the project agreement. It has been agreed that the bulk of this steel will be sold to farmers and village artisans for the manufacture of implements, cart tyres and the like. The rest will be available to manufacturers of farm machinery.

—Minister for Food and Agriculture

U.P. Rice Price

The Madras Government has represented to the Centre regarding the prohibitive price of U.P. rice. The price of the superfine variety only of U.P. rice is a little higher than the price of imported rice. The price is Rs. 32 per maund, while in Madras the price of similar rice ranges between Rs. 18 and Rs. 20. Consumers in U.P. themselves are paying a high price for this quality of rice. Procurement of paddy through State agency has been stopped in U.P. at the instance of the Central Government. The reasons include comparatively high price of its rice and the reluctance of recipient States to pay this high price. Further, the interest of rice deficit areas in the State is taken into account. Nevertheless, already 35,000 tons of rice have been exported from the State whose surplus is expected to be 40,000 tons.

—Deputy Minister for Food

Nepal-Indian Rupee Rate

There has been a steep rise in the Nepal-Indian rupee rate. The rate which was around Rs. 130-132 (Nepalese) to Rs. 100 (Indian) during 1952 rose to as much as Rs. 157(N) to Rs. 100(I) in 1953. Towards the beginning of March the Nepalese exchange rate stood at Rs. 148. The rise in the exchange rate is understood to be due to the increased demand for Indian rupees for payments for cloth and other goods purchased by Nepalese traders in India, as also for other payments such as fares and freights for air transport between India and Nepal. The currency problem of Nepal is being studied by an officer of the Reserve Bank who has been deputed to advise the Nepal Government. He has been sent at the request of the Nepal Government.

—Parliamentary Secretary to Finance Minister

Electric Equipment

The proposal for the establishment of a factory for the manufacture of electrical equipment in India is under consideration. Project reports were prepared by three firms, one British and two American, in 1949 and no decision was taken to implement any of the reports because of financial stringency. It is likely that a certain number of technical experts will have to be obtained from abroad in the initial stages.

—Minister for Production

Aerodromes in India

As many as 186 aerodromes in India belong to the Central Government, 105 to the State Governments, and 14 to private agencies or individuals. The sources of income at Central Government aerodromes are: (1) landing and housing charges from the air transport companies; (2) rents of lands and buildings leased out and rented to various parties; (3) electricity and water charges, and (4) revenues accruing from caterers, sale of grass-cutting rights, advertisement charges, etc. The income derived from those sources is credited to General Revenues. The expenditure on the maintenance etc. of aerodromes is met from the budget grant that is voted by Parliament from year to year. No foreign air-lines have been registered in India. The revenue realised during 1952-53 from the foreign companies in respect of their use of the Central Government aerodromes was Rs. 14,53,104 and that from the domestic companies Rs. 42,45,296.

—Deputy Minister for Communications

Medical Care in Plantations

The recommendations of Dr. Lloyd Jones regarding standards of medical care for tea plantations have been accepted *in toto* by the Industrial Committee on Plantations. Many of the progressive employers have already begun implementing the recommendations. The progress has, however, been slowed down following the crisis in the industry.

—Deputy Minister for Labour

Community Projects

Roughly speaking 25 per cent. of the Community Centres are doing extraordinarily well, that is to say, they have done beyond expectations. As much as 30 per cent. are doing well and 30 per cent. to 35 per cent. are doing fairly well and 10 per cent. badly. It does not mean that no work is being done in those centres, but it means that not much progress has been made.

—Prime Minister

MONEY RATES HARDEN

(From Our Own Correspondent)

BOMBAY, 6th *May*

After two weeks of comfortable conditions, the short-term money market once again turned somewhat stringent. There was a revival of trade demand for funds early in the week, which grew up as the week rolled on, and absorbed the lonable funds. Thus with more borrowers than lenders, *the market was found on occasions to be short of* supplies, and in order to meet the unsatiated demand, some of the banks had to go to the Reserve Bank for accommodation. In the circumstances, money rates could not but turn in favour of lenders. The inter-bank call money among the Exchange banks and big Indian banks, which stood at 2½ per cent. throughout last week, hardened to 2¾ per cent. this week. The rate among the smaller Indian banks was, however, unchanged at 3 per cent.

It is stated that the Exchange banks and big Indian banks are, as a result of some understanding among them, unwilling to pay more than 2¾ per cent. Further, any rate above 2¾ per cent. is unremunerative to banks and is as costly as borrowing from the Reserve Bank at 3½ per cent.

In the term money section also, the rates steadied up. Banks which were unwilling to pay 2¾ per cent. for one to three months' deposits offered 2¾ per cent. Six months' deposits which fetched anything from 2 to 2½ per cent. remained steady at 2½ per cent.

The response to the weekly tenders for Rs. 1 crore of three months' Government of India Treasury Bills was slightly better this week than in the previous week, the amount offered being Rs. 163.25 lakhs, as against Rs. 100.50 lakhs. The average rate of accepted tenders was unchanged at Rs. 2.7 per cent. per annum.

A rise of Rs. 4.81 crores in notes in circulation is disclosed by the weekly statement of the Reserve Bank for the week ended 1st May, 1953. Notes held in the Banking Department, on the other hand, have fallen by Rs. 4.91 crores and the consequent contraction of about Rs. 10 lakhs in total notes issued is covered, on the assets side, by a corresponding fall in rupee coin. In the Banking Department, a decline of Rs. 2.02 crores is noted in deposits of the Central Government and a rise of Rs. 4.15 crores in those of other Governments. Deposits of banks and others are lower by Rs. 80.49 lakhs and Rs. 51.58 lakhs, respectively. On the assets side, cash has shrunk by Rs. 4.99 crores, but there has been an expansion in balances held abroad to the extent of Rs. 3.37 crores. Loans and advances to Governments disclose minor decline, but other loans and advances have gone up by Rs. 6.11 crores, mainly due to the increase in advances to banks against usance bills. There has been a rise of Rs. 6.45 crores in the total amount advanced against usance bills up to the end of the week under review. The amount outstanding against such bills at the end of the week shows a rise of Rs. 5.45 crores, which indicates that there has been repayment of Rs. 1 crore by banks.

Minor variations in Scheduled Banks' deposits is noted in their consolidated statement for the week ended 24th April, 1953. Demand deposits are unchanged, but time deposits are better by only Rs. 33.68 lakhs. Inter-bank borrowings are lower by Rs. 1.75 crores and borrowings from the Reserve Bank by Rs. 85 lakhs. Borrowings from the Imperial Bank are, however, higher by Rs. 40 lakhs. Advances have declined by Rs. 2.16 crores, but inland bills purchased and discounted have gone up by Rs. 69.32 lakhs. Investments have declined by Rs. 65.86 lakhs, as also cash-on-hand and balances with the Reserve Bank by Rs. 2.37 crores. Balances with other banks in current account are lower by Rs. 53.83 lakhs, but money at call and short notice are higher by Rs. 83.93 lakhs.

The upward trend in the Gilt-edged market during the previous three weeks was not maintained this week. In fact, the trend was easy, the long and undated issues disclosing moderate losses over the week. 3 per cent. 1953-55 was unchanged at Rs. 100-1, as also 3 per cent. 1957 at Rs. 98-12. 3 per cent. 1958 was placed an anna lower at Rs. 98-9. 3 per cent. 1959-61, 3 per cent. 1963-65, 3 per cent. 1964 and 3 per cent. 1966-68 were all unchanged at Rs. 96-9, Rs. 92-14, Rs. 92-14 and Rs. 90-9, respectively. 3 per cent. 1970-75 fell by As. 2 to Rs. 86-10 and 3 per cent. 1986 Conversion Loan by As. 9 to Rs. 82-3.

After remaining unchanged for several weeks, the rupee-U.S. dollar exchange rates, experienced minor variations this week, as the table appended below would show. In New York, the sterling-dollar rate was a little erratic. Thus, the spot rate which was quoted at $2.81-11/16—2.81-13/16 on 28th April moved between that level and $2.81¾—2.81⅞ and closed yesterday at the higher rate. The forward rate for three months stood 1/16 cent lower at $2.81—2.81⅛, after having been done at $2.80-13/16—2.80-15/16. The rate for six months, after going down from $2.80½—2.80⅝ to $2.80-5/16—2.80-7/16, closed at $2.80-7/16—2.80-9/16.

SELLING	7-4-53	4-5-53
	Rs.	Rs.
T.T./D.D. (other than B.C.'s) for amounts $2,000 and over:		
Ready and within 5 days	475½	475
Delivery within 3rd month	477	477
,, ,, 6th ,, ...	478½	479
T.T./D.D., B.C.'s and amounts under $2,000:		
Ready and within 5 days	476½	475½
Delivery within 3rd month	477½	477½
,, ,, 6th ,, ...	479	479½
BUYING		
T.T. Clean:		
Ready and within 1st month ..	471½	471½
Delivery within 3rd month		
,, ,, 6th ,, ...	471½	472
T.T. Documentary:		
Ready and within 1st month ..	471	741
Delivery within 3rd month		
,, ,, 6th ,, ...	471	471½

SILVER ACTIVE

(From Our Own Correspondent)

BOMBAY, 6th *May*

Trading on the Bullion Exchange during the week under review was characterised by hectic activity in silver. After experiencing wide fluctuations, prices, on balance, showed marked gains. In the previous three weeks, though the undertone had been bullish, the movements were less erratic, but this week prices moved over a wide range, and showed a distinctly two-sided movement. In the earlier part of the week, it was easy on bull liquidation and bear selling. The sharp decline in price as a consequence necessitated the enforcement of interim clearing on Saturday. From Monday onwards, there was a reversal of the trend, and on strong bull support encouraged by reports of good offtake, prices began to soar. As Monday's closing price was more than Rs. 5 above the previous clearing rate on Saturday, another interim clearing was enforced. But the enforcement of the second clearing did not have any effect on the trend which continued to be bullish upto the time of writing.

Gold, on the other hand, was relatively steady with movements confined to a narrow range.

Silver for forward delivery (1st May settlement) opened the week at Rs. 161-14 and declined to Rs. 159-1 on Friday before the settlement ran out at Rs. 158-12 on that day. The business for the next settlement (30th May) was done at Rs. 161-15 at the opening of the week, but on active selling by both bulls and bears, the rate tumbled down to Rs. 156-3 on Saturday. As this rate was more than Rs. 5 below the delivery rate of Rs. 162 fixed for this settlement, interim clearing was ordered. But on Monday this week, there was a sudden spurt on bull support and bear covering to Rs. 161. As this rate was Rs. 5 above the previous clearing rate of Rs. 156, a second interim clearing was ordered on Monday and the clearing rate was fixed at Rs. 161 for silver and Rs. 86-4 for gold. Despite the enforcement of clearing, prices continued to move up to touch Rs. 165-3 to-day, before closing at Rs. 164-1.

Ready silver reacted from Rs. 162-3 to Rs. 156-2 before regaining to Rs. 164-5 at the close. The floating stocks of silver are placed at 1,000 bars. The daily average offtake was 70 bars.

Gold for forward delivery (30th April settlement) was done on the opening at Rs. 86-7 and the settlement ran out on that day at the same rate. The rate for the 29th May settlement receded from Rs. 86-8 to Rs. 85-8 early in the week due to lower offtake and the weakness of silver. But with an improvement in offtake later on in the week, the rate slowly edged forward to Rs. 87-5 to-day before closing at Rs. 86-10.

Ready gold, after moving down from Rs. 86-13 to Rs. 85-14, gained ground to Rs. 87-2 at the close. The floating stocks of gold are estimated at 35,000 tolas. The daily average arrivals were 7,000 tolas, while the offtake was 6,000 tolas on an average.

The following comparative table shows the trend of the market during the week under review:

	6-5-53	Highest	Lowest	29-4-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	87 2	87 13	85 14	86 15
Forward	86 10	87 5	85 8	86 11
Sovereign	58 0	58 0	57 8	58 8
SILVER				
Ready (.998 fine Mint)	164 5	165 7	156 2	162 5
Forward	164 1	165 3	156 2	162 7
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½*c.*	—	—	85½*c.*

BLACK PEPPER STRONG

(Messrs. Parekh & Co.)

BOMBAY, 6th *May*

During the earlier part of the week, pepper market remained fairly steady, as, in spite of the poor turnover, there was no selling pressure from the growers who were holding off in anticipation of higher prices. At Alleppey, the arrivals, as well as the sales, were on a very restricted scale. Growers in all the terminal markets appeared to be resisting anything below Rs. 3,000 per candy of 6 cwts. Calicut ruled firm and was quoting always higher in comparison with Alleppey. In the later part, however, in view of the development of buying interest by New York dealers, the the market at Alleppey and Calicut firmed up and exporters had to pay as high as Rs. 3,300 at Alleppey and Rs. 3,500 at Calicut. The deterioration in the Indo-China situation and the repeated adjournment in Korean talks also contributed not to a small degree to the present improvement in the sentiment of pepper here, as well as at New York where $1.42 to $1.43 were paid for May and June shipments, which positions were neglected a few days back and for which there were resellers at as low as $1.29. Saravak and Indonesia being nearer to the new theatre of war (Indo-China) became reserved sellers. Exporters there are reluctant to sell in New York July-September which are quoted at a very big discount from the spot. The present attitude of the Indian growers is in favour of reserved selling, as such policy adopted by them for the last couple of years had paid good dividend and forced America and Europe to buy at sellers' price. The growers think that they have no competitors for the coming 3 to 4 months, because neither Saravak nor Indonesia can sell freely before August.

Locally, in A.S.T.A. section, business in May and June shipments were done at price ranging from $1.35 to $1.44 per lb. c. & f. New York.

The following are to-day's nominal quotations:—Ready delivery Rs. 380 per Bengal maund. May delivery Rs. 2,715-45 and June Rs. 2,735-65 per candy of 5¼ cwts.

FORWARD COTTON FIRM

(From Our Own Correspondent)

BOMBAY, 6th *May*

The only thing preventing greater turnover in the spot markets is the lack of fresh quotas with mills for purchase of Indian cotton. The desire and the need for such purchases are there, and now that the authorities have a full grasp of the supply position in various regions, fresh quotas are likely to be issued without much delay. But, in spite of somewhat reduced buying activity by the mills during the week under review, spot prices and premia for selected varieties have not been adversely affected, because stocks are believed to be in good hands and future demand for this is assured. Merchants, being confident of realising good profits in the months to come, are in no hurry to dispose of their holdings.

For want of quotas for Indian cotton and because of continued demand for superior quality of cloth, mills have turned their attention to imported cottons. Amongst these, those in demand at present are East Africans and Sudans, with very poor demand for U.S.A. styles. Alexandria too has figured, once again, on a small scale in supplying mills' requirements, but the demand is concentrated mainly on Sudans. Things are naturally quiet on the export front and Bengal Deshi is going abegging for want of enquiry from abroad. Even here a few mills appeared to be interested in small lots for internal consumption. But this has not helped to lift prices.

Now that the current season is practically over, so far as fresh arrivals in upcountry markets are concerned, the trade interest has shifted from the current crop to the next crop. About this there is a general feeling that the acreage will be higher this year and production also is expected to register a good increase. Officials engaged on cotton research and cotton production in the Bombay State are optimistic about cotton production in this State during the next two years. They hope that, by 1955, production in Bombay will rise to about 1.1 million bales. Madhya Pradesh, Hyderabad and Mysore too are making efforts to increase production and all these efforts are bound to bear fruit provided the monsoons are favourable.

In the futures market, after a lull in sympathy with some of the commodity markets during the week-end, prices are again tending to rise. Tenders against May delivery are meagre, almost negligible, and this alone is bound to have a very bullish psychological effect on the market. Apart from this, the statistical position, as already pointed out in previous issues, is in favour of longs. A goodly amount of bear covering, however, has taken place recently and, when most of the sales are covered, the market will have little incentive. Operators believe that, while a steep fall may be ruled out in the present circumstances, the forward market is likely to meet with stiff resistance round about Rs. 740-750. With only August delivery to operate in, the daily turnover at Kalbadevi is bound to go down in the coming weeks.

Cotton futures commenced the week on a firm note. They developed a saggish tendency on Friday, due to profit-taking and long liquidation based on weak advices from upcountry centres. Values, as a result, drifted downwards, which persisted on the following day also. Yesterday, however, the market put on a cheerful note, the bullish fervour being fanned by factors like firm advices from the bullion market and good demand in the spot section. Not only were the previous losses completely erased, but the closing quotations today were higher than those at the end of last week. I.C.C. May contract opened the week at 724-8, as against Rs. 725-4, and, after receding to Rs. 721 on Saturday, gradually improved to Rs. 736-12, the net gain over the week being Rs. 11-8. I.C.C. August contract, after opening at Rs. 733, declined to Rs. 729 before closing higher at Rs. 743. The following is the trend of prices during the week:

	Opening	*High*	*Low*	*Closing*
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
I.C.C. May ..	724 8	738 0	724 0	736 12
I.C.C. Aug. ...	733 0	744 0	733 0	743 0

The spot markets continued to be active during the week under review. Special buying support was lent by mills to foreign styles cotton, particularly Egyptian and African varieties. Indian cottons also elicited buying support and registered handsome improvement in prices. Thus, over the week, Berar Jarillas advanced by Rs. 25 to Rs. 775. Vijay and Khandesh spurted, each by Rs. 20, to Rs. 920 and Rs. 860, respectively. Moglai rose from Rs. 710 to Rs. 725. Oomra Deshi increased by Rs. 10 to Rs. 725. Bengal Deshi remained fully steady at Rs. 550.

At Karachi, conditions in the cotton market continue to be dull. The overall economic picture in Pakistan is still very vague and hazy and market men are bidding their time to watch developments. In the meantime, there has been a small recession in the prices of all varieties during the week under review, for want of fresh enquiries. The U.K. appears to be the only consistent buyer on a small scale in this market, though there are spasmodic enquiries from Germany and Italy which tend to keep up rates. Even barter activities are not being heard of much either in official or market circles. The latest available quotations from the Karachi cotton market are: Punjab Deshi Rs. 66; 4F Punjab R.G. Rs. 59-8; S.G. Rs. 63-8; L.S.S. Punjab R.G. Rs. 61; S.G. Rs. 66; N.T. R.G. Rs. 62-8 to Rs. 63-8; S.G. Rs. 67 to Rs. 68; 289F. Punjab R.G. Rs. 68 to Rs. 69; and S.G. Rs. 73 to Rs. 74.

Unlike Karachi, the Alexandria spot market is humming with activity. India has once again entered the market. Enquiries from the U.K. are being well maintained. As sales to sterling areas are favoured by the authorities, shippers are in a position to offer substantial discounts on Alexandria prices to buyers from these areas. Acreage for the next year is also expected to be lower by about a quarter of a million acres. Giza 30 is not only in short supply in the present season, but is likely to

be so even in the coming season, in view of the fact that the seed for this variety is not easily available. Apart from outright sales for shipments abroad, barter activity is also in evidence. All this goes to maintain the volume of activity in the Alexandria market.

Sudan is coming more prominently in the picture, so much so that the stocks there are believed to be well-nigh exhausted. The Gezira Board has ceased to offer any cotton now. It has also effected some change in the procedure for price fixation for "on call" purchases, though this will not affect the purchases already made. India and the U.K. are, of course, the main buyers in this market and this interest is likely to continue till all available cotton is sold.

At New York, the bullish tendency in the near deliveries indicated last week has strengthened considerably and prices for July delivery once again crossed the 34-cent limit last Monday. Though there was a reaction from this height, the undercurrent appears to be strong and this has also affected, at any rate for the time being, even the new crop deliveries which have scored a modest rise. The market is naturally affected by other commodity markets which are ruling firm because of the development in Indo-China. The lull in Korea has been neutralised by this fresh development and the price trend is likely to continue bullish, unless there is some sudden change in the situation in South-East Asia. The following are the latest available quotations from New York, as compared with those of a week and a fortnight before:

(In cents per lb.)

	5-5-53	28-4-53	21-4-53
Spot	34.45	34.30	33.55
May	34.07	33.95	32.96
July	33.96	33.71	33.17
October ...	33.62	33.45	33.37
December ...	33.52	33.46	33.43

ART SILK YARN LISTLESS AGAIN

(From Our Own Correspondent)

BOMBAY, 6th *May*

The art silk yarn market passed through another listless week. Slightly bearish undertone was in evidence during the first two sessions of the week, on reports of renewed arrivals of imported yarn, and prices were at a low ebb *vis-a-vis* those prevailing at the close of last week. Even the reports of good offtake of rayon cloth markets had no effect. But on Saturday, the sentiment of the market changed for the better, due to expectation of the continuance of the present restricted import policy, and values of art silk yarn recorded handsome improvement. The improvement persisted till to-day. At the close, however, profit-taking set in which took the prices again to a lower rung. Nevertheless, the closing quotation stood slightly higher than those on 29th April, 1953. The volume of business, however, remained restricted.

In the forward section, 150D May delivery contract receded from Rs. 818 to Rs. 800 on Friday and, after rising to Rs. 824 to-day, reacted to finish at Rs. 815. April contract remained depressed at Rs. 802 on the closing day, as against Rs. 810 last week. Business in this contract commenced at Rs. 802 on 2nd March, 1953, the highest and the lowest levels touched being Rs. 860 (on 18th March) and Rs. 778 (on 7th April), respectively. Trading in June contract commenced at Rs. 813 on Saturday. It improved to Rs. 830 to-day before closing at Rs. 821. The ready section remained quiet to steady throughout the week, with minor variations in prices.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 29th and 22nd April, 1953:

	6-5-53	29-4-53	22-4-53
Art Silk Yarn—	Rs. a.	Rs. a.	Rs. a.
150D April (per case of 200 lbs.)	—	810 0	816 0
150D May ,,	815 0	818 0	824 0
150D June ,,	821 0	—	—
120 Japan (per lb.)	4 7½	4 8	4 7½
150 Japan ,,	4 4	4 4	4 4½
120 Italy ,,	4 3½	4 3	4 2½
150 Italy ,,	4 0½	4 0½	4 1½

Arrivals of imported yarn, as already stated, have been quite large. The total quantity actually imported during the month of April amounted to more than 35 lakh lbs., which compares with about 21 lakh lbs. in the corresponding month of 1952. Despite such large imports, traders do not appear to be satisfied with the quota allotted by the Government for the current half-year. For it is reported that scarcity is felt in certain types of deniers and quotations of art silk yarn, the prices of which are still very high. The Silk and Art Silk Mills' Association (Bombay), for instance, has urged the Government of India, in a representation made to the latter, to grant a licence for import of at least Rs. 3 crores worth of art silk yarn during the January-June, 1953 period, the present licence for Rs. 1.75 crores being treated as an interim one. In support of this plea, the Association refers to the recent improvement in the rayon cloth markets which has enabled some of the mills to restart working and some others to commence second shift.

The staple fibre yarn section remained quiet this week, with limited offtake even for 2/40s count. The tendency of this section remains uncertain. There is very little to report in the staple fibre section. Transactions have been few and far between, but prices have remained steady.

GROUNDNUTS MOVE UP

(From Our Own Correspondent)

BOMBAY, 6th *May*

The oilseeds market was virtually in the grip of speculators during the week under review. Prices oscillated within a narrow range on account of frequent tussles between bulls and bears, till the last two days when bulls appeared to have gained the upper hand. The groundnut section, which ruled quietly steady early in the week, firmed up subsequently and pierced last week's highs. The castorseeds section, after experiencing considerable fluctuations steadied up in the last two sessions of the week. The linseed section more or less put on a similar trend. On balance, the prices in all sections were sizably higher than those at the end of last week.

The tight situation in the groundnuts section is being felt more and more nowadays. At the present high level, it is difficult for *vanaspati* interests or crushers to make purchases, except for essential purposes. Groundnuts Bold which opened at Rs. 45-12, as against Rs. 46, improved gradually to close at Rs. 47-12. June-July delivery was done at Rs. 47-2 as against Rs. 46 and August-September delivery at Rs. 47-8 as against Rs. 46-8. Khandesh quality gained Re. 1-10 to Rs. 48-4. Groundnut oil ex-mill ready hardened by As. 8 to Rs. 24-8. Railway receipts exchanged hands at Rs. 24-4, as compared with Rs. 23-12 quoted at the end of last week. June delivery was higher by As. 8 at Rs. 24-7. July delivery, which opened at Rs. 24-3 on the 4th inst. was done to-day at Rs. 24-9.

At one time, in the castorseeds section, oils and seeds depicted contradictory trends. While the seeds were hardening, oils turned easy. This was because of scarcity of seeds, as against considerable supplies of oils. The tight supply situation in seeds, in fact, explains the lack of issuance of tenders against May delivery. May delivery which opened at Rs. 155-8, as against Rs. 156-4 fluctuated between Rs. 152-8 and Rs. 159-8 and closed the week at the latter level. September delivery improved from Rs. 158-4 to Rs. 159-12. Madras quality gathered As. 2 to Rs. 31-12. Oil B.S.S. lost As. 10 to Rs. 18-8, while Commercials were steady at Rs. 17-8. Overseas advices were discouraging. U.S. quoted commercials at 17.25 cents. But this was out of parity with Indian quotations which worked out to 18.40 cents. On the Continent, B.S.S. was done at £150, as against £163 a week ago, and Commercials £140, as against £153. If these discouraging advices were to persist, it is difficult to forecast whether the castorseeds section would be sustained at the current levels.

Despite demand from *vanaspati* interests, the trend in the linseed section was not bright almost upto the 4th inst. This was because of speculative selling. Subsequently, it staged a spurt in sympathy with the hectic rise in groundnuts. Bold ready improved As. 7 to Rs. 32-7. June-July gained As. 8 to Rs. 33. August-Septembers were unchanged at Rs. 33-4. Linseed oil eased by As. 6 to Rs. 16.

The following table shows the prices of oilseeds and oil on the 6th inst., as compared with those at the end of the previous two weeks.

	6-5-53	29-4-53	22-4-53
Groundnuts—	Rs. a.	Rs. a.	Rs. a.
Bold Ready New (per cwt.) ..	47 12	46 0	45 0
June-July	47 2	46 0	45 4
August-Sept.	47 8	46 8	46 4
Linseed—			
Bold Ready (per cwt.) ..	32 7	32 0	31 0
Castorseeds—			
May (per candy of 5 cwts.) ..	159 8	156 4	160 8
Sept. (per candy of 5 cwts.) ..	159 12	158 4	162 12
Madras (per cwt.)	31 12	31 10	33 4
Groundnut oil—			
Ex-mill Ready (per quarter)	24 8	24 0	24 0
Castor Oil—			
Commercial (per quarter) ..	17 8	17 8	18 2

WOOL TOPS FORGE AHEAD

(Messrs. J. Hardacre & Co.)

BOMBAY, 5th *May*

The trend of wool prices in the Dominion markets this week moves steadily against the buyer and, if Bradford top prices were fully to reflect the increased prices which importing topmakers have to pay for wool in Australia and South Africa, merino top quotations would show much more than the 1d. advance on Monday's rates.

There is a good selection of Bradford style combing wool on offer in Adelaide and, at the closing sale yesterday, prices were about 2½ per cent. dearer than those prevailing on Monday. In South Africa, the increase over the week is about the same amount and it is quite impossible to buy wool in either market at prices which will fit the best obtainable for tops in Bradford. Topmakers are buying wool on increased limits, because they must avail themselves of supplies, whilst they are on offer.

The current series of wool sales at Adelaide closed very firm, the prices being in sellers' favour. Prices at Cape Town have shown a general advance of 2½ to 5 per cent. on previous sales. East London values showed an advance of 2½ per cent. on previous sales.

COMMONEST TEAS KEENLY BID

(Messrs. Forbes, Ewart & Figgis Ltd.)

COCHIN, 2nd *May*

The offerings in Sale No. 9, which was held on Tuesday, 28th April, amounted to approximately 13,70,000 lbs. Quality continued to show a seasonal decline and some of the offerings were far too fibrous and stalky. High grown teas generally lacked flavour.

The sale opened to a much weaker demand. Commonest kinds remained fully firm at last rates and there was some competition for these types. Low medium and medium brokens and fannings were generally As. 2 to As. 3 easier, although there was a fair demand for these teas. High grown Nilgiri brokens and fannings were neglected and prices declined irregularly by As. 8 to As. 12. Whole leaf was weaker and must be quoted As. 2 to As. 3 easier. There was a fair demand for fannings grades at the drop. There were a large number of withdrawals. The following are the quotations:—

	1953
	Rs. a. p.
Low grown Travancore B.O.P. ...	1 11 6
Medium Travancore B.O.P.	1 14 0
Anaimallais B.O.P.	2 1 0
Best liquoring Nilgiri B.O.P. ...	2 9 0
Clean black leaf O.P.	1 15 0

London Market.—Active demand. Last Monday's rates fully maintained.

Colombo Market.—Six million pounds. Strong demand. Gulf types advanced sharply; others irregularly dearer, except liquoring fannings ten cents lower.

Calcutta Market.—Export.—With the exception of whole leaf grades market As. 2 to As. 3 lower for all types.

Dust.—Market opened easier, but prices hardened. Medium teas firm to half anna dearer. Poorest sorts irregular.

Export Quota.—1953-54 quota opened at 12 pies, but has eased slightly now and business has been done at 11 pies. Special licence has changed hands at 1½ pies.

Forthcoming Auctions.—Sale No. 10 will be held on Tuesday, 12th May.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd., wire as follows:—

"*Dust Sale* 1.—1,50,000 lbs. Fair general demand at prices irregularly As. 2 easier. Good demand for clean black well-made dusts."

JUTE PRICES RALLY

(From Our Own Correspondent)

CALCUTTA, 5th *May*

Wide fluctuations in the prices of jute goods were the main feature of trading in the jute market this week. Prices at one time saw the highest level for the last few weeks. After business had satisfied the end-of-the-month considerations, rates sagged; nevertheless, the closing rates yesterday were higher on balance. There were reports that Continental manufacturers were again under-quoting Calcutta rates, but, despite this, the American support, forthcoming to the market in a moderate measure, was a factor which assisted the upward trend. Mills were reserved, on reports of anticipated shortage of the raw material.

Market circles are looking forward for more business, and buyers have noted that production of jute goods might be affected by the smaller crop in India and Pakistan this season. Business in sacking goods has not yet picked up the rate which the market considers satisfactory, and again this week, the rise in prices of heavy goods was more in sympathy with a steady hessian market.

Last Wednesday, ready hessian 40" 10 oz. shot up to Rs. 42-6 from Rs. 40-10 and similar gains were recorded in the forward positions. Speculators commenced buying, as they expected that Argentina, which had only covered half of its annual requirements of hessian recently, would again come to the market for another quantity shortly. On Thursday, the gain at Rs. 42-6 was well maintained, and mills were reserved. As the covering business for shippers was over, Friday saw the rate getting back to Rs. 41-10. These wide fluctuations restrained enquiries from the United States, and speculators' expectation regarding another Argentine order did not materialise. The tendency to erase the gains continued for the week-end, but nevertheless on Saturday the closure for the ready position at Rs. 41-2 was higher on balance. Yesterday the upward movement was again seen, and the rate was higher at Rs. 41-10. Hessian 40" 8 oz. was offered at Rs. 32-12 f.a.s. and at Rs. 39-8 f.o.b.

The sacking goods market was mostly influenced by the trend in hessian. B. twills opened the week at Rs. 93-2, as against an overnight quotation of Rs. 90-4. Covering demand and speculators' anxiety to increase their stocks were also factors for the steady rise. It was on Thursday that B. twills reached the highest level at Rs. 94-4. However, such a high level could not be maintained, due to lack of business, and the week-end saw the price recede to Rs. 91-12 which rate was maintained yesterday also.

Reflecting the changed sentiment in the goods market, prices for raw jute also recorded moderate gains. Thus Assam bottoms were traded at Rs. 23, representing an increase of three points. The prices of other constructions improved by one to two points, the latest quotations being: Dalcola Rs. 23, Dinhatta Rs. 20-8, Kissanganj Rs. 22, Murshidabad District tossa Rs. 20-8, Murliganj Rs. 16-8, Bimli f.a.q. Rs. 17, Mesta bottoms Rs. 17-8, and Salmari-Sonaili tossa Rs. 21. Mills were in the market for a fair quantity. Pakistani jat bottoms remained unchanged at Rs. 23. In the pucca bales section, another 10 points were gained by first marks ready at Rs. 135 a bale.

WHEAT PRICES RECEDE

(From Our Own Correspondent)

HAPUR, 5th *May*

There was interesting discussion on the International Wheat Agreement in the House of the People this week. Replying to the general criticism that the international food situation and stocks held by the exporting countries at present and prospects of food crops did not justify renewal of the agreement at a higher price, the Indian Food Minister declared that so long as the present international price continued and so long as the United States price support policy continued, he did not think India would be a gainer, if she had not entered into the agreement. Mr. Kidwai added that the country did not need much of the imported wheat. It was on account of shortage of rice that they were importing now. If the price of rice came down below the price of wheat, the Government would stop importing wheat. He hoped that, next year, there might be a drop in the price of wheat in India by a rupee per maund.

(Continued on page 879)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (Pre-war)	24th April, 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,159.75	1,165.47	1,133.12	1,145.78
Notes held in Banking Department	5.05	15.90	9.37	17.03	37.19
Foreign Securities	39.50	598.15	598.15	578.15	693.15
Rupee Securities	37.39	449.86	449.86	449.86	464.63
Banking Department					
Deposits of:					
Government of India	14.89	104.14	97.90	135.78	137.96
Other Governments		15.59	16.96	19.55	9.31
Balances held abroad	10.08	118.28	123.95	145.52	99.91
SCHEDULED BANKS					
Demand Liabilities	134.37	539.88	541.59	534.05	561.99
		(11.96)	(13.66)	(11.91)	(9.59)
Time Liabilities	102.84	320.01	319.22	311.83	286.93
Borrowings from Reserve Bank		(1.90)	(2.01)	(1.86)	(1.50)
		11.77	12.02	18.87	34.29
		(4.69)†	(2.4)†	(5.24)†	(24.39)†
Borrowings from Imperial Bank		8.68	8.28	10.46	7.41
Cash in India	6.71	32.28	33.48	32.49	33.32
Balances with Reserve Bank	25.28	41.16	42.33	42.70	45.70
Excess over statutory limits	15.52	7.77	8.87	9.77	11.87
Balances with other banks in current account in India		12.86	13.40	11.01	10.95
Money at call and short notice in India		17.21	16.37	12.67	13.98
Investments (at book value)		301.07	301.73	303.31	293.91
Advances and bills	105.09	524.92	526.39	528.53	562.56
IMPERIAL BANK					
Deposits	87.76	214.76	216.61	214.15	231.48
Investments	51.99	82.20	82.96	82.22	86.47
Advances	30.37	130.56	128.09	123.71	158.52
Cash	14.69	15.46	17.41	18.43	17.71

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).

† Borrowings against usance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	1st May, 1953		24th April, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,30,767	56,03,74,000	2,50,404	56,82,50,000
Calcutta	1,41,542	49,37,66,798	1,49,822	47,99,50,998
Madras	70,043	8,11,58,726	69,062	7,19,20,778
All Centres—				
1951	..	..	1,05,94,122	3180,56,86,350
1952	..	..	1,06,41,941	29,79,51,57,000
Feb., 1953	..	..	24,45,000	5,23,39,00,000
Mar., ,,	..	..	27,13,000	6,15,31,00,000

Reserve Bank of India

Statement of Affairs for the week ended 1st May, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		102,11,66,000
(2) Other Governments		19,72,41,000
(b) Banks		42,30,71,000
(c) Others		58,43,46,000
Bills Payable		5,39,30,000
Other Liabilities		31,90,04,000
	Rupees	269,82,58,000

ASSETS	Rs.	Rs.
Notes		10,98,47,000
Rupee Coin		6,00,000
Subsidiary Coin		4,84,000
Bills Purchased and Discounted—		
(a) Internal		
(b) External		22490,000
(c) Government Treasury Bills		
Balances held abroad*		12,35,52,000
Loans and Advances to Governments		121,65,28,000
Other Loans and Advances		3,82,00,000
Investments		26,05,42,000
Other Assets		86,33,56,000
	Rupees	8,28,99,000
		269,82,58,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs.10,13,68,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 28,38,68,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,98,47,000	
Notes in circulation	1164,55,71,000	
Total Notes issued		1175,54,18,000
Total Liabilities		1175,54,18,000

ASSETS	Rs.	Rs.
A. *Gold Coin and Bullion:*		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	598,15,11,000	
Total of A		638,16,82,000
B. Rupee Coin		87,51,31,000
Government of India Rupee Securities		449,86,05,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1175,54,18,000

Ratio of Total of A to Liabilities: 54.287 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 24th April, 1953

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks	11,95,84,000†
(ii) Other demand liabilities	527,91,92,000
2. Time Liabilities in India:	
(i) Borrowings from banks	1,96,00,000†
(ii) Other time liabilities	318,05,05,000
3. Cash in India	32,27,79,000
4. Balances with the Reserve Bank of India	41,15,65,000
5. Balances with other banks in current account in India	12,86,16,000
6. Money at call and short notice in India	17,21,40,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	301,06,97,000
8. Advances in India	464,85,74,000
9. Inland Bills purchased and discounted in India	60,06,49,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.

†Excludes borrowings from the Reserve Bank, and with effect from the 16th April 1953 as also those from the Imperial Bank.

EXCHANGE RATES

	24th April, 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D. Rs.	475¼	475¼
Buyers T.T. Rs.	471¼	471¼
London on New York $	2.81⅛	2.81⅛
London on Paris Frs.	9874-98	9871-988
London on Berne Swr. Frs.	12.17⅛-18⅛	12.18-12.18⅛
New York on London $	2.81⅛-31⅛	2.81⅛-2.81⅛

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	*Per capita* income (Rs.)
India	1948	342.12	..	..	8,730	255
Pakistan	1949	75.04	..	..	1,671	223
Burma	1951	18.67	Kyats	3,166	317	167
Ceylon	1951	7.74	..	..	451	564
Japan	1951	84.30	Y.	4,564,490	6,038	716
Philippines	1951	20.25	Ps.	7,586	1,820	856
New Zealand	1951	1.95	£(N.Z.)	615	820	4,206
Australia	1951	8.41	£(A.)	3,238	3,454	4,317
U.K.	1951	50.56	£	11,384	15,179	3,976
U.S.A.	1951	154.36	$	277,600	132,190	8,564
Canada	1951	14.01	$	17,229	8,552	6,108
France	1951	42.24	F. Fr.	9,982,000	12,372	2,929
W. Germany	1951	48.11	*Dm.*	99,200	10,227	2,126
Italy	1951	46.60	Lr.	7,746,000	5,902	1,267
Norway	1951	3.29	Kr.	15,504	1,055	3,206
Sweden	1951	7.07	Kr.	26,900	3,453	4,884
Netherlands	1951	10.26	Fl.	16,040	2,151	2,096
Denmark	1951	4.30	Kr.	20,716	1,439	3,346
Switzerland	1951	4.75	S. Fr.	19,500	2,166	4,558

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nations Monthly Bulletin of Statistics, January, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 24th April, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	23,79,64,000
(b) Provincial Governments	1,20,10,000
(c) Banks	18,97,35,000
(d) Others	2,84,67,000
Bills Payable	11,16,000
Other Liabilities	5,59,41,000
Rupees	58,52,33,000

ASSETS	Rs.
Notes	6,50,89,000
Rupee Coin	3,000
Subsidiary Coin	6,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Loans and Advances to Governments	1,83,00,000
Provincial Governments Debtor Balances	6,21,55,000
Other Loans and Advances	2,92,23,000
Investments	32,36,47,000
Other Assets	8,68,10,000
Rupees	58,52,33,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs
Notes held in the Banking Department	6,50,89,000	
Notes in circulation	209,95,42,000	
Total Notes issued		216,46,31,000
Total Liabilities		216,46,31,000

ASSETS	Rs.	Rs
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	....	
Sterling Securities	37,81,16,000	
Government of India Securities	11,87,77,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,96,000	87,59,31,000
B. Rupee Coin	6,29,38,000	
Government of Pakistan Securities	118,32,87,000	
Internal bills of exchange and other commercial paper	....	124,62,25,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	4,24,75,000
Total Assets		216,46,31,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 42.29 per cent.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953				Rs. a. p.	%
10th Feb.	1.00	1.19	1.00	2 6 11	84
17th ,,	1.00	1.39	1.00	2 7 0	100
24th ,,	1.00	1.09	1.00	2 7 0	100
3rd March	1.00	1.02	1.00	2 7 0	93
10th ,,	1.00	1.16	1.00	2 6 11	86
17th ,,	1.00	1.00	1.00	2 7 0	92
24th ,,	1.00	1.02	1.00	2 7 0	100
31st ,,	1.00	1.01	1.00	2 7 0	100
7th April	1.00	1.25	1.00	2 7 0	100
14th ,,	1.00	1.21	1.00	2 7 0	100
21st ,,	1.00	1.30	1.00	2 7 0	100
28th ,,	1.00	1.01	1.00	2 7 0	100
5th May	1.00	1.63	1.00	2 7 0	61
Total	13.00	14.47	13.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	26th March, 1953	5½	5
Belgium	18th Dec., 1952	3½	3
Canada	17th Oct., 1950	1½	2
Denmark	3rd April, 1953	3	2½
Finland	16th Dec., 1951	7½	5½
France	9th Nov., 1951	6	4
Greece	12th July, 1948	10	12
India	16th Nov., 1951	3	3½
Italy	6th April, 1950	5½	6
Japan	1st Oct., 1951	5.11	5.84
Netherlands	1st Aug., 1952	3½	3
New Zealand	27th July, 1941	2	1½
Norway	9th Jan., 1946	2	2½
Portugal	12th Jan., 1944	3	2½
South Africa	27th Mar., 1952	3½	4
Spain	18th Mar., 1949	4½	4
Sweden	1st Dec., 1950	2½	3
Switzerland	26th Nov., 1936	4	1½
Turkey	26th Feb., 1951	2	4
United Kingdom	12th Mar., 1952	2½	3
U.S.S.R.	1st July, 1936	3	4
U.S.A.	16th Jan., 1953	1½	2
West Germany	8th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	December, 1952	December, 1951	Nine months—April to Dec., 1952	Nine months—April to Dec., 1951
Import Duties:				
Revenue	10,65	10,36	84,57	96,24
Protective	54	73	5,06	7,90
On surplus disposals	3	3	3	23
Total Import duties	11,19	11,13	90,56	104,37
Export Duties	3,05	5,09	42,77	66,29
Land Customs	2,1	40	2,14	2,48
Miscellaneous	11	9	92	90
Gross total customs	14,58	16,71	136,39	173,99
Refunds and drawbacks	19	30	2,18	3,74
Net Customs	14,39	16,41	134,21	170,25
Gross excise	4,77	6,77	59,90	68,37
Refunds	5	13	1,13	1,28
Net Excise	4,72	6,64	58,77	67,09
Net total of customs and excise	19,11	23,05	192,98	237,34

Imperial Bank of India

Statement of Affairs for the week ended 24th April, 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,35,00,000
Deposits and other Accounts		176,18,000
Borrowings from other Banking Companies		2,00,00,000
Bills Payable		2,60,38,000
Bills for Collection being Bills Receivable as per contra		48,71,000
Acceptances, Endorsements and Other Obligations as per contra		2,86,000
Other Liabilities (including Inter-Office Adjustments)		2,50,36,000
Total	Rs.	234,74,99,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		10,83,24,000
Balances with other Banks		4,03,13,000
Money at Call and Short Notice		1,82,56,000
INVESTMENTS—		
Government and other Trustee Securities	70,78,34,000	
Other Authorised Investments	11,41,18,000	82,19,52,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	104,44,61,000	
Bills Discounted and Purchased	26,41,71,000	130,86,32,000
Bills Receivable being Bills for Collection as per contra		48,71,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		2,86,000
Premises less Depreciation		1,32,00,000
Furniture and Fixtures less Depreciation		34,07,000
Other Assets (including Inter-Office Adjustments)		2,21,68,000
Total	Rs.	234,74,99,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings@		2½% Terminable Annuities, Treasury Savings Deposit Certificates	
	National Savings Certificates†											
	5-Year		7-Year		12-Year							
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*
1950-51 ..	2,08	5,01	96	2,40	20,67	50,53	97,80	61,36	—	22,32	5,31	16,91
1951-52 ..	1,76	6,10	77	2,91	22,07	66,81	1,07,55	74,18	—	27,55	13,10	15,81
January 1952 ..	13	5,82	7	2,81	1,51	63,62	7,75	68,04	—	26,68	68	17,17
February ,, ..	13	5,90	5	2,83	1,54	64,79	9,21	68,27	—	27,02	68	17,17
March ,, ..	29	6,10	10	2,91	2,63	66,81	15,04	74,18	—	27,55	71	18,19
April ,, ..	14	6,17	5	2,93	2,28	68,56	10,01	76,52	—	27,91	95	19,14
May ,, ..	12	6,22	8	2,99	2,12	70,22	9,95	77,85	—	28,25	56	19,70
June ,, ..	12	6,28	6	3,02	1,82	71,84	9,33	80,02	—	28,57	69	20,20
July ,, ..	15	6,34	10	3,09	2,03	73,14	10,29	82,54	—	28,91	74	21,03
August ,, ..	14	6,40	6	3,12	1,76	74,45	8,60	83,75	—	29,15	65	21,57
September ,, ..	10	6,44	3	3,12	1,34	75,73	8,78	84,89	—	29,40	52	22,00
October ,, ..	11	6,48	5	3,14	1,71	76,77	8,36	85,24	—	29,68	56	22,50
November ,, ..	10	6,50	4	3,16	1,71	77,99	9,03	85,51	—	29,98	58	23,04
December ,, ..	8	6,51	6	3,16	1,86	79,34	8,45	85,92	—	30,22	48	23,41
January 1953 ..	10	6,54	4	3,18	2,02	80,77	8,33	86,06	—	30,50	58	23,89
February ,, ..	14	6,61	5	3,21	1,86	82,14	9,36	86,38	—	30,75	62	24,39
March ,, ..									—	..	60	..

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.

† Issued from 1st October, 1948 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issue 1st June, 1948. § Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)

1. All-India

Group and Sub-Group	Week Ended 25-4-'53	18-4-'53	28-3-'53	26-4-'52
(A) Government and Semi-Government Securities ‡	**92.1**	**92.1**	**92.3**	**91.4**
1. Government of India Loans	92.2	92.2	92.4	91.4
2. Municipal, Port Trust and Improvement Trust Loans	86.9	86.9	86.9	87.5
(B) Fixed Dividend Industrial Securities	**90.1**	**90.0**	**90.2**	**91.3**
1. Electricity	77.9	78.0	78.6	72.1
2. Cotton	126.1	126.4	127.0	120.3
3. Jute	79.7	79.7	79.7	80.6
4. Coal	93.9	94.3	95.0	95.8
5. Iron and Steel	84.9	84.5	84.2	84.8
6. Sugar	87.9	87.6	87.6	96.0
7. Paper	82.7	83.7	84.6	91.2
8. Plantations	96.6	96.4	97.0	105.1
(C) Variable Dividend Industrial Securities	**108.0**	**108.0**	**108.9**	**109.9**
1. Banks	102.5	102.7	104.1	104.5
2. Insurance	98.3	98.6	97.4	102.4
3. Investment Trusts	142.8	142.9	142.4	140.4
4. Electricity Companies and Tramways	83.1	83.1	82.6	83.7
5. Shipping and Other Transport Companies	85.6	83.7	88.5	83.7
6. Railways	76.1	75.0	75.3	78.0
7. Plantations	115.9	115.9	114.5	150.5
8. Cotton Woollen and Silk	133.0	133.1	135.9	144.9
9. Jute	68.5	68.4	70.7	81.0
10. Coal	86.6	86.7	87.5	96.5
11. Mining and Oil	62.8	63.1	63.0	64.6
12. Iron and Steel	144.1	143.4	141.6	121.7
13. General Engineering	146.6	146.4	150.6	138.2
14. Sugar	80.0	79.0	80.6	86.7
15. Breweries	60.7	61.0	60.2	59.8
16. Chemicals	136.3	136.4	136.9	143.8
17. Paper	114.6	115.1	117.0	114.6
18. Cement	140.2	140.0	142.8	130.7

II. Regional

Region and Group	Week Ended 25-4-'53	18-4-'53	28-3-'53	26-4-'52
(A) BOMBAY—				
Government and Semi-Government Securities	91.0	91.0	92.1	91.3
Fixed Dividend Industrials	92.9	92.6	92.7	90.7
Variable Dividend Industrials	125.6	125.2	127.2	121.1
(B) CALCUTTA—				
Government and Semi-Government Securities	92.7	92.7	92.8	91.9
Fixed Dividend Industrials	86.1	86.2	86.4	89.0
Variable Dividend Industrials	93.8	93.4	93.8	98.8
(C) MADRAS—				
Government and Semi-Government Securities	91.7	91.6	91.9	90.8
Fixed Dividend Industrials	101.9	101.6	102.3	109.2
Variable Dividend Industrials	125.9	126.4	127.7	139.9

*Source: Department of Research and Statistics, Reserve Bank of India.

‡ Including Part 'B' State Loans.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,882	12,806,704
1951	1,071	691,821	2,943,978
1952*	962	809,118	3,335,661
October 1950	78	288,349	2,266,894
November ,,	84	56,736	813,537
December ,,	68	41,061	163,718
January 1951	120	93,698	870,990
February ,,	61	44,025	203,060
March ,,	79	47,723	331,282
April ,,	109	95,747	277,314
May ,,	109	56,604	448,258
June ,,	146	93,445	671,705
July ,,	130	72,454	289,907
August ,,	108	54,684	93,109
September ,,	83	24,777	190,761
October ,,	108	67,896	189,374
November ,,	125	64,147	365,149
December ,,	113	76,196	174,276
January 1952†	95	305,881	674,340
February ,,	88	63,130	215,607
March ,,	87	42,430	142,493
April ,,	134	59,487	234,846
May ,,	118	80,093	254,855
June ,,	101	59,851	257,062
July ,,	82	40,754	171,203
August ,,	88	48,585	148,533
September ,,	96	57,875	460,552
October* ,,	96	78,181	349,618
November ,,	87	48,766	273,245
December* ,,	80	27,401	153,717
January 1953†	82	40,244(a)	239,156(b)
February ,,	42	23,284	116,398

† Figures for 1952 and 1953 are provisional. * Revised.

(a) Not known in six cases. (b) Not known in seven cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51	545	5,379.9	4,225.9
1951-52 ..	573	5,948.1	4,849.0
September 1951 ..	554	494.5	403.4
October ,, ..	556	506.0	412.8
November ,, ..	557	491.7	409.8
December ,, ..	561	500.9	414.8
January 1952 ..	568	500.8	409.7
February ,, ..	571	480.7	391.0
March ,, ..	578	481.8	392.9
April ,, ..	577	488.8	392.8
May ,, ..	581	514.4	413.1
June ,, ..	583	500.1	408.8
July ,, ..	588	534.0	429.7
August ,, ..	592	531.6	428.7
September ,, ..	597	530.3	430.6
October ,, ..	599	548.2	441.5
November ,, ..	605	529.7	436.4
December ,, ..	608	552.2	457.8
January 1953 ..	611	535.5	441.8

* Excluding railway, military and factory power stations: Chola Power Station, being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.

§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	18th April, 1953	11th April, 1953	19th April, 1952	March, 1953	March, 1952	Percentage of increase (+) or decrease (—) in Mar., 1953 as compared with Mar., 1952	1952	1951
Food Articles	**388.4**	**385.4**	**344.2**	**365.0**	**342.7**	**+ 6.5**	**359.8**	**409.8**
Cereals	438	438	444	437	442	— 1.1	450	483
Pulses	449	430	452	507*	417	+21.6	483	506
Other	253	254	204*	244	207	+17.9	225	290
Industrial Raw Materials	**454.2**	**438.5 R**	**437.2**	**453.1**	**424.2**	**+ 6.8**	**453.8**	**608.2**
Fibres	415	391	454	415	435	— 4.6	454	622
Oil seeds	565	550 R	558	412	458	+35.4	494	679
Minerals	456	442	464	455	456	— 0.2	458	426
Others	354	363	317	359	361	— 0.6	341	538
Semi-Manufactures	**351.4**	**349.7 R**	**337.0**	**349.8**	**343.2**	**+ 1.9**	**346.5**	**377.5**
Leather	426	436	252	437	324	+36.9	345	458
Mineral oils	223	223	218	223	218	+ 2.3	221	197
Vegetable oils	502*	496	429	451	416	+15.9	459	679
Cotton yarn	444*	444* R	490*	446*	498*	—10.4	465*	488
Metals	226	226	198	227	201	+12.9	211	197
Oil Cakes	411	400	422	412	408	+ 1.0	440	500
Others	217	217	264	211	284	—25.7	273	330
Manufactured Articles	**365.1**	**364.5**	**383.0**	**369.0**	**383.8**	**— 3.9**	**377.5**	**395.5**
Textiles	401	399	435	407	437	— 6.9	423	468
Jute	360	352	565	376	554	—32.1	506	803
Cotton	406*	406*	410*	406*	410*	— 1.0	401*	400*
Rayon and Silk	480*	480	439*	521*	471*	+10.6	495*	611*
Woollen	312	313	393	313	388	+19.3	346	378
Metal products	336	336	311	336	310	+ 8.4	321	285
Others	288	289	299	289	301	— 4.0	298	300
Miscellaneous	**803.4**	**801.0**	**598.1**	**585.5**	**625.6**	**— 6.4**	**635.6**	**729.8**
All Commodities	**385.4**	**382.0 R**	**378.0**	**385.2**	**377.5**	**+ 2.0**	**386.9**	**439.3**

* Estimated. R=Revised.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras	Delhi	Ajmer	Gauhati	Jamshedpur	Jubbulpore
	—	June 1934	July 1927	January 1928	August 1939	August 1939	August 1939	June 1936	1944	1944	1944	1944	1944
1951	—	332	268	301	439	390	356	329	138	174	139	157	166
April	—	335	270	304	440	391	363	333	139	173	140	159	166
May	—	335	278	314	443	394	374	335	140	176	141	158	166
June	—	337	271	313	447	394	382	337	144	178	138	158	169
July	—	333	270	318	454	394	385	337	145	182	140	155	173
August	—	328	261	322	459	392	387	338	146	181	143	161	171
September	—	325	253	319	470	389	375	340	144	179	150	161	170
October	146	332	254	323	469	393	375	336	144	181	143	165	173
November	144	333	252	325	464	397	374	337	147	182	155	168	165
December	142	331	252	325	449	397	370	337	144	181	150	166	158
January 1952	140	331	246	323	442	393	357	338	142	179	147	162	156
February ,,	135	324	241	318	441	382	343	336	141	175	145	158	155
March ,,	141	313	229	300	412	378	340	333	136	177	140	150	145
April ,,	140	343	262	321	415	377	339	326	145	169	138	153	144
May ,,	140	339	264	310	412	376	339	327	148	168	143	153	143
June ,,	142	338	263	309	424	375	343	330	147	171	141	153	148
July ,,	144	330	263	304	458	377	354	331	143	175	143	161	155
August ,,	143	340	267	312

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final.	1951-52 Final	1950-51 Final.
Rice	tons	73,595	75,975	20,767	20,295
Wheat	tons	23,235	24,134	5,768	6,374
Jowar	tons	38,329	38,419	5,509	5,403
Bajra	tons	21,856	22,267	2,153	2,549
Barley	tons	7,800	7,701	2,136	2,341
Maize	tons	8,093	7,794	1,959	1,701
Ragi	tons	5,296	5,444	1,167	1,407
Gram	tons	16,719	18,709	3,157	3,593
Other millets & pulses	tons	39,725	39,770	6,386	6,401
Total foodgrains		234,558	240,213	49,002	50,064
Jute	bales	1,834†	1,951††	4,695†	4,678††
Cotton 3rd	bales	13,749†	13,733††	2,467†	2,666††
Sugarcane 2nd	tons	4,248†	4,326††	5,035†	5,288††
Groundnut	tons	11,862†	11,798††	2,894†	3,045††
Linseed	tons	3,298	3,447	309	361
Castorseed	tons	1,349†	1,428††	107†	105††
Rape and Mustard Seed	tons	5,707	5,097	900	748
Sesamum	tons	5,537†	5,516††	426†	416††
Tobacco	tons	764	902	225	263
Pepper	tons	192	197	28	31
Ginger	tons	42	41	15	15

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar *gur*).

† Relates to 1952-1953. †† Relates to 1951-52.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During March, 1953	74 4
	Corresponding month 1952	82.9
	July 1952 to March, 1953	671.7
	Corresponding period 1951-52	706 8
Stocks	At the end of March, 1953	138.4
	Corresponding month 1952	111 6
		(In 000 bags)
Exports (Jute Bags)	Week ended 21st Mar., 1953	13.91
	Corresponding week 1952	26.59
	From 1st Jan., to 21st Mar., 1953	4,06.54
	Corresponding period 1952	11,91,76
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 21st Mar., 1953	46.00
	Corresponding week 1952	94,84
	From 1st Jan., to 21st Mar., 1953	26,31,16
	Corresponding period 1952	18,41,32
	RAW JUTE	(In 000 bales)
Exports*	Week ended 21st Mar., 1953	—
	Corresponding week 1952	—
	From July, 1952 to Jan., 1953	—
	Corresponding period of 1950-51	—
Consumption by Mills†	March, 1953 (in lakh bales)	4.32
	Corresponding month 1952	4.81
	Nine months ended Mar., 1953	38.97
	Corresponding period 1952	41.00

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Year ended 31st March, 1940	917,800	906,700	671,000
Do. 31st March, 1950	10,41,700	927,500	720,000
Do. 31st March, 1951	11,15,200	10,62,100	7,76,500
Do. 31st March, 1952	11,30,000	10,57,100	7,99,200
Do. 31st March, 1953	11,58,000	10,61,900	7,91,800
January 1951	1,01,300	97,900	67,700
February ,,	87,700	82,200	66,300
March ,,	91,300	86,600	71,400
April ,,	81,500	79,600	65,900
December ,,	1,02,800	97,900	69,100
January 1952	99,800	96,700	71,400
February ,,	94,000	82,600	67,600
March ,,	1 02,100	92,100	67,400
April ,,	93,000	86,500	62,900
December ,,	98,200	91,400	69,700
January 1953	1,02,400	95,500	69,900
February ,,	92,400	82,000	61,700
March ,,	97,400	86,600	65,600
April ,,	97,000	83,100	60,800

SEA- AND AIR-BORNE TRADE : INDIA.

Particulars	January, 1953	January, 1952	Ten Months. April to Jan., 1952-53	Ten Months. April to Jan., 1951-52
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:—				
Foodstuffs	6,29	29,86	156,19	208,66
Raw materials	12,03	26,50	158,16	202,37
Manufactures	22,26	31,69	230,49	281,58
Other items	25	64	3,57	3,63
Total Imports*	40 83	88,69	548,41	696,24
Exports :—				
Foodstuffs	11,59	14,67	118,63	133,69
Raw materials	11 84	10,67	121,52	117,76
Manufactures	18,55	38,18	223,83	349,70
Other items	42	26	3,44	2,89
Total Exports	42,40	63,78	467,42	604,04
Total re-exports	1,20	64	4,84	12,35
Balance of trade in merchandise	+ 2,78	— 24,27	— 76,15	— 79,86
Balance of transactions in private treasure	— 2	— 1	— 6	— 10
Total Visible Balance of Trade	+ 2,76	— 24,28	— 76,21	— 79,96
Imports :—				
Total Cwealth Countries	20,08	24 01	213,46	242,25
Total Foreign Countries	20,75	65,75	334,95	453,99
Exports:—				
Total Cwealth Countries	20,67	36,91	220,18	317,89
Total Foreign Countries	21,73	26,87	247,24	286,15

* Excludes value of certain special imports of foodgrains and stores, ful particulars of which are not yet available

LAND-BORNE TRADE : INDIA

Particulars	January, 1953	January, 1952	Ten months April to Jan., 1953	Ten months April to Jan., 1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	69	2.09	17 93	19,73
Imports	73	4 44	17 59†	71,65
Balance of trade in merchandise.	‡ — 51,92		‡ —77,47	

† Incomplete Excludes the value of 62,217 tons or 348,415 bales of raw Jute imported during the two months, December, 1952, and January, 1953 awaiting adjustment.

‡ Data Incomplete.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base: 1944=100)

Name of Centre	Cereals			Pulses			Other articles of Food			All articles of Food			Fuel and Lighting			Clothing			Miscellaneous		
	Jan., 1952	Dec., 1952	Jan., 1953	Jan., 1952	Dec., 1952	Jan., 1953	Jan., 1952	Dec., 1952	Jan., 1953	Jan., 1952	Dec., 1952	Jan., 1953	Jan., 1952	Dec., 1952	Jan., 1953	Jan., 1952	Dec., 1952	Jan., 1953	Jan., 1952	Dec., 1952	Jan., 1953
Eastern Zone																					
Bamra	157	202	212‡	111	90	88	175	126	127	162	133	134	102	107	107	187	216	216	193	193	193
Maibang	163	x	x	126	x	x	161	x	x	144	x	x	141	x	x	163	x	x	125	x	x
Shankargarh	152	147	154	184	174	187‡	213	151	152	184	155	160	101	95	97	164	144	141	141	145	144
Sonaili	259	199	179‡	181	167	167	245	190	188	237	183	183	125	125	125	264	200	199	332	278	278
Northern Zone																					
Multapi	129	124	131	167	145	158†	170	173	169	164	159	161	108	123	133†	167	166	163	148	197	196
Nana	302	247	243	275	243	231†	234	199	200	252	214	212	144	115	117	244	205	205	208	191	189
Salamatpur	234	234	229	315	294	292	265	222	219	271	239	236	124	129	188	132	136	136	25	266	268
Southern Zone																					
Krishna	271	205	193‡	196	187	186	201	160	157	213	170	166	141	118	115	171	138	138	213	198	176†
Lakh	387	249	374‡	176	185	192	173	126	136	212	158	162	86	86	86	129	138	138	144	131	131
Malur	163	x	x	166	x	x	168	x	x	167	x	x	89	x	x	406	x	x	176	x	x
Muniguda	250	215	204‡	270	234	229‡	337	222	220	308	223	218	105	128	128	207	201	194	241	199	199
Kudchi	123	159	181‡	163	153	141†	191	164	164	176	152	164	104	127	127	155	128	122	202	194	191

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 30th April, 1953	48,179
	Corresponding week, 1952	54,960
	1st Sept. 1952 to 30th April, 1953	13,23,423
	Corresponding period, 1951-52	12,79,416
Cotton Exports	Week ended 30th April, 1953	11,677
	Corresponding week, 1952	—
	1st Sept. 1952 to 30th April, 1953	2,56,772
	Corresponding period, 1952	9,777
Mill Consumption	1st Sept. 1952 to 30th April 1953	8,13,429
	Corresponding period, 1951-52	6,75,787
Stock (with exporters, dealers and mills)	On 30th April, 1953	5,94,678
	Corresponding date, 1952	5,83,451
Karachi (Pakistan)*		
Receipts	Week ended 25th April, 1953	25,836
	Corresponding period, 1952	20,179
	1st Sept. 1952 to 25th April 1953	15,50,850(a)
	Corresponding period, 1951-52	13,40,946
Exports	Week ended 25th April, 1953	24,100
	Corresponding period, 1952	44,100
	1st Sept. 1952 to 25th April 1953	10,83,800(a)
	Corresponding period, 1951-52	8,89,100

* As reported by the Karachi Cotton Association Ltd. (a) Adjusted.

Particulars	From 1st Sept., '52 to 4th May, 1953 Bales	From 1st Sept., '51 to 4th May, 1952 Bales
Indian Union		
Cotton Exports to—United Kingdom	12,952	—
Continent	85,223	3,372
China	318	—
Japan	1,28,164	3,772
U.S.A.	32,088	3,804
Other Countries	4,676	411
Total to all foreign countries	2,63,321	11,409
Coastal Ports	1,05,134	78,776

Consumption of Cotton—	Period	Quantity (Bales of 400 lbs.)
Indian	January, 1953	3,23,677
Foreign		65,967
Indian	Five months September 1952 to January, 1953	15 31,046
Foreign		3,55,621
Indian	Same Period 1951-52	12,07,406
Foreign		4,42,623
Stocks (Mills and Elsewhere)—		
Indian	As on 31st Jan., 1953	10,25,020
Foreign		2,77,817
Indian	As on 31st Jan., 1952	10,75,066
Foreign		2,72,722
Cotton Pressed†	Week ended 24th April, 1953	6,699
	Corresponding week, 1952	10,550
	1st Sept. 1952 to 24th April 1953	20,22,597
	Corresponding period, 1951-52	21,03,313

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½ % Loan	1928	9,05,64,000	1955-60	103 ½
4 % Bonds	1926-33	63,36,26,000	1960-70	102 ½
3 ½ Loan	1938-39	1,16,17,46,000	1963-65	92½
3 ½ Loan	1943	1,14,60,58,000	1953-55	100 ½
3 ½ Loan	1950	30,33,10,000	1964	92‡
3 ½ Loan	1943	1,10,13,78,000	1966-68	90 ¾
3 ½ V. Loan	1944	1,14,06,89,000	1957	98‡
3 ½ Loan	1945	1,15,05,83,000	1970-75	86‡
3 ½ Loan	1945	1,13,65,64,000	1959-61	96‡
3 ½ Loan	1951	50,00,00,000	1958	98 ¾
2½ % Loan	1946	45,63,07,000	1960	90‡
2½ % Loan	1946	57,00,69,000	1961	90‡
2½ % Loan	1946	35,06,06,000	1954	98 ¾
2½ % Loan	1946	14,77,48,000	1976	82‡
2½ % Loan	1947	75,86,72,000	1962	91‡
2½ % Loan	1948	60,45,01,000	1955	98 ¾
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,36,000	At option of Government after three months, notice. On September, 1986 or later at option of Government after three months, notice.	82‡ 82‡
3 % Loan	1946	48,91,90,000		82‡
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,85,66,000	1954-59	100‡
4½% Loan	1928	5,85,20,000	1958-68	105
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	18th Sept. 1955	98‡
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	98‡
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97‡
3 % Bombay	1949	6,00,00,000	1st Aug. 1962	93
3 % Bombay	1959	3,00,00,000	31st July 1959	95
3½ % Bombay	1951	3,00,00,000	17th Sept. 1962	98
4 % Bombay	1952	3,50,00,000	1st Aug. 1964	101‡
2½ % Cochin	1943	30,00,000	1st Oct. 1953-55	98
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98 ¾
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95
3 % Madras	1938	1,42,08,300	15th Sept. 1953	100
3 % Madras	1939	1,29,76,600	21st June 1959	95 ¾
3 % Madras	1942	1,23,25,000	18th Sept. 1953	98 ¾
3 % Madras	1943	1,25,10,000	14th Sept. 1956	98 ¾
3 % Madras	1944	1,08,00,000	15th Aug. 1958	96‡
3 % Madras	1945	2,82,19,000	14th Sept. 1960	94‡
2½ % Madras	1946	3,90,93,200	1st Sept. 1961	90 ¾
3 % Madras	1950	4,47,00,000	31st July 1960	94‡
3½ % Madras	1951	3,00,00,000	17th Sept. 1962	97 ¾
4 % Madras	1952	5,00,00,000	1st Aug. 1964	100 ¾
3 % Mysore(J)	1933	1,63,44,300	1st Nov. 1955	103‡
4 % Mysore(J)	1933	2,95,85,200	1st Dec. 1953-63	100‡
4 % Mysore(J)	1936	5,99,72,900	30th April 1956-61	98‡
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	98‡
3 % M.P.	1942	50,00,000	15th Sept. 1955	98‡
3 % M.P.	1943	50,54,200	14th Sept. 1956	98‡
3 % M.P.	1944	52,69,800	15th Aug. 1958	96‡
3 % M.P.	1948	2,03,00,000	15th Sept. 1964	91‡
3 % M.P.	1950	1,00,28,800	31st July 1960	94‡
3 % M.P.	1951	1,00,00,000	17th Sept. 1962	97‡
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99‡
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99‡
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99‡
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	98‡
3 % Travancore	1944	3,00,00,000	15th May 1952-54	99‡
3½% Travancore	1936	50,00,000	16th Aug. 1956	99‡
4½% U.P.	1936	1,69,39,800	15th Sept. 1961-66	90‡
3 % U.P.	1944	3,23,96,800	1st Aug. 1958	97‡
3 % U.P.	1945	2,36,31,900	14th Sept. 1960	94‡
3 % U.P.	1946	2,41,19,800	1st Sept. 1961	95N
3 % U.P.	1951	2,00,00,000	17th Sept. 1962	97‡
3 % U.P.	1952	2,00,00,000	1st Aug. 1964	100‡
3 % W. Bengal	1951	1,75,00,000	17th Sept. 1962	98‡N
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100‡

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	97½
40,00,000	4	1909	1970	
36,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	99‡
88,25,000	4	1914	1975	99N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1928*	1959	D
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98
76,90,100	4	1915	1975	98
68,02,300C	3†	1921	1981	79N
1,50,00,00C	6‡	1921	1981	144N
1,24,04,300	6	1925	1955-85	105
98,21,600	5‡	1926	1956-86	104
99,84,500B	5	1926	1956-86	103
1,49,49,300B	5	1927	1957-87	103‡
1,49,30,000	5	1928	1958-88	104
80,00,000	4‡	1931	1991	92‡
21,25,000B	3	1934	1954	99
60,00,000C	3‡	1935	1965	95‡
25,00,000	3	1938	1963-68	88
50,00,000	3	1945	2005	70N
50,00,000	3	1946	2006	70N
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2‡	1947	1977	82‡
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94‡
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1961	70N
1,50,00,000	3‡	1951	1961	97‡
STERLING LOANS				
£892,600	5	1923	1953–83	£83
£901,000	5	1924	1954–84	£85
£835,100	5‡	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1882	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug. 3,32,322	4‡	1922	1952	M
4,47,597	5‡	1923	1952	
STERLING LOAN				
£330,000	5‡	1923	1953	£100N

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
40,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97‡
20,00,000	4	1906	1966	
50,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	97‡
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957–79	113
66,00,000	6	1920	1955–80	
25,00,000	5	1926	1956–86	115
25,00,000	5	1927	1959–91	98
10,00,000	3½	1936	1966	96‡
STERLING LOANS				
£566,600	4	1909	1969	£95‡
£333,000	4	1910	1970	£95‡
CALCUTTA				
Rs.				Rs.
50,00,000	6	1919	1955	104
25,00,000	5‡	1929	1959	107
50,00,000	4	1934	1964	99‡
35,00,000	4	1936	1966	89
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	90
20,00,000	3	1938	1963–68	88
80,00,000	4	1952	1962	100
STERLING LOANS				
£700,000	5‡	1923	1953	£100

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
49,40,000	4	1913–14	1954	100
20,60,000	4	1913–15	1974	99‡
20,00,000	4	1914–15	1955	100
10,00,000	5	1920	1980	113
1,60,00,000	6	1924	1954	103‡
25,00,000	5	1928	1958	99
24,00,000	5	1929	1949–59	10
8,45,500	5	1929	1954–59	10
26,50,000	5	1929	1959	103
8,25,00,000	3‡	1947	1977	85
2,50,00,000	3‡	1949	1979	85
4,00,00,000	3‡	1950	1965	91‡
2,50,00,000	3‡	1952	1964	100‡
2,00,00,000	3‡	1951	1966	98
CALCUTTA				
34,45,500	6‡	1925	1955	106
84,70,000	6	1925	1955	104
36,00,000	5	1928	1958	103‡
25,00,000	5	1929	1957	103‡
25,00,000	4	1929	1959	103‡
10,00,000	5‡	1932	1962	108
33,91,000	3‡	1935	1965	93‡
5,00,000	3	1936	1953	99‡
60,00,000	3	1936	1966	88‡
1,46,100	3	1936	1953	99‡
3,11,400	3	1937	1954	99‡
4,67,100	3	1937	1954	98‡
1,62,500	3	1937	1954	98‡
4,18,100	3	1937	1954	98
47,50,000	3	1938	1958	97‡
10,57,700	3	1938	1955	99‡
15,56,800	4	1939	1956	99‡
15,56,800	4	1940	1957	99‡
17,64,400	3‡	1942	1972	96
21,10,000	3‡	1942	1972	96
15,49,000	3‡	1951	1966	96
16,33,000	3‡	1951	1961	96
66,88,000	3‡	1951	1966	99‡
87,36,000	4	1952	1962	
MADRAS				
Rs.				Rs.
5,00,000	4	1903	1953	101
5,00,000	6	1923	1953	107
3,40,000	7	1925	1955	107‡

ABBREVIATIONS.—M=Held by Government of Madras. N=Nomina. 1=Various Issues repayable to Government.
B=Taken up by Imperial Bank of India D=Domestic Loan no. marketable C=Held by Commissioners. * Loans held entirely by the Trustee
(a) This includes the amount of loan converted into First Development Loan 1974-75. (Income-tax free. A=Held by Government of India.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935- ** Quotations in Pak. Currency

PREFERENCE SHARES

Company	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	132	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec.	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	89	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	142	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	117	100
†East India Distilleries	£200,000	1897	7	Jan. July	77	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	75	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	45	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	97	100
Ramnugger Cane	4,00,000	1931-36	6	Aug. ..	97	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	70	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	75N	100
Travancore	15,00,000	1946	5c	Dec. ..	90N	10
Upper Ganges	12,00,000	1932	5	Dec. ..	70N	100
Do	15,00,000	1946	5(a)	Dec. ..		100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	116	100
Berrea	4,00,000	1896-97	6½	Oct. Apr.	117	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	120	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	12,00,000	1895	6	Mar. Sept.	114	100
Karanpura Collieries	7,50,000	1946	5½(c)	.. ..	85	75(pp
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	6N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12xd	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	113	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108‡	100
Bangalore	6,00,000	1884	6	Jan. July	131‡	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	7‡	10
Benares Cotton	1,05,200	1919	7	Jan. Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	121	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	120	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	78	100
Bradbury	14,75,000	1919	7	June Dec.	310‡	250
Buckingham & Carnatic	11,30,200	1920	7½	Jan. July	142‡	100
Cambodias	1,00,000	1928	7	Apr. ..	131‡	100
Central India	50,00,000	1912	5	Apr. Oct.	520	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	130‡	100
Elgin	11,00,000	1912	8	May Nov.	142	100
Do. 'B' Pref.	4,30,000	1943	5	July Jan.	10	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	95	100
Kesoram	20,00,000	1919	7	June Dec.	127	100
Khatau Makanji	10,00,000	1925	6	Nov. ..	—	100
Do. (2nd)	29,92,500	1937	6	Nov. ..	84	100
Kothari	12,00,000	1937	6	Nov. ..	10‡	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	.. ..	225xd	250
Mirzapur Gooculdas Spg. & Wvg.	17,25,000	1900	6½	January	75	100
Muir Mills	30,00,000	1900	6	Jan. July	108	100
Mysore Spg.	7,45,050	1944	4‡	.. ..	—	50
New Great	8,00,000	1913	5½(a)	Mar. ..	180	200
New Victoria	26,05,500	1920	6	Apr. Oct.	3‡	5

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. G=Guaranteed shares. P=Preference shares. P.O.=Preferred Ordinary shares. R=Rebate shares. Y=Accounts published yearly. H=Accounts published Hat-yearly. Q=Accounts publishe once 15 months. T=Company has Debentures. R.L.=Reserve Liability on shares. N=Nominal Quotation. i=Interim Dividend. f=Dividend for first half-year, y=Dividend for the year. x=Ex. Dividend c.d.=Cum. Dividend.

Shares:—If a company has different classes of shares—as, for example 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under "Paid-up Per Share."

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12 indicate the months of June and December, respectively "Reserves" ncludes general and other reserves and all other funds which a company may have as also depreciation on block items, when this is charged to separate account "Block" represents actual cost of land, buildings, machinery, and all such other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends:—Dividends for completed years are calculated at per cent. per annum, but, where quoted for portion of a year, they represent percentages of the dividend on the paid-up share value. For companies closing the bood half-yearly in the first three months of the year, and for companies closing their books yearly during the first half of the year dividends are shown as for the previous year.

COTTON MILLS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed Spindles	Looms	Mill	Latest Available Quotation. Rs.	Paid-up Per Share Rs	Dividends (per cent. 1949	1950	1951	1952	Accounts closed	Reference
BOMBAY CITY AND ISLAND															
50,00,000	59,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	2½	2	12½	12½	15½		12	Y.
40,00,000	96,25,655	1,22,39,883	45,646	B. R. Sons & Ld.	50,828	1,021	Beharilal Ramcharan Cotton Mills	46½	100	6	6	—		3	T.P.Y
2,50,98,000	5,35,82,946	3,76,37,187	1,80,774	Nowrosjee Wadia & Son, Ltd.	1,82,072	4,855	Bombay Dyeing, etc.	3898	250	16	7	8	8	12	Y.
10,00,000	68,56,275	52,02,609	2,39,868	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	721½	250	24	40	40		3	P.Y.
1,09,42,800	3,69,11,265	2,42,52,821	5,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century	272	100	15	18	20	20	12	Y
49,00,000	76,78,063	1,06,30,358	5,066	V. J. Pilani, Esq. (Chairman)	39,408	698	Colaba Land & Mill	71	100	—	—	4		12	Y
26,90,000	47,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd.	27,308	680	Coorla	108½	100	7½	7½	7½		3	Y.
16,00,000	64,96,041	63,03,745	76,868	Ramnarain Sons, Ltd.	38,304	..	Dawn	59	50	4	—	12	12	12	Y.
34,00,000	78,85,000	63,06,555	91,036	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	246½	200	7½	7½	7½		12	Y
25,00,000	82,92,517	1,09,92,288	64,188	Chidambaram, Mulraj & Co., Ltd.	44,768	886	Elphinstone	42	50	10	8	—		12	Y
40,00,008	1,32,62,580	80,34,752	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay	304xd	100	15	15	20	20	12	P.
50,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	71,608	1,259	Hind Mills	—	10	5½	4½	5½		6	P.Y.
12,80,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co.	45,752	1,022	Hindustan	3,200	1,000	17½	20	20*		3	P.Y.
1,00,00,000	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co	2,38,030	6,278	India United	10½	10	7½	7½	10½		12	P.Y.
8,65,000								1–11½	1						
35,000	1,33,65,320	98,10,275	7,671	Damodhar Thack Mooljee & Co.	47,172	1,191	Indian Manufacturing	3,310	1,000	17½	20	25		12	P.Y.
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co	77,404	1,517	Khatau Makanjee	182½	100	12	14	20*		3	Y.
1,00,00,000	3,45,80,831	2,90,52,252	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor	316½cd	100	27½	18	25*	18	6	P.Y.
28,80,000A	60.88,538	4,61,890	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	82½	100A	7½	5	6½		12	Y.
3,60,000B								—	20B						
22,13,050	88,02,988	1,01,00,576	24,034	N. Sirur & Co. Ltd.	33,750	451	Modern Mills	95N	50	14	8	14	10	10	P.T.Y.
31,75,000	1,65,94,653	71,00,015	2,00,686	Piramal Gangadhar & Others	60,652	1,650	Morarjee Goculdas	190	100	17	15*	12		6	P.Y
24,00,000	67,21,958	71,22,987	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay	141½	100	11	12½	15	10	12	Y.
30,00,000	79,78,669	86,82,525	70,277	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Eastern	150½	100	6½	10	12½	10	12	P.Y.
12,70,100	35,74,176	28,92,872	423	Mafatlal Chandulal & Co.	33,720	873	New Union	25½	10	—	5	10	12½	12	Y.
48,00,000	1,14,83,245	1,38,66,478	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix	113½	100	6	10	10	8	12	Y.
40,00,000	59,51,640	24,14,688	1,25,251	Podar Sons, Ltd.	32,600	930	Podar	138½	100	9	9	10	10	12	P.Y.
5,00,000	27,66,626	29,73,962	3,162	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk	25½	10	26½	20	20	12½	12	Y.
25,00,000	59,86,822	41,49,241	21,950	M. G. Investment Corpn.	60,240	1,254	Sassoon Spinning	27½	10	—	7½	10	12	12	Y.
60,00,000	1,02,59,322	78,01,447	3 43,873	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	173½	100	12½	14	17½	12½	12	P.Y
31,50,000	1,00,00,000	76,05,952	50,222	Forbes, Forbes, Campbell &Co.,Ld.	36,116	1,276	Simplex	172½	50	28	34	301		3	T.Y.
56,00,000	2,07,23,386	1,18,80,653	2,889	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard	282½xd	100	15	15	26×	20	12	P.Y.
75,00,000	2,10,92,537	1,57,29,109	91,399	Tata Industries Ltd.	65,040	2,000	Svadeshi	251½xd	100	14	16	18	16	12	P.Y.
24,00,000	1,20,11,676	65,86,475	3,71,220	James Finlay & Co., Ltd.	25,604	552	Swan	405xd	100	20	20	25	30	12	P.Y.
32,54,438	88,66,976	76,66,704	—2,05,128	Tata Industries Ltd.	63,248	1,800	Tata	41½	25	8	8	16	4	12	P.T.Y
12,00,000	1,17,01,933	86,62,657	4,299	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spinning	3,110	1,000	17½	20	20		3	T.Y
AHMEDABAD															
20,00,000	84,99,543	51,95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	145	100	8	12	10		6	P.Y
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Hutheesing & Sons Ltd.	42,768	912	Aruna	405	100	13*	15*	20*	25	12	Y.
21,00,000	2,83,78,675	1,18,76,140	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind	763	100	22½	25	25		12	P.Y
10,00,000	93,20,000	70,77,166	92,811	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning	261½	200	15	15	17½		12	P.Y
12,00,000	1,63,65,455	81,44,027	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	912	Asoka	450	100	15*	17	22	22*	12	Y.
1,24,77,072	3,38,63,311	3,71,68,168	2,87,005	Karamchand Premchand & Co.	1,39,120	2,370	Calico	315	125	8	10	14–2/5	14–2/5	12	Y.
30,00,000	1,00,20,000	83,66,716	748	Tricumlal Bhogilal & Co.	39,316	867	New Commercial	1,055	500	10	11	12		12	P.Y
39,00,000	1 31,07,324	96,79,263	1,795	Mafatlal Chandulal & Co.	47,952	864	New Shorrock	576	125	28	28	28	28	12	Y.
5,00,000	79,61,645	43,89,260	4,583	Jagabhai Bhogilal Nanavati & Co.	24,840‡	528‡	Nutan	555	100	25*	28*	28*	30*	12	Y.
10,00,000	1,49,90,022	73,98,913	3,599	Lalbhai Dalpatbhai & Co.	31,120	637	Raipur	607	100	22½	25	25	25	12	P.Y.
12,00,000	50,40,334	63,41,241	1,09,340	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Ranjitgar	160‡	250	6	6	8	12	12	P.Y.
32,50,000	58,29 453	81,93,993	9,867	Lallubhai Gordhandas Ltd.	33,156	648	Rohit	118‡	100	8	30	9	9	12	P.Y
19,50,000O	94,78,968	61,33,831	8,070	Mafatlal Chandulal & Co.	36,624	720	Shorrock Spinning	305	100	15	15	20	20	12	Y.
2,500D															
24,90,150	1,91,30,172	1,01,07,709	1,23,551	Haribalabhdas Kalidas & Co.	73,796	1,383	Shri Ambica Mills	305	50	25	30	36	32	12	P.Y
28,00,000	59,44,524	80,38,656	20,958	Haridas Acharatlal & Co., Ltd.	32,816	776	Vijaya	462	100	11½*		8½*		12	P.Y.
WEST BENGAL															
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agenc Ltd.,	13,044	356	Basanti Cotton	3½	10	—	5	3½		12	P.T.Y
7,11,280	22,53,684	37,16,899	32,931	Bengal Textile Agency Ltd.	28,448	936	Bengal Luxmi	38N	40	—	7½	7½		3	Y.
6,00,000	74,31,075	77,07,829	—28,432	K. Bullen & Co., Ltd.	42,872	841	Bowreah	215	100	—	—	—	—f	6 12	P.Y.
19,00,000	96,49,451	96,66,017	—27,784	K. Bullen & Co., Ltd.	42,944	518	Dunbar	123	100	5½	—	7	—f	6 12	H
1,20,00,000	3,29,34,362	3,04,56,320	84,976	Birla Bros., Ltd.	69,352	1,990	Kesoram	193	15	12½	12½	11½		3	P.Y
6,00,000A								—	25						
33,96,097B	71.09,841	79,53,833	51,255	Chakravarti Sons & Co.	23,484	442	Mohini		10	12½	7½	7½	12	Y.	
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12,300	374	Aroma Spg. & Wvg. Mills	5	10	9	3	—		12	T.Y.
15,00,000	26,53,246	59,15,375	2,736	Ramlal & Co., Ltd.	50,000	..	Alagappa Textiles	6½	10	—	9	6		12	P.Y.
71,94 400oa	96,26,706	1,90,39,719	18,450	Ind. Trust Fund	19,944	440	Azam Jahi Mills	65xd	100	15*	5½	61	6	9	Y.
40,50,000	3,00,10,004	2,73,75,544	2,49,801	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	247½	100	14½	17½	20	15	6.12	P.T.H.
60,00,000	71,21,986	69,56,823	40,045	Shaw Wallace & Co., Ltd.	29,936	782	Bengal Nagpur	14½	10	5	12	10	5f	6.12	T.Y.
15,00,000	1,33,79 264	84,27,674	4,60,089	Binodiram Balchand	57,312	1,338	Binod Mills	100N	100	17	7	5		6.12	Y.
1 78,47,800	4,09,27,251	5,14,83,572	2,39,790	Birla Bros., Ltd. (Madras)	39,896	998	Birla (Delhi)	56N	10	25	25	30		3	P.Y.
				Binny & Co., Ltd. (Madras)	1,19,916	2,781	Buckingham & Carnatic	115	100	6½	6½	7½	4	6.12	P.Y.
20,00,000	32,63,706	30,52,641	93,399	Peirce, Leslie & Co., Ltd.	37,536	..	Cambodia	1,16,22,202	10	5	7½	—	12½	10	12	P.Y.
30,00,000	64,46,347	47,79,878	32,399	Begg Sutherland & Co., Ltd.	28,796	591	Lawnpore Textiles	88	100	11½	11½	11½		12	Y
46,87,500	2,25,77,600	2,00,84,126	—16,28,224	Tata Industries Ltd.	1,15,188	2,062	Central India	169½	100	6	6	2		3 9	P.Y.
12,00,000	13,29,989	27,82,848	—1,32,723	R Beema Nayudu & Co.	28,864	..	Coimbatore Cotton	150N	100	12½	12½	12½	9	6	P.Y.
20,00,000	17,94,432	20,04,313	9,816	T R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills	101	100	7	6	—		6	Y.
20,76,900	70,83,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	39½	50	5	10	—		6	P.Y
24,34,800	40,26,054	37,58,169	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi	175	100	25	25	20	10	12	P.Y.
2,89,84,925	3,84,95,614	5.77,14,605	1,63,862	Bharat Ram, Esq.	75,604	1,830	Delhi Cloth (inc. Lyallpur Mills)	28½	25	4	10	—		6	P.Y.
1,00,503									2½						
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd.	52,652	1,198	Elgin	16 6/8	10	12½	11½	15		9	P.T.Y
39,94,700	1,01,50,000	82,22,587	1,03,575	F. Forbes Campbell & Co., Ltd	72,960	2	Gokak	215	100	15	10	14	17*	12	Y.
50,00,000	84,17,977	1,21,16,721	6,989	Govindram Seksaria (Indore)	50.420	1,420	Indore-Malwa United	90	100	4	5	15		12	Y.
8,90,000	22,88,977	18,75,134	487	G. V. Naidu & Co.	23,784	..	Janardhana	63	50	16	10	15		12	T.Y.
6,50,000	17,20,576	40,18,454	7,677	A. L. A. R. A. Chettiar and another	30,304	325	Kaleeswara	355	100	—	—	—		12	P.Y.
24,00,000	23,50,000	43,66,106	54,377	Kothari & Sons	13,824	..	Kothari	10	10	7	7½	7½		12	Y.
32,00,000	1,62,37,879	1,37,67,873	1,99,524	The Bombay Co., Ltd	53,642	1,213	Lakshmi Cotton	575xd	250	15	15	20§		6	P.Y
35,64,100	90,51,492	78.03.494	7,921	G. K. Naidu & Co	73,504	200	Lakshmi Mills	80	50				15	12	P.Y.
17,82,050A								39	25	8	8	10		3	Y.
1,75,02,480	5,94,39,299	4,16,07,732	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura	35½	15	17½	15	6		12	Y.
12,00,000	20,47,239	23,90,961	—15,121	A. L. A. R. S. Chettiar and 2 others.	21,856	..	Malabar	142xd	200	7½	4	6	20	12	Y.
60,00,000	93,17,047	52,62,343	50,249	W. A. Beardsell & Co., Ltd	24,252	603	Mettur Industries	190	100	25	12½	12½	12	12	Y.
29,80,884	65,78,942	71,79,459	30,669	N. Sirur & Co., Ltd.	36,416	678	Minerva	101	100	8*	6	6	3	12	Y.
94,91,850	96,08,512	1,34,73,361	29,643	Model Mills, Nagpur	49,456	952	Model Mills, Nagpur	143‡	250	6	3	3	12	12	Y.
30,00,000	1,53,94,651	1,33,39,271	7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir	215	100	24‡	—	—	6	12	P.Y.
9,71,850	4,06,541	20,43,991	—2,16,536	A. Sambha Moorty, Esq.	28	..	Mysore Silk Filatures	28	10	—	—	—	12	12	P.Y.
19,86,800	1,15,59,739	82,55,416	38,347	N. Sirur & Co., Ltd.	49,632	500	Mysore Spinning	123‡	50	20	18*	7½	20‡	12	P.Y.
13,61,780	22,98,130	27,85,536	—4,60,000	R. Suryanarayana Rao, Esq	6,000	..	Mysore Spun Silk	4½	10	5d	6½	—		2	P.Y.
22,89,882								1½	2½					3	
1,07,095O	72,37,414	90,45,280	—15,88,215	J. P Srivastava & Sons Ltd	50,228	1,148	New Victoria	—	D1	—	—	—	12	P.T.Y.	
87,03,800	1,20,94,970	1,58,62,385	17,946	Ind. Trust Fund	30,896	717	Osmanshahi Mills	95N	100	14*	5½	6½	7	9	Y.
4,00,000A	19,98,937	20,58,777	19,670	Raghavlakshmi & Co.	22,800	..	Palani Andavar	52	50	4	10	16		12	P.Y.
15,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills	65½	100	4	7½	5		12	P.T.Y.
25,30,420	36,19,473	40,65,619	11,306	A. G. G. Naidu & Co.	38,864	200	Radhakrishna	149cd	100	15	16	16		12	P.Y.
15,02,500	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	25,896	..	Rajalakshmi	74½cd	50	9	9	10		12	P.Y.
68,00,000	31,53,264	35,65,211	11,407	P. S. G. Nayudu & Sons	28,972	88	Ranga Vilas	42½	50	6	7	7½		12	Y
	89,59,172	1,04,60,739	5,506	Sir J. P. S. & Sons (Rampur), Ltd.	32,580	600	Raza Textiles	5–11½	10	—	—	—		12	P.Y.
16,00,000	1,58,55,370	2,03,51,339	—78,03,793	M. J. Divekar, Esq.	82,992	2,234	Sholapur	1,750	1,000	—	—	—		3	P.Y.
22,41,300	9,49,500	25,98,011	66,528	Gopaldas Liladhar & Co. Ltd	15,824	440	Shree Safjan	75N	100	6	—	—		3	Y.
17,79,700	17,05,383	21,50,229	3,083	T. R. A. Ayyar & Bros., Ltd.	18,416	416	Sitaram	35½	50	6½	—	—		3	Y.
16,69,700	53,91,188	62,29,128	26,556	B. S. Viswesvarayya, Esq.	25 200	292	Sri Krishnarajendra Mills	40	50	8*	8*	5		3	Y.
15,00,000	1,30,50,807	64,96,084	58,49,305	Birla Brothers Ltd.	27,340	992	Sutlej Cotton Mills	40N	10	40	5	6*		3	Y.
17,90,000								9½	10		5	40	40	3	
1,37,50,000P.O.	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,12,216	2,077	Swadeshi (Cawnpore	9½	10	5	5	5	5	12	P.Y.
13,98,630	16,70,493	12,91,002	9,843	M. R. & Sons	16,000	..	Trichinopoly	9½xd	10	9	9	9		12	Y.
21,00,000	56,75,811	47,61,131	50,000	R. K. S. Chetty & Bros.	33,704	270	Vasanta	150	100	7	9	9	12	12	Y.
32,00,000	1,34,16,851	1,18,73,996	2,21,881	The Bombay Co., Ltd.	54,280	1,495	Vishnu	1,65xd	100	10	10	12	12	12	P.Y.

* Includes Bonus. I. On Increased Capital. ‡ Only Depreciation. ¶ As on 31st August, 1952. †† Does not include depreciation

× Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46. — Nil Dividend xd=Ex. Dividend. C.d.=Cum. Dividend

(a) Includes Rs. 11-6 paid out of deferred Dividend Amount. † Subject to tax. ** Net Block

J=As on 1st January, 1953.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs	Managing Agents, Manag'ng Directors or Secretaries	Company	Latest Available Quotation Rs	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
ART SILK AND RAYON MILLS													
60,42,600	72,66,192	4,27,10,526	38,933	Chinai & Co., Ltd.	National Rayon Corporation	90	100					12	P.Y.
99,92,020	57,16,774	267,67,573	2,34,553	Emcete & Sons (Travancore) Ltd.	Travancore Rayons	4½	10					12	P.T.Y.
BREWERIES AND DISTILLERIES													
13,28,000						2½							
5,64,000	65,17,840	96,16,910	12,127	Parry & Co., Ltd	Deccan Sugar & Abkhari	9	25	11¼	11¼Q	—		5	P.Y.
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani Esq	Dyer Meakin Breweries	5½	10						
£330,000	£915,047	£1,010,005	£55,705	Parry's Holdings Ltd	East India Distilleries and Sugar	14 3/8xd	5 A	20	10	—		3	Y.
24,00,000	8,54,296	7,56,660	7 87,632	S. P. Smith, Esq.	Murree Brewery	18¼xd	20sh. B	10	10	10		9	P.Y
6,00,000	21,13,586	12,13,593	3 951	B. A. Mallya Esq.	United Breweries	10	10		15	15		8	Y.
						150	75	15	10	20		3	Y.
CEMENT													
81,19,724	21,33,493	67,56,656	15,850	The Andhra Engineering Co., Ltd.	Andhra Cement Co	95	100	3½	3½	7½		12	P.Y.
43,14,600	16,94,310	17,14,992	1,01,035	Eastern Corporation Ltd.	Assam Bengal Cement	4½	10					3	Y
4,70,976D						1	5						
0,56,20,438	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.	Associated Cement Companies	170½	100	7	8½	9½	9½	7	Y
0,56,20,438						1	5						
86,49,312	95,24,901	1,45,62,309	61,188	Hari Bros. Ltd.	Dalmia Cement	5–15½	10	—	5	6½		12	Y.
2,00,000D						1	1						
61,01,180	27,27,600	1,26,09,755	90,853	Essen Ltd	India Cements Ltd.	8	16	25	—	—	5	3	P.Y
7,50,000D						16	5D						
75,00,000	1,46,20,109	1,65,80,416	81,840	Martin Burn Ltd.	Sonevalley Portland Cement	3–6½	5	3	6	8		12	Y.
						7½							
CERAMIC; MINING AND QUARRYING													
31,70,655	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2½	10	2½	2½	5	6½	12	Y.
10,00,000	41,09,554	58,12,773	4,201	Bharat & Co.	Birra Stone Lime Co	29 N	10	10	10	10	17½	12	Y.
80,00,0000	37,00,990	51,64,271	28,729	Bird & Co.	Bird & Co.	93	10	10	10	10	17½	3.9	H.
38,00,000D	17,91,749	50,93,341	12,332	Ram Kumar Agarwala & Bros.	Chrestien Mica Industries	6½	10 O	10	10	10	5f		
6914,200	81,650,110	81,643.983	285,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	2–14½	5 D	15	15	15	75f	12	P.Y.
15,00,000							2ab.	12½f	12½f	12½			
1,00,00,000	38,79,403	43,65,527	1,29,079	Bird & Co., Ltd.	Karanpura Development	10	10	—	—	—	—	12	Y.
7,50,000						10	—	—	—	—	—	61.2	H.
6,00,000	6,40,199	7,98,882	9,812	Mysore Industrial Development Co	Mysore Stoneware Pipes & Potteries	10	10	—	—	—	—	61.2	H.
10,00,000	37,28,402	31,47,718	74,275	Bird & Co., Ltd.	Orissa Minerals	35	10	5f(d)	10	10	—	3	Y.
8,00,000	24,28,739	25,13,779	27,403	Andrew Yule & Co.	Reliance Firebricks	17	10	6½	6½	12½	15f	6.12	H.
6,99,390	20,61,475	17,98,676	3 427	Killick Industries Ltd.	Shivrajpur Syndicate	52½	10	10	10	17½		2-8	H.
							10	13	13	17½	35	11	Y.
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	23,14,270	1,02,937	S. V. S. Iyer, Esq.	Kemp & Co.	245½	200	80	10	10		3	Y.
92,14,870	55,77,268	2 53,78,334	8,595	Tata Sons, Ltd.	Tata Chemicals	9–3½	10	—	—	—		6	T.Y.
1,12,500	1,38,486	61,178	4,101	B. D. Nagar, Esq.	Thompson & Taylor	4½	3	8½	8½			3	Y.
Other Centres													
25,00,000	54,68,041	63,66,814	59,559	Bhailal Amin & Sons., Ltd.	Alembic Chemical Works Co.	105	100	—	8	8		12	Y.
62,00,000	1,07,29,152	2,20,10,944	2,51,870	Imperial Chem. Industries (India), Ltd.	Alkali and Chem. Corpn. of India	133	100	—S	8	8	6	9	Y.
64,700 "B" O	68,60,287	78,49 957	10,67,494	S. P. Sen. Esq.	Bengal Chemical & Phar	104½	100	6	6	6		4	Y.
81,50,000	45,64,469	38,97,031	1,09,722	Sahu Bros. (Saurashtra) Ltd.	Dharangadhra Chemicals	168	100	6	15	15		4	Y.
4,95,000	1,50,922	1,53,108	—21,738	D. C. Collaco, Esq.	Frank Ross & Co.	34	6	6	—	—		5	Y.
3,45,97,740	86,89,264‡	4,01,40,091	— 10,83,735	Seshasayee Bros (Travancore) Ltd.	F.A.C.T.	3½	10	4½	—	—		5	Y.
40,49,345	30,74,302	83,46,263	21,842	Seshasayee Bros. Ltd.	Mettur Chemicals	4 6	10	—	—	—		2	P.Y.
24,81,220	34,32,111	40,15,501	14,741	E. V. Ganapati Iyer, Esq.	Mysore Chemicals and Fertilisers	8½	10	—	—	3½		12	Y.
5,00,000	6,18,752	4,52,143	29,283	Krishna & Co.	Mysore Chemical Mfrs.	15cd	10	2½	9	9		5	Y.
5,00,000	19,82,894	15,88,659	48,158	C. A. Buxton, Esq.	Smith, Stanistreet & Co.	7½	5	10	10	10		3	P.Y.
												6	P.Y.
**ELECTR

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
OIL; PETROL, ETC.													
£750,000	£987,630	£257,232	—£718,934	I. C. H. Glass, Esq.	British Burma Petroleum Co.	1–2⅛	4sh.	—	—	—		3	P.Y.V.
22,50,000	81,89,204	52,69,225	1,85,955	N. C. Alcock, Esq.	British Ceylon Corporation	1¾	7½	20†	24†	32†		12	P.V.
1,00,00,000	2,27,04,997	1,10,70,867	2,10,829	Steel Brothers & Co.	Indo-Burma Petroleum Co.	5½	40	10	10	10		12	P.Y.
70,07,475	1,02,93,[illegible]	1,52,15,713	10,082	Tata Industries Ltd.	Tata Oil Mills	34	25	4	6	8		3	P.Y.
6,00,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tide Water Oil Co. (India)	14¼	10	15	15	17½	5f	4.10	H.
PAPER													
45,00,000	1,56,25,500	1,94,47,651	3,21,991	Belmer Lawrie & Co.	Bengal Paper Mills	45	25	10	10	12½	6¼f	6.12	P.T.H.
30,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	157	100	7	10	11	5f	3.9	H.
25,00,000	48,30,215	47,81,895	52,615	P. P. Balakrishnan, Esq.	Mysore Paper Mills	13⅜	10	5d	7½	10*		3	Y.
41,95,000	2,73,41,080	3,27,84,408	1,91,321	Birla Bros., Ltd.	Orient Paper	32½xd	10	15	25	20	10f	3.9	P.T.H.
50,06,895	1,10,93,378	84,10,902	1,86,714	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	19½	10	9½	11½	15	7½f	6.12	P.T.H.
20,00,000	58,56,913	76,25,937	9,851	Bajoria & Co.	Star Paper Mills	85xd	10	—	—	5	2½f	3.9	
10,00,000 A						4⅜	10	10	10	10	5f	3.9	
4,37,500 O						35½	A10	20	12½	20*	10*f	3.9	P.H.
A*56,00,000	5,15,53,313	4,78,98,548	5,00,114	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	35½	B10	20	12½	20*	10*f	3.9	
B*56,04,800 O													
PLANTING; PRODUCE AND RUBBER													
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	6–4¾	3	10	20	20		2	P.Y.
47,70,000	48,44,853	83,16,040	4,37,964	R. C. Patterson, Esq.	Consolidated Coffee Estate	17⅜	10	17	20	18		6	P.Y.
4,00,000	2,29,884	4,49,625	13,951	Associated Planters, Ltd.	Cottanad Plantations	9½	10	7½	10			4	T.V.
8,28,990	1,46,540	4,67,078	1,389	A. V. Thomas & Co., Ltd.	Pringford Estates	2¼	10	—	—	—		4	P.Y.
6,00,000	19,08,079	9,81,715	66,448	A. V. Thomas & Co., Ltd.	Highland Produce	10½	10	25	45	45		12	P.Y.
4,00,000	9,67,558	7,20,390	43,506	A. V. Thomas & Co., Ltd.	Kalpana Estates	17½	10	17½	20			4	Y.
4,50,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Malankara Rubber and Produce Co.	10½	10	17½	30	35		3	P.Y.
27,00,000	25,83,648	14,90,888	83,433	A. V. Thomas & Co., Ltd.	Midland Rubber and Produce Co. ..	9⅜	10	6	12½	15		3	P.Y.
3,33,000	1,38,538	12,94,936	28,190	A. V. George & Co., Ltd.	Nenmony Rubber	10	10	5	6¼	10		12	P.Y.
2,00,000	1,93,721	24,72,600	2,305	Associated Planters, Ltd.	Nilambur Rubber Co.	8½	10	6	10	10		12	T.Y.
19,45,980	48,35,083	38,14,428	1,78,110	Peirce, Leslie & Co., Ltd.	Onchiyenny Valley Estates	3⅜	2	25	45	10		6	P.Y.
13,50,000	3,52,973	28,05,950	31,101	A. V. Thomas & Co., Ltd.	Rajagiri Rubber and Produce Co. ..	10½	10	9	12½	15		3	P.T.Y.
10,80,000	3,36,390	1,56,824	936	East India Agencies, Ltd.	Teekoy Rubbers (India) Ltd.	6¾	10	—	7½	9		3	P.Y.
8,50,000	1,81,279	5,11,395	66,520	A. V. George & Co.	Thamaraparly Rubber	13½	10	6¼	6¼	10		12	Y.
3,05,100	5,01,650	6,03,723	31,510	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co. Ltd.	2¼	1	17½	20	25	25	9	Y.
6,00,000	1,17,222	7,40,149	3,953	K. C. Cheriyan, Esq. (Secretary)	Travancore Rubbers	13½	10	3½	10	20		12	T.Y.
41,00,000	14,90,372	67,61,27	8,25,086	Aspinwall & Co., (Travancore) Ltd.	Travancore Rubber and Tea Co., Ltd.	6–5⅛xd	10	2½	6	10		12	Y.
20,00,000	6,09,535	22,94,345	2,575	P. T. Thomas, Esq.	Tropical Plantations Co.	20½	25	10	12½	12½		12	P.Y.
8,20,000	53,026	3,26,408	40,587	A. V. George & Co. Ltd.	Udyagiri Rubber	5½	10	5	5	—		12	Y.
6,28,580	2,79,994	7,07,482	33,166	Harrisons & Crosfield Ltd.	Valkundam (Travancore) Rubber Co., Ltd.	13⅜	10	10	12½	20	20	12	Y.
1,68,000	78,624	3,43,636	14,082	M. K. Thomas & Co.	Woodland Estates	7⅛	10	7½	6¾	—		3	
PRESSING													
6,00,000	18,78,066	19,01,857	2,322	Andrew Yule & Co.	Calcutta Hydraulic Press	83	100	3	3	5		3	Y.
4,50,000	5,58,036	6,89,525	1,116	Pyne and Sons.	Campedown Pressing	93N	100	4	6	7		7	Y.
8,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Central Hydraulic Press	95	100	3	5	5		6	Y.
PROPERTY AND LAND													
10,00,780	25,11,061	42,65,283	419	S. A. Basil, Esq.	Humayan Properties	10½	10	—	6	—	5	9	P.Y.
60,00,000	34 67 735††	83,61,045**	—	David Sassoon & Co., Ltd.	Fort Canning Land	24	100	2	1½	1		4	P.V.
94,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co.	Midnapore Zemindary	35	100	—	3	2		4	
SAW MILLS AND TIMBER													
13,99,998	29,73,877	10,38,508	60,887	Bird & Co.	Assam Saw Mills and Timber, ...	6¼	5	16½	16½	16½		9	Y.
50,00,000	4,89,22,437	2,47,99,361	1 57,498	Wallace & Co.	Bombay-Burmah Trading	383½	125	12	30	18		5	Y.
42,00,000						135	50	12	20	18		5	P.Y.
6,00,000	7,04,037‡	7,80,451	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	50N	100	5	—	—		6	Y.
18,00,000	25,94,349	15,51,606	73,653	G. Arbuthnot & Co.	Indian Wood Products	37½	10	25	35	35		9	Y.
SUGAR (U. P. and Bihar)													
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co.	Balrampur Sugar	6⅜	5	—	20	—		6	Y.
12,00,000	28,96,740††	15,70,684**	2,81,000	Narang Bros.	Basti Sugar	120N	100	6¼	10	8½	10	9	Y.
19,49,050	23,60,462	27,54,525	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	7½xd	10	10	15	15		6	Y.
14,00,000	21 11,580	15,38,162	40,743	Cotton Agents Ltd.	Bharat Sugar	15N	10	5	—	—		6	P.T.Y.
32,00,000	1,03,86,777	1,29,41,870	41,747	Gladstone Lyall & Co., Ltd.	Carew & Co.	6⅜	10	15	20	30	20	10	P.Y.
15,00,000	1,30,09,452	96,28,542	31,891	Begg Sutherland & Co.	Champaran Sugar	29½	10	15	15	20		6	
18,00,000	78,43,538	60,37,156	17,488	Begg Sutherland & Co.	Champarun Sugar	20½	10	15	15	20		6	P.Y.
45,00,000	57,00,000	68,17,572	50,477	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	130N	100	5½	6	12*		7	P.Y.
12,00,000	41,78,374	68,10,159	—4,15,271	Kilachand Devchand & Co	Kesar Sugar*	50N	80	—	—	—	—	7	P.Y.
6,00,000						20N	40	3	4			6	P.Y.
7,89,100	31,59,777	25,99,076	115,051	Cotton Agents Ltd.	New India Sugar Mills	72½	10	10	25	25		8	Y.
11,00,000	27,48,180	36,39,370	3,895	Karam Chand Thapar & Bros., Ltd. ..	New Savan	6¾	10	5	6¼	5		6	Y.
19,59,575	58,13,356	52,06,760	6,35,025	Cotton Agents, Ltd.	New Swadeshi Sugar Mills	180N	100	15	20	20		7	P.Y.
97,45,350	1,08,98,159	1,56,10,992	1,981	Cotton Agents, Ltd.	Oudh Sugar Mills	45N	25	2½	2½				
20N	25												
15N	12½												
1,00,000	39,31,078	26,42,844	71,500	Narang Bros.	Panjab Sugar Mills	100N	100	—	6	20	10	10	Y.
3,00,000	42,50,793	33,72,806	19,435	Begg Sutherland & Co.	Partabpore Company	15	10	10	25	10		6	P.Y.
8,00,000	26,05,463	24,18,182	15,410	Begg Sutherland & Co.	Ryam Sugar	23½	10	10	20	20		6	Y.
11,99,000	38,06,835	36,11,360	23,281	Begg Sutherland & Co.	Samastipur Central Sugar	13⅜	10	—	3½	—		6	Y.
20,00,000	69,94,641	1,03,56,230	4,188	Sahu Jain Ltd.	Shree Krishna Gyaneshay Sugar ..	10½	10	—	—	5		6	Y.
9,99,950	11,66,782	21,41,729	10,162	H. K. Ghose, Esq. & R. N. Datta.	Sitalpore Sugar	5½	10	—	—	—		6	
6,50,000 D	11,94,395	27,92,174	—14,73,656	N. K. Jain & Co., Ltd.	South Bihar Sugar	3N	10	—	—	—		6	Y.
6,70,000 D						2A	1N						
8,00,000	54,46,474	70,75,580	57,216	Cotton Agents, Ltd.	Upper Ganges	30	20N	17½	20	20		6	Y.
(Indian States and Other Centres)													
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Belapur Co.	235	50	16½	25	28	32	9	Y.
33,57,350	46,47,856	38,47,284	4,64,518	Gavan Bros. (Rampur), Ltd.	Buland Sugar	104¾N	100	7	7½	10		6	P.Y.
18,93,900	18,53,357	37,63,451	21,012	J.P.Srivastava&Sons(MadhyaBharat)Ltd.	Gwalior Sugar Co., Ltd.	43N	100	—	3	3		6	Y.
33,00,000	38,42,751	22,63,689	2,71,331	India Sugar Agencies Ltd.	India Sugar & Refineries	22xd	10	12½	15	25		6	Y.
81,79,280	1,49,74,359	97,24,107	8,27,296	M. Malleshayya, Esq.	Mysore Sugar	41⅜	20*	20	20	16	16	9	Y.
50,00,000	96,62,468	1,03,94,886	3,18,594	Mahalal, Apte & Kanilal, Ltd. ..	Phaltan Sugar Works	85½	50	14	16	16	16	9	P.Y.
16,59,820	45,75,389	24,76,150	1,61,652	Anderson Wright Ltd.	Ramnugger Cane & Sugar Co., Ltd.	165	10	15	6	7½	20	9	P.T.Y.
20,80,000	68,39,148	74,55,840	1,89,513	Walchand & Co., Ltd.	Ravalgaon Sugar Farm Ltd.	90N	50	7	14	18	18	9	Y.
19,99,580	50,82,224	42,94,120	6,05,982	Gavan Bros. (Rampur), Ltd.	Raza	12	10	6	10	12½		9	Y.
30,00,000	23,82,353	58,70,150	20,980	Parry & Co., Ltd.	Travancore Sugars	4½	10	—	—	—		9	Y.
1,01,00,000	1,29,20,737	1,71,89,516	2,07,926	Premier Construction Co., Ltd. ..	Walchandnagar Industries Ltd. ..	157½	100	17½	12	14	14	9	P.T.Y.
UNCLASSIFIED (Bombay)													
1 30,00,000	1,14,37,216	46,81,706	—4,88,411	Tata Industries Ltd.	Air-India Ltd.	83½	100	—	18	15	17½	12	Y.
2,40,000	4,90,364	5,64,538	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	705	200	18	—	—		9	Y.
59,89,550	2,64,61,962	3,70,82,313	83,607	Scindia Steam Navigation Co., Ltd.	Bombay Steam Navigation Co., Ltd.	35½	25	—	—	—		6	P.Y.
15,98,860	1,28,267	2,19,255	32,663	Parakh Agencies Ltd.	Bombay Upendra	54N	80	5	5	5		12	Y.
25,00,000	1,50,000	24,37,096(K)	12,787	Dena Bank Ltd.	Dayanand Nanji Investment Co. ..	85	25	3	3	3		3	P.Y.
11,98,360	17,39,540	10,69,107	4,425	F. H. Mehta Esq.	Estrela Batteries	23N	100	3½	4	4½	4½	12	Y.
9,99,250	18,35,375	1,27,45,383(k)	1,85,257	Premchand Roychand & Sons	Industrial Investment Trust	71xd	100	8	6½	10		6	Y.
84,98,865	15,91,304	12,58,924	2,833	K. G Milne, Esq.	Kirlick Industries	152½	100	—	—	—		12	Y.
2,86,71,500 A						41	10	—	—	—		6	Y.
10,00,000 B	65,85,939	2,20,52,503	4,52,797	Aero-Auto Ltd.	Premier Automobiles Ltd, ...	13–6½	15	—	—	3½		6	Y.
8,59,62,018	9,89,24,387	12,98,97,421	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co., Ltd.	50N	50	10	10	10		3	Y.
1,50,000	3,71,437	2,21,590	3,145	R. B. Bandekar Esq.	Thacker & Co.	40	20	7½	10	15	15	12	Y.
10,21,200	17,95,712	14,71,107	36,733	Sir Joseph Kay, K.B.E.	United Motors (India) Ltd.	234§	100	11*	11*	11*	12½	12	Y.
2,20,00,000	2,54,09,975	2,16,78,739	4,20,869	T. H. Rydin, Esq.	Western India Match Co., Ltd. ..	350N	150	8-5/6	13½	13½	13½	12	Y.
45,00,000	46,57,108	24,608	41,429	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.								
Other Centres													
47,50,000	4,90,364	5,64,538	702	J. K. Industries Ltd.	Aluminium Corporation of India Ltd. ..	4⅜	10	—	—	—		3	P.T.Y.
2,50,000 D						17½	10	10	17½*	25*	12½	8	Y.
30,00,000	53,38,668	31,59,164	5,24,909	Turner Morrison & Co., Ltd.	Angelo Brothers Ltd.	20	10	12½*	12½*	12½*	12½*	12	Y.
20,00,000	32,53,118	42,88,118	1,35,909	T. H. Rydin, Esq.	Assam Match Co., Ltd.	5½	10	7½	6			9	P.T.Y.
80,00,000	93,63,088	92,32,633	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	293	100	—	—	—		9	Y.
30,00,700	15,57,826	45,95,360	5,19,159	O. T. Jenkins, Esq.	Belmer Lawrie & Co.	1080	40D	25*	25*	20		12	Y.
10,00,000						147	100	15	15	20		12	P.Y.
20,00,000	1,19,26,323	1,24,61,121	2,04,690	Andrew Yule & Co., Ltd.	Bengal Assam Steamship Co., Ltd. ..	15½	10	5	10	12½	12½	10	P.Y.
20,00,000	8,38,806	54,05,998(K)	1,25,380	Lovelock & Lewes	Birds Investments Ltd.	91	100	11½	11½	12½	12½	9	Y.
1,00,00,000	1,00,01,435	2,26,31,139	1,16,838	Dinshaw Ltd.	Bharat Line	15	10	3	3	4		12	Y.
30,64,680	50,81,266	83,30,736	1,82,277	A. F. Chanda Esq.	Britannia Biscuit	8–10½	5	12½	12½	7½–I		3	P.Y.
3,25,00,000	2 85 64,167	47,78,193**	1,99,112	Sir Robert Menzies Kt., O.B.E.	British India Corporation Ltd. ..	28	10	11½	15	15	12½	12	P.Y.Y.
1,60,00,000	3,77,71,321	4,07,06,331	7,01,468	Cecil Stack, Esq.	Dunlop Rubber Co. (India) Ltd. ..	138	10	20	20	15-I	15	12	P.Y.
51,26,000	1,20,55,420(K)	1,06,55,420(K)	3,15,489	Bird & Co. Ltd.	Eastern Investments Ltd.	200cd	100	20	22½	15f		3.9	H.
7,00,000	29,85,208	24,09,208	17,900	Macneill & Barry Ltd.	Ganges Soap	128	100	7½	10	10		3	P.Y.
65,00,000	34 13,857	15,62,902	2,07,324	A. J. Elkins, Esq.	Gillanders Arbuthnot & Co., Ltd. ..	252	250	6	6	6		3	P.T.Y.
30,00,000	37,25,649	54,49,206	12,214	B. P. R. Syndicate	Great Eastern Hotel Co.	100N	100	6	7½	7½		12	W.
18,42,500	36,42,099	24,49,206	2,575	Birla Brothers, Ltd.	Hind Cycles	44	10	—	—	—		3	P.Y.
4,96,12,650	39,45,519	2,61,59,292	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	107	100	—	3½	5	5½	12	P.Y.
1,60,00,000	1,59,65,053	3,07,88,193	22,27,867	A. W. R. Johnson, Esq.	Indian Aluminium Co.	18⅜	10	25	10*	10*		3	
1,52,89,220	1,31,92,732	57,92,390	9,29,554	D. J. Malmseh, Esq.	Indian Cables	7⅜	10	—	—	—		12	P.Y.
83,75,000 O						8	5	—	—	—			
5,00,000 P	51,91,428	75,82,228	—15,72,246	Gavan Bros., Ltd.	Indian National Airways	7	10	—	—	—			
1,25,000 D						8	5	—	—	—			
8,37,970	12,79,385	14,27,460	39,038	George Spencer Moulton & Co. (India).	Indian Rubber Manufacturers	14½	10	10	10	10		3	P.Y.
8,25,00,000	1,60,38,685	3,87,93,801	2,26,066	Lionel Edwards Ltd.	India Steamship Co., Ltd.	6¾	10	—	5	5		3	P.T.Y.
2,40,000	4,33,028	67,247	36,496	G. W. Ewalka, Esq.	Ivan Jones	4½	2	21½	21½	21½		9	Y.
2,00,00,000	55,39,843	27,16,440	8,86,448	J. D. K. Brown, Esq.	Jardine Henderson	127	100	10	10	10		3	P.Y.
6,34,000	9,97,633	6,91,531	—64,994	James & Co., Ltd.	Macfarlane & Co. Ltd.	2	5	—	—	—		3	P.Y.
40,00,000 O						137	O. 100	10	12½	12½		12	P.Y.
5,00,000 D	63,35,248	23,69,220	85,717	A. T. Dolg, Esq.	McLeod & Co. Ltd.		D. 10	5	7½	7½		12	P.Y.
1,30,55,750	33,32,702	11,34,840	2,31,092	T. Leslie Martin Esq.	Martin Burn Ltd.	18½	10	10	12½	11½	13½	9	Y.
6,35,190	4,90,533	7,47,410	10,548	Ogale Glass Works Ltd.	Mysore Glass & Enamel Works ..	5	10	—	6¼			12	P.Y.
3,75,000	3,74,553	8,79,856	5,686	R. Bharatiah, Esq.	Mysore Lamp Works	18½	10	10	20	—		3	P.Y.
19,00,000	3,95,997	11,45,855	1,11,329	V. S. Arunachalam, Esq.	Mysore Tobacco	10–½	10	—	—	10		3	P.T.Y.
20,00,000	51,92,199	50,16,078	11,045	Associated Ind. Development Co., Ltd.	National Insulated Cable Co. of India Ltd.	12½	10	5	5	7½		3	P.T.Y.
99,97,000	55,83,352	1,04,30,524	8,86,347	H. Elias & Co., Ltd.	National Tobacco Co.	10½	10	—	5	5		12	P.Y.
14,87,137	6,67,694††	18,52,569**	23,513	E. P. Ogale & Co.	Ogale Glass Works	3	5	—	—	—		12	P.T.Y.
40,00,000	36,64,522	60,85,006	1,94,446	Parry's Holdings Ltd.	Parry & Co.	58	25	62½	80–I	32½		12	P.Y.
2,25,00,000	62,51,619	1,69,49,507	3,62,847	G. U. Euthymopulo, Esq.	Rallis India Ltd.	75½	100	8	8½	9		8	P.Y.
1,14,00,000	2,29,15,252	1,78,03,905	83,67,941	Sahu Jain Ltd.	Rohtas Industries	98	10	—	—	7½		10	P.Y.
40,00,000	1,53,62,299	1,19,84,861	5,36,552	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	14–3½	10	10	15	15		3	Y.
75,00,000	22,00,000	1,75,74,498	2,62,138	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	28	10	10	10	10		12	Y.
9,98,280	3,19,364	8,90,420	1,855	Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	—	4	—		12	

†† Does not include depreciation. * Includes Bonus. ** Net Block, C.D.—Cum Dividend. I On Increased Capital.

‡ Only Depreciation. —Nil Dividend. † Less incometax. (c) For six months ended June, 1949
Z.—For fifteen months ended 31st December, 1952. K—Investments. X.R.—Ex-Right. (d) For nine months ended March, 1950

TEA COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
ASSAM														
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	450N	100	2½	25	—		18	P.Y.
3,50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd.	4004	Amsadubag	10	10	12½	17½	—		18	Y.
3,50,000	10,64,192	12,05,396	—89,152	McLeod & Co., Ltd.	573	Baghmari	24	10	30	30	25		18	Y.
3,40,000	9,12,883	7,05,721	44,989	Andrew Yule & Co., Ltd.	360	Basmatia	11	2	25	30	10		18	T.Y.
3,30,600	7,24,887	8,38,278	71,941	Williamson Magor & Co.	555	Bateli	24	10	20	35	15		12	Y.
3,20,000	6,19,032	6,72,731	54,942	Gillanders Arbuthnot & Co., Ltd	566	Betica	24	10	20	35	15		12	T.Y.
16,50,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co.	4,004	Bishnauth	25½	10	35	50	5		18	T.Y.
6,00,000	4,80,346	9,78,429	—1,90,802	Octavius Steel & Co., Ltd.	493	Bokakhat	4½	10	5	5	—		12	P.Y.
7,50,000	5,06,959	7,64,836	22,297	McLeod & Co., Ltd.	450	Bormah Jan Tea Co., Ltd.	11	10	15	15	15		6	P.Y.
35,00,000	22,18,001	70,96,925	87,990	Brooke Bond India Ltd.	2,670	Brooke Bond	11	10	10	10	10		6	P.Y.
1,20,000	3,06,715	3,66,030	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	6¾	10	6¾	15	—		18	Y.
6,00,000	22,17,578	24,24,301	25,545	Jardine Henderson Ltd.	1,341	Desaee & Parbatia	225	100	15	30	22½		18	Y.
17,53,440	7,15,393	19,11,105	54,461	James Warren Ltd.	426	Dholakha	10½	10	10	16	12		12	Y.
4,68,970	8,90,863	13,71,610	25,794	James Finlay & Co., Ltd.	613.37	Dhunser	9½	10	10	20	10		12	T.Y.
4,50,000	6,57,785	9,86,816	14,389	McLeod & Co., Ltd. .. .

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent. 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
60,00,000	1,02,72,130	95,73,184	3,33,368	879	B. N. Elias & Co., Ltd.	Agarpara	19⅜	10	10	15	20	10f	3.9	P.T.H.
12,00,000	50,61,739	45,32,316	16,522	498	Sahu Jain Ltd.	Albion	190	100	—	14	30	8f	5.11	P.H.
6,00,000	30,55,572	47,33,264	—3,29,636	446	McLeod & Co., Ltd.	Alexandra	200	100	—	5	5	—f	6.12	T.P.H.
30,00,000	85,82,864	1,17,03,966	—13,61,074	1,264	McLeod & Co., Ltd.	Alliance	100	100	—	2½	—	—f	6.12	P.H.
49,20,700	2,31,84,144	2,24,03,099	1,44,601	2,561	Duncan Bros. & Co.	Anglo-India	234	100	—	20	20	10f	3.9	P.H.
40,00,000	1,18,83,050	1,31 13,967	71,745	810	Bird & Co., Ltd.	Auckland	120	100	1½	10	10	4f	3.9	P.T.H.
20,00,000	92,46,901	97,14,511	55,967	959	Jardine Henderson & Co.	Bally	162	100	7	12	1	—f	3.9	P.H.
£275,000	£1,680,379	£1,328,460	£91,091	1,890	Jardine Henderson & Co.	Barnagore	165	£5	20	20	20		3	P.Y.
28,00,000	80,27,627	88,01,241	26,347	820	Andrew Yule & Co.	Belvedere	204	100	13	17	27½	15	6.12	P.H.
45,00,000	78,51,305	51,03,385	4,07,701	600	Soorajmull Nagarmull	Bengal	15	10	13½	15	30	6		T.P.Y.
30,42,000	3,71,54,151	3,06,60,933	1,38,294	1,373	Birla Bros.	Birla	37½	10	25	30	30		3	P.Y.
36,00,000	98,57,668	1,07,77,342	25,598	991	Andrew Yule & Co., Ltd.	Budge-Budge	168	100	7	13	22	6½f	4.10	H.
7,47,380	30,53,704	39,44 698	34,320	502	Dayaram & Sons	Calcutta Jute Manufacturing	184N	10	—	—	20		6.12	T.P.H.
18,00,000	65,79,289	75,43,878	32,228	616	Andrew Yule & Co.	Caledonian	160	100	5	14	22	12	5.11	P.H.
29,16,400	2,11,26,602	1,62,21,807	1,35,299	1,400	James Finlay & Co., Ltd.	Champdany	158½	100	3	10	14	8f	3.9	P.H.
15,95,000	78,33,608	79,40,140	45,839	530	Andrew Yule & Co., Ltd.	Cheviot	211	100	13½	16	22	12	5.11	P.H.
10,05,000	83,89,114	55,21,773	60,392	500	McLeod & Co.	Chitavalsah	26½	10	12½	15	60	25f	6.12	T.P.H.
16,00,000	80,24,460	77,89,914	1,01,979	969	Shree Krishna Investment Co., Ltd	Clive	25	10	12½	35	20		3	P.H.
31,40,200	1,21,56,497	1,16,59,962	21,356	766	Bird & Co., Ltd.	Dalhousie	137	100	1	11	12	1f	3.9	P.H.
28,00,000	86,65,708	73,72,811	50,826	779	Andrew Yule & Co.	Delta	235	100	11	17½	32½	20	5.11	P.H.
15,00,000	83,57,460	74,82,092	45,656	500	McLeod & Co.	Empire	204	10	10	20	25	5f	6.12	T.P.H.
21,00,000	2,35,23,130	2,62,73,643	1,801	1,884	Kettlewell Bullen & Co.	Fort Gloster	275	100	2½	32½	22½	—f	3.9	P.T.H.
14,00,000	48,25,115	69,94,729	—8,32,397	1,014	G. C. Bangur, Esq.	Fort William	305N	100	—	10	—		3.9	P.H.
84,32,100	1,40 49 268	2,08,92,266	—12,29,673	1,709	Macneill & Barry Ltd.	Ganges	72½	100	—	6½	2½	—f	3.9	P.H.
10,80,000	76 50 046	68 12,500	41,193	607	G. Arbuthnot & Co.	Gondalpara	800	300	—	15	30	10	12	T.Y.
24,00,000	74,14,915	1,35,90,393	96,381	1,394	Macneill & Barry Ltd.	Gourepore	286	100	2½	25	11½	—f	3.9	P.H.
40,00,000	81,94,127	3,06,824	1,06,824	1,078	Bangur Bros. Ltd.	Hastings	233N	100	10	7	10		3	P.Y.
16,80,000	58,02,116	64,29,355	64,417	720	G. Arbuthnot & Co.	Hooghly	30½	10	10	30	15		3	P.Y.
65,62,500	1,56,21,640	1,59,50,625	1,71,001	1,940	Jardine Henderson Ltd.	Howrah	24½	10	7½	17½	18¾	8½f	3.	T.P.Y.
30,00,000	1,74,30,109	2,23,00,109	3,91,968	2,272	Ramdutt Ramkissendas	Hukumchand	37½	10	7½	46¾	66¾	66¾	3	P.H.
87,00,000	88,97,267	1,11,41,130	77,979	1,076	Mackinnon Mackenzie & Co.	India	129	{O. 125 D. 1	5½	5½	3½	2½f	3.9	P.H.
24,00,000'A'														
19,20,000'B'	1,36,54,330	1,36,47,095	92,899	1,797	Jardine Henderson Ltd.	Kamarhatty	194	100	—	17	22½	14½	6.12	P.H.
30,00,000							184	100						
24,00,000'B'	1,04,29,702	1,30,34,859	83,881	1,527	Jardine Henderson Ltd.	Kanknarrah	144½	100	—	—	12½	10	6.12	P.H.
21,00,000							130	100						
21,00,000	1,13,89,109	91,65,930	1,07,129	703	McLeod & Co.	Kelvin	240	100	10	20	25	7½f	6.12	P.H.
54,00,000	1,18,86,997	1,59,17,038	2,06,473	1,530	Anderson Wright Ltd.	Khardah	185	100	—	25	16		3.9	P.H.
48,00,000	1,94,15,089	2,09,37,751	1,16,651	1,250	F. W. Heilgers & Co.	Kinnison	195	100	2½	14	19	7f	3.9	P.T.H.
24,48,000	1,24,25,159	1,33,71,480	40,487	931	Bird & Co., Ltd.	Lansdowne	125	100	2½	15	15	3f	3.9	T.P.H.
28,00,000	1,19,87,748	1,13,75,507	6,954	840	Bird & Co., Ltd.	Lawrence	190	100	6	21½	22	4f	3.9	P.H.
10,00,000	70,30,427	50,24,402	64,167	558	Andrew Yule & Co.	Lothian	232	100	—	15	32½	30	5.11	P.H.
81,65,200	1,38,82,204	1,94,76,907	1,17,533	1,008	Mackinnon Mackenzie & Co.	Megna	103	100	4½	8½	3½	2½f	3.9	H.
29,98 900	1,29,56 303	1,55,05,495	—2,80,351	815	F. W. Heilgers & Co.	Naihati	128	100	—	15	12	—f	3.9	P.T.H.
12,00,000	39,17,880	25,69,085	17,184	425	Howrah Trading Co., Ltd.	Naskarpara	15xd	10	11½	13½	22½		4.10	T.H.
50,00,000	80,49,988	27,56,895	45,733	852	Andrew Yule & Co.	National	24½	10	11½	15	25	10f	4.10	P.H.
7,50,000	32,11,917	24,37,663	21,345	316	McLeod & Co.	Nellimarla Jute	27½	10	25	30	75	20	6.12	T.P.H.
10,50,000	66,36,905	45,98,858	7,738	709	Sahu Jain Ltd.	New Central	220	100	6	14	30	10f	6.12	P.H.
16,79,880	98,33,709	1,18,62,645	5,954	567	Bird & Co., Ltd.	Northbrook	19	10	—	—	20	2½f	6.12	P.T.H.
66,79,500	1,71,33 499	2,10,50,572	94 764	1,092	Macneill & Barry Ltd.	Nuddea	45½	50	—	5½	14	—f	3.9	T.H.
24,91,000	70,60,941	70,35,063	81,356	601	Andrew Yule & Co., Ltd.	Orient	179	100	9	14	24	7	5.11	H.
25,00,000	63,83,642	80,79,256	—4,76,887	400	McLeod & Co.	Presidency	5½	5	—	—	2½	—	6.12	T.H.
20,00,000	7,67,493‡	26,15,293	—3,29,549	305	Macneill & Co.	Rameshwara	3½	10	—	1½	—		3.9	H.P.
49,50,000	55,07,248	1,23,45,796	58,685	1,276	Jardine Henderson Ltd.	Reliance	14⅜	10	—	—	—		3.9	P.H.
66,00,000	89,99,994	£11,96,402	£76,498	2,013	Thomas Duff & Co. (India) Ltd.	Samnuggur	14½	£1	6‡‡	10‡‡	10		12	P.Y.
30,00,000	68,57,466	95,49,412	87,40,952	911	Bagaria Nore Co., Ltd.	Shree Ambica (Adamjee)	17½	10	—	15	10f		3.9	P.H.
7,00,000	45,17,785	48,14,456	2,73,383	401	Hindustan Investment Corpn.	Soorah	10½N	10	—	10	—		12	P.Y.
25,19,600	1,06,20,961	93,73,041	12,665	650	Bird & Co., Ltd.	Standard	135	100	4	15	16		3.9	P.H.
£6,00,000	£8,36,984	£9,78,287	£1,29,393	1,794	Thomas Duff & Co. (India) Ltd.	Titaghur	14½	£1	6‡‡	10‡‡	10		12	Y.H.
35,98,600	1,80,41,145	1,73,93,324	15,098	1,326	Bird & Co., Ltd.	Union	163	100	2	19½	21	1f	3.9	P.T.H.
£4,00,000	£6,35,795	£10,47,385	£1,00,239	1,331	Thomas Duff & Co. (India) Ltd.	Victoria	14½	£1	6‡‡	10‡‡	10		12	Y.H.
2,50,000	32,89,383	55,48,403	—47,909	465	McLeod & Co.	Waverley	5⅜	1	—	5	5	—f	6.12	P.T.H.

(t) For ten months ended 31st December, 1951. (For Nazira Coal) ‡‡ Subject to foreign income-tax. f Only Depreciation. • Includes bonus.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
25,50,000	61,24,011	64,99,011	25,799	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	19⅜	10	17½	20	13⅜	5f	3.9	H.
12,00,000	42,18,417	37,16,954	60,294	Jardine, H. & Co., Ltd.	Bararee Coke	18	10	14⅜	13⅜	14⅜	7½f	3.9	H.
40,00,000	70,50,737	1,17,79,347	73,814	Sahu Jain Ltd.	Bharat Collieries	6	10	6½	6½	6½		6	P.T.Y.
1,00,00,000	3,35,25,103	5,08,61,725	8,02,968	Andrew Yule & Co., Ltd.	Bengal	530	200	33½	17½	18⅜•	10•f	4.10	P.H.
4,49,350	5,82,303	8,49,159	3,152	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	4N	10	2½	2½	2½	1½f	6.12	H.
2,25,000	27,12,507	25,84,461	4,280	Andrew Yule & Co., Ltd.	Bengal-Nagpur	14½	10	22½	16½	10•	3½f	6.12	P.H.
13,97,900	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	4½	10	—	2½	1½		9	Y.
7,15,000	50,04,831	50,17,715	3,437	F. W. Heilgers & Co., Ltd.	Bhulanbararee	13½	10	—	6½	6½	2½f	6.12	H.
16,00,000	53,46,046	67,83,723	—1,37,184	Anderson Wright (Ramgarh), Ltd. ..	Bokaro-Ramgur	11	10	5	—	—	15f•	6.12	T.H.
7,50,000	42,42,776	40,82,736	1,07,078	F. W. Heilgers & Co., Ltd.	Borrea	30½	10	20	30	30•		6.12	P.H.
90,92,480	3,23,04,936	3,94,53,208	1,54,703	Bird & Co., Ltd.	Burrakur	10⅛	10	10⅛	7½	7½	3½	6.12	P.T.H.
49,97,000	—	23,16,089	8,776	Hindusthan Investment Corpn., Ltd. ..	Central India	5	10	—	—	—		3	Y.
8,00,000	45,46,717	49,09,377	2,273	Anderson Wright & Co.	Central Kurkend	16½	10	17½	12½	—	—f	6.12	P.H.
6,00,000	1,40,000	7,50,000k	28,918	F. W. Heilgers & Co., Ltd.	Churulia	2⅜	4	6½	4⅜	1⅜	1f	6.12	P.H.
16,00,000	30,89,961	44,04,602	12,039	Macneill & Barry Ltd.	Dhemo Main	10½	10	10⅜	10	12½	2½f	6.12	H.
£120,000	£1,084,338	£872,414	£78,439	Jardine Henderson Ltd.	East Indian	23½	£1	13½	37½	37½		4	Y.
29,63,760	3,25,97,992	3,19,86,409	2,12,912	Macneill & Barry Ltd.	Equitable	42½xd	10	25	25	25	15f	6.12	H.
10,00,000	4,83,963	8,41,725	66,865	Bhatter's Agency Ltd.	Ghusick and Mustia	14½N	3	20	5			3	Y.
8,00,000	21,59,376	21,52,141	14,404	Macneill & Barry Ltd.	Hurriladih	47N	10	12½	15	15	7½f	6.12	H.
3,50,000	11,63,346	12,53,839	40,107	Andrew Yule & Co., Ltd.	Kalapahari	94	10	26½	35	35•	17½f	2.8	H.
20,00,000	68,340‡	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	43½	100	—	—	—		2	H.
3,00,000	42,58,631	42,08,293	1,46,012	Andrew Yule & Co., Ltd.	Katras Jherriah	27½	10	27½	35	37½	20f	1.7	P.H.
1,38,400	5,20,519	11,63,519	1,063	H. V. Low & Co., Ltd.	Khas Kajora	11½	10	7½N	10	5f		6.12	Y.
11,00,240	10,19,288	15,64,007	5,201	H. V. Low & Co., Ltd.	Kuardi	3⅜	3⅜	6½N	6			6	Y.
13,50,000	29,43,024	28,41,241	13,549	H. V. Low & Co., Ltd.	Lakurka	10	10	12N	10	7½		4	H.
5,65,750	11,41,667	22,37,077	2,691	Barlow & Co.	Mandulipoor	3N	10	5	7½			6.12	H.
12,48,240	10,74,138	11,24,142	14,490	Associated Commercial Co., Ltd. ..	Nazira	5N	10	5	2½	5½		6.12	H.
7,00,000	3,77,590	9,53,321	4,597	Amritlal Ojha & Co., Ltd.	New Bansdeopur	5N	10	6½	7½	6½		3.9	H.
17,76,230	91,68,381	1,16,02,941	55,799	Andrew Yule & Co., Ltd.	New Beerbhoom	20½xd	10	3	6	—	5f	4.10	
6,00,000	21,87,920	31,32,540	—7,595	Octavius Steel & Co. Ltd	New Manbhoom	10	10	12½	7½	—	—f	3.9	P.H.
2,50,000	6,84,984	5,45,859	1,387	Jatia Bros. Ltd.	North Dumuda	4N	2½					3.9	H.
1,15,000	10,81,297	12,56,672	12,237	Andrew Yule & Co., Ltd	North West	14½N	10	16½	13½	5	2½f	3.9	H.
1,37,500						11N	7½						
7,50,000	12,54,532	3,97,666	1,23,852	F. W. Heilgers & Co., Ltd.	Ondal	19½N	10	12½	25	22½•	10f	6.12	P.H.
10,00,000	14,15,045	32,73,178	46,739	K. C. Thapar Bros. Ltd.	Oriental Coal	13N	10	10	10	10		12	T.Y.
8,34,000	5,96,486	16,29,203	70,339	Deepchand Kishenlall	Parasea	3½	10	—	—	—f		6.12	H.
15,75,000	34,87,649	39,37,649	31,995	Shaw Wallace & Co., Ltd.	Pench Valley	20	10	16½	12½	10	6½f	2.8	H.
23,99,500	91,95,339	1 09,49,971	—4,53,764	B. N. Elias & Co., Ltd.	Raneegunge	9	10	—	—	—	—f	3.9	H.
15,50,000	30,62,857	29,87,472	36,004	Shaw Wallace & Co., Ltd.	Rewa	19½xd	10	8⅜	12½	10	17½	6.12	H.
80,00,000	15,10,118	28,07,516	165	Jaipuria Sons Ltd.	Samla Collieries	6⅜	10	—	5	1⅛f		6.12	T.
1,25,000	12,44,124	13,05,188	18,451	Gillanders Arbuthnot & Co., Ltd. ..	Searsole	9¾N	2½	20	20	20		1	P.H.
2,80,000	19,76,795	28,04,096	30,184	Andrew Yule & Co., Ltd.	Seebpore	25½xd	7	35-5/7	32-1/7	28-4/7	28-4/7	6.12	H.
8,00,000	34,57,222	36,96,604	10,379	F. W. Heilgers & Co., Ltd.	Sendra	11½	10	9	5	3⅜	—f	6.12	
63,21,450	2,13,85,164	3,04,98,616	23,658	Industrial Trust Fund	Singareni	7	10	4½	5	5		12	T.Y.
17,50,000	24,10,707	34,29,946	15,868	Bird & Co., Ltd.	South Karanpura	13⅜	10	18⅜	10	7½	3½f	2.8	H.
8,00,000	35,43,816	39,93,119	74,094	F. W. Heilgers & Co., Ltd.	Standard	18½	10	16⅜	15	10	3½	6.12	H.
10,00,000	15,41,499	29,34,045	—2,46,174	Villiers Ltd.	Talcher	3	2½	—	—	—		9	Y.
3,50,000	17,36,513	18,94,910	74,927	Williamson Magor & Co., Ltd.	Union	24½	10	20	27½	27½	12½f	6.12	H.
49,98,000	11,13,461	43,49,365	42,176	Hindusthan Investment Corpn. Ltd. ..	Western Bengal	4⅜	10	2½	2½	2½		3	H.
7,00,000	26,75,667	36,17,323	29,272	Macneill & Barry Ltd.	West Jamuria	18½	10	15	15	15	—f	6.12	

• The following explanatory notes relate to the abbreviations and marks shown on page 880 in the bracketed section:—

‡‡ Option to repay on six months' notice, on any interest date after 31st December, 1951, at 102 per cent. Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 102 per cent.

(a) Option of repayment at any time at 3 per cent. premium.

(b) Bearer bonds of Rs. 1,000 each repayable at par.

(c) Bearer bonds of Rs 1,000 each repayable on 31st July, 1959.

(d) Bearer bonds of Rs 1,000 each with option of redemption in whole or in part at par on 30th June, 1952, or on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months notice in each case.

(f) Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ½ per cent. premium, after 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March, 1957

(h) Option of redemption on or after 1st July, 1949, at par.

(j) Option of repayment at any time at par at any time on or after 30th June 1947 on six months notice

BANKING

(Concluded from page 842)

depreciation or not, it had to follow sterling because of the rupee-sterling link. During World War II, the balance of payments position of India was favourable; in spite of this, the advantage from this favourable balance of payment was offset by creating sterling balances which depreciated in value in terms of commodities during and after the war, thus creating inflationary tendency in terms of commodities. All these factors created, he observes, a sort of lack of confidence in the rupee in terms of commodities.

There are large hoards of bullion in India and the current annual absorption is placed at about Rs. 40 crores. These hoards are estimated at about 225 million tolas of gold and 3,800 million ounces of silver. Valued at the current market rate of Rs. 90 per tola for gold and Rs. 160 per 100 tolas of silver, the total value of the hoards would come to a little over Rs. 2,000 crores in the case of gold and about Rs. 1,700 crores in the case of silver. The Government of India has placed a ban on the import of bullion, but the current demand for bullion is met, to an appreciable extent, by way of smuggling of gold into Bharat from outside countries. The estimated smuggling of gold between 1950 and 1952 is placed at about 2 million ounces per year. Whether the authorities provide for the foreign exchange resources for the same or not, these smugglings have been ultimately paid for by dollar resources which have been perhaps secured not by rightful means. The smuggling has not only resulted in spending of foreign exchange but has encouraged indirect export trade for commodities on a reciprocal basis. This has resulted in the loss of import duties in respect of gold coming into the country and loss of export duty for goods sent out. The authorities cannot, he observes, ignore such a position.

Under these circumstances, Mr. Sonawala emphasises that the following problems must be borne in mind by economists (1) to bring under control the inflationary tendency in the country, (2) to create confidence in the currency in terms of commodities, (3) to find a solution to check smuggling but at the same time attempting to satisfy the current internal demand for bullion, and (4) to bring into use the vast investment in stocks of gold and silver for productive purposes. With these points in view, certain proposals are discussed by the writer as part of the plan.

The author's conclusions are, however, noteworthy. He is conscious of the limitations of the scheme and appears to be satisfied even with 10 per cent. success. He observes: "The success of this scheme is sometimes doubted. It goes without saying that success will depend upon the response of the people. On the basis of a conservative estimate, if the scheme induces even 3 to 5 per cent. of the hoards to come out, about Rs. 30 to Rs. 50 crores worth of bullion may be made available to be utilised for productive purposes in the aforesaid manner. A large part of current investment may also be diverted this way, and if we achieve a 10 per cent. success here, about Rs. 4 crores will be available annually. It is just possible that success may turn out to be rather limited during the initial stages. Even then, it cannot be denied that this is a beginning in the right direction and that as such it deserves a trial."

UNITED BANK OF INDIA LTD.

Judged by the results of its working for the year ended 31st December, 1952—it may be noted that this is the second year of working for the Bank, after it was brought into existence by the amalgamation of four Scheduled Banks of Bengal towards the close of 1950—the United Bank of India Ltd. (General Manager: Mr. B. K. Dutt, Calcutta) may be said to have been able not only to maintain its previous year's progress but also to consolidate its position as one of the major banking units in this country. The profit of the Bank for the year under review amounts to Rs. 20.21 lakhs, disclosing as it does, very little variation from that of Rs. 21.01 lakhs for 1951 and of Rs. 20.41 lakhs, the combined profit of the four amalgamated units, for 1950. The Bank's ability to maintain its profit well during the year, despite adverse business conditions, serves to emphasise the success of the amalgamation scheme. Unlike last year, there has been no large provision for depreciation and this has enabled the Bank nearly to maintain the addition to the reserve fund at the previous year's level and the dividend at the modest rate of 3 per cent. which had been paid in the previous two years.

The following comparative table giving the salient features of the profit and loss accounts and balance-sheets relating to the past three years provides an idea of the Bank's progress:

(In lakhs of rupees)

	For the year ended 31st December 1952	1951	1950
Interest and discount earned	98.38	1,02.16	1,15.60
Commission and exchange	25.51	25.03	17.20
Other income	10.73	10.92	10.72
Gross income	1,34.63	1,38.11	1,43.52
Interest paid	26.01	27.81	37.99
Expenses	84.44	85.47	82.61
Depreciation and repairs	3.97	3.82	2.51
Profit	20.21	21.01	20.41
Taxation	7.50	4.00	7.50
To reserve fund	4.05	4.21	4.71
To investment account	0.50	8.00	1.00
Dividend	7.96 (3%)	7.77 (3%)	7.94 (3%)
Carry forward	1.58	1.38	4.34

	As on 31st December 1952	1951	1950
Capital	2,09.28	2,08.77	2,64.62
Reserves	1,03.00	1,02.00	1,01.00
Deposits	26,66.24	29,36.47	26,89.62
Borrowings from other banks	..	..	2,86.00
Bills for collection and acceptances	2,46.50	3,83.35	2,42.34
Advances	13,24.55	14,31.21	13,93.66
Investments	13,12.13	14,21.86	14,83.08
Cash balances	3,90.73	4,75.89	4,54.58
Balance-sheet total	34,14.38	38,46.44	36,93.33
Ratio to deposits of—	%	%	%
Advances	49.7	48.5	51.6
Investments	49.2	48.2	55.0
Cash	14.6	16.2	16.7

It will be noted that there has been a further drop in the gross income, which has steadily declined from Rs. 143.52 lakhs in 1950 to Rs. 138.11 lakhs in 1951 and then to Rs. 134.63 lakhs. The decline during 1952 is evidently due to the shrinkage in turnover of business. Another striking feature revealed by the table above is that the decline in gross income has been, to a large extent, offset by the decrease in interest paid and the small, but welcome, fall in expenses. The table reveals also clearly the appropriation of the profit for the year under review. The slightly larger sum required for paying the dividend for 1952 is due to the small increase in the paid-up capital.

Though a sum of Rs. 8.26 lakhs has been added to the reserve fund and Rs. 8.50 lakhs to investment reserve in the last two years the total reserves (including investment reserve) have gone up by only Rs. 2 lakhs, that is from Rs. 101 lakhs in 1950 to Rs. 103 lakhs in 1952. The decline in the turnover of the Bank during the year under review is reflected in the fall of Rs. 2.70 crores in deposits, and of Rs. 36.85 lakhs in bills for collection and acceptances on behalf of customers. The fall in deposits is shared by all classes of deposits, the major part of the recession being borne by current accounts which show a fall of Rs. 1.71 crores. On the assets side, advances have gone down by Rs. 1.07 crores, which is less than the decline in deposits, so that the ratio of advances to deposits is slightly higher. There has been a fall of Rs. 1.10 crores in investments and a contraction of Rs. 85.16 lakhs in cash balances, but the total liquidity ratio is almost unchanged at as high a level as 64 per cent. The investments are shown at book value, while their market value is lower by Rs. 40.31 lakhs, of which Gilt-edged securities account for Rs. 30.29 lakhs.

MARKET REPORTS

(Concluded from page 869)

The Union Agriculture Minister informed the Council of States that, out of a total provision of Rs. 125 crores for all the States for increasing food production under the Five-year Plan, a sum of Rs. 86 crores would be contributed by the Central Government for the Grow-more-food schemes. The provision for agricultural development in the States included expenditure on G.M.F. programmes also. Apart from this expenditure, a special additional provision of Rs. 10 crores for minor irrigation schemes in 1952-53 had been made. Similar provisions would be made for the remaining three years. India had received from the Ford Foundation a sum of Rs. 60,86,260 for all the Ford Foundation Projects administered by the Government of India.

The latest quotations in the Hapur market are: wheat: *dara* Rs. 15-4 and fine superior Rs. 17-8; gram Rs. 15-8; barley Rs. 11-8; *bejhar* Rs. 11-12; maize Rs. 11-8; *bajra* Rs. 11-4; *jowar* Rs. 10-8 to Rs. 12; *guwar* Rs. 15; rice: *basmati* Rs. 35-8; hansraj Rs. 31; sela Rs. 29-8 and coarse Rs. 23-4; peas: green *dara* Rs. 14 and superior white Rs. 15 to Rs. 21; *arhar* Rs. 14; *urd* Rs. 20 to Rs. 22-8; *moong* Rs. 22-8, and *masoor* Rs. 15-8 to Rs. 18.

CRYSTAL SUGAR STEAD

BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up Value of Share	Dividends for years: 1949	1950	1951	1952	Average Yield	Remarks
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £						
16,00,000	1,08,33,956	10,66,174	Allahabad Bank	358	100	18‡	18‡	18‡	18‡	12	Y.P.
14,50,000				171	50						
1,93,750				10xd	100						
24,99,999	12,03,000	7,231	Andhra Bank	5½xd	50	5	6	6	6	6.12	H.
1,99,50,000	1,28,00,000	2,38,282	Bank of Baroda	114	50	12½	12½	12½	12½	12	Y.
50,00,000	14,00,000	8,607	Bank of Bikaner	26	25	—	3	3	3	12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	154	50	14	14	14	14	6.12	R.L.Y.
15,39,375	24,00,000	63,200	Bank of Indore	60	25	12½	12½	12½	12	12	Y.
50,00,000	15,00,000	35,324	Bank of Jaipur	23	50	3	3	3	3	12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	282½	100	16½	16½	16½	16½	12	Y.
59,18,600	42,61,693	25,280	Bombay State Co-operative Bank	58‡	50	5½	5	5	—	6	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	9	9	9	9	12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	9½	10‡	10‡	10‡	12	Y.P.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd. ..	64‡	25	14	14	14	14	12	R.L.Y.
52,42,375 'A'				65‡	25						
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co. ..	35	50	3	3	3½	3½	12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88	20	6½	10	20	20	12	Y.
1,25,00,000	16,20,000	10,669	Hindustan Commercial Bank ..	11‡	50	—	—	—	—	12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank ..	10‡	50	—	—	—	—	12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank ..	105N	100	5	6‡	6‡	5	9	Y.
3,75,00,000	6,35,00,000	42,07,573	Imperial Bank of India ..	1,860	500	14	16	16	16	6.12	R.L.H.
1,87,50,000				455	125	14	16	16	16	6.12	R.L.H.
24,00,000				170	100						
16,00,000	73,50,000	1,04,201	Indian Bank	129	80	11½	12‡	12‡	12‡	6.12	R.L.H.
15,40,000				91‡	55						
48,98,425	19,00,000	1,89,917	Indian Overseas Bank ..	88	100	4‡‡	5‡	6	6	6.12	R.L.H.
6,25,000				76	100(A)	9	9	7‡	6		
2,50,000	6,33,939	1,380	Indo-Commercial Bank ..	19	25(B)	9	9	7‡	6	6.12	H.
10,00,000				38‡	50(C)	6	6	6	6		
4,55,266	30,61,350	60,357	Punjab and Sind Bank ..	35	25	7‡	7	—	—	6.12	Y.
87,50,000	89,00,000	1,92,605	Punjab National Bank ..	203xd	25	6	4	4	6	12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	11‡	25	—	—	—	—	12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	6½	5	6‡	6‡	6‡	6‡	12	Y.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank ..	35	50	3‡	4	4	4	6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3 000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2–8–6	£5	12†	14†	14†	16‡†	12	R L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£6‡	£5	6†	7†	6†	7†	12	R.L.Y.
H.K.$20,000,000	H.K $96,000,000	H.K.$9,489,174	Hongkong and Shanghai Banking Corporation	£86	H.K. $125	5‡*	5*	5*	5*	12	Y.
£14,372,956				£2-10-6	£1	12‡†	12‡†	12†	12†	12	R.L.Y.
£1,437,296	£16,000,000	£418,242	Lloyds Bank	£1-6-3		5‡†	5†	5†	5†	12	R.L.Y.
£375,000				£24‡	A £12‡						
£375,000	£1,500,000	£200,143	Mercantile Bank o India	£24‡	B £12‡	12y†	12†	12†	14†	12	R.L.Y.
£300,000				£10‡	C £5						
£2,281,250	£3,675,000	£323,703	National Bank of India	£29‡	£12‡	16y†	16†	16†	16†	12	L.Y.

‡Includes Bonus. †Less Tax. (P) Pakistan Currency.
‡‡Subject to taxation.

††O.S. Currency.
(i) Interim.
*£ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company		Latest Available Quotations (per hundred) Rs. or £	Principal Repayable	
BREWERIES AND SUGAR							
19,50,000	5½	1st December and 1st June ..	Carew & Co.	1938	99	1st June ..	1953(b)
5,50,000	5½	1st March and 18th September ..	Carew & Co. (2nd mortgage) ..	1941	98½	28th February ..	1960(f)
6,00,000	5½	30th June and 30th December ..	Rammugger Cane & Sugar Co., Ltd.	1936	98	30th December ..	1956
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	102½	27th December ..	1952-62
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	90	1st November ..	1959-64
20,00,000	6	1st May and 1st November ..	Walchandnagar Industries ..	1941	103	1st April ..	1956-61
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New)	1944	92	1st November ..	1959-64
COTTON							
6,00,000	5½	30th June and 31st December ..	Basanti Cotton Mills Ltd.	1942	85	30th April ..	1964
4,00,000	4½	10th May and 10th November ..	Bengal-Nagpur	1897	99‡	15th November ..	1956-61
1,00,00,000	5	1st April and 1st October ..	Buckingham and Carnatic	1952	99‡	1st January ..	1967-72
13,68,000	5½	..	Jayshree Textiles	1949	78N	1st January ..	1956-59
40,00,000	5	1st June	Tata Mills.		101‡	.. ..	1960-71
ELECTRICS							
10,00,000	4½	30th June and 31st December ..	Agra Electric Supply Co., Ltd. ..	1950	95	31st March ..	1965
1,25,000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..	1940	101	14th June ..	1960
98,28,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	1940	100‡	1st October ..	1959
12,00,000	4½	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1949	94	31st December ..	1964
2,66,00,000	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	101‡	1st January ..	1970
25,00,000	4	30th June and 31st December ..	Goureypore Electric Supply Co., Ltd.	1945	83	31st December ..	1970
15,00,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	93	30th June	1976
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	1940	97	.. .. ..	1957-65
2,00,000	5½	1st May and 1st November ..	South Madras Electric Supply	1939	95	.. .. ..	1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94‡	.. .. ..	1953-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply		94	1st July	1957-67
49,23,000	4	1st April and 1st October	Tata Power	1940	100‡	15th September ..	1951-55(b)
1,00,00,000	4	1st April and 1st October	Tata Power		92‡	15th September ..	1965-70
ENGINEERING							
5,00,000	5	30th June and 31st December ..	Britannia Engineering	1945	96	31st December ..	1954
2,00,000	6	30th June and 31st December ..	Bridge and Roof (India), Ltd. ..	1928	95‡	30th June	1958
30,00,000	5‡	15th September and 15th March ..	Indian Hume Pipe (2nd mortgage) ..	1942	100‡	1st July	1957-62
£1,183,400	4‡	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage) ..	1936	£89‡	31st December ..	1966(ff)
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd. ..	1946	84‡	31st May	1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	100‡	1st October	1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd. ..	1950	94	31st December ..	1960
JUTE							
12,00,000	4‡	1st October and 1st April	Agarpara	1939	98	31st March ..	1954
6,00,000	4‡	30th June and 31st December ..	Alexandra	1945	94	30th June	1954(h)
15,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1940	91	31st December ..	1964
10,00,000	4‡	30th June and 31st December ..	Bengal Jute Mill Co., Ltd.	1945	97	30th June	1955
10,00,000	4	30th June and 31st December ..	Bengal Jute Mill Co., Ltd.	1949	89	30th June	1960
9,00,000	5	31st January and 31st July ..	Calcutta	1951	90	31st July	1959(c)
10,69,000	5	30th June and 31st December ..	Chitavalsah Jute Mills	1951	97	30th June	1966
8,86,000	5	30th June and 31st December ..	Empire	1951	93	15th July	1966
25,00,000	3‡	1st January and 1st July	Hukumchand	1947	91	30th June	1957
25,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co., Ltd. ..	1949	98	31st December ..	1964
25,00,000	5‡	30th June and 31st December ..	Naihati	1952	100	31st March ..	1965
5,00,000	3‡	31st March and 30th September ..	Naskarpara Jute Mills Co., Ltd. ..	1947	97N	31st March ..	1954
5,00,000	4‡	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd. ..	1939	93	14th May	1959
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd	1945	86	31st December ..	1958
8,00,000	4	30th June and 31st December ..	Presidency	1943	91	30th June	1958
25,00,000	5	31st March and 30th September ..	Reliance Jute Mills Co., Ltd. ..	1950	96	5th September ..	1965
8,00,000	4‡	14th March and 14th September ..	Soorah Jute	1937	94	14th September ..	1957
12,00,000	4‡	30th June and 31st December ..	Union	1937	94‡	30th June	1957(d)
10,00,000	3‡	31st January and 31st July ..	Waverley	1925	83	31st July	1960(e)
RAILWAYS ; STEAMSHIP AND TRAMWAYS							
4,00,000	6	31st March and 30th September ..	Bankura Damodar River Railway Co., Ltd.	1931	100N	9th March ..	1961
4,50,000	4	1st January and 1st July	Baraset-Basirhat Light Railway	1936	84	1st July	1956
6,00,00,000	4½	10th November and 10th May ..	Bombay Steam Navigation Co.	1945	99‡	1st November ..	
£350,000	4½	1st January and 1st July ..		1900	£100N	A 1 105% at any time on 6 months' notice or at par or every seventh year.	
			Calcutta Tramways	1933	£102N	1st October ..	1974
£201,067	5	1st April and 1st October		1934	98‡	30th September ..	1953
3,00,000	3‡	20th September and 31st March ..	Kalighat-Falta Railway	1945	89	31st December ..	1959
6,50,000	3‡	30th June and 31st December ..	Kurakhal-Lalabazar Railway				
£200,000	4‡	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway ..	1906	£90‡N		
5,00,00,000	4‡	1st March and 1st September ..	Scindia Steam Navigation		96	1st September ..	1963
PLANTING							
1,20,000	5	31st December and 30th June ..	Blue Mountain Estates	1943	100	.. .. ..	1945-55
3,68,200	5‡	31st March and 30th September ..	Teekoy Rubber Estates	1944	100	.. .. ..	1949-59
50,00,000	5	30th June and 31st December ..	Waterfalls Ltd	1943	101‡	.. .. ..	1945-55
MISCELLANEOUS							
15,00,000	5‡	31st March and 30th September ..	Aluminium Corporation of India Ltd. ..	1946	101	30th September ..	1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd. ..	1948	98	31st December ..	1965
27,60,000	4‡	1st April and 1st October	Associated Hotels of India	1948	86	31st December ..	1962
4,90,500	4‡	30th June and 31st December ..	Bengal Paper Mills	1937	95	30th June	1957(1)
21,00,000	5‡	1st February and 1st August ..	Chowringhee Properties	1915	92	1st February ..	1964
22,50,000	4‡	1st July and 1st January	Clive Buildings	1936	89	1st July	1986
20,00,000	4	15th March and 15th September ..	Dalhousie Properties	1946	86	15th September ..	1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	1950	102‡	1st January ..	1971
20,00,000	5	15th March and 15th September ..	Mettur Chemical Industries	1949	97	30th September ..	1976
39,57,000	4	31st March and 30th September ..	Martin Burn Ltd. (Convertible Notes)	1946	450 (per note)		
45,00,000	4	30th June and 31st December ..	McLeod & Co., Ltd. (Convertible Notes)	1947	410 (per note)	31st December ..	1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	91N	1st April	1961
1,00,00,000	5‡	31st March	Orient Paper Mills Ltd.	1951	88	31st March	1961
1,00,00,000	4	30th June and 31st December ..	Rohtas Industries Ltd.	1946	83	31st December ..	1959

Note—See page 878 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 7th May, 1953.

	Closing quotations 30-4-53	High	Low	Closing quotations 7-5-53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	154	154‡	153‡	154
Bank of Baroda (50)	114	115	113‡	114
Central (25)	64‡	65	64	64
Imperial (F.Pd.) (500)	1,885	1,880	1,857‡	1,857‡
Imperial (P.Pd.) (125)	453‡	462‡	455	455
Union Bank (5)	6‡	—	—	6‡
United Com. (50)	35‡	35‡	35	35‡
COTTON MILLS				
Abm. Adv. (100)	145	—	—	145
Apollo (2)	2–13‡	2‡	2–13‡	2 14
Bombay Dyeing (250)	396‡	393‡	401‡	395
Central India (100)	171	176	168	176
Century Mills (100)	273	279	271	276
Colaba (100)	71	—	—	71
Edward Textile (200)	245	246‡	243‡	246‡
Elphinstone (50)	41‡	—	—	42
Finlay (100)	303xd	305	303	305
Gokak (100)	216	216	214‡	216
Ind. Unid. Defd. (1)	1–11‡	1‡	1‡	1–11
Ind. Unid. Ord. (10)	10‡	10-9‡	10-2‡	10-9‡
Indore Malwa (100)	91‡	90‡	89‡	89‡
Khatau (100)	182‡	—	—	182‡
Kohinoor (100)	318	320	314‡	319‡
Lakshmi (250)	600	—	—	600
Madhusudhan (100)	82‡	—	—	82‡
B. K. Cotton Mills (100)	46‡	—	—	46‡
Minerva Mills (100)	105	105	100‡	100‡
Model Nagpur (250)	143‡	—	—	143‡
Morarji (100)	185	190	185	185
Mysore (50)	123‡	—	—	123‡
New City (100)	141‡	151‡	141‡	150
New Great (100)	155	158	153	156
Phoenix (100)	108‡	115	108‡	113‡
Podar Mills (100)	135	138‡	135	138‡
Sassoon Silk (10)	25‡	—	—	25‡
Sassoon Spg. (10)	27‡	—	—	27‡
Sholapur (1,000)	1,750	—	—	1,750
Simplex (50)	177	177	172‡	173‡
Svadeshi (100)	270	258	251‡	254
Swan (100)	435	—	—	435
Tata Mills (25)	42‡	43	41‡	41‡
Vishnu (100)	171‡	—	—	171‡
Western India (1,000)	3,150	—	—	3,150
ELECTRIC COS.				
Ahmedabad (100)	109‡	109‡	108‡	109‡
Amalgamated (10)	10‡	—	—	10‡
Andhra Valley (1,000)	1,425	1,432‡	1,430	1,432‡
Bom. Suburb. (100)	123‡	124‡	123‡	124‡
Surat (100)	130‡	131‡	130	130‡
Tata Hydro (100)	151‡	152	151	151‡
Tata Power (1,000)	1,537‡	1,535	1,512‡	1,515
INSURANCE COS.				
British India (10)	13‡	—	—	13‡
Empire of India (100)	552‡	—	—	552‡
Ind. Mercantile (20	39	—	—	39
Jupiter (15)	7	—	—	7
New India (15)	43‡	43‡	42	42‡
Oriental (200)	7,025	7,150	7,025	7,150
Universal (10)	7‡	—	—	7‡
Vulcan (10)	11‡	—	—	11‡
STEAMER COS.				
Bom. Steam (25)	35‡	—	—	35‡
Scindia (15)	13‡	13‡	13‡	13–7‡
STEEL COS.				
Ind. Iron (10)	25–12‡	25‡	25–2‡	25‡
Tata Steel Defd. (30)	1,917‡	1,916‡	1,871‡	1,887‡
Tata Steel Ord. (75)	329‡	329	324	328‡
MISCELLANEOUS				
Alcock Ashdown (100)	323‡	322‡	316‡	318‡
Associated Cts. (100)	173‡	173	170	171
Belapur Sugar (5)	38‡	241	234‡	236
Bom. Burmah (125)	389‡	390	380	383‡
Do. (New) (50)	140	139‡	135	135
Br. B. Petrol (4 sh.)	1‡	1‡	1–2‡	1–2‡
Br. I. Corpn. (5)	8-9‡	8-10‡	8-9‡	8-10‡
Indian Copper (2 sh.)	3	3	2‡	2‡
Ind. Inv. Tr. (100)	70‡xd	71	70‡	71
Port Canning (100)	24	—	—	24
Premier Con. (30)	90‡	90	88	89
Shivrajpur (10)	56‡	52‡	51‡	53
Tata Chemicals (10	9‡	9–5‡	9‡	9‡
Tata Oil (25)	34‡	34‡	33‡	34
Walchand Ind. (100	157‡	—	—	157‡
W. I. Match (100	236‡	236‡	234‡	234‡

GOVERNMENT SECURITIES	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	Rs.
	Rs.		
2½% 1954	98‡	—	3 37	98‡
2½% 1955	98‡	—	3 24	98‡
2½% 1961	90‡	—	3 84	90‡
2½% 1960	93‡	—	3 77	93‡
2½% 1962	91‡	—	3 84	91‡
2½% 1976	82‡	—	3 89	82‡
3% 1953-55	100‡	—	2 63	100‡
3% 1957	98‡	—	3 34	98‡
3% 1958	98‡	—	3 31	98‡
3% 1959-61	96‡	3.64	3 50	96‡
3% 1964	92‡	—	3 80	92‡
3% 1963-65	92‡	3 87	3 74	92‡
3% 1966-68	90‡	3.94	3 84	90‡
3% 1970-75	86‡	4 09	3 91	86‡
3% 1986 Con. Loan	82‡	—	3 66	82‡
3½% 1954-59*	100‡	3 34	3 45	100‡
4% 1960-70	102‡	3 63	3 81	102‡
4½% 1955-60	103‡	3 06	3 98	103‡
4½% 1958-68*	105	3 40	4 03	105

BRITISH GOVERNMENT SECURITIES	30 4-53 £	High £	Low £	6 5-53 £
2½% Brit. Consols	60‡	60‡	60‡	60‡
3% Savings Bonds 1965–75	86‡	86‡	86‡	86‡
3% War Loan 1955-59	100‡	100‡	100‡	100‡
3½% War Loan 1952	80‡	80‡	80‡	80‡
3½% Brit. Iron and Steel 1979-81	91‡	91‡	91‡	91‡
4% Funding Loan 1960	99	99	98‡	98‡

xd=Ex-dividend.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent Who else must sweat and toil and gain but scanty fare."
William Blake

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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AIR CORPORATIONS BILL

THE debate on the Air Corporations Bill was a dull affair; with one or two notable exceptions, the speeches were repetitious, uninformed and biassed by the particular political twist of each speaker. Perhaps, the most predominant feature was ignorance of the subject. It was clear that very few of the spokesmen had taken the trouble to read the report of the Rajadhyaksha Committee. It will still remains the only source of reliable information regarding the facts of our air transport industry. The Rajadhyaksha Report had some very pertinent things to say about the potential evils and dangers of nationalisation—even nationalisation in terms of an autonomous corporation. Nothing could be more to the point than these passages from the Report:

"It is obviously essential that, if the air transport industry is to be efficient, there should be flexibility of management. Personal initiative and responsibility involving quick decisions in the administrative, operational and engineering organisations is called for to an extreme degree, as more operational and technical emergencies are encountered in air transport than in any other field of enterprise. A Governmental organisation would not provide such flexibility. Stereotyped departmental organisation, with set regulations, naturally moves slowly and, in consequence, affects efficiency. Rigidity in financial matters, necessarily unavoidable in a Governmental organisation, would hamper quick decisions. There would also be lack of close personal interest and supervision, without which the discipline of the staff would suffer. It would also be difficult in a State organisation to eliminate the inefficient and the semi-efficient without lengthy and elaborate procedure.

"Some of the limitations of State enterprise might conceivably be eliminated by setting up a State Corporation to undertake the nationalised air transport services, but the chances of success of such a Corporation would be determined by the availability of competent managerial personnel at the top and also by the degree of freedom from departmental and parliamentary control that would be enjoyed in practice by that Corporation. We, however, feel that, even in regard to public corporations, it would be found difficult to achieve the required degree of independence. For instance, in matters like scales of pay, staff, and their terms and conditions of service, comparisons would be made with the staff of other Government departments or organisations and pressure brought to bear on the Corporation to conform with those levels. Similarly, elaborate and detailed accounting procedures and financial control would be set up and these, in practice, would retard quick action by the officials of the Corporation."

It is idle, however, to charge our M.Ps. with ignorance, when the very authors of the Bill have so obviously ignored the warnings contained in the Rajadhyaksha Report. Instead of endeavouring to eliminate, so far as is possible in any nationalised undertaking, the dead hand of the bureaucrat, they have gone far out of their way to ensure that the Corporations are autonomous only in name. It is bad enough, in all conscience, that the Corporations themselves are composed entirely of Government nominees. But what are we to make of the proposed Air Council? This body, consisting of a maximum of eleven Government nominees, appears to be vested with the rights to advise the Government on all aspects of the Corporations' activities, and, in case there should still be matters on which the Corporations themselves require advice, there are to be Advisory Committees to help them. What also of the present Directorate of Civil Aviation? What will be the functions of this department of Government, in view of the constitution of the Air Council to advise the Government. Presumably, those powers which the Central Government has taken on itself to issue directions to the Corporations and to make rules for the Corporations will, in fact, be exercised by the Directorate of Civil Aviation, thus finally setting the seal on the mass of red-tape with which the Corporations are to be bound.

In view of the very obvious intentions of the Government, it is hardly surprising that the Bill was returned by the Select Committee with hardly any amendment of importance. The main point of disagreement in the Committee was whether there should be one or two corporations. A surprisingly large number of the Committee members dissented from the majority on this issue, presumably on grounds of economy. The setting up of two corporations, instead of one, will cost the Exchequer possibly some six lakhs of rupees annually. On the other hand, were the continuity of the management of Air-India International to be disrupted, or were any real or fancied deterioration in its standards to occur, the drop in its traffic would run to double or treble this figure. This should be obvious to anyone who understands the cut-throat rivalry in international air transport. On this subject also, our legislators would have done well to study the Rajadhyaksha Report. Here is what it says on this particular aspect of nationalisation:

"The private air companies have, in our opinion, not done so badly as to require a drastic change of system. Their operational efficiency has been uniformly good. An outstanding example of operational and business efficiency, under a system of private management, is afforded by Air-India International, which, in the second year of its operation, has, we understand, been able to break even and show a small profit. Air-India International has built up a high reputation in the international field, and we consider it

name of education throughout the world to-day. How, otherwise, can one account for the fact that such a large number of people, who would raise a howl of protest if they saw their own property expropriated without compensation or for inadequate compensation, are perfectly willing, in the name of their particular political ideologies, to do unto others what they would abhor to have perpetrated upon themselves? Rather typical of this outlook was the amendment recommended by the Select Committee giving the Central Government power to direct the Corporations to employ men discharged from any existing company after July, 1952, where such discharge was considered to be victimisation. Who is to be the arbiter of such claims?

The many points which might usefully have engaged the attention of the Committee from the employees' angle were ignored. For example, the Committee might have clarified the intentions of the Bill in respect of retrenchment. As matters stand, the Government is committed to retain in employment on the vesting date all *bona fide* personnel of existing companies. In other words, a policy of no retrenchment is implied. There is, however, a proviso that present personnel will serve in the Corporations on the same terms and conditions of employment as they enjoy to-day, unless and until their terms and conditions of service are altered by the Corporations or their services are terminated. This means that the Government intends either to throw the onus and odium of retrenchment on to the Corporations or to burden the Corporations with personnel far in excess of requirements and, incidentally, to rob the Corporations of any pretence of autonomy in such a vital matter as employment policy. To take another example, a clause in the Bill requires the Trustees of existing companies' provident funds to hand over those funds *in toto* to the Corporations on the vesting date. Employees somewhat naturally view this with misgivings. Their apprehensions are threefold. First, the rules of the Corporations' provident fund may be less liberal than those of their present companies; secondly, the rules themselves will be more rigidly applied; thirdly and, consequently, if retrenched by the Corporations, they may not receive their present companies' contributions in full, which ordinarily they would have received, if existing provident funds were now wound-up. A simple amendment laying down that, on transfer to the Corporations, the whole amount lying to the credit of each employee in his existing fund, that is to say, both the employee's and employer's contributions, will vest in the employee and will be regarded in future, solely as the employee's contribution, would have set all fears at rest. Had the Select Committee devoted some of its valuable time and attention to these matters, instead of introducing an amendment, the effect of which will be to reinstate in employment probable trouble-makers, the ends of honest and loyal employees would have been better served. It cannot be too strongly emphasised that in no form of employment is the trouble-maker a more potentially dangerous element than in air transport, where even momentary negligence may take a toll in the form of human lives.

The Bill is shortly to become law. But what steps have been taken towards the actual integration of the various companies? So far as present information goes, very few steps indeed have been taken. And yet, until this is done, the Bill is nothing but a paper mandate. It would have been wise to have selected the Chairmen and the key personnel of the Corporations some months ago, so that pre-planning would have been well advanced before the vesting date. This has not been done, and if report is to be credited, the difficulty of finding a suitable Chairman for the domestic Corporation has not yet been overcome.

Many have unexpressed fears about the working of the Corporations. They are prompted by the fact that the Corporations are to be at the beck and call of the Central Government and Parliament to an extent that will negative any attempts to run them on sound business lines. The shareholders will be in almost constant session and will be guided in their criticism far more by political ideologies than by the realities which govern the business of air transportation. The Corporations will, in fact, be run in the best bureaucratic tradition. Decisions will be difficult to obtain, files will shuttle backwards and forwards between the Corporations, the Air Council, the Ministry, the Directorate of Civil Aviation and the Advisory Councils, rules will be hidebound, salaries will be related to other Government departments, promotion will be on length of service, and last, but not least, parliamentary criticism will damp any ardour, which might remain in the hearts of genuine enthusiasts amongst the executives. In other words, all the worst fears expressed by the Rajadhyaksha Committee will be fulfilled.

This is not a very engaging picture to contemplate, but the fact remains that air transport does not lend itself to function smoothly and efficiently under the form of control implicit in the Bill. It would show wisdom on the part of the Government, even at this late stage, to delay implementation of those clauses which deal with the Air Council and to divorce entirely the Corporations from any control by the Directorate of Civil Aviation, save, of course, in matters relating to crew licensing, aircraft registration and certification, etc., which are normally dealt with by the Directorate.

The Government has ample safeguards in its choice of the Chairmen and members of the Corporations. Having selected these carefully, the running of the Corporations could and should be left to their direction, unhampered by undesirable and unnecessary outside interference. It is the essence of wise leadership to leave to subordinates the execution of the policy laid down. Let Parliament by all means scrutinise the annual accounts and castigate, like good shareholders, any deviation from the path of economy or good stewardship. For the rest, it would be wise to give the managements reasonable scope for efficient work and then, in spite of a somewhat inauspicious start, both Corporations might prove to be an asset and a source of pride to the nation.

SALES TAX LAW

A CLEARER picture of the sales tax law in India has emerged from a series of Supreme Court decisions on sales tax appeals preferred by both State Governments and trading concerns. Only in March last, we had the Supreme Court's verdict on the Bombay Sales Tax Act appeal in respect of Articles 286(1), 286(2), 301 and 304 of the Constitution of India. Once again, last week, a further interpretation of some of these Articles was given by the Court, in the course of its judgment on a number of appeals to it preferred by the Travancore-Cochin Government. This interpretation is beneficial in two ways. First, it serves to extricate the sales tax law from the labyrinth of legal conundrums. Secondly, the several points of law raised and the decisions given thereon are of immense significance to trade and industry, in that they have minimised considerably the vagaries of interpretation to which the sales tax law stood exposed in each State.

Before proceeding to the legal aspects involved in the Supreme Court judgment referred to above, it is necessary to refer briefly to the facts of the case. The respondents in the case were dealers in cashewnuts in Travancore-Cochin. Their business consisted of several types of transactions in the commodity: (*a*) purchases of cashewnuts from dealers inside the State; (*b*) purchases from dealers outside the State in the neighbouring districts of Madras; (*c*) purchases through importing cashewnuts from Africa through (i) Bombay party which acted as commission agents, and (ii) others who sold the goods as principals to the respondents by issuing separate delivery orders against payment; (*d*) purchases of raw cashewnuts and manufacturing of kernels out of them for export to the U.S.A., and (*e*) export of the oil pressed from the shells and from the cashewnuts. At several stages in these transactions they paid sales tax to the State Government under the Travancore-Cochin General Sales Tax Act. The position of the respondents changed with the coming into force of the Constitution of India on 26th January, 1950. Article 286(1)(B) of the Constitution exempted from sales tax goods in the course of export or import trade. This Article, it may be noted here, reads: "No tax should be levied on the sale or purchase of goods into or export of goods out of the territory of India." Consequently, the respondents applied to the State authorities for exemption in respect of the purchases made between 26th January and 29th May, 1950, the end of the account year. The sales tax authorities having rejected the claim, the party went in appeal to the State High Court. The claim was upheld by the Court which quashed the levy of the sales tax so far as it related to the particular period. The State, in its turn, preferred an appeal to the Supreme Court.

The question for consideration by the Supreme Court was as to how far the cashewnuts purchases made by the respondent firms were entitled to the protection of Article 286(1)(B) mentioned above. Of the five Judges of the Court, four have unanimously affirmed the decision of the State High Court, while the dissenting Judge has disagreed on the main interpretation given to Article 286. The majority decision interprets Section 286(1)(B) in the light of the Supreme Court's earlier decision in the Bombay Government sales tax appeal case. In that case, the two sections which had given rise to considerable litigation in the collection of tax, namely, 286(1) and 286(2), had come up for the Court's review. Article 286(1) prohibits the taxation of a sale when the sale takes place outside the State or where it takes place in the course of import into, or export out of, the Indian territory. For the purpose of this Article, the Court had stated that "a sale or purchase is deemed to have taken place in the State in which the goods have been delivered for the purpose of consumption in the State." Again, Article 286(2) prohibits the imposition of a tax on inter-State trade. Explaining the scope of this Article, the Court had pointed out that it provided a workable test for determining the State which had the power to tax goods passing from one State to another. The test was: Were the goods actually delivered in the taxing State for the purpose of consumption therein? All buyers within the State of delivery, except those buying for re-export out of the State, were liable to pay tax on the inter-State transactions, the Court added. Bearing these interpretations in mind, the Chief Justice of the Supreme Court has pronounced his decision on the applicability of sales tax law to transactions (*a*) to (*e*) enumerated in respect of cashewnut purchases made by the respondents, as mentioned in the second paragraph above.

The majority judgment splits up all purchasing transactions into three groups, (*a*) purchases made within the State, (*b*) purchases made in the neighbouring State, and (*c*) purchases from abroad. With regard to (*a*), that is, purchases within the State by the exporter for purposes of export, the Court has decided that such are not within exemption and are, therefore, liable to tax.

Commenting on (*b*), namely, purchases made outside the State, the Court holds that, if the purchases are made and taken delivery of by their own paid servants outside the State, and brought into the State across the border, after the transaction is complete, such goods are exempted from the tax. But, on the contrary, if the purchases are effected by commission houses outside the State on behalf of the respondents and are delivered through normal commercial channels, such transactions are considered to be not within the scope of exemption.

Imports from abroad are again split into two groups similar to those in inter-State trade above; one group of purchases made through intermediaries, known in this case as "Bombay party" doing business as commission agents at Bombay for the respondents, and the second of purchases by the "Bombay party" which sells goods as principals to the respondents at the port of destination by issuing separate delivery orders, as pointed out in (*c*) (ii) above. The first type of purchases, where the "Bombay party" acts as commission agents, is deemed to be within the scope of the exemption granted by the Constitution on the ground that these purchases occasioned the import of the article. In the second category of purchases, where the "Bombay party" itself purchases directly from Africa, the respondents are required to pay the sales tax. For one thing, no privity is established between the respondents and the African sellers; for another, the respondents' purchases are deemed as purchases of goods within the State from the "Bombay party." However, if the purchase by the respondents takes place while the goods are at sea, such purchases come under the exemption clause, though the "Bombay party" is the direct importer.

On certain other points, too, the Supreme Court has expressed its opinion. Thus, if the cashewnuts are purchased for the purpose of exporting them out of the country, such purchases are deemed to have fallen under the exemption clause. However, if such cashewnuts go through a process of manufacture and are then sent abroad, the purchases are outside the clause. Again, sales tax is required to be paid in the case of cashewnuts purchased locally for export. Again, the Court has done well in ruling that no sales tax should be levied on the value of the packing materials, as they cannot be treated as articles separate from the contents of the packages.

AWARD ON TISCO SHARES WELCOMED

TEA BILL PASSED—BURMA'S DECISION ON TARIFFS

THURSDAY, 5 P.M.

CHEERFUL conditions are again being witnessed on the Stock Exchange. The slightly subdued tone noticed last week has proved shortlived, as equity values have again forged ahead under the influence of speculative activity. The market has reacted very favourably to the Mediator's award on the conversion issue of Tata steel shares. After creating a mild flutter, the award has helped to impart a steady tone to the market.

MARKET GOSSIP

The flutter is attributed to some feverish covering in Tata Ordinaries and liquidation in Deferreds, by certain operators who, having pitched a higher ratio than 1:6, had gone short in Ordinary shares and long in Deferreds. The technical position having thus been corrected, relatively more stable conditions have come to prevail since yesterday. Among steels Tata Deferreds have rallied 32½ points to Rs. 1,920 and Ordinaries 2½ points to Rs. 331 over the week. Textiles too have moved up on speculative enquiry, induced by bright outlook for cloth exports and encouraging reports from the local cotton piecegoods market. The miscellaneous section has, in sympathy with other scrips, recorded modest gains on balance. The undertone remains, at the moment, very steady.

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The most notable event of the week for the Stock Exchange is the release of the award, by Mr. M. C. Setalvad, Mediator, on the conversion of Tata Deferred shares into Ordinaries. The Mediator has suggested that, in his opinion, the ratio of conversion would be six Ordinary shares to one Deferred share. The striking part of this award is that its author has not gone into details of the controversy; nor has he given, in an elaborate manner, the reasons behind his decision. He has forwarded a short note entitled, "Opinion" to the Tata Iron and Steel Co., Ltd., and the two committees representing the two classes of shareholders. The note is perhaps the briefest valuable document of its kind, dealing, as it does, with the most controversial issues connected with assets of a company valued at several crores of rupees—Rs. 41.76 crores to be precise. For, it contains no more than five carefully worded paragraphs which read thus:

"1. In substance, what is to be achieved in the present case is a fair valuation of the Deferred shares of a going concern in terms of the Ordinary shares of the same concern. In such a valuation no question would seem to arise of winding up or sale values. It appears to me that the essential factors to be considered in arriving at the intrinsic or real value of the shares are: (*a*) the earning capacity of the Company; and, (*b*) the safety of capital or assets backing. Of these two factors the paramount factor is the potential earning power of the Company.

"2. Though the market quotations for shares are not necessarily indicative of their true worth they certainly have to be taken as representing their market prices at a particular time because these prices are fixed in a free and open market by dealings between buyers and sellers. Thus though market value is not a conclusive test of real value, where there is a free market, it is cogent evidence of real value.

"3. The dividends paid over a number of years would also in some measure be indicative of the real or intrinsic value of the shares.

"4. The true approach, in my view, would, therefore, be first to arrive at the fair value of the two classes of shares on the basis of a computation of the average maintainable profits. The average maintainable profits would be equivalent to the maintainable yield and indicate the prospective earning capacity of the shares. The fair value so arrived at can be checked by a valuation based on market quotations over a period of about ten years and by a valuation based on the dividends paid over a similar number of years. The equity value of the two classes of shares and their relative rights in a winding-up will also have to be considered.

"5. Having given careful consideration to all the relevant factors including the equity value of the two classes of shares and having given due weight in valuating the ratio to the higher rights in a winding-up of the Deferred shareholders, I am of the opinion that the fair conversion ratio is six Ordinary shares to one Deferred share."

* * * *

It is evident that in arriving at the fair value of the two classes of shares, Mr. Setalvad has taken into consideration the earning capacity of the Company, the safety of capital, or assets backing, and the average maintainable profits which indicate the prospective earning capacity of the shares. The ratio of conversion on the basis of this method of computation is, as already stated, one Ordinary share to six Deferred shares. This ratio of 1:6 has been checked further by a valuation based on the dividend paid over a period of ten years as also by a valuation based on market quotations of the shares over a similar number of years. It may be noted that this ratio is the same as the one arrived at by the Tariff Board also on the basis of earning power. Again, this ratio is in line with the expert opinion of which an indication was given in these columns in *Commerce* dated 28th March last. We observed then: "According to one reliable source, a ratio of six Ordinary shares per Deferred share is the recommendation of one of the experts—an auditor practising in Delhi—advising the Mediator." As against this ratio, the expectations in market circles have, however, varied from time to time, all these days, between the ratios of 1:7 and 1:5½. Again, while the Ordinary Shareholders Committee pleaded for a ratio of 1:5 the Deferreds Committee pleaded for one of 1:11 in the course of their discussions with the Mediator during his investigations.

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Now that the award has been given, the question which arises uppermost in one's mind is: Will the two classes of shareholders agree to the ratio? A clue to the answer to this question is provided by the reactions to the award of Mr. R. E. M. Patel, Chairman of the Deferred's Shareholders Committee. Mr. Patel has characterised the award as a "golden mean." Although the actual ratio is not far below his expectations, Mr. Patel opines that it should be accepted by the general body of shareholders. Further, in his opinion, it will not be difficult for the Company to keep up the present level of dividends after the conversion, as the Company has a strong case for a higher retention price for its steel. These views have engendered hopes among certain sections of the market that the conversion scheme would be put through comfortably. This section feels that even if there is opposition from a small group of disgruntled shareholders, such elements will not get substantial backing from either class of shareholders. Besides, it is pointed out that such opposition cannot gather adequate strength, since it will be difficult to secure the support of all shareholders scattered widely all over the country. As against these views, there is another section which, by reason of its sad experience of the way in which the Conversion issue has been stoutly opposed by certain Deferred shareholders since it was mooted ten years ago in 1942, is somewhat unwilling to admit that the scheme will have a smooth passage.

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The reactions of the Ordinary shareholders are not, however, available on account of the absence from Bombay of the Chairman of their Committee. It is, however, understood that they have little cause for dissatisfaction with the award, as it is more or less up to their expectations. In 1942, the Tata Iron and Steel Company had offered a ratio of 1:5½. As a result of the award this ratio moves up by ½ ordinary share only, which they should not mind conceding, in view of the improvement and expansion that have taken place in the financial position of the Company since then.

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The Deferred Shareholders' Committee is scheduled to meet on the 25th inst., for considering the award. The date of the meeting of the Ordinary Shareholders' Committee is not yet fixed. But when these Committees meet, they should bear in mind certain important considerations, while taking their final decisions on the award. There is a very good demand for steel in the country. In order to meet this demand, the Company has formulated plans for expansion. When the plans are given effect to, the production of steel by the Company is expected to go up from the present level of 800,000 tons to 931,000 tons by 1957. The Company needs huge capital to carry through its expansion programme and has approached the Government of India for financial assistance. But the latter has indicated that it will be difficult to grant a loan, unless the highly speculative Deferred shares are converted into Ordinary shares. Even the old Tariff Board emphasised the need for such a change. The elimination of the Deferred shares is considered necessary because the shares are absorbing a good portion of the Company's profit; their presence has been a source of friction between workers and the management of the Company and is being stoutly opposed by labour. Moreover, the Company will not be in a position to reorganise its capital structure which is necessary to carry out its expansion programmes. Finally, as the most sensitive and speculative of scrips, these shares have been responsible for causing violent disturbances in the investment market. These considerations point to the need for accepting the Mediator's award. The author of the award is a disinterested third party known for his integrity and independent judgment. His assessment of the value of the shares can undoubtedly be taken as fair and reasonable and, therefore, satisfactory. It is to be hoped that in view of the Company's important role in the country's economy, the shareholders concerned will give the line clear to the Company for proceeding ahead with its plans by upholding the Mediator's award.

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The present capital of the TISCO consists of 350,000 Ordinary shares, each with a paid-up value of Rs. 75, and 48,750 Deferred shares of a paid-up value of Rs. 30 each. On conversion—if the scheme is finally accepted—at the ratio of 1:6, the total number of ordinary shares would go up to 642,500. What are then the dividend prospects for these shares? The answer to this question has been provided by Mr. Patel, the Chairman of the Deferred Shareholders' Committee, himself. Apart from his general observations, it will be seen that if the total amount to be distributed on these shares is the same as that for last year, that is, Rs. 129 lakhs, the rate of dividend after conversion will be a fraction better than Rs. 20 per share. In order to raise this by a rupee more to Rs. 21, the dividend paid last year, the additional amount required will be about Rs. 5.25 lakhs, a sum which is only a fraction of the total average annual profits earned by the Company.

If the conversion scheme is finally adopted, the Ordinary shares are likely to have a bright future. In fact, it has every chance of taking the place of the Deferred shares on the Exchange. For, the shares continue to acquire all the qualities of leadership at present enjoyed by the Deferred shares. The large volume of floating stocks of the Ordinary shares, their high dividend-earning ability with prospects of further improvement in future, the fact that the Company is under sound management in which the ordinary investor has reposed his complete confidence, and the bright future for steel in the country under the Five-year Plan—all these factors are bound to go a long way towards making the shares the most coveted ones from the point of view of both investors and speculators.

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Now that the House of the People has passed the Central Tea Bill, which, when finally enacted will be known as the Tea Act, 1953, it is worthwhile to consider the changes which it has undergone in the course of its passage in Parliament. So far as the industry is concerned, it will get some satisfaction by the knowledge that the Chairman of the Tea Board, contemplated by the Bill, will be elected instead of being nominated. The Commerce Minister, Mr. D. P. Karmarkar, accepted an amendment to this effect on behalf of the Government, though he declined the suggestion that the Government should consult the Board in fixing the price of tea. The Minister's argument for rejecting the suggestion was that the Government alone could act objectively in this matter. An amendment, moved by Mr. Karmarkar, clarified the Government's powers in dealing with tea prices. The Government has powers to direct any person, growing, manufacturing, or holding tea or tea waste, to sell the whole or part of the commodity. When this power is used, the price at which the sale is to take place shall be a price consistent with controlled price or a price calculated with reference to the controlled price or, in the absence of a controlled price, a price calculated at the market value prevailing in the locality as on the date of sale. Although the Government was unwilling to accept the industry's suggestion that the Board should not be nominated, but consist of representatives nominated by the concerned tea associations or other bodies, the Commerce and Industry Minister, Mr. T. T. Krishnamachari, gave the assurance that he would select the members from a panel of names submitted by the representative interests. He said he had no intention of being arbitrary in the matter and would provide in the rules that the representation of the appropriate associations should be taken into account in making nominations. This is a welcome assurance.

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Burma, according to reports from Rangoon, has decided to end with effect from 30th September, 1953, the system of preferential tariffs, now enjoyed by the U.K., India and Pakistan, and also the Indo-Burmese trade agreement. This action would naturally affect India's trade with Burma, which consists largely of textile exports from this country. Burmese observers feel that the exports of British and Indian textiles are likely to suffer as a result of the new move by Burma, and that Japan might gain at the expense of India and the U.K. Already, exports of certain varieties of mill *lungis*—*lungi* exports to Burma constitute an important part of India's export trade—are prohibited by the Government of India, as a measure of assistance to handloom weavers who are permitted to export freely all varieties of *lungis*. But it remains to be seen whether the handloom weavers will be able to benefit from this artificial help, considering that they have to compete with mill-made fabrics from Japan—and do so, without the original advantage of lower tariffs. In the meantime, if Burma revises its tariff rates so as to make them more protective in character—and it is now reported to be engaged in this task—it would be a severe blow to India's export trade to that country. Perhaps, this country would do well to negotiate a bilateral trade pact with Burma so that a market for its textiles and other commodities is assured there. Burma too will then be assured of an outlet for its surplus products, notably rice and timber. The next few months might, however, see a sizable expansion in Burma's trade with the Commonwealth countries and with India, in particular. For, many firms, in that country, it is stated, would be anxious to import goods at the current favourable rates of tariff, before the old schedule is finally replaced by a new one in October.

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The outlook for wheat exports acquires some new significance against the background of the recently concluded International Wheat Agreement (I.W.A.) which has been signed by all the 46 members of the Agreement with the sole exception of the U.K. There is little chance of prices piercing the I.W.A. maximum of $2.05 a bushel, considering that world stocks of wheat are reported to be exceptionally high, thanks to good harvests last year. The chief producing countries, namely, the U.S., Canada, Australia and France, it is stated, hold good stocks of wheat which were estimated at 39.4 million tons as on 1st January, 1953, as against 25.5 million tons on the same date last year. These countries, which belong to the I.W.A. group, account normally for 24 million tons out of the world total exports of some 26 million tons. The breakdown of their stock position, in millions of tons, at the beginning of the year is: U.S. 195; Canada 14.8; Australia 3.1 and France 2.0. And on the same date, the two chief non-I.W.A. wheat producing countries, namely, Argentina and Turkey, holds 3.6 million tons and 0.5 million tons respectively. These stocks are certainly on the high side. But then, it would be necessary, for purposes of global comparison, to take into account the wheat position of the Iron Curtain countries. Little information is, however, available about these countries, though it is known that their agriculture, disrupted during the war, has recovered, and that their wheat output has increased.

ALL-ROUND ADVANCE IN SHARE VALUES

TEXTILES RULE FIRM

(From Our Own Correspondents)

BOMBAY, 14*th May*

THE suspense that had been hanging over the Stock Exchange, over the Mediator's award on the conversion ratio for Tata Deferreds, for the last several weeks, was relieved with the announcement of the award on Sunday night recommending a ratio of 1:6, followed by the publication of his brief report. The award failed to take the market by surprise, as it was more in tune with general expectations. There were, therefore, no violent fluctuations in prices on that account, which showed that the market had reconciled itself to the inevitable position of accepting the award in the larger interests of the Company and of the shareholders themselves. To this extent the award had a fair reception and prices of steel counters hardened. If there were no substantial gains, it was due to two reasons: (1) this factor had already been discounted in prices; and (2) it would take some months before the scheme of conversion, if the award was finally accepted by both the classes of the shareholders, was implemented.

There was an all-round rise in prices in other sections of the market, the gains in textile counters being particularly impressive. Though the day-to-day news regarding armistice in Korea produced mild fluctuations in prices, the market circles have generally come to disregard this factor as a disturbing one, at least for some time to come, in view of the difficulties in the way of signing an armistice. The good prospects for cotton textiles and the firm trend in bullion and commodity markets lent good support to equities.

In the steel section, Tata Deferreds were dull but steady early in the week due to end-of-account considerations, moving up from Rs. 1,887-8 to Rs. 1,892-8. The immediate reaction to the announcement of the award was a smart gain to Rs. 1,930 on Monday, but the advance was halted by the intervention of profit-taking which made fairly deep inroads into the earlier gains. The scrips, as a result, soon reacted to Rs. 1,913-12. After moving between that level and Rs. 1,927-8, they finished the week at Rs. 1,920 with a gain of Rs. 32-8 over the week. Tata Ordinaries rebounded from Rs. 328-8 to Rs. 334-8, but latterly moved between Rs. 328 and Rs. 333 before closing at Rs. 331. Except for a mild reaction in sympathy with Tata scrips, Indian Irons failed to impress, finishing the week with a gain of only As. 2 at Rs. 25-10.

Textiles shares were active and the speculative, as well as the cash counters, scored fair gains encouraged by favourable reports from the cotton textile piecegoods markets. Bombay Dyeings advanced by Rs. 3-12 to Rs. 398-12, Centurys hardened by Re. 1-8 to Rs. 277-8, Finlays gained as much as Rs. 12 to Rs. 317, Gokaks put on Rs. 3-8 to Rs. 219-8 and India United Ordinaries were As. 5 better at Rs. 10-14½. Indore-Malwas moved up by Rs. 6-14 to Rs. 96-4, Kohinoors closed at Rs. 313-8 *ex-div.* which, on the basis of *cum-div.* showed a rise of Rs. 6-4. New Citys rose by Re. 1-4 to Rs. 151-4 and New Greats by Rs. 2 to Rs. 158. Simplex were pushed up by Rs. 8-8 to Rs. 182. The Company has declared a final dividend of Rs. 9 per share of Rs. 50 each, which with the interim one of Rs. 6, makes a total of Rs. 15 per share for the year ended 31st March, 1952, on a capital of Rs. 31.50 lakhs. Last year, the Company had paid a final dividend of Rs. 10 per share on the capital of Rs. 31.50 lakhs, while the interim one of Rs. 5 per share was on a capital of Rs. 21 lakhs. Standards were a bright spot with a spectacular rise of Rs. 18-12 to Rs. 301-4. Svadeshis and Swans each gained Rs. 5 to Rs. 259 and Rs. 440, respectively and Tata Mills were placed Rs. 2 higher at Rs. 44.

Banks shares presented a steady front with small gains. Barodas were in request to score an advance of Re. 1 to Rs. 115. Indias were up by As. 12 at Rs. 154-12. Imperial Fully Paids rose by Rs. 8-12 to Rs. 1,966-4 and Ordinaries by Rs. 3-12 to Rs. 458-12. Central Old and New shares were, however, a fraction lower at Rs. 63-12 and Rs. 65-8, respectively. United Commercials added As. 4 before closing at Rs. 35-8.

Selected shares in the public utility section were in request and scored modest gains. Ahmedabads (Old) were done As. 10 better at Rs. 109-11 and Bombay Suburbans Re. 1-4 higher at Rs. 123-10. Surats were picked up Re. 1-4 higher at Rs. 131-14 and Tata Powers moved ahead by Rs. 5 to Rs. 1,520. Tata Hydros were quiet at Rs. 151 and Andhra Valleys at Rs. 1,431-4.

Despite lack of interest, insurance shares remained steady. Orientals were better by Rs. 10 at Rs. 7,160, New Indias by As. 4 at Rs. 42-8, Jupiters by As. 3 at Rs. 7-3 and Vulcans by just an anna at Rs. 11-5.

In the miscellaneous section, Associated Cements stabilised themselves at Rs. 171. Belapurs, however, improved by Rs. 4-8 to Rs. 240-8. Bombay-Burmahs were a neglected counter and they lost Re. 1-4 to Rs. 382-8. B.I.Cs. were steady at Rs. 8-11. Killick Industries were in demand, moving up by Rs. 3 to Rs.155. National Rayons closed with a gain of Rs. 3-8 at Rs. 93. Tata Chemicals were better by As. 2 at Rs. 9-6, but Tata Oils showed no change at Rs. 34. Wimcos were placed at Rs. 225-10 *ex-div.*, as against Rs. 234-6 *cum-div.* at the close of last week.

Calcutta Stock Exchange

CALCUTTA, 12*th May*

The award of Mr. M. C. Setalvad, suggesting the ratio for the conversion of Tata Deferred shares, at six ordinary shares to one deferred share did not have any pronounced effect on trading on the Calcutta Stock Exchange during the last two days. In expectation of this announcement, however, Indian Irons had been sent up from Rs. 25-6 to Rs. 25-11 on Saturday. As the award was broadly in line with the market's expectations, the rate did not move further in the past two days. Strength was also derived earlier from expectations of an early announcement regarding higher retention prices. It was, however, the jute section which provided leadership to the market; this was quite natural in view of the impressive rise in prices of jute goods. Jutes provided many features and, judged from present indications, hold out moderate prospects. Stocks of sacking goods are declining, and although business with foreign buyers has not yet picked up a justifiable rate to enable holders of sacking goods to take a very optimistic view of the future, a fillip is possible as a result of the present efforts of the I.J.M.A. to increase the rate of exports to the Far Eastern countries. No doubt, hessian stocks are increasing, but the market expects that this increase would be more than offset by business with the United States and the Argentine. In view of these factors, jute shares attracted a considerable portion of the funds that came to the market this week.

Another factor for all-round cheerfulness was the difficulty in reaching a truce agreement in Korea. The upward trend in prices of silver, and the smart rally in the prices of copper and tin were considered as indications of the inconclusive pourparlers in Korea.

Moderate interest was shown in textile shares, and although the disposal of cloth production continue to be a major problem for mills, operators could not but notice the higher tendency in cloth prices. Elgin Mills were unchanged at Rs. 16-12, while Basantis gained to Rs. 4-4 from a previous rate of Rs. 3-13. Kesorams were quiet at Rs. 19-10, and Cawnpores came to business at Rs. 8-7.

Coals were generally quiet, but were not devoid of features. Rewas were raised to Rs. 20-4 from Rs. 19-8, and Pench Valley in transactions advanced to Rs. 20-5 from Rs. 19-11. Raneegunges picked up interest at the higher rate of Rs. 9-3, Burrakurs and Bengals remaining unchanged at Rs. 10-10 and Rs. 532, respectively. South Karanpuras changed hands at Rs. 13-12.

Jutes occupied the pride of place in the market, and the better outlook for jute goods resulted in a large number of transactions at advancing rates. Indias at Rs. 133 showed a six-point rise and Kinnisons gradually gained from Rs. 196-8 to Rs. 201. Ganges were strong at Rs. 74, Nuddeas at Rs. 48-12, and Reliances at Rs. 15-2. Unions spurted from Rs. 163 to Rs. 173 and Northbrooks were better at Rs. 21, as against Rs. 19-3 earlier. Other counters of interest were Standards at Rs. 136, Agarparas at Rs. 19-8, Deltas at Rs. 135, Gourepores at Rs. 306, and Budge Budges at Rs. 166. Speculative Howrahs opened at Rs. 24-7 and after rising to Rs. 24-15 shaded to Rs. 24-11.

Indian Irons in the engineering section fluctuated narrowly. Opening at Rs. 25-8 on Wednesday, the rate was pushed down to Rs. 25-4 following selling pressure, but Saturday saw an improvement to Rs. 25-11. The disappointment owing to the delay in the announcement of retention prices was duly reflected during trading on Monday and the rate moved down to Rs. 25-6. During April, the Company produced 52,210 tons pig iron, 30,980 tons steel ingots, and 19,090 tons semis and finished steel. Jessops changed hands at Rs. 24-12 and Braithwaites improved from Rs. 11-2 to Rs. 11-6. Burns realised Rs. 277. Britannias eased from Rs. 19-5 to Rs. 19-1.

Indian Cables provided a feature in the miscellaneous section with an advance from Rs. 18-5 to Rs. 18-10. Alkali Chemicals maintained the improvement, touching Rs. 13-14, while Airways India were further marked down to Rs. 11-7. Dunlop Rubbers were wanted at Rs. 28-14, B.I. Corporations were steady at Rs. 8-11. India Steamships were unchanged at Rs. 6-5, while F. & C. Oslers were traded at Rs. 5-14. Titaghur Papers were around Rs. 35-2, Assam Saws Rs. 6-5 and Sone Valley Cements at Rs. 7-4.

Only poor interest was evinced in tea shares, and sellers out-numbered buyers. In the result, some recession in values was reported. Thus, Basmatias receded from Rs. 24-4 to Rs. 24-2, Hattikhiras from Rs. 9-13 to Rs. 9-11, and Patrakolas from Rs. 104 to Rs. 101. Birparas were unchanged at Rs. 54. Seeyoks came down from Rs. 8 to Rs. 6-12. Teloijans were priced at Rs. 9-14, while Moheemas were fractionally better at Rs. 3-9.

* * * *

Madras Stock Exchange

MADRAS, 12*th May*

There was further broadening of activity on the Madras Stock Exchange during this week. Textiles came in for fair speculative support. Plantings were comparatively better. Rubber scrips were cheerful on continued reports of reduction in floating stocks of raw rubber. Teas fared well on steady offtake of tea leaves from consuming centres in India and demand for quality tea from the Continent. Coffees ruled in sympathy with the generally better trend in plantings. Miscellaneous scrips also met with some support. Banks were firm. Business done on the Exchange was, as a result, considerable, and prices generally recorded sizable gains.

Expectation of restoration of power cut at an earlier date was also responsible for the fair activity witnessed in textiles. Coimbatore Kamalas shot up from Rs. 85 to Rs. 91. Metturs gained Rs. 2 to Rs. 192 and Sitarams, Re. 1-4 to Rs. 36-12. Sri Krishnarajendras were done at Rs. 41, as against Rs. 40. Maduras were better at Rs. 35-8. Bangalore Woollens and Buckinghams were, however, unchanged at Rs. 247-8 and Rs. 115, respectively. Cambodias were done at Rs. 10-10, as against Rs. 11-11 *cum-div.*

Among rubbers, Thamarpallys improved by As. 10 to Rs. 13-12 and Cochin Malabars, by As. 5½ to Rs. 6-10. Vaikundams rallied As. 6 to Rs. 13-12. Kailas scrips gained As. 2½ to Rs. 3-6½ and Thirumbadis, an anna and a half to Rs. 2-11½. Midlands (tea and rubber) advanced by As. 9 to Rs. 10-3. Anandams and Velimalais were fractionally better at Rs. 9-10 and Rs. 2-2, respectively. Pullangodes were done at Rs. 2-12 *cum-div.*, as against Rs. 2-7. The Directors have recommended payment of first and final dividend of 20 per cent. on ordinary shares for the year ended 31st March, 1953. The dividend for the previous year was 7½ per cent.

In teas, United Nilgiris were higher by Re. 1 to Rs. 178. Kalasas gained As. 8 to Rs. 10-8. Periakaramalais were up by a similar amount to Rs. 27-4 *cum-div.* Peermades changed hands at Rs. 24-4, as against Rs. 24. Devoshalas improved by As. 4 to Rs. 15-12 *cum-div.* But Haileyburias lost As. 2 to Rs. 13-6 and Highland Produces, an anna to Rs. 10-3. Fringfords were also slightly lower at Rs. 2-7.

Coffee scrips were in good support. Coffee Lands and Consolidated Coffees were lifted up by As. 5 each to Rs. 9-14 and Rs. 17-8, respectively. Chandramalais, Chembras and Kil Kotagiris (teas and coffees) were all better at Rs. 2-8½, Rs. 2-12½, and Rs. 5-4 *cum-div.*, respectively.

Among miscellaneous scrips, Andhra Cements 'B' were in demand As. 8 higher at Rs. 10-2. Andhra Cements 'A' gathered Rs. 5 to Rs. 100. Central Scientifics were up by As. 2 to Rs. 5-5. Radio and Electricals improved by As. 4 to Rs. 4-8. Indian Steel Rolling Mills shot up by As. 8 to Rs. 13.

In the banking section, Indian Banks, Rs. 80 paids-ups, firmed up by Rs. 6 to Rs. 135, Rs. 55 paid-ups, by Rs. 4-8 to Rs. 96, and Rs. 100 paid-ups by Rs. 3 to Rs. 173. A call of Rs. 5 per share on the Rs. 80 paid-ups and Rs. 55 paid-ups has been made and the same is payable on or before 30th May, 1953.

Notice

THE NEW INDIA ASSURANCE COMPANY, LIMITED

BOMBAY

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will be closed from 30th May to 26th June, 1953, both days inclusive.

By Order of the Board.
B. K. SHAH,
General Manager.

BOMBAY, 14*th May*, 1953.

JENSON AND NICHOLSON (INDIA) LTD.

An event of considerable importance to the long-term capital market was the issue of 20,000 redeemable preference shares of Rs. 100 each, at par, carrying interest of 7½ per cent. per annum, less tax, by Messrs. Jenson and Nicholson (India) Ltd. last week. The success of the issue was already assured even before it was open for public subscription on the 8th inst. For, the Company had already received firm applications for 18,000 shares and the Directors had decided to accept them in full. The remaining 2,000 shares, we are told, have since been over subscribed. The issue was not underwritten.

The Company was incorporated and registered as a private company in December, 1922 and was converted into a public company as recently as on 22nd April, 1953. It is a subsidiary of Jenson and Nicholson Ltd. of England, a name associated throughout the world with the manufacture of high quality paints. The Indian company has an up-to-date factory at Naihati on the River Hooghly. It manufactures a wide variety of paints and natural and synthetic protective materials, including industrial finishes. It has a programme of development and modernisation. Part of the proceeds of the above capital issue, namely, Rs. 6 lakhs, is to be used for the above purpose and the balance is to be utilised as working capital.

The Company already has an issued share capital of Rs. 32.50 lakhs, made up of 3,25,000 ordinary shares of Rs. 10 each, on which it paid a dividend of 9 per cent. free of tax for the year ended 31st December, 1950. The dividend was doubled in the following year to 18 per cent., but was reduced to 11 per cent. for the year 1952.

NEWS IN BRIEF

THE net income-tax revenue collections during 1952-53 amounted to about Rs. 181 crores, which is Rs. 11 crores more than the revised budget estimate.

Upto the end of 1952-53, under the various technical co-operation schemes, India has provided five experts to foreign countries, and given training facilities to 70 foreign students. During the same period it has received 150 foreign experts and training facilities abroad for 350 Indian technicians.

The Taxation Enquiry Commission has shifted its Secretariat from Sudama House, Ballard Estate, Bombay, to "White House," 91, Walkeshwar Road, Bombay. All letters, telegrams etc. should now be directed to the Secretary, Taxation Enquiry Commission, at the new office.

No nickel coins are being minted at present in the new Mint at Alipore. It is producing bronze single pice only. The Mint is capable of processing other metals also. There is large capacity to process bronze, aluminium and cupro-nickel coins, in addition to nickel, and to manufacture medals, tokens and badges.

The all-India final estimate of black pepper (piper nigrum), 1952-53, puts the current year's area and production at 203,106 acres and 21,625 tons, as against the revised estimates of 201,945 acres and 22,965 tons for last year. This shows an increase of 1,161 acres or 0.6 per cent. in area and a decline of 1,340 tons or 5.8 per cent. in production.

The Government of India has decided to set up a small committee of officials and private engineers to undertake a survey of installed capacity of industries in this country. The data to be collected by the Committee will enable the Government to determine what type of foreign experts would be needed to undertake the overall enquiry envisaged by the Commerce Minister.

Two officials of the West Bengal Government have proceeded to Canada to arrange for the speedy transportation of a suitable hydro-electric plant for the proposed 4,000 kw. hydro-power station of Messanjore Dam under the Mayurakshi project. The Government of Canada has, it is stated, agreed to make a gift of the plant to India under the terms of the Colombo Plan which covers this project.

The Government of India has accepted the Tariff Commision's recommendations that (1) there is no case for the grant of protection to the flax goods industry; (2) an increase in the rates of import duties on flax goods is not warranted; (3) the existing import duty on flax both "line" and "tow" should be abolished and (4) there is no case for the refund of duty already paid on imports of flax fibre.

The total collection of customs and Central excise revenues during the nine months ended December, 1952 amounts to Rs. 196.3 crores, as compared with the revised estimate of Rs. 257 crores for the whole year 1952-53. Of the amount collected, import duties account for Rs. 90.56 crores, export duties for Rs. 42.77 crores, land customs and miscellaneous for Rs. 3.07 crores and Union excise duties for Rs. 59.90 crores.

The Tariff Commission proposes to hold an enquiry into the continuance of protection and assistance to the button industry beyond 31st December, 1953, and has prepared a special questionnaire for producers, who have been requested to furnish information regarding types of buttons manufactured by them, their annual rated capacity and actual production during the last three years, by 23rd May, 1953, at the latest.

The total amount of capital sanctioned under the Capital Issues Order for the five years from 1948 to 1952 (both inclusive) was Rs. 362.9 crores. This information was given by the Finance Minister, Mr. C. D. Deshmukh, in the House of the People on Tuesday last. The amounts sanctioned were Rs. 125.7 crores in 1948, Rs. 63 crores in 1949, Rs. 74.8 crores in 1950, Rs. 59.6 crores in 1951 and Rs. 39.8 crores in 1952. Of the total amount of Rs. 362.9 crores, the proportion of foreign capital was Rs. 41.69 crores.

The Government of India has granted short-term loans aggregating about Rs. 2.90 crores to 10 State Governments to finance the purchase by them of the allocations of fertiliser from the Sindri factory. The loans granted to individual States are: West Bengal Rs. 72.60 lakhs; U.P. Rs. 60.45 lakhs; M.P. Rs. 31.90 lakhs; Bihar Rs. 31.81 lakhs; Hyderabad Rs. 27.89 lakhs; Rajasthan Rs. 17.89 lakhs; Mysore Rs. 16.75 lakhs; the Punjab Rs. 11.05 lakhs; Assam Rs. 7.97 lakhs; P.E.P.S.U. Rs. 6.75 lakhs and Madhya Bharat Rs. 4.53 lakhs.

An agreement has been reached between the management of the Hindustan Shipyard Ltd. and the Hindustan Shipyard Labour Union, to refer to the decision of Mr. Justice Mehrchand Mahajan of the Supreme Court, the dispute between the management and the workers. The decision of Mr. Justice Mahajan will be final and binding and without the right of appeal to either party. A joint application is being filed before the Adjudication Tribunal appointed by the Madras Government, requesting permission for the withdrawal of the dispute from their file.

In reply to a question in the House of the People, Mr. A. C. Guha, Deputy Minister for Finance, said on Tuesday last that exact data regarding rural indebtedness in India were not available. The latest authoritative estimate in this regard was the one made in 1931 by the Indian Central Banking Enquiry Committee which put the total indebtedness at about Rs. 900 crores. While no data were available to show how much of this debt had been liquidated in recent years as a result of the rise in agricultural prices, the Rural Banking Enquiry Committee (1950) had expressed the view that the indebtedness had probably been reduced and especially the debts of large and medium land-holders had been reduced substantially. Agricultural indebtedness was a State subject and the measures that were necessary to liquidate it fell within the sphere of action of the State Governments. The States had been taking necessary steps as and when circumstances required.

* * * *

From Abroad

The Netherlands Bank has repaid $48 million to the International Monetary Fund, being the balance of a debt in foreign currency incurred in 1947-48.

A contract has been signed between the Italian company Nouve Reggiane and the Yemen Government for the exploitation, by the company, of coalfields in South Yemen.

As from 30th April, 1953, a total of 10,572,973 one-hundred pound bags of U.S. rice has been licensed for export, against the adjusted commercial allocation of 12,237,953 bags for the 1952-53 crop year.

Sweden has proposed to abolish the special investment duty from next year. This duty of 10 per cent. on all capital investments by industry is designed to limit the total investments in the country and to abolish inflationary pressure.

Austria's quartz lamp industry put a new model of the most interesting design on the market. The new model can easily be included in a travelling kit owing to its low weight. The lamp has a 5-a.t.m. burner of pure rock crystal and offers the possibility of switching in either simultaneously or separately ultra-violet or infra-red rays.

The U.S. Department of Commerce has estimated the U.S. consumption of natural rubber during March, 1953 at 50,470 long tons—44,123 tons of dry natural rubber and 6,347 tons of natural rubber latex. The consumption of new rubber—natural and synthetic—in March at 128,607 tons, is reported to be a new all-time monthly high record.

It is learned that Japan has asked for 2½ lakh tons of Burma rice for the current year. Burma sold, in February, to Japan 60,000 tons of rice on Government-to-Government basis and 30,000 tons through other channels. It has called for tenders for the sale of 1,46,000 tons of rice for shipments during May and June to Ceylon, Indonesia, Japan, Ryukyu Island, British territories and other countries in the hard currency area.

PERSONAL

MR. Paul Henri Spaak of Belgium has been re-elected Chairman of the European Coal Steel Pool Common Assembly.

Mr. G. D. Daftary, former Chief Engineer, P.W.D., Government of Bombay, and member of the Bombay Housing Board, has been appointed Chairman of the Board, *vice* Mr. Motichand G. Shah who resigned.

Mr. Akhtar Hussain, Foreign Secretary, and Mr. Aga Hilaly, Deputy Secretary, Ministry of External Affairs, Government of Pakistan, arrived in New Delhi on Monday last in connection with Indo-Pak negotiations.

Mr. R. N. Desai has been elected President of the All-India Plastics Manufacturers' Association for the year 1953. Mr. R. C. Shah and Dr. C. L. Gupta have been elected Vice-Presidents and Messrs. M. K. Ramchandani and B. P. Himmatsingka, Hon. Secretaries.

Mr. Arthur Staynes, who has been Director of the International Wool Secretariat's branch in New Delhi, will shortly return to the U.K. He will be succeeded by Mr. E. B. Whitley, the present Director of the Secretariat's Lahore branch. Mr. Whitley will also continue to administer the Pakistan branch.

Mr. H. V. R. Iengar, Secretary, Union Ministry of Commerce and Industry, accompanied by Mr. S. S. Shivalkar, Deputy Secretary, Economic Affairs, Union Ministry of Finance, Mr. P. J. Jeejeebhoy, Exchange Controller, Reserve Bank of India and Mr. N. Dandekar, Director of the Scindia Steam Navigation Co., Ltd., left for Cairo on Tuesday this week for trade talks with the Egyptian Government. After negotiating a trade agreement, Mr. Iengar will proceed to the U.K. and also visit Switzerland, Germany and one or two other Continental countries to find out what arrangements can be made for promoting the sale of Indian tea in the U.K. and other Continental countries.

OBITUARY

Dr. *Sven* Wingquist

We regret to record the death of Dr. Sven Wingquist, Chairman of the Board of Directors of the SKF Ball Bearing Co., Ltd., on 17th April last. Dr. Wingquist started A. B. Svenska Kullagerfabriken SKF in 1907 and designed the self-aligning ball bearing. After serving in the capacity of both Managing Director and member of the Board, he became Chairman of the Company in 1938, which position he held until his death. He olayed a very prominent part in the industrial development of Sweden during his illustrious career.

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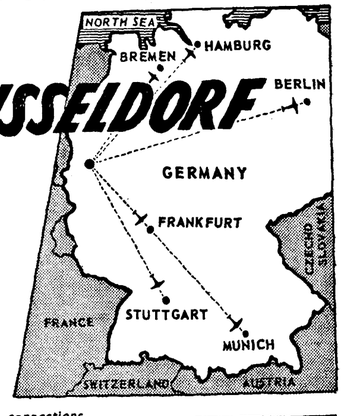

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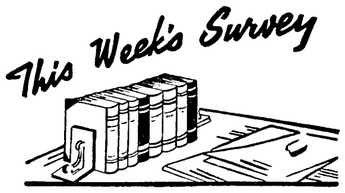


U. S. AID TO INDIA

CONSIDERING the need for large-scale foreign economic and financial assistance required for the successful implementation of the Five-year Plan, it is indeed comforting to hear that the Republican fervour for enforcing economy in Government expenditure in the U.S. during the ensuing (1953-54) fiscal year has not led to any cut in aid to India. In fact, India will get more U.S. aid during 1953-54 than that provided in the current (1952-53) year, according to the statement of Mr. Harold Stassen, U.S. Mutual Security Director, in the course of his analysis of foreign aid figures submitted to the Senate Foreign Relations Committee last week. The size of the U.S. aid to India during the coming year will be larger than the $45.4 million that India received during the current year. The Congress, we are told, is now being asked to grant $94.4 million for India and Pakistan.

The gesture of the U.S. Government in providing larger economic assistance to India is certainly to be appreciated, inasmuch as it indicates that country's keen anxiety to help India in the task of economic development. This aid will supplement India's efforts to meet its essential development needs by mobilising domestic resources. But the resources, by themselves, have not been found to be adequate to meet all demands, especially in regard to the demand for solving the problem of recurring famine, which, as Mr. Stassen has aptly remarked in his report, "is of crucial importance to the security and stability of the whole area." The U.S. Government's decision to ensure a larger flow of economic and financial assistance to India will, therefore, be widely welcomed in this country.

The scale of assistance which the U.S. Government has so far given and now proposes to give to India, has no doubt served to supplement India's efforts to implement the Five-year Plan. The financial gap in the Plan, to be filled during the next three years, is to the extent of over Rs. 300 crores. It is not clear whether the new U.S. Administration would be willing to assist India further. In this connection, we might recall the suggestion made by the ex-U.S. Ambassador to India, Mr. Chester Bowles, on the eve of his departure from this country in March last, namely, that the U.S. should fill the gap in the Plan by advancing money over a three-year period "as a contribution from the American people to the people of India who are struggling to create a great new democracy here in Asia." The suggestion will, it is to be hoped, receive the consideration it deserves.

HASTY LEGISLATION

Read together, the addresses of Mr. Ambalal Kilachand and Mr. Chimanlal B. Parikh in their capacity as President and Vice-President, respectively, of the Indian Merchants' Chamber, at the first quarterly general meeting of the Chamber, disclose the reactions of the merchant community to the Centre's various measures affecting commerce, industry and trade. The haste with which measures such as the amendment to the Industries (Development and Regulation) Act are being rushed through, naturally came in for severe criticism. And the powers to be vested in Government for taking over the management of industrial undertakings were regarded as "radical" in character. The characterisation of such powers by Mr. Parikh as "sweeping" is, therefore, justifiable. Mr. Kilachand rightly held that the exemption limit in the Estate Duties Bill, as fixed by the Select Committee at Rs. 50,000 in respect of a share in joint family property and Rs. 75,000 in other cases, as "low" and that these limits consequently required "liberalisation." The concern expressed by Mr. Kilachand at the absence of option for surrendering to Government of property equal to the value of the duty is a point to be noted. For, it is possible that it would lead to forced sale of property, to find cash resources to pay duty, at "distress" prices. Mr. Parikh felt that the position of losses, under the Finance Act, incurred by persons who are not members of a stock exchange, in respect of speculative transactions in the stock exchange, called for elucidation. He also emphasised the need for issuing instructions to the officers concerned in order to ensure that the new provision in respect of speculative business are applied in a manner that will not handicap normal speculative business.

The terms of enquiry of the Taxation Enquiry Commission attracted a good deal of the attention of Mr. Kilachand. There is logic in the President's condemnation of one of the terms, which demands of the Commission to examine the suitability of the present system of taxation with reference to the objective of reducing inequalities of income and wealth as "tendentious." For such a reference is likely to convey as Mr. Kilachand pointed out, an impression that the present economic ills are due to "concentration of wealth in a few hands and the inequalities resulting therefrom." In this connection, he quoted, a few interesting figures. More than 99 per cent. of the population, according to 1951-52 statistics, have an income below the taxable limit. The number of persons liable to income-tax in 1951-52 was 8,85,399 which worked out to .25 per cent. of the population. There were only 4,737 assessees with an income of over Rs. 1 lakh per annum. This number, which represented .0013 per cent. of the population, accounted for nearly 63.5 per cent. of the total income demand of Rs. 195.8 crores. Even if the entire income of, say, Rs. 150 to Rs. 200 crores attributable to higher income groups are to be distributed among the 36 crores of population, the *per capita* share would not be more than Rs. 5. He held accordingly that what was required was not so much levelling down of incomes as an all-round increase in incomes through increase in economic activity. Mr. Kilachand's suggestion that the Taxation Enquiry Commission should enquire into the question of utilisation of the revenue derived from the existing system of taxation before it considered sources of new income is certainly reasonable. For, there has been a fourfold increase in public expenditure since 1938-39, when it was only Rs. 6 *per capita*. Whether this increase which has necessitated a corresponding raise in the level of taxation is justifiable, deserves impartial examination.

PUBLIC CO-OPERATION FOR FIVE-YEAR PLAN

Inasmuch as the success of India's Five-year Plan rests largely on the extent of public co-operation it receives, the need for enlisting such co-operation assumes special significance. It was this very need that led to the formation of the National Advisory Committee for Public Co-operation last year, with the Prime Minister as Chairman and consisting of persons representing the important political parties, industrialists and social workers, besides the members of the Planning Commission. Since its inaugural meeting in August, 1952, the Committee has made appreciable progress, as will be evident from the deliberations of the meeting of the Committee held at New Delhi last week-end.

Various steps have been taken by, or under the auspices of, the Planning Commission for generating public enthusiasm for the Plan. These include the setting up of the *Bharat Sewak Samaj*, organisation of voluntary welfare and local works programmes, enlistment of women's co-operation in small savings campaign, breaking up of State plans into district and local units, and orientation of the development administration through the setting up of a National Extension Service and expansion of the Community Projects Programme.

The organisational aspect of the *Bharat Sewak Samaj* has almost been completed and conveners have been appointed in most of the States. As the activities of the *Samaj* involve expenditure, the State conveners decided, at their conference held in New Delhi last week, to launch a drive for collection of subscriptions and donations for the National Welfare Fund at the rate of Rs. 1 lakh per month. The Fund will be utilised partly for central activities and partly for the work taken up in the Pradesh areas. The special programme of work, as adopted at the conference referred to above, covers nine important functions and these are: (1) Education of the people regarding the Five-year Plan and local surveys, (2) training of local workers, (3) participation in Community Project Programmes, (4) anti-corruption drive, (5) anti-adulteration drive, (6) organisation of student and youth camps, (7) community organisation and community centres, (8) non-official participation in agricultural rural extension service, and (9) promotion of national savings.

It is noteworthy that the Planning Commission, as also the State Governments, should have received a number of offers of voluntary service. Several of these, it is said, have already been accepted and work is progressing. The participation of students in voluntary work, mainly in the Community Project areas, is at present being considered and it is expected that, during the ensuing summer vacation, a large number will be working in various parts of the country on constructive programmes. It is equally noteworthy that the public response to the special women's savings drive, launched in March last, has been very encouraging. Thus, according to preliminary reports, nearly Rs. 50 lakhs have been collected during the one-week's drive and promises of another Rs. 50 lakhs, we are told, have been made. With a view to securing lasting results in this direction, a scheme for continuing the work on a permanent basis is being considered.

Action, too, is being taken by the State Governments to break up their plans into district and local units, in accordance with the suggestions of the Planning Commission. Such decentralisation is quite desirable, for it is only in terms of local schemes that local enthusiasm and leadership can play their part. Incidentally, it may be noted that the Planning Commission has earmarked Rs. 15 crores for purposes of encouraging local works. The successful implementation of these works, however, depends on voluntary labour.

Another notable development during the period since the first meeting of the Public Co-operation Committee has been the finalisation of a scheme of National Extension Service which, during the rest of the Plan period, is expected to cover 120,000 villages all over India, or nearly one-fourth of the total rural population of the country. Under this scheme, the existing Community Development Programmes will receive a greater fillip and as many as 70,000 villages, comprising about 46.2 million people, will be intensively developed.

OPIUM CULTIVATION

Opium enjoys the unenviable distinction of being a debilitating intoxicant and a useful drug. It has claimed through the ages, in its capacity as an intoxicant, many victims who have ruined their health and fortunes by becoming staunch devotees of this obnoxious plant. But one might confess that it has inspired some great writers, notably De Quincy and Coleridge, to sublime literary efforts. Nevertheless, opium remains a scourge, a source of ruin to all its addicts. When China woke up from its age-long slumber, induced partly by its pernicious preference for opium, it made heroic attempts to rid its people of the opium-eating habit. India, which was the source of supply, responded, and opium has ceased, for the last 40 years, to be an item of export to China.

The Government's policy, as was recently reiterated by Mr. Mahavir Tyagi, Minister for Defence Organisation, in a radio talk this week, is to encourage the production of only so much opium as is needed for medical purposes. India devotes 75,000 acres, or five-thousandth part of its cultivated area, to the raising of opium, the annual production of which is of the order of 12,000 maunds. About 3,000 maunds, it is stated, are used for edible purposes. The Central Government controls cultivation of poppy through a licensing procedure—U.P., Madhya Bharat and Rajasthan are the chief cultivating States—sells it to State Governments after processing it and exports the balance to foreign countries. Opium is processed, before consumption or export, at the two Government factories at Gazipur and Neemuch. The Government-sponsored alkaloid factory at Gazipur meets the country's demand for medicines. A large part of it is exported to America, France and England where it is preferred both for its quality and for its cheapness. India earns over Rs. 1 crore through its opium exports. India's competitors in this field are Turkey, Iran and Yugoslavia.

The illegal possession and use of opium is rigorously controlled by the Government, the authority for implementing the Government's opium policy being the Narcotic Commissioner at Simla. Indeed, India, as a member of the Economic and Social Council of the United Nations, has subscribed to the policy of control over opium trade and consumption enunciated by the Council. A conference of State representatives, held in 1949 at New Delhi, decided that a 10 per cent. cut in consumption should be enforced so that there would be no opium-eater in 1959. Despite the utmost vigilance exercised by the Government, cases of illicit transport and possession of opium do come to light, thanks to the perplexing ingenuity of the smuggling tribe. Mr. Tyagi appealed to the public to lend their "helping hand in suppressing opium smuggling." It is to be hoped that this co-operation in what is after all a really humanitarian cause will be forthcoming from the public.

POST OFFICE SAVINGS BANK ACCOUNTS

The Government of India's move to extend certain new facilities to make deposits in, and to withdraw from, the post office savings bank accounts is to be welcomed. Although the move is chiefly intended to mobilise small savings by eliminating impediments to the free flow of savings from the lower income groups, it should be considered a source of great relief to those who have savings deposits with post offices in big industrial centres. For these depositors have for long been complaining to the effect that the present procedure entails unnecessary delay, thanks to the heavy pressure of work in the post offices. Nevertheless, it must be admitted that the present move breaks new ground, doing away with the outmoded antiquated conservative system of banking by post offices.

With a view to facilitating easy withdrawal of funds from savings accounts, the Government has now proposed to introduce, as in commercial banks, the cheque system. Crediting cheques, drafts, etc., to offices of savings bank accounts is also proposed. If the system is to succeed, there is need to open, as in banks more than one counter for receipt of cash and a separate counter for payment of cash.

Among other facilities contemplated by the Government is the provision for extending the number of withdrawals from an ordinary savings bank account to two per week, as against one at present, subject to a maximum of Rs. 1,000. If the depositor's signature does not tally with his specimen signature, attestation of the signature by a gazetted officer or another depositor on an application for withdrawal is necessary. In order to avoid waiting in queues at the post office counters, metal tokens will be issued to depositors at head offices in Bombay, Calcutta, Kanpur and Ahmedabad. Another facility relates to the interest of post office savings bank accounts standing in the names of joint depositors at 2 per cent. per annum, upto a balance of Rs. 20,000 and at 1½ per cent. per annum on the remainder of the balance not exceeding Rs. 30,000. Liberal savings bank facilities are also being provided in post offices in rural areas. The number of branch post offices doing savings bank work as at 31st March, 1953 was 5,076, as against 4,501 a year before. Although this number is too small for a country of the size of India with about five and a half lakhs of villages, the rising trend, in a way, is an indication of the growing popularity of post office savings banks accounts.

LAND REFORMS COMMITTEE

The appointment of a Central Committee for Land Reforms, announced by Mr. Jaisukhlal Hathi, Deputy Minister for Irrigation and Power, the other day, in Parliament, marks one more step in the direction of implementing the land policy contained in the Five-year Plan. The Committee is expected to evolve a broad common approach to land reform programmes of various States, which is an essential aspect for the proper and full implementation of land policy, namely, provision of land to landless tenants and the reduction of existing disparities in the distribution of land, among others.

It is true that problems of land vary from State to State, depending on the basis of land tenure, fertility and the like. It is natural, therefore, that there should be divergencies in the programmes of land reforms among the various States. But, if the divergencies were to usher in a multiple system of land pattern, not connected through a common string, such divergencies would certainly not be in the interests of States in particular and India in general. They call for general all-India pattern which cannot be evolved without the help of a Central Committee.

So far, the abolition of intermediary rights in the various States is almost a *fait accompli*. There is also some progress towards the establishment of peasant proprietorship, co-operative farms and the like. But the pace of progress is too slow because of the lack of requisite data on which to proceed, shortage of personnel, etc. The quickening of the pace of progress requires exhaustive investigation into the condition of land and its relationship to the farmer in each State. There is also the necessity for pooling knowledge and experience gained till now by the various States and chalking out on that basis measures for further progress of land reforms.

Inasmuch as the functions of the Central Land Reforms Committee include the maintenance of continuous study of problems relating to ownership, management, cultivation and distribution of land and assistance to States in determining and carrying out programmes of land reforms, there is ample scope for the Committee to act as a liaison between the Centre and the States on the one hand, and among the States themselves, on the other, in evolving a general pattern of land policy for India. The Committee can help evaluation of and reporting upon, the progress and effects of measures of land reforms. It is gratifying to note that it would also advise on schemes of co-operative re-settlement which is the sole alternative to collective farming in a democratic State.

OFF THE RECORD

(By "ROVER")

A WISE man, and especially a husband rendered wise by experience, even though he might not have been wise to start with when he entered the matrimonial estate, leaves the last word in all unimportant matters to women. Wiser ones do not even question a statement, however atrocious or wide of the real truth, when made by a woman. There is, perhaps, at least to my mind, no greater folly than that of contradicting a woman. And by common consent and long usage, all these privileges of the fair sex, unwritten in the Constitution, have gradually been appropriated by and conceded to the bureaucracy. Just as a constitutional monarch can do no wrong, a Government official believes that he is never in the wrong. He hates to be corrected and is enraged at being contradicted. Women only sulk or storm for a while, if you are so unchivalrous and uncharitable as to make them out to be wrong, but civil servants and brass hats alike will go to any length and waste any amount of public money to re-establish their omniscience.

I cannot understand what possessed a comparatively wise man like Pandit Jawaharlal Nehru, when he was last at Ahmednagar in the course of his tour in the famine areas of Maharashtra, to waste his time and lose his temper about an insignificant official error in honouring a particular room in the historic fort there as his one-time residence, when he was the guest of the then Government of India for more than three years. Some petty P.W.D. official, with more zeal than accuracy, had put up a tablet on a wrong room, describing it as the one in which our present Prime Minister had stayed as an internee during the "Quit India" movement. Pandit Nehru noticed the inaccuracy while going round his old haunts, and his soul, wedded to historical virtuosity and veracity, cried out in protest.

After all, Mr. Nehru is the best authority on this question, especially as he is not one of those absent-minded professors, who take no notice of their mundane surroundings and go about as if blind to everything except ideas. The matter should have rested there, and the inoffensive little plaque should have been removed and affixed to the right room. If I had not long ago given up being surprised at official idiosyncrasies, I should have been annoyed at all the tiresome fuss that is being made about a point to which no sane person, who has work to do, will give a second thought. What I want to register here is not my individual annoyance but the violence done to my sense of proportion and administrative economy.

Tradition has invested a false glamour to a large number of possibly very uncomfortable beds in country houses and inns scattered all over England, as those in which Queen Elizabeth I had slept at some time or other during the course of her long reign. Sentimental chatelaines or landladies take great pleasure in showing these treasures to visitors. History also confirms the fact that this celebrated virgin Queen was in the habit of, and perhaps took delight in, sleeping in many odd beds. We do not have to dig deep into history to learn that Pandit Nehru, in the not distant past, was in the habit of living in many jails during the long course of his public life.

Are we going to start a new cult here of regarding and preserving all these horrid jails as national and historical monuments and the cells in which our leaders of the long struggle for independence were made to dwell to the lasting infamy of the authorities of those days, as so many sacred shrines? Personally, I believe that the sooner we cease to sentimentalise and gloat over these memories and get on with the present task of building up an impoverished country, the better it would be for the health, welfare and sanity of our children and grandchildren.

But even if we are going to be officially ordered to be morbid and to live in the past, I see little point and much less sense in prolonging this controversy over such a trifle as the actual room in the Ahmednagar Fort, in which Pandit Nehru was lodged by the British authorities in the last phase of our national struggle. It is all the more senseless to organise widespread research and to seek corroboration for the Prime Minister's statement by dragging people, who were associated with him in some manner, from a great distance at public expense. This points to a lingering hope amongst the Ministers and bureaucrats of the Home and P.W.D. Ministries in the State of proving that Pandit Nehru is mistaken about such an intimate detail of personal life and that the Bombay officials were better informed on all such matters, when they in their wisdom condemned him to room No. 8 by putting up a memorial slab to this effect.

Apart from the lack of courtesy and respect due to such a personage by persisting in this attitude, I protest against the waste of public time and public money involved in State servants engaging themselves in this ludicrous game, when they have far more important things to attend to. I wonder if you noticed in the news columns of our daily Press an item informing us all that immediately on the Prime Minister completing this tour some busybodies in the P.W. Department unearthed an old official, Mr. Balak Ram, who was in charge of the prisoners' barracks at Ahmednagar, during the period of Pandit Nehru's detention there. Escorted by no less a personage than the District Magistrate of Bijapur, this Mr. Balak Ram was taken to Ahmednagar to revive his ten years old memories and to testify whether the Prime Minister lived in room No. 1, as he now claims, or really in the one numbered No. 8, as the Bombay bureaucracy, backed by its Chief Minister, avers. Mr. Balak Ram is reported to have tried to end this little comedy of errors, by revealing that the present room No. 8 bore No. 1 in those days and that the rooms had since been renumbered.

This, at any rate, should have put all doubts to rest, if doubts there were. But the civil service was not going to give up its stand so easily. It was reported after this discomfiture that the Government of Bombay intended to consult and question the Civil Surgeon and the District Judge at Ahmednagar in those days, both of whom were required to visit the Fort regularly when Congress leaders were detained there. The outcome of this line of inquiry is not yet known. But the official sleuths got fresh scent in the meanwhile and were after their quarry. Pandit Nehru himself had provided this clue by mentioning the name of a convict who was detailed by the jail authorities to fetch water daily for his morning and evening bath and telling the party which accompanied him how he used to shout for this Raghu. So the hounds were after Raghu Tukaram, who was dragged all the way to the Ahmednagar Fort, from his village of Pimpalwadi in the Karjat taluka of the Ahmednagar District to the scene of this heinous crime. He was confronted last Monday with the two rooms and was asked to identify the room occupied by Mr. Nehru. Raghu proved equally unobliging and pointed to the room now numbered as 1.

But, perhaps, the State Government would dismiss Raghu's evidence as unreliable and object to its admissibility on the ground of his previous conviction for theft. It is not known whether the Bombay Government proposes to appoint, by issuing an ordinance, a special tribunal to adjudicate on this disputed issue and to apply to it to subpoena all the members of the Congress Working Committee of 1942, who were Mr. Nehru's fellow detenues, for recording their evidence on oath. And if they fail to get satisfaction even from the judiciary, they would still have a potent weapon left in their hands. The Government of Bombay could order that the offending Ahmednagar Fort be pulled down, stone by stone, on grounds of public security, to put an end to so humiliating a situation for the all-knowing officials!

Ceremonies Sans Ministers

It was with a feeling almost bordering on glee that I read one fine morning early this week that there are still some sensible people left in the country. I respect them as sensible persons, because they do not consider it a religious duty enjoined on them by the *shashtras*, to invite and secure a Minister, a Deputy Minister or at least a Parliamentary Secretary to lay the foundation-stone or to perform the opening ceremony, of some useful structure that they might have been enabled to put up. I am referring to the trustees of the P.M. Shah Memorial Fund at Godhra in North Gujerat, who are building a waiting shed and rest rooms as an annexe to the Godhra Civil Hospital for outpatients and visitors. Disregarding the hollow claims of the politicians, they decided to honour a Bhil patient of the hospital by asking him to lay the foundation-stone of this building.

I wish other commercial, cultural, educational and social organisations in the country would take a tip from this commendable act of these pioneers at Godhra. Their running after Ministers from the Centre and the States for all such ceremonies has now reached a stage where it is positively nauseating. As it is, the performing politicians are vain enough and full of self-importance. To pander to this vanity and to inflate it is a social crime, which is bound soon to react on the people themselves. I can understand prominence given to them at political gatherings, but for the life of me, I cannot see any relevance in the organisers of a music or literary circle or a trade association asking a Chief or some other Minister, merely because he is a Minister, even though he be utterly innocent of any leaning towards art, letters or economics, to inaugurate any of their functions. What could be more degrading or ridiculous for us than being subjected, at the opening of an exhibition of paintings at an Art Gallery, to a long rigmarole about the place of fine arts in the life of a nation, drafted by a ghost writer, from a reputedly philistine and parvenu Minister, who did not know the difference between a water-colour and an oil-painting. I had the misfortune of being present at one such function. The pity of it is that most of us do not see or realise how degrading and ridiculous this sycophancy is.—*All Rights Reserved.*

PARLIAMENT ADOPTS TWO IMPORTANT BILLS

POSITION OF INDIAN COIR INDUSTRY

(From A Special Correspondent)

NEW DELHI, *12th May*

DELHI LETTER

THE weather in Delhi has been most unpleasant during the last few days. Constant heat waves and a heavy dust haze over the horizon have become the normal features of the summer in the Capital. Even nights have been extremely sultry and it is, therefore, not unnatural, if members of Parliament were to look longingly to their forthcoming return to their home towns next week, after an absence of more than three months.

Despite this irritating weather, Parliament was in a businesslike mood, being able to dispose of two important Bills of considerable economic interest, namely, the Air Corporations Bill and the Tea Bill. The Government's approach in regard to the former was objective, in view of the fact that it was the first major step in nationalisation. The Communications Minister, Mr. Jagjivan Ram, was, on the whole, able to acquit himself creditably during the course of the passage of this Bill in Parliament. He was persuasive and reasonable, taking pains to put forward Government's viewpoint as clearly as possible. He agreed with the members of the Select Committee that the Air Corporations would have to make every effort to develop the air transport industry progressively. He again stressed that the necessity for two Air Corporations arose from the fact that a high standard of efficiency should be maintained for international services and that the External Services Air Corporation must always be alert in order to maintain its competitive capacity. It has now been more or less a settled fact that Mr. J. R. D. Tata will be the Chairman of the first Board of Directors of this Company.

Regarding the compensation issue, the Communications Minister displayed considerable anxiety that the interests of ordinary shareholders should not be jeopardised. He, therefore, accepted the two amendments proposed by Mr. N. C. Chatterji, a leading opposition spokesman. According to one of the amendments, if an existing company were allowed to go into liquidation, the Government should have power to direct the proportion and the manner in which the net compensation was to be distributed to the various classes of shareholders. Under the other, a corollary of the first, the Government was to be empowered to authorise a company to go into liquidation after its undertakings were acquired, if the company, or the majority of ordinary shareholders holding at least 75 per cent. of the value of the shares, applied to the Government for liquidation.

Tea Industry

Although the Government has acquired wide powers to control the tea industry, it may be taken for granted that it has no intention of interfering with the industry, provided the latter "paid decent wages to labour, paid taxes to Government and, in short, played a fair game within the four corners of the law." The Minister for Commerce and Industry did not complain about the dominance of foreigners in this industry. He was particularly keen that there should not be any major disturbance in control of this industry. In this connection, his observations are worth notice: "I know, if they go away, their estates will fall into the hands of people who are less interested than they are. It will do no good to the industry, nor to labour." What the Government is anxious is to secure a change of heart and healthy co-operation from the industry. It may be mentioned that consumers' interest will be expected to receive greater attention hereafter, in view of the growing importance of the internal market. For instance, although Ceylon is an important producer of tea, it exports almost the entire quantity grown in the country, whereas, at the present time, India is able to consume nearly one-third of its tea production.

The trend of commodity prices in the country, which has been looking up for the past few months, is expected to rectify, to some extent, the character of trade which has been showing against India during the last few months. The index number of average unit of declared values in respect of imports, which stood at 132.4 in July last, has come down gradually, but erratically, to 120.0 by January, 1953 (1948-49=100). During this period, the export index also dropped by about 12 points to 110.2. Since January last, the trend of internal wholesale prices in the country has been distinctly upward, the latest figure in the last week of April being 389.2—the highest for the last many months.

Another noticeable feature in this connection is that, whereas prices in many countries have come down, those in India have been moving up. As compared with July, 1952, the sensitive world commodity prices in the U.K. have receded by about 13 per cent., while, in India, the wholesale prices index is nearly 4 per cent. higher than this time last year. Some of the export commodities, prices of which remained very much depressed during the second half of last year, are now looking up. Mention, for instance, may be made of tea, pepper, oilseeds and oils, hides and skins, raw cotton, raw wool, etc. The industrial raw material index, as well as the semi-manufactures index, has now been ruling at 457.4 and 355.8, as against 420.4 and 339.8, respectively, for the corresponding week a year before. The rise in export prices and a decline in the prices of imported goods will doubtless improve the balance of payments position of the country during the coming months.

Coir Industry

Although the position of the coir industry in Travancore-Cochin State is being raised in Parliament from time to time by members hailing from that area, there is some lack of appreciation of the entire problem, especially the difficulties facing this industry. Exports of coir goods are valued at about Rs. 10 crores per annum. Since the industry depends, to a considerable extent, on the export market, the vicissitudes of international trade, the price levels and the general economic conditions in important importing countries have their due repercussions on the fortunes of this industry. During the last few months, the value of coir exports have been showing a decline of about 35 per cent. over that of last year. This is the result of the emergence of a buyers' market in many foreign countries which are now interested in liquidating the heavy stocks bought at high prices. Further, the Indian coir goods have begun to face considerable competition, albeit indirectly, from other types of products, namely, goods manufactured out of sisal, hemp, wool, etc. Again, grass floor coverings manufactured in China and Japan have been proving to be a competitor to Indian carpet goods. Indian mats and mattings have also to face competition from modern floor coverings like linoleum and tastefully designed floor boards.

In order to maintain the competitive capacity, the Indian coir industry has to evolve new techniques in manufacture with new and attractive colours and designs. Efforts should have to be made to bring down the costs of production by undertaking research in regard to chemical and mechanical methods of retting on a commercial scale and in the spinning wheels and looms. Besides, standardisation schemes have to be introduced in order to preserve the quality of our export products. To all these, the proposed Coir Board will have to pay immediate attention and bring about improvement in the shortest possible time. Since the industry provides employment to nearly five to six lakhs people on a cottage industry basis, this industry has to be cared for against frequent depression and slackness in trade. At the same time, the internal market should be explored and developed through a stable marketing organisation.

(Concluded from next column)

nise that his deflationary policy at home has been accompanied by deflation in the sterling resources of the world and that just as he has eased up in his home budget this year, he must ease up a good deal further than the Government has already proposed in making it possible for other countries to acquire sterling? The gain of £200 million in the reserves over the past nine months has given him some leeway for experiment. The time seems ripe for this country to see what an injection of sterling into the outside world can do to U.K. trade—*All Rights Reserved.*

WHITHER THE GOLD RESERVES?

IMPROVEMENT AT EUROPE'S EXPENSE UNHEALTHY

(From Our Own Correspondent)

LONDON, *7th May*

LONDON LETTER

MONTH by month this year, the gold and dollar reserves of the sterling area have steadily risen. In January and February they rose by over £90 million; March was less spectacular with a rise of only £22 million; but April has shown another very substantial gain of £39 million. Thus the reserves have risen by nearly one quarter since the end of December to £812 million. This is still a long way from the level of £1,380 million two years ago, but equally it is a very substantial rise from the nadir of £600 million one year ago.

Nor is this improvement in the U.K.'s external position reflected only in the gold and dollar reserves. The same movement is seen in the U.K.'s balance with the European Payments Union. In August last year, the net deficit had risen to £350 million, though by the turn of the year, this had been reduced to £237 million. Since then, although the spectacular improvement of last autumn has been toned down, there has been a steady £10 million a month average coming to the U.K. in gold or credits with E.P.U., and at the end of April, this country was another £42 million better off with a net deficit reduced to £195 million.

It is not easy to account for the improvement in the gold and dollar reserves in terms of a straightforward improvement in the active balance of trade. The balance between imports and exports has not been moving in recent months strongly in this country's favour, and we are still benefiting from the drastic action taken last year to keep down imports. Moreover, staple commodity prices are continuing to weaken, and before long, this must be reflected in the value of the sterling area's exports to the dollar area. Meanwhile, it seems unfortunately true that the U.K. by restricting its imports from Europe has managed to put itself right with the E.P.U. and drag gold out of countries, such as France, to strengthen the sterling area's reserves. While, therefore, the restrictive action of last year has improved the U.K.'s and the sterling area's position, *vis-a-vis* the dollar area, it appears to have been at the expense of Europe's position with that area, that is, the U.K. has been exporting its deficit to the Continent.

Source of Strength

There is no long-term source of strength to the sterling area along this line of action. In due course, the European countries' countermeasures to preserve their own reserves will again restrict the U.K.'s exports, and the rise in the U.K.'s reserves will come to an end. Another source of strength to this country's reserves is also going to diminish this year, that is the aid received from the United States on defence account. In the year 1952-53 that aid has amounted in all to some $400 million, say £140 million; but the U.S. authorities are now going to be obliged to cut that aid to half, half on direct arms account and the other for payments of exports of American foodstuffs. Some of the dollars going to N.A.T.O. will, nevertheless, find their way to this country in settlement of arms contracts for Europe; but this will not be altogether a new source of income, although it may be on a larger scale than hitherto. It is thus probable that something like £50-60 million in dollars will be lost to this country in the year 1953-54.

The reduction in U.S. aid will have a parallel effect on the U.K. domestic budget, for this has been credited in the past year with the sterling counterpart of the U.S. assistance. With the latter reduced, the Chancellor of the Exchequer will have either to find more money to finance the domestic programme or the latter will have to be cut. Will the Government have the courage to recognise that the strengthening of the reserves over the past months is unlikely to go on without some positive action to increase U.K. exports, and that this positive action must take the form first of freeing more domestic resources for those branches of export trade in which this country's demand is the strongest, such as heavy engineering, and in a more liberal trade policy which will in turn supply our customers overseas with the sterling with which to buy U.K. goods? Will the Chancellor recog-

(Continued in previous column)

AMERICAN LETTER

NO SIGN OF DEFLATION IN THE U.S.

UNSETTLEMENT IN INVESTMENT MARKETS CONTINUES

(From Our Own Correspondent)

NEW YORK, *7th May*

THE great hopes for peace between the East and the West which have prevailed since the death of Premier Stalin, have been fading fast in the last two weeks. Early promises of more than just an uneven exchange of prisoners of war remain unfulfilled and an armistice in Korea seems just as far removed now as for the past six months, not to mention the intensified hostilities in Indo-China. Thus, the emotional pressure for a decrease in American rearmament expenditures—beyond the economies planned anyway by the new Republican Administration—is also declining.

President Eisenhower's requests for military appropriations by Congress, in fact, were $2,000 million below those of the preceding Truman Administration. The armed strength of the United States remains undisturbed, but a strechout is indicated in reaching the prescribed higher targets. As a practical matter, this means the continuance of high level business activity for months to come. Beyond that, much will depend on staff studies now being made at Washington. They involve recommendations for a complete revision of the Federal tax structure, possible changes in the Reciprocal Trade Act, customs procedures and other matters. It is well to bear in mind, however, that none of such major changes as may be proposed by the Eisenhower Administration are likely to emerge before the first of next year.

In the meantime, the likely shifts in Washington policy envisage greater foreign aid emphasis in Asia and, perhaps, to a lesser degree in Latin America and reductions in Europe where the N.A.T.O. countries have made little progress towards the planned European Army, but where the Schuman Plan of combined coal, iron and steel production is now finally emerging.

Change in Money Markets

Domestically, the greatest change in recent weeks has been in the money markets. Higher interest rates have been established in all segments of the market since the U.S. Treasury issued its new 3¼ per cent. 30-year bond. The $1,000 million issue was vastly oversubscribed, but the new high coupon which represented a 20-year high, disrupted the entire yield curve. Outstanding bonds bearing lower interest reached new lows in price in order approach the new higher yields. Commercial banks raised their prime lending rate from 3 to 3¼ per cent. and commercial paper rates stiffened likewise. This, in turn, disrupted the bond markets where even the new Treasury 3¼'s *declined on* some days below par. The development also proved somewhat conclusively that there is no longer any precise relationship between short and long-term rates here.

One of the contributory factors to the continuing unsettlement in the investment markets is the hands-off policy of the Federal Reserve System which has no intention of interfering in the Government bond market in the way of open market operations, unless it should become "disorderly." There may be some who consider present markets not particularly orderly, but the official interpretation of "disorderly" goes much beyond that. It covers, really, conditions of quasi-panic selling as might occur at the time of outbreak of war or other emergencies. Thus, a new Government bond market concept is emerging here.

It means, in effect, the inflationary cycle of the last two decades has been halted and a sounder dollar is arising, perhaps. Obviously, not everybody is happy about that. Fixed income groups will benefit most. The greatest losses in this process of adjustment have been incurred so far in the agricultural areas of the world. Some sensitive commodity prices are now off as much as 36 per cent. from the peak they reached in the period after the outbreak of war in Korea. Living costs have fallen about one half per cent. in this period, prices paid to farmers have declined 16 per cent. and the value of farmland has dropped 2 per cent. Farm exports have fallen 30 per cent. Old houses can be bought cheaper now and used automobile prices are down sharply in the face of a record new car output. Shortages are ending and surpluses are appearing. Thus, it is harder to sell and easier to buy. Competition is quite tough in some businesses.

The deliberate halting of inflation, however, means a semblance of stability rather than deflation. In fact, all signs are that the monetary authorities will keep a close watch over economic developments and will try to avoid deflation like the plague. Admittedly, this is more difficult than stopping inflation, but so far there are no signs that deflation has begun, rather disinflation. Most segments of the U.S. economy are humming at top speed. Earning reports for the 600 corporations covering operations in the first quarter are running 10 per cent. ahead of last year.

Industrial Production

Overall industrial production in April maintained the same high record as that of March and was about 10 per cent. higher than a year ago. However, unless final figures are revised, April will be the first month since September that industrial production has not increased. Steel executives, including Mr. Benjamin Fairless, Chairman of U.S. Steel Corporation, expect output to continue at top levels "well into the September quarter and possibly through the fourth quarter." The construction boom is still proceeding at previous levels. In the first quarter of the year, the volume of cheques drawn by individuals and business concerns was 7.9 per cent. ahead of last year.

Scheduled American airlines carried about 28.5 million passengers last year, a new record and a gain of 11 per cent. compared with 1951. Operations covered 15,500 million passenger miles, an increase of 18 per cent. over the preceding year. Business and commercial failures were lower in April, both in the United States and in Canada, compared with April, 1952. While Federal Government tax collections in the first quarter were about $2,000 million behind expectations, they are expected to rise again in line with higher corporate profits. The drop is due to the shrinkage of income last year, one half of which, if not more, resulted from the prolonged steel strike last summer.

Despite fears and apprehensions of all sorts, there is no sign of deflation in the United States, but rather the continuation of good business for some time to come, coupled with disinflation of some prices, according to supply and demand conditions as they may develop during the balance of the year.—*All Rights Reserved.*

PAKISTAN NOTES

THE FOOD PROBLEM

MAINTENANCE OF STRONG RESERVE EMPHASISED

EVERY effort should be made to build up a strong food reserve to meet any future deterioration in the food situation. This was the sound advice which Lord Boyd-Orr, Chairman of the Pakistan Grow-more-food Committee, gave, while addressing the members of the Punjab Grow-more-food Committee at Lahore the other day. Pakistan, as readers are aware, is in the grip of an acute food shortage. The gap between the total production in the country and the quantity actually required for consumption is as much as 1.5 million tons, including 250,000 tons required for holding stocks as a buffer against any temporary artificial scarcity and spurt in prices.

Forced by shortage of food and with a view to ensuring steady supplies at reasonable prices to consumers, the Government of Pakistan, in active co-operation with the Provincial Governments, has launched a four-pronged campaign for augmenting food production—distribution of ammonium sulphate for use in the coming *kharif* crop season, provision of more irrigation facilities, bringing new areas under cultivation, and control of pests and locusts. And in this task, active assistance and help are being taken from the various United Nations bodies, Governments of other countries and private agencies. Simultaneously with this campaign, the Government has also taken steps to check any rising tendency in prices. Thus, ceiling prices for foodgrains, especially wheat, have been fixed at the prevailing levels.

U.S. Wheat Assistance

The improvement in indigenous production is only a long-term solution to Pakistan's food problem. What is urgently required is import of foreign grains on a large scale. The Government of Pakistan is making vigorous efforts in this direction. It has requested the U.S. Government for assistance to the extent of one million tons. There are indications to suggest that the request may be conceded. A three-man U.S. Food Mission, headed by Dr. Harry Reed, Dean of Purdue University's College of Agriculture, is expected to visit Pakistan soon for a survey of the food crisis in the drought-stricken areas of the country.

In the meantime, Senator Hubert Humphrey has introduced a Bill in the U.S. Senate envisaging a loan to Pakistan for purchasing wheat in the U.S. The Bill also seeks to provide for an emergency loan of wheat or any other food commodity, from the Government's own food reserves under the direction of the Mutual Security Administration. The Bill is to be patterned after the $190-million loan made to India two years ago, although the actual amount of the loan will be less than that granted to India. The interest on funds, to be paid by Pakistan, would be placed in a special account, to be used for financing the exchange of students and technicians between the two countries and also of books, scientific materials and laboratory work.

Efforts are also being made to secure foodgrains from other countries. Canada has already offered, under the Colombo Plan aid, 55,000 tons of wheat, and Australia 45,000 tons.

Price Control

It is not the food shortage alone that is causing anxiety to the Pakistan Government; the prices of several essential articles also have been steadily moving up, thanks to the anti-social activity, indulged in by a section of the business community. The Essential Commodities (Control of Distribution) Order, 1953, recently promulgated by the Government, has, therefore, come not a day too soon. Under this Order, the Government has already imposed control over sale and prices of 16 articles. These include paper other than newsprint, cycles and spare parts, tyres and tubes for the same; drugs and medicines, medical and surgical instruments and appliances; caustic soda; soda ash; hydrosulphide of soda; ammonia; chlorine; acetylene; oxygen; imported chemical dyes; mechanically propelled vehicles, their spare parts, tyres and tubes for the same, glass and glassware, including scientific and laboratory equipment; electrical and radio goods and appliances, including wires and cables; and artificial silk yarn and thread.

The aggregate yield of cotton in Pakistan for the season 1952-53—according to the final forecast—is estimated at 1,468,000 bales of 392 lbs. each, which represents a rise of 6.7 per

(Continued in previous column)

(Concluded from next column)

cent., as compared with the previous season's output of 1,376,000 bales. The rise in the yield closely follows an expansion in acreage under cotton crop, which, during the year under review, was 3,430,000 acres, as against 3,244,000 acres in 1951-52, or an increase of 5.7 per cent. It is thus seen that the increase in yield is more than proportionate to that in area, which suggests that the average yield must have gone up. The improvement in yield has been shared both by American and *desi* varieties, the quantity produced being 1,299,000 bales and 169,000 bales, respectively, as against 1,220,000 bales and 156,000 bales in 1951-52. The area under these varieties accounted respectively for 2,967,000 and 463,000 acres, against 2,782,000 and 462,000 acres.

Plea for Larger Investment in Industry

A warning that "economic depression might come with greater severity in the near future" was given by Mr. Muhammad Ali Rangoonwala, President of the Chamber of Commerce, Pakistan, in the course of his address at the ninth annual general meeting of the Chamber held in Karachi a few days ago. Mr. Rangoonwala would appear to feel that such depression could be averted, if only business men and the Government remained vigilant. He called upon business men to invest more in industry, although he admitted that trade and commerce was an important function which should not be neglected. Industrial development, he declared, formed the basis of Pakistan's economic progress and the country's future would depend on the extent of development in this field.

EARNINGS AND EXPENSES OF BANKS IN INDIA

POSITION SINCE 1946 REVIEWED

A GREAT hue and cry has been raised by the employees of the banks over the award of the All-India Industrial Tribunal (Bank Disputes). The award, they say, has not conferred on workers in banks monetary benefits and other facilities which the banks can *easily* afford. This claim of the employees, however, is not borne out by facts. A look at the working of the banks in recent years will clearly reveal that the banks have been having a trying time. For, on the one hand, the expenses of banks have been steadily mounting up, thanks to expansion in branch banking—though in certain cases indiscriminate—increase in cost of living and application of new scales of emoluments through Bank Awards. On the other, their earnings, particularly from investments, have tended to decline, while the banks have been compelled to provide for heavy depreciation in the value of investments. These have adversely affected the profits of the banks and, consequently, their capacity to pay larger emoluments to their employees. An idea of the extent to which the financial position has been affected by the various factors may be had from an illuminating study of the trend of earning and expenses of Indian banks during recent years (1946-51), which has appeared in the form of an interesting article in the latest issue of the *Reserve Bank of India Bulletin*. In view of the importance of the subject, it is proposed to review the salient features of this study.

The analysis covers different periods for different groups of banks. Thus, the figures cover a period of six years (1946-51) for Scheduled Banks and A2 class Non-scheduled Banks, and of three years (1949-51) for Exchange Banks. The total number of banks reporting varies from year to year. The trend in earnings and expenses of these reporting banks is indicated in the table on this page. It will be seen from the table that the net profit of the Scheduled Banks declined from Rs. 9.36 crores in 1946 to Rs. 7.51 crores in 1951, due to the marked rise in expenditure, particularly establishment costs, increased provision for depreciation, and decline in recoveries. The net profit of A2 class Non-scheduled Banks also suffered a fall.

The total earnings of the Scheduled Banks amounted to Rs. 27 crores in 1946 and remained at about Rs. 30 crores during the period 1947 to 1950. In 1951, they were higher at Rs. 32.3 crores, following a record expansion in bank credit. The earnings of Exchange Banks, which had fallen from Rs. 11.3 crores in 1949 to Rs. 9.5 crores in 1950, rose to Rs. 13.1 crores in 1951.

Earnings

The bulk of the earnings of Scheduled Banks and Exchange Banks is accounted for by income from bills and loans. In 1951, their ratio to total earnings was 56.3 per cent. for Scheduled Banks and 67.7 per cent. for Exchange Banks. The comparatively high proportion for Exchange Banks reflects the predominant position of advances in their assets; the proportion of advances to deposits was 103 per cent., as against 59 per cent. for Scheduled Banks, as at the end of 1951. Earnings from foreign bills purchased and discounted were also higher. Exchange Banks' earnings from bills and loans were Rs. 7.0 crores, Rs. 6.3 crores and Rs. 8.8 crores in 1949, 1950 and 1951, respectively, the proportion to total earnings rising from 61.7 per cent. in 1949 to 67.7 per cent. in 1951. Income from investments in Government securities, the second main item, was substantial in the earlier years for the Scheduled Banks, but declined from nearly 38 per cent. of total earnings in 1946 to 28 per cent. in 1950 and 21 per cent. in 1951.

In amounts, while total earnings had gone up in these years, income from Government security holdings declined from Rs. 10.3 crores in 1946 to Rs. 8.1 crores in 1950 and Rs. 6.7 crores in 1951, mainly due to large-scale liquidation of securities. For Exchange Banks, the amount and proportion did not show much variation and stood at a bare Rs. 1 crore (9 per cent.) in 1951, Government security holdings being relatively unimportant in their assets structure. Earnings from "other" sources, i.e., commission on bills for collection, T.T's and D.D's sold, service charges, etc., of Indian Scheduled Banks registered a perceptible rise, from Rs. 3.0 crores in 1946 to Rs. 4.9 crores in 1950 and Rs. 6.3 crores in 1951, the proportion to total earnings also rising from 11 per cent. to 17 per cent. and 20 per cent. in the respective years. For Exchange Banks, earnings from "other" sources declined from Rs. 3.0 crores in 1949 to Rs. 1.8 crores in 1950, but rose again to Rs. 2.9 crores in 1951.

Expenditure

On the expenditure side, establishment costs of Scheduled Banks accounted for the largest share of earnings, owing to higher emoluments paid to staff. The entire increase in the earnings of the Banks since 1946 has been virtually absorbed in higher establishment charges. The proportion of these charges to the total earnings was as high as 37 per cent. in 1951, as against 26 per cent. five years before, while that in the case of Exchange Banks was 26 per cent. in 1951, which compares favourably with 33 per cent. in 1950. Interest paid on deposits, borrowings and other accounts is the next important item of expenses of Scheduled Banks, its share in the total earnings in 1951 being 23.6 per cent. It is interesting to note, in this connection, that, in 1946, this item had exceeded establishment expenses and constituted 28.5 per cent. of earnings. Since then, there has been a decline, owing to fall in deposits, the figure for the year under review being 23.5 per cent. For Exchange Banks, the ratio of interest to earnings shows a fall from 22.2 per cent. in 1949 to 17.4 per cent. in 1951. While interest on deposits is the main constituent of this item for Scheduled Banks, both the amount and the ratio of interest paid on borrowings and other accounts are higher for the Exchange Banks as compared with the Scheduled Banks.

Profit

As is revealed in the table, the net profit of the Scheduled Banks suffered a continuing decline throughout the period covering 1946 to 1950. In 1951, however, it was slightly higher, despite a net depreciation provision of Rs. 81 lakhs. The factor responsible for such improvement was better earnings. The net profit of the Exchange Banks declined in 1950, but increased in the following year, corresponding to the trend in total earnings. Net profit formed only 23 per cent. of the total earnings of Scheduled Banks, while it was 42 per cent. in the case of Exchange Banks.

The share of dividend, bonus, etc., to shareholders in the aggregate allocation of the Scheduled Banks went up from 21 per cent. in 1946 to 33 per cent. in 1950. During each of the years 1946 to 1949, tax provision had been the largest single appropriation but, in 1950, payment to shareholders was the main item. In 1951, allocation to other special purposes (Rs. 4 crores) was the main item. This was necessitated by the heavy decline in the value of Government securities, consequent on the increase in Bank rate in *November, 1951.*

Allocations under other heads, except for special purposes, were generally the same in 1951 as in 1950 in amounts, but their percentage shares were all noticeably less, due to the special allocation mentioned above. In effect, the increase in net profit over 1950 and withdrawal from reserves were taken up by the increase in appropriation for special purposes and the carry forward was a much smaller amount. Bonus paid to staff, at Rs. 1.1 crores in 1951, was larger than that in any earlier year under review. For Exchange Banks, provision for taxes formed the largest single item of appropriation each year, accounting for two-fifths of the resources in 1951. Transfers to head offices (which may be taken to correspond broadly to dividend, *etc., paid to shareholders* and carry forward, taken together in the case of Scheduled Banks) formed a larger share of total allocations than for Indian Scheduled Banks; in 1950, the respective percentages were 51 and 40.

Ratio of Operating Expenses

The ratio of current operating expenses—these exclude allowances for depreciation and loss incurred on sale of assets—to earnings—these exclude recoveries on assets previously written down—was higher for Scheduled Banks in each of the years 1949, 1950 and 1951 than for Exchange Banks, the percentage for the respective years being 73.6, 75.3 and 74.1, as against 59.0, 62.9 and 55.4. The smaller ratio for Exchange Banks may be attributed to their comparatively large earnings from loans and bills, smaller investment portfolio, and lower expenses on interest payments and overhead charges.

The earnings, expenses and net profit of the major Indian Scheduled Banks in 1951 (11 in number) formed a very substantial part in the total for all the reporting Indian Scheduled Banks (72 in number). Their earnings amounted to Rs. 25.3 crores in 1951, as compared with Rs. 21.1 crores in 1946 (14 in number) and accounted for three-fourths of the earnings of all Indian Scheduled Banks. With the expansion in bank credit, their earnings from bills and loans rose from Rs. 9.0 crores or 43 per cent. of total earnings in 1946 to Rs. 13.7 crores or 54 per cent. in 1951; their income from Government securities accounted for Rs. 8.5 crores or 40.4 per cent. of total earnings in 1946 and declined to Rs. 5.6 crores or 22.3 per cent. in 1951. Establishment expenses of these Banks rose continuously from Rs. 5.6 crores in 1946 to Rs. 8.7 crores in 1950 and Rs. 9.9 crores in 1951, i.e., from 26.4 per cent. of their earnings in 1946 to 39.7 per cent. in 1950 and 39.1 per cent. in 1951, which may be compared with the 1951 ratios of 33.7 per cent. for all banks, 37.1 per cent. for all Indian Scheduled Banks and 26.1 per cent. for Exchange Banks. Interest paid on deposits, borrowings and other accounts, at Rs. 5.5 crores in 1951, accounted for a little over one-fifth of total earnings. Their net profit declined over the period, both in amount and as a proportion to total earnings, from Rs. 7.8 crores (37 per cent.) in 1946 to Rs. 6.3 crores (25 per cent.) in 1951. Dividend and bonus paid by these Banks amounted to Rs. 2.1 crores in 1951 or 23 per cent. of the total resources made available for allocation. The amount allocated to other special purposes in 1951 was Rs. 3.9 crores.

Earnings of Other Scheduled Banks

The earnings of the other Indian Scheduled Banks, which had risen from Rs. 6.2 crores to Rs. 7.6 crores during the period 1946 to 1949, declined to Rs. 7.2 crores and Rs. 7 crores in the following two years, respectively. At Rs. 4.4 crores in 1951, earnings from bills and loans accounted for 63 per cent. of the total earnings, a proportion which is larger than that for the major banks. Their establishment expenses almost doubled to Rs. 2.5 crores between 1946 and 1950, but were lower at Rs. 2.1 crores in 1951, accounting in that year for 30 per cent. of their total earnings, a percentage lower than that for the major Scheduled Banks. Interest on deposits, borrowings and other accounts in 1951 was Rs. 2.1 crores or 30.4 per cent. of total earnings, which was higher than that for the major Scheduled Banks. The larger proportion of earnings from bills and loans, as also of interest, payments, as compared with major banks, is due to the higher interest rates charged and paid by this class of banks. Net profit of these banks amounted to Rs. 1.2 crores in 1951 or 17.2 per cent. of their total earnings, as compared with Rs. 1.5 crores or 24.9 per cent. in 1946.

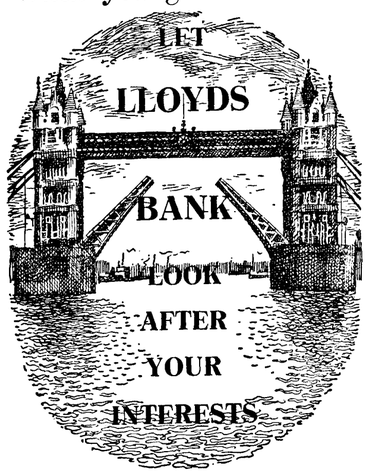
The earnings of the large Non-scheduled Banks, that is, banks having paid-up capital and reserves of Rs. 5 lakhs and over, maintained an upward trend, rising from Rs. 1.8 crores in 1946 to Rs. 2.2 crores in 1949. In the following two years the earnings declined to Rs. 1.9 crores; the number of reporting banks was 43, 69, and 59 in 1946, 1949 and 1951, respectively. Their earnings from bills and loans rose from Rs. 99 lakhs in 1946 to Rs. 1.4 crores in 1951, the proportion to total earnings (73 per cent. in 1951) being higher than that for the smaller Indian Scheduled Banks. Their income from investments in Government securities declined from Rs. 39 lakhs in 1946 to Rs. 27 lakhs in 1951, or, as a proportion to total earnings, from 22.4 per cent. to 14.0 per cent. Interest payments were the largest item of expense for this class of banks in each of the years under review, the amount and the proportion being Rs. 80 lakhs and 41.4 per cent. in 1951. The relatively larger interest payments, as also the larger earnings from bills and loans, even as compared to the smaller Indian Scheduled Banks, are attributable to the higher rates of interest paid and charged by these banks, a large part of the deposits of these Non-scheduled Banks being held in the form of fixed deposits. At the end of 1951, the ratio of fixed deposits to total deposits was 47 per cent., as compared with 24 per cent. for Indian Scheduled Banks.

EARNINGS AND EXPENSES OF BANKS, 1946 TO 1951

(Amounts in crores of rupees)

	Earnings			Expenses			Net profits for the year
	Earnings from bills and loans	Earnings from investments	Total earnings	Establishment expenses	Interest paid on deposits, borrowings, etc.	Total expenses	
Indian Scheduled Banks—							
1946	12.35	10.71	27.26	6.99	7.78	17.90	9.36
1947	14.75	10.11	29.83	8.63	8.28	20.65	9.19
1948	14.77	10.31	29.73	9.50	7.60	21.66	8.07
1949	15.66	8.46	29.62	10.32	7.20	21.74	7.88
1950	15.14	8.95	29.10	11.24	6.83	22.52	6.58
1951	18.19	7.74	32.28	11.98	7.60	24.77	7.51
A2 Class Non-Scheduled Banks—							
1946	0.99	0.49	1.76	0.33	0.68	1.27	0.50
1947	1.19	0.44	1.83	0.38	0.78	1.44	0.39
1948	1.46	0.46	2.07	0.46	0.84	1.64	0.44
1949	1.53	0.49	2.17	0.56	0.79	1.74	0.43
1950	1.30	0.40	1.85	0.50	0.71	1.59	0.26
1951	1.41	0.34	1.93	0.52	0.80	1.70	0.23
Exchange Banks—							
1949	6.96	1.29	11.29	2.88	2.50	6.72	4.58
1950	6.32	1.25	9.47	3.07	1.50	6.13	3.34
1951	8.84	1.28	13.07	3.41	2.27	7.52	5.54
All Banks—							
1949	24.15	10.24	43.09	13.77	10.50	30.20	12.88
1950	22.76	10.60	40.42	14.82	9.03	30.23	10.18
1951	28.42	9.36	47.28	15.92	10.66	34.00	13.28

When you go to London



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LB-4-31-1953

Following the above order, the British banks have advised the depositors as to how they should fill in forms and register their claims in China, in order to preserve any rights they may have. In this connection, they have made it clear that the Chinese revaluation involves only local currencies, and as such the question of transfer of funds to countries outside China does not arise, nor is there any assurance that creditors would be able to use their revalued deposits freely in China. They have also emphasised that they accept no obligation or responsibility in the matter.

SYRIAN MONETARY LAW

The transition from the present monetary system to the new system, evolved in February last, requires time and calls for the enforcement of new legislative provisions gradually and by stages, according to a statement recently made by the Finance Minister of Syria. The first step will be the establishment of the Money and Credit Board. This is expected in the near future, but the establishment of a Central Bank will take more time. Press reports that the Bank will not be established until 1964, the date of the expiration of the concession of the Bank of Syria and Lebanon, which now issues the local currency and enjoys central bank prerogatives, have been denied. Negotiations have already begun with the Bank of Syria and Lebanon for determining orderly methods of transfer to the new institution at the appropriate time of the assets and liabilities of the Issue Department and of Government deposits. In the meantime, the Bank of Syria and Lebanon will continue to enjoy the issue privilege and its other central bank prerogatives. The only part of the new monetary legislation which becomes enforceable immediately is that concerning the control of banks. This control is temporarily entrusted to the Exchange Office, established in April, 1952, pending the setting up of the Money and Credit Board.

GRINDLAYS BANK LTD.

The financial results of the Indian branches of Grindlays Bank Ltd. (*General Manager in India:* Mr. A. Simpson, Bombay) for the year ended 31st December, 1952, are in consonance with the general experience of Scheduled Banks in India. The profit of the Bank in India has shrunk from Rs. 13.14 lakhs for the year 1951 to Rs. 9.14 lakhs. A notable feature of the Bank's accounts is a sharp rise of over 35 per cent. in advances in distinct contrast to the decline noted in the case of Scheduled banks as a whole. With a small decline in deposits, the ratio of advances to deposits has recorded a rise from 50 per cent. to 69.5 per cent., while a fall in investments to the extent of over 33 per cent. has been mainly responsible for bringing down the total liquidity ratio from 62.8 per cent. to 46.6 per cent.

The Bank's income from interest and discount has gone up from Rs. 33.11 lakhs for 1951 to Rs. 35.34 lakhs for the year under review. The increase of Rs. 2.23 lakhs on this account has been more than offset by the fall of Rs. 1.97 lakhs to Rs. 28.13 lakhs in commission, exchange and brokerage, a rise of Rs. 2.02 lakhs to Rs. 6.76 lakhs in interest paid and of Rs. 2.25 lakhs to Rs. 47.54 lakhs in expenses. Consequently, the profit, at Rs. 9.14 lakhs, after providing Rs. 6,000 for depreciation on bank property, records, as compared with the profit of the previous year, a shrinkage of Rs. 4 lakhs. As much as 66.3 per cent. of the profit, that is Rs. 6.06 lakhs, has been set apart for taxation, for which a sum of Rs. 8.14 lakhs had been provided last year. The balance, along with the sum of Rs. 88,509 brought in from the previous year, has been remitted to head office, as against Rs. 10.81 lakhs remitted last year. The larger sum remitted last year was due, in part, to the sizable sum of Rs. 6.69 lakhs brought in from 1950.

The Bank's deposits in India as at the end of the year under review stand at Rs. 9.55 crores, which shows a decline of only Rs. 22 lakhs. Borrowings from other banks have gone up from Rs. 46 lakhs to Rs. 62 lakhs. The whole of these borrowings at the close of 1952 are unsecured, whereas those at the end of 1951 were partly secured (Rs. 15 lakhs) by investments and partly unsecured (Rs. 41 lakhs). The Bank's bills business would appear to have declined during the year, the outstandings on account of bills for collection and acceptances on behalf of customers showing a marked fall—the former from Rs. 2.14 crores to Rs. 1.22 crores and the latter from Rs. 2.48 crores to Rs. 1.32 crores—evidently due to the lull in trade and commerce during the major part of the year following the slump in March. Advances, as already indicated, have gone up from Rs. 4.90 crores to Rs. 6.64 crores. A break-up of the total advances shows that loans, cash credits and overdrafts have risen from Rs. 3.93 crores to Rs. 5.79 crores, while bills discounted and purchased have declined from Rs. 96.98 lakhs to Rs. 85.21 lakhs. Investments, the whole of which are in Government securities, are lower at Rs. 3.62 crores, as compared with Rs. 5.42 crores. These investments are shown at below market value. Cash balances, at Rs. 83.52 lakhs, do not disclose any marked fall from Rs. 87.12 lakhs at the close of 1951, and at which they provide a cash coverage of 8.7 per cent. (as against 8.9 per cent.) to deposits. Taken together, investments and cash stand at 46.6 per cent. of the deposits.

CURRENCY REFORM IN CHINA

The Chinese Government recently issued an order to the effect that the British banks, which formerly operated in China, should revalue and repay deposits in Chinese nationalist currency, which existed when the Communist Government took over in 1949. The banks involved are the Chartered Bank of India, Australia and China, the Hongkong and Shanghai Banking Corporation, and the Mercantile Bank of India. The revaluation scale commences with one Chinese nationalist dollar equalling 12,500 Chinese dollars in respect of accounts and deposits not used since the beginning of 1937. There is then the descending scale of revaluation rates, the lowest being 100 Chinese (Nationalist) dollars equalling one Chinese Communist dollar for accounts and deposits which were used after 19th August, 1948.



TECHNICAL EFFICIENCY IN INDIAN COTTON MILL INDUSTRY

SCOPE FOR IMPROVEMENT CONSIDERABLE

MOVING the Industries (Development and Regulation) Amendment Bill, 1953, in the House of the People recently, the Minister for Commerce and Industry, Mr. T. T. Krishnamachari, remarked that the Government's policy would be not only to keep the wheels of industry moving but also to take effective measures to improve its managerial and organisational aspects wherever necessary. The Indian cotton textile industry, as the biggest single industry, has a vast field for the Minister to display his drive and originality, especially if he carefully peruses the Report of the Technical Sub-Committee of the Working Party for the Cotton Textile Industry. This part of the Report has been the result of a factual survey of machinery, labour and production in the major productive departments of representative mills in the leading centres of production, conducted by men who are experts and well experienced in this line. The Report has made a number of observations on the real conditions of the textile industry and suggested the lines in which action is necessary to improve its efficiency and competitive power.

Many of the recommendations of the Technical Committee will not involve heavy costs and can be implemented in a short time, with the result that the total output may record an increase of about 10 per cent., besides bringing down production costs to some extent. The Planning Commission, it may be mentioned, has recognised that there are 150 inefficient and uneconomic units in this industry, the actual percentage being 33.6. When such is the position, the Minister for Commerce and Industry need not wait for the Kannungo Report which is expected to cover all the sectors of the cotton textile industry, namely, the mill, handloom and *khadi*, but could straightaway implement the Report regionwise. A high-power technical committee should be immediately constituted and empowered to inspect the mills in order to suggest ways and means to maximise production, both from the qualitative and quantitative point of view, and also to see that their recommendations are implemented by the concerned mills within a specified period.

Blow Room Machinery

The Technical Committee has made many useful observations on mixing and blow room machinery. It says: "No mill has auto-doffing equipment. This does away with the irregularity creeping in, as a result of starting and stopping and due to cutting and folding of the lap. Besides saving labour, the efficiency is improved by 10 to 20 per cent., depending on conditions." It favours fluorescent light, since, "with this system of lighting, night shifts will be more successful, particularly in weaving and more so in fancy weaving, as it improves efficiency substantially." Except in few places, we are told, humidification and ventilation is far from being satisfactory. Lighting and general working conditions are badly lacking in almost all the mills.

Regarding the carding section of the industry, the Report says: "Most mills have fillets in a very unsatisfactory condition. Everybody complains about the short supply of the material. The standard of supply is seven per cent. irrespective of the number of shifts worked. For one-shift working, this standard is acceptable. But for two shifts, this should be raised to 12½ and for three-shift working to 15 per cent." It goes on: "In quite a good number of installations, the carding rows were not facing each other. The middle and back alleys were too narrow and the space between the cards hazardous. About layout and spacings, this section is the most neglected in some mills." In regard to draw frames, the Report says that "only in one mill are the machines equipped with measuring motions and light signals." In the speed frames section, it says: "Two zone systems, with adequate condensers, have revolutionised the amount of drafts and the number of processes. One process for coarse and medium counts and two processes for fine and superfine counts are sufficient for reasonably good quality of yarn."

Improvement in Winding Section

With regard to ring frames, the Report observes: "It is over 25 years since high drafting, tape drive of spindles, rising and falling lappets and bigger size of packages were introduced in the industry. Yet the number of three-roller drafting and band-driven spindles found were inconsiderable. It is hard to believe that the spindles and the drafting rollers have not been changed during this period. The principal rival systems of high drafting are the four-roller and the double apron. For coarse and medium counts, the Casablanca system is established as the better of the two. For fine counts, the superiority is not yet finalised and the trend of opinion for superfine counts is in favour of the roller system." In the winding section, it is stated that, in most of the mills throughout India, except one or two of recent years, winding machines of the old nineteenth century, such as grey vertical winding and drum winding machines are still predominant. In this connection, the Report observes as follows:

"To improve the quality and quantity of work, it has now become necessary to scrap old machines and introduce latest high-speed automatic winders. Introduction of such machines will naturally reduce the wage bill and thereby cost of production. . . . In many mills, winders were seen working without mechanical knotters and producing knots so big as to cause fall in production in weaving sheds. The managements seemed to be ignorant about such an important factor. . . . In every centre, we found more number of winders producing much less than what workers of the same category produce in other countries, such as Japan, America and England. Reasons are old obsolete machines without proper maintenance, inferior quality of yarn, unsatisfactory working conditions, and misled labour."

Cone Dyeing

The Report recommends the adoption of cone dyeing and also the complete elimination of female workers from the cotton mills, in view of lower *per capita* output by them. In the pirn winding section, the Report says: "Old obsolete machines, such as Leesona No. 90 pirn winders, are being extensively used, instead of the latest high-speed automatic pirn winders, viz., Schweiter, Hacoba, Britoba and many other latest machines. The ratio differences in production per spindle and per winder will definitely be nothing less than 3 : 1, if latest machines are installed."

Like winding, warping machines of old obsolete slow speed types are predominant in most of the mills in all textile centres. Production on this machine is invariably three to four times less than that on modern high-speed machines with number of workers and machines naturally more in proportion. Machines are working with beams 20" to 22" diameter against modern tendency of beams upto 30" diameter thereby producing smaller packages of set lengths and resulting in more doffing not only on warping machines but in subsequent process as well. Sizing is noted to be the key to success of weaving and it is here that maximum negligence is noticeable in every centre, says the Report. Old machines can definitely be renovated and equipped with modern controls to produce better beams, but nothing has been done so far anywhere. According to the Report, output has been three times less than that on high speed machines with all modern electronic controls (Hibberts and Cockers), and, therefore, three times more number of machines and men are needed. To quote the Report: "Rarely did we come across a mill where sizing ingredients are analysed before acceptance from the market and before use in the size mixing. It is too dangerous a practice in a country like India where scruples have no place in trade and commerce. Technicians do not know what they use and, therefore, the most important chapter of size mixing remains as the most neglected case." Mills all over India are, we are told, still continuing the system of hand-drawing-in, with the exception of very few mills which have introduced successfully automatic warp tying and automatic reaching-in machines. Some mills are still experimenting on the use of wire and flat steel heralds, although it is not at all a matter for experiment.

Role of Automatic Looms

There is considerable scope for improvement in the weaving section, as will be evident from the following extract from the Report: "In order to introduce four, six or eight looms to a weaver, it will be necessary to supply good yarn, control speeds of looms, standardise sorts, provide good light and humidity and ventilation, wider alleys, perfect floorings, bigger packages of weavers' beams and weft pirns, and many other amenities necessary for workers, such as providing tea, drinking water and snacks in the department, urinals and smoking room attached to the shed. One mill in Delhi and two in Madras have installed all automatic looms and are working four, six, eight and even 16 looms to a weaver. One mill in Ahmedabad having automatic looms is working 18 looms to a weaver and another in Bombay six per weaver. Mills working automatic looms have proved beyond doubt the necessity and utility of introduction of automatic looms on a wider scale throughout India for plain sorts. Wherever automatic looms are working, they are faring very successfully. We have seen in many mills counts from 14s to 70s working in the same shed on any loom under the same atmospheric conditions giving higher efficiency in the case of one count and lower in the case of the other. Such methods of work can be seen in India only and not in any other country advanced in the theory of textile technology. We recommend restriction of counts in every mill to suit looms, humidity and working conditions. Everywhere we received complaints against very frequent changes in sorts made so often by the managements to obtain maximum margin of profit. We recommend that measures be taken to stop such practices immediately."

Managements of many mills seems to economise on wage bills by employing less number of workers in the folding department—definitely a wrong conception of economy. According to the technicians, the folding department is one of the most important sections where every care has to be taken to mend, clean, check and sort out cloths received from the weaving shed. "In many mills," observes the Report, "we saw as much as 70 per cent. of the production to be faulty pieces, and managements pass them as good cloth in the market—both home and export, without any hesitation. It is definitely a malpractice and must be checked through strict regulation."

Joint Responsibility

The Report finally concludes that an enlightened management must, as in all industrially progressive countries of the West, possess a progressive outlook and keep itself abreast of developments in other countries in the sphere of new devices and production technique, resulting in increased production and reduced costs. An enlightened labour force, conscious of its importance, cannot afford to non-co-operate in the introduction of new working methods and otherwise share with the management the joint responsibility for the continued progress and development of what is easily the premier national industry of this country. The benefits accruing from the adoption of improved production methods must be shared by capital with labour which must be made to feel that it has an important role to play in the country's economy as partners in this great enterprise. The Technical Committee is of the firm opinion that, from the short-term point of view, the Government should see that the mills will introduce methods of quality control to achieve uniformity in laps, better carding, improved rovings, better splinnings, etc., all aimed at securing maximum production of cloth from the looms. It is to be hoped that the Government would take immediate measures to implement the recommendations of the Report and not to pigeon-hole the Report, as has generally been the practice until now.

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EXPORT OF SILK WASTE

The plea for the relaxation of restrictions on silk waste exports has received growing support at the hands of a section of export trade in this commodity. Recently, it will be recalled, the Government of India announced removal of all quantitative and other restrictions on exports of silk waste of Bengal and Assam origin. The silk waste of Mysore origin has thus been left out. Incidentally, it may be noted that the Government of India has released a quota of 200,000 lbs. of Mysore and Madras silk waste for export of the trade from ports in Madras State during 1953.

The above plea is based on the ground of surfeit of supplies. The aggregate production of silk waste in the State of Mysore is estimated at as much as 1,400,000 lbs. per annum, against the 600,000 lbs. that the manufacturing concerns—mainly the Mysore Silk Filatures Ltd. and the Mysore Spun Silk Mills—are actually capable of consuming. This surplus of stocks thus available for export is stated to be of the order of nearly 800,000 lbs. As this quantity is fairly large, the Government should, the trade feels, allow freer export of silk waste. If, however, the Government feels that such free licensing of exports would result in increase in price, it is pointed out, it can levy a small export duty of, say, As 4 per lb., with a view to subsidising the manufacturing concerns.

The present system of distribution of quotas and licences by the Government to exporters is also criticised by the trade. Under the procedure now in force, licences against the quota allotted are granted to established shippers on the basis of exports in the best year during the period 1948 to 1952, while those to new-comers are granted only on the basis of actual exports in 1952-53. This has resulted in the export trade being concentrated in the hands of only a few—a dozen or two, according to one estimate. "Such a system," to quote one report, "is not very conducive to get good prices for silk waste in foreign markets." It is accordingly suggested that, if the Government were to liberalise exports and modify the licensing procedure, promotion of exports of silk waste would be facilitated and much valuable foreign exchange earned. Further, the Government should issue quotas only to shippers who produce evidence of sale. Such will check the tendency on the part of that section of traders which indulges in black marketing of export licences.

There is, however, another section of opinion which feels that no export of silk waste should be allowed at all. For, in its opinion, the material should be utilised in the country itself for the manufacture of a wide range of products, parti-

(*Continued on page 927*)

BRITISH LABOUR LEADER ON NEED FOR WORLD COTTON PACT

ANGLO-ARGENTINA TRADE IN TEXTILES

(From A Special Correspondent)

MANCHESTER, *5th May*

MANCHESTER LETTER

A CALL for international talks aimed at beating trade slumps by agreeing on the size of raw cotton crops was made by Mr. A. C. C. Robertson, President, at the Annual Conference of the United Textile Factory Workers' Association last week. Lack of confidence in raw materials was one of the causes of last year's "very grave trade slump" in the Lancashire textile industry, he said.

"It should be possible in a sane world for the cotton-growing and cotton-using countries to get together and plan as to how much material it is necessary to produce to adequately provide for the normal requirements of the world, and to arrange to grow and sell to that end," said Mr. Robertson. He added:

"No ordinary person wants to see the grower of cotton in any part of the world not receive a proper reward for his labour, nor do we want to work without a proper reward. If we keep pressing this matter it will surely dawn on the people affected that it is better to live in a voluntary ordered world than exist in a cut-throat business one."

Mr. Robertson criticised the employers for rejecting an all-round wage application by the unions. Employers could not expect workers to continue to agree to new methods of working if the result was their debarring from legitimate wage advances. The mills' trading results during the past year had shown very good profits.

Raw Cotton Cover

Private buyers of raw cotton have been officially notified by the Raw Cotton Commission that its cover facilities guarding them against price changes will be withdrawn at the end of August.

Notice to end the present scheme follows the establishment of the Cotton Review Committee which is at present investigating the future of raw cotton buying in Britain. New proposals are being drawn up for submission to the Government by an expert committee under the chairmanship of Sir Richard Hopkins.

Mr. E. J. Richmond, Secretary of the Commission, in a memorandum to contracted-in spinners, said: "Pending any decisions which may follow the recommendations of the Hopkins Review Committee, the Commission's cover price list will not be extended beyond August delivery. Spinners will be informed as early as possible of the Commission's arrangements for the supply of cotton and the provision of cover for the coming season."

About 30 per cent. of Britain's cotton requirements are being bought privately this season. Millowners will again be offered the choice of obtaining supplies privately or through the State-sponsored Commission in June.

A proposal that a delegation from the International Federation of Textile Workers should visit Japan towards the end of this year to make an on-the-spot study of conditions in the textile industry there, is being considered by the Federation.

Announcing this at the Annual Conference of British cotton textile workers, at Morecambe, Mr. John Greenhalgh, General Secretary of the Federation, said the proposed visit would enable a report to be made to affiliated associations on the position in Japan.

Mr. Greenhalgh said that promises given to him by the President of the Japanese Textile Workers' Union that there would be no resumption of dumping of low-priced textiles had been kept by the Japanese textile workers. There had been no recurrence of the unfair trading conditions experienced before the war. "But what the future holds no one can say," he said.

Jets-for-Cotton Deal

First supplies of Brazilian cotton under the £4,000,000 jets-for-cotton barter deal reached Britain this week and are now available for use in Lancashire spinning mills.

Arrivals so far total 15,242 bales out of eventual shipments of about 85,000 bales scheduled under the deal. These supplies have been bought by the Raw Cotton Commission in exchange for 70 Meteor jet aircraft which are being shipped to Brazil by the Gloster Aircraft Company.

The Brazilian cotton comprised most of the week's imports of 36,044 bales which also included 10,084 bales from West Africa. A further 18,618 bales of cotton from Brazil is at sea for Britain out of total supplies afloat of 63,919 bales, mostly Sudan, Pakistan and African qualities.

Rising Cloth Production

Output of cotton and rayon cloth from Lancashire weaving sheds in March topped the 50,000,000-yards-a-week mark for the first time for 12 months, the Cotton Board has announced. The weaving operatives produced a weekly average of 50,600,000 yards of cloth compared with an average of 49,100,000 yards in the previous month.

Contrasted with the March production last year, output showed a drop of 2,220,000 yards a week. Total amount of cotton and rayon cloth turned out during the month was 141,320,000 yards. The weaving labour force has now increased to over 136,250.

A Forlorn Hope

Lancashire traders are no longer inclined to optimism over the future possibilities of Anglo-Argentine trade in textiles. The scales seem so weighted against our local industry that most shippers with connections in South America have ceased to regard opportunities of freer trading with any enthusiasm.

So it was that the announcement that no cotton piecegoods were to be included in the £3,000,000 worth of less essential commodities to be granted import licences for shipment to Argentina under the new protocol to the trade agreement, came as no surprise. Yet the industry is wholeheartedly behind any attempts made to improve the situation, however forlorn they may appear. The Manchester Chamber of Commerce statement on the subject minced no words, and the comment: "Successive British Governments have jeopardised the cotton industry's interests in a vital long-term market" was considered entirely justified.

As the official statement pointed out, Argentina bought an average of 114,000,000 square yards of cotton cloth annually from Britain in the three years before the war. Subsequently, imports have been little more than a trickle. Again, to quote the Manchester Chamber: "The whole history of the annual negotiations under the 1949 five-year Anglo-Argentine trade agreement has been disastrous from Lancashire's viewpoint. During the whole of the negotiations the Chamber has felt that the British negotiators have been too lenient." The United States, Brazil and a number of European countries, especially Italy, have been engaged in trade with the Argentine in recent years, while Lancashire fabrics have been almost totally excluded. The danger that consumers in the Argentine may well lose their taste for high-grade Lancashire textiles is an important factor which will be stressed by any deputation which the President of the Board of Trade is prepared to meet.

The New and The Old

The American productivity report on the British cotton industry still provides a talking point for traders and gives company chairmen an opportunity to air their views on the rights and wrongs of current conditions in Lancashire. Mr. S. S. Hammersley, Chairman of the Oldham group, Cotton and Rayon Spinners Ltd., in his annual survey, says there is a vast gulf between mills re-equipped with modern machinery, staffed by managements alerted to take full advantage of modern improvements, and old-fashioned mills with complacent managements. It is a national misfortune, he declares, that the size of this gulf is concealed.

There is a growing conviction in many quarters that the blame for this state of affairs is not solely the fault of management and that both employers and workers should co-operate in drawing up wage systems more suited to modern industrial activity. "If the method of wage remuneration throughout the industry were scientifically linked to the operatives' workload, as it is in America, then the difference in cost of production between modern and old in Lancashire would leap to the eye," adds Mr. Hammersley.

Lancashire traders continue to talk with nearly as many tongues as there are individual firms in the industry. On the one hand we have the United Textile Factory Workers' Association declaring: "The need for standard cloths, standard qualities and long runs is more important than ever now if production costs are to be kept as low as possible." But Mr. Hammersley's view is that the production of common cloths in Lancashire in competition with nations of a lower standard of life is not a hopeful prospect. "Fortunately," he adds, "the diversifications of the textile trade are enormous, scores of thousands of new cloths coming into existence every season."—*All Rights Reserved.*

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WORLD NEEDS MORE COTTON

AMERICAN JOURNAL'S REVIEW

TRUE to its rich traditions of leadership in the cotton world, the U.S. has been a pioneer in cotton cultivation and research in cotton. Apart from its distinction as the chief grower and exporter of cotton, the U.S. has also successfully established many a journal devoted exclusively to the dissemination of information about cotton and to the discussion of the manifold problems of this fibre. Among this class of journals, the *Cotton Trade Journal* is easily the most well-known periodical devoted to the cause of the white gold. The *Journal's* annual publication, entitled *International Edition Year Book*: *The Cotton Trade Journal*, is always looked forward to with interest by cotton men the world over, both for the authoritative information it provides and for the interesting manner in which this information is presented. The latest issue of this annual publication for the year 1952-53* maintains the traditions of its illustrious predecessors, and will be read—as, indeed, it deserves to be read—with particular interest by cotton men in this country.

The *Journal's* latest annual publication is called the "Challenge Number." Explaining the significance of this title, Mr. Francis G. Hickman, the publisher, says that the articles in the number "reflect the vital economic problems and political issues in many different countries." He explains further that what is at stake is the "preservation of the fundamentals of democracy." Cotton men, he argues in so many words, could promote world-wide commercial relations and through such association, promote international goodwill. The articles in this publication have all been written from this wider angle. Typical of the broad outlook of those who have contributed to this publication is Mr. Hickman's remark: "Some say there is too much cotton. Such reasoning is obviously absurd when we realise that over half of the world's population is not adequately clothed." Appropriately enough, this "Challenge Number" begins with a description, by Mr. Stanley Andrews, of the Point Four Programme, the instrument designed by the far-sighted economic statesmen of the U.S. for meeting the challenge of extremist political ideologies in the underdeveloped parts of the world. This is followed by articles on cotton and related economic problems in a number of countries such as Mexico, Canada, South America, Japan, India, Pakistan, Egypt, Middle East, England, France, Germany, Russia, Hungary and China. There is an interesting article on the challenge of synthetics to the natural fibre by Mr. Francis A. Adams, and another on the role of textile conferences, by Dr. W. T. Kroese. The publication is ably supplemented by tables of statistical data relating to world cotton.

Need for Irrigation

India gets an extended treatment by the the publishers of this volume. The Indian section is prefaced by an appreciative reference to that doyen among India's cotton men, Mr. Purshotamdas Thakurdas whose life and career are intimately bound up with India's economic progress in general, and with the evolution of India's cotton economy, in particular. Sardar Datar Singh, the well-known authority on India's agricultural problems, makes a fervent plea for more irrigational facilities in order to solve the problem of cotton production. Out of the total area of 15.1 million acres under cotton crop in 1951-52, only one million acres enjoyed irrigational facilities. The crop on all the remaining area depended for its water-supply on the monsoon rains. The yield per acre is hardly 100 lbs. per acre—though on irrigated land it varies from 180 lbs. to 250 lbs.—as compared with 267 lbs. in the U.S. and 390 lbs. in Egypt. Referring to the need for the extension of irrigation facilities, Sardar Datar Singh says:

"The area of irrigated cotton in 1951-52 was only about one million acres, as has been said. There are several major irrigation projects under construction in the cotton-growing States. It is estimated that, when these projects are completed, at least four to five million acres will be available for growing irrigated crops. Nearly 1.5 million acres out of this additional area will probably be placed in cotton in the normal course of rotation. With the existing standard of yields, the extra production from this additional area may be estimated at about 600,000 bales. However, since it may still take five to seven years to complete these projects, the estimated additional production from this source is not likely to materialise during the period fixed for the achievement of the Planning Commission's target. From the short-term aspect, therefore, increasing production with the help of minor irrigation schemes (which may perhaps be completed in a relatively short time) has to be thought of. One authority has estimated that if three million acres of rain-fed cotton are irrigated from minor irrigation projects, the additional production will be enough to achieve the Planning Commission's target during the next four or five years. The cost of these minor projects has been roughly estimated at 300 million rupees (about 60 million dollars)."

Dr. C. N. Vakil, the noted economist of this country, strikes a similar note in his article, entitled "A History Woven in Cotton." Emphasising the need for higher productivity, he says:

"In the ultimate analysis, the shortages could be removed only by increased productivity. Yields per acre of cotton in India are notoriously low. With the extension of irrigation and technological improvements, we should be in a position to realise at least half of the requisite increase from the present acreage without encroaching on other crops. Competitive pulls on available resources induced by shifting prices and vacillating Government policies might result in wastage and misallocations. India needs more foodgrains, more cotton and more jute."

Writing on the cotton supply problem, Mr. Manilal Patel pays a well-deserved tribute to the U.S., for it is the supply of large quantities of American cotton which came into this country during 1951-52 that contributed substantially to the supply position of cotton and "paved the way for some relaxation in the cotton control machinery."

Research

Dr. C. Nanjundayya, Director, Technological Laboratory of the Indian Central Cotton Committee, has contributed an article, in non-technical language, on the importance and results of cotton research. Explaining why the Committee should be engaged in developing a large number of different strains of cotton, he says:

"It may be asked why hundreds of new strains should be developed by cotton breeders. The answer is simple. India is a vast sub-continent and the diversity both in the geographical and the climatic conditions is so great that the chief factors which affect plant growth—the amount and distribution of rainfall, the composition and fertility of the soil, the availability of irrigation facilities, etc.—would have to be taken into consideration before evolving a suitable strain for a particular cotton tract."

Cotton research is, as students of cotton know only too well, not a mere academic adventure. It has an abiding economic significance. This has been effectively brought out by Dr. Nanjundayya in his article.

Now, as regards the monetary return to the grower, it is by no means possible to assess it accurately, but the following figures give a rough idea: additional income earned in 1947-48, Rs. 5.1 crores; in 1948-49, Rs. 5.6 crores; in 1949-50, Rs. 6.0 crores and in 1950-51 Rs. 7.0 crores.

It would also be interesting to note that, whereas in the year 1923-24 only two-fifths of the total cotton crop produced in India was consumed by Indian mills, to-day practically the entire quantity of cotton produced in the Indian Union is being consumed by the Indian mills.

The need for a sound and workable plan for Indian cotton has been emphasised in a very interesting article by Mr. D. S. Nadkarny, the Secretary of the Cotton Buyers' Association. He says:

"The main drawback in the cotton situation as it stands to-day is a serious lack of collective thinking and scientific planning. With the present dynamic world situation, India can ill afford to be complacent about the future which undoubtedly calls for a sustained and determined effort to move ahead and plan our cotton economy in such a manner as to keep the country above the present subsistence level."

There is no doubt whatever that the publication under review provides a sumptuous and varied fare for the reader who wants to keep himself abreast of cotton problems. The chief merit of the publication is that it presents these problems in a world perspective in which they should naturally be viewed. This publication, therefore, deserves to find a place on the bookshelves of all cotton men in the country.

**The Cotton Trade Journal: International Edition Year Book 1952-53. Published by The Cotton Trade Journal Inc., Memphis, Tenn., U.S. Price: $3.*



SEN-RALEIGH INDUSTRIES OF INDIA LTD.

MR. S. K. SEN CRITICISES GOVERNMENT'S IMPORT POLICY

THE Third Annual General Meeting of Sen-Raleigh Industries of India Ltd. was held at Calcutta on 11th May, 1953. Addressing the meeting, Mr. S. K. Sen, Chairman of the Company, said:

"The accounts for the year 1952 have been with you for some time now. This covers a period of building and installation activities which brought your Company on the verge of manufacture. The operating results reflect this condition.

"The Company's income from the sale of Raleigh products showed an increase over the previous period and covered all operating costs for the year but the heavy initial depreciations. Your Directors decided to avail of the maximum benefit from the provisions of the Income-tax Act permitting special depreciation allowances for new undertakings in the initial year. This move was felt to be advantageous in building up large depreciation reserves necessary for the high capital costs of to-day.

"The outstanding event in the year was the opening of your most modern and up-to-date factory by Mr. D. P. Karmarkar, the then Deputy Minister, Commerce and Industry, on 21st June, 1952.

"We had the pleasure of welcoming Messrs. G. H. B. Wilson and L. C. Clarkson, Directors of Raleigh Industries Ltd. and also Directors of this Company, during June. Our thanks are due to them for having made it convenient to visit India at that time and to lend the Indian Company the full benefits of their experience and support for the opening.

"During the year under review, the plant and machinery for the first stage of manufacture was installed by the Indian technicians with the help of Raleigh personnel and test runs were completed. Training was imparted to a small band of workers who showed promise of manufacturing on the up-to-date plant and equipment products equal in every respect to the Nottingham counterparts.

Training for Technicians

"Agreements with Union and Wittkop were also concluded during the year. Under these arrangements your Company will shortly commence production of hubs, pedals, spokes, chains and saddles of a quality equal to that now produced by the associate companies in Germany. A further batch of technicians was selected for training at Nottingham and in Germany. The addition of the resources of Union and Wittkop in planning extensions, along with expansions assisted by Raleigh, considerably increased the pace of progress in laying out Scheme 'B' for further stages of manufacture.

"Planning for buildings for the second stage was completed in the year under review and orders were placed for all the material required for the extensions. Our thanks are due to Mr. K. N. Sinha, the Architect of the Company, for the personal interest taken by him in the growth and development of the factory and town at Kanyapur, which enabled Scheme 'B' buildings to be planned within months from receiving plant layouts. Unfortunately, the delivery position of steel to fabricators has not improved to any great extent in West Bengal and progress on actual buildings will be held up due to late deliveries of the steel work.

"It is with regret that I have to report that even with the election of a popular Ministry, the biggest hindrance to the rapid expansion of industries in the country, namely, procedural delays in grant of licences and permits, remained unchanged. Delays of three to four months on the grounds of policy not being settled in the matter of import licences for components and raw materials appeared to be quite normal in the year. What was worse, the same delays crept into the applications for consumable stores and raw materials. There is no more effective bar to production than an insecure supply line and with the best efforts of the Company, economic production will not be possible, if supplies are not sustained. Your Company has more than once put forward the plea that in the matter of import licences for industries there should be a continuity of policy to enable balanced shipments of components and raw materials. The total value of the imports may be adjusted as Government think fit, depending upon the production of the unit applying for licences and the exchange position of the country, but licences should be with the producers every succeeding half-year without a break. Although in principle this has been agreed to, it has still to be seen in practice and policy decisions have not materially been speeded up. We sincerely hope that procedures for grant of licences to industries will be thoroughly revised to prevent discontinuities in future.

"Before concluding, I would like to thank the various interests concerned with the planning of the factory and its operations, particularly Raleigh departments, whose advice contributed not a little to the successful operation of our first efforts at manufacture. I would also thank the Works Manager, the foreman and staff and workers at Asansol and at Calcutta for the ungrudging efforts put in by them to transform the project to a production unit in the shortest possible time."

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SUGAR INDUSTRY IN INDIA

NEED FOR STEPPING UP CONSUMPTION IMPERATIVE

IT will be recalled that the development programme of the sugar industry in India, as drawn up by the Planning Commission, does not envisage any expansion in the installed capacity of the industry. For, according to the Commission, the present capacity of the industry, namely, 1.55 million tons, is more than sufficient to meet the present consumption requirements of sugar in the country. It accordingly emphasises that, in the present state of development of the industry, the problem of facilitating full production in the existing units is of greater importance than that of establishing new units, involving heavy capital expenditure.

Basing themselves on this view and assuming that the *per capita* consumption of white sugar is 8.3 lbs., that is, the estimate made by the Planning Commission, some are inclined to feel that India has already produced more sugar than it can consume. They have, therefore, advocated a policy of restricting output. This proposal has, however, been seriously questioned by the more responsible section of the Indian sugar industry on the score that not only is the present rate of production not adequate but the consumption requirements of sugar are also an underestimate. In the opinion of this section, there is vast scope for further expansion of the industry. Such, at least, is the conclusion arrived at by Mr. M. N. Mitra, one of India's leading sugar millowners, in an interesting brochure entitled *Has India Really Produced More Sugar than She Needs?*

In the considered opinion of Mr. Mitra, the record output of 1.48 million tons of sugar during the sugar season 1951-52 should not be taken as an index for estimating the future trend of production. This record output was the result of certain special features which were peculiarly applicable to that season. Mention, for instance, may be made of factors like increased capacity of sugar mills *vis-a-vis gur* producers, thanks to decline in *gur* prices, incentive provided by Government's policy of partial decontrol of sugar, and bumper sugarcane crop. All these induced the sugar mills to indulge in over-crushing to the extent of about 30 per cent. of their rated capacities. While thus production rose, as a result of the artificial stimulus, the machinery and plant of most factories were subjected to heavy wear and tear, thereby adversely affecting the production capacity of the units. This is corroborated by the fact that the output for the current (1952-53) season is estimated at 1.31 million tons.

Duration of Season

Similarly, it would not be correct to anticipate for every year such long duration of crushing season—133 days—as was witnessed in 1951-52. The estimate of a reasonable and average rate of production has to be based on the working of a normal crushing season, an idea of which can be had from the figures given below:

	No. of average working days
1947-48	128
1948-49	101
1949-50	90
1950-51	101
1951-52	133
Total	553

On the basis of the working of the past five seasons, the average duration of a sugar season can be estimated at 106 days, or, say, about 110 days. As many as 139 sugar mills have worked in India in 1951-52. But if we take into consideration the average number of working sugar mills in India for each season after the Partition, this number then stands at 138 only. We have seen that, in 1951-52, the average crushing capacity of each sugar mill in India was 840 tons a day. But the average for that season was very high. Taking the average of the last five seasons, the average crushing capacity of a sugar mill in India comes to 778 tons a day, as will appear from the following figures:

	Daily crushing capacity of each mill
	Tons
1947-48	742
1948-49	740
1949-50	776
1950-51	790
1951-52	840

The all-India percentage recovery of sugar for 1951-52 was 9.57. Let us now take the figures of percentage of recovery for the last five seasons:

	Recovery percentage
1947-48	9.85
1948-49	9.97
1949-50	9.89
1950-51	10.03
1951-52	9.57

The average recovery percentage of sugar in India, therefore, stands at 9.86. But considering the future improvement in the quality of sugarcane in India due to intensive research work now being carried out under the Five-year Plan, the average recovery percentage may be put at 10.5 for the coming few years. A fair and reasonable estimate of the future production of sugar in India should, therefore, be based on the following considerations:

Average No. of working days	110
Average No. of working sugar mills ...	140
Average percentage recovery of sugar ...	10.50
Average daily crushing capacity of each mill	800

On these presumptions, the annual production of sugar in India is estimated at 12.90 lakh tons. About 13.00 lakh tons should be taken as the average annual production in India for the next three or four years.

Consumption

Another aspect of the question that has to be considered relates to consumption. The Planning Commission estimates the *per capita* consumption of white sugar at 8.3 lbs. On the basis of the present population in India and on the basis of the *per capita* consumption at 8.30 lbs., the total consumption of sugar in India comes to over 13.33 lakh tons. India's population is increasing, on an average, by 4 million people annually. Taking the *per capita* consumption of sugar even at 8 lbs., the total amount required to feed this increase of population is 15,000 tons per annum. If a 800-ton plant is considered as an economic unit, it means the establishment of two such new mills per annum to produce the said quantity of 15,000 tons of sugar.

When compared with other countries of the world, India's *per capita* consumption of sugar, even including *gur*, is abnormally low, as will be evident from the following table:

	Per capita consumption of sugar
	Lbs.
Australia	143.0
Cuba	140.1
New Zealand	138.0
Denmark	112.0
U.S.A.	106.0
Switzerland	95.0
U.K.	92.0
France	60.0
Egypt	30.0
India (including *gur*)	26.4

A *per capita* consumption of 26.4 lbs. of sugar (including *gur*) is certainly very low and extremely poor in nutritional value. As has been aptly stated, India should be able to increase this to at least double its present quantity, if the nutrition requirements of the population were to be adequately met. Such could be brought about by effecting reduction in sugar prices to a level that suits the pockets of the ordinary consumer. If the existing price of sugar is reduced, as the Tariff Board stated, to Rs. 18 or Rs. 19 per maund, consumption of sugar is bound to increase substantially, at least by

(*Continued on page* 913)

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SUGAR PRICES SOAR

GOVERNMENT WARNS HOARDERS

THE Government of India has administered another warning to the sugar industry and trade that if the prices of sugar continue to be high, the Government would be constrained to take such steps as it might deem necessary to maintain prices "at a reasonable level." This warning is a sequel to the disquieting situation that has once again appeared on the sugar front. Scarcity of supplies (amidst plenty!) is being felt in several parts of the country and sugar prices have been spiralling up. The price of sugar in the Bombay market is quoted at Rs. 88-8 to Rs. 97 per bag (as on the 10th inst.), as against Rs. 83 to Rs. 86 on 15th March, 1953, and the previous control price of Rs. 82-6. The price of sugar per bag in the other markets also has tended to go up, as will be seen from the table below:

	16-3-53	5-5-53	*Net increase*
	Rs. a.	Rs. a.	Rs. a.
Hapur	78 6	88 11	10 5
Meerut	80 7	90 1	9 10
Calcutta	80 7	87 5	6 14
Kanpur	76 5	83 3	6 14
Delhi	83 5	87 5	4 0
Gauhati	88 13	92 2	3 5
Madras	86 10	88 6	1 12
Patna	84 9	85 15	1 6

The disquieting sugar situation noted above is indeed surprising, considering the quite comfortable supply position. The total supply available in the country during the current (1952-53) sugar season is estimated at about 1,800,000 tons—including the 461,000 tons bought in from the previous season—a quantity which is well above the actual offtake of 1,177,000 tons in the 1951-52 season and the estimated offtake of 1,500,000 tons for the current season as a whole. This comfortable supply position is fully reflected in the marked improvement in the quantity released for internal consumption, the actual figure for the past five months alone being 940,000 tons, as against 1,177,000 tons for the whole of 1951-52. This figure excludes the release of 100,000 tons of sugar on the 9th inst. by the Government for sale in the free market. This brings the aggregate quantity so far released to 1,040,000 tons. The movement of sugar from factories to consuming centres has also been satisfactory, thanks to better wagon supplies. During the period 1st December, 1952, to 30th April, 1953, nearly 700,000 tons were moved out, which compares favourably with about 500,000 tons in the corresponding period last year. The stock position at present is highly satisfactory. The closing stocks with the factories as at 15th April last amounted to 956,638 tons, as against 829,996 tons a year before. In fact, the present level of stocks is the highest in the history of the Indian sugar industry.

Hoarding Tendency

Despite comfortable supplies and quicker despatches, why, then, should sugar prices register an upward trend now? The answer to the question is not far to seek. As the Government of India itself has pointed out in its letter of warning addressed to the Sugar Mills Association, Calcutta, "as it is, the present rise in prices can be attributed mainly to speculative activity and an allround hoarding tendency." The millowners in the U.P. and Bihar, it is reported, are reluctant to sell large quantities of sugar in anticipation of better prices. Some have even enhanced prices arbitrarily.

This attitude is certainly to be deplored and the Government of India's warning, referred to at the outset, is quite timely. It will be recalled that, while removing price and distribution control over sugar last year, the Government had clearly stated that, if there was any "unreasonable" rise in sugar prices, the Government would fix a statutory price, corresponding to the minimum price of cane, and arrange for its sale, so that sugar might reach the consumer at a *reasonable* price. It is to be hoped that the sugar mills (as also the trade) in Northern India will take steps to bring down prices in the immediate future before the Government takes any action.

The Government of India's warning in itself will not, however, prove adequate. For the Government should ensure better transport facilities to the factories and thereby quicken the rate of despatches. This assumes special significance to the Bombay region where the stocks have been reduced, as a result of larger purchases of sugar by traders in the Konkan area, which are a normal feature on the eve of the monsoon. In view of the comfortable supply position, one wonders if the Government could not abolish the remaining controls on sugar.

LABOUR IN RAILWAY COLLIERIES

DISCHARGE ORDER HELD VOID

THE Labour Appellate Tribunal has set aside the recent order of the Central Industrial Tribunal, Dhanbad, granting the Chief Mining Engineer, Railway Board, permission to retrench 4,145 surplus workers employed in railway collieries. It has declared that an order giving general permission to retrench a specified number of workmen without naming them, or giving particulars, as would identify them, and leaving it to employers to select the workmen on the strength of such an order was not maintainable in law.

It will be recalled that a fact-finding committee appointed some time back, to enquire into the affairs of the railway collieries, held that there were 5,693 surplus workers employed in eight railway collieries. Following this finding, the Chief Mining Engineer, Railway Board, filed an application before the Central Industrial Tribunal at Dhanbad, under the Industrial Disputes Act, seeking permission to retrench the surplus labour. This application was, however, subsequently amended and the number of workers sought to be retrenched was reduced to 4,145. The Central Industrial Tribunal held, in March last, that the management concerned had the right to decide the number that it could engage and retrench the rest so long as the decision was not accentuated by any ulterior motive and there was a *prima facie* case for the retrenchment. The Tribunal further observed that the workmen were free to move the Government to make a reference to the Tribunal, if the management did not follow proper principles in effecting retrenchment. Against the order of the Central Industrial Tribunal, the trade unions concerned filed an appeal with the Labour Appellate Tribunal, which gave its verdict, as stated at the outset.

As the order of the Central Industrial Tribunal has been set aside purely on a question of law, it is open to the Dhanbad Tribunal to go into the merits of the controversy that may be raised, when a new application for permission to effect the retrenchment is made before it. The Labour Appellate Tribunal's order, however, reiterates the right of the management to effect retrenchment of surplus labour, except in cases where the action of the management is vitiated by bad faith, discrimination and/or victimisation. It may be noted that the general principle of retrenchment is "last come first go," but there may be exceptions, as, for example, inefficient and unreliable workmen. The retrenched personnel should, however, be given preference for re-employment; the older hands should be taken first. A Tribunal cannot sit in judgment over management's action concerning the extent of retrenchment so long as it is *bona fide*.

The retrenchment, when effected completely by the Chief Engineer, should bring immense relief to the management of railway collieries. For, on account of maintaining a huge idle surplus labour force, the collieries are reporting losses. It is true that in 1951-52, they disclosed a profit of Rs. 11.3 lakhs, a sum which pales into insignificance when it is remembered that the collieries have involved a capital outlay of Rs. 7.38 crores. The year should have ordinarily shown a loss but for the boom conditions witnessed then, following the Korean war. The working in 1950-51, in fact, revealed a loss of about Rs. 70 lakhs. It is held that the net profit in 1951-52 would have been higher had it not been for the surplus labour in the collieries which accounted for an expenditure of Rs. 50 lakhs.

COAL STATISTICS FOR MARCH 1953

According to the Chief Inspector of Mines in India, 828 collieries and eight coke plants worked during March, 1953. On an average, 340,294 persons were employed daily and 8,383,832 man-shifts, worked. The overall percentage of absenteeism was 14.40. The output per man-shift for miners and loaders was 1.06 tons, for all persons employed in underground and open-workings 0.57 and for all persons employed 0.36. As much as 3,075,992 tons of coal were produced during the month. Besides, 119,227 tons of soft coke, 182,992 tons of hard coke and 13,583 tons of other kinds of coke were manufactured. Despatches during the month accounted for 2,684,451 tons of coal, 127,465 tons of soft coke, 41,412 tons of hard coke and 3,375 tons of other kinds of coke. The coal stocks at the collieries on the last day of the month were 3,376,006 tons.

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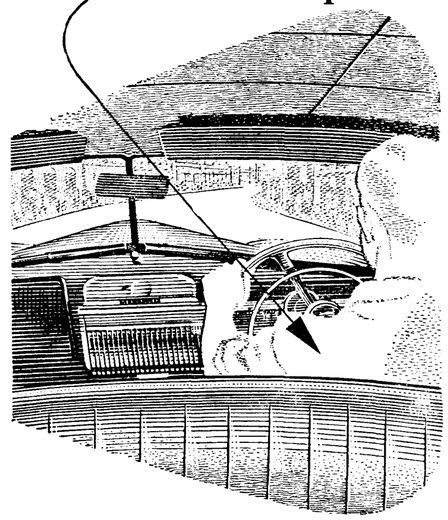

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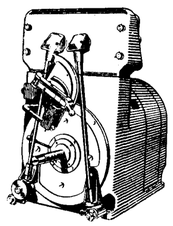

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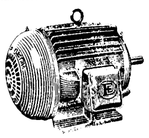

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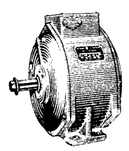

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OUTLOOK FOR NATURAL RUBBER

PLEA FOR REVISION OF AMERICAN POLICY

THE International Rubber Study Group (I.R.S.G.) is currently in session at Copenhagen since Monday this week, reviewing the world rubber position and considering the report of the Working Party of the I.R.S.G. which it set up at Ottawa last year. The Working Party suggested that a buffer stock agreement between the producing countries might be entered into, but left the final decision on the necessity for such an agreement to the I.R.S.G. itself. In this connection, a study of the immediate background to the present world rubber situation and the long-term prospects for natural rubber is provided by the address of Sir Sydney Palmer, Chairman of the Rubber Growers' Association (Incorporated), at the annual general meeting of the Association, held early this month.

The world production of natural rubber in 1952 fell by about 100,000 tons to 1,780,000 tons and consumption by 45,000 tons to 1,455,000 tons, of which only 454,000 tons were absorbed by U.S. manufacturers. The surplus natural rubber production over consumption, namely, 325,000 tons, was taken into the U.S. strategic stockpile which, at the end of 1952, might have amounted to 1,100,000 tons, as compared with a little over 800,000 tons at the end of 1951. The U.S. stockpile target had, however, been achieved by the middle of 1952 and there had, therefore, been very little offtake of natural rubber on this account since then, except for rotational purposes. In the absence of any compensatory buying by U.S. manufacturers, the price of natural rubber has steadily fallen from about 3*s.* per lb. a year ago to as low as 1*s.* 7¾*d.* a few weeks back, though currently it stands at 1*s.* 8⅝*d.* The decline in the offtake of natural rubber by U.S. manufacturers is in a large measure due to the reopening of the high cost alcohol-based synthetic plants, the product of which is sold at far below cost. The consequential decline in price to such a low level, as noted above, is stated to be causing a serious situation in South-East Asia.

The immediate problems of the Malayan rubber industry are that it is denied competition on equal terms with the synthetic product and is weighed down by the burden of taxation which is now 70 per cent. of the profits. At the current price of 1*s.* 8⅝*d.* per lb. it is just competitive with synthetic rubber, but it is too unremunerative for small holders (whose cost of production is high) to subsist; the larger low-cost producers can, however, manage to subsist. Already, in recent weeks, the output of small holders in Malaya has declined by 30,000 tons. In Indonesia, the fall in production of the small holders is said to have been even more marked, though the output of estates in Malaya and Indonesia is better.

The rubber growers feel that "in the urge to ensure national security, the U.S. Government has unfortunately overlooked the inevitable repercussions elsewhere." The present situation in the Malayan rubber industry is said to be the result of American policy. Sir Sydney Palmer, therefore, thought it reasonable to expect that a slight revision of this policy might create a situation wherein artificial correctives were not required. In this connection, he suggested that, to begin with, the Governments of producing areas should endeavour to create conditions of free competition between natural and synthetic rubber on equal terms. For this purpose, it would be necessary, according to him, to ask the American Government, first of all, to dispense with all restrictive practices against natural rubber. The threat of the re-imposition of mandatory controls should be removed. In the second place, the price at which the American Government is selling its synthetic rubber should be put on a commercial footing.

The U.S. Government has already declared its intention to sell its synthetic plants to private companies and it is rumoured that the price of synthetic rubber may be raised, partly to assist the deal, from the present pegged price of 23 cents per lb. for GR-S general purpose synthetic rubber. But well-informed circles feel that it will be at least 18 months before the transfer to private enterprise is implemented. It is this period that will be most critical in the fortunes of the natural rubber producers. Sir Sydney, therefore, thought it imperative that the U.S. Government should make the necessary ameliorative changes in its rubber policy without delay.

In the meantime it is anticipated that surplus of world rubber production over consumption will continue, though at lower levels. At the moment, Sir Sydney said, natural rubber production was running at an annual rate of over 1.75 million tons, while consumption was at the rate of just over 1.5 million tons. This in itself is an encouraging sign, for the surplus of production over consumption, at 250,000 tons will be considerably less than that of 325,000 tons in 1952, thanks to the low price of the natural product.

Though the present situation in Malaya is one of immediate concern to the natural rubber producers, they are from a long-term point of view, quite hopeful of the future of latex. For, as Sir Sydney said, "when the U.S. Government ceases to spoon-feed industry with supplies of synthetic at call, a new situation will arise, and it will then be necessary for manufacturers and the trade to increase their working stocks of natural rubber which are at a very low level." One day, and perhaps, soon, some one would wake up, he added, to the fact that natural rubber could not for long be available at a price which, for comparable grades, was lower than the price of 23 cents at which GR-S rubber is pegged. The increasing consumption of rubber, as already pointed out, and the development of new uses, together with increased consumption in established uses, have prompted Sir Sydney to take an optimistic view of the future and, in his opinion, by the end of this decade, the total demand for rubber may be in excess of the existing productive capacity for both natural and synthetic rubber. If the natural rubber producers were unhindered by Governmental action, he had little doubt, they could make themselves more than competitive with synthetic rubber by developing higher-yielding material.

IMPORT OF TEA CHESTS

The decision of the Government of India to stop the importation of tea chests for the Indian tea industry with effect from this year will be received with mixed feelings by all sections of the industry. Although such a decision was expected to be made some time, it looks as if no warning was given by Government that it would come in respect of the year 1953. The indigenous production of tea chests has no doubt made very considerable progress in the last few years both in respect to quantity and quality and it is in keeping with national policy that the indigenous production should be made to cater to the full needs of the tea industry. Nevertheless, it is an admitted fact that the indigenous production has not yet reached that stage in which it can effectively compete with the foreign production in respect of quality only. This is reflected in the fact that overseas buyers of tea have often expressed a strong preference for foreign-made chests. Until Indian-made chests have reached that stage of perfection, perhaps, it would not be in the interests of the tea industry of India to cut out imports of chests altogether.

(*Concluded from next column*)

pay has been derived. In addition, the opportunity for earning bonus has been included, the extent of which depends in its turn on work-loading and effort. The new wage structure along with the rationalisation in progress is expected to usher in brighter days for the industry.

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JUTE INDUSTRY IN U.K.

PRESENT POSITION AND PROSPECTS

IT is now common knowledge that jute manufactures producing countries outside India, especially in the U.K., are faring much better than Indian jute mills. Many of the mills in Dundee, for instance, are working overtime, but are still unable to cope with internal demand. It is true that the U.K. mills have obtained orders by shading their prices a little below those of Calcutta, which hardly ensure reasonable profit for the industry as a whole. But it is clear that the industry in Dundee has not met with the prospect of reducing hours of work or closing a part of the looms, etc., as in India.

The comparatively better health of the jute industry in the U.K., as noted above, is chiefly due to strenuous efforts on the part of the industry, since September, 1952—when export licensing was removed—to regain the direct export markets lost by it. The loss of markets since 1939, it may be remembered, was occasioned by the shortage of jute products which restricted the activity of the industry to the primary necessity of satisfying the demands of many basic industries in the U.K. and other manufacturing industries which themselves were exporting their finished products to a large extent. We are told that the U.K. has, during the past five months, made gratifying progress towards regaining the markets which it was serving in the pre-war period. Exports of specialised goods have been on the increase, but those of standard goods to certain markets have not made much headway.

Another contributory factor to the recovery of the jute industry in the U.K. is the continuance of control on the purchase of raw jute and imported goods. This has given stability to the industry in a manner that is commendable, by ensuring steady and orderly flow of supplies to consumers as far as it is humanly possible under conditions of acute shortage. The jute trade has, through the British Jute Trade Federal Council (B.J.T.F.C.), wholeheartedly supported the continuance of jute control.

It is difficult to forecast the future of the jute industry in the U.K. But it is clear that it depends on reasonable price for jute goods. Unless jute goods are advantageously priced in relation to other textiles or substitutes, the future of jute, in the words of Mr. C. J. D. Renny, ex-Chairman, B.J.T.F.C., would be one of "diminishing importance—a future which neither the U.K., India, Pakistan nor any other country engaged in trade could view with anything but disquiet." The price of jute goods produced in the U.K. depends upon the price of raw jute in the producing centres such as India and Pakistan, as also the prices at which India will be able to place its manufactures on the world markets. Last year the industry in the U.K. enjoyed a decided advantage over its compeer in India in that Indian jute manufactures were not able to make headway in international markets because of the discriminatory high duties imposed by Pakistan on exports of its raw jute to India, purely attributable to political motives unconnected with economic reasons. Now that the export duties have been removed, Dundee is expected to keep a close watch on the Indian industry which can early secure raw jute from Pakistan and thus be in a better position to compete in overseas markets. However, the manufacturing industry in both the U.K. and India, as also the raw jute producing Pakistan, cannot ignore the fact that the high cost of jute goods, consequent on high-priced raw jute and/or any other consideration, would stimulate the production of substitutes, thus jeopardising the jute industry.

Whatever the long-term prospects might be, short of anything quite unforeseen, it is stated that the level of activity in the U.K. jute industry is likely to remain good over the next six to nine months. Assuming that the general level of trade of the country will not alter substantially in the near future, the outlook may be considered propitious, especially in view of the new structure of wages agreed to under the wage structure (1952). The wage agreement reached early in November, 1952, between the Association of Jute Spinners and Manufacturers and the trade unions representing all sections of textile workers in the industry, when implemented, it is expected, would help increase the efficient working of the industry. Under the new structure which would become effective only when scientific study of the work-load has taken place and where re-deployment has been worked out—all occupations have been evaluated on merit basis, and from this, a scale of basic

(*Continued in previous column*)

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SCHUMAN STEEL MARKET

EXISTENCE OF CARTEL AGREEMENTS FEARED

THE opening of a common European steel market on 1st May, 1953, has been received with mixed feelings in many of the European countries. Evidently, this is attributable to the fears of a rise in steel prices which would go to increase the danger of inflation. It is alleged that Belgian steel producers have agreed with the Germans not to sell their steel below German steel prices in Germany. In return, the Germans are said to have promised to keep out of the best of the Belgian export markets. It is rumoured that these may include the markets in Northern France, which comes under the European Pool. The agreement is said to have been arrived at as a side issue of the recent agreement in Paris to reconstitute the European Iron and Steel Cartel Agreement on the price of steel exported outside the territory of the European Pool. It is stated not to have infringed the anti-cartel provisions of the Schuman Plan Treaty. If the alleged agreement were to turn out to be true, German consumers would be forced to buy at the German price of $98 per ton, whereas Belgium is in a position to deliver at $86 f.o.b. Antwerp. German consumers could, under the rules of the Pool, buy steel from Belgium at the Belgian internal price of $84 ex-works, Liege. It is also reported that Italy has decided to raise its steel duties from 13 per cent. to 23 per cent., the maximum under the Geneva Agreement on Trade and Tariffs, and in accordance with the right held under the Schuman Pool Treaty, which will close its market to French producers.

The authorities are quite aware of these, as evidence the warning of M. Monnet to the associations of steel producers that cartel agreements will not be tolerated. He has pledged to ensure the interests of consumers by providing unrestricted competition. But there is the difficulty of knowing as to what agreements have been entered into between the producers which infringe the Schuman Agreement. It is to be hoped that M. Monnet's laudable intentions would bear fruit and that the steel producers would give the co-operation expected of them to make the Schuman Pool a success.

Investment

There is one more question with regard to the Schuman Pool and that concerns investment needs for rationalising and increasing the production of steel. Rationalisation, first of all, requires co-ordination of national programmes for securing adequate and proper expansion. The output of steel in 1952 by the Schuman Community countries was just 41 million tons and the Community influence is to be used to secure a target of 50 million tons normal capacity in about five years, at low costs. It is held that unless marginal and uneconomic units are sought to be scrapped and efficient units aided to increase production, it might not be possible to usher in Western Europe a similar type of economic growth that has been achieved in the U.S. which alone is said to be the model in the existing circumstances.

Finance is the main obstacle to increasing the production of the Schuman Pool. The High Authority is collecting some money for the purpose by a levy on coal and steel production. But this is not enough and the capital markets in Europe are tight. It is expected that capital for development projects would be found from the U.S. and Swiss sources. The High Authority will act as a lender or as an intermediary in raising funds for the Pool. The investment programmes are expected to be so adjusted as to "ensure the rational spreading of production at the highest possible level, while safeguarding the continuity of employment and avoiding the creation of basic and persistent troubles in the economies of the member-States." It requires careful analysis of the investment programmes, before they are finalised, and their proper co-ordination, with a view to securing unified development of the Schuman Pool as a whole.

A feature of importance to be noted is that the first flow of European steel in the Schuman area unrestricted by customs or quota barriers and without any discrimination in rail freights, across the frontiers, separating Luxembourg, Belgium, Netherlands, Italy, France and Germany has been effected at a time when world conditions have changed, as compared with those three years ago when the Plan was envisaged by M. Schuman. The steel markets were faced with the threat of surplus early in 1950. But following the Korean war, the world experienced acute shortage. And now again, there is the prospect of surplus world steel production in the not distant future, consequent on the expansion of steel capacity in the intervening period, the world over, generally. The sellers' market is already fading and it might not be long before the buyers' market is established strongly in many parts of the world, following the completion of big expansion schemes which are either on the way or under contemplation in many countries. The Schuman authorities have to take all these into consideration before they chalk out their long-term programme.

TAXATION OF MOTOR VEHICLES

The Policy Committee of the Central Transport Advisory Council, which concluded its two-day session on the 9th inst. at Bombay, was attended by Ministers in charge of Transport from 16 States, among others. The Committee discussed the questions relating to the evolution of a uniform policy for the taxation of motor vehicles and the elimination of impediments to road transport development.

The Committee recommended that octroi on goods consumed in towns might remain, but those charges which were in the nature of transit duties should be abolished. It urged the Government of India to appoint a committee comprising representatives of State Governments to examine how, in the levy of octroi, delay through transit of goods could be removed. The Committee also suggested that when a State had its own Road Fund, the Central contribution should be paid into it, and where there was no State Road Fund, the Central contribution should be made on the basis of the existing Central Road Rules. It further felt that so long as a State conformed to an agreed transport policy and spent a portion of its revenue on roads, the Centre should also conform to this policy.

The Committee pointed out that the high price of petrol in the interior of India was hampering the growth of motor transport. It disclosed that, apart from the question of taxes, petrol now costs from 6 to 8 annas a gallon more in some of the inland States than in the maritime States. It indicated that the cost of pooling freight charges on petrol would fall on the consumers of the maritime States and not on the State Governments, but anything that increased productivity in the interior of the country would be of general benefit to the country, as a whole. As discussions revealed differences of opinion on this subject, the Committee suggested that the Government of India might examine ways of solving the difficulties involved.

NEW STEEL PLANT

Mr. K. C. Reddy, Production Minister, informed the Council of States, last week, that negotiations were going on between India and some German firms about their technical and financial participation in the setting up of a new iron and steel plant in India. These negotiations were "in an advanced stage." The Government was not going to depute another team of experts to go into the findings of the Technical Mission, which had submitted its report to the Government early this month regarding location of the proposed iron and steel plant, he declared. Further, the Production Minister said that the main thing was to find out a suitable technical and financial collaborator. Such a person should be willing to participate in the financial structure to the extent of about one-third of the capital investment necessary for the plant and also give technical help. The Government was endeavouring to find such a collaborator. The proper time for making final efforts to decide the location of the plant could only be after a collaborator was found. The Government had an offer from the Japanese but that could not be accepted, he added.

OIL PROSPECTING FROM THE AIR

Oil prospecting from the air, a method developed by a Swedish-born engineer, Hane Lundberg, has proved more than three times as accurate as the conventional and more expensive surface methods, it was reported at the Association of Swedish Engineers in New York recently. During a period of three years approximately 100,000 sq. miles of the sub-soil on the North American Continent have been 'mapped' from the air, and oil has been found in 50 per cent. of the places indicated by Mr. Lundberg. The Lundberg system is based on the theory that the layers of soil covering oil deposits are less radio-active than otherwise, as oil prevents the diffusion of salts. The frequency of the gamma radiation is registered by means of a "scintillation counter" installed in the aeroplane. Mr. Lundberg claims that his method not only permits of determining the extent of the oil deposits but also gives indications of their depth.

APPARATUS FOR TESTING CONCRETE

An automatic temperature control unit for studying the temperature rise in mass concrete has been designed in the National Physical Laboratory, Delhi. The rise in temperature in concrete dams induces cracks which destroy continuity, reduce the life of the structure, and alter the conditions of stress and stability. The cracks are also focal points for erosion and disintegration. With the help of this apparatus, we are told, a study of heat rise in different design mixtures has already been taken up in the Bhakra-Nangal Concrete Laboratory. The data is expected to be useful in fixing the cement content to a minimum and thus help in the elimination of temperature cracks.

IRRIGATION AND POWER PROJECTS

SPECIAL COMMITTEE TO DETERMINE PRIORITIES

THE announcement by Mr. Jai Sukhlal Hathi, Deputy Minister for Irrigation and Power, in the House of the People last week, that the Government of India proposed to constitute shortly a special Committee to determine the relative priorities among the various new irrigation and power projects on an all-India basis, is welcome. For, at a time when the finances at the disposal of the Centre are limited, few would deny the need for spending them in such a manner as to derive the best possible economic advantage. This advantage is better secured by examining the various schemes to be financed and determining their order of priority. The proposed appointment of the Committee, therefore, should go a long way towards the proper disposal of the limited resources of the country. Besides, the Committee will help judge the complaint that, in the existing order of priorities among irrigation projects, the case of South India has gone by default.

The constitution of the special Committee now under the consideration of the Centre is in accordance with the suggestions made by the Planning Commission. The Commission has recommended that the Committee should consist of a Chairman to be appointed by the Government of India, Additional Secretary, Ministry of Irrigation and Power, a representative of the Ministry of Finance, President of the Central Board of Irrigation and Power and an engineer not in the service of Government of India. Besides, the Chief Engineer of the State concerned is to be co-opted, according to the Commission, as a member, when a project prepared by him is being examined.

Broad Principles

The Commission has also laid down certain broad principles to be taken into consideration, while determining the priority of irrigation and power projects. These include, among others, the following:

(1) A project for inclusion in a plan must have been investigated in sufficient detail, relating, *inter alia*, to broad features of design, approximate cost, availability of water, suitability of land for irrigation and the like, as needed;

(2) projects which will add to the food production in the country must receive priority over projects relating to other uses of river waters;

(3) projects which are more remunerative in respect of direct financial returns, in terms of cost of irrigation per acre or per unit of power generated and in total benefit to the community and those which would yield quick results should be given preference;

(4) in any power project based on the use of coal, the possibility of using low grade coal, if available, in the neighbourhood must invariably be examined. Similarly, use of middlings from coal washeries, etc., should be encouraged; and

(5) region-wise requirement of food and power must receive due consideration and also the need of backward areas.

As soon as a project has been fully investigated and project report prepared, the State Government concerned should send copies of the report and accompanying documents to the Committee. The Committee will have to get the report technically examined by the Central Water and Power Commission to see that all necessary investigations have been carried out, and that the estimates of expenditure are reasonably correct; it should further find out that the estimates of revenue are based on adequate data. Then the Committee will have to examine the report of the Commission and submit its own observations.

As indicated at the outset, there is a feeling that South India is being consistently neglected by the Centre. This is a factor to be examined carefully. It is true that the South Indian rivers are not perennial as those of the North. Because, in summer, they almost dry up, while North Indian rivers are snow-fed during that period. As a result, it might not be feasible to envisage mighty dams such as the Damodar Valley, in South India. For, in the absence of adequate supply of water, they turn out to be useless monuments of concrete. But that does not justify lack of attempt towards chalking out, and implementation, of small projects of the sizes required, including minor irrigation projects. These would contribute considerably to alleviate the distress of millions who are being subjected to untold hardship, consequent on drought which has been a recurring feature. And, as clearly stated by the Planning Commission, region-wise requirement of food and power must receive due consideration. It is to be hoped that this aspect would receive the attention it is due.

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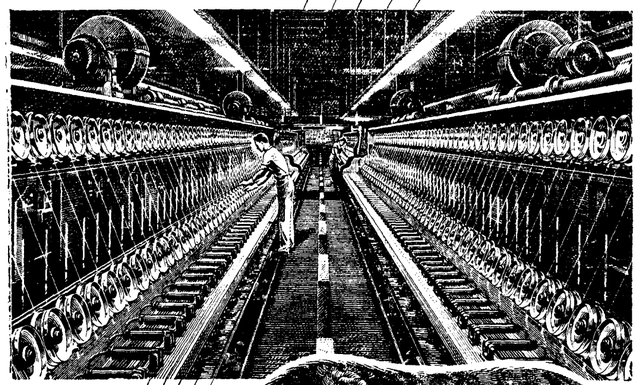

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ANALYSIS OF COSTS OF SOCIAL SECURITY

DIFFICULTIES OF DIRECT COMPARISON

THE International Labour Office undertook an enquiry into the cost of social security in 1949 as part of its preparatory technical work for the Convention concerning minimum standards of social security. The results of the enquiry form the subject of an interesting article in the March issue of the *International Labour Review*, in which the questions arising out of the problem of effecting social security in different countries and out of the comparative analysis of the cost of providing such security, have been considered in some detail. The article brings out the essential difficulty of comparing systems of social security in different countries, and rightly warns against any unjust comparison of the data compiled by the Office.

The financing of social security, the *Review* says, raises various problems, which may be divided into two categories. The first concerns financial relationship within a social security system and the second, the interdependence of social security and the national economy. The problems of the first category, which are mostly of an actuarial nature, arise from the obvious need to keep the administering body solvent at all times by balancing its receipts and expenses. The problems of the second category concern the economic repercussions of the operation of social security either on the national economy or on its various factors and sectors—prices, wages, the national budget, etc.

The enquiry undertaken by the International Labour Office into the cost of social security in 1949, according to the *Review*, is primarily intended to provide more accurate figures regarding the financial operation of social security in a number of countries. The question which the I.L.O. had to face in these studies, fall into three categories: (*a*) definition of social security, (*b*) collection of statistics at the national level, and (*c*) establishment of appropriate criteria for an international comparison. Since the concept and functions of social security differ from country to country, the I.L.O. had to evolve a set of requirements which a scheme had to fulfil before it could be regarded as part of social security. The following three requirements were held necessary for a scheme to be designated as social security: (*a*) the aim of the system must be either to give curative or preventive medical care, or to guarantee income in the case of the involuntary loss of all or a large part of income from work, or to grant additional income to persons with dependants; (*b*) the system must be instituted by legislation which attributes certain individual rights to, or imposes definite obligations upon, a public, partly public or autonomous organisation; (*c*) the system must be administered by a public, partly public or autonomous organisation.

These criteria have led to the inclusion in the enquiry of the following schemes: (*a*) compulsory social insurance; (*b*) certain systems of voluntary social insurance; (*c*) special schemes for public employees; (*d*) family allowances; (*e*) public assistance; (*f*) public health services; and (*g*) benefits to war victims.

The collection of data also presented many difficulties. This is because in each country there are a number of institutions or services which together make up the social security and the results of the financial operations of these institutions are not always available. The following table gives a part of the data, compiled by the I.L.O.'s study of the costs of social security systems.

Country	1	2	3	4
Australia	130.33	6.9	16.72	47
Austria	4,128.42	14.1	589.8	31
Belgium	82,181.1	12.8	3,376	75
Canada	912.1	7.0	68.54	62
Denmark	1,483.1	9.0	353.0	62
Finland	28,349.1	8.8	7,059	31
France	945,343 *	13.7	22,852	62
Germany (Fed. Rep.)	11,061	17.1	232.4	55
Greece	569,423	3.0	72,483	4
Iceland	89.85	8.3	641.8	39
Ireland	24.27	7.1	8.13	30
Israel	13.00	6.3	12.21	23
Italy	667,787	10.8	14,518	22
Luxembourg	1,111.44	13.6	3,768	75
Netherlands	1,188.3	8.4	119.4	42
New Zealand	61.78	14.8	39.41	114
Norway	820.3	8.5	255.1	50
Saar	25,033.4	21.8	27,063	78
Sweden	2,533.4	11.3	364.2	38
Switzerland	777.02	4.6	167.5	39
Turkey	146.74	2.1	7.49	3
Union of South Africa	30.63	3.7	2.56	10
United Kingdom	1,172.5	11.3	23.27	87
United States	10,482.1	4.8	71.13	71

Columns 1 and 2—Social security expenses.
(1) In millions of units of the national currency.
(2) In percentages of national income, 1949.
(3) Total expenses—per head of total population.
Column 4—Average annual expenses of social security per head in U.S. dollars.

Strict comparison between countries, on the basis of these or other data relating to social security, is impossible. This is so for various reasons. The significance of the receipts and expenses of social security as a whole depends not only on the absolute figures but also on the population and its distribution by age, occupation, etc., and on the general standard of living. In order to establish some basis of comparison, two groups of coefficients were worked out: (1) the social security figures expressed as a percentage of national income at factor cost; (2) the averages per head of total population and per head of the population of working age, i.e., between 15 and 64 years.

Nevertheless, the *Review* warns that "great caution must be shown in the use of these data and especially in the use of the newly introduced relative coefficients." For several countries social security data are as yet incomplete, and comparison is not always possible. Moreover, the method used to calculate the relative coefficients is not perfect, although "every effort has been made to use the most reliable terms of comparison." The I.L.O. has, however, rendered a great service to students and administrators of social security by compiling these statistics and by formulating techniques of comparison.

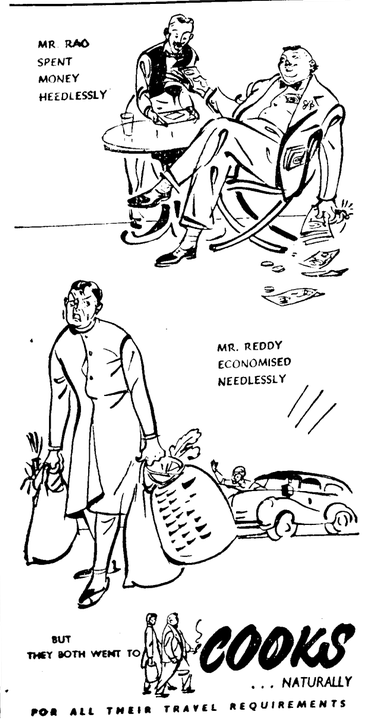
(*Concluded from next column*)

The Corporation has had a profitable year in workmen's compensation business, the premium income from which has advanced from £5.03 million to £5.42 million. As a result of the Corporation's policy of improving the standard of the risks, adopted for many years now, the number of risks has actually decreased. However, the increase in premium income is due to the extra premiums that have arisen from a further advance in industrial activity.

The loss of the Comet which crashed near Calcutta the other week, will involve the British insurance market in claims on the aircraft for £500,000, it is stated. This is the insured value of the hull. In addition, there will be personal claims. The liability of an aircraft company for injury to its passengers is based on the Warsaw Convention, which was ratified in Britain by the Air Navigation Act, 1932. The Convention says that the airline operator is liable, in the event of loss of life, to pay a sum in gold French francs, which is now the equivalent of about £3,000.

At the Annual Conference of the International Credit Association, held recently in London, the delegates to the Conference discussed a number of problems common to credit insurers. The Conference considered the role the Association should play in helping new credit insurance companies to establish themselves in countries where there is a demand for credit insurance and where no facilities exist to-day. The Association, it was felt, should assist new companies with technical advice.

The Oriental Government Security Life Assurance Co., Ltd., wrote, during the year 1952, 71,359 new policies assuring a sum of Rs. 21,22,44,577.



EMPLOYERS' LIABILITY ASSURANCE CORP.

RESULTS BETTER-DIVIDEND RAISED

THE striking features of the accounts of the Employers' Liability Assurance Corporation Ltd. (Managing Director: The Rt. Hon. Viscount Knollys, G.C.M.G., M.B.E., D.F.C.), London, for the year ended 31st December, 1952, are: (1) the maintenance of the progressive trend in premium income of the Corporation; (2) the earning of an underwriting profit of £353,566, as against a deficit of £754,035 for the previous year; and (3) the increase in the dividend from 4*s.* to 4*s.* 6*d.* per share (of 5*s.* each), less income-tax, by enhancing the final dividend from 2*s.* to 2*s.* 6*d.* per share. The improvement in business, indicated by the further rise in premium income, during a period of difficult trading conditions, and the earning of a profit in the face of a further rise in claims and expenses, bear testimony to the Corporation's successful efforts at making inevitable losses less severe. How severe the difficulties of business have been during the year is evident from the fact that the Corporation's profit for the year under review is considerably less than that of £537,772 for 1950.

The profit of £353,566, together with the Corporation's share of life profits from the Clerical, Medical and General Life Assurance Society (£56,465), interest, dividends and rents (£782,264), and the balance brought in from the previous year (£631,149), make in all a total of £1,823,444 available for appropriation. Out of this, U.K. taxation absorbs £583,783, staff pension fund and expenses take up £301,418 and the payment of dividend requires £187,576, leaving to be carried forward £750,667 to the current year's accounts. Commenting on the Directors' decision to enhance the dividend, the Chairman, in his statement to the shareholders, observes: "Although conscious, as always, of the need to maintain reserves at the highest possible level, the Directors feel that, without departing from their usual prudent policy, they may reasonably make the modest addition which they are recommending in the dividend."

The following comparative table gives an idea of the progress in the Corporation's business (including that of its subsidiaries) during the last three years:

	1952	1951	1950	1949
	£	£	£	£
Premiums—				
Fire	2,249,033	1,937,329	1,626,002	1,251,628
Motor	9,284,198	8,252,019	7,236,249	4,701,035
Accident and general	11,643,903	10,978,450	9,963,235	7,094,163
Marine	619,476	557,772	572,797	558,581
Life	1,926,313	1,738,315	1,527,447	1,404,476
	£25,728,823	23,463,885	20,930,730	15,099,883

The bulk of the Corporation's business being from the United States of America, its success in earning a profit in 1952 is due to the remarkable improvement in its results in the U.S. An analysis of the Corporation's own business in the two departments, fire, accident and general (including motor) shows that the premium income in the fire account has gone up from £1.81 million to £2.10 million. And its results in the U.K. and overseas, having continued to be favourable, the Corporation has been able to earn a profit, though it is slightly lower, at £120,395, than that of £165,184 in 1951. The lower profit is due to the smaller margin of profit on fire business in the U.K. than usual, which in turn, is the result of the large increase in the cost of fires during 1952. The claims paid and outstanding in this class have gone up from £700,390 to £861,254.

The premium income from accident and general (including motor) business has risen by £1.69 million to £20.87 million and claims paid and outstanding have gone up by only about £12,000 to £12.52 million. Since the results of the Corporation's business in the U.S. are said to have considerably improved, it has been able to earn a profit of £233,171, as compared with the heavy loss of £919,219 suffered in 1951.

The premium income in the field of motor insurance, which is the largest individual class of business transacted by the Corporation, has gone up from £8.25 million to £9.28 million. Although the overall results are stated to be better, the business continues to be still unprofitable. The Corporation's motor business in the U.S., we are told, has considerably improved, in contrast to the general experience in that country which shows that this class of business has been less unprofitable. The improved results are in a measure due to the higher rates of premium authorised in 1951 which had proved to be hardly beneficial in that year, but which have had a fuller effect on the Corporation's earnings in 1952. The effect of the higher rates of premium has been offset, however, by the high cost of claims, though the Corporation has been able to keep its loss on this class of business within bounds by maintaining the "most exacting standards of underwriting." The Corporation's motor business in the U.K., though better than in 1951, is reported to be still unsatisfactory. Though casualties during 1952 were lower in relation to the number of vehicles on the road than in 1951, the wastage of human life and limb continued to be heavy.

(*Continued in previous column*)

GRINDLAYS BANK LIMITED

(*Incorporated in England*)

BALANCE SHEET OF INDIAN BRANCHES AS AT 31st DECEMBER 1952

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
Deposit with Reserve Bank of India under Section 11 (2) of the Banking Companies Act, 1949	20,61,937 8 0	
2. Reserve Fund and Other Reserves	Not applicable	
3. Deposits and Other Accounts—		
Fixed Deposits	1,19,55,565 11 4	
Savings Bank Deposits	2,20,88,184 14 9	
Current Accounts, Contingency Accounts, etc.	6,14,96,287 8 4	9,55,40,038 2 5
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	62,00,000 0 0	
(ii) Outside India	Nil	62,00,000 0 0
PARTICULARS— Rs. a. p.		
(i) Secured Nil		
(ii) Unsecured 62,00,000 0 0		
5. Bills Payable		7,87,796 14 6
6. Bills for Collection being Bills Receivable as per contra—		
(i) Payable in India	63,75,912 2 9	
(ii) Payable outside India	58,70,684 12 8	1,22,46,596 15 5
7. Other Liabilities—		
Inter Branch Balances—		
Net—Head Office and Branches outside India	61,29,015 3 5	
Inter Branch Adjustments—		
Net—Branches in India	8,49,534 6 8	
Staff Provident and Other Funds	16,92,804 2 5	86,71,353 12 6
8. Acceptances, Endorsements and Other Obligations per contra		1,31,92,200 4 0
9. Profit and Loss—		
Balance as per last Balance Sheet	88,509 5 11	
ADD—Profit for the year	9,14,140 3 8	
	10,02,649 9 7	
LESS—Provision for Taxation	6,06,000 0 0	
	3,96,649 9 7	
Rs. a. p.		
LESS—Remittance to Head Office 4,91,376 10 8		
LESS—Amount debited 94,729 0 8	3,96,649 9 7	Nil
10. Contingent Liabilities—		
(i) On Bills rediscounted	60,59,118 9 9	£454,433 17 11
(ii) On Outstanding Forward Exchange Contracts	4,47,18,032 14 2	£3,353,862 9 4

NOTE.—Foreign Currencies have been converted at the official rates of exchange ruling on 31st December 1952.

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash—		
In hand and with Reserve Bank of India and Imperial Bank of India (including Foreign Currency Notes)		71,17,881 5 2
2. Balances with Other Banks on Current Account—		
(i) In India	58,727 10 4	
(ii) Outside India	11,75,505 10 11	12,34,233 5 3
3. Money at Call and Short Notice		Nil
4. Investments (at Below Market Value)—		
(i) Securities of the Central and State Governments and Other Trustee Securities, including Treasury Bills of the Central and State Governments	3,61,81,858 9 0	
(ii) Shares	Nil	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold	Nil	3,61,81,858 9 0
5. Advances (other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)—		
(i) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India 5,78,91,748 11 11		
(ii) Outside India Nil	5,78,91,748 11 11	
(ii) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India 18,44,877 5 9		
(ii) Payable outside India 66,76,516 13 4	85,21,394 3 1	
PARTICULARS OF ADVANCES—		6,64,13,142 15 0
(i) Debts considered good in respect of which the Banking Company is fully secured	4,81,40,476 14 1	
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	1,62,44,032 0 0	
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	20,28,634 0 11	
(iv) Debts considered doubtful or bad, not provided for	Nil	
	6,64,13,142 15 0	
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	50,700 8 1	
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	Nil	
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	81,824 2 10	
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	Nil	
(ix) Due from Banking Companies	1,43,87,188 10 2	
6. Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	63,75,912 2 9	
(ii) Payable outside India	58,70,684 12 8	1,22,46,596 15 5
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,31,92,200 4 0
8. Premises, Less Depreciation—		
Cost to 31st December, 1951	1,25,000 0 0	
Addition during the year	17,212 7 0	
	1,42,212 7 0	
LESS—Depreciation written off to date	11,160 0 0	1,31,052 7 0
9. Furniture and Fixtures Less Depreciation		Nil
10. Other Assets—		
Deposits	71,020 4 0	
Silver	Nil	71,020 4 0
11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
Total .. Rs.		13,65,87,986 0 10

PROFIT AND LOSS ACCOUNT OF INDIAN BRANCHES FOR THE YEAR ENDED 31st DECEMBER 1952

Dr. *Cr*

EXPENDITURE	Rs. a. p.
1. To Interest paid on Deposits, Borrowings, etc.	6,76,503 9 8
2. ,, Salaries and Allowances and Provident Fund (including Salary and Allowances of General Manager Rs. 62,000-0-0)	34,32,742 7 9
3. ,, Directors' and Local Committee Members' Fees and Allowances	Nil
4. ,, Rent, Taxes, Insurance, Lighting, etc.	3,06,502 9 8
5. ,, Law Charges	41,980 4 6
6. ,, Postage, Telegram and Stamps	1,04,450 2 1
7. ,, Auditors' Fees	11,985 0 0
8. ,, Depreciation on and Repairs to the Banking Company's Property	6,000 0 0
9. ,, Stationery, Printing, Advertisement, etc.	1,57,274 9 6
10. ,, Loss from Sale of or Dealing with Non-Banking Assets	Nil
11. ,, Other Expenditure including Proportion of London Office Administration Charges	6,99,041 13 9
12. ,, Balance of Profit (subject to Taxation)	9,14,140 3 8
Total .. Rs.	63,50,600 12 7

INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
1. By Interest and Discount	35,33,757 5 4
2. ,, Commission, Exchange and Brokerage	28,13,495 12 3
3. ,, Rents	2,484 9 0
4. ,, Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
5. ,, Net Profit on Revaluation of Investments, Gold, and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. ,, Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
7. ,, Other Receipts	863 2 0
Total .. Rs.	63,50,600 12 7

A. SIMPSON,
General Manager in India.

We have audited the foregoing Balance Sheet of the Indian Branches of Grindlays Bank Ltd., as at 31st December, 1952, and also the foregoing Profit and Loss Account for the year ended on that date, in which are incorporated the authenticated returns of the Calcutta, Madras, Delhi and Simla Branches and report that:—

(a) we have obtained all the information and explanations which we have required;

(b) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;

(c) such Balance Sheet exhibits a true and correct view of the state of the Branches' affairs according to the best of our information and the explanations given to us and as shown by the books of the Branches; and

(d) in our opinion, books of account have been kept by the Branches as required by Section 130 of the Indian Companies Act, 1913.

BOMBAY, 26th March, 1953.

(Sd.) A. F. FERGUSON & CO.,
Chartered Accountants.

EMPLOYERS' LIABILITY ASSURANCE CORPORATION LIMITED

ALL-ROUND IMPROVEMENT IN BUSINESS RECORDED

LORD COURTAULD-THOMSON'S STATEMENT

A GLOBAL review of the business conditions during the year 1952 and the results achieved in each class of business by the Employers' Liability Assurance Corporation Ltd. has been made by the Rt. Hon. Lord Courtauld-Thomson, K.B.E., C.B., Chairman of the Corporation, in his statement circulated to the shareholders along with the Directors' report and accounts for the past year. The following is the full text of his statement:

"The combined premium income of our group of companies for 1952 was £25,728,823, an increase of £2,264,938 on that for 1951 :—

	£
Fire	2,249,933
Motor	9,284,198
Workmen's Compensation	5,418,446
Other Casualty	6,230,457
Marine	619,476
Life	1,926,313
	£25,728,823

"The Corporation's underwriting profit for the year amounted to £353,566. Our share of the life profits of the Clerical, Medical and General Life Assurance Society was £56,465, and the interest earned on our investments rose to £782,264. After making a contribution of £265,000 to the staff pension account and charging sundry other expenses of £36,418, there is a total trading profit of £890,877. From this amount we provide £583,783 for United Kingdom taxation, so that our net profit for the year is £307,094. With the balance of £631,149 brought forward from last year, we have available a total of £938,243. The Directors recommend the payment of a final dividend of 3s. 0d. per share, making a total dividend of 4s. 6d. per share, less income-tax, for the year. This would cost £187,576, leaving the carry forward at £750,667, an increase of £119,518 on the year.

"Although conscious, as always, of the need to maintain reserves at the highest possible level, the Directors feel that, without departing from their usual prudent policy, they may reasonably make the modest addition which they are recommending in the dividend. The sum of £500,000 has been transferred from inner reserves to the general reserve, which now stands at £3,500,000.

Fire

"The premium income in the fire account has again improved, from £1,812,320 to £2,104,525. Results, both in the United Kingdom and overseas, have continued to be favourable and, from this source, we have a profit of £120,395, or 5.7 per cent. The margin of profit on our fire business in the United Kingdom is smaller than usual—a result which is not altogether unexpected when we consider the large increase in the cost of fires in this country during 1952, as evidenced by the estimates made by *The Times*. These amounted to £24,230,000 for the year, an increase of more than £1,000,000 over 1951. Much of this huge national loss could, I am sure, have been avoided by the exercise of greater care and, in times like the present, when all available manpower is needed for production, it becomes the manifest duty of each one of us to take every possible precaution against such unnecessary waste.

"Our fire business in the United States continues to develop in a satisfactory manner.

Accident and General

"The premiums in this account have increased by £1,695,042 to £20,871,508, and I am glad to report that, by reason of the considerable improvement in our United States results, we are able to show a profit of £233,171 compared with the exceptional loss of a year ago. This illustrates once more how the outcome of insurance business is liable to vary from year to year, although profitable over a period.

"Motor business, as usual, was the largest individual class, with premiums of £9,284,198 and, although the overall results were better, they still do not provide a profit. In the United States, while the general experience was rather less unprofitable than it was in 1951, our own results were considerably improved. The increases in rates which were authorised in 1951, but hardly benefited that year, had a fuller effect in 1952. The cost of claims is, however, still high, and only by the most exacting standards of under-writing have we been able to keep within small proportions the loss on this large part of our business. Although the further rate increases which have been approved in many States should improve our experience, these increases are, in some instances, much smaller than past experience and present trend would justify. In Massachusetts, for example, it will again, in 1953, be difficult to make a profit on the compulsory cover, although rates for the non-compulsory business there are on a somewhat sounder footing. The outlook in some other States is also rather more encouraging than it was a year ago. In these circumstances, our policy is to make the best of conditions as they are now, while striving vigorously and continually for their improvement. We have, accordingly, not only subjected all our motor business to the most careful scrutiny but we have also taken the lead in every useful endeavour that has been made to secure adequate rates and to promote understanding among the public to this end.

"I have referred to rate increases which we have sought, or have been glad to obtain, in the conditions that have recently prevailed, but I need hardly say that we, and I am sure all other companies, would be delighted to see the cost of claims reduced so far that lower rates would be justified. What can be done to prevent unreasonable jury verdicts in cases of liability to third parties it is difficult to suggest, but it must be realised that repeated enhanced verdicts mean even higher rates of premium for users of cars. In one or two States, plans for improving safety on the highways and penalising drivers responsible for accidents are being brought forward. These are steps in the right direction, and whatever success they have will be most cordially welcomed.

"In the United Kingdom the results of our motor business, although better than in 1951, were still unsatisfactory. In relation to the number of vehicles on the road, casualties showed some reduction compared with 1951, but the wastage of human life and limb continued to be heavy. The challenge which was thrown out by H.R.H. The Duke of Edinburgh some months ago, when he urged the various organisations concerned with road safety to combine and tackle the problem of accident prevention, has been taken up with vigour. We, in company with other insurers, are co-operating in this new approach to what is a matter of national concern. We hope that, by these efforts, all road users will be brought to a greater realisation of the need for still more care on their part and that some reduction may be made in the number and severity of road casualties. A real measure of success will then have been achieved, which should be reflected in our own results. In most other parts of the world, the experience of motor business has again been generally unsatisfactory. It is clear that it is becoming ever more necessary, in all countries, to face the whole question of the provision of rates for motor insurance which are adequate to allow insurers to count on a modest profit over the years. The best solution of all would, of course, be a generally higher standard of driving.

"Our workmen's compensation premiums have increased from £5,032,765 to £5,418,446. Last year, I described in some detail the factors which were producing unfavourable conditions for workmen's compensation in the United States, and I am pleased to be able to tell you that, in spite of them, we have managed to have a profitable year's trading in this line in that country. For many years now, we have been improving the standard of the risks on our books. This year, as a result of this policy, the number of these risks has actually decreased, but our premium income is higher on account of the extra premiums that have arisen from a still further advance in industrial activity. I feel sure that our policy is now bearing fruit and that it accounts very largely for our good experience this year.

"At the same time, we must take a guarded view of our prospects for 1953 and 1954. Most of the State legislatures will be in session in 1953 and we may well find that, in many of them, benefits under their workmen's compensation laws will be increased. Experience shows that it is rare for rates to be increased enough to compensate for the extra cost to insurers of wider benefits.

"The results of employers' liability business at home show some improvement, but the heavy awards of damages to injured workpeople by the Courts continue, and leave us no alternative but to increase rates of premium. Whilst, therefore, we regret the necessity for further rate revisions, employers will realise that, in common with other insurers, we cannot continue to subsidise this class of business. In other territories, workmen's compensation business was, on the whole, profitable.

"The rest of the premiums in this account, derived mainly from public liability, personal accident, burglary, plate glass and fidelity insurances, amounted to £6,168,864, an increase of £277,182. These classes have again, in total, shown development on profitable lines. In aviation, we have now completed arrangements for entering a wider field through participation in one of the large American company groups specialising in this class.

Geographical Review

"I am pleased to be able to report that a remarkable improvement in our results in the United States has brought us an underwriting profit in another difficult year's trading there after the loss which we, with others, suffered in 1951, and I am sure that you would wish me to record our appreciation of the way in which Mr. Larner, our Manager there, has guided our affairs through so difficult a period. I have already dealt with the results and prospects of separate classes. Quarterly results published for all companies showed that whereas the bad experience of 1951 continued into the first quarter of 1952, a progressive improvement was apparent in the succeeding quarters. Though the average improvement is rather less marked than our own, the trend is definite and we may take the view, however unpredictable the future may be, that a cycle has been completed during 1952 in which the difficulties of our business have been exceptionally severe. It is in the nature of insurance that there is no means of evading completely the impact of such a cycle. All that can be done is to prepare for it and to mitigate it, and we have, I believe, in this case done all that has been feasible to make inevitable losses less severe. In this task we have had to call upon our agents for full co-operation, sometimes at some temporary disadvantage to themselves. I should like to record our gratitude for the loyalty with which they have responded, and for the real help which they have given us in weathering the storm. Indeed, the mutual confidence which exists between us and the fine agency force that represents us all over the United States is the great strength of our business in that country.

"In August last year, we received the sad news of the sudden and untimely death of Mr. Townsend M. Buggey, who, after many years of successful management of our branch office in Philadelphia, had earlier in the year been appointed a Deputy Manager of our United States branch. Mr. Frank Carey, whose visit to London, in 1951, I reported last year, has now been appointed First Deputy Manager of our United States Branch, and Mr. Howard S. Bush has been appointed a Deputy Manager. Mr. Carey, whose experience has been mainly on the financial side, has a breadth of outlook which will enable him to appreciate clearly the more general problems with which he will now help to deal.

"Our United Kingdom premiums increased by about 10 per cent., compared with 1951, and the total business for 1952 showed improved profit, both in percentage and in amount. In common with many other insurance companies, we have had to deal with a large number of claims in 1953 following the great destruction by tempest and flood on the East Coast in February last. We are glad to have had a part in the relief of the distress caused by this disaster.

"We are pleased to welcome the Marquess of Hamilton and Mr. J. H. T. Stevenson as Local Directors in Northern Ireland, and also to report the appointment of Sir John Ruggles-Brise, who has given such excellent service as our City Manager, as a Local Director in the City and in the Eastern Counties.

"We have to record another appreciable increase in our business from overseas territories other than the United States, although, with but one or two exceptions, the poor results of motor business have had a noticeable effect upon the results from each territory. In Canada, where there has again been a marked growth in premium income, especially in casualty business, our general claims experience deteriorated considerably and the total results were unprofitable. This is particularly disappointing, as Canada has been an invariable producer of profits in recent years. Motor claims increased both in number and severity, and, notwithstanding the rise in premium rates during the year, the ratio of claims to premiums worsened. Further rate increases are being introduced during 1953, but the full effect of these will not be felt during the current underwriting year.

"Our Australian business continues to progress, and I am able to report with pleasure an increased margin of profit from that branch. Unfortunately, I cannot yet say that the substantial motor account is satisfactory, but there are encouraging signs of improvement. I am glad to tell you that Mr. Daniel McVey, C.M.G., Managing Director of Metal Manufacturers Ltd., and Director of several other large companies, has agreed to become a Local Advisory Director of the Corporation at Sydney. South Africa is another important area where the adverse motor results have overshadowed those of the otherwise profitable casualty business. Our Indian business continues to be satisfactory, although the slower upward movement in our premium income has reflected the economic stresses felt by that great country during a difficult year. In Pakistan, where we have been anxious to take part in the growth of the country, our business shows promising development. In Malaya, our business is still expanding in a most encouraging manner, with a maintenance of the favourable results in the fire account. The area, as a whole, has yielded its quota of profit and, with the gradual improvement in the Malayan scene, we can hope for still further development. The Corporation's energetic agents in Israel have produced a really substantial increase in the volume of business written during 1952, but once again the motor results have had an adverse effect upon the whole of this important agency account.

Life

"The Clerical, Medical and General Life Assurance Society, our associated life office, again reports progress. Its net new business, at £6,718,120, is an improvement of £1,004,122 on the 1951 record of £5,713,998; the amount of claims by death, in spite of the increased sums at risk, fell by £140,367 to £455,369 and the character of the claims was such that the profit for the year from favourable mortality was a record. The life assurance fund of £21,110,777 is up by £1,135,443 and the combined life and capital redemption funds now total £23,591,533. In spite of the fall in security values during the year, the Society was still able to show a margin of market values over book values without any call on current income. In the latest published valuation of its liabilities, made as at 31st December, 1950, the Society set up reserves equivalent to those of a net premium valuation at less than 2 per cent. At that time, the gross rate being earned on the assets was £4 11s. 11d. per cent. and the net rate £3 12s. 1d. per cent. For 1952, the corresponding figures were £5 2s. 1d. and £3 19s. 3d. and the increased yield means that, although the margins in the value of the assets are reduced, the margins in the valuation of the liabilities have greatly increased, leaving the Society's strong position unimpaired.

Marine

"The business of the Merchants' Marine Insurance Company, Ltd., our marine subsidiary, continues to develop satisfactorily. The net marine premiums of £619,476 show an increase of £61,704, and the marine fund at the end of 1952 amounted to £814,597, equal to 131 per cent. of the premium income.

"The ever-increasing cost of repairs and the delay in presenting claims are still major problems in the hull account, but the surcharge of 10 per cent. recently approved by the Joint Hull Committee should help materially to balance these adverse conditions. Cargo business continues to be profitable, but intensified competition for this class, following the heavy increase in the size of the market during the past two or three years, makes future prospects uncertain. The growing fire and accident business of the 'Merchants' Marine' was again profitable.

Aviation

"Our main interest in the aviation market continued to be through our shareholding in the Aviation and General Insurance Co. The operations of this company have again been profitable, and I am pleased that the Corporation has, in this way, been able to take part in the striking developments, particularly in commercial aviation, that we have seen during the past few years.

Investments

"The total investments of the Corporation (including property and subsidiary and associated companies) amounted to £29,529,006 at the end of 1952, an increase of £1,773,481, and I am again able to report with pleasure that, as in previous years, their total market values at 31st December, 1952, showed an appreciation over their total book values. Although we have every confidence in the continued prosperity of the United States, we felt it desirable to hold an adequate proportion of short-term securities there, including commercial obligations, until the trend of interest rates for longer term investments became clearer. The extensive development of Canadian natural resources and industries has prompted us to invest part of our Canadian funds in first-class equities, and we have welcomed the advice of our recently formed Local Advisory Committee in this connection.

"I have some changes to report in our United States Executive Committee, whose prudent supervision of our investments in that country is of so great value to us. Mr. Lewis W. Douglas, who was already a member of the Committee, has been appointed its Chairman and Senator Edward C. Stone, Vice-Chairman, while Mr. Charles Francis Adams has accepted the position of Honorary Chairman. Mr. Thomas K. Finletter has rejoined the Committee on relinquishing the office of Secretary to the Air Force which he held in the last Administration. We look forward to seeing Mr. Douglas, a former United States Ambassador to the United Kingdom and a regular visitor to this country, at meetings of our Board, when he will be able to give us first hand accounts of the view of the Committee on current economic and business affairs.

Directorate

"The Corporation has suffered a grievous loss by the death of Sir Gordon Campbell and Mr. Richard J. Crowe. Sir Gordon Campbell became a member of the Board of Directors in 1917. We valued his advice in our counsels and, by his death, have lost a loyal friend and colleague whom we held in great affection and respect. Mr. Crowe had served the Corporation with distinction and success since 1911. Our Manager, and finally our General Manager, over a period of sixteen years until his retirement from executive duties in 1949, he was elected to the Board in 1947 and had been its Vice-Chairman since 1951. His wide knowledge and experience of insurance affairs were of the utmost value to the Corporation, to whose interests he devoted himself to the end. His fine and friendly personality and his outstanding record of service and achievement will ever be remembered.

"We were very glad, in May last, to welcome back our Managing Director, Lord Knollys, who had been on leave of absence, while acting as Minister at the British Embassy at Washington

(*Continued on page 927*)



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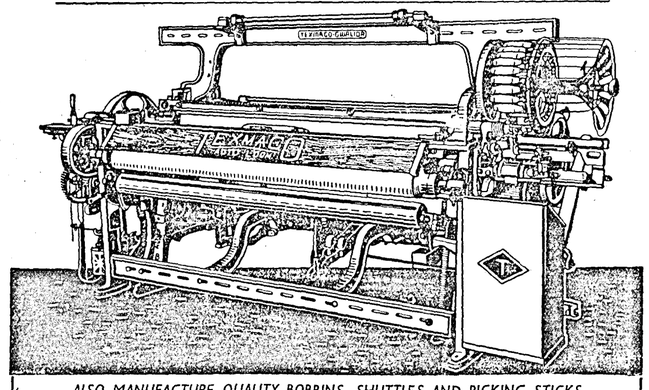

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DISTRIBUTION OF TAX BURDEN IN INDIA

ADJUSTMENT ON EQUITABLE BASIS NEEDED

(By Prof. V. G. RAMAKRISHNA IYER)

ONE of the terms of reference of the Taxation Enquiry Commission is to examine the incidence of general, State and local taxation on the various classes of people. Since the Matthai Committee has already begun its investigations into the Indian tax structure, the relation of taxes to taxable capacity is no longer one of theoretical interest but of great practical importance. It is necessary to have some idea of the distribution of taxation in India, before the question of revising the tax structure and imposing additional taxes can be decided. A canon that applies to the entire system of taxation is that it should be equitable. It is not enough to know that a given tax is suitable in itself. It is far more important to know whether it falls on a class lightly taxed or already burdened. Every system of taxation is always approaching but never reaches equality of taxation on account of changes in the yield of the tax as well as in the economic conditions of different classes of the community as a whole. The measurement of the burden of taxation in relation to taxable capacity is important, but it does not follow that it can be made easily. The problem of incidence is rendered more difficult in India by the lack of reliable statistics, and it has been observed that in India an estimate of aggregate and average income might be made within a possible range of error of 35 per cent. but certainly not less than 25 per cent.

Pre-war Incidence

Under these circumstances the Indian Taxation Committee (1925) attempted to enumerate the principal taxes that fall on certain selected classes of the population.

(1) *Urban labourers (including lower grades of urban artisans)*: The principal taxes that affect this class are the excise duty on goods of the coarser variety, customs duty on production goods such as machinery and raw materials, the duty on intoxicants and municipal taxes. Under a high general tariff position of this class will, in the initial stages, be rendered worse, since an adjustment of wages to an increase in the cost of living is a very slow process.

(2) *The landless agricultural labourer and the lower grades of village artisans*: This class differs from the urban labourers in that it receives lower wages but consumes less important or excisable goods. It is free from payment of municipal taxes;

(3) *The small holder, whether raiyat or tenant*: The small holder, if he is not a tenant, pays, in addition to land revenue and cesses, the same taxes as the daily labourers and has a standard of living not much higher. The small holders are bearing heavy burdens, but these burdens are not the result of taxation. The absence of alternative occupations, the fragmentation of holdings, the uncertainty of seasons and the failure to save in good years wasteful expenditure on marriages and the high rates of interest from a combination of causes which make it difficult for cultivators of these uneconomic holdings to keep their heads above water. The remedy for this state of affairs lies, however, not in a reduction of taxation but in changes in other parts of the social economy, some of which may necessitate heavy expenditure on the part of the State and an increase in the burden of taxation borne by the community as a whole.

(4) *The peasant proprietor* with a substantial holding is very different, inasmuch as the land revenue, being imposed at a flat rate, taxes a smaller portion of his surplus than that of the small holder. He lives almost self-supporting. The prices of his crops which provides a surplus have increased to a greater extent than the increase in the land revenue paid by him, though his expenses have increased, especially in wages.

(5) *The large landholder*: This class is lightly taxed. The income of a member of this class in so far as it consists of rent, is all surplus after his standard of living is allowed for. He pays a fair share of the customs duties besides court fees, but pays no income-tax on his income from land in some States (Provinces).

(6) *The village trader*: This class of persons, on the whole, gets lightly off since it pays only the general taxes. The village trader does not generally drink and there is scope for bringing him within the ambit of further taxation by a general extension and by a more efficient administration of taxes of the nature of the circumstances and property tax and the profession tax.

(7) *The small trader in towns*: Unlike the small trader in the village, he is liable to tax by municipalities and there is scope for a profession tax and an increase in the rate of property tax.

(8) *The large trader generally in towns* is liable to income-tax and contributes also to some extent to the revenue from stamps and court fees and in some cases liable to other taxation.

(9) *The big merchants*: This class includes the proprietors, partners and managers of large businesses who are found almost entirely in the towns and contribute considerably to income-tax revenue, the bulk of the probate duties, the bulk of the customs and taxation on business, and a large proportion of the fees and taxes on transactions.

(10) *The professional classes—lower and higher grades*: The professional class of the lower grade consists largely of the clerical class, including subordinate ranks of Government service and the lower ranges of professional men who are not subject to income-tax. This class has suffered recently more by reason of its comparatively high standard of living, and of the fact that its earnings have not responded as closely as those of the manual workers to the increase in prices. The contribution by this class to the general taxation of the country is small, including a share of municipal house and profession taxes and a portion of the customs duties on necessaries and some luxuries such as piecegoods, tobacco and bicycles, etc.

The case of the professional class of the higher grade is just like that of the big merchants, and individuals of this class are the chief contributors to income-tax. In fact, the burden of taxes borne by the foregoing typical classes of the population has been considered roughly in relation to their comparative wealth and their standard of living, and it is not based on accurate statistical data or an analysis of family budgets which are extremely difficult to draw up in India.

Better Distribution of Burden

The Indian Taxation Committee (1925) made certain proposals to secure a better distribution of the tax burden. The proposals related to the various groups mentioned above.

(1) *The urban labourer*: The burden on this class has increased mainly owing to the increase or new imposition of customs and excise duties on articles of universal consumption, especially sugar, cotton goods, matches, machinery and raw materials and a decrease in these duties is considered as a satisfactory course for this class.

(2) *The landless agricultural labourer*: The total burden on this class is comparatively low and the members of it would be indirectly benefited by a reduction in the duty on goods consumed by all classes.

(3) *The small holder*: The difficulties of the small holder are not primarily the result of taxation except in so far as he suffers with the rest of the community from the effects of high tariffs. Standardisation of land revenue is the only means of affording relief.

(4) *The peasant proprietor*: With an economic holding, he is a comparatively prosperous member of the community and extension of probate rates to all classes of the community is likely to affect this class, as also the raising of the cesses by local bodies.

(5) *The large landholder*: Except in individual cases, the burden on this class is light and the possible means of increasing the burden on this class would be the imposition of agricultural income-tax or something in the shape of a general probate or inheritance duty.

(6) *The village trader*: In the case of this class, a higher contribution to the general revenues is possible by a general extension and more efficient administration of taxes as, for example, circumstances and property taxes and a profession tax.

(7) *The large trader*: The large trader with an income below the super-tax limit becomes liable to income-tax, but still escapes with a comparatively light burden and he will be affected by a general extension of probate duties and a steepening of the graduation of income-tax coupled with an increase in local taxation.

(8) *The big merchants*: They contribute a large percentage of the total collection of income-tax, the bulk of probate duties, the bulk of customs duties on luxuries and a large proportion of the fees and taxes on transactions and their contribution will be increased by the estate duty and higher graduation of income-tax.

(9) *The professional classes of the lower grades*: The position of this class from the point of view of contribution to tax revenue is difficult of any improvement and it has been hit hard by the inflationary conditions during the war and post-war period.

The statistical determination of India's taxable capacity is a complicated problem. Nevertheless the personal or aggregate income method and the production method have been employed in the past enquiries into India's taxable capacity with varying results. To take one instance, Shirras worked out the taxable capacity of India for the year 1920-21 and 1921-22 and arrived at figures which vary widely. In 1921-22, the taxable capacity was about Rs. 393 crores but effective taxation, i.e., taxation *minus* interest on internal debts and debts repaid was Rs. 120 crores, leaving a balance of about Rs. 273 crores. In a normal year like 1920-21, the balance was much less. Effective taxation was estimated at about 4 per cent. of the gross income as compared with 24 per cent. in Britain. But such comparisons are valueless. It may be emphasised that the taxable capacity of a country is not an absolute amount. We can only roughly indicate the direction in which this limit lies. Two main features stand out in the case of such estimates, (1) the large variation between a good and a bad year with reference to income and taxable capacity, and (2) the taxable capacity of India is not so high as that of an advanced country like Great Britain.

Precise Assessment Necessary

There was a time when, by present standards, the "tax burden" was not really a burden at all. For instance, in the pre-war year 1938-39, the last year of free economy, with Central and Provincial taxes amounting to about Rs. 130 crores and with local taxation at about Rs. 13 crores, the whole *per capita* burden was about Rs. 5. But to-day, with Central taxes at more than Rs. 400 crores, with States taxes at about Rs. 390 crores and with local taxes amounting to Rs. 45 crores, the entire burden is as much as Rs. 24 per head. As if we have not reached the limits of the tax burden, further taxation is in the offing in the form of new taxes to be imposed by the Centre as also by the States, such as surcharge on land revenue, special levy on commercial crops, tax on increased land values which the States are now induced to take up but which have been stayed till now on account of elections to the legislatures of the country. Should these indirect taxes be imposed, they may well leave the mass of the people with no "real income" worth the name. Of course, it is obvious to everyone that for the implementation of the Five-year Plan, a considerable part of the resources has to be raised by taxation, if we are not to resort to inflationary methods of financing. It is, therefore, all the more necessary to reform the tax system in a scientific manner in which the taxable capacity is assessed as precisely as possible and the burden distributed as equitably as possible.

Recent Trends in Indian Tax Policy

Year	Union	State and Local	State percentages of total	Income and profit as percentage of total
	(Rs. in crores)			
1938-39	73.8	83.2	53	11
1943-44	193.2	140.8	42	54
1945-46	311.4	205.6	39	49
1948-49	392.2	211.6	35	30
1949-50	370.0	234.7	38	31

The above figures include a certain amount of non-tax or semi-tax revenue, such as Government-owned monopolies and profits of trading enterprises. Broadly speaking, the proportion of State revenue collections depends partly on the policy of the States which have wide independent tax system and partly on the Union Government policy. Before the war, the States (Provinces) were collecting more than half the total revenue and this proportion fell, as income and profit taxes expanded under war conditions. During recent years, income and profit taxes were not so important as in war years. On the other hand, while there has been a continued rise in revenue from indirect taxes, as compared with the relief given to direct taxes, there have been fewer reductions in indirect taxes. On the whole, there has been a tendency for direct taxes to be lightened more than indirect taxes and this has an important bearing on the taxable capacity of the mass of the population.

In fact, the relation of taxes to taxable capacity in India must take into account the following considerations: (1) In rupees, the tax revenue has greatly increased but the rupee has fallen in value and purchasing power; (2) the development of commerce and industry, the building of railways, the execution of great irrigation works and in general, the play of "economic forces" have created a new wealthy class and so have increased taxable capacity in a greater ratio than taxation; and (3) the bulk of the population, nevertheless, is still in much the same economic position living close to the margin of subsistence. In view of these considerations, the problem of Indian taxation lies in the adjustment of the burden of taxable capacity of different classes of taxpayers equitably in order to obtain the resources necessary for improving the economic and moral status of the bulk of the population.—*All Rights Reserved.*

NEW PUBLICATIONS

Industrial Housing in India. By S. C. Aggarwal, Ministry of Production, New Delhi. Price: Rs. 13-8.

MR. S. C. Aggarwal has done a very useful service in bringing out this book, the first of its kind on the problems of industrial housing in India. He has discussed threadbare the questions relating to the ways and means of finance, cheap housing, prefabrication and the like. Giving a historical review of the action taken by the Central and State Governments from time to time, he has disclosed how the problem of housing has assumed the present vast proportions. A significant feature of the book is the incorporation of the latest reports and/or plans of the Central and State Governments and the Planning Commission. The author has enhanced the value of the book by giving a brief review also of the action taken by certain international bodies and Governments in various parts of the world.

The conclusions of Mr. Aggarwal, arrived at after a thorough analysis of the whole problem, are arresting. Emphasising that improved housing is the first step towards the improvement of the standard of living, behaviour and moral of the industrial labour, he declares: "To those who assert that India cannot afford to spend more money for industrial housing, there can be only one reply, that she can no longer afford to delay such expenditure." Like a realist, he concedes that the problem is so vast that the employers cannot bear the entire burden of building houses for their workers at the present moment, faced with declining profits. He also avers that neither the Union nor the State Governments can solve, without the co-operation of employers, employees and the public, the problem of industrial housing. The author has welcomed the latest subsidised housing scheme of the Government of India. He has suggested consideration of investment of Postal Savings Bank deposits and surplus funds of co-operative institutions in housing enterprise. He has even suggested assistance by the International Bank for housing lower income groups.

The book, in short, gives briefly and clearly various aspects of the subject of housing the industrial worker for the benefit of those who are engaged in this branch of social service as well as those who are interested in the economic and industrial problems of the country. As Mr. Jagjivan Ram, Minister for Communications, has aptly remarked in his foreword to the book, Mr. Aggarwal has made "a notable contribution to the solution of an important problem" and fulfils "a very long-felt want." We are sure it will receive the fullest appreciation of all concerned, thus rewarding the labour involved in its preparation.

First Five-year Plan—People's Edition. Issued by the Publications Division, Ministry of Information and Broadcasting, Government of India, New Delhi. Price: Rs. 2-8.

Successful implementation of India's Five-year Plan depends, to a considerable extent, on public co-operation. If such co-operation is to be forthcoming, it is essential that the public, including the layman, should have a clear idea of the Plan. Inasmuch as the report on the Plan is a complicated and bulky one, running into over thousand pages, not many have been able to digest the report. Hence the need for an abridged and simplified version of the report at a low price. This need has certainly been amply fulfilled by the Publications Division of the Central Ministry of Information and Broadcasting, which has just brought out a People's Edition of the Plan.

The Edition condenses, in about 263 pages, the Plan, giving a full authorised summary, together with a number of illustrative charts, diagrams and pictures. The abridged version retains the substance of the Plan and, while simplifying, also preserves, as far as possible, its form and language, so that, for purpose of general use, it can help in the study of the document.

A salient feature of the People's Edition is the inclusion of a number of informative charts and diagrams illustrating the various aspects of the Plan and the targets of additional production. There are special charts showing Central and State Governments' plans, major irrigation and power projects, community projects and development blocks, etc. Targets of the Plan in the spheres of agriculture, irrigation and power, industry, transport, education and health are shown in the form of pictographs. A break-up of the main heads of expenditure forms the subject of a special chart. The location of the various river valley projects and which of them are multipurpose and which are exclusively for irrigation or power, are depicted in a map. The new projects, to be initiated during the latter period of the Plan, are also indicated. Indeed, the People's Edition gives the essential features of India's Five-year Plan.

The Indian Trade and Industry Review. Editors: Prof. C. M. Kulkarni and Mr. A. Y. Mirza. Published by The Eastern Publications Bureau, 20, Hamam Street, Bombay 1. Price: Rs. 5.

The chief value of this publication lies in bringing together, between two covers, many of the facts and figures relating to the progress in the spheres of trade and industry in India during the year 1952. There are as many as 65 articles covering the various aspects. Among the important industries, the progress of which has been reviewed, are iron and steel, textiles, engineering, glass, plywood, mica, etc. Mineral development and cottage industry form the subject matter of two separate articles. After summing up the progress in the economic sphere during 1952, the Editors hold out bright hopes for the future. "India's economic prosperity," they say, "will increase and the standard of living of the masses will improve gradually, year by year, as the schemes envisaged in the First Five-year Plan will be completed one after another."

Recent Trends in Agrarian Reforms. By Guru Charan Singh. Published by Atmaram and Sons, Kashmere Gate, Delhi. Price: Rs. 2-8.

As the title of the book suggests, it presents a short but comprehensive picture of the legislative activity undertaken by the States in India to contend with the various problems connected with land-holding and land tenure. On this subject, extreme views, as is well known, are held, which range from maintaining the *status quo* to the need for sweeping changes with demands for immediate transfer of land to the tiller without giving any compensation to the landlord. The book has dealt with the factual aspects of land legislation and has discussed, in the final chapter, the pros and cons of the aims, policies and implications of the reforms, and their adequacy in bringing about the desired change in the rural, social and economic life. The author has also given an analysis of the financial and economic implications of land legislation in different States. The three chapters, "Land for the Tiller," "Size of Holdings" and "The Props of the System" will be of special interest to the reader as these deal with matters on which, in the final analysis, the success of agrarian legislation depends. In another chapter, the author discusses how some of the other Asian countries are tackling their own land problems and the working of the legislative reforms in these countries.

The "Indian Journal of Economics." Conference Number. Issued by the Department of Economics and Commerce, University of Allahabad. Price: Rs. 7.

The Conference Number of the *Indian Journal of Economics* is, as usual, replete with articles on several current economic topics. These are the reproduction of papers read by those who participated in the Thirty-fifth Conference of the Indian Economic Association, held at Trivandrum in December last. Broadly, the papers cover three important subjects, welfare economics, productivity in industries, and taxation. Special mention must be made of the interesting paper on "Productivity Comparisons in Indian Industry" by Dr. R. Balakrishna. In this paper, the author has made a lucid analysis of the productivity in the important industries of India. The analysis clearly reveals that some centres are persisting in manufacturing certain products which are uneconomical in the larger interests of the country, while other potential centres for future development of certain industries are being neglected. In the considered opinion of Dr. Balakrishna, regional specialisation should be encouraged as a principle of State policy on the basis of the relative differences in productivity among the manufacturing centres.



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PLASTICS INDUSTRY IN INDIA

CASE FOR REDUCTION IN IMPORT DUTIES

THE demand for reduction in tariffs on imports of raw materials for the manufacture of plastics was made by Mr. M. K. Ramchandani, Chairman of the Reception Committee, and Dr. K. A. Hamied, President of the All-India Plastics Manufacturers' Conference which met last week in Bombay. This demand is justifiable, because the heavy duty of 31¼ per cent. *ad valorem* on the main plastics raw materials has increased the cost of production, with the result that it has been found difficult to dispose of the manufactured plastics articles. The duty has virtually impaired the competitive capacity in the export market. Of course, the Government has now sponsored legislation providing for payment of drawback of import duty paid on raw materials contained in the manufactured goods exported abroad, by means of amendment to the Indian Sea Customs Act, 1878. This concession will, no doubt, be welcomed by the plastics industry, but it still remains to be said that this concession by itself will not provide much relief to the industry, for it depends, for selling the bulk of its manufactures, on the domestic market. Consequently, its demand for a drastic cut in duties on imports of its raw material still remains unfulfilled even after the Tariff Commission's recommendation to that effect. Its case merits the prompt attention of the Ministries of Finance and Commerce and Industry.

The plastics industry is yet in the adolescent stage. It is true that it is fairly developed in the manufacture of industrial and household plastics articles. But, unfortunately, there is hardly any development in the manufacture of moulds and machines as well as of synthetic resins. It may be argued that high tariffs would encourage private enterprise in these fields. But this argument is indefensible. High duties are justifiable only when it is possible to produce indigenously these raw materials, etc., needed for increasing the production of plastics goods. Few will deny the need to reduce the dependence of the Indian plastics industry on the West. It is true that it takes time to produce calcium carbide and methanol—the two important basic substances for the manufacture of various types of plastics—for increasing the production of phenol and the like.

Dealing with the production of raw materials for plastics, Dr. Hamied felt that India should try to utilise shellac, colophany, cashewnut shell oil and other products, as adjuncts to plastics, as they are found in abundance in India. He rightly urged the National Chemical Laboratory to undertake research on new synthetic plastic materials, and thus help produce plastic articles superior in quality to those of foreign countries with the use of these new raw materials.

A surprising feature of the Indian plastics industry is the consumption of polysterene among the thermoplastic materials because polysterene is the least suitable material for use in Indian conditions. First of all, it is very brittle, and secondly, it develops cracks on long exposure to sunlight. As such, all articles made of polysterene break easily. They, however, are in popular demand because of their bright colours and interesting designs. These considerations justify Dr. Hamied's critical comments on the use of polysterene. His advice to the Indian plastic industry to pay more attention to the use of thermoplastic resins such as polyethylene, P.V.C. and Acryl resins will, it is hoped, be considered by the industry. No doubt these are all costlier than polysterene and it is the cheapness of polysterene that has been responsible for its being consumed in large quantities. But a way should be found out to lessen their cost so that plastics goods may retain a strong grip on the domestic market. Here, the co-operation between industry and the National laboratories are most needed.

The field of manufacture of various industrial materials from the P.V.C. cellulose acetate and polyethylene is very great. To mention a few, there is increasing demand for it in the manufacture of artificial leather, rexine, sole leather for shoes, motor tyres, artificial wood for furniture like masonite, electrical goods, radio cases, batteries, acid-resisting equipment, ball bearings, refrigerator parts, packing materials for the cosmetics and pharmaceuticals industry and chemical products.

It is hard for the plastic industry to develop on sound lines in the absence of indigenous manufacture of moulds, injection and extruding machines. Dr. Hamied felt that some of the big engineering firms should take up the manufacture of these moulds and machineries. It is gratifying to learn that the Government of India has obtained the services of Mr. Robinson, an expert, who will visit the factories concerned and help in the manufacture of complicated moulds and other machines.

There are two important fields of activity in the sphere of production of plastic commodities. One is the manufacture of ordinary goods such as toys, household wares, etc., and the other is the production of industrial articles required by important industries, such as the manufacture of electrical goods, radio parts, telephones, packaging materials for pharmaceutical and other industries, aircraft tubings, etc. In the second field, there is a very great future for the plastics manufactures in India. Plastics materials are also increasingly replacing wood, metals, glass and ceramics. It is, therefore, up to the industry to develop this side of manufacture as much as possible and thus enlarge the valued activity of the industry.

INDO-IRAQI TRADE AGREEMENT

A trade agreement between India and Iraq was signed at Baghdad on the 6th inst., by His Excellency Dr. Dhia Ja'far, Minister of Economics, on behalf of the Royal Iraqi Government, and His Excellency Mr. Khub Chand, Envoy Extraordinary and Minister Plenipotentiary, on behalf of the Government of India. This is the first treaty authorised by King Faizal since his coronation. The agreement shall come into force shortly on a date to be fixed by the two Governments. It shall remain in force until 31st December, 1954, and for such successive periods as may be mutually agreed upon before its expiry. The schedule of exports from India includes the following items:

(i) Food and agriculture products like fruits, spices, tea, etc.; (ii) timber and related products, i.e., plywood and wood and timber; (iii) textiles, such as cotton piecegoods, jute manufactures, coir and coir manufactures, rayon piecegoods, woollen manufactures, etc., (iv) fibres and bristles, i.e., bristles and hair, and palmyra fibre; (v) rubber products like tyres and tubes; (vi) hides and skins and related products; (vii) ceramics, pottery, glassware, and allied products like tiles; (viii) art goods, handicrafts and jewellery; (ix) chemicals and related products like paints and varnishes, soap, toilet requisites, etc.; (x) coke; (xi) machinery and metal products, like agricultural machinery, diesel engines, electric fans, hurricane lanterns, sewing machines, etc.; (xii) iron and steel and other products; and (xiii) miscellaneous items like abrasives, belting, films, linoleum, etc.

The schedule of imports from Iraq provides for the following:

(i) Animals like horses and mules; (ii) cotton, long staple; (iii) dates; (iv) foodgrains like barley, millets, pulses, rice, wheat, etc.; (v) gallnuts; and (vi) hide and skins, light weight.

DUTIES ON PALM AND LINSEED OILS

The Government of India has reduced with effect from 12th inst. the import duty on palm oil to 10 per cent. *ad valorem* and abolished altogether the import duty on palm oil which is the produce or manufacture of a British colony. As a result, the standard rate of import duty on palm oil has been reduced from 43¾ per cent. *ad valorem* to 10 per cent., while the preferential rate on duty at 31¼ per cent. *ad valorem* on imports from a British colony has been altogether abolished. It has also brought the import of palm oil under licensing control. Palm oil has, therefore, been removed from the Open General Licence No. XXX with immediate effect. Pending the grant of separate licences for palm oil, all outstanding licences for the import of coconut oil will, at the option of the importer, be valid for the import of palm oil. Importers, who have already entered into firm commitments with overseas suppliers for import of palm oil are requested to furnish the Chief Controller of Imports and Exports, New Delhi, with details of their commitments and all documentary evidence in support thereof by 25th May, 1953, at the latest. They should also clearly indicate the extent to which their commitments can be met from their outstanding licences, if any, for coconut oil. The Government of India has also reduced with effect from 12th May export duty on linseed oil from Rs. 200 to Rs. 50 per ton and on linseed from Rs. 100 to Rs. 25 per ton.

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CONIDTIONS IN THE COIR INDUSTRY

SIGNIFICANT DECLINE IN EXPORTS

THE discussion on the conditions prevailing in the coir industry in Travancore-Cochin State in the House of the People, last week, provided an opportunity for Mr. T. T. Krishnamachari, Minister for Commerce and Industry, briefly to review the problems facing the industry and the attitude of the Centre towards them. The discussion was raised at the instance of Mr. P. T. Punnoose, a Communist member from Travancore-Cochin, who claimed that several lakhs of people including the 70,000 people in the coir mat and matting industry had been affected by the slump in the industry. He substantiated his statement by referring to the substantially low earnings of the industry in 1952-53, as compared with those in the previous two years. Thus, the value of exports, according to Mr. Punnoose, in 1952-53 amounted to Rs. 597 lakhs, as against Rs. 883 lakhs in 1951-52 and Rs. 814 lakhs in 1950-51. He said that Mr. Krishnamachari's statement in the House some time back that, as a result of improvement in the export position, and consequent measures to ease the situation, the conditions of the people engaged in the coir industry were better than in 1952 had been belied by the crisis facing the industry. He was of the considered opinion that "the overall picture was dark and bloomy as it was before."

Mr. Krishnamachari was glad that Mr. Punnoose had raised the problem to focus the attention of the public on the coir industry and that he was going to take advantage of it and see what could be done. He said that the Prime Minister had commissioned him to look after economic matters relating to Travancore-Cochin. He added that New Delhi was indeed very earnest to do what it could to Travancore-Cochin where the number of the educated public was the highest in India and unemployment was rife.

Decline in Prices

Continuing, Mr. Krishnamachari averred that Mr. Punnoose's reading of statistics was defective. He said that if the figures of 1947-48 were to be taken into account, the picture would be different. The years 1949-50 and 1950-51 were peak periods because of the Korean war. It must be recognised that there was a big demand for coir manufactured products and coir yarn during the Korean war. Some of the factories came into existence because of the boom. Naturally when the boom disappeared, the opportunity for shipping the same quantum of goods abroad also disappeared. The disappearance of the boom conditions, as was inevitable was followed by decline in prices. The declared value of coir manufacture in January, 1953 was Rs. 52-12-9 per cwt., as against Rs. 70-11-5 in the same month in 1952 and Rs. 76-14-0, in 1951. The decline in demand and price was not confined to the coir industry alone but all industries. It was predominant in the jute industry. The existing situation was, according to the Minister, the one which was not under the control of the Government. But the Government did not adopt, he said, any passive attitude towards the coir industry. In this connection, it may be said that the Government is moving in the right direction.

It is gratifying to note that the Government has called for a survey of every country to which exports of coir industry products could be made. We are told that reports have already been received from a number of countries including Ceylon, New Zealand, Pakistan, Iraq, Afghanistan, the U.K., Sweden, Finland, Denmark, Aden, the Philippines, Thailand, France, Italy, Greece, the U.S., Egypt, Yugoslavia, Transjordan, Malaya, Belgium, Canada, Iran, Germany, the Netherlands, Indonesia and Japan. It is stated that in Finland where there is a good market for Indian coir products, the currency position is not good. These reports may contain valuable information but unless this information is made available to the industry and unless action is taken to move out the goods, the industry can hardly be expected to overcome the crisis facing it to-day.

General U.S. imports in March, 1953, aggregated $1,018 million. This represents a sharp advance of 19 per cent. over February imports of $856 million, and falls only a little short of the record monthly total reached in December, 1952. Exports also increased in March. Shipments of domestic and foreign merchandise accounted for $1,388 million, a gain of 16 per cent. over the February total. Part of the expansion in March exports was due to shipments of supplies and equipment financed under the Mutual Security Programme. These shipments were about $60 million higher than those of February.

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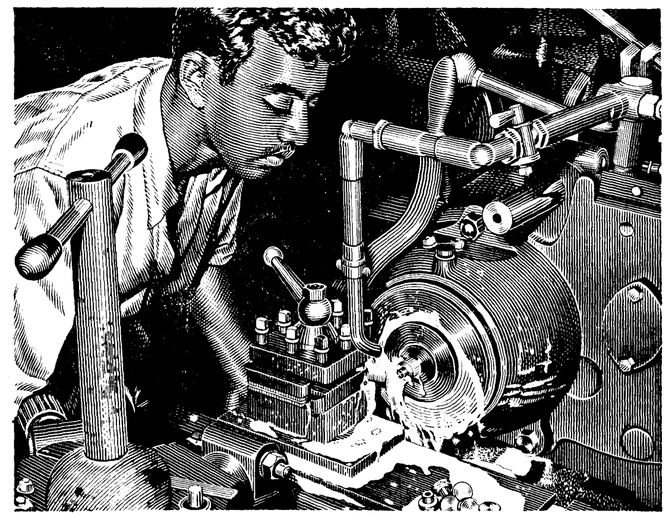

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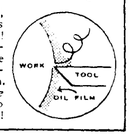

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PRICE SUPPORT POLICY IN U.S.

CAN IT SUCCEED AS A LONG-RANGE MEASURE?

THE economics of price supports to agricultural commodities, as provided in the United States, has been analysed in an article entitled "Toward a Solution of the Farm Problem" in one of the latest issues of the quarterly survey published by the Guaranty Trust of New York. It discloses the attitude of the new Administration towards such supports especially as a long-range farm policy. It is clear from the article that the new Administration defends price controls as a means not of circumventing the law of supply and demand but rather of cushioning some of its harsh impacts. In other words, it believes in a moderate and flexible farm-price support policy, as a form of insurance against disaster, even while recognising, in the long run, the open market as the only dependable equaliser of supply and demand. Whether it will be possible to devise such a policy, it is difficult to forecast, even according to the article. Anyway, price supports appear, for the time being, politically unavoidable, whether permanently feasible or not, it adds. The whole question of price supports is, therefore, complicated and deserves critical examination before seeking a long-range solution to the farm problem. The paragraphs below giving the various aspects of the price support policy make interesting reading.

In agricultural affairs the new Administration in the United States has one of the most troublesome of its "inherited" problems. It took office at a time when farm prices had been declining steadily for five months and irregularly for two years. Some people were beginning to fear that the recession might continue long enough to bring about a serious shrinkage in farm income and purchasing power. As has been usual under such conditions in recent years, the demand arose in certain quarters that the Government "do something" about it. In the face of this situation, the President and the Secretary of Agriculture have indicated their determination to move away from the rigid price supports and output controls of the recent past toward a regime of free enterprise and free markets for agriculture. In adhering to this basic philosophy they have shown a political courage and an economic sagacity that have won commendation from thoughtful students of agricultural economics, including the more far-seeing of the farmers' organisations. At the same time, they have been strongly criticised by some, in and out of Congress, who insist that farm prices be held at arbitrary levels without regard for ultimate consequences. The abuse directed at Secretary Benson by some Congressional "farm bloc" politicians suggests the sort of opposition that the Administration is likely to encounter in its efforts to shape a long-range national farm policy based on economic realities.

The part of Mr. Benson's position that aroused the ire of farm spokesmen in Congress was the assertion that "price supports should provide insurance against disaster to the farm-producing plant and help to stabilise national food supplies. But price supports which tend to prevent production shifts toward a balanced supply in terms of demand and which encourage uneconomic production and result in continuing heavy surpluses and subsidies should be avoided." In reply to those who would rely upon acreage allotments and marketing quotas to control farm output, the Secretary said: "We seek a minimum of restrictions on farm production and marketing to permit the maximum of dependence on free market prices as the best guides to production and consumption. Farmers should not be placed in a position of working for a free market."

Under Mr. Benson's programme, the mandatory price supports at 90 per cent. of parity on the so-called basic commodities for 1953 and 1954, as well as statutory supports on other farm products, "will be carried out faithfully in every respect." Meanwhile, however, "there will be formulated long-term programmes which will more fully and effectively accomplish our over-all objectives." All this is in line with the new Secretary's underlying belief that "it is doubtful if any man can be politically free who depends upon the State for sustenance. A completely planned and subsidised economy weakens initiative, discourages industry, destroys character, and demoralises the people.... The future of agriculture and the preservation of a sound economic system depend upon the vigorous re-emphasis of the principles, benefits, and values of private competitive enterprise." The details of the new Administration's farm policy are yet to be spelled out, but the main objectives are clear. First, a determined effort will be made to supplant temporising and dilatory measures with a definite, workable, long-range farm policy. Second, the aim of this policy will be to place less reliance upon price and production controls, and more upon free enterprise and free markets.

The last 20 years have brought large gains in farm income, but they have not brought a rational and consistent farm policy. In theory, price supports are contingent upon the acceptance by farmers of production controls that are supposed to take the place of free-market fluctuations in adjusting supply to demand. In practice, no one seems to have much faith in such controls. Nor has actual experience with them been encouraging. At least twice the Government has been "bailed out" of threatening situations of surplus by international events that unexpectedly caused world demand to soar abnormally, absorbing or reducing the accumulated surpluses. If output controls should fail to work over the long term, it would seem that the Government must eventually face the alternative of allowing the price-support system to break down or resorting to the mass destruction of surplus farm commodities. Even if the controls could be made to work, the natural tendency would be for one farm product after another to come under the controls until in the end the farmers would become virtually agents of Government, operating as directed for a schedule of fees, while the consumers paid the bill twice—once in the form of taxes and once in the form of arbitrary prices for a reduced supply of food and other products. Can the Secretary of Agriculture be fairly criticised for trying to lead the traditionally independent American farmer away from such a threat?

Since World War II, almost all pretence of working toward a sensible farm policy has been abandoned. The last gesture in that direction was made in 1948, when Congress passed a law replacing the rigid war-time price supports with a sliding scale adjusted to demand-supply relationships, ranging from 60 to 90 per cent. of parity for basic crops and with no specified minimum for most other farm products. That law has never been allowed to take effect. The flexible support schedules, originally due to go into operation in 1949 and 1950, have been postponed from year to year until now the 90 per cent. supports of war-time are to continue through 1954, nine years after the war.

Among the critics of this state of affairs, some have maintained that, in the long run, the interests of the farmer, as well as the general public, would be best served by liquidating the whole price support and output control programme and allowing agriculture to resume its former independent and competitive status. Others, like Secretary Benson, have held that supports are defensible, not as a means of circumventing the law of supply and demand but rather of cushioning its sometimes harsh impacts. This latter view is usually based on the argument that farm products are subject to an exceptionally inelastic demand—a demand that responds only slowly and to a limited extent to changes in price. Most farm products are used in the form of food, clothing, and other necessities that people must have from day to day, whether cheap or dear. The same is largely true on the side of supply. It has been said that "farming is not only a business but a way of life." Most farmers are neither financially nor technically able to suspend or curtail operations and turn to other pursuits at times of low returns. They are small operators and have no substantial reserves to enable them to ride out a squall of bad economic weather. Within limits, they can shift from some products to others, but as long as they remain farmers they must produce farm products, and produce as much as possible. Moreover, their productivity is subject to climate, insect damage, plant and animal diseases, and other factors that have no relation to demand or price.

The result is that farm products can and sometimes do undergo wide price swings before their supply-demand position is much affected. Price fluctuations in farm products are almost invariably more pronounced than those in non-agricultural commodities. Thus farmers are subject to exceptional business risks, although they are among the producing groups least able to withstand financial adversity. These sharp "ups and downs" in agriculture are of grave concern to the economy as a whole, as well as to the farmers themselves. The farm population is one of the largest groups of consumers, and a severe decline in farm income necessarily limits the market for goods and services of all kinds and thus reduces the incomes of other groups. If such declines can be cushioned without destroying the market mechanisms by which adjustments must be made, general economic stability can be promoted and unnecessary hardship avoided. Such is the reasoning of those who believe in moderate and flexible farm-price supports as a form of "disaster insurance," even while recognising that in the long run the open market is the only dependable equaliser of demand and supply. Whether it will prove possible to devise such supports and at the same time leave enough market freedom to avoid regimentation on the one hand and economic breakdown on the other, the future must determine. For the time being, supports seem politically unavoidable, whether permanently feasible or not.

It will be unfortunate if the moderate dip in farm prices is allowed to distort the perspective in which the nation is preparing to survey the future of agriculture. A parity ratio of 95 per cent. (the actual ratio on 15th January) is no cause for alarm. It is the ratio that existed in early 1950, a few months before the outbreak of fighting in Korea. It is well above the 90 per cent. support level for basic products. Only in comparison with the abnormal figures of the war and post-war years does it appear low. Wider swings than this will have to be tolerated if American agriculture is to escape regimentation. The authorities now entrusted with the task of seeking a long-range solution to the farm problem need and deserve better treatment than to be sniped at by those who refuse to look beyond the horizon of to-day's market quotations.

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WHAT IS AN ADEQUATE GOLD RESERVE?

SAFETY LEVEL NOT YET REACHED

(By PAUL BAREAU)

WHEN the problem of moving towards convertibility and freer trade is considered in Britain, voices are certain to be heard suggesting moderation and restraint in the speed of advance. The burden of their advice is "no irrevocable commitments or decisions until the gold reserve is considerably larger than it is at present."

What is an "adequate" gold reserve? At present, it stands at over $2,100 million. How does this compare with earlier totals? If we go back to 1914 and the immediately preceding era, we find that the Bank of England ran the gold standard with a reserve which seldom exceeded the equivalent of $200 million and was normally within the range of $100 million to $150 million. In those days, sterling was wholly free, being available to make payments for any purpose in any part of the world. No one called it convertible, because even the possibility of its inconvertibility never entered anyone's mind. The Bank of England in those days carried the responsibility of maintaining the pound anchored to its gold parity. It carried an even greater responsibility—that of maintaining the whole gold standard system in reasonable balance—for, without any question, it was sterling which in those days provided the real medium of international exchange and finance. The world in the early years of this century may have appeared to be on the gold standard; in fact, it was on the sterling standard.

If a reserve of no more than $200 million was sufficient to provide the apex of this enormous inverted pyramid of credit and international payments, why should a reserve 10 times that size be deemed insufficient to-day to underpin the convertibility of sterling? There are many answers to that question. The first, which does not advance the argument very far, is that world prices have risen considerably since 1914 and that, consequently, it needs larger reserves to underpin credit and currency. Another is that, in 1914, the gold in the Bank of England was only part of Britain's reserve. The other, and larger part was actually carried in the pockets of the people. A more important answer to this question is that, in 1914, the whole world was, on balance, indebted to London. Britain's reserves were, in large part, represented by the money owed to the United Kingdom banks by the rest of the world. A slight pull on the Bank rate lever was enough to send remittances and gold scampering back to London from every quarter of the globe. Those were the days when it used to be said that "a seven per cent. Bank rate will draw gold from the North Pole."

Even more important was the fact that, in those days, the world, thanks in part to the wise and restrained commercial policy of Britain, was in reasonable economic equilibrium. Year by year Britain earned a surplus on its current trading account; but those surpluses were wisely invested abroad. There was no talk of a sterling gap, despite the fact that Britain was the world's greatest creditor and exporting country.

Much has happened since then. Britain's creditor position is no longer there to cushion the impact of seasonal swings in the balance of payments. A lot of the valuable stuffing in that cushion—in the form of overseas investments—was sold to pay for victory in two world wars. The world, moreover, has got out of its former balance. There is no longer that natural equilibrium of trade and payments which made it possible to operate a system of international currencies and payments with a small gold reserve. The "swings" to-day are bigger, both on normal commercial account and also because they are accentuated by speculative movements.

The size of these "swings" is well illustrated by the recent fluctuations in Britain's gold reserves. By the end of the third quarter of 1949, soon after the devaluation of sterling in September that year, the reserve stood at $1,425 million. It rose continuously throughout 1950 and, under the impact of the Korean boom in Sterling Area commodities, it reached a peak of $3,865 million by mid-summer 1951. Then began a collapse which carried the reserve down to $1,685 million by mid-summer 1952. Since then it has recovered to over $2,100 million. In the light of these wide fluctuations, it is hardly surprising that a reserve of the present level should still be regarded as inadequate.

The adequacy of the reserve should also be judged in the turnover of payments it has to underpin. The existing reserve of just over $2,000 million has to lubricate an annual turnover of sterling trade of between $25,000 million and $30,000 million. This reserve may be in United Kingdom ownership, but it has to serve the needs of the whole Sterling Area.

Another point to be taken into consideration is that Britain's reserve must be strong enough to take the impact of substantial external debt payments. Once a year, Britain has to pay the United States and Canada about $130 million to cover the service on the moneys borrowed immediately after the end of the war. These funds, amounting to over $5,000 million, were used to pay for essential imports urgently needed, while Britain was slowly trying to regain the export trade that had been thrown to the winds during the war. There is little in the way of concrete reproductive assets to show for the outlay of these dollars—only a reconversion to peacetime economy a little smoother, less disturbed by political and social friction than might otherwise have occurred. These debts do not earn their keep; but they have to be repaid and they absorb every year as many dollars as are earned by about three months' exports from Britain to North America.

Taking all these factors into account, it is not surprising that the dimensions of the reserve should haunt those who are responsible for the conduct of Britain's monetary affairs. This reserve has recently been climbing up. But even at the recent satisfactory rate of progress, it would take a long time for it to reach a reasonable safety level of, say, $6,000 million.



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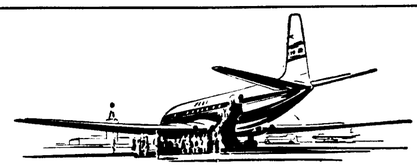

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PROFIT OF KIL KOTAGIRI TEA AND COFFEE SHRINKS

DIVIDEND, HOWEVER, MAINTAINED

A DECLINE of a little over 25 per cent. in tea crop harvested and a sharp rise of 40 per cent. in the cost of production are the two main factors which have been responsible for the recession in the earnings of the Kil Kotagiri Tea and Coffee Co., Ltd. (Managing Agents and Secretaries: Messrs. Peirce Leslie & Co., Ltd. Kozhikode, Malabar), for the year ended 31st October, 1952. The Company's gross profit shows a fall from the record one of Rs. 4.88 lakhs for the previous year to Rs. 3.93 lakhs. The decline would have been much sharper but for several favourable factors, namely, (1) the average price realised has not suffered a decline—in fact, it is a fraction better—in refreshing contrast to the general experience; (2) the coffee crop harvested in the Company's coffee estates is substantially higher; and (3) the price realised for coffee has gone up sharply. Despite the recession in earnings noted above, the Directors have been able to maintain the dividend at the attractive level of 30 per cent. paid for the previous year on its enhanced capital (the capital, it may be recalled, was doubled by the capitalisation of a part of the reserves), after transferring a sum of Rs. 1.66 lakhs to the general reserve. This has been possible because of the sizable sum of Rs. 1.67 lakhs brought in from the previous year.

The outturn of tea from the Company's estate is lower at 2.57 lakh lbs., as compared with 3.44 lakh lbs. for the previous year, and is much below the anticipated crop of 3.50 lakh lbs. The cost of production of tea also has belied expectations. As against an anticipated cost of 95.91 cents per lb. (as compared with 97.56 cents per lb. actually incurred in 1950-51) the cost has gone up to 137.07 cents per lb. in 1951-52. The one redeeming feature of the sale of the Company's tea is that the average price realised at 217.05 cents per lb. compares favourably with 216.46 cents realised in the previous year. The effect of the lower crop and higher cost of production has been offset to a large extent by the higher coffee crop which shows an increase from 174 cwts. to 654 cwts.—thus reversing the downward trend noted in the previous two years—and the higher price realised for coffee, which has advanced from Rs. 178.8 per cwt. to Rs. 213.2 per cwt.

The salient features of the Company's results of working for the year under review are set out in the following table against the background of those for the previous three years.

	For the year ended 31st October			
	1952	1951	1950	1949
	Rs.	Rs.	Rs.	Rs.
Sale proceeds of—				
Tea	5,63,173	6,29,223	6,25,962	4,76,377
Coffee	1,40,162	34,482	44,545	1,26,438
Stocks of tea (since sold)	1,03,226	2,10,806	63,410	1,23,518
Tea estate expenditure ..	3,52,555	3,36,013	3,08,236	2,98,581
Coffee estate expenditure ..	61,465	42,051	51,567	53,577
Gross profit ..	3,92,911	4,87,899	3,74,261	3,74,963
Managing agents' commission	21,512	28,088	21,849	18,402
Depreciation	39,893	39,214	38,436	35,334
Taxation	64,000	89,000	60,000	51,000
To reserve	1,66,292	..	4,25,000	1,00,000
Dividend—				
6% preference	15,000	15,000	15,000	13,750
Ordinary ..	1,50,000	1,50,000	25,000	25,000
	(30%)	(30%)	(10%)	(10%)
Carry forward	79,174	1,66,665	35,273	1,73,109
Tea crop (in lbs.) ..	2,57,200	3,44,400	2,86,000	3,06,600
Cost per lb. (in cents) ..	137.07	97.56	107.77	97.37
Average price realised per lb. (in cents) ..	217.05	216.46	206.92	171.72
Coffee crop (in cwts.) ..	654	174	262	840
Value per cwt. .. Rs.	213.2	178.8	169.1	145.3

The Company's dividend record makes pleasant reading. It paid a maiden dividend of 10 per cent. for the second year of its working, that is for 1948-49, and this was repeated for the next year. It was stepped up to 30 per cent. for 1950-51 on a capital which was doubled immediately after the close of the year and has been maintained for the year under review. Thus, the dividends for each of the two years 1950-51 and 1951-52 represent 60 per cent. on the original ordinary capital of the Company.

The Company's financial position is satisfactory. The paid-up capital of Rs. 7.50 lakhs is supplemented by reserves and surplus aggregating Rs. 5.04 lakhs. Early in the year under review, the Directors capitalised a sum of Rs. 2.50 lakhs from out of the capital reserve (Rs. 33,708) and the general reserve (Rs. 1,66,292). This capitalisation wiped out the entire capital reserve and brought down the general reserve from Rs. 4.25 lakhs to Rs. 2.59 lakhs. With the addition of a sum of Rs. 1.66 lakhs from out of the profit for the year under review, the general reserve has been restored to Rs. 4.25 lakhs. The gross block of the value of Rs. 12.62 lakhs has been written down to Rs. 10.94 lakhs. During the year, a sum of Rs. 39,193 has been incurred on staff and labour quarters, extensions to office building, additional machinery and development of immature tea. The current assets, amounting to Rs. 6.46 lakhs, adequately cover the current liabilities at Rs. 4.86 lakhs, including the provision for taxation of Rs. 2.78 lakhs.

The output of tea for the 1952-53 season is estimated at 3.50 lakh lbs. to be harvested at a cost of 88.32 cents per lb. f.o.b. The coffee crop is estimated at 200 cwts.

TRAVANCORE RAYONS REDUCE ARREARS OF PREFERENCE DIVIDEND

The unfavourable market conditions experienced during the past year have had an adverse effect on the working of Travancore Rayons Ltd. [Managing Agents: Messrs. Emcete and Sons (Travancore) Ltd., Rayonpuram, Travancore-Cochin State]. The Company's accounts for the year ended 31st December, 1952, disclose a fall of Rs. 24.76 lakhs, that is from Rs. 42.23 lakhs in 1951 to Rs. 17.47 lakhs, in its gross profit. After providing Rs. 66,485 as against Rs. 97,552 in the previous year for managing agency commission and making a substantially lower provision of Rs. 12.45 lakhs for depreciation, as compared with Rs. 33.26 lakhs, the net profit, at Rs. 4.35 lakhs, falls short of that (Rs. 9 lakhs) for 1951, by Rs. 3.65 lakhs. In providing a lower figure for depreciation, the Directors have taken into account the excess provision made in the previous year. The rate adopted for 1952 is, according to the Directors, 10 per cent. on plant and machinery and 5 per cent. on all buildings, both based on original cost, and these rates are considered sufficient by the Directors. The net profit, together with the undistributed surplus of Rs. 4.93 lakhs brought in from the previous year, has enabled the Directors to reduce the arrears of dividend (5 per cent.) on the preference shares which had fallen due from the inception of the Company, that is 1946. The Directors have decided to pay off the dividends on the preference shares for the three years 1946, 1947 and 1948, which take up Rs. 6.94 lakhs, leaving to be carried forward Rs. 2.35 lakhs. Thus, the Company is still in arrears of preference dividend for four years more.

The Company, it may be recalled, commenced production of transparent paper in December, 1949, and rayon yarn in August, 1950. During the first half of 1951 the Company's business was brisk and profit quite encouraging. But, unfortunately, the market for rayon yarn became difficult in the second half of 1951. With the fall in price of rayon yarn and transparent paper, following the easing of the raw materials position, and the liberal import policy adopted by the Government of India, the sale of the Company's products became unremunerative. These conditions witnessed no change for the better during 1952. And, if anything, they were worse, resulting in a shrinkage of profit as aforesaid. The following observations of Directors bring out clearly the market conditions in 1952:

"Mention was made in last year's report about the unfavourable market conditions. The same conditions prevailed in 1952 also and in a more severe form. The price of yarn and paper touched still lower levels and our stocks were fast accumulating with little or no demand in the market. Approaches to the Government of India were made and, as a result of continued representations, the Government of India were kind enough to realise the damage done to the trade by their free import policy and also putting a competitor—staple fibre—on the O.G.L. The import policy of the Government of India with regard to rayon yarn and transparent paper was revised in the second half of 1952 and with the help so timely accorded by the Government, prospects of revival seemed to be apparent, and by the third quarter of 1952 we were already beginning to feel the beneficial effects. The Directors are glad to inform the shareholders that the Government of India have decided to continue their policy of restricted imports during the first half of 1953 also. The rayon section was working throughout the year. The transparent paper section was shut-down on 6th February, 1952, and reopened on 3rd October, 1952. The shut-down was necessitated owing to very little response from the market and consequent heavy accumulation of stocks."

The following is a summary of the Company's latest balance-sheet:

Liabilities	Rs.	Assets	Rs.
Capital ..	1,49,91,720	Gross block ..	2,67,67,573
Reserves and surplus ..	5,59,553	*Less*—Depreciation ..	53,91,774
Liabilities ..	1,41,94,363	Net block ..	2,13,75,799
		Stock ..	68,97,465
		Stores, spares, etc. ..	9,41,685
		Debts, deposits and advances ..	4,44,017
		Cash ..	86,670
Rs.	2,97,45,636	Rs.	2,97,45,636

SHREE NIWAS COTTON MILLS LTD.

SETBACK IN RESULTS FOR 1952

THE recommendation of the Directors of the Shree Niwas Cotton Mills Ltd. [Managing Agents: The Marwar Textile (Agency) Ltd., Bombay] to reduce the dividend on the Company's ordinary shares for the year ended 31st December, 1952, from 17½ per cent. paid for 1951 to 12½ per cent., follows the drastic fall in the Company's earnings for the past year. Though the rate of dividend is thus brought on a par with that paid for 1949, the dividend for 1952 represents 15⅝ per cent. of the paid-up capital that existed in 1949. The Company's paid-up ordinary capital was enhanced from Rs. 48 lakhs to Rs. 60 lakhs in February, 1951, and the dividends for the year 1950 and the subsequent two years are on the increased capital of Rs. 60 lakhs. The Company's gross profit for the year under review amounts to Rs. 23.24 lakhs, representing a contraction of over 64.6 per cent. from Rs. 65.68 lakhs earned in the previous year. The net profit shows a fall from Rs. 31.98 lakhs to Rs. 7.94 lakhs, that is by 75.2 per cent. Consequent on this sharp decline in earnings, the Directors have not been able to place any sum to the reserves, to which as large a sum as Rs. 22 lakhs was added last year.

The results of the Company's working were adversely affected, as indicated in the foregoing paragraph, by the substantial fall in the prices of foreign cotton, especially that of East African. The Company had a big quota of East African cotton which was allotted at the bulk prices fixed by the Government, over which the Directors had no control. There was also an appreciable rise in the cost of manufacturing due to various other factors, which combined with the recession in cloth prices, brought down the profit margin substantially.

The followinig table clearly brings out how the results have been affected during the year under review, as compared with those for the preceding three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Sale proceeds	362.81	401.92	232.63	297.52
Stocks	119.04	114.85	125.67	68.84
Expenses*	340.07	346.72	257.69	271.42
Gross profit ..	23.24	65.68	40.46	35.68
Managing Agents' remuneration	2.90	8.21	5.06	4.46
Provision for—				
Depreciation	9.97	7.49	4.41	2.66
Taxation	2.50	18.00	12.50	14.00
Net profit	7.87	31.98	18.49	14.56
To reserves	..	22.00	9.00	12.00
Dividends—				
4 per cent. preference ..	0.19	0.19	0.19	0.19
Ordinary	7.50 (12½%)	10.50 (17½%)	8.40 (14%)†	6.00 (12½%)
Carry forward	3.44	3.19	3.10	2.71

* Approximate only.
† On the capital of Rs. 60 lakhs raised in February, 1951, by the capitalisation of reserves.

The reduction in the amounts provided for Managing Agents' commission and taxation is only in consonance with the decline in the gross profit. The provision for depreciation has, however, been raised in view of the substantial addition made to the block account during the year. The amount set apart for this purpose has steadily gone up in the last three years, as a result of the modernisation programme undertaken by the Company a few years ago and in which considerable progress has been made.

The Company's financial position is quite satisfactory. The paid-up capital as at the end of the year under review amounts to Rs. 64.80 lakhs, made up of a preference (4 per cent.) capital of Rs. 4.80 lakhs and ordinary capital of Rs. 60 lakhs. Out of the latter, as much as Rs. 36 lakhs has been raised by the capitalisation of reserves, twice in the history of the Company, once in March, 1948 when a sum of Rs. 24 lakhs was thus capitalised and the other in February, 1951, when Rs. 12 lakhs was transferred to the capital account. Despite these capitalisations, the reserves and surplus as at the end of 1952 stand at Rs. 67.64 lakhs, of which general reserve alone accounts for Rs. 39.70 lakhs. Current liabilities, including provision for taxation, aggregate Rs. 62.40 lakhs. Of these, loans from banks, secured by the liquid assets of the Company, amount to Rs. 20.65 lakhs, these having gone up from Rs. 2.69 lakhs at the end of 1951, evidently due to the high price at which cotton had to be purchased. The gross block of the value of Rs. 81.84 lakhs, including the additions to the land, building and machinery during the year to the extent of Rs. 8.68 lakhs, has been written down to Rs. 42 lakhs, that is by nearly 50 per cent. Current assets amount to Rs. 152.93 lakhs, thus providing cover to the current liabilities by a wide margin of Rs. 90.45 lakhs.

Points From The Chair

Imports of Components and Raw Materials

"IT is with regret that I have to report that even with the election of a popular Ministry, the biggest hindrance to the rapid expansion of industries in the country, namely, procedural delays in grant of licences and permits, remained unchanged. Delays of three to four months, on the grounds of policy not being settled, in the matter of import licences for components and raw materials appeared to be quite normal in the year. What was worse, the same delays crept into the applications for consumable stores and raw materials. There is no more effective bar to production than an insecure supply line and with the best efforts of the Company, economic production will not be possible, if supplies are not sustained. Your Company has more than once put forward the plea that in the matter of import licences for industries there should be a continuity of policy to enable balanced shipments of components and raw materials. The total value of the imports may be adjusted as Government think fit, depending upon the production of the unit applying for licences and the exchange position of the country, but licences should be with the producers every succeeding half-year without a break. Although, in principle, this has been agreed to, it has still to be seen in practice and policy decisions, have not materially been speeded up. We sincerely hope that procedures for grant of licences to industries will be thoroughly revised to prevent discontinuities in future."

S. K. SEN,
Sen-Raleigh Industries of India, Ltd.

Problem of Tackling Road Accidents

"The challenge, which was thrown out by H. R. H. The Duke of Edinburgh some months ago, when he urged the various organisations concerned with road safety to combine and tackle the problem of accident prevention, has been taken up with vigour. We, in company with other insurers, are co-operating in this new approach to what is a matter of national concern. We hope that, by these efforts, all road users will be brought to a greater realisation of the need for still more care on their part and that some reduction may be made in the number and severity of road casualties. A real measure of success will then have been achieved, which should be reflected in our own results. In most other parts of the world, the experience of motor business has again been generally unsatisfactory. It is clear that it is becoming ever more necessary, in all countries, to face the whole question of the provision of rates for motor insurance which are adequate to allow insurers to count on a modest profit over the years. The best solution of all would, of course, be a generally higher standard of driving."

THE RT. HON. LORD COURTAULD-THOMSON,
Employers' Liability Assurance Corporation Ltd.

Prospects for Natural Rubber

"While the present and near future outlook for the industry is obscured by the policies adopted by the U.S. Government and the Governments of the producing territories, the more distant outlook is promising. The consumption of rubber has been increasing steadily, and the development of new uses, together with increased consumption in established uses, suggests that by the end of this decade the total demand for rubber may be in excess of the existing productive capacity for both natural and synthetic rubber. So far as the natural rubber producing industry is concerned, if we were unhindered by Governmental action, there is little doubt we could make ourselves more than competitive with synthetic rubber by making use of the results which are being achieved by our research efforts in developing higher-yielding material. The higher yields which will be obtainable on the plantations will not only permit us to meet free and unsubsidised competition from the synthetic rubber industry but will also enable us to continue to play our part, as we have done in the past, in providing our labour with the highest standard of living in South-East Asia."

SIR SYDNEY PALMER,
Rubber Growers' Association Inc.

Insurance Funds for Industrial Activity

"Turning to the third point (making available insurance funds for supporting industrial activity), the simple answer is that an insurance company is a trustee for its policyholders, who, if they are holders of life or annuity policies, very rightly regard their money as being in safe keeping, or, if they are policyholders of any other description, expect that the necessary money will be available to meet their claims for loss by fire, accident or any other insured contingency. They would surely not then wish their insurance company to speculate with the premiums, which, in absolute and complete confidence, they have paid. But I will not leave matters there. The fact is that insurance companies do provide, directly, such risk capital as the dictates of prudence and duty may allow and whilst they frequently feel obliged to leave it to others—better suited to do so—to provide the capital for experimental or speculative activities, they often assist indirectly to this end also by providing loan capital on a considerable scale."

RUNDOLPHE E. F. DE TRAFFORD,
Atlas Assurance Co., Ltd.

(*Concluded from page* 896)

150,000 tons per annum. From the nutritional point of view, increased consumption of sugar is of a vital necessity to India. The quantity of sugar required for direct consumption thus comes to 1.5 million tons. This, together with the quantity of 30,000 tons required by the confectionery industry and 15,000 tons by other industries, will bring the aggregate of annual consumption of sugar in India to 1.55 million tons. This figure, of course, excludes the quantity needed for export.

In view of the foregoing factors, Mr. Mitra warns against any attempt at restricting sugar output. In fact, he urges the Government of India to issue licences liberally for the expansion of the existing units, as well as for the erection of new units in States like West Bengal, Madras, Bombay and Mysore. He also emphasises, at the same time, that expansion of the existing factories or erection of new ones should not be permitted in Uttar Pradesh and Bihar, where the sugar industry has already been over-concentrated. This is in line with what is being urged by sugar experts in the country.

SUGAR STOCKS AT JUBBULPORE

A Press report from Jubbulpore states that as much as 16,000 bags of sugar worth Rs. 15 lakhs have been lying unsold in the Government godowns for the past one year. This stock of sugar, it is reported, was indented at the time when sugar had been controlled and when it was being sold to consumers through Government-controlled fair price shops. But, after sugar was decontrolled, the market was flooded with sugar imported by private business men. As a result of keen rivalry among these importers, prices of sugar came down and it became easily available to consumers in free market. The price of sugar in fair price shops is As. 14-6 per seer, as against As. 12 in the free market. This resulted in the stock-piling of sugar in the Government godown, as the fair-price shopkeepers ceased to indent. The quality of sugar in the Government godowns, according to the report, is fast deteriorating and the quantity is also being affected on account of rodent activities. The interest on the amount locked up in sugar is also mounting up daily and the godown rent and other incidental charges are also being added to the capital invested.

PALM "GUR" IN RAJASTHAN

Over 4,500 maunds of palm *gur* worth Rs. 91,000 was prepared from 40,000 palm trees in Rajasthan during the last four years, according to a recent report of the Rajasthan Palm *Gur* Organiser. It is estimated that 40,000 people can find gainful employment, if the 20 lakh palm trees in Jaipur, Kotah and Udaipur Divisions of the State are further exploited for preparing palm *gur*. The average income of a person engaged in the palm *gur* industry in Rajasthan is Rs. 2-8 per day. The industry also offers good scope for employment to the people of scarcity-stricken areas. Already, 400 of the trained personnel are earning their independent livelihood from the industry. The Government of Rajasthan has been running 26 palm *gur* centres since the last four years, of which one is experimental, 10 educational and 15 production centres where 500 people have already received necessary training.

SUGAR PRODUCTION AND STOCKS

The total production and despatches of sugar during the current (1952-53) season amounted to 1,215,900 and 689,712 tons, respectively, as against the corresponding figures of 1,269,213 and 524,729 tons in the previous season.

The opening stocks, production, despatches and closing stock of sugar during the fortnight ended 15th April, 1953, were 927,216, 89,410, 60,088 and 956,538 tons, respectively. The figures for the corresponding fortnight of the previous season were 795,081, 91,214, 46,929 and 829,996 tons. Figures for the current fortnight relate to 127 factories representing 94.36 per cent. of the total cane-crushing capacity, while those for the previous year relate to 122 factories representing 90.18 per cent. of the total cane-crushing capacity.

Notices

THE SIMPLEX MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Transfer Books of the Company will be closed from the 15th June, 1953, to the 29th June, 1953, both days inclusive.

Shareholders are requested to notify immediately any change in address to the undersigned.

By Order of the Board,
FORBES, FORBES CAMPBELL & CO., LTD.,
Agents.

FORBES BUILDING,
HOME STREET, FORT,
BOMBAY, 9*th May*, 1953.

THE JAY SHREE TEA GARDENS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventh Ordinary General Meeting of the shareholders of the Company will be held at the Registered Office of the Company at 8, Royal Exchange Place, Calcutta, on Tuesday the 23rd June, 1953, at 3.00 p.m.,

(*a*) to receive and pass the Directors' Report and audited accounts for the year ended 31st December, 1952;

(*b*) to declare dividend on Ordinary shares, which is payable on application, to the shareholders, when declared;

(*c*) to elect Directors;

(*d*) to appoint Auditors for the current year and to fix their remuneration, and

(*e*) to transact any other business which may be brought forward with the permission of the Chairman.

The Share Transfer Register will be closed from 28th May, 1953, to 23rd June, 1953, both days inclusive.

By Order of the Directors,
BIRLA BROTHERS LTD.,
Managing Agents.

8, ROYAL EXCHANGE PLACE,
CALCUTTA, 6*th May*, 1953.

Note.—Dividend, if declared, will be payable on or after 9th July, 1953.

THE JAY SHREE TEA GARDENS LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at 8, Royal Exchange Place, Calcutta, on Tuesday the 23rd June, 1953, at 3.15 p.m., to consider and if thought fit to pass with or without modification the following Resolution to be proposed as a Special Resolution:—

"RESOLVED that the Managing Agents shall be remunerated by a Commission of 10 per cent. of the nett profits of the Company as provided for in Clause 146 (ii) (b) of the Articles of Association of the Company effective from 1st January, 1935, in addition to an allowance of Rs. 1,000 per month already sanctioned at an Extraordinary General Meeting of the shareholders held on 29th October, 1946."

By Order of the Directors,
BIRLA BROTHERS LTD.,
Managing Agents.

8, ROYAL EXCHANGE PLACE,
CALCUTTA, 6*th May*, 1953.

THE MODERN MILLS, LIMITED

NOTICE OF 12th DIVIDEND

NOTICE IS HEREBY GIVEN THAT A Dividend of Rs. 5 per share of Rs. 50 free of income-tax, for the year ended 31st October, 1952, sanctioned by the Shareholders at the Nineteenth Ordinary General Meeting held on the 8th May, 1953, is made payable at the Registered Office of the Company on and after Monday the 18th May, 1953, between 12 noon and 3 p.m. on week days, other than Saturdays, and between 12 noon and 1-30 p.m. on Saturdays, to those shareholders whose names stood on the Register of Members on the 18th April, 1953.

By Order of the Board,
N. SIRUR & Co., LTD.,
Managing Agents,
V. N. CHANDAVARKAR,
Managing Director.

Registered Office:
TEMPLE BAR BUILDING,
70, FORBES STREET, FORT,
BOMBAY, 8*th May*, 1953.

SHARP FALL IN PROFIT OF GONDALPARA JUTE MILL

POOR RESULTS OF TWO DUNCAN GROUP TEA COMPANIES

Societe Generale Industrielle De Chandernagor (Gondalpara Mill)

THE directors of the above Company (Managing Agents: Messrs. Gillanders Arbuthnot & Co. Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1952.

In accordance with the Indian Jute Mills Association's main and supplementary working time agreements the Mill worked 48 hours per week with 12½ per cent. of the looms sealed up to 31st March, 1952, and thereafter 42½ hours per week were worked with 12½ per cent. looms sealed.

Raw jute was in fairly plentiful supply during the year, at gradually declining rates. Prices for manufactured goods, however, were generally unremunerative, and this is reflected in the comparatively poor trading results for the year. The export duty on sacking goods was reduced by Rs. 95 per ton as from 28th February, 1953. but this has so far failed to stimulate demand.

Jute in stock and process has been taken into account at rates corresponding with forward sales of manufactured goods, and manufactured goods have been taken into account at contract rates.

In view of the difficult conditions prevailing during the year under review, the agents have waived the sum of Rs. 1,50,000 from the commission due to them by the Company. The result of the year's working is a profit of Rs. 63,630 (Rs. 10,97,729) to which is added post-war refund of excess profits tax Rs. 86,661 (*nil*) and excess reserve for loss in weight in jute made in previous years written back Rs. 1,57,540 (*nil*) making a total of Rs. 3,07,831 (Rs. 10,97,729). From this sum is deducted provision against contingent loss on forward jute purchases Rs. 83,794 (*nil*) leaving a balance of Rs. 2,24,037 (Rs. 10,97,729). Adding the credit balance brought forward from previous year Rs. 25,156 (Rs.19,139), there is an available sum of Rs. 2,49,193 (Rs. 6,24,156 after deducting a sum of Rs. 5,00,287 for reserve for income-tax). The directors recommend that this should be disposed of as follows:—

Pay a dividend at the rate of 10 (30) per cent. per annum (or say Rs. 30 (Rs. 90) per share) without any deduction in respect of income-tax payable by the Company Rs. 1,08,000 (Rs. 3,24,000), transfer to depreciation reserve Rs. 1,00,000 (Rs. 1,75,000), and carry forward to next year Rs. 41,193 (Rs. 25,156).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,80,000	Block ...	21,66,248
Debentures ...	1,800	Stocks ...	14,02,386
Reserves ...	28,83,794	Stores, etc. ...	6,00,928
Provision for taxation ...	2,57,066	Debts, deposits and advances ...	14,79,203
Liabilities ...	14,52,721	Investments ...	1,42,543
Profit and loss account ...	2,49,193	Cash ...	1,33,266
Rs.	59,24,574	Rs.	59,24,574

Poobong Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The accounts disclose a loss of Rs. 55,548 (Rs. 13,268). On transfer of this sum to profit and loss account and after sundry adjustments, including a transfer of Rs. 27,000 from Reserve account, there is a balance at credit of that account amounting to Rs. 335 (Rs. 27,013).

Despite the improvement in the selling price, the results of the season's working are disappointing owing to the high cost of statutory concessions to labour combined with the lower crop consequent on finer plucking and damage by insect pests.

Crop weighed out at 2,237 maunds as compared with 2,684 maunds in 1951 and the average selling price was Re. 1-13-7 per lb. as against Re. 1-12-7 per lb. in the previous year.

Estimates for 1953 provide for a crop of 2,200 (2,500) maunds for an outlay of Rs. 3,08,340 (Rs. 4,34,367) including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	2,85,000
Reserves ...	3,17,301	Stock ...	40,342
Provision for taxation ...	16,996	Tea sales receivable ...	1,13,863
Liabilities ...	28,223	Advances and deposits ...	30,429
Profit and loss account ...	335	Investments ...	93,370
		Cash ...	99,851
Rs.	6,62,855	Rs.	6,62,855

Runglee Rungliot Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The accounts disclose a profit of Rs. 75,520 (Rs. 88,622). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of that account amounting to Rs. 75,096 (Rs. 91,520), out of which the directors have transferred Rs. 5,000 (Rs. 5,000) to hail reserve. Rs. 12,379 (Rs. 15,000) to buildings and machinery reserve and Rs. 15,000 (Rs. 15,000) to staff pension reserve. The directors have proposed to pay a dividend of 17½ (27½) per cent. and to carry forward Rs. 18,217 (Rs. 18,020).

The crop made was 2,434 maunds compared with 2,276 maunds in 1951. The average selling price was Rs. 2-5-4 per lb. against Rs. 2-8-2 per lb. in the previous year. Planted area remains at 34¼ acres.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,40,000	Block ...	1,40,000
Reserves ...	3,27,000	Stock ...	31,172
Provision for taxation ...	85,289	Tea sales receivable ...	1,16,630
Liabilities ...	1,10,696	Advances and deposits ...	30,868
Profit and loss account ...	18,217	Investments ...	1,77,936
		Cash ...	1,84,596
Rs.	6,81,202	Rs.	6,81,202

Aryodaya Ginning and Mfg. Co., Ltd.

The directors of the above Company (Secretaries, Treasurers and Agents: Messrs. Mangaldas and Brother Ltd., Ahmedabad) submitted the audited accounts of the Company for the year ended 31st December, 1952.

Profit for the year amounted to Rs. 8,13,492 (Rs. 21,00,868). With the last year's balance of Rs. 92,811 (Rs. 93,614), there was a total sum available of Rs. 9,06,303 (Rs. 21,94,481) which the directors disposed of as under:—

To depreciation fund of machinery and buildings Rs. 6,50,000 (Rs. 7,81,670), to payment of dividend at Re. 1 (Re. 1) per each of 1st issue to 7th issue preference shares for the year ended 31st December, 1952, Rs. 40,000 (Rs. 40,000), to reserve fund Rs. 1,00,000 (*nil*), to charity account Rs. 5,000 (Rs. 5,000) and carried forward to next year's account Rs. 1,11,303 (Rs. 92,811).

Prices of foreign cotton and manufacturing expenses in general were high during the year, whereas, due to slackness of demand prices of cloth declined during a part of the year with the result that cloth had to be sold much below the ex-mill ceiling prices. The directors considered the result of the working of the mills satisfactory.

During the year a refund of part excess profits tax under Section 10(1) of the Indian Finance Act, 1942, for the years 1943 to 1945 was received. It amounted to Rs. 3,15,169 (after paying tax) and this amount has been transferred to the reserve fund account.

The directors made payment of dividend at Rs. 15 (Rs. 35 including bonus of Rs. 5) per ordinary share of Rs. 200 each for the year, from the dividend reserve fund (from profits). The following new machines were installed during the year:

Mercerising machine, roving waste opener, thread extractor and padding machine. The mills are equipped with 35,884 spindles, 1,280 doubling spindles and 884 looms and complete dyeing and bleaching plants. Mill buildings, machinery, stores, etc., have been insured against the risks of fire and riots. A small risk is carried by the Company.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Block ...	76,03,158
Reserves ...	86,35,169	Stocks ...	49,57,175
Provision for taxation ...	11,81,730	Stores, etc.	6,64,995
Liabilities ...	17,62,678	Debts, deposits and advances ...	14,65,729
Profit and loss account ...	9,06,304	Investments	75,004
		Cash ...	7,19,820
Rs.	1,54,85,881	Rs.	1,54,85,881

Rohit Mills Ltd.

The directors of the above Company (Secretaries, Treasures and Agents: Messrs. Lallubhai Gordhandas Ltd., Ahmedabad) submit the audited accounts of the Company for the year ended 31st December, 1952.

During the year, the Company made a profit of Rs. 8,53,666 (Rs. 16,31,472). After deducting Rs. 26,610 (Rs. 47,741) (being donations), there is a balance of Rs. 8,32,056 (Rs. 15,83,731) to which is added the balance brought forward of Rs. 3,873 (Rs. 6,205), making a total of Rs. 8,35,929 (Rs. 15,89,936). The directors recommend the following allocations:—

To 5½ (5½) per cent. dividend for the year 1952 on 10,000 cumulative preference shares (deducting income-tax) Rs. 40,562 (Rs. 40,562), 4 (4) per cent. dividend for the year 1952 on 2,000 redeemable cumulative 2nd preference shares Rs. 8,000 (Rs. 8,000), 4 (4) per cent. dividend for the year 1952 on 2,500 redeemable cumulative 5th preference shares Rs. 10,000 (Rs. 10,000), to dividend for the year 1952 on 32,500 ordinary shares at the rate of Rs. 8 plus Re. 1 (Rs. 8 plus Re. 1) per share, total Rs. 9 (Rs. 9) per share, Rs. 2,92,500 (Rs. 2,92,500), to depreciation fund Rs. 4,00,000 (Rs. 5,75,000), to taxation fund Rs. 65,000 (Rs. 6,50,000), to charity account Rs. 10,000 (Rs. 10,000) and to carry forward the balance of Rs. 9,866.

During the year, certain additions and alterations were made in machinery and buildings. The mill is equipped with 33,156 spindles and 648 cotton textile looms. The Company's properties have been insured. Standing charges and profits have also been insured. Insurance has also been taken for Workmen's compensation. Insurance is not taken for certain items in which the risk of loss by not insuring is nil or negligible also for buildings, plants and stocks in process of certain new departments which gradually come into operation until the time of completion.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	47,00,000	Block ...	81,93,993
Reserves ...	58,29,453	Stock ...	53,33,422
Provision for taxation ...	16,57,070	Stores, machinery, etc.	17,47,436
Liabilities ...	56,33,455	Debts, deposits and advances ...	25,39,302
Profit and loss account ...	8,35,929	Investments	1,88,617
		Cash ...	6,53,137
Rs.	1,86,55,907	Rs.	1,86,55,907

Shri Ambica Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Harivallabhdas Kalidas & Co., Ahmedabad) submitted the audited accounts of the Company for the year ended 31st December, 1952.

After providing a sum of Rs. 9,25,000 (Rs. 8,25,000) for depreciation and a sum of Rs. 8,30,000 (Rs. 21,00,000) for estimated taxation, the working of the year showed a profit of Rs. 9,58,231 (Rs. 23,32,091), to which was added the sum of Rs. 93,168 (Rs. 48,897) being balance of profit brought forward from the previous year, making a total of Rs. 10,51,399 (Rs. 23,80,988). Out of this amount, the directors provided a further sum of Rs. 75,000 (*nil*) for depreciation on machinery. The balance of Rs. 9,76,399 (Rs. 9,64,136), the directors disposed of in payment of dividends on 5,600 first cumulative preference shares of Rs. 100 each at Rs. 5 (Rs. 5) per share free of income-tax for the year ended 31st December, 1952 Rs. 28,000 (Rs. 28,000), on 7,000 second cumulative preference shares of Rs. 100 each at Rs. 4 (Rs. 4) per share free of income-tax for the year ended 31st December, 1952, Rs. 28,000 (Rs. 28,000), on 49,803 ordinary shares of Rs. 50 each at Rs. 16 (Rs. 18) per share free of income-tax for the year ended 31st December, 1952 Rs. 7,96,848 (Rs. 8,14,968), and carried forward a sum of Rs. 1,23,551 (Rs. 93,168).

The directors have entered into a royalty agreement with Messrs. Cluett Peabody & Co., Inc., New York, the registered proprietors of the trade mark "sanforized" for the use of the said trade mark and their special process of pre-shrinkage of fabric material on the mills' products and in accordance with the said agreement, have ordered out a controlled compressive shrinking range, which has arrived and has been installed and is working at No. 1 Mills.

The directors have also purchased 426 "Texmaco" plain calico looms for replacement of old looms at No. 2 Mills and 44 new Japanese revolving flat cards for replacement of old cards also at No. 2 Mill. The work of replacement of the said machinery is in progress.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	37,50,150	Block ...	1,01,07,709
Reserves ...	1,91,30,172	Stocks ...	46,55,241
Provision for taxation ...	26,25,378	Stores and spare gear	6,43,075
Liabilities ...	32,51,256	Debts, deposits and advances ...	54,58,740
Profit and loss account ...	10,51,399	Investments	55,73,910
		Cash ...	33,69,680
Rs.	2,98,08,355	Rs.	2,98,08,355

Naskarpara Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Howrah Trading Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th April, 1952.

The accounts showed a gross profit of Rs. 5,93,155 (Rs. 26,42,341). After providing Rs. 49,266 (Rs. 55,813) for depreciation and Rs. 3,23,099 (Rs. 2,80,565) for interest, commission, allowance and other expenses there was an available balance at credit of profit and loss account of Rs. 2,20,791 (Rs. 23,06,666). To this amount was added the balance brought forward from the previous year of Rs. 16,393 (Rs. 25,780), making a total of Rs. 2,37,184 (Rs. 23,32,447). The directors set aside a sum of Rs. 1,00,000 (Rs. 11,00,000) to reserve for taxation (income, and super-tax) and disposed the balance of Rs. 1,37,184 (Rs. 12,32,447). In paying a dividend on ordinary shares exclusive of bonus shares at 15 (30) per cent. per annum free of income-tax (or at As. 12 (Re. 1-8) per share) Rs. 90,000 (Rs. 1,80,000), transferred to reserve account Rs. 30,000 (Rs. 10,00,000) and carried forward a sum of Rs. 17,184 (Rs. 52,447).

During the period, the mills worked in accordance with the supplement working time agreement of the Indian Jute Mills Association.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Block ...	9,26,205
Debentures ...	5,00,000	Stocks ...	58,34,907
Reserves ...	22,75,000	Stores, etc. ...	7,75,497
Provision for taxation ...	26,09,014	Debts, deposits and advances ...	49,55,236
Liabilities ...	68,25,307	Investments	48,503
Profit and loss account ...	2,37,184	Cash ...	11,06,157
Rs.	1,36,46,505	Rs.	1,36,46,505

United Provinces Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1952.

The commissioning of the last of the three C.T.M. boilers in the early part of March this year, completed the plant extension scheme at Lucknow, bringing the effective station capacity up to 13,600 kilowatts. The station is at present carrying a load of approximately 10,000 kilowatts, however, load development is such that the surplus capacity is likely to be absorbed within the next three or four years.

In order to assist in providing funds to meet the cost of additional mains, converting plant, substations, etc., a sum of Rs. 60,000, out of the reasonable return which is at the Company's disposal, has been set aside for this purpose.

The following schedule indicates the progress made during the past three years.

Half-year ended	*Units sold*	*Revenue* Rs.
31st March, 1950	22,054,899	27,54,628
30th September, 1950 ...	23,221,659	28,92,286
31st March, 1951	23,129,769	27,79,281
30th September, 1951 ...	26,484,531	31,10,349
31st March, 1952	25,430,966	31,52,162
30th September, 1952 ...	28,185,332	34,33,172

After complying with the provisions of the Electricity (Supply) Act, 1948, and making adequate provision for liabilities and setting aside Rs. 60,000 to development and extensions account, there remains a balance of Rs. 3,56,045 (Rs. 3,40,899) including Rs. 72,471 (Rs. 74,361) brought forward from the previous half-year available for distribution and this the directors recommend be disposed of in paying a dividend at the rate of 10 (10) per cent. per annum free of income-tax Rs. 2,80,000 (Rs. 2,80,000) and in carrying forward to next half-year Rs. 76,045 (Rs. 60,899).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	56,01,185	Block ...	1,12,88,865
Debentures ...	30,00,000	Plant under construction	6,17,674
Reserves ...	29,12,939	Stores, tools, etc. ...	21,23,129
Liabilities ...	47,64,977	Other assets	1,10,517
Profit and loss account ...	3,56,044	Debts, deposits and advances ...	13,89,474
		Investments	4,76,140
		Cash ...	6,29,346
Rs.	1,66,35,145	Rs.	1,66,35,145

Shahjahanpur Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 30th September, 1952.

The revenue account showed a profit on the year's working of Rs. 1,09,816 (Rs. 1,10,444) from which was deducted appropriations as under:

Rs. 4,543 (Rs. 41,871), bonus to employees
Rs. 4,701 (Rs. 4,808), arrears of depreciation
Rs. 5,416 (Rs. 5,418), provision for taxation
Rs. 22,500 (*nil*), reserve for deferred taxation
Rs. 17,300 (*nil*) and expenditure during construction written off Rs. 1,297 (Rs. 1,297). There was a credit balance of Rs. 54,059 (Rs. 57,049). After adding to this Rs. 16,895 (Rs. 30,339), the adjusted balance brought forward from the previous year, there was a balance of Rs. 70,954 (Rs. 87,389) at credit of profit and loss account, which the directors disposed of in payment of a dividend at 5 (5) per cent. for the year ended 30th September, 1952, without any deduction of income-tax paid by the Company Rs. 45,500 (Rs. 45,500), transferred to general reserve Rs. 20,000 (*nil*), and carried forward the balance of Rs. 5,454 (Rs. 15,889).

A satisfactory expansion of the Company's business was again recorded during the year, and there was an increase of approximately 16 per cent. in the number of units sold as compared with the previous year. The 15 per cent. surcharge on energy bills was cancelled as from April, 1952. The Company's future prospects are considered good.

The number of consumers connected to the Company's system at 30th September, 1952, was 1,825 representing a connected load of 2,350 k.w., as compared with 1,676 representing a connected load of 2,176 k.w. at the close of the previous financial year. These figures include bazar lighting consumers, who numbered 104 as against 115 at 30th September, 1951.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,10,000	Block ...	7,86,877
Reserves ...	2,16,255	Stores ...	2,69,703
Provision for taxation ...	22,500	Other assets	20,221
Liabilities ...	2,05,228	Debts, deposits and advances ...	1,58,535
Profit and loss account ...	70,954	Investments	12,793
		Cash ...	1,76,808
Rs.	14,24,937	Rs.	14,24,937

N.B.—Figures within brackets relate to the corresponding period of the previous year.

COMPANY MEETINGS AND DIVIDENDS

RUNGLEE RUNGLIOT TEA CO., LTD. Annual General Meeting, Calcutta, 20th May, 1953. Dividend: Rs. 17-8 per share. Transfer books closed from 15th to 20th May, 1953, both days inclusive.

POOBONG TEA CO., LTD. Annual General Meeting, Calcutta, 20th May, 1953. Dividend: *Nil.*

SHREE NIWAS COTTON MILLS LTD. Annual General Meeting, Bombay, 21st May, 1953. Dividend: Rs. 12-8 per share, payable on 25th May, 1953. Transfer books closed from 1st to 21st May, 1953, both days inclusive.

MUTTRA ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 23rd May, 1953. Transfer books close from 16th to 23rd May, 1953, both days inclusive.

UNITED PROVINCES ELECTRIC SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 25th May, 1953. Dividend: Rs. 5 per share. Transfer books close from 19th to 25th May, 1953, both days inclusive.

PULLANGODE RUBBER AND PRODUCE CO., LTD. Annual General Meeting, Fort Cochin, 26th May, 1953. Dividend: As. 6-2/5 per share. Transfer books closed from 16th to 28th May, 1953, both days inclusive.

CHAMONG TEA CO., LTD. Annual General Meeting, Calcutta, 27th May, 1953.

SURAT ELECTRICITY CO., LTD. Annual General Meeting, Bombay, 28th May, 1953. Dividend: Rs. 7 per share (including interim dividend of Rs. 2-8). Transfer books closed from 15th to 29th May, 1953, both days inclusive.

CALCUTTA LANDING AND SHIPPING CO., LTD. Half-yearly General Meeting, Calcutta, 29th May, 1953. Transfer books close from 19th to 25th May, 1953, both days inclusive.

SOCIETE GENERALE INDUSTRIELLE DE CHANDERNAGOR (Gondalpara Mill). Annual General Meeting, Calcutta, 29th May, 1953. Dividend:. Rs. 30 per share. Transfer books closed from 15th to 29th May, 1953, both days inclusive.

INDIAN WOOD PRODUCTS CO., LTD. Annual General Meeting, Calcutta, 29th May, 1953. Dividend: Rs. 3 per share (including interim dividend of Re. 1-8). Transfer books closed from 15th to 29th May, 1953, both days inclusive.

MYSORE CHEMICAL MANUFACTURERS LTD. Annual General Meeting, Chikbanavar, 30th May, 1953. Dividend: Re. 1 per share, free of tax, payable on and after 30th May, 1953. Transfer books close from 17th to 30th May, 1953, both days inclusive.

TRAVANCORE CEMENTS LTD. Annual General Meeting, Kottayam, 30th May, 1953. Transfer books closed from 16th to 30th May, 1953, both days inclusive.

INDIA SUGARS AND REFINERIES LTD. Annual General Meeting, Hospet, Madras, 1st June, 1953. Dividend: Rs. 2-8 per share, free of tax. Transfer books close from 18th May to 1st June, 1953, both days inclusive.

DEVASHOLA (NILGIRI) TEA ESTATES CO., LTD. Annual General Meeting, Coonoor, R.S. Nilgiris, 1st June, 1953. Transfer books close from 25th May to 1st June, 1953, both days inclusive.

MAFATLAL FINE SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 2nd June, 1953. Transfer books closed from 15th May to 5th June, 1953, both days inclusive.

INDIAN SMELTING AND REFINING CO., LTD. Annual General Meeting, Bombay, 5th June, 1953. Transfer books close from 18th May to 5th June, 1953, both days inclusive.

ROHIT MILLS LTD. Annual General Meeting, Ahmedabad, 20th June, 1953. Dividend; Rs. 9 per share. Transfer books close from 14th to 28th June, 1953, both days inclusive.

RAJALAKSHMI MILLS LTD. Dividend of Rs. 4-8 per share, for the year ended 31st December, 1952. Transfer books close from 1st to 14th June, 1953, both days inclusive.

PALANI ANDAVAR MILLS LTD. Dividend of Rs. 7-8 per "A" ordinary share and Rs. 11-4 per "B" ordinary share, for the year ended 31st December, 1952.

COMPANY REGISTRATIONS

HYDERABAD (SIND) ELECTRIC SUPPLY CO., LTD. (First Director: Mr. M. G. Mukhi.) Business: Electric Light and Power Supply. Authorised capital: Rs. 10,00,000. Private company. Address: Dady House, 1st Floor, Churchgate Street, Fort, Bombay.

ALEXANDRA ENGINEERING WORKS LTD. (First Director: Mr. M. Mithabhai Diler.) Business: Mechanical Engineers and Manufacturers of Implements and Machinery. Authorised capital: Rs. 5,00,000/ Private company. Address: 29, Quay Street, Darukhana, Bombay 10.

Y. A. MAMAJI AND SON LTD. (First Director: Mr. Haji Mulla Abdealli Yusufalli.) Business: Saddlers, Upholsterers, Coach and Carriage and Motor Body Builders, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 136-38, Bhendi Bazar, Bombay.

JAI BHARAT YARN TRADING CO., LTD. (First Director: Mr. H. F. Kanthawalla.) Business: Exporters, Importers and Yarn Merchants. Authorised capital: Rs. 5,00,000. Private company. Address: 77, Tambakanta Sutar Bazar, Bombay 3

CHERIYAN TRAVEL SERVICE LTD. (First Director: Mr. Warkey Cheriyan.) Business: Travel Agents. Authorised capital: Rs. 5,00,000. Private company. Address: 39, Karwar Street, Ballard Estate, Fort, Bombay.

QUESTION HOUR IN PARLIAMENT

Match Manufacture

IN 1952, W.I.M.Co. manufactured 430,770 cases of matches each case containing 50 gross boxes of 60 sticks each. The rest of the industry produced 176,902 cases. This compared with 374,712 cases of W.I.M.Cos. and 148,697 cases of others in 1948. The Government has taken a number of measures to help other sections of the industry which mostly manufactured on a cottage industry basis. W.I.M.Cos. have a total capital of Rs. 240 lakhs of which Indians hold a share of Rs. 115.96 lakhs in the five factories owned by W.I.M.Cos. Out of nine directors six are understood to be Indians. The question of increasing the efficiency of production and help to the small industries is one thing. The question of liquidating the monopolistic character is entirely another question which must wait.

—Minister for Commerce

Water Transport Board

The Government proposes to set up an inland water transport board for South India. A provision of Rs. 2 lakhs towards the Central Government's contribution to that board has been made. The views of the Governments of Madras and Travancore-Cochin have been invited and awaited. The powers, function and personnel of the board are some of the questions now under consideration of the Government.

—Parliamentary Secretary to the Transport Minister

Colombo Plan Council

The next meeting of the Consultative Committee of the Colombo Plan Council is proposed to be held in New Delhi in September-October this year. The agenda is to review the work of the Committee and to consider other matters having a bearing on the co-operative development schemes of the area. The policy session of the Council for Technical Aid has found that about £1.3 million have been spent out of £8 million. India's contribution to the aid is in the form of technical training and its commitment is to the extent of £750,000. It has already spent a little over £450,000. The countries, to which it has given assistance, included Burma, Ceylon, Indonesia, Federation of Malay States, Nepal, Pakistan, Philippines and Thailand.

—Parliamentary Secretary to the Finance Minister

Wheat From Abroad

India this year has so far purchased 4,56,000 tons of wheat from the U.S.A. and 3,50,000 tons from Canada under the International Wheat Agreement. The wheat has been purchased at about $1.85 a bushel. In addition, some 62,000 tons of wheat has been purchased from Canada with the Colombo Plan funds at an average price of about $22.15½.

* * * *

Food Control

Relaxation of food control, if found profitable, will be extended to other areas. On the other hand, if it is found to be unprofitable, the Government will not hesitate to bring back control. The introduction of free market in various foodgrains in different States, along with Government distribution through fair price shops, has been made during the last several months. Even in the statutorily rationed areas, there is now a free market so far as coarse grains and wheat flour are concerned. Wherever the extension of the idea of free market along with Government distribution as a safeguard is desirable or feasible, the Centre will generally not oppose such a proposal from the State Governments.

—Deputy Food Minister

Paddy Cultivation

The special features of the improved method which has come to be known as the Japanese method are: (1) Raised seed-beds for growing seedlings per bunch, and (6) interculturing in the nursery; (3) heavy manuring of the crop in the nursery and later in the field; (4) transplanting in rows in the field; (5) transplanting four to five seedlings per bunch, and (6) interculturing in the fields and weeding. All State Governments have been requested to estimate their requirements of fertilisers in connection with the campaign on introducing this method and the Government of India has agreed to make available the required quantity. A sum of Rs. 29,648-7 has geen paid to date on propaganda and publicity.

* * * *

Gas From Cow-dung

A large-size plant is being set up at the Indian Agricultural Research Institute to produce combustible gas from cow-dung. It is expected that the assembling, welding and erection of this plant will be completed by the end of this month. The experimental work and analysis of the gas will then be started. Production of gas from cow-dung will not affect its utility.

* * * *

Marine Fisheries

The operational agreement for the expansion and modernisation of marine fisheries was signed between the Government of India and the U.S.A. on 31st May, 1952. It provided for the supply of marine diesel engines and other equipment for improving the existing craft and methods of capture. The equipment will be procured at an early date. The annual estimated quantities of marine fish landed showed a decline after 1950. From 14,010,000 mds. in 1950 it had fallen to 12,432,000 mds. in 1952. The fall is attributed to the failure of the sardine and mackerel fisheries on the Malabar coast.

—Minister for Agriculture

MONEY RATES UNCHANGED

(From Our Own Correspondent)

BOMBAY, *13th May*

The short-term money market experienced steady conditions during the week under review. Although money was not as stringent as in the previous week, the rates remained unchanged. For supply of funds was relatively better this week but the volume was not as large as to meet the entire needs of banks for trade demand. The inter-bank call money was done at the unchanged rate of 2¾ per cent. among the Exchange banks and big Indian banks and at 3 per cent. among the smaller Indian banks. Deposit rates remained unchanged at 2¾ per cent. for 1 to 3 months, and at 2½ per cent. for 6 months.

The week under review witnessed a fractional decline in Treasury Bill rate to Rs. 2-6-10 per cent. per annum from Rs. 2-7 per cent.—a rate which had remained unchanged in the previous eight weeks. The amount offered against the usual tenders of Rs. 1 crore, was, however, Rs. 163.25 lakhs, the same as in the previous week.

A sharp rise of Rs. 15.26 crores in notes in circulation is disclosed by the weekly statement of the Reserve Bank of India for the week ended 8th May, 1953. Notes held in the Banking Department, however, show a fall of Rs. 1.23 crores, so that the total notes issued have recorded an expansion of Rs. 14.03 crores. This is covered by a rise of Rs. 15 crores in foreign securities and a fall of Rs. 97.16 lakhs in rupee coin. A decline of Rs. 3.53 crores in deposits of the Central Government and a fall of Rs. 4.14 crores in those of other Governments is seen in the Banking Department. Deposits of banks too have fallen by Rs. 2.36 crores and those of others by Rs. 1.06 crores. Cash balances have receded by Rs. 1.17 crores. Balances held abroad have gone down by Rs. 16.00 crores mainly due to the transfer of foreign assets to the Issue Department to the extent of Rs. 19 crores as noted above. Loans and advances to Governments are higher by only Rs. 39 lakhs, but other loans and advances are higher by as much as Rs. 7.77 crores, which is mainly accounted for by the rise in loans and advances to Scheduled Banks against usance bills. There has been a fresh advance of Rs. 11.50 crores to banks against usance bills during the week, but there has been a repayment by the banks to the tune of Rs. 6.10 crores, so that the outstandings of such loans are higher by only Rs. 5.40 crores.

A fresh decline in deposits of Scheduled Banks and a substantial rise in borrowings from the Reserve Bank and Imperial Bank to meet a large demand for funds, as shown by a sharp rise in advances, are the outstanding features of the consolidated statement of position of Scheduled Banks for the week ended 1st May, 1953. Demand deposits have dropped by Rs. 3.03 crores. But while time deposits are higher by Rs. 1.07 crores, the total deposits are lower by Rs. 1.96 crores. Borrowings from the Reserve Bank show an increase of Rs. 6.27 crores (of which those against usance bills alone amount to Rs. 5.45 crores) and those from the Imperial Bank of Rs. 1.68 crores. As against these changes on the liabilities side, the assets side discloses an expansion of Rs. 11.29 crores in total advances, loans, cash credits and overdrafts accounting for Rs. 9.94 crores and bills purchased and discounted, for Rs. 1.35 crores. Cash-on-hand and balances with the Reserve Bank are together lower by Rs. 98.90 lakhs, balances with other banks in current account, by Rs. 26.03 lakhs and money at call and short notice, by Rs. 95.09 lakhs.

The Gilt-edged market was featureless, but the undertone was steady. The turnover was small. 3 per cent. 1953-55 was stagnant at Rs. 100-1, as also 3 per cent. 1957 and 3 per cent. 1958 loans at Rs. 98-12 and Rs. 98-9, respectively. 3 per cent. 1959-61, after remaining at Rs. 96-9 for most part of the week, as against last weeks closing of Rs. 96-8, improved to close at Rs. 96-10. 3 per cent. 1963-65 remained unchanged at Rs. 92-14, as also 3 per cent. 1964 at Rs. 92-14. 3 per cent. 1966-68 was done an anna better at Rs. 90-10. 3 per cent. 1970-75 stood at Rs. 86-10, but 3 per cent. 1986 Conversion Loan after going down to Rs. 82, regained to stand at Rs. 82-4.

The foreign exchange section of the money market witnessed a softening tendency in the rupee in terms of the U.S. dollar, following a slight weakening of £ sterling both in London and New York, though there was little commercial demand for sterling. Dollar, which was done at Rs. 475 per $100 (banks selling for ready delivery) on the 4th inst., gained strength to Rs. 476¼ on the 9th, but receded a little to Rs. 476 yesterday. The bank's buying rate for ready after improving from Rs. 471¾ per $100 to Rs. 472½, closed at Rs. 471¾. Similar variations were noted in the forward rates also, as the table below shows. In New York, spot sterling slided from $2.81 1/16-2.81 3/16 on the 5th inst. to $2.81 1/16-2.81 3/16 on the 8th, but closed at $2.81¼-2.81¾ yesterday. The forward rates showed a fall of ¼ cent per £ on balance to $2.80½-2.80⅝ for three months and to $2.79 15/16-2.80 1/16 for six months.

SELLING	4-5-53 Rs.	8-5-53 Rs.	9-5-53 Rs.	12-5-53 Rs.
T.T./D.D. (other than B.C.'s) for amounts $2,000 and over:				
Ready and within 5 days ..	475	475¼	476¼	476
Delivery within 3rd month ..	477	477¼	478¼	478
,, ,, 6th ,, ..	479	479¼	480¼	480
T.T./D.D., B.C.'s and amounts under $2,000:				
Ready and within 5 days ..	475¾	476¼	477	476¾
Delivery within 3rd month ..	477¾	478¼	479	478¾
,, ,, 6th ,, ..	479¾	480¼	481	480¾
BUYING				
T.T. Clean:				
Ready and within 1st month }	471¾	471¾	472¼	471¾
Delivery within 3rd month .. }		471¾	472¾	472¼
,, ,, 6th ,, ..	472	472¼	472¾	473
T.T. Documentary:				
Ready and within 1st month }	471	471	471¼	471
Delivery within 3rd month .. }		471	472	471¼
,, ,, 6th ,, ..	471¾	471¾	472	472¼

BULLION STEADY

(From Our Own Correspondent)

BOMBAY, *13th May*

The silver section of the Bullion market was a little erratic, during the week under review. The fluctuations in prices, which were fairly violent last week, were less pronounced this week due to the apathy of speculators to extend their commitments one way or the other. But on balance, the white metal emerged better in value, indicating that the position was still in favour of bulls. The hands of bulls were further strengthened by reports of better offtake from up-country centres. The undertone at the close was, therefore, steady.

A feature of the week's trading is the fresh strength in gold which scored a gain of Rs. 1-2 per tola for ready delivery and Re. 1-1 for forward, due to better demand for the yellow metal.

Silver for forward delivery (end of May settlement) opened on a confident note at Rs. 164-10, as against last week's closing at Rs. 164-1, but reacted to Rs. 162-8 on Friday on account of renewed pressure from the leading bear operator and on reports of slackened offtake. Fresh support, however, came in on news of better offtake from Kanpur and stronger advices from Calcutta. Prices were, as a result, lifted up steadily to Rs. 166-3 on Monday. Though the offtake in up-country centres was satisfactory, larger arrivals in Bombay with no corresponding increase in offtake locally, dislodged prices which fell to Rs. 163-11 yesterday. The sentiment remained weak for most part of to-day, but just before the close, reports of a large rise in notes in circulation pulled up the white metal to Rs. 164-15.

Ready silver (.996 fine) began at Rs. 164-14, and after receding to Rs. 162-12, advanced to Rs. 166-7 on Monday. Yesterday, it reacted to Rs. 163-15 only to recover to Rs. 165-3 at the close to-day. The floating stocks of silver are estimated at 1,000 bars. The daily average offtake was 15 bars.

Gold for forward delivery (end of May settlement) was dull early in the week, moving between Rs. 86-13 and Rs. 86-4, but soon responded to support from bulls by staging a steady advance to Rs. 87-12, but finished at Rs. 87-11.

Ready gold, after an initial softness, moving down from Rs. 87-2 to Rs. 86-12, gathered strength to Rs. 88-4 at the close to-day, at which the premium over the forward rate was As. 9, as against As. 7 at one time during the week. The floating stocks of gold are placed at 35,000 tolas. The daily average arrivals were 6,500 tolas, while the offtake was 8,500 tolas on an average.

The following comparative table shows the trend of the market during the week under review:

	13-5-53	Highest	Lowest	6-5-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	88 4	88 5	86 12	87 2
Forward	87 11	87 12	86 4	86 10
Sovereign	58 0	58 0	57 8	58 0
SILVER				
Ready (.996 fine Mint)	165 3	165 4	162 12	164 5
Forward	164 15	165 0	162 8	164 1
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½*c.*	—	—	85½*c.*

BRADFORD WOOL TOPS STRONG

(Messrs. J. Hardacre & Co.)

BOMBAY, *12th May*

Wool in Australia has become progressively dearer in the past few days and Bradford tops are relatively one of the cheapest commodities in the wool world to-day, as prices, although against the buyer, lag considerably behind replacement costs in the raw material.

On a conservative estimate, merino combing wool in Australia has advanced by about 7*d.* per clean lb. in the past fortnight, while Bradford top quotations have hardened only by a penny or two. As they were previously out of line with wool costs, the margin by which wool is relatively the dearer commodity has widened still further, and it is increasingly difficult for importing topmakers to shape a wool buying programme for the remainder of the season on the prices they are now bidding for tops.

Short of unforeseen developments, the Dominion wool marketing season shows every reasonable sign of closing on a firm note. The element of nervousness, which was apparent a few weeks ago, has disappeared, in the general anxiety of all importing countries to add to their supplies. Some of the chief Bradford topmakers admit that they have wool requirements still to fill before they are covered to the opening of the next season.

Against such a wool position, the market is very strong and most firms have advanced their merino and fine crossbred quotations by at least 1*d.* and, in some cases, 2*d.* per lb.

The current quotations for Bradford oil-combed tops, are given below:

(In pence per lb., July 1953 delivery)

48's carded	86
58's super	126
60's ,, ...	150
64's ,, ...	175
70's ,, ...	189
Fibro	43½
Scoured clothing wool ...	77-78

FORWARD COTTON HESITANT

(From Our Own Correspondent)

BOMBAY, *13th May*

A slight increase in deliveries against maturing May contract has brought about a hesitant tone in the forward cotton market. The total delivery against this contract so far does not appear to have reached even 1,500 bales. But it goes to show how vulnerable the position of longs in the market is, when offerings of a few hundred bales go to damp the enthusiasm of the bulls. There are also rumours that certain sellers in the May contract, with goods to deliver in their hands, have been prevailed upon by some of the influential buyers not to issue tenders against delivery for a certain consideration to keep up the morale of the market.

There is a section in the market which believes that the cotton is there in the godowns to deliver, and if the buyers in August delivery are faced with the problem of finding the necessary finance to meet the tenders, they would certainly fail to do so and unload their holdings on the market. At any rate, this line of reasoning has come to affect the undercurrent and to cry a halt for the time being, to the aggressive buying of certain groups. This leads one to believe that the longs will now concentrate more on taking small profits at slight bulges and to indulge in replacement on a smaller scale when prices recede again. By all accounts, it is now a game more of endurance than of strength and the market will see a seesaw movement on both sides of the Rs. 740 level.

At the same time, frantic moves are being made by speculators to persuade the authorities to allow forward trading in the new crop and rumours, claiming to know the inner working of the mind of the Textile Commissioner in this respect, are being circulated to retain the large number of small operators who would otherwise abandon the market, as there is only one forward delivery to deal in now. Saner elements in the trade, however, do not give much credence to the fondly held belief that the Textile Commissioner would permit forward trading in new crop by or before the end of this month. Even if the Cotton Advisory Committee, which is meeting to-day, were to consider this subject seriously at this meeting, its recommendation, whatever it might be, will have to be considered by the Government carefully and such consideration is not possible without some data as to the likely volume of the next crop.

After several weeks of firm conditions, the cotton futures market has turned somewhat easy on technical considerations. Unloading by certain bulls and profit-realising by some have resulted in a recession in prices, to-day's closing quotations being lower than those on the opening day of the week. The following is the trend of prices during the week:

	Opening Rs. a.	*High* Rs. a.	*Low* Rs. a.	*Closing* Rs. a.
I.C.C. May ...	735 0	733 12	713 8	714 12
I.C.C. Aug. ...	742 0	744 0	728 8	731 12

In the spot section, activity is not so brisk now as it was a few days ago. Mills are keen buyers still, but this buying is of a selective nature and many of the mills have not got quotas for fresh purchases. The cloth market is placing more emphasis on superfine goods and those mills which are in a position to produce these goods are more interested in imported cotton than the home-grown varieties. After a long interval, importers have come into their own and they are reaping a rich harvest as a reward for their patience.

This week has witnessed a keen demand for Egyptian Karnak and Ashmouni, while East African and Sudan have been claiming equal attention from up-country mills. Altogether, in spite of moderate activity in Indian cotton in this section, the volume of trading has been fairly steady, because of good business in foreign styles. Fresh imports are also expected in the coming months from Egypt and East Africa. The only doubtful factor in the spot market is Bengal *Deshi*, which, even at somewhat lower rates, is not in demand. Perhaps the fag-end of the season will create the demand for this variety also and there will be no cause for disappointment for those who hold stocks of Bengals. With stocks of Indian cotton going down in Bombay, the trade has now turned its attention to small upcountry centres for odd lots lying scattered in many such centres and the railway authorities are also being pressed to provide adequate facilities to bring all this scattered cotton to Bombay or other important textiles centres.

At Karachi, the U.K.'s interest in some of the styles continues unabated. This has created a situation in which the varieties in demand, such as L.S.S. and 289F Punjab, have maintained their price levels, while the other varieties, such as 4F, show a slight decline in prices. However, the movements either way have been very small and the market is without any interest for the time being. Even a slight rise in prices tends to dry up enquiries from the Continent, while Japan, being assured of its supply under the present trade agreement, is no longer in the market. Dull conditions are likely to prevail at Karachi till supplies for Japan are under way. The general economic depression in the country is also having its effect on the cotton market. The latest available quotations from the Karachi cotton market are: Punjab *Deshi* Rs. 66; 4F Punjab R.G. Rs. 57; S.G. Rs. 61; L.S.S. Punjab R.G. Rs. 57; S.G. Rs. 61; N.T. R.G. Rs. 63-8; S.G. Rs. 68-8; 289F Punjab R.G. Rs. 68; and S.G. Rs. 73.

With improvement in demand and prices in most of the world markets, the smaller markets like Brazil, Turkey, Syria are coming more into the picture. On the other hand, Sudan is gradually fading from the picture, as stocks there are almost depleted with only a small quantity left for sale, which is likely to be disposed of by the end of this week.

At Alexandria, there has been a slight change in the position with regard to sales in the sterling area. The discount offered to buyers from this area is now on a smaller scale, but in spite of this, keen interest is being shown in all Egyptian varieties by buyers from both India and the Continent. The total volume of exports till the end of April came to almost six lakh bales.

At New York, the steadiness and strength witnessed in the previous week were absent. Perhaps, the easing of the situation in Indo-China, together with improved prospects in the negotiations in Korea, has had its effect on the sentiment. The trend has been irregular and it is likely to continue so for some time, till the appearance of some decisive factor which might give prices a good jolt either way.

The following are the latest available quotations from New York, as compared with those of a week and a fortnight before:

(In cents per lb.)

	12-5-53	5-5-53	28-4-53
Spot	34.05	34.45	34.30
May	33.62	34.07	33.95
July	33.74	33.96	33.71
October	33.60	33.62	33.45
December	33.58	33.52	33.46

ART SILK YARN LISTLESS

(From Our Own Correspondent)

BOMBAY, *13th May*

Yet another week of listless conditions in the art silk yarn market has been passed. Operators lack enthusiasm to enter into fresh commitments, thanks to uncertainty regarding future trend of supplies and prices. Consequently, volume of trading has been greatly restricted, with fluctuations in values confined to a narrow range. Over the five-day period ended yesterday, prices of yarn were more or less maintained at last week's level, on encouraging advices from share, bullion and commodity markets, although the closing rates were slightly lower. To-day, the market remained closed.

In the forward section, 150D May delivery contract opened the week lower at Rs. 813, as against Rs. 815 last week-end. After improving to Rs. 818 on Saturday, due to buying support extended by a professional operator, it reacted to finish lower at Rs. 812 on profit-taking. June contract rose by 6 points to Rs. 825 on the 9th inst., but slided down to Rs. 820 yesterday. In the ready section, 120 Japan, 150 Japan and 120 Italy advanced, each by six pies, to Rs. 4-8, Rs. 3-9 and Rs. 4-4, respectively, on Saturday. Yesterday, however, they were all a shade lower. 150 Italy gained an anna to Rs. 4-1-6 before finishing lower at Rs. 4-3.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 6th inst. and 22nd April, 1953:

	12-5-53 Rs. a.	6-5-53 Rs. a.	29-4-53 Rs. a.
Art Silk Yarn—			
150D May (per case of 200 lbs.)	812 0	815 0	818 0
150D June ,, ,, ,,	820 0	821 0	—
120 Japan (per lb.)	4 7½	4 7¼	4 8
150 Japan ,, ...	4 3	4 3½	4 4¼
120 Italy ,, ...	4 3	4 3½	4 3
150 Italy ,, ...	4 0¼	4 0¼	4 0

Imported licences for art silk yarn are being granted to established importers by the Joint Chief Controller of Imports. The quantum of licences is very poor, being about 5 per cent. of the previous imports. Scarcity in supplies of some of the superfine deniers, such as 60s, 75s, and 100s, is still being felt. With regard to coarse deniers, such as 150 and 120 bright and others, however, stocks are reported to have accumulated with several traders, the chief factor responsible for such accumulation being heavy arrivals of imported yarn in the past few weeks.

Slightly easy conditions have prevailed in the staple fibre yarn section, although prices have remained unchanged. Some of the cotton mills have already been able to secure licences for imports of raw fibre and have started producing yarns for forward deliveries, especially in 2/40s. Some well-known mills are reported to have made sales to the extent of about 1,000 bales at about As. 6 per lb. lower than the spot prices. It is also reported that, due to recent heavy and favourable rains in Coimbatore District, the electricity cut may be further relaxed in the next few days. It is, therefore, feared that the Coimbatore mills will be keen sellers of not only staple fibre yarn but also cotton yarn in the next few days. This has naturally created some easiness in the market at the close of the week and the tendency has remained rather uncertain.

LINSEED STEADY

(From Our Own Correspondent)

BOMBAY, *13th May*

The most important development during this week was the reduction of export duty on linseed oil from Rs. 200 to Rs. 50 per ton, and on linseed from Rs. 125 to Rs. 25 per ton, with effect from 12th May. Despite this announcement the linseed section did not improve, because of discouraging overseas advices. The groundnut section ruled hesitant, on account of changes relating to the import of palm oil. Although the bearish effect of the abolition of import duty on palm oil which is the produce or manufacture of a British colony and the reduction of import duty by 10 per cent. *ad valorem* (standard rate of duty) on oil from other sources was neutralised by the withdrawal of the oil from O.G.L., and placing it under licensing control, still fears were entertained regarding the possibilities of increased imports of the oil under the licensing system. To-day, however, on account of buying from local crushers and *vanaspati* interests there was some speculative support, as a result of which prices tended to look up. Castorseeds ruled a little easy, following

Indian quotation being relatively higher than those of other countries. Indian offers for castor oil, Commercials were placed between 18c. and 18.25c. per lb., as against U.S. buyers' quotation at 17c. to 17.25c. per lb. Consequently, business done in the local market remained limited, and price movements were confined to narrow levels.

In the groundnut section, groundnuts Bold ready, which receded from Rs. 47-12 to Rs. 47, recovered to-day to Rs. 47-8, on speculative buying. June-July delivery, which eased from Rs. 47-2 to Rs. 46-12, improved to-day to Rs. 47-8. Similarly August-September delivery, which declined by As. 8 to Rs. 47 yesterday, advanced by As. 12 to-day. Khandesh quality was hesitant at Rs. 48-4. Groundnut oil ready gained As. 6 to Rs. 24-14 and railway receipts As. 4 to Rs. 24-8.

There were rumours that the Government might also reduce export duty of Rs. 300 per ton on castor oil, in view of the fact that Indian oil is priced out of world markets. In the Continent, there are buyers at about £147 for B.S.S. oil. But Indian costs work out to £153 per ton. Consequently, B.S.S. declined from Rs. 18-10 to Rs. 18-6 and Commercials from Rs. 17-8 to Rs. 17-5. Castorseeds May, which opened at Rs. 159, as against Rs. 159-8, fluctuated between Rs. 160-12 and Rs. 154-8, before closing at Rs. 157-12. September delivery sustained a loss of Rs. 2-8 to Rs. 157-4, the highest and the lowest touched during the week by Rs. 160-12 and Rs. 153-12 respectively. F.A.Q. fell by As. 4 to Rs. 31 and Madras quality As. 8 to Rs. 31-4.

The announcement of reduction of import duty on linseed and linseed oil has been too late. The reduction, although amounting to 75 per cent., is considered insignificant, as Indian prices are still higher than Continental quotations. London quotations are £101 per ton of linseed oil, as against Indian offer at £123 per ton. Despite this, linseed oil ready was higher by As. 8 to Rs. 16-8, which is attributable purely to speculative factors. Linseed Bold ready was colourless at Rs. 32-8. June-July delivery was steady at Rs. 33. August-September delivery gained As. 6 to Rs. 33-4.

The following table shows the prices of oil-seeds and oil on the 13th inst., as compared with those at the end of the previous two weeks.

	6-5-53 Rs. a.	29-4-53 Rs. a.	22-4-53 Rs. a.
Groundnuts—			
Bold Ready New (per cwt.) ..	47 8	47 12	46 0
June-July	47 8	47 2	46 0
August-Sept.	47 12	47 8	46 8
Linseed—			
Bold Ready (per cwt.) ..	32 8	32 7	32 0
Castorseeds—			
May (per candy of 5 cwts.) ..	157 12	159 8	156 4
Sept. (per candy of 5 cwts.) ..	157 4	159 12	158 4
Madras (per cwt.)	31 4	31 12	31 10
Groundnut oil—			
Ex-mill Ready (per quarter)	24 14	24 8	24 0
Castor Oil—			
Commercial (per quarter) ..	17 5	17 8	17 8

BLACK PEPPER FIRM

(Messrs. Parekh & Co.)

BOMBAY, *13th May*

During the earlier part of the week, all primary markets for black pepper ruled firm under pressure of buying by the exporters who were able to sell May and June shipments in New York at over $1.44 and $1.43, respectively. As a consequence, Alleppey was able to sell at Rs. 3,300, while Calicut did some business at Rs. 3,550. June delivery in Bombay was also lifted in sympathy to Rs. 2,750. Some repurchases on account of Indian exporters were also reported done in New York for May shipment at $1.44, at it was more profitable to repurchase in New York than to buy and ship from India as growers here were reserved sellers. In the latter part, however, when New York after making sizable purchases withdrew and reduced their bid, growers once again lowered their price to attract buyers, but there being disparity between the two markets nothing except some speculative sales were reported done. In spite of the proximity of monsoon, there appeared no anxiety on the part of growers to sell their holdings. They, on the contrary, did not fail to raise their price immediately they knew that there were more than one buyer. Steadier tone in other commodities due to inflationary tendency resulting from spending programme of the Indian Government for their Five-year Plan, unsettled conditions in Indo-China, trouble in Suez and uncertainty regarding Korean Peace were some of the sustaining factors which kept back growers to press sales on an unwilling market. The following are to-day's nominal quotations:

Ready delivery Rs. 360 per Bengali Maund; May delivery Rs. 2,630-60 and June Rs. 2,630-60 per candy of 5½ cwts.

DUSTS IRREGULARLY EASY

(Messrs. Forbes, Ewart & Figgis Ltd.)

COCHIN, *9th May*

The offerings in dust sale "I" which was held on Tuesday, 5th May, 1953, amounted to approximately 1,50,000 lbs. There was only a fair general demand and prices were irregularly As. 2 easier. The demand for clean, black, well made dusts was maintained.

London Market.—Good demand. Commons fully firm. Others firm to half penny dearer.

Colombo Market.—Six million pounds. Good demand. Steady rates, except fannings and good brokens. Price tea dearer.

Calcutta Market.—Dust.—Poor liquoring Assams and commons half anna easier. Good liquoring and Darjeeling weakest feature.

Export Quota.—A fair amount of business has been done in 1953-54 export quota at 10 and 10½ pies. To-day's quotation remains at 10-10½ pies. Special licence is nominally quoted at 1½ pies with sellers over.

Forthcoming Auctions.—Dust sale "J" will be held on Tuesday, 19th May.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd., wire as follows:

"Sale 10.—13,25,000 lbs. Fair general demand at rates irregularly As. 2 easier, except for commonest kinds fully firm and occasionally dearer. Good fannings neglected. Leaf steady."

FOOD POSITION SATISFACTORY

(From Our Own Correspondent)

HAPUR, *12th May*

The food position in Uttar Pradesh has become tinued to be much the same as in the previous week. There are some scarcity pockets here and there, but the position generally is very satisfactory.

The food position in Utter Pradesh has become still more easy. Stoppage of purchases of rice by Government, following the Centre's declaration that it does not need any more supplies, has knocked out of the traders' hands the handle with which they had begun to boost prices of rice. The bumper wheat crop yield has begun to reach all *mandies* in the State and there has been a marked improvement in market supply position. The decision confining the running of the Government foodgrains shops to towns having a population of a lakh and above has not created any uneasy situation in those towns from which the shops have been withdrawn. The following are the wholesale prices of wheat in the important markets in the U.P.—Smali Rs. 16-8, Hapur Rs. 16, Chandausi Rs. 15, Kasganj Rs. 16, Gomda Rs. 15-12, and Sitapur Rs. 15-8. Eighty thousand acres of land in 29 districts of U.P. have so far been selected for field demonstrations in paddy cultivation, according to *Kora* method. The training process started at various centres in connection with the projected campaign is almost over and the supply of seeds and fertilisers would be completed by the middle of this month.

Prices of foodgrains are rising in Bihar, according to authoritative reports. The price of coarse rice has moved up from Rs. 20 to Rs. 25 and that of gram from Rs. 11 to Rs. 16-8, or even higher during the last fortnight. The State Government, it is learned, has asked the Union Ministry to authorise it to impose a ban on export of gram from the State. The rise in rice prices is due to cornering of Nepal rice, which normally used to come to Bihar, by agents of big dealers for exports outside the State, and there has been a draining of most of the gram produced in the State, following imposition of ban on exports of gram outside the surplus States.

SWIFT RISE IN SUGAR PRICES

(From Our Own Correspondent)

HAPUR, *12th May*

The recent rise in the prices of sugar and *gur* in several parts of the country has come as a surprise to officials dealing with the subject, who are now obliged to issue a stern warning to the sugar industry that, if the price of sugar continues to be high, it will be constrained to take such steps as it might deem necessary to maintain them at a reasonable level. Speculators have generally been active hoarders of sugar recently. They have circulated the story that India is proposing to export a large quantity of sugar and *gur* to Burma in exchange for rice. Enquiries show that there is absolutely no basis for this report.

Advices from Calcutta and Bombay report of huge speculative activity in sugar futures. Calcutta market ruled strong, due to speculative buying, prices advancing by about As. 12 per maund. Madras prices advanced, owing to higher prices quoted from Calcutta *c.i.f.* South Indian ports. The market had a rising tendency both in ready and forward transactions at Bombay, due to speculative demand from local and up-country centres.

The following are the latest quotations: Ambala Rs. 32-10, Amritsar Rs. 32-12, Delhi Rs. 34, Jullundur Rs. 31-8, Agra Rs. 32-8, Hapur Rs. 32-4, Kanpur Rs. 31-12, Mathura Rs. 32-8, Meerut Rs. 33, Muzaffarnagar Rs. 31, Patna Rs. 31-4-6, Calcutta Rs. 31-10, Gauhati Rs. 33-8, Cocanada Rs. 31-12-6, Bombay Rs. 32-8 and Madras Rs. 32-4.

Gur markets remained very steady. There was poor activity in the markets, as arrivals were extremely small and so were stock movements from North Indian markets. Stockists were not eager sellers. Prices improved at Amritsar and Jullundur, on poor supply position. Prices also improved at Calcutta, Bombay and Madras, due to stringent free market supply position and good demand. Latest quotations are: Ambala Rs. 16 to Rs. 15, Amritsar Rs. 18 to Rs. 16, Delhi Rs. 20 to Rs. 16, Jullundur Rs. 19-8 to Rs. 18, Agra Rs. 20 to Rs. 16, Hapur Rs. 18 to Rs. 17-12, Kanpur Rs. 21 to Rs. 18, Mathura Rs. 18 to Rs. 16, Meerut Rs. 18-10 to Rs. 17, Muzaffarnagar Rs. 19-8 to Rs. 17, Calcutta Rs. 20 to Rs. 16-8, Madras Rs. 18-8 to Rs. 22-8 and Bombay Rs. 20-8 to Rs. 27.

JUTE PRICES ADVANCE

(From Our Own Correspondent)

CALCUTTA, *12th May*

An impressive rise in prices, and the consolidation of gains were two outstanding features of both the raw jute and the jute goods markets during the week. It goes to the credit of sacking goods that, in contrast to the trend of recent weeks, they led hessian in the gains of this week.

(*Continued on page* 927)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	1st May, 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,164.56	1,150.75	1,149.40	1,148.39
Notes held in Banking Department	35.05	10.78	15.90	9.22	11.26
Foreign Securities	99.50	588.15	588.15	588.15	602.15
Rupee Securities	37.39	449.86	449.86	449.86	461.66
Banking Department					
Deposits of:					
Government of India	14.89	97.50	104.14	87.20	121.51
Other Governments	..	16.96	15.50	22.12	7.98
Balances held abroad	10.08	123.95	118.28	143.47	97.39
SCHEDULED BANKS					
Demand Liabilities	124.37	536.66	539.88	542.04	569.65
	..	(12.07)	(11.96)	(14.49)	(9.59)
Time Liabilities	102.84	329.97	324.54	311.81	285.45
Borrowings from Reserve Bank	..	(1.59)	(1.95)	(2.23)	(1.80)
	..	18.04	11.77	10.03	36.07
		(10.14)†	(4.60)†	(0.74)†	(28.62)†
Borrowings from Imperial Bank	..	10.36	8.68	12.76	5.92
Cash in India	6.71	31.81	32.28	33.59	32.74
Balances with Reserve Bank	25.28	40.63	41.16	51.11	53.90
Excess over statutory limits	15.52	7.37	7.77	17.31	20.17
Balances with other banks in current account in India	..	12.69	12.86	11.24	10.29
Money at call and short notice in India	..	16.26	17.21	16.41	14.54
Investments (at book value)	..	300.93	301.07	304.25	294.14
Advances and bills	105.09	526.22	524.92	551.77	564.29
IMPERIAL BANK					
Deposits	87.78	213.58	214.76	221.15	232.02
Investments	51.99	82.13	82.20	82.23	86.76
Advances	30.37	135.22	130.56	134.07	160.82
Cash	14.88	18.85	18.46	21.22	22.22

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).

† Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	8th May, 1953		1st May, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,35,312	52,40,36,000	2,39,767	56,03,74,000
Calcutta	1,54,546	46,73,09,823	1,41,542	49,37,66,795
Madras	73,992	9,95,19,417	70,043	8,11,58,726
All Centres—				
1951	..	..	1,05,94,122	31,80,56,80,359
1953	..	..	1,06,41,94	29,75,51,57,000
Feb., 1953	..	..	24,45,000	3,23,33,00,000
Mar.	..	..	27,13,000	6,15,31,00,000

Reserve Bank of India

Statement of Affairs for the week ended 8th May, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		98,58,43,000
(2) Other Governments		15,58,04,000
(b) Banks		39,94,30,000
(c) Others		57,42,86,000
Bills Payable		6,44,31,000
Other Liabilities		33,42,51,000
	Rupees	261 39,65,000

ASSETS	Rs.	
Notes		9,75,65,000
Rupee Coin		10,85,000
Subsidiary Coin		5,72,000
Bills Purchased and Discounted—		
(a) Internal		17,50,000
(b) External		
(c) Government Treasury Bills		12,96,54,000
Balances held abroad*		105,65,00,000
Loans and Advances to Governments		4,21,00,000
Other Loans and Advances		33,82,02,000
Investments		86,33,57,000
Other Assets		8,31,50,000
	Rupees	261 39,65,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs.15,53,68,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 30,88,83,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,75,65,000	
Notes in circulation	1179,81,37,000	
Total Notes issued		1189,57,02,000
Total Liabilities		1189,57,02,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	613,15,11,000	
Total of A		653,16,82,000
B. Rupee Coin		86,54,15,000
Government of India Rupee Securities		449,86,05,000
Internal Bills of Exchange and other commercial paper	..	..
Total Assets	..	1189,57,02,000

Ratio of Total of A to Liabilities: 54.908 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 1st May, 1953

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	..
	(ii) Other demand liabilities	..
2	Time Liabilities in India:	
	(i) Borrowings from banks	..
	(ii) Other time liabilities	..
3.	Cash in India	
4.	Balances with the Reserve Bank in India	..
5.	Balances with other banks in current account in India	
6.	Money at call and short notice in India	
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	..
8.	Advances in India	
9.	Inland Bills purchased and discounted in India	..

* *Note.*—Figures are provisional since complete returns have not been received from some banks.

†Excludes borrowings from the Reserve Bank, and with effect from the 18th April 1952 as also those from the Imperial Bank.

EXCHANGE RATES

		12th May, 1953	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	₹	1-5 1/8	1-5 1/8
Sellers T.T. D.D. upto six months	₹	1-5 1/8	1-5 1/8
Buyers T.T. spot to nine months	₹	1-6	1-6
Buyers T.T. 10 to 12 months	₹	1-6	1-6
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476	475
Buyers T.T.	Rs.	477	477
London on New York	$	2.81-2.81	2.81
London on Paris	Frs.	987-988	987-988
London on Berne	Sw. Frs.	12.171-12.17	12.171-12.18
New York on London	$	2.81-2.81	2.81-2.81

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	*Per capita* Income (Rs.)
India	1948	342.12	..	..	8,730	255
Pakistan	1949	75.04	..	..	1,671	223
Burma	1951	18.67	Kyats	3,166	317	167
Ceylon	1951	7.74	..	..	451	564
Japan	1951	84.30	Y.	4,554,400	6,008	710
Philippines	1951	20.25	Ps.	7,586	1,823	856
New Zealand	1951	1.95	£ (N.Z.)	615	820	4,206
Australia	1951	8.41	£ (A.)	3,238	3,454	4,317
U.K.	1951	50.29	£	11,384	15,179	2,976
U.S.A.	1951	154.36	$	277,600	132,190	8,564
Canada	1951	14.01	$	17,254	8,552	6,104
France	1951	42.24	F. Fr.	9,082,000	12,372	2,929
W. Germany	1951	48.11	Dm.	90,200	10,227	2,126
Italy	1951	46.60	Lr.	7,748,000	5,802	1,207
Norway	1951	3.29	Kr.	15,695	1,055	3,206
Sweden	1951	7.07	Kr.	36,800	3,439	4,864
Netherlands	1951	10.26	Fl.	16,940	2,151	2,096
Denmark	1951	4.30	Kr.	20,716	1,439	3,346
Switzerland	1951	4.75	S. Fr.	19,503	2,166	4,556

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nations Monthly Bulletin of Statistics, March, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 1st May, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	
Capital paid-up		3,00,00,000
Reserve Fund		3,00,00,000
Deposits:—		
(a) Centra. Government		23,65,70,000
(b) Provincial Governments		1,14 51,000
(c) Banks		20,52,88,000
(d) Others		2,63,25,000
Bills Payable		6,53,000
Other Liabilities		5,48,80,000
	Rupees	59,51,86,000

ASSETS	Rs.	
Notes		7,27,57,000
Rupee Coin		2,000
Subsidiary Coin		7,000
Bills Purchased and Discounted:—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		1,83,00,000
Loans and Advances to Governments		5,84,45,000
Provincial Governments Debtor Balances		2,39,25,000
Other Loans and Advances		32,14 64,000
Investments		9,82,86,000
Other Assets		....
	Rupees	59,51,86,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,27,57,000	
Notes in circulation	209,23,43,000	
Total Notes issued		216,51,00,000
Total Liabilities		216,51,00,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	..	
Sterling Securities	38,99,16,000	
Government of India Securities	11,87,77,000	
India Notes representing assets receivable from the Reserve Bank of India	29,08,96,000	
		88,77,31,000
B. Rupee Coin	6,34,07,000	
Government of Pakistan Securities	117,14,87,000	
Internal bills of exchange and other commercial paper	....	
		123,48,94,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets	..	216,51,00,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 42.83 per cent.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment Rs. a. p.	Allotted at minimum rate %
1953					
17th Feb.	1.00	1.39	1.00	2 7 0	100
24th ,,	1.00	1.09	1.00	2 7 0	100
3rd March	1.00	1.02	1.00	2 7 0	98
10th ,,	1.00	1.16	1.00	2 6 11	86
17th ,,	1.00	1.09	1.00	2 7 0	93
24th ,,	1.00	1.02	1.00	2 7 0	100
31st ,,	1.00	1.01	1.00	2 7 0	100
7th April	1.00	1.35	1.00	2 7 0	100
14th ,,	1.00	1.21	1.00	2 7 0	100
21st ,,	1.00	1.39	1.00	2 7 0	100
28th ,,	1.00	1.01	1.00	2 7 0	100
5th May	1.00	1.63	1.00	2 7 0	61
12th ,,	1.00	1.63	1.00	2 6 10	58
Total	13.00	14.91	13.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	26th March, 1953	5	5
Belgium	15th Dec., 1952	3½	3
Canada	17th Oct., 1950	1½	2
Denmark	3rd April, 1953	3	2½
Finland	16th Dec., 1951	7½	5½
France	9th Nov., 1951	8	4
Greece	12th July, 1948	10	12
India	15th Nov., 1951	3	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	5.84
Netherlands	1st Aug., 1952	3½	3
New Zealand	26th July, 1941	2	1½
Norway	9th Jan., 1946	3	2½
Portugal	12th Jan., 1944	3	2½
South Africa	27th Mar., 1952	3½	4
Spain	18th Mar., 1949	4½	3
Sweden	1st Dec., 1950	2½	3
Switzerland	26th Nov., 1936	4	1½
Turkey	26th Feb., 1951	2	3
United Kingdom	12th Mar., 1952	2½	4
U.S.S.R.	1st July, 1936	8	4
U.S.A.	16th Jan., 1953	1½	2
West Germany	8th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	December, 1952	1951	Nine months—April to Dec., 1952	1951
Import Duties:				
Revenue	10,65	10,36	84,57	96,24
Protective	54	73	5,96	7,99
On surplus disposals	..	4	3	23
Total import duties	11,19	11,13	90,56	104,37
Export Duties	3,05	5,09	42,77	66,29
Land Customs	22	40	2,14	2,33
Miscellaneous	11	9	92	90
Gross total customs	14,58	16,71	136,39	173,99
Refunds and drawbacks	19	30	2,18	3,74
Net Customs	14,39	16 41	134,21	170,25
Gross excise	4,77	6,77	59,90	68,37
Refunds	5	15	1,13	1,28
Net Excise	4,72	6,64	58,77	67,09
Net total of customs and excise	19,11	23,05	192,98	237,34

Imperial Bank of India

Statement of Affairs for the week ended 8th May, 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,35,00,000
Deposits and other Accounts		208,47,57,000
Borrowings from other Banking Companies		12,50,00,000
Bills Payable		2,46,07,000
Bills for Collection being Bills Receivable as per contra		42,66,000
Acceptances, Endorsements and Other Obligations as per contra		2,86,000
Other Liabilities (including Inter-Office Adjustments)		2,20,69,000
Total	Rs.	238,07,35,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		9,14,04,000
Balances with other Banks		4,61,26,000
Money at Call and Short Notice		1,15,80,000
INVESTMENTS—		
Government and other Trustee Securities	70,68,27,000	
Other Authorised Investments	10,82,46,000	
		81,50,73,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	109,59,65,000	
Bills Discounted and Purchased	26,18,37,000	
		135,78,02,000
Bills Receivable being Bills for Collection as per contra		42,66,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		2,86,000
Premises, less Depreciation		1,32,07,000
Furniture and Fixtures less Depreciation		35,34,000
Other Assets (including Inter-Office Adjustments)		3,74,48,000
Total	Rs.	238,07,35,000

SMALL SAVINGS

(In lakhs of rupees)

POSTAL SAVINGS

	National Savings Certificates † 5-Year Receipts	5-Year Out-standings*	7-Year Receipts	7-Year Out-standings*	12-Year Receipts	12-Year Out-standings*	Savings Bank Deposits Receipts	Savings Bank Deposits Out-standings*	Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings@	3½% Ten-year Treasury Savings Deposit Certificates ‡ Receipts	Treasury Savings Deposit Certificates ‡ Out-standings*
1950-51	2,08	5,01	96	2,40	20,67	50,53	97,80	61,36	— 22,32	5,31	5,31
1951-52	1,76	6,10	77	2,91	22,07	66,81	1,07,55	74,18	— 27,55	13,10	18,39
January 1952	13	5,82	7	2,81	1,51	63,62	7,75	68,04	— 26,68	66	17,17
February ,,	13	5,90	5	2,83	1,64	64,79	8,21	68,27	— 27,02	53	17,70
March ,,	29	6,10	10	2,91	2,63	66,81	15,04	74,18	— 27,55	71	18,39
April ,,	14	6,17	5	2,93	2,28	68,56	10,01	76,52	— 27,91	95	19,33
May ,,	12	6,22	8	2,99	2,12	70,22	9,95	77,85	— 28,25	56	19,86
June ,,	12	6,28	6	3,02	1,82	71,64	9,38	80,03	— 28,57	99	20,53
July ,,	15	6,34	10	3,09	2,03	73,14	10,29	82,54	— 28,91	74	21,25
August ,,	14	6,40	6	3,12	1,76	74,45	8,60	83,75	— 29,15	65	21,89
September ,,	10	6,44	3	3,12	1,34	75,73	8,78	84,89	— 29,40	52	22,38
October ,,	11	6,48	5	3,14	1,71	76,77	8,36	85,24	— 29,68	56	22,92
November ,,	10	6,50	4	3,16	1,71	77,99	8,03	85,51	— 29,98	58	23,48
December ,,	8	6,51	3	3,16	1,86	79,34	8,45	85,92	— 30,22	48	23,94
January 1953 ,,	10	6,54	4	3,18	2,02	80,77	8,38	86,06	— 30,50	52	24,48
February ,,	14	6,61	5	3,21	1,86	82,14	8,36	86,33	— 30,75	62	25,08
March ,,	..	..	..	..	..	..	..	..	..	60	25,64

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.

† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from 1st June, 1948. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)

1. All-India

Group and Sub-Group	Week Ended 2-5-'53	25-4-'53	4-4-'53	3-5-'52
(A) Government and Semi-Government Securities ‡	92.3	92.1	92.2	91.6
1. Government of India Loans	92.4	92.2	92.	91.7
2. Municipal, Port Trust and Improvement Trust Loans	86.9	86.9	86.9	87.4
(B) Fixed Dividend Industrial Securities	90 5	90 1	90.1	91.3
1. Electricity	77 8	77 9	78 3	79 0
2. Cotton	127 1	126 1	127 1	129.4
3. Jute	79 7	79.7	79 8	80 8
4. Coal	96 1	93 9	95 0	95.7
5. Iron and Steel	85 9	84 9	84 3	84 8
6. Sugar	89 3	87 9	87 6	96 0
7. Paper	86 4	82 7	84 6	91 2
8 Plantations	96 8	96 6	96 3	106 2
(C) Variable Dividend Industrial Securities	106 4	108 0	108.7	110.2
1. Banks	102.7	102 5	103 1	104 1
2. Insurance	98 2	98 3	97 4	102 2
3. Investment Trusts	141.5	142 3	142.7	140 6
4. Electricity Companies and Tramways	83.6	83.1	83.1	83.6
5. Shipping and Other Transport Companies	85.6	85.6	87.3	84 2
6. Railways	76 0	75.1	75 0	78 0
7. Plantations	116.1	115 9	116 2	150 6
8. Cotton Woollen and Silk	134.1	133.0	134 6	144 8
9. Jute	69 5	68 5	70 0	80 9
10. Coal	90.6	90.6	87.7	95 9
11. Mining and Oil	61 8	62 8	63 8	64 5
12. Iron and Steel	143 9	144 1	142 2	125 1
13. General Engineering	146 8	146 6	148 0	138 9
14. Sugar	79.8	80 0	80 4	86 9
15. Breweries	63.5	60 7	61 8	60 2
16. Chemicals	135 6	136 3	137 0	142 8
17. Paper	114 3	114 6	116 8	114 4
18. Cement	142 2	140.2	140 9	135.4

II. Regional

Region and Group	Week Ended 2-5-'53	25-4-'53	4-4-'53	3-5-'52
(A) BOMBAY—				
Government and Semi-Government Securities	92.1	91.0	92.0	91.5
Fixed Dividend Industrials	92.9	92.9	92.6	90.8
Variable Dividend Industrials	126.3	125.6	125.5	122.5
(B) CALCUTTA—				
Government and Semi-Government Securities	92.8	92.7	92.8	92.2
Fixed Dividend Industrials	86.9	86.1	86.5	89.0
Variable Dividend Industrials	93.5	93.3	94.3	98.6
(C) MADRAS—				
Government and Semi-Government Securities	92 0	91.7	91.9	91.1
Fixed Dividend Industrials	102.1	101.9	101.7	109.0
Variable Dividend Industrials	126.2	125.0	126.6	139 2

*Source: Department of Research and Statistics, Reserve Bank of India.

‡ Including Part 'B' State Loans.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,883	12,806,704
1951	1,071	691,821	2,948,978
1952*	962	809,118	3,335,061
October 1950	78	238,849	2,266,994
November	84	56,736	313,887
December	68	41,061	163,718
January 1951	120	93,696	370,990
February	61	44,025	203,660
March	79	47,723	317,889
April	120	96,747	331,382
May	109	56,604	277,314
June	146	93,448	448,258
July	139	72,454	671,705
August	108	64,694	239,907
September	83	24,777	93,109
October	108	67,396	190,761
November	125	64,147	189,374
December	113	76,196	365,149
January 1952†	95	305,881	674,340
February ,,	88	63,180	215,607
March ,,	87	42,490	142,493
April ,,	134	59,437	284,346
May ,,	118	80,093	254,885
June ,,	101	59,381	257,062
July ,,	82	40,754	171,203
August ,,	88	48,585	148,533
September ,,	96	57,875	460,562
October* ,,	96	78,181	349,618
November ,,	91	48,700	273,245
December* ,,	87	47,401	153,177
January 1953† ,,	80	27,401	239,150(b)
February ,,	82	40,244(a)	116,398
	42	23,284	

† Figures for 1952 and 1953 are provisional. * Revised.

(a) Not known in six cases. (b) Not known in seven cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51	545	5,279.9	4,225.9
1951-52	573	5,948.1	4,849.0
October 1951	554	494.5	403.4
November ,,	556	506.9	412.8
December ,,	557	491.7	409.8
January 1952	561	500.9	414.3
February 1952	568	500.8	409.7
March ,,	571	480.7	391.0
April ,,	573	481.8	392.9
May ,,	577	485.8	392.8
June ,,	581	514.4	413.1
July ,,	588	500.1	408.8
August ,,	588	584.0	429.7
September ,,	592	531.6	428 7
October ,,	597	530.3	430.6
November ,,	599	548.2	441.5
December ,,	605	529.7	436.4
January 1953	608	552.2	457.8
	611	535.5	441.8

* Excluding railway, military and factory power stations; Chola Power Station, being interconnected with the Tata Power System, has been included. ‡ Including

§ At the

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	25th April, 1953	18th April, 1953	26th April, 1952	April, 1953	April, 1952	Percentage of increase (+) or decrease (—) in April, 1953 as compared with April, 1952	1952	1951
Food Articles	375.1	366.4	351.4	366.4	346.1	+ 5.9	359.8	409.8
Cereals	439	438	442	437	444	— 1.6	450	483
Pulses	474	449	422	445*	436	+ 2.0	493	506
Other	265	253	223*	256	209	+22.0	225	290
Industrial Raw Materials	457.4	454.2	420.4	448.8	433.5	+ 3.5	453.8	808.2
Fibres	412	415	425	405	449	—10.0	454	622
Oil seeds	594	565	435	568	430	+32.0	484	679
Minerals	433	456	453	449	458	— 1.9	458	426
Others	350	354	300	358	319	+12.2	341	533
Semi-Manufactures	355.8	351 0R	339.8	351.8	338.3	+ 4.0	346.5	377.6
Leather	418	429	374	431	257	+67.5	345	453
Mineral oils	223	223	218	228	218	+ 2.3	221	197
Vegetable oils	527	499R	434	498	435	+14.5	459	679
Cotton yarn	441*	441*	500*	445*	499*	—10.8	485*	482
Metals	214	213	196	198	194	+ 1.1	211	197
Oil Cakes	424*	411	419	411	416	— 1.2	440	500
Others	251	217	266	225	271	—17.0	273	330
Manufactured Articles	384.8	385.1	379.9	385.4	381.2	— 4.1	377.5	395.5
Textiles	400	401	430	401	432	— 7.1	423	453
Jute	357	360	526	357	548	—34.8	508	508
Cotton	406*	406*	410*	406*	410*	— 1.0	401*	400*
Rayon and Silk	480	480*	437	438*	427*	+14.3	435*	511*
Woollen	312	312	303	313	292	+ 7.1	346	378
Metal products	336	336	311	336	311	+ 8.0	321	285
Others	288	288	299	289	300	— 3.6	298	300
Miscellaneous	598.4	603.4	601.5	601.7	598.1	+ 0.5	635.6	729.8
All Commodities	389.2	385 3R	377.4	384 7	377.8	+ 2.0	386.9	439.3

* Estimated. R—Revised.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
May 1951	—	335	278	414	443	394	374	335	140	178	138	158	166
June ,,	—	337	271	313	447	394	382	337	144	178	138	158	169
July ,,	—	333	270	318	454	394	385	337	145	182	140	155	173
August ,,	—	328	261	322	459	392	387	338	146	181	143	161	171
September ,,	—	325	253	319	470	389	375	340	144	179	150	161	170
October ,,	—	332	254	323	469	393	375	336	144	181	143	165	171
November ,,	146	333	252	325	464	397	374	337	147	182	155	168	165
December ,,	144	331	252	325	449	397	370	337	144	181	150	166	158
January 1952	142	331	246	323	442	393	357	338	142	179	147	162	156
February ,,	140	324	241	318	441	382	341	336	141	175	145	155	155
March ,,	135	313	229	300	417	378	334	333	136	177	140	150	145
April ,,	141	345	242	321	415	377	339	326	145	169	138	153	144
May ,,	140	339	264	310	412	376	339	327	148	168	143	153	143
June ,,	140	338	263	300	424	375	343	330	145	171	141	153	148
July ,,	142	330	263	304	456	377	354	331	143	175	143	161	155
August ,,	144	340	267	312	460	380	369	330	143	176	149	160	157
September ,,	143	341	269	310	463	381	364	328	145	178	153	157	150
October ,,	144	345	274	311	466	381	363	327	146	179	143	154	150
November ,,	143	347	271	306	459	380	357	328	143	176	139	150	150
December ,,	139	346	262	303	447	378	346	327	137	170	138	150	149

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS
(000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final.	1951-52 Final	1950-51 Final.
Rice	tons	73,595	75,975	20,767	20,295
Wheat	tons	23,235	24,134	5,768	6,374
Jowar	tons	38,329	38,419	5,509	5,403
Bajra	tons	21,856	22,267	2,153	2,549
Barley	tons	7,800	7,701	2,136	2,341
Maize	tons	8,003	7,794	1,959	1,701
Ragi	tons	5,296	5,444	1,167	1,407
Gram	tons	16,719	18,709	3,157	3,593
Other millets & pulses	tons	39,725	39,770	6,386	6,401
Total foodgrains	..	234,558	240,213	49,002	50,064
Jute	bales	14,834†	1,951††	4,695†	4,678††
Cotton 3rd	bales	13,749†	13,733††	2,467†	2,656††
Sugarcane 2nd	tons	4,248†	4,326††	5,035†	5,288††
Groundnut	tons	11,862†	11,798††	2,894†	3,045††
Linseed	tons	3,298	3,447	309	361
Castorseed	tons	1,349†	1,428††	107†	105††
Rape and Mustard Seed	tons	5,707	5,097	900	748
Sesamum	tons	5,537†	5,516††	426†	416††
Tobacco	tons	764	902	225	263
Pepper	tons	192	197	28	31
Ginger	tons	42	41	15	15

Source: Ministry of Food and Agriculture.
N.B.—The figures of sugarcane outturn are in terms of raw sugar *gur*).
† Relates to 1952-1953. †† Relates to 1951-52.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During April, 1953	74.3
	Corresponding month 1952	81.7
	July 1952 to April, 1953	746.0
	Corresponding period 1951-52	788.5
Stocks	At the end of April, 1953	137.5
	Corresponding month 1952	116.4
		(In 000 bags)
Exports (Jute Bags)	Week ended 28th Mar., 1953	1,48,21
	Corresponding week 1952	97,41
	From 1st Jan., to 28th Mar., 1953	5,54,75
	Corresponding period 1952	12,89,17
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 28th Mar., 1953	4,67,04
	Corresponding week 1952	2,01,57
	From 1st Jan., to 28th Mar. 1953	30,98,20
	Corresponding period 1952	20,42,89
	RAW JUTE	(In 000 bales)
Exports*	Week ended 28th Mar., 1953	—
	Corresponding week 1952	—
	From July, 1952 to Jan., 1953	—
	Corresponding period of 1950-51	—
Consumption by Mills†	April, 1953 (in lakh bales)	3.77
	Corresponding month 1952	4.74
	Ten months ended April., 1953	42.74
	Corresponding period 1952	45.74

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION
(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Year ended 31st March, 1949	917,800	906,700	671,000
Do. 31st March, 1950	10,41,700	927,500	720,000
Do. 31st March, 1951	11,15,200	10,62,100	7,76,500
Do. 31st March, 1952	11,30,000	10,57,100	7,99,200
Do. 31st March, 1953	11,58,000	10,61,900	7,91,800
January 1951	1,01,300	97,900	67,700
February ,,	87,700	82,200	66,300
March ,,	91,200	86,600	71,400
April ,,	81,500	79,600	65,000
December ,,	1,02,800	97,900	69,100
January 1952	99,800	90,700	71,400
February ,,	94,000	82,800	67,000
March ,,	1 02,100	92,100	67,400
April ,,	93,000	80,500	62,900
December	98,200	91,400	69,700
January 1953	1,02,400	95,500	69,900
February ,,	92,400	82,000	61,700
March ,,	97,400	86,000	65,500
April ,,	97,000	83,100	60,800

SEA- AND AIR-BORNE TRADE : INDIA.

Particulars	January,		Ten Months. April to Jan.,	
	1953	1952	1952-53	1951-52
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:—				
Foodstuffs	6.23	29.86	156.19	208.66
Raw materials	12.03	26.50	158.16	202.37
Manufactures	22.26	31.69	230.49	281.58
Other items	25	64	3.57	3.83
Total Imports*	40.83	88.69	548.41	696.24
Exports :—				
Foodstuffs	11.59	14.67	118.63	133.69
Raw materials	11.84	10.67	121.52	117.76
Manufactures	18.55	38.18	223.33	349.70
Other items	42	26	3.44	2.89
Total Exports	42.40	63.78	467.42	604.04
Total re-exports	1.20	64	4.84	12.35
Balance of trade in merchandise	+ 2.78	— 24.27	— 76.15	— 79.86
Balance of transactions in private treasure	— 2	— 1	— 6	— 10
Total Visible Balance of Trade	+ 2.76	— 24.28	— 76.21	— 79.96
Imports :—				
Total C'wealth Countries	20.08	24.91	213.46	242.25
Total Foreign Countries	20.75	63.78	334.95	453.99
Exports:—				
Total C'wealth Countries	20.67	36.91	220.18	317.89
Total Foreign Countries	21.73	26.87	247.24	286.15

* Excludes value of certain special imports of foodgrains and stores, full particulars of which are not yet available.

LAND-BORNE TRADE : INDIA

Particulars	January,		Ten months April to Jan.,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	69	2.09	17.93	19.73
Imports	73	4.44	17.59†	71.65
Balance of trade in merchandise.	‡	— 51.92	‡	— 77.47

† Incomplete—Excludes the value of 67,217 tons or 348,415 bales of raw Jute imported during the two months, December, 1952, and January, 1953 awaiting adjustment.
‡ Data Incomplete.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES
(Base: 1944 = 100)

Name of Centre	Cereals			Pulses			Other articles of Food			All articles of Food			Fuel and Lighting			Clothing			Miscellaneous		
	Jan., 1952	Dec., 1952	Jan., 1953	Jan., 1952	Dec., 1952	Jan., 1953	Jan., 1952	Dec., 1952	Jan., 1953	Jan., 1952	Dec., 1952	Jan., 1953	Jan., 1952	Dec., 1952	Jan., 1953	Jan., 1952	Dec., 1952	Jan., 1953	Jan., 1952	Dec., 1952	Jan., 1953
Eastern Zone																					
Bamra	157	202	212†	111	90	88	175	126	127	162	133	134	102	107	107	187	216	216	193	193	193
Maithang	163	x	x	126	x	x	161	x	x	156	x	x	141	x	x	163	x	x	125	x	x
Shankargarh	152	147	154	184	174	187†	213	151	152	184	155	160	101	95	97	164	144	141	141	145	144
Sonaili	259	199	179†	181	167	167	245	190	188	237	183	183	125	125	125	264	200	199	332	278	278
Northern Zone																					
Multapi	129	124	131	167	145	158†	170	173	169	164	159	161	108	123	133†	167	166	163	148	197	196
Nana	302	247	243	275	243	231†	234	199	200	252	214	212	144	115	117	244	205	205	208	191	189
Salamatpur	234	234	229	315	294	292	265	222	219	271	239	236	124	129	188	132	136	136	25	266	268
Southern Zone																					
Krishna	271	205	193†	196	187	186	201	160	157	213	170	166	141	118	115	171	138	138	213	198	176†
Lakh	387	249	374†	176	185	192	173	126	126	212	158	182	86	86	86	129	138	138	144	131	131
Malur	163	x	x	168	x	x	168	x	x	167	x	89	x	x	x	406	x	x	176	x	x
Muniguda	259	215	204†	270	234	229	197	222	220	308	223	218	105	128	128	207	201	194	241	199	199
Kudehi	123	159	181†	163	153	141†	191	164	164	176	162	164	104	127	127	155	128	122	202	194	191

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 7th May, 1953	55,540
	Corresponding week, 1952	47,686
	1st Sept. 1952 to 7th May, 1953	13,78,963
	Corresponding period, 1951-52	13,27,102
Cotton Exports	Week ended 7th May, 1953	6,849
	Corresponding week, 1952	—
	1st Sept. 1952 to 7th May, 1953	2,63,621
	Corresponding period, 1952	17,285
Mill Consumption	1st Sept. 1952 to 7th May, 1953	8,38,629
	Corresponding period, 1951-52	6,94,687
Stock (with exporters dealers and mills)	On 7th May, 1953	6,06,303
	Corresponding date, 1952	5,87,267
Karachi (Pakistan)*		
Receipts	Week ended 2nd May, 1953	21,413
	Corresponding period, 1952	25,552
	1st Sept. 1952 to 2nd May, 1953	15,72,801(a)
	Corresponding period, 1951-52	13,75,498
Exports	Week ended 2nd May, 1953	68,775
	Corresponding period, 1952	49,000
	1st Sept. 1952 to 2nd May 1953	11,57,725(a)
	Corresponding period, 1951-52	9,38,100

Particulars	From 1st Sept., '52 to 11th May, 1953 Bales	From 1st Sept., '51 to 11th May, 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	13,252	—
Continent	86,338	8,808
China	318	—
Japan	1,28,259	4,122
U.S.A.	32,288	3,864
Other Countries	4,676	411
Total to all foreign countries	2,65,131	17,285
Coastal Ports	1,06,907	80,980

Period		Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	January, 1953	3,23,677
Foreign		65,907
Indian	Five months September 1952 to January, 1953	15,31,046
Foreign		3,55,621
Indian	Same Period 1951-52	12,07,406
Foreign		4,42,623
Stocks (Mills and Elsewhere)—		
Indian	As on 31st Jan., 1953	10,25,020
Foreign		2,77,317
Indian	As on 31st Jan., 1952	10,75,066
Foreign		2,72,722
	Week ended 1st May, 1953	4,512
	Corresponding week, 1952	10,338
Cotton Pressed†	1st Sept. 1952 to 1st May 1953	22,58,799
	Corresponding period, 1951-52	21,05,945

* As reported by the Karachi Cotton Association Ltd. (a) Adjusted. † Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	103
4 % Bonds	1926-33	63,30,26,000	1960-70	102
3 % Loan	1938-39	1,16,17,46,000	1963-65	92
3 % Loan	1943	1,14,60,58,000	1964	92
3 % Loan	1950	30,31,10,000	1966-68	90
3 % Loan	1943	1,10,11,78,000	1957	98
3 % V. Loan	1944	1,14,06,89,000	1970-75	86
3 % Loan	1945	1,15,05,83,000	1959-61	96
3 % Loan	1945	1,13,65,64,000	1958	98
3 % Loan	1951	50,00,00,000	1960	93
2½% Loan	1946	45,63,07,000	1961	90
2½% Loan	1946	57,00,69,000	1954	98
2½% Loan	1946	35,06,06,000	1956	82
2½% Loan	1946	14,77,48,000	1962	91
2½% Loan	1947	75,86,72,000	1955	98
2½% Loan	1948	60,45,01,000		
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,36,000	At option of Government after three months, notice	82
			On September, 1986 or later at option of Government after three months, notice.	82
3 % Loan	1946	48,91,90,000		
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,85,66,000	1954-59	100
4½% Loan	1928	5,85,20,000	1958-68	103
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,000	18th Sept. 1955	98
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	98
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97
3 % Bombay	1949	6,00,00,000	1st Aug. 1962	93
3 % Bombay	1950	3,00,00,000	31st July 1960	95
3 % Bombay	1951	3,00,00,000	17th Sept. 1962	98
3½% Bombay	1952	3,50,00,000	1st Aug. 1964	101
4 % Bombay	1952	30,00,000	1st Oct. 1953-55	98
3 % Cochin	1943	1,00,00,000	16th Dec. 1955-58	98
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95
3 % Madras	1938	1,42,08,300	15th Sept. 1953	100
3 % Madras	1939	1,29,76,600	21st June 1959	95
3 % Madras	1942	1,23,25,000	18th Sept. 1955	98
3 % Madras	1943	1,23,10,000	14th Sept. 1956	98
3 % Madras	1945	1,08,00,000	15th Aug. 1958	96
3 % Madras	1945	2,82,19,000	14th Sept. 1960	94
3 % Madras	1946	3,90,93,200	1st Sept. 1961	90
3 % Madras	1950	4,97,00,000	31st July 1960	94
3 % Madras	1951	3,00,00,000	17th Sept. 1962	97
3½% Madras	1952	5,00,00,000	1st Aug. 1964	101
3 % Mysore(J)	1933	1,63,44,300	1st Nov. 1955	105
4 % Mysore(J)	1933	2,95,85,200	1st Dec. 1953-63	100
4 % Mysore(J)	1936	5,99,72,900	30th April 1956-61	98
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	98
3 % M.P.	1942	50,00,000	18th Sept. 1955	98
3 % M.P.	1943	50,54,200	14th Sept. 1956	98
3 % M.P.	1944	52,69,800	15th Aug. 1958	96
3 % M.P.	1948	2,03,00,000	15th Sept. 1964	91
3 % M.P.	1950	1,00,28,800	31st July 1960	94
3 % M.P.	1951	1,00,00,000	17th Sept. 1962	97
3½% M.P.	1951	1,00,00,000	1st Aug. 1964	99
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	98
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	98
3 % Travancore	1944	3,00,00,000	15th Sept. 1952-54	98
3½% Travancore	1936	50,00,000	16th Aug. 1956	99
4 % U.P.	1936	1,69,39,800	15th Sept. 1961-66	90
3 % U.P.	1943	3,23,96,800	1st Aug. 1958	97
3 % U.P.	1945	2,36,31,900	14th Sept. 1960	94
3 % U.P.	1946	2,41,19,800	1st Sept. 1961	95
3 % U.P.	1951	2,00,00,000	17th Sept. 1962	97
3 % U.P.	1952	1,00,00,000	1st Aug. 1964	100
3 % W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	97½
75,00,000	4	1908	1969	
40,00,000	3½	1909	1970	
36,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	90½
88,25,000	4	1914	1975	99N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1928*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98
76,90,100	4	1915	1975	98
68,02,300C	3½	1921	1981	79N
1,50,00,000C	6½	1921	1981	144N
1,24,04,300	6	1925	1955–85	105
98,21,600	5½	1926	1956–86	104
99,84,500B	5	1926	1956–86	103
1,49,49,350B	5	1927	1957–87	103½
1,49,30,000	5	1928	1958–88	104
80,00,000	4½	1931	1991	92½
21,75,000C	3½	1931	1954	99
60,00,000	3½	1935	1965	95½
25,00,000	3	1938	1963–68	88
50,00,000	3	1945	1975	70N
50,00,000	3	1945	1976	82
50,00,000	3	1946	1976	82
50,00,000	2½	1947	1977	78½
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94½
50,00,000C	3	1950	1980	80
1,06,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79N
1,50,00,000	3½	1951	1961	97½
STERLING LOANS				
£892,600	5	1923	1953–83	£83
£901,094	5	1924	1954–84	£85
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	5	1912	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1882	
7,46,044	5	1920	1982	
2,15,852	6	1921	1952	
1st Aug.				
3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	
STERLING LOAN				
£330,000	5½	1923	1953	£100N

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
40,00,000	4	1902	1962	
60,00,000	4	1903	1963	
30,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	97½
50,00,000	4	1914	1974	
40,00,000	4	1916	1976	
40,00,000	5	1919	1957–79	113
66,00,000	6	1920	1955–80	
25,00,000	6	1926	1956–86	115
25,00,000	4	1927	1961–70	98
10,00,000	3½	1936	1966	96½
STERLING LOANS				
£566,600	4	1909	1969	£95½
£333,000	4	1910	1970	£95½
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	104
25,00,000	5½	1929	1959	107
30,00,000	4	1934	1964	99½
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	89
30,00,000	3	1937	1962	90
20,80,000	3	1938	1963–68	88
80,00,000	4	1952	1962	100
STERLING LOANS				
£700,000	5½	1923	1953	£100

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
49,40,000	4	1913–14	1954	100
20,50,000	4	1913–14	1974	99½
20,00,000	4	1913–15	1955	100
10,00,000	5	1920	1980	113
1,45,00,000	5	1924	1954	103½
25,00,000	5	1928	1958	
26,14,000	5	1929	1949–59	105 to 103
2,45,500	5	1929	1954–59	
26,21,500	5	1929	1959	85
8,25,00,000	3½	1947	1977	85
2,50,00,000	3½	1948	1978	84
4,00,00,000	3½	1950	1965	91½
2,50,00,000	4	1952	1964	100½
2,00,00,000	3½	1951	1966	96
CALCUTTA				
Rs.				Rs.
34,45,500	6½	1925	1955	106
84,70,000	6	1925	1955	104
36,00,000	5	1928	1958	103½
33,91,000	5	1929	1957	103½
5,19,000	5	1936	1953	100
60,00,000	3	1936	1966	89
1,46,100	3	1936	1953	98
3,11,900	3	1936	1954	98
4,67,100	3	1937	1954	98
1,62,500	3	1937	1954	98
4,18,100	3	1937	1954	98
47,50,000	3	1938	1968	87
10,67,700	3	1938	1955	99
15,56,800	4	1939	1956	99½
15,56,800	4	1940	1957	99½
17,64,400	3½	1942	1959	98
21,10,000	3½	1942	1972	96
15,49,000	3½	1951	1960	96
16,33,000	3½	1951	1961	96
66,88,000	3½	1951	1966	96
87,36,000	4	1952	1962	99½
MADRAS				
Rs.				Rs.
5,00,000	4	1903	1953	101
3,00,000	6	1923	1953	107
3,40,000	7	1925	1955	107½

ABBREVIATIONS.—M—Held by Government of Madras. N—Nominal. I—Various Issues repayable to Government.
B—Taken up by Imperial Bank of India. D—Domestic Loan not marketable. C—Held by Commissioners. * Loans held entirely by the Trustees
(a) This includes the amount of loan converted into First Development Loan 1974-75. (Income-tax free. A—Held by Government of India.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935- ** Quotations in Pak. Currency

PREFERENCE SHARES

Company	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share Rs.
BANKS							
Allahabad Bank ..	15,00,000	1901	6	Mar.	Sept.	132	100
BREWERIES AND SUGAR							
Bharat Sugar	5,00,000	1931	5	Dec.	..	75N	100
Canara & Co.	3,00,000(b)	1875	6½	Mar.	Sept.	89	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb.	Aug.	142	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July	Apr.	117	100
East India Distilleries ..	£200,000	1897	7	Jan.	July	15½	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec.	..	77	100
Do. (Non-redeem.)	5,00,000	1946	7B	Dec.	..	75	100
Gurtabpore Co.	6,00,000	1922	10	Oct.	..	406	100
Lammuggar Cane	4,00,000	1933-36	6	Aug.	..	97	100
Mavalgaon Sugar	20,00,000	1943	5½	Oct.	Apr.	70	100
South Behar Sugar	5,00,000	1936	7(a)	Dec.	..	75N	100
Travancore	15,00,000	1946	5c	Dec.	..	70N	100
Upper Ganges	12,00,000	1932	5	Dec.	..	70N	100
Do	15,00,000	1946	5(a)	Dec.	..	70N	100
COAL							
Bengal-Nagpur	1,12,500	1905	7	Jan.	July	116	100
Berres	4,00,000	1896-97	6½	Oct.	Apr.	117	100
Burrakur (1st)	22,99,800	1901-19	7	Apr.	Oct.	120	100
Do. (2nd)	1,00,000	1946	6(a)	..	..	8½	10
Equitable	4,00,000	1895	6	Mar.	Sept.	114	100
Karanpura Collieries ..	7,50,000	1944	5½(a)	..	..	85	75(pp)
Khas Kajora	1,93,000	1931	5	Mar.	Sept.	6N	10
New Beerbhoom	2,00,000	1920	7	Jan.	July	12xd	10
Sodai	2,00,000	1898-99	6½	Apr.	Oct	113	100
COTTON							
Ahmedabad Advance ..	10,00,000	1939	5	Apr.	Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan.	July	131½	100
Basanti Cotton	5,00,000	1938	6½	Nov.	..	7½	10
Benares Cotton	1,05,200	1919	7	July	Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr.	Oct.	121	100
Bowrah 'A'	6,00,000	1900	8	Feb.	Aug.	120	100
Do. 'B'	6,00,000	1900	7	Feb.	Aug.	78	100
Bradbury	14,75,000	1919	7	June	Dec.	318½	250
Buckingham & Carnatic ..	21,30,200	1920	7½	Jan.	July	142½	100
Cambodias	1,00,000	1928	7	Apr.	..	131½	100
Central India	50,00,000	1912	5	Apr.	Oct.	517½	500
Coimbatore Pioneer ..	1,00,000	1935	6½	Nov.	..	132½	100
Elgin	11,00,000	1912	8	May	Nov.	142	100
Do. 'B' Pref. ..	4,20,000	1943	5	July	Jan.	10	10
Elphinstone	25,00,000	1919	7(a)	May	Nov.	95	100
Kesoram	20,00,000	1919	7	June	Dec.	127	100
Khatau Makanji	20,00,000	1919	6	Nov.	..	—	100
Do. (2nd)	29,92,500	1947	4	..	..	84	100
Kothari	12,00,000	1937	6	Nov.	..	101	100
Lakshmi Cotton (Bombay) ..	16,00,000	1947	5(a)	..	..	225	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	January		75	100
Muir Mills	30,00,000	1900	6	Jan.	July	108	100
Mysore Spg.	7,45,039	1919	4½	..	..	..	50
New Great	8,00,000	1913	5½(a)	Mar.	..	180	200
New Victoria	26,05,500	1928	6	Apr.	Oct.	3½	5
Podar Mills	10,00,000	1943	4	Feb.	..	82	100
Rajaklakshmi	2,00,000	1932

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. G=Guaranteed shares. P=Preference shares. P.O.=Preferred Ordinary shares. R=Rebate shares. Y=Accounts published yearly. H=Accounts published Haf-yearly. Q=Accounts bublishe once 15 months. T=Company has Debentures. R.L.=Reserve Liability on shares. N=Nominal Quotation. i=Interim Dividend. f=Dividend for first half-year, y=Dividend for the year. x=Ex. Dividend c.d.=Cum. Dividend.

Shares:—If a company has different classes of shares—as, for example A shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under "Paid-up Per Share."

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12 indicate the months of June and December, respectively "Reserves" ncludes general and other reserves and all other funds which a company may have as also depreciation on block items, when this is charged to separate account 'Block" represents actual cost of land, buildings, machinery, and all such other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends:—Dividends for completed years are calculated at per cent per annum, but, where quoted for portion of a year, they represent percentages of the dividend on the paid-up share value. For companies closing the boc d half-yearly in the first three months of the year, and for companies closing their books yearly during the first half of the year dividends are shown as for the previous year.

COTTON MILLS

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Looms	Mill	Latest Available Quotation.	Paid-up Per Share	Dividends (per cent.): 1949	1950	1951	1952	Accounts closed	Reference
Rs.	Rs.	Rs	Rs.					Rs.	Rs						
BOMBAY CITY AND ISLAND															
50,00,000	59,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	2-14½	2	12½	12½	15⅛		12	Y.
40,00,000	96,25,655	1,22,39,883	45,646	B. R. Sons, Ltd.	50,828	1,021	Beharilal Ramcharan Cotton Mills	46½	100	6	6	—		3	T.P.Y
2,50,94,000	5,35,82,946	3,76,37,187	1,80,774	Nowrosjee Wadia & Son, Ltd.	1,82,072	4,855	Bombay Dyeing, etc.	395§	250	16	7	8	8	12	Y.
10,00,000	68,56,275	52,02,609	2,59,868	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	720	250	24	40	40		3	P.Y.
1,09,42,800	3,69,11,265	2,42,52,821	5,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century	277	100	15	18	20	20	12	Y.
49,00,000	76,78,063	1,06,30,358	5,066	V. J. Pilani, Esq. (Chairman)	39,408	698	Colaba Land & Mill	71	100	—	—	4		12	Y
26,00,000	47,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd.	27,308	680	Coorla	108‡	100	7½	7½	7½		3	Y
16,00,000	64,96,041	63,03,745	76,868	Ramnarain Sons, Ltd.	38,304	..	Dawn	59	50	4	—	12	12	12	Y.
34,00,000	78,85,000	63,06,555	91,036	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	247½	200	7½	7½	7½		12	Y.
25,00,000	82,92,517	1,09,92,288	64,188	Chidambaram, Muthraj & Co., Ltd.	44,768	886	Elphinstone	42	50	10	8	—		12	Y.
40,00,000	1,32,62,580	80,34,752	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay	312	100	15	15	20	20	12	P.
50,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	71,608	1,259	Hind Mills	—	10	5⅓	4⅓	5⅓		6	P.Y.
12,00,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co.	45,752	1,022	Hindustan	3,200	1,000	17½	20	20*		3	P.Y.
8,00,00,000O	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	10‡	10	7⅓	7⅓	10⅓		12	P.Y.
50,00,000D								3,310	1,000	17½	20	20*		3	Y.
8,65,000	1,33,65,320	98,10,275	7,671	Damodhar Thack. Mooljee & Co.	47,172	1,191	Indian Manufacturing	—	500	—	—	—		6	P.Y.
35,000								183‡	100	12	14	10		12	Y.
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co.	77,404	1,517	Khatau Makanjee	311‡xd	100	27k	18	25*	18	12	Y.
1,00,00,000	3,45,80,831	2,90,52,252	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor								
28,80,000A	60.88,538	4,61,890	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	83	100A	7½	5	6½	10	6	Y.
3,60,000B								—	20B						P.T.Y.
22,13,050	88,02,988	1,01,00,576	24,034	N. Sirur & Co. Ltd.	33,750	451	Modern Mills	95N	50	14	8	14		6	P.Y
51,75,000	1,65,94,653	71,00,015	2,80,686	Piramal Gangadhar & Others	60,652	1,450	Morarjee Goculdas	200	100	17	15*	12	10	12	Y.
24,00,000	67,21,958	71,22,987	42,053	W. H. Brady & Co., Ltd.	45,944	432	New Great Eastern	150	100	11	12½	15	10	12	P.Y.
30,00,000	79,78,669	86,82,525	70,277	W. H. Brady & Co., Ltd.	48,395	1,018	New Union	157	100	6‡	10	12½	12½	12	Y.
12,70,100	35,74,176	28,92,872	423	Mafatlal Chandulal & Co.	33,720	873	New Union	25‡	10	—	5	10	8	12	P.Y.
48,00,000	1,14,83,245	1,38,66,478	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix	113‡	100	6	10	10	10	12	P.Y.
40,00,000	59,51,640	24,14,688	1,25,251	Podar Sons, Ltd.	32,600	930	Podar	25‡	10	9	9	10		12	Y.
5,00,000	27,64,626	29,73,962	3,162	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk	25‡	10	26½	20	20	12½	12	Y.
25,00,000	59,86,822	41,49,241	21,950	M. G. Investment Corpn.	60,240	1,254	Sassoon Spinning	27‡	10	—	7½	10	12½	12	P.Y
60,00,000	1,02,59,322	78,01,447	3,43,873	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	173‡	100	12½	14	17½		3	T.Y.
31,50,000	1,00,00,000	76,05,952	50,222	Forbes, Forbes, Campbell & Co., Ltd	36,116	1,276	Simplex	179‡	50	28	34	30†		12	P.Y.
56,00,000	2,07,23,386	1,18,80,653	2,889	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard	298‡	100	15	15	26 ×	20	12	P.Y.
75,00,000	2,10,92,537	1,57,29,109	91,399	Tata Industries Ltd.	65,040	2,000	Swadeshi	257‡	100	14	16	18	16	12	P.Y.
24,00,000	1,20,11,676	65,86,475	5,71,220	James Finlay & Co., Ltd.	35,804	552	Swan	440	100	20	20	25	30	12	P.Y.
32,54,438	88,66,976	76,66,704	—2,05,128	Tata Industries Ltd.	63,248	1,800	Tata	44	25	8	8	16	4	12	P.T.Y.
12,00,000	1,17,01,933	86,62,657	4,299	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spinning	3,110	1,000	17½	20	20		3	T.Y.
AHMEDABAD															
20,00,000	84,99,543	51 95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	155	100	8	12	10		6	P.Y.
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Hutheesing & Sons Ltd.	42,768	912	Aruna	425	100	13*	15*	20*	25	12	Y.
21,00,000	2,83,78,675	1,18,76,140	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind	780	100	22½	25	25		12	P.Y
20,00,000	93,85,169	76,03,158	1,11,303	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning	272‡	200	15	15	17½	22*	12	Y
12,00,000	1,63,65,455	81,44,027	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	912	Asoka	455	100	15*	17	22	14-2/5	12	Y.
1,24,77,072	3,38,63,311	3,71,68,168	2,87,005	Karamchand Premchand & Co	1,39,120	2,370	Calico	321	125	8	10	12	14-2/5	12	P.Y
30,00,000	1,00,20,000	83,66,716	748	Tricumlal Bhogilal & Co.	39,316	867	New Commercial	1,055	500	10	11	12		12	P.Y.
39,00,000	1 31,07,324	96,79,263	1,795	Mafatlal Chandulal & Co.	47,952	864	New Shorrock	585	125	28	28	28	28	12	Y.
5,00,000	79,61,645	43,89,260	4,583	Jagabhai Bhogilal Nanavati & Co.	24,840‡	528‡	Nutan	610	100	25*	28*	28*	30*	12	P.Y.
10,00,000	1,49,90,022	73,98,913	3,599	Lalbhai Dalpatbhai & Co.	31,120	637	Raipur	160	250	6	6	8	9	12	P.Y
12,00,000	30,40,334	63,41,241	1,09,340	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Sarangpur	127‡	100	8	30	30		12	
32,50,000	58,29,453	81,93,993	9,867	Lallubhai Gordhandas Ltd.	33,156	648	Rohit								
19,50,000O	94,78,968	61,33,831	8,070	Mafatlal Chandulal & Co.	36,624	720	Shorrock Spinning	305	100	15	15	20	20	12	Y.
2,500D								311	50	25	30	36	32	12	P.Y
24,90,150	1,91,30,172	1,01,07,709	1,23,551	Haribalabhdas Kalidas & Co.	73,796	1,383	Shri Ambica Mills	465	100	11½*		8½*		12	P.Y.
28,00,000	59,44,524	80,38,656	20,958	Haridas Acharatlal & Co., Ltd.	32,816	776	Vijaya								
WEST BENGAL															
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agenc Ltd.,	13,044	356	Basanti Cotton	4½	10	—	5	3½		12	P.T.Y.
7,11,280	22,53,684	32,31,991	32,931	Bangal Textile Agency Ltd.	28,448	936	Bengal Luxmi	38N	40	—	7½	7½		3	Y.
6,00,000	74,31,075	77,07,829	—28,432	K. Bullen & Co., Ltd.	42,872	841	Bowreah	215	100	—	—	7	—f	6.12	P.Y.
19,00,000	96,49,451	96,66,017	—27,794	K. Bullen & Co., Ltd.	42,944	518	Dalhar	123	100	5½	—	—	—f	6.12	H.
1,20,00,000	3,29,34,362	3,04,56,320	94,976	Birla Bros., Ltd.	69,352	1,990	Kesoram	19‡	15	12½	12½	11⅓‡		3	P.Y
6,00,000A	71 09,841	79,53,833	51,255	Chakravarti Sons & Co.	23,484	442	Mohini	—	25	12½§	7½	7½		12	Y.
38,96,097B									10						
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12,300	374	Arcona Spg. & Wvg. Mills	5	10	9	3	—		12	T.Y
15 00,000	26,53,246	59,15,375	2,736	Ramlal & Co., Ltd.	50,000	..	Alagappa Textiles	6½	10	—	9	6		12	P.Y.
71,94 400oo	96,26,706	1,90,39,719	18,450	Ind. Trust Fund	19,944	440	Azam Jahi Mills	65½	100	15*	5½	61	6	9	Y.
40,50,000	3,00,10,004	2,73,75,544	2,49,801	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	247½	100	14½	17½	20	15	6.12	P.T.H
27,00,000	71,21,986	69,56,823	40,045	Shaw Wallace & Co., Ltd.	29,936	782	Bengal Nagpur	14½	10	5	1½	10	5‡	6.12	P.Y.
60,00,000	77,87,070	1,03,33,381	11,906	Binodiram Balchand	57,312	1,538	Binod Mills	100‡	100	17	7	5	12	Y.	
15,00,000	1,33,79,264	84,27,674	4,60,089	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	56N	10	25	25	30	3	P.P.	
1,78,47,800	4,09,27,251	5,14,83,572	2,39,790	Binny & Co., Ltd. (Madras)	1,19,916	2,781	Buckingham & Carnatic	115	100	6½	6½	7½	4	6.12	P.Y.
20,00,000	32,63,706	30,52,641	93,399	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia	11§xd	10	7½	—	12½	10	12	P.Y.
30,00,000	64,46,347	47,79,878	32,599	Begg Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	8§	5	11½	11½	11½	3 9	T.Y	
46,87,500	2,25,77,600	2,00,84,126	—16,38,224	Tata Industries Ltd.	1,15,188	2,062	Central India	174	100	6	6	2	6	P.Y	
12,00,000	33,29,989	27,82,648	—1,32,723	R Beema Nayudu & Co.	28,864	..	Coimbatore Cotton	150N	100	12½	12½	12½	9	12	Y.
20,00,000	17,94,432	20,04,313	9,816	T. R. N. Naidu & Co.	19,700	407	Coimbatore Pioneer Mills	101	100	7	6	—	6	P.Y	
20,76,900	70,83,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co.	72,188		Coimbatore Spg. & Wvg.	39	50	5	10	—	6	Y.	
24,34,800	40,26,054	37,58,169	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi	175	100	25	25	20	10	12	Y.
2,89,84,925	3,84,95,614	5.77.14,605	1,63,862	Bharat Ram, Esq.	75,604	1,830	Delhi Cloth (inc. Lyallpur Mills)	28§	25	4	10		6	P.Y.	
1,00,503									25						
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd.	52,652	1,198	Elgin	16½	10	12½	11½	15	9	P.T.Y.	
39,04,700	1,01,50,000	82,22,587	1,03,575	F. Forbes Campbell & Co., Ltd.	72,960	2	Gokak	21½	100	15	10	14	17*	12	Y.
50,00,000	84,17,977	1,21,16,721	4,989	Govindram Seksaria (Indore)	50,420	1,420	Indore-Malwa United	95	100	4	4	5		12	T.Y.
8,90,000	22,88,977	18,75,134	487	G. V. Naidu & Co.	23,784	325	Janardhana	63	50	16	10	15		12	Y.
6,50,000	17,20,576	40,18,454	7,677	A. L. A. R. A. Chettiar and another	50,304		Kaleeswarar	305	100					12	Y.
24,00,000	25,50,000	43,66,106	54,377	Kothari & Sons	13,824	1,213	Kothari	9§	10	7	7½	7½	6	P.Y.	
32,00,000	1,62,37,879	1,37,67,873	1,99,524	The Bombay Co., Ltd	53,642	200	Lakshmi Mills	575	250	15	15	20*	15	12	P.Y.
35,64,100	90,51,492	78,03,494	7,921	G. K. Naidu & Co.	73,504			80	50	8	8	10	3	P.Y.	
17,82,050A								39	25						
1,75,02,480	5,94,39,299	4,16,07,732	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura	35§	15	17½	15	20	20	12	Y.
12,00,000	20,18,053	24,32,416	—7,468	A. L. A. R. A. Chettiar and 2 others	21,856	..	Malabar	142	200	7½	4	6	4	12	Y.
60,00,000	93,17,047	52,62,343	30,249	W. A. Beardsell & Co., Ltd	24,252	603	Mettur Industries	192	100	25	12½	12½		3	Y.
29,80,884	65,78,942	71,79,459	22,669	N. Sirur & Co., Ltd.	36,416	678	Minerva	100‡	100	8*	6	6		12	Y.
94,91,850	96,08,512	1,34,73,361	29,643	B. Abirchand Daulatchoy & Co.	49,456	952	Model Mills, Nagpur	143‡	250	6	3	3		6	Y.
30,00,000	1,55,94,651	1,53,39,271	1,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir	215	100	24‡	—	—		12	P.Y.
9,71,850	4,06,541	20,43,991	—2,16,536	A. Sambha Moorty, Esq.	69	500	Mysore Silk Filatures	2§	10	—	—	7½		12	Y.
19,86,800	1,15,59,739	82,55,416	38,347	N. Sirur & Co., Ltd.	49,632		Mysore Spinning	123§	50	20	18*	20*		12	P.Y.
13,61,780	22,98,130	27,85,556	—4,60,000	R. Suryanarayana Rao, Esq.	6,000		Mysore Spun Silk	4§	10	5d	6½	—		3	Y.
22,89,882	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd.	50,228	1,148	New Victoria	1§	25	—	—	—	12	P.T.Y.	
3,07,0950								—	DI						
87,03,800	1,20,94,970	1,58,62,385	17,946	Ind. Trust Fund	30,896	717	Osmanshahi Mills	95N	100	14*	5½	6½	7	9	Y.
4,00,000A	19,98,937	20,58,777	19,670	Baghyalakshmi & Co.	22,800	..	Palani Andavar	52	50	4	10	16		12	P.Y.
15,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills	65§	100	4	7½	5		12	P.T.Y.
25,30,420	40,80,284	52,61,263	2,062	A. G. G. Naidu & Co.	38,864	200	Radhakrishna	143xd	100	15	16	16	6	12	Y.
15,01,000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	25,896	..	Rajalakshmi	76§cd	50	9	9	10		12	P.Y
15,02,500	31,53,264	35,65,211	11,407	P. S. G. Nayudu & Sons	28,972	88	Ranga Vilas	42§	50	6	7	7½		12	Y.
60,00,000	89,59,172	1,04,60,739	5,506	Sir J. P. S. & Sons (Rampur), Ltd.	32,580	600	Raza Textiles	5–13§	10	—	—	—		12	P.Y.
16,00,000	1,58,55,370	2,03,51,339	—78,03,793	M. J. Divekar, Esq.	82,992	2,234	Sholapur	1,750	1,000	—	—	—		3	P.Y.
22,41,300	9,49,500	25,98,011	66,528	Gopaldas Lindhar & Co., Ltd	15,824	440	Shree Sajjan	75N	100	6	—	—		3	Y.
17,79,700	17,05,383	21,50,229	3,083	T. R. A. Ayyar & Bros., Ltd.	18,416	416	Sitaram	36§	60	6§	—	5		8	Y.
36,69,700	53,91,188	62,29,128	26,556	B. S. Visweswaraiya, Esq.	25,200	292	Sri Krishnarajendra Mills	41	50	8*	8*	6*		3	Y.
15,00,000	1,30,50,807	64,96,084	58,49,305	Birla Brothers Ltd.	27,340	992	Sutlej Cotton Mills	40N	10	40	40	40		3	P.Y.
17,50,000								9§	10	5	5	5		12	
1,97,50,000P.O.	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,12,216	2,077	Swadeshi (Cawnpore	9§	10P.O.	9	9	9			P.Y.
13,98 630	16,70,493	12,91,002	9,843	M. R. & Sons	16,000	..	Trichinopoly	9§	10	10	10	10	7	12	Y.T.
21,00,000	56,75,811	47,61,131	50,000	R. K. S. Chetty & Bros.	33,704	270	Vasanta	15O	100	7	9	10	12	12	P.Y.
32,00,000	1,34,16,851	1,18,73,996	2,21,881	The Bombay Co., Ltd.	54,280	1,495	Vishnu	165	100	10	9	14*	10	12	P.Y.

• Includes Bonus I. On Increased Capital. ‡ Only Depreciation.

× Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46.

(c) Includes Rs. 11-6 paid out of deferred Dividend Amount.

¶ As on 31st August, 1952, — Nil Dividend. † Subject to tax. J—As on 1st January, 1953.

†† Does not include depreciation

xd—Ex. Dividend. C.d.—Cum. Dividend ** Net Block.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.): 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs						
ART SILK AND RAYON MILLS													
1,60,42,600	72,66,192	4,27,10,526	38,933	Chinai & Co., Ltd.	National Rayon Corporation	91½	100	—	—	—	—	12	P.Y.
99,92,020	57,16,774	267,67,573	2,34,553	Emcete & Sons (Travancore) Ltd.	Travancore Rayons	4½	10	—	—	—	—	12	P.T.Y.
BREWERIES AND DISTILLERIES													
13,28,000	65,17,840	96,16,910	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	22	25	11½	11½Q	—		5	P.Y.
6,64,000						9½	10						
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	6⅝	5	20	10	—		3	W.
£330,000	£915,047	£1,010,005	£55,705	Parry's Holdings Ltd.	East India Distilleries and Sugar	14 ⅛	A 16sh.	10	10	10		9	P.Y.
						18⅛	B 20sh.		15	15			
24,80,000	8,54,296	7,56,660	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4	10	—	—	—		8	W.
6,00,000	21,13,586	12,13,593	3,951	B. A. Mallya Esq.	United Breweries	150	75	15	10	20		3	W.
CEMENT													
81,19,724	21,33,493	67,56,656	15,850	The Andhra Engineering Co., Ltd.	Andhra Cement Co.	100	100	3§	3§	7½		12	P.Y.
43,14,000	16,94,310	17,14,992	1,01,035	Eastern Corporation Ltd.	Assam Bengal Cement	4§	10	5	—			3	Y.
4,78,976D						8§	1						
10,56,20,438	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.	Associated Cement Companies	170‡	100	7	8½	9½	9½	7	Y.
10,56,20,438	95,24,901	1,45,62,309	61,188	Hari Bros. Ltd.	Dalmia Cement	5§	10	—	5	6½		12	Y.T.
86,49,312						6	1						
1,00,000D						15§	25	—	—	5		3	P.Y.
61,01,180	27,27,600	1,26,09,755	90,853	Essen Ltd.	India Cements Ltd.	3–6½	5D	—	—	—			
7,50,000D						7§	5	3	4	8		12	Y.
78,90,000	1,46,20,109	1,65,80,416	81,840	Martin Burn Ltd.	Sonevalley Portland Cement								
CERAMIC; MINING AND QUARRYING													
81,70,655	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2½	2½	2½	5	6½		12	Y.
18,00,000	37,00,990	51,64,271	28,729	Bird & Co.	Biara Stone Lime Co.	29§N	10	16§	16	17½		3.9	H.
30,00,000						9½	10 O	10	10	5†		12	P.Y.
18,00,000D	17,91,749	50,93,341	12,332	Ram Kumar Agarwala & Bros.	Chrestien Mica Industries	6§	2 D	15	15	7½†			
£9,14,200	£1,650,110	£1,643.983	£85,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	2½	2sh.	12½†	12½†	12½		12	Y.
13,00,000						13	A	10	—	—		61.2	H.
4,00,000	38,79,403	43,65,527	1,29,079	Bird & Co., Ltd.	Karanpura Development	13	B	10	—	—		61.2	H.
8,00,000								10	—	—		3	Y.
4,00,000	6,40,199	7,98,882	9,812	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	10		10	5‡(d)	10	10	3	Y.
10,00,000	37,28,402	31,47,718	74,275	Bird & Co., Ltd.	Orissa Minerals	35		10	6½	6½	12½	15f	6.12	H.
6,00,000	24,28,739	25,13,779	27,403	Andrew Yule & Co.	Reliance Firebricks	17		10	10	11½		2.8	H.
5,99,390	20,61,475	17,98,676	3'427	Killick Industries Ltd.	Shivrajpur Syndicate	54½		10	15	17½	35.	11	Y.
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	23,14,270	1,02,937	S. V. S. Iyer, Esq.	Kemp & Co.	25§	200	80	80	10		3	Y.
92,14,870	55,77,268	2'53,78,334	8,595	Tata Sons, Ltd.	Tata Chemicals	9§	10	—	—			6	T.Y
1,12,500	1,38,486	61,178	4,101	B. D. Nagar, Esq.	Thompson & Taylor	4§	3	8§	8§			3	Y.
Other Centres													
25,00,000	54,68,041	63,66,814	59,559	Bhailal Amin & Sons., Ltd.	Alembic Chemical Works Co.	101§	100	—	8	8		12	Y.
62,00,000	1,07,29,152	2,20,10,944	2,51,870	Imperial Chem. Industries (India), Ltd.	Alkali and Chem. Corpn. of India	13§	10	—S	8	6	6	9	Y.
18,84,700	68,00,287	78,49,987	10,67,406	S. P. Sen, Esq.	Bengal Chemical & Phar.	104§	100	6	6			4	Y.
81,30,000	45,64,469	38,97,031	1,09,732	Sahu Bros. (Saurashtra) Ltd.	Dharmendhra Chemicals	168	100	6	15	15		5	Y.
4,95,000	1,50,922	1,53,108	—21,728	D. C. Collaco, Esq.	Frank Ross & Co.	3§	10	—	4½	—		2	P.Y.
3,45,97,740	86,89,2642	4,01,40,091	—10,83,735	Seshasayee Bros. (Travancore) Ltd.	F.A.C.T.	3§	10	—	2½	—		12	Y.
40,49,345	30,74,302	83,46,263	21,842	Seshasayee Bros. Ltd.	Mettur Chemicals	4½	10	6	7	3§		5	Y.
24,81,220	34,32,111	40,15,501	14,741	E. V. Ganapati Iyer, Esq.	Mysore Chemicals and Fertilisers	8–11§	10	4½	9	9		5	Y.
5,00,000	12,12,426	10,05,853	10,463	Krishna & Co.	Mysore Chemical Mfrs.	5§	2	10	3§	12½	10	3	P.Y.
2,80,000	4,78,659	4,76,852	40,262	D. Khaitan & Sons Ltd.	Steel Products	7§	5	10	10	10		6	P.Y.
						3§		—	—	—		4	P.Y.
**ELECTRICS (Bombay Presid

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
£'s	£'s	£'s	£'s			£'s	£'s						
OIL; PETROL, ETC.													
7,50,000	£987,630	£257,232	—£718,934	I. C. H. Glass, Esq	British Burma Petroleum Co	1–2½	4sh.	—	—	—		3	P.Y.W.
22,50,000	81,89,204	52,69,225	1,85,955	W. C. Alcock, Esq.	British Ceylon Corporation	13½	7½	30†	24†	32†		12	P.W.
1,50,00,000	2,27,04,597	1,10,70,867	2,10,829	Steel Brothers & Co.	Indo-Burma Petroleum Co	56½	40	10	10	10		12	P.Y.
70,07,475	1,02,93,588	1,52,15,713	10,602	Tata Oil Mills	Tata Oil Mills	33½	25	4	6	8		3	P.Y.
6,00,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tide Water Oil Co. (India)	14½	10	15	15	17½	5f	4.18	H.
PAPER													
45,00,000	1,56,25,500	1,94,47,651	3,21,991	Reimer Lawrie & Co.	Bengal Paper Mills	45	25	10	10	12½	6¼f	6.12	P.T.H.
30,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	157	100	7	10	11	3f	3.9	H.
25,00,000	48,30,215	47,81,895	52,615	P. R. Balakrishnan, Esq.	Mysore Paper Mills	13⅜	10	5d	7½	10*		3	Y.
41,95,000	2,73,41,080	3,27,84,408	1,91,321	Birla Bros., Ltd.	Orient Paper	32	10	15	25	20	10f	3.9	P.T.H.
30,06,895	1,10,93,378	84,10,902	1,86,914	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	17½	10	9½	11½	15	7½f	6.12	P.T.H.
20,00,000													
10,00,000 A'	58,56,913	76,25,937	9,851	Bajoria & Co.	Star Paper Mills	8	10	—	—	5	2½f	3.9	P.T.H.
4,37,500 PO													
A'56,00,000 O	5,15,53,313	4,78,98,548	5,00,114	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	4½	2½	10	10	10	5f	3.9	P.H.
B'56,04,800 O						35	A10	20	18½	20*	10*f	3.9	
						35	B10	20	18½	20*	10*f	3.9	
PLANTING; PRODUCE AND RUBBER													
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	6½	3	10	20	20		2	P.Y.
47,70,000	48,44,853	83,16,040	4,37,964	R. C. Paterson, Esq.	Consolidated Coffee Estate	17½	10	17	20	18		6	P.W.
4,00,000	2,29,884	4,49,628	13,981	Associated Planters, Ltd.	Cottanad Plantations	9½	10	7½	10			3	T.W.
8,33,190	1,66,540	4,67,078	1,389	A. V. Thomas & Co., Ltd.	Fringford Estates	2½	10	—	—			4	P.W.
6,00,000	19,08,079	9,81,715	66,448	A. V. Thomas & Co., Ltd.	Highland Produce	10½	10	25	45	45		12	P.Y.
4,00,000	9,67,558	7,20,398	43,506	A. V. Thomas & Co., Ltd.	Kalpetta Estates	17½	10	17½	20			4	Y.
6,00,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Malankara Rubber and Produce Co.	101½	20	17½	30	35		3	Y.
27,00,000	25,83,648	14,90,888	83,433	A. V. Thomas & Co., Ltd	Midland Rubber and Produce Co.	10⅜	10	4	12½	15		3	P.Y.
3,35,000	1,38,538	12,94,936	28,190	A. V. George & Co., Ltd.	Nemmony Rubber	10	10	5	6½	10		12	P.Y.
2,00,000	1,93,721	24,72,600	2,305	Associated Planters, Ltd.	Nilambur Rubber Co.	8½	10	6	10	10		12	P.Y.
19,45,980	38,14,428	48,35,035	1,78,110	Peirce, Leslie & Co., Ltd.	Ouchterlonev Valley Estates	4	2	25	25	45		10	T.Y.
13,50,000	5,82,973	28,05,590	31,101	A. V. Thomas & Co., Ltd.	Rajgiri Rubber and Produce Co.	10	10	9	12½	15		6	P.Y.
10,00,000	3,36,390	1,86,824	936	East India Agencies, Ltd.	Teokoy Rubbers (India) Ltd.	6½	10	—	7½	9		3	P.T.Y.
1,50,000	1,81,279	5,11,395	66,520	A. V. George & Co.	Thamarapally Rubber	13½	10	6¼	6¼	15		12	P.Y.
3,05,100	5,01,650	6,03,723	31,510	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co. Ltd.	2–11½	1	17½	20	25	25	9	Y.
8,00,000	1,17,222	7,40,149	3,953	K. C. Cheriyan, Esq. (Secretary)	Travancore Rubbers	13½	10	3½	10	20		12	Y.
41,00,000	14,90,372	61,67,127	8,25,086	Aspinwall & Co., (Travancore) Ltd.	Travancore Rubber and Tea Co., Ltd.	6¾xd	10	2½	6	10		12	Y.
20,00,000	6,09,535	22,92,945	2,575	P. T. Thomas, Esq.	Tropical Plantations Co.	20N	15	10	12½	12½		12	Y.
8,20,000	53,026	3,26,408	40,587	A. V. George & Co. Ltd.	Udayagiri Rubber	5½	10	5	—	—		12	P.Y.
9,25,180	2,79,994	7,07,482	33,166	Harrisons & Crossfield Ltd.	Valkundam (Travancore) Rubber Co., Ltd	13½	10	10	12½	20	20	12	Y.
1,68,000	78,624	3,43,636	14,082	M. K. Thomas & Co.	Woodland Estates	7½	10	7½	6¼	—		3	Y.
PRESSING													
3,00,000	18,78,066	19,01,857	2,322	Andrew Yule & Co.	Calcutta Hydraulic Press	83	100	3	3	5		3	Y.
3,90,000	6,89,525	5,116	6,895	Pyne and Sons.	Camperdown Pressing	93N	100	4	6	7		7	Y.
8,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Central Hydraulic Press	95	100	3	5	5		6	Y.
PROPERTY AND LAND													
10,00,720	25,11,061	42,65,283	419	S. A. Basil, Esq.	Humayan Properties	10½	10	—	6	—	5	9	P.Y.
60,00,000	34,67,735††	83,61,045**	—	David Sassoon & Co., Ltd.	Port Canning Land	24	100	2	1¼	1		4	Y.
94,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co.	Sidnapore Zamindary	35	100	—	3	2		4	P.Y½
SAW MILLS AND TIMBER													
13,99,998	29,73,877	10,38,508	60,887	Bird & Co.	Assam Saw Mills and Timber	6½	8	16½	16½	16½		9	Y.
50,00,000	4,89,22,437	2,47,99,361	1 57,498	Wallace & Co.	—								
42,00,000					Bombay-Burmah Trading	382½	125	12	30	18		5	Y.
						137½	50	12	20	18		5	Y.
6,00,000	7,04,037‡	7,80,451	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	50N	100	5	—	—		6	P.Y.
15,00,000	27,06,050	16,83,461	1,70,441	G. Arbuthnot & Co.	Indian Wood Products	36½cd	10	25	25	35	30	9	Y.
SUGAR (U. P. and Bihar)													
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co.	Bairampur Sugar	7	5	—	20	—		6	Y.
12,00,000	28,96,740††	15,70,684**	2,81,000	Narang Bros.	Basti Sugar	120N	100	6½	10			4	Y.
19,49,050	23,60,462	27,54,525	2,37,248	Bangur Bros., Ltd.	Belaund Sugar	7½	10	—	—	8½	10	9	Y.
11,00,000	21,11,580	15,38,162	40,743	Cotton Agents Ltd.	Bharat Sugar	15N	10	10	15	15		6	Y.
32,00,000	1,03,86,777	1,29,41,870	41,747	Gladstone Lyall & Co., Ltd.	Carew & Co.	68	10	5	—	—		6	P.T.Y
15,00,000	1,30,69,452	96,28,542	31,691	Begg Sutherland & Co.	Cawnpore Sugar	29½	10	15	20	30	20	10	P.Y.
18,00,000	78,43,538	60,37,156	17,488	Begg Sutherland & Co.	Champarun Sugar	20½	10	15	15	20		6	
45,00,000	57,00,000	68,17,572	50,477	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	130N	100	5½	6	12*		6	P.Y.
4,00,000						130N	100					7	P.Y.
6,00,000	41,78,374	68,10,159	—4,15,271	Kilnehand Devchand & Co	Kesar Sugar	50N	80	—	3	4	—	7	P.Y.
7,00,000						20N	40						
9,98,280	31,59,777	25,99,076	115,051	Cotton Agents Ltd.	New India Sugar Mills	27½	10	10	25	25	6	8	P.Y.
11,00,000	27,48,180	36,39,370	3,895	Karam Chand Thapar & Bros., Ltd.	New Savan	6½	10	5	6½	5		8	Y.
13,59,375	58,13,266	62,06,760	8,33,005	Cotton Agents, Ltd.	New Swadeshi Sugar Mills	180N	100	15	20	20	6	9	Y.
						25	25						
17,45,350	1,08,98,159	1,86,10,992	1,981	Cotton Agents, Ltd.	Oudh Sugar Mills	80N	100	9½	9½			7	P.Y.
						20N	25						
12,00,000	29,31,078	26,43,844	71,500	Narang Bros.	Panjab Sugar Mills	15N	12½		6			10	Y.
9,00,000	42,50,793	33,73,806	19,435	Begg Sutherland & Co.	Partabpore Company	100N	100	—	10	20	10	10	P.Y.
26,00,000	24,18,182	15,15,410	15,410	Begg Sutherland & Co.	Pratabpur Sugar	15	10	15	25	10		6	P.Y.
11,70,000	38,06,835	36,11,360	31,201	Begg Sutherland & Co.	Ryam Sugar	23½	10	10	20	20	15	7	Y.
20,00,000	69,94,641	1,03,56,230	4,188	Sahu Jain Ltd.	Samastipur Central Sugar	13½	10	—	3½	—		8	P.T.Y.
9,97,250	11,66,782	21,41,729	10,162	M. K. Ghose, Esq. & R. N. Dutta,	Shree Krishna Gyanesdev Sugar	10	10	—	—	5		6	Y.
6,50,000 O					Bisalpore Sugar	5½	10	—	—				
1,70,000 D	11,94,395	27,92,174	—14,73,656	N. K. Jain & Co., Ltd.	South Behar Sugar	3N	10					10	Y.
8,00,000	54,46,474	70,75,580	57,216	Cotton Agents, Ltd.	Upper Ganges	2N	25						
						1N	25						
						20N	30	17½	20	20		6	Y.
(Indian States and Other Centres)													
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Belapur Co.	238½	50	16½	25	28	32	9	Y.
33,57,350	46,47,856	38,47,284	4,64,518	Gowan Bros. (Rampur), Ltd.	Belsand Sugar	10N	10	7	7½	10		5	Y.
6,93,900	18,33,357	37,63,451	21,012	J.P.Srivastava&Sons(MadhyaBharat)Ltd	Gwalior Sugar Co., Ltd.	43N	100	—	5	3		6	P.Y.
10,00,000													
3,00,000	44,76,363	24,51,980	3,71,344	India Sugars Agencies Ltd.	India Sugar & Refineries Ltd.	22½cd	10	12½	15	25	25	9	P.Y.
81,79,280	1,49,74,559	97,24,107	8,27,296	M. Malleshayya, Esq.	Mysore Sugar	43½	10	20*	20	20		6	Y.
50,00,000	96,62,468	1,03,94,086	3,18,594	Maffatlal, Apte & Kanalial, Ltd.	Phalsan Sugar Works	85½	10	14	16	16	16	9	Y.
16,50,820	45,75,389	24,76,150	1,61,652	Anderson Wright Ltd.	Ramnugger Cane & Sugar Co., Ltd.	17½	10	5	7½	20	20	8	P.Y.
20,00,000	68,39,148	74,55,840	1,89,513	Walchand & Co., Ltd.	Ravalgaon Sugar Farm Ltd.	90N	10	7	14	18	18	5	P.T.Y
19,99,580	50,82,224	42,94,120	6,05,982	Govan Bros. (Rampur), Ltd.	Raza	12	10	6	10	12½		7	Y.
30,00,000	52,82,353	58,70,150	20,980	Parry & Co., Ltd.	Travancore Sugars	4½	10	—	—	—		7	P.T.Y.
1,01,00,000	1,29,20,737	1,71,89,516	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries Ltd.	157½	100	17½	12	14	14	9	
UNCLASSIFIED (Bombay)													
1 50,00,000	1,14,37,216	46,81,706	—4,88,411	Tata Industries Ltd.	Air-India Ltd.	84	100	—	—	—		12	Y.
2,40,000	4,90,364	5,64,538	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	660	200	15	10	15	17½	9	
59,85,550	2,64,61,962	3,70,82,313	83,607	Scindia Steam Navigation Co., Ltd.	Bombay Steam Navigation Co., Ltd.	35½	25	—	—			6	P.Y.
15,98,860	2,19,255	1,38,387	66,448	Parakh Agencies Ltd.	Bombay Uganda	54N	20	5	5	5		12	Y.
25,00,000	1,50,000	24,37,096(k)	12,787	Dena Bank Ltd.	Dewhanan Nandi Investment Co.	9½	25	3	3	3		3	Y.
1 98,360	17,39,540	10,69,107	4,425	F. H. Mehta Eqs.	Estrela Batteries	23N	100	3	6	5		3	P.Y.
29,99,250	18,35,375	1,27,45,383(k)	1,85,257	Premchand Roychand & Sons	Industrial Investment Trust	71xd	100	3½	4	4½	4½	12	Y.
84,98,865	15,91,304	12,58,924	2,833	K. G. Milne, Esq.	Killick Industries	155	100	8	8½	10		6	Y.
2,96,71,500 A	65,85,939	2,20,52,503	4,52,797	Aero-Auto Ltd.	Premier Automobiles Ltd.	40½	100	—	—	—		12	Y.
10,00,000 B						10	10						
8,59,62,018	9,89,24,387	12,98,97,421	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co., Ltd.	13–11½	15	—	—	3½		6	Y.
1,50,000	3,71,437	2,21,590	3,145	R. B. Bandekar (Est.)	Thacker & Co.	50N	50	10	10	10		9	Y.
10,21,200	17,95,712	14,71,107	36,733	Sir Joseph Kay, K.B.E.	United Motors (India) Ltd.	40xd	20	7½	10	15	15	12	Y.
2,20,00,000	2,54,09,975	2,16,78,739	4,20,869	T. H. Rydin, Esq.	Western India Match Co., Ltd.	225	100	17•	11•	11•	11•	12	Y.
45,00,000	46,57,108	34,408	41,429	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	350N	150	8-5/6	17½	13½	13½	12	Y.
Other Centres													
47,50,000	4,90,364	5,64,538	702	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	4½	10	—	—	—		3	P.T.Y.
2,50,000 D													
30,00,000	53,38,668	31,59,164	5,24,909	Turner Morrison & Co., Ltd.	Angelo Brothers Ltd.	17½	10	10	17½•	25•	12½	8	Y.
20,00,000	32,53,118	42,88,118	1,35,909	T. H. Rydin, Esq.	Assam Match Co., Ltd.	20	10	12½•	12½•	12½•	12½	12	P.T.Y.
90,00,000	50,63,088	92,32,652	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	5½	10	7½	6			3	
30,00,000						293	100 O	20•	20•	20•	25•	12	Y.
50,00,000	15,57,826	45,95,360	5,19,159	O. T. Jenkins, Esq.	Balmer Lawrie & Co.	—	40 D	15	15	15	20	12	
20,00,000	1,19,26,323	1,24,61,121	2,04,690	Andrew Yule & Co., Ltd.	Bengal Assam Steamship Co., Ltd.	147	100	5	10	12½	12½	10	P.Y.
20,00,000	8,38,806	54,05,998(K)	1,25,380	Lovelock & Lewes	Birds Investments Ltd.	15½	10	11½	11½	12½	12½	12	P.Y.
1,00,00,000	1,00,01,435	2,26,31,139	1,16,835	Dhanbad Ltd.	Bharat Line	90	100	3	3	4		12	W.
30,64,680	50,81,266	83,30,736	1,82,277	A. F. Chanda Esq.	Britannia Biscuit	15	10	12½	12½	7½–I		3	P.Y.
3,35,00,000	2,85,64,167	47,78,193**	1,99,112	Sir Robert Menzies Kt., O.B.E.	British India Corporation Ltd.	8–10½	5	11½	15	15	12½	12	P.Y.
1,60,00,000	3,77,71,321	4,07,06,331	7,01,468	Cecil Stack, Esq.	Dunlop Rubber Co. (India) Ltd.	28½	10	20	20	15–I	15	12	P.T.Y.
51,26,000	47,57,061	1,26,55,420(K)	3,15,489	Bird & Co., Ltd.	Eastern Investments Ltd.	138	100	8	9	9	9	12	P.Y.
7,00,000	29,85,208	24,09,208	17,900	Macneill & Barry Ltd.	Ganges Rope	200cd	100	20	22½	15f		3.9	H.
15,00,000	34,13,857	15,62,902	2,07,524	A. J. Elkins, Esq.	Gillanders Arbuthnot & Co., Ltd.	128	100	7½	10	10		3	P.Y.
30,00,000	37,25,649	60,01,406	6,213	B. P. R. Syndicate	Green Eastern Hotel Co.	252	250	6	6	6		3	T.Y.
18,42,800	36,42,049	54,49,206	12,214	Birla Brothers, Ltd.	Hind Cycles	100N	100	8	7½	7½	12	12	P.T.Y.
4,96,12,650	39,45,159	2,61,59,292	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	9	—	—	—	—		3	Y.
1,60,00,000	1,39,65,053	3,07,88,193	22,27,867	J. W. R. Johnson, Esq.	Indian Aluminium Co.	107	100	—	3½	5	5z	12	P.Y.
1,52,89,220	1,31,92,732	57,92,390	9,29,554	D. J. McIntosh, Esq.	Indian Cables	18½	10	25	10*	10*		3	P.Y.
85,75,000 O						3½	10	—	—	—			
5,00,000 P	51,91,428	75,82,228	—15,72,246	Govan Bros., Ltd.	Indian National Airways	7½	10	—	—	—		12	P.Y.
1,25,000 D						1	1						
5,27,978	12,79,385	14,27,460	39,038	George Spencer Moulton & Co. (India),	Indian Rubber Manufactures	14	10	10	10	10		3	P.Y.
2,25,00,000	1,60,38,585	31,87,93,801	2,26,066	Lionel Edwards Ltd.	India Steamship Co., Ltd.	6½	10	—	5	3		9	P.T.Y.
2,40,000	4,33,028	67,247	36,496	G. V. Ewalia, Esq.	Ivan Jenkins	4½	2	21½	21½	21½		9	Y.
2,00,00,000	53,39,843	27,16,440	8,86,448	J. D. K. Brown, Esq.	Jardine Henderson	126½	100	10	10	10		9	P.Y.
6,34,000	9,97,633	6,91,531	—64,994	James & Co., Ltd.	Macfarlane & Co. Ltd.	5	5	—	—	—		3	Y.
40,00,000 O						137	O. 100	10	12½	12½		12	P.Y.
5,00,000 D	63,35,248	23,69,220	85,717	A. T. Doig, Esq.	McLeod & Co. Ltd.	—	D. 10	5	7½	7½		12	P.Y.
1,30,55,750	33,32,702	11,34,840	2,31,092	T. Leslie Martin Esq.	Martin Burn Ltd.	19½	10	10	12½	11½	13½	9	P.Y.
6,35,190	10,90,333	7,47,410	10,548	Ogale Glass Works Ltd.	Mysore Glass & Enamel Works	2	10	—	—	—		12	Y.
3,75,000	7,74,533	8,79,856	3,646	R. Bharanish, Esq.	Mysore Lamp Works	18½	10	10	20			3	P.Y.
19,00,000	3,95,997	11,43,855	1,11,329	V. S. Arunachalam, Esq.	Mysore Tobacco	10½	10	—	10	10		3	T.W.
20,00,000	31,92,159	30,76,078	11,045	Associated Ind. Development Co., Ltd.	National Insulated Cable Co. of India Ltd.	12½	10	5	5	7½		3	P.T.Y.
79 97,000	65,83,352	1,04,50,524	8,86,247	B. N. Elias & Co., Ltd.	National Tobacco Co.	10½	10	—	2½	5		12	P.T.Y.
14,87,137	6,67,696††	18,52,569**	23,513	S. P. Gogate & Co.	Ogale Glass Works	3	5	—	—	—		12	Y.
40,00,000	36,64,525	60,88,006	1,94,446	Parry's Buildings Ltd.	Parry & Co.	9½	2	62½	80–I	32½		12	P.T.W.
2,25,00,000	62,51,619	1,69,49,507	24,847	G. U. Euthymopulo, Esq.	Rallis India Ltd.	75½	100	8	8½	9	—	10	P.Y.
1 40,00,000	2,29,15,252	3,78,03,905	33,67,941	Sahu Jain Ltd.	Rohtas Industries	9½	10	—	—	7½		10	P.T.Y.
40,00,000	1,53,62,299	1,19,84,861	5,36,552	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	14–2½	10	10	10	15		6	P.Y.
75,00,000	22,00,000	1,75,74,498	2,62,138	E. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	12½	10	10	10	10		12	Y.
9,98,280	3,19,364	6,90,420	1,855	Ogale Bros., Ltd.	Travancore Oxalic Glass	3½	10	—	4	—		12	Y.

†† Does not include depreciation. * Includes Bonus. ** Net-Block. C.D.—Cum Dividend. I On Increased Capital.
‡ Only Depreciation. —Nil Dividend. † Less income-tax. (c) For six months ended June, 1949.
Z.—For fifteen months ended 31st December, 1952. K—Investments. X.R.—Ex-Right. (d) For nine months ended March, 1950

TEA COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs	Rs.				Rs.	Rs						
ASSAM														
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	450N	100	20	25	—		12	P.Y.
3,50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd.	400½	Anandabag	25½	10	25	40	30		12	Y.
5,50,000	10,64,192	12,05,396	—89,152	McLeod & Co., Ltd.	573	Baghmari	10	10	12½	17½	—		12	Y.
3,40,000	9,12,883	7,05,721	44,989	Andrew Yule & Co., Ltd.	360	Basmatia	24½	10	30	30	25		12	Y.
3,30,600	7,24,887	8,38,278	71,941	Williamson Magor & Co.	356	Bateli	11	5	25	30	15		12	T.Y.
3,20,000	6,19,032	6,72,731	54,942	Gillanders Arbuthnot & Co., Ltd.	366	Betjea	24	10	20	35	15		12	Y.
16,50,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co.	4,004	Bishnauth	25½	10	35	50	5		12	T.Y.
6,00,000	4,80,346	9,78,429	—1,90,802	Octavius Steel & Co., Ltd.	493	Bokakhat	4½	10	5	5	—		12	Y.
7,50,000	5,06,959	7,64,836	22,297	McLeod & Co., Ltd.	450	Borrnah Jan Tea Co., Ltd.	11	10	15	15	15		6	P.Y.
35,00,000	22,18,001	70,96,925	87,990	Brooke Bond India Ltd.	2,670	Brooke Bond	11½	10	10	10	10		6	P.Y.
1,20,000	3,06,715	3,66,030	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	8½	10	6½	15	—		12	Y.
6,00,000	22,17,578	24,24,301	25,545	Jardine Henderson Ltd.	1,341	Dessai & Parbatia	225	100	15	30	22½		12	Y.
17,52,440	7,15,393	19,11,105	54,961	James Warren Ltd.	426	Dhalakhat	10	10	16	16	12		12	Y.
4,68,970	8,90,863	13,71,610	25,794	James Finlay & Co., Ltd.	613.37	Dhunseri	9½	10	10	20	10		12	T.Y.
4,50,000	6,57,785	9,86,816	14,389	McLeod & Co., Ltd.	458	Dibrugarh Co., Ltd.	7½	10	—	10	5		12	Y.
2,36,700	6,75,511	7,95,511	35,408	Williamson Magor & Co., Ltd.	611	Dinakur	31½	10	40	45	15		12	P.W.
2,60,500	12,72,787	15,08,787	1,01,960	Williamson Magor & Co., Ltd.	669	Duffaghur	36	10	35	40	40		12	Y.
68,00,000	10,31,120	18,91,120	45,079	Williamson Magor & Co.	1,157	East India Tea	17	10	20	22½	22½		12	Y.
3,60,000	6,43,852	7,69,087	16,947	Andrew Yule & Co., Ltd.	407	Gitapukri	16½	10	17½	22½	10		12	P.T.Y.
3,00,000	9,01,149	12,09,149	1,11,346	Williamson Magor & Co.	520	Gohpur	26½	10	35	40	30		12	
5,94,360	17,46,514	17,08,255	82,387	Octavius Steel & Co., Ltd.	1,284	Grob	16½	A 10	35		20		12	Y.
2,40,790						8½	B 5	10	30	30				
2,00,000	8,16,550	5,82,005	58,806	Andrew Yule & Co., Ltd.	436½	Hoograjuli	31½	10	30	45	30		12	Y.
4,35,000	15,78,587	17,05,269	35,208	Andrew Yule & Co., Ltd.	1,133	Hoolongoorce	300N	100	25	25	17½		12	Y.
1,50,000	7,46,426	11,98,156	29,063	Gillanders Arbuthnot & Co., Ltd.	866	Jutlibari	9½	10	2½	12½	5		12	Y.
2,40,000	7,52,836	8,48,549	15,953	Shaw Wallace & Co., Ltd.	1,576	Kingsley Goalghat	198N	100	5	20	—		12	Y.
6,50,000	8,32,416	6,29,717	496	Duncan Bros. & Co., Ltd.	1,047½	Lodo	9	10	2½	20	—		12	Y.
4,80,000	1,10,084	8,52,930	286	Duncan Bros. & Co., Ltd.	673	Mahesana	3½	10	—	—	—		12	P.Y.
1,50,000	2,97,754	3,37,106	30,206	Kettlewell Bullen & Co., Ltd	435	Methola	850N	100	40	45	35		12	Y.
50,000						19	10

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent. 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
60,00,000	1,02,72,130	95,73,184	3,33,368	879	B. N. Elias & Co., Ltd.	Agarpara	19½	10	10	15	20	10f	3.9	P.T.H.
12,00,000	50,61,739	45,32,316	16,522	498	Sahu Jain Ltd.	Albion	190	100	—	15	30	8f	5.11	P.H.
6,00,000	30,55,572	47,33,264	—3,29,636	446	McLeod & Co., Ltd.	Alexandra	200	100	—	5	5	—f	6.12	T.P.H.
30,00,000	85,82,864	1,17,03,966	—13,63,074	1,264	McLeod & Co., Ltd.	Alliance	158	100	—	2½	—	—f	6.12	P.H.
49,20,760	2,31,54,115	2,24,03,099	1,44,601	2,561	Duncan Bros. & Co.	Anglo-India	235	100	—	20	20	10f	3.9	P.H.
40,00,000	1,16,83,050	1,21 13,967	71,745	810	Bird & Co., Ltd.	Auckland	130	100	1½	10	10	4f	3.9	P.T.H.
20,00,000	92,46,901	97,14,511	55,967	959	Jardine Henderson & Co.	Baily	162	100	7	12	1	—f	3.9	P.H.
£275,000	£1,680,379	£1,228,460	£91,091	1,890	Jardine Henderson & Co.	Baraagore	164	£5	20	20	20	3	3	P.Y.
28,00,000	80,27,627	88,01,241	26,347	820	Andrew Yule & Co.	Belvedere	201	100	13	17	27½	15	6.12	P.H.
45,00,000	78,51,305	51,03,385	4,07,701	600	Soorajmull Nagarmull	Bengal	15	10	13½	15	30	6		T.P.Y.
30,42,000	3,71,54,151	3,06,60,933	1,38,294	1,373	Birla Bros.	Birla	37½	10	25	30	30	3		P.Y.
36,00,000	98,57,668	1,07,77,342	25,598	991	Andrew Yule & Co., Ltd.	Budge-Budge	166	100	7	13	22	6‡f	4.10	H.
7,47,380	30,53,701	39,44,698	34,320	502	Dayaram & Sons	Calcutta Jute Manufacturing ..	184N	10	—	—	20		6.12	T.P.H.
18,00,000	65,79,780	75,54,578	32,228	616	Andrew Yule & Co.	Caledonian	165	100	5	14	22	12	5.11	P.H.
59,16,400	2,11,26,602	1,62,21,807	1,35,209	1,409	James Finlay & Co., Ltd.	Chamrdany	157	100	3	10	14	8f	3.9	P.H.
15,95,000	78,33,608	79,49,140	45,839	530	Andrew Yule & Co., Ltd.	Cheviot	211	100	13½	16	22	12	5.11	P.H.
10,05,000	83,89,114	55,21,773	60,342	509	McLeod & Co.	Chitavalsah	264	10	12½	15	60	25f	6.12	T.P.H.
16,00,000	80,26,460	77,89,914	1,01,979	969	Shree Krishna Investment Co., Ltd.	Clive	25	10	12½	35	20		3	P.H.
31,49,200	1,21,56,497	1,16 59,962	21,356	766	Bird & Co., Ltd.	Dalhousie	136	100	1	11	12	1f	3.9	P.H.
25,00,000	86,65,708	73,72,811	59,826	779	Andrew Yule & Co.	Delta	215	100	11	17½	32½	20	5.11	P.H.
15,00,000	83,78,460	74,62,092	45,656	500	McLeod & Co.	Empire	20‡	10	10	20	25	5f	6.12	T.P.H.
21,00,000	2,35,23,133	2,62,73,643	1,801	1,884	Kettlewell Bullen & Co.	Fort Gloster	274	100	2½	32½	22½	—f	3.9	P.T.H.
14,60,000	48,35,115	69,94,729	—8,32,397	1,014	G. C. Bangur, Esq.	Fort William	30SN	100	—	10	—		3.9	P.H.
54,32,100	1,40,49,266	2,08,92,266	—12,29,673	1,709	Macneill & Barry Ltd.	Ganges	73	100	—	6‡	2½	—f	3.9	P.H.
10,80,000	76,50,046	68,12,500	41,193	607	G. Arbuthnot & Co.	Gondalpara	800	300	—	15	30	10	12	T.Y.
24,00,000	74,10,315	1,35,00,393	96,381	1,394	Macneill & Barry Ltd.	Gourepore	308	100	2½	25	11½	—f	3.9	P.H.
40,00,000	81,93,062	81,94,127	3,06,824	1,078	Bangur Bros. Ltd.	Hastings	233N	100	10	7	10	3	3	P.Y.
16,80,000	58,02,116	64,29,355	64,417	720	G. Arbuthnot & Co.	Hooghly	30½	10	10	30	15	¾		P.Y.
65,62,500	1,56,21,640	1,59,50,625	1,71,001	1,940	Jardine Henderson Ltd.	Howrah	24⅜	10	7½	17½	18‡	8‡f	3.	P.H.
30,00,000	1,74,70,109	2,25,00,109	3,91,968	2,272	Ramdutt Ramkissendas	Hukamchand	39½	10	7½	46‡	66‡	66‡	3.9	T.P.Y.
87,00,000	88,97,267	1,11,41,130	77,979	1,076	Mackinnon Mackenzie & Co. ..	India	133	{ O. 125 / D. 100	5½	10	3‡	2½f	3.9	P.H.
30,00,000									5½	5½	3‡	2½f	3.9	P.H.
24,00,000	1,36,54,330	1,36,47,095	92,899	1,797	Jardine Henderson Ltd.	Kamarhatty	201	100	—	17	22½	14½	6.12	P.H.
19,20,000'B'							184	100						
30,09,000	1,04,29,702	1,30,34,859	83,881	1,527	Jardine Henderson Ltd.	Kanknarrah	147	100	—	—	12½	10	6.12	P.H.
24,00,000'B'							139	100						
21,00,000	1,13,89,109	91,65,930	1,07,129	703	McLeod & Co.	Kelvin	245	100	10	20	25	7½f	6.12	P.H.
54,00,000	1,18,86,997	1,59,17,038	2,06,473	1,530	*Anderson Wright Ltd.*	*Khardah*	191	100	—	25	16		3.9	P.T.H.
48,00,000	1,94,15,089	2,09,37,751	1,16,651	1,250	F. W. Heilgers & Co.	Kinnison	201	100	2½	14	19	7f	3.9	T.P.H.
24,48,000	1,24,25,159	1,33,71,480	40,487	933	Bird & Co., Ltd.	Lansdowne	128	100	2	21	15	3f	3.9	P.H.
28,00,000	1,19 87,748	1,13,75,507	6,954	840	Bird & Co., Ltd.	Lawrence	190	100	6	21½	22	4f	3.9	P.H.
10,00,000	70 33,427	50,24,402	64 167	558	Andrew Yule & Co.	Lothian	232	100	—	15	32½	30	5.11	H.
81,65,200	1,38,82,204	1,64,76,907	1,17,533	1,008	Mackinnon Mackenzie & Co. ..	Meanna	103	100	4½	8‡	3‡	2½f	3.9	P.T.H.
29,98 900	1,29,56 303	1,55,05.495	—2,80,351	815	F. W. Heilgers & Co.	Naihati	126	100	—	15	12	—f	3.9	T.H.
12,00,000	39 17 880	25,69,085	17,184	425	Howrah Trading Co., Ltd. ..	Naskarpara	16½	10	11½	13‡	22½		4.10	P.H.
35,00,000	50,49,908	27,56,895	46,733	852	Andrew Yule & Co.	National	25 ⅝	10	11‡	15	25	10f	4.10	P.H.
7,50,000	52,11,917	24,37,663	21,345	316	McLeod & Co.	Nellimarla Jute	28	10	25	30	75	20	6.12	T.P.H.
10,50,000	66,36,905	45,98,858	7,738	709	Sahu Jain Ltd.	New Central	220	100	6	14	30	10f	6.12	P.H.
16,79,880	98,33,709	1,18,62,645	5,954	567	Bird & Co., Ltd.	Northbrook	20‡	10	—	—	20	2½f	3.9	P.T.H.
66,79,500	1,71,33,499	2,10,50,572	94 764	1,992	Macneill & Barry Ltd.	Noddea	49	50	—	5½	4½	—f	3.9	T.H.
24,91,000	70,60,941	70,35,063	81,356	601	Andrew Yule & Co., Ltd.	Orient	179	100	9	14	24	7	5.11	H.
25,00,000	63,83,642	80,79,256	—4,76,887	400	McLeod & Co.	Presidency	5½	5	—	—	2½	—	6.12	T.H.
20,00,000	7,67,493‡	26,15,293	—3,29,549	305	Macneill & Co.	Rameshwara	5½	10	—	1½	—		3.9	H.P.
49,50,000	55,07,248	1,23,45,796	58,685	1,276	Jardine Henderson Ltd.	Reliance	15 ⅝	10	—	—	—		3.9	P.H.
46,00,000	£9,99,994	£11,96,402	£76,498	2,013	Thomas Duff & Co. (India) Ltd. ..	Sanmuggur	£1	£1	6‡	10‡‡	10		12	P.Y.
30,00,000	68,57,466	95,49,412	87,40,952	911	Bagaria More Co., Ltd.	Shree Ambica (Adamjee)	17½	10	—	15	10f		3.9	P.H.
7,00,000	45,17,785	48,14,456	2,73,383	401	Hindustan Investment Copn. ..	Soorah	10‡N	10	—	10	—		12	P.Y.
25,19,600	1,06,20,961	93,73,041	12,665	650	Bird & Co., Ltd.	Standard	140	100	4	15½	16		3.9	P.H.
46,00,000	£8,36,984	£9,78,287	£1,29,393	1,794	Thomas Duff & Co. (India) Ltd. ..	Titaghur	14½	£1	6‡‡	10‡‡	10		12	Y.H.
35,98,600	1,80,41,145	1,73,93,324	15,098	1,326	Bird & Co., Ltd.	Union	173	100	2	19½	21	1f	3.9	P.T.H.
64,00,000	£6,35,795	£10,47,385	£1,00,239	1,331	Thomas Duff & Co. (India) Ltd. ..	Victoria	14½	£1	6‡‡	10‡‡	10		12	Y.H.
2,50,000	32,89,383	55,48,403	—47,909	465	McLeod & Co.	Waverley	5 ⅝	1	—	5	5	—f	6.12	P.T.H.

(†) For ten months ended 31st December, 1951. (For Naziria Coal) ‡‡ Subject to foreign Income-tax. Only Depreciation. • Includes bonus.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
25,50,000	61,24,011	64,99,011	25,799	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	19⅜	10	17½	20	13‡	5f	3.9	H.
12,00,000	42,18,417	37,16,954	60 294	Jardine, H. & Co., Ltd.	Bararee Coke	18	10	14‡	13‡	14‡	7½f	3.9	H.
40,00,000	20,50,712	1,17,79,347	23,814	Sahu Jain Ltd.	Bharat Collieries	6⅞	10	6½	6‡	6½		6	P.T.)
1,00,00,000	3,35,25,103	5,08,61,725	8,02,968	Andrew Yule & Co., Ltd.	Bengal	535	200	33½	17½	18‡•	10•f	4.10	P.H
4,49,350	5,82,303	8,49,159	3,152	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	4N	10	2½	2½	2½	1‡f	6.12	H.
2,25,000	27,12,507	25,84,461	4,280	Andrew Yule & Co., Ltd.	Bengal-Nagpur	13½	10	22½	16‡	10	3‡f	6.12	P.H
15,97 000	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	4½	10	—	2½	1½		9	Y.
7,15,000	50,04,831	50,17,715	3,437	F. W. Heilgers & Co., Ltd.	Bhulanbararee	13⅛	10	—	6‡	6‡	2½f	6.12	H.
16,00,000	53,46,046	67,83,723	—1,37,184	Anderson Wright (Ramgarh), Ltd. ..	Bokaro-Ramgur	11	10	—	—	—		6.12	T H
7,50,000	42,42,776	40,82,736	1,07,078	F. W. Heilgers & Co., Ltd.	Borrea	30‡	10	20	30	30•	15f•	6.12	P.H
90,92,480	3,23,04,936	3,94,53,208	1,54,703	Bird & Co., Ltd.	Burrakur	10 ⅜	10	10 ⅜	7½	7½	3‡	6.12	P.T.F
49,97,000	—	23,16,089	8,776	Hindusthan Investment Corpn., Ltd. ..	Central India	4 ⅜	10	—	—	—		3	Y.
8,00,000	45,46,717	49,09,377	2 273	Anderson Wright & Co.	Central Kurkend	16½	10	6‡	4 ⅜	—	—f	6.12	P.H.
6,00,000	1,40,000	7,50,000k	28,918	F. W. Heilgers & Co., Ltd.	Churulia	2 ⅜	4	—	—	1 ⅛	4f	6.12	P.H
16,00,000	30,89,961	44,04,602	12,039	Macneill & Barry Ltd.	Dhemo Main	10‡	10	10 ⅜	10	12½	2‡f	6.12	H.
£120,000	£1,084,338	£872,414	£78,839	Jardine Henderson Ltd.	East Indian	23⅛	£1	13⅛	37½	37‡		4	Y.
29,63,760	3,25,97,992	3,19,86,409	2,12,912	Macneill & Barry Ltd.	Equitable	44	10	25	25	25	15f	6.12	H.
10,00,000	4,83,963	8,41,725	66,865	Bhatter's Agency Ltd.	Ghusick and Muslia	141N	3	20	5	—		3	Y.
8,00,000	21,59,376	21,52,141	14,404	Macneill & Barry Ltd.	Hurriladih	16	10	12½	15	15	7‡f	6.12	H.
2,50,000	11,63,346	12,53,839	40,107	Andrew Yule & Co., Ltd.	Kalapahari	47N	10	26‡	35	35•	17‡f	2.8	H.
20,00,000	68,340‡	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	94	100	—	—	—		2	Y.
5,00,000	42,58,631	42,08,253	1,46,012	Andrew Yule & Co., Ltd.	Katras Jherriah	44½	10	27½	35	37½	20f	1.7	H.
1,38,400	5,20,519	11,63,519	1,063	Beriwala Bros.	Khas Kajora	11‡	10	11‡	10	5f		6.12	P.H.
11,00,240	10,19,288	15,64,007	5,201	H. V. Low & Co., Ltd.	Kuardi	6⅛	10	3‡	3‡			6	Y.
13,50,000	29,43,024	28,41,241	13,549	H. V. Low & Co., Ltd.	Lakurka	12N	10	10	10	7½		4	Y.
5,65,750	11,41,667	22,37,077	2,691	Beriwala & Co.	Mazdulpoor	3N	10	5	7½			6.12	H.
7,48,240	10,34,138	11,24,142	14,690	Associated Commercial Co., Ltd. ..	Nazira	6⅛	10	5	2½	5‡		6.12	H.
7,00,000	3,77,590	9,53,321	4,597	Amritlal Ojha & Co., Ltd.	New Bansdeopur	5¼	10	6‡	7½	6‡		3.9	H.
17.76.230	91,68,381	1,16,02,941	55,799	Andrew Yule & Co., Ltd.	New Beerbhoom	20 ⅛	10	3	6	—	5f	4.10	H.
6,00,000	21,87,920	31,32,540	—7,595	Octavius Steel & Co. Ltd.	New Manbhoom	10	10	12½	7½	—	—f	3.9	P.H.
2,50,000	6,84,984	5,45 859	1,387	Jatia Bros. Ltd.	North Damuda	4N	2½					3.9	H.
1,15,000	10,81,297	12,56,672	12,237	Andrew Yule & Co., Ltd.	North West	14‡N	10	16½	13‡	5	2½f	3.9	H
1,57,500						11N	7½						
7,50,000	12,54,532	3,97,666	1,23,852	F. W. Heilgers & Co., Ltd.	Ondal	19‡N	10	12 ⅜	25	22½•	10f	6.12	P.H.
10,00,000	14,15.045	32,73,178	46,739	K. C. Thapar Bros. Ltd.	Oriental Coal	13N	10	10	10	10		12	T.Y.
8,34,000	5,98,486	16,29,203	70,539	Deepchand Kishenlall	Parasea	3‡	10	—	—	—f		6.12	H
15,75,000	34.87,649	39,37,649	31,995	Shaw Wallace & Co., Ltd.	Pench Valley	20‡	10	16‡	12‡	10	6‡f	2.8	H.
23,99,500	91,95,359	1 09,49,971	—4,53,764	B. N. Elias & Co., Ltd.	Raneegunge	9 ⅞	10	—	—	—	—f	3.9	H.
13,50,000	30,62,857	29,87,472	36,004	Shaw Wallace & Co., Ltd.	Rewa	20‡	10	8‡	12‡	10	17½	6.12	H.
20,00,000	15,10,118	28,07,516	165	Jaipuria Sons Ltd.	Samla Collieries	6‡	10	—	5	14f		6.12	H.
1,25,000	12,44,124	13,05,188	18,451	Gilanders Arbuthnot & Co., Ltd. ..	Searsole	9¼N	2½	20	20	20		1	T.
2,80,000	19,76,795	28,04,096	30,184	Andrew Yule & Co., Ltd.	Seebpore	25‡	7	35-5/7	32-1/7	28-4/7	28-4/7	6.12	P.H.
8,00,000	34,57,222	36,96,604	10,379	F. W. Heilgers & Co., Ltd.	Sendra	11‡	10	5	5	3‡	—f	6.12	H.
63,21,450	2,13,85,164	3,04,98,616	23,658	Industrial Trust Fund	Singareni	7	10	4½	5	5		12	T.Y.
17,50,000	24,10,707	34,29,846	15,868	Bird & Co., Ltd.	South Karanpura	13⅜	10	18½	10	7½	3‡f	2.8	H.
8,00,000	35,43,816	39,93,119	74,094	F. W. Heilgers & Co., Ltd.	Standard	18‡	10	16‡	15	10	5f	6.12	H.
10,00,000	15,41,499	29,34,045	—2,46,174	Villiers Ltd.	Talcher	3	2½	—	—	—		9	Y.
3,50,000	17,36,513	18,94,910	74,927	Williamson Magor & Co., Ltd. ..	Union	24½	10	20	27½	27½	12½f	6.12	H.
49,58,000	11,13,461	43,49,365	42,176	Hindusthan Investment Corpn. Ltd. ..	Western Bengal	4 ⅜	10	2½	2½	2½		3	Y.
7,00,000	26,75,667	36,17,323	29 272	Macneill & Barry Ltd.	West Jamuria	18‡	10	15	15	15	—f	6.12	H.

• The following explanatory notes relate to the abbreviations and marks shown on page 928 in the debentures section:—

‡‡ Option to repay on six months' notice, on any interest date after 31st December, 1951, at 102 per cent. Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 102 per cent.

(a) Option of repayment at any time at 3 per cent. premium.

(b) Bearer bonds of Rs. 1,000 each repayable at par.

(c) Bearer bonds of Rs. 1,000 each repayable on 31st July, 1959

(d) Bearer bonds of Rs. 1,000 each with option of redemption in whole or in part at par on 30th June, 1952 or on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months' notice in each case.

(f) Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ½ per cent. premium after 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March, 1957

(h) Option of redemption on or after 1st July, 1949, at par.

(f) Option of repayment at any time at par at any time on or after 30th June 1947 on six months' notice

EMPLOYERS' LIABILITY ASSURANCE CORPORATION LIMITED

(*Concluded from page 905*)

responsible for raw material matters, and as Chairman of the International Materials Conference. We were particularly gratified to learn of the honour of appointment as Knight Grand Cross of the Order of St. Michael and St. George conferred upon him by Her Majesty the Queen for his services to this country in that capacity.

"Mr. A. D. Besant resigned his directorship in June last, after serving the Corporation since 1921 when, as General Manager of the Clerical, Medical and General Life Assurance Society, he joined our Board at the time we purchased the shares of the Society. We miss him at our meetings and are grateful to him for his loyal assistance and his wise counsel over the past 32 years. His place as Director has been taken by Sir Andrew Rowell, Executive Director of the 'Clerical, Medical and General.' We have also appointed to the Board The Hon. David John Smith, Chairman of W. H. Smith & Son (Holdings) Ltd. The wide business experience of these two gentlemen cannot fail to be of great value to the Corporation.

"Lord Knollys made his usual journey to the United States and Canada last October. While at Boston he had useful talks with Mr. Larner and his principal officers, and he was able also to see our offices in Louisiana and Texas. In Canada, he dealt particularly with questions of organisation, to ensure that we are fully equipped to take all possible advantage of the future promising prospects in that rapidly developing country.

"The Deputy Chairman, Lord Waverley, called on our United States and Canada Branches and had discussions with our Managers there, in the course of a recent visit to North America on other business, while several of the Directors have taken a similar opportunity when their other interests have called them to countries overseas in which the Corporation is established. Visits to several overseas branches and agencies have also been paid by officials.

"Last July, Mr. Buggey was a welcome visitor from our United States Branch. I have already referred to his tragic death while apparently in the best of health. Earlier in the year, we had here Mr. Bush, now a Deputy Manager at Boston. Other visitors to this country have included Mr. S. C. Smith, our Manager for Australia; Mr. R. Martin, Manager at Toronto; Mr. Cleanthis Christophides, our Cyprus Chief Agent; the Hon. D. J. Judah and Mr. C. H. Randall, partners in Messrs. Judah and Randall, the Corporation's Chief Agents in Jamaica, and Mr. Mark Anisfeld, our Chief Agent in Israel. We hope to have the pleasure of seeing many of our friends from overseas during the Coronation period this year.

"I am sure that you would not wish me to close my review of the past year without paying my customary but, nevertheless, sincere tribute to those upon whom our fortunes must at all times depend—our Managers, Staff and Agents throughout the world. On your behalf I offer them our thanks for their continued loyal and efficient work in 1952.

"In making a few comments on the general economic position and prospects in the world today, the large stake which our Company has in North America makes it natural for me to refer particularly to that continent. Because of our long and close connection with the United States, we are able to appreciate as much as any the importance of our two countries understanding each other. In recent years, by more personal contacts, the people of each country have grown to know one another better, to know how each lives and what each thinks and why. British insurance itself has, I feel, contributed a great deal to this position by reason of its widespread points of contact. Its representatives have travelled frequently and far throughout the country. We ourselves bring over each year to this country some members of our United States staff. Some concern has been expressed in the correspondence columns of *The Times* recently that the British way of life and what we are doing for ourselves in our economic struggle is not yet widely enough known in the United States. Those of us who know that country and, particularly, areas remote from the Eastern seaboard, realise that, unfortunately, there is a good deal of truth in this. It is in the small towns and countryside of the United States that political opinions are so largely formed, and it is amongst the people who live there and have the least opportunity of seeing our country and talking to our people, rather than the many well-travelled Americans from whom so many people here gather their impressions, that the need for greater knowledge and understanding chiefly lies. A cross section of these does, indeed, now exist in this country in the considerable number of American soldiers and airmen who are at present stationed amongst us. It is to be hoped that they have every opportunity of seeing us in our work and in our homes, for it is difficult to imagine any better means of enabling representatives of countless families spread over the United States to judge us and our achievements—and even our shortcomings.

"From the other end of the world, Southern Africa, I have just had a first-hand report from our Managing Director, Lord Knollys, who has recently returned from a visit to the Union of South Africa and Southern Rhodesia. '*Ex Africa semper aliquid novi*' remains as true now as it ever was. Something new is indeed always being discovered out there usually at a time when it is most needed to support the country's economy. First, there have been the new goldfields in the Orange Free State, where a tour by air shows the extraordinary sight of great mining plants and rapidly growing townships standing out incongruously in the middle of vast farmlands. And now there has arisen the production of uranium in many gold mines of the Western Rand and the Free State. It is clear that South Africa has once again discovered a new great asset.

"In Southern Rhodesia, Lord Knollys found striking advances in the development of industry and building of all kinds since his previous visit a few years ago. Now that the referendum just held in that country has endorsed the policy of Federation with Northern Rhodesia and Nyasaland, the economic prospects of the areas should be much improved.

"At home, the Budget has been the outstanding factor influencing economic prospects. But we are still more heavily taxed than others—even than the U.S.A.—and it is still Government expenditure which needs the closest scrutiny and courageous pruning. I hope that this 'Incentive' Budget marks the opening of a new era for business enterprise in this country, and I can assure you that this Corporation stands ready to take full advantage of any resulting improvement in economic conditions."

TEXTILES

(*Continued from page 892*)

cularly fabrics, as is being done in western countries. There is some truth in this view. Even the Governments—Central and States—have realised it, as witness the active encouragement given for establishing industries for utilisation of such silk waste. The two units in Mysore referred to in an earlier paragraph are the notable examples. But the industry has not been able to consume the entire quantity of silk waste produced. The Government of India would, therefore, do well to revise its policy and allow a freer flow of exports, at least till such time as the indigenous industry is sufficiently expanded and is capable of utilising the entire quantity of silk waste. Such a policy, by enabling the silk goods manufacturing industry to cover a part of the cost of production, will go a long way towards bringing down the prices of silk fabrics which are very high at present.

MARKET REPORTS

(*Concluded from page 917*)

This was principally due to the publication of the April-end stock position of mills, according to which sacking held, at 89,600 tons, registered a smart decline of 5,100 tons, while, on the other hand, hessian increased from 41,900 to 45,800 tons. Although the decline in sacking stocks is not attributed to business done in April, but should be due to clearance of certain backlog orders and to the transfer of sacking looms to the production of hessian by mills wherever possible, the psychological feeling that stocks were down encouraged speculators to give more attention to offers of sacking than those of hessian.

Last Wednesday, B Twills improved from Rs. 92 to Rs. 93 following covering business. Mills took advantage to sell at the higher rate, and on Thursday this factor slowed down the pace of advance; but even then at Rs. 93-8 a rise of As. 8 was recorded. To the pleasant surprise of holders, the rate gained to Rs. 96-4 on Friday, when an analysis of the stock position of mills was released by the I.J.M.A. Mills were cautious and did not want to repeat the earlier rush to book orders; even then the rise to Rs. 96 appeared too abrupt and the closure for the week-end at Rs. 95 did not surprise the market. Business from overseas did not justify the gain, but it was realised in the market that steady rates with a tendency to move up were an essential condition to attract buyers, both internal and external. Lack of business yesterday erased the gain further to Rs. 94-4, the July-September position easing to Rs. 95.

The hessian market was also steady, but the rise in prices was not as substantial as that in the rates for sacking. This was due to lack of moderate business with American buyers, and equally due to the awareness of buyers of plentiful stocks, as evident from the increase in stocks with mills. Ready hessian 40" 10 oz. opened at Rs. 42-2 last Wednesday, recording an overnight gain of As. 5. On Friday, a high of Rs. 43 was touched with forward positions even quoting higher. This improvement was unnoticed in New York spot rates, and this factor together with lack of business made the local quotation recede to Rs. 42-6 on Saturday. A further recession to Rs. 42 was recorded yesterday.

Assam bottoms were bought by mills from Rs. 22 up to Rs. 24 a maund for May-June delivery. Holders were not anxious to sell in anticipation of a further rise in prices, and this factor, coupled with the moderate support from mills, hardened quotations.

BASE METALS FIRM

(From Our Own Correspondent)

CALCUTTA, 12*th May*

Firmer advices from foreign markets, the confusion in Korea towards a truce agreement, and manufacturers' need for raw material were duly reflected in the trend of metal prices this week. Modest gains were recorded in the principal base metals. Stockists were cheered to note that consumers made a beginning in replenishing their requirements. Manufacturers commenced quoting for Government tenders, and naturally to cover the raw material necess

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
16,00,000 / 14,50,000 / 1,01,000 / 23,99,000	1,08,33,956	10,66,174	Allahabad Bank	347½ / 174 / 102 / 51½	100 / 50 / 100 / 50	18‡ / 5	18‡ / 6	18‡ / 6	18‡ / 6	12 / 6.12	Y.P. / H.
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	114	50	12‡	12‡	12‡	12‡	12	Y.
50,00,060	14,00,000	8,667	Bank of Bikaner	20	25	..	3	3	3	12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	154‡	50	14	14	14	14	6.12	R.L.Y.
15,30,375	24,00,000	63,200	Bank of Indore	60	25	12‡	12‡	12‡	12	12	Y.
50,00,000	15,00,000	33,324	Bank of Jaipur	23	50	3	3	3	3	12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	282	100	16‡	16‡	16‡	16‡	12	Y.
59,18,600	42,61,693	23,280	Bombay State Co-operative Bank	58‡	50	5‡	5	5	..	6	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	9	9	9	12	12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	9‡	10‡	10‡	10‡	12	Y.P.
2,62,11,875 / 52,42,375 A'	3,99,08,177	17,23,015	Central Bank of India Ltd.	63½ / 65‡	25 / 25	14	14	14	14	12	R.L.Y.
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	35	50	3	3	3½	3‡	12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88	20	6‡	10	20	20	12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	11‡	50	—	—	—	—	12	Y.
50 00,000	1,30,000	1,412	Hindustan Mercantile Bank	10‡	50	—	—	—	—	12	Y.
75,00,000	70,00,000	1 59,127	††Hyderabad State Bank	105N	100	5	6‡	6‡	5	9	Y.
3,75,00,000 / 1,87,50,000	6,35,00,000	42,07,573	Imperial Bank of India	1,866½ / 458‡	500 / 125	14	16	16	16	6.12 / 6.12	R.L.H. / R.L.H.
24,00,000 / 16,00,000 / 15,40,000	73,50,000	1,04,201	Indian Bank	173 / 135 / 96	100 / 80 / 55	11‡	12‡	12‡	12‡	6.12	R.L.H.
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	87‡	100	4‡‡	5‡	6	6	6.12	R.L.H.
6,25,000 / 2,50,000 / 10,00,000	6,33,939	1,380	Indo-Commercial Bank	76 / 19 / 38‡	100(A) / 25(B) / 50(C)	9 / 9 / 6	9 / 7‡ / 6	7‡ / 6 / 6	6 / 6 / 6	6.12	H.
4,55,266	30,61,350	60,357	Punjab and Sind Bank	35	25	7‡	7	..	..	6.12	Y.
87,50,000	89,00,000	1,92,605	Punjab National Bank	201xd	25	6	4	4	6	12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	11‡	25	—	—	—	—	12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	6‡	5	6‡	6‡	6‡	6‡	12	Y.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank	35	50	3‡	4	4	4	6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2-9-7	£5	12†	14†	14†	16‡†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£6‡	£5	6†	7†	6†	7*	12	R.L.Y.
H.K.$20,000,000	H.K.$96,000,000	H.K.$9,489,174	Hongkong and Shanghai Banking Corporation	£85‡	H.K. $125	5y*	5*	5*	5*	12	Y.
£14,372,956 / £1,437,296 / £375,000	£16,000,000	£418,242	Lloyds Bank	£2-10-9 / £1-6-3	£1	12y† / 5y†	12y† / 5†	12† / 5†	12† / 5†	12	R.L.Y. / R.L.Y.
£375,000 / £300,000 / £2,281,250	£1,500,000	£200,143	Mercantile Bank o India	£24‡ / £24‡ / £10‡ / £29‡	A £12‡ / B £12‡ / C £5	12y†	12†	12†	14†	12	R.L.Y.
	£3,675,000	£323,703	National Bank of India		£12‡	16y†	16†	16†	16†	12	L.Y.

‡Includes Bonus. †Less Tax. (P) Pakistan Currency. ‡‡Subject to taxation. ††O.S. Currency. (i) Interim. *£ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company		Latest Available Quotations (per hundred) Rs. or £	Principal Repayable	
BREWERIES AND SUGAR							
19,50,000	5‡	1st December and 1st June	Carew & Co.	1938	99	1st June	1953(b)
2,50,000	3‡	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	98‡	28th February	1960(f)
6,00,000	3‡	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd.	1936	98	30th December	1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102‡	27th December	1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	90	1st November	1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	103	1st April	1956-61
25,00,000	4‡	1st May and 1st November	Walchandnagar Industries (New)	1944	92	1st November	1959-64
COTTON							
6,00,000	5‡	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April	1964
4,00,000	4‡	10th May and 10th November	Bengal-Nagpur	1897	99‡	15th November	1956(a)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99‡	1st January	1967-72
13 68,000	5‡	Jayshree Textiles		1949	78N	1st January	1956-59
40,00,000	5	1st June	Tata Mills		10‡		1966-71
ELECTRICS							
10,00,000	4‡	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	95	31st March	1965
1,25,000	4‡	15th June and 15th December	Ahmedabad Electric Co., Ltd.		101	14th June	1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100‡	1st October	1959
12,00,000	4‡	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December	1964
2,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	101‡	1st January	1970
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	83	31st December	1970
15,00,000	5	1st January and 1st July	Sijua (Dherriah) Electric Supply Co., Ltd.	1951	93	30th June	1976
4,95,000	5‡	1st January and 1st July	South Madras Electric Supply	1940	97	..	1957-61
2,00,000	5‡	1st May and 1st November	South Madras Electric Supply	1939	95	..	1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94‡	..	1953-63
6,63,800	4‡	1st April and 1st October	South Madras Electric Supply		94	1st July	1957-67
49,23,000	4	1st April and 1st October	Tata Power	1940	100‡	15th September	1951-55(b)
1,00,00,000	4	1st April and 1st October	Tata Power		92‡	15th September	1965-70
ENGINEERING							
5,00,000	5	30th June and 31st December	Britannia Engineering	1945	96	31st December	1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	95‡	30th June	1958
30,00,000	5‡	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	100‡	1st July	1957-62
£1,183,400	4‡	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	£89‡	31st December	1966(§§)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84‡	31st May	1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	100‡	1st October	1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	94	31st December	1960
JUTE							
12,00,000	4‡	1st October and 1st April	Agarpara	1939	98	31st March	1954
6,00,000	4‡	30th June and 31st December	Alexandra	1939	94	30th June	1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	91	31st December	1964
10,00,000	4‡	30th June and 31st December	Bengal Jute Co., Ltd.	1940	97	30th June	1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	89	30th June	1960
9,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July	1959(c)
10,99,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	97	30th June	1966
8,86,000	5	30th June and 31st December	Empire	1951	93	15th July	1966
25,00,000	3‡	1st January and 1st July	Hukumchand	1947	91	30th June	1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	98	31st December	1964
25,00,000	5‡	30th June and 31st December	Naihati	1952	100	31st March	1967
5,00,000	3‡	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1947	97N	31st March	1958
5,00,000	4‡	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May	1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	86	31st December	1964
8,00,000	4	30th June and 31st December	Presidency	1943	91	30th June	1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	96	15th September	1965
8,00,000	4‡	14th March and 14th September	Soorah Jute	1937	94	14th September	1957
12,00,000	4‡	30th June and 31st December	Union	1937	94‡	30th June	1957(d)
10,00,000	3‡	31st January and 31st July	Waverley	1925	83	31st July	1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS							
4,00,000	6	31st March and 30th September	Bankura Damodar River Railway Co., Ltd.	1931	100N	9th March	1961
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1936	84	1st July	1956
6,00,00,000	4‡	10th November and 10th May	Bombay Steam Navigation Co.	1945	99‡	1st November	
£350,000	4‡	1st January and 1st July	Calcutta Tramways	1900 / 1933	£100N / £102N	At 105% at any time on 6 months' notice or at par or every seventh year. 1st October	1974
£201,067	5	1st April and 1st October				30th September	1953
3,00,000	3‡	30th September and 31st March	Kalighat-Falta Railway	1934	98‡	31st December	1959
6,50,000	3‡	30th June and 31st December	Katakhal-Lalabazar Railway	1945	89		
£200,000	4‡	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£90‡N		
5,00,00,000	4‡	1st March and 1st September	Scindia Steam Navigation		96	1st September	1963
PLANTING							
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943	100	..	1945-55
3,68,200	5‡	31st March and 30th September	Teekoy Rubber Estates	1944	100	..	1949-59
50,00,000	5	30th June and 31st December	Waterfalls Ltd	1943	101‡	..	1945-55
MISCELLANEOUS							
15,00,000	5‡	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	101	30th September	1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December	1965
27,60,000	4‡	1st April and 1st October	Associated Hotels of India	1948	86	31st December	1962
4 90,500	4‡	30th June and 31st December	Bengal Paper Mills	1937	95	30th June	1957(1)
21,00,000	5‡	1st February and 1st August	Chowringhee Properties	1915	92	1st February	1964
22,60 000	4‡	1st July and 1st January	Clive Buildings	1936	89	1st July	1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	86	15th September	1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	1950	102‡	1st January	1971
20,00,000	5	15th March and 15th September	Mettur Chemical Industries	1949	97	..	1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	450 (per note)	30th September	1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410 (per note)	31st December	1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	91N	1st April	1971
1,00,00,000	5‡	31st March	Orient Paper Mills Ltd.	1951	88	31st March	1961
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	83	31st December	1959

Note—See page 926 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 14th May, 1953.

	Closing quotations 7-5-'53	High	Low	Closing quotations 14-5-'53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	154	154½	154	154‡
Bank of Baroda (50)	114	115	114	115
Central (25)	64	64‡	63‡	63‡
Imperial (P.Pd.) (500)	1,857‡	1,866‡	1,855	1,866‡
Imperial (P.Pd.) (125)	455	460	455	458‡
Union Bank (5)	6‡	6‡	6‡	6‡
United Com. (50)	35‡	35‡	35	35‡
COTTON MILLS				
Ahm. Adv. (100)	145	155	145	155
Apollo (2)	2–14‡	2‡	2‡	2–14‡
Bombay Dyeing (250)	395	398‡	393‡	398‡
Central India (100)	176	179‡	174	177‡
Century Mills (100)	276	281‡	275‡	277‡
Colaba (100)	71	—	—	71
Edward Textile (200)	246‡	247‡	246‡	247‡
Elphinstone (50)	42	44	42	44
Finlay (100)	305	317	306	317
Gokak (100)	216	220	215‡	219‡
Ind. Und. Defd. (1)	1–11‡	1–12‡	1–11‡	1–12‡
Ind. Und. Ord. (10)	10–9‡	11‡	10‡	10–14‡
Indore Malwa (100)	89‡	96‡	90	96‡
Khatau (100)	182‡	184‡	182‡	183‡
Kohinoor (100)	319‡	323	310	313‡xd
Lakshmi (250)	600	—	—	600
Madhusudhan (100)	82‡	83	82‡	83
B. B. & C. I. Mills (100)	46‡	—	—	46‡
Minerva Mills (100)	100‡	—	—	100‡
Model Nagpur (250)	143‡	—	—	143‡
Morarji (100)	185	200	190	200
Mysore (50)	123‡	—	—	123‡
New City (100)	150	151‡	150	151‡
New Great (100)	156	158	155‡	158
Phoenix (100)	113‡	—	—	113‡
Podar Mills (100)	138‡	140	138‡	140
Sassoon Silk (10)	25‡	—	—	25‡
Sassoon Spg. (10)	27‡	—	—	27‡
Sholapur (1,000)	1,750	—	—	1,750
Simplex (50)	173‡	183	170‡	182
Svadeshi (100)	254	302‡	254	301‡
Swan (100)	435	440	420	440
Tata Mfg. (25)	41‡	44	42	44
Vishnu (100)	171‡	171‡	163‡	164‡
Western India (1,000)	3,150	—	—	3,150
ELECTRIC COS.				
Ahmedabad (100)	109‡	109‡	109‡	109‡
Amalgamated (10)	10‡	10‡	10‡	10‡
Andhra Valley (1,000)	1,432‡	1,432‡	1,431‡	1,431‡
Bom. Sub-El. (100)	124‡	126‡	124‡	125‡
Surat (100)	130‡	131‡	130	131‡
Tata Hydro (100)	151‡	151‡	151	151
Tata Power (1,000)	1,515	1,520	1,512‡	1,520
INSURANCE COS.				
British India (10)	13‡	—	—	13‡
Empire of India (100)	552‡	—	—	552‡
Ind. Mercantile (20	39	—	7‡	39
Jupiter (10)	..	—	7‡	7‡
New India (15)	42‡	42‡	42	42‡
Oriental (200)	7,150	7,210	7,160	7,160
Universal (10)	7‡	—	—	7‡
Vulcan (10)	11‡	11‡	11‡	11‡
STEAMER COS.				
Bom. Steam (25)	35‡	35‡	35	35‡
Scindia (15)	13–7‡	13–12‡	13‡	13–11‡
STEEL COS.				
Ind. Iron (10)	25‡	25‡	25–4‡	25‡
Tata Steel Defd. (20)	1,887‡	1,930	1,888‡	1,920
Tata Steel Ord. (75)	328‡	334‡	327‡	331
MISCELLANEOUS				
Alcock Ashdown (100)	318‡	321‡	317‡	321‡
Associated Cis. (100)	171	171‡	170	171
Belapur Sugar (5)	236	240‡	235‡	240‡
Bom. Burmah (125)	383‡	386‡	381‡	382‡
Do. (New) (50)	135	138‡	136‡	138‡
Br. B. Petrol (4 sh.)	1–2‡	1–3‡	1–2‡	1–3‡
Br. I. Corpn. (5)	8–10‡	8‡	8‡	8‡
Indian Copper (2 sh.)	2‡	2–14‡	2–13‡	2‡
Ind. Inv. Tr. (100)	71	—	—	71
Port Canning (100)	24	—	—	24
Premier Con. (30)	89	93‡	89	93
Shivrajpur (10)	53	56	53	56
Tata Chemicals (10	9‡	9‡	9–3‡	9‡
Tata Oil (25)	34	34	33‡	34
Walchand Ind. (100	157‡	158‡	140	141‡xd
W. I. Match (100	234‡	226‡	222‡	225‡xd

GOVERNMENT SECURITIES	Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	Rs.
2½% 1954	98‡	—	3.37	98‡
2½% 1955	98‡	—	3.24	98‡
2½% 1961	90‡	—	3.84	90‡
2½% 1960	93‡	—	3.77	93‡
2½% 1962	91‡	—	3.84	91‡
2½% 1974	82‡	—	3.89	82‡
3 % 1953-55	100‡	—	2.60	100‡
3 % 1957	98‡	—	3.34	98‡
3 % 1958	98‡	—	3.31	98‡
3 % 1959-61	96‡	3.65	3.49	96‡
3 % 1964	92‡	—	3.79	92‡
3 % 1965-65	92‡	3.87	3.73	92‡
3 % 1966-68	90‡	3.94	3.83	90‡
3 % 1970-75	86‡	4.10	3.91	86‡
3 % 1986 Con. Loan	82	—	3.64	82‡
3½% 1954-59*	100‡	3.34	3.45	100‡
4 % 1960-70	102‡	3.62	3.81	102‡
4½% 1955-60	103‡	3.06	3.98	103‡
4½% 1958-68*	105	3.40	4.03	105

BRITISH GOVERNMENT SECURITIES	7-5-53 £	High £	Low £	13-5-53 £
2½% Brit. Consols	60‡	60‡	60‡	60‡
3 % Savings Bonds 1966-75	86‡	86‡	86‡	86‡
3 % War Loan 1955-59	100‡	100‡	100‡	100‡
3½% War Loan 1952	80‡	80‡	80‡	80‡
3½% Brit. Iron and Steel 1979-81	91‡	91‡	91‡	91‡
4 % Funding Loan 1960	99	99‡	99	99

xd—Ex-dividend.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent Who else must sweat and toil and gain but scanty fare."
William Blake

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FIVE-YEAR PLAN AT WORK

THE Progress Report on the Five-year Plan for 1951-52 and 1952-53, presented by Mr. Gulzarilal Nanda, Minister for Planning, Irrigation and Power, to Parliament last week, is a record of mixed performance. On the one side, it claims credit for progress made in certain fields, while, on the other, one sees an apologetic vein running throughout the Report, born of consciousness of the limitations and handicaps which have tended to arrest the Plan's smooth progress. This is understandable, because, in judging the credit as well as the debit side of the work of implementing the Five-year Plan, one should bear in mind certain factors which have had a bearing on the execution of the Plan. The Plan itself was published in its draft form in July, 1951. The final Plan, with certain modifications, appeared 18 months after, in December, 1952. And the present Progress Report, coming as it does five months later, can hardly be expected to narrate any spectacular achievements. Nevertheless, the Report is to be welcomed, in that it enables the country to know which exactly are the hurdles to overcome before the Plan can be successfully implemented. Moreover, detailed information relating to several sectors of economic activity, such as the progress of industrial programmes in the private sector, the problem of unemployment, the assessment of Grow-more-food programmes, etc., is not available. As further studies in these subjects are yet to be initiated, one has to wait, till the emergence of a clearer picture, for pronouncing a balanced opinion on the progress of the work under the Plan.

To consider now what the Planning Commission has to say on the achievements during the period under review. In the field of domestic output, increase in the production of raw materials such as cotton and jute is stated to have widened the scope of the concerned industries for further utilisation of their installed capacity. Industrial output, as a result, has gone up by 20 per cent. Appreciable improvement is noticed in the production of important industries such as cotton textiles, cement, iron and steel, paper board, ammonium sulphate, etc., although, in certain engineering and other industries, the output has declined. In the field of agriculture, some possible increase in production of foodgrains is expected, as there is evidence of expansion in acreage under foodcrops. These increases, together with the improvement in railway transport, are expected to create conditions in which it would be possible to sustain a higher rate of investment. Progress in irrigation and power projects seems to be satisfactory. The additional area irrigated by these major projects is 1.42 million acres. In the sphere of power generation, the target has been actually exceeded. Programmes have also been initiated for the organisation of the National Extension Service and Community Projects in order to enlarge the sphere of public co-operation in the implementation of the Plan. Measures have been devised for keeping inflation under check. These are the chief achievements which the planners have attributed to measures envisaged in the Plan. The record is noteworthy. But it must be remembered that part of the success is attributable to programmes initiated even before the preparation of the Draft Plan.

The chief merit of the Progress Report on the Plan at work lies not so much in its enumeration of the achievements, such as those noted above, as in its focussing public attention on certain disquieting features of the Plan in action. Thus, the Report spotlights the unsatisfactory manner in which the land reform policy, as envisaged in the Plan, is being administered by the States. The Report further implies that the unbounded enthusiasm displayed by the various State Governments during the immediate post-independence years for carrying out land reform measures in feverish haste has since died down completely. It may be recalled that their endeavours were then aimed in two directions, namely, abolition of *zamindaris* and grant of enhanced rights to tenants. Legislation which has been ushered in in many States for accomplishing the aims has not been followed up by other measures of reform to complete the process, namely, consolidation of small holdings, co-operative farming, adequate provision for rural credit, etc. Minor irrigation schemes too have received less attention than they deserve. It is clear, therefore, that the States should drastically revise their methods of approach to land reform policy, in order to enable agriculture to play its role in the development of the economy on lines laid down in the Plan.

The Planning Commission's Progress Report, as a whole, may be taken as a mild reminder to the States Governments that they should make better and more concerted effort towards implementing their respective programmes under the Plan. It ought to have been possible for the States to show a better record of performance, in view of the fact that their tax revenues have shown a marked increase in the last few years. Thus, from about Rs. 222 crores in 1950-51, these revenues have gradually risen to Rs. 243 crores (budgeted) in 1953-54. Unfortunately, this increase in tax revenues has been more than absorbed by increased expenditure of a non-developmental nature on revenue account itself. Again, the States have been also spending larger sums on development schemes outside the State Plans. Taking the revenue and capital accounts together, they have spent, we are told, about Rs. 15 crores in the two years on such schemes. This unfortunate tendency should be checked in the interests of the effective implementation of the Plan.

While criticising the States, one must, however, remember that the States' revenues and expenditure are dependent on their stages of economic development. The different levels of economic development of each State will, in turn, determine the progress of the work under the Plan. This partly explains the uneven development in the States. Again, the attention of some States has been diverted from the Plan on account of certain exigencies. Thus, these States have been compelled to spend outside the Plan on items such as famine relief, food subsidies, increased appropriation for debt services, etc. While there is every need to see to it that this sector of expenditure is brought down to its minimum in each State, one cannot but condemn the reckless misuse of public funds by Ministers of State Governments, as revealed by the periodical audit reports of the Controller and Auditor-General of India. In the circumstances, it is not at all surprising that most of the States have now hardly any reserves left to draw upon for implementing the Plan, and this, in spite of the fact that the Centre has to transfer to them Rs. 20 crores per annum under the Finance Commission's award. The Centre should show both courage and leadership and make the recalcitrant States change their attitude towards the Plan. One of the possible ways by which it can tighten its control over the States' expenditure is to extend its assistance to States towards expenditure on development schemes envisaged in the Plan on a *pro rata* basis. This practice of extending Central assistance is already in vogue in respect of many schemes, but what is desired now is that it should be revised and tightened further in order to make State expenditure on schemes under the Plan conform to correct standards.

The planners' attempts at securing the full participation of the public in the work on development schemes of the Plan have still to take definite shape. Community Projects, Extension Services, and *Bharat Sevak Samaj* are only in their initial stages of development. Village-level workers, trained so far under the Extension Service schemes, have yet to prove whether their training has enabled them to harness popular enthusiasm to the implementation of the Plan. Besides, there is still the need for fixing yearly targets of production in industry, agriculture, minor irrigation, etc., for each village. This need remains unfulfilled, because the State Governments have not given top priority for breaking up the State plans into district and village plans. They are also experiencing lack of suitable agencies for approaching individual villages separately. Sustained progress has, therefore, not been possible for mobilising popular will in the cause of the Plan. In this sphere too, the States should move with greater speed and energy than at present.

The Planning Commission appears to be rather apologetic in explaining the reasons for spending no more than Rs. 585 crores in the first two years of the Plan, representing only 30 per cent. of the total outlay of Rs. 2,069 crores. For it is well known that the first two years have been a period in which planning and execution of the investment programme have been taking concrete shape slowly and, therefore, the expenditure has to remain correspondingly at a low level. In fact, the *tempo* of expenditure is bound to reach its peak in the coming years, as work on the various sectors broadens over a wide front. But the difficulty is whether the States will be in a position to raise the additional resources needed by the Plan. There is, besides, the question of the Centre being in a position to procure, in full measure, external assistance envisaged in the Plan. The Commission itself seems to feel that it is difficult to make a precise assessment, at the present stage, of the

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extent to which its estimates will be realised. It looks forward to additional finance through further taxation, borrowing and external assistance and, finally, deficit financing. The extent to which reliance might be placed on each of these sources is, however, not quite clear. It is here that the prospect of resorting to deficit financing looms large, as the scope for further taxation and borrowing remains strictly limited.

GOLD AND TRADE

A FRESH appraisal of the problem of the balance of payments, with which most countries of the world are to-day confronted, is available in the report by Mr. Roy Harrod, formerly Adviser to the Research Department of the International Monetary Fund. The report was written when Mr. Harrod was acting as Adviser to the I.M.F. Although it would be too much to hope that the report bears the authority of the I.M.F. as such, it is nevertheless significant that the views expressed in the report are somewhat different from those with which the I.M.F. has associated itself in the past. There is a veiled reference in the report to the gold price issue, which indicates an implied assumption that an increase in the official gold price ($35 per ounce) will go a long way towards mitigating the evil of chronic deficit in the external payments position, which has arrested the economic progress of most countries. Although the demand for a higher gold price—that is, a higher gold price payable by the U.S.—is by no means new, the chief merit of Mr. Harrod's report, which underlines this demand, is that it is presented with a wealth of statistical data relating to world trade, and from a somewhat unusual angle.

The problem of balance of payments arises principally in relation to the trade of the rest of the world with the U.S. It is essentially a problem of dollar shortage. Mr. Harrod emphasises that the dollar shortage is not due to any fundamental change in the pattern of world trade. He supports this view by a reference to U.S. export trade figures. The U.S. trade surplus amounted to $819 million during 1924-29, $338 million in 1933-38, $480 million in 1936-38 and $1,840 million in 1950 to mid-1952. These figures, no doubt, show some wide variations. But if the U.S. trade surplus is expressed as a percentage of the total U.S. exports, it is found that there are no significant variations. Thus, the percentage was 16.2 for 1924-29, 13.0 for 1933-38, 16.7 for 1936-38 and 14.7 for 1950-mid 1952. Anticipating the argument that a different picture might emerge, if invisible items of export by the U.S. were taken into account, Mr. Harrod cites figures to prove that, even if the whole balance on goods and services were taken into consideration, the position since the war would not show any significant change. For the same periods, already considered, the U.S. surpluses on goods and services were $769 million, $267 million, $378 million and $2,462 million, respectively. Again, if these amounts are expressed as percentage of U.S. exports, the relevant figures will be 15.2, 10.2, 13.5 and 19.6.

The question then is: If there is no fundamental change in the world pattern of trade, or, more precisely, in the U.S. trade with the rest of the world, then why is dollar shortage so important a problem now? Again, why did it not appear as a serious problem before the war? Mr. Harrod insists that, before the war, the dollar surplus in the U.S. trade did not constitute a serious problem, because it was covered by the investment of American capital abroad, as in the twenties, and by the inflow of gold into the U.S., as in the thirties. Indeed, the inflow of gold into the U.S. paid for the dollar surplus four times over. Thus, the average annual surplus from 1933 to 1938 was $267 million, while the average annual inflow of gold into the U.S. during this period amounted to $1,140 million. All this has changed since the war, for, owing to the low dollar price of gold, the earnings of the gold producers, who are mainly located in the non-dollar world, have been totally inadequate to cover the dollar deficit on goods and services. Gold has failed to perform its pre-war function of bridging the world's dollar deficit on current account. Three reasons are advanced to explain this failure: (1) The dollar price of gold has remained fixed, while the average price of all other items entering into world trade has risen 2¼ times; (2) the volume of gold output has fallen; and (3) about half the value of the reduced output has disappeared into private hoards. Incidentally, it may be stated that, before the war, Western Europe could export its goods to its natural market in the gold producing countries, and, therefore, was in a position to pay for the deficit in its trade with the U.S. But in order to achieve the same result to-day, the West European countries have to export more goods, because gold price has remained at a low level. Mr. Harrod argues that, if the value of the newly mined gold had borne the same relation to the value of the world trade, as it did in the thirties, the rest of the world "could have paid for the whole of the surplus of the U.S. on goods and services account in 1950 to mid-1952, without loss of reserves and without aid (other than military items)." He also insists that the inadequacy of existing reserves, at the current price of gold, is an even more fundamental problem, since it has led to widespread import restrictions.

Mr. Harrod does not, of course, maintain that the problem of dollar shortage is simple enough to be solved by a mere redistribution of the world stocks of gold. This solution is impracticable. Besides, as Mr. Harrod points out, all the gold in the world will not be sufficient to provide nations with adequate reserves. Nor does he think that internal inflation in the European countries is the real villain of the piece, for he says:

> "Even if Europe had not suffered from any internal inflations, she would still have been under the necessity of finding a new method of paying for some 35 per cent. of her normal imports from the United States, or, alternatively, of dispensing with all or part of them. It is clear that such a change-over cannot be effected without great strain and dislocation. The need for making it has no connection with internal inflations, and will continue to exist when they have been completely removed. It may be regarded as the hard core of the dollar problem."

Mr. Harrod's report deserves, indeed, a high place among the contributions which have been made towards the analysis of the intricate—and well-nigh intractable—problem of the balance of payments. But even those who would readily accept his analysis might regard the implied suggestion for increase in gold price with honest misgivings. Is the problem really so intractable that it cannot be remedied by the joint endeavour of all nations to set their economic houses in order? Again, will the simple device of an increase in gold price (the implied suggestion in Mr. Harrod's report)—apart from the difficulty of persuading the U.S. to adopt such a course—solve the problem in its entirety? These questions do not seem to have received the attention they deserve. It is rightly argued by those who do not see the need for a change in gold price that an increase in gold price will benefit only a few gold producers and a few other countries which export goods to these producers, and not all the countries of the world. Again, the advocates of a higher gold price should remember that 40 per cent. of the gold outside the U.S. is concentrated in Canada, dollar area countries of Latin America and hard currency countries, and that an increase in the price would primarily benefit these nations. It is true that a higher gold price will stimulate gold production. But then, it is not the whole truth. Even now, gold-producing countries are only exploiting the second-rate mines, reserving the better mines for another day. Also, the recent devaluation of the pound has already enabled the gold producers to reap a rich harvest in terms of local currency, which should be sufficient incentive to them for increasing gold output. Even if a higher price for gold were to increase gold production to the 1940 peak levels, it is computed that it would mean an annual increment of only $880 million, as compared with the annual aid, to the tune of $4,800 million, actually provided by the U.S. so far. In certain free markets, gold is no doubt quoted at a high price. But it can hardly be taken as a correct price, for it only reflects transportation costs, lack of confidence in local currencies and temporary supply and demand relationships. Finally, the argument for an increase in gold price comes now at a wrong time, since gold prices are everywhere adjusting themselves to lower levels. It is not clear why they should be artificially pushed up to higher levels, especially when such a course might conceivably mean a fillip to inflation, not only in the U.S. but in the rest of the world.

ESTATE DUTY BILL

THE debate on the Estate Duty Bill, as reported by the Select Committee, held in the House of the People last week, turned out to be a tame affair. This was only to be expected, considering the fact that the members of the House knew that consideration of the Bill would be postponed. Further consideration will be taken up at the next session.

The Finance Minister, Mr. C. D. Deshmukh, was content to explain the Bill; he made little attempt at justifying its different provisions. Three issues arising from the Bill, which are of particular importance to trade and industry and, therefore, call for special notice, are those which relate to exemption limit for the purpose of levying estate duty, levy on an insurance policy, and administration of the Act providing for the levy and collection of estate duty. The Finance Minister was rather vague on the question of the minimum exemption limit. He would have done well to indicate the factors which weighed with the Select Committee in fixing the limit at Rs. 50,000 for Hindu joint family property and Rs. 75,000 for any other property. Inasmuch as estate duty is payable on the principal value of the property, to be calculated on the price it would fetch in the open market at the time of decease, one would naturally expect a fairly high exemption limit. By fixing the limit at low levels, the Government is not serving the cause of savings and capital formation, and is thereby retarding the pace of progress of the development programmes in the country. Indeed, the measure, as Mr. G. D. Somani, M.P., aptly remarked, "will do more harm than good to the general economy of the country." Surely, it is time that the question relating to savings and capital formation was much more minutely examined than has been done now.

Equally vague and unconvincing were the Finance Minister's observation on the levy of estate duty on insurance policy. The exemptions specified in clause 32 of the Bill—the tax-free limit in respect of insurance policies is fixed at Rs. 5,000—moneys received under a life insurance policy are included in the property deemed to pass on death. In support of this provision, the Minister said: "The object is to prevent a person from escaping estate duty by reducing his estate during his lifetime by payment of premiums, etc., which reappear as beneficial interest accruing or arising on his death. Liability to duty is further extended to any interest or annuity which, though not directly provided by the deceased, is in substance attributable partly or wholly to any property derived from him."

These observations are hardly convincing. What is important is not the question of the evasion of tax as that of the adverse effect which the low tax-free limit in respect of insurance policies will have on the business of insurance in a country like India where the insurance habit has not spread over wide sections of the population. By fixing the tax-free limit at a low level, as is now contemplated, the Government will be interfering with the development of insurance habit in the country. We would like to emphasise the point that the Estate Duty Act should provide for a higher limit for duty-free insurance policies. Such would be beneficial not only to the progress of insurance but also to the Government itself. For insurance makes available funds from which Government loans could be supported.

With regard to the administration of the Act, the Finance Minister was not inclined to accept the suggestion that the appeal against the Controller's valuation of an estate should be made to an independent tribunal and not to the Central Board of Revenue, as is now proposed. He said: "If the appeal lies to a body entirely outside the administrative department, there has to be some sort of rigidity and absolute conformity with the letter of the law. On the other hand, in the case of an appeal to the department, there can be more flexibility which is essential in the case of absolutely new legislation. ... In 95 per cent. of the cases, the appeal would relate to the question of valuation of property which the accountable person can require the Board to refer to two independent valuers. In a tribunal we cannot have a number of expert valuers for all types of property, and even if an appeal were to lie to an independent tribunal, they would have to refer the question of valuation to expert valuers and to rely on their decision. In view of this, the appeal to the Board would be preferable, as the administrative authority is likely to be less rigid than a purely appellate authority."

The foregoing remarks may not meet with any serious opposition, although there is much to be said for the setting up of an appellate authority from the very beginning of the operation of the Act. Similarly, the method suggested for determining questions relating to valuation of assets would appear to afford reasonable protection to the assessee, though, as we recently pointed out, it is a little cumbersome. Reassuring, in this connection, is the statement of the Finance Minister that the valuers would be independent qualified men of different professions, who would not be governed by any departmental instructions issued by the Central Board of Revenue.

REVIVAL OF CONFIDENCE IN MARKETS

TUSSLE IN SILVER—OUTLOOK FOR NATIONAL RAYON—MONEY RATES IN U.S.

THURSDAY, 5 P.M.

MARKET GOSSIP

BUSINESS activity seems to have broadened over a wide front during the past month or two. Practically in every sector of trade and industry, conditions have changed for the better. It looks as though the confidence which remained shaken this time last year on account of the economic blizzard which hit markets in India and abroad in March, 1952, has been staging a gradual revival in recent weeks. This revival of confidence is indicated by the upward trend of prices which has been persisting throughout, barring occasional setbacks caused by the prevailing technical position in the markets concerned. Thus, cotton has made a strident advance since the end of March when renewed talks for peace in Korea were initiated. I.C.C. August is at present quoted at Rs. 728-4 as compared with Rs. 725 on 31st March. Similarly during this period, ready gold has moved from Rs. 85-3 to Rs. 87-7 to-day and silver from Rs. 158-3 to Rs. 164-6. Persistent firm tone in the oilseeds market has been responsible for the fact that groundnuts have pierced the Rs. 50-mark this week and touched Rs. 50-4, not seen since two years, as compared with Rs. 40-12 on the last day of March this year.

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The remarkable improvement in prices has not been confined only to the principal speculative commodity markets referred to above. The phenomenon has manifested itself in other markets too. The cloth market has been very active with continued demand from internal and overseas markets. Prices, especially of the fine and superfine varieties, have registered sizable gains. Sugar is currently ruling at about Rs. 32-8 per maund as against Rs. 31 at the end of March. *Gur* prices have shot up from Rs. 15 to Rs. 20-8. Business in pepper is reported at Rs. 3,300 (per candy of 5¼ cwts.) as against Rs. 2,900 in March. Wool tops too show the same encouraging trend with marine tops (64s) standing at 179*d.* as against 171*d.* Tea, raw jute and jute manufactures which were in a slough of despondency some time ago have recovered and the present trend appears quite encouraging. Tea prices are generally stable at levels prevailing seven weeks ago, with C.T.C. Assams ruling at about Re. 1-14 per lb. Business in Assam jute is being done at Rs. 25 per maund, whereas at the end of March it stood at as low as Rs. 18-8. B. twills and hessians 40" 10 ozs. have rallied during the period from Rs. 90 and Rs. 39-14 to Rs. 96-10 and Rs. 42-2, respectively. These quotations, which could be supplemented too, should be convincing enough to indicate the broadened activity in the sphere of trade and industry.

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In judging these trends one should also bear in mind certain general features common to most markets. In the first place, floating stocks in many markets are on an attenuated scale. While demand for commodities generally has improved, the prospects of lower crops or reduced arrivals in the near future seem to have generated a considerable amount of speculative activity, especially in the principal commodity markets. Trade circles attribute the improvement in demand to the growing trendency of replenishing stocks which had been thrown upon the markets by merchants during the March slump last year in order to cut down losses. Revival of confidence in the health of the country's economy has induced merchants—who carried on trading operations on day-to-day basis till almost Budget day this year—to buy goods for purposes of building stocks required to carry on their normal operations. The zonal tickets issued by the railways has enabled the up-country merchants to purchase stocks from convenient urban centres.

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In the most important sector of the economy, namely, food, the situation in the country has turned out to be quite satisfactory on account of larger crops, improved procurement and better arrivals of supplies from overseas countries. Many major, and several small-scale, industries have been able to record increases in production. Industrial production has, in fact, gone up by 20 per cent, as compared with 1950, which is indeed an admirable record. This increase has enabled the Government to effect a great measure of relaxation of control over cloth, sugar, steel, foodgrains, etc. Industrial relations to-day are better than they were formerly. With a view to enabling trade and industry to enlarge their respective spheres of activity, the Government has not only relaxed and revised the controls on foreign trade, but extended minor concessions by way of reducing duties on exports of manufactured articles and imports of essential raw materials.

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Indications are also not wanting to show that the Government and industry are both anxious to co-operate with each other in the cause of economic progress in general and of the implementation of the Five-year Plan, in particular. For a time doubts had been entertained by the public regarding the successful working of the Plan; but these have since disappeared with the unstinted support extended to the Plan by the business community. The fact that India will get more U.S. aid during 1953-54 than in 1952-53, thanks to the larger allocations recommended by the U.S. Mutual Security Administrator, and the visit to India of the U.S. Secretary of State, have only served to instil new faith in the possibility of obtaining enlarged external assistance in order to implement the Plan. Deficit financing which the country is expected to adopt to the extent provided for in the Plan, will mean, according to market opinion, an era of slightly higher prices. Moreover, hopes of a possible reduction in the incidence of taxation as a result of the investigations of the Taxation Enquiry Committee appointed by the Government, are entertained in industrial circles. Above all, the recent move on the part of Pakistan to establish closer economic relations with India will result, it is stated, in mutual benefit to both the countries.

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In these circumstances it is no wonder that the markets have all along looked up during these seven or eight weeks. Of course, this is not to say that all is well with the Indian economy. For, factors such as unemployment, high production costs, rise in living costs, the Government's new measures to control industries, the imminence of the levy of estate duty, the continued morbid condition of the capital market, lack of finance for rehabilitating plant and machinery, threats of nationalisation of industry as indicated by the taking over of the air transport industry from the private sector, have prevented private enterprise from initiating bold development schemes in the country. These factors, however, are of long-term interest to the markets and are, therefore, viewed with less concern.

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The bullion market has once again been the scene of a tussle in its silver section between leading bulls and bears, resulting in an erratic movement in prices. After a sharp reaction from last Thursday's closing level of Rs. 165-11 to a low of Rs. 160-6 on Tuesday, the forward rate for current settlement firmed up to Rs. 163-2 at the close to-day. The interesting part of the tussle this week is that the bulls are trying to exact from the bears as heavy *budla* charges as they can for the next settlement, but at the same time to avoid payment of margin on heavy *budla* charges, through keeping the daily rate below the basic rate for the current settlement. The bears, on their part, have been trying to implicate the bulls in the difficulty of paying heavy margin by sitting tight on their forward sales and, at the same time, pushing the rate above the basic rate through purchases in the ready position. Thus, in an effort to outwit each other, the two opposing camps have been reversing their natural roles.

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The foregoing tactics can be understood better, if one recollects the amended by-laws of the Bombay Bullion Association introduced in August, 1952. The by-law relating to payment of margin on *budla* by bulls reads thus:

"(i) Whenever the daily official closing rate of the current forward contract is higher than its official starting rate and the daily official closing rate of the current forward contract is quoted higher than the daily official closing rate of the next succeeding forward contract by Rs. 3 or more per 100 tolas of silver or by Re. 1-8 per tola of gold, every member who has outstanding purchases shall pay to the Association a margin amount at the rate of Rs. 1,000 per silver bar and Rs. 14 per tola of gold; and (ii) whenever the daily official closing rate of the current forward contract is lower than its official starting rate and the daily official closing rate of the current forward contract is quoted higher than the daily official closing rate of the next succeeding forward contract by Rs. 5 or more per 100 tolas of silver or by Rs. 2-8 per tola of gold, every member who has outstanding purchases shall pay to the Association a margin amount at the rate of Rs. 500 per silver bar and Rs. 7 per tola of gold."

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It will be seen from the foregoing by-law that the bulls can exact *budla* from bears up to Rs. 5 per 100 tolas, without having to pay margin, provided they manage to keep the daily closing rate of the current forward contract below the official basic rate, and at the same time, keep the daily official closing rate for the next settlement below the corresponding rate for the current settlement. Accordingly, they depressed the market during the earlier part of the week by selling in the next settlement. Thus they caused the *budla* rate to widen from Re. 1-8 on Thursday last to Rs. 2-12 on Monday, when that day's closing rate for the current settlement fell to Rs. 161-13, that is, below the basic rate of Rs. 162-10 for that settlement. On Tuesday, however, the *budla* narrowed down to Rs. 2, even though the closing rate on that day was Rs. 160-15. The decline in the rate for current settlement, substantially below the basic rate, cautioned the bears. Finding that the bulls can extract *budla* from them up to Rs. 5 so long as this situation continued, the bears adopted the reverse tactics of pushing up the rate above the basic rate by purchasing in the ready position; they were, at the same time, allowing the *budla* rate to go above Rs. 3. This would compel the bulls to pay a margin of Rs. 1,000 per bar under clause (i) of the above by-law. To some extent they have succeeded and the *budla* rate stands to-day at Rs. 2-7. It is, however, stated that this tussle in silver cannot go on longer than the end of this month when the current settlement matures and the seasonal demand for silver from up-country centres, which is now the main prop for the market, comes down.

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Gold is quietly steady in the free overseas markets. Although there seems to be good support for the yellow metal at lower prices, there is no gainsaying the fact the price-trend itself has been downward during the last few months. Gold is now being offered in the European free market at $36⅝ per fine ounce as against $38¼ touched earlier in the year. The present price is at or near the post-war low levels. The rise which gold witnessed in the early part of the year, was attributed to hopes of an increase in official price. But these hopes have now died down, notwithstanding the publication of Mr. Roy Harrod's report (reviewed editorially in this issue) by the I.M.F.; the report makes out a case for an increase in gold price. Since similar, though less authentic, arguments for an increase in gold price have not met with any official response in the U.S., it is now believed that the publication of the report, by itself, is no guarantee that the implied suggestion for an increase in gold price will be accepted by the U.S. The chief cause for the lower trend of gold prices is that the offtake in the Far East and the Middle East has already shown signs of decline. This factor, coupled with the Korean peace prospects, acts as a damper on any bullish fervour.

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In these days it is seldom that one comes across chairmen's speeches which pay a handsome compliment to the Government. All too frequently they are a little too critical of the Government's errors of commission and omission. The Chairman's speech at the annual meeting of the National Rayon Corporation Ltd., which was held this week, might, therefore, be perused for the sake of the refreshing contrast it provides. Mr. Kasturbhai Lalbhai, who presided over the meeting in the absence of the Company's Chairman, Mr. Purshotamdas Thakurdas, paid a well-deserved compliment to the Government's import policy in respect of art silk yarn, which had enabled the Company to clear the large stocks of yarn which had accumulated with it. He added that he was confident that the Government's import policy would be so framed as to permit the import of only so much yarn as cannot be produced within the country. He also commended the Government's action in permitting imports of the raw materials required by the industry. The Government's solicitude for the industry, he said, was responsible for the happy relations between the producers and the consumers. He also paid a tribute to the Government's policy in respect of income-tax which had enabled the Company, a new unit, to get liberal depreciation allowance.

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The shareholders of the Company have every reason to be happy over the Company's immediate past as well as its future. The way in which the Company has been able to clear its stocks, and the great future which lies before it, are factors which have made the Company's shares so attractive to investors. No wonder, the shares which were quoted at only Rs. 55-8 at this time last year, are now being sought at Rs. 103-4, although at one time they had gone up to as high as Rs. 105. The ordinary shareholders have waited in patience for long. And it looks as though they need not have to wait much longer, for the arrears of preference dividends have been wiped out. Indeed, Mr. Kasturbhai gave the assurance that he believed they could—"barring unforeseen circumstances"—now expect a steady return on their capital. He struck a cheerful note, which must have gladdened many a shareholder's heart, when he recognised the patience with which they had waited, and assured them that the "investors who made possible the starting of this large-scale venture will, in course of time, be amply rewarded for their confidence in this industry and its management." Equally welcome to the shareholders was his announcement that the production capacity of the Company would soon be augmented by about 25 per cent. of its present capacity, and that the additional finance for the expansion would be found from the resources of the Company itself. Incidentally, it is extremely gratifying to note that the National Rayon's plant, together with the rayon plant at Travancore and the projected rayon plant at Hyderabad, will be able to meet as much as 35 to 40 per cent. of the art silk yarn requirements of the country. This is no mean achievement for an industry, such as the art silk yarn industry, which had practically to start from scratch.

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About 30 banks, which are likely to be followed by a few more, it would appear, have decided to appeal against the recent Sastry award on bank disputes. Bank employees have also appealed against the award. The employees, it is stated, have requested the Government to see that the appeal is heard in Calcutta instead of in Bombay. It is not clear what reasons have prompted them to prefer Calcutta to Bombay where the Sastry tribunal enquired into the dispute. After all, the records of the dispute heard by the Sastry Tribunal are here; the head offices of many of the banks are also located in Bombay, and the counsel and solicitors, who appeared on behalf of the parties to the dispute, are also in the city. It would be a serious inconvenience and also very expensive to both the parties, and to the counsel who, because of their familiarity with the subject, would, in any case, have to be present at the time of the appeal, if the appeal were heard in Calcutta rather than in Bombay.

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If the U.K. is now beginning to feel the need for cheaper money, the U.S. has commenced its pursuit of dearer money in right earnest. The U.S. Secretary for the Treasury recently averred that interest rates had been artificially manipulated for the last 20 years and that there was need for "courageous, determined corrective action." Since then, the U.S. authorities have been applying an upward pressure to interest rates. Gilt-edged prices are falling. U.S. banks have been compelled to raise their lending rates, from 2½ per cent. to 3 per cent. The Treasury Bill rate

(Continued on page 971)

RESTRICTED TRADING IN SHARES

UNDERTONE REMAINS BULLISH

(From Our Own Correspondents)

BOMBAY, 21*st May*

EQUITY values on the Stock Exchange made further headway this week. Trading, however, appeared to be somewhat restricted. Though the underlying sentiment was bullish, the upward movement was cautious and profit-taking at every bulge intervened, making inroads into earlier gains. This tendency was more marked to-day due to end-of-account considerations, resulting in sizable recession in values from the highest levels for the week. On balance, however, quotations revealed minor gains over a broad front.

The lack of aggressive movement in equities was mainly due to absence of big operators to influence the trend one way or the other. They seemed to have withheld their support owing to the uncertainty created by the continued delay in the announcement of the Government decision on the Tariff Commission's recommendations. However, the bullish sentiment was sustained by the belief that the higher retention price for steel would soon be announced. Though the announcement of Burma's decision to end the preferential duties on imports with effect from October next caused some apprehensions regarding the slackening of demand for Indian cotton textiles from that country, the hope that exports to Burma during the intervening months would go up and the generally good prospects for the mills in the current year imparted steadiness to textile shares. Banks, public utilities, and miscellaneous all kept a steady front.

In the steel section, Tata Deferreds opened quiet at Rs. 1,912-8 and soon dropped to Rs. 1,903-12 due to weakness of textiles owing to apprehensions about Burma's decision to end preferential tariff policy. But on revival of bull support attributed to the strength of Ordinaries, the scrips advanced to touch Rs. 1,930 on Monday, Rs. 1,936-4 on Tuesday and Rs. 1,945 on Wednesday, though closing rates on these days were a shade lower than these levels. To-day, however, the shares met with some profit-taking and closed at Rs. 1,935. After an initial marking down from Rs. 331 to Rs. 328-8, Tata Ordinaries moved ahead to Rs. 338 yesterday, but closed to-day at Rs. 336. Persistent rumours about the strike in the Indian Iron and Steel Works brought down the shares from Rs. 25-10 to Rs. 25-2 on Tuesday, but the denial of the reported strike by a spokesman of the Company yesterday revived confidence and the shares looked up to Rs. 25-5 at the close.

After the good performance in recent weeks, textile shares tended to be quiet early in the week, but fresh professional support imparted mild buoyancy. At the close, however, there was a sharp reaction which in some cases caused minor losses over the week. Thus Bombay Dyeings, after being marked down from Rs. 398-12 to Rs. 390, gathered strength on renewed buying and short-covering to touch a high of Rs. 403-12 to-day, before closing at Rs. 400-10. Kohinoors reacted early in the week from Rs. 313-8 to Rs. 310, but steadily hardened to Rs. 316-8 yesterday. To-day, there was heavy unloading which wiped out the earlier gain and the scrips closed at Rs. 311-12. Central Indias were steady at Rs. 174. Centurys advanced by Rs. 4-8 to Rs. 282, Finlays by Rs. 7 to Rs. 324, Gokaks by Rs. 3-8 to Rs. 223 and Standards by as much as Rs. 12-8 to Rs. 313-12. New Greats were only a fraction better at Rs. 158-8, as also Tatas at Rs. 44-12. Simplex were lower by Re. 1-12 at Rs. 180-4 and Svadeshis by As. 8 at Rs. 258-8.

There was moderate enquiry for bank shares and prices showed small rises in most counters. Barodas were steady at Rs. 111-8 *ex-div.* as against Rs. 115 *cum-div.* last week. Centrals (Old) were picked a rupee higher at Rs. 64-12, but the New shares were unchanged at Rs. 65-8. Imperials Fully Paids and Contributories, each advanced by Re. 1-4 to Rs. 1,867-8 and Rs. 460, respectively. Bank of Indias were done As. 4 higher at Rs. 156 and United Commercials As. 8 better at Rs. 36.

Moderate gains in select issues were noted in the public utility section. Ahmedabad Electrics were stagnant at Rs. 109-11. Bombay Suburbans were done at Rs. 127-8, as against Rs. 125-10. Surat Electrics rose by Re. 1-4 to Rs. 133-2 and Broach Electrics by As. 6 to Rs. 7-6. Poona Electrics were placed at Rs. 121-4 *ex-div.*, as compared with Rs. 125. Tata Hydro Ordinaries stood at Rs. 151, but their preferences were better by Rs. 2-8 at Rs. 125. Tata Power Ordinaries were unchanged at Rs. 1,520, while their Preferences gained Rs. 12-8 to Rs. 1,302-8.

In the miscellaneous section, A.C.Cs. were dull during the major part of the week, but towards the close picked up strength due to good enquiries, to close at Rs. 172-12 with a gain of Re. 1-12. Belapurs, after reacting from Rs. 240-8 to Rs. 238-8, closed at Rs. 239. Bombay Burmahs attracted attention to go up from Rs. 382-8 to Rs. 390, only to react to Rs. 385 at the close. B.I.Cs. were in demand at Rs. 8-12. Killick Industries moved up by Rs. 2-8 to Rs. 157-8. Tata Oils were fractionally up at Rs. 34-8, as also Tata Chemicals at Rs. 9-9 and Wimcos at Rs. 226-4. A feature of the trading in this section is the spurt in National Rayons due to persistent support on encouraging prospects for the industry as a whole and the Company in particular during the current year. They rallied, as a result, from Rs. 93 to Rs. 105, before finishing at Rs. 103-4, thereby registering a handsome gain of Rs. 10 over the week.

In the transport group, Scindias were quietly steady at Rs. 15-10. Bombay Steams were done at Rs. 35-12 and India Steamships at Rs. 6-5⅝. Air Indias were maintained at Rs. 84 and Air-India Internationals at Rs. 104-8.

In the mining and engineering group, there was good support to Alcock Ashdowns which gained Rs. 5-10 to Rs. 315-10. Shivrajpurs were unchanged at Rs. 56. Indian Coppers were steady at Rs. 2-14½. B.B. Petrols were placed at Re. 1-3⅝. Premier Constructions were placed Re. 1-12 lower at Rs. 91-4.

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Calcutta Stock Exchange

CALCUTTA, 19*th May*

There was a further marked improvement in conditions on the Calcutta Stock Exchange early during the week, and with the volume of business expanding prices also registered gains. Support for the market was pronounced in jute shares, which have now definitely gained their cheerfulness following the maintenance of steady conditions in the jute goods markets and the changed outlook for sacking. During the last two sessions, however, restricted trading erased part of the early gains.

Jutes being the barometer of the Calcutta market, other sections were also sympathetic to the liveliness in jute shares. Coals were in the forefront, and earlier in the week selected counters recorded impressive gains, operators having derived encouragement from the possibility of increased exports of coal following cancellation of the surcharges. Selected miscellaneous shares passed to the hands of institutions on investment buying. In the tea section, however, the profit-taking tendency of operators resulted in more sellers and there was a recession in prices. Speculative Indian Irons fluctuated within narrow levels. Sugars added substantial gains following satisfactory reports of the season.

Despite the steady conditions, it was difficult to believe that the gains could be maintained, as the market lacked funds which could be utilised in business to sustain rates. Outside buying support remained extremely cautious, and although genuine investors watched the international situation and noted the possibility of permanent peace, which could follow if the proposed Big Power Conference materialised, internal conditions were thought to have a better bearing on trade and commerce. Judging from the sums spent on the Five-year Plan during the first two years, genuine doubts were created whether the target of the Plan could be reached in view of the financial stringency.

Selected counters in the textile section provided a feature. Elgin Mills advanced from Rs. 17 to Rs. 17-4 and Dunbars were taken up at Rs. 132 as against a previous rate of Rs. 124-8. Bowreahs, however, were lower at Rs. 210, but Kesorams remained unchanged at Rs. 19-11.

Coals attracted buyers at hardening rates, but were somewhat quiet during the last two sessions. East Indians moved to Rs. 23-9 from Rs. 23-4, but at the closing level lost the gain partially by one anna. After being dealt with at Rs. 10-12, Burrakurs returned to Rs. 10-10, while Bengals were maintained at Rs. 535. In New Beerbhooms there was a two-anna improvement to Rs. 20-8, and Amalgamated advanced from Rs. 20-6 to Rs. 20-11. Raneegunges were steady at Rs. 9-5, Western Bengals at Rs. 5 and Central Indias at Rs. 4-15.

Jutes were the cynosure of the operators, and changed hands at advancing rates. However, during the last two sessions there was less enthusiasm. Budge Budges, at Rs. 174, disclosed a gain of Rs. 2, while Anglo-Indias after being higher at Rs. 238 moved down to Rs. 236. Lansdownes at Rs. 142-8 put on Rs. 6-8 to stand at Rs. 142-8, Kinnisons hardened from Rs. 201 to Rs. 205. Standards rose impressively from Rs. 145 to Rs. 155, Unions gained from Rs. 186 to Rs. 190, and Belvederes advanced from Rs. 208 to Rs. 218. Interest was shown in Aucklands at Rs. 139 and Nationals at Rs. 25-2. Ballys, however, receded from Rs. 181 to Rs. 175. Champadanies were brought to business at Rs. 160, while Indias were better at Rs. 136. Speculative Howrahs at one time touched Rs. 25, but closed lower at Rs. 24-10.

Nominal interest was provided to engineering shares, and Indian Irons did not move beyond Rs. 25-10, last Wednesday's opening and to-day's closing levels being Rs. 25-8 and Rs. 25-2, respectively. The lower level was influenced by reports of a strike in Burnpur. Jessops were held at Rs. 25-3, and Kumardhubis were transacted at Rs. 8-7.

In the miscellaneous group, sugar shares provided the star feature of the week. Carews gained strength from Rs. 6-9 to Rs. 6-12, while Champarans at Rs. 23-5 showed a rise of Rs. 2. Durbangas were fully steady at Rs. 9-11 and Cawnpores at Rs. 30-8. Indian Cables were pushed up to Rs. 19, while Rallis were unchanged at Rs. 75. Rohtas Industries changed hands at Rs. 9-5, Assam Saws at Rs. 6-12 and India Steamships at Rs. 6-5. Titaghur Papers were bought at Rs. 35-8 and Sone Valley Cements at Rs. 7-6.

Despite the improved prospects for tea gardens, tea shares continued to recede. Operators' interest was limited as they desired to wait and watch the price trends for tea for the new season commencing on 1st June. Bisnauths gave way from Rs. 25 to Rs. 24-12, while earlier Dimakusis were fractionally better at Rs. 31-8. Dufflaghurs realised Rs. 35-12 and Ethelbaris Rs. 5-8.

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Madras Stock Exchange

MADRAS, 19*th May*

For yet another week, the Madras Stock Exchange was generally lively. Plantings came in for active support. Tea scrips improved on encouraging advices from London. Rubber shares displayed a steady trend on continued reports of depletion of floating stocks of rubber. Coffees met with some enquiry. Banking scrips were active. Textiles witnessed selective buying, on further relaxation of power cut, this week. Miscellaneous scrips came in for some sporadic attention. The undertone of the market remained steady.

In the tea section, Parksides put on As. 10 to Rs. 12-12 and Peermades, As. 8 to Rs. 24-12. Kalasas gained As. 6 to Rs. 10-14. Devasholas hardened by As. 4 to close at Rs. 16 *cum-div.*, and Emerald Valleys, by As. 2 to Rs. 3-12. Periakarmalais were done at Rs. 26-2 *cum-div.*, as against Rs. 27-4 *cum-div.*

Among rubbers, Malankaras improved from Rs. 101-8 to Rs. 102-8. Vaikundams were higher by As. 2 at Rs. 13-14 and Velimalais, by an anna at Rs. 2-3. Thamarpallys gathered As. 4 to Rs. 14 and Kailas, an anna to Rs. 3-7½. Cochin Malabars, however, lost As. 2 to Rs. 6-8. Mercaras also were done lower by a similar amount at Rs. 3-4.

In the coffee section, Consolidated Coffees shot up by As. 10 to Rs. 18-2 and Coffee Lands, by As. 4 to Rs. 10-2. Rajendras, however, lost As. 2 to Rs. 7-12. Puthuthottams were slightly lower at Rs. 4-10½.

Among textiles, Coimbatore Kamalas, Rs. 50 paid-ups, improved by Rs. 3-8 to Rs. 46 and Rs. 100 paid-ups, by Rs. 2 to Rs. 93. Coimbatore Pioneers were higher by Re. 1 at Rs. 102 and Sri Krishna Rajendras, by Re. 1-8 at Rs. 42-8. Maduras advanced by As. 6 to Rs. 35-14. Metturs, however, lost Re. 1 to Rs. 191. Rajalakshmis eased by As. 4 to Rs. 76 *cum-div.*

In the miscellaneous section, Ranes, Rs. 100 paid-ups, advanced from Rs. 150 to Rs. 175 and Rs. 50 paid-ups, from Rs. 75 to 87-8. Radio and Electricals hardened by As. 5 to Rs. 4-13. Mysore Papers were fractionally better at Rs. 13-10. Andhra Cement B's lost an anna to Rs. 10-1 and Mysore Matches, As. 2 to Rs. 2-11. Parrys were fractionally lower at Rs. 5-9.

Banks were fairly cheerful. Indian Banks, Rs. 100 paid-ups, were up by Rs. 3 at Rs. 176, Rs. 80 paid-ups, by Rs. 2-8 at Rs. 137-8, and Rs. 55 paid-ups, by Rs. 3 at Rs. 99. Bank of Mysores were higher by Re. 1-8 at Rs. 283-8 and Indian Overseas, by Re. 1 at Rs. 88-8.

Latest Quotations

Bullion	Gold Ready (.999)	Rs. 87-15-0
	Gold Forward	,, 87- 8-0
	Silver Ready (.996)	,, 163- 6-0
	Silver Forward	,, 163- 2-0
Cotton	Vijay	Rs. 910-0
	Berar Jarillas	,, 780-0
	Moglai	,, 730-0
	Bengal Deshi	,, 550-0
Sugar	27.E	Rs. 28- 0-0
Jute	Raw Jute. Assam Bottoms per maund	Rs. 25- 0
	Hessians. (40" 10 ozs.) 100 Yds.	Rs. 42- 2
	Heavy Goods B. Twill, (per 100 bags) Ready	Rs. 96-10
Tea	For Internal Consumption— per lb.	
	Medium Dooars Dust	Re. 1-8
	Best Assam C.T.C. Dust	Re. 1-14
	For Export—	
	Clean Black Pekoe	Not Quoted
	Clean C. B. Pekoe	
	Medium Assam B. Pekoe	
	Good Assam B. Pekoe	
Produce	Linseed Bold (Cwt.)	Rs 34-14-0
	Groundnuts (B. Rdy.) (Cwt.)	,, 49- 8-0
	Castor Seeds (Madras) (Cwt.)	,, 32- 8-0
	Castor Oil Commercial	,, 17- 8-0

THE MADRAS STOCK EXCHANGE OFFICAL YEAR BOOK 1952

The need for authentic official publications by the principal Stock Exchanges of India to provide, in a brief compass, information about joint-stock companies and their working has been felt for a long time now although many unofficial publications have certainly met the need to a considerable extent. Till now there was only one such official year book in the field, namely, that of the Calcutta Stock Exchange. The Madras Stock Exchange Association has followed the Calcutta Stock Exchange by bringing out a year book devoted to the analysis of the working of joint-stock companies in India.

The *Year Book* contains an exhaustive analysis of nearly 200 companies, along with complete particulars about the various Central and State loans and Port Trust debentures dealt with on the Madras Stock Exchange. Every effort has been made to incorporate in the publication the latest available balance-sheets of the various companies. The comparative table giving the analysis of working of each company during the last ten years, should prove useful to all investors in gauging the progress of the Company concerned.

NEWS IN BRIEF

INDIA still has 21 private-owned railway lines with a total mileage of 1,033.74, valued at approximately Rs. 734 lakhs.

The Indian co-operative movement includes 1,73,000 societies with a membership of 12 million people and a working capital of Rs. 235 crores.

The Assam Government has appointed a five-man committee in each of the six Assam Valley districts for enquiring whether tea estates in the respective districts are uneconomic or not.

The Government of India has decided to extend the Community Project activities to cover the entire country within the next seven to eight years. It is proposed to start with 1,20,000 villages in the next three years.

The Economic Commission for Asia and the Far East (E.C.A.F.E.) has accepted the Mysore Government's invitation to shift its headquarters from Bangkok to Bangalore. The State Government has assured the Commission all facilities.

The Madras Government has further reduced the power-cut in the areas served by the Metturs-Pykara-Papanasam hydro-electric systems from 60 to 50 per cent. and in the area served by the Madras thermal systems from 20 to 10 per cent., with effect from the 16th inst.

The Madhya Pradesh Government has increased the guarantee for loans to co-operative banks by the Reserve Bank from Rs. 50 lakhs to Rs. 73 lakhs. Loans are now being distributed by the A and B class central banks which have already drawn Rs. 21 lakhs. The Reserve Bank charges, on this concessional loan, interest of only 1½ per cent., that is, 2 per cent. below the Bank rate.

The collection of sales tax in the Madras State has suffered a drop of Rs. 2.35 crores during the year 1952-53, as compared to the previous year. The total income from sales tax at the end of March, 1953, was Rs. 13.23 crores, as against Rs. 15.58 crores at the close of 1951-52. The Budget estimate for 1952-53 was Rs. 14.5 crores, as against Rs. 15.1 crores for the previous year.

The Government of Bombay has liberalised the conditions of granting *taccavi* loans in the case of poor agriculturists, who find it difficult to offer adequate security of land for such loans. In future, such agriculturists will be granted *taccavi* loans on joint bonds and on collateral or personal security of the borrowers after the sanctioning authority is satisfied that applicants cannot offer adequate security of lands for the loans required by them. However, only small amounts of loans under the Agriculturists Loans Act will be granted in this way. In the case of loans of bigger amounts under the Land Improvement Loans Act, security of lands will have to be offered.

The Government of Bombay has restricted the production of tobacco to one-fourth of any cultivator's holding in some areas in north Satara, Belgaum, South Satara, and Kolhapur Districts for a period of one year. This step has been taken in view of the need for increased production of scheduled food crops. The Government has also prescribed one-sixth as the proportion in excess of which tobacco should not be grown in any cultivator's holding in some areas in Kaira and Baroda Districts, Jehsana District, north Satara District, South Satara District, Kolhapur District and Belgaum District, for a period of one year.

The prices of a number of consumer goods have generally registered a downward tendency since the middle of 1952. In 15 out of 16 industrial centres, for which the Labour Bureau issues cost of living indices, there has been a downward trend since June-July, 1952. In other industrial centres, for which State Governments issue their own indices, some centres have occasionally shown an upward movement. These are attributable partly to the composition of these indices and partly to local conditions. The All-India average working class cost of living index combining 24 different indices, in keeping with the downward trend of prices of consumer goods, shows, on the whole, a declining trend since the peak attained in the last quarter of 1951.

The Government of Bombay proposes to make certain amendments in the rules under the Bombay Sales Tax Act, 1953. The main changes proposed in the rules are: (i) sales made by a dealer to a commission agent who sells goods on his behalf are proposed to be exempted from the general tax, subject to certain conditions, while the sales made by the commission agent would be made taxable; (ii) sales to the Canteen Stores Department (India) of goods intended to be supplied through canteen to members of armed forces of India, as well as sales of such goods by canteen contractors to members of the armed forces, would be exempted from general tax as well as special tax; (iii) sales of lucerne grass seed and sunn hemp seed would be exempted from general tax at all stages, except two, namely, the first sale and the last sale; and (iv) sales of processed yarn produced from artificial silk yarn purchased from a licensed dealer would be exempted from special tax.

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From Abroad

The Bill to denationalise the British iron and steel industry became law when it received the Royal Assent on the 15th inst.

Japan is likely to ban imports of Western foods and goods considered as luxury items under the foreign currency budget which comes into force from October next.

The British Chancellor of the Exchequer, said last week, in reply to a question in the House of Commons, that he would not take steps to wind up the Capital Issues Committee.

The Population Reference Bureau of Washington has forecast that world population will probably reach 5,000 million in the next 70 years. It will be almost double the present population.

The primary output of the U.S. aluminium industries during the first quarter of the current year amounted to 574.01 million lbs. which is about 3 per cent. above the previous record of 558 million lbs. reached in the fourth quarter of 1943.

The Chilean Government has reaffirmed its intention to maintain its present copper price for as long a time as the current stationary situation in demand persists. At present, Chile prices its copper at 35½ cents (U.S.) per lb. f.o.b. Chilean ports.

The formation of a committee by Britain to develop the resources of the Commonwealth and thereby help solve the world's political and economic difficulties has been suggested by Lord Bruce of Melbourne, Chairman of the Finance Corporation for Industry.

The Finance Corporation for National Reconstruction, The Hague, concluded credit contracts during 1952 for a sum of 140.8 million guilders (as against 128 million guilders in 1951) which constitutes a record in the seven years of the Corporation's existence.

The industrialisation of the Netherlands has made considerable progress in the 4½ years from the middle of 1948 to the end of 1952. More than 5,500 million guilders (in terms of the prices in 1948) have been invested during this period in buildings, machinery and similar capital goods. On the basis of present-day prices, the value of this investment is more than 7,000 million guilders. The number of persons employed has risen by 9 per cent. during these 4½ years.

PERSONAL

DR. S. Radhakrishnan, Vice-President of India, left for the U.S. on Sunday last.

Mr. John Foster Dulles, Secretary of State, the United States, arrived in New Delhi on Wednesday.

Dr. L. N. Palar, who has been appointed Indonesian Ambassador to India, arrived in Delhi last week-end.

Signor Alberto Berio, who has been appointed Italian Ambassador to India, arrived in India on the 15th inst.

Mr. R. J. Walker, expert on man-power survey, who has been appointed Depute Aide of the I.L.O.'s Asian Field Office at Bangalore, has arrived.

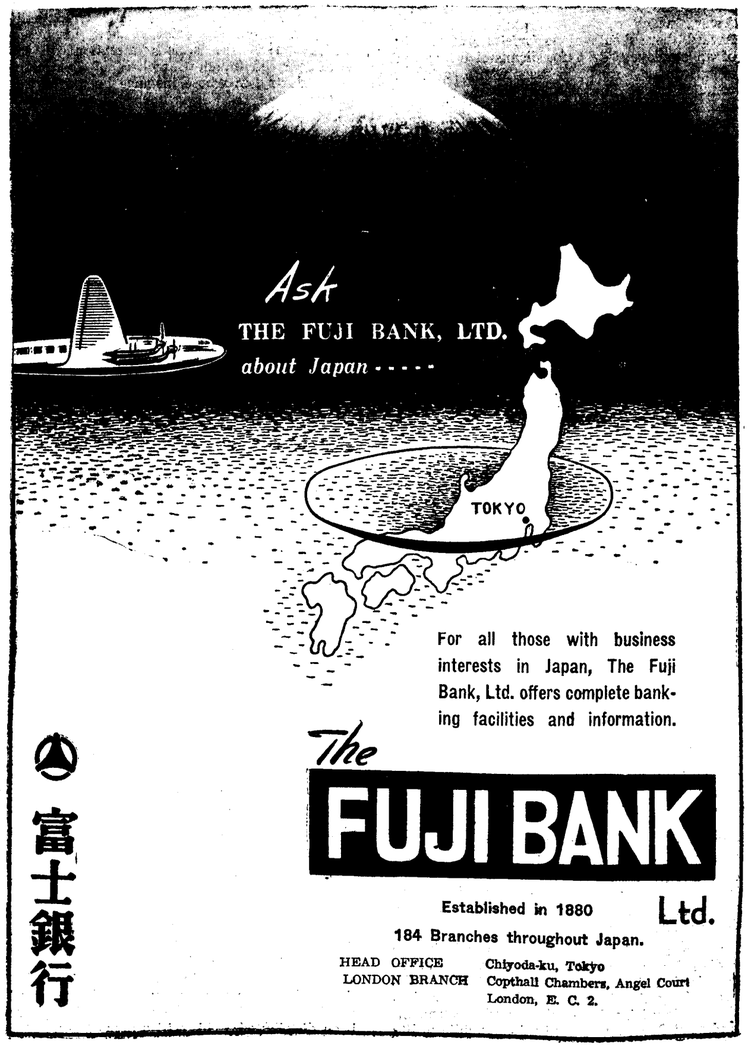
Mr. A. L. Saksena, Accountant-General, Punjab, has been appointed Accountant-General on Special Duty in connection with the establishment of the Andhra State.

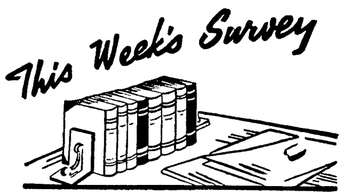
Mr. H. L. Jerath, Senior Deputy Director-General, Posts and Telegraphs, who represented India at the Universal Postal Union Conference held recently at Berne, has returned.

Mr. A. Saldanha, Senior Deputy General Manager, Central Railway, has been appointed to officiate as General Manager of the Railway, *vice* Mr. H. P. Hira, who is proceeding on two months' leave.

Mr. K. D. Jalan, prominent businessman of Calcutta and Director of the Bombay Gas Co., Ltd., left for London on the 16th inst., to study the British gas industry with a view to developing the industry in India.

Dr. Alexander Fleck, one of the Deputy Chairmen of the Imperial Chemical Industries Ltd., London, has been elected Chairman of the Company with effect from 1st July next, *vice* Mr. John Rogers who intends to resign from the Board.





APPEAL AGAINST BANK AWARD

WHATEVER may be the merits or otherwise of the Award of the All-India Industrial (Bank Disputes) Tribunal—the Sastry Award—it has apparently satisfied neither the bankers nor the employees. It has fallen below the expectations of both the bankers and their employees. Perhaps, the very fact that both the parties have something to say against the Award is evidence of its impartiality. The employees have condemned the Award outright, while managements have expressed dissatisfaction on the score that the Award provides no worthwhile relief to most of the banks in the present high cost of administration. It is not surprising, therefore, that the two parties have filed appeals before the Labour Appellate Tribunal, Bombay, against the provisions of the Sastry Award. In the meantime, the industrial and business community, which is not a party to the dispute, is left wondering whether it will eventually have to pay high bank service charges.

The banks employees' unions have listed innumerable points for the reconsideration of the Appellate Tribunal. Among these points, mention must be made of the classification of banks and the fixation of the scale of pay under the Award. The unions want the dearness allowance to be linked to the cost of living index. The managements of banks, on the other hand, have appealed against that part of the Sastry Award which relates to gratuity. Under the Award, there should be no forfeiture of gratuity of an employee "even for dismissal on account of misconduct, except in cases where such misconduct causes financial loss for the company and, in that case, to that extent only." They have also appealed against the decision asking the banks to recognise the All-India Bank Employees' Association and the U.P. Bank Employees' Association.

While the appeals filed by the respective parties to the dispute will shortly come up for hearing before the Appellate Tribunal, the Indian Banks Association has issued a statement to the Press, in which it reiterates the three basic considerations which have been emphasised by Mr. M. L. Tannan, a member of the Tribunal, in his well-reasoned minutes of dissent. The first consideration is that the emoluments and benefits, to be granted to employees, should be related to the capacity of banks to pay these benefits. This capacity has now been reduced consequent on fall in profits of banks generally, thanks to rapidly mounting establishment costs and higher interest charges. In this connection, the Association observes as follows:

"Even in 1951, which was a peak year so far as profits of banks in India were concerned, only 191 out of 462 banks could afford to pay any dividend. The net profits of a number of banks for 1952 were appreciably lower than those for 1951. The total net profits of 18 of the member banks of the Indian Banks' Association were Rs. 54 lakhs less in 1952 than in 1951. This shows that the trend of profit is downwards. Consequently, many banks have not been able to provide fully for the depreciation in the market value of their investments. If this process of a fall in the profits of banks continues, those banks which have not been able to pay dividends so far may not be able to pay them in future, and some of these banks which have been paying dividends may be compelled to reduce them in the near future. If this happens, banks may not be able to get the additional capital which they may require for the progress and expansion of banking that are essential for the economic development of the country."

Proceeding, the Association points out that the banks have already raised their charges to their clients and they are unable to raise them further, because the capacity of the clients to pay higher charges is strictly limited and, what is worse, a further rise in costs of bank credit will adversely affect trade and industry. In fact, it is stated, several banks have already closed down a number of their offices in the last three or four years and had even applied to the Sastry Tribunal for permission to close down a few more.

The second consideration to which the Indian Banks Association draws pointed attention is that the emoluments and other benefits granted by the Sastry Award are larger than those enjoyed by the employees of Government and semi-Government institutions, public utility concerns and large commercial concerns. Mr. Tannan has mentioned this specifically in his minute of dissent, giving figures in support of his statement. The third consideration is that the emoluments of all employees, whether belonging to Government or public or private bodies, should bear a definite relation to the nation's capacity to pay as judged from its national income or productive capacity.

In the meantime, 75 members of Parliament, claiming to represent *all* political parties, have submitted a memorandum to the Central Ministries of Finance and Labour urging the institution of a new enquiry into the grievances of bank employees. This move is certainly to be deplored. For, in their anxiety to better the lot of the bank employees, these members of Parliament have overlooked the fact that the revision or modification of the Sastry Award, if there is to be any, is a question purely for the Appellate Tribunal to examine. The argument that the Award has failed to satisfy the employees and as such a new enquiry should be instituted, therefore, is simply baseless. Moreover, a fresh enquiry would entail heavy expenditure, not to speak of the loss of time and the uncertainty to staff and banks involved in the proposal.

DISINTERESTED ADVICE

It is a fortuitous coincidence that the release of the Government's report on the progress under the Five-year Plan has synchronised with the publication of the report of Sir George Schuster, ex-Finance Member, Government of India, which gives the impressions of his recent tour of this country and the conclusions of his study of current Indian problems in the economic sphere. Sir George claims for the publication a no higher title than a mere resume of his speeches and discussions in India—a "sort of *aide memoire*," to quote his words. But this brief document contains plenty of neatly balanced views of an informed and sympathetic observer. From this point of view, his observations merit the serious attention of the Federation of Indian Chambers of Commerce and Industry, at whose instance he toured this country, and the Government of India, with which under a different political context, he was so intimately connected.

Sir George prefaces the report by an earnest appeal to the people of this country not to indulge in fruitless speculations about the validity of the assumptions on which the Plan is drawn up but to consider what they "should do here and now to make the maximum possible contribution to the successful implementation of the Plan." The immediate lines of action, on which the Federation is urged to concentrate its attention, are: (*a*) to establish a basis of co-operation between Government and private enterprise, (*b*) to create public confidence in the value of private enterprise, (*c*) to raise standards of managerial efficiency, (*d*) to create a favourable climate for attracting capital, external as well as internal, (*e*) to create good relations between management and labour. Sir George reiterates the thesis, which he has emphasised so frequently in the past, that the great expansion of industries, which India needs, can have no sure foundation unless there is a great improvement in agricultural production. He urges the Federation to keep the development of the major irrigation schemes, undertaken by the Government, under careful observation and to interest itself in the execution of the Community Development Projects.

The real problem of this country, he recognises, is that of providing opportunities of employment for the growing population; the rate of growth is as high as 4¼ million per year. He commends the Government-sponsored large industrial projects, such as Chittaranjan and Sindri, but observes that the chief problem in their execution is to evolve a system of "efficiency audit." Since a large part of the industrial field is left to private enterprise, the onus is on the industrialists to prove that they "deserve the confidence of Government and public opinion." In this connection, he offers a few constructive suggestions. In the first place, he wants the standards of managerial efficiency to be improved. He cites the U.K.'s example by referring to the work done there to improve efficiency through the aid of such institutions as the British Institute of Management, Administrative Staff College and the Anglo-American Council on Productivity. Secondly, there should be fuller publicity for the financial results of companies through presentation of accounts in a way that will enable the public to know how much has been earned by the companies and how the earnings have been distributed. This will remove the popular but erroneous impression that a large part of the earnings is absorbed in the payment of dividends. Thirdly, there should be a lively appreciation of consumer interests and of the need for developing responsible trade unions and for helping small industries. Finally, industrial associations should provide suitable machinery for collaboration with the Government and for the collection of accurate factual information affecting economic problems. They are advised to promote the establishment of independent study organisations such as the P.E.P. and the Acton Trust in the U.K.

Since economic progress is the result of joint endeavour by both the Government and industry, Sir George has taken care to point out that the Government, on its part, should review its taxation policy—this, fortunately, is being done—relax controls where necessary, avoid over-centralisation of functions and evolve "new and more intimate methods" of consulting industry. He recognises too that industrial progress depends on the ability of the people to save and invest in new economic ventures. He wants the Federation to stimulate effective action to attract individual savings, to help the National Savings Campaign and to evolve a plan, designed to plough profits into business, for favourable consideration by the Government. Since internal savings might not be adequate to meet the country's needs, he has suggested the need for creating a proper climate in which foreign capital would be attracted to India. He says: "Immediate prospects may be limited, but I believe that a country like India which can establish a reputation for fair dealing, for commercial integrity and for the scrupulous respect of obligations will have opportunities to attract foreign capital."

Sir George's report is, on the whole, as balanced a document as anything could be. There is sufficient material in it for being written up into a more imposing report. The fact that the report is brief does not, therefore, detract from its value as a guide to all those who are engaged in the task of India's economic reconstruction. What add to the value of this document are the disinterested nature of the opinions which are expressed, the clarity of their exposition and, above all, the author's genuine sympathy for the aspirations of a nation that is struggling to find a way to economic prosperity. It is sincerely to be hoped that the Government, industry and the workers will adopt the lines of action suggested by Sir George Schuster in his brief, but very convincing, report on the current economic problems of this country.

HYDROQUINONE INDUSTRY

The Tariff Commission has been enquiring into the question of continuance of protection to the hydroquinone industry. The industry's claim is that the two-year period of protection granted to it, according to Government Resolution, dated 28th July, 1951, was too short to establish itself on sound lines. In fact, it has asked for a greater measure of protection and also assistance.

From a review of the industry's position made by Dr. Narayanaswamy Naidu, Member, Tariff Commission, while opening the enquiry into the question of the continuance of protection to the industry last week, it is clear that the industry has an acceptable case for protection. The industry has found it difficult to sell its products. The Kesar Sugar Works had to stop production on 7th February, 1952, on account of difficulties in disposing of its stocks. Even Satya Dev Chemicals has complained of similar difficulties. All this is due, it is stated, to excessive imports of hydroquinone into the country. The producers have complained that the Tariff Commission's estimate of indigenous demand for hydroquinone at 26 tons is higher than the actual consumption requirements. It is, however, feared that although the quality of the indigenous product is generally acceptable, it is inferior to the foreign product.

Apart from the question of the continuance of protection to the hydroquinone industry, the Tariff Commission has to determine the domestic requirements of hydroquinone. The average indigenous production, taken together with average imports over a certain number of years, gives a fair estimate of demand. But figures of import of hydroquinone are being recorded separately only from July, 1951 and, therefore, they are available only for one complete calendar year, that is, 1952, which cannot be taken as a normal year, so far as imports are concerned. The aggregate import in 1952 was 42,372 lbs. and indigenous production 10,722 lbs. which together made the available supply during 1952 of 53,099 lbs. or about 24 tons. Estimates of demand received from various sources vary from 15.6 to 35 tons.

The next question which the Commission has to consider relates to the high price of the indigenous stuff. This is due to the high price of the raw materials. We are told that while it would be possible to produce aniline of a quality comparable with that of the imported material, its cost of production compared to imported aniline would be considerably high. Sulphuric acid is more readily available than aniline, though its price is "almost prohibitive," as compared with the price at which foreign producers of hydroquinone can obtain it. It is stated that the price paid for sulphuric acid, along with insurance and duty chargeable on aniline, accounts largely for the high cost of hydroquinone.

The quality of the indigenous product, it is stated, leaves something to be desired. The deficiencies mentioned by some consumers are: (1) the indigenous product is not stable; (2) the quality of the product changes from time to time; (3) the price is considerably higher than that of the imported product, and (4) the solution gets oxidised early. We understand that the Indian Standards Institution has finalised standard specifications for indigenous hydroquinone. It is hoped that the industry will adhere to these.

The main task of the Tariff Commission is to determine the quantum of protection and any assistance needed. The assessment of the quantum of protection will necessarily involve a comparison of fair ex-works price of indigenous hydroquinone with the c.i.f. price of the imported product. The Commission has to arrive at the level of import duty which will be adequate to safeguard the indigenous industry. There is a demand from a section of the industry that there should be a complete ban on all imports for a period of five years. But such a demand, in our opinion, is not based on sound arguments. For it will give a chance to the domestic producers to exploit the sheltered market to the detriment of consumers. So far as assistance required by the industry, other than protection, is concerned, it is suggested that the duty paid by the producers on all imports of aniline required for the manufacture of hydroquinone should be refunded and that Government assistance should be made available for the manufacture of 300 tons of aniline per year in order to enable the hydroquinone industry to become independent of foreign imports of aniline.

FIGHTING SCARCITY

A statement containing the recommendations of the teams of officials which recently visited scarcity areas in the country and the Central Government's attitude towards these recommendations was laid before Parliament last week. It will be recalled that, following frequent requests from State Governments for financial assistance to meet the cost of relief and other measures in scarcity areas, the Central Government decided, in October, 1952, to depute teams of its own officers to study in detail the nature and extent of distress and to recommend suitable measures for relief on permanent, as well as semi-permanent basis. Mr. S. V. Ramamurti, Adviser, Planning Commission, led the team which visited West Bengal, Mysore, Hyderabad and Bombay and Mr. P. C. Bhattacharya led the team which toured the scarcity areas in Madras.

From the statement, it is clear that a number of schemes for scarcity areas which fall outside the Five-year Plan have been recommended by the official teams. Presenting the statement to the House of the People, Mr. C. D. Deshmukh, Union Finance Minister, said that these schemes could be implemented only if they were included in the Plan. This means that any further action in the execution of these schemes depends upon the State Governments readjusting their plans so as to include the schemes recommended by the official teams. In that case Central assistance to these schemes will be available under the existing sanctioned programmes, such as the G.M.F. scheme, minor irrigation projects, etc.

The statement gives a brief account of the schemes recommended by the official teams and the action taken by the Centre towards their implementation. It appears from the statement that Madras is the only State which has failed to receive any aid so far with regard to any of the schemes recommended by the Bhattacharya team. Latest reports indicate that discussions have been taking place between the Madras State officials and the Centre on the question of larger aid to Madras.

OFF THE RECORD

(By "ROVER")

A WISE and benevolent Providence has so arranged things for our mental integrity that many of our childhood's unhappy and unpleasant experiences are wrapped up in a thick blanket, which psychoanalysts mysteriously call the subconscious. All the same, some of my memories of early school days are as vivid today, as the experiences themselves were fifty years ago. One of these relates to the first school I went to in a small, out-of-the-way village. The very meagre equipment of this little school consisted of a somewhat discoloured, blackboard, a stool, a so-called teacher and a long cane. By all accounts, the last object named by me was the most important item in the pedagogic set-up. It would be less difficult to conjecture a conductor of an orchestra without his baton than an old-time preceptor without his birch. It was then firmly held by parents and teachers alike that it was well-nigh impossible to knock some sense into the young devils without a generous use of this aid to education. At a pinch, you could discard the blackboard or the text-book, but it would be impossible to do away with the cane or the ruler which sometimes did duty for the poor pedagogue's prop.

During the last half century all this has changed, and the teacher who cannot do his work without the aid of thrashing, or threats of thrashing, is considered unfit to have a place in this profession. But whatever revolutionary transformation might have taken place in the world of education, our new and democratic Government of India has not advanced even an inch beyond the stage in civilisation of the dreaded schoolmaster and his still more dreaded correcting rod. I notice this particularly in its relations with the business community. Both the Finance Minister and the Minister for Commerce and Industry appear to regard business men as so many naughty children, whom they cannot trust beyond the limits of their vision, and to keep them glued to their allotted task of production, they must have more and still more drastic and penal powers to inflict punishment.

All this talk of co-operation and understanding, of mutual trust and confidence, of appeal to conscience and sense of honour ingrained in every human being is just so much empty palaver. They might agree to try these other enlightened methods in dealing with condemned criminals in prisons, but when it comes to controlling the bad boys in commerce and industry, they must rely on the tightened up provisions of the Income-tax Act, the Company Law and the Industries (Regulation and Development) Act. My teacher at school was at least content with a single slender cane; he did not ask for an armoury. Our Governments are not satisfied, unless they have a vast choice of weapons. And not unlike famous collectors of art treasures, they are eagerly and passionately on the lookout for adding more specimens of birches, rods and batons to their already rich collections. With this benighted and confirmed attitude of theirs of looking upon all industrialists as potential, if not actual, offenders, I am sometimes appalled at the thought of what would result, if some of our eminent Ministers like Messrs. C. D. Deshmukh, T. T. Krishnamachari, C. Rajagopalachari and Morarji Desai were let loose as preceptors for a time in some primary schools.

This vicious circle of suspicion and distrust on the part of the authorities and persistently repeated and retaliatory recalcitrance on the part of industrialists, I am afraid, will never be broken, unless there is a radical change in the relations of our Government and the business community, more or less of the same nature as the revolution which has overtaken our schools for the young. I do not think my little grandson is any the less of a devil at heart than I or his father was at his age. But I cannot help noticing that, unmanageable though he is at times, as any boy worth his salt would be, he is not a victim to most of those wicked impulses which the mere presence of the rod in the drawer of the teacher's desk gave rise to in me and to a less extent in his father. The only way one could rise in the estimate and esteem of one's fellows in those days was to do something forbidden (most things were forbidden to us in those days), behind the tyrant's back and to escape punishment by throwing dust in his eyes or by taking one's medicine, if caught, without flinching.

I doubt if many of the atrocious and preposterous pranks, I and my companions in crime played in those far-off days, did really interest us in the least. They were rendered interesting and vested with a kind of irresistible glamour, because doing them carried a risk of unmerciful flogging and satisfied our otherwise frustrated sense of adventure. Indeed, we were oftentimes cruel and wicked, but we were wicked because we were goaded by unseen forces released by the sight of this emblem of authority of our teachers. I am certain that we would have responded differently and our high spirits and our craving for adventure would have expressed themselves in more innocent and possibly even in more constructive ways, the same as children in schools and homes do to-day when handled differently, if the relations between the two sectors of the then educational world had not rested squarely on the basis of alternate bouts of defiance and flogging. I wonder if this candid confession of mine would convey anything worthwhile to our mentors in the various ministries at the Centre and in the States.

Even the best amongst us, the most unselfish and honest were affected adversely to a certain degree by the war psychosis and the general lowering of moral standards, which is an unavoidable concomitant of any prolonged international conflict involving frightfulness on a large scale. But in a subsequent healthier atmosphere and under conditions of freedom and confidence, this effect would have been worn out by the passage of years. I feel that if the Government had been a little more patient and understanding, if it had not come to rely more and more on penal methods for persuading those engaged in tax evasion, black-marketing and profiteering, if it had tried earnestly and effectively to replace the anti-social profit motive in industry by socially more helpful substitutes, if it had attempted by personal example to rouse amongst the more enlightened business men an urge towards achievement apart from profit, during the last few tragic years, our moral and economic rehabilitation would have been secured earlier and at a much lower price.

But unmindful of the oft-recurring tragic mistakes and blunders they themselves made, unmindful even of their mixed and not always above-board motives in their own public and private behaviour and that of their party men, blind to the defects of the other sections of societies, our Ministers unfortunately adopted and accepted this role of a dull and obnoxious pedagogue of the old school, towards the erring and unerring members alike of the business community. They no less than business men themselves are responsible for to-day's sorry state of affairs. The sense of irresponsibility and the attitude of unconcern displayed by those engaged in commerce and industry, towards all the welfare activities sponsored by some of these Ministers at the point of the police baton if not the bayonet, originate as much from the Government's stepfatherly treatment of the juveniles as from the infantile greed of its victims. An irrational puritan cannot but breed a despicable profligate.

I must confess that I was set on this line of thinking this week by an article I read in a periodical called *American Economy*, issued by the United States Information Service of the American Embassy and the Consulates General in our country. This article [it appears elsewhere in this issue.—ED.] bears the significant title of "Productivity Is An Attitude" and was written by Mr. Peter Drucker originally for an American publication called the *Nation's Business*. But for the U.S.I.S. reproducing it in one of its hand-outs (53-EC-12 of March 27, 1953), I should never have known about it. Curiously enough, it was brought to my notice by an intimate friend, who enjoys a very high status in the top circles of the Indian business community.

This article is inspired by what I might call a high sense of practical social idealism in American industry. That it was so highly appreciated by one of our own prominent business men, intimately associated with a couple of important industries, goes to prove that Indian industry is not as blind to social welfare if properly approached, as it is usually made out to be by some of our quixotic politicians. This article, as such, has nothing to do with anything of what I have said above, except that the philosophy underlying it mercilessly exposes by its vivid contrast some of the crudities and absurdities involved in our own Government's industrial policies as also the immaturities and selfishness plainly visible in the behaviour and attitude of our business men in the field of industry.—*All Rights Reserved.*

BUDGET SESSION OF PARLIAMENT CONCLUDES

CLAMOUR FOR FUNDS BY STATES

(From A Special Correspondent)

NEW DELHI, 19*th May*

DELHI LETTER

THE customary official exodus this part of the year, as a result of an enervating summer, has already begun. The President of the Indian Union is now in Pachamari, recuperating his health in that salubrious climate. The Vice-President has left for the U.S. on an official-*cum*-lecture tour. The Prime Minister and the Home Minister will be having a short holiday in Kashmir this week-end. The former will be leaving the Capital in the last week of May to attend the Coronation of Queen Elizabeth II. He will return some time at the end of June. Although he will be busy in that part of the world with conferences and ceremonial functions galore, it is expected that he will have some relaxation from the onerous official duties and responsibilities, since he is perhaps the most overworked man in the country at present. The Finance Minister has already proposed a tour of Maharashtra and Andhra areas. Many other Ministers and their deputies will also be out of the Capital under one pretext or another, avoiding the proverbial Delhi summer at least for some time. High officials, too, are trying to go out on leave, especially after a strenuous Parliamentary session, since they have had to bear the brunt of legislative and other kinds of work in this connection.

The Budget session of Parliament, which came to an end on the 15th inst., has left an impression on political pandits that the Parliamentary form of democracy has come to stay in India. Discussions, debates and interpellations have been of a constructive nature, and what is more important is the fact that even communist members of Parliament have begun to approach the various problems from a workable point of view. Parliament held nearly 72 sittings during the three-month period and the Treasury Benches answered nearly 4,000 questions, of which starred questions aggregated well over 2,250. As many as 29 Bills were considered and passed. In addition to the 22 Bills pending at the commencement of the session, 26 new Bills were introduced. This session disposed of a number of bills of considerable economic significance, of which mention may be made of the Tariff (Amendment) Bill, the Income-tax (Amendment) Bill, the Tea Bill and the Air Corporations Bill. The debate on the Estate Duty Bill, which was taken up at the fag-end of the session, is expected to be resumed at the next session, to be held in August. The part played by the Second Chamber, namely, the Council of States, either in legislative matters or in contributions to debating skill is somewhat unimpressive.

State Concerns and Accounting Procedure

Nationalisation of commercial concerns is, no doubt, an easy and tame affair by a Government commanding a substantial majority. But the administration of such concerns with ability, skill and foresight is indeed a difficult task. Government, like the proverbial Cæsar's wife, should not only be free from suspicion but also try to make available relevant information regarding the working of such concerns in an easily intelligible form to members of Parliament, Press, etc., twice a year, just as leading limited concerns of the country, especially many of the European-managed concerns of Calcutta, have been doing all these years. Now that some of the Ministries of Government have been entrusted with the management of a number of commercial concerns, they have to be particular about informing the public that the Government can also do the job as efficiently as the well-known commercial houses.

In this connection, the remarks of the Public Accounts Committee can be read with considerable interest. It points out that it "came across certain instances where the Ministry of Finance had not taken into account the element of interest on capital outlay and other overhead charges involved in the running of a particular scheme while calculating the amount of profit or loss accruing therefrom. This method is opposed to the normal commercial practice and is susceptible of giving only an illusory picture of the real state of affairs. So long as there is small surplus, it is very easy to say that scheme is being run at a profit. The Committee should, therefore, like to impress upon the Ministry of Finance and other Ministries sponsoring State trading schemes that no departure should be made from the commercial trading principles in the case of all trading operations undertaken by the State. They consider that, from the point of view of the economic working of any State enterprise, financial and accounts control and presentation and preparation of accounts from a commercial point of view is a *sine qua non* to its efficient and successful management." It is to be hoped that the Government will take early steps to become more informative in this respect.

Financial Help to States

It is good that the Government of India has laid down clearly the principle in regard to financial help that could be given to States afflicted by famine and scarcity conditions. The Planning Commission, it will be remembered, provided a bulk sum of Rs. 30 crores for grants to States in order to meet emergency conditions for the entire Plan period. From the way that calls are being made on the Centre in recent months, it may well-nigh become impossible for it to meet all the demands from different States. Incidentally, it may be mentioned that, during the last few months, one State after another has begun to give considerable publicity to the occurrence of famine within their territories, perhaps with a view to getting more financial help from the Centre. Thus, while the general food position in the country is reported to be satisfactory on the whole, reports have been received by the Centre of acute famine conditions prevailing in Bikaner, other parts of Rajasthan, Maharashtra, Gujarat, Mysore, Tamilnad, West Bengal, etc. The official team that visited these famine areas has made a number of recommendations, such as sinking of tube wells, execution of major and minor irrigation schemes, at an accelerated pace, building village roads, etc. Since the finances of the Centre are limited and are being distributed with the implementation of the Five-year Plan in mind, it may not be possible for the Government of India to provide fresh funds towards the schemes suggested by different States.

Mr. C. D. Deshmukh was, therefore, explicit when he observed in Parliament last week: "These plans can be implemented only if they are included in the Plan by readjustment. Further action in regard to them, therefore, will have to be taken by the State Governments themselves. Central assistance for these schemes on such inclusion will be given in the usual course under the existing sanctioned programme such as Grow-more-food, minor irrigation, etc." However, as people in the famine areas have become more conscious, demanding work instead of doles, the Centre and the States must have to examine afresh some of the irrigation and other development schemes with a view to providing help to these areas. Priority can be given to such of the schemes as those in which people of the area are prepared to share in part the financial burden. Further, the pace of development can be accelerated by redistributing the financial allocation of the different schemes, the sole criterion for the priority being the time factor in getting returns from the schemes.

The progress of the Five-year Plan for the first two years (1951-53), which was issued by the Government of India last week-end, is not unsatisfactory. A steady improvement is noticeable in a number of sectors—agricultural, industrial, transport, power-generation, and the like. Out of the total outlay of Rs. 2,069 crores, a sum of Rs. 585 crores have already been spent during this period. For the current year, the amount earmarked comes to Rs. 413 crores, the total for the first three years being Rs. 998 crores. The balance that should be expended during the last two years of the Plan is placed at Rs. 1,081 crores.

GRADUAL PRICE DECONTROLS

CURRENCY ARBITRAGE WITH BENELUX UNION

(From Our Own Correspondent)

LONDON, 16*th May*

LONDON LETTER

THE Government is now proceeding steadily if unobtrusively with the dismantling of a great many controls which have outlived their usefulness. Price controls over a wide range of manufactures have ruled since 1940: in the last few years as increasing supplies have made consumer exploitation less likely, they have been dropped one by one, and the last two to go have been those on linoleum and nylon stockings. Controlled prices, therefore, no longer obtain on any commodity of private trade, excepting foodstuffs where the primary sale is by the Government, in the case of rationed commodities, or where the commodities themselves contain an ingredient supplied through the Government at a subsidised price. It is an interesting commentary on the psychology of maximum price fixing that the removal of control has often meant a drop in price.

We have also just witnessed the abolition, once again, of steel rationing, last re-imposed in 1951, largely due to a steadily mounting production. Of the basic non-ferrous metals, copper is now the only one remaining under control and in three months' time this will be free. The freeing of grain imports has already been announced and to these are now added the freeing of rice imports in a couple of months' time.

Denationalisation is making much less dramatic news, but nevertheless, the process of turning steel back to private trade is about to commence and in a month would-be investors in steel companies will be able to bid for shares to the Treasury Liquidation Agency. Whether investors will take the risk remains to be seen, for the Opposition has stated categorically that there will be no second compensation payable. Just how serious this risk is depends on the view which investors will take of the life of the Government. A fortnight ago, there was a bear market in Government political stock, as a result of the Local Government elections which gave very substantial Labour gains at the expense of Conservatives right through the country. But the market has suddenly become bullish as a result of the Sunderland by-election when, for the first time in 30 years, the Government candidate has won at a by-election a seat previously held by a member of the Opposition. True the seat was very marginal and a third candidate intervened at the last moment, but the Government victory is there.

Murmurs of Autumn Election

There have been murmurs of an autumn general election to cash in on the prevailing lack of dissatisfaction with the Government and the atmosphere of tolerance and goodwill towards the Government of the day, as a result of the Coronation. At present, however, it seems much more likely that the Prime Minister will avoid any such obvious attempt to improve his party's position and rely rather upon a steady improvement in economic conditions and further budgets as successful, on the whole, as Mr. Butler's latest to bring his party back to power when the time is necessary for another appeal to the country.

Another piece of liberty is being given to the foreign exchange markets where currency arbitrage is being introduced between the United Kingdom and the Benelux group, France, Germany, Denmark, Sweden and Switzerland. In anticipation of this development, the wide cross rates which have hitherto ruled are now disappearing and the buying and selling of the seven currencies by United Kingdom banks in the different countries will henceforth keep these rates at an even level. These arrangements will in no way affect the ultimate monthly balances of the United Kingdom with the European Payments Union, for the transactions are only swops of one E.P.U. currency for another, and if, for instance, in May, the United Kingdom repeats its surplus of £15 million with E.P.U. which it earned in April, this surplus which could possibly be only in the currency of one country—if bank operations had made it profitable to liquidate other currency holdings in favour of a single currency—will accrue to the Bank of England.—*All Rights Reserved.*

PAKISTAN NOTES

ATTAINING SELF-SUFFICIENCY IN FOOD

CALL FOR PUBLIC CO-OPERATION

AN indication of the determination of the Government of Pakistan to solve what is perhaps the most disquieting situation confronting the country to-day, namely, food shortage, is provided by the recent pronouncements of the Governor-General, Mr. Ghulam Muhammad, and the Food Minister Mr. Khan Abdul Qayyum Khan. Thus, the Governor-General, in the course of his address while opening the Kheshgi Lift-irrigation Scheme, near Nowshera, Peshawar, said that the people of Pakistan would be able to overcome the food shortage. Pakistan, he said, had formerly only a small surplus of food—hardly two to three per cent.—but an erroneous impression had been created that the country had a very large surplus. The true position was realised when the country was faced with a temporary food shortage. This had a salutary effect, inasmuch as it had served to shake the people out of their complacency.

More or less similar views were expressed by the Food Minister of Pakistan. Addressing a large gathering at Mardan the other day, the Minister declared: "Pakistan will be self-sufficient, or even surplus, in one or two years." In support of this optimism of his, he alluded to the series of schemes undertaken, such as the Karram Garhi, Kheshgi, Warsak, Lower Sind Barrage and Punjab Tube-wells Scheme, besides the construction of new canals. He maintained that his Government was in right earnest to enforce the Grow-more-food Campaign. He called upon the people to help the Government in the implementation of its plans. He also appealed to the agriculturists not to grow more sugarcane or tobacco or cotton than what were strictly required, but to divert attention towards foodgrains. In this connection, the Minister disclosed that Pakistan had already purchased 500,000 tons of wheat and hoped that the U.S. would concede the Government's request for a million-ton food aid.

Assurance to Business

An assurance to the business community that its views would be given due consideration in the formulation of commercial policy was given by the Prime Minister of Pakistan, in the course of his address at a party given in his honour by the Committee of the Narayanganj Chamber of Commerce at Narayanganj last week. It would be his endeavour, he said, to bring about a co-ordination between the viewpoint of the Government and the commercial community, with a view to stimulating trade and commerce and promoting prosperity of the country. Earlier, Mr. Ferguson, the President of the Chamber, assured the Prime Minister of the business community's wholehearted support and unstinted co-operation to the Government in developing the economic life of Pakistan.

The Government of Pakistan's price control policy, and the formulation of concrete and constructive suggestions to be placed before the authorities are now being examined by a sub-committee, appointed at a convention of trade associations and chambers of commerce held in Karachi last week. The traders in Pakistan would appear to be rather highly critical of the various control measures. Addressing the Convention, Mr. G. Allana, one of Pakistan's leading business men and President of the Federation of Chambers of Commerce and Industries, Pakistan, characterised control in any form as an unwelcome imposition on a country's economy. For, in his opinion, controls "dwarf and throttle competition, initiative and enterprise, which are the bedrock of a progressive economic outlook in a society based on free enterprise." Speaking from the trade's experience of controls on this sub-continent, Mr. Allana said that they had never fully succeeded in their objective and often brought more hardships than benefits to the community.

The President suggested the appointment of a high-power committee, consisting of officials and non-officials, "in order to ensure smooth working of controls." He felt that, without such a committee, which should concern itself with matters of policy, many of the decisions made by the Government would be unrealistic and might lead to clash of views between the Government and the trade. He also suggested that, before finalising its plans for the control of prices of any goods the Government must invite accredited representatives of the trade concerned and consult them on the matter.

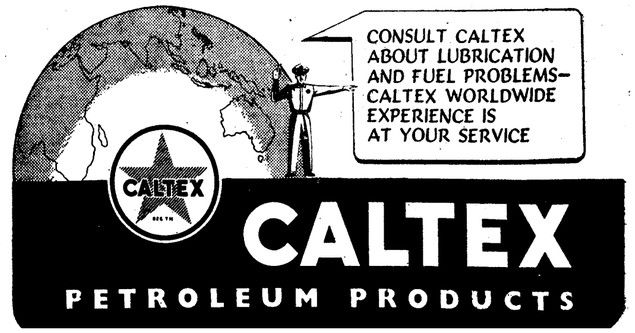
The technical assistance requirements of Pakistan for the year 1953, which have been approved and forwarded by the Government of Pakistan to the different organisations dealing with the programmes, are training facilities for 449 candidates and advisory services of 93 experts. Of the training facilities, 159 are under the U.N. Technical Assistance Programme (including the I.L.O.), 215 under the Colombo Plan, 54 under Point Four and 18 under the Ford Foundation. Pakistan has also put forward certain requirements for equipment, such as seismological equipment, terrestrial magnetism equipment, laboratory and other equipment, and books for university libraries. The fields in which training facilities are required cover a wide range of subjects and are mostly technical.

The Canadian assistance to Pakistan under the Colombo Plan during the current year is expected to be of the order of $10 million. Among the projects which would be the recipients of aid from Canada are completion of the aerial survey of Pakistan ($1 million), local distribution scheme for electricity at Dacca and Chittagong, Ganges-Kobadak scheme in East Pakistan, tube-well scheme near Lahore, and scheme for the construction of a shipyard at Khulna. Last year, it may be recalled, Canada granted a sum of $10 million to Pakistan for the promotion of projects designed to augment food production.

AUSTRALIA



The Australian aboriginal is an interesting example of the survival into the 20th century of the primitive type. The tribes, who now mostly inhabit the Northern coastlands, live entirely by hunting as they did in the Stone Age. This link with the prehistoric past goes hand-in-hand with the essentially modern outlook of the country as a whole. The Australians are perhaps the most air-minded people in the world. With its great wool and cattle industries flourishing, and the rapid progress now being made in developing her heavy and light industries and increasing her farming, Australian prestige is rapidly increasing. Ready to meet the ever-increasing demand for high-quality petroleum fuels and lubricants, the Caltex organisation is constantly at the service of Australian Agriculture, Transport and Industry.



MONETARY SYSTEM OF UNITED STATES

HOW MONEY SUPPLY IS REGULATED

THE U.S. occupies such a predominant place in the international economic set-up that changes in its economic activity affect considerably the economics of other countries of the world. In so far as these changes are influenced by the variations in the credit and monetary policy of that country, a study of such policy, as administered by the Federal Reserve System, should evoke considerable interest. In fact, the study that has been undertaken by the Division of Research and Statistics of the Federal Reserve System should go a long way towards not only stimulating the interests further but also in understanding the system better.

As an introduction to the series of articles covering the operation of credit and monetary policy in the U.S. now being prepared, a brief description of the working of the monetary system in the U.S. has been given in the course of an interesting article appearing in a recent issue of the *Federal Reserve Bulletin*. The main emphasis in the survey is on the regulation of money supply, taking into account the major factors entering into changes in the quantity of money, the general forces underlying the need of the economy for money, and the nature of reserve banking measures that influence expansion of money supply. The salient features of the survey are dealt with in the paragraphs below.

The sole monopoly of issuing currency rests with the Federal Reserve (F.R.) System and the Treasury. The major part of currency consists of F.R. notes, the bulk of the rest in the form of silver certificates and coins being issued by the Treasury. The demand deposits held with commercial banks, which are transferred by means of cheques, have for many years constituted the major media of exchange. However, in the commonly accepted sense, only those demand deposits and currency that are held by the public are used as media of exchange. The monetary system in the U.S. is so organised that some forms of money, frequently referred to as "reserve money," serve as immediate or ultimate backing for the forms that are used as means of payment. Gold, which serves as a means of settling international accounts, is purely reserve money domestically. All gold in the U.S. is held by the Treasury, and it cannot be used legally for making domestic payments. Instead, the Treasury issues gold certificates to the F.R. Banks which serve as reserves behind the latter's note and deposit liabilities.

The deposits in the F.R. Banks are held almost exclusively by member commercial banks as reserves behind their deposit liabilities to the public. The major exception is deposits with the F.R. Banks held by the U.S. Government, which are used to make payments for goods and services. Vault cash held by commercial banks and their deposits with other banks generally serve as working reserves in the case of member banks and as both required and working reserves in the case of non-member banks.

Factors Directly Affecting Money Supply

Under the U.S. monetary system, the reserve position of the banking system is the major determinant of the supply of money. The lending activity of commercial banks is the principal source of new money and the amount of lending in which banks can engage is limited by their reserves. The important factors which directly affect the quantity of money supply in the U.S., besides bank credit operations, are foreign transactions, reserve banking transactions with non-bank investors, and, of less significance, changes in the amount of silver certificates and other Treasury currency. Foreign payments to this country, reserve banking credit, extensions to non-bank investors, and issues of Treasury currency result directly in an increase in the volume of money. Since these changes also affect the reserve positions of commercial banks, they may result in a multiple expansion of bank credit. The direct effect, however, is likely to be of particular importance at a time when banks prefer to retire indebtedness to the F.R. System or to build up excess reserves rather than expand loans and investments. Conversely, payments made from this country to other countries, reduction in reserve banking credit *via* non-bank investors and withdrawals of Treasury currency result directly in decreases in the money supply. Changes in bank capital accounts also have an influence on the level of deposits.

The member banks of the F.R. System, which have about 85 per cent. of demand deposits of all banks in the U.S., must hold their legally required reserves in the form of deposits with F.R. Banks. The non-member banks generally hold a large part of their reserves as deposits with member banks. If the member banks expand deposits on the basis of increased reserves, the non-member banks will generally find themselves with larger reserves and hence be in a position to expand deposits also.

The most important domestic factor influencing the level of bank reserves is changes in the amount of F.R. credit outstanding. Such changes may offset the effects of changes in other factors that influence the level of reserves, or they may result in an increase or a decrease in total reserves. Changes in the quantity of F.R. credit occur immediately on the initiative either of the F.R. System or of bank borrowers. Since F.R. Banks make payment to borrowers or to sellers of investment securities by creating deposit liabilities, the F.R. System can supply additional reserves by making advances to banks or by buying securities from either bank or non-bank investors. Since non-bank investors hold their deposits with commercial banks, they build up their deposits with commercial banks when they sell securities which are bought by the F.R. System, and the commercial banks in turn receive increased deposits with F.R. Banks. The F.R. Banks can absorb reserves by selling securities or by bringing about a decline in bank borrowing.

Currency Held by Public

Another important factor influencing bank reserves is changes in the amount of currency held by the public. Member banks meet the currency needs of their depositors by drawing down their reserve balances with the F.R. Banks and they return currency not needed by depositing it with the Reserve Banks. Thus an increase in the amount of currency held by the public exerts a drain on bank reserves, while a decline supplies the banks with reserves.

Changes in the deposits of the Treasury with banks also affect the volume of bank reserves. The Treasury, however, endeavours to manage the distribution of its deposits between commercial banks and F.R. Banks in such a way as to minimise the effect on bank reserves of the fluctuations in Treasury receipts and expenditures. Changes in cash held by the Treasury in its own vaults, and also in Treasury currency outstanding, affect the level of bank reserves, but such changes are generally small.

Another domestic factor influencing the level of bank reserves is the amount of credit extended by F.R. Banks in connection with the clearance of cheques. This type of credit, which is generally referred to as "float," arises because the accounts of commercial banks at Reserve Banks are credited for cheques which are deposited before these cheques are actually collected from the banks on which they are drawn. Although the amount of float has increased in recent years, it fluctuates mainly with seasonal factors.

The most important international factor affecting the amount of bank reserves is the movement of gold arising from surpluses or deficits in the country's international accounts. The Treasury pays for gold by drawing down its deposits with the F.R. Banks, which it then replenishes by issuing gold certificates to the F.R. Banks. Thus, an inflow of gold and the transactions giving rise to it result in additional deposits and bank reserves, while an outflow of gold contracts deposits and bank reserves. The amount of gold certificates held also places a ceiling on the volume of credit that can be extended by the F.R. System, under its reserve requirements, without penalty. In general, however, this reserve ratio has not been a limiting factor, and credit and monetary policies have been determined by the needs of the economy rather than the amount of gold certificates held.

Multiple Deposit Expansion

The member banks of the F.R. System are at present required to hold reserves behind demand deposits which range from 14 to 24 per cent., depending on whether the bank is classified as a country bank or a reserve city bank or a central reserve city bank. Since the reserve requirements average slightly under 20 per cent., the member bank demand deposits can expand —assuming adequate demand for bank credit— *by about five times the amount of any net increase in bank reserves.* This means that the demand deposit liabilities of member banks, as a group, can rise at the rate of about $500 for every $100 added to reserves. With each bank lending the reserve funds, which it has left after meeting the additional revenue requirements behind its increased deposits, the deposits of all banks will increase. Of this increase, 20 per cent. can be attributed directly to the gold inflow and the remaining 80 per cent. to the expansion in bank loans and investments. The entire increase of 20 per cent. in reserves will be absorbed by the additional reserve requirements behind the gross increase in demand deposits. The converse is the case when there is a fall in reserves.

The 5 to 1 ratio used for computing the potential for bank deposit expansion (or contraction), on the basis of a given initial change in reserves, is, of course, only a rough average. For it is subject to modification, especially because of the probability of the increase or decrease in demand deposits being accompanied by changes in the same direction in the demand for currency and time deposits, which influence the average reserve requirements behind the money supply. The limit on deposit expansion is also influenced by the fact that the non-member banks generally hold reserves partly in the form of deposits with member banks and also of the fact that the reserve requirements vary among the member banks.

If expansion in the total money supply is accompanied by an increase in the dollar volume of transactions, it will generally lead to additional demand for currency for retail transactions and for wage payments. Since demand for currency involves a drain of equal amount on commercial bank reserves, this demand reduces the potential for expansion on the basis of a given initial increase in reserves. It is probable also that some of the newly created deposits will find their way into the hands of savers who will convert them into time deposits. Time deposit liabilities of member banks of the F.R. System are subject to reserve requirements which are now set at 6 per cent. Conversions of demand to time deposits, therefore, result in a decline in the potential for expansion of demand deposits but an increase in the potential for expansion of total deposits.

Moderation of Changes in Money Supply

To take now the question relating to moderation of changes in the money supply through reserve banking. The F.R. System, through its operations, can offset the effects of gold and currency movements when such movements tend to result in an undesirable expansion or contraction in money supply. It can also bring about a change in the quantum of bank reserves, when other factors, such as changes in the intensity of use of existing deposits by the public or in the willingness of banks to hold excess reserves or in their pressure to repay borrowings, make a change in the reserve position desirable.

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PRODUCTIVITY IS AN ATTITUDE

BASIC CAUSES FOR SUCCESS OF INDUSTRY IN THE U.S.

(By PETER DRUCKER)

DURING the past few years the American business system has been examined, probed and dissected as no other economic system has ever been. Several thousand handpicked experts —business men, technicians, educators, workers and union officials, from every country of Western Europe and from almost every industry—have been touring the United States since 1949 to find out for themselves what influences American productivity. Organised in some 200 "productivity teams" under the Marshall Plan, and financed by funds which the European Governments provided, they have looked at foundries, textile mills, business schools, breweries, printing companies and labour unions. Most of them have stayed long enough to get more than a tourist's view.

Officially the programme goes by the name of "Technical Assistance" and the purpose is to find American techniques for European use. The bias toward techniques is emphasised by the selection of teams who normally come either from one industry, locomotive building, for instance, or from one technical specialty, such as cost accounting or industrial engineering. The teams arrive in the United States expecting to find the cause of American productivity in techniques and processes. Yet, I know of no team which did not speedily discover for itself that techniques are not the really important thing, and certainly are not the real cause of productivity.

"Productivity is an attitude of mind," the report of the team from the British letterpress printing industry stated; and, in one way or another, every team has said the same. Attitude, social organisation and moral value, these, the visiting experts report, underlie and explain the industrial achievement of the United States.

Even in such a technical area as the use of machinery, visitors see attitudes rather than the abundance of capital, the lack of war-time destruction, or some other material factor as the main cause for such achievement. A British team investigating the making of brushes, for instance, remarks that machinery is being used successfully in the United States in operations normally regarded in British practice as unsuitable for mechanisation.

Five things, in particular, impress the visitors as being fundamental, and at the same time as presenting the greatest contrast to Europe.

Discovery of Management

"The United States has made a major discovery—that it is management which makes the wheels go round," a successful French manufacturer said. "We are still largely organised on the belief that all business needs is a supply of capital after which it will run itself. In the United States, basic decisions are made by men who knew the business from the ground up, who consider it their main interest in life, and who got their jobs because of their competence. As a result, business attracts the best minds in the country, and that, more than anything else, explains how Americans got where they are to-day."

Every report stresses the central importance of a management, responsible for the success of the business, familiar with it and chosen for competence. The most glowing tribute to management and to its importance came from a group of British labour leaders: "We are convinced that it is efficient management who set the pace of productivity in American industry. American trades union officials can rely on management to be sufficiently progressive." Every trade unionist on the teams comments upon the confidence in management's competence, fairness and integrity that he finds among American workers and trade union leaders.

Productivity as a Social Principle

Every team believes that its own country must raise productivity to survive. Yet most of the visitors, whether labour or management men, still tend to look upon increased productivity as primarily a way to increase individual business profits. Visitors find that Americans look upon profits not as the rationale of increased productivity, but as the reward for the social benefits such productivity brings: higher wages, cheaper prices and more goods for the consumer. They report that managements of profitable companies, hardly mention profits when they discuss productivity, but stress the duty of business to increase productivity, even if no immediate increase in profits results. The visitors also find that American industry not only talks this way but acts it too. They find it taken for granted in labour negotiations that an increase in productivity justifies a corresponding increase in wages. They find in companies, large and small, that management salaries and business take into account performance, efficiency and productivity rather than profit figures alone. They find elaborate attempts, such as the suggestion system which they mention over and over again, to reward individual workers for contributions to productive efficiency. It is to this concept of productivity that visitors attribute the basic American attitude toward technological progress. Precisely because, in the United States, increased productivity is a social, if not a moral, responsibility, American industry and American labour —so visitors report—believe in, and accept, technological change rather than resist it.

Attitude Towards the Market

Visitors cannot be blamed for believing, when they reach the United States, what has been told them: that the major factor in the American distributive system is the continental span of the market. Few productivity teams have departed without having learned better. Of course, the United States is a market larger in territory, and in numbers, than any country of Western Europe, but it is not the width of the market which constitutes the real difference; France, Italy, Germany, and England each offers a larger market than that actually covered by the majority of American businesses with their concentration on one region or area. It is in depth that the American market differs basically from other concepts and business practice—a qualitative rather than a quantitative difference.

One example—and it is given again and again by visitors—is the structure of the American automobile market in which last year's car will compete directly with a new model. Another is the television market. What impressed one team the most was a comparison between a mail-order catalogue and that of an expensive sporting goods store definitely in the luxury class. They found that practically every kind of merchandise offered by the latter store also was to be found in the mail-order catalogue. "That 'wealth' is not just an economic term, but a social one in the United States, that it means that there are the same things for the rich and for the poor, this none of us understood—and it is important." Closely connected with the concept of the mass market is the American attitude toward the capacity of the market. "We put our stress on the actually existing market which we tend to take for granted. You look for the potential market," is one way some of the visiting teams put it. "We consider it our job to fill existing demands, you in the United States go out to create demands."

Basically the visitors' usual concept is that of a given, static market. Hence a new product is seen as cutting into the markets of all the existing products; competition as taking away sales. The American concept, so visitors report, is that the market is indefinitely expandable; new products create their own demand; competition broadens the market for all. It is to this that visitors attribute, for instance, emphasis on research: technical, market, product, the pricing policy of progressive companies who often price a new product according to present cost or immediate sales, or the willingness to develop a new product first and to consider its market later. All of these visitors consider significant factors in America's high level of productivity.

Diversity and Experimentation

Practically every team starts its tour by asking: "What is the standard American cost-accounting system?" "Does the typical labour contract give the union a voice in the setting of production standards?" "What is the typical American pricing policy?" "What is the fore-

(*Continued on page* 957)

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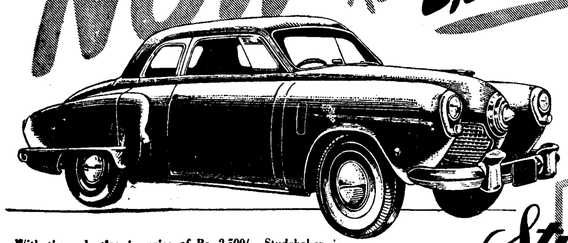

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EXPORTS OF INDIAN COTTON TEXTILES

REMOVAL OF EXPORT DUTY ON COARSE AND MEDIUM CLOTH URGED

THE deliberations of the Export Advisory Council which is meeting in New Delhi to-day are being watched with considerable interest by exporters of cotton textiles. This is only to be expected, considering the changed and rapidly changing conditions in the world trade in cotton textiles. Many sterling area countries have decided to relax restrictions on imports of piecegoods from Japan. Burma is reported to have decided to terminate, with effect from 30th September next, the system of preferential system now enjoyed by India (and also the U.K. and Pakistan), and the Indo-Burmese Trade Agreement. Further, Japan is making renewed efforts to regain the predominant position which it once held in the international cotton textile market. This development must affect India's competitive position abroad. So must the Supreme Court's recent decision that the last purchase by the exporter of goods for the purpose of exporting comes under the purview of the sales tax law.

In view of these factors, much concern is felt in export circles over the prospects for cotton textile exports. The prospects of large and substantial trade, it is felt, seem to be rather gloomy. To quote one report: "The export trade in cotton piecegoods which forms one of the biggest items of foreign trade, is out for a bad time and there does not seem to be any hope of India completing even two-thirds of the export target of 1,000 million yards during the current (1953) year." These apprehensions have lent additional support to the plea for the abolition of the remaining 10 per cent. export duty on coarse and medium cloth, as also for the adoption of measures designed to step up exports of cloth. The All-India Exporters' Association has already submitted a representation to the Government of India to this effect.

A Justifiable Plea Indeed

That the plea for the abolition of export duty is quite justified will be evident from the low level of exports at present. The quantity of cloth actually exported during the first four months of this year is not more than 200 million yards, which, on the basis of the 1,000 million yards target, should have been at least 330 million yards. Here, again, it must be noted that the quantity of 200 million yards includes shipment which represents past commitments as well, particularly some business booked against ready goods for immediate shipment. The following table indicates the trend of exports in the past four months of the current year, as compared with that in the corresponding months of 1952 and 1951:

(In million yards)

	1951	1952	1953
January	120.15	30.7	43.4
February	160.05	29.4	38.6
March	156.96	22.4	63.9
April	74.96	26.0	62.5

It is thus seen that exports of cloth during the first four months of this year compare favourably with those a year before, but, as compared to exports in 1951, they reveal a substantial decline. The figures relating to exports during April, 1953, and the first six days of the current month—India is reported to have exported over 14 million yards during the period—might lead one to think that exports of cloth have picked up and that the upward trend would be maintained in the coming months. But such a view would not be fully correct. For the little improvement that is now noticeable is due to the "seasonal and spasmodic" demand from certain destinations, which may not endure for a long time.

Be that as it may, of the total of 200 million yards of cotton piecegoods exported during the first four months of this year, coarse cloth accounts for the major portion, the quantity actually exported being about 82.2 million yards. Next in importance come the medium varieties, with 66.3 million yards to their credit. Fine cloth accounts for 46.5 million yards and superfine cloth for 3.5 million yards. In view of the predominance of coarse and medium varieties in the cloth export trade of India and of the considerations of maintaining adequate supplies of these varieties for domestic consumption, the Government of India may be inclined to feel that the plea for the complete abolition of export duty is not justified. But the abolition of export duty will not result in shrinkage in supplies available for domestic consumption, inasmuch as the trend of cloth (and also yarn) output in recent months has been highly encouraging, as will be seen from the figures of production (provisional) given below:

	Cloth (Million yards)		*Yarn* (Million lbs.)	
	1953	1952	1953	1952
January ...	416	345	131	114
February ...	378	341	115	111
March ...	400	346	119	112
April ...	419	363	122	116
Total ...	1,613	1,395	487	453

The foregoing figures reveal that the production of mill-made cloth in April, 1953, amounted to as much as 419 million yards, which compares favourably with 400 million yards in the previous month and 346 million yards a year before. The aggregate production during the first four months of 1953 was 1,613 million yards, as against 1,395 million yards during the same period in 1952. The average monthly output thus works out to 403 million yards, as compared with 349 million yards last year. On this basis, the production for the whole of 1953 may be estimated at 4,836 million yards, the figure for 1952 being 4,609 million yards.

Improvement Likely to Persist

The improvement in the output of cotton textiles in recent months has been the cumulative effect of a number of favourable factors, such as comfortable raw cotton supply position, improved labour situation, better transport facilities, and relaxations of restrictions on distribution and exports. The improvement may be expected to persist in the coming months too. The Government of India also seems to share this optimism, as witness its recent decision to decontrol, with effect from the 1st inst., two more varieties of cloth, namely, *sucis* and shirtings.

The upward trend in cloth output noted above, however, has not been accompanied by any perceptible rise in offtake in local and export markets. The little improvement that is now noticeable is only a normal feature on the eve of the monsoon. When the monsoon sets in, the offtake will be only at a moderate level, and if the rise in output is well maintained, a time will come when the cotton mills and the traders will be faced, once again, with the grim problem of heavy stocks, entailing locking up of considerable amount of finance. If such a situation is to be prevented, the mills will be compelled to curtail output. This is by no means a desirable solution of the problem. The need for stimulating domestic consumption and exports cannot, therefore, be overemphasised. As we have ere now pointed cut, domestic consumption can be stepped up by lowering the price, which is possible only if the many tax burdens on the industry are reduced. As regards exports, the Government should examine, in a dispassionate manner, the case for the removal of the export duty on coarse and medium cloth and for the rebate of the import duty of As. 2 per lb. on cotton used in the manufacture of fine and superfine cloth meant for export. A favourable decision on these two issues will undoubtedly pave the way for a larger export trade in textiles.

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LONDON WOOL TOPS FUTURES MARKET

The London wool tops futures market—the first of its kind to be organised in Britain—opened for trading at the headquarters of the London Wool Terminal Markets Association (L.W.T.M.A.) on 29th April, 1953. The Bank of England has announced special exchange control arrangements for participants to facilitate operations on an international scale. Futures market contracts will be based on Bradford-style 64s Merino tops, noble combed from Australian wool, and the minimum contract will be for 5,000 lbs., with larger dealings in multiples of that weight. Business is being done by open outcry on the floor of the exchange and the call-over takes place thrice daily. Quotations are in pence per lb. and quotations on opening go as far ahead as September of next year, the first month against which deliveries may be made being September, 1953. Although the market is centred in London, all appraisals, deliveries and warehousing will be dealt with by the Bradford offices of L.W.T.M.A.

Wool tops represent a big proportion of Britain's exports, under the heading of "woollen and worsted yarns and manufactures," over a quarter for the first three months of this year. During that period, the value of Britain's wool tops exports was £8,724,000. The biggest customer was Canada, which received 3,304,000 lbs. of wool tops worth £1,672,000. India came second, receiving 2,177,000 lbs. of the value of £983,000.

ELECTRONIC SPINNING MULE

An important step has been taken in the evolution of textile spinning machinery with the development of an electronic spinning mule by research workers at the University of Leeds. Little or no important change has been made in the basic design of the spinning mule for nearly a century, but recent discoveries have made it possible to design and build a practical machine which controls the essential movements of the mule by electronic means.

Research workers designed and built the electronic spinning mule mainly to assist them in the various aspects of spinning research rather than to develop a completely new machine for commercial use. Results were so encouraging that the heads of textile organisations and trade associations expressed their approval and a large-scale model is now being built by a textile machinery firm for trial in a Yorkshire mill.

The planning and building of the machine represents three years of work by a team of experts at the university, led by Dr. N. H. Chamberlain, Senior Lecturer in Rayon Technology.

EXPORT OF COTTON SEWING THREAD

Quotas for the export of cotton sewing thread for the licensing period July-December, 1953, have been announced by the Joint Chief Controller of Exports, Bombay. Accordingly, the new-comer exporters who had to their credit either pre-basic or post-basic year exports will be given quotas equal to 28 per cent. of their exports. New-comer dealers who are in the internal distribution trade and whose turnover is Rs. 5 lakhs and over will be given a quota equivalent to 0.75 per cent. of their actual turnover, subject to a maximum of 5,000 lbs. For purposes of conversion of turnover on weight basis, Rs. 5 will be taken as equivalent to 1 lb. of sewing thread. The new-comer manufacturers will be eligible to receive licences up to 3 per cent. of their actual production, subject to a maximum of 5,000 lbs.

INDIAN COTTON TEXTILES TO ITALIAN SOMALILAND

Italian Somaliland has evinced interest in the purchase of Indian cotton textiles—mostly in small quantities. If the Indian manufacturers and exporters wish to gain the markets in Somaliland, they should be ready to give the importers special facilities and accept orders for small quantities at competitive prices comparable with the wholesale prices for such supplies on a large scale. The fact that the importers often do deal in sundries, alongside their main item of import, namely, textiles, may also be noted. Owing to the want of direct shipping facilities from India to Mogadicio, the importers there get their supplies of Indian textile goods mostly through the Aden markets, so that they are not in direct touch with the Indian manufacturers and exporters. A certain amount of propaganda for Indian goods in the markets of Italian Somaliland may enable the importers there to know of India's products.

What is claimed to be a new and revolutionary process for making wool which is unshrinkable has been announced by the Commonwealth Scientific and Industrial Research Organisation (C.S.I.R.O.). The process involves depositing a small amount of synthetic resin on the wool, "spot welding" wool fibres to one another and stabilising the fabric, thus preventing shrinkage caused by wear and washing.

The Government of India has decided to dispense with the condition of production of a certificate from the steamship company indicating the entry of the vessel outwards, at the time of submitting shipping documents for export of hard cotton waste. The other conditions, however, will remain unaltered.

FUTURE OF BRITISH RAW COTTON COMMISSION

EXPORTS OF TEXTILE MACHINERY

(From A Special Correspondent)

MANCHESTER, *12th May*

SPECULATION over the future of raw cotton buying in Britain has died down since the appointment of the Cotton Import Review Committee but is reviving as the closing stages of the investigation are reached. It is now only a matter of weeks before the report of the Committee is made, as it will be presented to the President of the Board of Trade and Minister of Materials before the Whitsuntide holiday.

MANCHESTER LETTER

One of the features of the first Hopkins Committee report was the fact that it was unanimous. That is not to say that differences of opinion did not arise during the discussions but the members, whatever their personal or official viewpoint, felt that it was in the interests of the trade as a whole that the final recommendations should be agreed by all.

On this occasion the prospects of general approval for the next step are not so promising. As the trade progresses steadily towards complete freedom for importation of the raw material, with the consequent liquidation of the Raw Cotton Commission in its present form, opposition to such moves must be anticipated from certain quarters, notably the trade union members of the Committee.

The representatives of the raw cotton merchants are naturally anxious to see a swift return to freer trading methods but the re-establishment of the Liverpool futures market in its pre-war form is generally regarded as well-nigh impossible in existing circumstances, chiefly because of the difficult national currency situation.

In any case, the complete abolition of the Raw Cotton Commission is unlikely to be put forward as a solution because it would be outside the terms of reference of the Committee. These were: "To consider whether any change would be desirable in the obligations and duties at present imposed on the Commission." The most that could be expected in this connection would be that a distant date might be fixed for the termination of the Commission's activities.

Problems of Stocks

Even if this was recommended, it is almost certain that some other organisation would have to be formed to carry on some of its duties. One of the main obstacles to progress is the large volume of stocks of cotton held by the Commission, amounting to about 1,000,000 bales of widely varying grades and qualities. Private merchants would find it very difficult to finance the transfer of these supplies at the same time as they are endeavouring to build up stocks for themselves.

The fact that the Commission has given three months' formal notice to end its cover agreement with contracting-out spinners has created some misunderstanding. It is merely a precautionary measure taken to safeguard itself pending any recommendations of the Review Committee. The Government is already pledged to provide some form of cover next season on the same lines as has been available this year. What the trade wants to know is whether this cover will be available again through the Commission's auspices or whether the next step is for the Government itself to begin to assume responsibilities of this kind.

Such an important move would involve a principle which might well cause repercussions in other industries. It would mean that the Government was prepared to risk losing or gaining money according to the fluctuations in world cotton prices, a matter on which the British taxpayer might have something to say.

A Firm Stand

After leaving unanswered for several months the many adverse comments and criticisms directed against the Yarn Spinners' Agreement, Mr. W. T. Winterbottom, President of the Association, was at special pains at the annual meeting to defend the organisation against its attackers. From his comments it appears that the Association has had quite a queue of other trade bodies proposing a number of amendments to the existing conditions of sale for yarns. All have returned empty-handed, although the spinners have given the requests consideration.

It is clear that there have been several organised attempts to persuade the Yarn Spinners' Association to make concessions in their minimum prices without in any way expecting individual firms to break the agreement. The importance of this attitude lies in the strength of purpose which has been displayed by the members and the leaders of the Association at a time when it must have been very tempting to consider easing conditions in order to obtain business.

However gratified he must be by the response from the rank and file of spinners, Mr. Winterbottom thought it wise to make an official pronouncement on the aims and aspirations of the Association. "It is not a closed shop into which spinners have been forced by the action of a powerful minority," he declared. "Our operating cost prices are not, and never have been, set at such a level as to provide an easy living to the least efficient of our members. They are intended solely to prevent prices from falling to such a level that spinners are unable to maintain their capital intact."

At this point Mr. Winterbottom challenged the critics of minimum prices to put their money into the spinning industry to support their apparent contention that the operating cost prices now in force contain "fat profits" for the mills. On the allegation that savings in costs resulting from greater efficiency are not passed on to the consumer but are retained by spinners as higher profits, Mr. Winterbottom said that full investigations into spinning costs over the whole industry had been made in 1948 and in 1950.

He announced that it was the Association's intention, if possible, to hold a cost enquiry every two years in order to keep its basic information up to date. The reason why no survey was taken last year was because any information obtained would have been misleading, owing to the prevalence of short-time working.

Turning to re-equipment, Mr. Winterbottom repeated the statement from the textile machinists that the cotton industry in Britain has progressed further with re-equipment since the war in relation to its size than any cotton industry in Europe. Lancashire has bought 2,500,000 ring spindles in this period and, according to the machinery makers, year by year the general trend of re-equipment is rising and no slackening of this effort has been observed during the past difficult 12 months.

Purchases of Plant

It seems that the recent peak of activity in exports of British textile machinery has for the moment been passed. In the first quarter of the current year foreign trade has fallen back from the high levels achieved in 1952, both in volume and earnings. To the end of March exports amounted to 471,511 cwts., valued at £11,281,645, against 568,120 cwts. worth £12,448,128 in the same period last year.

India and Pakistan remain the chief buyers of British-made textile plant. India has absorbed 99,337 cwts. in the quarter, an increase of more than 20,000 cwts. compared with last year, while Pakistan has taken 51,805 cwts., a slight fall on 1952. Brazil is the only other big purchaser, with 50,208 cwts., an increase of 10,000 cwts.

Shipments to Italy have fallen from over 66,000 cwts. last year to below 30,000 cwts., but a large number of countries in Europe and the Middle East have continued to buy fair quantities of machinery from Britain. Of some interest in view of political developments is the fact that China has raised its imports from 3,430 cwts. in 1952 to 8,547 cwts. this year.

The main fall in textile machinery shipments has been in spinning plant, which accounts for 269,883 cwts. compared with 320,822 cwts. last year. Exports of looms and other weaving machinery have dropped from 88,391 cwts. to 77,045 cwts.

While shipments of textile plant abroad have declined, so have imports of foreign machines for British mills. In the first quarter, arrivals aggregated 28,175 cwts., valued at £1,219,239 against 57,543 cwts. worth £2,429,448 last year. The volume of imported looms for weaving has fallen from 13,692 cwts. to 4,258 cwts. and hosiery and other knitting machines have accounted for 9,388 cwts. against 19,039 cwts.

The main suppliers of textile plant remain the United States and Switzerland, although in each case shipments have been substantially reduced. Those from America have been halved at 12,114 cwts., while machines from Switzerland represent only one-third of the 1952 level at 4,460 cwts.—*All Rights Reserved.*

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INTERNATIONAL TRADE IN COTTON

GROWING INFLUENCE OF PRICE FACTOR

AMONG the factors which influence the international movement in cotton, mention must be made particularly of the price of cotton, exchange difficulties, and the rate of consumption in the chief consuming countries. During periods of acute shortage, the price factor does not exercise considerable influence over the imports of cotton. During the current cotton season, however, the price factor has exercised a relatively greater influence on the volume and distribution of world trade, thanks to the better supply conditions and the somewhat depressed state of the cotton textile industry. Commenting on these conditions, *Cotton*, the journal of the International Cotton Advisory Committee, says that the buying policy of importing countries was "largely hand-to-mouth and exports were less than at any time in the last three seasons." The journal estimates that cotton shipments, in the 1952-53 season, will be less than the 11.1 million bales exported last season.

The decline in cotton exports must be viewed against the background of the larger availability of dollars in the importing countries and the special efforts made by the Mutual Security Agency and the Export-Import Bank, to provide dollar exchange for cotton imports, in order to realise that the price factor has assumed a new significance in relation to international trade in cotton. Emphasising the importance of the price factor, the journal says:

"The growing influence of price and the decline in importance of exchange factors are further exemplified by the fact that exports from Mexico have actually increased this season. During the early months of the season, cotton prices in Mexico were quoted at a discount on comparable United States' cottons.

"Finally, price has been the fundamental reason why exports from Brazil have been only a very small fraction of the normal volume.

"In spite of the relatively better trade position in other cotton-growing countries, competition has been keen due to the much larger export availability and the caution displayed by foreign buyers. Some difficulties have been experienced, particularly in the earlier part of the season, which have had important repercussions on trade technique. Greater emphasis has been placed on sales promotion; delegations or representatives from most of the major exporting countries have been actively campaigning in importing countries in recent months. Allied to this development, a much greater proportion of total cotton sales and purchases has been negotiated via Government or official agencies, particularly in those countries where the price supporting agencies had acquired large stocks on a falling market."

Since the price factor has not been as favourable to the cotton producing countries as in the past, they have been compelled to conclude barter agreements with the cotton consuming countries. The journal notes that the outstanding feature of recent international dealings in raw cotton has been the increase in barter trade. Many factors have contributed to this development, but very often it is the corollary of the difficulties being encountered in world markets for cotton and cotton derivatives. Thus, Pakistan and Japan have recently concluded a trade arrangement which seeks to relate cotton exports from the former with textile exports from the latter. It is reported that 530,000 bales of cotton will be involved. Turkey and Italy have also concluded an agreement based on this principal. Sometimes barter has been used by cotton exporting countries to supplement deficiences in domestic food production. For instance, Egypt has exported cotton to the U.S.S.R. in recent years in return for wheat. In some cases, barter has provided the means of circumventing difficulties arising out of unfavourable price differentials. This was particularly the case in the recent aircraft/cotton agreement between the United Kingdom and Brazil. Other similar agreements are reported to be under consideration.

Fundamentally, however, barter trade in cotton, according to the journal, nas been only part of a trend towards bilateralism in world trade as a whole. A spate of general trade agreements has been concluded in which cotton (and textiles) is included among the respective commodity schedules. The inevitable result has been, of course, a change in the pattern of world trade—to cite only a few examples, a reduced trade in the United States cotton, an increase in European imports of Egyptian cotton and a larger import of Pakistan cotton into Japan.

The broad conclusions which emerge from the journal's survey of the price-trends in the world's cotton markets, are:

1. the first half of the 1952-53 season was a repetition of the last half of 1951-52 but with this important difference, the trend to lower prices was accelerated in the United States and at one time, prices in this market actually fell momentarily under the loan rate;

2. with the major exceptions of India, Mexico and Brazil, cotton prices are now lower than immediately preceding the outbreak of war in Korea;

3. prices of most American type cottons outside the United States are now at parity with or at a discount on the United States equivalent grades and staples;

4. cotton prices in general are now much more competitive and a truer reflection of their relative spinning values; and

5. cotton prices have remained fairly stable in recent weeks with a slight firming tendency in some markets.

The fall in cotton prices has induced the Governments of the cotton producing countries to extend support to cotton, to take over the cotton meant for export, or to fix minimum prices for exportable varieties. Also export taxes, which in the earlier years of high cotton prices did not bear heavily on cotton exporters, have turned out to be a real burden, so that the concerned Governments have either abolished them or reduced their rate. The immediate outlook for cotton prices, according to the journal, will be influenced principally by the progress recorded in new crop production in the Northern Hemisphere, by the volume of export trade and by the international situation. The journal, therefore, concludes that it "would seem that the tenor of world markets is still bearish and prices should not move far away from present values."

REFINING COTTONSEED OIL

A simple process for refining crude cottonseed oil has been worked out at the National Chemical Laboratory, Poona. India probably ranks next to the U.S.A., Russia and China as regards cottonseed production. Little attention is, however, being paid to fully utilise cottonseed and its products, particularly the oil. At present only 5 per cent. of the country's annual production of cottonseed is consumed for the production of oil. One of the main reasons for the lack of interest in cottonseed processing in India is that, unlike most other edible oils like groundnut, coconut, sesame, or mustard, crude cottonseed oil cannot be used for edible purposes without refining. The crude oil is too dark in colour and is not amenable to ordinary methods of refining.

The process developed at the National Chemical Laboratory consists in treating the crude oil with a 15 per cent. solution of caustic soda sufficient to neutralise the free acidity of the oil, and provide half per cent. excess alkali. After settling overnight the lower aqueous layer is removed and the oil washed with hot water. The oil is then decolourised with various decolourising agents. Activated carbon prepared at the National Chemical Laboratory was found very suitable for the purpose.

SUDAN COTTON

The following figures, issued by the Department of Statistics, Sudan Government, indicate the exports of raw cotton during 1952 to various destinations:

Country of destination	*Cotton exports in 1952* Tons
U.K.	36,442
India	5,672
France	4,624
Italy	1,969
Japan	1,349
Germany	1,339
Hong Kong	1,129
Netherlands	107
Others	2,319
Total ...	54,950

PAKISTAN COTTON

Exports from Karachi upto 30th April are returned at 1,157,725 bales as compared with 932,704 bales last year. At the current level of prices for Pakistan cotton, it is generally believed that there is not much room for recession. Out of an estimated exportable surplus of 1,700,000 bales this season, over 1,150,000 bales have already been exported, while an estimated 100,000 bales have been earmarked for export against sales. This leaves a balance of 450,000 bales still to be sold for export during the next five months, when new crop would be available. The position of Pakistan cotton has also been strengthened as a result of the recent bilateral trade agreements with Japan and France.

IMPORTS OF U.S. COTTON

EXTENSION OF SHIPMENT PERIOD OPPOSED

AN important question, which has been engaging the attention of cotton traders in Bombay, is the one that relates to the shipment period for importing American cotton. A section of the trade is of the opinion that there is no need to extend this period beyond the date already fixed, namely, 30th June, 1953. This section feels strongly that any extension of the period would harm the interests of the Indian cotton producer.

The Government of India permitted the import of 900,000 bales of U.S. cotton of 500 lbs. each during the 1951-52 season. Of this quantity about 780,000 bales, it is stated, arrived in India between the date on which this permission for import was granted and the end of April, 1953. Thus, about 120,000 bales are still to be imported. The question which now arises is whether it would be necessary to extend the shipment period beyond 30th June, 1953, in order to allow the balance to be imported.

The trade feels that it is not necessary to extend this period. The reasons advanced in support of the view are many. In the first place, it is pointed out that the end of this season will see a low level of carry-over stocks of Indian cotton. Thus, Indian cotton stocks, as on 31st August, 1953, will, according to current estimates, aggregate only 1.3 million bales as compared with 1.9 million bales at the end of the 1951-52 season. Although the arrival of American cotton would help the country to tide over the shortage of cotton during the impending critical months, especially those intervening between the last few days of the current season and the beginning of the new crop movement, it is feared that the arrival of American cotton would tend to depress the prices of Indian cotton. Secondly, the extension of the period, it is pointed out, would entail higher carrying charges and therefore a larger drain on dollar exchange resources. Finally, the mills are now in a fairly comfortable position, as contrasted with the financial difficulties in which they found themselves a year ago, so that they would be both willing and able to lift cotton, if it arrives before June, 1953. If the period, on the other hand, is extended to a later date, it is difficult to say whether the mills will continue to evince interest in the imported cotton.

These considerations have, therefore, prompted certain sections of traders to suggest that it would be inadvisable to extend the period of shipment beyond June, 1953. There is no doubt that if the arrival of large quantities of American cotton synchronises with the new crop movement in the country, it will depress the prices of Indian cotton. But it is also true, at the same time, that the imported cotton—provided prices are reasonable—will be a welcome addition to the depleted stocks. The Government's decision on this question will therefore be awaited with interest.

COTTONSEED (CONTROL) ORDER

The Government of India has imposed restrictions on the exports of cottonseed from the Belgaum and Bijapur Districts of Bombay State, by extending the Cottonseed (Control) Order, 1952, to these districts. The Order has also been amended so as to require every dealer in cottonseed and every owner of a cotton ginning factory in the controlled districts, to furnish such information regarding stocks of cottonseed as may be required by the District Collectors.

Bombay Cotton Annual 1951-52. Published by the East India Cotton Association Ltd., Bombay. Price: Rs. 4.

This annual publication of the East India Cotton Association is, as the short explanatory note on the title page points out, an authoritative compendium on all matters relating to every branch of the cotton trade. It contains statistical tables relating to crops, exports, imports, prices, stocks, and consumption of cotton. The publication, which is designed to meet the requirements of all those who are interested in cotton, both Indian and foreign, is an invaluable—one might say, indispensable—reference book on the subject.

The Government estimate of the 1953 AR Mwanza crop is 25,000 bales as against private estimates of 35,000 bales. Marketing of the Mwanza crop is not expected to commence until August and the cotton will be available for export in October. The method of selling has not been announced so far, but it is believed that Mwanza cotton will be sold by auctions at Kampala.

NATIONAL RAYON CORPORATION LIMITED

MR. KASTURBHAI LALBHAI'S ADDRESS AT ANNUAL MEETING

PROSPECTS FOR RAYON INDUSTRY BRIGHT

BRIGHT prospects for the rayon industry in India were held out by Mr. Kasturbhai Lalbhai, in the course of his presidential address at the Sixth Annual General Meeting of the National Rayon Corporation, Ltd., held in Bombay on the 21st inst. There was, Mr. Kasturbhai maintained, sufficient scope for either the expansion of the three existing units or the establishment of new ones, in order to meet the present-day requirements of rayon yarn in India. He commended the Government of India's import policy in respect of both yarn and raw materials. In his opinion, the policy had not only stabilised the art silk yarn industry but also brought about an understanding between the consumers and the producers. Mr. Kasturbhai also held out the hope that the ordinary shareholders who had waited so long and so patiently could now expect a steady return on their capital. "I have no doubt," to quote him, "that the investors who made possible the starting of this large-scale venture will, in course of time, be amply rewarded for their confidence in this industry and its management."

The following is the full text of Mr. Kasturbhai Lalbhai's speech at the meeting:

"The Directors' sixth annual report and the audited statement of accounts for the last year have been in your hands for some time now and I believe that you will have no objection to my taking them as read.

"Before reviewing the working of the Company, I wish to refer to the sad demise of Mr. Walchand Hirachand, a Founder-Director of the Company, after prolonged illness at Sidhpur. Mr. Walchand was an outstanding industrialist of great courage and foresight, and his contribution in the industrial development of the country is not a small one. Your Board of Directors have recorded their appreciation of his services and conveyed their sympathies to the members of his family.

Provision for Taxation

"I do not think it necessary to analyse the different items of the statement of accounts, as corresponding figures for the preceding year have been given side by side for comparison. The provision of Rs. 54,833-2-0 made in the profit and loss account for taxation requires an explanation. As you may be aware, the Company, being a new concern, will not be called upon to pay income-tax until depreciation, according to the Income-tax Act, has been provided for. But this amount has been provided for against the income accrued to the Company during the last three years by way of interest on investments, call moneys, etc.

"During the year under report, the Company constructed a new club house and made additions to staff and labour quarters, and has also extended the factory building. The total capital expenditure incurred on this account has not been shown in the balance-sheet, as the bills of the contractors are being scrutinised by the architects.

"You will notice a large stock of finished yarn at the end of the year in the balance-sheet. This has been largely due to the paucity of demand in December. Since then, however, conditions have improved and I am glad to inform you that the stocks have been cleared.

Stabilisation of Yarn Prices

"The import policy followed by the Government of India has stabilised the prices of art silk yarn and liquidated the large overstocked position both in our concern and in the country. I am confident that the policy that is likely to be followed by the Government in the years to come will be permitting of imports to the extent that local producers cannot produce. Government have also decided to stop the imports of lower grades of yarn, such as III, IV, rejected, etc., in 120 and 150 deniers.

"The policy followed by the Government in permitting the imports of raw materials required by this industry, such as wood-pulp, rayon grade caustic soda and sulphur, is commendable, because the industry can procure its requirements without any difficulty.

"Government's solicitude in stabilising the art silk yarn industry in the country has been responsible also in bringing about an understanding between the consumers and the producers.

"We started with the smallest economic unit we could for the rayon yarn production. In order to bring down the overheads, your Board of Directors decided to expand the productive capacity of the plant and have placed orders for additional equipment which will be erected and will be in production before the end of March, 1954. This is likely to increase the productive capacity of the Company by about 25 per cent. The additional finance needed for this expansion will be found from the resources of the Company.

"One important event of the year was the publication of the Five-year Plan by the Government of India. It is encouraging to note that the expansion of the rayon industry has found a place in the first Five-year Plan of the nation. I agree with the viewpoint of the Planning Commission that it is necessary to start the pulp industry in the country at the earliest possible moment. This, however, requires very large finance and, therefore, until the financial position in the country eases, it is doubtful whether this plant can be installed.

Scope for Expansion

"At present, there are two units in the country which are producing viscose rayon—ours and Travancore Rayon. I understand that arrangements have been agreed to whereby the acetate rayon plant in the State of Hyderabad is likely to be started in the near future. The production of these plants will be about 35 per cent. to 40 per cent. of the requirements of the country. Therefore, there is sufficient scope for either expansion of these three units or establishing new ones in order to meet the present-day requirements of rayon yarn in India.

"The policy followed by the Government of India in making liberal allowance for depreciation for the new industries, as also in making them not liable for tax upto 6 per cent. return on the invested capital, has been a real help in the case of concerns like ours. A plant like ours is also exempt from starting provident fund for workers for a period of three years from the day of commencement of production. These have gone a long way towards encouraging establishment of large concerns for the production of items hitherto being imported. I wish the Government of Bombay will show the same solicitude for the establishment and promotion of new industries as the Government of India has done. The sales tax has been militating against the industry and representations were made to the Government of Bombay, in view of the infancy of this industry, to exempt the Company's sales from the payment of the tax at least during the first few years. The Government of Bombay have not responded to our appeal. We hope that we shall be able to convince them of the justness of the cause and get relief in the matter of sales tax.

"A reference has been made in the Directors' Report that Skenandoa Rayon Corporation have opted out for receiving cash for the moneys due to them for the services rendered. If the income-tax regulations had been less stringent, we would have succeeded in persuading them to take shares of the Company, instead of cash, as they ultimately decided. If they had opted to take shares, instead of cash, practically a large portion of that amount would have had to be paid out in the form of tax to the Government of India. This anomaly requires to be amended.

Optimism

"I am happy to state that the results of the last year's working have made it possible for the Company to wipe out all the arrears of dividend on preference shares, including those for the year 1952. Without being unduly optimistic and barring unforeseen circumstances, I believe that the ordinary shareholders who have waited so long and patiently can now expect a steady return on their capital. Those who very glibly are apt to to underrate the role of private enterprise in this country forget that large-scale industries of this character are only made possible by the sacrifice which investors are prepared to make by way of forgoing a return on their capital for a number of years till the enterprise makes good. It is, therefore, but natural that such risk capital should earn its deserved reward in the long run and I have no doubt that investors who made possible the starting of this large-scale venture will, in course of time, be amply rewarded for their confidence in this industry and its management.

"I am sure I am voicing the feelings of every one of you when I say that the results obtained for the working of this year have been largely due to the loyalty and ability of the workers and the technical and non-technical staff of the Company. It is a matter of no small pride to the management that we have been able successfully to run a chemical plant of this nature entirely by Indian personnel with a very little assistance from foreign technicians, except during the initial stages which did not last for more than 8 to 10 weeks.

"With these words, I commend the report and the statement of accounts for adoption."

The British Metal Corporation (India) Limited

OVERSEAS ASSOCIATES AT

MONTREAL VANCOUVER TORONTO NEW YORK LONDON JOHANNESBURG BULAWAYO KARACHI LAHORE SINGAPORE PENANG MEDAN SYDNEY PERTH MELBOURNE

IMPORTERS: NON-FERROUS METALS AND CHEMICALS

EXPORTERS: MINERAL ORES, OILS AND OILSEEDS

HEAD OFFICE: 22, CHITTARANJAN AVENUE, CALCUTTA.

BRANCH OFFICE: 25, DALAL STREET, FORT, BOMBAY.

WHY ARE SUGAR PRICES HIGH?

CONTROL OVER "GUR" NOT FEASIBLE

A REFERENCE to the Government of India's warning to the sugar industry that if the prices of sugar continued to be high, the Government would be constrained to take such steps as it might deem necessary to maintain prices at a reasonable level, was made in these columns last week. Soon after we went to press, the Indian Sugar Mills' Association, Calcutta, came out with a statement to the Press clarifying the position. The Association refuted the charge that the hoarding tendency on the part of the sugar industry had brought about scarcity in sugar supplies and spurt in prices lately. In support of this contention, it made a few interesting observations on fluctuation in sugar prices which are reproduced below:

"Sales and despatches of sugar by factories during the last five months have been unprecedented in the history of the sugar industry. There has been no case of mills wilfully withholding sales and despatches. . . . In the Eastern and Southern Indian markets, the prices (of sugar) had increased by about Re. 1-4 per maund, but they have started going down and are now only about ten to twelve annas higher than those prevailing a month back. In other areas also, prices have been declining. It would be appreciated that some amount of fluctuation is inevitable in the price of a decontrolled commodity."

Proceeding, the Association sought to impress upon the fact that there need be no apprehension in the minds of consumers about the availability of sugar, as there was enough sugar to meet the requirements of the country. The Association has issued, we are told, a circular to factories urging them to make the utmost efforts to step up sales and despatches. This is indeed reassuring.

What then are the factors responsible for the high prices of sugar still prevailing, despite the comfortable supply position, as was indicated last week? The Association attributes the rise to four causes and these are: (1) Inevitability of certain amount of fluctuation in prices of a decontrolled commodity such as sugar; (2) smuggling to neighbouring regions (evidently Pakistan); (3) rigidity of wagon allotments which stand in the way of quick relief to areas where prices start going up; and (4) advance in prices of *gur* (and *khandsari*), the sugar substitute. The Association accordingly feels that, if smuggling were prevented, wagon facilities improved, and prices of *gur* (and *khandsari*) kept in check, there will be no possibility of any rise in sugar prices.

Effect of Higher Gur Prices

Few would dispute these reasons put forward by the Association for the recent increase in prices of sugar. It is no doubt true that the price of *gur* has a close relationship to the prices of agricultural products and, consequently, it depends more upon the relative price levels of staple crops such as rice, wheat, etc., than those on sugar. But, notwithstanding this, it must be admitted that, at certain level of prices, sugar and *gur* are substitutes for each other. Thus, when the price of *gur* rises too high relatively to that of sugar, then sugar is likely to be substituted for *gur* over a certain sector of the demand and the sugar price may, therefore, tend to go up. As the Association has pointed out, increase in *gur* price has a psychological and sympathetic effect on price of sugar.

This is precisely what has happened recently. *Gur* prices in all parts of India, particularly in the South, have been moving up. Thus, the price of *gur* is now quoted at Rs. 18 to Rs. 19 per maund—it is quoted still higher at Rs. 18 to Rs. 22-8 per maund in Madras and Rs. 20-8 to Rs. 27 in Bombay—as against Rs. 12 to Rs. 12-8 a month before. The increase in *gur* prices has been due to depletion of stocks, on the one hand, and good enquiries from importing countries, on the other, not to speak of expectation of better prices based on apprehensions of a lower output of *gur* during the remaining part of the current season. Arrivals in most of the markets have either stopped altogether or are only nominal. Stock movements are poor, owing to railway booking difficulties.

The rise in *gur* prices is certainly not desirable, inasmuch as it tends aversely to affect sugar production. For the cane cultivator finds it more profitable to convert cane into *gur*, instead of supplying it to the factory. This tendency may be illustrated thus: Assuming that 10 maunds of cane would yield, on an average, one maund of *gur* or sugar, the grower of cane would have before him two alternatives, of either selling the cane to a sugar factory at the control price of Re. 1-5 per maund or converting it into *gur*. If he decides in favour of the first alternative, his 10 maunds of cane would fetch him a return of (Re. 1-5 x 10) Rs. 13-2 only. But if he decides to convert his 10 maunds of cane into *gur*, then, at the current market quotations, his return on the one maund of *gur* will be Rs. 18. From this is to be deducted the cost of manufacturing *gur*, which is about Rs. 2-10 per maund. His net return will thus be Rs. 15-6, which is Rs. 2-4 more than what he gets by selling the cane to the factory. In the circumstances, the grower is bound to manufacture *gur*, thereby diverting supplies of cane from sugar. In the event, factories would have to pay either a higher rate for cane or go without it. If this tendency were to persist, not only would sugar production be reduced but prices of sugar would also go up.

Sugar Prices to be Reduced

If, therefore, the competitive position of the *gur* producers is to be weakened, either the minimum price for sugarcane must be raised or rise in *gur* prices checked. The former is not at all desirable, in that it will enhance the cost of sugar manufacture which is already high in all conscience. With regard to *gur* prices, any measure that will be taken for checking the upward trend may not meet with adequate success. For *gur* manufacture is scattered throughout the country, in far-off corners, that it would be rather difficult to effect vigorous enforcement.

In the circumstances noted above, the only alternative is that efforts should be made to reduce sugar prices. A lower sugar price will mean a lower price for *gur*. For, when the price of sugar goes down, its consumption will increase, as a large number of those who consume *gur* will then prefer the clear white sugar. This in turn will occasion a fall in the price of *gur*, thereby reducing the capacity of *gur* manufacturers to compete with factory owners. If sugar prices are to be reduced, it is necessary that the factories should cut down unnecessary costs and raise their efficiency. There is also the need for a downward revision in taxes by the Governments.

(Concluded from next column)

considerable damage to India's exports of coal. It is stated that already Australian coal is being exported to Hong Kong and to Chittagong in competition with India. And further delay would have been disastrous, because it is further feared that subsidised rail freights and ambitious development projects of coal mines in South Africa would result in increased competition of South African coal with Indian coal in South-East Asian markets. Besides, if hostilities in Korea were to end, China would also enter as a competitor to Indian coal. The Government's response to the strong demand for the abolition of surcharge on coal by the industry indicates that it is alive to the dangers ahead of the export market for Indian coal.

SURCHARGE ON COAL EXPORTS

GOVERNMENT DECIDES ON ABOLITION

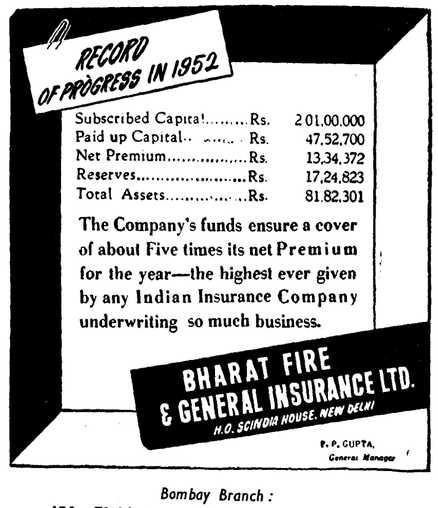
REPORTS from New Delhi disclose that the Government of India has decided to abolish surcharge on coal being levied on exports to countries other than Pakistan and Ceylon. It is stated to have conveyed this decision to the importing countries. It will be recalled that surcharge on coal exports to Pakistan was abolished with effect from 25th March, 1953, following the new Trade Agreement entered into by India with that country. Surcharge on exports of coal to Ceylon was abolished in the later half of 1951, as Ceylon could not bear it.

The Government's decision to abolish the surcharge on exports of coal from India occasions the need for a brief review of the history of the surcharge. It was in February, 1951, that the Government of India first imposed a surcharge of Rs. 11 per ton on all coal exported to foreign destinations. The motive of this levy was to derive a higher price for the coal with a view to offsetting India's foreign exchange disadvantage which it suffered with countries such as Pakistan. It was specifically provided in the Indo-Pakistan Trade Agreement that coal should be supplied to Pakistan at no less advantageous terms than to other foreign consumers. While this surcharge secured additional earnings on those quantities of coal which were despatched to Pakistan, whether by sea or by rail, it proved a very severe handicap to India's legitimate coal exports to countries other than Pakistan in that it caused an immediate setback in demand from them. The Government of India, therefore, withdrew the surcharge, subsequently, on the then existing business with Burma, Malaya, Hongkong and Ceylon, on the grounds that they were "continuing" contracts. It, however, made it clear that surcharge applied to any new business with those countries. On the conclusion of the agreed despatch of coal under the Indo-Pakistan Trade agreement, in October, 1951, the Government notified different rates of surcharge as between different countries, the amount of surcharge depending upon the difference between controlled price in India and the capacity of the importing country concerned to bear the charge.

The annual loss of revenue to the Government as a result of the abolition of surcharge is estimated at Rs. 1.5 crores. Of this, loss on account of withdrawal of surcharge on coal exports to Pakistan alone is said to account for Rs. 1.2 crores. But this loss is expected to be more than compensated by increase in demand from overseas countries. The abolition of surcharge will certainly remove the prejudice in importing countries that India has been discriminating against them, as compared with Pakistan. This will also help stabilise India's export markets for coal.

The present decision of the Government to abolish the surcharge has not come a day too soon. For its continuation has already done

(Continued in previous column)



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RAILWAY FUEL ECONOMY COMMITTEE REPORT

REGIONAL CONTROL POLICY RECOMMENDED

THE Report of the Railway Fuel Economy Enquiry Committee under the chairmanship of Mr. D. C. Driver—a brief outline of which was given in *Commerce* some time ago—is as comprehensive as it is illuminating. Although the terms of reference were somewhat restricted to the examination of the supply, consumption and reserve stocks of coal on railways and to make recommendations for economy in expenditure on coal used as fuel, the Driver Committee appears to have taken a broader view of the whole problem, enunciating, as it were, a coal policy for the Government of India. Even the recommendations of the Planning Commission on the problems facing the coal industry are somewhat meagre, as compared with those contained in the Driver Committee Report. It has, therefore, become necessary for the Planning Commission to examine *de novo* the problems connected with this industry and to make suitable adjustments in the Plan in the light of the above Report during the operation of the Five-year Plan.

The consumption of coal on railways absorbs nearly one-third of the country's total production, and has a powerful influence on the conditions of production, supply and transport of coal. Total intake of coal by railways at present has now been running at the rate of 10.5 million tons, out of which 83.5 per cent. is consumed by locomotives, 9.5 per cent. is used for non-loco purposes, and the balance of 7 per cent. is lost in handling and pilferage. In terms of value, the annual expenditure on railway coal amounts to Rs. 30.5 crores. This sum is made up of Rs. 16.8 crores as the cost of coal at pithead and Rs. 13.7 crores for transport and handling charges. The amount of Rs. 16.8 crores may be further divided into Rs. 14.0 crores for coal consumed by locomotives, Rs. 1.6 crores for coal used in non-loco purposes and Rs. 1.2 crores for losses on account of handling and pilferage losses. Similarly, the incidental expenditure of Rs. 13.7 crores is made up of Rs. 12.6 crores for operating costs for transport of coal and roughly Rs. 1.1 crores for the cost of handling operations, that is, unloading, stacking and reloading.

20 Per Cent. Cut in Consumption

An analysis of all the direct and indirect factors affecting the consumption of coal in loco and non-loco purposes, the losses of coal by pilferage and in handling, and the expenditure incurred in handling coal, indicates that fuel consumption (including losses) can be reduced by about 20 per cent. of the total railways supplies by the adoption of the proper economy measures dealt with in the Report. These measures can be progressively enforced only through adequately staffed and independent fuel control organisations. A saving of about Rs. 6 crores annually will result in the course of the next five years, on the basis of the present railway fuel bill. Additional economy can be achieved through improvement in steam locomotive design and application of fuel saving devices. These features constitute a continuous and long-term process and the extent of resultant economies will depend largely upon experimental investigations and research.

In order to effect economy on fuel consumption by the railways, the Driver Committee has examined alternative uses of electric, diesel and gas turbine tractions. Electrification for a section of railways is recommended for a total of 2,187 miles, as, for instance, suburban services in the Howrah and Sealdah Divisions and main lines between Burdwan and Gaya, and Gaya and Moghulsarai in the Eastern Railways, between Igatpuri and Bhusaval in the Central Railways, between Quilon and Ernakulam, Madras and Trichinopoly, Madras and Bangalore and Madras and Bezwada in the Southern Railways, between Virar and Ahmedabad in the Western Railways and between Delhi and Ambala in the Northern Railways. Diesel traction is preferred on the Saurashtra section (Gondal Division) of the Western Railways. The Committee has also recommended the introduction of diesel light railcar services on suitable sections and diesel power on shunting services.

The Driver Committee has urged the setting up of a standing Railway Power and Electrification Planning Committee, consisting of representatives of the Ministry of Railways, the Planning Commission and the Central Water and Power Commission for ensuring co-ordination and execution of railway electrification and dieselisation schemes in a specific order of priority. The Committee has pleaded for the intensification of power and fuel research for the purpose of developing steam and other locomotives suitable to the growing requirements of the country. It is convinced that an effective and continuous economy campaign cannot be organised without adequately staffed and independent fuel control departments and without proper training of staff. For this purpose, it has recommended the immediate setting up of (*a*) six regional fuel control departments, (*b*) a central fuel directorate, (*c*) six regional training schools, and (*d*) a central training school. The annual expenditure on this account is estimated to be Rs. 29 lakhs against the expected annual saving of Rs. 6 crores. Considerable emphasis is placed on the strengthening of the statistical organisations in regard to fuel accounts and statistics so that adequate accounts for coal purchases, stocks, issues, etc., are maintained properly.

Coal Production Policy

The Driver Committee has advocated a dynamic policy in regard to production and distribution of coal. It is of the opinion that demand for coal will show a gradual increase from the current level of 34 million tons to 52 million tons by 1961. It has recommended that production of coal in the country must be developed in a planned manner region-wise so that the 10 zones into which the country has been divided for the purpose of coal supplies, attain self-sufficiency as far as practicable. Emphasis is placed on the development of the outlying fields, particularly in Vindhya Pradesh, Madhya Pradesh and Hyderabad State in order to meet, as far as practicable, the requirements of Western and Southern India and a part of Rajasthan. Northern India and the rest of Rajasthan may draw upon the coalfields of Bengal and Bihar. High priority is given to the development of the lignite resources in South Arcot, Madras. Coal production in Assam and Orissa must be encouraged, so that it could meet the requirements of these States. Special qualities of coal, however, may be obtained from outside sources. Production of high grade non-coking coals should be increased in the Raniganj and Karanpura coalfields in order to release coking coals for metallurgical purposes and feeding the export markets. Government collieries at Kurasia, Deulbera and Talcher should be developed and extended by acquiring new areas without delay, wherever possible. Properties should be immediately acquired and Government mines opened up in the Karanpura and Korba coalfields.

Regrading of Coal Seams

The Committee has stressed the need for regular and frequent regarding of coal seams, and for continuous testing at pitheads of the quality of coal loaded. It is, therefore, recommended that an official committee under the Coal Board should be appointed immediately to examine in detail new proposals for coal grading and pricing. The Fuel Research Institute and the Ministry of Railways should be represented on this Committee. Prompt steps should be taken to grade the coals of the outlying fields, and arrangements also must be made to ensure continuous testing at pitheads (by collieries) of the quality of coal loaded. The conservation of the country's fuel consumption and the economy in fuel consumption have received attention at the hands of the Driver Committee. The adoption of coal preparation measures such as washing and sizing of coal is also recommended. For instance, different types of pilot washing plant should be installed at the Fuel Research Institute without delay to obtain evidence on the most suitable and economical types for coals of different washability characteristics. At the same time, the Government should take steps to explore the possibilities of coal washing and to set up washing plants at selected sites. Under the existing arrangements individual sheds in railways receive coal from numerous sources, resulting in irregular supplies and lack of consistency in grade and physical characteristics of coal used. A plea has, therefore, been made for the reorganisation of loco coal supplies. As far as possible, coal for any consuming point on a railway should be obtained from the nearest group source. The group and the connected base station are such as will permit the movement of coal to districts or zones without entailing much marshalling at base stations (and *en route*) and without involving cross movements.

Another important recommendation of the Committee is that railways should, in future, select their own coals by inviting offers from collieries and by arranging for supplies on contract basis. The responsibility in respect of quality should be fixed on the collieries themselves, and railway supplies should be obtained under suitable contract conditions. A standing Loco Coal Committee should be set up to undertake all work connected with the framing of loco coal programmes, inviting offers from collieries for scrutiny and acceptance, and the allocation of their approved offers according to the supplies and transport available. The Committee should consist of representatives of railways, the Ministry of Railways and the Coal Commissioner, the Chairman of the Railway Board or his nominee may act as Chairman and the Chief Mining Engineer, Railway Board, as member-Secretary of the standing Loco Coal Committee. In order to simplify and rationalise transport and to ensure regular and reliable supplies of coal to railways, steps should be taken to introduce the system of grouping collieries, with distributing centres to serve as primary receiving points in respect of supplies to railway zones.

Development of Outlying Mines

To relieve fuel shortage in the South, a five-year plan has been suggested, indicating the necessary development of the outlying fields and rail transport. On the completion of the abovementioned plan, a net saving in the cost of loco coal is estimated to be of the order of about Rs. 33 lakhs annually. The Driver Committee wants Government to expedite the development of Talcher, Singareni and Madhya Pradesh collieries. At the same time, the Ministry of Railways should immediately undertake the development of the junction yards and line capacities along the rail routes from the abovementioned outlying fields to the South.

A standing Coal Committee is recommended for the revision of the existing system of allocating and allotting coal supplies and wagons. The members of the Committee must be recruited from the Ministry of Railways, Production and the Planning Commission. The existing practice of allocating coal orders and wagons should be modified to give effect to regional distribution of coal as far as possible, says the Committee. The appointment of a railway officer of senior administrative rank (Director) is recommended so that he could function as liaison transport officer and make day-to-day allotment of wagons in collaboration with the Coal Commissioner. The Driver Committee is of the firm opinion that railway fuel problems cannot be considered as a detached issue since they exercise a powerful influence on the conditions of production, supply, and transport of coal. Government must, therefore, have to approach the problems both from the short and long-term point of view and should try to implement them gradually so as to achieve economy coupled with efficiency in the distribution and consumption of coal.

COAL BLENDS AND THEIR COKES

The second Report of the Coal Blending and Coking Research Sub-Committee of the Council of Scientific and Industrial Research has been published. It deals with results of investigations carried out between 1947 and 1951. The investigations included pilot and full-scale coking tests, experiments on the use of coke-breeze in coking, the making of metallurgical coke from non-coking coals by the two-step carbonisation process, the methods of determination of apparent specific gravity of coke, as also caking index of coal. The coals tested came from Jharia, Raniganj, Madhya Pradesh and Surguja State and East Bokaro coalfields. Coal samples of varying characteristics were obtained from the U.K. and tested for comparison with Indian coal.

The general procedure in testing the coals included (1) proximate analyses, (2) determination of caking index, swelling properties, sulphur and phosphorus, (3) screen analyses and (4) determination of bulk density. Proximate analyses and screen analyses were also done on the various blends of coal used. The pilot-scale coking tests were carried out in the Russell and Simon-Carves ovens, and a few tests were done in full-scale ovens. The resulting cokes were subjected to screen analyses, and to Shatter, Breslau and Haven tests. The apparent and real specific gravities were determined and the porosity calculated. The analytical and test results are given in detail in the Report.

It may be noted that the first Report of the Sub-Committee "Blending of Coals for Coking" was published in 1948. It reviewed investigations carried out by the Coal Blending and Coking Research Sub-Committee, Jamshedpur, since the inception in 1940 upto 1947.

JUTE DELEGATION RETURNS

RECOVERY OF AUSTRALIAN MARKET HOPEFUL

THE Indian Jute Mills Association's trade delegation to Australia and New Zealand to enquire into factors affecting the demand for Indian gunnies has returned to Calcutta. It will be recalled that this delegation, consisting of Mr. J. G. Walton, Deputy Chairman, I.J.M.A., Mr. D. P. Goenka, Vice-Chairman, I.J.M.A., and Mr. L. K. Jha, Joint Secretary, Ministry of Commerce and Industry, left on the 15th April, on a four-week fact-finding tour, in furtherance of a policy of exploring means for actively and aggressively developing the dwindling markets for Indian jute goods abroad.

The findings of the fact-finding tour of the delegation is not yet made available to the public. But Press reports from Calcutta aver that the delegation has been a success. It has brought the heartening news that there is a "secure and expanding market" for Indian jute goods in Australia and New Zealand. But the maintenance of such a market is dependent on a guarantee of regular supply of goods at stable prices. Wherever the delegation went, for instance, Melbourne, Adelaide, Dunedin, Auckland and Wellington, consumers of jute goods are said to have complained of the violent fluctuations in prices and periodical shortage of goods.

Active Competition Absent

There seems absence of any active competition to jute goods, especially in the field of storing grains in Australia and New Zealand, according to the delegation. It is stated that the farmers do not pack at all, if there is not enough jute sacking to pack their produce. They resort to bulk handling techniques right from the field to the rail-head and then to the port. It is further reported that 80 per cent. of New South Wales' wheat crop and 99 per cent. of West Australia's crop are handled in bulk. But paper packing has entered other spheres. Cement is now entirely packed in paper. Paper packing has also made inroads into the fertiliser industry. Sugar interests have resorted to increased bulk handling of sugar. It is just possible, even now, for jute to recover the ground it has lost to its substitutes in these industries. If a regular supply of jute goods at reasonable prices is not assured, there is no denying the fact that the substitutes for jute will spread their tentacles, thereby restricting the area of jute goods consumption. According to the I.J.M.A. delegation, there is reported to be still time for the jute industry to recover its original position as well as expand the area of its activity there. A large measure of goodwill exists towards India in these two countries, which will render no small aid to the jute industry towards establishing its reputation as the best packaging material, leaving no ground for the consumer to think of substitutes.

The return of the jute delegation to Calcutta has been greeted with further rally in prices of jute goods. The prospects that appeared dark at the time when it departed, for various reasons, have given way to remarkable improvement which in fact was noticed some three weeks ago. At present, the outlook for jute goods appears to be somewhat encouraging. For there have been some orders for hessian from the U.K., Australia and New Zealand. Some enquiries for sacking are reported from Africa, Cuba and Middle East countries. The prospect of a barter agreement with Burma, involving exchange of jute goods for rice, among others, has also been a contributory factor. Further, rumours are persistent that the U.S. is likely to increase its business in Indian jute goods in the coming months. Large orders are expected to flow from Argentina for hessian.

The improvement in jute goods, noted above, in a way explains the small decline in stocks of jute goods from 138,797 tons at the end of March, 1953 to 137,474 tons at the end of April 1953. But as compared with figures at the end of April, 1952, stocks are higher by 21,105 tons. The following table gives a detailed position of jute goods stocks at the end of April, 1953, as compared with those at the end of the two preceding months, and on 30th April, 1952.

(In tons)

	As on			
	30-4-1953	31-3-1953	28-2-1953	30-4-1952
Civil				
Hessian	45,005	40,755	37,786	47,394
Sackings	87,024	92,406	92,228	59,861
Others	2,031	2,144	2,340	1,557
Total ..	1,34,060	1,35,305	1,32,354	1,08,812
Government				
Hessian	761	1,119	846	1,984
Sackings	2,630	2,336	2,772	5,573
Others	23	37	134	..
Total ..	3,414	3,492	3,752	7,557
Grand total ..	1,37,474	1,38,797	1,36,106	1,16,369

The aggregate production of jute goods during April, 1953 was 74,292 tons, as against 74,430 tons at the end of the previous month and 81,681 tons on 30th April, 1952. Of this, sackings accounted for 39,802 tons, as against 40,049 tons and 54,833 tons, and hessians 31,827 tons, as compared with 31,635 tons and 24,298 tons. The fall in the output in April would have been higher still but for a rise of 192 tons in hessians, as the output of the fall in sackings has declined as much as 247 tons. Mills evidently have been switching over from the production of sacking to hessian in recent days. The following table gives a summary of the output of jute production during each of the three months ended April, 1953, as also on 31st April, 1952:

(In tons)

	As on			
	30-4-1953	31-3-1953	28-2-1953	30-4-1952
Civil				
Hessian	30,573	29,553	26,846	24,134
Sackings	39,625	39,560	36,979	51,303
Others	2,663	2,746	2,419	2,549
Total ..	72,861	71,859	66,244	77,986
Government				
Hessian	1,254	2,082	2,165	164
Sackings	177	489	102	3,530
Others	..	..	14	1
Total ..	1,431	2,571	2,371	3,695
Grand total ..	74,292	74,430	68,615	81,681

The consumption of raw jute by mills, calculated on the basis of production, can be placed at 3.77 lakh bales in April 1953, as against 4.31 lakh bales in the previous month and 4.74 lakh bales in the corresponding month of 1952. Consumption during the ten months ended April 1953, accounted for 42.74 lakh bales, as against 45.74 lakh bales during the same period in 1952.

(*Concluded from next column*)

over synthetic plants, would be able to make a profit, with improved methods of production, even at the present price of 23 cents.

ENQUIRY INTO MALAYAN RUBBER INDUSTRY

The Malayan Federal Government has announced that an independent fact-finding mission from the U.K. will investigate the competitive position of the Malayan rubber industry and make recommendations. This decision to appoint an independent body is a modification of the Government's earlier decision to appoint an official commission, following the strong opposition from the Rubber Producers' Council to the appointment of an official commission on the ground that the decisions and recommendations of the Government Commission would be binding on the producers. It was also felt that the public enquiry might result in unnecessary disclosure of secrets and that such disclosures might adversely affect the price of rubber. The Government seems to have been convinced that the issues involved in this investigation are of such importance that it should be carried out by a body independent of the Government and of the industry. The Rubber Producers' Council has agreed to this step and has offered its co-operation to the Government.

The terms of reference of the Mission will be to investigate the competitive position of the rubber industry in the Federation with particular reference to: (1) The taxation of the industry in relation to costs of production; (2) the maintenance of existing capital in the industry and the attraction of fresh capital for development; (3) replanning; (4) the marketing and processing of small holders' rubber; and (5) unemployment in the industry in the event of a recession in price.

EXEMPTION FROM MINIMUM WAGES ACT

A plea to exempt small rubber-growers in the State from the purview of the Travancore-Cochin Minimum Wages Act has been made by owners of small rubber plantations in the State. It is felt by these small holders that rubber production might be affected adversely in the near future, in view of the obstacles placed before small planters both by the Government and labour. According to them small rubber growers are hard hit on account of the unbearable demands made on them by the introduction of the State Minimum Wages Act and they have, therefore, sought that estates below 150 acres, should be exempted from the provisions of the Act. The aims and spirit underlying the Act are appreciated by them, but practical difficulties experienced by small growers are stated to be such that they cannot carry on their business without loss. They have decided to send a deputation of small rubber growers to the Government for representing their grievances.

WORLD BUFFER STOCK OF RUBBER

RUBBER STUDY GROUP MEETING ENDS IN DEADLOCK

THE deliberations of the International Rubber Study Group (I.R.S.G.) which began in Copenhagen on Monday last week, to consider the proposal for an internationally controlled buffer stock of natural rubber to avoid excessive fluctuations in supplies and prices of the commodity, are reported to have ended in a deadlock on Friday last week, the Participating countries being unable to come to an agreement. This deadlock will be a matter of disappointment for producers of natural rubber, inasmuch as they have been looking forward to some kind of assistance from this international body for a guaranteed market for an average crop and a stable price for latex. It is just over a year since the question was first considered by the I.R.S.G. and the fact that it has not been able to arrive at a constructive decision indicates that opinion is sharply divided on the question.

The Study Group which first discussed this question in May, 1952, could not come to a decision, due to the unwillingness of the U.S. to agree to any form of price support scheme. The Study Group, however, appointed a working party to make further efforts at reaching international agreement on world control of rubber supplies. But much hope was not entertained in informed circles in London on the successful outcome of the deliberations. These fears proved to be correct, as the Working Party did not take any decision, but postponed further consideration till January this year. The January meeting of the Working Party considered a draft agreement on buffer stock and merely suggested that the scheme on the lines of their draft agreement would be practicable. It was, however, considered that the question of the necessity for such an agreement should be left to be decided by the Study Group itself. Accordingly, this subject came up for discussion at the Copenhagen meeting of the Group last week and the indecisive conclusion of the deliberations will, therefore, be widely deplored. Opinion in London before the meeting concluded, on the outcome of the discussions, was that it would to a large extent depend on the attitude of the American delegates. But in the absence of any details of the deliberations it is difficult to say what attitude the American delegates took on this question. It is believed, however, that U.S. opinion could not have been anything but unsympathetic to the suggestion of building up a world buffer stock. An indication of American opinion, though not of the Government, is available from a statement issued by Mr. P. W. Litchfield, Chairman of the Board of Goodyear Tyre and Rubber Co., in New York last week. He said: "The proposed international buffer stockpile of natural rubber will not work. A free competitive market, on the other hand, encourages improvement and efficiency in rubber-growing and that is the only road to a sound and stable economy. Having watched the working of the cartel arrangement of 1922 and the later programme of 1934, I am convinced that the free market principle is best for all concerned, including the rubber producing countries." It is nonetheless held in certain circles that the American Government representatives at the Copenhagen meeting would have, in all probability, been induced to throw some light on their intentions about synthetic rubber. It is also considered that the position of natural rubber could be improved, even without building up a buffer stock, by closing down the high-cost alcohol-based plants producing over 100,000 tons a year or by putting up the selling price of synthetic rubber.

The worry of the natural rubber producers is only in respect of the immediate future. The years 1953 and 1954 are considered the most critical period. For the U.S. Government's stockpiling of natural rubber has now ceased and it will be eighteen months before the U.S. synthetic rubber plants are handed over to private ownership. It is for this short period of eighteen months that the estates are seeking some stability in prices. In this connection, a notable suggestion is that, pending the handing over of control of the U.S. synthetic plants to private industry, the American Government should put the price for synthetic rubber on a commercial basis, which, in other words, means raising the price from 23 cents to 26 cents a pound. Those who oppose such a move consider that private industry, when it takes

(*Continued in previous column*)

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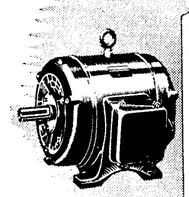

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IRRIGATION AND POWER PROJECTS IN INDIA

MULTI-PURPOSE SCHEMES MAKE HEADWAY

THE progress of the implementation of irrigation and power projects during the first two years of the Five-year Plan makes interesting reading. The actual amount spent on these projects was Rs. 190 crores, as against a planned outlay of Rs. 206 crores, during the period under review, that is, Rs. 16 crores less than the target. The additional area irrigated during the period was 1.42 million acres. As compared with the target of 1.89 million, this is less by only .47 million acres. But the progress in the sphere of generation of power was significant inasmuch as it exceeded the target. The power generated was 315,000 kw., as against the target of 239,000 kw. On balance, however, there had been substantial progress.

On the basis of information available, good progress is stated to have been recorded in the implementation of the multi-purpose projects as well as of some projects in Bombay, Madras and Saurashtra. Mysore, Hyderabad and Rajasthan, however, failed to record substantial progress on account of financial reasons. Of the five new projects included in the Plan, viz., the Chambal, the Koyna, the Kosi, the Rihand and the Krishna, little progress in actual construction was visible during the period 1951-53. The Committee appointed by the Planning Commission to examine the Krishna Project submitted its report recently and further investigations recommended by the Committee are in progress. Negotiations between the Governments of Madhya Bharat and Rajasthan in connection with the Chambal project have led to an agreement between the two States on the distribution of irrigation waters to be made available by the project on a fifty-fifty basis.

A bird's-eye view of the progress of Central Multi-purpose projects discloses that they irrigated 106,000 acres of land and produced 54,000 kw. of power during the first two years of the Plan. A brief account of the progress so far made on the Central Multi-purpose projects is as follows:

Bhakra Nangal Project:—A sum of Rs. 31.14 crores had been spent during 1951-53. The aggregate expenditure upto the end of March, 1953 was about Rs. 55 crores. At the Bhakra dam site, the two 50' diameter diversion tunnels are in an advanced stage of completion. The Nangal dam has been completed except for the installation of gates which will be in position within a year. On the Nangal power channel, work is proceeding according to schedule on the excavation of the canal, its lining and the construction of cross drainage works. At the two power houses on the Nangal canal, the excavation foundation has been completed and a good part of the superstructure of power house No. 1 has been completed. Part of the generating equipment for these power houses and the material for the transmission lines will be commissioned by the middle of 1954. Work on the Bhakra canals, comprising 518 miles of main and branch canals and 2,000 miles of distributary channels, is also proceeding, according to schedule. It is expected that most of the channels will be completed in time to provide non-perennial supplies to the Bhakra areas during 1954. Partial irrigation has already commenced. About 19,000 acres were irrigated in 1951-52 and about 10,000 acres during 1952-53.

Harike Barrage:—The barrage at the confluence of the rivers Sutlej and Beas has been completed except for the installation of gates. Work on the Ferozepore Feeder and Bakhu Canal is proceeding satisfactorily.

Damodar Valley Project:—An expenditure of Rs. 29.22 crores was incurred during 1951-53, thereby bringing the total up-to-date expenditure to Rs. 46 crores. The construction of Bokaro thermal station with 3×50,000 kw. generating sets and 6×300,000 lbs./hr. boilers is nearing completion. The supply of power from this station commenced early in 1953, when one unit of 50,000 kw. was put into commission. The construction of Tilaiya dam has been completed. The hydro-power station with two generating sets of 2,000 kw. each has also been commissioned. An area of about 5,000 acres was irrigated from the waters of this dam during 1952-53. The Konar dam, the reservoir behind which will provide cooling water for the Bokaro thermal station, will be ready by June, 1953. More than half of the earthwork and about two-thirds of the concrete work has been completed. The construction of Maithon dam is in full swing. The entire work is scheduled to be completed by 1954 and the hydro-electric station, by March, 1955. The construction of Panchet Hill Dam and the Durgapur Barrage and Canals is in the early stages. Over 150 miles of the main transmission lines have been erected and good erection on a further 92 miles is well on the way. Five grid sub-stations with three distribution centres have already been brought into operation. The entire system is expected to be ready by June, 1953.

Hirakud Project:—The up-to-date expenditure on the project is over Rs. 24 crores of which Rs. 18.08 crores had been spent in the period of 1951-53. The preliminary works have been completed and work on earthen and concrete dams is stated to have made some progress. More than half of the work of excavation of the canal system has been completed. The construction of masonry works and cross drainage is in progress. The first phase of power development from the dam provides for the installation of 1,23,000 kw. of which 48,000 kw. will be installed in the period of the Plan. According to present expectations, both irrigation and power will be available from the Hirakud project in 1955, as envisaged in the Plan.

So far as certain recommendations of the Planning Commission relating to raising finances for the projects are concerned, the proposal to establish an Irrigation Development (Ways and Means) Fund has met with general approval, but no definite action has been taken by any State Government, except Madhya Pradesh, where a non-lapsable fund has been established with a small contribution of Rs. 10 lakhs a year. Following the recommendation of the Planning Commission regarding the levy of betterment fee on all new irrigation projects, legislation has been enacted in Bombay, Punjab and Hyderabad. Madras, U.P., West Bengal, Rajasthan and P.E.P.S.U. have drafted Bills which are under consideration. The necessary legislation already exists in Mysore. The Governments of Bihar, Orissa, M.B. and Travancore-Cochin have accepted the principle of betterment fee. A study of the economics of tube-well schemes borne, existing and proposed, has been initiated by the Planning Commission. We are told that it would be necessary to levy a betterment fee on all tube-well projects with a view to avoiding the losses in their operation.

IRRIGATION RATES IN U.P. RAISED

The Government of Uttar Pradesh has ordered enforcement of 50 per cent. increase in irrigation rates with effect from this month. The enhanced rates will be collected along with land revenue for *rabi* crops in May and June and the *kharif* crops in November and December. Although this increase was forecast in the Budget proposals, it had been reported that there was strong opposition to it among Congress M.L.As. and it was even said that official assurances had been given at a recent party meeting that the new rates recommended by the Irrigation Rates Committee would not be enforced. The original recommendation of the Irrigation Rates Committee, consisting of both Houses of the State Legislature, was for 100 per cent. increase, on the ground of the greater amenities for the cultivators, but the Cabinet decided to limit the increase to 50 per cent. The enhanced rates will apply to land served by wells as well as canals. It is emphasised in official quarters that the new impost is in no sense a new tax but only payment for services rendered, and that payments made by the agriculturists will be considerably less than what they would have had to pay for similar arrangements either among themselves or with other parties.

ELECTRIC POWER TARIFF COMMITTEE SET UP IN ORISSA

The Government of Orissa has constituted a Power Tariff Committee with Mr. Radhanath Rath, Finance Minister, as Chairman, to examine the whole question of the economics of power supply and to work out rate structures for power to be supplied to different classes of consumers from the Hirakud Dam Project. The Committee will take into consideration the rates prevalent at the different load centres in India and, if possible, also the world rates, especially in respect of big industries consuming large blocks of power, such as aluminium, manganese and other electro-metallurgical industries. (The appointment of the Committee is in connection with the expected completion by 1955-56 of the first stage of the Hirakud Dam Project to generate 85,000 kilowatts out of the ultimate capacity of 200,000 kilowatts.) The Committee will also examine the question of rates for 30,000 kilowatts imported, as Orissa's share, from the Machkund Hydro-electric Project for utilisation in Orissa and suitable tariff structure for the same. They might, in this connection, consider the rate structure offered by the Madras Government, with whom the Project is being executed jointly.

NON-FERROUS METALS INDUSTRY

REVISION OF EXPORT POLICY DEMANDED

A NUMBER of problems facing the non-ferrous metals industry in India came in for critical review at the hands of Mr. Bhawani Das Binani in the course of his presidential address at the eighth annual general meeting of the Metal Exchange Association, Ltd., Bombay, held in the city last week. Chief among them related to the export policy of the Government of India. He made out a strong case for permitting free export of non-ferrous metals such as alloys of copper, lead, tin, scrap materials, borings, residues, dresses, slags, etc. He opined that free exports of these metals was necessary because there were no facilities for the treatment of most of the non-ferrous metals in the country and because they fetched better prices in overseas markets. This contention of Mr. Binani needs closer examination. It is, of course, true that the establishment of plants for treatment of these metals is quite a necessity in India. But until such time as these facilities are available, few can deny that the best policy is the regulation of exports in consonance with the market conditions in India and elsewhere. A factor to be noted in this connection is that the Government of India has been frequently disposing of huge quantities of non-ferrous metals through tenders and auctions, but in the absence of export licences for these goods, they are bid at prices 30 to 50 per cent. and in some cases even 100 per cent. lower than the prices that could be procured, if export licences were assured for them. Mr. Binani, therefore, pleaded for free exports which, in his opinion, would certainly help the realisation of greater value by the Government of India for its auctions of non-ferrous metals.

Dealing with imports of non-ferrous metals, Mr. Binani characterised the present policy of the Government of India, which permits free imports of most of the items of non-ferrous metals under O.G.Ls XXIX and XXX, as a step in the right direction. But he did not approve of the restrictions on the import of antimony. The Government of India has fixed the price of antimony at Rs. 340 per cwt. in pursuance of its policy of protection. But the landed cost of the metal is about Rs. 176 per cwt. only, according to Mr. Binani, and the local price is about Rs. 200 per cwt. Mr. Binani contended that the margin between the local and the Government fixed prices was too big and, therefore, the interests of consumers were sacrificed. Consequently, he pleaded for free import of antimony. He, however, averred that, if need be, import duty might be suitably increased. This is a point which the Government will have to consider and find out whether even in the existing circumstances such a high price as Rs. 340 per cwt. is warranted.

Proper and flexible import and export policies would stabilise the market by assuring a regular flux of the metal as warranted by circumstances in the country. The policies should be so linked to the policy of protection to indigenous industry that the consumer is not unnecessarily harassed. One view is that the Government, apart from its import and export policies, can also help stabilisation of the market by following a policy of regular purchases from it. Private enterprise can, by forming a single organisation of all sections of the non-ferrous metals industry in India, also contribute substantially towards the stabilisation of prices. This is an aspect which has been emphasised by almost all enlightened metal interests in the country.

Mr. Binani urged upon the Government of India to intensify the activities of the Geological Department towards exploration of fresh ores, with a view to encouraging the development of mining and metallurgical industries in non-ferrous metals, as far as possible. There can be no two opinions on the need for intensification of the activities of the Geological Department, for India is deficient in non-ferrous metals, whereas it has enough raw materials for iron and steel industry. The Five-year Plan has schemes to increase the production of only primary aluminium from 3,700 tons in 1950-51 to 12,000 tons in 1955-56. This is because India has large deposits of bauxite ores and aluminium scattered throughout the country. The Plan could not envisage production of other non-ferrous metals, perhaps due to absence of sufficient data regarding the ores, etc.

INSURANCE POLICIES UNDER ESTATE DUTY BILL—I

ANALYSIS OF MAIN PROVISIONS

THAT insurance interests should be opposed to the Estate Duty Bill, in its present form, is only natural, considering that it includes insurance policies within the meaning of the term "estate," despite the fact that the insurance habit is not so widespread in the country as in the West. Insurance does deserve a more generous treatment than has been given to it by the authors of the Bill, although it must be admitted that at the Select Committee stage an attempt has been made to improve the Bill from the insurers' point of view. It is, therefore, small surprise that the place of insurance policies under the Bill figured prominently in the discussions at the recent Insurance Conference at Calcutta, where as many as four papers on this subject were read by some of the leading insurance executives—Mr. K. L. Gupta, Mr. V. Sesha Ayyar, Mr. C. M. Sharma, and Mr. H. M. Chakravarti. The full text of these papers has now been made available to us through the courtesy of the Indian Life Assurance Offices Association. These papers, together with the representation made to the Government by the Association—a representative body of life insurers in the country—bring into sharp focus the problem which faces insurers and policyholders—both existing and prospective policyholders—in the context of the Estate Duty Bill.

Main Provisions

The main provisions of the Bill with which insurers and policyholders are concerned are to be found in clauses 8, 9 and 10 which deal with gifts, clause 13 which deals with joint investments, clauses 14, 15 and 16 which deal with insurance policies and annuities, clause 32 which deals with exemptions and clause 33 which deals with the principle of aggregation. It must, however, be remembered that estate duty will become payable only when the estate exceeds Rs. 75,000 in value, in the case of individuals, and Rs. 50,000, in the case of Hindu joint families. All estates above this limit are liable to duty, inclusive of the insurance policies which have been taken out by the deceased person. Before attempting a fuller review of the clauses of the Bill, it is perhaps useful to set down, in brief, the position of insurance under the Bill. This has been done, ably indeed, by Mr. R. N. Chopra who, in a letter to the *Hindustan Times*, Delhi, says:

"1. Life assurance policies of an amount (howsoever big) equal to the extent of the duty payable by the deceased will be free and exempt from estate duty, provided the policies are either assigned to the Government for the said purpose or are taken out for the purpose of paying estate duty. This is a great relief to the landed aristocracy and industrial magnates who can make arrangements in their lifetime to salvage their estates from the rigours of this duty. For instance, a person who knows that he is definitely going to leave an estate worth Rs. 25 lakhs standing in his own name (even after making gifts to his sons and relatives two years before his death), and assuming further that the rate of duty on Rs. 25 lakhs will be about 25 per cent. on his death, will be well advised to purchase policies of about Rs. 6 lakhs on his own life and either assign them immediately in favour of the Government or earmark them for the purpose by some disposition, settlement or otherwise.

"2. A policy of assurance assigned unconditionally and irrevocably from commencement in favour of a third person is, under clause 33 of the Bill, treated as a separate estate and, therefore, not aggregated with the rest of the property.

"3. A fully paid-up policy irrevocably assigned by the deceased at least two years before death will be free from duty on his death.

"4. A policy taken out by a third party out of his own funds on the life of the deceased is not dutiable.

"5. Clause 14 of the Bill is almost a verbatim copy of the English law on the subject. Consequently, on the analogy of the English law, it can be taken as good law, that where the policy was held for a time by the deceased and then transferred to an assignee and subsequent premiums are paid by the assignee, the policy will be proportionately free from duty on the death of the deceased. Consequently if the deceased had paid four out of 15 premiums, 4/15ths of the policy money will be dutiable.

"6. Life policies upto Rs. 5,000 have been completely exempted but it is a pity that even they have been subjected to the mischief of clause 33 (aggregation).

"7. Policies of assurance by a deceased parent or natural guardian taken as gifts for dependent female relatives to the extent of Rs. 5,000 in respect of the marriage of each such relative are, under clause 32, free of duty."

Now, to the different clauses of the Bill which deals with insurance. Clauses 8, 9, 10 deal with gifts. Under clause 8 property taken as a gift made in contemplation of death is deemed to pass on the donor's death. Clause 9 says that property taken under a disposition made by the deceased as an immediate gift *inter vivos*, which has not been made two years or more before the death of the deceased, shall be deemed to pass on the death, provided that in the case of gifts made for public charitable purposes the period shall be six months. Clause 10 brings under charge property given in gift but in which the donor retains some interest. Where the donor retains such an interest in a part of the property estate duty would be payable on that part only but, if such an interest is surrendered two years before the death, no estate duty would be payable. These clauses should be read with clause 32 which deals with exemptions. The exemptions covered by this clause include property taken under a gift made by the deceased for a public charitable purpose within a period of six months from his death, to the extent of Rs. 2,500 in value, and property taken under a gift made by the deceased for any other purpose within a period of two years before his death to the extent of Rs. 1,500 in value.

Joint Investments

Clause 14 of the Bill deals with joint investments, and reads as follows:

"Where a person, having been absolutely entitled to any property or to the funds with which any property was purchased, has caused it to be transferred to or vested in himself and any other person jointly, whether by disposition or otherwise, either by himself alone, or in concert, or by arrangement, with any other person so that the beneficial interest in some part of that property passes or accrues by survivorship of his death to the other person, the whole of that property shall be deemed to pass on the death."

Commenting on this provision, Mr. Gupta says:

"In terms of this, a joint life policy the proceeds of which would vest by survivorship would fall under this charge. Generally, joint life policies are taken by husbands and wives and in India the premium on such policies are met by the male partner. In view of this, if the husband were to die, the policy money which the widow would receive would be chargeable to duty. In case the wife were to die, the proceeds of the policy money payable to the husband would probably be not chargeable to duty. Then again if it were a case of a joint policy wherein the joint tenants were two partners in a firm and premium on the policy was being met out of the income of the partnership business, it seems that the policy money payable to one of the partners on the death of the other would only be subject to death duty in the proportion the partner who died contributed towards the share of the premium. This would, it seems, be contrary to the note given under this clause which clearly says that it does not apply to a case where the transferor was entitled only to a portion of the property or of the funds with which the property was purchased. The liability of the whole property to duty arises only in case where a person, having been absolutely entitled to any property, has caused it to be transferred to or vested in himself and in any person jointly so that the beneficial interest in some part of the property passes, or accrues by survivorship on his death to the other person."

BHARAT FIRE AND GENERAL INSURANCE CO., LTD.

The audited accounts of the Bharat Fire and General Insurance Co., Ltd. (General Manager: Mr. P. P. Gupta, New Delhi), for the year ended 31st December, 1952, disclose that the total business underwritten by the Company during the year has been nearly maintained at the previous year's level, despite the adverse business conditions which prevailed during the year. Thus, the aggregate premium income from its three classes of business, namely, fire, motor and miscellaneous and marine, amounts to Rs. 13.34 lakhs, as against Rs. 13.85 lakhs for 1951; but the 1952 figure reflects a more satisfactory progress than the business in 1950 when the premium income amounted to Rs. 11.76 lakhs. The slight fall in premium income in 1952 is accounted for by motor and miscellaneous and marine businesses. The difficult conditions that prevailed during the year are reflected in the all-round rise in claims, those in motor and miscellaneous and marine businesses, in particular, being much heavier. The higher loss ratio has been accompanied by larger expense ratio in fire and motor and miscellaneous departments. A satisfactory feature disclosed by the accounts is that the Directors have taken care to maintain the reserve ratio in 'fire' at the same level as in the previous year and those in the other two departments at a higher level. The profit has, no doubt, shrunk from Rs. 4.89 lakhs to Rs. 3.11 lakhs, but the decline is not serious in the light of the foregoing experience.

The premium income less reinsurances of the fire department shows a small increase from Rs. 7.33 lakhs to Rs. 7.50 lakhs. Claims paid and outstanding are also higher at Rs. 2.63 lakhs, representing a loss ratio of 35.1 per cent., as against Rs. 2.13 lakhs or 29 per cent. of the premium income in 1951. Commission and expenses of management, at Rs. 2.84 lakhs, represent 38 per cent. as compared with 35.7 per cent., at Rs. 2.62 lakhs, in 1951. Reserve for unexpired liability and additional reserve at the end of the year amount to Rs. 7.50 lakhs, or 100 per cent. of the premium income. The working of the department has resulted in a profit of Rs. 2.14 lakhs, which compares favourably with Rs. 1.88 lakhs for 1951.

The experience of the Company in the motor and miscellaneous insurance department has not, however, been equally satisfactory, inasmuch as the claims experience has been heavier than in the previous year. Thus, as against a premium income of Rs. 3.89 lakhs, the claims paid and outstanding amount to Rs. 2.78 lakhs or 71.4 per cent., as compared with Rs. 4.17 lakhs and Rs. 1.41 lakhs or 33.8 per cent., respectively. Commission and expenses of management amount to Rs. 1.70 lakhs, the same as in 1951, but in terms of the premium income, they are higher at 43.7 per cent. (as against 40.8 per cent). The reserve for unexpired risks and additional reserve, though slightly lower at Rs. 5.16 lakhs, as compared with Rs. 5.34 lakhs at the close of 1951, represent 132.6 per cent. of the premium (127.9 per cent.). The working of the department has resulted in a small loss of Rs. 17,409 in contrast to the profit of Rs. 2.18 lakhs earned in the previous year.

The marine business has brought in a premium income of Rs. 1.95 lakhs, which shows a decline of Rs. 40,000 from that for 1951. Claims, on the other hand, have gone up from Rs. 61,359 (26 per cent.) to Rs. 1.01 lakhs (51.8 per cent.). Commission and expenses of management have come down from Rs. 1.18 lakhs (50.2 per cent.) to Rs. 80,020 (41 per cent.). Reserve for unexpired risks is maintained at Rs. 2.58 lakhs, but in terms of the premium it shows an increase from 110 per cent. to 132.6 per cent. The profit earned by the department shows an increase from Rs. 10,144 to Rs. 25,638.

To the aggregate profit of Rs. 2.40 lakhs from fire and marine business are added the interest and dividend (not applicable to any particular account) and other income amounting to Rs. 2.35 lakhs. Against these are set off the loss of Rs. 17,489 on marine account, and the loss on sale of investments and other expenses amounting to Rs. 1.46 lakhs, leaving a profit of Rs. 3.11 lakhs, as compared with Rs. 4.90 lakhs for the previous year. The provision for taxation has been reduced from Rs. 2.25 lakhs to Rs. 1.50 lakhs. Whereas a sum of Rs. 1 lakh had been set aside last year for investment reserve, no such provision has been made this year, but the dividend on ordinary shares is maintained at 3 per cent., after paying a dividend of 5 per cent. on preference shares.

EMPLOYEES' STATE INSURANCE

The Employees State Insurance Scheme is being implemented in Punjab State from 17th May, 1953, in its second stage. The first stage of the Scheme was implemented in Delhi State and Kanpur area of U.P. in February, 1952, when the Prime Minister inaugurated it at Kanpur. In Punjab, the Scheme will cover the areas of Amritsar (including the Notified Area of Chheharta), Ambala, Ludhiana, Jullundur, Abdullapur, Jagadhari, Batala and Bhiwani.

About 30,000 employees will be benefited by the Scheme. The Labour Minister of the State, Chowdheri Sunder Singh, formally inaugurated on the 17th inst., the implementation of the scheme in Punjab by unveiling a map of the State, showing the places where the Scheme will come into operation. For the administration of the Scheme, six local offices and two sub-offices have been set up at various places. Sixty-two doctors have already been selected for the Panel list by the State Government, who will provide medical benefit to insured employees. The rate of employers' special contribution is not to be increased, but the factories in the areas where it is implemented will be required to pay ½ per cent. more from the date of implementation in lieu of their liability under the Workmen's Compensation Act and the Maternity Benefit Act.

Inaugurating the Scheme, which will benefit the workers of eight industrial centres of the Punjab, Chowdheri Sunder Singh, said: "Industrial workers in this State will no longer have to face the miseries of sickness and employment injury helplessly. They will have the services of doctors free, and, in addition, will get monetary aid from the Employees' State Insurance Corporation when they are sick or disabled." Urging the Medical Association not to be critical of the Scheme at this stage, the Labour Minister asked them to give the system a chance to work for some time.

Dr. C. L. Katial, Director-General, Employees' State Insurance Corporation, who earlier welcomed the Minister and explained the implications of the Scheme, said that arrangements were being made to extend it to the families of workers and that the Scheme would be administered on democratic principles by associating representatives of workers and employers.

IMPLEMENTATION OF FIVE-YEAR PLAN

FINANCING OF OPERATIONS DURING FIRST TWO YEARS ASSESSED

[A review of the progress of the Five-year Plan during the first two years of its operation, namely, 1951-52, was presented to Parliament on the 15th inst. by Mr. Gulzarilal Nanda, Minister for Planning and Irrigation and Power. The review shows the progress in the sphere of agriculture, irrigation and power, industry, transport and communications, social services and public co-operation.

In an introduction to the review, Mr. V. T. Krishnamachari, Deputy Chairman, Planning Commission, observes that although the Commission has obtained considerable data concerning the progress of individual schemes, a clear enough picture will take some time, as the financial year 1952-53 has just expired. This review should, therefore, be considered, he says, as a preliminary document to be followed subsequently, by a number of special studies.

*The following paragraphs deal with the review in so far as it relates to the economic and financial aspects of the Plan during the two-year period. Readers will, however, note that a reference to the achievements under the Plan in the spheres of (a) agriculture and (b) irrigation and power has been made separately elsewhere in this issue.—*ED.]

DEVELOPMENT expenditure during the first two years of the Plan of the Centre and the State Governments combined amounted to Rs. 585 crores against the total outlay contemplated in the Plan of the order of Rs. 2,069 crores. The Centre's share of the expenditure has been according to schedule, but it appears that additional resources will have to be raised by the States in order to maintain the rising *tempo* of expenditure which implementation of the Plan demands. Among the important economic developments during the period are:

(*a*) A general improvement in the levels of domestic output. Production of raw materials, particularly of jute and cotton, increased which helped in a fuller utilisation of the installed capacity of the existing mills. Industrial output also went up about 15 to 20 per cent. over the level of 1950-51. Precise data on the output of foodgrains are not yet available, but there has been an expansion of the acreage under cultivation and in consequence there has possibly been an increase in production; and

(*b*) inflation—latent as well as open—has been brought under control. This was partly the result of external influences but the financial policy of the Government enforced through budgetary, credit and foreign trade measures, has been an important contributory factor in making it possible to take advantage of the change in external conditions.

The Beginning

The Five-year Plan came formally into operation as from April, 1951. In appraising the progress of the Plan in the first two years, it is necessary to keep in mind that the first draft of the Plan was published only in July, 1951, and that the development expenditure for the year 1951-52, visualised in the Plan, was based on the provisions already made in the Central and State budgets for that year. The economic situation in the latter half of 1950 and the early part of 1951 was characterised by high inflationary pressures, and it was necessary, therefore, to keep down public investment to the minimum consistent with the commitments already made. By 1952-53, the break in the Korean War boom had considerably reduced these pressures. It was also becoming evident that the programme of development framed earlier would fall short of the needs of the country and would have to be strengthened at points. In consequence, in 1952-53, a beginning was made with some new schemes such as community projects, and larger provisions were also made for projects already under implementation. Thus, the outlay on development in 1952-53 was over Rs. 60 crores higher than in 1951-52 and nearly Rs. 90 crores higher than in 1950-51.

Total Expenditure

Over the two years 1951-52 and 1952-53, the expenditure on the Plan has been approximately Rs. 585 crores. Over 70 per cent. of the proposed developmental outlay of Rs. 2,069 crores remains to be incurred in the remaining three years. A substantial increase of nearly Rs. 80 crores over the 1952-53 level has been budgeted for in the current year, but the *tempo* of expenditure will have to be stepped up further in 1954-55 and 1955-56.

In these first two years, a few schemes such as the Sindri Fertiliser Factory and the Chittaranjan Locomotive Works, which were already well under way when the Plan started, were completed and went into production. But, these apart, few of the major projects in the Plan were due for completion in this period. Heavy investments have been made and important stages reached in the construction of many of the projects, but they will be completed, and benefits will begin to accrue, on a large scale, only in the fourth and fifth years of the Plan.

Though the impact on production of the major projects in the Plan has still to show, there are signs of a general improvement in the levels of domestic output. Production of raw materials—particularly jute and cotton—has registered significant increases. The greater availability of raw materials has, in turn, helped to make possible fuller utilisation of installed capacity in the manufacturing industries, which was one of the major objectives of the Plan, and industrial output has gone up by about 15 to 20 per cent. compared to 1950. Precise data are not available on the output of foodgrains, but there is evidence of recent expansion in acreage under cultivation and, in consequence, there has possibly been an increase in production. These increases, together with the improvement in railway transport, are beginning to create conditions in which higher rates of investment can be sustained without imposing excessive pressures on the consumption standards of the people.

Unemployment Situation

In the general economic situation, the more serious development has, however, been the appearance of signs of growing unemployment. The precise nature of this phenomenon can be assessed only with more complete information on the location and extent of the unemployment. There has always been, and undoubtedly continues to be, the chronic underemployment which is the result of insufficient economic development; to this there is no quick or easy solution. The extent of the additional unemployment which has come up, and the points at which it has tended to show itself, need careful study.

In assessing the economic trends of these last two years, it is important to bear in mind that this period has seen, in India as elsewhere, a quick transition from the inflationary conditions of over a decade to more normal conditions of production and trade. The Plan came into operation at a time when the post-war inflation was at its peak. The index of wholesale prices (year ended August 1939=100) which was about 301 in August, 1947, and had been stabilised after the decontrol experiment late in 1947 at around 390, touched 458 in April, 1951. In the two years that have passed since, inflation—latent as well as open—has been brought under control. This was partly the result of external influences but the financial policy of the Government—enforced through budgetary, credit, and foreign trade measures—has been an important contributory factor in making it possible to take advantage of the change in external conditions. These policies have been broadly in conformity with the suggestions of the Planning Commission.

The disinflation has undoubtedly been beneficial. The price level has fallen below the pre-Korean War level and the structure of relative prices within the economy is more in balance. In particular, the price parities are more conducive to the attainment of the targets in food production. With the increase in production that has already taken place in agriculture and industry, these price movements have helped to strengthen the balance of payments position of the country.

Financing of the Plan

In the scheme proposed in the Commission's Report for financing the Plan, the normal budgetary resources of the Central and State Governments were to meet, over the five years, Rs. 1,258 crores of the planned developmental outlay of Rs. 2,069 crores. After allowing for deficit financing to the extent of Rs. 290 crores (corresponding to the import surplus that could be financed from the releases from India's sterling balances), there remained a gap of Rs. 521 crores. This was to be covered by external assistance and, to the extent necessary, by measures of additional taxation and borrowing or further deficit financing.

In the two years the Plan has been in operation, the outlay on development has been Rs. 584 crores. Of this, approximately Rs. 363 crores is estimated to have been found by the Central and State Governments through savings from current revenue, surpluses of Government owned enterprises, and through loans, small savings, deposits and other miscellaneous sources. The net sum from foreign loans and grants taken credit for in this period amounts to Rs. 106 crores. The balance of Rs. 115 crores, it is estimated, would be covered by the Central and State Governments by sale of securities held in reserve and by drawing down their cash balances.

Budgetary Resources

The main heads under which budgetary resources were expected to become available for the Plan, and the amounts which they are estimated to yield in the period 1951-53 and in 1953-54 as compared to the estimates for the five years, are shown in the following summary statement:

(In crores of Rs.)

	1951-52 (*Accounts*)	1952-53 (*Revised*)	1953-54 (*Budget*)	1951-56 (*Plan*)
Savings of public authorities—				
(*a*) From current revenues ..	189.9	61.3	92.5	571.7
(*b*) From railways	37.7	20.7	20.4	170.0
Private savings absorbed through				
(*a*) Loans from the public ..	—22.7	13.9	—2.6	115.0
(*b*) Small savings and other unfunded debt (excluding floating debt) ..	48.6	54.4	55.7	270.0
(*c*) Deposits, funds and other miscellaneous sources ..	—48.8	7.7	28.5	130.8
Total ..	204.7	158.0	194.5	1,257.5

It will be seen from this that, though there has been marked shortfalls under certain heads, budgetary resources, as a whole, have not fallen seriously short of expectation and that the lags in evidence so far are small enough to be made up by suitable adjustments in the scheme of financing and additional effort in the remaining period of the Plan.

Central Resources

Within this broad picture, there have been wide variations in performance not only between the Centre and the States but also among the various States themselves. As compared to a total of Rs. 726 crores which the Centre is to raise over the five years by way of savings from revenue, railway surpluses, loans from the public, small savings, deposits, and other miscellaneous sources, it has already found about Rs. 262 crores in the first two years. This is in spite of the fact that the Centre has lost and States have gained to the extent of Rs. 20 crores annually as from 1952-53, as a result of the award of the Finance Commission.

In the case of the States, however, the corresponding figure for the five years is Rs. 532 crores, while the actual performance, in the first two years, is only about Rs. 101 crores. Among the States, Part "A" States have done, on the whole, slightly better than Part "B" States, this being mainly because the expectations of the latter in regard to loans from the public have remained unfulfilled. Taking Part A and B States together, the lag in budgetary resources (excluding Central assistance) raised for the Plan is largely traceable to a few States, viz.

(In crores of Rs.)

	1951-53	*Target for* 1951-56
Madras	3.2	93.8
Bihar	7.0	32.3
West Bengal	9.7	42.6
Mysore	3.1	27.1
Saurashtra	—3.0	12.4
Total ..	20.0	208.2

In other States also (except in the case of one or two such as Madhya Pradesh and Orissa), there have been shortfalls compared to the amounts that should have been raised in these two years at the average annual rate visualised in the Plan, but these have been relatively small.

The comparatively satisfactory progress of the Centre is explained mainly by the additional measures for raising revenues taken in 1951-52 (which, on an average, were expected to yield over Rs. 40 crores per annum) and the large yield in that year from export duties on account of the Korean War boom. The additional revenue from export duties was in the nature of a share in the gain to the country from the temporary improvement in terms of trade, and it has naturally vanished with the boom. From 1952-53, receipts from other heads have also tended to fall on account of recessionary conditions. This new factor, which not only affects the revenues of the Central and State Governments but has also other repercussions on the economy, needs to be watched closely. Measures taken to correct these conditions will also tend to correct, to some extent, the trends in Government revenues.

In the States, apart from the fact that their share in Central income-tax and excise duties has increased, their own tax receipts have tended to go up in the last few years. From about Rs. 222 crores in 1950-51 these latter have gradually risen to Rs. 227 crores in 1951-52, and Rs. 230 crores in 1952-53 and Rs. 243 crores in 1953-54.

At the time the State Plans were framed the main consideration in the case of States like Madras, for instance, where developmental outlay was already comparatively high, was to maintain, at least, the rate of development attained in 1950-51 and, in the case of others where the rate of outlay was less satisfactory, to provide for a moderate stepping-up of the rate of development. The "Central assistance" fixed for the State Plans was a measure of the extent to which the Central Government could be expected, consistently with its other commitments, to furnish resources for this purpose. It was understood that there would be additional assistance from the Centre to the States for schemes like multi-purpose river valley projects, rehabilitation of displaced persons, community development projects, etc. (which were not part of the State Plans). But, given the limited resources available to the Centre, there was no prospect of Central assistance for the State Plans as such being raised very much further. The raising of additional resources by State Governments was, therefore, prerequisite for the successful implementation of the State Plans.

Since the original estimates were made, the Finance Commission's award has effected, as from 1952-53, a transfer of about Rs. 20 crores per annum to the States which had not been visualised before. Although the resources of the Centre have not expanded correspondingly, it might not be possible in practice to reduce Central assistance to the extent that States have gained from the award. A recasting of the scheme of finance outlined in the Commission's Report is, therefore, called for. But the point that must be emphasised here is that there is no possibility of making any substantial increases in the transfers from the Centre in this period without adverse repercussions on the implementation of the Plan at other points. The raising of additional resources by States must be regarded, therefore, as an essential condition for the implementation of the State Plans to schedule. The fact that most of the States have now hardly any reserves left to draw upon makes this a prime necessity.

Central Assistance

During the last two years, Central assistance to the States amounted to Rs. 71.7 crores as against a total of Rs. 187 crores in the five-year period. The assistance has been of the following order:

(In crores of Rs.)

	1951-53	1951-56 (*Five-year Plan*)
PART A		
Assam	0.8	15.0
Bihar	5.7	15.0
Bombay	7.0	16.0
Madhya Pradesh	5.8	12.0
Madras	16.4	20.4
Orissa	3.5	10.0
Punjab	1.8	11.0
Uttar Pradesh	7.4	15.0
West Bengal	7.3	20.5
Total ..	55.7	140.5
PART B		
Hyderabad	5.9	10.0
Madhya Bharat	1.0	4.0
Mysore	4.8	8.0
Pepsu	1.2	2.5
Rajasthan	1.2	9.0
Saurashtra	1.8	6.0
Travancore-Cochin	0.1	7.0
Total ..	16.0	46.5
Grand total ..	71.7	187.0

It will be seen from the above that, while assistance for the State Plans, as a whole, has been going more or less according to schedule, there are considerable differences from State to State. On the one hand, Madras has received more than four-fifths of the assumed assistance in the first two years; Uttar Pradesh, Hyderabad and Mysore have also been receiving assistance at a rate faster than the annual average rate of the assumed Central assistance. On the other hand, some States such as Assam, Rajasthan and Travancore-Cochin have so far received only a small proportion of the Central assistance assumed in the State Plans.

Variations Inevitable

These variations were to some extent anticipated and have been inevitable, since the extension of Central assistance is in many cases tied up with the progress of particular schemes. It was, for instance, expected that since the *tempo* of expenditures on the Lower Bhavani and the Tungabhadra schemes in Madras would reach a peak in the first two years of the Plan, a considerable part of the Central assistance to the State would have to be given in this period. In the case of West Bengal, Rs. 12.5 crores of the Central assistance is tied up with the Mayurakshi Project, and the rate at which Central assistance under this head can be given is, therefore, naturally conditioned by the progress of the scheme itself.

While differences in the rate at which Central assistance has been extended to different States in the first two years are not in themselves a matter of serious concern, the position in regard to particular States, which have received very much in excess or very much below the average rate of the assumed Central assistance, needs attention.

The Position of Madras

In the case of Madras, the serious deterioration in its financial position as compared to original estimates, together with the forthcoming partition of the State, makes it necessary to attempt, at an early stage, a complete re-appraisal of the development programme in relation to possible sources of finance. In the case of Assam, the problem has been the paucity of loanable schemes in the State Plans, on the basis of which Central assistance could be extended. The problem has been partly met by the award of the Finance Commission which has increased the grants to the State, but the possibilities of increasing Central assistance to the State through other ways need also to be examined. The above observations in regard to Madras and Assam hold good in varying degrees to some of the other States as well.

After taking credit for the budgetary resources that are likely to become available to the Central and State Governments for financing the Plan, and after allowing also for deficit financing to the extent of Rs. 290 crores, there still remains, for the five-year period, a gap of the order of Rs. 521 crores. In the two years under review, foreign grants and loans extended to India amount to about Rs. 189 crores. These include loans from the World Bank, U.S. Food Loan, and T.C.A. assistance, Colombo Plan assistance and assistance from Norway and the Ford Foundation.

The Outlook

In the remaining three years of the Plan, programmes costing Rs. 1,485 crores, as against the total planned outlay of Rs. 2,069 crores over five years have to be implemented. For 1953-54, an expenditure of Rs. 413 crores has been budgetted for; the budgetary resources of the Central and State Governments are estimated to meet about Rs. 200 crores of this expenditure. It is difficult to make a precise assessment at the present stage of the extent to which these estimates will be realised, but if budgetary resources become available in the remaining three years of the Plan at the rate estimated for 1953-54, they would finance only about Rs. 600 crores of the balance of expenditure of Rs. 1,485 crores. Allowing for the deficit financing that has been done in the first two years (and assuming it for the present to be about Rs. 75 crores), further deficit financing against import surpluses financed from sterling balances may be expected to provide another Rs. 215 crores. The unutilised portion of foreign grants and loans extended to date amounts to about Rs. 75 crores. There would still be left a gap in resources of the order of Rs. 600 crores. Additional taxation and borrowing, further external assistance and—in the last resort—additional deficit financing are the main sources of finance for meeting this gap. The extent to which reliance will have to be placed on each of these will depend on a variety of circumstances, but it is clear that even if external assistance on a larger scale than hitherto becomes available, the need for raising additional resources internally will remain paramount.

"The gap in resources," the Report says, "is not so large as to raise doubts as to the country's ability, with reasonable external assistance, to implement the Plan to schedule. But, undoubtedly, the substantial stepping up of investment programmes, which the full execution of the Plan will necessitate, will require determined effort on the part of the country. To this end, budgetary resources will have to be augmented to the fullest extent possible; increase in non-development expenditures, or in expenditures of a developmental character but outside the Plan will have to be kept minimum, if not rigorously avoided; and the executive machinery of planning will have to be strengthened so as to complete the development outlay to schedule and in furtherance of the real targets set out in the Plan."

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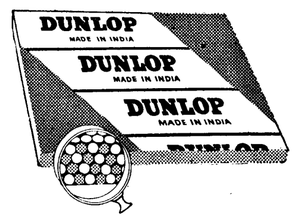

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(T/9)

ELECTRIC LAMPS INDUSTRY

PLEA FOR CONTINUATION OF RESTRICTION ON OUTPUT

A STRONG plea for extending the period of restriction on production of the Indian electric lamps industry was put forward by Mr. S. K. Roy, in the course of his presidential address at the annual general meeting of the Indian Lamp Factories Association, held at Calcutta a fortnight ago. This plea, on the face of it, appears to be not without justification. For, despite the uniform cut of 25 per cent. in the production of lamp factories having a capacity of more than one million pieces, determined by Mr. T. T. Krishnamachari, Minister for Commerce and Industry, at the instance of the Indian lamps industry, in November last, the market conditions since have not changed appreciably. There are still, we learn, large unsold stocks of lamps with the majority of the factories. In fact, any decision with regard to the abolition or relaxation of restriction at any time should depend on the stock position, in relation to demand, with the industry. There is, therefore, the need for effective action to help the factories to reduce these stocks. But reduction of stocks through continued cuts in production provides no permanent remedy. Besides leading to continued unemployment, such cuts always offer scope for substitutes to expand their production and to make inroads into the sphere of manufacture created by the cuts. The industry should, therefore, try to cut costs, increase efficiency and expand sales, and thus effect reduction in stocks. This alone is a source of remedy for the crisis which the lamp industry is facing now. Such a process will, in fact, pave the way for further expansion of production which is to the ultimate benefit of the industry. Reduction in taxation and provision of transport at concession rates are some of the measures by which the State can help the industry to tide over the crisis better.

Our contention, as indicated above, that substitutes expand, when production is cut, is justified by the complaint of Mr. Roy himself that increased production by factories, of lamps other than G.L.S., which could be used for general purposes, had been rendering control on production of G.L.S. lamps ineffective. Some of the varieties coming under the category of "other lamps" have virtually invaded the market for G.L.S. lamps. But as production statistics of various types of lamps coming under the category of "other lamps" are not available, it has not been possible to form an idea as to the extent to which the market for G.L.S. lamps is being captured by others. This calls for the factories to furnish the types of lamps produced by them and their production statistics separately and in greater detail. Such information will, of course, be helpful in ganging the extent to which the G.L.S. lamps have yielded ground to substitutes.

Imports

The Government of India can also help the industry through other ways. It can regulate imports of other lamps, such as, flashlights or torches and parts thereof and the like. The import of "other lamps" into the country during 1952 was 1,495,115 pieces and of flashlights or torches and parts thereof 5,824,915. Mr. S. K. Roy felt that imports had been too much on the higher side. He even suspected that it was just possible for even G.L.S. type lamps to have found surreptitious entry under the coverage of "other lamps." He was not sure whether the figures of imports coming under the category of "flashlights and parts thereof" included imports of torch bodies. He wanted the Government to show the import statistics relating to torch bodies and flashlights separately. This will help the domestic producers to know the exact volume of consumption of these articles in India. There is also absence of figures relating to domestic production and imports of fluorescent tubes and fittings. The adverse consequences of free imports of auto-lamps are still fresh in our memory. It is true that import of auto-lamps has been prohibited this year, but such prohibition appears to have come after much damange had been done to the industry, in the absence of proper import statistics to guide import policy.

The Planning Commission has estimated the internal requirements of electric lamps in the country at 20 million pieces in 1952-53, and 30 million pieces in 1955-56. It is of the opinion that the annual rated capacity of the electric lamp industry in the year 1955-56 would be 32.5 million pieces, as against 26 million pieces of G.L.S. lamps, as at present. In regard to the manufacture of miniature lamps, the Commission envisages an increase in the number of units from one in 1950-51 to eight in 1955-56, and the increase in the annual rated capacity from 0.9 million in 1950-51 to 27.5 million in 1955-56. The production of miniature lamps only, as distinct from G.L.S. lamps, is estimated at 16 million pieces in 1955-56. Information, however, about the current production of such lamps in the country is not made available.

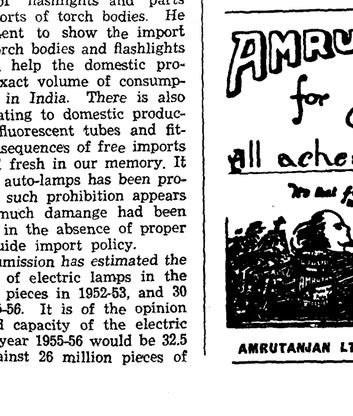
Internal Consumption

Commenting on the Planning Commission's estimates above, Mr. Roy opined that the estimate of internal requirement for G.L.S. lamps in 1955-56 was too optimistic. As market indications went, it was hard to believe that the internal consumption, which was 16 to 18 million pieces at present, would nearly double itself in the course of next two to three years, he added. He admitted that some progress had been made towards the generation of more thermal and hydro-electric power. The Bokaro Thermal Electric Station had already gone into commission and some surplus power was also being offered for general consumption by the Sindri Fertiliser Company. Efforts being made to expedite the completion of the Bhakra, Nangal, Hirakud and D.V.C. projects were making good progress. It was, therefore, natural, he remarked, to expect increase in consumption of electricity. But he questioned the quantum of increase, in the context of the present high cost of insulating cables, transmission and distribution equipment, household wiring and the like. Unless aluminium cables were introduced for transmission and distribution of electricity as also for domestic wiring purposes, he averred, it would be difficult to record any appreciable increase in the offtake of electricity. These remarks of Mr. Roy deserve to be carefully noted. At any rate, his warning that the sole dependence on copper for transmission and distribution will have to be abandoned, in view of the high price of copper, is timely. There is also the need for the Supply Corporations to reduce their charges per unit and install distribution centres in rural areas with a view to popularising consumption of electric lamps.

Raw Materials

The development of electric lamps industry depends again on the availability of indigenous raw materials, such as brass and other metallic components. Mr. Roy advocated the flotation of a new company for the purpose of production of raw materials needed by the industry, indigenously. He desired that all the units of the industry should take shares in the proposed new factory. He said that the distribution of raw materials produced by such a company might be made in proportion to the share subscribed by the various units or on the basis of their share in the total production of lamps in the country or on the basis of a combination of these factors. The management and production policy of the company should be governed by the representatives of all the units of the industry, he added. In this connection, he referred also to the amalgamation permitted by the Government of India to Hind Lamps Ltd. with a number of foreign parent bodies of the constituents of the Electric Lamp Manufacturers Association of the U.K. for the production of raw materials and components of electric lamps such as brass caps, glass rods, tubes, etc. As an inducement, the combine is given an additional capacity of 3 million pieces of lamps per year. In view of the fact that Hind Lamps had not yet started production of these materials, Mr. Roy suggested that the industry take over whatever investment has already been made in the new enterprise and develop it as a common enterprise of the industry, as a whole.

Finally, a few words may be added here regarding the quality of the products of the industry. With the return of the buyers' market, this aspect has assumed significance. The industry is producing mostly according to B.S. specifications. It cannot, however, be said that the quality of indigenous products, as a whole, is on a par in all respects with that of foreign lamps. The position, of course, needs rectification. It is to be hoped that the Indian Standards Institution, which is already engaged in the work, will formulate the specifications at an early date and enable the industry to produce quality lamps.



CUSTOMS PROCEDURE IN U.S. TO BE SIMPLIFIED

A new Bill drafted by the United States Treasury Department for simplifying the Government's customs machinery is now before the Congress. The new Bill fits in with President Eisenhower's aim to stimulate foreign trade, and make it a partial substitute at least for U.S. foreign aid. In his State of the Union Message, it will be recalled, the President specifically called for "revising our customs regulations to remove procedural obstacles to profitable trade."

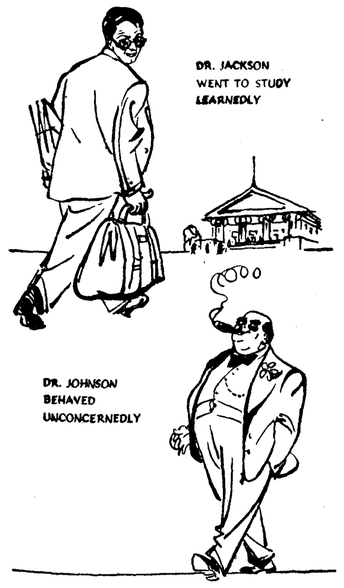
The new Bill will not affect tariff rates. But it proposes to eliminate complexities which impede import of foreign goods. With the removal of the procedural obstacles, foreign producers and U.S. importers will be encouraged to ship more goods into the U.S. This will increase the dollar earnings of the non-U.S. producers. There is no way of telling precisely what foreign-manufactured goods will benefit the most from simpler U.S. customs regulations. The idea of the Administration measure is to make it easier to bring in all types of goods. Much of the present complexities in the customs procedure are due to the difficulty in assessing the quantum of levy on each item.

The most important of the proposed revisions relates to the way the "value" of an item is figured out for duty-levying purposes. Under present rules, customs agents must first determine the "export value" of the item, that is, the price for export to the U.S. Then they must determine the "foreign value," that is, the price the item would command in the domestic markets of the exporting country. Whichever is the higher figure is used for calculating the duty. The new Bill proposes to eliminate consideration of the "foreign value" and take into account only the export price. This, in turn, will end the need for a steady flow of price data on foreign domestic markets and end also the delays that result, while this information is being gathered in each case. These delays, according to a recent official report, constitute a serious hindrance to business, because long after an importer has sold his goods, the final customs appraisal may assess duties so high as to wipe out profits altogether. The second change is designed to boost the value of the shipment of goods which may enter duty-free from the present $1 to $3. Another proposed revision proposes to eliminate extra duties when an importer undervalues incoming goods. Still another important revision relates to the marking by foreign countries of the goods they ship to the U.S. Under the terms of the new Bill, only the name of the country where the goods are made will have to be marked on the goods.

COTTAGE INDUSTRIES EXHIBITION

Various foreign countries like America, Britain, Italy, Portugal, Sweden, Argentina and Ceylon, besides several State Governments and the Government of India are expected to participate in the Handloom and Cottage Industries Exhibition to be held in Madras between 15th June and 2nd August next. This Exhibition is the first of its kind to be held in India. The Tamilnad Handloom Weavers Congress is organising this Exhibition for encouraging and aiding handloom and other cottage industries. The Exhibition, which is to be held on an area of 23 acres, will have 620 stalls, an amusement park, an open-air theatre, an art gallery and a fish pond, besides other sections for archæology, geology and agriculture. Demonstrations of the various processes in the manufacture of handloom and cottage industries and the durability of these products will be an important feature of the Exhibition. Other features of this Exhibition include a "beauty parlour" containing a section showing the evolution of dresses and styles during the ages. The Government of India and the Government of Madras have extended their co-operation and afforded certain facilities to the organisers of this Exhibition.

A cardboard factory at Veendam (Holland) has produced a new type of box which is rightly called the collapsible square barrel. This Holton container is made of a new, particularly strong and tough board, the outer layers of which are water-repellent. The shape, the size and the strength of board can be adapted to any special purpose for which the packing is to be used. As a rule, the boards employed have a weight of about 1,700-1,800 g/sq. m. and a bursting strength of 24-30 kg./sq. cm. Besides being low in initial cost, the Holton containers, on account of their collapsibility, low weight and small volume, ensure considerable economy in cost of despatch, storage and transport when filled.



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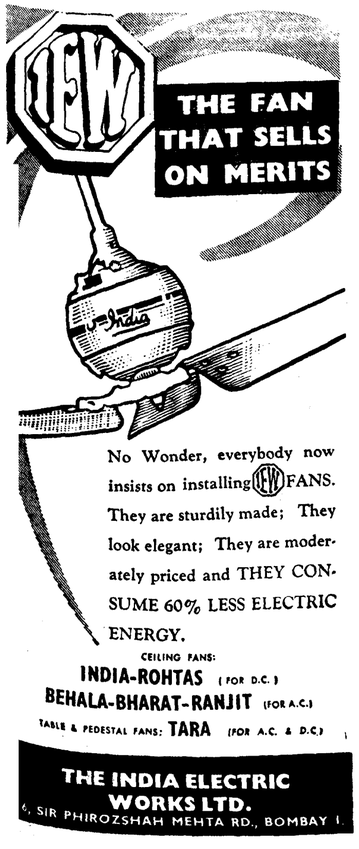

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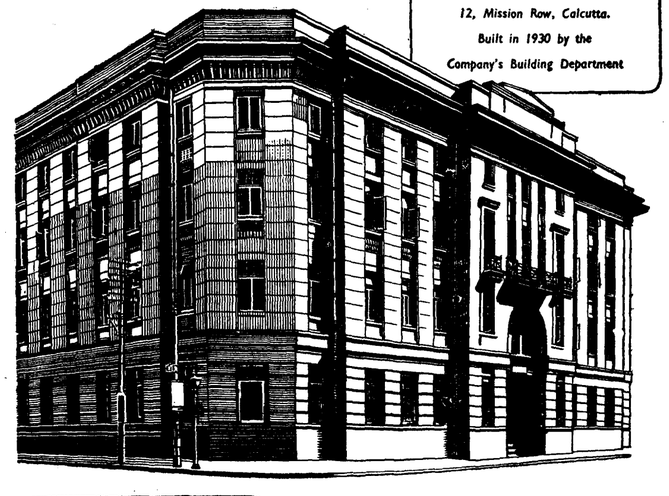

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AGRICULTURE UNDER FIVE-YEAR PLAN

PROGRESS DURING FIRST TWO YEARS REVIEWED

AVAILABLE statistics disclose that the progress of the Five-year Plan in the agricultural sector, during 1951-52 and 1952-53, is encouraging. And this is so despite scarcity conditions in many States. In reviewing the progress made, it is necessary to bear in mind that, inasmuch as a large number of schemes included in the Five-year Plan are of a long-term nature, the physical achievements during the first two years cannot indicate the entire *tempo* of the development works undertaken. This is particularly so with regard to multi-purpose projects. The highlights of the progress, in the period under review, are substantial increases in the production of jute, cotton and sugarcane, construction of a large number of minor irrigation schemes and tube-wells, reclamation by the Central Tractor Organisation of nearly 4.14 lakh acres of land, distribution of large quantities of fertilisers, measures towards consolidation of holdings and increased loans to cultivators for agricultural purposes.

Detailed estimates of the additional production have not yet been framed by the State Governments, but the Ministry of Food and Agriculture has made tentative estimates of the increased production potential, as a result of the schemes financed from Grow More Food funds, during 1951-52. The total achievement for the year 1951-52, according to these estimates, works out at 8.8 lakh tons in terms of foodgrains. Besides this, 2.7 lakh tons in term of foodgrains are estimated to have been produced, as a result of major irrigation schemes which increased the area receiving irrigation during 1951-52 by 8 lakh acres. No estimates are available in respect of agricultural schemes which were not financed under G.M.F. The results of all the schemes will, however, be reflected more fully and accurately in the production for 1952-53 than for 1951-52.

Increase in Acreage

All-India estimates of actual production during 1952-53 are not yet available in respect of most crops. During 1951-52, foodgrains did not record much progress over the preceding year. This was largely due to the fact that scarcity conditions prevailed in Bihar, Eastern U.P., and Rayalseema areas of Madras and Saurashtra. In 1952-53, an increase of about 6 million acres (about 5½ per cent. of the total) in the area under *kharif* cereals is reported, and though production data are not yet available, it is believed that compared with 1951-52, there has been an appreciable increase. Despite some increase in the sown areas, production of oilseeds has declined slightly, mainly due to bad climatic conditions in the groundnut areas. In the case of sugarcane, there was a large increase in the area sown during 1951-52 and production advanced by about 0.3 million tons. Provisional figures indicate that, during 1952-53, there was a decline, due mainly to marketing difficulties. Final estimates which are now available in respect of a number of States for rice, *jowar*, *bajra* and maize indicate the following increases during 1952-53, as compared with 1951-52.

Crop	*Production (Million tons)*		*States for which estimates not included*
	1951-52	1952-53	
Rice	15.5	16.3	Bihar, Orissa, Jammu and Kashmir and Travancore-Cochin.
Jowar	3.4	3.6	Bombay, Madras, Punjab and Rajasthan.
Bajra	1.7	1.8	Bombay, Punjab and P.E.P.S.U.
Maize	1.5	1.7	Punjab, P.E.P.S.U., Jammu and Kashmir and Rajasthan.

In gram and pulses, there has been no progress.

The production of commercial crops is influenced by price changes to a greater extent than that of foodgrains. There was increase in the production of jute and cotton during 1951-52. In the case of jute, under the stimulus of high prices, production rose by 1.4 million bales—from 3.3 to 4.7 million bales. In the case of cotton, production increased by over 3.9 lakh bales, from 2.97 million to 3.3 million bales. From the forecasts available for 1952-53, it seems that these gains have been more or less held, but there has been no increase over 1951-52.

Financial Aspect

The total expenditure on agricultural development in the States was Rs. 20.6 crores in 1951-52 and Rs. 22 crores in 1952-53. The Centre assisted to the extent of Rs. 17.4 crores (loan Rs. 10.4 crores and grants Rs. 7.0 crores) in 1951-52, and Rs. 21.0 crores in 1952-53. More than 60 per cent. of the Central assistance made available to the States during 1951-52 and 1952-53 was granted for schemes of irrigation. These schemes include construction and repair of wells, construction and repair of tanks, installation of pumps, construction and improvement of dams and channels and other similar minor irrigation works. It is estimated that, as a result of schemes executed during 1951-52, nearly 2.05 million acres will be brought under irrigation as against 8.28 million acres programmed for five years. Information regarding the progress of these schemes during 1952-53 is not yet available.

The States in which large number of wells were sunk, or repaired, in 1951-52, were U.P. (8,687), Madras (7,288), Madhya Bharat (3,297), and Punjab (2,001). The work was for the most part undertaken by private persons who were allowed a subsidy (shared equally by the Centre and the State) up to 25 per cent. (formerly 50 per cent.) of the cost and who were also allowed to obtain *taccavi* loans to cover the balance. In some States, the recovery of such loans made previous to the commencement of the Plan was not satisfactory and this may necessitate some modification of the programme.

Water Lift Appliances

Water lift appliances, such as, pumping sets are growing in popularity and during 1951-52 nearly 2,850 engines and pumping sets were installed in Madras, Madhya Pradesh, West Bengal, Punjab, Hyderabad and Madhya Bharat. Besides these sets, which were supplied to individual cultivators, the Agriculture Departments in U.P. and Madras maintain 200 and 739 pumping sets, respectively, which are installed and run by the departments at convenient places, and the cost of running is realised from the cultivators. The Bombay Government is doing, we are told, much to encourage co-operative lift irrigation societies. Two hundred and fifty-one such societies are now in existence.

In the eastern zone, namely, West Bengal, Assam, Orissa, Bihar and the Eastern part of U.P., the repair of tanks, construction of channels, and the execution of small drainage schemes assist production considerably. West Bengal undertook 975 such small projects at a cost of Rs. 27.42 lakhs in the year 1951-52. The State also spent Rs. 22.5 lakhs on the repair of 500 tanks. In Assam, 650 projects were undertaken at a cost of Rs. 36.51 lakhs. In the U.P., Rs. 12 lakhs were spent on drainage schemes which are stated to have benefited 9,700 acres. Madras spent Rs. 1.62 crores on tank improvement schemes and Rs. 1.34 crores on small irrigation works.

A special provision of Rs. 30 crores for additional minor irrigation is made in the Plan. A considerable portion of this provision has to be utilised for financing the 2,650 tube-wells for which agreements have been entered into under the Indo-U.S. Technical Co-operation Programme. These tube-wells will be concentrated mainly in the four States of the Gangetic Plain, namely, Bihar, U.P., Punjab and P.E.P.S.U. Arrangements for construction have now been made in respect of 2,000 tube-wells approved under the 1952 programme.

Besides the T.C.A. tube-wells, a programme for the construction of about 1,365 tube-wells has been undertaken in the States of U.P., Bihar, Punjab and Bombay. Of these, 481 have been completed.

The Plan has envisaged the reclamation of 1.4 million acres through the Central Tractor Organisation and 1.2 million acres through State Tractor Organisation. The Central Tractor Organisation reclaimed 2.55 lakh acres during 1951-52 and 1.59 lakh acres upto April, 1953, in Madhya Pradesh, U.P., Madhya Bharat and Bhopal.

Reclamation programmes offer opportunities for settlements along new and progressive lines. In the Nainital Tarai of Uttar Pradesh, for instance, about 100,000 acres infested with wild animals and malignant malaria have been converted into prosperous co-operative colonies and flourishing State farms. As many as 2,613 families consisting mainly of displaced persons, political sufferers and ex-servicemen have been settled in well-laid-out colonies. Adequate provision for communications has been made by the construction of 38 miles of metalled and 43 miles of unmetalled roads. For irrigation, 29 tube-wells have been sunk. A large part of the area has also been provided with electrical power. A large State farm of about 16,500 acres divided into three blocks has also been started in the reclaimed area. In Madhya Bharat, Madhya Pradesh and Bhopal, much of the land belongs to cultivators. In these States, it is understood that 99 per cent. of the area reclaimed by the Central Tractor Organisation is now under cultivation. Many of the assumptions made in working out the cost and economics of the programme of the Central Tractor Organisation need re-examination. A committee has recently been set up to go into all these matters.

Besides the Central Tractor Organisation, many States Governments also maintain tractors with which they undertake not only reclamation but also mechanical cultivation of land for the benefit of private parties, and in Madhya Pradesh and Madhya Bharat, follow-up cultivation, in areas reclaimed by Central Tractor Organisation, is carried out.

Contour bunding which is most valuable in areas of scanty rainfall has been carried out on an extensive scale in Bombay where during the year 1951-52 about 50,000 acres were bunded at a cost of Rs. 30 lakhs. The U.P. Government spent about Rs. 6.67 lakhs on bunding 6,300 acres in Bundelkhand. In Madhya Pradesh, a number of schemes for the construction of new paddy bunds and *rabi* embankments have been undertaken. A sum of Rs. 10 lakhs was spent and about 10,000 acres of land were benefited.

Distribution of Fertilisers

The use of fertilisers has developed fairly rapidly during the past few years, and by 1952 annual consumption of ammonium sulphate and superphosphate appeared to have reached about 2.5 lakh tons and 30,000 tons, respectively. Among Part A States, Madras uses about 100,000 tons and U.P. and Bombay about 30,000 tons of ammonium sulphate every year. But in some other States where there is great scope for the use of fertilisers, e.g., Bihar, Orissa and Madhya Pradesh, the cultivators have been slow to take to them. One chief difficulty experienced in the popularisation of fertilisers is the cultivator's lack of adequate purchasing power. A scheme of deferred payment has, therefore, been evolved to enable the State to supply fertilisers to the cultivators on loan, the payment being collected either in cash or kind after the harvest.

In 1951-52, distribution of improved seeds was undertaken in most of the States. Information received from U.P., Madras, Madhya Pradesh, Assam, Hyderabad and Madhya Bharat indicate that during the year nearly 54,000 tons of good quality seeds were distributed.

The "key village" scheme, the establishment of *gosadans*, the campaign against rinderpest, and the opening of more veterinary dispensaries are the principal items in the programme for the improvement of livestock.

During the period under review, 222 key villages and 96 artificial insemination centres were organised. As many as 18 *gosadans* were sanctioned. It is hoped to eradicate rinderpest by large-scale vaccination with the newly evolved lapinised vaccine. Arrangements have been made at Izatnagar for large-scale manufacture of this vaccine and the necessary equipment has been obtained through F.A.O. and by direct purchase. As regards dairying, a pilot project has been taken up by the I.C.A.R. to provide milk of good quality at a reasonable price to the citizens of Delhi. A dairy equipped with a pasteurising plant has been established under the I.C.A.R. with 40 sales depots in the town.

Schemes for the consolidation of holdings have been incorporated in the plans of P.E.P.S.U., Punjab, Uttar Pradesh and Bombay. In P.E.P.S.U. and U.P., the preliminary arrangements are being completed, but the work has not yet started. In the Punjab, about 12 lakh acres are reported to have been consolidated by 1951-52. Information concerning the work done in Bombay has not yet been received.

Agricultural Finance

Owing to the operation of land reform legislation and Moneylenders' Acts, the private sources of agricultural finance have been cur-

(*Continued on page 971*)

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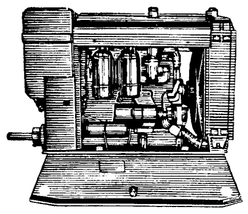
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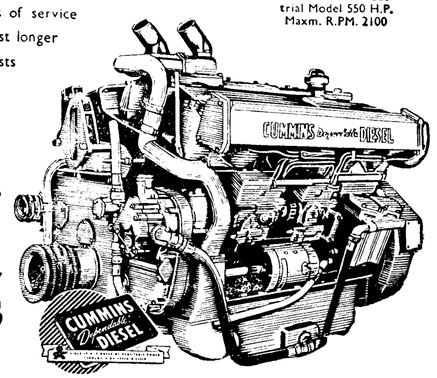

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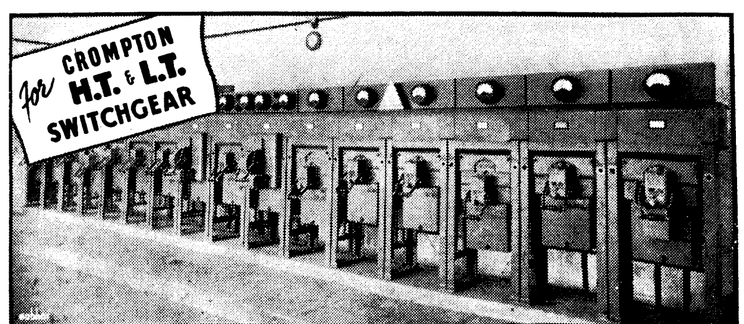

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ALCOCK ASHDOWN MAINTAINS DIVIDEND LEVEL

FINANCIAL POSITION IMPRESSIVE

THE declaration of a dividend of 17½ per cent. for the year ended 31st December, 1952, by the Directors of Alcock Ashdown and Co., Ltd. (Managing Agents: Messrs. Turner, Morrison & Co., Ltd., Bombay), seems to indicate that the management is desirous of following a steady dividend policy. For, the year 1952 is the sixth year in succession for which the above dividend is being repeated. The first year for which this dividend was paid was for 1947; the dividend was stepped up successively from 10 per cent. paid for 1944 to 12 per cent. for 1945 and to 15 per cent. for 1946. The dividend for 1947 was, it may be noted, on the capital of Rs. 33.42 lakhs, doubled during the year by the capitalisation of Rs. 16.71 lakhs. For the year 1948, however, the dividend had to be reduced to 6⅔ per cent. in order to comply with the Dividend Limitation Act. The Directors, however, set apart a sum of Rs. 3.55 lakhs, representing the difference due to the shareholders, to the dividend equalisation reserve. Consequent on the withdrawal of the Act in 1949, they wrote back this sum and distributed the same to the shareholders at the rate of 10⅔ per cent. in addition to the regular dividend of 17½ per cent. paid for that year, making a total distribution of 28⅓ per cent. This additional dividend, which was, in fact, paid out of the earning for 1948, actually belonged to 1948. If this is added to the actual distribution made for 1948, instead of to that for 1949, it will be seen that the dividends for the years 1948 and 1949 will be the same, that is, 17½ per cent. per annum.

The steady character of the dividend policy follows the pattern of the Company's earnings in the post-war years, during which they have not undergone any markedly wide fluctuations. The trading profit for the year under review amounts to Rs. 42.75 lakhs, representing a decline of only Rs. 2.50 lakhs from that of Rs. 45.25 lakhs for 1951, and compares with a high of Rs. 54.13 lakhs for 1947 and a low of Rs. 33.37 lakhs for 1946, in the post-war period. Except for the year 1946, when the net profit, after making provisions for depreciation and taxation, amounted to Rs. 4.29 lakhs, the net profit has been maintained on an even keel, the highest and lowest profit during the period being Rs. 10.96 lakhs and Rs. 8.87 lakhs, respectively. The net profit for the year under review, at Rs. 10.06 lakhs, therefore, does not show any marked deviation from these levels.

The salient features of the profit and loss account for the last four years are presented in the following table which will enable readers to get an idea of the Company's progress in recent years:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Sale proceeds and work done ..	113.03	120.65	106.64	137.92
Stock-in-trade	21.00	13.24	14.50	12.15
Work-in-progress	35.68	24.19	32.14	42.27
Manufacturing expenses	90.43	66.19	59.83	94.36
Trading profit	42.75	45.25	39.03	49.21
Other income	1.05	2.13		
Other expenses	23.81	22.11	20.72	20.69
Managing Agents' remuneration.	2.52	3.29	2.44	3.51
Provision for—				
Depreciation	1.82	1.78	1.99	3.01
Taxation	6.50	9.25	7.00	14.00
Net profit	10.06	10.96	8.87	9.42
To reserves	4.00	5.00	3.05	3.50
Dividend	5.85 (17½%)	5.85 (17½%)	5.85 (17½%)	9.40* (28⅓%)
Carry forward	0.88	0.62	0.51	0.53

* Includes Rs. 3.55 lakhs representing an additional dividend at the rate of 10⅔ per cent. paid out of the dividend equalisation fund.

A notable feature of the accounts for the year under review is the sharp rise in manufacturing expenses, mainly accounted for by the rise in the cost of stores and wages paid. The table also shows that the management has been following a prudent policy in the matter of appropriation of profits. As a result of this policy it has been able not only to maintain a steady dividend but also strengthen the various reserves by as much as Rs. 15.55 lakhs in the last four years. Out of the sum of Rs. 4 lakhs added to the reserves from the profit for 1952, Rs. 2 lakhs represent the addition to the general reserve and Rs. 2 lakhs to the machinery rehabilitation and replacement reserve.

The history of the Company's capital structure makes interesting reading. In 1918, the authorised, issued and paid-up capital of the Company was raised from Rs. 5,75,000 to Rs. 8,62,500 by the creation and issue of 2,875 shares of Rs. 100 each at a premium of Rs. 400 per share. In April, 1943, the authorised capital was further raised from Rs. 8,62,500 to Rs. 40,00,000. This was done by the creation of 31,375 additional shares, of which only 8,086 were issued at a premium of Rs. 100 per share, thereby raising the paid-up capital to Rs. 16.71 lakhs. In the year 1947, the authorised capital was again raised, to Rs. 2 crores, by the creation of 1,60,000 shares of Rs. 100 each. At the same time a sum of Rs. 16,71,100, from out of the premium of Rs. 19,72,075 got from the above two new issues, was capitalised and issued as bonus shares in the proportion of one new share for every one share held, bringing the paid-up capital to the present level of Rs. 33,42,000.

Even after the capitalisation of a sum of Rs. 16,71,100 in 1947, the Company's reserves and surplus stand at Rs. 47.84 lakhs, which is over 143 per cent. of the paid-up capital of Rs. 33.42 lakhs. Reserve for taxation amounts to Rs. 25.78 lakhs. The gross block of the value of Rs. 91.14 lakhs has been written down to Rs. 13.35 lakhs. The current assets amount to Rs. 154.38 lakhs, represented by stock-in-trade Rs. 21.00 lakhs, work-in-progress Rs. 35.68 lakhs, debts, deposits and advances Rs. 65.23 lakhs, investments Rs. 21.50 lakhs and cash balance Rs. 10.95 lakhs. These current assets cover the current liabilities, including provision for taxation, aggregating Rs. 86.47 lakhs, by a wide margin of Rs. 67.91 lakhs.

The Rs. 100 paid-up shares of the Company are being currently quoted at Rs. 318-12 *cum-div.*, at which rate and on the basis of the latest dividend, the shares give a yield of 5.5 per cent. per annum, free of income-tax.

MAFATLAL FINE SPINNING AND MANUFACTURING CO., LTD.

The decline of Rs. 22.88 lakhs to Rs. 30.52 lakhs in the gross profit or of Rs. 6.98 lakhs to Rs. 4.44 lakhs in the net profit of the Mafatlal Fine Spinning and Manufacturing Co., Ltd. (Managing Agents: Messrs. Navinchandra Purshotamdas & Co., Ltd., Bombay) for the year ended 31st December, 1952, has not affected the distribution to the shareholders. A dividend of 17½ per cent. on the ordinary shares of the Company has been declared by the Directors for the year under review, as against 35 per cent. paid for the previous three years; but the latest dividend is on a capital doubled during the year under review, so that it is equal to the dividend on the old capital. The net profit, at Rs. 4.44 lakhs, does not permit of the distribution of such a dividend and the Directors have, therefore, had to draw a sum of Rs. 7 lakhs from the dividend equalisation fund to make up the deficiency.

The Company's sale proceeds of cloth, yarn and waste show a decline from Rs. 270.74 lakhs for the year 1951 to Rs. 255.04 lakhs. Closing stocks of cloth, yarn, waste and process stock are lower at Rs. 21.75 lakhs, as compared with Rs. 33.03 lakhs at the end of 1951. Manufacturing and other expenses too show a fall from Rs. 253.14 lakhs to Rs. 217.06 lakhs. Gross profit, as already noted, has suffered a shrinkage from Rs. 53.40 lakhs to Rs. 30.52 lakhs. Following the contraction in earnings, the Agents' commission also has been reduced from Rs. 9.24 lakhs to Rs. 8.78 lakhs. The Company has been following a liberal policy in making provision for depreciation and in accordance with this policy, a sum of Rs. 14.30 lakhs (out of a gross profit of Rs. 30.52 lakhs) has been provided for this purpose, as against Rs. 17 lakhs (out of Rs. 53.40 lakhs) in 1951 and Rs. 20.60 lakhs (out of Rs. 42.26 lakhs) in 1950. Taxation, for which a provision of Rs. 15.70 lakhs was made last year, is now provided with Rs. 3 lakhs. The net profit of Rs. 4.44 lakhs, available after these appropriations, along with the sum of Rs. 7 lakhs drawn from the dividend equalisation fund, has been utilised to pay the 4½ per cent. first and second preference shareholders Rs. 65,250 each and the ordinary shareholders Rs. 10.15 lakhs.

The sound financial position of the Company is indicated by the following synopsis of its balance-sheet as on 31st December, 1952:

Liabilities	Rs.	Assets	Rs.
Capital ...	87,00,000	Gross block ...	1,36,31,396
Reserves and surplus ...	1,15,99,452	*Less*—Depreciation ...	79,40,000
Provision for taxation ...	25,45,167	Net block ...	56,91,396
Liabilities ...	33,44,835	Stock-in-trade	45,79,237
		Stores, spares, etc. ...	13,43,597
		Debts, deposits and advances ...	61,40,088
		Investments	73,55,570
		Cash ...	10,79,566
Rs.	2,61,89,454	Rs.	2,61,89,454

The Company's paid-up capital is made up of an ordinary capital of Rs. 58 lakhs and a 4½ per cent. preference capital of Rs. 29 lakhs. It will be interesting to note that the major part of the capital of Rs. 87 lakhs has been built up by the capitalisation of reserves. The original capital of the Company, was only Rs. 7.25 lakhs. The balance of Rs. 79.75 lakhs (Rs. 50.75 lakhs of ordinary capital and the entire preference capital of Rs. 29 lakhs) was issued as bonus shares, the latest issue having been made in April, 1952, by capitalising a sum of Rs. 29 lakhs from out of the post-war rehabilitation and development fund and issuing ordinary bonus shares. The present reserves and surplus are made up of, in the main, a reserve fund of Rs. 33.50 lakhs, post-war rehabilitation and development fund of Rs. 61 lakhs, investment fluctuation fund of Rs. 9.54 lakhs, machinery renewal fund of Rs. 6 lakhs and capital reserve of Rs. 3.92 lakhs. It may be noted here that at the end of 1949, the Company's post-war rehabilitation and development fund stood at Rs. 1 crore, out of which a sum of Rs. 10 lakhs was transferred in 1950 to provision for taxation and another sum of Rs. 29 lakhs was capitalised, as already stated, in April, 1952. During the year under review, a sum of Rs. 9.69 lakhs was spent on extensions to buildings and purchase of new machinery. A few new machines have already been installed and are stated to be working satisfactorily. It may be added that the value of the machinery, telephone installation, furniture and fixtures, etc., have been taken at the book value of Rs. 94.98 lakhs (instead of at cost as in the case of the other items of the fixed capital expenditure) since the original cost of these items is stated to be unascertainable.

INDIAN WOOD PRODUCTS CO., LTD.

The Indian Wood Products Co., Ltd. (Managing Agents: Messrs. Gillanders Arbuthnot & Co., Ltd., Calcutta), had another successful year of working during the year ended 30th September, 1952. The trading profit for the year at Rs. 17.94 lakhs, compares well with Rs. 17.64 lakhs for 1950-51 and Rs. 17.69 lakhs for 1949-50. The net profit, at Rs. 9.22 lakhs, represents an increase of Rs. 1.52 lakhs over that for the previous year. This is not due to any reduction in the essential appropriations, such as depreciation and taxation, but is mainly due to the receipt of a sum of Rs. 1.03 lakhs from the Government, being the post-war refund of excess profits tax. A sizable part of the net profit has, as usual, been placed to the general reserve. The Company has already paid, for the year under review an interim dividend of 15 per cent. on a capital of Rs. 15 lakhs, the same as in the previous year. The final distribution of 15 per cent. for the year under review, that has now been proposed by the Directors, is on a capital of Rs. 20 lakhs, increased since the close of the year ended 30th September, 1952, by the capitalisation of Rs. 5 lakhs from out of the reserves, whereas the corresponding distribution for the previous year was at the rate of 20 per cent. on the old capital of Rs. 15 lakhs. This, however, represents a dividend of 20 per cent. on the old capital, so that the total distribution for the year is the same as in the previous year.

The Company's production is stated to be slightly lower than in the previous year due to the lower extraction percentage of *katha* obtained from the khair wood consumed during the year. The demand for the manufactured products has been satisfactory and the whole output is stated to have been disposed of steadily throughout the year. These are reflected in the increase in the sale proceeds from Rs. 32.74 lakhs for 1950-51 to Rs. 34.94 lakhs and the decline in the stock of manufactured goods from Rs. 73,043 to Rs. 62,970. Manufacturing cost has gone up by Rs. 1.84 lakhs to Rs. 17.01 lakhs, but the increase on this account is not as large as that of Rs. 3.33 lakhs noted in the previous year. Managing Agents' commission absorbs Rs. 1.74 lakhs (as against Rs. 1.73 lakhs in the previous year), depreciation Rs. 1.12 lakhs (Rs. 1.04 lakhs), taxation Rs. 6.27 lakhs (Rs. 6.36 lakhs). The Company has had to pay, for the last several years, a higher royalty to the Government for its trees. The Company's stock of cheap timber, it is stated, is getting depleted. The finance required to enable the Company to hold adequate stocks of raw material has, therefore, increased. It is expected to go up further. The Directors have, therefore, thought it wise to strengthen the general reserve and have, accordingly stepped up the allocation to the reserve from Rs. 2.50 lakhs to Rs. 3 lakhs. After distribution of Rs. 5.25 lakhs to the shareholders, a sum of Rs. 1.70 lakhs is proposed to be carried forward, as against Rs. 73,653 brought in.

The financial position of the Company is quite satisfactory, as will be seen from the following synopsis of the latest balance-sheet:

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Gross block ...	16,83,461
Reserves and surplus ...	20,13,478	*Less*—Depreciation ...	11,63,013
Provision for taxation ...	7,42,303	Net block ...	5,20,448
Liabilities ...	11,20,768	Stocks ...	28,10,459
		Stores, spares, etc. ...	2,67,747
		Debts, deposits and advances ...	3,97,390
		Investments	10,46,881
		Cash ...	3,33,624
Rs.	53,76,549	Rs.	53,76,549

Out of a sum of Rs. 14 lakhs standing to the credit of the general reserve, the Directors capitalised, as already stated, in March this year, Rs. 5 lakhs and issued bonus shares in the proportion of one new share for every three shares already held. This was the second time in the history of the Company that the capitalisation of a part of the reserves was effected. In June, 1948, a sum of Rs. 3 lakhs was thus capitalised and issued as bonus shares in the proportion of one share for every four shares already held.

Points From The Chair

Employment of Permanent Capital in Business

"IT is a matter of considerable difficulty to decide from time to time how much permanent capital can properly and profitably be employed in the business. It is clearly not appropriate to raise permanent share capital for a purely temporary need. For such a need, reliance can properly be placed upon the bank, and many first-class companies do so, but a time does arrive when business development and expansion demonstrate that the increased requirements of the company are of a permanent nature. When this arises, steps should be taken to raise further permanent capital. As materials become in better supply and with a more regular flow, it is obvious that we shall not have so much capital tied up in stocks and work-in-progress —we may, in fact, think of getting back to the ratio of stocks to sales which we had before the war. There is, however, clearly a limit to the releasing of capital from stocks and work-in-progress in a progressive company, such as this, where we are steadily expanding from year to year. Beyond that figure, the requirements of the business should be met on a permanent footing."

G. LESLIE WATES,
Johnson and Philips, Ltd.

Competition to U.K. Shipbuilding

"To-day we are met in every direction with import restrictions which have a very serious effect on your industry. They have become almost universal and have certainly had their effect in producing the reaction in the deep sea trade that has taken place during the last 12 months. Both Germany and Japan are again getting back into their stride. They are building ships and their ships are now beginning to compete once more in the world market. Competition makes for healthy trade, but the trouble is that it is so often unfair competition—one side being subsidised in one form or another to the detriment of the other side who receive no such benefits. I do not believe the British mercantile marine has any fears on the matter of competition so long as it is fair."

KENNETH R. PELLY,
Wm. France Fenwick & Co., Ltd.

Future of Departmental Stores

"When considering the past and looking forward to the future one must not overlook the great difficulties under which departmental stores worked from very early in the war until last year. During those years their percentage rates of profit were rigorously controlled, while their expenses constantly mounted. This reminder is necessary because there would appear to be an idea among some people that the day of the big departmental store is over. Your Directors, by no means, hold this view, but have confidence in the future of your business provided that it moves with the times. We have felt for some time, however, that a store working from one point only in central London is not, under modern conditions, in as good a position for successful trading as it would be with its business well spread over London, the suburbs and the provinces. We have definite plans."

COMMANDER S. C. LYTTELTON,
Army and Navy Stores, Ltd.

Outlook for Light Engineering Works

"There are hesitancies to-day in some sections of light engineering which may be due in part to a certain surfeit of consumer stocks, which I believe to be temporary and in part to the fact that certain metals and other commodities have still to get through the upsetting process of adjustment to free trading and to revised world market prices. I expect that the further process of adjustment will not be of long duration and that we shall soon see once more a firm outlook all round, but with retention of the salutary force of competition, in place of that constant over-pressure of orders to which industry had become long accustomed and which, when prolonged, is against the interest of development and, therefore, against our position in world trading."

J. S. HUTCHISON,
British Oxygen Co., Ltd.

(*Continued in previous column*)

ment. It becomes quite obvious in talking to visiting teams that the major reason for the stranglehold of the cartel system on an economy is not protectionism, but simply the absence of management. The cartel largely eliminates the need for management by eliminating problems of pricing, merchandising, competition, labour relations or technical efficiency. For this reason the emphasis on the training and development of management on all levels which recently has emerged in the Marshall Plan countries represents a major victory; but it also means that progress will be slow. After all, though Americans to-day take for granted the basic attitudes to which productivity is credited, every one of them was, 30 or 40 years ago, nothing but the pet obsession of a few visionaries. Certainly, the productivity teams supply something which neither American dollars nor arms can supply: a constructive programme, a goal and a vision.—*By courtesy of Nation's Business.*

PRODUCTIVITY IS AN ATTITUDE

(*Continued from page 939*)

man training programme?" When told that there is no such thing as "the American policy" they are incredulous. It is not only that they are steeped in the prevailing myth of American uniformity. In their own country or their own industry such things are usually uniform, set by Government, by an industry-wide labour contract, a nation-wide labour law, compulsory nation-wide arbitration, or by trade association or cartel. In fact, most of the teams cannot, at first, imagine that important practices and policies could be anything but uniform. However, most of the teams eventually come to the conclusion that diversity is a major cause of American productivity. It means constant experimentation with new methods, ideas and approaches. "Almost every company we have seen," wrote a Scandinavian team, "was working on something new, something it was experimenting with in foundry techniques or in personnel methods, in accounting or in merchandise. No two companies were alike. As a result, the entire industry is for ever questioning its methods, working on improvements trying to find a better way."

A group of trade union leaders stressed in their talk the value of diversity and experimentation in American labour relations, even though it runs counter to their trade-union tradition. "As long as you maintain the union local and the individual management as the centres of labour relations," they said, "you not only will be safe from communism; you will be able to make labour relations productive socially and economically. Bad labour relations can be made on an industry-wide or nation-wide basis. Sound labour relations, you have taught us, require vigorous and imaginative unionism at the bottom as well as at the top. They require a national union policy, but also constant experimentation, constant adaptation in the actual plant."

Even less expected and more baffling to visitors is the prevailing co-operation and the free interchange of ideas and experiences. They know when they arrive that American business is highly competitive; they find even more competition than they usually expected. Intensive competition, they believe, must mean secretiveness. It must mean refusal to disclose anything which might help the competitor. Thus a group of automobile men considered its visit to the annual meeting of the Society of Automotive Engineers its most interesting experience. "There were men from all the companies reading papers and telling everybody what they were doing, how it worked out, what difficulties they were having and what future plans they had. Everybody answered the most searching questions frankly, and each finished the discussion of his paper by inviting the men in the meeting to write to him or to call on him should they have any further question. Every one sounded as if he really meant it."

Importance of the Human Being

Industrial training, management development programmes, the opportunity for workers to rise to the top, are important factors in America's productive capacity. Such factors as the informality in plants and offices, the attention paid to making work easy for the worker, the skill of the foreman in leading his people, are only a few of the things every visiting team noticed. American labour relations seem to them to be based on deep respect for human beings. The close co-operation between stewards and management is remarked upon again and again; and several teams have underlined the friendly and relaxed atmosphere of American labour negotiations. That they are sincere in the compliments is shown by the fact that the United States always is asked to include a labour relations expert in the American management teams which go to Europe. Most visitors believe that the United States avails itself of a much larger percentage of its human resources than their own nations do.

How much of the American attitudes have the productivity teams taken home with them? Techniques and processes have been adopted wholesale and with good success in many cases. The productivity teams would be the first to stress, however, that techniques and processes without the underlying attitudes would not do much good. Yet precisely, because attitudes are important, success has been slow. Attitudes do not transplant fast or well. The greatest obstacle, however, has been that the American beliefs and principles require something of which most nations have a shortage; manage-

(*Continued in previous column*)

Notices

MINERVA MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY-THIRD ORDINARY GENERAL MEETING of the Shareholders of the above Company will be held at the Registered Office of the Company, Temple Bar Building, 70, Forbes Street, Fort, Bombay, on Friday the 19th June, 1953, at 4.30 p.m. (S.T.),

(1) To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st December, 1952.

(2) To declare a dividend.

(3) To elect Directors in place of those who retire by rotation, but who are eligible for re-election, and

(4) To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will be CLOSED from the 29th May, 1953, to the 19th June, 1953, both days inclusive.

By Order of the Board,
N. SIRUR & COMPANY LTD.,
Managing Agents,
V. N. CHANDAVARKAR,
Managing Director.

BOMBAY, 19*th May*, 1953.

N.B.—The Dividend when declared will be made payable at the Central Bank of India, Ltd., Bangalore City, on and after Monday the 29th June, 1953, to shareholders whose names stand on the Register of Members on the 29th May, 1953, and who have paid all dues to the Company, whether in respect of the calls on their shares, interest thereon or otherwise. Shareholders are requested to intimate change of address, if any.

THE INDO-BURMA PETROLEUM COMPANY, LIMITED

(*Originally Incorporated in Burma*)
Registered in India under Ordinance No. LIV of 1942.

DIRECTORS' REPORT AND STATEMENT OF ACCOUNT FOR THE YEAR ENDING 31st DECEMBER, 1952

NOTICE IS HEREBY GIVEN THAT THE Forty-fifth Ordinary General Meeting of the Company will be held at the Registered Office of the Company at Clive Buildings, Netaji Subhas Road, Calcutta, on Wednesday the 17th June, 1953, at 12 noon.

(1) To receive the Directors' Report and Statement of Account.

(2) To sanction the declaration of a Dividend.

(3) To elect three Directors.

(4) To appoint Auditors for the ensuing year.

The Ordinary Share Transfer Books of the Company will be closed from 3rd June, 1953, to 17th June, 1953, both days inclusive.

By Order of the Board,
MESSRS. STEEL BROTHERS & CO., LTD.,
Managing Agents.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, 12*th May*, 1953.

SURAT ELECTRICS' PROFIT HIGHER

MYSORE CHEMICAL MANUFACTURERS MAINTAIN DIVIDEND

Surat Electricity Co., Ltd.

THE directors of the above Company (Agents: Messrs. Killick Industries Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1952.

The issue of 18,750 ordinary shares of Rs. 100 each which was made at par on the 7th July, 1952, was oversubscribed. Since the close of the year, the first call of Rs. 25 per share was made payable on 2nd January, 1953, making the issue Rs. 50 per share called up. The second call of Rs. 25 per share has been made payable on 1st June, 1953.

Supply of power to the Company from the Government's coal-fired Utran steam station commenced on a commercial basis, from 1st December, 1952. In order to achieve the best overall results, the Company is making use of the South Gujarat Electric Grid supply on a supplementary basis and continuing the use of its own diesel plant for peaking purposes.

Owing to the unexpectedly high rates charged to the Company by the Grid, it was not found possible to effect any reduction in the Company's existing charges for supply to its consumers. From 1st December, 1952, the Company's basic rates for all classes of supply were revised, on an interim basis, in order to adjust them to a coal. in place of a fuel oil, cost component. With the availability of supplementary power from the Grid, all restrictions on the supply of electricity in Surat, which were first introduced from May, 1942, were withdrawn by Government from 29th December, 1952. As many as, 1,114 new consumers were connected to the mains during the year, bringing the total number of consumers to 20,448, being 5.76 per cent. more than at the end of 1951. The following table indicates the development of sales of energy since 1950:—

For the year ended 31st December	*Public and private lighting and fans*	*Motive power and domestic purposes*	*Total*	*Percentage of increase on previous year*
1950 kilowatt hours sold.	4,728,066	8,186,234	12,914,300	8.46
1951 ,, ,, ,, ..	5,084,899	9,734,563	14,819,462	14.75
1952 ,, ,, ,, ..	5,302,041	11,350,568	16,652,609	12.37

The sales for private lighting and fans registered an increase of 3.97 per cent. The supplies made for motive power at low tension and at high tension increased by 13.39 per cent. and 22.99 per cent. respectively. Two more high tension consumers were connected to the mains during the year, bringing the total number of such consumers to nine.

The maximum load demanded from the Company's diesel generating station during the year was 4,050 kw. All the sets, with the exception of No. 5, were in commission throughout the year and gave excellent service. The replacement crankshaft for No. 5 set is expected shortly. The maximum load on the Company's system during the year was 4,850 kw., as against 3,900 kw. during the previous year. The Company's transmission and distribution systems were maintained in good and efficient order, and gave trouble-free service. To relieve existing overloads, to improve voltage conditions, and to cater for new loads, a number of modifications and reinforcements were carried out in the Company's distribution system. 1.03 miles of cables were laid during the year, making the total length of streets served 74.29 miles by underground, and 29.86 miles by overhead mains. Three new sub-stations were commissioned during the year.

The gross profit for the year amounts to Rs. 5,57.542 (Rs. 3,63,764) after charging depreciation, in accordance with the provisions of the Electricity (Supply) Act, 1948, amounting to Rs. 2,14,366 (Rs. 1,94,187). After providing Rs. 1,32,000 (Rs. 82,000) for taxation, Rs. 40,267 (Rs. 17,477) for statutory contingencies reserve and writing off Rs. 1,489 (Rs. 596) from new share capital issue expenses, it is proposed to take Rs. 85,000 (Rs. 50,000) to equalisation of dividends reserve and Rs. 28,388 (Rs. 25,804) to employees' retiring gratuities reserve. There remains a balance of Rs. 2,70,398 (Rs. 1,86,444) and this together with Rs. 2,552 (Rs. 3,878) brought forward from last year's accounts makes a total of Rs. 2,72,950 (Rs. 1,90,322). From this sum an ad-interim dividend of Rs. 2-8 (Rs. 2-8) per share, free of income-tax, proportionate to the amounts called up on the ordinary shares and the half-yearly dividend on the preference shares which together absorbed Rs. 90,952 (Rs. 66,250) are to be deducted. The balance thus available amounts to Rs. 1,81,998 (Rs. 1,24,072), which the directors propose to dispose of as follows:—

In payment of a dividend for the second half-year ended 31st December, 1952, at the rate of 6½ (6½) per cent. per annum, free of income-tax, on preference shares Rs. 16,250 (Rs. 16,250), payment of a dividend for the second half-year ended 31st December, 1952, at the rate of Rs. 4-8 (Rs. 4-8) per share (making 7 (7) per cent. for the year), free of income-tax, proportionate to the amounts called up, on ordinary shares Rs. 1,60,570 (Rs. 1,05,300) and leaving to be carried forward the balance of Rs. 5,178 (Rs. 2,522).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	42,15,475	Block ...	54,44,697
Reserves ...	10,48,887	Stores, tools, etc. ...	19,22,974
Provision for taxation ..	11,063	Other assets	24,650
Liabilities ...	33,18,013	Debts, deposits and advances ...	8,11,872
Profit and loss account ...	5,178	Investments	1,00,500
		Cash ...	2,93,923
Rs.	85,98,616	Rs.	85,98,616

Mysore Chemical Manufactures, Ltd.

The directors of the above Company (Managing Agents: Messrs. Krishna & Co., Ltd., Chikbanavar) submit the audited accounts of the Company for the year ended 31st March, 1953.

After providing a sum of Rs. 19,382 (Rs. 20,149) for depreciation and Rs. 36,000 (Rs. 30,500) for taxes out of the current year's profits, the net profit of the Company amounts to Rs. 55,106 (Rs. 49,329), which, together with the balance of Rs. 29,283 (Rs. 21,953) brought forward from last year's account makes up a total of Rs. 84,388 (Rs. 71,282). The directors propose to dispose of this amount as follows:—

In payment of a dividend of 6 (6) per cent. per annum for the year under report on 20,000, 6 per cent. cumulative preference shares, free of income-tax Rs. 12,000 (Rs. 12,000); in payment of a dividend of 10 (10) per cent. per annum for the year under report on 30,000 ordinary shares, free of income-tax Rs. 30,000 (Rs. 30,000), and in carrying forward to next year's account Rs. 42,388 (Rs. 29,282).

The loss on redemption of the investments on 4 per cent. Mysore Government loan bonds is expected to be Rs. 31,406 which is amply covered by the amount carried forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	2,17,903
Reserves ...	4,00,000	Stocks ...	1,39,445
Provision for taxation ...	37,384	Stores, etc ...	1,38,145
Liabilities ...	46,931	Debts, deposits and advances ...	1,17,430
Profit and loss account ...	84,388	Investments	3,35,406
		Cash ...	1,20,374
Rs.	10,68,703	Rs.	10,68,703

Radha Krishna Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. A. G. Gurusamy Naidu & Co., Peelamedu, Coimbatore) submitted the audited accounts of the Company for the year ending 31st December, 1952.

After providing for all expenses and depreciation on assets on normal basis, the year's trading resulted in a net profit of Rs. 1,42,064 (Rs. 14,63,747) adding a sum of Rs. 11,306 (Rs. 56,647) brought forward from last year, the total profits available for distribution was Rs. 1,53,370 (Rs. 15,20,394). The directors utilised this amount in paying a dividend at the rate of 6 (16) per cent. free of tax on the paid-up shares of A and B classes Rs. 1,51,308 (Rs. 4,03,488), and carried forward to next year Rs. 2,062 (Rs. 11,306).

During the year, the price control measures for yarn was prevalent throughout the end. The directors further reported, that owing to power cut, the average number of spindles worked during the year was lower than that of last year, whereby the production of yarn was affected. The prices of foreign cotton declined considerably low and the yarn manufactured out of such cotton had no demand in the market and so, had to be sold much below the ceiling prices at a loss.

The installation of power looms and new machinery under post-war expansion scheme could not be brought into production owing to the difficulties of power supply and sanction of both the State and Central Governments for working of the same. As such, the Company did derive any return on such heavy investments. The Company at present, is able to work the entire new machinery to the fullest capacity, and the directors feel that they may expect a decent return out of the new investment.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,30,420	Block ...	28,48,821
Reserves ...	16,65,842	Stocks ...	30,02,468
Provision for taxation ...	8,69,788	Stores ...	3,33,268
Liabilities ...	20,39,582	Debts, deposits and advances ...	5,87,719
Profit and loss account ...	1,53,370	Investments	3,93,782
		Cash ...	92,944
Rs.	72,59,002	Rs.	72,59,002

Hyderabad Construction Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Babu Khan & Sons, Hyderabad-Deccan) submit the audited accounts of the Company for the year ended 31st December, 1952.

The total turnover receipts Rs. 46.6 lakhs (Rs. 40.4 lakhs) and payments Rs. 46.6 lakhs (Rs. 39.3 lakhs) for the year was about O.S. Rs. 93.2 lakhs (Rs. 79.7 lakhs) and after allowing for all working and management expenses and providing for depreciation Rs. 29,626 (Rs. 29,753), contribution to employees provident fund Rs. 17,374 (Rs. 19,142) and commission to the managing agents Rs. 22,496 (Rs. 20,372) the working has resulted in a net profit of O.S. Rs. 2,02,468 (Rs. 1,83,347). This profit though very low compared to the turn-over of work, has shown an improvement over the profit of Rs. 1,83,347, for the previous year (1951).

The aforesaid profit added to the sum of Rs. 737 (Rs. 840) brought forward from last year, makes up O.S. Rs. 2,03,206 (Rs. 1,84,187), but in order to enable a reasonable appropriation under different heads being made in keeping with the traditions of the Company, it is proposed to transfer the balance of the dividend stabilisation reserve which now stands at Rs. 40,000 (Rs. 1,15,000), thereby the total amount available for distribution will be O.S. Rs. 2,43,206 (Rs. 2,59,187). This, the directors propose keeping in view provision of clause 161 of the constitution of the Company, to appropriate as under:—

Dividend on 20,000 4 per cent. preference shares of Rs. 100 each fully paid up O.S. Rs. 80,000 (Rs. 80,000), dividend of Rs. 2 (Rs. 3) per share of Rs. 100 fully paid and Re. 1-8 (Rs. 2-4) per partly paid at Rs. 75 free of income-tax in each case, Rs. 52,500 (Rs. 78,750), bonus to employees Rs. 18,500 (Rs. 19,300), taxation reserve Rs. 66,500 (Rs. 57,400), contingency reserve Rs. 10,500 (Rs. 1,000), reserve against fall in value of investments Rs. 10,000 (Rs. 20,000), general benefit reserve Rs. 2,313 (Rs. 1,000), general reserve Rs. 2,312 (Rs. 1,000) and balance to be carried forward to next year's account Rs. 581 (Rs. 737).

The directors report that the Nizam Sugar Factory and the Power Alcohol Factory at Shakarnagar under the Company's management, are working quite satisfactorily.

Accounts in brief are as under:—

Liabilities	O.S. Rs.	Assets	O.S. Rs.
Capital ...	45,91,800	Block ...	14,66,039
Reserves ...	11,56,417	Stock ...	2,30,154
Provision for taxation ...	91,544	Debts, deposits and advances ...	10,20,704
Liabilities ...	18,54,948	Investments	50,02,956
Profit and loss account ...	2,03,205	Cash ...	1,78,061
O.S. Rs.	78,97,914	O.S. Rs.	78,97,914

Deoria Sugar Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Karamchand Thapar & Bros., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st August, 1952.

The Mills crushed during the year under review a total quantity of 21,08,885 maunds of cane as compared to 15,43,026 maunds during the season 1950-51, and 15,06,630 maunds average annual crush for the last ten years. The Company's own fleet of tractors, trailers and trucks helped greatly in augmenting transport of cane from distant centres, besides reducing the overall cost of transport. The results of planned cane development in the previous year are also reflected in this figure. It is to be admitted, however, that comparatively lower *gur* prices were a great indirect help in Company's efforts to increase the production.

The overall production in the country registered an unprecedented rise of 4 lakh tons of sugar. The market naturally reacted strongly to the situation and movement of stocks under the Government rationing scheme at Government controlled rates became very slow and tradv. Both the quality and production, and the sales organisation were naturally put to a very severe test during this crisis, and we are glad to say that on the whole the Company stood the test very well. The controlled prices of sugar had since been reduced in respect of 1951-52 sugar and rationing and controlled price have been completely abolished for 1952-53 sugar. The cane price for 1952-53 season has also been fixed at As. 7 per maund lower than the cane price fixed for the year under review. A policy to subsidise export has also since been announced by the Government.

For the year 1952-53 efforts in development work were intensified, particularly in augmenting irrigation facilities by means of tubewells sunk at suitable sites. Five tubewells have already been sunk with the help of loan advanced by the Company to the Co-operative Societies, and efforts are being made to sink further tubewells to supplement Government plans in this direction. Considerable activity took place in the matter of distribution of seeds and manures to farmers by way of loan recoverable from the price of cane.

A well thought out and co-ordinated plan has also been taken in hand to increase the crushing capacity and efficiency of the Mills. One multitubular boiler, one 150 k.v.a. turbo generating set and a vacuum pan are under installation. It is expected that the performance of 1952-53 season will record further improvement in the quantity of crush and a marked improvement in the quality of our product.

The accounts after meeting all expenses, managing agents' commission and allowance and after allowing interest, depreciation, etc., showed a profit of Rs. 2,11,998 (Rs. 2,60,933). A sum of Rs. 1,10,000 (Rs. 1,20,000) was set aside for provision for taxation, leaving a balance of Rs. 1,18,867 (Rs. 1,46,831) in the profit and loss account, including Rs. 16,869 (Rs. 5,898) brought forward from the previous year, which the directors distributed by paying a dividend at As. 8 (As. 8) per share for the year ended 31st August, 1952, Rs. 29,962 (Rs. 29,962), transfer to general reserve Rs. 50,000 (Rs. 50,000) and carried forward Rs. 38,904 (Rs. 16,869).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,99,452	Block ...	6,87,346
Debentures ...	5,12,576	Work-in-progress ...	1,29,954
Reserves ...	5,68,562	Stock ...	26,97,156
Provision for taxation ...	5,64,302	Stores, etc. ...	5,06,911
Liabilities ...	31,97,889	Debts, deposits and advances ...	4,14,760
Profit and loss account ...	1,18,867	Investments	8,73,150
		Cash ...	2,52,371
Rs.	55,61,648	Rs.	55,61,648

Nasik-Deolali Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: The Rajputana Textiles (Agencies) Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1952.

The performance of the power plant during the year was satisfactory and a steady, continuous supply of energy was maintained. The 750 k.v.a. voltage regulator that was ordered out in 1949 for purpose of improving the distribution voltage in the Nasik city area, was received and installed during the year under review. While this greatly helped in improving the lighting, it has also put an added strain on the plant and this situation is receiving the serious attention of the directors.

In the last report it was informed, that the increase in plant capacity by the commissioning of the 1,155 b.h.p. mirrlees-brush set was expected to be quickly absorbed by the pent-up demand. This has proved only too true and enquiries have already been instituted for the purchase of an additional generating set of suitable make and capacity.

The distribution system has been well maintained and short extensions were made wherever necessary to connect new consumers, bringing the total of the Company's mains to 52.6 miles, as follows:

High-tension overhead mains 13.4 miles, high-tension underground mains 1.9 miles, and low-tension overhead mains 37.3 miles. The Company now serves three local authorities for purposes of street lighting, viz.: The Nasik Municipal Borough, the Deolali Cantonment Board and the Nasik-Road and Deolali Village Municipality. The street lighting installations served as at 31st December, 1952 comprised a total of 1,328 fixtures. The progress of the Company during the past five years is reflected in the following tabulation:

Year	*Number of consumers*	*Connected load k.w.*	*Units of energy sold*	*Revenue from energy sold* Rs.
1952	5,679	3,672	3,802,026	10,33,684
1951	4,228	3,275	3,419,791	8,24,579
1950	3,638	2,940	3,249,916	7,68,219
1949	3,554	2,913	3,247,438	6,88,364
1948	3,557	2,187	3,078,176	6,02,275

There is an all round satisfactory improvement in business, and it may be mentioned that there is good scope for further expansion provided the requisite plant capacity is available. In regard to the increase in revenues from energy sold, a study of the rate structures was undertaken during the year under review and permission of the Government of Bombay obtained for the introduction of a fuel clause in all the rate schedules, whereby the rates charged would increase or decrease according to fluctuations in the price of fuel oil. The price of fuel oil has increased tremendously in recent years—from Rs. 50 per ton in 1938 to Rs. 265 in 1952—and the fuel clause embodied in the rate schedules with effect from August, 1952 billings will partly compensate for this big increase in costs. Of course, if the price of fuel oil were to go down to a reasonable level, that clause would operate in reverse and to the advantage of consumers.

Capital expenditure during the year amounted to Rs. 2,31,059 (Rs. 1,16,771).

The profit and loss account shows that the result of the year's operations, compared with the previous year, was as follows:

	1952 Rs.	1951 Rs.
Revenue from sales of energy	10,33,684	8,24,579
Revenue from other sources	34,869	27,125
Total gross revenue ...	10,68,553	8,51,704
All charges including depreciation and taxes	8,69,083	7,41,614
Net profit	1,99,470	1,10,090

It will be noted that both revenues from energy sales and all charges including depreciation and taxes show substantial increases over the figures for the preceding year. While the higher revenues are due to a larger number of consumers the increased expenses, apart from the higher provision for depreciation, are principally due to the item "Stores, fuel, oil, etc., consumed" resulting from the higher price of fuel oil and the additional consumption due to increased generation. The net profit for the year at Rs. 1,99,470 shows a satisfactory increase over that for the preceding year.

As a result of the above factors, the net balance available for disposal after making the several appropriations, and adding the amount brought forward from 1951, as also the excess provisions for taxation and bonus made in the previous years and the balance resulting from adjustment of the 1950 profits, amounts to Rs. 1,05,956 (Rs. 29,624). The directors have recommended, that this balance be utilised as follows:

To payment of dividend on preference shares at 7 per cent. per annum for the year ended 31st December, 1952 (free of income-tax) Rs. 7,000 (nil) and dividend on ordinary shares at 8 (2.96) per cent. for the year ended 31st December, 1952 (free of income-tax) Rs. 93,472 (Rs. 20,990) leaving to be carried forward a balance of Rs. 5,484 (Rs. 8,634).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,68,400	Block ...	22,87,826
Debentures ...	5,00,000	Stores ...	2,98,362
Reserves ...	9,54,993	Tools, etc. ...	9,773
Provision for taxation ...	12,225	Other assets	39,487
Liabilities ...	3,51,387	Debts, deposits and advances ...	1,46,825
Profit and loss account ...	5,484	Investments	10,139
		Cash ...	3,00,077
Rs.	30,92,489	Rs.	30,92,489

N.B.—Figures within brackets relate to the corresponding period of the previous year.

COMPANY MEETINGS AND DIVIDENDS

CHAMONG TEA CO., LTD. Annual General Meeting, Calcutta, 27th May, 1953. Dividend: *Nil.*

SURAT ELECTRICITY CO., LTD. Annual General Meeting, Bombay, 28th May, 1953. Dividend: Rs. 7 per share (including interim dividend of Rs. 2-8). Transfer books closed from 15th to 29th May, 1953, both days inclusive.

SOCIETE GENERALE INDUSTRIELLE DE CHANDERNAGOR (Gondalpara Mill). Annual General Meeting, Calcutta, 29th May, 1953. Dividend: Rs. 30 per share. Transfer books closed from 15th to 29th May, 1953, both days inclusive.

INDIAN WOOD PRODUCTS CO., LTD. Annual General Meeting, Calcutta, 29th May, 1953. Dividend: Rs. 3 per share (including interim dividend of Re. 1-8). Transfer books closed from 15th to 29th May, 1953, both days inclusive.

MYSORE CHEMICAL MANUFACTURERS LTD. Annual General Meeting, Chikbanavar, 30th May, 1953. Dividend: Re. 1 per share, free of tax, payable on and after 30th May, 1953. Transfer books closed from 17th to 30th May, 1953, both days inclusive.

OSLER ELECTRIC LAMP MANUFACTURING CO., LTD. Annual Meeting, Calcutta, 30th May, 1953. Transfer books close from 23rd to 30th May, 1953, both days inclusive.

BOKARO AND RAMGUR LTD. Half-yearly General Meeting, Calcutta, 30th May, 1953. Transfer books close from 25th to 30th May, 1953, both days inclusive.

MAHESHWARI DEVI JUTE MILLS LTD. Annual General Meeting, Kanpur, 30th May, 1953. Transfer books closed from 16th to 30th May, 1953, both days inclusive.

JAWAHAR MILLS LTD. Annual General Meeting, Salem, 31st May, 1953. Dividend: As. 5 per share, free of tax. Transfer books closed from 17th to 31st May, 1953, both days inclusive.

JANARDHANA MILLS LTD. Annual General Meeting, Uppilipalayam, Coimbatore, 31st May, 1953.

DEVASHOLA (NILGIRI) TEA ESTATES CO., LTD. Annual General Meeting, Coonoor, R.S. Nilgiris, 1st June, 1953. Dividend: Re. 1 per share (final). Transfer books close from 25th May to 1st June, 1953, both days inclusive.

INDIA SUGARS AND REFINERIES LTD. Annual General Meeting, Hospet, Madras, 1st June, 1953. Dividend: Rs. 2-8 per share, free of tax. Transfer books closed from 18th May to 1st June, 1953, both days inclusive.

SASSOON AND ALLIANCE SILK MILL CO., LTD. Annual General Meeting, Bombay, 3rd June, 1953. Transfer books closed from 22nd May to 5th June, 1953, both days inclusive.

VICTORIA MILLS LTD. Annual General Meeting, Bombay, 17th June, 1953. Dividend: Rs. 15 per share. Transfer books close from 5th to 18th June, 1953, both days inclusive.

JAY SHREE TEA GARDENS LTD. Annual General Meeting, Calcutta, 23rd June, 1953. Transfer books close from 28th May to 23rd June, 1953, both days inclusive.

COMPANY REGISTRATIONS

NEW WESTERN CHEMICAL INDUSTRIES LTD. (First Director: Mr. Chandrakant Harilal Dave.) Business: Manufacturers and Dealers in Heavy Acids, Chemicals and Fertilisers, Salts, Tannin extracts, etc. Authorised capital: Rs. 15,00,000. Private company. Address: Sonawalla Estate, Goregaon (East) Bombay.

SARVODAYA ELECTRONICS LTD. (First Director: Mr. Mahendra B. Trivedi.) Business: Electricians, Mechanical Engineers, Suppliers of Electricity, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Head Office: Nadiad, Kaira District, Bombay State.

RADIUM FILMS LTD. (First Director: Mr. R. L. Jandial). Business: Cinematograph Industry and Trade. Authorised capital: Rs. 5,00,000. Private company. Address: 196/20-1 Tilak Road, Poona.

PARAMOUNT AUTOMOBILES LTD. (First Director: Mr. U. Panachand Sanghani.) Business: Manufacturers, Dealers, Hirers, Repairers, Cleaners and Warehousers of Motor Cars, Motor Cycles, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 14, New Bhatwadi Street, Sandhurst Road, Bombay 4.

HIND SILK MILL LTD. (First Director: Mr. Kevalchand Avichal Sheth.) Business: Weavers of Silk, Artificial Silk, Cotton, Wool, Flax, Hemp, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Dhanukar Building, New Silk Bazar, Kalbadevi Road, Bombay 2.

D. ABRAHAM AND SONS LTD. (First Director: Mr. M. D. Abraham.) Business: Clearing, Forwarding and Shipping Agents. Authorised capital: Rs. 5,00,000. Private company. Address: Hague Building, Sprott Road, Ballard Estate, Bombay.

QUESTION HOUR IN PARLIAMENT

Aid to Madras

AID to the extent of Rs. 10 crores was asked for some time last year. The Government of India has promised no loan so far. I have had informal talks with Mr. T. T. Krishnamachari, but I have not yet received from him quantitative assessment of the situation. When that is received the Government will try to see how far the requirements of the scarcity areas in the south of Madras can be met. The famine area in Andhra has been dealt with last year. I am not aware of any outstanding problem excepting measures of a permanent character to eliminate recurrence of famine. There is no controversy between the Centre and Madras in regard to the medium of control of the Central grant or loan.

—Finance Minister

Managing Agency System

The Government has no plans in view to abolish the managing agency system, but it is actively considering the recommendations of the Company Law Committee which suggested that the system should be suitably regulated, so that the abuses in its working which have sometimes occurred may be checked and its efficiency as an instrument of industrial development may be increased. The new Companies Bill which is now under preparation will embody the views of the Government on this subject. Mr. E. H. Marker, who was lately Under-Secretary in the Board of Trade. was invited to India under the Colombo Plan to advise the Government of India generally on the working of the English Companies Act, 1948, and the applicability of some of its provision to the circumstances of this country. He stayed in the country only for about six weeks. His knowledge and experience of the working of the English Companies Act, 1948, threw a good deal of light on comparable problems in India and his advice was of great value to the Department.

—Deputy Finance Minister

Newsprint Factory

The Government of India has decided to appoint a team of Finance Ministry officials to proceed to Madhya Pradesh and examine the economics of the newsprint factory project there. The Government has decided that this Committee should examine the economics of the project before any further assistance is promised to the State in respect of the project. The total loan so far advanced to the Government of M.P. for financing the newsprint project was Rs. 63 lakhs in 1951-52 and Rs. 34 lakhs in 1952-53. The total amount given to the factory was about Rs. 240 lakhs. Part of the machinery has arrived and the rest is expected.

* * * *

Tea Exports

The International Tea Committee has fixed the permissible exportable quantity of tea from the countries participating in the International Tea Agreement at 135 per cent. of the standard exports, during 1953-54. It is unlikely that India will export that quantity of tea, particularly in view of the fact that India's exports, even in the peak years, never reached this figure. In 1951-52, India exported, as against a permissible quota of 470 million lbs., 425 million lbs., and in the next year 305.25 million lbs. India had been urging a smaller quota, but the majority wanted a larger quota.

—Commerce Minister

State Undertakings

A proposal for the constitution of a central authority for the management of State industrial undertakings is under the consideration of the Government of India.

—Minister for Production

Loan to Bombay

The Government of India has agreed to grant Rs. 210 lakhs as a loan to the Government of Bombay for the tube-well projects in North Gujerat. The number of tube-wells which are to be sunk under the scheme is 400, of which 250 have already been sunk. Each tube-well is expected to cost about Rs. 50,000. Sinking is being done under contract by an agency. No payments will be made for unsuccessful wells. On an average, every successful well is expected to irrigate 300 to 400 acres.

* * * *

Japanese Cultivation

The Japanese method of rice cultivation is likely to be utilised this year on more than 600,000 acres of land in India. It is too early to give any estimates regarding area sown and possible output as the sowings in many places have not yet begun. Japanese implements are not indispensable for use of the method, but they are useful and the Government is trying to manufacture some of them.

—Minister for Agriculture

P. & T. Capital Outlay

The accumulated surplus and the capital outlay of the Posts and Telegraphs Department has increased from Rs. 857 lakhs and Rs. 3,571 lakhs respectively in 1947-48, to Rs. 1,519 lakhs and Rs. 6,381 lakhs in 1952-53. The question of separation of Post and Telegraph finances from general finance is receiving consideration. It is premature to say anything now.

—Deputy Minister for Communication

FURTHER DROP IN TREASURY BILL RATE

(From Our Own Correspondent)

BOMBAY, 20*th May*

Conditions in the short-term money market reported last week remained unchanged this week also. Demand from banks continued to be moderate. Exchange banks were reported to be not keen borrowers, due to absence of export and import bills. They were, however, active at Calcutta where the money rates stood relatively higher owing to pressure of demand for funds. Enquiries from leading Indian banks continued to be on fair scale due to persistent trade demand. Advances by these banks against commodities such as cotton, cloth, sugar, etc., would appear to have enlarged in recent weeks. The inter-bank call money rate among the Exchange banks and big Indian banks, held steady at 2¾ per cent. The smaller Indian banks were keen borrowers of call money at 3 per cent., but the supply of funds in this sector was meagre and they had, therefore, to seek help from the Reserve Bank of India.

Term money was quoted at 2¾ per cent. for one to two months. Three months' money did not fetch more than 2¾ per cent., while 4 to 6 months' money was quoted at 2¼ to 2½ per cent.

There was a further fractional decline in the Treasury Bill rate this week to Rs. 2-6-8 per cent. per annum from Rs. 2-6-10 per cent. in the previous week. The amount offered, against the usual invitation of tenders for Rs. 1 crore, was better at Rs. 194.50 lakhs, as compared with Rs. 163.25 lakhs last week.

In contrast to the expansion of Rs. 15.26 crores noted in the previous week, the week ended 15th May, 1953, witnessed a fall of Rs. 5.28 crores in notes in circulation. The weekly statement of the Reserve Bank of India for the week under review, which discloses this, shows an increase of Rs. 5.43 crores in notes held in the Banking Department. The fractional rise in total notes issued is covered by a corresponding increase in rupee coin. In the Banking Department, deposits of the Central Government have gone up by Rs. 2.13 crores, while those of other Governments have declined by Rs. 1.30 crores. Deposits of banks also show a rise of Rs. 2.44 crores. On the assets' side, cash balances disclose a rise of Rs. 5.44 crores and balances held abroad of Rs. 69.90 lakhs. Loans and advances to Governments are lower by Rs. 44 lakhs. Other loans and advances have recorded a decline of Rs. 2.73 crores. Advances to Scheduled Banks against usance bills are lower by Rs. 90 lakhs.

A sharp fall of Rs. 11.62 crores in demand deposits is a feature of the statement of position of Scheduled Banks for the week ended 8th May, 1953. Time deposits are better by Rs. 75.08 lakhs. Borrowings from banks have declined by Rs. 1.16 crores. Borrowings from the Reserve Bank reveal a rise of Rs. 7.79 crores, of which those against usance bills account for Rs. 5.40 crores. Borrowings from the Imperial Bank also show an increase of Rs. 1.04 crores. Advances have gone up by Rs. 3.17 crores and bills purchased and discounted by Rs. 47.42 crores. But investments have declined by Rs. 19.59 lakhs. Cash-on-hand and balances with the Reserve Bank together are lower by Rs. 1.97 crores, balances with other banks by Rs. 1.63 crores and money at call and short notice by Rs. 2.15 crores.

The Gilt-edged market showed, once again, signs of recovery during the week under review. There was a certain amount of cautious buying, as a result of which prices hardened, particularly, in the 3 per cent. 1986 Conversion Loan. The revival of demand was attributed to the attempt by the Reserve Bank at preparing the ground for the issue of a new loan. The Bank put up the selling rates of 3 per cent. 1963-65 and 3 per cent. 1964 by an anna and suspended sales of 3 per cent. 1970-75. The volume of business put through in the market was, however, small.

3 per cent. 1953-55 held the ground at Rs. 100-1. 3 per cent. 1957 was marked up by an anna at Rs. 98-11. 3 per cent. 1958 remained at Rs. 98-9, but 3 per cent. 1959-51 was in request to go up by an anna to Rs. 96-11. 3 per cent. 1963-65 and 3 per cent. 1964 each rose by an anna to Rs. 92-15. 3 per cent. 1966-68 had buyers at Rs. 90-10. 3 per cent. 1970-75 improved by an anna to Rs. 86-11. 3 per cent. 1986 Conversion Loan advanced by As. 5 to Rs. 82-9.

There was a further mild weakening of the rupee in terms of the U.S. dollar during the week under review. The dollar was costlier by ¼ to ½ rupee per $100. In the New York market, the spot rate for £ sterling was ¼ cent higher over the week at $2.81½-2.81⅝ and the forward rates for 3 months and 6 months ⅛ cent better at $2.80⅜-2.80⅞ and $2.80 3/16-2.80 5/16, respectively. The following are the variations in the spot and forward rates for U.S. dollar in terms of rupee:

	12-5-53	14-5-53
	Rs.	Rs.
SELLING		
T.T./D.D. (other than B.C.'s) for amounts $2,000 and over:		
Ready and within 5 days	476	476¼
Delivery within 3rd month	478	478¼
,, ,, 6th ,,	480	480¼
T.T./D.D., B.C.'s and amounts under $2,000:		
Ready and within 5 days	476¾	477
Delivery within 3rd month	478¾	479
,, ,, 6th ,,	480¾	481
BUYING		
T.T. Clean:		
Ready and within 1st month	471¾	472¼
Delivery within 3rd month	472¼	472¾
,, ,, 6th ,,	473	473½
T.T. Documentary:		
Ready and within 1st month	471	471½
Delivery within 3rd month	471½	472
,, ,, 6th ,,	472¼	472¾

SILVER CLOSES BETTER

(From Our Own Correspondent)

BOMBAY, 20*th May*

Activity on the Bullion Exchange during the week was once again dominated by silver, which experienced wide fluctuations in values due to keen tussle between leading bulls and bears. During the major part of the week, there was a gradual recession in prices of the white metal owing to bear pressure and liquidation by bulls. Towards the close, the trend was, however, reversed and a sharp upswing in price was noted. On balance, however, silver lost Re. 1-6 per 100 tolas.

Gold, on the other hand, was relatively more steady, with fluctuations confined to a narrow range under the influence of the day-to-day statistical position of the yellow metal.

It is stated that the demand for silver in Bombay is poor, but the offtake in up-country centres continue to be good, due to persistent seasonal demand. It is also stated that the demand from up-country centres will continue up to the end of the current month. May being the last month of the current season, operators on the Bullion Exchange appeared to be keen on making the best use of the situation till the demand persisted. This accounts for the continued hectic activity in silver.

Silver for forward delivery (end of May settlement) opened at Rs. 165-15, as against last week's closing of Rs. 164-15. But the weakness of the cotton market and selling by a Calcutta bear operator as well as liquidation by bulls pressed the value of the metal gradually to a low of Rs. 160-6 yesterday. To-day, however, purchases by bears in the ready section lifted the price to Rs. 163-9 at the close. Business for the next settlement opened on Thursday last at Rs. 164-8 and reacted to Rs. 158-6 yesterday, but closed better to-day at Rs. 161-2.

Ready silver (.996 fine) began at Rs. 166-3 and, after moving down to Rs. 160-10 due to weakness of the forward section and to the arrivals of *kutcha* metal, it regained partially to Rs. 163-13 at the close. The floating stocks of silver were placed at 1,000 bars. The daily average offtake was 15 bars.

Gold for forward delivery (end of May settlement) opened at Rs. 87-14 and slided down to Rs. 87-1 on the next day on lower offtake. After recovering to Rs. 87-9 on Saturday, consequent on the slackness in arrivals, the yellow metal once again displayed a softening tendency and moved down to Rs. 86-13 yesterday. The arrivals and offtake having been kept balanced in the last two days, gold hardened to Rs. 87-13 to-day before closing at Rs. 87-11.

Ready gold (.99 fine) opened at Rs. 88-7 and touched a low of Rs. 87-3 yesterday. It, however, gained some strength to-day and finished at Rs. 88-2. The floating stocks of gold are estimated at 35,000 tolas. The daily average arrivals are about 9,000 tolas and offtake about 7,000 tolas.

The following comparative table shows the trend of the market during the week under review:

	20-5-53	Highest	Lowest	13-5-53
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	88 2	88 12	87 3	88 4
Forward	87 11	88 3	86 13	87 11
Sovereign	57 12	58 0	57 8	58 0
SILVER				
Ready (.996 fine Mint)	163 13	166 11	160 10	165 3
Forward	163 9	166 7	160 6	164 15
London Ready	74*d.*	—	—	74*d.*
London Forward	74*d.*	—	—	74*d.*
New York Ready	85¼*c.*	—	—	85¼*c.*

PEPPER FULLY STEADY

(Messrs. Parekh & Co.)

BOMBAY, 20*th May*

Pepper market in all primary centres during the week remained very steady, in spite of poorer export demand, the buyers' idea at New York and on the Continent being below the replacing parity. Throughout the week, Alleppey remained fully steady at Rs. 3,300, while Calicut was reserved seller at Rs. 3,500. Looking to the present behaviour of the market, the Indian exporters are chary to shade their prices to meet foreign buyers, as it proved difficult to buy any sizable quantity in the free market unless at sellers' price. Last year's heavy claims for infestations demanded by New York on shipments of pepper during the monsoon are still green in the minds of the Indian sellers and as such they are not willing to offer anything without reserving enough margin for such an eventuality. Some of them are reported to have decided to do only limited business for shipments during the monsoon. Experts in the trade are unable to hazard any definite opinion regarding the future, as smaller shipments of pepper during monsoon will have bearish tendency here, while at New York, it will have opposite effect.

In A.S.T.A section, May, June and July shipments were traded at progressively improved prices. The highest paid for May was $1.45 and June and July were done at $1.44 and $1.42, respectively. The Indian growers are so far unaffected by the reports that some business in Sarawak at lower limit was done at New York, because prices for Sarwak obtainable in the U.S.A. are always cheaper by about 5 cents, due to its poorer flavour and lower volatile oil contents. The political trouble in Indo-China is also likely to keep back free selling of Lampong and Sarwak in the world market.

To-day's nominal quotations are: Ready delivery Rs. 380 per Bengal maund; May, June, and July deliveries Rs. 2,655-85, Rs. 2,670-2,700, and Rs. 2,640-70 per candy of 5½ cwts., respectively.

FORWARD COTTON RECOVERS

(From Our Own Correspondent)

BOMBAY, 20*th May*

The debacle in the forward cotton market came earlier than expected. Only last week it was suggested in this column that, if the buyers in August delivery feared that they would be faced with the problem of finding necessary finance to meet the tenders, they would get into a panic and rush to divest themselves of the contracts collected by them. Frightened by some of the awkward offerings against their purchases in the current delivery, the longs in August realised their peril and unloaded their holdings on the market long before they were faced with this necessity. As a result of this, there was a good shake out, with prices tumbling down during the latter part of the last week and the situation would have been much worse, if the bears had not come to the rescue of their opponents by covering their sales.

In any case, the tone of the market, after the recent fall, is healthier and replacement buying by those who had secured their profits earlier at high rates has again lent an upward swing to the market. It is believed that fresh efforts will be made by certain operators with good resources at their command to rig up the market once again. But their recent experience will render them more cautious in their dealings. It is also likely that the rank and file in the shape of small operators will not follow their lead to the same extent as before the shake out. In this hectic spell, not much was being heard of trading in the new crop. All hopes of Government permission being secured for this at an early date are now given up.

The easy conditions in the cotton futures market witnessed towards the close of last week were carried a stage further during the first two sessions of this week. On Saturday, however, values tended to improve, on short-covering and support from spot houses. The recovery persisted till to-day. Not only were the previous losses completely erased but the closing quotation stood higher than those at the end of last week. The following is the trend of prices during the week:

	Opening		*High*		*Low*		*Closing*	
	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.
I.C.C. May	719	8	728	0	707	0	727	8
I.C.C. Aug.	733	0	735	0	720	0	734	8

In the spot market, it was but natural that a precipitate fall in prices in the forward section should be followed by hesitancy on the part of mills to make fresh purchases. Apart from this, absence of unfulfilled quotas also came to deter mills from making fresh purchases of Indian cotton. However, with steady prices now regaining the field in the forward market, enquiries in the spot market have revived and this was in evidence yesterday when the total turnover came approximately to 2,000 bales. Cloth market for internal consumption has been fairly active and this has also led to a fresh demand for cotton by mills. At the same time, it is realised that the home market in textiles can continue to be active, only if there is no rise in prices. Cotton men have come to realise this and are, therefore, not in favour of pushing up prices for spot cotton, lest this should affect the output of cloth by the mills and its consequent effect on the total volume of consumption of cotton by mills.

The spot section was also encouraged by some modest business with Japan in one of the short-staple varieties. On the debit side, the spot market is worried about transport. Cotton from Bombay is not moving satisfactorily to consuming centres like Ahmedabad. But the railway authorities are now more sensitive to public and business criticism on such score, and it is believed that the position in this respect will ease soon. The price recession in Indian cotton also affected the prices of ready lots of imported cotton. But the effect was more psychological than real and prices are likely to revert to the original levels, as soon as the mills come forward to make some purchases.

Stalemate continues at Karachi unrelieved by any important developments. There is, however, a hope of France fulfilling its earlier contracts, for which the authorities there had refused to issue import permits. This has affected the sentiment to a certain extent at Karachi and ruling prices now are a little higher than in the previous week in the case of L.S.S. Punjab. It is, however, believed that, as stocks are depleted in several smaller markets such as Syria, Turkey and Sudan, consumers in Europe will turn towards Pakistan for their requirements. On the other hand, if the grant of export subsidies is decided upon as a matter of policy in the U.S.A., it might go to affect Karachi prices adversely. The latest available quotations from the Karachi cotton market are: Punjab *deshi* Rs. 66; 4F Punjab R.G. Rs. 56-8; S.G. Rs. 63; L.S.S. Punjab R.G. Rs. 60-8; S.G. Rs. 65; N.T. R.G. Rs. 63; S.G. Rs 68; 289F Punjab R.G. Rs. 68; and S.G. Rs. 73.

A slight decline of activity also marked the Alexandria market. Foreign demand has naturally declined, with the severe fall in the premia offered to sterling countries, from 11 per cent. a month ago to 5 per cent., or even less, during the week under review. There is also a tendency on the part of dealers to tender cotton to Government rather than to trade among themselves and this has affected the general turnover in the market. Except for Karnak, most of the popular varieties such as Menoufi, Zagora and Giza 30, have been sold out. Alexandria has welcomed the entry of Canada as a buyer in this market, although the quantity negotiated has been only nominal.

The market in New York had again a bullish swing, partly because of the gloomy outlook of the Korean peace negotiations and partly because of reports regarding uncongenial weather from certain production centres. A part of the revival in prices has to be attributed also to the proposal to give subsidies on exports. This revival has been more widespread, inasmuch as both the new crop and the current crop deliveries have gained this time. It is, however, believed that the market is likely to be swayed by contrary considerations and the movements, instead of being all along in favour of longs, is bound to be two-sided.

The following are the latest available quotations from New York, as compared with those of a week and a fortnight before:

	(In cents per lb.)		
	19-5-53	12-5-53	5-5-53
Spot	34.60	34.05	34.45
May	—	33.62	34.07
July	34.22	33.74	33.96
October	33.83	33.60	33.62
December	33.83	33.58	33.52
March	33.93	—	—

ART SILK YARN IRREGULAR

(From Our Own Correspondent)

BOMBAY, 20*th May*

The art silk yarn market was devoid of any fresh development this week too. With traders evincing very little interest in business, activity was greatly restricted. Transactions were mostly of a squaring up nature. The undertone of the market, however, was slightly bearish, to-day's closing quotations being a shade lower than those eight days ago.

Movement in values of yarn in the forward section was irregular. Thus, 150D May delivery contract opened the week higher by Rs. 5 at Rs. 817, but reacted to Rs. 806 on Saturday, on reports of heavy arrivals of imported yarn. A part of the loss was, however, recovered during the last three sessions, on rumours of a rise of 15d. per lb. in the Italian twisted yarn. Values, as a result, registered an improvement. But profit-taking that ensued towards the close to-day, brought down the quotation to Rs. 808. The net loss in this contract over the week was to the extent of Rs. 4. June contract improved from Rs. 820 to Rs. 825 on the 14th inst. After receding to Rs. 813 on Monday, it recovered to Rs. 819 to-day, but finished lower at Rs. 813. In the ready section, 120 Japan fluctuated between Rs. 47 and Rs. 4-8 before closing at Rs. 4-7. 150 Italy advanced from Rs. 4-0-6 to Rs. 4-1-6, but finished lower at Rs. 4-0-9. 150 Japan and 120 Italy were practically unchanged at Rs. 4-3 each.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 12th and 6th inst.

	20-5-53	12-5-53	6-5-53
	Rs. a.	Rs. a.	Rs. a.
150D May (per case of 200 lbs.)	808 0	812 0	815 0
150D June	813 0	820 0	821 0
120 Japan (per lb.)	4 7	4 7½	4 7½
150 Japan ,,	4 3	4 3	4 3½
120 Italy ,,	4 3	4 3	4 3½
150 Italy ,,	4 0½	4 0½	4 0½

The tendency of the market remains rather uncertain. A section of the trade, however, believes that there would be a downward trend in values of yarn in the near future. Very heavy arrivals of art silk yarn from Japan, Italy and other countries in the last few weeks have, it is reported, created a sort of nervousness among dealers and consumers. Poor offtake in art silk fabrics—indigenous and export—is also stated to have been acting as a damper on the yarn section. "The situation in the market as a whole," to quote one report, "seems to be rather confused and it appears as if the prices will have to undergo a gradual decline in due course."

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, 20*th May*

Once again, speculative activity made history in the oil and oilseeds market by causing groundnut prices to shoot up to high levels not reached since May 1951. Several factors were responsible for the hectic speculative activity. First, there was unabated demand from *vanaspati* interests. Secondly, there were rumours of a ban on export of groundnuts and groundnut oil by sea from Saurashtra. The order is said to have invalidated export permits already issued. Thirdly, the effect of the short crop this season is being felt by the alarming decline in floating stocks. In sympathy with the hectic rise in groundnuts, the linseed and castorseeds sections also forged ahead. The rumour that the Government would permit mixture of 50 per cent. linseed oil with groundnut oil for the manufacture of *vanaspati* helped to harden the sentiment of operators. The cumulative effect of all these was sizable gains in the values of oilseeds.

With a short crop in groundnuts this season, a considerable portion of which is already absorbed, there is no fear of a sharp recession in groundnuts. This explains the headlong action of the bulls in tightening their grip on the market at times. Bold ready which opened at Rs. 48-8, as against Rs. 47-8, shot up to Rs. 50-4, before closing at Rs. 49-8. June-July delivery was higher by Re. 1-8 to Rs. 49. August-September delivery was done at Rs. 49, as against Rs. 47-12. Khandesh quality rallied Re. 1-8 to Rs. 49-12. Groundnut oil ready was higher by As. 10 at Rs. 25-8. Business was done in June and July deliveries at Rs. 25-7 and Rs. 25-9, as against Rs. 24-11 and Rs. 24-13, respectively.

Although linseed and linseed oil are priced out of world markets, the local market has displayed surprising strength due to overall shortage of oil in India this season which has led to the utilisation of the oil as an adulterant. The rumour that the Government would allow 50 per cent. mixture with groundnut oil for *vanaspati*, as stated at the outset, only stimulated the upward trend. Linseed Bold ready gained Rs. 2-4 to Rs. 34-12, June-July delivery changed hands at Rs. 35, as against Rs. 33, and August-September delivery had deals done at Rs. 35-12, as against Rs. 33-10. Linseed oil hardened by Re. 1-8 to Rs. 18.

In the castorseed section, May delivery, which opened the week at Rs. 159-8 as against Rs. 157-12, fluctuated between Rs. 167 and Rs. 159-4, before closing at Rs. 165-8. September delivery gained Rs. 6-4 to Rs. 163-8; the highest and the lowest touched during the week were Rs. 165 and Rs. 159-8, respectively. Madras delivery improved from Rs. 31-4 to Rs. 32-8. Castoroil, Commercials advanced by As. 3 to Rs. 17-8 and I Pressures, by As. 6 to Rs. 18-8. B.S.S. was done at Rs. 18-12, as against Rs. 18-6.

The following table shows the prices of oilseeds and oil on the 20th inst., as compared with those at the end of the previous two weeks.

	20-5-53	13-5-53	6-5-53
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Bold Ready New (per cwt.)	49 8	47 8	47 12
June-July	49 0	47 8	47 2
August-Sept.	49 0	47 12	47 8
Linseed—			
Bold Ready (per cwt.)	34 12	32 8	32 7
Castorseeds—			
May (per candy of 5 cwts.)	165 8	157 12	159 8
Sept. (per candy of 5 cwts.)	163 8	157 4	159 12
Madras (per cwt.)	32 8	31 4	31 12
Groundnut oil—			
Ex-mill Ready (per quarter)	25 8	24 14	24 8
Castor Oil—			
Commercial (per quarter)	17 8	17 5	17 8

MERINO WOOL STRONG

(Messrs. J. Hardacre & Co.)

BOMBAY, 18*th May*

Merino wool prices in Australia this week have advanced sharply, under the influence of spirited competition from Japan, Russia and Near East countries. Average-to-shabby combing types have been dearer by 6d. per clean lb. since our last report and Bradford top quotations are now further out of line than ever with raw wool costs.

Most qualities of merino tops have risen by 3d. per lb., but the wool required for making these tops is costing much more, with the result that topmakers are by no means anxious to sell substantial weights at the prices now asked. Fine crossbreds have also advanced by about 1d. per lb.

There was strong bidding at the sale of British wools held in London yesterday and a general increase of 5 per cent. was registered on the last sale at Exeter.

Values at Sydney were fully firm at advanced rates. Melbourne current wool sales series closed, with values higher by 5 per cent., as compared with the opening rates. At Perth and Wanganui, values were fully firm, the tendency being against the buyer.

To-day's quotations for Bradford oil-combed tops (in pence per lbs., c.i.f. Bombay) are given below.

48s carded (August 1953)	89d.
58s super (August 1953)	129d.
60s super (August 1953)	155d.
64s super (July-August 1953)	179d.
70s super (July 1953)	194d.
Fibro (3D. 4") (July 1953)	43½d.
46/48s scoured clothing wool (July 1953)	80d.

The tendency of the market is very strong, with prices advancing daily.

COMMONEST TEAS DEARER

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 16*th May*

The offerings in sale 10, which was held on Tuesday, 12th May, amounted to approximately 13,25,000 lbs. Quality again showed a seasonal decline and this was particularly evident amongst the high-grown teas, many of which lacked body and flavour. The sale opened to a fair general demand at rates which were easier all round with the exception of commonest kinds. These met with keen competition and were often dearer. Low medium brokens and fannings were half to 1 anna easier, whilst medium descriptions were As. 2 easier. High-grown teas were difficult of sale and prices were lower by As. 2 to As. 3. High-grown fannings were neglected. Whole leaf teas were about steady at last rates. There were a number of withdrawals, but the majority of these have been taken up since the sale. The following are the quotations:—

	1953
	Rs. a. p.
Low grown Travancore B.O.P.	1 11 0
Medium Travancore B.O.P.	1 12 0
Anaimallais B.O.P.	1 15 6
Best liquoring Nilgiris B.O.P.	2 8 3
Clean black leaf O.P.	1 15 0

As we go to press, Messrs. Forbes, Ewart and Figgis, Ltd., wire as follows:—

"*Dust Sale J.*—1,04,000 lbs. Good general demand. Market irregular. Milled and fine dusts As. 2 dearer. Clean black dusts inclined easier."

TEA DUSTS IN GOOD DEMAND

(From Our Own Correspondent)

CALCUTTA, 19*th May*

Dusts offered during last week's internal sale aggregated 20,441 packages, and leaf grades 2,398 packages. General demand was again strong. There were ready buyers for medium Assams, and a rise by ½ to 1 anna in the prices of colourry Dooars and common varieties was recorded. However, prices of residual stalky sorts were pushed down by an anna, while lack of demand brought down the price for the best liquoring types by As. 2 below brokers' valuations. Quotations were: best Assam C.T.C. Re. 1-14, medium Assam grainy Re. 1-9-6, and medium Dooars Re. 1-8. The leaf market was dull, and prices eased in view of the decline in quality of the offerings.

METALS EASY

(From Our Own Correspondent)

CALCUTTA, 19*th May*

Conditions in the metal market somewhat eased this week, and although consumers continued replenishing their depleted stocks, business could not be finalised in quantities according to the expectations of stockists. This was the main reason for this week's recession in prices. Tin was enquired in large quantities, and although it closed higher on balance at Rs. 524 it was unable to carry the previous week's gain. Stockists were encouraged by the higher advices from Singapore. Mercury was featureless at Rs. 500 a flask. Supplies being plentiful in the country and being sufficient to meet India's requirements for five to eight years, some amount of surprise was caused when a consignment of 30 flasks from Great Britain was unloaded in the docks this week.

Electrolytic copper changed hands at Rs. 175, and all available scraps having found their way to consumers' godowns during recent weeks, attention was given this week to ingots, the supply position of which is unsatisfactory. The fire-refined material was bought at Rs. 170. Star metal antimony was quiet, and the stocks with producers were quoted at Rs. 210. Electrolytic zinc realised Rs. 51, and lead eased to Rs. 59 from Rs. 60.

JUTE GOODS STEADY

(From Our Own Correspondent)

CALCUTTA, 19*th May*

Prices of jute goods continued to improve further during the week under review, and a moderate amount of business was put through. Sacking goods determined the market trend, and received keen attention from speculators. Rumours that Burma is in need of more sacking bags and expectations that exports of bags to Australia can improve, following the I.J.M.A.'s efforts in that country, fanned the enthusiasm of bazar dealers.

Sacking was bought for export to Middle East countries, Cuba and Africa, while purchases for internal consumption accounted for some quantity. Last Wednesday, B. twills gained from Rs. 96 to Rs. 97-4, and mills booked good business at the higher level. The cautious attitude adopted by mills raised the quotation further to Rs. 98, but a recession to Rs. 97-12 was the feature of the trading on Saturday due to profit-taking. This tendency continued yesterday also and the rate eased further to Rs. 96-12. Judged from the market trend of the last two weeks and from the export figures for March and April, sacking has definitely turned the corner, and with stocks and production showing declines further improvement in prices is generally expected. This explains why bazar operators wanted to get possession of any amount of sacking goods. Enquiries from foreign countries show signs of increasing business in coming weeks, but materialisation would depend on the maintenance of steady conditions. Mills are alive to this aspect, but past experience has shown that it is the speculator who invites easier conditions by releasing huge stocks on the hint that prices would move down. The smaller the quantity the speculator possesses the better.

Prices for hessian were maintained. Business was done with the United States, New Zealand, Britain, and Australia. More business with America is expected. Ready 40" 10 oz. hessian was steady at Rs. 43-4 on Wednesday and despite initial profit-taking the rate closed better at Rs. 43-6 on Thursday, but gave way to Rs. 42-12 on Saturday, following a New York report that American consumption of burlap during April was 67.7 million yards, as against 69 million yards in March. Yesterday the rate was lower at Rs. 42-6. Hessian 40" 8 oz. was offered at Rs. 33-6 f.a.s., and at Rs. 40-2 f.o.b. No particular notice was taken of the increase in hessian production to 32,200 tons in April from 31,900 tons in March. Apart from the increase being too small, present stocks are not considered abnormal. The higher trend in raw jute prices, and the disproportionate rise in prices of jute goods make the mills postpone entering into commitments for current production.

The raw jute market was fully steady. Prices were raised substantially. The lack of relationship between the advances in the prices of jute goods and raw jute is to be regretted, as support to the market has to come from mills which will have to ensure economic production. Here also speculators accepted many offers, but good quality jute was difficult to obtain. Stockists and sellers were reserved. Assam bottoms gained two points to Rs. 26. However, in sympathy with the recession in the prices of jute goods, Assam bottoms eased to Rs. 25 yesterday. Latest quotations for other varieties are: Kissanganj Rs. 25-12. Murshidabad dist. tossa bottoms Rs. 24, Muriliganj Rs. 21-4, Bimli f.a.q. Rs. 20, and Pakistani jat Rs. 27. *Pucca* bales first marks ready were priced at Rs. 150 a bale.

LINSEED PRICE ADVANCES

(Messrs. A. Bradley & Co.)

CALCUTTA, 18*th May*

Considerable excitement has followed the reduction of export duties on linseed and linseed oil and there has been a disproportionate advance in prices, owing to keen activity on the part of speculative elements. Export interests view the present situation gloomily, as the advance in price has been far in excess of the reduction allowed in export duty. In effect, shippers find themselves in the same position as before, with overseas buyers showing no interest.

Meanwhile, much interest has been aroused in the oil market by strong buying activity on the part of certain *vanaspati* manufacturers. Large business has been reported for ready as well as forward delivery, and plans appear to be well laid

(*Continued on page* 964)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	25th May, 1951	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,179.81	1,164.56	1,166.23	1,158.89
Notes held in Banking Department	35.05	9.75	10.98	8.25	23.04
Foreign Securities	39.50	615.15	598.15	598.15	602.15
Rupee Securities	37.39	449.86	449.86	449.86	461.62
Banking Department					
Deposits of:					
Government of India	14.89	98.58	97.99	98.35	129.88
Other Governments	..	15.58	16.95	21.71	1.05
Balances held abroad	10.08	105.65	123.35	127.88	93.99
SCHEDULED BANKS					
Demand Liabilities	134.37	524.18	536.96	542.72	554.61
		(10.01)	(12.07)	(13.01)	(9.59)
Time Liabilities	102.84	321.72	320.97	317.39	287.85
Borrowings from Reserve Bank	..	(1.80)	(1.85)	(2.06)	(2.00)
	..	25.82	18.04	14.97	36.45
		(15.54)†	(10.14)†	(0.99)†	(26.05)†
Borrowings from Imperial Bank	..	11.40	10.36	9.20	7.95
Cash in India	6.71	32.13	31.81	32.39	33.68
Balances with Reserve Bank	25.28	38.34	40.63	43.34	44.78
Excess over statutory limits	15.52	5.69	7.37	9.81	11.30
Balances with other banks in current account in India	..	10.97	12.60	14.16	10.63
Money at call and short notice in India	..	14.11	16.26	15.81	14.66
Investments (at book value)	..	300.73	300.93	301.67	294.88
Advances and bills	105.09	539.86	536.22	530.99	558.67
IMPERIAL BANK					
Deposits	87.76	208.48	213.58	219.24	228.80
Investments	51.99	81.51	82.13	83.12	86.75
Advances	30.37	135.78	135.22	132.09	158.28
Cash	14.69	13.75	14.88	15.67	14.15

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	15th May, 1953 Number of Cheques	15th May, 1953 Amount Rs.	8th May, 1953 Number of Cheques	8th May, 1953 Amount Rs.
Bombay	2,31,628	50,23,83,000	2,35,312	52,40,36,000
Calcutta	1,50,682	49,74,89,134	1,54,546	46,73,09,329
Madras	68,364	7,33,12,264	73,992	6,95,49,817
All Centres—				
1951	..	..	1,05,94,122	3180,56,86,359
1952	..	..	1,06,41,041	28,79,51,57,000
Feb., 1953	..	..	24,45,000	5,23,39,00,000
Mar. ,,	..	..	27,13,000	6,15,31,00,000

Reserve Bank of India

Statement of Affairs for the week ended 15th May, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	100,71,15,000
(2) Other Governments	14,27,57,000
(b) Banks	42,38,53,000
(c) Others	57,74,23,000
Bills Payable	5,02,80,000
Other Liabilities	33,33,47,000
Rupees	265,50,15,000

ASSETS	Rs
Notes	15,19,04,000
Rupee Coin	10,98,000
Subsidiary Coin	6,47,000
Bills Purchased and Discounted—	
(a) Internal	..
(b) External	15,50,000
(c) Government Treasury Bills	13,16,72,000
Balances held abroad*	106,34,90,000
Loans and Advances to Governments	2,77,00,000
Other Loans and Advances	31,09,65,000
Investments	87,24,40,000
Other Assets	8,36,09,000
Rupees	265,50,15,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs.14,63,68,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 40,68,68,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	15,19,04,000	
Notes in circulation	1174,53,68,000	
Total Notes issued		1189,72,12,000
Total Liabilities		1189,72,12,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	613,15,11,000	
Total of A		653,16,82,000
B. Rupee Coin		86,69,25,000
Government of India Rupee Securities		449,86,05,000
Internal Bills of Exchange and other commercial paper	..	..
Total Assets	..	1189,72,12,000

Ratio of Total of A to Liabilities: 54.901 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 8th May, 1953

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks	10,90,39,000†
(ii) Other demand liabilities	513,26,82,000
2. Time Liabilities in India:	
(i) Borrowings from banks	1,85,00,000†
(ii) Other time liabilities	319,87,01,000
3. Cash in India	32,12,78,000
4. Balances with the Reserve Bank in India	33,34,49,000
5. Balances with other banks in current account in India	10,96,90,000
6. Money at call and short notice in India	14,10,76,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	300,73,43,000
8. Advances in India	477,97,07,000
9. Inland Bills purchased and discounted in India	61,89,20,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.

†Excludes borrowings from the Reserve Bank, and with effect from the 18th April 1952 as also those from the Imperial Bank.

EXCHANGE RATES

	15th May, 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D.	476	476
Buyers T.T.	471¾	471¾
London on New York	2.81¼–2.81¾	2.81¼–2.81¾
London on Paris	980–985	987¼–988
London on Berne	12.22½–12.22¾	12.17½–12.17¾
New York on London	2.81–2.81¼	2.81¼–2.81¾

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India	1948	342.12	..	8,730	255
Pakistan	1949	75.04	..	1,671	223
Burma	1951	18.67	Kyats 3,166	317	167
Ceylon	1951	7.74	..	451	564
Japan	1951	84.30	Y. 4,564,400	6,038	716
Philippines	1951	20.25	Ps. 7,586	1,820	856
New Zealand	1951	1.95	£ (N.Z.) 615	820	4,206
Australia	1951	8.41	£ (A.) 3,238	3,454	4,317
U.K.	1951	50.29	£ 11,384	15,179	2,976
U.S.A.	1951	154.36	$ 277,600	132,190	8,564
Canada	1951	14.01	$ 17,284	8,552	6,108
France	1951	42.24	F. Fr. 9,082,000	12,372	2,929
W. Germany	1951	48.11	Dm. 90,200	10,227	2,126
Italy	1951	46.60	Lr. 7,746,000	5,902	1,267
Norway	1951	3.29	Kr. 15,695	1,065	3,206
Sweden	1951	7.07	Kr. 36,800	3,439	4,864
Netherlands	1951	10.26	Fl. 16,940	2,151	2,096
Denmark	1951	4.30	Kr. 20,716	1,439	3,346
Switzerland	1951	4.75	S. Fr. 19,000	2,166	4,558

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nations Monthly Bulletin of Statistics, March, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 8th May, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	20,81,54,000
(b) Provincial Governments	1,31,11,000
(c) Banks	21,52,57,000
(d) Others	2,51,67,000
Bills Payable	6,47,000
Other Liabilities	1,24,05,000
	57,67,44,000

ASSETS	Rs.
Notes	7,27,66,000
Rupee Coin	3,000
Subsidiary Coin	11,000
Bills Purchased and Discounted:—	
(a) Internal	..
(b) External	..
(c) Government Treasury Bills	14,99,000
Loans and Advances to Governments	1,33,00,000
Provincial Governments Debtor Balances	6,25,55,000
Other Loans and Advances	2,59,25,000
Investments	33,07,46,000
Other Assets	8,49,39,000
Rupees	57,67,44,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	5,27,66,000	
Notes in circulation	211,13,99,000	
Total Notes issued		216,41,65,000
Total Liabilities		216,41,65,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	..	
Sterling Securities	39,07,40,000	
Government of India Securities	11,87,77,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,96,000	
		88,85,55,000
B. Rupee Coin	6,24,72,000	
Government of Pakistan Securities	117,06,63,000	
Internal bills of exchange and other commercial paper	....	
		123,31,35,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		216,41,65,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 42.88 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953				Rs. a. p.	%
24th Feb.	1.00	1.09	1.00	2 7 0	100
3rd March	1.00	1.02	1.00	2 7 0	100
10th ,,	1.00	1.16	1.00	2 7 0	98
17th ,,	1.00	1.09	1.00	2 6 11	86
24th ,,	1.00	1.02	1.00	2 7 0	93
31st ,,	1.00	1.01	1.00	2 7 0	100
7th April	1.00	1.35	1.00	2 7 0	100
14th ,,	1.00	1.21	1.00	2 7 0	100
21st ,,	1.00	1.30	1.00	2 7 0	100
28th ,,	1.00	1.01	1.00	2 7 0	100
5th May	1.00	1.63	1.00	2 7 0	61
12th ,,	1.00	1.65	1.00	2 6 10	58
18th ,,	1.00	1.95	1.00	2 6 8	41
Total	13.00	15.47	13.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	26th March, 1953	5½	5
Belgium	18th Dec., 1952	3½	3
Canada	17th Oct., 1950	1½	2
Denmark	3rd April, 1953	3	2½
Finland	16th Dec., 1951	7½	6½
France	9th Jan., 1951	5	4
Greece	12th July, 1948	10	12
India	15th Nov., 1951	3	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	5.84
Netherlands	1st Aug., 1952	3½	3
New Zealand	26th July, 1941	2	1½
Norway	9th Jan., 1946	3	2½
Portugal	12th Jan., 1944	3	2½
South Africa	27th March, 1952	3½	4
Spain	18th Mar., 1949	4½	4
Sweden	1st Dec., 1950	2½	3
Switzerland	26th Nov., 1936	4	1½
Turkey	26th Feb., 1951	2	3
United Kingdom	12th Mar., 1952	2½	4
U.S.S.R.	1st July, 1936	8	4
U.S.A.	18th Jan., 1953	1½	2
West Germany	8th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	December, 1952	December, 1951	Nine months—April to Dec., 1952	Nine months—April to Dec., 1951
Import Duties:				
Revenue	10,65	10,36	84,57	96,24
Protective	54	73	5,96	7,90
On surplus disposals	—	4	3	23
Total import duties	11,19	11,13	90,56	104,37
Export Duties	3,05	5,09	42,77	66,29
Land Customs	23	40	2,14	2,48
Miscellaneous	11	9	92	90
Gross total customs	14,58	16,71	136,39	173,99
Refunds and drawbacks	30	30	2,18	2,74
Net Customs	14,39	16,41	134,21	170,25
Gross excise	4,77	6,77	50,90	68,37
Refunds	5	13	1,12	1,28
Net Excise	4,72	6,64	49,77	67,09
Net total of customs and excise	19,11	23,05	192,98	237,34

Imperial Bank of India

Statement of Affairs for the week ended 15th May, 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —*Rs. 375 per share on 1,50,000 shares*	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,35,00,000
Deposits and other Accounts		209,67,71,000
Borrowings from other Banking Companies Agents		11,50,00,000
Bills Payable		2,05,86,000
Bills for Collection being Bills Receivable as per contra		40,54,000
Acceptances, Endorsements and Other Obligations as per contra		2,86,000
Other Liabilities (including Inter-Office Adjustments)		2,44,21,000
Total	Rs.	238,08,68,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		11,74,97,000
Balances with other Banks		4,21,36,000
Money at Call and Short Notice		1,15,89,000
INVESTMENTS—		
Government and other Trustee Securities	70,65,81,000	
Other Authorised Investments	10,65,80,000	81,31,11,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	108,14,86,000	
Bills Discounted and Purchased	26,08,49,000	
		134,23,35,000
Bills Receivable being Bills for Collection as per contra		40,54,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		2,86,000
Premises less Depreciation		1,32,17,000
Furniture and Fixtures less Depreciation		35,51,000
Other Assets (including Inter-Office Adjustments)		3,30,82,000
Total	Rs.	238,08,68,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings@	3½% Ten-Year Treasury Savings Deposit Certificates §	
	5-Year		7-Year		12-Year						
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*
1950-51	2,08	5,01	96	2,40	20,67	50,53	97,80	61,36	— 22,32	5,31	5,31
1951-52	1,76	6,10	77	2,91	22,07	66,81	1,07,55	74,18	— 27,55	13,10	18,39
January 1952	13	5,82	7	2,81	1,51	63,62	7,75	68,04	— 26,68	66	17,17
February ,,	13	5,90	5	2,83	1,64	64,79	8,21	68,27	— 27,02	53	17,70
March ,,	29	6,10	10	2,91	2,63	66,61	15,04	74,18	— 27,55	71	18,39
April ,,	14	6,17	5	2,93	2,28	63,56	10,01	76,65	— 27,91	95	19,33
May ,,	12	6,22	8	2,92	2,12	70,22	9,95	77,85	— 28,25	56	19,86
June ,,	12	6,28	6	3,02	1,82	71,54	9,38	80,03	— 28,57	69	20,53
July ,,	15	6,34	10	3,09	2,03	73,14	10,29	82,54	— 28,91	74	21,25
August ,,	14	6,40	8	3,12	1,76	74,45	8,60	83,75	— 29,15	65	21,90
September ,,	10	6,44	3	3,12	1,34	75,73	8,78	84,89	— 29,40	52	22,38
October ,,	11	6,48	5	3,14	1,71	76,77	9,36	85,24	— 29,68	56	22,92
November ,,	10	6,50	4	3,16	1,71	77,99	8,03	85,51	— 29,98	58	23,48
December ,,	8	6,51	3	3,16	1,36	79,34	8,45	85,92	— 30,22	48	23,94
January 1953	10	6,54	4	3,18	2,02	80,77	8,38	86,06	— 30,50	58	24,48
February ,,	14	6,61	5	3,21	1,86	82,14	8,36	86,33	— 30,75	62	25,08
March ,,	..	..	..	..	..	..	..	..	..	60	25,64

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1949 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from 1st June, 1948. § Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)

1. All-India

Group and Sub-Group	Week Ended 9-5-'53	2-5-'53	11-4-'53	10-5-'52
(A) Government and Semi-Government Securities ‡	92.2	92.3	92.1	91.8
1. Government of India Loans	92.3	92.4	92.3	91.3
2. Municipal, Port Trust and Improvement Trust Loans	86.9	86.9	86.9	87.4
(B) Fixed Dividend Industrial Securities	90.4	90.5	90.0	91.4
1. Electricity	77.4	77.8	77.3	78.0
2. Cotton	127.3	127.1	126.8	129.4
3. Jute	79.5	79.7	79.6	80.8
4. Coal	96.2	96.1	95.0	95.0
5. Iron and Steel	84.9	85.0	84.3	85.2
6. Sugar	89.3	89.3	87.6	95.1
7. Paper	88.1	86.4	84.6	91.2
8. Plantations	97.4	96.8	96.4	106.1
(C) Variable Dividend Industrial Securities	106.4	106.4	105.9	110.4
1. Banks	102.7	102.7	102.5	104.4
2. Insurance	97.2	98.2	97.8	102.1
3. Investment Trusts	140.7	141.5	143.1	140.6
4. Electricity Companies and Tramways	83.6	83.6	82.9	83.7
5. Shipping and Other Transport Companies	85.0	85.6	84.7	84.6
6. Railways	76.0	76.0	75.4	77.0
7. Plantations	116.7	116.1	116.4	150.0
8. Cotton Woollen and Silk	134.4	134.1	133.6	143.7
9. Jute	70.0	69.5	68.9	79.9
10. Coal	88.7	88.8	86.8	96.1
11. Mining and Oil	61.7	61.8	63.0	64.2
12. Iron and Steel	143.4	143.9	141.1	127.4
13. General Engineering	147.0	146.8	146.1	140.7
14. Sugar	80.3	79.8	80.0	86.9
15. Breweries	70.1	63.5	60.2	60.1
16. Chemicals	135.5	135.6	135.8	144.3
17. Paper	114.0	114.3	116.5	114.9
18. Cement	141.2	142.2	139.2	138.8

II. Regional

Region and Group	Week Ended 9-5-'53	2-5-'53	11-4-'53	10-5-'52
(A) BOMBAY—				
Government and Semi-Government Securities	91.9	92.1	91.9	91.6
Fixed Dividend Industrials	92.7	92.9	92.5	91.1
Variable Dividend Industrials	125.7	126.3	124.4	123.5
(B) CALCUTTA—				
Government and Semi-Government Securities	92.8	92.8	92.7	92.3
Fixed Dividend Industrials	86.9	86.9	86.3	89.0
Variable Dividend Industrials	93.6	93.5	93.6	98.4
(C) MADRAS—				
Government and Semi-Government Securities	91.8	92 0	91.8	91.3
Fixed Dividend Industrials	102.3	102.1	101.6	108.7
Variable Dividend Industrials	126.9	126.2	126.3	139.5

*Source: Department of Research and Statistics, Reserve Bank of India.
‡ Including Part 'B' State Loans.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,883	12,806,704
1951	1,071	691,821	2,948,978
1952*	993	809,118	3,335,661
October 1950	73	288,849	2,266,994
November ,,	84	56,736	313,887
December ,,	83	41,081	163,718
January 1951	120	93,606	370,990
February ,,	61	44,025	203,650
March ,,	79	47,723	317,269
April ,,	93	95,747	331,932
May ,,	109	56,604	277,314
June ,,	146	98,446	448,258
July ,,	130	72,454	671,705
August ,,	108	64,654	289,907
September ,,	88	24,777	93,109
October ,,	108	67,396	190,761
November ,,	126	64,147	159,276
December ,,	113	76,196	365,149
January 1952†	96	805,881	674,340
February ,,	88	63,180	315,097
March ,,	87	42,430	142,493
April ,,	134	59,437	284,346
May ,,	118	50,093	254,895
June ,,	101	59,381	257,062
July ,,	82	40,754	171,263
August ,,	88	48,585	148,533
September ,,	96	57,875	460,552
October ,,	96	78,181	340,618
November ,,	87	48,766	273,245
December ,,	80	27,401	153,717
January 1953†	82	40,244(a)	239,159(b)
February ,,	42	23,234	116,398

† Figures for 1952 and 1953 are provisional. * Revised.
(a) Not known in six cases. (b) Not known in seven cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51	545	5,279.9	4,225.9
1951-52	573	5,943.1	4,849.0
September 1951	554	494.5	403.4
October ,,	556	508.9	413.8
November ,,	557	491.7	409.8
December ,,	561	500.9	414.8
January 1952	568	500.8	409.7
February ,,	571	480.7	391.9
March ,,	573	481.8	392.9
April ,,	577	488.8	393.8
May ,,	581	514.4	413.1
June ,,	583	500.1	408.8
July ,,	588	534.0	429.7
August ,,	592	531.6	425.7
September ,,	597	530.3	430.6
October ,,	599	548.2	441.5
November ,,	605	529.7	436.4
December ,,	608	552.2	457.8
January 1953	611	535.5	441.8

* Excluding railway, military and factory power stations; Chola Power Station, being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	2nd May, 1953	25th April, 1953	3rd May, 1952	April, 1953	April, 1952	Percentage of increase (+) or decrease (—) in April, 1953 as compared with April, 1952	1952	1951
Food Articles	373.7	375.1	346.4	366.4	346.1	+ 5.9	359.8	409.8
Cereals	445	439	443	437	444	— 1.6	450	483
Pulses	470	474	391	445*	436	+ 2.0	483	506
Other	259	268	217	256	209	+22 0	225	290
Industrial Raw Materials	470.6	457 6R	421.9	448 8	433 5	+ 3 5	453.8	608.2
Fibres	431	431	434	403	449	—10.9	454	622
Oil seeds	600	594	431	568	430	+32 0	484	679
Minerals	445	439	449	449	458	— 1.9	458	426
Others	348	344R	297	358	319	+12.2	341	533
Semi-Manufactures	356.7	355.8	325 3	351.8	338.3	+ 4.0	348 5	377 5
Leather	419	418	252	431	357	+67.5	345	453
Mineral oils	223	223	218	223	218	+ 2 3	221	197
Vegetable oils	525*	527	421	498	435	+14.15	459	679
Cotton yarn	445*	444*	455*	445*	499*	—10 8	465*	483
Metals	224	223	198	226	198	+14 1	211	197
Oil Cakes	431	421*	428	411	416	— 1.2	440	509
Others	251	251	266	225	271	—17 0	273	330
Manufactured Articles	368.7	365 2R	372.8	365 4	381 2	— 4.1	377.5	395.5
Textiles	407	401R	418	401	432	— 7.1	423	468
Jute	385	357	542	357	548	—34.8	506	803
Cotton	407*	407*R	390*	406*	410*	— 1 0	401*	401*
Rayon and Silk	493*	480*	403*	388*	427*	+14 3	485*	611*
Woollen	312	313	303	312	292	—20 1	346	378
Metal products	336	336	311	336	311	+ 8.0	321	285
Others	288	288	299	289	300	— 3.6	298	300
Miscellaneous	615.5	598.4	580.8	601.7	598.1	+ 0.5	635.6	729.8
All Commodities	392.6	389.4R	370 6	384.7	377.8	+ 2.0	386.9	439.3

* Estimated. R=Revised.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
May 1951	—	335	278	314	443	394	374	335	140	178	141	158	166
June ,,	—	337	271	313	447	394	382	337	144	178	138	158	169
July ,,	—	333	270	318	454	394	385	337	145	182	140	155	173
August ,,	—	328	261	322	459	392	387	338	146	181	143	161	171
September ,,	—	325	253	319	470	389	375	340	144	179	150	161	170
October ,,	—	332	254	323	469	393	375	336	144	181	145	165	171
November ,,	146	333	252	325	464	397	374	337	147	182	155	168	165
December ,,	144	331	252	325	449	397	370	337	144	181	150	166	158
January 1952	142	331	246	323	442	393	357	338	142	179	147	162	156
February ,,	140	324	241	318	441	382	343	336	141	175	145	155	155
March ,,	135	313	229	300	417	366	333	336	141	170	141	150	145
April ,,	141	345	262	321	415	377	339	326	145	169	138	153	144
May ,,	140	339	264	310	412	376	339	327	148	168	143	153	143
June ,,	140	338	263	300	424	375	343	330	145	171	141	153	148
July ,,	142	330	263	304	456	377	354	331	143	175	143	161	155
August ,,	144	340	267	312	460	380	369	330	143	176	149	160	157
September ,,	143	341	269	310	453	381	364	328	145	178	143	157	150
October ,,	144	345	274	311	466	381	363	327	146	179	143	154	150
November ,,	143	347	271	306	459	380	357	328	143	176	139	150	150
December ,,	139	346	262	303	447	378	346	327	137	170	138	150

MARKET REPORTS

(Concluded from page 961)

for the mixture of linseed oil with groundnut oil, now at a prohibitive price, in the manufacture of *vanaspati*, the Government permission for this purpose having been obtained. Supplies of linseed from up-country appear fairly plentiful for the time being and there are regular arrivals of new crop goods daily. The daily turnover has shown an increase, local merchants and stockholders having entered the market, in addition to crushers. General conditions appear rather unsettled at the moment. Latest quotations are: May Rs. 22-8 and June-July Rs. 23 per maund.

TRADING IN KIPS RESTRICTED

(From Our Own Correspondent)

MADRAS, 18th *May*

Trading in kips was slow, as U.K. buying was restricted to immediate requirements and U.K. dressers were unwilling to follow Madras prices. Prices are, therefore, likely not to harden. There was good demand for cow calf and buff calf and the market firmed up in consequence. Buff hides were unchanged. There was patchy demand for tanned buff calf and lights from the U.S.

In the London tanned skins public sales, prices of goat skins declined by 1*s.* to 1*s.* 6*d.* for prime class and by 6*d.* for mediums, while those for commons were unchanged. As regards sheep, primes and middle class declined by 6*d.* to 1*s.* and others were unchanged to 3*d.* up over March levels. There was a fair attendance of buyers, but demand was rather restricted. In the local market, goat skins are a shade easier and sheep unchanged. There were good enquiries for sheep fifths from the Continent but none from Japan.

CONSIDERABLE HIDES ARRIVALS

(From Our Own Correspondent)

KANPUR, 17th *May*

The conditions in the hides and skins market remained unaltered during the week under review. The volume of new arrivals was quite considerable, keeping in view the hot season of the year. The local tanners, headed by the Cooper Allens, were the main purchasers. The Madrasee dealers were a shade lukewarm. Latest quotations are: Wet salted cow 1st grade superior Rs. 380 and inferior Rs. 280 per score; wet salted cow 2nd grade superior Rs. 260 and inferior Rs. 180 per score; wet salted buff 1st grade 1 lb. 12 ozs. and 2nd grade 2 lbs. 2 ozs. per rupee; goat 1st grade Rs. 250 to Rs. 300 and 2nd grade Rs. 210 per 100 pieces; sheep Rs. 300 per 100 pieces.

COARSE GRAIN SUPPLIES SATISFACTORY

(From Our Own Correspondent)

HAPUR, 18th *May*

In Uttar Pradesh, foodgrains markets have remained quiet to bearish. Prices have shown downward trend, particularly for wheat. Abundant supplies are flooding the markets. Wheat sales from Government depots, even in rationed towns, have been paralysed. There is a rumour in the market that the State Government proposes to reduce the rate of last year's carry-over of indigenous wheat in conformity with free market prices. There is no move to reduce imported wheat price which is even higher. The Government would thus be enabled to build good reserve of wheat to meet any future emergency in the State. At many places which include Hapur, old wheat is being sold these days at a much lower rate than ration wheat and the loss is being borne by the former ration shop establishments. Coarse grains supplies are satisfactory.

The following are the latest quotations in the local market: wheat Rs. 15-8 to Rs. 16-8, gram Rs. 14-8 to Rs. 15-8, barley Rs. 11-8, *bejhar* Rs. 11-14, maize Rs. 13-8, *bajra* Rs. 13, *jowar* Rs. 11-8 to Rs. 14, *guwar* Rs. 15, peas Rs. 13-11, *arhar* Rs. 14-8, *urd* Rs. 23, *moong* Rs. 22 to Rs. 24, *masoor* Rs. 16 to Rs. 19; Rice: *basmati* Rs. 34, *sela* Rs. 28 and coarse Rs. 23. Traders are building stocks after a lapse of many years and very healthy normal trade channels are fast reviving. As foodgrain movements within the State are free, small scarcity pockets are being well covered by the trade.

LESS AGGRESSIVE OFFTAKE IN SUGAR

(From Our Own Correspondent)

HAPUR, 18th *May*

Crystal sugar markets developed a quiet to bearish undertone during the week under review. There was less aggressive offtake on the part of hoarders who had hoped for a barter deal between India and Burma for the exchange of rice with *gur* and sugar. Encouraged by this rumour, everybody bought sugar and prices were forced to go up. This rumour having now been officially contradicted, the winds are knocked out of the stockists' sails. Besides, the sugar mills are eager to liquidate their stocks also.

The latest quotations are: Ambala Rs. 31-12, Amritsar Rs. 31-10, Delhi Rs. 33-4, Jullundur Rs. 31-1, Agra Rs. 31-12, Hapur Rs. 32, Kanpur Rs. 30-14, Mathura Rs. 32-1, Meerut Rs. 31-10, Muzaffarnagar Rs. 30-14, Patna Rs. 30-14, Madras Rs. 32-5 and Bombay Rs. 32-2.

Khandsari markets ruled quiet to firm with moderate trade enquiry in most of the exporting centres. Current prices varied between Rs. 25 to Rs. 32 per maund.

Gur markets remained very quiet during the week under review and prices have eased in some of the centres. The local market, after an earlier decline, improved on resumption of railway loading of *gur* from the local station after a lapse of many weeks. Prior to this, *gur* had to be transported by road to Agra before it could be loaded to Central Railway stations. The manufacturing season has come to a close everywhere and market arrivals are very poor on that account. There are no heavy stocks in exporting west U.P. *mandies*, as despatches have been fairly regular this season. The overall production has been less than the previous year, because of the damaged sugarcane crop in west U.P. Hapur stock is put at about 25,000 maunds. The latest quotations in the important markets: Ambala Rs. 15 to Rs. 16, Amritsar Rs. 16 to Rs. 18, Delhi Rs. 16 to Rs. 20, Jullundur Rs. 18 to Rs. 19-8, Agra Rs. 16 to Rs. 20, Hapur Rs. 17-8 to Rs. 18, Kanpur Rs. 18 to Rs. 20, Mathura Rs. 16 to Rs. 18, Meerut Rs. 17 to Rs. 18-10, Muzaffarnagar Rs. 16 to Rs. 19-8, Patna Rs. 15, Calcutta Rs. 18 to Rs. 20-8, Madras Rs. 18-8 to Rs. 22-8 and Bombay Rs. 20-8 to Rs. 27.

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Year ended 31st March, 1949 ..	917,800	906,700	671,000
Do. 31st March, 1950 ..	10,41,700	927,600	720,000
Do. 31st March, 1951 ..	11,16,200	10,82,100	7,76,500
Do. 31st March, 1952 ..	11,80,000	10,57,100	7,99,300
Do. 31st March, 1953 ..	11,58,000	10,81,900	7,91,800
January 1951	1,01,800	97,900	67,700
February ,, ...	97,700	92,200	66,300
March ,, ...	91,800	86,600	71,400
April ,, ...	81,500	79,600	65,000
December	1,02,800	97,900	69,100
January 1952	99,800	96,700	71,400
February ,, ...	94,000	82,800	67,000
March ,, ...	1,02,100	92,100	67,400
April ,, ...	93,000	86,500	62,900
December	98,200	91,400	69,700
January 1953	1,02,400	95,500	69,900
February ,, ...	92,400	82,000	61,700
March ,, ...	97,400	86,600	65,500
April ,, ...	97,000	88,100	60,800

SEA- AND AIR-BORNE TRADE : INDIA.

Particulars	January,		Ten Months. April to Jan.,	
	1953	1952	1952 -53	1951-52
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:—				
Foodstuffs	6,29	29,86	156,19	208,66
Raw materials	12,03	26,50	168,16	202,87
Manufactures	22,26	31,69	230,49	281,58
Other items	25	64	3,57	3,63
Total Imports* ..	40,83	88,89	548,41	696,24
Exports :—				
Foodstuffs	11,59	14,67	118,63	138,69
Raw materials	11,94	10,67	121,52	117,76
Manufactures	18,55	38,18	223,88	349,70
Other items	42	26	3,44	2,89
Total Exports ..	42,40	63,78	467,42	604,04
Total re-exports ..	1,20	64	4,84	12,35
Balance of trade in merchandise ..	+ 2,78	— 24,27	— 76,15	— 79,86
Balance of transactions in private treasure ..	— 2	— 1	— 6	— 10
Total Visible Balance of Trade	+ 2,76	— 24,28	— 76,21	— 79,96
Imports :—				
Total C'wealth Countries ..	20,08	24,91	218,46	242,25
Total Foreign Countries ..	20,75	63,78	334,95	453,99
Exports:—				
Total C'wealth Countries ..	20,67	38,91	220,18	317,88
Total Foreign Countries ..	21,73	26,87	247,24	286,16

* Excludes value of certain special imports of foodgrains and stores, full particulars of which are not yet available.

LAND-BORNE TRADE : INDIA

Particulars	January,		Ten months April to Jan.,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	69	2,09	17,93	19,73
Imports	73	4,44	17,59†	71,65
Balance of trade in merchandise.	‡	— 51,92	‡	—77,47

† Incomplete—Excludes the value of 62,217 tons or 348,415 bales of raw jute imported during the two months December, 1952, and January, 1953 awaiting adjustment.

‡ Data incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½ % Loan	1928	9,05,64,000	1955-60	103 ½
4 % Bonds	1926-33	63,30,26,000	1960-70	92 ½
3 % Loan	1938-39	1,16,17,46,000	1963-65	100 ½
3 % Loan	1943	1,14,60,58,000	1964	97 ½
3 % Loan	1950	30,33,10,000	1966-68	90 ½
3 % Loan	1943	1,10,11,78,000	1957	98 ½
3 % V. Loan	1945	1,14,06,89,000	1970-75	86 ½
3 % Loan	1945	1,15,05,83,000	1959-61	95 ½
3 % Loan	1945	1,13,65,64,000	1958	98 ½
3 % Loan	1951	50,00,00,000	1960	90 ½
3 % Loan	1946	45,63,07,000	1961	90 ½
2½ % Loan	1946	37,00,69,000	1954	82 ½
2½ % Loan	1946	35,06,05,000	1956	82 ½
2½ % Loan	1947	14,77,48,000	1962	91 ½
2½ % Loan	1947	73,86,72,000	1955	93 ½
2½ % Loan	1948	60,45,01,000		
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,36,000	At option of Government after three months, notice. On September, 1986 or later at option of Government after three months, notice.	82 ½
3 % Loan	1946	48,91,90,000		82 ½
REPATRIATE STERLING LOANS				
3½ % Loan	1933	12,85,66,000	1954-59	100½
4½ % Loan	1928	3,85,20,000	1958-68	109
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	15th Sept. 1955	98½
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	98½
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97½
3 % Bombay	1949	6,00,00,000	1st Aug. 1962	93½
3 % Bombay	1950	3,00,00,000	31st July 1960	95
3 % Bombay	1951	3,00,00,000	17th Sept. 1962	98
3½ % Bombay	1951	3,50,00,000	1st Aug. 1964	101½
4 % Bombay	1943	30,00,000	1st Oct. 1955-58	98 ½
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98 ½
3½ % Cochin	1945	70,09,000	1st June 1956-61	99
3½ % Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95
3 % Madras	1938	1,42,08,300	15th Sept. 1953	100
3 % Madras	1939	1,29,76,600	21st June 1959	95 ½
3 % Madras	1942	1,23,25,000	15th Sept. 1955	98 ½
3 % Madras	1943	1,25,10,000	14th Sept. 1956	98 ½
3 % Madras	1944	1,08,00,000	15th Aug. 1958	96½
3 % Madras	1945	2,82,19,000	17th Sept. 1960	94½
3 % Madras	1945	3,90,93,200	1st Sept. 1961	90 ½
2½ % Madras	1950	4,47,00,000	31st July 1960	94½
3 % Madras	1951	3,00,00,000	17th Sept. 1962	97 ½
3½ % Madras	1951	5,00,00,000	1st Aug. 1964	101–1½
4 % Madras	1952	1,63,44,300	1st Nov. 1955	103½
3 % Mysore(J)	1930	2,95,85,200	1st Dec. 1953-63	100
3 % Mysore(J)	1936	5,99,72,900	30th April 1955-61	98½
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	98½
3 % Mysore	1942	50,00,000	18th Sept. 1955	98½
3 % M.P.	1943	30,54,200	14th Sept. 1956	98½
3 % M.P.	1944	52,69,800	15th Aug. 1958	96½
3 % M.P.	1948	2,03,00,000	15th Sept. 1964	91½
3 % M.P.	1950	1,00,28,800	31st July 1960	94½
3 % M.P.	1951	1,00,00,000	17th Sept. 1962	97½
3½ % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99½
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99½
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99½
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	98½
3 % Travancore	1944	3,00,00,000	15th May 1952-54	98½
3½ % Travancore	1936	50,00,000	15th Aug. 1956	99½
4 % U.P.	1936	1,69,39,800	15th Sept. 1961-66	90½
4 % U.P.	1944	3,23,96,800	1st Aug. 1958	97
3 % U.P.	1943	2,36,31,900	14th Sept. 1960	94½
3 % U.P.	1945	2,41,19,800	1st Sept. 1961	93N
3 % U.P.	1946	2,00,00,000	17th Sept. 1962	97½
3 % U.P.	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1951	1,75,00,000	15th Sept. 1962	98½N
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	97½
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
77,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	D
14,35,176	4	1913	1974	99⅜
80,00,000	4	1913	1975	99N
88,25,000	4	1914	1975	
10,00,000	4	1914*	1975	
50,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1924*	1960	
35,00,000	3½	1929*	1959	D
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1933*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98½
76,90,100	4	1915	1975	98½
68,02,300C	3½	1921	1981	79N
1,50,00,000C	6½	1921	1981	144N
1,24,04,300	6	1925	1955-85	109
98,21,600	5½	1926	1956-86	104½
99,84,300B	5	1926	1956-86	103½
1,49,49,500B	5	1927	1957-87	103½
1,49,85,000	5½	1928	1958-88	104½
80,00,000	4½	1931	1991	92½
21,75,000C	3	1933	1954	99
48,50,000C	3½	1933	1965	93½
52,00,000	3	1938	1963-68	88
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82½
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78½
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94½
50,00,000C	3	1950	1988	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79N
1,50,00,000	3½	1951	1961	97½
STERLING LOANS				
£892,600	5	1923	1953-83	£86½
£901,000	5	1924	1954-84	£86½
£835,100	5½	1932	1962	896
MADRAS				
Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1882	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug.				
3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	
STERLING LOAN				
£330,000	5½	1923	1953	£100N

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	97½
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
20,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	97½
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
50,00,000	4	1919	1957-79	113
66,80,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	113
25,00,000	5	1927	1961-70	98
10,00,000	3½	1936	1966	96½
STERLING LOANS				
£566,600	4	1909	1969	£95½
£333,000	4	1910	1970	£95½
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	104
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99½
35,00,000	3½	1935	1965	94
30,00,000	3	1935	1966	89
30,00,000	3	1937	1962	96
20,80,000	3	1938	1963-68	92
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
49,40,000	4	1913–14	1954	100
20,60,000	4	1913–15	1974	99½
20,00,000	4	1913–15	1955	113
10,00,000	4	1920	1980	103½
1,60,00,000	6	1924	1954	
25,00,000	5	1924	1958	105
26,14,000	5	1924	1949–59	105
8,45,500	5	1929	1954–59	103
26,21,500	5	1929	1959	85
8,25,00,000	3½	1947	1977	85
2,50,00,000	3½	1949	1979	91½
4,00,00,000	3½	1950	1965	100½
2,50,00,000	3	1951	1966	90
2,00,00,000	3½	1951	1966	
CALCUTTA				
Rs.				Rs.
34,45,500	6½	1925	1955	105½
84,70,000	5	1922	1955	104
36,00,000	5	1928	1958	103½
25,00,000	5	1929	1957	103½
25,00,000	5	1929	1958	103½
10,00,000	5½	1932	1962	95½
33,91,000	3½	1935	1965	88½
5,19,000	3	1936	1953	99½
60,00,000	3	1936	1966	88½
1,46,100	3	1936	1953	99½
3,11,400	3	1937	1954	98½
4,67,100	3	1937	1954	98½
1,62,500	3	1937	1954	98½
4,18,100	3	1937	1954	98½
47,50,000	3	1938	1968	97½
10,67,700	3	1938	1955	99½
15,56,800	3	1939	1956	99½
15,56,800	3	1940	1957	99½
17,64,400	3½	1942	1972	96
21,10,000	3½	1942	1972	96
15,49,000	3½	1951	1960	96
16,33,000	3½	1951	1961	96
66,88,000	3½	1951	1966	99
87,36,000	4	1952	1962	
MADRAS				
Rs.				Rs.
5,00,000	4	1903	1953	101
5,00,000	4	1923	1953	107
3,40,000	7	1925	1955	107

ABBREVIATIONS.—M—Held by Government of Madras. N—Nominal. I—Various Issues repayable to Government.
B—Taken up by Imperial Bank of India. D—Domestic Loan not marketable. C—Held by Commissioners. * Loans held entirely by the Trustee
(a) This includes the amount of loan converted into First Development Loan 1970-75. (f) Income-tax free. A—Held by Government of India.
† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935 ** Quotations in Pak. Currency

PREFERENCE SHARES

Company	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	132	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	90½	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	143	100
Deccan Sugar & Abkhari ‘A’	7,00,000	1920	7	July Apr.	117	100
East India Distilleries	£200,000	1897	7	Jan. July	£1	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	77	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	75	100
Partabpore Co.	6,00,000	1922	10	Oct. ..	15½	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	98	100
Ravalgaon Sugar	20,08,000	1943	5½	Oct. Apr.	70	100
South Behar Sugar	5,00,000	1936	7(a)	Dec. ..	75N	100
Travancore	15,00,000	1946	5c	Dec. ..	6½	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	116	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	117	100
Bernhar (1st)	22,99,800	1901-19	7	Apr. Oct.	120	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	82	10
Equitable	4,00,000	1895	6	Mar. Sept.	116	100
Karanpura Collieries	7,50,000	1946	5½(c)	.. ..	84	75(pp)
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	6N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12xd	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	115	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan. July	131½	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8	10
Benares Cotton	1,05,200	1919	7	July Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	122	100
Berrach ‘A’	6,00,000	1908	8	Feb. Aug.	123	100
Do. ‘B’	6,00,000	1900	7	Feb. Aug.	78	100
Bradbury	14,75,000	1919	7	June Dec.	326½	250
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	142½	100
Cambodias	1,00,000	1938	7	Apr. ..	131½	100
Central India	50,00,000	1912	5	Apr. Oct.	517½	500
Coimbatore Pioneer	1,00,000	1938	6½	Nov. ..	130½	100
Elgin	11,00,000	1913	8	May Nov.	143	100
Do. ‘B’ Pref.	4,20,000	1943	5	July Jan.	10	10
Hoshiarpore	25,00,000	1919	7(a)	May Nov.	95	100
Kesoram	20,00,000	1919	7	June Dec.	127	100
Khatau Makanji	10,00,000	1925	6	Nov. ..	—	100
Do. (2nd)	29,92,500	1947	4	.. ..	84	100
Kothari	12,00,000	1937	6	Nov. ..	10½	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	.. ..	225	100
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	January	75	100
Muir Mills	30,00,000	1900	6	Jan. July	108	100
Mysore Spg.	7,45,038	1944	4½	.. ..	..	50
New Great	5,00,000	1913	5½(a)	Mar. ..	180	200
New Victoria	26,05,500	1920	6	Apr. Oct.	3½	5
Nedar Mills	10,00,000	1943	4	Feb. ..	80xd	100
Rajalakshmi	2,00,000	1932	6½	Apr. ..	56	50
Shree Niwas Cotton	4,80,000	1944	4	.. ..	..	100
Shoolapoor	32,00,000	1943	3(a)	.. ..	80	100
Swadeshi	15,00,000	1935	5	Apr. Oct.	105	100
Swadeshi (Kanpur)	35,00,000	1927	6	June ..	88	100
Vasanta (1st)	3,00,000	1931	6½	Apr. Oct.	120	100
Do. (2nd)	1,50,000	1938	6	.. ..	109½	100
Vishnu	15,66,500	1908	7(a)	Apr. ..	528½	500
ELECTRICS						
Andhra Valley Power Supply	49,34,000	1917	7(a)	May Nov.	1,145	1,000
Calcutta Electric	£1,900,000	1909-11	5(i)	June Dec.	12½	£1
Checa Electric	5,00,000	1940	7	Dec. ..	9	10
Delhi-Dasuali Electric	1,00,000	..	7	Mar. ..	..	100
Essen Electric	4,00,000	1938	7(a)	June Dec.	101½xd	100
Kanth Areet	4,00,000	1933	6	Jan. July	95½	100
South Madras (1st)	6,00,000	1940	5½	July Nov.	9½	10
Do. (2nd)	8,00,000	1940	5½	.. ..	9½	10
Surat Electric Co.	3,00,000	1939	6	Apr. ..	135	100
Tata Hydro-Electric Power	2,50,00,000	1907	7(a)	May Nov.	125	100
Tata Power	89,28,000	1918	7½(a)	May Nov.	1,300	1,000
Valiere	1,25,000	1928	6	Mar. Sept.	8½	10
Visag.	1,00,000	1933	6½(a)	Sept. ..	82½	100
ENGINEERING						
Arthur Butler (Mozaffarpore)	1,30,000	1919	7	Mar. ..	8½	10
Burn & Co., Ltd. (1st)	13,00,000	1895-98	7	Feb. Aug.	132	100
Do. (2nd)	15,00,000	1902	7	Feb. Aug.	117	100
Indian Iron and Steel Co., Ltd.	1,50,00,000	1930	5	Dec. ..	107½	100
Indian Standard Wagon	19,66,500	1918	7	June ..	30	100
Indian Steel Rolling	4,50,958	..	5½	.. ..	10	10
Kamp	10,00,000	1941	5	May Nov.	104	100
††††Kumardhubi Engin.	12,00,000	1915	5	June Dec.	98	100
Larsen and Toubro Ltd.	13,00,000	1946-47-51	5	.. ..	85	100
Mcdonalds (1st)	5,50,000	1907	5½	.. ..	80	100
Premier Construction (1st)	10,00,000	..	6½(a)	.. ..	102½	100
Do. do. (2nd)	15,00,000	1936	6½(a)	.. ..	93	100
do. (3rd)	56,25,000	1947	4½(a)	.. ..	84	100
Steel Products	3,00,000	1917	5	.. ..	1½N	10
Tata Iron and Steel (1st)	6,93,81,900	1908	5	Nov. ..	178½	130
Do. do. (2nd)		1908	5(a)	May ..	136	100
			7½(a)			
JUTE						
Agarpara	10,00,000	1927	7	Jan. July	121	100

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. G=Guaranteed shares. P=Preference shares. P.O.=Preferred Ordinary shares. R=Rebate shares. Y=Accounts published yearly. H=Accounts published Hat-yearly. Q=Accounts published once 15 months. T=Company has Debentures. R.L.=Reserve Liability on shares. N=Nominal Quotation. i=Interim Dividend. f=Dividend for first half-year, y=Dividend for the year. x=Ex. Dividend c.d.=Cum. Dividend.

Shares:—If a company has different classes of shares—as, for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under "Paid-up Per Share."

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12 indicate the months of June and December, respectively. "Reserves" includes general and other reserves and all other funds which a company may have as also depreciation on block items, when this is charged to separate account "Block" represents actual cost of land, buildings, machinery, and all such other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends:—Dividends for completed years are calculated at per cent. per annum, but, where quoted for portion of a year, they represent percentages of the dividend on the paid-up share value. For companies closing the books half-yearly in the first three months of the year, and for companies closing their books yearly during the first half of the year dividends are shown as for the previous year.

COTTON MILLS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	¶Number Installed Spindles	¶Number Installed Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs	Dividends (per cent.) 1949	1950	1951	1952	Accounts closed	Reference
BOMBAY CITY AND ISLAND															
50,00,000	39,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	2-14½	2	12½	12½	15½		12	Y.
40,00,000	96,25,655	1,22,39,885	45,546	B. R. Sons, Ltd.	50,828	1,021	Behartial Ramcharan Cotton Mills	47½	100	6	6	—		3	T.P.Y.
2,59,98,000	5,35,82,946	3,76,37,187	1,80,774	Nowrosjee Wadia & Son, Ltd.	1,82,072	4,855	Bombay Dyeing, etc.	731½	250	24	40	40	3	12	Y.
10,00,000	68,56,275	52,02,609	2,39,868	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills							12	P.Y.
1,09,42,800	3,69,11,265	2,42,52,821	5,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century	284	100	15	18	20	20	12	Y.
49,00,000	76,78,063	1,06,30,358	5,066	V. J. Pilani, Esq. (Chairman)	39,408	698	Colaba Land & Mill	71	100	—	—	4		12	Y.
26,00,000	47,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd.	27,308	680	Coorla	108½	100	7½	7½	7½		3	Y.
16,00,000	64,96,041	63,03,745	76,868	Ramnarain Sons, Ltd.	38,304	..	Dawn	59	50	4	—	12	12	12	Y.
34,00,000	78,85,000	63,06,555	91,036	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	248½	200	7½	7½	7½		12	Y.
25,00,000	82,92,517	1,09,92,288	64,188	Chidambaram, Mulraj & Co., Ltd.	44,768	886	Elphinstone	44	50	10	8	—		12	P.
40,00,000	1,32,62,580	80,34,752	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay	324	100	15	15	20	20	12	P.Y.
50,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	71,608	1,259	Hind Mills	—	10	5½	4½	5½		6	P.Y.
12,80,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co.	45,752	1,022	Hindustan	3,200	1,000	17½	20	20*		3	P.Y.
8,00,00,000 C	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	11-0½	10	7½	7½	10½		12	P.Y.
50,00,000 D								1-13½	1	12½	12½	25			
8,65,000	1,33,65,320	98,10,275	7,671	Damodhar Thack. Mooljee & Co.	47,172	1,191	Indian Manufacturing	3,310	1,000	17½	20	20*		3	Y.
35,000								—	500						
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co.	77,404	1,517	Khatau Makanjee	183½	100	12	14	10		6	P.Y.
1,00,00,000	3,45,80,831	2,90,52,252	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor	316½	100	27k	18	25*	18	12	Y.
28,80,000 A	60,88,538	4,61,890	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	83	100A	7½	5	6½		6	P.T.Y.
3,60,000 B								—	20B						
22,13,050	88,02,988	1,01,00,576	24,034	N. Sirur & Co. Ltd.	33,750	451	Modern Mills	95N	50	14	8	14	10	10	P.Y.
51,75,000	1,65,94,653	71,00,015	2,80,686	Piramal Gangadhar & Others	60,652	1,450	Morarjee Goculdas	200	100	17	15*	12		6	Y.
24,00,000	67,21,958	71,22,987	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay	150	100	11	12½	15	10	12	P.Y.
30,00,000	79,78,669	86,82,525	70,277	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Eastern	159	100	6½	10	12½	10	12	Y.
12,70,100	35,74,176	28,92,872	423	Mafatlal Chandulal & Co.	33,720	873	New Union	23½	10	—	5	10	8	12	Y.
48,00,000	1,14,83,245	1,38,66,478	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix	106½	100	6	10	10	10	12	P.Y.
40,00,000	59,51,640	24,14,688	1,25,251	Podar Sons, Ltd.	32,600	930	Podar	130	100	9	9	10		12	Y.
5,00,000	27,64,626	29,73,962	3,162	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk	25½	10	26½	20	20	12½	12	Y.
25,00,000	59,86,822	41,49,241	21,950	M. G. Investment Corpn.	60,240	1,256	Sassoon Spinning	24	10	—	7½	10	12½	12	P.Y.
60,00,000	1,02,59,322	78,01,447	8,43,673	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	173½	100	12½	14	17½		12	T.Y.
31,50,000	1,00,00,000	76,05,952	50,222	Forbes, Forbes, Campbell &Co., Ltd.	36,116	1,276	Simplex	181½	50	28	34	30†		3	P.Y.
56,00,000	2,07,23,386	1,18,80,653	2,889	Mafatlal Gagalbhai & Sons	55,892	1,633	Standard	308½	100	15	15	26×	20	12	P.Y.
75,00,000	2,10,92,537	1,57,29,109	91,399	Tata Industries Ltd.	65,040	2,000	Svadeshi	259	100	14	16	18	16	12	P.Y.
24,00,000	1,20,11,676	65,86,475	5,71,220	James Finlay & Co., Ltd.	35,804	552	Swan	450	100	20	20	25	30	12	P.Y.
32,34,438	88,66,976	76,66,704	—2,05,128	Tata Industries Ltd.	63,248	1,800	Tata	3 Acd	25	8	8	16	4	12	P.T.Y.
12,00,000	1,17,01,933	86,62,657	4,299	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spinning	3,110	1,000	17½	20	20		3	T.Y.
AHMEDABAD															
20,00,000	84,99,543	51,95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	155	100	8	12	10		6	P.Y.
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Huthesing & Sons Ltd.	42,768	912	Aruna	425	100	13*	15*	20*		12	Y.
21,00,000	2,83,78,675	1,18,76,140	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind	776½	100	22½	25	25	25	12	P.Y.
20,00,000	93,85,169	76,03,158	1,11,303	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning	272½	200	15	15	17½	7½-1	12	P.Y.
12,00,000	1,63,65,455	81,44,027	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	912	Asoka	461½	100	15*	17	22	22*	12	Y.
1,24,77,072	3,38,63,311	3,71,68,168	2,87,005	Karamchand Premchand & Co.	1,39,120	2,370	Calico	322½	125	8	10	12	14-2/5	12	P.Y.
30,00,000	1,00,20,000	83,66,716	748	Tricumlal Bhogilal & Co.	39,316	867	New Commercial	1,055	500	10	11	12	14-2/5	12	P.Y.
39,00,000	1 31,07,324	96,79,263	1,795	Mafatlal Chandulal & Co.	47,952	864	New Shorrock	583	125	28	28	28	28	12	Y.
5,00,000	79,61,645	43,89,260	4,583	Jagabhai Bhogilal Nanavati & Co.	24,8401	5281	Nutan	610	100	25*	28*	25	25	12	Y.
10,00,000	1,49,90,022	73,98,913	3,599	Lalbhai Dalpatbhai & Co.	31,120	637	Rajpur	707½	100	22½	25	25	25	12	Y.
12,00,000	60,40,241	61,41,241	1,09,330	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Rajnagar	160	250	6	8	8		12	Y.
32,50,000	58,29,453	81,93,993	9,867	Lallubhai Gordhandas Ltd.	33,156	648	Rohit	127½	100	8	30	9	9	12	P.Y.
19,50,000 C	94,78,968	61,33,831	8,070	Mafatlal Chandulal & Co.	36,624	720	Shorrock Spinning	305	100	15	15	20	20	12	Y.
2,50,000 D								315	50	25	30	36	32	12	P.Y.
24,90,150	1,91,30,172	1,01,07,709	1,23,551	Haribalabhdas Kalidas & Co.	73,796	1,383	Shri Ambica Mills	465	100	11½*		8‡*		12	P.Y.
28,00,000	59,44,524	80,38,656	20,958	Haridas Acharatal & Co., Ltd.	32,816	776	Vijaya								
WEST BENGAL															
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agenc Ltd.,	13,044	356	Basanti Cotton	4½	10	—	5	3½		12	P.T.Y.
7,11,280	22,53,684	37,16,899	32,931	Bengal Textile Agency Ltd.	28,448	936	Bengal Luxmi	38N	40	—	7½	7½	—f	3	Y.
6,00,000	74,31,075	77,07,829	—28,432	K. Bullen & Co., Ltd.	42,872	841	Bowreah	210	100	5½	—	—	—f	6-12	P.Y.
19,00,000	96,40,017	64,25,317	—27,794	K. Bullen & Co., Ltd.	42,944	518	Dunbar	132	100	5½	12½	11‡		6-12	H.
1,20,00,000	3,29,34,362	3,04,56,320	84,976	Birla Bros., Ltd.	69,352	1,090	Kesoram	19‡‡	15	12½	12½	11‡‡		3	P.Y.
6,90,000 A	71 09,841	79,53,833	51,255	Chakravarti Sons & Co.	23,484	442	Mohini	—	25	12‡‡	7½	7½		12	Y.
88,96,097 B									10						
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12,300	374	Arona Spg. & Wvg. Mills	5	10	9	3	—		12	T.Y.
15 00,000	26,53,246	39,15,375	2,736	Ramlal & Co., Ltd.	50,000	..	Alagappa Textiles	6½	10	9	6	6		12	P.Y.
71,94 400 os	96,26,706	1,90,39,719	18,450	Ind. Trust Fund	19,944	440	Azam Jahi Mills	65½	100	15*	5‡	6‡	6	9	Y.
40,50,000	3,00,10,004	2,73,75,544	2,49,801	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	247½	100	14½	17½	20	15	6-12	P.T.H.
87,00,000	71,21,986	69,36,823	40,045	Shaw Wallace & Co., Ltd.	29,936	782	Bengal Nagpur	14½	10	5	7½	10	5f	12	Y.
60,00,000	77,87,070	1,03,33,381	11,806	Binodram Balchand	37,312	1338	Binod Mills	100N	100	17	25	30		12	Y.
60,00,000	1,33,79,264	84,27,674	4,60,089	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	56N	10	25	25	30	3	6-12	P.P.
15,00,000	1,78,47,800	4,09,27,251	5,14,83,572	Binny & Co., Ltd. (Madras)	1,19,916	2,781	Buckingham & Carnatic	115½	100	6‡	6‡	7½	4	6-12	P.Y.
20,00,000	32,63,706	30,52,641	93,399	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia	11‡xd	10	7½	—	12½	10	12	P.Y.
30,00,000	64,46,347	47,79,878	32,599	Begg Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	8½	5	11‡	11‡	11‡		3-9	T.Y.
20,00,000	84,47,300	2,00,84,126	—16,28,224	Tata Industries Ltd.	1,15,188	2,062	Central India	176	100	6	6	2		6-12	P.Y.
12,00,000	2,25,77,600	1,44,52,007	—1,32,723	R. Beema Nayudu & Co.	28,864	..	Coimbatore Cotton	150N	100	12½	12½	12½	9	12	Y.
12,00,000	33,29,989	27,82,848	7	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills	102	100	7	6			6	P.Y.
20,00,000	17,94,432	20,04,313	9,816	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	39	50	5	10	—		6	Y.
20,76,900	70,83,677	1,11,04,373	—2,70,999												
24,34,800	40,26,054	37,58,169	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi	175	100	25	25	20	10	12	Y.
2,89,84,925	3,84,95,614	5,77,14,605	1,63,862	Bharat Ram, Esq.	75,604	1,830	Delhi Cloth (Inc. Lyallpur Mills)	28½	25	4	10			6	P.Y.
1,00,503									2½						
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd.	32,652	1,198	Elgin	17½	10	12½	11‡	15		9	P.T.Y.
39,04,700	1,01,50,000	82,22,987	6,989	F. Forbes Campbell & Co., Ltd.	72,960	2	Gokak	224½	100	15	10	14	17*	12	Y.
30,00,000	84,17,977	1,21,16,721	487	Govindram Seksaria (Indore)	29,664	1,420	Indore-Malwa United	96½	100	4	4	5		12	T.Y.
8,90,000	22,88,977	18,75,134	487	G. V. Naidu & Co.	23,784	..	Janardhana	63	50	16	10	15		12	Y.
6,50,000	17,28,176	40,18,454	7,677	A. L. A. R. A. Chettiar and another	30,304	325	Kaleeswarar	305	100	—	—	—		12	P.Y.
24,00,000	25,30,000	43,66,106	54,377	Kothari & Sons	13,824	1,213	Lakshmi Cotton	578½	100	7	7½	7½		6	P.Y.
32,00,000	1,62,37,879	1,37,67,873	1,99,524	The Bombay Co., Ltd	53,642	200	Lakshmi Mills	80	250	15	15	20‡	15	12	P.Y.
35,64,100	90,51,492	78,03,494	7,921	G. K. Naidu & Co.	73,504			39	50	8	8	10		3	Y.
17,82,050 A									25						
3,60,000 B	5,94,39,299	4,16,07,732	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura	35‡	15	17½	15	20	20	12	Y.
12,00,000	20,18,053	24,32,416	—7,468	A. L. A. R. S. Chettiar and 2 others	21,856	603	Malabar	142	200	7½	4	6	4	12	W.
60,00,000	93,17,047	52,62,343	50,249	W. A. Beardsell & Co., Ltd	36,416	678	Minerva	191	100	25	12½	12½		3	Y.
29,80,884	65,78,942	71,79,459	22,669	N. Sirur & Co. Ltd.	49,456	952	Model Mills, Nagpur	100‡	100	8*	6	6		12	Y.
94,91,850	96,08,512	1,34,73,361	29,643	B. Abirchand Dadabhoy & Co.	86,318	1,834	Muir	143‡	250	3	3	6		12	Y.
30,00,000	1,55,94,651	1,53,39,271	7,77,290	Indian Textile Syndicate Ltd.	69	..	Mysore Silk Filatures	24‡	100	—	—	7½		12	P.Y.
9,71,850	4,06,541	20,43,991	—2,16,338	A. Sambha Moorty, Esq.	49,632	500	Mysore Spinning	173½	10	20	18*	20*		12	P.Y.
19,86,800	1,15,59,739	82,55,416	38,347	N. Sirur & Co. Ltd.	6,000	..	Mysore Spun Silk	4‡	10	5d	6‡	—		3	Y.
13,61,700	22,98,174	27,85,556	—4,60,000	R. Suryanarayana Rao, Esq.				1‡	2½	—	—	—			
22,89,882									D1						
3,07,095 O	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd.	50,228	1,148	New Victoria	18						12	P.T.Y.
87,03,800	1,20,94,970	1,58,62,385	17,946	Ind. Trust Fund	30,896	717	Osmanshahi Mills	95N	100	14*	5‡	6‡	7	9	Y.
4,00,000 A	19,98,937	20,58,777	19,670	Baghyalakshmi & Co.	22,800	..	Palani Andavar	44‡xd	50	4	10	16		12	P.Y.
15,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills	65½	100	4	7½	5	6	12	P.T.Y.
25,30,420	40,80,284	52,63,263	2,062	A. G. G. Naidu & Co.	38,864	200	Radhakrishna	100	100	15	16	16		12	Y.
15,00,000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	25,896	..	Rajalakshmi	76cd	50	9	9	10		12	P.Y.
15,02,500	31,53,264	33,55,211	11,407	P. S. G. Nayudu & Sons	28,972	88	Ranga Vilas	42½	50	6	7	7½		12	P.Y.
60,00,000	89,59,172	1,04,60,739	5,506	Sir J. P. S. & Sons (Rampur), Ltd.	32,580	600	Raza Textiles	5‡	10	—	—	—			
16,00,000	1,58,35,370	2,03,51,339	—78,03,793	M. J. Divekar, Esq.	82,992	2,234	Sholapur	1,750	1,000	—	—	—		3	P.Y.
22,41,500	9,49,700	25,98,011	66,528	Gopaldas Liladhar & Co., Ltd	15,824	440	Shree Sajjan	75N	100	6	—	—		3	W.
17,79,700	17,05,383	21,50,229	3,083	T. R. A. Ayyar & Bros., Ltd.	18,416	416	Sitaram	36‡	60	6‡	—	5		3	W.
26,69,700	33,51,188	62,29,128	26,556	B. S. Viswanarayiya, Esq.	25,200	292	Sri Krishnarajendra Mills	42½	50	8*	8*	6*		3	Y.
15,00,000	64,96,084	58,49,305	58,49,305	Birla Brothers Ltd.	37,N	992	Sutlej Cotton Mills	27,340	10	40	40	40		3	P.Y.
17,50,000	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,18,216	2,077	Swadeshi (Cawnpore	9‡	10P.O.	5	5	5		12	
1,57,50,000 P.O								9‡	10	10	10	10	7	12	W.T.
13,98,630	16,70,493	12,91,002	9,843	M. R. & Sons	16,000	..	Trichinopoly	9‡	10	7	9	10	12	12	P.Y.
21,00,000	56,75,811	47,61,131	50,000	R. K. S. Chetty & Bros.	33,704	270	Vasanta	150	100	10	10	10	12	12	P.Y.
32,00,000	1,34,16,851	1,18,73,996	2,21,881	The Bombay Co., Ltd.	54,280	1,495	Vishnu	161½	100	10	9	14*	10	12	P.Y.

• Includes Bonus. I. On Increased Capital. ‡ Only Depreciation.

x Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46.

(b) Includes Rs. 11-6 paid out of deferred Dividend Amount.

¶ As on 31st August, 1952.

— Nil Dividend.

† Subject to tax.

J=As on 1st January, 1953.

†† Does not include depreciation

xd=Ex. Dividend. C.d.=Cum. Dividend.

** Net Block

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
ART SILK AND RAYON MILLS													
1,60,42,600	72,66,192	4,27,10,526	38,933	Chinai & Co., Ltd.	National Rayon Corporation	102	100	—	—	—	—	12	P.Y.
99,92,020	57,16,774	267,67,573	2,34,553	Emcete & Sons (Travancore) Ltd.	Travancore Rayons	4½	10	—	—	—	—	12	P.T.Y.
BREWERIES AND DISTILLERIES													
13,28,000	65,17,840	96,16,910	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	22	25	11½	11½Q	—		5	P.W.
6,64,000						10	10						
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	6½	5	20	10	—		3	W.
£330,000	£915,047	£1,010,005	£55,705	Parry's Holdings Ltd.	East India Distilleries and Sugar	14½	20sh.	10	10	10		9	P.Y.
24,00,000	8,54,296	7,56,666	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4	10	—	—	—		8	W.
4,00,000	21,13,586	12,13,593	3,951	B. A. Mallya Esq.	United Breweries	155	75	15	10	20		3	Y.
CEMENT													
81,19,724	21,33,493	67,56,656	15,850	The Andhra Engineering Co., Ltd.	Andhra Cement Co.	100	100	3½	3½	7½		12	P.Y.
43,14,600	16,94,310	17,14,992	1,01,035	Eastern Corporation Ltd.	Assam Bengal Cement	4½	10					3	Y.
4,78,976 D						½	5						
10,56,20,438	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.	Associated Cement Companies	171½	1	100	7	8½	9½	7	Y.
86,49,312	95,24,901	1,45,62,309	61,188	Hari Bros. Ltd.	Dalmia Cement	6½	100	7	—	5	6½	12	Y. f.
8,00,000 D						1	10						
61,01,180	27,27,600	1,26,09,755	90,853	Essen Ltd.	India Cements Ltd.	15½	25	—	—	—		3	P.Y.
7,50,000 D						3-0	5D			5			
73,00,000	1,46,20,109	1,65,80,416	81,840	Martin Burn Ltd.	Sonevalley Portland Cement	7½	5	5	6	8		12	Y.
CERAMIC; MINING AND QUARRYING													
81,70,655	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2½	2½	2½	5	6½		12	Y.
10,00,000	37,00,990	51,64,271	28,729	Bird & Co.	Bisra Stone Lime Co.	29½ N	10	16½	17½	17½		3-9	H.
30,00,000 D						9½	10 O	—	—	—			
38,80,000 D	17,91,749	50,93,341	12,332	Ram Kumar Agarwala & Bros.	Chrestien Mica Industries	6½	5 D	10	10	5f		12	P.Y.
8914,200	£1,650,110	£1,643,983	£85,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	2½	2sh.	15	15	7½f			
15,00,000	21,85,517	66,34,102	26,726	Kamani Bros., Ltd.	Kamani Metals & Alloys	—	—	12½†	12½†	12½		12	Y.
5,00,000 F	38,79,403	43,65,527	1,29,079	Bird & Co., Ltd.	Karanpura Development	13½	10	—	—	—		61.2	H.
8,00,000							10	—	—	—		61.2	H.
10,00,000	6,40,199	7,98,882	9,812	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	10	10	5‡(d)	10	10		3	Y.
6,00,000	37,28,402	31,47,718	74,275	Bird & Co., Ltd.	Orissa Minerals	35½	10	10	6½	12½	15f	6.12	H.
6,00,000	24,28,293	25,13,779	27,403	Andrew Yule & Co.	Rajmahal Firebricks	17	10	10	10	11½		2.8	H.
6,99,390	20,61,475	17,98,676	3 427	Killick Industries Ltd.	Shivrajpur Syndicate	56	10	15	17½	33		11	Y.
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	₹23,14,270	1,02,937	S. V. S. Iyer, Esq.	Kamp & Co.	260	200	80	10	10		3	Y.
92,14,870	55,77,268	2,53,78,334	8,595	Tata Sons, Ltd.	Tata Chemicals	9⅜	10	—	—	—		6	T.Y.
1,12,500	1,38,486	61,178	4,101	B. D. Nagar, Esq.	Thompson & Taylor	4½	3	8½	8½			3	Y.
Other Centres													
25,00,000	54,68,041	63,66,814	59,559	Bhailal Amin & Sons., Ltd.	Alembic Chemical Works Co.	103½	100	—	8	8		12	Y.
62,00,000	1,07,29,152	2,20,10,944	2,51,870	Imperial Chem. Industries (India), Ltd.	Alkali and Chem. Corpn. of India	13½	10	—S	4	6	6	9	Y.
98,84,700 P.O.	68,00,287	78,49,987	₹0,67,400	S. P. Sen, Esq.	Bengal Chemical & Phar.	104	100	6	6			4	Y.
21,30,000	45,64,469	38,97,031	1,09,732	Sahu Bros. (Saurashtra) Ltd.	Dharngadhra Chemicals	165	100	6	15	15		3	Y.
4,50,000	1,50,922	1,53,108	21,738	D. C. Collaco, Esq.	Frank Ross & Co.	3½	6	8†	5‡			12	P.Y.
3,45,97,740	86,89,264‡	4,01,40,091	—10,83,735	Seshasayee Bros. (Travancore) Ltd.	P.A.C.T.	3½	10	—	2½	—		12	Y.
40,49,345	30,74,302	83,46,263	21,842	Seshasayee Bros. Ltd.	Mettur Chemicals	4½	10	—	—	3½		12	Y.
24,81,220	34,32,111	40,15,501	14,741	B. V. Ganapati Iyer, Esq.	Mysore Chemicals and Fertilisers	8-1½	10	4‡	9	9		3	Y.
3,00,000	6,53,627	4,55,089	42,388	Krishna & Co.	Mysore Chemical Mfrs.	2cd	10	2½	12½	10	10	5	Y.
3,00,000	19,82,894	15,86,659	48,158	C A Burton, Esq.	Smith, Stanistreet & Co.	7½	5	10	10	10		6	P.Y.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
					OIL; PETROL, ETC.								
£750,000	£987,630	£257,232	—£718,934	I. C. H. Glass, Esq.	British Burma Petroleum Co ..	1-4½	4sh.	—	—	—		3	P.T.Y.
£2,50,000	81,89,204	52,69,225	1,85,955	M. C. Alcock, Esq.	British Ceylon Corporation ..	13⅜	7½	20†	24†	32†		12	P.Y.
1,00,00,000	2,27,04,997	1,10,70,867	2,10,829	Steel Brothers & Co.	Indo-Burma Petroleum Co. ..	56½	40	10	10	10		12	P.Y.
70,07,475	1,02,93,886	1,52,15,713	10,092	Tata Industries Ltd.	Tata Oil Mills	34½	25	4	6	8		3	H.
6,00,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tide Water Oil Co. (India) ..	14½	10	15	15	17½	5f	4.10	
					PAPER								
45,00,000	1,56,25,500	1,94,47,651	3,21,991	Balmer Lawrie & Co.	Bengal Paper Mills	45	25	10	10	12½	6¼f	6.12	P.T.H.
30,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	173	100	7	10	11	3f	3.9	H
25,00,000	48,30,215	47,81,895	52,615	P. R. Balakrishnan, Esq.	Mysore Paper Mills	13⅜	10	6d	7½	10*		3	Y.
41,95,000	2,73,41,080	3,27,84,408	1,91,321	Mirla Bros., Ltd.	Orient Paper	31⅛	10	15	25	20	10f	3.9	P.T.H
90,06,895	1,10,93,378	64,10,902	1,86,914	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	19½	10	9½	11½	15	7½f	3.9	P.T.H.
20,00,000	58,56,913	76,25,937	9,851	Bajoria & Co.	Star Paper Mills	8½	10	—	—	5	2½f	3.9	P.H.
10,00,000'A'						4½	2½	10	10	10	5f	3.9	
4,37,500PO						35†	A10	20	18§	20*	10*f	3.9	
A*56,00,000O	5,15,53,313	4,78,98,548	5,00,114	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	35§	B10	20	18§	20*	10*f	3.9	
B*56,04,800O													
					PLANTING; PRODUCE AND RUBBER								
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	6½	3	10†	20	20		2	P.Y.
47,70,000	48,44,853	83,16,040	4,37,964	R. C. Paterson, Esq.	Consolidated Coffee Estate	18§	10	17½	30	18		6	P.Y.
4,00,000	2,29,184	4,49,623	13,931	Associated Planters, Ltd.	Cotamal Plantations	9½	10	7½	10			3	P.Y.
2,25,000	1,46,540	4,67,078	1,389	A. V. Thomas & Co., Ltd.	Pringford Estates	2½	10	—	—	—		12	P.Y.
6,00,000	19,08,079	9,81,715	46,448	A. V. Thomas & Co., Ltd.	Highland Produce	10⅞	10	25	45	45		4	Y.
4,00,000	9,67,558	7,20,390	43,506	A. V. Thomas & Co., Ltd.	Kalpetta Estates	17	10	17½	20			3	Y.
4,20,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Malankara Rubber and Produce Co.	102½	20	17½	30	35		3	P.Y.
27,00,000	25,83,648	14,90,888	83,433	A. V. Thomas & Co., Ltd.	Midland Rubber and Produce Co. ..	10½	10	6	12½	10		12	P.Y.
2,50,000	1,38,538	12,94,936	28,190	A. V. George & Co., Ltd.	Neanoory Rubber Co.	8½	10	5	6½	10		12	P.Y.
2,00,000	1,93,721	24,72,600	2,305	Associated Planters, Ltd.	Nilambur Rubber Co.	8½	10	6	10	10		10	P.Y.
19,45,980	48,35,083	38,14,428	8,78,110	Peirce, Leslie & Co., Ltd.	Onchieriony Valley Estates	3—15½	2	25	25	45		3	P.Y.
13,50,000	5,82,973	28,05,890	31,101	A. V. Thomas & Co., Ltd.	Rajagiri Rubber and Produce Co ..	10⅞	10	9	12½	15		6	P.T.Y.
18,00,000	2,36,390	1,56,824	936	East India Agencies, Ltd.	Teekoy Rubbers (India) Ltd.	6½	10	—	7½	9		12	P.Y.
1,50,000	1,81,279	5,11,395	66,520	A. V. George & Co.	Thamarapally Rubber	21	1	17½	20	25	25	9	Y.
3,05,100	5,01,650	6,03,723	31,510	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co. Ltd... ..	13⅜	10	3½	10	20		12	Y.
4,00,000	1,17,222	7,40,149	3,953	K. C. Cheriyan, Esq. (Secretary)	Travancore Rubbers	6¼xd	10	2½	6	10		12	Y.
41,00,000	14,90,372	67,61,27	8,25,086	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber and Tea Co., Ltd.	20N	10	12½	12½	12½	10	12	P.Y.
20,00,000	5,24,135	22,83,995	9,921	P. T. Thomas, Esq.	Tropical Plantations Co.	5½	10	5	5	—		12	Y.
2,20,000	53,026	3,26,408	40,387	A. V. George & Co. Ltd.	Udayagiri Rubber	2½	10	2½	6	20	20	12	Y.
6,25,500	2,79,994	7,07,482	33,166	Harrisons & Crosfield Ltd.	Valkundam (Travancore) Rubber Co., Ltd.	13⅜	10	7½	6¼	—		3	
1,66,000	78,624	3,43,636	14,082	M. K. Thomas & Co.	Woodland Estates	7½	10						
					PRESSING								
5,00,000	18,78,066	19,01,857	2,322	Andrew Yule & Co.	Calcutta Hydraulic Press	83	100	3	3	5		3	Y.
4,50,000	5,58,036	6,89,525	1,116	Pyne and Sons.	Camperdown Pressing	93N	100	4	6	7		7	Y.
5,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Central Hydraulic Press	95	100	3	5	5		6	Y.
					PROPERTY AND LAND								
10,00,750	25,11,061	42,65,283	419	S. A. Basil, Esq.	Humayan Properties	10½	10	—	6	—	5	9	P.Y.
60,00,000	34,67,735††	83,61,045**	—	David Sassoon & Co., Ltd. ..	Fort Canning Land	24	100	2	1½	1		4	P.Y.
94,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co.	Midnapore Zemindary	36	100	—	9	2		4	
					SAW MILLS AND TIMBER								
13,99,998	29,73,877	10,38,508	60,887	Bird & Co.	Assam Saw Mills and Timber	6½	6	16§	16§	16§		9	Y.
50,00,000	4,89,22,437	2,47,99,361	8 57,495	Wallace & Co.	Bombay-Burmah Trading	386½	125	12	30	18		5	Y.
42,00,000						38§	50	12	30	18		6	P.Y.
6,00,000	7,04,037‡	7,80,451	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	50N	100	5	—	—		6	Y.
15,00,000	27,06,050	16,83,461	1,70,441	G. Arbuthnot & Co.	Indian Wood Products	35½xd	10	25	35	35	30	9	Y.
					SUGAR (U. P. and Bihar)								
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co.	Bairampur Sugar	7½	5	—	—	20	—	6	Y.
12,00,000	28,96,740††	15,70,684**	2,81,000	Narang Bros.	Basti Sugar	120N	100	6½	—	10	8½	9	Y.
19,49,050	23,60,462	27,54,525	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	8§	10	7½	10	15	15	6	P.T.Y
7,00,000	21,11,580	15,38,162	40,743	Cotton Agents Ltd.	Bharat Sugar	15½	10	—	—	—		6	P.Y.
32,00,000	1,03,86,777	1,29,41,870	41,747	Gladstone Lyall & Co., Ltd. ..	Champaran Sugar	6§	10	5	—	—		10	
15,00,000	96,28,542	1,30,28,562	31,891	Begg Sutherland & Co.	Cawnpore Sugar	30½	10	15	20	30	20	6	P.Y.
18,00,000	78,43,538	60,37,156	17,488	Begg Sutherland& Co.	Champaran Sugar	23⅜	10	10	15	20		6	
45,00,000	57,00,000	68,17,572	50,477	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	130N	100	5½	6	12*		7	P.Y.
13,00,000						50N	80	—	—	—			
6,00,000	41,78,374	68,10,159	—4,15,271	Kilachand Devchand & Co	Kesar Sugar	20N	40	3	4	—		6	P.Y.
7,89,100	31,59,777	25,99,076	115,051	Cotton Agents Ltd.	New India Sugar Mills	10N	10	10	25	25		6	Y.
11,00,000	27,48,180	36,39,370	3,895	Karam Chand Thapar & Bros., Ltd. ..	New Savan	6	10	5	6½	5		6	
						180N	100	—	—	—			
13,59,375	58,13,266	53,04,760	8,31,095	Cotton Agents, Ltd.	New Swadeshi Sugar Mills	180N	100	15	20	20		6	Y.
						80N	100	—	—	—			
77,48,350	1,08,98,159	1,56,10,992	1,981	Cotton Agents, Ltd.	Oudh Sugar Mills	20N	25	9½	9½	—		7	P.Y.
						15N	12½	—	—	—			
14,00,000	89,11,078	26,43,844	71,500	Narang Bros.	Punjab Sugar Mills	180N	100	6	—	—		10	Y.
9,00,000	42,50,703	31,72,586	19,452	Begg Sutherland & Co.	Partabpore Company	15	10	15	25	20	10	10	P.Y.
8,00,000	26,06,463	24,18,182	15,410	Begg Sutherland & Co.	Ryam Sugar	23½	10	10	20	20		6	P.Y.
11,99,000	38,06,835	36,11,360	23,281	Begg Sutherland & Co.	Samastipur Central Sugar	23½	10	10	20	20	15	6	P.T.Y.
20,00,000	69,84,641	1,03,56,230	4,188	Sahu Jain Ltd.	Shree Krishan Gyandeo Sugar ..	10½	10	—	3½	—		6	Y.
9,99,954	11,66,782	21,41,729	10,162	H. K. Ghosh, Esq. & R. N. Datta.	Sitalpore Sugar	5	10	—	—	—		10	Y.
6,50,000O	11,94,395	27,92,174	—14,73,656	N. K. Jain & Co., Ltd.	South Bihar Sugar	3N	10	—	—	—		6	Y.
1,75,000D						1N	2½						
8,00,000	54,46,474	70,75,580	57,216	Cotton Agents, Ltd.	Upper Ganges	20N	30	17½	20	20		6	Y.
					(Indian States and Other Centres)								
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Belapur Co.	238½	20	16§	25	28	32	9	Y.
33,57,350	46,47,856	38,47,284	4,84,318	Govan Bros. (Rampur), Ltd. ..	Beland Sugar	101N	10	7	7½	10		6	P.Y.
18,91,900	18,53,357	37,63,451	21,012	J.P.Srivastava&Sons(MadhyaBharat)Ltd.	Gwalior Sugar Co., Ltd.	43N	100	—	5	3		6	
10,00,000						22½cd	10	12½	15	25	25	9	P.Y.
3,00,000	44,76,363	24,51,980	3,71,344	India Sugars Agencies Ltd.	India Sugar & Refineries Ltd. ..	43§	10	20*	20	20	6	6	Y.
81,79,250	1,49,74,559	97,24,107	8,27,296	M. Maliackeyra, Esq.	Mysore Sugar	86§	10	16	16	16	8	9	P.Y.
50,00,000	96,58,468	1,03,94,085	3,18,394	Mahalal, Jain & Kantilal, Ltd. ..	Phaltan Sugar Works	17½	10	15	6	7½	20	8	P.T.Y.
16,59,820	45,75,389	24,76,150	1,61,652	Anderson Wright Ltd.	Ramnugger Cane & Sugar Co., Ltd.	90N	10	7	14	18	18	9	P.Y.
20,00,000	68,39,148	74,55,840	1,89,153	Walchand & Co., Ltd.	Ravalgaon Sugar Farm Ltd.	12	10	6	10	12½		7	Y.
19,99,580	30,82,224	42,94,120	6,05,982	Govan Bros. (Rampur), Ltd. ..	Rasra	4§	10	—	—	—		7	P.T.Y.
30,00,000	23,02,233	58,70,150	20,980	Parry & Co., Ltd.	Travancore Sugars	140	100	17½	12	14	14	9	
1,01,00,000	1,29,20,737	1,71,89,516	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries Ltd. ..								
					UNCLASSIFIED (Bombay)								
1 50,00,000	1,14,37,216	46,81,706	—4,88,411	Tata Industries Ltd.	Air-India Ltd.	84	100	15	15	15	17½	12	Y.
2,40,000	4,90,364	3,64,838	702	Forbes, Forbes, Campbell & Co., Ltd	Bombay Belt Depositories	660	200	—	—	—		9	P.Y.
59,89,550	2,64,61,502	3,70,82,315	83,007	Scindia Steam Navigation Co., Ltd.	Bombay Steam Navigation Co., Ltd.	35§	25	—	—	—		12	Y.
15,98,860	1,31,287	2,19,255	32,663	Parakh Agencies Ltd.	Bombay Uganda	54N	90	5	5	5		3	Y.
25,00,000	1,50,000	24,37,096(k)	12,787	Dena Sons Ltd.	Bombay Varuna Agri Investment Co	9§	25	5	5	5		3	P.Y.
17,98,360	17,59,540	10,69,107	4,425	F. H. Mehta, Esq.	Botosis Batteries	23N	50	6	4	4½		12	Y.
19,99,250	18,35,378	1,27,43,383(k)	1,85,257	Premchand Roychand & Sons ..	Industrial Investment Trust	71	100	3§	—	—	4½	12	Y.
84,98,865	15,91,304	12,58,924	2,833	K. G Milne, Esq.	Killick Industries	157½	100	8	8½	10		6	Y.
2,96,71,500A						100	100	—	—	—			
10,00,000 B	65,85,939	2,20,52,503	4,52,797	Aero-Auto Ltd.	Premier Automobiles Ltd.	40§	10	—	—	—		6	W.
4,39,62,018	9,89,24,387	12,98,97,421	8,98,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co., Ltd	13§	15	—	—	—		6	Y.
1,50,000	3,71,437	2,21,590	3,145	R. B. Bandekar, Esq.	Shaw Wallace & Co.	50N	50	10	10	10		3	Y.
10,21,200	17,95,713	14,71,107	56,733	Sir Joseph Kay, K.B.E.	United Motors (India) Ltd.	40	20	7½	10	15	15	12	Y.
2,20,00,000	2,54,09,975	2,16,78,739	4,20,869	T. H. Rydin, Esq.	Western India Match Co., Ltd. ..	226§	100	11•	11•	11•	11•	12	Y.
45,00,000	46,57,108	24,008	41,429	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	350N	150	8-8/6	13½	18½	13½	12	Y.
					Other Centres								
47,50,000	4,90,364	5,64,838	702	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	4½	10	—	—	—		3	P.T.Y.
2,50,000D	53,38,668	31,59,164	5,24,909	Turner Morrison & Co., Ltd. ..	Angelo Brothers Ltd.	17§	10	10	17½•	25•	12½	8	Y.
30,00,000	32,53,118	42,88,118	1,35,909	T. H. Rydin, Esq.	Assam Match Co., Ltd.	18§xd	10	12½•	12½•	12½•	12½•	12	P.T.Y.
20,00,000	50,63,088	92,32,682	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	5½	10	7½	10	10		9	Y.
30,00,000						300	100D	20*	20*	25*			
30,00,700	15,57,826	45,95,360	8,19,159	O. T. Jenkins, Esq.	Balmer Lawrie & Co.		40D	15	15	20	12½	12	P.Y.
10,00,000						155	100	5	10	12½	12½	10	P.Y.
20,00,000	1,19,26,323	1,24,61,121	2,04,690	Andrew Yule & Co.	Bengal Assam Steamship Co., Ltd.	16	10	11½	11½	12½	12½	9	Y.
20,00,000	3,18,806	54,95,998(K)	1,25,180	Lovelock & Lewes	Birds Investments Ltd.	90	10	3	3	4		12	P.Y.
8,00,00,000	1,00,01,435	2,26,31,139	1,16,835	Dinshaw Ltd.	Bharat Line	14§	10	12½	12½	7½—1		3	P.Y.
30,64,680	50,81,266	83,30,734	1,82,277	A. P. Chanda Esq.	Britannia Biscuit	8—11½	5	11½	18	12½	12½	12	P.Y.Y.
3,15,00,000	2,85,64,167	47,78,193••	1,99,112	Sir Robert Menzies Kt., O.B.E.	British India Corporation Ltd. ..	28†	10	20	20	15—1	15	12	P.Y.Y.
1,60,00,000	3,77,71,521	4,07,06,331	7,01,468	Cecil Stack, Esq.	Dunlop Rubber Co. (India) Ltd. ..	145	100	8	9	9	9	12	P.Y.
31,26,000	47,57,061	1,26,55,420(K)	3,15,489	Bird & Co., Ltd.	Eastern Investments Ltd.	196xd	100	20	22½	15†		3.9	P.Y.
7,00,000	29,85,208	24,09,208	17,908	Maxwell & Barry Ltd.	Ganges Rope	128	100	7½	10	7½		3	P.Y.
65,00,000	34,13,877	15,62,902	2,07,524	A. J. Elkins, Esq.	Gillanders Arbuthnot & Co., Ltd.	252	250	6	6	6		3	P.T.Y.
30,00,000	37,25,649	60,01,406	6,213	B. P. R. Syndicate	Great Eastern Hotel Co.	100N	100	—	7½	7½		12	Y.
18,42,800	36,42,049	34,49,284	12,214	Birla Brothers, Ltd.	Hind Cycles	4½	10	—	—	—		3	P.Y.
4,96,12,650	39,45,519	2,61,39,292	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	103	10	3½	5	5x	12	12	P.Y.
1,60,00,000	1,59,65,033	3,07,88,193	22,27,867	J. W. E. Johnson, Esq.	Indian Aluminium Co.	19	10	8§	10•	10•		3	
1,52,89,220	1,31,92,732	57,92,390	9,29,554	D. J. Meintosh, Esq.	Indian Cables	4½	10	—	—	—		12	P.Y.
83,75,000 G						7½	10	—	—	—			
4,00,000 P	51,91,428	75,82,228	—15,73,246	Govan Bros., Ltd.	Indian National Airways	1	1	—	—	—		12	P.Y.
1,25,000D						14½	10	10	10	10		3	P.T.Y.
8,27,978	12,79,385	14,27,460	39,038	George Spencer Moulton & Co. (India	Indian Rubber Manufacturers	6§	10	—	—	5		9	Y.
8,25,00,000	1,60,38,685	3,87,93,801	2,26,066	Lionel Edwards Ltd.	India Steamship Co., Ltd.	4§	2	21§	21§	21§		9	Y.
40,00,000	36,64,028	67,247	36,496	G. V. Swalka, Esq.	Ivan Jones	130	100	10	10	10		9	P.Y.
2,00,00,000	33,39,843	27,16,440	8,86,448	J. D. K. Brown, Esq.	Jardine Henderson	2	5	—	—	—		3	P.Y.
63,50,000	9,97,633	6,91,531	—61,094	James & Co. Ltd.	Macfarlane & Co. Ltd.	1.37	0. 100	10	12½	12½		12	P.Y.
9,00,00,000						—	D. 10	5	5	7½		12	P.Y.
5,00,000D	63,35,248	23,69,220	85,717	A. T. Doig, Esq.	McLeod & Co. Ltd.	19½	10	10	12½	11½	13§	9	Y.
					Martin Burn Ltd.	5	10	—	12½	—		9	Y.
30,55,750	33,32,702	11,34,840	2,31,092	T. Leslie Martin Esq.	Mysore Glass & Enamel Works ..	18½	10	10	10	10		3	P.T.Y.
6,35,150	4,90,353	7,47,410	10,548	Ogale Glass Works Ltd.	Mysore Lamp Works	10§	10	10	10	10		3	P.T.Y.
3,75,000	7,74,333	8,79,856	3,666	R. Bharanilah, Esq.	Mysore Tobacco	10§	10	—	—	—		3	P.T.Y.
10,00,000	3,93,997	11,45,855	1,11,329	V. S. Arunachalam, Esq.	National Insulated Cable Co., of India Ltd.	12§	10	5	5	7½		12	P.Y.
20,00,000	31,92,159	50,16,078	1,11,045	Associated Ind. Development Co., Ltd	National Tobacco Co.	10§	10	—	2½	—		12	P.Y.
79,97,000	65,83,352	1,04,50,524	8,86,347	B. N. Elias & Co., Ltd.	Ogale Glass Works	3	5	—	—	—		12	P.T.Y.
14,87,137	5,67,696††	18,52,565**	23,513	S. P. Ogale & Co.	Parry & Co.	5½	2	62½	—	80-1	32½	12	P.Y.
40,00,000	36,64,522	69,82,006	1,99,446	Parry's Holdings Ltd.	Ralfia India Ltd.	75§	100	8	8½	9	—	10	P.Y.Y.
1,25,00,000	62,31,619	1,69,49,907	24,847	G. U. Euthymopulo, Esq.	Rehma Industries	9½	10	—	—	7½			P.Y.
1,54,00,000	8,29,15,252	5,78,03,905	83,67,941	Sahu Jain Ltd.	Spencer & Co. Ltd.	14§	10	10	10	15		12	Y.
40,00,000	1,53,62,299	1,19,64,861	5,96,552	C. W. Stephenson, Esq.	Shaw Wallace & Co., Ltd.	12§	10	10	10	10	—	12	Y.
75,00,000	23,00,000	1,75,74,498	2,62,138	B. H. D. Campbell, Esq.	Travancore Ogale Glass	3§	10	—	4	—		12	Y.
9,98,280	3,19,364	8,90,420	1,855	Ogale Bros., Ltd.									

†† Does not include depreciation. • Includes Bonus. **Net Block. C.D.—Cum Dividend. I On Increased Capital.

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs	Block Account Rs	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
						ASSAM								
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	450N	100	20	25	—		12	P.Y.
3,50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd. ..	400½	Anandabag	25½	10	25	40	30		12	Y.
5,50,000	10,64,192	12,05,396	—89,152	McLeod & Co., Ltd.	573	Baghmari	10½	10	12½	17½	—		12	Y.
3,40,000	9,12,883	7,05,721	44,989	Andrew Yule & Co., Ltd.	360	Basmatia	24	10	30	30	25		12	Y.
3,30,600	7,24,887	8,38,278	71,941	Williamson Magor & Co.	556	Bateli	10½	5	25	30	10		12	Y.Y.
3,20,000	6,19,032	6,72,731	54,942	Gillanders Arbuthnot & Co., Ltd. ..	566	Betjan	24	10	20	35	15		12	Y.Y.
16,50,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co.	4,004	Bishnauth	24½	10	35	50	5		12	Y.Y.
6,00,000	4,80,346	9,78,429	—1,90,802	Octavius Steel & Co., Ltd.	493	Boksathat	4½	10	5	5	—		12	Y.
7,50,000	5,06,959	7,68,836	22,297	McLeod & Co., Ltd.	450	Borrnah Jan Tea Co., Ltd.	11	10	15	15	15		12	P.Y.
35,00,000	22,18,001	70,96,925	87,990	Brooke Bond India Ltd.	2,670	Brooke Bond	11½	10	10	10	10	6	P.Y.
1,20,000	3,06,715	3,66,030	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	8½	10	10	6½	15	—	12	Y.
6,00,000	22,17,578	24,24,301	25,545	Jardine Henderson Ltd.	1,341	Dhalai & Parbattia	22½	100	15	30	20	22½	12	Y.
17,53,440	7,15,393	19,11,105	54,401	James Warren Ltd.	426	Dhelakhat	10	10	10	16	12	5	12	Y.
4,68,970	8,90,863	13,71,610	25,794	James Finlay & Co., Ltd.	613.37	Dhunseri	9½	10	10	20	10	10	12	T.Y.
4,50,000	6,57,785	9,86,816	14,389	McLeod & Co., Ltd.	458	Dibrugarh Co., Ltd.	7½	10	—	—	10	5	12

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs				Rs.	Rs.						
60,00,000	1,02,72,130	95,73,184	3,33,368	879	B. N. Elias & Co., Ltd.	Agarpara	19 ⅜	10	10	15	20	10f	3.9	P.T.H.
12,00,000	50,61,739	45,32,316	16,522	498	Sahu Jain Ltd.	Albion	190	100	—	14	30	8f	5.11	P.H.
6,00,000	30,55,572	47,31,264	—3,29,636	446	McLeod & Co., Ltd.	Alexandra	190	100	—	5	5	—f	6.12	T.P.H.
30,00,000	85,83,664	1,17,03,966	—13,63,074	1,264	McLeod & Co., Ltd.	Alliance	165	100	—	2½	—	—f	6.12	P.H.
49,20,700	2,31,84,144	2,24,03,099	1,44,601	2,561	Duncan Bros. & Co.	Anglo-India	236	100	—	20	20	10f	3.9	P.H.
40,00,000	1,18,83,050	1,31 13,967	71,745	810	Bird & Co., Ltd.	Auckland	139	100	1½	10	10	4f	3.9	P.T.H.
20,00,000	92,46,901	97,14,511	55,967	959	Jardine Henderson & Co.	Baily	181	100	7	12	1	—f	3.9	P.H.
£275,000	£1,680,379	£1,328,460	£91,091	1,890	Jardine Henderson & Co.	Barnagore	169	£5	20	20	20		3	P.Y.
28,00,000	80,27,627	88,01,241	26,347	820	Andrew Yule & Co.	Belvedere	218	100	13	17	27½	15	6.12	P.H.
45,00,000	78,51,305	51,03,385	4,07,701	600	Soorajmull Nagarmull	Bengal	15	10	13¾	15	30		6	T.P.Y.
30,42,000	3,71,54,151	3,06,60,933	1,38,294	1,373	Birla Bros.	Birla	37 ⅜	10	25	30	30		3	H.
36,00,000	98,57,668	1,07,77,342	25,598	991	Andrew Yule & Co., Ltd.	Budge-Budge	175	100	7	13	22	6¼f	4.10	T.P.H.
7,47,380	30,53,704	39,44,698	34,320	502	Dayaram & Sons	Calcutta Jute Manufacturing ..	18¼N	10	—	—	20		6.12	P.H.
18,00,000	65,79,289	75,43,878	32,228	616	Andrew Yule & Co.	Caledonian	175	100	5	14	22	12	5.11	P.H.
59,16,400	2,11,26,602	1,62,21,807	1,35,299	1,400	James Finlay & Co., Ltd.	Chamodany	160	100	3	10	14	8f	3.9	P.H.
15,95,000	78,33,608	79,40,140	45,839	530	Andrew Yule & Co., Ltd.	Cheviot	222	100	13½	16	22	12	5.11	T.P.H.
10,05,000	83,89,114	55,21,773	60,392	508	McLeod & Co.	Chitavalsah	27½	10	12½	15	60	25f	6.12	P.H.
16,00,000	80,24,460	77,89,914	1,01,979	969	Shree Krishna Investment Co., Ltd.	Clive	25	10	12½	35	20		3	P.H.
31,49,200	1,21,56,497	1,16 59,962	21,356	766	Bird & Co., Ltd.	Dalhousie	143	100	1	11	12	1f	3.9	P.H.
28,00,000	86,65,708	73,72,811	50 826	779	Andrew Yule & Co.	Delta	236	100	11	17½	32½	20	5.11	P.H.
15,00,000	83,75,460	74 82,092	45,656	500	McLeod & Co.	Empire	213	10	10	20	25	5f	6.12	T.P.H.
21,00,000	2,35,23,130	2,62,73,643	1,801	1,884	Kettlewell Bullen & Co.	Fort Gloster	297	100	2½	32½	22½	—f	3.9	P.H.
14,00,000	48,25,115	69,94,729	—8,32,397	1,014	G. C. Bangur, Esq.	Fort William	275N	100	—	10	—		3.9	P.H.
84,32,100	1,40 49 268	2,08,92 266	—12,29,673	1,709	Macneill & Barry Ltd.	Ganges	76	100	—	6½	2½	—f	3.9	T.Y.
10,80,000	76 50 046	68 12,500	41,193	607	G. Arbuthnot & Co.	Gondalpara	770xd	100	—	15	30	10	12	P.H.
24,00,000	74,14,915	1,35,90,393	96,381	1,394	Macneill & Barry Ltd.	Gourepore	322	100	2½	25	11½	—f	3.9	P.Y.
40,00,000	81,93,062	81,94,127	3,06,824	1,078	Bangur Bros. Ltd.	Hastings	233N	100	10	7	10		3	P.Y.
16,80,000	58,02,116	64,29,355	64,417	720	G. Arbuthnot & Co.	Hooghly	314	10	10	30	15		3	P.H.
65,62,500	1,56,21,640	1,59,50,625	1,71,001	1,940	Jardine Henderson Ltd.	Howrah	24 ⅛	10	7½	17½	18¾	8¾f	3	T.P.Y.
30,00,000	1,74,30,109	2,25,00,109	3,91,968	2,272	Ramdutt Ramkissendas	Hukumchand	43	7½	46¾	66¾	66¾		3	P.H.
87,00,000 (t)	88,97,267	1,11,41,130	77,979	1,076	Mackinnon Mackenzie & Co.	India	136	{O. 12½ D. 1	5¼	10	3¾	2½f	3.9	P.H.
30,000 (t)									5¼	5½	3¾	2½f		
24,00,000	1,36,54,330	1,36,47,095	92,899	1,797	Jardine Henderson Ltd.	Kamarhatty	200	100	—	17	22½	14½	6.12	P.H.
19,20,000'B'							194	100						
30,00,000							159	100						
24,00,000'B'	1,04,29,702	1,30,34,859	83,881	1,527	Jardine Henderson Ltd.	Kanknarrah	148	100	—	—	12½	10	6.12	P.H.
21,00,000	1,13,89,109	91,65,930	1,07,129	703	McLeod & Co.	Kelvin	248	100	10	20	25	7½f	6.12	P.H.
54,00,000	1,18,86,997	1,59,17,038	2,06,473	1,530	Anderson Wright Ltd.	Khardah	190	100	—	25	16		3.9	P.T.H.
48,00,000	1,54,15,089	2,09,37,751	1,15,651	1,250	F. W. Heilgers & Co.	Kinnison	205	100	2½	14	19	7f	3.9	T.P.H.
24,48,000	1,24,25,159	1,33,71,480	40,487	931	Bird & Co., Ltd.	Lansdowne	140	100	2	21	15	3f	3.9	P.H.
28,00,000	1,19,87,748	1,13,75,507	6,954	840	Bird & Co., Ltd.	Lawrence	193	100	6	21½	22	4f	3.9	P.H.
10,00,000	70,39,427	50,24,402	64 167	558	Andrew Yule & Co.	Lothian	235	100	—	15	32½	30	5.11	H.
81,65,200	1,38,82,204	1,94 76,907	1.17.533	1,008	Mackinnon Mackenzie & Co.	Mecna	103	100	4½	8½	3¾	2½f	3.9	P.T.H.
29,98,900	1,29,56,303	1,55,05,495	—2,80,351	815	F. W. Heilgers & Co.	Naihati	132	100	—	15	12	—f	3.9	T.H.
12,00,000	39,17,880	25,69,085	17,184	425	Howrah Trading Co., Ltd.	Naskarpara	16	10	11½	13¾	22½		4.10	P.H.
35,00,000	50,49,988	27,56,895	49,733	852	Andrew Yule & Co.	National	25½	10	11½	15	25	10f	4.10	T.P.H.
7,50,000	52,11,917	24,37,663	21,345	316	McLeod & Co.	Nellimarla Jute	28½	10	25	30	75	20	6.12	P.H.
10,50,000	66,36,905	45,98,858	7,738	709	Sahu Jain Ltd.	New Central	220	100	6	14	30	10f	6.12	P.T.H.
16,79,880	98,33,709	1,18,62,645	5 954	567	Bird & Co., Ltd.	Northbrook	21½	10	—	—	20	2½f	3.9	T.H.
66,79,500	1,71,33 499	2 10,50 572	94 764	1,092	Macneill & Barry Ltd.	Noddea	49½	50	—	—	14½	—f	3.9	H.
24,91,000	70,60,941	70,35,063	81,356	601	Andrew Yule & Co., Ltd.	Orient	183	100	9	14	24	7	5.11	
25,00,000	63,83,642	80,79,256	—4,76,887	400	McLeod & Co.	Presidency	5 ⅜	5	—	—	2½	—	6.12	T.H.
20,00,000	7,67,493‡	26,15,293	—3,29,549	305	Macneill & Co.	Rameshwara	5½	10	—	1½	—		3.9	H.P.
49,50,000	55,07,248	1,23,45,796	80,685	1,276	Jardine Henderson Ltd.	Reliance	15 ⅜	10	—	—	—		3.9	P.H.
66,00,000	£9,99,994	£11,96,402	£76,498	2,013	Thomas Duff & Co. (India) Ltd. ..	Samnuggur	14⅜	£1	6‡‡	10‡‡	10		6.12	P.H.
30,00,000	68,57,466	95,49,412	87,40,952	911	Bagaria More Co., Ltd.	Shree Ambica (Adamjee)	17½	10	—	15	10f		3.9	P.Y.
7,00,000	45,17,785	48,14,456	2,73,383	401	Hindustan Investment Corpn.	Soorah	10¼N	10	—	—	—		12	P.H.
25,19,600	1,06,20 961	93,73,041	12,665	650	Bird & Co., Ltd.	Standard	155	100	4	15	16		3.9	Y.H.
66,00,000	£8,36,984	£9,78,287	£1,29,393	1,794	Thomas Duff & Co. (India) Ltd. ..	Titaghur	14¼	£1	6‡‡	10‡‡	10		12	
35,98,600	1,80,41,145	1,73,93,324	15,098	1,326	Bird & Co., Ltd.	Union	190	100	2	19½	21	1f	3.9	P.T.H.
64,00,000	£6,35,795	£10,47,385	£1,00,239	1,331	Thomas Duff & Co. (India) Ltd. ..	Victoria	14¼	£1	6‡‡	10‡‡	10	—f	6.12	Y.H.
2,50,000	32,89,383	55,48,403	—47,909	465	McLeod & Co.	Waverley	5 ⅜	1	—	—	5			P.T.H.

(t) For ten months ended 31st December, 1951. For Nazira Coal) ‡‡ Subject to foreign Income-tax. Only Depreciation. • Includes bonus.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
25,50,000	61,24,011	64,99,011	25,799	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	20 ⅜	10	17½	20	13¾	5f	3.9	H.
12,00,000	42,18,417	37,16,954	60 294	Jardine, H. & Co., Ltd.	Bararee Coke	18⅛	10	14¾	13¾	14¾	7¼f	3.9	H.
40,00,000	70,50,712	1,17,79,347	23,814	Sahu Jain Ltd.	Bharat Collieries	6½	10	6¼	6¼	6¼		6	P.T.Y.
1,00,00,000	3,35,25,103	5,08,61,725	8,02,968	Andrew Yule & Co., Ltd.	Bengal	535	200	33¾	17½	18¾•	10•f	4.10	P.P.H.
4,49,350	5,82,301	8,49,159	3,152	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6¼N	10	2¼	2½	2½	1¼f	6.12	H.
2,25,000	27,12,507	25,84,461	4,280	Andrew Yule & Co., Ltd.	Bengal-Nagpur	14½	10	22½	16¾	10	3¾f	6.12	P.H.
15,97,300	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	4½	10	—	2½	1¾		9	Y.
7,15,000	50,04,831	50,17,715	3,437	F. W. Heilgers & Co., Ltd.	Bhulanbarasee	13¾	10	—	6¾	6¾	2¼f	6.12	H.
16,00,000	53,46,046	67,83,723	—1,37,184	Anderson Wright (Ramgarh), Ltd. ..	Bokaro-Ramgur	10½	10	—	—	—		6.12	T.H.
7,50,000	42,42,776	40,82,736	1,07,078	F. W. Heilgers & Co., Ltd.	Borrea	30½	10	20	30	30•	15f•	6.12	P.H.
90,92,480	3,23,04,936	3,94,53,208	1,54,703	Bird & Co., Ltd.	Burrakur	10¾	10	10 ⅜	7½	7½	3¾	6.12	P.T.H.
49,97,000	—	23,16,089	8,776	Hindusthan Investment Corpn., Ltd. ..	Central India	5	10	—	—	—		3	Y.
8,00,000	45,46,717	49,09,377	2,773	Anderson Wright & Co.	Central Kurkend	15⅝N	10	17½	12½	—	—f	6.12	P.H.
6,00,000	1,40,000	7,50,000k	28,918	F. W. Heilgers & Co., Ltd.	Churulia	3	4	6¾	4 ⅜	1 ⅛	⅜f	6.12	P.H.
16,00,000	30,89,961	44,04,602	12,039	Macneill & Barry Ltd.	Dhemo Main	12¾	10	10 ⅜	10	12½	2½f	6.12	H.
£120,000	£1,084,338	£872,414	£78,839	Jardine Henderson Ltd.	East Indian	23½	£1	13¼	37½	37½		4	Y.
29,63,760	3,25,97,992	3,19,86,409	2,12,912	Macneill & Barry Ltd.	Equitable	44½	10	25	25	25	15f	6.12	H.
10,00,000	4,83,963	8,41,725	66,865	Bhatter's Agency Ltd.	Ghusick and Muslia	14 ¼N	10	20	5	—		3	Y.
8,00,000	21,59,376	21,52,141	14,404	Macneill & Barry Ltd.	Hurriladih	16½	10	12½	15	15	7½f	6.12	H.
3,50,000	11,63,346	12,53,839	40,107	Andrew Yule & Co., Ltd.	Kalapahari	45N	10	26¼	35	35•	17½f	2.8	H.
20,00,000	68,340‡	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	94	100	—	—	—		2	H.
5,00,000	42,58,331	42,08,253	1,46,012	Andrew Yule & Co., Ltd.	Katras Jherriah	45	10	27½	35	37½	20f	1.7	P.H.
1,38,400	3,20,519	11,63,519	1,063	Beriwala Bros.	Khas Kajora	11½	10	11½	10	5f		6.12	Y.
11,00,240	10,19,288	15,64,007	5,201	H. V. Low & Co., Ltd.	Kuardi	6¼xdN	10	3¾	3¾			6	Y.
13,50,000	29,43,024	28,41,241	13,549	H. V. Low & Co., Ltd.	Lakurka	12N	10	10	10	7½		4	H.
5,65,750	11,41,467	22,37,077	2,691	Beriwala & Co.	Mandulpoor	31N	10	5	7½			6.12	H.
7,48,240	10,34,138	11,24,142	14,690	Associated Commercial Co., Ltd.	Nazira	6½	10	5	2½	5¼		6.12	H.
7,00,000	3,77,590	9,83,321	4,597	Amritlal Ojha & Co., Ltd.	New Bansdeopur	5N	10	6½	7½	6½		3.9	H.
17,76,230	91,68,381	1,16,02,941	55,799	Andrew Yule & Co., Ltd.	New Beerbhoom	20½	10	3	6	—	5f	4.10	
6,00,000	21,87,920	31,32,540	—7,595	Octavius Steel & Co. Ltd.	New Manbhoom	10	10	12½	7½	—	—f	3.9	P.H.
2,50,000	6,84,984	3,45 859	1,387	Jatia Bros. Ltd.	North Damuda	4N	2½					3.9	H.
1,15,000	10,81,297	12,56,672	12,237	Andrew Yule & Co., Ltd.	North West	14¼N	10	16½	13¾	5	2½f	3.9	H
1,57,500						11N	7½						P.H.
7,50,000	12,54,532	3,97,666	1,23,852	F. W. Heilgers & Co., Ltd.	Ondal	19¼N	10	12 ⅜	25	22½•	10f	6.12	T.Y.
10,00,000	14,15,045	32,73,178	46,739	K. C. Thapar Bros. Ltd.	Oriental Coal	13N	10	10	10	10		12	H.
8,34,000	5,98,486	16,29,203	70,539	Deepchand Kishenlall	Parasea	3½	10	—	—	—f		6.12	
15,75,000	34,87,649	39,37,649	31,995	Shaw Wallace & Co., Ltd.	Pench Valley	21	10	16½	12½	10	6½f	2.8	H.
23,99,500	91,95,359	1 09,49,971	—4,53,764	B. N. Elias & Co., Ltd.	Ranegunge	9½	10	—	—	—	—f	3.9	H.
13,50,000	30,62,857	29,87,472	36,004	Shaw Wallace & Co., Ltd.	Rewa	21½	10	8½	12½	10	17½	6.12	H.
20,00,000	15,10,118	28,07,516	165	Jaipuria Sons Ltd.	Samla Collieries	6¼	10	—	—	5	1¾f	6.12	T.
1,25,000	12,44,124	13,05,188	18,453	Gillanders Arbuthnot & Co., Ltd. ..	Searsole	9¾N	2½	20	20	20		1	P.H.
2,80,000	19,76,795	28,04,096	30,184	Andrew Yule & Co., Ltd.	Seebpore	25⅜	7	35-5/7	32-1/7	28-4/7	28-4/7	6.12	H.
8,00,000	34,57,222	36,96,604	10,379	F. W. Heilgers & Co., Ltd.	Sendra	11½	10	5	5	3¾	—f	6.12	
63,21,450	2,13,85,164	3,04,98,616	23,658	Industrial Trust Fund	Singareni	7	10	4½	5	5		12	T.Y.
17,50,000	24,10,707	34,29,846	15,868	Bird & Co., Ltd.	South Karanpura	13¾	10	10½	10	7½	3¾f	2.8	H.
8,00,000	35,43,816	39,93,119	74,094	F. W. Heilgers & Co., Ltd.	Standard	18⅛	10	16¾	15	10	5f	6.12	Y.
10,00,000	15,41,499	29,34,045	—2,46,174	Villiers Ltd.	Talcher	2¾	2½	—	—			9	H.
3,50,000	17,36,513	18,94,910	74,927	Williamson Magor & Co., Ltd. ..	Union	25	10	20	27½	27½	12½f	6.12	Y.
49,98,000	11,13,461	43,49,365	42,176	Hindusthan Investment Corpn. Ltd. ..	Western Bengal	5	10	2½	2½	2½	—f	3	H.
7,00,000	26,75,667	36,17,323	29 272	Macneill & Barry Ltd.	West Jamuria	17½	10	15	15	15		6.12	

• The following explanatory notes relate to the abbreviations and marks shown on page 972 in the debentures section:—

‡‡ Option to repay on six months' notice, on any interest date after 31st December, 1951, at 102 per cent. Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 102 per cent.

(a) Option of repayment at any time at 3 per cent. premium.

(b) Bearer bonds of Rs. 1,000 each repayable at par.

(c) Bearer bonds of Rs. 1,000 each repayable on 31st July, 1959.

(d) Bearer bonds of Rs. 1,000 each with option of redemption in whole or in part at par on 30th June, 1952, or on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months' notice in each case.

(f) Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ½ per cent. premium after 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March, 1957

(h) Option of redemption on or after 1st July, 1949, at par.

(i) Option of repayment at any time at par at any time on or after 30th June 1947 on six months' notice.

BANKING

(Concluded from page 938)

One means by which the Reserve System can influence bank reserve positions is through its handling of the discount mechanism by which it lends to member banks. Reserve funds acquired through borrowing at the F.R. Banks are residual funds for member banks; it is to this source that banks resort when they find themselves with temporary reserve deficiencies for any reason. When a bank is obliged to borrow to maintain its reserves, it tends to be more restrained in credit operations than when reserves are otherwise available. As total bank borrowing tends to increase—that is, as more banks borrow at any one time and as individual banks resort to borrowing more frequently and for larger amounts—the strength of this restraint multiplies. By raising the discount rate, the Federal Reserve System can reinforce bank reluctance to increase reserves through borrowing; by lowering the rate, the System can lessen somewhat the reluctance of banks to borrow when it is necessary to make adjustments in reserve positions.

Government Securities

Another and closely related way in which reserve banking operations can expand or contract bank reserves is through purchases and sales of eligible paper or securities in the market. Actually, the Reserve System does this largely through operations in U.S. Government securities. As has already been indicated, if the F.R. System purchases Government securities from bank or non-bank investors, it supplies the banking system with the reserve basis for multiple deposit expansion. Although the reserve funds may be used immediately to build up excess reserves or to repay indebtedness to the Reserve Banks, the increased liquidity of the banks will make them more willing to accommodate the credit demands of their customers. Contrariwise, when the F.R. System sells securities, bank reserves are reduced. Unless the banking system has been operating with excess reserves, available reserves will no longer meet the legal requirements and the commercial banks will be obliged to replenish reserves by borrowing temporarily from the Reserve Banks. As such borrowing occurs or increases, banks will be under pressure to retard the expansion of credit and money.

The Reserve Bank transactions in Government securities with non-bank investors, as already stated, have a direct effect on the volume of money which is independent of action by commercial banks. Even without a response from banks, therefore, the System is able to operate directly to change the quantity of money. The multiple effect of such open market transactions on the money supply, however, depends on their effect on bank reserves and the response of bank lending policies to increases or decreases in the volume of reserves. Reserve banking policy can affect too the reserve position of banks by altering, within the limits set by statute, the percentage of deposits which the banks are required to hold in reserves. If reserve requirements are lowered, reserves are free and the stage is set for a process of multiple deposit expansion. If, on the other hand, the reserve requirements are raised and there are no excess reserves, new reserves must be acquired or deposits reduced until the available reserves meet the requirements. At the present time, the potentialities of F.R. action, through changes in reserve requirements, are almost altogether in the direction of easing reserve positions, for reserve requirements are already at the legal maximum for all member banks, except for a relatively small leeway in authority to raise the requirements further at central reserve city banks.

The F.R. System has also the authority to regulate the use of credit for the purpose of purchasing or carrying listed securities. It has had, too, in the past authority to regulate the terms for the extension of consumer instalment and real estate credit. This type of selective credit influence does not operate through bank reserves and affects the volume of money indirectly.

AGRICULTURE

(Concluded from page 954)

filled. Efforts have, therefore, been made by the State and Central Governments to provide credit facilities in other ways, more especially by increasing co-operative credit. The Reserve Bank, which advanced only Rs. 1.5 lakhs in 1946-47, loaned out about Rs. 12 crores to agricultural societies in 1951-52. All-India figures of the loans advanced by co-operative societies are available only up to the year 1950-51, but figures relating to the States of Madras and Bombay show that, as compared with 1950-51, advances made by co-operative societies in 1951-52 increased by about 25 per cent. Membership has also been enlarged. Other states have progressed but at slower rates. To ensure progress on sound lines, the Reserve Bank of India has examined the condition of the co-operative credit movement in almost all the States and in consultation with them is working out a programme for expanding credit facilities.

The exploitation of the North Andaman forests has progressed satisfactorily and about 7,500 tons of hard and soft wood were extracted and exported to the main land during 1951-52. An expedition to the Nicobar Islands has revealed that India can obtain about 30,000 tons of timber annually from these islands.

Soil Conservation

The Plan includes a special provision of Rs. 2 crores for soil conservation. A desert afforestation research station has been established at Jodhpur to deal with the problems created by the advance of the Rajputana desert and a soil conservation branch has been created at the Forest Research Institute, Dehra Dun. Soil conservation demonstration centres are being set up in Hyderabad, Madhya Bharat, P.E.P.S.U., and Delhi.

Detailed proposals for the setting up of the Central Organisation for land utilisation and soil conservation recommended by the Planning Commission are at present under consideration. Other schemes for soil conservation will be initiated by this organisation in consultation with State Governments. In Bombay where the major part of the area is rain-fed and a number of districts are exposed to scarcity conditions, contour bunding and dry farming programmes are being expanded.

Fisheries

In respect of marine fisheries, construction of two large cold storage and ice plants at Calicut and Bangalore is nearing completion. Mechanisation of country craft in Bombay is making satisfactory progress. Danish trawlers belonging to the West Bengal Government are bringing in increased catches and the Japanese trawler operating in the Arabian Sea is reported to be doing well. As regards inland fisheries, the stocking of the Mettur reservoir is in progress. In U.P., the State Government has undertaken to stock canal reservoirs. Steps have been taken in Orissa and Bihar for large-scale collection of fry for stocking new area.

During the years 1951-52 and 1952-53, some of the States experienced scarcity conditions. To assist them in affording relief, the Central Government sanctioned loans and grants as shown below:—

(In lakhs of Rs.)

	1951-52	1952-53	
	Grant	*Loans*	*Grant*
Assam	18.84	..	10.63
Bihar	22.50	..	13.50
Madras	..	200.00	47.03
West Bengal	..	..	40.51
Rajasthan	12.98		3.92
Saurashtra	50.00		30.50
Ajmer	..	..	75.34
Total ..	41.34	262.98	221.43

During the year 1952-53, the Government of India deputed teams of officers to tour scarcity affected areas and study in detail the nature and extent of the distress and to recommend suitable measures for providing relief. The teams visited Madras, Mysore, Hyderabad, West Bengal and Bombay and submitted their reports which are under consideration.

MARKET GOSSIP

(Concluded from page 931)

in the U.S. has gone up from 1.8 per cent., at this time last year, to 2.3 per cent. now. It is true that the rise in interest rates in the U.S. is only a modest one when compared with the rise which was recorded in the U.K. soon after the introduction of the new monetary policy. Nevertheless, the increase is not without its significance. The U.S. has withdrawn, it is stated, about $200 million of American money from Canada in the last few weeks. And it is feared that American institutions might be compelled, if the present trend in interest rates persists, to withdraw their liquid funds from overseas countries to the home country either because money fetches better interest or because they wish to escape from the developing credit squeeze in the home country. It is true that interest rates have, in recent years, lost their significance so far as capital transfers are concerned. Even so, the American tendency to repatriate funds from overseas countries shows that money is beginning to fulfil its pre-war role in which it flowed to places where it was most in demand.

ISSUE OF TAX CLEARANCE CERTIFICATES

PROCEDURE EXPLAINED

THE Indian Income-tax (Amendment) Bill is likely to come into force from next week. One of the provisions of the Bill relates to the production of tax-clearance or exemption certificates by people travelling abroad, unless they have been specially exempted by the Government of India. No certificates or formalities will, however, be necessary for persons leaving India before 24th May, 1953, and it is not necessary for them to obtain any certificate from the income-tax authorities. But such certificates will, be required of persons (unless, of course, they belong to the excepted categories) who travel on or after 24th May, 1953. In order that no inconvenience be caused to such persons, arrangements have already been made, as announced by the Government on 1st May, 1953, for the issue of tax-clearance and exemption certificates by income-tax officers at the principal air and set ports.

Persons of Indian domicile and other persons who are already assessed should make the application on a prescribed form to the income-tax officer within whose jurisdiction they reside or by whom they are assessed. This officer will give an authorisation form which can be exchanged for a clearance certificate or an exemption certificate, as the case may be, from the officer designated as Income-tax Officer (Foreign Section) at any one of the following places:

Bombay, Delhi, Calcutta, Madras, Visakhapatnam, Negapatam, Tuticorin, Cochin, Mangalore, and Porbunder.

All other persons, that is, those of non-Indian domicile, who are not already assessed in India, should apply directly to one of the Income-tax Officers (Foreign Section) on a prescribed form (Form B), copies of which

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
10,00,000	1,08,33,956	10,66,174	Allahabad Bank	350	100	18‡	18‡	18‡	18‡	12	Y.P.
14,50,000				174	50						
1,01,000	12,03,000	7,231	Andhra Bank	102	100	5	6	6	6	6.12	H.
23,99,000				5‡	50						
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	111‡	50	12‡	12‡	12‡	12‡	12	Y.
50,00,060	14,00 000	8,667	Bank of Bikaner	20	25	..	3	3	3	12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	154‡	50	14	14	14	14	6.12	R.L.Y.
15,30,375	24,00,000	63,200	Bank of Indore	60	25	12‡	12‡	12‡	12	12	Y.
50,00,000	15,00,000	35,324	Bank of Jaipur	23	50	3	3	3	3	12	Y.
50,00 000	85,00,000	86,297	Bank of Mysore	283‡	100	16‡	16‡	16‡	16‡	12	Y.
59,18,600	42,61,693	25,280	Bombay State Co-operative Bank	58‡	50	5‡	5	5	5	12	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	9	9	9	9	12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	9‡	10‡	10‡	10‡	12	Y.P.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	64‡	25	14	14	14	14	12	R.L.Y.
52,42,375 A				66	25						
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	35	50	3	3	3½	3½	12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88	20	6‡	10	20	20	12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	11‡	50	—	—	—	6	12	Y.
50 00,000	1,30,000	1,412	Hindustan Mercantile Bank	10‡	50	—	—	—	—	12	Y.
75,00,000	70,00,000	1 59,127	††Hyderabad State Bank	105N	100	5	6‡	6‡	5	9	Y.
3,75,00,000	6,35,00,000	42,07,573	Imperial Bank of India	1,875	500	14	16	16	16	6.12	R.L.H.
1,87,50,000				460	125	14	16	16	16	6.12	R.L.H.
24,00,000	73,50,000	1,04,201	Indian Bank	176	100	11½	12‡	12‡	12‡	6.12	R.L.H.
16,00,000				137‡	80						
15,40,000				99	55						
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	88‡	100	4‡‡	5‡	6	6	6.12	R.L.H.
6,25,000	6,33,939	1,380	Indo-Commercial Bank	76	100(A)	9	9	7½	6	6.12	H.
2,50,000				18‡	25(B)	9	9	7‡	6		
10,00 000				38‡	50(C)	6	6	6	6		
4,55,266	30,61,350	60,357	Punjab and Sind Bank	35	25	7‡	7	..	..	6.12	Y.
87,50,000	89,00,000	1,92,605	Punjab National Bank	21	25	6	4	4	6	12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	11‡	25	—	—	—	—	12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	6‡	5	6‡	6‡	6‡	6‡	12	H.
2 00,00,000	75,00,000	1,01,119	United Commercial Bank	36‡	50	3‡	4	4	4	6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3 000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2-8-6	£5	12†	14†	14†	16‡†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£6‡	£5	6†	7†	6†	7†	12	R.L.Y.
H.K.$20,000,000	H.K. $96,000,000	H.K. $9,489,174	Hongkong and Shanghai Banking Corporation	£86	H.K. $125	5*	5*	5*	5*	12	Y.
£14,372,956				£2-11-3	£1	12††	12††	12†	12†	12	R.L.Y.
£1,437,296	£16,000,000	£418,242	Lloyds Bank	£1 6-3		5††	5†	5†	5†	12	R.L.Y.
£375,000				£24‡	A £12½						
£375,000	£1,500,000	£200,143	Mercantile Bank o India	£24‡	B £12½	12††	12†	12†	14†	12	R.L.Y.
£300,000				£10‡	C £5						
£2,281,250	£3,675,000	£323,703	National Bank of India	£29‡	£12½	16††	16†	16†	16†	12	L.Y.

‡Includes Bonus. †Less Tax. (P) Pakistan Currency.
‡‡Subject to taxation.
††O.S. Currency.
(*) Interim.
*£ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent	Interest Payable on	Company		Latest Available Quotations (per hundred) Rs. or £	Principal Repayable	
BREWERIES AND SUGAR							
19,50,000	5½	1st December and 1st June	Carew & Co.	1938	99	1st June	1953(b)
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90½	28th February	1960(f)
6,00,000	5½	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd	1936	98‡	30th December	1956
10,00,000	4	1st August and 1st February	Ravalgaon Sugar	1942	102‡	27th December	1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	90	1st November	1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	103	1st April	1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	92	1st November	1959-64
COTTON							
6,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April	1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	96‡	15th November	1956(a)
1,00,00,000	4	1st April and 1st October	Buckingham and Carnatic	1952	99‡	1st January	1967-72
13,68,000	5‡		Jayshree Textiles	1949	78N	1st January	1956-59
40,00,000	5	1st June	Tata Mills	100‡			1966–71
ELECTRICS							
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	95	31st March	1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd	1940	101	14th June	1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co	1949	100‡	1st October	1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1950	94	1st January	1964
2,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1945	101½	31st December	1970
25,00,000	4	30th June and 31st December	Goalpore Electric Supply Co., Ltd.	1951	83	30th June	1976
15,00,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1940	93	..	1957-67
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	1939	97	..	1954
2,00,000	5½	1st May and 1st November	South Madras Electric Supply		95	..	1953-63
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94‡	..	1957-67
6,63,800	4½	1st April and 1st October	South Madras Electric Supply	1940	100‡	1st July	1951-55(b)
49,23,000	4	1st April and 1st October	Tata Power		92‡	15th September	1965-70
1,00,00,000	4	1st April and 1st October	Tata Power			15th September	
ENGINEERING							
5,00,000	5	30th June and 31st December	Britannia Engineering	1945	96‡	31st December	1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	95‡	30th June	1958
30,00,000	5‡	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	100‡	1st July	1957-62
£1,183,400	4‡	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	£91‡	31st December	1966(88)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84‡	31st May	1957
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	100‡	1st October	1960-65
40 00,000	6	31st December	Textile Machinery Corporation Ltd	1950	94	31st December	1960
JUTE							
12,00,000	4‡	1st October and 1st April	Agarpara	1939	98	31st March	1954
6,00,000	4‡	30th June and 31st December	Alexandra	1939	95	30th June	1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	91	31st December	1964
10,00,000	4‡	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	97	30th June	1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	89	30th June	1960
9,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July	1959(c)
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	97	30th June	1966
8,86,000	5	30th June and 31st December	Empire	1951	93	15th July	1966
25,00,000	3‡	1st January and 1st July	Hukumchand	1947	91	30th June	1957
25,00,000	5	30th June and 31st December	Kamarhuti Jute Mills Co., Ltd.	1949	98	31st December	1964
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1952	100	31st March	1967
25,00,000	5‡	30th June and 31st December	Naihati	1951	97N	31st March	1954
5,00,000	3‡	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1939	93	14th May	1959
5,00,000	4‡	14th November and 14th May	Nellimarla Jute Mills Co. Ltd.	1945	86	31st December	1964
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1943	91	30th June	1958
8,00,000	4	30th June and 31st December	Presidency	1950	96	5th September	1965
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1937	94	14th September	1957
8,00 000	4‡	14th March and 14th September	Soorah Jute	1937	94‡	30th June	1957(d)
12,00,000	4‡	30th June and 31st December	Union	1925	83	31st July	1960(e)
10,00,000	3‡	31st January and 31st July	Waverley				
RAILWAYS; STEAMSHIP AND TRAMWAYS							
4,50,000	4	1st January and 1st July	Baraset-Basirhat Light Railway	1936	84	1st July	1956
6,00,00,000	4‡	10th November and 10th May	Bombay Steam Navigation Co.	1945	99‡	1st November	
£350,000	4‡	1st January and 1st July		1900	£100N	A t 105% at any time on 6 months' notice or at par or every seventh year.	
			Calcutta Tramways	1933	£102N	1st October	1974
£201,067	5	1st April and 1st October		1934	98‡	30th September	1953
1,00,000	3‡	30th September and 31st March	Kalighat-Falta Railway	1945	89	31st December	1959
6,50,000	3‡	30th June and 31st December	Katakhal-Lalabazar Railway				
£200,000	4‡	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£90‡N		
5,00,00,000	4‡	1st March and 1st September	Scindia Steam Navigation		96	1st September	1963
PLANTING							
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943	100		1945–55
1,68,200	5‡	31st March and 30th September	Teekoy Rubber Estates	1944	100		1949–59
30,00,000	5	30th June and 31st December	Waterfalls Ltd	1943	101‡		1945–55
MISCELLANEOUS							
15,00,000	3‡	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	101	30th September	1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December	1965
27,60,000	4‡	1st April and 1st October	Associated Hotels of India	1937	95	30th June	1962
4 90,500	4‡	30th June and 31st December	Bengal Paper Mills	1915	92	1st February	1957(1)
21,00,000	5‡	1st February and 1st August	Chowringhee Properties	1936	89	1st July	1964
12,60 000	4‡	1st July and 1st January	Clive Buildings	1946	86	15th September	1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1950	102‡	1st January	1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	1949	97		1971
20,00,000	5	15th March and 15th September	Mettur Chemical Industries	1946	450	30th September	1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)		(per note) 410	31st December	1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd (Convertible Notes)	1947	(per note) 91N	1st April	1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	91	31st March	1971
1,00,00,000	5‡	31st March	Orient Paper Mills Ltd.	1951	83	31st December	1961
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946			1959

Note.—See page 970 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 21st May, 1953.

	Closing quotations 14-5-'53	High	Low	Closing quotations 21-5-53
BANKS	Rs	Rs.	Rs.	Rs
Bank of India (50)	154‡	156‡	155	155
Bank of Baroda (50)	115	115	111‡	111‡xd
Central (25)	63‡	64‡	63‡	64‡
Imperial (F.Pd.) (500)	1,866‡	1,875	1,862‡	1,867‡
Imperial (P.Pd.) (125)	458‡	460	458	460
Union Bank (5)	6‡	6‡	6‡	6‡
United Com. (50)	35‡	36‡	35‡	36
COTTON MILLS				
Ahm. Adv. (100)	155	—	—	155
Apollo (2)	2–14‡	2–14‡	2‡	2–14‡
Bombay Dyeing (250)	398‡	403‡	390	400‡
Central India (100)	177‡	176	172‡	174
Century Mills (100)	277‡	284‡	273	282
Colaba (100)	71	—	—	71
Edward Textile (200)	247‡	248†	247‡	248‡
Elphinstone (50)	44	44	43	43
Finlay (100)	317	324	314	324
Gokak (100)	219‡	225	217‡	223
Ind. Und. Defd. (1)	1–12‡	1–14‡	1‡	1–13‡
Ind. Und. Ord. (10)	10–14‡	11–0‡	10‡	10–15‡
Indore Malwa (100)	96‡	96‡	93‡	95‡
Khatau (100)	183‡	—	—	183‡
Kohinoor (100)	313‡xd	317	310	311‡
Lakshmi (250)	600	578‡	575	575‡
Madhusudhan (100)	83	—	—	83
B. R. Cotton Mills (100)	46‡	47‡	46‡	47‡
Minerva Mills (100)	100‡	—	—	100‡
Model Nagpur (250)	143‡	—	—	143‡
Morarji (100)	200	—	—	200
Mysore (50)	123‡	—	—	123‡
New City (100)	151‡	—	—	150
New Great (100)	158	160	157	158‡
Phoenix (100)	113‡	113‡	106‡	106‡
Podar Mills (100)	140	140	130	130xd
Sassoon Silk (10)	25‡	—	—	25‡
Sassoon Spg (10)	27‡	28‡	27‡	28‡xd
Sholapur (1,000)	1,750	—	—	1,750
Simplex (50)	182	183	180	180‡
Swadeshi (100)	259	260‡	255‡	258‡
Swan (100)	440	450	442‡	450
Tata Mfg. (25)	44	45	43‡	44‡
Vishnu (100)	164‡	162‡	160‡	161‡
Western India (1,000)	3,150	—	—	3,150
ELECTRIC COS.				
Ahmedabad (100)	109‡‡	109‡‡	109‡	109‡‡
Amalgamated (10)	—	—	—	10‡‡
Andhra Valley (1,000)	1,431	1,433‡	1,430	1,430
Bom. Sub-El. (100)	125‡	127‡	125‡	127‡
Surat (100)	131‡	133‡	131‡	133‡
Tata Hydro (100)	151	151	151	151
Tata Power (1,000)	1,520	1,521‡	1,515	1,520
INSURANCE COS.				
British India (10)	13‡	—	—	13‡
Empire of India (100)	552‡	611‡	552‡	611‡
Ind. Mercantile (20	39	—	—	39
Jupiter (15)	7‡	7‡	7‡	7‡
New India (15)	42‡	43‡	42‡	43
Oriental (200)	7,160	—	—	7,160
Universa (10)	7‡‡	—	—	7‡‡
Vulcan (10)	11‡‡	—	—	11‡‡
STEAMER COS.				
Bom. Steam (25)	35‡	36	35‡	35‡
Scindia (15)	13–11‡	13‡‡	13‡‡	13‡‡
STEEL COS.				
Ind. Iron (10)	25‡	25‡	25‡	25‡
Tata Steel Defd. (20)	1,920	1,945	1,905	1,935
Tata Steel Ord. (75)	331	338	328‡	336
MISCELLANEOUS				
Alcock Ashdown (100)	321‡	320	315‡	315‡
Associated Cts. (100)	171	173‡	170‡	172‡
Belapur Sugar (5)	240‡	239‡	238	239
Bom. Burmah (125)	382‡	390	380	385
Do. (New) (50)	138‡	138‡	137‡	138‡
Br. B. Petrol (4 sh.)	1–3‡	1–4‡	1‡	1–2‡
Br. I. Corpn. (5)	8‡‡	8‡	8‡	8‡‡
Indian Copper (2 sh.)	2‡	2–14‡	2‡	2–1‡
Ind. Inv. Tr. (100)	71	—	—	71
Port Canning (100)	24	—	—	24
Premier Con. (30)	93	96	91	91‡
Shivrajpur (10)	56	56	55‡	56
Tata Chemicals (10	9‡	9‡	9‡	9‡
Tata Oil (25)	34	34‡	33‡	34‡
Walchand Ind. (100	141‡xd	141‡	140	140
W. I. Match (100	225‡xd	226‡	225	226‡

GOVERNMENT SECURITIES	Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	Rs.
2½% 1954	98‡	—	3.37	98‡
2½% 1955	98‡	—	3.24	98‡
2½% 1961	90‡	—	3.84	90‡
2½% 1960	93‡	—	3.77	93‡
2½% 1962	91‡	—	3.84	82‡
2½% 1976	82‡	—	3.89	100‡
3% 1951-55	100‡	—	2.58	98‡
3½ 1957	98‡	—	3.35	98‡
3½ 1958	98‡	—	3.31	96‡
3½ 1959-61	96‡	3.63	3.48	92‡
3½ 1964	92‡	—	3.86	92‡
3½ 1963-65	92‡	3.86	3.73	90‡
3½ 1966-68	90‡	3.93	3.83	86‡
3½ 1970-75	86‡	4.10	3.91	82‡
3½ 1986 Con. Loan	82‡	—	3.64	100‡
3½% 1954-59*	100‡	3.34	3.43	102‡
4% 1960-70	102‡	3.62	3.80	103‡
4½% 1955-60	103‡	3.06	3.98	105
4½% 1958-68*	105	3.40	4.03	

BRITISH GOVERNMENT SECURITIES	14-5-53 £	High £	Low £	20-5-53 £
2½% Brit. Consols	61	61‡	61	61‡
3 ½ Savings Bonds 1965-75	86‡‡	86‡‡	86‡	86‡ 100‡‡
3 ½ War Loan 1955-59	100‡	—	80‡‡	80‡‡
3½% War Loan 1952	80‡‡	81‡	—	91‡
3½% Brit. Iron and Steel 1979-81	91‡	—	—	99‡
4 % Funding Loan 1960-90	99‡	—	—	

xd=Ex-dividend.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake

VOL. LXXXVI. No. 2207 BOMBAY, 30 MAY, 1953 PRICE Rs. 1/8

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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PROMOTION OF EXPORTS

IN the sphere of foreign trade to-day, India is concerned not so much with the import policy as with the policy for exports; for the former has ceased to be a problem-policy. Thanks to the improvements effected in the administration of import controls, from time to time, in the light of experience gained over a decade, the scores of difficulties, which the Indian import trade has had to face, have now been reduced to a minimum. The few that remain include such issues as extension of validity of licences from six to twelve months, delays in the disposal of applications for import licences, abuse of import licences by actual users, etc. The disturbing part of the administration of import controls is frequent failure on the part of the authorities to balance the claims of the import traders with those of nascent industries. The recent proceedings of the Import Advisory Council were largely confined only to these drawbacks of the present import policy. By and large, no serious complaints were made. This might be taken as an indication that the policy of liberalisation, designed to safeguard the interests of the consumer, has yielded some satisfactory results. In this context, the remarks of Mr. T. T. Krishnamachari, Minister for Commerce and Industry, in his address to the Council, merit attention. He said: "The stability which we have achieved in our import policy will continue. I cannot foresee our being compelled to impose drastic cuts on imports all round. On the contrary, if anything, we hope to ease the position wherever genuine shortages are known to exist or seem likely to develop. An increase in imports is also necessary to meet the increased demand for goods which might arise, as a result of a rising *tempo* of developmental expenditure." These remarks indicate the guiding principles of the import policy for the coming half-year.

The Government's export policy, on the other hand, does not seem to receive the same support as its import policy. The importance of a sound export policy lies in the need for conserving foreign exchange, for maintaining employment and for raising the standard of living. Unfortunately, the absence of such a policy in India has been responsible for the unsatisfactory position of exports from this country. There has, as is evident from the figures quoted by Mr. Krishnamachari at the meeting of the Export Advisory Council held last week, been considerable setback in export earnings. Thus, in 1952-53, India's export earnings showed a drop of Rs. 159 crores over those of the preceding year. The average monthly value declined from Rs. 60.75 crores in 1951-52 to Rs. 47.5 crores in the following year. This drop of 22 per cent. in the earnings is attributed to a fall of 29 per cent. in export prices. But the most unsatisfactory feature is the lopsided structure of exports, which underlines the extreme dependence of the country only on a few items of exports such as jute and tea. This is indicated by the fact that, of the total drop of Rs. 159 crores in our export earnings, as much as Rs. 140 crores are accounted for by jute goods and Rs. 7 crores by tea. It is, however, gratifying to note that, in a number of other commodities such as coal, cashewnuts, manganese ore, groundnuts, castor oil, raw cotton and raw wool, the country's export earnings in 1952-53 were higher than those in the preceding year.

Among the causes which have been responsible for the decline in exports, the one relating to prevalence of malpractices in textile exports needs special mention. It is stated that poor salesmanship, bad packing and lack of confidence on the part of importers about the quality of goods exported from India are operating to India's disadvantage in the South-East Asian markets. It may be recalled that the Narielwala Delegation, sent by the Government of India to those countries in 1950, made similar observations. After a five-week tour in South-East Asian countries, the Delegation is reported to have stated in the course of its report: "The most deplorable feature of India's trade in cotton piecegoods within this region is in respect of the quality of cloth and certain undesirable practices adopted by both trade and industry. These practices relate, *inter alia*, to demand for illicit premium on yardage, shortages in length and width, and variations in quality from approved samples. This is a serious reflection on the business morality and the integrity of the Indian manufacturer and exporter." It is not clear whether any action was taken by the Government on the recommendations of the Delegation. The fact that the malpractices still persist is a reflection on the Government's policy —or lack of it—in regard to the drive for export of goods. Both the Federation of Indian Chambers of Commerce and Industry and the Millowners' Association, Bombay, have, it is gratifying to note, initiated moves in the matter of ensuring the export of quality goods from India. Apparently these moves have not taken any concrete shape as yet.

Apart from the malpractices of unscrupulous traders, the Government's unhelpful export policy has itself been responsible for the decline in exports. Failure to take prompt decisions on the part of the Government has deprived the country of the advantage of price fluctuations in world markets, resulting in the loss of foreign exchange. Its tax policies too have not been favourable for the rapid promotion of export industries. Again, the sales tax laws of the States, despite section 286 of the Constitution of India, have been detrimental to the interest of exporters. The organisation of the statistics relating to India's foreign trade and the supply of trade information leave much to be desired. The railway rates policy also is not suited to expand India's exports, apart from the occasional bottlenecks created by delays in the supply of wagons.

In view of the foregoing considerations, the measures enunciated by the Commerce Minister for promoting exports deserve to be commended. The most outstanding of these is the decision to set up an organisation to promote exports under the charge of Mr. D. P. Karmarkar, Minister for Commerce, who is to give "more or less undivided attention to this question." The creation of the organisation fulfils one of the recommendations made by the Gorwala Committee on Export Promotion, appointed in 1949. Secondly, the Minister has initiated legislation for the repayment of drawbacks of import duty on raw material used in Indian manufactures exported abroad. Thirdly, he has promised to make available, in an increasing measure, the services of Indian Trade Commissioners to industries which are seeking an export market. Fourthly, the Government will make representations to Governments of importing countries regarding liberalisation of import controls for specific exports from India. Fifthly, a policy of free licensing will be adopted in respect of goods such as textiles, which India can afford to export abroad without causing any disturbance to domestic prices. Finally—and this is an important decision—the Government has agreed to arrange weekly meetings between the Assistant Secretary of the Federation of Indian Chambers of Commerce and Industry and the Deputy Secretaries of the Ministry of Commerce and Industry; these meetings are designed to promote mutual collaboration for solving difficulties in regard to the export trade. These steps which are calculated to increase the country's exports are certainly in the right direction. It is hoped

that full advantage will be taken of these measures by the representatives of industry and trade in India.

The meeting of the Export Advisory Council provided an opportunity to the Government for enunciating its policy regarding vegetable oils. It is evident from the Minister's statement that the Government aims at safeguarding the interests of the domestic consumer of oilseeds. As prices of groundnut oil have risen abnormally high, it has been decided that the quota of the oil earmarked for release to newcomers this year will not be released. Consequently, the export quota for groundnut oil for the current half-year may well prove to be the total quota for the whole of this year. An indication has also been given that there is no likelihood of further export quota being announced, until after the next crop begins to move and its size is known. An attempt is also made to discourage the use of edible oils for industrial purposes. With this end in view, imports of palm oil, coconut oil and copra kernel will be allowed in large quantities. Although these measures are welcome, the real solution to the shortage of edible oils and oilseeds lies in encouraging intensive cultivation of oilseeds with a view to increasing their per-acre yields. This problem has no doubt found adequate emphasis at the meetings of the Indian Central Oilseeds Committee, but there is little evidence to show that concrete measures have been adopted in the matter of improving the cultivation of the oilseed crops.

THE OUTLOOK FOR STEEL

NOW that the legislation for handing over the British steel industry to private enterprise has been completed and the West European steel industry has been integrated into a single unit for all practical purposes, it is certainly worthwhile to take stock of the existing position of the steel industry and to assess its prospects. It is true that it will be some time before the effect of these two developments in the European steel industry begins to be felt on the world's steel markets. The return of the British steel industry to private enterprise has not been carried out in its entirety, because the Iron and Steel Bill received the Royal Assent only this month. The industry was nationalised by the Socialist Government in 1951. And denationalisation of the industry has since then formed part of the election promises of the Conservative Party. The new Act, which has emerged accordingly, sets up an Iron and Steel Holding and Realisation Agency which is charged with the responsibility for disposing of the Government's holdings in the nationalised companies. The assets, now in the possession of the Iron and Steel Corporation, will be taken over by the Agency. It is no simple task which the Agency faces to-day. Over 90 companies were bought out by the Labour Government as a sequel to its policy of nationalisation of the steel industry. The Agency has to market the shares of these companies, now held by the Government, under conditions which are somewhat different from those which the steel industry faced when it was nationalised. Whether it will do so successfully will depend on many factors, of which the political factor of the possible re-nationalisation of the industry if Labour comes to power is not the least important. It would, however, appear—and fortunately, for the Agency—that the Labour Party has lost some of its earlier enthusiasm for the nationalisation of the steel industry. Nevertheless, the Agency's task is a big one. The magnitude of the task will be evident when it is remembered that the Agency's total operations will involve some £300-£350 million. And the entire process of the disposal of the Government holdings in the industry will, it is stated, be spread over a fairly long period of time.

Commenting on the prospects for disposing of the Government's holding in the steel companies, the *Financial Times* says:

> "Just as the Act itself has been passed with less fuss than at one time seemed likely, so the political difficulties of marketing the shares, which at one time seemed almost insuperable, have shrunk. There are three reasons for this. First of all, increased confidence in the Government, strikingly illustrated by the victory at the Sunderland by-election, has taken the sting out of the Labour Party's threats to re-nationalise without further compensation. Political brokers now estimate the Conservative Party's life to be a good risk. Secondly, there have been definite signs within the Labour Movement that the realists are moving away from the idea of nationalisation as such. It is evident that the Trade Union wing regards the idea with diminishing enthusiasm. Finally, the idea of partial Government ownership, which is taking root as an alternative to nationalisation—whatever may be thought of it as such—would presumably not penalise existing shareholders, if in the future it were ever put into practice. These changes in the political balance of power and in political sentiment are of the greatest importance. They open the way to a steady assessment of the purely economic problems of marketing the shares."

It remains to be seen how far the British steel industry, under the new dispensation, will adjust itself to the new conditions in the steel world. It is not the industry of the pre-nationalisation period. Nor is it a completely State-owned industry. Its present form has been described as a "hybrid mixture" of State control and private ownership. State control over the industry is to be exercised through the agency of the Steel Board. The Board's duty is to control the policy and the price level of the steel industry as a whole. The Act demands the "efficient, economic and adequate supply under competitive conditions of iron and steel products." It will be the Board's responsibility to translate these well-meaning words of rather vague import into practice. Fortunately, the Government has secured for the Board tried men of proved ability who have served the industry, in the past, with distinction. This should inspire confidence about the industry's future.

There is no doubt, however, that the British steel industry must, in course of time, face some competition in the overseas markets. The outlook for steel now is less cheerful than it appeared in the early post-war years, though it is much less depressing than was feared as recently as in 1949. The Economic Commission for Europe (E.C.E.) reached, in 1949, the somewhat pessimistic conclusion that the export demand for European steel might reach a bare 4.1 million tons before 1952 and that Europe might soon be faced with a steel surplus of eight million tons, after all demands, both home and export, had been satisfied. This prediction has proved false. Exports of steel from Western Europe, according to the Commission's latest report, might reach 10½ million tons in 1956 and 12 million tons in 1960. But any discussion about the future outlook for steel must necessarily take into account the position relating to supply and the effective demand. Steel is one of those commodities which have recorded a sizable increase in output in recent years. Over the last five years, the world output of steel has increased by over 70 million tons to 208 million tons, the estimated world output of steel in 1952. But the latter figure does not give the correct picture, in view of the fact that it includes the U.S. production which had been unduly depressed in that year by the prolonged strike of steel workers. If there had been no steel strike, the world total for steel production would have reached 225 million tons. Of the estimated total of 208 million tons for 1952, the U.S. accounted for 83 million tons, the U.K. 16 million tons, Western Europe (other than the U.K.) 45 million tons, the U.S.S.R. 34 million tons, Eastern Europe 11 million tons and the rest of the world 18 million tons. Despite the large increase in output, which has already taken place since 1947, most countries have either taken in hand, or contemplate taking in hand, plans for further increase in output. Before 1958, the output of steel in the U.S. alone is, as a result, expected to go up to 107 million tons, while the output in the U.K. and Western Europe, it is stated, will increase to 20 million tons and 57 million tons, respectively. The U.S.S.R. plans to increase its steel production to 50 million tons. Indeed, when the steel plans in these and other countries are completed, world steel production is expected to reach, before 1958, an impressive total of 270 million tons.

It is against this background that the outlook for steel must be assessed. It is true that the steel industry has now a fairly comfortable market, thanks to the rearmament programmes which are under way in many countries. But can these programmes be expected to last for ever? Is it not also true that there has been, since the early days of the post-Korean boom, a certain lull in these defence programmes? And if the appetite of the defence industries for steel becomes less keen than it is at present, the steel industry will have found the first real challenge, since the war, to its ability to market its products. The steel industry must meet this challenge which must come sooner or later. And it is to be hoped that the industry will not be caught napping when it arrives.

The E.C.E. report gives two estimates for the import demand for W. Europe's steel—the "high" and the "low" estimates. The "high" estimate of 12 million tons by 1960 is based, among other considerations, on the expectation that the average rate of increase in steel consumption in the under-developed countries—including, in this category, Australia, New Zealand and South Africa—would increase at the rate of six per cent. per annum. The "low" estimate of about 7 million tons by 1960, on the other hand, is based on the view that steel consumption in underdeveloped areas will increase only by three per cent. per annum. Whether it is the "high" or the "low" estimate that prevails in the end, will naturally depend on the price factor for steel and the economic development of the underdeveloped countries. The conclusion seems inescapable that the future of steel will be profoundly influenced by economic development in the underdeveloped countries of the world. Again, since the price factor is, as always, going to be an important criterion when competitive conditions return, a special responsibility is cast upon the steel producers to see that production costs are pruned to a safe minimum. The validity of this conclusion applies, with no less force, to the Indian steel industry also. Indian steel industry's plans for expansion are much too modest from world standards; it seeks to expand output by a little over half a million tons to 1.65 million tons before 1958. And Indian steel prices are attractively low. But it would be unwise to overlook the possibility of world competition, or the need for meeting that challenge through successful attempts at increasing man-hour productively.

QUEEN ELIZABETH II

NEXT week the world will witness yet another Coronation in British history, the Coronation of Elizabeth II. To many millions in the Commonwealth, and to many others in the free world, the event symbolises an act of faith, of faith in the permanence of the Crown amidst the clash of interests and of ideas. It has an abiding significance to the Commonwealth as a unifying force. The Commonwealth's importance has not diminished with the passage of time. On the contrary, its strength, derived from its free character, is continuously growing. With one quarter of the world's population and with a trade equivalent to one-quarter of the total world's trade, the Commonwealth remains even to-day the single largest group of free nations in the world. It spreads across widely different regions, from the wilds of Central Africa to the plains of New Zealand, from the tin mines of Malaya to the gold mines of South Africa. To many outside the Commonwealth, particularly to those outside the free world, it is incomprehensible that widely different peoples should be held together—with no formal ties, no written constitution—within the Commonwealth. But those who know this group of nations know only too well that the Commonwealth is a growing concept, that it is rooted in the belief that freedom is not merely a means to an end but an end in itself, and, above all, that the mystic symbol which unites the peoples of this unique family of nations of divergent castes, creeds and colour, is the Crown. And yet, the Commonwealth, over whose destinies Queen Elizabeth II presides, is in many ways a far different institution from the one over which the Queen's ancestors presided. It is, more than ever it was, an association of free people. The Crown has become, as Sir Winston Churchill once said, the "mysterious link" which unites the "loosely bound but strongly interwoven Commonwealth of Nations, States and races." It is over this Commonwealth that the young Queen Elizabeth reigns. In English history, the reigns of queens have synchronised with periods of remarkable expansion—the reign of Queen Elizabeth I, the reign of Queen Anne and the reign of Queen Victoria. And it is the fervent hope of the Commonwealth's citizens that the reign of the new Queen will usher in a fresh era of peace and prosperity.

TROMBAY POWER SCHEME HELD UP

MONEY COMFORTABLE—TENSION IN SILVER —FINANCE FOR SHIPPING

THURSDAY, 5 P.M.

SPECULATIVE counters on the Stock Exchange have recorded a mild recession this week under the leadership of steels. Liquidation by longs, followed by short-selling by bears since this Monday—when prices had reached attractively high levels—has been responsible for the recession. Rumours that the Government's decision on retention prices of steel may not be announced for another four or five weeks seem to have induced certain tired longs to reduce their holdings in Tata Deferreds. Consequently, these shares which stood at Rs. 1,945 at one time on Monday came down to Rs. 1,915 to-day before closing at Rs. 1,925. The declining trend seems to have affected adversely the sentiment of operators in the textile section. Most favourite mill shares, as a result, came to suffer minor losses. And this happened despite expectations of better financial results of mills producing fine and superfine varieties of cloth. A notable feature of trading this week, however, is the marked gains recorded by a number of counters in the cash section on selective buying support. In the absence of any encouraging factors, the undertone of the market has remained quietly steady.

MARKET GOSSIP

* * * *

The stringency in the short-term money market witnessed two or three weeks ago seems to have yielded place to generally comfortable conditions this week. The pre-monsoon demand for goods having subsided, borrowing pressure on funds would appear to have eased considerably Exchange banks, it is stated, are not keen on borrowing at rates above 2¼ to 2¾ per cent. in the inter-bank call section. This trend, however, is not taken as an indication of the commencement of the easy season usually associated with the onset of the monsoon next month. For, some big Indian banks are reported to have offered on occasions 3 per cent. for call money on account of spasmodic demand for funds from their clients, while small banks continue to pay 3 per cent. It is generally felt that this request for accommodation may continue for some weeks more.

* * * *

In this context, the trend of weekly Treasury Bill results make interesting reading. For, during the last five weeks, not only has the aggregate amount tendered steadily gone up but the average rate of accepted tenders has registered a gradual decline. Thus, as against an invitation of Rs. 1 crore each week, the total offers which amounted to Rs. 1.01 crores in the week ended 28th April have risen to Rs. 2.26 crores this week. Similarly, the average rate of tenders has come down from Rs. 2-7-0 to Rs. 2-6-6 per cent. per annum in the same period. Although some observers are cautious in expressing a definite opinion on the behaviour of the Treasury Bill section, others seem to feel that certain institutional investors might have preferred to divert their surplus funds to this section in anticipation of slackening conditions in the coming weeks.

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In the Gilt-edged market long-dated loans continue to remain neglected. 3 per cent. Conversion loan, for instance, has staged a retreat from Rs. 82-9 a week ago to Rs. 82-7. 3 per cent. 1970-75 loan remains dull at Rs. 86-11, and so also 3 per cent. 1966-68 at Rs. 90-10. The position of medium-dated loans, however, is far better in that some institutional support has been forthcoming for these loans, especially for the 3 per cent. 1959-61, 1963-65 and 1964. The first mentioned has had buyers this week upto Rs. 96-13, as compared with Rs. 96-11 this day last week. The other two loans for which the selling rate was put up by an anna each by the Reserve Bank on Monday this week, have remained steady at Rs. 93. The market's interest in these two loans would appear to have been occasioned by the expectation that the terms of the new loan issue, to be announced in the next fortnight, have a close bearing on the yield of these loans. For, it is felt that if the new loan is to be a success, it will have to be issued on terms that will give a yield of about 3.78 per cent. for 10 or 11 years. Since 1964 is the most convenient year from the point of view of repayment—the outstanding of the loan maturing in that year being Rs. 30.3 crores—it would be easy to repay the new loan in that year. The consensus of opinion, therefore, favours the possible issue, as we have all along maintained since Budget day, of 3½ per cent. cash-cum conversion loan maturing in 1964, at a discount of Re. 1-8 to Rs. 2. Market circles do not rule out also the possibility of the issue of 3½ per cent. 1962 loan at a small discount.

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Many investors are wondering as to why there has been delay in the announcement of the loan issue of the Tata group of three electric companies for financing the setting up of the proposed thermal station at Trombay. It will be recalled that, speaking at the annual general meeting of the Tata Hydro-Electric Power Supply Co., Ltd., held on 24th November last, the Chairman, Mr. J. R. D. Tata, informed the shareholders that the Government of Bombay had agreed not only to extend the licences of the three Companies up to 1975 but also to entrust them with the setting up of a thermal station at Trombay of a maximum capacity of one unit of 100,000 kw. He revealed further that steps had been taken to obtain a loan of Rs. 6 crores from the World Bank and of an additional amount of approximately Rs. 6 crores from the capital market by borrowing or by the issue of new share capital. This statement had induced hopes in recent weeks that the Companies would come to the capital market for raising the loan. The fact that no announcement regarding the issue has so far been made by the Companies seems to have caused considerable disappointment among investors.

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Enquiries in market circles disclose that the Managing Agents of the three Companies have yet to overcome certain difficulties before appearing in the market for the proposed loan. It is stated that the total cost of setting up of the thermal station would now, according to current prices, be about Rs. 13 crores instead of Rs. 12 crores as originally estimated. Of this, a sum of Rs. 7 crores is expected to be borrowed from the World Bank and the balance of Rs. 6 crores to be raised from the capital market. The Companies' loan application has been forwarded to the World Bank for consideration, while sanction is awaited from the Controller of Capital Issues for raising the sum of Rs. 6 crores locally. Meanwhile, the Bombay Government would appear to have decided to permit a capacity of no more than 50,000 kw. for the proposed thermal station at Trombay, as against the Companies' application for a licence to set up a unit of 100,000 kw. The decision would appear to have hindered the Companies' efforts at implementing the plan. For, it is stated that from their point of view, the operation of a thermal unit with a capacity of only 50,000 kw. would be an uneconomic proposition. Unless the Bombay Government reverses its decision, the chances of implementing the Trombay Power Scheme by the Companies are considered bleak.

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With hardly two days to go for the expiry of the current forward contract in silver, the tension in the white metal section of the bullion market has almost reached a climax. With the leading bear operator sitting tight on his sales, the bulls have succeeded in keeping the daily closing forward rate for the current settlement below the basic rate of Rs. 162-10 and at the same time widening the *budla* charges by depressing the prices for the next settlement. This process was carried to such an extent that, at one time during the week, the daily closing rate for the next settlement threatened to go down more than Rs. 7 below the basic rate of Rs. 164-8 for that settlement. The bears would then have been compelled to pay a margin of Rs. 500 per bar. But the alertness of the bears saved them from such a contingency. For, they were able to rig up the prices once again. But the strength of the bulls helped them to prevent the rate for the current settlement going up above the basic rate, while the *budla* continued to mount up to Rs. 3-10. To-day, however, the trading took an interesting pattern and the forward rate for the current settlement moved up to Rs. 163 and the *budla* rate rose to Rs. 4. If the bears had been successful in keeping the closing rate to-day above Rs. 162-10, the bulls would have been forced to pay a margin of Rs. 1,000 per bar. Towards the close the bulls again gained the upper hand and brought down the price to Rs. 162-8.

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It is stated that the bears have been sitting tight on their sales on the presumption that the bulls might not take delivery of the metal on the settlement day. But it is also rumoured that the bulls have made arrangements to take delivery of as many bars as are offered and that the bears might not be able to deliver more than 1,200 bars against their outstanding sales of 3,200 bars. It is not known whether the bulls will insist on the bars being tendered or they will allow the bears to carry forward the sales. If they insist on taking delivery of the bars, a crisis may be expected, as it is said that the bears have got with them only 1,200 bars. In that case, the bears will be completely at the mercy of the bulls. A section of the market is of the opinion that the bulls may not take delivery of the bars even if tendered, since they would then be carrying a heavy load through an off-season, and that they would be content with a high *budla* charge.

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The address which Mr. C. R. Srinivasan delivered at the recent annual meeting of the Bharat Line Ltd., in his capacity as Chairman of the Company, raises quite a few issues of considerable significance to the Indian shipping industry. The main theme of his address was that the present system of aid to the industry, which the Government had adopted, was capable of further liberalisation, and that unless the necessary changes were made the industry might find it difficult to make satisfactory progress. It would be necessary to consider a few figures in respect of the Indian shipping industry in order to appreciate Mr. Srinivasan's line of reasoning. Indian-owned shipping (as at the end of 1951) consists of 2.11 lakh tons (g.r.t.) in the sphere of coastal trade and 1.73 lakh tons (g.r.t.) in the sphere of overseas trade. The Five-year Plan aims at a target of 3.15 lakh tons for the coastal trade and 2.83 lakh tons for the overseas trade. Thus, Indian shipping industry will have to augment its capacity by an additional one lakh tons in the coastal sphere, and by a similar tonnage in the overseas sphere. Lest anyone should run away with the impression that all this would make a tremendous difference to the Indian shipping industry, it is necessary to add that all this increase would hardly raise the share of the industry in world tonnage to one per cent. Nor will that increase solve all the problems of replacing the existing ships as they become worn out. And the industry's capacity would still be found insufficient to reach the target of 50 per cent. of the overseas trade; it now carries hardly 5 per cent. of this trade. The targets are, if anything, modest.

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But will the industry really be able to reach even the admittedly modest targets set for it? Mr. Srinivasan gave a few illuminating figures. He calculated that the cost of buying the ships (one lakh tons (g.r.t.) or 20 ships of 5,000 g.r.t. each) which might be manufactured by the Vishakapatnam shipbuilding yard will be Rs. 12 crores at the rate of Rs. 60 lakhs per ship. This would leave a gap of one lakh tons for reaching the target to be filled through purchase of second-hand ships. Since such ships cost Rs. 36 lakhs each, it would require another Rs. 7 crores to buy them at the prevailing market prices. Thus, the industry would require in all Rs. 19 crores in order to enable it to play its part in the Plan. Since the companies cannot, in the present state of the money market, expect to raise this amount, the burden would necessarily fall on the Government. He expressed the hope that the Government would readily give the industry the assistance it needs.

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The Government has, on its part, provided for Rs. 4 crores of loans to the industry for assistance to coastal shipping (Rs. 2 crores to be provided by the industry) and for Rs. 6.5 crores for assistance to the industry in the "overseas" sphere (Rs. 2.2 crores to be provided by the industry). Mr. Srinivasan pointed out that in order that the Government loans may be attractive to shipping companies, it "should not stipulate the large proportion of the purchase price which the companies are now required to provide in the case of each loan." Secondly, the loans should not carry a high rate of interest. He suggested that the loans, which are now given at 4, 4½ and 5 per cent. interest, should carry a smaller rate of interest, and the conditions of repayment should be more liberal. He said: "It will be a farsighted and fruitful policy, if the Government will give the loans a currency of 20 years, allow the first five years free of interest and charge 3 per cent. per annum from the sixth year when repayment by instalments of one-fifteenth of the whole amount may also start." He also emphasised the need for relief in taxation. Surely, these concessions, which are modest when compared to those that have been demanded by the shipping industries all over the world and conceded, in a spirit of economic statesmanship, by the Governments of the maritime nations, deserve the sympathetic consideration of the Government of this country which has still a long—in fact, a very big—leeway to make up before it can claim an honoured place in the world's maritime map.

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The statement (circulated along with the report and accounts for the year ended 31st December, 1952) to the stockholders of the Anglo-Iranian Oil Co., Ltd., by the Chairman Sir William Fraser, contains a comprehensive review of the Anglo-Iranian oil dispute. The Chairman points out that there have been no less than five separate attempts to settle the dispute, which, as readers are aware, arose out of the Iranian Government's action in taking over the Company's interests in Iran, in contravention of the terms of the 1933 Agreement between the Company and the Government. The Company has thus been deprived of the benefit of extracting and disposing of Iranian oil for the remaining period of the Agreement. In this connection, Sir William observed: "The proper observance of contracts is a fundamental factor in international trade, and Her Majesty's Government and the Company have stood on the principle, well established in international law, that compensation for losses resulting from expropriation must be prompt, adequate and effective." Explaining the legal position in respect of the oil delivered from the area of the Company's operation in Iran, he said that inasmuch as the Iranian Government had neither paid compensation nor agreed to a satisfactory basis for compensation, the Company "continues to claim the title to all oil" derived from the Company's oilfields of which the Iranian Government is now the *de facto* owner. Legal proceedings have already been taken in Aden, Italy and Japan against concerns or individuals who deal in such oil.

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In the meantime, the Company's management has taken steps to augment its refinery capacity and to build tankers. In this connection, the Company's issue of £20 million, 5 per cent. debenture stock in January last, it is stated, was largely oversubscribed. This issue has been made in order to supplement the Company's funds which are needed for financing its expansion programme. This large expansion programme on which expenditure during 1952 was about £57.4 million and on which expenditure during 1953 is estimated to aggregate £75 million, is designed to maintain the "Company's position in the forefront of the highly competitive and progressive world petroleum industry." The statement gives much encouraging information to the stockholders. Thus, crude oil production in Kuwait, Iraq and Qatar increased during 1952, when the Company's offtake from these sources amounted to 25.6 million tons, compared with 16.6 million tons in 1951. During 1953, the Company expects to make available 35 million tons from these sources. The Company has, in co-operation with certain other interests, such as the Shell group, extended its exploration activities to several new areas, including Nigeria, Tanganyika, Zanzibar and Sicily. Work is proceeding satisfactorily at the Company's two large new refinery projects at Aden and at Kwinana. The Company's post-war programme for increasing the refinery capacity in the U.K. is being brought to fruition;

(*Continued on page* 1015)

EQUITIES RULE QUIETLY STEADY

TATA DEFERREDS DRIFT LOWER

(From Our Own Correspondents)

BOMBAY, *28th May*

QUIETLY steady conditions came to prevail on the Stock Exchange during the week under review. In the absence of fresh incentive and follow up support, leading speculative counters could not consolidate their gains made in previous weeks. On the other hand, technical considerations and the downward trend in other markets of the city induced some pressure on the market. Some operators, who were inclined to go bullish in recent weeks, found the position somewhat overbought and as a corrective measure they had to unload their holdings. Further, leading bull operators who were heavily involved in other markets, such as bullion and cotton, had to liquidate their commitments in shares in order to cover their positions in other markets. Reports that the U.S. and Britain were in accord on the United Nations' new peace proposals for a Korean truce and that the U.N. delegations as a whole were presenting a united front against continuance of war were not calculated to encourage the longs. Further, the heavy delivery of some of the textile shares in the last clearing also affected the sentiment. In the result, leading speculative counters disclosed minor losses. Most cash scrips, however, were steady with modest gains.

In the steel section, Tata Deferreds opened cautiously and declined on Friday from Rs. 1,935 to Rs. 1,925 due to end of account considerations. The new account opened on Monday on a slightly cheerful note and the shares, after improving to Rs. 1,945, reacted to a low of Rs. 1,915 this morning. Towards the close, however, they steadied up to Rs. 1,925. Tata Ordinaries moved between Rs. 337 and Rs. 331-12 before finishing at Rs. 334. Indian Irons recovered to Rs. 26-2½ on Tuesday after touching a low of Rs. 25-3½ earlier, but closed at Rs. 25-10½.

Barring moderate losses in leading speculative counters, textile shares presented a steady front due to favourable outlook for textile mills. The announcement by the Commerce Minister on Saturday of the Government's decision to allow export of Indian cotton textiles freely for shipments till the end of December, 1953 and to increase the export quota of mineral khaki from 25 per cent. to 33 or 33⅓ per cent. of the mills' production strengthened the hopes of buyers. Bombay Dyeings moved up from Rs. 400-10 to Rs. 406-4, but reacted to close at Rs. 397-9. Kohinoors retreated from Rs. 311-12 to Rs. 305-12 before closing at Rs. 307-4. Central Indias disclosed a loss of Rs. 5 over the week at Rs. 169, Century of Rs. 3 at Rs. 279, Indu Ordinaries of As. 4½ at Rs. 10-11 and New Greats Rs. 2-8 to Rs. 156. Gokaks were Re. 1-8 lower at Rs. 221-8. Edward Textiles, on the other hand, were taken up from Rs. 248-12 to Rs. 253-12 and Finlays by Rs. 4 to Rs. 328. On expectations of favourable results, Simplex were in demand, moving up by Rs. 4-12 to Rs. 185. Standards advanced by Rs. 3-2 to Rs. 316-14, Svadeshis by Rs. 3-8 to Rs. 255 and Swans by Rs. 5 to Rs. 455. In the cash section, Bradburys were better by Rs. 11-4 at Rs. 742-8, Dawns by Rs. 2 at Rs. 61 and Phoenix by Rs. 3-12 at Rs. 110. Sholapurs were lifted up from Rs. 1,750 to Rs. 1,822-8 before closing at Rs. 1,800. New Citys were held at Rs. 150.

Select counters in the public utility section were in demand and finished with small gains. Ahmedabad Electrics, after being a shade lower at Rs. 109-6, regained to close at Rs. 109-11, while their new shares were a fraction lower at Rs. 28-4. The Company has made a call of Rs. 25 per share on these new shares which is payable on 1st June, 1953. Bombay Suburbans improved by Re. 1-14 to Rs. 129-6. Poona Electrics were maintained at Rs. 121-4, while Surats scored a gain of As. 10 at Rs. 133-12. In the Tata Hydro group, Tata Hydros were fractionally lower at Rs. 150-8, Tata Powers receded by Rs. 12-8 to Rs. 1,507-8. Andhra Valleys disclosed no change at Rs. 1,430.

Bank shares were steady, but business done was little. Barodas added As. 8 to close at Rs. 112. Centrals Old shed As. 8 to Rs. 64-4, but their new shares showed no change at Rs. 65-8. There was some selling pressure in Imperial Fully Paids which brought down the quotation from Rs. 1,867-8 to Rs. 1,855, but a fresh enquiry pushed it up to Rs. 1,880. Indias were in demand, but the quotation hardly moved up by more than As. 4 to Rs. 156-4. United Commercials were steady at Rs. 36.

A rise of Rs. 63 over the week to Rs. 7,225 in Orientals was a feature in the insurance section. New Indias hardened by As. 8 to Rs. 43-8. Jupiters had business at Rs. 7-2. Indian Mercantiles were down by As. 12 at Rs. 38-4.

In the miscellaneous group, Associated Cements were listless, moving between Rs. 173 and Rs. 171-12, and closed at Rs. 172-4. Belapurs were marked down by Rs. 2 at Rs. 237. Bombay-Burmahs lacked interest and closed at Rs. 384-6. B.I.Cs. were steady at Rs. 8-12½. Killick Industries were done As. 8 higher at Rs. 158, while their Partly Paids were firmed up by Rs. 6-12 to Rs. 94. After last week's hectic rise, National Rayon Ordinaries retreated by Rs. 4-12 to Rs. 98-8. Tata Chemicals were steady at Rs. 9-9, while Tata Oils were bid As. 12 lower at Rs. 33-12. Wimcos shed Re. 1-4 to Rs. 225.

In the transport group, Scindias were quiet at Rs. 13-8½, but Bombay Steams were fractionally higher at Rs. 36-4. Bharat Lines were done Re. 1 higher at Rs. 91 and Indian Steams were put up by As. 2 at Rs. 6-7½. Air-Indias were unchanged at Rs. 84, but Air-India Internationals were somewhat lower at Rs. 104-8.

In the mining and engineering group, Alcocks were better by Re. 1-4 at Rs. 316-14, but Premier Constructions which were quoted *ex-div.* on the 25th at Rs. 87 finished at Rs. 84-8. Shivrajpurs shed a rupee to Rs. 55, while Indian Coppers were in demand after a long time to go up by As. 1½ to Rs. 2-15½. Tata Locomotives changed hands at Rs. 82-8, as against Rs. 84.

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Calcutta Stock Exchange

CALCUTTA, *26th May*

Although steady conditions were witnessed on the Calcutta Stock Exchange during the week under review, trading was on a cautious note. The volume of transactions was, therefore, limited. Such a trend was due to the lack of adequate funds available in the market, and also to the anxiety of buyers to extend commitments only after making sure that gains would be maintained.

The market received some measure of support from Korean reports about the difficult negotiations for a truce. Enthusiasm was also derived from the efforts which Government is making for increasing India's exports of finished goods and which Mr. T. T. Krishnamachari detailed during his address to the Export Advisory Council early this week. Textile shares provided a feature this week, as the increasing rate of exports and the popularity of Indian piecegoods in the neighbouring countries had a healthy effect on share prices. The Commerce Minister's report that in April as much as 63 million yards of cloth were exported, induced greater support to textile shares.

Sugar shares continued the advance, and selected counters rose impressively. The improved prospects for tea resulted in more enquiries for tea shares, and small gains were recorded. Jutes were also in the forefront, but advances were cautious. The American Secretary of State's statement that the Republican Administration would continue to recommend to Congress financial assistance for India's industrial development was a factor which increased the confidence of operators. The Pakistani Prime Minister's hope for a settlement, by discussion, of all outstanding Indo-Pakistani disputes, naturally resulted in expectations of better trade relationship between the two countries. This was also a factor why, despite inadequate funds in the market, gains tended to stabilise.

In the textile section, Bowreahs were pushed up from the previous rate of Rs. 210 to Rs. 285 following moderate enquiries and fair turnover. The star feature of the section, however, was Dunbars which at Rs. 220 gained as much as Rs. 88 this week. Elgin Mills changed hands at Rs. 17-12, while Cawnpore Textiles were fractionally better at Rs. 9-4. Kesorams after easing to Rs. 19-8, recovered to Rs. 20-5, and New Victorias were steady at Re. 1-9. Basantis invited transactions at Rs. 4-8.

Among bank shares, Imperial Fully Paids eased to Rs. 1,854. United Commercials at Rs. 35-8 showed a gain of As. 12, and Hinds gained by one point to Rs. 19-12.

Coals were steady. Raneegunges at Rs. 9-6 maintained the improvement, and Bengals were unchanged at Rs. 535. Standards at Rs. 18-10 were better by As. 2, while New Beerbhooms and Dhemo Mains were fractionally lower at Rs. 20-6 and Rs. 10-12 respectively. East Indias changed hands at Rs. 23-9, Western Bengals at Rs. 5-4, Burrakurs at Rs. 10-11, and Central Indias at Rs. 5-1.

Although during mid-week the earlier interest in jute shares was given up, trading resumed a cheerful note on Monday and to-day. Gains, on balance, for the week are impressive. Opening at Rs. 24-12, speculative Howrahs improved to Rs. 24-15 on Saturday and rose further to Rs. 25-5 to-day. Fort Glosters spurted from Rs. 292 to Rs. 311, while Indias, after receding from Rs. 136 to Rs. 134, not only recovered the loss but rose further to Rs. 138. Unions at Rs. 185 lost the recent gain, but Kinnisons, after declining to Rs. 200, improved to Rs. 210. Megnas were supported at Rs. 107, representing a gain of Rs. 5. Dalhousies hardened from Rs. 131 to Rs. 148. Deltas were taken at Rs. 239 and Alliances at Rs. 162 added seven points. Other counters that showed gains included Nellimarlas and Chitavalsahs, while Ballys at Rs. 175 and Budge-Budges at Rs. 171 showed some easiness. Anglo-Indias were better at Rs. 237.

In the engineering section, Indian Irons were shown moderate attention, as the labour unrest at Burnpur was thought to be less serious than at first feared. Opening at Rs. 25-6 last Wednesday, the quotation gained to Rs. 25-10 on Saturday, and was even better to-day at Rs. 25-15. Texmacos changed hands at Rs. 6-3, Kumardhubis at Rs. 8-9 and Jessops at Rs. 25-3.

Tea shares met with some interest, and Hasimaras were fractionally better at Rs. 25, while Duffiaghurs eased from Rs. 35-12 to Rs. 35-8 and Gungarams from Rs. 158 to Rs. 152-8. Birparas were steady at Rs. 55.

Sugar mill shares were in good demand, and gains were impressive. Carews advanced further from Rs. 6-11 to Rs. 7-3, and Belsunds added As. 4 to close at Rs. 8-6. Champarans closed Rs. 24-12, disclosing a gain of one point, and Cawnpores were better at Rs. 32-8.

In the miscellaneous section, a feature was the steadiness in India General Navigations which, at Rs. 91, were better by Rs. 2-8. Rohtas Industries were steady at Rs. 9-7. Indian Cables met with business at Rs. 19. Martin Burns were sought at Rs. 18-14. Airways India were between Rs. 11-4 and Rs. 12-4. Among paper shares, Titaghurs maintained their usual steadiness and were in demand at Rs. 36-12, and Shree Gopals were better at Rs. 19-7. India Paper Pulps were taken at Rs. 174. Metal Boxes realised Rs. 20-5. Assam Saws Rs. 6-10, and Sone Valley Cements Rs. 7-10.

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Madras Stock Exchange

MADRAS, *26th May*

The Madras Stock Exchange presented cheerful conditions this week also. There was considerable broadening of activity more or less in all sections. The planting scrips were very active. Among these, particularly tea shares spurted on sustained buying activity. But rubbers and coffees found moderate support. Textile scrips met with selective enquiry, and so also miscellaneous scrips. Banks, however, ruled slightly easy. On the whole, the volume of business done was fair, and prices in almost all the sections recorded sizable gains.

Market circles seemed to expect greater offtake of Indian tea by the U.S. this year, following the advertising campaign being carried on jointly by tea producing interests and the Tea Council of the U.S. This considerably enthused operators and as a result, Peermades shot up from Rs. 24-12 to Rs. 25-8 and Parksides from Rs. 12-12 to Rs. 13-4. Devasholas gathered As. 8 to Rs. 16-8 *cum-div.* and Kalasas, As. 4 to Rs. 11-2. Mysore Plantations were higher by As. 2 at As. 10.

The steady demand for rubber shares was due to the reported improvement in the condition of rubber plantations. Thamarpally shot up from Rs. 14 to Rs. 14-12. Peninsulars gathered As. 2 to Rs. 8. Thirumbadis and Rajagiris were better at Rs. 2-13 and Rs. 10-6, respectively. Nelliampathys (Tea and Rubber) were higher by As. 2 at Re. 1-14 and Midlands (Tea and Rubber) by As. 3 at Rs. 10-7. Vaikundams, however, lost As. 4 to Rs. 13-10. Teekoys lost a similar amount to Rs. 6-8.

In the Coffee section, Coffee Lands improved by As. 3 to Rs. 10-5. Nil Neergundis were up by As. 2 to close at Rs. 3-4. Ouchterlonys (Tea and Coffee) were done better at Rs. 4-1. Consolidated Coffees, however, lost As. 2 to Rs. 18.

Among textiles, Bangalore Woollens were done higher at Rs. 250, as against Rs. 247-8. Buckinghams improved by Re. 1-8 to close at Rs. 117. P Andvars 'B' were enquired at Rs. 63 as against Rs. 59-4. P Andvars 'A' were done As. 8 higher at Rs. 45. Maduras gained As. 6 to Rs. 36-4 and Lakshmis 'A' As. 4 to Rs. 39-4. Coimbatore Spinnings improved by As. 12 to finish at Rs. 39-12. Radhakrishnas, however, lost Re. 1 to Rs. 142.

In the miscellaneous section, Andhra Cements gained Re. 1 to Rs. 101. Deccan Sugars, Rs. 25 paid-ups, were also up by a similar amount at Rs. 23-8. Dalmia Cements, Rs. 2-8 paid-ups, hardened by As. 3½ to close at As. 15½. Mysore Papers were better at Rs. 13-11. But Indian Alluminiums lost Rs. 12 to Rs. 110. Mysore Golds were fractionally lower at Rs. 2-2½.

In the banking section, Imperial Banks advanced by Rs. 5 to Rs. 1,845. Indian Banks, Rs. 80 paid-ups gathered Re. 1 to Rs. 138-8. But for these, most of the remaining scrips were on the down-trend. Bank of Mysores lost Re. 1-8 to Rs. 282. Indo-Commercials 'A' fell by Re. 1 to close at Rs. 75 and 'C' by As. 12 to Rs. 37-8. Indian Overseas eased from Rs. 88-8 to Rs. 88-4.

Latest Quotations

Bullion	Gold Ready (.999)	Rs. 87-13-0
	Gold Forward	,, 87- 6-0
	Silver Ready (.996)	,, 162- 12-0
	Silver Forward	,, 162- 8-0
Cotton	Vijay	Rs. 900-0
	Berar Jarillas	,, 760-0
	Moglai	,, 710-0
	Bengal Desbi	,, 540-0
Jute	Raw Jute, Assam Bottoms per maund	Rs. 28- 8
	Hessians, (40" 10 ozs.) 100 Yds.	Rs. 44- 2
	Heavy Goods B. Twill, (per 100 bags) Ready	Rs. 105-0
Tea	For Internal Consumption—per lb. Medium Dooars Dust	Re. 1-6-0 to 1-7-0
	Best Assam C.T.C. Dust	Re. 1-11 to 1-12
	For Export— Clean Black Pekoe, Clean C. B. Pekoe, Medium Assam B. Pekoe, Good Assam B. Pekoe	Not Quoted
Produce	Linseed Bold (Cwt.)	Rs 33-14-0
	Groundnuts (B. Rdy.) (Cwt.)	,, 47- 8-0
	Castor Seeds (Madras) (Cwt.)	,, 32- 6-0
	Castor Oil Commercial	,, 17- 12-0

NEWS IN BRIEF

THE President has given his assent to the Indian Income-tax (Amendment) Bill, 1952, as passed by both Houses of Parliament and the measure now becomes law. The Act brings into operation, among others, the provisions of section 46A relating to the production of tax-clearance or exemption certificates by persons leaving India.

The Madras Government has decided to extend the Tanjore Tenants and *Pannaiyal* Protection Act to Chidambaram taluk in South Arcot District.

The Madras Government will not extend the State Government Transport service beyond Madras City for the next five years. The Government will not stand in the way of the Coimbatore Municipal Council, if it wanted to take over the town bus service.

An import control policy announcement by the Government of India says that the import of diesel engines of upto 35 h.p. will continue to be banned during the licensing period, January-June, 1953. For diesel engines of over 35 h.p., applications from actual users will be considered on an *ad hoc* basis.

Assam will produce 5,911,752 lbs. of cotton this year, according to official forecasts. This represents an increase of 455,202 lbs. over last year's production. The area under cotton crop this year is estimated at 33,880 acres—a rise of 58 per cent. over the previous year.

The Calcutta Railway Enquiry Committee has recommended an electrified circular railway system for Calcutta. The Ministry of Railways is now examining the various recommendations of the Committee. The scheme is likely to be linked up with the plan for electrification of the Calcutta suburban sections and the Eastern Railway main lines between Calcutta and the coalfields.

The Geological Survey of India will assist the Government of India's scheme to sink 2,000 tube-wells in various States, according to a scheme drawn up by the Union Ministry of Food and Agriculture. Among the States which come under the scheme are Bombay, Saurashtra, P.E.P.S.U., Orissa, Bihar, U.P. and Madras. A reconnaissance survey of the States before sinking tube-wells has already been undertaken by one of the U.S. experts sent to India under the Point-Four Programme.

An Indo-Egyptian payments and trade agreement was finalised on Tuesday last in Cairo and initialled by Mr. H. V. R. Iengar, Secretary, Ministry of Commerce, on behalf of the Government of India. After the Egyptian Cabinet and the Council of Revolution formally ratify it, it will be signed by the Indian Ambassador to Egypt on behalf of India. The agreement is for an indefinite period and subject to modification at any time after three months' notice by either country.

The All-India *Khadi* and Village Industries Board has prepared schemes for developing various village and cottage industries for 1953-54. The schemes include development of hand-pounding of rice, soap-making with indigenous oil, hand-made paper, bee-keeping, palm *gur*, *gur* and *khandsari*, leather, match and village oil industries. The Board has also provided for financial aid to needy industries wherever possible.

Problems confronting operators on the Africa-India Ocean region air routes will be discussed by operational experts of leading international airlines, at a meeting of the International Air Transport Association in Paris, from 15th June. The meeting is expected to last for eight days. Air-India International, which is operating a scheduled air service on the India-East Africa route *via* Pakistan and Middle East, will send two experts for the meeting. The experts will place before the meeting, problems relating to lack of meteorological radio and aeronautical communication facilities which hamper air operations along certain sectors on the India-Africa run.

The Central Government is of opinion that it will not be in the public interest to apply any of the prohibitions contained in sub-section (1) of section 91B of the Indian Companies Act, 1913 (VII of 1913), to the Standard-Vacuum Refining Company of India. Accordingly, it has directed, in exercise of powers conferred by sub-section (4) of section 91B of the said Act, that the said section 91B shall not apply to the Standard-Vacuum Refining Company of India, Limited, Bombay. The section relates to the prohibition of voting by an interested director.

Sixty British and other foreign firms in India have given a "gentlemen's undertaking" not to employ new young British and foreign employees where Indians are available and trained for the same posts. According to a spokesman of the Commerce and Industry Ministry, these firms will continue to appoint Europeans where Indians with suitable experience are not available for posts of technical skill or experience. This agreement is an outcome of the Government's efforts to get more Indians appointed to higher paid posts in foreign firms. Answers to the Ministry's questionnaire issued to the 1,200 foreign firms last year had revealed that 75 per cent. of executive and higher paid posts in these firms were being held by non-Indians.

Reports from Tokyo reveal that the Government of Japan is preparing for talks with the Indian Government with a view to concluding a new trade agreement providing for increased trade between the two countries. According to sources close to the Ministry of International Trade and Industry (Japan), it is now studying the feasibility of discussing with India the following points in drawing up a new trade agreement: (1) exchange of goods worth £20,000,000 each way, annually; (2) Japan to export to India machinery, iron and steel, chemicals, textiles, equipment for cottage industries and sundry goods; (3) Japan to import from India mainly iron ore, coking coal, bituminous coal, scrap iron and raw cotton; and (4) Japan to extend technical aid to India for harbour construction and for the development of cottage industries.

Owing to the improved supply position of ammonium sulphate and superphosphate, the Government of Bombay has removed all restrictions on the prices and distribution of both these fertilisers. They are now available to cultivators through the normal trade channels, including co-operative societies, which are expected to undertake wholesale and retail distribution. The Government does not now stock these fertilisers at departmental depots for distribution to cultivators through the Agricultural Department. Cultivators are, therefore, advised to enquire of local fertiliser dealers for their requirements of these fertilisers. Sulphate of ammonia is available through the Government at the rate of Rs. 320 per ton, ex-godown, in Bombay. The minimum quantity that may be released in favour of any party at any one time is 20 tons. Superphosphate is available with the the manufacturers in Bombay State at a price of about Rs. 200 per ton ex-works. Enquiries regarding further particulars of the price and the conditions of delivery may be addressed to the manufacturers direct. Distribution of manure mixture and groundnut cake is no longer undertaken by the State Government, except in respect of stocks of manure mixture and groundnut cake which are still with the Agriculture Department. Preparation of manure mixture has also been discontinued by the Agricultural Department. These two fertilisers will now be available through the normal trade channels. Groundnut cake, which is, at present, procured by the Government from the oil mills in the State, is only to be used for supplying as cattle food in the scarcity-affected areas.

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From Abroad

The Burma Government is stated to have issued licence for export of 2,500 tons of rubber to Communist China. Last March, Burma shipped 1,500 tons of rubber to China.

The prices of ordinary and rapid-hardening Portland Cement has been raised in the U.K. by 2s. per ton with effect from the 20th inst. This is due to increases in costs of the cement industry.

Shipbuilders in Japan have asked the Government to grant subsidy loans aggregating more than 27,000 million yen (£27 million) from the Development Bank to help secure contracts for the construction of 300,000 gross tons of vessels during the first half of the current fiscal year—March, 1953 to April, 1954.

For the first time in the history of the refined oil producers in the U.K., the tonnage of refined oil production exceeded the total of inland oil consumption in 1952. The U.K. refinery production during the year amounted to 22.49 million tons, an increase of over 35 per cent. over that of the previous year, while total inland consumption rose by a relatively small amount to 17.52 million tons.

The U.S. is expected to produce well over 110 million tons of steel this year, provided there are no strikes in the industry. Production so far has averaged just about 100 per cent. of the capacity, and the output in 1953 will probably set up a new record. The previous record for any year was reached in 1951 when steel companies produced 105.1 million tons.

India is prominent among the 29 nations represented in a free world trade exhibit which opened last week in Washington. The exhibit displays arts, crafts, manufactured goods and raw materials from around the world and is attracting thousands of visitors. The India exhibit—with samples of India's varied arts and industries—drew wide attention from the opening day visitors.

Australia is becoming too unattractive for overseas industrial leaders with money to invest, according to Mr. L. Luxton, acting Managing Director of the Shell Company of Australia. Though overseas capital was vital to Australian development, investors were not interested in putting risk capital into Australia, if they could not get even the bank rate of interest, he said.

PERSONAL

DR. Ladislav Durdil, Czechoslovak Ambassador-designate to India, has arrived.

Mr. D. D. Sathe, Motor Transport Controller, Bombay, has returned to Bombay after a tour of England and the Continent for eight months.

Dr. A. Lakshmanaswamy Mudaliar, Vice-Chancellor of the Madras University, has returned to Madras from Geneva after attending the meeting of the sixth World Health Assembly.

Mr. Abid Ali, Union Deputy Minister for Labour, who is the leader of the Indian delegation to the thirty-sixth session of the I.L.O., left for Geneva on Sunday last to attend the I.L.O. session.

Mr. R. T. Chari, Deputy High Commissioner for India in Ceylon, has been appointed Deputy Secretary, Union Ministry for External Affairs, in charge of External Publicity, *vice* Mr. S. Sen proceeding on leave.

Mr. K. C. Neogy, lately Chairman of the Finance Commission, and former Minister for Commerce, Government of India, has been appointed Member of the Planning Commission. Mr. Neogy took over charge on the 21st inst.

Mr. Jawaharlal Nehru, Prime Minister of India, left for London on the 28th inst. to attend the Coronation of Queen Elizabeth II of Britain and the Commonwealth Prime Ministers' Conference to be held in London.

Mr. Hariharnath Shastri, Member of the Indian delegation representing labour to the annual conference of the I.L.O., left for Geneva on Tuesday last.

"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *2nd June*

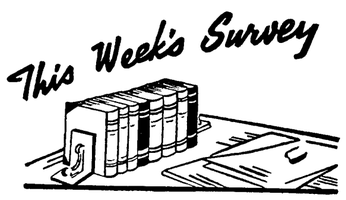
Gold as Circulating Medium

If gold went again into circulation there would be no immediate danger of financial panic, the commencement of a long period of falling prices, disastrous to trade. This, apparently is the view of Sir E. Hilton-Young, expressed in a speech delivered last month in the House of Commons during the discussion on the Currency and Bank Notes Bill. Lord Hugh Cecil declared that the Bank of England should not be empowered to issue notes unless they were convertible, but Sir E. Hilton-Young asserted, in reply, that the case against gold returning to circulation was overwhelming. Loan interest alone would cost £7,000,000 or £10,000,000 yearly. He mentioned that at the recent enquiry into the currency system of India evidence was given by leading authorities in Britain, Germany, France, the United States that it was necessary to husband the world gold supply. In making the foregoing observations, Sir E. Hilton-Young was obviously inspired by the report issued in 1926 by the Royal Commission on Indian Currency. An interesting feature of that report was the evidence given by Mr. Benjamin Strong, Governor of the Federal Reserve Bank of New York. It was a notable event that the chief executive banking authority in the United States should have visited London in order to assist a British enquiry into the currency of India. No more striking proof could have been given of the closeness with which the countries of the world are being knit together by the bonds of financial organisation. Truly, in matters of currency and high finance, we are all members of the one great family. The incident was regarded at the time as a good augury for the scientific development of the currency systems of the world that so much goodwill was manifested between the chief monetary centres of civilisation.

Australia and the United States have signed three conventions for avoidance of double taxation between the two countries. The conventions, which cover income-tax and estate and gift duties, are expected to result in attracting additional American capital investment in Australia. The agreement with the U.S. follows the lines of the reciprocal pact between Australia and the U.K.

The Burma Government has announced a 10-year plan for a "new order" for the Burmese peasants, which includes free distribution of ten million acres of land to the landless peasants in the next two years. These areas will be taken over from non-agricultural holders and distributed free to the peasants. Under the plan, two million acres are to be distributed in the current year through a land committee elected by the peasants themselves. Each family will be allocated about ten acres on an average.

The Pakistan Government has prohibited forward buying and selling of foodgrains. Speculative buying and selling of gram is prohibited under the Foodgrains (Futures, Options and Prohibition) Order, 1942 which is still in force. The Government, however, in supercession of the said Order, has promulgated a fresh Foodgrains (Futures, Options and Prohibition) Order prohibiting forward buying and selling of foodgrains, namely, wheat, rice, paddy *jowar*, *bajra*, maize, barley, gram of all varieties, pulses of all varieties (whole and split) and products of all these grains. All Provincial Governments have been requested to enforce this Order vigorously.



CO-OPERATIVE MOVEMENT

THE statistical statements relating to the Co-operative Movement in India for the year 1950-51, just published by the Reserve Bank of India, serve to spotlight the lines on which the Movement has been developing and also to indicate the obstacles which should be removed, if the pace of progress has to be quickened in future.

A glance at the innumberable statistical tables reveals that the year 1950-51 witnessed notable expansion in the activities of the Co-operative Movement, as compared with the previous year. The number of co-operative societies of all types at the end of 1950-51 was higher at 181,189 with a total membership of 13.7 million, which compares favourably with 173,094 societies with a membership of 12.6 million a year before. Taking the average size of an Indian family as five, it may roughly be estimated that 68.5 million, or 19.1 per cent. of the population, were served by the Movement during the year under review, as against 62.9 million or 18.2 per cent. in 1949-50. Allowance should, of course, be made for persons who are members of more than one co-operative society.

The increase in the number of societies in 1950-51 was followed by a sizable rise in the aggregate working capital, the figure as on 30th June, 1951, being 275.85 crores, as against Rs. 233.10 crores at the end of 1949-50. This improvement is due, in the main, to a rise in loans from Governments, from Rs. 6.36 crores, representing 2.7 per cent. of the total working capital, to Rs. 11.70 crores (4.2 per cent.). Similarly, loans from the Reserve Bank of India were larger, the amount outstanding as on 30th June, 1951 being Rs. 3.15 crores, as against Rs. 1.60 crores a year before. Deposits of co-operative institutions, primary societies, individual and other sources, etc., also rose, although their share in the total working capital was slightly lower at 40.8 per cent., as against 44 per cent. in the previous year. Owned funds formed 71 per cent. of the total deposits and 29 per cent. of the working capital.

As regards provision of short-term finance, the Co-operative Movement registered notable progress during the year under review. There was a rise in the amount of loans disbursed during the year, as well as in outstandings at the end of the year. The deposits attracted by different types of co-operatives, however, do not show a proportionate rise, with the result that there was greater dependence for loans on central financing institutions. In the sphere of long-term credit structure, progress was well maintained. Long-term credit is generally the responsibility of the central land-mortgage banks. The number of such banks was unchanged at five. They advanced loans to the tune of Rs. 1.33 crores in 1950-51, as against Rs. 1.01 crores in the previous year. Satisfactory progress was recorded by the non-credit, non-agricultural credit, and non-agricultural non-credit societies, too.

The foregoing account gives some idea of the progress of the Co-operative Movement in India. But there are, at the same time, certain sore spots. The Movement, for instance, is not evenly spread; nor is it of the same texture and quality everywhere. While the Movement has made considerable progress in some of the Part A States, it is not adequately developed in others and practically undeveloped in a few Part B and C States. Thus, out of the aggregate number of primary agricultural credit societies in the country, the three States of Madras, Uttar Pradesh and Bombay alone account for nearly 45.4 per cent. It is not surprising, therefore, that the mobilisation of local resources or banking and credit services rendered by the co-operative sector should have been extremely uneven as between the different parts.

A conclusion that can be drawn from this is that, if the Co-operative Movement in India is to fulfill the purpose for which it is designed, it is imperative that State co-operative banks should be established in all those States where such banks do not exist at present. Even the apex banks that are already functioning should be thoroughly reorganised. The central or district banks also need reorganisation. There is the need, too, for improving the primary credit co-operative societies in the underdeveloped areas. Considering these disquieting features, it is indeed gratifying that the Reserve Bank of India has now fully addressed itself to the task of formulating appropriate steps for reorganising the entire co-operative credit structure. Practically all the States, we are told, have now been covered by the programme; in many cases, plans of reorganisation and development of the Co-operative Movement suitable to the needs of individual States have been worked out and agreed upon.

The role of co-operative societies in the formation of capital in India, particularly in the agricultural side, has assumed special importance in the present context of the abolition of *zamindars* and the consequent drying up of the flow of capital from these sources. In the circumstances, increasing reliance has come to be placed on the Co-operative Movement as a chief source of finance for agriculture. The Planning Commission has laid down certain targets for agricultural credit to be attained by 1955-56, that is the last year of the Five-year Plan. The targets (per annum) are Rs. 100 crores for short-term loans, Rs. 25 crores for medium-term loans and Rs. 5 crores for long-term loans. This implies, as Mr. K. Subrahmanyan, Chief Officer of the Agricultural Credit Department, Reserve Bank of India, aptly remarks in his preparatory note, "the expectation that the Movement will make a concerted effort to mobilise and tap savings, and extend the scope and efficiency of its organisation."

UNEMPLOYMENT

The concern expressed by the Working Committee of the Indian National Trade Union Congress, which concluded its two-day session at Indore, last week, over the marked deterioration in the employment situation, is quite appropriate. For the latest figures relating to employment situation are alarming. In the month of April, 126,706 persons got registered in various employment exchanges in India, the highest figure for any month in the last eight years. It must be remembered that this figure does not include all the employable persons. All regions in the country excepting Bihar, Orissa and West Bengal have contributed to this steep increase in the unemployment figures. There are also indications that the situation might grow worse in the near future. With the permission of the Government of India to close the Oorgaum Gold Mining Company, after 31st May, unemployment in the Kolar Gold Mines area will increase. It is true that the leases are to be transferred to Champion Reef Gold Mines, India, Ltd., which would exploit the residuary ore by the extension of its workings there, but this involves a continued employment of only about 980 employees out of the 3,400 employees who would be thrown out of employment next month. Then again, retrenchment of 4,115 workers in railway collieries is almost a *fait accompli*. They would have been retrenched by now had it not been for the recent decision of the Appellate Tribunal which held void the permission granted by the Dhanbad Industrial Tribunal on certain technical defects only. Again, Defence employees and the Vishakhapatnam Shipyard workers are facing the threat of unemployment any day. There is besides, retrenchment in private concerns following the decline in price trends in the domestic markets for commodities.

This is a very distressing picture indeed. But can it be avoided? A careful review of the existing situation in the industries concerned discloses that, it will be positively dangerous to freeze employment at present levels, when the world price levels for manufactured products are on the down-trend. For instance, the textile industry in India cannot hope to hold, in the long run, even its present position against Japanese competition in overseas markets, if it does not carry out rationalisation measures which involve necessarily retrenchment of labour. The railway collieries have been suffering an unnecessary expenditure of about Rs. 50 lakhs as a result of maintenance of surplus labour. The Visakhapatnam Shipyard cannot be economical, unless rationalisation measures are effected forthwith. The same holds good with reference to Defence and all other establishments. After all, it gives no pleasure to anyone to retrench and see the unemployed subject to misery. And truly rationalisation is a necessary process in the long-term interests of the country. It is gratifying to note that even the I.N.T.U.C., in pleading the workers' case against retrenchment, is not totally opposed to schemes of rationalisation. However, it urges the Government to stop when it goes against the "accepted principles and procedures." Unfortunately the term "accepted principles and procedures" is not defined and in the absence of a clear cut definition, it lends itself to elastic interpretation.

All this may lead to a feeling that we are arguing for unqualified retrenchment, but this is not so. We are quite aware that unemployment means for the person concerned, from the human standpoint, something more personal and catastrophic. It marks a complete stoppage of his regular income and, unless there is a substitute for this, unemployment usually means a drastic reduction in his standard of living and that of all his dependents. In addition, it will seriously impair his morale by making him feel that the society no longer has need of his services. We are also aware that it is the bounden obligation of the State to provide employment opportunities to one and all. But, despite the benevolent wishes of the Government of India, it has not been able so far to combat the evil of unemployment. And this is essentially more due to lack of financial and technical assistance needed to stimulate general economic development than to a lack of internal effective demand for goods and services. The problem is very grave and needs for its solution the co-operation of both the Government and the public, including employers and employees. Mr. V. V. Giri, the Union Labour Minister, only recently announced that he might appoint an expert committee to recommend measures for tackling the problem of growing unemployment. Surely, the constitution of such a body is urgent and deserves high priority.

FINANCES OF MADRAS

The report that the Government of Madras is grappling with grave financial difficulties will not cause much surprise to those who know what the launching of the prohibition policy has meant to the State's finances. It is true that this has been particularly aggravated in the past few years by the recurrence of scarcity conditions, thanks to failure of monsoon. But the rigours could have been lessened, if not avoided altogether, if only the authorities had taken care to see that the State's financial position did not suffer through their anti-drink policy.

The Government is also spending large sums on several schemes of development which lie outside the State plan which has had the effect of reducing the savings available from State revenues for expenditure on the Five-year Plan itself—and this, despite the increase in tax revenue. Taking the revenue and capital accounts together, Madras has spent during the first two years of the Plan as much as Rs. 5 crores on such schemes. It is a pity that the Government should have ignored the main consideration that weighed at the time the State plan was framed, namely, that attention should be focussed on the maintenance of the rate of development attained in 1950-51 and on its increase in sectors where an increase was indicated. It is surprising that, although the Government knew the imperative need for spending sums to combat famine conditions and the limitations to the raising of additional resources, the Madras Government should have insisted on an upward revision of the target of expenditure under the Five-year Plan, from Rs. 126 crores to Rs. 140.8 crores. This has been mainly responsible for the serious lag in resources that has now become evident. The lag would have been much wider but for the gain of Rs. 2.5 crores per annum from the Finance Commission's award.

Whatever may be the sins of omission and commission on the part of the Madras Government, the need for substantial assistance from the Centre seems to be inevitable, particularly in the present context of acute distress in the famine-stricken areas of the State which has necessitated spending of huge sums on relief works. But the point is whether, even with such assistance, the Government of the State would be able to tide over the crisis. Now that fruitful sources of revenue have dried up, taxes are high and expenditure on schemes of Welfare State is mounting up, the Government of Madras is certainly having a most trying time. One, therefore, wonders if there is any justification at all for the Government to throw away, at one stroke, a large slice of excise revenue, however much it may be opposed to the levy on ideological grounds. Indeed, it is high time the Government revised its prohibition policy. Again, the State should attempt, *at an early stage*, a complete reappraisal of the development programme in relation to possible sources of revenue. Otherwise, the Madras Government would find it difficult to complete its capital works which are envisaged in the Five-year Plan.

NEW DRUG PLANT

The opening of a new pharmaceutical plant at Bulsar, last week, erected by Lederle Laboratories (India) Ltd., constitutes an important development in the history of India's pharmaceutical industry. The plant, costing Rs. 20 lakhs is dedicated to the memory of Dr. Yellapragada SubbaRow, the famous Indian physician, who as the Research Director of Lederle Laboratories in the U.S. from 1940 to 1948, contributed substantially to the discovery of aureomycin, the miracle drug for curing rickettsial diseases. He was the discoverer of folic acid, that is now widely used for preventing and curing tropical sprue and other anæmic diseases. Teropterin, for use in cancer, was also developed under his direction.

The new plant is situated next to the big Atul Plant which was opened last year. According to a working arrangement entered into between the Atul and Lederle *entrepreneurs*, the former will supply to Lederle Laboratories the raw materials for sulfadiazine, aureomycin and folic acid. The Lederle Laboratories will manufacture them into capsules, tablets, powder and ointment, as the case may be. A notable equipment in the Laboratory is the encapsulation machine capable of turning out one million sealed capsules per day. This machine is one of the five similar machines which exist in the world.

The establishment of a factory by the Lederle enterprise in India is significant for more than one reason. First, it guarantees the supply of certain vital medicines from indigenous sources. The effect of this on the health index of the country will be felt as production increases and prices drop. This will help India save substantial dollar exchange. Secondly, the Bulsar Plant may signalise the starting point of the flow of American private capital into India. Mr. George V. Allen, American Ambassador to India, while opening the plant, welcomed U.S. participation in the development of the pharmaceutical industry in India. At the same time, he rightly observed that American participation was not so important as the fact that India could itself manufacture the new wonder drug, aureomycin, in large quantities on its own soil and from its own native products.

RELIGION—1951 CENSUS

One of the fundamental rights guaranteed by the Constitution of India is that "all persons are equally entitled to freedom of conscience and the right freely to profess, practise and propagate religion." Apart from this right, the authors of the Constitution have not made any special concession to individual religious groups. On the contrary, India has been declared a secular State. In other words, religion as such is no longer recognised for purposes of ensuring safeguards or granting concessions. The community-wise figures of population, recently published by the Registrar-General of India—Census of India Paper No. 2 of 1953—therefore, are of purely social interest and do not, as in the past, arouse any political interest. Even so, the Census Organisation would have done well to attempt a classification of the religious groups according to occupation and trade. The information now given by the Registrar-General is restricted merely to the numbers of religious groups, without any reference to the principal means of livelihood of these groups. Nor does it contain any reference to the state of literacy among the different religious groups.

There are, however, one or two aspects in the census report which may said to be of some interest. For instance, the figures of population according to religion serve to indicate certain social trends. A comparison of the figures for 1951, as compared with those for 1931, reveals that the religious pattern has not undergone any material changes in the past two decades, except that larger numbers of members of tribal groups have returned themselves as professing the Hindu or Christian religion. This represents the broad picture for all the States, but excluding the State directly affected by the Partition. The Hindus (30,32 lakhs) constitute the majority. The other religious groups are: Muslims 3,54 lakhs, Christians 82 lakhs, Sikhs 62 lakhs, Jains 16 lakhs, Buddhists 2 lakhs, Zoroastrians 1 lakh, tribal people 17 lakhs, and other non-tribal people 1 lakh.

OFF THE RECORD

(By "ROVER")

A HOSTILE, invading army, or one of occupation after victory, often, though not always, lives on the land it invades or occupies. The armies of occupation in Western Germany and Japan after World War II changed this tradition and went even to the length of importing food and other necessities from their homelands not only for their own use, but also to feed the populations of the conquered countries. But I have never heard of victorious political parties, forming Governments after their victories at the polls, trying to live on the land and helping themselves to what they require, except under due process of law and as prescribed by the constitution of the country. Duly constituted Governments in democracies, however extravagant they might be, and whatever their majorities in the legislatures, just do not grab what they fancy or commandeer supplies under executive orders. Apart from being highly unjust in the distribution of the burden over various sections of the population, this high-handed procedure of requisitioning supplies at nominal prices from those who are unfortunate enough to possess or trade in them, is unseemly and unlikely to foster respect for, and confidence in, Governments, which indulge in such practices.

If there is any truth and logic in this line of argument, the Congress Government of Bombay appears to regard itself and behave more as an army of invasion or occupation than a democratic Government with deep regard and respect for traditionally accepted forms of equity and good administration. In spite of my somewhat extensive and intimate experience of various grades and types of administrations set up by the large number of Princes in various parts of the country in pre-Independence India, even the worst and the most arbitrary and irresponsible of these never indulged openly in some of the questionable ways of obtaining supplies needed by them employed by this allegedly democratic and popular Government functioning under the republican Constitution of our country. I doubt, if some of its ways of requisitioning supplies of materials could be covered even by the mere letter of the law and Constitution, let alone their spirit.

The Government of Bombay found that it stood in need of a large quantity of cotton-seed cake about the middle of this month. The purpose for which it needed this supply or the fact of its self-created financial stringency are immaterial and altogether irrelevant in judging the manner in which it proceeded to obtain this cake. The obvious thing for any authority to do this would be to invite tenders and to place an order with the source which offered the lowest rate. If it had no time for this cumbrous procedure, it should have gone into the market and purchased what quantity it wanted at the ruling market rates. But the Government of Bombay is out to create a Welfare State, and it appears that one of the ways of doing this is for the Government to acquire what it wants at a nominal rate to keep its own expenditure down and to allow its victims to make good the loss so suffered, by squeezing other sundry consumers of cotton-seed cake and oil from the populace to any extent they can. A Government, which can itself indulge in an atrociously high scale of profiteering amounting to crores of rupees in skimmed milk powder, is naturally not to be expected to have any qualms of conscience, about cotton-seed crushing mills being driven to charge inordinately high prices to the few unfortunate users of this oil and cake.

Inspired by this new concept of public morality of its own making, the Government issued an order to the crushers to deliver half its produce of cotton-seed cake at a price of Rs. 75 per ton, to enable the authorities to feed famished cattle in the famine areas in the State. The rate at which cotton-seed was being dealt in at this time was Rs. 225. As I have observed above, the purpose for which the Government wanted this cake has nothing to do with the rights or wrongs of this issue. This is so because, in the first place, the initial or final responsibility for feeding starving cattle in famine areas was not exclusively that of the crushers or the limited class of consumers of this oil or cake. By no stretch of civic responsibility could they be saddled exclusively with this burden. It was a public responsibility and lay squarely on the public purse. Besides, the Government had not applied this principle in the case of obtaining supplies of hay or other forms of fodder for these very cattle, which were required in far greater quantities than oil-cakes.

In the second place, apart from its applying a similar procedure for securing supplies of groundnut cake earlier in the year, this very Government had issued a similar order two years ago for groundnut cake and cotton seed, when there was no question of cattle dying in numbers of starvation. It is, therefore, obvious that the Government regards this as a normal and legitimate method of obtaining whatever it happens to want. I should not be in the least surprised, if tomorrow it proceeds to commandeer its requirements of office stationery, building materials, furniture, cloth and a million other articles needed by a big Welfare State, by asking those producing or dealing in these goods, to supply a fixed proportion of their stock at prices fixed by the Secretariat, leaving them free to raise the prices of the balance left with them for the general run of other non-official users.

If the Government considered the prevailing market rate of groundnut cake or cotton-seed cake unduly high, it was open to it to fix a ceiling price for either, or both of these, at a level which it considered fair for the industry and the consumers. Such a step, however unwise economically, would have been morally unassailable. What is wrong with the Government's policy is to fix the price for its own benefit and callously to leave the small consumers, who are in no position to bear it, to pay an unjustly inflated price. This leads me to wonder if the Bombay Government holds, for some mysterious reason, that the frequent occurrence of famine in parts of the State is due to some devilish machinations or black magic practices of those who crush groundnut and cotton-seed or indulge in the unholy consumption of cake from these varieties of oil-seeds. If it were so, this policy of Mr. Morarji Desai's Ministry to make them pay for the relief measures would be perfectly understandable, if not any the more defensible. In the Middle Ages, Governments used to burn witches for entering into an alliance with the Devil. Compared with this, the treatment meted out to these disciples of the Prince of Darkness, who scheme to embarrass our pious and puritanical Government by inflicting famines in large tracts of its domain, can certainly be regarded as more enlightened and merciful.

I have an impression that our Constitution contains a clause, which guarantees that no movable property shall be taken possession of, or acquired for public purposes, under any law authorising the wresting of such possession from its owner, unless such a law provides for compensation for the property so acquired and either fixes the amount of the compensation or specifies the principles on which and the manner in which this compensation is to be determined and paid. I am pretty certain that under whatever law the Government has based its present order this law has neither fixed the amount of compensation or specified the principles on which this compensation has to be determined. I, therefore, hold, though I am no lawyer, that, if any of the crushers were to seek protection from a court of law against this unjust and illegal commandeering of supplies, he would be able to get relief for himself, for his fellow victims and once for all put an end to this tyrrany of the Executive.

I understand that the millers are perfectly aware of this legal position, but are afraid to earn the wrath of the authorities. They fear that as they have to carry on this industry under a licence, anyone, who takes a lead in belling the cat by seeking redress, might find himself pilloried in a hundred ways by the bureaucracy for his temerity. The legal position must be equally clear to the Government as well, but possibly it counts on a docile and demoralised business community, who would not dare to challenge the validity and the legality of its unjustifiable fiat, in the High Court. Nevertheless, it is scandalous that the Government itself should treat one of the sacred fundamental rights conferred by the Constitution with such scant courtesy and respect. No Government, which holds its authority under this very Constitution, and

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MORE AMERICAN AID TO INDIA LIKELY

MADRAS PLEADS FOR LARGER FINANCIAL ASSISTANCE

(From A Special Correspondent)

NEW DELHI, *26th May*

CONSIDERABLE significance is attached to the visit of Mr. John Foster Dulles, the U.S. Secretary of State, Mr. Harold Stassen, Mutual Security Administrator, and their party to the Capital this week. During their three-day stay in this city, they had a busy programme. Mr. Dulles met the Indian Prime Minister on more than three occasions and had intimate discussions with him on various political problems confronting the world to-day. Equally important were their meetings with the Finance Minister, Mr. C. D. Deshmukh, and the members of the Planning Commission. Mr. Stassen, accompanied by the American Ambassador, visited a typical community project in working near Delhi.

DELHI LETTER

The visit of the American statesmen to this part of the world must have made them more realistic about the importance of these areas for the purpose of future stability of the world. Until now, U.S. interest has been centred around Western Europe where the administrators of that country have been spending billions of dollars in order to arrest the onward march of Communism. Mr. Dulles is reported to have recognised the pivotal position of India in this part of the world in the light of recent international developments. He is convinced that the future of democracy in Asia and the future of the world will depend, to a large extent, on the economic stability of India in the coming years. His talks with the Prime Minister are reported to have enabled him to appreciate the *raison d'etre* of India's foreign policy in the last few years. He expressed his conviction when he stated, in the course of a Press Conference, that he was "thoroughly convinced that India is acting according to its best judgment to promote democracy in the world and to prevent the spread of totalitarianism."

Mr. Dulles' observations on the Five-year Plan is of much interest. He remarked that his Government was studying the Plan as a whole and that, under the American system, it would not be possible to have a three-year appropriation for financing the Plan. He appreciated very much that India itself would be expected to provide most of the funds. Although he was not prepared to give an assurance that at no stage would the Five-year Plan be held up for lack of funds, he stated that "the friendly relations between our people will result in continuing co-operation and aid of your Five-year Plan."

U.S. Interest in India's Plan

There are, however, possibilities that these American statesmen might take greater interest in the progress of the Plan, especially its financial requirements, and be in a position to recommend to the American Congress for increased allocation to India, in view of its important political and economic position in the world. During the first two years of the Plan, India received external assistance to the extent of Rs. 189 crores, nearly half of which was accounted for by the U.S. wheat loan. If India were to secure about Rs. 200 crores more than the normal external assistance that it has now been receiving from the U.S. and other countries during the remaining period of the Plan, its implementation, from the financial point of view, will be greatly facilitated. Now that tremendous goodwill has been created between the U.S. and India on account of visits of some of the leading powerful figures from the former to the latter, it is likely that more U.S. aid will be forthcoming for increasing the pace of economic progress in India.

Return of Normalcy in Trade

One noteworthy feature of the Import and Export Advisory Council meetings held this week was the absence of any stringent criticism of Government's trade policy. Generally, trade and industry were in a co-operative mood and their criticisms and suggestions were mainly constructive. There was, however, considerable difference of opinion between importers and manufacturers and between consumers and producers. The speech of Mr. T. T. Krishnamachari, Minister for Commerce and Industry, on both the occasions reflected largely the return of normalcy in trade. In view of the improvement in overall trade balance, the Minister hoped that the Government would be able to liberalise its import policy during the next half-year. He was of the opinion that the policy of limited liberalisation, particularly with regard to the high import duties now applicable to most items, could not hurt an industry, unless it was wholly uneconomic. He repeated, again, that his policy would spur industrialists to pay increasing attention to the need for improving quality and lowering production costs.

Export Promotion Department

Mr. Krishnamachari's announcement that Government would be shortly establishing an Export Promotion Department under the sole charge of Mr. D. P. Karmarkar, Minister for Commerce, is welcome, albeit late. It is inexplicable as to why Government has not done this, although, as early as in 1949, the Gorwala Committee on Export Promotion suggested that such a department should be set up forthwith. The Export Promotion Department, when duly constituted, has to view the problem from two angles—positive and negative. From the former aspect, exports can be augmented only when the Government steps up the industrial and agricultural production in the country, for, without higher production, there cannot be increased exports without unduly restricting internal consumption. For this purpose, the Government should keep a close liaison with industry and States producing exportable agricultural commodities such as raw cotton, pepper, etc., and assist them to produce quality goods, etc., which could find ready sale abroad. From the negative angle, the Government can take steps to prevent abuses that had crept in when there was a sellers' market all the world over.

The question of financial assistance by the Centre to needy States has once again come to the forefront with the presence of the Madras Finance Ministry officials in the Capital this week. Although it is a fact that Madras has received substantial assistance from the Centre during the last two years for the implementation of the Plan, the actual assistance being Rs. 16.4 crores out of Rs. 20 crores earmarked for the entire five years, this State has again begun to look up to the Centre for further assistance, due to the recurrence of famine conditions for the last five years. Famine has two-fold adverse effects on the economy of this State: it has curtailed receipts to the Government Treasury and it has made the State spend more on relief measures. Since it has hit the State doubly, its reserves are practically exhausted. It will be remembered that, in October last, there was a conference of Finance Ministers of States and the Centre at which the former, under the leadership of the Madras Chief Minister, were able to prevail on the latter for increased help. Since then, most States have failed to raise the promised additional resources from the public, being reluctant to incur their displeasure by taxing them more. It is the view of the Centre that States like Madras have begun to chew more than they could easily digest and that the alternative is that they should recast their projects in the light of latest developments. The contentions of Madras officials are that many of the projects included under the Plan are very necessary for safeguarding the economy of the State, besides meeting the claims of various regions, and that the Centre should exert more pains to come to the rescue of famine-ravaged States. Their plea is that the Centre has got considerable scope in effecting economy in defence expenditure and could allocate the funds arising from this saving for development projects in the States. This line of argument will gain further strength in the coming months, especially if some understanding were to be reached between the Prime Ministers of India and Pakistan in regard to many of the disputed questions. Pending this, the Centre is likely to allocate more funds to Madras, with a direction that the State authorities should refrain from spending money on schemes not included in the Plan. Defence expenditure is now maintained at the high level of Rs. 200 crores, and even if it is brought down by about Rs. 50 crores per annum, the Centre may be in a position to save more than Rs. 100 crores during the remaining period of the Plan and utilise them for filling the gap that is found in financing the Plan.

PREPARATION FOR THE CORONATION

"GREATEST SHOW ON EARTH"

(From Our Own Correspondent)

LONDON, *22nd May*

WESTMINSTER, the heart of the Commonwealth, has now disappeared beneath a mass of scaffolding and awnings. Every principal thoroughfare of Central London is banked high with towering stands successfully concealing the buildings behind; so much so, that the *Punch* cartoonist can be forgiven for picturing a postcard seller doing brisk business in Parliament Square selling his wares to wondering foreign visitors of "what London used to look like."

LONDON LETTER

Back in January the City began to look more and more like a carpenter's workshop. In those grey days of winter, it seemed unnecessary to begin covering up the open spaces with so much scaffolding and timber, but the miles of processional route which had to be furnished have absorbed the time of the army of workmen so that now with little more than a week to go there is still an enormous amount to be done. But the last week has already brought about an immense transformation. The bare boards of the stands have been clothed in bright awnings which the unkind showers of the past few days have not unduly troubled. The armorial emblems of the counties of the United Kingdom and the arms of the Colonies and Commonwealth countries are being bolted into place where the representatives of these parts of the Queen's Dominions will sit. Most striking of all are the decorative motifs which have been chosen to liven up the processional route.

Army of Sightseers

Every evening now an army of sightseers assembles in the principal thoroughfares to watch the progress of the fascinating, even if somewhat esoteric, symbols which an imaginative Ministry of Works has produced. To each thoroughfare they have tried to bring something appropriate, so that Whitehall has an array of poles bearing what look like the trophies of the Horse Guards—golden helmets with fixed flying plumes, bandoleers and epaulettes, march six by six down the centre of the roadway. In Pall Mall the normal anonymity of the Clubs has taken on an even deeper disguise as a facade of red, white and blue bunting drape the stands which now cover all those grey Victorian frontages. Here, in the centre of the thoroughfare, poles bear palm fronds whose significance in clubland is difficult to understand. Piccadilly is gay with enormous baskets pouring out roses from the tops of becrowned poles. Regent Street is probably the least successful, since the designers have spotted it with a sort of wall-paper pattern which suggests that an unsuccessful flowers seller has stuck the remainder of his pink roses on every public building. At night the anæmic pink vanishes and the illumination in the centre of the roses gives a much gayer effect.

What do the sightseers make of all this? They gaze wonderingly at these unusual signs of London brightening itself up, or sit on the unfinished stands and watch the other sightseers. Few of them will have a place on these stands when the Queen goes by though many of them will crowd the open spaces from before six in the morning (when the siege barricades guarding the processional area will be closed and seal up two million watchers) till five in the evening to watch the mile-long procession pass and repass, but many will stay at home and watch the procession on their television sets. It is difficult to look for a Commonwealth angle in the decorations that line the route and some critics complain that this looks altogether a Londoner's affair but the answer to that will be in the ceremony and procession themselves where all the parts of the Queen's Dominions have proper representation. Every day now there are rehearsals by State coaches, troops or police and it only remains to pray for fair weather for what the Government is successfully producing as "the greatest show on earth"!—*All Rights Reserved.*

AMERICAN LETTER

EXTENSION OF EXCESS PROFITS TAX IN U.S.

GOVERNMENT'S MOVE RESENTED

(From Our Own Correspondent)

NEW YORK, *21st May*

AMERICANS have followed with interest the reported conversations that their Secretary of State, Mr. Dulles, has had with the Indian Prime Minister and other leaders in the Middle and Far East. So far as popular reaction is concerned, the overall response can be described as negative. Among Republicans, in fact, there is a keen sense of disappointment of what is regarded flatly as a lack of leadership. It is admitted that the new Administration is still groping for facts to formulate a policy, but, in the meantime, nothing is being done in Washington, simply for fear of making mistakes.

This is understandable in the perspective of President Eisenhower's background. As a military man, he is sensitive to any possible accusations of "commanding." Instead, he leans over backward in his desire to persuade; moreover, he dislikes hasty actions not based on factual studies. Thus, an endless series of staff studies are still being made, which are to guide the Administration in all matters relating to domestic and foreign affairs. And as matters stand now, many decisions will be postponed farther and farther into the future.

In the meantime, the Treasury is the only department which has been making concrete recommendations. Aside from the design for higher interest rates, Government spokesmen have now come out with requests for an extension of the excess profits tax. This is regarded as unfortunate in several respects; chiefly because expiration of E.P.T. was considered to be one of the Republican campaign promises. Secondly, so many members of Congress are committed to a reduction of taxes to their constituents that the extension of excess profits levy looks like a practical impossibility which can only give the Administration a popular setback, except that a compromise may be reached whereby the tax is renewed for, say, six months, except for the requested period of a full year.

Potential Blunders

The episode is a practical reminder to many that President Eisenhower, as well as most members of his Cabinet, knows virtually nothing about American politics and, therefore, expose themselves to potential blunders. Moreover, the President's desire for amity between the executive and legislative branches of the Government are held to be somewhat utopian in concept and incapable of accomplishment in the long run. If it were not for such philosophy, the White House would have exerted some pressure long ago to stop the international embarrassment caused by the doings of Senator McCarthy which has led to unnecessarily strained relations with Great Britain in recent weeks.

Domestically and internationally, the Eisenhower honeymoon seems to be over. The Korean truce negotiations seem to be stalemated as tightly as ever; the American Federal budget is still out of balance; taxes remain high; Russia still has the initiative; and little progress has been made in creating a true Western alliance in Europe, despite the ratification of the defence pact by the West German Parliament. Among Cabinet members, the Secretary of State, Mr. Dulles, is especially under fire, but, up to this point, still appears to enjoy his chief's confidence, though he may be succeeded by Governor Dewey eventually.

The most troublesome problem facing the present regime may well be that of commodities. Some have declined about 35 per cent. from their post-Korean highs, which were probably too high, but politically, the drop is important. The chances are that, in the near future, the Administration may have to resort to controls again and tell growers to produce 175 million fewer bushels of wheat and 4 million fewer bales of cotton. Besides, tobacco and peanuts—tightly regulated for years—will also stay under control. In fact, Republicans, after promising farming prosperity with less regulation, are now preparing to increase controls in the face of slumping prices.

In the field of finance, a rather violent controversy is raging as to the effect of the new fiscal policies. The new 3¼'s Treasury bonds have led to a natural decline in outstanding bond prices and many portfolio losses by banks and insurance companies. No support has been forthcoming from the Federal Reserve Bank open market operations. Spokesmen say that they are interested in, but not concerned with, the fall in bond prices. All they want is to keep bank reserves and, thus, lending power, at the present disinflationary levels. Such a course will be pursued until the monetary authorities become convinced that present economic boom conditions are waning.

No Signs of Slackening

So far, there are no signs of slackening. New corporate securities, issued in the first quarter to finance expansion, amounted to $2,100 million, the same as last year. However, there has been a shift in the demand for capital.

Issues of manufacturing firms were less than last year, while public utilities and finance companies increased their offerings of securities. The former group is still undergoing a long range expansion programme. The rise in flotations by finance companies stems from increased demand for consumer credit in recent months which has been causing some alarm in official quarters. Finance companies' issues amounted to $300 million in the first three months, as against $515 million in the whole of 1952.

One of the practical complications arising from the outstanding consumer debt may be that many people working steadily overtime engaged in instalment purchases which they will have difficulty in paying off if a slight marginal contraction in business should put them back to normal salaries.

In the heavy goods industries, the situation is unchanged. Steel production continues at top-speed. Most steel consumers are now in the process of building up heavy inventories, against the contingency of another prolonged steel strike this year. So far, wage negotiations have been inconclusive, but union demands have been far heavier than expected, particularly in view of the relatively stable cost of living. Automobiles are being poured out by the assembly lines at a record rate and buyers still favour the more expensive, more fully equipped models, while the yards are bulging with second hand cars of all descriptions, creating a somewhat serious problem for many dealers.

In the overall picture, there is little to worry about for either the American wage earner or for foreign nations which depend on American prosperity for their own level of well-being.—*All Rights Reserved.*

PAKISTAN NOTES

INDO-PAKISTAN DIFFERENCES

SETTLEMENT IN THE OFFING

THE meeting of the Prime Ministers of India and Pakistan in London early next month is being watched with considerable interest. The political and economic relations between India and Pakistan have never been too cordial. The biggest hurdle in the way of Indo-Pakistan amity has all along been the deadlock over the Kashmir question. On the economic front, there still remain unsolved a score of disputes as, for example, the evacuee question, the canal waters dispute and trade relations. Now that the Prime Minister of Pakistan, Mr. Muhammad Ali, has taken the initiative in improving the relations between the two countries and that the Prime Minister of India, Mr. Jawaharlal Nehru, has fully reciprocated the former's gesture, many are hoping that the two countries would come closer together. Such a friendly relationship, it is needless to add, would be in the common interest of both the countries which have so much in common historically and geographically.

At the forthcoming London Conference, the two Prime Ministers are expected to hold preliminary talks on Kashmir, review the working of the Agreement on Minorities, examine the question of evacuee property payment and discuss the other issues having a bearing on Indo-Pakistan relations. This meeting, it is presumed, will be of a purely exploratory character. According to the Press note issued by the Government of India, the two Prime Ministers will meet again "at the earliest possible occasion" and will carry on their discussions for the purpose of arriving at a settlement of all Indo-Pakistan differences.

In the meanwhile, the Governments of India and Pakistan have agreed to issue a directive to the officers of the departments concerned to tackle immediately the outstanding issues between the two countries. In order to keep the two Prime Ministers fully informed of the progress made in these discussions, it has also been decided to set up a Steering Committee of two officials nominated by each Government. This Committee will receive regular reports of the progress made in the direction of settling outstanding issues. It will meet from time to time to consider them and to devise ways and means by which any outstanding issue remaining unsettled might be resolved to the mutual satisfaction of both the Governments. The first meeting of the Steering Committee will be held in Karachi soon after the return of the Pakistan Prime Minister from London.

Evacuee Property

The Government of India's decisions on compensation to displaced persons, announced recently, certainly augurs well for better Indo-Pakistan relations. Compensation is to be confined to the utilisation of evacuee property in India, as well as any amount realised from Pakistan on account of the difference between the values of evacuee properties in the two countries. The loans so far advanced to displaced persons from West Pakistan, the properties built by the Government for their rehabilitation, and the provisions already made for these items for the future under the Five-year Plan or otherwise, will be utilised for giving grants to displaced persons having claims and others needing further help. In framing the scheme for the distribution of these assets, the desirability of classifying individuals into groups on the basis of their needs and for making grants according to such needs is to be kept in view.

Devaluation Rumours

Rumours of the devaluation of the Pakistan rupee have once again gained some ground. This is an indication of the growing concern among the business and commercial community over the persistence of the none-too-happy balance of payments position, notwithstanding the recent marked recovery in the prices of raw jute and cotton, the two most precious earners of foreign exchange. True, the foreign trade position of Pakistan on private account has now turned out to be favourable, the balance of trade during the ten months ended January, 1953 being favourable to the extent of as much as Rs. 34.72 crores. But this has been more than neutralised by the heavy adverse balance on Government account, as a result of substantial imports of foodgrains, etc. Consequently, the overall balance of payments has continued to be adverse.

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This is clearly reflected in the marked decline in the foreign assets of Pakistan, which, as on 8th May, 1953, amounted to only Rs. 80.94 crores, as against Rs. 150.52 crores in the beginning of 1952.

U.S. Wheat for Pakistan

A report from Washington avers that President Eisenhower and the Republican Congress leaders have agreed to back legislation for a loan of 1 million tons of wheat to Pakistan. The details regarding prices, etc., are being worked out. If the legislation is approved by the Congress, the transactions will be handled by the Commodity Credit Corporation.

The U.S. Wheat Mission, which was recently sent to Pakistan by the U.S. State Department and the Mutual Security Administration, with a view to making an on-the-spot study of the wheat situation in Pakistan, following Pakistan's request for a million ton wheat loan, left for Washington last week. Prior to its departure from Karachi, the Mission expressed the confidence that its Government and the people would assist Pakistan in overcoming its wheat shortage. It, however, declined to indicate its estimate of the wheat shortage in Pakistan. Only it said: "There is no question in our minds that, for the second successive year, Pakistan's foodgrain production has fallen substantially short of its needs. Under the conditions of the weather and the inadequate rainfall, this was understandably the case."

PROBLEM OF RESTORING CURRENCY CONVERTIBILITY

WORLD COMMERCE BODY URGES SPEEDY ACTION

RESTORATION of currency convertibility as a pre-essential for a sound international economy has gained growing support at the hands of a considerable section of the business community the world over. This is clearly borne out by the fact that currency convertibility (and international trade expansion) formed one of the predominant items on the agenda of the biennial Congress of the International Chamber of Commerce held in Vienna last week. After a threadbare discussion, the Congress unanimously approved the programme of action for a speedy return to currency convertibility, which had been adopted by the Council of the Chamber at its meeting in February last.

More than a year ago—in January, 1952, to be precise—the plan for restoring convertibility of the pound and other currencies was first evolved at the London Conference of Commonwealth Finance Ministers. The issue has since been discussed and debated upon extensively, in the Press and on the platform, throughout the world. The two aspects of the issue which have aroused keen controversy are whether the pound sterling should be made freely convertible into other currencies, especially the dollar, and whether, if this is done, the convertibility should be at fixed rates of exchange or at rates varying from day to day.

This controversy apart, the plan for convertibility includes three lines of action: first, permitting holders of sterling—who are at present not free to convert it—to have it legally converted into other currencies; secondly, divorcing the rate of exchange between the sterling and the dollar—though not set free in the sense of being liberated from all control—from the present parity of $2.80 to £1; thirdly, the insisting on the U.S. Government, or international institutions possessed of large dollar resources, to put up a guarantee fund for ensuring the success of the operation.

Conditions for Convertibility

Although more than a year has elapsed since the "Convertibility Plan" was evolved, it has not still been possible to implement it, thanks to various obstacles, such as import restrictions, balance of payments disequilibrium, and last put not least, inadequate monetary reserve which have to be got over, before a move is made towards convertibility. Yet convertibility, as Mr. Rolf von Heidenstam, President of the International Chamber of Commerce, has aptly remarked, in an introductory statement made in *World Trade*, the Chamber's monthly journal, has always been an expression of the confidence in a currency, both abroad and within national frontiers; this confidence, in turn, rests on balanced internal economic conditions, strength of the currency reserves of the Central Bank, and stability of political and economic conditions. "A prosperous world economy," to quote Mr. von Heidenstam, "is unthinkable without convertible currencies," inasmuch as it is the key to the present difficulties.

Barring a small minority which believes in control for its own sake, all countries have fully recognised the need for ensuring free convertibility of currencies. Opinions, however, are divided on methods of freeing the currencies, about the timing of the various steps, and about the order in which they should be taken. In fact, this aspect figured prominently in the debate held at the recent biennial Congress of the I.C.C. Opening the debate, Sir Dennis Robertson, Professor of Political Economy at Cambridge University, laid down four requisite conditions for making the pound convertibile. These are:

(1) Sustained efforts by the sterling area countries to make and keep the pound competitive by the use of appropriate fiscal, monetary and other policies;

(2) a quasi-revolution in the U.S. commercial policy and administration in the direction of greater freedom of trade;

(3) active co-operation by the other West European countries, in order to prevent convertibility of the pound, leading to intensification of restrictions on dollar and other trade—a substantial advance on trade front must be parallel with, but, if anything, outstripping the advance on the monetary front; and

(4) a deliberate increase, by some means or other, of shrunken international monetary reserves.

These are indeed very pertinent suggestions. If the Convertibility Plan is to be successfully implemented, it is imperative that the conditions referred to above should be satisfied first. It is here that the part played by the International Monetary Fund assumes special significance. Reassuring is the statement of Mr. Ivar Rooth, Managing Director of the I.M.F., made in the course of his speech at the Congress, that he would extend his full support to the members of the Fund who will strive for the restoration of currency convertibility and free multilateral trade. Also reassuring is his statement that the Fund can do the job in the period immediately ahead without revising its articles and without creating additional machinery for supplementing monetary reserves. The interesting observations which he made in this context are worth reproduction. Said Mr. Rooth:

"The Fund has now gold and convertible currency reserves of more than $3,200 million. Opinions may vary about the amount of supplementary reserves necessary to support general convertibility, but $3,200 million are certainly a large part of what would be needed for this purpose. The question engaging monetary authorities in member-countries is whether these reserves will be put at their disposal in a volume adequate to support major steps towards convertibility. I think that conditions to-day warrant the expectation of our members that the picture in this respect will be different from that of the past."

The Role of I.M.F.

The Fund, it may be recalled, has already adopted two policies designed to facilitate the use of its reserves by the members. Thus, the Fund gives the benefit of any doubt to members wishing to purchase foreign exchange within the "gold slice," that is, an amount equivalent to the part of the member's subscriptions paid in gold. Again, it is prepared, in appropriate cases, to enter into stand-by arrangements with members—arrangements in which the members are assured of the right to purchase a stated amount of foreign exchange during a period of six months with the possibility of renewal. Lately, the Fund has come out with its move to abolish dollar retention quotas (under which exporters are allowed to retain part of the dollar proceeds) and other similar "obnoxious practices" that are standing in the way of achieving "true" convertibility. Indeed, these steps indicate the earnestness of the I.M.F. to bring about convertibility of currencies. To quote the significant words of Mr. Ivar Rooth: "People have become more and more dissatisfied with the rigid controls imposed during the war, and Governments are more and more willing to adjust their policies in accordance with the principles of the Fund, the basic aim of which is general currency convertibility."

Reaction of E.P.U. Countries

While on this subject, it is interesting to refer to the reaction of the European Payments Union (E.P.U.) countries to Britain's move towards early return to the convertibility of the pound sterling. The initiative taken by Britain towards a wider and freer system of international trade has, no doubt, been appreciated by the E.P.U. countries. But the plan for granting convertibility to sterling or any other European currencies as such would appear to have not found favour with these countries. In fact, great apprehensions have been expressed that convertibility is bound to result in the Continental importers holding back the currencies from the monthly clearings. Such would mean, it is pointed out, that the U.K. and its partners in any convertibility experiment might become large enough creditors in the E.P.U. "to wreck the whole mechanism." This is precisely the warning that has been administered by the Consultative Assembly of the Council of Europe in the report on the present position of the scheme for convertibility adopted at its meeting held in Strasburg recently. Observes the Assembly: "This (convertibility) would, sooner rather than later, force the country granting conversion to leave the Union. Countries would prefer to convert any monthly net balance in the convertible currency into dollars or gold, rather than settle it with the Union which would dilute it with credit."

In the considered opinion of the Assembly, the chief conditions for convertibility are equilibrium in the balance of payments and adequate foreign exchange reserves. As one of the first steps that should be taken by individual States to extend the Continent's trade and payments sytems, without jeopardising European integration, the Assembly urges the re-establishment of European commodity markets in which the E.P.U. countries can buy commodities from the cheapest source of supply. In this connection, it observes as follows:

"Countries able to do so should follow the example of the United Kingdom and reopen private commodity markets by issuing licences to their traders to import from whatever is the cheapest source of supply. The U.K. could continue to enlarge the number of dollar commodities that can be imported in this way. The result would be that other countries could buy more dollar commodities for E.P.U. currencies. This system has the advantage, to the country adopting it, of yielding trading profits and putting the cheapest raw materials at the disposal of industries."

The Consultative Assembly has also stressed the need for increasing the proportion of gold in which the surpluses and deficits of E.P.U. countries are settled. At present, the overall proportions of gold received or paid at the point where the quota is exhausted is 40 per cent. The proportion should be raised, perhaps to begin with, to 50 per cent. and afterwards even further. This would tend to ease all E.P.U. countries together towards convertibility. At the point where the proportion becomes 100 per cent., convertibility would be fully achieved in the E.P.U. area. The other possible measures suggested in connection with the raising of the gold proportions are: (1) Removal of some of the strains on cumulative debtors by increasing the quotas (beyond which settlement of surpluses and deficits are paid 100 per cent. in gold); (2) wider margins of fluctuation in exchange rates; and (3) increased assistance by the International Monetary Fund to countries in special difficulties. In conjunction with the suggested measures, extension of the liberalisation programme of the Organisation for European Economic Co-operation has been advocated too.

Lower U.S. Tariffs

It must be said here that convertibility by itself cannot solve the dollar problem of the European countries. For the disequilibrium between the U.S. and the rest of the world is largely fundamental in character and can, therefore, be redressed only by fundamental changes in the patterns of production and trade. The two most effective ways of making these changes are the development of East-West trade and the co-operative development of the European countries' overseas territories. The resolution adopted by the Consultative Assembly appealing to the U.S. to lower tariffs and simplify customs procedure is indeed quite timely. Surely, this indicates the anxiety of the European nations to expand their trade with the U.S. which is now handicapped by the maintenance of high U.S. tariff barriers. And it is to be hoped that the U.S. Government would pay due heed to the appeal and announce reduction in tariffs and simplification of customs procedures. Several of the business and commercial agencies in the U.S. themselves have been repeatedly emphasising this aspect.

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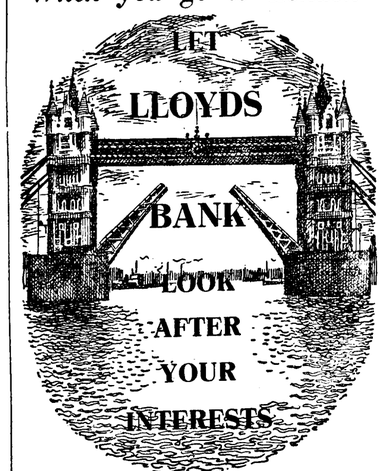

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DOLLAR RETENTION QUOTAS

I.M.F.'S MOVE FOR ABOLITION

THE International Monetary Fund's decision to initiate talks with individual member-countries, in an effort to agree on programmes for abolishing the systems of dollar retention quotas and similar practices, will be widely welcomed. This decision is a sequel to the resolution, adopted by the Board of Governors at the Fund's annual meeting in Mexico last September, which directed the Executive Board to make a special study of retention quotas and allied practices. The resolution was proposed after Mr. Frere, Governor of the National Bank of Belgium, had denounced retention quotas as detrimental to orderly exchange arrangements and demanded their abolition. Mr. Ivar Rooth, Chairman and Managing Director of the Fund, has explained the Fund's attitude towards the system of dollar retention quotas in his letter to the members. Although he has not condemned the practice outright, he has pointed out that the Fund's Articles require members to consult and obtain the Fund's approval, if they wish to employ restrictive or discriminatory devices. Mr. Rooth says that members who wish to maintain, introduce or enlarge those retention quotas, are expected to "act in accordance with existing Fund requirements." He also points out that, since it is not practicable to deal with these practices in a "general fashion," it proposes to examine these arrangements on a "case-to-case basis." The Board's decision, which is couched in mild language, says:

"Members should work toward and achieve as soon as feasible the removal of these retention quotas and similar practices, particularly where they lead to abnormal shifts in trade which cause unnecessary damage to other countries;

"Members should endeavour to replace these practices by more appropriate measures leading to currency convertibility."

Proceeding, the Board observes that the Fund will enter into consultations with each member concerned, with a view to agreeing on a programme for carrying out the Board's policy statement, "including appropriate attention to the timing of any action which may be decided upon."

Complaints Against Currency Practices

The Board's decision follows complaints against the currency practices, allegedly unfair, adopted by certain countries in order to stimulate their export trade. Thus, certain countries allow the exporters to retain a part of their dollar earnings. In some countries—Germany, for instance—the exporters are allowed to deduct a small proportion of these export earnings when calculating profits for income-tax. In certain other countries—France, for instance—exporters are allowed to claim reimbursement of social security charges. In Austria, Italy and Scandinavia, similar practices have been adopted. These concessions are ostensibly intended to provide sufficient incentive to exporters in order to enable them to devote more attention and effort to export trade, in general, and exports to dollar countries, in particular.

The above practices, however, have led to two evil results. In the first place, the existence of these practices enlarges the scope of operation in the "grey" markets for dollar. There is a steady flow of "illegal" dollars into these markets from sources which utilise the currency concessions to deflect the retained portion of their dollar income to these markets. Secondly, the exporters in the countries which do not adopt these practices are at a competitive disadvantage *vis-a-vis* exporters in other countries which give such concessions. It must be remembered that the net effect of such concessions is a sort of selective devaluation of currencies, and devaluation, by the back door at that. It remains to be seen as to how far the I.M.F. will be able to correct these practices. But Mr. Rooth has made it clear that the Fund does not envisage itself as a policeman, but rather as a friend who will help countries to eliminate retention quotas as one of the many obnoxious practices that must be abolished before true convertibility can be achieved.

SMALL SAVINGS

The decision to set up a permanent non-official voluntary organisation to propagate the Small Savings Movement among women, taken at a conference of women social workers held in New Delhi last week, is to be welcomed. The proposed organisation, the establishment of which has been inspired by the Women's Savings Week organised in March last, is expected to launch a savings campaign throughout the year. To begin with, 100 important voluntary bodies will participate in the programme. The broad framework of the machinery of the organisation is as follows:

(*a*) A Committee at the Central level which will provide the guidance and direction for propagating the Movement on sound lines will be set up.

(*b*) The organisations which will be asked to participate in the movement will include important all-India bodies, such as the All-India Women's Conference, the National Council of Women in India, the Kasturba National Memorial Trust, the Indian Red Cross, the Bharat Sewak Samaj, etc.;

(*c*) In order to ensure that the organisations are in a position to undertake this work on a continuous and permanent basis and, as an incentive to their efforts, a commission on the collections made will be given to them. The granting of commission to the voluntary organisations will have the additional effect of adding some extra resources to these organisations, many of which are not in affluent financial condition and their welfare work suffers because of lack of funds. The cumulative effect would be more resources for the Government for financing the Plan and greater impetus for welfare work; and

(*d*) The voluntary organisations will work in close co-operation with the National Savings Organisation of the Government of India, which, in addition to providing advice on methods of collection of money, etc., will help by giving publicity literature. It is also proposed that the organisers appointed by the voluntary organisations will have a short training course under the auspices of the National Savings Organisation, with a view to getting familiar with the various national savings schemes in operation, procedural details, etc.

With a view to enabling the participating organisations to start work immediately, the Central Ministry of Finance has sanctioned a grant of Rs. 3 lakhs, to be distributed to the organisations after scrutinising their requirements. This amount will be utilised for making payment to organisers, setting up of a small office, ensuring transport facilities and the like. The amount so advanced will, however, be deducted from the commission that the organisations ultimately get on the actual collections made.

Inasmuch as the successful implementation of the Five-year Plan depends, to a considerable extent, on the mobilisation of the domestic resources, the need for establishing a permanent machinery for inculcating the savings habit among women needs hardly any stress. There is a gap between the requirements of finance for completing the implementations of the Plan and the resources available. The gap, as Mrs. Durgabai Deshmukh, Member, Planning Commission, aptly remarked, in the course of her address while presiding over the Conference, must be made up primarily by the people's own efforts. Surely, women can contribute substantially to the success of this national programme by making small savings popular. As was pointed out in these columns only recently, it is the housewife whose decisions on domestic expenditure have a close bearing on family savings. That the savings movement among women, if properly organised, has vast potentialities is clearly indicated by the remarkable success of the Women Saving Week organised recently. Thus, although the Week was organised at a very short notice and, as such, not more than a dozen organisations could participate, the amount actually collected is said to be about Rs. 50 lakhs—approximately an equivalent amount has been promised—a sizable sum indeed. But this can be certainly multiplied several times more if women's associations in the country take upon themselves the question of setting up branch organisations all over the country on a taluk basis for purposes of drawing the savings from mofussil areas.

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COMPTOIR NATIONAL D'ESCOMPTE DE PARIS

The full statement of accounts of the Comptoir National D'Escompte De Paris—French Bank—(Manager for India: M. Minne, Bombay), for the year ended 31st December, 1952, a text of which is published elsewhere in this issue, indicates a shrinkage in the turnover of the Bank, as compared with that in 1951. Though the Bank's deposits as at the close of the year disclose a sizable increase over those at the end of 1951, there has been a sharp decline in advances, bills for collection and acceptances on behalf of customers over the year. These trends in the Bank's main sources of income are reflected in a recession in the Bank's profit from Rs. 8.73 lakhs to Rs. 3.83 lakhs. The expansion in deposits has been well utilised by the Bank to strengthen its liquid resources, as indicated by the rise in its liquidity ratio from 41.4 to 55.3 per cent.

The gross income of the Bank has gone down from Rs. 33.28 lakhs to Rs. 30.08 lakhs. This decline is mainly accounted for by the fall in commission and exchange. Interest and discount earned show an increase of Rs. 3.23 lakhs to Rs. 17.41 lakhs, evidently due to the higher rates of interest that prevailed during the year. This increase has been more than offset by the decline of Rs. 6.37 lakhs to Rs. 12.58 lakhs in commission and exchange earned. The decline is understandable in view of the fall in the Bank's bills business. Interest paid on deposits and borrowings has risen sharply from Rs. 4.90 lakhs to Rs. 9.31 lakhs. Administrative and other expenses have recorded a decline of Rs. 2.71 lakhs to Rs. 16.94 lakhs. This is mainly due to a fall of Rs. 3.56 lakhs in expenses other than administrative expenses, including provision for income-tax. The profit after providing for all expenses records a shrinkage of Rs. 4.90 lakhs to Rs. 3.83 lakhs. The whole of this profit has been merged with head office and inter-branch balances, whereas, in the previous year, out of the profit of Rs. 8.73 lakhs, a sum of Rs. 4.35 lakhs was utilised for making provision for expenses to be incurred and the balance was merged into head office and inter-branch balances.

As already stated, the Bank's deposits as at the close of the year under review have gone up by Rs. 103.11 lakhs to Rs. 337.68 lakhs, of which fixed deposits account for an increase of Rs. 28.92 lakhs and current and other accounts for Rs. 74.20 lakhs. There has been no outstanding borrowings from banks at the end of 1952, whereas a sum of Rs. 166.83 lakhs was outstanding on this account on 31st December, 1951. Bills for collection have declined from Rs. 103.71 lakhs to Rs. 73.98 lakhs and acceptances from Rs. 279.71 lakhs to Rs. 110.86 lakhs. Advances have gone down from Rs. 411.80 lakhs to Rs. 210.50 lakhs, bringing down the advance ratio from 188.3 per cent. to 62.4 per cent. A break-up of the advances discloses that loans, cash credits and overdrafts account for a drop of Rs. 152.01 lakhs to Rs. 128.14 lakhs and bills purchased and discounted for Rs. 49.30 lakhs to Rs. 82.35 lakhs. The increase in the Bank's deposits and the decline in its advances have been responsible for an expansion in investments from Rs. 39.56 lakhs to Rs. 60.99 lakhs. The Bank's investments are all in Gilt-edged securities, of which securities of the face value of Rs. 20.50 lakhs are deposited with the Reserve Bank of India under section 11 (2) of the Banking Companies Act, 1949. It is to be noted here that last year the investments were shown at below cost, while they are shown now at market value. The market value of the investments at the end of 1951 did not, however, show any change from that at cost. Cash balances have enlarged from Rs. 57.56 lakhs to Rs. 125.62 lakhs. The combined ratio of investments and cash balances to deposits stands at the close of 1952 at 55.3 per cent., as against 41.4 per cent. at the end of 1951.

EMERGENCY CREDIT AND EXCHANGE MEASURES IN ECUADOR

The Monetary Board of the Central Bank of Ecuador has taken several credit and exchange measures to assist in making effective the Government's emergency measures called for by the interruption of land traffic between the coastal and the mountain regions of the country. A line of credit of 5 million sucres has been extended to the State Railroad Administration for repairs of tracks damaged by the flood of the Chanchan River; temporary credit facilities have been granted to importers to enable them to clear through customs merchandise already imported; and the issue of an unspecified amount of Government bonds has been authorised in connection with relief and public works (improvement of airports, road reconstruction, and supply of electricity for the city of Cuenca). Foodstuffs and fuels, free importation of which has been decreed by the Government, have been shifted to List A in the import classification. The Central Bank provides exchange for this category of imports at the official rate of 15 sucres per U.S. dollar, without any import tax. Some of the items which were granted temporary relief were formerly subject to 33 per cent. (List B) or 44 per cent. (List C) *ad valorem* taxes.

CANADIAN GOLD SUBSIDY

Under recent legislation, the Canadian Government will increase the subsidy to marginal gold mines may choose between accepting the subsidy The total cost of the subsidy will thus be increased by $5 million to $15-16 million in 1953. Canadian mines by $2.00 with a maximum of $13.50 per ounce and selling their output on the free market. In 1952, 11 mines sold on the free market, of which, however, eight have decided to accept the subsidy in 1953. Free market sales by the remaining three mines are expected to reach 500 ounces.

FOREIGN TRADE IN COTTON TEXTILES

COMMERCE MINISTER ON STEPS TO ENCOURAGE EXPORTS

THE problem of stimulating exports of cotton textiles figured prominently in the speech of Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, at the meeting of the Export Advisory Council held in New Delhi on Saturday last. This should cause little surprise, considering the unique position that cotton textiles occupy as one of India's major earners of foreign exchange. Moreover, Mr. Krishnamachari must have been prompted by the series of developments on the world cotton textile front in the past year or two, which have, of late, done much harm to India's export trade in this commodity.

It is worthwhile to remember that cotton textiles, which were the largest earner of foreign exchange in 1950-51, now occupy only third place, next to jute goods and tea. Thus, the value of cotton yarns and manufactures exported during the year 1952-53 was Rs. 61.88 crores, as against Rs. 136.71 crores two years before, while that of jute goods and tea during the same year was higher at Rs. 129.60 crores and Rs. 91.20 crores, which compare favourably with Rs. 113.95 crores and Rs. 79.87 crores, respectively, in 1950-51.

The progressive relaxation in control measures, leading to free licensing, with effect from July, 1952, has enabled the export of cotton textiles, as Mr. Krishnamachari pointed out, to move up considerably in the latter half of last year. Thus, the average monthly rate of exports in this period was of the order of 62 million yards, as against 37 million yards in the first half of 1952 and 22 million yards in the second half of 1951. One will also agree that the upward trend has been maintained in recent months, as witness the substantial quantity of 63 million yards exported during the month of April. But the point is whether this improvement is real or only apparent. There are indications to suggest that the improvement is not very real. As was pointed out in these columns only last week, the quantity of cloth exported in the last few months includes shipment which represents past commitments as well, particularly some business booked against ready goods for immediate shipment. Indeed, the little improvement that is now noticeable has been due to seasonal and spasmodic demand from certain destinations which may not endure for a long time in the face of the import restrictions imposed by the Governments of several importing countries and the fierce competition from Japan.

Licensing Policy Extended

Considering these factors, it is certainly gratifying to note that Mr. Krishnamachari should have realised the need for helping exporters of cloth to maintain a high level of exports in the coming months. The two important decisions of the Government which he announced at the meeting were: (1) extension of the period of free licensing policy for exports upto the end of the year (1953) and (2) increase in the export quota of mineral khaki from 25 per cent. of mill's production to 33 per cent., besides providing for extra 1 million yards for small possessors of such khaki. These decisions have been widely welcomed by exporters. Other welcome features of the Government's textile export policy are: (*a*) Creation, without delay, of Governmental machinery for the promotion of exports with Mr. Karmarkar, at present Minister for Commerce, in sole charge, (*b*) assumption of statutory powers by the Government of India to ensure that the export trade is not handicapped by import duties on raw materials, and (*c*) appointment of commercial travellers.

Of these decisions, the second is of particular significance to India's export trade in cotton textiles. The import duty of As. 2 per lb. on raw cotton used in the manufacture of cloth has largely been responsible for the high export prices of fine and superfine cloth. In fact, this is one of the serious handicaps adversely affecting exports of mill-made cloth. Score of representations have been made by the cotton mill industry to the Government of India urging the rebate of import duty on cotton used in the production of cloth meant for export. The latest, albeit belated, move of the Government of India to take statutory powers to grant rebate of import duty will, therefore, be widely welcomed in the country.

It would, of course, be too optimistic to suggest that the foregoing measures will, by themselves, stimulate demand for Indian cloth in overseas countries. What is urgently required is a more farsighted export policy based purely on economic considerations. At a time when new and vigorous efforts are being made by Governments in other countries to step up exports by giving active encouragement, restrictions continue to be placed in this country on export of cloth. How else can one explain, for instance, the retention of export duty on coarse and medium cloth. It is a pity that the Commerce and Industry Minister should not have referred to it in his speech. If the Minister feels that, despite the export duty on cloth, the upward trend in exports will be maintained, it is likely that he will be disillusioned. Now that the sellers' market has practically come to an end, the need for enhancing the competitive position of Indian cloth in world markets assumes special significance. As we have so often pointed out in these columns, the best way of achieving this objective is to lower export prices by abolishing the export duty.

Sales Tax on Exports

It is also a pity that the Minister should not have alluded to the Supreme Court's decision to the effect that the last purchase by the exporter of goods for the purpose of exports comes under the purview of the sales tax law. As we pointed out on an earlier occasion, a prosperous export trade in cloth, or, for that matter, any other commodity, is too precious a consideration to be sacrificed at the altar of sales tax revenue. It is to be devoutly hoped that the Government of India would give such relief from sales tax as is necessary for the purpose of stimulating exports. The suggestion made by the All-India Exporters' Association in this regard deserves mention. According to the Association, all dealers who have registered themselves under the Sales Tax Acts should be allowed to purchase cloth for export to foreign countries, free of general sales tax, subject to their signing a declaration that the cloth so purchased is intended for export only. Such registered exporters should become liable to sales tax only when the cloth is diverted to local consumption. The dealers may be called upon to submit quarterly statements in respect of cloth already exported and cloth still held for export.

There is the need, too, for liberalising further the restrictions on exports of textiles. For instance, exports of mill-made *lungis* are at present banned. It is true that this measure is designed to give encouragement to the handloom industry. But the question is whether the export markets should be starved of supplies, when handlooms have failed to meet the demand. That these observations are not at all exaggerated will be evident from the statement of Mr. Krishnamachari himself. Said he: "Owing partly to the high prices of handloom fabrics and partly to the restrictions placed on the import of such fabrics by countries which have been our traditional markets, the export of our handloom products has suffered a severe setback." It is a well-known fact that handloom-made *lungis* are costly and cannot compete successfully with mill-made *lungis* from other countries. Moreover, there are certain countries—as, for example. Australia and New Zealand—which do not use *lungis* but which are interested in certain varieties of mill-made cloth resembling *lungis*. Surely, it should be possible to allow exports of at least a small part of the *lungis* produced by mills. This will enable the mills to make good a part of the loss they are compelled to suffer for the sake of the handlooms. Similarly, now that the supply position of pseudo-fine cloth is quite comfortable, one wonders if the Government cannot lift the ban on exports of these varieties.

While the foregoing are matters which need prompt action on the part of the Government, there is another important aspect of the problem which requires immediate attention. It is the problem of ensuring the maintenance of proper standards of cloth exported from this country. Poor salesmanship, bad packing and lack of confidence on the part of importers about the quality of goods exported have already done a lot of avoidable harm to India's export trade in textiles. Mr. Krishnamachari did well, therefore, to make a pointed reference to this disturbing feature. His warning that, if we are to retain our hold in foreign markets, not to mention improving our position, "it is imperative that our exporters should spare no efforts to maintain quality and service and create a sense of confidence in our customers" is indeed quite timely.

Export of Cotton Yarn

Exporters of cotton textiles are somewhat disappointed by the absence, in Mr. Krishnamachari's speech, of any reference to the policy of cotton yarn exports for the ensuing half-year, namely, July-December, 1953. The Government's present policy of restricting the allotments of quotas for yarn exports only to mills (or their nominees) has evoked bitter criticism at the hands of exporters. The policy is characterised as being highly discriminatory and harmful to the long-established trade channels which have been instrumental in building up trade connections with overseas markets for the past several years. They have, therefore, urged, for some time past that the Government should give an equal opportunity to established exporters to cater to the needs of foreign markets. One fails to understand why the Government should not revise the yarn export policy in such a way as to include established exporters also.

The mills are anxiously awaiting the announcement of the yarn export policy for the next half-year. Barring counts above 36s, the export demand for which is at present reported to be almost non-existent, export quotas for counts below 36s are said to have been practically exhausted. This factor, coupled with the steady upward trend in yarn production (unaccompanied by any rise in the yarn offtake by the handloom industry), has been responsible for the accumulation of large stocks of yarn with the mills. The Government will perhaps do well to announce a further quota of cotton yarn for exports. Latest market reports aver that there is good overseas demand for Indian cotton yarn. Enquiries have been received by Indian exporters from Hong Kong for counts below 36s, while Burma is eager to purchase a fairly large quantity of 20s. It will be unwise to lose the export trade in yarn, especially when the internal market for yarn does not show signs of brisk offtake.

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SYNTHETIC FIBRES

The view that the immediate competition of newer synthetic fibres should not be over-stressed has been reiterated by the International Cotton Advisory Committee, Washington, in its latest review of cotton prospects. This view is based on two considerations. First, the prices of synthetic fibres are much higher than those of natural fibres. Secondly, the synthetics are available only in small quantities. To add to these, some of the fibres have certain disadvantages and present serious technical difficulties to textile manufacture. They are, for instance, non-absorbent to moisture, being difficult to dye, or having a low melting point.

Although aggregate world output of non-cellulosic man-made fibres (that is excluding rayon) in 1953, if capacity is fully employed, is estimated substantially higher at 600 million lbs., as compared with 260 million lbs. in 1951, it is not more than one-twentieth of the world cotton supplies. This includes a large number of different fibres, with a wide variety of characteristics; the fibres are all considerably dearer than cotton.

WORLD CENSUS OF COTTON LOOMS

CAMPAIGN FOR HIGHER WAGES

(By A Special Correspondent)

MANCHESTER LETTER

MANCHESTER, 19*th May*

THE first world census of cotton looms for 16 years, issued in Manchester this week, underlines the sharp contraction in the size of the United Kingdom cotton weaving industry in recent years. From a total of 504,000 looms in 1936 the figure had fallen to 349,000 by last July, when the census—conducted by the International Federation of Cotton Spinners and Manufacturers, Manchester—was carried out.

The world total also showed a contraction, from 3,069,000 in 1936 to 2,730,000 by last year. Of the total international reduction of 339,000 looms, European mills lost 236,126 and North America 167,360. The Federation says:

"At first glance this reduction is perhaps astonishing, in view of the increase in the world's population and the general improvement in the standard of living. It should, however, be noted that working hours have been increased in most countries during this period, double and treble shifts being quite normal in very many countries. That less equipment is now producing sufficient textiles to satisfy the requirements of the world is supported by the fact that for the cotton season ended 31st July, 1952, the world's cotton mills consumption amounted to 32,662,000 bales as against only 25,389,000 bales for the season ended 31st July, 1936."

While the adoption of double and treble-shift working may account for the loomage decline in some countries, it cannot explain the sharp fall in Lancashire, which is still substantially a single-shift industry. Commenting on this, Mr. Norman Pearse, International Federation's General Secretary, said in Lancashire's case it was probable that the basic cause was the industrialisation of agricultural countries which hitherto provided markets for Lancashire-made textiles.

This industrialisation policy is indicated by loom installation plans up to 1957, also covered by the census. More than three-quarters of the new looms scheduled for installation during this period will go into mills in Asia and South America, particularly in India, Hong Kong, Pakistan and Brazil.

Increased mechanisation by the installation of automatic looms in Lancashire has gained impetus in the past few years and the number of automatics is now given as 34,282 against 15,224 in 1936. Ordinary looms have declined from 483,984 to 309,427. In France a similar pattern can be observed, automatic machinery rising from 37,700 before the war to 64,247 looms last year and ordinary looms being reduced from 152,800 to 92,697.

Among those areas where weaving plant has increased are Africa, where looms in place now number 20,990 against 3,279 before the war, and South America where the respective totals are 138,972 and 96,023 looms. The main advance in Africa has been machinery installed in Egyptian mills but a start has been made at weaving in the Belgian Congo, Rhodesia and North and South Africa.

Brazil remains by far the largest producer in South America, having 100,146 looms, of which 21,823 are automatics. This compares with 80,903 looms in 1936, including 4,160 automatics. The move towards cloth self-sufficiency in the Argentine is also obvious, where looms now number 14,239, of which two-thirds are automatics, against 3,646 before the war.

Comparative figures showing the number of looms in the United States are not available, although there has been a slight increase in the volume of automatic machinery from 392,329 to 398,501 looms. In Asia the total figures show little variation compared with 16 years ago, although there has been a decline in the quantity of weaving machinery in Japan from 332,564 to 290,193 looms, automatics increasing from 40,000 to 51,843. This reduction in productive capacity, however, has been made good by increases in other areas, notably India, Pakistan and Hong Kong.

Statistics of production and man-power in industry are continually used as a barometer of conditions to show the prevailing activity. Another aspect, which in the past 18 months has been an unwelcome addition to figures of this kind in the cotton trade, has been the total of unemployed.

The following table, extracted from returns issued by the Ministry of Labour for Britain's cotton areas, shows the number of unemployed persons over the recent period of depression:

	Total unemployed	*Temporarily stopped*
1951		
December	2,100	1,200
1952		
January	9,900	8,600
April	76,600	71,762
May	79,300	72,600
June	74,100	66,600
July	51,500	43,700
August	46,800	39,000
September	37,200	30,400
October	26,100	20,634
November	18,300	13,800
December	14,400	10,600
1953		
January	13,200	9,800
February	10,545	7,745
March	7,696	5,090
April	5,000	2,220

In the figures the number of operatives temporarily stopped represents those on short-time who are, of course, included in the full total of unemployed. The latest Cotton Board returns of those available on the books of employers indicate a labour force for spinning and weaving of above 276,000. This compares with the peak of over 320,000 towards the end of 1951. More than 40,000 workers who have left the cotton industry have obviously made up their minds not to return and any further gains must be made good from school-leavers and other new recruits. This underlines the efforts now being made by certain groups and individual mills to stimulate a bigger entry into the trade.

First moves in a new wage campaign in the Lancashire cotton industry are to be made this week. Leaders of all the cotton trade unions, meeting in Manchester on 21st May, will formulate a new claim on behalf of 280,000 cotton spinning and weaving workers. Four months ago a £7,000,000-a-year claim by the unions was rejected by the Industrial Disputes Tribunal, to which it had been submitted by the unions after the employers had turned it down. The demand was for an all-round increase of 2*s.*-in-the-£ on current earnings.

Employers argued that with a return to harder selling conditions in world markets, and keener competition from overseas rivals, a general wage increase would create added difficulties for the textile industry. The unions based their case for an increase on the dearer cost of living since the last increase in 1951. In the new campaign they are expected to declare that Budget tax reliefs did not benefit thousands of lower-paid cotton workers.

Final approval of the report on raw cotton buying was given this week by the Cotton Import Review Committee. The document has now been submitted to Mr. Peter Thorneycroft, President of the Board of Trade, and Sir Arthur Salter, Minister of Materials.

Despite earlier reports that the committee of fourteen experts under the chairmanship of Sir Richard Hopkins, had failed to find agreement, Mr. R. R. D. McIntosh, Joint Secretary of the Committee, said that there would be no minority report.

The Committee has been discussing what steps should be taken to continue the movement towards freedom in cotton buying. A similar body last year recommended the revival of cotton imports by private firms for the first time since the early days of the war. The new report will provide the Government with the views of the trade on the future of the State-sponsored Raw Cotton Commission and will advise on the best methods of continuing to provide cover against price fluctuations for Lancashire spinning mills.

Recovery of the cotton industry from last year's trade recession has been slow but persistent, states the Annual Report of the Amalgamated Weavers' Association, the largest of the cotton industry unions. "The export trade still remains quiet and one does not look for any tangible improvement until the Commonwealth countries, having overcome their currency problems, start buying on a large scale," the Report comments. "There are already signs that this is taking place and it is to be hoped for our sakes that interflow of trade will be quickly resumed." The industry had suffered the loss of a substantial number of experienced textile operatives and the shortage of labour was a serious matter.

Mr. Andrew Næsmith, one of Lancashire's outstanding trade union figures for more than a quarter of a century, has officially announced his intention to retire as General Secretary of the Weavers' Amalgamation at the end of August on reaching the age of 65. During a total service of more than 40 years to the cotton trade union movement, Mr. Næsmith has held many important appointments and served on numerous delegations and Government committees. He is a Director of the Bank of England, a Cotton Board member and a member of the General Council of the T.U.C.—*All Rights Reserved.*

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COTTON CULTIVATION IN RUSSIA

PLANS FOR INCREASING YIELD AND OUTPUT

A REMARKABLE feature of recent agricultural development in Soviet Russia is the rapid expansion in cotton cultivation. From a mere one million bales in 1928, the output has increased to well over 3.5 million bales. A more striking development is the increase in the per-acre yield which, in certain regions, is believed to reach a record total of 772 lbs., though the average for all regions is much less than this figure. The Soviet authorities are continuously planning and working for a further expansion in cotton production. The new Soviet plan envisages, it is learned, increase in production through raising the yield and further extending the land under cotton cultivation. In this connection, a note on cotton cultivation in Soviet Russia, by I. Varuntsyan, member, U.S.S.R. Academy of Sciences, which has been published by the Indian branch of the Tass News Agency, will be read with particular interest.

In Tsarist Russia, cotton was grown on a small area, and owing to primitive methods of cultivation the yields were low. The country's total cotton crop in 1913 was but 223,200 tons. For lack of domestic supplies, its textile mills had to import cotton from abroad, namely, America, Egypt, and other countries. In recent years, the U.S.S.R. has become one of the biggest cotton producers in the world and has outstripped all other countries in average per hectare yields. Even before the war, the Soviet Union became independent of cotton imports from abroad.

This year's cotton crop in the U.S.S.R. exceeds the pre-war output by 46 per cent. In 1951, collective farms and State farms in the Soviet Union's principal cotton belt, Central Asia, had under irrigation obtained an average of 21 centners of raw cotton per hectare. In that year, the per hectare yields in Egypt were only 11.5 centners; in the U.S.A. 8.3; in Turkey, 7.2; in Iran, 4.5. And it should be noted that the Central Asian Soviet Republics produce more cotton than Egypt, Iran, Turkey and Afghanistan combined. This improvement, according to the author, is due to the socialist system of economy, which permits the widest use of modern highly-productive machines and advanced scientific farming methods.

Use of Tractors

For the technical facilities of their farms, the Soviet Eastern Republics, it is claimed, are far in advance of the most developed capitalist countries of Europe. Thus, for example, while Soviet Uzbekistan has 14 tractors per 1,000 hectares of crop land, France has only seven tractors, Italy but four, and of much smaller capacity, at that. Whereas Soviet Uzbekistan has one tractor per 70 hectares of crop land; in Iran, for example, there is a tractor for 18,000 hectares. The Soviet Government spends enormous funds on the development of science in the sphere of cotton-growing. There are in the U.S.S.R. special cotton-growing research institutes with a wide network of experimental stations in Central Asia, in Azerbaijan, in the U.S.S.R., in the Ukraine. Besides these institutions, the central institutes under the V. I. Lenin All-Union Academy of Agricultural Sciences carry on cotton-growing research. In the Uzbek Soviet Socialist Republic alone, more than a thousand scientific workers are in one way or another conducting research in cotton-growing.

Soviet scientists are developing and bringing to the farms advanced methods of cultivating cotton under various natural and climatic conditions; and progressive methods of irrigating cotton crops and of applying fertilisers. Using progressive plant-breeding methods of the "great remarker of nature," I. V. Michurin, Soviet plant breeders, it is stated, have developed the world's best cotton varieties. These are distinguished from foreign varieties by their higher yields, early ripening, and better technological qualities of the staple. The new early ripening varieties and new scientific farming methods have enabled the Soviet Union to push cotton cultivation further north than any other country. A new large base of cotton growing has been created and is being expanded in the southern districts of the European part of the U.S.S.R.

The fifth Five-year Plan for the development of the U.S.S.R. in 1951-55 poses as one of agriculture's chief tasks the further increase of per hectare yields of all agricultural crops. Farming is to become still more productive and more efficient, with developed grass-growing, proper crop rotations and larger areas under industrial crops. The new Five-year Plan provides for a 55-65 per cent. increase in the gross output of raw cotton with a 35 per cent. increase in the area under this crop. Thus, the greater part of the increase in cotton production is to come from stepping up the average per hectare yields. In the cotton-growing republics of Central Asia, and in Southern Kazakhstan, the average per hectare yields of cotton will in 1955 reach 26-27 centners; and in the Transcaucasus, 25-27 centners.

Collective Farms

Socialist agriculture possesses, according to the author, unlimited facilities for increasing agricultural output. The collective farms and State farms have great latent resources also for increasing per hectare yields of cotton. This is borne out by the experience of leading collective farms and State farms which have already surpassed the average per hectare yield envisaged by the Five-year Plan. A large cotton producer, the "Pakhta Aral" State farm has this year obtained an average of 30 centners of raw cotton per hectare from an area of 5,300 hectares. In the Uzbek Soviet Socialist Republic, hundreds of collective farms and many whole districts register yields of 30 and more centners per hectare. A new stream of agricultural machines will flow from Soviet factories to the State farms, and to the machine-and-tractor stations which serve the collective farms in the cotton-growing districts. This will make it possible, in the course of the fifth Five-year Plan, completely to mechanise such labour-consuming jobs as ploughing, fertilising and sowing cotton.

The new Five-year Plan provides likewise for the further development of cotton-growing in new districts. The average per hectare yields of cotton in the southern districts of the European part of the U.S.S.R. will be brought up to 5-7 centners on non-irrigated land, and to 11-13 centners on irrigated land. Extensive irrigation development work is proceeding in the Southern Ukraine, in the Crimea, in the Caspian lowland and in the Kara Kum desert. With the completion of the great Stalin construction projects—the South Ukranian and North Crimean Canals, and the Main Turkmen Canal, the cultivation of cotton will be developed on a new and still more sweeping scale. The newly irrigated land will produce, it is calculated, an additional 3,000,000 tons of raw cotton a year.

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EGYPT'S COTTON POLICY FOR 1953–54

NEW CROP PRICES

THE Egyptian Government's announcement that there is no intention, at present, on the part of the authorities to re-open the Alexandria futures market will not come as a surprise to those who have followed the recent developments in cotton trading in that country; for, the Government has shown no inclination to relax its control on the cotton market. The announcement, which was published last week-end, stated that the Government would continue to sell cotton on its own account in accordance with its long-term policy which "will not be limited to next year but whose effect will be felt in the years to come."

The cotton futures market in Alexandria, it may be recalled, was closed by a decree issued by the Egyptian Government, on 23rd November, 1952. The Government announced that it would buy all Egyptian cotton that was offered on the basis of the quotations of spot middling 15/16" cotton on the New York Cotton Exchange. Holders of all cotton stocks were asked to declare their stocks and exporters were asked to make special returns to the Government. An official spokesman later clarified the position by saying that the closure of the market did not mean nationalisation of the cotton trade. The next important announcement relating to cotton trade was made on 13th February, 1953, when it was stated that Egyptian cotton would be sold by the Egyptian Cotton Commission on the basis of closing prices in the New York futures market on the preceding day plus a premium of 5 per cent. for medium staple and of 30 per cent. for long staples. The previous basis for selling prices was the New York middling 15/16" spot price plus 10 per cent. for medium and 30 per cent. for long-staple cotton varieties. In March, the Government announced certain changes in the regulations concerning the repatriation of proceeds from export sales, which were designed to facilitate export trade in cotton. The latest announcement, made last week-end, fixes the prices the Government will pay for next year's cotton crop. The price for short-stapled Ashmouni has been fixed at 50 tallaries (about £10-4-6) per kantar during the months, September to November, 51 tallaries during December and January; and 52 tallaries from February to end of the season. Long-stapled cotton Karnak has been fixed at 58 tallaries (about £11-12-0) per kantar from September to November, 59 tallaries from December to January and 60 tallaries from February to the end of the season.

New Prices

It remains to be seen how far the new prices will enable the Government to market its new cotton crop more expeditiously than it has been able to market the country's current crop. The 1952-53 cotton crop, it is now stated, will reach 10 million kantars, compared with 7.84 million kantars in the 1951-52 season. Thus, the current crop output is a record crop. In fact, the only seasons in which production ever reached or exceeded the nine-million mark were in 1936-37 (9.11 million kantars), in 1937-38 (10.87 million kantars) and in 1940-41 (9.00 million kantars). Exports of cotton from the beginning of the season till the end of April, 1953, aggregated 4.42 million kantars, as against 3.06 million kantars during the corresponding period in the 1951-52 season. Domestic consumption has been placed at over one million kantars, so that the total disappearance of cotton works out to about 5.5 million kantars. The Egyptian Cotton Commission has now about four months left in which to dispose of the remaining 4.5 million kantars of the present crop and of last August's carry-over of 2.15 million kantars.

It is, however, expected that the Government will be able able to dispose of at least 1.5 million kantars before the end of the current season so that the carry-over stocks at the end of this season are likely to be in the neighbourhood of 3 million kantars. These expectations are based on the consideration that, while the world textile situation was gradually improving, Egyptian cotton itself was being offered at competitive prices. It would appear that although the prices of Egyptian cotton are linked to the New York Cotton Futures Exchange quotations with a premium of 5 per cent. on these quotations, the price of Ashmouni (the main medium-staple variety) works out at lower levels than those of comparable American growths.

ANGLO-IRANIAN OIL COMPANY, LIMITED

PRODUCTION AND REFINING DEVELOPMENTS

SIR WILLIAM FRASER ON IRANIAN DISPUTE

IN his statement, with report and accounts, circulated to the stockholders of the Anglo-Iranian Oil Co., Ltd., the 44th Annual General Meeting of which is scheduled to be held in London on 11th June, 1953, Sir William Fraser, C.B.E., LL.D., Chairman, has indicated that the volume of the Company's sales during the early months of 1953 has shown an "encouraging expansion." Since market conditions are more difficult, profit margins, according to him, are smaller than in 1952. He also refers to the large expansion that will shortly take place in the Company's refinery capacity.

The following is an extract from the statement:

"The consolidated trading profit for 1952 was £45,354,732 after provision of £14,198,946 for depreciation on fixed assets, allied companies and other trade investments, and oil exploration interests. The gross trading profit thus aggregated £59,553,678, comparing with £71,377,882 for 1951, from which depreciation and other write-offs aggregating £23,682,949 were provided. 1952 was the first full year during which we had no oil production from Iran and the effect of this deprivation on our business, despite the greatly increased supplies which we obtained from other sources, is reflected in the reduction in our trading profits.

"After providing £22,666,344 for taxation on profits, the amount available for reserves and dividends is £25,165,966, compared with £24,233,050 for 1951. Your Directors have allocated £1,000,000 to preference stock reserve, bringing the total to £10,000,000, and have placed £16,000,000 to general reserve, which now stands at £97,000,000. They have recommended a final dividend on the ordinary stock of 25 per cent., and in addition a cash bonus per £1 stock of 1s., both less income-tax. The total distribution for the year would approximate 7 per cent. on the ordinary stock plus general reserve.

"The Company's issue of £20,000,000 5 per cent. debenture stock in January last was largely oversubscribed. The purpose of this issue was to supplement the Company's existing resources in financing the current programme of capital expenditure, mainly on construction and extension of refineries and building of tankers. This large programme on which expenditure during 1952 was approximately £57,400,000 and during 1953 is estimated at £75,000,000, is designed to maintain the Company's position in the forefront of the highly competitive and progressive world petroleum industry.

Observance of Contracts

"Events regarding the Company's interests in Iran since my last statement have been extensively reported in the Press. There have now been no less than five separate major attempts to settle the dispute. On each occasion the proposals were rejected by the Iranian Government.

"The proper observance of contracts is a fundamental factor in international trade, and Her Majesty's Government and the Company have stood on the principle, well established in international law, that compensation for losses resulting from expropriation must be prompt, adequate, and effective. While the Company would be ready to accept payment by instalments the International Court of Justice must, if the principle regarding compensation is to be preserved, be free to give unfettered consideration to the Company's claims in respect of the loss of the 1933 Agreement. That Agreement remained the unchallenged legal basis for the Company's operations in Iran for eighteen years, the Company, on the strength of it, being encouraged to make an investment in a foreign country of unprecedented magnitude. The facts speak for themselves and entirely contradict Dr. Musaddiq's contention that the 1933 Agreement was never valid.

"The Company is at present dispossessed of its property, rights and interests in Iran, thereby suffering grievous losses. The Iranian Government has neither paid compensation nor agreed to a satisfactory basis and procedure for the future assessment and payment of compensation, and the practical effect of the Iranian Nationalisation Laws of 1951 has thus amounted to confiscation.

"The Company, therefore, continues to claim the title to all oil derived from the area of its operations in Iran, and has accordingly published announcements in many countries stating that it will take all such action as may be necessary to protect its rights should any concerns or individuals participate in transactions affecting such oil. Legal proceedings have already been taken in Aden, Italy and Japan.

Production and Refining

"Crude-oil production in Kuwait, Iraq and Qatar was largely increased during 1952, when our offtake from those sources of supply totalled some 25,600,000 tons, compared with 16,600,000 in 1951. During 1953 we expect to have available some 35,000,000 tons from Kuwait, Iraq and Qatar.

"The Company's post-war programme for increasing its refinery capacity in the United Kingdom is being brought to fruition. The result will be to have expanded this capacity over tenfold, from under 1,000,000 tons per annum pre-war to 10,500,000 tons per annum by the end of this year, with a corresponding improvement in the diversity and quality of products."

The statement also details the Company's expanding refinery operations in Belgium, France, Germany, Italy, Israel, Kuwait, Australia and Aden.

Sales

"The difficulties which we have been facing due to the denial to us of supplies from Iran were accentuated in the earlier part of the year by a world scarcity of tanker tonnage available for prompt chartering. Nevertheless, the A.I.O.C. group's sales of crude oil and refined products in 1952, aggregating just over 32 million tons, showed a decrease of only 3 million tons, or 8.6 per cent., compared with 1951. Our sales of refined products in the markets supplied through our subsidiary and associated marketing companies were above those for 1951, though only by some 2½ per cent.

"The commissioning of our Kent refinery early in 1953 has effected an important increase in our availability of products of our own manufacture. But the problems of supplying economically our market outlets east of Suez will remain considerable until we can bring into operation the refineries now being constructed at Aden and Kwinana in Western Australia. These are large undertakings; construction work is being pressed forward as rapidly as possible, but we cannot expect these new plants to be on stream before the end of 1954. When they are completed, we shall, in conjunction with the expansion of our other refineries, have a total refining capacity of some 30,000,000 tons per annum. Not only will this allow for an appreciable extension of our Group's sales of products, which in 1952 amounted to just under 23,000,000 tons, but also we shall have a chain of refineries well placed to supply our markets throughout the Eastern Hemisphere.

"The volume of our sales during the early months of 1953 has shown an encouraging expansion. On the other hand, market conditions are more difficult. Selling prices have been reduced as a result of lower freight levels and, in addition, the more ample availability of refined products has led to very competitive conditions. Consequently, profit margins to-day are smaller than was the case in 1952."

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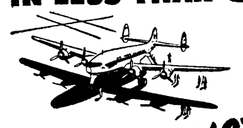

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SUGAR INDUSTRY UNDER THE PLAN

PROGRESS DURING FIRST TWO YEARS REVIEWED

THE Progress Report of the Planning Commission on the Five-year Plan during the first two years—1951-52 and 1952-53—contains very little about the implementation of the development programme for the sugar industry in India. From the little information furnished, however, it is evident that there has not so far been any expansion in the size of the industry. This is only to be expected, in view of the fact that the development programme does not envisage any addition of new units for manufacturing sugar. Even the increase in the rated capacity of the existing units, the target for which is stipulated at hardly 10,000 tons by 1955-56, has not been attained yet. The aggregate capacity of the sugar industry in 1952 remained the same as in the basic year of the Plan, namely, 1.54 million tons. The principal factor responsible for the lack of expansion has been heavy requirements of working capital, thanks to rise in cost of raw materials, fuels, stores and higher interest charges, following the rise in Bank rate in November, 1951. Another important factor is the remarkable rise in output without a corresponding increase in offtake. This, in turn, has led to the accumulation of stocks with sugar mills, resulting thereby in the locking up of considerable amount of finance. The observations made by the Planning Commission in its Progress Report deserve to be mentioned in this connection. Says the Commission: "The failure of demand to respond, in a significant manner, to increase(s) in production of sugar (and textile) in the recent past is a significant pointer to the importance of reducing costs simultaneously with increase(s) in production."

The sugar industry, just as so many other industries, has large arrears of replacements. The problem of finance for replacement and expansion needs to be solved. The general issues in regard to taxation which have a bearing on the problem have been referred to the Taxation Enquiry Committee. The suggestions made by the Federation of Chambers of Commerce and Industry on the problem of replacement finance, it is stated, are at present under the examination of the Planning Commission in consultation with the Central Ministries.

"Concealed" Taxation

Incidentally, we would like to point to the tendency on the part of certain State Governments to raise revenue from the sugar industry in an indirect manner as a substitute for taxation. To take an instance, the Government of Bombay has been requisitioning a certain percentage of production of molasses from the sugar factories for the purpose of subsidised distribution to certain classes of users, or for its own consumption, and sometimes for resale at a profit. True, there is nothing objectionable in this, if the price at which the Government acquires molasses is notified as the ceiling price for all consumers. But when the Government, without in any way regulating the price of molasses for sale in the market, acquires a part of the production at a price lower than the ruling market price, it is to be regarded as indirect or "concealed" taxation on the industry without the necessary legislative sanctions required under the provisions of the Constitution. The Taxation Enquiry Committee should examine this question also, while determining the burden of taxation on the sugar industry.

To revert to the progress in the implementation of the development programme for the sugar industry which is indicated below:

(In thousand tons)

Basic year (1950-51)—	
Rated capacity	1,540
Actual production	1,120
Plan period (1951-56)—	
Additional capacity	10
Additional production	384
Progress during 1951-52—	
Additional capacity	..
Additional production	602
Actual production—	
1951-52	1,489
1952-53 (estimated)	1,310

Despite the lack of expansion in size, as noted above, it is gratifying that the production of sugar during 1951-52—the first year of the Plan—registered, as stated already, a remarkable rise, the quantity actually produced being as much as 1.49 million tons. This was not only a record in the history of the Indian sugar industry but also almost equalled the target of 1.5 million tons fixed for 1955-56. Apart from adequate supplies of sugarcane and high prices of sugar prevailing, the rehabilitation programme also helped in raising the output of sugar. Such was facilitated not only by improvement in transport and Government's free market sales policy but also by the substantial financial assistance rendered by the Industrial Finance Corporation. Thus, out of the Rs. 445.25 lakhs granted by the Corporation to different industries, the sugar industry alone accounted for Rs. 95 lakhs.

Scope for Further Expansion

This may no doubt lend support to the Planning Commission's view that the existing rated capacity of the sugar industry is sufficient to achieve the target fixed for 1955-56. But whether the level of output can be taken as the index of the future trend of production is a moot point. This is especially so when the trend depends on so many factors that cannot be sized up at present. As was stated in these columns two weeks ago, some, however, are inclined to feel that the production of sugar during 1951-52—an abnormal year for this industry—was due to many special factors and, therefore, cannot be taken as an index. They point to the downward trend in sugar output during the current (1952-53) season, the quantity estimated being 1.3 million tons, as shown in the table above. In fact, according to them, there is considerable scope for further expansion of the industry.

Be that as it may, if the production of sugar is to be maintained at a high level in the coming years, it is imperative that some of the recommendations made by the Planning Commission are implemented in right earnest. For instance, some of the sugar factories at present located in areas where sufficient cane supplies are not available should be enabled to shift to other areas in the same State or even outside the State, depending on facilities for the supply of cane. A careful examination by an expert committee of all the factories which did not work or worked at low capacities during the preceding seasons, due to inadequate supplies of cane, is necessary for determining the factories which should be shifted from their existing location. It is understood that some assistance in the form of railway facilities for shifting factories, issue of import licences for new machinery, and the extent of financial help, if any, to be given to such factories is already under examination by the Government. It is necessary to work out and finalise such arrangements as soon as possible for helping the industry to shift the necessary factories to new locations and achieve full production. It may be noted, in this connection, that the Licensing Committee, set up under the Industries (Development and Regulation) Act, 1951, has already decided to grant sanction for shifting sugar factories to more favourable locations.

The process of manufacture is another aspect requiring careful technical examination, particularly in regard to new factories. Consistent with the availability of adequate quantities of limestone at the new locations, the question of adopting the carbonatation process or any other technique which would reduce the requirements of sulphur should be carefully examined. The State Governments should arrange to utilise the entire cane cess collected by the factories for cane development and help to meet the full requirements of early, medium and late ripening varieties of cane to the sugar factories to enable them to work at least for 100 days per season during 1952-53 and 120 days per season during 1953-56. Co-operative societies for cane supply should be reorganised to ensure proper co-ordination between cane cultivators and sugar factory management in the matter of harvesting and supply of cane to the factories. In the event of surplus cane being available in any area, after meeting the full requirements of the existing factories, specific schemes for new factories or substantial expansion of existing units may be permitted after careful examination of each case. Facilities should be given to the industry to secure adequate supplies of machinery for replacement and maintenance and also for stepping up the capacities of the uneconomic units at the time of replacement or modernisation, consistent with the possibility of increased cane supplies being made available in each area.

COAL MINES PROVIDENT FUND SCHEME

MOVE FOR REVISION UNWARRANTED

THE move of the Government of India to bring the Coal Mines Provident Fund Scheme, 1948, in line with the Employees' Provident Fund Scheme, 1952, in regard to recovery of contributions on the basis of basic wage plus dearness allowance, is highly objectionable in the existing circumstances. For, if the intention were to be translated into action, it would seriously affect the economic position of the coal industry which is already bad enough. The existing scheme, as it is, is acting as a serious drain on the resources of the industry. At present, the employer and the worker are each contributing 6¼ per cent. of basic wages. Besides, the employer is required to pay an administrative charge of 5 per cent. of the aggregate contributions, which accounts for 10 per cent. of his own contribution. The industry is, therefore, complaining against this high administrative charge. The Indian Mining Association has urged that the administrative cost should be debited to the Fund and paid out of the interest accruing. Alternatively, it has argued that the administrative cost should be equally shared by the employer and worker, each paying a set percentage of his contribution.

But instead of giving any relief on the lines suggested by the industry, if it is now called upon to bear further burdens, its position will go from bad to worse. The proposed move is indeed deplorable. If the provident fund contributions are recovered on the basis of basic wage plus dearness allowance, it will involve the industry in increased expense of between As. 2½ and As. 3½ per ton of coal produced. On the basis of 36 million tons of coal per annum, the burden on the industry will increase between Rs. 56.2 lakhs and Rs. 78.7 lakhs per annum. Most certainly, the industry cannot bear such an increase in cost, especially now when a number of mining units are on the verge of extinction.

Dividends

It is sometimes argued that dividends paid by some coal companies are so high that the argument that the coal industry is unable to bear any further burden is baseless. But we are afraid that these arguments are based on very wrong premises. It may well be that a few dividends paid appear high when expressed as a percentage on the original capital of the companies concerned, but it is often forgotten that some of these companies are a hundred years or so old and they have for many years been ploughing back their profits into the business instead of wantonly distributing them and, therefore, the original capital bears no relation whatsoever to the sums actually employed in business to-day. The correct yardstick is certainly the aggregate working capital. An analysis of the balance-sheets of many mining companies discloses that their aggregate profits work out to no more than 2½ per cent. of the total working funds, which is indeed small. As such, there is no gainsaying the fact that the industry cannot bear any more burden without relief in other directions. It is stated that contemplation of any measure which increases the burden of the industry without first restoring the 1949 price, which is necessary to make the industry break-even, is unjustifiable on all counts.

CONCILIATION BOARD FOR COAL MINES

The Government of India is expected to announce shortly its decision regarding the setting up of a new board of conciliation for coal mines. Announcing this through a Press Note, the Labour Ministry has asked coal mine workers to reconsider their attitude in regard to their proposed token strike on the issue of the setting of the new board. The Press Note says: "The Government has received information that the workers in coal mines propose to have a token strike on the issue of their request for the setting up of a new board of conciliation. Various demands have been put forward by the trade unions from time to time and these have been under the careful consideration of the Government. The issues are such that they require some time for proper examination of all aspects and while regretting the delay, the Government expects to reach and announce its decision shortly. The Government trusts that the unions concerned will, in the light of this, reconsider its attitude in regard to the proposed token strike."

ALLOTMENT OF WAGONS FOR TRANSPORT OF COAL

The average allotment of wagons for transport of coal from collieries in India to consuming centres during April, 1953, was 3,078 per day, as against 3,116 per day, in the previous month. This discloses a fall of 38 wagons per day. The highest allotment on any day during the month was 3,537 and lowest 2,778. The daily average loadings in Bengal/Bihar coalfields were 3,111 including the supply of uneconomical wagons.

SEVENTH ANNUAL MEETING OF BHARAT LINE LIMITED

MR. C. R. SRINIVASAN'S ADDRESS

PLEA FOR CAPITAL FACILITIES FOR ACQUIRING SHIPS

ADDRESSING the shareholders of the Bharat Line Ltd., at their Seventh Annual General Meeting held at Bhavnagar on the 26th inst., Mr. C. R. Srinivasan, Chairman of the Company, acknowledged the Government of India's assistance by way of loans to shipping companies for purchasing additional tonnage. He, however, felt that the Government should see its way to reduce the rate of interest it charges on these loans, as otherwise it would be difficult for operating companies to take full advantage of the loans. He opined that the need for substantial concessions to the shipping industry would be keenly felt by the companies during the period of the Five-year Plan, and, therefore, offered some valuable suggestions to meet the difficulty.

The following is the full text of Mr. Srinivasan's address:

"GENTLEMEN,

"It gives me great pleasure to welcome you to the seventh ordinary general meeting of the Company. The Directors' report and the audited balance-sheet and profit and loss statement have been in your hands for some time now. I trust, I have your permission to take them as read and proceed to make a few comments on broad aspects of policy.

"In my speech last year, I had stated that it was the policy of your Board to replace old tonnage with fresh tonnage, as and when opportunity occurred, and I had indicated also that two of the Company's ships were due for replacement. One of these, the s.s. *Bharatratna*, has since been sold and delivered to the buyers in March, 1953. In releasing this ship for sale the Government of India have directed us to replace the same within a period of 12 months. This has our attention.

"In addition to the *Bharatvijaya* and *Bharatmitra*, purchased under the Government of India's Ships Purchase Loans Project mentioned in your Directors' report and to which I had referred also in my speech last year, your Directors have purchased under this project a further ship the s.s. *Goalpara*, which joined the Company's fleet in April, 1953. Your Directors have also placed an order with the Visakhapatnam Shipyard for another ship with the assistance of a loan from the Government. This ship is expected to be delivered early next year.

"As pointed out last year, these additions to the fleet have been made without calling any additional capital, the requisite funds being raised through loans to be repaid from current earnings. Your Directors have fully availed themselves of the Government of India's Ships Purchase Loans Project which, in their view, is calculated to give dynamic form to the good intentions of the Government. It may, however, be pointed out in this context that, unless the Government see their way to effecting a substantial reduction in the rates of interest they charge on these loans, it will be difficult for operating companies to take full advantage of the Loans Project.

"The Company has to-day a fleet of 12 vessels of 82,165 d.w.t. (55,117 g.r.t.), besides the one now on order at the Vizag Shipyard of 7,960 d.w.t. (5,130 g.r.t.).

Results of Working

"During the report year, the Company made a gross profit of Rs. 49,59,304-8-11, and, after providing Rs. 45,17,534 as depreciation, your Directors have recommended a dividend of Rs. 5 per share, as against Rs. 4 paid in the previous year.

"The cost of all services continued during the year under report at the previous high levels and in view of the tensions prevailing in other parts of the world which affected shipping in general, there appears to be no immediate prospect of any abatement in our working costs. Freight schedules have been maintained more or less at the levels attained in the previous year. Abnormal delays in the turnround of ships at Calcutta during a period of three months were responsible for considerable loss of earnings. Even so, with watchful care and all-round economy in our spending departments, the Managing Agents have been able to show substantial increase in the Company's earnings which has enabled your Directors to recommend a further increase in the rate of dividend. With the additions to the Company's fleet referred to above, your Directors confidently hope that the improvement will be maintained in the years that lie ahead.

Planned Progress

"The Government of India have not overlooked the claims of the shipping industry in the first Five-year Plan they have placed before the country. With the reservation of coastal trade to Indian-owned tonnage and the desire progressively to participate in the overseas trade, it is but natural that they should have devoted time and thought as to ways and means of expanding Indian-owned tonnage. The Indian National Steamship Owners' Association has made detailed representation in this behalf whenever occasion or opportunity offered and I am glad that some of these suggestions are now being given effect to.

"In the first Five-year Plan, the Government expect to reach a target of about 6,00,000 g.r.t., in 1955-56. Indian-owned tonnage operating in the coastal trade at the end of 1951 was of the order of 2,10,976 g.r.t., Indian-owned tonnage operating in the overseas trade at the end of 1951 was 1,73,424 g.r.t. It is presumed that the additional tonnage contemplated in the Plan will add 1,00,000 tons each for the coastal trade and the overseas trade. In taking note of this additional tonnage, the fact cannot be overlooked that nearly 50 per cent. of the existing Indian-owned tonnage will require to be replaced as soon as possible, if economy and efficiency in service are to be maintained.

"According to the Plan, the Visakhapatnam Shipyard is expected to build about 1,00,000 g.r.t. during the Plan period, quite a substantial part of which will go for replacement of tonnage and only about 40,000 tons may add to the tonnage now operating. The ships from the yard are intended to be sold to shipping companies at standard prices, the difference between the construction cost and the sale price being paid by the Government to the yard as a construction subsidy.

"In order to assist the shipping companies to replace obsolete tonnage operating in the coastal trade and add new units to their fleet the Government propose to provide Rs. 4 crores as loans to shipping companies. The companies are expected to provide a further Rs. 2 crores out of their own resources. Similarly, to assist acquisition of additional tonnage required for overseas trade, the Plan provides Rs. 6.5 crores as Government loans, supplemented by Rs. 2.2 crores to be raised by shipping companies operating in the overseas trade.

Cost to the Companies

"The Plan contemplates that all the 1,00,000 g.r.t., that is roughly about 20 ships of 5,000 g.r.t. each, that might be built by the Yard during the period will be taken by the Indian shipping companies. On the present price basis of Rs. 60 lakhs per ship, the cost of these 20 ships to the companies concerned will be about Rs. 12 crores. If the Plan target of 2,00,000 tons additional tonnage is to be attained, a further 1,00,000 g.r.t. will have to be acquired from the second-hand tonnage market which, on the basis of prices ruling to-day for second-hand ships, namely, about Rs. 36 lakhs per ship, would involve a further capital outlay of Rs. 7 crores.

"Few of the existing Indian shipping companies possess adequate resources of their own to play their allotted part in these expansion schemes and, therefore, the whole of the investment called for, namely, Rs. 12 crores plus Rs. 7 crores, i.e., Rs. 19 crores, would have to be raised by way of shares or loans. In the present state of the money market equity issues either by way of shares or debentures hold little prospect of success. In consequence, the burden of finance will largely fall on the Government and it is hoped that this assistance will be readily forthcoming in public interest.

"In this context, there are two points which call for the Government's attention and their sympathetic consideration. Government loans to shipping companies, to be attractive and usable, should not stipulate the large proportion of the purchase price which the companies are now required to provide in the case of each loan. Government should advance at least three-fourths of the cost of ships purchased, if they cannot see their way to buy the ships themselves and offer the companies long-spread hire purchase terms. Secondly, the loans so far advanced by the Government carry interest at 4, 4½ and 5 per cent. per annum. If these rates are applied to future loans also, the interest alone on the Rs. 19 crores investment called for would amount to Rs. 76 to Rs. 95 lakhs per year. This obviously will impose a very heavy burden on the infant shipping industry. It will be a farsighted and fruitful policy if the Government will give the loans a currency of 20 years, allow the first five years free of interest and charge 3 per cent. per annum from the sixth year when repayment by instalments of one-fifteenth of the whole amount may also start.

Tax Relief Needed

"Apart from the provision of capital facilities for the acquisition of tonnage by Indian companies, the industry itself has prayed for relief from the burden of tax in respect of its stores and bunker oil supplies, but so far no action has been taken in these respects. Now that a planned campaign has been initiated to stimulate and sustain the shipping industry, I hope that auxiliary and ancillary measures to this end will receive due attention and sympathetic consideration. I do not want to detain you with a list of these subsidiary issues which have found detailed enumeration in the memoranda submitted by the shipping interests from time to time. I am only concerned to stress the point now that we are working to a plan and everybody is interested in making the Plan a success.

"The relations between the Government of India and the shipping industry are now on a well co-ordinated level and I am glad that the consultations and conferences between the two so far have yielded satisfactory results and hold promise of further and fuller success in the future. A full-fledged shipping board as recommended by the Reconstruction Policies Committee might have created integrated relations with the Government and materially quickened the pace of progress; but if the Consultative Committee now functioning will serve as well, we shall be content. So far as the Company is concerned, your Directors have steadily pursued a progressive policy, leavened their action with caution and courage, and may be depended on to give of their best in the service of your interests.

Conclusion

"Your Directors have referred to the demise of their former colleague, Mr. N. R. Sarker, who had been one of your first Directors and had to resign from the Board when he joined the West Bengal Ministry in 1948. With his wide experience and knowledge of affairs he was a tower of strength to the Board and even after severing his formal connection with the Company, he continued to take keen interest in the progress of Indian shipping, in general, and our Company, in particular. His unexpected death has created a void in the country not easy to fill. I take this opportunity of expressing my personal loss also, as I had been in intimate friendly relations with him during the past 30 years.

"Our thanks are due to the Managing Agents to whose vigilant and watchful care we owe the Company's heartening progress. Our thanks are also due to Messrs. J. & C. Harrison Ltd., our London Correspondents, for their continued co-operation and help as and when required. I take this opportunity also to express my warm acknowledgments to my respected colleagues on the Board for the uniform help they have extended in the direction of the Company's affairs; and last but not least, may I take this opportunity of expressing the warm appreciation of the Board for the work of the Company's staff, both ashore and floating.

"With these words, I beg to move that the Directors' report and the audited balance-sheet and profit and loss account for the year ended 31st December, 1952, already duly sent to the shareholders, be and are hereby adopted."

DEVELOPMENT OF HOME MARKET FOR TEA

EFFICIENT MACHINERY FOR PROPAGANDA URGED

THE Indian tea industry has so far had three crises within living memory in its history which dates back to the early thirties of the last century. All these three crises have taken place in the last quarter of the century, the first one having come in 1919 after World War I. In a little over a decade after the first crisis—that is in 1930—the industry was faced with a second one. The third one occurred in 1952. The basic causes of all the three crises is over-production. The impetus given by the two world wars and the prosperity of the twenties of this century witnessed a rapid development of the tea industry, in that new areas were brought under cultivation. Consumption of tea, however, did not keep pace with the increase in production, resulting in a precipitous fall in prices. The two earlier crises were overcome by a voluntary restriction of crops in the first instance and by limiting the extension of tea plantation and setting up of a machinery for regulating exports by the three countries, India, Ceylon and Indonesia, under the International Tea Agreement signed in 1933. Between that year and 1951, production of tea in India rose by about 75 per cent. and of that in other countries by about 50 per cent., while imports by consuming countries have risen by only 12 per cent. The alarming fall in tea prices in 1952 has been the cause of much concern to producers in India. The lesson of the previous two crises forced the Indian tea producers in December, 1952, to agree upon a voluntary scheme of crop restriction for 1953. This gave the signal for a rise in prices since the beginning of the year.

The foregoing account of the three crises in the Indian tea industry by Mr. Satyendra Prosad Ray, Member, Council of States, and Chairman of the Indian Tea Planters' Association, Jalpaiguri, in his address at the annual general meeting of the Association held on the 16th inst., seems to be intended as a preface for condoning the Central Government's inaction in rendering help to the extent required by the industry during the last crisis. According to him, the tea industry of India had been presenting a rosy picture ever since the national Government came into office, and the Central Government had such complete confidence in the capacity of the industry to weather any storm by the strength of its own organisation that, in the early stages of the tea crisis, it had not taken it so seriously as it would otherwise have done. He found that the circumstances and the results of the crisis had served to awaken the consciousness of the Government about the innate weakness of the industry. He felt confident that it would be more appreciative of the industry's difficulties than it had been in the past. The latest "gesture" shown by the Government in reducing the excise duty on tea payable when it leaves the gardens from As. 3 per lb. to an anna seems to have induced Mr. Ray's faith in Government's appreciation of the industry's difficulties.

The tea estates' decision to restrict production was not considered by Mr. Ray as a permanent remedy to overcome the crisis. It was an artificial one as it arrested the industry's natural progress. Further, its success even in the fulfilment of its immediate objective was dependent on the co-operation of other producing countries by toeing the line; but that was extremely problematic in the complex world conditions of to-day. He, therefore, stressed the need for carrying on intense propaganda, both in India and abroad, for consumption of tea. The void created by India's withdrawal from the International Tea Market Expansion Board was to be filled by setting up a suitable machinery with the least possible delay for continuing the functions of the Board.

The dependence of Indian tea on foreign markets to the extent of 75 per cent. of the production was considered by Mr. Ray as the basic weakness of the industry. "So long as the export markets remained unsaturated," he said, "the industry had a career of prosperity; now with the world production exceeding the world demand, the industry has been confronted with a crisis, which has shaken it to its very foundation." He viewed with concern the "weaknesses" of the industry from a long-term point of view. For, if Britain, which alone consumed 50 per cent. of Indian tea, were to change its habit or if the other producing countries succeeded in ousting India substantially from this stronghold, the Indian tea industry would topple down like a house of cards, he said. He, therefore, wanted to develop a strong home market, which offered vast potentiality, along with our efforts to develop overseas markets.

At present Indian consumption runs to about 150 million lbs. or 0.42 lb. per head. If this could be raised to a *per capita* consumption of 1 lb., the internal market would absorb an additional 200 million lbs. In such cases, Mr. Ray added, there would be no need at all for restricting production of Indian tea. On the contrary, he averred, a splendid field would be opened out to the industry for its legitimate expansion. With an assured home market for over 50 per cent. of its production, the industry would stand on firm ground and would have enough capacity in reserve for competition in foreign markets. Mr. Ray, therefore, urged upon the Government to concentrate its efforts on building up an efficient propaganda organisation to increase consumption of tea in India.

The tea crisis has brought to light the plight of estates with area of less than 500 acres. Before the second crisis of 1930, conditions were favourable for the growth of small tea estates. Prices of raw materials were low and uncontrolled; labour was cheap and contented. There was also an assured market for tea. So even an estate of 150 acres with its own factory was considered an economic unit, with ability to pay its way and give a far return on the capital invested. But there was a change in conditions after the second crisis. However, these small units were able to get on because tea continued to enjoy a sellers' market. Circumstances changed considerably since the latest crisis. With a fall in prices, these small estates found the incidence of costs heavier. As compared with larger estates, the smaller units were found to suffer with an enhanced cost of As. 2 to As. 3 per lb. With the proposed cut in production and fine plucking, the difference in costs between the high and low producing units will increase, and the latter will be faced with the problem of survival. The Indian Tea Planters' Association has, therefore, submitted a memorandum to the Central Government emphasising the need of State aid for the development of uneconomic units, as without such aid these will, in course of time, be completely extinguished. The memorandum has proposed a limit of 500 acres for the expansion of these estates either singly or in groups, according to their geographical condition and other factors. The rehabilitation of these gardens, according to the memorandum, would necessitate an extension of plantations not exceeding 60,000 acres, which might in the course of the next 15 years, result in an additional production of 60 million lbs. of tea or 10 per cent. over India's current potentiality. Mr. Ray sees, therefore, no reason why, with an increase of 200 million lbs. in home consumption, and with a rise in the standard of living, this additional production of the rehabilitated small estates should not be absorbed.

TEA BILL

In our issue dated 18th May, 1953 (*vide* page 883), it was stated that the Chairman of the Tea Board, contemplated by the Tea Bill passed by Parliament recently, would be elected instead of being nominated. We are now informed that the amendment accepted by the Government was in regard to the election of the Vice-Chairman of the Board, and not to that of the Chairman, as stated by us. The Vice-Chairman of the Board will now be elected from among the members of the Board, instead of being appointed by the Government as originally provided in the Bill. The Chairman of the Board will, however, be appointed by the Government by notification.

(*Concluded from next column*)

balance being imported. The Company proposes to increase its plant capacity to 1,100 looms at an investment of approximately LE. 3,000,000 with a view to achieving, within a few years, production of the total Egyptian requirements for twilled and hessian packings. According to a director of the firm, the amount of LE. 3,000,000 would make possible construction of a factory housing 1,000 modern looms and provide operating capital of LE. 500,000. The proposed development has been discussed with the Egyptian Minister of Finance, and the Egyptian Government is said to have promised all possible co-operation to attract foreign capital participation.

INDIAN JUTE INDUSTRY

DEMAND GATHERS VOLUME

IN the course of his address to the Export Advisory Council on the 23rd inst., Mr. T. T. Krishnamachari, Minister for Commerce and Industry, expressed confidence in the future of the jute industry. He said that the demand for jute goods was not a static thing. He added that with the economic progress taking place all round in the backward countries, no less than in advanced countries, the total demand for jute goods in the years to come was likely to increase rather than decrease. He welcomed the efforts of the Indian Jute Mills Association towards developing direct contacts with the consuming markets, by sending missions to the U.S.A., Canada, the U.K., Australia and New Zealand, for exploring avenues for increased marketing of Indian jute goods.

The observations of Mr. Krishnamachari make encouraging reading in view of the fact that the industry till very recently had been facing one of the worst crises in its history with poor offtake of its goods, sharp decline in prices and heavy accumulation of stocks. The effect of this is seen in the export figures given by the Minister. Thus India's exports, at 705,000 tons of jute goods in 1952-53, have been the lowest on record since 1947. Further, they reveal a decline of 100,000 tons as compared with the exports in the previous year, namely, 1951-52. But a silver lining to the cloud is seen in the fact that, even in this bad year, the country was able to improve its exports to dollar countries from 254.000 tons in 1951-52 to 304,000 tons in 1952-53. Besides, the crisis in prices, particularly of the raw material, which had existed in the beginning of the year is almost a thing of the past. The price trends are once again favourable. There has been considerable demand for hessian from Argentina and for sackings from the Middle East including East Africa and West Africa. Australian orders are expected to pour in, and according to the Indian jute mission which recently returned after a four-week tour of Australia and New Zealand, there is a "secure and expanding market" for Indian jute goods there. The market can be assured for Indian jute goods only if India could guarantee regular supply of goods at stable prices. Latest indications are that the stocks of jute goods in overseas countries, especially in Europe and the U.K., are fast depleting. This is in evidence by the large orders being placed for jute goods with Dundee mills in the U.K. If the present state of affairs were to continue, it would not be difficult to recover the loss in exports of 100,000 tons of jute goods referred to above.

It was in view of these considerations that Mr. Krishnamachari observed at the meeting above that outbursts of optimism followed by periods of pessimism had become a chronic feature of this industry, and he reminded the industry not to let short-term fluctuations obsess the enthusiasm of jute interests. To quote him: "It will not do to cry wolf every time the price of raw jute goes down or stocks of jute goods go up. Let us, instead, look ahead, take long-term problems and make a determined effort to expand our exports of jute goods."

There is a feeling that paper and cotton and even bulk handling might replace jute manufacture in course of time. But this feeling is born out of this misconception. Jute goods can certainly hold their own against all these substitutes provided they are advantageously priced in relation to their substitutes. Moreover, every effort should be made to erase violent fluctuations in the prices of jute goods which have been responsible recently for the inroads of paper, textiles, etc., into their province. As such, the need of the hour is harnessing every effort for stabilising prices of jute manufactures at a level which will be within the purchasing power of the consumer. The price of Indian jute manufactures can be brought down to a considerable extent provided the jute mills are rationalised. This will help India to expand markets for its jute goods and thus eliminate all chances of substitution.

EGYPT AIMS AT BAG SELF-SUFFICIENCY

Egypt is said to be planning for near self-sufficiency in its bag requirements during the next few years. The Egyptian Jute Company, the only jute mill at present in operation, has invited U.S. capital investment for purposes of expansion. The mill has 110 looms and supplies about 8 per cent. of Egypt's requirements of fibre bags, the

(*Continued in previous column*)

COMPTOIR NATIONAL D'ESCOMPTE DE PARIS

(FRENCH BANK)

(*Incorporated in France with Limited Liability*)

BALANCE SHEET OF INDIAN BRANCHES AS AT 31st DECEMBER, 1952

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. **Capital**—Deposited with Reserve Bank of India under Section 11 (2) of the Banking Companies Act, 1949, Government Securities of the face value of Rs. 20,50,000 included in Investments on the opposite side	Not applicable 20,50,000 0 0	
2. **Reserve Fund and Other Reserves**	Not applicable	
3. **Deposits and Other Accounts**—		
Fixed Deposits	76,79,228 3 6	
Saving Bank Deposits	Nil	
Current Accounts, Call Deposits, Contingency Accounts, etc.	2,60,88,976 13 10	3,37,68,205 1 4
4. **Borrowings from Other Banking Companies, Agents, etc.**—		
(i) In India	Nil	
(2) Outside India	Nil	Nil
5. **Bills Payable**		2,64,305 14 1
6. **Bills for Collection Being Bills Receivable** as per contra—		
(i) Payable in India	37,94,898 2 10	
(ii) Payable outside India	36,02,771 8 3	73,97,669 11 1
7. **Other Liabilities**—		
Branch Adjustments (In India)	97,147 12 0	
Head Office and Foreign Branch Balances	69,08,635 9 4	
Unexpired Discounts	16,991 8 4	
Pension and Provident Funds	2,27,858 4 2	72,50,633 1 10
8. **Acceptances, Endorsements and Other Obligations** per contra		1,10,85,826 0 4
9. **Profit and Loss**—		
Profit for the year 1952	3,82,888 8 8	
Less—Merged with Head Office and Inter-Branch Balances	3,82,888 8 8	....
10. **Contingent Liabilities**—	Rs. a. p.	
(i) For Bills of Exchange rediscounted, all of which have run off	47,159 3 6	
(ii) For Outstanding Forward Exchange Contracts	78,59,962 0 0	
(iii) Guarantees given on behalf of others (including Rs. 14,500 guarantees given on behalf of Bank's Officers)	11,72,889 5 9	
(iv) On Partly-paid Shares of a Joint Stock Company	3,500 0 0	
(v) Other	95,000 0 0	
Total .. Rs.		5,97,66,639 12 8

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. **Cash**—		
In hand and with Reserve Bank of India and Imperial Bank of India (including Foreign Currency Notes)		29,59,572 2 11
2. **Balances with Other Banks on Current Accounts**—		
(i) In India	3,08,535 0 1	
(ii) Outside India	10,83,746 1 4	13,92,281 1 5
3. **Money at Call and Short Notice**		82,00,000 0 0
4. **Investments** (at market value)—		
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	60,98,836 9 0	
(ii) Shares—Partly-paid Shares—unquoted	Written off	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold	Nil	60,98,836 9 0
(Securities of the face value of Rs. 20,50,000 deposited with Reserve Bank of India under Section 11 (2) of the Banking Companies Act, 1949, and of Rs. 4,500 as deposit with Post and Telegraph Offices, Treasury Bills of the face value of Rs. 1,00,000 deposited with Reserve Bank of India as a security against guarantees given on behalf of clients to Government Departments)		
5. **Advances**—		
(Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)—		
(I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India 1,28,13,638 0 9		
(ii) Outside India .. 900 0 0	1,28,14,538 0 9	
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India .. 17,72,285 4 3		
(ii) Payable outside India .. 64,62,885 1 6	82,35,178 5 9	
(Including Rs. 10,22,565-9-9 due by Foreign Banks who have no branches in India)		2,10,49,711 6 6
(Particulars of Advances as per attached Schedule)		
6. **Bills Receivable Being Bills for Collection** as per contra—		
(i) Payable in India	37,94,898 2 10	
(ii) Payable outside India	36,02,771 8 8	73,97,669 11 1
7. **Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		1,10,85,826 0 4
8. **Premises Less Depreciation** .. (Transferred to Head Office Accounts)		....
9. **Furniture and Fixtures Less Depreciation** ..		Written off
10. **Other Assets**—		
Head Office and Foreign Branch Balances	10,11,949 11 3	
Interest accrued on Investments	31,660 0 0	
Other Interest Receivable	9,560 1 8	
Advance Payment of Income-tax	4,53,153 0 0	
Stamps	2,055 6 6	
Prepaid Expenses and Charges recoverable	60,824 10 0	
Deposits	3,540 0 0	15,72,742 13 5
11. **Non-Banking Assets Acquired in Satisfaction of Claim** ..		Nil
Total .. Rs.		5,97,66,639 12 8

Schedule of Particulars of Advances required by the Banking Companies Act, 1949 (Act X of 1949), attached to and forming part of the Balance Sheet as at 31st December 1952

PARTICULARS	Rs. a. p.	PARTICULARS	Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured	1,64,02,648 5 5	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other person	8,660 0 4
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	29,97,473 5 7	(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	....
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	16,49,589 11 6	(vii) Maximum total amount of advances including temporary advances, made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	17,034 8 0
(iv) Debts considered doubtful or bad, not provided for	Nil	(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	....
		(ix) Due from Banking Companies	6,89,008 10 9
Total .. Rs.	2,10,49,711 6 6		

Dr. **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1952** *Cr.*

EXPENDITURE	Rs. a. p.	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
1. To Interest paid on Deposits, Borrowings, Head Office and Foreign Branches Accounts, etc.	9,31,494 4 1	1. By Interest and Discount including from Head Office and Foreign Branches	17,41,821 2 2
2. ,, Salaries and Allowances and Provident and Pension Funds (Salaries and Allowances to Manager of Principal Office in India, excluding Bonus Rs. 5,200, Rs. 57,873-14-8)	8,86,880 13 0	2. ,, Commission, Exchange and Brokerage	12,57,663 3 4
3. ,, Directors' and Local Committee Members' Fees and Allowances	Nil	3. ,, Rents	Nil
4. ,, Rent, Taxes, Insurance, Lighting, etc.	92,145 9 2	4. ,, Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
5. ,, Law Charges	8,251 4 0	5. ,, Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. ,, Postage, Telegrams and Stamps	37,691 13 8	6. ,, Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
7. ,, Auditors' Fees	5,400 0 0	7. ,, Other Receipts	8,960 0 0
8. ,, Depreciation on and Repairs to the Banking Company's Property	Nil		
9. ,, Stationery, Printing, Advertisement, etc.	37,359 9 8		
10. ,, Loss from Sale of or Dealing with Non-Banking Assets	Nil		
11. ,, Other Expenditure (including Provision for Income-tax and Head Office Supervision Charges)	6,25,332 7 8		
12. ,, Balance of Profit	3,82,888 8 8		
Total .. Rs.	30,07,944 5 6	Total .. Rs.	30,07,944 5 6

M. MINNE,
Manager for India.

REPORT OF THE AUDITORS

We have audited the foregoing Balance Sheet of the Indian Branches of Comptoir National d'Escompte de Paris, as at 31st December, 1952, and also the foregoing Profit and Loss Account for the year ended on that date, in which are incorporated the audited returns of the Calcutta Branch, and report that:—

(a) we have obtained all the information and explanations which we have required;

(b) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;

(c) such Balance Sheet exhibits a true and correct view of the state of the Branches' affairs according to the best of our information and the explanations given to us and as shown by the books of the Branches; and

(d) in our opinion books of account have been kept by the Branches as required by Section 130 of the Indian Companies Act, 1913.

(Sd.) A. F. FERGUSON & CO.,
Chartered Accountants.

BOMBAY, 14th April, 1953.

INDIAN IRON AND STEEL INDUSTRY

PROSPECTS FOR WITHDRAWAL OF IRON AND STEEL CONTROL BLEAK

ADDRESSING a meeting of the Indian Council of Economic Affairs at Calcutta recently, Mr. C. R. Natesan, Iron and Steel Controller, declared that the Government of India was not keen on continuing iron and steel control and that the moment it was satisfied that the supply was catching up demand the control would be abolished. Although the statement appears to be encouraging, the statistics provided by Mr. Natesan indicates that it is unlikely that control will be done away with in the near future. However, the possibilities of further relaxation of controls on certain items of iron and steel in which the country has reached, or is on the point of reaching, the state of self-sufficiency, may not be ruled out. The estimated demand in the country for steel is 2.5 million tons while production accounts for slightly over a million tons. It is true that imports are permitted freely, but they account for only about 250,000 to 300,000 tons a year on account of their exorbitant price. The price of imported steel is higher by about Rs. 50 to Rs. 200 per ton.

Mr. Natesan availed himself of the opportunity to review the present position and prospects for expansion of the iron and steel industry in India. Although this review covers somewhat familiar ground, the refreshing manner in which he has presented the picture along with comparative statistics makes interesting reading. Consumption of steel in India is very low, as compared with that in the highly advanced industrial countries of the world. As against the *per capita* consumption figure of 1,300 lbs. in the U.S. and 630 lbs. in the U.K., the consumption in India is only 12 lbs. On the production side too, it is the same tale. As against 120 million tons per year in the U.S., 17 million tons in the U.K. and 35 million tons in the U.S.S.R., it is just over a million tons per year in India. And this state of affairs is extremely deplorable especially in view of the fact that India has large deposits of high grade iron ore and considerable quantities of other suitable raw materials including metallurgical coal, limestone and the like. Clearly, the reason why India has lagged behind other countries in steel production is paucity of finance.

Expansion Schemes

The Five-year Plan provides for development of steel industry. The implementation of the expansion schemes of Tatas and the Indian Iron and Steel Company—the two major iron and steel producers—is expected to increase the capacity of finished steel in India to 1.6 million tons in 1956-57. This leaves a deficit still of one million tons to catch up India's steel requirements by domestic production. The Tata Scheme proposes to increase its production from the existing capacity of 750,000 tons per annum to 950,000 tons. The estimated cost of expansion works is Rs. 35 crores. The newly amalgamated Indian Iron and Steel Company will step up its production from the existing 280,000 to 650,000 tons a year, besides the setting up of a blast furnace capable of producing about 450,000 tons of pig iron every year. The cost of the expansion plan is estimated at Rs. 35 crores. The Bhadravati Iron and Steel Works, Mysore, has also an expansion scheme to step up its production from the existing 40,000 tons to 100,000 tons a year.

So far as the Tata Iron and Steel Company is concerned, the major portion of the amount needed for expansion will be met by its own resources and the balance from the Equalisation Fund with the Government of India. To finance the expansion of the Indian Iron and Steel Company, already a World Bank loan of Rs. 15 crores has been negotiated. The remaining portion of Rs. 20 crores will be met, to a large extent, by Government loans, the rest being made up by the Company's own resources.

An important feature of the Tata Iron and Steel Company is the proposed manufacture of strips for making pipes for which India is entirely dependent upon foreign imports. With Tatas launching its project, India can hope to be self-sufficient so far as this item is concerned. There is also a scheme formulated by Bharatiyas, National Iron and others, for manufacturing certain high-grade alloy steel which the country so badly needs to-day. Mr. Natesan welcomed this scheme and emphasised that it would be in the interest of everyone if the Association of Engineering Industries could bring about co-ordination in the schemes for the manufacture of high-grade alloy steel to avoid any possible duplication.

New Steel Works

The Five-year Plan provides for the setting up of a new steel works within six years from the date of announcement of the Plan. It will be remembered that as early as in 1948, the Government appointed three eminent steel firms, two from the U.S. and one from the U.K., to make a survey of the position in India and submit reports to the Centre in this matter. These three firms submitted their reports early in 1949, but owing to lack of finances, no action was taken on them. As some of the foreign firms as well as the World Bank evinced keen interest in the new project, the Government appointed a technical mission consisting of Dr. Lambert, representative of the World Bank, Mr. E. W. Hill, a representative of Koppers Inc., and of the Government of India to investigate into this matter some time back. The Mission submitted its report to the Government recently which is now under its active consideration. Alluding to this aspect, Mr. Natesan said: "You may rest assured that Government is fully alive to the need for the new steel works and will do all in its power to set up the plant at the earliest possible time."

Asked whether the technical mission had given any estimate of the capital cost of setting up the new steel plant, Mr. Natesan said that the cost would depend to a considerable extent upon the site chosen for it. He, however, thought that India could have this new steel works established at a cost of about Rs. 60 to Rs. 70 crores. He was of the opinion that what India needed was flat products like sheets and plates. The Technical Mission had recommended to the Government that a mill for manufacturing flat products should be installed as part of the new steel plant scheme.

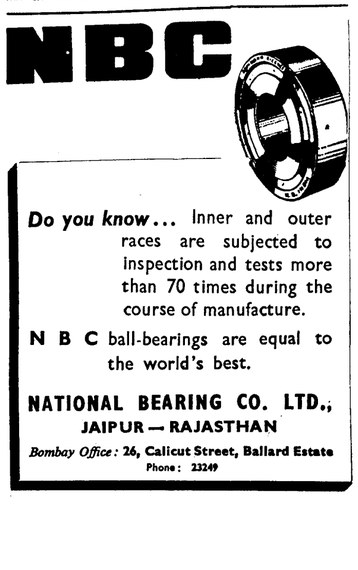
Answering a question as to whether the Mission had suggested any site for the new steel plant, Mr. Natesan said that it had discussed various alternative sites but had not made any definite choice in its recommendations. The intention of the Government was to leave the matter open at present, and if any foreign firm or the World Bank came in with sufficient capital, it would be consulted and given a choice for the selection of site for the plant, he added.

INTERNATIONAL EXHIBITION OF LOW-COST HOUSING

Early next year, New Delhi will be a centre of world-wide interest on matters relating to cheap housing. During January and February, 1954, it will be the venue of an International Exhibition of low-cost housing, a seminar on housing to be held by the United Nations Technical Assistance Administration, and a Regional Conference of the International Federation for Housing and Town Planning. India will also be the host for the second meeting of the E.C.A.F.E. Inter-Secretariat Working Party which will discuss housing.

The Exhibition will primarily be concerned with showing, through various ways and media, the advances made in different parts of the world in low-cost housing. The most important exhibits will be full-scale model houses for rural and urban areas. These houses will be put up by and at the cost of participating Governments or private *entrepreneurs*. The Government of India will, in suitable cases, provide local materials and unskilled and semi-skilled labour necessary to construct houses at the cost of the exhibitors. The upper limit of the cost of a house has been fixed at Rs. 5,000. The aim will, however, be to build cheaper houses.

It is hoped that the participating foreign countries and the different States in India will be able to leave behind their full-scale housing exhibits on the site. These will form a permanent museum of low-cost housing.



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USE OF LIGNITE IN IRON AND STEEL INDUSTRY

Lignite can be utilised in the direct reduction processes in the iron and steel industry, according to recent investigations carried out under the auspices of the Lignite Investigation and Development Department, Government of Madras.

High grade coking coal is largely used at present for the production of iron and steel from iron ores. Indian resources of good coking coal are limited and this quality coal occurs mostly in Bihar. Iron ore occurs in a number of places in India where coking coal is not available, and unless an alternative to coking coal is made available, the economic production of iron and steel is not practicable in these regions. The recent investigation, therefore, is of great interest, especially in the case of the Madras State were lignite and iron ores occur in close proximity to each other.

The reactivity of the different forms of lignite examined for their efficiency as reducing agents is found to depend on the treatment they have undergone prior to their use. Steam-dried lignite is more reactive than natural lignite and oven-dried is as reactive as steam-dried lignite.

COACH BUILDING FACTORY AT PERAMBUR

A delegation from the Swiss Car and Elevator Corporation has arrived in India to finalise an agreement with the Centre for the supply of machine tools and plants for building all-steel lightweight railway coaches at the Integral Coach Factory, Perambur. Dr. D. V. Reddy, Deputy Chief Mechanical Engineer of the Integral Coach Factory, who was deputed by the Government of India to study, on the spot, the technique of lightweight coaches in the U.K., France, Italy, Germany and Switzerland and to assess the machinery requirements of the Factory in collaboration with the Swiss Corporation, has just returned to India. While in Switzerland, he is stated to have made a special study of the design of coaches built by the Swiss Corporation, as coaches of the same type would be built at Perambur. The Swiss Factory, it may be noted, has built for India 100 all-steel lightweight coaches, of which 50 have already been received and are running on Indian railways.

The Railway Budget for 1953-54 has provided a sum of Rs. 1.3 crores for the construction of the Integral Coach Building Factory at Perambur. The construction of the Factory, which was taken in hand towards the end of 1951-52, is progressing fairly well. The total estimated cost of the project is Rs. 4 crores approximately. The Factory building is likely to be completed by the middle of 1954. The target of the Factory is 350 coaches a year.

UTILISATION OF LOW GRADE MANGANESE ORES

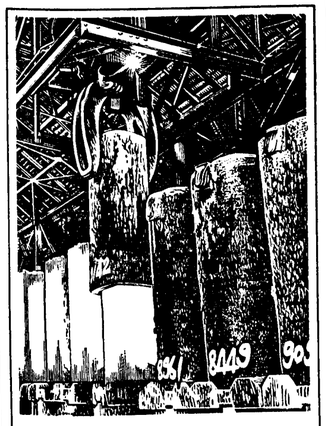
A method for the utilisation of low grade manganese ores has been evolved at the National Metallurgical Laboratory, Jamshedpur. Manganese ore containing over 40 per cent. manganese and a very low phosphorus content—less than 0.3 per cent.—is required for the production of ferro-manganese. Such high grade manganese ore is generally hand-picked from the manganese ore burden after blasting, leaving the low grade ore which has no prospect of commercial utilisation. The process developed at the National Metallurgical Laboratory consists in separating iron from the low grade manganese ore by thermal reduction. A slag rich in manganese is obtained which can be used for the production of ferro-manganese, which is an important element in the composition of industrial steel.

CONTROL OVER ATOMIC ENERGY

The Government of India has announced new controls over five substances, used in the production of atomic energy, namely, radium, zirconium, graphite, lithium and deuterium. According to them, no person can deal in any of these substances or in any plant designed for the production and use of atomic energy without Government licence. Substances already controlled by the Government under the Atomic Energy Act of 1948 are uranium, thorium, plutonium, neptunium and beryllium. The new order also extends Government control over 10 other minerals from which atomic substances can be obtained, namely, pitchblende, columbite, samarskite, uraniferous allanite, monazite, ilmenite, zircon, rutile, beryl and uranium-bearing tailings left over from ores after extraction of copper or gold.

TOURIST OFFICE FOR SRINAGAR

The Union Ministry of Transport has opened a Tourist Office in Srinagar in view of the importance of Kashmir as a focal point of tourist interest. This is one of the chain of offices which the Government of India has proposed to establish in important tourist centres in the country to promote tourism. The Srinagar Tourist Office will have a film exhibition room, where films of tourist interest and informative documentaries will be shown. It will also have a library of books on Indian culture and history. It may be noted that last year, 13,100 tourists visited the Kashmir Valley, as against 10,579 in 1951 and 6,783 in 1950.



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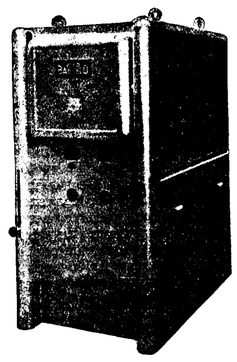

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INSURANCE POLICIES UNDER ESTATE DUTY BILL—II

NEED FOR MODIFICATIONS URGED

THERE are three clauses in the Estate Duty Bill which deal specifically with insurance policies and annuities. These are clauses 14, 15 and 16. Of these, clause 14 deals with policies kept up for donee and the rest with annuities. Clauses 15 and 16, which deal with annuity or other interests purchased or provided by the deceased, are intended to prevent a person from escaping estate duty by reducing his estate, during his lifetime, by money or money's worth paid as premiums which, after his death, reappear in the form of a beneficial interest accruing or arising on death. It is necessary to consider the effect of clause 14 on insurance, for it refers to the general class of policies taken out by insured in this country.

Clause 14 brings under charge the money received under a life insurance policy kept up by a person for the benefit of the donee. The premium may be payable by the person out of any property settled by him or out of income arising under a settlement made by him. If it is only a part of the premium that is so paid, then it is only the proportionate amount received under the policy that will be taken for purposes of the levy of the duty. Referring to this clause, Mr. Gupta says:

"In India, most of the policies taken are kept up for the benefit of the donee but the premiums are met by the donor himself. In all such cases, therefore, the policy moneys would be subject to duty. In England and other foreign countries, in a large number of cases, the donees, who may generally be the wives, have separate properties from which they are able to meet the premiums and the policy moneys that they so get are not subjected to death duty. In view of the provisions of this clause, whatever benefits were conferred on the policyholders under clauses 9 and 10 have been mostly taken away."

Criticism of Clause 14

Clause 14 has been criticised on the ground that, while it has been lifted from the English law on the subject, the authors of the Bill have not made sufficient allowance for the difference between the conditions in the two countries. It would appear that this point was stressed by the Indian Life Assurance Offices Association in the representation on the Bill which it submitted to the Government. The chief difference between the Indian and British practices is that whereas it is fairly common in the U.K. for the wife to have separate property and separate income wherewith she would be in a position to pay the premiums on a policy gifted to her by her husband, there are very few men in India, whose wives are in such a fortunate position. It is further pointed out that even in the case of policies where a nomination or assignment in favour of a donee was made two years before the death of a policyholder, the premium subsequent to the date of gift will be actually paid by the policyholder himself with the result that the benefit of clause 9, namely, exemption from estate duty, will not be available in actual practice. Perhaps, this anomaly is only one of the many others which must result from transferring a legislation, developed in one particular national context, to another country.

Exemptions

Clause 32 deals with exemptions, that is, property on which no estate duty is payable. From the point of view of insurance business as well as from that of property holders, in general, the following exemptions are noteworthy:

Property taken under a gift made by the deceased for a public charitable purpose within a period of six months from his death, to the extent of Rs. 2,500 in value;

Property taken under a gift made by the deceased for any other purpose within a period of two years before his death, to the extent of Rs. 1,500 in value;

Moneys payable under one or more policies of insurance effected by the deceased on his life for the purpose of paying estate duty or assigned to the Government for the said purpose, to the extent of the amount of duty payable;

Moneys payable under one or more policies of insurance effected by the deceased on his life, to the extent of Rs. 5,000;

Gifts made by a deceased parent or natural guardian in consideration of the marriage of any of his female relatives dependent upon him for the necessaries of life, or moneys earmarked for such purpose under policies of insurance or declarations of trust or settlements effected or made by the deceased, to the extent of Rs. 5,000 in respect of the marriage of each of such relatives.

Gifts to Relatives

The exemption of moneys payable under policies which are clearly designed to provide funds for the payment of the estate duty is indeed a notable provision. Indian insurers will do well, when the Bill becomes law, to bring the significance of this provision to the notice of all those who are likely to leave behind properties of the value which would attract estate duty. However, the exemption limit in the case of insurance policies is very small. And there is scope for making the provision relating to gifts to female relatives more liberal than it is at present. In his closely reasoned minute of dissent, appended to the Select Committee Report on the Bill, Mr. Tulsidas Kilachand, member of the Committee, says:

"The exemption in respect of moneys payable under one or more insurance policies effected by the deceased on his life has been limited by the Select Committee to Rs. 5,000. The limit should be raised to Rs. 25,000. This will give a fillip to insurance companies apart from being necessary from the point of view of the family of the deceased.

"The Select Committee have provided that in the case of gifts made in consideration of marriage by a deceased parent or a natural guardian in respect of each female dependent, an exemption should be granted to the extent of a sum not exceeding Rs. 5,000 for each person. The exemption would be available not only for gifts but also for moneys earmarked for such purposes under policies of insurance or declarations of trust or settlements made by the deceased. It is necessary to extend this relief to male members also and it is also necessary to provide for exemption of education expenses of any member of the family or a dependent person, if necessary, a limit of Rs. 5,000 might be placed for exemption in respect of educational expenses also."

Clause 33 of the Bill deals with aggregation of property for purposes of the levy of estate duty. Under this clause, all property, excluding the property for which exemption limit has been fixed (that is, Rs. 50,000 in the case of Hindu joint families and Rs. 75,000 in the case of others) but including property exempted from the duty under clause 32, will be aggregated so as to form one estate. The following [clause 33 (4)] is the relevant section for purposes of computing the duty on an estate which includes exempted property:

Where an estate includes any property which is exempt from estate duty, the estate duty leviable on the property which is not so exempt shall be an amount bearing to the total amount of duty which would have been payable on the whole estate had no part of it been exempted the same proportion as the unexempted value of the property bears to the value of the whole estate.

For the purposes of this sub-section property which is exempt from estate duty means any property which is exempt from estate duty under section 32 and also any agricultural land situate in any State not specified in the Schedule.

No Real Relief

The proviso to clause 33 allows that any property in which the deceased never had any interest will not be aggregated with any other property but will be an estate by itself and the duty will be leviable at the rate or rates applicable in respect of the principal value thereof. It is true this proviso would exempt from aggregation life assurance policies which are absolutely and irrevocably nominated from their commencement in favour of another person. It would, however, appear that the relief would apply only to the policies taken out under the Married Women's Property Act for the benefit of a person's wife and/or children. Since nominations are not generally made under this Act but only under the Insurance Act (under which nominations are neither irrevocable nor absolute), it is feared that the relief, that is sought to be given, will not be available to a large number of policyholders. It is further stated that the relief might not be available to persons who have taken out insurance policies before the commencement of the Estate Duty Act. The Indian Life Offices' Association, it is stated, has, therefore, emphasised that the relief envisaged in this proviso to clause 33 will prove illusory in actual practice.

It would thus appear that the Estate Duty Bill contains provisions which might conceivably affect the growth of insurance business in India. The need for preventing the incorporation of clauses which might have a deleterious effect on insurance, cannot be overemphasised. In this connection, Mr. Gupta says:

"While drafting the provisions relating to the life insurance policies the essential difference between the estate represented by investments and that represented by the proceeds of the life insurance policies has not been kept in the Bill. In the case of life assurance policies, some amount by way of premium is set apart every year in a spirit of self-denial and love for children so that they may at least be able to meet their barest necessities, in case of their parents' premature death. If estate duty is payable even on such policies the incentive to buy policies would considerably diminish from the very feeling that a part of it is likely to be taken by the State in the form of duty. Already, insurance consciousness in this country is very low as compared to other advanced countries. It is very evident from the fact that, while in India *per capita* insurance was Rs. 21, it was Rs. 7,500 in the U.S.A. In order that life insurance should be able to afford social security in the form of provision for one's old age and for the family in the event of his premature death, it is very necessary that life insurance policies should be exempted from death duty or at any rate, policies upto a fairly large denomination should be exempted from payment of death duties."

Insurance and Investment

Both Mr. Chakravarti and Mr. Sesha Ayyar have urged, in the course of their papers read at the recent Insurance Conference, the need for special and liberal exemptions for insurance policies from the scope of the Bill. Thus, Mr. Sesha Ayyar says:

"It will be easily appreciated that there is a difference between assets represented by investments and an estate arising out of the proceeds of life insurance policies. In the case of the former the investor gets the use of his investments during his lifetime while a life insurance policy is taken for a specific purpose and is properly regarded as an economic and social necessity. A periodical sum is set aside which accumulates and makes good the financial loss to a family in case of the premature death of the breadwinner. This differentiation has been recognised and in order to encourage thrift through life insurance, insurance premia are exempt from the levy of income-tax subject to certain limits. It is only reasonable to expect that this principle should apply to proceeds of life insurance policies in relation to estate duty; the Bill does not provide for exemption even to a reasonable extent."

Mr. Chakravarti too strikes the same note when he says:

"People of this country are yet to be taught the utility of insurance. Everyone will agree with me that insurance business in India is still lagging behind. All facilities are to be extended to every policyholder so that persons at large may be interested in policies in order to cover full risk on their lives. But instead of encouraging the policyholders in every respect, if more restrictions come in and duties like this are charged on policies, it is apprehended, there will be a great setback in insurance business that can enhance the social service and industries in the State."

Special Consideration Needed

The need for special consideration for insurance policies arises from two considerations. In the first place, insurance habit has, as is well known, still to spread to many sections of our people. Secondly, it would be unwise to import *in toto* the estate duty legislation from other advanced countries without making suitable alterations to meet India's special needs. After all, it must be remembered that in the West, the State takes upon itself a large proportion of the responsibility for providing relief against death of the breadwinner and old age, whereas, in India, this responsibility has almost entirely to be borne by the individual citizen. It is, therefore, essential to see that nothing is done to impair the chances of the individual citizen providing, by his own unaided effort, against contingencies such as death and old age. If the Government in this country cannot take upon itself the entire responsibility for providing social security to all its citizens—the Government cannot accept this responsibility at the present stage of the country's economic development—it should not, even unwittingly, discourage the spread of insurance habit. On the other hand, a special responsibility is cast upon the State to see that sufficient encouragement is given to private insurers in order that the latter might be enabled to evolve the best forms of security, at reasonable cost, for the benefit of the people. It is, therefore, to be hoped that the Government will give its earnest attention to the problem which the Bill, in its present form, creates for the insurers, and that it will introduce, during the passage of the Bill through Parliament, such amendments as might be necessary for purposes of removing the disincentive effects of the Bill on insurance business in India.

• • • •

In last week's article on the subject, "Insurance Policies under Estate Duties Bill," the number of the clause relating to joint investments is 13 and not 14, as stated therein.

BORROWING ON LIFE POLICIES

A healthy economic sign in Australia is the comparatively small amount of borrowing on life policies, the Chairman of the Mutual Life and Citizens Assurance Company of Sydney, Sir Henry Manning, told shareholders recently. The Chairman said that at the close of the 1931 depression, policy loans amounted to 8.94 per cent. of the Company's total assets. At the end of 1952, they constituted only 2.64 per cent.

SHREE NIWAS COTTON MILLS LTD.

MR. G. D. SOMANI'S ADDRESS AT ANNUAL MEETING

A WARNING against the adoption of any attitude of complacency about the present high level of production of cotton textiles in India was given by Mr. G. D. Somani, in the course of his address to the shareholders of the Shree Niwas Cotton Mills Ltd., at their Annual General Meeting held in Bombay on the 21st inst. For the maintenance of the production at current levels, he rightly stressed, would depend on the ability of the industry to bring down cloth prices within the purchasing power of consumers and to compete with those of foreign producers. He, however, opined that the various burdens cast on the industry did not offer any scope for reduction in the manufacturing cost. The rehabilitation of the industry could, to some extent, bring down costs, but this needed, according to him, revision of the Government's taxation policy.

The following is the full text of Mr. Somani's address:

"GENTLEMEN,

"I have great pleasure in welcoming you all to this eighteenth annual general meeting of the Company. The Directors' report and the audited accounts for the year ended 31st December, 1952, have been in your hands for some time past and I shall, therefore, with your permission take the same as read.

"The results achieved during the year under review, though not so favourable, have to be judged in the context of the circumstances which faced the textile industry, in general, and your Company, in particular. Our quota of East African cotton under the bulk purchasing programme of the Government was very heavy and the steep fall in the prices of foreign cotton affected the result adversely. Added to this, the early part of the year saw the severe slump in all commodities and the cloth during this period was not saleable even at considerable discount over the ex-mill prices. You would please appreciate that the result under the circumstances could not have been better.

"In view of the consumers' resistance in the internal market and the growing competition in the overseas markets, the greatest need of the textile industry at present is to bring down the cost of manufacturing to a competitive level. While the present high level of production is welcome, it cannot be too strongly stressed that the maintenance of this production will in the long run depend upon the ability of the industry to bring cloth prices within the limit of the low purchasing power of our people in the internal market and the severe competition levels of the markets overseas. Unfortunately, the industry is to-day having more and more burdens thrust upon itself and one really wonders whether the breaking point has not already been reached.

"Over and above the heavy burdens imposed by several labour legislations like the Provident Fund and the Employees' State Insurance Act, there have been recently heavy additional increases in the cost of manufacturing like the tremendous rise in D.F.A., the multi-point sales tax of the Bombay Government, the levy of additional three pies per yard on mill-made cloth to assist the *khadi* and other handloom industries and the drastic upward revision in the excise duty on fine and superfine cloth.

"The importance of cloth is next only to that of food and there can be no justification for such heavy burden of taxation on such an essential commodity of consumption of the people. Moreover, the incidence of such heavy burdens has to be judged from a long-term point of view, in the context of the buyers' market that has emerged all round.

"It is, therefore, hoped that the Enquiry Committee, which is at present engaged in an elaborate review of all sectors of textile production, will go deeply into the various problems facing the industry and will recommend such measures as will enable the premier national industry to keep its wheels of production moving smoothly.

"Another important matter which calls for urgent attention is the question of rehabilitation of the industry. This matter has now been referred to the Taxation Enquiry Commission and I am confident that the expert body, which

(*Continued on page* 1001)

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★ DUST & FUME CONTROL AND RECOVERY
★ HEAT EXCHANGERS
★ PRODUCTION, COOLING & PURIFICATION OF INDUSTRIAL GASES :—WATER GAS, PRODUCER GAS, HYDROGEN, CARBON DIOXIDE

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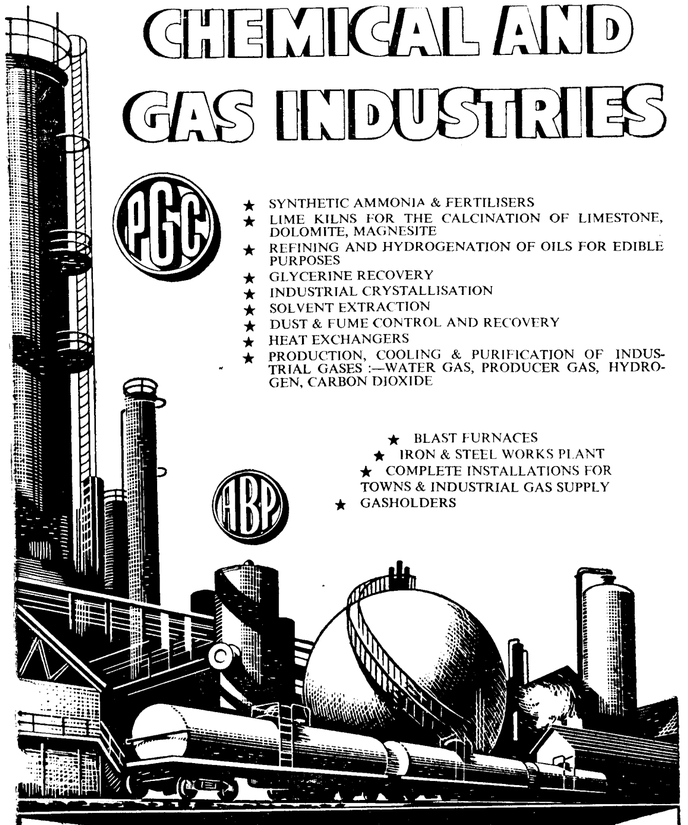

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INDIAN PENCIL INDUSTRY

IS THERE CASE FOR CONTINUATION OF PROTECTION?

THE question of continuance of protection to the pencil industry is now before the Tariff Commission. It will be recalled that the industry was first granted protection in December, 1950, on the recommendation of the Tariff Board. As a result, the then existing revenue duties of 25 per cent. *ad valorem* or one anna per dozen, which ever was higher, plus one-fifth of the total duty on black lead pencils and 37½ per cent. on coloured and copying pencils, were converted into equivalent protective duties. The rate of alternative specific duty on black lead pencils was revised upwards from one anna to As. 3-6 per dozen in order to bring it in conformity with the then prevailing c.i.f. prices of imported pencils. While the Government of India granted protection for two years, the continuance of protection beyond the first year was, however, made conditional on a review of the progress made by the industry during the first year.

In pursuance of this decision, the Tariff Board reviewed the progress of the pencil industry during 1951 and recommended continuance of protection upto the end of December, 1952. Protection was, however, further extended upto the end of 1953, as an interim measure, pending further enquiry by the Tariff Commission for continuance of protection to the industry. It may be noted that under the Finance Act, 1953, the protective duty leviable on all types of pencils was enhanced to 66⅔ per cent. The alternative specific duty on black lead pencils was revised upward to As. 8 per dozen. The enhancement of duties, along with fixation of floor c.i.f. prices for the purpose of regulation of imports of all types of pencils, has provided a higher quantum of protection to the industry.

From a review of the conditions of the industry, as made out by Dr. B. V. Narayanaswamy Naidu, member, Tariff Commission, while opening the enquiry into the continuation of protection last week, at Bombay, it is clear that the claim for the continuation of protection is justifiable. For, the period of three years including the present extension upto the end of 1953, is a short one for any industry to establish itself on sound lines. The industry is capable of standing on its own legs provided sufficient aid is given to it now. One point to be borne in mind is that the productive capacity of the industry is not being used sufficiently. Thus, as against an increase of 4.55 lakh gross to 11 lakh gross in the productive capacity during the last three years, the actual output of the industry increased from 1,17,691 gross in 1950 to 2,42,599 gross in 1951, but it fell sharply to 1,50,589 gross in 1952. It is thus evident that the proportion of production to capacity was much lower in 1952 than in 1950.

Liberalisation of Import Policy

It is stated that one of the chief reasons for the decline in production in the year 1952 is progressive liberalisation of import policy. A brief review of the import policy discloses that imports of all types of pencils except artists' pencils were completely banned during 1950. But, in the first half of 1951, the policy was liberalised only in respect of black lead pencils and a quota of 10 per cent. of one half of the best year's imports was fixed for import from soft currency areas only. This was further liberalised in January-June, 1952, and again in January-June, 1953, when the quota for black lead pencils was raised to 20 per cent. and 30 per cent., respectively. On 20th December, 1952, a floor c.i.f. price of Rs. 16 per gross was fixed in respect of black lead pencils and the same is continuing even now. So far as coloured and copying pencils are concerned, the ban on imports since January, 1950, was lifted in January-June, 1952, when a quota of 40 per cent. of one half of best year's imports was fixed, and the quota was based on all items of stationery. The same policy is effective even during the current half-year, namely, January-June, 1953, subject, however, to the modification of a floor c.i.f. price of Rs. 20 per gross fixed for regulating the imports of coloured and copying pencils in respect of additional licences. The imports were 34,927 gross in 1950-51, 149,992 gross in 1951-52, and 377,208 gross during the ten-month period ended January, 1953. The Tariff Commission has to enquire how far liberalisation of import policy has affected the industry.

The extent of imports should cover the excess of demand over the quantum of indigenous production. The estimates of demand for pencils, however, vary largely from 3.5 lakh gross to 6 lakh gross. The major producers consider the distribution of demand for different types of pencils to be 75 per cent. for black lead, 15 per cent. for copying, and 10 per cent. for coloured pencils. The Commission has to examine the various estimates and strike a reasonable estimate of the demand.

It is stated that although the quality of pencils manufactured in India has recorded some improvement since the Tariff Board's last enquiry, it is still inferior as compared with imported pencils and that there is considerable scope for further improvement. The quality of the pencils has a vital bearing on the future of the industry, as only its ability to satisfy consumers in this respect will secure its stability.

Raw Materials

There is one more aspect of the industry which the Tariff Commission has to consider and that relates to the supply position of raw materials. The continuance of the O.G.L. in respect of wood-slats and graphite, which are by far the most important raw materials, is of great help to the industry. But too much dependence on imports will not, in the long run, be in the interests of the industry. The Tariff Board in its Report (1950) had recommended that imports of pencil wood from soft currency sources should be permitted liberally, until the manufacture of slats from indigenous timber is established in the country. Since then, the State Governments of U.P. and the Punjab have made a modest beginning in the direction of starting wood-slat manufacturing units in their States. A slat-manufacturing factory, called Kapur's Industrial and Research Laboratory, has been established in Calcutta. It is understood that this factory has been manufacturing, on a large scale, chemically treated and pressure-dyed slats from deodar and kail for pencil manufacture but that the indigenous manufactures have not extended their co-operation to this unit. We consider that protected industries should make utmost efforts to utilise indigenous raw materials and thereby encourage development of the feeding industries. The Tariff Commission has to examine the possibility of utilising indigenous slats from the point of view of economic price and quality.

So far as indigenous graphite is concerned, considerable research has yet to be directed towards its refinement so as to make it suitable for the pencil industry. We are told that the National Physics Laboratory is evolving certain formulæ for the testing of pencil leads in respect of resistance to wear, strength and writing quality. The Laboratory is now actively busy in beneficiation of graphite ores and indigenous producers can get their samples of graphite ores tested on payment of certain charges. It is to be hoped that the manufacturers would utilise the laboratory to the best possible advantage of the industry.



U.K.'S TRADE WITH INDIA

The trade of the United Kingdom with India during the first three months of the current year shows a sizable decline in the values of both exports and imports, as compared with those during the corresponding period in 1952. Thus, exports from the U.K. to India declined from £30.3 million during January-March, 1952, to £26.4 million during the first quarter of 1953. The recession was occasioned by a fall in exports of machinery, vehicles, chemicals, drugs, dyes and colours, while exports of electrical goods and apparatus recorded a sizable gain. Imports from India during the first quarter of 1953 were valued at £24.8 million, as against £40.2 million during the corresponding period in 1952, thus showing a decline of £15.4 million. The drop was due to a drastic fall in the imports of tea, jute manufactures and seeds and nuts for oil, oils, fats, resins and gums. But imports of leather and manufactures recorded a considerable increase in value. The following table (from the *Trade and Navigation Accounts of the U.K.*) gives the summary in values of the principal exports and imports during January-March, 1953, as compared with those in the corresponding period, as also the statistics for the full year 1952:

(£ 000's)

	Full year 1952	*3 months Jan.-March* 1952	1953
Total, all exports	112,149	30,358	26,479
Of which :—			
Machinery	35,626	9,359	8,781
Vehicles (including ships and locomotives)	16,823	4,800	3,609
Electrical goods and apparatus ..	11,391	2,601	3,084
Chemicals, drugs, dyes and colours ..	9,987	3,701	1,739
Total, all imports	114,554	40,228	24,881
Of which :—			
Tea	48,732	18,098	10,639
Jute manufactures	13,256	7,572	657
Seeds and nuts for oil, oils, fats, resins and gums	6,144	2,069	1,622
Leather and manufactures	9,284	2,472	3,276

INDIA'S EXPORTS IN 1952-53

India's exports to the dollar area in 1952-53 were valued at Rs. 137.65 crores, as against Rs. 170.65 crores in 1951-52. Exports to other currency areas were Rs. 431.93 crores in 1952-53, as against Rs. 558.05 crores in the previous financial year.

By far the biggest item of export was jute manufactures, of which the dollar area bought 304,600 tons for Rs. 57.93 crores and other currency areas, 405,200 tons for Rs. 71.67 crores. In 1951-52, when jute manufactures fetched higher prices, the dollar area took 254,000 tons for Rs. 87.30 crores and the other currency areas 555,300 tons for Rs. 183.08 crores.

The next biggest item was tea. India sold 427,700,000 lbs. for Rs. 81 crores, the dollar area's share of it being 52 million lbs. for Rs. 10.20 crores.

Of cotton piecegoods, India sold a total quantity of 614,300,000 yards for a price of Rs. 61.88 crores. Most of this went to the soft currency areas, the dollar area taking not more than 4,300,000 yards for Rs. 48 lakhs. In 1951-52, India sold 427,400,000 yards for Rs. 52.20 crores, the dollar area taking as much as 33,200,000 million yards for Rs. 3.37 crores.

Other items were hides and skins (24,300 tons valued at Rs. 21.51 crores), manganese ore (1,357,400 tons valued at Rs. 20.69 crores), cotton (70,800 tons valued at Rs. 19.32 crores), pepper (246,200 cwts. valued at Rs. 15.96 crores), tobacco (83,600,000 lbs. valued at Rs. 15.18 crores), cashew kernels (27,400 tons valued at Rs. 12.76 crores), groundnut oil (1,365,100 cwts. valued at Rs. 10.46 crores) and coal (2,668,400 tons valued at Rs. 10.01 crores).

SWEDISH-JAPANESE TRADE AGREEMENT

A Swedish-Japanese trade agreement foreshadowing a commodity exchange of about Kr. 50,000,000 (£3,448,000) in each direction from the period April 1953—March 1954 has been signed in Tokyo. Exports from Sweden include cellulose, iron and steel, machinery, instruments and other engineering industry products, while imports mainly consist of textiles, ship-building material, chemicals, pottery, machines and instruments.

THE ELPHINSTONE SPINNING & WEAVING MILLS CO., LTD.

DIRECTORS :

MULRAJ KERSONDAS, Esq. (Chairman).
MANEKLAL CHUNILAL, Esq., J.P.
MANGALDAS B. MEHTA, Esq.
CHANDRAKANT M. KHATAU, Esq.
UMADUTT NEMANI, Esq.
RAVINDRA MULRAJ, Esq.

AGENTS :—CHIDAMBARAM MULRAJ & CO., LTD.

SOLICITORS :—MESSRS. AMARCHAND AND MANGALDAS.

AUDITORS :—MESSRS. S. B. BILLIMORIA & CO.

REGISTERED OFFICE OF THE COMPANY :

KAMANI CHAMBERS, 32, NICOL ROAD, BALLARD ESTATE, BOMBAY.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1952.

Dr. *Cr.*

1951 Rs.		Rs.	Rs.	1951 Rs.		Rs.
		57,15,727				
49,86,278	To Stock on 1st January, 1952	97,23,700				
99,82,600	,, Purchases of Cotton, Waste, Cloth and Yarn	38,09,603		1,90,90,254	By Proceeds of Cloth, Cotton, Yarn, Waste and Sundries, including Rs. 17,175 for process work done for outsiders	1,82,09,228
37,45,190	,, Millhands' Wages, Dearness Allowance and Bonus ..			581	,, Interest Received	22,589
	,, Other Manufacturing Expenses (including Materials consumed Rs. 13,41,483, Repairs to Buildings and Machinery and adjustment of the Rebate of Rs. 89,361 received from the United Power Pool, Ltd., for less consumption of electricity)	22,51,959				
34,02,191		4,73,144		33,060	,, Miscellaneous Income, including Rs. 21,560 compensation for breach of cloth contracts	34,251
4,85,397	,, Salaries and Bonus					
	,, General Charges (including Brokerage and Commission, Rent, Rates and Taxes, Auditors' Fees, Insurance, etc.)	4,67,902		57,15,727	,, Stock on 31st December, 1952	51,32,203
5,31,060		87,471				
67,188	,, Interest Paid, including Rs. 2,238 to Directors ..	2,600				
2,600	,, Directors' Fees	750				
....	,, Loss on Sale of Motor Car	1,02,741				
1,79,902	,, Agents' Commission and Office Allowance	30,000				
3,25,000	,, Provision for Taxation	....				
	,, Balance being Profit, subject to provision for Depreciation on Fixed Assets, carried to Appropriation Account	7,32,674				
11,32,126						
2,48,39,622	Total .. Rs.	2,33,98,271		2,48,39,622	Total .. Rs.	2,33,98,271

APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1952.

Dr. *Cr.*

1951 Rs.		Rs.	1951 Rs.		Rs.
4,00,000	To Depreciation	4,00,000	7,062	By Balance brought forward from 1951	64,188
	,, Provision for Proposed Dividend on 25,000 7 per cent. Cumulative Preference Shares of Rs. 100 each (subject to Income-tax) for the year 1952 ..	1,75,000	11,32,126	,, Balance from Profit and Loss Account	7,32,674
1,75,000	,, Provision for Dividend on 60,000 Ordinary Shares of Rs. 50 each (free of Income-tax)	1,80,000			
....	,, Provision for the Issue of Bonus Shares to the Ordinary Shareholders ..	....			
5,00,000					
64,188	,, Balance carried to Balance Sheet	41,862			
11,39,188	Total .. Rs.	7,96,862	11,39,188	Total .. Rs.	7,96,862

BALANCE SHEET AS AT 31st DECEMBER, 1952.

1951 Rs.	CAPITAL AND LIABILITIES	Rs.	Rs.	1951 Rs.	PROPERTY AND ASSETS	Rs.	Rs.
	Capital—				**Fixed Capital Expenditure**—		
	AUTHORISED—				As per Schedule attached to and forming part of the Balance Sheet	1,10,04,668	
	25,000 7 per cent. Cumulative Preference Shares of Rs. 100 each	25,00,000		1,09,92,288			
	50,000 Ordinary Shares of Rs. 50 each	25,00,000		69,99,225	Less—Depreciation written off to-date	73,99,225	
	1,00,000 Unclassified Shares of Rs. 50 each (out of this 10,000 Shares have been classified as New Ordinary Shares by Resolution No. 2 of 3rd June, 1952)	50,00,000		39,93,063			36,05,443
50,00,000			1,00,00,000	13,98,633	**Stores and Spare Parts**— (As per Inventories valued and certified by the Agents : below cost)		14,28,211
	ISSUED AND SUBSCRIBED—			13,964	**Livestock and Vehicles**		7,304
	25,000 7 per cent. Cumulative Preference Shares of Rs. 100 each issued as fully paid up in payment of purchase consideration ..	25,00,000			**Stock-in-Trade**—		
	5,000 Ordinary Shares of Rs. 50 each issued as fully paid up in payment of purchase consideration	2,50,000			(As per Inventories valued and certified by the Agents : Cotton at cost or market rate whichever is lower ; Yarn, sold at contract rate, unsold at cost or market rate whichever is lower ; Waste, saleable at contract rate, mixable at cost ; Cloth, sold at contract rate, unsold at cost or market rate, whichever is lower)		
	25,000 Ordinary Shares of Rs. 50 each issued as fully paid under the Scheme of Arrangement sanctioned under Section 153 of the Indian Companies Act on 14th April, 1944	12,50,000		57,15,727			51,32,203
	9,914 New Ordinary Shares of Rs. 50 each issued as fully paid up Bonus Shares without payment being received in cash pursuant to the Resolution No. 2 of 3rd June, 1952 ..	4,95,700		1,00,785	**Book Debts** (Unsecured considered good)		2,05,358
50,00,000	20,000 Ordinary Shares of Rs. 50 each fully paid up in cash ..	10,00,000	54,05,700		**Advances**—		
	Capital Suspense—						
	80 Ordinary Shares of Rs. 50 each which remain to be allotted against 430 Fractional Certificates issued but not yet submitted for conversion		4,300	1,78,881	Against Machinery, Stores, Spare Parts, etc.	43,646	
....				17,078	Prepaid Rates, Taxes, Subscriptions, Insurance Premia, etc. ..	26,405	
11,00,000	**General Reserve**		11,00,000		Advance Payment of Income-tax under Section 18-A (1) of the Indian Income-tax Act, 1922, for the accounting years 1951 and 1952	4,25,690	
	Retention for Land Acquisition—			7,22,749			
	Compensation received under protest for Land acquired by the Bombay Municipality, pending settlement of Appeal		1,93,292		Other Advances (including Rs. 34,720 for purchase of land from the Bombay Municipality and Rs. 1,751 advance to the Manager of the Leather Cloth Factory)	81,775	
1,93,292				60,678			5,77,516
	Loans—				**Investments** (at cost)—		
	(a) Secured : From the Imperial Bank of India secured by hypothecation of the whole of the Company's Stock-in-Trade and Stores and Spare Parts	9,89,549			In Government Securities lodged as deposit with the Central Excise	9,845	
18,15,812		....			Interest accrued on above	65	
392	Interest accrued on above		9,89,549		Share in Joint Stock Company fully paid up	40,000	
	(b) Unsecured	53,000					
77,500	Interest accrued on above	2,587		49,909			49,910
3,148			55,587				
1,02,224	**Unclaimed Dividends**		96,920		**Cash and Other Balances**—		
					With Banks on Current Account	37,583	
	Liabilities—				Cash on hand at Office and at Mills	5,233	
3,81,735	For Goods Supplied	5,63,961			Deposits	6,925	
12,91,864	,, Expenses	10,10,400		55,295			49,811
3,60,185	,, Other Finance	3,29,743					
			19,04,104				
	Provision for Taxation—						
	As per last Balance Sheet	12,43,322					
	LESS—Taxes Paid	4,99,818					
		7,43,504					
	ADD—Tax on 1951 Preference Dividends recovered and further provision made during the year	75,938					
12,48,322			8,19,442				
1,75,000	**Provision for Proposed Dividends**		3,55,000				
5,00,000	**Provision for Proposed Bonus Shares**		....				
	Profit and Loss—						
64,188	Balance as per Appropriation Account		41,862				
1,23,07,662	Total .. Rs.		1,10,55,756	1,23,07,662	Total .. Rs.		1,10,55,756

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Elphinstone Spinning and Weaving Mills Co., Ltd., as at 31st December, 1952, and also the foregoing Profit and Loss Account of the Company for the year ended upon that date, from both of which annas and pies have been eliminated and report that :

(a) We have obtained all the information and explanations we have required ;

(b) In our opinion the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the Law ;

(c) Such Balance Sheet exhibits a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the Books of the Company ; and

(d) In our opinion Books of Account have been kept by the Company for the period under report as required by Section 130 of the Indian Companies Act, 1913.

S. B. BILLIMORIA & CO.,
Chartered Accountants.

BOMBAY, 30th April, 1953.

The above Balance Sheet to the best of our belief contains a true account of the Capital and Liabilities and of the Property and Assets of the Company.

For and on behalf of
CHIDAMBARAM MULRAJ & CO., LTD.,
Agents,
MULRAJ KERSONDAS,
Director.

MULRAJ KERSONDAS,
UMADUTT NEMANI,
MANEKLAL CHUNILAL,
MANGALDAS B. MEHTA,
RAVINDRA MULRAJ,
} Directors.

WORLD LABOUR PROBLEMS

I.L.O. CONFERENCE TO MEET NEXT WEEK

THE thirty-sixth General Conference of the International Labour Organisation will open on 4th June. Government, employers' and workers' delegates from the sixty-six member countries of the I.L.O. will consider, among others, the adoption of international standards for the protection of health of workers in places of employment, for fixation of minimum age for underground workers in coal mines and for holidays with pay. As usual, the Conference will also discuss an annual survey of the world economic and social trends that will be submitted by Mr. David A. Morse, Director of the I.L.O.

The question of adopting international regulations to safeguard the health of workers in industrial establishments has been, of late, gaining increasing attention. It was first discussed by the General Conference last year and it was agreed that this year's Conference shall pursue it further on the basis of a report to be prepared by the I.L.O., following consultations with the Governments which are members of I.L.O. At the same time, it was decided that the 1953 Conference should determine whether the proposed regulations should take the form of a Recommendation or (2) one or more Conventions supplemented by a Recommendation.

The International Labour Office has therefore, prepared two alternative sets of texts for the consideration of the Conference One of these is in the form of a Recommendation, the other comprises two proposed Conventions to be supplemented by a Recommendation. The proposed Recommendation deals with technical measures for the control of health hazards, medical examination and notification of occupational diseases. One of the Conventions seeks to regulate medical examination of workers and the other requires the notification of cases of occupational diseases.

The proposed Recommendation on holidays with pay provides that, where conditions permit, workers should be granted, after one year of continuous employment, an annual paid holiday of not less than 12 working days or not less than ten days where the week consists of only five working days. It also proposes that the right to holidays, on some stipulated basis, proportionate to the number of full months' service should be acquired after six months of continuous service. It further suggests that effect may be given to the Recommendation by public or voluntary action, legislation, collective agreements or arbitration or by any other way consistent with national practice.

If the Conference decides to pursue the question further, the matter will come before the 1954 session for final consideration. If adopted, the proposed Recommendation will supplement a Convention (treaty) and a Recommendation on holidays with pay, which were approved in 1937. The Convention which came into force in 1939 provides that workers in industry and commerce shall be entitled to an annual paid holiday of at least six working days.

The adoption of a formal Recommendation that young persons under sixteen should not be employed underground in coal mines was placed on the agenda by the decision of the International Labour Conference last year. At that time, the delegates approved a resolution suggesting standards governing the employment of young persons in underground coal mining. This resolution proposed that the minimum age of employment should be sixteen. The proposed Recommendation, as drafted by the Office, also provides that young persons under sixteen years of age should not be employed underground in coal mines. Young persons who have attained the age of 16 years but are under 18 years should not be employed underground except for purposes of apprenticeship or other systematic vocational training provided, under adequate supervision, by competent persons with technical and practical experience of the work, or under conditions determined by the competent authority prescribing the places of work and occupations permitted and the measures of systematic medical supervision to be applied by Governments "as rapidly as national conditions allow."

The annual survey of the world's economic and social trends refers to the proposal which the International Labour Office made to the I.L.O. Conference as long ago as 1950, namely, that the dollar countries should make large-scale loans to underdeveloped countries, which should be free to use these loans to purchase materials and capital equipment from Europe as from dollar countries, their choice depending on the relative prices and quality of goods available. This proposal is designed to provide Europe an opportunity to obtain needed dollars from the underdeveloped countries for financing its own deficit and help re-establish such a system of multilateral clearing of trade balance as existed before the war.

Mr. Morse, in his annual report to the Conference has also stressed the need for continual increase in productivity. He has highlighted four most essential conditions under which higher productivity will result in increased welfare. First, there should be the fullest possible consultation and co-operation between employers and workers. Secondly, the benefits of higher productivity should be fairly distributed. Thirdly, effective action should be taken to ensure that higher productivity does not lead to unemployment. Fourthly, higher productivity should be sought by means which only require of workers the speed and intensity of work which they can maintain without increased fatigue, strain or risk to health or safety.

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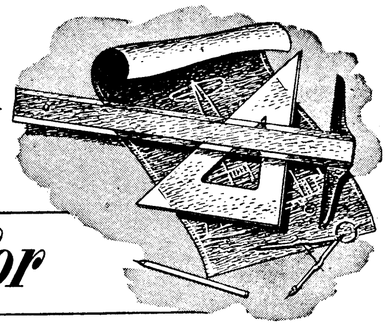
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Far-sighted Industrialists
PAY STRUCTURE
You have been obliged to make numerous changes in pay scales and special allowances in recent years, and no end to these alterations is in sight. However well thought out your pay structures may have been originally, the probability is that they are now out of balance and full of anomalies. One of the functions of Unions is to pick out these anomalies and place them before you for correction. In rationalising one existing anomaly it is dangerously easy to create fresh ones, and the process can go on indefinitely. You must have felt the need for an all-embracing review of your basic pay structures to adjust them in relation to each other and to take into account the latest rules governing taxation on incomes. Furthermore, you would like the pay for each job to be part of a flexible and permanent structure which will not have to be scrapped and rebuilt the next time pay has to be generally raised.
The way to attain these objectives is to prepare a plan in co-operation with management and the Unions for the evaluation of every job, followed by grouping into grades and the calculation of a graded incremental pay structure.
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INDO-BURMA PETROLEUM PAYS HIGHEST DIVIDEND SINCE 1940

RESULTS SATISFACTORY—FINANCES SOUND

AN increase of Rs. 2.38 lakhs in gross profit, that is from Rs. 47.09 lakhs to Rs. 49.47 lakhs, and a rise in the dividend from 10 per cent. to 15 per cent. per annum are the two notable features of the working of the Indo-Burma Petroleum Co., Ltd. (Managing Agents: Messrs. Steel Brothers & Co., Ltd., Calcutta) for the year ended 31st December, 1952. The increase in gross profit over the year, albeit small, is a welcome one, in that it is a reversal of the downward trend noted in the Company's profit during the preceding two years. The increase in the dividend level which involves an additional distribution of Rs. 5 lakhs may appear to be incommensurate with the expansion in profit noted above, but the Company has had an additional income of Rs. 8.01 lakhs by writing back the provisions made in the earlier years and by the receipt of the E.P.T. post-war refund. The Directors have thought it fit to pass on the benefit of this extra income which was provided out of the earnings for the previous years and which, in the ordinary course, might have been utilised to raise the dividend in the earlier years.

The following comparative table gives, at a glance, the progress in the Company's financial results during the past three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Sale proceeds	607.05	572.75	569.35	478.21
Other income	19.90	14.90	9.70	6.42
Expenses	577.48	540.56	521.47	402.29
Gross profit ..	49.47	47.09	57.58	82.35
Managing Agents' remuneration	3.36	3.00	2.22	5.13
Depreciation	4.35	9.21	11.19	1.86
Taxation	27.16	22.30	28.00	36.00
Net profit	14.60	12.58	16.17	39.36
Other income	14.66	8.63	0.67	
Bonus to staff	0.25	0.25	0.31	0.07
Reserves	9.50	10.00	1.70	23.00
Dividend—				
Preference	2.58	2.58	2.62	2.41
Ordinary	15.00 (15%)	10.00 (10%)	10.00 (10%)	10.00 (10%)
Carry forward	4.03	2.10	4.33	2.72

It will be noted that the sale proceeds for 1952 have gone up by a sizable amount due to a small overall increase in the volume of the Company's sales of oil products in all spheres, over that of the previous year. The expansion in sales is attributed to the steady trading conditions which prevailed during the year under review. "Other income," amounting to Rs. 19.90 lakhs, includes Rs. 5.21 lakhs being the profit on sale of one of the Company's oil tankers. The benefit of this income has been more than offset by the provision of a sum of Rs. 6.10 lakhs for contingent liability shown under expenses. Even if these two extra items of income and expenditure are excluded, the gross profit for 1952 will still show a small improvement over that for 1951. A disquieting feature of the Company's working is the continued rise in expenses. Thus, in the course of the last three years alone, the expenses have gone up by Rs. 175.19 lakhs, while sale proceeds have expanded by Rs. 128.84 lakhs only. The net profit of Rs. 14.60 lakhs is supplemented by other income amounting to Rs. 14.66 lakhs, represented by adjustments relating to trading in previous year Rs. 6.66 lakhs, provision made in earlier years, against cost of a special survey docking which had then been contemplated for the Company's tanker, now written back, Rs. 7.20 lakhs, and post-war E.P.T. refund Rs. 80,902. Evidently, the management must have found that it would be uneconomical to effect repairs to this tanker and has disposed of it. The management has, accordingly, written back the provisions made earlier for the purpose of special survey docking of the tanker. Out of the sum of Rs. 29.26 lakhs thus available for disposal, the Directors have placed to the dividend equalisation reserve Rs. 1 lakh and general reserve Rs. 8 lakhs. Last year, they had not provided any sums for these two reserves, but, instead, had set aside Rs. 5 lakhs for special survey docking of the tanker, Rs. 4.60 lakhs to investment depreciation reserve and Rs. 1 lakh for writing off the Company's holding in N.F.B. Displacement Pump Co., Ltd. The interim dividend of Re. 1-8 per share of Rs. 40 on the ordinary shares for the year under review was the same as that paid for 1951, but the final dividend has been stepped up from Rs. 2-8 to Rs. 4-8 per share. The total dividend of Rs. 6 per share or 15 per cent. per annum is the highest paid since 1940 when a dividend of 17½ per cent. was paid.

The Company's latest balance-sheet reflects a satisfactory financial position, as the following synopsis will show:

Liabilities	Rs.	Assets	Rs.
Capital ...	1,50,00,000	Gross block ...	1,04,61,324
Reserves and surplus ...	1,57,51,440	*Less*—Depreciation ...	77,70,533
Provision for taxation ...	46,41,348	Net block ...	26,90,791
Liabilities ...	1,76,46,215	Merger expenses ...	1,50,44,995
		Stocks ...	37,41,238
		Stores ...	25,61,560
		Debts, deposits and advances ...	24,91,054
		Investments	53,77,579
		Cash ...	2,11,31,786
Rs.	5,30,39,003	Rs.	5,30,39,003

The Burma Government's negotiations with the oil companies in Burma regarding the former's participation in the oil industry of the country advanced considerably during the year, but there was some delay at the end of the year on account of a reference made to the Supreme Court of Burma to test the validity, under the Union Government Constitution, of the Government's participation in the industry on the suggested basis. The Directors report that a "satisfactory decision was given recently."

The construction of the additional units to increase the output of refined products from the distillation plant at Chauk could not be completed during 1952. The Directors now expect that these will not be ready for commission until the second half of 1953.

SEN-RALEIGH INDUSTRIES OF INDIA LTD.

The year ended 30th September, 1952, was a notable one for the three-year old Sen-Raleigh Industries of India Ltd. (Chairman: Mr. Sudhir Kumar Sen, Calcutta), inasmuch as it saw the fruition of the management's efforts to complete the first stage in their manufacturing programme and to finalise the plan for embarking upon the second stage. The Company's agency commission on sale of Raleigh products shows a sharp rise from Rs. 1.68 lakhs to Rs. 3.58 lakhs. After meeting all operational costs and establishment expenses, the gross profit for the year amounted to Rs. 88,603 as compared with Rs. 36,472 for the previous year. After writing off Rs. 17,477 from preliminary expenses and brokerage, the profit at Rs. 71,126 compares well with Rs. 40,990. Whereas a sum of only Rs. 9,648 was provided last year for depreciation, the Directors set aside this year Rs. 9,39,303 for that purpose, in accordance with their policy of taking the fullest advantage of the extra depreciations permitted in the initial year. This sum represents not only the full normal depreciation on all assets but also full initial depreciation at the rate of 20 per cent. on plant and machinery and 15 per cent. on new buildings, as well as additional depreciation. The provision of this substantial sum for depreciation resulted in a net loss of Rs. 8,68,177, as a consequence of which the Directors had to pass over the dividend on the 5 per cent. cumulative preference shares.

The Company's most modern and up-to-date factory was completed during the year, as also the erection and installation of plant and machinery for production of frames, forks, backstays and mudguards. The manufacture of these items formed the Company's first stage of production. This target was reached towards the end of the year under review. Considerable progress was also made in planning the second stage of expansion which included the manufacture of chains, spokes, hubs, pedals, handle bars and saddles, as also full plating facilities. In this connection, the Company entered into agreements during the year with the Union and Wittkop factories in Germany for technical assistance. The plant and machinery for this purpose have already been shipped from the U.K. and Continent. It is expected that some components will be manufactured before the end of 1953.

During the year under review—in June, 1952, to be precise—the Company made a second issue of capital, consisting of 15,000 preference shares and 3,50,000 ordinary shares, of which 3,373 preference shares and 95,680 ordinary shares were subscribed. This raised the Company's paid-up capital from Rs. 50 lakhs to Rs. 57.43 lakhs, of which calls in arrears at the end of the year amounted to Rs. 1.97 lakhs. The Company had to borrow a large sum for financing its expansion programme, the outstanding liability on this account at the end of the year being Rs. 16.16 lakhs. Of this, Rs. 12.12 lakhs were secured by investments and the balance was guaranteed by Raleigh Industries Ltd. The latter loan has since been repaid. The value of the gross block at the end of the year was Rs. 35.42 lakhs, of which additions during the year accounted for Rs. 24.24 lakhs. The total depreciation provided on the gross block amounted to Rs. 9.50 lakhs. The current assets (including stock-in-hand and work-in-process, Rs. 25.99 lakhs and investment at cost, Rs. 14.78 lakhs) amounted to Rs. 46.31 lakhs and provide ample cover to current liabilities at Rs. 25.43 lakhs.

ELPHINSTONE SPINNING AND WEAVING CO., LTD.

The financial results of the Elphinstone Spinning and Weaving Mills Co., Ltd. (Agents: Messrs. Chidambaram Mulraj & Co., Ltd., Bombay), for the year ended 31st December, 1952, reveal a decline in its gross profit from Rs. 16.37 lakhs for 1951 to Rs. 8.65 lakhs, representing a fall of Rs. 7.72 lakhs or 47.1 per cent. This setback in earnings should occasion no surprise, in view of the depressed state of the market for cloth. In fact, this recession is not so precipitous as in the case of several other mills in the country. Further, the year's gross profit is a fraction better than that for the year 1950 when the Company, in common with many others, suffered a fall in earnings due to a prolonged strike of workers and non-availability of cotton at economic prices. A dividend of 6 per cent. has been declared by the Directors for the year under review on a capital of Rs. 30 lakhs raised, during the year, by the issue of bonus shares, as compared with 8 per cent. on a capital of Rs. 25 lakhs paid for 1950. The dividend for 1952, therefore, is equal to 7.2 per cent. on the old capital. The year's dividend is the lowest declared by the Company since the present management took over the Mills in 1943. No dividend was paid for 1951; but, instead, a bonus issue of one share for every five shares held was made. The satisfactory feature of the dividend distribution for 1952 is that it has not, unlike in the case of several other mills, necessitated drawing on the reserves.

The salient features of the Company's results for the year under review are compared with those for the previous three years in the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Sale proceeds	182.09	190.90	138.74	167.57
Stocks	51.32	57.16	49.86	49.61
Expenses*	174.01	174.87	130.34	154.72
Gross profit ..	8.65	16.37	8.56	13.47
Post-war refund of E.P.T.	..	..	..	9.58
Provision for—				
Depreciation	4.00	4.00	4.00	4.00
Taxation	0.30	3.25	0.25	6.50
Agents' commission ..	1.03	1.80	1.01	2.47
Net profit	3.33	7.32	3.29	10.08
General reserve ..	..	..	..	6.00
Dividends—				
Preference 7% ..	1.75	1.75	1.75	1.75
Ordinary	1.80 (6%)	5.00† (8%)	2.00 (10%)	2.50 (10%)
Carry forward	0.64	0.07	0.52	0.09

* Only approximate.
† No cash dividend was paid; instead, a scrip bonus of one ordinary share for every five shares held was issued.

In spite of the recession in profit, the provision for depreciation has not been reduced, but is kept up at the same level of Rs. 4 lakhs as in the previous three years. The lowering of the provision for taxation from Rs. 3.25 lakhs to Rs. 30,000 is in consonance with the fall in profit. The Directors' decision to set aside Rs. 5 lakhs from the profit for 1951 for capitalisation and distribution as bonus shares was carried out during the year under review. In terms of cash distribution, this sum represented a dividend of 20 per cent. on the old capital of Rs. 25 lakhs. The cut in dividend from this level to 6 per cent. on the enhanced capital (or 7.2 per cent. on the old capital) is in confromity with the decline in earnings.

After the capitalisation of the sum of Rs. 5 lakhs, the paid-up capital of the Company stands, as on 31st December, 1952, at Rs. 55 lakhs, made up of 60,000 ordinary shares of Rs. 50 each and 25,000 7 per cent. cumulative preference shares of Rs. 100 each. Reserves and surplus aggregate Rs. 13.35 lakhs. Current liabilities amount to Rs. 42.21 lakhs, of which provision for taxation accounts for Rs. 8.19 lakhs. The gross block of the value of Rs. 110.05 lakhs has been written down to Rs. 36.05 lakhs. Current assets aggregating Rs. 74.51 lakhs exceed the current liabilities by a handsome margin of Rs. 32.30 lakhs.

DUNLOP RUBBER CO., LTD.

The trading results of the Dunlop Rubber Co., Ltd., London, for the year ended 31st December, 1952, disclose a setback in the net profit, after providing for taxation. Thus, the net profit amounts to £1,969,358 which, as compared with that of £2,339,712, shows a fall of £370,354. The addition to the general reserve has been reduced from £960,000 to £520,000, but the distribution to the ordinary shareholders has been maintained at 17½ per cent., made up, as usual, of a dividend of 15 per cent. and a bonus of 2½ per cent., leaving to be carried forward £1,472,438, as compared with £1,461,838 brought in.

Points From The Chair

A Cautious View of the Future of Cotton Textiles

"IT is really a matter of gratification that the production figures of the first four months of this year show some further increase over even the high figures of production of the corresponding period of last year, but I must utter a word of warning that this should not lead the Government or the industry to an attitude of complacence for the future. We have so many formidable problems facing the industry and unless a constant study and the necessary remedial action is taken in time to withstand the impact of the coming forces, we may easily lose the valuable ground that we have covered."

G. D. SOMANI,
Shree Nivas Cotton Mills Ltd.

Sales Tax on New Enterprises

"The policy followed by the Government of India in making liberal allowance for depreciation for the new industries as also in making them not liable for tax upto 6 per cent. return on the invested capital has been a real help in the case of concerns like ours. A plant like ours is also exempt from starting provident fund for workers for a period of three years from the day of commencement of production. These have gone a long way in encouraging establishment of large concerns for the production of items hitherto being imported. I wish the Government of Bombay will show the same solicitude for the establishment and promotion of new industries as the Government of India has done. The sales tax has been militating against the industry and representations were made to the Government of Bombay in view of the infancy of this industry to exempt the Company's sales from the payment of the tax at least during the first few years. The Government of Bombay have not responded to our appeal. We hope that we shall be able to convince them of the justness of the cause and get relief in the matter of sales tax."

KASTURBHAI LALBHAI,
National Rayon Corporation Ltd.

Investment of Life Funds

"In carrying out our responsibilities in the selection of investments we do not claim to be infallible, but we do claim that, as in all our problems, our judgment is unbiassed and unfettered. In any event, the great majority of the cases where we provide new finance must have received the approval of the Capital Issues Committee and must, therefore, be assumed to conform to the national interest. It is important to realise that the Government, through the Capital Issues Committee, exercises a considerable measure of restriction over the purposes for which new money can be raised. Should, however, the Government seek at any time to exercise positive control over the investment of insurance funds, a real danger to policyholders' interests would arise. Bearing in mind the growth of life insurance funds, it may be asked whether the terms which industrial and other borrowers may be required to accept for the capital they wish to raise will not be unduly onerous. It must be remembered that these funds are distributed among approximately 80 offices which compete among themselves in seeking suitable investments. The industrial borrower is much better placed in dealing with this number of competing investors than he would be, if this large section of the funds available for investment were combined in one State-controlled organisation. The need for life offices to invest their funds is strong and pressing, probably as strong as is the need which industry has for raising money."

SIR GEORGE LEWIS BARSTOW,
Prudential Assurance Co., Ltd.

Penalty on the Paint Industry in U.K.

"Another severe penalty on the industry is the fact that white spirit, a very important raw material, is taxed in the same manner as petrol. This tax costs large companies in the paint industry many thousands of pounds per annum and your company last year paid in taxation on this commodity £78,000, a profit in itself, and, since petrol is in plentiful supply, there is now no possibility of white spirit being used by the public as a substitute motor spirit. This it never was, as it is merely substitute turpentine and only used as such in the paint and other industries. We are now told that the Government cannot afford to take off the tax; the old argument and the real one having disappeared."

J. W. ADAMSON,
British Paints (Holdings) Ltd.

(*Concluded from page* 995)

has just started its important work of an elaborate review of the entire taxation structure, will make a detailed study of this vital problem and will recommend such measures as will enable the industry to renovate and modernise its plant and machineries on which the future of the industry so much depends.

"It is really a matter of gratification that the production figures of the first four months of this year show some further increase over even the high figures of production of the corresponding period of last year, but I must utter a word of warning that this should not lead the Government or the industry to an attitude of complacency for the future. We have so many formidable problems facing the industry and, unless a constant study and the necessary remedial action is taken in time to withstand the impact of the coming forces, we may easily lose the valuable ground that we have covered."

Notices

THE SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirteenth Ordinary General Body Meeting of the shareholders of the Company will be held at the Registered Office of the Company at Tennur Railway Road, Tiruchirapalli, on Saturday the 1st August, 1953, at 4 p.m., to transact the following business.

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the audited statement of accounts for the year ended 31st March, 1953.
2. To declare a Dividend.
3. To appoint Auditors for the current year and to fix their remuneration. The retiring auditors are eligible for re-election.
4. To elect Directors in place of the following who retire under Article 79 of the Articles of Association.

   The retiring Directors are eligible for re-election:

   1. Dewan Bahadur Sri S. Raghava Aiyangar, B.A., B.L.
   2. Sri Mooljee Ramjee.
   3. Sri A. Ganapathi Iyer
   4. Dewan Bahadur Sri S. Rajagopala Aiyangar, B.A., B.L.
   5. Sri M. P. RM. Irulandi Mudaliar.

SPECIAL BUSINESS

To consider and pass the following resolution as an Extraordinary Resolution:

"That the payment of the sum of Rs. 1,000 to the Rayalaseema Famine Relief Fund and the sum of Rs. 2,000 to the Cyclone Relief Fund as donations from the Company made by the Directors be ratified and confirmed."

All shareholders are requested to be present in person or by proxy.

The Register of Members and the Share Transfer Books of the Company will be closed from 8th July, 1953, to 1st August, 1953, both days inclusive.

(By Order),
SESHASAYEE BROTHERS LIMITED,
Managing Agents & Chief Engineers.

TIRUCHIRAPALLI, 20*th May*, 1953.

Note.—1 The printed Balance Sheets are expected to be posted to the members on or about 8th July, 1953.

2. Holders of blank transfers are advised to have the shares registered in their names in time before closure of books.

3. Early intimation should be given to the Company of any change of address.

TO THE SHAREHOLDERS OF BOKARO AND RAMGUR, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighty-ninth Ordinary General Meeting of the Shareholders of Bokaro and Ramgur, Limited, will be held at the Registered Office of the Company, No. 7, Wellesley Place, Calcutta, on Saturday the 30th May, 1953, at 11.30 a.m., to transact the following business:—

1. To receive the Report of the Directors and to pass the Audited Balance Sheet and Profit and Loss Account for the half-year ended 31st December, 1951.
2. To elect Directors.
3. To appoint Auditors and to fix their remuneration.
4. To transact such other business as may be brought before the Meeting.

The Transfer Register will be closed from the 25th May, 1953, to the 30th May, 1953, both days inclusive.

ANDERSON WRIGHT (RAMGARH), LTD.,
Managing Agents.

CALCUTTA, 8*th May*, 1953.

SRI KRISHNARAJENDRA MILLS LIMITED
MYSORE

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-third Ordinary GENERAL MEETING of the Shareholders of Sri Krishnarajendra Mills, Ltd., will be held at the Registered Office of the Company, Bangalore Road, Mysore, on Saturday the 20th June, 1953, at 3 p.m., to transact the following business:—

1. To adopt the Directors' Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 1953.
2. To declare a dividend and bonus.
3. To elect Directors.
4. To appoint Auditors for the current year (1st April, 1953, to 31st March, 1954) and fix their remuneration.
5. To consider and if thought fit, to pass (with or without modifications) the resolution, separately circulated to all the shareholders, which will be proposed as a Special Resolution.

The Share Transfer Books of the Company will be closed from 8th June, 1953, to 21st June, 1953, both days inclusive.

By Order of the Board,
B. S. VISWESWARAIYA,
Secretary.

MYSORE, 17*th May*, 1953.

N.B.—(1) The final dividend and bonus when declared, will be made payable at the Bank of Mysore, Ltd., Mysore, on and after 6th July, 1953. The dividend and bonus warrants will be posted to those shareholders whose names stand on the Register of Members of the Company on 8th June, 1953.

(2) Under Article 123 of the Company's Articles of Association, notice of candidature for the office of the director is to be left at the Registered Office of the Company, in writing at least seven days before the date of the meeting, viz., before 3 p.m. on 13th June, 1953.

(3) Shareholders are requested to immediately advise the Company of any change in their address.

BENGAL JUTE MILL COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 22nd Ordinary General Meeting of the Members of the Company will be held at the Registered Office of the Company at 8, Dalhousie Square East, Calcutta, on Wednesday the 10th June, 1953, at 4-45 p.m., for the purpose of considering Accounts of the Company for the year ended 30th June, 1952, receiving the Directors' Report, declaring the Dividends recommended by the Directors for the year ended 30th June, 1952, electing Directors in place of retiring Directors, appointing Auditors and for transacting any other business of the Company that may be transacted thereat.

The Share Transfer Registers of the Company will remain closed from the 3rd June, 1953, to 10th June, 1953, both days inclusive.

By Order of the Board,
For and on behalf of
BENGAL JUTE MILL CO., LTD.,
SOORAJMULL NAGARMULL,
Managing Agents.

8, DALHOUSIE SQUARE EAST,
CALCUTTA, 14*th May*, 1953.

KATRAS JHERRIAH COAL REPEATS DIVIDEND

PROFIT OF PULLANGODE RUBBER WELL MAINTAINED

Katras Jherriah Coal Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Andrew Yule and Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st January, 1953.

After providing Rs. 1,60,000 (Rs. 2,45,000) for taxation and cesses, Rs. 75,000 (Rs. 75,000) for depreciation and transferring Rs. 25,000 (Rs. 1,00,000) to development reserve, there is a balance of Rs. 1,89,822 (Rs. 1,88,937) at the credit of the profit and loss account, out of which the directors recommend a dividend at Rs. 2 (Rs. 2) per share Rs. 1,00,000 (Rs. 1,00,000) leaving to be carried forward Rs. 89,822 (Rs. 88,937).

Raisings during the half-year were 1,00,426 tons as compared with 1,23,883 tons during the previous half-year and despatches including purchased coal were 1,61,548 tons as compared with 1,68,819 tons.

The working of the Company was adversely affected by a strike at Laikdih Deep Colliery from 11th August to 23rd September, 1952.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	10,16,660
Reserves ...	11,25,000	Stocks ...	2,02,568
Provision for taxation ...	3,38,907	Stores ...	3,14,831
Liabilities ...	17,09,857	Debts, deposits and advances ...	14,26,964
Profit and loss account ...	89,823	Investments	2,08,302
		Cash ...	5,94,262
Rs.	37,63,587	Rs.	37,63,587

Pullangode Rubber and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs: Aspinwall & Co., Ltd., Calvetty, Fort Cochin) submitted the audited accounts of the Company for the year ended 31st March, 1953.

The profit at Rs. 3,05,313 (Rs. 2,99,654), exceeded the previous highest figure, last year, by Rs. 5,659 (Rs. 1,93,931). As usual the necessary provision for depreciation on buildings and machinery were made, and rubber unsold at the time of closing the accounts were conservatively valued. It will be noted that the current year's profit and loss account bears no debit for income-tax reserve, as the esitmated liability for income-tax for the year was less than the surplus amount lying to the credit of income-tax reserve account.

Against an estimate of 5,70,000 pounds (6,47,000 pounds) the crop harvested amounted to 6,06,000 (6,11,000) pounds which was considered satisfactory and was only less than the record crop of the Company by 5,000 lbs. There were 30 fewer taps than last year and the exceptionally dry conditions at the beginning of this year affected crop. The following are the working results for the past five years:—

	Crop Lb.	Cents per lb. Estate expenditure	All-in cost	Average sale price	Net profit
1948-49 ..	5,80,000	55.13	61.34	75.32	15.40
1949-50 ..	5,79,000	57.29	62.86	75.94	12.95
1950-51 ..	5,22,000	65.10	72.23	90.87	20.25
1951-52 ..	6,11,000	63.25	73.17	118.72	49.04
1952-53 ..	6,06,000	67.90	77.75	126.26	50.38

The price of rubber in India continues to be controlled and at the end of October last was fixed by Government, after Tariff Commission enquiry, on the basis of Rs. 138 per 100 pounds of RMA 1 rubber, f.o.b. Cochin, to be in force for three years. Prior to end October prices were controlled per notification by Government on 21st May, 1951, on the basis of Rs. 128 per 100 pounds of RMA 1 rubber, same terms.

The Company's total acreage amounts to 3,641.5. During the year 106.45 acres were planted up with budded rubber, and 39.46 acres with cashewnuts. The visiting agent reported, that the Estate was being well and efficiently maintained. Further additions to quarters for staff and labour have been built during the year, also a Cretch-cum-Club.

During the year 110.40 acres were opened up and will be planted during the coming monsoon, whilst application has been made for a permit to fell and clear a further 134.19 acres of reserve jungle during the current year to extend the planting of budded rubber in the season 1954-55. It is estimated that during 1953-54 a crop of 5,75,000 pounds will be harvested at an estate expenditure of 75.19 cents per pound.

With the addition of Rs. 65,751 (Rs. 45,097) carried forward in profit and loss account in accordance with the report for the 1951-52 working and after deduction of preference dividend paid, the balance in profit and loss account amounted to Rs. 3,62,064 (Rs. 3,44,751) which the directors disposed of in payment of a first and final dividend of 20 (20) per cent. on the ordinary share capital which absorbed Rs. 2,20,000 (Rs. 2,20,000), and transfer to general reserve fund Rs. 50,000 (Rs. 50,000) leaving to be carried forward the balance of Rs. 92,064 (Rs. 65,751).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,50,000	Block ...	11,70,219
Reserves ...	1,78,952	Stocks ...	1,67,090
Provision for taxation	3,658	Stores, spare parts, etc.	52,904
Liabilities ...	67,250	Advances and prepaid expenses	44,327
Profit and loss account ...	3,62,064	Investments	2,53,190
		Cash ...	1,74,194
Rs.	18,61,924	Rs.	18,61,924

New Commercial Mills Co., Ltd.

The directors of the above Company (Agents: Messrs: Tricumlal Bhogilal & Co., Ltd., Ahmedabad) submitted the audited accounts of the Company for the year ended 31st December, 1952.

During the year, the Company made a profit of Rs. 11,48,627 (Rs. 31,54,476) to which was added the amount brought forward from the previous account of Rs. 749 (Rs. 12,503), making a total of Rs. 11,49,375 (Rs. 31,66,979). From this amount the directors carried to the depreciation fund account Rs. 6,75,000 (*nil*) and made donations to the extent of Rs. 18,490 (Rs. 64,830). From the net available balance of Rs. 4,55,885 (Rs. 30,21,749) the directors transferred to special reserve fund Rs. 4,41,000 (*nil*) and charity account Rs. 10,000 (Rs. 10,000) leaving to be carried forward a sum of Rs. 4,885 (Rs. 749). The directors made payment of dividends as under by transferring an amount of Rs. 4,41,000 (*nil*) out of the reserve fund:—

Payment of dividend at the rate of 4 (4) per cent. on redeemable cumulative second preference shares for the year 1952 Rs. 21,000 (Rs. 21,000) and payment of dividend at the rate of Rs. 70 (Rs. 70) per ordinary share for the year 1952 Rs. 4,20,000 (Rs. 4,20,000).

The directors fixed the amount of Rs. 8,00,000 as remuneration, to be paid to the agents of the Company as per the provisions of the articles of agreement. The directors carried an amount of Rs. 8,50,000 (on which the income-tax has been paid) to the reserve fund account being the difference of the assessment at cost price at the end of the year and the prevailing fixed rate assessment system. During the year, an amount of Rs. 4,52,923 was received as refund of E.P.T. and was transferred by the directors to the income-tax provision account.

In the beginning of the year, the prices of foreign cotton touched highest levels affecting particularly the super fine and fine counts' working. Added to this, from the month of March, great country-wide financial crisis was experienced. The cost of production had to face higher prices of raw materials and increase in the freight rates of coal; while the cloth prices had to suffer a great deal. Under the circumstances, the directors considered the result of the working of the Company, as satisfactory.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	35,25,000	Block ...	88,67,870
Reserves ...	1,20,70,000	Stocks ...	1,01,12,108
Provision for taxation	2,67,096	Stores, etc.	14,95,975
Liabilities ...	91,23,099	Debts, deposits and advances ...	36,81,764
Profit and loss account ...	4,55,885	Investments	8,85,807
		Cash ...	3,97,556
Rs.	2,54,41,080	Rs.	2,54,41,080

Jawahar Mills Ltd.

The directors of the above Company (Managing Agents: Umaiyambika & Co., Salem) submit the audited accounts of the Company for the year ended 31st December, 1952.

After deducting all working expenses and interest and providing Rs. 2,03,752 (Rs. 2,12,694) for depreciation, the year's working resulted in a loss of Rs. 95,076 (profit of Rs. 88,933). Deducting therefrom Rs. 8,294 (Rs. 7,361) the balance of profit carried forward from last year, there was a sum of Rs. 86,782 (debit balance of Rs. 96,294) at the debit of profit and loss account. The directors carried forward this amount.

The directors paid a tax-free dividend of 6¼ (7½) per cent. out of profits and for that purpose appropriated of Rs. 40,000 standing to the credit of the dividend equalisation reserve and Rs. 12,500 from the contingency reserve. After appropriation of this sum of Rs. 12,500 from the contingency reserve, there was left a balance of Rs. 29,627 to the credit of that account.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,40,000	Block ...	15,19,000
Debentures	9,39,325	Stock ...	22,71,134
Reserves ...	7,43,480	Stores, tools, etc. ...	2,38,737
Provision for taxation ...	2,09,297	Debts, deposits and advances ...	4,61,003
Liabilities	19,31,733	Investments	35,618
		Cash ...	51,561
		Profit and loss account	86,782
Rs.	46,63,835	Rs.	46,63,835

Devashola (Nilgiri) Tea Estates Co., Ltd.

The directors of the above Company (Managing Director: R. A. Jenkins, Esq., Coonoor, R. S. Nilgiris) submit the audited accounts of the Company for the year ended 31st December, 1952.

The crop harvested during the season amounted to 272,620 pounds of made tea as against the estimate of 250,000 pounds and compared with 207,3664 pounds secured during the previous season. The all-in cost of production was Re. 1-8-3 (151.54 cents) per pound (Re. 1-5 (151.54 cents) per pound) and the net price realised was Re. 1-14-10 (192.71 cents) per pound (Re. 1-15-3 (195.31 cents) per pound), resulting in a profit of As. 6 ps. 7 (41.17 cents) (As. 10 ps. 3 (64.06 cents) per pound).

The net profit on the season's working after writing off depreciation on buildings and machinery and providing for income-tax and other overhead charges amounts to Rs. 117,169 (Rs. 2,14,044). The amount brought forward from last year was Rs. 9,494 (Rs. 5,450) which, together with this year's profit, makes Rs. 1,26,663 (Rs. 2,19,494). Out of this an interim dividend of 10 (10) per cent. absorbing Rs. 60,000 (Rs. 60,000) was declared in January, 1953 and paid in February, 1953 and there remains a balance of Rs. 66,663 (Rs. 1,59,494) which the directors recommend should be appropriated as under:—

To pay a final dividend of 10 (12½) per cent. (making in all 20 (22½) per cent. for 1952) Rs. 60,000 (Rs. 75,000) and to carry forward to next season the balance of Rs. 6,663 (Rs. 9,494).

The capital expenditure for the year was Rs. 51,982 (Rs. 67,608) spent on the following items:—Factory (stub chimney) Rs. 1,718; Machinery (trolley beam scale, wee megger insulation testing set) Rs. 301; motor cycle (ariel red hunter) Rs. 3,327; buildings (lines, staff quarters, chest assembly room, circular saw bench room etc.) Rs. 44,021; furniture (cot, chairs, etc.) Rs. 382 and development account Rs. 2,233.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	7,69,796
Reserves ...	3,64,750	Stock ...	92,378
Provision for taxation ...	4,226	Stores and spare parts	40,080
Liabilities ...	77,479	Debts, deposits and advances ...	39,366
Profit and loss account ...	1,26,663	Investments	1,03,154
		Cash ...	1,28,344
Rs.	11,73,118	Rs.	11,73,118

Tropical Plantations, Ltd.

The directors of the above Company (Managing Director: P. T. Thomas, Esq., Kottayam) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The tea crop harvested during the year amounted to 3,61,402 pounds (833 pounds per acre) 3,87,129 pounds (892 pounds per acre). The production cost was 131.813 cents (Re. 1-5-1.080) pound (114.452 cents (Re. 1-2-3.747) per pound) and the average price realised was 112.348 cents 118.968 cents) (Re. 1-1-11.708) (Re. 1-11-10.844) per pound thereby causing heavy loss in this section. The rubber crop obtained during the year was 8,15,107 pounds (449 pounds per acre) 7,38,137 pounds (406 pounds per acre) at a cost of 54.472 cents (8 as. 8.586 p.) 118.968 cents (Rs. 1-3-0.418) per pound and the average price realised is 120.661 cents (1-3-3.669) per pound.

After providing Rs. 1,48,414 (Rs. 2,41,403 for taxation and after charging depreciation, bonus to staff and remuneration to the managing director, the net profit for the year amounted to Rs. 2,07,346 (Rs. 4,04,921). This, together with Rs. 2,575 (Rs. 2,439) brought forward from the previous year aggregated to Rs. 2,09,921 (Rs. 4,07,360) which was available for distribution. The directors made payment of a dividend of 10 (12) per cent. Rs. 2-8 (Rs. 3) per share, free of income-tax and agricultural tax absorbing Rs. 2,00,000 (Rs. 2,40,000) and carried forward the balance of Rs. 9,921 (Rs. 2,575) to 1953 accounts.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	18,70,453
Reserves ...	1,10,592	Stock ...	4,37,117
Provision for taxation ...	1,46,493	Stores, spare parts, etc.	1,18,610
Liabilities ...	1,92,423	Advances and prepaid expenses	23,461
Profit and loss account ...	2,09,921	Cash ...	2,09,788
Rs.	26,59,429	Rs.	26,59,429

N.B.—Figures within brackets relate to the corresponding period of the previous year.

COMPANY MEETINGS AND DIVIDENDS

DEVASHOLA (NILGIRI) TEA ESTATES CO., LTD. Annual General Meeting, Coonoor, R.S. Nilgiris, 1st June, 1953. Dividend: Re. 1 per share (final). Transfer books closed from 25th May to 1st June, 1953, both days inclusive.

SASSOON AND ALLIANCE SILK MILL CO., LTD. Annual General Meeting, Bombay, 3rd June, 1953. Dividend: Re. 1-4 per share. Transfer books closed from 22nd May to 5th June, 1953, both days inclusive.

KATRAS JHERRIAH COAL CO., LTD. Half-yearly General Meeting, Calcutta, 4th June, 1953. Dividend: Rs. 2 per share. Transfer books closed from 26th May to 4th June, 1953, both days inclusive.

HIGHLAND PRODUCE CO., LTD. Annual General Meeting, Alleppey, 6th June, 1953. Dividend: As. 8 per share (final). Transfer books close from 30th May to 6th June, 1953, both days inclusive.

W. H. TARGETT & CO., LTD. Annual General Meeting, Calcutta, 12th June, 1953. Transfer books close from 6th to 12th June, 1953, both days inclusive.

VICTORIA MILLS LTD. Annual General Meeting, Bombay, 17th June, 1953. Dividend: Rs. 15 per share. Transfer books close from 5th to 18th June, 1953, both days inclusive.

INDO-BURMA PETROLEUM CO., LTD. Annual General Meeting, Calcutta, 17th June, 1953. Dividend: Rs. 6 per share (including interim dividend of Re. 1-8 per share), payable on 18th June, 1953. Transfer books close from 3rd to 17th June, 1953, both days inclusive.

MINERVA MILLS LTD. Annual General Meeting, Bombay, 19th June, 1953. Dividend: Rs. 5 per share, payable on and after 29th June, 1953. Transfer books closed from 29th May to 19th June, 1953, both days inclusive.

PREMCHAND JUTE MILLS LTD. Half-yearly General Meeting, Calcutta, 19th June, 1953. Transfer books close from 12th to 19th June, 1953, both days inclusive.

SRI KRISHNARAJENDRA MILLS LTD. Annual General Meeting Mysore, 20th June, 1953. Transfer books close from 8th to 21st June, 1953, both days inclusive.

EDWARD TEXTILES LTD. Annual General Meeting, Bombay, 20th June, 1953. Transfer books close from 5th to 30th June, 1953, both days inclusive.

BALMER LAWRIE & CO., LTD. Annual General Meeting, Calcutta 6th July, 1953. Transfer books close from 20th June to 6th July, 1953, both days inclusive.

BALANOOR TEA AND RUBBER CO., LTD. Dividend of Re. 1-4 per ordinary share, for the year ended 31st March, 1953. Transfer books close from 14th to 20th June, 1953, both days inclusive.

DEVON TEA AND PRODUCE CO., LTD. Dividend of Re. 1-4 per ordinary share, for the year ended 31st March, 1953. Transfer books close from 14th to 20th June, 1953, both days inclusive.

COMPANY REGISTRATIONS

MINES DEVELOPMENT CORPORATION LTD. (First Director: Mr. P. K. Sarkar.) Business: Acquire Coalfields, etc. Authorised capital: Rs. 50,00,000. Public company. Address: 10, Chowringhee Road, Calcutta.

VEGETABLE OIL MANUFACTURING CO., LTD. (First Director: Mr. R. J. Molte.) Business: Manufacturers and Dealers in Vegetable Oil. Authorised capital: Rs. 25,00,000. Private company. Address: 22, Chittaranjan Avenue, Calcutta.

MANSFIELD AND SONS LTD. (First Director: Mr. P. R. Ganeriwalla.) Business: Timber Merchants. Authorised capital: Rs. 20,00,000. Public company. Address: 16, Tangra Road, Calcutta.

AMIN CHAND PAYARILAL (CALCUTTA) LTD. (First Director: Mr. J. Paul.) Business: Iron Masters, etc. Authorised capital: Rs. 10,00,000. Public company. Address: 21 A Canning Street, Calcutta.

NABA BHARAT FARMS AND FISHERIES LTD. (First Director: Mr. D. Das Gupta.) Business: To carry on and develop River, Sea Fishing, etc. Authorised capital: Rs. 10,00,000. Public company. Address: 3, Commercial Buildings, Calcutta.

AGARWAL INVESTMENT CO., LTD. (First Director: Mr. B. N. Poddar.) Business: Manufacturers and Dealers in Merchandise, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 25, Netaji Subhas Road, Calcutta.

MINERALS AND MINERALS LTD. (First Director: Mr. P. N. Garg.) Business: Manufacturers and Dealers in Coal, Coke and By-products of Coal. Authorised capital: Rs. 5,00,000. Private company. Address: 5 Southern Avenue, Calcutta.

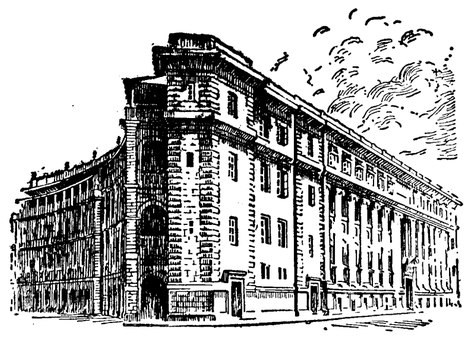
RAJEN AND SANTOSH LTD. (First Director: Mr. R. Gupta.) Business: Manufacturers, Importers, Exporters and Dealers in Hosiery. Authorised capital: Rs. 5,00,000. Private company. Address: 5/1 Kulia Tangra 2nd Lane, Calcutta.

BILAS SINGH & CO., LTD. (First Director: Mr. Bilas Singh.) Business: Contractors. Authorised capital: Rs. 5,00,000. Private company. Address: 17 Mango Lane, Calcutta.

S. B. ELECTRIC MART LTD. (First Director: Mr. B. Tewari.) Business: Manufacturers of Radios, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 377/1/2 G. T. Road, P.O. Botanical Gardens, South Howrah.

B. B. CHATTERJEE & CO., LTD. (First Director: Mr. T. N. Chatterjee.) Business: Dealers in Asbestos, Rubber and Fibre Goods, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 22 Raja Woodmunt Street, Calcutta.

PAKUR STONE CO., LTD. (First Director: Mr. J. K. Mitter.) Business: Quarry Masters and Stone Merchants. Authorised capital: Rs. 5,00,000. Private company. Address: 14, Netaji Subhas Road, Calcutta.



Bombay Local Head Office

IMPERIAL BANK OF INDIA

Authorised Capital	- -	Rs.	11,25,00,000
Paid-up Capital	- -	,,	5,62,50,000
Reserve Fund	- -	,,	6,35,00,000
Reserve Liability of Shareholders	-	,,	5,62,50,000

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TP.17C

MONEY FAIRLY COMFORTABLE

(From Our Own Correspondent)

BOMBAY, 27*th May*

The short-term money market continued to experience fairly comfortable conditions this week also. Exchange banks were reported to be not keen borrowers due to paucity of demand from trade circles. There were, of course, some enquiries from big Indian banks in the inter-bank call section, probably due to local trade demand. The demand was, however, fairly well satisfied although, at times, some of them had to seek help from the Reserve Bank. The inter-bank call money rate among the Exchange banks and by Indian banks, however, remained unchanged at 2½ per cent. Small Indian banks continued to offer 3 per cent., but funds were not easily available to them in the inter-bank call.

Term money was quoted at 2¾ per cent. for one to two months and 2½ per cent. for three months and above.

A notable feature of the money market this week is the sharp rise in the offerings for the three months' Government of India Treasury Bills. While tenders were invited for only Rs. 1 crore, as in the previous weeks, the amount offered came up to Rs. 226·25 lakhs, that is, more than 2¼ times the amount invited. In fact, the offerings have been on the increase during the last four weeks. In the previous two weeks, the average rate of accepted tenders had shown a declining trend and this was carried further this week when the rate fell to Rs. 2-6-6 per cent. per annum.

Following a decline of Rs. 5.28 crores in the previous week, notes in circulation have gone down further by Rs. 8.14 crores during the week ended 22nd May, 1953. Disclosing this the statement of affairs of the Reserve Bank of India for the latest week shows that notes held in the Banking Department have gone up by Rs. 8.60 crores. Total notes issued record an increase of Rs. 45.46 lakhs which is covered, on the assets side, by a similar rise in rupee coin. In the Banking Department, deposits of the Central Government show no worthwhile variation. Deposits of the other Governments are higher by Rs 1.44 crores. Deposits of banks and others have however, declined by Rs. 81.67 lakhs and Rs. 1.38 crores, respectively. On the assets side, cash balances have enlarged by Rs. 8.62 crores, but balances held abroad have dwindled by Rs. 4.43 crores. Loans and advances to Governments are lower by Rs. 47 lakhs and other loans and advances by Rs. 5.55 crores, of which loans to Scheduled Banks against usance bills, account for Rs. 3.05 crores.

The Scheduled Banks' statement for the week ended 15th May, 1953, discloses a rise of Rs. 1.86 crores in demand deposits and of Rs. 59.94 lakhs in time deposits. Inter-bank borrowings are lower by Rs. 64.36 lakhs, as also borrowings from the Reserve Bank and Imperial Bank by Rs. 2.44 crores and Rs. 31 lakhs, respectively. Advances have declined by Rs. 5.06 crores and bills purchased and discounted by Rs. 94.37 lakhs. Investments are almost unchanged, but cash-on-hand and balances with the Reserve Bank are together higher by Rs. 2.17 crores. Balances with other banks have improved by Rs. 31.33 crores. But money at call and short notice has declined by Rs. 14.49 lakhs.

There was not much of an activity in the Gilt-edged market during the week under review, but the undertone remained steady with medium-dated loans revealing fractional gains. The improvement is attributed to a further increase of one anna in the selling price of 3 per cent. 1963-65 and 3 per cent. 1964 by the Reserve Bank. 3 per cent. 1953-55 was unchanged at Rs. 100-1, as also 3 per cent. 1957 and 3 per cent. 1958 at Rs. 98-11 and Rs. 98-9, respectively. 3 per cent. 1959-61 hardened by As. 2 to Rs. 96-13 on good investment demand, but this issue was in short supply. 3 per cent. 1963-65 and 3 per cent. 1964 rose by an anna to stand at the Reserve Bank's latest selling price of Rs. 93. 3 per cent. 1966-68 showed no change at Rs. 90-10, and 3 per cent. 1970-75 at Rs. 86-11. 3 per cent. 1986 Conversion Loan, however, declined by As. 3 to Rs. 82-6.

In the foreign exchange section of the money market, there was no change in the rupee-U.S. dollar rate during the week. In the New York market, however, the sterling was a little quiet, the spot rate for the £ being quoted 3/16 cent lower at $2.81-5/16—2.81-7/16 and the forward rate for 3 and 6 months 5/16 cent lower at $2.80-7/16—2.80-9/16 and $2.79⅞—2.80.

EXPORTABLE DUSTS IN LESS DEMAND

(Messrs. Forbes, Ewart & Figgis Ltd.)

COCHIN, 23*rd May*

The total offerings in dust sale 'J', which was held on Tuesday, 19th May, amounted to approximately 1,04,000 lbs. There was a good general demand, although prices were irregular. Milled dusts and fine dusts met with keen competition and were irregularly As. 2 dearer. Clean, black, export portable types were in less demand and inclined easier. Buyers tended to show a preference for teas which had paid only one anna excise duty.

London Market.—Very good demand. Mediums fully half penny dearer. Commonest very strong.

Colombo Market.—6,000,000 lbs. Quality plain high and medium declined slightly. Others firm.

Calcutta Market—Dust.—Less general demand. Market irregularly one anna easier.

Export Quota.—1953-54 export quota was in more demand this week and business has been done at 11 pies. The quotation for special licence is still one pie nominal, sellers over. No announcement has been received of an extension.

Forthcoming Auctions.—Dust Sale 'K' will be held on Wednesday 3rd June.

As we go to Press, Messrs. Forbes, Ewart and Figgis Ltd., wire as follows:

"Sale 11.—17,00,000 lbs. Good general demand. Commonest and low medium brokens and fannings about steady. Mediums As. 1 to As. 2 easier. Best liquoring As. 2 to As. 3 easier, following quality. Whole leaf strong."

SILVER RATES DECLINE

(From Our Own Correspondent)

BOMBAY, 27*th May*

The silver section of the bullion market continued to be the scene of a tussle between the bulls and bears. As was reported in the "Market Gossip" columns of last week's issue of *Commerce*, the bulls persisted in depressing the white metal so as to exact as heavy carry forward charges as possible from the bears at the end of the settlement on Saturday next, when they seemed to expect that the bears would not be able to give delivery of the actual against their sales. There was, therefore, a sizable decline in prices of the white metal. Although towards the close, there was a partial recovery on sporadic bear covering, on balance, silver disclosed a loss of Re. 1-2 per 100 tolas.

Gold, on the other hand, was fairly steady, with a fractional loss on balance due to the fall in silver prices. The relative steadiness in gold was due to the fact that the offtake was fairly well balanced with arrivals.

As already indicated, the bulls succeeded in keeping the forward rate for the current settlement well below the basic rate of Rs. 162-10 for that settlement. At the same time, they saw to it that the carry forward charges from the current settlement to the next one, remained in their favour, widening from Rs. 2-6 at the close of last week to Rs. 3-10 at one time during the week. At the close, however, the rate stood at Rs. 3-7. The bears were in no mood to cover their sales on the assumption that at the time of settlement the bulls will not be in a position to take delivery of the bars tendered by them. However, when the rate for the current settlement touched a low of Rs. 160, at one time on Monday, that for the next settlement went down to Rs. 156-14, which was more than Rs. 7 below the basic rate of Rs. 164-8 for the next settlement. Apprehending that they would have to pay a margin of Rs. 500 per bar, if they allowed the closing rate for the next settlement on that day to remain below Rs. 157-8, (that is Rs. 7 below the basic rate for that settlement), some of the bears covered their sales, though the main bear operator continued to sit tight on his sales. This caused the prices to go up in the last two days. With hardly two days more to go for the expiry of the current settlement an interesting situation has thus developed. It will be interesting to watch the outcome of the tussle on Saturday when the current forward contract matures.

Silver for forward delivery (end of May settlement) opened at Rs. 163-11 and moved down to a low of Rs. 160 at one time on Monday. But covering purchases by some of the bears at this level lifted the price to Rs. 162-7 at the close. The rate for the next settlement began at Rs. 161-6 and reacted to Rs. 156-14 on Monday, before regaining to Rs. 159 at the close to-day.

Ready silver (.996 fine) retreated from Rs. 163-15 to Rs. 160-4, but staged a recovery to Rs. 162-11 at the close. The floating stocks of silver are placed at 1,000 bars. The daily average offtake was 15 bars.

Gold for forward delivery (end of May settlement) moved down from Rs. 87-11 to Rs. 86-12, but hardened to close at Rs. 87-5. The business for the next settlement opened on Thursday last at Rs. 87-7, but the rate drifted down to Rs. 86-9, before recovering to Rs. 87 at the close.

Ready gold commanded a premium of As. 7 over the forward rate for the current settlement. The floating stocks of gold are estimated at 35,000 tolas. The daily average arrivals were 7,500 tolas. The offtake was estimated at 7,000 tolas on an average.

The following comparative table shows the trend of the market during the week under review:

	27-5-53	Highest	Lowest	20-5-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	87 12	88 5	87 3	88 2
Forward	87 5	87 14	86 12	87 11
Sovereign	57 10	57 12	57 8	57 12
SILVER				
Ready (.996 fine Mint)	162 11	164 3	160 4	163 13
Forward	162 7	163 15	160 0	163 9
London Ready ..	74*d*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½c.	—	—	85½c.

BASE METALS STEADY

(From Our Own Correspondent)

CALCUTTA, 26*th May*

Prices for base metals were steady during the week, but consumers were interested only in small quantities. Manufacturers' need for raw materials continued to be for meeting only day-to-day consumption, since manufactured products were preferred either ready or for near delivery. Electrolytic copper recovered from Rs. 175 to Rs. 178 and although reports from foreign markets anticipated a decline in price in the near future, dealers were not worried as they derived encouragement from the acute tightness in supplies of the virgin material. Scrap was also in demand, and all available supplies would appear to have dried up. The fire-refined material was hardly located.

The price of tin was quietly steady, and the rates were between Rs. 522 and Rs. 510, before closing at the lower level. The lack of demand for mercury pulled down the price to as low as Rs. 460 a flask. Sentiment in lead was greatly assisted by higher advices from the overseas markets, and the local quotation for the virgin material hardened from Rs. 50 to Rs. 61. Although only small quantities changed hands in electrolytic zinc, the rise in the London rate by £3 a ton was answered locally by an advance of Rs. 2-8 a cwt. However, lack of adequate demand erased the gain by Re. 1-8, the rate closing at Rs. 51-8.

COTTON PRICES RECEDE

(From Our Own Correspondent)

BOMBAY, 27*th May*

Several factors have combined to upset both spot and forward cotton markets. The ball started rolling with the revival of talks about devaluation of currency in Pakistan. This factor has always loomed large on the horizon for affecting cotton prices in India bearishly. It is not known as to how far speculation regarding devaluation at Karachi will prove more correct this time than on any of the previous occasions. The possibility is always there, considering the anomalous position of the Pakistan Government in this respect and, if the Pakistan rupee is devalued to an extent where imports of cotton from Karachi would be a practical proposition for Indian mills, home prices cannot stay at present levels. When the cry of 'wolf' is raised repeatedly, according to the laws of probability, it might prove correct for once and a real 'wolf' might materialise. Operators, especially in the forward markets, cannot but help taking note of this development likely to arise suddenly some time overnight. They have wisely trimmed their sails.

The other factor which dealt a severe blow to the forward market was the news about the new agreement provisionally initialled regarding the payments system for cotton imported by India from Egypt. Some more cotton than previously is likely to be imported from this source in future, when this agreement is ratified, and the generous increase in supplies, whether of foreign growth or Indian, is bound to affect adversely prices of Indian cotton in general. India will be able to pay for nearly half the cotton from Egypt in rupees and the other half in sterling, instead of having to find the whole amount in sterling as at present. In addition to these specific causes, the longs are also believed to have adopted a new strategy, under which they keep the bears guessing, while unloading heavily at bulges for small profit, instead of adopting a straight bullish line and starting replacement buying at certain low levels. Apart from this being the usual strategy, it has been necessitated by fears that, if prices are pushed up beyond a certain level, forward trading in the new crop itself might be endangered.

Even as it is, it is being rumoured that the authorities in New Delhi are perturbed over the recent rise in spot prices. It is a pity that the E.I.C.A. authorities are not able to control *kerb* trading at such critical times, which is often responsible for sudden jumps and falls in the price level. This blight has now fallen on almost all forward markets and quoting of *kerb* rates is becoming a regular feature of the city pages of the newspapers. Besides this irregularity, the cotton market is also believed to have started clandestine trading in the February delivery contract for the new crop. Unless the authorities come down with a heavy hand on all such practices, it is obvious that the forward market is likely to degenerate into gambling dens with trading in American futures and *teji mandi* operations added to the other irregularities.

The futures market opened the week with a hesitant note, in the absence of any encouraging development, and values staged a decline. The decline persisted on the following day also, assisted by selling pressure by a spot house. On Saturday, however, the market picked up some strength, the buying fervour being fanned by the Commerce Minister's announcement of extension of the period of free licensing policy for cloth exports and of an increase in the export quota for mineral khaki. Consequently, prices continued to move up. The upward trend was halted yesterday on weak New York advices. To-day also, the market ruled distinctly bearish. The following is the trend of prices during the week:

	Opening	*High*	*Low*	*Close*
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
I.C.C. May ...	723 8	736 8	721 12	740 0*
I.C.C. August ...	734 0	735 4	719 8	722 12

* On 25th May.

In the spot market, activity is confined to certain selected styles like Vijaya and Jarillas, together with trading in imported cottons. Demand for U.S. cotton has increased slightly. Prices of spot lots of Egyptian cotton has declined, as a result of the agreement referred to above. The turnover in the spot market, unlike that in the forward market, has not been affected and the trading, if not brisk, is fair. Enquiries for Bengals come in from time to time and the prices have been well maintained in this variety.

At Karachi, a feeling of complacency, instead of anxiety, is now in evidence. The stock position and the likely carry-over are not regarded as in any way heavy. The prices show an all-round improvement of Rs. 2 to Rs. 2-8 per maund on an average over a period of 2 to 3 weeks. This improvement has been partly due to short covering by exporters to France and China, who had sold against their commitments to buyers in these countries and partly to some trade with Australia and expectations of increased trade in the new year with this country. Exports from Karachi during the season up to the middle of May came to 1,220,183 bales, as against only 947,755 bales last year. Now that all cotton held by the Cotton Board has been cleared, it is believed that the Board will be wound up and trade will be placed on a different basis altogether for the new season. The latest available quotations from the Karachi cotton market are: Punjab *Deshi* Rs. 66; 4F Punjab R.G. Rs. 57; S.G. Rs. 62; L.S.S. Punjab R.G. Rs. 60-8; S.G. Rs. 65-8; N.T. R.G. Rs. 65; S.G. Rs. 70; 289F Punjab R.G. Rs. 68; and S.G. Rs. 73.

At Alexandria, it was announced during the last week-end by the authorities that they had no intention at present of reopening the forward market there, which was closed six months ago. The prices which the Government will pay for the new crop were also announced. The price for Ashmouni ranges from 50 tallaries per cantar during the first three months to 52 tallaries for the period February to the end of season, while that of Karnak begins at 58 tallaries for the earliest period and earns a premium of 2 tallaries for deliveries after February, 1954. The policy for selling cotton so held by the Government for exports and internal consumption will continue to be more or less the same as in the present year. Stocks held by the Cotton Commission at the beginning of this month amounted to 363,314 bales, of which Giza 30 could claim only 1,436 bales. The market continues to be active, as there is fair demand from India, the U.K., France and Spain.

The same seesaw movement continues at New York. The earlier part of the week under review witnessed a steady trend, which gave way after the week-end, and last Monday's trading showed a heavy decline of about 33 points in the July delivery. Part of this decline was due to absence of demand in the spot market for home consumption and exports and reports regarding improvement in weather from the cotton areas. There is, however, a steady feeling about earlier deliveries in the new crop.

The following are the latest available quotations from New York, as compared with those of a week and a fortnight before:

(In cents per lb.)

	27-5-53	19-5-53	12-5-53
Spot	34.20	34.60	34.05
May	—	—	33.62
July	33.77	34.22	33.74
October	33.80	33.83	33.60
December	33.77	33.83	33.58
March	33.83	33.93	—

ART SILK YARN FEATURELESS

(From Our Own Correspondent)

BOMBAY, 27*th May*

Dull and featureless conditions characterised trading in the art silk yarn market this week. Turnover was extremely limited, confining mostly to transactions of a squaring up nature. Over the week, prices of yarn in the forward section suffered a drop of Rs. 7 to Rs. 9 per case of 200 ibs.

The undertone of the market during the first two sessions of the week was somewhat bearish, on reports of actual arrivals of large quantity of imported yarn. Fears were also entertained regarding the possibilities of further receipts in the coming week or two. Selling pressure that ensued, as a result, led to a break in values. There was, however, a slight change for the better in the sentiment of the market on Saturday, when, on account of support at higher levels and bear covering, prices staged a recovery. But to-day, again, a reaction set in, with bulls being reluctant to hold on to their position, in view of the approaching end of the May delivery. The loss suffered, however, was negligible.

In the forward section, 150D May delivery contract receded from Rs. 808 to Rs. 788 on the 23rd inst., the lowest level for the past seven weeks. It improved to Rs. 800 yesterday, before finishing a shade lower at Rs. 799 to-day. June contract shed Rs. 14 to Rs. 799 on the 22nd inst., but recovered to close at Rs. 806 to-day. Values of yarn in the ready section were more or less unchanged.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 20th and 12th inst.

	27-5-53 Rs. a.	20-5-53 Rs. a.	12-5-53 Rs. a.
150D May (per case of 200 lbs.)	799 0	808 0	812 0
150D June	806 0	813 0	820 0
120 Japan (per lb.)	4 7	4 7	4 7½
150 Japan	4 3	4 3	4 3
120 Italy ,, ...	4 3½	4 3	4 3
150 Italy ,, ...	4 0	4 0½	4 0½

In the staple fibre yarn section, prices have been well maintained, particularly in 2/40s, due to speculative buying support encouraged by scarcity of supplies. Offtake, however, continues to be very limited.

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, 27*th May*

The oilseeds market ruled easy during the week under review. There was substantial decline in the prices of groundnuts and groundnut oil, following the statement of Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, regarding the policy of Government towards import and export of vegetable oilseeds and oils. The prices could have declined further had it not been for the anticipation of the Government's attitude earlier. The approaching rainy season and restricted buying enquiries from *vanaspati* interests also contributed to the easy trend. The linseed section declined in sympathy with groundnuts. Discouraging overseas advices for linseed oil also depressed the market. The castorseeds section too was inclined downwards despite the purchases both in spots as well as in futures by a prominent bull operator who had gone long in May contract which will expire at the end of this month. The all-round selling pressure which was in evidence as a result pressed down values. On balance the closing rates revealed sizable losses over the week. The oilseeds market remained closed to-day owing to the death of a Jain *sadhu*.

Sectionwise, buyers in groundnuts were extremely cautious. Every seller seemed inclined to go short in view of lack of demand at the existing level of prices. Bold ready, as a result, declined from Rs. 49-8 to Rs. 47-8. June-July delivery was lower by Rs. 2 at Rs. 47 and August-September by Rs. 2-4 at Rs. 46-12. Khandesh quality eased by Re. 1-4 to Rs. 48-8. Groundnut oil ready fell from Rs. 25-8 to Rs. 25 and railway receipts from Rs. 25-6 to Rs. 24-10. June and July deliveries were done at Rs. 24-8 and Rs. 24-11, as against Rs. 25-7 and Rs. 25-9, respectively.

In the linseed section, Bold ready fell from Rs. 34-12 to Rs. 33-14. June-July delivery was down by Re. 1 to finish at Rs. 34. August-September delivery too was lower by a similar amount to stand at Rs. 34-12. Linseed oil was enquired at Rs. 17-10, as against Rs. 18. At the present level of prices, there is little likelihood of any foreign enquiries.

In the castorseeds section, May delivery which opened at Rs. 165, as against Rs. 165-8, gradually receded to Rs. 160-4. Thereafter, it recovered, on purchases by the bull referred to above, and closed at Rs. 164. September delivery, which was done at Rs. 162-12 early in the week, as against Rs. 163-8, declined gradually to Rs. 158 before closing at Rs. 160-12. Madras quality was lower by As. 2 at Rs. 32-6, while F.A.Q. was steady at Rs. 31-8. Castoroil, Commercial quality, however, put on As. 4 to Rs. 17-12, while I Pressures were unchanged at Rs. 18-8.

The following table shows the prices of oilseeds and oil on the 26th inst., as compared with those at the end of the previous two weeks.

	26-5-53 Rs. a.	20-5-53 Rs. a.	13-5-53 Rs. a.
Groundnuts—			
Bold Ready New (per cwt.) ..	47 8	49 8	47 8
June-July	47 0	49 0	47 8
August-Sept.	46 12	49 0	47 12
Linseed—			
Bold Ready (per cwt.) ..	33 14	34 12	32 8
Castorseeds—			
May (per candy of 5 cwts.) ..	164 0	165 8	157 12
Sept. (per candy of 5 cwts.) ..	160 12	163 8	157 4
Madras (per cwt.)	32 6	32 8	31 4
Groundnut oil—			
Ex-mill Ready (per quarter)	25 0	25 8	24 14
Castor Oil—			
Commercial (per quarter) ..	17 12	17 8	17 5

PEPPER STEADY

(Messrs. Parekh & Co.)

BOMBAY, 27*th May*

The pepper market in all the primary centres during the week moved within a narrow groove, the lowest and the highest at Alleppey being Rs. 3,250 and Rs. 3,300 respectively. In spite of the disappointing export to the U.S.A. during the month, the growers appeared sitting tight, disinclined to reduce the price. This has forced the exporters to cover their requirements at sellers' price. Most of them are under the circumstances now reported to be chary to sell short anything for a nearby position. The sales for export during the week proved poor. The opinion regarding the future of the market is divided. One thinks that if New York does not come to buy sizable quantity during the months of June and July, the growers in India will go tired-long and the market may decline some time in August. While, the other thinks that as the growers are stiff sellers whenever New York is in the market she shall have to pay growers' price for planters are unwilling to release a large quantity at the present price. Growers are generally expecting the repetition of last year's performance when New York had to increase their purchasing price by nearly 30 cents during the months of June and July in order to get enough supply from India.

In A.S.T.A. section, business for June and July was done at price ranging from $1.41 to $1.44½ for June, and $1.39 to $1.42 for July.

Neither Sarawak nor Lampong is said to be in a position to supply anything worthwhile to New York during the coming month or two, as the quality available for export during these months is not likely to come up to the standard.

Following are yesterday's nominal quotations: Ready delivery Rs. 375 per Bengal maund, June Rs. 2,700-30 and July Rs. 2,660-90 per candy of 5¼ cwts.

FURTHER RISE IN WOOL PRICES

(Messrs. J Hardacre and Co.)

BOMBAY, 26*th May*

The highest point of the recent advance in wool values in Australia, which was largely influenced by Russian competition, seems to have been reached at the early sales this week. Meanwhile, there has been, especially at Adelaide, a turn in favour of the buyer, and it has become easier to obtain wool within Bradford limits. At the same time, quotations are now higher than those a week ago, with merinos on a basis of 176*d.* for 64s warp. Some topmakers are quoting rather more. In fine crossbreds, prices are based on 122*d.* for a 58s super. In medium crossbreds, most topmakers are asking 85*d.* for 50s carded.

In the circumstances, it is not surprising to find business quiet in the top market. Users have covered their commitments so far ahead that they are disposed to await further developments in the wool market. The interpretation of the Bradford firms with regard to recent developments in Australia is that the Russians have bought all the wool they need, particularly at Adelaide, and have dropped out of the market.

Spinners' indifference to placing business in tops continues to be a feature of the market. They are evidently so well supplied with orders for which they are fairly well covered in the top market that they are quite content to push along with production and deliveries, especially in view of the approach of the holiday season, which this year, with the operation of the two-week holiday, is likely to dislocate production much more.

To-day's quotations (in pence per lb. c.i.f. Bombay delivery, for Bradford oilcombed tops are given below:

	July-August 1953
	d
48s carded	87
58s super	124
60s super	150
64s super	174
70s super	189
Fibro (3D.4″)	43½
46-48s scoured clothing wool	78-79

TEA DUSTS PRICES DECLINE

(From Our Own Correspondent)

CALCUTTA, 26*th May*

Although there was satisfactory demand during last week's internal sales, where dusts offered amounted to 29,837 packages and leaf 2,475 packages, buyers were prepared to support the market only at lower levels. With the result, almost all varieties registered declines in prices, Dooars varieties, good mediums and mediums eased by one anna below brokers' valuations, while the commonest varieties and best liquoring sorts were pushed down by two annas. Thus, best Assam C.T.Cs. dusts were priced at Re. 1-12, medium Assam grainy dusts Re. 1-8-6 to Rs. 1-9, and medium Dooars dusts Re. 1-7-6. Because of a decline in quality, prices for leaf teas were also pushed down.

JUTES FIRM

(From Our Own Correspondent)

CALCUTTA, 26*th May*

Jute markets continued to be supported at the higher levels again during the week, and prices added further gains. The Commerce Minister's encouraging remarks regarding prospects for increased exports of jute goods during his address last Sunday to the Export Advisory Council were received cheerfully in the markets. This factor gave strength to bazar dealers to continue stocking which, in turn, supported the gains. This trend was particularly in evidence during yesterday's trading, and prices hardened further over Saturday's closing levels. Throughout the week, there was moderate support from overseas buyers. The continuation of the dry weather, the lack of adequate rains for the progress of sowings, and the consequent fear of a much reduced crop, were all other factors which helped buyers, including speculators, to enter into commitments before prices went further, and mills booked business for delivery up to September.

While market circles have noted that a small consignment of hessian, manufactured by an East Bengal mill, has been shipped to the United States, they have rightly taken the view that it would be a few years before Pakistan becomes a competitor to India in the burlap market. The above news from East Pakistan is, therefore, taken as publicity to Pakistan's "coming" ability to meet orders for hessian. The threat to Indian hessian from Pakistani competition and the possibility of Pakistani mills underquoting Calcutta are possible in years to come, and although India should be aware of such possibilities, a section of market circles rightly feels that any "drastic" measures now to safeguard against possibilities in the future, will be not only foolish but are not called for, meased by any yardstick. Nevertheless, they are one with the opinion that there is need for modernisation of production in mills, improvement in the quality of raw jute grown, especially in the variety fit for the production of hessian, and expansion of India's markets in foreign countries. Efforts in these directions have been in hand now for some years now, and results have indeed been satisfactory. Hence the Pakistani report will, it is hoped, result in acceleration of the Indian efforts to place the jute industry on a better footing.

A feature in the sacking market was the support which sugar mills gave to A. twills. Sugar mills require more bags this season in view of a likely increase in production. Reports that this year Burma would be able to export more rice, that for this purpose she would require more bags, and that an Indo-Burmese barter agreement was likely soon, had an enlivening effect on prices. The market expects that again this month production of heavy goods would register a decline. Last Wednesday, dullness invaded prices and B. twills declined to Rs. 96, as bazar rumours that Pakistan was to devalue its rupee were circulated freely. These reports, as the previous numerous ones, proved false, but the persistent easiness was due to possibilities of cheaper fibre from East Bengal in the event of the rumour materialising. On Thursday, however, a recovery to Rs. 97-12 was reported, due to good covering demand and also to satisfactory business within shippers. Mills were not anxious to sell, and this coupled with good speculative demand raised the price to Rs. 98-12 on Friday. On Saturday, the price was further up at Rs. 101-8, and the July-September position held steady ground at Rs. 103. Demand was steady. Yesterday, the ready position moved further up by one point to Rs. 102-8.

Hessian prices were steady. The improvement was in sympathy with sacking, as business was only about average in volume. Ready 40″ 10 oz. hessian opened at Rs. 41-8 and on Thursday moved to Rs. 42-4, which was just maintained on the following day as poor turnover coupled with huge stocks with mills made buyers delay entering into commitments. There was a further rise on Saturday to Rs. 43-8, and the rise was in sympathy with the advance in quotations for heavy goods. During yesterday's trading, a further gain of As. 2 was recorded.

(*Continued on page* 1015)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	15th May, 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,174.83	1,179.81	1,165.47	1,153.68
Notes held in Banking Department	35.05	15.19	9.76	9.37	28.33
Foreign Securities	29.50	613.15	613.15	598.15	603.15
Rupee Securities	37.39	449.86	449.86	449.86	464.63
Banking Department					
Deposits of:					
Government of India	14.89	100.71	98.58	97.99	124.07
Other Governments	..	14.28	15.58	16.96	4.19
Balances held abroad	10.08	106.35	105.65	123.95	91.21
SCHEDULED BANKS					
Demand Liabilities	134.87	525.30	524.18	541.59	557.73
		(10.27)	(10.91)	(13.66)	(9.75)
Time Liabilities	102.84	322.32	321.72	319.22	289.55
Borrowings from		(1.85)	(1.85)	(2.01)	(2.12)
Reserve Bank	..	23.39	25.83	12.62	35.24
		(14.64)†	(15.54)†	(2.4)†	(29.08)†
Borrowings from Imperial Bank	..	11.09	11.40	8.28	7.90
Cash in India	6.71	32.06	32.13	33.48	34.71
Balances with Reserve Bank	..	25.28	40.58	38.34	42.33	48.54
Excess over statutory limits	..	15.52	7.86	5.69	8.87	14.87
Balances with other banks in current account in India	..	..	11.28	10.97	13.40	11.14
Money at call and short notice in India	..	..	13.96	14.11	16.37	14.94
Investments (at book value)	..	..	300.68	300.73	301.73	294.89
Advances and bills	105.09	533.85	539.86	526.39	552.71
IMPERIAL BANK					
Deposits	..	87.76	209.68	208.48	216.61	229.79
Investments	..	51.99	81.31	81.51	82.96	86.76
Advances	..	30.37	124.23	125.78	124.99	156.15
Cash	..	14.69	15.96	13.75	17.41	17.96

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).

† Borrowings against usance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	22nd May, 1953 Number of Cheques	22nd May, 1953 Amount Rs.	15th May, 1953 Number of Cheques	15th May, 1953 Amount Rs.
Bombay	2,31,772	51,23,67,000	2,31,023	50,23,83,000
Calcutta	1,47,954	42,73,55,547	1,50,682	49,74,80,134
Madras	68,075	6,62,53,172	68,364	7,33,12,264
All Centres—				
1951	..	..	1,05,94,122	3180,56,86,359
1952	..	..	1,06,41,041	29,79,51,57,000
Feb., 1953	..	..	24,45,000	5,23,39,00,000
Mar.	..	..	27,13,000	6,15,31,00,000

Reserve Bank of India

Statement of Affairs for the week ended 22nd May, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	100,83,05,000
(2) Other Governments	15,71,61,000
(b) Banks	41,56,95,000
(c) Others	56,36,05,000
Bills Payable	3,65,70,000
Other Liabilities	35,54,78,000
Rupees	283,64,93,000

ASSETS	Rs.
Notes	23,78,96,000
Rupee Coin	13,37,000
Subsidiary Coin	6,59,000
Bills Purchased and Discounted—	
(a) Internal	14,50,000
(b) External	..
(c) Government Treasury Bills	13,14,15,000
Balances held abroad*	101,91,85,000
Loans and Advances to Governments	3,30,00,000
Other Loans and Advances	25,53,61,000
Investments	87,24,40,000
Other Assets	8,37,50,000
Rupees	283,64,93,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs.11,58,68,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 40,08,88,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	23,78,96,000	
Notes in circulation	1166,36,62,000	
Total Notes issued		1190,17,58,000
Total Liabilities		1190,17,58,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	613,15,11,000	
Total of A		653,16,82,000
B. Rupee Coin		87,14,71,000
Government of India Rupee Securities		449,86,05,000
Internal Bills of Exchange and other commercial paper	..	..
Total Assets		1190,17,58,000

Ratio of Total of A to Liabilities: 54.880 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 15th May, 1953

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks	10,26,53,000†
(ii) Other demand liabilities	515,12,49,000
2. Time Liabilities in India:	
(i) Borrowings from banks	1,85,00,000†
(ii) Other time liabilities	320,46,95,000
3. Cash in India	32,05,74,000
4. Balances with the Reserve Bank in India	40,58,19,000
5. Balances with other banks in current account in India	11,28,23,000
6. Money at call and short notice in India	18,96,27,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	300,68,27,000
8. Advances in India	472,90,61,000
9. Inland Bills purchased and discounted in India	60,94,83,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

	26th May, 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	1-6 1/16	1-6 1/16
Bombay on New York—		
Sellers T.T. D.D.	Rs. 476	476
Buyers T.T.	Rs. 471¼	471¼
London on New York	$ 2.81⅛	2.81⅛–2.81⅛
London on Paris	Frs. 984	984–985
London on Berne	Sw. Frs. 12.22	12.22½–12.22½
New York on London	$ 2.81⅛	2.81½–2.81⅝

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India	1948	342.12	..	8,730	255
Pakistan	1949	75.04	..	1,671	223
Burma	1951	18.67	Kyats 3,166	317	169
Ceylon	1951	7.74	..	451	582
Japan	1951	84.40	Y. 4,564,400	6,038	716
Philippines	1951	20.25	Ps. 7,586	1,820	856
New Zealand	1951	1.95	£ (N.Z.) 615	820	4,206
Australia	1951	8.41	£ (A.) 3,238	3,454	4,317
U.K.	1951	50.29	£ 11,384	15,179	3,010
U.S.A.	1952	156.98	$ 290,400	138,280	8,808
Canada	1952	14.43	$ 18,207	8,249	5,714
France	1951	42.24	F. Fr. 9,082,000	12,372	2,929
W. Germany	1951	48.11	Dm. 90,200	10,227	2,126
Italy	1951	46.60	Lr. 7,746,000	5,902	1,267
Norway	1952	3.32	Kr. 16,590	1,106	3,331
Sweden	1951	7.07	Kr. 36,800	3,439	4,864
Netherlands	1952	10.38	Fl. 17,550	2,200	2,120
Denmark	1951	4.30	Kr. 20,716	1,439	3,346
Switzerland	1951	4.75	S. Fr. 19,500	2,166	4,558

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nations Monthly Bulletin of Statistics, April, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 15th May, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	19,76,40,000
(b) Provincial Governments	1,08,75,000
(c) Banks	22,69,43,000
(d) Others	2,64,27,000
Bills Payable	27,58,000
Other Liabilities	5,51,99,000
Rupees	57,92,42,000

ASSETS	Rs.
Notes	11,34,73,000
Rupee Coin	2,000
Subsidiary Coin	5,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	14,99,000
Loans and Advances to Governments	1,33,00,000
Provincial Governments Debtor Balances	6,80,71,000
Other Loans and Advances	2,29,25,000
Investments	26,87,97,000
Other Assets	8,81,70,000
Rupees	57,92,42,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,34,73,000	
Notes in circulation	210,08,16,000	
Total Notes issued		221,42,89,000
Total Liabilities		221,42,89,000

ASSETS	Rs.	Rs.
I A Gold Coin and Bullion	7,91,42,000	
Silver Bullion	..	
Sterling Securities	39,07,40,000	
Government of India Securities	11,87,77,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,96,000	
		88,85,55,000
B Rupee Coin	6,25,96,000	
Government of Pakistan Securities	122,06,63,000	
Internal bills of exchange and other commercial paper	....	
		128,32,59,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		221,42,89,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 41.91 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment Rs. a. p.	Allotted at minimum rate %
1953					
3rd March	1.00	1.02	1.00	2 7 0	98
10th "	1.00	1.16	1.00	2 6 11	86
17th "	1.00	1.09	1.00	2 7 0	93
24th "	1.00	1.02	1.00	2 7 0	100
31st "	1.00	1.01	1.00	2 7 0	100
7th April	1.00	1.35	1.00	2 7 0	100
14th "	1.00	1.21	1.00	2 7 0	100
21st "	1.00	1.30	1.00	2 7 0	100
28th "	1.00	1.01	1.00	2 7 0	100
5th May	1.00	1.63	1.00	2 7 0	61
12th "	1.00	1.63	1.00	2 6 10	58
18th "	1.00	1.95	1.00	2 6 8	41
26th "	1.00	2.26	1.00	2 6 6	28
Total	13.00	16.68	13.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	26th March, 1953	5½	5
Belgium	18th Dec., 1952	3½	3
Canada	17th Oct., 1950	1½	2
Denmark	3rd April, 1953	3	2½
Finland	16th Dec., 1951	7½	5½
France	9th Nov., 1951	5	4
Greece	12th July, 1948	10	12
India	15th Nov., 1951	3	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	5.84
Netherlands	1st Aug., 1952	3½	3
New Zealand	26th July, 1941	2	1½
Norway	9th Jan., 1946	3	2½
Portugal	18th Jan., 1944	3	2½
South Africa	27th Mar., 1952	3½	4
Spain	18th Mar., 1949	4½	4
Sweden	1st Dec., 1950	2½	3
Switzerland	26th Nov., 1936	4	1½
Turkey	26th Feb., 1951	2	3
United Kingdom	12th Mar., 1952	2½	4
U.S.S.R.	1st July, 1936	8	4
U.S.A.	16th Jan., 1953	1½	2
West Germany	8th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	December, 1952	December, 1951	Nine months—April to Dec., 1952	Nine months—April to Dec., 1951
Import Duties:				
Revenue	10,65	10,36	84,57	96,24
Protective	54	73	5,96	7,90
On surplus disposals	—	4	3	23
Total import duties	11,19	11,13	90,56	104,37
Export Duties	3,05	5,09	42,77	66,29
Land Customs	23	40	2,14	2,43
Miscellaneous	11	9	92	90
Gross total customs	14,58	16,71	136,39	173,99
Refunds and drawbacks	19	30	2,18	8,74
Net Customs	14,39	16,41	134,21	170,25
Gross excise	4,77	6,77	69,00	68,37
Refunds	5	13	1,13	1,28
Net Excise	4,72	6,64	68,77	67,09
Net total of customs and excise	19,11	23,05	192,98	237,34

Imperial Bank of India

Statement of Affairs for the week ended 22nd May, 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,35,00,000
Deposits and other Accounts		209,39,89,000
Borrowings from other Banking Companies Agents		8,50,00,000
Bills Payable		2,34,99,000
Bills for Collection being Bills Receivable as per contra		44,41,000
Acceptances, Endorsements and Other Obligations as per contra		2,87,000
Other Liabilities (including Inter-Office Adjustments)		2,49,59,000
Total	Rs.	235,19,25,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		9,05,04,000
Balances with other Banks		4,86,66,000
Money at Call and Short Notice		1,35,89,000
INVESTMENTS—		
Government and other Trustee Securities	71,06,31,000	
Other Authorised Investments	10,45,95,000	
		81,52,26,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	106,59,09,000	
Bills Discounted and Purchased	26,04,12,000	
		132,63,21,000
Bills Receivable being Bills for Collection as per contra		44,41,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		2,87,000
Premises less Depreciation		1,32,15,000
Furniture and Fixtures less Depreciation		35,47,000
Other Assets (including Inter-Office Adjustments)		3,21,29,000
Total	Rs.	235,19,25,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits Outstandings@		3½% Ten-year Treasury Savings Deposit Certificates §	
	5-Year		7-Year		12-Year							
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*
1950-51	2,08	5,01	96	2,40	20,67	50,53	97,80	61,36	—	22,32	5,31	5,31
1951-52	1,76	6,10	77	2,91	22,07	66,51	1,07,55	74,18	—	27,55	13,10	18,39
January 1952	13	5,52	7	2,81	1,51	63,52	7,75	68,04	—	26,68	66	17,17
February "	13	5,90	5	2,83	1,64	64,79	5,21	68,27	—	27,02	53	17,70
March "	29	6,10	10	2,91	2,63	66,31	15,04	74,18	—	27,55	71	18,39
April "	14	6,17	5	2,93	2,28	65,56	10,01	76,52	—	27,91	95	19,33
May "	12	6,22	8	2,99	2,12	70,22	9,95	77,85	—	28,25	56	19,86
June "	12	6,28	6	3,02	1,82	71,64	9,38	80,03	—	28,57	69	20,58
July "	15	6,34	10	3,09	2,03	73,14	10,29	82,54	—	28,91	74	21,25
August "	14	6,40	6	3,12	1,79	74,45	8,50	83,75	—	29,15	65	21,89
September "	10	6,44	3	3,12	1,84	75,78	8,78	84,89	—	29,40	52	22,38
October "	11	6,48	5	3,14	1,71	76,77	8,36	85,24	—	29,68	56	22,92
November "	10	6,50	4	3,16	1,71	77,99	8,03	86,51	—	29,98	58	23,48
December "	8	6,51	3	3,16	1,86	79,34	8,45	85,92	—	30,22	48	23,94
January 1953	10	6,54	4	3,18	2,02	80,77	8,38	86,06	—	30,50	58	24,48
February "	14	6,61	5	3,21	1,86	82,14	8,36	86,33	—	30,75	62	25,06
March "	..	..	..	..	..	..	..	..	..	..	60	25,54

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.

† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from 1st June, 1948. § Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)

1. All-India

Group and Sub-Group	Week Ended 16-5-'53	9-5-'53	18-4-'53	17-5-'52
(A) Government and Semi Government Securities ‡	92.2	92.2	92.1	91.8
1. Government of India Loans	92.3	92.3	92.2	91.9
2. Municipal, Port Trust and Improvement Trust Loans	86.9	86.9	86.9	87.4
(B) Fixed Dividend Industrial Securities	90.5	90.4	90.0	91.4
1. Electricity	77.2	77.4	78.0	72.4
2. Cotton	127.8	127.3	126.4	129.7
3. Jute	79.5	79.5	79.7	80.7
4. Coal	96.3	96.2	94.3	95.1
5. Iron and Steel	85.2	84.9	84.5	85.2
6. Sugar	89.3	89.3	87.6	95.1
7. Paper	88.1	88.1	83.7	91.2
8 Plantations	97.8	97.4	96.4	105.0
(C) Variable Dividend Industrial Securities	107.1	108.4	106.0	109.4
1. Banks	103.0	102.7	102.7	104.4
2. Insurance	98.0	97.2	98.6	102.0
3. Investment Trusts	141.6	140.7	142.9	139.9
4. Electricity Companies and Tramways	83.7	83.6	83.1	83.4
5. Shipping and Other Transport Companies	86.1	85.0	83.7	83.1
6. Railways	76.0	76.0	75.0	78.0
7. Plantations	117.8	116.7	115.9	147.9
8. Cotton Woollen and Silk	135.3	134.4	133.1	141.6
9. Jute	72.0	70.0	68.4	79.3
10. Coal	89.7	88.7	86.7	96.0
11. Mining and Oil	62.1	61.7	63.1	63.5
12. Iron and Steel	144.4	143.4	143.4	124.6
13. General Engineering	148.5	147.0	146.4	140.4
14. Sugar	81.0	80.3	79.9	86.4
15. Breweries	69.6	70.1	61.0	60.6
16. Chemicals	137.0	135.5	136.4	139.4
17. Paper	114.6	114.0	115.1	115.3
18. Cement	141.4	141.2	140.0	136.8

II. Regional

Region and Group	Week Ended 16-5-'53	9-5-'53	18-4-'53	17-5-'52
(A) BOMBAY—				
Government and Semi-Government Securities	91.9	91.9	91.9	91.7
Fixed Dividend Industrials	93.0	92.7	92.6	91.2
Variable Dividend Industrials	126.3	125.7	125.2	121.4
(B) CALCUTTA—				
Government and Semi-Government Securities	92.8	92.8	92.7	92.3
Fixed Dividend Industrials	86.9	86.9	86.2	88.9
Variable Dividend Industrials	94 3	93.6	93.4	98.1
(C) MADRAS—				
Government and Semi-Government Securities	91.8	91.8	91.6	91.4
Fixed Dividend Industrials	102.5	102.3	101.6	108.6
Variable Dividend Industrials	128.1	126.9	126.4	139.7

*Source: Department of Research and Statistics, Reserve Bank of India.

‡ Including Part 'B' State Loans.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,883	12,806,704
1951	1,071	691,321	2,948,978
1952*	962	809,119	3,335,951
October, 1950	78	288,249	2,266,894
November	94	56,786	813,887
December	58	41,061	163,718
January 1951	120	95,694	370,990
February	61	44,025	208,660
March	79	47,723	317,959
April	120	95,747	331,232
May	109	56,804	277,314
June	146	93,446	445,258
July	130	72,454	271,705
August	108	64,694	289,907
September	83	24,777	93,109
October	108	67,396	190,761
November	125	64,147	159,774
December	113	76,196	365,149
January 1952†	95	205,831	674,240
February	88	68,180	215,607
March	87	45,430	142,493
April	134	59,437	284,246
May	118	80,093	274,365
June	101	59,231	257,062
July	92	40,754	171,263
August	88	48,585	148,538
September	96	57,375	450,552
October*	96	78,181	349,618
November	87	48,706	273,245
December*	80	27,401	153,777
January 1953†	83	40,244(a)	239,159(b)
February	42	23,284	116,398

† Figures for 1952 and 1953 are provisional. * Revised.

(a) Not known in six cases. (b) Not known in seven cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51	545	5,279.9	4,225.9
1951-52	573	5,948.1	4,849.0
September 1951	554	494.5	403.4
October "	556	506.9	412.8
November "	557	491.7	409.8
December "	561	500.9	414.3
January 1952	568	500.8	409.7
February "	571	480.7	391.0
March "	578	481.8	392.9
April "	577	488.8	393.8
May "	581	514.4	413.1
June "	583	500.1	406.8
July "	588	524.0	429.7
August "	592	531.6	435.7
September "	597	530.8	430.6
October "	599	548.2	441.5
November "	605	529.7	426.4
December "	608	552.2	457.8
January 1953	611	535.5	441.8

* Excluding railway, military and factory power stations; Chola Power Station, being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.

§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	9th May 1953	2nd May, 1953	10th May, 1952	April, 1953	April, 1952	Percentage of increase (+) or decrease (—) in April, 1953 as compared with April, 1952	1952	1951
Food Articles	378.7	373.7	342.1	366.4	348.1	+ 5.9	359.8	409.8
Cereals	449	445	442	437	444	— 1.6	450	483
Pulses	491	470	413	445*	436	+ 2.1	482	506
Other	262	259	206	256	209	+22.5	225	299
Industrial Raw Materials	473.5	468.6R	417.7	448.9R	433.5	+ 3.6	453.8	606.2
Fibres	430	428	430	405	449	— 9.8	464	632
Oil seeds	607	600	423	568	430	+32.1	484	670
Minerals	463	445	450	449	458	— 2.0	458	426
Others	349	348	283	357R	319	+11.9	341	583
Semi-Manufactures	358.0	356.2R	324.2	351.8	338.3	+ 4.0	346.5	377.5
Leather	420	419	256	431	257	+67.7	346	452
Mineral oils	223	223	223	218	228	— 4.3	221	197
Vegetable oils	534	533R	415	498	435	+14.5	459	679
Cotton yarn	445*	445*	455*	445*	499*	—10.8	465*	483
Metals	225	224	197	226	198	+14.1	211	197
Oil Cakes	441	431	418	411	416	— 1.2	440	500
Others	251	251	264	225	271	—17.0	272	320
Manufactured Articles	368.4	368.7	372.9	385.8R	381.2	— 4.0	377.5	395.5
Textiles	407	407	418	402R	432	— 6.9	423	468
Jute	382	385	513	357	548	—34.9	506	802
Cotton	407*	407*	399*	487*	410*	— 0.7	401*	400*
Rayon and Silk	493*	493*	493*	488*	427*	+14.3	485*	611*
Woollen	312	312	393	313	392	—20.2	346	378
Metal products	311	311	336	316	306	+ 3.0	321	285
Others	288	288	299	289	300	— 3.7	298	300
Miscellaneous	615.8	615.5	581.9	601.7	598.1	+ 0.6	635.8	729.8
All Commodities	395.0	392.4R	368.3	384.9R	377.8	+ 1.9	388.9	439.3

* Estimated. R=Revised.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
May 1951	—	335	278	314	443	394	374	335	140	176	141	158	166
June "	—	337	271	313	447	394	383	337	144	178	138	158	169
July "	—	333	270	318	454	394	385	337	145	182	140	155	173
August "	—	328	261	322	459	392	387	338	146	181	145	161	171
September "	—	325	253	319	470	389	375	340	144	179	150	161	170
October "	—	332	254	323	469	393	379	336	144	181	145	165	171
November "	146	333	252	325	464	397	374	337	147	182	135	168	168
December "	144	331	252	325	449	397	370	337	144	181	150	166	168
January 1952	142	331	246	323	442	393	357	338	142	179	147	162	156
February "	140	324	241	318	441	382	343	336	141	175	145	156	155
March "	135	313	229	300	412	378	340	333	136	177	140	150	145
April "	141	345	263	321	415	377	339	326	146	169	138	153	144
May "	140	339	264	310	412	376	339	327	148	168	143	153	143
June "	140	338	263	300	424	375	343	330	145	171	141	153	148
July "	142	330	263	304	454	377	354	331	145	175	145	161	155
August "	144	340	267	312	460	380	369	330	143	176	149	160	157
September "	143	341	269	310	463	381	364	328	145	178	143	157	150
October "	144	345	274	311	466	381	363	327	146	179	143	154	150
November "	143	347	271	305	480	380	357	328	143	176	139	150	150
December "	139	346	262	303	447	378	346	327	137	170	138	150	149
January 1953	139†	346	260	310	454	381	337	327	135	168	134	149	145
February "	141	351	264	315	459	380	334	331	136	167	132

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS
(000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final.	1951-52 Final	1950-51 Final.
Rice	tons	73,595	75,975	20,767	20,295
Wheat	tons	23,235	24,134	5,768	6,374
Jowar	tons	38,329	38,419	5,599	5,403
Bajra	tons	21,856	22,267	2,153	2,549
Barley	tons	7,800	7,701	2,136	2,341
Maize	tons	8,003	7,794	1,959	1,701
Ragi	tons	5,296	5,444	1,167	1,407
Gram	tons	16,719	18,709	3,157	3,593
Other millets & pulses	tons	39,725	39,770	6 386	6.401
Total foodgrains		234,558	240,213	49,002	50,064
Jute	bales	1,834†	1,951††	4,695†	4,678††
Cotton 4th	bales	15,030†	15,126††	2,908†	3,042††
Sugarcane 2nd	tons	4,248†	4,326††	5,035†	5,288††
Groundnut	tons	11,862†	11,790††	2,894†	3,485††
Linseed	tons	3,298	3,447	309	361
Castorseed	tons	1,349†	1,428††	107†	105††
Rape and Mustard Seed	tons	5,707	5,097	900	748
Sesamum	tons	5,537†	5,516††	426†	416††
Tobacco	tons	764	902	225	263
Pepper	tons	203†	202††	22†	23††
Ginger	tons	46†	47††	14†	15††

Source: Ministry of Food and Agriculture.
N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
† Relates to 1952-1953. †† Relates to 1951-52.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During April, 1953	74.3
	Corresponding month 1952	81.7
	July 1952 to April, 1953	746.0
	Corresponding period 1951-52	788.5
Stocks	At the end of April, 1953	137.5
	Corresponding month 1952	116.4
		(In 000 bags)
Exports (Jute Bags)	Week ended 11th April, 1953	14,56
	Corresponding week 1952	79,82
	From 1st Jan., to11 th April, 1953	5,88,01
	Corresponding period 1952	14,68,54
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 11th April, 1953	1,18,86
	Corresponding week 1952	95,00
	From 1st Jan., to 11th April, 1953	35,56,13
	Corresponding period 1952	25,76,82
	RAW JUTE	(In 000 bales)
Exports*	Week ended 11th April, 1953	—
	Corresponding week 1952	—
	From July, 1952 to Jan., 1953	—
	Corresponding period of 1951-52	—
Consumption by Mills†	April, 1953 (in lakh bales)	3.77
	Corresponding month 1952	4.74
	Ten months ended April., 1953	42.74
	Corresponding period 1952	45.74

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION
(In tons)

		Pig Iron	Steel Ingots	Finished Steel
Year ended	31st March, 1949	917,800	906,700	671,000
Do.	31st March, 1950	10,41,700	927,500	720,000
Do.	31st March, 1951	11,15,200	10,62,100	7,76,500
Do.	31st March, 1952	11,30,000	10,57,100	7,99,200
Do.	31st March, 1953	11,58,000	10,61,900	7,91,800
January	1951	1,01,300	97,900	67,700
February	,,	87,700	82,200	66,300
March	,,	91,300	86,600	71,400
April	,,	81,500	79,600	66,000
December	,,	1,02,800	97,900	69,100
January	1952	99,800	98,700	71,400
February	,,	94,000	82,600	67,000
March	,,	1 02,100	92,100	67,400
April	,,	93,000	86,500	62,900
December	,,	98,200	91,400	69,700
January	1953	1,02,400	95,500	69,900
February	,,	92,400	82,000	61,700
March	,,	97,400	88,600	65,500
April	,,	97,000	83,100	60,800

SEA- AND AIR-BORNE TRADE : INDIA.

Particulars	January,		Ten Months. April to Jan.,	
	1953	1952	1952-53	1951-52
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :—				
Foodstuffs	6,29	29,86	156,19	208,66
Raw materials	12,03	26,50	158,16	202,37
Manufactures	22,26	31,69	230,49	281,58
Other Items	25	64	3,57	3,63
Total Imports*	40 83	88,69	548,41	696,24
Exports :—				
Foodstuffs	11,59	14,67	118,63	133,60
Raw materials	11,84	10,67	121,52	117,78
Manufactures	18,55	38,18	223,83	349,70
Other items	42	26	3.44	2,89
Total Exports	42,40	63,78	467,42	604.04
Total re-exports	1,20	64	4,84	12,35
Balance of trade in merchandise	+ 2,78	— 24,27	— 76,15	— 79,86
Balance of transactions in private treasure	— 2	— 1	— 6	— 10
Total Visible Balance of Trade	+ 2,76	— 24,28	— 76,21	— 79,96
Imports :—				
Total C'wealth Countries	20,08	24,91	213,46	242.25
Total Foreign Countries	20,75	63,78	334,95	453,99
Exports:—				
Total C'wealth Countries	20,67	36,91	220,18	317,89
Total Foreign Countries	21,73	26,87	247,24	286,15

* Excludes value of certain special imports of foodgrains and stores, ful particulars of which are not yet available

LAND-BORNE TRADE : INDIA

Particulars	January,		Ten months April to Jan.,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	69	2,09	17,93	19,73
Imports	73	4,44	17,59‡	71,65
Balance of trade in merchandise	‡	— 51,92	‡	—77,47

† Incomplete—Excludes the value of 62,217 tons or 348,415 bales of raw jute imported during the two months, December, 1952, and January, 1953 awaiting adjustment.
‡ Data Incomplete.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES
(Base: 1944=100)

Name of Centre	Cereals			Pulses			Other articles of Food			All articles of Food			Fuel and Lighting			Clothing			Miscellaneous		
	Jan. 1952	Dec., 1952	Jan., 1953	Jan., 1952	Dec., 1952	Jan., 1953	Jan. 1952	Dec., 1952	Jan., 1953	Jan., 1952	Dec., 1952	Jan., 1953	Jan., 1952	Dec., 1952	Jan., 1953	Jan., 1952	Dec., 1952	Jan., 1953	Jan., 1952	Dec., 1952	Jan., 1953
Eastern Zone																					
Bamra	157	202	212†	111	90	88	175	126	127	162	133	134	102	107	107	187	216	216	193	193	193
Maibang	163	x	x	126	x	x	161	x	x	156	x	x	141	x	x	163	x	x	125	x	x
Shankargarh	152	147	154	184	174	187†	213	151	152	184	155	160	101	95	97	164	144	141	141	145	144
Sonaili	259	199	179†	181	167	167	245	190	188	237	183	183	125	125	125	264	200	199	332	278	278
Northern Zone																					
Multapi	129	124	131	167	145	158†	170	173	169	164	159	161	108	123	133†	167	166	163	148	197	196
Nana	302	247	243	275	243	231†	234	199	200	252	214	212	144	115	117	244	205	205	208	191	189
Salamatpur	234	234	229	315	294	292	265	222	219	271	239	236	124	129	188	132	136	136	25	266	268
Southern Zone																					
Krishna	271	205	193†	196	187	186	201	160	157	213	170	166	141	118	115	171	138	138	213	198	176†
Lakh	387	249	374†	176	185	192	173	126	126	212	158	182	86	86	86	129	138	138	144	131	131
Malur	163	x	x	168	x	x	168	x	x	167	x	x	89	x	x	406	x	x	176	x	x
Muniguda	250	215	204†	270	234	229	337	222	220	308	223	218	105	128	128	207	201	194	241	199	199
Kudehi	123	159	181†	163	153	141†	191	164	164	176	162	164	104	127	127	155	128	122	202	194	191

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 21st May, 1953	39,812
	Corresponding week, 1952	70,469
	1st Sept. 1952 to 21st May, 1953	14,61,204
	Corresponding period, 1951-52	14,45,625
Cotton Exports	Week ended 21st May, 1953	10,613
	Corresponding week, 1952	6,600
	1st Sept. 1952 to 21st May, 1953	2,77,680
	Corresponding period, 1951-52	24,271
Mill Consumption	1st Sept. 1952 to 21st May, 1953	8,89,020
	Corresponding date, 1951-52	7,32,487
Stock (with exporters/ dealers and mills)	On 21st May, 1953	5,05,772
	Corresponding date, 1952	6,22,950
Karachi (Pakistan)*		
Receipts	Week ended 16th May, 1953	9,838
	Corresponding period, 1952	21,750
	1st Sept. 1952 to 16th May, 1953	15,98,162
	Corresponding period, 1951-52	14,21,044
Exports	Week ended 16th May, 1953	32,095
	Corresponding period, 1952	6,500
	1st Sept. 1952 to 16th May, 1953	12,20,183
	Corresponding period, 1951-52	9,08,500

Particulars	From 1st Sept., '52 to 25th May, 1953 Bales	From 1st Sept., '51 to 25th May, 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	13,576	263
Continent	90,532	13,383
China	318	—
Japan	1,35,043	14,364
U.S.A.	33,936	6,615
Other Countries	5,286	411
Total to all foreign countries	2,79,191	34,936
Coastal Ports	1,09,517	82,623

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	January, 1953	3,23,677
	Five months September 1952 to January, 1953	15 31,046
Foreign		3,55,621
Indian	Same Period 1951-52	12,07,406
Foreign		4,42,623
Stocks (Mills and Bleachers)—		
Indian	As on 31st Jan., 1953	10,25,020
Foreign		2,77,317
Indian	As on 31st Jan., 1952	10,75,066
Foreign		2,72,722
Cotton Pressed†	Week ended 15th May, 1953	7,929
	Corresponding week, 1952	11,259
	1st Sept. 1952 to 15th May 1953	25,26,484
	Corresponding period, 1951-52	24,93,840

* As reported by the Karachi Cotton Association Ltd. (a) Adjusted. † Incomplete.

PROVINCIAL LOANS

3 % Bombay	1942	3,54,23,300	18th Sept. 1955	98½	
3 ½ Bombay	1943	3,50,00,000	18th Sept. 1956	98½	
3 ½ Bombay	1944	4,00,00,000	15th Aug. 1958	97½	
3 ½ Bombay	1949	6,00,00,000	1st Aug. 1962	93½	
3 ½ Bombay	1950	3,00,00,000	31st July 1960	95	
3 ½ Bombay	1951	3,00,00,000	17th Sept. 1962	98	
3¼ ½ Bombay	1952	3,50,00,000	1st Aug. 1964	101¼	
3 ½ Cochin	1943	30,00,000	1st Oct. 1953-55	98	
3 ½ Cochin	1945	1,00,00,000	16th Dec. 1955-58	98 ¼	
3½ ½ Cochin	1936	70,09,000	1st June 1956-61	99	
3½ % Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95½	
3 ½ Madras	1938	1,42,08,300	15th Sept. 1953	100	
3 ½ Madras	1939	1,29,76,600	21st June 1959	95 ¼	
3 ½ Madras	1942	1,23,25,000	18th Sept. 1955	98 ¼	
3 ½ Madras	1943	1,25,10,000	14th Sept. 1956	98 ¼	
3 ½ Madras	1944	1,08,00,000	15th Aug. 1958	96½	
3 ½ Madras	1945	2,82,19,000	14th Sept. 1960	94½	
3 ½ Madras	1946	3,90,93,200	1st Sept. 1961	90½	
3¼ ½ Madras	1950	4,47,00,000	31st July 1960	94½	
3¼ ½ Madras	1951	3,00,00,000	17th Sept. 1962	97½	
4 % Madras	1952	5,00,00,000	1st Aug. 1964	101½	
3 ½ Mysore(f)	1930	1,63,44,300	1st Nov. 1955	105½	
3 ½ Mysore(f)	1933	2,93,85,200	1st Dec. 1953-63	100½	
3 ½ Mysore(f)	1936	5,99,72,900	30th April 1956-61	98½	
3 ½ Mysore	1947	5,08,05,700	25th Jan. 1958	98½	
3 % M.P.	1942	50,00,000	18th Sept. 1955	98½	
3 ½ M.P.	1943	30,54,200	14th Sept. 1956	98½	
3 ½ M.P.	1944	52,69,800	15th Aug. 1958	96½	
3 ½ M.P.	1948	2,03,00,000	15th Sept. 1964	91½	
3 ½ M.P.	1950	1,00,28,800	31st July 1960	94½	
3½ ½ M.P.	1951	1,00,00,000	17th Sept. 1962	97½	
3 ½ Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99½	
3 ½ Punjab**	1942	2,35,20,000	18th Sept. 1955	99½	
3 ½ Punjab**	1943	2,48,78,300	14th Sept. 1956	99½	
3 ½ Punjab**	1945	2,95,81,600	14th Sept. 1960	98½	
3 ½ Travancore	1944	3,00,00,000	15th May 1952-54	98½	
3½ ½ Travancore	1936	50,00,000	16th Aug. 1956	99½	
4 % U.P.	1936	1,69,39,800	15th Sept. 1961-66	90½	
3 ½ U.P.	1944	3,23,96,800	1st Aug. 1958	97	
3 ½ U.P.	1945	2,36,31,900	14th Sept. 1960	94½	
3 ½ U.P.	1946	2,41,19,800	1st Sept. 1961	93¾	
3 ½ U.P.	1951	2,00,00,000	17th Sept. 1962	97½	
3 ½ U.P.	1952	2,00,00,000	1st Aug. 1964	100½	
3 % W. Bengal	1951	1,75,00,000	17th Sept. 1962	98¼N	
3 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½	

GOVERNMENT SECURITIES

TERMINABLE LOANS

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% Loan	1928	9,05,64,000	1955-60	103 ¼
4 % Bonds	1926-33	63,30,26,000	1960-70	102½
3 ½ Bonds	1938-39	1,16,17,46,000	1963-65	93
3 ½ Loan	1943	1,14,60,58,000	1953-55	100 ¼
3 ½ Loan	1950	30,33,10,000	1964	93
3 ½ Loan	1943	1,10,11,78,000	1966-68	90½
3 ½ V. Loan	1944	1,14,06,89,000	1957	98
3 ½ Loan	1945	1,15,05,83,000	1970-75	86
3 ½ Loan	1945	1,13,65,84,000	1959-61	98 ¼
3 ½ Loan	1951	50,00,00,000	1958	98 ¼
2½ ½ Loan	1946	45,63 07,000	1960	93½
2½ ½ Loan	1946	57,00,69,000	1961	90½
2½ ½ Loan	1946	35,06,06,000	1954	98 ¼
2½ ½ Loan	1946	14,77,48,000	1976	82½
2½ ½ Loan	1947	75,86,72,000	1962	91 ¼
2½ ½ Loan	1948	60,45,01,000	1955	98 ¼

NON-TERMINABLE LOANS

3 % Loan	1896-97	8,93,36,000	At option of Government after three months, notice.	82½
			On September, 1986 or later at option of Government after three months, notice.	82½
3 % Loan	1946	48,91,90,000		

REPATRIATE STERLING LOANS

3½ % Loan	1933	12,85,66,000	1954-59	100½
4½ % Loan	1928	5,85,20,000	1958-68	105

PORT TRUST LOANS

BOMBAY

Rs.	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	97½
40,00,000	4	1909	1970	
55,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	D
14,35,876	4½	1913	1974	99½
50,00,000	4	1913	1974	99N
88,25,000	4	1914	1975	
10,00,000	4	1915*	1975	
25,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1939	D
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1933*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	

CALCUTTA

Rs.				Rs.
90,24,300	4	1914	1974	98½
76,98,100	4	1915	1975	98½
68,02,300C	3½	1921	1981	79N
1,50,00,000C	6½	1921	1981	144N
1,24,04,300	6	1925	1935-85	105
98,21,600	5½	1926	1956-86	104½
99,84,300B	5	1926	1956-86	103½
1,49,49,300B	5	1927	1957-87	103½
1,49,30,500	5	1928	1958-88	104½
80,00,000	4½	1931	1991	92½
21,75,000C	3	1933	1954	99
60,00,000	3½	1935	1965	95½
25,00,000	3	1935	1963-68	88
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82½
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78½
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94½
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79N
1,50,00,000	3½	1951	1961	97½

STERLING LOANS

£				
£892,600	5	1923	1953–83	£86½
£901,000	5	1924	1954–84	£86½
£835,100	5½	1932	1962	£96

MADRAS

Rs.				Rs.
46,50,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1982	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug.				
3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	

STERLING LOAN

£				
£330,000	5½	1923	1953	£100N

IMPR. TRUST LOANS

BOMBAY

Amount Sanctioned Rs.	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
60,00,000	4	1902	1962	
60,00,000	4	1903	1963	
60,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	97½
25,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957–79	113
66,00,000	6	1920	1955–80	—
25,00,000	5	1926	1956–86	115
25,00,000	4	1927	1961–70	98
10,00,000	3½	1936	1966	96½

STERLING LOANS

£				
£566,600	4	1909	1969	£95½
£333,000	4	1910	1970	£95½

CALCUTTA

Rs.				Rs.
50,00,060	6	1925	1935	104
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99½
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	89
30,00,000	3	1937	1962	90
20,00,000	3	1938	1963–68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

BOMBAY

Rs.				Rs.
49,00,000	4	1913–14	1954	99½
20,60,000	4	1913–15	1974	99½
20,00,000	4	1913–15	1955	100
10,00,000	5	1920	1980	113
10,00,000	5	1924	1954	103½
1,60,00,000	6	1924	1954	
25,00,000	5	1928	1958	105
26,14,000	5	1929	1949–59	105
8,45,300	5	1929	1954–59	105
26,21,500	5	1929	1959	103
8,25,00,000	3½	1947	1977	86
2,50,00,000	3½	1949	1979	86
4,00,00,000	3½	1950	1965	92½
2,50,00,000	4	1952	1964	100½
2,00,00,000	3½	1951	1966	90

CALCUTTA

Rs.				Rs.
34,45,500	6½	1925	1955	105½
84,70,000	6	1925	1955	104
36,00,000	5	1928	1958	103½
25,00,000	5	1929	1959	103½
25,00,000	5	1929	1958	103½
10,00,000	5½	1932	1962	103½
33,91,000	5½	1935	1965	103½
5,19,000	5	1936	1953	99½
60,00,000	3	1936	1966	88½
1,46,100	3	1936	1953	98½
1,11,400	3	1937	1954	98½
4,67,100	3	1937	1954	98½
1,62,500	3	1937	1954	98½
4,17,100	3	1937	1954	98½
47,50,000	3	1938	1968	88
10,67,700	3	1938	1955	97½
13,56,800	4	1939	1956	99½
15,56,800	4	1939	1956	99½
17,64,400	3½	1942	1959	96½
21,10,000	3½	1942	1972	96
15,49,000	3½	1951	1966	96
16,33,000	3½	1951	1961	96
66,88,000	3½	1951	1966	99½
87,36,000	4	1952	1962	

MADRAS

Rs.				Rs.
5,00,000	4	1903	1953	101
5,00,000	6	1923	1953	107
3,40,000	7	1925	1955	107½

ABBREVIATIONS.—M=Held by Government of Madras. N=Nominal. i=Various Issues repayable to Government.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable C=Held by Commissioners. * Loans held entirely by the Trustee
(a) This includes the amount of loan converted into First Development Loan 1970-75. (f) Income-tax free. A=Held by Government of India.
‡ Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935 ** Quotations in Pak. Currency

PREFERENCE SHARES

BANKS

Company	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share Rs.
Allahabad Bank	15,00,000	1901	6	Mar	Sept.	132	100

BREWERIES AND SUGAR

Bhara Sugar	5,00,000	1931	5	Dec.	..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar.	Sept.	90½	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb.	Aug.	143	100
Deccan Sugar & Abkhari *	7,00,000	1920	7	July	Apr.	117	100
East India Distilleries	£200,000	1897	7	Jan.	July	15½	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec.	..	77	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec.	..	75	100
Partabpore Co.	6,00,000	1922	10	Oct.	..	15½	10
Ramnagger Cane	4,00,000	1933-36	6	Aug.	..	98	100
Ravalgaon Sugar	20,08,000	1943	5½	Oct.	Apr.	70	100
South Behar Sugar	5,00,000	1936	7(a)	Oct.	..	75N	100
Travancore	15,00,000	1946	5c	Dec.	..	70N	100
Upper Ganges	12,00,000	1932	5	Dec.	..		100£
Do	15,00,000	1946	5(a)	Dec.	..	70N	100

COAL

Bengal-Nagpur	1,12,500	1905	7	Jan.	July	116	100
Berrea	4,00,000	1896-97	6½	Oct.	Apr.	118	100
Berrakur (1st)	22,99,800	1901-19	7	Apr.	Oct.	122	100
Do. (2nd)	4,50,000	1901	6(a)	..	..	83	10
Equitable	4,00,000	1895	6	Mar.	Sept.	116	100
Karanpura Collieries	7,50,000	1946	5½(a)	..	..	84	75(pp
††Khas Kajora	1,93,008	1931	5	Mar.	Sept.	6N	10
New Beerbhoom	2,00,000	1930	7	Jan.	July	12½	10
Ondal	2,00,000	1898-99	6½	Apr.	Oct.	115	100

COTTON

Ahmedabad Advance	10,00,000	1939	5	Apr.	Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan.	July	131½	100
Basanti Cotton	5,00,000	1919	6½	Mar.	..	8	10
Benares Cotton	1,05,200	1919	7	July	Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr.	Oct.	122	100
Bowreah 'A'	6,00,000	1900	8	Feb.	Aug.	123	100
Do. 'B'	6,00,000	1900	7	Feb.	Aug.	80	100
Bradbury	14,75,000	1919	7½	June	Dec.	326½	250
Buckinghams & Carnatic	21,30,200	1920	7½	Jan.	July	142½	100
Cambodias	1,00,000	1912	5	Apr.	Oct.	131½	100
Central India	30,00,000	1912	5	Apr.	Oct.	516½	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov.	..	130½	100
Elgin	11,00,000	1913	8	May	Nov.	143	100
Do. 'B' Pref.	4,20,000	1943	5	July	Jan.	10	10
Elphinstone	25,00,000	1919	7(a)	May	Nov.	95	100
Kesoram	20,00,000	1919	7	June	Dec.	127	100
Khatau Makanji	10,00,000	1925	6	Nov.	..	—	100
Do. (2nd)	29,92,500	1947	4	..	..	82½	100
Kothari	12,00,000	1937	6	Nov.	..	10½	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	..	January	225	250
Morarjee Goculdas Spg. & Wvg.	17

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deffered shares. G=Guaranteed shares. P=Preference shares. P.O.=Preferred Ordinary shares. R=Rebate shares. Y=Accounts published yearly. H=Accounts published Haf-yearly. Q=Accounts published once 15 months T=Company has Debentures. R.L.=Reserve Liability on shares. N=Nominal Quotation. i=Interim Dividend. f=Dividend for first half-year, y=Dividend for the year. x=Ex. Dividend c.d.=Cum. Dividend.

Shares:—If a company has different classes of shares—as, for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under "Paid-up Per Share."

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12 indicate the months of June and December, respectively. "Reserves" includes general and other reserves and all other funds which a company may have as also depreciation on block items, when this is charged to separate account "Block" represents actual cost of land, buildings, machinery and all such other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends:—Dividends for completed years are calculated at per cent. per annum, but, where quoted for portion of a year, they represent percentages of the dividend on the paid-up share value. For companies closing the books half-yearly in the first three months of the year, and for companies closing their books yearly during the first half of the year dividends are shown as for the previous year.

COTTON MILLS

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	¶Number Installed: Spindles	Looms	Mill	Latest Available Quotation.	Paid-up Per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts closed	References
Rs.	Rs.	Rs	Rs.					Rs.	Rs						
BOMBAY CITY AND ISLAND															
50,00,000	59,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	2-14½	2	12½	12½	15½	—	12	Y.
40,00,000	96,25,655	1,22,39,883	45,646	B. R. Sons, Ltd.	50,828	1,021	Behariial Ramcharan Cotton Mills	45½	100	6	6	—		3	T.P.Y
2,50,98,000	5,35,82,946	3,76,37,187	1,80,774	Nowrosjee Wadia & Son, Ltd.	1,82,072	4,855	Bombay Dyeing, etc.	397½	250	16	7	8	8	12	Y.
10,00,000	68,56,275	52,02,609	2,59,868	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	741½	250	24	40	40		3	P.Y.
1,09,42,800	3,69,11,265	2,42,52,821	5,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century	278½	100	15	18	20	20	12	Y.
49,00,000	76,78,063	1,06,30,358	5,066	V. J. Pilani, Esq. (Chairman)	39,408	698	Colaba Land & Mill	71	100	—	—	4		12	Y.
26,00,000	47,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd.	27,308	680	Coorla	108½	100	7½	7½	7½		3	Y.
16,00,000	64,96,041	63,03,745	76,868	Ramnarain Sons, Ltd.	38,304	..	Dawn	59	50	4	—	12	12	12	Y.
34,00,000	78,85,000	63,06,555	91,036	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	255	200	7½	7½	7½		12	Y.
29,35,700	86,92,517	1,10,04,668	41,862	Chidambaram, Mulraj & Co., Ltd.	44,768	886	Elphinstone	45	50	10	8	—	6	12	P.
40,00,000	1,32,62,580	80,34,752	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay	330	100	15	15	20	20	12	P.Y.
50,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	71,608	1,259	Hind Mills	3,200	1,000	5½	20	20*		6	P.Y.
12,00,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co.	45,752	1,022	Hindustan	103	10	17½	7½	10½		3	P.Y.
4,00,00,000O	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	1-12½	1	12½	12½	25		12	P.Y.
50,00,000D								3,310	1,000	17½	20	20*		3	Y.
8,65,000	1,33,65,320	98,10,275	7,671	Damodhar Thack. Mooljee & Co.	47,172	1,191	Indian Manufacturing	—	500	—	—	—		6	P.Y.
35,000								183½	100	12	14	10		6	P.Y.
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co.	77,404	1,517	Khatau Makanjee	307	100	27k	18	25*	18	12	Y.
1,00,00,000	3,45,80,831	2,90,52,252	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor								
28,40,000A	60,88,538	4,61,890	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	83	100A	7½	5	6½		6	Y.
3,60,000B								—	20B						
22,13,050	88,02,988	1,01,00,576	24,034	N. Sirur & Co. Ltd.	33,750	451	Modern Mills	95N	50	14	8	14	10	10	P.T.Y.
51,75,000	1,65,94,653	71,00,015	2,80,686	Piramal Gangadhar & Others	60,652	1,650	Morarjee Goculdas	201½	100	11	12½	15	10	12	P.Y.
24,00,000	67,21,958	71,22,987	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay	156	100	6½	10	12½	10	12	Y.
30,00,000	79,78,669	86,82,525	70,277	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Eastern	26½	10	—	5	10	10	12	P.Y.
12,70,100	35,74,176	28,92,872	423	Mafatlal Chandulal & Co.	33,720	873	New Union	110	100	6	10	10	8	12	Y.
48,00,000	1,14,83,245	1,38,66,478	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix	131½xd	100	9	9	10	10	12	P.Y
40,00,000	59,51,640	24,14,688	1,25,251	Podar Sons, Ltd.	32,600	920	Podar	25½	10	26½	20	20	12½	12	Y.
5,00,000	27,89,119	21,19,461	3,615	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk	27½	10	—	7½	10	12½	12	Y.
25,00,000	59,86,822	41,49,241	21,950	M. G. Investment Corpn.	60,240	1,254	Sassoon Spinning	173½	100	12½	14	17½	12½	12	P.Y.
60,00,000	1,02,59,322	78,01,447	3,43,873	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	185	50	28	34	301		3	T.Y.
31,50,000	1,00,00,000	78,05,952	50,222	Forbes, Forbes, Campbell &Co., Ltd.	36,116	1,276	Simplex	123½	100	15	15	26×	20	12	P.Y.
56,00,000	2,07,23,386	1,18,80,653	2,889	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard	254½	100	14	16	18	16	12	P.Y.
75,00,000	2,10,92,537	1,57,29,109	91,399	Tata Industries Ltd.	65,040	2,000	Svadeshi	455	100	20	20	25	30	12	P.Y
24,00,000	1,20,11,676	65,86,475	5,71,220	James Finlay & Co., Ltd.	35,804	552	Swan	45½	25	8	8	16	4	12	P.T.Y.
32,54,438	88,66,976	76,66,704	—2,05,128	Tata Industries Ltd.	63,248	1,800	Tata	3,180	1,000	17½	20	20		3	T.Y.
12,00,000	1,17,01,933	86,62,657	4,299	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spinning								
AHMEDABAD															
20,00,000	84,99,543	51,95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	155	100	8	12	10		6	P.Y.
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Hutheesing & Sons Ltd.	42,768	912	Aruna	412½	100	13*	15*	20*		12	Y.
21,00,000	2,83,78,675	1,18,76,140	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind	787½	100	22½	25	25	25	12	P.Y
20,00,000	93,85,169	76,03,158	1,11,303	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning	272½	200	15	15	17½	7½-I	12	P.Y.
12,00,000	1,63,65,455	81,44,027	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	912	Asoka	452½	100	15*	17	22	22*	12	Y.
1,24,77,072	3,38,63,311	3,71,68,168	2,87,005	Karamchand Premchand & Co.	1,39,120	2,370	Calico	315½	125	8	10	14-2/5	14-2/5	12	P.Y
30,00,000	1,20,70,000	88,67,870	4 885	Tricumlal Bhogilal & Co.	39,316	867	New Commercial	1,055	500	10	11	14	14	12	P.Y
39,00,000	1 31,07,324	96,79,263	1,795	Mafatlal Chandulal & Co.	47,952	864	New Shorrock	579	125	28	28	28	28	12	Y.
5,00,000	79,61,645	43,89,260	4,583	Jagabhai Bhogilal Nanavati & Co.	24,840J	528J	Nutan	590xd	100	25*	28*	28*	30*	12	Y.
10,00,000	1,49,90,022	73,98,913	3,599	Lalbhai Dalpatbhai & Co.	31,120	637	Raipur	330xd	100	224	25	25	25	12	P.Y.
12,00,000	50,40,334	63,41,241	1,09,340	Mangaldas Girdhardas Parekh Ltd.	43,568	1,095	Rajnagar	160	250	6	6	8	9	12	Y.
32,50,000	58,29,153	81,93,993	9,867	Lalbhai Dalpatbhai & Co.	33,156	648	Rohit	128½	100	8	9	9	9	12	P.Y
19,50,000O	94,78,968	61,33,831	8,070	Mafatlal Chandulal & Co.	36,624	720	Shorrock Spinning	305	100	15	15	20	20	12	Y.
2,500D															
24,90,150	1,91,30,172	1,01,07,709	1,23,551	Haribalabhkas Kalidas & Co.	73,796	1,383	Shri Ambica Mills	314	50	25	30	36	32	12	P.Y
28,00,000	73,94,524	91,15,078	16 259	Haridas Acharatlal & Co., Ltd.	32,816	776	Vijaya	465	400	11½*		82*	82*	12	P.Y.
WEST BENGAL															
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agenc Ltd.,	13,044	356	Basanti Cotton	4½	10	—	5	3½		12	P.T.Y.
7,11,280	37,16,899	37,16,899	12,931	Bengal Textile Agency Ltd.	28,448	936	Bengal Luxmi	38N	40	—	7½	7½		3	Y
6,00,000	74,31,075	77,07,829	—28,432	K. Bullen & Co., Ltd.	42,872	841	Bowreah	285	100	—	—	—	—f	6.12	P.Y.
19,00,000	96,49,451	96,66,017	—27,794	K. Bullen & Co., Ltd.	42,944	518	Dunbar	205	100	5½	—	7	11½	6.12	H.
1,20,00,000	3,29,34,362	3,04,56,320	84,976	Birla Bros., Ltd.	69,352	1,990	Kesoram	—	25	—	—	—		3	P.Y
6,00,000A	71 09,841	79,53,833	51,255	Chakravarti Sons & Co.	23,484	442	Mohini	—	10	12½§	7½	7½		12	Y.
33,96,097B															
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12,300	374	Arona Spg. & Wvg. Mills	5	10	9	3	—		12	T.Y.
15 00 000	26,53,246	39,15,375	2,736	Ramlal & Co., Ltd.	50,000	..	Alagappa Textiles	6½	10	—	9	6		12	P.Y.
71,94 400xo	96,26,706	1,90,39,719	18,450	Ind. Trust Fund	19,544	440	Azam Jahi Mills	65½	100	15*	5½	61	6	9	Y.
48,50,000	3,00,10,004	2,73,75,544	2,49,801	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	250	100	14½	17½	20	15	6.12	P.T.H.
27,00,000	71,21,986	69,56,823	40,045	Shaw Wallace & Co., Ltd.	29,936	782	Bengal Nagpur	14½	10	5	1½	10	5f	6.12	P.Y.
60,00,000	77,87,070	1,03,33,381	11,806	Binodram Balchand	37,312	1,338	Binod Mills	100N	100	17	5	5		12	Y.
15,00,000	1,33,79,264	84,27,674	4,60,989	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	58N	100	25	25	30	3	3	P.Y.
8,47,800	4,09,27,251	5,14,83,572	2,39,790	Binny & Co., Ltd. (Madras)	1,19,916	2,781	Buckingham & Carnatic	116½	100	6½	6½	7½	4	6.12	P.Y.
28,00,000	32,63,706	30,52,641	93,399	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia	10½	10	7½	—	12½	10	12	P.Y.
30,00,000	64,46,347	47,79,878	32,599	Begg Sutherland & Co., Ltd.	28,796	391	Cawnpore Textiles	9½	5	11½	11½	11½		3.9	T.Y.
46,87,500	2,25,77,600	2,00,84,126	—16,28,224	Tata Industries Ltd.	1,15,188	2,062	Central India	176	100	6	6	2	9	6	P.Y.
12,00,000	33,29,989	27,82,948	—1,32,723	R. Beesna Mayuda & Co.	28,164	..	Coimbatore Cotton	150N	100	12½	12½	—		12	Y.
20,00,000	17,94,432	20,04,313	9,816	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills	102	100	7	6	—		6	P.Y.
20,76,900	70,83,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	39	50	5	10	—		6	Y.
24,34,800	40,26,054	37,58,169	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi	175	100	25	25	20	10	12	Y.
8,89,84,925	3,84,95,614	5,77,14,605	1,63,862	Bharat Ram, Esq.	75,604	1,830	Delhi Cloth (inc. Lyallpur Mills)	29	25	—	—	—		6	P.Y.
1,00,503									25	4	10	10		6	P.T.Y.
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd.	32,652	1,198	Elgin	17½	10	12½	11½	15	9	12	Y.
39,04,700	1,01,50,000	82,22,387	1,03,575	F. Forbes Campbell & Co., Ltd.	72,960	2	Gokak	222	100	15	10	14	17*	12	Y.
30,00,000	84,17,977	1,21,16,721	6,969	Govindam Sakaaria (Indore)	30,428	1,420	Indore-Malwa United	96½	100	4	4	5		12	Y.
5,90,000	22,84,977	18,75,134	487	G. V. Naidu & Co.	23,784	..	Janardhana	63	50	16	10	15		12	T.Y.
6,50,000	17,20,576	40,18,454	7,677	A. L. A. R. A. Chettiar and another	30,304	325	Kaleeswarar	305	100					6	P.Y.
24,00,000	23,50,000	43,66,106	54,577	Kothari & Sons	13,824	..	Kodiari	9 3/4	10	7	7½	7½		6	P.Y.
32,00,000	1,63,27,530	1,37,67,873	1,99,524	The Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton	578½	250	15	15	20*	15	12	P.Y.
35,64,100	90,51,492	78,03,494	7,921	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	80	50	8	8	10		3	Y.
17,82,050A								39½	25						
1,75,02,480	5,94,39,299	4,16,07,732	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura	35½	15	17½	15	20	20	12	Y.
12,00,000	20,18,053	24,32,416	—7,468	A. L. A. R. S. Chettiar and 2 others.	21,856	..	Malabar	142	200	7½	4	6	4	12	Y.
60,00,000	93,17,000	52,62,343	50,249	W. A. Beardsell & Co., Ltd	24,252	603	Mettur Industries	191	100	25	12½	12½		3	Y.
29,80,884	65,78,942	71,79,459	22,669	N. Sirur & Co., Ltd.	36,416	678	Minerva	100	100	8*	6	6		12	Y.
94,91,850	96,08,512	1,34,73,361	29,643	B. Abirchand Dadabhoy & Co.	49,456	952	Model Mills, Nagpur	143½	250	6	3	3		6	P.Y.
30,00,000	1,55,94,651	1,53,39,271	7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir	215	100	24½	—	—		12	P.Y.
9,71,350	4,06,54,345	20,43,971	—2,16,536	A. Sambha Moorty, Esq.	69	..	Mysore Silk Pilatures	28	10	—	—	7½		12	P.Y.
19,86,800	1,15,59,739	82,55,416	38,347	N. Sirur & Co., Ltd.	49,632	500	Mysore Spinning	123½	100	20	18*	20*		12	P.Y.
13,61,780	22,98,130	27,85,556	—4,60,000	R. Suryanarayana Rao, Esq	6,000	..	Mysore Spun Silk	4½	10	5d	6½	—		3	Y.
22,89,882								1 3/4	2½						
8,07,0950	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd	50,228	1,148	New Victoria	—	D1	—	—	—		12	P.T.Y.
87,03,800	1,20,94,970	1,58,62,385	17,946	Ind. Trust Fund	30,896	717	Osmanshahi Mills	95N	100	14*	5½	6½	7	9	Y.
4,00,000A	19,98,937	20,58,777	19,670	Baghyalakshmi & Co.	22,800	..	Palani Andavar	45xd	50	4	10	16		12	P.Y.
15,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills	65½	100	4	7½	5		12	P.T.Y.
25,30,420	40,80,284	52,61,263	2,062	A. G. G. Naidu & Co.	38,864	200	Radhakrishna	142	100	15	16	16	6	12	Y.
15,00,000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	25,896	..	Rajalakshmi	76xcd	50	9	9	10		12	P.Y.
15,02,500	31,53,264	35,65,211	11,407	P. S. G. Nayudu & Sons	28,972	88	Ranga Vilas	72½	50	6	7	7½		12	P.Y.
60,00,000	89,59,172	1,04,60,739	5,506	Sir J. P. S. & Sons (Rampur), Ltd.	32,580	600	Raza Textiles	5-15½	10	—	—	—		12	P.Y.
16,00,000	1,58,55,370	2,03,51,339	—78,03,793	M. J. Divekar, Esq.	82,992	2,234	Sholapur	1,825	1,000	—	—	—		3	P.Y.
22,41,300	9,49,500	25,98,011	66,528	Gopaldas Lilidhar & Co., Ltd	15,824	440	Shree Sajjan	75N	100	6	—	—		3	Y.
17,79,700	17,05,383	21,50,229	3,083	T. R. A. Aryar & Bros.	18,416	416	Sitaram	45xcd	50	6½	—	5	5	8	Y.
36,69,700	33,91,188	62,29,128	26,556	B. S. Viswesvaraiya, Esq.	25,200	292	Sri Krishnarajendra Mills	36½	50	8	8*	6*		3	Y.
15,00,000	1,30,50,807	64,96,084	58,49,305	Birla Brothers Ltd.	27,340	992	Sutlej Cotton Mills	43	50	8*	8*	6*		3	Y.
17,50,000								37N	10	40	40	40		3	Y.
1,57,50,000P.O.	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,12,216	2,077	Swadeshi (Cawnpore	9½	10	5	5	5		12	P.Y.
13,98,630	16,70,493	12,91,002	9,843	M. R. & Sons	9,4	10	Trichinopoly	9½	10P.O.	9	9	9		12	Y.T.
21,00,000	56,75,811	47,61,131	50,000	R. K. S. Chetty & Bros.	33,704	270	Vasanta	150	100	10	10	10	7	12	P.Y.
32,00,000	1,34,16,851	1,18,73,996	2,21,881	The Bombay Co., Ltd.	54,280	1,495	Vishnu	162½	100	7	9	10	12	12	P.Y.
										10	9	14*	10	12	P.Y.

* Includes Bonus. I. On Increased Capital. ‡ Only Depreciation.

x Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46.

(k) Includes Rs. 11-6 paid out of deferred Dividend Amount.

¶ As on 31st August, 1952.

— Nil Dividend.

† Subject to tax.

J=As on 1st January, 1953.

†† Does not include depreciation

xd=Ex. Dividend. C.d.=Cum. Dividend.

** Net Block.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	References
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
ART SILK AND RAYON MILLS													
1,60,42,600	72,66,192	4,27,10,526	38,933	Chinai & Co., Ltd.	National Rayon Corporation	99½	100	—	—	—	—	12	P.Y.
99,92,020	57,16,774	267,67,573	2,34,553	Emcete & Sons (Travancore) Ltd.	Travancore Rayons	4½	10	—	—	—	—	12	P.T.Y.
BREWERIES AND DISTILLERIES													
13,28,000	65,17,840	96,16,910	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	23½	25	11½	11½Q	—		5	P.Y
6,64,006						10	10						
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	9½	5	20	10	—		3	¥
£80,000'A'	£588,534	£1,122,135	£57,421	Parry's Holdings Ltd.	East india Distilleries and Sugar	14½ 'A' 16sh.	10	10	10	10		9	P Y
£300,000'B'						18½ 'B' 20sh.	15	15	15	15			
24,00,000	8,54,296	7,56,666	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4	10	—	—	—		8	¥.
6,00,000	21,13,586	12,13,593	3,951	B. A.,Mallya Esq.	United Breweries	155	75	15	10	20		3	Y.
CEMENT													
81,19,724	21,33,493	67,56,656	15,850	The Andhra Engineering Co Ltd.	Andhra Cement Co.	101	100	8½	3½	7½		12	P.Y.
43,14,600	16,94,310	17,14,992	1,01,035	Eastern Corporation Ltd.	Assam Bengal Cement	4½	10	8	—			3	Y
4,78,976D						½	1						
10,56,20,438	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.	Associated Cement Companies	172½	100	9	8½	9½	9½	7	Y
10,56,20,438						5 H	10	—	5	6½		12	Y.
86,49,312	95,24,901	1,45,62,309	61,188	Hari Bros. Ltd.	Dalmia Cement	1½	1						
8,00,000D						15½	25	—	—	5		3	P.Y
61,01,180	27,27,600	1,26,09,755	90,853	Essen Ltd.	India Cements Ltd.	3-6½	5D	—	—	—			
1,50,000D						7½	5	9	4	8		12	Y.
78,80,000	1,46,20,109	1,65,80,416	81,840	Martin Burn Ltd.	Sonevalley Portland Cemen								
CERAMIC; MINING AND QUARRYING													
81,70,655	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2½	2½	2½	5	6½		12	Y
10,00,000	37,00,990	51,64,271	28,729	Bird & Co.	Biera Stone Lime Co	29½N	10	16½	17½	17½		3.9	H
90,00,000					Chrestien Mica Industries	10 O	10	10	5f				
30,00,000D	17,91,749	50,93,341	12,332	Ram Kumar Agarwala & Bros.		6½	5 D	15	15	7½f		12	P.Y.
8814,200			£85,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	2-15½	2ab.	12½†	12½†	12½		12	Y.
15,00,000	£1,650,110	£1,643.983				13	10	—	—	—		61.2	H.
1,50,000	38,79,403	43,65,527	1,29,079	Bird & Co., Ltd.	Karanpura Development	10	10	—	—	—		61.2	H.
2,60,000F						10	10	—	—	—		3	Y.
4,00,000	6,40,199	7,98,882	9,812	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	35 A	10	5½(d)	10	10		6.12	H.
10,00,000	37,20,402	31,47,718	74,275	Bird & Co., Ltd.	Orissa Minerals	55	10	10	10	11½		2.8	H.
6,00,000	24,28,739	25,13,779	27,403	Andrew Yule & Co.	Reliance Firebricks		10	15	17½	35		11	Y.
5,99,390	20,61,475	17,98,676	3 427	Killick Industries Ltd.	Shivrajpur Syndicate								
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	423,14,270	1,02,937	S. V. S.Iyer, Esq.	Kemp & Co.	265	200	18	12	10		3	Y.
92,14,870	55,77,268	253,78,334	8,595	Tata Sons, Ltd.	Tata Chemicals	9 A	10	—	—	—		6	T.Y
1,12,500	1,38,486	61,178	4,101	B. D. Nagar, Esq.	Taompson & Taylor	4½	3	6½	10½			3	Y.
Other Centres													
25,00,000	34,68,041	63,66,814	59,559	Bhailal Amin &Sons., Ltd.	Alembic Chemical Works Co.	97½	100	—	8	8		12	Y.
62,00,000	1,07,29,152	2,20,10,944	2,51,870	Imperial Chem. Industries (India), Ltd.	Alkali and Chem. Corpn. of India	13½	10	—S	6	6	6	9	Y.
98,84,700'B'.O.	68,00,287	78,49,987	80,67,494	S. P. Sen, Esq.	Bengal Chemical & Phar.	105	100	6	6			4	Y.
81,80,000	45,64,469	38,97,031	1,09,732	Sahu Bros. (Saurashtra) Ltd.	Dharangadhra Chemicals	165	100	6	15	15		5	Y.
4,95,000	1,50,922	1,53,108	—21,738	D. C. Collaco, Esq.	Frank Ross & Co.	3½	6	8f	—	—		2	P.Y
3,45,97,740	86,89,264‡	4,01,40,091	—10,83,735	Seshasayee Bros. (Travancore) Ltd.	P.A.C.T.	3 A	10	—	—	3½		12	Y.
40,49,345	30,74,302	83,46,263	14,741	B. V. Ganapati Iyer, Esq.	Mettur Chemicals	4 A	10	—	—	3½		5	Y
24,81,220	34,32,111	40,15,501	42,388	Krishna & Co.	Mysore Chemical Mfrs.	8-11	10	12½d	10	10	10	5	Y
3,00,000	6,53 627	4,55,089	48,158	C A Button Esq.	Smith, Stanistreet & Co.	7½	5	10	10	10		3	P.Y.
5,00,000	19,82,894	15,88,659											
ELECTRICS (Bombay Presidency)													
5,24,68,240	1,92,

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Ref. rence
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
OIL; PETROL, ETC.													
£750,000	£987,630	£257,232	—£718,934	I. C. H. Glass, Esq.	British Burma Petroleum Co., Ltd. ..	1½	4sh.	—	—	—	—	3	P.T.W.
£2,50,000	81,89,204	52,69,225	1,85,955	M. C. Alcock, Esq.	British Ceylon Corporation	13½	7½	20†	24†	32†	—	12	P.W.
1,00,00,000	1,01,18,507	1,04,61,324	4,03,476	Steel Bro thers & Co Ltd	Indo-Burma Petroleum Co , Ltd. ..	67	40	10	10	10	15	12	P.Y.
70,07,475	1,02,93,266	1,52,15,713	10,092	Tata Industries Ltd.	Tata Oil Mills	33½	25	4	6	8	3	12	P.Y.
6,00,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tide Water Oil Co. (India) Ltd. ..	14½	10	15	15	17½	5†	4.10	H.
PAPER													
45,00,000	1,56,25,500	1,94,47,651	3,21,991	Balmer Lawrie & Co.	Bengal Paper Mills	46	25	10	10	12½	6¼†	6.12	P.T.H.
30,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	176	100	7	10	11	5†	3.9	H
25,00,000	48,30,215	47,81,895	52,615	P. R. Balakrishnan, Esq.	Mysore Paper Mills	13½	10	5d	7½	10*	—	3.9	Y
41,95,000	2,73,41,080	3,27,84,408	1,91,321	Birla Bros., Ltd.	Orient Paper	33½	10	15	25	20	10†	3.9	P.T.H
50,06,895	1,10,93,378	84,10,902	1,86,914	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	19½	10	9½	11½	15	7½†	6.12	P.T.H
20,00,000 }	58,56,913	76,25,937	9,851	Bajoria & Co.	Star Paper Mills	8½	10	—	—	5	2½†	3.9	P.T.H.
10,00,000 'A'						4½	10	10	10	10	5†	3.9	
4,37,500 PO	5,15,53,313	4,78,98,548	5,00,114	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co. ,Ltd. ..	36½	A10	20	18½	20*	10*†	3.9	P.H
A'56,00,000 O						36½	B10	20	18½	20*	10*†	3.9	
B'56,04,800 O													
PLANTING; PRODUCE AND RUBBER													
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	6½	3	10	20	20	—	2	P.Y.
47,70,000	48,44,853	83,16,040	4,37,964	R. C. Paterson, Esq.	Consolidated Coffee Estate	18	10	17	20	18	6	6	P.Y.
4,00,000	2,29,884	4,49,623	13,931	Associated Planters, Ltd.	Cotsend Plantations	10	10	7½	10	15	3	3	P.W.
9,28,950	1,46,540	4,67,078	1,389	A. V. Thomas & Co., Ltd.	Pringford Estates	2½	10	—	—	—	—	4	P.Y.
18,00,000	10,03,881	20,78,297	80,797	A. V. Thomas & Co., Ltd.	Highland Produce	10½	10	25	45	45	10	12	P.Y.
4,00,000	9,67,558	7,20,398	43,506	A. V. Thomas & Co., Ltd.	Kalpetta Estates	17	10	17½	20	20	—	4	Y.
4,50,000	9,41,308	11,52,479	—	P. Kuriyan John, Esq.	Malankara Rubber and Produce Co.	102½	20	17½	30	35	—	3	Y.
27,00,000	25,83,648	14,90,888	83,433	A. V. Thomas & Co., Ltd.	Midland Rubber and Produce Co...	10½	10	6	12½	15	—	3	P.Y.
8,35,000	1,38,538	12,94,936	28,190	A. V. George & Co., Ltd.	Naamony Rubber	8½	10	5	6½	10	—	12	P.Y.
2,00,000	1,93,721	24,72,600	2,305	Associated Planters, Ltd.	Nilambur Rubber Co.	4½	10	6	10	10	10	12	P.Y.
19,45,980	48,35,083	38,14,428	1,78,110	Peirce, Leslie & Co., Ltd.	Ouchterloney Valley Estates	10†	2	25	25	45	10	12	T.Y.
13,50,000	5,82,973	28,05,590	31,101	A. V. Thomas & Co., Ltd.	Rajagiri Rubber and Produce Co.	6½	10	9	12½	15	—	6	P.T.Y
10,00,000	3,36,390	1,56,824	936	East India Agencies, Ltd.	Tekoy Rubbers (India) Ltd.	14½	10	—	7½	15	—	3	P.Y.
3,50,000	1,81,279	5,11,393	66,520	A. V. George & Co.	Thamarapally Rubber	2½	1	17½	30	25	—	12	P.Y.
3,05,100	5,01 650	6,03,723	31,510	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co. Ltd... ..	13½	10	3½	10	20	—	12	Y.
6,00,000	1,17,222	7,40,149	3,953	K. C. Cheriyan, Esq. (Secretary)	Travancore Rubbers	6½	10	2½	6	10	6	12	P.Y.
41,00,000	17,71,656	70,09,755	2,79,692	Aspinwall & Co., (Travancore) Ltd.	Travancore Rubber and Tea Co., Ltd.	25	10	10	12½	20	20	12	Y.
20,00,000	5,24,135	22,83,595	9,921	P. T. Thomas, Esq.	Tropical Plantations Co.	20N	10	5	6	—	12½	10	P.Y.
8,20,000	53,026	3,26,408	40,587	A. V. George & Co. Ltd.	Udayagiri Rubber	13½	10	10	12½	20	20	12	Y.
6,28,510	2,79,994	7,07,482	33,166	Harrisons & Crosfield Ltd.	Valkondae (Travancore) Rubber Co., Ltd.	7½	10	7½	6¼	—	—	3	Y.
1,65,000	78,624	3,43,636	14,082	M. K. Thomas & Co.	Woodland Estates								
PRESSING													
6,00,000	18,78,066	19,01,857	2,322	Andrew Yule& Co.	Calcutta Hydraulic Press	80	100	3	3	5		3	Y.
4,50,000	5,58,036	6,89,525	1,116	Pyne and Sons.	Camperdown Pressing	90N	100	4	6	7		7	Y.
6,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Central Hydraulic Press	95	100	3	5	5		6	Y.
PROPERTY AND LAND													
10,00,750	25,11,061	42,65,283	419	S. A. Basil, Esq.	Himayan Properties	10½	10	—	6	—	5	9	P.Y.
60,00,000	34,67,735††	83,61,045**	—	David Tasmen & Co., Ltd.	Port Canning Land	24	100	2	1½	1		4	Y
94,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co.	Midnapore Zemindary	37	100	—	3	2		4	P.Y.
SAW MILLS AND TIMBER													
13,99,998	29,73,877	10,38,508	60,887	Bird & Co.	Assam Saw Mills and Timber	6½	8	16½	10§	16½		9	Y.
50,00,000	4,89,22,437	2,47,99,361	1 57,498	Wallace & Co.	Bombay-Burmah Trading	383	125	12	30	18		5	Y.
42,00,000						1408	50	12	30	18		5	Y.
						50N	100	5	—	—		5	P.Y.
6,00,000	7,04,037‡	7,80,451	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	35§	10	2§	5§	35	30	9	Y.
15,00,000	27,06,050	16,83,461	1,70,441	G. Arbuthnot & Co.	Indian Wood Products								
SUGAR (U. P. and Bihar)													
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co.	Bairampur Sugar	7½	5	—	20	—		6	Y.
12,00,000	28,96,740††	15,70,684**	2,81,000	Narang Bros.	Basti Sugar	120N	100	6¼	10	—		4	Y.
19,49,050	23,60,462	27,54,525	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	8§	10	—	—	8½		9	Y.
11,00,000	21,11,580	15,38,162	40,743	Cotton Agents Ltd.	Bharat Sugar	15N	10	10	15	15	10	6	P.T.Y
32,00,000	1,03,86,777	1,29,41,870	41,747	Gladstone Lyall & Co., Ltd.	Carew & Co.	32	10	15	30	30	20	10	P.Y.
15,00,000	1,30,69,452	96,28,542	31,891	Begg Sutherland & Co.	Champarun Sugar	24½	10	15	15	20		6	P.Y.
18,00,000	78,43,538	60,37,156	17,488	Begg Sutherland& Co...	Champarun Sugar	130N	100	5½	6	12*		6	P.Y.
45,00,000	57,00,000	68,17,572	50,477	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	50N	80	—	—	—		7	P.Y.
13,00,000 }	41,78,374	68,10,159	—4,15,271	Kilachand Devchand & Co	Kesar Sugar	20N	40	—	3	4	—	6	P.Y.
6,00,000 }						23½	10	10	25	25		7	P.Y.
7,89,100	31,59,777	25,99,076	115,051	Cotton Agents Ltd.	New India Sugar Mills	6½	10	5	6½	5		6	Y.
11,80,000	27,48,180	36,39,370	3,895	Karam Chand Thapar & Bros., Ltd.	New Savan	180N	100	—	—	—	—		
						45N	25	15	20	20		6	Y
18,59,375	88,13,266	52,06,760	9,33,095	Cotton Agents, Ltd.	New Swadeshi Sugar Mills	80N	100	—	—	—	—		
						20N	25	2½	2½	—	—	7	P.Y.
77,45,350	1,08,98,159	1,56,10,992	1,981	Cotton Agents, Ltd	Oudh Sugar Mills	12½	10	—	—	—	—		
						15N	10	—	—	—	—	10	Y.
12,00,000	19,31,078	16,43,244	71,580	Narang Bros.	Punjab Sugar Mills	100N	100	—	6	—	—		
9,00,000	42,50,793	18,72,506	19,435	Begg Sutherland & Co.	Partabpore Company	15	10	—	10	20	10	10	P.Y
3,00,000	26,05,463	24,18,182	15,410	Begg Sutherland & Co.	Ryam Sugar	23½	10	15	20	20		6	P.Y.
11,99,000	38,06,835	36,11,360	23,281	Begg Sutherland & Co.	Samastipur Central Sugar	16	10	10	20	20		6	Y.
15,00,000	69,94,641	103,56,230	4,188	Sahu Jain Ltd.	Shree Krishna Gyaneshy Sugar ..	10½	10	—	—	10	15	7	P.T.Y.
9,99,950	11,66,782	21,41,729	10,162	M. K. Ghose, Esq. & R. N. Datta.	Sitalpore Sugar	5§	10	—	—	5		6	Y.
6,50,000 O	11,94,395	27,92,174	—14,73,656	N. K. Jain & Co., Ltd.	South Bihar Sugar	45½	10	—	—	—		6	Y.
1,75,000 D						1N	10	—	—	—	—	10	Y.
8,00,000	54,46,474	70,75,580	57,216	Cotton Agents, Ltd	Upper Ganges	2½	10	—	—	—	—		
						20N	30	17½	20	20		6	Y.
(Indian States and Other Centres)													
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Belapur Co.	238½	50	16½	25	28	32	9	Y.
33,57,350	46,47,856	38,47,284	4,64,518	Govan Bros. (Rampur), Ltd.	Buland Sugar	10AN	10	7	7½	10		6	P.Y
16,81,900	18,53,357	37,63,451	21,012	J.P.Srivastava&Sons(MadhyaBharat)Ltd.	Gwalior Sugar Co., Ltd.	43N	100	—	—	5		3	Y
10 00 000						22½cd	10	12½	15	25	25	9	P.Y.
3,00,000	44,76,363	24,51,980	3,71,344	India Sugars Agencies Ltd.	India Sugar & Refineries Ltd. ..	43½	10	20*	20	20	6	6	Y.
11,79,280	1,49,74,559	97,24,107	4,27,296	M. Malleshayya, Esq.	Mysore Sugar	86½	10	14	16	16	16	9	Y.
50,00,000	96,62,468	1,03,94,084	3,18,394	Mathilal, Ajas & Kasatlal, Ltd.	Phalton Sugar Works	17½	10	15	5	7½	20	9	Y.
16,59,820	45,75,389	24,76,150	1,61,652	Anderson Wright Ltd.	Ramnugger Cane & Sugar Co., Ltd.	20	10	7	14	18	18	9	P.T.Y
20,00,000	68,39,148	74,55,840	1,89,513	Walchand & Co., Ltd.	Ravalgaon Sugar Farm Ltd.	12	10	6	10	12½		5	Y.
19,99,590	50,82,224	42,94,806	6,05,982	Govan Bros. (Rampur), Ltd.	Rani	4§	10	—	—	—		7	Y.
30,00,000	23,82,353	58,70,150	20,980	Parry & Co., Ltd.	Travancore Sugars	140	100	17½	12	14	14	9	P.T.Y.
1,01,00,000	1,29,20,737	1,71,89,516	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries Ltd. ..								
UNCLASSIFIED (Bombay)													
1 50,00,000	1,14,37,216	46,81,706	—4,83,411	Tata Industries Ltd.	Air-India Ltd.	84	100	—	15	15	17½	12	Y.
2,40,000	4,90,364	5,64,538	702	Forbes, Forbes, Campbell & Co., Ltd	Bombay Safe Deposit	660	200	15	—	—	—	9	Y.
59,59,550	2,64,61,962	3,70,82,313	53,607	Scindia Steam Navigation Co., Ltd.	Bombay Steam Navigation Co., Ltd.	35½	25	—	—	—	—	6	P.Y
15,98,860	1,28,267	2,19,255	32,663	Parakh Agencies Ltd.	Bombay Uganda	54N	50	5	5	5	10	12	Y.
25,00,000	1,50,000	24,37,096(k)	12,787	Dana Bona Ltd.	Davharan Nanji Investment Co ..	25	5	3	3	3		4	Y.
4,50,000	17,30,262	10,69,107	4,425	P. H. Mehta, Esq.	Ennia Bhandar Ltd.	23N	50	6	4	5	3	3	P.Y.
9,99,250	18,35,375	1,27,45,383(k)	1,85,257	Premchand Roychand & Sons	Industrial Investment Trust	100	3§	4	4½	4½	4½	3	P.Y.
84,98,865	15,91,304	12,58,924	2,833	K. G Milne, Esq.	Killick Industries	158	100	8§	10	—	6	12	Y.
2,06,71,500 A	65,85,939	2,20,52,503	4,52,797	Aero-Auto Ltd.	Premier Automobiles Ltd.	41	100	—	—	—	—		Y.
10,00,000 B						13–8½	15	—	—	3½	—	6	Y.
6,59,62,018	9,89,24,387	12,98,97,421	1,58,231	Narottam Morarjee & Co	Scindia Steam Navigation Co., Ltd	50N	50	10	10	10	—	3	Y.
1,50,000	3,71,437	2,21,590	3,145	R. B. Bandekar Esq.	Thacker & Co	40	20	7½	10	15	15	12	Y.
10,21,200	17,91,712	14,71,107	36,733	Sir Joseph Kay, K.B.E.	United Motors (India) Ltd.	225	100	11*	11*	15	11*	12	Y.
2,20,00,000	2,54,09,975	2,16,78,739	4,20,869	T. H. Rydin, Esq.	Western Irdia Match Co., Ldt. ..	350N	150	8-5/6	12½	13½	13½	12	Y.
45,00,000	46,57,108	24,608	41,429	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.								
Other Centres													
47,50,000	4,90,364	5,64,538	702	J. K. Industries Ltd. — ..	Aluminium Corporation of India Ltd.	4½	10	—	—	—	—	3	P.T.Y.
2,50,000 D						17½	10	10	17½*	25*	12½	8	Y.
20,00,000	53,38,668	31,59,164	5,24,909	Turner Morrison & Co., Ltd	Angelo Brothers Ltd.	18½xd	10	12½*	12½*	12½*	12½	12	P.Y.
20,00,000	32,43,118	42,88,118	1,35,909	T. H. Rydin, Esq.	Assem Match Co., Ltd.	5½	10	7½	6	6		3	P.T.W.
80,00,000	50,63,088	92,32,652	9,349	Oberoi Hotels (India) Ltd.	Associated Hotels of India	295	100 D	20*	20*	25*		12	Y.
30,04,700	15,57,826	45,95,360	5,19,159	O. T. Jenkins, Esq.	Balmer Lawrie & Co.	152	40D	15	15	20			P.Y.
10,00,000						15§	100	5	10	12½	12½	10	P.Y.
20,00,000	1,19,26,323	1,24,61,121	2,04,690	Andrew Yule & Co., Ltd.	Bengal Assam Steamship Co., Ltd.	10	10	11½	11½	12½	12½	9	P.Y.
20,00,000	8,38,806	54,05,998(K)	1,25,380	Lovelock & Lewes	Birds Investments Ltd.	100	3	3	4	12½		12	Y.
1,00,00,000	1,00,01,435	2,26,31,139	1,16,835	Dinshaw Ltd.	Bharat Line	14§	10	12½	12½	7½–3		3	P.Y.
30,64,680	80,81,266	83,30,736	1,82,277	A. F. Chanda, Esq.	British India Corporation Ltd. ..	8–12½	5	11§	15	15	12½	12	P.Y.
3,15,00,000	2,85,66,110	44,05,998(K)	47,78,193**	Sir Robert Menzies Kt., O.B.E.	Dunlop Rubber Co. (India) Ltd. ..	100	10	20	20	15–I	15	12	P.Y.T.
1 60,00,000	3,77,71,321	4,07,06,331	7,01,468	Cecil Stack, Esq.	Eastern Investments Ltd.	145	100	8	9	9		12	P.Y.
51,26,000	47,57,061	1,26,55,420(K)	3,15,489	Bird & Co., Ltd.	Ganges Rope	198xd	100	20	22½	15f		3.9	H.
7,00,000	39,55,208	24,09,208	17,908	Mannell & Barry Ltd.	Gillanders Arbuthnot & Co., Ltd.	128	100	7½	10	10		3	P.Y.
65,00,000	34,13,857	15,62,902	2,07,524	A. J. Elkins, Esq.	Great Eastern Hotel Co.	252	100	6	6	6		3	P.T.Y.
30,00,000	37,25,649	60,01,406	6,213	B. P. R. Syndicate	Hind Cycles	100N	100	5	7½	7½		3	P.T.Y.
18,42,800	36,42,049	54,49,206	12,214	Birla Brothers, Ltd.	Hindustan Motors	4½	10	—	—	—		3	P.Y.
4,96,12,650	59,45,519	21,59,292	3,47,260	Birla Brothers, Ltd.	Indian Aluminium Co.	137	100	—	5	5	5	12	P.Y.
1,60,00,000	1,59,65,053	3,07,88,193	22,27,867	J. W. E. Johnson, Esq.	Indian Cables	19	10	2§	10§	10*	5	12	P.Y.
1,52,89,220	1,31,92,732	57,92,390	9,29,554	D. J. Meintosh, Esq.		4§	10	—	—	—		3	
83,75,000 O						6½	10	—	—	—		12	P.Y.
5,00,000 P	51,91,428	75,82,228	—15,72,246	Govan Bros., Ltd.	Indian National Airways	4	10	—	—	—			
1,85,000 D						15½	10	10	10	10		3	P.Y.
8,87,870	12,79,385	14,27,460	39,038	George Spencer Moulton & Co. (India)	Indian Steamship Co., Ltd.	6½	10	—	10	5		3	P.T.Y.
2,25,00,000	1,60,38,685	3,87,93,801	2,26,066	Lionel Edwards Ltd.	Ivan Jones	4½	2	21§	21§	21§		9	Y.
2,40,000	4,33,028	67,247	36,496	G. V. Swaika, Esq.	Jardine Henderson	190	10	10	10	7½		9	P.Y.
2,00,00,000	53,39,843	27,16,440	8,86,448	J. D. Khoo Brown, Esq.	Macfarlane & Co. Ltd.	2	5	—	—	—		3	Y.
9,56,000	9,97,633	6,91,331	—64,994	James & Co., Ltd.		137	5	O.	10	12½	12½	6	P.Y.
40,00,000 O					McLeod & Co. Ltd.	—	10	D.	10	7½	12½	12	P.Y.
5,00,000 D	63,35,248	23,69,220	85,717	A. T. Doig, Esq.		18§	10		10	12½	11½	12	P.Y.
1,30,55,750	33,32,702	11,34,840	2,31,092	T. Leslie Martin Esq.	Martin Burn Ltd.	5	10		—	—	13½	9	Y.
6,35,190	4,30,533	7,47,410	10,548	Ogale Glass Works Ltd.	Mysore Glass & Enamel Works ..	18§	10		10	20		12	P.Y.
3,75,000	7,74,533	8,79,836	3,666	R. Bharanish, Esq.	Mysore Lamp Works	10½	10		10	10		3	Y.
10,00,000	3,95,997	11,45,855	1,11,329	V. S. Arunachalam, Esq.	Mysore Tobacco	13½	10		5	7½		3	P.T.Y.
20,00,000	51,92,159	50,16,078	11,045	Associated Ind. Development Co., Ltd	National Insulated Cable Co., of India Ltd.	10½	10		5	2½		3	P.T.Y.
79,97,000	65,83,352	1,04,50,524	8,86,347	B. N. Elias & Co., Ltd.	National Tobacco Co.	5	10		—	—		12	Y.
14,87,137	6,67,696††	18,52,569**	23,513	S. P. Ogale & Co.	Ogale Glass Works	5½	5		2	62½	80–I	12	P.Y.
40,00,000	36,64,522	60,88,005	1,94,446	Parry's Holdings Ltd.	Parry & Co.	76½	100		8	8½	9	8	P.Y.
2,25,00,000	62,51,619	1,69,49,507	24,847	G. U. Euthymopulo, Esq.	Rallis India Ltd.	9½	10					12	P.T.Y.
1,14,00,000	2,29,15,252	8,78,03,905	53,67,941	Babu Jain Ltd.	Rohtas Industries	14	10		10	10	15	10	P.Y.
40,00,000	1,53,62,299	1,19,84,861	5,36,552	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	12½	10		10	10	—	12	Y.
75,00,000	22,00,000	1,75,74,498	2,62,138	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	5§	10		10	—	—	12	Y.
9,98,280	3,19,364	8,90,420	1,855	Ogale Bros., Ltd.	Travancore Ogale Glass								

†† Does not include depreciation.
‡ Only Depreciation —Nil Dividend.
Z.—For fifteen months ended 31st December, 1952. K—Investments.
* Includes Bonus. **‖Net§Block C.D.—Cum Dividend
† Less income-tax. X.R.—Ex-Right. I On Increased Capital.
(c) For six months ended June, 1949
(d) For nine months ended March, 1950.

TEA COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
ASSAM														
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	450‖	100	20	25	—		18	P.Y.
1,50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd...	400½	Anandabag	25½	10	25	40	30		18	Y
3,50,000	10,64,192	12,05,396	—89,152	McLeod & Co., Ltd.	360	Baghmari	10½	10	12½	17½	—		18	Y.
3,40,000	9,12,883	7,03,721	44,989	Andrew Yule & Co., Ltd.	556	Bamuia	24	10	30	30	25		18	T.Y
3,30,600	7,24,887	8,38,278	71,941	Williamson Magor & Co.	566	Batali	10½	5	25	30	10		18	Y.
3,20,000	6,19,032	6,72,731	56,942	Gillanders Arbuthnot & Co., Ltd.	4,004	Betjan	23½	10	20	35	15		12	Y.
16,50,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co.	493	Bisnauath	24½	10	35	50	5		12	P.Y.
6,00,000	4,80,346	9,78,429	—1,90,802	Octavius Steel & Co., Ltd.	450	Bokakhat	4½	10	5	5	—		12	Y.
1,50,000	3,06,959	7,64,836	22,297	McLeod & Co., Ltd.	2,670	Borrnah Jan Tea Co., Ltd. ..	11	10	15	15	15		12	P.Y.
35,00,000	22,18,001	70,96,925	87,990	Brooke Bond India Ltd.	282	Brooke Bond	11½	10	10	10	10		6	P.Y.
1,20,000	3,06,715	3,66,030	—29,101	McLeod & Co., Ltd.	1,341	Dejoo Valley	8§	10	6§	10	—		18	Y.
6,00,000	22,17,578	24,24,301	25,545	Jardine Henderson Ltd.	426	Dejoo Valley .. ..

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Referen
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
60,00,000	1,02,72,130	95,73,184	3,33,368	879	B. N. Elias & Co., Ltd.	Agarpara	19	10	10	15	20	10f	3.9	P.T.H
12,00,000	50,61,739	45,32,316	16,522	498	Sahu Jain Ltd.	Albion	180	100	—	14	30	8f	5.11	P.H.
6,00,000	30,55,572	47,33,264	—3,29,636	446	McLeod & Co., Ltd.	Alexandra	190	100	—	5	5	—f	6.12	T.P.H
80,00,000	85,82,864	1,17,03,966	—13,63,074	1,264	McLeod & Co., Ltd.	Alliance	165	100	—	2½	—	—f	6.12	P.H.
49,20,700	2,31,84,144	2,24,03,099	1,44,601	2,561	Duncan Bros. & Co.	Anglo-India	235	100	—	20	20	10f	3.9	P.H.
40,00,000	1,18,83,050	1,31 13,967	71,745	810	Bird & Co., Ltd.	Auckland	136	100	1½	10	10	4f	3.9	P.T.H.
20,00,000	92,46,901	97,14,511	55,967	959	Jardine Henderson & Co.	Bally	169	100	7	12	1	—f	3.9	P.H.
£275,000	£1,680,379	£1,328,460	£91,091	1,890	Jardine Henderson & Co.	Barnagore	162	£5	20	20	20		3	P.Y.
28,00,000	80,27,627	88,01,241	26,347	820	Andrew Yule & Co.	Belvedere	215	100	13	17	27½	15	6.12	P.H.
45,00,000	78,51,305	51,03,385	4,07,701	600	Soorajmull Nagarmull	Bengal	16½	10	13½	15	30		6	T.P.Y.
80,42,000	3,71,54,151	3,06,60,933	1,38,294	1,373	Birla Bros.	Birla	36⅜	10	25	30	30		3	P.Y.
36,03,000	98,57,668	1,07,77,342	25,398	991	Andrew Yule & Co., Ltd.	Budge-Budge	170	100	7	13	22	6¼f	4.10	H.
7,47,380	30,53,704	39,44 698	34,320	502	Dayaram & Sons	Calcutta Jute Manufacturing	18¼N	10	—	—	20		6.12	T.P.H.
18,00,000	65,79,289	75,43,878	32,228	614	Andrew Yule & Co.	Caledonian	174	100	5	14	22	12	5.11	P.H.
89,16,400	2,11,26,602	1,62,21,807	1,35,299	1,400	James Finlay & Co., Ltd.	Chamdany	163	100	3	10	14	8f	3.9	P.H.
15,95,000	78,33,608	79,40,140	45,839	530	Andrew Yule & Co., Ltd.	Cheviot	222	100	13½	16	22	12	5.11	P.H.
10,05,000	83,89,114	55,21,773	60,392	508	McLeod & Co.	Chitavalsah	28½	10	12½	15	60	25f	6.12	T.P.H
16,00,000	80,24,460	77,89,914	1,01,979	969	Shree Krishna Investment Co., Ltd.	Clive	25	10	12½	35	20		3	P.H.
31,49,200	1,21,56,497	1,16,59,962	21,356	766	Bird & Co., Ltd.	Dalhousie	144	100	1	11	12	1f	3.9	P.H.
28,00,000	86,65,708	71,72,811	50,826	779	Andrew Yule & Co.	Delta	235	100	11	17½	32½	20	5.11	P.H.
15,00,000	83,75,460	74,82,092	45,656	500	McLeod & Co.	Empire	21½	10	10	20	25	3f	6.12	T.P.H
21,00,000	2,35,23,130	2,62,73,643	1,801	1,884	Kettlewell Bullen & Co.	Fort Gloster	292	100	2½	32½	22½	—f	3.9	P.T.H
14,00,000	48,23,115	69,94,729	—8,12,397	1,014	G. C. Bangur, Esq.	Fort William	275N	100	—	10	—		3.9	P.H.
84,32,100	1,40,49,268	2,08,92,266	—12,29,673	1,789	Macneill & Barry Ltd.	Ganges	73	100	—	6½	2½	—f	3.9	P.H.
10,80,000	76,50,046	68 12,500	41,193	607	G. Arbuthnot & Co.	Gondalpara	770xd	300	—	15	30	10	12	T.Y.
24,00,000	74,14,915	1,35,90,395	96,381	1,394	Macneill & Barry Ltd.	Gouripore	310	100	2½	25	11½	—f	3.9	P.H.
40,00,000	81,93,062	81,94,127	3,06,824	1,078	Bangur Bros. Ltd.	Hastings	233N	100	10	7	10		3	P.Y.
16,80,000	58,02,116	64,29,355	64,417	720	G. Arbuthnot & Co.	Hooghly	30½	10	10	30	15		3	P.Y.
65,62,500	1,56,21,640	1,59,50,625	1,71,001	1,940	Jardine Henderson Ltd.	Howrah	24½	10	7½	17½	18½	8½f	3.	P.H.
30,00,000	1,74,39,109	2,25,00,169	3,91,968	2,272	Ramdutt Ramkissendass	Hukumchand	43	10	7½	66⅔	66⅔		3	T.P.Y
87,00,000	88,97,267	1,11,41,130	77,979	1,076	Mackinnon Mackenzie & Co. ..	India	134	{O. 125 D. 1	5½	10	3½	2½f	3.9	P.H.
30,000									5½	5½	3½	2½f	3.9	P.H.
24,00,000	1,36,54,330	1,36,47,095	92,899	1,797	Jardine Henderson Ltd.	Kamarhatty	195	100	—	17	22½	14½	6.12	P.H.
19,20,000'B'							185	100						
30,00,000	1,04,29,702	1,30,34,859	83,881	1,527	Jardine Henderson Ltd.	Kanknarrah	153	100	—	—	12½	10	6.12	P.H.
24,00,000'B'							143	100						
21,00,000	1,13,89,109	91,65,930	1,07,129	703	McLeod & Co.	Kelvin	245	100	10	20	25	7½f	6.12	P.H.
54,00,000	1,18,86,997	1,59,17,038	2,06,473	1,530	Anderson Wright Ltd.	Khardah	190	100	—	25	16		3.9	P.H.
48,00,000	1,94,15,089	2,09,37,751	1,16,651	1,250	F. W. Heilgers & Co.	Kinnison	200	100	2½	14	19	7f	3.9	P.T.H
24,48,000	1,24,37,159	1,33,71,480	40,487	931	Bird & Co., Ltd.	Lansdowne	136	100	2	21	15	3f	3.9	P.T.H
28,00,000	1,19,87,748	1,13,75,507	6,954	840	Bird & Co., Ltd.	Lawrence	185	100	6	21½	22	4f	3.9	P.H.
10,00,000	70,30,427	50,24,402	64,167	558	Andrew Yule & Co.	Lothian	235	100	—	15	32½	30	5.11	P.H.
81,65,200	1,38,82,204	1,94,76,907	1,17,533	1,008	Mackinnon Mackenzie & Co. ..	Megna	104	100	4½	8½	3½	2½f	3.9	H.
29,98,900	1,29,56 303	1,55,05,495	—2,80,351	815	F. W. Heilgers & Co.	Naihati	130	100	—	15	12	—f	3.9	P.T.H.
12,00,000	39,17,880	25,69,085	17,184	425	Howrah Trading Co., Ltd.	Naskarpara	16	10	11½	13½	22½		4.10	T.H.
35,00,000	50,49,988	27,56,955	45,733	852	Andrew Yule & Co.	National	24½	10	11½	15	25	10f	4.10	P.H.
7,50,000	52,11,917	24,37,663	21,345	316	McLeod & Co.	Nellimarla Jute	29½	10	25	30	75	20	6.12	T.P.H.
10,50,000	66,36,905	45,98,858	7,738	709	Sahu Jain Ltd.	New Central	220	100	6	14	30	10f	6.12	P.H.
16,79,880	98,33,709	1,18,62,645	5 954	567	Bird & Co., Ltd.	Northbrook	21½	100	—	—	20	2½f	3.9	P.T.H.
66,79,500	1,71,33 499	2 10,50,572	94 764	1,092	Macneill & Barry Ltd.	Nuddea	48	50	—	5½	4½	—f	3.9	T.H.
24,91,000	70,60,941	70,35,063	81,356	601	Andrew Yule & Co., Ltd.	Orient	180	100	9	14	24	7	5.11	H.
25,00,000	63,83,642	80,79,256	—4,76,887	400	McLeod & Co.	Presidency	5½	5	—	—	2½	—	6.12	T.H.
20,00,000	7,67,493‡	26,15,293	—3,29,549	305	Macneill & Co.	Rameshwara	5½	10	—	1½	—		3.9	H.P.
49,50,000	55,07,248	1,23,45,796	58,685	1,276	Jardine Henderson Ltd.	Reliance	14½	10	—	—	—		3.9	P.H.
£6,60,000	£9,99,994	£11,96,402	£76,498	2,013	Thomas Duff & Co. (India) Ltd.	Samnuggur	14⅛	£1	6‡‡	10‡‡	10		12	P.Y.
30,00,000	68,57,466	95,49,412	87,40,952	911	Bagaria More Co., Ltd.	Shree Ambica (Adamjee)	17½	10	—	15	10f		3.9	P.H.
7,00,000	45,17,785	48,14,456	2,73,383	401	Hindustan Investment Copn. ..	Soorah	13N	10	—	—	—		12	P.Y.
25,19,600	1,06,20,961	93,73,041	12,665	650	Bird & Co., Ltd.	Standard	150	100	4	15	16		3.9	P.H.
£6,00,000	£8,36,984	£9,78,287	£1,29,393	1,794	Thomas Duff & Co. (India) Ltd. ..	Titaghur	14½	£1	6‡‡	10‡‡	10		12	Y.H.
35,98,600	1,80,41,145	1,73,93,324	15,098	1,326	Bird & Co., Ltd.	Union	183	100	2	19‡	21	1f	3.9	P.T.H.
£4,00,000	£6,35,795	£10,47,385	£1,00,239	1,331	Thomas Duff & Co. (India) Ltd. ..	Victoria	14½	£1	6‡‡	10‡‡	10		12	Y.H.
2,50,000	32,89,383	55,48,403	—47,909	465	McLeod & Co.	Waverley	5½	1	—	5	5	—f	6.12	P.T.H.

(†) For ten months ended 31st December, 1951. (For Nazira Coal) ‡‡ Subject to foreign Income-tax. Only Depreciation. * Includes bonus.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Referen
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
25,50,000	61,24,011	64,99,011	25,799	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	20½	10	17½	20	13½	5f	3.9	H.
12,00,000	42,18,417	37,16,954	60,294	Jardine, H. & Co., Ltd.	Bararee Coke	18½	10	14½	13½	14½	7½f	3.9	H.
40,00,000	70,50,712	1,17,79,347	23,814	Sahu Jain Ltd.	Bharat Collieries	6⅛	10	6½	6½	6½		6	P.T.Y.
1,00,00,000	3,35,25,103	5,08,61,725	8,02,968	Andrew Yule & Co., Ltd.	Bengal	526	200	33½	17½	18½*	10*f	4.10	P.H.
4,49,350	5,82,303	8,49,159	3,152	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6N	10	2½	2½	2½	1½f	6.12	H.
2,25,000	27,12,507	25,84,461	4,280	Andrew Yule & Co., Ltd.	Bengal-Nagpur	14½	10	22½	16½	10	3½f	6.12	P.H.
13,97,700	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	4½	10	—	2½	1½		9	Y.
7,15,000	50,04,831	50,17,715	3,437	F. W. Heilgers & Co., Ltd.	Bhulanbararee	13⅜	10	—	6½	6½	2½f	6.12	H.
16,00,000	53,42,567	68,15,834	—1,46,405	Anderson Wright (Ramgarh), Ltd. ..	Bokaro-Ramgur	10½	10	5	—	—		6.12	T.H
7,50,000	42,42,776	40,82,736	1,07,078	F. W. Heilgers & Co., Ltd.	Borrea	31	10	20	30	30*	15f*	6.12	P.H
90,92,480	3,23,04,936	3,94,53,208	1,54,703	Bird & Co., Ltd.	Burrakur	10⅜	10	10½	7½	7½	3½	6.12	P.T.H.
49,97,000		23,16,089	8,776	Hindusthan Investment Corpn., Ltd. ..	Central India	5	10	—	—	—	—f	3	Y.
8,00,000	45,46,717	49,09,377	2,273	Anderson Wright & Co.	Central Kurkend	15⅜N	10	17½	12½	—	—f	6.12	P.H.
6,00,000	1,40,000	7,50,000k	28,918	F. W. Heilgers & Co., Ltd.	Churulia	3	4	6½	4⅜	1⅜	1f	6.12	P.H
16,00,000	30,89,961	44,04,602	12,039	Macneill & Barry Ltd.	Dhemo Main	10⅜	10	10⅜	10	12½	2½f	6.12	H.
£120,000	£1,084,338	£872,414	£78,839	Jardine Henderson Ltd.	East Indian	23⅞	£1	13½	37½	37½		4	Y.
29,63,760	3,25,97,992	3,19,86,409	2,12,912	Macneill & Barry Ltd.	Equitable	44½	10	25	25	25	15f	6.12	P.Y.
10,00,000	4,83,963	8,41,725	66,865	Bhatter's Agency Ltd.	Ghusick and Muslia	14xdN	10	20	5			3	H.
8,00,000	21,59,776	21,52,141	14,404	Macneill & Barry Ltd.	Hurriladih	16	10	12½	15	15	7½f	6.12	H.
3,50,000	11,63,346	12,53,839	40,107	Andrew Yule & Co., Ltd.	Kalapahari	44N	10	26½	35	35*	17½f	2.8	Y.
20,00,000	68,340‡	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	91	100	—	—	—		2	H.
5,00,000	43,58,631	42,50,291	89,822	Andrew Yule & Co., Ltd.	Katras Jherriah	45	10	27½	35	37½	40	1.7	P.H
1,38,400	5,20,519	11,63,519	1,063	Beriwala Bros.	Khas Kajora	7⅛N	10	11½	10	5f		6.12	P.Y.
11,00,240	10,19,288	15,64,007	5,201	H. V. Low & Co., Ltd.	Kuardi	6⅜N	10	3⅜	3½			6	Y.
13,50,000	29,43,024	28,41,241	13,549	H. V. Low & Co., Ltd.	Lakurka	12⅝N	10	10	10	7½		6	H.
5,65,750	11,41,667	22,37,077	2,691	Beriwala & Co.	Mandulpoor	3⅛N	10	5	7½			6.12	H.
7,48,240	10,34,138	11,24,142	14,690	Associated Commercial Co., Ltd. ..	Nazira	6⅜	10	5	2½	5½		6.12	H.
7,00,000	3,77,590	9,53,321	4,597	Amritlal Ojha & Co., Ltd.	New Bansdeopur	5⅝N	10	2½	6½	6½		3.9	H.
17,76,230	91,68,381	1,16,02,941	55,799	Andrew Yule & Co., Ltd.	New Beerbhoom	20⅜	10	3	6	—	5f	4.10	H.
6,00,000	21,87,920	31,32,540	—7,595	Octavius Steel & Co. Ltd.	New Manbhoom	10	10	12½	7½	—	—f	3.9	P.H.
2,50,000	6,84,984	5,45 859	1,387	Jatia Bros. Ltd.	North Damuda	4N	2½					3.9	H.
1,15,000	10,81,297	12,56,672	12,237	Andrew Yule & Co., Ltd.	North West	14½N	10	16½	13½	5	2½f	3.9	H
1,57,500						11N	7½						
7,50,000	12,54,532	3,97,666	1,23,852	F. W. Heilgers & Co., Ltd.	Ondal	19½N	10	12½	25	22½*	10f	6.12	P.H.
10,00,000	14,15,045	32,73,178	46,739	K. C. Thapar Bros. Ltd.	Oriental Coal	13N	10	10	10	10		12	T.Y.
8,34,000	5,98,486	16,29,203	75,339	Deepchand Kishenlall	Parasea	3½	10	—	—	—f		6.12	H.
15,75,000	34,87,649	39,37,649	31,995	Shaw Wallace & Co., Ltd.	Pench Valley	21	10	16½	12½	10	6½f	2.8	H.
23,99,500	91,95,359	1 09,49,971	—4,53,764	B. N. Elias & Co., Ltd.	Raneegungo	9⅜	10	—	—	—	—f	3.9	H.
13,50,000	30,62,857	29,87,472	36,004	Shaw Wallace & Co., Ltd.	Rewa	21xd	10	8½	12½	10	17½	6.12	H.
20,00,000	15,10,118	28,07,516	165	Jaipuria Sons Ltd.	Samla Collieries	6⅜	10	—	5	14f		6.12	H.
1,25,000	12,44,124	13,05,188	18,451	Gillanders Arbuthnot & Co., Ltd.	Searsole	9½N	2½	20	20	20		1	P.H.
2,80,000	19,76,795	28,04,096	30,184	Andrew Yule & Co., Ltd.	Seebpore	25⅜	7	35-5/7	32-1/7	28-4/7	28-4/7	6.12	H.
8,00,000	34,57,222	36,96,604	10,379	F. W. Heilgers & Co., Ltd.	Sendra	11½	10	5	5	3½	—f	6.12	
63,21,450	2,13,85,164	3,04,98,616	23,658	Industrial Trust Fund	Singareni	7	10	4½	5	5		12	T.Y.
17,50,000	24,10,707	34,29,846	15,868	Bird & Co., Ltd.	South Karanpura	13½	10	18⅜	10	7½	3½f	2.8	H.
8,00,000	35,43,816	39,93,119	74,094	F. W. Heilgers & Co., Ltd.	Standard	18⅜	10	16½	15	10	5f	6.12	H.
10,00,000	15,41,499	29,34,045	—2,46,174	Villiers Ltd.	Talcher	3	2½	—	—	—		9	Y.
3,50,000	17,36,513	18,94,910	74,927	Williamson Magor & Co., Ltd. ..	Union	20	10	20	27½	27½	12½f	6.12	H.
49,98,000	11,13,461	43,49,365	42,176	Hindusthan Investment Corpn. Ltd. ..	Western Bengal	5½	10	2½	2½	2½		3	H.
7,00,000	26,75,667	36,17,323	29,272	Macneill & Barry Ltd.	West Jamuria	17½	10	15	15	15	—f	6.12	

* The following explanatory notes relate to the abbreviations and marks shown on page 1016 in the debentures section:—

‡‡ Option to repay on six months' notice, on any interest date after 31st December, 1951, at 102 per cent. Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 102 per cent.

(a) Option of repayment at any time at 3 per cent. premium.

(b) Bearer bonds of Rs. 1,000 each repayable at par.

(c) Bearer bonds of Rs. 1,000 each repayable on 31st July, 1959.

(d) Bearer bonds of Rs. 1,000 each with ption of redemption in whole or in part at par on 30th June, 1952, or on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months' notice in each case.

(f) Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ½ per cent. premium, after 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March, 1957

(h) Option of redemption on or after 1st July, 1949, at par.

(l) Option of repayment at any time at par at any time on or after 30th June, 1947 on six months' notice

MARKET GOSSIP

(Concluded from page 975)

it aims at expanding this capacity from one million tons pre-war to 10.5 million tons. The Company's sales of refined products were above those for 1951, though "only by some 2½ per cent." The statement also makes an appreciative reference to the Company's research activities which have resulted in "important contributions towards efficient and economic operations."

* * * *

The pattern of trading in the art silk yarn market in the past few weeks does not show any marked change. In the absence of any aggressive force to influence the pattern either way, values have chosen to move within narrow limits. Occasional buying enquiry has no doubt appeared, but it has lacked strength. The undertone of the market has more or less been quietly steady, although, during the week under review, there was a slight setback. The prices of yarn are well maintained, the current level being very much higher than that in the slump period early last year.

* * * *

Traders in art silk yarn are closely watching the developments in the internal as well as world markets. Since there has been no event of any special significance to the art silk yarn market, it is difficult to hazard any statement about the future trend of prices. At what levels these prices would stabilise is anybody's guess. Some are of the view that prices of yarn should tend to decline. In support of this view, they point to the comfortable statistical position of yarn in world markets, prospects of better international political situation and highly encouraging trend of indigenous output. There are, however, others who feel that prices should improve. The optimism seems to be quite justified, considering the tight supply position in respect of yarn, especially yarn of 150 deniers (on hanks), notwithstanding the heavy arrivals of imported yarn in the past couple of months. Even assuming that art silk yarn production during the current calendar year will amount to 9 million lbs. and taking into account the imports of about 24 million lbs.—on the basis of the figures of imports during the first four months—the total available supply of yarn will be of the order of 33 million lbs., a quantity far below the present estimated consumption of 50 million lbs. It is, however, true that the consumption figure is subject to variations depending upon the state of the market for art silk yarn. Also, this estimate of consumption, according to certain observers, errs on the high side.

* * * *

In view of the tight supply position thus, and of the fact that the demand from the rayon fabric section continues to be brisk, one can confidently expect an upward trend in art silk yarn prices. An indication of this is provided by the report that the National Rayon Corporation, Bombay—the major producer of rayon yarn in India—has succeeded in striking a most favourable bargain by entering into forward contracts with several traders and consumers for the sale of the entire quality of yarn produced during the period, 16th August to 30th September, 1953, at "remunerative" prices. Further enquiries, it is stated, have also been received by the Company for the supply of yarn produced during the subsequent months. Incidentally, it may be noted that the major portion of the yarn now being produced is being sold to the Silk and Art Silk Mills' Association, Bombay, under the bulk purchase agreement which came into effect on 15th March, 1953. Under the agreement, the Company has been supplying to the Association 400,000 lbs. of rayon yarn—200,000 lbs. each of 150 deniers and 120 deniers—per month at a price of Rs. 3-10 and Rs. 3-6 per lb., respectively, for the two varieties. The quantity represents about 75 to 80 per cent. of the factory's output. As the agreement is due to expire on 15th August, next, negotiations are taking place between the two parties for its renewal.

* * * *

It is not known whether the quantity of art silk yarn that the Company will undertake to supply will be larger than that stipulated in the present agreement. Now that the trend of output is very encouraging and bids fair to be so in the coming months, thanks to the ease with which the Company has been able to procure imports of raw materials, such as wood-pulp, rayon grade caustic soda and sulphur, the Company should be able, it is stated, to supply a larger quantity of yarn to consumers. With regard to prices, there are indications to suggest that they will be higher than those agreed to in the present bulk purchase scheme. In fact, the Company is reported to have demanded a higher price for its supplies after 30th September, 1953. It is not known whether the demand will be conceded. Much will, of course, depend on the trend of art silk goods output and on the Government's import policy in respect of art silk yarn. If Indo-Pakistan economic relations are placed on a firm basis, it should lead to a satisfactory improvement in India's exports of these goods to the Pakistan market. Barring a general slump in the market for art silk fabrics, it is reasonable, according to market opinion, to expect the maintenance of at least steady conditions in the market for art silk piecegoods and for yarn. Being semi-luxury goods, the demand for art silk fabrics is subject to wide variations. So far as the Government's import policy in respect of art silk yarn is concerned, even if the Government were to adopt a more liberal policy for art silk yarn imports during the ensuing (July-December, 1953) half-year, prices might be well maintained. For any quantity that may be imported will not be so large as to flood the internal market with supplies and depress the prices. Generally speaking, the Government might be expected to permit imports only to the extent that local manufacturers cannot produce. Already, the Government has decided to stop imports of lower grades of yarn, such as III, IV, rejects, etc., in 120 deniers and 150 deniers.

OFF THE RECORD

(Concluded from page 979)

which flagrantly evades restrictions imposed by it, can hope to enforce respect from the citizens for its own laws and orders. Besides, it must be a poor democracy, where the citizens go about in fear of the executive to such a degree as to refrain from seeking legal relief even in the matter of fundamental rights clearly enumerated by the written Constitution of the country, for fear of reprisals from the minions of this executive.

So far, I have purposely refrained from discussing the purely economic implications and repercussions of this amazing order. I am not inclined to blame the Government for ignoring this important aspect, because I do not consider that either the Ministers concerned, or their *aides*, are capable of the intellectual effort involved in working them out. If the Government had cared to see a little beyond its nose, it would have known how their order would affect the small cotton-seed crushing industry, importing a good part of the raw material from other neighbouring States, when it has to sell its cake and oil in open competition with other oil mills in other States, which are not handicapped by any such order, compelling them to part with fifty per cent. of their cake at one-third its market price. In the case of groundnut cake, the price paid by the Government bore a slightly higher percentage and the mills could raise the price of the cake left on their hands. This is not possible in the case of cotton-seed cake or oil, because the produce in the State of these commodities forms a very small part of the total output and any raising of price would make their oil and cake unsaleable. They must either close down for the present or write off the difference in price paid by the Government and the cost of production as a dead loss.

The most surprising part of this business is that the Planning Commission has directed that special steps be taken to increase the volume of cotton-seed crushing, to relieve the pressure on other edible oils to bring down prices. This is, perhaps, the Bombay Government's idea of implementing the Five-year Plan. If they had wanted to prohibit cotton-seed crushing in the State, they could not have devised a more effective indirect method of doing so than that of issuing the present order.

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MARKET REPORTS

(Concluded from page 1005)

A further rise in prices in raw jute was natural in view of the steady conditions in the goods markets and of the unfavourable weather reports. Mills were also in need of replenishing their stocks, and, in certain cases, had to satisfy their needs by paying premiums over quotations. Stockists are watching developments, and desire the prices to go up further to enable them to make good the losses they had incurred in recent months by being forced to sell jute purchased at higher prices. Assam bottoms rose to Rs. 28 from Rs. 25 for delivery within 30 days. Kissanganj jute hardened to Rs. 25, Murshidabad Dist. tossa to Rs. 26, Bimli to Rs. 22-8, and Pakistani jat to Rs. 30.

WHEAT ARRIVALS IN FULL SWING

(From Our Own Correspondent)

HAPUR, 26*th May*

An analysis of the final estimate of *kharif* cereals for 1952-53 released by the Government of India this week shows that, out of a total of 4 million tons increase in production over the previous year, nearly 2.7 million tons are in rice, the cereal which has been in extremely short supply for nearly a decade. This explains why India shows no anxiety to purchase foreign rice this year, except on its own terms.

An examination of the State-wise position reveals that the increase in rice production has been particularly marked in Orissa, where it is nearly one million tons more than the 1951-52 figure. Then came in order Bihar (871,000 tons), West Bengal (469,000 tons), U.P (325,000 tons), Bombay (175,000 tons), Punjab (53,000 tons) and Assam (40,000 tons). While there has been an overall increase of 94,000 tons in *jowar* production for the whole country, important consuming areas like Bombay, Madhya Pradesh and Madras show a decline over last year's figures.

It is now revealed that India has been allotted 4.5 million tons of wheat for three years under the International Wheat Agreement. New wheat shipments are expected to commence arriving in August this year.

The Punjab Government has decided not to issue permits for exports of wheat, as neither the Government of India nor the Delhi Government was in requirement of wheat. In order to prevent the smuggling of foodgrains from the Punjab to neighbouring deficit States in India and Pakistan, the Government has taken drastic measures. It has been decided to continue rationing in Simla and Kangra.

The latest foodgrains quotations in the Hapur market are: Wheat Rs. 15-12 to Rs. 17-12, gram Rs. 15-8, barley Rs. 11-6, *bejhar* Rs. 11-8, maize Rs. 13-6, *bajra* Rs. 13, *jowar* Rs. 11-8 to Rs. 13-8; Rice: basmati Rs. 35 to Rs.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
16,00,000 / 14,50,000 / 1,01,000 / 23,99,000	1,08,33,956	10,66,174	Allahabad Bank	350 / 174 / 102	100 / 50	18‡	18‡	18‡	18‡	12	Y.P.
	12,03,000	7,231	Andhra Bank	51‡	50	5	6	6	6	6.12	H.
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	111‡	50	12‡	12‡	12‡	12‡	12	Y.
50,00,050	14,00,000	8,667	Bank of Bikaner	20	25	—	3	3	3	12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	156	50	14	14	14	14	6.12	R.L.Y.
15,30,375	24,00,000	63,200	Bank of Indore	60	25	12‡	12‡	12‡	12	12	Y.
50,00,000	15,00,000	35,324	Bank of Jaipur	23	50	3	3	3	3	12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	282	100	16‡	16‡	16‡	16‡	12	Y.
39,18,600	42,61,693	25,280	Bombay State Co-operative Bank	58‡	50	5‡	5	5		6	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	9	9	9	9	12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	9‡	10‡	10‡	10‡	12	Y.P.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	64‡	25	14	14	14	14	12	R.L.Y.
52,42,375-A				65‡	25						
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	35	50	3	3	3‡	3‡	12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88	20	6‡	10	20	20	12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	11‡	50	—	—	—	—	12	Y.
50 00,000	1,30,000	1,412	Hindustan Mercantile Bank	10‡	50	—	—	—	—	12	Y.
75,00,000	70,00,000	1 59,127	††Hyderabad State Bank	105N	100	5	6‡	6‡	5	9	Y.
3,75,00,000 / 1,87,50,000	6,35,00,000	42,07,573	Imperial Bank of India	1,855 / 457‡	500 / 125	14	16	16	16	6.12	R.L.H.
24,00,000				176	100	14	16	16	16	6.12	R.L.H.
16,00,000	73,50,000	1,04,201	Indian Bank	138‡	80	11‡	12‡	12‡	12‡	6.12	R.L.H.
15,40,000				99	55						
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	88‡	100	4‡‡	5‡	6	6	6.12	R.L.H.
6,25,000				75	100(A)	9	9	7‡	6		
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18‡	25(B)	9	9	7‡	6	6.12	H.
10,00,000				37‡	50(C)	6	6	6	6		
4,55,266	30,61,350	60,357	Punjab and Sind Bank	35	25	7‡	7			6.12	Y.
87,50,000	89,00,000	1,92,605	Punjab National Bank	21	25	6	4	4	6	12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	11‡	25	—	—	—	—	12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	56	5	6‡	6‡	6‡	6‡	12	Y.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank	36	50	3‡	4	4	4	6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3 000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2-0-10‡	£5	12†	14†	14†	16‡†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£6‡	£5	6†	7†	6†	7†	12	R.L.Y.
H.K.$20,000,000	H.K.$6,000,000	H.K.$9,489,174	Hongkong and Shanghai Banking Corporation	£85	H.K. $125	5%*	5%*	5%*	5%*	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-13-3 / £1 7-0	£1	12%† / 5%†	12%† / 5%†	12%† / 5%†	12%† / 5%†	12	R.L.Y. R.L.Y.
£1,437,296				£25	A £12‡						
£375,000	£1,500,000	£200,143	Mercantile Bank o India	£25‡	B £12‡	12%†	12†	12†	14†	12	R.L.Y.
£300,000				£10‡	C £5						
£2,281,250	£3,675,000	£323,703	National Bank of India	£29‡	£12‡	16%†	16†	16%	16%	12	L.Y.

‡Includes Bonus. †Less Tax (P) Pakistan Currency. ††O.S. Currency.
‡‡Subject to taxation. (I) Interim.
*£ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	5‡	1st December and 1st June	Carew & Co.	1938	100	1st June	1953(b)
5,50,000	5‡	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90‡	28th February	1960(f)
6,00,000	5‡	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd	1936	98‡	30th December	1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102‡	27th December	1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	90	1st November	1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	103	1st April	1956-61
25,00,000	4‡	1st May and 1st November	Walchandnagar Industries (New)	1944	92	1st November	1959-64
COTTON							
6 00,000	5‡	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April	1964
4,00,000	4‡	10th May and 10th November	Bengal-Nagpur	1897	96‡	15th November	1956(a)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99‡	1st January	1967-72
13,68,000	5‡		Jayahree Textiles	78N	100	1st January	1956-59
40,00,000	5	1st June	Tata Mills.	100‡			1966–71
ELECTRICS							
10,00,000	4‡	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	95	31st March	1965
1,25 000	4‡	30th June and 15th December	Ahmedabad Electric Co., Ltd.		100‡	14th June	1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100‡	1st October	1959
12,00,000	4‡	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December	1964
2,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	101‡	1st January	1970
25,00,000	4	30th June and 31st December	Goorgepore Electric Supply Co., Ltd.	1945	84‡	31st December	1970
15,00,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91‡	30th June	1976
4,95,000	5‡	1st January and 1st July	South Madras Electric Supply	1940	97		1957-61
2,00,000	5‡	1st May and 1st November	South Madras Electric Supply	1939	95		1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94‡		1953-63
6,63,800	4‡	1st April and 1st October	South Madras Electric Supply		94	1st July	1957-67
49,23,000	4	1st April and 1st October	Tata Power	1940	100‡	15th September	1951-55(b
1,00,00,000	4	1st April and 1st October	Tata Power		92‡	15th September	1965-70
ENGINEERING							
5,00,000	5	30th June and 31st December	Britannia Engineering	1945	96‡	31st December	1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India). Ltd.	1928	96	30th June	1958
30,00,000	5‡	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	100‡	1st July	1957-62
£1,183,400	4‡	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	91‡	31st December	1966(§§)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	85	31st May	1971
1,50,00,000	5	1st April and 1st October	Tata Locomouve	1950	100‡	1st October	1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	94‡	31st December	1960
JUTE							
12 00,000	4‡	1st October and 1st April	Agarpara	1939	98	31st March	1954
6,00,000	4‡	30th June and 31st December	Alexandra	1939	95	30th June	1954(b)
15,00,000	4	31st December and 30th June	Angus and Jute Co., Ltd.	1945	91	31st December	1964
10,00,000	4‡	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	97	30th June	1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	89	30th June	1960
9,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July	1959(c)
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	97	30th June	1966
8,86,000	5	30th June and 31st December	Empire	1951	93	15th July	1966
25,00,000	3‡	1st January and 1st July	Hukumchand	1947	91‡	30th June	1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	9‡	31st December	1964
25,00,000	5‡	30th June and 31st December	Naihati	1952	99	31st March	1967
5,00,000	3‡	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1947	97N	31st March	1954
5,00,000	4‡	14th November and 14th May	Nellimala Jute Mills Co., Ltd.	1939	93	14th May	1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	86	31st December	1964
8,00,000	4	30th June and 31st December	Presidency	1941	91	30th June	1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	95‡	5th September	1965
8,00 000	4‡	14th March and 14th September	Soorah Jute	1937	94	14th September	1957
12,00,000	4‡	30th June and 31st December	Union	1937	95	30th June	1957(d)
10,00,000	3‡	31st January and 31st July	Waverley	1925	83	31st July	1960(e)
RAILWAYS ; STEAMSHIP AND TRAMWAYS							
4,50,000	4	1st January and 1st July	Baraset-Basirhat Light Railway	1936	84	1st July	1956
6,00,00,000	4‡	10th November and 10th May	Bombay Steam Navigation Co.	1945	99‡	1st November	
£350,000	4‡	1st January and 1st July		1900	£100N	A-105‡ at any time on 6 months' notice or at par or every seventh year.	
			Calcutta Tramways	1933	£102N	1st October	1974
£201,067	5	1st April and 1st October				30th September	1953
3,00,000	3‡	30th September and 31st March	Kalighat-Falta Railway	1934	98‡	31st December	1959
6,50,000	3‡	30th June and 31st December	Katakhal-Lalabazar Railway	1945	89		
£200,000	4‡	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£90 N		
5,00,00,000	4‡	1st March and 1st September	Scindia Steam Navigation		96	1st September	1963
PLANTING							
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943	100		1945-55
3,68,200	5‡	31st March and 30th September	Teekoy Rubber Estates	1944	100		1949-59
50,00,000	5	30th June and 31st December	Waterfalls Ltd	1943	101‡		1945-55
MISCELLANEOUS							
15,00,000	5‡	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	101	30th September	1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December	1965
27,60,000	4‡	1st April and 1st October	Associated Hotels of India	1948	86	31st December	1962
4,90,500	4‡	30th June and 31st December	Bengal Paper Mills	1937	95‡	30th June	1957(1)
21,00,000	5‡	1st February and 1st August	Chowringhee Properties	1915	92	1st February	1964
22,60 000	4‡	1st July and 1st January	Clive Buildings	1936	89	1st July	1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	88‡	15th September	1960
4,30,00,000	3	1st January and 1st July	Dunlop Rubber	1950	101‡	1st January	1971
20,00,000	5	15th March and 15th September	Mettur Chemical Industries	1949	97		1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	455 (per note)	30th September	1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410 (per note)	31st December	1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	91 N	1st April	1971
1 00,00,000	3‡	31st March	Orient Paper Mills Ltd.	1951	91‡	31st March	1961
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	83‡	31st December	1959

Note—See page 1014 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 28th May, 1953.

	Closing quotations 21-5-'53	High	Low	Closing quotations 28-5-53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	155	156‡	156	156‡
Bank of Baroda (50)	111‡xd	112	111‡	112
Central (25)	64‡	65	64‡	64‡
Imperial (F.Pd.) (500)	1,867‡	1,880	1,860	1,880
Imperial (F.Pd.) (125)	460	460	17	460
Union Bank (5)	6‡	—	—	6‡
United Com. (50)	36	—	—	36
COTTON MILLS				
Ahm. Adv. (100)	155	—	—	155
Apollo (2)	2–14‡	2‡	2–14‡	2–14‡
Bombay Dyeing (250)	400‡	406‡	395‡	397‡
Central India (100)	174	173	167‡	169
Century Mills (100)	282	286	277‡	279
Colaba (100)	71	—	—	71
Edward Textile (200)	248‡	257‡	248‡	253‡
Elphinstone (50)	43	45	43	44
Finlay (100)	324	336	324‡	328
Gokak (100)	223	225	221‡	221‡
Ind. Untd. Defd. (1)	1–13‡	1–13‡	1–12‡	1–12‡
Ind. Untd. Ord. (10)	10–15‡	11	10‡	10‡
Indore Malwa (100)	95‡	98‡	95	95‡
Khatau (100)	183‡	—	—	183‡
Kohinoor (100)	311‡	312‡	305‡	307‡
Lakshmi (250)	578‡	578‡	577‡	578‡
Madhusudan (100)	83	—	—	83
B. R. Cotton Mills (100)	47‡	—	—	45‡
Minerva Mills (100)	100‡	—	—	100‡
Modal Nagpur (250)	143‡	—	—	143‡
Morarji (100)	200	201‡	200	201‡
Mysore (50)	123‡	—	—	123‡
New City (100)	150	—	—	150
New Great (100)	158‡	159‡	155‡	156
Phoenix (100)	106‡	110	106‡	110
Podar Mills (100)	130xd	131‡	129‡	129‡
Sassoon Silk (10)	25‡	25‡	24	24
Sassoon Spg (10)	28‡xd	28‡	27‡	27‡
Sholapur (1,000)	1,750	1,822‡	1,750	1,800
Simplex (50)	180‡	186	179	185
Swadeshi (100)	258‡	259‡	254	255
Swan (100)	450	455	452	455
Tata Mf. (25)	44‡	46‡	44‡	45‡
Vishnu (100)	161‡	162‡	161‡	162‡
Western India (1,000)	3,150	3,180	3,150	3,180
ELECTRIC COS.				
Ahmedabad (100)	109‡	110	109‡	109‡
Amalgamated (10)	10‡	10‡	10‡	10‡
Andhra Valley (1,000)	1,430	1,432‡	1,430	1,432‡
Bom. Sub-El. (100)	127‡	129‡	127‡	129‡
Surat (100)	133‡	133‡	133‡	133‡
Tata Elec. (100)	151	151‡	150‡	150‡
Tata Power (1,000)	1,520	1,520	1,507‡	1,507‡
INSURANCE COS.				
British India (10)	13‡	—	—	13‡
Empire of India (100)	611‡	—	—	611‡
Ind. Mercantile (20	39	39	38‡	38‡
Jupiter (15)	7‡	—	—	7‡
New India (15)	43	43‡	42‡	43‡
Oriental (200)	7,160	7,250	7,160	7,225
Universal (10)	7‡	—	—	7‡
Vulcan (10)	11‡	—	—	11‡
STEAMER COS.				
Bom. Steam (25)	35‡	36‡	35	36‡
Scindia (15)	13‡	13‡	13‡	13–8‡
STEEL COS.				
Ind. Iron (10)	25‡	26–2‡	25–3‡	25–10‡
Tata Steel Defd. (20)	1,935	1,945	1,915	1,925
Tata Steel Ord. (75)	336	337	331‡	334
MISCELLANEOUS				
Alcock Ashdown (100)	315‡	318‡	316‡	316‡
Associated Cts. (10)	172‡	173	171‡	172‡
Belapur Sugar (5)	239	241	237	237
Bom. Burmah (125)	385	387‡	382‡	384‡
Do. (New) (50)	138‡	140‡	138‡	138‡
Br. B. Petrol (4 sh.)	1–3‡	1–4‡	1–3‡	1–4‡
Br. I. Corpn. (5)	8‡	8‡	8–11‡	8–12‡
Indian Copper (2 sh.)	2–14‡	3	2‡	2–15‡
Ind. Inv. Tr. (100)	71	71‡	71	71‡
Fort Canning (100)	24	24‡	23‡	24‡
Premier Con. (30)	91‡	91‡	84‡	84‡xd
Shivrajpur (10)	56	56	55	55
Tata Chemicals (10	9‡	9‡	9‡	9‡
Tata Oil (25)	34‡	34‡	33‡	33‡
Walchand Ind. (100	140	—	—	140
W. I. Match (100)	226‡	226‡	224‡	225

GOVERNMENT SECURITIES	Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	Rs.
2½% 1954	98‡	—	3 37	98‡
2½% 1955	98‡	—	3 24	98‡
2½% 1961	90‡	—	3 84	90‡
2½% 1960	93‡	—	3 77	93‡
2½% 1962	91‡	—	3 84	91‡
2½% 1974	82‡	—	3 89	82‡
3% 1953-55	100‡	—	2 47	100‡
3% 1957	98‡	—	3 35	98‡
3% 1958	98‡	—	3 31	98‡
3% 1959-61	96‡	3 61	3 45	96‡
3% 1964	92‡	—	3 78	93
3% 1963-65	92‡	3 86	3 73	93
3% 1966-68	90‡	3 93	3 85	90‡
3% 1970-75	86‡	4 10	3 91	86‡
3% 1986 Con. Loan	82‡	—	3 64	82‡
3½% 1954-59*	100‡	3 34	3 43	100‡
4% 1960-70	102‡	3 61	3 80	102‡
4½% 1955-60	103‡	3 06	3 98	103‡
4½% 1958-68*	105	3 40	4 03	105

BRITISH GOVERNMENT SECURITIES	21-5-53 £	High £	Low £	27-5-53 £
2½% Brit. Consols	61‡	61‡	61‡	61‡
3% Savings Bonds 1965-75	86‡	86‡	86‡	86‡
3% War Loan 1955-59	100‡	100‡	100‡	100‡
3½% War Loan 1952	80‡	81‡	80‡	81‡
3½% Brit. Iron and Steel 1979-81	91‡	91‡	91‡	91‡
4% Funding Loan 1960-90	99‡	99‡	99‡	99‡

xd=Ex-dividend.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake

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AUTOMOBILE INDUSTRY

ANNOUNCING the Government's decision on the Tariff Commission's Report on the automobile industry, Mr. T. T. Krishnamachari, Minister for Commerce and Industry, stated, at a Press conference in New Delhi last week, that the country was now "beginning a new chapter." This is by no means an inappropriate claim. So far-reaching are the Commission's recommendations, as well as the Government's decisions thereon, from the consumers' point of view, and so helpful are they to the industry that they constitute a distinct landmark in the Government's industrial policy. The Government has taken a bold stand with faith in the future of the industry and confidence in those *entrepreneurs* who have ventured into it. It would, therefore, be a deeply deplorable event, if the manufacturers failed to deliver the goods. This is not to minimise the magnitude of their difficulties. They have had to begin from scratch and have to work their way up, even now, through some of the most challenging obstacles. Only their task has been lightened by the Government's sympathetic decisions.

The automobile industry in India has all along faced three chief problems, namely, of stimulating the demand for cars, of becoming economic production units, and of evolving itself into an independent industry, free, as far as possible, from the support of foreign firms for parts and spares. These are the problems which have continuously presented themselves in one form or another, and with which the industry has had to contend. That the automobile units should have survived at all is a matter for great relief, for, early last year, the prospect appeared so bleak that it seemed, for once, that this industry, the national importance of which has never been in doubt, would remain permanently crippled. This is the background against which the Commission's recommendations and the Government's decisions on the Commission's Report must be considered.

There is no doubt whatever that the Commission's Report is the most painstaking document that has come from that body. No important aspect of any problem connected with the industry has escaped the Commission's attention. No effort has been spared to tackle boldly, and in a truly national spirit, the admittedly intricate problems which the industry poses for the Government and the public to-day. The Commission has wisely recognised that, "unless protection in suitable form is granted to the automobile industry in the present stage of its development and other measures are taken for its encouragement, it cannot be established on a sound basis." This is the keynote of the Commission's approach to the problems facing the industry.

Since the Commission was rightly convinced that protection was necessary, its next task was to determine the quantum of protection. A connected issue was the thorny question, namely, how best the demand for cars could be stepped up. The Commission has come to the conclusion that the present high rates of import duty—94½ per cent. on certain components manufactured or expected to be manufactured in the country, 63 per cent. and 21½ per cent. on other components—have, far from helping the industry's progress, actually hindered it by raising the price of motor vehicles to the consumer. The Commission has recommended that the import duty on all components should be reduced to a flat rate of 40 per cent. *ad valorem*. The Government has accepted the substance of this recommendation. Its decision is designed to secure not a flat rate of 40 per cent. for all components but an average rate of 40 per cent. on a complete c.k.d. pack on all components, except those which come within the manufacturing programme of the automobile units and which will bear a slightly higher rate than 40 per cent. *ad valorem*.

This decision should go some way towards lightening the burden on the consumer of the cars manufactured in India by utilising, in part, the imported components. But it will not by itself stimulate demand to a satisfactory level. Two other issues deserve to be tackled, in this connection, and tackled without delay. In the first place, there is the problem of far too many types of cars for an all too limited market that India offers for them. The Commission has recognised this problem, for it has suggested that the manufacture of passenger cars be limited to four types—baby cars (upto 1.2 litres), light cars (1.2 to 1.5 litres), medium cars (1.8 to 2.5 litres), and big cars (2.5 litres), and also that the manufacture of commercial vehicles be limited to four types—light vans (upto 1 ton), light trucks (1.5 to 2 tons), medium trucks (3 tons), and heavy trucks (5 tons). The Commission has suggested a plan of manufacture for various types by different units. The Government "generally" accepts this recommendation, though it has decided that the manufacture of baby cars need not, as recommended by the Commission, necessarily be confined to one manufacturer. Accordingly, it would be prepared to consider a programme of manufacture from any one of the five firms allowed to manufacture, if such a programme is submitted before September, 1953. Regarding diesel vehicles, the Commission has come to the conclusion that they are more suitable for heavy transport and that the manufacture of a five-ton diesel vehicle should be encouraged, but that no diesel vehicles of lower tonnage should be allowed to be manufactured. The Government, however, doubts whether any firm would find it economical to manufacture five-ton vehicles only. It would be prepared to consider any concrete plan of manufacture which would include, besides the five-ton diesel trucks, engines for lighter vehicles or medium vehicles of a type not included in the manufacturing programme of the five units.

Secondly, there is the hotly debated question of heavy taxation on motor vehicles. With scant regard for the need for evolving an efficient system of motor transport, the State Governments have, as the Motor Vehicles Taxation Enquiry Committee demonstrates with abundant evidence, been loading the motor owner with a tax burden which is not only heavier than in any other country in the world but which bears no relation whatever to the amenities provided for him by these tax-grabbing Governments. The Commission has rightly emphasised that the Committee's recommendations should be implemented. The Government of India too has conceded that the "present system of taxation of road transport by different authorities at different rates—sometimes very high—has been a powerful factor in reducing the demand for vehicles, particularly transport vehicles." It has accordingly undertaken to examine this question further, in consultation with State Governments, in order to "evolve a system of taxation which will be conducive to the development of motor transport." It is to be hoped that the State Governments will realise the issues that are at stake and will agree to make the necessary changes in the tax burden on motor vehicles, although the past record of the State Governments—as witness their intransigent attitude towards sales tax and prohibition—does not justify this hope. It is not perhaps as clearly realised as it should be that the chief deterrent to the purchase of cars to-day is not so much the outlay on a car—though it is an important consideration—as the high cost of maintenance, thanks to the high level of taxation on motor vehicles. The future of the automobile industry is most intimately bound up with the reduction in this burden of tax on the vehicle.

The economic production of motor vehicles would be possible only if the industry adhered to some scheme of restriction on types. From this point of view, the scheme designed to limit the number of models, recommended by the Commission, whatever its other limitations ought to be welcomed. The Government has also accepted the Commission's recommendation that the demand for vehicles in the country should be concentrated on the firms with a manufacturing programme, namely, the Hindustan Motors Ltd., the Premier Automobiles Ltd., the Automobile Products of India Ltd., the Standard Motor Products of India, Ltd., and the Ashok Motors Ltd. This means that there will be no scope for the pure assemblers. The Government's reading of the situation is that within a period of three years, these firms will "cease their assembly operations and concentrate on the other activities still open to them—not the least important of which is the maintenance and servicing of the vehicles on the road." This is a regrettable necessity, for the national interest demands that encouragement should be given only to producers with a manufacturing programme. Much regret will nevertheless be felt for the loss of connection with these assemblers, some of whom are honoured names in this country and who have contributed so richly to the creation of automobile-consciousness in India. It is to be hoped that, when the operations of these

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assemblers gradually decline, the automobile manufacturers will, in their own interest, take over the men trained by these assemblers.

A vital consideration for the sustained progress of automobile industry is that it should develop into full adulthood as quickly as possible and show sturdy independence by being able to manufacture nearly all the parts it needs. It is true that no single automobile unit in any part of the world manufactures all the parts; generally, each unit manufactures a part of a vehicle, buying its other requirements from ancillary industries. The Indian automobile industry is now manufacturing a greater proportion of its equipment than formerly, and has plans for increasing the proportion of the Indian-made content of the motor vehicles it manufactures. Nevertheless, there is scope, as the Commission has pointed out, for encouraging the ancillary industries in India, which, on their part, should strive to make available to the manufacturers of cars quality products. The Commission has rightly urged that it is in the "national interest" that the automobile units should "become independent of their foreign associates within as short a period as possible."

The path of progress for the automobile industry has thus been cleared of some at least of the major obstacles. The reduction in import duty, at an estimated cost of Rs. 3 to Rs. 4 crores to the Central Exchequer, should help encourage the manufacture of cars at lower prices. Mr. Krishnamachari warned that, if the vehicle prices did not come down before the end of this year, the Government would be compelled to "act." He also added that the idea of "sacrificing quality for the sake of producing something wholly in India is detestable" to him. It is, therefore, to be hoped that the manufacturers would strive by all the means within their power to maintain the quality of their vehicles. An equally important consideration is that they should provide ample and sustained servicing facilities. After all, a motor car is not a commodity which can be sold across the counter and about which the manufacturer can afford to forget after it has been sold. It requires considerable powers of salesmanship to sell a car. And an important sales point is that the customer should be convinced that he can look forward to prompt and efficient servicing facilities. To deny him such facilities is to lose scores of potential customers. A clear duty is cast upon the industry to show that it can not only deliver the goods, that is, quality goods at reasonable prices, but also give its customers no cause for complaint regarding the "servicing" of the cars they have bought.

CENTRAL ADVISORY COUNCIL MEETING

THE third meeting of the Central Advisory Council of Industries, held at New Delhi on the 29th of last month, provided yet another opportunity for the Government and the industrialists to know each other's mind on the general problems of industrial development in the country. The problems are well known and so also the views of both the interests on them. Nothing new, has emerged from that meeting. Nevertheless, the meeting was of some value in that the statements made by the Finance and the Commerce and Industry Ministers clarified the Government's viewpoint on certain important issues. These statements clearly show that the Government understands the needs of industries and that it is willing to assist them wherever it can with due regard to the interests of consumers and workers and subject to the limitations placed by the restricted financial resources at its command.

One of the issues discussed at the meeting related to the problem of finance for rehabilitation and modernisation of industries. In an interesting paper submitted to the meeting for discussion, the Federation of Indian Chambers of Commerce and Industry indicated the causes and the magnitude of the problem. The chief cause of the problem lies in the fact that the rates of depreciation on fixed assets allowed under the Income-tax Act have been inadequate to cover the cost of replacing the worn-out assets, in view of the increase in the cost of new plant and machinery in recent years. After a study of 138 production units, the Federation places the value of established industries at about Rs. 700 crores, of which Rs. 500 crores are said to represent the value of plant and machinery. The major portion of these capital assets requires to be replaced over a short period, as they are of pre-war origin. Assuming that the current prices of machinery are 3½ times the 1937-39 level, the finance required for replacing these assets will be, according to the Federation, of the order of Rs. 1,300 crores to Rs. 1,500 crores. As against this, depreciation on the original cost will have resulted in a provision of Rs. 630 crores, leaving a balance of Rs. 700 to Rs. 900 crores. As this includes Rs. 100 crores, being the estimated value of the plants installed between 1945 and 1950, the real deficit to be covered is put at Rs. 600 to Rs. 800 crores. Spread over a period of the next 12 years, this means an annual requirement of Rs. 50 to Rs. 65 crores. This sum is beyond the capacity of the existing industries and could, therefore, be found only with the assistance of the Government.

The Federation is of the view that, as the increase in prices of capital goods has been nearly three to four times the pre-war levels, at least those industries that are faced with the task of replacing the pre-war plant and machinery should be helped by the Government with loans at rates of interest not exceeding the Government borrowing rates and on such terms of repayment as will enable the industry to return the loan without undue financial strain. The Federation further suggests that such loans could be made through the Industrial Finance Corporation. This will enable the Government to make sure that loans are granted only in deserving cases and upto a proper limit and that they are used only for the purpose for which they are meant.

The case made out by the Federation makes convincing reading, though it must be pointed out that the figures mentioned by it are only rough estimates. In fact, the assistance that is being rendered by the Government to the iron and steel industry provides a precedent in support of the general principle underlining the Federation's suggestion. No wonder that the Finance Minister, Mr. C. D. Deshmukh, himself seems to have been impressed by it. He did not deny the need for some such assistance, even though he was a little circumlocutory in giving expression to it. The baffling factor, however, was finance and he did not know from where he could find it. Further, as the question was being examined by the Taxation Enquiry Commission, the Government had to wait for its suggestions. Nevertheless, it is gratifying to find that the Finance Minister gave the welcome assurance that the Government would consider all hard and deserving cases as they came along and take suitable steps which would keep them going till a permanent policy was evolved. He mentioned, in this context, the case of the jute industry as an instance, and said:

> "May be our supremacy in regard to export of jute goods is threatened. I believe the first consignment of Pakistan jute goods has already been sent abroad. They have a very great advantage, because their manufacturing costs on new looms are lower than ours and their raw material is at their doors more than at ours. Therefore, we have to consider very seriously how we should retain what we have left of the market. We have to face that problem no matter when the Taxation Enquiry Commission is going to report or when we are going to change our depreciation allowance system."

The foregoing extract from the Finance Minister's statement, as well as his other observations on this subject, referred to on a subsequent page of this issue, reveals that he appreciates the importance and the urgency of the problem and recognises the need for doing something about it.

The Commerce and Industry Minister, Mr. T. T. Krishnamachari, in his speech at the meeting, explained the significance of the amendments made to the Industries (Development and Regulation) Act. What he said, in this connection, was nothing but a reiteration, perhaps in clearer language, of what he stated in Parliament a few days ago. He vigorously denied that these amendments constituted a radical change in the Government's policy towards industry. He did not even admit that they had resulted in an expansion in the general powers of control which the Government already possessed. "All that has been done," he remarked, "is a certain degree of streamlining and amplification—administrative and legal—besides providing for action to be taken quickly under certain contingencies." Now that the amendments have gone on the Statute Book, a debate on their significance is of no consequence. The fact remains that the Government has assumed enormous powers to regulate industries and with it also the responsibility for ensuring orderly development of industries. If things were to go wrong, the Government would have to share the blame, even though it might not have been directly responsible for it. The Minister has, of course, repeated the assurance he gave to Parliament that "it is not the intention of the Government to treat this (the Act) as a punitive measure and the emphasis will throughout be on keeping the wheels of industry moving." Industrialists will doubtless welcome this assurance, but, considering that the Government recently decided to nationalise the civil aviation industry without any cause for such a provocation, it will not be surprising if all the industrialists do not feel reassured by this soothing statement of the Minister about the intentions of the Government. Nevertheless, business men will do well to go ahead with the tasks they have undertaken, hoping for the best.

A controversial subject which came up for discussion at the Council meeting was the question of foreign capital. Mr. Krishnamachari did well in availing himself of this opportunity to declare the Government's stand on this question unequivocally, because, in the name of *swadeshi*, a hue and cry is being raised by a section of industrialists against foreign-owned industries which have been operating in this country for a number of years now. If this agitation is allowed to continue without a statement of policy by the Government, it will have an adverse effect on the flow of badly needed foreign capital into the country. In view of the importance of this subject, the Minister's remarks deserve to be quoted *in extenso*:

> "I am in my mind a little distressed at certain trends in the minds of our industrialists or, at any rate, in the minds of some of them. Time was when they, as champions of private enterprise, spoke against controls and asked for less interference on the part of Government. Government might not have always agreed with that point of view. It might have had its own reasons on grounds of broader economic and social policy to restrict the freedom of the individual *entrepreneur*. But the philosophy of free enterprise was at least a consistent one, and even those who differed from it could respect it. There is now a new tendency. While the industrialist is still prepared to say that he stands for free enterprise and does not want any controls for himself, he goes on in the same breath to urge that others should be controlled or restricted for one reason or another. Thus, he claims that anything which he makes in the country should not be allowed to be imported, and import control, which has been introduced for the conservation of foreign exchange, should become an instrument of protection. He next asks that not only should he be protected from competition from goods made abroad, but even from goods made on Indian soil with the same type of raw material and labour which he himself is free to employ, merely because such enterprise contains an element, large or small, of foreign capital. In the extreme form, there are the cases of those who have set up an industry asking for protection even from their own countrymen and urging that no new capacity should be allowed, because the existing capacity can meet all demands. I want to take this opportunity of asking you to pause and consider whether this is not an unhealthy and even a dangerous tendency. If one believes in private enterprise, one must also accept its natural corollary and real justification, viz., competition. If there is to be a monopoly in any field, then, obviously, the monopolist cannot be a private party looking after its own interests, but must be the State which is responsible for social and economic welfare as a whole."

There is no doubt that this tendency is not in the interests of the country. It is positively harmful to the future of private enterprise itself, for the reason mentioned in the last sentence of the foregoing extract. It does not, therefore, deserve to be encouraged. The main considerations for allowing foreign capital into this country should be its beneficial effect on employment of manpower and indigenous resources and the advantages of efficient production to consumers. The question as to who should own the capital employed in industries is not of primary importance in the case of a capital-starved country like India, wishing to achieve rapid industrialisation, except, perhaps, in the case of strategic industries.

DOWNWARD TREND IN ALL MARKETS

PROSPECTS FOR NEW LOAN PROMISING

THURSDAY, 5 P.M.

MARKET GOSSIP

A DOWNWARD trend in prices has characterised the trading in all the principal markets of the city during the week under review. In the Share Market, Tata Deferreds have receded from Rs. 1,925 last week to Rs. 1,890 to-day and Bombay Dyeings from Rs. 397-8 to Rs. 393. Gilt-edged is distinctly quiet, with sellers in preponderance. In bullion, ready silver, at Rs. 157-7 now, shows a drop of Rs. 5-1 over the week; gold, however, is higher by Re. 1-8, for some special reasons. Among commodities, cotton has registered a sharp drop of Rs. 36-4 per candy in the futures section. Similarly, oilseeds too have sustained a fall in their values. Groundnuts, forward delivery, for instance, are now being quoted at Rs. 44-8 per cwt., as against Rs. 46-12 a week ago. Castorseeds (forward) have receded from Rs. 160-12 to Rs. 148-8 per candy of 5 cwts. Linseed (forward) has also gone down from Rs. 34-12 to Rs. 32-8. At the time of writing, the rates for all these three seeds in the kerb market are still lower.

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All this does not mean that the undertone of the markets has suddenly become bearish. There have been no new developments either in the political or economic field to cause such a change in the tone of the markets. The downward trend is purely the result of a certain amount of excessive speculative buying in April and early in May. This speculative position is now undergoing correction which is doubtless a desirable development. Apparently, the speculators who went long have now become tired of sitting on their purchases, with very little prospects of a further rise in prices. It is a sign of steady economic conditions in the country when speculators find it unprofitable to hold on indefinitely either as bears or bulls. Such a state of affairs in forward markets reflects the absence of any pronouncedly abnormal conditions.

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In the recent past, when the Share Market was moving up, genuine investment buying was only of a modest nature. On reports of satisfactory working conditions in all the major industries, investment enquiry for first class shares no doubt tended to broaden, but the volume was not sizable enough to sustain the boosting the scrips had received from speculators. On the other hand, the high levels attained by some of the scrips attracted fairly large deliveries. Further, with the closure of share transfer books of the Tata Iron and Steel Co., Ltd., imminent, even speculative support for the shares of the Company declined markedly, as heavy *budli* rates will have to be paid on outstanding purchases. Some operators believe that these shares will once again look up after the effects of the closure of transfer books are over, as the profit position of the Company is said to be quite satisfactory. Much, however, will depend upon the decision of the Tariff Commission on the Company's demand for a fresh increase in the price of steel and on the dividend results for 1952-53, about which there has scarcely been any speculation so far.

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Enquiries made in market circles reveal that the downward trend has spread from the cotton market. It would appear that, in recent weeks, there was heavy speculative buying of cotton. The strong technical position of Indian cotton and rising mill consumption had encouraged such buying. Even spot merchants had made paper purchases in addition to ready cotton. That was why I.C.C. August was quoted as high as Rs. 744 in the second week of May. In the subsequent three weeks, there was a gradual fall in the rate, which stood at Rs. 721 a week ago. Since then, there have been rumours that the Government of India is taking a serious view of the upward trend in prices, that the Textile Commissioner is not prepared to issue additional quotas to the mills who want to buy Indian cotton and that the Government might not give permission to commence futures trading in the next season's crop. All these rumours are said to have unnerved the bulls, encouraged the bears and induced the spot houses to hedge their purchases.

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Now, how has the fall in cotton adversely affected the other markets? It is stated that the leading bull in silver, who commands the major portion of the floating stocks of silver in the country, has been a bull in cotton as well as in shares. It is suspected that he might have some long position in oilseeds too. It is believed that, as this operator must have suffered a heavy loss in cotton, his position in other markets will be vulnerable. This impression might have induced the bears to hammer prices down. Or it is just possible that the operator referred to may himself be reducing his commitments.

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Rumours of imminent devaluation of the Pakistan rupee are also said to have pricked the bubble in the cotton market. Advices from Karachi, however, indicate that the present administration in Pakistan has weathered the economic storm. Prices of raw jute have looked up. Cotton, too, has been meeting with good enquiry from foreign countries. The balance of trade of Pakistan is also said to be improving. That being so, the chances of devaluation in the near future are becoming dimmer.

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A question of great interest to the cotton market at present is whether the Government of India will permit futures trading in the 1953-54 season crop and if so when. The Cotton Advisory Board is meeting on the 12th inst., when this will be one of the subjects for discussion. One does not know what advice the Board will tender to the Government. The issue is undoubtedly a delicate one. At present, there is not much cotton in the country to be hedged. The mills too have no quotas to buy. Nor are they selling cloth for forward delivery on such a scale as to need the protection of a hedge market in cotton. Further, one does not know what will be the size of the next crop. This point assumes considerable importance, in view of the fact that the carry forward will be very much less (about 6 lakh bales) than the quantity brought in. In these circumstances, if futures trading is allowed, it may lead to unnecessary speculation. There is, therefore, a good case for the Government to wait and see. But, at the same time, there is another side to the question. The Government has a responsibility to the cotton trade. Having permitted futures trading in the current crop, it must offer some protection to them in respect of the stocks they hold. If there is no continuity of futures trading, they will not be able to hedge their stocks. The risk here is disproportionately heavy, considering the fact that nowadays profit-margins of cotton traders are small. Again, continuity of futures trading is necessary in order to avoid unhealthy trading and abnormal situations. Perhaps, the best thing for the Government to do would be to assure the trade that futures trading in the next crop would be permitted in good time before the August settlement expires, provided there is good monsoon. This will give ample time for the authorities to get a fairly approximate idea of the acreage sown to cotton and the possible size of the crop, information about which is necessary for taking a final decision on the issue.

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The new loan announced by the Government of India on the 31st inst., has taken the Gilt-edged market by surprise in one respect at least. The terms are a little more favourable (to lenders) than expected. It was believed that the Government would offer the terms it has now extended to investors for a long medium-dated issue and not for a short medium-dated one. In other words, most people in the market were expecting a 3½ per cent. 1964 loan, with the issue price at a discount of a Re. 1-8. Instead of that, the Government has announced a 3½ per cent. 1961 loan, with the issue price at a discount of Re. 1-12. The year 1964 was chosen by them, because it is a year in which the outstanding of an existing loan is only a little more than Rs. 30 crores. The year actually selected by the Government has a maturity of Rs. 57 crores (2¼ per cent. 1961). Inasmuch as the new loan offered is for Rs. 75 crores, the Government will have to find Rs. 132 crores to repay the two maturing loans. Hitherto, market circles were under the impression that maturities over Rs. 100 crores would be too unwieldy for the Government. But this presumption has turned out to be wrong. Evidently, the authorities are not worried about this large maturity in one year.

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The new loan is a cash-cum-conversion issue. Subscriptions will be accepted both in cash and in 3 per cent. 1952-55 loan which falls due for payment on 15th July, 1953. Those who tender this loan for conversion will get interest upto and including 14th June, 1954, at the rate of 3 per cent. per annum, but, as interest on the new loan starts from 1st June, 1953, the holders of 1953-55 stand to get the benefit of double interest for a fortnight. Those who subscribe in cash also get this benefit, albeit for a week, as the list opens on 8th June, 1953. Apart from these minor advantages, the new loan compares favourably with all the existing loans, a fact which has induced some of the holders of the existing short-term and medium-term loans to think of switching over from these to the new loan. Since the announcement of the new loan, there have been keen sellers in the dated loans with maturities beginning from 1955 to 1962. But not much business has taken place, as there are no buyers. The redemption yield on the new loan is 3.75 per cent., taxable. It is true that this yield is more or less the same as that available on the existing 2½ per cent. 1961 loan. But the new loan has an advantage over the latter, as it has a running yield of 3.5 per cent., an important consideration for an investor.

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At Rs. 75 crores, the amount of the new loan, known as "National Plan Bonds—First Issue"—an appropriate name, for the proceeds of it are to be utilised for financing the Five-year Plan—falls short of the target of Rs. 100 crores announced by the Finance Minister in his 1953-54 budget speech. This, however, does not mean that the Government will not attempt again to reach this target. If everything goes well, it may approach the market again with a new issue later in the monsoon when conditions in the short-term money market are generally easier.

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The amount of the new loan is well within that of the maturing 3 per cent. 1953-55. The total outstandings of this loan are of the order of Rs. 114.60 crores. Of these, about Rs. 80 crores are said to be held by the Reserve Bank, the balance being with the public. Market circles expect that, of the latter, at least Rs. 30 crores may be tendered for conversion. Cash subscriptions are expected to be between Rs. 20 and Rs. 25 crores. The balance of Rs. 20 or Rs. 25 crores will be taken up by the Reserve Bank against its holdings of 3 per cent. 1953-55. Thus, the new loan will be fully subscribed.

By keeping the maturity at 1961, and offering a running yield of 3½ per cent., coupled with a capital profit of Re. 1-12 per cent., the authorities have made the loan attractive to all types of institutional investors, including banks. As the interest that will be earned on the new loan is not lower than what banks will have to pay to the Reserve Bank when they borrow from it, they do not stand to lose anything when they want to raise funds against this loan at the time of the busy season. If the loan had been timed a few weeks later, the response from banks might have been much more than what is expected at present, for, by then, the conditions in the short-term money market would have become a little more comfortable. In other words, the authorities could have waited for a fortnight or three weeks more. In all other respects, however, the new loan has been well planned and designed.

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There is one school of thought in this country which has been arguing that, if the Government were to offer a new loan on terms more attractive than the existing loans, it would not be a success, as investors might withhold their support to it in the hope of getting still better terms later. There are no indications to suggest that this theory will hold good for the present offer of the Government; on the contrary, investors seem to be very eager to take it, as many of them are not certain whether the next loan of the Government of India would carry better terms. Those who expect any further substantial increase in interest rates are, it may be mentioned here, in a minority now. The downward revision in bank rates in several countries, especially in Europe, and the prospects of a business recession in 1954 have strengthened the belief that the era of higher interest rates will soon be over. It, however, remains to be seen how far this belief will prove to be correct in the coming months.

* * * *

In his characteristically vigorous style, Mr. K. R. P. Shroff, Chairman of the Bombay Stock Exchange (the Native Share and Stock Brokers' Association), analysed, in the course of his address at the annual meeting of the Exchange, this week, the chief problems of India's national economy, of which the stock exchange is rightly described as the barometer. As a person who prides over the leading stock exchange in the country, Mr. Shroff has certainly great many opportunities to observe how this market reflects the changes in the monetary weather. Explaining the "vacillating mood" of the stock market, he said that it mirrored the current conditions under which profits have shown a tendency to decline. Inflation had put up costs. But the disinflation, which occurred last year, could confer no real benefit. Because of the rigidity in wages, coupled with rising costs of social security and welfare, as well as higher Central, State and local taxes and increased transportation charges, manufacturing costs, he said, had failed to match drops in selling prices. He warned: "There has been an inroad into profits but profit margins cannot be squeezed indefinitely. Failing a substantial improvement in productivity per man-hour and reduction in taxes, wages must fall or unemployment appear to compel the transition from a high-price to a low-price economy."

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Describing the disincentive effects of the present system and levels of taxation, Mr. Shroff quoted the Planning Commission to show how the direct tax sources have been over-exploited. About 28 per cent. of the total tax revenues come from direct taxation affecting directly ½ per cent. of the working force of the country, estimated at 133 millions in 1948-49, another 17 per cent. from import duties on luxuries and 8 per cent. more from excise duties on tobacco and cloth, so that more than one-third of the total tax revenue is "derived from a certain limited stratum of society." Similarly, income-tax and corporation tax, paid by one-eighth per cent. of the total population, accounts for 35 per cent. of the total central revenue. He was also sharply critical of deficit financing, although he agreed that it was useful for "cranking up the economic machine into activity." He warned that the inflationary forces, which would be created by the use of this weapon, could be held in check only if the surplus income over and above what is necessary for satisfying bare physical wants was fed back into the monetary and capital system. No monetary trick, he said in effect, could work miracles in the economic sphere. Mr. Shroff did well to emphasise too that production and expansion could come only by hard work and saving. This was his gospel—the gospel of work. He said: "Till now we have been inclined to worship many false gods. It seems we have yet to learn that work is worship."

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Two decades may not be a long period in the history of an industrial unit. But, for a unit in an industry, like the air transport industry, which has made rapid strides of progress only in the recent past, it is a long enough period. It is the proud privilege of the management of Air-India Ltd. (Secretaries and Treasurers: Messrs. Tata Industries Ltd.) to claim a twenty-year record of useful service in the cause of air transport. In their report for the year ended 31st December, 1952, issued this week, the Directors point out that the year 1952 saw the completion of 20 years of operation by the Company and its predecessors, Tata Air Lines. Normally, this would be an occasion for rejoicing. But the shareholders are now to be content with the thought that they have served the cause of air transport at no great benefit to themselves, for they are now called upon, under the new nationalisation laws, to surrender their company's assets to the Government. Thus, the year 1952, which sees the end of the 20-year period of the Company's useful existence, is also the last year of its life. Very soon—that is, as soon as the assets have been valued and the necessary preliminary steps for nationalisation have been taken—the Directors will initiate liquidation proceedings to wind up the affairs of the Company.

(*Continued on page* 1063)

EQUITIES RULE DULL

SHARP REACTION IN UNOFFICIAL TRADING AT CLOSE

(From Our Own Correspondents)

BOMBAY, *4th June*.

LETHARGIC conditions prevailed on the Stock Exchange during the week under review. In the absence of any big influences and follow-up support, prices tended to move irregularly within a narrow range. But the trend was downward under a mild pressure of several bearish factors. Pessimism regarding the increase in steel prices, fears of possibilities of an armistice in Korea, the reports of slackened demand for cloth, the bearish trends in silver, cotton and seeds markets, the anticipated heavy *badla* charges (in to-morrow's settlement) on Tata Steel shares in view of the closure of the Company's books for transfer from 29th June to 28th July, 1953, brought some liquidation. This resulted in minor losses on a wide front over the week.

To-day, the Stock Exchange remained closed on account of the 21st day of *Ramzan*. In the unofficial trading, sentiment was badly affected by the sharp recession in silver and cotton, in which the chief bull operator was heavily involved. As a result, Tata Deferreds touched a low of Rs. 1,880, the lowest for the last four weeks.

In the steel section, Tata Deferreds opened on a quiet note at Rs. 1,916-4, as compared with the previous week's closing of Rs. 1,925, and backed away to Rs. 1,905 due to bull liquidation. Attempts at staging a recovery on small-scale enquiries were partially successful when the scrips touched Rs. 1,918-12 yesterday, before closing at Rs. 1,915. Tata Ordinaries were fairly steady, moving between Rs. 334 and Rs. 331-4 and closing at Rs. 333-8. Indian Irons reacted from Rs. 25-10½ to Rs. 25-6, but support from Calcutta restored them to Rs. 25-9 at the close.

Textile shares were a dull feature, with a tendency to lag behind on persistent small offerings. Bombay Dyeings receded from Rs. 397-8 to Rs. 391-4, but made a partial recovery to Rs. 393-2 at the close. Kohinoors disclosed a loss of Rs. 2-12 at Rs. 304-8, Central Indias Rs. 4 at Rs. 165, Century Rs. 2-8 at Rs. 276-8, and Gckaks Rs. 3 at Rs. 218-8, Indu Ordinaries were placed As. 3¼ lower at Rs. 10-7½. Lakshmis declined by Rs. 6-4 to Rs. 572-8. New Greats were featureless at Rs. 155-8. Standards sagged from Rs. 316-14 to Rs. 313-12. Simplex showed hardly any change at Rs. 184-8. The Company has declared a final dividend of Rs. 9 per share of Rs. 50 each for the year ended 31st March, 1953, as against a corresponding dividend of Rs. 10 paid for the previous year, both on a capital of Rs. 31.50 lakhs. The interim dividend of Rs. 6 per share paid for the latest year was also on the capital of Rs. 31.50 lakhs. But the corresponding dividend of Rs. 5 per share paid for the year ended 31st March, 1952, was on a lower capital of Rs. 21 lakhs. Finlays hardened by Re. 1-8 to Rs. 329-8. New Citys by Re. 1-4 to Rs. 151-4. Sassoon and Alliance Silks attracted attention to record a rise of Re. 1-8 to Rs. 25-8. Svadeshis showed an improvement of Rs. 3 to Rs. 252.

Bank shares were quietly steady. Imperial Fully Paids moved down by Rs. 12-8 to Rs. 1,867-8, despite proximity of dividend. Contributories fell by Rs. 5 to Rs. 455. Centrals Rs. 25 paid-up were fractionally lower at Rs. 64-8, but 'A' Ordinaries were unchanged at Rs. 65-8. Barodas were stagnant at Rs. 112, but India's were As. 12 higher at Rs. 157 and United Commercials As. 4 better at Rs. 36-4.

Little of selling was noted in electric shares. This, coupled with selective enquiries imparted a steady undertone to this section. Ahmedabads held their own at Rs. 109-11, Surat Electrics at Rs. 133-12.

Sprinkling of losses was witnessed in the miscellaneous section in sympathy with the general market sentiment. Associated Cements were quietly steady at Rs. 172. Belapurs disclosed no change at Rs. 237. Bombay Burmahs were a weak spot with a loss of Rs. 9-6 at Rs. 375, on rumours that the interim dividend would be passed over. B.I.Cs. were a fraction down at Rs. 8-11½. Killick Industries stood Rs. 5 lower at Rs. 153.

In the transport section, Scindias were uninspiring at Rs. 13-7, but Bombay Steams held their ground at Rs. 36-4. Bharat Lines were done at Rs. 91. Air-Indias were a rupee down at Rs. 83. Air-India *Internationals* were quoted at Rs. 104. A rise of As. 8 to Rs. 4-10 was recorded by Hindustan Motors on Government's acceptance of the Tariff Commission's recommendation of substantial assistance to the Indian automobile industry. Premier Automobiles found buyers at Rs. 45, as against Rs. 41-8.

Among engineering and mining shares, Alcocks were put up by a fraction at Rs. 317-8. Premier Constructions were maintained at Rs. 84-8. Shivrajpurs added a fraction to Rs. 55-4. Indian Coppers were dull at Rs. 2-15-3, as also B.B. Petrols at Re. 1-4.

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Calcutta Stock Exchange

CALCUTTA, *2nd June*

Trading on the Calcutta Stock Exchange struck a lively note during the week and, with jutes forging ahead, the volume of transactions recorded an increase. It is too early to say how far the issue of the new loan, bearing an attractive rate of interest and with near-maturity, would affect the stock market, but a guess is that a portion of the funds from the market would get diverted. There was only a short session to-day, as the market was closed for the afternoon on account of the Coronation in London.

Jute shares were a buoyant market, and sentiment was assisted by the declaration of satisfactory dividends of three companies belonging to the managing agency of Messrs. Jardine Henderson. Although the outlook for sacking goods has considerably changed, the increase in hessian production is slowly becoming a problem for mills. Nevertheless, active interest in jute shares is due to an expectation that mills would be able to show better results during the current working period.

Disappointment has been caused over the unaccountable delay in announcing higher retention prices for steel, and although speculative Indian Irons moved in line with the general market, operators' interest was guarded. With the result, the fluctuation was narrow, and there was no difference between the opening and the closing levels for the week. Coals provided some features, as earlier expectations that the withdrawal of the surcharges would result in an increase in exports of coal were materialising. Enquiries for tea shares were selective, and operators noted cheerfully the New York report that imports of tea to the United States are showing a marked increase.

Section-wise, textiles were quiet after a week of hectic trading. Even then, Dunbars were only lower by six points at Rs. 214, which, however, carried with it a considerable portion of last week's gains. From Rs. 20-3 Kesorams gave way to Rs. 19-15, as were Cawnpores from Rs. 9-4 to Rs. 9-2. New Victorias were quiet at Re. 1-7. Elgin Mills were transacted at the fractionally lower rate of Rs. 17-4.

In the coal section, prices tended to move up, and Bengals at Rs. 537 were a gainer by Rs. 2, while Standards spurted from Rs. 18-10 to Rs. 20-5. East Indians were fractionally better at Rs. 23-11. New Beerbhooms were unchanged at Rs. 20-6, while Raneegunges were easier at Rs. 9-3. Dhemo Mains realised Rs. 11-5, and Samlas strengthened from Rs. 6-14 to Rs. 7-8. Burrakurs were put through during the week at Rs. 10-10, but receded to Rs. 10-4 to-day.

Jutes were put through at advancing rates. Speculative Howrahs, opening at Rs. 24-13, invited transactions up to Rs. 25-3, following the declaration of dividend of As. 14 per share. Reliances, after a period of *nil* dividends, announced a dividend of As. 4. The market was apparently satisfied with this dividend and the shares, therefore, rose from Rs. 14-12 to Rs. 16-7. Bally's dividend for the six months ended March, 1953 is also As. 4 per share, as against nothing in the previous half-year; and in transactions the quotation advanced from Rs. 168 to Rs. 192. Fort Glosters were a prominent feature, and at Rs. 390 showed a gain of as many as 68 points. Kinnisons not only maintained the recent improvement, but recorded another point to Rs. 211. Nuddeas at Rs. 53 were a bright feature earlier in the week, but on profit-taking later gave way to Rs. 49-8. Other shares that showed gains included Ganges, Champadanies, Lansdownes and Nellimarlas, which had buyers at Rs. 82-8, Rs. 165, Rs. 151 and Rs. 31-8, respectively. Indias were better at Rs. 140, Gourepores at Rs. 321 and Deltas at Rs. 243.

Indian Irons, in the engineering section, fluctuated narrowly, and opening at Rs. 25-9 last Wednesday kept around that level throughout the week, and to-day's closing level did not show any change. Jessops were asked at Rs. 25-9 and Indian Galvanizing (New) met with business at Rs. 13-5. Sarans were fractionally better at Rs. 10-10, while Burns were unchanged at Rs. 280.

Cheerful attention was paid to miscellaneous shares. Ganges Ropes were in good demand, and gained from Rs. 198 to Rs. 203, while Indian General Navigations were pushed up to Rs. 93. B.I. Corporations were traded at Rs. 8-12, Indian Wood Products at Rs. 35-12 showing a four-anna recession. Dunlop Rubbers came to business at Rs. 28-12, F. & C. Oslers at Rs. 5-9, and National Tobaccos at Rs. 10-4. Among sugars, Ramnagger Canes were a feature for the improvement from Rs. 17 to Rs. 18-6. On account of profit-taking, Carews were lower at Rs. 7, while Dharbangas at Rs. 10-11 gained As. 3.

* * * *

Madras Stock Exchange

MADRAS, *2nd June*

Under the leadership of plantings, values on the Madras Stock Exchange generally made further advances during this week. The uptrend in plantings witnessed last week gathered momentum on considerable broadening of enquiry, induced by bright prospects for marketing the coming season's tea crop. Rubbers attracted good attention on sustained rumours of continued depletion of floating stocks with the chief consumers of rubber. Coffees ruled steadier, Textiles met with selective support on scattered overseas demand. Miscellaneous and banking scrips were moderately active. As a result, business done on the Exchange was substantial and gains recorded sizable.

Encouraging advices from Calcutta and overseas countries for tea leaves contributed to the firmness in tea scrips. United Nilgiris shot up from Rs. 187 to Rs. 195. Peermades gained Re. 1-8 to Rs. 27. Emerald Valleys and Twyfords gathered As. 4 each to Rs. 4 and Rs. 12-4, respectively. Nonsuch Teas advanced by As. 12 to Rs. 26. Parkssides were done at Rs. 13-8, as against Rs. 13-4. Devoshalas changed hands at Rs. 15-8 *ex-div.*, as against Rs. 16-8 *cum-div.* Kalpettas (tea and rubber) hardened by Re. 1 to finish at Rs. 18.

Among rubbers, Malankaras improved from Rs. 102-8 to Rs. 103-8. Vaikundams advanced by As. 4 to finish at Rs. 13-14. Be Bes and Rajagiris were better by an anna each at Rs. 1-14 and Rs. 10-7, respectively. Pullangodes were dealt at Rs. 2-6 *ex-div.*, as against Rs. 2-13 *cum-div.* Anandams were enquired at Rs. 10-6 *cum-div.*, as against Rs. 9-10. The Directors have recommended the maintenance of the dividend of 15 per cent. on ordinary shares for the year ended 31st December, 1952. Mercaras, however, lost As. 2 to Rs. 5-2. Nonmeny also receded by a similar amount to close at Rs. 9-14. Thamarapallys were dealt with at Rs. 15 *cum-div.*, as against Rs. 14-12. The Directors have recommended a dividend of 25 per cent. on ordinary shares for the year ended 31st December, 1952, as against 15 per cent. in the previous year.

In the coffee section, Consolidated Coffees were up by As. 2 to Rs. 18-2. Shevroys were better at Re. 1-3. Neelamalais (tea and coffee) advanced by As. 3½ to Rs. 4. But Ouchterlonys (tea and coffee) were slightly lower at Rs. 4. Savamalais were done at Rs. 36 *cum-div.* The Company has continued the dividend of 35 per cent. for the year ended 30th November, 1952.

Among textiles, Cannanores moved up from Rs. 92 to Rs. 95. Belasubramanias Rs. 50 and Rs. 70 paid-ups improved by Rs. 2 each to Rs. 32 and Rs. 52-8, respectively. Buckinghams rallied Re. 1-8 to finish at Rs. 118-8 and Dhanalakshmis Re. 1 to close at Rs. 176. Rangavilas and Travancore Rayons were better at Rs. 42-12 and Rs. 5-8, respectively. Trichinopolys, however, lost As. 3 to Rs. 9-2.

Notices

CALCUTTA GAS COMPANY (PROPRIETARY) LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifth Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, No. 8, Dalhousie Square East, Calcutta, on Monday the 22nd June, 1953, at 4-30 p.m., for the purpose of receiving and passing the Directors' Report, the Audited Accounts for the year ended 30th September, 1952, and declaring the dividend recommended by the Directors and for transacting any other business that may be brought forward.

The Share Transfer Register of the Company will be closed from the 15th June, 1953, to the 22nd June, 1953, both days inclusive.

By Order of the Board,
For and on behalf of
CALCUTTA GAS COMPANY (PROPRIETARY) LIMITED.
SOORAJMULL NAGARMULL,
Secretaries.

8, DALHOUSIE SQUARE EAST.
CALCUTTA 1, *18th May*, 1953.

SHAW WALLACE AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventh Ordinary General Meeting of the Members will be held at the Registered Office of the Company, 4, Bankshall Street, Calcutta, on Monday, 29th June, 1953, at 3 p.m., for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the year ended 31st December, 1952.

(2) To declare Dividends.

(3) To elect Directors.

(4) To appoint Auditors and to fix their remuneration.

The Transfer Register of the Company's Ordinary Shares will be closed from 22nd June to 29th June, 1953, both days inclusive.

By Order of the Board.
J. E. WATERFIELD,
Managing Director.

CALCUTTA, *29th May*, 1953.

NEWS IN BRIEF

THE Rajasthan Government has been granted a sum of Rs. 56 lakhs by the Government of India for execution of the State's Grow-more-food schemes.

The U.P. Government has decided to increase the amount of *taccavi* loans granted to agriculturists from 40 to 60 times the annual revenue of their lands in the case of *bhumidars* and from 5 to 10 times in the case of *sirdars*.

The Madras Government has decided to take over the Visakhapatnam Electric Supply Corporation and has fixed the value of its assets at Rs. 6 lakhs. The Managing Agents of the Corporation have agreed to the price fixed by the Government, subject to ratification by the general body of the shareholders.

The Orissa Estates Abolition Act, 1952, has been declared a validly enacted legislation by a unanimous judgment of the Constitution Bench of the Supreme Court of India. Their Lordships have withdrawn the order of stay of the operation of the Act pending the decision of the appeals filed by six *zamindars* of the State.

The Railway Board is considering the West Bengal Government's scheme for the construction of a 54-mile mono-rail, 26 feet above ground level, to relieve traffic congestion in Calcutta. Under the scheme, the train will be composed of three coaches, each accommodating 100 passengers and will run every two minutes.

The Bombay Government proposes to amend the Bombay Tenancy and Agricultural Land Rules, 1949 for enabling the transfer of lands by any owner-cultivator to a non-agriculturist provided the recipient has obtained from the *mamlatdar* a certificate that he intends to take up the profession of an agriculturist and agrees to cultivate the land personally.

A further step in the construction of the Bhakra Dam was carried out with the completion of one of the canals to divert the Sutlej River after five years of work. The other canal is expected to be completed in August next. According to experts, the construction of these two large-sized tunnels was a very intricate and hazardous job.

Uttar Pradesh is now supplying 45 per cent. of the overall wheat produced in India. The State Agriculture Department has launched a drive to increase further the agricultural production of the State by popularising crop competitions, Japanese method of paddy cultivation, and sowing of green manuring crops in the monsoon fallow lands.

Before 1954 is out, Churk in Mirzapur district, which has been selected as the site of U.P.'s first nationalised cement factory, will have a rail link with Chunar—the nearest railhead at present. Work on the railway project, whose cost is estimated at Rs. 7 crores, has already begun. When completed, Churk will be linked with Chunar by a 32-mile track, with seven intermediary stations.

The Government of Mysore has imposed a cut of 75 per cent. on consumption of power generated at Sivasamudram and Shimsha hydro-electric works with effect from 31st May. This cut has been necessitated by the critical water level position at Krishnarajasagar Dam and the non-setting in of the monsoon. The working of the K.G.F. gold mines will be affected as a result of this cut.

The Minimum Wages Committee for the tea industry appointed by the West Bengal Government is reported to have recommended an increase in the grain allowance from Rs. 4 to Rs. 12 per month for the staff employed in tea gardens. This follows the increase granted in December last to tea garden workers in Darjeeling and the Dooars in order to allow the estates to increase the selling price of rice supplied to them from Rs. 8 to Rs. 17-8 per maund.

The Uttar Pradesh Government has finalised a Rs. 2-crore housing scheme for industrial workers of the State and has submitted it to the Central Government for approval and financial aid. The scheme envisages construction of 7,000 industrial workers' quarters in Kanpur, Agra, Ferozabad, Rampur and Hathras. The State Government has also decided to put into operation within the year another housing scheme for constructing 2,800 quarters for industrial labour at Kanpur and 600 for sweepers in big municipal towns.

The Ministry of Commerce and Industry, Government of India, has decided to publish an official monthly journal in Hindi called *Udyog Vyapar Patrika*. The first issue of this journal will be out this month. It is the first and only Hindi commercial journal issued by the Government. The journal will publish the Hindi version of important Government announcements and notifications and public notices relating to export and import trade controls, industrial controls, taxation, etc., besides articles on current economic and commercial topics and information on day-to-day developments in the field of trade and commerce.

Under the Welfare Officers (Recruitment and Conditions of Service) Rules, 1953, which was brought into force in Bombay from the 1st inst., the occupier of every factory having 500 or more workers employed ordinarily should appoint at least one welfare officer. In case the number of workers in a factory exceeds 2,000, an additional welfare officer will have to be appointed for every additional 2,000 workers or a fraction thereof. These officers are expected to establish contacts and hold consultations with a view to maintaining harmonious relations between the management and workers and bringing to the notice of the management the grievances of workers, in order to bring expeditious redress.

The Burmah-Shell Oil Refinery is expected to be in initial operation during the first quarter of 1955 and not early in 1956, as was announced earlier. Investigations into the design, procurement, delivery and construction schedules for the Refinery have made it possible to advance the initial operation date. It will be necessary to import crude oil for the Refinery during the fourth quarter of 1954. The capacity of the Refinery will be two million tons of crude oil per annum. This increase in the capacity has the consent of the Government of India.

A Division Bench of the Calcutta High Court has held that income derived from forests are exempted from taxation under the Indian Income-tax Act. The Court gave this decision in an income-tax reference under section 66(1) of the Indian Income-tax Act, made by the Income-tax Appellate Tribunal, on the point whether forest income, particularly income from *sal* trees, could be subject to taxation under the provisions of the Act, or it was income from agriculture, to be governed by the Bengal Agricultural Income-tax Act. The Court held that, in the case under reference, agricultural operations were carried on in the forest and the income derived was from agriculture. The income, therefore, was exempted from taxation under the Indian Income-tax Act.

* * * *

From Abroad

Iron ore production in Canada is expected to reach 33 million tons per annum within a decade. Production last year reached 5.2 million tons.

The Ministry of Materials, U.K., has reduced its selling price of electrolytic copper from £253 per ton to £250 per ton with effect from 29th May last.

An American oil expert has undertaken to advise the Turkish Government upon the rapid development and exploitation of oil resources. The expert is optimistic about the possibilities.

The United States is reported to have cut off $12 million already allotted for Burma's technical aid programme, because Burma has decided to terminate the agreement with the U.S. from 30th June, 1953.

Exports of American cotton from 1st August, 1952 to 31st March, 1953, amounted to 2,244,000 running bales, the monthly average quantity for the period being 281,000 bales. The U.S. Department of Agriculture expects that exports will not continue at this rate and the total for the season may be only about 3,250,000 bales.

The Government of Ceylon has decided to stop operation of the external services of the State-owned Air-Ceylon with effect from 1st October, 1953, because of the keen overseas competition and the heavy losses incurred by the Company. This year alone, the Company has incurred a loss of Rs. 10 lakhs and this is stated to be too great for the country to bear in view of its present economic condition.

The discount rates on Treasury Bills in the Union of South Africa have been raised with effect from the 3rd inst. The rates of discount will be: 12 months' currency 2¼ per cent. per annum (2 per cent. previously); 6 months' currency 2 per cent. (1½ per cent.); 3 months' 1½ per cent. (there was no issue of three months' Treasury Bills before the 3rd inst.). The rate of interest on loans and advances to some of State-aided projects, including housing, universities, soil conservation, has been raised from 4½ per cent. to 4¾ per cent.

The Pakistan Government has decided to issue two cash-cum-conversion loans on the 15th inst., for financing schemes of industrial and agricultural development. The targets for the two loans have not been fixed. The first loan, carrying interest at 3 per cent. and repayable in 1958, will be issued at par and the other, which will carry interest of 3 per cent. and be repayable in 1961, will be offered at Rs. 99-3 per cent. Holders of 2¾ per cent. 1953-54 loan are allowed to convert their holdings into the new loans.

PERSONAL

MR. C. C. Desai, High Commissioner for India in Ceylon, has left for London to be present during the Nehru-Senanayake talks to be held there.

Khwaja Nasrullah, Chief Government Whip, East Bengal Legislative Assembly, has been appointed Deputy High Commissioner of Pakistan in Calcutta.

Mr. A. Ramaswami Mudaliar, Chairman of the U.N. Commission on Forced Labour, has arrived from Geneva after attending the final session of the Commission.

Mr. Kanwar Sein, Chief Engineer, Hirakud Dam Project, has been appointed Chairman of the Central Power and Water Commission, in succession to Mr. A. N. Khosla.

Mr. G. L. Bansal, M.P. and Secretary, Federation of Indian Chambers of Commerce and Industry, has left for the U.S. on a study tour, on an invitation from the U.S. Government. Mr. Bansal will also visit Canada, the U.K. and some of the Continental countries.

Mr. Charles Alexander Innes, an ex-President of the Bengal Chamber of Commerce and Industry and the Associated Chambers of Commerce, Calcutta, has been conferred the title of Knight Commander of the Order of the British Empire (K.B.E.) by Her Majesty Queen Elizabeth II of Britain on the occasion of Her Majesty's Coronation.

"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *16th June*

India's Hall-Mark

It has been suggested that a positive remedy for the present state of affairs is for Indian manufacturers to mark their goods as "Made in India"; but the Committee of the Bombay Chamber of Commerce points out that goods so marked might be handicapped in the export trade, as Indian manufactures do not at present enjoy a particularly high reputation in foreign markets, though an improvement in this respect may be anticipated as a result of the activities of the Indian Trade Mission which is now on tour. The Committee of the Bombay Chamber of Commerce is not, therefore, prepared to recommend that certain classes of important goods must show the country of origin or that Indian manufacturers should stamp their goods as "Made in India." The country of origin, the Committee argues, will be shown on goods as soon as merchants realise that the sales thereof would be promoted by such marking. Meanwhile, the Committee considers it undesirable to go beyond the present legislation for the prevention of false descriptions. While admitting that the problem is a difficult one, we are not inclined to endorse the Bombay Chamber's view. It is no doubt true that Indian manufactures have not acquired such a high reputation that the words "Made in India" will promote the chances of their sale. Nay, we are also prepared to admit that such a description may even prejudice their sale. But what is the right remedy? If Indian manufacturers are ever to capture and hold outside markets, they must make their goods of such a standard that the description "Made in India" will be a distinct help to their sales. This should certainly be the aim of every Indian manufacturer when engaged in any business. If goods made in India achieve a high reputation, while they are not branded "Made in India," Indian manufacturers do not gain the benefit they should. Indian manufacturers must not fight shy of disclosing the place of origin of their goods, but must improve their quality to such an extent as will disarm all opposition to, and dispel all prejudice against, their ready and speedy sale in outside markets.

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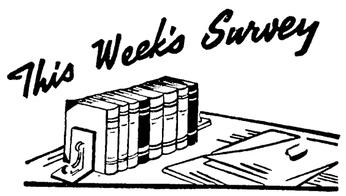

PROVISION FOR DEPRECIATION

THE problem of providing depreciation on plant and equipment on a scale that would enable the owners to replace, in course of time, such equipment has attracted the attention of company managements, accountants, administrators and economists alike. The difficulty in solving this problem arises principally from the fact that, whereas depreciation allowance is provided on the original cost of machinery its replacement costs, in these inflationary days, are considerably more than what has been set apart by way of provision for depreciation. Thus, the system of depreciation provisions, based on "historical" or original cost, which served the industry so well in the pre-war years, has failed to provide any real guidance to the post-war problem of replacement. Although the gravity of the problem has been recognised all the world over no country has, as the Finance Minister, Mr. C. D. Deshmukh, pointed out in his recent address to the Central Industries Advisory Council, as yet been able to hammer out an acceptable solution to this admittedly intricate problem. In the U.K., the subject continues to figure in the deliberations of professional bodies, such as accountants' organisations. But no real solution has yet been found. As Mr. Deshmukh crisply remarked, India has no "successful example" to copy.

In India, the problem is generally more acute than in other countries. This is because there is a shortage of capital in this country, so that it is difficult for industrial managements to finance the higher replacement costs through borrowings, even if one chooses to ignore the inherent defect of a borrowing operation for covering normal replacement needs. If it is agreed that when an asset has been worked out it should have earned not only some interest on the original cost but also the cost of replacing it, then it is certainly necessary to find some method whereby the finance for replacement is available for the investor. Mr. Deshmukh, on his part, ruled out the possibility of any alteration in the present basis of depreciation allowance, and said that if "funds have to be found they have to be found from some other source." He suggested the method of "special reserves for obsolescence," though he was not certain as to what extent "prudent concerns" adopted this method. It is true that prudent concerns do set apart more than normal depreciation as special reserves. But this implies that the concerns are in a position to earn much more than normal profit. Prudence, by itself, will not create profits, if economic and other conditions, such as control by Government, are not favourable to the concern.

It is, however, gratifying to note that Mr. Deshmukh realised the consequences of any failure, on the part of industry, to finance replacement. "The alternative to not replacing machinery," he said, "is to shut down a plant at some stage or other." And he added that the problem was therefore one of "common interest to every one." And yet, he would not countenance any demand for relief in taxation. Obviously, this attitude stems from an unwillingness to take a major decision on a question which comes within the purview of the Taxation Enquiry Commission. He said that the Commission might perhaps ask whether the Government should share in partially providing the finances necessary to cover the gap between the replacement cost and the original cost and, if so, whether it should take the form of tax readjustments such as larger depreciation allowances or low rates or any adjustments in income-tax and so on. He also said that the Commission would be entitled to ask what public justification industry had to offer for claiming these concessions.

It should not be difficult for industry to convince the Commission both of the need for concessions and the kind of tax relief that it wants. After all, industry's failure to provide replacement cost from its earnings affects economic progress in general. And industry asks for no more than facilities for implementing normal replacement programme. A point that is generally overlooked in a discussion on this subject is that, whereas the prices of most industrial products have been controlled—manufacturers have thus been prevented from earning higher profits—the prices of plant and machinery, normally imported from abroad, have remained outside the control of the Government. This is an additional reason why industry is entitled to special tax relief. Mr. C. V. Burns, a member of the Advisory Council, suggested that the Government would do well to grant tax relief on amounts set apart for rehabilitation; such amounts could be deposited with the Reserve Bank or invested in Government securities so that some control would be retained over them. This suggestion, if accepted by the Government, should go a long way towards solving industry's problems arising from the inadequacy of the present scale of depreciation allowances.

CENTRE'S AID TO MADRAS

Referring to the grave financial difficulties facing the Government of Madras, we observed in these columns last week that, whatever might be the sins of omission and commission on the part of the State Government, the need for substantial assistance from the Centre was clearly indicated. It is indeed gratifying to note that the Government of India has now announced its decision to advance a sum of Rs. 1 crore per month from 1st April to 30th September, 1953. This amount would, however, be adjusted against the State's share of income-tax and Union excises. The Government has also agreed to grant a ways and means advance of Rs. 1.5 crores per month to finance important capital expenditure till such time as the Andhra State is formed. Further, it has agreed to bear half the expenditure on gratuitious relief, besides providing ways and means accommodation to meet half the cost of relief works.

The Central Government's decision will be widely welcomed in the State, though the aid, it is to be feared, will not be sufficient to enable the State Government completely to tide over the financial crisis. For the crisis has not been brought about, as is made out, by one factor alone, namely, the acute distress in the famine-stricken areas of the State. It is the cumulative effect of several factors, the most important of which are the prohibition policy and the State authorities' decision to spend large sums of money on schemes of development which lie outside the State plan.

In view of these considerations, the Government of India has done well to lay down three specific conditions before the grant of assistance. First, the State Government should keep its expenditure as low as possible. Secondly, it should not enter into any new commitments. And finally, it should hold over such schemes as may be postponed till the financial situation improves. It is to be hoped that these conditions will be strictly adhered to by the authorities. If the State Government conserves its resources and exercises rigorous control over expenditure, there is no reason why it should not be able to prevent financial dislocation. It is precisely in this context that the need for revising the Prohibition policy and for attempting a complete reappraisal of the development programme in relation to possible sources of revenue assumes special significance.

NEAR SELF-SUFFICIENCY IN FOOD

The pessimistic predictions forecast this time last year, when controls on food were relaxed to a considerable extent, have, fortunately for the country, proved false. Since then nothing untoward has happened. On the contrary, according to the Minister for Food and Agriculture, Mr. Rafi Ahmed Kidwai, India is now rapidly approaching towards self-sufficiency in foodgrains. The main contributing factor appears to be an increase of four million tons in the production of *kharif* cereals, including rice, *jowar*, *bajra*, maize, and *ragi* in 1952-53, as compared with that in 1951-52. Of this increase, rice alone accounts for 2.68 million tons, the balance of 1.32 million tons being shared by the other crops, notably *bajra* and maize. Besides, rice imports amounted to 1.5 lakh tons, the carry-over being the same quantity. Procurement of rice is expected to be not less than 1.5 million tons.

This welcome change in the food position of the country is reflected in the decline in offtake of grains by the States from the Central Pool. West Bengal was importing 50,000 tons of wheat per month. Now its offtake is no more than 25,000 tons. This is also true of Madras. Again, Bombay had asked for 300,000 tons of milo for the current year, but it is now content with half the quantity. Madras indented for 500,000 tons of milo but now its requirements are stated to be no more than 100,000 tons. Assam, unlike in the past three years, is a surplus State this year. Not only has it not asked for any allotment, but it has agreed to supply 10,000 tons of rice to West Bengal and is ready to supply more.

A rise in the production of rice appears to be responsible for the general improvement in the food situation in the country. Increase in rice production was the largest in Orissa where it amounted to 1 million tons over the figure for 1951-52. Then comes Bihar (871,000 tons), West Bengal (469,000 tons), U.P. (325,000 tons), Bombay (175,000 tons), Punjab (53,000 tons), and Assam (45,000 tons). This increase in rice production has, in turn, reduced the demand for wheat. India now requires only 800,000 tons of wheat this year, although the imports are estimated at 1.8 million tons including 1.5 million tons under the World Wheat Agreement. Apart from this trend, there has also been an overall increase of 94,000 tons in *bajra*. The improved position is attributed also to decontrol measures introduced in the middle of last year.

The foregoing brief account explains largely the Bombay Government's decision to relax control over wheat outside the fully rationed areas as from the 1st inst. This decision is the natural sequence of the success of decontrol of certain wheat products—bakers' bread, *rava*, *maida* and *suji*. As a result of the latest decision, the movement of wheat outside the rationed area will be free and trade in wheat will be allowed under a system of licensing. The Government will, however, continue to purchase wheat on a voluntary basis until the next harvest at the existing procurement prices.

Encouraged by the present increase in production of foodgrains, Mr. Kidwai, in a recent Press interview, went so far as to state that he looked forward to the time when he would be able to sanction exports of rice. He considered that the time was not far off when he would be able to meet some of the rice and wheat requirements of the neighbouring countries. Robust hopes such as these, viewed against the dismal background of the country's sorrowful experience in the sphere of food all these years, may appear fantastic, but Mr. Kidwai is known not only for his habit of entertaining such hopes but also for his ability to realise them.

INDO-EGYPTIAN TRADE

The Indo-Egyptian Trade and Payments Agreement, finalised last week at Cairo, but not yet ratified, is expected to enlarge the volume of trade between the two countries. Although no specific period has been prescribed for the Agreement, it will be subject to modification at any time after three months' notice by either country. A notable feature of the agreement is the way in which the disparity in the existing Indo-Egyptian trade is sought to be removed. The agreement will do away with the existing method of foreign exchange control, known as "Import Entitlement Account Procedure," which has tended to aggravate India's trade deficit with Egypt. For, under the Procedure, Egyptian importers of sterling goods have to purchase the requisite sterling from Egyptian exporters, who are permitted to sell, at a premium, 75 per cent. of sterling, the remainder being surrendered to the Egyptian Government. And the premium has at times shot up to even 15 per cent., leading thereby to a proportionate increase in the cost of goods from the sterling area, which includes India. The defect of this system lies in the fact that while it encourages exports of Egyptian goods, it discourages imports from the sterling area.

The new agreement provides for payment of 60 per cent. in sterling and 40 per cent. in rupees for Indian purchases of Egyptian cotton. It is understood that it also provides for setting aside about 10 per cent. of sterling as special "Escalator Fund" which would be converted into rupees if Egyptian imports of Indian goods exceeded the 40 per cent. rupee payments. This arrangement, it is stated, meets the Indian viewpoint that Indian purchases of Egyptian cotton should be paid on a fifty-fifty basis in sterling and rupees.

As a result of this agreement, Egyptian importers of Indian goods will get the rupees they need at official exchange rates and not at a premium as now. Thus, the existing exchange bottleneck will be eliminated. Egypt is stated to have promised to issue licences freely for all Indian goods, except jute manufactures, of which it has at present a year's stock. Egypt will buy from India tea, locomotives, railway carriages, sewing machines, and cotton spindles and looms. India is expected to buy about 700,000 *cantars* of Egyptian cotton a year. In addition, it is expected to import large quantities of flax, phosphates and hooves used in making glue.

Market circles aver that the agreement might not materially alter the picture of India's imports of Egyptian cotton, as it is dependent on the requirements and capacity of the Indian mills and the price factor. They admit that, although the Egyptian Government has suspended the futures market, thereby curbing temporarily, at least, speculative rise in cotton prices, India might not increase its present rate of cotton purchases unless the prices of Egyptian cotton decline further. As regards exports to Egypt, Indian tea should be able to find a larger market though Egyptians have, so far, shown a preference for Ceylon tea. Perhaps, a definite programme for advertising Indian tea would help its export trade. It is, however, doubtful whether India will be able to export locomotives and railway carriages as it has no surplus of these goods. Egypt is expected to import from India considerable quantities of machine tools, diesel engines, water pumps, electric motors, tea, spices and fans. Egypt attaches, it is reported, considerable importance to this trade agreement with India. In fact, Egypt desires to make this agreement a model for similar payments agreements with other countries purchasing Egyptian cotton. Since Egypt is now suffering from want of foreign exchange, such agreements might be expected to improve its economy.

U. S. FOREIGN AID

Two important proposals designed to improve the machinery of U.S. foreign aid assistance and related economic operations have been put forward to the U.S. Congress by President Eisenhower. These relate to the creation of two new, separate organisations to administer foreign assistance and international information programmes, respectively. The proposals are contained in Re-organisation Plans 7 and 8 submitted under the Government Re-organisation Act, 1949. Mr. Eisenhower's move to create a new organisation for administering the foreign aid operations and to abolish the present Mutual Security Agency (M.S.A.) and certain offices is certainly to be welcomed, since it brings about a sort of realignment of U.S. foreign assistance and related economic operations. Thus, it centres in the head of the proposed organisation the functions vested in the M.S.A. and the Director for Mutual Security, including the Director's functions under the Mutual Defence Assistance Control Act. Such centralisation of authority may be expected to result in greater co-ordination of the various economic aid programmes of the U.S. Government and to ensure higher efficiency in administration. This means that the scope of expansion in the scale of economic aid operations will be wider and duplication in the performance of certain common functions, including recruitment of technicians and formulation of general policies, will be avoided.

The proposed Foreign Operations Administration will have, as its direct responsibilities, two major related technical assistance programmes which are now being administered separately—by the Technical Co-operation Administration in the Department of State and the Mutual Security Agency. The transfer of the Technical Co-operation Administration, it has been made clear by Mr. Eisenhower, is not intended to modify the character of the U.S. Technical Co-operation Programme as a long-range effort to co-operate with the Government and the peoples of other countries in developing their economies and raising their standards of living. Also reassuring is his statement, made in his message to the Congress, accompanying the proposed reorganisation plans, that the Technical Co-operation Programme will be carried out solely in furtherance of the purposes of the Act for international development.

(Concluded from third column)

While giving it full protection against harmful competition from abroad from long-established concerns worked on mass-production basis, what we have to do is to find plenty of potential buyers for cars and trucks. This would mean reducing the initial cost of vehicles, if necessary by giving generous subsidies at least for commercial vehicles. But more than this, it is the cost of maintenance and running these vehicles that has to be reduced to encourage the growth of road transport. If the Government of India does not merely want to pave the highways of the country with good intentions, it will have to have the courage to compel the States to abandon their policy of taxing the motorists and transport operators off the roads and to reduce or remove the excise duty on petrol.

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OFF THE RECORD

(By "ROVER")

NOT only the business community but many other interests are naturally intrigued over the question of the Governorship of the Reserve Bank of India, which is expected to fall vacant next year, when Mr. B. Rama Rau's term of office expires. I have noticed in my casual contacts that speculation is already rife, amongst circles connected with high finance and politics, as to the probable successor to Mr. Rama Rau.

On the one hand, the possibility of the extension or renewal of the present occupant's term cannot be ruled out, especially as he has made a distinct success of his job and his relations, both with the Government of India, on the one hand, and the Board of Directors on the other, are excellent. What gives the subject a speculative turn is the desire on the part of certain Congress leaders to turn this post into a party perquisite. In addition to this, one must also take account of the personal ambition of some of them to fill it themselves.

Many highly placed Congressmen in the Party cadre feel that the grip of the Congress over the Government of the country cannot be regarded as either complete or even comprehensive, so long as the two key portfolios of finance and defence are held by non-party men. Hence the hesitation on the part of the Prime Minister to nominate a successor to Mr. N. Gopalaswamy Ayyangar, though it is some months since he died and the constant run of small intrigues against Mr. Chintaman Deshmukh amongst diehard Party men. But as he is too firmly entrenched in the esteem and affection of his chief who can, within reasonable limits, snap his fingers at his scheming colleagues in the top hierarchy of the Party, it is not to be wondered at that efforts should be concentrated by these on securing the second best prize, namely, the Governorship of the Reserve Bank, so far as public finance is concerned.

It is being audibly whispered amongst business circles that one ambitious Minister, not unconnected at present with the economic administration of the country, is casting a longing eye on this glittering gift in Bombay in the hands of the Government, though Heaven alone knows what qualification or experience he has of banking, currency and public debt. These subjects and a host of others connected with the work of the Governor of this eminent financial institution, which is much more than a mere big bank, require expert handling to a much greater degree to-day, than it did a decade ago because of our controlled economy. Besides this, it does not require a great expenditure of intellectual effort to realise that the holder of this post has to have infinite tact and *finesse* in the handling of men and affairs and a cool, chisel-like brain, capable of analysing a situation into small shreds and evaluating it, before tendering his advice or opinion on momentous economic issues to the Government of India.

I cannot help recalling that the Minister in question has proved himself most lacking in all these indispensable qualities, during his short career of one year. By any known standards of personal evaluation, it is inconceivable to think of someone who is given to talking too much and talking out of turn at that, as a Governor of an apex bank of a great country. Not unlike the fate of everything else his tribe has touched during the last six years, an active but untrained and somewhat unbalanced politician at the helm of this important institution is sure to ruin its delicate mechanism, if not to sink it or to run it aground. Such an appointment is sure to cause consternation amongst business men in general and to torpedo the happy and cordial relations which exist to-day between the Reserve Bank and the business community.

On the other hand, banking circles must ruefully admit that they are not in a position to contribute a competent man from amongst the big established banks. Mr. Homi Mody is believed to be understandably reluctant to take up this heavy burden at his present age. Perhaps, the same is true of Sir Cowasjee Jehangir. Apart from the big banks, two other names suggest themselves from this field. One, though comparatively young, active and capable at Calcutta, is debarred by his present association and his not very reassuring past record and the other from Bombay. Mr. Pranlal Devkaran Nanjee, though eminently suitable in every respect, has to be ruled out because of his advanced age, personal disinclination for high office and other important preoccupations.

The business community, however, claims that it is not barren and it can offer a first class man, fitted for this job from every point of view, from outside the field of banking, but from within that of commerce and industry. This man is Dr. John Matthai. Mr. B. Rama Rau could be persuaded, if not to accept a renewed term, to continue till Dr. Matthai completes his labours as the Chairman of the Taxation Enquiry Commission in 1955. He can then leave the Reserve Bank into the safest possible hands in the country, unless Mr. Deshmukh, who is credited by those in the know with a desire to retire from active politics, can be persuaded to return to the comparatively more peaceful and restful scene of his old activities. This, however, appears to be extremely doubtful and so the only obvious choice, if the Reserve Bank is to be saved from political rampage and party depredations, is Dr. Matthai. The only question which pops up in this connection is whether the Prime Minister and the Congress Party can reconcile their private and personal predilections and prejudices with this very obvious choice.

Wanted—Protection For Users Of Automobiles

If proverbs can be credited with any substratum of truth, hell is popularly regarded as paved with good intentions. The Congress administrations in the country too can be safely taken as inspired by the very best of intentions. But their best intentions are perpetually at war with one another, and the outcome of these conflicts and tensions amongst the operative ideals of the party in power, is at times chaos, sometimes, neutralisation of one welfare scheme by another, often frustration and not infrequently results, which, if not contrary to expectations, are woefully disproportionate in comparison to the effort and sacrifice involved. A clear-headed person does not entertain contradictory ideals, however, good in themselves individually and in isolation. It is a sign of muddle-headedness, if not something much worse (insanity, for instance), when a fellow genuinely and piously aims at one thing and allows himself in conduct to be swayed by contrary motives and impulses.

I have no doubt about the sincerity of the Government's intentions to place the country on a basis of self-sufficiency in the matter of motor vehicles, for purposes of defence, travel and goods transport. But the so-called Central Government and our sovereign State Governments have been behaving, since they first came into power, as if they were intent on abolishing motor travel and transport of goods by these vehicles and to bring about a situation, at the earliest possible date, when the last motor car, bus and truck would go off the road. To begin with, conditions were difficult enough to discourage even the stoutest of hearts, into launching out on a private programme of developing road transport. There were few good roads and fewer bridges. Apart from accumulating crores from the public to make good this initial and primary deficit and drawing long lines denoting proposed highways and by-ways on blue prints, the authorities did little to build roads and bridges. As if this was not enough to frighten away intending road transport operators from sinking their precious capital in purchasing buses and trucks, they announced with a flourish that early, if not immediate, nationalisation of road transport was their goal, forgetting that few could be so foolish as to want to board a sinking ship.

Not satisfied with this perpetration, our rulers held that they must add substantially to the hazards of owning and operating a motor vehicle. To drive away the few hardy souls that still clung to their vehicles, they raised vehicles tax to an almost prohibitive figure. The purchase price of cars and trucks had, in the meanwhile, soared skyhigh, through an inane tariff policy which allowed assemblers to continue in operation, but raised duty on parts even before the manufacturing interests were ready to produce any of them. To add to the frightfulness of the whole situation, in spite of heavy excise duty already levied on motor fuel by the Central Government, the State Governments started piling up sales tax on petrol to unheard of heights. Mount Everest was scaled only early this week, but some of our State Governments had already attained much higher altitudes in their steep ascent on sales tax on petrol. I wonder why and for whom they want more motor vehicles manufactured in the country. As a matter of fact, sales fell precipitately and stocks increased to such an extent that one of the most important of the indigenous concerns had to suspend production for some time.

It is only when the situation grew truly alarming that the Government was moved to refer the whole question of protection and assistance to the automobile industry to the Tariff Commission. Within the rigid terms of reference and the Act governing the activities of this body, the Commission has done a good job of it. Its detailed recommendations, which are unexceptionable so far as they go or could go, are bound to be examined and dealt with editorially. What I want to stress here is that the question now facing the country and the Govenments is not merely one of protection to the automobile industry, but a much more comprehensive and important one of expanding the scope and volume of road transport as a whole.

It is not merely the automobile industry which stands in need of protection to-day. Unless there are vast numbers of buyers and users of motor vehicles, unless there are more roads to run these vehicles on, no amount of protection is going to help the nascent and tottering automobile industry, to maintain itself on its own feet even now or at a later date. More than even the automobile manufacturers, it is the motor car owner and the road transport operator who stand in dire need of protection to-day. It is they who are being exterminated to satisfy the mounting greed of the State Governments. When they are finally laid to rest, there will be nobody left to buy motor cars, buses and trucks, manufactured by the five factories which are to be allowed to operate in this field, especially as nationalised State Transport bodies have decided to boycott Indian-made vehicles, in the true spirit of *swadeshi*.

According to this very Commission's findings, the number of motor vehicles of all sorts plying on the roads in 1951 was 283,000. Not to say anything of expansion, even to maintain this meagre number, replacements should be at the rate of about 25,000 units per year. The Tariff Commission has found that the average sales per year during the last four years have not been more than 20,000 vehicles. This means that more cars are going off the roads than new ones coming on them. Apart from the ugly implications of these figures, it is simply not possible to build up an automobile industry on the basis of this dwindling demand. And still nobody would question the need for our having this industry.

(Continued in first column)

FINANCE FOR REHABILITATION OF INDUSTRIES

FURTHER AID FROM U.S. LIKELY

(From A Special Correspondent)

NEW DELHI, *2nd June*

THE periodical meetings of the Central Advisory Council of Industries have now begun to provide a valuable forum for the spokesmen of industries, especially after the abolition of their special representation in the country's legislature under the new Constitution, to ventilate before Government their difficulties and handicaps. During the last week-end, an opportunity was provided to them in one of such meetings for drawing the attention of Government to a number of problems facing them, foremost among them being that of finance for the rehabilitation and modernisation of industry. Mr. T. T. Krishnamachari, Commerce and Industry Minister, who presided over the meeting, simply indicated the few prevailing opinions without telling his own views on this problem. One of them was that financing should be done mostly from the reserve and other depreciation funds of the individual units. According to some others, loans should be advanced by Government for this purpose at low rates of interest.

DELHI LETTER

The note circulated by the Federation of Indian Chambers of Commerce and Industry on this subject was not regarded as a balanced view by a section at the meeting. This body asked Government to assist the industrial rehabilitation by the grant of a higher depreciation allowance, long-term loans at reduced rates of interest and also by charging a still lower rate of tax on any profits ploughed back into industry. The other side of the medal was presented by an important semi-official person. According to him, the question of a cess to be levied on consumers for use as rehabilitation finance, which was being advocated from time to time by many industrialists, was not considered a very satisfactory arrangement either, especially at the present time when the purchasing power of the consumer did not show any appreciation. Even if funds became available by the levy of such a cess, it was difficult to justify, on principle, the sanction of a loan to any textile mill at a low rate of interest, if the present management, which had been responsible for the bad state of the mills in a number of cases, was to continue, the note added. In any case, application for such help might be considered only if there was reasonable prospect of such mills reviving under an entirely new management. Special help of this kind should not be granted unless the managing agents and shareholders agreed to an altogether new scheme of efficient management in which Government, as the helping party, should be represented.

It was suggested in some quarters that loans should be given to textile mills on the easy terms at which they were being given to the iron and steel industry. Such a step, the above spokesman pointed out, was not justified as the efficiency of the steel companies had never been doubted. The Government, during the war and the post-war years, helped the consumers of steel in the Indian market; and in consideration for such action, there was every justification for granting loans to these steel companies for rehabilitation and expansion of the industry on favourable terms.

Intricacies of the Problem

It was on account of various complexities of the problem that the Finance Minister, Mr. Chintaman Deshmukh, who participated in the meeting, plainly told the representative industrialists that Government would have to await the Taxation Enquiry Commission's recommendations before taking general decisions on the question of finding finance for the rehabilitation of industry. The allowance of higher depreciation allowance, according to him, involved principles affecting the interests of labour, management, shareholders, Government and consumer. He was, however, aware that, pending the Taxation Enquiry Committee Report, Government would have to take decisions in some hard cases, as, for instance, the jute industry which would have to face competition in foreign markets from better placed Pakistan. Similar cases of hardships would be dealt with expeditiously by Government, he said.

The Commerce and Industry Minister was earnest in speeding up his proposal to get a survey of the engineering capacity in the country in order to increase industrial production. He was able to secure full co-operation from the assembled industrialists in his laudable endeavour. Already Tatas and Kirloskars had nominated their technical personnel for a survey who would be joined by those from railway and other industries. This survey will at first be preliminary in character and later the personnel will be enlarged, including some foreign experts. It may be mentioned that Mr. K. C. Mahindra had recently submitted a memorandum to Government, advocating rationalisation of production in machinery manufacturing industries. In the case of the textile machinery industry, for instance, he wants to bring about some co-ordination in the matter of production through the help of Government. He suggests the establishment of a statutory body which could be entrusted with co-ordination of production at various levels in order to make use of each unit to its maximum efficiency and to install balancing equipments, etc. He has also pleaded for setting up a co-operative machine building industry to serve its respective plant requirements and to supply credit finance for individual units for purchase of locally manufactured machinery. If a few of the major industries, e.g., cotton textiles, jute and sugar, were to follow this suggestion (already introduced to a small extent by the cement combine), he says, there will be taken a great forward step in strengthening our production facilities and lessening our current dependence upon imports.

Help From the U.S.

The possibilities of greater external help for the implementation of the Five-year Plan are becoming brighter every day. It is, perhaps, on account of this factor that the Finance Minister was recently able to declare that, on the whole, prospects for the success of the Plan were bright and that India would be receiving substantial assistance from friendly nations. This help is expected to narrow the gap that was found in the interim Report on the progress of the Plan. The latest reports from the U.S.A. suggest that the American Administration has been seriously considering a plan that will authorise the Mutual Security Agency to sell surplus American farm commodities to foreign countries for local currencies. The proposal which has been developed by the American Farm Bureau Federation, calls for legislation that will permit the Commodity Credit Corporation to transfer up to $1,000 million of surplus stocks to the M.S.A. Director. He will be authorised in turn to offer the stocks through private traders for sale in local currencies. It may be mentioned that the stocks of farm products with the Commodity Credit Corporation has been mounting up, with prospects of a further increase in the coming months, due to favourable weather conditions in that country. It is stated that local currencies thus secured from the sale of surplus stocks can be used for loans to banking institutions in co-operating countries, to defray local costs of U.S. operations, such as defence establishments, and to assist in economic development or to acquire strategic materials. In case the present American proposal becomes a reality, the U.S.A. can sell a moderate quantity of wheat and cotton to India, the proceeds of which might be utilised for developing various economic projects. These apart, the Central Government is confident of securing more help from the U.S.A. either through aid or loan. Reports are already current in the Capital that, during the recent visit of Mr. Dulles, some informal discussions had taken place for the grant of a sizable loan to India at a moderate rate of interest. In case this proposal fructifies, the prospects for the implementation of the Plan become encouraging. If weather conditions during the current year remain satisfactory, it is possible that, during the fourth year of the Plan, the quantum of food imports might be greatly reduced and that the exchange resources of the country can be utilised for the advancement of the Plan. Some of these aspects must have been in the mind of the Finance Minister when he spoke optimistically about the Plan to the audience of his home State.

U.K.'S ECONOMIC POLICY

NO ISOLATED DOLLAR-STERLING DEAL CONTEMPLATED

(By PAUL BAREAU)

THE fears, widely prevalent a few weeks ago, that, in its economic policy, Britain might be drifting away from Western Europe have now been well and truly allayed. There was never real substance in them, but it should, nonetheless, be instructive to enquire why they arose and how they were finally set at rest—an event for which the recent meeting in Paris of the Council of the Organisation for European Economic Co-operation (O.E.E.C). provided the appropriate setting.

Let us carry our thoughts back to November, 1951, when the U.K. balance of payments had run into what appeared to be the worst of its post-war crises. Gold and dollars were being lost at a rate which would have emptied the reserve in a matter of months. Britain was running a persistent and heavy deficit with the European Payments Union (E.P.U.) and the resulting gold payments to the Union contributed a large part of the total drain on the reserves. Immediate steps were taken to meet this critical situation. The Government set in train fundamental measures, such as the revival of monetary and credit discipline and a reasonably tough Budget, which, as experience shows, had the necessary effect.

More immediate remedies were, however, necessary in the circumstances, and these had to take the form of drastic restrictions on imports. These may have appeared anti-European, but this was a deceptive appearance, because no worse disaster could have befallen Europe as a whole than irreparable damage to sterling, to the solvency of Britain and to the great system of payments and commerce which is anchored to sterling. If any proof were needed that these import cuts were no more than the bare minimum required to meet the grave situation that developed towards the end of 1951, it is surely provided by the recent decision to remove a significant part of the quantitative restrictions on imports from Europe.

Breaking A Vicious Circle

These recent concessions were, in some measure, an act of faith—the casting of bread on the waters in the hope of breaking a vicious circle of contraction in intra-European trade which might easily have developed, if Britain's import restrictions had remained in being much longer.

The concessions announced by Britain should not, however, be regarded as an indication that the balance of payments and economic situation has now improved to a point at which all former restraints can be cheerfully thrown off. Britain's economy is still faced with a burden of defence expenditure which accounts for 12 to 13 per cent. of the national income, a proportion larger than that borne by any other North Atlantic Treaty Organisation country other than the United States.

The gold and dollar reserves, which have to satisfy the needs, not of Britain alone but of the whole sterling area, are still at an inadequate level, despite their welcome reinforcement over the past six months. Britain still has an overdraft of close on £200,000,000 with E.P.U. and will be called upon to repay this over the months to come by striving to maintain a balance of payments surplus. Given this last fact, the concessions in imports from the O.E.E.C. countries must surely be regarded in a particularly meritorious light. Suspicions of a British drift away from Western Europe were mainly fomented by the rumours current in the latter part of 1952 and the early weeks of this year that sterling was moving towards convertibility with the dollar and that this goal would be reached, if necessary, in isolation.

Useful Exchange of Views

An isolated move of sterling to convertibility with the dollar would be fraught with far too much danger, far too many technical difficulties, to be a practicable proposition at present or in the foreseeable future. Unless it were hedged around by many restrictions which would be wholly foreign to the cause of convertibility, such an isolated move would merely invite a repetition of the disasters of 1947, when convertibility was made the means by which a great many other countries earned or acquired sterling for no other purpose than to convert it. In those terms, convertibility would be a formula for restriction, and not for the expansion of international trade.

The recent developments in Britain's commercial and financial policy do not, therefore, imply any departure from the often-declared intention of working as closely as possible with W. Europe. The fundamental problems which face Britain, the Commonwealth and the countries of W. Europe are in essence the same. They are dominated by the existence and the probable persistence of a considerable dollar gap. Those problems will yield far better to joint attack on the part of E.P.U. countries than to any isolated move towards convertibility.

At the same time, it is believed in Britain that the co-operation between European countries which has found constructive expression in organisations, such as the E.P.U., should not be regarded as an ultimate end. There should be no question of creating in Europe a self-sufficient bloc indefinitely insulated by trade restrictions from the dollar world. In other words, constant endeavour should be made to broaden the mechanism of the E.P.U. and to prepare it for the great day when, with co-operation from the dollar world, it can be merged into a much wider system of multilateral trade and payments.

PAKISTAN NOTES

U.S. FOOD SURVEY MISSION

SUBSTANTIAL WHEAT AID RECOMMENDED

PAKISTAN must have substantial aid in obtaining wheat, if the acute food shortage is to be averted. This is the recommendation made by the U.S. Food Survey Mission after its return to Washington from an on-the-spot study of the food situation in Pakistan. The Mission has reported that Pakistan is approaching a "very critical period" in its national economy. The most urgent problem is the assurance of food supply during the next twelve months. The Government of Pakistan has already taken a number of steps to solve the problem. The Mission has, however, clearly warned that the efforts of the Pakistan people will have to be supplemented by substantial outside assistance for the procurement of wheat.

The recommendation of this Mission and the Republican Congress leaders' support to legislation for a wheat loan to Pakistan have engendered hopes of an early solution of the food problem. Fortunately enough, there has been a move on the part of some American officials to see that the wheat assistance will be in the form of aid and not as a loan. In support of their move, the officials state: "Pakistan is virtually without dollars to repay a dollar loan—and the U.S. has too much wheat in surplus to accept repayment in wheat." They, therefore, ask: "Why not make it a gift?" It remains to be seen whether this suggestion will find favour with the U.S. Government. The form of the Bill proposed to be introduced in the U.S. Congress is said to be still "nebulous." Some observers are of the opinion that the gift idea has not been altogether dismissed. For, according to them, the utilisation of Pakistan's sparse dollar reserves to repay the American loan would prejudice its hopes of getting additional World Bank dollar loans for economic development, as Pakistan would be left without dollars to pay the interest on the loan.

Trade Agreements

The question of reviewing the several trade agreements with foreign countries, which have already expired or are expected to expire shortly, is now under the active consideration of the Government of Pakistan. As a preliminary step, the Finance Ministry, it is understood, is examining the foreign exchange position of the country, with a view to determining the extent to which imports could be allowed into Pakistan under the new trade agreements. Among the trade agreements now in force, those with India, France and Indonesia have yet to be ratified. Some of the important clauses of the Indo-Pakistan trade pact, however, have already been implemented, as, for example, the lifting of the discriminatory export levies by both the Governments and the releasing of certain films held up by the Pakistan Government.

The trade agreement between Pakistan and Japan, signed in Tokyo on 10th April, 1953, has been ratified by the Governments of the two countries. The agreement is for a period of one year—1st April, 1953 to 31st March, 1954. Under the agreement, Pakistan is to export to Japan 650,000 bales (400 lbs. each) cotton, 250,000 bales 400 lbs. each) raw jute, £500,000 worth of hides and skins, £500,000 worth of cotton seeds, and £450,000 worth of gypsum, cotton linters, ephedrina extract and herba ephedra, etc. Imports from Japan into Pakistan are as follows:

(In million lbs.)

Description	Value of imports into Pakistan against single country, import licences exclusively valid for Japan	Total estimated value of imports into Pakistan from Japan including value of imports in previous column
Cotton fabrics	5.5	5.5
Cotton yarn	1.0	3.5
Rayon yarn and other textile Yarns	0.5	1.0
Iron and steel and other metals..	1.5	4.0
Capital goods and machinery* ..	6.0	10.0
Others (including invisibles) ..	..	6.0

* Single country import licences up to £6.0 million will be issued only for capital goods against deferred payments.

The Governments of the two countries have agreed to settle all payments and charges in sterling. They have also agreed to provide maximum facilities for the transport of commodities and goods between the two countries to the vessels registered in either country. The working of the agreement is to be reviewed as soon after the first six months as possible and, thereafter, at the end of each quarter, if necessary. Adjustments in the terms of the agreements after each review shall be made, if necessary, with the mutual consent of the two Governments.

Pakistan had a favourable balance of Rs. 6.37 crores in its sea-borne trade on private account during the month of April, 1953. The value of exports accounted for Rs. 9 crores and that of imports for Rs. 2.63 crores. The import figures on private account are said to be the lowest for the past few years. The most important items of exports during the month under review were raw cotton and raw jute, the value of actual exports being Rs. 4.74 crores (118,724 bales) and Rs. 2.89 crores (105,594 bales), respectively. The other important items of exports were hides and skins (Rs. 41 lakhs), wool (Rs. 36 lakhs) and tea (Rs. 8 lakhs). On the import side, machinery and mineral oils were the largest private-account imports, valued at Rs. 78 lakhs and Rs. 52 lakhs, respectively. Metal imports were valued at Rs. 24 lakhs and vehicle imports at Rs. 20 lakhs.

The total private sea-borne trade passing through Karachi in April amounted to Rs. 8.09 crores. The Port of Chittagong handled Rs. 2.38 crores worth of cargo and Chalna Rs. 1.1 crores.

Cotton Committee Meets

Several important problems pertaining to the improvement of the cotton ginning and pressing industry, policy with regard to the future allotments of ginning and pressing factories, their proper management, and improvement in the pressing of cotton were discussed at a two-day conference of the Pakistan Central Cotton Committee held in Karachi recently. The Committee also framed recommendations for the consideration of the concerned authorities.

The Committee examined the economics of cotton production, with a view to reducing cost of production of cotton in conformity with the level of world prices and set up a sub-committee to work out a scheme for determining the economic cost of cultivation of cotton which would leave a reasonable margin of profit for the cotton grower and enable Pakistan cottons to compete with similar foreign growths in the world markets. The Committee further considered the steps required for developing export of cotton linters and waste produced in Pakistan and the question of standardising their quality for the convenience of foreign buyers. The other important matters considered by the Committee related to improving the system of preparing and issuing official forecasts of cotton crop, grading of cotton and propaganda for Pakistan cotton in the principal consuming countries. The Committee considered too research and development schemes aimed at breeding improved varieties of cotton suitable for the different tracts in the Thal Area in the Punjab and long-staple cotton in East Bengal, and also the extension work required to be done for propagating the improved varieties of cotton.

Food Production in N.W.F.P.

A report from Peshawar avers that the N.W.F. Government has chalked out a number of short-term measures designed to step up production of foodgrains under the Grow-more-food campaign. The schemes include distribution of fertilisers for the *kharif* crop and insect pest control, besides the projects for bringing additional area under cultivation by lift pumps, tube-wells and flood control. The successful execution of all these schemes is expected to yield more than 60,000 tons of foodgrains.

The total capital outlay on the schemes is estimated at Rs. 1.42 crores. The Provincial Government is reported to have asked the Centre to make available 50 per cent. of the amount as an outright grant and advance the other half as a loan. The Central Government has been informed that, if the grant and equipments were to be made available immediately, the schemes would be taken in hand and completed in time for the *rabi* sowing.

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A fresh Foodgrains (Futures, Options and Prohibition) Order, prohibiting forward buying and selling of foodgrains and products thereof, has just been promulgated. The Provincial Governments have been asked to enforce the Order vigorously.

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The Government of Pakistan, it is learned, has arranged to take delivery of 15,000 tons of ammonium sulphate from Sindri fertiliser factory for despatch to East Pakistan.

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ERADICATING EVIL OF USURIOUS RATES OF INTEREST

SMALL LOAN BANKS MAY PROVE USEFUL

PERSISTENT emphasis has been laid in India on the need for mobilising domestic savings and for promoting investment. That the emphasis is not at all exaggerated is clearly borne out by the financial limitations of the Five-year Plan. When faced with insufficient budgetary resources and the dangers of deficit financing, there is always a possibility of attempting to find a way out through staggering of development expenditures. This is an undesirable course and has to be avoided at all costs. What then should be done? The answer to the poser is, of course, provided in the significant remark of the Planning Commission in its Progress Report on the working of the Plan during the first two years. Says the Commission: "Resources have to be mobilised to the *full* (italics ours) and care has to be taken to see that they are used fully for the implementation of the Plan." With a view to serving this end, the Government has initiated a number of small savings schemes, such as National Savings Certificates, Treasury Savings Deposit Certificates, etc. But the results have not been as much as one would wish.

The problem of mobilising domestic savings is not confined to our country alone. It is common to all underdeveloped countries. As readers are aware, the biggest obstacle in the way of swift economic development in these countries is paucity of savings. Naturally enough, the first step in the direction of such development is one of providing facilities for capital formation and the means by which the savings can be harnessed. The evolving of methods by which these savings can be created is still a problem for the Governments of the countries. Realising the importance of the problem, the Secretariat of the Economic Commission for Asia and the Far East (E.C.A.F.E.) has been undertaking, for some time past, a number of studies on the mobilisation of savings for productive purposes in this region. One outstanding feature revealed by these studies is the prevalence of usurious rates of interest, a feature considered to be a serious obstacle to the mobilisation of savings and their investment in development projects. In other words, according to these studies, profits in money-lending are so large that there is little economic incentive for investment in development projects. What is, therefore, wanted is an effective lowering of the interest rates by the provision of alternative sources of credit on reasonable terms. One of the solutions offered relates to the scheme for the establishment of what are called small loan banks.

Principal Purpose

The principal purpose of these banks, as their name itself implies, is to make small loans against security of movable goods. However, the possibility of their attracting deposits, particularly savings and time deposits, is not to be ruled out. The loans should be granted solely on the basis of security offered, not on the basis of productivity. This, however, is not to say that a discrimination between productive and consumptive loans is undesirable. It only means that such would greatly add to the costs of management and would thus stand in the way of combating usurious rates of interest. In this connection, the E.C.A.F.E.* Secretariat observes as follows:

"A pawnshop in Indonesia makes on an average a few hundred new loans every day. It would be impossible to put through such a large number of transactions, if the pawnshop were expected to make enquiries about the purposes for which the loans were required. It may, however, be argued that the provision of credit indiscriminately may encourage extravagant consumption expenditure which would not be in the best interests of the borrowers. In the first instance, the absence of a small loan bank would not prevent improvident borrowers from going to private pawnbrokers and getting credit on more onerous terms. Secondly, the facilities provided by a small loan bank should, by no means, be regarded as easy credit. A sacrifice in the form of the surrender of an article, which must be the source of some satisfaction to its owner, is necessary before a loan can be obtained from the Bank. The prospect of this sacrifice would ordinarily discourage unnecessary loans. Moreover, there is a considerable urge to recover the pledged article and the chances of its redemption must be regarded as fairly high. The experience of Indonesia shows that the percentage of unredeemed articles in the State pawnshops is very low in normal times and is only slightly higher in times of economic distress."

The financial requirements of the small loan banks are not likely to be very large. The raising of the funds required may, therefore, not be a difficult problem. As most of the loans are expected to be for short periods of time only, the turnover will be quick and it will be possible to handle a fairly large volume of business with a comparatively small working capital. The experience of Indonesia shows that the working capital of the State pawnshops seldom exceeds 40 per cent. of the aggregate loans made during any particular year; in fact, the proportion is stated to be very much less than this in several cases. The finance required by the small banks may be provided by the Government directly from its own resources or raised from the public.

Cost of Finance

Whatever may be the source, it must be emphasised that the cost of finance to the banks should be as low as possible. For it is on this that depends, to a large extent, the level of rates of interest which the banks charge to the borrowers. On the cost of service principle, the rate of interest should be determined after taking into account the following factors:

(1) The net rate of interest, that is, the rate at which the small loan banks can raise funds;

(2) insurance against risk—the most obvious risks are (*a*) a fall in the value of the articles accepted as pledges, so that, when they are auctioned, the sale proceeds are not sufficient to cover principal and interest and (*b*) losses due to theft, robbery, fire, incompetence or dishonesty of the staff;

(3) the costs of management, which include costs of maintaining the necessary staff, buildings, equipment, etc.; and

(4) a small profit—in normal times, the banks have to earn a small profit which should be transferred to a reserve fund with a view to offsetting any possible losses in future.

The small loan banks should be a State enterprise run on commercial lines. There should be central office for formulating and issuing, from time to time, detailed instructions regarding valuation of pledges, proper supervision of various operations and other matters for the guidance of the banks. The central office will also have to raise the necessary finance for the banks, unless the responsibility for it is assumed by the Government or some other agency.

The small loan banks, if properly organised and efficiently run, can be much more effective in combating usury than mere legislation. Besides, they may also be expected to encourage, albeit indirectly, investment of savings in the development projects. Although such banks usually provide "consumption" loans, they do prevent social degradation and overwhelming debt burdens in a period of crisis when needy people require immediate funds "at whatever cost."

Co-operatives Favoured

There are, however, some countries, such as India and Pakistan, which are opposed to the scheme for establishing small loan banks, for such, in their opinion, result in duplication and weakening of the existing institutions, especially the co-operatives. Other countries, like Burma and Malaya, also prefer co-operatives to small loan banks "which would be purveyors of credit rather than collectors of savings." There are still others—Ceylon, for example—which feel that the small loans banks may be tried "as a first measure," with a view to replacing them later by co-operatives. According to them, in areas where rates of interest are very high and co-operatives are hard to develop, such banks may be established for bringing down interest rates. But these countries find no reason why the banks should be set up in areas where co-operatives already exist. Apropos these divergence of views, the Working Party has drawn the following general conclusion:

"Every effort should be made to develop co-operatives in preference to small loan banks; the latter are only a second best means in places where, for one reason or another, co-operatives cannot be developed fairly quickly. Each country may investigate whether any advantage can be gained by starting small loan banks as an interim measure and as a preliminary to well-managed co-operatives. Small loan banks may usefully accept deposits and thus pave the way for the introduction of co-operatives."

It is no doubt true that co-operative credit movement possesses certain advantages which are not offered by the small loan banks. The co-operatives, for instance, take into consideration the purposes for which loans are required; loans may thus be restricted entirely to productive purposes. Further, co-operatives encourage thrift. They are expected to mobilise the savings of their members which are lent to other members who are in need of accommodation. They can be a great force, too, for the social and moral uplift of their members. Indeed, co-operatives play a vital role in mobilising rural savings. But the development of co-operatives is a slow and difficult process. For the active interest of the members, which is a pre-requisite for their success, cannot be created by compulsion; people have to be educated for the purpose. Besides, the running of a co-operative requires a certain amount of skill, particularly in the maintenance of accounts, which is generally lacking in backward communities. "Low percentage of literacy and lack of desire for self-help through co-operation," to quote the E.C.A.F.E. Secretariat, "are some of the basic factors which have held up the development of the Co-operative Movement." Inasmuch as the removal of these obstacles will take a very long time, there seems to be a good case for establishing small loan banks.

In the case of the small loan banks, it may be noted here, the active co-operation of the public is not essential. The organisational problems connected with the provision of credit through small loan banks are very much simpler than for the development of the co-operative movement. A single bank can serve a fairly large community which might require as many as ten to twenty co-operative credit societies to obtain the same service. It is certainly easier for Government to organise a small loan bank than to organise as many as ten to twenty co-operative societies. It may, therefore, be possible, within a few years, to have a network of such banks all over a country, to meet the credit requirements of the poorer sections of the community.

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CURRENCY CHANGES IN CZECHOSLOVAKIA

The drastic currency changes effected by the Communist Government in Czechoslovakia this week show how totalitarian States, as opposed to democratic Governments, can reverse the order of things at a moment's notice. Under these changes, the country goes back to the gold standard overnight. The value of the new crown will be expressed in terms of the Soviet rouble. In future, 1.80 crowns will be worth 11.6*d.* sterling or slightly less than a shilling. A feature of this overnight change is that the Government will issue to its citizens, new coins and bank notes in exchange for old coins and notes. The rate at which the exchange will take place is in line with the revolutionary ideas associated with the Communistic countries. Thus, the citizens will exchange cash and bank notes at rates varying from five old crowns to one new crown for small sums, and 50 old crowns for one new crown for bank deposits over 50,000 crowns. Bank accounts blocked since the 1945 currency will be wiped out.

Wages, salaries, pensions and similar payments will be recalculated on the basis of one new crown for five old crowns. But there will be some exceptions, in that certain increases are permitted. For instance, miners are to have seven-tenths of a crown added to their basic hourly wage. Other workers get less. Monthly salaries will rise by a maximum of 60 crowns.

The changes noted above in regard to exchange of currency and wages have been followed by the end of rationing and by a cut in prices of commodities. The fear that hoarding of commodities, intended for daily consumption, would take place, following the abolition of rationing, seems to be responsible for the Government's decision to raise the value of the crown and to reduce the amount of cash in the pockets of the citizens generally to one-fifth in the case of small sums and to one-thousandth in the case of those holding bank deposits. An official news agency states that the measures have been made possible by the development of national economy. Thus the industrial output is stated to have doubled since before the war. The national income has gone up by more than two-thirds in comparison with 1948. This improvement is attributed to the socialisation of agriculture to the extent of 43.5 per cent. and of trade, 99 per cent.

Prices of commodities have been cut by an average of 31 per cent. below the former free market levels. These commodities include bread, sausages, potatoes, cigarettes, etc.

DEVELOPMENT OF CO-OPERATIVE MOVEMENT

The proceedings of the third meeting of the Standing Advisory Committee on Agricultural Credit held in December last, published this week, give an insight into the nature of work carried on by different States in connection with the reorganisation of the Co-operative Movement as recommended by the Reserve Bank of India. It is found that, in some States, there is no co-operative bank, in some others considerable organisation of the apex bank is necessary, and in others the intermediate and primary credit structure is weak. Recognising this weakness, the Reserve Bank deputed the officers of its Agricultural Department to tour different States, study and report the conditions and the working of the various co-operative institutions. On the basis of these studies, recommendations were made to each State as to the line of action it had to take to improve the condition of the Movement. As a result, State co-operative banks have been established in Saurashtra and P.E.P.S.U. In Rajasthan and Himachal Pradesh arrangements are in progress to implement the suggestion. In regard to certain other States, either the Registrars of Co-operative Societies are considering the Bank's suggestions or after consideration have submitted their report to the Bank.

With regard to the accommodation of credit to State co-operative banks under section 17 of the Reserve Bank of India Act, the Advisory Committee would appear to have come to the conclusion that there is no need to make any change in the present procedure. Further, the Committee had, at a previous meeting, suggested certain standards for adoption in connection with the establishment of new central financing agencies or reorganisation of old ones, maintenance of fluid resources by co-operative banks and audit classification of societies, etc. At the meeting under review, the Committee reviewed the position and felt that, in view of the varying conditions, it might not be possible to enforce the standards rigidly. It was, however, stressed that whenever an opportunity offered itself, the Reserve Bank should suggest the adoption of these standards.

It was emphasised by the Committee that the inspection of co-operative banks which borrowed funds from the Reserve Bank, by the officers of the Bank, should not be regarded as a substitute for departmental inspection. One of the objects of the Bank's inspection should be to ascertain how far a co-operative central bank is fulfilling its role as the financing agency of the Movement.

The Committee considered that the best way of using the sum of Rs. 10 lakhs—provided in the Five-year Plan for providing training in principles of co-operation—was to subsidise a part of the expenditure involved in setting up regional training centres.

ROLE OF I.M.F.

Speaking at the fourteenth congress of the International Chamber of Commerce held at Vienna recently, Mr. Ivar Rooth, Managing Director of the International Monetary Fund, alluded to the criticism that the Fund was an institution too rigid to be really useful and made a few interesting observations which may be read with profit. They are:

"The Fund has sometimes been criticised, particularly here in Europe, as being an institution too rigid to be really useful. Several suggestions have been made for the revision of our Articles or the establishment of various kinds of additional stabilisation funds. While I fully understand and appreciate the spirit in which these suggestions have been made, I believe that the Fund can do the job in the period immediately ahead without a revision of its Articles and without the creation of additional machinery to supplement monetary reserves. It is in a position to make substantial sums of convertible exchange available by purchasing other currencies and by extending lines of credit to monetary authorities.

"During the last two or three years, the Fund has engaged in relatively few exchange transactions. The volume of transactions has recently been slowly increasing. Some of those interested in our activities seem to believe that a permanent pattern of very limited operations has been established. They project the past into the future and assume that the Fund's resources will never be made available except on a small scale. For this assumption, however, there is no justification. It is more logical to suppose that the volume of Fund transactions will vary from time to time, in accordance with changes in world conditions. Already, the working rules which have guided our decisions on transactions have changed more than once, and undoubtedly they will require adjustment in the future.

"The manner in which the Fund works and the uses to which its resources are devoted necessarily depend on the attitudes of governments. The new economic climate that is now developing will undoubtedly have important effects for the operations and activities of the Fund. The instrument itself is potentially quite flexible. Sincere and active co-operation by our member governments on constructive and progressive policies can go far toward breaking down any rigidities that critics have seen in the machinery of the Fund. I do not think that any of our member governments will lack either the desire or the willingness to see the Fund provide a substantial volume of assistance for major steps toward the convertibility of currencies. I am convinced that, when any country has instituted basic preliminary measures to place its internal and external policies in order, and is prepared to take some of the risks involved in a move toward convertibility, its proposals will be sympathetically received by the Fund. Our Articles of Agreement will present no barrier. The Fund can be a useful institution in this context if governments are willing to understand each others' goals and to help each other to reach them. There is no reason to doubt that this willingness exists.

"Those who have suggested a revision of the Fund's Articles or the creation of additional machinery make an assumption which I do not find convincing. It is assumed that governments and parliaments could more easily agree on a revision of the Fund's Articles, or on the terms under which a new institution would operate, than on the elaboration of a set of policies that would enable the Fund *as it is to* operate effectively. In fact, the situation probably is precisely the reverse. Moreover, if the convertible assets at the Fund's disposal prove insufficient to support the moves toward convertibility that our members are prepared to take, it would be reasonable to hope that our resources could be increased either by a substantial loan to the Fund or by a general revision of quotas."

EXCHANGE SWAPS IN PARAGUAY

The Central Bank of Paraguay has instituted a system whereby it is authorised to enter into simultaneous contracts with a holder of foreign exchange for a spot purchase and a sale of future exchange, at established rates and for specified periods of time. The rate for these transactions has, for the time being, been set at 45 guaranies per U.S. dollar. It may be revised periodically so as to follow generally the fluctuations in the controlled free exchange market (where the current rate is about 57 guaranies per U.S. dollar). The period for these swap transactions is 180 days, and the contract may be renewed for further periods of 180 days. The Central Bank will charge 1.5 per cent. commission on these transactions and on any subsequent renewals.

The Central Bank guarantees to reverse the transaction at the end of one or more periods by reselling the exchange to the other party to the contract at the same rate as that for the original purchase. The other party, however, will also have the option of using the exchange to meet any obligation which he may have to surrender the exchange proceeds of exports. Alternatively, the transaction may be completed by the payment, by the Central Bank, of the difference between the rate applied in the original contract and the rate in the controlled free market at the time of the completion of the transaction. The guarani countervalue of these transactions may be invested in manufacturing or export industries. The investment income thus earned may be remitted abroad, without limitations, through the free market (the Central Bank does not undertake to supply exchange for this purpose).

The authorisation of these transactions is intended (1) to induce an inflow of foreign funds into Paraguay, (2) to encourage the conversion of exchange held abroad by Paraguayan residents into guaranies which may be used as working capital, and (3) to facilitate the operation of local firms with foreign connections which may be willing to finance the local firms, if there is a guarantee of stable exchange rates and the right to withdraw funds and income remittances.

PART OF BANK AWARD STAYED

The Labour Appellate Tribunal of India at Calcutta, has ordered staying of implementation of the Sastri Bank Award in respect of ten items, pending disposal of an application from the bank workmen.

The Tribunal in a rule has called upon the respondents, the Bank of India Ltd. and others, to answer why implementation of the Award by the All-India Industrial Tribunal (Bank Disputes) notified in the *Gazette of India* dated 20th April, last, should not be stayed till the hearing of the appeals filed against the same.

The rule has been made returnable in Calcutta on 29th June.

The Appellate authority presided over by Mr. Justice Majumdar considered the petition of the bank employees for staying implementation of the entire Award and ordered an interim stay in respect of ten items of dispute mentioned in the Award.

INDUSTRIAL FINANCE CORPORATION FOR WEST BENGAL

The West Bengal Government has drafted a scheme for the formation of an industrial corporation in the State to help medium-sized industries. The authorised capital of the Corporation will be Rs. 2 crores, and the paid-up capital Rs. 1 crore. The State Government will subscribe Rs. 30 lakhs, the Reserve Bank of India Rs. 20 lakhs, Scheduled Banks and insurance companies Rs. 40 lakhs and other parties Rs. 10 lakhs. The scheme has been submitted to the Union Government with a request to issue a notification extending the provisions of the State Financial Corporation Act to the scheme. This Act has provisions empowering the State Governments to start such corporations for aiding their industries.

The West Bengal State Corporation, when it comes into existence, will render financial aid to industries, the capital of which ranges from Rs. 50,000 to Rs. 20 lakhs. No individual industry will get aid of more than Rs. 10 lakhs. The loans will carry interest at Rs. 6½ per cent., with a rebate of half per cent. for prompt payment of interest.

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PLACE OF SILK AMONG FIBRES

LONG-TERM PROSPECTS LINKED WITH COMPETITIVE CAPACITY

FROM the way in which keen competition is developing on the world fibre front, it looks as though the unique position that silk is now enjoying as the queen of fibres may not be held for long. For silk is in competition with a wide range of materials, the most important of which are the man-made fibres, particularly rayon and nylon. Naturally enough, the long-term consumption prospects for silk are closely linked with its competitive capacity *vis-a-vis* the synthetic fibres. This, in brief, may said to be the conclusion arrived at by the U.N. Food and Agricultural Organisation, in its latest commodity report on the fibre, published recently.

According to the F.A.O. report, the place of silk among fibres, and also in world economy, has been receding during the last twenty-five years. Such has been due, as already noted, to the growing supply of man-made fibres—rayon and nylon, in particular—which have made great inroads into silk markets for apparel and decoration, although it is true that silk has a certain combination of desirable qualities. Further, since the last world war, the need for food production has held back mulberry cultivation and cocoon production in the major silk-producing countries, especially Japan. Thus, the aggregate world output of raw silk in 1952 was less than half of the pre-war volume, despite the marked rise in yields in recent years. Yet another contributory factor has been the loss of markets, especially in hosiery; international trade in raw silk is less than one-fifth of the pre-war volume. The bulk of the sharp recession is accounted for by the appreciable shrinkage in offtake by the U.S., the largest import market for silk.

Despite the narrower market, raw silk supplies have by no means been over-abundant in recent years. On the contrary, stocks are reported to be low and prices have been moving upwards. However, Japan has planned for a substantial improvement in cocoon and raw silk output. As this is realised, the measures already introduced to provide a higher degree of price stability at economic levels should become effective. What is more, in broad-woven fabrics, that is products offering wider scope for collaboration and style, silk will continue to show resistance to displacement. In fact, as standards of living of the people advance, the market for such products is bound to expand. This process may be accelerated to the extent that the market is supplied by silk-producing countries where raw material and manufacturing costs are liable to be reduced and prices become lower.

Progress in Rayon

Notwithstanding these favourable factors, the future of silk consumption and trade is, to some extent, overshadowed by the projected large expansion in the output of synthetic fibres in the U.S., the U.K. and elsewhere. That this view is not exaggerated will be evident from rapid development in the sphere of rayon textiles. New rayon manufacturing plants have continued to be built; the world capacity of the rayon industry, which amounted to only 4,135 million lbs. in 1950, rose to as much as 5,344 million lbs. in 1952. The pace of expansion would have been more marked, but for the world-wide recession in the early months of 1952. The capacity for the current celendar year is estimated still higher at 5,860 million lbs. Whether or not the capacity will be fully utilised, it is difficult to say. It is interesting to note that the quantity of rayon actually produced rose from 3,752 million lbs. (or 91 per cent. of the capacity) in 1950 to 4,249 million lbs. (94 per cent.) in 1951, but receded to 3,652 million lbs. (68 per cent.) last year.

The prospects of development in the sphere of rayon industry would appear to be quite bright. Rayon, according to *Cotton*, the official journal of the International Cotton Advisory Committee, has now nearly completely displaced cotton for tyres in the U.S. A new bureau to promote the use of rayon has recently been set up by five leading rayon producers. Rayon is replacing cotton in tyres in other countries also, as witness the growing trend towards increased use of spun rayon yarns, and cotton and rayon mixtures. In this connection, the journal observes as follows:

"The fact that rayon produced in cotton importing countries saves foreign exchange—some £200,000 for every million pounds of rayon in the United Kingdom—is cited as an important economic reason for its use in these countries. In addition, the use of rayon is fostered by the development of new rayon industries in such countries as Australia. China, Philippines, Egypt, India, Israel, Cuba, Peru, Uruguay, and Venezuela. Thus far, the vast increase in rayon consumption has taken place without any reduction in total world cotton consumption, but there can be little question that rayon competition will continue to be a serious problem for cotton in the future."

Nevertheless, it is felt that rayon does not enjoy any price advantage over cotton; on the other hand, cotton prices relative to rayon are more favourable than they have been for some time. For there are, it is stated, indications that the rate of technological improvements in the quality of rayon has slowed down in the last few years, and it is possible that, in this respect, competition between cotton and rayon is entering a more static phase. Although cotton prices, generally, are now as low as, or lower than, they were before the Korean crisis, most rayon prices are higher. In the clothing and household fields, cotton has at least held its own relative to rayon competition in the last two years, due, in large part, to the development of new and improved cotton products and successful advertising and promotional activities.

New Synthetic Fibres

The most dynamic of cotton's competitors are undoubtedly the new synthetics. From a small beginning just prior to the Second World War, the production of these fibres increased to more than 282 million lbs. in 1951. The aggregate production capacity is estimated to be about 645 million lbs. by the end of this year. The production and capacity of non-cellulosic man-made fibres in different countries are given in the table below:

(In million lbs.)

	Production		*Capacity**
	1950	1951	1953
U.S.A.	145.0	210.4	434.0
Japan	2.1	8.4	48.5
France	5.5	6.9	23.4
W. Germany ...	2.0	8.6	20.0
U.K.	9.0	10.0	17.0
Canada	5.0	6.3	10.0
Italy	1.3	4.4	8.0
Switzerland ...	—	0.4	1.0
Argentina ...	0.3	0.4	0.9
Czechoslovakia ...	0.1	0.1	0.3
Other countries	2.0†	5.0†	57.9
World total	172.3	260.9	645.0

* Annual rate, December, 1953.

†Refers only to five countries: Austria, Belgium, E. Germany, Netherlands and Poland.

There are quite a large number of non-cellulosic man-made staple fibres, as, for example, vinyon (polyvinyl acetate), dynel (polyvinyl acrylic), acrilan (acrylic), orlon (polyster), vicara (corn protein), nylon (polyamide) and dacron (polyester) fibres. All these have a wide variety of characteristics—the most outstanding are high strength and resistance to moisture—and a tremendous amount of research is being conducted to adapt them to various textile end-uses, the success of which would mean a loss for cotton. From this, however, one should not rush to conclusions about the future of cotton. For the prices of these synthetics are higher than those of natural fibres. Besides, the synthetics are available only in small quantities. Again, they suffer from certain disadvantages which restrict their use; thus, they are non-absorbent to moisture, being difficult to dye, or have a low melting point.

The textile scientists continue to be engaged in evolving new synthetic fibres and in improving the existing synthetic fibres. This will be evident from the statement of Mr. S. J. Allen of British Celanese Ltd., made in the course of his speech at the Textile Institute's annual conference held in Llandudno the other day, that there would be another new fibre in the next ten years. "It is," to quote him, "against all reason to think that there will not be." Speaking on the same occasion, Dr. D. Finlayson, also of British Celanese Ltd., remarked that the research work which was being done in textiles to-day paralleled, in a remarkable manner, what had been done in the last thirty years in metallurgy. The great advances made had been due partly to the vast array of alloys and partly to the appreciation of the importance of the port played in many instances by the addition of small proportions of a third constituent to a mixture of two constituents. It is expected that blends of the many textile fibres now available would yield results having an importance no less than that due to these alloys. Alone and in these blends, cellulose acetate seems destined to play a considerable part in textile economy in future.

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RAISING TEXTILE OUTPUT

The Government of India has extended the term of the I.L.O. Productivity Mission which has been in the country since December last, advising the industry on the problem of raising the output in the textile (and engineering) industries. With the extension of the term, the textile team will carry on its work till the end of November next. The chief consideration which has weighed with the Government in taking the decision, it is stated, is the need to consolidate the results achieved by the team and set up some machinery for continuing the good work done by it.

As readers are aware, the I.L.O. textile team has been demonstrating in selected factories in Bombay and Ahmedabad the methods by which higher productivity may be attained through the application of modern work-study techniques without retrenchment of labour and addition of any capital equipment. The team has shown, it is claimed, that the existing number of men and machines are quite sufficient to raise productivity by 20 to 250 per cent. in certain processes. Improvements already effected are reported to have led to a drop in production costs and also to elimination of wastage.

WOOL TEXTILE RESEARCH

Discussions covering a wide range of issues relating to wool production and a complete review of the activities of the International Wool Secretariat in the fifteen countries where the Secretariat has branches were the highlights of the deliberations of the conference of the Executives of the International Wool Publicity and Research Fund controlling the Secretariat held in London last week. In a statement released at the conclusion of the conference—the sixth post-war conference of representatives from the Wool Boards of Australia, New Zealand and South Africa, which, among them, account for more than 50 per cent. of the world apparel wool supplies—it was emphasised that the wool growers realised the benefits of an increase in wool production to the Commonwealth. in particular, and to the world economy, in general. According to the statement, there will be increased financial provision in the future for wool promotion throughout the world and the Secretariat will continue to encourage wool textile research in Europe, North America and elsewhere. Substantial financial contributions have been made by the wool textile industry in the U.S., Germany, France, Holland, Italy and Norway towards the trade promotion work of the Secretariat.

FRENCH TEXTILE EXPORTS

Exports of French textiles to foreign countries seem to have picked up in recent months. The value of textiles actually exported during the first quarter of this year amounted to Frs. 33,002 million, which compares favourably with Frs. 32,770 million in the previous quarter and Frs. 25,074 million a year before. Of the total exports, the U.K. accounted for Frs. 4,349 million, as against Frs. 2,272 million in the previous quarter. The exports comprised Frs. 569 million worth of cloth, Frs. 353 million worth of yarn and Frs. 2,987 million worth of textile raw materials. Exports of textiles to French overseas possessions during the period under review, on the other hand, were lower at Frs. 16,356 million, as against Frs. 20,135 million three months before and Frs. 22,065 million a year before.

MILLS URGED TO PAY £7 MILLION MORE TO WORKERS

INCREASE IN YARN OUTPUT

(From A Special Correspondent)

MANCHESTER, *26th May*

MANCHESTER LETTER

AN immediate all-round wage demand is to be tabled for 280,000 workers in Britain's cotton spinning and weaving industry. The claim is expected to be for a rise of 2*s.*-in-the-£ on present earnings, equal to £7,000,000-a-year for the industry as a whole. This was decided in Manchester this week at a meeting attended by 80 cotton trade union officials. Mr. Andrew Naesmith, General Secretary of the Northern Counties' Textile Trades' Federation, said the terms of the new application had been left to the general secretaries of the three main unions involved. "An immediate application will be submitted," he said.

The new claim "in substance" would be the same as that turned down by millowners earlier this year and subsequently rejected by the Industrial Disputes Tribunal. This was for an all-round increase of 2*s.*-in-the-£.

Increased living costs since the last cotton wage increase in 1951, the improvement in trade, and the fact that thousands of lower-paid cotton workers did not benefit from Budget income-tax reliefs will be the main arguments put forward by union negotiators.

More Yarn Output

Recruitment in the Lancashire cotton spinning industry in the first full week of May has taken manpower gains in the mills since the turning point of the recession past a new mile-post. Since the drift of workers from the industry was halted last August more than 7,000 full-time operatives have been added to the spinning labour force, Cotton Board returns showed this week.

Output of single yarn has mounted steadily in proportion to the rise in manpower and in the first full week of May the mills produced 19,090,000 lbs. of cotton and rayon yarn—their best result since mid-February, 1952. This represented an increase of 60,000 lbs. on the previous week's production and 6,720,000 lbs. on the corresponding week last year. Out of the 108,330 workers on spinners' books, 99,820 were at work during the week.

Cotton Supplies

Spinners and other users of raw cotton in Britain have been notified of preliminary arrangements concerning raw cotton supplies during the new season which opens on 1st September. A decision on whether to obtain supplies privately or through the Raw Cotton Commission must be made by 11th July for all growths of cotton other than Peruvian and Californian.

In a circular, the Ministry of Materials has advised the trade that these arrangements are subject to any recommendations made by the Cotton Import Review Committee, whose report has now been submitted to the Government. In the case of Peruvian and Californian cotton, the choice need not be made until September.

No quantitative limit is being placed on imports of non-sterling non-dollar cotton next season and, as a result, the only entitlements required in 1953-54 will be for dollar cotton. These will be calculated on a similar basis to that used last year, and will again be transferable among contracting-out spinners and merchants.

Change in the System

A change in the system adopted last year affects the concession to return to the Raw Cotton Commission within the first three months of the contracting-out period. On this occasion, the option to contract-out cannot be reversed for 12 months. The combines are again to be given the opportunity of contracting-out certain units if they wish.

Spinners who contract-out for the first time from 1st September and who find that they cannot make their own arrangements for new purchases quickly enough to ensure continuity of supplies will be supplied by the Raw Cotton Commission with cotton to bridge the gap until their direct purchases begin to arrive but they will receive not more than three months' consumption.

In the new season, the Commission will be buying the whole exportable surpluses of Nigeria, Aden, Nyasaland and Grenada under existing contracts and will supply contracting-out spinners who use these growths with a reasonable share of available supplies at its normal selling prices. Facilities will be continued next season to enable merchants to import a certain amount of dollar cotton on their own account for eventual sale to spinners against surrender of entitlements.

Mill Combine's Name

A proposal to change the name of Combined Egyptian Mills Ltd., of Atherton, one of Lancashire's biggest mill groups, is to be considered at a special meeting on 6th July. The Directors recommend changing the name of the Company to Combined English Mills (Spinners) Ltd. because of persistent confusion over the location of the group's mills.

The Directors state: "In recent years, we have from time to time been told that the word 'Egyptian' in the Company's name conveys the impression that our mills are situate in Egypt. Although it is common knowledge in this country and has been repeatedly stressed by the Company that the whole of its mills are situate in or near the County of Lancaster and within a radius of 20 miles of Manchester, the wrong impression still persists, especially among potential customers abroad."

When the Company's title was originally decided upon in 1929 there was little, if any, spinning in Egypt but this is no longer the case. The Directors add that although the Company's business remains in general the spinning of fine yarns, the title "Egyptian" is no longer fully descriptive of the trade of the group which makes extensive use of synthetic fibres and growths of cotton other than Egyptian.

Anglo-Ceylonese Trade

United Kingdom trade in cotton cloth with Ceylon last year fell by 2,000,000 yards compared with the previous year to a total of 9,000,000 yards, states the Cotton and Rayon Merchants' Association, representing 1,000 firms, in its Annual Report issued in Manchester. The report declares: "There is no doubt that the growing policy of Ceylon to look more to the East than to the West for supplies is now seriously affecting U.K. business with the market."

India was now by far the largest supplier of cottons to Ceylon and in rayons practically the whole of Ceylon's needs were being supplied by Japan. The position which U.K. rayons had established in Ceylon since the war had weakened.

American Textile Workers

The decision of the Textile Workers' Union of America (C.I.O.) to affiliate to the British-based International Federation of Textile Workers' Associations for the first time has been received with enthusiasm by all the affiliated organisations from Japan, Asia and Europe, says the International Federation in a report issued in Manchester. The report says: "This addition to the strength of the International Federation has resulted in over 1,700,000 textile workers in 16 different countries in the free world now being united in a common endeavour to raise the living standards of textile workers everywhere."

The significance of the entry of the T.W.U.A. into international textile affairs was indicated by the fact that they would be the biggest single organisation comprising the International Federation, a title previously claimed by British textile workers. Mr. John Greenhalgh, Manchester, International Federation Secretary, said: "We congratulate them on this progressive step and confidently expect the influence of their leaders on the various committees of the International Federation to be of the utmost value."—*All Rights Reserved.*

PAKISTAN BANS FUTURES IN NEW CROP COTTON

The Government of Pakistan has banned forward trading in the ensuing cotton crop. With a view to accelerating the disposal of cotton of the current crop, it has been decided to place it on Open General Licence up to the end of August, 1953. Exports of cotton will, however, continue to be subject to production of an irrevocable 100 per cent. letter of credit and export price control form as approved by the State Bank of Pakistan. The dealers in cotton had been directed to furnish to the Cotton Board, within seven days from the date on which the announcement was made—31st May, 1953—in the forms prescribed for this purpose and published in the *Gazette*, certain information relating to fulfilled and unfulfilled cotton contracts and agreements pertaining to the 1952-53 and 1953-54 season's cotton.

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DETERMINATION OF STAPLE LENGTH OF COTTON

INDIAN GRADERS' FAULTS

MANY persons, who have not been initiated into the mysteries of the cotton trade, have never ceased to wonder at the existence of the numerous traders in the commodity, which surprises them because the consumers (the mills) are really so few in number. Apart from the fact that cotton is produced only in a few months in the year while it has to be held by the traders all the year round for ensuring the continuous supply of commodity to the mills, there is yet another reason why there are so many traders in cotton. Among industrial commodities cotton has the reputation of having a multitude of varieties so that it requires expert skill and handling and specialised selling technique before the product is finally marketed.

Indeed, had it not been for such expert technique in the grading and classification of cotton it would be an extremely hazardous proposition for consumers to buy their requirements of cotton. Although the manufacture of cloth has been mechanised from one end to the other, the selection of cotton for the manufacture of cloth has, in all countries remained an art. And it is an art in which mastery is gained only after considerable experience. In an interesting pamphlet on "Staple Length of Cotton," issued by the Indian Central Cotton Committee, Dr. C. Nanjundayya, Director of the Committee's Technological Laboratory, surveys the chief problems arising out of the determination of staple length of cotton. The pamphlet, which forms part of the Technological Bulletin Series of the Committee, gives a comprehensive—for obvious reasons, not very detailed—description of the commercial process of finding the staple length of cotton and compares the results obtained by this rough and ready method of determining the staple length of cotton with those obtained by laboratory measurements.

Variability in Cotton

The author introduces the subject by reference to the "enormous variability" of cotton. Some cotton plants produce naked seeds with no lint while others, such as the Sea Island plant, produce cotton fibres of more than 2" in length; all other varieties come within this range. Nor is this the whole story of variations in staple length. Even in a single plant of the purest strain of cotton grown under most perfect conditions, large differences exist "between fibres produced, between boll to boll, seed to seed in the same boll, different portions of the same seed and even at different parts along the length of a single fibre." Indeed, it may be wondered whether it is possible to take a sample of cotton, which would be fully representative of the bulk, say a bale, from which the sample is extracted. In this connection, the author says:

"A single seed has 5,000-10,000 fibres on its surface, a boll about half a million, and a bale hundreds of millions; it has been estimated that, if all the fibres in a bale are laid end to end, one could reach the moon and return. The problem of selecting a sample of cotton from the bulk and estimating its fibre characters is apparently baffling, but it is not really beyond a reasonable solution. This account of variability in cotton is, however, intended to emphasise two points; first, great care has to be exercised in selecting a test sample, and second, that the value of any fibre character would at best be a statistical estimate."

Fibre Quality

What is fibre quality? How can it be measured? These are simple questions. But it is difficult to provide easy answers to these questions. Trade in cotton is based on the grader's or selector's judgment. The estimate takes into account the grade and staple of cotton; the former includes the non-lint content, colour, bloom and ginning preparation, while the latter is an integrated impression of staple length and character which comprises strength, uniformity of staple, drag, etc. Referring to the inherent defects in this system of evaluating grades and staple, the author says:

"Obviously, such an estimation depends upon the visual impression and perception of the hands of the grader, atmospheric conditions of humidity and temperature prevailing at the time of grading and so on. Nevertheless, his judgment is almost correct in the case of cottons that he usually handles from year to year, but it is often erroneous in the case of new and improved varieties. Even to-day, he handles thousands of cottons in the market from day to day and instruments have not yet been invented to compete with his speed, though constant endeavour is being made in this regard.

"Generally, length plays an important part in the estimation of quality and price of cotton. This is, however, mostly correct, as longer cottons are generally finer than short ones, though this relation is not invariable. Extensive investigations have been carried out in the U.S.A., the U.K., and India to correlate the measurable fibre characters of a cotton, such as length of staple, fineness, strength and maturity with its spinning value or quality which is defined as the finest yarn that could be spun economically from a cotton naving the requisite strength. So far as Indian cottons are concerned, fibre length makes the maximum contribution to the spinning value, fineness coming next, though this order may be reversed for other groups of world cottons."

Grader's Method

For purposes of estimating staple length the grader grips a lump of cotton by both hands—the hands touch each other—and breaks the lump by pulling the hands apart. While one portion held by one hand is discarded, the fringe of fibres from the other is pulled out between the thumb and the forefinger of the other hand. The tuft is then doubled and drawn between the fingers in order to stretch and parallelise the fibres. In this process, a few short and a few long fibres may get eliminated. Thus, the tuft may lose its representative character. There are also other shortcomings in this process so far as the measurement of staple length is concerned. In this connection, the author says:

"The tuft prepared in the manner gets less dense at the ends and blocking it or marking the two edges representing the typical length of the tuft is open to large subjective errors, as it depends upon the visual estimation of the grader. Each grader may have his own idiosyncrasies; one may have a systematic tendency to estimate more or less than the other. Assuming, however, that the tuft is prepared in the same manner by all graders, it is possible that the two lines defining staple length may be placed in the following ways: (i) that they run even through the tips of the longest fibres; (ii) that the edges may not be at the extremes of the tuft but intermediate between the tips of the fibres and the denser portion of the main bulk; (iii) that the edges may be so placed as to coincide with about half the density of fibres at the centre and (iv) that if the tuft prepared is about the same density the edges defining the staple length are kept at such a place that the fibre density bears a fixed proportion of the fibre density near the centre. Thus, at every stage of staple length estimation there is a play of personal errors."

Laboratory Method

Laboratory measurements of staple length are, however, free from "personal" errors. They are more objective and yield more accurate results. But the system, as the author himself admits, is "time-absorbing and laborious." This is why other methods, generally classed as "sorters," have been devised. A representative sample of cotton is sorted out into different group-lengths either by mechanical or optical methods and a frequency distribution by weight or by number is obtained. From these figures, the data relating to mean length, fibre length, effective length, etc., are worked out. Generally speaking, the staple length of cotton means the grader's or spinner's estimate of fibre length. Since the commercial estimation of staple length varies within wide limits attempts have been made to correlate this with some value which could be obtained from a scientific instrument.

The measure of staple length used in the U.K. is the effective length which is neither the mean length nor the modal length (the most frequent length) but a new measure closely approximating to the hand staple length (or grader's length). The apparatus used for determining the effective length is the Baer Sorter. In the U.S., the method for measuring the staple length of cotton is the fibre array method. The apparatus used is the Suter-Webb Duplex Fibre-Sorting apparatus. Recently, a new instrument, known as the Firbograph, has come into greater use. In India, the determination of the mean fibre-length and fibre-length distribution is done by the Balls Sorter, Ahmad-Nanjundayya Stapling apparatus and the Baer Sorter.

An investigation which has been made into the relations between the mean length and the grader's staple length of cotton (India), reveals that the Indian graders "generally underestimate the staple for short staples and slightly overestimate the staple for the larger longer types in comparison with the mean length." Also, the data collected by the Cotton Technological Laboratory show that the "line of demarcation between the long and short staples lies round about 0.90." Although no great harm to spinning performance is caused by underestimating the staple of any variety of cotton that is used for spinning there is an economic aspect to this problem, which cannot be altogether overlooked. In actual commercial practice, any variety of cotton, the staple length of which is underestimated, as Dr. Nanjundayya points out fetches a "low price especially in foreign markets, which is not commensurate with its real quality." The Indian grader is therefore urged to step up his estimated value of staple length in order that it may reflect more fully its correct length; this would enable the cotton grower to get a "proper monetary return for his cotton." Also, the correct estimation of staple length of these short-stapled varieties, it is rightly pointed out, will pave the way, so far as these varieties are concerned, for the "establishment of universal standards for staple length."

The final ginning return of 1952-53 Egyptian cotton crop is as under:

(In cantars of 90.05 lbs.)

	1952-53	1951-52
Karnak	4,297,695	2,630,978
Menoufi	164,997	481,059
Giza 30	1,294,957	1,233,897
Zagora	258,330	317,731
Ashmouni	3,663,108	3,158,080
Dendera	33,770	13,469
Others	3,842	5,399
Total	9,716,699	7,840,613

The U.S. *Journal of Commerce* has estimated the 1953 cotton acreage in the country at 26,819,000 which is only slightly above last year's harvested area of 25,664,000 acres. Weather conditions so far have been poor in several important areas. Under the circumstances, several traders are of the opinion that new crops may not decline below 33½ cents.

At the recent meeting of the International Cotton Advisory Committee in Washington, the Russian delegate stated that the Russian cotton crop during 1952 was almost 6.5 million bales, consumption about 5.25 million bales and exports to "satellite" countries 1.25 million bales.

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PAYMENT BY RESULTS IN COTTON MILLS

LESSON GAINED FROM AHMEDABAD EXPERIMENT

(By Dr. V. R. TRIVEDI)

THERE are certain obvious advantages that accrue both to employers and workers through the adoption of the system of the payment, recently known as "payment by results." It will be seen that though "payment by results" is the best available scheme in that it takes into account differences in workers' ability and effort, it is not a foolproof system, if it is applied without safeguards. The system of payment by results is the same as payment on productivity. In the piece-rate system of wages also—the most common being the straight piece rate—the worker earns at a stipulated rate on production turned out by him. The piece-rate system of wages, which is the same as that of payment by results, has been in vogue in the Ahmedabad textile industry, since very early times, so that it is possible to draw some conclusions as to its merits relative to the alternative system of the time-rate system of wages. The following are some of the advantages of the system of payment by results, as it functions in Ahmedabad:

1. In the course of the last 30 years (since 1921), wages of the piece-rate jobs have increased by about 47 per cent. while those of the time-rate jobs have shown an increase of about 37 per cent. only.

2. When the 1948 Wage Award fixed wages of the different textile occupations in Ahmedabad the wages of the piece-rate jobs were raised by about 30 to 40 per cent., while the time-rate jobs could not get a wage increase of more than 20 to 30 per cent.

3. After the fixation of the piece rates by the 1948 Award, there was a further rise in the earnings of the piece-rate jobs by about 10 per cent. This occurred, because the piece-rate workers used to earn more than what they were expected to earn. This is true of almost all the piece-rate jobs in the industry.

4. The highest paid operative in the whole industry is the warper (or the automatic loom weaver, wherever automatic looms are working) whose wages are fixed according to piece rates.

5. There is no piece-rate job whose wage is fixed as low as the minimum wage fixed for the Ahmedabad industry.

Rise in Wages

The average wage of the textile worker is rising even after the 1948 Award. Just after the Award, it was estimated that the average textile wage increased from Rs. 35 to Rs. 42 per month. But to-day the average wage is believed to be around Rs. 45 per month. A still more correct figure of the average wage is near about Rs. 50 per month and this may be attributed chiefly to the ever-rising earnings of the piece-rate occupations. Piece-rate occupations receive higher wages, because, as in other textile centres, in Ahmedabad too the management is production-minded and would pay generously, if workers stepped up production. More than the management, the workers themselves have taken full advantage of this attitude. On the other hand, in piece-rate jobs there is relatively a greater degree of responsibility of workers with regard to work. Among these workers, the habit of "loitering" is not so widespread.

Several other reasons could be given to justify the comparative superiority of the piece-rate jobs with regard to wages. In the Indian textile industry, as a whole, it will be found that in the system of piece-rate wages there is an element of risk—the risk of earning lower wages. The possibility of earning lower wages in the cotton industry, is not due to defects in fixing rates—though they are there—but to lack of work itself or intermittent supply of work. Frequent or infrequent shortages of raw materials or tools, or delays in repairs or deterioration in the conditions of work act against the interests of the piece-rate workers. There is thus always a risk to the worker in earning less at the end of the pay period. Another risk in the piece-rate jobs is that there is no "fall back" or occupational minimum wage.

Piece-rate Jobs

Sometimes piece-rate jobs earn more in some units, because the rates are not very judiciously fixed. In an industry like the textile industry, no piece-rate wage should, as far as possible, be fixed from outside, which treats the working conditions and raw materials of all the units as uniform. When piece-rates have been fixed by the Award it is usually the workers of the good mills who derive benefit while the workers of the mills where conditions are unsatisfactory suffer. It, therefore, usually happens that piece-rate workers in good mills are at an advantage as compared to the piece-rate workers in the ordinary mills, in spite of the professed equity of wage rates. No piece-rate wage which does not take into account the breakage rate, speed, workload, raw materials, working conditions, etc., should be regarded as scientific or just.

Quality of Output

Another factor which the rate fixers in Ahmedabad have overlooked while fixing the piece-rate is attention to quality of the output. In piece-rate jobs, since no clear mention is made in respect of maintaining the quality of the output, there is a general tendency among the workers to be negligent about quality in their pursuit of higher production and of larger earnings. The piece-rate should, therefore, be so fixed that quality of the product is not sacrificed. The piece-rate workers must be held responsible for quality; otherwise the whole organisation will find itself in difficulty. If the bad quality of a product is passed on from one stage of manufacturing process to another, it affects the subsequent stage. This finally reduces efficiency of the mill and lowers the quality of the final goods.

If the system of payment by results, has to succeed it should be foolproof both from the side of the management and from the side of the workers. With the improvement in the quality of raw material, some change should be effected in the wage rates, so that management gets the advantage of the improvement. It should be possible under the system of payment by results to distinguish the results of productivity due to the efforts of workers, changes in machines, improvement of raw materials, introduction of new methods of work and so on, so that each contributing factor to productivity can be separated and evaluated separately when wage rates are being revised. Whenever new machines are introduced, the old wage rates should be revised so that the worker on such jobs does not get an unusually large share of productivity.

Work and Wages

Our ideas about the productivity of workers are still old with the result that sometimes wages are not correctly related to work. The job of an automatic loom tenter is an instance in point. Since the automatic loom weaver's job turns out vast quantities of production, the temptation is always to over-estimate the merits of the job with the result that he is paid unduly high wages.* Productivity should not be the main criterion of an increase in workers' wages. For, with the introduction of new machinery production might be easily stepped up five to six times the present output—as in the case of winding, warping or weaving operations—which would inflict a heavy burden of labour cost on the industry.

Neither Just Nor Judicious

In brief, the piece-rate system which does not take into account the breakage rate, speeds of machines, quality of machines, size of packages, doffings, creelings, humidity, lighting, and other working conditions, is neither just nor judicious. An equally important consideration is the maintenance of the quality of the product. The piece-rate should be so fixed that quality is taken care of by the workers. It is only after these essential requisites are fulfilled that any relation between the wage rates and productivity could be established, which is above challenge from the side of either labour or management.

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*In the U.S.A., for example, the automatic loom-weaver does not earn more than the card grinder, while in Ahmedabad his average wage is 2½ times as much as the card grinder. Similarly, the warper (high speed) earns as much as the doffer (ring frame) in the U.S.A., while in Ahmedabad he earns about 2½ times the wage of the doffer. It is thus clear that in our industry too much importance seems to have been given to the productivity of jobs rather than the difficulty of performing the job. (Wages in New England, N.)

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SUGARCANE CULTIVATION IN INDIA

INTENSIVE DEVELOPMENT, AN EFFECTIVE SOLUTION

A REVIEW of the progress of the Indian sugar industry during the first two years of the Five-year Plan, as contained in the Progress Report of the Planning Commission, was made in these columns last week. This week it is proposed to review the two-year progress in the sphere of sugarcane cultivation. The cursory reference to the implementation of the development programme for sugarcane reveals that the progress, during the years 1951-52 and 1952-53, has—just as on the industrial side—not only not been well maintained but has even been arrested, as will be shown presently. This is indeed a sad commentary on those who are in charge of cane development work.

The first year of the Plan, no doubt, witnessed notable progress in the direction of achieving the target set for sugarcane production. Thus, the yield of cane in the 1951-52 season, which corresponds with the first year of the Plan, was 58.95 million tons, as against 56.16 million tons in 1950-51, which represents a rise of 5 per cent. The revised Plan envisages an increase of 7 million tons in the aggregate yield of cane, as compared with the basic (1950-51) year. Accordingly, the production of sugarcane at the end of 1955-56 should be 63.16 million tons. But the improvement of 5 per cent., it must be noted, closely followed an increase in the area devoted to sugarcane cultivation, from 4.21 million acres to 4.73 million acres, or an increase of 12 per cent. As will be seen from these figures, the increase in the yield of sugarcane was less than proportionate to the rise in acreage, which indicates that the trend of average yield per acre must have been downwards. The all-India average yield during 1951-53 was lower at 12.2 tons, as against 13.3 tons in the previous season. This means that adequate attention was not paid to intensive cultivation of cane.

Pace of Progress Arrested

The pace of progress in sugarcane cultivation would appear to have been somewhat arrested during the second (1952-53) year of the Plan. An indication of this is provided in the downward trend in the aggregate production of cane, which is estimated to amount to 50.35 million tons (second estimate), as against the corresponding adjusted estimate of 52.88 million tons in the previous year, a decline of nearly 5 per cent. The decline becomes more perceptible when it is compared with a fall in the area under sugarcane cultivation from 4.33 million acres to 4.25 million acres, representing a decline of only a little over 1 per cent. A conclusion which naturally emerges from the figures is that the efforts at raising output of sugarcane by intensive cultivation under the sugarcane development schemes—a specific recommendation made by the Planning Commission—have not been met with any success.

The foregoing account highlights the importance of attaching greater attention to cane development. If, at the end of the Plan period, the yield of *quality* cane is to reach the target of 63.16 million tons, it is imperative that special stress should be laid on the provision for adequate irrigation facilities for sugarcane areas, for seed nurseries, for the supply of sufficient quantities of disease-free seeds of suitable varieties, for manures and fertilisers of the right type, efficient plant protection service, zonal centres, soil extension service, and, more than all, for qualified personnel to carry the results of research to the cane growers.

The need for stepping up—without raising the area, be it noted—cultivation of high quality sugarcane is of the utmost importance for maintaining a high level of sugar (and *gur*) output, with a view to providing, in full, the minimum that is considered necessary from the health point of view. The *per capita* consumption of sugar, including *gur*, required for a balanced diet is estimated by the Planning Commission at 2 ounces per day, as against the present level of 1.62 ounces. In order to raise consumption to this level during 1955-56—final year of the Plan—the additional quantity required is 2.2 million tons. In other words, the total production of sugar (including *gur*) should be 7.82 million tons. With a view to achieving this output, the country should produce a larger quantity of cane than what is envisaged in the Plan.

The real problem for Indian sugarcane, it cannot be over-emphasised, is not the acreage but the yield. With the food position precarious as ever, with the need for higher production of oilseeds and jute to earn or save foreign exchange necessary for essential imports, any additional transfer of land to sugarcane cannot even be thought of. It is doubtful if even the present acreage under sugarcane can be maintained in the future. On the other hand, to reach the modest target of 63.16 million tons fixed for the end of the Plan period (1955-56), sugarcane output will have to be raised by at least 25 to 26 per cent. The only way to achieve this target is by working hard towards increasing the much-too-poor average yield in our indifferently cultivated fields in the important sugarcane producing areas, as stated already.

Scientific Methods of Cultivation

Along with the need for raising larger yields through intensive cultivation, there is also the need for improving the quality of cane. In fact, our standard should be not sugarcane per acre but sugar per acre. Surely, that is the most effective way of bring down the cost of sugar manufacture which is at present high in all conscience. According to experts, the climatic conditions in India—especially in the tropical regions—permit the growth of plantation and ratoon canes to the extent of 25 tons and 18 tons, respectively, if only scientific methods of cultivation are adopted. Of particular significance, in this connection, is the need for bringing into practical application on a wider scale what has been found possible by research institutes and demonstrated in actual practice. It will be a failure on the part of the administrative machinery of the State Governments, if such valuable results of scientific research are not fully worked out and translated to the cultivators' fields.

SUGAR PRODUCTION IN ASIA

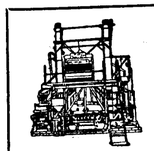
Sugar production in Asia during 1952-53 is estimated by the U.S. Department of Agriculture at 4.8 million short tons, (2,000 lbs. each), which represents an increase of 2.1 per cent. above the 1951-52 production of 4.7 million tons, and 33.3 per cent. above the 1950-51 production of 3.6 million tons. Asia is expected to achieve this increase, despite an estimated decline of 6.5 per cent. in world output, from 38.3 million tons in 1951-52 to 35.8 million tons in 1952-53.

India, with a surplus of sugar from the previous season, reduced the acreage under sugarcane during the current (1952-53) season. Production of sugar has decreased by nearly 220,000 tons. Sugar output in the Republic of Philippines is estimated at 1,165,000 short tons, as against 1,077,000 tons last year; in Formosa at 840,000 tons, as against 598,000 tons; in Indonesia at 505,000 tons, as against 472,000 tons; Pakistan at 90,000 tons, as against 83,000 tons; in Burma 20,000 tons, as against 16,000 tons; and in Japan 38,000 tons, as against 31,000 tons.

STANDARDS FOR SUGAR

The first step towards reducing the present series of sugar grades through introducing a limited number of standard grades has just been taken up by the Indian Standards Institution. The Sugar Sectional Committee of the Institution, which has been formed for the purpose, has decided to undertake this work with a view to eliminating the confusion arising from the existing large number of grades in colour and grain size series in the sugar standards issued by the Indian Institute of Sugar Technology, Kanpur. It has also decided to investigate more scientific methods for evaluating the various grades in addition to the visual methods at present in vogue.

The Committee includes representatives of the Indian Sugar Mills' Association, the Indian Central Sugarcane Committee, representatives of the Ministries of Food and Agriculture and Health, and of other producing and consuming interests in the country.



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METALLURGICAL COAL CONSERVATION

OPENING NEW SEAMS PROHIBITED

THE Government of India is reported to have decided to refuse, as a general rule, permission to collieries for opening new seams or reopening seams containing coking coal. This decision would appear to have caused considerable consternation among collieries which seem to be feeling that there is serious interference with the management's freedom to develop mines on economic lines. It is considered that this decision will aggravate the difficulties of the collieries which are already suffering on account of the Government's present policy of pegging output of matallurgical coal. Under this policy, ceilings on production have been fixed for individual collieries. It is contended that ceilings, in the case of certain collieries, are so low that it has made working them uneconomical. And now with the latest decision restricting the opening of new seams or reopening old ones in these collieries, it is feared that they would be completely driven out of the field. They are, however, aware of the Government's promise that individual cases of collieries subject to hardship, as a result of the present decision, will be considered leniently, but they do not seem to be satisfied with the assurance. In their view, the present decision is not calculated to improve the health of the coal industry.

We are not yet aware of labour's reaction to the latest decision. But it is clear that it would be met with disfavour, for it might lead to restrict considerably the scope for employing colliery labour, which, as it is, has been adversely affected by retrenchment resulting from the present policy of pagging output of metallurgical coal. Mr. B. P. Sinha, Vice-President of the Indian National Mineworkers' Federation, has asserted that the present sort of pegging has been acting contrary to the assurances given repeatedly to the labour organisations by the Production Minister and the Coal Board to the effect that no pegging or restriction of output which would involve large-scale retrenchment of labour would be permitted. It is stated that the pegging policy has affected as much as 7,000 people in one of the collieries alone. If such is the result of the Government's policy of pegging output, certainly, the latest decision to prohibit opening new or reopening old seams, will widen further the possibilities of retrenching labour. One can, therefore, expect that the latest decision will definitely be opposed by labour interests.

Need for Simplified Procedure

Be that as it may, a critical analysis of the latest decision, taken together with the policy of pegging output of coal, discloses that although there is some truth in the opposite arguments, they do not constitute the whole truth. Few will dispute the need for considerable leniency towards collieries which would be subjected to a good lot of hardship, as a result of the decisions. The Government's assurances in this regard should, however, be enough to dispel all undue apprehensions. It is true that the collieries will have to undergo the cumbersome process of applying for permission to open new or reopen old seams and all the attendant red-tapism but that cannot be avoided as conservation of metallurgical coal must be given top priority in the national interest. The Government can, of course, help—and it must—by simplifying the procedure. If, however, the extent of retrenchment were to be the criterion, it would not be possible to carry out any programme aimed at conservation or rationalisation. A way should be found out to deploy the retrenched labour in other occupations. Retrenchment of labour must not stand in the way of conservation or rationalisation of collieries.

We have all along taken the stand that conservation does not mean reduction of output and that conservation can be achieved better through sand-stowing, washing and blending. But this should not be taken to mean that we favour indiscriminate opening up of new seams. The mining of the existing opened-up seams should be continued and fully worked, and the opening of new or reopening of old seams should be resorted to only when the opened-up seams are exhausted or absolutely useless. The point to be noted is whether the overall ceiling can or can not be attained economically, by working the existing seams.



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NORTH INDIAN TEA IN 1952–53

MESSRS. THOMAS & CO. ON OUTLOOK FOR CURRENT SEASON

A NOTE of cautious optimism regarding the outlook for the tea industry in the current season is struck by Messrs. J. Thomas & Co., Ltd., one of the leading tea merchants and brokers of Calcutta, in their customary annual report for the season 1952-53. Summing up their impressions they say that "the industry may face the future with growing confidence in the reasonable hope that conditions during 1953 may resemble much closer those of 1951 than during the critical year that has passed." This is, of course, in line with the prevailing impression that the prospects for the current season are bright, but, at the same time, Messrs. Thomas & Co., have found it necessary to warn against any complacency in view of the fact that past experience has clearly demonstrated how delicate is the balance between world supply and demand.

The crisis of last year is described by them as the "most serious" the tea industry had ever experienced. The circumstances leading to the crisis and the efforts made by the industry to stabilise the prices have been described in an interesting manner. It is commonly believed that one of the major causes of the crisis was overproduction and the overproduction was brought about by the planters' desire to make quantity at the expense of quality. This belief, according to Messrs. Thomas & Co., is not entirely correct. There was a gradual expansion in the season's crop till it was 42.6 millions lbs. ahead of the previous season's output in the month of July. The bulk of this increase, it is stated, was due to extremely favourable climatic conditions and was not attributable to the producers' desire to make quantity at the expense of quality. The final crop figure at the end of the season, however, showed a small decline of 2.79 million lbs. from that for 1951. This was due to the planters' commendable action in whittling down the output month by month from August onwards by a policy of fine plucking.

The downward trend in prices from the peak levels of August, 1951, persisted till April-May, 1952, when the lowest averages were reached. The considerable quantity of poor liquoring stalky teas left over from the previous season had a depressing effect on the opening sales in June. The new season's teas which were of a better quality than that of the previous ones brought some improvement, but that was short-lived. Soon a rot set in on the news that the North Indian crop was 42½ millions ahead of the previous season and on the buyers' assumption that there was likely to be a world surplus of tea. The increase in the tea ration in the U.K. to 3 ozs. in September, 1952, and the subsequent freeing of tea in the U.K. from all rationing and sale restrictions failed to provide the expected stimulus to counteract the recession in prices. On the other hand, the accumulation of stocks by households in the U.K. during the ration period was released consequent on the abolition of controls. This brought about a sudden collapse. The depressing trend continued until November. At this time 50 per cent. of the offerings in sale was withdrawn without a bid, but the crisis was so acute that the last sale of November was cancelled and only half the quantity was offered in the next two sales in December. In an effort to stabilise prices it was decided that future export and dust sales would be restricted to 55,000 and 20,000 chests, respectively. Little tea was, therefore, offered for sale either in Calcutta or London during December. This gave time for retailers in the U.K. to reduce their stocks.

With a considerable diminution in stocks in the U.K. during Christmas, the New Year opened on a brighter note. The drop in the North Indian crop and the prospects of a short-fall of 20 million lbs. in Indonesia helped remove the earlier fears of a large surplus of tea in the world. There was keen competition between the U.K. operators and blenders for consumption in India towards the close of the season, with the result that the price of common B.P., for instance, which had touched a low of As. 11 in December recovered to Re. 1-12 per lb. in the last sale of the season. This phenomenally steep rise in price and the further improvement that took place subsequently have given a completely misleading picture. Messrs. Thomas & Co., therefore, warn that the crisis is not over; for, although attractive prices had been realised for all types of tea in the last few sales, the overall average for Cachar and the Dooars was still only As. 15-10 and Re. 1-2-7, respectively.

The output of tea by North-East India during the season under review amounted to 507 million lbs. representing a fall of 2.7 million lbs. from the previous season's production. At one time during the season, (that is, in July, 1952), the crop stood 42.6 million lbs. ahead of the previous season. The crop started falling from August onwards and the reduced plucking programme introduced in the latter half of the season, together with the closure of some estates, especially in Cachar, helped to end the season with a short-fall in crop, as mentioned above. South India, too, produced in 1952, 2 million lbs. less than in the previous season. Pakistan's crop, however, was maintained at the same level as in 1951. Ceylon harvested a crop of 316¾ million lbs. which was nearly 10 million lbs. less than in 1951. Indonesia produced 81¼ million lbs. which was about 20 million lbs. lower than that in the previous season. This short-fall was mainly responsible for the reduction in the supplies of black tea to be put on the world markets. The total world output of black tea in 1952 amounted to 1,070.5 million lbs., as compared with 1,105.25 million lbs. in 1951 and 1,042.5 million lbs. in 1950.

Although the year 1952 cannot be described as a vintage year for quality, Messrs. Thomas & Co., report that quality from all districts showed an improvement as compared with the previous year. Describing the quality of the season's tea and its effects on prices, Messrs. Thomas & Co., observe:

"Early in the season, exceptionally favourable growing conditions in North India militated against the production of any useful second flush teas. Indeed, the favourable weather combined with the concentrated fertilisation scheme forced the bushes to flush to such an extent that, at the end of July, the North Indian crop showed a vast increase compared to the same period in 1951. Fortunately, producers saw the red light and by imposing on themselves a voluntary restriction scheme, crops were drastically reduced by the end of the year. The policy of finer plucking introduced in all districts made possible the manufacture of teas with good, clean leaf appearance and the cleanliness of the sorting compared very favourably with the excessively stalky semi-residue grades that flooded the market at the end of the previous season. Very few teas of this description have been seen on the market this year and this has had a salubrious effect on the general trend of prices at the Calcutta auctions."

The consumption of tea in India is reported to have gone up in the past two years and is now estimated at about 200 million lbs. a year. There was no substantial difference between the export and internal price during the season. One of the unfortunate aspects of the sale of tea for internal consumption, according to Messrs. Thomas & Co.'s report, was the tendency to crush the Broken Pekoe quality tea and glut the market with a large quantity of artificially manufactured dusts. This was due to the low price fetched by Broken Pekoes. While the dusts enjoyed a satisfactory market throughout the season as compared with leaf and brokens, the artificial dusts, particularly the very grey powdery types, were completely out of favour with the buyers. The quantity of dusts made during the season is reported to be 13 per cent. of the total crop, as against 10.5 per cent. in the previous season. This was duly reflected in the drop in the average prices for dusts from Re. 1-9-9 per lb. in 1951-52 to Re. 1-5-11 per lb. in 1952-53.

The general outlook for the industry is brighter than it appeared a few months ago. But, for reasons already stated, an attitude of guarded optimism is recommended by Messrs. Thomas & Co. As regards the current season, in particular, they base their expectations of a better period for Indian tea on the following factors:

(1) In 1953, the voluntary crop regulation scheme coupled with the curtailment of heavy fertilisation should ensure that an excessive crop is not harvested and that the standard of production will not decline. (2) There seems little prospect of Indonesia increasing this year's output of 80 million lbs. since internal security in that country still remains far from satisfactory. (3) It can be expected that U.K. buying will continue on a more regular level during 1953, as the invisible stocks with housewives had depleted. Buyers will be able to plan their purchases on a more orderly basis than during the last few months of the previous year. There is, therefore, every hope that the pre-war *per capita* annual consumption of 9.6 lbs. may eventually be reached. (4) In April, the stock in the U.K. was 116 million lbs. which was considerably below the pre-war figure. This should ensure that U.K. buying will be on a substantial scale, at least during the early months of the season. (5) The prospects of America and Canada buying on this market seem favourable, since it is clear from 1952's increased purchases that the stockpile accumulated in previous years had largely been consumed. (6) As there is every likelihood of another barter agreement of cotton for tea, it would appear that the Egyptian market has come to stay. (7) It may also be reasonably anticipated that Turkey will again be a consistent purchaser on this market. (8) The absence of *ex*-factory sales of residue grades must have bolstered demand by approximately 20 million lbs. It is hoped that this policy will be continued since any secondary grades sold *ex*-garden have a decided adverse effect on the prices realised for the primary grades on the Calcuttia auctions. (9) The season 1953 enjoys the peculiar advantage, not experienced by any other post-war year, of being able to make a completely fresh start to the auction sales in June. Other years have had to compete with a glut of old season teas composed mainly of unattractive residue grades which naturally have had a depressing effect on early sales. A good start is, therefore, assured and with finer plucking, it is expected that cup quality and leaf appearance should be of a high standard. (10) Provided that the 1952 special export licences are not extended beyond 31st May, the decision of the Central Government to reduce exports by 15 per cent. to 115 per cent. of the standard export figure should have the effect of establishing larger and more representative offerings for consumption in India, as producers would be prepared to support the internal market with suitable grades in the event of export quota becoming appreciably dearer in price.

INDIAN JUTE GOODS

NEED FOR SUSTAINING THEIR COMPETITIVE ABILITY

WHEN a couple of months ago the jute industry requested permission to cut down production, the question which occurred to many was: what prompted the Government of India to refuse permission to seal more looms? The first official explanation for this question is provided in the course of a leading article in the latest *Jute Bulletin*, published by the Indian Central Jute Committee. It is noteworthy that the views presented therein closely follow the reasons we gave in *Commerce* dated 4th April, as to why the mills in their own interest should not cut down production. The writer of the article in the *Bulletin* states that any action towards curtailing a seeming overproduction might provide one more opportu for the Dundee, Continental and South-East Asian mills to expand their activities further, at the expense of the long-term interests of India. It is conceded that already India has been robbed of its monopoly of world catering of packaging, owing to high price of Indian jute goods since the post-Partition years. The price advantage gained by the Dundee and Continental goods from the purchase of raw jute from Pakistan, till recently for about a year, needs no mention. It is true that as some have argued, curtailment of sackings—if it had been permitted—would not have been of substantial advantage to Dundee, as it does not produce much heavy sacking. But that does not mean that it would not provide an incentive to expand its capacity for sackings and thereby increase production. But few can deny that a cut in sackings would have helped the few South-East Asian mills which mostly produce sacking cloth. In the event of curtailment of sackings, there again arises the question of redeploying labour that would be rendered surplus. If they are not to be thrown out, it will be difficult "to employ them gainfully" without inflating the cost of production of mills on the reduced turnover, as has been pointed out by the writer of the article above. He observes: "Labour will always pose a big question-mark in any effort at reducing production or rationalising it through modernisation."

Disposal of Surplus Stock

The next question that can be asked then is: How are the surplus stocks to be disposed of? We have repeatedly pointed out that the solution to this problem lies in the direction of expanding existing markets and exploring new markets. And this observation of ours seems to have since proved correct, as witness the increasing orders which the mills are having in recent weeks. The Indian Jute Delegation's visit to the U.S., Canada, the U.K., Australia and New Zealand is in itself a move in the right direction to overcome the difficulty of disposing of the surplus stocks. It is to be noted that the Delegation is of the view that India has still got enough time to recover its lost hold since the Partition of India. The recent Indo-Pakistan agreement which removed discrimination by the latter against the former in its sale of raw jute is also a further step in this direction; for, it has done away with the price advantage enjoyed by the U.K. and Continental manufacturers and has enhanced the capacity of the Indian jute goods to compete in overseas markets.

The leading article under review also spotlights attention on one more important factor and that relates to the modernisation of jute mills. It says that the big money earned from their sale of gunnies by the U.K. and the continental mills so far has brought them more circular looms and automatic cop-winding machines, among others. Consequently the cost of production there has been on the down-trend. A factor, however, to be noted is that India too could have modernised its mills had a portion of the large export duty levied during the period of high prices been allowed to the industry. In fact, as one of our contemporaries has aptly put it, and as we have emphasised in the past, "the export duty has virtually amounted to a subsidy to foreign manufacturers." Incidentally, it may be mentioned here that the Commerce Minister, who, in his address to the Export Advisory Council recently, spoke so much on the deterioration in the exports of jute goods from India, was peculiarly silent on this point.

If the industry is to be assured of a steady market, it is necessary that it should see to it that violent price fluctuations in the price of jute goods are eliminated by means of an uninterrupted flow of the goods into the market at stable prices. Latterly, however, there has been some increase in the price of raw jute on account of the prospect of short crops in Pakistan as well as in India, and in the price of jute manufactures. This should give room for considerable concern, as further increase in prices is sure to provide greater scope for substitutes such as paper, cotton, phormium flax and the like. This must be avoided at all costs.

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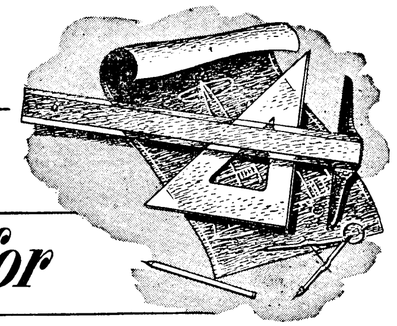
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AUTOMOBILE INDUSTRY IN INDIA

SPEEDY DEVELOPMENT HAMPERED BY RESTRICTED DEMAND

THE development of the infant automobile industry in India makes interesting reading, especially in the light of the action taken by the Government of India on the Report of the Tariff Commission, which forms the subject matter of an article in our editorial columns. The history of the industry dates back to 1926, when it is claimed that Mackenzie and Co., the sister company of the Peninsular Motor Corporation Ltd., Calcutta, started assembling cars and trucks from completely knocked down (c.k.d.) components and parts in its workshops at Calcutta. General Motors India, Limited, started assembling trucks and cars in 1928 and the Ford Motor Company of India Ltd. in 1930. Addison and Co., Ltd., commenced assembling c.k.d. components and parts in 1926.

It was however only in 1944 that the first attempt at automobile manufacture was made, for it was in that year that the Hindustan Motors Ltd., Calcutta, and Premier Automobiles Ltd., Bombay, were established, each with a programme for progressive manufacture of complete automobiles. The Standard Motor Products of India Ltd., Madras, Automobile Products of India Ltd., Bombay, and Ashok Motors Ltd., Madras, commenced their assembling operations in 1949 and 1950. All of them have programmes for the manufacture of motor vehicles of which only Standard Motor Products of India Ltd., has made some notable progress. Besides these firms, there are five other c.k.d. vehicle assemblers, namely, Dewar's Garage and Engineering Works, Calcutta, Peninsular Motor Corporation Ltd., Calcutta, French Motor Car Co., Ltd., Bombay, Mahindra and Mahindra Ltd., Bombay, and Addison & Co., Ltd., Madras.

Manufacture of Components

Thus, the automobile industry in India comprises, as in other countries, both automobile and component manufacturers. The progress made so far in automobile manufacture has not reached an advanced stage. Even the manufacture of components of ancillary character is in an early stage of development. Of the five firms which have manufacturing programmes, namely, Hindustan Motors, Premier Automobiles, Automobile Motor Products of India, Standard Motors and Ashok Motors, only the first two have so far taken effective steps for the manufacture of certain components. The total amount of capital invested in the industry in respect of seven units, out of the twelve, for which information is available, is about Rs. 8.8 crores, and the aggregate number of persons employed in the whole industry is 8,936 of which 6,413 are workers and the rest office staff. All these twelve firms assemble or/and manufacture cars under agreements entered into with foreign manufacturers. The aggregate annual assembling capacity of all the 12 firms is 84,014 vehicles (passenger cars and commercial vehicles). The total production of the industry's cars and commercial vehicles and their sales were 21,577 and 22,393 in 1951 and 14,873 and 15,723 in 1952. The average annual sales during the last four years were 19,788 vehicles consisting of 9,426 cars and 10,362 commercial vehicles. It is evident that only a small part of the total capacity of the industry is being utilised at present or, in other words, the present capacity is far in excess of what is required to meet existing demand.

The manufacturing programme of Hindustan Motors Ltd. is comprehensive and substantial progress has been made by the firm towards the manufacture of major components. The programme includes the manufacture of (a) Hindustan 14 passenger cars, (b) 3-ton trucks and (c) Studebaker passenger cars. The capacity of the factory is governed in the machine department by the cylinder block and crankshaft lines and in the assembly department by the paint shop. Mr. W. R. Vorwig, the automobile expert who was attached to the Tariff Commission, has estimated the capacity of the factory at 18,000 vehicles per shift per year. At present, only a fraction of the total capacity of the plant is being used. The Company has entered into an agreement with Morris Motors Ltd., England, for the assembly and manufacture of Hindustan 14's, and with the Studebaker Corporation, U.S.A., for the assembly and manufacture of their cars and trucks in India.

The Premier Automobiles have not so far made any significant progress in the manufacture of main components, viz., engine, transmission and rear axle. It has, however, made substantial progress in the manufacture of typical ancillary parts such as propeller shafts, radiators, leaf springs, mufflers, etc. Its capacity even for these parts is not being fully utilised for its own vehicles. The manufacturing programme includes 3-ton trucks with 115 B.H.P. petrol engines for civilian as well as army use. The rated manufacturing capacity of the plant is claimed to be 12,000 units on single-shift basis. Only 20 per cent. of the capacity of the plant is being utilised for the production of vehicles. The factory is trying to utilise the remaining capacity for producing components of other industries such as springs and shackles for Indian railways, filler necks for Ordnance factories, roller pins and crankshafts for diesel engines and load bodies for the Defence Ministry. The Premier Automobiles operate under an agreement with the Chrysler Corporation, U.S.A., for the assembly of Plymouth, Dodge, De Sotto and Chrysler cars and Dodge, De Sotto and Fargo commercial vehicles as well as with the Fiat S.P.A. of Italy for assembly and ultimate manufacture of Fiat cars.

Automobile Products of India

The Automobile Products of India Ltd., has not progressed beyond the stage of assembly, so far, although it has taken steps to implement its manufacturing programme. It is associated with the Rootes Group in U.K. for assembling Hillman Minx, Humber and Sunbeam-Talbot cars and Commer, Karrier and Tilling-Stevens commercial vehicles. The manufacturing programme lays stress on the production of Hillman Minx cars. It proposes to manufacture commercial vehicles at a later stage. The capacity of the factory on single-shift basis is 3,000 cars and 1,000 trucks per annum.

The manufacturing programme of Standard Motor Products of India has barely made a start and it would be some time before it is able to show appreciable progress. The programme is based on the Standard Vanguard car, six-seater with a rated 68 B.H.P., but its scope includes also manufacture of tractors and jeeps. The Company is associated with Standard Motor Co., Ltd., U.K.

No significant progress has been made so far in the manufacturing programme of Ashok Motors. It has recently started buying machine tools which will be installed in a new shop which is under construction. It also hopes to develop the manufacture of certain ancillary parts such as sparking plugs and other electrical equipments, as well as diesel fuel injection equipment through Motor Industries Co., Ltd., Madras. It is associated with Austin Motors. The total capacity of the factory is stated to be 7,540 vehicles per annum on single-shift basis.

There exists in India only a nucleus ancillary industry. The main ancillary parts that are being produced are pistons, piston rings, cylinder liners, leaf springs, batteries, tyres and tubes, other rubber components, cork and oil paper gaskets, thin wall bearings, wire harness, jacks, hairlok and coirlok seat covers, spring cases for buses, hand pumps, automobile bulbs and lamps, bus bodies, cabs and vans and truck bodies. In addition, Premier Automobiles Ltd. is producing radiators of the honeycomb type, propeller shafts and mufflers, but unfortunately, the well equipped ancillary capacity of this firm is part of an automobile factory so that practical difficulties exist in making it available to competing firms. Passenger car bodies which are an ancillary item produced by body-building firms in some automobile manufacturing countries are not being made in India at present.

The chief obstacles in the way of the development of automobile industry is the comparative smallness of annual demand which has, during the last four years, been less than 20,000 vehicles (of all types and categories) per annum. India is very backward in motor transport inasmuch as the registered motor vehicles are only 283,040, as against 1,523,300 in Australia, 2,635,700 in France, 3,321,428 in the U.K. and 51,425,647 in the U.S. The number of persons served by one vehicle in India is on the average 1,270, as against 3 in the U.S., 5 in Australia, 15 in the U.K. and 16 in France. In terms of mileage, the number of motor cars per 1,000 miles of road is 829 in India, as against 1,753 in Australia, 3,717 in France, 12,146 in the U.S. and 14,874 in the U.K. The demand for motor vehicles is expected to increase to 25,000, within the next three years.

It is an indisputable fact that the development of the automobile industry will be determined by the growth of the demand for cars. The development of the automobile industry is necessary in the interests of general economic development of the country. It is also an important strategic industry inasmuch as the industry could be easily switched over to defence needs. This explains why the Tariff Commission has recommended not only protection to the industry but also other forms of assistance.

PAINTS EXHIBITION

The "Home and Colour" Exhibition, now being held on the second floor of Whiteway, Laidlaw and Co., Ltd., is an outstanding piece of education in the art of home decoration. A casual visit is enough to impress the housewife how an average home can be transformed completely by the intelligent use of colour and decoration. The sections of various rooms painted and decorated are indeed a pleasant treat to the eyes.

Another distinguishing feature of the Exhibition is the demonstration of the practical side of painting which is of much significance to the housewife. She can easily learn how household articles of wood, metal or stone can be painted by herself with "Robbialac" Synthetic Enamel and Brushing Cellulose. The Synthetic Enamel paint sets overnight and dries with an impenetrable surface. It is unequalled for elasticity, hardness and resistance to sun, rain and petrol. It can be used for painting all kinds of things in and around the home, namely, cycles, cars, tables, chairs, almirahs, chests, etc. The other paint, namely, Brushing Cellulose, offers all the advantages of ordinary cellulose lacquer with none of its drawbacks. Care is to be taken, however, to see to it that the surfaces to be painted are dry, clean and free from rust or grease. It dries dust-free in 15 minutes and gets hard in an hour. A number of attractive shades can be obtained by mixing the colours in both the types of paints. The two paints are the latest additions to the field of painting, as a result of long research carried out by Messrs. Jenson & Nicholson, one of the leading manufacturers of paints in this country.

The firm has secured the services of Mr. Gibson Taylor, a British Master Painter, whose free advice on colour schemes in the exhibition should prove valuable to every enthusiast in home decoration who visits the show. The show will last till the 20th inst.

NEW-TYPE FLOORS

Building of residential flats in a Lancashire town has been speeded up and costs reduced by the introduction of a new-type wooden floor designed by the Deputy Borough Surveyor in conjunction with the British Department of Scientific and Industrial Research. This floor provides structural stability, and fire-resistance equal to concrete about five inches thick. The sound insulation shows that absorption of "aerial sound"—people talking, and radios—is similar to that for concrete floors, but "impact sound"—people walking on the floor—is slightly better. In addition to savings in cost, saving in building time is considerable as, instead of having to wait for concrete to set, builders lay the floors and go right ahead with the work. It is claimed that on each new flat built the floors save £80, and in the past 12 months nearly £11,000 has been saved by the local authority.

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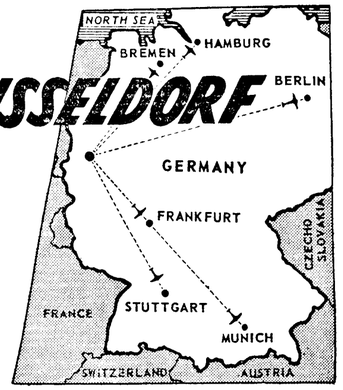

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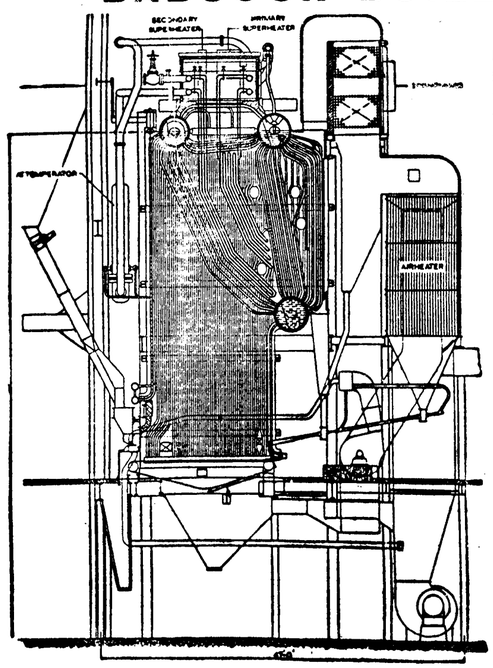

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POSTAL INSURANCE SCHEME

NEED FOR WIDER PUBLICITY

IT is not as well known as it should be that the Postal Life Insurance Scheme offers to those who are entitled to participate in that Scheme certain important advantages. Because the Scheme is administered by the Government for the benefit of its employees, the payment of premia is easier and the settlement of claims causes little difficulty in regard to identification of the claimants. There is need for publicising the importance of the Scheme among all those who are entitled to claim its benefits. Indeed, the need for publicity is now greater than it was formerly, because the Scheme has been extended to employees in industrial undertakings which are either run by the Government or in which the Government has a major share. Thus, the Scheme, which was formerly meant only for Government employees, has now been extended to many thousands of persons in Government and semi-Government undertakings.

In this context, it is interesting to note that a meeting of the representatives of the Ministries and Departments of the Government of India and the State Government of Delhi was held recently to consider ways and means of making the advantages of Postal Life insurance known to Government and semi-Government employees. Mr. Raj Bahadur, Deputy Minister for Communications, inaugurating the meeting, pointed out the advantages of Postal Life Insurance as a cheap cover and profitable investment. Tracing the history of the Post Office insurance fund, the Minister stated that it was started 70 years ago when there was hardly any private Indian enterprise in the field. The Post Office was then the only commercial department under the Government, and it was thought that some facilities must be provided to enable the employees to make provision for old age and death. Its scope was limited to postal employees only. The maximum amount of insurance was also limited to Rs. 4,000. Both the scope and limit were gradually extended, so that to-day it embraces not only all Government servants but also employees of all semi-Governmental bodies and Government-sponsored organisations.

Absolute security was essential in the early years of the Scheme when the insurance habit had not yet made much headway. This security was provided by the Government guarantee. While this facility existed all along, no definite attempts were made to popularise its advantages. For it was felt that private enterprise in the field which was in its infancy, should not be stifled as a result of the Scheme. Mr. Raja Bahadur said that there were 163 private insurers in the life insurance field. He recognised that they had set up commendable standards and done yeoman service to the nation by promoting small savings and accumulation of capital. He added that they should not be afraid of competition from Postal Life insurance, as the Government was not approaching the problem in that spirit.

He recalled, in this connection, the words of Dr. S. Radhakrishnan, Vice-President, who declared the other day, in his inaugural address to the Silver Jubilee Conference of the Indian Life Offices Association that a "Welfare State must provide its citizens against hazards of unemployment, sickness, old age and death." It was in implementation of its duty, as the largest employer, to its employees that the Government had now decided to make known to its employees, the advantages of insurance in general and that of Postal Life insurance fund in particular. Continuing, the Minister said that the Scheme offered low premium rates and high profits—all profits being distributed among policyholders. The Minister further observed:

"Apart from its advantages to the insured and his family, I must draw your attention to the immense importance of this to the nation. It is the best form of small savings and, as pointed out by the Planning Commission, its importance cannot be over-estimated. It will help immensely the implementation of the Five-year Plan.

"I, therefore, considered it necessary to trouble you all to attend this Conference, so that I may request you to further the movement as a measure of welfare both for the staff and the State. We should see that none of our employees remains without providing adequately for himself and his family."

Mr. Arun Chandra Guha, Deputy Minister for Finance, also addressed the gathering when he suggested that the Postal Life insurance had double benefits, namely, by providing for the family at a minimum cost and also by helping our national Five-year programme with the provision of funds from the savings of Government servants. Mr. Krishna Prasada, Director-General of Posts and Telegraphs, who presided over the meeting, appealed to the representatives of the Ministries to bring the advantages of the Postal Life insurance to the notice of Government servants working under them.

Started by the Government of India 70 years ago, the Postal Life Insurance Fund is now Rs. 12 crores with a total business in force of over Rs. 23 crores. Designed exclusively for Government servants and those employed in semi-Governmental bodies, the number of policyholders now exceeds one lakh.

It is gratifying to note that the authorities in charge of the Postal Insurance Scheme are alive to the need for administering the Scheme on a commercial basis. After all, a certain amount of delay is inevitable in a Government department. But the authorities, it is stated, are trying to eliminate delays by effecting improvements in the working of the Department through mechanisation of clerical work. This should improve the speed of the work in the office which, in its turn, should make the Scheme itself more popular among employees in Government and in quasi-Government institutions.

RETIREMENT BENEFITS IN U.S.

There are now more than 13 million persons aged 65 or over in the United States, it is calculated. Passing years do not make any of them less interested in being self-supporting and independent. And the one great threat which faces many as they reach the end of their working years, is dependency. Of the 13 million, about four million are working or are the wives of working men, but the rest are without income from currrent work. The vast majority of retired persons, however, are not in a position to live on their savings. To take care of this vast majority, a comprehensive social security programme was established in the United States by the Social Security Act of 1935.

A major part of the programme is a system of insurance protection for the worker and his family against complete loss of income when wage income steps in old age or through death. This system is known as the Old Age and Survivor's Insurance (O.A.S.I.), and is administered by the Federal Government through the Social Security Administration. In addition, in recent years, several industries, such as coal, steel and automobiles, mainly through collective bargaining by powerful unions, have also set up their own pension schemes, which build on O.A.S.I. and provide additional benefits. Nine out of 10 U.S. civilian workers of all categories are now earning retirement protection, nearly eight out of 10 under O.A.S.I. Monthly benefits, based on their own past wages and period of service, are provided by O.A.S.I. to insured wage earners who stop work at any time after they reach 65 and to their wives at the same age. It also provides similiar payments for their widows at 65. As of January, 1952, about one out of five workers covered under O.A.S.I. were also covered by private plans designed to supplement the public system. State and local Governments, the Federal Civil Service and the armed forces, each has its own retirement plans independent of O.A.S.I.

To meet the needs of those not covered by any of these plans, there is also a nation-wide system by which individual States, with Federal help, pay monthly allowances to old people who are in need, according to standards set by each State. Together, these old age security plans cover a country-wide network of basic protection. Though payments may not be adequate in all cases, they are regular, and make the difference between the helpless dependence on others and a measure of independence. In contrast, scarcely 15 years ago only about six million persons (less than 15 per cent. of those employed) had protection under retirement systems, and the average was uneven. Most employees of business and industry were first protected under the Social Security Act in 1937. At that time about 25 million were covered. Coverage under O.A.S.I. grew with the labour force, until by 1950, just before it was extended, about 35 million persons were under that programme at one time. Now nearly 48 million are covered under O.A.S.I. alone, and another eight million under other public systems. Most supplementary plans of private industry are newer than the public programmes.

The cost of O.A.S.I. is borne equally by employers and employees. The rate, now 1.5 per cent. for each on the first $3,600 earned in a year, is scheduled to rise to two per cent. in 1954 and then gradually to 3.25 per cent. in 1970. The self-employed pay a rate equal to 1½ times the employee rate. All contributions go into a special trust fund of the Federal Government. When the worker retires from his regular work at the age of 65 or after, he starts to receive regular monthly payments from the fund. His wife also will receive monthly payments at 65 even though she had never earned money contributed to the fund. Together, a retired couple can receive as much as $127.50 a month for life. If the insured worker dies, his widow receives half of their original monthly benefits.

The magnitude of the programme is illustrated by the fact that the Social Security Administration, through its 510 field offices throughout the country, maintains some 100 million wage records under O.A.S.I. At the end of 1951, there was more than $15,000 million in the O.A.S.I. fund, but the amount represented only a fraction of the accumulated liability. The reserves of all private plans were estimated at about $12,000 million in early 1952. Among private pension plans, coal miners derive the most benefit. Since the wage agreement creating the United Mine Workers of America (U.M.W.A.) Welfare and Retirement Fund was signed in 1946, collections of 40 cents for each ton of coal mined had exceeded the $500-million mark by the close of 1952. It is the only plan paying a monthly pension of $100 exclusive of O.A.S.I. and other benefits. Coal miners now retire at a rate of 8,000 a year on pensions averaging $190 a month, including Social Security payments. Steel and auto workers are among other major beneficiaries under private pension plans. Old age security has thus become an integral part of the democratic society in the United States.

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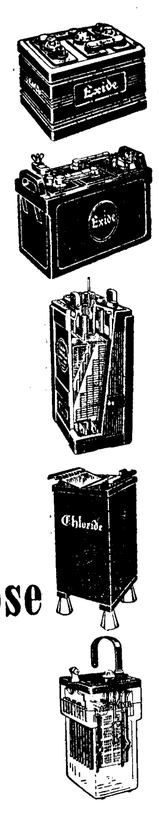
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LIFE OFFICES AND TAX DEDUCTED AT SOURCE

CHANGE IN VALUATION PERIOD RESULTS IN LOSS

(By R. K. DALAL, B.Com., F.S.A.A, F.C.A.)

OWING to the amendment of the Insurance Act in 1950, requiring every insurance company to have an actuarial valuation of its affairs once every three years, instead of once every five years under the old Act, a very important question has arisen under the Income-tax Act.

I. Under section 10(7) of the Income-tax Act, it has been provided that "notwithstanding anything contained to the contrary in sections 8, 9, 10, 12 or 18, *the profits and gains of any business of insurance* and the tax payable thereon *shall be computed in accordance with the rules contained in the schedule to this Act.*" This provision gives rise to several considerations.

First, it means that the profits and gains of an insurance company shall be computed according to the schedule and not under sections 8, 9, 10, 12 and 18. The schedule sets out rules for the computation of profits of an insurance business and starts by saying in rule 1 that "in the case of any person who carries on, or at any time in the preceding year carries on, life insurance business, the profits and gains of such person from that business, shall be computed separately from income profits and gains from any other business"; and rule 2 says that "the profits and gains of life insurance business shall be taken to be either (*a*) the gross external earnings less management expenses, or (*b*) the annual average of the surplus after adjusting disallowables under section 10, whichever is more." The profit of life insurance company is thus regarded to be a conventional figure worked out in accordance with the above formula. It is because of the profits having to be worked out according to the schedule, section 10(7) has stated that sections 8, 9, 10, 12 and 18, *so far as they are contrary to the rules* shall have no effect.

Secondly, it is important to note that the wordings of section 10(7) does not suggest the entire exclusion *per se*. It makes them inoperative only so far as anything contained therein is contrary to the rules.

Thirdly, this means that, if there is anything in these sections which is not contrary, then, notwithstanding the rules, the section will continue to be operative and effective. Thus while applying the rules of the schedule, one has to study its contents and compare it with the contents of similar provisions in the Act. If in the provision, there is something found which is contrary to the rules, then that part is rendered inoperative, but not that part which is not so contrary. Such part must yet prevail in full. It is, therefore, submitted that profits and gains of insurance business are to be computed in accordance with the schedule read with sections 8, 9, 10, 12 and 18 of the Income-tax Act and that in case of conflict, the schedule is to prevail.

II. Credit for Tax Deducted at Source

Now the problem arises under rule 4 of the schedule. Rule 4 states that the credit for tax deducted at source shall not be given in accordance with section 18(5), but credit shall be given only on an average basis of tax paid by deduction at source during the valuation period. Rule 4 runs as follows:—"Where for any year, an assessment is made in accordance with annual average of a surplus disclosed by a valuation for an intervaluation period exceeding twelve months, then, in computing the tax payable for that year, *credit shall not be given* in accordance with sub-section (5) of section 18 for the tax paid in the preceding year, but *credit shall be given* for the annual average of the income-tax paid by deduction at source from interest on securities or otherwise during such period."

In order to find what is contrary in the above to section 18, let me quote the relevant part of this section *in extenso*. Section 18(3) reads thus:—"The person responsible for paying any income chargeable under the head 'Interest on securities' shall (unless otherwise prescribed in the case of any security of the Central Government), at the time of the payment, deduct income-tax (but not super-tax) on the amount of the interest payable at the maximum rate."

Again, section 18(4) runs:—"All sums deducted in accordance with the provisions of this section shall, for the purpose of computing the income of an assessee, be deemed to be income received," and section 18(5) reads:—"Any deduction made in accordance with the provisions of this section (and any sum by which a dividend has been increased under sub-section (2) of section 16) (i) *shall be treated as a payment of income-tax* (or super-tax) on behalf of the security (or of the shareholder), as the case may be, and (ii) *credit shall be given to him* therefor in the assessment, if any, made for the following year under this Act."

Now the effect of section 18(3) is that in case of interest on Government securities tax shall be deducted at source. And under section 18(4) all sums so deducted shall be deemed to be income received. Further, under section 18(5) any such deduction shall be treated as a payment of income-tax on behalf of such person from whose income the deduction was made and credit shall be given to him therefor in the assessment, if any, made for the following year.

In order to understand the operative effect of rule 4, it is necessary to study what these sections stipulate. Under section 18(3) tax is deducted at source. For this purpose section 18(3) is not abrogated, for it shall still entitle the Public Debt Office to deduct tax from the interest on securities held by a life insurance company. Section 18(4) says that that part of the interest deducted at source shall be deemed to be income of the assessee. This is also not contrary to the rule. And, therefore, must prevail in spite of rule 4. Next, analysing section 18(5) you find that it falls in two parts: (1) any deduction made shall be treated as payment of income-tax on behalf of the person from whose income the deduction was made and (2) credit therefor shall be given in the assessment made for the following year.

Now it is evident that what is contrary to the rule 4 of the schedule is part (2) of the section 18(5) and not the whole of the section. It is only in regard to giving of the credit that the rule 4 of the schedule supersedes section 18(5). It does not and cannot render inoperative the first part. Section 18(5), viz., the deduction made thereunder is to be regarded as tax paid on behalf of the owner of security, viz., life insurance company.

That being the case, the amount paid by the company at source must be regarded and continued to be regarded as payment of tax on their behalf. At any point of time, the assessee may well contend that all the amount deducted at source is paid by him as tax. Hence it is submitted that deductions made in accordance with section 16 and section 18(5) are to be treated as payment of tax on behalf of person carrying on business of insurance.

III. Credit for Tax on Average Basis

Now rule 4 says that credit shall not be given in accordance with section 18(5), i.e., tax paid in the preceding year shall be given credit for to the assessee in the following year, but credit shall be only on annual average of tax so deducted at source during the valuation period. Therefore, one must concede that an *insurance company cannot* under section 18(5) *claim credit* of the whole of the tax paid during the preceding year, but *only on an average basis as provided in rule 4.*

Now hitherto insurance companies were required to have valuation once every five years and, therefore, they got the credit of one-fifth of such taxes deducted each year during the period the quinquennium holds. By the time the new amendment to the Insurance Act came, such companies had already completed three years' assessment and had secured the credit of three-fifths of the amount of tax paid by them at source. *Two-fifths remained to be reclaimed.* And now that a compulsory triennial valuation has supervened, rule 4 in terms provides that (1) for the remaining two years the company will be subjected on one-third of the triennial surplus each year, and (2) credit shall be given to it of one-third tax paid at source during the triennial valuation period only. The effect of this is that the company's two-fifths tax paid at source during the previous quinquennium will remain unappropriated and unadjusted against the tax due by the company.

IV. Withholding Unappropriated Tax?

Can the Department withhold such unappropriated tax? In fact, if it does, it amounts to forfeiting the tax paid. And the serious question is: *Can such tax duly paid by deduction be* forfeited or lost to the company by reason of the operation of rule 4? Rule 4 speaks of giving credit, not forfeiting.

There is no gainsaying the fact that the assessee has paid the tax. It is also true that it is not appropriated against any tax due. Can the Government say that though tax is paid at source on behalf of the company and it is not adjusted against any tax due in the present and will not be adjusted against any tax to be due hereafter, it shall still continue to hold it forfeited or lost to the assessee merely because there is no section under which it can be reclaimed or refunded? *Income-tax Act provides* no section.

It is true that in the case of an insurance company, tax is to be computed in accordance with the schedule and having computed the income, the credit for tax can be given on the annual average of tax so deducted during the actuarial valuation when surplus is adopted as the basis under rule 2(*b*). Therefore, if under rule 2(*b*) the triennial surplus forms the basis of computation, the previous quinquennial surplus will not be taken into consideration, notwithstanding that the full five years' surplus had not by then exhausted in taxation.

It is, therefore, submitted that by this change of surplus valuation, two-fifths of tax deducted in accordance with sections 16 and 18 remain unappropriated and a person carrying on insurance business will be thus deprived of two-fifths deductions, for which in normal course he is entitled to credit.

It is true that these deductions are made with authority of law but Government has no right to retain the same. Hence a person carrying on insurance business is being deprived of credit for two-fifths deductions without any authority of law. It amounts to violation of fundamental right guaranteed by Article 31 of the Constitution of India.

V. Mode of Reclaiming Deductions

Finally, it is true that the Income-tax Act is silent as to the mode of getting back this two-fifths deductions. However, in view of what is stated above, it is submitted that it would be open to an aggrieved assessee either to file a suit or a writ under Article 226 of the Constitution of India. Suit would lie and section 67 of the Income-tax Act would be no bar to it. Some querists have sought advice on the following questions:—

(I) *Is the computation of income, profits and gains of any business of insurance to be exclusively in accordance with the schedule to the Income-tax Act?* or

Is it to be in accordance with the schedule read with sections 8, 9, 10, 12 or 18 and that to the extent of conflict between the schedule and the sections, the schedule is to prevail?

(II) *Is deduction made in accordance with section 18 and section 16(2) in respect of business of insurance to be treated as payment of tax under section 18(5) of the Income-tax Act?*

(III) *Does the change in valuation of actuarial surplus from quinquennial to triennial basis result in loss of two-fifths of deductions made in accordance with sections 18 and 16(2)?*

(IV) *Can this non-refund of this two-fifth deductions amount to deprivation of property without any authority of law and hence violation of fundamental right under Article 31 of the Constitution of India?*

(V) *Is a suit or a writ under Article 226 of the Constitution of India a proper remedy to recover this loss?*

On each of the questions posed above, the written opinion of an eminent counsel is given in the following paragraphs:

Question I.—The computation of income, profits and gains of any business of insurance and the computation of tax payable thereon are not to be only in accordance with the rules contained in the schedule to the Indian Income-tax Act to the entire exclusion of the provisions contained in the various sections of the Act. Section 10(7) of the Act provides that, notwithstanding anything to the contrary contained in sections 8, 9 10, 12 and 18, the profits and gains of any business of insurance and the tax payable thereon shall be computed in accordance with the rules contained in the schedule to the Act. On a proper construction of section 10(7), the position in law is that the rules contained in the schedule override the provisions of sections 8, 9, 10, 12 and 18 to the extent to which the provisions of those sections are inconsistent with the rules; but the provisions of the aforesaid sections continue to apply to the extent to which they are not inconsistent with the rules. In other words, the profits of insurance business are to be computed in accordance with the schedule read with the sections of the Act, and in case of a conflict between the two, the schedule is to prevail.

Question II.—Yes. Tax deducted at source, in accordance with the provisions of section 18 of the Act, from interest on securities and dividends, is to be treated as payment of tax on behalf of the insurance company which is the owner of the securities or the shareholder. Section 18(3) of the Act provides for two things: (*a*) treating the tax deducted at source as payment of tax on behalf of the owner of the securities or the shareholder, and (*b*) giving credit to such person for such tax deducted at source, in the assessment made for the following year under the Act. The former part of section 18(5) applies also in the case of insurance business, since there is nothing in the rules contained in the schedule to the Act which is inconsistent with the former part of section 18(5). The latter part of section 18(5) which deals with the giving of credit does not apply in the case of insurance companies, since it is inconsistent with rule 4 contained in the schedule to the Act. Thus in the case of insurance companies, the tax deducted at source is treated under section 18(5) of the Act as tax paid on behalf of the insurance company, but credit is to be given for such tax in the manner laid down in rule 4 and not in the manner laid down in section 18(5).

Question III.—On the facts of this case as set out in the Instructions, the change from quinquennial to triennial valuation would result in a loss of two-fifths of the tax paid at source during the period of the quinquennium. The quinquennial valuation was done as on the 31st December, 1945, and the triennial valuation as on the 31st December, 1948. In the assessments for the accounting years from 1st January, 1946 to 31st March, 1948, credit was given for three-fifths of the tax deducted at source during the quinquennium ended on the 31st December, 1945. Two-fifths of the tax remained to be given credit for. In the assessment for the year 1949-50 credit was given for one-third of the tax deducted during the triennium ended on the 31st December, 1948. Thus in the assessments for 1949-50 and subsequent years, having regard to the provisions of rule 4 of the schedule, no credit can ever be given for the balance of two-fifths of the tax paid during the quinquennium.

Question IV.—It is possible to argue in this case that the retention of the two-fifths of the tax deducted at source during the quinquennium amounts to depriving the assessee of its property without authority of law and, therefore, amounts to a violation of Article 31(1) of the Constitution, but the point is not free from doubt. Article 265 of the Constitution provides that no tax shall be levied or collected except by authority of law. In the present case the levy and collection of the tax deducted at source have been by authority of law and, therefore, Article 265 of the Constitution has not been violated. But the querist may argue that the Government have no right to *retain* the two-fifths of the tax under any law in force, and such retention being without authority of law amounts to depriving the assessee of its property in contravention of the fundamental right guaranteed by Article 31(1) of the Constitution. But even assuming that the Article 31(1) of the Constitution has not been violated, and that no fundamental right of the assessee has been infringed, the Government has no right under the law to retain the two-fifths of the tax, and the assessee would be entitled to take legal proceedings for recovery of the amount of tax in question.

Question V.—Three remedies are open to the querist: (*a*) a refund application under section 48 of the Act, (*b*) a suit for refund, and (*c*) an application under Article 226 of the Constitution in the Bombay High Court. The assessee would be entitled to file a refund application under section 48 of the Act, but the only difficulty is that such an application would be treated as time-barred having regard to the provisions of section 50 of the Act. The two other remedies open to the querist, viz., a suit and an application under Article 226 of the Constitution, would be equally efficacious. On the whole, we advise the querist to seek redress from the Commissioner of Income-tax. If the Commissioner of Income-tax refuses to grant any redress, the assessee should without delay file a petition under Article 226 of the Constitution. At the same time the querist should also give a notice to the Government under section 80 of the Civil Procedure Code. If the petition is dismissed by the Court on the ground that no fundamental right of the assessee has been violated and that a suit would be the proper proceeding in the circumstances of the case, the querist should, upon dismissal of the petition, file a suit against the Government, after expiry of the period of the notice under section 80 of the Code of Civil Procedure. In order to avoid further delay of two months which the statutory period of the notice, the notice should be given at the same time as the filing of the petition under Article 226 of the Constitution, as suggested above.

The proceedings suggested above should be taken after a proper demand for justice is made on the Commissioner of Income-tax and the Government of India. We may further point out that the suit would not be barred under section 67 of the Act, since the suit would not be to set aside or modify any assessment made under the Act.

An application for refund under section 48 of the Act would be the most appropriate remedy. But we do not advise the making of such an application on account of the bar of limitation laid down in section 50 of the Act.—*All Rights Reserved.*

NEW PUBLICATIONS

Income-tax Pleadings. By Mr. R. Bbargava. Published by the Taxation Publishing Co. (India) Ltd., Delhi 7. Price : Rs. 15.

AMONGST the many books on income-tax, this book on income-tax pleadings deserves special mention, because it supplies the need of a practical tax manual containing forms, drafts of all applications, appeals, returns, claims and statements which have to be filed at one stage or another in income-tax assessment and appellate proceedings, with guiding notes and latest case law reference.

The title of the book, *Income-tax Pleadings*, fills the need for a book in which are collected all the special forms necessary for the purpose of income-tax pleadings before both the income-tax officer and the appellate authorities.

Part I of the publication under review deals with income-tax return, application for registration of a firm under the new rules, application for renewal of registration, application for refund under section 48, estimate of income under section 18A, and form of return under section 21.

Part II deals with appeals before the Appellate Assistant Commissioner giving various forms, as, for example, appeal against the order of the income-tax officer refusing to reopen an assessment under section 27, appeal in the case of a person denying his liability to deduct tax under section 18(3A), (3B) or (3C), appeal against an order under section 25(2) imposing penalty for not giving information regarding discontinuance of business, form of appeal against an order claiming disruption under section 25A, appeal to the Appellate Assistant Commissioner against an order under section 28, appeal against an order refusing to register a firm under section 26A or cancelling its registration under section 23(4) and the like. Part (B) of Part II deals with appeals to the Income-tax Appellate Tribunal, reference petitions to the Appellate Tribunal and revision application to the Commissioner of Income-tax.

Part III deals with application for adjournment, application for inspection of file, application for change of "previous year," application under sections 25(3) and 25(4), application claiming partition under section 25A, application under section 27, intimation regarding discontinuance of business under section 25(2) and reply to a notice under section 28 regarding imposition of penalty.

Part IV deals with statements of accounts which have to be filed at one stage or another in income-tax proceedings. It also gives hints as to how to prepare profit and loss account, depreciation claim, obsolescence claim, a bad debt chart, some typical income-tax calculations, how to calculate gross salary for assessment purposes where salary is paid tax-free, how to gross up dividend when the company is operating in Part A as well as Part B States. It also shows illustration showing calculation of rebates, rules for the computation of capital employed in an undertaking, etc.

Part V deals with miscellaneous matters of interest to the assessee firms, viz., deed of partnership, introduction of a new partner to an existing partnership, deed of dissolution, deed of partition, release deed, release by a coparcener, form of power-of-attorney and specimen of rules relating to a recognised provident fund and the trust deed. Part V(a) deals with reference petition to the High Court and rules of the Allahabad, Bombay, Calcutta, Madras, Nagpur and Patna High Courts.

Part VI gives deductions digest. Part VI(a) contains total exemptions, partial exemptions, depreciation rates chart, and rules relating to provident funds.

The book, therefore, fulfils this special need of income-tax pleadings and is bound to be of great use to lawyers, accountants, income-tax practitioners, company promoters and taxpayers who are interested in knowing all about the procedure of income-tax pleadings. I heartily commend this book to the taxpaying public—both lay as well as professional.—*R.K.D.*

India—Economic and Commercial Conditions in India. By Mr. Rowland Owen. Her Majesty's Stationery Office, London. Price : 11s. net.

It is the onlooker who sees most of the game. His observations and remarks should have a greater weight than those who are actually in the drama. The latter are prone to magnify small mistakes and failings and to overlook the brighter side of the play. It is, therefore, heartening indeed to go through the publication entitled *India*, which is a survey of the economic and commercial conditions of the country since 1949 by Mr. Rowland Owen, U.K. Senior Trade Commissioner. In an interesting introduction, Mr. Owen observes:

"Three years ago, India was going through a period of transition and the economic future was, if not dark, at least obscure. . . . In mid-1947, she faced peculiarly intractable economic problems; developing inflation; declining production, both agricultural and industrial; an alarming deficit in her balance of payments. To-day she can claim that inflation has been curbed, that industrial production is increasing, that plans for the development of agricultural production, so long on paper, are taking practical shape, that the food shortage has eased, even if only temporarily, with a prospect of some reduction in the trade deficit . . . Fighting has ceased in Kashmir. The Constitution is in full operation. The Indian princely States have been absorbed into the body of India politically, nearly absorbed financially and partly absorbed administratively. The back of the refugee problem has been broken. Industrial policy has been formulated in reasonable and practical terms. A permanent Tariff Commission has been constituted. Economic controls have eased and their administration, particularly in the case of import licensing, has been stabilised. A muddle of plans and planning has given way to the Five-year Plan."

The economic picture at the moment is a better one than it would have been possible to paint at any time in the past five years, says the survey. It further says: "Devaluation and the effects of the Korean War did a great deal to stimulate the economy of the country and to shake off the depression of the first years of independence. India's political leaders showed a praiseworthy temperateness of judgment in economic policy, the control administration did not relax its grip and the administrative and political success of the elections created poise and self-confidence." According to the survey, a new and favourable factor appeared in the shape of external assistance, assistance, moreover, in a form which shows promise of being more than merely temporary. The Colombo Plan or the Plan for the Co-operative Development of South-East Asia caught the imagination of the world in a way which no other national or international presentation of the needs of "underdeveloped" countries had succeeded in doing. The Senior Trade Commissioner concludes:

"Behind the rosier picture of 1952 there are, however, a number of disturbing spectres. The problem of securing internal financial resources is one: the balance of payments in climatically unfavourable years, the mounting population, the reluctance of politicians and trade unions to see the economic implications of a large and static labour force insured against retrenchment and unemployment and with security financed by industry in bad as well as good years—all are problems for which no permanent long-term solution is yet in sight."

This report was written in the summer of 1952 and since there is evidence of improvement of the Indian economy in a number of sectors, agricultural, industrial, food, etc., India is now in a position to take a steady onward march in the economic sphere. The publication can be obtained from British Information Services, India.

PROTECTION AGAINST INFRINGEMENT OF TRADE MARKS

CENTRAL ASSOCIATION CONSTITUTED

THE constitution of the Trade Marks Owners Association of India, last week, fulfils a long-felt want of industry and trade in India. Although primarily intended to protect trade mark owners against offenders, the Association will ultimately protect the general public from being exploited by unscrupulous manufacturers who do not hesitate producing and putting on sale under false labels, spurious goods. For it will ensure concerted action against those who infringe the trade marks on patented goods. It will also help amendment of the existing laws relating to trade marks, namely, the Trade Marks Act, the Indian Merchandise Marks Act, the Drugs Act, etc. As most of the infringements are due to advantage taken, by bogus manufacturers, of loopholes in the existing legal system, the Association will immediately concern itself with the task of securing the necessary amendments. The main defects in the existing law, as put forward by trade marks owners. are as follows:

(a) The Trade Marks Act only assists in establishing the owners' title, whereas the main problem is to detect infringements and counterfeits, trace the guilty parties and inflict deterrent penalties upon them;

(b) offences against trade marks are not cognisable by the police and, consequently, the burden of detecting infringers and counterfeiters is thrown upon the aggrieved party. This is equally true of the co-related offences under the Drugs Act and most of the Pure Foods Acts;

(c) considerable delay in the disposal of matters in civil and criminal courts;

(d) lack of specialised knowledge on the part of judges and magistrates;

(e) general reluctance to grant interim injunctions in civil suits and search warrants in criminal cases;

(f) absence of any obligation to disclose the correct name and address of the manufacturers and the proper quality of the product;

(g) absence of generally accepted standards of quality in many industries;

(h) inadequate enforcement staff even where standards have been laid down, as, for instance, in the case of drugs and foods, and

(i) leniency in punishment.

Inconvenience to Traders

As a result of the above defects, it is stated, there have been several cases of infringements and counterfeits. The quantum of these infringements will increase when goods are in short supply, prices are high and demand is large for most of the manufactured goods. It is pointed out that as the offences against trade marks are non-cognisable, and the burden of detecting the offence and proving the guilt rests with the plaintiff, considerable inconvenience is caused to the manufacturers. And it so happens, they say, that by the time offences are traced and legal proceedings instituted, either the offenders will not be found or they will escape with light punishment. In view of these considerations, there is a strong demand on the part of the trade marks owners for amending the legal system existing to-day in such a manner as to provide for the following:

(1) infringement of trade marks should be made a cognisable offence under the Indian Merchandise Marks Act;

(2) it should be obligatory for producers of consumer goods to disclose their correct names and addresses on their products. This may be done by suitable amendments to the Merchandise Marks Act;

(3) in the enforcement of criminal law, magistrates should be empowered to impose deterrent penalties on offenders, in cases where the infringements or counterfeits have been intentional;

(4) in civil law, the plaintiff should be granted the right to obtain a temporary injunction and orders for seizure of stocks against the vendor of goods sold under an infringing trade mark, as well as the right to proceed against the manufacturer of the infringing product;

(5) summary trials might be provided for disposal of criminal complaints in respect of infringements of trade marks;

(6) there should be early enforcement of quality controls, particularly in respect of the items more commonly infringed; and

(7) the Government should issue a directive to the Courts, either itself or through the Chief Justices or the Supreme Court, that proceedings in cases arising out of infringements should be expedited.

The Government of India is not in favour of amending the present law. Its views on the subject are recorded in the course of a letter to the Associated Chambers of Commerce dated 6th June, 1952. The letter reads as follows:

"The Government of India brought to the notice of all State Governments the difficulties experienced by trade marks owners in securing search warrants and injunctions and generally in the prosecution of such cases in courts. In the light of the replies received from State Governments, the Government of India has further considered the matter.

"The two main aspects of the problem may be stated as follows:

"(i) infringement of trade marks, which is a civil wrong and actionable under the Trade Marks Act, 1940; and

"(ii) criminal offences relating to trade marks, viz., those covered by the following sections of the Indian Penal Code: 480 (using false trade mark), 481 (using false property mark), 482 (punishment for using a false trade mark or property mark), 483 (counterfeiting a trade mark or property mark used by another), 485 (making or possession of any instrument for counterfeiting a trade mark or property mark), 486 (selling goods marked with a counterfeit trade mark or property mark), 487 (making a false mark upon any receptacle containing goods), 488 (punishment for making use of any false mark), and 489 (tampering with property mark with intent to cause injury).

"Suggestions have repeatedly been made in various quarters that offences under the Indian Penal Code should all be made cognisable, with a view to enabling the police to act without a complaint from an aggrieved party and without a warrant from a magistrate. The Government of India has given careful consideration to these suggestions, but is of the view that such an amendment of the law would be inadvisable.

Sale of Spurious Goods

"On the other hand, the sale of spurious goods under false trade marks, or in containers of the original manufacturers, is punishable as an offence, of 'cheating' under section 420 of the Indian Penal Code which is cognisable. Manufacturers of spurious goods, printers of false labels, and even collectors of the empty containers of well-known brands, are thus liable under this section as 'abettors.' Even the display of spurious goods in a shop with intent to sell might be brought within the purview of this section. The offence under section 420 of the Indian Penal Code being cognisable, it is considered that the police can take effective action to put down the traffic in spurious goods by taking recourse to their power under section 157 of the Criminal Procedure Code.

"In view of the legal position as stated above, the Government of India considers that, in the first instance, action for cheating should be taken against sellers of spurious goods, and that, whenever possible, manufacturers of the goods, printers and counterfeiters of false labels, and suppliers of empty containers should be dealt with as abettors. For this purpose, it would be necessary for aggrieved persons to lay information and complaint with the police, and assist in the matter of prosecution."

The foregoing account as a whole discloses briefly the complicated nature of the issues involved. It is to be hoped that the Government and the industry, particularly the Association, would sit together and thrash out the issues in an amicable manner.

Apart from getting the existing law amended, the Association in its wider sphere will promote and secure mutual support and co-operation amongst trade marks owners and traders in India and foreign countries in all matters relating to trade names and other analogous rights affecting their general or common interests of such trade marks owners and traders in relation to any of the matters concerned.

The constitution of the Trade Marks Owners Association under reference provides for a Council consisting of a Chairman and Vice-Chairman and not less than eleven and not more than twelve persons elected for the purpose. Provision is made for the formation of zonal committees to deal with matters of a zonal nature. They will function under the general supervision and control of the Council. Subject to the decision of the Council, there will be a zonal committee for each zone in which at least fifteen members have their principals or their offices. The committee for each zone is to consist of not less than five and not more than eleven persons, of whom two are to be maintained by the Council and the rest to be elected by members having their principal or other offices in the zone.

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BINOCULAR MAGNIFIERS

A factory named *N. V. Instrumenten-en Apparatenfabriek Tri-Ergon* at Harderwijk (Holland) has been turning out two types of binocular magnifiers. These instruments are equipped with two prismatic lenses with aquadratic enlargement of 2½ times (f. 195 mm.) (f. 7⅝ inches). The advantage of using these magnifiers is that both hands will be free all the time. Moreover, owing to the system of two lenses, depth can be perceived, so that distances can be judged. The optical quality of these lenses meets the highest demands that can be made in connection with the use of magnifiers of this kind.

In one type, these lenses are fitted in a bakelite headpiece with an adjustable celluloid band, which is fastened round the head. In the other, cheaper type, the two lenses are mounted in a plastic front plate, which is hinged and can be turned up. Both types are constructed in such a way that sufficient room is left for wearing spectacles while using the magnifier.

The binocular magnifiers are used by doctors, dentists and in beauty parlours. They have also proved their usefulness in the precision instrument industry, in seed-grading concerns, in the textile industry for the detection of weaving faults and for many similar uses.

EXPORT DRIVE OF AUSTRIA'S PLASTICS INDUSTRY

Several of the smaller enterprises of Austria's plastics industry have been successful in obtaining direct export orders. The export of spectacle frames, for instance, registered a figure of approximately Rs. 13 lakhs in 1952, and the goods went mostly to Germany, Switzerland, Yugoslavia, and smaller quantities to the United States. At present a sizable order from the United States for Pez candy boxes made of polystyrole is on hand. The order amounts to about Rs. 11 lakhs. Current exports of collar and sleeve buttons are going to Finland, Sweden, Norway, Denmark and Germany. Thermos flask casings of plastics are exported to North European countries.

The big success on the home market achieved by polystylene foils has encouraged manufacturers to try to open up export channels. The Australian soap manufacturers have increased their sales of soft soap to more than double after using these foils for wrapping. Quite recently the production of bottles made of polystylene has been taken up in this country.

FOREIGN TRADE OF INDIA BY LAND DURING MARCH

According to the land customs trade returns received in the Department of Commercial Intelligence and Statistics, the provisional figures of total value of foreign trade of India by land with Pakistan, Afghanistan, Iran and Burma during the month of March, 1953 were as follows:

Merchandise: Exports	Rs. (lakhs)
To Eastern Pakistan	21
To Western Pakistan	8
To other countries	10
	39
Merchandise: Imports	
From Eastern Pakistan	133
From Western Pakistan	1
From other countries	24
Total trade ...	158
Total ...	197

The total value of exports fell short of the total value of imports by Rs. 119 lakhs.

DEPRECIATION ALLOWANCES UNDER RISING PRICES

HIGH REPLACEMENT COSTS SHOULD COME FROM OWNERS' INCOME

(By Prof. D. R. SAMANT)

ADEQUATE provision for capital consumption under rising prices of capital assets has become a problem of great controversy between Governments and private enterprise since World War II. Recently, the Employers' Association of Calcutta has made an attempt to present the whole situation, in so far as Indian conditions are concerned, in its pamphlet *Depreciation Allowances and Replacement Costs* (referred to in this article as the Association and the pamphlet). The Association pleads for more liberal tax-free depreciation allowances on the basis of the present replacement costs of the capital assets; and also certain relief in the case of undistributed profits. All these reliefs, according to the Association, will not cost the Central Exchequer more than, say, Rs. 15 crores a year.

Apart from the accuracy of the figures given by the Association, the main problem is whether the claim for relief at a cost to Government, that is, ultimately to the community, is a just one. Under the system of private enterprise, it is, no doubt, necessary for the consuming community, if it desires an adequate supply of the goods and services consumed, to pay such price as would leave for the producer, after covering the value of the consumed assets, a reasonable rate of profits on the required investments. As all taxes mean appropriation of private income by the community, care must be taken to see to it that it does not result in reducing the income of private producers below the abovementioned level. In such a case alone, a claim for reducing taxes may be justified. Secondly, it must be remembered that the present consumer can be asked to cover the current and anticipated costs, including a reasonable rate of profit on the basis of those costs. They cannot be asked to cover historical costs. If on this basis, the older producers are not able to maintain production at a desired level, new producers will come in, inasmuch as the prices paid are adequate, considering the current and anticipated costs. From the point of view of the community, it is a matter of indifference whether the supply comes from the old or new producers.

Prices of Machinery

The whole problem has been stated by the Association in a nutshell as: "It is the yawning gap between original and replacement costs that is bothering industrial producers at the present moment." This gap has been caused by a rise in the prices of capital equipment since the time of its original purchase. At the outset, it must be stated here that the gap has been exaggerated by the Association, according to which the prices of "all heavy machinery are not less than three and a half times the pre-war prices." This comparison has been based on the present American prices converted into rupees at the present rate of exchange. As part of the machinery can certainly be purchased from those countries that devalued their currencies along with ours, we may well deflate that index to 300. It should also be remembered here that a large part of the machinery can now be fabricated in the country itself. Secondly, the base year for the Association's index number, though not specifically stated, can be taken as 1938. Now it may be noted that prices of machinery in the thirties were at least 25 per cent. lower than the prices in the twenties when most of the machinery was purchased. Even in the case of machinery purchased during the thirties, there is no reason why business men, who must necessarily take a long-range view, should have provided for depreciation on the basis of depressed prices. So it will not be correct to take the rise in the cost of machinery to be anything more than 225 per cent. of the original cost.

Now the question is: whether the present price level is adequate to cover the present and anticipated capital costs? Turning to facts, there is no doubt that Indian consumers are quite adequately paying for the increased costs of the capital equipment. This will be clear from the following figures. According to the Census of Production for 1948 (the latest available), the total value of production of the 29 industries covered by the census amounted to Rs. 954 crores. The total cost of this production under the heads of wages, salaries, materials, fuels and depreciation, at the rates allowed for the purposes of income-tax, amounted to Rs. 796 crores. To these items we may add Rs. 12 crores for interest on the working capital of Rs. 300 crores. Thus the total value produced net of all these items of cost is Rs. 146 crores. From this let us deduct approximately Rs. 62 crores for income and corporation tax. This leaves an income of Rs. 84 crores. From this we may further deduct Rs. 20 crores for additional depreciation on account of increase in the price of the total capital assets. As the original depreciation allowance was of Rs. 13 crores, this addition of Rs. 20 crores will mean covering 250 per cent. rise in the capital costs. So, after all these deductions, we get Rs. 64 crores as net income on the total fixed assets worth Rs. 200 crores. Assuming all these assets are financed out of owned capital and that their value has now risen to Rs. 500 crores, the profits amount to 13 per cent. free of income-tax. This certainly is not a meagre return. Incidentally, it should be remembered that the prices of the products are valued at lower than the present prices, while the capital assets are valued at the present prices. Even supposing that the prices of materials and fuels have risen in the meantime, this rise is bound to be more than fully compensated by the rise in the price of finished products.

Industrial Management Too Costly

If the shareholders of industrial concerns are not getting dividends in keeping with the value produced, that is because we have too costly a system of industrial management in this country, the Managing Agents take away too big a slice of the earnings of the industrial concerns. Here are some illustrative figures based on the latest available annual accounts of some of the industrial concerns picked up at random. It was found that in the case of nine engineering concerns, the managing agents' commission amounted to 10.25 per cent. of the total paid-up capital. Corresponding ratios in the case of 18 jute companies and 43 cotton mill companies were 22.6 per cent. and 14 per cent., respectively. For all the 70 companies taken together, the managing agents' commission amounted to 15 per cent. of the total paid-up capital. Ordinarily, the remuneration of the chief executive of an industrial concern need not exceed one per cent. of the paid-up capital and there is no reason at all why it should exceed two per cent. of the paid-up capital. In that case, shareholders' dividends would have increased by 13 to 14 per cent. of the paid-up capital. Even after making allowance for income-tax and corporation tax, it would mean a net return of 8 per cent. on paid-up capital. Managing agents are also notorious for making money in other ways than their regular stipulated commission. All this is earned ultimately at the cost of the shareholders. If all this money flows back to its real owners, namely, the shareholders, industrial investments will expand quite rapidly without any change in the present tax structure. The shareholders, therefore, before approaching the Government for any tax relief, should try to set their own house in order. If necessary, the Government should assist them to get rid of the present excessively costly and very inefficient system of industrial management.

The Association has stated its case in the following words: "It is unthinkable that there should be an increase in capitalisation merely to retain intact capacity for earnings on the former scale. It is here the Government have a clear duty and should help device ways and means which would enable the various industrial producers to carry on their good work." Now, when capital costs rise, to keep the earnings on the same scale means to increase total earnings in proportion to the increase in capital costs. If capital costs rise, the prices of finished products are bound to rise; if they do not rise, the supply will go on decreasing, until, because of scarcity, the prices rise to a level where they can cover the increased capital costs. If the prices do not rise, there is no sense in maintaining the former production capacity. Even supposing the production capacity is maintained intact at Government cost, it will mean living on capital, and consequently, highly uneconomic on the part of Government to finance the maintenance. It will be quite unbusinesslike to maintain a productive asset by spending three times its original cost, if its capitalised value is going to be one-third of its cost, as is bound to happen if the income remains the same as before. The income must rise at least to such amount as would pay, over and above the rise in depreciation charges in proportion to rise in the price of the capital asset, interest on additional cost plus the original amount of profit. Even with this, under private enterprise, there will be no expansion of the original production capacity; for that, the earnings must so rise that a reasonable rate of profit on the current cost of the assets would be available. And there is no doubt that industrial earnings in India have increased to that extent, otherwise, there would have been no increase in industrial investments. According to the Association's figures, at least Rs. 140 crores worth machinery was imported during 1947-52 for industrial expansion. In the cotton textile industry alone the paid-up capital rose from Rs. 67 crores in 1948 to Rs. 107 crores in 1952.

All these new investments clearly point out that investors consider it worthwhile to acquire new capital assets, even though their price, according to the Association, has risen by 350 per cent. And they do so because under the present price level, they hope not only to realise their investments but also to earn reasonable profits on those investments. This view is admitted even by Mr. Jaidyal Dalmia when he, according to the Association, pointed out that "the major problem of industrial finance is not so much the capital needs for new expansion but that needed for renovating and modernising the plant and equipment of the existing industries." What this means is that consumers are paying such prices as are adequate for keeping up incentive for new investments. The only difficulty is that the older producers have not been able to accumulate enough funds to replace their production capacity by new assets. But to help these producers to replace their pre-war production capacity means to increase their property and income by a proportion equal to the rise in the price of the assets, that is, according to the Association by 350 per cent. Now it cannot certainly be considered a duty on the part of the Government to help these people increase their property and income to that extent.

Social Injustice

This will lead to social injustice from another point of view also. Let us suppose the present producers had financed a part of their fixed assets by issuing debentures. In that case, the property and income of the debenture-holders will not rise in the same proportion as the property and income of the shareholders. Let us take a concrete illustration; suppose an industrial concern was started in 1930 with Rs. 10 lakhs of capital equipment, Rs. 5 lakhs being raised by shares and another Rs. 5 lakhs by debentures. According to the Association, the replacement cost of these assets will be Rs. 35 lakhs. Now if the Government, at the cost of the community, grants certain reliefs to this concern and enables it to accumulate Rs. 35 lakhs, it will mean that, while the property of the shareholders increases from Rs. 5 lakhs to Rs. 30 lakhs, the property of the debenture-holders will remain at the same original figure of Rs. 5 lakhs. This is social injustice. If the shareholders have borne greater risks, they have earned more returns during the investment period. If the shareholders wish to increase their property, they should do it at their own cost and not at the cost of the community.

In fact, during the past ten years, the consumers in India have been paying for the goods and services consumed by them sufficiently high prices to leave enough margin for covering the costs of currently consumed assets even at rising prices. This should have enabled the producers, whatever the depreciation rate allowed under the income-tax rules, to cover more than 60 per cent. of the rise in the prices of the capital assets. If they have not done that, it is their fault, and the community cannot be asked to pay for the short-sighted policy of these producers. If they cannot maintain production at a proper level, new units will be started by others, inasmuch as the consumers are paying a price which leaves sufficient room to earn profits even on the basis of the present capital costs and taxes.

Of course, it is true that with all the additional accumulations, the concerns may not be able to have enough money to replace the old assets at the present level of prices. In that case, the deficiency should be covered by long-term borrowing. Here the Government should come to the assistance of the producers by sup-

(*Continued on page 1063*)

HOW MANY PEOPLE CAN THE EARTH FEED?

VIEWS OF MR. HAINSWORTH ENCOURAGING

THE biggest problem facing the world to-day is the estimate of the capacity of the world to feed the growing population. This problem is of particular importance to India and other South-East Asian countries which are chronically deficient in foodgrains. The various aspects relating to the problem of food deficits dealt in by Mr. R. G. Hainsworth, an Economic Geographer, in one of the latest issues of *Foreign Agriculture*, a publication of the Office of Foreign Agricultural Relations of the United States Department of Agriculture, should, therefore, be of interest to the administrators in these countries. Of particular interest to them will be the heartening conclusion of Mr. Hainsworth that, considering the present ability to produce food and the improvements being effected in its production, the earth, with its available resources, can feed three times the present population in reasonable comfort. The way in which he has discussed the whole issue leading to this conclusion is, indeed, thought-provoking. The following paragraphs give the line of reasoning followed by Mr. Hainsworth.

During the past half century in the United States, population has more than doubled. Yet, only 10 per cent. more land has been put into crops. Nevertheless, Americans are eating better to-day than they did 50 years ago, and there are large surpluses of food for export. Increase in farming efficiency is what has made it possible for agricultural production to outpace population growth in the U.S. This fact is an encouraging one for the world, for population has been increasing in other countries, too, often at a rate which has exceeded food production increases.

Since the beginning of the nineteenth century, world population has increased by about 165 per cent. In that time, the number of European peoples has increased tenfold. To-day, nearly a third of all the people in the world are of European origin; in 1800 the figure was less than one-eighth. More than two-thirds of the English-speaking people now live in North America; only one-fifth of them lived there in 1800. This growth in Europe and America began with the Industrial Revolution, when the applications of mechanical power increased the production of manufactured goods and so led to an increase in the population of the industrial areas. Increased food demands by the rising populations first were met by intense cultivation of the land. But, by the "hungry forties" of the last century, that effort was not providing enough food and thousands of families emigrated to the New World. Then, fiscal barriers which had hindered the free importation of food were removed and the population of Europe began to grow again. Great Britain is an excellent example of a country the population on which has multiplied on imported food supply.

Increase in Population

During the past decade, population has multiplied particularly rapidly. Every minute of every day, 32.6 persons have been added to the world's population. In that time the population in the U.S. has increased by more than 5,200 persons a day—about 3.6 a minute. For the year from October 1951 to October 1952, the rate of increase in that nation was 4.4 a minute. The number of inhabitants in Far Eastern countries has grown even more rapidly in this decade. In the small country of Japan, for example, there are nearly 3,000 new mouths to feed each day—about 1,000,000 a year. And India has added more than 50,000,000 people to world population figures in the decade.

The United Nations estimates that on the earth's 55,000,000 square miles of land, there were 2,400,000,000 persons in 1950. About 10,000,000 square miles of the land area is covered by ice and snow or is too wet or too dry to be habitable, and about half of the remaining 45,000,000 square miles is very sparsely settled. This leaves about 22,500,000 square miles to support most of the human population. Nearly 95 per cent. of the earth's inhabitants live in the so-called land, or people's hemisphere, the centre of which is at 50 degrees North and O degrees longitude. This hemisphere contains more than six-sevenths of the earth's land and yet is more than half water.

From the point of view of population developments, the areas of the world can be divided into three groups:

1. Areas which have slowly increasing populations. About one-fifth of mankind is in these areas—chiefly in Western Europe, North America, Australia and New Zealand;

2. areas which have declining birth and death rates, and yet have increasing populations. Another fifth of the world's population is in these areas, mainly those of Eastern and Southern Europe, the U.S.S.R. and Japan (plus certain classes of the population in some Asian, African and Latin American countries); and

3. areas which have not as yet experienced a decline in birth rates and in which the introduction of the cheaper and more easily applied mass mortality controls has lowered the death rates sufficiently to result in a large measure of population growth. The remaining three-fifths of mankind, mainly the inhabitants of Asia, Africa and Latin America, live in these areas.

The cultivated land (2,500,000,000 acres) amounts to about 7.7 per cent. of the earth's land area (32,600,000,000 acres not including the Antarctic and the arms of the oceans and seas extending inland). To state it another way, there is one acre of cultivated land for every person in the world. The two countries having the largest areas of cultivated land are the U.S., with 18.2 per cent., and the Soviet Union, with 16.9 per cent. The U.S. not only has the largest area of cultivated land in the world, but also has extensive areas of permanent meadows, pastures and range lands, which are used for grazing livestock. The abundant supply of products derived from the livestock industry and the crops produced on the cultivated land give the U.S. a well-balanced agriculture, which only a few countries are fortunate enough to have. Fifty years ago, the cultivated land *per capita* in the U.S. was nearly 5.4 acres; to-day it is about three acres; yet the food produced on this smaller acreage feeds twice the number of people at home and provides for large exports. The 15 countries having more than 75 per cent. of the total cultivated land also have about two-thirds of the population of the world. Canada has the largest number of acres *per capita*, about 6.5, and China has the smallest, only 0.39 acre. Canada has 3.6 per cent. of its land cultivated with a small population (13,845,000); China (22 provinces) has 12.4 per cent. of its land cultivated and a very heavy population (463,500,000).

Topography

The topography of the world's land area can be divided into four principal classes of land forms: plains, 41 per cent.; plateaus, 33 per cent.; hills, 14 per cent. and mountains, 12 per cent. If topography alone is considered, about two-thirds of the land area of the world are adapted to agriculture, 95 per cent. of the plains, 75 per cent. of the plateaus, 25 per cent. of the hills and 5 per cent. of the mountains. But, when climate and soils also are considered, only about one-fourth of the land area can be used for agricultural purposes. Most farming is carried on at elevations below 1,500 feet, on the expansive plains and flood plains and on the lower plateaus and hill lands. Not all plains are suitable for crop production. Some are too swampy and some have poor soils while others are too dry, too wet, too cold, or are otherwise unsuitable. Plains may have soils of high natural fertility and still not be adapted to agriculture, for temperature and moisture conditions also must be suitable for the growth of crops. When reliability of rainfall is taken into account, only about one-third of all land is adapted to food production. This statement is based on a requirement of 15 inches of rainfall annually and crops are grown in some areas with less rainfall. Sometimes even 10 inches are satisfactory, when most of the rain falls in the growing season. On the other hand, as much as a 40-inch annual rainfall generally is required in the tropics, where evaporation is high.

Temperatures also limit the areas which can be used for crops. Where the temperature is near the freezing point, all plant activity is extremely low. Dr. J. B. Kincer suggests the average "zero of vital temperate point" is 6 degrees Centigrade or 42.8 degrees Fahrenheit. This point varies, of course, with different plants, in accordance with their temperature requirements. Many areas of the world with good soil and ample moisture cannot produce the major farm crops, because, even between the last killing frost in spring and the first killing frost in fall, temperatures often drop below the danger points for the crops. Here and there in the world—in the Amazon Basin and in parts of Burma, New Guinea and Sumatra, for example—there is still land available for farming. It has not been utilised fully, because there are not enough people in the areas to do the type of work necessary. Additional new lands in much of the world also can be brought into agricultural production by means of irrigation and drainage systems.

Irrigated land now supports about 10 per cent. of the population of the world; an estimated 200,000,000 acres of land are irrigated and another 200,000,000 acres can be irrigated. Irrigation projects are planned or are under way in China which will bring water to 89,500,000 acres, in India to 42,000,000 acres, in the U.S. for 26,000,000 acres and in Pakistan for 20,000,000 acres. Much progress has been made in irrigation in the last half century. In Egypt, for instance, the system of irrigation has been changed from basin irrigation, or a one-crop agriculture, to perennial irrigation, under which several crops can be grown each year on the same area of land. The system has been developed extensively with great storage reservoirs and dams, of which the Aswan Dam is the leading example. Long-time storage of water in Lake Victoria is also a possibility. India, too, is improving and expanding its irrigation systems. It plans to increase irrigation 150 per cent. as soon as possible. Almost every State in India has areas in which seasonal rainfall is uncertain. By harnessing water resources, these areas can be made more steadily productive. Another way in which the crop-bearing areas of the world may be increased is illustrated by the northward extension of the Wheat Belt in Eurasia and North America during the past 50 years. This extension has been made possible by the use of faster-growing and earlier-ripening varieties of wheat.

Agricultural production per acre has been declining in many countries, such as Australia, Argentina, Canada and even countries as new as South Africa and Venezuela. Some once highly productive areas like those of North Africa, which was the granary of the Roman Empire, the valleys of the Tigris and the Euphrates and vast areas of India and China have ceased to grow sufficient food for the local population or have been turned virtually into deserts. In addition to increasing food output by using the land wisely, it is possible to add to it by producing concentrated foods. High-protein foods or food pellets can be produced by processing wood and other crude products into food for people and livestock. The science of hydroponics (the culture of plants in minerally saturated solution) is a widely discussed means of adding to world food supplies, but it has not yet proved economically feasible because it is costly and limited to a comparatively small range of vegetables.

Other Answers

Increased production is not the only answer to the problem of feeding the world's growing population. Other answers are concerned with distribution and waste, high prices and artificially created surpluses. In considering how many people the world's resources can support, we know, of course, that the number depends on living standards. Still, we may make some general calculations based on the following assumptions:

1. We may assume that farming methods will stay as they are to-day and that the only increase in food supplies will be the result of raising the standards of cultivation in backward areas, using improved strains of food plants and animals and making full use of all the cultivated land. On this assumption, we may calculate the world's population at 6,500,000,000 people—about two and three-fourths times the present number.

2. We may make the additional assumption that the pressure of increasing populations and falling living standards will compel mankind to utilise all the cultivable land in the Hot Belt, as fully at least as the small areas now in use are utilised. At this rate, the 4,000,000 square miles which would be added to the world's cultivated land area might be capable of producing food for a population as dense as that of Java, where there are 42,000,000 people on 50,000 square miles of land, less than 60 per cent. of which is cultivable. If we take France as our basis for the mid-latitude lands and Java for the Hot Belt, the possible population of the world becomes 9,600,000,000.

3. We may guess at more or less speculative advances in the development of science applied to food production. We may consider the statements of an eminent geographer who said there are no limits to the productivity of the land and claimed

(*Continued on page* 1063)

The Bank of India Ltd.

ESTABLISHED 7th SEPTEMBER, 1906.

CAPITAL SUBSCRIBED .. .. Rs. 5,00,00,000
CAPITAL PAID-UP .. .. Rs. 2,50,00,000
RESERVE FUND .. .. Rs. 3,52,00,000

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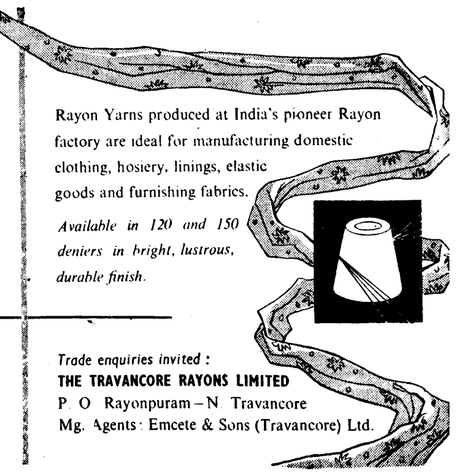

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1021-V

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THE KELVIN JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-first Ordinary General Meeting of the Shareholders of THE KELVIN JUTE COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Friday the 19th June, 1953, at 3 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 31st December, 1952.

(2) To declare Dividends.

(3) To elect a Director. Mr. H. D. Kitching retires by rotation and, being eligible, offers himself for re-election.

(4) To elect Auditors.

The Share Transfer Books of the Company will be closed from 6th to 19th June, 1953, both days inclusive.

By Order of the Board,
McLEOD & CO., LTD.,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *29th May*, 1953.

Note.—Payment of any dividend declared will be made only to those members whose names are registered in the Books of the Company on the 19th June, 1953, or to their Mandatees.

No application for Warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

CHITAVALSAH JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifty-third Ordinary General Meeting of the Shareholders of CHITAVALSAH JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Friday the 19th June, 1953, at 3-15 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 31st December, 1952.

(2) To declare Dividends.

(3) To elect a Director. Mr. C. L. Jatia retires by rotation and, being eligible, offers himself for re-election.

(4) To elect Auditors.

The Share Transfer Books of the Company will be closed from 6th to 19th June, 1953, both days inclusive.

By Order of the Board,
McLEOD & CO., LTD.,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *29th May*, 1953.

Note.—Payment of any dividend declared will be made only to those members whose names are registered in the Books of the Company on the 19th June, 1953, or to their Mandatees.

No application for Warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

BRIDGE AND ROOF COMPANY (INDIA) LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Ordinary General Meeting of the Company a dividend of 15 per cent. per annum for the half-year ended 31st December, 1952.

By Order of the Board,
BALMER LAWRIE & CO., LTD.,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, *27th May*, 1953.

NELLIMARLA JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-seventh Ordinary General Meeting of the Shareholders of NELLIMARLA JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Friday the 19th June, 1953, at 3-30 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report, and to pass the Accounts for the half-year ended 31st December, 1952.

(2) To declare Dividends.

(3) To elect a Director. Mr. C. L. Jatia retires by rotation and, being eligible, offers himself for re-election.

(4) To elect Auditors.

The Share Transfer Books of the Company will be closed from 6th to 19th June, 1953, both days inclusive.

By Order of the Board,
McLEOD & CO., LTD.,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *29th May*, 1953.

Note.—Payment of any dividend declared will be made only to those members whose names are registered in the Books of the Company on the 19th June, 1953, or to their Mandatees.

No application for Warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

THE EMPIRE JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighty-first Ordinary General Meeting of the Shareholders of THE EMPIRE JUTE COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Friday the 19th June, 1953, at 3-45 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 31st December, 1952.

(2) To declare Dividends.

(3) To elect a Director. Mr. J. H. Methold retires by rotation and, being eligible, offers himself for re-election.

(4) To elect Auditors.

The Share Transfer Books of the Company will be closed from 6th to 19th June, 1953, both days inclusive.

By Order of the Board,
McLEOD & CO., LTD.,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *29th May*, 1953.

Note.—Payment of any dividend declared will be made only to those members whose names are registered in the Books of the Company on the 19th June, 1953, or to their Mandatees.

No application for Warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

THE TATA IRON AND STEEL COMPANY, LIMITED

NOTICE

THE TRANSFER BOOKS OF THE COMPANY will be closed from Monday the 29th June to Tuesday the 28th July, 1953, both days inclusive.

The dividends for the year ended 31st March, 1953, when sanctioned, will be made payable to those shareholders, whose names stand on the Share Registers of the Company, on Tuesday the 28th July, 1953.

By Order of the Directors,
TATA INDUSTRIES, LIMITED,
Managing Agents,
J. D. CHOKSI,
Director.

BOMBAY, *28th May*, 1953.

THE ALEXANDRA JUTE MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-fifth Ordinary General Meeting of the Shareholders of THE ALEXANDRA JUTE MILLS, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Friday the 19th June, 1953, at 4 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report, and to pass the Accounts for the half-year ended 31st December, 1952.

(2) To elect a Director. Mr. J. H. Methold retires by rotation and, being eligible, offers himself for re-election.

(3) To elect Auditors, and to fix their remuneration.

By Order of the Board,
McLEOD & CO., LTD.,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *29th May*, 1953.

WAVERLEY JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventy-first Ordinary General Meeting of the Shareholders of WAVERLEY JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Friday the 19th June, 1953, at 4-15 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 31st December, 1952.

(2) To elect a Director. Mr. A. N. Sil retires by rotation and, being eligible, offers himself for re-election.

(3) To elect Auditors, and to fix their remuneration.

By Order of the Board,
McLEOD & CO., LTD.,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *29th May*, 1953.

THE SENDRA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-first Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Wednesday the 24th June, 1953, at 10-30 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 31st December, 1952, electing Directors and Auditors, and for transacting any other ordinary business of the Company.

The Share Register of the Company will be closed from the 10th to the 24th June, 1953, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LIMITED,
Managing Agents.

CALCUTTA, *28th May*, 1953.

Note.—Printed copies of Report and Accounts will be despatched to the Shareholders on or about the 10th June, 1953.

Notices

THE ONDAL COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One hundred and seventh Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Friday the 26th June, 1953, at 10-30 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 31st December, 1952, declaring the Dividends recommended by the Directors, electing Directors and Auditors and for transacting any other ordinary business of the Company.

The Share Registers of the Company will be closed from the 12th to the 26th June, 1953, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LIMITED,
Managing Agents.

CALCUTTA, *30th April*, 1953.

Note.—Printed copies of Report and Accounts will be despatched to the Shareholders on or about the 10th June, 1953.

THE BHULANBARAREE COAL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-third Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Friday the 26th June, 1953, at 10-40 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 31st December, 1952, electing Directors and Auditors, and for transacting any other ordinary business of the Company.

The Share Register of the Company will be closed from the 12th to the 26th June, 1953, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LIMITED,
Managing Agents.

CALCUTTA, *28th May*, 1953.

Note.—Printed copies of Report and Accounts will be despatched to the Shareholders on or about the 10th June, 1953.

THE CHURULIA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixty-ninth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Friday the 26th June, 1953, at 10-50 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 31st December, 1952, declaring the Dividend recommended by the Directors, electing Directors and Auditors, and for transacting any other ordinary business of the Company.

The Share Register of the Company will be closed from the 12th to the 26th June, 1953, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CALCUTTA, *30th April*, 1953.

Note.—Printed copies of Report and Accounts will be despatched to the Shareholders on or about the 10th June, 1953.

THE STANDARD COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One hundred and fourth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Friday the 26th June, 1953, at 11 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 31st December, 1952, declaring the dividend recommended by the Directors, electing Directors and Auditors and for transacting any other ordinary business of the Company.

The Share Register of the Company will be closed from the 12th to the 26th June, 1953, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CALCUTTA, *28th May*, 1953.

Note.—Printed copies of Report and Accounts will be despatched to the Shareholders on or about the 10th June, 1953.

THE BORREA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One hundred and twenty-fourth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Friday the 26th June, 1953, at 11-15 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 31st December, 1952, declaring the Dividends recommended by the Directors, electing Directors and Auditors and for transacting any other ordinary business of the Company.

The Share Registers of the Company will be closed from the 12th to the 26th June, 1953, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CALCUTTA, *30th April*, 1953.

Note.—Printed copies of Report and Accounts will be despatched to the Shareholders on or about the 10th June, 1953.

1952-1953
THE SIMPLEX MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-first Ordinary General Meeting of Shareholders of The Simplex Mills Company, Limited, will be held at the Registered Office of the Company, Forbes Building, Home Street, Fort, Bombay, on Friday the 3rd July, 1953, at 5-0 p.m. (S.T.), to transact the following business:—

(1) To adopt the Directors' Report and Audited Statements of Account for the year ended 31st March, 1953.

(2) To sanction the declaration of a Dividend.

(3) To elect Directors in place of those who retire from Office under the Articles of Association of the Company but are eligible for re-election.

(4) To appoint Auditors for the coming year and fix their remuneration.

The Transfer Books of the Company will remain closed, as previously advertised, from the 15th day of June, 1953, to the 29th day of June, 1953, both days inclusive.

By Order of the Board,
FORBES FORBES CAMPBELL & CO., LTD.,
Agents.

BOMBAY, *29th May*, 1953.

Note.—The Dividend when sanctioned will be made payable free of Income-tax, at the Chartered Bank of India, Australia and China, Bombay, on and after 6th July, to those Shareholders holding Fully Paid and Consolidated Shares of Rs. 50 each whose names stand on the Register on the 29th June, 1953, to whom Dividend Warrants will be posted, and in the case of holders of Fractional Shares, upon presentation to the Company of their Fractional Certificates.

AIR-INDIA LIMITED

NOTICE

THE SEVENTH ANNUAL GENERAL MEETING OF AIR-INDIA LIMITED, will be held on Monday, 22nd June, 1953, at 4-30 p.m. (S.T.), at the Registered Office of the Company, New India Assurance Building, Mahatma Gandhi Road, Fort, Bombay, to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account and Balance Sheet for the year ended 31st December, 1952.
2. To elect a Director in place of Mr. Neville N. Wadia, who retires by rotation and is eligible for re-election.
3. To elect a Director in place of Mr. Gautam Sarabhai, who retires by rotation and is eligible for re-election.
4. To elect a Director in place of Mr. S. N. Bilgrami, who retires by rotation and is eligible for re-election.
5. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from Wednesday, the 10th June, 1953, to Tuesday the 23rd June, 1953, both days inclusive.

By Order of the Directors,
TATA INDUSTRIES LIMITED,
Secretaries and Treasurers,
K. C. BAKHLE,
Director.

BOMBAY, *27th May*, 1953.

To all the Shareholders of Air-India Limited, and in particular to:—

Bashir Niazi, H.H. Comdg. General Sir Baber Shum Shere Jung Bahadur Rana, Mathew D'Lima, Mrs. Doulat Khanum, Leslie Neeve Flatt, Donald Reginald Cavendish Hartley, Norman Leonard Hammond, Clarence Francis Jeapes, Charles Henry Benjamin Lee, Mrs. Mariam Ahmed Jaffer, Mir Maqbool Mahmood, M. Nizamuddin, Miss Margaret Mardall, Maj. Genl. Nara Shum Shere Jung Bahadur Rana, J. C. K. Peterson, Mrs. Shahnoor Jehan Begum, Shujaatali Hasnie, Samuel Taylor, Edwin Robert Alfred Whatling, Mrs. Margery Emily Whatling, Joseph Theoffilius Almeida, Amrutha Pandu, Behram Nevrosji Pestonjee, Miss Candida Dhunbai Backhaus, Chulananda Upalide Silva, Ginigalgodage Peeton DeSilva, Arthur Horace Sidney Fernando, Farrokh Erackshaw Shroff, Karson Narain, Mrs. Margaret Mary Kak, Kaikhoshro Pherozeshah Mehta, Wilhelm A. E. Molamure, Dr. Maneck Bejonji Pithawalla, Placidus Joseph Leslie Menezes, Natuvilmatam Subramania Raman, John Cecil Trevor Perera, Anthony Francis Pinto, Sanmugam Dharma, Sukumar Roy, Mrs. Sehri Elizabeth Saklatvala, J. G. Williams.

THE TRAVANCORE RUBBER & TEA COMPANY, LIMITED
(Incorporated in Travancore)

NOTICE IS HEREBY GIVEN THAT THIS Company will pay on the 30th June, 1953, to the registered holders as at that date, half-yearly interest due on Preference Shares at the rate of 6 per cent. per annum.

Preference Share Transfer books will be closed from 24th June to 30th June, 1953, both days inclusive.

By Order of the Board,
ASPINWALL & CO. (TRAVANCORE) LTD.,
Managing Agents.

ALLEPPEY, *6th June*, 1953.

PROFIT OF MINERVA MILLS DROPS BY 65 PER CENT.

FINANCIAL POSITION SATISFACTORY

INVESTORS in cotton textile shares have now ceased to view with concern the results of the mills during the past year and have already turned their attention to the industry's prospects for the current year. Little surprise will, therefore, be expressed at the shrinkage in the profit of the Minerva Mills Ltd. (Managing Agents: Messrs. N. Sirur & Co., Ltd., Bombay) for the year ended 31st December, 1952. On the other hand, the Company's shareholders have every reason to feel satisfied that the setback in its results has not seriously affected the financial position of the Company, except that the reserve fund has been slightly depleted nor has it brought about any drastic cut in the return to them. The gross profit of the Company for the year under review amounts to about Rs. 85,000, as compared with Rs. 2.43 lakhs for the previous year. This profit is not even adequate to cover fully the depreciation for the year. The Directors have, therefore, had to draw Rs. 2 lakhs from the reserve fund in order to make up the deficiency in the provision for depreciation. This leaves an adequate sum to pay a dividend of 5 per cent., as against 6 per cent. paid for the preceding two years.

"The low profit was mainly due to the sudden slump which set in about March, 1952," the Directors observe in their report to the shareholders. Explaining the difficult trading position during the year, they add: "After the bulk of the cotton quotas had been purchased at ceiling rates, the prices of the raw material declined precipitously and the Government at once slashed down the prices of yarn and cloth, with the result that, for quite a long time, goods manufactured out of high-priced cottons had to be sold at considerable losses. It was only when the Government, realising the gravity of the situation, relaxed the export controls that the mills could sell some of their manufactures at better margins in the overseas markets. What little profit the mills have made was derived from the export sales of cloth during the year under report."

The following table brings out clearly the effects of the foregoing adverse factors on the earnings of the Company during 1952, as also the comparative results for the preceding three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Sale proceeds	131.47	133.26	101.97	103.78
Stocks of cloth and yarn ..	36.17	27.73	16.35	18.18
Value of cotton and stores consumed	98.90	107.17	64.49	63.19
Wages and other expenses ..	30.56	34.91	31.67	32.55
Gross profit	0.85	2.43	3.34	10.64
Managing Agents' commission ..	0.09	..	0.33	1.07
Provision for—				
Depreciation	1.08	0.60	0.79	2.06
Taxation	0.18	0.10	0.10	3.90
Net profit (+) or loss (—) ..	—0.50	+1.73	+2.12	+3.61
Transferred from reserves and provisions written back ..	2.02	..	..	..
To reserves	..	..	0.50	1.00
Dividend	1.48 (D. 5%)	1.78 (D. 6%)	1.78 (D. 6%)	2.37 (D. 6% +B.2%)
Carry forward	0.26	0.23	0.27	0.42

Despite the unfavourable trading situation during the major part of the year, the Company would have shown a better profit than in the previous year but for the rise of Rs. 4.65 lakhs in wages and other expenses. Of this rise, salaries, wages and dearness allowance account for Rs. 3.50 lakhs. Though the decline in the profit for 1952 is in conformity with the general trend of profits of textile mills, in the case of the Minerva Mills, this is the fourth year in succession to witness a contraction in profit. After providing for Managing Agents' commission, writing back a small sum of Rs. 1,679, being the surplus provision for bonus to staff made in the years 1942 to 1945, the sum (inclusive of the unappropriated surplus of the previous year) available for appropriation is only Rs. 1.01 lakhs. This permits of making a provision of Rs. 18,500 for taxation and of Rs. 82,115 for depreciation. This leaves a sum of Rs. 26,055 to be covered on account of depreciation. The Directors, as already stated, have, therefore, drawn a sum of Rs. 2 lakhs from the reserve fund in order to make up the deficiency in depreciation and also to declare a dividend of Rs. 5 per share of Rs. 100. This dividend represents, it may be noted, a drop of only Re. 1 per share, when compared with that for the previous year. The shareholders have every reason to feel gratified at the declaration of this dividend inasmuch as it is higher than the previous lowest dividend of Rs. 3-8 paid in 1940 on a lower capital, although the gross profit for 1952 is much lower than that earned in 1940.

It is true that the Company did not pay any dividend for 1947, but it distributed instead a capital bonus of Rs. 4.93 lakhs in the form of one share for every five shares held by the shareholders. In terms of cash distribution, this represented 20 per cent. on the then paid-up capital of Rs. 24.66 lakhs. On the basis of this old capital, the latest dividend is equal to 6 per cent.

The Company's financial position, as revealed by the balance-sheet as on 31st December, 1952, is satisfactory. Even after the capitalisation of Rs. 4.93 lakhs in 1948, the reserves and surplus stand at Rs. 25.16 lakhs, as against a paid-up capital of Rs. 29.81 lakhs. The gross block of the value of Rs. 73.68 lakhs has been written down to Rs. 31.74 lakhs. The current assets at Rs. 102.66 lakhs cover the current liabilities amounting to Rs. 79.43 lakhs by a margin of Rs. 23.23 lakhs.

The Rs. 100 paid-up ordinary shares of the Company are being currently quoted at Rs. 100-8, at which rate and on the basis of the latest dividend, the yield works out to 4.98 per cent. per annum, free of income-tax.

INDIA SUGARS AND REFINERIES LTD.

The sugar industry in India has, as a whole, had a favourable period during the year ended 30th September, 1952, resulting in substantial increase in overall production and a higher percentage of recovery. These factors, coupled with the grant of freedom to sugar factories for selling a part of their output in the free market, have resulted in larger profit for many units in the industry. Although the India Sugars and Refineries Ltd. (Managing Agents: India Sugar Agencies Ltd., Hospet), has not been able to record any increase in profit, the sugar production by the Company's factory has, in tune with the general trend, gone up. The earnings of the Company, in fact, show a shrinkage, due to a drop in recovery and an increase in working costs. Thus, the gross profit for the year under review amounts to Rs. 20.17 lakhs, at which it records a drop of Rs. 8.74 lakhs or 30.2 per cent. Nonetheless, the profit, after making provisions for depreciation and taxation, and placing a sizable sum to the general reserve, permits of maintaining comfortably the dividend to the ordinary shareholders at 25 per cent., to which level it was raised last year from 15 per cent. paid for the year 1949-50.

The Company has had a longer crushing period during the year under review, resulting in an increase in the quantity of cane crushed from 1,11,529 tons during 1950-51 to 1,32,634 tons. The output of sugar also shows a rise from 11,946 tons to 12,502 tons, but the recovery of sugar has declined. The Company's distillery produced 1,01,140 gallons of spirit, as compared with 1,05,062 gallons in 1950-51. The marketing of spirit, it is stated, has not come up to the Company's expectations.

Out of the gross profit of Rs. 20.17 lakhs, the Managing Agents' remuneration takes up Rs. 1.96 lakhs, as against Rs. 2.86 lakhs. Provision for depreciation and taxation amounts to Rs. 1.37 lakhs and Rs. 7.50 lakhs, respectively, the corresponding sums provided in the previous year being Rs. 1.15 lakhs and Rs. 10.50 lakhs. A sum of Rs. 5 lakhs has been added to the general reserve, which compares with Rs. 8.76 lakhs transferred in the previous year. The distribution of dividend on the 7½ per cent. preference shares requires Rs. 9,218 and that on the ordinary shares Rs. 3.25 lakhs, leaving Rs. 3.71 lakhs to be carried over, as against Rs. 2.71 lakhs brought in.

The balance-sheet of the Company, as on 30th September, 1952, discloses a satisfactory financial position. The paid-up capital of Rs. 14.23 lakhs is supplemented by reserves and surplus aggregating Rs. 33.97 lakhs. Provision for taxes amounts to Rs. 18.02 lakhs. The gross block of Rs. 24.52 lakhs has been well written down to Rs. 9.96 lakhs. The current assets, at Rs. 94.09 lakhs, cover the current liabilities (including provision for taxation) amounting to Rs. 55.85 lakhs by a wide margin of Rs. 38.24 lakhs.

The Directors report that the Company's outlook for the current year is to be regarded as satisfactory. They also state that the Company has financed to a large extent the reconstruction of the factory of the Salar Jung Sugar Mills Ltd. at Munirabad, which is situated just three miles from the Company's own factory. They feel that, when the Munirabad factory is rationalised and brought to economic working, for which steps are being taken, definite advantages will result to the India Sugars and Refineries in joint technical supervision and marketing.

A cash return of As. 4-6 per share, being fourth and final dividend has been declared by Borooah Timber Co., Ltd. and the same will be paid on or after 10th June, 1953. Payments will be made to to those shareholders whose names appear in the Register on 29th May, 1953. The share transfer books remain closed from 30th May, 1953.

Thamarapally Rubber Co., Ltd. has decided to reduce the preference share capital of the Company from Rs. 1,50,000 to Rs. 75,000 by re-paying Rs. 5 per preference share, making the preference shares Rs. 5 fully paid.

Kalpetta Estates Ltd., Alleppey, has decided to reduce its capital from Rs. 6 lakhs to Rs. 4 lakhs by refunding the entire 5 per cent. preference share capital of Rs. 2 lakhs to holders on 15th June, 1953. The accrued interest from 1st May to 15th June will also be paid by that date.

ENCOURAGING PROGRESS OF BHARAT LINES

DIVIDEND RAISED AGAIN

YET another year of successful working was completed by the Bharat Line Ltd. (Managing Agents: Messrs. Dinshaw Ltd., Bhavnagar) during the 12 months ended 31st December, 1952. The Company has earned a gross profit of Rs. 53.99 lakhs as against Rs. 42.75 lakhs in 1951 and Rs. 31.28 lakhs in 1950, thus maintaining the progress made in the previous year. As a result of the impressive rise in earnings, as noted above, the Directors have thought fit to step up the dividend to the shareholders from 4 per cent. paid for 1951 to 5 per cent. This is the second year in succession for which the dividend has been raised. Last year, the distribution to the shareholders was increased to 4 per cent. from 3 per cent., a rate which the Company had been paying in the preceding four years.

The improvement in earnings was due to expansion in the Company's fleet and the successful participation in the coastal trade of India and also in the Conferences handling the Burma-Ceylon, Burma-India, Ceylon-India, and Pakistan-India-Burma-Ceylon trades, in association with the other Indian and non-Indian interests. The Company's ships were employed regularly in these trades. The Directors report that despite the persistence of great delays at Calcutta and other loading and discharging ports and high maintenance costs which continued to affect the Company's earnings, the improvement in the employment of its ships was maintained. With watchful care and all-round economy in the spending departments, the management was able to show a substantial increase in the Company's earnings. Availing itself of the Government of India's scheme of granting loans for purchase of ships for employment in coastal trade, the Company added two more ships to its fleet during the year under review. After the close of the year—in April, 1953—it purchased another ship under the same scheme and placed an order for yet another with the Visakhapatnam Shipyard, with the assistance of the Government's loan under the scheme of assistance to Indian companies for construction of ships at the Vizag yard. The Company has thus to-day a fleet of 12 vessels of 82,165 d.w.t. beside the one now on order at the Vizag yard of 7,960 d.w.t.

The following comparative table shows the progress of the Company's earnings and their disposition during the last three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Freight	205.95	162.24	160.29	127.01
Charter hire and other income ..	7.11	7.21	4.26	0.08
Expenses	158.86	126.70	133.27	109.52
Gross profit	53.99	42.75	31.28	17.57
Managing Agents' remuneration ..	4.40	2.59	0.36	..
Depreciation	45.17	35.36	28.30	13.93
Taxation	..	1.00	..	..
Net profit	4.42	3.80	2.62	3.64
Dividend	5.00 (5%)	4.00 (4%)	3.00 (3%)	3.00 (3%)
Carry forward	0.59	1.17	1.37	1.75

The increase of Rs. 43.71 lakhs in freight earned was due to the larger employment of the Company's ships and not to any increase in the freight schedule which was maintained more or less at the levels attained in the previous year. The high cost of services is reflected in the rise of Rs. 32.04 lakhs in expenses, more than half of which (Rs. 16.68 lakhs is accounted for by coal, fuel oil, stores and victualling, Rs. 3.85 lakhs by salaries and wages and Rs. 3.14 lakhs by repairs, survey expenses and dry dock charges. The provision of Rs. 45.17 lakhs for depreciation made out of the year's profit is represented by an initial depreciation of Rs. 30.20 lakhs on 10 ships and a normal depreciation of Rs. 14.72 lakhs on 12 ships (including the two purchased in 1952). The initial depreciation on the two ships which were added during the year 1952 will be provided out of future profits.

The Company's latest balance-sheet shows that the paid-up capital of the Company is unchanged at Rs. 1 crore. No reserve fund has yet been built up. The Company's borrowings, secured and unsecured, have gone up from Rs. 37.65 lakhs to Rs. 66.42 lakhs, mainly on account of the increase in loans taken from the Government of India for purchase of two ships secured by mortage of the two ships. The total current liabilities at the end of the year 1952 stand at Rs. 102.91 lakhs. As against a gross block of Rs. 300.23 lakhs, the depreciation provided so far is Rs. 145 lakhs. Current assets (excluding deferred revenue expenditure amounting to Rs. 6.96 lakhs), which aggregate Rs. 41.30 lakhs, are lower than current liabilities by Rs. 61.61 lakhs.

Points From The Chair

Future of Tea Industry

"IN speaking of the truly spectacular improvement that has taken place in the industry's circumstances in a few short months, I must not be taken as meaning that our difficulties are at an end. Far from it. Last year's cuts in expenditure can be temporary only, as some of them are of a kind inimical to the ultimate welfare of the properties and justifiable only by reason of the severity of the crisis—and it would be sanguine to suppose that labour will be content indefinitely to accept the cuts and restrictions which have had to be imposed. There can be no present expectation, therefore, of a permanent lowering of costs; and while current prices should ensure that all efficiently managed concerns can be conducted at a profit, the fact must not be lost sight of that it will take many years fully to make good the heavy losses of 1951—and, in some cases, 1952—and that careful financing will continue to be necessary. It was so after the last great depression in the industry, in 1930-31, and it will be much more so now, when so much of a company's earnings goes in taxation and so comparatively little remains for all other purposes, including the restoration of depleted reserves."

R. W. B. DUNLOP,
Walter Duncan and Goodricke Ltd.

Capital Cost of Replacing Ships

"The cost of new tonnage gives your Board and the Boards of our allied companies the greatest anxiety. The policy which the group has followed ever since the war ended, and even during the war period, is that of replacement of lost and obsolescent ships. In normal pre-war times, the risk the shipowner ran was a trading one; since the war and to-day there are other risks—political and economic—not the least of which is that the final capital cost of new ships is unknown when they are ordered, and indeed until after they are delivered. The gap in time between order and delivery has been as much as five years. The rise in cost in five post-war years has been as much as 80 per cent. Nothing that the owner can do will limit this possible increase. It will thus be seen that the normal hazards of a business engaged wholly in the unprotected world markets are immeasurably increased when it is impossible to foretell the cost of the ships whose services we are selling. It is true that ships, which were delivered up to last year, look cheap compared with similar ships to-day. But there comes a time when one has to consider with special care the pros and cons of this capital cost risk."

SIR WILLIAM CRAWFORD CURRIE,
Peninsular & Oriental Steam Navigation Co.

Future of Indian Jute Industry

"Now that Pakistan has removed the discriminatory levies imposed last August on all jute entering India—equivalent to Rs. 4-10 per maund—a comprehensive trade agreement has been concluded between the Governments of these two countries which will permit the mills to purchase annually up to 2½ million bales for the next three years commencing 1st July this year—a real step in the right direction which augurs well for the future. Mills will now have more freedom for selective buying, but, as Pakistan has not devalued its currency, this may mean that the mills may again, from an economical point of view, have to confine purchases largely to Indian-grown jute. Much, however, will depend on the future trend of markets."

GEORGE A. MASON,
Samnuggur Jute Factory Co., Ltd.

Effects of Raw Materials' Prices on Manufacturing

"During a time of rising prices and scarcities, buyers tend to place orders in excess of requirements, while, on the other hand, when prices fall there is a tendency for them to hold off and live on stocks. With the natural desire of everyone in our trade to keep their machines running, these are the conditions which must lead to competition and price cutting. This recession will pass in due time, like others, of which we have had experience in the past, but while it lasts and until some stability is reached in price levels, it must necessarily have a serious effect on our results."

F. LE NEVE FOSTER,
Davis and Timmins, Ltd.

Prospects for British Aircraft Industry

"Our present national superiority in pure jet and turbo propelled airliners is acknowledged, and it would appear to be obvious that the American operator should take advantage of this fact to order from this country so as to gain experience and to fill the gap before American production of these types is available. To make a sale of British civil aircraft in the U.S.A. is a challenge to our technical salesmanship; it is also a challenge to common sense for the United States authorities. On the other hand, there is a large civil aircraft market outside the U.S. so long dominated by the American aircraft industry, for us to supply and for which we can give good delivery, and we are making great efforts to capture that market before the Americans come into the field with their own jet-propelled aircraft."

LT. GEN. SIR RONALD M. WEEKS,
Vickers Ltd.

Notices

HOWRAH MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One hundred and twenty-fifth Half-yearly Ordinary General Meeting of Shareholders of Howrah Mills Co., Ltd., will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, on Friday the 26th June, 1953, at 12-00 noon, for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 31st March, 1953, and the Balance Sheet as at that date.
(2) To declare Dividends.
(3) To elect a Director.
(4) To appoint Auditors and to fix their remuneration.

The Share Transfer Books of the Company will be closed from 12th June to 26th June, 1953, both days inclusive.

By Order of the Board,
JARDINE HENDERSON, LTD.,
D. FORDWOOD,
Secretary,
Managing Agents.

CALCUTTA, *29th May*, 1953.

Note.—Payment of any Dividend declared will be made only to those members whose names are registered in the Books of the Company on the 26th day of June, 1953, or to their Mandatees.

No applications for warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

THE BURRAKUR COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One hundred and fourth Ordinary General Meeting of the Shareholders of The Burrakur Coal Company, Limited, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 11-30 a.m. on Friday the 26th June, 1953, for the purpose of receiving the Directors' Report, passing the Audited Accounts for the half-year ended 31st December, 1952, declaring the Dividends recommended by the Directors, electing Directors and Auditors, and for transacting any other ordinary business of the Company.

The Share Transfer Registers of the Company will be closed from the 12th to the 26th June, 1953, both days inclusive.

By Order of the Board,
BIRD & CO., LTD.,
Managing Agents.

CALCUTTA, *28th May*, 1953.

Note.—Printed copies of Report and Accounts will be despatched to the Shareholders on or about the 10th June, 1953.

THE KARANPURA DEVELOPMENT COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixty-fourth Ordinary General Meeting of the Shareholders of The Karanpura Development Company, Limited, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 12-30 p.m., on Wednesday, the 24th June, 1953, for the purpose of receiving the Directors' Report, passing the Audited Accounts for the half-year ended 31st December, 1952, electing Directors and Auditors and for transacting any other ordinary business of the Company.

The Share Transfer Registers of the Company will be closed from the 10th to the 24th June, 1953, both days inclusive.

By Order of the Board,
BIRD & CO., LTD.,
Managing Agents.

CALCUTTA, *28th May*, 1953.

Note.—Printed copies of Report and Accounts will be despatched to the Shareholders on or about the 10th June, 1953.

THE NEW INDIA ASSURANCE COMPANY LIMITED, BOMBAY

NOTICE TO THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Thirty-fourth Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, New India Assurance Building, Mahatma Gandhi Road, Fort, Bombay, on Wednesday the 24th June, 1953, at 4-30 p.m. (S.T.).

(1) To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December, 1952.
(2) To declare a Dividend.
(3) To elect three Directors in place of Mr. Kasturbhai Lalbhai, Mr. B. C. Mehta and Mr. J. D. Choksi who retire by rotation but are eligible for re-election and offer themselves accordingly.
(4) To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from the 30th day of May, 1953, to 26th day of June, 1953 (both days inclusive).

By Order of the Board,
B. K. SHAH.
General Manager.

BOMBAY, *28th May*, 1953.

N.B.—The Dividend when sanctioned at the General Meeting will be payable to those Shareholders whose names stand registered on the Company's Register on the 29th May, 1953. It will be payable at the Central Bank of India, Limited, Bombay, for six months on and after the 25th June, 1953, and thereafter at the Registered Office of the Company.

ALBION JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held at the Registered Office of the Company at No. 9, Dalhousie Square East, Calcutta-1, on Tuesday the 16th June, 1953, at 3-15 p.m., to adopt the Directors' Report and Audited Accounts for the half-year ended 30th November, 1952, to declare dividends for the half-year at Rs. 3-8 per share on the Preference Shares and Rs. 10 per share on the Ordinary Shares, to elect a Director and to appoint Auditors for the current year.

The Share Transfer Books of the Company will be closed from 11th to 16th June, 1953, both days inclusive.

By Order of the Board,
SAHU JAIN LTD.,
Managing Agents.

CALCUTTA, *26th May*, 1953.

NEW CENTRAL JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held at the Registered Office of the Company at No. 9, Dalhousie Square East, Calcutta-1, on Tuesday the 16th June, 1953, at 4 p.m., to adopt the Directors' Report and Audited Accounts for the half-year ended 31st December, 1952, to declare dividends for the half-year at Rs. 3-8 per share on the Preference Shares and Rs. 12 per share on the Ordinary Shares, to elect a Director and to appoint Auditors for the current year.

The Share Transfer Books of the Company will be closed from 11th to 16th June, 1953, both days inclusive.

By Order of the Board,
SAHU JAIN LTD.,
Managing Agents.

CALCUTTA, *26th May*, 1953.

SASSOON AND ALLIANCE SILK SUFFERS LOSS AFTER EIGHTEEN YEARS

HIGHLAND PRODUCE CUTS DIVIDEND SHARPLY

Sassoon and Alliance Silk Mill Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. David Sassoon & Co., Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The result of the year's working showed a loss of Rs. 20,049 (profit of Rs. 2,59,862). Against this loss, the directors credited the following sums to the profit and loss appropriation account:—

E.P.T. post-war refund received during the year Rs. 49,920 (*nil*) and surplus provision for taxation Rs. 43,082 (*nil*), making a total of Rs. 93,002 (*nil*). After adding the balance brought forward from the previous year of Rs. 3,162 (Rs. 6,300) there was a sum of Rs. 96,164 (Rs. 2,66,162), from which was deducted the loss for the year 1952 amounting to Rs. 20,049 (*nil*), out of the balance of Rs. 76,115 (Rs. 2,66,162) the directors appropriated to replacement of machinery reserve Rs. 10,000 (Rs. 20,000) and made payment of a dividend of Re. 1-4 (Rs. 2) per share, free of income-tax, absorbing Rs. 62,500 (Rs. 1,00,000), leaving a credit balance to be carried forward of Rs. 3,615 (Rs. 3,162).

The directors regret that after many years the working of the mill, resulted in a loss. This was due to the continued depression in the industry, affecting both the demand and prices for artificial silk cloth. As a result, clearances of cloth slackened, and prices realised were unremunerative, while on the other hand, labour costs showed no signs of any decrease. In the circumstances, a further cut in production had to be imposed.

The difficult times, through which the art silk industry is passing, are still causing anxiety and although the immediate prospects appear brighter, the future remains obscure. During the year the Employees' State Insurance Scheme and Employees' Provident Fund Scheme came into force, the former on the 24th February, 1952, and the latter on 1st November, 1952. All taxation upto and including the Company's year 1951, has been finalised and paid to the income-tax authorities.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	2,24,121
Reserves ...	8,93,779	Stock ...	5,06,997
Provision for taxation ...	398	Stores, spare gear, etc. ...	1,91,143
Liabilities ...	3,24,000	Debts, deposits and advances ...	2,85,084
Profit and loss account ...	3,615	Cash ...	5,14,447
Rs.	17,21,792	Rs.	17,21,792

Highland Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. Thomas & Co., Ltd., Alleppey) submit the audited accounts of the Company for the year ended 31st December, 1952.

The total acreage of the estates of the Company amounts to 2,047 and the crop harvested during 1952, was 7,37,966 pounds, as against 8,26,401 pounds in 1951.

A crop of 1,465 pounds of cardamom was harvested from the new cardamom areas on Carady Goody Estate. The total tea crop harvested is less than the estimate for the year though it was in excess of the estimate last year because weather conditions before, were more favourable. To that extent this year, adverse weather conditions have been responsible for the shortfall in crop. It will be noticed that Carady Goody Estate suffered more and it is the short-fall in this estate's crop that was responsible for the over-all lower output. It also became necessary to have finer plucking as the price for tea had generally flopped and quality teas alone fetched better prices.

The f.o.b. cost for the year was Re. 1-5-4, as against the estimated cost of Re. 1-1-1 per lb. and the all-in cost was Re. 1-8-4 per lb. as against last year's all-in cost of Re. 1-9. The net average price realised is Re. 1-11-10 as against Re. 1-15-0 for the previous year.

The net profit for the year amounted to Rs. 2,12,348 (Rs. 3,55,065) after providing for depreciation on buildings and machinery and also a reserve of Rs. 40,000 (Rs. 2,50,000) for taxation. This profit together with the balance of Rs. 66,448 (Rs. 64,383) brought forward from the previous year makes a total of Rs. 2,78,797 (Rs. 4,19,448). The entire dividend of 6 per cent. on preference shares and an interim dividend of 5 (10) per cent. on the ordinary shares on account of the year 1952 amounting in all to Rs. 1,08,000 (Rs. 78,000) have already been paid leaving a balance of Rs. 1,70,797 (Rs. 3,41,448) available for distribution which the directors recommend be disposed in payment of 5 per cent. (35 per cent. including 10 per cent. second interim dividend) final dividend on ordinary shares (making 10 per cent. (45 per cent. on old capital) for the year) Rs. 90,000 (Rs. 2,10,000) and in carrying forward Rs. 80,797 (Rs. 66,448).

An extraordinary general meeting was held on the 30th of April, 1952, and the scheme of issue of bonus shares was sanctioned by the necessary extraordinary resolution. The shares were issued in terms of the decision of the general body, and to that extent the subscribed and paid up capital has been shown inclusive of the issue of bonus shares in the accounts.

Crop for 1953 is estimated at 7,75,000 pounds of tea and 2,500 pounds of cardamom.

Tea had to be sold in a buyers' market during the year and not in a sellers' market as the industry had enjoyed for some considerable time. There have been several fluctuations in the price during the year, and the fall has been as much as As. 10 to As. 12 in certain parts of the year. A small recovery was in evidence during the early part of 1953, but how far it will be maintained is unpredictable in the present set up of things.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,00,000	Block ...	16,95,771
Reserves ...	6,21,355	Stock ...	1,69,365
Provision for taxation ...	1,42,785	Stores, etc. ...	1,49,088
Liabilities ...	2,84,021	Debts, deposits and advances ...	2,00,164
Profit and loss account ...	1,70,796	Investments	2,52,158
		Cash ...	8,52,411
Rs.	33,18,957	Rs.	33,18,957

Vijaya Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Haridas Achratlal & Co., Ltd., Ahmedabad) submit the audited accounts of the Company for the year ended 31st December, 1952.

During the year the Company made a profit of Rs. 8,43,408 (Rs. 20,37,916), with last year's balance of Rs. 20,958 (Rs. 39,362) there is a total sum of Rs. 8,64,366 (Rs. 20,71,278). After deducting donations made to public charitable institutions amounting to Rs. 16,507 (Rs. 24,720) there remains a balance of Rs. 8,47,859, from which the directors recommend allocations as under:—

To machinery and buildings depreciation fund account Rs. 5,50,000 (Rs. 6,50,000), special reserve fund account Rs. 2,71,600 (*nil*) and charity fund account Rs. 10,000 (Rs. 10,000), leaving to be carried forward to next year's account Rs. 16,259 (Rs. 20,958).

The directors recommend to transfer a sum of Rs. 2,71,600 from the reserve fund of the Company for the payment of dividends as under:—

To payment of income-tax free, interest on 3,500 2nd cumulative preference shares of Rs. 100 each at 4 (4) per cent. for the year, 1952, Rs. 14,000 (Rs. 14,000), payment of, subject to income-tax, interest on 2,800 3rd cumulative preference shares of Rs. 100 each at 4½ (4½) per cent. for the year 1952 Rs. 12,600 (Rs. 12,600) and payment of dividend at Rs. 22 (Rs. 22) and bonus at Rs. 13 (Rs. 13) making the total of Rs. 35 (Rs. 35) per share, both income-tax free on 7,000 ordinary shares of Rs. 400 each for the year 1952, Rs. 2,45,000 (Rs. 2,45,000).

During the year, the rates of cotton were extremely high, whereas the prices realised of cloth were not at all remunerative on account of the unusual depression in all the markets. Moreover due to higher dearness allowance and rise in the prices of stores and fuel, the cost of production kept on increasing. Considering all these factors, the working of the Company will be found satisfactory.

The Company's machinery, buildings, stores, cotton, cloth, etc., have been insured against fire. Profits and standing charges insurances have been covered. Only a small risk has been carried by the Company. The mill has worked two shifts during the whole year. There are 34,576 ring spindles, 776 looms, 40 art silk looms and the necessary processing plants.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	34,30,000	Block ...	91,15,078
Reserves ...	79,16,324	Stocks ...	43,98,980
Provision for taxation ...	6,28,257	Stores ...	8,41,779
Liabilities ...	47,85,494	Debts, deposits and advances ...	15,74,622
Profit and loss account ...	8,47,859	Investments	7,14,647
		Cash ...	9,62,828
Rs.	1,76,07,934	Rs.	1,76,07,934

Palani Andavar Mills Ltd.

The directors of the above Company (Managing Agents and Secretaries: Messrs. Baghyalakshmi & Co., Udamalpet) submitted the audited accounts of the Company for the year ended 31st December, 1952.

After deducting all working expenses and interest and providing Rs. 1,15,000 (Rs. 98,595) towards depreciation including initial depreciation, this year's working, resulted in a net profit of Rs. 59,710 (Rs. 8,74,153). With Rs. 19,670 (Rs. 44,517) the balance of profit brought forward from last year, the amount available under profit and loss account was Rs. 79,380 (Rs. 9,18,670). After transferring the sum of Rs. 88,000 (*nil*) from the dividend equalisation fund as proposed by the directors, the amount available for distribution was Rs. 1,67,380 (Rs. 9,18,670). The directors disposed of this amount by paying a tax-free dividend of 7 (7) per cent. on preference shares Rs. 14,000 (Rs. 14,000) and a tax-free dividend of 15 (16) per cent. on ordinary shares Rs. 1,50,000 (Rs. 1,60,000), leaving to be carried forward the balance of Rs. 3,380 (Rs. 19,670).

No provision was made for taxes in view of the large balance carried forward in that account. During the year the Company had committed itself to large purchases of foreign cotton, the prices of which declined heavily. Price control measures over yarn were prevalent throughout the year and in addition the yarn market was very dull during the later half of the year.

Further due to the imposition of cuts in electricity, the Company could work only 246 days as against 299 days in the previous year. The directors considered that the profit earned, under the circumstances, was satisfactory.

Accounts in brief were are under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Block ...	12,45,286
Reserves ...	7,25,363	Stocks ...	12,32,615
Provision for taxation ...	3,12,708	Stores ...	4,00,934
Liabilities ...	10,40,273	Debts, deposits and advances ...	4,14,411
Profit and loss account ...	79,380	Investments	21,087
		Cash ...	43,391
Rs.	33,57,724	Rs.	33,57,724

Poona Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: The Rajputana Textiles (Agencies) Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The Company's plant, distribution system and other physical properties were adequately maintained. In order to efficiently meet the increased demand many additions and improvements were made to the distribution system. Seven additional transformer sub-stations were brought into service and the capacities of some of the older ones were increased. Also, several important extensions and alterations were made to the transmission and distribution mains.

The additional restrictions in the form of a power cut, which were imposed by Government of Bombay in October, 1951, were entirely lifted by October, 1952. However, some of the restrictions designed to control the over-all demand on the Company's bulk suppliers are being continued. Plans for the shifting of the Company's main receiving station from the present congested Rasta Peth locality, to the site which has already been acquired at Ganeshkhind, were completed and the requisite building work is expected to be commenced very shortly.

In continuation of the Company's programme for the conversion of the supply from dc to ac, a total of 289 installations with a connected load of 112 kw and an estimated maximum demand of 50 kw were converted during the year, thus reducing the dc maximum demand on the system at the Company's receiving station to approximately 100 kw at the end of the year. The street lighting installations served by the Company at the end of the year under review totalled 7,122 fixtures, reflecting a net increase of 53 fixtures during the year.

Capital expenditure incurred during the year amounted to Rs. 5,41,313. The profit and loss account showed that the revenue from sales of energy amounted to Rs. 34,79,412 (Rs. 37,18,955) and revenue from other sources Rs. 2,32,939 (Rs. 2,23,781), making a total gross revenue of Rs. 37,12,351 (Rs. 39,42,736). After deduction of all charges including depreciation and taxation Rs. 30,77,918 (Rs. 31,77,549), the net profit amounted to Rs. 6,34,433 (Rs. 7,65,187).

While the expenses were somewhat lower than in the preceding year, the net profit showed a decrease of more than Rs. 1,00,000 due to the fall in revenue from sales of energy, which was due partly to the restrictions on sale of energy during the first eight months of the year and partly to the higher amount authorised for refund to consumers.

Schemes for the payment of gratuities on a progressive scale to all employees have been approved and an adequate provision has been made in the accounts to meet this liability as and when it may arise. Provision has also been made for the payment of a suitable bonus in keeping with the usual practice of the Company.

As a result of the above factors, the net balance available for disposal, after making the several appropriations and deducting the adinterim dividend paid on 27th August, 1952, and adding the amount brought forward from 1951, as also the excess provision for taxation and bonus made in previous years and the post-war refunds of E.P.T. for 1943, amounted to Rs. 2,08,317 (Rs. 1,93,416). The directors disposed of this amount in payment of a final dividend on preference shares at the rate of Rs. 3-8 (Rs. 3-8) per share, after deduction of income-tax Rs. 10,325 (Rs. 10,325) and a final dividend on ordinary shares at the rate of Rs. 4 (Rs. 3-8) per share, (making Rs. 8 (Rs. 7-8) per share, free of income-tax for the year) Rs. 1,95,560 (Rs. 1,71,115) leaving to be carried forward the balance of Rs. 2,432 (Rs. 11,976).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	52,89,000	Block ...	95,85,707
Debentures ...	7,37,000	Stores, tools, etc. ...	4,75,404
Reserves ...	48,57,765	Other assets	40,724
Provision for taxation ...	1,79,521	Debts, deposits and advances ...	6,43,054
Liabilities ...	24,98,961	Investments	17,88,904
Profit and loss account	2,432	Cash ...	10,30,886
Rs.	1,35,64,679	Rs.	1,35,64,679

Thamarapally Rubber Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. George & Co., Ltd., Kottayam) submit the audited accounts of the Company for the year ended 31st December, 1952.

The total acreage under rubber, coconut, cashew, etc., amounts to 534.78. Both Malyakal and Thamarapally estates are reported to be in good condition.

The rubber harvested during the year was 2,28,967 lbs. (2,29,433 lbs.) at 45.74 (41.70) cents per pound against an estimate of 2,00,000 (1,92,000) lbs. at 49.99 (45.00) cents per pound. The crop estimated for 1953 is 2,15,000 (2,00,000) lbs. at 58.74 (49.99) cents per pound. The average price realised was 121.12 (119.54) cents per pound. The price of raw rubber was enhanced and fixed by the Government of India in October 1952, at Rs. 138 per 100 lbs. of R.M.A1 rubber with suitable differentials for the low grades. Sale of rubber during the year was very difficult due to the selective buying by the manufacturers.

The net profit after providing for taxes, depreciation, etc., is Rs. 84,899 (Rs. 86,925) to which is added the balance brought forward from last year of Rs. 66,520 (Rs. 26,845) making a total of Rs. 1,51,419 (Rs. 1,13,770). The directors recommend the following distribution:—

Dividend of 6¼ (6¼) per cent. on the preference shares Rs. 9,750 (Rs. 9,750), dividend of 25 (15) per cent. dividend on the ordinary shares Rs. 62,500 (Rs. 37,500) and transfer to general reserve Rs. 37,500 (*nil*), leaving a balance of Rs. 41,669 (Rs. 66,520) to be carried forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,00,000	Block ...	5,01,634
Reserves ...	1,62,500	Stock ...	1,14,150
Provision for taxation ...	49,049	Stores, etc. ...	12,611
Liabilities ...	23,196	Debts, deposits and advances ...	1,347
Profit and loss account ...	1,51,419	Cash ...	1,56,422
Rs.	7,86,164	Rs.	7,86,164

New Beerbhoom Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st October, 1952.

After providing Rs. 1,50,000 (Rs. 1,50,000) for depreciation and Rs. 36,800 (*nil*) for cesses and transferring Rs. 75,000 (Rs. 4,90,000) to development reserve, there remains a balance at the credit of profit and loss account of Rs. 1,55,421 (debit balance of Rs. 5,06,379) from which the directors recommend:—

A dividend of 7 (*nil*) per cent. per annum on 20,000 preference shares for the half-year ended 31st October, 1952 Rs. 7,000 (*nil*), a dividend of As. 8 (*nil*) per share on 1,77,623 ordinary shares Rs. 88,812 (*nil*), provision for commission to directors Rs. 3,810 (*nil*) leaving to be carried forward the balance of Rs. 55,799 (Rs. 7,079).

Raisings for the half-year ended October, 1952, totalled 2,46,202 tons compared with 2,53,976 tons in the previous half-year, and 2,12,637 tons in the half-year ended October, 1951. Despatches, which include purchased coal, totalled 2,91,745 tons compared with 2,18,785 tons in the previous half-year, and 2,34,834 tons in the half-year ended October, 1951.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,76,230	Block ...	35,01,560
Reserves ...	10,67,000	Stock ...	39,441
Provision for taxation ...	81,462	Stores ...	10,15,397
Liabilities ...	46,52,954	Debts, deposits and advances ...	32,20,890
Profit and loss account ...	55,799	Investments	7,347
		Cash ...	48,810
Rs.	78,33,445	Rs.	78,33,445

Seebpore Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1952.

After providing Rs. 1,05,000 (Rs. 79,000) for depreciation and Rs. 1,01,000 (Rs. 45,000) for taxation and cesses, the directors have placed Rs. 40,000 (Rs. 60,000) to general reserve and there remains a balance at the credit of profit and loss account of Rs. 80,584 (Rs. 71,848) out of which the directors recommend payment of a dividend on 4,000 5 per cent. non-taxable cumulative preference shares absorbing Rs. 10,000 (Rs. 10,000), and dividend of Re. 1 (Re. 1) per share on 40,000 ordinary shares Rs. 40,000 (Rs. 40,000) leaving to be carried forward a sum of Rs. 30,584 (Rs. 21,848).

Raisings were 73,523 (65,661) tons as compared with 78,731 tons in the previous half-year and despatches were 88,132 (72,735) tons as against 67,665 tons.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	6,80,000	Block ...	13,71,128
Reserves ...	5,43,826	Stock ...	60,690
Provision for taxation ...	1,61,902	Stores ...	1,60,306
Liabilities ...	7,74,740	Debts, deposits and advances ...	4,38,019
Profit and loss account ...	30,584	Investments	1,54,002
		Cash ...	6,907
Rs.	21,91,052	Rs.	21,91,052

N.B.—Figures within brackets relate to the corresponding period of the previous year.

COMPANY MEETINGS AND DIVIDENDS

DEHRA DUN TEA CO., LTD. Annual General Meeting, 7th June, 1953. Dividend: *Nil*. Transfer books closed from 24th May to 7th June, 1953.

EAST HOPETOWN ESTATE CO., LTD. Annual General Meeting, 7th June, 1953. Dividend: Rs. 10 per share. Transfer books closed from 24th May to 7th June, 1953.

BENGAL JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 10th June, 1953. Transfer books closed from 3rd to 10th June, 1953, both days inclusive.

BARDUAR TEA AND TIMBER CO., LTD. Annual General Meeting, Calcutta, 12th June, 1953. Dividend: *Nil*. Transfer books close from 8th to 12th June, 1953.

ALBION JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 16th June, 1953. Dividend: Rs. 10 per share (final). Transfer books close from 11th to 16th June, 1953, both days inclusive.

NEW CENTRAL JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 16th June, 1953. Dividend: Rs. 12 per share (final). Transfer books close from 11th to 16th June, 1953, both days inclusive.

ALEXANDRA JUTE MILLS, LTD. Half-yearly General Meeting, Calcutta, 19th June, 1953.

CHITAVALSAH JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 19th June, 1953. Transfer books close from 6th to 19th June, both days inclusive.

EMPIRE JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 19th June, 1953. Transfer books close from 6th to 19th June, 1953, both days inclusive.

KELVIN JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 19th June, 1953. Transfer books close from 6th to 19th June, 1953, both days inclusive.

NELLIMARLA JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 19th June, 1953. Transfer books close from 6th to 19th June, 1953, both days inclusive.

WAVERLEY JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 19th June, 1953.

SRI KRISHNARAJENDRA MILLS LTD. Annual General Meeting, Mysore, 20th June, 1953. Dividend: Rs. 4 per share, free of income-tax (including interim dividend of Re. 1-8). Transfer books close from 8th to 21st June, 1953, both days inclusive.

EDWARD TEXTILES LTD. Annual General Meeting, Bombay, 20th June, 1953. Dividend: Rs. 15 per share. Transfer books closed from 5th to 30th June, 1953, both days inclusive.

CALCUTTA GAS CO. (PROPRIETARY) LTD. Annual General Meeting, Calcutta, 22nd June, 1953. Transfer books close from 15th to 22nd June, 1953, both days inclusive.

SEARSOLE COAL CO., LTD. Annual General Meeting, Calcutta, 26th June 1953. Dividend: As. 8 per share. Transfer books close from 16th to 26th June, 1953, both days inclusive.

SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LTD. Annual General Meeting, Tiruchirapalli, 1st August, 1953. Transfer books close from 8th July to 1st August, 1953, both days inclusive.

CALCUTTA ELECTRIC SUPPLY CORPORATION LTD. Final Dividend of £3 per share (tax applicable at 9s. in the £), payable on 18th July, 1953.

COMPANY REGISTRATIONS

RANJIT MOVIETONE LTD. (First Director: Mr. Chandulal J. Shah.) Business: Cinematograph Trade. Authorised capital: Rs. 50,00,000. Private company. Address: 119-121, Badasaheb Palke Road, Dadar, Bombay 14.

CHEMICOLOUR LTD. (First Director: Mr. B. R. Tannan. Business: Importers, Distributors, and Dealers in Dyestuffs, Chemicals, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Bank of Baroda Buildings, Apollo Street, Bombay.

VADILAL KASHIDAS LTD. (First Director: Mr. Manilal Chatrabhuj.) Business: Cotton Spinners and Doublers, Flax, Hemp and Jute Spinners, Linen Manufacturers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Mooljee Jetha Market, Madhavrai Lane, Bombay, 2.

NAVBHARAT FISHERIES AND NAVIGATION LTD. (First Director: Mr. Jamshed Byramji Jijibhoy.) Business: Fishing and Transporting of Fresh Fish, Dry or Salted Fish, Fish Products, etc. Authorised capital: Rs. 5,00,000. Private company. Address: B.P.T. Plot No. 2, Sassoon Dock, Colaba, Bombay 5.

Notices

BALLY JUTE COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventieth Ordinary General Meeting of the Shareholders of the Bally Jute Company, Limited, will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, on Friday the 26th June, 1953, at 11-50 a.m., for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 31st March, 1953, and the Balance Sheet as at that date.
(2) To declare Dividends.
(3) To elect a Director.
(4) To appoint Auditors and to fix their remuneration.

The Share Transfer Books of the Company will be closed from the 12th June, 1953, to 26th June, 1953, both days inclusive.

By Order of the Board,
JARDINE HENDERSON, LTD.,
D. FORDWOOD,
Secretary,
Managing Agents.

4, CLIVE ROW,
CALCUTTA, 29*th May*, 1953.

Note.—Payment of any Dividend declared will be made only to those members whose names are registered in the Books of the Company on the 26th day of June, 1953, or to their Mandatees.

No applications for Warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

THE RELIANCE JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-third Half-yearly Ordinary General Meeting of shareholders of The Reliance Jute Mills Co., Ltd., will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, on Friday the 26th June, 1953, at 11-55 a.m., for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 31st March, 1953, and the Balance Sheet as at that date.
(2) To declare Dividends.
(3) To elect a Director.
(4) To appoint Auditors and to fix their remuneration.

The Share Transfer Books of the Company will be closed from 12th June, to 26th June, 1953, both days inclusive.

By Order of the Board,
JARDINE HENDERSON, LTD.,
D. FORDWOOD,
Secretary,
Managing Agents.

CALCUTTA, 29*th May*, 1953.

Note.—Payment of any Dividend declared will be made only to those members whose names are registered in the Books of the Company on the 26th day of June, 1953, or to their Mandatees.

No applications for Warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

BALMER LAWRIE AND COMPANY LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Ordinary General Meeting of the Company a final dividend of 7½ per cent. per annum and a Bonus of 7½ per cent. per annum on the Ordinary and Deferred shares for the year ended 31st December, 1952.

By Order of the Board,
O. T. JENKINS,
Director.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 29*th May*, 1953.

CENTRAL GOVERNMENT'S NEW LOAN

(From Our Own Correspondent)

BOMBAY, 3rd *June*

The fairly comfortable conditions in the short-term money market experienced last week gave place to a certain amount of stringency in the early part of the week under review. But this was due more to end-of-month operations than to any large-scale trade demand. The tightness in the market was, therefore, short-lived and from Monday the 1st inst. onwards, the position was once again comfortable. The inter-bank call money rate was, however, maintained at 2¾ per cent. among the Exchange banks and big Indian banks, due to persistent call for funds from a section of these banks. Very little business passed among the smaller Indian banks, the call money rate among whom still remained unchanged at a 3 per cent.

In the term money section, there was no better bidding than at 2¾ per cent. for one month and at 2½ per cent. for 2 to 12 months.

The offerings for the three months' Government of India Treasury Bills this week were a little less than in the previous week, these having amounted to Rs. 201.50 lakhs, as against Rs. 226.25 lakhs, in response to the usual tenders for Rs. 100 lakhs. The average rate, however, underwent no change at Rs. 2-6-6 per cent. per annum.

For the third week in succession, the notes in circulation show a fall, the latest decline being of the order of Rs. 7.51 crores in the week ended 29th May, 1953. The Reserve Bank's statement of affairs for the week under review discloses an expansion of Rs. 8.05 crores, the consequent rise in total notes issued being Rs. 54.62 lakhs. This is covered, on the assets side, by a similar increase in rupee coin. In the Banking Department, deposits of the Central Government and State Governments have risen by Rs. 2.62 crores and Rs. 1.16 crores, respectively, accompanied by an increase of Rs. 1.14 crores in those of banks and of Rs. 76.83 lakhs in other deposits. Cash balances have improved by Rs. 8.06 crores, but balances held abroad are lower by Rs. 4.29 crores. Loans and advances to Governments and other loans and advances disclose no variations. The outstanding loans to Scheduled banks against usance bills show a decline of Rs. 1.60 crores, but the total of such advances availed of by the Banks during the current year so far reveal a rise of Rs. 1 crore over the week. In other words, there has been a repayment of Rs. 2.60 crores by the Scheduled banks, during the week.

The consolidated statement of position of Scheduled Banks for the week ended 22nd May, 1953, bears indications showing that the busy season is drawing to a close. Thus, the Banks' demand deposits have improved by Rs. 4.01 crores and time deposits by Rs. 64.89 lakhs. There has been an increase in the inter-bank borrowings, but such is of the order of only Rs. 97.63 lakhs. Borrowings from the Reserve Bank have dwindled by Rs. 5.45 crores and those from the Imperial Bank by Rs. 1.17 crores. Advances which had gone down by Rs. 5.06 crores in the previous week, have dropped by another Rs. 1.99 crores in the week under review and bills purchased and discounted by Rs. 1.10 crores. Investments are lower by Rs. 47.42 lakhs, but total cash balances including money at call show an enlargement of Rs. 2.42 crores.

The outstanding development of the week under review in the Gilt-edged market was the announcement of the terms of the new loan by the Government of India. The new loan, which is called National Plan Bonds—First Issue, is for a sum of Rs. 75 crores and will bear interest of 3½ per cent. per annum. The issue price is Rs. 98-4 per cent., the loan being repayable on 1st June, 1961. The issue will be open for subscription for two days from 8th June. Holders of 3 per cent. 1953-55 loan, which is due for redemption on 15th June, have been given the option of tendering them towards subscriptions for the new loan.

The terms of the new loan being slightly more favourable than the expectations of the market, a quiet trend has come to prevail, the medium-dated loans being the worst sufferer. Even the 3 per cent. 1986 Conversion Loan, which found favour in the earlier part of the week, reacted slightly after the announcement of the loan. 3 per cent. 1953-55 was an anna better at Rs. 100-2. 3 per cent. 1957 and 3 per cent. 1958 each shed As. 2 to Rs. 98-9 and Rs. 98-7, respectively. 3 per cent. 1959-61 lost As. 4 to Rs. 96-9. 3 per cent. 1963-65 was quoted at Rs. 92-12 *ex-voucher*, as against Rs. 93 *cum-voucher* last week. 3 per cent. 1964 was unchanged at Rs. 93. 3 per cent. 1966-68 and 3 per cent. 1970-75 shed an anna each to Rs. 90-9 and Rs. 86-10, respectively. 3 per cent. 1986 Conversion Loan, which improved from Rs. 82-6 to Rs. 82-11 early in the week, moved down to Rs. 82-8 at the close.

LINSEED STEADY

(Messrs. A. Bradley & Co.)

CALCUTTA, 1st *June*

A general steadiness has been the main feature during the major part of the week. Owing to the absence of buyers prices declined to lower levels after a firm opening, although a upward reaction towards the close brought price levels up again. Arrivals from up-country are very poor and sellers are rather reserved both for ready and forward deliveries. Activity has been limited on the whole, although crushers have shown a small interest. Dull conditions have prevailed in the oil section with only local buyers showing a small interest; there have been no fresh enquiries for export. The latest quotations are as follows:—June Rs. 22-4 and July-August Rs. 22-12 per maund.

SILVER WEAK, GOLD FIRM

(From Our Own Correspondent)

BOMBAY, 3rd *June*

The tension in the silver section of the Bullion market became acute during the middle of the week as the first settlement fell due. But later in the week, trading passed off smoothly without any untoward development, the outstanding positions having been settled between the bulls and bears. Of course, both the sections of the speculators have had to pay a heavy price for indulging in overtrading. Quieter conditions, therefore, came to prevail towards the close with prices on balance showing fair losses.

Gold, on the other hand, was firm, due to shortage of floating stocks and a fall in arrivals. There was also an expectation of a further decline in arrivals from Mysore due to power cut in Kolar Gold Field and lesser smuggling with the onset of the monsoon.

Silver for forward delivery (30th May settlement) began at Rs. 163-1 and reacted to Rs. 161-9 on Friday. The efforts of the bears to lift up the price so as to involve the bulls into paying a margin of Rs. 1,000 per bar (such a margin is payable, if the daily closing rate went up above the basic rate and if the rate for the next settlement was below the current settlement by over Rs. 3) were successful as the closing rate on Saturday stood at Rs. 163-9 and the *budla* rate was Rs. 6-6. The bulls were, therefore, obliged to pay the said margin. The settlement ran out on Saturday.

Business in the next settlement (30th June) commenced at Rs. 159-1 and reacted to Rs. 157-3 at the close on Saturday. As this rate was more than Rs. 7 below the basic rate for that settlement namely, Rs. 167-4, the bears had to pay a margin of Rs. 500 per bar. It may be noted here that some of the leading bulls deliberately sold short in this settlement with a view to exacting heavy *budla* charges from the bears even though this meant their having to pay a margin of Rs. 500 per bar in this settlement also. The rate for this settlement, however, moved up to Rs. 158-5 on Monday, but finished the week at Rs. 156-6.

Ready silver (.996 fine) wound up the week with a loss of Rs. 4-5 per 100 tolas at Rs. 158-6. The floating stocks of silver are placed at 1,500 bars. The daily average offtake was 35 to 40 bars.

Gold for forward delivery (29th May settlement) opened at Rs. 87-6 and closed at Rs. 87-14 on Friday when the settlement ran out. The rate for the next settlement (29th June) began at Rs. 87 and moved between Rs. 87-7 and Rs. 86-14, before firming up to Rs. 88-9 to-day. The closing, however, was a shade lower at Rs. 88-6.

Ready gold advanced from Rs. 87-12 to Rs. 90-1 to-day before closing at Rs. 89-14, the premium over the forward widening from As. 7 at the close of last week to Re. 1-8 to-day. The floating stocks of gold are estimated at 30,000 tolas. The daily average arrivals were 4,500 tolas, while the offtake was 7,500 tolas on an average.

The following comparative table shows the trend of the market during the week under review:

	3-6-53	Highest	Lowest	27-5-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	89 14	90 1	87 10	87 12
Forward	88 6	88 9	86 14	87 5
Sovereign	57 12	57 12	57 8	57 10
SILVER				
Ready (.996) fine Mint)	158 6	164 12	158 2	162 11
Forward	156 6	163 2	156 2	162 7
London Ready ..	74*d.*	—	—	74*d.*
London Forward .	74*d.*	—	—	74*d.*
New York Ready .	85½c.	—	—	85½c.

PEPPER DECLINES

(Messrs. Parekh & Co.)

BOMBAY, 3rd *June*

Pepper market this week showed declining tendency in sympathy with New York, where the market became extremely quiet and buyers withdrew owing to selling pressure of Sarwak Pepper by Singapore interests. The change in the French Ministry and the new Prime Minister's policy of conciliatory approach to Viet Minh was responsible for the change in the attitude of the Chinese sellers in Singapore. Indian growers in all the primary markets reduced their price when they saw that no new demand was coming forward but the American buyers, having further reduced their prices, the disparity between the two markets continued. No business except of small lots on speculative basis for June and July shipments was reported done. The tendency of the market was very uncertain and one did not know how long the growers could sit back if the present lull in the export demand continued for a fortnight.

In A.S.T.A. section, June shipment declined to $1.38, the highest being $1.45, while July shipment went down to $1.35, the highest being $1.42. Alleppey after touching Rs. 3,300 is now hovering around Rs. 3,100 with small buying interest. In the delivery section, the prices for *Jeth* and *Ashad* went down as low as to Rs. 2,580 and Rs. 2,530 respectively.

Following are to-day's nominal quotations:—Ready delivery Rs. 370 per Bengal maund and June delivery Rs. 2,600-2,630 and July delivery Rs. 2,570-2,600 per candy of 5¼ cwts.

FURTHER DECLINE IN COTTON

(From Our Own Correspondent)

BOMBAY, 3rd *June*

The slump in cotton in the forward market, referred to in this column last week, went further during the latter part of that week. The steadiness experienced around Rs. 720 for the August delivery contracts proved to be only a transitory stage and after a slight upward reaction there was a headlong fall in the price once again, taking it to below Rs. 700. Since then it crept up by a few rupees partly because of profit-taking by bears and some small replacement buying, only to slump heavily again yesterday to Rs. 694 per candy. There was a further fall to-day, the August delivery touching a low of Rs. 685. The morale of the market has been badly shaken and the operators are now naturally very wary. An average day's turnover has dwindled to less than half after the shake out.

The debacle has been partly a result of the market's own illicit trading in the new crop. February delivery for the 1953-54 cotton was believed to have been clandestinely dealt in, at a discount of about Rs. 30 to Rs. 40 per candy, compared to the prices of the last delivery in the current season's cotton. This appeared to have unnerved spot interests holding large stocks, who came in a body to hedge them in the market. With the actual holders of stock selling in the market for August delivery, the bulls were naturally apprehensive of being forced to take delivery, in the absence of the subsequent delivery for carrying over their commitments. Even if trading in February delivery had been there, the prices would have suffered a heavy fall with holders of stock as sellers. It is one thing for bullish speculators to collect contracts from bears with no cotton to deliver and quite another to have to face the possibility of actual cotton being delivered by sellers when the time for it came.

This goes to show the very unreal basis of the whole futures market, as the market collapses as soon as there is real hedge selling as distinguished from purely speculative selling by operators. The forward market is after all supposed to provide facilities for hedging. But it seems to fight shy of real hedging. The E.I.C.A. authorities would do well to pay attention to this aspect of forward trading which is going on under their auspices and control. There is already a body of public opinion growing up against forward trading in general and if such trading is carried on in an irresponsible manner, it would give a handle to the Government, if not to stop forward trading, at least to impose further restrictions and exercise greater control over such activities.

In the spot market also premia for various cottons were reduced considerably for want of demand from mills. This is explained by the fact that the mills have got sufficient stocks for months to carry on with and that, in any case, they have not the licences for fresh purchases. Lower New York prices also helped the downward movement in the spot market. Spot prices, however, will depend, during the rest of the season, on the production of cloth, which, if it is maintained at the present *tempo*, must mean further purchases by the mills. With the statistical position in favour of holders of stocks, there is not much room for reduction in spot demand. If it does not come now, it is bound to come later, always provided that the production of cloth does not show a drastic fall. In this connection, it may be noted that though the textile markets are ruling fairly firm at present, the export position is not very encouraging.

There will be a meeting of the Cotton Advisory Committee at the end of the next week, when the statistical position will be reviewed and some indication with regard to the marketing policy to be recommended to the Government for the new crop might be available from the deliberations of the Committee. In any case, it will be too early to expect any official announcement regarding this in the near future. The rains, according to meteorological reports, are likely to be delayed and this may cause a further postponement in the date for the declaration of official policy for the coming cotton year by the authorities.

I.C.C. August has followed a downward trend, thanks to persistent liquidation by bulls. After opening the week at Rs. 721, which is also the highest level touched during the week, it gradually receded to touch a low of Rs. 685 to-day, though it was somewhat higher at Rs. 691½ towards the close of the week.

The spot market also ruled easy. The latest quotations from the spot market are: Bengal *Deshi* Rs. 530; Berar Jarilla Rs. 730; Khandesh Rs. 825; Vijay Rs. 865; Moglai Rs. 680; Oomra *Deshi* Rs. 680.

At Karachi, the Pakistan Government has announced that there will be no forward trading in new crop cotton. This is bound to have a slightly bearish effect on the spot market prices. On the other hand, cotton has been placed on the O.G.L. for exports for the current season. But the shippers are required to comply with certain conditions imposed by the Government with regard to the prices for export and opening of a letter of credit by the purchaser for the full amount of his purchases. Apart from complying with previously booked orders, no fresh activity of importance is reported from Karachi and prices have remained fairly steady, as can be seen from the latest available quotations from Karachi, which are as under: Punjab *Deshi* Rs. 68½; 4F Punjab R.G: Rs. 58½; S.G. Rs. 63½; L.S.S. Punjab R.G. Rs. 61; S.G. Rs. 66; N.T. R.G. Rs. 65; S.G. Rs. 70; 289F Punjab R.G. Rs. 69½; S.G. Rs. 74½.

In the Alexandria market, the spot market has been active as usual with enquiries from the Continent and India. The turnover, however, is now likely to be decreased in view of the restricted choice left for buyers. Karnak, however, will be freely available for the rest of the season.

At New York, the market has ruled weak with a further fall in prices taking place after last Wednesday. The Government of India has informed holders of import licences for U.S. cotton that the period for availability of these licences has been extended to the end of December, 1953. This, together with the lower ruling prices at New York, might induce some of the importers to make fresh purchases. This, however, is not likely to affect the trend of prices in the U.S. The point to be noted, however, in this connection is that the early positions in the new crop are comparatively steady and the weakness is noticeable more in the July delivery.

The following are the latest available quotations from New York, as compared with those of a week and a fortnight before:

(In cents per lb.)

	3-6-53	27-5-53	19-5-53
Spot	34.15	34.20	34.60
July	33.63	33.77	34.22
October	33.77	33.80	33.83
December	33.80	33.77	33.83
March	33.85	33.83	33.93

ART SILK YARN WEAK

(From Our Own Correspondent)

BOMBAY, 3rd *June*

Continued arrivals of imported yarn and expectation of liberal import policy for the coming half-year imparted weakness to the art silk yarn market during the week under review. There were, besides, bearish advices from other commodity markets. The disinclination to take delivery, thanks to difficulties of securing finance, was another unhelpful feature of the market. The cumulative effect of all these factors was heavy unloading by bulls, which resulted in the downward movement of yarn values. To-day's closing rates were, therefore, not only substantially lower than those at the end of last week, but the lowest for the past eight weeks.

The weakness was in evidence in both forward and ready sections. In the forward section, 150D June delivery contract suffered a loss of 21 points to touch a low of Rs. 785 to-day. Business in July contract commenced at Rs. 803 on the 2nd inst. There was an overnight loss of 13 points, to-day's closing rate being Rs. 790. Trading in May contract was terminated on Saturday last at Rs. 790. Business in this contract opened at Rs. 808. The highest and the lowest levels reached during the period of the contract were Rs. 838 and Rs. 788 on 15th April and 23rd May, respectively. The net loss was to the extent of Rs. 18. In the ready section, 120 Japan and 120 Italy receded by an anna and a half each to Rs. 3-5-6 and Rs. 4-1-9, respectively. 150 Japan and 150 Italy declined by an anna each, the former to Rs. 4-2 and the latter to Rs. 3-15.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 27th and 20th May.

	3-6-53	27-5-53	20-5-53
	Rs. a.	Rs. a.	Rs. a.
150D May (per case of 200 lbs.)	—	799 0	808 0
150D June	785 0	806 0	813 0
150D July	790 0	—	—
120 Japan (per lb.)	4 5½	4 7	4 7
150 Japan ,, ...	4 2	4 3	4 3
120 Italy ,, ...	4 1½	4 3½	4 3
150 Italy ,, ...	3 15	4 0	4 0½

Following the deliberations of the recent meeting of the Import Advisory Council, traders in art silk yarn seem to feel that the Government of India would liberalise its import policy for yarn during July-December, 1953 in so far as actual consumers are concerned. This view is based on scarcity of supplies in finer deniers, such as 60, 75 and 100, despite heavy arrivals of imports in recent weeks. Established importers are rather intrigued at the meagre quota of imports—10 per cent. of half of best year's imports during the period 1945-46 to 1950-51—granted to them for the current half-year. The Yarn Merchants' Association, Bombay, has addressed separate communications to the Textile Commissioner and the Chief Controller of Imports urging them to grant more liberal licences for import of art silk yarn.

Conditions in the staple fibre yarn section also remained weak. Supplies of yarn are reported to be somewhat comfortable and are expected to improve still further in the coming weeks. The expectation is based on the score of heavy arrivals of yarn from South Indian markets, consequent on the partial restoration of power cut, as also of good imports of staple fibre which has enabled the yarn producers to increase their output of yarn.

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, 3rd *June*

A mild wave of selling pressure was in evidence in the oilseeds market during this week. It was pronounced in the castorseeds section, on reports of heavy sales of castorseeds by China in world markets. Groundnuts declined on virtual withdrawal of enquiries from *vanaspati* manufacturers. Linseed ruled easy in sympathy with the other two sections. *Kardi* and *niger* seeds sections followed suit. Business done in the market was also not encouraging. Prices, consequently, declined, registering thereby sizable losses over the week.

The most important event in the castorseeds section was the maturing of May delivery contracts on 30th May. Of the outstanding transactions of nearly 7,500 candies, about 2,700 candies were said to have been delivered, while about 2,000 candies were settled through compromise. Regarding the remaining 700 candies, penalty at the rate of Rs. 5 per candy was collected from defaulters. May delivery which opened at Rs. 166-4, as against Rs. 164, shot up to Rs. 166-8, before closing at Rs. 158. It may be noted that May delivery, which opened at Rs. 140 on 27th July, 1952, fluctuated between Rs. 124 and Rs. 167, before closing at Rs. 158. September delivery this week finished at Rs. 157-4, as against Rs. 160-12. The highest and the lowest touched during the week were Rs. 163 and Rs. 156, respectively. Among spots, Madras quality lost As. 10 to Rs. 31-12 and F.A.Qs., As. 12 to Rs. 30-12. Oil I Pressures eased from Rs. 18-8 to Rs. 18 and Commercials, from Rs. 17-12 to Rs. 17-6. It was reported that Germany and Brazil held the market in castor oil in the United States last week at about 17.25 cents for First quality.

In the groundnuts section, Bold ready declined from Rs. 47-8 to Rs. 47. June-July deliveries disclosed a loss of As. 12 to Rs. 46-4 and August-September Re. 1 to Rs. 45-12. Khandesh quality was done at Rs. 47-12 as against Rs. 48-8. Groundnut oil ready receded by As. 8 to Rs. 24-8 and Railway receipts, by As. 2 to Rs. 24-8. June and July deliveries were slightly lower at Rs. 24-7 and Rs. 24-9, respectively.

Among linseed, Bold ready fell by As. 10 to close at Rs. 33-4. June-July and August-September deliveries changed hands at Rs. 33-5 and Rs. 33-14, as against Rs. 34 and Rs. 34-12, respectively. Linseed oil suffered As. 6 to Rs. 17-4.

Niger and *kardi* seeds too were out of favour. *Niger* Madras dropped by Re. 1-8 to Rs. 36-8. *Kardi* Bold fell by As. 14 to Rs. 25-4 June-July delivery also lost a similar amount at Rs. 25-6.

The following table shows the prices of oilseeds and oil on the 3rd inst., as compared with those at the end of the previous two weeks.

	3-6-53	26-5-53	20-5-53
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Bold Ready New (per cwt.)	47 0	47 8	49 8
June-July	46 4	47 0	49 0
August-Sept.	45 12	46 12	49 0
Linseed—			
Bold Ready (per cwt.) ..	33 4	33 14	34 12
Castorseeds—			
Sept. (per candy of 5 cwts.).	157 4	160 12	163 8
Madras (per cwt.)	31 12	32 6	32 8
Groundnut oil—			
Ex-mill Ready (per quarter).	24 8	25 0	25 8
Castor Oil—			
Commercial (per quarter)..	17 6	17 12	17 8

JUTE STEADY

(From Our Own Correspondent)

CALCUTTA, 2nd *June*

Jute markets maintained a cheerful note, and although prices of jute goods did not visibly move further up, demand was moderate and mills were reserved. The increase in raw jute prices has become a problem for mills, but if the prices of jute goods move further up, there is the danger of Continental mills under-quoting Calcutta and thus diverting business. Even if there is going to be any such diversion, it would only prove temporary since Continental manufacturers have to pay the same price for raw jute as Indian mills. All the same, at this juncture, even a temporary diversion would not be to the interests of mills. Consumers should not also, however, feel that jute goods have become again dearer, and try to meet a portion of their requirements of packaging materials from paper and cloth bags. Already reports from America show that consumers there are delaying entering into commitments in burlap in the belief that the uptrend in Calcutta would not be maintained.

On Wednesday last, B twills gave way to Rs. 104 from Rs. 105. The lower trend followed bulls' anxiety to take profits, although conditions were relatively steady and buyers were interested in moderate quantities. This tendency continued on Thursday also, and the price was taken further down to Rs. 102-12. On Friday, however, the rate recovered to Rs. 103-12, and the difficulty to locate supplies of cornsacks even at Rs. 108 for ready delivery was a factor for all-round steadiness. Over the week-end, Rs. 104-12 was touched, and in yesterday's transactions, the rate moved still further up to Rs. 105-4. Heavy goods would appear to have ceased to be a headache for mills, and in addition to sales for export as well as for internal consumption, another factor which influenced the steady conditions was the tendency on the part of raw jute sellers to buy heavy goods as a hedge against raw jute, following anticipation of a shortage in sacking. The weather continues to be extremely bad for sowings, and it is expected that, in view of a smaller crop both in India and Pakistan, raw jute prices would only tend to move up. This explains why hedging is preferred by raw jute sellers.

In hessian, some business was done with the United States and Great Britain, but in view of the expectation that rising stocks, following the transfer of sacking looms to hessian and Government's disinclination to effect any overall cut in production, would be reflected by a decline in prices, buyers are postponing entering into commitments. Ready hessian 40" 10 oz. opened for the week at Rs. 43-4, and following profit-taking by speculators eased to Rs. 43 on Thursday, when small quantities were taken by Britain at cut rates for June-September shipment. More business with Britain followed, and this factor, coupled with the reluctance of mills to accept business at lower rates forced a recovery to Rs. 43-10 on Friday. On Saturday, month-end considerations resulted in some covering demand and the rate rose to Rs. 44. The market believed that Burma was about to place a huge order, and was also expecting an order from Uruguay for 2,000 bales. Yesterday, a further improvement to Rs. 44-4 was recorded, on reported transactions. Ready 40" 8 oz. realised Rs. 35-4, with the f.o.b. rate at Rs. 42. The steep rise in prices for Pakistani jute fit for producton of hessian has not been accompanied by an equal advance in the prices of hessian. It would appear, therefore, that the better returns which sacking goods could bring now to mills could only neutralise the losses in hessian.

A fair quantity of raw jute was bought by mills which were anxious to have as much of the raw material as possible before prices advanced further. Assam bottoms were at one time as high as Rs. 28-8, with *pucca* bales first marks ready at Rs. 165 a bale. Kissanganj jute advanced to Rs. 28-8 from Rs. 25, and *bimli* f.a.q. to Rs. 23 from Rs. 22-8. Murliganjs were offered at Rs. 28, Pakistani jat advancing to Rs. 31 from Rs. 30.

METALS DULL

(From Our Own Correspondent)

CALCUTTA, 2nd *June*

Prices for metals were mostly unchanged during the week, but wherever quotations changed they tended towards lower levels. Consumers, as usual, were interested in buying only their immediate requirements, and manufacturers of products were disinclined to quote for delivery rather too far. Electrolytic copper ingots were throughout quoted at Rs. 180, but ready supplies were not available. The market would appear to await the reaction of the price trend in world markets, consequent on the commencement of free trading in the United States in copper as from the 1st of this month. London would be allowing free trading in August, and it would appear that fears that these developments would make the price fall is baseless judging from overseas reports that copper is in good demand. Local demand for copper scrap could not be fully satisfied, and consumers noted traders entering into commitments for some imports of the fire-refined material.

Opening at Rs. 521, tin abruptly gave way to Rs. 500, and thereafter irregularly fluctuating, closed quiet at Rs. 502. The improvement in the Singapore market could not be reflected here in view of the confidence of consumers that their requirements could at any time be met at lower level. Electrolytic zinc eased from Rs. 52 to Rs. 51-8, and despite an enquiry for a substantial quantity the price could not improve in view of the availability of abundant supplies. Virgin lead was unchanged at Rs. 61, and was featureless.

GOOD OFFTAKE IN KIPS

(From Our Own Correspondent)

MADRAS, 1st *June*

Arrivals of kips in the local market have been fair-sized and offtake has been good. Trading has been slow due to Whitsun and Coronation holidays. Demand centred round inferior selections. Importers declined to accept 60d. for lights, 48d. for mediums and 42d. for heavy cow hides and are not making any counter offers. Prices of cow calf, buff hides and buff calf have ruled unchanged.

In the tanned skins section, enquiries were patchy for prime sheep and goat. Prices in the local market declined by As. 2 for goat and As. 4 for lining sheep and clearances have been excellent.

HIDES IRREGULAR

(From Our Own Correspondent)

KANPUR, 1st *June*

Kanpur hides and skins market was devoid of any fresh development this week too with traders evincing very little interest in business activity was greatly restricted. Transactions were mostly of squaring up nature. The undertone of the market was, however, slightly bearish. Following are the latest quotations: Wet salted cow 1st grade superior Rs. 380 and inferior Rs. 290; 2nd grade superior Rs. 250 and inferior Rs. 180 per score; wet salted buffalo 1st grade 1 lb. 12 ozs. and 2nd grade 2 lbs. 2 ozs. per rupee; goat 1st grade Rs. 250 to Rs. 300 and 2nd grade Rs. 210 per 100 pieces; and sheep Rs. 300 per 100 pieces.

BRIGHT LIQUORING DOOARS IN GOOD DEMAND

(From Our Own Correspondent)

CALCUTTA, 2nd *June*

The first export sale for the new season was held yesterday. Offerings consisted of 27,700 and 3,300 packages of the new and old seasons' teas, respectively. Demand was satisfactory, but features were limited. Buyers paid good attention to bright liquoring Dooars, while Cachar teas were rather quiet. Assams, of the new season's represented indifferent quality. Darjeelings on offer were mainly of the new season's, and good demand was in evidence for the flavoury varieties. However, plain liquorings were quiet, and had to be withdrawn in large quantities. The old season's offerings were very steady. Clean common BP of the new season's was quoted at Re. 1-11-6.

During last week's internal sale (No. 49) dusts offered aggregated 31,400 packages, and leaf grades 759 packages. There was a good general demand, but, although prices gained during the sales, the closing levels were low. Prices for Dooars and medium Assams eased by one anna, but best liquoring varieties maintained rates. Keen attention was paid to black leafy types, suitable for export. The rates were: best Assam CTC Re. 1-11 to Re. 1-12, medium Assam grainy Re. 1-8 to Re. 1-8-6, and medium Dooars Re. 1-6-6 to Re. 1-7. The leaf market was firm.

DEMAND FOR TEA WEAKENS

(Messrs. Forbes, Ewart & Figgis Ltd.)

COCHIN, 30th *May*

Sale No. 11, which was held on Tuesday, 26th May, contained approximately 17,00,000 lbs. Quality was generally plain and there were a number of offerings which showed a deterioration in leaf appearance with an increase in stalk and fibre. The sale opened to a good general demand which weakened towards the close. Common and low

(*Continued on page* 1063)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	22nd May, 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,166.39	1,174.83	1,159.75	1,113.42
Notes held in Banking Department	35.05	27.79	15.19	15.99	38.76
Foreign Securities	39.50	613.15	613.15	508.15	663.15
Rupee Securities	87.39	449.86	449.86	449.86	464.63
Banking Department					
Deposits of :—					
Government of India	14.89	100.84	100.71	104.14	111.87
Other Governments	..	15.72	14.28	15.59	7.08
Balances held abroad	10.08	101.92	106.35	118.28	84.82
SCHEDULED BANKS					
Demand Liabilities	134.37	530.36 (11.22)	525.39 (10.27)	539.88 (11.96)	558.82 (11.69)
Time Liabilities	102.84	322.90	322.32	320.01	291.76
Borrowings from Reserve Bank	..	(1.88) 17.94 (11.50)†	(1.85) 23.39 (14.64)†	(1.90) 11.77 (4.60)†	(2.06) 26.48 (22.20)†
Borrowings from Imperial Bank	..	9.92	11.09	8.68	6.31
Cash in India	6.71	31.56	32.06	32.28	33.54
Balances with Reserve Bank	25.28	40.86	40.58	41.16	48.18
Excess over statutory limits	15.52	7.89	7.86	7.77	14.41
Balances with other banks in current account in India	..	11.30	11.28	12.86	11.12
Money at call and short notice in India	..	16.29	13.96	17.21	15.55
Investments (at book value)	..	300.21	300.68	301.07	295.03
Advances and bills	105.09	530.77	533.85	524.92	545.24
IMPERIAL BANK					
Deposits	87.76	209.40	209.68	214.76	230.52
Investments	51.99	81.52	81.31	82.29	86.87
Advances	30.37	132.63	134.23	130.86	155.00
Cash	14.69	14.31	15.96	15.46	18.55

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	29th May, 1953 Number of Cheques	Amount Rs.	22nd May, 1953 Number of Cheques	Amount Rs.
Bombay	2,36,680	51,41,10,000	2,31,772	51,23,67,000
Calcutta	1,58,486	42,22,25,045	1,47,934	42,73,55,947
Madras	67,719	7,14,84,618	68,075	6,62,53,172
All Centres—				
1953	..	..	1,05,94,122	3180,56,86,359
1952	..	..	1,06,41,941	28,79,51,57,000
Feb., 1953	..	..	24,45,000	5,23,39,00,000
Mar. ,,	..	..	27,13,000	6,15,31,00,000

Reserve Bank of India

Statement of Affairs for the week ended 29th May, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government	..	103,45,90,000
(2) Other Governments	..	16,87,57,000
(b) Banks	..	42,70,71,000
(c) Others	..	57,12,88,000
Bills Payable	..	3,90,17,000
Other Liabilities	..	35,20,35,000
	Rupees ..	269,45,58,000

ASSETS	Rs.
Notes	31,84,16,000
Rupee Coin	14,00,000
Subsidiary Coin	6,87,000
Bills Purchased and Discounted—	
(a) Internal	14,50,000
(b) External	..
(c) Government Treasury Bills	13,85,69,000
Balances held abroad*	97,62,89,000
Loans and Advances to Governments	3,33,00,000
Other Loans and Advances	25,61,23,000
Investments	38,16,58,000
Other Assets	8,66,55,000
Rupees	269,45,58,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 9,98,68,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 41,08,68,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	31,84,16,000	
Notes in circulation	1158,88,04,000	
Total Notes issued	..	1190,72,20,000
Total Liabilities	..	1190,72,20,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	613,15,11,000	
Total of A	..	653,16,82,000
B. Rupee Coin	..	87,69,33,000
Government of India Rupee Securities	..	449,86,05,000
Internal Bills of Exchange and other commercial paper	....	
Total Assets	....	1190,72,20,000

Ratio of Total of A to Liabilities: 54.855 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 22nd May, 1953

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	11,21,66,000†
	(ii) Other demand liabilities	519,14,04,000
2.	Time Liabilities in India:	
	(i) Borrowings from banks	1,37,50,000†
	(ii) Other time liabilities	321,11,54,000
3.	Cash in India	31,36,41,000
4.	Balances with the Reserve Bank in India	40,86,12,000
5.	Balances with other banks in current account in India	11,29,69,000
6.	Money at call and short notice in India	16,28,72,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bill and Treasury Deposit Receipts	300,20,85,300
8.	Advances in India	470,91,39,000
9.	Inland Bills purchased and discounted in India	59,85,15,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.
†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

		1st June, 1953	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	£	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	£	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	£	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	£	1-6¼	1-6¼
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476	476
Buyers T.T.	Rs.	471¼	471¼
London on New York	$	2.81¼-281⅜	2.81¼
London on Paris	Fcs.	983-983½	984
London on Berne	Sw. Fcs.	12.21⅛-12.22¼	12.22
New York on London	$	2.81¼	2.81¼

NATIONAL INCOME*

Country	Year	Population (In millions)	National income (In millions)		In terms of rupee (Crores)	Per capita income (Rs.)
India	1948	342.12	..	..	8,730	255
Pakistan	1949	75.04	..	..	1,671	223
Burma	1951	18.67	Kyats	3,166	317	169
Ceylon	1951	7.74	..	..	451	582
Japan	1951	84.30	Y.	4,564,400	6,038	716
Philippines	1951	20.25	Ps.	7,586	1,820	856
New Zealand	1951	1.95	£ (N.Z.)	616	820	4,206
Australia	1951	8.41	£ (A.)	3,238	3,454	4,317
U.K.	1951	50.29	£	11,384	15,179	3,010
U.S.A.	1952	156.08	$	290,400	138,280	8,868
Canada	1952	14.43	$	18,307	8,246	5,714
France	1951	42.24	F. Fr.	9,082,000	12,372	2,929
W. Germany	1951	48.11	Dm.	90,200	10,227	2,126
Italy	1951	46.60	Lr.	7,746,000	5,902	1,267
Norway	1952	3.32	Kr.	16,596	1,196	3,331
Sweden	1951	7.07	Kr.	26,800	3,439	4,864
Netherlands	1952	10.38	Fl.	17,550	2,200	2,120
Denmark	1951	4.30	Kr.	20,716	1,439	3,346
Switzerland	1951	4.75	S. Fr.	19,500	2,166	4,558

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, April, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 22nd May, 1953

BANKING DEPARTMENT

LIABILITIES		Rs.
Capital paid-up	..	3,00,00,000
Reserve Fund	..	3,00,00,000
Deposits :—		
(a) Central Government	..	19,95,37,000
(b) Provincial Governments	..	1,20,58,000
(c) Banks	..	24,57,31,000
(d) Others	..	2,65,06,000
Bills Payable	..	92,25,000
Other Liabilities	..	5,82,20,000
	Rupees ..	61,13,25,000

ASSETS		Rs.
Notes	..	12,93,71,000
Rupee Coin	..	3,000
Subsidiary Coin	..	7,000
Bills Purchased and Discounted :—		
(a) Internal	..	....
(b) External	..	....
(c) Government Treasury Bills	..	64,97,000
Loans and Advances to Governments	..	1,83,00,000
Provincial Governments Debtor Balances	..	7,83,15,000
Other Loans and Advances	..	2,20,25,000
Investments	..	26,17,34,000
Other Assets	..	9,62,23,000
Rupees	..	61,13,25,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,93,71,000	
Notes in circulation	208,56,54,000	
Total Notes issued	..	221,50,25,000
Total Liabilities	..	221,50,25,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	..	
Sterling Securities	39,07,40,000	
Government of India Securities	11,87,77,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,96,000	
		88,85,55,000
B. Rupee Coin	6,33,32,000	
Government of Pakistan Securities	122,06,63,000	
Internal bills of exchange and other commercial paper	....	
		128,39,95,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets	..	221,50,25,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 41.90 per cent.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953				Rs. a. p.	%
10th ,,	1.00	1.16	1.00	2 6 11	86
17th ,,	1.00	1.09	1.00	2 7 0	93
24th ,,	1.00	1.02	1.00	2 7 0	100
31st ,,	1.00	1.01	1.00	2 7 0	100
7th April	1.00	1.35	1.00	2 7 0	100
14th ,,	1.00	1.21	1.00	2 7 0	100
21st ,,	1.00	1.30	1.00	2 7 0	100
28th ,,	1.00	1.01	1.00	2 7 0	100
5th May	1.00	1.63	1.00	2 7 0	61
12th ,,	1.00	1.63	1.00	2 6 10	58
18th ,,	1.00	1.95	1.00	2 6 8	41
26th ,,	1.00	2.26	1.00	2 6 6	28
2nd June	1.00	2.02	1.00	2 6 6	32
Total	13.00	18.64	13.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	26th March, 1953	5½	5
Belgium	18th Dec., 1952	3½	3
Canada	17th July, 1950	1½	2
Denmark	3rd April, 1953	3	2½
Finland	16th Dec., 1951	7½	5½
France	9th Nov., 1952	8	4
Greece	12th July, 1948	10	12
India	18th Nov., 1951	3	3½
Italy	6th April, 1951	4½	4
Japan	1st Oct., 1951	5.11	5.84
Netherlands	1st Aug., 1952	3½	3
New Zealand	26th July, 1941	2	1½
Norway	9th Jan., 1946	3	2½
Portugal	18th Jan., 1944	3	2½
South Africa	27th Mar., 1952	3½	4
Spain	18th Mar., 1949	4½	4
Sweden	1st Dec., 1950	2½	3
Switzerland	26th Nov., 1936	4	1½
Turkey	26th Feb., 1951	2	3
United Kingdom	12th Mar., 1952	2½	4
U.S.S.R.	1st July, 1936	8	4
U.S.A.	16th Jan., 1953	1½	2
West Germany	8th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	December, 1952	December, 1951	Nine months—April to Dec., 1952	Nine months—April to Dec., 1951
Import Duties :				
Revenue	10,65	10,36	84,57	96,24
Protective	54	73	5,96	7,90
On surplus disposals	..	4	3	23
Total import duties	11,19	11,13	90,56	104,37
Export Duties	3,05	5,09	42,77	66,29
Land Customs	22	40	2,14	2,48
Miscellaneous	11	9	92	90
Gross total customs	14,58	16,71	136,39	173,99
Refunds and drawbacks	19	30	2,18	3,74
Net Customs	14,39	16,41	134,21	170,25
Gross excise	4,77	6,77	59,90	68,37
Refunds	5	15	1,13	1,28
Net Excise	4,72	6,64	58,77	67,09
Net total of customs and excise	19,11	23,05	192,98	237,34

Imperial Bank of India

Statement of Affairs for the week ended 29th May, 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves	..	6,35,00,000
Deposits and other Accounts	..	209,67,56,000
Borrowings from other Banking Companies Agents	..	7,00,00,000
Bills Payable	..	2,57,76,000
Bills for Collection being Bills Receivable as per contra	..	46,68,000
Acceptances, Endorsements and Other Obligations as per contra	..	2,87,000
Other Liabilities (including Inter-Office Adjustments)	..	2,57,97,000
Total	Rs.	234,30,34,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	..	10,03,71,000
Balances with other Banks	..	4,59,58,000
Money at Call and Short Notice	..	1,75,89,000
INVESTMENTS—		
Government and other Trustee Securities	70,71,73,000	
Other Authorised Investments	10,31,64,000	
		81,03,37,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	106,25,05,000	
Bills Discounted and Purchased	25,45,90,000	
		131,70,95,000
Bills Receivable being Bills for Collection as per contra	..	46,68,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra	..	2,87,000
Premises less Depreciation	..	1,32,15,000
Furniture and Fixtures less Depreciation	..	30,35,000
Other Assets (including Inter-Office Adjustments)	..	2,98,79,000
Total	Rs.	234,30,34,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Saving Bank Deposits. Outstandings@	3½% Ten-year Treasury Savings Deposit Certificates ‡	
	5-Year		7-Year		12-Year						
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*
1950-51	2,08	5,01	96	2,40	20,67	50,53	97,80	61,36	— 22,32	5,31	5,31
1951-52	1,76	6,10	77	2,91	22,07	66,31	1,07,55	74,18	— 27,55	13,10	18,39
January 1952	13	5,82	7	2,81	1,61	63,62	7,75	68,04	— 26,68	66	17,17
February ,,	13	5,90	5	2,83	1,64	64,79	9,21	68,27	— 27,02	53	17,70
March ,,	29	6,10	10	2,91	2,63	66,81	15,04	74,18	— 27,55	71	18,39
April ,,	14	6,17	5	2,93	2,28	68,56	10,01	76,52	— 27,91	95	19,33
May ,,	12	6,22	8	2,99	2,12	70,22	9,95	77,85	— 28,25	56	19,86
June ,,	12	6,28	6	3,02	1,84	71,64	9,38	80,03	— 28,57	69	20,53
July ,,	15	6,34	10	3,09	2,03	73,14	10,20	82,54	— 28,91	74	21,25
August ,,	14	6,40	6	3,12	1,76	74,45	8,60	83,75	— 29,15	65	21,89
September ,,	10	6,44	3	3,12	1,54	75,73	8,75	84,89	— 29,40	52	22,38
October ,,	11	6,48	5	3,14	1,71	76,77	8,36	85,24	— 29,68	56	22,92
November ,,	10	6,50	4	3,16	1,71	77,99	8,03	85,51	— 29,98	58	23,48
December ,,	8	6,51	3	3,16	1,86	79,34	8,45	85,92	— 30,22	48	23,94
January 1953	10	6,54	4	3,18	2,02	80,77	8,38	86,06	— 30,50	58	24,48
February ,,	14	6,61	5	3,21	1,86	82,14	8,36	86,33	— 30,75	62	25,08
March ,,	..	..	..	..	..	..	..	..	..	60	25,64

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from 1st June, 1948. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)

I. All-India

Group and Sub-Group	Week Ended 23-5-'53	16-5-'53	25-4-'53	24-5-'52
(A) Government and Semi Government Securities †	92.3	92.2	92.1	91.8
1. Government of India Loans	92.4	92.3	92.2	91.9
2. Municipal, Port Trust and Improvement Trust Loans	86.9	86.9	86.9	87.5
(B) Fixed Dividend Industrial Securities	90.9	90.5	90.1	91.0
1. Electricity	77.8	77.2	77.9	73.0
2. Cotton	127.9	127.8	126.1	129.8
3. Jute	79.9	79.5	79.7	80.8
4. Coal	97.7	96.3	93.9	94.7
5. Iron and Steel	85.5	85.2	84.9	83.5
6. Sugar	89.3	89.3	87.9	96.1
7. Paper	88.1	88.1	82.7	91.2
8. Plantations	98.0	97.8	96.6	105.0
(C) Variable Dividend Industrial Securities	107.7	107.1	106.0	109.3
1. Banks	103.3	103.0	102.5	104.3
2. Insurance	99.4	98.0	98.3	101.8
3. Investment Trusts	142.6	141.6	142.8	141.4
4. Electricity Companies and Tramways	83.8	83.7	83.1	83.3
5. Shipping and Other Transport Companies	86.6	86.1	85.6	83.4
6. Railways	76.1	76.0	75.1	77.0
7. Plantations	117.8	117.8	115.9	147.2
8. Cotton Woollen and Silk	136.5	135.3	133.0	141.5
9. Jute	73.1	72.9	68.5	78.8
10. Coal	90.1	89.7	86.6	94.7
11. Mining and Oil	62.1	62.1	62.8	63.2
12. Iron and Steel	144.7	144.4	144.1	125.4
13. General Engineering	149.2	148.5	146.6	140.0
14. Sugar	82.8	81.0	80.9	86.3
15. Breweries	71.7	69.6	60.7	60.3
16. Chemicals	138.4	137.0	136.3	140.9
17. Paper	116.2	114.6	114.6	116.1
18. Cement	142.4	141.4	140.2	137.1

II. Regional

Region and Group	Week Ended 23-5-'53	16-5-'53	25-4-'53	24-5-'52
(A) BOMBAY—				
Government and Semi-Government Securities	92.0	91.9	92.0	91.7
Fixed Dividend Industrials	93.5	93.0	92.9	90.3
Variable Dividend Industrials	126.9	126.3	125.6	121.5
(B) CALCUTTA—				
Government and Semi-Government Securities	92.9	92.8	92.7	92.3
Fixed Dividend Industrials	87.1	86.9	86.1	89.0
Variable Dividend Industrials	94.9	94.3	93.3	97.7
(C) MADRAS—				
Government and Semi-Government Securities	91.9	91.8	91.7	91.4
Fixed Dividend Industrials	102.6	102.5	101.9	108.7
Variable Dividend Industrials	128.4	128.1	125.9	139.9

*Source: Department of Research and Statistics, Reserve Bank of India.
‡ Including Part 'B' State Loans.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,988	12,806,704
1951	1,071	691,321	3,948,978
1952*	962	809,118	3,335,561
October 1950	78	288,349	2,266,594
November	34	56,756	413,387
December	68	41,061	168,718
January 1951	120	93,696	370,990
February	61	44,025	208,560
March	79	47,725	317,999
April	120	95,747	831,282
May	109	56,604	277,314
June	148	93,446	445,358
July	130	72,454	671,705
August	108	54,684	289,907
September	83	24,777	93,109
October	108	67,396	190,791
November	125	64,147	189,374
December	113	76,196	365,149
January 1952	95	305,831	674,840
February ,,	88	93,180	215,607
March ,,	87	42,430	142,493
April ,,	134	59,437	284,346
May ,,	118	80,093	254,865
June ,,	101	59,381	257,062
July ,,	82	40,754	171,263
August ,,	88	48,585	148,533
September ,,	96	57,875	460,552
October ,,	96	78,181	349,618
November ,,	87	48,766	273,245
December ,,	31	27,525	155,017
January 1953†	84	41,183	240,814
February ,,	42	23,284(a)	116,398(a)

† Figures for 1952 and 1953 are provisional. * Revised.
(a) Not known in two cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51	545	5,279.9	4,225.9
1951-52	573	5,948.1	4,849.0
September 1951	554	494.5	403.4
October ,,	556	506.9	412.8
November ,,	557	501.7	409.8
December ,,	561	500.9	414.3
January 1952	568	500.8	409.7
February ,,	571	480.7	391.0
March ,,	577	481.8	392.9
April ,,	577	488.8	392.8
May ,,	581	514.4	413.1
June ,,	583	500.1	408.8
July ,,	588	534.0	429.7
August ,,	592	531.8	429.7
September ,,	597	530.3	430.6
October ,,	599	548.2	441.5
November ,,	605	529.7	436.4
December ,,	608	552.2	457.8
January 1953	611	535.5	441.8

* Excluding railway, military and factory power stations; Chola Power Station, being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	16th May, 1953	9th May 1953	17th May, 1952	April, 1953	April, 1952	Percentage of increase (+) or decrease (—) in April, 1953 as compared with April, 1952	1952	1951
Food Articles	381.7	378.7	339.4	366.4	346.1	+ 5.9	359.8	409.8
Cereals	493	449	442	437	444	— 1.6	450	483
Pulses	494	491	414	445	436	+ 2.1	483	506
Other	250	262	202	256	209	+22.5	225	290
Industrial Raw Materials	479.0	473.5	418.1	448.9R	433.5	+ 3.6	453.8	608.2
Fibres	432	430	430	405	449	— 9.8	454	622
Oil seeds	627	607	421	568	439	+29.1	484	679
Minerals	454	463	451	449	458	— 2.0	458	426
Others	355	349	274	357R	319	+11.9	341	533
Semi-Manufactures	359.7	358.0	320.6	351.8	338.3	+ 4.0	348.5	377.5
Leather	420	420	256	431	257	+67.7	345	452
Mineral oils	223	223	218	228	218	+ 4.6	221	197
Vegetable oils	550*	534	409	498	435	+14.5	459	679
Cotton yarn	445*	445*	444*	445*	499*	—10.8	465*	483
Metals	224	225	196	226	198	+14.1	211	197
Oil Cakes	441	441	418	411	416	— 1.2	440	500
Others	251	251	264	225	271	—17.0	273	230
Manufactured Articles	389.8	388.4	370.8	365.8R	381.2	— 4.0	377.5	395.5
Textiles	409	407	414	402R	432	— 6.9	423	468
Jute	293	382	502	357	548	—34.9	506	802
Cotton	407*	407*	309*	407*R	419*	— 0.7	401*	400*
Rayon and Silk	499*	493*	467	488*	427*	+14.3	485*	611*
Woollen	312	312	393	313	392	—20.2	346	378
Metal products	286	286	311	286	311	— 8.0	321	285
Others	288	288	299	289	300	— 3.7	298	300
Miscellaneous	620.0	615.8	580.3	601.7	598.1	+ 0.6	635.6	729.8
All Commodities	397.6	395.0	365.9	384.9R	377.8	+ 1.9	388.9	439.3

* Estimated. R—Revised.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
May 1951	—	335	278	314	443	394	376	335	140	176	141	158	166
June ,,	—	337	271	313	447	394	383	357	144	178	138	158	169
July ,,	—	333	270	318	454	394	385	337	145	182	140	155	173
August ,,	—	328	261	322	459	392	387	338	146	181	143	161	171
September ,,	—	325	253	319	470	389	375	340	144	179	150	161	170
October ,,	—	332	254	323	469	393	373	336	144	181	145	165	171
November ,,	146	333	252	325	464	397	374	337	147	182	135	168	165
December ,,	144	331	252	325	449	397	370	337	144	181	150	164	158
January 1952	142	351	246	323	442	393	357	338	142	180	147	162	156
February ,,	140	324	241	318	441	382	343	336	141	178	145	155	155
March ,,	135	313	229	300	413	378	340	333	136	177	140	150	145
April ,,	141	345	263	321	415	377	339	326	148	169	138	157	144
May ,,	140	339	264	310	412	376	339	327	148	168	143	153	143
June ,,	140	338	263	300	424	375	343	330	145	171	141	153	148
July ,,	142	330	263	304	456	377	354	331	143	175	143	161	155
August ,,	144	340	267	312	460	380	369	330	143	176	149	160	157
September ,,	143	341	269	310	463	381	364	328	145	178	143	157	150
October ,,	144	345	274	311	466	381	365	327	146	179

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

('000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final	1951-52 Final	1950-51 Final
Rice	tons	73,595	75,975	20,767	20,235
Wheat	tons	24,233	24,134	5,768	6,374
Jowar	tons	38,329	38,419	5,560	5,403
Bajra	tons	21,856	22,267	2,153	2,549
Barley	tons	7,809	7,704	2,136	2,341
Maize	tons	8,003	7,794	1,959	1,701
Ragi	tons	5,206	5,444	1,167	1,407
Gram	tons	16,719	18,709	3,157	3,593
Other millets & pulses	tons	39,725	39,770	6,386	6,401
Total foodgrains		234,558	240,213	49,002	50,064
Jute	bales	1,834‡	1,951††	4,695†	4,678††
Cotton 4th	bales	15,600†	15,126††	2,908†	3,042††
Sugarcane 2nd	tons	4,243‡	4,326††	5,095†	5,288††
Groundnut	tons	11,862‡	11,788††	2,894†	3,045††
Linseed	tons	3,298	3,447	369	361
Castorseed	tons	1,349†	1,428††	107†	105††
Rape and Mustard Seed	tons	5,767	5,007	960	748
Sesamum	tons	5,537†	5,516††	426†	446††
Tobacco	tons	764	902	225	263
Pepper	tons	103‡	202††	22‡	23††
Ginger	tons	46†	47††	14†	15††

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).

† Relates to 1952-1953. †† Relates to 1951-52.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During April, 1953	74.3
	Corresponding month 1952	81.7
	July 1952 to April, 1953	746.0
	Corresponding period 1951-52	788.5
Stocks	At the end of April, 1953	137.5
	Corresponding month 1952	116.4
		(In 000 bags)
Exports(JuteBags)	Week ended 18th April, 1953	61.88
	Corresponding week 1952	53.15
	From 1st Jan., to 18th April, '53	6,39,89
	Corresponding period 1952	15,21,69
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 18th April, 1953	74.19
	Corresponding week 1952	34.05
	From 1st Jan., to 18th April, 1953	36,30,32
	Corresponding period 1952	26,10,87
	RAW JUTE	(In 000 bales)
Exports*..	Week ended 18th April 1953	—
	Corresponding week 1952	—
	Three months ended Jan., 1953	—
	Corresponding period 1952	—
Consumption by Mills†	April, 1953 (in lakh bales)	3.77
	Corresponding month 1952	4.74
	Ten months ended April, 1953	42.74
	Corresponding period 1952	45.74

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

		Pig Iron	Steel Ingots	Finished Steel
Year ended	31st March, 1949..	917,800	906,700	671,000
Do.	31st March, 1950..	10,41,700	927,500	720,000
Do.	31st March, 1951..	11,15,200	10,62,100	7,76,500
Do.	31st March, 1952..	11,30,000	10,57,100	7,99,200
Do.	31st March, 1953..	11,58,000	10,61,900	7,91,800
January	1951..	1,01,300	97,900	67,700
February	,, ...	87,700	82,200	66,300
March	,, ...	91,300	86,600	71,400
April	,, ...	81,500	79,600	65,000
May	,, ...	91,900	92,200	66,600
January	1952..	99,800	96,700	71,400
February	,, ...	94,000	82,800	67,000
March	,, ...	1,02,100	92,100	67,400
April	,, ...	93,000	86,500	62,900
May	,, ...	95,000	83,200	61,700
January	1953..	1,02,400	95,100	66,000
February	,, ...	92,400	82,000	61,700
March	,, ...	97,400	86,600	65,500
April	,, ...	97,000	83,100	60,800
May	,, ...	95,900	85,000	62,000

SEA-AND AIR-BORNE TRADE: INDIA

Particulars	January,		Ten Months, April to Jan.	
	1953	1952	1952-53	1951-52
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :—				
Foodstuffs	6,29	29,86	156,19	208,66
Raw materials	12,03	26,50	158,16	202,37
Manufactures	22,26	31,69	230,49	281,58
Other Items	25	64	3,57	3 03
Total Imports*	40,83	88,69	548,41	696,24
Exports :—				
Foodstuffs	11,50	14,67	118,63	133,69
Raw materials	11,84	10,67	121,52	117,76
Manufactures	18,55	38.18	223,83	349,70
Other Items	42	26	3,44	2,89
Total Exports	42,40	63,78	467,42	604,04
Total Re-exports	1,20	64	4,84	12,35
Balance of trade in merchandise	+ 2,78	—24,27	— 76,15	—79,86
Balance of transactions in private treasure	— 2	— 1	— 6	— 10
Total Visible Balance of Trade	+ 2,76	—24,28	— 76,21	— 79,96
Imports :—				
Total C'wealth Countries	20,08	24,91	213,46	242,25
Total Foreign Countries	20,75	63,78	334,95	453,99
Exports :—				
Total C'wealth Countries	20,67	36,91	220,18	317,89
Total Foreign Countries	21,73	26,87	247,24	286,15

* Excludes value of certain special imports of foodgrains and stores, full particulars of which are not yet available.

LAND-BORNE TRADE: INDIA

Particulars	January,		Ten Months April to Jan.,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	69	2,09	17,98	19,73
Imports	73	4,44	17,59†	71,65
Balance of trade in merchandise	‡	—51,92	‡	—77,47

† Incomplete—Excludes the value of 62,217 tons or 848,415 bales of raw Jute imported during the two months, December, 1952, and January, 1953 awaiting adjustment.

‡ Data Incomplete.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base: 1944= 100)

Name of Centre	Cereals		Pulses		Other articles of food		All articles of food		Fuel and Lighting		Clothing		Miscellaneous	
	Feb., 1952	Jan., 1953	Feb., 1953	Feb., 1952	Jan., 1953	Feb., 1953	Feb., 1952	Jan., 1953	Feb., 1953	Feb., 1952	Jan., 1953	Feb., 1953	Feb., 1952	Jan., 1953	Feb., 1953	Feb., 1952	Jan., 1953	Feb 1953
Eastern Zone																		
Bamra	163	212	228†	111	88	90	165	127	125	156	134	136	104	107	107	182	216	216	195	193	193
Malbanc	163	x	x	126	x	x	162	x	x	157	x	x	141	x	x	163	x	x	125	x	x	97	x	x
Shankargarh	152	154	162	189	187	189	176	152	153	168	160	164	101	97	95	164	141	140	141	144	145	144	144	145
Sonaili	259	179	181	181	167	167	228	188	183	233	183	180	125	125	125	264	199	199	328	278	306†	278	278	306†
Northern Zone																								
Multapi	125	131	127	156	158	154	170	169	175	160	161	163	111	133	123†	161	163	166	149	196	189	196	196	189
Nana	293	242	243	275	231	250†	222	200	200	242	212	215	141	117	115	244	205	205	208	189	189	189	189	189
Salamatpur	221	229	240†	332	292	287	254	219	216	265	236	235	129	129	129	132	136	137	254	268	273	268	268	273
Southern Zone																								
Krishna	246	193	177†	181	186	183	183	157	156	195	166	162	135	115	121	171	138	136	212	176	175	176	175	175
Lakh	360	374	374	176	192	193	170	126	129	204	182	184	86	86	86	129	138	138	144	131	131	131	131	131
Malur	162	x	x	169	x	x	160	x	x	102	x	x	89	x	x	407	x	x	175	x	x	x	x	x
Municuda	238	204	206	251	220	222	315	220	220	289	218	218	119	128	128	210	194	186	232	199	199	199	199	199
Kudchi	123	181	181	159	141	130	169	104	159	161	164	160	113	127	127	155	122	122	202	191	191	191	191	191

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)	Particulars	From 1st Sept., '52 to 1st June, 1953 Bales	From 1st Sept., '51 to 1st June, 1952 Bales
Bombay Island—			**Indian Union**		
			Cotton Exports to—		
			United Kingdom	13,875	4,058
	Week ended 28th May, 1953	28,891	Continent	92,800	17,893
Cotton Receipts	Corresponding week, 1952	78,903	China	818	—
	1st Sept. 1952 to 28th May, 1953	14,90,505	Japan	1,40,367	24,439
	Corresponding period, 1951-52	15,28,828	U.S.A.	34,816	6,615
			Other Countries	5,286	411
	Week ended 28th May, 1953	3,466	Total to all foreign countries	2,87,552	53,316
	Corresponding week, 1952	13,540	Coastal Ports	1,09,846	32,669
Cotton Exports	1st Sept. 1952 to 28th May, 1953	2,81,146			
	Corresponding period, 1951-52	37,464			
				Period	Quantity (Bales of 400 lbs.)
	1st Sept. 1952 to 28th May, 1953	9,14,229			
Mill Consumption	Corresponding period, 1951-52	7,46,735			
Stock (with exporters dealers and mills)	On 28th May, 1953	5,84,724(a)	Consumption of Cotton—		
	Corresponding date, 1952	6,76,234	Indian	January, 1953	3,23,677
			Foreign		65,967
Karachi (Pakistan)*			Indian	Five months September 1952 to January, 1953	15,31,046
	Week ended 23rd May, 1953	9,305	Foreign		3,55,621
Receipts	Corresponding period 1952	21,550	Indian	Same Period 1951-52	12,07,406
	1st Sept. 1952 to 23rd May, 1953	16,07,467	Foreign		4,42,623
	Corresponding period, 1951-52	14,42,594	Stocks (Mills and Elsewhere)—		
			Indian	As on 31st Jan., 1953	10,25,620
	Week ended 23rd May, 1953	13,817	Foreign		2,77,317
	Corresponding period, 1952	39,300	Indian	As on 31st Jan., 1952	10,75,066
Exports	1st Sept. 1952 to 23rd May 1953	12,34,(00(a)	Foreign		2,72,722
	Corresponding period, 1951-52	10,07,800		Week ended 22nd May, 1953	6,019
				Corresponding week, 1952	8,080
			Cotton Pressed †	1st Sept. 1952 to 22nd May 1953	25,56,325
				Corresponding period, 1951-52	25,55,993

* As reported by the Karachi Cotton Association Ltd. (a) Adjusted. †Incomplete.

GOVERNMENT SECURITIES

TERMINABLE LOANS

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% Loan	1928	9,05,64,000	1955-60	103⅛
4½% Bonds	1926-33	63,30,26,000	1960-70	121¾
3½% Loan	1938-39	1,16,17,46,000	1963-65	92⅝
3½% Loan	1943	1,14,60,58,000	1953-55	100⅛
3½% Loan	1950	30,33,10,000	1964	93
3½% Loan	1943	1,10,11,78,000	1966-68	90⅜
3½% V. Loan	1944	1,14,06,89,000	1957	98⅜
3½% Loan	1945	1,15,05,83,000	1970-75	86⅛
3½% Loan	1945	1,13,65,64,000	1959-61	96⅜
3½% Loan	1951	50,00,00,000	1958	98⅜
2½% Loan	1946	45,63,07,000	1960	93⅜
2½% Loan	1946	57,00,69,000	1961	90⅜
2½% Loan	1946	35,06,06,000	1954	98½
2½% Loan	1946	14,77,48,000	1976	83
2½% Loan	1947	75,86,72,000	1962	91¾
2½% Loan	1948	60,45,01,000	1955	98½

NON-TERMINABLE LOANS

3 % Loan	1896-97	8,93,36,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	82½
3 % Loan	1946	148,91,90,000		82½

REPATRIATE STERLING LOANS

3½% Loan	1933	12,85,66,000	1954-59	100⅛
4½% Loan	1928	5,85,20,000	1958-68	105

PROVINCIAL LOANS

3 ½ Bombay	1942	3,54,23,300	18th Sept. 1955	98⅛
3 ½ Bombay	1943	3,50,00,000	15th Sept. 1956	99
3 ½ Bombay	1944	3,44,00,000	15th Aug. 1958	97⅛
3 ½ Bombay	1949	6,00,00,000	1st Aug. 1958	93⅛
3 ½ Bombay	1950	3,00,00,000	31st July 1960	95
3½% Bombay	1951	3,00,00,000	17th Sept. 1962	98⅛
4 ½ Bombay	1952	3,50,00,000	1st Aug. 1964	101⅛
3 ½ Cochin	1943	50,00,000	1st Oct. 1953—55	99
3 ½ Cochin	1945	1,00,00,000	16th Dec. 1955—58	98⅜
3½% Cochin	1936	70,09,000	1st June 1956—61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95⅛
3 ½ Madras	1938	1,42,08,300	15th Sept. 1953	100
3 ½ Madras	1939	1,29,76,600	21st June 1959	95⅛
3 ½ Madras	1942	1,23,25,000	18th Sept. 1955	98⅛
3 ½ Madras	1943	1,25,10,000	14th Sept. 1956	98⅜
3 ½ Madras	1944	1,08,00,000	15th Aug. 1958	96⅛
3 ½ Madras	1945	2,82,19,000	14th Sept. 1960	94⅛
2½% Madras	1946	3,90,93,200	1st Sept. 1961	90⅛
3 ½ Madras	1950	4,47,00,000	31st July 1960	94⅛
3½% Madras	1951	3,00,00,000	17th Sept. 1962	97⅛
4 ½ Madras	1952	5,00,00,000	1st Aug. 1964	101⅛
3 ½ Mysore (*f*)	1930	1,63,44,300	1st Nov. 1955	105⅛
4 ½ Mysore (*f*)	1933	2,55,85,200	1st Dec. 1953—63	100⅛
3 ½ Mysore (*f*)	1936	5,99,72,900	30th April 1956—61	98⅛
3 ½ Mysore	1947	5,08,05,700	25th Jan. 1958	98⅛
3 ½ M.P.	1942	50,00,000	18th Sept. 1955	98⅛
3 ½ M.P.	1943	50,54,200	14th Sept. 1956	98⅛
3 ½ M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 ½ M.P.	1948	2,03,00,000	15th Sept. 1964	91⅛
3 ½ M.P.	1950	1,00,28,800	31st July 1960	94⅛
3½% M.P.	1951	1,00,00,000	17th Sept. 1962	97⅛
3 ½ Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99⅛
3 ½ Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅛
3 ½ Punjab**	1943	2,48,78,300	14th Sept. 1956	99⅛
3 ½ Punjab**	1945	2,95,81,600	14th Sept. 1960	98⅛
3 ½ Travancore	1944	3,00,00,000	15th May 1952—54	98⅛
3½% Travancore	1936	50,00,000	16th Aug. 1956	99⅛
3 ½ U.P.	1936	1,69,39,800	15th Sept. 1961—66	90⅛
3 ½ U.P.	1944	2,23,96,800	1st Aug. 1958	97
3 ½ U.P.	1945	2,56,31,900	14th Sept. 1960	94⅛
3 ½ U.P.	1946	2,41,19,800	1st Sept. 1961	93N
3 ½ U.P.	1951	2,00,00,000	17th Sept. 1962	97⅛
3½% U.P.	1952	2,00,00,000	1st Aug. 1964	100⅛
4 ½ W. Bengal	1951	1,75,00,000	17th Sept. 1962	98⅛N
4 ½ W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛

PORT TRUST LOANS

BOMBAY

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	99½
88,25,000	4	1914	1975	99N
10,00,000	4	1915*	1960	
55,00,000	4	1915	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1961	
2,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	

CALCUTTA

90,34,300	4	1914	1974	98⅛
76,90,100	4	1915	1975	98½
68,02,300C	3†	1921	1981	79N
1,50,00,000C	6½	1921	1981	144N
1,24,06,300	6	1925	1955—85	105
98,21,600	5½	1926	1956—86	104⅛
99,84,500B	5	1926	1956—86	103⅛
1,49,49,500B	5	1927	1957—87	103⅛
1,49,30,000	5	1928	1958—88	104⅛
80,00,000	4½	1931	1991	92⅛
21,75,000C	3	1933	1954	99
60,00,000	3½	1935	1965	95⅛
25,00,000	3	1938	1963—68	88
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82⅛
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	79⅛
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94⅛
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
1,50,00,000	3	1951	1981	79N
	3½	1951	1961	97⅛

STERLING LOANS

£892,600	5	1923	1953—83	£86⅛
£901,000	5	1924	1954—84	£86⅛
£835,100	5½	1932	1962	£96

MADRAS

Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	4	1918	1882	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug. 3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	

STERLING LOAN

£330,000	5½	1923	1953	£100N

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
		BOMBAY		
Rs. 50,00,000	4	1899	1959	Rs. 100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	97½
30,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	113
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115
25,00,000	4	1927	1961-70	98
10,00,000	3½	1936	1966	96½
		STERLING LOANS		
£566,600	4	1909	1969	£95⅛
£333,000	4	1910	1970	£95⅛
		CALCUTTA		
Rs. 50,00,000	6	1925	1955	Rs. 104
25,00,000	5½	1929	1959	107
50,00,000	5	1934	1964	99½
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	90
20,00,000	3	1938	1963—68	88
80,00,000	3	1952	1962	100

MUNICIPAL LOANS

Rs.				Rs.
		BOMBAY		
49,40,000	4	1913-14	1954	100
20,60,000	4	1913—15	1974	99⅛
20,00,000	4	1013—15	1955	100
10,00,000	5	1920	1980	113
1,60,00,000	6	1924	1954	103⅛
25,00,000	5	1928	1958	105
26,14,000	5	1929	1949—59	103
8,45,500	5	1929	1954—59	103
26,21,500	5	1929	1959	
8,25,00,000	3½	1947	1977	85
2,50,00,000	3½	1949	1979	85
40,00,000	3½	1950	1965	92⅛
2,50,00,000	4	1952	1964	100⅛
2,00,00,000	3½	1951	1966	96
Rs.		**CALCUTTA**		Rs.
34,45,500	6½	1925	1955	105⅛
84,70,000	5	1925	1955	104
36,00,000	5	1928	1958	103⅛
25,00,000	5	1929	1957	103⅛
25,00,000	5	1929	1959	103⅛
10,00,000	5½	1932	1962	108
33,91,000	3½	1935	1965	93⅛
5,19,000	3	1936	1965	88⅛
60,00,000	3	1936	1966	89⅛
1,46,100	3	1936	1953	99⅛
3,11,400	3	1937	1954	98⅛
4,67,100	3	1937	1954	98⅛
1,62,500	3	1937	1954	98⅛
4,18,100	3	1937	1954	98⅛
47,50,000	3	1938	1968	97⅛
10,67,700	3	1938	1955	99⅛
15,56,800	4	1939	1956	99⅛
15,56,800	4	1940	1957	99⅛
17,64,400	3½	1942	1959	99⅛
21,10,000	3½	1942	1972	98
15,49,000	3½	1951	1960	96
16,33,000	3½	1951	1961	96
66,88,000	3½	1951	1966	99⅛
87,36,000	4	1952	1962	
Rs.		**MADRAS**		Rs.
5,00,000	4	1903	1953	101
5,00,000	6	1923	1953	107
3,40,000	7	1925	1955	107½

ABBREVIATIONS.—M=Held by Government of Madras. N=Nominal. J=Various Issues repayable to Government
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners. *Loans held entirely by the T
(a) This includes the amount of loan converted into First Development Loan 1970-75. (*f*) Income-tax free. A=Held by Government of
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935. ** Quotations in Pak. Currency.

PREFERENCE SHARES

Company	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	132	100
BREWERIES AND SUGAR						
Bhara Sugar	5,00,000	1931	5	Dec.	75N	100
Carew & Co.	3,00,000(b)	1875	6½	Mar. Sept.	90	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	143	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	117	100
†East India Distilleries	£200,000	1897	7	Jan. July	15⅛	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec.	77	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec.	74	100
Purtabpore Co.	6,00,000	1922	10	Oct.	15½	10
Ramnugger Cane	4,00,000	1933-36	6	May Nov.	98	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	70	100
Seuth Behar Sugar	5,00,000	1938	7(a)	Oct.	75N	100
Travancore	15,00,000	1946	5c	Dec.	6½	10
Upper Ganges	12,00,000	1932	5	Dec.	90N	100
Do	15,00,000	1946	5(a)	Dec.	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	116	100
Berree	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	22,99,808	1901-19	7	Apr. Oct.	122	100
Do. (2nd)	4,50,000	1946	6(a)		8½	10
Equitable	4,00,000	1895	6	Mar. Sept.	116	100
Karanpura Collieries	7,30,000	1946	5½(a)		84	75(pp)
††Khas Kajora	1,93,008	1931	5	Mar. Sept.	6N	10
New Beerbsoom	2,00,000	1920	7	Jan. July	12½	10
Ondal	2,00,000	1895-99	6½	Apr. Oct	115	100
COTTON						
Ahmedabad Advance	10,00,008	1939	5	Apr. Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan. July	131⅛	100
Basanti Cotton	5,00,000	1938	6½	Nov.	8	10
Benares Cotton	1,05,200	1919	7	July Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	122	100
Bewreah 'A'	6,00,000	1900	8	Feb. Aug.	125	100
Do. 'B'	4,00,000	1900	7	Feb. Aug.	82	100
Bradbury	14,75,000	1919	7	June Dec.	326⅛	250
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	142⅛	100
Cambodia	1,00,000	1928	7	Apr.	131⅛	100
Central India	50,00,000	1912	8	Apr. Oct.	518⅛	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov.	130⅛	100
Elgin	11,00,000	1912	8	May Nov.	143	100
Do. 'B' Pref.	1,20,000	1943	5	July Jan.	10	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	95	100
Kesoram	20,00,000	1919	7	June Dec.	127	100
Khatau Makanji	10,00,000	1925	6	Nov.	—	100
Do. (2nd)	29,92,308	1947	4		82⅛	100
Kothari	12,00,000	1937	6	Nov.	10⅛	10
Lakshmi Cotton (Bombay)	16,00,000	1894	8(a)		233⅛	250
Morarjee

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deffered shares. G=Guaranteed shares. P=Preference shares. P.O.=Preferred Ordinary shares. R=Rebate shares. Y=Accounts published yearly. H=Accounts published Hat-yearly. Q=Accounts published once 15 months T=Company has Debentures. R.L.=Reserve Liability on shares. N=Nominal Quotation. i=Interim Dividend. f=Dividend for first half-year, y=Dividend for the year. x=Ex. Dividend c.d.=Cum. Dividend.

Shares:—If a company has different classes of shares—as, for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under "Paid-up Per Share."

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12 indicate the months of June and December, respectively. "Reserves" includes general and other reserves and all other funds which a company may have as also depreciation on block items, when this is charged to separate account "Block" represents actual cost of land, buildings, machinery and all such other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends:—Dividends for completed years are calculated at per cent. per annum, but, where quoted for portion of a year, they represent percentages of the dividend on the paid-up share value. For companies closing the books half-yearly in the first three months of the year, and for companies closing their books yearly during the first half of the year dividends are shown as for the previous year.

COTTON MILLS

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	¶Number Installed: Spindles	¶Number Installed: Looms	Mill	Latest Available Quotation.	Paid-up Per Share	Dividends (per cent.): 1949	1950	1951	1952	Accounts closed	Reference
Rs.	Rs	Rs	Rs					Rs.	Rs						
BOMBAY CITY AND ISLAND															
50,00,000	59,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	2–14½	2	12½	12½	15½		12	Y.
40,00,000	96,25,655	1,22,39,883	45,644	B. R. Sons, Ltd. ..	50,828	1,021	Beharilal Ramcharan Cotton Mills	45§	100	6	6	—		3	T.P.Y
2,59,98,000	5,35,92,946	3,76,37,187	1,80,774	Nowrosjee Wadia & Son, Ltd. ..	1,82,072	4,855	Bombay Dyeing, etc.	393½	250	16	7	8	8	12	Y.
10,00,000	68,56,275	52,02,609	2,59,868	Ramnarain Sons, Ltd. ..	38,532	860	Bradbury Mills	742½	250	24	40	40		3	P.Y.
1,09,42,800	3,69,11,265	2,42,52,821	5,30,869	Birla Bros., Ltd	1,09,320	2,706	Century	276½	100	15	18	20	20	12	Y.
49,00,000	76,78,063	1,06,30,358	5,066	V. J. Pilani, Esq. (Chairman) ..	39,408	698	Colaba Land & Mill	71	100	—	—	4		12	Y.
26,90,000	47,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd. ..	27,308	680	Coorla	108½	100	7½	7½	7½		3	
16,00,000	64,96,041	63,03,745	76,868	Ramnarain Sons, Ltd.	38,304	..	Dawn	61	50	4	—	12	12	12	Y.
34,00,000	78,85,000	63,06,555	91,036	Puranmal Radhakishan & Co. ..	50,296	928	Edward Textiles	252½	200	7½	7½	7½		12	Y.
29,95,700	86,92,517	1,10,04,668	41,862	Chidambaram, Mulraj & Co., Ltd.	44,768	886	Elphinstone	44½	50	10	8	—	6	12	P.
40,00,000	1,32,62,580	80,34,752	5 41,142	James Finlay & Co., Ltd. ..	46,072	784	Finlay	329½	100	15	15	20	20	12	P.Y.
50,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	71,608	1,259	Hind Mills	—	10	5½	4½	5½		6	P.Y.
12,00,000	2,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co. ..	45,752	1,022	Hindustan	3,250	1,000	17½	20	20*		3	P.Y.
2,00,00,000	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	10–7½	10	7½	7½	10½		12	P.Y.
90,00,000D								1½	25	12½	12½	25			
8,65,000	1,33,65,320	98,10,275	7,671	Damodhar Thack. Mooljee & Co.	47,172	1,191	Indian Manufacturing ..	3,310	1,000	174	20	20*		3	Y.
35,000					—	500		—	500						
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co. ..	77,404	1,517	Khatau Makanjee	183½	100	12	14	10		6	P.Y.
1,00,00,000	3,45,80,831	2,90,52,252	2,23,085	Killick Industries Ltd. ..	1,11,464	1,846	Kohinoor	304½	100	27½	18	25*	18	12	Y.
28,80,000A	60,88,538	4,61,890	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	83	100A	7½	5	6½		6	Y.
3,60,000B								—	20B						P.T.Y.
22,13,050	88,02,988	1,01,00,576	24,034	N. Sirur & Co. Ltd.	33,750	451	Modern Mills	95N	50	14	8	14	10	10	P.Y
31,75,000	1,65,94,653	71,00,015	2,40,686	Piramal Gangadhar & Others	60,652	1,650	Morarjee Goculdas	201½	100	17	15*	12		6	Y.
24,00,000	67,21,958	71,22,987	42,053	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay ..	151½	100	11	12½	15	10	12	Y.
30,00,000	79,78,669	86,82,525	70,277	W. H. Brady & Co., Ltd. ..	48,395	1,018	New Great Eastern ..	155½	100	6½	10	10½	10	12	P.Y.
12,70,100	35,74,176	28,92,872	423	Mafatlal Chandulal & Co. ..	33,720	873	New Union	26§	10	—	5	10	8	12	Y.
48,00,000	1,14,83,245	1,38,66,478	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phœnix	108½	100	6	10	10	10	12	P.Y.
40,00,000	29,51,640	24,14,688	1,25,251	Podar Sons, Ltd.	32,600	930	Podar	129½	100	9	9	10	10	12	Y.
5,00,000	27,89,119	21,19,461	3,615	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk ..	25½	10	26‡	20	20	12½	12	Y.
25,00,000	59,66,822	41,49,241	21,950	M. G. Investment Corpn. ..	60,240	1,254	Sassoon Spinning	27½	10	—	7½	10	12½	12	P.Y.
60,00,000	1,02,59,322	78,01,447	8,43,873	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Niwas	173½	100	12½	14	17½	12½	12	Y.
31,50,000	1,00,00,000	76,05,952	50,222	Forbes, Forbes, Campbell & Co., Ltd.	36,116	1,276	Simplex	184½	50	28	34	30‡		3	Y.
56,00,000	2,07,23,386	1,18,80,653	2,889	Mafatlal Gagalbhai & Sons ..	53,892	1,633	Standard	313½	100	15	15	25 ■	16	12	P.Y.
75,00,000	2,10,92,537	1,57,29,109	91,399	Tata Industries Ltd.	65,040	2,000	Svadeshi	252	100	14	16	18	20	12	P.Y.
24,00,000	1,20,11,676	65,86,475	5,71,220	James Finlay & Co., Ltd. ..	35,804	552	Swan	453½	100	20	20	25	30	12	
32,54,438	88,66,976	76,66,704	—2,05,128	Tata Industries Ltd.	63,248	1,800	Tata	45	25	8	8	16	4	3	P.T.Y.
12,00,000	1,17,01,933	86,62,657	4,299	Thackersey Mooljee Sons & Co. ..	45,888	1,176	Western India Spinning ..	3,180	1,000	17½	20	20		3	T.Y.
AHMEDABAD															
20,00,000	84,99,543	51,95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	147½	100	8	12	10		6	P.W.
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Huthesing & Sons Ltd. ..	42,768	912	Aruna	412½	100	13*	15*	20*	25	12	Y.
21,00,000	2,83,78,675	1,18,76,140	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind	777	100	22½	25	25		12	P.Y.
20,00,000	93,85,169	76,03,158	1,11,303	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning	272½	200	15	15	17½	7½–1	12	Y.
12,00,000	1,63,65,455	81,44,027	1,05,810	Lalbhai Dalpatbhai & Co. ..	37,368	912	Asoka	445	100	15*	17	22	22*	12	Y.
1,24,77,072	3,38,53,311	3,71,68,168	2,87,005	Karamchand Premchand & Co. ..	1,39,120	2,370	Calico	310½	125	8	10	14–2/5	14–2/5	12	P.Y
30,00,000	1,20,70,000	88,67,870	4 885	Tricumlal Bhoglal & Co.	39,316	867	New Commercial	1,055	500	10	11	14	14	12	
39,00,000	1 31,07,324	96,79,263	1,795	Mafatlal Chandulal & Co. ..	47,952	864	New Shorrock	567½	125	28	28	28	28	12	Y.
5,00,000	79,61,645	43,89,260	4,583	Jagabhai Bhoglal Nanavati & Co.	24,840‡	528‡	Nutan	590xd	100	25	25	25	25	12	P.Y.
10,00,000	1,49,90,022	73,98,913	3,599	Lalbhai Dalpatbhai & Co. ..	31,120	637	Raipur	160	250	6	6	8		12	Y.
12,00,000	30,40,334	43,41,241	1,09,340	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Rajnagar	105	100	8	10	9	9	12	
32,50,000	58,29 453	81,93,993	9,867	Lallubhai Gordhandas Ltd. ..	33,156	648	Rohit	128½	100	15	15	20	20	12	Y.
19,50,000C	94,78,968	61,33,831	8,070	Mafatlal Chandulal & Co. ..	36,624	720	Shorrock Spinning	310	100	15	15	36	32	12	P.Y.
2,500D								310	50	25	30	36	32	12	P.Y.
24,90,150	1,91,30,172	1,01,07,709	1,23,551	Haribalabhdas Kalidas & Co. ..	73,796	1,383	Shri Ambica Mills	490	400	11½*		8½*	8½*	12	P.Y.
28,00,000	79,16,324	91,15 078	16,259	Haridas Acharatlal & Co., Ltd. ..	32,816	776	Vijaya								
WEST BENGAL															
15,08,000	18,22,464	49,30,346	1,95,043	Calcutta Agenc Ltd., ...	13,044	356	Basanti Cotton	4½	10	—	5	3½		12	P.T.Y.
7,11,280	22,53,684	37,16,899	32,931	Bengal Textile Agency Ltd. ..	28,448	936	Bengal Luxmi	38N	40	—	7½	7½	—f	3	P.Y.
6,00,000	74,31,075	77,07,829	—28,432	K. Bullen & Co., Ltd.	42,872	841	Bowreah	325	100	—	—	7	—f	6.12	H.
12,00,000	96,49,451	94,66,017	—27,794	K. Bullen & Co., Ltd.	42,944	518	Dunbar	210	100	5½	—	11½‡		6.12	H.
1,20,00,000	3,39,34,362	3,04,56,320	84,976	Birla Bros., Ltd.	69,352	1,990	Kesoram	19	15	12½	12½			3	Y.
6,00,000A	71,09,841	79,53,833	51,255	Chakravarti Sons & Co.	23,484	442	Mohini	—	25	12½	7½	7½		12	Y.
83,96,097B									10	12½‡					
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12,300	374	Arona Spg. & Wvg. Mills ..	5	10	9	3	6		12	T.Y.
15 00 000	26,53,246	59,15,375	2,736	Ramlal & Co., Ltd.	50,000	..	Alagappa Textiles	65½	100	15*	5½‡	61	6	9	P.Y.
71,94 400ao	96,26,706	1,90,39,719	18,450	Ind. Trust Fund	19,944	440	Azam Jahi Mills								
48,50,000	3,00,10,004	2,73,75,544	2,49,801	Binny & Co., (Madras), Ltd. ..	40,068	1,085	Bangalore	250	100	14½	17½	20	15	6.12	P.T.H.
27,00,000	71,21,986	49,56,823	40,045	Shaw Wallace & Co., Ltd. ..	29,936	782	Bengal Nagpur	15	10	5	1½	5	5‡	6.12	P.Y.
60,00,000	77,87,070	1,03,33,381	11,806	Binodiram Balchand	57,312	1,338	Binod Mills	100N	100	17	5	5		12	P.Y.
15,00,000	1,33,79,264	84,27,674	4,60,089	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	52N	10	25	25	30	3	3	P.Y.
8,47,800	4,09,27,251	5,14,83,572	2,39,790	Binny & Co., Ltd. (Madras) ..	81,196	2,781	Buckingham & Carnatic ..	118½	100	6½	6½	7½	4	6.12	P.Y.
20,00,000	32,63,706	30,52,641	93,399	Peirce, Leslie & Co., Ltd. ..	37,536	4	Cambodia	10½	10	7½	—	12½	10	12	P.Y.
30,00,000	64,46,347	47,79,878	32,599	Begg Sutherland & Co., Ltd. ..	28,796	591	Cawnpore Textiles	9¾	5	11½	11½	11½		3.9	T.Y.
44,57,500	2,25,77,600	2,00,84,126	—16,38,224	Tata Industries Ltd.	1,15,188	2,062	Central India	165	100	6	6	2	6		P.Y.
12,00,000	33,29,989	27,82,848	—1,32,723	R. Beema Nayudu & Co.	28,864	..	Coimbatore Cotton	150N	100	12½	12½	12½	9	12	P.Y.
20,00,000	17,94,432	20,04,313	9,816	T. R. N. Naidu & Co.	19,700	407	Coimbatore Pioneer Mills ..	102	100	7	6			6	Y.
20,76,900	70,83,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co.	72,188		Coimbatore Spg. & Wvg. ..	40½	50	5	10	—		6	
24,34,800	40,26,054	37,58,169	20,746	M. N Chettiar & Sons	29,500	201	Dhanalakshmi	176	100	25	25	20	10	12	Y.
8,89,84,925‡	3,84,95,614	5,77,14,605	1,63,862	Bharat Ram, Esq.	75,604	1,830	Delhi Cloth (inc. Lyallpur Mills).	29§	25	2½		4	10	6	P.Y.
1,00,503									2½						
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd. ..	52,652	1,198	Elgin	178	10	12½	11½	15	9	P.T.Y.	
39,04,700	1,01,50,000	82,22,587	1,03,575	F. Forbes Campbell & Co., Ltd.	72,960	2	Gokak	218½	100	15	10	14	17*	12	Y.
50,80,000	84,17,977	1,21,46,721	6,989	Govindram Saksaria (Indore) ..	50,420	1,420	Indore-Malwa United	96½	100	4	4	5		12	Y.
8,90,000	25,82,989	26,01,526	—2,58,201	G. V. Naidu & Co.	23,784	..	Janardhana	58½xd	50	16	10	15	7½	12	Y.
6,50,000	17,20,376	40,18,454	7,877	A. L. A. R. A. Chettiar and another	50,304	325	Kaleeswarar	300	100	7	7½	7½		6	P.Y.
24,00,000	25,50,000	43,66,106	54,377	Kothari & Sons	13,824		Kothari	9½	10						P.Y.
32,00,000	1,62,37,879	1,37,67,873	1,99,524	The Bombay Co., Ltd	53,642	1,213	Lakshmi Cotton	578½	250	15	15	20*	15	12	
35,64,100	90,51,492	78,03,494	7,921	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	80	50	8	8	10	3	3	Y.
17,82,050A								39½	25						
1,75,02,480	5,94,39,299	4,16,07,732	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura	36½	15	17½	15	20	20	12	Y.
12,00,000	20,18,053	24,32,416	—7,468	A. L. A. R. A. Chettiar and 2 others.	21,856	..	Malabar	142	200	7½	4	6	4	12	Y.
60,00,000	93,17,047	52,62,343	50,249	W. A. Beardsell & Co., Ltd ..	24,252	603	Mettur Industries	191	100	25	12½	12½		6	Y.
29,80,884	65,14,248	73,68,250	25,960	N. Sirur & Co., Ltd.	36,416	678	Minerva	100½	100	8*	6	6	5	12	Y.
94,91,850	96,08,512	1,34,73,361	29,643	B. Abirchand Dadabhoy & Co. ..	49,456	952	Model Mills, Nagpur	143§	250	6	3	3		6	P.Y.
30,00,000	1,55,94,651	1,33,39,271	7,77,290	Indian Textile Syndicate Ltd. ..	86,318	1,834	Muir	215	100	24‡	—	—		12	Y.
9,71,850	4,06,541	20,43,991	—2,16,536	A. Sambha Moorty, Esq.	89	..	Mysore Silk Filatures	24	10	—	—	7½		12	P.Y.
19,86,800	1,15,59,739	82,55,416	38,747	N. Sirur & Co., Ltd.	49,632	580	Mysore Spinning	123½	50	20	18*	20‡		2	Y.
13,61,780	22,98,130	27,85,556	—4,60,000	K. Suryanarayana Rao, Esq ..	6,000	..	Mysore Spun Silk	4§	10	5d	6½	—		3	
22,89,882‡	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd ..	50,228	1,148	New Victoria	1½	25‡	—	—	—		12	P.T.Y.
3,07,095G								—	D1						
87,03,800	1,20,94,970	1,58,62,385	17,946	Ind. Trust Fund	30,896	717	Osmanshahi Mills	98½N	100	14*	5½	6½	7	9	Y.
4,00,000A	21,00,275	26,20,198	3,380	Baghyalakshmi & Co.	22,800	..	Palani Andavar	45	50A	4	10	16	15	12	P.Y.
6,00,000B															
15,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills	65½	100	4	7½	5		12	Y.
25,30,420	40,80,284	52,63,263	2,062	A. G. G. Naidu & Co.	38,864	200	Radhakrishna	76½cd	50	9	9	10	6	12	P.Y.
15,00,000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	25,896	..	Rajalakshmi	42§	50	6	7	7½		12	P.Y.
15,01,500	31,53,264	35,65,211	11,407	P. S. G. Nayudu & Sons ..	28,972	88	Ranga Vilas	5–15½	10	—	—	—		12	P.Y.
60,00,000	89,59,172	1,04,60,739	5,506	Sir J. P. S. & Sons (Rampur), Ltd.	32,580	600	Raza Textiles	1,800	1,000	—	—	—		12	P.Y.
16,00,000	1,58,55,370	2,03,51,339	—78,03,793	M. J. Divekar, Esq.	82,992	2,234	Sholapur	75N	100	6	—	—		3	Y.
22,41,300	9,49,500	25,58,011	66,528	Gopaldas Lladhar & Co., Ltd	15,824	440	Shree Saijan	363	50	8‡	—	—		3	Y.
17,79,700	17,05,383	21,50,229	3,083	T. R. A. Ayyar & Bros., Ltd. ..	18,416	416	Sitaram	63cd	50	8*	8*	5	8*	3	Y.
36,69,700	65,65,331	67,10,971	23,287	H. N. Pallegar, Esq., ...	25,200	292	Sri Krishnarajendra Mills ..	37N	10	40	40	40		3	Y.
15,00,000	1,30,50,807	64,96,084	58,49,305	Birla Brothers Ltd.	27,340	992	Sutlej Cotton Mills	9½	10	5	5	5		12	P.Y.
17,90,000	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,12,216	2,077	Swadeshi (Cawnpore	9½	10P.O.	9	9	9		12	
1,57,50,000P.O.								9½	10	10	10	10	7	12	P.Y.
13,98,630	16,70,493	12,91,002	9,843	M. R. & Sons	16,000	..	Trichinopoly	150	100	7	9	10	12	12	P.Y.
21,00,000	56,75,811	47,61,131	50,000	R. K. S. Chetty & Bros.	33,704	270	Vasanta	162½	100	10	9	14*	10	12	P.Y.
32,00,000	1,34,16,851	1,18,73,996	2,21,881	The Bombay Co., Ltd.	54,280	1,495	Vishnu								

* Includes Bonus. I. On Increased Capital. ‡ Only Depreciation.

x Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46.

(k) Includes Rs. 11-6 paid out of deferred Dividend Amount.

¶ As on 31st August, 1952.

— Nil Dividend.

† Subject to tax.

‡—As on 1st January, 1953.

†† Does not include depreciation

xd=Ex. Dividend. C.d.=Cum. Dividend.

** Net Block.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.): 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs	Rs						
ART SILK AND RAYON MILLS													
60,42,600	72,66,192	4,27,10,526	38,933	Chinai & Co., Ltd.	National Rayon Corporation	99½	100	—	—	—	—	12	P.Y.
99,92,020	57,16,774	267,67,573	2,34,553	Emcete & Sons (Travancore) Ltd.	Travancore Rayons	5½	10	—	—	—	—	12	P.T.Y.
BREWERIES AND DISTILLERIES													
13,28,000	65,17,840	96,16,910	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	24	25	11½	11½Q	—		5	P.W.
6,64,000						10	10						
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	6§	5	20	10	—		3	W.
£80,000'A'	5,98,534	£1,122,135	£57,421	Parry's Holdings Ltd.	East India Distilleries and Sugar ..	14½ 'A'	16sh.	10	10	10	10	9	P.Y.
£300,000'B'						18§ 'B'	20sh.		15	15	15		
24,00,000	8,54,296	7,56,666	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4	10	—	—	—	—	8	W.
6,00,000	21,13,586	12,13,593	3,951	B. A. Mallya Esq.	United Breweries	157	75	15	10	20		3	Y.
CEMENT													
81,19,724	21,33,493	67,56,656	15,850	The Andhra Engineering Co. Ltd.	Andhra Cement Co.	102	100	5§	2§	7½		12	P.Y.
43,14,600	16,94,310	17,14,992	1,01,035	Eastern Corporation Ltd.	Assam Bengal Cement	4½	10	5	—			3	Y.
4,78,976D						1	1						
3,56,20,438	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.	Associated Cement Companies	172	100	9	8½	9½	9½	7	Y.
3,56,20,438						6½	10	—	5	6½		12	Y.
86,49,312	95,24,901	1,45,62,309	61,188	Hari Bros. Ltd.	Dalmia Cement	1	1						P.T.Y.
8,90,000D						16§	25	—	—	5		3	P.Y.
11,01,180	27,27,600	1,26,09,755	90,853	Essen Ltd.	India Cements Ltd.	5D	5D	—	—	—			
7,50,000D						7½	5	9	4	8		12	Y.
73,80,000	1,46,20,109	1,65,80,416	81,840	Martin Burn Ltd.	Sonevalley Portland Cement								
CERAMIC; MINING AND QUARRYING													
81,79,655	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2§	2½	2½	5	6½		12	Y.
10,00,000	37,00,990	51,64,271	28,729	Bird & Co.	Blars Stone Lime Co.	29½N	10	16½	17½	17½		3.9	H.
28,00,000						10½	10 O	10	10	5†		12	P.Y.
1,00,000D	17,91,749	50,93,341	12,332	Ram Kumar Agarwala & Bros.	Chrestien Mica Industries	6§	5 D	15	15	7½‡			
15,00,000F		£1,650,110	£1,643,983	£85,540	Indian Copper Corporation	2–15½	2ab.	12½†	12½†	12½		12	Y.
£14,200	£1,650,110			Gillanders Arbuthnot & Co., Ltd.	Karanpura Development	13§	10	—	—	—		61.2	H.
18,80,000F	38,79,403	43,65,527	1,29,079	Bird & Co., Ltd.	Mysore Stoneware Pipes & Potteries	10	10	5(d)	10	10		61.2	H.
5,00,000F						35½	10	6½	6½	12½	15†	3	Y.
4,00,000	6,40,199	7,98,882	9,812	Mysore Industrial Development Co.	Orissa Minerals	17	10	10	10	11½		6.12	H.
10,00,000	37,28,402	31,47,718	74,275	Bird & Co., Ltd.	Reliance Firebricks	55½	10	10	10	17½	39.	2.8	H.
6,00,000	24,28,739	25,13,779	27,403	Andrew Yule & Co.	Shivrajpur Syndicate							11	Y.
6,99,390	20,61,475	17,98,676	3 427	Killick Industries Ltd.									
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	23,14,270	1,02,937	S. V. S. Iyer, Esq.	Kamp & Co.	265	200	80	10	10		3	Y.
92,14,870	55,77,268	2,53,78,334	8,595	Tata Sons, Ltd.	Tata Chemicals	9–8½

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
OIL; PETROL, ETC.													
£750,000	£987,630	£257,232	—£718,934	I. C. H. Glass, Esq.	British Burma Petroleum Co., Ltd. ..	1¼	4sh.	—	—	—		3	P.T.W.
£2,50,000	81,89,204	52,69,225	1,85,955	N. C. Alcock, Esq.	British Ceylon Corporation	13	7½	20†	24†	32†		12	P.W.
1,00,00,000	1,01,18,597	1,04,61,324	4,03,476	Steel Brothers & Co Ltd	Indo-Burma Petroleum Co , Ltd. ..	68‡	40	10	10	10	15	12	P.Y.
70,97,475	1,02,93,886	1,52,15,713	10,092	Tata Oil Mills	Tata Oil Mills	33‡	25	4	6	8		3	P.Y.
6,00,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tide Water Oil Co. (India) Ltd. ..	14‡	10	15	15	17½	5f	4.10	H.
PAPER													
45,00,000	1,56,25,500	1,94,47,651	3,21,991	Balmer Lawrie & Co.	Bengal Paper Mills	46	25	10	10	12½	6¼f	6.12	P.T.H.
30,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	174	100	7	10	11	5f	3.9	H
25,00,000	48,30,215	47,81,895	52,615	P. R. Balakrishnan, Esq. ..	Mysore Paper Mills	13½	10	15	25	20	10f	3.9	P.T.H.
41,95,000	2,73,41,080	3,27,84,408	1,91,321	Birla Bros., Ltd.	Orient Paper	19½	10	9½	11½	15	7½f	6.12	P.T.H.
50,06,895	1,10,93,378	84,10,902	1,86,914	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills		10	—	—	5	2½f	3.9	P.T.H.
20,00,000						8½							
10,00,000 A'	58,56,913	76,25,937	9,851	Bajoria & Co.	Star Paper Mills		10	9½	10	10	5f	3.9	
4,37,500 P						4½							
A*56,00,000	5,15,53,313	4,78,98,548	5,00,114	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co. Ltd. ..	36	A10	20	18½	20*	10*f	3.9	P.H.
B*56,04,800						36	B10	20	18½	20*	10*f	3.9	
PLANTING; PRODUCE AND RUBBER													
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar Estates	6½	3	10	20	20		2	P.Y.
47,70,000	48,44,853	83,16,040	4,37,964	E. C. Peterson, Esq.	Consolidated Coffee Estate	18‡	10	17	20	18		6	P.W.
4,00,000	2,29,184	4,49,623	13,981	Associated Planters, Ltd. ..	Cottanad Plantations	10	10	7½	10	15		3	T.W.
9,28,950	1,46,340	4,67,078	1,389	A. V. Thomas & Co., Ltd. ..	Fringford Estates	2½	10	—	—	—	—	4	P.W.
18,00,000	10,03,881	20,78,297	80,797	A. V. Thomas & Co., Ltd. ..	Highland Produce	10cd	10	25	45	45	10	12	P.Y.
9,67,558	9,67,558	7,20,390	43,306	A. V. Thomas & Co., Ltd. ..	Kaipuzha Estates	18	10	17½	20	20		4	Y.
4,20,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Malankara Rubber and Produce Co.	30	10	17½	30	35		3	Y.
27,00,000	25,83,648	14,90,888	83,433	A. V. Thomas & Co., Ltd. ..	Midland Rubber and Produce Co...	103½	10	6	12½	15		3	P.Y.
2,18,000	1,38,538	12,94,936	28,190	A. V. George & Co., Ltd. ..	Nennery Rubber	10‡	10	6	10	10		12	P.Y.
2,00,000	1,93,721	24,72,600	2,305	Associated Planters, Ltd. ..	Nilambur Rubber Co.	8½	4	2	25	45		10	T.Y.
19,45,980	48,35,083	38,14,428	1,78,110	Peirce, Leslie & Co., Ltd. ..	Onchterlony Valley Estates	10	10	9	12½	15		6	P.Y.
13,50,000	5,82,973	28,05,590	31,101	A. V. Thomas & Co., Ltd. ..	Rajgiri Rubber and Produce Co. ..	6¾	10	—	7½	9		3	P.T.W.
18,00,000	3,36,390	1,856,824	936	East India Agencies, Ltd. ..	Teekoy Rubbers (India) Ltd.	15cd	10	6½	6½	15	25	12	P.Y.
2,50,000	2,21,854	5,23,488	41,669	A. V. George & Co.	Thamarapally Rubber	2½	1	17½	20	25	25	9	Y
3,05,100	5,01,650	6,03,723	31,510	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co. Ltd.	13½cd	10	3½	10	20		12	Y.
6,00,000	1,17,222	7,40,149	3,953	K. C. Cheriyan, Esq. (Secretary)	Travancore Rubbers	6½	10	2½	6	10	6	12	P.Y.
41,00,000	17,71,656	70,05,785	2,79,692	Aspinwall & Co., (Travancore) Ltd	Travancore Rubber and Tea Co., Ltd.	20N	10	12½	12½	12½	10	12	Y.
20,00,000	5,24,135	22,83,995	9,921	P. T. Thomas, Esq.	Tropical Plantations Co.	2½	1	5	5	—		12	P.Y.
2,20,000	53,026	3,26,408	40,587	A. V. George & Co. Ltd. ..	Udeyagiri Rubber	13½	10	10	12½	20	20	12	Y.
6,28,880	2,79,994	7,07,482	33,166	Harrisons & Crossfield Ltd. ..	Valkundam (Travancore) Rubber Co., Ltd.	7½	10	7½	6¼	—		3	Y.
1,65,000	78,624	3,43,636	14,082	M. K. Thomas & Co.	Woodland Estates								
PRESSING													
3,00,000	18,78,066	19,01,857	2,322	Andrew Yule & Co.	Calcutta Hydraulic Press	83	100	3	3	5		3	Y.
4,50,000	5,58,036	6,89,525	1,116	Pyne and Sons.	Camperdown Pressing	93N	100	4	6	7		7	Y.
3,00,000	10,76,372	11,21,900	10,327	Andrew Yule & Co.	Central Hydraulic Press	95	100	3	5	5		6	Y.
PROPERTY AND LAND													
10,00,700	25,11,061	42,65,283	419	S. A. Basil, Esq.	Humayan Properties	10‡	10	—	6	—	5	9	P.Y.
60,00,000	34,67,735††	83,61,045**	—	David Sassoon & Co., Ltd. ..	Port Canning Land	24	100	2	1½	2		4	Y.
94,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co.	Midnapore Zemindary	36	100	—	—	—		4	P.W.
SAW MILLS AND TIMBER													
13,99,998	29,73,877	10,38,508	60,887	Bird & Co.	Assam Saw Mills and Timber	6¾	8	16‡	16‡	16‡		9	Y.
50,00,000	4 89,22,437	2,47,99,361	1 57,498	Wallace & Co.	Bombay-Burmah Trading	375	825	12	39	18		5	Y.
42,00,000						136‡	50	12	20	18		5	Y.
						50N	100	5	—	—		6	P.Y.
6,00,000	7,04,037‡	7,80,451	—1,19,103	Jardine Henderson Ltd. ..	Bengal Timber Trading	35‡	10	25	35	35	30	9	Y.
15,00,000	27,06,050	16,83,461	1,70,441	G. Arbuthnot & Co.	Indian Wood Products								
SUGAR (U. P. and Bihar)													
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co.	Bairampur Sugar	7⅞	5	6½	—	20	—	6	Y.
12,00,000	28,96,740††	15,70,684**	2,81,000	Narang Bros.	Basti Sugar	120N	100	—	—	8½	10	9	Y.
19,49,050	23,60,462	27,54,525	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	8	7½	10	15	15		6	P.T.Y
21,00,000	21,11,580	15,38,162	40,743	Cotton Agents Ltd.	Bharat Sugar	15N	10	5	—	—		6	P.Y.
32,00,000	1,03,86,777	1,29,41,870	41,747	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	7	10	10	20	20	20	10	
15,00,000	1,30,69,452	96,28,542	31,591	Begg Sutherland & Co.	Cawnpore Sugar	31½	10	15	15	20		6	P.Y.
18,00,000	79,43,538	60,37,156	31,591	Begg Sutherland & Co.	Champarun Sugar	24	10	15	6	12*		6	
45,00,000	57,00,000	68,17,572	50,477	Bachhraj & Co., Ltd.	Mindustan Sugar Mills	130N	100	—	—	—	—	7	P.Y.
45,00,000	41,78,374	68,10,159	—4,15,271	Kilachand Devchand & Co	Kasar Sugar	50N	80	—	3	4	—	6	P.Y.
6,00,000						20N	40	10	25	25		6	P.Y.
7,89,100	31,59,777	25,99,076	115,051	Cotton Agents Ltd.	New India Sugar Mills	6‡	10	5	—	5		6	Y
11,00,000	27,48,180	36,39,370	3,895	Karam Chand Thapar & Bros., Ltd. ..	New Savan	180N	100	15	20	20		6	
18,59,375	88,13,256	83,06,760	6,39,025	Cotton Agents, Ltd.	New Swadeshi Sugar Mills	45N	25	—	—	—		10	Y.
15,00,000	29,31,078	26,43,844	71,500	Narang Bros.	Punjab Sugar Mills	100N	100	—	6	—		10	Y.
9,00,000	42,50,793	33,72,886	19,435	Begg Sutherland & Co.	Partabpore Company	15	10	10	20	10	10	6	P.Y.
26,00,000	26,05,465	24,18,182	15,410	Begg Sutherland & Co.	Ryam Sugar	21½	10	15	25	10		6	P.Y.
11,99,000	38,06,833	36,11,360	23,281	Begg Sutherland & Co.	Samastipur Central Sugar	16	10	10	20	10	15	7	Y.
20,00,000	69,94,641	1,03,56,230	4,188	Sahu Jain Ltd.	Shree Krishna Gyaneshy Sugar ..	10‡	10	—	3‡	10	15	7	P.T.Y
9,99,250	11,66,782	21,41,729	10,162	H. K. Ghose, Esq. & R. N. Datta,	Sitalpore Sugar	51	10	—	—	5		6	Y.
6,50,0000						3N	10	—	—	—	10	7	Y.
1,75,000D	11,94,395	27,92,174	14,73,656	N. K. Jain & Co., Ltd. .. —	South Behar Sugar	2¾	10	—	—	—		6	Y.
8,00,000	54,46,474	70,75,580	57,216	Cotton Agents, Ltd	Upper Ganges	1N	10	—	—	—		6	Y.
						20N	30	17½	20	20			
(Indian States and Other Centres)													
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Belapur Co.	237	50	16½	25	28	32	9	Y.
33,57,350	46,47,856	38,47,284	4,64,518	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	104N	10	7	7½	10		5	Y.
18,91,900	18,53,357	37,63,451	21,012	J.P.Srivastava&Sons(MadhyaBharat)Ltd	Gwalior Sugar Co., Ltd.	43N	100	—	—	3		6	P.Y
10 00 000						20½xd	10	12½	15	25	25	9	P.Y.
3,00,000	44,76,363	24,51,980	3,71,344	India Sugar Agencies Ltd.	India Sugar & Refineries Ltd. ..								
81,79,280	1,49,74,559	97,24,107	5,27,296	M. Maliekhayra, Esq.	Mysore Sugar	43‡	10	20*	20	20	16	9	Y.
50,00,000	96,62,468	1,03,94,086	8,18,594	Mahilal, Apte & Kantilal, Ltd. ..	Phaltan Sugar Works	88‡	100	14	16	16	9	8	P.Y.
16,59,820	45,75,389	24,76,150	1,61,652	Anderson Wright Ltd.	Ramnugger Cane & Sugar Co., Ltd.	18‡	10	12	6	7½	20	8	P.T.Y
20,00,000	68,39,148	74,55,840	1,89,513	Waishand & Co., Ltd.	Ravalgaon Sugar Farm Ltd.	90N	50	7	14	18	18	9	Y.
19,99,580	50,82,224	42,94,720	6,05,982	Govan Bros. (Rampur), Ltd. ..	Raza	12	10	6	10	12½		7	Y.
30,00,000	23,82,353	58,70,150	20,980	Parry & Co., Ltd	Travancore Sugars	4‡	10	—	—	—	—	7	Y.
1,01,00,000	1,29,20,737	1,71,89,516	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries Ltd. ..	140	100	17½	12	14	14	9	P.T.Y.
UNCLASSIFIED (Bombay)													
1 50,00,000	1,14,57,216	46,81,706	—4,88,411	Tata Industries Ltd.	Air-India Ltd.	84	100	15	15	15	17½	12	Y
2,40,000	4,90,364	5,64,538	702	Forbes, Forbes, Campbell & Co., Ltd	Bombay Safe Deposit	660	200	10	10	—		6	P.Y
89,89,550	2,64,61,962	3,70,82,313	83,607	Scindia Steam Navigation Co., Ltd.	Bombay Steam Navigation Co., Ltd.	36‡	25	—	—	—		3	Y.
15,98,860	1,28,267	2,19,255	32,663	Parakh Agencies Ltd.	Bombay Uganda	54N	20	5	5	5		12	Y.
25,00,000	1,50,000	24,37,096(k)	12,787	Dena Sons Ltd.	Dwarkaram Naik Investment Co. ..	9‡	10	5	5	5		12	P.Y.
11,98,360	17,39,360	10,68,107	4,425	T. H. Mehta, Esq.	Estrela Batteries	23N	50	6	6	5		12	Y.
9x99,250	18,35,375	1,27,45,383(k)	1,85,257	Premchand Roychand & Sons ..	Industrial Investment Trust	71½	100	3‡	4	4½	4½	12	Y.
84,98,865	15,91,304	12,58,924	2,833	K. G Milne, Esq.	Kilick Industries	153xd	100	8	8½	10		6	Y.
2,06,71,500 A	65,85,939	2,20,52,503	4,92,797	Aero-Auto Ltd.	Premier Automobiles Ltd.	41	100	—	—	—		6	Y.
10,00,000 B							10						
6,59,62,018	9,89,24,387	12,98,97,421	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co , Ltd.	13‡	15	—	—	3½		6	Y.
1,50,000	3,71,437	2,21,590	3,145	R. B. Bandekar Esq.	Thacker & Co	50N	50	10	10	10		3	Y.
10,21,200	14,71,107	14,71,107	36,733	Sir Joseph Kay, K.B.E.	United Motors (India) Ltd.	40	20	7½	10	15	15	12	Y.
2,20,00,000	2,54,09,975	2,16,78,739	4,20,869	T. H. Rydin, Esq.	Western India Match Co., Ldt. ..	220	100	11*	11*	11*	11*	12	Y.
45,00,000	46,57,108	34,608	41,429	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	350N	150	8-5/6	12½	13½	13½	12	Y.
Other Centres													
47,50,000	4,90,364	5,64,538	702	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	4½	10	—	—	—		3	P.T.Y
2,50,000 D													
30,00,000	53,38,668	31,59,164	5,24,909	Turner Morrison & Co., Ltd ..	Angelo Brothers Ltd.	17‡	10	10	17½*	25*	12½	8	Y.
20,00,000	32,53,118	42,88,118	1,35,909	T. H. Rydin, Esq.	Assam Match Co., Ltd.	18‡xd	10	12½*	13½*	12½*	12½*	12	P.T.Y.
90,00,000	90,63,088	92,32,652	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	5½	10	7½	6			3	
30,00,700 O	1,20,65,807	53,87,807	5,15,018	O. T. Jenkins, Esq.	Balmer Lawrie & Co. Ltd.	293	100	20*	20*	20*	25*	20*	Y.
10,00,000 D							40D	15	15	20	15*	12	
20,00,000	1,19,26,323	1,24,61,121**	2,04,690	Andrew Yule & Co., Ltd. ..	Bengal Assam Steamship Co., Ltd.	152	100	5	10	12½	12½	10	P.Y.
20,00,000	8,38,806	54,05,998(K)	1,25,380	Lovelock & Lewes	Birds Investments Ltd.	15‡	10	11½	11½	12½	12½	9	P.Y.
1,00,00,000	1,45,00,237	3,00,22,730‡	58,606	Dinshaw Ltd.	Bharat Line	91	100	3	3	4	5	12	W.
30,64,680	50,81,266	83,30,736	1,82,277	A. P. Chanda Esq.	Britannia Biscuit	14‡	10	12½	12½	7½—I		3	P.Y.
3,35,00,000	2,85,64,167	47,78,193**	1,99,112	Sir Robert Menzies Kt., O.B.E.	British India Corporation Ltd. ..	8–11½	5	11½	15	15	15	12	P.T.Y.
1,60,00,000	3,77,71,321	4,07,06,331	7,01,468	Cecil Stack, Esq.	Dunlop Rubber Co. (India) Ltd. ..	28‡	10	20	20	15-I	15	12	P.Y.
51,26,000	47,57,061	1,26,55,420(K)	3,15,489	Bird & Co.	Eastern Investment Ltd.	145	100	8	9	9	9	12	P.Y.
7,00,000	29,35,208	24,09,251	17,900	Macneill & Barry Ltd.	Ganges Rope	201	100	20	22½	15f		3.9	H.
65,00,000	34,13,857	15,62,902	2,07,524	A. J. Elkins, Esq.	Gillanders Arbuthnot & Co., Ltd.	128	100	7½	10	10		3	P.Y.
30,00,000	37,25,649	60,01,406	6,213	B. P. R. Syndicate	Great Eastern Hotel Co.	252	250	6	6	6		3	P.Y.
18,42,800	54,49,206	54,49,206	12,214	Birla Brothers, Ltd.	Hind Cycles	7½	100	—	—	—		12	P.T.W.
4,96,12,650	39,45,519	2,61,59,292	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	110	100	—	3‡	5	5z	12	W.
1,60,00,000	1,59,65,053	3,07,88,193	22,27,867	J. W. E. Johnson, Esq.	Indian Aluminium Co.	18‡	10	25	10*	10*		12	P.W.
1,52,89,220	1,31,92,732	57,92,390	9,29,554	D. J. Malaseth, Esq.	Indian Cables	42	10	—	—	—		3	P.Y.
85,75,000 G						8	10	—	—	—		12	P.Y.
5,00,000 P	51,91,428	95,82,228	—15,72,246	Govan Bros., Ltd.	Indian National Airways	7	1	—	—	—			
1,25,000 D						15½	10	10	10	10		3	P.Y.
8,37,978	12,79,385	14,27,460	39,038	George Spencer Moulton & Co. (India)	Indian Rubber Manufactures	6 7½	10	—	—	5		3	P.T.W.
8,25,00,000	1,60,38,685	3,87,93,801	2,26,066	Lionel Edwards Ltd.	India Steamship Co., Ltd.	4‡	2	21‡	21‡	21‡		3	W.
2,40,000	4,33,028	67,247	36,496	G. V. Swaika, Esq.	Ivan Jenoe	129	100	10	10	10		3	P.Y.
2,00,00,000	53,39,843	27,16,440	8,66,448	J. D. K. Brown, Esq.	Jardine Henderson							3	Y.
6,54,000	9,97,633	6,91,531	—64,994	James & Co., Ltd.	Macfarlane & Co. Ltd.	137	O. 100	10	12½	12½	12½	12	P.W.
40,00,0000							D. 10	10	10	10	10	12	P.Y.
5,00,000 D	63,35,248	23,69,220	85,717	A. T. Doig, Esq.	McLeod & Co. Ltd.	18‡	10	10	12½	11‡	13‡	9	P.Y.
1,30,55,750	33,32,702	11,34,840	2,31,092	T. Leslie Martin Esq.	Martin Burn Ltd.	41	10	—	6½	—		12	Y.
6,35,190	4,30,533	7,47,410	10,548	Ogale Glass Works Ltd.	Mysore Glass & Enamel Works	18‡	10	10	20			3	P.Y.
3,75,000	7,74,533	8,79,856	9,646	R. Bharanilal, Esq.	Mysore Lamp Works	10‡	10	—	—	—		3	T.W.
10,00,000	3,93,997	11,45,855	1,11,329	V. S. Arunachalam, Esq.	Mysore Tobacco	12‡	10	10	—	10		3	P.T.Y.
20,00,000	51,92,159	50,16,078	11,045	Associated Ind. Development Co., Ltd.	National Insulated Cable Co., of India Ltd.	10‡	10	5	5	7½		3	P.T.Y.
79,97,000	65,83,352	1,04,50,524	8,86,347	B. N. Bliss & Co., Ltd.	National Tobacco Co.	10‡	10	—	2½	5		12	W.
14,37,137	9,67,696††	18,57,569**	23,513	S. P. Ogale & Co.	Ogale Glass Works	3	5	—	—	—		12	P.T.W.
40,00,000	41,74,953	41,58,536	1,52,611	Parry's Holdings Ltd.	Parry & Co.	43cd	10	62½	80-I	32½	15	12	P.Y.
2,25,00,000	62,51,614	1,69,49,307	24,847	G. U. Euthymopulo, Esq.	Rallis India Ltd.	75	100	8	8½	9		8	P.Y.
5,14,00,000	2,29,15,252	1,79,29,905	33,67,941	Seha Jain Ltd.	Rohtas Industries	9‡	10	—	—	7½		10	P.W.
40,00,000	1,53,62,299	1,19,84,861	3,56,552	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	14	10	10	10	15			P.Y.
75,00,000	22,00,000	1,75,74,498	2,62,138	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	12‡	10	10	10	10		12	Y.
9,98,280	3,19,364	8,90,420	1,855	Ogale Brost., Ltd.	Travancore Ogale Glass	3‡	10	—	4	—		12	

†† Does not include depreciation. * Includes Bonus. ** Net Block. C.D.—Cum Dividend. I On Increased Capital.

TEA COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
ASSAM														
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	450N	100	20	25	—		18	P.Y.
8,50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd. ..	400½	Anandabag	25½	10	25	40	30		18	Y.
5,50,000	10,64,192	12,05,396	—89,152	McLeod & Co., Ltd.	573	Baghmari	10½	10	10	30	—		18	Y.
3,40,000	9,12,883	7,05,721	44,989	Andrew Yule & Co., Ltd.	360	Bazmatia	24	10	30	30	25		18	T.Y.
3,30,600	7,24,887	8,38,278	71,941	Williamson Magor & Co.	556	Batell	10½	5	25	30	10		18	Y.
9,31,000	3,93,722	3,31,002	4,09,213	Gillanders Arbuthnot & Co., Ltd. ..	566	Betjan	23½	10	20	35	15		18	Y.
3,20,000	6,19,032	6,72,731	54,942	Gillanders Arbuthnot & Co., Ltd. ..	4,004	Bishnauth	25	10	35	50	5		18	T.Y.
16,50,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co.	493	Bokakhat	4½	10	5	5	—		12	Y.
6,00,000	4,80,346	9,78,429	—1,90,802	Octavius Steel & Co., Ltd.	450	Bormah Jan Tea Co., Ltd. ..	11‡	10	15	15	15		12	P.Y.
7,50,000	5,06,959	7,64,836	22,297	McLeod & Co., Ltd.	2,670	Brooke Bond	11‡	10	10	10	10		6	P.Y.
35,00,000	22,18,001	70,96,925	87,990	Brooke Bond India Ltd.	282	Dejoo Valley	8‡	10	6½	15	—		18	Y.
1,20,000	3,06,715	3,66,030	—29,101	McLeod & Co., Ltd.	1,341	Dessai & Parbatia	225	100	15	30	22½		18	Y.
6,00,000	22,17,578	24,24,301	25,545	Jardine Henderson Ltd.	426	Dhalikat	93	10	10	16	12		18	Y.
17,53,440	7,15,393	19,11,105	54,461	James Warren Ltd.	613.37	Dhunseri	9½	10	10	20	10		12	T.Y
4,68,970	8,90,863	13,71,610	25,794	James Finlay & Co., Ltd.	458	Dibrugarh Co., Ltd.	7½	10	—	10	5		12	Y.
4,50,000	6,57,785	9,86,816	14,389	McL

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
60,00,000	1,02,72,130	95,73,184	3,33,368	879	B. N. Elias & Co., Ltd.	Agarpara	19	10	10	15	20	10f	3.9	P.T.H.
12,00,000	50,61,739	45,32,316	16,522	498	Sahu Jain Ltd.	Albion	179	100	—	14	30	8f	5.11	P.H.
6,00,000	30,55,572	47,33,264	—3,29,636	446	McLeod & Co., Ltd.	Alexandra	190	100	—	5	5	—f	6.12	T.P.H.
30,00,000	85,82,864	1,17,03,966	—13,63,074	1,264	McLeod & Co., Ltd.	Alliance	162	100	—	2½	—	—f	6.12	P.H.
49,20,700	2,31,84,144	2,24,03,099	1,44,601	2,561	Duncan Bros. & Co.	Anglo-India	237	100	—	20	20	10f	3.9	P.H.
40,00,000	1,18,83,050	1,31 13,967	71,745	810	Bird & Co., Ltd.	Auckland	137	100	1½	10	10	4f	3.9	P.T.H.
20,00,000	92,46,901	97,14,511	55,967	959	Jardine Henderson & Co.	Bally	192	100	7	12	1	—f	3.9	P.H.
£275,000	£1,680,379	£1,328,460	£91,091	1,890	Jardine Henderson & Co.	Barnagore	166	£5	20	20	20		3	P.Y.
28,00,000	80,27,627	88,01,241	26,347	820	Andrew Yule & Co.	Belvedere	212	100	13	17	27½	15	6.12	P.H.
45,00,000	78,51,305	51,03,385	4,07,701	600	Sooraimull Nagarmull	Bengal	16½	10	13¾	15	30		6	T.P.Y.
30,42,000	3,71,54,151	3,06,60,933	1,38,294	1,373	Birla Bros.	Birla	37½	10	25	30	30		3	P.Y.
36,00,000	98,57,668	1,07,77,342	25,598	991	Andrew Yule & Co., Ltd.	Budge-Budge	172	100	7	13	22	6¼f	4.10	H.
7,47,380	30,53,704	39,44 698	34,320	302	Dayaram & Sons	Calcutta Jute Manufacturing	18¼N	10	—	—	20		6.12	T.P.H.
18,00,000	65,79,289	75,43,878	32,228	616	Andrew Yule & Co.	Caledonian	171	100	5	14	22	12	5.11	P.H.
39,16,400	2,11,26,602	1,62,21,807	1,35,299	1,400	James Finlay & Co., Ltd.	Champdany	165	100	3	10	14	8f	3.9	P.H.
15,95,000	78,33,608	79,40,140	45,839	330	Andrew Yule & Co., Ltd.	Cheviot	222	100	13½	16	22	12	5.11	P.H.
10,05,000	83,89,114	55,21,773	60,392	308	McLeod & Co.	Chitavalsah	29½	10	12½	15	60	25f	6.12	T.P.H.
16,00,000	80,24,460	77,89,914	1,01,979	969	Shree Krishna Investment Co., Ltd.	Clive	25	10	12½	35	20		3	P.H.
31,49,200	1,21,56,497	1,16,59,962	21,356	766	Bird & Co., Ltd.	Dalhousie	148	100	1	11	12	1f	3.9	P.H.
28,00,000	86,65,708	73,72,811	50,826	779	Andrew Yule & Co.	Delta	240	100	11	17½	32½	20	5.11	P.H.
15,00,000	83,75,460	74,82,092	45,656	300	McLeod & Co.	Empire	210	10	20	20	25	3f	6.12	T.P.H.
21,00,000	2,35,23,130	2,62,73,643	1,801	1,884	Kettlewell Bullen & Co.	Fort Gloster	375	100	2½	32½	22½	—f	3.9	P.T.H.
14,00,000	48,25,115	69,94,729	—8,32,397	1,014	G. C. Bangur, Esq.	Fort William	260N	100	—	10	—		3.9	P.H.
84,32,100	1,40,49,266	2,08,92,266	—12,29,673	1,709	Macneill & Barry Ltd.	Ganges	81	100	—	6½	2½	—f	3.9	P.H.
10,80,000	76,50,046	68,12,500	41,193	607	G. Arbuthnot & Co.	Gondalpara	770xd	300	—	15	30	10	12	T.Y.
24,00,000	74,14,915	1,35,90,393	96,381	1,394	Macneill & Barry Ltd.	Gourepore	317	100	2½	25	11½	—f	3.9	P.H.
40,00,000	81,93,062	81,94,127	3,06,824	1,078	Bangur Bros. Ltd.	Hastings	233N	100	10	7	10		3	P.Y.
16,80,000	58,02,118	54,29,355	64,417	728	G. Arbuthnot & Co.	Hooghly	304	10	10	30	15		3	P.Y.
65,62,500	1,56,21,640	1,59,50,625	1,71,001	1,940	Jardine Henderson Ltd.	Howrah	25½	10	7½	17½	18¾	8½f	3.	P.H.
30,00,000	1,74,30,109	2,25,00,109	3,91,968	2,272	Ramdutt Ramkissendas	Hukumchand	43	7½	46¾	66¾	66¾		3	T.P.Y
87,00,000	88,97,267	1,11,41,130	77,979	1,076	Mackinnon Mackenzie & Co.	India	137		O. 12½	5½	10	2½f	3.9	P.H.
30,000									D. 1	5½	5½	2½f	3.9	P.H.
24,00,000	1,36,54,330	1,36,47,095	92,899	1,797	Jardine Henderson Ltd.	Kamarhatty	193	100	—	17	22½	14½	6.12	P.H.
19,20,000 'B'							184	100						
30,00,000	1,04,29,702	1,30,34,859	83,881	1,527	Jardine Henderson Ltd.	Kanknarrah	150	100	—	—	12½	10	6.12	P.H.
24,00,000 'B'							140	100						
21,00,000	1,13,89,109	91,65,930	1,07,129	703	McLeod & Co.	Kelvin	245	100	10	20	25	7½f	6.12	P.H.
54,00,000	1,18,86,997	1,59,17,038	2,06,473	1,330	Anderson Wright Ltd.	Khardah	185	100	—	25	16		3.9	P.H.
48,00,000	1,94,15,089	2,09,37,751	1,16,651	1,250	F. W. Heilgers & Co.	Kinnison	211	100	2½	14	19	7f	3.9	P.T.H.
24,48,000	1,24,25,139	1,33,71,480	40,487	931	Bird & Co., Ltd.	Lansdowne	145	100	2	21	15	3f	3.9	P.T.H.
28,00,000	1,19,87,748	1,13,75,507	6,954	840	Bird & Co., Ltd.	Lawrence	192	100	6	21½	22	4f	3.9	P.H.
10,00,000	70,30,427	50,24,402	64,167	558	Andrew Yule & Co.	Lothian	240	100	—	15	32½	30	5.11	P.H.
81,65,200	1,38,82,204	1,94,76,907	1,17,533	1,008	Mackinnon Mackenzie & Co.	Megna	106	100	4½	8½	3½	2½f	3.9	H.
29,98,900	1,29,56,303	1,55,05,495	—2,80,351	815	F. W. Heilgers & Co.	Naihati	132	100	—	15	12	—f	3.9	P.T.H.
12,00,000	39,17,880	25,69,085	17,184	425	Howrah Trading Co., Ltd.	Naskarpara	16	10	11½	13¾	22½		4.10	T.H.
35,00,000	50,49,988	27,56,895	45,733	852	Andrew Yule & Co.	National	25½	10	11½	15	25	10f	4.10	P.H.
7,50,000	52,11,917	24,37,663	21,345	316	McLeod & Co.	Nellimarla Jute	31½	10	25	30	75	20	6.12	T.P.H.
10,50,000	66,36,905	45,98,858	7,738	709	Sahu Jain Ltd.	New Central	230	100	6	14	30	10f	6.12	P.H.
16,79,880	98,33,709	1,18,62,645	5 954	567	Bird & Co., Ltd.	Northbrook	21½	10	—	—	20	2½f	3.9	P.T.H.
66,79,500	1,71,33,499	2 10,50,572	94 764	1,092	Macneill & Barry Ltd.	Noddea	53	10	—	5½	—	—f	3.9	T.P.H.
24,91,000	70,60,941	70,35,063	81,356	601	Andrew Yule & Co., Ltd.	Orient	180	100	9	14	24	7	5.11	H.
25,00,000	63,83,642	80,79,256	—4,76,887	400	McLeod & Co.	Presidency	5½	5	—	—	2½	—	6.12	T.H
20,00,000	7,67,493‡	26,15,293	—3,29,549	305	Macneill & Co.	Rameshwara	5½	10	—	1½	—	—	3.9	H.P
49,50,000	55,07,248	1,23,45,796	38,685	1,276	Jardine Henderson Ltd.	Reliance	16½	10	—	—	—	—	3.9	P.H.
£600,000	£1,102,661	£1,203,880	£82,640	2,013	Thomas Duff & Co. (India) Ltd.	Samnuggur	14½	£1	6‡‡	10‡‡	10‡‡	10	3	P.Y.
30,00,000	68,57,466	95,49,412	87,40,952	911	Bagaria Move Co., Ltd.	Shree Ambica (Adamjee)	17½	10	—	15	10f		3.9	P.H.
7,00,000	45,17,785	48,14,456	2,73,383	401	Hindustan Investment Corpn.	Soorah	13N	10	—	10	—		12	P.Y.
25,19,600	1,06,20,961	93,73,041	12,665	650	Bird & Co., Ltd.	Standard	151	100	4	15	16	3	3.9	P.H.
£600,000	£849,927	£990,895	£115,163	1,794	Thomas Duff & Co. (India) Ltd.	Titaghur	14½	£1	6‡‡	10‡‡	10‡‡	10	12	P.Y.
35,98,600	1,80,41,145	1,73,93,324	15,098	1,326	Bird & Co., Ltd.	Union	184	100	2	19½	21	1f	3.9	P.T.H.
£400,000	£587,164	£1,059,917	£119,708	1,331	Thomas Duff & Co. (India) Ltd.	Victoria	14½	£1	6‡‡	10‡‡	10‡‡	10	12	Y.H.
2,50,000	32,89,383	55,48,403	—47,909	465	McLeod & Co.	Waverley	5½	1	—	5	5	—f	6.12	P.T.H.

(t) For ten months ended 31st December, 1951. (For Nazira Coal) ‡‡ Subject to foreign Income-tax. Only Depreciation. * Includes bonus.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
25,50,000	61,24,011	64,99,011	25,799	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	21	10	17½	20	13‡	5f	3.9	H.
12,00,000	42,18,417	37,16,954	60,294	Jardine, H. & Co., Ltd.	Bararee Coke	18‡	10	14‡	13‡	14‡	7½f	3.9	H.
40,00,000	70,50,712	1,17,79,347	23,814	Sahu Jain Ltd.	Bharat Collieries	6½	10	6‡	6‡	6‡		6	P.T.Y.
1,00,00,000	3,35,23,139	5,08,61,725	8,02,968	Andrew Yule & Co., Ltd.	Bengal	337	200	33½	17½	18‡*	10*f	4.10	P.H.
4,49,350	5,82,303	9,49,159	3,152	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	10	10	2½	2½	2½	1‡f	6.12	H.
2,25,000	27,12,507	25,84,461	4,280	Andrew Yule & Co., Ltd.	Bengal-Nagpur	14½	10	22½	16‡	10	3‡f	6.12	P.H.
15,97,700	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	4½	10	—	2½	1‡		9	Y.
7,15,000	50,04,831	50,17,715	3,437	F. W. Heilgers & Co., Ltd.	Bhulanbararee	13‡	10	—	6‡	6‡	2‡f	6.12	H.
16,00,000	53,42,567	68,15,834	—1,46,405	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	10½	10	5	—	—		6.12	T.H
7,50,000	42,42,776	40,82,736	1,07,078	F. W. Heilgers & Co., Ltd.	Borrea	31	10	20	30	30*	15f*	6.12	P.H
90,92,480	3,23,04,936	3,94,53,208	1,54,703	Bird & Co., Ltd.	Burrakur	10‡	10	10½	7½	7½	3‡	6.12	P.T.H.
49,57,000		23,16,089	8,776	Hindusthan Investment Corpn., Ltd.	Central India	4‡	10	—	—	—		3	Y.
8,00,000	45,46,717	49,09,377	2,273	Anderson Wright & Co.	Central Kurkend	15‡N	10	17½	12½	—	—f	6.12	P.H.
6,00,000	1,40,000	7,50,000k	28,918	F. W. Heilgers & Co.	Churulia	3	4	6‡	4‡	1‡	‡f	6.12	P.H
16,00,000	30,89,961	44,04,602	12,039	Macneill & Barry Ltd.	Dhemo Main	11	10	10‡	10	12½	2½f	6.12	H.
£120,000	£1,084,338	£872,414	£78,839	Jardine Henderson Ltd.	East Indian	24½	£1	13‡	37½	37½		4	Y.
29,63,760	3,25,97,992	3,19,86,409	2,12,912	Macneill & Barry Ltd.	Equitable	44½	10	25	25	25	15f	6.12	H.
10,00,000	8,41,725	66,865	8,865	Bhatter's Agency Ltd.	Ghusick and Muslia	14xdN	10	20	5			3	Y.
8,00,000	21,59,376	21,52,141	14,404	Macneill & Barry Ltd.	Hurriladih	16½	10	12½	15	15	7½f	6.12	H.
3,50,000	11,63,346	12,53,839	40,107	Andrew Yule & Co., Ltd.	Kalapahari	26‡	10	35	35	35*	17½f	2.8	H.
20,00,000	68,340‡	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	91	100	—	—	—		2	Y.
5,00,000	43,58,631	89,822		Andrew Yule & Co., Ltd.	Katras Jherriah	44xd	10	27½	35	37½	40	1.7	H.
1,38,400	5,20,519	11,63,519	1,063	Beriwala Bros.	Khas Kajora	7‡N	10	11‡	10	5f		6.12	P.H.
11,00,240	10,81,164	15,87,375	3,411	H. V. Low & Co., Ltd.	Kuardi	6‡N	10	3‡	3‡	1½		6	Y.
13,50,000	29,41,241	28,41,241	13,549	H. V. Low & Co., Ltd.	Lakurka	12N	10	10	10	7½		4	Y.
5,65,750	11,41,667	22,37,077	2,691	Beriwala & Co.	Mandulpoor	3‡N	10	5	7½			6.12	H.
7,48,240	10,34,138	11,24,142	14,690	Associated Commercial Co., Ltd.	Nazira	6‡	10	5	7½	5‡		6.12	H.
7,00,000	5,77,590	9,53,321	4,597	Amritlal Ojha & Co., Ltd.	New Bansdeopur	5N	10	6‡	7½	6‡		6.12	H
17,76,230	91,68,381	1,16,02,941	55,799	Andrew Yule & Co., Ltd.	New Beerbhoom	20‡	10	3	6	—	5f	4.10	H
6,00,000	21,87,920	31,32,540	—7,595	Octavius Steel & Co. Ltd.	New Manbhoom	10	10	12½	7½	—	—f	3.9	P.H
2,50,000	6,84,984	5,45 859	1,387	Jatia Bros. Ltd.	North Damuda	4N	2½					3.9	H.
1,15,000	10,81,297	12,56,672	12,237	Andrew Yule & Co., Ltd.	North West	14½N	10	16½	13‡	5	2½f	3.9	H
1,57,500						11N	7½						
7,50,000	12,54,532	3,97,666	1,23,852	F. W. Heilgers & Co., Ltd.	Ondal	19½N	10	12½	25	22½*	10f	6.12	P.H
10,00,000	14,15,045	32,73,178	46,739	K. C. Thapar Bros. Ltd.	Oriental Coal	13N	10	10	10	10		12	T.Y
8,34,000	5,98,486	16,29,203	70,339	Deepchand Kishenlall	Parasea	3‡	10	—	—	—f		6.12	H
15,75,000	34,87,649	39,37,649	31,995	Shaw Wallace & Co., Ltd.	Pench Val'ey	21	10	16½	12½	10	6‡f	2.8	H
23,99,500	91,95,359	1 09,49,971	—4,53,764	B. N. Elias & Co., Ltd.	Raneegunge	9‡	10	8‡	—	10	—f	3.9	H
13,50,000	30,62,857	29,87,472	36,004	Shaw Wallace & Co., Ltd.	Rewa	21	10	8‡	12½	10	17½	6.12	H
20,00,000	15,10,118	28,07,516	165	Jaipuria Sons Ltd.	Samla Collieries	7‡	10	—	—	12f		6.12	H.
1,25,000	12,44,124	13,05,188	18,451	Gillanders Arbuthnot & Co., Ltd.	Searse'e	91‡N	2½	20	20	20		4	T.
2,80,000	19,76,795	28,04,096	30,184	Andrew Yule & Co., Ltd.	Seebpore	25‡	7	35-5/7	32-1/7	28-4/7	28-4/7	6.12	P.H
8,00,000	34,57,222	36,96,604	10,379	F. W. Heilgers & Co., Ltd.	Sendra	11‡	10	5	5	3‡	—f	6.12	H
63,21,450	2,13,85,164	3,04,98,616	23,658	Industrial Trust Fund	Singareni	7½	10	4½	5	5		12	T.Y.
17,50,000	24,10,707	34,29,846	15,868	Bird & Co., Ltd.	South Karanpura	13½	10	18‡	10	7½	3‡f	2.8	H.
8,00,000	35,43,816	39,93,119	74,094	F. W. Heilgers & Co., Ltd.	Standard	18½	10	16‡	15	10	5f	6.12	H.
10,00,000	15,41,499	29,34,045	—2,46,174	Villiers Ltd.	Talcher	2‡	2‡	—	—	—		9	Y.
3,50,000	17,36,513	18,94,910	74,927	Williamson Magor & Co., Ltd.	Union	25	10	20	27½	27½	12½f	6.12	H.
49,98,000	11,13,461	43,49,365	42,176	Hindusthan Investment Corpn. Ltd.	Western Bengal	5‡	10	2‡	2‡	2‡		3	Y.
7,00,000	26,75,667	36,17,323	29 272	Macneill & Barry Ltd.	West Jamuria	17‡	10	15	15	15	—f	6.12	H.

* The following explanatory notes relate to the abbreviations and marks shown on page 1064 in the debentures section:—

‡‡ Option to repay on six months' notice, on any interest date after 31st December, 1951, at 102 per cent. Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 102 per cent.

(a) Option of repayment at any time at 3 per cent. premium.

(b) Bearer bonds of Rs. 1,000 each repayable at par.

(c) Bearer bonds of Rs. 1,000 each repayable on 31st July, 1959.

(d) Bearer bonds of Rs. 1,000 each with option of redemption in whole or in part at par on 30th June, 1952, or on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months' notice in each case.

(f) Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ½ per cent. premium after 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March, 1957.

(h) Option of redemption on or after 1st July, 1949, at par.

(l) Option of repayment at any time at par at any time on or after 30th June 1947 on six months' notice.

MARKET GOSSIP

(Concluded from page 1019)

Some fresh light on the Government's nationalisation policy is thrown by the report. The policy, as readers are aware, was not an election issue; it had, in fact, been strongly opposed by the Government-sponsored Air Transport Enquiry Committee which contained no representative of the air transport industry. It would appear that the Company was informed in November, 1952, of the Government's decision to take over the industry. The Directors, it is stated, protested to the Government both against the nationalisation scheme and the manner in which it had been decided upon, without prior consultation with the industry. The protest was of no avail; the Government stated that its decision to nationalise was irrevocable. The Directors were, therefore, compelled to confine themselves in all their subsequent meetings with the Government to the task of evolving a basis of compensation. But the Government would not agree to take the world prices of aircraft into account but fixed, instead, a scale of prices on the basis of original cost, less certain rates of depreciation. This method of valuation, it is stated, will enable the Government to take over aircraft at one-fifth of world prices and in the case of Dakotas at about half the Indian market price. The Directors were, however, at no time a "willing party to this formula and the Government's decision was, therefore, not in the nature of a negotiated settlement." Even if this is not total expropriation, it is greatly to be feared that the method of taking over assets, adopted by the Government was thus unhelpful to the industry's just claims for compensation, the industry's leaders too have not served the cause of free enterprise which they represent by their failure to take the public and the Press into confidence. It was certainly their duty to have shown that they had other constructive suggestions to offer, and that nationalisation was by no means the only, or even the most desirable, way out of the impasse. This was done in the U.K. by the steel industry when the Government decided to take it over under its control. In any case, it was their duty, at least, to place the issues clearly before the public and demonstrate the inequitous nature of the Government's compensations proposals. By their studied neglect of the need for publicity—even during the time that the Bill for nationalising the industry was on the legislative anvil—the industry's leaders have exposed themselves to the charge that, if they capitulated, it was because they wanted to capitulate.

* * * *

The Company's shareholders must, however, be thankful for small mercies. For, it would appear that they will now receive, under the present system of valuation, in the form of bonds of the proposed Air Corporations, an amount approximately equal to the par value of their shares. Although this represents a marked advance on the abnormally low share market values, it is considerably less than the amount to which shareholders would have been entitled on the basis of the real present-day value of their assets.

MARKET REPORTS

(Concluded from page 1053)

Medium brokens and fannings were well supported at rates which were about steady. Medium teas were irregularly As. 1 to As. 2 easier, whilst high grown descriptions declined by As. 2 to As. 3. There were some withdrawals amongst the high grown teas. Whole leaf grades met with a good response and were slightly dearer. The following were the quotations:—

	1953 Rs.	a.	p.
Low grown Travancore B.O.P.	1	10	6
Medium Travancore B.O.P.	1	11	0
Upmalliais B.O.P.	1	14	6
Best liquoring Nilgiri B.O.P.	2	5	0
Clean black leaf O.P.	1	15	6

London Market.—No sale this week.

Colombo Market.—6,000,000 lbs. Low-growns firm. Others slightly easier.

Calcutta Market—Dust.—Good general demand. Market half to one anna easier, strengthening towards close. Residues unwanted.

Export Quota.—The market for 1953-54 export quota has hardened due to the lack of news of an extension of special licence and business has been done at 14 pies.

Quality.—With the continued lack of rain in many districts, quality has shown an improvement in forward musters from estates. The leaf appearance, however, is still a little disappointing.

Forthcoming Auctions.—Sale No. 12 will be held on Tuesday, 9th June.

As we go to press, Messrs. Forbes, Ewart and Figgis, Ltd., wire as follows:

"*Dust Sale K.*—1,50,000 lbs. Good general demand. Market irregularly As. 2 dearer."

DEPRECIATION ALLOWANCES UNDER RISING PRICES

(Concluded from page 1043)

plying them long-term loans at a reasonably low rate of interest, say, 4 per cent. To provide finance for all desirable production at a low cost is no doubt a social responsibility.

What has been said so far is obviously under the assumption of a free market. Under the policy of price controls, the prices will have to be so raised that they would provide for increase in depreciation allowances and profits in proportion to increased capital costs. Without this, production in controlled industries will go on decreasing. For even supposing that the controlled prices are high enough to leave sufficient margin for higher depreciation allowances, the accumulated funds will not be invested in the controlled lines, unless enough profits are available on the increased costs of the assets. In short, the only duty that the Government should accept is to maintain the prices of all the desired goods and services at such level, as would leave enough surplus, after meeting all other costs and paying all necessary taxes, to cover depreciation costs on the basis of current prices and reasonable profits on the basis of currently required investments.

The Association pleads for tax relief not only for accumulating replacement costs but also for financing expansion. But inasmuch as expansion of business concern means increase in the property of its owners, it should be financed by savings out of the owners' income. Just as an individual increases his property by saving a part of his net income, so also the owners of a business should increase their property by saving a part of their net income. Increase in private property must necessarily come at the cost of its owners, and the Government cannot be asked to contribute to it.

AGRICULTURE

(Concluded from page 1044)

that the food production of England and other countries could be doubled easily by the application of intensive methods of cultivation at higher costs. It is true that agricultural productivity can be increased by such expenditures and by scientific investigation. Although many optimistic forecasts have been made as to the limits of such productivity, there appears to be no data sufficient to justify an intelligent estimate of the limits.

These calculations indicate that the world as a whole is capable of supporting a population much more numerous than the population of to-day. The immediate problems of overpopulation are limited to a few areas; and the present-day pressure of population is not against the limited resources of the earth but against the various barriers, natural and artificial, which hinder access to those resources.

World potentiality of agricultural production measured by a strictly economic yardstick, which demands immediate returns on new developments, is, no doubt, rather limited. But when favourable and corrected physical factors are coupled with long-time financing, the potentiality is great. Future areas of production will have to be developed at great cost in many cases, but other factors will outweigh the cost, as the pressure grows for new land to be cultivated. The present cultivated-crop and grazing areas of the world have a long way to go before the greatest yields per acre will have been obtained. Soil conservation and improvement, commercial fertilisers and manuring, the best land utilisation, proper seed and suitable use of mechanisation—all can contribute to increased production from presently cropped and grazed land areas.

(Concluded from next column)

and oilseeds crops in the country, the two semi-Governmental bodies, namely, the Central Oilseeds Committee and the Central Coconut Committee, should encourage, through a more vigorous policy than at present, the cultivation of both these crops.

Among the soap industry's other suggestions, mention must be made of the reduction of import duty on essential oils, the revision of import policy relating to caustic soda, the ban on forward trading in coconut oils, and the upgrading of priority for the transport given to soap by the railways. These demands should be conceded—with suitable safeguards for other interests, if necessary—by the Government. Although each of these suggestions is simple in itself, cumulatively they should, when they are implemented, encourage the industry to utilise its present idle capacity. Further, the soap producers have requested the Government to appoint a Development Council for the industry. This request also can be met forthwith without having to wait for gaining experience of the working of the two Councils which have been set up already. For, a Development Council should be able to tackle the problem of this industry more easily than the Councils for Heavy Chemical and Combustion Engines industries by reason of the simpler process, adopted by the soap industry, and the comparatively fewer technical problems which it faces. Moreover, it is easier to secure technical personnel to serve on the Council, since a large number of persons, with considerable experience in the working of the industry, can be easily found in the country.

No assistance from any external agency will, however, be of much help to the industry unless it sets its own house in order by taking such measures as will ensure economy, efficiency and low production costs. Mr. Karmarkar's advice to the industry in this context is worthy of the attention of soap producers. He said: "Increased production has to follow increased demand, and as demand can be stepped up only on the basis of making such consumer goods available at the lowest price possible to the public, it is necessary for the manufacturers to make every effort to bring down the cost of such goods. As you will appreciate, such reductions can be brought about in several ways, the most important being improvement in the efficiency of manufacturing operations and recovery of by-products to the maximum extent." Herein lies the key to the remedy for the soap industry's malady.

SOME PROBLEMS OF SOAP INDUSTRY

THE problems of the soap industry in India, which figured prominently in the proceedings of the Nineteenth Annual Conference of the Indian Soap and Toiletries Makers' Association, held in Bombay on the 3rd inst., indicate the unsettled period through which the industry is passing. Although it has been in existence for the past two or three decades, it looks as though its attempts till now at attaining economic stability have not succeeded. Nevertheless it has every reason to feel proud of its achievements. In spite of intense competition among its units, the industry has managed to survive without any tariff or other Government protection. The industry has demonstrated, as was pointed out by Mr. S. P. Godrej, Chairman, Reception Committee, in his welcome address at the Conference, "a high sense of social obligation, which was clearly manifest during the boom years when there was a sellers' market; and although the costs were very high all round—eightfold for vegetable oils, by far the major cost item—the prices of soaps were kept under check." Indeed, soap prices in India, it is stated, are generally lower than those prevailing in many advanced countries.

Apart from serving the consumer, the industry plays an important role in the country's economy. According to the fifth Census of Manufactures, there were in 1950 in India 47 soap factories of all sizes with a fixed capital investment in plant and machinery to the extent of about Rs. 1 crore, providing employment for about 5,500 workers. Actual production of soap of all organised factories, according to Mr. S. C. Ghose, President of the Conference mentioned above, was 86,400 tons in 1952 as compared with 83,400 tons in 1951 and 72,000 tons in 1950. In view of its importance to the country, the industry has found a place in the list of 42 industries for which targets have been fixed by the Planning Commission. The target of production to be achieved by this industry in the final year of the Plan, namely, 1955-56, is fixed at 200,000 tons. At the end of this period, the total capital invested in the industry by the organised units, it is computed, will be in the neighbourhood of Rs. 3 crores. In deference to the wishes of the industry, it has been included in the schedule to the Industries (Development and Regulation) Amendment Act, 1953, passed by Parliament last month.

Although the Indian soap industry merits the recognition it has thus gained, it has still not been in a position to play a fuller role in our national economy. Owing to several difficulties which it faces to-day, the industry has not been able to utilise more than 30 per cent. of its installed capacity. Many factors have been cumulatively responsible for keeping idle 70 per cent. of its plant and machinery. Thus, the Partition deprived it of its former markets in East and West Pakistan. The general decline in purchasing power, as a result of inflationary conditions, reduced the effective demand for soaps and toilets in both the domestic and external markets. Prices of coconut and groundnut oils, as also of *mowrah* oil, which are the principal raw materials of the industry, have not shown any decline, despite the recent reduction in the duty on palm oil imports. There has, besides, been evidence of indifference on the part of State Governments to the question of protecting *mowrah* trees from indiscriminate felling in certain parts of the country. Finally, it is stated that competition from a controlled unit by foreign interests has adversely affected the indigenous sector which, as a result, has been compelled to keep the bulk of its installed capacity idle. This last complaint of the industry involves major issues of national economic policies. In fact, it figured prominently in the deliberations of the Central Industries Advisory Council at its meeting held at Delhi last week. As this question has to be examined at some length, we reserve our comments on it to a subsequent issue. But it is proposed to deal, in this issue, with the other handicaps of the industry mentioned above.

Both Mr. Godrej and Mr. Ghose put forward a series of suggestions calculated to help place the Indian soap industry on an even keel which we hope will receive the support of the concerned authorities. The prices of vegetable oils, which are intimately related to the price of soap, have been higher, and this constitutes a deterrent factor in increasing the demand for soaps. In fact, oils cost nearly 90 per cent. of the total cost of raw materials used in the manufacture of soaps. Consequently the industry is justified in requesting the

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
16,00,000	1,08,33,956	10,66,174	Allahabad Bank	355	100	18½	18½	18½	18½	12	Y.P.
14,50,000				174	50						
1,01,000	12,03,000	7,231	*Andhra Bank*	107	100	<	6	6	6	6.12	H.
23,79,000				5¼	50						
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	132	50	12½	12½	12½	12½	12	Y.
50,00,060	14,00,000	8,667	Bank of Bikaner	26	25	..	3	3	3	12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	157	50	14	14	14	14	6.12	R.L.Y.
15,30,375	24,00,000	63,200	Bank of Indore	50	25	12½	12½	12½	12	12	Y.
50,00,000	15,00,000	35,324	Bank of Jaipur	23	50	3	3	3	3	12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	282	100	16½	16½	16½	16½	12	Y.
59,18,600	42,61,693	25,280	Bombay State Co-operative Bank	58½	50	5½	5	5	6	12	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	9	9	9	9	12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	9½	10½	10½	10½	12	Y.P.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	641	25	14	14	14	14	12	R.L.Y.
52,42,375-'A'				65½	25						
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	35	50	3	3	3¼	3¼	12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88	20	6¾	10	20	20	12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	111	50	—	—	—	—	12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	10½	50	—	—	—	—	12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105N	100	5	6½	6½	5	9	Y.
3,75,00,000				1,867½	500	14	16	16	16	6.12	R.L.H.
1,87,50,000	6,35,00,000	42,07,573	Imperial Bank of India	455	125	14	16	16	16	6.12	R.L.H.
24,00,000				176	100						
16,00,000	73,50,000	1,04,201	Indian Bank	112	80	11½	12½	12½	12½	6.12	R.L.H.
15,40,000				101	55						
48,75,425	19,00,000	1,89,917	Indian Overseas Bank	88	100	4½	5½	6	6	6.12	R.L.H.
6,25,000				75	100(A)	9	9	7½	6½		
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18½	25(B)	9	9	7½	6½	6.12	H.
10,00,000				37½	50(C)	6	6	6	6½		
4,55,266	30,61,350	60,357	Punjab and Sind Bank	35	25	7½	7	—	—	6.12	Y.
87,50,000	89,00,000	1,92,605	Punjab National Bank	20	25	6	4	4	6	12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	11½	25	—	—	—	—	12	Y.
40,15,000	30,00,000	2,06,135	Union Bank of India	6¾	5	6½	6½	6½	6½	12	Y.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank	36½	50	3½	4	4	4	6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2-0-10½	£5	12†	14†	14†	16½†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£6½	£5	6†	7†	6†	7†	12	R.L.Y.
H.K.$20,000,000	H.K.$96,000,000	H.K.$9,489,174	Hongkong and Shanghai Banking Corporation	$85	H.K. $125	5%*	5%*	5%*	5%*	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-11-	£1	12½†	12½†	12†	12†	12	R.L.Y.
£1,437,296				£1-7-0		5½†	5†	5†	5†	12	R.L.Y.
£375,000	£1,500,000	£200,143	Mercantile Bank o India	£25½	A £12½	12½					
£375,000				£25½	B £12½	12½†	12†	12†	14†	12	R.L.Y.
£300,000				£11½	C £5						
£2,281,250	£3,675,000	£323,703	National Bank of India	£29½	£12½	16%†	16†	16†	16†	12	L.Y.

‡Includes Bonus. †Less Tax. (P) Pakistan Currency.
‡‡Subject to taxation.

††U.S. Currency.
(i) Interim.
*£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £		Principal Repayable
BREWERIES AND SUGAR						
19,50,000	5½	1st December and 1st June	Carew & Co.	1938	100	1st June .. 1953(*b*)
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90¾	28th February .. 1960(*f*)
6,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	1936	98½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102½	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	90	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	103	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	92	1st November .. 1959-64
COTTON						
6,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	96½	15th November .. 1956(*a*)
1,00,00,000	3	1st April and 1st October	Buckingham and Carnatic	1952	99½	1st January .. 1967-72
13,68,000	3½		Jayahree Textiles	1949	78N	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills.		100½	1966–71
ELECTRICS						
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	95	31st March 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		101	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964
2,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	101½	1st January .. 1970
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	84½	31st December .. 1970
15,00,000	5	1st January and 1st July	Sijua (Dherriah) Electric Supply Co.,Ltd.	1951	91½	30th June .. 1976
4,5,000	5½	1st January and 1st July	South Madras Electric Supply	1940	97	 1957-61
2,00,000	3½	1st May and 1st November	South Madras Electric Supply	1939	95	 1954
1,00,000	3	1st January and 1st July	South Madras Electric Supply		94½	1953-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply		94	1st July .. 1957-67
49,23,000	4	1st April and 1st October	Tata Power	1940	100½	15th September 1951-55(*b*)
1,00,00,000	4	1st April and 1st October	Tata Power		92½	15th September .. 1965-70
ENGINEERING						
5,00,000	5	30th June and 31st December	Britannia Engineering	1945	96½	31st December .. 1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	96	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	100½	1st July .. 1957-62
£1,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	£91½	31st December .. 1966(*b*)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	85	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	100½	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	94½	31st December .. 1960
JUTE						
12,00,000	4½	1st October and 1st April	Agarpara	1939	98	31st March 1954
6,00,000	4½	30th June and 31st December	Alexandra	1939	95	30th June .. 1954(*h*)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	91	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	97	30th June .. 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	89	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta Jute	1949	90	31st July .. 1959(*c*)
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	97	30th June .. 1966
8,86,000	5	30th June and 31st December	Empire	1951	93	15th July .. 1966
25,00,000	5½	1st January and 1st July	Hukumchand	1947	91½	31st December .. 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	98	31st December 1964
25,00,000	5½	30th June and 31st December	Nalhati	1952	99	31st March .. 1967
5,00,000	3½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1947	97N	31st March .. 1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May .. 1959
20,00,000	4	*30th June and 31st December*	*Northbrook Jute Co., Ltd.*	1945	86	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	1943	91	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	95½	5th September 1965
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	94	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	1937	95	30th June .. 1957(*d*)
10,00,000	3½	31st January and 31st July	Waverley	1925	83	31st July .. 1960(*e*)
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Baraset-Basirhat Light Railway	1936	84	1st July .. 1956
6,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	1945	99½	1st November ..
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£100N	A 105% at any time on 6 months' notice or at par or every seventh year.
£201,067	3	1st April and 1st October		1933	£102N	1st October .. 1974
3,00,000	3½	30th September and 31st March	Kalighat-Falta Railway	1934	98½	30th September .. 1953
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	89	31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£90‡N	
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation		96	1st September .. 1963
PLANTING						
1,20,000	3	31st December and 30th June	Blue Mountain Estates	1943	100	 1945–55
3,68,200	3½	31st March and 30th September	Teekoy Rubber Estates	1944	100	 1949–59
50,00,000	3	30th June and 31st December	Waterfalls Ltd	1943	101½	 1945–55
MISCELLANEOUS						
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	101	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December .. 1965
27,60,000	4½	1st April and 1st October	Associated Hotels of India	1948	86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	95½	30th June .. 1957(*i*)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February .. 1964
22,60,000	4½	1st July and 1st January	Clive Buildings	1936	89	1st July .. 1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	88½	15th September .. 1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	1950	101½	1st January .. 1971
20,00,000	5	15th March and 15th September	Mettur Chemical Industries	1949	97	 1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	455 (*per note*)	30th September .. 1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410 (*per note*)	31st December .. 1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	91N	1st April .. 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	91½	31st March .. 1961
2,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	83½	31st December .. 1959

Note—See page 1062 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 3rd June, 1953.

	Closing quotations 28-5-'53	High	Low	Closing quotations 3-6-'53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	156½	157½	156½	157
Bank of Baroda (50)	112	112½	111½	112
Central (25)	64½	64½	64	64½
Imperial (F.Pd.) (500)	1,850	1,875	1,867½	1,867½
Imperial (P.Pd.) (125)	460	460	453½	455
Union Bank (5)	6¾	6¾	6¾	6¾
United Com. (50)	36	36½	36	36½
COTTON MILLS				
Ahm. Adv. (100)	155	—	—	147½
Apollo (2)	2-14½	2½	2-14½	2-14½
Bombay Dyeing (250)	397½	396½	391½	393½
Central India (100)	169	169	165	165
Century Mills (100)	279	278½	274½	276½
Colaba (100)	71	—	—	71
Edward Textile (200)	253½	255	250	252½
Elphinstone (50)	44½	44½	43¾	44½
Finlay (100)	328	329½	328	329½
Gokak (100)	221½	221½	218½	218½
Ind. Untd. Defd. (1)	1-12½	1-12½	1-11	1-11
Ind. Untd. Ord. (10)	10½	10½	10½	10-7½
Indore Malwa (100)	95½	97½	96½	96½
Khatau (100)	183½	—	—	183½
Kohinoor (100)	307½	307½	303½	304½
Lakshmi (250)	578½	578½	572½	572½
Madhusudhan (100)	83	—	—	83
B. R. Cotton Mills (100)	45½	48½	45½	48½
Minerva Mills (100)	100½	—	—	100½
Model Nagpur (250)	143½	—	—	143½
Morarji (100)	201½	—	—	201½
Mysore (50)	123½	—	—	123½
New City (100)	150	151½	150	151½
New Great (100)	156	156	155	155½
Phoenix (100)	110	110	108½	108½
Podar Mills (100)	129½	130	129	129½
Sassoon Silk (10)	24	25½	24	25½
Sassoon Spg. (10)	27½	—	—	27½
Sholapur (1,000)	1,800	—	—	1,800
Simplex (50)	185	185½	182	184½
Swadesh (100)	255	254½	250½	252
Swan (100)	455	456½	453½	453½
Tata Mfg. (25)	45½	45½	44½	45
Vishnu (100)	162½	—	—	162½
Western India (1,000)	3,180	—	—	3,180
ELECTRIC COS.				
Ahmedabad (100)	109½	110	109½	109½
Amalgamated (10)	10	—	—	10⅛
Andhra Valley (1 000)	1,432½	1,432½	1,430	1,432½
Bom. Sub-El. (100)	129½	129½	127½	127½
Surat (100)	133½	—	—	133½
Tata Hydro (100)	150½	151	150	151
Tata Power (1,000)	1,507½	1,511½	1,505	1,511½
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	611½	—	—	611½
Ind. Mercantile (20	38½	—	—	38½
Jupiter (15)	7½	—	—	7½
New India (15)	43½	43½	42½	43
Oriental (200)	7,225	—	—	7,200
Universal (10)	7⅛	—	—	7⅛
Vulcan (10)	11⅛	—	—	11⅛
STEAMER COS.				
Bom. Steam (25)	36½	—	—	36½
Scindia (15)	13-8½	13⅛	13-6½	13⅛
STEEL COS.				
Ind. Iron (10)	25-10½	25-10½	25½	25⅛
Tata Steel Defd. (20)	1,925	1,920	1,905	1,915
Tata Steel Ord. (75)	334	334	331½	333½
MISCELLANEOUS				
Alcock Ashdown (100)	316½	318½	316½	317½
Associated Cm. (100)	172½	172½	171½	172
Belapur Sugar (5)	237	237½	235½	237
Bom. Burmah (125)	384½	383½	373½	375
Do. (New) (50)	138½	138½	136½	136½
Br. B. Petrol (4 sh.)	1-4½	1-4½	1-3½	1½
Br. I. Corpn. (5)	8-12½	8-12½	8-11½	8-11½
Indian Copper (2 sh.)	2-15½	2-15½	2-15½	2-15½
Ind. Inv. Tr. (100)	71½	—	—	71½
Port Canning (100)	24½	—	—	24½
Premier Con. (30)	84½xd	85	84	84½
Shivaroopur (10)	55	55½	54½	55½
Tata Chemicals (10	9⅛	9⅛	8-8½	9-8½
Tata Oil (25)	33½	34	33½	33½
Witchand Ind. (100	140	140	139½	140
W. I. Match (100	225	223½	217½	220

GOVERNMENT SECURITIES	Rs.	Gross Yield Earlier Redemption	Later Redemption	Rs.
2½% 1954	98⅛			
2½% 1955	98⅛	—	3.31	98½
2½% 1961	90⅛	—	3.18	98½
2½% 1960	93½	—	3.84	90½
2½% 1962	91½	—	3.77	93½
2½% 1963	82⅛	—	3.84	91½
2½% 1976	100⅛	—	3.87	83
2½% 1953-55	98⅛	—	2.78	100½
2½% 1957	98⅛	—	3.42	98⅛
2½% 1958	96⅛	—	3.36	98⅛
2½% 1959-61	93	3.58	3.50	96½
2½% 1964	93	—	3.78	93
2½% 1963-65	90⅛	3.85	3.73	93
2½% 1966-68	86⅛	3.93	3.83	90⅛
2½% 1970-72	82⅛	4.10	3.92	86½
3½% 1966 Con. Loan	100½	—	3.64	82½
3½% 1954-59*	102½	3.34	3.43	100½
4½% 1960-70	103⅛	3.59	3.80	102½
4½% 1955-60	105	3.06	3.98	103⅛
4½% 1958-68*		3.40	4.03	105

BRITISH GOVERNMENT SECURITIES	28-5-53 £	High £	Low £	3-6-53 £
2½% Brit. Consols	61½	61½	61½	61⅛
3 ½ Savings Bonds 1965-75	86⅞	87⅛	86⅞	87⅛
3 ½% War Loan 1955-59	100⅞	100⅛	100⅞	100⅛
3½% War Loan 1952	81⅛	81⅛	81⅛	81⅛
3½% Brit. Iron and Steel 1979-81	91⅛	91⅛	91⅛	91⅛
4 ½ Funding Loan 1960-90	99½	99⅛	99½	99⅛

xd=Ex-dividend.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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TAXATION AND ROAD TRANSPORT

ROADS, transport system, automobile industry and taxation on motor vehicles are all connected topics which should be treated as a whole; for each impinges on the others at so many points that it would be difficult to isolate any one of them for special treatment. It will, therefore, require all the ingenuity of the Taxation Enquiry Commission to reconcile the conflicting interests of the State, which requires revenues for road development, the motor vehicle owners, who are among those now bearing a disproportionate burden of taxation, and the general community, which bears the burden of protection to the automobile industry, besides sharing the taxation burden on the road transport industry. But the Commission's task has been lightened by the Motor Vehicle Taxation Enquiry Committee whose report is a model of its kind for close reasoning, clear analysis and constructive recommendations. And the Commission will also find that the memorandum submitted recently by the Indian Roads and Transport Development Association, sets forth succinctly enough the broad lines of fiscal reform that is necessary for a sustained and progressive development of road transport.

The importance of road transport arises not only from the fact that the railways are not in a position to take all the traffic offered to it but also from the consideration that the development of road transport is vital for opening up the vast internal market in the country and for providing quick and sufficient facilities for movement of agricultural crops which, under the Five-year Plan, are expected to record a marked increase. Further, the maintenance of an efficient system of motor transport is a prerequisite for the success of the automobile industry. In pre-war years, the Government was often confronted with the problem of road-rail competition which prevented it from taking bold decisions for the development of the one or the other. All this is now happily a thing of the past, as the volume of traffic has increased enormously and promises to increase further. The cost of moving goods by road has gone up so high that there is no need for railways to fear unequal competition from road transport. It is estimated that the cost of goods transport by road works out to 40 to 48 pies (based on 1950 rates) per ton-mile, as against an average rate of 9.18 pies per ton-mile charged by the railways. There have been many changes in the tax system since these calculations were made so that it is now calculated that the cost of transport of goods by road varies from 48 to 72 pies per ton-mile. These figures show that the odds are heavily against the road transport system and that, if any competition were to develop in those routes where both railways and road transport operate, the former would have a walkover. A debate on this issue, however, will be an unreal one, for, as already mentioned, there is so much traffic to be moved that there is hardly any prospect of competition in the foreseeable future. On the contrary, there is an urgent need to expand both the railway and the road transport systems.

The problem of road transport is a twofold one. In the first place, the roads themselves should be developed, for without more and better roads there could be no improvement in vehicular transport. Secondly, the tax burden on motor vehicles should be reduced in the interest of larger flow of automobiles into the road. The Nagpur Plan (1947) set a modest target of 24,000 miles of national highways, 62,000 miles of State highways, 58,000 miles of major and 96,000 miles of minor district roads and 145,000 miles of village roads, to be reached within ten years from the commencement of the execution of the Plan. The Plan was never taken up in earnest. It is computed that only about 8 per cent. of the target figures have been reached. The Planning Commission has allotted about Rs. 105 crores for road development during 1951-56 or Rs. 21 crores per year, as against an estimated road revenue of three times this figure. The Commission's allotment would hardly cover one-eighth of the Nagpur Plan's targets for road development at current prices.

The incidence of taxation on motor vehicles has now reached a stage at which it prevents the growth of motor transport industry. The M.V.T. Enquiry Committee calculated that the average goods lorry pays by way of Central and State taxes alone twice the average earnings per ton-mile of goods carried by rail. Bad roads, the Committee further pointed out, constituted an additional tax on the motor vehicle user, inasmuch as they imposed on the owner of a motor vehicle the burden of excessive repairs. It estimated the cost of this "invisible tax" at Rs. 10 crores a year. These figures are a sad commentary on the care and thought bestowed by the State on this important mode of transport in the country.

The motor transport industry has been the victim of simultaneous attack by all the three principal taxing authorities—the Centre, the States and the Local. Little regard has been paid by them to the industry's need for expansion. It is true that the capital investment in road transport industry already, estimated at Rs. 1,000 crores, is higher than the sum of about Rs. 840 crores expended on the railways. Nevertheless, it cannot be denied that the industry deserves to expand further in the national interest. From this point of view, capital investment for the improvement of the country's transport system has been pitifully inadequate since the war. And the reason must be sought in the system of taxation. In its resolution on the Tariff Commission's recent report on the automobile industry, the Government has itself conceded, as we pointed out last week, that the "present system of taxation of road transport by different authorities at different rates—sometimes very high—has been a powerful factor in reducing the demand for vehicles, particularly transport vehicles." It has also agreed to consult the State Governments with a view to evolving a "system of taxation that will be conducive to the development of *motor transport*."

The acceptance of a common transport policy by the Centre and the States must form the foundation of an efficient road transport system. There is now no guarantee that the States will not, through penal taxation of motor vehicles, set at naught the measures adopted by the Central Government to assist road transport and the *motor* industry. The M.V.T. Enquiry Committee rightly held that there could be no scientific system of taxation designed to promote the development of cheap, rapid and efficient transport so long as each taxing authority is mainly concerned with collecting as much revenue as possible from the motor vehicle user. This, in other words, is a plea for the reversal of the present policy of sacrificing the entire motor transport industry at the altar of revenue on the ostensible ground of road development. The Association has urged the need for recognising the principle that, while the Central Government should be responsible for the provision, maintenance and development of roads, the motor transport operators should be responsible for the running of vehicles. Again, it has suggested that inasmuch as railways, ports and canals cannot be built out of current revenues, a national road plan also cannot be financed through tax revenue but by loans from the market.

This provides the background for consideration of the Association's more specific suggestions which deserve the sympathetic attention

of the Taxation Enquiry Commission. Broadly, the Association has suggested that all non-Central taxes, such as sales tax on vehicles and accessories, wheel tax, octroi, etc., should be abolished. The Central taxes should consist of two elements—a "duty element" for general revenues based on the same rate as for essential commodities and a "development element" to produce sufficient income for the development of the road transport industry on a long-term plan. The "duty element," which should be earmarked for the Central Exchequer, should consist of an import duty on imported cars, tyres, etc., on the same scale as for essential commodities (that is, 30 per cent.) and an import duty on imported public carriers and their accessories on the same scale as for railway imports (i.e., about 15 per cent. on the average). The "development element" should consist of an excise duty on tyres, a fuel tax on motor spirit in addition to an import duty as recommended under the "duty" element. The M.V.T. Enquiry Committee, it will be recalled, suggested that there should be only two taxes imposed by the States on the motor vehicle user, namely, State's fuel tax and State's motor vehicle tax. Commenting on this suggestion, the Association says that it would help evolve some order out of the present chaos in the sphere of motor vehicle taxation, provided that the fuel tax was linked to a reciprocal agreement by the States, that they would relinquish all claims to further taxation of fuel by way of sales taxes or other imposts, and provided, further, that the tax itself was limited by law to the maximum of As. 6 per gallon proposed by M.V.T. Enquiry Committee.

The Association has further suggested that the Central taxes on road transport should come from the interests for whose benefits roads are required, namely, owners of agricultural lands, carters, owners of animal-drawn vehicles, motor transport owners and the general community. Although the Association insists that, in assessing the incidence of taxation, the relative damage caused to road surfaces by the concerned interests should be taken into account, it recognises that it would not be fair to throw on the cart, the poor man's vehicle, anything more than a nominal burden. The apportionment of the cost of road maintenance should be on the basis of 50 per cent. for motor transport and the rest for the community. Other suggestions made by the Association include: (1) The administration of roads should be in the hands of a powerful organisation—a body similar to the Railway Board. (2) There should be a single non-lapsable road fund for financing road works in the country.

Such, in brief, are the suggestions made by the Association. It will be seen that the Association has done no more than indicate the outlines of the fiscal reform that is needed in the interests of development of road transport. These suggestions merit careful consideration by the Taxation Enquiry Commission, for they correspond closely to the conclusions reached by M.V.T. Enquiry Committee, whose report has earned (except, perhaps, in governmental quarters) a reputation for fairness and sound economic judgment. But neither the Government's road policy nor the tax system of the Central and State Governments, has so far been influenced by the Committee's Report. There have been few signs of a major change in the States Governments' attitude towards the industry. Fundamental needs of the industry have been barely touched. Capital investment for improvement of roads and transport is, as already stated, too inadequate for a country of continental size such as India. It is true that investment on roads does not yield immediate returns. But it is capable, as experience in other countries has shown, of paying very rich dividends over a long period. Indeed, parsimony on roads now will, in the future, prove to be the worst form of economy. It is also necessary to add here that it would be a grievous mistake to think that owners of motor vehicles alone should—or even could—provide the finance for the development of roads. The Governments too must play their part.

BRITAIN TOWARDS A NEW ERA

IN the absence of any momentous happenings in the economic field, the Coronation has drawn to it the thoughts and comments of British financial and economic commentators; even the business world itself, so we are told, has had no time or desire to consider other problems. As an aftermath of the Coronation, journals such as the London *Times* and the *Economist* have found themselves obliged to talk in terms of the end of a holiday and the beginning of a new period—not so much a return to the old as a time when policies must be reconsidered and real efforts made to put the economy on a stronger basis. But the difficulty in translating such a general principle into practical proposals is that, for the time being, the economy has put itself on a reasonably sound basis. Both externally and internally, it is not only stable but has that slight buoyancy which makes for good health. It is, moreover, so obviously difficult for the Government or for industry and commerce to do much more than they are doing that makes exhortation to greater efforts fall a little flat. It is, nevertheless, worthwhile considering the three principal facets of the British economy and what problems are likely to arise in each.

First, there is the question of domestic monetary policy; here a high 4 per cent. Bank rate continues to rule and the question is asked whether credit should not now be made a little easier but, while there are very good arguments for special credit facilities in aid of a particular programme such as that of expansion of farm production, the case for a general easing is harder to make out. The national monetary circulation continues to increase and in Coronation week the fiduciary issue rose to a new peak of £1,600 million. Bank deposits in May showed a further rise and, though bank advances showed a drop, such is traceable to the repayment of a block of corporation advances out of new money raised from the market; on balance, the general trend of advances appears to be upwards. In other words, the domestic economy seems to have reconciled itself to the dearer price of money and, apart from the special cases referred to, monetary stringency does not seem to be holding back investment.

The second facet is that of home industrial production, which as our London Correspondent explains in his despatch this week, published elsewhere in this issue, has now reached a new high level. There is, for the time being, nothing on this front to show concern about.

The third facet is that of external monetary and trade policy. The external economy is about in balance, and sterling is strong both relatively to the E.P.U. and the dollar area. But its strength does depend upon the present control over imports which is still more rigid than it was two years ago. It is true that the Treasury has been able to make some concessions such as allowing the import of dollar feeding stuffs without restriction, but this has been done because of certain peculiar circumstances. The import of dollar feeding stuffs is an interesting example of how a dollar problem can be exaggerated. The Treasury had previously tried to restrict imports of feeding stuffs from the dollar area so as to encourage them from non-dollar areas. But now that prices of feeding stuffs have fallen substantially, the total import cost is lower, although imports from the dollar area are relatively dearer. With the domestic farmer having a protected market for his home-produced feeding stuffs, the total import of feeding stuffs is limited by the power to consume and the freedom of dollar purchases has not caused a flood of dollar buying.

It would, however, be wrong to assume that the "derationing" of dollars would have the same effect as it seems to have had for most domestic commodities, that is, inviting a drop instead of a rise in demand. The external economy of the sterling area, in general, and of Britain, in particular, is still too precariously balanced for it to be safe to allow a substantial increase in dollar spending. This is the facet of the economy on which most attention is likely to be concentrated in the near future—and no doubt the facet which the Commonwealth Prime Ministers will be particularly considering these days. The early hopes of special American aid towards sterling convertibility would appear to have vanished, and the sterling area would be well advised to maintain its present satisfactory state of balance, in spite of the need for the continuance of the present restrictions as a matter of general principle. There should, nevertheless, be relaxations, in specific cases, for example, for commodities such as timber for housing where substitutes are so much more costly. Such a policy of weighing the advantage of increasing the imports of particular commodities is much likelier to pay good dividends than any indiscriminate policy of currency relaxation. The same applies to the general question of import policy, that is, if there is to be more liberality in imports, let this be applied to particular commodities and not as a general principle.

U. S. AID TO INDIA

THE recent visit to this country of two prominent Americans, Mr. John Foster Dulles, the U.S. Secretary of State, and Mr. Harold E. Stassen, Director of the Mutual Security Agency, seems to have resulted in a better understanding of India's economic needs by that country which has distinguished itself by acts of generosity unparalleled in the world's economic history. Although India cannot expect aid as a matter of right, many have often compared the munificent gifts which the U.S. has given to Europe with the tiny sums made available to this country. The comparison is chiefly the result of lack of appreciation of the European economic and political problems. Europe had suffered relatively more than India from the effects of war, and was also, in a sense, more susceptible to extremist political ideologies than this country. European needs were, therefore, deemed more urgent. But there has been a realisation, albeit somewhat belated, that exclusive preoccupation with European rehabilitation carries the danger that equally urgent needs in other parts of the world might be neglected. In his nation-wide broadcast from Washington last week, Mr. Dulles stated that the U.S. Government should pay more attention to the Near East and South Asia. He added: "Our post-war attention has been primarily given to Western Europe. That area was and is very important; but not all-important."

A concrete result of this new outlook is that, despite the measures of stringent economy which are being pursued in the sphere of governmental expenditure, the U.S. Government has decided to provide, during the 1953-54 fiscal year, $110 million for economic and technical aid to India. Giving this information in the course of a recent Press Conference at Washington, Mr. Stassen stated that of the total aid of $110 million, about $80 million would be in the shape of economic aid and the balance, namely, $30 million, in technical aid. Mr. C. D. Deshmukh, India's Finance Minister, welcomed this announcement. He said: "It is a good sum, and I cannot feel dissatisfied. That is the order of the sum which I should say is both adequate and capable of being absorbed. It is about the right size." In making these remarks, Mr. Deshmukh was merely endorsing what Mr. Stassen had stated in the Press Conference referred to above. The latter had stated: "We think that the figure of $100 million is about right for the country's capacity."

It is true that the aid—large as it is—falls short of what some of the leading Americans have themselves thought desirable. Mr. Chester Bowles, a former U.S. Ambassador to India, mentioned recently that an aid of the order of $600 million would assist India in implementing its plans for economic development. Mr. Paul Hoffman, the former head of the European Co-operation Administration, states, in an article to the American magazine *Systems*, that, if the U.S. were to spend 200 million dollars a year over the next five years in aid to India and Pakistan it would contribute significantly towards making a success of two of the most vital political world experiments—the experiment in democratic way of life. He held that the communist victory in China could have been avoided in 1945 with an expenditure of $1,000 million on a five-year rural reconstruction programme.

It would, however, be wrong to overemphasise the mere magnitude of financial aid. What really matters are the capacity to absorb such aid and its utilisation on the right lines. If India utilises wisely the aid it has received so far from the U.S. and the one now promised and shows evidence of political stability, it will be justified in expecting and asking for further aid from the U.S. Mr. Stassen had probably this consideration in mind when he said: "We will look at the situation again next year and the co-operation we receive (from India) in the meantime will have a lot to do with our attitude then." Mr. Deshmukh expressed both the anxiety and the hopes of all lovers of freedom and of all those who have the country's interests at heart when he said that, as India's Plan developed and its needs increased, the aid might be stepped up in the "light of the use we make of the funds and other circumstances." It is to be hoped that all those who are entrusted by the electorate with the responsibility of governing this country will take note of the necessity for spending the resources in their hands prudently and in a manner that will produce maximum results in the drive for raising the living standards of the people.

POSITION OF MARKETS HEALTHY

SOLUTION FOR SUGAR MUDDLE—AN IMPRESSIVE JUDGMENT—STANVAC DEBENTURES

THURSDAY, 5 P.M.

MARKET GOSSIP

AT the time we wrote the notes for this page last week, there was no fresh news about Korea. We had not the slightest inkling that the Communists would so suddenly give up their intransigent attitude as they did on Friday last by practically accepting all the terms of the United Nations on the question of prisoners of war and thus pave the way for an early armistice in Korea. Nevertheless, the dramatic developments on the Korean front have not brought about any material change in the fundamental trends of markets. The downward trend in values, which had commenced a few days earlier, was no doubt accelerated a little by the news about Korea envisaging an early end of the three year-old shooting war. But the downward trend did not last long; it proved to be a very short-lived affair. Prices in all the markets that had witnessed a fall are higher again, though not as high as they were before the recession began last week. The table in the centre of this page will show the extent of recovery that has taken place from the lowest levels registered early in the week.

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In all the markets, the fluctuations in prices were principally the result of speculative activity. As was mentioned by us last week, the recession was due mainly to liquidation by tired bulls. There was also a certain amount of short-selling but it was of a secondary nature. The subsequent recovery was due chiefly to bear covering and partly to some replacement buying. The fact that markets recovered as quickly as they lost ground reflects their inherent strength and sound technical position. An analysis of the position of the principal industries and commodities will show that the markets are right. Steel, sugar, textiles, coal, cement, and many branches of engineering industries are doing fairly well. Even the tea and jute industries, which had been passing through an acute depression not long ago, are looking up once again. Similarly, the commodities also are in a relatively better position than they were a year ago. Stocks of none of the principal commercial crops grown in India are plentiful now. The technical position of cotton is very sound. Stocks at the end of the current season will be appreciably less than those brought in, while consumption by mills is running at a high level. A smaller crop in groundnut has imparted strength to oilseeds as a whole but, unlike cotton, the prospects for this crop are somewhat uneasy, in view of the fact that Indian oilseeds are out of parity with world prices; there is no doubt that, at some time or other, they would fall in line with world prices. Raw jute has moved up considerably from the rock-bottom low levels to which they had slumped in March-April last. Absence of rains during sowing time and the earlier low prices seem to have adversely affected the size of the jute crop for the next season. This in turn has helped the raw jute market to regain much of its lost ground. Tea is earning good prices, the first auction of the 1953-54 season revealing a firm trend. The price of sugar is still standing at high levels, despite the Food Minister's statement that he proposes to take special measures to bring it down. In the case of both tea and sugar, the outlook for the next year has changed in favour of producers, owing to deliberate steps taken to cut down production in the principal producing countries. This brief round-up of markets should be sufficient to indicate that the end of the Korean war will make no material difference to them and that the chances of a fall in prices are slender.

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After staging a recovery from the low levels recorded last Friday, the share market in Bombay is once again listless. Not much activity is reported in its confrere at Calcutta either. Some enquiries are reported for jute and tea shares in the latter centre, but they are of a highly selective nature. Operators in Dalal Street are now looking forward to the Government's decision on the retention price for steel. It is reported that the Tariff Board has already forwarded its findings and recommendations to the Government. Some operators in the market are expecting an announcement at any time now, but, considering that the Prime Minister and the Finance Minister are away from the Capital, it will not be surprising if their expectations do not materialise. It looks as though a delay of a few weeks more is inevitable. Well-informed circles in the market expect an increase of about Rs. 32 per ton for 1952-53 and of about Rs. 50 per ton for 1953-54.

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There is yet no speculation in the market on the dividends of the Tata Iron and Steel Co., Ltd., for 1952-53, even though the closure of the share transfer books has been announced. Perhaps, this is due to the firm belief that the management of the Company is not likely to alter the dividend level either way. In fact, it will be true to say that there is hardly anyone who expects the Company to enhance further the already handsome level of dividends. Such an act, they feel convinced, will be frowned upon by the Government. It would, therefore, be a pleasant surprise to the vast majority of shareholders of the Company if the Directors were to recommend dividends higher than those paid for 1951-52. Be that as it may, the meeting of the Company's Directors for deciding the dividend are still weeks ahead. Last year, the dividends were announced on 17th July. There is no reason to expect that it would be announced earlier this year. If anything, it might be delayed by a week, the date tentatively fixed for it being 24th July, 1953.

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After a shake-out early in the week, silver, in the bullion market, has improved. Over the week, ready silver has gone up by nearly Rs. 2 and forward silver by about Rs. 3. News about Korea has been ignored. The rise in the price of the white metal is explained partly by the technical position of the market and partly by good offtake by up-country centres. It would appear that the main bull operator, who had cornered large stocks at the time of the last settlement, has been selling in the ready section and buying in the forward. It is believed that he must have already unburdened himself of a substantial part of his holdings of actual silver, while accumulating, at the same time, fresh purchases in the forward contract. In this task, he seems to have been helped by the excellent demand for spot silver from up-country markets most of which had become bereft of stocks as a result of the corner in the last settlement. Following this operation, the premium for ready silver has narrowed down. But it may rise again if this operator decides to squeeze the bears again in the next settlement. For a person with large cash resources, such squeezes will not create much difficulty inasmuch as the floating stocks of silver in the whole country are said to be less than 5,000 bars and as there are still countless operators who prefer to play the role of bears even when they know that the odds are against them. They would appear to be banking on the belief that the rate of consumption of silver in the country has declined to such an extent that even the small stock of 5,000 bars is more than sufficient to meet it. While the future alone can show how far this view is correct, the fact remains that the country is not getting any silver from outside and that its requirements will have to be met only from the limited supplies within the country.

	28th May 1953	4th June 1953	Lowest for the week	Highest for the week	11th June 1953
	Rs.	Rs.	Rs.	Rs.	Rs.
SHARES.					
Tata Deferred ..	1,925	1,915	1,845	1,900¼	1,887½
Tata Ordinary ..	334	333½	322½	333	329½
Indian Iron ..	25-10¼	25 ⅜	24 ⅜	25 ⅜	25-1¼
A.C.C. ..	172¼	172	169¼	171½	171
Belapur ..	237	237	232	236	235½
Bombay Dyeing ..	397¼	393½	372½	388½	393½
Kohinoor ..	307¼	304½	292	303½	300
BULLION.					
Silver (ready) ..	162½	157 ⅞	155¼	161½	159 ⅝
Gold (ready) ..	87¼	89⅛	88⅛	92 ⅛	90 ⅝
COTTON.					
I.C.C. August ..	713½	678½	668	695	692
OILSEEDS.					
Groundnut Bold (ready)	47½	45½	45	47½	47
Linseed Bold (ready)	33½	31½	30½	31½	31½
Castorseed (Madras)	32½	30½	30½	31½	31½
,, Sept. ..	160½	148½	141	156	147½

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Gold has been steadily gaining ground. In the previous week, its value showed a net gain of Re. 1-8; there has been a further appreciation of Re. 1-4 this week, raising the total gain in the last fortnight to Rs. 2-12. This improvement is attributable to diminishing stocks in the market, larger offtake and poor arrivals. Smuggling of gold into the country is said to be practically nothing now, while some of it, it is said, is being smuggled out of India into Burma. So far, the supply of Mysore gold to the market has not fallen, but it is expected to do so after three or four months, consequent on the closure of one of the Kolar mines and the cut in power supply in Mysore. In a way, this is a significant development. The closure of the Ooregaum mine belonging to the Kolar group means that the price of gold has now reached a stage at which mining of low-grade ore or working of deep high-cost mines ceases to be a paying proposition. When this happens, the production of gold will decline and with it the supplies for sale in the market. This, in turn, will impart a steady, if not bullish, tone to the market. In fine, there seems to be a floor below which gold in India cannot go; this floor will always be well above the rupee equivalent of $35 (the rate at which the U.S. Government buys gold) at the official rate of exchange.

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While the trend of gold in India has been firm, it has been downward in the international free markets. Far Eastern, Middle Eastern and European centres are all depressed, with prices in these markets standing near the pre-Korean low levels. In European markets, the rate for free gold is now as low as $36.45 an ounce, the lowest level seen for many years. The depression in all these markets is attributed to the bright prospects of peace in Korea. Since cessation of hostilities in Korea will lead to an easing of the international political tension, European market observers feel that there may be not only an end of hoarding of gold as a war hedge, which has been such a big factor in the free gold markets in recent years, but also some liquidation of stocks which gold hoarders in many parts of the world have been building up.

How far will the price of gold go down in the free markets of the world? Will the premium which gold commands in these markets over the U.S. support price of $35 completely disappear? The following extract from the *Financial Times*, London, gives pertinent answers to these queries:

"It is possible, indeed, that there will soon be nothing to stop the free market price of gold moving down to within close distance of the official parity. One result of such a change in the market situation would, of course, be to put gold-producing countries under a pressure to resume the marketing through official channels of a substantial part of their output, a development that would doubtless be welcome by central banking institutions anxious to obtain supplies of new gold for reinforcing official reserves. There is a view in the market, however, that the theory that the world official price of gold must eventually rise will continue to give rise to purchases of the metal for private account whenever the free price moves down to within close distance of the official parity figure—on the argument that such transactions give a modest chance of showing a substantial profit without running any risk of loss. The argument assumes, of course, that any reduction in the official price of gold now or in the future is quite out of the question."

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The response to the first issue of the 3½ per cent. National Plan Bonds was encouraging. It is not the fact that the issue was fully subscribed that is the cause for satisfaction, because, being a cash-cum-conversion issue for an amount well within the oustanding of the maturing loan, there was no question of the new loan being not fully subscribed. The real cause for satisfaction is provided by the large cash subscriptions to the new loan. These aggregated as much as Rs. 23.3 crores, an amount which is upto our expectations; we had indicated in these columns last week that cash subscriptions were likely to be between Rs. 20 and Rs. 25 crores. Some observers had pitched their expectations as high as Rs. 45 crores; they may, therefore, feel that the new loan is not such a great success. But those who feel thus are not many. In any case, the Government and the Reserve Bank are fully satisfied with the result of this loan.

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The balance of the new loan not covered by cash subscriptions, namely, Rs. 51.81 crores, was taken up by the holders of the 3 per cent. 1953-55 loan, including the Reserve Bank, by conversion. In the absence of information as to the exact amount converted by the Reserve Bank and the Imperial Bank, it is difficult to judge the extent of response from the public holding the maturing loan. Unofficial estimates place this figure at Rs. 19 crores, but this includes the conversion done by the Imperial Bank also. If this figure is correct, it means that more holders than we expected have elected to receive payment for the maturing loan in cash. According to present indications, it seems that cash repayment of the 1953-55 loan will be of the order of Rs. 10 to Rs. 12 crores. This sum is, however, well within the total cash subscriptions.

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Enquiries made in market circles reveal that the major portion of cash subscriptions to the new loan was accounted for by banks. Five or six of the big banks themselves are reported to have taken up a little over Rs. 10 crores. Although it was clearly evident that the Government's intention in offering a cash-cum-conversion loan was to obtain as much cash as possible, there seems to have been a certain amount of "stagging" in the belief that there would be partial allotment and that the issue would be quoted at a premium soon after the list was closed. This was purely an error of judgment, which no experienced market man would have made. After all, immediately after the announcement of the new loan, the Gilt-edged market became distinctly quiet, with an all-round fall in prices. In these circumstances, it is difficult to understand as to how some expected the new loan to be quoted at a premium. Their calculations having gone awry, the "stags" seem to be in a hurry to liquidate their purchases. Hence, the slight discount of half anna, at which the new loan is being quoted at present.

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The long-awaited debenture issue of the Stanvac Refining Company of India Ltd. is now on the market. The list formally opens on the 15th inst., but, as the entire issue has already been privately subscribed, there is nothing left for the public. The total amount of the issue is for Rs. 4 crores, of which Rs. 1½ crores have been sold in Bombay and Rs. 1 crore in Calcutta. The balance of Rs. 1½ crores has been absorbed by foreign institutional investors—mostly British and Canadian—operating in India. The debenture carries interest at the rate of 3½ per cent. and is repayable by drawings in instalments of Rs. 80 lakhs in 1964, 1965 and 1967 and the entire balance in 1968. The Company, however, has the option to redeem all the debentures on 1st May, 1963, at a premium of 1 per cent. The whole issue has been guaranteed by the parent Company, the Standard Vacuum Oil Company, in the U.S. The issue is so popular with investors that it is already commanding a premium of 2½ to 3 per cent.

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Sugar is in the news again. During the last three months the price of a bag of sugar has shot up by about Rs. 7 to Rs. 90-96½. This gave rise to some speculation about the possible reimposition of controls on sugar. The inordinate delay in the announcement of release orders to sugar factories also provided some basis for this speculation. The delay was clearly inexcusable. At any rate, it was inexplicable. The result is that, despite the release orders to the tune of 1,50,000 tons—had these come earlier the situation might have eased considerably—there are no signs of any decline in sugar prices. All this has roused the wrath of the

(*Continued on page* 1111)

IRREGULAR TREND IN EQUITIES

UNDERTONE QUIET

(From Our Own Correspondents)

BOMBAY, 11*th June*

AN irregularly downward trend in equity values was noted on the Stock Exchange during the week under review. Early in the week, the market suffered a landslide by a wave of selling pressure, brought about by better prospects of peace in Korea, following the Communists' acceptance of the U.N. plan for armistice. The news hit almost all the principal markets in the City, hammering down prices over a wide front. Having suffered the damage thus, the share market remained unaffected when, on Monday this week, the actual announcement came to the effect that an agreement had been signed at Pau Mun Jon on the issue of exchange of prisoners of war. On the contrary, equities regained equilibrium and speculative counters, under the leadership of Tata Deferreds, displayed a rallying tendency from Monday onwards on revival of speculative support and short covering. The firmness in the bullion and commodity markets provided a stimulus to trading in shares. But the rise in share values did not persist long as operators preferred to liquidate their holdings.

The market could not make a decisive pattern in the absence of any sustaining factor. Pending the announcement of the Government's decision on the retention prices for steel, operators showed an apathy to extend commitments. Of course, from a long-term point of view, the Indo-Pakistan and Indo-Ceylon talks, with a view to settling the outstanding issues, are expected to bring about better trade relationships between India and the two countries. The same was also expected of the proposed trade talks between India and Burma. Yet operators preferred to await further progress in this direction. Activity on the Exchange was, therefore, on a restricted scale.

In the steel section, Tata Deferreds nose-dived on Friday last from Rs. 1,915 to Rs. 1,845, but in the recovery which started on Monday they came to touch Rs. 1,906-4 yesterday. With the tapering off of support and intervention of profit-taking at this level, the scrips reacted to close to-day at Rs. 1,887-8. Tata Ordinaries moved down from Rs. 333-8 to Rs. 322-8 early in the week and after hardening to Rs. 333, softened once again to Rs. 329-8 at the close. Indian Irons suffered a setback in early dealings from Rs. 25-9 to Rs. 24-11. It, however, came up to Rs. 25-5 before finishing at Rs. 25-1½.

Textile shares suffered heavy reverses early in the week, and the subsequent recovery process did not result in any consolidation of the gains, as selling pressure pressed down values towards the close. Bombay Dyeings were hammered down from Rs. 393-2 to Rs. 372-8 on Friday last. It, however, came up to Rs. 388-12 yesterday, before being brought down again to Rs. 383-2 at the close. Kohinoors wound up with a loss of Rs. 4-8 at Rs. 300, after touching Rs. 303-12 yesterday, Central Indias dropped Re. 1-8 to Rs. 163-8, Century Rs. 2-4 to Rs. 274-4, Finlays lost as much as Rs. 7-8 to Rs. 322 and Gokaks shed Rs. 3 to Rs. 215-8. Indore Malwas disclosed a loss of Rs. 3-2 to Rs. 93-12 and New Greats of Rs. 3-8 to Rs. 152. Simplex was marked down by Rs. 3 to Rs. 181-8 and Standards were pressed down by Rs. 7-8 to Rs. 306-4. Svadeshis stood at Rs. 250 with a loss of Rs. 2. Swans fell sharply by Rs. 13-12 to Rs. 440. Morarjis moved down by Rs. 6-4 to Rs. 195 and Podars by Rs. 2 to Rs. 127-8.

Bank shares were a quiet feature with widespread fractional losses. Barodas were placed at Rs. 111-8, showing thereby a loss of As. 8 over the week. Central Old were fractionally lower at Rs. 64-4 and their new shares suffered a loss of As. 8 at Rs. 65. Imperial Fully Paids drifted lower by Rs. 2-8 to Rs. 1,865 and the Contributories by as much to Rs. 452-8. Indias eased by As. 8 to Rs. 156-8. United Commercials were, however, unchanged at Rs. 36-4.

Public utility shares were no exception to the general trend. Ahmedabad Electrics reacted to lose Re. 1-4 to Rs. 108-7. Bombay Suburbans lost Re. 1-4 to Rs. 126-4. Surat Electrics dropped from Rs. 133-12 to Rs. 130-10. Tata Hydros shed a rupee to Rs. 150. Tata Powers declined from Rs. 1,511-4 to Rs. 1,498-12. Andhra Valleys moved down by Rs. 5 to Rs. 1,427-8. Their Preference shares, on the other hand, advanced sharply from Rs. 1,162-8 to Rs. 1,188-12.

A general downward trend was visible in the miscellaneous section. Associated Cements were placed a rupee lower at Rs. 171. Belapurs finished with a loss of Re. 1-8 at Rs. 235-8, after having touched Rs. 238 yesterday. Bombay Burmahs were taken down to a low of Rs. 360 from last week's closing of Rs. 375, but finished at Rs. 373-12. B.I.Cs. were quiet at Rs. 8-11. On rumours that an interim dividend would be declared, National Rayons came to be favoured and the shares were lifted from Rs. 99-8 to Rs. 103-8, before closing at Rs. 103-2. Tata Chemicals lost As. 3½ to Rs. 9-5 and Tata Oils As. 12 to Rs. 33. Wimcos receded by Rs. 10 to Rs. 210.

In the transport group, Scindias finished with a loss of As. 4 at Rs. 13-3. Air-Indias were in demand to go up by Rs. 2-8 to Rs. 85-8 and Air-India Internationals by a rupee to Rs. 105. Premier Automobiles were a shade better at Rs. 45-8. Hindustan Motors, however, eased from Rs. 4-10 to Rs. 4-6. In the engineering and mining group, Aicorks were done at Rs. 297-8 *ex-div.*, as against Rs. 317-3 *cum-div.* Premier Constructions shed, on balance, Rs. 2-4 at Rs. 82-4. The termination of the labour strike in Indian Copper Corporation led to a small revival in its shares from Rs. 2-15½ to Rs. 3-0½, but relapsed to Rs. 2-15½. Shivrajpurs dropped Re. 1-4 to Rs. 54.

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Calcutta Stock Exchange

CALCUTTA, 9*th June*

Steady conditions were maintained on the Calcutta Stock Exchange during the week. Gains were confined to selected counters only, and to tea shares generally. The upward movement was arrested by reports of heavy losses on the Bombay market, following the near-conclusion of peace in Korea. The recovery since then was painful, but losses were erased to some extent.

The keen attention shown to tea shares and the investment support in evidence for Dooars and Assam gardens, indicate that the industry has passed the recent crisis, and that there has been a revival of confidence. A large number of transactions took place in jutes, and this was no surprise at all in view of the steadiness in the goods market and doubts regarding the raw jute output this season.

Bank shares were extremely quiet. Imperial Fully Paids receded to Rs. 1,850 from Rs. 1,855, and United Banks were lower at Rs. 3-12. Hindustan Mercantiles at Rs. 10-8 lost As. 4, while Hinds were fractionally better at Rs. 20.

Only nominal interest was provided to coal shares, Western Bengals being steady at Rs. 5-1. Burrakurs were put through at Rs. 10-5, while East Indians eased fractionally to Rs. 24-8 and again to Rs. 24-4. Samlas were unchanged at Rs. 7-8, Dhemo Mains at Rs. 11-4, lost one anna only, Standards at Rs. 20-4 maintained last week's improvement, and Pench Valleys were better at Rs. 21-4.

Tea shares were bought at hardening rates. Sonai Rivers advanced to Rs. 5-15 from Rs. 5-7, New Dooars to Rs. 291 from Rs. 278, and Betjans to Rs. 25 from Rs. 24. There were buyers for Gungarams at the higher rate of Rs. 185, Bishnauths changing hands at Rs. 27-8, as against Rs. 25-8 earlier. In transactions, Teloijans improved to Rs. 10-10 from Rs. 9-14, Dhelakhats to Rs. 11-8 from Rs. 9-10, and Naga Hills to Rs. 13-5 from Rs. 12-4. Other counters that showed advances were Bormahajans, Engos, Tezpores, Murphalanis, Tezpores, Hantaparas, East Indians, Patrakolas, Choonabhuttis, and Gopalpurs. Hanzqua were wanted at Rs. 14-13, Brooke Bonds realised Rs. 11-8.

Jutes were an interesting section, and claimed a good portion of the funds available to the market. A recession set in during mid-week, but the losses were made good in part by a subsequent recovery. Speculative Howrahs opened at Rs. 25-4 and after going up to Rs. 25-6 gave way to Rs. 24-12, but later improved to close at Rs. 25-8. After being higher at Rs. 140, Indias receded to Rs. 136, Reliances remaining steady at Rs. 16-5. Ganges were shown attention at only Rs. 78, while Fort Glosters were lowered to Rs. 347 on profit-taking. Anglo-Indias were lower at Rs. 236-8, Lansdownes at Rs. 147, Naihattis at Rs. 126, and Caledonians at Rs. 171.

There was nothing spectacular in the engineering section, where Indian Irons after falling to Rs. 24-14 from Rs. 25-11, recovered to close at Rs. 25-3. During May, the Company produced 57,180 tons pig iron, 32,850 tons steel ingots and 19,700 tons semis and finished steel. Jessops were steady and taken up to Rs. 26-2 as against Rs. 25-11 earlier. Indian Standard Wagons came to business at Rs. 89, but later declined to Rs. 88.

A number of features was provided in the miscellaneous section. Following news of resumption of work, Indian Coppers were attended at the fractionally improved rate of Rs. 3-1, while Rohtas Industries were systematically pushed to Rs. 10-1 from Rs. 9-11. Digwarrah Rubbers were supported at Rs. 18-8, and Dharbhanga Sugars were raised to Rs. 10-15 from Rs. 10-10. Indian Cables were traded at Rs. 19, Titaghur Papers at Rs. 36-2 being steady.

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Madras Stock Exchange

MADRAS, 9*th June*

The notable event during the week was the partial restoration of the power cut in the Southern districts of Madras and the restoration of full supply in the city of Madras. This did not, however, have any appreciable effect on the sentiment of operators, as it had already been anticipated by the market. Besides, there were no encouraging factors to stimulate activity on the Exchange. Consequently, business done was comparatively low. Off and on the market, however, came in for selective enquiry, particularly in textiles and teas, induced by favourable advices. There was, also, some selling pressure in a few other scrips. As a result, prices generally depicted a sprinkling of both losses and gains, on balance.

Textiles proved the bright spot among the various sections. Coimbatore Pioneers shot up from Rs. 102 to Rs. 108. Cannanores gained Rs. 5 to Rs. 100. Buckinghams firmed up by Rs. 3-8 to finish at Rs. 122 and Bangalore Woollens by Rs. 2-8 to Rs. 252-8. Balasubramanias 'B' gained Re. 1-8 to Rs. 54 and 'A' Re. 1 to Rs. 33. Saradas, however, lost Rs. 4-8 to Rs. 71. Janardanas and Jawhars were slightly lower at Rs. 38 and Rs. 4-10, respectively.

Among plantings, teas came in for some enquiry, on encouraging advices from London. Peermades improved by As. 8 to Rs. 27-8. Chandramalais were higher by As. 2½ to Rs. 2-11. Parksides, however, lost As. 8 to Rs. 13. Ouchterlonys suffered As. 2 to Rs. 3-14. Chembras were fractionally lower at Rs. 2-13½.

Rubbers were comparatively better. Nilamburs gained As. 2 to Rs. 9. Be Bes were higher by As. 1½ at Rs. 1-15½. Velimalais and Pullangodes improved by an anna each to Rs. 2-6 and Rs. 2-7, respectively. Mercaras, however, lost As. 2 to Rs. 3. Cochin Malabars receded by an anna to Rs. 6-6. Rajagiris were slightly lower at Rs. 10-6.

Coffees were steady. Nil Neergundis improved by As. 4 to Rs. 3-12. Consolidated Coffees gained As. 2 to Rs. 18-4 and Coffee Lands an anna to Rs. 10-10. Rajendras, however, lost As. 8 to Rs. 7-4.

Among miscellaneous scrips, Guntur Electrics shot up from Rs. 90 to Rs. 99. Cochin States gained As. 3 to Rs. 8-14. Travancore Sugars improved by As. 6 to close at Rs. 5. India Cements were up by As. 2 at Rs. 16-4. Mysore Glass and Enamels, however, fell by As. 8 to Rs. 4 and Bruntons by As. 2 to Rs. 3-1. Mysore Stonewares were unchanged at Rs. 10. The Directors have announced a dividend of 7½ per cent. for the year ended 31st March, 1953, as against 10 per cent. in the previous year.

Notices

KAMANI ENGINEERING CORPORATION LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Seventh Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, Kamani Chambers, Nicol Road, Ballard Estate, Bombay, on Friday, 26th June, 1953, at 4 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Profit and Loss Account and Balance Sheet for the year ended 30th September, 1952.
2. To declare dividends on Preference and Ordinary Shares.
3. To elect a Director in place of Shri Nyalchand Moolchand Sheth who retires by rotation and is eligible for re-election under Article 120 of the Articles of Association.
4. To elect a Director in place of Major General Shanta Shumsher Jung Bahadur Rana who retires by rotation and is eligible for re-election under Article 110 of the Articles of Association.
5. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from 13th June, 1953, to 26th June, 1953, both days inclusive.

By Order of the Board.
For KAMANI BROTHERS LIMITED,
R. KAMANI,
Director,
Managing Agents.

BOMBAY, 21*st May*, 1953.

Note.—The dividends, if sanctioned, will be paid at the Company's Registered Office at Kamani Chambers, Nicol Road, Ballard Estate, Bombay, on and from Monday the 20th July, 1953, to those shareholders whose names stand on the Company's Register on the 26th June, 1953.

THE CALCUTTA TRAMWAYS COMPANY, LIMITED

(Incorporated in England)

NOTICE IS HEREBY GIVEN THAT THE Preference Shares Transfer books will be closed from the 17th to 30th June, 1953 (both days inclusive), for the preparation of Dividend Warrants in respect of the Interim Dividend of 2½ per cent., less Income-tax, payable on the 1st July, 1953, on account of the profits for the year ending 31st December, 1953.

By Order of the Board,
A. C. T. BLEASE,
Agents.

P-4, MISSION ROW EXTENSION,
CALCUTTA, 9*th June*, 1953.

NEWS IN BRIEF

THE Bhakra and Nangal projects are expected to serve electricity to Rajasthan on two points at Ganganagar and Rajgarh in Bikaner Division by next year.

Fifty-seven per cent. of the 74.67 million acres in India under paddy in 1952-53 was accounted for by the States of Bihar, West Bengal, Madras and Orissa.

The West Bengal Government has reintroduced a system of modified rationing as a result of increased distress in some parts of the State. More than nine lakhs people have been brought under rationing.

The first stage in the construction of the dam across the Tungabhadra at Mallapuram will be completed by the end of this month. It has been decided to open the reservoir on 1st July for irrigation.

The Union Food Minister has proposed to take measures to bring down the prices of sugar, by which the Government can requisition sugar stocks at a given price in different areas and sell them to consumers at a fixed retail rate. He does not propose to reimpose controls.

It has practically been decided to take up the Tungabhadra Hydro-electric Project, but the point that remains to be settled is whether it is to be included in the first Five-year Plan or the second. The matter is engaging the attention of the Government of India and the Planning Commission.

The Government of India has decided to withdraw the dearness allowance granted to those of its officers drawing salaries exceeding Rs. 1,000 per month in three stages spread over two years, subject to necessary marginal adjustments. This will involve a saving of about Rs. 40 lakhs to the Central Exchequer.

The Railway Board has approved of the construction of the Kandwa-Hingoli metre-gauge line. This line, when built, will provide a through connection between Bhatinda in Patiala in the North and Trivandrum and Tuticorin in the South. The proposed link is 187 miles long. The total cost of the link is estimated at Rs. 7 crores.

The Government of India has invited 45 countries to take part in the International Exhibition of Low-cost Housing which will be opened in New Delhi next winter. Private firms and associations connected with house-building abroad are also being contacted to secure their participation. The exhibition will be the first of its kind in the East.

The Madras Government has restored in full the cut in power supply in Madras City and in part in the southern districts. A 50 per cent. cut is operating now on all but essential services. This will be reduced to 25 per cent. This follows the improvement in water storages of the three hydro-electric reservoirs in the State.

Inadequate transport facilities during the last six weeks are reported to have created a "grave situation" in respect of supplies of cotton and coal to textile mills in Ahmedabad. In a statement to the Press, the Ahmedabad Millowners' Association has urged the Railway Ministry to expedite the movement of cotton and coal to Ahmedabad to avert the "avoidable unemployment" of textile workers.

Consequent on the fall in the price of spelter, the controlled selling prices of galvanised, telegraph, signal and barbed wire produced by the Indian Steel and Wire Products Ltd. have been reduced with effect from 1st June, 1953. The reduction in price is Rs. 80 per ton in the case of tested wire and Rs. 50 per ton for untested wire.

The Pharmaceutical Enquiry Committee will hold its third meeting at Hyderabad on the 22nd June, 1953. After visiting some of the pharmaceutical establishments at Hyderabad and holding discussions with the representatives of the State Government and other interested parties, the Committee will proceed to Bangalore, the Nilgiris and Madras for studying the present conditions of the pharmaceutical factories in these places. During its stay at Hyderabad, Bangalore, and Madras, the Committee will have consultations with the State Governments and associations of industries and trade.

The Government of India has extended the date of suspension of the operation of clauses 25 and 26 of the Cotton Textiles (Control) Order, 1948, from the 30th inst. up to 30th September, 1953. The effect of this decision is that mills and dealers will continue to buy or sell or have in their possession time-barred cloth or yarn in packed or open condition till the 30th September, 1953. Dealers can dispose of time-barred cloth or yarn in loose condition without getting it T.C.B. stamped by State Textile Controllers. Dealers can also dispose of any T.C.B. stamped cloth or yarn, even though the time limit for disposal of such cloth or yarn has expired.

The Governments of the U.S. and India signed, last week, two supplementary operational agreements under the supplementary Indo-U.S. Technical Co-operation Agreement of November, 1952. One of the agreements seeks to provide technical assistance, equipment and supplies for the Chambal River Valley Project and the Pathri Power Plant of the Ganga Canal; the joint cost of these projects will be $1,669,873 and Rs. 1 crore. The other agreement relates to a project for the establishment of a Central Labour Institute in India. The contribution of the U.S. Government will be $100,000 and that of the Government of India Rs. 5 lakhs. With the signing of the two agreements, the entire sum of $38.35 million, provided by the U.S. Government under the supplementary Indo-U.S. Technical Co-operation Agreement of November last, has now been allocated.

The Central Board of Revenue, Union Ministry of Finance, has brought out a small booklet entitled *How to Fill in Your Return of Income*. Printed in a dozen regional languages, this booklet of official instructions is intended to help the taxpayer in preparing his return. It summarises the important requirements of the income-tax law and rules and draws the assessee's attention to exemptions and deductions to which he may be entitled and which may reduce his tax. Apart from explaining when and where a return is to be filed, this "guide book" contains precise information on the rights of appeal and the way a return is to be filled. It gives definitions of technical words relating to income-tax, which should help in obviating some of the common difficulties that a taxpayer usually encounters. A copy of the booklet can be obtained free on request by any assessee from his Income-tax Officer.

The Bombay Agricultural Produce Markets (Amendment) Act, 1953, and the Bombay Land Acquisition (Bombay Amendment) Act, 1953, have been published in the *Bombay Government Gazette* of 6th June, 1953. The Agricultural Produce Markets (Amendment) Act redistributes the seats on the Market Committees among the various constituencies, so as to give increased representation to agriculturists. Further, it modifies the procedure for acquisition of land for the market yard, so that such proceedings can be started by the Government on its own behalf, and even completed, if possible, before the Market Committee is established. The Land Acquisition (Bombay Amendment) Act amends the definition of "public purposes," so as to include acquisition of land for the purposes of the development of areas and the subsequent disposal of the land with the object of securing further development. It also empowers the Government to take immediate possession of land required for the maintenance of road communications in an emergency and in connection with emergent works caused by breaches in rivers, channels and tanks.

* * * *

From Abroad

The Japanese Government is reported to be seriously considering relaxation of regulations governing foreign investment.

The world's airlines flew more passenger miles in 1952 than in any previous year, while maintaining the best world-wide safety record in aeronautical history, according to the International Civil Aviation Organisation.

The U.S. has slipped from the position it held at the end of last year as the leading exporter of cotton textiles, according to the President of the Textile Export Association. Both the U.K. and Japan have moved ahead of the U.S. and India has become a "vigorous runner-up," especially in Africa and the Far East.

The British Board of Trade has announced that imports at the rate of one ton of linseed oil (or three tons of linseed) for every two tons of linseed oil bought from the Ministry of Food will be allowed from 1st July, 1953, and will continue until further notice. Imports of linseed and linseed oil can be made from any source.

The freezing of the general interest rate at its present level and continued credit restrictions for another year were decided upon by the Swedish Riksdag in a recent debate on the Government's economic policy. The Liberal and Conservative Party leaders favoured an increase in the general interest rate.

Post-war expansion of the U.S. steel industry has increased mill capacity by 26,000,000 tons. The estimated 1953 capacity of the industry is more than 117,500,000 tons. Additional capacity installed since World War II alone is more than two-thirds of Soviet Russia's annual steel production, according to the American Iron and Steel Institute.

Republican leaders in the U.S. Senate have agreed to withdraw an amendment to the State Department Appropriations Bill which would bar U.S. financial aid to the United Nations if Communist China is admitted to membership. The decision has been reached at a White House conference between President Eisenhower and key Congressional leaders.

The Economic Planning Committee of the Ceylon Cabinet has recommended the lifting of the ban on exports of scrap iron, which was imposed six years ago. The ban was originally imposed with a view to conserving raw materials for a Government steel rolling factory. Before the ban was imposed, Britain Japan, India and European countries were the principal buyers of scrap iron.

The U.S. Government has signed a contract with a private company of Tucson (Arizona) for the production of 12.96 million lbs. of refined copper over a three-year period. The Government will buy the refined copper at 31 cents per lb. f.o.b. Middle Western markets. The Government will lend the company upto $473,665 which is repayable over 4½ years. The company itself will spend $90,000 on the project.

With effect from 10th May, 1953, considerable reductions have been introduced in the rates for special goods on all K.L.M. freight services between Europe and the United States. These reductions range from 55 per cent. to 60 per cent. and they apply to certain goods on specified routes, when they are shipped in consignments of over 100 lbs. This involves more than 140 special rates for articles, such as clothing, leatherware, pharmaceuticals and chemicals, microscopes, cameras, etc., to stimulate air freight traffic between Germany, Italy, Austria, Switzerland and the U.S.A.

A syndicate of leading Swiss banks has offered for public subscription an issue of Swiss franc bonds of the International Bank for Reconstruction and Development. The issue, which is for a sum of Sw. fr. 50 million (approximately $11.5 million), is known as 3¼ per cent. Swiss Franc Bonds of 1953 and will be redeemed on 1st July, 1968. The issue price is at 99 per cent., to give a yield of 3.59 per cent. The list was open for subscription on the 10th inst. and will be kept open till the 16th inst. inclusive. This is the third public offering of World Bank bonds in Switzerland. The first, made in July, 1951, was for Sw. fr. 50 million at 3¼ per cent. with a maturity of 12 years. The second was made in November, 1952 and was for Sw. fr. 50 million at 3½ per cent. with a maturity of 10 years.

PERSONAL

DR. Alberto Berio, Italian Ambassador to India, presented his credentials to the President on Friday last week.

Mr. Luang Bhadravadi, Thai Ambassador to India, presented his credentials to the President on Monday this week.

Mr. D. Freeman, an expert in foreign exchange banking, who was associated with one of the "Big Five" of Britain for several years, has arrived in Bombay to organise the foreign department of the Canara Bank Ltd.

Mr. L. C. Jain, Director-General of Civil Aviation, Government of India, left for the U.K. last week to attend the triennial meeting of the Assembly of International Civil Aviation Organisation to be held in Brighton on the 16th inst.

Mr. P. E. Fielding, Bombay Manager of the North British and Mercantile Insurance Co., Ltd., will retire from service on the 30th inst. He will be succeeded by Mr. R. W. Cole, now attached to the Calcutta Office of the Company.

Mr. M. S. Thirumale Iyengar, retired Chief Engineer of the Tungabhadra Project (Madras), has been appointed as full-time Chief Engineer, Hirakud Project. Mr. Iyengar will relieve Mr. Kanwar Sain, I.S.E., Member (Designs), Central Water and Power Commission, of the additional charge.

Mr. Horace Holmes, Head of the Agricultural Division of the U.S. Technical Co-operation Mission in India since its beginning, has been promoted to the newly created post of Regional Agricultural Adviser for South Asia. He will continue to have his headquarters in New Delhi and will make available to other countries in South Asia, as well as India, his large experience with American and Asian agricultural problems.

OBITUARY

Mr. E. S. Joel

We regret to record the death of Mr. E. S. Joel, Manager for India of the Baloise Marine Insurance Company, Ltd., on Thursday last week. A well-known figure in insurance circles, the late Mr. Joel started his career in the Bombay Life Assurance Company, Ltd., and before he was appointed Manager for India of the Baloise Marine Insurance Company, Ltd., of Switzerland, he held the post of General Manager of the Jupiter General Insurance Company, Ltd.

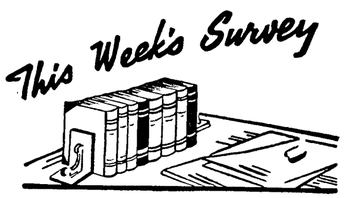
"COMMERCE" 1928

FROM OUR FILES OF TWENTYFIVE YEARS AGO

CALCUTTA, 23*rd June*

Indian Trade Mission

While India is a potential market for many of South Africa's staple products, particularly coal, wattle-bark and citrus fruits, it is equally certain that the Union of South Africa is capable of absorbing a much greater proportion that at present of Indian manufactures. Hence there is every reason to believe that the visit of the mission to South Africa will be of mutual benefit to both countries. And the time may come—sooner than later—when South Africa will be able to send a similar delegation to India. Statistics show that India sends more goods to South Africa than she imports from the Union. While it is true that South Africa has been saved by its minerals, it is not unreasonable to expect that more development will be made in agriculture. South Africa is a great fruit-growing country and India with her huge population can certainly grow a great deal of that produce. Of course, London is a better market for first grade produce; but India can take second and third grades. The season for fruit in the two countries differs and it is opined that importation into this country of South African fruits will be hailed with delight by the large number of vegetarians we have. Sugar is another commodity that is likely to find a ready sale in India. Natal last year had an exportable surplus of 100,000 tons, which could be readily consumed in India which paid customs duties of £5,000,000 on sugar alone last year. This is certainly an indication of the amount of sugar used by the people of India. There is none, however, bold enough to hold out much hope for South African coal in India, which has not had sufficient markets for her own coal; but she can use wattle extract from South Africa instead of wattle-bark. India, on the other hand, can send more gunny bags and cotton textiles than she does at present. The value of the Union's annual cotton imports is in the neighbourhood of four million pounds sterling, of which India's share is only £40,000. There is also room for development in tea, coffee and teak.



MAHRATTA CHAMBER OF COMMERCE

IT is hardly surprising that Mr. G. L. Natu, President of the Mahratta Chamber of Commerce and Industries, should have devoted so large a proportion of his address, at the recent annual meeting of the Chamber, held at Poona, to a discussion of the measures that are necessary to relieve famine conditions in Maharashtra. This region, otherwise well endowed by nature, has been the scene of recurring famines. Indeed, if the region were enabled to augment its agricultural output through a systematic exploitation of its water resources and power potential, it should not be long before Maharashtra becomes the granary of the Deccan. It is well known, for instance, that the region could, if it were suitably developed, supply the sugar requirements of the entire country. And yet, for want of adequate irrigational facilities, the living standards as well as industrial and agricultural output of Maharashtra have continued to remain, for several decades now, at a low level. Although the Koyna multi-purpose project has found a place in the Five-year Plan, there are quite a few projects, such as the Vir dam, Khadakwasla dam, Kuhadi Valley project, Mula Valley project and Girna Valley project, which find no place therein. Mr. Natu rightly urged that the Government should tackle the "problem of recurring famines in the Deccan" without delay. Whether he meant it or not, the emphasis here should fall on the word "Deccan," for Maharashtra's problem must be treated as part of the problem of the Deccan, of which it is an important region. Famines know no man-made bounds and cut across linguistic frontiers. The economy of the Deccan region deserves to be treated as a whole, so that the common problems, irrespective of the political divisions of this region, might be subjected to a simultaneous attack.

Maharashtra has a large powerloom industry. Mr. Natu showed the inherent inconsistency in the Government's industrial policy when he pointed out how it was trying to protect the handloom against powerlooms. He quoted approvingly from the Planning Commission's Report which states that the handloom industry should be encouraged to take advantage of power. He pointed out that handlooms and powerlooms were only two sections of the independent weaving sector of the textile industry. He deplored that a "cleavage" should have been created between these two sections. He quoted figures to show that powerloom could not be a danger to the handloom industry, since the number of powerlooms was only 24,000—or roughly equivalent to about 72,000 handlooms in production capacity—as against the 28 lakhs handlooms in the country. It is a pity that, in its anxiety to protect the handloom industry, the Government should have offended not only the mill industry but also the far less influential rival, the powerloom industry. It looks as though all technical progress is suspect in this country.

In his inaugural address at the meeting, Mr. Pranlal Devkaran Nanjee gave yet another exposition of the doctrine of *swadeshi*. He has, as is well known, done much to revive and foster this movement. He said that the country is "losing the battle in the economic sphere to the extent that the zeal and missionary devotion to the cause of *swadeshi* have been on the wane." He held that the *sine qua non* of the success of the *swadeshi* movement lay in ensuring ready consumption of goods and services which are truly national. Nor did he confine the scope of the movement to the industrial sphere alone; he urged that encouragement should be given to Indian services in the sphere of banking, insurance and shipping. But he did not advocate economic autarchy, for he made it clear that he was not oblivious of the fact that no country could live in isolation. But he was sharply critical of Government's action in permitting the setting up of new foreign-owned units or the expansion of existing foreign-owned units in lines of manufacture, such as soaps and tooth paste, in which the Indian-owned units had already made significant progress. We feel that a line should be drawn between foreign-owned units already operating in India and new units, and that, whatever be the justice of the criticism in respect of the Government's attitude towards new units, it seems hardly fair to suggest that foreign-owned units already operating in India should be arbitrarily prevented from enlarging the scope of their activities by using Indian labour, Indian resources—and, as is often the case, Indian capital as well.

MANGALORE PORT

The reported decision of the Government of India to develop Mangalore into an *all-weather* port is welcome. At present, the Port has practically to remain closed for four to five months during the monsoon season when the sea at the anchorage is too rough for the handling of cargo and passengers. The Government's decision, when implemented, will, therefore, help increase the traffic of the port and reduce congestion at Bombay and Cochin. An important port under the control of the Principal Port Officer, Madras, Mangalore ranks next to Tuticorin in the volume of trade handled.

It is true that the decision falls short of the demand that Mangalore should be developed into a major port. Adverse marine conditions in the port explain why the West Coast Major Port Development Committee rejected the claim for the development of Mangalore as a major port. Mangalore suffers from all the disadvantages of a river mouth; it lies at the confluence of the rivers Netravati and Gurupur. It is feared that it may not be possible to maintain a deep dredged channel through the bar that forms at the mouth without excessive expenditure on maintenance dredging. The question, however, is receiving the attention of the Hydraulic Research Laboratory at Poona. The rejection of Mangalore as a site for a major port should not, therefore, be regarded as final. It may be so developed if, in the opinion of the Hydraulic Research Laboratory, a dredged channel could be maintained at Mangalore at economic cost.

The Central Water and Power Research Station has constructed a model of Mangalore port and investigations are in progress to solve the problems in planning the harbour as an all-weather port. When Mangalore is developed into an all-weather port, it will serve not only its immediate hinterland but the whole of Karnatak, including Mysore, and other regions, which are exporters of cashewnuts, cardamom and other valuable materials. Mangalore port could command a larger trade if Mysore were linked with Mangalore through rail via Chikkamagalur. At present, Mangalore is ill-served by roads also from the hinterland.

Little is known about the finances required for the development of Mangalore into an all-weather port. At present, Mangalore is under the jurisdiction of Madras State and it will continue to be so even after it is converted into all-weather port. The State Government has not made any provision in its budget for the improvement of this port on the lines implied in the Centre's decision. Further, the financial position of the State is not comfortable and will be still worse after the formation of Andhra State. In these circumstances, the Centre's decision will only remain on paper, unless it assumes financial responsibility for developing the port into an all-weather one and adjusting the account with the Madras State later, when circumstances are more favourable.

JAPANESE ECONOMY

Since Japan has come to occupy, once again, a predominant place in the world economy, particularly in the sphere of trade, any change in the economic situation of that country is bound to influence events on the world front. It is no wonder, therefore, that the developments in the Japanese economy are always watched with considerable interest by industrialists and business men the world over. The interest has, of late, gathered momentum, with the note of bleak economic outlook for Japan struck by the Economic Counsel Board—the Japanese Government's top advisory body—in its forecast made recently. Japan, it is stated, must face, during the next five years, a fall in the living standards, an increase in unemployment and a crisis of "market limitation" for exports. This view is reported to have been endorsed by most of the leading lights of Japanese industry who have all along been urging the authorities to adopt a planned economy, independent of U.S. help and windfalls from the Korean war.

The Board's note of pessimism is based on a few assumptions. First, the U.S. defence spending will be cut from 1955 onwards, which means that exports from Japan to that country will be adversely affected. Secondly, Japan's trade with Communist China will not increase on the scale anticipated by the majority of business leaders, who are fretting at the disadvantages, which they believe they are suffering, as a result of the U.K.'s efforts to build up East-West trade. Further, the world demand for textiles will fall sharply, as consumer countries become more self-sufficient. The demand for iron and steel also will be lower. "The world," to quote the Board, "is probably already over-producing raw cotton, iron and steel, and other metal products. Japan will reach a limit of practicable trade expansion in the export of plant and equipment and shipping. The machinery industry has no hope of meeting German and European competition, unless drastic rationalisation in methods is enforced. . . . Japan's prospects for trade development in South-East Asia will be measured in terms of U.S. and Colombo Plan aid to that region and governed by the ruling prices of raw materials, now declining and reducing the already low purchasing power of the whole area."

The Board fixes the maximum level at which Japanese exports will stabilise at the end of five years at $1,400 million; the export target for the current fiscal year is an optimistic $1,200 million. The income from invisible trade is expected to decline to $400 million by 1958—half of the present income—as a result of Japan's dwindling international accounts. The decline follows a downward revision in the annual expenditure of the U.S. in special procurement orders, from $780 million to $200 million.

In view of these circumstances, the Board maintains that the estimated amount of investment within the framework of a balanced budget will not be enough to meet the demand. It, therefore, clearly points out that there is no alternative but to rely upon foreign investments or to raise funds by bond flotation. In this connection, the Board urges the adoption of certain measures, the most important of which are:

(1) The current Five-year Plan—designed to reduce rice imports by 600,000 tons per annum, together with dairy products—should be extended and developed at the risk of *austerity and hardship* (italics ours).

(2) There should be still greater concentration on production of chemical fibres to cut back imports of raw cotton and wool.

(3) There should be a shift from coal to hydro-electric power and more intensive study of the supplementary uses of petroleum, natural gas, fuel wood and charcoal as sources of energy.

(4) More workers must be laid off, as the policy of essential streamlining of industry progresses.

(5) The Government should try to meet shrinkage of world markets with a subsidy policy and other measures.

These are indeed very pertinent suggestions and it remains to be seen how far they will be implemented. The Japanese industry, at any rate, has realised the gravity of the situation, as witness some of the earnest steps it has already taken. The industry is, for instance, redoubling its pressure for domestic action to modernise equipment and methods of production, with the simultaneous sacrifice of labour standards introduced at the time of the occupation, to reduce inefficiency and production costs throughout the industry.

SPECIAL BRANCH AND SHELTERED INDUSTRIES

The spate of complaints against the protected and other industries in India which enjoy a sheltered market, has led the Government of India to set up a Special Branch in the Ministry of Commerce and Industry to deal with these industries. The Special Branch will be assisted, in the work of investigation into the behaviour of these industries, by a number of officers in important industrial centres who will undertake economic intelligence work and make a special study of market trends apart from carrying out any investigation that might be necessary. The officer-in-charge of the Industrial Intelligence Section, Ministry of Commerce and Industry, will receive complaints and representations about these industries, accompanied, as far as possible, by documentary evidence.

Industries, protected or otherwise, are known to have taken advantage of sheltered markets. Grant of protection to an industry is often followed by a rise in prices of the production of that industry, deterioration in quality and/or shortage of supplies. It may be mentioned here that under section 13 of the Tariff Commission Act, 1951, the Tariff Commission is required *suo motu* to make enquiries where a protected industry is taking undue advantage of the tariff protection granted to it. But the scope of the Tariff Commission's work in this sphere is confined only to industries for which it has recommended protection. It does not cover many other industries which on account of the exigencies of foreign exchange, do not face any serious competition in the home market. Consequently, the Government feels that it is desirable to have a suitable machinery for taking quick and effective action, whenever there is a genuine and justifiable complaint, and hence the setting up of the Special Branch mentioned above.

The appointment of suitable candidates to this Special Branch, however, gives rise to certain issues. It is stated that this agency will be required to take necessary action even in the case of the protected industries. This means duplicity of work, as there is already an agency, namely, the Tariff Commission, to attend to this work. And the Commission's staff, with its experience of conducting investigation, could certainly act more effectively and speedily than the Special Branch now set up by the Ministry. Secondly, the Commission's vast experience in investigation work entitled it to be a comparatively better equipped body to deal even with industries which are outside the scope of its work as laid down in the Act referred to above. While it takes a long time for the Special Branch of the Commerce Ministry to know the technique of the job on hand, the Commission's staff, with some reorganisation, could be trusted to perform, more expeditiously and with greater facility, the function now sought to be given to the Special Branch of the Ministry. If the Commission had been allowed to handle the job it would not only have enhanced the prestige of the Commission, but also its knowledge of the industries it protects. It would also have saved expenditure on maintaining two agencies for carrying out very nearly similar functions. The establishment of the Special Branch might conceivably lead to duplication of duties. The Branch might, in effect, sit in judgment over the Commission's wisdom in granting protection to certain industries.

CENTRAL LABOUR INSTITUTE

The proposal to establish a Central Labour Institute, at Bombay, to deal with problems relating to labour welfare, is a step in the right direction. In fact, it fulfils a long-felt want. It will help tackle the problems of growing physical and mental strain caused by modern mechanisation of production in factories. Experience has shown that the strain caused by work in these factories under unwholesome conditions has the effect of weakening the morale of the worker and, thereby, reducing considerably his productive capacity.

The Institute is expected to conduct research on problems relating to labour welfare, and impart specialised training to labour welfare officers in industrial welfare problems. Thus, it answers the call of the All-India Council of Labour Welfare Officers, at its meeting, held in Bombay two months ago, for the establishment of a similar institute. This Institute will further provide facilities for trade unionists by assisting them in the organisation of periodical courses in techniques of management of trade unions, bargaining methods and other aspects affecting labour. It is also expected to serve as a common meeting ground for Government, management and labour groups for the purposes of discussions relating to their respective roles in an atmosphere free from the usual stress and conflict. The Institute will thus be a comprehensive one. But its success will depend on the type of personnel it is equipped with. Such an Institute will be of utility to the nation only if persons connected with it approach labour problems with a religious zeal.

The founding of this Institute is made possible by the contribution of $100,000 by the U.S. Government and Rs. 5 lakhs by the Government of India. These contributions form part of a supplementary operational agreement entered into between the U.S. and the Indian Governments under the Indo-U.S. Technical Co-operation Agreement last week.

OFF THE RECORD

(By "ROVER")

THE longer one lives, the more is one liable to be disillusioned. For long years, I had laboured under a mistaken belief that Mr. K. G. Milne of Killick Industries, apart from being a man of the world, was a shrewd business man, who knew what was what. After reading his speech to the shareholders of the Surat Electricity Company, in his capacity as Chairman of this concern, I was under the painful necessity of revising my earlier impression. Mr. Milne now appears to me to be afflicted with the inconvenient and somewhat uncomfortable faith of a simple, God-fearing and law-abiding man, which, in these days of awakening and enlightenment, is not to be found even amongst missionaries or fervent advocates of jail reform. I found myself wishing, as a friendly critic of the business community, that Mr. Milne had not betrayed such remarkable naivete when he was presiding over what was an essentially business meeting and not an annual convention of monks of some ancient and celebrated religious order.

What irritated me most in Mr. Milne's speech was his child-like assumption in the goodness and efficiency of our Congress Governments. But for such an unwarranted assumption, he would not have been shocked at the Bombay Government's exceeding their original estimate of Rs. 70 lakhs for a thermal electric power station at Utran near Surat, by a paltry sum of thirty to forty lakhs of rupees. In the first place, this excess of only about 50 per cent. in cost over the initial figure was only a flea-bite, as compared with the huge additions in the estimates at the time of every revision in the case of the Damodar Valley, Hirakud and other multi-purpose projects, even before the work on these had hardly shown any progress. Nobody knows till this day what these are going to cost ultimately and when they are going to be fully in commission.

In the face of this, the achievement of the Bombay Government in the case of the Utran power station is something highly commendable. As to the little delay of only about four years in the execution of the work, anybody, who has even the slightest acquaintance with the ways of officialdom in such matters, should feel like shouting with joy at the fact that it was really completed and that, unlike the project for manufacturing prefabricated houses, this power house should actually supply electric power. Anyone more sophisticated than Mr. Milne and less of an idealist where Governments are concerned would have complimented the late P.W.D. Minister and his subordinates on the extraordinary efficiency and economical management they displayed in the execution of this work of public utility of such vast magnitude. In view of the fact that it was in the power of the former, in his capacity as the Finance Minister, to facilitate the reduction in the rate charged by the Government to the Company for the bulk supply of power to it, a man more worldly wise than Mr. Milne would certainly have taken this line instead of the critical attitude adopted by him.

I consider it highly unfair on the part of successful and experienced business men to subject official undertakings in the public sector in the matter of efficiency, economy, business integrity and quality of service to consumers, to a comparison with capitalist enterprise. How can there be any comparison between cabbages and kings? Are we not taking too much for granted, to begin with, in expecting Ministers and bureaucrats to be equally businesslike, efficient and economical as seasoned business men? If they were so, if they were capable of building up an industry on a paying basis, on a basis which would earn a fortune for them, most of them would not have opted for a political or administrative career.

Besides having to fight against this initial advantage of natural gifts, training and outlook, our poor politicians and officials are further handicapped in the race at almost every stage. As against a private industrialist confined to work with limited resources of capital, which serves as an incentive to economy and efficiency, Ministers are required to work with a plethora of funds. If these prove inadequate, they could always raise more by imposing new taxes or increasing the yields from existing ones. As if this were not enough to lead them astray and to tempt them into extravagance about the capital cost of their industrial undertakings, we expect them to produce the same results in running these concerns under the crippling conditions of a State monopoly.

Virtually robbed of the invigorating air of competition from rival concerns, which lends a keen edge to a man's ability, deprived of the spur to inventiveness and exercise of imagination which, working within a strictly limited price range, imposes on a private producer, it is cruel to expect Ministers and State executives, to supply cheap service to the community. In my opinion, the dice are loaded far too heavily in favour of the private sector and Mr. Milne started with altogether wrong premises and untenable axioms and postulates when he entered upon an evaluation of the work of the South Gujerat Grid of the Government of Bombay. I, however, grant that he did so unwittingly, without malice, circumscribed as he was by his experience of the working of purely capitalist concerns of standing and experience.

I find Mr. Milne equally guilty of unjustifiable naivete in his criticism of the Bombay State authorities with regard to discrimination in the price charged for power. Mr. Milne's complaint was that the Surat Electricity Company was charged at a higher rate of tariff for power supply than certain other consumers. He characterised this as preferential treatment, which was expressly forbidden under the laws governing generating and supply of electric power. He also considered it as contrary to all tenets of commercial practice and fair dealing. Here again, he starts with wrong assumptions and, therefore, naturally arrives at conclusions which are not valid. If Mr. Milne was sitting in judgment over a sister capitalist concern, his castigations would be perfectly valid and well-deserved and even the politicians themselves would have supported him.

But Mr. Milne has no right to apply "tenets of commercial practice and fair dealing" to purely non-commercial and political activities of a Government. It has taken decades, if not centuries, for the business world to evolve these norms and standards of business behaviour. Honesty and integrity might be essential where markets have to be won and customers to be kept satisfied. The goal in politics is not wide markets and numerous customers but large blocks of votes and it is perfectly in keeping with political practice and fair dealing, as distinct from commercial, to tilt the scales in favour of consumers who command a large number of votes. If Mr. Milne had been aware, as I am, that the Government of Bombay believes in requisitioning supplies for its use at considerably lower rates from producers and suggesting to them to make up any loss suffered by them from other sundry consumers by charging them higher than the fair price, he would not have been taken aback at this Government charging one price to one set of consumers and prescribing a lower tariff for another.

All may or may not be fair in love and war but this proverb holds good so far as politics in our democracy is concerned. And as to Mr. Milne's reference to the ban on preferential treatment in the body of legislation regulating marketing of electricity, this was obviously meant for the private sector operating in the field of public utility and could not be binding on official undertakings, which have always to work with one eye on general elections. I may inform Mr. Milne that this is not the only case of its kind. Such discriminatory treatment is already in operation in the case of irrigation charges in Maharashtra, where sugar factories are charged a much higher rate for water supplied to them for their sugarcane plantations than the private cultivators of cane. Just as there is a fundamental difference between business ethics and the ordinary citizen's unwritten code of behaviour, there is a wide gulf which demarcates the concept of commercial integrity from what is euphemistically called political morality, but which in essence is not far removed from the law of the jungle in all its crudity and rawness.—*All Rights Reserved.*

COTTON RESEARCH IN SOUTH AMERICA

MANY INTERESTING LESSONS FOR INDIA

(From A Special Correspondent)

NEW DELHI, 10*th June*

DELHI LETTER

THE steady increase in the consumption of indigenous cotton by the mills during the last few months must by now have bestirred the Government of India's Agricultural Ministry to a fresh appraisal of its cotton production policy for the next few years. With cloth production by the mills now exceeding 5,000 million yards rate per annum, the intake of Indian cotton by the mills is now nearing the annual rate of 39 lakh bales, with possibilities of a further rise. Allowing ex-factory cotton consumption at about 2.75 lakh bales and exports of short staple cotton at about five lakh bales per annum, the minimum output required is about 46.75 lakh bales. Since imports of long-staple foreign cotton at about 10 to 12 lakh bales per annum during the last few years, valued well above Rs. 100 crores per annum, have been acting as a great drain on the valuable exchange resources of the country, it has become imperative for Government to take special measures to intensify the output of better staple cotton, so that it could reduce the quantum of foreign cotton imports. Taking into account all these facts, a production of about 55 lakh bales for the Indian Union cannot be considered excessive because there is always a good potential demand for Indian short-staple Oomra and other varieties from Japan, Europe, etc. The target production of 42 lakh bales set by the Planning Commission has now become woefully out of date and has to be radically revised in an upward direction.

The increase in cotton output can be quickly brought about by bringing more land under irrigated cotton, by using intensive methods of cultivation such as the use of fertilisers, etc., and also by planting improved varieties evolved by the research section of the Central Cotton Committee. Although definite improvement in cotton production can only be brought about in this country by the extension of irrigation, greater attention should also be paid to the research side, for it is only by doing so that a gradual reduction in the quantum of long-staple cotton imports might be possible. It may be noted that, until the Partition, a substantial portion of the funds allocated towards cotton research was spent in the present Pakistan area and that only during the last three or four years, the Government has begun to evince increasing interest in cotton research in the country.

Although it was suggested about three years ago that an expert delegation should be sent to South America in order to study the method and manner of cotton research in that part of the world, particularly in regard to the perennial cotton tree, no such body has been sent there for purposes of utilising the experience gained by that sub-continent in this direction for the benefit of improving both the quality and quantity of cotton production in India. The publication, *Cotton in South America*, by Mr. Frank D. Barlow, Jun., of the National Cotton Council of America, gives us interesting details in regard to the progress of cotton research in that country, a study of which will not only provide inspiration but also throw fresh light on the research workers in cotton in this country.

Cotton research is being carried on with considerable vigour and interest in Peru, South Brazil, and, to some extent, in Argentina. There are two principal types of cotton in Peru at the present time. Tanguis, the principal variety falling in the ordinary long-staple length group from 1⅛" to 1⅜", accounts for 80 to 90 per cent. of total production. For all practical purposes, the production of extra long-staple cotton, 1⅜" and over, accounts for the remainder of the commercial crop. The principal extra long-staple variety is of American-Egyptian origin and is known as Peruvian Pima. In the last two or three years, Karnak has been introduced from Egypt, and its success, both production and quality-wise, indicates broad acceptance by farmers and the cotton trade, and it is believed that this variety may soon displace Pima as the principal extra long-staple cotton. Besides, there are two native cultivated Peruvian tree cottons (*G. Barbadense*), namely, the Aspero and semi-Aspero varieties, which grow into a large tree 15 to 20 feet high and produce for a period of 20 years or more. The fibre is white, coarse, harsh and staples upto 1½" in length. Tanguis cotton is cultivated on a three-year basis, although this cotton plant can be kept on for five or six years, the yield, however, declining after the third year. During the last few years, it is stated that several superior selections of Tanguis have been developed and are being made available for commercial production.

Brazil is perhaps the most important cotton-producing State in South America. In North Brazil, there is no organised programme for the distribution of pure seed, as is the case in South Brazil, particularly in Sao Paulo. It is stated that the Cruzeta Experiment Station in North Brazil has been doing some very interesting work in improvement and in reproduction by cuttings. This establishment, we are told, already possesses plants which rival the best Egyptian varieties. It has fine seed fields. North Brazil, it may be mentioned, is also noted for its long-staple tree cottons. In South Brazil, considerable research was done by Dr. Martins who had evolved, from different American upland varieties, three important strains, namely, Texas Big Boll, Express and Stoneville 2B, all slightly above one inch staple, which have now been able to adapt themselves under different growing conditions prevailing throughout the State.

In Argentina, cotton is produced mainly in the Chaco Territory where the present acreage stands about 1.4 million acres. The potential area for cotton in this country is considerable, being estimated well above eight million acres after clearing and also after the provision of drainage, health and transport facilities, around the Province of Chaco. The commercial cottons grown in Argentina are almost wholly of American upland varieties, the present dominant variety being Deltapine 14 (1.03" staple).

Cotton research is being carried on in a small way in Paraguay, Ecuador and Columbia also. In the last two mentioned countries, perennial tree cotton (Bourbon species) is very familiar. In these areas, the perennial cotton is ratooned or pruned annually. Cotton once planted is kept in production for a number of years, frequently much longer than it should be to maintain a vigorous producing plant. Cotton production in other States remains insignificant, as also developments in research.

From the above, it will be noticed that important cotton varieties which have now become acclimatised in North and South Brazil, Peru, Argentina and Columbia offer a rich source of raw material for cotton research workers in this country. In this connection, particular mention may be made of the perennial cotton tree of Tanguis type in Peru and tree cottons in North Brazil. Since the Cruzeta Experiment Station in the latter has already some excellent varieties comparable to the best strains in Egypt, it is likely that importation of superior seed from this station will enrich the scope of research work in India. It is possible that leading strains now grown in South and North Brazil might readily acclimatise themselves to the climate prevailing south of the Vindhyas in this country and as such these varieties may be tried both under irrigated and rain-fed conditions.

Large-scale experiments for the cultivation of perennial cotton trees from the imported seed from South America, if carried on in this country, are likely to yield good dividends in due course. Immediate steps can be taken by the Agriculture Ministry under the direction of its dynamic Minister, Mr. Kidwai. The Minister of State, Dr. Punjab Rao Deshmukh, who has done some pioneering work in cotton marketing as a non-official, must evince more interest in the development of cotton research in the country. The perennial cotton tree, if fruitfully introduced in the outlying mountainous areas in India, may serve a double purpose to individual States like Madras, Bombay, Madhya Pradesh and Hyderabad. Besides enriching Government coffers, these cotton trees can check the menacing soil erosion in hill areas. Now that the Government of India has embassies in Brazil and Argentina, they may be instructed to contact the research stations in North Brazil and Peru and obtain, as speedily as possible, a large quantum of various types of cotton seeds so that experiments can be conducted from now on in this country. Again, an experienced team of cotton research workers can be sent to South America for the acquisition of sufficient raw material for the advancement of research in this country.

OUTPUT MAINTAINED AT HIGH LEVEL

TERMS OF TRADE FAVOURABLE

(From Our Own Correspondent)

LONDON, 30*th May*

LONDON LETTER

ALL the excitement of Coronation cannot keep the Stock Exchange buoyant and the close of business for the month showed a further small sag in a representative list of securities following the heavier falls of a month previous. Of course, in the U.S. the falls in industrials have been much more marked and accompanied by substantial drops in the commodity indices, a reflection of the dependence of the economy on armament orders. But even here, in spite of the need to maintain production for export, the "danger" of a slackening in the flow of Service contracts, coupled with a fear of what an American depression might do to world prices, is insistently raising the bogey of a possible slump.

To the layman this fear seems very ill-based; he sees the housing target of 300,000 houses a year being reached, but knows that that figure must be exceeded and a high output maintained for at least ten years before the present shortage can be eliminated (some pessimistic estimates put the rate of wastage of old dwellings, whose low controlled rents do not pay for their maintenance in repair, at two-thirds the level of new house construction)—and a housing programme safely financed by Government money is one of the best antidotes to slump; he reads the report of the Transport Commission on the steady deterioration in road traffic movement and notes that London has had no major improvements in its circulation system for nearly 50 years, and he is aware that no more money can be devoted to expanding the country's road system while building and manufacture demand all the resources possible—again road works are one of the simplest anti-slump shots to have in one's locker; but, above all, he is aware that the country is now working at a higher general level of productivity than ever before.

Over the past five years, industrial production has increased 25 per cent. Last summer came the first major setback when the index (1948=100) fell to 105. But, by the late autumn, the losses had all been made good and this spring the past bests have been just exceeded, i.e., the past six months have shown a rise in the level of industrial output of 17 per cent. The increase has not been evenly spread over all industries, fuel and power—especially coal—making a poor showing. But manufacturing industry has shown striking resilience: this is best seen in the textile group which hit a depression level in July last year only to recover output by no less than 50 per cent. Steady gains have been made in the engineering industries and motor car production and exports have also been very satisfactory in terms of daily output, after allowing for the special holidays in April and May. This activity and the steady rise in wage rates which continues does not suggest that forward prospects are immediately in peril.

Retail prices have also once again resumed their upward drift. A year ago, the post-war rise levelled off and the indices stayed steady for six months, apart from a very brief drop in the late summer. But, with the turn of the year, the upward rise has been resumed and now prices are 2 per cent. higher than in January. On the other hand, the prices of U.K. imports have continued to fall faster than export prices so that the terms of trade are still moving gently in this country's favour. However, it is unfortunately true that the terms of trade could move even more rapidly in favour of the U.K. and yet the volume of trade slump away—or even the volume of exports alone fall—and face the Government with the need for bold anti-slump measures. But, at the moment, Ministers are in no mind to consider theoretical problems of that sort and the mood of Britain is one of high festivity, with no visible economic clouds to alloy the pleasure.—*All Rights Reserved.*

Krishi Pandit certificates, medals and prizes are now being awarded to those who produce record foodgrains such as wheat, millets, rice, etc., as also some commercial crops like potatoes. Similar certificates and prizes must be awarded to agriculturists who produce important varieties of long-staple cottons, as also to such research workers as are successfully able to evolve superior commercial long-staple cotton strains.

AMERICAN LETTER

AMERICAN BANKERS SUPPORT POLICY OF HIGHER INTEREST RATES

FEAR OF OVERPRODUCTION PERSISTS

(From Our Own Correspondent)

NEW YORK, 4*th June*

IN contrast to growing criticism from the opposition Party and from professional economists, an increasing number of bankers and other segments of the American financial community are now going on record as approving the new U.S. Treasury policies. While somewhat bemoaning portfolio losses which result from lower bond prices, the supporters of the policy believe this price has to be paid in order to achieve a return to a sound dollar and for what may be called "flexible stability." In fact, having demanded such a policy for 20 years, the banking community feels honour-bound to stand behind it until sufficient time has elapsed to either prove or disprove the new theories of higher interest rates which benefit more, it is felt, than they take away in the form of bond prices.

The New York Clearing House member banks have just issued a joint study, entitled *The Federal Reserve Re-examined*. While recommending certain changes in the law, most of these banks through their dozens of senior officers have gone on record in this 165-page book as endorsing the tight monetary regime of the central bank and the U.S. Treasury. These banks' emphasis, too, is on a sound dollar which they feel has to be reconciled with full employment and other desirable social goals. It is the first such study ever made by the New York Clearing House banks. The work has been in preparation since the early months of 1952. It represents an important endorsement of Republican policies from one of the essential segments of the American economy.

So far as the general business outlook is concerned, financial opinion is that the present situation is one of healthy adjustment. Astute observers are not bothered particularly by the drop in commodity prices—yet. While American farmers have less income, they are also not too much in debt. Thus, there is a borrowing cushion. Even small dairy farmers, despite lower milk prices, are doing all right though not quite as extraordinarily well as they have for many years past.

Consumer Credit Not Too High

There also seems to be general agreement that consumer credit is not too high. In fact, it has been reported from many sections of the country that there has been an improvement in the delinquency ratio. This opinion is somewhat contrary to that held by the Treasury and the Federal Reserve managers who, privately, are a little worried about outstanding consumer debt. And there is some justification for this view.

It is quite clear that many special people have been buying quite an array of goods on the instalment plan and have done so because for years they have worked overtime. In other words, many purchases were made on overtime money in anticipation that this state of affairs would continue.

But, in the present era of adjustment, many firms are cutting out overtime and household belts have to be tightened to meet outstanding loan commitments. This element is offset, in part, by the large-scale return of women into the working ranks whose earnings help to swell family pocket books.

The mortgage situation, which was such a troublesome feature during the last depression, is not only thoroughly sound at the present time, but under full control. This applies to both home and industrial properties. Informed opinion here also tends to feel that costs are still rising and that the pressure for industrial wage increases would continue. This latter factor is the strongest point of those who fear a revival of inflationary pressures. They would emanate from the industrial and social sphere and would be, virtually, beyond the control of the Treasury in its current broad disinflationary aims.

Some very well informed men here, frankly, continue to be apprehensive about overproduction, notably in automobiles. This, in turn, they think, might lead to curtailed production in the second half and to some unemployment—not too great but marginal. Since the marginal setback of 1949 led to considerable setbacks here and overseas, the voices of pessimism have a leg to stand on. However, even those who view with alarm think that 1953 overall business earnings in the United States will, perhaps, be as good as ever. And if the present adjustment should become more severe, it might logically express itself in lower 1954 profits rather than this year.

In my judgment, these views are fairly sound. They come from people whose opinions are based on actual operating experience and they are very little coloured by wishful thinking. Everyone is keeping his fingers crossed, however—so far so good—at present, all is well, economically.

Stumbling Blocks To President

Politically, the pot is still boiling. President Eisenhower, with the approval of most of those who supported him, finally had the courage to contradict Senator Taft who suggested that the United Nations be ignored so far as the Korean war was concerned. It was inevitable that such a rift should occur between the liberal Republican faction and the conservative, isolationist one represented by the Senator.

The question is whether this step by the President will remain an isolated one or whether he will make his opinion felt also *vis-a-vis* Senator McCarthy and others of his own Party in Congress who have been continual stumbling blocks to the programme outlined by the Executive branch of the Washington Government.

It is felt that much of this sound programme could still be saved, if the President would apply as much pressure as his predecessor did who was well versed in the art of politics. The General has been trying to cooperate and persuade, rather than to demand and dictate and, therefore, has accomplished very little so far.

Important pieces of legislation are uncertain of even getting a fair hearing in the present session of Congress. Among them are foreign aid, military appropriations, customs simplification, the admission of displaced persons and innumerable other subjects. Another measure demanded by the White House, but opposed by business, is the extension of the excess profits tax law. Unless conditions should change, radically, the chances are that only a fraction of the Administration's new programme will be enacted by Congress before the lawmakers adjourn for their summer holiday.—*All Rights Reserved.*

(Concluded from next column)

wheat. This will be in addition to the 46,000 tons that Australia has already offered under the Colombo Plan. Negotiations are also said to be almost complete for the import of 8,000 tons of wheat from Bulgaria in exchange for Pakistan cotton. In the meantime, Pakistan has arranged to import 100,000 tons of wheat from Canada.

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The Government of Pakistan has sanctioned Rs. 43.5 lakhs as assistance to the N.W.F.P. Government for the latter's grow-more-food schemes. The Frontier Government has drawn up a number of short-term schemes with an aggregate outlay of Rs. 1 crore.

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An order to burn all the standing sugarcane crop in the N.W.F.P. has just been issued, with a view to preventing the further spread of pyrella pest, which is threatening the maize crop in the Province.

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Sind, it is learned, has a surplus of 22,000 tons of wheat from the 1953-54 crop. The Provincial Government has already launched a procurement drive to obtain the surplus wheat at Rs. 12-8 per maund.

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Four more items have been included in the Export Open General Licence No. 7, bringing the total number of freely exportable items to 102. These are exposed cinematograph films, canvas and rubber shoes, bone-dust and bone-sinews, and ladies' hand-bags made of cloth and leather.

PAKISTAN NOTES

NEW IMPORT POLICY

ANNOUNCEMENT EXPECTED SOON

THE import policy of the Government of Pakistan for the ensuing (July-December) half-year, which is expected to be announced in a couple of weeks' time, is being awaited with considerable interest by both trade and industry. The Ministry of Commerce, it is reported, is drawing up, in due consultation with the Ministry of Finance, the import schedule. While the details of the proposed schedule are not known, it is gathered that a system of "controlled import" will continue to be the main feature of the policy. A return to open general licence appears wholly unlikely. In order, however, to enable the industries to keep up the continuity of their imports, the Ministry of Commerce is now issuing import licences for the essential raw materials for the July-December period. Besides, most of these licences are made valid for the months of May and June, 1953, also.

The contemplated decision of the Pakistan Government to pursue a policy of "controlled imports" is evidently a sequel to the none-too-happy balance of payments position. Although the trade balance on private account has been favourable in the past few months—this was to the extent of Rs. 6.37 crores during the month of April, 1953 alone—the overall balance of payments has all along been adverse, thanks to heavy imports of foodgrains and defence equipment on Government account. The adverse balance is fully reflected in the substantial fall in Pakistan's foreign assets, from as high as Rs. 150.52 crores in the beginning of 1952 to Rs. 79.68 crores as on 17th April, 1953, although it stood a little higher at Rs. 80.98 on 22nd May, 1953.

The continuance of the present policy of "controlled imports" is bound to affect adversely India's trade with Pakistan. As it is, the trade between the two countries has been very much restricted. The one item which has been hit the most is cotton textiles, for which Pakistan, for long, was an important market. Imports of Indian cotton textiles into Pakistan have practically been banned. Perhaps, the earnest efforts of the Prime Ministers of the two countries to settle the many Indo-Pakistani disputes which are still unsolved, will result in an early removal of some of the impediments standing in the way of a freer movement of goods and commodities between the two countries.

Cotton Situation

The crisis in the cotton situation in Pakistan seems to have definitely ended. This is borne out by the marked improvement in prices in the past few weeks, following good enquiries from Australia, France, China and Japan. The statistical position of Pakistan cotton is now more comfortable, the stocks of unsold current crop having been reduced from over a million bales a few months ago to only 300,000 to 400,000 bales.

The total supply of cotton available in Karachi during the current (1952-53) cotton season amounts to 1,660,000 bales, including the previous season's carry-over of 370,000 bales. Of this, 1,234,137 bales have already been exported (up to 21st May, 1953)—the figure for the corresponding period last year was 992,430 bales—and 100,000 bales have been consumed internally. Of the balance, 250,000 bales are to be shipped against sales and 50,000 bales consumed, during the remaining part of the season. The quantity that is still left to be sold thus comes to 380,000 bales. The prospects of selling this balance are held to be bright. Japan is expected to lift a further 150,000 bales and China 50,000 bales. Australia also is expected to purchase 30,000 bales, and Liverpool and certain European countries about 50,000 to 75,000 bales. The closing stocks for the current season will, therefore, not be more than 80,000 bales.

Incidentally, it may be noted that, with a view to stimulating exports of the balance of the current cotton crop, the Government of Pakistan has placed this commodity on the Open General Licence till 31st August, 1953. But all transactions in new crop cotton have been banned.

Wheat Imports

It is understood that the Government of Pakistan is negotiating with the Australian Government for the purchase of 43,000 tons of

(Continued in previous column)

OWNERSHIP OF BANK DEPOSITS

LATEST TRENDS ANALYSED

THE latest issue of the Reserve Bank of India *Bulletin* carries the customary study on ownership of bank deposits in India, this time as at December 1952, conducted by the research staff of the Bank. The study reveals that total deposits registered a fall from Rs. 871.79 crores in June, 1952, to Rs. 858.30 crores in December, 1952. This fall of nearly Rs. 13.5 crores compares with that of Rs. 23.92 crores in the corresponding period of 1951. It would have been steeper still, had there not been an improvement of Rs. 1 crore in savings deposits and of Rs. 12 crores in time deposits, as against a sharp fall of Rs. 26 crores in demand deposits.

While thus deposits of banks in the second half of 1952 showed a decline, an analysis of their position in the first half of 1952 showed that they had improved from Rs. 850.02 crores in December, 1951, to Rs. 871.79 crores in June, 1952. This improvement in deposits in the first half of 1952 was shared by demand deposits (Rs. 49 lakhs), savings deposits (Rs. 2.80 crores) and time deposits (Rs. 18.58 crores).

A striking feature of the behaviour of deposits in the period under review is that, while the fall of total deposits was as much as Rs. 23.92 crores in the second half of 1951, it amounted to only Rs. 13.5 crores in the second half of 1952. This trend signifies that, during June-December, 1952, money was less usable than it was in June-December, 1951, because of a fall in prices, following the commodity slump in the first half of 1952. It may also be due to withdrawal of funds from banks by industrial concerns to meet their continued high level of expenditure, as their earnings generally showed a decline, owing to fall in prices of their manufactures. Again, it may be due also to money being locked up in stocks accumulated with manufacturers as, for example, in the tea, jute and textile industries. Further, merchants who were not inclined to replenish their stocks through purchases in a falling market might have preferred to keep their funds in time deposits rather than in current account. This shift in holdings from current to time deposits is reflected in the increase of Rs. 12 crores in time deposits as against a fall of Rs. 26 crores in demand deposits in the second half of 1952.

An analysis of the ownership of deposits discloses that the fall of Rs. 26 crores in demand deposits referred to above is mainly due to a reduction of Rs. 16.5 crores to Rs. 224 crores in business demand deposits, which, in fact, had increased in the first half of the year 1952. Over the year, business demand deposits declined by Rs. 11.5 crores, but their ratio to total demand deposits (52.5 per cent.) was slightly higher at the end of 1952 as compared with that in December, 1951.

Among business deposits, those of trading concerns, at Rs. 113 crores, were lower by Rs. 5 crores, although they continued to account for one-half of business demand deposits. Deposits of manufacturing concerns and financial concerns also declined by about Rs. 5 crores each to Rs. 43 crores and Rs. 50 crores, respectively in December, 1952, and formed, as hitherto, one-fifth and one-fourth, respectively, of business demand deposits.

A decline of Rs. 5 crores to Rs. 116 crores was registered in personal deposits under the category of non-business demand deposits. This is partly due to a shift from demand to time deposits. Deposits of "others" (Governments, quasi-Government bodies, clubs, charitable institutions, etc.) accounted for the rest of the decline in total demand deposits.

In the first half of 1952, time deposits had increased by Rs. 10 crores; in the second half they rose by another Rs. 10 crores. This continued expansion was mainly due to the attractiveness of the high rates of interest paid on them. The greater part of the increase in the second half was in respect of "other deposits." Personal time deposits also rose, but by only Rs. 2 crores to Rs. 135 crores.

Breakdown figures of deposits, according to class of banks, show that major Indian Scheduled banks registered an increase of Rs. 9 crores in their total deposits in the first half of 1952. But, in the second half, they declined by Rs. 19 crores to Rs. 490 crores. On the other hand, deposits of Exchange banks and other Scheduled banks reported increases in the second half by Rs. 2½ crores and Rs. 1½ crores, respectively, to Rs. 167 crores and Rs. 157 crores.

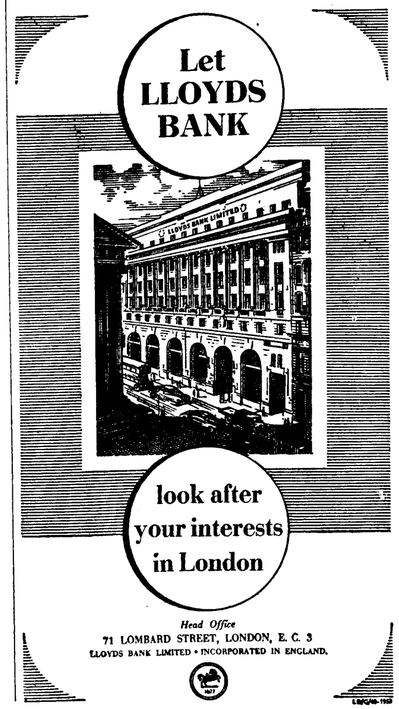
The decline in total deposits of major Indian Scheduled banks in the second half was chiefly in respect of demand deposits, their savings and time deposits showing no variation. Demand deposits of Exchange banks also recorded a fall of Rs. 5 crores, but this was more than made up by an increase of Rs. 7 crores in their time deposits.

Out of the decline in business demand deposits of all Scheduled banks, major Indian banks accounted for over Rs. 14 crores. Again, the entire decline in total deposits of manufacturing and trading concerns was in the case of major Indian banks. Deposits of public utilities and financial concerns with these banks also declined, though only by Rs. 4 crores and Rs. 1 crore, respectively. Exchange banks saw a decline of Rs. 3 crores in their demand deposits of financial concerns.

Personal demand deposits declined by Rs. 3.5 crores to Rs. 77 crores in the case of major Indian Scheduled banks and by Rs. 1.4 crores to Rs. 25 crores in the case of Exchange banks. They, however, remained unchanged at Rs. 14 crores with other Scheduled banks. "Other" demand deposits of major Indian Scheduled banks showed no variation but declined by Rs. 2 crores and Rs. 1.5 crores respectively in the case of Exchange and other Scheduled banks.

Time deposits of Scheduled banks increased by Rs. 10 crores during June-December, 1952, owing mainly to an increase of Rs. 8 crores in other time deposits. "Other" time deposits rose for all groups of banks, the rise being Rs. 3 crores for Exchange banks, Rs. 4 crores for major Indian Scheduled banks and Rs. 1 crore for other Scheduled banks. The rise in the case of major Indian Scheduled banks was, however, offset by a decline of Rs. 2 crores each in their business and personal time deposits. In the case of Exchange banks, both personal and business time deposits rose by Rs. 2 crores each. In the case of other Scheduled banks also, personal time deposits increased by Rs. 2 crores.

It will be seen from the foregoing account, that the Exchange banks and other Scheduled banks had fared distinctly better than the 10 major Indian banks. This must have been due chiefly to the slightly higher rates of interest offered by the first two groups of banks. Another factor that must have assisted the Exchange banks in retaining more deposits than they could, in the first half of 1952, is the improvement in India's export trade, most of which is financed by them.



RESERVES OF STERLING AREA MOVE UP

SURPLUS OF $48 MILLION IN MAY

STATISTICS relating to the sterling area gold and dollar reserves released by the British Treasury a few days ago show an addition of another $48 million to the area's gold and dollar reserves in the month of May, 1953. This surplus compares with a surplus of $107 million in April, $63 million in March, $125 million in February and $132 million in January this year. Thus, the surplus for May is the lowest since the commencement of the current year.

The surplus of $48 million for May is made up of receipts under three accounts, namely, defence aid, E.P.U. payments and inflow resulting from trade and currency movements. Thus, defence aid received in dollars from the U.S. in May was $13 million, the lowest monthly amount for over a year. From the European Payments Union, Britain received $21 million as part settlement of the country's April surplus. The balance of $14 million was received on account of trade and currency movements in favour of the sterling area.

With the month's surplus of $48 million, the central gold and dollar reserves of the sterling area improved to $2,321 million or almost to the level that prevailed at the end of 1951, namely, $2,335 million. They were, however, far less than the peak of $3,867 million witnessed in the middle of 1951.

Provisional figures for May show that Britain had a surplus of £7.1 million on account of trade with the E.P.U. countries. This surplus compares with £15.2 million in April, £7.5 million in March and £9.9 million in February. Now the U.K. position has reached a stage where half of any surplus or deficit with E.P.U. is met in gold and half by a reduction or increase in book debt to member-countries of the E.P.U. countries. The May surplus will thus be adjusted accordingly. At the end of May, the U.K.'s book debt to the Union stood at about £190 million.

As regards the U.S. defence aid, a sum of $400 million was earmarked by the U.S. Government as aid to be granted to Britain on defence account in 1952-53. Of this sum, upto the end of May, $365 million had been received. As there is always a time lag between allocations and actual movement of funds, the balance of $35 million may or may not be received in the current month at the end of which the U.S. financial year 1952-53 expires.

In the next financial year, namely, 1953-54, as only half of the amount appropriated for defence in the current accounting year has been ear-marked for this purpose, Britain's share on U.S. defence aid account will be about $200 million. If to this is added a sum of $100 million expected towards payments for deliveries under the offshore purchasing programme, the actual amount of dollars receivable should be $300 million. The present American Administration has indicated its intention of bringing defence aid pure and simple to an end as quickly as possible after 1953-54. The aid then is expected to depend on the progress of the offshore programme.

The reduction in the surplus from the comparatively high totals of more than $100 million in earlier months of the year is causing no undue concern in financial circles in London. Actually a fall in the reserves had been anticipated for the summer months. Moreover, the results for any single month, it is pointed out, are seldom indicative of any definite trend, as the surpluses, as indicated at the outset, change from month to month.

Although during the last eight months, the sterling area reserves have been rising, the rate of expansion has been very slow. The total reserves are still not adequate to make the pound sterling convertible. The key to convertibility, of course, lies in increasing reserves through the expansion of export trade of the sterling area with hard currency countries.

WORLD BANK EXAMINES GERMANY'S CREDITWORTHINESS

After a thorough examination, the International Bank for Reconstruction and Development has decided that West Germany is sound enough economically to receive a dollar loan from the Bank if the country needs it. Announcing this information, Mr. Eugene Black, President of the Bank, stated that he had not had any concrete negotiations during his four-day visit to West Germany but some of the German industries had been mentioned to him as willing to take up credits.

It is stated that the Study Commission, which had accompanied Mr. Black to Germany, is still there to complete its report on Germany's eligibility for loans from the Bank.

SPECIAL U.N. FUND FOR ECONOMIC DEVELOPMENT

NINE-MEMBER COMMITTEE'S RECOMMENDATIONS

A DETAILED plan for a Special Fund for grants-in-aid and low-interest, long-term loans to underdeveloped countries for their economic development, is contained in the Report*, made public a few weeks ago, of a nine-member Committee appointed by the Secretary-General of the United Nations. The Report does not discuss the possibility or advisability of establishing such a fund but deals only with the technical problems of how such a Fund, if established, would be organised and how it would work. No estimate of the size of the Fund is made, but the Report recommends that, should the establishment of the Fund be decided by the competent organs of the United Nations, it should only come into being by the voluntary pledging of the equivalent of a minimum of $250 million by at least 30 countries. This is one of 88 specific recommendations—all unanimous—put forward by the authors who served on the Committee in their personal capacities.

The terms of reference of the Committee were drawn up by the Economic and Social Council and by the General Assembly. The Report will first be considered by the Council at its sixteenth session opening in Geneva on the 30th inst., after which it will go to the Assembly.

Notable Step

In a preface to the Report, the Secretary-General states that the financing of economic development "has been foremost among the problems of economic development which have commanded the attention both of Governments and of the United Nations." He recalls that, in a memorandum which he submitted to the fifth session of the General Assembly on the development of a 20-year United Nations peace programme, it was suggested that "member-Governments should develop a sound and active programme for the encouragement of broad-scale capital investment for economic development, using all appropriate private, governmental and inter-governmental resources." The Secretary-General adds that "an effective concerted effort aimed at promoting the economic development of underdeveloped countries, of which financial assistance would be an integral part, should constitute a sound investment in peace and stability and lead to a mutually beneficial expansion of world productivity and world trade." This unanimous report, adds the Secretary-General, is a "notable step forward" and he expresses the hope that the concept of a Special Fund "will gain the support of the United Nations as an additional important instrument of economic and social progress throughout the world."

Prefacing in turn its unanimous recommendations, the Committee declares that the Fund should, in its essence, be an expression of the principles of the United Nations; it should be an effort of a co-operative character undertaken in the spirit of international solidarity for the purpose of fighting poverty, raising standards of living and increasing the output and productivity of the peoples of underdeveloped countries. The Fund, it says, should have the duty of encouraging in every way the development of methods of self-help so that the assistance given by it may be doubly fruitful. Finally, if the international community is to give further substantial aid to the underdeveloped countries, that aid must be so administered and applied that its prudent use and most fruitful application can be assured so far as is humanly possible.

The specific recommendations of the Committee relate to four main problems: (1) the income of the Fund, (2) operations—principles and policies involved, (3) disbursement of resources, and (4) structure of the Fund—control and management.

The Income of the Fund

The Committee recommends that a fully paid-up capital fund should not be established in the first instance but that the Special Fund should be started by contributions covering an initial period of two years, afterwards replenished by annual contributions. Contributions by Governments should be voluntary. During the initial period of the Fund, one-quarter of the amounts pledged for the first two years' allocations should immediately be paid into the account of the Fund so as to provide an initial operating fund.

Pledges or policy statements should be made in advance by members of the Fund for at least one further year beyond the initial two-year period to give a reasonable assurance of the Fund's continuity of operations. The administrators of the Fund should also be authorised to accept non-governmental or private contributions, and to appeal for such contributions. The contributions of a country would be in its local currency and convertible only as agreed. They should be available for the purchase of any goods and services obtainable in that country, except to the extent that the Government of that country feels obliged to restrict the use of its contribution in the purchase of specific goods and services.

Operations

The Committee recommends that a country, in order to qualify for assistance from the Fund, should be a member of the Fund, subscribing to its policies and principles and making an appropriate voluntary contribution to the operational budget, and its assessed contribution to the administrative budget. The Governments assisted by the Fund, the Report recommends, should strive for the effective use of their internal and external resources to promote their economic development. They should, within the framework of their general economic policies, develop fiscal and monetary policies adequate for their needs, and endeavour to keep inflationary pressures under control. They should move towards integrated economic development programmes, and avail themselves fully of the technical assistance services offered by the U.N., its specialised agencies, other intergovernmental organisations and other sources, public and private.

Governments, in requesting assistance from the Fund, should present firm statements on their intended use of the Fund's aid, as well as evidence of a technical nature regarding the projects for which assistance is requested. They should show that other means of external financing are either inappropriate or have proved unavailable. From their own resources, they should provide part of the finance for projects assisted by the Fund, or for related projects or in other sectors of economic development.

Assisted Governments, the Committee further recommends, should maintain and present records to enable the Fund to verify that effective use is being made of the assistance for the purposes for which it was granted. The Fund's operations should not serve as a means for foreign economic and political interference in the the internal affairs of assisted countries. Nor should the Fund be influenced by considerations relating to the political structure of a country requesting assistance, says the Report. The Fund's operations should be directed towards economic development which raises the welfare of the population as a whole. They should not be restricted as to the type of project, provided the assistance contributes to the economic development of the country.

While the Fund should not set up excessive standards of performance as a qualification for assistance, it should have authority to suspend disbursements if assisted Governments fail to fulfil the terms of agreement without sufficient cause.

Disbursement of Resources

The Committee recommends that, in the early phase of the Fund's operations, guiding considerations in allocating resources among Governments should be: (*a*) the merits of individual applications submitted; (*b*) projects promoting the purposes of the United Nations or special objectives given high priority by U.N. organs, such as those designed to increase food production; (*c*) projects capable of yielding early results; and (*d*) the maintenance of a reasonable geographical balance in allocations.

Applications from countries which have not received an appropriate share of aid in earlier periods should be given a higher priority in later stages of the Fund's operations. The Fund should have authority to agree with the assisted Governments in each individual case whether assistance should be rendered wholly in the form of a grant or a loan, or be given as a combination of the two.

The Fund should not attempt to recover principal or ask for interest where this would jeopardise the country's economic development. On the other hand, the Fund should require repayment of principal, payments of interest, or both, where a country is in a position to make these. In any case, an assisted Government should be able to ask for revision of the terms of principal and interest payments. The terms of loans from the Fund should be more liberal to the borrower than the best terms currently available, either commercially or from the International Bank, says the Committee. Loans should normally be in the currency needed to secure the goods and services required by the assisted Government. The Fund should be authorised, in agreement with the assisted Government, to carry part or the whole of the exchange risk arising out of devaluations of currencies of assisted countries.

Structure of the Fund

The Committee recommends that the Fund should be open to any member of the U.N. or of any specialised agency which is prepared to subscribe to the principles and policies of the Fund, and is willing to pledge its contribution to the operational budget of the Fund, and to pay its share of the administrative budget. Membership should also be open to any other Government which is not a member of the U.N. or any specialised agency, provided it is willing to accept the same requirements and is acceptable to the General Council of the Fund.

The Fund should be established as a separate administration but within the framework of, and in close proximity to the United Nations, as is the case with U.N.I.C.E.F. All the Governments participating in the Fund, meeting annually as the General Council of the Fund, should constitute the source of authority. The General Council would elect an Executive Board, consisting of 8-12 Directors, each designated by one of the Governments elected to the Board.

There should be equal representation in the Executive Board of the major contributors to the Fund, on the one hand, and of other members of the Fund, on the other hand, with reasonable geographic distribution among the latter. The Executive Board would appoint the Director-General of the Fund, in consultation with the Secretary-General of the United Nations. The Fund should transmit annually a report on its activities to the Economic and Social Council. Representatives of the Secretary-General of the United Nations, the International Bank, the Monetary Fund, and the T.A.B. should be invited to attend all meetings of the Board with full right of participation in discussion, but without vote.

Members should be required to make contributions in convertible currency to the administrative budget each year on the basis of quotas approved annually for each country by the General Council of the Fund. At every third meeting of the General Council of the Fund, a survey should be undertaken on which could be based a longer-term forecast of the Fund's requirements and prospects.

Non-technical Chapter

In addition to its more technical chapters, the Report also includes a non-technical chapter entitled "How the Special Fund might work." This chapter contains a picture of how the technical recommendations of the Committee might work out in actual operation. This chapter presents something like the history of an application for assistance from "S.U.N.F.E.D."

Starting from the preliminary discussions between the staff of the Fund and applying Governments, this chapter follows the application as it is placed before the Executive Board of the Fund, describes the machinery of investigation and decision-making, the working out of the agreement between the Government and the Fund, the currency operations required, the process of execution and follow-up.

*Available at all U.N. Sales Agents throughout the world. Price: 3s. 9d.

DEARER BORROWING IN U.S.

New York City dealers have raised interest rates on commercial paper they sell to investors for the fourth time in the past three months. Commercial paper is the money market name for short-term unsecured notes of business concerns. Notes of the biggest borrowers with best credit ratings now are quoted at 2¼ per cent., an increase of ¼ per cent. Notes of lesser-known borrowers now are offered at 2½ per cent. to 3 per cent.

WAGES IN THE TEXTILE INDUSTRY

I.L.O. COMMITTEE URGES GUARANTEED ADEQUATE MINIMUM

IT was seven years ago, in 1946 to be precise, that the Textile Committee of the International Labour Organisation recommended international policies aimed at guaranteeing adequate minimum weekly wages in the textile industries. Since then, discussions have been held among the employers' and workers' organisations with a view to determining such a minimum. These discussions, however, do not seem to have yielded appreciable results, as witness the fact that the scheme for implementing the recommendations is still in an experimental stage in the majority of countries, especially in the backward regions. (India, however, is an exception in that its workers in the textile industry are assured of a minimum basic, though not a hundred per cent. guaranteed, wage.) This is only to be expected, considering the score of limitations—financial and others. It is not surprising, therefore, that these figured prominently in the deliberation of the recent session of the I.L.O. Textile Committee held at Geneva. The discussions on guaranteed wages in the textile industry centred round the report prepared by the I.L.O. to assist the Committee in its consideration of the subject. In view of the importance of the subject, it is proposed to review here briefly the salient features of the I.L.O. report.

The characteristic feature of a guaranteed wage is that it assures the worker of a certain amount of employment or income. Such guarantees may take different forms. For the purpose of the report under reference, a guaranteed wage scheme is defined as an arrangement whereby, subject possibly to certain limitations, employers, individually or collectively through an organisation acting on their behalf, undertake, in advance, to provide employment at the ordinary rates of pay for a specified number of hours, days or weeks; or undertake to pay a specified amount of wages during the period, whether or not they are able to provide employment for the whole of the period.

Need for Guaranteed Wages

The need for guaranteed wages in the textile industry arises from the fact that, in many branches of the industry, recurring fluctuations in employment and earnings cause hardship and insecurity to the workers. From the point of view of needs alone, guaranteed wages are desirable as a protection against the consequences of both long-term cyclical economic changes and short-term variations in output and employment. Indeed, guaranteed wages may serve not only to eliminate waste of human resources but also to increase the workers' feeling of security. To quote *Guaranteed Wages*, the official U.S. report: "The guaranteed wage, used with care, with full recognition of its limitations, and with full eyes open to dangers in exceeding these limitations, can become an integral part of a rounded programme for greater security, for harmonious relations, and for a more lasting prosperity."

The scheme of guaranteed wages in the textile industry, however, has to be implemented only in stages. Such progressive implementation will be facilitated by measures designed to lower the cost of guaranteeing wages. This can be done, without impairing the value of a guarantee to the workers, by reducing temporary stoppages of or fluctuations in plant operations. Naturally enough, negotiations for guaranteed wages should be accompanied by a thorough investigation of practical stabilisation measures. It is of great importance that the workers should co-operate with the employers in attempts at such stabilisation; they should be willing to accept any reorganisation and reallocation of work that may be necessitated by measures essential to ensure stability.

The task of stabilising plant operations and employment will be facilitated by analysis of the nature and causes of short-term fluctuations in production. These fluctuations are often a serious problem to the industry, although there are other industries where they make themselves felt even more strongly. In the textile industry, they have a tendency to become considerably less marked in times of high activity, though the threat of their recurrence is never really absent. An analysis of the various causes of the fluctuations reveals that, while the original sources of instability are external and found in the instability of raw material prices and of demand for textile products, the degree of instability experienced within the industry depends, to a substantial extent, on policies with regard to inventories, advance orders and capacity utilisation.

Output to be Regularised

The greatest hope of achieving increased stability of production would appear to be in earnest efforts to regularise output by production planning and manufacturing to stock in periods of slack demand. The difficulties presented by changes in styles and fashion may be overcome by manufacturing, to the extent possible, fashion textiles in addition to non-style textiles and by concentrating on the output of non-style goods during off-seasons.

Finally, even with fluctuating production, there are some limited opportunities of stabilising labour requirements, for example, by deferring certain work on maintenance to slack periods of the year. It is also possible, in some cases, to reduce the number of lay-offs by transferring workers between departments according to changing needs. Workers might be trained for a variety of different jobs. Mobile teams of workers might be established. In the field of raw material prices, the hope for stabilisation must be put on international action involving the operation of buffer stock schemes. Neither with regard to raw material prices nor in the field of consumers' demand can the individual manufacturer do much to increase stability, but there appear to be certain opportunities for manufacturers to act concertedly in persuading final consumers to buy textiles more regularly. As for intermediate demand, it may be suggested that buying and ordering in slack periods should be further encouraged by devices, such as price concessions and price guarantees.

In order to keep down the costs of a guaranteed wage plan and to facilitate its introduction, it may be necessary, in the initial stages, to limit coverage only to certain categories of workers. Limitation of coverage, it must, however, be stressed, should be very carefully applied, lest it should create dissatisfaction among workers who are not covered.

It is desirable that the guarantee periods provided for in wage plans are as long as possible. The guarantees which are intended to alleviate the impact of seasonal variations will, in many cases, have to extend over several months, if they are to serve their purpose and prevent workers from being laid off in protracted slack seasons. While the value of a guarantee depends on the length of the period (other things being equal), even a guarantee, as short as one week, may be of great value. A guarantee period of just one week will certainly improve the position of workers where it is not already the practice to give one week's notice of lay-offs. Owing, however, to the length of production processes, very few textile mills run their production on a day-to-day basis and the requirement to give one week's notice will probably not necessitate any revision of production programmes towards increased stability.

The cost of guaranteed wage will vary according to the proportion of workers covered by the guarantee, the percentage of earnings guaranteed, the limitations on the employers' liability provided for in the agreement, and the extent of fluctuations in labour requirements which actually occur. On the assumption of a given degree of fluctuations, it may be possible to frame a wage guarantee, so that potential costs will be kept within a certain limit, equal to the amount the employer is willing to pay during a year or any other period. Closely allied to this question is the problem of preventing the cost of a wage guarantee in a bad year from impairing the financial stability of the guaranteeing firm. A solution offered to this problem is the scheme for financing the operation of the guarantee on the basis of a reserve fund. There are advantages and disadvantages with both pay-as-you-go financing and reserve fund approach. On balance, however, it seems that the latter makes it more likely that the employer will be able to guarantee his workers their wages when they need them most.

An important question that is to be considered while examining the scheme for introducing guaranteed wages is whether such should be by legislation or by wage-determining authorities or by collective bargaining between employers and workers concerned. Inasmuch as matters relating to wages and other conditions of employment are being mostly determined by means of awards of industrial tribunals or other wage-determining authorities, the I.L.O. feels that it would be preferable to introduce guaranteed wages by similar methods. But, of late, there has been a shift in the emphasis from compulsory arbitration to voluntary negotiation, which means that provisions of guaranteed wage schemes will have to be subject to collective bargaining. It is desirable to regard a guaranteed wage plan as having continuity, subject to revision only when and as the need arises, instead of having a specific duration.

Basis of Introduction

Another question that is to be considered is whether a guaranteed wage should be formulated on a "branch or an industry-wise basis," or whether it should involve single employers only. Discussing this question, the I.L.O. makes the following interesting observations:

"Guaranteed wages might be conceived on an industry or a branch basis when industry-wide collective bargaining exists, particularly in cases where the union has come to perform a major function in improving the conditions of the workers in the industry. In general, branch agreements might be preferable, because, if only isolated firms introduce guaranteed wages, some of them may abandon their plans prematurely, and others refuse to introduce them at all, because of the fear of worsening their competitive positions. On the other hand, although the various textile firms are organised on a highly competitive basis, the differences between them may be so great that it is difficult to formulate a guaranteed wage plan which will suit all of them.

"Governments might well, in collaboration with employers' and workers' organisations, conduct investigations into the costs of operating guaranteed wage schemes in the textile industry and methods of reducing such costs, with a view to the adoption of such schemes in the textile industry after consideration of the problems involved by the employers' and workers' organisations concerned. Matters which would call for attention are the steps which might be taken by employers and workers to reduce any additional costs which might result from the introduction of guaranteed wages and, in particular, the measures or policies which Governments and employers, acting collectively and individually, might adopt to stabilise production and employment, as far as possible, by reducing cyclical fluctuations and seasonal or other short-term variations in production and employment. In cases in which the immediate introduction of a guaranteed wage may not prove feasible, a certain amount of stabilisation of employment may be obtained by investigating seasonal variations in demand and by taking steps to counteract the influence of such variations upon output."

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AUSTRALIAN WOOL

The current (1952-53) wool selling season in Australia, which comes to an end on the 30th inst., has been quite an eventful one. For the season has not only proved to be "smooth-running and relatively stable," but also yielded an income

(*Continued on page 1097*)

BRITISH EXPORTS OF CLOTH AND YARN

COTTON TRADE AWAITS REVIEW COMMITTEE'S REPORT

(From A Special Correspondent)

MANCHESTER, 1st *June*

MANCHESTER LETTER

IT is a slow uphill struggle to expand shipments of cotton goods from Britain this year. Manufacturers and merchants alike are well aware of the reluctance of foreign buyers to anticipate their requirements and although cloth exports seem to have settled down at a steady level it is below the average recorded last year and makes the Buxton target look even more unattainable. In April the value of all cotton goods exported was £11,274,338 as compared with £13,657,014 last year and the value of exports for the four months ended April, was £43,497,336 as against £63,544,973 in the same period of 1952.

Although cotton cloth shipments in April were the highest since January they only just exceeded the 1952 monthly average and so far this year have amounted to 232,767,000 square yards valued at £29,348,844. The corresponding 1952 figures were 270,613,000 square yards worth £42,245,229. The following table shows the details:—

	Piecegoods Sq. yds.	*Value* £	*Average price per Sq. yd.* d.
Monthly Average in			
1939	116,115,000	2,665,000	5.51
1949	75,298,000	8,809,000	28.07
1950	68,539,000	8,358,000	29.26
1951	72,090,000	11,016,000	36.67
1952	59,234,000	8,404,647	34.05
1953*	58,192,000	7,337,211	30.26
January	64,796,000	8,223,374	30.46
February	52,027,000	6,611,090	30.49
March	56,283,000	7,136,820	30.43
April	59,526,000	7,372,000	29.72

* Four months' average.

British Commonwealth markets continued as the leading consumers of Lancashire-made cotton cloth during April and for the four months the chief customers have been (in square yards, with 1952 comparisons): West Africa 51,213,000 (63,007,000); South Africa 32,025,000 (17,461,000); Australia 17,796,000 (44,275,000) and Malaya 10,822,000 (8,656,000).

Imports of cotton goods into Britain this year continue to be not only cheaper but very much smaller in volume than in 1952. The value of arrivals has been £4,776,695 in the four months, against £16,510,125 a year ago. About half the cost has been in grey cloth, the volume involved being 27,975,000 square yards, against 65,840,000 square yards.

The April total of imports of grey unbleached material was 8,829,000 square yards, a slight increase on the previous months and the highest since September last. Japan was again the main supplier, providing 7,555,000 square yards, bringing its total for the year to 19,730,000 square yards.

Small Yarn Sales

The quantity of cotton yarn exports from month to month now shows very little change. As in the case of cloth, the figures for April were the highest since January but the variation over the past six months has been negligible. To the end of April shipments aggregated 13,171,300 lbs. compared with 15,295,100 lbs. last year, the comparative values being £5,466,575 and £8,113,892. Details are given below:

	Yarn lb.	*Value* £	*Average price per lb.* d.
Monthly Average in			
1939	9,471,800	745,500	18.89
1949	6,838,400	1,962,500	68.88
1950	5,915,500	2,127,900	86.33
1951	5,547,900	2,648,500	116.46
1952	2,976,800	1,479,163	119.25
1953*	3,292,800	1,366,644	99.60
January	3,467,700	1,427,349	98.79
February	3,268,900	1,434,904	104.77
March	3,114,500	1,241,552	95.67
April	3,292,200	1,358,790	99.06

* Four months' average.

The Irish Republic continues as the chief buyer of cotton yarn from Britain, having absorbed this year 1,744,600 lbs., against 1,168,100 lbs. in the same period of 1952. Other leading consumers have been, with 1952 comparisons in brackets: Canada 1,490,800 lbs. (748,700 lbs.) Australia 1,415,400 lbs. (1,616,500 lbs.).

Cotton Buying Plans

Events are now moving more swiftly in connection with raw cotton buying prospects for next season. The Review Committee has finished its work and its recommendations are in the hands of the appropriate Ministers, whose comments are eagerly awaited by the trade. It is understood that there will be no minority report, either by the trade union members of the committee or other interests.

The likely outcome seems to be a further compromise allowing more freedom of enterprise without stipulating any distant intention of reopening a futures market. In some quarters, it is being urged that the Government should make its eventual objectives quite clear, and announce here and now how soon it proposes to re-establish futures trading in Liverpool. It is more than doubtful whether such a declaration, which can only be conjecture, will be made. It is asking too much in the face of present-day reversals of anticipations to expect such a vital pronouncement to be made when so many unpredictable factors can intervene, especially in the realm of currency problems.

Whatever the Government plans on the advice of its investigating committee, spinners now look forward to an early statement to give them adequate time to consider their position. A deadline of 11th July has been fixed for notification of whether private or Commission buying is to be adopted in the new season. Until more details of the cover facilities available are made known the choice will be in the balance for many firms, although it is probable that a larger number of mills will contract-out from the Commission this year.

Japan's Working Hours

There has been some comment in Lancashire on the comparative figures given by the International Cotton Federation for the number of hours worked by weaving machinery in Britain and Japan at the time of its loom census at the end of July, 1952. It is not denied that due to abnormal conditions in Lancashire the average figure of 32.66 hours worked was a fair reflection of the troubled state of the industry midway through last year, but the Japanese average of 84.7 hours is held to be excessively high.

According to the latest statistics compiled by the All-Japan Cotton Spinners' Association for January this year, the looms owned by spinning companies numbered 70,549 while those owned by independent weaving concerns amounted to 236,309. As is their custom, the spinning companies worked their looms on shifts and on the basis of machines operating at 400 hours per month, comprising 16 hours per day for 25 days, their looms were working 70.2 hours weekly. The smaller independent weaving firms maintained the single-shift system and were operating 42.4 hours weekly.

In view of the preponderance of machinery controlled by independent concerns it is felt that the figures quoted by the International Federation were liable to give a misleading picture. There is a mistaken idea, not only in Lancashire but in other parts of the world, that all the Japanese mills are operating double and treble shifts. It should be recognised that the majority of looms, at any rate, are engaged in single-shift working and the combined average of working hours was 48.8 compared with Lancashire's estimated figure of around 40 hours per week.

Anglo-Argentine Trade

The British Government is fully alive to the need to do everything to assist Lancashire's export trade and will miss no opportunity to secure openings for the United Kingdom cotton goods in Argentina. This assurance, it would appear, has been given by Mr. Thorneycroft, President of the Board of Trade, to a Manchester Chamber of Commerce deputation which travelled to London to see him.

The deputation expressed "deep concern" at the continued exclusion of U.K. cotton cloth from the Argentine market under the new trade agreement. "They urged in the strongest terms that every effort should be made to provide opportunities for the importation of Lancashire goods into this important long-term market," according to a statement issued by the Chamber.

Raw Cotton Imports

Imports into the United Kingdom during the past fortnight aggregated 30,358 bales comprising 9,600 bales Braziiian, 4,409 bales West African, 3,904 bales Pakistan, 2,768 bales Egyptian, 2,297 bales American, 1,436 bales Peruvian, 1,147 bales Sudan, 1,002 bales Mexican, 790 bales East African, 775 bales Indian, 660 bales Argentine and 1,570 bales sundries.—*All Rights Reserved.*

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COTTON IS A HEAVILY TAXED COMMODITY

TRADE BODY'S REPRESENTATION

FEW commodities are more "international" in character than cotton. Its prices are not determined by any particular producing or consuming country, but they represent the interaction of numerous world forces, so that it is the one commodity which does not admit of serious interference from governmental quarters. It is, however, true that cotton's "international" character has been modified greatly in recent years, thanks to the shortage of this commodity and the expansion of the domestic textile industry in most of the large consuming countries which were formerly dependent upon imported textiles. Nevertheless, it retains, even to-day, some of its original global characteristics. This explains why the control and tax burdens imposed upon it in any particular part of the world tend to affect the international trade in this commodity. Against this background, it is easy to appreciate the Indian cotton trade's dissatisfaction with, if not positive resentment of, the tax burdens imposed upon cotton by the Central and State Governments. It is small surprise then that the Cotton Buyers' Association should have been impelled to submit a closely reasoned reply to the Taxation Enquiry Commission's questionnaire, setting forth the main taxes which have been imposed on cotton, and the extent to which these tax burdens distort cotton trade and cotton prices.

Among the tax burdens on cotton in India, the least oppressive is the export duty. This is because the duty applies only to short-staple varieties which are the only varieties that are allowed to be exported. Even so, the burden has proved excessive in recent years. The Government has recognised the burden of this tax, as is evident from the fact that it announced a reduction in the duty. This short-staple varieties which are allowed for export are Bengal *Deshi*, Oomra *Deshis*, Mathia, Kalajin, Dhollera, C.P.I, C.P.II, Central India *Deshi*, Coconada and Assam-Comillas. The previous export duty of Rs. 200 per bale on these varieties has been reduced to Rs. 125 per bale on Bengal *Deshi* cotton, whereas the export duty on Assam-Comillas has been totally removed. The duty on the other varieties has been kept unaltered at the original level. The effect of this discriminating reduction in export duties has been that, whereas the export quota for Bengals has been exhausted, a large part of the quotas released for other varieties remains undisposed. The Association does not, of course, suggest that there should be no export duty on cotton. Only, it emphasises that the duty should be revised to correspond with the actual situation prevailing in overseas markets.

There is next the import duty. The duty applies to all varieties of imported cotton at a rate which works out to about As. 2.1 per lb. It is interesting to recall the history of this levy. An import duty of six pies per lb. on foreign cotton was originally imposed, with the idea of protecting Indian cotton. This was done at a period when American cotton was cheaper than similar varieties of Indian cotton. In the early thirties, the duty was raised to one anna and, subsequently, to As. 2 per lb. Out of the duty of As. 2, one anna was earmarked for the Cotton Fund and the balance went to augment the general revenues. Later, even this distinction was removed, the entire duty being taken to general revenues. Subsequently, a further 5 per cent. surtax was added to the duty. The original purpose of the duty, namely, its protective character, has no relevance to modern conditions since Indian cotton is actually cheaper than American cotton. Nevertheless, the duty remains. The Partition of the country has further increased the dependence of India on foreign cotton. Since the duty has thus outlived its utility, the Association feels that it should either be abolished or reduced substantially.

The sales tax on cotton is the latest addition to the list of imposts on cotton, but threatens to be the most oppressive of the burdens. Under the Bombay Sales Tax Act, 1952, a levy of one per cent. on sales is imposed on raw cotton at the first stage. The tax is also applicable, as the position stands at present, to foreign cotton sold to a mill by an importer. Cotton dealers, especially importers, it is stated, would be particularly affected. The importers conduct their business on a small margin of profit—about one per cent.—so that any new burden on this commodity will reduce even this small margin of profit.

Finally, there are certain sections of the Income-tax Act, which, it is stated, have jeopardised the interests of cotton dealers, particularly the cotton importers. These are sections 42(1) and 43 of the Act. Under section 42, the agent of a non-resident principal is personally liable to assessment in respect of the non-resident's income which is deemed to accrue in India under that section. Section 42(1) gives the tax authorities the option either to charge the non-resident direct or to make an assessment in the name of his agent. For the purposes of the Act, the agent himself is deemed an assessee in respect of the tax. Section 43 restricts the appointment of statutory agents to three classes of persons: those that are employed by or on behalf of a non-resident, those having business connection with a non-resident and those through whom a non-resident is in receipt of any income, profits or gain. The expression "business connection" which occurs in this section, it is alleged, has been variously interpreted by the tax authorities with the result that the interests of both the foreign shipper as well as the importer of foreign cotton in India are made to suffer. The Association has urged the Commission to examine the effect of these two sections on the cotton trade.

Apart from these burdens, there are certain indirect levies which bear heavily on cotton. It is not perhaps as clearly realised as it should be that any increase in the tax burden on cloth manufacturers, that is, the mills, or any special imposts on cloth, tends to have an indirect effect on cotton prices. After all, the scope for lowering the wages of mill workers is strictly limited, thanks to the labour laws. Inevitably, these measures affect the mill industry's capacity to pay high prices for cotton. Thus, the burden, at least a part of it, on the mill industry is shared by the cotton farmer. If this does not happen, the consumer is compelled to pay higher prices, provided there is no serious resistance to higher prices on his part. But such resistance is already being witnessed, so that there is need to encourage production of cloth at lower prices. One of the ways in which it could be done is to reduce the burden of tax on cotton.

Again, it should not be forgotten that it is unwise to subject an industrial commodity such as cotton to heavy tax burdens, since such policies result in reducing the competitive ability of the manufactures in foreign markets. Also, cloth is a commodity which is next in importance only to food. It is the Central Government's recognition of this importance of cloth in the national economy that induced it to include cotton under the list of essential commodities on which no sales tax is to be imposed. Nevertheless, the State Governments continue to levy sales tax on cotton. It will thus be seen that there is an urgent need to examine the tax burden on cotton with a view to evolving a rational fiscal system which would weigh less heavily on this commodity. If such examination reveals—as it seems to reveal—the need for relief, it would be wrong on the part of the Central and State Governments not to take suitable action.

EGYPTIAN COTTON

The first estimates of the coming Egyptian (1953-54) crop show that while there will be a sharp decline in Karnak and Ashmouni cotton, there will be a rise in Giza 30. Nevertheless, the size of the entire crop will be appreciably smaller than the current season's crop. The following are the particulars of the first estimate:

(In bales of 730 lbs.)

	1953-54 *crop*	1952-53 *crop*
Karnak	260,250	520,500
Giza 30	260,250	96,000
Menoufi	27,500	24,500
Zagora	27,500	27,500
Ashmouni	343,000	535,000
Others	—	24,000
Total ...	918,500	1,227,500



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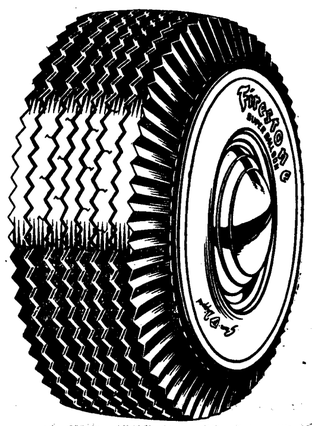


PENINSULAR AND ORIENTAL STEAM NAVIGATION COMPANY

HEAVY COST OF FLEET REPLACEMENT CAUSES GREAT ANXIETY

SIR WILLIAM C. CURRIE'S REVIEW

ADDRESSING the 113th Ordinary General Meeting of the Peninsular and Oriental Steam Navigation Company, held in London recently, Sir William C. Currie, G.B.E., Chairman of the Company, pointed out how the large increase in the cost of new ships had increased the difficulties of shipowners. He held that the "normal hazards of a business engaged wholly in the unprotected world markets are immeasurably increased when it is impossible to foretell the cost of the ships whose services we are selling."

The following are extracts from Sir William's address:

"Contrary to the view I ventured to express in this room last year, the results for the year to 30th September, 1952, have exceeded those of the previous year which, in their turn, had exceeded those of any year since we began to publish group accounts. Our thanks for this result are due to certain of our subsidiary companies, in the main those engaged either in the tramp trades or in trades closely affected by the tramp market.

"The cost of new tonnage gives your Board and the Boards of our allied companies the greatest anxiety. The policy which the group has followed ever since the war ended, and even during the war period, is that of replacement of lost and obsolescent ships. In normal pre-war times the risk the shipowner ran was a trading one; since the war and to-day there are other risks—political and economic—not the least of which is that the final capital cost of new ships is unknown when they are ordered, and indeed until after they are delivered. The gap in time between order and delivery has been as much as five years. The rise in cost in five post-war years has been as much as 80 per cent. Nothing that the owner can do will limit this possible increase. It will thus be seen that the normal hazards of a business engaged wholly in the unprotected world markets are immeasurably increased when it is impossible to foretell the cost of the ships whose services we are selling. It is true that ships which were delivered up to last year look cheap compared with similar ships to-day. But there comes a time when one has to consider with special care the pros and cons of this capital cost risk. If price stability could be achieved, it would be a great encouragement to shipowners to continue forward programmes. For a 9,000-ton cargo ship of the 'S' class which is employed in the P. & O. Far Eastern trade, we are having to pay to-day about £1,400,000, a figure which before the war would have been regarded as expensive for a passenger ship of the 'Strath' class. Fifteen years ago the price of the cargo ship would probably have been about £350,000. For seven out of the 15 years shipping was either requisitioned at strictly regulated rates of hire or operating under controlled rates of freight. During the seven years since 1946 taxation on company profits has been well above the level of 50 per cent., relieved only by initial allowances.

"It is traditional that the shipping companies of this country should be built up by ploughing back profits in good years so that they may be able to weather the storms of the lean years. This policy the group so far has been able to follow, despite the war and the restrictions that accompanied it, and seven years of crippling taxation never before experienced in times of peace. This has only been achieved by a conservative dividend policy and by setting aside cash for the replacement of ships.

Initial Allowances

"It must be mentioned in this connection that our cash position has benefited materially by taxation relief flowing from the introduction of initial allowances. The cash benefit to the group as a whole has been about £12 million, which is nearly one half of its invested funds. And yet this sum is nothing more than the receipt of depreciation allowances in advance. The point has been repeatedly stressed that initial allowances are not a form of subsidy from the Exchequer; they represent merely the allowance of depreciation at the beginning of a ship's life instead of at the end. We have recently seen that initial allowances can be withdrawn at comparatively short notice—fortunately, they have been reinstated in part, but with no guarantee of permanence. One hesitates to say very much more than has been said already about taxation, but I must confess to a feeling of alarm about the taxation burden in the years to come, when, through the operation of initial allowances which we are receiving now, there will be no annual wear and tear allowances on ships which will still have one-third of their useful lives to run. The Report of the Royal Commission on Taxation is anxiously awaited by the business community and by none more than the shipping industry.

"In spite of the enormous sums spent on new ships, 21 per cent. of the group fleets was over 20 years of age last September and was thus ripe for replacement. The average age of the passenger ships of the group is 16 years and of the cargo ships nine years. A constant programme of shipbuilding is necessary if the fleets of the group are to be maintained at a high standard of efficiency; the gross tonnage of ships building or contracted for is 359,000 tons.

"I have said nothing about the development of new interests. No one who is in business can afford to stand still. He must either go forward or backward and it is my hope that the P. & O. Company and the other members of the group will go forward. This envisages that one day or another we may wish to embark on some new project, and the present scale of taxation is such that it is difficult to finance worthwhile extensions out of taxed profits. We, therefore, visualise that we may wish to raise new capital, though I cannot say when. Let me emphasise that at the present time the Board have before them no projects which would necessitate the raising of new capital and, should the need arise, we cannot say whether it will be more appropriate to issue new deferred stock or new debenture stock. We feel, however, that it is in the best interests of the Company and its stockholders that the Board should have unissued stock available. If we do not increase the authorised capital now but wait until a need actually arises, the resultant delay which would ensue from having to call a meeting and the consequent publicity which would be given to our intentions, might well prejudice negotiations and be to the Company's disadvantage. It is for these reasons that I shall shortly propose a resolution to increase the authorised capital, of which notice has been given when calling this meeting.

The Trades to India, Pakistan and Ceylon

"The demand for freight space outwards from this country was generally firm, and on the whole the ships were well filled until the end of 1952. Since the beginning of this year cargo has been less plentiful, and there is now the competition of German ships which have re-entered the trade.

"As regards congestion at Colombo, to which I referred a year ago, some ships have received better despatch, but there is still little sign of a permanent improvement in the near future.

"Homeward loadings at Calcutta and Colombo were satisfactory during the year covered by the accounts, but latterly there has been a tendency for Calcutta cargo to fall away a little. Freight through the East Pakistan ports has declined owing to the smaller volume of jute sold overseas. From West Coast ports conditions have been steadily declining, and ships are now leaving with vacant cargo space.

Far East

"The Far Eastern passenger ships have terminated their voyages at Hong Kong, and the cargo ships in Japan. Trading conditions to the Far East for the first six months of the financial year were good, and the full effect of the recession in world freight rates in April, 1952, was not felt by the Company in that trade, the level of gross earnings being well maintained.

"The Company's Far Eastern trade is particularly subject to political as well as economic stresses, and although the political situation in Malaya has much improved, on the economic side there has been a steep fall in the price of rubber, one of that country's principal exports.

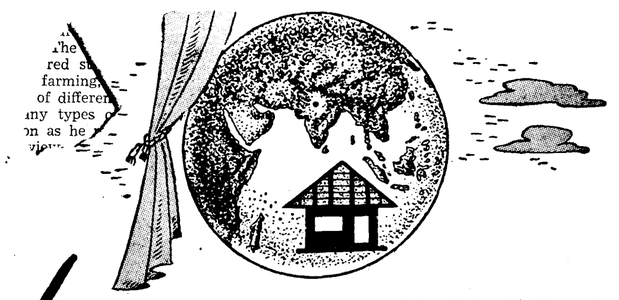
"The continued restrictions on trade with China and the Korean War have reduced the entrepot trade of Hong Kong. Owing to disturbed conditions the Company made no calls at ports in China during the financial year. This has made difficult the securing of homeward cargo for which in the past we relied on China to a large degree.

"Fortunately the loss of homeward cargo from China was in part made good by a movement of steel from Japan. This movement was but temporary and to-day has almost come to a standstill. The full effect of the competition of Japanese shipping has not yet been felt.

Passenger Traffic

"Passenger traffic has now returned to a seasonal pattern and most passenger ships are sailing with vacant accommodation in one direction or the other. Fortunately the Tourist class accommodation outwards to Australia has been well filled throughout the year owing to the continued flow of migrants."

The report and accounts were adopted and the resolution to increase the authorised capital, as mentioned, was passed.



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The problem of low-cost housing can be met by developing and utilising indigenous building materials by better designs and specifications and by improving the technique of construction. In order to provide a forum for the demonstration of such attempts an Exhibition on Low-cost Housing will be held in New Delhi during January—March, 1954, in which foreign countries will also participate.

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For detailed information, intending Exhibitors and firms who wish to advertise their goods may write to Director, International Housing Exhibition, Ministry of Works, Housing and Supply, 'P' Block, New Delhi for a copy of the 'Prospectus and Guide'.

Enquiries relating to bookings in the Amusement Park of the Exhibition should be sent in early to the Director.

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DISPERSAL OF SUGAR FACTORIES

HOW FAR IS IT PRACTICABLE?

ONE of the specific recommendations made by the Planning Commission, in its development programme for the sugar industry, relates to the shifting of some of the factories which are at present located in areas where sufficient cane supplies are not available to areas which are assured of adequate supplies of cane or which are suitable for growing cane. This requires a careful examination by an expert committee of all the factories which are not working or working at low capacity, with a view to determining the units that need to be shifted. Although it is quite a long time since this recommendation was put forward, no worthwhile move has yet been made to implement it. It is reported that even on such issues as assistance in the form of railway facilities for shifting factories and issue of import licences for new machinery, no decision has been taken by the Government.

There is nothing new in the recommendation of the Planning Commission, inasmuch as it has been made, time and again, by many of those who have paid some thought to the future of the Indian sugar industry. One of the most disquieting features of the development of the sugar industry is, as readers are aware, that it is unduly concentrated in the two States of Uttar Pradesh and Bihar—these together account for 102 factories out of a total of 159—which are not so well suited for the production of sugarcane as Bombay Deccan and South India. Consequently, the factories are not assured of adequate supplies of high quality cane at reasonable prices. This has rendered the cost of sugar manufacture in these States very high *vis-a-vis* that elsewhere. It is not, therefore, surprising that several factories are either idle or working below capacity.

Defects of Location

A conclusion that emerges from the above study is that if the Indian sugar industry is to be stabilised on a sound footing—and this will not be possible unless sugar is produced at a cheaper cost than now—it is imperative that the defects in the location of the industry are removed as early as possible. The one common remedy suggested is, as already noted, the shifting of sugar factories to other regions. Few would dispute the reasoning behind this suggestion. For it is one of the essential principles of economics that an industry should be located in a region which is best suited for it in the matter of availability of adequate raw material, transport facilities, and proximity to consuming markets. But the point in so far as the sugar industry is concerned is whether the dispersal of the factories is a practical solution, what with the present serious financial difficulties facing the industry. Wholesale transplanting of factories from one region to another is a costly affair, not to speak of the transport bottlenecks and the loss of production during the process of such shifting. According to one estimate, the cost of shifting a factory amounts, on an average, to Rs. 10-15 lakhs. In fact, this was the conclusion arrived at in an expert survey undertaken jointly by Government officials, technical experts and others directly connected with the sugar industry some time ago. In any case, however desirable it may be, it is bound to be a very slow process and such should not be relied upon as the only solution for the ills of the industry. Alternative solutions capable of producing quicker results, therefore, deserve to be explored. For instance, efforts may be made to get the best out of the existing units, either by bringing them up to economic levels or, if there are any inherent defects in the set-up of factories, they could be remodelled.

A solution that is even more important and practicable than the one suggested above relates to measures for improving production of cane and accelerating the pace of its flow into the factories. Perhaps the most important way in which the present shortage of sugarcane can be relieved lies, as we have so often stressed in these columns, in intensifying the cultivation of cane, especially in the neighbourhood of the factories, in improving the quality of cane and in creating conditions that would make cane flow more to the production of sugar than to that of *gur*. Two suggestions which assume special significance in this context are: (1) Reorganisation of the existing machinery of cane-growers' co-operative societies in the U.P. and Bihar in such a way as to secure active participation of the sugar millowners in those bodies; (2) consolidation of small peasant farms into large-scale sugarcane plantations which would permit the use of modern agricultural methods for producing cane. The recent move of the U.P. Government to consolidate agricultural holdings is indeed a step in the right direction. The work of intensive research and cane development can be financed entirely out of the cane cess collections derived by the State Governments. Considerable scope also exists for reducing the cost of sugar production by abolishing co-operative societies' commission on cane supplied to factories and revising taxes—Central and State—downwards.

There may, however, be a few factories working on very uneconomic lines, owing to the fact that they are situated at places far distant from the sugarcane-growing areas and, as such, are forced to incur additional heavy transport charges for getting their requirements of cane supplies. In such cases, dispersal should be resorted to within the narrowest possible regions in which they already exist, as, for instance, shifting of a few uneconomic units in the eastern districts of Uttar Pradesh to more suitable sites in the western parts of the State. Care must be taken to ensure that they make arrangements to have their own sugarcane farms, as is the case now with the factories in the Deccan. Unless that is done, the hope of these factories securing adequate supplies of cane and producing maximum quantity of sugar at economic prices will not be fulfilled.

LEVULINIC ACID FROM MOLASSES

A method for obtaining levulinic acid from molasses, an important by-product of sugar, has been evolved at the Central Laboratories for Scientific and Industrial Research, Hyderabad. At present, alcohol is the only material which is being manufactured on a large scale from molasses. Substantial quantities of molasses are still available after meeting the requirements of the alcohol industry.

Levulinic acid is obtained by diluting molasses which has a sugar content of 55 to 56 per cent. to a sugar content of 27 to 42 per cent. acidifying with requisite amount of hydrochloric acid and then heating the solution under pressure. Levulinic acid is separated from the reaction mixture either as the calcium salt or by solvent extraction or vacuum distillation. Yields up to 45 per cent. of levulinic acid based on the sugar present in the molasses have been obtained.

PALM "GUR" WORKERS' CONFERENCE

The fifth session of the All India Palm *Gur* Workers' Conference will be held at Tuticorin from the 10th to 13th inst. The Conference will bring together the palm *gur* workers and those interested in this cottage industry to consider problems of common interest, exchange views on the difficulties experienced, and determine the ways and means for furthering the development of the industry which has a definite place in the economy of the country. Besides the general discussions on the problems confronting the industry, there will be discourses on technical subjects connected with palm *gur*.

A palm *gur* exhibition, in which the different State Governments and the Central Demonstration Squad will have their stalls, will be held along with the open session of the Conference. Practical demonstrations on palm *gur* and sugar-making will be given, but the highlight of the exhibition will be the inauguration of a new process of manufacturing palm *gur* by utilising solar heat.

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WASHING INDIAN COAL

COMPLICATED ECONOMIC PROBLEM

ONE of the controversial questions now facing the eight-man Coal Washeries Commission is the determination of factors that encourage washing of coal. A section of coal interests is of the view that coal washing could be made attractive, provided a bonus of something like Rs. 2 to Rs. 3 per ton above the present controlled prices is given. This is the view of the Indian Mining Association also. Mr. D. C. Driver, President of the Coal Consumers' Association of India, is also of similar opinion. He says that the steady ash percentage, that is, consistency in ash content, should be rewarded by what may be called "consistency extra" over and above the controlled price for the grade reached by washed coal. He has also suggested certain adjustments in freight charges on coal transported to central washeries. He is of the view that the freight of Re. 1-14 per ton of coal transported to central washeries from whatever distance within a radius of 20 miles has been discouraging the collieries nearer the washeries from washing coal. The Indian Chamber of Commerce, in a communication to the Coal Washeries Committee, has, however, pointed out that any price distinction between washed coal and coal beneficiated by hand preparation will have "undesirable effects on both the producer and the consumer." The producer, it states, is not entitled to a surcharge for the supply of any coal to the consumer. There, however, seems to be an alternative to the bonus scheme. It will be recalled in this connection, that, a few months ago, Mr. W. H. S. Michelmore advocated a revision of the present price structure in such a way as to reflect more correctly the relative fuel values of the various grades. This means that, while the selling prices of the better grades should be appreciably increased, those of lower grades should be reduced.

Cost of Washing

There is also one more aspect of this problem, an equally difficult one. The economics of washing coal depends on two factors, namely, the nature of raw coal used and the price of clean coal. If good quality raw coal is used, the cost of washing will be less than when inferior quality is used. The complication arising from this fact was explained by Mr. Michelmore as follows:

"If the desired quality of clean coal were 15 per cent. ash, it might take, say, 120 tons of good quality raw coal to produce 100 tons of washed coal of this quality, whereas if inferior coal were being washed, it might need 130 or even 140 tons of raw coal to yield this tonnage. Now the cost of mining the raw unwashed coal varies little, other things being equal, as between the better and the inferior grades, so, paradoxically, to secure an adequate return to the colliery owner, a higher price should in theory be paid to him for washed coal produced from inferior seams than for similar coal arising from the better seams. But the value to the consumer is identical."

It will be interesting to see how the Coal Washeries Committee will meet this enigma.

Coal washing is a very expensive process. A 100-ton per hour plant will cost about Rs. 15 lakhs and a 200-ton plant Rs. 24 lakhs. These are large sums and the present state of the coal industry is such that colliery owners have little hope of finding the money from their own resources. Moreover, in the present plight of the capital market, it will be difficult to raise such finance. The cost of operating these plants is inversely proportionate to their size. The Indian Chamber of Commerce, Calcutta, is of the view that coal washing could be easily adopted if the Government itself were to set up central washeries. Alternatively, it has suggested the constitution of a corporation financed jointly by the Government and the industry for the purpose of setting up washeries at suitable centres and encouraging coal washing.

COAL STATISTICS FOR APRIL, 1953

During the month of April this year, 829 collieries and eight coke plants were reported to have worked. On an average, 346,544 persons were employed daily and 8,746,282 man-shifts were worked. The overall percentage of absenteeism was 12.86. The output per manshift for miners and loaders was 1.05 tons for all persons employed in underground and open-workings 0.57 and for all persons employed 0.37 ton. As much as 3,244,402 tons of coal were produced during the month. Besides 121,417 tons of soft coke, 175,935 tons of hard coke and 13,345 tons of other kinds of coke were also manufactured. Despatches during the month under review accounted for 2,560,844 tons of coal, 116,012 tons of soft coke, 38,866 tons of hard coke and 3,064 tons of other kinds of coke. The coal stocks at the collieries on the last day of the month were 3,657,726 tons.

RURAL RECONSTRUCTION IN INDIA—I

TREND OF CHANGES IN SOCIO-ECONOMIC FABRIC ANALYSED

(By Prof. T. R. SHARMA)

MODERNISATION of the economic structure of India began about a century ago with the introduction of railways, foreign trade and commerce. In the beginning, raw materials such as, jute and cotton were exported, and manufactures such as, cotton cloth were imported. The first impact of these changes was felt by the artisan classes like the spinners, weavers, carders, etc., who were dislodged from their traditional occupations and swelled the ranks of agriculturists and agricultural labourers. A secondary effect of the new changes was the regional specialisation of agriculture; Western India specialised in cotton, Bengal in jute, the U.P. in sugarcane and the Punjab in wheat. No new or improved methods of agriculture were introduced.

Later on, some of the imported articles including cotton cloth or jute goods began to be manufactured in India itself. The modern industries provided employment to some of the displaced artisans like weavers and to some of the surplus agricultural workers. In spite of a fair progress in the process of modern industrialisation, a very small fraction of the total population is supported by modern industries and over 68 per cent. of the people are still dependent upon agriculture.

In England and other countries the changes in industrial and agricultural sectors were almost simultaneous. But in India, throughout the century since 1850, the process of industrialisation did not affect the organisation of agriculture and the rural areas to any appreciable extent.

The second instalment of modernisation of economic organisation appears to be coming now, almost after a century from the time of the beginning of modern industrialisation near about 1850. The countryside seems to be astir, and talk of rural reconstruction is in the air. In most of the States of India, the intermediate interests in land, between the Government and the cultivator, are being eliminated and the land is passing into the hands of the tiller of the soil. It is recognised on all hands that this is not an end, but rather the beginning of agricultural and rural reorganisation in this country.

Relationship Between Man and Land

This question of agricultural and rural reorganisation presents many complicated and knotty problems in densely populated underdeveloped lands like India. Perhaps most thinkers would agree that modern economic advancement implies two important changes in the man-land relationship. First is the attachment of man to land. In this respect there is almost a perfect analogy between man and his mother, on the one hand, and man-kind and mother-earth on the other. The infant suckles at the breast of its mother, as a boy he cannot be away from his mother for long, but as an adult, his dependence on mother, except for the sentimental attachment, disappears entirely. Nations or societies were and are almost inseparable from mother-earth in the earliest stages of civilisation and economic advancement; in the secondary stages, increasingly larger numbers take up occupations not directly connected with land; and in advanced industrial societies, man's bond with arable land is almost completely broken. Even as a farmer he is not bound to the soil in the manner in which his confrere is in the under-developed lands. Farms are purchased and sold and the farmer retires from farming as other people do from service or any other business or occupation. Generations or centuries-old relationship of a particular family with a particular piece of land may not be found in advanced countries. The entire working population is much more fluid, mobile and effective than in under-developed societies.

The second change is concerned with the proportion of working population, following different categories of occupations. In backward societies, the majority of people, sometimes over 80 per cent., is engaged in producing primary necessities of life. As the society advances economically, the proportion of people following primary occupations decreases progressively till, in the highly advanced societies, only 10 to 25 per cent. of the people produce enough of the primary requirements of the whole nation. The rest of them is left free to work for the higher and refined needs of the society.

I hope all of us accept this double aspect of land and rural reform and reorganisation; first, the proportion of such people who are inextricably bound with land and certain obnoxious professions should be progressively reduced; secondly, the entire requirements of food, raw materials, etc. at progressively rising standards should be supplied by a constantly decreasing proportion of population, thereby providing a broader basis for the development of higher occupations.

If we accept these two objectives, we may proceed to examine some of the new trends in land and rural reforms and reorganisation. First of all, with the elimination of intermediaries such as the *zamindars* and *jagirdars*, the land is passing directly into the hands of the cultivator. Generally, the right of selling a part or the whole of his holding, is also being conceded to him. We all know that a very large proportion of holdings in India is of a very small and uneconomic size. These holdings do not provide sufficient income or employment to the families of the farmers who own them. Mr. S. Trone, a production engineer of world reputation, who visited India some time ago, was of the opinion that nine-tenths of the agriculturists are deficit farmers, who normally do not produce enough for themselves.

Under these conditions, it is desirable that very small and uneconomic holdings are sold to such neighbours, who are in a position to purchase them and put the enlarged holding under better and improved agricultural practices to give more produce to the nation. This process should ultimately lead to consolidation of holdings and co-operative methods of production. These changes are likely to be of great economic importance. The pattern of holdings, consisting of scattered strips, belongs to the era of subsistence farming, in which every farmer held pieces of different types of land for growing as many types of crops required for his consumption as he possibly could. But as this point of view changes and the subsistence farming pattern yields to commercial farming, agriculture tends to be more specialised. A farmer possessing all his land in one block would devote it to the cultivation of fewer crops for which the land is suitable and would get better yields. For obtaining commodities not produced by himself, the process of mutual exchange would be adopted. This pattern is sure to give better results. Besides, numerous hurdles in the path of consolidation, open-field system, compelling all farmers of a village to grow all their *kharif* crops on one side, and all the *rabi* crops on the other side of the village, is the most difficult one to cross. Even when consolidation is achieved, considerable capital expenditure may be required for fencing. Without consolidation and co-operation, improved methods of agriculture cannot be introduced even by those farmers who own enough land. Such trends, no doubt, would go to swell the ranks of landless labourers.

Problem of Land Redistribution

An opposite tendency is also discernible. Many people are demanding a redistribution of land so that the landless labourers may be provided with land. Not only in India, many eminent scholars even outside, think that the acute land-hunger in most of the underdeveloped lands of the world, specially in South-East Asia, is at the root of most of the leftist political tendencies and troubles. Dr. Parson, Professor of Land Economics in the Wisconsin University (U.S.A.), has, for some time, been studying the land problems in different States of India. He appears to conclude that some sort of redistribution is a necessary link in the process of agrarian reforms and may be irresistible in certain regions of the country. But he thinks that this is not a solution to the problem. The efforts of *Acharya* Vinoba Bhave in the direction of land-redistribution are too well known to need any amplification.

If we accept any unqualified scheme of land-redistribution to all the landless labourers, we shall be moving diametrically opposite to well considered principles of economic advancement, as we may be creating thereby an army of deficit ryots, tied up with tiny fragments of land, neither serving themselves, nor the nation. This is likely to happen, because there is little land available for redistribution. In Uttar Pradesh nearly 90 per cent. of the cultivated land is held in holdings of 25 acres or less. The position is not materially different in other States of the Union.

After the abolition of intermediary interests, a certain amount of land which was directly in their possession as *sir* or *khudkasht*, still remains with them. Some of the *sir* or *khudkasht* holdings are just of the size of those of other farmers. The question of disturbing these holdings does not arise. Some of the bigger holdings of a compact nature have been turned into well organised and well managed farms, providing steady employment to the landless labourers of the neighbourhood and giving good per-acre returns in the form of agricultural produce. The total number of such successful farms may not be large but they should be regarded as national assets. So long as these farms are being run efficiently, the question of withdrawing any land from them would not arise. The holdings of big progressive farmers have not been touched, even in communist countries like China. Quite a substantial number of farms are in the organisational stage. They are going through their teething troubles and deserve the assistance of the Government.

Apart from these two categories, in many cases the land is being held in fragmented parcels, either by absentee ex-proprietors of *zamindaris*, or by other persons whose real occupation is not agriculture. In several such cases, on enquiry it may be found that they hold more land than they can manage. Sometimes they are getting it cultivated even at a loss, simply because they are afraid of losing its possession. Withdrawal of a certain amount of land from this third category of holdings would lead to more economic utilisation of land. A careful enquiry by the Departments of Agriculture would be necessary to establish this threefold classification of private farms.

Besides some land obtained from these sources, certain amount of new land may be made available in certain regions by reclamation of weed-infested land or *terai* land. But the grand total of all such land would be insignificant when compared to the minimum requirements of settling the landless class, keeping in mind the fact that each such family would be given a holding which would at least provide work for an ordinary team of two bullocks and a family of average size and no family would be allotted any fragments of land. In such circumstances, the process of land redistribution may not touch even the fringe of the problem of rehabilitating the landless labourers. But nevertheless, the step is desirable for bringing about a better utilisation of land.

There are, however, certain other economic factors which are always adding more people to the class of landless workers. In many parts of the country, certain amount of machinery and mechanical appliances is finding its way into the rural areas. In the gradual process of economic advancement, this is inevitable. An increasingly larger number of modern farms owned by *zamindars*, *jagirdars*, ex-military officers, etc. is being equipped with tractors, certain amount of farm machinery, mechanical pumps, etc. Under the scheme of community projects also, a certain amount of agricultural machinery is being introduced in rural areas. In co-operation with Mr. Mason Vaugh of Naini Agricultural Institute, the famous Mahewa Project of Etawah District (U.P.) has begun to use a few improved varieties of implements, such as the Olpad threshers, seed-drills and drill-cultivators. Chaff-cutters are becoming quite common. Most of the light machines are bullock-driven and the chaff-cutters are operated by hand. Most of these appliances cannot be repaired by village blacksmiths and carpenters. Research students engaged in field enquiries report that these artisans are taking to agricultural labour as a subsidiary occupation. At Mahewa, a central workshop has been established to repair the new implements. Similar developments should be expected in other regions where new implements are brought into use. They are likely to dislodge a certain number of artisans from their normal occupations. Small mills for grinding grain form another new feature of the rural areas.

(Continued on page 1111)

TREND OF WORLD RUBBER POSITION

PROSPECTS FOR NATURAL RUBBER

A BRIEF analysis of the trend of world production and consumption of natural rubber during the last three years and the prospects for latex is given by Sir Eric Macfadyen, Chairman, the Rubber Plantations Investment Trust, London, in his annual statement to the shareholders. This statement reveals that, during the last three years, although both the output and consumption of natural rubber showed a decline, the output was in excess of consumption by a wide margin. The following table brings out the position clearly:

	Production (Tons)	*Consumption* (Tons)
1950	1,860,000	1,705,000
1951	1,875,000	1,500,000
1952	1,780,000	1,455,000

The excess of production over consumption which had stood at 155,000 tons in 1950 increased to 375,000 tons in 1951. It, of course, decline to 325,000 tons in 1952, but was still far bigger than in 1950. The aggregate excess of production for the three years amounts to a substantial figure of 355,000 tons. The stocks available to industry, however, increased by only 72,500 tons (from 720,000 tons to 792,500 tons). It is inferred that the balance of 782,500 tons had gone to increase the strategic stockpiles (almost wholly in the U.S.A.) for which natural rubber alone was acceptable. The widening of the gap between production and consumption, as indicated above, is attributed to the increase in the utilisation of synthetic rubber.

Commenting on the repercussions of synthetic rubber's progress on natural rubber, Sir Eric says that, fostered by the U.S. Government's policy, in respect of both manufacture and mandatory use, synthetic rubber's rapid progress has made heavy inroads into the natural rubber market. No doubt, the U.S. stockpiling lifted the price of natural rubber above the level of synthetic which was available throughout in the U.S. at less than commercial cost. Thus, in 1951, the corresponding grade of natural rubber, which has recently been sold for less than the price of GR-S, was worth more than twice the value of GR-S. The high price that ruled for natural rubber and the availability of synthetic at less than commercial cost had the effect of pricing out latex for normal use and the use of synthetic rubber in industry was stimulated in unprecedented fashion.

Competitive Position

According to Sir Eric, American industry is consuming three tons of synthetic to two tons of natural rubber. He is, however, of the opinion that this rate of consumption of synthetic rubber by the industry will not last. For once the U.S. Government divests itself of the ownership of the synthetic plants and these pass into the hands of commercial operators, the real cost of producing the synthetic product will, for the first time, be established. In the competitive position that will ensue, as a result of this, Sir Eric is confident that natural rubber is likely to be valued at over, rather than under, the price at which GR-S is marketed. But a point to be noted in this connection is the high cost of production of natural rubber. The high prices ruling for a year or two led to inflation of costs and this is proving difficult to be brought down again. In the process of adjustment, Sir Eric feels, a stage may be reached at which the less advantageously placed growers will find themselves on the margin, or below the margin, of production. But no such fear is entertained by him in regard to well-founded plantations. With an increasing proportion of modern high-yielding rubber, these plantations will be able to hold their own against the synthetic rubber.

The latest statistics of world rubber position released by the International Rubber Study Group Secretariat show that world production of natural rubber during April, 1953 amounted to 132,500 tons which shows a slight decline from that of 135,000 tons in March. This brings the total production for the first four months of the current year to 550,000 tons, as against 587,500 tons in the corresponding period of 1952. World consumption also fell to 132,500 tons in April from 140,000 tons in March this year. It included the estimated imports of 6,500 tons by Russia and 3,250 tons by China. For the four months ended 30th April, 1953, world consumption aggregated 537,500 tons, including Russian imports of 35,250 tons and Chinese imports of 22,000 tons. World stocks of natural rubber as on 30th April amounted to 790,000 tons, made up of 217,500 tons in producing areas, 360,000 tons in consuming areas (excluding Government-held rubber) and 212,500 tons of floating stocks.

World production of synthetic rubber rose from 73,700 tons in February, and 88,500 tons in March to 90,000 tons in April. For the four months to April, production of synthetic rubber amounted to 329,500 tons. Consumption during April was unchanged at 85,000 tons and reached a total of 327,500 tons for the first four months. Stocks at the end of the period disclosed a rise of 2,500 tons since 1st January this year to 140,000 tons.

RUBBER PRODUCTION IN CEYLON DECLINES

The output of rubber in Ceylon during the year 1952 suffered a decline of 8,500 tons, that is, from 105,000 tons in 1951 to 96,500 tons. The area under rubber cultivation in 1952 is estimated at 615,583 acres, on which basis, the average overall yield per acre during the past year was 351 lbs. The corresponding yields for 1950 and 1951 were 412 and 380 lbs., respectively.

Disclosing this, the Administration Report for 1952, issued by the Rubber Controller last week, says that the fall in prices had an adverse effect on production, though it is not the only cause for the progressive decline in the average yield per acre. The decline, according to the Rubber Controller, underlines the need for replanting Ceylon's worn-out rubber areas. About 200,000 acres, it is stated, have been rendered uneconomic by intensified tapping brought about by boom prices in 1951. Describing this trend as unfortunate, the Rubber Controller says that the general decline in the industry would be disastrous for individual producers and for the country as a whole. Rubber is the Island's second largest industry, with over half a million people depending on it for their living.

MALAYAN EXPORTS OF RUBBER

The preliminary figure of exports of rubber from Malaya for the month of May shows a decline from 73,751 tons in April to 63,375 tons, which is stated to be the lowest monthly total since June, 1949. For the first five months, exports amounted to 348,111 tons, as compared with 383,185 tons in the corresponding period of 1952.

TEA CESS IN AUSTRALIA

The Australian Government has imposed a cess of about As. 6 per lb. on all tea bought by wholesalers with effect from the 8th inst. There was a rush to buy tea by housewives in anticipation of a rise in price. Most shopkeepers are reported to have restricted sales to one pound for each customer.



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ECONOMICS OF JUTE GROWING

CENTRAL JUTE COMMITTEE'S REVIEW

AN idea of the progress of work carried on by the Economic Research Section of the Indian Central Jute Committee in 1951-52 is provided by the Annual Report of this section released last week. It throws light on the economics of jute growing, improved methods of cultivation, mofussil prices of raw jute, jute substitutes grown in India, prices of loose jute in Calcutta, jute transport, American market for jute, etc. The contents of the Report is the result of the studies conducted by the staff of the research section and covers the work done in the fourth year of investigation, namely, 1951-52. The research was carried out in five centres, namely, Manoharpur, Belakoba, Purnea, Kendrapara and Nowgong.

Commenting on the cost of production, the Annual Report says that the yield of jute crop per acre was better in 1951 than in 1950 in all the centres except Nowgong and that the overall average yield for the five centres was the highest in that year since the investigation was started in 1948. The break-up of the cost of jute production showed that both the operational cost and the rent per acre were higher in 1951 than in 1950, the rise being more sharp in the amount of rent. This rise was obviously due to higher value of rent on account of better yield and higher price of the crop. Unfortunately, the Report does not give comparative figures relating to either the yield of jute per acre or the cost of jute production. The absence of this information reduces the utility of the book. It is to be hoped that, in a subsequent issue of the Report, the lacuna will be filled up.

Improved methods of jute cultivation were introduced in 17.60 acres in 1951 distributed over the five centres. The plots under the improved methods had a better yield than their counterparts under the traditional methods in four out of the five centres. Here again we are kept in the dark as to the knowledge regarding the actual figures.

U.S. Market

An analysis of the causes underlying the changes in demand for hessian in the U.S.A., conducted by the research section, shows that, as demand for hessian is positively correlated to the industrial production in the civilian sector in the U.S.A. and as the latter shows a declining trend, hessian consumption in the U.S., according to the Report, is not likely to reveal any significant upward movement in the near future. "Such an assumption," the Report remarks, is all the more justified, particularly because the recent precipitate fall in raw jute prices, coupled with a considerable reduction in the export duty on jute goods, has not been able to push up hessian consumption in the U.S.A. to any great extent." Although this conclusion is justifiable in a way, it does not appear to have been based on a comprehensive study of the market. It is disappointing to note that no data are made available as to the total imports of jute goods into the U.S., the share of India and other countries in these imports, the effects of export duties levied by the Government of India on U.S. imports of Indian jute manufactures, etc. The absence of any reference to these factors, which have a close bearing on U.S. consumption of Indian goods, deprives the study of its value.

Supply of wagons for transporting jute was not uniform during the season under review.

Growers are stated to have received a good return on their jute crop during the season and, as such, they would have been in a very affluent position had they not been compelled by circumstances, as usual, to buy a large proportion of their requirements of cereals at high prices. There was considerable rise in jute prices during January, 1952, but a downward trend started during the latter half of that month. In February and March there was a further recession in prices, as a result of general slump in the commodity markets, and with the exception of a slight recovery in April, prices declined steadily during May and June. The slump touched the prices of rice and paddy but the decline in prices was not as much as that in raw jute. The majority of growers, however, was not affected by the slump, as they had by then disposed of a large portion of their crop.





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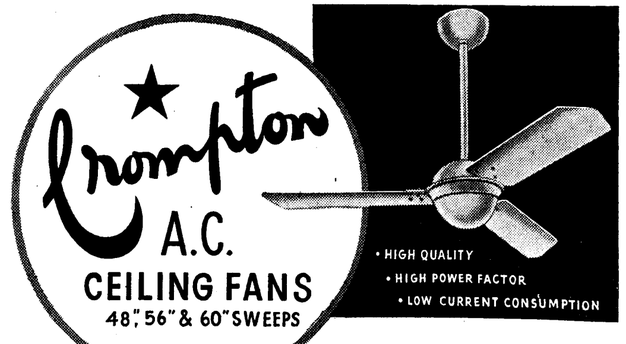

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POWER AND TRANSFORMER INDUSTRY

GOVERNMENT ACCEPTS TARIFF COMMISSION'S RECOMMENDATIONS

THE Government of India has accepted generally the recommendations of the Tariff Commission on the grant of protection to the power and distribution transformer industry and decided to take steps to implement them, as far as possible. The chief recommendation of the Commission, which enquired into the conditions of the industry on an application by the National Electrical Industries, Ltd., Bombay, is that the import duty on power and distribution transformers upto 2,500 k.v.a. and 37.5 k.v. on the high tension (H.T.) side (primary voltage being over 250), excluding furnace, rectifier and flameproof transformers, should be increased from the present level of 5 per cent. *ad valorem* to 10 per cent. *ad valorem*, exclusive of surcharge, and should be converted into a protective duty. The protective duty should remain in force upto 31st December, 1955. The implementation of this recommendation is expected to provide considerable protection to expand indigenous production.

The next important recommendation of the Commission is that the domestic producers of transformers should be given a refund of so much of the customs duty on transformer oil as is in excess of 5½ per cent. *ad valorem* on the quantity of the oil actually used by them in the manufacture of transformers. If, however, there were to arise any serious difficulties in giving this refund, transformer oil imported with transforms should be assessed at the rate of duty applicable to transformer oil imported separately. The duty on transformer oil, it may be noted here, is 27 per cent. *ad valorem* on a tariff value of Rs. 3-12 per gallon. No duty was, however, levied separately on transformer oil contained in complete transformers. The duty on that oil was, therefore, the same as that on the transformer itself, namely, 5½ per cent. *ad valorem*. The difference of 21½ per cent. definitely placed the indigenous manufacturers at a disadvantage by reducing the competitive position of local manufactures, with the foreign-made ones. The Government of India has, therefore, accepted forthwith the alternative suggestion of the Commission and has accordingly increased the rate of import duty on transformer oil imported with protected categories of transformers to 27 per cent. *ad valorem*. This will not involve any administrative difficulties.

The Tariff Commission has recommended the grant of protection to the power and distribution transformer industry subject to certain conditions. One of them is that the industry should try to meet domestic demand for the types of power and distribution transformers upto 2,500 k.v.a. and 37.5 k.v. (plus the usual tapping allowance) on the H.T. side. The aggregate demand for transformers upto 2,500 k.v.a. and 22 k.v. on the H.T. side is put at 550,000 k.v.a. in the current year, as against about 430,000 k.v.a. in 1952, according to the Central Water and Power Commission. It is expected to shoot upto 630,000 k.v.a. in 1954. Other estimates vary from 400,000 k.v.a. to 2 to 2.5 million k.v.a. The total demand for power and distribution transformers upto 33 k.v. which is likely to result from the projected expansion of power supply during the period of the Five-year Plan is estimated at 2.65 million k.v.a. As against this demand, the annual rated capacity is 370,000 k.v.a. which is expected to increase to 485,000 k.v.a., per annum, shortly, on the completion of two new and certain other expansion projects. The production of the industry of three-phase transformers was 183,164 k.v.a. in 1951, as against 153,181 k.v.a. in 1950. The production of single-phase transformers was 28,132 k.v.a. in 1951, as compared with 24,683 k.v.a. in 1950. These figures disclose the scope for the expansion of the power and transformer industry. The Government of India has drawn the attention of the industry to the following recommendations of the Tariff Commission:

(1) The grant of protection to this industry should be subject to the conditions that the industry will maintain its prices at a reasonable level, strive for reduction in costs and improvement in quality and endeavour to meet the domestic demand for the types of power and distribution transformers covered by the enquiry to the fullest possible extent;

(2) the prices quoted by the Sankey Electrical Stampings for transformer laminations are reasonable, but the firm should try to reduce the percentage of wastage in the manufacture of lamination with a view to reducing its costs; and

(3) the industry should continue its efforts to improve upon its delivery dates.

The Tariff Commission has made the following other important recommendations with which the Government is in general agreement:

(1) Imports of stalloy sheets and laminations should be so regulated as to promote a fuller utilisation of the domestic capacity for the production of these materials;

(2) the present system of import restrictions, though imposed for balance of payments reasons, has been of much benefit to this industry. So long as the quality of domestic transformers continues to be satisfactory and the prices and delivery periods are reasonable, import restrictions should be so administered as to ensure the fullest utilisation of domestic capacity;

(3) the Development Wing of the Ministry of Commerce and Industry should carry out a technical investigation into the extent of facilities available at each unit, with a view to obtaining more accurate data about the highest ratings upto which transformers can be produced by each unit;

(4) the Central Glass and Ceramic Research Institute, Calcutta, should try to bring about an improvement in the quality of indigenous bushings by giving the porcelain factories necessary technical advice and assistance;

(5) the Central and State Governments should adopt a policy of purchasing their requirements of transformers from indigenous producers, as far as possible. The major electric supply undertakings should also be requested to adopt a similar policy;

(6) the Government of Mysore should make every effort to expedite the completion of their scheme for the expansion of the porcelain factory at Bangalore;

(7) the prices charged by the Indian Cable Company for D.C.C. and D.P.C. wires and strings and those charged by the National Insulated Cable Company for D.C.C. wires are excessive. The two companies should be asked to reduce their prices, so as to bring them in fair relation to their costs. Government should keep a watch over the prices of indigenous D.C.C. and D.P.C. wires and strips with a view to ensuring that they are maintained at a reasonable level;

(8) some of the manufacturers of transformers have stated that the indigenous stalloy sheets suffer from lack of uniformity in thickness. Tatas should try to remove this defect and also continue their effort to produce adequate quantities of sheets with a watt loss comparable to that of high grade imported sheets; and

(9) the industry should take note of the defects pointed out by consumers, particularly the leakage of oil from tanks and inferior workmanship, and endeavour to remove the defects, wherever they still exist. The manufacturers who do not have adequate arrangements for testing finished transformers and parts should make such arrangements as early as possible.

AUTOMATIC TELEPRINTER EXCHANGES

The Posts and Telegraphs Department has taken another big stride forward in modernising the communication network of India with the installation of two auto-teleprinter exchanges at Bombay and Ahmedabad. These exchanges, the first of their kind in the East, provide direct teleprinter communication between any two parties connected to the exchange through direct dialling. Thus, a teleprinter subscriber connected to the exchange at Bombay can get connected to any other teleprinter subscriber either at Bombay or at Ahmedabad by dialling as in an automatic telephone system.

This new mode of communication, which has proved extremely popular in the West, has several advantages over the existing methods. The inevitable delays due to booking, circulation, transmission and delivery of telegrams as at present handled will be entirely cut out. As the parties concerned are in direct touch, replies can be had immediately. There is greater secrecy than in the existing system as connections are established by direct dialling without intervention of the operators. The calls, both local and trunk, are metered automatically by an efficient system of time zone metering which permits the charging of calls based on both the duration of the call and the distance between the stations.

(Concluded from next column)

for a modern petro-chemical industry, utilising numerous by-products from the refineries. Direct benefits to the Indian exchequer in the shape of taxation are also likely to be considerable.

The cost of petroleum products in India, however, will not tend to come down, to any appreciable extent, as a result of indigenous refining, since it costs more to refine a barrel of oil away from the source of production. For one thing, for every ten barrels of crude oil that will be shipped to a refinery, about nine barrels will be recovered as product, the rest will be used in the refinery itself as fuel. Shipment of this extra barrel of oil to the refinery will increase transportation cost and this is one important factor in the total manufacturing cost as compared with that of a refinery located near the wells.

STANVAC BOMBAY REFINERY

FIRST LARGEST DOLLAR INVESTMENT IN INDIA

THE unveiling of the commemorative tablet of the Stanvac Bombay Refinery by Mr. Girija Shankar Bajpai, Governor of Bombay, last week, marked the end of the preliminary stages of construction of the Rs. 17½-crore refinery. The refinery is the first largest investment to be made by American private enterprise in India. Mr. George V. Allen, U.S. Ambassador to India, speaking on the occasion, observed: "The 25,000-barrels-per-day oil refinery we see under construction here is the best possible proof that these American businessmen have calculated the risk in India and have found it worth taking," and added that "this project may set the pattern for much of the future industrialisation of India."

The Stanvac project, the first modern oil refinery capable of producing a full range of quality fuels, will have a charging capacity of 25,000 barrels of crude oil a day, a quantity sufficient to supply about one-third of India's total daily needs. The principal products and approximate yields of the refinery will be as follows:

(In millions of Imperial gallons)

	Output per year
Gasoline	90.00
Kerosine	40.00
Automative diesel oils	18.00
Industrial diesel oils	40.00
Industrial fuel oil	55.00
Bunker fuel oil	45.00

The establishment of the refinery will represent a major step in making India self-sufficient in petroleum products. The country's aggregate requirements in 1952 were 80,000 barrels per day, of which India's present refining capacity supplied approximately 5,000 barrels. When the Stanvac plant goes into operation next year, it will have increased the refining capacity by 500 per cent. When the other refineries projected by Burmah-Shell for 1955 and Caltex for 1956 are ready, the total refining capacity of India will be approximately 80,000 barrels per day—a substantial part of India's estimated consumption of 105,500 barrels per day in 1956.

No modern nation can build its economic future without an assured supply of petroleum. Of some 50 countries in the world with petroleum refining facilities, India ranks at present among the last ten. When all the three refineries go into production, it will advance to hold a place among the first 20 in rated capacity. The Stanvac plant will be one of the most modern plants in the world. It will incorporate certain important modifications and improvements over the prototype Model IV unit which went "on stream" at Edmonton, Canada, last December. It will provide employment for 500 workers. Of these, 450 will be Indians, that is, nine out of ten employed by Stanvac. The remaining 50 will be specialists from overseas, all of whom have very long experience in operating the complex refining equipment. The Company, we are told, will plan to fill even these 50 posts with Indians, as soon as possible, by giving them adequate training.

Basically, the establishment of a modern refining industry in India means that the country will become much less dependent on other countries for the supply of its petroleum products. As India does not possess petroleum reserves, there are many who seem to feel that India's dependence on others for oil will not be minimised by the establishment of these refineries and that, in the event of war, the position would be no better than it was in the last war when India had no facilities for refining. This view is not a correct appreciation of the advantages of the refineries in the offing. In the first place, India will not be so seriously affected as in the last war, because crude oil is available from many parts of the world. In the U.S. and Canada alone, for example, there are 30 billion barrels of proven reserves of underground oil and elsewhere in the free world not less than 65 billion barrels. Further, there are relatively more sources of crude oil, some of which are nearer to India and that too in the soft currency area, than there are refineries upon which to draw should the necessity arise. It is not impossible, too, that India has oil reserves of its own yet undiscovered and efforts are being made to locate them. The second important benefit of the refineries to India will be a substantial saving of foreign exchange as the cost of crude oil purchased abroad will be lower than the cost of finished products from the same sources. Besides, they will serve as the basis

(Continued in previous column)

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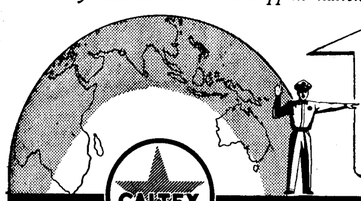
THE PHILIPPINES



The people of the Philippine republic are closely related to the Malays, though the source of much of their culture was China, with whom they traded as far back as the 14th century. Handed over to the U.S.A. under the terms of the armistice following the Spanish-American war, the Philippines were granted their independence on July 4, 1946. They thus pleasantly reflect the influences of the East and West. The Philippine archipelago is very fertile and the rice terraces of Northern Luzon are a marvel of the East. Here also is grown the famous Manila hemp, used for ropes. The Caltex organisation distributes high-quality petroleum products throughout the islands, and their expert information service is readily available to the Philippine nation.



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INVESTMENT POLICY OF LIFE OFFICES

LENDING SUPPORT FOR PRODUCTIVE ENTERPRISE

SIR George L. Barstow, Chairman of a leading British insurance company, namely, the Prudential Assurance Company Ltd., devoted a large portion of his very interesting address at the recent annual meeting of the Company to a discussion of the problems arising out of the investment policy of life offices. The address of the Prudential's Chairman always arouses great interest in insurance circles, both in the U.K. and abroad, because he presides over the largest life office in the U.K. Some idea of the magnitude of the investment problem of this Company will become evident when it is remembered that the total assets of the Company are now about £664 million. The Company wrote £112 million (Rs. 100 crores) worth of new business in 1952; all the Indian life offices together write about Rs. 115 crores worth of new business in a year

Sir George prefaced his remarks by saying that, as the Chairman of the largest life office in the U.K., he felt it was his duty to remind the shareholders of the care that the management devotes to its "investment responsibilities" and the important principles upon which its investment policy is based. He added: "The investment of accruing funds is a vitally important part of the conduct of the business of life assurance and the careful scrutiny and investigation of every proposition put to us is in the hands of officials of long experience in these matters. The control and direction of investment policy is the aspect of our business to which your Directors devote the greater part of their time and thought."

Proceeding, Sir George pointed out that the chief criterion which governed the Company's financial policy was that investments must be made in the interests of its policyholders. He said: "We cannot ourselves create opportunities for investment; we can only take advantage of such as present themselves." Nevertheless, the management maintains a "widely spread distribution of investments yielding the highest rates of interest compatible with security of the policyholders." The success the Company achieves in this policy determines the bonus additions to its with-profit policies.

Insurance companies are now performing a service which individuals were performing in a remoter period when it was largely the *entrepreneurs* who started or financed businesses. But the growth in the burden of taxes on private incomes has diminished the importance of the private investor. The ordinary citizen's savings now flow into insurance companies, because an insurance policy represents, for most men of ordinary means, the only safe investment which has the additional advantage of providing cover against sickness and death. So far as the richer classes of investors are concerned, their importance to the capital market has diminished, as already stated, with the increase in the burden of direct taxes. Thus, joint-stock companies and insurance companies are gradually succeeding to the place of the private investor. Of these two classes of new investors, insurance companies play a particularly important role, since the nature of their business brings in large funds for which they must find suitable investment outlets. Referring to the role which insurance companies should play in the national economy, Sir George said:

"It is in the national interest that capital should be provided for the expansion and modernisation of industry of this country. We are ready and anxious to play a full share in the finance of productive enterprise provided it is financially sound. No industry can be the worse for being on sound financial lines. In fact, any undertaking which is not operated on a sound economic basis must prove detrimental to the true national interest.

"Our readiness to support productive enterprise is evidenced by our investments in ordinary shares in particular in 1952. These largely arose out of the new issues which were made by important industrial companies. We continued our policy of giving support to such issues although some of these were made at times when market conditions were difficult, owing to the uncertainties arising from the nation's financial problems. In carrying out our responsibilities in the selection of investments we do not claim to be infallible, but we do claim that, as in all our problems, our judgment is unbiassed and unfettered."

It is sometimes argued by those political extremists who believe that because insurance companies hold funds which could be diverted for national purposes, it is necessary that the insurance industry should be taken over by the State. This argument deserves to be examined from the point of view of insurance companies as well as that of the concerns which need capital, that is, industrial and other borrowers. Is it correct to assume that insurance companies would not behave in the national interest? After all, they too have the interests of the policyholders to serve and would like to combine both good yield and security for their investments. So far as the new undertakings in which some insurers invest their funds are concerned, it is not as if insurers who invest their funds in such concerns ignore national interests. In this connection, Sir George said:

"In any event, the great majority of the cases where we provide new finance must have received the approval of the Capital Issues Committee and must, therefore, be assumed to conform to the national interest. It is important to realise that the Government through the Capital Issues Committee exercises a considerable measure of restriction over the purposes for which new money can be raised. Should, however, the Government seek at any time to exercise positive control over the investment of insurance funds, a real danger to policyholders' interests would arise."

It is also necessary to consider the question of the investment of life funds from the point of view of industrial and other borrowers. If life funds were owned entirely by the State, as they would be when insurance is nationalised, would the interests of industrial borrowers receive greater consideration than at present? This is, in many ways, a most crucial question. Sir George made some very interesting observations on this subject. He said:

"It must be remembered that these funds are distributed among approximately 80 offices which compete among themselves in seeking suitable investments. The industrial borrower is much better placed in dealing with this number of competing investors than he would be if this large section of the funds available for investment were combined in one State-controlled organisation. The need for life offices to invest their funds is strong and pressing, probably as strong as is the need which industry has for raising money.

"In these circumstances, there is no reason to suppose that the terms negotiated tend to be more favourable to the lender than to the borrower. In fact, it is in our own interests that the terms of a public issue of capital should be as fair as possible to both parties. Clearly, we do not wish the terms to be too favourable to the borrower, but it is also true that terms which are too favourable to the lender bring about such a heavy oversubscription that we get a much smaller investment than we would like . . . . There appears to be a widespread belief that because of the admitted shortage of national savings, there must be a lender's market in the investment world; that too much investment potential must be chasing too little savings. Our own experience as long-term investors is rather the reverse. At no time in the last few years have we been in the position of turning away sound offers of investment because of a shortage of funds on our part."

From what is stated above, it should be clear that industrial borrowers should welcome the existence of a large number of strong insurers. It is certainly not in their interest that all funds should be concentrated in the State. Nationalisation of insurance would definitely reduce their bargaining ability in respect of their borrowings.

BIG RISE IN NEW INDIA'S LIFE BUSINESS

FUNDS EXCEED RS. 20 CRORES

AN impressive rise of nearly Rs. 136 lakhs to Rs. 18.04 crores in new life business and a substantial increase of Rs. 227 lakhs to Rs. 17.01 crores in the life fund are the notable features of the working of the New India Assurance Co., Ltd., Bombay (General Manager: Mr. B. K. Shah), for the year ended 31st December, 1952. There has also been good improvement in the Company's general business, as is shown by the increase in the premium income of the fire, miscellaneous and marine departments. All this would, in itself, constitute a creditable record. But it is the more creditable because it has been achieved in the face of very difficult economic conditions which prevailed during 1952.

During the year under review, 53,275 proposals resulted in policies for Rs. 18.04 crores, as against 47,639 proposals which resulted in policies for Rs. 16.68 crores in the previous year. The total number of ordinary policies in force is 2,31,204, assuring a sum of Rs. 83.85 crores, of which Rs. 3.08 crores has been reassured. The net premium income amounts to Rs. 4.24 crores, and the life fund is Rs. 17 crores. The expense ratio is, however, higher at 29.3 per cent., as against 28.6 per cent. in 1951. The following figures reflect the progress in the Company's life business over the three years ended 1952:

(In crores of rupees)

Life Department	1952	1951	1950
Premium income	4.24	3.85	3.25
Funds	17.00	14.74	12.82
New business	18.04	16.68	13.44
Business in force	83.85	75.07	63.01

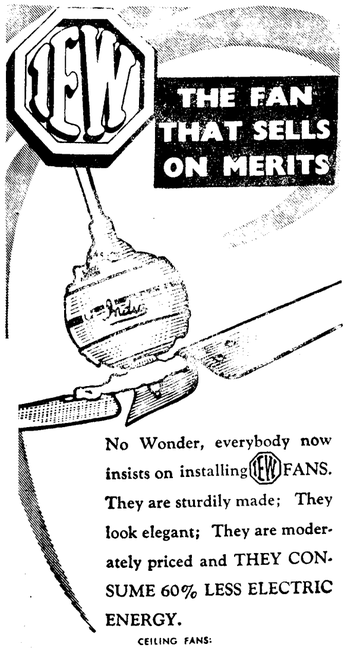
New India continues to maintain its well-deserved reputation of being the leading general insurer. The total premium income in the general department increased by Rs. 21 lakhs to Rs. 3.85 crores. Although the improvement is less spectacular than in the previous year when the increase in premium income was as much as Rs. 60 lakhs, it must be remembered that the general business conditions during 1952 were of a most difficult nature in recent years so that even a moderate improvement must, as already stated, be regarded as a creditable achievement. And it is particularly noteworthy that the increase in premium income in the general department is shared by all departments, as will be clear from the following figures:

(In crores of rupees)

	1952	1951	1950
Premium income			
Fire department	2.29	2.23	1.70
Miscellaneous department	0.65	0.38	0.38
Marine department ...	0.91	0.83	0.62
Total ...	3.85	3.64	2.25
Funds			
Fire department	1.55	1.50	1.21
Miscellaneous department	0.51	0.46	0.35
Marine department ...	1.32	1.24	1.03
Total ...	3.38	3.20	2.59

The expense ratio has gone up, as already noted, in the life department from 28.6 per cent. to 29.3 per cent. In the general department too, there has been an increase under the item "commission, expenses of management and foreign taxes." This item represented 46.6 per cent. of the premium income in the fire department, as against 38.2 per cent. in 1951, and 29.4 per cent. in the miscellaneous department, as against 28.8 per cent. in 1951 and 24.6 per cent. as against 17.0 per cent. in the marine department. The profit from the fire department amounted to Rs. 33.39

(*Continued on page* 1097)



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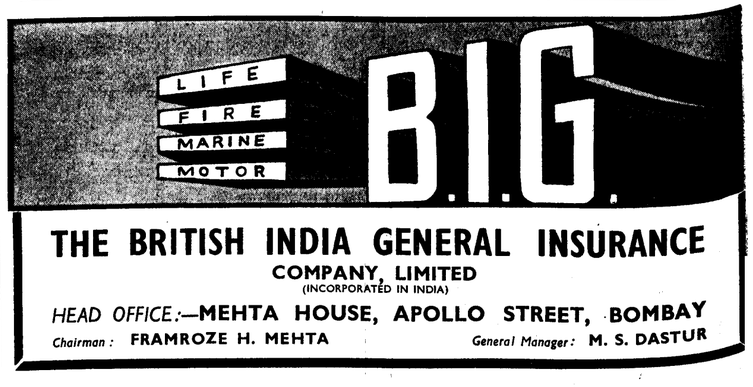

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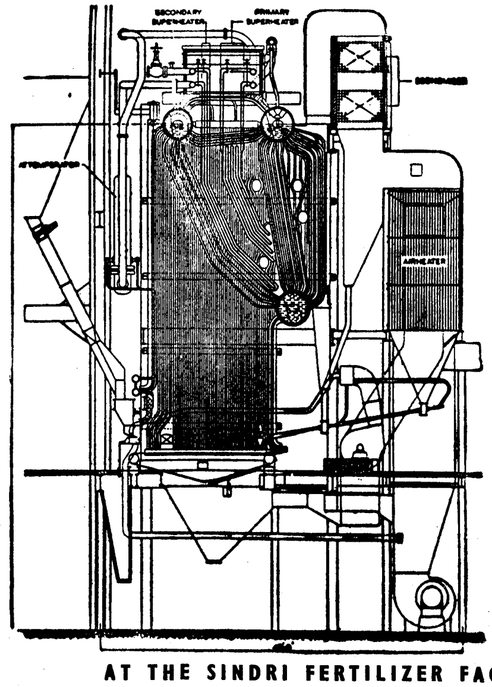

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MEANING AND MEASUREMENT OF PRODUCTIVITY

PROBLEM OF GREAT COMPLEXITY

(By Dr. M. M. MEHTA)

UNFORTUNATELY, the term "productivity" is one of those few words in industrial economics that have aroused many different and conflicting interpretations. Indeed, the term "productivity" has been used in such a variety of senses that it is difficult to find out what this term precisely connotes. Some have defined "productivity" as "output-input" ratio (ratio of output to resources expended); some have viewed "productivity" as the "overall effectiveness" of a productive unit, while some have confined the use of the term "productivity" to denote the "ratio of output to the corresponding input of labour" frequently expressed as "man-hours expended per unit of output (unit labour requirements)" or "production per man-hour" (P.M.H.). A critical observer may, however, discover considerable degree of uniformity and constancy in all these apparently different interpretations, for they all tend to portray one common characteristic, namely, someone's ability to produce more economically and efficiently. Yet for clarity and precision, it is essential to find out what the term "productivity" precisely connotes; whether "productivity" is quantitatively measurable, and if so, what should be the standard of measurement which could be applied with reasonable accuracy.

The most prevalent and widely accepted definition of productivity is the "ratio of output to the corresponding input of labour." The popularity of this definition undoubtedly rests on the widespread interest in labour-saving devices because such devices can affect costs, prices, profits, jobs, wages, and even a nation's military security and level of living. Another, but in no way less convincing, argument in favour of this measure is that labour time is more readily measurable than other input factors, and that it possesses a universal element common to all plants, processes and industries. This universality provides a common basis for measuring and comparing the relative productivity not only of different units but also of different sectors of a country's economy. In recent years, therefore, productivity is frequently used without qualification as "ratio of output to the corresponding input of labour." It may be expressed either as "output per unit of labour-time expended" or in its reverse sense as "labour-time expended per unit of output."

Not Quite Satisfactory

This definition, despite its simplicity and widespread usage, has not, however, removed confusion either from analysis or interpretation, and the reasons are manifold. It is difficult to dislodge the deep-rooted notion from the minds of the common men inexperienced in the technique and methodology of productivity analysis that "labour productivity data measure the productivity of labour and not the productivity of all the combined input factor." Indeed, labour productivity indices do not reveal changes in the intrinsic efficiency of labour, but rather the changing effectiveness with which labour is utilised in conjunction with other factors. As such, labour productivity is not a measure of the specific contribution of labour, or capital or any one factor of production. It reflects the cumulative influence of the operation of a large number of separate, though interrelated, influences such as technological improvements, the rate of operation, the degree of efficiency achieved in different processes, the availability of supplies and the flow of materials and components, as well as the employer-employee relations, the skill and effort of the workers and the efficiency of management. Changes in the ratio between output and man-hours of work have, therefore, no definite or precise significance. They may indicate the overall changes in the productivity of an enterprise, or they may only reflect the changes in production composite or type of machinery and technical equipment used. Definition of productivity as "output-man-hour" ratio has, therefore, serious limitations, and its implications to be viewed in the light of numerous reservations and qualifying conditions.

But more important and significant are the difficulties involved in the statistical use of "productivity" concept. To define "productivity" as "output-man-hour" ratio, is to leave the two terms, namely, "output" and "man-hours" to a number of different interpretations, often rendering the productivity data incomparable, and raising new problems and difficulties of interpretation. Some of the difficulties in the statistical use of this concept look almost insuperable, such as the measurement of the heterogeneous output (varying in quality, shape, texture or design); lack of any differentiation in the quality of labour utilised; the abstractive character of the "man-hour" concept—all these statistical bottlenecks militate against the use of "output-man-hour" ratio as indicative of the trends in productivity performances of different units. Indeed, such a definition of "productivity" raises insurmountable difficulties of "construction and interpretation of aggregates," and exposes the researcher to what Professor Boulding calls the "fallacies of aggregation." The lack of any common agreement as to what "labour" and "output" precisely signify, and the statistical difficulties encountered both in the aggregation of variable and even heterogeneous quantities, and in the interpretation of the "ratios" having no precise signification, have rendered this concept of "labour productivity" of extremely doubtful utility.

Modified Concept

Similarly, the expression of "productivity" as a ratio between output and any single input factor like the invested capital or units of horse-power consumed, is subject to the same limitations and qualifying conditions as the labour productivity ratio. Indeed, no single input factor can correctly portray or describe the influence of large number of separate, though interrelated, forces, often working in different directions. The inadequacy of any single factor to describe correctly the nature and magnitude of productivity changes have led to the evolution and development of slightly modified concept of "labour productivity." Indeed, some investigators have advanced the view that total input can be expressed in terms of labour time, including both actual and embodied labour. By embodied labour is meant that labour which is represented in the materials, fuel, machine and other "non-labour" elements used. In other words, it refers to labour which has actually gone into the production of machinery and technical equipment used, and raw materials and fuel consumed in the manufacturing processes.

Even this modified concept of labour productivity has neither removed confusion in analysis and interpretation, nor has it provided a fairly accurate and reliable measure of total input. Aside from the numerous statistical complications involved in the quantitative expression of machinery, material, fuel and other input factors in their "labour equivalents," there is the fundamental difficulty of reducing some basic elements having no labour content (like the capital invested or risk-bearing) into their "labour equivalents." There seems little justification, therefore, to treat the total labour-time (actual and embodied) as indicative of the changes in the total input factor.

The principal conclusion which emerges from the foregoing analysis is that no single input factor can reflect the nature and character of changes in all the input factors, nor can it be substituted to represent the combined input factors. The inadequacy and inappropriateness of a single input factor to measure correctly the nature and extent of productivity changes, has led to the development of a new technique by which all the input factors could be quantitatively measured, if not with scientific precision, at least with reasonable accuracy. The basic problem in measuring the combined input factor is that of finding some common numerical measure in terms of which the diverse resources involved in production, could be quantitatively expressed. The multiple resources, representing different physical characteristics and expressed in different units, cannot be combined together by the simple mathematical rule of aggregation. "Man-hours cannot be added to kilowatt-hours, tons of steel, and dollars of capital equipment for a resource total. Nor could an electrical manufacturer, for example, add up numbers of motors, number of refrigerators, pounds of insulated wire, and thousands of dozens of electric lamp bulbs to get a measure of his total product." There seems to be only one common unit in terms of which the diverse resources, representing different physical characteristics, could be reduced to a common denomination, and aggregated into meaningful totals. This is the common unit of valuation—the national unit of value.

Despite the fact that cost of production may furnish a fairly satisfactory and useful index of measuring the relative productivity of different units or industries, little attempt has been made so far to apply this technique of cost-analysis in the field of productivity measurement, and the reasons are manifold. Unfortunately, there is no complete unanimity of opinion with regard to the meaning and significance of "costs" and the "costing data." Indeed, the term "costs" has been interpreted so diversely by accountants, business men and economists that it is virtually difficult to find out what this term precisely connotes. The accounting "concept" of cost is entirely different from the economic "concept" of cost. "Whereas the accounting 'costs' are influenced by accounting practices and conventions, and by the accepted rules of income statements and balance-sheets, as also by managerial convenience and expenses of accounting records, 'costs' in the economic sense ordinarily presume rather simplified situation, conducive to logical elegance." Thus, it might look surprising that the concept of "marginal cost," which is of so vital importance and significance in all theoretical discussions, has received so scant attention either from accountants or business men. This is presumably because of the insuperable difficulty of translating the theoretical structure into statistically measurable concept.

Another difficulty which has prevented the use of the technique of cost-analysis in productivity measurement is, however, the extreme paucity and inadequacy of statistical information relating to cost of production. It is a well-known fact that costs are always regarded as "trade" secret to which an outsider can hardly have any access. Even the Tariff Commissions and other statutory bodies, despite their written undertakings and all possible assurances that neither the identity of mills, nor the cost-statements supplied by them would be disclosed in their published reports, were unable to secure all the information they needed. The stupendous task involved in the collection of the accounting statements and the general indifference and apathy of industrialists and business men towards such cost-studies, have discouraged, in no small measure, the application of the technique of cost-analysis in the field of productivity measurement.

Other Difficulties

Other difficulties that stand in the way of inter-comparison of cost-structure of different units are of a technical character. They include the variations in the terminal dates of accounts, the divergent accounting methods and practices followed in the preparation and presentation of financial accounts, the varying meaning and content of different cost items, the practice of pooling together a large number of miscellaneous items and presenting them in consolidated form, the different methods adopted for making provision for depreciation, repairs and replacements, and the practice of keeping secret or hidden reserves. These subterfuges are being used with such a degree of perfection that one may find himself, at times, completely baffled at the intricacy and complexity of the costing data.

Another problem of still greater complexity and magnitude is that of revaluing the various input factors in terms of constant dollars, sterling, rupees or any national unit of currency. Since all the input factors are to be expressed in terms of "monetary costs," it is essential that the standard of valuation must remain unchanged, so that the variations in productivity, arising from fluctuations in the intrinsic value of the currency could be completely ironed out. The adoption of the "constant" dollar, sterling or rupee technique is of paramount importance in the study of temporal variation in the productivity of two different units, or of the same unit during different periods of time or under different conditions. Similarly, adequate arrangements must be made to take into account all possible variations in the production composites.

The principal conclusion which emerges from the foregoing survey is that even the cost of production as a measure of industrial productivity has serious limitations, and that the conclusions drawn or facts established are to be

(Continued on page 1111)

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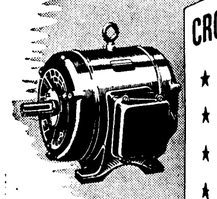

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K. S. VAIDYANATHAN,
Assistant Secretary.

NEW PUBLICATIONS

The Bombay Money Market. By H. T. Parekh. Published by the Oxford University Press, Bombay. Price: Rs. 10.

BOOKS on monetary and financial problems are usually written by academic persons, who possess a sound knowledge of economic theory, but who are often deficient in the knowledge of the practical aspects of such problems, on account of the lack of personal touch with them. Consequently, most of such books, although sound in their examination of the theoretical aspects of the problems, deal inadequately with their practical aspects. The above book is an exception to this general rule, because Mr. H. T. Parekh, who is a B.Sc. in Economics of the London University and a partner of a leading firm of share and security brokers in Bombay for several years, is well versed in both aspects of the problems. Having been in close touch every day for the last 15 years with the Bombay financial markets, he has dealt in this book with matters which are not to be found in any other book dealing with the same subject. The book covers a much wider field than is indicated by its title. The expression "money market" is usually understood in the sense of the short-term money market. The book, however, deals with call money, re-discount facility and *hundi* business, the stock exchange, the Gilt-edged market, treasury bills and small savings, capital market, joint-stock banks, the Reserve Bank of India, interest rates, bullion market and foreign exchange market. In the opinion of the reviewer, therefore, a more appropriate title for the book would have been *The Bombay Financial Markets*. The book describes the structure of these markets and analyses their working. It explains how they function from day to day. The treatment is factual and does not contain much abstract discussion. Yet, in order that the varied activities of the financial markets may be understood properly by the reader, the author has tried to cover their entire range, bearing in mind that a comprehensive study of these markets is not available to the public. The author has dealt with the Bombay financial markets, not only because he has been in close touch with them for the last several years, but also because, for all practical purposes, they may be regarded as synonymous with the Indian financial markets. Bombay may be regarded as the financial capital of India and Calcutta as the industrial capital of the country. These two cities are the nerve-centres of Indian industry, trade and finance and, taken together, epitomize Indian economy.

In dealing with the above markets, the author has dealt with a wide range of matters such as money at call and short notice, term money and house money, private deposits, re-discount policy of the Reserve Bank, multani *hundis*, re-discounting of *hundis*, bills for agricultural finance, investment, speculation, gambling, forward dealing and margin system on the stock exchange, blank transfers, listing of securities, promissory notes and stock certificates, switches in Government loans, tender and tap issues of treasury bills, treasury deposit rates, national savings certificates, personal saving, corporate saving, depreciation funds, new capital issues, capital issue control, underwriting, offer for sale, Industrial Finance Corporation of India, direct State aid to industries, bank rate, short-term and long-term rates of interest, interest rates in Bombay and Calcutta, gold as an international currency reserve, gold and the International Monetary Fund, world price of gold, gold import parity, margins and *teji mandi* business in the bullion market, financing of exports and imports, dollar exchange, Pakistan rupee, fixed and flexible exchanges, exchange control, Dollar Pool, sterling balances, International Monetary Fund and World Bank.

The author has shown that the financial markets in Bombay are, on the whole, well integrated and that relatively low interest rates prevail there. He has, however, pointed out that the supply of funds falls far short of demand outside Bombay and Calcutta and that the disproportionately high rates of interest prevailing in money markets in the mofussil compared with the rates in the central markets in Bombay and Calcutta are largely due to this factor. He has emphasised that, if the genuine need for working capital of trade and industry outside the organised sector is to be duly met, the volume of funds flowing through the Bombay financial markets needs to be augmented. It is a pity that the official policy so far has been to provide for the requirements of large-scale trade and industry only and that little is being done to attend to the needs of the small *entrepreneur*. The author has stated that as the small *entrepreneur* predominates in Indian trade and industry, meeting his requirements should be regarded a primary aim of official policy in India.

The book is written in simple language and the treatment is very lucid. It is printed very nicely in big type. It goes a long way in bridging the gap between the market place and the classroom and presenting a precise and full picture of the Bombay financial markets.

Economic Survey of Asia and the Far East, 1952. Published by the United Nations. Available in India from Oxford Book and Stationary Co., Scindia House, New Delhi. Price: $ 1.

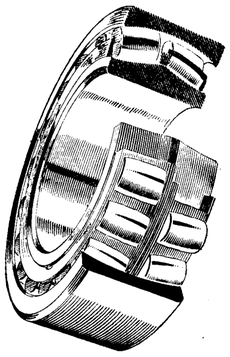
The *Economic Survey of Asia and the Far East* is the sixth in a series of annual economic reports prepared by the Research and Statistics Division of the Secretariat of the Economic Commission for Asia and the Far East. These reports have established a reputation for comprehensive review of economic conditions in the E.C.A.F.E. region. The latest report maintains the reputation of its predecessors in the series. But it will be read with additional interest, because the year 1952, to which it refers, was in many ways a critical year for this region. The fall in export prices—the prices of the chief commodities such as natural rubber, tea, cotton, oilseeds and vegetable oils, hemps, hides and skins—led to a sharp setback in the balance of payments position of most of the countries of this region, with inevitable deflationary results for the domestic economy of the countries. These and other aspects of the economic problems which this region faced during 1952 have been described in detail in the Report, which surveys the Asian region's economy under three divisions: Production, International Trade and Payments, and Monetary and Fiscal Development. The following general description of economic conditions in the region will be read with interest, because the passage might be taken as an accurate account of conditions in India as well: "During 1951 and for the greater part of 1952, industries serving home markets generally turned out more goods. . . . . Home supplies therefore generally expanded. But, as money income from exports declined, buying power did not keep pace with the increase in home supplies . . . . In consequence, and as a result also of other influences, inflationary pressures were gradually neutralised and finally gave way to a *tendency for prices to weaken*."

All who read this book should benefit from this valuable contribution to the economic literature on South-East Asia.

Major Industries Annual—1952-53. Editor : M. P. Gandhi. Published by M. P. Gandhi & Co., Jan Mansion, Sir P. M. Road, Fort, Bombay. Price : Rs. 10.

Mr. M. P. Gandhi, the well-known editor of the *Indian Textile Annual* and the *Sugar Industry Annual*, has now published the second volume of the *Major Industries Annual*—1952-53. The publication gives a comprehensive picture of India's industrial development. Since this *Annual* comes after the publication of the Five-year Plan, the articles contributed to it naturally take into account the programme for industrial development envisaged by the Plan. The contributors are persons who are known in this country for their intimate knowledge of the subjects they deal with. Mr. E. P. Moon, Adviser, Planning Commission, reviews the role of industries under the Five-year Plan, while Mr. G. L. Mehta, Ambassador of India to the U.S., and Mr. Chester Bowles, ex-U.S. Ambassador to India, write respectively on "India's Commercial Policy and Indo-American Trade Relations" and "America's Aid to India's Economic Development," respectively. Other contributors to the *Annual* include Mr. C. H. Bhabha on "Importance of Productivity in India's Industrialisation," Mr. K. C. Mahindra on "Future of Aluminium Industry," Mr. G. D. Somani on "Cotton Mill Industry" and Mr. W. H. S. Michelmore on "India's Coal Industry." The publication will appeal to all those who are interested in Indian industrial conditions.

News from SKF



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INDIAN SOAP INDUSTRY

NO NEED FOR RESTRICTION ON FOREIGN UNIT

READERS will recall that, while dealing with some of the problems of the Indian soap industry in the last issue of *Commerce*, we had to defer—for considerations of space—a critical examination of the complaint by Indian soap manufacturers of unfair competition from a leading foreign unit in the country. It is now proposed to deal with this important problem which, as we stated last week, involves a series of national economic policies.

Addressing the Indian Soap and Toiletries Makers' Association at its meeting held in Bombay last week, the President of the Association, Mr. S. C. Ghose, observed that, owing to the activities of a foreign combine operating in the line, a considerable part of the existing capacity of the indigenous soap producing units, representing as much as 70 per cent. of the total capacity, has been forced to keep idle. Mr. Ghose observed as follows:

"By far the biggest unit in the industry, a subsidiary of a mighty international combine, having vastly superior capital and control over enormous resources, is not in the least affected by this colossal problem (idle capacity), inasmuch as it is working almost to the full extent of its capacity, which is estimated at about 60,000 tons by working three shifts. In fact, the monopolistic operations of the Combine and the consequential cut-throat and unequal competition to which the Indian manufacturers have been exposed are, to a large extent, responsible for the pressing problem of the utilisation of the idle capacities of the indigenous sector.

"In this unbalanced background, we have been literally taken aback by the move of the International Combine for obtaining the sanction from the Government of India to their reorganisation scheme under which it proposes to import new machinery worth Rs. 27 lakhs for manufacturing soaps by replacing the existing plant at Bombay. In the national interest, and more particularly, in the wider interests of the industry, there is not the least economic justification for the proposed reorganisation. The matter has been taken up at length with the Government of India by our Association.

"From the latest available information, it seems that the matter has been referred to the highest level for disposal, and I feel constrained to reiterate, on this occasion, that if the Government are anxious 'to let us live,' it is indispensably necessary that the proposed importation of the new plant by the Combine must not only be stopped but the production of soap in the country must be so regulated as would enable the idle part of the existing capacity to be utilised to the maximum possible extent."

The foregoing quotation is rather lengthy, but we make no apologies for reproducing the views of the President of the Association, as it gives a clear picture of the attitude of the indigenous sector. It is evident from the remarks that the crux of the problem of the soap industry is the bringing back into use the installed capacity of indigenous units, which is remaining idle now. At a time when unemployment is growing fast, it is certainly not in the interests of the country to let go unutilised its idle capacity in any sector of industry, and much more so in the case of the soap industry which has before it vast opportunities for expansion. The question facing the country, therefore, is: how to utilise the idle capacity?

Mr. Ghose attributes the slump in the Indian sector of the soap industry, among others, to (*a*) unbalanced nature of its development resulting in the predominance of one single foreign unit, and (*b*) "unfair competition" from this unit. He, therefore, proceeds to the conclusion that the idle capacity can be brought back into use (1) by not allowing the foreign concern to rehabilitate its plant and machinery and (2) by regulating production of soaps manufactured by this unit. Accordingly, he demands that the Government should refrain from issuing the licence necessary for importing plant and machinery for this concern. This attitude against foreign units operating in India is not peculiar to the soap industry only. It is in abundant evidence in a few other sectors of private enterprise in India. To mention a few: the Indian lamps industry and the Indian paints industry have sections in them which are opposed to the existence of foreign units in their respective spheres. This attitude originates more from a parochial approach than from a careful appreciation of the needs of the people of this country as a whole. As consumers of soap, we do not find any signs of cut-throat competition. There has been no significant fall in prices of soap nor a glut of this article. Barring vague statements of unethical and unfair competition, the Indian manufacturers of soaps have produced no tangible evidence of such competition. If there is any competition at all, it seems to be of a type which is in the interests of consumers. Further, the field is so wide and vast that there is room enough for all soap manufacturers who know the art of producing soap at economic prices and of salesmanship. If still there are certain units which are unable to stand on their own feet without special protection against an economic unit, they must be either uneconomic or inefficient, or unable to withstand the difficulties arising from a high cost economy. In such cases, the demand for penalising the most efficient and economic unit in the country is an unreasonable one. The Government has, therefore, done the right thing in not taking any notice of it.

That apart, the present demands of the soap industry for adopting measures which, in effect, will result in the ultimate closure of the foreign unit, are not in the interests of the country. For one thing, its closure would mean increase in unemployment, decrease in production and undesirable rise in the price of soaps. For another, it will not solve the problem of utilising the idle capacity, as the closure of the unit means allowing to rust plant and machinery which can be used to the best advantage of the country. Again, the treatment meted out to the foreign unit will have a serious effect on the flow of foreign capital into this country. As India needs foreign capital for rapid development of its economy, it is necessary to see to it that no hasty and ill-advised measures are adopted to arrest the flow of capital into this country from abroad.

By demanding protection against competition from a bigger unit, the indigenous soap industry seems to have overlooked the fact that it is cutting the ground under its own feet. For the same arguments put forward by Mr. Ghose may be used by the cottage units of the soap industry for getting shelter from the competition of the units he represents. Such tendencies are amply visible in the demands of the village *ghani* against oil mills, and the handloom industry against the textile mills. And now there are indications that the village cobbler also desires that the manufacture of a particular line, namely, *chappals*, should be reserved for himself by preventing footwear factories from producing the same. It is in view of these disquieting tendencies that the Commerce and Industry Minister, Mr. T. T. Krishnamachari, gave a timely warning at the meeting of the Central Advisory Council when he said: "Unfortunately, the conditions prevailing in the last decade, a sellers' market sheltered from all competition, internal and/or external, have made people forget the many virtues on which private enterprise has built great industries. If there is a fall in sales, the producer does not stop to ask whether his salesmanship is faulty or his advertising defective. He does not consider whether he is making what the consumer wants. Instead, he goes to the Government and asks for some help, usually in the form of some restriction on other people." These remarks deserve to be pondered over by every industrialist in the country.

The answer to the full utilisation of the soap manufacturing capacity in the country lies in the manufacturers knowing the nature and the requirements of the market and then adjusting the manufacture of the product to suit the market. This vast country offers a very wide field. The tastes of the people too vary, and for the size of the country, the capacity that is required is more than the total capacity of the units owned by indigenous and foreign capital. What is needed is not restriction on the production of one or the other unit, but expansion of production in such a way as the country can absorb it. In this task, the Government has certainly a great responsibility, in that it should extend assistance in all the ways referred to by us last week.

IMPORTS OF CAUSTIC SODA

The Government of India has announced quota licences for the import of caustic soda and soda ash. Established importers, according to the announcement, will get quota licences for caustic soda at 35 per cent. of half their best year's imports during any one of the five financial years ended 1950-51. These quotas are not valid for the import of rayon grade caustic soda.

Actual users will be granted licences for half of their certified requirements only. If, however, actual users are eligible to apply as established importers by reason of their imports when the item was subject to free licensing or in the O.G.L., the value of their quota will be deducted from the value of half of their requirements, and actual user licences will be issued for the balance only. If the value of the quota licences is higher than half of their requirements, an actual user licence will not be granted. Licences will, however, be granted to actual users for their full requirements of rayon grade caustic soda.

The import quota licences will no doubt be very much appreciated by the consumer industries, especially the soap industry. For, it was experiencing difficulties as a result of shortage of caustic soda in the country. A reference to this feature was made at the recent meeting of the Indian Soap and Toiletries Makers' Association. The indigenous production of this article is far short of the country's industrial needs and it continues to depend on imports to the extent of about 40,000 tons. Actual users are getting licences for importing half of their certified six-monthly requirements, subject to certain conditions. This operates against the soap manufacturers, as they are left to meet the remaining part of their needs from the indigenous manufacturers whose output amounted to 15,916 tons in 1952 and 14,724 tons in 1951 as against industrial requirements of about 58,000 tons, estimated by the Planning Commission, for 1952-53. On account of scarcity of ready stock, prices of caustic soda have gone up recently to as high as Rs. 58 per cwt. This is due partly to the permission given in April by the Export Trade Controller, Calcutta, for exporting some quantities of caustic soda to the neighbouring countries. However, as fresh quotas of import licences have now been given, as stated above, the supply position should improve considerably.

The grant of quota licences as above is unlikely to affect the indigenous manufactures of caustic soda. For production in the indigenous factories is stated to have gone down owing to power cut in South India. The industry has a capacity of about 36,000 tons but production has been low at about 15,900 tons in 1952, as stated at the outset.

As regards soda ash, the established importers will get quota licences at 20 per cent. of their best year's imports in any one of the five financial years ended 1950-51. The licences will not be valid for the import of heavy natural soda ash.

The licensing authorities have been instructed to entertain applications for those items in advance of the commencement of the ensuing licensing period and to issue import licences on a priority basis.

U.S. CUSTOMS SIMPLIFICATION BILL

The Customs Simplification Bill, introduced in the U.S. Congress by Representative Thomas A. Jenkins, is expected to have a smooth passage in the present session of Congress. The Bill generally follows the recommendations drafted by the Treasury Department for removing procedural obstacles in the U.S. customs regulations that have been impeding imports. It is somewhat similar to a Customs Simplification Bill that was passed by the House of Representatives in the last session of Congress but did not get the consent of the Senate. It, however, departs from Administrative suggestions in two important aspects dealing with countervailing duties and anti-dumping provisions. It is because the Bill does not deal with these controversial methods that it is expected to be acceptable to Congress.

The Bill seeks to reform customs procedure in several ways. An analysis of the Bill shows that it would, among others, repeal accounting provisions that are either obsolete or covered by more modern statutes, clarify effective dates on which rates of duty become applicable, and make substantial changes to ease marking provisions. It authorises the Secretary of the Treasury to issue new regulations for covering the sampling and analysing of imported lead-bearing and zinc-bearing ores. The Bill further authorises the Secretary to exempt from duties items where the expense and inconvenience to the Government in determining the duty would be disproportionate to its amount. It seeks to liberalise the provisions for the temporary free entry under bond of samples and other articles and to extend to foreign ships the privilege of importing equipment and repair parts duty-free. It increases from $1 to $3 the difference between deposited or assessed duties which may be disregarded by the Customs Service and raises the ceiling from $1 to $3 on duty-free single entries of imported goods sent to an individual for personal use and not for resale. It further permits duty-free entry of *bona fide* gifts for personal use up to $10.

INDO-TURKISH TRADE AGREEMENT

India has signed a trade agreement with Turkey with a view to promoting trade between the two countries. The value of India's exports to Turkey in 1952-53 was about Rs. 4 crores, while India's imports from that country were valued at Rs. 83,000 only, but it was as much as Rs. 12.77 lakhs in 1951-52.

The main items of export from India include coir yarn and manufactures, drugs and medicines, dyeing and tanning substances, pepper, tea, jute yarn and manufactures and lac. The main items of imports are chemicals and dry fruits.

Both the countries have agreed to accord each other all facilities in the granting of import and export licences within the framework of their general regulations in force from time to time. A special clause has been inserted in the agreement binding both the countries to do their utmost to expand trade in commodities listed in the schedule. The list of commodities which India has agreed to import from Turkey include dried fruits, coarse grains and pulses, millets, chick-peas, lentils beans, silk yarn and silk cocoons, raw cotton, quicksilver, carnuba wax, acorn and acorn extract (a tanning material). The list of exports from India to Turkey include tea, jute goods, hessians, jute bags, coir yarn, motor tyres and tubes except giant tyres, rubber goods, medical instruments (hot water bottles, rubber sheets, etc.), spices, medical castor oil, nutmegs, and cotton goods.

The agreement will not prejudice in any way the exchange of articles not mentioned in the schedule.

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Managing Director.

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OTHER BRANCHES
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SUB-OFFICES
Amadalavalasa (Srikakulam Dt.), Cnallapalli (Krishna Dt.), Duggirala, Gollaprolu, Gandhinagar (Vijayavada), Ichhapuram (Srikakulam Dt.), Jaggayyapet, Maharanipet (Vizag), Narasannapet (Srikakulam Dt.), Nidadavolu, Parvatipuram, Pedana (Krishna Dt.), Peddapuram, Pithapuram, Ramaraopet (Kakinada), Salur, Samalkot, Tirupati, Vinukonda, Kurnool, Anantapur, Cuddapah, Bellary.
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PRODUCTIVITY IN MANUFACTURING INDUSTRIES

REPORT OF I.L.O. EXPERTS REVIEWED

THE Report of the I.L.O. Meeting of Experts on productivity in manufacturing industries, held in December, 1952, has been placed for consideration before the thirty-sixth International Labour Conference, which is now in session, at Geneva. It consists of a comprehensive set of conclusions on practical methods of increasing productivity. The Governing Body of the I.L.O. after considering this Report, had requested the various member-Governments to draw the attention of employers' and workers' organisations, productivity centres and other interested bodies to the contents of the Report. It had also authorised its communication to the thirty-sixth session of the International Labour Conference, to inter-governmental organisations concerned with the raising of productivity and to International Committee of Scientific Management. It is in accordance with this communication of the Governing Body that the Report is now before the present I.L.O. session.

Any study relating to productivity is important because one of the most urgent needs of the world is an increase in the output of goods and services to raise the living standards of the peoples of the world, especially underdeveloped and undeveloped, and to provide capital equipment that will keep them rising in the future. And it is becoming more and more widely realised that, if this need is to be met, the world's productive resources must be used more effectively than they are at present.

That apart, there is nothing new or original in the Report. It is only a compilation of what is known but hardly implemented by many nations. Thus, for instance, there is nothing new in the observation that the Governments have a responsibility for creating conditions favourable to higher productivity by promoting a balanced programme of economic development and by adopting appropriate economic and social policies. Again, it is common knowledge that the primary responsibility for action to raise productivity in individual undertakings, as pointed out by the Report, rests with managements. So also the observation of the Experts that the achievement of higher productivity calls for action on the part of Governments, employers and workers. Consequently, the utility of the Report lies only in the fact that it brings under one comprehensive volume all the known factors needed to raise productivity and emphasises its value to the nations concerned, in particular.

A point of interest to be noted is the definition of the term "productivity." It is used throughout the Report to signify the ratio between output and input in a plant, an industry or an economy, as a whole. This ratio can be expressed in terms of different input factors such as labour, capital or raw material. For several reasons, including greater availability of manpower data, labour (man-hours, man-days or man-years) is frequently used as the denominator in this ratio. Although it has limitations, this ratio has much value for practical purposes. But the changes in productivity revealed by this ratio may be, and often are, influenced by changes in machinery, equipment, plant organisation and raw materials, as well as by changes in the quantity and quality of labour. It is highly important, while analysing productivity changes, to keep all such factors in mind, as they all affect final cost figures.

Some of the salient measures which call for action to increase productivity may be enumerated. The Report calls for every effort in the field of organisation and control of production to achieve greater degree of (1) simplification (the process of reducing the number of types and varieties of products made), (2) standardisation (the process of organising agreement on (*a*) a standard for a particular product, range of products or procedure, and (*b*) the application of that standard) and (3) specialisation (the devoting of particular productive resources exclusively for the manufacture of a narrow range of products). It has urged attention to work-study techniques including method study and work measurement, as a means of improving organisation of work and simplifying processes and, in suitable cases, as a basis for systems of payment by results. It has further highlighted the need for marketing policies.

In the field of personnel policy, the Report states that the first and foremost consideration is the appointment of properly qualified office personnel and, where the size of the undertakings permits, the organisation of personnel departments or services.

It spotlights attention on the contribution that foremen and supervisors can make to higher productivity. As is clear, it emphasises also the importance of education and vocational training in increasing productivity. The Report does not consider the introduction and development of industrial engineering as a substitute for the normal process of wage negotiation between trade unions and managements at the plant, regional or industrial level. It, therefore, lays stress on the fact that trade unions should, where practicable, have fully trained personnel on their staff capable of exercising the function of negotiation as experts independent of management. In the determination of wages, it is notable that the Report focusses attention on the desirability—subject to the payment of adequate remuneration to the lower-paid worker—of maintaining such differentials, between the wages of supervisors, skilled, and semi-skilled and unskilled workers, as will provide them with adequate incentives.

Finally, the Report advocates special care to the maintenance of machinery, modification of equipment or improvisation, wherever needed, and replacement of obsolete plants and the like. It points to the scope for saving labour at relatively little expense through the mechanisation of auxiliary equipment, for example, the use of powered hand-tools.

LABOUR IN INLAND TRANSPORT

Comprehensive data on an all-India basis relating to labour conditions in inland water transport is available for the first time in a report published in the March issue of the *Indian Labour Gazette*. Inland water transport in India is mainly confined to the States of Assam, Bihar, Bombay, Madras, Orissa, U.P., West Bengal and Travancore-Cochin. Mechanically propelled vessels as well as country crafts ply in the inland waters carrying passengers and goods. Country crafts account for the bulk of inland water transport and employ the largest number of persons.

The major inland water transport companies in North-East India employ about 12,000 persons as floating staff and over 20,000 persons in their shore establishments. In country crafts plying in the Hooghly River alone, about 60,000 persons are employed. The number of persons employed in inland water transport in the Buckingham Canal in Madras could be estimated at about 15,000 and in the main navigable rivers in Orissa at 5,000. In Travancore-Cochin, their number has been estimated at 55,000.

Persons employed in passenger transport are generally paid monthly wages but those engaged on transport of goods are paid according to the freight charges received. In country crafts, the crew is not provided with any special living accommodation. Only a few leading companies provide free medical facilities to the workers. Welfare facilities such as facilities for recreation, education of children, etc., are, nowhere provided. The workers in North-East India and Travancore-Cochin have organised themselves into trade unions.

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Notices

THE DHEMO MAIN COLLIERIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifty-ninth Ordinary General Meeting of Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Monday the 29th June, 1953 at 2-35 p.m., for the following purposes:—

(1) To receive and consider the Directors' Report and the Accounts for the half-year ended 31st December, 1952.
(2) To elect a Director.
(3) To appoint Auditors and fix their remuneration.
(4) To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from 20th to 29th June, 1953, both days inclusive.

By Order of the Board,
MACNEILL & BARRY, LTD.,
A. W. TAYLOR,
Managing Director,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, *5th June*, 1953.

THE HURRILADIH COAL COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Eighty-fourth Ordinary General Meeting of Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Monday the 29th June, 1953, at 2-50 p.m., for the following purposes:—

(1) To receive and consider the Directors' Report and the Accounts for the half-year ended 31st December, 1952.
(2) To declare a Dividend.
(3) To elect Directors.
(4) To appoint Auditors and fix their remuneration.
(5) To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from 20th to 29th June, 1953, both days inclusive.

By Order of the Board,
MACNEILL & BARRY, LTD.,
A. W. TAYLOR,
Managing Director,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, *5th June*, 1953.

THE WEST JAMURIA COAL COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifty-sixth Ordinary General Meeting of Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Monday the 29th June, 1953, at 3-05 p.m., for the following purposes:—

(1) To receive and consider the Directors' Report and the Accounts for the half-year ended 31st December, 1952.
(2) To elect a Director.
(3) To appoint Auditors and fix their remuneration.
(4) To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from 20th to 29th June, 1953, both days inclusive.

By Order of the Board,
MACNEILL & BARRY, LTD.,
A. W. TAYLOR,
Managing Director,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, *5th June*, 1953.

PRESIDENCY JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixty-fifth Ordinary General Meeting of the Shareholders of PRESIDENCY JUTE MILLS COMPANY, LIMITED, will be held at McLEOD HOUSE, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Friday the 26th June, 1953, at 3 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report, and to pass the Accounts for the half-year ended 31st December, 1952.
(2) To elect a Director. Dr. S. C. Law retires by rotation and, being eligible, offers himself for re-election.
(3) To elect Auditors.

By Order of the Board,
McLEOD & CO., LTD.,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *5th June*, 1953.

ALLIANCE JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One hundred and sixteenth Ordinary General Meeting of the Shareholders of ALLIANCE JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Friday the 26th June, 1953, at 3-15 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report, and to pass the Accounts for the half-year ended 31st December, 1952.
(2) To elect a Director. Mr. H. D. Kitching retires by rotation and, being eligible, offers himself for re-election.
(3) To elect Auditors, and to fix their remuneration.

By Order of the Board,
McLEOD & CO., LTD.,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *5th June*, 1953.

BENGAL PAPER MILL COMPANY LIMITED

THE DIRECTORS HAVE DECIDED TO recommend to the forthcoming General Meeting of the Shareholders to be held on 19th June, 1953, dividends for the half-year ended 31st December, 1952, as follows:—

(*a*) Dividend on Cumulative Preference Shares at 7 per cent. per annum, free of Income-tax,
(*b*) Dividend on "A" Cumulative Preference Shares at 7 per cent. per annum, free of Income-tax,
(*c*) Dividend on "B" Cumulative Redeemable Preference Shares at 6 per cent. per annum (subject to deduction of Income-tax).

By Order of the Board,
BALMER LAWRIE & CO., LTD.,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA.

THE INDO BURMA PETROLEUM COMPANY, LIMITED

(Originally Incorporated in Burma)
Registered in India under Ordinance No. LIV of 1942.

NOTICE IS HEREBY GIVEN THAT THE Preference Share Transfer Registers of the Company will be closed from the 18th June, 1953, to 30th June, 1953, both days inclusive, for the purpose of preparing Dividend Warrants in respect of the Dividend for the half-year ending 30th June, 1953, payable on 1st July, 1953.

By Order of the Board,
STEEL BROTHERS & COMPANY LTD.,
Managing Agents.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, *5th June*, 1953.

AIR-INDIA INTERNATIONAL LIMITED

NOTICE

THE FIFTH ANNUAL GENERAL MEETING of AIR-INDIA INTERNATIONAL LIMITED, will be held on Monday, 29th June, 1953, at 4-30 p.m. (S.T.), at the Registered Office of the Company, New India Assurance Building, Mahatma Gandhi Road, Fort, Bombay, to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account and Balance Sheet for the year ended 31st December, 1952.
2. To elect a Director in place of Mr. M. A. Sreenivasan who retires by rotation and is eligible for re-election.
3. To elect a Director in place of Mr. K. C. Bakhle who retires by rotation and is eligible for re-election.
4. To elect a Director in place of Mr. S. Jayasankar who retires under Article 129 of the Articles of Association but is eligible for re-election.
5. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from Wednesday, 17th June, 1953, to Tuesday, 30th June, 1953, both days inclusive.

By Order of the Directors,
TATA INDUSTRIES LTD.,
Secretaries and Treasurers,
K. C. BAKHLE,
Director.

BOMBAY, *3rd June*, 1953.

To all the Shareholders of Air-India International Limited, and in particular to:—

Arokkiam Arulsamy Pillai, Mrs. A. Theagarajah, Ahmed Khan Haji Goolab Khan, Balkrishna Harikrishna Srinivasan Jacob, Bhu Mitra Khurana, H. H. Commanding General Sir Baber Shum Shere Jang Bahadur Rana, Don Edwin Dewendra, Camilo DeSouza, Mrs. Pamela Dennis, Mrs. Maureen Beryl Fonseca, Fahimuddin Ahmed Noori, Galwadau Acharige Charles Hamy, Hamed Abdul Cader, Harendra Chandra Lahiri, Mrs. Alice Mary Haksar, Jal Khursetjee Eduljee, Jayant J. Shah, Kundanlal Kapoor, Mushtaq Ahmed Dodhy, Mudaliyar Samuel Kanapathi Pillai Appadurai, Mool Raj Sharma, Lt. General Madan Shum Shere Jang Bahadur Rana, Major Nathu Singh, Natha Singh, Miss Nina Jehangir Gorwalla, Nenumal Udhavdas Chanani, Prabhudas Girdhardas Mehta, Padikkaparambil Govindan, John Cecil Trevor Perera, Rehmankhan Peerkhan, Jose Estevam Silveira, Siddiq Mohamed Bawaney, Santdas Kushiram Kirpalani, Sagoon Jaydeo Dhond, Dr. Ujagar Singh, Venctexa Srinivasa Sinai Dempo, Dr. Virupaksh Shikharapa Metgud, Weligama Acharige Adris Hamy, Mrs. Alice Joslyn Woodhouse, W. Kachadourian, George Harvey Woodhouse.

IMPERIAL BANK OF INDIA

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Principal Register and the Branch Registers of the Imperial Bank of India will be closed for transfer of shares from Wednesday the 1st July, 1953, to Wednesday the 15th July, 1953, both days inclusive.

A. R. CHISHOLM,
Managing Director.

BOMBAY, 14*th May*, 1953.

RESULTS OF MCLEOD JUTES BETTER

ALEXANDRA AND WAVERLEY, HOWEVER, PASS OVER DIVIDEND AGAIN

THE financial results of six out of eight jute companies under the management of Messrs. McLeod & Co., Ltd., Calcutta, for the half-year ended 31st December, 1952, are uniformly better than those for the previous six months, though the extent of improvement varies from company to company. The aggregate trading profit of these six companies has recorded an increase from Rs. 14.17 lakhs for the half-year ended 30th June, 1952, to Rs. 43.45 lakhs for the half-year under review. Their combined net profit (after providing for depreciation and taxation wherever applicable) stands at Rs. 15.28 lakhs, in distinct contrast to the loss of Rs. 2.99 lakhs suffered by them in the previous six months. This performance is particularly gratifying in view of the difficult trading conditions during the six months under review, due to "highly speculative and fluctuating markets" for both raw jute and gunnies.

None of the companies, however, has raised the dividend level. On the contrary, while two of them, namely, Empire and Kelvin, have maintained their dividend levels at 10 per cent. and 15 per cent. per annum, respectively, two others have reduced them by half. Thus, Chitavalsah has cut it from 50 per cent. per annum paid for the previous half-year to 25 per cent. per annum and Nellimarla from 40 per cent. to 20 per cent. per annum. The two others, Alexandra and Waverley have not returned to the dividend list. The last occasion they paid a dividend related to the six months ended 30th June, 1951 (10 per cent. per annum). In fact, they have to pay arrears of preference dividend for the last two half-years.

Alexandra

Alexandra's sale proceeds of gunnies show a fall from Rs. 73.67 lakhs for the previous half-year to Rs. 56.72 lakhs, and closing stocks from Rs. 7.68 lakhs to Rs. 6.07 lakhs. Expenses too have gone down from Rs. 74.67 lakhs to Rs. 49.73 lakhs. The trading profit amounts to Rs. 5.40 lakhs, which is in refreshing contrast to the loss of Rs. 48,566 suffered in the previous half-year and of Rs. 1.65 lakhs in the corresponding half-year of 1951. After providing Rs. 2.20 lakhs for depreciation, as against Rs. 1.60 lakhs six months ago, and without making any provision for taxation, the net profit amounts to Rs. 1.61 lakhs, which compares well with the net loss of Rs. 3.36 lakhs in the half-year ended 30th June, 1952. This serves to reduce the deficit of Rs. 3.30 lakhs brought in from the previous half-year to Rs. 1.64 lakhs, which is being carried over.

Chitavalsah

Chitavalsah has earned a trading profit of Rs. 8.80 lakhs for the half-year under review, which shows an increase of Rs. 2 lakhs over that for the previous six months. Sale proceeds have declined sharply from Rs. 130.29 lakhs to Rs. 91.61 lakhs and stocks from Rs. 33.85 lakhs to Rs. 14.03 lakhs. A decline of Rs. 67.47 lakhs, that is from Rs. 130.64 lakhs to Rs. 63.17 lakhs, is noted in expenses. Provision for depreciation has been raised from Rs. 1.10 lakhs to Rs. 1.70 lakhs and that for taxation from Rs. 1.30 lakhs to Rs. 2.10 lakhs. The net profit of Rs. 3.15 lakhs is supplemented by a sum of Rs. 1.50 lakhs being the excess provision made in previous years now written back. But a like sum has been placed to the taxation reserve. The general reserve has been strengthened with the addition of Rs. 1.25 lakhs, following the sum of Rs. 50,000 added six months ago. With the addition of Rs. 2.75 lakhs to the reserves, the ordinary dividend has had to be reduced from 50 per cent. to 25 per cent. per annum, which requires Rs. 1.26 lakhs. The 7 per cent. preference dividend takes up Rs. 17,500, leaving to be carried forward Rs. 1.07 lakhs, as against Rs. 60,392 brought in.

Empire

A decline of Rs. 44.06 lakhs to Rs. 61.28 lakhs is noted in sale proceeds of gunnies, of Rs. 6.43 lakhs to Rs. 2.30 lakhs in closing stocks and of Rs. 41.69 lakhs to Rs. 48 lakhs in expenses, is revealed by the statement of accounts of the Empire Jute. Trading profit shows an impressive rise of Rs. 4.77 lakhs to Rs. 6.93 lakhs. Depreciation and taxation have been provided with Rs. 1.20 lakhs and Rs. 1.75 lakhs (as against Rs. 1.05 lakhs and Rs. 6,000), respectively. Out of the net profit of Rs. 2.37 lakhs, a sum of Rs. 1.25 lakhs (as against *nil*) has been added to the general reserve. After paying Rs. 35,000 on the 7 per cent. preference shares, the dividend on the ordinary shares has been maintained at 10 per cent. per annum, absorbing Rs. 75,000. The balance left to be carried forward is Rs. 47,730.

Kelvin

An increase of 116 per cent. in the trading profit, that is, from Rs. 4.22 lakhs to Rs. 9.13 lakhs, is the notable feature of the results of Kelvin. The fall in sale proceeds of gunnies from Rs. 138.25 lakhs to Rs. 83.51 lakhs has been accompanied by a decrease of Rs. 48.79 lakhs in expenses at Rs. 65.12 lakhs. Provision for depreciation is Rs. 15,000 more at Rs. 1.15 lakhs. Similarly, the reserve for taxation has been stepped up from Rs. 85,000 to Rs. 2.65 lakhs. The net profit at Rs. 3.51 lakhs compares well with Rs 1.17 lakhs for the previous half-year. The transfer to the general reserve has been raised from Rs. 1 lakh to Rs. 1.50 lakhs. The ordinary dividend is repeated at 15 per cent. per annum, requiring Rs. 1.57 lakhs. The 7 per cent. preference dividend takes up Rs. 35,000, leaving to be carried forward Rs. 1.16 lakhs, as compared with Rs. 1.07 lakhs brought in.

Nellimarla

The results of Nellimarla Jute are the most impressive of all in the group, the trading profit recording an expansion from a mere Rs. 86,789 in the previous half-year to Rs. 9.20 lakhs. It may, however, be noted that this falls short of Rs. 31.54 lakhs earned in the half-year ended 31st December, 1951. The net loss of Rs. 1.38 lakhs suffered in the previous six months has been converted into a surplus of Rs. 4.92 lakhs in the half-year under review. In tune with the general trend, sale proceeds, closing stocks and expenses all show a sizable shrinkage. Sales have declined from Rs. 88.84 lakhs to Rs. 56.42 lakhs, stocks from Rs. 16.92 lakhs to Rs. 13.01 lakhs and expenses from Rs. 83.33 lakhs to Rs. 43.42 lakhs. Depreciation is provided with Rs. 1.20 lakhs (Rs. 87,000). Whereas there had been no necessity to provide for taxation in the previous half-year, a sum of Rs. 2.14 lakhs has now been provided for that purpose. No addition to the reserves had been made in the previous half-year, but a sum of Rs. 3 lakhs has been added to the general reserve now, besides Rs. 1 lakh to the taxation reserve. The 6 per cent. dividend on preference shares and the ordinary dividend at 20 per cent. per annum together absorb Rs. 90,000, leaving Rs. 1.24 lakhs to be carried forward.

Waverley

Despite a trading surplus of Rs. 3.99 lakhs, as compared with Rs. 60,196 for the previous half-year, Waverley has suffered a small net loss of Rs. 27,649. This has been mainly due to the provision of Rs. 2.70 lakhs for depreciation, as against Rs. 75,000 provided in the previous half-year. After writing back a sum of Rs. 9,922, representing over-provisions in respect of liabilities made in previous years, and bringing in the previous half-year's deficit of Rs. 47,909, there is a loss of Rs. 65,636 which is being carried forward.

SRI KRISHNARAJENDRA MILLS RAISE DIVIDEND

The distribution of a dividend of 6 per cent. and a bonus of 2 per cent. recommended by the Directors of the Sri Krishnarajendra Mills Ltd. (Secretary: Mr. B. S. Visweswaraiya, Mysore) for the year ended 31st March, 1953, represents a welcome increase in the return to the Company's shareholders from the dividend of 4½ per cent. and the bonus of 1½ per cent. paid for the previous year. It also represents the first increase since the year ended 30th June, 1946—the Company changed its accounting year in 1951—when the total distribution was enhanced from 15 per cent. to 24 per cent. In 1947, this was reduced to 16 per cent., again in 1949 to 8 per cent. and for the third time in 1952 to 6 per cent. The Company's profit does not, however, show any marked increase over the year, the profit, before providing for depreciation and taxation, amounting to Rs. 6.75 lakhs, as compared with Rs. 6.66 lakhs for the previous year. Nonetheless, the distribution to the shareholders has been raised only after providing a small sum of about Rs. 24,000 to the general reserve and placing Rs. 50,000 to the dividend equalisation fund.

The following comparative table shows the progress in the Company's working since the year ended 30th June, 1949.

(In lakhs of rupees)

	Year ended 31st March		Nine months ended	Year ended
	1953	1952	31-3-51	30-6-50
Sale proceeds	85.39	78.31	60.21	73.01
Other income	1.81	0.69	0.41	0.66
Closing stocks	22.65	26.21	17.50	18.60
Expenses*	76.89	81.05	53.68	62.63
Profit	6.75	6.66	5.75	8.10
Provision for—				
Depreciation	2.10	1.80	1.42	1.24
Taxation	1.00	2.00	1.70	3.49
To general reserve ..	0.24	0.61	0.50	0.75
To dividend equalisation fund ..	0.50	..	..	..
Dividend	2.94 (6%D +2%B)	2.20 (4½%D +1½%B)	2.20 (6%D +2%B)	2.94 (6%D +2%B)
Carry forward	0.23	0.27	0.25	0.25

* Include purchases of cotton and stores. D = Dividend and B = bonus.

The Company would have shown still better results but for the fact that its working was "adversely affected by a continued rise in manufacturing costs and by the after-effects of the sudden slump in prices of raw materials and finished goods, which manifested itself early in 1952."

The Company's balance-sheet as on 31st March, 1953, discloses that the paid-up capital is unchanged at Rs. 36.70 lakhs. Reserves and surplus at Rs. 11.23 lakhs are higher by Rs. 2.22 lakhs, of which Rs. 1.50 lakhs are accounted for by the transfer of the unclaimed dividends forfeited. Current liabilities have declined by nearly Rs. 10 lakhs to Rs. 36.86 lakhs, mainly on account of the reduction in the Company's loans from banks to the extent of Rs. 12.09 lakhs. The gross block of the value of Rs. 57.42 lakhs (including the addition of Rs. 4.87 lakhs during the year) has been well written down to Rs. 12.46 lakhs. The current assets amount to Rs. 72.33 lakhs, at which level they provide ample cover to current liabilities.

A new up-to-date blow room machinery was erected and commissioned during the year. Most of the new spinning machinery of a unit of 5,544 spindles has been received at site and the erection of the same is progressing satisfactorily.

SHARP FALL IN PARRY'S PROFIT

DIVIDEND CUT FROM 32½ TO 15 PER CENT.

THE reduction in the dividend of Messrs. Parry & Co., Ltd. (Secretaries: Parry's Holdings Ltd., Madras), from 32.5 per cent. paid for 1951 to 15 per cent. for the year ended 31st December, 1952, is in tune with the contraction in its profit. The manufacturing and trading profit for the year under review amounts to Rs. 57.78 lakhs, representing a decline of about 32 per cent., from Rs. 84.54 lakhs earned in 1951. The cut in dividend could by no means be a big surprise to the shareholders, inasmuch as the Directors had prepared them for such an eventuality in June, 1952, when they submitted their report for the year 1951. Thus, they had observed then: "Business conditions have not been easy during the early part of this year, and it is considered inevitable that turnover and profits will show some degree of contraction from the inflated figures of the post-war years." Adverting to this, they say, in their latest report: "As was foreshadowed in the last report of your Board, business conditions were difficult during 1952 and the recession in trade, which first began to make itself felt in the early part of last year, persisted, with the result that the Company's gross earnings for 1952 were heavily reduced when compared with those of previous years. Considerable economies were effected during 1952 and should have their full effect in 1953."

The following comparative table of the salient features of the Company's profit and loss account for the last four years gives an idea of its progress since 1949:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Profit on manufacturing, trading, etc.	57.78	84.54	88.64	67.61
Other income	8.68	4.60	3.94	3.47
Expenses	43.33	40.36	36.33	27.73
Secretaries' remuneration ..	..	4.15	5.46	4.11
Depreciation	3.13	3.14	1.84	1.74
Taxation	7.33	15.50	20.30	15.25
Net profit	12.68	21.71	28.65	22.45
To general reserve	5.00	7.00	11.78	8.00
Dividends—				
Preference 5%	1.50	1.50	1.50	1.50
Ordinary	6.00 (15%)	13.00 (32½%)	16.00 (80%)	12.50 (62½%)
Carry forward	1.58	1.94	1.78	2.36

This 164-year old company had a very prosperous period of trading till 1950 since its shares were issued to the public early in 1947, its trading profit having jumped up from Rs. 30.34 lakhs in 1947 to Rs. 88.64 lakhs in 1950. The dividend was also raised from 20 per cent. for 1947 to 80 per cent. for 1950. This was reduced to 32.5 per cent. for 1951, but it was on a capital doubled during the year by the issue of bonus shares and, therefore, actually represented a dividend of 65 per cent. on the old capital. This cut in dividend followed the fall in earnings, as indicated in the foregoing table, and the further rise in cost of business over the preceding year. In the year under review, the decline in trading profits is rather sharp, but that is inevitable in a business which is largely in the nature of a middleman and which has to hold huge stocks. The absence of any provision for Secretaries' remuneration is due to their having waived the same for the period from 1st January, 1952 to 31st May, 1953, in consideration of their being allowed to be relieved of their duties. The recession in profit has not resulted in any drastic reduction in the allocation to reserves.

The Company's latest balance-sheet shows that there has been no change in its capital structure since the bonus issue in November, 1951, when the paid-up capital was raised from Rs. 50 lakhs to Rs. 70 lakhs by enhancing the ordinary share capital from Rs. 20 lakhs to Rs. 40 lakhs by the issue of bonus shares. The reserves and surplus amount to Rs. 25.53 lakhs. A sum of Rs. 3.49 lakhs is outstanding on account of the 4½ per cent. debenture capital. Current liabilities aggregate Rs. 355.28 lakhs. The gross block of the value of Rs. 46.39 lakhs has been written down to Rs. 28.64 lakhs. Current assets amount to Rs. 405.52 lakhs and cover the current liabilities by a margin of Rs. 50.24 lakhs. Of the current assets stock-in-trade and stores alone account for Rs. 240.10 lakhs; the Directors report that these stocks have since been reduced to Rs. 200 lakhs as on 30th April.

As indicated above, the Secretaries of the Company, Parry's Holdings Ltd., have asked to be relieved of their duties from the 1st inst. The Directors have accepted this request and have appointed the Coromandal Investment Trust Ltd. as Secretaries on a reduced remuneration of 7½ per cent. on the profits in place of 10 per cent. previously payable to Parry's Holdings Ltd.

Points From The Chair

Insurers' Investments in Industry

"CONSIDERABLE attention has been given to the question as to the extent to which insurance companies should assist industry in the provision of capital, bearing in mind the importance of their operations as a medium for savings in an economy, which, in recent years, has been deprived of the benefit of substantial personal savings as a source of capital. It will interest you to know that since 1945 we have invested more than £6,000,000 in industrial and commercial securities, a significant proportion of which has been in equity stocks. Our investment policy, however, must have due regard to the liabilities we have to face and we have neither the organisation nor the close contact to justify our providing risk capital for the *entrepreneur* for new industrial development, and while we do not isolate ourselves from wider considerations, our first duty must be to ensure, as far as we can, the security of the funds we administer. The real solution of the problem of the provision of capital for industry is a progressive lessening of the burden of taxation. I am glad that a start has been made in the last Budget, but in my view the process must be carried substantially further, if we are to regain the solid advantages of a thrifty community and an industry able to maintain its efficiency and competitive power in the highly competitive world in which we live."

LORD BLACKFORD,
Guardian Assurance Co., Ltd.

Effect of Power Cut on South Indian Mills

"Turning to the prospects of the Company for the current year, it is not easy to forecast, particularly after a year which witnessed a world textile slump and evidence of only a partial recovery so far. Cotton supply is likely to be much more difficult, in view of the adverse effect of the drought conditions and the lower acreage planted out. The severe power cut will substantially reduce our production for the first half of the year and this will only partially be made up by the diesel generating set which we have installed. On the other hand, we have recently concluded export sales of yarn to the maximum extent permissible at remunerative prices and it is hoped that our waste plant will partially offset the loss in production due to power cut."

W. W. KILGOUR,
Cambodia Mills Ltd.

Nationalisation

"I am not one of those people who believe that all threats of nationalisation are over. I marvel at the attitude of some industrialists who are most cetainly vulnerable, yet who seem to consider that the best policy is to hide one's head in the sand, hoping that by keeping very quiet indeed they will not be noticed. I have heard it said that one must not introduce politics into business. I fail to understand the amazing attitude that to defend one's property against the despoilers is to indulge in politics. The same people advocate that we should wait until we are attacked; the attack has already opened, and we have been amply warned that if the boys ever get back with a sufficient majority, further large schemes for nationalisation will be introduced. Now is the time to make the people of Britain realise what nationalisation means—unhappy conditions under impersonal rule for the workers, bad service and inefficiency for the general public, resulting in loss of overseas trade and higher prices for consumers."

LORD LYLE OF WESTBOURNE,
Tate and Lyle, Ltd.

Lack of Confidence Regarding Raw Material Prices

"Some months ago, there was a noticeable change from a sellers' to a buyers' market and competition, especially in overseas markets, is now particularly keen. This, with the general shortage of finance, very marked in certain overseas countries, and almost everywhere a varying lack of confidence in the immediate future, has resulted in a substantial falling off in the rate of intake of new orders. Probably, the greatest single factor in our business contributing to this lack of confidence is the present uncertainty regarding the basic prices of raw materials (and copper particularly) with a natural and understandable tendency for customers to use up to a maximum their existing stocks. People cannot, however, continue to live indefinitely on stocks, but it is difficult to see any quick swing back to more normal purchasing until there is a greater stability than now in the basic prices of important raw materials."

SIR ALEXANDER ROGER,
British Insulated Callender's Cables, Ltd.

Marine Underwriting Not Profitable

"The outlook for marine underwriting is not good, as the cost of repairs has been increasing over the last few years at a greater rate than the market has been able to obtain increases in premium, and while the recent general market agreement of a 10 per cent. surcharge on all hull renewals will help underwriters to offset this position, the underwriting of hull business to-day remains a highly skilled operation with the chance of very little profit at best and a certain loss, if major casualties are heavier than usual. The rates paid on cargo business have continued to decline and much of this business is at present being written at under cost."

G. J. STEWART,
London and Edinburgh Insurance Co., Ltd.

INSURANCE

(*Concluded from page* 1086)

lakhs, from the miscellaneous department Rs. 8.17 lakhs and from the marine department, Rs. 30,584. The profits from the miscellaneous and marine sections compare favourably with those for 1951, while that from fire is somewhat lower.

The foreign business of the Company, the only Indian insurer with a large and growing overseas business to its credit, is steadily growing, as will be evident from a perusal of figures relating to the premium income derived from business effected outside India. In the fire department, such business brought in Rs. 200.39 lakhs, as against Rs. 184.55 lakhs in 1951. The corresponding figures for the miscellaneous and marine departments are Rs. 27.86 lakhs and Rs. 65.88 lakhs, as against Rs. 21.09 lakhs and Rs. 58.03 lakhs in 1951.

After taking into account the profits mentioned above, and also the net income by way of interest (Rs. 5.56 lakhs) and the profit of Rs. 2.63 lakhs from the shareholders' life profit account, as well as other sundry items of income, such as profit on sale of furniture, etc., there is a sum of Rs. 50.37 lakhs to the credit of the profit and loss account. The net outgo, including the transfer of Rs. 9 lakhs to investment reserve and about Rs. 1 lakh to depreciation on buildings, is Rs. 14.25 lakhs, leaving a sum of Rs. 36.12 lakhs for being transferred to the appropriation account. This sum, together with Rs. 71,262 brought in from the previous year, gives a total of Rs. 36.84 lakhs. A sum of Rs. 10.65 lakhs has been transferred to the reserve for taxation, Rs. 10 lakhs to general reserve and Rs. 1 lakh to the dividend equalisation fund, leaving a balance of Rs. 15.18 lakhs. The Directors have recommended payment of Rs. 2 per share (the same as that for 1951), which absorbs Rs. 14.24 lakhs, leaving Rs. 94,167 to be carried forward to the current year's account.

The strong financial position of the Company will be evident from the fact that, as against a capital of Rs. 106.81 lakhs, the reserves and funds stand at an impressive total of Rs. 22.06 crores which consist of: Fire insurance fund Rs. 155 lakhs, miscellaneous insurance fund Rs. 51 lakhs, marine insurance fund Rs. 132 lakhs, life insurance fund Rs. 1,700 lakhs, leasehold redemption assurance and sinking fund Rs. 2 lakhs, general reserve Rs. 66 lakhs, premium on shares Rs. 36 lakhs, investment reserve Rs. 34 lakhs, exchange reserve Rs. 12.46 lakhs and dividend equalisation fund Rs. 16 lakhs. As a result of the year's operations, the Company's total funds have increased by over Rs. 290 lakhs.

HINDUSTAN CO-OPERATIVE INSURANCE SOCIETY LTD.

A somewhat larger volume of new life business, amounting to Rs. 16.38 crores for the year 1952, has enabled the Hindustan Co-operative Insurance Society Ltd. Secretary: Mr. N. N. Datta, Calcutta) to attain a total business of Rs. 86.71 crores as at the end of December, 1952. During 1951, it may be noted here, the Company had written Rs. 16.29 crores worth of new life business. The increase in new life business during a year, such as 1952, which was generally a difficult one for all insurers, must be deemed a satisfactory feature of the working of the Society. It is also noteworthy that, although the new business showed a slight expansion during 1952, the actual number of policies was slightly higher at 62,183 as compared with 61,436 in the previous year.

The annual premium income on the new business for the period, after deducting reassurance premiums, is Rs. 83.74 lakhs as against Rs. 84.11 lakhs in the previous year. The premium income in respect of all the life assurance business amounted to Rs. 3.94 crores, as compared with Rs. 3.72 crores in 1951. The following table gives a synoptic view of the progress made by the Society during the last three years:

(In crores of rupees)

		1952	1951	1950
New business		16.39	16.29	13.75
Total business (at end of each year)		86.72	81.02	73.17
Policies in force ..	No.	3,87,939	3,69,809	3,47,538
Total premium income		3.94	3.72	3.40
Life assurance fund		19.72	17.61	15.92
Expense ratio ..	Per cent.	14.71	14.89	14.73
Rate of interest earned ..	Per cent.	3.37	3.36	3.58

Two features of the above table deserve special notice. It will be seen, in the first place, that the expense ratio, calculated in accordance with the Insurance Rules, has declined between 1951 and 1952, though the decline is only a small one, from 14.89 per cent. to 14.71 per cent. Secondly, during the same period, there has been a slight improvement in the rate of interest earned from 3.36 per cent. to 3.37 per cent. These two trends, if maintained in future years, should strengthen further the financial position of the Society which should, in its turn, enable it to give more attractive terms to its policyholders. The high status which the Society already occupies among the insurers in the country will be evident from the fact that its life fund exceeds Rs. 19 crores and that it is one of the few insurance companies which write over Rs. 3 crores worth of new life business in a year.

The Society's income under the profit and loss account amounted to Rs. 80,597, to which has been added a sum of Rs. 2,00,677 being the balance brought forward from the previous year. After meeting expenses of management, depreciation, payment of dividend for 1951 and transfer of a sum of Rs. 24,250 to general Reserve, the net balance at the end of the year is Rs. 1,25,879. The Directors have recommended a dividend of 10 per cent., the same as was paid for 1951, which would absorb Rs. 68,284, leaving a balance of Rs. 57,595 to be carried forward.

The Society is one of the oldest life insurance companies in India, this year's annual meeting being the 46th of its kind. The greater part of the Society's history (since 1913 to be precise) has been shaped by that far-sighted leader, Mr. N. R. Sarker, whose death, which occurred on 25th January, 1953, is a great loss to the Society. In a well deserved tribute to his services, the Directors observe: "He joined the Society at a time when it was passing through a great crisis, but, due to his able guidance, the Society was enabled to overcome all obstacles and rise to the pre-eminent position it now occupies in the field of Indian insurance. In fact, he may truly be called the builder and architect of this institution. The Directors consider his loss irreparable."

TEXTILES

(*Concluded from page* 1076)

which is said to be the second highest on record—the first highest was in 1950-51—thanks to strong buying competition, especially in the last three months. The aggregate wool cheque for the season under review is estimated at £A.374 million, as against £A.307.8 million for the previous season and £A.636.3 million for 1950-51. The current season's clip is estimated at 3.7 million bales, which is an increase of 309,000 bales as compared with 1951-52. The marked rise in aggregate realisation has followed an advance in the average price, from 72.89*d.* per lb. in 1951-52 to 81*d.* in 1952-53. The price in 1950-51 was still higher at 144.34*d.* per lb.

There has, as already stated, been strong buying support for wool. The U.K. has continued to be a leading buyer with Continental countries and Japan being in keen competition. The woollen mills in Australia also have been a factor, with occasional U.S. support. Competition has, of late, become keener still, owing to the fact that the buyers for Russia and its satellites have suddenly increased their orders and bid strongly for quality fleece. The wool sales are particularly facilitated by absence of industrial troubles, ready availability of shipment, marked reduction in wharf disputes, and prompt export, although producing and transport costs have moved upwards.

WORKING HOURS IN JAPANESE TEXTILE MILLS

There has been some comment in Lancashire on the comparative figures relating to the number of hours worked by weaving machinery in Britain and Japan given by the International Cotton Federation at the time of its loom census at the end of July, 1952. It is not denied that, due to abnormal conditions in Lancashire, the average figure of 32.66 hours worked was a fair reflection of the troubled state of the industry midway through last year, but the Japanese average of 84.7 hours is held to be excessively high.

According to the latest statistics compiled by the All-Japan Cotton Spinners' Association, that is, for January this year, the number of looms owned by spinning companies was 70,549, while that of looms owned by independent weaving concerns amounted to 236,309. As is their custom, the spinning companies worked their looms on shifts and on the basis of machines operating at 400 hours per month, comprising 16 hours per day for 25 days; their looms were working 70.2 hours weekly. The smaller independent weaving firms maintained the single-shift system and were operating 42.4 hours weekly. In view of the preponderance of machinery controlled by independent concerns, it is felt that the figures quoted by the Federation are liable to give a misleading picture. There is a mistaken idea, not only in Lancashire but in other parts of the world, that all the Japanese mills are operating double and treble shifts. It should be recognised that the majority of looms, at any rate, are engaged in single-shift working and the combined average of working hours was 48.8, as compared with Lancashire's estimated figure of 40 hours per week.

JAPAN'S TEXTILE EXPORTS

The aggregate quantity of cotton cloth that Japan is expected to export during the current (1953-54) fiscal year is estimated at 944 million square yards, valued at $170 million. The estimate is based on the high level of exports during the first two months of the year under review. Thus, contracts for cotton cloth exports improved from 70.1 million linear yards in April, 1953, to 84.5 million linear yards in the following month, and those for yarn from 1,000,000 lbs. to 1,600,000 lbs. The increase in cloth contracts is ascribed to larger sales to Indonesia and Hong Kong, which together account for nearly half the contracted quantity. The new trade agreement between Japan and Pakistan is said to have been responsible for larger yarn exports. Out of the 1,600,000 lbs. of yarn contracted for export during the first two months of the year under review, Pakistan accounts for 740,000 lbs.

In addition to cotton cloth and yarn, Japan also exports other items of textiles. The total value of all textile goods to be exported by Japan during the current year is estimated at $461.6 million, as against $410 million in 1952-53. The bulk of the textile exports—to the extent of $236.7 million—will go to the sterling and the rest of the open account area, and $126.2 million worth to dollar areas. In 1952-53, the sterling and dollar areas purchased $206 million and $117.2 million worth of Japanese textiles, respectively. The remainder went to the open account area.

BALMER LAWRIE'S PROFIT DECLINES

JAY SHREE TEA MAINTAINS DIVIDEND FOR FIFTH YEAR

Balmer Lawrie & Co., Ltd.

THE directors of the above Company (Director: O. T. Jenkins, Esq., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

Turnover in 1952 was below the high level achieved in the previous year and gross profits were correspondingly reduced. From April onwards the first signs of a recession in business began to appear. The full effect of this is likely to be felt in the current year. Tea prices also fell steadily throughout 1952 and all the Company's tea interests were more or less affected. An indirect sufferer from the slump in the tea industry was the British India Electric Construction Company which lost its market for tea machinery. In common with other engineering concerns this Company also found difficulty in disposing of its electric motors and centrifugal pumps. The other two subsidiary Companies had a satisfactory year. The Bengal Paper Mills and the Indian Galvanizing Company were on strike from October and November respectively. Both disputes have been settled. The Indian Galvanizing Company's new plant in Bombay is now complete and ready to run.

The profit for the year, after providing for depreciation, taxation and an appropriation to property reserve was Rs. 13,45,999 (Rs. 21,96,338), to which is added the balance brought forward from 1951 of Rs. 5,19,159 (Rs. 3,97,996) making a total of Rs. 18,65,158 (Rs. 25,94,334). Out of this total, the directors paid the preferential dividend on the ordinary shares amounting to Rs. 1,50,035 (Rs. 1,50,035) on 20th October, 1952. They have transferred Rs. 6,00,000 (Rs. 10,00,000) to the reserve fund, leaving a balance of Rs. 11,15,123 (Rs. 13,19,299) available for distribution, which they recommend be dealt with as follows:—

Final dividend of 7½ (10) per cent. on the ordinary and deferred shares Rs. 3,00,052 (Rs. 4,00,070), bonus of 7½ (10) per cent. on the ordinary and deferred shares Rs. 3,00,052 (Rs. 4,00,070) and balance carried forward Rs. 5,15,018 (Rs. 5,19,159).

The directors did not consider that they would be justified in maintaining the dividend at the increased rate, made possible by last year's exceptional results. They have made the usual substantial contribution to reserve.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,700	Block ...	24,00,000
Reserves ...	90,78,000	Stocks ...	1,04,66,702
Provision for taxation ...	7,93,900	Stores, etc. ...	3,26,543
Liabilities ...	2,16,24,018	Goods in transit ...	18,10,385
Profit and loss account ...	5,15,018	Debts, deposits and advances ...	1,52,64,169
		Investments	54,02,281
		Cash ...	3,41,556
Rs.	3,60,11,636	Rs.	3,60,11,636

Jay Shree Tea Gardens Ltd.

The directors of the above Company (Managing Agents: Messrs. Birla Brothers Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

After providing depreciation amounting to Rs. 10,493 (Rs. 2,99,374), a balance of Rs. 1,12,743 (Rs. 2,10,125) remains at the credit of profit and loss account. To this has been added Rs. 70,905 (Rs. 95,056) being the balance brought forward from the previous year and also Rs. 1,00,000 (*nil*) transferred from the reserve fund to the profit and loss account. Thus there remains Rs. 2,83,649 (Rs. 3,05,181) at the credit of profit and loss account which the directors recommend be dealt with in the following manner:—

To transfer to reserve for contingencies Rs. 25,000 (*nil*), to pay dividend on 3,90,460 ordinary shares at 6 (6) per cent. per annum free of income-tax Rs. 2,34,276 (Rs. 2,34,276) and to carry forward the balance of Rs. 24,373 (Rs. 70,905) to the current year's account.

The directors regret that the result of the period under review is not satisfactory. This is mainly due to the fact that the prices of tea during 1952 were extremely uneconomic. Since the last few months, however, the market has taken a turn for the better and the position now seems to be fairly satisfactory.

The directors have given mature consideration to the question of payment of dividend. In view of the satisfactory financial position of the Company and fair prospects of the current year's working, the directors recommend that the dividend be maintained at the previous level of 6 per cent.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	39,04,600	Block ...	44,75,000
Reserves ...	24,25,000	Stocks ...	11,01,660
Provision for taxation ...	6,01,251	Stores ...	5,37,215
Liabilities ...	10,71,311	Other assets	33,330
Profit and loss account ...	24,372	Debts, deposits and advances ...	13,73,552
		Investments	4,19,635
		Cash ...	86,142
Rs.	80,26,534	Rs.	80,26,534

Bengal Bhatdee Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1952.

After providing Rs. 8,175 (Rs. 4,225) for depreciation, Rs. 4,000 (Rs. 5,000) for taxation and bringing in Rs. 9,000 (*nil*) from the taxation provision account no longer required, there is a balance of Rs. 10,786 (Rs. 8,769) at the credit of profit and loss account from which the directors recommend payment of a dividend at As. 2 (As. 2) per share absorbing Rs. 5,617 (Rs. 5,617) leaving to be carried forward the balance of Rs. 5,169 (Rs. 3,152).

Raisings were 33,770 tons as compared with 41,861 tons in the previous half-year and despatches 31,565 tons as compared with 43,411 tons.

Mr. K. M. Shethia retires from the Board by rotation and being eligible offers himself for re-election.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,49,350	Block ...	3,24,456
Reserves ...	70,000	Stores ...	309
Provision for taxation ...	9,720	Debts, deposits and advances ...	1,00,656
Liabilities ...	1,05,389	Cash ...	2,14,207
Profit and loss account ...	5,169		
Rs.	6,39,628	Rs.	6,39,628

Searsole Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Gillanders Arbuthnot & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st January, 1953.

The result of the year's working, after providing for taxation, is a net profit of Rs. 53,298 (Rs. 35,551) to which has to be added the undisbursed balance brought forward from the last account of Rs. 18,451 (Rs. 17,900) making a total of Rs. 71,749 (Rs. 53,451). The directors recommend that the above sum be disposed of in payment of a dividend at the rate of 25 (20) per cent. per annum without any deduction in respect of income-tax payable by the Company for the year ended 31st January, 1953 Rs. 31,250 (Rs. 25,000), transfer to development reserve Rs. 20,000 (Rs. 10,000) and leaving to be carried forward the balance of Rs. 20,499 (Rs. 18,451).

Raisings and despatches of all classes of coal for the last three years are as follows:—

Year ended	*Raisings*	*Despatches*
	Tons	Tons
31st January, 1953	50,033	43,058
31st January, 1952	45,476	41,968
31st January, 1951	41,555	40,049

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,25,000	Block ...	1,90,684
Reserves ...	1,55,000	Stocks ...	82,139
Provision for taxation ...	51,933	Stores, etc. ...	76,412
Liabilities ...	1,61,860	Debts, deposits and advances ...	2,09,808
Profit and loss account ...	71,749	Investments	300
		Cash ...	6,199
Rs.	5,65,542	Rs.	5,65,542

Kunchunpore Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The accounts disclose a loss of Rs. 3,64,320 (loss of Rs. 1,38,549). On transfer of this sum to profit and loss account and after sundry adjustments, including a transfer of Rs. 80,000 (Rs. 1,20,000) from revenue reserve and Rs. 39,493 (*nil*) from buildings and machinery reserve there is a balance at debit of profit and loss account of Rs. 1,76,871 (credit of Rs. 1,169).

The disappointing result is due to an unfavourable market, shortfall in crop caused by early drought and finer plucking during the latter part of the season coupled with the high cost of statutory concessions to labour.

Crop was 3,691 maunds as compared with 4,393 maunds in 1951. The average selling price was As. 12 per lb. against Re. 1-1-1 per lb. in the previous year. Planted area remains at 599.53 acres.

Estimates for 1953 provide for a crop of 4,000 (4,500) maunds at an outlay of Rs. 3,99,030 (Rs. 6,89,300) including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,60,000	Block ...	2,40,000
Provision for taxation ...	218	Stores and supplies ...	64,487
Liabilities ...	3,07,105	Tea sales receivable ...	1,17,872
		Advances and deposits ...	54,010
		Cash ...	14,083
		Profit and loss account ...	1,76,871
Rs.	6,67,323	Rs.	6,67,323

Okayti Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The accounts disclose a loss on the season's working of Rs. 1,10,750 (loss of Rs. 35,677). On transfer of this sum to profit and loss account and after sundry adjustments including a transfer of Rs. 17,000 (Rs. 33,000) from revenue reserve, Rs. 36,800 (*nil*) from buildings and machinery reserve and Rs. 25,000 (*nil*) from hail reserve there is a balance at debit of that account of Rs. 31,979 (credit of Rs. 853).

Enhanced production costs, mainly due to the implementation of the Minimum Wages Act, coupled with lower prices obtained for produce caused by the depressed state of the tea market in 1952, contributed largely to this unfavourable result.

Crop weighed out at 2,135 maunds as compared with 2,350 maunds estimated and 2,089 maunds in 1951. The average selling price was Rs. 2-0-1 per lb. as against Rs. 2-2-4 per lb. in the previous year. Planted area is 505 acres.

Estimates for 1953 provide for a crop of 2,250 (2,350) maunds at an outlay of Rs. 3,21,300 Rs. 4,85,710), including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,50,000	Block ...	1,50,000
Provision for taxation ...	15,487	Stores and supplies ...	58,531
Liabilities ...	2,40,142	Tea sales receivable ...	1,15,955
		Advances and deposits ...	29,748
		Cash ...	31,979
Rs.	4,05,629	Rs.	4,05,629

Putinbaree Tea Association Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncn Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The accounts disclose a loss on the season's working of Rs. 95,638 (loss of Rs. 11,166). On transfer of this sum to profit and loss account and after sundry adjustments, including a transfer of Rs. 67,500 (*nil*) from revenue reserve and Rs. 20,000 (*nil*) from buildings and machinery reserve there is a balance at credit of that account amounting to Rs. 44 (credit of Rs. 5,801).

The loss is mainly attributable to the persistence of a disastrously low market during the major part of the season and although latterly a sharp improvement was evident, this failed to offset the unremunerative prices obtained earlier for the bulk of the crop.

Crop weighed out at 2,844 maunds, as compared with 2,304 maunds in 1951.

The average selling price was As. 15 per lb. against Re. 1-7-3 per lb. in the previous year. Planted area is 255.32 acres.

Estimates for 1953 provide for a crop of 2,500 (2,500) maunds at an outlay of Rs. 2,49,770 (Rs. 3,13,680) including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,00,000	Block ...	1,00,000
Reserves ...	9,854	Stores and supplies ...	24,368
Provision for taxation ...	5,359	Tea sales receivable ...	1,08,487
Liabilities ...	1,61,450	Advances and deposits ...	36,858
Profit and loss account ...	44	Cash ...	6,994
Rs.	2,76,707	Rs.	2,76,707

Bridge and Roof Co. (India), Ltd.

The directors of the above Company (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st December, 1952.

The profit for the half-year, after providing for debenture interest, depreciation and taxation, was Rs. 1,13,131 (Rs. 2,58,077) to which was added the balance brought forward of Rs. 91,200 (Rs. 76,900) making a total of Rs. 2,04,331 (Rs. 3,46,084). Out of the total of Rs. 2,04,331 the directors set aside Rs. 25,000 (Rs. 1,75,000) to general reserve. There was a balance of Rs. 1,79,331 (Rs. 1,71,084), at the credit of profit and loss account, which the directors disposed of as follows:—

In paying a dividend at the rate of 15 (15) per cent. per annum Rs. 90,000 (Rs. 90,000) and in carrying forward Rs. 89,331 (Rs. 81,084).

There was a falling off, of orders booked during the half-year, but at the time of making this report the position improved considerably.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Block ...	8,41,601
Debentures ...	2,00,000	Stock ...	27,43,820
Reserves ...	10,55,000	Goods in transit ...	443
Provision for taxation ...	5,23,200	Debts, deposits and advances ...	17,31,690
Liabilities ...	29,66,347	Investments	29,418
Profit and loss account ...	89,331	Cash ...	6,86,906
Rs.	60,33,878	Rs.	60,33,878

Walford Transport Ltd.

The directors of the above Company (Manager: Mr. E. A. Smith, Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

After writing off Rs. 32,842 (Rs. 63,091) for depreciation and setting aside Rs. 73,428 (Rs. 3,29,854) for taxes, the available profit for the year is Rs. 2,73,239 (Rs. 4,62,506) including Rs. 1,38,488 (Rs. 1,16,418) carried forward from the last account. The directors recommend that this sum be dealt with as follows:—

Payment of a dividend of 8½ (11) per cent. per annum on 2,10,200 preferred ordinary shares, absorbing Rs. 17,867 (Rs. 23,122), payment of a dividend of 7 (12) per cent. per annum on 8,40,800 ordinary shares, absorbing Rs. 58,856 (Rs. 1,00,896) and carry forward Rs. 1,96,536 (Rs. 1,38,488).

It was emphasised in the directors' report, last year that the impact of certain events would be felt during the year 1952. Shareholders will see that this forecast was correct and that trading conditions during the year under review were adversely affected by the following:—

Diminishing supplies and (in March, 1953) disappearance from the market of the popular Chevrolet passenger car, probably for some long time to come. The almost total elimination of what was known as the home delivery business, which represented a large proportion of the Company's trading volume. The continued falling off in customer purchasing power without corresponding reductions in the price of products that are already high and a contraction in vehicle availability due to the non-issue of import licences during the second half of 1952 and, subsequently, pending a report by the Tariff Enquiry Commission into the Indian automobile industry as a whole.

With the very vague day-to-day position of the automobile distributing business, and in the absence of any decision pending the publication of the Tariff Enquiry Commission's Report, the directors have recommended curtailment in the rates of dividends and the carry forward of as large a sum as possible to the next trading account.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,51,000	Block ...	3,87,531
Reserves ...	17,25,129	Stocks ...	24,06,259
Provision for taxation	1,18,428	Stores ...	20,090
Liabilities ...	7,09,684	Goods-in-transit ...	1,01,935
Profit and loss account ...	2,73,259	Work-in-progress ...	7,880
		Debts, deposits and advances ...	7,95,941
		Investments	26,800
		Cash ...	1,31,064
Rs.	38,77,500	Rs.	38,77,500

Mothola Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Kettlewell Bullen & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The accounts, after writing off for depreciation Rs. 25,723 (Rs. 25,000), shows a loss of Rs. 89,099 (profit of Rs. 64,426). From this has to be deducted the balance brought forward from the last account, of Rs.17,132 (Rs. 30,206) and provision for taxation no longer required Rs. 4,000 (*nil*) giving a debit balance of Rs. 67,967 (Rs. 94,632). There has been transferred from reserve account Rs. 70,000 (to reserve account Rs. 25,000) leaving a balance of Rs. 2,033 (Rs. 17,132), to be carried forward to the next account.

In view of the adverse results for the year and the fact that the forthcoming season's working must necessarily be financed by the Company's bankers the directors have not felt justified in recommending any dividend distribution, in respect of the past season.

In April, 1952 the Government of India declared the export allotment for the year 1952-53 at 452,720,021 pounds being 130 per cent. of India's standard export figure and representing 86.5 per cent. of the crop basis of estates in this country.

A sharp decline in prices was recorded at the Calcutta auctions towards the close of the 1951 season, and the downward tendency continued throughout the year under review. By the time the second flush teas had been marketed average prices realised for Assam varieties were down by 10 annas per pound as compared with the corresponding period of 1951, and in September, when offerings for export had risen to more than 70,000 chests a week, the market was quite unable to absorb such large quantities, resulting in a further decline in prices and large scale withdrawals from the auctions. In October, export offerings were restricted by the trade to 55,000 packages a week, but supply continued to exceed demand, and in spite of further limitations in catalogues during November, withdrawals became so heavy that in both Calcutta and London sales were suspended entirely during the second half of December. When the market reopened in 1953 prices tended to harden, but the balance of the crop remaining for disposal was insufficient to effect any appreciable improvement in the overall average for the year.

At the commencement of the new season, as a result of persistent representations from producers with regard to the economic difficulties affecting all tea growing districts, the Government of India appointed an official team to enquire into the financial position of the tea trade and to advise them generally on any relief to be accorded. In spite of the urgency of the matter the report of this team was not published until 8th November, and it is to be regretted that their recommendations afforded little scope for immediate relief.

With effect from the 7th September, 1952 the tea ration in the U.K. was increased from 2½ ozs. to 3 ozs. a week and on 2nd October the ministry of food abolished tea rationing altogether. At the same time price ceilings were removed and the tea trade in England has since been free from all restrictions. Whilst the ending of controls was warmly welcomed by all sections of the trade, the immediate results were disappointing and in the later months of the year offerings on the London auctions had to be regulated in view of the weak demand. There was, however, a welcome increase in the quantities of tea exported from Calcutta to the principal out markets and compared with 1951, Australia and New Zealand nearly doubled their purchases, whilst the dollar markets also took more.

The area under cultivation remains unchanged. Plucking extended to 382 acres, which includes 17 acres of young tea plucked for the first time, the average yield per acre being 18.14 maunds. During the year a further nursery was put out and 5 acres were replanted. The final outturn for the season was 6,781 maunds representing an increase of 327 maunds as compared with 1951. The cost of production was As. 26.27 per pound against As. 24.55 per pound for the previous season, the increase being accounted for largely by the implementation of the Assam Minimum Wages Act. The export quota allotted to the Company for 1952 amounted to 4,470 maunds, and additional rights were acquired towards the close of the season to cover the increase in crop. Coal supplies were a constant source of anxiety, being not only inadequate for the Garden's needs but also of inferior quality, thereby making the task of obtaining satisfactory firing extremely difficult.

On 11th March, 1952, the Government of Assam announced that minimum wages had been fixed for tea plantations in Assam, in spite of protests made by the I.T.A., and this matter has continued to be a subject of concern particularly in the light of the economic crisis, with which the industry has been faced. The increase in wages is estimated to have added As. 2 per pound, to the overall cost of production and is a serious addition to the burdens with which producing interests have to contend.

The outstanding feature of the past season has been the substantial increase in production costs which coincided with a heavy slump in tea prices. As foreshadowed in last year's report it became obvious during the year that production had outstripped effective demand, and this fact led to the necessity for arranging some form of crop restriction for the forthcoming season. Plans to effect this reduction have now been finalised by the I.T.A. on the basis of a voluntary restriction amounting to 12½ per cent. of the best crop of the years 1947-1952 and have been referred to all the interests concerned for confirmation. In the meantime the Government of India has announced a reduction in the export allotment to be made to estates for 1953-54 from 130 per cent. to 115 per cent. of the standard export figures.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,50,000	Block ...	3,63,700
Reserves ...	2,96,624	Stock of Tea	3,71,902
Provision for taxation ...	82,462	Miscellaneous stocks ...	1,23,285
Liabilities ...	5,34,590	Debts, deposits and advances ...	1,86,904
Profit and loss account ...	2,033	Cash ...	19,918
Rs.	10,65,709	Rs.	10,65,709

Arrah-Sasaram Light Railway Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st March, 1952.

Gross earnings for the half-year were Rs. 7,49,737 (Rs. 6,60,506) which is Rs. 85,231 more than the earnings of the corresponding period ended 31st March, 1951. There are increases of Rs. 51,833 (Rs. 2,645) under coaching and Rs. 31,012 (Rs. 29,388) under goods and Rs. 2,386 (Rs. 192) increase under miscellaneous.

The working expenses for the half-year were Rs. 5,98,194 (Rs. 5,85,647) plus Rs. 60,447 (Rs. 1,98,068) set aside to renewal reserve, making a total of Rs. 6,58,641 (Rs. 7,83,715) which is Rs. 1,25,074 (Rs. 1,29,308) less more than the figure for the corresponding period ended 31st March, 1951.

The net earnings for the half-year were Rs. 87,096 (Rs. 1,23,209).

The following comparative gives the progress of the Company during the last six half-years:—

Half-year ending	*Gross earnings*	*Working expenses*	*Allocation to renewal reserve*	*Due to + due from— district board*	*Dividend per cent. per annum less tax*
	Rs.	Rs.	Rs.	Rs.	Rs.
30-9-1949 ..	7,06,151	5,04,237	27,370	+ 42,041	6
31-3-1950 ..	6,92,731	5,60,727	98,680	+ 6,283	6
30-9-1950 ..	7,54,483	5,19,598	44,087	+ 6,821	6
31-3-1951 ..	6,60,506	5,85,647	1,98,068		6
30-9-1951 ..	8,55,028	5,70,218	28,337	+ 22,484	6
31-3-1952 ..	7,45,737	5,98,194	60,447		6

The balance available for distribution was Rs. 77,514 (Rs. 73,293), including net profit of Rs. 37,513 (Rs. 25,206) and balance brought forward from previous half-year of Rs. 40,001 (Rs. 48,087). The directors disposed of this amount in payment of a dividend for the half-year ended 31st March, 1952, at the rate of 6 (6) per cent. per annum less income-tax costing Rs. 47,995 (Rs. 47,996) and carried forward the balance of Rs. 29,519 (Rs. 25,297).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,69,300	Block ...	29,35,839
Reserves ...	5,70,000	Stores ...	1,36,001
Provision for taxation ...	1,87,626	Other assets	20,223
Liabilities ...	10,81,873	Debts, deposits and advances ..	6,48,383
Net revenue account ...	77,514	Investments	2,48,991
		Cash ...	96,876
Rs.	40,86,313	Rs.	40,86,313

N.B.—Figures within brackets relate to the corresponding period of the previous year.

COMPANY MEETINGS AND DIVIDENDS

BENGAL BHATDEE COAL CO., LTD. Annual General Meeting, Calcutta, 18th June, 1953. Dividend: As. 2 per share. Transfer books closed from 10th to 18th June, 1953, both days inclusive.

CHITAVALSAH JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 19th June, 1953. Dividend: Re. 1-4 per share. Transfer books closed from 6th to 19th June, 1953, both days inclusive.

EMPIRE JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 19th June, 1953. Dividend: As. 8 per share. Transfer books closed from 6th to 19th June, 1953, both days inclusive.

KELVIN JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 19th June, 1953. Dividend: Rs. 7-8 per share. Transfer books closed from 6th to 19th June, 1953, both days inclusive.

NELLIMARLA JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 19th June, 1953. Dividend: Re. 1 per share. Transfer books closed from 6th to 19th June, 1953, both days inclusive.

RAMPOORIA COTTON MILLS LTD. Annual General Meeting, Calcutta, 19th June, 1953. Transfer books closed from 5th to 19th June 1953, both days inclusive.

DEVON TEA AND PRODUCE CO., LTD. Annual General Meeting, Madras, 20th June, 1953. Dividend: Re. 1-4 per share. Transfer Books close from 14th to 20th June, 1953, both days inclusive.

BALANOOR TEA AND RUBBER CO., LTD. Annual General Meeting, Madras, 20th June, 1953. Dividend: Re. 1-4 per share. Transfer books close from 14th to 20th June, 1953, both days inclusive.

SAVAMALAI ESTATES LTD. Annual General Meeting, Coimbatore, 20th June, 1953. Dividend: Rs. 3-8 per share. Transfer books closed from 7th to 20th June, 1953, both days inclusive.

AIR-INDIA LTD. Annual General Meeting, Bombay, 22nd June, 1953. Dividend: *Nil*. Transfer books closed from 10th to 23rd June, 1953, both days inclusive.

WALFORD TRANSPORT LTD. Annual General Meeting, Calcutta, 22nd June, 1953. Dividend: 7 per cent. on ordinary shares. Transfer books closed from 11th to 22nd June, 1953, both days inclusive.

BISRA STONE LIME CO., LTD. Half-yearly General Meeting, Calcutta, 23rd June, 1953. Dividend: As. 14 per share. Transfer books closed from 9th to 23rd June, 1953, both days inclusive.

SENDRA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 24th June, 1953. Dividend: *Nil*. Transfer books closed from 10th to 24th June, 1953, both days inclusive.

KARANPURA DEVELOPMENT CO., LTD. Half-yearly General Meeting, Calcutta, 24th June, 1953. Transfer books closed from 10th to 24th June, 1953, both days inclusive.

UNION COAL CO., LTD. Half-yearly General Meeting, Calcutta, 25th June, 1953. Dividend: 12½ per cent. Transfer books close from 18th to 25th June. 1953, both days inclusive.

BHULANBARAREE COAL CO., LTD. Half-yearly General Meeting, Calcutta, 26th June, 1953. Transfer books closed from 12th to 26th June, 1953, both days inclusive.

CHURULIA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 26th June, 1953. Transfer books closed from 12th to 26th June, 1953, both days inclusive.

STANDARD COAL CO., LTD. Half-yearly General Meeting, Calcutta, 26th June, 1953. Transfer books closed from 12th to 26th June, 1953, both days inclusive.

BORREA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 26th June, 1953. Transfer books closed from 12th to 26th June, 1953, both days inclusive.

HOWRAH MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 26th June, 1953. Transfer books closed from 12th to 26th June, 1953, both days inclusive.

BURRAKUR COAL CO., LTD. Half-yearly General Meeting, Calcutta, 26th June, 1953. Transfer books closed from 12th to 26th June, 1953, both days inclusive.

BALLY JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 26th June, 1953. Transfer books closed from 12th to 26th June, 1953, both days inclusive.

RELIANCE JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 26th June, 1953. Transfer books closed from 12th to 26th June, 1953, both days inclusive.

ONDAL COAL CO., LTD. Half-yearly General Meeting, Calcutta, 26th June 1953. Transfer books closed from 12th to 26th June, 1953, both days inclusive.

TRAVANCORE OGALE GLASS MANUFACTURING CO., LTD. Annual General Meeting, Alwaye, 27th June, 1953. Dividend: *Nil*. Transfer books close from 15th to 27th June, 1953, both days inclusive.

AIR-INDIA INTERNATIONAL LTD. Annual General Meeting, Bombay, 29th June, 1953. Transfer books close from 17th to 30th June, 1953, both days inclusive.

NENMENY RUBBER AND PRODUCE CO., LTD. Annual General Meeting, Kottayam, 29th June, 1953. Dividend: As. 10 per share. Transfer books close from 25th to 29th June, 1953, both days inclusive.

SHAW WALLACE & CO., LTD. Annual General Meeting, Calcutta, 29th June, 1953. Dividend: Re. 1 per share. Transfer books close from 22nd to 29th June, 1953, both days inclusive.

ASSAM SAW MILLS AND TIMBER CO., LTD. Annual General Meeting, Calcutta, 29th June, 1953. Transfer books close from 16th to 29th June, 1953, both days inclusive.

SIMPLEX MILLS CO., LTD. Annual General Meeting, Bombay, 3rd July, 1953. Dividend: Rs. 9 per share (final), payable on and after 6th July, 1953. Transfer books close from 15th to 29th June, 1953, both days inclusive.

SHREE DIGVIJAY CEMENT CO., LTD. Dividend of Rs. 6 per ordinary share, for the year ended 31st December, 1952.

SLIGHT STRINGENCY IN MONEY

(From Our Own Correspondent)

BOMBAY, 10*th June*

The large cash subscriptions to the new loan of the Central Government, which were of the order of about Rs. 23 crores, imparted a slight touch of stringency to the short-term money market. The volume of floating funds shrunk appreciably and the market had to fall back on the Reserve Bank for fresh supplies. Barring this development, the money market was featureless during the week under review. The inter-bank call money rate among the Exchange banks and big Indian banks was unchanged at 2¼ per cent., with very little offering. The rate among the small Indian banks was maintained at 3 per cent.

Term deposits for one to three months were sought at 2½ to 2¾ per cent. and for over three months at 2½ to 2¾ per cent.

The Government of India's borrowings against three months' Treasury Bills at yesterday's tender were on the cheapest terms for over five months. The amount offered at Rs. 209.50 lakhs was a little higher than that offered last week at Rs. 201.50 lakhs. Tenders at Rs. 99-6-6 were accepted in full and those at Rs. 99-6-3 were allotted approximately 27 per cent. The average rate of accepted tenders was Rs. 2-6-5, as against Rs. 2-6-6 last week. The last occasion on which tenders were available at this low price was on 6th January this year.

After a lapse of three weeks, notes in circulation have once again shown a sharp rise. The statement of affairs of the Reserve Bank for the week ended 6th June, 1953, discloses an expansion of Rs. 10.74 crores in active notes. Notes held in the Banking Department show a contraction of Rs. 11.51 crores and the consequent decline of Rs. 77.61 lakhs in total notes issued is covered by a similar fall in rupee coin. As against these main variations in the Issue Department, the Banking Department records a contraction of Rs. 9.40 crores in Central Government's deposits and of Rs. 17.48 lakhs in those of other Governments. Deposits of banks show a negligible increase. On the assets side, cash balances have dwindled by Rs. 11.59 crores, while balances held abroad are higher by Rs. 80.94 lakhs. Loans and advances to Governments show no change, but other loans and advances have declined by Rs. 2.04 crores, of which advances to Scheduled Banks against usance bills account for Rs. 1.09 crores. The total amount of advances availed of by Scheduled Banks against usance bills so far during the year aggregates Rs. 47.34 crores, which shows an increase of Rs. 6.25 crores over the week.

The consolidated statement of position of Scheduled Banks for the week ended 29th May, 1953, as compared with that for the previous week, shows no worthwhile variations, except for a sizable decline in their cash balances. Demand deposits have dropped by Rs. 84.17 lakhs and the decline in time deposits is no more than Rs. 10.58 lakhs. Borrowings from banks also show a decrease of Rs. 50.65 lakhs. Borrowings from the Reserve Bank of India are lower by Rs. 26 lakhs, while those from the Imperial Bank are up by Rs. 86 lakhs. Advances and bills purchased and discounted together are higher by Rs. 55.84 lakhs. Investments have declined by Rs. 44.53 lakhs and cash balances, including, balances with other banks in current account, and money at call and short notice, show a contraction of Rs. 4.11 crores.

As indicated above, the Central Government's new loan was opened on Monday this week for public subscription and was closed on Tuesday afternoon after it was "fully subscribed." Out of the total sum of Rs. 75 crores issued, the public subscription in cash amounted to as much as Rs. 23.30 crores. A sum of Rs. 51.81 crores was taken up by conversion of 3 per cent. 1953-55 loan which is due for redemption on the 15th of next month. Unofficial estimates place the amount of conversion by the public, including the Imperial Bank, at about Rs. 20 crores.

The Gilt-edged market presented an easy tone, with all-round decline in quotations. The short and short-medium dated loans were the worst sufferers. 3 per cent. 1957 was marked down by As. 4 to Rs. 98-5, as also 3 per cent. 1958 to Rs. 98-3, 3 per cent. 1959-61 declined by As. 3 to Rs. 96-6. 3 per cent. 1963-65 was placed an anna lower at Rs. 92-11. 3 per cent. 1964 was also an anna down at Rs. 92-15, despite the proximity of interest payment. 3 per cent. 1966-68 and 3 per cent. 1970-75 each shed an anna to Rs. 90-8 and Rs. 86-9, respectively. 3 per cent. 1986 Conversion Loan was steady at Rs. 82-8, but shaded off to Rs. 82-7 at the close.

There was no change in the rupee-U.S. dollar rate. In New York, there was a fractional hardening in the rates for £ sterling in both spot and forward positions. The spot rate was placed yesterday at $2.81 5/16-2.81 7/16 per £, as against £2.81¼-2.81⅜ on the 2nd inst. The rate for three months moved up from $2.80 5/16-2.80 7/16 to $2.80½-2.80⅝ and that for six months from $2.79 13/16-2.79 15/16 to $2.79 15/16-2.80 1/16.

METALS INACTIVE

(From Our Own Correspondent)

CALCUTTA, 9*th June*

There were no worthwhile price movements in the metal market during the week. The peace moves dit not, however, affect quotations, and thus it would appear that the present rates are about the minimum replacement levels. Electrolytic copper was throughout quoted at Rs. 180. The fire-refined material was unquoted, as stocks stood entirely exhausted. Supplies of electrolytic ingots remained limited, and no arrivals in ports are likely in the near future. The resumption of work at the Indian Copper Corporation from last Friday, following settlement of the three-month old strike, is welcomed, and production there would relieve the stock position to some extent. Tin opened at Rs. 494 and, after improving to Rs. 496, following higher advices from Singapore, soon receded to Rs. 494. Lead was quiet at Rs. 61, but electrolytic zinc improved from Rs. 51-8 to Rs. 53-8.

BULLION FIRM

(From Our Own Correspondent)

BOMBAY, 10*th June*

After a mid relapse early in the week due to the pronounced weakness of the cotton and commodity markets, a bullish fervour came to manifest itself in the bullion market and prices of both the metals hardened considerably. This firmness was attributed to renewed buying induced by reports of excellent offtake and bear covering. The decline in the arrivals of gold also strengthened the bullish fervour. In the result, silver disclosed a gain of Rs. 2-2 per 100 tolas and gold of Rs. 3 per tola for forward delivery and Re. 1-8 per tola for ready.

The Government of Bombay has approved of certain amendments to the by-laws of the Bombay Bullion Association made by the Board and accepted by the general body in March last. The amendments mostly relate to the powers of the Board to call for statements of outstanding positions from all members and to punish any member for failure to pay margin and/or to submit a true statement of outstanding transactions. One of them adds a proviso to the by-law relating to the rate of margin payable on the outstanding positions. According to this proviso, no margin is payable by a member in respect of sale of gold or silver tenderable against forward business which may be lying in a bank or safe deposit vault in Bombay on his account and for which certificate of the bank or vault concerned is submitted to the Association with his statement. Another amendment introduced permits a member having a surplus amount of margin in his gold or silver margin account to transfer the same to his silver or gold margin account, as the case may be.

Silver for forward delivery (June settlement) opened at Rs. 155-11 and, after a reaction to Rs. 153-8, rebounded to a high of Rs. 159-14 yesterday and closed at Rs. 158-8 to-day.

Ready silver (.996 fine) moved down from Rs. 157-11 to Rs. 155-8, but advanced to close at Rs. 160-8, thus maintaining a premium of Rs. 2 over the forward rate throughout the week. The floating stocks of silver are estimated at 1,800 bars. The daily average offtake was 80 bars.

Gold for forward delivery (June settlement), after an initial marking down from Rs. 88-4 to Rs. 86-14, hardened to Rs. 89-13 to-day before finishing at Rs. 89-6.

Ready gold fell early in the week from Rs. 89-12 to Rs. 88-4, but recouped to close at Rs. 91-6. The floating stocks of gold are placed at 20,000 tolas. The daily average arrivals were 4,000 tolas, while the offtake was 6,000 tolas on an average.

In distinct contrast to the bullish trend in gold in Bombay, the international market price for gold showed a quiet trend. Thus, in Europe, gold which was quoted at $36.75 on the 1st inst. came to be placed yesterday at $36.50 per fine ounce.

The following comparative table shows the trend of the market during the week under review:

	10-6-53	Highest	Lowest	3-6-53
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	91 6	92 1	88 4	89 14
Forward	89 6	89 13	86 14	88 6
Sovereign	58 4	58 12	57 12	57 12
SILVER				
Ready (.996 fine Mint)	160 8	161 14	155 8	158 6
Forward	158 8	159 14	153 8	156 6
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½*c.*	—	—	85½*c.*

PEPPER EASY

(Messrs. Parekh & Co.)

BOMBAY, 10*th June*

During the earlier part of the week, in spite of the growers at Alleppey showing resistance to lower prices, the pepper market in Bombay showed easier tendency in sympathy with other commodities which were affected consequent on the favourable development for Korean truce. In A.S.T.A. section, June shipment was traded at as low as $1.35, while July shipment was done at $1.32½. In the delivery section, June was done at as low as Rs. 2,490, while July was offering at Rs. 2,470. There was no notable business with New York during the week, as the market there was depressed under selling pressure from Lampong and Sarwak. It is reported that Lampong sold some parcels for shipment during the first half of June at $1.32, while Sarwak was said to be anxious sellers for July shipment at $1.30. In the later part, however, reactionary improvement in the prices was noticed and, at the time of writing, there are buyers for June at $1.38 and July at $1.36 with few sellers. Alleppey is also reported to have improved from Rs. 3,100 to Rs. 3,200. The news from Tellicherry area is not so encouraging as growers there are reported to be sellers at lower prices in comparison with Alleppey. Export during the month of May from India to New York is reported to be below 500 tons and there appears little chance for improvement over this figure during the current month, if the present poor foreign enquiries continue to persist. With such poorer export the present stiff attitude of the Indian growers is really confusing and one does not know how the market will take shape when keen competition from Sarwak in New York begins next month.

Following are to-day's nominal quotations:—Ready delivery Rs. 370 per Bengal maund, and June Rs. 2,540-70, and July Rs. 2,550-80 per candy of 5¼ cwts.

RECOVERY IN COTTON

(From Our Own Correspondent)

BOMBAY, 10*th June*

For a couple of days after the last review was written, the slump in cotton prices went deeper and it then appeared as if there was no bottom to this market short of the floor prices. But just as the hour before dawn is the darkest, the price movement took a turn for the better after it had touched Rs. 667 on Friday. That it could recover within a couple of days of active trading by as much as Rs. 25 per candy goes to show that not only the slump was overdone, as was the boom a little earlier, but that internally the market is still healthy. It also went to prove that just as real holders of goods could shake the market by indulging in large-scale selling against purely speculative holders of contracts, effective buying by persons credited with enough resources to take delivery of large quantities, if required, could lift prices up substantially.

In the last resort, in moments of crisis, it is not the big operator who counts but the less spectacular dealers who command the goods or cash and credit necessary to back up their deals. With comparatively small purchases of about 5,000 bales each by a couple of substantial parties in the trade, the rot which had appeared in the market was checked and prices were pushed up to a more normal and healthy level. This does not mean to say that there are no doubts, misgivings and hesitations in the market now, but the sentiment has changed from alternate bouts of exuberance and panic to one of restrained and cautious confidence. Reckless speculators on either side of the ring have been punished fairly and it would be some time before they are in a position to sway the market one way or the other.

The spot market could not naturally be expected to escape the effects of such a heavy catastrophe in the forward market. Premia in most cases were pruned severely. Even the imported varieties suffered in the epidemic. Demand disappeared almost completely for a time. Mills were naturally confused by the behaviour of the market and they kept away from it during the period of crisis. But consumption of cotton in industry will always be there, unless something happens to make cloth unsaleable and purchases will be made as stocks held by the mills get depleted. The statistical position is so strongly in favour of holders that there is little to fear for them in the next four months.

All eyes are now turned to the meeting of the Cotton Advisory Board to be held on the 12th this week, though very little of importance could emerge from this meeting. There are reports of various States going in for increased acreage during the coming sowing season. Madras is the latest to come out with its programme of expansion. On the other hand, production will depend as much on the monsoon as on the acreage. A delayed monsoon does not necessarily mean a reduced crop. Often, it is not the beginning of the rainy season which controls the outturn as the end of it, when a few good showers can make all the difference. In any case, the Government has nothing to go by at present, apart from some unreliable statistics, to formulate its cotton policies for the coming year. It must necessarily wait for future developments before finalising its policy.

The following is the trend of prices in the forward market over the week ended to-day:

	Opening	*High*	*Low*	*Closing*
I.C.C. August (Rs.)	691	695	685½	694

The following are the latest available quotations for the Sewri market: Bengal *Deshi* Rs. 530; Berar Jarilla Rs. 730; Khandesh Rs. 825; Vijay Rs. 865; Moglai Rs. 680; Oomra *Deshi* Rs. 680.

Prices at Karachi have been fairly well maintained during the week. In fact, there has been a slight rise in the case of 289F, as a result of some enquiries from the Continent, the Far East and Australia. There is, however, not much of good quality cotton left for export and because of this fact many of the enquiries do not fructify into actual transactions. Exports during the season are better by about quarter million bales than in the previous year and the stock position is, therefore, fairly comfortable. There are about 3 to 4 lakhs bales still unsold. The authorities at Karachi hope that most of these will find buyers by the time the new crop is in. With future trading in new crop prohibited, fluctuations in the spot market are likely to be within narrow limits during the rest of the season. The following are the latest available quotations for the Karachi cotton market:

Punjab *Deshi* Rs. 75; 4F Punjab R.G. Rs. 58; S.G. Rs. 63; L.S.S. Punjab R.G. Rs. 62; S.G. Rs. 67; N.T.R.G. Rs. 66½; S.G. Rs. 71½; 289F Punjab R.G. Rs. 71½; S.G. Rs. 76½.

With the slight increase in prices which the Egyptian Government have imposed, the buying fervour from abroad has necessarily slackened. All the same, there are enquiries from the Continent, U.S.A. and India. As there is going to be a heavy reduction in the production of Karnak and Ashmouni during the next year, what is left of these two popular varieties will readily find a market during the coming months. On the other hand, the production of Giza 30 which is in short supply to-day is expected to be up by a little less than 200 per cent., with Zagora and Menoufi remaining more or less at the same level.

At New York, the week under review has been marked by an attitude of waiting. The fluctuations during this period were narrow. Export demand has been weak, but this has not affected the prices. The same might be said of demand for internal consumption. But with most of the important factors discounted, in the absence of any new development, the prices are likely to maintain a steady front in the foreseeable future.

The following are the latest available quotations from New York as compared with those of a week and a fortnight before:

(In cents per lb.)

	10-6-53	3-6-53	27-5-53
Spot	34.10	34.15	34.20
July	33.58	33.63	33.77
October	33.75	33.77	33.80
December	33.85	33.80	33.77
March	33.87	33.85	33.83

IMPORT POLICY FOR ART SILK YARN ANNOUNCED

(From Our Own Correspondent)

BOMBAY, 10*th June*

The announcement of import policy for art silk yarn for the ensuing (July-December) half-year, made on the 8th inst., sprang a pleasant surprise on the art silk yarn market which remained in a state of despondency till then. Contrary to expectations of liberal imports, the Government has granted a bare 20 per cent. quota to established importers on the basis of half of best year's imports and just 5 per cent. quota to licence holders for import of 120 and 150 deniers yarn of bright finishes. This restricted import policy let loose, on Monday, a spell of speculative activity which overlooked reports of heavy arrivals of imported yarn. Hectic purchases by bulls and large covering by shorts, which followed, lifted up values of art silk yarn. The values would have gone up still higher, but for the Government's decision to remove the existing ban on imports of dull and semi-dull finishes in 120 and 150 deniers and to entertain applications immediately for the grant of import licences.

The weak conditions that prevailed in the market last week gathered further momentum during the first three sessions of the week under review, on reports of heavy arrivals of imported yarn and discouraging advices from consuming centres. Consequently, values of yarn suffered a sharp break which persisted till Monday last, when, following the announcement of the restricted import policy referred to above, the market picked up strength and values moved upwards. Not only were the previous losses completely erased, but the closing rates to-day were slightly higher than those at the end of last week.

In the forward section, 150D June delivery contract, which had receded from Rs. 785 to Rs. 765 on Saturday, gradually rose to touch Rs. 790 to-day. Likewise, July contract, after suffering a loss of 20 points, improved to Rs. 795. The net gain in both these contracts over the week was Rs. 5 each. In the ready section, 150 Italy receded from Rs. 3-15 to Rs. 3-13-6 on the 6th inst., thereafter, it advanced to Rs. 3-15-6. 150 Japan lost an anna and a quarter to Rs. 4-0-9 but finished higher at Rs. 4-2. 120 Japan, after losing an anna, improved to Rs. 4-6-6. 120 Italy was practically steady at Rs. 4-2.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 3rd inst. and 27th May, 1953.

	10-6-53	3-6-53	27-5-53
	Rs. a.	Rs. a.	Rs. a.
150D May (per case of 200 lbs.) ..	790 0	—	799 0
150D June	795 0	785 0	806 0
150D July	—	790 0	—
120 Japan (per lb.)	4 6½	4 5½	4 7
150 Japan ,, ...	4 2	4 2	4 3
120 Italy ,, ...	4 2	4 1½	4 3½
150 Italy ,, ...	3 15½	3 15	4 0

As already reported, the import policy has caused utter disappointment among traders. Despite the doubling of their quota, the established importers feel that the quota is far short of the current demand for yarn. For, according to them, the stocks of yarn now available in the country and the quantity allowed to be imported during the coming half-year are small, considering the demand, which is at the average monthly rate of about 4 million lbs. If, therefore, the Government does not revise its decision and follow a more liberal import policy, the existing shortage will be aggravated, with prices tending to move up further. This, in its turn, will, it is feared, adversely affect consumers, especially handloom weavers.

The Silk and Art Silk Mills' Association Ltd., Bombay, at an extraordinary general meeting held last week, decided to enter into a bulk purchase agreement with exporters of yarn in overseas countries or their distributors in India, as was done early this year. In the meantime, negotiations are being held between the Association and the National Rayon Corporation for the renewal of the bulk purchase agreement which is to expire on 15th August next. Under the agreement, now in force, it may be noted, the Company has been supplying the Association 400,000 lbs. of yarn—200 lbs. each of 150 deniers and 120 deniers per month at Rs. 3-10 and Rs. 3-6 per lb., respectively.

The staple fibre yarn section continued to be weak, on reports of comfortable supplies. Expectation of larger arrival of yarn from South Indian market, as a result of a further reduction in power cut announced by the Madras Government on the 9th inst., also imparted weakness to the section. Consequently, prices of staple fibre yarn were generally downwards.

CASTORSEEDS EASY

(From Our Own Correspondent)

BOMBAY, 10*th June*

The oilseeds market depicted this week an irregular trend under the influence of speculative forces. The groundnuts section staged a sharp fall early in the week, on liquidation by bulls. But, subsequently, it recovered, following covering by shorts and revived demand from *vanaspati* interests. At close, prices were a shade better than those at the end of last week. The linseed section ruled in sympathy with groundnuts almost up to the end of the week, when renewed selling pressure adversely affected the sentiment of operators. Values, therefore, registered sizable losses. Castorseeds futures, however, ruled easy throughout on discouraging overseas advices. Quotations, therefore, showed substantial declines over the week.

Some attribute the sharp fall in groundnuts early in the week to the ban on further sales of groundnut oil against export quotas announced a week back. But that was not the cause, although it might have indirectly induced it. For, even the current quotations are higher than world prices. Moreover, even without exports, the present high level of prices is likely to be sustained, in view of the short crop this season. Bold ready which opened at Rs. 45-4, as against Rs. 47, declined to Rs. 45, before recovery ensued. The recovery persisted up to the end of the week, when it was quoted at Rs. 47-8. June-July and August-September deliveries were done at Rs. 47 and Rs. 45-2, as against Rs. 46-4 and Rs. 45-12. Khandesh quality gained As. 8 to Rs. 48-4. Groundnut oil ready, however, lost As. 2 to Rs. 24-6 and railway receipts As. 6 to Rs. 24-2. July delivery fell by As. 7 to Rs. 24-2.

In the castorseeds section, September delivery which opened at Rs. 155-12, as against Rs. 157-4, fluctuated between Rs. 156 and Rs. 141, before closing Rs. 8-8 lower at Rs. 148-12. Among spots, Madras quality eased from Rs. 31-12 to Rs. 31-8. Oil B.S.S. receded by As. 6 to Rs. 18. Oil I Pressure lost As. 4 to Rs. 17-12 and Commercials As. 2 to Rs. 17-4. There were reports that small business was done with the Continent in castor oil B.S.S. at £142 per ton.

Among linseed Bold ready fell from Rs. 33-4 to Rs. 30-12. June-July and August-September deliveries were done at Rs. 30-14 and Rs. 31-6, as against Rs. 33-5 and Rs. 33-14, respectively. Linseed oil changed hands at Rs. 16-10, as compared with Rs. 17-4. Buyers of linseed oil in the U.K. are reported to be hesitant to commit themselves in view of a possible review of the import licence system from 1st July by the U.K. Government. Meanwhile, there is stated to be large stocks of linseed oil in that market.

The following table shows the prices of oilseeds and oil on the 10th inst., as compared with those at the end of the previous two weeks.

	10-6-53	3-6-53	26-5-53
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Bold Ready New (per cwt.)	47 8	47 0	47 8
June-July	47 0	46 4	47 0
August-Sept.	45 2	45 12	46 12
Linseed—			
Bold Ready (per cwt.) ..	30 12	33 4	33 14
Castorseeds—			
Sept. (per candy of 5 cwts.).	148 12	157 4	160 12
Madras (per cwt.)	31 8	31 12	32 6
Groundnut oil—			
Ex-mill Ready (per quarter).	24 6	24 8	25 0
Castor Oil—			
Commercial (per quarter)..	17 4	17 6	17 12

JUTE GOODS IRREGULAR

(From Our Own Correspondent)

CALCUTTA, 9*th June*

Conditions in the jute markets this week were somewhat irregular, and the strong possibility of a near-peace in Korea checked the upward movement. Although prices, as a result, closed below the best levels of the week, they compared favourably with the opening rates. Jute goods were in moderate demand. When prices began to recede, mills were not interested to sell, as they had already sold substantially both for the ready and the forward positions. Had it not been for this factor, the decline would have been more pronounced with a tendency on the part of buyers to keep away from the market. However, any drastic fall in quotations, either now or in the coming weeks, has to be ruled out. For, with the prospect of a much reduced supply of raw material this season, growers are ensured fair prices, and as such mills would be unable to sell, if prices for goods fell beyond a certain level. Further, it is the level of prices for the raw material in East Bengal which determines the world prices for jute goods, and Indian mills would buy 1.8 million to 2.5 million bales this season from East Pakistan, out of an estimated total availability of 6 million bales, including a carry-over of 2 million bales. No unfair competition from Continental mills is possible, and market circles are confident that, with clear understanding reached recently in the raw jute trade between India and Pakistan, and with the improved prospect for political relationship between the two countries, this season mills are not likely to face any major marketing problem.

To the relief of mills, an expectation is held in certain quarters that this year's crop in India would almost be the same as last season's. The argument behind this anticipation is that the lack of rain has so far prevented cultivators sowing in certain districts of West Bengal. In much of the districts where sowings have been completed, a reduced acreage is feared as at that time the very low prices which jute was realising was a great encouragement for growers to divert land either for other commercial crops or for foodgrains. But, wherever sowings have not yet commenced, growers have been afforded a chance to note the change of fortune for raw jute. Therefore, the expectation is that earlier losses in acreage would be made up by a possible increase in acreage in districts where sowings would commence from the current week. (The monsoon is expected to set in in West Bengal this week.) However, it is difficult to see how a reduced crop this season can be avoided in this country, and an estimate has it that the area that would be sown now would be comparatively smaller than the acreage already sown in April and May.

Raw jute prices fluctuated narrowly this week, but in view of the latest Korean news, closed fractionally easier. However, sellers were cautious and disinclined to discount prices. Stockists were not prepared to listen to an expectation that the 1953-54 season's crop was not going to be as bad in quantity as forecast earlier. The commitments in new crop could only be put through at the higher level, lower Assams realising as much as Rs. 32 a maund for forward delivery. Small quantities of the old crop passed into the hands of mills, on the basis of Rs. 28 to Rs. 28-8 for Assam bottoms, June-July delivery.

A feature in the goods market this week was the South American enquiries for sacking and hessian, as a result of which ready 40" 10 oz. hessian was lifted to Rs. 44-12 on Thursday from Rs. 44 on the previous day. At the higher rate, some quantity also passed into the hands of shippers and on Friday a recession to Rs. 44-8, following the sudden change of attitude of the Communists to the U.N. truce proposals on Korea. Despite selling pressure, mills were content to remain out of the market, and they were glad to see that their attitude raised the quotation to Rs. 44-8 on Saturday. This rate was maintained during yesterday's trading also. Eight oz. 40" hessian realised Rs. 35-6 f.a.s., and Rs. 42-2 f.o.b.

On Wednesday, lack of adequate enquiries made ready B. twills recede to Rs. 103-12 from Rs. 105-4, but this loss was made good on Thursday. However, since then the peace moves imparted an easing tendency and the week-end's closure at Rs. 103-8 was no surprise at all.

BUSINESS IN KIPS SPORADIC

(From Our Own Correspondent)

MADRAS, 8*th June*

Trading with U.K. in kips has been sporadic and importers have been choosy. Prices locally declined by an anna per lb., due to accumulation of stocks and are more or less in line with the U.K. levels for kips lightweights, but are one penny above for mediums and heavies. Tanned buff calf, buff heavies and cow calf rule firm.

Shippers have been active in the tanned skins market, despite lack of shipment business; and prices have ruled steady.

Shipments to U.K. during May were (in bales): 5,452 tanned cow hides, 410 tanned cow calf, 106 tanned buff hides, 447 tanned buff calf, 1,285 tanned goat skins and 899 tanned sheep skins; to the Continent 5 tanned cow hides, 1 tanned cow calf, 1 tanned buff calf, 291 tanned goat, 61 tanned sheep skins and 4 drysalted goat skins; to the U.S.A. 119 tanned cow hides, 2 tanned cow calf, 65 tanned buff hides, 65 tanned buff calf, 191 tanned goat skins, 14 tanned sheep skins, 166 drysalted goat skins, 22 tanned snake skins and 3 casks wet-salted alligators; and to Japan 12 tanned goat skins and 343 tanned sheep skins.

KANPUR HIDES FEATURELESS

(From Our Own Correspondent)

KANPUR, 8*th June*

Dull and featureless conditions characterised trading in the Kanpur hides and skins market during the week under review. Turnover was extremely limited, confining mostly to transactions of a squaring up nature. The undertone of the market was somewhat bearish on reports of peace move in Korea. The following are the latest quotations:—

Wet salted cow, 1st grade superior: Rs. 380 and inferior: Rs. 285; 2nd grade superior: Rs. 260 and inferior Rs. 180 per score; wet salted buff, 1st grade: 1 lb. 11 ozs. and 2nd grade: 2 lbs. 7 ozs. per rupee; goat, 1st grade: Rs. 245 and 2nd grade: Rs. 210 per 100 pieces; and sheep: Rs. 290 per 100 pieces.

MILLED DUSTS IN GOOD DEMAND

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 6*th June*

The offerings in dust sale "K" which was held on Tuesday, 2nd June, amounted to approximately 1,50,000 lbs. There was a good general demand, particularly for milled dusts, and prices were irregularly As. 2 dearer. Clean, grainy, black dusts, however, met with a quieter demand and were often easier.

London Market.—No sale this week.

Colombo Market.—6,000,000 lbs. Good demand. Barely steady rates, except fannings and best sorts dearer.

Calcutta Market—Export.—31,000 packages offered. Darjeelings irregular; many withdrawals; Dooars, except fannings, well supported; whole leaf and commonest strongest features.

Dust.—Market irregular. Medium Assam fairly steady, best liquoring sorts half anna easier; Middle East types strong; residues neglected again.

Export Quota.—There has been no extension of the validity of special licence. 1953-54 export quota has been keenly sought after and business has been done at 18 pies.

Forthcoming Auctions.—Dust sale "L" will be held on Tuesday, 16th June.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd., wire as follows:—

"*Sale* 12.—Approximately 2,000,000 lbs. Good general demand, but prices lower, following decline in quality. Best liquoring As. 2 to As. 4 easier. All others irregularly one anna to As. 2 lower. Whole leaf strong."

TEAS IRREGULAR

(From Our Own Correspondent)

CALCUTTA, 9*th June*

Although there was a good general demand during last week's internal sale, conditions were irregular. Dusts offered amounted to 33,850 packages, all of the old season. Prices for good

(*Continued on page* 1111)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	29th May, 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department.					
Notes in circulation.	172.44	1,158.88	1,166.39	1,164 56	1,136.65
Notes held in Banking Department.	25.05	31.84	23.79	10.98	46.01
Foreign Securities.	89.50	613.15	613.15	598.15	603.15
Rupee Securities.	57.39	449.86	449.86	449.86	461.63
Banking Department					
Deposits of:					
Government of India	14.89	103.46	100.84	97.99	109.38
Other Governments.	..	16.88	15.72	16.96	10.53
Balances held abroad	10.08	97.63	101.92	123.95	84.55
SCHEDULED BANKS					
Demand Liabilities.	134.37	529.01	530.36	536.96	558.07
	..	(10.71)	(11.22)	(12.07)	(12.98)
Time Liabilities	102.84	322.89	322.99	320.97	295.38
	..	(1.88)	(1.88)	(1.85)	(1.99)
Borrowings from Reserve Bank	..	17.68	17.94	18.04	20.15
	..	(9.99)†	(11.50)†	(10.14)†	(16.38)†
Borrowings from Imperial Bank	..	10.78	9 92	10.36	5.81
Cash in India	6.71	31.67	31.86	31.81	32.59
Balances with Reserve Bank	25.28	39.15	40.86	40.63	43.30
Excess over statutory limits	15.52	6 25	7.89	7.37	14.49
Balances with other banks in current account in India.	..	11.11	11.30	12.60	11.55
Money at call and short notice in India	..	14.27	16.29	16.26	16.14
Investments (at book value)	..	299.76	300.21	300.93	296.23
Advances and bills	105.09	531.32	530.77	536.22	539 10
IMPERIAL BANK					
Deposits	87.76	209.68	209.40	213.58	231.41
Investments	51.99	81.03	81 52	82.13	86.87
Advances	30.37	131.71	132.63	135.22	151.65
Cash	14.69	14.03	14.31	14.88	16.37

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	5th June, 1953		29th May, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,14,848	51,18,70,000	2,36,680	51,41,40,000
Calcutta	1,37,726	48,23,35,115	1,38,446	42,52,25,045
Madras	73,325	8,01,58,659	67,719	7,14,84,018
All Centres—				
1951	..	..	1,05,94,122	3180,56,86,359
1952	..	..	1,06,41,941	2679,51,67,000
Mar. 1953	..	..	27,13,000	615,31,00,000
April ,,	..	..	27,36,000	5,86,05,00,000

Reserve Bank of India

Statement of Affairs for the week ended 5th June, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		94,05,63,000
(2) Other Governments		16,70,09,000
(b) Banks		42,84,70,000
(c) Others		56,88,00,000
Bills Payable		2,30,22,000
Other Liabilities		30,15,69,000
	Rupees	258,94,33,000

ASSETS	Rs.
Notes	29,32,82,000
Rupee Coin	5,94,000
Subsidiary Coin	7,52,000
Bills Purchased and Discounted—	
(a) Internal	19,10,000
(b) External	..
(c) Government Treasury Bills	15,33,16,000
Balances held abroad*	98,43,83,000
Loans and Advances to Governments	3,30,00,000
Other Loans and Advances	23,56,95,000
Investments	88,92,78,000
Other Assets	8,72,22,000
Rupees	258,94,33,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 8,89,18,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 47,34,18,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	20,32,82,000	
Notes in circulation	1169,61,77,000	
Total Notes issued		1189,94,59,000
Total Liabilities		1189,94,59,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	613,15,11,000	
Total of A		653,16,82,000
B. Rupee Coin		86,91,72,000
Government of India Rupee Securities		449,86,05,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1189,94,59,000

Ratio of Total of A to Liabilities: 54.891 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 29th May, 1953

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	10,71,01 000†
	(ii) Other demand liabilities	518,29,87,000
2.	Time Liabilities in India:	
	(i) Borrowings from banks	1,37,50,000†
	(ii) Other time liabilities	321,01,29,000
3.	Cash in India	31,85,65,000
4.	Balances with the Reserve Bank in India	39,15,40,000
5.	Balances with other banks in current account in India	11,10,74,000
6.	Money at call and short notice in India	14,26,51,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	299,76,32,300
8.	Advances in India	471,09,43,000
9.	Inland Bills purchased and discounted in India	60,22,95,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

		9th June, 1953	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot.	£.	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	£.	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	£.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	£.	1-6 1/16	1-6 1/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476	476
Buyers T.T.	Rs.	471 1/2	471 1/2
London on New York	$	2.81 3/8–2.81 5/8	2.81 3/8–2.81 1/2
London on Paris	Frs.	983 1/2–984 1/2	983–983 1/2
London on Berne	Sw. Frs.	12.21–12.21 1/2	12.21 1/2–12.22 1/2
New York on London	$	2.81 3/8–2 81 1/2	2.81 1/2

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	*Per capita* income (Rs.)
India	1948	342.12	..	..	3,730	255
Pakistan	1949	75.04	..	..	1,671	223
Burma	1951	18.67	Kyats	3,166	317	169
Ceylon	1951	7.74	..	..	451	582
Japan	1951	84.30	Y.	4,564,400	6,088	716
Philippines	1951	20.25	Ps.	7,586	1,820	856
New Zealand	1951	1.95	£ (N.Z.)	615	820	4,206
Australia	1951	8.41	£ (A.)	3,238	3,454	4,317
U.K.	1951	50.29	£	11,384	15,179	3,010
U.S.A.	1952	156.08	$	290,400	138,280	8,808
Canada	1952	14.43	$	18,307	8,246	5,714
France	1951	42.24	F. Fr.	9,082,000	12,372	2,929
W. Germany	1951	48.11	Dm.	90,200	19,227	2,126
Italy	1951	46.60	Lr.	7,746,000	5,902	1,267
Norway	1952	3.32	Kr.	16,596	1,196	3,331
Sweden	1951	7.07	Kr.	26,800	3,439	4,864
Netherlands	1952	10.38	Fl.	17,550	2,200	2,120
Denmark	1951	4.30	Kr.	20,716	1,439	3,346
Switzerland	1951	4.75	S. Fr.	19,500	2,166	4,556

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, April, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 29th May, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	21,44,73,000
(b) Provincial Governments	73,49,000
(c) Banks	26,04,98,000
(d) Others	2,70,23,000
Bills Payable	92,13,000
Other Liabilities	6,05,49,000
Rupees	63,91,05,000

ASSETS	Rs.
Notes	11,29,00,000
Rupee Coin	3,000
Subsidiary Coin	11,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	89,97,000
Loans and Advances to Governments	1,33,00,000
Provincial Governments Debtor Balances	8,60,30,000
Other Loans and Advances	2,19,25,000
Investments	30,29,29,000
Other Assets	8,80,13,000
Rupees	63,91,05,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs
Notes held in the Banking Department	11,29,00,000	
Notes in circulation	207,30,19,000	
Total Notes issued		218,59,19,000
Total Liabilities		218,59,19,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	..	
Sterling Securities	39,07,87,000	
Government of India Securities	11,87,77,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,96,000	88,86,02,000
B. Rupee Coin	6,42,26,000	
Government of Pakistan Securities	119,06,16,000	
Internal bills of exchange and other commercial paper	....	125,48,42,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	4,24,75,000
Total Assets		218,59,19,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 42.46 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment Rs. a. p.	Allotted at minimum rate %
1953					
17th Mar.,	1.00	1.09	1.00	2 7 0	93
24th ,,	1.00	1.02	1.00	2 7 0	100
31st ,,	1.00	1.01	1.00	2 7 0	100
7th April	1.00	1.35	1.00	2 7 0	100
14th ,,	1.00	1.21	1.00	2 7 0	100
21st ,,	1.00	1.30	1.00	2 7 0	100
28th ,,	1.00	1.01	1.00	2 7 0	100
5th May	1.00	1.63	1.00	2 7 0	61
12th ,,	1.00	1.63	1.00	2 6 10	58
18th ,,	1.00	2.95	1.00	2 6 8	41
26th ,,	1.00	2.26	1.00	2 6 6	28
2nd June	1.00	2 62	1.00	2 6 6	32
9th ,,	1.00	2 10	1.00	2 6 5	27
Total	13.00	19.58	13.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	26th March, 1953	5½	5
Belgium	18th Dec., 1952	3½	3
Canada	17th Oct., 1950	1½	2
Denmark	3rd April, 1953	3	2½
England	16th Dec., 1951	7½	6½
France	9th Nov., 1951	8	4
Greece	12th July, 1948	10	12
India	15th Nov., 1951	3	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct., 1951	8.11	5.84
Netherlands	7th April 1953	3	2½
New Zealand	26th July, 1941	2	1½
Norway	9th Jan., 1946	3	2½
Portugal	15th Jan., 1944	3	2½
South Africa	27th Mar., 1952	3½	4
Spain	18th Mar., 1949	4½	4
Sweden	1st Dec., 1950	2½	3
Switzerland	26th Nov., 1936	4	1½
Turkey	26th Feb., 1951	2	3
United Kingdom	12th Mar., 1952	2½	4
U.S.S.R.	1st July, 1936	8	4
U.S.A.	16th Jan., 1953	1½	2
West Germany	8th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	December, 1952	December, 1951	Nine months—April to Dec., 1952	Nine months—April to Dec., 1951
Import Duties:				
Revenue	10,65	10,36	84,57	96,24
Protective	54	73	5,06	7,90
On surplus disposals	—	4	3	28
Total import duties	11,19	11,13	90,58	104,37
Export Duties	3,05	5,09	42,77	66,29
Land Customs	23	40	2,14	2,45
Miscellaneous	11	9	92	90
Gross total customs	14,58	16,71	136,39	173,99
Refunds and drawbacks	19	30	2,18	3,74
Net Customs	14,39	16,41	134,21	170,25
Gross excise	4,77	6,77	59,00	68,37
Refunds	5	13	1,13	1,28
Net Excise	4,72	6,64	58,77	67,09
Net total of customs and excise	19,11	23,05	192,98	237,34

Imperial Bank of India

Statement of Affairs for the week ended 5th June, 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		5,25,00,000
Deposits and other Accounts		210,01,97,000
Borrowings from other Banking Companies		6,00,00,000
Bills Payable		2,40,04,000
Bills for Collection being Bills Receivable as per contra		46,11,000
Acceptances, Endorsements and Other Obligations as per contra		2,37,000
Other Liabilities (including Inter-Office Adjustments)		2,74,57,000
Total	Rs.	233,63,06,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		9,71,06,000
Balances with other Banks		4,85,85,000
Money at Call and Short Notice		1,15,89,000
INVESTMENTS—		
Government and other Trustee Securities	70,72,84,000	
Other Authorised Investments	10,57,36,000	81,30,20,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	106,13,06,000	
Bills Discounted and Purchased	24,33,24,000	130,96,30,000
Bills Receivable being Bills for Collection as per contra		46,11,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		2,37,000
Premises less Depreciation		1,30,41,000
Furniture and Fixtures less Depreciation		34,45,000
Other Assets (including Inter-Office Adjustments)		3,49,02,000
Total	Rs.	233,63,06,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS									
	National Savings Certificates†						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits. Outstandings@	3½% Ten-year Treasury Savings Deposit Certificates‡
	5-Year		7-Year		12-Year					
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts / Outstandings*
1950-51	2,08	5,01	96	2,40	20,67	50,53	97,80	61,36	— 22,32	5,31 / 18,29
1951-52	1,76	6,10	77	2,91	22,07	66,81	1,07,55	74,18	— 27,55	13,10 / ..
February 1952	13	5,90	5	2,83	1,64	64,79	8,21	68,27	— 27,02	58 / 17,70
March ,,	29	6,10	10	2,91	2,63	66,81	15,04	74,18	— 27,55	71 / 18,29
April ,,	14	6,17	5	2,93	2,28	68,56	10,91	79,72	— 27,91	95 / 19,38
May ,,	12	6,22	8	2,99	2,12	70,22	9,95	77,85	— 28,22	56 / 19,58
June ,,	13	6,23	6	3,02	1,82	71,64	9,33	80,03	— 28,57	69 / 20,53
July ,,	15	6,34	10	3,09	2,03	73,14	10,29	82,54	— 28,91	74 / 21,25
August ,,	14	6,40	6	3,12	1,76	74,45	8,50	83,75	— 29,15	65 / 21,89
September ,,	10	6,44	3	3,12	1,84	75,78	8,78	84,89	— 29,40	52 / 22,38
October ,,	11	6,48	5	3,14	1,71	76,77	8,36	85,24	— 29,68	58 / 22,92
November ,,	10	6,50	4	3,16	1,71	77,99	8,03	85,51	— 29,98	58 / 23,45
December ,,	8	6,51	3	3,16	1,86	79,34	8,45	85,92	— 30,22	48 / 23,84
January 1953	10	6,54	4	3,18	2,02	80,77	8,38	86,06	— 30,50	58 / 24,35
February ,,	14	6,61	5	3,21	1,86	82,14	8,36	86,33	— 30,75	62 / 25,04
March ,,	30	6,83	8	3,26	2,64	84,17	10,65	88,27	— 31,03	60 / 25,58
April ,,	..	..	..	..	..	..	..	..	..	80 / ..

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from 1st June, 1948. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)

I. All-India

Group and Sub-Group	Week Ended 30-5-'53	23-5-'53	2-5-'53	31-5-'52
(A) **Government and Semi Government Securities** ‡				
1. Government of India Loans	92.4	92.4	92.4	91.9
2. Municipal, Port Trust and Improvement Trust Loans	86.9	86.9	86.9	87.5
(B) **Fixed Dividend Industrial Securities**	90.9	90.9	90.5	91.1
1. Electricity	78.0	77.8	77.8	73.4
2. Cotton	128.2	127.9	127.1	129.8
3. Jute	79.9	79.9	79.7	80.9
4. Coal	98.0	97.7	96.1	94.5
5. Iron and Steel	85.0	85.5	85.0	83.4
6. Sugar	89.3	89.3	89 3	95.1
7. Paper	88.1	88.1	86.4	91.1
8 Plantations	98.5	98 0	96.8	104.8
(C) **Variable Dividend Industrial Securities**	108.3	107.7	108.4	110.1
1. Banks	103.3	103.3	102.7	104.6
2. Insurance	143.1	99.4	98.2	101.3
3. Investment Trusts	84.0	142.6	141.5	143.2
4. Electricity Companies and Tramways	87.1	83.8	83.6	88.3
5. Shipping and Other Transport Companies	76.1	86.6	85.6	83.9
6. Tea Shares	76.0	76.1	76.0	76 1
7. Plantations	117.8	117.8	116.1	146.8
8. Cotton Woollen and Silk	138.5	136.5	134.1	141.6
9. Jute	73.9	73.1	69.5	82.2
10. Coal	90.2	90.1	88.8	93.4
11. Mining and Oil	64.4	62.0	61.8	63.3
12. Iron and Steel	145.1	144.7	143.9	130.9
13. General Engineering	150.2	149.2	146.8	141.0
14. Sugar	83.3	82.8	79.8	86.7
15. Railways	73.8	73.7	63.5	59.2
16. Chemicals	138.7	138.4	135.6	142.7
17. Paper	117.2	116.2	114.3	113.3
18. Cement	143.3	142.4	142.2	138.5

II. Regional

Region and Group	Week Ended 30-5-'53	23-5-'53	2-5-'53	31-5-'52
(A) **BOMBAY**—				
Government and Semi-Government Securities	92.0	92 0	92 1	91.7
Fixed Dividend Industrials	93.2	93 5	92.9	90.4
Variable Dividend Industrials	127 0	126.9	126.3	122.9
(B) **CALCUTTA**—				
Government and Semi-Government Securities	92.9	92.9	92 8	92 4
Fixed Dividend Industrials	87.2	87.1	86.9	89.0
Variable Dividend Industrials	95 8	94 9	93.5	98.3
(C) **MADRAS**—				
Government and Semi-Government Securities	91.9	91 9	92 0	91.4
Fixed Dividend Industrials	103.1	102 6	102.1	106.7
Variable Dividend Industrials	123.3	123.4	126.2	140.2

*Source: Department of Research and Statistics, Reserve Bank of India.
‡ Including Part 'B' State Loans.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,883	12,806,704
1951	1,071	691,321	2,948,978
1952*	962	899,118	3,385,661
October 1950	78	288,584	2,286,894
November	84	56,726	313,587
December	64	41,061	168,718
January 1951	120	93,996	370,996
February	61	44,025	208,660
March	79	47,732	317,860
April	120	95,747	331,285
May	109	56,604	277,314
June	148	93,446	448,258
July	130	72,454	671,705
August	108	64,984	259,907
September	83	24,777	98,109
October	108	67,396	190,761
November	125	64,147	189,374
December	113	76,196	365,149
January 1952	95	305,831	674,240
February	88	62,180	215,607
March	87	42,450	142,482
April	134	59,437	284,346
May	118	80,093	254,888
June	101	59,331	257,062
July	82	40,754	171,263
August	88	48,585	148,533
September	96	57,876	460,559
October	90	78,181	349,618
November	87	48,766	273,245
December	81	37,525	155,017
January 1953†*	84	41,183	240,814
February	42	23,284(a)	116,398(a)

† Figures for 1952 and 1953 are provisional. * Revised.
(a) Not known in two cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51	545	5,279.9	4,225.9
1951-52	573	5,948.1	4,849.0
September 1951	554	494.5	403.4
October ,,	556	506.9	412.8
November ,,	557	491.7	409.8
December ,,	561	500.9	414.3
January 1952	568	500.8	409.7
February ,,	571	480.7	391.0
March ,,	573	481.8	392.9
April ,,	577	488.8	392.8
May ,,	581	514.4	413.1
June ,,	588	500.1	408.8
July ,,	588	534.0	429.7
August ,,	592	531.6	428 7
September ,,	220	530.3	430.6
October ,,	597	543.2	441.5
November ,,	599	548.2	436.4
December ,,	605	529.7	427.5
January 1953	608	552.2	457.8
February ,,	611	535.5	441.8
	614	493.6	417.4

* Excluding railway, military and factory power stations; Chola Power Station, being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	23rd May 1953	16th May, 1953	24th May, 1952	April, 1953	April, 1952	Percentage of increase (+) or decrease (—) in April, 1953 as compared with April, 1952	1952	1951
Food Articles	385.2	381.7	339.9	366.4	346.1	+ 5.9	359.8	409.8
Cereals	461	453	446	437	444	— 1.6	450	483
Pulses	494	494	415	445	436	+ 2.1	482	506
Other	263*	259	199	256	209	+22.5	225	290
Industrial Raw Materials	479.6	479.0	411.5	448.9R	433.5	+ 3.6	453.8	608.2
Fibres	430	432	421	405	449	— 9.8	464	622
Oil seeds	639	627	416	568	430	+32.1	484	679
Minerals	443	454	466	449	458	— 2.0	458	426
Others	358	355	277	357R	319	+11.9	341	533
Semi-Manufactures	362.3	359.7	334.7	351.8	338.3	+ 4.0	346.6	377.6
Leather	417	420	310	431	257	+67.7	345	453
Mineral oils	223	223	218	222	218	+ 2.3	221	197
Vegetable oils	560	550*	405	498	435	+14.5	459	679
Cotton yarn	445*	445*	444*	485*	499*	—10.8	483*	632
Metals	225	224	196	226	198	+14.1	211	197
Oil Cakes	454	441	412	411	416	— 1.2	440	500
Others	253	251	263	275	281	—17.0	272	320
Manufactured Articles	369.1	369.8	368.8	365.8R	381.2	— 4.0	377.5	398.5
Textiles	408	409	411	402R	432	— 6.9	429	453
Jute	386	393	481	357	548	—34.9	506	802
Cotton	407*	407*	392*	407*R	410*	— 0.7	401*	400*
Rayon and Silk	499	490*	467*	488*	427*	+14.3	483*	811*
Woollen	312	312	393	313	392	—20.2	346	378
Metal products	336	336	311	336	311	+ 8.0	321 *	285
Others	287	288	297	280	300	— 3.7	298	300
Miscellaneous	621.0	620.0	583.4	601.7	598.1	+ 0.6	635.6	729.8
All Commodities	399.0	397.6	365.6	384.9R	377.8	+ 1.9	388.9	439.3

* Estimated. R=Revised.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras August 1936	Delhi	Ajmer	Gauhati	Jamshedpur	Jubbulpore
May 1951	—	335	278	314	443	394	374	335	140	176	141	158	166
June ,,	—	337	271	313	447	394	382	337	144	178	138	158	169
July ,,	—	333	270	318	454	394	385	337	148	182	140	155	173
August ,,	—	328	261	322	459	392	387	338	146	181	143	161	171
September ,,	—	325	253	319	470	389	375	340	144	179	150	161	170
October ,,	—	332	254	323	469	393	375	336	144	181	145	165	171
November ,,	146	333	252	325	464	397	374	337	147	182	155	168	165
December ,,	144	331	252	325	449	397	370	337	144	181	150	166	158
January 1952	142	331	246	323	442	393	357	338	142	179	147	162	156
February ,,	140	324	241	318	432	384	342	343	141	178	145	156	153
March ,,	135	313	229	300	412	378	340	333	136	177	140	150	145
April ,,	141	245	262	321	415	377	339	226	145	169	138	153	144
May ,,	140	339	264	310	412	376	339	327	148	168	143	153	143
June ,,	140	338	263	300	424	375	343	330	145	171	141	153	148
July ,,	142	330	263	304	456	377	354	331	143	175	143	161	155
August ,,	144	340	267	312	460	389	369	330	143	176	149	160	157
September ,,	143	341	269	310	463	381	364	328	145	178	143	157	150
October ,,	144	345	274	311	466	381	368	327	146	179	143	154	150
November ,,	143	347	271	306	459	380	357	328	143	176	139	150	150
December ,,	139	346	262	303

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

('000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final	1951-52 Final	1950-51 Final
Rice	tons	75,505	77,975	20,767	20,295
Wheat 3rd	tons	22,733‡	22,418‡	6,230†	5,673‡†
Jowar	tons	58,329	58,419	5,960	5,405
Bajra	tons	21,856	22,267	2,152	2,549
Barley 2nd	tons	7,674‡	7,430‡	2,177‡	1,783‡†
Maize	tons	5,663	5,794	1,950	1,701
Ragi	tons	5,296	5,444	1,167	1,407
Gram	tons	16,719	18,709	3,157	3,593
Other millets & pulses	tons	39,725	39,779	6,346	6,401
Jute	bales	1,881‡	1,951‡	4,665‡	4,673‡†
Cotton 4th	bales	15,030‡	15,426‡	2,908‡	3,042‡†
Sugarcane 2nd	tons	1,213‡	1,226‡	5,035‡	5,285‡†
Groundnut	tons	11,585‡	11,758‡	2,884‡	3,045‡†
Linseed	tons	3,298	3,447	369	361
Castorseed	tons	1,349‡	1,424‡	107‡	105‡†
Rape and Mustard Seed	tons	5,707	5,097	900	748
Sesamum	tons	5,537‡	5,516‡	426‡	416‡†
Tobacco	tons	764	902	225	263
Pepper	tons	263‡	262‡	32‡	23‡†
Ginger	tons	46‡	47‡	14‡	15‡†

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
† Relates to 1952-1953. †† Relates to 1951-52.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During April, 1953	74.3
	Corresponding month 1952	81.7
	July 1952 to April, 1953	746.0
	Corresponding period 1951-52	788.5
Stocks	At the end of April, 1953	137.5
	Corresponding month 1952	116.4
		(In 000 bags)
Exports(JuteBags)	Week ended 25th April, 1953	4.14
	Corresponding week 1952	1,33.65
	From 1st Jan., to 25th April, '53	6,44,63
	Corresponding period 1952	16,53,34
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 25th April, 1953	1,40,10
	Corresponding week 1952	1,08 80
	From 1st Jan., to 25th April, 1953	37,70,42
	Corresponding period 1952	27,19,67
	RAW JUTE	(In 000 bales)
Exports*..	Week ended 25th April, 1953	—
	Corresponding week 1952	—
	Three months ended Jan., 1953	—
	Corresponding period 1952	—
Consumption by Mills†	April, 1953 (in lakh bales)	3.77
	Corresponding month 1952	4.74
	Ten months ended April, 1953	42.74
	Corresponding period 1952	45.74

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

		Pig Iron	Steel Ingots	Finished Steel
Year ended	31st March, 1949	917,800	906,700	671,000
Do.	31st March, 1950	10,41,700	927,500	720,000
Do.	31st March, 1951	11,15,200	10,62,100	7,76,500
Do.	31st March, 1952	11,30,000	10,57,100	7,99,200
Do.	31st March, 1953	11,58,000	10,61,900	7,91,800
January	1951	1,01,300	97,900	67,700
February	,,	87,700	82,200	66,300
March	,,	91,300	86,600	71,400
April	,,	81,500	79,600	65,000
May	,,	94,300	92,200	66,000
June	,,	99,800	96,700	71,400
July	,,	94,000	82,600	67,000
February	,,	1,02,100	92,100	67,400
March	,,	93,000	86,500	62,900
April	,,	93,000	82,200	61,700
May	,,	1,02,400	95,500	69,900
January	1953	92,400	82,000	61,700
February	,,	97,400	86,000	65,500
March	,,	97,000	83,100	60,800
April	,,	95,900	85,000	62,000
May	,,			

SEA- AND AIR-BORNE TRADE : INDIA

Particulars	January,		Ten Months, April to Jan.	
	1953	1952	1952-53	1951-52
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :—				
Foodstuffs	6,29	20,86	156,19	208,66
Raw materials	12,03	26,50	158,16	202,37
Manufactures	22,29	31,69	230,49	215,88
Other items	25	64	3,57	3 63
Total Imports*	40,83	88,69	548,41	696,24
Exports :—				
Foodstuffs	11,59	14,67	118,63	133,69
Raw materials	11,84	10,67	121,52	117,76
Manufactures	18,55	38,18	223,83	349,70
Other items	42	26	3,44	2,89
Total Exports	42,40	63,78	467,42	604,04
Total Re-exports	1,20	64	4,84	12,35
Balance of trade in merchandise	+ 2,78	—24,27	— 76,15	—79,86
Balance of transactions in private treasure	— 2	— 1	— 6	— 10
Total Visible Balance of Trade	+ 2,76	—24,28	— 76,21	— 79,96
Imports :—				
Total C'wealth Countries	20,08	24,91	213,46	242,25
Total Foreign Countries	20,75	63,78	334,95	453,99
Exports :—				
Total C'wealth Countries	20,67	36,91	220,18	317,89
Total Foreign Countries	21,73	26,87	247,24	286,15

* Excludes value of certain special imports of foodgrains and stores, full particulars of which are not yet available.

LAND-BORNE TRADE : INDIA

Particulars	January,		Ten Months April to Jan.,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs	Rs. (lakhs)
Exports	69	2,09	17,93	19,78
Imports	73	4,44	17,59†	71,65
Balance of trade in merchandise	‡	— 51,92	‡	—77,47

† Incomplete—Excludes the value of 62,217 tons or 348,415 bales of raw Jute imported during the two months, December, 1952, and January, 1953 awaiting adjustment.
‡ Data Incomplete.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base : 1944 = 100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	Feb. 1952	Jan. 1953	Feb. 1953	Feb. 1952	Jan. 1953	Feb. 1953	Feb. 1952	Jan. 1953	Feb. 1953	Feb. 1952	Jan. 1953	Feb. 1953	Feb. 1952	Jan. 1953	Feb. 1953	Feb. 1952	Jan. 1953	Feb. 1953	Feb. 1952	Jan. 1953	Feb. 1953
Eastern Zone																					
Banura	165	212	223‡	111	88	90	165	127	125	156	134	136	104	107	107	182	216	216	195	193	193
Maibang	163	x	x	126	x	x	163	x	x	157	x	x	141	x	x	163	x	x	125	x	x
Shankarpur	172	154	162	180	187	189	176	152	153	168	160	164	101	57	55	164	141	140	141	144	145
Somalli	259	179	181	181	167	167	228	188	185	235	183	180	125	125	125	264	199	199	328	278	306†
Northern Zone																					
Multapi	125	131	127	156	158	154	170	169	175	160	161	163	111	133	123‡	161	163	166	149	196	199
Nana	293	242	243	275	231	250‡	222	200	200	242	212	215	141	117	115	244	205	205	208	189	189
Salamatpur	221	229	240‡	332	292	287	284	219	216	265	236	235	129	129	129	132	136	137	264	268	273
Southern Zone																					
Krishna	246	193	177‡	181	186	183	183	157	156	195	166	162	135	115	121	171	138	136	212	176	175
Lakh	360	374	374	176	192	193	170	126	129	204	192	184	86	86	86	129	138	138	144	131	131
Malur	162	x	x	169	x	x	169	x	x	162	x	x	89	x	x	407	x	x	175	x	x
Municipality	238	204	206	251	229	222	315	220	220	289	218	218	119	128	128	210	194	186	232	199	199
Kudehi	123	181	181	159	141	139	169	164	159	161	164	160	113	127	127	155	122	122	202	191	191

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 4th June, 1953	39,498
	Corresponding week, 1952	73,883
	1st Sept. 1952 to 4th June, 1953	15,30,003
	Corresponding period, 1951-52	15,99,711
Cotton Exports	Week ended 4th June, 1953	6,475
	Corresponding week, 1952	17,860
	1st Sept. 1952 to 4th June, 1953	2,87,621
	Corresponding period, 1951-52	55 071
Mill Consumption	1st Sept. 1952 to 4th June, 1953	9,46,662(a)
	Corresponding period, 1951-52	7,65,635
Stock (with exporters dealers and mills)	On 4th June, 1953	5,76,122
	Corresponding date, 1952	6,87,456
Karachi (Pakistan)*		
Receipts	Week ended 30th May, 1953	8,300
	Corresponding period 1952	13,273
	1st Sept. 1952 to 30th May, 1953	16,15,767
	Corresponding period, 1951-52	14,55,867
Exports	Week ended 30th May, 1953	47,000
	Corresponding period, 1952	16,200
	1st Sept. 1952 to 30th May 1953	12,81,000(a)
	Corresponding period, 1951-52	10,24,000

Particulars	From 1st Sept., '52 to 8th June, 1953 Bales	From 1st Sept., '51 to 8th June, 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	14,275	5,058
Continent	94,670	24,500
China	318	—
Japan	1,43,197	29,624
U.S.A.	34,716	7,307
Other Countries	5,286	411
Total to all foreign countries	2,93,182	66,990
Coastal Ports	1,11,855	84,912

Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—	
Indian	
Foreign	
February, 1953	2,81,388
	63,791
Indian	
Foreign	
Six months September 1952 to February, 1953	18,12,434
	4,19,412
Indian	
Foreign	
Same Period 1951-52	14,35,362
	5,37,368
Stocks (Mills and Elsewhere)—	
Indian	
Foreign	
As on 28th Feb., 1953	11,25,520
	2,52,283
Indian	
Foreign	
As on 29th Feb., 1952	12,42,768
	3,00,147
Week ended 29th May, 1953	16,399
Corresponding week, 1952	9,902
1st Sept. 1952 to 29th May, 1953	25,79,113
Corresponding period, 1951-52	26,79,837

* As reported by the Karachi Cotton Association Ltd. (a) Adjusted. †Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	103
4 % Bonds	1926-33	63,30,26,000	1960-70	102
3 % Loan	1938-39	1,16,17,46,000	1963-65	92
3 ½ Loan	1943	1,14,60,58,000	1953-55	100
3 ½ Loan	1950	30,33,10,000	1964	92
3 ½ Loan	1943	1,10,11,78,000	1966-68	90
3 ½ V. Loan	1944	1,14,06,89,000	1957	98
3 ½ Loan	1945	1,15,05,83,000	1970-75	86
3 ½ Loan	1945	1,13,65,64,000	1959-61	96
3 ½ Loan	1951	50,35,63,000	1958	98
2½% Loan	1946	45,63,07,000	1960	93
2½% Loan	1946	57,00,69,000	1961	90
2½% Loan	1946	35,06,06,000	1954	98
2½% Loan	1946	14,77,48,000	1976	83
2½% Loan	1947	75,86,72,000	1960	91
2½% Loan	1948	60,45,01,000	1955	98
3½% Loan	1953	75,00,00,000	1961	98¼N
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice.	82
3 % Loan	1946	248,91,90,000	On September, 1986 or later at option of Government after three months' notice.	82
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,88,18,000	1954-59	100
4½% Loan	1928	5,85,20,000	1958-68	105
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	18th Sept. 1955	99
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	99
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97
3 % Bombay	1949	6,00,15,000	1st Aug. 1962	93
3 % Bombay	1950	3,01,87,700	31st July 1960	95
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	98
4 % Bombay	1952	3,66,72,700	1st Aug. 1964	101
3 % Cochin	1943	30,00,000	1st Oct. 1953–55	98
3 % Cochin	1945	1,00,00,000	16th Dec. 1955–58	98
3½% Cochin	1936	70,09,000	1st June 1956–61	99
3½% Cochin Bridge (New)	1936-37	2,31,07,100	1956-66	95
3 % Madras	1938	1,42,08,300	15th Sept. 1953	100
3 % Madras	1939	1,29,76,600	21st June 1959	95
3 % Madras	1942	1,23,25,000	18th Sept. 1955	98
3 % Madras	1943	1,25,10,000	14th Sept. 1956	98
3 % Madras	1944	1,08,00,000	15th Aug. 1958	96
3 % Madras	1945	2,82,19,000	14th Sept. 1960	94
2½% Madras	1946	3,90,93,200	1st Sept. 1961	90
3 % Madras	1950	1,47,00,000	31st July 1960	94
3½% Madras	1951	3,00,00,000	17th Sept. 1962	97
4 % Madras	1952	5,00,00,000	1st Aug. 1964	101
3 % Mysore (*f*)	1930	1,63,44,300	1st Nov. 1955	105
4 % Mysore(*f*)	1933	2,95,85,200	1st Dec. 1953–63	100
3 % Mysore(*f*)	1936	2,99,72,900	30th April 1956–61	98
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	98
3 % M.P.	1942	50,00,000	18th Sept. 1955	98
3 % M.P.	1943	50,54,200	14th Sept. 1956	98
3 % M.P.	1944	52,69,800	15th Aug. 1958	96
3 % M.P.	1948	2,03,00,000	15th Sept. 1964	91
3 % M.P.	1950	1,00,28,800	31st July 1960	94
3½% M.P.	1951	1,00,00,000	17th Sept. 1962	97
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99
3 % Punjab**	1945	2,25,81,600	14th Sept. 1960	98
3 % Travancore	1944	3,00,00,000	15th May 1952–54	98
3½% Travancore	1936	50,00,000	16th Aug. 1956	99
4 % U.P.	1936	1,69,39,800	15th Sept. 1961–66	97
3 % U.P.	1944	2,23,96,800	1st Aug. 1955	97
3 % U.P.	1945	2,36,31,900	14th Sept. 1960	94
3 % U.P.	1946	2,41,19,800	1st Sept. 1961	93
3 % U.P.	1951	2,00,00,000	17th Sept. 1962	97
3 % U.P.	1952	2,00,00,000	1st Aug. 1964	100
4 % W. Bengal	1951	1,75,00,000	17th Sept. 1962	98½N
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
		BOMBAY		
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
40,00,000	4	1907	1968	97½
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	100N
88,25,000	4	1914	1975	99N
10,00,000	4	1915*	1960	
25,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
		CALCUTTA		
Rs.				Rs.
90,24,300	4	1914	1974	98½
76,90,100	4	1915	1975	96½
68,02,300C	3½	1921	1981	91
1,50,00,000C	6½	1921	1981	144N
1,24,06,300	6	1925	1955–85	105
98,21,600	5½	1926	1956–86	104½
99,84,500B	5	1926	1956–86	103½
1,49,49,500B	5	1927	1957–87	103½
1,49,49,000	5	1928	1958–88	104½
80,00,000	4½	1931	1991	92½
21,75,000C	3	1933	1954	99
60,00,000C	3½	1935	1965	95½
25,00,000	3	1938	1963–68	88
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82½
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78½
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94½
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1961	97½
		STERLING LOANS		
£892,600	5	1923	1953–83	£86
£901,000	5	1924	1954–84	£86
£835,100	5½	1932	1962	£96
		MADRAS		
Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1882	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug. 3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	
		STERLING LOAN		
£330,000	5½	1923	1953	£100N

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
		BOMBAY		
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	97½
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	3½	July 1913	1973	97½
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957–79	113
66,00,000	6	1920	1955–80	
25,00,000	5	1926	1956–86	115
25,00,000	4	1927	1961–70	98
10,00,000	3½	1936	1966	96½
		STERLING LOANS		
£566,600	4	1909	1969	£95
£333,000	4	1910	1970	£95
		CALCUTTA		
Rs.				Rs.
50,00,000	6	1925	1955	104
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	94
35,00,000	3½	1935	1965	89
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	90
20,00,000	3	1938	1963–68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Rs.				Rs.
		BOMBAY		
49,40,000	4	1913–14	1954	100
20,00,000	4	1913–15	1974	100
20,00,000	4	1920	1980	113
10,00,000	5	1920	1980	113
1,60,00,000	6	1924	1954	
25,00,000	5	1928	1958	105
26,14,000	5	1929	1949–59	103
8,45,500	5	1929	1954–59	103
26,21,500	5	1929	1959	85
8,25,00,000	3½	1947	1977	85
2,50,00,000	3½	1949	1979	91
4,00,00,000	3½	1950	1980	100
2,50,00,000	3½	1952	1964	96
2,00,00,000	3½	1951	1966	
		CALCUTTA		
34,45,500	6½	1925	1955	105
84,70,000	5	1925	1955	104
36 00,000	5	1928	1958	103
25,00,000	5	1929	1957	103
25,00,000	5	1929	1958	103
10,00,000	5½	1932	1962	103
33,91,000	3½	1935	1965	99
5,19,000	3	1936	1953	99
60,00,000	3	1936	1966	99
1,46,100	3	1936	1953	99
3,11,400	3	1937	1954	99
4,67,100	3	1937	1954	99
1,62,500	3	1937	1954	99
4,18,100	3	1937	1954	99
47,50,000	3	1938	1958	99
10,67,700	3	1938	1955	99
15,56,800	4	1939	1956	99
15,56,800	4	1940	1957	99
17,64,400	3½	1942	1959	99
21,10,000	3½	1942	1972	96
15,49,000	3½	1951	1960	96
16,33,000	3½	1951	1961	96
66,88,000	3½	1951	1966	96
87,36,000	4	1952	1962	
		MADRAS		Rs.
5,00,000	4	1903	1953	101N
5,00,000	6	1923	1953	107N
3,40,000	7	1925	1955	107‡N

ABBREVIATIONS.—M=Held by Government of Madras. N=Nominal. I=Various Issues repayable to Government.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners. *Loans held entirely by the Trustees
(*a*) This includes the amount of loan converted into First Development Loan 1970-75. A=Held by Government of India.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944. (*f*) Income-tax free.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935. ** Quotations *in* Pak. Currency.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS							
Allahabad Bank	15,00,000	1901	6	Mar.	Sept.	132	100
BREWERIES AND SUGAR							
Bharat Sugar	5,00,000	1931	5	Dec.	..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar.	Sept.	90	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb.	Aug.	143	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July	Apr.	117	100
†East India Distilleries	£200,000	1897	7	Jan.	July	15½	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec.	..	77	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec.	..	74	100
Purtabpore Co.	6,00,000	1922	10	Oct.	..	15½	10
Ramnugger Cane	4,00,000	1933-36	6	Aug.	..	98	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct.	Apr.	70	100
South Behar Sugar	5,00,000	1936	7(a)	Oct.	..	75N	100
Travancore	15,00,000	1946	5(c)	Dec.	..	6½	10
Upper Ganges	15,00,000	1932	5	Dec.	..	90N	100
Do.	15,00,000	1946	5(a)	Dec.	..	70N	100
COAL							
Bengal-Nagpur	1,12,500	1905	7	Jan.	July	116	100
Borrea	4,00,000	1896-97	6½	Oct.	Apr.	118	100
Burrakur (1st)	22,99,800	1901-19	7	Apr.	Oct.	122	100
Do. (2nd)	4,50,000	1946	6(a)	..	..	8½	10
Equitable	4,00,000	1895	6	Mar.	Sept.	116	100
Karanpura Collieries	7,50,000	1946	5½(a)	..	..	84	75(pp)
††Khas Kajora	1,93,000	1931	5	Mar.	Sept.	6N	10
New Beerbhoom	2,00,000	1920	7	Jan.	July	12½	10
Ondal	2,00,000	1898-99	6½	Apr.	Oct.	115	100
COTTON							
Ahmedabad Advance	10,00,000	1939	5	Apr.	Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan.	July	131½	100
Basanti Cotton	5,00,000	1938	6½	Nov.	..	8	10
Benares Cotton	1,05,200	1919	7	July	Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr.	Oct.	122	100
Bowreah 'A'	6,00,000	1900	8	Feb.	Aug.	134	100
Do. 'B'	6,00,000	1900	7	Feb.	Aug.	85	100
Bradbury	14,75,000	1919	7	June	Dec.	325	250
Buckingham & Carnatic	21,30,200	1920	7½	Jan.	July	142½	100
Cambodias	1,00,000	1928	7	Apr.	..	131½	100
Central India	50,00,000	1912	5	Apr.	Oct.	518½	500
Colmbatore Pioneer	1,00,000	1935	6½	Nov.	..	130½	100
Elgin	11,00,000	1912	8	May	Nov.	143	100
Do. 'B' Pref.	4,20,000	1943	5	July	Jan.	10	10
Elphinstone	25,00,000	1919	7(a)	May	Nov.	92½	100
Kesoram	20,00,000	1919	7	June	Dec.	127	100
Khatau Makanji	10,00,000	1925	6	Nov.	..	—	100
Do. (2nd)	29,92,500	1947	4	..	..	82½	100
Kothari	12,00,000	1937	6	Nov.	..	10½	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	..	..	233‡	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	January	..	75	100
Muir Mills	30,00,000	1900	6	Jan.	July	108	100
Mysore Spg.	7,45,050	1944	4½	..	..	..	50
New Great	8,00,000	1913	5½(a)	Mar.	..	180	200
New Victoria	26,05,500	1920	6	Apr.	Oct.	3½	5
Podar Mills	10,00,000	1943	4	Feb.	..	—	100
Rajalakshmi	2,00,000	1932	6½	Apr

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deffered shares. G=Guaranteed shares. P=Preference shares. P.O.=Preferred Ordinary shares. R=Rebate shares. Y=Accounts published yearly. H=Accounts published Haf-yearly. Q=Accounts published once 15 months T=Company has Debentures. R.L.=Reserve Liability on shares. N=Nominal Quotation. i=Interim Dividend. f=Dividend for first half-year, y=Dividend for the year. x=Ex. Dividend c.d.=Cum. Dividend

Shares:—If a company has different classes of shares—as, for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under "Paid-up Per Share."

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12 indicate the months of June and December, respectively. "Reserves" includes general and other reserves and all other funds which a company may have as also depreciation on block items, when this is charged to separate account "Block" represents actual cost of land, buildings, machinery and all such other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends:—Dividends for completed years are calculated at per cent. per annum, but, where quoted for portion of a year, they represent percentages of the dividend on the paid-up share value. For companies closing the books half-yearly in the first three months of the year, and for companies closing their books yearly during the first half of the year dividends are shown as for the previous year.

COTTON MILLS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	¶Number Installed: Spindles	¶Number Installed: Looms	Mill	Latest Available Quotation. Rs.	Paid-up Per Share Rs	Dividends (per cent.): 1949	1950	1951	1952	Accounts closed	Reference
BOMBAY CITY AND ISLAND															
50,00,000	59,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	2-14½	2	12½	12½	15⅞	—	12	Y
40,00,000	96,23,655	1,22,39,883	45,646	B. R. Sons, Ltd.	50,828	1,021	Behariial Ramcharan Cotton Mills	493	100	6	6	—		12	T.P.W
2,50,98,000	5,35,82,946	3,76,37,187	1,80,774	Nowrosjee Wadia & Son, Ltd.	1,82,072	4,855	Bombay Dyeing, etc.	385½	250	16	7	8	8	3	Y.
10,00,000	68,56,275	52,02,609	2,59,868	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	740	250	24	40	40		12	P.Y.
1,09,42,800	3,69,11,265	2,42,52,821	5,30,869	Birla Bros., Ltd	1,09,320	2,706	Century	274½	100	15	18	20	20	12	Y.
49,00,000	76,78,063	1,06,30,358	5,066	V. J. Pilani, Esq. (Chairman)	39,408	698	Colaba Land & Mill	72	100	—	—	4		12	Y.
26,00,000	47,97,127	48,34,038	7,721	Cowasji Jehangir & Co., Ltd.	27,308	680	Coorla	108½	100	7½	7½	7½		3	Y.
16,00,000	64,96,041	63,03,745	76,868	Ramnarain Sons, Ltd.	38,304	..	Dawn	61	50	4	—	12	12	12	Y.
34,00,000	78,85,000	63,06,555	91,036	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	256½	200	7½	7½	7½		12	Y.
29,95,700	86,92,517	1,10,04,668	41,862	Chidambaram, Mulraj & Co., Ltd.	44,768	886	Elphinstone	43	50	10	8	—	6	12	Y.
40,00,000	1,32,62,580	80,34,752	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay	325	100	15	15	20	20	12	P.Y.
30,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	71,608	1,259	Hind Mills	—	10	5½	4½	5½		6	P.Y.
12,00,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co.	45,752	1,022	Hindustan	3,250	1,000	17½	20	20⅝		3	P.Y.
8,00,80,000	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	10⅞	10	7½	7½	10½		12	Y.
50,00,00,000								1-11½	1	12½	12½	25			
8,65,000	1,33,65,320	98,10,275	7,671	Damodhar Thack. Mooljee & Co.	47,172	1,191	Indian Manufacturing	3,310	1,000	17½	20	20•		6	Y.
35,000								—	500	—	—	—			
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co.	77,404	1,517	Khatau Makanjee	183½	100	12	14	10		12	Y.
1,00,00,000	3,45,80,831	2,90,52,252	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor	302½	100	27k	18	25•	18		
28,80,000A	60.88,538	4,61,890	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	83	100A	7½	5	6½		6	P.T.Y.
3,60,000B								—	20B						P.Y
22,13,050	88,02,988	1,01,00,576	24,034	N. Sirur & Co. Ltd.	33,750	451	Modern Mills	95N	50	14	8	14	10	10	P.Y
51,75,000	1,65,94,653	71,00,015	2,80,686	Piramal Gangadhar & Others	60,652	1,650	Morarjee Goculdas	201½	100	17	15•	12	10	12	Y.
24,00,000	67,21,958	71,22,987	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay	151½	100	11	12½	15	10	12	P.Y.
30,00,000	79,78,669	86,82,525	70,277	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Eastern	152	100	—	10	10	12½	12	Y.
12,70,100	35,74,176	28,92,872	423	Mafatlal Chandulal & Co.	33,720	873	New Union	26½	10	6	5	10	18	12	Y.
48,00,000	1,14,83,245	1,38,66,478	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix	105	100	6	10	10	10	12	P.Y.
40,00,000	59,51,640	24,14,688	1,25,251	Podar Sons, Ltd.	32,600	930	Podar	127½	100	9	9	10	10	12	Y.
5,00,000	27,89,119	21,19,461	3,615	David Sassoon & Co., Ltd.	24,252	277	Sassoon & Alliance Silk	25½	10	26½	20	20	12½	12	P.Y.
25,00,000	59,86,822	41,49,241	21,950	M. G. Investment Corpn.	60,240	1,254	Sassoon Spinning	27⅛	10	—	7½	10	12½	12	P.Y.
60,00,000	1,02,59,322	78,01,447	3,43,873	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	173⅛	100	12½	14	17½	12½	12	P.Y.
31,50,000	1,00,00,000	76,05,952	50,222	Forbes, Forbes, Campbell &Co.,Ltd.	36,116	1,276	Simplex	182	50	28	34	301		3	P.Y.
56,00,000	2,07,23,386	1,18,80,653	2,889	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard	308½	100	15	15	26 •	20	12	P.Y.
75,00,000	2,10,92,537	1,57,29,109	91,399	Tata Industries Ltd.	65,040	2,000	Svadeshi	250½	100	14	16	18	16	12	P.Y.
24,00,000	1,20,11,676	65,86,475	5,71,220	James Finlay & Co., Ltd.	35,804	552	Swan	453½	100	20	20	25	30	12	P.T.Y.
32,54,438	88,66,976	76,66,704	—2,05,128	Tata Industries Ltd.	63,248	1,800	Tata	44	25	8	8	16	4	12	T.Y.
12,00,000	1,17,01,933	86,62,657	4,299	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spinning	3,180	1,000	17½	20	20		3	
AHMEDABAD															
20,00,000	84,99,543	51,95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	147½	100	8	12	10		6	P.Y
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Huthesing & Sons Ltd.	42,768	912	Aruna	412½	100	13•	15•	20•		12	Y.
21,00,000	2,83,78,675	1,18,76,140	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind	768½	100	22½	25	25	25	12	P.Y.
20,00,000	93,85,169	76,03,158	1,11,303	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning	270	200	15	15	17½		12	Y.
12,00,000	1,63,65,455	81,44,027	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	912	Asoka	435	100	15•	17	22•	7½–1	12	Y.
1,24,77,072	3,38,63,311	3,71,68,168	2,87,005	Karamchand Premchand & Co.	1,39,120	2,370	Calico	307	125	8	10	14–2/5	14 2/5	12	P.Y.
30,00,000	1,20,70,000	88,67,870	4 885	Tricumlal Bhogilal & Co.	39,316	867	New Commercial	1,055	500	10	11	14	14	12	P.Y
39,00,000	1 31,07,324	96,79,263	1,795	Mafatlal Chandulal & Co.	47,952	864	New Shorrock	558	125	28	28	28	28	12	Y.
5,00,000	79,61,645	43,89,260	4,583	Jagabhai Bhogilal Nanavati & Co.	24,8403	5281	Nutan	590xd	100	25•	28•	28•	30•	12	Y.
10,00,000	1,49,90,022	73,98,913	3,599	Lalbhai Dalpatbhai & Co.	31,120	637	Raipur	330xd	100	22½	25	25	25	12	P.Y.
12,00,000	50,40,334	63,41,241	1,09,340	Mangaldas Girdharadas Parekh Ltd.	45,568	1,095	Rajnagar	160	250	6	6	8		12	P.Y.
32,50,000	58,29 453	81,93,993	9,867	Lallubhai Gordhandas Ltd.	33,156	648	Rohit	126½	100	8	30	9	9	12	Y.
19,50,0000	94,78,968	61,33,831	8,070	Mafatlal Chandulal & Co.	36,624	720	Shorrock Spinning	315	100	15	15	20	20	12	P.Y.
2,500D															P.Y.
24,90,150	1,91,30,172	1,01,07,709	1,23,551	Haribalabhdas Kalidas & Co.	73,796	1,383	Shri Ambica Mills	313	50	25	30	36	32	12	
28,00,000	79,16,324	91,15,078	16,259	Haridas Acharatlal & Co., Ltd.	32,816	776	Vijaya	497½	400	11½•		8½•	8½•	12	
WEST BENGAL															
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agenc Ltd.,	13,044	356	Basanti Cotton	4⅛	10	—	5	3¼		12	P.T.Y.
7,11,280	22,53,684	37,16,899	32,931	Bengal Textile Agency Ltd.	28,448	936	Bengal Luxmi	38N	40	—	7½	7½		3	P.Y.
6,00,000	74,31,075	77,07,829	—28,432	K. Bullen & Co., Ltd.	42,872	841	Bowreah	285	100	—	—	—	—f	6.12	H.
19,00,000	96,49,451	96,66,017	—27,784	K. Bullen & Co., Ltd.	42,944	518	Dunbar	185	100	5½	—	7	—f	6.12	P.Y.
1,20,00,000	3,29,34,362	3,04,56,320	84,976	Birla Bros., Ltd.	69,352	1,990	Kesoram	19½	115	12½	12½	11⅛		3	Y
6,80,000A	71,09,841	79,53,833	51,255	Chakravarti Sons & Co.	23,484	442	Mohini	—	10	12½§	7½	7½		12	
32,96,097B									10						
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	5	10	9	3	—	6	12	T.Y.
15 00 000	26,53,246	99,15,375	2,736	Ramlal & Co., Ltd.	50,000	..	Alagappa Textiles	6½	10	—	9	5½	6½	12	P.Y.
71,94 400so	96,26,706	1,90,39,719	18,450	Ind. Trust Fund	19,944	440	Azam Jahi Mills	65½	100	15•	5½	61	6	9	Y.
50,50,000	3,00,10,004	2,73,75,544	2,49,801	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	252½	100	14½	17½	20	15	12	P.Y.
27,00,000	71,21,986	69,56,823	40,045	Shaw Wallace & Co., Ltd.	29,936	782	Bengal Nagpur	144	10	5	7	10	5f	12	P.Y.
60,00,000	77,87,070	1,03,33,381	11,806	Binodiram Balchand	31,312	1,338	Bimod Mills	100N	100	17	5	12		12	P.Y.
15,00,000	1,33,79 264	84,27,674	4,60,889	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	52N	10	25	25	30		3	P.Y.
8,47,800	4,09,27,251	5,14,83,572	2,39,790	Binny & Co., Ltd. (Madras)	1,19,916	2,781	Buckingham & Carnatic	122	100	6½	7½	4	12	12	P.W
20,00,000	32,63,706	30,52,641	93,399	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia	10⅛	10	7½	—	12½	10	12	
30,00,000	66,46,347	47,79,878	32,399	Begg Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	9	5	11½	11½	12		3	Y.
46,87,500	2,25,77,600	2,00,84,126	—16,28,224	Tata Industries Ltd.	1,15,188	2,062	Central India	164	100	6	2	6		12	P.Y.
12,00,000	33,29,989	27,82,848	—1,32,723	R Beema Nayudu & Co	28,864	..	Coimbatore Cotton	150N	100	12½	12½	9	9	12	Y.
20,00,000	17,94,432	20,04,313	9,816	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills	108	100	7	6		6	6	Y.
20,76,900	70,83,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	40½	50	5	10	—		12	Y.
24,34,800	40,26,054	37,58,169	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi	176	100	25	25	20	10	12	P.Y.
2,89,84,925	3,84,95,614	5,77,14,605	1,63,862	Bharat-Ram, Esq.	75,604	1,830	Delhi Cloth (inc. Lyallpur Mills)	29	25	4	10			6	P.T.Y.
1,00,593									2½						
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd.	52,652	1,198	Elgin	17½	10	12½	11½	15	9	12	Y.
39,04,700	1,01,50,000	82,22,587	1,03,575	F. Forbes Campbell & Co., Ltd.	72,960	2	Gokak	216	100	15	10	14	17•	12	P.Y.
50,00,000	84,17,977	1,21,16,721	6,989	Govindram Seksaria (Indore)	50,420	1,420	Indore-Malwa United	93½	100	4	5	15		12	P.Y.
8,90,000	25,82,989	26,01,526	—2,58,201	G. V. Naidu & Co.	30,304	325	Kaleeswarar	300	100	16	10	15	7½	12	P.Y.
6,50,000	17,20,576	40,18,454	7,677	A. L. A. Chettiar and another	13,824	..	Kothari	9⅜	10	7	7½	7½		6	P.Y.
24,00,000	25,50,000	43,66,106	54,577	Kothari & Sons	53,642	1,113	Lakshmi Cotton	572½	250	15	15	20•	15	12	P.Y.
32,00,000	1,62,37,879	1,37,67,873	1,99,524	The Bombay Co., Ltd				80	50						
35,64,100	90,51,492	78,93,494	7,921	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	39½	25	8	8	10		3	Y.
17,82,050A															
1,75,02,480	5,94,39,299	4,16,07,732	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura	36½	15	17½	15	20	20	12	Y.
12,00,000	20,18,053	24,32,416	—7,468	A. L. A. R. S. Chettiar and 2 others.	21,856	..	Malabar	142	200	7½	4	6	4	12	Y.
60,00,000	93,17,047	52,62,343	50,249	W. A. Beardsell & Co., Ltd	24,252	603	Mettur Industries	191	100	25	12½	6		12	Y.
29,80,884	65,14,248	73,68,250	25,960	N. Sirur & Co., Ltd.	36,416	678	Minerva	191	100	8•	6	6	5	12	Y.
94,91,850	96,08,512	1,34,73,361	29,643	B. Abirchand Dadabhoy & Co.	49,456	952	Model Mills, Nagpur	143½	250	6	3	3		6	Y.
30,00,000	1,55,94,651	1,53,39,271	7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir	215	100	24½	—	—		12	P.Y.
9,71,850	4,06,541	20,43,991	—2,16,536	A. Sambha Moorty, Esq.	69	..	Mysore Silk Filatures	28	10	—	—	7½		12	P.Y.
19,86,800	1,15,39,739	82,55,416	38,347	N. Sirur & Co., Ltd.	49,632	500	Mysore Spinning	123½	50	20	18•	20•		2	
13,61,780	22,98,130	27,85,556	—4,60,000	R. Suryanarayana Rao, Esq	6,000	..	Mysore Spun Silk	4½	10	5d	6½	—		3	P.T.Y.
22,89,882	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd	50,228	1,148	New Victoria	1½	D1	—	—	—		12	
8,07,0950								—							
87,03,800	1,20,94,970	1,58,62,385	17,946	Ind. Trust Fund	30,896	717	Osmanshahi Mills	98½N	100	14•	5½	6½	7	9	Y.
4,00,000A	21,00,275	26,20,198	3,380	Baghyalakshmi & Co.	22,800	..	Palani Andavar	45	50A	4	10	16	15	12	P.T.Y.
6,00,000B															
15,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills	65½	100	4	7½	5	6	12	P.Y.
25,30,420	40,80,284	52,63,263	2,062	A. G. G. Naidu & Co.	38,864	200	Radhakrishna	142	100	15	16	16		12	P.Y.
15,00,000	38,70,469	20,61,036	2,54,484	B. R. Nayudu, Esq.	25,896	..	Ralakshmi	76¼cd	50	9	9	10		12	P.Y.
15,02,500	31,53,264	35,55,211	11,407	P. S. G. Nayudu & Sons	28,972	88	Ranga Vilas	42⅜	50	6	7	7½		12	P.Y.
60,00,000	89,39,172	1,04,60,739	5,506	Sir J. P. S. & Sons (Rampur), Ltd.	32,580	600	Raza Textiles	6–0½	10	—	—	—		3	Y.
16,00,000	1,58,35,370	2,03,51,339	—78,03,793	M. J. Divekar, Esq.	82,992	2,234	Sholapur	1,800	1,000	—	—	—		3	Y.
22,41,300	9,49,300	25,98,011	66,528	Gopaldas Lladhar & Co., Ltd	15,824	440	Shree Saljan	75N	100	6				3	Y.
17,79,700	17,05,383	21,50,229	3,083	T. R. A. Ayyar & Bros., Ltd.	18,416	416	Sitaram	36½	50	6½	—	5		3	Y.
36,69,700	55,96,380	57,42,020	23,287	H. N. Pallegar, Esq.,	25,200	292	Sri Krishnarajendra Mills	43¼cd	50	8•	8•	8•	8•	3	
15,00,000	1,30,50,807	64,96,084	58,49,305	Birla Brothers Ltd.	27,340	992	Sutlej Cotton Mills	40N	10	40	40	40		3	P.Y
17,50,000								9½	10	5	5	5			Y.T
1,57,50,000P.O.	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros. Ltd.	1,12,216	2,077	Swadeshi (Cawnpore	9½	10P.O.	9	9	9		12	P.Y.
13,98,610	16,70,493	12,91,002	9,843	M. R. & Sons	16,000	..	Trichinopoly	9½	10	10	10	10	7	12	P.Y.
21,00,000	87,75,811	47,61,131	50,000	K. K. S. Chetty & Bros.	33,704	270	Vasanta	130	100	7	9	10	12	12	
32,00,000	1,34,16,851	1,18,73,996	2,21,881	The Bombay Co., Ltd.	54,280	1,495	Vishnu	163½	100	10	9	14•	10	12	

• Includes Bonus. I. On Increased Capital. ‡ Only Depreciation. ¶ As on 31st August, 1952. †† Does not include depreciation.
x Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46. — Nil Dividend. ad=Ex. Dividend. C.d.=Cum. Dividend.
(a) Includes Rs. 11-6 paid out of deferred Dividend Amount. N=Nominal. † Subject to tax. §=As on 1st January, 1953. •• Net Block.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.): 1949	1950	1951	1952	Accounts Closed	Reference
ART SILK AND RAYON MILLS													
1,60,42,600	72,66,192	4,27,10,526	38,933	Chinai & Co., Ltd.	National Rayon Corporation	103½	100	—	—	—	—	12	P.Y.
99,92,020	57,16,774	267,67,573	2,34,553	Emcete & Sons (Travancore) Ltd.	Travancore Rayons	5½	10	—	—	—	—	12	P.T.Y.
BREWERIES AND DISTILLERIES													
13,28,000	65,17,840	96,16,910	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	24	25	11½	11½Q	—		5	P.W.
6,64,000						10	10						
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	6½	5	80	10	—		3	Y.
£80,000'A'	£588,534	£1,122,135	£57,421	Parry's Holdings Ltd.	East india Distilleries and Sugar	14½ 'A'	16sh.	10	£10	10	10	9	P.W.
£300,000'B'						18½ 'B'	20sh.		15	15	15		
24,00,000	8,54,296	7,56,660	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4	10	—	—	—		8	Y.
6,00,000	21,13,586	12,13,593	3,951	B. A. Mallya Esq.	United Breweries	157	75	15	10	20		3	Y.
CEMENT													
11,19,724	21,33,493	67,56,656	15,850	The Andhra Engineering Co Ltd.	Andhra Cement Co.	102	100	5⅞	8⅛	7½		12	P.Y.
43,14,600	16,94,310	17,14,992	1,01,035	Eastern Corporation Ltd.	Assam Bengal Cement	4½	5	—	—			3	Y.
4,78,976D						2	5						
10,56,20,438	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.	Associated Cement Companies	171	100	7	8½	9½	9½	7	Y.
86,49,312	95,24,901	1,45,62,309	61,188	Hari Bros. Ltd.	Dalmia Cement	6½	10	—	5	6½		12	Y. f.
8,00,00,000						8	8						
61,01,180	27,27,600	1,26,09,755	90,853	Essen Ltd	India Cements Ltd.	16½	25	—	—	5		3	P.Y.
7,50,000D						3½	5D						
75,00,000	1,46,20,109	1,65,80,416	81,840	Martin Burn Ltd.	Sonevalley Portland Cement	7½	5	9	6	8		12	Y.
CERAMIC; MINING AND QUARRYING													
31 70,655	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2½	2½	2½	5	6½		12	Y
10,00,000	53,04,035	53,01,488	15,680	Bird & Co.	Biara Stone Lime Co.	29½N	10	16½	17½	17½	8f½	3.9	H
35,00,000D						10	10 O						
49,14,200	17,91,749	59,93,341	12,332	Ram Kumar Agarwala & Bros.	Chrestien Mica Industries	7½	5 D	10	10	10		12	P.Y.
15,80,000	41,60,110	41,643,983	855,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3–0½	15	15	15	15		12	Y.
5,20,000F	38,79,403	43,65,527	1,29,079	Bird & Co., Ltd.	Karanpura Developmant	13½	2sb.	12½†	12½†	12½		12	Y.
6,00,000	6,40,199	7,98,882	9,812	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	10cd	10	10	10	—		3	Y.
10,00,000	37,28,492	31,47,718	74,275	Bird & Co., Ltd.	Orissa Minerals	55½	10	6½	6½	12½	15f	6.12	H.
6,00,000	24,28,739	25,13,779	27,403	Andrew Yule & Co.	Raliance Firebricks	17	10	10	10	11½		2.8	H.
6,99,390	20,61,475	17,98,676	3 427	Killick Industries Ltd.	Shivrajpur Syndicate	54½	10	15	17½	35•		11	Y.
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	23,14,270	1,02,937	S. V. S. Iyer, Esq.	Kemp & Co.	265	200	80	80	10		3	Y
92,14,870	55,77,268	2,53,78,334	8,595	Tata Sons, Ltd.	Tata Chemicals	9½	10	—	—	—		6	T.Y.
1,12,500	1,38,486	61,178	4,101	B. D. Nagar, Esq.	Thompson & Taylor	4½	3	6½	8½			3	Y.
Other Centres													
25,00,000	54,68,041	63,66,814	59,559	Bhailal Amin & Sons, Ltd.	Alembic Chemical Works Co.	98½	100	—	8	8		12	Y.
62,00,000	1,07,29,152	2,20,10,944	2,51,870	Imperial Chem. Industries (India), Ltd.	Alkali and Chem. Corpn. of India	13⅜	10	—S	4	6	6	9	Y.
83,84,700'B' O.	68,00,287	76,49,987	88,67,480	S. P. Sen. Esq.	Bengal Chemical & Phar.	103	100	6	6			4	Y.
41,30,000	45,64,459	38,97,031	1,09,732	Sahu Bros. (Saurashtra) Ltd.	Dharangadhra Chemicals	165	100	6	15	15		3	Y.
4,95,000	1,50,922	1,53,108	—21,738	D. C. Collaco, Esq.	Frank Ross & Co.	4½	6	5†	6	4½		2	P.Y
8,45,97,740	86,89,264‡	4,01,40,091	—10,83,735	Sesbasayee Bros. (Travancore) Ltd.	F.A.C.T.	3⅞	10	—	2½	—		12	Y.
98,49,345	30,74,302	83,46,263	21,842	Sesbasayee Bros. Ltd.	Mettur Chemicals	4⅜	10	7½	7½	7½		3	Y
24,81,220	34,52,111	40,15,501	14,741	B. V. Gannapati Iyer, Esq.	Mysore Chemicals and Fertilisers	8⅛	10	4•	9	9		3	Y
3,70,000	6.53 627	4,55,089	42,388	Krishna & Co.	Mysore Chemical Mfrs.	11	10	8½	10	12½	10	3	P.Y.
5,00,000	19,82,894	15,86,659	48,158	C. A. Buxton Esq.	Smith, Stanistreet & Co.	7½	5	15	10	10	10	6	P.Y.
ELECTRICS (Bombay Presidency)													
5,24 68 240	1,92,18,232	7,57,55,041	3,319	Killick Industries Ltd.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
OIL; PETROL, ETC.													
£750,000	£987,630	£257,232	—£718,934	C. H. Glass, Esq.	British Burma Petroleum Co., Ltd.	1–3⅛	4sh	—	—	—		3	P.T.W.
£2,50,000	81,89,204	52,69,225	1,85,955	N. C. Alcock, Esq.	British Ceylon Corporation	12½	7½	20†	24†	32†		12	P.W.
1,00,00,000	1,01,18,597	1,04,61,324	4,03,476	Steel Brothers & Co Ltd	Indo-Burma Petroleum Co., Ltd.	61	40	10	10	10	15	12	P.Y.
70,07,475	1,02,93,588	1,52,15,713	1,0,002	Tata Industries Ltd.	Tata Oil Mills	33	25	4	6	8		3	T.Y.
6,00,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tida Water Oil Co. (India) Ltd.	14½	10	15	15	17½	5f	4.10	H.
PAPER													
45,00,000	1,56,25,500	1,94,47,651	3,21,991	Balmer Lawrie & Co.	Bengal Paper Mills	46	25	10	10	12½	6½f	6.12	P.T.H.
30,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	174	100	7	10	11	5f	3.9	H.
25,00,000	48,30,215	47,81,895	52,615	P. R. Balakrishnan, Esq.	Mysore Paper Mills	13⅜	10	5d	7½	10*		3.9	Y.
41,95,000	2,73,41,080	3,27,84,408	1,91,321	Birla Bros., Ltd.	Orient Paper	34	10	15	25	20	10f	3.9	P.T.H.
50,06,895	1,10,93,378	84,10,902	1,86,914	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	19	10	9½	11½	15	7½f	6.12	P.T.H.
20,00,000													
10,00,000 A'	58,56,913	76,25,937	9,851	Bajoria & Co.	Bajoria Paper Mills	8⅜	10	—	—	5	2½f	3.9	P.T.H.
4,37,500 PQ													
A'56,00,000 Q	5,15,53,313	4,78,98,548	5,00,114	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co. Ltd.	4½	2½	10	10	10	5f	3.9	P.H.
B'56,04,800 Q						36½	A10	20	18½	20*	10*f	3.9	
						36½	B10	20	18½	20*	10*f	3.9	
PLANTING; PRODUCE AND RUBBER													
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	6⅜	3	10	20	20		2	P.Y.
47,70,000	48,44,853	83,16,040	4,37,964	R. C. Paterson, Esq.	Consolidated Coffee Estate	18⅜	10	17	20	18		6	T.Y.
4,00,000	2,29,884	4,49,625	13,931	Associated Planters, Ltd.	Associated Plantations	10	10	7½	10	15		3	P.W.
9,28,950	1,46,540	4,67,078	1,389	A. V. Thomas & Co., Ltd.	Wringford Estates	10	—	2⅜	—	—	—	4	P.Y.
15,00,000	10,03,881	20,78,297	80,797	A. V. Thomas & Co., Ltd.	Highland Produce	10	25	45	45	45	10	12	T
4,00,000	9,67,558	7,20,390	43,506	A. V. Thomas & Co., Ltd.	Kalpetta Estates	10	17½	20	20	20		4	Y.
4,00,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Malankara Rubber and Produce Co.	10	17½	30	35	35		3	P.Y.
27,00,000	25,83,648	14,80,888	83,433	A. V. Thomas & Co., Ltd.	Midland Rubber and Produce Co.	10	6	12½	15	10	6½	12	P.Y.
3,35,000	2,06,971	13,28,998	31,378	A. V. George & Co., Ltd.	Nemmony Rubber	10	5	6½	10	10		12	P.Y.
2,00,000	1,93,721	24,72,600	2,305	Associated Planters, Ltd.	Nilambur Rubber Co.	9	6	10	10	10		10	T.Y.
19,45,980	48,35,083	38,14,428	1,78,110	Peirce, Leslie & Co., Ltd.	Ouchterlonny Valley Estates	33⅓	25	25	45	45		6	P.Y.
13,50,000	5,82,973	28,08,590	31,101	A. V. Thomas & Co., Ltd.	Raigir Rubber and Produce Co.	10⅜	10	12½	15	15		3	P.T.W.
10,00,000	3,36,390	1,856,824	936	East India Agencies, Ltd.	Teekoy Rubbers (India) Ltd.	10	—	6½	7½	9		3	P.Y.
2,50,000	2,21,854	5,23,488	41,669	A. V. George & Co.	Thamarapally Rubber	15cd	10	6½	6½	15	25	12	T
3,05,100	5,01,650	6,03,723	31,510	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co. Ltd.	21	1	17½	20	25	25	9	Y.
6,00,000	1,17,222	7,40,149	3,953	R. C. Cherian, Esq. (Secretary)	Travancore Rubbers	13½cd	10	3½	10	20		12	P.Y.
41,00,000	17,71,656	70,05,785	2,79,692	Aspinwall & Co., (Travancore) Ltd.	Travancore Rubber and Tea Co., Ltd.	6½	10	2½	6	10	6	12	Y.
20,00,000	5,24,135	22,83,995	9,921	P. T. Thomas, Esq.	Tropical Plantations Co.	10⅝	10	5	5	—	10	12	P.Y.
5,20,000	53,026	3,26,408	40,587	A. C. Cherian, Esq.	Udagiri Rubber	4½	10	5	5	—		12	W.
4,25,850	2,79,994	7,07,482	33,166	Harrisons & Crossfield Ltd.	Valkundam (Travancore) Rubber Co., Ltd.	13⅜	10	10	12½	20	20	12	Y.
1,65,000	78,624	3,43,636	14,082	M. K. Thomas & Co.	Woodland Estates	7⅛	10	7½	6½	—		3	
PRESSING													
6,00,000	11,73,066	19,01,457	2,372	Andrew Yule& Co.	Calcutta Hydraulic Press	83	100	3	3	5		3	Y.
4,00,000	5,58,036	6,89,525	1,116	Pyke and Sons.	Camperdown Pressing	93N	100	4	6	7		7	Y.
1,50,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Canaul Hydraulic Press	95	100	3	5	5		6	
PROPERTY AND LAND													
10,20,780	25,11,061	42,65,283	419	S. A. Basil, Esq.	Humayan Properties	10½	10	—	6	6	5	9	P.Y.
4,00,000	34,67 735††	83,61,045**	—	David Sassoon & Co., Ltd.	Fort Canning Land	23½	100	2	1½	1		4	Y.
94,00,000	50,60,614	97,99,237	4,608	Andrew Yule & Co.	Midnapore Zemindary	37	100	—	3	2		4	P.Y.
SAW MILLS AND TIMBER													
13,99,998	29,73,877	10,38,508	60,887	Bird & Co.	Assam Saw Mills and Timber	6½	3	16⅔	6	15⅔		9	Y.
50,00,000						373½	125	12	15	18		5	Y.
12,00,000	4 89 22 437	2,47,99,361	1 57,498	Wallace & Co	Bombay-Burmah Trading	136⅔	53	12	15	18		5	Y.
5,00,000	7,04,037‡	7,80,451	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	50N	99	5	5	—		6	P.Y.
15,00,000	27,06,050	16,83,461	1,70,441	G. Arbuthnot & Co.	Indian Wood Products	35½	10	2½	15	35	30	9	Y.
SUGAR (U. P. and Bihar)													
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co	Bairampur Sugar	7⅜	5	6½	10	20	—	6	Y.
12,00,000	28,96,740††	15,70,684**	2,81,000	Narang Bros.	Basti Sugar	120N	100	—	—	—	8½	9	Y.
19,49,050	23,60,462	27,54,525	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	8⅜	7½	10	15	15	—	6	Y.
15,00,000	21,11,580	15,38,162	40,743	Caxton Agents Ltd.	Bharat Sugar	15N	10	5	—	—	—	6	P.T.Y
32,00,000	13,03,877	29,21,870	41,747	Udaiveer Lyall & Co., Ltd.	Bhartpur Sugar	6½	10	15	15	20	10	6	P.Y.
15,00,000	1,30,69,452	96,28,542	31,891	Begg Sutherland & Co.	Champarun Sugar	32½	10	12	15	20		6	P.Y.
18,00,000	78,43,538	60,37,156	17,488	Begg Sutherland & Co.	Champarun Sugar	24	10	5	5	12*		6	P.Y.
45,00,000	57,00,000	68,17,572	50,477	Bachhraj & Co.	Hindustan Sugar Mills	130N	100	—	—	—		7	P.Y.
18,00,000						50N	80	3	4	—			
6,00,000	41,78,374	68,10,159	—4,15,271	Kilachand Devchand & Co	Kesar Sugar	50N	80	10	25			6	P.Y.
7,89,100	31,59,777	25,99,076	115,051	Cotton Agents Ltd.	New India Sugar Mills	22½	10	5	6½	5		5	Y
11,90,000	27,48,180	36,39,370	3,895	Kanam Chand Thapar & Bros., Ltd.	New Sasan	6½	10						
8,89,375	88,13,266	83,06,760	6,31,023	Cotton Agents, Ltd.	New Swadeshi Sugar Mills	180N	100	15	20	20		6	Y
12,50,000	29,31,075	26,43,844	71,500	Narang Bros	Punjab Sugar Mills	45N	25						
8,00,000	42,50,793	33,72,806	19,435	Begg Sutherland & Co	Purnahpore Company	100N	100	—	6	10		10	P.Y.
4,00,000	26,05,463	24,18,182	15,410	Begg Sutherland & Co	Ryana Sugar	15	10	—	—	10	10	10	Y.
11,99,000	38,06,835	36,11,350	23,281	Begg Sutherland & Co	Samastipur Central Sugar	23	10	15	25	20		6	Y.
20,00,000	69,94,641	1,03,56,230	4,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	16	10	10	15	20	15	6	Y.
9,99,995	11,66,782	21,41,729	10,162	W. K. Ghose, Esq & R. N. Datta,	Sitalpore Sugar	10½	10	—	—	3½		7	P.T.Y
4,50,000 Q						6¼	10	—	—	5		6	Y.
1,75,000 D	11,94,395	27,92,174	—1,13,656	N. K. Jain & Co., Ltd.	South Behar Sugar	3N	10					10	
8,00,000	54,46,474	70,75,580	57,216	Cotton Agents, Ltd.	Upper Gangas	1N	2½	—	—	—			Y.
						20N	30	17½	20	20		6	
(Indian States and Other Centres)													
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Belapur Co	236½	50	16⅔	25	28	32	9	Y.
13,57,350	46,47,856	38,47,284	4,64,518	Govan Bros. (Rampur), Ltd.	Buland Sugar	10½N	10	7	7½	10		5	P.Y.
16,93,900	18,53,357	37,63,451	21,012	J.P.Srivastava&Sons(MadhyaBharat)Ltd.	Gwalior Sugar Co., Ltd	38N	100	—	5	3		6	P.Y.
10 00 000						20½xd	10	12½	15	25	25	9	Y.
3,00,000	44,76,363	24,51,980	3,71,344	India Sugars Agencies Ltd.	India Sugar & Refineries Ltd.								
21,79,280	1,49,74,559	97,24,107	8,27,296	V. M. Lingiah, Esq.	Mysore Sugar	43½	10	20*	25	20	6	9	Y.
50,00,000	96,62,468	1,03,94,086	3,18,594	Mahtial, Apte & Kandlai, Ltd	Phaltan Sugar Works	58	10	15	16	16	16	9	P.Y.
16,59,820	45,75,389	24,76,150	1,61,652	Anderson Wright Ltd.	Ramnuggar Cane & Sugar Co., Ltd.	17½	10	15	6	7½	20	8	P.T.Y
20,00,000	68,39,148	74,55,840	1,89,513	Walchand & Co., Ltd.	Ravalgaon Sugar Farm Ltd.	90N	50	7	14	18	18	9	Y.
19,99,580	30,82,224	42,94,120	6,05,982	Govan Bros. (Rampur), Ltd	Raza	12	10	6	10	12½	—	5	P.Y.
30,00,000	23,82,353	58,70,150	20,980	Parry & Co., Ltd	Travancore Sugars	16	10	—	—	—	—	5	P.T.Y.
1,01,00,000	1,29,20,737	1,71,89,516	2,07,926	Premier Construction Co., Ltd	Walchandnagar Industries Ltd.	138½	100	17½	12	14	14	9	
UNCLASSIFIED (Bombay)													
1,50,00,000	1,21,10,933	1 47,88,360	—8,27,616	Tata Industries Ltd.	Air-India Ltd.	83	100	—	—	—	—	12	Y.
2,40,000	4,90,364	5,64,538	702	Forbes, Forbes, Campbell & Co., Ltd	Bombay Safe Deposit	660	200	15	80	15	17½	9	P.W.
59,89,550	2,64,61,962	3,70,82,313	83,607	Scindia Steam Navigation Co., Ltd.	Bombay Steam Navigation Co., Ltd	—	25	—	—	—		6	W.
15,98,860	10,03,881	1,28,247	22,663	Dalgety & Co. Ltd.	Bombay Uganda	54N	80	5	5	5		12	Y.
15,00,000	1,50,000	24,37,096(K)	12,787	Dena Sons Ltd.	Estrela Theatres	9½	25	3	3	3		3	P.Y.
1 98,360	17,39,540	10,69,107	4,425	F. H. Mehta Esq.	Industrial Investment Trust	25N	50	6	4	5		12	Y.
9,98,250	18,35,574	1,27,45,383(K)	1,85,257	Premchand Roychand & Sons	Killick Industries	72½	100	3½	4	4½	4½	12	
84,98,865	15,91,304	12,58,924	2,833	K. G. Milne, Esq.	Premier Automobiles Ltd.	151	100	8	8½	10		6	W.
2,06,71,500 A	65.85 939	2,20.52.503	4,52,797	Aero-Auto Ltd.		44½	10	—	—	—			
10,00,000 B							15	—	—	—		6	W.
6,59,62,015	9,89,24,387	12,98,97,421	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co., Ltd.	13–3½	50	—	—	3½		6	Y.
1,50,000	3,71,437	2,21,590	3,145	R. B. Sandoskar Esq.	Thacker & Co.	50N	10	10	10	10		6	Y.
10,21,200	17,95,712	14,71,107	36,733	Sir Joseph Kay, K.B.E.	United Motors (India) Ltd.	20	10	7½	10	15	15	12	Y.
2,20,00,000	2,54,09,975	2,16,78,739	4,20,869	C. H. Rydin, Esq.	Western India Match Co., Ltd.	216½	100	11*	11*	11*	11*	12	Y.
45,00,000	46,57,108	34,608	41,429	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	350N	150	8-5/6	12½	13½	13½	12	
Other Centres													
47,50,000	4,90,364	5,64,538	702	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	4⅜	10	—	—	—	—	3	P.T.Y.
2,50,000 D													Y.
30,00,000	53,38,668	31,59,164	5,24,909	Turner Morrison & Co., Ltd.	Angelo Brothers Ltd.	18⅜	10	10	17½*	25*	12½	6	Y.
20,00,000	32,53,118	42,88,118	1,35,909	T. H. Rydin, Esq.	Assam Match Co., Ltd.	18⅜	10	12½*	12½*	12½*	12½*	12	P.T.W.
80,00,000	50,63,088	92,32,652	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	5⅜	10	7½	6	6		8	Y.
30,00,7000 L	1,20,65,807	53,87,807	5,15,018	O. T. Jenkins, Esq.	Balmer Lawrie & Co. Ltd.	2972	1000	20*	20*	25*	20*	12	P.Y.
10,00,000 D							40D	15	15	20	15*		P.Y.
20,00,000	1,19,26,323	1,24,61,121	2,04,690	Andrew Yule & Co., Ltd.	Bengal Assam Steamship Co., Ltd.	155	100	5	10	12½	12½	10	P.Y.
20,00,000	8,38,806	54,05,998(K)	1,25,380	Birds Investments Ltd.	Birds Investments Ltd.	168	10	11½	11½	12½	12½	9	P.Y.
1,00,00,000	1,45,00,237	3,00,22,730‡	58,606	Dinshaw Ltd.	Bharat Line	91	100	3	3	4	5	12	P.Y.
30,64,680	50,81,266	83,30,736	1,82,277	A. F. Chanda Esq.	Britannia Biscuit	148	10	12½	12½	7½–I		3	P.Y.
3,35,00,000	2,85,64,167	47,78,193**	1,99,113	Sir Robert Menzies Kt., O.B.E.	British Ceylon Corporation Ltd.	8⅜	5	15	15	15	12½	12	P.Y.
1,60,00,000	3,77,71,321	4,07,96,331	7,01,468	Cecil Sen, Esq.	Dunlop Rubber Co. (India) Ltd.	21⅜	10	20	20	15–I	15	12	P.Y.
51,26,000	47,57,061	1,26,55,420(K)	3,15,489	Bird & Co., Ltd.	Eastern Investments Ltd.	145	100	8	9	9	9	12	P.Y.
7,00,000	34,47,721	25,07,609	50,793	Mansell & Barry Ltd.	Glanore Tea Co., Ltd.	205	100	20	22½	35	10f	3.9	P.Y.
65,00,000	34,13,857	15,82,902	2,07,524	A. J. Elkins, Esq.	Gillanders Arbuthnot & Co., Ltd.	128	100	7½	10	10		3	P.Y.
30,00,000	37,25,649	60,01,406	6,213	B. P. R. Syndicate	Great Eastern Hotel Co.	252	250	6	6	6		3	P.Y.
18,42,800	36,42,049	54,49,206	12,214	Birla Brothers, Ltd.	Hind Cycles	100N	100	—	5	7½	7½	12	P.Y.
4,96 12,650	59,45,519	2,61,59,292	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	4–6½	10	—	—	—	—	3	P.Y.
1,60,00,000	1,59,65,033	3,07,88,193	22,27,867	J. W. E. Johnson, Esq.	Indian Aluminium Co.	110	100	—	—	3½	5	12	P.Y.
1,52,89,220	1,31,92,732	57,92,390	9,29,554	D. J. Melntosh, Esq.	Indian Cables	19	10	85	10*	10*		3	P.Y.
83,75,000 J						4	10	—	—	—			
5,00,000 P	51,91,428	75,82,228	—15,72,246	Govan Bros., Ltd	Indian National Airways	6⅜	1	—	—	—		12	P.Y.
1,25,000 D						1	1	—	—	—			P.Y.
6,87,976	12,79,385	14,27,460	39,038	George Spencer Moulton & Co. (India)	Indian Rubber Manufacturers	15⅜	10	10	10	10		3	P.Y.
2,25,00,000	1,60,38,685	3,87,93,801	2,26,066	Lionel Edwards Ltd.	Indira Steamship Co., Ltd.	6½	10	—	—	3		9	P.Y.
2,40,000	4,33,028	67,247	36,496	G. V. Swalka, Esq.	Ivan Jones	4⅜	2	21⅜	21⅜	21⅜		9	P.Y.
2,00,00,000	53,39,843	27,16,440	8,86,448	J. D. K. Brown, Esq.	Jardine Henderson	128	100	10	10	10		6	P.Y.
6,50,000	9,97,633	6,91,531	—64,994	James & Co., Ltd.	Macfarlane & Co. Ltd.	2	2	—	—	—		3	P.Y.
40,00,000Q						137	O. 100	10	12½	12½		12	P.Y.
5,00,000D	63,35,248	23,69,220	85,717	A. T. Dolg. Esq.	McLeod & Co. Ltd.		D. 10	10	5	7½		12	P.Y.
1,30,55,750	33,32,702	11,34,840	2,31,092	T. Leslie Martin Esq.	Martin Burn Ltd.	18⅜	10	10	12½	11½	13½	9	P.Y.
6,35,190	4,30,533	1,47,410	10,548	Ogale Glass Works Ltd.	Mysore Glass & Enamel Works	4	10	—	6½	—		3	P.Y.
3,75,000	7,74,533	5,79,856	3,666	R. Bharaniah, Esq.	Mysore Lamp Works	18⅜	10	10	20	—		3	P.Y.
18,00,000	3,95,997	11,45,855	1,11,329	V. S. Arunachalam, Esq.	Mysore Tobacco	10⅜	10	10	10	10		3	P.Y.
20,00,000	51,92,159	50,16,078	11,045	Associated Ind. Development Co., Ltd.	National Insulated Cable Co., of India Ltd.	10⅜	10	5	5	7½		12	P.Y.
79,97,000	65,83,352	1,04,50,524	8,86,347	B. N. Elias & Co., Ltd.	National Tobacco Co.	10⅜	10	2½	5	7½		12	P.Y.
14,87,137	6,67,696††	18,52,569**	23,513	S. P. Ogale & Co.	Ogale Glass Works	3	5	—	—	—		12	P.Y.
40,00,000	41,74,953	41,58,536	1,52,611	Parry's Holdings Ltd.	Parry & Co.	4½cd	2	62½	80–I	32½	15	12	P.Y.
2,25,00,000	62,51,61‡	1,69,49,507	24,847	G. D. Eutbymopulo, Esq.	Rallis India Ltd.	75½	100	8	8½	9		10	P.Y.
1,14,00,000	2,29,13,252	5,78,03,905	83,67,941	Sahu Jain Ltd.	Rohtas Industries	10⅜	10	—	—	7½			P.Y.
40,00,000	1,53,62,299	1,19,84,861	5,36,552	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	14	10	10	10	15	10	12	P.Y.
75,00,000	37,17,120	12,11,901	3,56,616	J. E. Waterfield, Esq.	Shaw Wallace & Co., Ltd.	12½	10	10	10	10	10	12	P.Y.
9,98,380	4,10,547	12,67,855	—59,789	Ogale Brothers Ltd.	Travancore Ogale Glass	38	10	—	4	—		12	

†† Does not include depreciation. * Includes Bonus. ** Net Block. I On Increased Capital.
‡ Only Depreciation. —Nil Dividend. † Less Income-tax. X.R.—Ex-Rights. C.D.—Cum Dividend. (c) For six months ended June, 1949
(d) For nine months ended March

TEA COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
ASSAM														
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	450N	100	20	25	—		12	P.Y.
50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd.	400½	Anandabag	25½	10	25	40	30		12	Y.
5,50,000	10,64,192	12,05,396	—89,152	McLeod & Co., Ltd.	573	Baghmari	11	10	12½	17½	—		12	Y.
3,40,000	9,12,883	7,05,721	44,989	Andrew Yule & Co., Ltd.	360	Basmatia	24	10	30	30	25		12	Y.
3,30,600	7,24,887	8,38,278	71,941	Williamson Magor & Co.	556	Bateli	10½	5	25	30	10		12	T.Y.
3,20,000	6,19,032	6,72,731	54,942	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	25	10	20	35	15		12	Y.
16,50,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co.	4,004	Bishnauth	27½	10	35	50	5		12	T.Y.
6,00,000	4,80,346	9,78,429	—1,90,802	Octavius Steel & Co., Ltd.	493	Bokakhat	4½	10	5	5	—		12	Y.
7,50,000	5,06,959	7,64,836	22,297	McLeod & Co., Ltd.	450	Bormia Jan Tea Co., Ltd.	12½	10	15	15	15		12	Y.
35,00,000	22,18,001	70,96,925	87,990	Brook Bond India Ltd.	2,670	Brooke Bond	11½	10	10	10	10		6	P.Y.
1,20,000	3,06,715	3,66,030	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	8½	10	6½	15	—		12	Y.
6,00,000	22,17,578	24,24,301	25,545	Jardine Henderson Ltd.	1,341	Dessai & Parbuttia	225	100	15	30	22½		12	Y.
17,53,440	7,15,393	19,11,105	54,461	James Warren Ltd.	426	Dhelakhat	11½	10	10	16	12		12	Y.
4,68,970	8,90,863	13,71,610	25,794	James Finlay & Co., Ltd.	613 37	Dhunseri	10½	10	10	20	10		12	T.Y.
4,50,000	6,57,785	9,86,816	14,389	McLeod & Co., Ltd.	158	Dibrugarh & Co., Ltd.	8	10	—	10	5		12	Y.
2,36,700	6,75,511	7,95,511	35,408	Williamson Magor & Co., Ltd.	611	Dimakual	33	10	40	45	15		12	P.Y.
5,60,500	12,72,787	15,08,787	1,01,960	Williamson Magor & Co., Ltd.	669	Dufflaghur	36	10	35	22½	40		12	Y.
10,00,000	10,31,120	18,91,120	45,079	Williamson Magor & Co.	1,157	East India Tea	19½	10	20	22½	22½		12	Y.
3,60,000	6,43,852	7,69,087	16,947	Andrew Yule & Co., Ltd.	407	Gillapukri	17	10	15	17½	30	10	12	Y.
3,38,000	9,01,149	12,09,149	1,11,346	Williamson Magor & Co.	520	Gohpur	29½	10	35	40	30		12	P.T.Y.
4,94,360	17,46,514	17,08,255	82,387	Octavius Steel & Co., Ltd.	1,284	Grob	16½	A 10	35	30	20		12	Y.
2,40,790							9	B 5	10					
2,00,000	8,16,550	5,82,005	58,806	Andrew Yule & Co., Ltd.	436½	Hoograjuli	34	10	30	45	30		12	Y.
4,35,000	15,78,587	17,05,269	35,208	Andrew Yule & Co., Ltd.	1,133	Hoolungooree	295N	100	25	25	17½		12	Y.
7,50,000	7,46,426	11,98,156	29,063	Gillanders Arbuthnot & Co., Ltd.	866	Jutlibari	10	10	2½	12½	5		12	Y.
2,40,000	8,88,549	2,47,119	15,953	Shaw Wallace & Co., Ltd.	1,576	Kingsley Golaghat	198N	100	5	20	—		12	Y.
6,50,000	6,32,416	6,29,717	496	Duncan Bros. & Co., Ltd.	1,047½	Ledo	88	10	8	20	—		12	Y.
4,80,000	1,10,084	8,52,930	286	Duncan Bros. & Co., Ltd.	673	Mohoema	3⅜	10	—	—	—		12	P.Y.
1,50,000	6,78,616	7,45,692	2,033	Kettlewell Bullen & Co., Ltd.	433	Mothola	750N	100	40	45	35	—	12	Y.
3,00,000	8,21,124	8,59,324	32,644	Andrew Yule & Co., Ltd.	315	Murphulani	9	A 10	25	30	20		12	Y.
3,00,000							24	B 10	30	35	25			
4,00,000	7,00,011	5,75,550	20,262

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
60,00,000	1,02,72,130	95,73,184	3,33,368	879	B. N. Elias & Co., Ltd.	Agarpara	19¼	10	10	15	20	10f	3.9	P.T.H.
12,00,000	50,61,739	45,32,316	16,522	498	Sahu Jain Ltd.	Albion	179	100	—	14	30	8f	5.11	P.H.
6,00,000	32,73,570	49,90,030	—1,63,951	446	McLeod & Co., Ltd.	Alexandra	190	100	—	5	5	—	6.12	T.P.H.
30,00,000	85,82,864	1,17,03,966	—13,63,074	1,264	McLeod & Co., Ltd.	Alliance	162	100	—	2½	—	—f	6.12	P.H.
49,20,700	2,31,84,144	2,24,03,099	1,44,601	2,561	Duncan Bros. & Co.	Anglo-India	237	100	—	20	20	10f	3.9	P.H.
40,00,000	1,18,83,050	1,31 13,967	71,745	810	Bird & Co., Ltd.	Auckland	134	100	1½	10	10	4f	3.9	P.T.H.
20,00,000	92,46,901	97,14,511	55,967	959	Jardine Henderson & Co.	Bally	183	100	7	12	1	—f	3.9	P.H.
£275,000	£1,680,379	£1,328,460	£91,091	1,890	Jardine Henderson & Co.	Barnagore	£5	20	20	20	20	—	3	P.Y.
28,00,000	80,27,627	88,01,241	26,347	820	Andrew Yule & Co.	Belvedere	212	100	13	17	27½	15	6.12	P.H.
45,00,000	78,51,305	51,03,385	4,07,701	600	Sooraimull Nagarmull	Bengal	17	10	13½	15	30		6	T.P.Y.
30,42,000	3,71,54,151	3,06,60,933	1,38,294	1,373	Birla Bros.	Birla	39½	10	25	30	30		3	P.Y.
36,00,000	98,57,668	1,07,77,342	25,598	991	Andrew Yule & Co., Ltd.	Budge-Budge	171	100	7	13	22	6¼f	4.10	H.
7,47,380	30,53,704	39,44 698	34,320	302	Dayaram & Sons	Calcutta Jute Manufacturing	184N	10	—	—	20		6.12	T.P.H.
18,00,000	65,79,289	75,43,878	32,228	616	Andrew Yule & Co.	Caledonian	171	100	5	14	22	12	5.11	P.H.
89,16,400	2,11,26,602	1,62,21,807	1,35,299	1,400	James Finlay & Co., Ltd.	Champdany	161	100	3	10	14	8f	3.9	P.H.
15,93,000	78,33,608	79,40,140	45,839	535	Andrew Yule & Co., Ltd.	Cheviot	222	100	13½	16	22	12	5.11	P.H.
10,05,000	88,32,304	58,16,362	1,07,364	300	McLeod & Co.	Chitavalsah	29½	10	12½	15	60	87½	6.12	T.P.H.
16,00,000	80,24,460	77,89,914	1,01,979	969	Shree Krishna Investment Co., Ltd.	Clive	25	10	12½	35	20		3	P.H.
31,49,200	1,21,56,497	1,16,59,962	21,356	766	Bird & Co., Ltd.	Dalhousie	150	100	1	11	12	1f	3.9	P.H.
28,00,000	86,65,708	73,72,811	50,826	779	Andrew Yule & Co.	Delta	245	100	11	17½	32½	20	5.11	P.H.
15,00,000	86,18,650	75,63,304	47,730	900	McLeod & Co.	Empire	21xd	10	10	20	25	10	6.12	T.P.H.
21,00,000	2,35,23,130	2,62,73,943	1,801	1,884	Kettlewell Bullen & Co.	Fort Gloster	360	100	2½	32½	22½	—f	3.9	P.T.H.
14,00,000	48,25,115	69,94,729	—8,32,397	1,014	G. C. Bangur, Esq.	Fort William	260N	100	—	10	—		3.9	P.H.
84,32,100	1,40,49,268	2,08,92,266	—12,29,673	1,709	Macneill & Barry Ltd.	Ganges	77½	100	—	6¼	2½	—f	3.9	P.H.
10,80,000	76,50,046	68,12,500	41,193	607	G. Arbuthnot & Co.	Gondalpara	770xd	100	10	15	30	10	12	T.Y.
24,00,000	74,14,915	1,35,90,393	96,381	1,394	Macneill & Barry Ltd.	Gouripore	316	100	2½	25	11½	—f	3.9	P.H.
40,00,000	81,93,062	81,94,127	3,06,824	1,078	Bangur Bros. Ltd.	Hastings	233N	100	10	7	10		3	P.Y.
16,80,000	58,02,118	64,25,355	64,417	728	G. Arbuthnot & Co.	Hooghly	304	10	10	30	15		3	P.Y.
65,62,500	1,56,21,640	1,59,30,625	1,71,001	1,940	Jardine Henderson Ltd.	Howrah	254	10	7½	17½	18½	8½f	3.	P.H.
30,00,000	1,74,30,109	2,25,00,109	3,91,968	2,272	Ramduti Ramkissendas	Hukumchand	41½	7½	46⅔	66⅔	66⅔		3	T.P.Y
87,00,000 } 30,000 }	88,97,267	1,11,41,130	77,979	1,076	Mackinnon Mackenzie & Co.	India	136	{O. 125 / D. 1	5½	10	3⅓	2½f	3.9	P.H.
24,00,000 } 19,20,000'B' } 30,00,000 } 24,00,000'B' }	1,36,54,330	1,36,47,095	92,899	1,797	Jardine Henderson Ltd.	Kamarhatty	196 / 182 / 147 / 140	100 / 100 / 100 / 100	—	17	22½	14½	6.12	P.H.
21,00,000	1,16,51,567	92,15,718	1,15,896	703	McLeod & Co.	Kelvin	237½	100	10	20	25	15	6.12	P.H.
54,00,000	1,18,86,997	1,59,71,038	2,06,473	1,530	Anderson Wright Ltd.	Khardah	185	100	—	25	16		3.9	P.T.H.
48,00,000	1,94,15,089	2,09,37,751	1,16,651	1,250	F. W. Heilgers & Co.	Kinnison	215	100	2½	14	19	7f	3.9	T.P.H.
24,48,000	1,24,25,159	1,33,71,480	40,487	931	Bird & Co., Ltd.	Lansdowne	147	100	2	21	15	3f	3.9	P.H.
28,00,000	1,19,87,748	1,13,75,507	6,954	840	Bird & Co., Ltd.	Lawrence	195	100	6	12½	22½	4f	3.9	P.H.
10,00,000	70,30,427	50,24,402	64,167	538	Andrew Yule & Co.	Lothian	250	100	5	15	22½	30	5.11	P.H.
£1,65,200	1,38,82,204	1,94,76,907	1,17,533	1,008	Mackinnon Mackenzie & Co.	Megna	106	100	4½	8½	3½	2½f	3.9	H.
29,98,900	1,29,56,303	1,55,03,495	—2,80,351	815	F. W. Heilgers & Co.	Naihati	126	100	—	15	12	—f	3.9	P.T.H.
12,06,000	39,17,880	25,69,085	17,184	423	Howrah Trading Co., Ltd.	Naskarpara	16	10	11½	13½	22½		4.10	T.H.
35,00,000	50,49,988	27,56,895	45,733	852	Andrew Yule & Co.	National	25⅞	10	11½	15	25	10f	4.10	P.H.
7,50,000	57,24,098	25,75,900	1,23,783	316	McLeod & Co.	Nellimarla Jute	301xd	10	25	30	75	30	6.12	T.P.H.
10,50,000	66,36,905	45,98,858	7,738	709	Sahu Jain Ltd.	New Central	250	100	5	14	30	10f	6.12	P.H.
16,79,880	98,33,709	1,18,62,645	5 954	567	Bird & Co., Ltd.	Northbrook	21½	10	—	—	20	2½f	3.9	P.T.H.
66,79,500	1,71,33 499	2,10,50,572	94 764	1,092	Macneill & Barry Ltd.	Nuddea	49½	50	—	5½	4½	—f	3.9	T.H.
24,91,000	70,60,941	70,35,063	81,356	681	Andrew Yule & Co., Ltd.	Orient	185	100	9	14	24	7	5.11	H.
25,00,000	63,83,642	80,79,256	—4,76,887	400	McLeod & Co.	Presidency	51	5	—	—	2½	—	6.12	T.H.
20,00,000	7,67,493‡	26,15,293	—3,29,549	305	Macneill & Co.	Rameshwara	5½	10	—	1½	—		3.9	H.P.
49,50,000	55,07,248	1,23,45,796	38,685	1,276	Jardine Henderson Ltd.	Reliance	16⅞	10	—	—	—		3.9	P.H.
£600,000	£1,102,661	£1,203,880	£82,640	2,013	Thomas Duff & Co. (India) Ltd.	Samnuggur	£1	6⅔	10⅔	10⅔	10⅔	10	12	P.Y.
30,00,000	68,57,466	95,49,412	87,40,952	911	Bagaria More Co., Ltd.	Shree Ambica (Adamjee)	17½	10	—	15	10f		3.9	P.Y.
7,00,000	45,17,785	48,14,456	2,73,383	401	Hindustan Investment Corpn.	Soorah	13N	10	—	10	—		12	P.H.
25,19,600	1,06,20,961	93,73,041	12,665	650	Bird & Co., Ltd.	Standard	153	100	4	15	16		3.9	P.H.
£600,000	£849,927	£990,895	£115,163	1,794	Thomas Duff & Co. (India) Ltd.	Titaghur	14½	£1	6⅔	10⅔	10⅔	10	12	P.T.H.
25,98,600	1,80,41,145	1,73,93,324	15,098	1,326	Bird & Co., Ltd.	Union	183	100	2	19½	21	1f	3.9	Y.H.
£400,000	£587,164	£1,059,917	£119,708	1,331	Thomas Duff & Co. (India) Ltd.	Victoria	14½	£1	6⅔	10⅔	10⅔	10	12	P.T.H.
2 50,000	35,57,381	56,21,133	—65,636	465	McLeod & Co.	Waverley	5½	1	—	5	5	—	6.12	

(†) For ten months ended 31st December, 1951. (For Nazira Coal) ‡‡ Subject to foreign Income-tax Only Depreciation. * Includes bonus.] Nil Dividend.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
23,50,000	61,24,011	64,99,011	25,799	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	21½	10	17½	20	12½	5f	3.9	H.
12,00,000	42,18,417	37,16,954	60,294	Jardine, H. & Co., Ltd.	Bararee Coke	18½	10	14½	13½	14½	7½f	3.9	H.
40,00,000	70,50,712	1,17,79,347	23,814	Sahu Jain Ltd.	Bharat Collieries	6	10	6½	6½	6½		6	P.T.Y.
1,00,00,000	3,35,23,103	5,08,61,725	8,02,965	Andrew Yule & Co., Ltd.	Bengal	536	200	33½	17½	18½*	10*f	4.10	P.H.
4,49,350	5,94,703	8,49,159	5,169	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6½N	10	2½	2½	2½	2½	6.12	P.H.
2,25,000	27,12,507	25,84,461	4,280	Andrew Yule & Co., Ltd.	Bengal-Nagpur	14½	10	22½	16½	10	3½f	6.12	
15,97,900	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	4½	10	—	2½	1½		9	V.
7,15,000	50,04,831	50,17,715	3,437	F. W. Heilgers & Co., Ltd.	Bhulanbararee	13½	10	—	6½	6½	2½f	6.12	T.H.
16,00,000	53,42,567	68,15,834	—1,46,405	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	10½	10	5	—	—		6.12	P.H.
7,50,000	42,42,776	40,82,736	1,07,078	F. W. Heilgers & Co., Ltd.	Borrea	31	10	20	30	30*	15f*	6.12	
90,92,480	3,23,04,936	3,94,53,208	1,54,703	Bird & Co., Ltd.	Burrakur	10⅛	10	10⅛	7½	7½	3½	6.12	P.T.H.
49,97,000	—	23,16,089	8,776	Hindusthan Investment Corpn., Ltd. ..	Central India	4⅛	10	—	—	—		3	Y.
8,00,000	45,46,717	49,09,377	2,273	Anderson Wright & Co.	Central Kurkend	15½N	10	17½	12½	—	—f	6.12	P.H.
6,00,000	1,40,000	7,50,000k	28,918	F. W. Heilgers & Co., Ltd.	Churulia	2⅛	4	6½	4⅛	1⅛	4f	6.12	
16,00,000	30,89,961	44,04,602	12,039	Macneill & Barry Ltd.	Dhemo Main	11½	10	10⅜	10	12½	2½f	6.12	H.
£120,000	£1,084,338	£872,414	£78,839	Jardine Henderson Ltd.	East Indian	24½	£1	13½	37½	37½		4	V.
29,63,760	3,25,97,992	3,19,86,409	2,12,912	Macneill & Barry Ltd.	Equitable	44½	10	25	25	25	15f	6.12	H.
10,00,000	4,83,963	8,41,725	66,865	Ghosick and Muslia	Bhatter's Agency Ltd.	14xdN	10	20	5	—		3	V.
8,00,000	21,59,376	21,52,141	14,404	Macneill & Barry Ltd.	Hurriladih	17	10	12½	15	15	7½f	6.12	H.
3,50,000	11,83,846	12,92,908	30,050	Andrew Yule & Co., Ltd.	Kalapahari	44N	10	26½	35	35*	35*	2.8	Y.
20,00,000	68,340‡	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	91	100	—	—	—		2	H.
5,00,000	43,58,631	42,50,291	89,822	Andrew Yule & Co., Ltd.	Katras Jherriah	42½xd	10	27½	35	37½	40	1.7	P.H.
1,38,400	5,20,519	11,63,519	1,063	Beriwala Bros.	Khas Kajora	7½N	10	11½	10	5f		6.12	Y.
11,00,240	10,81,164	15,87,375	3,411	H. V. Low & Co., Ltd.	Kuardi	6½N	10	3½	3½	1½		6	V.
13,50,000	29,43,024	28,41,241	13,549	H. V. Low & Co., Ltd.	Lakurka	12N	10	10	10	7½		4	V.
3,65,750	11,41,667	22,37,077	2,691	Beriwala & Co.	Mandulpoor	3½N	10	5	7½			6.12	H.
7,48,240	10,34,138	11,24,142	14,690	Associated Commercial Co., Ltd.	Nazira	6½	10	5	2½	5t		6.12	H.
7,00,000	3,77,590	9,53,321	4,597	Amritlal Ojha & Co., Ltd.	New Bansdeopur	5N	10	6½	7½	6½		3.9	H.
17,76,230	91,68,381	1,16,02,941	55,799	Andrew Yule & Co., Ltd.	New Beerbhoom	20½	10	3	6	—	5f	4.10	
6,00,000	21,87,920	31,32,540	—7,595	Octavius Steel & Co. Ltd.	New Manbhoom	9	10	12½	7½	—	—f	3.9	P.H.
2,50,000	6,84,984	5,45 859	1,387	Jatia Bros. Ltd.	North Dumuda	4N	2½					3.9	H.
1,15,000 } 1,57,500 }	10,81,297	12,56,672	12,237	Andrew Yule & Co., Ltd	North West	14½N / 11N	10 / 7½	16½	13½	5	2½f	3.9	P.H.
7,50,000	12,54,532	3,97,666	1,23,852	F. W. Heilgers & Co., Ltd.	Ondal	19½N	10	12½	25	22½*	10f	6.12	T.Y.
10,00,000	14,15,045	32,73,178	46,735	K. C. Thapar Bros. Ltd.	Oriental Coal	13N	10	10	10	10		12	H.
8,34,000	5,98,486	16,29,203	70,539	Deepchand Kishenlall	Parasea	3½	10	—	—	—f		6.12	
15,75,000	34,87,649	39,37,649	31,995	Shaw Wallace & Co., Ltd.	Pench Valley	21½	10	16½	12½	10	6¾f	2.8	H.
22,99,500	91,95,359	1 09,49,971	—4,53,764	B. N. Elias & Co., Ltd.	Raneegunge	9⅛	10	—	—	—	—f	3.9	H.
13,50,000	30,62,857	29,87,472	36,004	Shaw Wallace & Co., Ltd.	Rewa	2½	10	8½	12½	10	17½	6.12	H.
20,00,000	15,10,118	28,07,516	165	Jaipuria Sons Ltd.	Samla Collieries	7½	10	5	5	14f		6.12	
1,25,000	13,14,667	13,30,351	20,499	Gillanders Arbuthnot & Co., Ltd.	Searsole	10N	2½	20	20	20	25	1	P.H.
2,80,000	19,76,793	28,04,096	30,184	Andrew Yule & Co., Ltd.	Seebpore	25½	7	35-3/7	32-1/7	28-4/7	28-4/7	6.12	H.
8,00,000	34,84,308	37,05,977	—70,471	F. W. Heilgers & Co., Ltd.	Sendra	11½	10	5	5	3½	—	6.12	
63,21,450	2,13,85,164	3,04,98,616	23,658	Industrial Trust Fund	Singareni	7½	10	4½	5	5		12	T.Y.
17,50,000	24,10,707	34,29,846	15,868	Bird & Co., Ltd.	South Karanpura	13½	10	18½	10	7½	3½f	2.8	H.
4,00,000	35,43,816	39,93,119	74,094	F. W. Heilgers & Co., Ltd.	Standard	20½	10	16½	15	10	5f	6.12	H.
10,00,000	15,41,499	29,34,045	—2,46,174	Villiers Ltd.	Talcher	2⅛	2½	—	—	—		9	H.
3,50,000	17,36,513	18,94,910	74,927	Williamson Magor & Co., Ltd. ..	Union	25	10	20	27½	27½	12½f	6.12	V.
49,98,000	11,13,461	43,49,365	42,176	Hindusthan Investment Corpn. Ltd. ..	Western Bengal	5⅓	10	2½	2½	2½		3	H.
7,00,000	26,75,667	36,17,323	29,272	Macneill & Barry Ltd.	West Jamuria	17½	10	15	15	15	—f	6.12	

* The following explanatory notes relate to the abbreviations and marks shown on page 1112 in the debentures section:—

‡‡ Option to repay on six months' notice, on any interest date after 31st December, 1951, at 102 per cent. Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or at 102 per cent.

(a) Option of repayment at any time at 3 per cent. premium.

(b) Bearer bonds of Rs. 1,000 each repayable at par.

(c) Bearer bonds of Rs. 1,000 each repayable on 31st July, 1959.

(d) Bearer bonds of Rs. 1,000 each with option of redemption in whole or in part at par on 30th June, 1952, or on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months' notice in each case.

(f) Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ½ per cent. premium on 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March, 1957.

(h) Option of redemption on or after 1st July, 1949, at par.

(i) Option of repayment at any time at par at any time on or after 30th June 1947 on six months' notice

MARKET GOSSIP

(Concluded from page 1067)

Union Food Minister, Mr. Rafi Ahmed Kidwai, who stated this week, at Naini Tal, that he proposed to introduce measures to bring down sugar prices. He indicated that the Government might requisition sugar stocks at a given price in different areas and sell them to the consumers at a fixed retail rate. He revealed that the proposed measure would prevent hoarders from buying sugar from factories at prices higher than those justified and consistent with the reduced cane prices. He warned that since the country would be carrying over, at the close of this season, as much sugar stocks as were brought in and the hoarders too would be having large stocks, prices were bound to collapse unless sugar exports were permitted.

* * * *

Normally, the Minister's warning should have resulted in at least a slight fall in prices. Actually, the sugar market greeted the Minister's statement with a further small increase in prices. This strange behaviour of the markets is attributed to three causes: (1) Sugar output might conceivably be smaller next season than in this season. This is not a wholly incorrect surmise, for cane production is likely to suffer through water scarcity in the Deccan. In several other States too, there has been a fall in sugarcane acreage. (2) In anticipation of release orders, the factories have already sold in the forward market, so that actual stocks with mills, free from any commitments, are not appreciable. (3) The gur market is firm; firmness in gur always imparts strength to white sugar also. In these circumstances, Mr. Kidwai, it is to be feared, is only arguing with the market against its convictions. He will never succeed in realising his ideas of lower prices for sugar by mere arguments which carry no conviction. How is he going to use his buffer stocks of sugar successfully? Has he any machinery for it? In several States, rationing machinery has been dismantled. Past experience in rationing and controlled distribution by State Governments does not justify any hopes of success for his scheme. The very fact that his warning has been lost on the market shows what little importance it attaches to that warning. It is, therefore, obvious that he must do something more than holding out threats and sounding grave warnings. We still believe that the best way to arrest the upward trend in sugar and keep the anti-social elements at bay is to remove all controls on the sugar industry and to lift, at the same time, the ban on imports of sugar. He should boldly come forward and say that imports of sugar will be allowed under Open General Licence. There need be no fear of loss of foreign exchange, for actual imports may not be large, inasmuch as the country has enough sugar. The fear of imports will itself prove an effective deterrent against hoarding and attempts at creating artificial scarcity.

* * * *

The judgment, delivered by the Madras Chief Presidency Magistrate, Mr. M. A. Venkataramana Naidu, in the case arising out of the closure of business by the Madras Electric Tramways (1904) Ltd., with effect from 12th April, 1953, makes interesting and impressive reading. The charges against the two officers of the Company —Mr. P. G. Brookes, at present Receiver of the Company, and Mr. J. B. Beardsell, former Commercial Manager—were that they offended section 26 of the Industrial Disputes Act, which provides for punishment for strikes and lock-outs, illegal under the Act, as well as section 31 which provides for punishment for an employer for changing the service conditions of employees during the pendency of any dispute without the consent of the appropriate Industrial Tribunal. So far as section 26 is concerned, the main issue was whether the closure amounted to an illegal lock-out or whether it was actuated by bona fide business considerations.

* * * *

The Public Prosecutor contended that so long as the Company continued to exist with any idea of continuing the business on a future date, and so long as it was not wound up, there was no closure of business as such, and that the Company's action amounted to an illegal lock-out. The defence contention was that the closure was a bona fide business decision which was taken because the Company continued to incur losses since 1948 and that it could not pay even preference dividends since 1950. In 1952, the Company was compelled to obtain a moratorium from the debenture-holders both as regards interest and sinking fund. In November, 1952, it apprised the Government of its position and placed certain concrete proposals which, if they had been accepted, would have averted the Company's closure. The closure of the Company became inevitable and was precipitated by the fact that the Receiver for the debenture-holders took possession of the assets of the Company, thus divesting it of the power to carry on the business of running the tramcars. The Public Prosecutor, on his part, argued that the Company's financial troubles were greatly exaggerated and that there was a safe excess of assets over liabilities. The Defence Counsel met this argument by pointing out that the question was not one of assets and liabilities but was whether the Company was commercially solvent and able to meet the current demands made on it. The Magistrate upheld the defence contention, stating that he refused to disbelieve the auditors' statement on the Company's financial position. He held that the decision to close the business was a bona fide business decision, and said: "I refuse to believe that the Company cut its nose to spite its face." He agreed that the Company had, at one time, toyed with the idea of restarting the tram services if proposals for retrenchment were accepted. But this attitude did not amount to intimidation, or belligerency or subterfuge. He, therefore, acquitted the Company's officers of the charge of having ordered an illegal lock-out.

The next charge, covered by section 31, related to the management's failure to obtain the permission of the Tribunal for the closure which amounted to a change in the employees' service conditions during the pendency of the dispute before the Tribunal. The Defence Counsel argued that the need for permission would arise only if there was continuance of business, and that, in the present case, the contract became impossible of performance under section 56 of the Indian Contracts Act. The Magistrate stated that he did not agree with the defence contention about the application of the Contracts Act inasmuch as the discharge of the workers was the "result of the volition of the employer and not due to any act of God." Since such discharge meant alteration in service conditions, it required the prior permission of the Tribunal. The officers had, therefore, offended section 31. He accordingly sentenced them to pay a fine of Rs. 500 each.

* * * *

Apart from the purely legal aspects of the judgment—important as they are—there are certain economic issues involved, which deserve serious consideration. There is no doubt whatever that the Company has continued, for some time past, to work under losses. Irrespective of legal considerations about closure, it is hardly to be expected that a company, which works under a loss, could continue to exist. It is, therefore, worthwhile to consider why the Company fell on evil days. The misfortunes of the Company, we are told, started with the nationalisation of the Electric Supply Corporation which owned the Tramway Company. Nothing was done to reduce the workshop staff even after the Government took over the Corporation. The rate of electricity charge was also increased, thereby raising the cost of operating the tramways. In 1948, wages and dearness allowance payable to workers were increased heavily. There was also a large increase in the prices of stores. In the meantime, the income from passenger traffic also began to decline. In these circumstances, it would have been a miracle if the Company had continued to operate its services. No company could be expected to do that. It was clearly the duty of the Madras Government itself to devise or agree to measures which would have enabled the Company to keep its 1,700 employees, now unemployed, in service. This was certainly an act of negligence.

* * * *

What then is the way out of the present impasse? It is not only true of this Company but of several other industrial units, that the Governments' failure to agree, promptly enough, to slight retrenchment or small reduction in wages has often resulted in the total closure of sources of employment. There are at least three ways in which the Madras Government could even now find a solution: (1) It could take over the tramways and work them, making up the losses in this section by the profits in bus transport and the electricity section. (2) It could denationalise the electricity section and hand it back to the Company on the condition that it should continue to work the tramways. (3) It could agree to a reasonable scheme of retrenchment of workers and reorganisation of wage scales which would enable the Company to operate its services. It will be difficult for the Government to implement the first solution in the present state of its finances. The adoption of the second solution might imply some loss of prestige, while that of the third might cause a certain amount of unpopularity with those workers who have to be retrenched. But where a vital public utility service is concerned and the interests of a large number of workers are at stake, it would be idle to stand on prestige or be afraid of unpopularity. Incidentally, the adoption of the second course will enable the Government to raise some funds which we know it badly needs. What is required is a statesmanlike decision, taken with a deep sense of economic realism. The Madras Chief Minister has often shown himself capable of such decisions. It is to be hoped that he will not fail to take such a decision this time.

Since 1939, a rise in the prices of agricultural commodities has tilted the balance in favour of the rural areas in the distribution of purchasing power. The first result of the change was a decrease in the under-consumption of food in the villages, causing scarcity in urban areas. In the second place, a little more is being spent on improvements in housing accommodation. The third feature appears to be almost revolutionary. The liberal educational policy followed by the State Governments has resulted in the establishment of Higher Secondary Schools, not only in the towns and big villages, but even in the small villages. At a distance of every five or ten miles, one may come across such institutions. The change is very important for two reasons: First, these villages have come to possess such institutions, for the first time, in the history of the country. I have personal knowledge of some such village institutions. In one village there is a Higher Secondary School teaching arts, science, commerce and agriculture and is recognised upto Intermediate standard in certain subjects. The staff consists of 17 or 18 teachers and there are about 7 or 8 subordinate employees. The monthly salary bill comes to about Rs. 1,500 and the Principal draws Rs. 260 per month. The number of students is between 400 and 500. The population of this village may not be more than 250. Such small villages are having an officer drawing over Rs. 250 perhaps for the first time in the history of the country. The residence of about half a dozen graduates is also a strange experience for such villages.

Secondly, the enthusiasm of the rural population for organising these institutions is also admirable. The leadership is certainly in the hands of educated young men, who happen to be principals or headmasters but the people of all classes and communities are contributing money very generously. In many places puccabrick buildings are coming into existence but the majority of these institutions is housed in tin or straw-thatched kachcha buildings. Each of these institutions creates a demand for maunds of paper, exercise books, pens, pencils, etc., besides hundreds of textbooks and readers. These institutions thus create a good deal of new industrial employment.

But there is another side of the picture also. Although these institutions are creating a great awakening in the rural areas, in a couple of years, they are likely to create a very grave problem of unemployment. Our Employment Exchanges all over the country are already showing that large numbers of matriculates are without any jobs. At present more than one lakh boys are annually appearing at the High School Examination in the U.P

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
16,00,000 } 14,50,000 }	1,08,33,956	10,66,174	Allahabad Bank	{ 350 174	100 50	18‡	18‡	18‡	18‡	12	Y.P.
1,01,000 } 23,99,000 }	12,03,000	7,231	Andhra Bank	{ 102 51½	100 50	5	6	6	6	6.12	H.
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	111‡	50	12‡	12‡	12‡	12‡	12	Y.
50,00,060	14,00,000	8,667	Bank of Bikaner	208N	25	—	3	3	12	Y.	
2,50,000	3,52,00,000	6,36,553	Bank of India	156‡	50	14	14	14	14	6.12	R.L.Y.
15,30,375	24,00,000	63,200	Bank of Indore	60N	25	12‡	12‡	12‡	12	12	Y.
50,00,000	15,00,000	35,324	Bank of Jaipur	23	50	3	3	3	3	12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	282	100	16‡	16‡	16‡	16‡	12	Y.
59,18,600	42,61,693	25,280	Bombay State Co-operative Bank	59‡	50	5‡	5	5	—	6	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	9	9	9	9	12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	9‡	10‡	10‡	10‡	12	Y.P.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	{ 64 65‡	25 25	14	14	14	14	12	R.L.Y.
52,42,375 A											
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	35	50	3	3	3½	3½	12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88	20	6‡	10	20	20	12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	11‡	50	—	—	—	—	12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	10‡	50	—	—	—	—	12	Y.
75,00,000	70,00,000	1 59,127	††Hyderabad State Bank	104N	100	5	6‡	6‡	5	9	Y.
3,75,00,000	6,35,00,000	42,07,573	Imperial Bank of India	1,872½	500	14	16	16	16	6.12	R.L.H.
1,87,50,000				455	125	14	16	16	16	6.12	R.L.H.
24,00,000				176	100						
16,00,000	73,50,000	1,04,201	Indian Bank	143	80	11½	12‡	12‡	12‡	6.12	R.L.H.
15,40,000				104	55						
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	88	100	4‡‡	5‡	6	6	6.12	R.L.H.
6,25,000	6,33,939	1,380	Indo-Commercial Bank	75	100(A)	9	9	7½	6	6.12	H.
2,50,000				18‡	25(B)	9	9	7½	6		
10,00,000				17‡	50(C)	6	6	6	6		
4,55,266	30,61,350	60,357	Punjab and Sind Bank	35N	25	7‡	7	—	—	6.12	Y.
87,50,000	89,00,000	1,92,605	Punjab National Bank	21	25	6	4	4	6	12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	11‡	25	—	—	—	—	12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	6‡	5	6‡	6‡	6‡	6‡	12	Y.
2,00,00,000	75,00,000	1 01,119	United Commercial Bank	36‡	50	3‡	4	4	4	6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3 000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2-0-10‡	£5	12†	14†	14†	16‡†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£6‡	£5	6†	7†	6†	7†	12	R.L.Y.
H.K. $20,000,000	H.K. $96,000,000	H.K. $9,489,174	Hongkong and Shanghai Banking Corporation	£85‡	H.K. $125	5y*	5*	5*	5*	12	Y.
£14,372,956 } £1,437,296 }	£16,000,000	£418,242	Lloyds Bank	{ £2-11 6 £1 7-0	£1	12y†	12y†	12†	12†	12	R.L.Y.
£375,000 } £375,000 }	£1,500,000	£200,143	Mercantile Bank o India	{ £25‡ £25‡	A £12‡ B £12‡	12y†	12†	12†	14†	12	R.L.Y.
£300,000 }				£10‡	C £5						
£2,281,250	£3,675,000	£323,703	National Bank of India	£29‡	£12‡	16y†	16†	16†	16†	12	L.Y.

‡Includes Bonus. †Less Tax. (P) Pakistan Currency. ††O.S. Currency.
‡‡Subject to taxation. (I) Interim.
*£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	5‡	1st December and 1st June	Carew & Co. 1938	100	1st June 1953(b)
5,50,000	5‡	1st March and 18th September	Carew & Co. (2nd mortgage) 1941	99‡	28th February 1960(f)
6,00,000	5‡	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd 1936	99	30th December 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar 1942	103	27th December 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New) 1944	91	1st November 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries 1941	104	1st April 1956-61
25,00,000	4‡	1st May and 1st November	Walchandnagar Industries (New) 1944	92	1st November 1959-64
COTTON					
6,00,000	5‡	30th June and 31st December	Basanti Cotton Mills Ltd. 1942	85	30th April 1964
4,00,000	4‡	10th May and 10th November	Bengal-Nagpur 1897	96‡	15th November 1956(e)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic 1952	99‡	1st January 1967-72
13,68,000	5‡		Jayshree Textiles 1949	78N	1st January 1956-59
40,00,000	5	1st June	Tata Mills. 100‡		1966–71
ELECTRICS					
10,00,000	4‡	30th June and 31st December	Agra Electric Supply Co., Ltd. 1950	95	31st March 1965
1,25,000	4‡	15th June and 15th December	Ahmedabad Electric Co., Ltd.	101	14th June 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co. 1940	100‡	1st October 1959
12,00,000	4‡	30th June and 31st December	Benares Electric Light and Power Co., Ltd 1949	94	31st December 1964
2,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd. 1950	101‡	1st January 1970
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd. 1945	85‡	31st December 1970
15,00,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd. 1951	93	30th June 1976
4,95,000	5‡	1st January and 1st July	South Madras Electric Supply 1940	97	1957-65
2,00,000	5‡	1st May and 1st November	South Madras Electric Supply 1939	95	1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94‡	1953-63
6,63,800	4‡	1st April and 1st October	South Madras Electric Supply	94	1st July 1957-67
49,23,000	4	1st April and 1st October	Tata Power 1940	100‡	15th September 1951-55(b
1,00,00,000	4	1st April and 1st October	Tata Power	93	15th September 1965-70
ENGINEERING					
5,00,000	5	30th June and 31st December	Britannia Engineering 1945	96‡	31st December 1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India). Ltd. 1928	97	30th June 1958
30,00,000	5‡	15th September and 15th March	Indian Hume Pipe (2nd mortgage) 1942	100	1st July 1957-62
£1,183,400	4‡	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage) 1936	£91‡	31st December 1966(88)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd. 1946	85	31st May 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive 1950	100‡	1st October 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd. 1950	94‡	31st December 1960
JUTE					
12,00,000	4‡	1st October and 1st April	Agarpara 1939	98	31st March 1954
6,00,000	4‡	30th June and 31st December	Alexandra 1939	95	30th June 1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd. 1945	91	31st December 1964
10,00,000	4‡	30th June and 31st December	Bengal Jute Mill Co., Ltd. 1940	97	30th June 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd. 1945	89	30th June 1960
9,00,000	5	31st January and 31st July	Calcutta 1949	90	31st July 1959(e)
10,69,000	5	30th June and 31st December	Chitavaisah Jute Mills 1951	97	30th June 1966
8,86,000	5	30th June and 31st December	Empire 1951	94	15th July 1966
25,00,000	3‡	1st January and 1st July	Hukumchand 1947	91‡	30th June 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd. 1949	98	31st December 1964
25,00,000	5‡	30th June and 31st December	Nalhati 1952	99	31st March 1967
5,00,000	3‡	31st March and 30th September	Naskarpara Jute Mills Co., Ltd. 1947	97N	31st March 1954
5,00,000	4‡	14th November and 14th May	Nuddea Jute Mills Co., Ltd. 1939	93	14th May 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd. 1945	86‡	31st December 1964
8,00,000	4	30th June and 31st December	Presidency 1943	91‡	30th June 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd. 1950	95	5th September 1965
8,00,000	4‡	14th March and 14th September	Soorah Jute 1937	94‡	14th September 1957
12,00,000	4‡	30th June and 31st December	Union 1937	95‡	30th June 1957(d)
10,00,000	3‡	31st January and 31st July	Waverley 1923	83‡	31st July 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Baraset-Basirhat Light Railway 1936	84	1st July 1956
6,00,00,000	4‡	10th November and 10th May	Bombay Steam Navigation Co. 1945	99‡	1st November
£350,000	4‡	1st January and 1st July	1900	£100N	A-103% at any time on 6 months' notice or at par or every seventh year.
			Calcutta Tramways 1933	£102N	1st October 1974
£201,067	5	1st April and 1st October			
3,00,000	3‡	30th September and 31st March	Kalighat-Falta Railway 1934	98‡	30th September 1953
6,50,000	3‡	30th June and 31st December	Katakhal-Lalabazar Railway 1945	89	31st December 1959
£200,000	4‡	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway 1906	£90‡N	
5,00,00,000	4‡	1st March and 1st September	Scindia Steam Navigation	96	1st September 1963
PLANTING					
1,20,000	5	31st December and 30th June	Blue Mountain Estates 1943	100	1945-55
3,68,200	5‡	31st March and 30th September	Teekoy Rubber Estates 1944	100	1949-59
50,00,000	5	30th June and 31st December	Waterfalls Ltd 1943	101‡	1945-55
MISCELLANEOUS					
15,00,000	5‡	31st March and 30th September	Aluminium Corporation of India Ltd. 1946	101	30th September 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd. 1948	98	31st December 1965
27,60,000	4‡	1st April and 1st October	Associated Hotels of India 1948	86	31st December 1962
4,90,500	4‡	30th June and 31st December	Bengal Paper Mills 1937	95‡	30th June 1957(1)
21,00,000	5‡	1st February and 1st August	Chowringhee Properties 1915	92	1st February 1964
22,60 000	4‡	1st July and 1st January	Clive Buildings 1936	88‡	1st July 1986
20,00,000	4	15th March and 15th September	Dalhousie Properties 1946	86	15th September 1960
4,30,00,000	5	1st January and 1st July	Dunlop Rubber 1950	101‡	1st January 1971
20,00,000	5	15th March and 15th September	Mettur Chemical Industries 1949	97	1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes) 1946	465 (per note)	30th September 1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes) 1947	410 (per note)	31st December 1972
75,60,000	5	1st April and 1st October	Macneill and Barry Ltd. 1951	91N	1st April 1971
1,00,00,000	5‡	31st March	Orient Paper Mills Ltd. 1951	92	31st March 1961
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd. 1946	83‡	31st December 1959

Note—See page 1110 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 11th June, 1953.

	Closing quotations 5-6-'53	High	Low	Closing quotations 11-6-53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	157	157	156‡	156‡
Bank of Baroda (50)	112	112	111‡	111‡
Central (25)	64‡	64‡	63‡	64‡
Imperial (F.Pd.) (500)	1,867‡	1,875	1,865	1,865
Imperial (F.Pd.) (125)	455	457‡	447‡	452‡
Union Bank (5)	6‡	6‡	6‡	6‡
United Com. (50)	36‡	—	—	36‡
COTTON MILLS				
Abm. Adv. (100)	147‡	—	—	147‡
Apollo (2)	2-14‡	2-14‡	2-13	2-14‡
Bombay Dyeing (250)	393‡	388‡	372‡	383‡
Central India (100)	165	164	158	163‡
Century Mills (100)	276‡	276‡	264‡	274‡
Colaba (100)	71	—	—	72
Edward Textile (200)	252‡	256‡	248‡	256‡
Elphinstone (50)	44‡	43	41‡	43
Finlay (100)	329‡	326	319	322
Gokak (100)	218‡	216	213	215‡
Ind. Untd. Defd. (1)	1‡	1-11‡	1‡	1-1‡
Ind. Untd. Ord. (10)	10-7‡	10‡	10-0‡	10-1‡
Indore Malwa (100)	96‡	95	91‡	93‡
Khatau (100)	183‡	—	—	183‡
Kohinoor (100)	304‡	303‡	292	300
Lakshmi (250)	572‡	—	—	572‡
Madhusudhan (100)	83	—	—	83
Model Nagpur (250)	143‡	143‡	143‡	143‡
Morarji (100)	201‡	201‡	195	195
Mysore (50)	123‡	—	—	123‡
New City (100)	151‡	—	—	151‡
New Great (100)	155‡	152	149	152
Phoenix (100)	108‡	108‡	105	105
Podar Mills (100)	129‡	129‡	127‡	127‡
Sassoon Silk (10)	25‡	—	—	25‡
Sassoon Spg. (10)	27‡	—	—	27‡
Sholapur (1,000)	1,800	—	—	1,800
Simplex (50)	184‡	183‡	175	181‡
Swadeshi (100)	252	253	243	250
Swan (100)	453‡	453‡	440	440
Tata Mfr. (25)	45	44‡	43	44
Vishnu (100)	162‡	165	162‡	163‡
Western India (1,000)	3,180	—	—	3,180
ELECTRIC COS.				
Ahmedabad (100)	109‡‡	109‡	108‡	108‡
Amalgamated (10)	10‡	—	—	10‡
Andhra Valley (1,000)	1,432‡	1,432‡	1,427‡	1,427‡
Bom. Sub-El. (100)	127‡	127‡	126‡	126‡
Surat (100)	131‡	133‡	130‡	130
Tata Hydro (100)	151	151	150	150
Tata Power (1,000)	1,511‡	1,511‡	1,498‡	1,498‡
INSURANCE COS.				
British India (10)	13‡	—	—	13‡
Empire of India (100)	611‡	625	615	625
Ind. Mercantile (20	38‡	38‡	38	38‡
Jupiter (15)	7‡	—	—	7‡
New India (15)	43	43	41‡	41‡
Oriental (200)	7,200	7,200	7,175	7,175
Universal (10)	7‡‡	—	—	7‡‡
Vulcan (10)	11‡	—	—	11‡
STEAMER COS.				
Bom. Steam (25)	36‡	—	—	13‡
Scindia (15)	13‡	13-4‡	12‡‡	
STEEL COS.				
Ind Iron (10)	25‡	25‡	24‡‡	25-1‡
Tata Steel Defd. (20)	1,915	1,906‡	1,840	1,887‡
Tata Steel Ord. (75)	333‡	333	322‡	339‡
MISCELLANEOUS				
Alcock Ashdown (100)	317‡	316‡	297‡	297‡xd
Associated Cts. (100)	172	171‡	169‡	171
Belapur Sugar (5)	237	236	232	235‡
Bom. Burmah (125)	375	375	360	373‡
Do. (New) (50)	136‡	136‡	134‡	136‡
Br. B. Petrol (4 sh.)	1‡	1	1-3‡	1-3‡
Br. I. Corpn. (5)	8-11‡	8‡	8‡	8‡
Indian Copper (2 sh.)	2-15‡	3-0‡	2‡‡	2-15‡
Ind. Inv. Tr. (100)	71‡	72‡	71‡	72‡
Port Canning (100)	24‡	24‡	23‡	23‡
Premier Con. (30)	84‡	83‡	79‡	82‡
Shivrajpur (10)	55‡	55	54	54
Tata Chemicals (10	9-8‡	9-5‡	9‡	9‡
Tata Oil (25)	33‡	33‡	32‡	33
Walchand Ind. (100	140	140	137‡	138‡
W. I. Match (10£	220	218‡	210	210

GOVERNMENT SECURITIES	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	Rs.
	Rs.		
2½% 1954	98‡	3.31	98‡
2½% 1955	98‡	3.14	98‡
2½% 1961	90‡	3.86	90‡
2½% 1960	93‡	3.79	93‡
2½% 1962	91‡	3.84	91‡
2½% 1974	83	3.87	83
3 % 1953-55	100‡	2.32	100‡
3 % 1937	98‡	3.46	98‡
3 % 1938	98‡	3.40	98‡
3 % 1959-61	96‡	3.66 3.52	96‡
3 % 1964	93	— 3.80	92‡
3 % 1963-65	92‡	3.88 3.77	92‡
3 % 1966-68	90‡	3.94 3.85	90‡
3 % 1970-75	86‡	4.11 3.92	86‡
3 % 1986 Con. Loan	82‡	— 3.64	82‡
3½% 1954-59*	100‡	3.34 3.45	100‡
4 % 1960-70	102‡	3.59 3.80	102‡
4½% 1955-60	103‡	3.06 3.98	103‡
4½% 1958-68*	105	3.40 4.03	105

BRITISH GOVERNMENT SECURITIES	4-6-53 £	High £	Low £	10 6- £
2½% Brit. Consols	61‡‡	61‡‡	61‡‡	61‡‡
3 % Savings Bonds 1965-75	87‡	87‡	87‡	87‡
3 % War Loan 1955-59	100‡‡	101‡	100‡‡	101‡
3½% War Loan 1952	81‡‡	82‡	81‡‡	82‡
3½% Brit. Iron and Steel 1979-81	91‡	91‡	91‡	92‡
4 % Funding Loan 1960-90	99‡‡	100‡	99‡‡	100‡

xd=Ex-dividend.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake

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SUGAR MUDDLE

FROM one muddle to another. This has been the characteristic feature of the Government of India's sugar policy throughout. The latest policy announced by the Government on Tuesday the 16th inst., is no exception. It will surely drag the Government into a much bigger muddle, unless it decides to leave the sugar industry and trade alone as early as possible.

The control on sugar prices and distribution was introduced when production fell short of demand. The object of this control was to ensure an equitable distribution of the available supplies of sugar to consumers at a reasonable price. This control was never a complete success and the weakness in it enabled the introduction, in 1951-52, of a double-price system, purposely designed to boost production of sugar. The object of introducing this system was to abolish the control ultimately. The consumer was made to pay a heavy price for this experiment and it did succeed, to a considerable extent. Production shot up from 1.1 million tons in 1950-51 to nearly 1.5 million tons in 1951-52. There was plenty of sugar by the beginning of 1952 and the time was opportune for the Government to give up all controls. But it wavered and finally succumbed to the pressure from vested interests which were frightened by the prospect of a glut in the market. This happened in the first quarter of 1952. The object of control thus underwent a change then; the control was retained for protecting the interests not of consumers but of producers.

Six months later, that is, at the time of the commencement of the current season (1952-53), the Government decided to relax the control substantially, but it was not abolished completely. The price control was given up and so also the control on distribution. Releases from factories, however, were subject to the control of the Government. The price of sugarcane was reduced from Re. 1-12 to Re. 1-5 per maund. The Government told the public that the price of sugar would come down appreciably; in fact, in the belief that the fall in price would be so substantial, it decided to neutralise a part of the reduction in the price of cane by levying an additional excise duty.

This expectation never materialised. Right from the beginning of the season, the price of sugar has remained at Rs. 4 to Rs. 5 per maund above the level that would have prevailed, had the price control been continued on the basis of the reduced price for cane. This is an extraordinary development, extraordinary because it has happened in a season in which the sugar supply has been of the order of 1.77 million tons, the highest supply on record since the Partition. At no time during the season did the supply of sugar in the country fall below the demand for it, for, even at the beginning of the season, there were stocks of the order of 500,000 tons.

How is it that the price of sugar has managed to remain at unexpectedly high levels in the face of such a large supply of the commodity? It is stated that merchants and traders have been hoarding large quantities in expectation of lower output in the next season. There is some truth in this explanation; for, despite the fact that the Government has issued release orders to the tune of a little over 1 million tons out of a total supply of 1.77 million tons, the physical stocks with the factories are still over 67.91 per cent. This is the average for all India, but, in the case of factories in U.P. and Bihar, the figure is as high as 71.48 per cent. and 73.63 per cent., respectively. In Deccan, more than two factories have delivered about 70 per cent. of their production, while the rest of them have delivered about 30 per cent. only. The truth is that the majority of factories has been holding on to their stocks in the hope of getting higher prices. In saying this, we do not mean to suggest that the wholesale trade is not guilty of this charge. It is also equally guilty of it. A point, however, to be noted, in this direction, is that there is close affinity between the producers and the distributors. There are several instances where the producers and the distributors are one and the same parties, though they may appear in different names.

Another explanation given for the high level of prices is the absence of adequate rail transport to move sugar. As no reliable statistics are available it is difficult to say how far this explanation is correct. But it looks as though this factor is being exaggerated. There is, however, one explanation which has not received adequate attention and that is the failure of the Government to decontrol sugar one hundred per cent. right at the commencement of the season itself. The policy of gradual releases, more than any other factor, has made it possible for merchants and factories to hoard sugar and prevented the operation of the natural law of supply and demand. This policy has resulted in large supplies of sugar being withheld from the market and has thereby helped the anti-social elements to create artificial scarcity in many parts of the country and to indulge in heavy speculation. If the Government had completely decontrolled sugar, leaving the previous season's stocks and the current year's production to be marketed without any interference, we are sure that the present situation would not have arisen. Thus, it is the Government which is fundamentally responsible for the high level of prices during the current year.

The Government has now announced a three-point plan to bring down the prices of sugar. The three features of the plan are:

(1) Flooding the important markets like Bombay, Calcutta, Kanpur and Delhi with sugar released from factories by arranging special trains for its movement.

(2) Allotment of sugar from factories from their reserve stock at a statutory *ex*-factory price of Rs. 27 per maund to State Governments, and other agencies for distribution through "fair price shops."

(3) As a supplement to the above measures, arrangement for importing sugar from abroad, to the extent necessary to defeat hoarding, if any, on the part of the trade.

Like the curate's egg, this plan is good only in parts. Its effect will depend on the speed with which the whole plan is implemented. The first part of the plan is feasible. The second part may not be as effective as the Government expects it to be, for not all the States have efficient machinery through which it can sell cheap sugar to consumers; in fact, if past experience is any guide, it will fail miserably. The third part of the plan is too vague and restricted to be effective.

The best way to end the sugar muddle is to abolish all controls on sugar, including sugarcane, and to announce categorically that imports of sugar will be freely allowed. The country has now nearly 800,000 tons of unallotted sugar, over and above the stocks with the hoarders. And, in another 5 or 5½ months, the 1953-54 season production will come on the market. The existing stocks are too large to permit any body of merchants and factories to indulge in sustained hoarding in these days when credit is not easily available. Only such a bold policy will enable the Government to solve the sugar tangle. The alternative to this is, of course, complete control. But such a control had failed to prevent sugar crises in the past. Why not then give a trial to complete decontrol, implementing, at the same time, the Tariff Board's three-year old recommendation to de-protect the sugar industry which was promptly accepted by the Government and warmly endorsed by the Press?

NEW LABOUR LAWS IN THE OFFING

FROM the programme of the Central Labour Ministry outlined by Mr. V. V. Giri, Union Labour Minister, at a Press Conference in Madras on the 14th inst., it looks as though the respite which industry has had from fresh labour legislation by the Centre for the past one year will soon come to an end. Mr. Giri's statement reveals that the forthcoming session of Parliament will be asked to take up for consideration several Bills, some of which appear to be of far-reaching importance. The Bills fall under two categories; while some of them will take the form of amendments to the existing Acts in the light of experience gained in recent years, others will constitute new legislation. Notable among the Acts that are proposed to be amended are the Factories Act, the Payment of Wages Act and the Minimum Wages Act. The contemplated new legislation covers "fair wages," labour welfare fund and conditions of service in shops and establishments. The proposed amendments to the Factories Act have been characterised as "useful," but it remains to be seen as to how useful they will be and to whom.

The amendment to the Minimum Wages Act are, we are told, meant to remove certain anomalies in it and to make it easy to fix minimum wages in sweated industries, where workers generally have no bargaining power regarding the conditions of their service. The seventeen-year-old Payment of Wages Act is sought to be amended with a view to making its provisions to be consistent with the present trends in industries.

In order to ensure uniformity in the conditions of service of shop assistants in the country, an all-India Act, acceptable generally to employers and workers, is being mooted by the Central Labour Ministry. Mr. Giri proposes to place before the Standing Committee of the Tripartite Conference certain concrete proposals for advice. While the move is laudable, Mr. Giri will do well to remember that there has been no uniformity in the economic development in the various parts of

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the Union and that, therefore, what is considered as quite reasonable to the well developed parts of the country may prove rather burdensome to the underdeveloped areas. Again, the same point holds good in regard to conditions of service in shops and establishments in cities, semi-urban and rural areas belonging to the same State. The principle of uniformity should not, therefore, be the sole, or even the main, criterion for determining the service conditions of employees in shops and establishments.

There is nothing new in the move to introduce legislation for fixing fair wages in industries. A Bill for this purpose had been approved by the previous Cabinet. It is Mr. Giri's intention to introduce this Bill in Parliament as early as possible, after making certain modifications, the details of which have not yet been revealed. In the present context of growing unemployment, it is doubtful whether this move is opportune, however desirable it may be. It is true that our Constitution provides for a "living wage," which is something more ambitious than a "fair wage," and it may be that fixation of a "fair wage" is a step further in the direction pointed to by the Constitution. But is the country ready to take that step, without aggravating the unemployment problem? If employers are asked to pay a "fair wage," it is but natural that they should have freedom to dispense with surplus labour and to demand of the workers to render fair service, consistent with the wages that are paid to them. Further, the move to fix fair wages may lead to a certain measure of controversy which may upset the peace that prevails in the industrial sector. As readers are aware, a wage fixing board consisting of representatives of employers and workers, with a neutral chairman, will have to be constituted to make an appraisal of fair wage in each one of the industries concerned, taking into consideration their capacity to pay. This enquiry, we are afraid, may lead to heated controversies, inasmuch as it involves quite a few complicated issues such as return on capital employed, etc., and considerable heartburning among the workers and the employers alike.

The proposed programme of labour legislation does not end with the above list. For it includes also the highly controversial and strongly opposed measure, the Industrial Relations Bill, with its provisions for "retrenchment and lay offs." Although the relative provisions have been arrived at after prolonged consultations with the various Ministries and after the approval of the employers' and workers' organisations, their total effect on industry, especially those nascent industries that are now struggling to survive, will be deleterious. Clause 88 of the Bill, for instance, requires that no employee, who has been in continuous employment for not less than one year, can be retrenched without being given one month's notice in writing or wages for the period of notice and gratuity at the rate of not less than 15 days' average pay for every completed year of service or any part thereof in excess of six months. Again, under clause 90, employees are ordinarily to be discharged on the principle of "last to come, first to go," and such retrenched employees are entitled to preference over others in the matter of re-employment. In theory, these two provisions appear quite sound, but in practice, they would prove a serious handicap to the development of industries. The principle of "last to come, first to go," for instance, does not take into consideration the technical skill and productivity of a worker who may happen to come in last. No fair-minded person, with a practical outlook, will disagree with the view that considerations of technical skill or ability should be the first criterion for determining the question of rejection of personnel in an establishment. To disregard this principle will be to endanger the growth of industries, especially of those which require men with a high technical skill and knowledge, on sound lines.

Then, there is also the question of payment of compensation for involuntary unemployment arising from temporary stoppage or reduction of work due to shortage of coal, power, raw material, etc., or overproduction. Although this is not covered by the Labour Relations Bill, it is stated to be under the consideration of the Labour Ministry. The Indian Labour Conference considered this question in 1943 and 1945 and recommended to employers a scheme for adoption on a voluntary basis. Because adjudicators have, from time to time, granted compensation, often on the pattern of this scheme, the Labour Ministry intends to evolve a uniform procedure for payment of compensation for involuntary unemployment. This is, of course, a move in the right direction, considering that the problem of involuntary unemployment has been gathering momentum, mainly on account of failure of power in many parts of the country. The only point that we should like to urge, in this connection, is that the circumstances resulting in involuntary unemployment of workers also adversely affect the owners of capital who, in the case of the majority of industries in this country, are drawn mainly from the ranks of the middle class. Consequently, in giving relief to workers, the interests of investors also require to be borne in mind.

To sum up, the list of impending labour measures as noted above, is, indeed, a very tall one. Each of them, considered individually, may appear to impose only a small burden on industry, but their cumulative effect is bound to be crushing, if proper safeguards are not provided in the law to protect investors. That there is scope for changes in the existing labour laws cannot be denied. It is common knowledge that labour legislation in India suffers from a multitude of defects such as incompleteness, ambiguity, lack of uniformity in many provisions as also of diversity wherever necessary. Sometimes the same set of laws is applicable to industries which have many uncommon factors warranting almost a different set of laws. It is, therefore, necessary to review the entire field of the existing labour legislation. But, in the absence of full details of the proposed amendments, it is difficult to say to what extent they will rectify the defects in the existing statutes as we see them. One has, therefore, to wait and see. It is, however, to be hoped that the amendments contemplated by Mr. Giri will not make the present position still worse. It is no exaggeration to say that legislation in the sphere of labour, both by the Centre and the States, has already been overdone. Attempts have been made to legislate for every conceivable contingency and nothing has been left to the sense of fair play in industry. Consequently, the existing enactments have become so complicated and burdensome that, not infrequently, they are known to result in unemployment—a contingency which these laws are so anxious to avoid. Caution and realism should, therefore, be the watchwords of the Government of India, while formulating labour laws.

WHEAT SURPLUS

THE report that the U.S. will soon have a bumper wheat crop has already unnerved the wheat markets in that country. The price of wheat, which has been sagging for some time past, has now slumped to less than two dollars a bushel—$1.88 to be precise—or well below the American support price of $2.20, and a little above the floor level of $1.55 per bushel under the International Wheat Agreement which comes into force from August next. A Korean armistice will, it is now stated, take the price to still lower levels, in which case more farmers than at present would be coming forward to sell their produce to the Government at guaranteed prices. It would be perfectly natural, therefore, if the U.S. authorities were to turn their thoughts, as, indeed, they are reported to be doing, to the question of limiting their commitments under the price support programme, without, at the same time, injuring the interests of farmers. This is doubtless a difficult problem even for the U.S., its large financial resources notwithstanding.

This is a broad picture of the wheat position in the U.S. The details are, of course, easily filled in. The U.S. wheat crop this year is estimated at 1,132.5 million bushels, as compared with the 1952 crop of 1,291.4 million bushels. Despite the fall in production, there is considerable concern about the future for wheat, as the stocks of this grain that are expected to be carried over into next year are substantially larger. There will be, according to latest available estimates, a carry-over of nearly 600 million bushels, a quantity which is about 2½ times the stocks—254 million bushels—brought in.

One result of the low prices of American wheat is that the official stocks of "mortgaged" grain held by the Commodity Credit Corporation (C.C.C.) and not redeemed by the farmers have increased. Stocks of wheat held by the C.C.C. now amount to about 117 million bushels. Since prices continue to fall, the farmers will give up much of their wheat to the Corporation in preference to repaying their loans. In consequence, most of this year's wheat surplus, it is feared, will be owned by the Government. The immediate problem for the Government is one of finding the necessary storage facilities for holding the stocks. Emergency warehouses in the shape of cargo vessels belonging to the Maritime Commission have been created. But there is no doubt that these makeshift arrangements will not be sufficient to store all the wheat that the Corporation will soon have to carry, and that fresh storage space must be found.

The fall in wheat prices in the U.S. and in the export demand for wheat acquires a new significance when placed against the background of the world wheat position. Stocks of wheat with the three major countries participating in the International Wheat Agreement, namely, the U.S., Canada, and Australia, and with Argentina, which is not a member of the Agreement, are together expected to reach 34 million tons at the end of this month, as against 16 million tons a year before. To some extent, the increase in stocks is offset by lower estimates of exportable surplus for the next crop year, that is, 1953-54. It is said that the exportable surplus in the U.S., Canada and Australia during 1953-54 will be no more than 46 million tons, as against 66 million tons in 1952-53. Nevertheless, the overall supply position of wheat in the 1953-54 wheat year is expected to be moderately comfortable.

In retrospect, the U.K.'s decision not to enter the Agreement on the terms demanded by the wheat producing countries in regard to price seems to have been a wise move. This year, when the Agreement came in for review, the importing countries offered a maximum price of $1.75 a bushel as against the present maximum agreement price of $1.56, but the exporting countries, led by the U.S., demanded $2.25 a bushel. After protracted negotiations, the leading importing countries were prepared to go as far as $2 per bushel, whereas the U.S. would not take any price less than $2.05. For some time, the U.K. and India put up a strong resistance to this demand, but finally India, along with a score of other countries, agreed to a ceiling of $2.05. The U.K., however, consistently maintained its stand that the U.S. demand was not reasonable and chose to remain outside the new Agreement. This decision was obviously prompted by a consideration of the fairly comfortable wheat supply position in the world. And it now looks as though the U.K.'s reading of the wheat price trends will prove correct.

The U.S. authorities are now concerned about preventing larger wheat surpluses. Already, the wheat held by the Commodity Credit Corporation, it is stated, is the single largest item, by value, in the C.C.C's investment. The U.S. Government cannot go on supporting wheat at a highly artificial level without imposing fresh and unnecessary burdens on the taxpayer. The law on the price support programme, however, provides that the support price might be lowered, if the farmers fail to agree to quota restrictions on wheat acreage. The limitation on acreage, it may be noted in passing, would require two-thirds majority agreement by the farmers. As lower prices will not possibly appeal to farmers—and this is a political issue too—the U.S. House Agricultural Committee has approved of a Bill designed to reduce the wheat acreage. The net effect of this Bill would be, it is pointed out, to reduce the farmer's quota to about 80 per cent. of his land under wheat.

An artificial restriction on wheat acreage will certainly have its ill-effects on the world supply position. From this point of view, the proposals for transporting the surplus to countries which are in need of food and for carrying a larger surplus by the C.C.C. must be welcomed. The Senate has already approved of a Bill designed to give one million tons of wheat to Pakistan. This would not, of course, solve the entire problem of wheat surplus. Even if the C.C.C. were enabled to absorb larger stocks of wheat, it would provide no lasting solution to the problem of recurring shortages and surpluses. The price support policy, it should be clear, imposes a heavy strain on the Treasury during periods of low prices. It is true that the farmers derive considerable benefit from this policy. But the advantage is derived at the expense of the general taxpayer. Moreover, such an advantage can at best only be of a temporary nature; for continued high level of prices in the U.S., sustained by acreage restriction and/or price support programme, will constitute an indirect encouragement to producers of wheat in other parts of the world to step up their production. To the extent they succeed, the U.S. will lose its export markets for wheat. These considerations indicate the need for the U.S. Government to re-examine the economics of its price support programmes and other restrictionist policies.

SLUMP IN COTTON HITS SHARES

NEW STATE LOANS—JUTE EXPORTS TO AUSTRALIA

THURSDAY, 5 P.M.

FOR the second time in the past fortnight, developments in the cotton market have exercised a considerable influence over the Stock Exchange, though they have not had any perceptible effect on the bullion and other commodity markets. Since last week, the hedge contract in cotton (August delivery) has dropped 26 points, that is, from Rs. 694 to Rs. 668; in fact, at one time, it had declined to as low a level as Rs. 662. This fall is chiefly due to speculative activity which nowadays is tending to ignore the statistical position of cotton. Even the constructive recommendations of the Cotton Advisory Board have failed to have any bullish effect on the market. At one time, the market was worried whether continuity of futures trading would be assured by the Government through permitting transactions in the new crop in good time, that is, before the August settlement came to a close. The Board's suggestion to the Government on this question is in favour of the trade. Yet, the operators have greeted it by depressing the contract. The main grounds on which they are doing so appear to be two: (1) the fear that the Government may not accept the Board's suggestion, and (2) the feeling that, in view of the satisfactory rains in the cotton-growing areas during the past two days, the crop in the next season would be a good one. Neither of these grounds appears to be of such great importance as to be interpreted in such a bearish manner. Nobody yet knows what the Government is going to say on futures trading in the next season's crop. So far as the size of the 1953-54 crop is concerned, it is too early to make even a guess. But, even if India is fortunate enough to have a 16 annas crop next year, the statistical position will remain sound, provided production of cloth is kept up at the current level.

MARKET GOSSIP

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The slump in cotton has adversely affected the speculative counters in the share market, because a group of speculators is said to have gone long both in shares and cotton. There are, of course, other causes too for the setback in the share market, the most important of which are detailed on the next page. Reference, however, must be made here to one of them. A two-month old circular of the Central Board of Revenue found its way into the market yesterday. It is a mystery as to how the market did not know about it earlier. This circular relates to grant of tax credit under section 18(5) of the Indian Income-tax Act to holders of shares on blank transfer. It is an offshoot of a circular issued by the Board on 5th May, 1949, wherein certain types of cases, in which the registered holders and beneficial owners of shares were not the same persons, were considered and instructions were issued regarding the treatment of such cases. This circular of 1949 was itself a sequel to a judgment of the Bombay High Court (in the case of *Shree Shakti Mills Ltd.* vs. *C.I.T.*), wherein the Court defined the use of the word "shareholder" in section 18(5). The Court held that the benefit of this sub-section could be claimed only by a registered shareholder and not by a beneficial owner of shares, e.g., a purchaser of shares who has not got the shares transferred to his name in the books of the company. This judgment gave rise to the question whether the principle underlying it should be applied to cases where a nominee held shares on behalf of another person. Pending the amendment of the law, the Board decided that the Bombay High Court judgment should not be followed in certain types of cases. One of these pertained to shares belonging to one person but held in somebody else's name under circumstances which do not warrant any suspicion of any intention to conceal, evade or defraud the revenue. This exemption was intended to cover cases of persons holding shares on blank transfer.

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The Board has obviously reconsidered the question of grant of tax credit under section 18(5) to holders of shares on blank transfers, as is evident from the circular mentioned at the outset. Explaining the position in this regard, the circular says that the question of giving credit under section 18(5) arises long after the declaration and payment of dividends. The Board has, therefore, decided that, if at the time of the assessment, the assessees claim to be still real owners of the shares, but the shares have not been registered in the names of the assessees even by then, in the books of the company, no credit should be allowed. In other words, the circular says that credit in respect of blank transfers may be allowed, if the holding on blank transfer is for a short interval only and there is no reason to doubt the *bona fides*. If an assessee wants to hold shares on blank transfer for long periods without incurring the transfer charges or to suit his own ends, the circular points out, he should take the other consequences also. It is upto the assessee, asserts the circular, to get the shares registered in his name before the assessment, pending or current, if he claims tax credit. Speculators in the market have interpreted this circular in a bearish manner, because they consider it as an attack on the system of blank transfer. They infer, perhaps correctly, that the Government is not in favour of this system. But one fails to see how this factor can have any immediate effect on the value of shares.

* * * *

The Gilt-edged market is still distinctly quiet. The gradual downward trend in prices, which began soon after the announcement of the new loan, gathered further momentum during the week. The following table shows the extent of the fall in prices since the beginning of this month. The new loan, which is not included in the table, is being quoted at a discount of one anna:

	30-5-53	9-6-53	18-6-53
	Rs. a.	Rs. a.	Rs. a.
3% 1957	98 11	98 6	98 3
3% 1958	98 9	98 4	98 1
3% 1959-61	96 14	96 6	96 3
3% 1963-65	93 0	92 11	92 7
3% 1964	93 0	92 15	92 6
3% 1966-68	90 10	90 8	90 2
3% 1970-75	86 11	86 9	86 7
3% 1986 Con. Loan ..	82 11	82 8	82 2*

* After touching a low of Rs. 81-14 on 13th June 1953.

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The behaviour of the Gilt-edged market during the past few days clearly shows that, instead of the new loan going into a premium, as was anticipated by many an operator, the existing loans are adjusting themselves to the pattern of the yield on the new loan. That is only as it should be, inasmuch as the bulk of whatever investible funds there were in the market has already been invested in the new loan and in the Stanvac debentures. Further, there are many more borrowers of long-term capital, as, for instance, the State Governments, local bodies and a few large industrial concerns. The aggregate finance required by these borrowers is placed at not less than Rs. 30 crores. Some of the banks have already borrowed from the Reserve Bank to meet the demand on them arising from the Government of India's new issue and Stanvac debentures, the total borrowings by Scheduled banks against usance bills last week being well over Rs. 10 crores. By doing so, they have drawn in advance against the possible repayment of loans and advances and cash credits (given to trade and industry) in the coming weeks. In these circumstances, it is difficult to see how the new loan will be able to command any sizable premium in the near future.

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Arrangements for new State loans have begun. While the terms of the loans are yet to be decided, the State Governments have started canvassing, as they did last year. It is stated that the Reserve Bank will give permission to five or six States to approach the market, the aggregate amount being restricted to Rs. 18 crores or Rs. 20 crores. Of this, Madras and Bombay account for Rs. 6 crores and Rs. 5 crores, respectively. West Bengal will be the next largest borrower, its share being Rs. 3 crores. Uttar Pradesh also is likely to be allowed to borrow the same or a slightly smaller amount. The rate of interest will be no more than 4 per cent., but the issue price and the year of maturity have yet to be determined. It is likely that the authorities may choose either 1963 or 1965; if the former year is chosen, the issue price may be fixed at par; if the latter, it may be at a slight discount. It is understood that the State loans will be followed by a debenture issue for Rs. 2 crores by Dunlop Rubbers.

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London discount houses are sorely exercised over the official refusal to let them quote more competitive rates for discounting commercial bills. It was decided in March 1952, when the Bank rate was raised to 4 per cent., that the houses should not quote less than 3 per cent. for discounting 2-3 months' commercial bills, 3¼ per cent. for four months' bills and 3½ per cent. for six months' bills. The discount houses now contend that the Government's refusal to permit lower rates has meant increased cost for exporters who finance their trade through bill transactions. If present restrictions were removed the rate for 3 months' commercial paper, it is stated, would move down to 2½ per cent. which would mean considerable saving for exporters. It would appear that the present high discount rates for commercial paper has resulted in the diversion of bill business to centres other than London, and in the clients switching over from bills to overdrafts. Consequently, the discount houses have had to face a fall of 50 per cent. in their bill portfolio. The British monetary authorities, however, are of the view that the fall in bill business is not due to the high discount rates but to lower commodity prices, the reduction in stocks and the general increase in cash resources of traders. The authorities argue that a reduction in commercial bill rates would provide scope for more speculation against sterling and assist the flow of money from Britain.

* * * *

Since exports of jute goods are by no means in a comfortable position to-day, it is of the utmost importance that the market for these products should form the subject of careful study and investigation. The Indian Jute Mills Association, therefore, did well to depute two of its office-bearers, Mr. J. B. Walton, Deputy Chairman, and Mr. D. P. Goenka, Vice-Chairman, to study the market conditions in Australia and New Zealand. Their report reveals that these two men have made a thorough job of their work. Incidentally, they have been able to report on their study in a remarkably short period of time. They left India in the middle of April, 1953, for a tour of the two countries. And their report was released to the Press this week. It is a model for speed in reporting and publication, of which only commercial men and trade bodies are capable.

* * *

Although neither Australia nor New Zealand is the single largest importer of jute goods, they are potentially good markets on which India will do well to concentrate its attention. Both countries have large schemes of economic development. And jute goods are needed by both the countries because of the agricultural and pastoral character of their economy. In recent months, there has been a significant fall in the offtake of jute goods by these two countries, both in quantitative and qualitative terms. Out of India's jute goods exports, valued at over Rs. 110 crores for the first 11 months in the year 1952-53, Australia took no more than Rs. 10 crores worth of jute goods, while New Zealand's share was less than Rs. 2 crores. As compared with the corresponding period in the previous year, there has been a fall of more than 50 per cent. in value, and a similar decline in the quantity of goods taken by these countries. The problem is thus not so much one of expanding these markets as of holding them.

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The Report throws a flood of light on the general economic conditions in the two countries, the present position of jute goods trade there, and the prospects for the wider marketing of jute goods. In both countries, agricultural and industrial production has shown signs of rapid expansion, though, in the case of New Zealand, there has been a fall in wheat output in recent years. In both countries, bulk handling of goods and the use of substitute materials constitute a serious threat to the market for jute goods. Referring to bulk handling of goods in Australia, the Report says:

"The installation of bulk handling facilities for the movement of wheat constitutes the jute industry's largest and most serious loss in the Australian market. It seems almost certain that, once bulk handling equipment has been installed, there is little or no chance of the market being regained for jute and it would be unrealistic to think otherwise. Although we have argued that the case in favour of bulk handling is not so strong as might appear at first sight, there are nevertheless substantial arguments in its support; and we must record our opinion that, despite the objections which we have noted, the trend, on a long-term basis, will be towards a further extension of the bulk handling system.

"Bulk handling does not, however, mean the complete elimination of jute bags. As we have said, at some stage or other, wheat may well still have to be packed in bags as, for instance, immediately after harvesting on the small farm where bulk handling equipment is too costly, or at a later stage when it is manufactured into flour. Furthermore, there still remain important areas where bulk handling has not been developed. This is particularly the case in South Australia and Queensland; it also applies entirely to Australia's production of oats and barley and, as we have said, bulk handling is not suited to premium wheat. Despite the inroads of bulk handling there is, therefore, still a large market for cornsacks and we believe that there will continue to be a large outlet here for many years to come."

* * * *

The problem is, therefore, one of making the use of jute goods more attractive than the installation of bulk handling equipment. How can this be done? Normally, one would think that the price of jute goods would be an important consideration. It is so, but not nearly as much as is often supposed. What is far more important is an assured and steady supply of jute goods to the market. In this connection, the authors of the Report observe:

"The primary consideration for the purpose not only of extending our Australian markets but even of maintaining them at all, is the security of supply of jute goods. We have mentioned this subject repeatedly during the course of our report and we are convinced that its importance cannot be over-emphasised. The entire Australian economy is built upon her large-scale production of primary agricultural commodities and these commodities must be packed for their storage, transport and distribution. If packaging resources fail, the commodities are useless and the economy is in very grave danger. In the circumstances, and having regard to Australia's recent experience of danger to her supply lines during the Second World War, it is easy to understand the constant fear of a shortage of jute goods and it can be readily appreciated that, if the supply is endangered, no effort will be spared in, and no economic obstacle will be allowed to prevent, a search for substitute methods and materials. Australia must be assured that she will receive all the jute goods she requires and will receive them in ample time for her packaging requirements. Generally speaking, price is a secondary consideration to security of supply at the present time and in Australia's present economic circumstances. Price, however, assumes added importance where there is competition to be met from substitutes; and it will also become much more important if there is any general fall in the commodity prices upon which Australia's economy depends."

* * * *

The authors' main emphasis is thus on prompt supplies of jute goods to these markets at competitive prices. Fortunately, there is now plenty of jute goods in the country and it should, therefore, be possible to arrange for a steady flow of goods to these markets. So far as selling jute goods at attractive prices is concerned, the Indian jute industry labours under the handicap of an export duty. The duty might have been necessary during a period of boom in export trade. It might have had a semblance of justification when India enjoyed, for all practical purposes, a monopoly in jute goods market. But these conditions no longer hold good to-day. Competition is developing in an acute form. Indian jute goods must hold their own against serious and fast-developing rivals. The duty serves only to curb its competitive ability. A loss in this ability is too heavy a price to pay for the revenue the duty might bring to the Government. What is now needed is not anymeticulous calculation about the industry's ability to pay the duty. Perhaps, it can pay the duty to-day. But the question must be viewed from the angle of the long-term effects of the duty on the industry. If it prevents the establishment of firm and enduring export markets, it must be

(*Continued on page 1155*)

EQUITIES REACT AT CLOSE

UNDERTONE REMAINS QUIET

(From Our Own Correspondents)

BOMBAY, 18*th June*

AFTER presenting an irregular pattern during the major part of the week under review, equities on the Bombay Stock Exchange took a decisively downward course during the closing sessions. Under alternate bouts of buying and selling, following conflicting rumours about increase in retention prices of steel, values kept moving both ways till Tuesday. But subsequently several adverse factors combined themselves to depress the sentiment of operators. The delay in the announcement of steel retention prices, the shake-out in cotton futures market, easier trend in bullion in the last two days, rumours of labour unrest in the Indian Iron and Steel Co., Ltd., misgivings regarding a circular issued by the Central Board of Revenue in respect of tax-credits on dividends on shares held in blank transfer for long periods and end of account considerations, were all factors which cumulatively induced selling pressure. On balance, equities disclosed moderate losses over a wide front.

In the steel section, Tata Deferreds opened at Rs. 1,883-12 and soon buoyed up to Rs. 1,908-12 on sizable purchases by a few prominent operators, but receded to Rs. 1,887-8 on Monday due to lack of confidence at higher levels. On Tuesday, however, the scrips were concerned in an enlivened activity which took them up to Rs. 1,911-4. The weakness of Indian Irons, the setback in cotton and bullion prices brought about a liquidation in Deferreds, which, as a result, retreated to Rs. 1,862-8 to-day, before closing better at Rs. 1,870. Tata Ordinaries were relatively more steady, the loss over the week being Re. 1-4 at Rs. 328-4. Indian Irons dropped As. 8½ to Rs. 24-9.

The marked steadiness in Kohinoors due to strong speculative position in the shares were a feature of trading in textiles. Moving within a small range between Rs. 303-12 and Rs. 299, the shares finished the week with a fractional gain at Rs. 300-8. Bombay Dyeings fell from Rs. 383-2 to Rs. 376-14, after touching a high of Rs. 385-10 during the week. Centurys were concerned in some keen biddings and, therefore, rose from Rs. 274-4 to Rs. 278-8, but wound up the week lower at Rs. 273, in sympathy with the general trend. Central Indias receded from Rs. 163-8 to Rs. 160-8. Finlays moved down by Rs. 6 to Rs. 316, Gokaks by Rs. 2-8 to Rs. 213, Indo-Malwas by Rs. 6-4 to Rs. 87-8 and Lakshmis by as much as Rs. 13-12 to Rs. 558-12. New Greats drifted lower by Rs. 4 to Rs. 148, Simplex by Rs. 2-8 to Rs. 179, Standards by Rs. 5 to Rs. 301-4 and Svadeshis by Rs. 3-4 to Rs. 346-12. Tatas shed Re. 1-8 to Rs. 42-8 and Vishnus Rs. 5-10 to Rs. 157-8.

There was little or no interest in bank shares, and price variations were negligible. Barodas were maintained at Rs. 111-8. Centrals were a fraction lower at Rs. 64 and their new shares were held at Rs. 65. Imperials (Fully Paid) were stagnant at Rs. 1,865 and Indias at Rs. 156-8, but United Commercials lost As. 4 to Rs. 36.

Public utilities were quiet with minor recessions in select shares. Ahmedabad Electrics were done, As. 5 lower, at Rs. 108-2, Bombay Suburbans declined by As. 10 to Rs. 128-10. Surats were maintained at Rs. 130-10. Andhra Valleys shed Rs. 2-8 to Rs. 1,425. Tata Hydros were unchanged at Rs. 150, but Tata Powers reacted by Rs. 10 to Rs. 1,488-12.

The miscellaneous section was generally colourless, with activity restricted. Associated Cements had a fractional decline to Rs. 170-8. Belapurs receded by Rs. 4 to Rs. 231-8. Bombay Burmahs were picked up at Rs. 376-14 early in the week, as against the opening of Rs. 373-12, but closed at Rs. 371-4. B.I.Cs. were quiet at Rs. 8-8¼. Tata Chemicals shed As. 4½ to Rs. 9-0½ and Tata Oils Re. 1-8 to Rs. 31-8. The section was, however, not entirely devoid of any features. National Rayons continued to be the favourites of operators on rumours that an interim dividend of Rs. 4 would be declared for the current year. Walchandnagars were another exception to the general trend with a rise of Rs. 2-8 to Rs. 141-4. Wimcos were taken up, Rs. 2-8 higher, to Rs. 212-8.

In the transport section, Scindias were quiet with a loss of As. 5½ to Rs. 12-13½. Bharat Lines dropped a rupee to Rs. 90. Air-Indias advanced from Rs. 85-8 to Rs. 88 and Air-India Internationals from Rs. 105 to Rs. 108-8.

In the mining and engineering group, Alcocks sustained a loss of Rs. 6-4 to Rs. 291-4 and Premier Constructions Rs. 2-8 to Rs. 79-12. Shivrajpurs were steady at Rs. 54-4, but Indian Coppers were quiet at Rs. 2-15. Hindustan Motors were dull at Rs. 4-5 and Premier Automobiles at Rs. 45.

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Calcutta Stock Exchange

CALCUTTA, 16*th June*

With more attention to tea shares, firm conditions were maintained on the Calcutta Stock Exchange during the week. However, the volume of transactions was somewhat limited, as operators were cautious in entering into new commitments, pending an appreciation of the exact effects on trade, which would follow peace in Korea.

Peace in Korea in the near future is almost a certainty, and may bring about stiffer trade competition among countries producing and exporting consumer goods. Indian industries, too, would have to face such peace-time competition, and price adjustments in cloth and jute goods and industrial items which are being exported to adjacent countries would probably have to be made. The emergence of a clear picture in this regard would take a few months and, as such, although steady conditions prevailed in the market during the week, expansion of activity was conspicuous by its absence.

The disappointment over the delay in announcing higher retention prices for steel continued to be reflected in the engineering section. For the present, keen attention is paid to tea shares, and the voluntary increase in wages granted by the Dooars and the Terai gardens indicates the improving nature of the tea industry. A feature of trading during the last two days was the tendency among operators to show preference to teas and neglect other counters.

Sectionwise, textiles were quiet. Kesorams were transacted at the fractionally improved rate of Rs. 19-8, while Benares Cottons declined from Rs. 3-6 to Rs. 2-10. Dunbars were better at Rs. 193.

Coals were not any the better. Bengals changed hands at Rs. 539. Dhemo Mains receded from Rs. 11-4 to Rs. 10-4, and Amalgamated from Rs. 21-8 to Rs. 21-2. New Beerbhooms recorded a loss of As. 5 on balance at Rs. 20-1. East Indians were featureless at Rs. 24, and Bharat Collieries at Rs. 5-15.

In the jute section, the volume of transactions suffered a setback during the week, and, although prices of jute goods recorded a healthy trend, the caution of operators coupled with the diversion of funds to teas made the section featureless, especially during the last two sessions. Opening at Rs. 24-6, Howrahs were taken up to Rs. 24-10, while enquiries for Kankanarrahs "B" raised the quotation to Rs. 149 from Rs. 140 earlier. Interest was shown to Anglo-Indias at Rs. 232-8, while Champadanies came to business at the lower rate of Rs. 159-8. Chitavalsahs were impressive with a three-point gain to Rs. 32-5, but Megnas eased from Rs. 109 to Rs. 107. In transactions, Rameshwaras improved from Rs. 5-6 to Rs. 6. Lansdownes at Rs. 194 were better by Re. 1, but Barnagores were lower at Rs. 163. Nationals changed hands at Rs. 25-4, and Orients at Rs. 183.

Engineerings were a quiet market, and Indian Irons hovered around Rs. 25-4. Indian Steel and Wire Products were fractionally lower at Rs. 60-14. At Rs. 26-3, Jessops maintained the improvement recorded in the previous week.

There were many features in the tea section. Jutlibaris gained from Rs. 10 to Rs. 11-8. Basmatias were higher by three points at Rs. 27. Namburnadies moved from Rs. 7 to Rs. 8-2. Teliaparas were as high as Rs. 105, as against a previous rate of Rs. 82. Hantaparas advanced from Rs. 150 to Rs. 162, Nagaisurrees from Rs. 119 to Rs. 143-8, and Gungarams from Rs. 185 to Rs. 203. Other features are shown in the following table:

	Latest quotation 16-6-53	*Rate on* 9-6-53
	Rs. a.	Rs. a.
Bhatkowa	26 12	25 8
Bishnauth	28 10	27 8
Chamong	8 8	7 8
Dimakusi	34 0	31 8
Eastern Cachar	4 1	3 12
Ethelbari	6 12	6 0
Hattikhira	11 13	10 12
Huldibari	22 4	21 4
Killcott	12 4	11 2
Kunchanpore	5 12	5 8
New Samanabagh	9 8	7 6
Patrakola	125 0	106 0
Teloijan	10 14	10 10

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Madras Stock Exchange

MADRAS, 16*th June*

Barring a little activity in select textile and planting scrips, trading on the Stock Exchange was devoid of any notable features. Activity even in these two sections could not gather momentum on account of hesitancy created by the undecisive trends in the principal share and commodity markets in the country. However, on good demand for mill yarn, shares of textile mills producing yarns were in favour. In the planting section, select tea shares were picked up, following better advices from Calcutta, where tea scrips were keenly bid. Business was rather restricted, due to absence of sufficient offers, but prices in many cases were generally a shade higher than those last week.

Bank shares were steady. There were good buying enquiries for Indian Banks, with Fully Paids advancing by Rs. 3 to Rs. 179. The Rs. 85 paid-up scrips and Rs. 60 paid-ups were unchanged at Rs. 143 and Rs. 104, respectively. Stray transactions were noted in Indian Overseas at Rs. 88-4 but the final quotations were placed at Rs. 88. Mysore Banks and Travancore Banks were in demand, but the quotations were unchanged at Rs. 282 and Rs. 11-6, respectively.

Among electric shares, South Arcots continued to be favoured and business passed As. 8 higher at Rs. 93-8. South Madras were bid at Rs. 10-10, a rise of As. 3 over the week. At an extraordinary general meeting of the shareholders of the Nellore Power and Light Ltd., held on the 6th inst., it was resolved to liquidate the company voluntarily. An extraordinary meeting of the shareholders of the Vizagapatam Electric Supply Corporation Ltd. will be held on the 23rd inst. in connection with the sale of the Company's assets to the Government of Madras.

Confidence in the outlook for tea having been restored, tea shares continued to attract enquiries. Balanoor were put up by As. 2 to Rs. 13-4 *cum-div.* Blue Mountains were picked up As. 1½ higher at Rs. 2-11. Coorg Teas added As. 1½ to Rs. 5-13½. Haileyburias hardened by As. 3 to Rs. 13-8, highland Produces by an anna to Rs. 9-15 and Nonsuch Teas by As. 4 to Rs. 26-4. Good support was extended to Peermades which added As. 8 to Rs. 28 and Periakarmalais improved by as much to Rs. 27. Rubber shares accounted for a small business at hardened rates. Cochin Malabars improved by As. 4 to Rs. 6-10. Rajagiris hardened by As. 2 to Rs. 10-8. Thirumbadis added an anna to close at Rs. 2-12. Travancore Rubbers put on As. 2 to Rs. 13-8 and Vaikundams As. 2 to Rs. 14. Among coffee shares, Consolidated Coffees were a feature with a rise of As. 7 to Rs. 18-11.

Reduction in the power cut, announced last week, was welcomed by textile circles in Coimbatore, as it would enable the mills to work throughout the week and meet the good demand for mill yarn, particularly of higher counts, in the market. Mills are now said to have no stocks of yarn or cloth. Balasubramanias advanced by a rupee to Rs. 34 and their 'B' shares by Rs. 2 to Rs. 56. Coimbatore Pioneers rose by Rs. 6 to Rs. 114. Dhanalakshmis hardened by Rs. 2 to Rs. 178. Maduras could, however, add only As. 8 to close at Rs. 36-12. Metturs finished at Rs. 192 *cum-div.*, as against Rs. 191. The Company has maintained the dividend for the year ended 31st March, 1953, at 12½ per cent. Palaniandavars 'A' put on Rs. 2 to Rs. 47 and their 'B' shares as much to Rs. 65.

In the miscellaneous section, cement shares were in request. Dalmia Cements (Rs. 2-8 paid-up) gained As. 3 to Re. 1-5 and India Cements As. 6 to Rs. 16-10. Among other scrips, Mettur Chemicals were prominent with a rise of As. 4 to Rs. 4-4. Parrys were a fraction better at Rs. 4-8.

OUTLOOK FOR INSURANCE

The Chairman of the Hindusthan Co-operative Insurance Society Ltd., Kumar K. C. Mullick, struck an optimistic note in his address at the recent annual meeting of the Society, held in Calcutta. He said that there was "unlimited scope" for the growth of life insurance companies in the country. He was, however, careful enough to add that the future was bright only for the companies run on "sound and scientific" lines. He based his optimistic view of the future of life business on the ground that the implementation of the Five-year Plan would lead to an improvement in national income which, in its turn, would naturally influence the course of life business. But he did well in emphasising that the increase in life assurance business could not take place without effort. Insurance business, he pointed out, requires a high degree of "vigour and aggressiveness" in securing policies. In this connection, he rightly held that insurance under State ownership and management could not possibly retain that initiative which is so necessary for progress in insurance business. He was opposed to nationalisation of insurance on other grounds too. He argued that, inasmuch as nearly all branches of the insurance industry were already controlled by the Government, it was a semi-nationalised industry. What was now needed was some real help from the Government. He deplored the fact that the provision for relief from estate duty in the proposed Bill on this subject fell short of what insurers legitimately expected. He argued, with considerable force, that, although such a duty on insurance policies might be excusable in a country where the Government itself provided different forms of social security for its citizens, it was inappropriate in the Indian context in which the responsibility for providing against old age and death had to be borne entirely by the people.

BOMBAY STEAM NAVIGATION MERGER SCHEME MODIFIED

The merger of the Bombay Steam Navigation Co., Ltd., with the Scindia Steam Navigation Co., Ltd., has become a *fait accompli* (subject to the sanction of the Bombay High Court) with the approval of the scheme, with some modifications, by the debenture-holders, the preference shareholders and the ordinary shareholders of the former Company, as well as by the ordinary shareholders of the latter. The salient features of the proposal put forward by the Directors of the Scindia Steam were referred to in our issue of the 25th April, 1953 (*vide* page 739). The original scheme was modified by the debenture-holders and the ordinary shareholders of the Bombay Steam and the modifications were accepted by the Directors of Scindias. The modified scheme was finally approved by the ordinary shareholders of Scindias held last week.

According to the modification made by the debenture-holders of the Bombay Steam, they will be entitled to receive interest not only up to 30th June, 1953 (as proposed under the original scheme) but up to such later date on which the High Court finally sanctions the scheme. A section of the ordinary shareholders of the Bombay Steam, who were vitally concerned with the ratio of exchange of Scindia shares for the ordinary shares of the former, pressed for a higher ratio and this was accepted by the Directors of Scindias. Accordingly, the ordinary shareholders of the Bombay Steam will receive three shares of the Scindia, each of Rs. 15, credited as fully paid, for every one ordinary share of the Bombay Steam. This eliminates the necessity for issuing fractional certificates of Series I as provided in the original scheme.

NEWS IN BRIEF

CONSENT was given for the issue of foreign capital in India amounting to Rs. 21.66 crores, between 15th August, 1947 and 31st December, 1952.

The Government of Madras has again declined to recommend to the Government of India the proposal for construction of a railway line from Tellicherry to Mysore via Coorg.

When the Government of India takes over the Barsi Light Railway on 1st January, 1954, out of a total mileage of over 34,000 of Indian railways, only 553 miles will be under non-Government management.

The Union Government will charge a lower price for wheat supplied to the States from the Central Pool from July next. The prices will be reduced by As. 12 to a rupee a maund and will be sold to the States at a price ranging between Rs. 16-8 and Rs. 16-12 per maund.

The Norwegian Scheme for aiding fisheries development in Travancore-Cochin State is only an experimental measure and, if it goes off well, the scheme may be extended to other areas along the coast, according to Mr. K. Lykes, Norwegian Minister to India.

A consultative committee for the improvement of intermediate ports in Andhra State (Kakinada and Masulipatam) has been formed at Vizagapatam. The Consultative Committee will periodically visit these ports and render necessary technical help for their improvement.

Preparations are under way for the celebration of the Centenary of the Indian Telegraphs in November this year. The highlight of the celebrations will be an exhibition of the progress not only of telegraphs but of all systems of telecommunication in the country during the last one hundred years.

A 100 per cent. power cut has been enforced in Kolar Gold Fields with effect from the evening of the 16th inst., as a result of the generating station at Sivasamudram having come to a standstill and the Shinsha hydro-electric station having been crippled, following the failure of rains in the Krishnarajasagara reservoir area.

The Uttar Pradesh Government has reduced its target of raw jute acreage in the State during 1953-54 from 1,35,000 acres to 50,000 acres in view of the steep fall in the prices of jute and the difficulty of marketing the fibre, according to the Indian Central Jute Committee. Of the 50,000 acres, only 22,359 have been put under jute till the end of April.

The Government of India has appointed a committee consisting of three Government of India officials and four non-officials, mostly from private industry, in order to make a preliminary survey to assess the capacity lying idle in the engineering field in India and the degree to which rationalisation of production of machinery and spare parts is possible. The Committee has started functioning from the 12th inst.

The Cotton Seed (Control) Order, 1952, which prohibits the free movement of cotton seed from any place in the districts of Belgaum, Bijapur, Dharwar, East Khandesh, Panchmahals, Poona, Sholapur and West Khandesh of Bombay State to any other place within or outside that State, has been further extended by three months. The order which was to expire on 17th June, 1953, will now remain in force upto 17th September, 1953.

The Government of India has decided to discontinue the further issue of Five-year Post Office National Savings Certificates with effect from the close of business on 30th June. 1953. The Government has also decided that, until further orders, the holders of Five-year Post Offices National Savings Certificates may be allowed, at their option, to hold these certificates after maturity for a further period of seven years.

The West Bengal Government has decided to make wheat available to people in the distressed areas of the State at subsidised rates. From the first week of July, wheat will be sold in the districts where there is no statutory rationing at a rate which will be three rupees less than the controlled rate of Rs. 18-12 per maund. The cost of this subsidy is expected to be Rs. 50 lakhs and the State Government has approached the Central Government to bear half of it.

The Government of India has, on a reciprocal basis with the Pakistan Government, decided to allow, with effect from 15th June, 1953, full rebate of customs duty on aviation spirit uplifted in India by aircraft on outward flights. This rebate will be allowed on aviation spirit put on board under customs supervision at the last airport of departure from India for an outward flight from India to Pakistan or from India to a foregin country via Pakistan.

The Indian Council of Agricultural Research has brought out a bulletin on soil survey in India. It is a report based on the data and information collected as a result of soil surveys carried out throughout the country. The publication which is the first of its kind, contains information on different types of soils and is therefore likely to be of interest to soil chemists, agronomists, foresters, research workers, soil scientists, administrators and revenue officers.

As against an average consumption of about 2,50,000 tons of ammonium sulphate per annum in India, about 5,00,000 tons are planned to be used during the current year. A special drive is being undertaken for increasing the use of fertilisers in the Japanese method of paddy cultivation. The use of phosphatic manures is also being increased. The services of Dr. Frank W. Parker, one of the world's leading authorities in the science of soils and fertiliser research, have been obtained by the Union Ministry of Food and Agriculture under the T.C.A. programme for two years for advising the Government on the organisation of research and demonstration in the manuring of crops and the use of fertilisers.

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From Abroad

An international sugar conference is scheduled to open in London on 13th July next under the auspices of the United Nations. The conferees will study ways of bringing about greater stability through production and movement of sugar in the open world market.

The U.S. Agriculture Department has set this year's U.S. wheat crop estimate at 1,132,500,000 bushels. The expected harvest compares with last year's crop of 1,291,447,000 bushels—the third highest on record. The average crop for the period 1942-51 was 1,088 million bushels.

A new trade agreement between Japan and Nationalist China has been signed in Tokyo, which provides for an increase in the trade between the two countries from $50 million to $75 million. Japan will mainly export machines, fertilisers, textiles, metallic and farming products and will import sugar, rice, bananas and coal.

Government and private research in the United States is constantly developing better cotton fabrics, according to the Department of Agriculture. New processes include making waterproof cotton bags, flame-proof blankets, heat-resistant covers, a cotton that dissolves in water for making special lace effects and a long-lasting cotton shade cloth to shield growing tobacco from the sun's hot rays.

The U.S. Federal Reserve Board has recommended legislation requiring all bank holding companies to get rid of their ownership or control of non-banking enterprises. The proposal also will require that a bank holding company should obtain approval from a Federal agency before buying any additional bank stocks or before merging with another bank holding company. These are stated to be the two most serious gaps existing in the regulation of such holding companies.

The Government of New Zealand has liberalised its import policy for the year 1954 and has made increased provision for exchange allocation for imports into New Zealand. Subject to certain exceptions, the exchange allocation for the year 1954 will be 50 per cent. of the basic exchange allocation made to individual importers during the year 1950. This is 25 per cent. more than the exchange released for the current year. Among the commodities which will be released from the necessity of obtaining allocations of exchange, of particular interest to India are: tea, corn-sacks, woolpacks and wool-pockets, tubular woven or knitted cotton cloth specially suited for use as meat wraps, cheese bandages or caps, unmanufactured tobacco for manufacturing into cigarettes or snuff and cigars, fresh fruits, salt, printed books, papers, music or advertising matter.

PERSONAL

SIR Alexander Clutterbuck, British High Commissioner in India left for London on the 14th inst., for consultations and medical treatment.

Mr. James Gilbert Evans, American Consul and Chief of the Economic Section of the U.S. Consulate-General in Bombay, left for Washington on Monday last.

Mr. M. A. Sreenivan, Chairman of the Kolar Gold Mining Companies, left for Geneva on the 16th inst. He is expected to return by the end of this month.

Mr. J. R. D. Tata has been appointed Chairman of the Air-India International Corporation, which will run the external air services. The other members of the Corporation are: Mr. B. C. Mukherji, I.C.S., Mr. K. C. Mahindra, Mr. Michael John, Mr. K. C. Bakhle, Mr. K. R. K. Menon, Mr. B. N. Jha, I.C.S., and Mr. L. C. Jain, I.C.S.

Mr. B. C. Mukerji, I.C.S., Managing Director, Sindri Fertilisers and Chemicals Ltd., has been appointed Chairman of the Indian Airlines Corporation, which has been formed to take over the internal air services. The other members of the Corporation are: Mr. J. R. D. Tata, Mr. M. L. Khaitan, Mr. Michael John, Mr. B. N. Jha, I.C.S., Secretary, Ministry of Communications, Mr. K. R. K. Menon, Secretary, Revenue and Expenditure Department, Ministry of Finance and Mr. L. C. Jain, I.C.S., Director-General, Civil Aviation.

Mr. S. Jagannathan, Director-General of Shipping, Government of India, has been appointed Joint Secretary, Union Ministry of production.

Mr. N. M. Buch, Director-General of Supply and Disposals, who has been appointed to succeed Mr. Jagannathan, is expected to assume office early in August.

Mr. P. R. Subramaniam, Deputy Director-General of Shipping, will act as Director-General till Mr. Buch assumes office.

Sardar Datar Singh, Production Commissioner and Additional Secretary, Union Ministry of Food and Agriculture, left for Rome on the 12th inst., to attend the 17th session of the Council of the F.A.O. now being held there. Sardar Datar Singh will also spend about a week in the Netherlands. The Dutch Government has invited him to study the working of the Netherlands Company, a society of agriculturists, which aims at helping farmers in various fields of agricultural development and production.

Mr. A. K. Chanda, Secretary, Union Ministry of Production, will be leaving for Europe on the 23rd inst. to make arrangements for the commencement of initial production in the Union Government sponsored factories for producing machine tools, dry core cable, penicillin and D.D.T. Mr. Chanda will also negotiate with German interests for technical and financial participation in a new steel plant to be set up in India.

OBITUARY

Mr. K. Subba Rao Naidu

We regret to record the demise of Mr. K. Subba Rao Naidu, Director-in-charge of the Hindustan Ideal Insurance Company Ltd., Madras, at Madras on the 4th inst. Mr. Subba Rao Naidu was also Deputy Chairman of the Andhra Bank Ltd.

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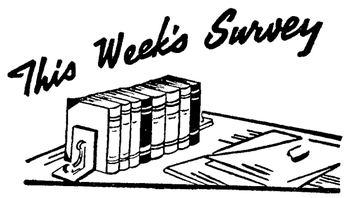
CENTRAL AND WESTERN RAILWAYS



WORLD SOAP INDUSTRY

THE Indian soap manufacturers, who have been at pains to work the idle part of the existing capacity of the indigenous soap producing units, will note with comfort that there is a vast scope for expanding the markets for their products. Sir Geoffrey Heyworth, Chairman of Unilever Ltd. (one of the largest soap manufacturing concerns in the world), revealed, in the course of his recent address at the annual meeting of the Company, that from a study of the consumption of soap in 28 principal countries of the world, he found that (1) four countries, with a total population of 533 million and a *per capita* national income of under $100, had a soap consumption averaging 1 lb. per head per annum; (2) four countries with a population of 67 million, whose income per head lay between $100 and $200, consumed, on an average, about 5 lbs. per head per annum; (3) five countries, with a population of 142 million and a *per capita* income of $200 to $400, consumed on an average 10 lbs. per head per annum; and (4) 15 countries, with a population of 382 million and a *per capita* income of over $400, had an average consumption of about 25 lbs. per head per annum.

It will be thus noted that the variation in consumption is closely linked to the *per capita* income; it ranges from 1 lb. to 25 lbs. for income varying from $100 to over $400 per annum. In other words, the consumption of soap and, therefore, the size of the trade in any locality, depends primarily on the economic circumstances of the people. The influence of purchasing power on the consumption of soap has always been known to the soap-maker. Sir Geoffrey averred that even a small increase in purchasing power in a typical Eastern market might permit a substantial expansion in that market. In the wealthier countries, too, any increase in the standard of living had generally led to an increased use of soap.

The major part of Sir Geoffrey's address this year was devoted to the examination of the competitive ability of soaps *vis-a-vis* synthetic detergents (cleansing agents). He believed that each had its place in this expanding market. While synthetics might tend to replace soap in some parts of the world, soap was likely to continue as the principal washing medium in other parts.

The preference for synthetic detergents in some parts of the world, particularly in North America and Europe, is due to the fact that the former eliminates the physical effort involved in washing and the non-formation of insoluble precipitates, as is the case with soap. Because of these advantages, consumers of synthetics are prepared to pay higher prices for them. The position is, however, quite different in countries where the purchasing power of the population is low, as in India and West Africa. The washing habits—washing in a river or pond will not, for instance, admit the use of powders—in these countries are different and soap powders and synthetic detergents are of little use there. The soap industry has yet to discover a cheap and effective synthetic tablet. Even when an increase in living standards takes place, blended synthetic products are, according to Sir Geoffrey, unlikely to be consumed to any great extent. Apart from the question of price and cost, another limiting factor in the use of synthetics, even in countries with a high purchasing power, is the fear that they affect the hands. One effect of the development of synthetic detergents on the soap industry is that it has made the latter more dynamic and has created new and fundamental problems which require the industry to re-examine its methods. This may well lead to greater possibilities of expansion.

Of wider implications to the soap industry is the effect of the development of synthetic detergents upon the world demand and market for oils and fats. According to Sir Geoffrey's estimates, the total world sales (excluding Russia) of blended synthetic products in 1952 was more than 1 million tons, of which North America accounted for about 800,000 tons and Europe for nearly 300,000 tons. Sales of soap during the same year amounted to more than 5 million tons. It cannot be said, with any amount of precision, that, if synthetic detergents had not been discovered, world consumption of soap would have been greater by over 1 million tons. However, the Unilever Chairman estimated that, if this additional demand were to be met entirely by soap, it would require an additional world production of oils and fats of about half a million tons. World production of oils and fats (other than butter) aggregated about 19.5 million tons in 1952. The extra production of half a million tons, or 2½ per cent. of the output in 1952, could be achieved, but, as Sir Geoffrey said, only by offering a higher price. The conclusion that emerges from Sir Geoffrey's analysis is that, but for the development of synthetic detergents, the price of soap would have been higher than it is now. It is also probable that some of the additional oils and fats required could have been obtained only from the U.S. at the cost of a wider dollar gap or a reduced expenditure of dollars on other commodities. Thus, the fact remains that the development of synthetic detergents is a blessing in disguise, in that it has eased the post-war problem of meeting the world demand for oils and fats at a reasonable level of prices. It is needless to add that the greatest beneficiaries of this advance in the utilisation of scientific knowledge are the backward countries like India where oils and fats are not only the raw materials of the soap industry but also constitute food for the people. Any further increase in the prices of oils and fats would have made their life more miserable than it has been all along.

SINDRI'S LAUDABLE AIM

From the account given by Mr. A. K. Chanda, Chairman, Sindri Fertilisers and Chemicals Ltd., at the annual meeting of the Company held at New Delhi on the 16th inst., Sindri seems to be making a determined bid to hold a place of pride in our expanding national economy. For, in the first place, the working of the Company in the very first year of production shows a small profit, a feature which is commonly absent in most industries started even under private enterprise. Secondly, when an intensive campaign to popularise the use of fertilisers was launched in the country, this national enterprise responded to the call by reducing its selling price by Rs. 65 per ton, thus fulfilling the role assigned to it in the development of the country's national economy. Thirdly, the Company had a large number of requests for exports at prices much higher than those charged for the home market and it would have certainly shown large profits, if it had accepted these requests. It, however, did not do so, as it ran counter to the national policy of making the country self-sufficient in foodgrains by intensive cultivation with the help of fertilisers.

The management of Sindri is continuing its endeavours to reduce its cost of production to the minimum. An idea of the success that has so far been achieved in this direction will be evident from the reduction in the selling price of fertilisers from Rs. 350 to Rs. 285 per ton. Further reduction in production cost is being aimed at by making arrangements for the utilisation of its by-products. With this end in view, it has concluded an agreement with the Associated Cement Companies, Ltd., for the sale of calcium carbonate sludge which is a by-product of ammonium sulphate production. The Associated Cement Companies will use the sludge as raw material in the manufacture of cement, for which a plant with an installed capacity of 600 tons of cement a day will be erected shortly at Sindri. Plans are also under consideration for utilising the coke oven gases of the Sindri factory for the manufacture of urea and ammonium nitrate. The potentialities of industrial development at Sindri, particularly in the field of heavy chemicals and allied industries, are thus being tapped. Another factor which should help reduce costs is the proposal to install a battery of coke ovens for the production of 600 tons of coke a day. These ovens will make Sindri self-sufficient, besides assisting the factory in effecting substantial economies in costs.

Sindri also derives immense cost advantage from its favourable location. Thus, situated in the heart of the country's coal belt, within easy reach of abundant sources of cheap electrical power and water, and served by the main trunk line of the major Indian railway, Sindri enjoys all the prerequisites for making a business enterprise a financial success. But it can hardly succeed, unless it has its own agency to handle the distribution of its products. Commenting on the need for having its own distributing agency, we wrote as early as on 14th February this year:

"There is something radically wrong with the system of distribution of fertilisers. The present system is stated to be cumbersome and wasteful on account of overlapping of expenditure in transport, handling and sales tax . . . The biggest snag in the organisation of the Sindri Fertilisers is that their sales depend on the State Departments of Agriculture, an agency which cannot be expected to show the same initiative and energy as private sales organisations can and do. Those in charge of the Sindri Factory will, therefore, do well to pay attention to the question of getting their product sold to the consumer more efficiently and cheaply than at present."

Now it is gratifying to note that the authorities of Sindri have paid some thought to this suggestion of ours. Thus, Mr. Chanda said:

"It is evident that a manufacturing unit of the size and importance of Sindri, cannot rest content with distribution arrangements controlled by an outside authority, and it must necessarily be self-reliant in the marketing of its own production. A proposal for taking over of the distribution responsibilities by Sindri with effect from 1st January, 1954, is under examination. There are difficulties, however, such as the pooling of higher cost production of smaller units which must be retained in production in national interest, and the sale of fertilisers to agriculturists and small consumers on credit. It should be possible, however, to evolve a proper scheme to meet the special situation. Steps are also being taken for popularising the use of fertilisers for intensive cultivation. A co-ordinated scheme, in association with the Food and Agriculture Ministry, is in the making."

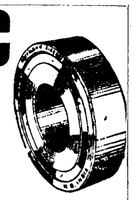
It is to be hoped that these efforts will succeed and that consumers will have the benefit of an efficient selling organisation as from next year.

In his survey, Mr. Chanda did well in pointing out candidly that not all the problems of Sindri had been solved. He, for instance, said:

"The teething difficulties have not, as yet, been completely eliminated. A certain measure of imbalance in production facilities have come to notice, existing maintenance arrangements have proved to be inadequate to current requirements, and the technical efficiency and, therefore, productivity, of labour has fallen short of expectations. The management of Asia's largest fertiliser plant, incorporating the most modern technique in production, requires constant care and watch. The loss of sources of gypsum in Pakistan, on which the plant had been designed, necessitated last minute adjustments, reacting on production."

It is, however, reassuring to be told that all these problems are being dealt with with fortitude and determination and that the production target will be attained in the near future and consistently maintained.

NBC



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ENGINEERING RESEARCH

Although India enjoys the reputation of possessing, in absolute terms, a larger irrigated area than any other country in the world, the area forms only 18 per cent. of the total area sown in a year. Thus, the irrigated area is a small proportion of the cultivated area. From another standard—from the standard of hydro-electric and other forms of power production—the country is particularly backward. India can boast of only half a million kw. That there is vast scope for development of both irrigation and power resources will be evident from the fact that we now utilise hardly 2 to 3 per cent. of the annual run-off water for irrigation purposes and less than 3 per cent. of the power potential for generating electricity. That the authorities are aware of the importance of power and irrigation to the country's future is evident from the fact that they have set apart, in the Five-year Plan, as much as 27 per cent. of the total outlay on the Plan for expenditure on the multipurpose projects. The projects included in the Plan are expected to cost Rs. 765 crores. These figures ought to give one some idea of the magnitude of the projects, and of the need for providing for their efficient execution. Incidentally, it provides the necessary background against which to consider the importance of research in irrigation and power. From this point of view, the deliberations of the twenty-third annual meeting of the Research Committee of the Central Board of Irrigation and Power, which was held at Bangalore this week, under the chairmanship of Mr. Kanwar Sain, Member, Central Water and Power Commission, acquire a new significance. Research workers could certainly contribute to the economic execution of the giant multipurpose projects. As Mr. Sain remarked, it is the duty of these men to see that they "make every rupee go to the farthest limit that it can."

The Board, which came into existence in 1927, has done much to co-ordinate and guide research and to improve irrigation practices and designs of structures. The number of irrigation research stations has increased from 3 to 12. Research in power has also come within the purview of the Board. These research stations have interested themselves in carrying out hydraulic model tests for river valley projects, river training works, designs of dams, spillways, canal falls and other structures, improvement of habours and estuaries and soil survey work. The Central Water and Power Research Station, Poona, did good work on the Hooghly estuary model. The Station also utilised the services of the U.N.E.S.C.O. experts on photo-elasticity and navigation. The Amritsar Research Station has initiated important investigations into the control of streams, *nallas* and *khuds*. The West Bengal Research Station has, it is stated, been doing intensive and valuable research work on river control and other problems, while the Poondi Research Station, Madras, has undertaken the study of the lining of canals. Mr. Sain deplored that "practically little research" had been done on the hydel side, and he felt gratified, therefore, that the Institute of Science, Bangalore, had added a power engineering department to its other branches of research activity.

All this work is certainly commendable, but the research work in the sphere of irrigation and power suffers from certain serious limitations. In the first place, there are fields in which it would be desirable to undertake more extensive work but which have not received the attention they deserve. This was pointed out in a masterly address on the subject which Mr. M. S. Thirumalai Iyengar, President of the Central Board of Irrigation and Power, delivered last year. He deplored that little work had been done in subjects connected with total volume of run-off, hydrographs and their analysis, constructional materials, designs of canals, transport of water at different velocities and lining of canals. It is to be hoped that these gaps in research work will soon be filled. Secondly, there is, as Mr. Sain said, need for more fundamental research. He said: "We cannot afford to ignore systematic and integrated research on various fundamentals involved in the applied research as distinct from basic research." Thirdly, there is no effective machinery for the dissemination of research information. Mr. Sain suggested that the lessons of research should be made available in "short popular pamphlets." After all, the engineer who fails to keep abreast of research work runs the risk of becoming antediluvian in his field.

Further, there is need—a very urgent need at that—for the co-ordination of all research work. The need for co-ordination is particularly urgent because the funds that are set apart for it are strictly limited. Opening the new Canal and Hydraulic Wing of the Indian Institute of Science, Mr. K. Hanumanthiah, Mysore Chief Minister, pointed out that the provision made for research in the Five-year Plan works out to less than one-quarter per cent. of the total outlay. He rightly said that, "if every pie of this small provision is to be utilised in the best and most productive manner, it is essential to avoid any duplication of effort among the various laboratories." Mr. Sain suggested the appointment of a small committee to review the available facilities for irrigation research and to make proposals for extension of these facilities so that they could be considered for inclusion in the second Five-year Plan. This seems an eminently sensible suggestion which deserves to be examined by the Board in the interest of co-ordination of all research work in the sphere of irrigation and power.

OFF THE RECORD

(By "ROVER")

I WONDER if the Indian business community in general is not a little overburdened with the spirit of adventure. While it is true that very little of importance could be achieved by those who are afraid to take risks and are constantly wedded to security, a misplaced and misused spirit of reckless adventure in trade and industry might, besides compassing the ruin of the adventurers themselves, involve millions of others in the catastrophe, which overtrading and heavy speculation invariably invite sooner or later, more often sooner than later. In a closely linked and interwoven economic structure, the waves set in motion by frequent booms and crashes in forward markets, often overwhelm innocent consumers and genuine investors, besides undermining the confidence of the Government and the public in the usefulness of this community itself in the prevailing social pattern. Business men are already about as unpopular to-day as a heat wave in summer; they would render themselves almost unbearable if they persist in using forward trading in various commodities and goods in making life more difficult and distressing for the average citizen.

When forward trading ceases to reflect the actual position with regard to genuine and effective supply and demand of goods, when groups of unthinking and irresponsible speculators try to drive future markets at a tangent away from spot conditions, when disasters in one market begin to overflow and engineer a crash in other markets because of interlocked speculation, it is time important business organisations sat up and put a stop to such unholy manipulations in cotton, sugar, oil, etc., in their own interests. If they fail to do so, the authorities are bound to come down on unbridled gambling, as they did this week in the case of sugar, to the permanent detriment of the internal autonomy of the bodies sponsoring and controlling these markets. Forward trading can have justification only so long as it serves the interests of the producers, spot markets and consumers. By their very nature and mode of working, futures markets cannot help overemphasising, to a small degree, the price trends in either direction so as to reach a workable balance. But, when they begin to swing beyond the limits set for a pendulum in an anti-social and anti-economic manner in the true spirit of a desperate gambler, they lose their *raison d'etre* and invite interference, if not suppression.

For some time, I have been watching the antics of some of the operators in cotton. I was neither impressed when they ran the price up to over Rs. 742 per *khandi* and saw only the official ceiling as the limit, nor was I depressed, when they crumbled up like a pricked balloon, at the first touch of reality, of having to find cash for taking delivery of even a moderate quantity against their unduly heavy commitments. By the time this happened, the producers had no cotton left and those who held stocks of cotton for sale or spinning had naturally taken the precaution to hedge them when the rates went up. In their headlong flight or fall, the operators only bruised their own skin or broke their own bones. But, when they found that, in their mad frenzy, they had got themselves caught into a vicious trap, they soon began to whine and wheedle for a fresh contract in the new crop to escape into, so that they might start their old nefarious game once again. They looked up to the Cotton Advisory Board to come to their rescue and help them extricate themselves from their self-invited predicament.

They wanted the Board to recommend to the Government that forward trading in the new crop, when this crop is not even sown and nobody knows even approximately what its size would be, might be allowed in good time before the August contract in cotton came to maturity. These people were forced to accept delivery of thousands of bales or squeezed mercilessly by the bears whom they had themselves planned to crush, thinking that the bears would have no cotton to deliver against their sales. In view of the fact that such premature trading in a hypothetical crop which is not even in the ground was sure, in the present prevailing atmosphere, to depress the rates for the new contract to the detriment of the growers, I was not a little surprised when the Board, which is otherwise a level-headed body in all its deliberations, decided to do so.

The Board must have had its own good reasons for taking this line, but to me it appeared that it attached rather an exaggerated importance to the continuity of the contract in forward trading in cotton. I really did wonder if the earth would cease to rotate round its axis and to revolve round the sun in its orbit, if there were a gap between forward trading in the old crop and the new crop. After all, it has to be conceded that the Government should be in full possession of the requisite data before allowing such trading and the first week of July is too early, especially with the delayed monsoon of this year, for it to assess accurately the position for the next year.

When I say this, I have no intention of minimising the importance of the forward market in a commodity like cotton; it only amounts to saying that forward trading in cotton is not run solely for the convenience of, or providing opportunities for speculators to make or to lose money. The speculators, it may be noted, are not necessarily concerned primarily with the interests of the producers, trade and/or industry and often are not even closely associated with one or the other of these. If there were to be no cotton to play with to-morrow, they would desert Kalbadevi, as they did once before, and repair to other street corners and gamble in mercury or art silk yarn futures. Besides, whatever little claim these people had for consideration was forfeited by the way in which the market had been rigged by them, in spite of clear warnings, more than once, by so wise and experienced a man as Mr. Purshotamdas Thakurdas. It is just like them to flock round such leaders when they wanted to secure permission from the Government for forward trading, which had remained suspended for a long time, but to ignore them when it comes to listening to their advice about not indulging in overtrading.

While it is far from my mind to accuse so tranquil and wise a body as the Cotton Advisory Board of having a soft corner somewhere in its corporate heart for speculators in cotton, I really do feel a little bewildered at the way it has rushed to the rescue of the speculators, instead of leaving them alone to clear the sorry mess they have made in a matter of six months in the trading ring of the E.I.C.A. skyscraper. Perhaps, the Board was concerned about the fate of the hedge contracts entered into by spot dealers and the mills against their holdings, but there was no cause for apprehension in this respect, considering the small carry-over expected to last only till about the time the new cotton actually came into the market. This stock, at least the greater part of it, which is likely to be used by the textile mills in the country, needs no protection by way of hedging during the interval between the expiry of the present August contract and the time when the Government is really in a position, after ascertaining the prospects of the new crop, to take a comprehensive decision about all aspects of its cotton policy including that for forward trading for the next year.

Leaving the speculators in cotton futures aside for a moment, I have another sound reason to urge against hustling the authorities into allowing formal trading in the new crop cotton. The Board itself appears to be in doubt about the Government's intention as to the continuance or otherwise of price control in cotton. Had it not been so, it would not have said that, if cotton control were to be continued for the next year, the present floors and ceilings also should remain unaltered. Even the Board would admit that the Government would not be in a position to decide this question finally, till it had some idea about the size of the new crop. This would mean that it should allow forward trading in the new crop to start at present, with the present floors and ceilings in force and to remove them and the protection granted by them to the operators some time later in mid-season, with a large number of unliquidated contracts entered into with the knowledge of a fixed floor and ceiling standing at the time. If price control were to be removed thus, the whole basis of the contract would change and the standing contracts would have to be squared up in some arbitrary manner. It looks to me that the Board, in trying to secure the continuity of the hedge contract, has failed to take note of this likely complication, if the Government were to accept its recommendation.

(Continued on page 1155)

TREND OF INDUSTRIAL PRODUCTION HALTING

ADVERSE TRADE GAP NARROWS DOWN

(From A Special Correspondent)

NEW DELHI, 16*th June*

THE upward trend in industrial production during the last few months does not appear to be of such a magnitude as to offset the growing unemployment which is becoming intensified in the country with every passing day. During the first quarter of 1953, the average monthly industrial production index stood at 122.1 (1946=100), as against the annual monthly average of 128.9, the increase over last year being hardly 2.4 per cent. For the corresponding quarter a year ago, the average monthly index worked out to 126.0, while, in the second quarter of that year, it receded to 123.3. A similar trend is likely to be revealed by the figures for the current quarter when they are published. Although the output of cloth has been showing an encouraging trend during this year, the same cannot be said of many other industries at the present time. Steel production is now running below that of last year. The output of cement, which showed a progressive increase during the last few years, has now become relatively stagnant, apparently as a result of repairs and overhauling in some factories in the country. The decline in industrial employment and the increase in wholesale prices, as also living costs, have been exercising an adverse influence in the demand for many consumer goods. Prominent among the industries where production has been downward, mention may be made of superphosphates, rayon yarn, plywood, diesel engines, machine tools, electric lamps, etc.

DELHI LETTER

Impressive Cloth Production

Production of cloth has been impressive, the figure for the first quarter being 1,199 million yards, as against 1,030.8 million yards for the corresponding quarter a year ago. Latest production figures indicate that the output for the second quarter will show a further increase, taking up the aggregate figures to the record level of about 2,440 million yards for the first half of 1953. Production of yarn for the first quarter was substantially higher at 363.0 million lbs., as against 337.0 million lbs. for the same period in the preceding year. The output of jute goods was marked down moderately from 258,400 tons to 216,000 tons during this period. Steel production continued to sag, the figure for the first four months of the year being 332,086 tons, as against 356,400 tons for the corresponding period last year. The reduction in this sphere is attributable to the go-slow policy adopted by labour. It is, however, expected that there will be some improvement during the second half of this year. The output of cement is placed at 11.61 lakh tons for the first four months of 1953, the figure for the corresponding period of 1952 being 11.20 lakh tons. Paper production also appears to have become static, the total for the first four months being 44,348 tons, as against 45,836 tons on the basis of the monthly average of 11,459 tons in 1952.

Coal has been able to maintain a satisfactory trend, although here too the increase in production is not very marked. For the first quarter of 1953, the output amounted to 9.28 million tons, as compared with the monthly average of 3.02 million tons, a year ago. *Vanaspati* output for the first quarter came to 55,009 tons, as against 46,591 tons for the same period last year. In the chemical section, the shortage of sulphur continued to hamper the output of sulphuric acid, the production of which is now standing at slightly above 8,000 tons per month, while the installed capacity is at 15,750 tons. Although the production of caustic soda has been looking up, being at about 1,615 tons per month, the rate of output is just half of the installed capacity. Soda ash was moderately better at 13,563 tons for the first quarter of 1953, as against the monthly average of 3,694 tons last year. Ammonium sulphate production is now running at slightly above 30,000 tons per month, as against last year's monthly average of 18,359 tons. Production of matches has been steadily upward and that of soap steady. The trend of production in regard to diesel engines has been definitely discouraging, the present rate of output being about 20 per cent. of the installed capacity.

Foreign Trade

The gap in India's foreign trade in 1952-53 tended to narrow to some extent as against the preceding year. Imports on sea- and air-borne account dropped from Rs. 862.84 crores to Rs. 632.95 crores, the decline being Rs. 229.89 crores. This recession is attributable not only to the reduced foodgrain and raw cotton imports, but also to the discriminating import policy pursued by Government from time to time. To a small extent, it is also due to the lower prices prevailing for some of the imported goods. Total exports during this year amounted to Rs. 556.78 crores as against Rs. 715.56 crores in the previous year, the actual drop being Rs. 158.78 crores. The adverse trade balance on the sea- and air-borne account in 1952-53 worked out to Rs. 76.17 crores, as against Rs. 147.28 crores last year. There was a sharp decline in the imports on land trade account which in 1952-53 amounted to Rs. 26.16 crores, as against Rs. 80.45 crores in the previous year. In this Pakistan has had a major share, the respective figures being Rs. 21.23 crores and Rs. 76.96 crores. Exports to Pakistan declined from Rs. 27.14 crores to Rs. 18.84 crores. The adverse trade balance on this account in 1952-53 amounted to only Rs. 7.32 crores, as against Rs. 53.31 crores in the previous year. On both accounts, the adverse trade gap came to Rs. 83.49 crores, as against Rs. 200.59 crores in 1951-52.

Imports of foodgrains in 1952-53 amounted to Rs. 153.10 crores, as against Rs. 228.12 crores in the previous year, the actual quantity being 2.92 million tons and 4.79 million tons, respectively. While imports of rice were marked up from Rs. 38.19 crores to Rs. 43.03 crores, those of wheat came down from Rs. 152.03 crores to Rs. 81.82 crores. Imports of raw cotton also recorded a substantial decline from Rs. 137.13 crores to Rs. 76.69 crores. During this period, the quantum of raw cotton imports receded from 11.94 lakh bales to 7.75 lakh bales. On the land frontier trade account, imports of raw jute from East Pakistan declined from 23.72 lakh bales in 1951-52 to 13.16 lakh bales in 1952-53, their respective value being Rs 66.99 crores and Rs. 16.41 crores.

Curb on Desert Expansion

The frequent and irritating dust-storms in the capital during this summer have brought to the forefront the urgent necessity of checking the advance of the Rajasthan desert. Measures in this regard are expected to be taken during the impending rainy season by the Government of India by the distribution of seeds and seedlings which grow successfully in the desert regions and have the capacity to check soil erosion also. Since the Rajasthan desert has been spreading during the last few decades to some of its adjacent States like the Punjab, U.P., etc., a co-ordinated action to tackle this menacing problem is being contemplated. It may be mentioned here that the Planning Commission has earmarked a crore of rupees for purposes of creating a forest belt of 400 miles long and five miles wide to prevent winds coming through the Thar desert. Along with this, measures for the prevention of soil erosion are also expected to be put into action by constituting a special board for this purpose which will be entrusted with the task of initiating schemes in different States after due consultation with them. Special enthusiasm towards these problems will be generated among the public taking advantage of the forthcoming *Vana Mahotsava* festival.

Rising Prices

The Government of India is anxiously watching the behaviour of not only the sugar but also of many other commodity markets where prices are being pushed up gradually to high levels by a section of the speculative operators. Since the keymen who are in charge of the economic policy of the Government of India are at present away from the Capital, it is likely that Government will not take any decisive steps in the next few days. As far as sugar is concerned, although there is a strong case for full decontrol which might prove beneficial to the much harassed consumers, Government will take some more time to come to a decision on this subject. For the present, it will be taking some energetic action to prevent hoarding, smuggling and other tactics that are being adopted by a section of unscrupulous merchants and manufacturers.

Industrial Development

Now that under the Industries (Development and Regulation) Act, 1951, it has become necessary for industrial concerns to obtain licences, either before starting production or before any large-scale expansion, the proceedings of the Licensing Committee constituted under this Act provide some indication of the lines of industrial development taking place in the country at the present time. Recently, the Commerce and Industry Minister stated that, during the last few months, the Licensing Committee had recommended the grant of licences in 80 cases—11 relating to cotton textiles, 8 to cement, 8 to electrical equipment, 14 to *vanaspati* and vegetable oils, etc. Most of the licences granted to the last mentioned industry related to the solvent extraction of oilcake. It is generally known that nearly 5 to 10 per cent. of oil is left in the oilcake at the time of crushing by the mills and *ghanies*, and this type of industry is long overdue in the country. According to one estimate, it is possible to increase the output of vegetable oils by about 200,000 tons. Most of the industries are to be located in Madras, Hyderabad and Bombay, the major oil-producing States in the Indian Union. Generally, the Government is not in favour of extending the capacity of the *vanaspati* industry, since its present productive capacity is more than twice the domestic demand for *vanaspati*.

Licences are continued to be granted to the cotton textile industry, most of the proposed extensions and new units being in Madras, West Bengal, etc. The Government's policy, in this connection, is that it does not want to entertain applications for additional looms. Additional spindles are allowed only in those cases where allotments have already been made under the post-war expansion plan. Under this plan, only about 350,000 spindles still remain to be distributed and the quantity is being allotted on the recommendations of the State Governments concerned. In addition, mills of uneconomic size are also allowed to increase their capacity upto the economic limit.

After the enforcement of the Industries (Development and Regulation) Act, licences were granted to a few sugar mills, some of them being allowed to shift their present location to places where they could get adequate supplies of cane. One welcome trend in this connection is the shifting of a sugar factory from U.P. to South India which has considerable potentiality for the production of sugar at cheaper and competitive rates. Uneconomic units, especially in the South, are allowed to expand their capacity so as to reduce their production costs. At the present time, the Government does not propose to encourage the establishment of new units. The cement industry is allowed to expand production, and licences are expected to be given both for expansion and the location of new units.

Among other industries, mention may be made of the expansion of paper insulated power cables, power transformers, conductors, etc. Licences are being readily granted for the expansion of non-ferrous metal industries. Efforts are being made to augment the output of aluminium ingots appreciably. The paper industry is also being expanded steadily, and new firms are being advised that they should establish mills of economic units. A sort of discriminating policy is followed in respect of the pharmaceutical industry. Wherever there is already adequate capacity in the country for the manufacture of patent medicines which are quite suitable substitutes for the type of goods proposed to be manufactured, licences are being withheld for such enterprises from foreign countries. Although until now licences have been granted for the manufacture of diesel engines, it is likely that the Government will be shortly reviewing the entire capacity of this industry in the country and will consider whether it should discourage further expansion in view of the fact that supply has begun to exceed the demand substantially. The Government is also expected to take steps in due course for calling a meeting of the principal manufacturers of radio receivers and components in order to make a proper assessment of the existing capacity of the industry and the demand for these products. The agricultural implements manufacturing industry, glass industry, etc., are being encouraged to develop new lines of production.

PAKISTAN NOTES

QUALITY OF COTTON TO BE RAISED

BARTER DEAL FOR SUGAR IMPORTS

THE cotton ginning and pressing industry, consisting of about 425 factories, constitutes the biggest industry in Pakistan and its national importance as a component part of the cotton industry is considerable. The quality and price of raw cotton depend largely on good ginning and pressing. Of late, reports have been current that the quality of ginning and pressing of Pakistan cotton has deteriorated. The deterioration in ginning and pressing not only affects the quality but also brings down the value of cotton and thus causes loss of income to the cotton-growers as well as to the Government. The question of improving the efficiency of the ginning and pressing factories and placing the industry on a firm footing received considerable attention at the hands of the Pakistan Central Cotton Committee at its recent meeting held in Karachi.

The recommendations of the Committee are: (1) The Technical Co-operation Administration should be requested immediately to lend the services of a ginning expert, who should visit the ginning factories run by allottees and report to the Committee on the condition of the existing machinery and the repairs and replacements which should be made to ensure proper ginning and pressing of Pakistan cottons. (2) The Governments of Sind and Khairpur should be asked to enact Control Acts as expeditiously as possible. (3) The Governments of Punjab and Bahawalpur should enforce Cotton Controls Acts strictly in their respective areas with a view to eradicating the existing malpractices relating to bad ginning and false packing. (4) Provincial and State Governments should allot ginning factories only to those persons who are either in the cotton trade or have previous experience of running a ginning and pressing factory. Proper maintenance of the machinery should be made obligatory on them. (5) Representatives of cotton control boards in Provinces and States should be associated with the authorities concerned in making allotments of ginning factories. (6) Allottees themselves should run ginning factories and should not be allowed to sublet them to others. (7) Ginning factories may be allotted to co-operative societies and cotton mills which may be interested in running them. (8) The services of an expert grader should be obtained through the T.C.A. and training in grading should be given to Pakistanis abroad. (9) The Punjab Government should be asked to examine the question of modifying the clause in the Punjab Cotton Control Act relating to admixtures of seed and other foreign substance in lint, which are at present permissible up to 10 per cent.

Reports that the Pakistan Government had decided to abolish the Cotton Board have been denied by official sources in Karachi. The Cotton Board has two sections, one dealing with the price support scheme and the other doing research work and collecting data in regard to world cotton trade. The first section is being wound-up, consequent on the abolition of the price support scheme several months ago. The Economy Committee appointed by the Government of Pakistan has, however, yet to make its recommendations in regard to the future of the Board.

* * * *

The Pakistan Government is reported to have arranged for import of enough sugar to meet the requirements of the country till the end of the year. The Government recently concluded two barter deals with Spain under which it would receive 30,000 tons of sugar in exchange for jute and cotton. This quantity, along with the stocks held by the Government and local output, is stated to be adequate to meet the country's requirements till December.

* * * *

The Pakistan Government has received foreign aid to the extent of $23.5 million and £2 million during 1952-53. These include $12.25 million from the U.S., $10 million from Canada, $1.26 million from the Ford Foundation, £1.7 million from Australia and £0.25 million from New Zealand. Besides these, a loan of $3.25 million was obtained from the World Bank for the purchase of tractors and other equipment for the reclamation of 660,000 acres of land in the Thal desert. Pakistan is expected to receive, during 1953-54, about $10 million from Canada, £0.25 million from New Zealand, besides £2 million for which Australia will give wheat and $5 million worth of wheat from Canada.

1953

Edition of the Calcutta Stock Exchange Official Year Book is endorsed alike by the Press and the Public as the most indispensable work of reference on investment. The very fact that the Central and State Governments, the Reserve Bank of India, all Exchange and Scheduled Banks, Insurance and other financial institutions, and leading business houses use it is a proof positive of its superiority over any other publications of a similar nature.

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BANK CREDIT IN SOUTH-EAST ASIA

CONTRACTION IN MONEY SUPPLY

THE Economic Commission for Asia and the Far East (E.C.A.F.E.), to which goes the credit for making available to the world authentic information on the economic developments in South-East Asian countries, has, in its latest *Survey of Asia and the Far East*, 1952, given a brief outline of the money and credit position in the region during the past year. A perusal of the relevant chapter discloses the effects of the decline in prices and profits which took place in most countries of this region in the money and credit sectors. The countries covered by the *Survey* are Burma, Ceylon, China (Taiwan), India, Indo-China, Indonesia, Japan, Korea (South), Malaya, Pakistan, the Philippines and Thailand. Although there was a large measure of similarity in credit and monetary trends in all these countries, a somewhat different trend was noticeable in the major rice-exporting countries.

In 1952, the demand for commercial bank loans in most countries of the region continued to be high. Caught in the price fall, business men tried to avoid losses by holding on to stocks in the expectation of better prices. As demand increased, commercial banks in the region became more cautious in view of the uncertain earnings and outlook and the low cash reserves. Total bank credit during 1952, therefore, expanded at a slower rate than before; it even declined in some countries, especially in those dependent on exports of raw material. Pakistan, however, was an exception. The decline in bank credit generally affected speculators and inventory investors more than those needing finance for genuine trade or industrial transactions.

In the major rice-exporting countries, credit in 1952 continued to expand at the same rate as, if not at a faster rate than, in 1951. In Burma, however, credit expanded at a slower rate in 1952 (after making allowances for seasonal variations), owing to the increase in interest rates charged by commercial banks since the end of 1951 and the easing of the demand for loanable funds to finance imports.

In Japan, borrowers had difficulty in making repayment, with the result that the amount of overdue loans increased. Failures of discount bills in Japan also increased significantly. The overall expansion of credit in Japan during 1952 proceeded, however, at a slightly lower rate, as in previous years. While the total amount of industrial bank loans rose, equipment loans hardly expanded, and for a few industries they declined. This affected investment in industry, although, to a certain extent, this was offset by an increase in public investment and in loans granted by public financial institutions.

Interest Rates

As credit expansion did not keep pace with the increase in the demand for loanable funds, interest rates in many countries in the region continued to rise. To a certain extent, the rise reflected the dearer money conditions prevailing in the London money market, especially in countries where British banks play an important part in the local money market. In Burma, credit conditions remained tight in the first quarter of 1952 and the call money rate increased still further from 1½ to 2 per cent. per annum. In India, where the Central bank's dearer money policy contributed to the rise in interest rates, the call money rates among the larger Scheduled banks in the busy season of 1952 were quoted for many weeks around 2¾ and 3 per cent. while among the smaller banks they were occasionally quoted at as high as 3½ per cent. This might be compared with the call rate among the larger Scheduled banks during the busy season of 1951, when it hardly reached 1⅛ per cent. In Pakistan, partly owing to tighter conditions in the money market and partly to a decrease in the inflow of banking funds into Pakistan, inter-bank call money rates rose continuously from November, 1951, until it reached an all-time record of 2¾ per cent. towards the end of January, 1952. By June, however, conditions had eased slightly and call rates were at 1¾ per cent. as compared with a nominal ¼ per cent. rate in the corresponding period of the previous year. In Japan, various public and semi-public financial institutions reduced, during 1952, their interest charges on loans granted for specific projects, and there was also a decline in the average "free market" money rate from 18.2 per cent. at the end of 1951 to 14.6 per cent. in the third quarter of 1952. But the official rates of interest of the Bank of Japan and of the city banks remained unchanged.

Monetary Policy

The deterioration in business conditions was not regarded by the various Governments as serious enough to warrant the adoption of a general policy of monetary expansion. Moreover, balance of payments consideration would have made it difficult to take such a course. India and Japan which had taken disinflationary measures in 1951, by raising their Bank rates, did not change them. The impact of dear money policy was softened in India by the Reserve Bank's selective policy of rediscounting usance bills of commercials banks at ½ per cent. below the new Bank rate of 3½ per cent. Further, the Government guaranteed to purchase, if necessary from Scheduled banks, at prescribed prices, American and East African cotton held by the banks as security against loans. In Japan, the internal loans of the Bank of Japan to commercial banks increased, but foreign exchange loans declined owing to the abolition of the usance system of financing imports. On balance, the Bank of Japan's lending increased. The Government also granted loans to industry and trade, through its own financial institutions, namely, the Japan Development Bank, Reconversion Finance Bank and Export-Import Bank of Japan.

In Pakistan, the Government requested banks to assume a price of Rs. 90 per maund of cotton with the normal 25 per cent. margin for the exporter in support of its cotton price support policy in March, 1952. The banks were not to ask for repayment of loans for additional collateral, even if the price fell below Rs. 90, and the Government undertook to make good any losses which might occur because of the additional risks taken by the banks. In order to restrict the volume of imports, Pakistan used selective credit controls.

Money Supply

In the raw material exporting countries and in India, balance of payments deficits and credit contraction tended to reduce the supply of money. This was offset, to a certain extent, by the reappearance of budget deficits. As the strength of these factors varied from country to country, there were divergent movements in money supply. Thus in India it decreased by Rs. 1,720 million, that is by 9 per cent. Money supply in Malaya was lower by 10 per cent. in June, 1952, than it was at the end of 1951. In the Philippines, the decline was of the order of 15 per cent. On the other hand, in Indonesia, Japan and Pakistan, money supply increased, though at a slower rate than in 1952. In Indonesia, it rose by 18 per cent. while in Pakistan, there was a net increase of 6 per cent. in the year ended June, 1952. There was a rapid expansion in the money supply in China (Taiwan) and Korea (South) in 1950 and 1951. In the following year, it expanded at a much lower rate than in the preceding years. Inflationary pressure was reduced in these countries by means of large imports in that year. Payments for these imports were found from the foreign aid received and/or from foreign exchange earned through U.N. forces stationed there. Money supply increased in Burma and Thailand owing to continued accumulation of foreign exchange earned through exports of rice and expansion of commercial credit. Budget deficits too contributed to increase supply of money in these countries. Summing up the position, the E.C.A.F.E. *Survey* observes:

"Taking the whole period from 1950 to 1952, money supply in relation to price levels has changed as follows: During the years following the outbreak of the Korean War, money supply and credit generally expanded at a much faster pace than wholesale prices and/or the cost of living. With the collapse of the boom in the second half of 1951 and in 1952 money supply and credit contracted in a few countries, notably India, Malaya and the Philippines, but allowing for the lower price levels, the real value of cash balances has increased."



THE DEVELOPMENT OF SWISS BANKING

There could be no better proof of the development of the credit system in Switzerland than the fact that, for a population of 4.7 million inhabitants, there are no less than 450 banking establishments with more than 3,600 branch offices, without counting the 903 co-operative banks (Raiffeisen). Except for the field of mortgage loans, Swiss banks do not, as a rule, specialise to the same extent as banks in other countries. However, there is a certain amount of division of labour, as a result of the historical evolution and, to a certain extent, as a result of the political organisation of the country, the very marked decentralisation found in Switzerland and also the legal structure of the banking establishments.

The research and statistics department of the Swiss National Bank classifies the various credit establishments as follows: cantonal banks, large commercial banks, local banks, savings banks, Raiffeisen co-operative banks. To these must be added the private banks the returns of which are not included in the statistics of the Swiss National Bank; for, they are not published.

Whereas the local banks, the savings banks, the co-operative banks and, to a certain extent, the cantonal banks, only handle, as a general rule, investments and loans in Switzerland, the other credit establishments, either of a commercial character or dealing mainly in real estate transactions, extend the field of their financial activity abroad. These banks, through their issuing departments, act as intermediaries for the long-term investments abroad of Swiss savings, while, at the same time, trying to facilitate foreign trade.

The essentially commercial character of the large banks prevents them from dealing, to any great extent, in long-term investments either in Switzerland or abroad. To meet the calls they receive for capital, they place loans at home and have, in collaboration with the Swiss industries concerned, founded financial companies which, in their turn, often issue shares or bonds for public subscription.

Since the end of the war, foreign loans issued in Switzerland have aggregated some 655 million Swiss francs. Moreover, quite apart from the credit granted in connection with export transactions in particular, a group of Swiss banks has granted credit abroad amounting to 136 million francs.

The difficulties against which many countries are having to struggle and the restrictions that they have introduced, particularly in the field of exchange, have slowed down the rhythm of Swiss investments abroad. The let-downs often experienced by creditor nations since the 1914 war have led them to be cautious.

In order to facilitate their development abroad, several industries have had to open up branches in Europe and overseas, depending directly on the parent firm of forming part of an industrial holding company. Investments of this kind are not limited to the supplying of capital but also include the provision of working stock and materials for production, the sending out of technicians and the exploitation of Swiss patents and licences.

RESERVE BANK BRANCH AT BANGALORE

The Bangalore Branch of the Reserve Bank of India will start functioning as from 1st July next. The Branch will take over the cash work of the State Treasury in the City. As a consequence, the Government of Mysore has ordered the abolition of the Civil Station and the Bangalore District treasuries. Transactions handled there will be transferred to the State Huzur Treasury. The treasury of the Bangalore South Taluk will be abolished, its work being transferred partly to North Taluk Treasury and partly to the Huzur Treasury. These changes in the treasury arrangements in Bangalore are a sequel to the appointment of the Reserve Bank of India as the State's banker.

WORLD GOLD PRODUCTION IN 1952

FRESH POST-WAR PEAK ESTABLISHED

THE world output of gold, which had suffered a small setback in 1951, resumed the post-war upward trend again in 1952. Expressed in terms of U.S. dollars at $35 per ounce, the production last year amounted to $851 million which is nearly 3 per cent. more than that in 1951 at $828 million. In fact, the production of gold established a new post-war peak in the year under review. The increase in production was shared more or less proportionately by most of the large producing countries, the principal exceptions among these countries being Australia, Mexico and the Philippines where production rose very much more than 3 per cent. But the production in Gold Coast and Columbia showed a slight fall. These estimates, compiled by the Statistics Division of the International Monetary Fund, do not, however, include the production of the U.S.S.R. and other Iron Curtain countries.

The statistics relating to world gold production since 1937 (barring a brief period of three years, 1942-44), are published in the May issue of the *International Financial Statistics*. This information is condensed in the following comparative table showing the output in the various gold producing areas and in some of the important countries during the four years ended 1952:

(In millions of U.S. dollars at $35 per ounce)

	1949	1950	1951	1952
World Total	**817**	**844**	**828**	**851**
Sterling Area	**503.28**	**500.98**	**497.60**	**511.20**
Union of South Africa	409.68	408.23	403.08	413.65
Gold Coast	23.69	24.13	24.45	24.20
Southern Rhodesia	18.49	17.89	17.04	17.39
Tanganyika	2.42	2.33	2.32	2.26
Australia	31.12	30.14	31.34	34.00
India	5.74	6.89	7.92	8.86
Canada	**144.32**	**155.44**	**153.75**	**156.52**
United States	**67.27**	**80.10**	**66.32**	**67.82**
Latin America	**59.84**	**61.68**	**58.83**	**61.00**
Mexico	14.19	14.28	13.66	15.97
Nicaragua	7.80	8.27	9.06	9.16
Chile	6.27	6.49	6.08	6.16
Columbia	12.58	13.28	15.08	14.78
Peru	3.98	5.18	5.05	..
Other Africa	**16.67**	**16.59**	**16.61**	..
Belgian Congo	11.68	11.88	12.33	..
Other Asia	**18.72**	**21.90**	**25.55**	**30.10**
Japan	4.62	5.44	6.62	7.98
Philippines	10.07	11.69	13.77	16.43
Europe	**6.94**	**7.82**	**8.80**	..

The increase in the volume of gold production in 1952 does not go very far towards matching the pre-war peak. Gold production in 1952 was only about three-fourths as large as in the pre-war peak 1937 through 1941, although it was about as large as the average of 1934-35. It may be noted here that world production of gold touched an all-time record of $1,264 million, the figures for the preceding years being $1,034 million (1937), $1,118 million (1938) and $1,190 million (1939). In 1941, the output was $1,247 million but in the very next year it was as low as $736 million. Since then, it has been well within $850 million. Analysing the significance of the output in 1952, the I.M.F. bulletin says: "The importance of the increase in production was somewhat more than is indicated by the increase in the physical volume of production. Gold production, like exports, earns foreign exchange for the producing countries. During 1952, the value of world exports declined about 5 per cent. and the value of exports of the outer sterling area which produces about 60 per cent. of the world's gold, declined by about 15 per cent. Hence, at its constant official price, the value of newly mined gold amounted to about 5.5 per cent. of the outer sterling area's exports in 1952 compared to about 4.5 per cent. in 1951."

The official gold stocks grew during the year by only 30 per cent. of the amount of the new production. Some of the remainder was used, it is stated, for industrial and artistic purposes—for example, industrial and artistic uses in the U.S. are approximately as large as U.S. production, but the major part must have gone into private hoards.

The apparent growth of official stocks is very little more than in 1951 when official gold stocks apparently grew by only about 25 per cent. of the amount of gold mined in that year. This contrasts with a growth in gold stocks equal to about 50 per cent. of new gold production in earlier post-war years and to very much larger increases in official stocks in pre-war years. These estimates, however, are of very low reliability, since they depend on the differences between estimated world gold stocks at various dates. The official holdings of a number of countries are not published and the growth of official gold stocks is necessarily very small compared to the stocks. Small changes in the availability of information on stocks can, therefore, make very large difference in the calculation of year-to-year increases. The gold holdings of such important countries as the United Kingdom and France are not published by their Governments. Errors in the estimates for these countries alone can more than outweigh any true changes in the flow of gold to private hoards. Furthermore, nothing is known about changes in production, official stocks, or industrial or artistic consumption of gold in the Soviet bloc. Any net absorption or release of gold by the Soviet bloc, either of which could be large, would make a great difference in the estimate of hoarding.

It will be helpful to record here world gold production in terms of weight, that is, in fine ounces, also. An estimate of this has been made by Messrs. Samuel Montague & Co., the well-known firm of bullion dealers. The table below gives the figures in the major gold producing countries during the three years 1950 to 1952:

(In thousands of fine ounces)

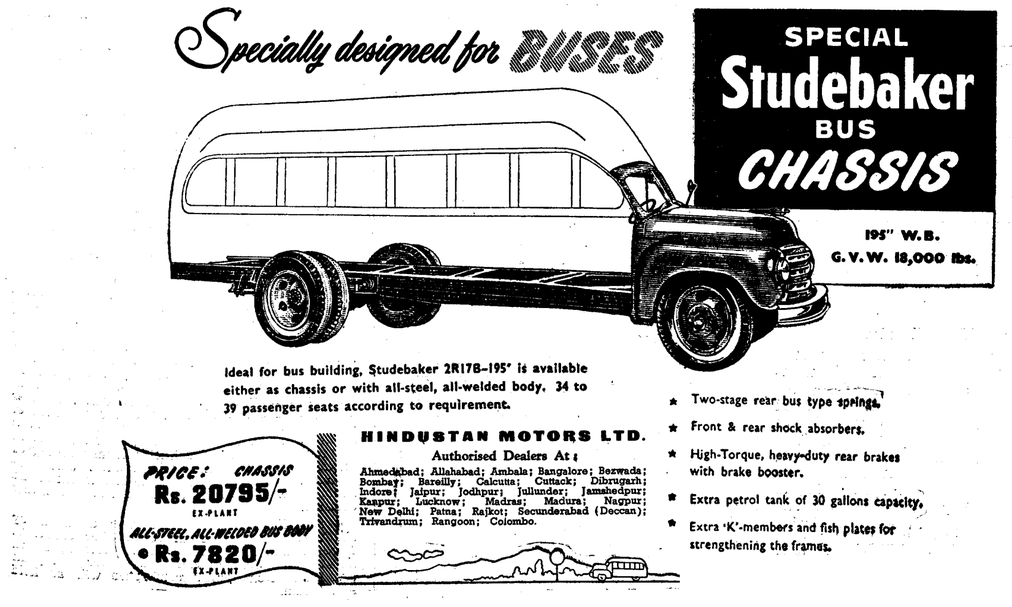
	1950	1951	1952	*Percentage increase of 1952 over 1951*
Union of South Africa	11,664	11,516	11,800*	+ 2.5
Canada	4,441	4,392	4,450*	+ 1.3
U.S.S.R.	2,000*	2,000*	2,000*	..
U.S.A.	2,289	1,895	1,938	+ 2.3
Australia	861	896	978	+ 9.2
Southern Rhodesia	511	487	497	+ 2.1
India	197	226	243	+ 7.5
World total	26,579	26,018	26,400*	+ 1.5
British Empire	18,758	18,604	19,100*	+ 2.7
,, ,, percentage	76.6	71.5	72.3	+ 1.1
Union of South Africa percentage	43.9	44.3	44.7	+ 0.9

* Estimated or provisional figure.

It will thus be seen that the production of gold in 1952 amounted to 11,800,000 ounces as compared with 11,516,000 ounces in 1951. It is estimated that the intake of gold by the free gold markets during 1952 was over 12 million fine ounces of which approximately 10 million ounces came from freshly mined gold. In the previous year, the free market had absorbed 9½ million ounces of gold. All Commonwealth gold producers, excepting South Africa and Canada, have been released from the obligation to sell gold in processed form with a maximum of 11/12 fineness and are now free to deliver fine bar gold to free markets, with the permission of their respective Governments. South Africa observes a self-imposed rule that its free sales should be restricted to 40 per cent. of its output. In Canada, the legislation which links subsidy to output of gold from mines with high cost of production, acts as a restriction on sales of gold to free market by the mines. If these restrictions are removed, more gold may flow into the free market.

Gold Prices

The Bank of England in London continued to maintain its buying rate at 248s. per fine ounce for bar gold. It issued gold at 252s. per fine ounce. The Bank allowed London firms to act as its agents for selling newly mined gold in the Commonwealth to buyers against dollars. In the Far Eastern markets, the Thailand Government created a syndicate at Bangkok to import gold for free sale internally. The Canton gold market in China ceased to function owing to firm action by the Government to end business in bullion. In Europe, the free market price, which stood at $39 per ounce early in March, 1952, declined to $37.00 early in May. After improving temporarily to $37.50 it declined to $36.75 in November. The rate, however, stood at $37.50 by the end of December, 1952. Since then, there has been a further fall in this price, after an erratic trend, the latest rate being $36.45 to $36.50.



WORLD'S COTTON POWER LOOMS

CHANGES IN DISTRIBUTION SINCE 1936 ANALYSED

A STRIKING feature revealed by a review of the position of the world's cotton power looms during the last 16 years is the marked decline in the number of looms. The aggregate number of cotton power looms that existed as on 31st July, 1952, according to the latest census of the International Federation of Master Cotton Spinners' and Manufacturers' Association (Manchester), was 2,730,382, a fall of 339,523 looms as compared with that on 31st December, 1936, when the last census was taken. Despite this decline, production of cloth has recorded an impressive increase. This is due to intensive utilisation of equipment. It is well known that, in a number of countries of the world, cotton mills are being worked double and treble shifts. That relatively small equipment is now producing sufficient textiles to meet the full requirements of the world is supported by the fact that, during the cotton season ended 31st July, 1952, the quantity of cotton actually consumed by mills amounted to as much as 32.66 million bales, which compares very favourably with only 25.39 million bales during the season 1935-36.

There has also been a decline in the number of cotton spindles in the world during the period under review. The number of spindles as on 31st July, 1952, was 127.99 million, as against 151.75 million at the end of 1936. The reduction in spindles, however, is more than proportionate to that in looms, being 16 per cent., as against 11 per cent.

Of the total decline of 339,523 looms, the Continent of Europe accounts for 236,126, with the major portion of the loss taking place in the United Kingdom. North America also lost 167,360 looms. South America and Africa, on the other hand, report an addition to the loomage, the figures as at 31st July, 1952, standing higher by 42,949 and 17,711, respectively, as compared with the position on 31st December, 1936. Asia and Oceania, too, report an increase of 3,303 looms, despite a substantial decline of 42,371 looms in Japan.

Modernisation of Equipment

The reduction in the number of looms noted above is shared entirely by ordinary looms; their number as on 31st July, 1952, was 1,830,289, as against 2,343,693 at the end of 1936. The number of automatic and automatic attachment looms, on the other hand, rose from 662,167 and 64,045 to 834,743 and 65,350, respectively. This indicates that the trend of development in the sphere of the cotton industry in the past 16 years has been towards modernisation of equipment by replacing ordinary looms with automatic looms

The table below gives the estimates of the number of looms in place in the different countries as on 31st July, 1952, as compared with the position that existed in 1936:

(In thousands)

	31st December, 1936			31st July, 1952		
	Ordinary	*Automatic*	*Automatic attachment*	*Ordinary*	*Automatic*	*Automatic attachment*
U.S.A.* ..	181	392	..	..	399	..
U.K.	484	15	6	30	34	6
Japan ..	293	40	..	238	52	..
U.S.S.R. ..	216	25	9	235	30	10
India	197	4	..	189	9	..
France	153	38	3	93	64	..
W. Germany†	170	18	13	141	7	..
Italy	92	34	22	51	50	37
Brazil ..	74	4	2	70	22	8
Czechoslovakia.	101	2	1	78	2	..
Spain	61	5	..	59	7	..
Other countries	322	85	8	366	166	3
Total ..	2,344	662	64	1,830	835	65

* Ordinary looms not available. The total figure of 398,501 does not include 115,639 looms exclusively on rayon, silk, nylon and other synthetic fibres. It, however, includes looms producing cotton fabrics in rayon mills but does not include woollen and worsted looms producing cotton fabrics.

† No sub-division of looms into ordinary and automatic is available. The 1936 figures relate to undivided Germany.

Looms Under Erection

The period subsequent to 31st July, 1952, has witnessed a notable expansion in the weaving capacity of the cotton textile industry the world over. An indication of this is provided by the number of looms under construction as on that date which was as much as 27,006, of which 13,395 were automatic. There were, besides, 10,129 looms being erected to replace older ones. The bulk of these, amounting to 7,703, is accounted for by automatic looms. The number of looms expected to be erected during the period 1954-57 is estimated at 27,549, including 13,669 automatic and 13,298 ordinary. It is interesting to note that more than three-quarters of the looms will be installed in the countries of Asia and South America, particularly in India, Hong Kong, Pakistan and Brazil, as will be seen from the following table:

	As increase		As replacement	
	Automatic	*Ordinary*	*Automatic*	*Ordinary*
India	1,817	3,652	3,064	2,737
Hong Kong ..	4,539	..	..	..
Pakistan ..	2,143	1,100	..	..
Brazil	1,738	1,395	..	..
Korea	..	3,510	..	..
Columbia ..	1,695	466	..	..
U.K.	220	439	1,156	1,056
Holland ..	..	..	1,500	400
S. Africa ..	..	2,123	..	..
Egypt	..	..	790	..
Sweden	113	..	118	64
Norway	109	..	106	52
Finland	..	..	100	..
Mexico	87	..	..	..
Argentine ..	774	..	..	..
Israel	300	..	..	..
Uruguay ..	98	..	..	..
Iran	300	..	..	..
Turkey	35	..	..	..
Other countries	..	53	..	89
Total ..	13,963	13,298	6,834	4,398

It will be evident from the foregoing figures that, while the cotton textile industry in Europe is concerned more with rehabilitating their worn-out machinery, the industry in the Asian and South American countries has attached greater attention to the expansion of the size of the units by adding more looms

Idle Looms and Hours Worked

As the date on which the census was taken coincided with the world recession in the textile industry, the average hours worked per week was lower than what is generally considered as normal. As already mentioned, in most countries, double-shift and even treble-shift working is now almost normal. The number of idle looms as on 31st July, 1952, was abnormal, especially for Europe. Thus, out of a world total of 294,776 idle looms, the European countries account for as much as 231,297. In India, the number of looms remaining idle was 8,549, of which ordinary, automatic and automatic attachment looms accounted for 8,448, 97 and 4, respectively.

OUTLOOK FOR BRITISH RAYON

That the outlook for rayon staple is quite bright is confidently expressed by the spokesmen of the majority of the British rayon industry. Their confidence is based on the high level of demand from all sections of the textile industry. "The outlets for both yarn and staple," to quote one report, "are well spread between the different sections of the textile industries, as well as over fashion and industrial uses." A big range of counts and qualities of spun rayon yarn is being turned out and directed into a great many sections of the textile industries. In fact, it is reported that, in some instances, customers are working on a hand-to-mouth basis, and there is heavy pressure on producers for increased supplies, so that stocks can be built up.

The hosiery trade in the U.K., according to the *Financial Times*, London, is actively interested in yarns made of rayon staple and Pruvian cotton blended together, and these are being taken up strongly by the interlock underwear manufacturers, some of whom have important Government contracts on hand for this type of underwear for the various branches of the Services. Another favourite line used by the hosiery trade is yarn made from blends of spun-dyed staple (that is, coloured in the chemical spinning process) with cotton, which are being made into knitted outerwear fabric for children's and women's garments. These produce attractive garments at popular prices. These garments first became prominent immediately after the textile recession last year when they helped to bring about a revival in trade generally.

The confidence among producers as to the outlook for rayon is borne out by the maintenance of a high level of rayon output in the U.K. Thus, despite the Easter holidays, the aggregate output during the month of April, 1953, was as high as 32.7 million lbs., which compares favourably with 16.6 million lbs. a year before, and which is only 3.6 million lbs. below the peak output reached in the previous month. The slight fall in output during the month under review, as compared with the previous month, is shared by both staple fibre and continuous filament yarns, the production of which during April, 1953, amounted to 17.9 million lbs. and 14.8 million lbs., as against 19.1 million lbs., and 17.2 million lbs., respectively, in March, 1953.

Reports from London say that orders for both filament rayon yarn and staple are now being booked for August delivery. The tendency in the making up and distributive trades is said to be for buyers to refrain from placing orders as long as possible, because of the tight money position and absence of help from the banks in financing stocks. This, it is stated, makes it difficult for rayon manufacturers to plan ahead and is causing congestion in the dyeing and finishing works, as every order for fabrics is wanted quickly.

EXPORTS OF JAPANESE CHEMICAL FIBRE FABRICS

Exports of chemical fibre fabrics from Japan during the calendar year of 1952, according to a survey by the Japan Silk and Rayon Fabric and Yarn Exporters' Association, registered an increase over the preceding year, notwithstanding import restrictions in the sterling area, the quantity actually shipped during that year being 269,580,000 square yards of rayon fabrics and 91,094,000 square yards of staple fibre fabrics. These figures represent an increase of 4 per cent. and 21 per cent., respectively, over the 1951 figures.

Classified by destination, Singapore and Hongkong occupied first and second places, respectively, with regard to rayon yarn, while Ceylon maintained the third place with an increase of about 70 per cent. Particularly noticeable is the fact that Pakistan, which held the eighth place in the preceding year, jumped up to fourth place with an increase of 55 per cent., and the Republic of Panama, though in twelfth place, showed a fourfold increase. On the other hand, Thailand and Britain showed a decrease of 68 per cent. and 66 per cent., respectively.

With regard to staple fibre fabrics, Pakistan rose to the first place, with an increase of more than four times the preceding year's figures, while Ceylon also rose to the fourth place with an increase of more than three times and Indonesia bought twice as much as in the preceding year. Britain, which occupied the first place in 1951 with 7,131,000 square yards, purchased only 1,204,000 square yards and Kenya and South Africa also showed a marked decrease. Exports by destination for 1952 were as shown below:

Rayon Fabrics

(In 000 sq. yds.)

Singapore	58,981
Hongkong	35,258
Ceylon	32,176
Union of South Africa	19,076
Indonesia	16,570
Pakistan	15,516
Iraq	10,479
Burma	10,079
Nigeria	6,881
Malaya	5,833
Others	58,731
Total	269,580

Staple Fibre Fabrics

(In 000 sq. yds.)

Pakistan	7,929
Nigeria	7,423
Singapore	7,102
Ceylon	6,184

INTERNATIONAL WOOL CONFERENCE

One of the highlights of the twenty-second annual conference of the International Wool Textile Organisation (I.W.T.O.), a five-day session of which ended at Estoril (near Lisbon, Spain) on the 12th inst., was the adoption of a resolution condemning the action of the Governments of some of the wool producing countries to grant export subsidies as a means of promoting exports. This is perhaps a sequel to the complaints made by some of the wool growing countries which have been hit hard by severe competition in the world wool market. Export subsidies, it is pointed out, have led to "unfair" competition which, if not checked, would adversely affect international trade. Another highlight of the Conference was the approval of the admission of Japan into the organisation as a member. Yet another feature was the adoption of the revised rules for the international working of public conditioning and testing houses. The Conference also heard reports on the integration of the European wool industry, but did not announce any decision.

The I.W.T.O. Conference was attended by about 400 delegates from 16 member countries. These included Australia, New Zealand, South Africa, and Scandinavian and other European countries. Next year's conference will be held in Belgium.

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BRITISH TEXTILE INDUSTRY BUILDS UP ITS LABOUR FORCE

PROSPECTS FOR STARTING COTTON FUTURES TRADING

(From A Special Correspondent)

MANCHESTER, *9th June*

MANCHESTER LETTER

IT is unusual for Whit week to bring much business to the Manchester market when so many traders are working short time—or at least with skeleton staffs. This year, however, both the period immediately before and after the holiday proved the exception to the rule. A sudden revival of confidence seemed to affect buyers and the flow of small, quick-delivery contracts blossomed forth into something more substantial. The movement was led by the Egyptian fine spinning section, where rumours of a prospective rise in prices were later confirmed. Users who heard of the development naturally dropped their policy of keeping short and entered the market.

Buying over the past two or three weeks has not only been for the home trade, where so much of the recent recovery in turnover has taken place. Export customers, too, have been more disposed to look for supplies, although there remains some timidity in certain directions. Whether the strength of current prices for cotton in New York can be maintained in the face of a possible truce in Korea is the key to the whole situation. So far, the orders booked by Lancashire traders in this new phase of activity will keep a proportion of the industry's machinery busy for four or five months ahead. Any renewal of the upward movement in values might well provide the basis for even wider interest in Lancashire products.

Output and Employment

Lancashire weaving mills are building up their labour force almost as fast as the spinning section of the cotton industry. Cotton Board recruitment and production figures show that since last August when the recession began to ease, almost 7,000 full-time workers have been added to the manpower in cotton weaving mills. In four months this year, 2,400 workers have taken up jobs in the weaving industry, bringing the labour force to 137,100.

Output of cotton cloth in the five weeks ended 2nd May was affected by Easter holidays, but the average weekly production of 48,070,000 yards compared with 42,330,000 yards a week in the corresponding period last year. But the weekly production fell short by 1,530,000 yards on output in the previous month.

Over in the spinning section, for the first time for 15 months more than 100,000 operatives are at work in Lancashire mills. The new milestone in the cotton spinning industry's recovery has been achieved as a result of steady manpower gains over the last nine months. In that period over 7,000 full-time operatives have been recruited to the mills. Output is rising accordingly and in the week ended 16th May, the mills produced 19,240,000 lbs. of cotton and rayon yarns—the best results since the first week of February, 1952.

The Ministry of Labour figures, issued in Manchester, show that unemployment in North-West Britain is down to 60,650, the lowest level since January, 1952. A drop of 6,100 in the month to mid-May was chiefly due to an improvement in the cotton trade and more building work. The cotton jobless total has fallen to 4,090—least since December, 1951. Of that total over 2,000 are only temporarily stopped. The area has one vacant job for every two unemployed, biggest demands for workers being in the clothing, engineering and textile industries.

Contracts for Cotton

Whatever the outcome of the present investigation into raw cotton buying, the re-establishment of a futures market in Liverpool, even on a limited scale, will be a task which will severely try the patience of those who eventually attempt it. Even the most enthusiastic supporters of private enterprise are wise enough to recognise the complex problems involved. Mr. James Reynolds, President of the Liverpool Cotton Association, is fully aware of the dangers which could arise if a premature attempt was made to introduce the system. He said: "This could lead to a market fiasco that would be a disaster from which we could never recover."

The main difficulty revolves round the problem of convertibility of currencies. The effect on a Liverpool futures market at times when sterling might be under pressure cannot be accurately gauged and might easily cause a drain on dollar reserves. Another problem which needs solution is the technical question of what types of contracts should be provided. A purely American contract would be comparatively easy to arrange but this would merely be an extension of the existing New York market expressed in terms of sterling. The real need is for a mixed contract against which any cotton with a comparable spinning value to American could be tendered.

If such a contract was drawn up with sufficiently tight quality clauses it might provide buyers with their requirements for near months but the uncertainties surrounding production and marketing of outside growths would make it almost impossible to assess the value of distant months. In general, raw cotton circles in this country believe that a mixed contract, however desirable in theory, could not be relied upon in practice. It may be that an experimental mixed contract could be tried out in the event of the re-establishment of a futures market, alongside an American contract quoted only for a few months forward.

While the representatives of users and raw cotton merchants are thinking along the lines of freer cotton buying, the leaders of the trade unions are by no means impressed with the idea. Mr. Charles Schofield, Secretary of the Operative Spinners' Amalgamation, has gone so far as to say that the unions will resist to the utmost a return to pre-1940 conditions. In this, he does not wholly oppose private buying but is supporting his contention that working conditions during the centralised purchasing have been "immeasurably better" for the operatives.

Selling the Goods

The adoption of a vigorous policy of sales promotion for cotton goods is very much in the air at the moment. The Americans, with their innate sense of salesmanship, have apparently impressed on the European textile industries the need for advertising their wares as much as possible and widening the field of possible consumers.

For some weeks, officials of the National Cotton Council of America have been touring European textile centres expounding the virtues of widening trade prospects. The result has been summed up by the sales promotion Director of the Council in the words: "The world's cotton industries are on the verge of a new and important period of development in which the job of selling cotton products will be recognised and vigorously acted upon as a primary factor in industry, progress and welfare."

America's interest in the methods of processing the cotton grown in her fertile fields is also shown by the arrival of a mission of textile scientists and technologists. This team, which opens a European tour in Manchester at the end of the week, is to confer with representatives of textile industries in Sweden, Germany, Switzerland and France during the month. Their object is to consider methods of improving the processing of American-grown cotton in the mills of Europe.

The visit follows approaches made on the subject at last year's Buxton Conference and is yet another indication of the willingness of the world's textile men to get together and discuss mill problems. These research conferences take the national exchange of information on to an international level. But the technical men from America will undoubtedly be told by several European countries that United States cotton would be used in larger quantities on this side of the Atlantic if it were cheaper and currency difficulties did not intrude upon normal trading.

Cotton for Jets

More than half the 85,000 bales of Brazilian cotton exchanged for jet planes in the barter deal has now reached Britain. Arrivals of a further 9,288 bales of cotton from Brazil this week brought total imports to 43,487 bales, according to figures released by the Raw Cotton Commission.

Arrivals of cotton from all quarters this week aggregated 39,891 bales of which 30,236 bales were on Raw Cotton Commission account. Chief suppliers, other than Brazil, were the Sudan 7,830 bales, America 6,018 bales and Pakistan 5,259 bales. Among the 75,914 bales of cotton still at sea for Britain are 28,257 bales from Brazil and 10,817 bales from West Africa.—*All Rights Reserved.*

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DELIBERATIONS OF COTTON ADVISORY BOARD

NO ANXIETY FELT ABOUT SUPPLY POSITION

THE general consensus of opinion among the members of the Cotton Advisory Board, which met in Bombay last week to review the cotton situation in the country, was that there is no need to fear any acute shortage of cotton either during the remaining part of the current season or during the next season. The Board, it is stated, examined the relevant data relating to the cotton situation in this and in the next season. The Board estimated that, at the end of the current season, the country would have as much as 1.9 million bales which should, by and large, be sufficient to meet the industry's requirements for more than four months by which time the new cotton crop would have arrived in the market.

The following table gives the official estimate of the commercial cotton crop for the 1952-53 season in the different cotton-growing States of the Indian Union:

(In 000 bales of 400 lbs. each)

Uttar Pradesh 10; East Punjab 255; P.E.P.S.U. 230; Rajasthan and Ajmer 150; Assam 10; Madhya Bharat and Bhopal 300; Madhya Pradesh 725; Hyderabad 340; Saurashtra Cutch 160; Bombay* 960; Madras† 300; Mysore 20—Total 3,460.

*This consists of Khandesh 160; Broach-Surat 425; North Gujerat 160, Comptah (Laxmi, Jayadhar, Pandarpur, Baramati Western) 215.

†This consists of Tinnevelley, Karungani 75; Cambodia Uganda 216F 100; Coconada 15, Western 110.

It would appear that, since these estimates were made, some notable improvement in cotton output has been reported from the Madras, Assam and Punjab regions. This improvement is estimated at an additional quantity of 45,000 bales. But it is also feared that the increase might be offset by a slight decline in output in certain other regions. The overall production figure might not, however, fall below 3.46 million bales. But it is significant that unofficial estimates place the crop at a slightly lower level, that is, at about 3.35 to 3.40 million bales.

The Board considered, it is stated, the balance-sheet for cotton for the 1952-53 season, that is, the estimated supply and distribution position of cotton (Indian and foreign) based on the estimates of crop, likely imports, exports and mill consumption. The following is the official version of the cotton balance-sheet for 1952-53 season:

(In 000 bales of 400 lbs. each)

	East Indian cotton	*Foreign cotton*	*Total*
Supply—			
Carry-over with the mills and trade on 31-8-1952	1,913	490	2,403
1952-53 season's commercial crop	3,460	..	3,460
Import of cotton (from 1-9-'52 to 31-5-'53)	..	453	453
Anticipated imports (from 1-6-'53 to 31-8-'53)	..	272	272
Total supply	5,373	1,215	6,588
Distribution—			
Mill consumption—			
Actual consumption (from 1-9-'52 to 30-4-'53)	2,381	556	2,937
Estimated consumption (from 1-5-'53 to 31-8-'53)	1,120	300	1,420
Estimated mill consumption, 1952-53	3,501	856	4,357
Exports—			
Actual exports (from 1-9-'52 to 31-5-'53)	290	..	290
Anticipated exports (from 1-6-'53 to 31-8-'53)	10	..	10
Total exports	300	..	300
Total disappearance	3,801	856	4,657
Estimated carry-over on 31-8-1953	1,572	359	1,931
Total distribution	5,373	1,215	6,588

The carry-over stocks of cotton, at the end of the current season, as the above table shows, will be of the order of 1.9 million bales. Assuming that consumption by the Indian mills remains at an increased level of 300,000 bales of Indian cotton and 75,000 bales of foreign cotton per month—the actual consumption of these two varieties during April, 1953, has been estimated provisionally at 280,151 bales and 75,000 bales respectively—the estimated carry-over of 1.57 million bales of Indian cotton and 359,000 bales of foreign cotton as on 31st August, 1953, will enable the mills, it is confidently predicted, to maintain normal production upto the end of January, 1954, by which time the mills will also be receiving the initial supplies of the 1953-54 crop.

The Board was, therefore, convinced, it is learned, that the overall supply position in the next season should not cause any great anxiety, provided, of course, the Indian crop for the season turns out to be a normal crop. The Board's optimism is justified in the context of the general improvement in the cotton position both in India and in other cotton-producing countries. The position has certainly improved since the country passed through the three critical years 1948-49, 1949-50 and 1950-51. The two chief features of those years were the smaller acreage under cotton in India—the position was aggravated by failure of the monsoon in certain parts—and the higher level of world cotton prices. These factors interfered seriously with the Government's efforts to augment supplies to the mills through larger domestic production or increased imports. Thus, during 1948-49, the land under cotton was only 11.29 million acres, and the output was no more than 1.77 million bales, according to the official crop forecast, which is always very much below the trade estimate. It is true that the carry-over stocks at the beginning of the 1953-54 season will be only 1.9 million bales, as against 2.4 million bales at the commencement of the 1952-53 season. But this shortfall in carry-over stocks should be compensated by a larger crop, given a good monsoon.

Apart from the increase in cotton acreage, the favourable factors—that is, factors favourable to the cotton supply position—are: (1) *Deshi* varieties are being replaced by staple varieties. (2) The restriction on mills' consumption of staple fibre has been liberalised. The Textile Commissioner has, by a recent notification, permitted mills to put 10 per cent. of the spindles or 5,000 spindles, whichever is higher, on staple fibre as against the previous stipulation of a similar proportion of spindles or 3,000 spindles (whichever is higher). (3) Mills are encouraged to use soft cotton also. (4) World cotton situation is now easier than formerly, both in terms of prices and carry-over stocks. In these circumstances, it is hardly surprising that the Board showed no excessive anxiety over the cotton situation in the country.

On the question of prices, the Board recommended to the Government that if control were to be continued during the next season, the present floor and ceiling prices should apply to the 1953-54 crop also.

The Board also recommended that the Government should consider, with a view to maintaining continuity in hedge trading, the advisability of permitting hedge trading in the 1953-54 crop at an early date and that the announcement should not be delayed beyond 15th July, 1953. Other recommendations made by the Board were purely of an administrative character, it is stated. One of these was that a provisional quota for new crop should be given to the mills. Another was to the effect that an additional quota should be granted to those mills which have bought at least 80 per cent. of the quotas already granted to them. But the major issue which figured prominently in the Board's discussions was the overall supply position in cotton, about which it convinced itself, as already stated, that there need be no alarm or anxiety.

COTTON IMPORTS

Imports of foreign cotton into India from 1st September, 1952, to 31st May, 1953, aggregated 452,830 bales. The details are:

(In bales of 400 lbs. each)

Country of origin	*Quantity*
U.S.	57,767
Egypt	169,314
East African	188,327
Sudan	34,866
Others	2,556
Total	452,830

The details of import licences for foreign cotton issued during the same period are:

(In bales of 400 lbs. each)

Egyptians	210,529
East African	259,230
Sudan	74,113
Others	2,625
Total	546,497 *

* In addition to this quantity, the Government has extended the validity of licences for 155,000 bales (400 lbs. each) of U.S. cotton upto 31st December, 1953. The Government has also licensed the import of 50,000 bales (400 lbs. each) of staple fibre.

EGYPTIAN COTTON

The Egyptian Government's third estimate of the 1952-53 cotton crop places it at 9,922,240 kantars. Total sales of cotton by the Egyptian Cotton Commission (E.C.C.) for the season till the end of May are placed at about 610,000 bales. Exports for the season till the end of May aggregated 5,200,000 kantars as against about 3,541,000 kantars during the corresponding period of last season. The E.C.C. has so far taken, according to the Cairo correspondent of the *Financial Times*, possession of 765,304 bales at a total cost of £E.74 million and has recouped £E.44 million from sales. Discussing the prospects for Egyptian cotton, he says:

"Next season's crop is estimated privately at between 7 million and 7½ million kantars, which, together with this season's estimated carry-over of under 3 million kantars, should be disposed of without undue difficulty by 31st August, 1954. Following the announcement of the Government's buying policy next season, there has been much speculation whether the Government intends to "nationalise" the whole crop by taking away the growers' present freedom of choice either to sell to the E.C.C. or on the free market if better prices are available as at present. Questioned about the truth of these reports, Ahmed Naguib, Under-Secretary of Finance for Cotton Affairs, said that so far no such decision had been taken.

"Meanwhile, the Cabinet has approved the scheme for the creation of a 'trust fund' for the textile industry. The main object of the fund will be to help in the disposal, on the Egyptian and foreign markets, of locally-made cotton textiles and thread, to direct and pay for a technical research programme, and to make loans to factories 'if funds are available.' A permanent 11 man-committee composed of delegates of mills and the Ministries concerned will be in charge of the administration of this fund. The committee will also have to draw up specifications which must be met by goods for export and for the local market.

"The money for the fund will be provided out of a special tax on cotton purchased by mills from the E.C.C., banks or merchants. The tax will be fixed by the fund's control committee at between 2½ per cent. and 5 per cent. of the value of the cotton purchased until the fund reaches £E.1 million. After that the tax will be 2½ per cent. All factories refusing to pay the tax will be fined £E.50—200 which will be doubled should the offence be repeated within a period of three years."

The active demand for Sudan cotton which was witnessed for some time past has dwindled to a considerable extent at the moment, it is stated. The fact of the matter is that mills have covered practically all their requirements of Sudan growths and local investors are ready to unload their holdings at prices below replacement cost. The total Sudan crop (all varieties) is estimated at 435,000 bales of 400 lbs. each. Marketing of the 1952-53 Gezira crop is now almost complete. The U.K. Raw Cotton Commission is believed to have bought about 90,000 bales of the remaining stocks and India most of the balance. The bulk of the Nile-Cash crops, however, has yet to be disposed of and 80,000 bales are on offer against tender.

The Gezira Board has advised all buyers that the production of certain Gezira types has not come up to expectations, notably G5L and G6S. In consequence, these marks have been oversold and buyers will be obliged to take lower cotton in replacement at an allowance.

The sudden deterioration in the condition of the crop which occurred close to harvesting time and the very rigid classification at Port Sudan are held responsible for this miscalculation which now puts buyers in an awkward position *vis-a-vis* certain spinners who are unable to use lower cotton.



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1. CAPITAL—						
AUTHORISED CAPITAL—						
10,000 Ordinary Shares of Rs. 100 each				10,00,000	0	0
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL—						
5,000 Ordinary Shares of Rs. 100 each	5,00,000	0	0			
Less—Calls unpaid	10,200	0	0			
	4,89,800	0	0			
Less—Forfeited Shares	Nil			4,89,800	0	0
2. RESERVE FUND AND OTHER RESERVES				22,000	0	0
3. DEPOSITS AND OTHER ACCOUNTS—						
Fixed Deposits	88,494	5	8			
Prabha Cash Certificates	36,549	4	0			
Savings Bank Deposits	3,14,526	14	2			
Current Accounts, Contingency Accounts, etc.	2,35,865	8	1	6,75,435	15	11
4. BORROWINGS FROM OTHER BANKING COMPANIES, AGENTS, ETC.—						
(i) In India	1,11,555	8	8			
(ii) Outside India	Nil			1,11,555	8	8
PARTICULARS—						
(i) Secured on the security of Government of India Securities	1,11,555	8	8			
(ii) Unsecured	Nil					
5. BILLS PAYABLE				1,206	0	3
6. BILLS FOR COLLECTION being Bills receivable as per contra—						
(i) Payable in India	373	8	0			
(ii) Payable outside India	Nil			373	8	0
7. OTHER LIABILITIES—						
(i) Rebate on Bills	Nil					
(ii) Unclaimed Dividends	380	0	0			
(iii) Provision for taxes	7,346	2	0			
(iv) Outstanding Charges and Sundries	1,636	0	4			
(v) Branch Adjustments	Nil			9,362	2	4
8. ACCEPTANCES, ENDORSEMENTS AND OTHER OBLIGATIONS as per contra				Nil		
9. CONTINGENT LIABILITIES						
Total Rs.	Nil			13,09,733	3	2

PROPERTY AND ASSETS.	Rs.	a.	p.	Rs.	a.	p.
1. CASH—						
In hand and with Reserve Bank and Imperial Bank—						
(a) In hand	53,491	13	4			
(b) With Imperial Bank	1,537	3	11	55,029	1	3
2. BALANCE WITH OTHER BANKS—						
In Current Account—						
(i) In India	6,860	9	2			
(ii) Outside India	Nil			6,860	9	2
3. MONEY AT CALL AND SHORT NOTICE				Nil		
4. INVESTMENTS—						
(i) Securities of the Central and State Governments and other Trustee Securities including Treasury Bills of the Central and State Governments at cost	2,38,153	2	0			
(Face Value Rs. 2,30,000 Average Market Value Rs. 2,14,603-2)						
(ii) Shares (Ordinary and fully paid) of Joint Stock Companies at cost (Approximate market value Rs. 45)	168	11	0			
(iii) Debentures or Bonds	Nil					
(iv) Other Investments	Nil					
(v) Gold	Nil			2,38,321	13	0
5. ADVANCES—						
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditor)—						
(i) Loans, Cash Credits, Overdrafts, etc.—						
(1) In India	6,63,066	0	10			
(2) Outside India	Nil					
(ii) Bills discounted and purchased (excluding Treasury Bills of the Central and State Governments)—						
(1) Payable in India	58,335	12	6			
(2) Payable outside India	Nil			7,21,401	13	4
PARTICULARS OF ADVANCES—						
(i) Debts considered good in respect of which the Banking Company is fully secured	2,40,508	3	9			
(ii) Debts considered good for which the Banking Company holds no other security than the Debtors' Personal Security	3,81,121	0	6			
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	4,315	10	11			
(iv) Debts considered doubtful or bad not provided for	95,456	14	2			
	7,21,401	13	4			
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	42,206	7	8			
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or in the case of private companies, as Members	Nil					
(vii) Maximum total amount of advances, including temporary advances, made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	52,480	3	11			
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or in the case of private companies as members	Nil					
(ix) Due from Banking Companies	Nil					
6. BILLS RECEIVABLE BEING BILLS FOR COLLECTION as per contra—						
(i) Payable in India	373	8	0			
(ii) Payable outside India	Nil			373	8	0
7. CONSTITUENTS' LIABILITIES FOR ACCEPTANCES, ENDORSEMENTS AND OTHER OBLIGATIONS per contra				Nil		
8. PREMISES (*Less* depreciation)				Nil		
9. FURNITURE AND FIXTURES at cost	17,161	2	5			
Add—Additions during the year	130	0	0			
	17,291	2	5			
Less—Depreciation to-date	5,762	1	0	11,529	1	5
10. OTHER ASSETS (including Silver)—						
(i) Interest accrued on Investments and Advances	26,793	6	4			
(ii) Stock of Stationery	14,836	15	1			
(iii) Bills realised by agent banks pending adjustment and clearing vouchers received	5,278	1	6			
(iv) Prepaid Expenses and Sundries	27,263	10	3			
(v) Income-tax deducted at source	81,621	4	0	1,55,793	5	2
11. NON-BANKING ASSETS ACQUIRED IN SATISFACTION OF CLAIMS (Book Value)				14,069	5	9
12. PROFIT AND LOSS—						
Loss as per last Balance Sheet	76,233	10	9			
Add—Loss for the year	30,120	15	4	1,06,354	10	1
Total Rs.				13,09,733	3	2

AUDITOR'S REPORT.

1. I beg to report that I have examined the above Balance Sheet of THE PRABHAKARA BANK, LIMITED as on 31st December, 1952 and the Profit and Loss Account for the year ended 31st December, 1952 with the Books and Vouchers of the Head Office and the certified returns from the Branches and that I have obtained all the information and explanations I have required. 2. In my opinion, such Balance Sheet and Profit and Loss Account are drawn up in conformity with the Law and the Balance Sheet exhibits a true and correct view of the state of affairs of the Bank according to the best of my information and the explanations given to me and as shown by the books of the Bank. Further, in my opinion, the books of Accounts have been maintained by the Bank as required by section 130 of the Indian Companies Act. 3. The information and explanations required by me have been found to be satisfactory. 4. The transactions of the Bank which have come to my notice have been within the powers of the Bank. 5. The returns received from the Branch Offices of the Bank have been found adequate for the purposes of the audit, and 6. The Profit and Loss Account shows a true balance of Profit and Loss for the period covered by such account.

(Sd.) A. UMANATHA RAO, B.A., G.D.A., D. ECON., F.C.A., *Auditor. Chartered Accountant.*

MANGALORE, *8th April*, 1953.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1952.

EXPENDITURE.	Rs.	a.	p.
1. Interest paid on deposits, borrowings, etc.	18,568	4	6
2. Salaries and allowances and Provident Fund (inclusive of the remuneration to the Managing Director Rs. 4,500-0-0)	39,503	5	0
3. Directors' and Local Committee Members' fees and allowances	Nil		
4. Rent, Taxes, Insurance, Lighting, etc.	3,787	13	5
5. Law Charges	83	4	0
6. Postage, Telegrams and Stamps	711	10	9
7. Auditor's Fees	250	0	0
8. Depreciation on and repairs to the Banking Company's property	1,603	9	5
9. Stationery, Printing, Advertisement, etc.	3,335	4	3
10. Loss from sale of or dealing in non-banking assets	4,597	9	0
11. Other Expenditure (including loss on sale of shares of Joint Stock Companies)	21,401	4	6
Total Rs.	93,842	0	10

INCOME. (Less provision made during the year for bad and doubtful debts and other usual or necessary Provisions)	Rs.	a.	p.
1. Interest and Discount	58,214	8	7
2. Commission, Exchange and Brokerage	4,923	0	5
3. Rents	Nil		
4. Net profit on sale of Investments, gold and silver, land, premises and other assets (not credited to Reserves or any particular fund, or account)	Nil		
5. Net profit on revaluation of Investments, gold and silver, land, premises and other assets (not credited to Reserves or any particular fund or account)	Nil		
6. Income from non-banking assets and profit from sale of or dealing with such assets	Nil		
7. Other receipts	583	8	6
8. Loss	30,120	15	4
Total Rs.	93,842	0	10

(Sd.) N. K. KAMATH, (Sd.) MADAV VASUDAV SHENOY, (Sd.) A. A. SHENAI } *Directors.* { (Sd.) NARAYAN S. BHAT, (Sd.) G. L. PRABHU, (Sd.) H. M. V. SHENOY

(Sd.) ANANTHA VITHAL PRABHU, *Chairman.*

(Sd.) K. S. KAMATH, *Managing Director.*

PAREL, BOMBAY, *5th April*, 1953.

PALM "GUR" INDUSTRY IN INDIA

MORE ATTENTION TO RESEARCH ON IMPROVED METHODS EMPHASISED

THE deliberations of the fifth session of the All-India Palm *Gur* Workers' Conference, held at Tuticorin last week, clearly emphasises the importance of the palm *gur* industry as a source of national wealth and utility. The industry provides employment for 60,000 workers—tappers and their families. The *gur* produced from the date and palmyra trees is an excellent energy-giving article of diet, preferred, in many respects, to white sugar by doctors. In fact, it is claimed that palm *gur* is "all food." If, therefore, the production of this commodity is augmented and its use popularised, one can expect to get, as Mr. C. Rajagopalachari, Chief Minister of Madras, stated, in the course of his inaugural address at the Conference, all the sugar we require from these trees "which look after themselves." The importance of the industry also lies in the fact that we can use more of good irrigated land to produce rice without putting it, as we now do in certain parts of India, under sugarcane cultivation to the detriment of rice production.

It is estimated that there are about 50 million palm trees in India—these flourish on waste land, hillocks and field margins—which can yield nearly 1.8 million tons of *gur*. At present, all palms are not being tapped for producing *gur*. No reliable data regarding annual output of palm *gur* in the country is available. According to one estimate, however, the production of palm *gur* is at a very low level. It is placed, for instance, at about 12,000 tons in Madras State and 5,000 tons in West Bengal. Palm *gur* is now obtained from only 10 million palms in the country. If all the palms are tapped, the annual yield would rise to 11 lakh tons worth Rs. 50 crores and capable of giving employment to two million workers—10 times the number presently employed. If all the palms were fully utilised, nine lakh acres of fertile land under sugarcane cultivation could be relieved, thus helping to produce two and a half lakh tons of wheat or three lakh tons of rice in addition. There is thus considerable scope for the expansion of the industry in these two States, as well as in other parts of the country, but its further development depends, to a considerable extent, on proper planning and State aid. Realising the importance of such planning, doubtless, the Planning Commission has accorded a high place in its development programme for village industries. The scheme for the development of palm *gur* envisages an increase in production to the extent of 81,852 tons to 253,252 tons by the end of the plan period, 1955-56. The recurring additional annual production after four years will be 40,143 tons. The scheme, estimated to cost Rs. 1 crore, provides for training and research. The Commission admits that an element of subsidy may also be necessary.

Progress in Different States

The need for developing the palm *gur* industry on a stable and sound footing would appear to have been well recognised by some of the State Governments, as witness the active steps taken by them. The progress made in the State of Madras needs particular mention. With the help of the Centre, the Government of this State has launched an intensive scheme of training ex-toddy tappers in improved methods of *gur* production. The industry has been organised on a co-operative basis and several technical improvements, it is claimed, have been effected. That these efforts have not been without avail is indicated by the following brief account furnished by one of the delegates from Madras to the Conference.

During the year ended March, 1953, palm *gur* instructors conducted training at 718 centres and trained 4,733 ex-tappers in the manufacture of palm *gur* by improved methods. Another 43,015 tappers, other than trainees, were acquainted with the improved process of *gur* production. Demonstrations—numbering 8,321—explaining improved processes were conducted in villages by instructors and they were witnessed by 7,839 members of *gur* co-operative societies and lakhs of others interested in the industry. As a result of the training imparted and the demonstrations conducted, 2,916 maunds (imperial) of better quality *gur* were produced by trainees and 80,300 maunds by ex-tappers. The Government sanctioned Rs. 10,000 for ensuring supplies of implements to ex-tapper members of the societies. Co-operative marketing federations were formed in four districts, besides the organisation of sales through primary *gur* manufacturing societies.

Good progress is reported to have also been made in Rajasthan. A sum of Rs. 90,000 was spent last year on palm *gur* development in the State and 100 candidates were trained in manufacture at five newly started centres. An additional scheme, involving Rs. 20,000, for *adivasis* has been put into operation. Under this scheme, a new training centre has been opened, at which about 25 candidates are given training. A Bill seeking to develop the palm *gur* industry is under the consideration of the Government. The Rajasthan Government has also formulated and forwarded to the Centre a palm and date research scheme costing Rs. 1.92 lakhs. Steps are also being taken to include palm *gur* industry in the Community Project Scheme.

In Uttar Pradesh, the industry is recognised as a potential one for absorbing landless labourers. The palmyra season in this State is too short and lasts only for three months. Efforts are being made to prolong it for nine months. Under the training scheme, the trainees, after completion of the course, get a subsidy in the shape of juice boiling pans, small tanks and other implements so that they can establish themselves in the industry. There are several training-*cum*-demonstration centres in the State of Hyderabad. With a view to enabling the trainees to make a start in the industry individually, necessary equipment worth Rs. 100 per head has been given as subsidy to 19 interested trainees, out of which 10 have already taken to individual production. Good progress is reported in other States like West Bengal, Travancore-Cochin, Orissa, Madhya Bharat and Saurashtra too.

Pressing Problems

Despite the series of measures taken by the State Governments for developing the palm *gur* industry, as noted above, it must, however, be said that much still remains to be done in solving some of the most pressing problems confronting the industry. Crude methods of tapping and boiling of palm juice continue to be adopted in some States. These methods vary from State to State. It is, therefore, essential to standardise tapping tools, method of tapping and boiling processes. As the Tariff Board (1950) has pointed out, the industry needs technical advice and guidance. It is also necessary to establish agencies for applying results of research to palm *gur* manufacture and make the cultivator actively conscious of the need for technical improvement. The Board, therefore, considered it essential to organise research on palm *gur* under the administrative control of the Central Government. In this connection, it observes as follows:

"We have been informed that a beginning has already been made to train skilled workers in the technique of palm *gur* manufacture and the Government of India have started a Central Palm *Gur* Training School at Cuddalore in the Madras Province. Government should also consider the desirability of starting a Central Palm *Gur* Research Laboratory at a suitable place to conduct research into the various problems of the palm *gur* industry. A beginning in this direction can be made by establishing a section on palm *gur* manufacture in the Indian Institute of Sugar Technology at Kanpur. It may be necessary also to start a few regional laboratories under the palm *gur* section of the Sugar Institute, taking into consideration the different types of palms, as all the varieties of palms which can yield sugar, viz., coconut, date and palmyra, are not found in the same locality. We recommend that adequate funds should be made available, both by Central and Provincial Governments, for such training and research in palm *gur*. We also recommend that the subsidy granted at present by the Government of India for Provincial palm *gur* development schemes should not be reduced."

The palm *gur* industry is said to be encountering difficulties in regard to marketing, as, for example, lack of adequate facilities for storing *gur* for a sufficiently long period. As a result, *gur* gets spoiled during the off-season and the producer has to suffer loss. If this is to be avoided, it is imperative that new ways of stocking *gur* are devised so that it may not deteriorate even during the winter.

It is appropriate to refer here to the new process of manufacturing palm *gur* by solar energy which was inaugurated at Tuticorin on the 10th inst., on the occasion of the Madras Conference of palm *gur* workers. The idea of harnessing solar heat for evaporating palm juice, it will be recalled, was first conceived by Mr. Gajanan Naik. Palm *Gur* Adviser to the Government of India. Since then, several attempts have been made, but none was a success until recently, owing to two main obstacles. First, a longer period is required for exposure —ordinarily, 15 to 20 gallons of juice could be boiled into *gur* within two to three hours. Secondly, a tapper, on an average, handles 15

(*Continued on page* 1155)

COLLIERY LABOUR PROBLEMS

NEW CONCILIATION BOARD IN THE OFFING

THE task of the new Conciliation Board, which is expected to be constituted shortly by the Government of India, to enquire into the various demands of colliery labour, will be formidable. The chief subject of enquiry will be the revision of the wage structure. The National Mine Workers' Federation has demanded, in its latest memorandum to the Ministry of Labour, a minium basic wage of Re. 1 and As. 13 for unskilled male and female labour, respectively. It has further sought an increase in dearness allowance proportionate to the rise in the cost of living since 1947 and the calculation of provident fund contributions on the basis of basic pay plus dearness allowance, as provided in the Employees' Provident Funds Act, 1952.

There is some force in these demands. It is true that the present basic wage of about As. 8 per day with 150 per cent. dearness allowance is very low, especially when workers engaged in other occupations in the same locality are getting more. Male and female workers in Kumardhubi Engineering Works in Manbum (Bihar), for instance, are getting a basic wage of Re. 1 and As. 13, respectively. That the dearness allowance should be proportionate to the rise in the cost of living is also logical. So also the demand for calculating provident fund contributions on the basis of the Employees' Provident Funds Act, 1952.

But the acceptance of the justice of these demands theoretically is one and the capacity of the industry to pay another. So far as the coal industry is concerned, it is passing through very hard days. The following extract from the Directors' report of the Heilgers group of coal companies will give a correct picture of the present state of affairs of the coal industry:

"Current production figures are higher than ever before and it now appears that the available coal, of all grades, is in excess of the actual demand, especially when contracting export markets are taken into account. This, coupled with the unsatisfactory transport position, has led to a general increase in stock at pitmouth. Additional difficulties exist in the matter of securing a suitable outlet for the slack fraction of selected grade raisings."

In fact, the position is so bad that several collieries are on the verge of closure. The industry has already represented its difficulties to the Government. It has demanded an immediate restoration of the 1949 price-cut. This, it has held, is absolutely necessary, if the conditions of the industry are not to deteriorate further. It has also pleaded for relief from the burden of supplying foodstuffs to the workers at concessional rates, costing the industry something like Rs. 6 to Rs. 7 lakhs per week. The industry feels that wages should be linked to productivity, and any revision in the wage structure involving a higher wage not related to productivity is fraught with serious consequences.

It is evident that the task of the Conciliation Board is certainly not an easy one. It will have to weigh both the humanitarian aspect of the workers' demands and the capacity of the industry to pay, and arrive at a solution which would not only be logical but practicable. The Conciliation Board has also to examine the question of the basis of payment of bonus which is also a highly controversial issue. The workers have demanded that it should be based on aggregate emoluments, while the employers contend that it should be related to attendance and production.

There are a few more demands of colliery labour which are to be examined by the Board. These are: First, there should be 10 paid festival holidays, including 26th January and 15th August. Secondly, gratuity should be paid to all workers on completion of 15 years' service. Thirdly, there should be 21 days' privilege leave, 15 days' sick leave and 7 days' casual leave. All these holidays are to be with pay. Fourthly, colliery labour should be provided free with footwear and uniforms. Fifthly, there should be complete abolition of the contract system of recruiting labour. Sixthly, labourers should be provided with either houses or paid house rent. Seventhly, the food concessions should not be abolished and, finally, the standing orders should be revised.

It may not be difficult to arrive at some definite compromise regarding these demands, excepting perhaps that relating to foodgrains which is a severe drain on the finances of the collieries. It is to be hoped that all these matters will be mutually settled and an example set for other industries.

HINDUSTHAN CO-OPERATIVE INSURANCE SOCIETY LIMITED

KUMAR K. C. MULLICK ON SCOPE FOR LIFE INSURANCE

VIGOROUS SALESMANSHIP NECESSARY FOR GAINING NEW BUSINESS

THERE is practically "unlimited scope" for the growth of life insurance in this country, according to Kumar K. C. Mullick, Chairman of the Hindusthan Co-operative Insurance Society, Ltd. Addressing the Forty-sixth Annual General Meeting of the Society, held in Calcutta recently, the Chairman said that the completion of the Five-year Plan, which was expected to increase the national income by 11 per cent., must "surely be of great advantage for life insurance," because it would mean added prosperity to the clients of insurance companies. He paid a tribute to the Indian insurance industry which had made rapid strides of progress in recent years, although it had never received, till recently, the sympathetic attention of the authorities.

At the outset, Kumar K. C. Mullick referred to the death of Mr. N. R. Sarker on the 25th January, 1953, on the very day the opening ceremony of his marble statue was performed in the Hindusthan Buildings. The Chairman said: "Mr. Sarker might truly be called the architect of the Society who guided for over 30 years the affairs of the Society with the highest skill and business acumen. For all these years, in whichever other sphere of life he might be working—the benefit of his wise counsel and mature wisdom was always available to us. It, therefore, leaves a great void in the lives of all of us, who had known him so intimately for so many years as also in the counsels of Hindusthan, which it will be difficult to fill."

Continuing, the Chairman said:

"The year 1952 has been a very trying year for all who are in the business line and particularly for us, life insurance companies. Our operations are vitally connected with the prosperity of the general masses and anything which affects that adversely must also similarly affect us. In the beginning of the year under review there was a slump in wholesale prices, which started in February and continued unabated till May. From 433 in December, 1951, the wholesale price index fell to 415 in February and to 367 in May. Thence forward, the index fluctuated around this figure and in December, 1952, it stood at 372. The effect on trade and commerce of such drastic fall can easily be imagined and we found that such drastic fall had affected specially those classes of traders and merchants who are good prospects for life insurance. Throughout the year, at different points of time, three major industries of the country—jute, textiles and tea—remained depressed. The Society, which does very good business in Bengal and Assam and the neighbouring areas, was naturally hard hit by the depression in the tea and jute industries because the prosperity of these areas is largely bound up with the prosperity of these industries. All this had made the task of business procurement much more difficult, but by the grace of God and by the strenuous efforts of our office and field workers we have been able to maintain its progress.

New Business

"The new business completed during the year under review amounted to Rs. 16 crores 38 lakhs. Though this means an improvement over the previous year's figure, yet, in our view, the improvement is not in line with the expected usual progressive tradition of Hindusthan. We, however, hope that as economic conditions in the country improve, we shall be able to accelerate the pace of progress as recorded by us in the past.

"The total premium income, during the year under review, in respect of life insurance business, amounted to Rs. 3,94,04,504 which shows an increase of Rs. 21,96,233 over the 1951 figure. Income from interest, dividends and rents, including profits on landed properties in respect of life insurance business, amounted to Rs. 61,83,011. The rate of interest earning, including profit on sale of landed properties, worked out at 3.37 per cent. after deducting income-tax at source. The life assurance fund, at the end of the year, amounted to Rs. 19,72,50,871, recording an increase over 1951 by Rs. 2,11,53,632. The major heads of investments of the fund were: (i) Government and approved securities Rs. 12,65,49,465; (ii) debentures, stocks and shares Rs. 1,61,65,531; (iii) loans to policyholders Rs. 1,44,39,922; (iv) mortgages Rs. 2,30,57,791 and (v) land and houses Rs. 2,10,12,659. Government and approved securities represent 62.5 per cent. of adjusted liabilities.

"During the year under review claims by maturity, inclusive of bonus, amounted to Rs. 57,91,138 and by death, inclusive of bonus, to Rs. 30,71,708.

Expense Ratio

"Since the passing of the Insurance Amendment Act in 1950, providing a ceiling on the expense ratios of life insurers, the question of expense ratio occupies a pre-eminent place in the minds of all who are connected with the insurance business. The situation has been rendered rather difficult for the insurers because of the fact that just when the limit was imposed on them, circumstances have been compelling them to incur substantially larger outlay on many items included in the expenses of management. So far as Hindusthan is concerned, fortunately we have been able to keep our expenses within limits—the renewal expense ratio in respect of the Society's business in India in the year under review worked out at 14.71 per cent. as against 14.89 per cent. in the previous year. The overall expenses for the year have been 27.60 per cent. as against 27.90 per cent. of the year previous."

Outlook

Speaking on the prospect of future growth of life insurance, he said:

"In our view there is going to be unlimited scope for growth in future for life insurance companies run on sound and scientific lines. The Five-year Plan, when completed, is estimated to effect an increase of 11 per cent. in the national income which must surely be of great advantage for life insurers, because it will mean added prosperity to our clients. Insurance companies have a great part to play in providing finance for the Plan and, I may take well-deserved pride in stating that they are already playing their role in a satisfactory manner. As it is, the major proportion of the additions to funds of the life insurers are being invested in Government and approved securities, and, as has been stated by me earlier, this percentage for Hindusthan comes to 62.5 per cent., which is very much higher than the limit prescribed by the Government. Apart from this, the land development schemes undertaken by the Hindusthan are also works of major national importance.

Nationalisation of Insurance

"In this context, it is really disquieting to us to see references lightly made to nationalisation of insurance on the assumption that if insurance is run by the Government it would be conducive to larger national interests. Indian insurance is only about 50 years old, and till we won independence this national enterprise received very little active support or encouragement from the then authorities. We had to work in competition with mighty foreign insurers whose resources were incomparably superior to ours at that time. It is indeed a matter of great credit for Indian insurers, that in the face of heavy odds they have been able to popularise insurance to such a large extent amongst our countrymen. Insurance is a peculiar type of business; it not only requires a lot of constructive work, but a large degree of vigour and aggressiveness in securing policies, which is not necessary in any other form of business. When we consider the question of nationalisation, we must not lose sight of the fact that under State management the degree of initiative and enterprise, which is essential in the insurance business, may not be forthcoming. I do not exactly see what would be gained in the way of better safeguarding of the interests of policyholders by putting life insurance under State management. Already, the degree and extent of control and supervision, exercised under law, over various aspects of a life insurance company's working, such as investments, expenses, etc., are so much that we would perhaps be justified in stating that insurance is already semi-nationalised, as Government has taken large control over the life insurance company's workings.

Taxes on Insurance

"Difficulties that the insurers have to face are manifold. In respect of many of the difficulties, redress can come about only gradually; but there are some in respect of which the Government can come to our help in a more direct manner. I have in mind the question of income-tax of insurance companies which has been a hardy annual for us all. The Income-tax Investigation Committee had recommended that life insurance companies should get an exemption of 80 per cent. of the amounts paid to or reserved for or expended on behalf of the policyholders from the surplus. This has appeared in the proposed amendment to the Income-tax Act, and when given effect to, will ensure considerable relief to us. The relief will come none too soon because life insurers have had to experience heavy depreciation in their funds lately because of the raising of the Bank rate by the Reserve Bank of India.

"Similarly, in respect of the provisions which have been inserted in the Estate Duty Bill, life insurance policies have not been given the exemption which is their due. In a country like India, where the insurance habit is still to grow to its fullest extent, would it not be natural for us to expect that the Government should do everything possible to encourage the habit of thrift involved in the taking out of insurance policies instead of making legislations which will have, to say the least, detrimental effect on the growth of insurance habits? One can understand a State imposing such taxation in a country where there are schemes of social security for all and sundry, run under the auspices of the Government. In India, there is no such scheme and each man is left to himself to provide for his dependents against destitution and poverty through loss of income on account of his death. Life insurance, at the present moment, provides the only scope for ensuring such security to the common man. By taxing the proceeds of life insurance policies, Government will be doing something which, in our view, does not have a justifiable background to support it, at least till such time as the Government can provide such schemes of social security as obtain in other countries.

"You will be pleased to know that our Jamshedpur building is complete and last month we performed the opening ceremony. Sir Jehangir Ghandy, Resident Director of the Tata Iron and Steel Company Ltd., performed the opening ceremony. We have in hand construction of several other offices in different parts of the country and we expect that at least the Gauhati building will be completed within this year.

"The position of the shareholders continues to be satisfactory and a dividend of 10 per cent., free of income-tax, is being recommended for payment to the holders of ordinary shares in proportion to capital paid up."

PAKISTAN SELLS BURLAP TO U.S.

STOCKS IN INDIA STILL HIGH

THE first commercial shipment of Pakistan-made burlap to America, which is now on its way, heralds a new era of competition between India and Pakistan in the U.S. markets. The consignment is the product of new jute mills, the erection of which began in East Pakistan immediately after the Partition. The mills are equipped with plant and machinery of the latest improved model and hence enjoy a decided advantage over the mills in India which are old and worn out on account of the excessive strain to which they were subjected during the war years. Indian mills, however, have other factors in their favour, namely, long experience of the U.S. market, old business contacts and an up-to-date publicity machinery to regain the ground lost in U.S. markets. With these advantages and with a programme of gradual renovation of their plant and machinery, India should be able to maintain its own in the U.S. burlap market.

The U.S. markets appear to be satisfied with the entry of Pakistan as a new exporter of jute products to the U.S. To mark the occasion, a meeting was organised last week, at Pakistan House, New York, at which Mr. Ghulam Faruque, Chairman of the Pakistan Industrial Development Corporation, and Mr. Abdul Wahed Adamjee, Chairman of the Adamjee Jute Mills, East Pakistan, were present. Welcoming the first consignment, Mr. C. E. Elsas, President, Textile Bag Manufacturers' Association of the U.S.A., stated, in the course of his message to the meeting, that "this first consignment will be the forerunner of an increasing quantity of Pakistan jute products to the U.S.A. and to world markets." Similarly, the President of the Burlap and Jute Association of the U.S.A., Mr. J. C. Daly, welcoming Mr. Faruque and Mr. Adamjee, observed: "This is the most significant occasion in the happy course of Pakistan-American trade relations. It marks the era of a new trade between our countries created by men of vision and determination."

While jute mills in India are now facing an additional threat in the shape of competition from Pakistan, their position, as represented by the figures of stocks at the end of May, 1953, does not seem to be encouraging. For total stocks of jute manufactures amounting to 139,072 tons held by mills as at 31st May, 1953, are the highest for some years now. Of the total stocks, hessians account for as much as 47,971 tons as against 46,193 tons in the preceding month and 41,874 tons in March, 1953. Sacking stocks stood at 89,166 tons in May, 1953, as compared with 89,278 tons in April, 1953, and 94,742 tons in March.

The foregoing figures indicate that, since March, while stocks in hessians have gone up, stocks of sackings have staged a slight recession. The fall of over 5,000 tons in the latter since March, 1953, is due partly to the inflow of orders for sacking from Australia, Cuba, Burma, the U.K. and other countries, and partly to a fall in the production of sacking from 40,049 tons in March to Rs. 38,292 tons in May.

The table below gives a summary of the stocks of the three different varieties of jute goods with Indian jute mills as at the end of May, 1953, as compared with those at the end of April and March, 1953, and May 1952:

(In tons)

	As on			
	31-5-1953	30-4-1953	31-3-1953	31-5-1952
Civil				
Hessian	47,024	45,432	40,755	42,575
Sacking	86,904	86,648	92,406	54,908
Others	1,935	2,042	2,144	1,451
Total ..	1,35,863	1,34,122	1,35,305	98,934
Government				
Hessian	947	761	1,119	1,326
Sacking	2,262	2,630	2,336	3,573
Others	..	23	37	8
Total ..	3,209	3,414	3,492	4,907
Grand total ..	1,39,072	1,37,536	1,38,797	1,03,841

The variations in the stocks of hessians and sackings are, however, so small that it will be inadvisable to draw any positive conclusions about the future of these goods. Some have not hesitated to state that the sackings position is improving, while that of hessians has begun to deteriorate. This inference is not quite warranted. In this context, it will be interesting to recall here the observations on the trade in jute goods, of Mr. George A. Mason, Chairman, Samnuggur Jute Factory Co., Ltd., in the course of his speech at the latest annual meeting of the Company held last month. He said: "Turning now to the jute goods section—the most encouraging feature is the considerable increase in consumption of hessians in the U.S.A. during 1952. In 1951, the average monthly figure was only 44 million yards, whereas for the last year, it was 69 million yards. Another centre which is showing more active interest is Argentina, and the prospects, on the whole, so far as hessians are concerned, are brighter. In regard to sackings, the immediate outlook is uncertain and we must await developments." The fact that hessian stocks remain as high as 89,166 tons indicates that there is still no room for any complacency till they are reduced to half of what they are at present.

The output of jute goods in May amounted to 72,544 tons, as against 74,292 tons and 74,430 tons in the preceding two months. With the output for the month, the total production of jute goods for the 11 months of the jute season, 1952-53, amount to 818,793 tons, as compared with 871,223 tons. The consumption of raw jute calculated on the basis of production may be placed at 4,748,199 bales as against 5,053,093 bales in the 11 months of the season 1951-52.

The table below presents the position of jute production of various types in May, 1953, as compared with not only the output in the preceding two months but also in the same month a year ago:

(In tons)

	As on			
	31-5-1953	30-4-1953	31-3-1953	31-5-1952
Civil				
Hessian	29,154	30,573	29,553	23,899
Sacking	38,206	39,625	39,560	52,646
Others	2,568	2,663	2,746	2,706
Total ..	69,928	72,861	71,859	79,251
Government				
Hessian	2,530	1,254	2,082	129
Sacking	86	177	489	2,948
Others	..	..	..	9
Total ..	2,616	1,431	2,571	3,086
Grand total ..	72,544	74,292	74,430	82,337

An analysis of the different types of production discloses that the output of hessians remained more or less stationary around 31,600 tons in each of the three months ended May, 1953. But the production of sackings, as already stated, registered a gradual decline from 40,049 tons in March to 39,802 tons in April and to 38,292 tons in the month under review. Similarly the output of other varieties also declined, albeit slightly, from 2,746 tons in March to 2,568 tons in May, 1953.

The Philippines is reported to have made a good beginning in production of jute bags. The Industrial Textile Manufacturing Co., Manila, which is now producing at the rate of 500,000 bags, proposes to increase its output to 1,500,000 bags a month by working two shifts. The Company uses both Philippine *kenaf* and Pakistan jute.



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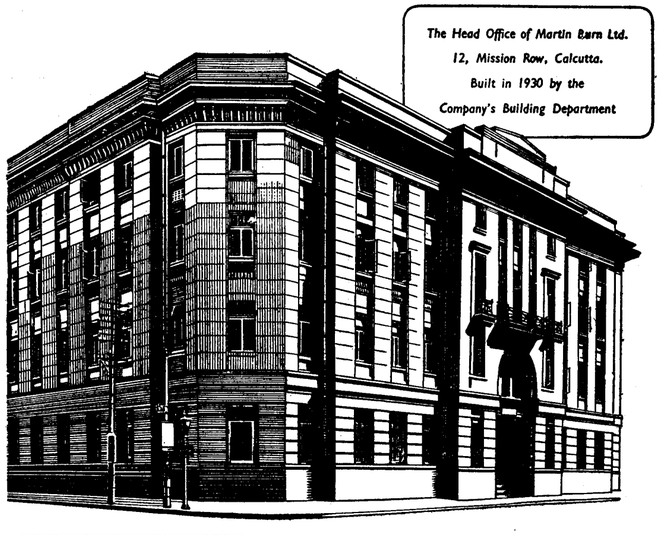

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PROSPECTS FOR EUROPEAN STEEL EXPORTS

REPORT OF ECONOMIC COMMISSION ON NEED FOR STABLE PRICES

THE Report of the U.N. Economic Commission for Europe on European steel exports in the next few years, made available to us just now, is of considerable importance not only to India but to all the steel importing and exporting countries of the world. For Western Europe is one of the important exporters of steel, the others being the U.S. and Japan. And with the implementation of the steel development plans under contemplation, it may not be long before Europe increases its competitive capacity *vis-a-vis* other steel exporting countries. The Report throws some light on the possible development of steel demand outside Europe and the prospective level of steel exports in the years 1956 to 1960.

As substantial export surplus from Eastern Europe in the next few years is virtually ruled out, the Report has confined itself to exports from Western Europe. It is noteworthy that the Report holds considerably bright prospects for European steel exports. But the expectation is based upon certain important assumptions. First of all, it is assumed that present world tensions will not ease significantly, but that a world war will be avoided and that defence production will be stabilised at a somewhat lower level than at present. Secondly, world scarcity of steel will be overcome and Europe will be in a position to supply all its overseas customers. Thirdly, a high level of economic activity in industrialised areas of the world will result in a growing demand for primary raw materials from underdeveloped regions and increasing flow of foreign capital to these regions. Fourthly, the increased flow of capital to underdeveloped countries will result in an average increase in steel consumption of some 6 per cent. a year over the level reached in 1951. Fifthly, necessary measures will be taken to reduce steel costs in all major European exporting countries, particularly so far as exploitation and use of raw materials are concerned.

Future for Steel Exports

On the basis of these assumptions, the Report has estimated a somewhat bright future for European steel exports to regular as well as irregular markets. The regular markets are: (1) Underdeveloped countries: Africa, the Middle East, Asia and the Far East and Latin America; and (2) certain Commonwealth countries: Australia, New Zealand and the Union of South Africa. The following table gives the possible upper and lower limits which exports to regular and irregular markets might reach, as compared with the actual exports in 1951, 1950, 1949, 1929 and the average of 1936-38:

(In million tons)

Exports	1956		1960		1929	Average 1936-38	1949	1950	1951
	High	Low	High	Low					
To regular markets ..	7.0	5.9	8.4	5.4	6.8	4.3	4.8	6.3	6.7
To irregular markets ..	3.5	1.8	3.5	1.8	2.4†	1.8†	0.9	2.3	3.5
Total ..	10.5	7.7	11.9	7.2	9.2	6.1	5.7	8.6	10.2

† Including small tonnages exported by Eastern European countries.

A critical analysis of the assumptions and the figures referred to, in the above table, discloses that the Report has made no attempt to form a judgment as to the likelihood of their materialising. The aim has been not to prophesy the future course of events but to find out what level steel exports from Western Europe can reach in favourable but realisable circumstances so that those responsible may take appropriate policy measures to meet demand. Whether or not favourable circumstances leading to a high level of steel demand will actually prevail depends to a considerable extent upon how successful the more industrialised countries will be in carrying out their policies of high employment and increased production. It also depends on how far they are prepared to foster economic development in less developed countries through proper technical and financial assistance, and through better organisation of the market for the principal commodities.

Long-term Development of Consumption

Notwithstanding the primary importance of the world level of economic activity for overall steel demand in under-developed regions, Western European steel exporting countries should, in their own interest, promote the long-term development of steel consumption in these regions. Moreover, their share in the supply of steel requirements of importing countries will be affected by the steps they take to improve their competitive position. Exporting countries can further these aims by adopting the following measures:

(1) *Adequate Supplies.*—(i) Exporting countries should make periodic review of their production capacities, in order to ensure that they are in a position not only to meet their home demand but also to meet the maximum anticipated requirements of importing countries. Although, at the present time, planned capacity would appear to be ample, it by no means follows that, with the rapid industrialisation going on in other parts of the world, the situation will remain static; and

(ii) the position of the importing countries might be made more stable by arranging supplies of steel to these countries on the basis of longer-term contracts and stabilised prices. At the same time, consideration might be given towards ensuring greater stability in the prices and supply of steel-making raw materials.

2. *Costs and Prices.*—(i) Much can be done to reduce production costs, particularly by better exploitation and use of steel-making raw materials, by maintaining sound competition, and by the rationalisation of production; and

(ii) far-sighted policies should be adopted to maintain reasonable and stable prices and to organise the sale of steel in such a way as to prevent disruption of the market by unnecessary intermediaries.

3. *Marketing.*—(i) Consideration should be given, when necessary, to payment facilities, with the support of national or international credit institutions when appropriate;

(ii) technical advice to steel users should be organised on a larger scale; and

(iii) more publicity should be given to current export prices and freight rates in order to facilitate the task of those responsible for arranging import licences.

Although in the last resort, the overall level of steel consumption in less-developed areas is dependent on the policies of the industrialised countries, the growth of steel consumption in each individual country is greatly influenced by the ability of its Government to mobilise as large a share as possible of the national income for investment purposes, to promote sound development and industrialisation schemes and to attract foreign capital, either public or private. The growth of steel consumption will be directly influenced by the measures these Governments take to ensure the abundant, regular and cheap supply of steel necessary for the economic development of their countries.

Steel Prices

A significant feature of the Report is its observations regarding steel prices. The Report has expressed concern over the instability of steel prices. It has warned against its long-term adverse consequences to both exporters and importers. Surely, few will dispute the need for this warning. It would be in the interest of both importers and exporters to see that export prices are more stable and are kept in reasonably close relationship with home prices. But stable prices could be more easily maintained, if steps could be taken to diminish the effect of short-term variations by the use of longer-term contracts, both for steel exports and for raw materials used in steel making. Governments in importing countries, according to the Report, should not discourage the use of a basic material essential to economic development by imposing high customs duties or sales taxes or permitting other excessive distribution costs to be added to the price of steel. Greater publicity should be given to current export price quotations and freight rates, so that the authorities responsible for issuing import licences may be better informed of the current state of the steel market.

The Report has devoted a whole chapter analysing the trends in the demand for steel in under-developed countries. It has pointed out that the development of consumption of particular products is extremely erratic owing to the different conditions in each country; but the general tendency is likely to be a gradual increase in consumption of semis, bars and sections and wire-rods, as the country's economy develops. Consumption of uncoated sheets and plates may increase rather more rapidly, in keeping with the general tendency for the consumption of flat products to rise. Uncoated sheets will probably regain their pre-war importance, but consumption of tinplate, which is now in plentiful supply, is likely to be concentrated mainly in countries which have exportable surpluses of foods suitable for canning. Coated and uncoated sheets and plates are most economically produced in large integrated steelworks using modern methods and will probably continue to make up to 25 to 30 per cent. of export to undeveloped countries.

The demand for railway-track material is likely to increase very considerably in future in nearly all countries, since the great majority of railways are now reaching the age where regular replacement is essential if they are to continue in operation. The Report concedes that owing to the heavy capital investment involved, it is unlikely that any country will decide to scrap existing railways; it will rather proceed with a policy of systematic renewal and maintenance. But it considers that even if the average rate of renewal over a long period is only 3 per cent. corresponding to an average life of 30 to 35 years, there will be considerable increase in consumption, compared with the level in pre-war years. Countries with underdeveloped railway systems will probably not invest in railways on a large scale and are more likely to concentrate on road and air traffic. This will alter the pattern of consumption by products, compared with consumption in countries the basic transport needs of which are met by railways.

In the oil-producing countries, consumption of tubes for pipe-lines will depend on the strength of world demand for both crude and refined oil. The development of an oilfield entails a massive demand for tubes and usually for other steel products as well, in particular, railway track material and bars and sections. The expansion of European refinery capacity may result in some decrease in consumption by oilproducing countries of bars and sections, which are primarily required for construction of refineries and ancillary buildings. Tubes are therefore likely to increase still further in importance, not only for the conveyance of crude oil but also for drilling and replacement.

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MR. H. K. SEN EMPHASISES NEED FOR GOVERNMENT-SPONSORED CORPORATION

THE increase in governmental interference in almost every sphere of economic activity has been so much taken for granted in this, as in many other countries, that it is seldom that people choose to question the validity or the basis of such intervention. This is a deplorable development which is not in the public interest, for a continuously critical attitude of mind is *the sine qua non* of the democratic way of life. A happy instance of this attitude is to be found in the address, which Mr. H. K. Sen delivered at the recent annual meeting of the Indian Insurance Institute, Calcutta, in his capacity as its President. In the course of his speech, he subjected the Government's control of expense ratios of insurance companies to a critical examination. His address was particularly noteworthy for the way in which he sought to prove how a blanket and indiscriminate control over expense ratios was not the best way of ensuring the growth of the insurance industry, as well as for the constructive suggestion he made for tackling the problem of uneconomic insurers.

Mr. Sen prefaced that part of his address, which was devoted to the examination of the Government's intervention in insurance business, with the remark that the "present grip of the Government was by no means merely an attempt to control the industry for doctrinaire reasons." He agreed that it was a measure to end "certain ills and malpractices" in the sphere of Indian insurance. He also agreed that the Government's intention was "honest and laudable." Nevertheless, he felt that the Government's remedy had been too drastic and inexpedient, with the result that it was more likely to "corrode than contribute to legitimate and healthy growth in many cases." Explaining his observations by a reference to the Government's control over expense ratios, he said:

"For example, a simple series of index ratios for expenses, with very minor variations due to size, as envisaged in the statute, is unscientific and goes counter to the principles on which the entire structure of insurance stands. My observations will be borne out by the answers to two simple questions. Firstly, there are two offices, one earning consistently a larger profit than another, both charging the same premiums. Is it pertinent to suggest that the former is better managed than the latter? Secondly, two offices charging the same premiums make identical profits. Does it indicate that the experiences of the two offices are identical? The answer in each case is an unqualified "no." The indications in the first case are that the proportions of risk of different types in the two offices are not the same and also the excess of premiums charged over the actual cost of cover are different in the two offices. The office making a lower profit may not shift over to the same proportion of risks as the other, for the simple reason that a shift over to a different class of prospect can hardly be feasible without serious repercussion on its business. It has been my professional experience that the mortality experience of different offices vary widely and the difference between the highest and the lowest may be as high as 30 per cent. The reasons are not far to seek. Mortality differs from State to State and also from class to class in the same State. Variation in mortality experience of different offices is not due to carelessness or indiscreet selection of risks but because the constituents to whom the offices cater differ. Coming to the second question, the profit is, as you all know, the resultant of several factors and the sources of profits of two offices may be entirely different. One office may be experiencing a loss on mortality and earning a profit from expenses. Another office may lose on the expense account and the loss might be fully compensated by the profits disclosed from mortality and interest."

Mr. Sen emphasised that the control over the expenses of insurance companies had prevented the healthy growth of several "smaller and middle-sized" insurers, because they have found it difficult to conform themselves to statutory limits for the expense ratio in view of the persistence of inflationary trends. He quoted some figures to show how quite a larger number of insurers failed to conform to the law on the expense ratio. He said:

"In 1951, out of all the Indian insurers 45 per cent. of the companies failed to remain within the statutory limit of expenses and of these 44 per cent. showed surplus in the last valuations, 34 per cent. revealed a deficit covered by paid-up capital and only 22 per cent. were insolvent. It would be a pity if these 78 per cent. of the defaulter companies which otherwise by all standards of test would be considered as solvent and have a reasonable chance of survival, are compelled to close their doors due to non-compliance with the statutory provisions for expenses. The only safeguard under which these insurers can seek shelter in the present set-up is the leniency of the governmental administrative machinery. It would, however, be difficult for the Government to exercise its discretionary powers and 'dole out its favour of leniency without subjecting itself to public criticism on the score of discrimination; nor can it do so without a thorough knowledge of each individual insurer deserving such favour."

The main cause for the high expense ratio which, in its turn, tends to make the insurance companies uneconomic is, as Mr. Sen rightly pointed out, the craze for new business through unhealthy competition. This craze for quantity, as distinct from quality, of business has led to "inordinately high cost of procuration and heavy lapsation." Mr. Sen pointed out that a regular flow of profitable premium income is one of the yardsticks against which the success of an insurer should be measured. The Insurance Executive Council has formulated a voluntary code of conduct to combat the evils of high procuration cost and heavy lapses in policies. While it is the duty of all insurers to conform to this code, it is also the duty of the authorities to see, as Mr. Sen suggested, that the code is modified from time to time to conform to changing conditions in the industry.

Most of these small-sized insurers have certainly a dark future. But it must be recognised that statutory limitations on expenses, as Mr. Sen himself recognised, have come to stay. Unless the insurers, whether big or small, abide by the law, it is clear that they will have sooner or later to "close their doors." This is not a prospect which the Government can contemplate with equanimity. The closure of business by an insurance company has far larger economic and social consequences than the closure of a factory or any other industrial establishment. Referring to the position of these uneconomic and marginal units in the sphere of Indian insurance, Mr. Sen said:

"What does the Government propose to do about them? Can it allow these companies to go into liquidation one after another and remain a disinterested witness to the detriment of the poor policyholders and of the industry? The solution is to rationalise companies with premium income below the economic level, and the method that would immediately suggest itself is amalgamation of small companies to form bigger units. But until now such rationalisation has not been possible and also the bigger companies are often reluctant to absorb companies carrying a bad name."

Here then is a dilemma. The small insurers cannot be allowed to close their doors. Nor can they be amalgamated so as to form larger units, for two or more uneconomic units do not always make up a single economic unit. And the really solvent insurers are not generally willing to absorb the under-sized and uneconomic units on the brink of disaster. If extinction, amalgamation or absorption are thus to be ruled out, what is the solution for the problem of these insurers? Mr. Sen's suggestion was that the Government should itself take the initiative in order to see that these insurers are not allowed to go into liquidation. He added:

"My own view is that the Government should start immediately an insurance corporation to which the business of all defaulting or insolvent insurers may be transferred before their funds are frittered away and the loss increased. Such a corporation should not be allowed to do direct business but for its own sustenance and self-sufficiency it should have the monopoly of re-insurance business. All reinsurance business in the first instance should pass through this corporation which will redistribute amongst other insurers the excess over its own retention. Thus, the corporation would serve the double purpose of protecting the policyholders of sinking companies and preventing reinsurance premiums from flowing out of our country."

It remains to be seen how far Mr. Sen's suggestion is practicable, for an insurance corporation cannot possibly discharge the functions of a reinsurance corporation and also take upon itself the responsibility for giving aid and succour to uneconomic insurers. In any case, Mr. Sen's general principle that the Government cannot wholly divest itself of all responsibility towards those insurers seems to be unexceptionable. From this point of view, the Government would perhaps be well advised to investigate, without delay, the conditions of all these uneconomic and marginal insurers, and not merely wait until their financial position deteriorates to such an extent as to compel it to appoint Administrators.

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From the marine account, a sum of £150,000 has been released to the profit and loss account, as against £200,000 released last year. The Society's fire business yielded a profit of only £195,310, as against £230,615 in 1951. A slightly larger sum of £147,819 has been transferred from the accident section to the profit and loss account this year. Thus, the transfers from the three underwriting accounts amounted to £493,129, which, together with the income from interest and dividends (£329,345), amounts to £822,474. After charging certain outgoings, making provision for taxation (£307,311) and allowing for the minority interests of the outside shareholders of the subsidiary companies, the profit of the Society for the year is £486,581. After deducting profit retained in subsidiary companies amounting to £143,379, there remains a distributable profit of £343,202. To this has been added the balance of £342,872 brought forward from the previous year. The payment of dividend at £2 per share, as against £1 17s. 6d. paid last year, absorbs £270,000. After transferring £50,000 to exchange and investment equalisation account, £15,000 to accident and general account additional reserve, and £7,000 to provision for staff pensions, there remains a balance of £344,074 to be carried forward.

The Society's reserve and funds position is very sound. Apart from a capital of £1,350,000, the Society's reserves and funds are: General reserve £1,000,000, reinsurance fund £500,000, exchange and investment fluctuation account £468,610, leasehold reserve account £57,374, marine fund £447,225, fire fund £1,488,665, accident and general fund £722,485.

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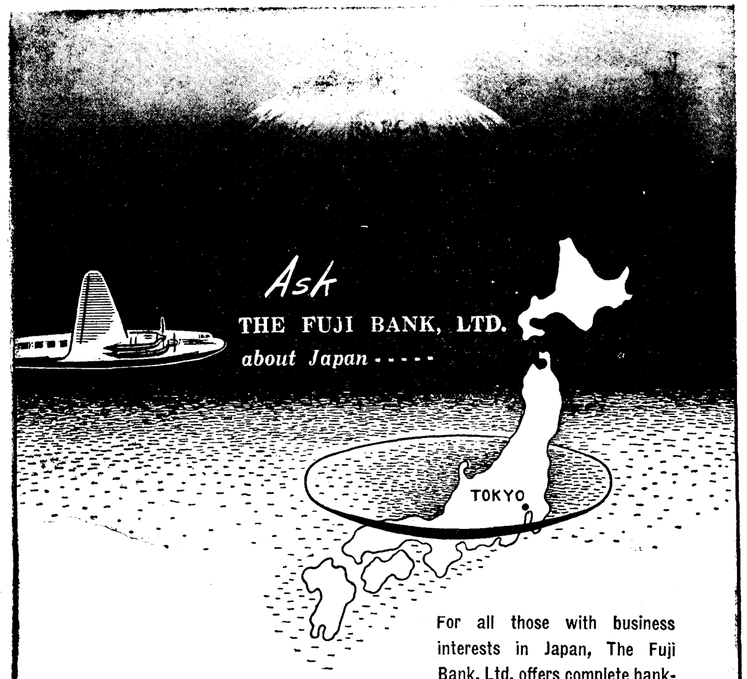

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TITANIUM DIOXIDE INDUSTRY CLAIMS PROTECTION

TARIFF COMMISSION EXAMINES ISSUES

THE case of another small but very useful industry, namely, the titanium dioxide industry, for assistance, was lucidly presented by Dr. B. V. Narayanaswamy, Member, Tariff Commission, opening the enquiry into its claims for protection. This industry has some distinctive and special features which entitle it to both tariff protection and State assistance. The industry is at present represented by a single firm, namely, the Travancore Titanium Products Ltd. This Company is not privately owned, as the major portion of the capital is held by the State Government of Travancore-Cochin jointly with five or six private companies. After a promising start, it has gone "into a state of suspended animation." The problem before the Commission is the question of bringing the industry back to life and activity.

Titanium dioxide is an important white pigment used in a number of industries, including paints, printing ink, rubber, enamelware, soap and cosmetics, rayon and linoleum. Its main worry is that it has to compete with several substitutes which hold a strong grip over the Indian market. These substitutes are lithopone, zinc oxide and white lead. Nevertheless, it has an advantage over others in that its principal raw material, namely, ilmenite, is available within the country itself.

There are two types of titanium dioxide, namely, anatase and rutile. The activity of the Travancore Titanium Products Ltd. is confined to the manufacture of anatase, but it has also equipped itself to produce the other type, namely, rutile. Among the reasons which led the Company to choose anatase were: (1) lower cost of production of this type as compared with rutile; (2) the preference of the Indian consumers for white pigment, as they got used to the imported anatase; (3) the availability of export market for the anatase type in Australia; and (4) the necessity to buy additional plant and equipment for producing rutile type which meant delay in commencing production. As titanium dioxide is not used directly by consumers in India but by other industries, the question of protection for the industry requires a cautious approach.

The construction of the Travancore Titanium dioxide factory was started in 1949, and the dioxide was first produced in October, 1951. The factory worked for nine months and had to close down by the end of June, 1952, as there was not enough demand for its products in the country. The installed capacity was 1,800 tons per annum and the actual production during the nine months was 386.65 tons. The peak monthly production of 75.15 tons was attained in November, 1951.

The crucial problem of the Travancore Titanium is the creation of sufficient volume of demand for its products. It has been found difficult to estimate the present demand correctly, because titanium dioxide, in many of its applications, is interchangeable with other pigments such as lithopone, zinc oxide and white lead, and because of its more recent origin it has to meet and overcome consumer resistance. The Company has estimated actual consumption of the product at 394 tons in the country. It places the current demand for both types at 420 tons, of which 240 tons are for anatase and 180 tons for rutile variety. The Ministry of Commerce and Industry has estimated the present demand for titanium dioxide at 500 tons. The Imperial Chemical Industries put it at 924 tons.

The quality of titanium dioxide produced by the only firm mentioned above, according to Dr. Naidu, compares favourably with that of the imported product, but some consumers seem to feel that it suffered from certain deficiencies. It is stated, for instance, that it imparts a yellowish colour to enamelware. Further, its manganese content is stated to be higher and its covering power slightly less.

As regards the principal raw materials for titanium dioxide, the industry is well placed in respect of ilmenite. Raw materials such as glue, icipol oil, caustic soda, aluminium sulphate, zinc oxide and soda ash are available from indigenous sources. Others such as titanium tetrachloride, antimony oxide, sodium sulphide, monoammonium phosphate, zinc dust and potassium sulphate have to be imported. Again, sulphuric acid accounts for the bulk of the cost of raw materials used by the industry, and this raises the question of economising the cost in regard to this material. Among the imported raw materials titanium tetrachloride is subject to a duty of 27.3 per cent. *ad valorem*.

The imports of titanium dioxide amounted to 193.1 tons, valued at Rs. 5.3 lakhs, in 1951, and in the following year they declined to 137.81 tons valued at Rs. 3.8 lakhs. As regards the rates of customs duties, titanium dioxide is assessed to a standard rate of duty of 37 4/5 per cent. *ad valorem* and preferential rate of 25 1/5 per cent. *ad valorem*.

The industry has asked for an adequate protective duty on titanium dioxide and lithopone until such time as the consumption of the indigenous titanium dioxide had increased sufficiently to permit production at a competitive price.

From the facts thus placed by Dr. Naidu, it is evident that this industry has good scope for playing a useful role as a source of raw material to a number of important industries. Many of its own raw materials too are available locally. Of course, in regard to those which it imports, the State can certainly reduce, if not abolish, the duties on them, as the amount involved is very small. The Commission, however, must thoroughly examine this issue before making its recommendation. Persistent publicity given to the products produced by the factory should ensure a wider demand for them. Again, by means of further research, new uses for titanium dioxide can be found and this provides a field for the National Chemical Laboratory to organise research in order to assist the industry in expanding the market for its product.

BHARAT ELECTRONICS INDUSTRY

To the list of manufacturing concerns owned by the Government of India which are already numerous and varied in character will be added one more, namely, a factory to manufacture radio equipment and certain types of radio valves and components. The proposed factory will be located at Jalahalli, Bangalore. The scheme covers the manufacture of a wide range of wireless and radar equipment capable of meeting most of the requirements of the armed forces and Ministries and Departments of the Central and State Governments. In order to be able successfully to manufacture such a wide range of products, it is considered necessary that the industry should be capable of meeting the requirements of all component parts which go to make up radio equipment. It is, therefore, proposed to manufacture electronic valves of all types, transmitters, receivers (excluding those intended for broadcast and television reception), trans-receivers, amplifiers and ancilliary equipment required for use by the armed forces. As the manufacture of these highly specialised products needs skilled and technically well qualified staff, suitable persons have been selected for undergoing specialised training in the factories of the Compagnie Generale de Telegraphic Sans fil Organisation in manufacturing, testing, development and other departments. On their return, these persons will instruct locally recruited personnel at the factory so that properly trained technical personnel would be available without delay.

A site for the construction of the factory has been selected, as stated above, in the Jalahalli area. This site has been selected, it is stated, after a careful consideration of a number of factors such as dust-free atmosphere, temperate climate, availability of skilled labour, training facilities, cost of building construction, availability of raw materials, transportation, proximity to other industrial undertakings of which advantage could be taken, availability of essential supplies such as, electricity, water, etc., and security. The factory is expected to go into production in 1956.

The factory will be under the management of a new company, known as the Bharat Electronics Industry. The capital of this company will be fully provided by the Government of India. The Company will have a Board of Directors consisting of both official and non-official members.

KARADA BARK FOR TANNING

Karada bark has been found to be a good substitute for wattle in tanning leather upon investigations conducted by the Central Leather Research Institute, Madras. The Indian leather tanning industry uses wattle bark which is not found in India. Formerly, 30,000 tons of wattle bark were imported annually from South Africa. At present, 60 to 70 per cent. of the quantity required by the industry comes from East Africa. Karada is a small tree found all over India except in Bombay and Mysore States. Every year, 10,000 to 12,000 tons of this bark can be collected from Madhya Pradesh, Chhota Nagpur, Orissa and Madras.

Karada bark contains 57 per cent. of mixed tannin and 4 per cent. of free tannin, while the figures for wattle bark are 64 per cent. and 5 per cent. respectively. Identical leather was processed both by the product of the karada bark and by that of the wattle bark. The results show that karada can be successfully used as a substitute for the imported material.

SINDRI FERTILISER REPORTS PROFIT

NITRATE AND UREA PRODUCTION LIKELY TO BE TAKEN UP

NEW Delhi Press messages on Sindri Fertilisers Limited make quite heartening reading. The accounts of the first 14 months' operations of the Company up to 31st March, 1953, are understood to show a gross profit of Rs. 271 lakhs. After setting aside a sum of Rs. 160 lakhs for depreciation, the net profit is expected to amount to Rs. 111 lakhs. This works out to about 5 per cent. on the capital of Rs. 23 crores invested on the entire project. It remains to be seen whether this profit has been arrived at after making provision for taxation which the Company would have had to provide had it been a private company. However, for fuller details of the financial results one has to await the balance-sheet and accounts of the Company placed at the annual meeting of the Company held at New Delhi on Tuesday this week. It must, however, be admitted that even the performance, as reported from New Delhi, is indeed a creditable one, considering that the report covers the first 14 months of the factory's working and that the Company was able to work only 58 per cent. of the installed capacity during the period under review. Another point to be noted is that Sindri has been subsidising the other fertiliser producers through the Central Fertiliser Pool. In this connection, it is pointed that, a year ago, Sindri was selling ammonium sulphate at Rs. 350 per ton, the cost of imported fertiliser being Rs. 400. Since January this year, the pool price has been reduced to Rs. 285 per ton as against Rs. 370 for the imported variety. The factory contributes, it is stated, to an equalisation fund.

The Company has suggested to the Government of India that it should be given the responsibility of marketing its products. This question is reported to have received attention at the annual meeting of the Board of Directors of the Company. It is expected that, in all probability, the Government may permit the Board to have its own selling organisation for taking over the sale of 3,00,000 tons of fertilisers produced by the factory from 1st January, 1954, from the Ministry of Agriculture which is now looking after the distribution. It is stated that a scheme is being worked out at present for equalisation of freight charges, so that the fertiliser is made available at any place in India at a uniform price.

Incidentally, it is appropriate to mention here that the four-man Technical Fertiliser Mission is expected to submit a report on the manufacture of ammonium nitrate and urea in Sindri on the 21st inst. It will be recalled that the four-man Fertiliser Mission toured the world in order to study the process of fertiliser manufacture, with particular reference to the manufacture of ammonium nitrate and urea in Sindri. It was charged with the task of recommending to the Government whether the two fertilisers could be manufactured in India. As a result of its study it is expected to recommend to the Government the setting up of an economic unit capable of producing 32 to 35 tons a day. The cost of the plant is estimated at about Rs. 10 crores. The production of urea and nitrate is designed to utilise the by-products of 10 million cubic feet of gas from the proposed coke oven daily and will serve as an excellent fertiliser for rice cultivation, banana, citrous fruits, tea and tobacco crops. The manufacture of the two fertilisers is still in an experimental stage in some of the countries visited.

The Mission was headed by Mr. B. C. Mukherji, I.C.S., Managing Director of the Sindri Fertilisers, the other members being Dr. Nagaraja Rao, Industrial Adviser to the Ministry of Commerce and Industry, Dr. Van Evera on behalf of the Technical Co-operation Administration and Mr. K. C. Sharma, Manager of the Sulphate Plant at Sindri. The tour was undertaken at the instance of T.C.A. which has promised aid for the manufacture of more fertilisers in India.

INDO-JAPANESE TRADE

The Government of India is reported to have declined Japan's proposal for a bilateral trade pact in accordance with the terms of the Peace Treaty signed on 9th June, 1952. In doing so, the Government would appear to have pointed out that the treaty provisions would no longer apply to Japan, as that country has been admitted to the General Agreement on Trade and Tariffs, and, therefore, enjoys most-favoured-nation treatment. The Government seems to have also been guided by the fact that the country is obliged to manage its trade more on considerations of conserving foreign exchange than anything else.

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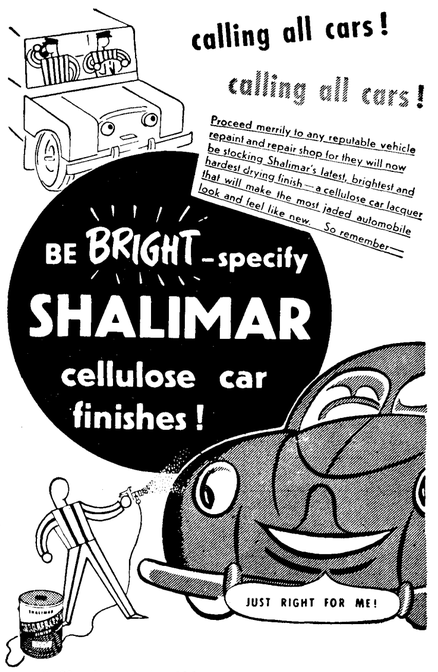

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IMPLEMENTATION OF FOREST POLICY

RECOMMENDATIONS OF CENTRAL BOARD

SEVERAL resolutions relating to forests and forest policy, of far-reaching significance, were adopted by the Central Board of Forests, at its five-day session, which concluded at Dehra Dun, on the 8th inst. It is true that these resolutions are only recommendatory in character inasmuch as the Central Board of Forestry is an advisory body and any recalcitrant State might disregard its suggestions with impunity. Forestry, after all, is a State subject, and the Centre does not enjoy any formal powers to ensure co-ordination and control of State forest policies. But, as the Central Board is composed of State Ministers, and the resolutions have been adopted voluntarily by them, it is to be hoped that it will not be difficult to secure co-ordination of the States' forest policies. In fact, the value of the Board's resolutions, as Dr. Punjabrao Deshmukh, Deputy Minister for Agriculture, pointed out, lies not in their rigidity but in their "resilience."

The main resolution passed at the Conference requested the States to implement the National Forest Policy, as enunciated by the Government of India, in May, 1952. The Forest Policy, among others, aims at the maintenance of at least two-thirds of land area under forests; it lays down, more specifically, that about 60 per cent. of the land should be under forests in the Himalayan, the Deccan and other mountainous tracts. The importance of the resolution needs no emphasis, in view of the part forests play as effective agents in the conservation of soil and water regime of land, which are interconnected with each other. It is high time, therefore, that the States decided the proportion of land that must be under forests.

Conservation of Soil

The Central Board has urged the need for expediting the implementation of the soil conservation scheme drawn up in accordance with the recommendation of the Planning Commission. It considers it essential that the soil conservation board envisaged in the scheme should be associated with the conservation scheme at the time of consideration of river valley projects. The Five-year Plan, it may be mentioned, proposes the establishment of a land utilisation and soil conservation board in each State and a Central Board to co-ordinate the activities of State boards. The Commission has urged a programme of soil conservation in the catchment areas. The co-ordination of the two is essential for evolving a uniform national pattern for the whole country. The immediate implementation of the suggestion for setting up State and Central boards of soil conservation is the need of the hour. For, the boards have a major role to play in increasing the living standards in the country. Soil conservation serves to increase the yield per acre and to lower the cost of production, both of which, in their turn, bring in a whole chain of benefits such as increased income for the farmer, larger revenue for the Government, more trade for both rural and urban communities and wider employment for professional, skilled and unskilled workers.

The Board has recommended that the Central Government should undertake the responsibility of training superior forest officers, rangers and other subordinates for employment in all the States. It has considered it inadvisable for the States to attempt to run their own training centres for rangers and officers. These recommendations are made with a view to ensuring uniformly high standards of training. Moreover, since the number of candidates to be trained for each individual State is small, it would involve unnecessary expense, if each State were to have its own training institute.

The Board has recommended that the schemes relating to the prevention of the encroachment of desert in various States should be co-ordinated with the central scheme of the "immobilisation of Rajputana desert." This co-ordination is sought to be effected through a committee on which the States concerned are represented. Desert and semi-desert conditions prevail over a large area in Western India—in Rajasthan and the adjoining areas of Punjab, P.E.P.S.U., Saurashtra, and Kutch. As a number of States is thus affected by the advance of the desert, and as successful tackling of the problem would depend in a large measure upon co-ordinated action by various States concerned, the need for inter-State co-operation in this sphere cannot be over-emphasised. In this connection, the Board has done well in suggesting that the consolidation of holdings should also be so effected as not to endanger the safety of trees growing on village lands. It has further felt the need for establishment of community projects to wean forest tribes from their age-long practice of shifting cultivation from place to place.

The Board also adopted a series of resolutions, which when implemented, will go a long way towards establishing a sound national forest policy. One of them pleads for the enactment of legislation, on a common pattern, by the States concerned to control the sale and trade in *biri* leaves, as uncontrolled sale of these leaves on private lands is detrimental to the *biri* industry and prejudicial to the interests of the workers engaged in it. *Biri* leaves, it may be noted, account for a revenue of over Rs. 1 crore to the States, and an equal amount to private owners as well as workers engaged in the industry. Another resolution advocates early constitution of wild life boards in States, where they have not yet been formed, with a view to preserving wild life. The Board has also emphasised the necessity for planning production of wood sleepers on a three-year basis, fixing the number of sleepers to be supplied to railways annually; the prices to be paid for such sleepers should be fixed by negotiation for a period of three years for a given State or a group of States. Again, stress is laid on the plantation of babul trees on waste lands wherever possible. Besides, the States have been requested to undertake experiments regarding introduction of Malayan type of cane in suitable localities in various States. The States have also been requested to take up investigation into the utilisation of wood chips, saw-dust and agricultural wastes such as paddy husks and groundnut shells, not fully utilised at present, for compressing them into suitable briquettes for use as fuel.

From the foregoing account, it will be seen that the Board has not gone into the question of supplying raw materials of the paper industry such as bamboo and sabai grass. The industry has been clamouring for the adoption of a more enlightened forest policy in respect of these two materials by the State Governments. It has been demanding that the Governments should make available to it the bamboo and sabai grass areas in forest regions, on a long-term lease, at reasonable royalty, in order to ensure a regular supply of the raw materials. This question too does not seem to have received the attention of the Board. In view of the importance of the paper industry to the country, it is to be hoped that the Board will consider this question sympathetically.

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Institutions	50,000	(ii) All District Treasuries in Part 'A' States at places where the Imperial Bank of India does not transact treasury business.
Charitable Institutions	1,00,000	(iii) All Sub-Treasuries in Part 'A' States.
No guardianship certificate required when deposit is made on behalf of a minor child by father or mother		(iv) Treasuries at Bhuj (Kutch), Imphal (Manipur) and Coorg-Mercara (Coorg).

DEPOSITS REFUNDABLE ANY TIME AFTER ONE YEAR FOR A SMALL DISCOUNT WHICH COMES OUT OF THE INTEREST. THE CAPITAL ALWAYS REMAINS INTACT

For further information and/or rules governing this investment, please apply to the NATIONAL SAVINGS COMMISSIONER, GORTON CASTLE, SIMLA-3 or the REGIONAL NATIONAL SAVINGS OFFICER of your State.

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Notices

SOORAH JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE 116th Ordinary General Meeting of the Shareholders of the Company will be held at the Principal Office of the Company at No. 8, Royal Exchange Place, Calcutta, at 2-30 p.m. on Wednesday the 8th July, 1953, for the following purposes:

1. To receive and consider the Report of the Directors and to pass the audited accounts for the year ended 31st December, 1952.
2. To declare Dividend on Preference Shares.
3. To elect Directors in place of those retiring by rotation.
4. To appoint Auditors and fix their remuneration.
5. To transact any other business which may be brought before the meeting with the permission of the Chairman.

The Share Transfer books of the Company will remain closed from 24th June, 1953, to 8th July, 1953, both days inclusive.

By Order of the Board,
HINDUSTHAN INVESTMENT CORPORATION LTD.,
Managing Agents.

CALCUTTA, 10*th June*, 1953.

In particular to Mr. Alexander Holmes King and Mr. Kasam Ahmad Vaiz.

Note.—If dividend on shares as recommended by the Directors is declared at the meeting THE DIVIDEND WILL BE PAYABLE ONLY TO THE REGISTERED SHAREHOLDERS, whose names are on the Company's Register on the 8th July, 1953. No application need be sent for dividend as relative Dividend Warrants will be posted to such Shareholders in due course.

The Shareholders are advised to notify any change of address.

BENGAL NAGPUR COTTON MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Twelfth Ordinary General Meeting of the Members will be held at the Registered Office of the Company, No. 4, Bankshall Street, Calcutta, at 3-15 p.m. on Monday the 29th June, 1953, for the following purposes:—

(1) To receive the Directors' Report and the Audited Accounts for the half-year ended 31st December, 1952.
(2) To declare Dividends on the Preference and Ordinary Shares.
(3) To elect a Director.
(4) To appoint Auditors for the current year.

The Transfer Register will be closed from the 22nd June to the 29th June, 1953, both days inclusive.

By Order of the Board,
SHAW WALLACE & COMPANY, LTD.,
Managing Agents.

CALCUTTA, 13*th June*, 1953.

NEW INDIA INVESTMENT CORPORATION LTD.

NOTICE IS HEREBY GIVEN THAT THE Sixteenth Ordinary General Meeting of the shareholders of New India Investment Corporation Ltd., will be held at the Registered Office of the Company, at 9, Brabourne Road, Calcutta, at 4 p.m. on Friday the 3rd July, 1953, for the purpose of receiving the Directors' Report, passing the Audited Accounts for the year ended 31st December, 1952, declaring dividends recommended by the Directors, electing Directors, appointing Auditors and for transacting any other ordinary business of the Company.

The Share Transfer Register of the Company will be closed from 25th June to 3rd July, 1953, both days inclusive.

By Order of the Board,
RAMDUTT RAMKISSENDASS,
Secretaries.

9, BRABOURNE ROAD,
CALCUTTA, 9*th June*, 1953.

(Please note.—Dividend warrants are payble to registered shareholders against appliations only.)

THE KALIGHAT FALTA RAILWAY COMPANY, LIMITED

THE FORTY-FOURTH ORDINARY GENERAL Meeting of the Shareholders will be held at the Registered Office of the Company, No. 3, Netaji Subhas Road, Calcutta, on Friday the 3rd July, 1953, at 4-15 p.m., to transact the following business:—

1. To receive the Directors' Report and the Auditors' Report and to pass the Accounts for the year ended 31st March, 1952.
2. To declare a Dividend.
3. To elect a Director.
4. To elect Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from the 20th June to 3rd July, 1953, both days inclusive.

By Order of the Board,
McLEOD & CO., LTD.,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA. 16*th June*, 1953.

Note.—Payment of the proposed dividend, if declared, will be made to those members whose names are registered in the Books of the Company on 3rd July, 1953, or to their Mandatees.

Dividend warrants will be despatched as soon as possible after the General Meeting. Applications for warrants will not be necessary.

THE KATAKHAL LALA BAZAR RAILWAY COMPANY, LIMITED

THE FORTY-SECOND ORDINARY GENERAL Meeting of the Shareholders will be held at the Registered Office of the Company, No. 3, Netaji Subhas Road, Calcutta, on Friday the 3rd July, 1953, at 4-20 p.m., to transact the following business:—

1. To receive the Directors' Report and the Auditors' Report and to pass the Accounts for the year ended 31st March, 1952.
2. To declare a Dividend.
3. To elect a Director.
4. To elect Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from the 20th June to 3rd July, 1953, both days inclusive.

By Order of the Board,
McLEOD & CO., LTD.,
Managing Agents,

3, NETAJI SUBHAS ROAD,
CALCUTTA, 16*th June*, 1953.

Note.—Payment of the proposed dividend, if declared, will be made to those members whose names are registered in the Books of the Company on 3rd July, 1953, or to their Mandatees.

Dividend warrants will be despatched as soon as possible after the General Meeting. Applications for warrants will not be necessary.

BURN AND COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Board of Directors has sanctioned payment of the Dividend on 6 per cent. and 7 per cent. Preference shares of the Company for the half-year ending 30th June, 1953. Payment will be made on or after the 10th July, 1953, to those shareholders whose names appear on the Company's Registers on the 30th June, 1953, or in accordance with their instructions.

By Order of the Board,
MARTIN BURN LTD.,
Managing Agents.

12, MISSION ROW,
CALCUTTA, 16*th June*, 1953.

THE BURDWAN CUTWA RAILWAY COMPANY, LIMITED

THE FORTY-SIXTH ORDINARY GENERAL Meeting of the Shareholders will be held at the Registered Office of the Company, No. 3, Netaji Subhas Road, Calcutta, on Friday the 3rd July, 1953, at 4 p.m., to transact the following business:—

1. To receive the Directors' Report and the Auditors' Report and to pass the Accounts for the year ended 31st March, 1952.
2. To declare a Dividend.
3. To elect Directors.
4. To elect Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from the 20th June to 3rd July, 1953, both days inclusive.

By Order of the Board,
McLEOD & CO., LTD.,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 16*th June*, 1953.

Note.—Payment of the proposed dividend, if declared, will be made to those members whose names are registered in the Books of the Company on 3rd July, 1953, or to their Mandatees.

Dividend warrants will be despatched as soon as possible after the General Meeting. Applications for warrants will not be necessary.

THE AHMADPUR KATWA RAILWAY COMPANY, LIMITED

THE FORTY-FIFTH ORDINARY GENERAL Meeting of the Shareholders will be held at the Registered Office of the Company, No. 3, Netaji Subhas Road, Calcutta, on Friday the 3rd July 1953, at 4-05 p.m., to transact the following business:—

1. To receive the Directors' Report and the Auditors' Report and to pass the Accounts for the year ended 31st March, 1952.
2. To declare a Dividend.
3. To elect Directors.
4. To elect Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from the 20th June to 3rd July, 1953, both days inclusive.

By Order of the Board,
McLEOD & CO., LTD.,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 16*th June*, 1953.

Note.—Payment of the proposed dividend, if declared, will be made to those members whose names are registered in the Books of the Company on 3rd July, 1953, or to their Mandatees.

Dividend warrants will be despatched as soon as possible after the General Meeting. Applications for warrants will not be necessary.

THE BANKURA DAMOODAR RIVER RAILWAY COMPANY, LIMITED

THE FORTY-SIXTH ORDINARY GENERAL Meeting of the Shareholders will be held at the Registered Office of the Company, No. 3, Netaji Subhas Road, Calcutta, on Friday the 3rd July, 1953, at 4-10 p.m., to transact the following business:—

1. To receive the Directors' Report and the Auditors' Report and to pass the Accounts for the year ended 31st March, 1952.
2. To declare a Dividend.
3. To elect Directors.
4. To elect Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from the 20th June to 3rd July, 1953, both days inclusive.

By Order of the Board,
McLEOD & CO., LTD.,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 16*th June*, 1953.

Note.—Payment of the proposed dividend, if declared, will be made to those members whose names are registered in the Books of the Company on 3rd July, 1953, or to their Mandatees.

Dividend warrants will be despatched as soon as possible after the General Meeting. Applications for warrants will not be necessary.

ENCOURAGING RESULTS OF JARDINE HENDERSON JUTE GROUP

RELIANCE AND BALLY RESUME DIVIDEND

JUTE shares have provided a lively feature of trading on the Calcutta Stock Exchange in recent weeks. This is attributed partly to the revival of demand for jute goods and partly to the encouraging results published by some of the jute mills. Prominent among the latter are the Howrah Mills Co., Ltd., the Reliance Jute Mills Co., Ltd., and the Bally Jute Co., Ltd., all under the management of Messrs. Jardine Henderson Ltd., Calcutta. The results of these Companies for the half-year ended 31st March, 1953, reveal an all-round improvement. All the three have recorded a smart rise in their trading profits. as compared with those for the previous six months, the performance of Reliance Jute being the most impressive of the three.

The trading profit of the Howrah Mills has risen from Rs. 15.16 lakhs for the six months ended 30th September, 1952, to Rs. 20.47 lakhs. But it may be noted here that the profit for the latest half-year is sizably lower than that of Rs. 28.75 lakhs for the corresponding half-year of 1952. After providing a higher sum for depreciation and taxation, the net profit shows an advance from Rs. 4.61 lakhs for the previous half-year to Rs. 7.54 lakhs. The Directors had provided in the previous two years a sum of Rs. 7 lakhs from out of the profits for machinery renewal reserve, in addition to Rs. 20 lakhs set apart a year ago from out of the reserve for E.P.T. deposits, for purpose of financing modernisation of the Company's No. 2 Mill. In accordance with their policy of conserving the Company's resources for carrying out this programme, the Directors have strengthened this reserve further by the addition of Rs. 2 lakhs from the profit for the half-year under review. After making this provision, the profit does not permit of an increase in the dividend level. It has, therefore, been just maintained at As. 14 per share of Rs. 10 or 17½ per cent. per annum.

The trading profit of the Reliance Jute Mills for the half-year under review is substantially higher than that for either of the two previous half-years. As compared with the results for the previous six months, the trading profit shows an advance from Rs. 1.46 lakhs to Rs. 9.85 lakhs, a rise of Rs. 8.39 lakhs. It records an increase of Rs. 5.73 lakhs over that of Rs. 4.12 lakhs for the half-year ended 31st March, 1952. Depreciation has been more than doubled to Rs. 1.50 lakhs. No provision for taxation has been made. In distinct contrast to the net loss of Rs. 1.07 lakhs suffered in the previous half-year, the net profit for the six months under review amounts to Rs. 6.06 lakhs. The net loss for the previous half-year was wiped out by the additional income of Rs. 3.45 lakhs but no dividend could be paid. In pleasant contrast to this, the net profit for the half-year under review has enabled the Directors to place Rs. 1.50 lakhs to the debenture redemption fund, to wipe off all the arrears of dividend on preference shares (including for the latest half-year) and to declare a dividend of As. 4 per share of Rs. 10 or 5 per cent. per annum. This is the first return to the ordinary shareholders of this Company after a break of four years, the last half-year for which a dividend was paid was the one ended 30th September, 1948. At that time, the shareholders received a dividend of 10.4 per cent. per annum, in addition to a scrip bonus of one share for every two shares held.

The trading profit of the Bally Jute, at Rs. 4.22 lakhs, shows an expansion of Rs. 1.79 lakhs and Rs. 1.60 lakhs over those for the two preceding half-years. After providing a slightly higher sum for depreciation, the net profit of Rs. 1.75 lakhs compares favourably with that of Rs. 77,064 for the previous six months and Rs. 1.15 lakhs for the corresponding period of last year. The satisfactory performance during the half-year under review has enabled the Directors to resume payment of dividend on the ordinary shares, after a break of two half-years. They have, accordingly, declared a dividend of Rs. 4 per share of Rs. 100 or 8 per cent. per annum, as compared with the token dividend of 2 per cent. per annum paid for the half-year ended 30th September, 1951.

A more detailed picture of the results of the three Companies for the last three half-years is given in the table below:

(In thousands of rupees.)

	HOWRAH			RELIANCE			BALLY		
	For the half-year ended			For the half-year ended			For the half-year ended		
	31-3-53	30-9-52	31-3-52	31-3-53	30-9-52	31-3-52	31-3-53	30-9-52	31-3-52
Sale proceeds	1,51,43	2,41,64	3,46,52	81,57	1,31,63	1,98,63	73,34	95,45	1,59,96
Stocks of manufactured goods and in process of manufacture	46,04	24,15	49,67	28,47	10,31	18,21	16,02	17,23	24,07
Expenses	1,52,84	2,09,97	3,14,33	89,88	1,27,76	1,72,70	67,91	86,18	1,49,55
Trading profit	20,47	15,16	28,75	9,85	1,46	4,12	4,22	2,43	2,62
Managing Agents' remuneration	3,05	2,34	4,30	1,05	9	9	1,53	80	9
Depreciation	2,00	1,50	1,50	1,50	70	70	75	50	50
Taxation	7,26	5,85	10,25	..	..	..	..	..	..
Net profit	7,54	4,61	10,55	6,06	—1,07	1,18	1,75	77	1,15
Other income	96	4,32	2,30	7	3,45	..	..	..	..
To reserves	2,00	2,00	5,00	1,50	1,50	..	8	..	27
Dividends—									
Preference	92	92	92	3,50*	70†	70‡	70	70	70
Ordinary	5,74 (17½%p.a.)	5,74 (17½%p.a.)	6,56 (20%p.a.)	1·24 (5%p.a.)	..	..	80 (8%p.a.)	..	..
Carry forward	1,55	1,71	1,44	48	59	41	73	56	49

• For the five half-years ended 31st March, 1953. † For the half-year ended 30th September, 1950. ‡ For the half-year ended 31st March, 1950.

Describing the trading conditions that prevailed during the half-year under review, the Directors, in their report to the shareholders, observe as follows:

"The general downward trend of prices of both raw jute and finished goods referred to in our last report continued throughout the period under review. On 28th February, 1953, the Government further reduced the export duty on sacking goods by Rs. 95 per ton. Since the closing of the accounts all markets have improved with, however, a rather disproportionate rise in the price of raw jute. On 25th March, 1953, discussions were concluded between the Governments of India and Pakistan, as a result of which the latter agreed to abolish the discriminatory licence fee of Rs. 2-8 per maund on the export of all jute to India and to decrease, by As. 12 per maund, the export duty on all exports of jute to India packed in *kutcha* bales. These measures have resulted in an easier flow of such qualities of jute as are necessary to maintain a good standard of production."

The latest balance-sheet of the Howrah Mills Co., Ltd., discloses that the Company's capital of Rs. 91.87 lakhs is supplemented by reserves and surplus amounting to Rs. 52.39 lakhs. Of the latter, general reserve accounts for Rs. 17.84 lakhs and machinery renewal reserve for Rs. 29 lakhs. The gross block of the value of Rs. 165.46 lakhs has been written down to Rs. 56.09 lakhs. The current assets amount to Rs. 149.07 lakhs (of which stocks and stores alone account for Rs. 94.05 lakhs and cash balances for Rs. 40.73 lakhs) and cover the current liabilities, at Rs. 60.91 lakhs, by a wide margin of Rs. 88.16 lakhs.

The Reliance Jute Mills Co., Ltd., has a paid-up capital of Rs. 69.50 lakhs, and a debenture issue of Rs. 25 lakhs. There are no reserves, except a debenture redemption reserve of Rs. 1.50 lakhs. The gross block, of the value of Rs. 123.46 lakhs, has been provided with a depreciation of Rs. 55.08 lakhs. The current assets at Rs. 68.66 lakhs exceed current liabilities (Rs. 40.56 lakhs) by Rs. 28.10 lakhs.

The Bally Jute Co., Ltd, has reserves and surplus to the extent of Rs. 30.50 lakhs which is more than 76 per cent. of the paid-up capital of Rs. 40 lakhs. Current liabilities aggregate no more than Rs. 11.29 lakhs. The gross block, aggregating Rs. 97.37 lakhs, has been well written down to Rs. 33.85 lakhs. Current assets amount to Rs. 47.94 lakhs and exceed current liabilities by a large margin of Rs. 36.65 lakhs.

BENGAL PAPER PASSES OVER DIVIDEND

An unbroken record of dividend covering a period of nearly 27 years is certainly an achievement of which any industrial concern can justifiably be proud. The Bengal Paper Mill Co., Ltd. (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta), held this distinction until six months ago. This enviable record has now been broken with the Directors' decision to pass over the dividend for the half-year ended 31st December, 1952. This decision has become inevitable, in view of the sizable loss the Company has incurred during the period under review, due to factors which the Directors could not possibly control. This may be a little surprising to the shareholders, though they may not have been wholly unprepared for it. For the Directors of the Company, in their report for the previous half-year (published in December last), had informed the shareholders that a sit-down strike had been resorted to by the Company's labour force causing the mills to be closed since mid-October.

The direct result of this "illegal" strike on the Company's financial results for the half-year under review has been a gross loss of Rs. 7.47 lakhs, in distinct contrast to the profit of Rs. 8.63 lakhs for the previous six months and of Rs. 12.30 lakhs for the corresponding half-year of 1951. This loss has enlarged further to Rs. 9.57 lakhs, consequent on the provision of Rs. 2.10 lakhs for depreciation, as compared with Rs. 3.59 lakhs and Rs. 4.12 lakhs, respectively, provided for this purpose in the preceeding two half-years. This net loss of Rs. 9.57 lakhs compares unfavourably with the net profit of Rs. 3.76 lakhs earned in the half-year ended 30th June, 1952, and of Rs. 5.43 lakhs for the six months ended 31st December, 1951. The deficit has, however, been covered to the extent of Rs. 4.87 lakhs, thanks, in large measure, to the sum of Rs. 3.22 lakhs brought in from the previous six months and to Rs. 1.65 lakhs, representing excess of income-tax provided last half-year, refund of Managing Agents' commission, etc. The balance of Rs. 4.70 lakhs has been carried forward to the current half-year. Nevertheless, the Directors have decided not to hold in arrears the dividends on the preference shares. They have, accordingly, drawn a sum of Rs. 81,000 required for this purpose from the general reserve.

As already observed, for the first time since 1925, the Directors have passed over the dividend on the ordinary shares. For the preceding three half-years, they had maintained the dividend at 12½ per cent. per annum. During its long dividend record since 1925, the Company paid the highest dividend of 45 per cent. per annum in the war years and the lowest dividend of 7½ per cent. per annum in 1926.

Commenting on the labour trouble and its effect on the Company's production, the Directors, in their report to the shareholders, observe as follows:

"The root cause of the trouble was, undoubtedly, the retrenchment of redundant workers, to which reference was made in our last report. The retrenchment was made as sparingly and sympathetically as possible and, although at the time it was accepted without an open breach, the labour force in some sections of the Mill adopted a non-co-operative attitude which badly affected production and contributed to the loss. This unhappy state of affairs persisted and, in early October, the men in the sulphate recovery plant staged a sit-down strike, which shortly afterwards culminated in a total closure. Your Directors have to report with regret that the strike lasted until 23rd March, 1953, apart from a resumption of work for one week in January. Consequent upon our labour troubles, production fell by some 3,400 tons, as compared with the previous half-year, and cost of production increased. Further, the average sale price of our paper declined, as we had to supply a disproportionately high share of our much reduced production to the Government."

The following synopsis of the Company's latest balance-sheet reflects its financial position:

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	71,00,000	Gross block ...	1,95,77,779
Reserves ...	28,54,000	*Less*—Depreciation ...	1,28,90,079
Debentures ...	5,38,413	Net block ...	66,87,700
Provision for taxation	22,30,500	Stocks ...	75,300
Liabilities	48,81,708	Stores, etc. ...	65,01,237
		Debts, deposits and advances ...	36,55,346
		Investments	84,408
		Cash ...	1,30,771
		Profit and loss account ...	4,69,859
Rs.	1,76,04,621	Rs.	1,76,04,621

An idea of the prospects for the current year can be gained from the following extracts from the Directors' report:

"Advantage was taken of the shut period to bring the Mill into a good state of repair. This concentration on repairs will prove extremely valuable to the Company and will be amply repaid. The work could normally have only been done gradually at week-ends and consequently the cost has been charged in this one half-year instead of being spread over a long period. Since the resumption of work, the Mill has been running smoothly, but No. 2 sulphate recovery plant is not yet functioning efficiently. Although experts are now working on it, it is unlikely that we shall realise any material benefits from it in the current half-year."

AIR-INDIA INTERNATIONAL LTD.

It would have been a happy culmination to the record of public service as the pioneer in this country in the field of international aviation if Air-India International Ltd. (Secretaries and Treasurers: Messrs. Tata Industries Ltd., Bombay) had wound-up its full final year of operation (that is, the year ended 31st December, 1952), as a private enterprise by following up the maiden dividend of 3½ per cent. paid for 1951 with another distribution. But, unfortunately, the year's operations have resulted in a net loss of Rs. 2.14 lakhs (after providing for depreciation), as against a profit of Rs. 37.55 lakhs earned in 1951. A sum of Rs. 38.36 lakhs has been set aside for depreciation, which is Rs. 2.84 lakhs more than that provided last year.

Of course, this small loss would be reimbursed by the Government of India, in accordance with the terms of the agreement between the Company and the Government. But it must be recorded that it has been beyond the control of the Company to avert it. The main cause of the loss has been the steep rise in expenditure. As against an increase of Rs. 9.44 lakhs to Rs. 262.22 lakhs in traffic revenue, expenditure shows a rise of Rs. 30.84 lakhs to Rs. 232.31 lakhs. Moreover, in 1951 the Company had earned a net profit of Rs. 15.04 lakhs on assets sold or scrapped. There has, however, been no such income during the year under review. The increase in expenses is accounted for by increase in salaries and wages (Rs. 7.68 lakhs), by increase in prices and reduction in rebate of customs duty costing as much as Rs. 12.46 lakhs, by substantial increase of Rs. 7.65 lakhs in operational and traffic department expenses, etc. The Directors report that the Company's operations during the year under review would not have resulted in a loss if its activities had not been curtailed on two occasions during the year, once owing to Government's restrictions on consumption of aviation fuel and the second time due to labour trouble. The Company would have earned a substantial profit if the Posts and Telegraphs Department of the Government of India had paid to the Company mail rates "on a basis similar to that adopted by other Governments for such payments to their own national carriers.

Under the scheme of nationalisation (which has now come into force), the shareholders of the Company are expected to receive, wholly or mainly in the form of 3½ per cent. negotiable bonds of Air-India International Corporation (the nationalised company which takes over the services run by the Company), an amount exceeding 120 per cent. of the par value of their shares.

Points From The Chair

World Consumption of Oil Products

"Of the total world consumption in 1952 of some 635 million tons of oil products, approximately one-third represents new consumption since 1947. The capital which the industry has found since the end of the war in order to meet these requirements and to provide for the foreseeable future, though impossible to assess accurately, cannot be less than the equivalent of £6,500 million. As to future needs, at to-day's level of consumption of oil products even a small percentage increase represents an additional requirement of many millions of tons of oil and of finance on a commensurate scale. However, progress cannot be measured in terms of expansion of consumption alone. Keen and active competition forces the industry to direct a continued effort of research and new investment towards increased efficiency and lower costs. Technological advance often brings about an earlier obsolescence of existing plant and equipment."

SIR FREDERICK GODBER,
"Shell" Transport and Trading Co., Ltd.

Future of World Production of Glycerine

"I do not know whether the future demand for oils and fats for soap-making purposes will increase or decrease. One would expect a further decrease in North America and Europe but, as I suggested earlier, the increase in the tropical countries might be very great, if the standard of living there were to rise by even a small amount. If demand for soap contracts, it will, of course, have an important effect on the world production of glycerine, a by-product of soap-making. Between 1950 and 1952, world glycerine production (excluding Russia) has already been reduced from about 230,000 tons to 210,000 tons, although not all this reduction can be attributed to a lower soap production. This has not so far led to a glycerine shortage, as the demand has not been maintained at the high level which prevailed in 1950. But it is clear that there is now little margin of safety. A further reduction in supply, coupled with an increase in demand, could easily result in quite a serious shortage."

SIR GEOFFREY HEYWORTH,
Unilever, Ltd.

Diamond Trade

"Another erroneous impression that exists in some quarters is that even though we may not have large stocks, we mine in such a way as to restrict production to a level calculated to cause an artificial shortage and keep the price of diamonds at unreasonably high levels. This view is contradicated by two important principles which operate in the diamond trade. The first is that the selling arrangements in force contain provisions by which each producer is guaranteed, over a period of years, that however bad the general trade conditions are, his sales will not fall below an agreed minimum. As a result, there is always continuity of production, and diamond mines are kept in operation through bad times as well as good. The second is that the industry has always equipped its mines to operate at their optimum capacity. When the trend of prices and demand has warranted it, considerable sums have immediately been spent in reopening old mines which previously could not be exploited economically."

SIR ERNEST OPPENHEIMER,
De Beers Consolidated Mines, Ltd.

Joint-venture in Burma Oil Industry

"I told you last year that plans for a joint venture between the Government and the oil industry in Burma had progressed to the point, where a draft agreement had been initialled, subject only to acceptance by the Union Government of the valuation of £15 million which was put on the undertakings concerned. After a survey of the assets by a Commission appointed for the purpose, the Government accepted our valuation, but progress was then held up by a reference to the Supreme Court in Burma regarding the validity under the Constitution of Burma of the proposed joint venture procedure. The Supreme Court's ruling was favourable and we are informed the negotiations to finalise the joint venture will soon be resumed."

SIR KENNETH B. HARPER,
Burmah Oil Co., Ltd.

tability in Paper Pulp Market

"There are now some signs of stability in the ulp market and this is the all-important consideration, both for producer and consumer, of the nished product. The demand for paper is likely increase, although, in the case of newspapers, tocks are fairly high. Fortunately, with the decrease in value of the large quantity of raw aterials which mills have to maintain, the risk heavy losses in this direction has considerably iminished."

VISCOUNT CAMROSE,
Amalgamated Press Ltd.

Notices

THE GANGES MANUFACTURING COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Seventy-fifth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Monday the 6th July, 1953, at 11 a.m., for the following purposes:—

(1) To receive and consider the Directors' Report and the Accounts for the half-year ended 31st March, 1953.
(2) To elect a Director.
(3) To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 30th June to 6th July, 1953, both days inclusive.

MACNEILL & BARRY LTD.,
A. W. TAYLOR,
Managing Director,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, 13*th June*, 1953.

THE NUDDEA MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Half-yearly General Meeting of Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Monday the 6th July, 1953, at 12 noon, for the following purposes:—

(1) To receive and consider the Directors' Report and the Accounts for the half-year ended 31st March, 1953.
(2) To elect Directors.
(3) To appoint Auditors and fix their remuneration.
(4) To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 30th June to 6th July, 1953, both days inclusive.

MACNEILL & BARRY LTD.,
A. W. TAYLOR,
Managing Director,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, 13*th June*, 1953.

JESSOP AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-first Ordinary General Meeting of the Shareholders will be held on Friday 17th July, 1953, at 12 noon, at the Registered Office, 63, Netaji Subhas Road, Calcutta-1, to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st October, 1952.
2. To declare a Dividend.
3. To elect a Director.
4. To appoint Auditors for the current year and to fix their remuneration.
5. To transact any other business of an Ordinary Meeting.

The Ordinary Share Transfer Books of the Company will be closed from the 29th June to 17th July, 1953, both days inclusive.

Dividends are paid only to Registered Shareholders or their Mandatees.

By Order of the Board,
F. RANKEN,
Secretary.

63, NETAJI SUBHAS ROAD,
CALCUTTA-1, 9*th June*, 1953.

KHARDAH COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ordinary Half-yearly Meeting of the Shareholders of the Khardah Co., Ltd., will be held at the Registered Office of the Company, 7, Wellesley Place, Calcutta, at noon on Wednesday, the 8th July, 1953, for the following purposes:—

(1) To receive the Report of the Directors and to pass the audited accounts for the half-year ended 30th September, 1952.
(2) To elect a Director.
(3) To elect Auditors for the current year and to fix their remuneration.
(4) To declare dividends on the Preference and Ordinary Shares.
(5) To transact any other business which may properly be brought before the Meeting.

The Share Transfer Register of the Company will be closed from the 24th June, 1953 to the 8th July, 1953, both days included.

By Order of the Board of Directors,
ANDERSON WRIGHT, LTD.,
Managing Agents.

CALCUTTA, 11*th June*, 1953.

THE OUCHTERLONY VALLEY ESTATES (1938) LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifteenth Annual General Meeting of this Company will be held at the Office of Messrs. Peirce, Leslie & Co., Ltd., Kozhikode, on Saturday, 4th July, 1953, at 10 a.m., for the following purposes:

To receive and consider the Balance Sheet and Profit and Loss Account to 31st October, 1952, and the Reports of the Directors and Auditors.

To declare a Dividend.

To decide upon the Directors' remuneration.

To elect a Director and to confirm the appointment of Rao Bahadur V. P. Menon, C.S.I., C.I.E.

To appoint Auditors for the ensuing year and fix their remuneration.

In accordance with the Company's Articles of Association, the Transfer Books of the Company will be closed from 20th June to 5th July, 1953, both days inclusive.

The Board will recommend to the Meeting payment of a Dividend of 10 per cent. on the Ordinary Share Capital.

By Order of the Board,
PEIRCE, LESLIE & CO., LTD.,
Managing Agents and Secretaries.

KOZHIKODE-1, 10*th June*, 1953.

HARINAGAR SUGAR MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-first Ordinary General Meeting of the Shareholders will be held at the Registered Office, 207, Kalbadevi Road, Bombay, on Tuesday, 30th June, 1953, at 4 p.m. (S.T.).

Share Transfer Books will remain closed from 23rd June to 7th July, 1953 (both inclusive).

By Order of the Board,
NARAYANLAL BANSILAL,
Managing Agents.

BOMBAY, 10*th June*, 1953.

PROFIT OF SHAW WALLACE DECLINES

BISRA STONE MAINTAINS DIVIDEND

Shaw Wallace and Co., Ltd.

THE directors of the above Company (Managing Director: Mr. J. E. Waterfield, Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The Company's profit after the inclusion of Rs. 3,47,991 (Rs. 2,62,138) brought forward, is Rs. 25,80,900 (Rs. 25,64,086) and after making provision for taxation of Rs. 6,92,409 (Rs. 12,84,221) there remains Rs. 18,88,491 (Rs. 22,79,865). Out of this sum the directors have placed to general reserve account Rs. 3,00,000 (Rs. 7,00,000), placed to investment reserve account Rs. 1,50,000 (Rs. 1,50,000), declared as interim-dividends, payable for the year 1952 on the cumulative preference shares as under:—

On 15th July, 1952, 3 (3) per cent. less income-tax Rs. 1,65,937 (Rs. 1,65,937), on 15th January, 1953, 3 (3) per cent. less income-tax Rs. 1,65,938 (Rs. 1,65,937), and recommend the payment of a dividend on the ordinary shares of 10 (10) per cent. free of income-tax, absorbing Rs. 7,50,000 (Rs. 7,50,000), leaving to be carried forward Rs. 3,56,616 (Rs. 3,47,991).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,50,00,000	Block ...	9,94,781
Reserves ...	35,00,000	Other assets	1,76,59,924
Provision for taxation ...	6,50,000	Stocks ...	11,14,544
Liabilities ...	90,59,534	Stores ...	1,14,173
Profit and loss account ...	3,56,616	Debts, deposits and advances ...	54,95,991
		Investments	29,67,704
		Cash ...	2,19,033
Rs.	2,85,66,150	Rs.	2,85,66,150

Bisra Stone Lime Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1952.

Raisings of limestone at 4,45,575 tons showed a small increase of 6,281 tons, over the previous half-year. Sales too at 4,32,228 tons, compared favourably with 4,26,595 tons, in the previous half-year. The steel manufacturers have accepted the Company's claim for an increase in price of 3 annas per ton with effect from the 1st June, 1952. This covers increases given to labour from that date. Despatches showed a slight improvement but wagon placements were again short and irregular.

Raisings of dolomite were 11,271 tons, a decrease of 1,604 tons, over the previous half-year due to concentration and development work. Sales, of which 1,448 tons were of first quality dolomite, dropped by 1,760 tons to 11,196 tons.

The output of lime at 4,31,739 maunds showed a most satisfactory increase of 36,913 maunds over the previous half-year. Sales increased by 94,409 maunds to 4,14,282 maunds, due mainly to the increased wagons supplied for the Calcutta market. The Company is now regaining its market for industrial lime.

There was an illegal strike from the 25th June, 1952, to the 5th July, 1952, both dates inclusive, due to the Union maintaining that the Company had no intention of implementing the conciliation agreement entered into with them in November, 1951. The fact that the Union refused to co-operate when the Company's proposals were put before them, rendered the position untenable.

Output and despatches of limestone, dolomite and lime would have been considerably higher but for this strike.

The profit and loss account after providing Rs. 42,032 (Rs. 44,420) for depreciation, Rs. 1,00,000 (Rs. 1,15,000) for taxation and taking Rs. 52,705 (Rs. 51,599) for quarry overhang reserve, Rs. 25,000 (Rs. 25,000) for mechanisation reserve, Rs. 14,283 (Rs. 14,174) for Workmen's Compensation Act reserve, Rs. 23,000 (Rs. 14,000) for tax contingency reserve and writing off Rs. 7,024 (*nil*) for bad debts and including Rs. 28,729 (Rs. 8,332) brought forward from the previous half-year, shows a credit balance of Rs. 1,03,180 (Rs. 1,12,735) which the directors propose to dispose of in payment of a dividend of As. 14 (As. 14) per share (without any deduction for income-tax paid by the Company) Rs. 87,500 (Rs. 87,500) and in carrying forward Rs. 15,680 (Rs. 25,235).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ...	21,36,350
Reserves ...	21,89,785	Work-in-progress ...	50,888
Provision for taxation ...	1,36,357	Stocks ...	2,58,601
Liabilities ...	15,31,694	Stores, and spare gear	4,57,336
Profit and loss account ...	19,680	Debts, deposits and advances ..	18,63,272
		Investments	13,069
		Cash ...	94,000
Rs.	48,73,516	Rs.	48,73,516

Mirzapur Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The revenue account shows a profit on the year's working of Rs. 87,491 (Rs. 89,458) and after deducting arrears of depreciation Rs. 4,189 (Rs. 4,192), gratuity to retired employees Rs. 1,108 (Rs. 1,684), bonus to staff Rs. 3,907 (Rs. 3,955) contribution to Vallabhbhai Patel National Memorial Fund Rs. 193 (*nil*), provision for taxation Rs. 15,000 (Rs. 16,000), reserve for deferred taxation Rs. 15,490 (Rs. 17,000) and appropriations under the Electricity (Supply) Act, 1948 Rs. 7,004 (Rs. 7,152), there is a net profit for the year of Rs. 40,600 (Rs. 39,475). After adding thereto the credit balance of Rs. 677 (Rs. 4,527) brought forward from the previous year and deducting therefrom Rs. 3,866 (Rs. 1,071) payable on coal cost adjustment there is a credit balance of Rs. 37,412 (Rs. 43,177) on profit and loss account, which the directors recommend be disposed of as follows:—

Transfer to general reserve Rs. 15,000 (Rs. 15,000) and carry forward Rs. 22,412 (Rs. 677 after paying dividend at As. 8 per share absorbing Rs. 27,500).

The directors have not recommended the payment of any dividend this year. This decision has been taken in view of the fact that finance is required for the expansion of the Company's business by the provision of additional plant and equipment to cater for the considerable further prospective load which exists within the area but which cannot be connected until such time as the present capacity of the Company's system has been augmented. The directors are of the opinion that to set aside funds for the purpose in question is not only the correct procedure to adopt in the interests of the general public, but is also likely to be of ultimate benefit to the Company.

The accounts for the year have been prepared in a form which differs slightly from that adopted in previous years in order to comply with the latest requirements of Government in the matter of allocations.

A continuous supply of electricity was maintained during the year and there was a small increase in the number of units sold as compared with the previous year. This increase is not, however, reflected in the profit earned due to the continued upward tendency in production costs.

The number of consumers connected to the Company's system at the close of the year was 1,489 with a connected load of 1,631 k.w., as compared with 1,284 with a connected load of 1,543 k.w., at the close of the previous year. The surcharge of 15 per cent. allowed by the State Government on energy bills still remains in force.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,95,000	Block ...	5,34,433
Reserves ...	2,04,528	Stores ...	2,09,115
Provision for taxation ...	38,891	Debts, deposits and advances ...	1,12,622
Liabilities ...	1,28,759	Investments	3,618
Profit and loss account ...	37,411	Cash ..	44,801
Rs.	9,04,589	Rs.	9,04,589

Saugor Electricity Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1952.

Notification has been received from the Madhya Pradesh Electricity Board that it is prepared to grant the Company a loan to erect a thermal generating station and the work will be taken in hand as soon as formalities have been completed.

The following table shows the progress that has been made during the past three years, which has been on a restricted basis due to the insufficiency of the capacity of the generating plant.

Half-year ended	Units sold	Revenue Rs.
30th June, 1950	481,226	1,43,181
31st December, 1950 ...	472,382	1,41,994
30th June, 1951	552,147	1,66,745
31st December, 1951 ...	578,197	1,73,221
30th June, 1952	614,313	1,85,801
31st December, 1952 ...	586,692	1,91,828

After complying with the provisions of the Electricity (Supply) Act, 1948, and making adequate provision for liabilities and setting aside Rs. 6,000 (*nil*) to development and extensions account, there remains a balance of Rs. 10,749 (Rs. 10,214) including Rs. 2,755 (Rs. 2,747) brought forward from the previous half-year available for distribution and this the directors recommend be disposed of in paying of a dividend at the rate of 5 (5) per cent. per annum free of income-tax absorbing Rs. 7,500 (Rs. 7,500) and in carrying forward to next half-year Rs. 3,249 (Rs. 2,714).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	2,86,145
Reserves ...	85,495	Stores, tools, etc. ...	1,88,506
Liabilities ...	1,82,859	Debts, deposits and advances ...	36,099
Profit and loss account ...	10,749	Investments	6,122
		Cash ...	62,231
Rs.	5,79,103	Rs.	5,79,103

Balasoor Tea and Rubber Co., Ltd.

The directors of the above Company (Managing Agents: Young India Agencies, Ltd., Bangalore City) submitted the audited accounts of the Company for the year ended 31st March, 1953.

The Company's working for the year showed a profit of Rs. 2,64,744 (Rs. 2,74,942) to which was added the balance brought forward from last year Rs. 46,299 (Rs. 11,351) making a total of Rs. 3,11,044 (Rs. 2,86,293). After deducting dividend on preference shares at 7½ (7½) per cent. paid already Rs. 18,750 (Rs. 18,750) and 10 (10) per cent. of the net profit to managing agents Rs. 26,474 (Rs. 27,494) there was left a balance of Rs. 2,65,820 (Rs. 2,40,049).

The directors disposed of this amount as under:—

In paying a dividend of 12½ (12½) per cent. on ordinary shares Rs. 68,750 (Rs. 68,750), transfer to bad debt reserve Rs. 5,000 (*nil*), transfer to dividend equalisation reserve Rs. 50,000 (Rs. 75,000), transfer to taxation reserve Rs. 10,000 (Rs. 50,000), reserve fund Rs. 1,00,000 (*nil*) and in carrying forward the balance of Rs. 32,070 (Rs. 46,299).

The total acreage of the estate amounts to 1,913. Tea crop for the year was 3,85,925 pounds as against previous year's crop of 3,63,695 pounds. FOB cost of tea was 128 (125) cents and the average sale price realised was 183 (205.6) cents. Estimate for the next year is 3,50,000 (3,00,000) pounds. Rubber crop for the year was 34,699 pounds against previous year's crop of 35,835 pounds. FOB cost of rubber was 45 (45) cents per pound and the average sale price realised was 112.6 (112.7) cents. Estimate for the next year is 30,000 (35,000) pounds. Coffee crop was 1,241 cwts. (180 cwts. arabica and 1,061 cwts. robusta) as against previous year's crop of 839 cwts. (538½ cwts. arabica and 300½ cwts. robusta).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	10,04,877
Reserves ...	6,05,000	Stocks ...	2,30,697
Provision for income-tax	33,804	Stores ...	1,31,162
Liabilities ...	73,211	Other assets	5,489
Profit and loss account ...	3,11,043	Debts, deposits and advances ...	1,52,434
		Investments	9,951
		Cash ...	2,88,448
Rs.	18,23,058	Rs.	18,23,058

Dehri-Rohtas Light Railway Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Sahu Jain Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1952.

The total capital expenditure as at 30th September, 1952 is Rs. 53,96,854 (Rs. 55,89,229) as shown by the accounts. The gross earnings amounted to Rs. 9,31,198 (Rs. 9,04,657) and the working expenses to Rs. 5,92,301 (Rs. 4,60,909) leaving a surplus of Rs. 3,38,897 (Rs. 4,43,748) and by adding unclaimed wages written off Rs. 830 (*nil*) and interest Rs. 432 (*nil*) the amount comes to Rs. 3,40,159 (Rs. 4,43,748). After deducting managing agents allowance Rs. 9,000 (Rs. 9,000), directors fees and travelling expenses Rs. 1,180 (Rs. 636), debenture and other interest Rs. 56,140 (Rs. 40,447), irrecoverable advances written off Rs. 1,403 (*nil*), loss on sale of investment Rs. 73 (*nil*), debenture trustee fee Rs. 750 (*nil*), depreciation reserve Rs. 2,35,957 (*nil*), managing agents commission Rs. 7,503 (*nil*), provision for Government cess Rs. 7,000 (*nil*) and provision for taxation Rs. 13,000 (*nil*), there remains a balance of Rs. 8,154 (Rs. 2,24,327) to the credit of profit and loss account for the half year's working. To this sum is added balance of the last account Rs. 1,89,336 (Rs. 1,36,123) making a total of Rs. 1,97,490 (Rs. 3,60,450). Deducting dividend at As. 10 (As. 10) per share for the year ended 31st March, 1952, (since declared) Rs. 1,40,625 (Rs. 1,12,500) and amount transferred to general reserve Rs. 45,000 (*nil*) there remains a balance of Rs. 11,865 (Rs. 2,47,950) at the credit of profit and loss account which is carried forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	22,52,600	Block ...	53,96,854
Debentures ...	15,00,000	Stores and coal ...	4,80,769
Reserves ...	22,76,985	Debts, deposits and advances ...	8,94,848
Provision for taxation ...	32,101	Investments	5,361
Liabilities ...	7,72,937	Cash ...	68,656
Profit and loss account ...	11,865		
Rs.	68,46,488	Rs.	68,46,488

Alliance Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1952.

The profit for the half-year after providing for depreciation Rs. 2,39,000 (Rs. 1,25,000) amounts to Rs. 1,96,939 (loss of Rs. 11,05,274). Deducting from this, the debit balance brought forward from the previous half-year of Rs. 13,63,074 (credit balance of Rs. 70,912) there is a net debit balance of Rs. 11,66,135 (Rs. 10,34,362), which is carried forward.

Jute stocks are shown at cost. Sold stocks of goods have been calculated at contract sale price and goods unsold on 31st December, 1952, have been valued at market rates.

In accordance with the main and supplementary working time agreements of the Indian Jute Mills Association the mills worked 42½ hours per week throughout the half-year with 12½ per cent. of the total looms complement sealed. The mills labour force was quiet during the period under review and due to reorganisation, efficiency in most departments has shown fair improvement.

Highly speculative and fluctuating markets for raw jute and gunnies have made trading difficult during the period under review. Since the end of the year prices have steadily declined, and Government in an effort to remedy the position reduced sacking export duty on 28th February, 1953 by Rs. 95 per ton. This reduction did not arrest the decline in prices.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	45,00,000	Block ...	30,91,589
Reserves ...	2,10,000	Stocks ...	55,03,764
Liabilities ...	81,03,079	Stores ...	13,42,550
		Debts, deposits and advances ...	11,31,598
		Investments	4,55,202
		Cash ...	1,22,241
		Profit and loss account ...	11,66,135
Rs.	1,28,13,079	Rs.	1,28,13,079

Presidency Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1952.

The managing agents have again offered to waive Rs. 50,000 (Rs. 50,000) of their commission and which has been accepted by the directors. The profit for the half-year, after providing for depreciation Rs. 1,02,500 (Rs. 1,12,000) amounts to Rs. 92,800 (Rs. 51,289) from which is deducted the debit balance brought forward from the previous half-year of Rs. 4,76,887 (credit of Rs. 17,027) and raw jute tax paid in respect of the year 1950 Rs. 8,919 (*nil*), leaving a debit balance of Rs. 3,93,006 (credit balance of Rs. 5,816, after paying a dividend of 2½ per cent. on ordinary shares, absorbing Rs. 62,500), which is to be carried forward.

In accordance with the main and supplementary working time agreements of the Indian Jute Mills Association, the mills worked 42½ hours per week with 6⅔ per cent. of the total complement of looms sealed up to 15th December, 1952, and thereafter 45 hours per week with 12½ per cent. of the looms sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,00,000	Block ...	20,31,385
Debentures	8,00,000	Stocks ...	17,73,241
Reserves ...	4,39,778	Stores ...	3,17,929
Provision for taxation ...	21,050	Debts, deposits and advances ...	4,83,542
Liabilities ...	15,81,125	Investments	3,01,080
		Cash ...	41,770
		Profit and loss account ...	3,93,006
Rs.	53,41,953	Rs.	53,41,953

Indian National Airways, Ltd.

The directors of the above Company (Managing Agents: Messrs. Govan Bros., Ltd., New Delhi) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The gross revenue for the year amounted to Rs. 1,13,36,453 (Rs. 52,21,528). After meeting all working expenses and providing Rs. 7,53,388 (Rs. 4,57,832) for depreciation, the net position is a profit of Rs. 36,302 (loss of Rs. 5,672). The total loss balance has, therefore, been reduced to Rs. 12,62,971 (Rs. 15,72,246), after making adjustments in respect of reserve for doubtful debts, valuation of accessories and other stock in the appropriation account and the profit for the year under review.

The directors were able to live upto their promise inasmuch as instead of a small loss in the last year, the Company was able to show a little profit in spite of difficulties and handicaps in the form of increase in the price of petrol and spares; reduction in the subsidy on petrol consumed as well as heavy reduction in the rate of carriage of military mails from Delhi to Jammu and Srinagar and back. But for the above, the directors would have been in a position to show better results.

In the scheme of nationalisation of the Air transport industry in India, the undertaking belonging to the Company will also be acquired by the proposed Corporation "Indian Airlines" in accordance with the terms and conditions of Air Corporations Bill, 1953, which has been passed by the House of the People. All the companies which are going to be nationalised will receive compensation in accordance with the provisions of the proposed Bill.

The Company continued to be general sales agents for K.L.M. Royal Dutch Airlines at Delhi and traffic handling agents for Air Services of India at Karachi.

The Company's aircraft fleet as at the end of the year under report consisted of 5 Vickers Viking, 7 Dakotas, 1 Twin Beechcraft and 1 Single Beechcraft.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	88,82,441	Block ...	22,07,260
Reserves ...	2,21,280	Engineering stores, loose tools, etc. ...	39,15,110
Liabilities ...	10,40,169	Debts, deposits and advances ...	15,89,082
		Cash ...	11,69,467
		Profit and loss account ...	12,62,971
Rs.	1,01,43,890	Rs.	1,01,43,890

Kalapahari Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 28th February, 1953.

After providing Rs. 12,500 (Rs. 10,000) for depreciation, Rs. 25,000 (Rs. 25,000) for cesses and Rs. 70,000 (Rs. 92,000) for taxation and transferring Rs. 8,000 (Rs. 20,000) to reserve against amortisation of land and mining rights there is a balance of Rs. 91,300 (Rs. 99,928) at the credit of profit and loss account, from which the directors recommend payment of a dividend at Re. 1 (Re. 1) per share and bonus of As. 12 (As. 12) per share Rs. 61,250 (Rs. 61,250), and to carry forward Rs. 30,050 (Rs. 38,678).

Raisings during the half year were 37,227 tons, as compared with 40,148 tons during the previous half year and despatches were 40,305 tons, as against 36,666 tons.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,50,000	Block ...	6,67,062
Reserves ...	5,58,000	Stocks ...	24,197
Provision for taxation ...	1,98,922	Stores ...	59,825
Liabilities ...	4,39,596	Debts, deposits and advances ...	4,32,536
Profit and loss account ...	30,050	Investments	3,85,848
		Cash ...	7,100
Rs.	15,76,568	Rs.	15,76,568

Devon Tea and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Young India Agencies, Ltd., Bangalore City) submitted the audited accounts of the Company for the year ended 31st March, 1953.

The Company's working for the period showed a profit of Rs. 72,195 (Rs. 1,58,140) to which was added the balance brought forward from last year of Rs. 41,959 (Rs. 19,633) making a total of Rs. 1,14,154 (Rs. 1,77,773). After deducting dividend on preference shares at 7½ (7½) per cent. paid already Rs. 15,000 (Rs. 15,000) and 10 (10) per cent. of the net profit to managing agents Rs. 7,219 (Rs. 15,814) there was a balance of Rs. 91,935 (Rs. 1,46,959). The directors disposed of this amount as under:—

In paying a dividend of 12½ (12½) per cent. on ordinary shares Rs. 25,000 (Rs. 25,000), transfer to general reserve Rs. 25,000 (*nil*), transfer to dividend equalisation reserve Rs. 15,000 (Rs. 35,000) and in carrying forward the balance of Rs. 26,935 (Rs. 41,959). The total acreage of the estates amount to 1,887.94 . Tea crop for the year was 2,08,648 pounds as against previous year's crop of 2,28,254 pounds. FOB cost of tea was 137 (125) cents per pound and the average sale price realised was 178 (204.3) cents. Estimate for the next year is 2,20,000 (2,40,000 pounds). Coffee crop was 316.75 cwts. (arabica 176.75 and robusta 140 cwts.) against 279 cwts. (arabica 226 cwts. and robusta 53 cwts.). Estimate for the next year is 800 (600) cwts. (700 cwts. arabica and 100 cwts. robusta). Owing to unfavourable seasonal conditions the crop of tea and coffee was lower during the year and hence the lower profit. The Company's estates are well maintained.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,00,000	Block ...	5,39,223
Reserves ...	3,30,000	Stocks ...	78,912
Provision for taxation ...	52,381	Stores ...	71,540
Liabilities ...	36,628	Other assets	27,088
Profit and loss account ...	1,14,154	Debts, deposits and advances ...	77,487
		Investments	10,505
		Cash ...	1,28,408
Rs.	9,33,163	Rs.	9,33,163

Phaskowa Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The accounts disclose a loss of Rs. 1,78,104 (Rs. 77,158). On transfer of this sum to profit and loss account and after sundry adjustments, including a transfer of Rs. 1,50,000 (Rs. 50,000) from revenue reserve and Rs. 27,000 (*nil*) from buildings and machinery reserve, there is a balance at credit of profit and loss account of Rs. 781 (Rs. 3,754) to be carried forward.

Enhanced production costs due to the high cost of statutory concessions to labour, coupled with the depressed state of the tea market in 1952 contributed mainly to this unfavourable result. Crop was 2,587 maunds as compared with 3,144 maunds in 1951. The average selling price was Re. 1-2-2 per lb. as against Re. 1-2-4 per lb. in the previous year. Planted area remains at 347.62 acres.

Estimates for 1953 provide for a crop of 3,000 maunds for an outlay of Rs. 3,04,320 including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,50,000	Block ...	2,30,000
Reserves ...	43,081	Stores and supplies ...	45,990
Provision for taxation ...	17,884	Tea sales receivable ...	1,81,738
Liabilities ...	1,79,216	Advances and deposits ...	18,048
Profit and loss account ...	781	Investment	100
		Cash ...	15,086
Rs.	4,90,962	Rs.	4,90,962

N.B.—Figures within brackets relate to the corresponding period of the previous year.

COMPANY MEETINGS AND DIVIDENDS

KARANPURA DEVELOPMENT CO., LTD. Half-yearly General Meeting, Calcutta, 24th June, 1953. Dividend: *Nil*. Transfer books closed from 10th to 24th June, 1953, both days inclusive.

KALAPAHARI COAL CO., LTD. Half-yearly General Meeting Calcutta, 25th June, 1953. Dividend: Re. 1 per share, plus a bonus of As. 12 per share. Transfer books closed from 15th to 25th June, 1953, both days inclusive.

KAMANI ENGINEERING CORPORATION LTD. Annual General Meeting, Bombay, 26th June, 1953. Dividend: As. 4 per share. Transfer books closed from 13th to 26th June, 1953, both days inclusive.

PHASKOWA TEA CO., LTD. Annual General Meeting, Calcutta, 26th June, 1953. Dividend: *Nil*.

BAREILLY ELECTRIC SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 26th June, 1953. Dividend: As. 7 per share. Transfer books closed from 20th to 26th June, 1953, both days inclusive.

SAUGOR ELECTRICITY SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 26th June, 1953. Dividend: As. 4 per share. Transfer books closed from 20th to 26th June, 1953, both days inclusive.

BHULANBARAREE COAL CO., LTD. Half-yearly General Meeting, Calcutta, 26th June, 1953. Dividend: *Nil*. Transfer books closed from 12th to 26th June, 1953, both days inclusive.

CHURULIA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 26th June, 1953. Dividend: 6 pies per share. Transfer books closed from 12th to 26th June, 1953, both days inclusive.

STANDARD COAL CO., LTD. Half-yearly General Meeting, Calcutta, 26th June, 1953. Dividend: Re. 1 per share. Transfer books closed from 12th to 26th June, 1953, both days inclusive.

BORREA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 26th June, 1953. Dividend: Re. 1-4 per share (including bonus of As. 4). Transfer books closed from 12th to 26th June, 1953, both days inclusive.

HOWRAH MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 26th June, 1953. Dividend: As. 14 per share. Transfer books closed from 12th to 26th June, 1953, both days inclusive.

BURRAKUR COAL CO., LTD. Half-yearly General Meeting, Calcutta, 26th June, 1953. Dividend: As. 4 per share. Transfer books closed from 12th to 26th June, 1953, both days inclusive.

BALLY JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 26th June, 1953. Dividend: Rs. 4 per share. Transfer books closed from 12th to 26th June, 1953, both days inclusive.

RELIANCE JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 26th June, 1953. Dividend: As. 4 per share. Transfer books closed from 12th to 26th June, 1953, both days inclusive.

ONDAL COAL CO., LTD. Half-yearly General Meeting, Calcutta, 26th June, 1953. Dividend: Re. 1 per share. Transfer books closed from 12th to 26th June, 1953, both days inclusive.

ASSAM SAW MILLS AND TIMBER CO., LTD. Annual General Meeting, Calcutta, 29th June, 1953. Dividend: As. 4 per share. Transfer books closed from 12th to 26th June, 1953, both days inclusive.

ASSAM SAW MILLS AND TIMBER CO., LTD. Annual General Meeting, Calcutta, 29th June, 1953. Dividend: As. 4 per share. Transfer books closed from 16th to 29th June, 1953, both days inclusive.

WEST JAMURIA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 29th June, 1953. Transfer books closed from 20th to 29th June, 1953, both days inclusive.

DHEMO MAIN COLLIERIES LTD. Half-yearly General Meeting, Calcutta, 29th June, 1953. Transfer books closed from 20th to 29th June, 1953, both days inclusive.

HURRILADIH COAL CO., LTD. Half-yearly General Meeting, Calcutta, 29th June, 1953. Transfer books closed from 20th to 29th June, 1953, both days inclusive.

MIRZAPORE ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 29th June, 1953. Dividend: *Nil*. Transfer books close from 22nd to 29th June, 1953, both days inclusive.

UNITED PROVINCES SUGAR CO., LTD. Annual General Meeting, Calcutta, 3rd July, 1953. Transfer books closed from 18th June to 3rd July, 1953, both days inclusive.

OUCHTERLONY VALLEY ESTATES (1938) LTD. Annual General Meeting, Kozhikode, 4th July, 1953. Dividend: 10 per cent. on the ordinary shares. Transfer books closed from 20th June to 5th July, 1953, both days inclusive.

MYSORE GLASS AND ENAMEL WORKS LTD. Annual General Meeting at Company's Glass Works (near Yeswantpur R.S.), 12th July, 1953. Dividend: *Nil*. Transfer books close from 30th June to 13th July, 1953, both days inclusive.

METTUR INDUSTRIES LTD. Annual General Meeting, Madras, 24th July, 1953. Dividend: Rs. 12-8 per share, free of tax. Transfer books close from 9th to 24th July, 1953, both days inclusive.

COMPANY REGISTRATIONS

ORIENTAL TIMBER TRADING CORPORATION LTD. (First Director: Mr. Champalal Jhunjhunwala.) Business: Wood and Timber Merchants, Builders and Contractors. Authorised capital: Rs. 5,00,000. Private company. Address: Stock Exchange Annexe Building, Dalal Street, Fort, Bombay.

SUPER KNIT-WEAR LTD. (First Director: Mr. V. N. Khanna.) Business: Manufacturers and Dealers in Hosiery and Knitted Goods, Cotton Spinners and Doublers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 2, Esplanade Mansions, Mahatma Gandhi Road, Fort, Bombay.

MONEY FEATURELESS

(From Our Own Correspondent)

BOMBAY, 17th *June*

The short-term money market was narrow during the week under review. There was no replacement of the floating funds which were taken up by the subscriptions is cash to the Central Government's loan and the debentures of the Stanvac Refinery. Although the subscriptions to the Stanvac debentures augmented the funds of the Company's bankers, the funds of others were depleted. However, in the absence of any sizable demand for funds from trade and industry, activity in the inter-bank call money sector was greatly limited. The rate for day-to-day money among the Exchange banks and big Indian banks remained unchanged at 2¾ per cent. and among the smaller Indian banks at 3 per cent.

There was no change in the term-deposit rates either, one to three months' money being quoted at 2½ to 2¾ per cent. and four to twelve months at 2¾ to 2¾ per cent. The only change in short-term money rates during the week was the fractional increase in the Central Government's Treasury Bill rate. Thus, the average rate of accepted tenders at yesterday's offerings was Rs. 2-6-6 per cent. per annum, as against Rs. 2-6-5 per cent. last week. Another feature of this week's tenders for Rs. 100 lakhs was the further increase in the amount offered to Rs. 222.5 lakhs, as compared with Rs. 209.50 lakhs a week ago and Rs. 201.50 lakhs a fortnight ago.

The Reserve Bank's statement for the week ended 12th June, 1953 discloses no notable features in the Issue Department. As against a decline of Rs. 2.13 crores in notes in circulation, there has been an increase of Rs. 2.14 crores in notes held in the Banking Department. In the Banking Department, the most arresting feature is the rise in the Central Government's deposits to the tune of Rs. 28.04 crores, the bulk of which is obviously due to the subscriptions to the National Plan bonds. Deposits of other Governments, on the other hand, have recorded a fall of Rs. 4.19 crores. Deposits of banks show only a decline of Rs. 96.63 lakhs. As against these variations on the liabilities side, the assets show an enlargement of Rs. 2.16 crores in cash balances, Rs. 3.42 crores in balances held abroad, Rs. 36 lakhs loans and advances to Government, Rs. 14.24 crores in other loans and advances, Rs. 86.07 lakhs in investments and Rs. 3.22 crores in Government Treasury Bills purchased and discounted. Of the increase of Rs. 14.24 crores in other loans and advances noted above, Rs. 10.30 crores are accounted for by advances to Scheduled Banks against usance bills. This suggests that the banks must have borrowed from the Reserve Bank in order to subscribe to the new loans.

Very minor variations are disclosed by the consolidated statement of position of the Scheduled Banks for the week ended 5th June, 1953, as compared with that for the previous week. An increase of Rs. 11.01 lakhs is noted in demand deposits and Rs. 59.32 lakhs in time deposits. Inter-bank borrowings are higher by no more than Rs. 47.38 lakhs. Borrowings from the Reserve Bank have gone down by Rs. 2.67 crores and those from the Imperial Bank by Rs. 75 lakhs. Advances show a fall of Rs. 73 lakhs, accompanied by a decline of Rs. 1.48 crores in bills purchased and discounted. Investments are better by Rs. 46.21 lakhs. Cash balances, including balances with other banks and money at call and short notice, have advanced by Rs. 2.99 crores.

Apathetic conditions were witnessed in the Gilt-edged market during the week. The downward trend in prices, engendered by the flotation of the new Central Government loan last week, was more pronounced this week due to preponderance of sellers and absence of buyers. 3 per cent. 1957 and 3 per cent. 1958 were placed As. 2 lower at Rs. 98-3 and Rs. 98-1. respectively. 3 per cent. 1959-61 declined by As. 4 to Rs. 96-2, 3 per cent. 1963-65 reacted from Rs. 92-11 to Rs. 92-7. 3 per cent. 1964, which became *ex-voucher* on the 15th inst., closed at Rs. 92-6 *ex-voucher* as against Rs. 92-15 *cum-voucher* a week ago. 3 per cent. 1966-68 receded by as much as As. 8 to Rs. 90-1. 3 per cent. 1970-75 were on offer and moved down by an anna to Rs. 86-8. 3 per cent. 1986 Conversion Loan fell from Rs. 82-7 to a low of Rs. 81-14, before hardening to Rs. 82-2 at the close.

The foreign exchange section of the money market was again featureless with no change in the rupee-U.S. dollar rate. In the New York market, the pound sterling was priced a fraction of a cent lower over the week. Thus, the spot rate declined from $2.81 5/16-2.81 7/16 per £ on the 9th inst. to $2.81¼-2.81⅜ yesterday. The forward rates also were a little lower, at $2.80 7/16-2.80 9/16, as against $2.80¼-2.80⅜ for three months and at $2.79 13/16-2.79 15/16, as against $2.79 15/16-2.80 1/16 for six months.

TRADING IN KIPS DULL

(From Our Own Correspondent)

MADRAS, 15th *June*

Trading in kips with the U.K. has been patchy and several *mandi* merchants have left Madras for their villages to celebrate *Ramzan*. Demand for cow hides has been slow, but for buff calf and buff hides good. Shipment business is possible, if shippers meet the dressers' ideas in regard to price. There has been good clearance of tanned goat and sheep skins in the local market and prices have ruled steady for goat and firm for sheep.

In the next London public sales, which commence on the 29th instant, 3,00,000 tanned goat and equal quantity of tanned sheep skins will be offered for sale, and prices are expected to rule steady.

BULLION ERRATIC

(From Our Own Correspondent)

BOMBAY, 17th *June*

The bullion market was a little erratic during the week under review, though the undertone was steady to firm during the major part of the week. Early in the week, the trend was somewhat reactionary but, with the operators turning their attention to gold, a firm trend came to prevail. But no hectic activity was witnessed due to the weakness of cotton. Towards the close again, the market turned quiet and both the metals finished sizably lower than the best levels of the week.

Activity in the market was more confined to gold, as operators received a fresh stimulus this week from reports that the inflow of gold from the Kolar Gold Fields would ere long stop consequent on the 100 per cent. power cut imposed in that area. The effect of this was that yesterday, the premium of ready position over the forward widened to nearly Rs. 3 from Re. 1-6 earlier. By a coincidence, the quantity of Mysore gold sold yesterday by the National Bank of India was also lower than in previous days. This gave the impression that no more supplies would come from that source. But a fresh large offering by the Bank to-day, brought down the premium to less than Rs. 2 at the close.

A feature of the trading in silver was the narrowing of the premium of ready over the forward from Rs. 2 at the close of last week to just a rupee. This was due mainly to dwindling offtake. Another feature was the large and widening carry-over charges against sellers from the current settlement to the next settlement. The *budla* charges, which were quoted at Rs. 2-14 against bears on Monday this week, stood to-day at Rs. 3-2 at the close.

Silver for forward delivery (30th June settlement) opened at Rs. 158-7 and reacted to Rs. 157-4 at one time on Saturday on full liquidation and lack of fresh support. But the statement of the Deputy Finance Minister that the Estate Duty Bill will be brought into force in September, the firmness of gold and covering operations by short sellers due to widening *budla* charges against them, all combined to lift the price to a high of Rs. 162-2 yesterday. The higher level brought some realising. There was also some selling due to the weakness of cotton. Consequently, the quotation dropped to Rs. 159-12 to-day before closing at Rs. 160-4.

Ready silver (.996 Bombay Mint) began at Rs. 160-7 and fell to Rs. 158-4 on Saturday. After rebounding to Rs. 163-2 yesterday, it moved down to Rs. 161-4 at the close to-day. The floating stocks are estimated at 1,000 bars. The daily average offtake was 35 bars.

Gold for forward delivery (29th June settlement) reacted early in the week from Rs. 89-3 to Rs. 88-5, but advanced to Rs. 91-2 yesterday. To-day, however, it receded to close at Rs. 90-5.

Ready gold opened at Rs. 90-14 and, after a dip to Rs. 89-15, came up to Rs. 93-10, but wound up the week at Rs. 92-3. The floating stocks of gold are placed at 20,000 tolas. The daily average arrivals were 7,000 tolas, while the offtake amounted to 6,000 tolas on an average.

The weak trend of the free world markets for gold persisted during the week under review, the quotation in the European markets dropping a further 10 cents to $36.40.

The following comparative table shows the trend of the market during the week under review:

	17-6-53	Highest	Lowest	10-6-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	92 3	93 10	89 15	91 6
Forward	90 5	91 2	88 5	89 6
Sovereign	58 12	59 0	58 2	58 4
SILVER				
Ready (.996 fine Mint)	161 4	163 2	158 4	160 8
Forward	160 4	162 2	157 4	158 8
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½*c.*	—	—	85½*c.*

OLD SEASON'S TEA WELL SUPPORTED

(From Our Own Correspondent)

CALCUTTA, 16th *June*

Steady conditions prevailed during yesterday's export sale when offerings aggregated 31,550 packages including 1,750 packages from stocks of the old season. Quotations were: clean common B.P. Re. 1-11-6 and clean black pekoe Re. 1-12-6. Demand was generally moderate, but only poor attention was paid to plain liquoring Darjeelings. The old season's teas were met with good support. Prices for bright liquoring Dooars were raised by one anna, as were those for fannings and whole leaf grades. A firm tendency was in evidence in clean common teas and the plainest varieties.

LINSEED PRICES DECLINE

(Messrs. A. Bradley & Co.)

CALCUTTA, 15th *June*

There has been quite an appreciable decline in prices during the week, whilst very little trading has been recorded, and market conditions are generally much easier. Upcountry despatches to this centre have been small, but sellers have shown some interest for small quantities. The local offtake, however, has been poor. The demand from crushers has been rather feeble on the whole and a small daily turnover has been recorded at reduced prices. The oil market is dull with prices declining owing to lack of demand. The latest quotations are as follows:—June Rs. 20-12 and July/August Rs. 21-4 per maund.

DECLINE IN COTTON

(From Our Own Correspondent)

BOMBAY, 17th *June*

While the Cotton Advisory Board, which met last Friday, was significantly silent with regard to the estimate of the cotton crop next year, it made a number of important policy recommendations to the Government of India after reviewing the consumption and carry-over policy for this season. Judging by the amount of cotton consumed during the first eight months of the current season, it is now certain that the overall consumption as well as the consumption of Indian cotton during this year will be higher than last year, even though the proportion of Indian cotton to foreign cotton might not remain the same as at present at the end of the year.

The total consumption for the whole season is estimated at 43.57 lakh bales in the proportion of 35 lakh bales of Indian cotton and 8.57 lakh bales of imported cotton Exports are not likely to exceed 3 lakh bales, leaving a carry-over of 19.31 lakh bales at the end of the year with the trade and the mills together. This is judged to be sufficient for meeting the requirements of the industry till the new crop cotton is available to it. Those who are nervous about cotton prices during the next year seem to have forgotten to take into account the increased use of Indian cotton by the mills of more than 35 lakh bales. The smaller carry-over with an average new crop might, however, create a tight supply position with regard to usable styles of cotton during the next year. Of course, the whole question will turn round the 1953-54 production.

The forward market has been further demoralised during the week under review. After showing good strength for a while, the I.C.C. August tottered again and fell with a crash yesterday to Rs. 672½ with occasional and spasmodic efforts to rise again. It declined still further to touch a low of Rs. 663 to-day. The market is obsessed with the fear of having to take delivery in August and as there are floating stocks of cotton not favoured by the mills which can be tendered this year, this apprehension is likely to operate and influence trading for the rest of the delivery period. Even if forward trading in the new crop were to be allowed by the middle of July at the latest as recommended by the Cotton Advisory Board, there are wild rumours in the market of cotton going below the initial price of Rs. 620 where it started when forward trading was allowed. This will have a deleterious effect on the forward and spot prices of the new crop cotton during the earlier months and it is mainly the producers who will suffer from such an eventuality.

Curiously enough, the position in the spot market is fairly satisfactory and comparatively healthy though there has been an appreciable reduction in the premia for certain desirable varieties. The mills have returned to the market and if a 5 per cent. additional quota, as recommended by the Cotton Advisory Board, is allowed soon, some fresh demand from the mills is likely to materialise. Enquiries for imported cotton are also there and the spot market has nothing to complain about or to be disappointed over, considering the carry-over and the likely size of the 1953-54 crop. With an appreciable reduction in the Pakistan crop next year and no immediate prospects of depreciation of the Pak currency, misgivings in the spot market about the moderate stocks left in the hands of dealers are misplaced, especially as the new crop is likely to be delayed because of the late monsoon.

Opening the week at Rs. 691½ the I.C.C. August moved up, on speculative support and encouraging reports from other commodity markets, to Rs. 693 on 12th instant. Thereafter, it began to decline on profit-taking and favourable weather reports. The following is the trend of prices over the week ended to-day:

	Opening	*High*	*Low*	*closing*
I.C.C. August ...	Rs. 691½	693	663	668

The following are the latest available quotations from the spot market:

Bengal *Deshi* Rs. 550; Berar Jarilla Rs. 710; Khandesh Rs. 760; Vijay Rs. 845; Moglai Rs. 665; Oomra *Deshi* Rs. 670.

At Karachi, the position continues to be satisfactory if not comfortable. Enquiries from the Continent for N.T. and 289F continue to come in modest measures. The U.K. is naturally interested in Pak cotton and will go on buying reasonable quantities from the supplies available at present. Karachi cannot cease to be an important supply centre for Japan, Hongkong and Australia. Whatever the world position of the cotton market in the next year, the Pakistan Government has wisely decided not to allow forward trading which might impede the flow of exports by raising rates unjustifiably. With official price support absent and forward trading in abeyance, prices are likely to remain at an attractive level for buyers from abroad when the new crop comes into the market. Altogether, the prospects, if not buoyant for Pakistan cotton, are at least encouraging, compared to what happened during the earlier part of the 1952-53 season. The following are the latest quotations from the Karachi cotton market:

Punjab *Deshi* Rs. 77; 4F Punjab R.G. Rs. 59½; S.G. Rs. 65½; L.S.S. Punjab R.G. Rs. 63½; S.G. Rs. 69½; N.T. R.G. Rs. 69½; S.G. Rs. 75½; 289F Punjab R.G. Rs. 72½; S.G. Rs. 78½.

At Alexandria, while only small quantities of desirable varieties of cotton are in stock, demand at a reasonable scale continuous from various Continental centres and from Canada. The Government has allowed shipments of cotton beyond the originally stipulated date of 31st August with certain conditions. Exports up to the end of May showed an increase of nearly a quarter of a million bales, from 491,000 to 730,000 bales this year. The provision of the Indo-Egyptian trade agreement regarding payment for cotton imported by India from Alexandria has not yet come into force, but it is likely to do so at an early date. Some fresh barter transactions with Spain is reported from Alexandria.

Irregular fluctuations have marked trading at New York. The tendency in the near July delivery continues to be easy and holders of contracts are prone to liquidate them at every rise. Spot demand is also reduced, as cloth sales have been on a lower scale during recent weeks. Other commodity markets such as wheat are weak and if further weakness develops in these markets, it is bound to have an adverse effect on cotton.

The following are the latest available quotations from New York as compared with those of a week and a fortnight before:

(In cents per lb.)

	16-6-53	10-6-53	3-6-53
Spot	34.15	34.10	34.15
July	33.58	33.58	33.63
October	33.80	33.75	33.77
December	33.88	33.85	33.80
March	34.02	33.87	33.85

ART SILK YARN WEAK

(From Our Own Correspondent)

BOMBAY, 17th *June*

Distinctly weak conditions prevailed in the art silk yarn market this week. This was the result of several bearish factors. First, the report of forward sale in art silk yarn produced by the National Rayon Corporation to the Silk and Art Silk Mills' Association, Bombay, created a hesitant tendency in the market. Under the agreement entered into, the Corporation has agreed to sell 2.4 million lbs. of yarn of 150 deniers for delivery during the period October, 1953 to March, 1954, at Rs. 3-10 per lb. As these would be hedged, the traders feel that it would be an additional burden on the market. The announcement of the bulk purchase agreement for Rs. 2 crores worth of art silk yarn by the Association with the Italian firm Italviscos, reports regarding Korean peace, further heavy arrivals of imported yarn and weak advices from cotton market combined to impart weakness to the market. Selling pressure that ensued, as a consequence, brought about a break in values of yarn yesterday. The market remained closed to-day, as a mark of respect to a member who died.

In the forward section, 150D June delivery contract suffered a loss of 18 points to Rs. 772 yesterday; in unofficial trading to-day, it was quoted still lower at Rs. 760. July contract receded by a like amount to Rs. 777. In the ready section, 150 Italy declined by an anna and a half to Rs. 3-14. 120 Japan and 150 Japan lost an anna each to Rs. 4-5-6 and Rs. 4-1, respectively. 120 Italy, however, proved an exception, the quotation yesterday being higher at Rs. 4-2-9, as against Rs. 4-2.

The Government of India's import policy for art silk yarn for the coming half-year, referred to in the previous week's report, has been vehemently criticised by a section of traders. "The most important feature of the policy," to quote one report, "is that the Government has restricted, perhaps through misconception, the import of 150 and 120 deniers (bright finish) only to 5 per cent. of the total licence. The Government is either not able correctly to appreciate the consumption figures in these deniers and finish or possibly ill-advised, since it seems to have committed a serious error in its judgment." In this connection, it is pointed out that, although 150 and 120 deniers are standard counts in our country and they are substantially consumed not only by silk mills but also by handloom weavers as well as other small and big consumers. Out of this, the consumption of dull and semi-dull yarns in these deniers is only to the extent of 30 or 35 per cent., whereas the consumption of bright finish in these deniers extends to over 65 to 70 per cent. The indigenous production in these deniers is not even one-tenth of the requirements of this country, whereas the imports have been drastically restricted to only 5 per cent., i.e., about one-twentieth of the actual 10 per cent. licence to be granted to established importers.

In view of these factors, it is felt that, if this situation is allowed to continue any longer, a very awkward situation in the trade, as well as in the industry, will be inevitable in course of time, in that the prices of such coarser deniers as 150 and 120 may be higher when the prices of finer deniers, such as 100s and others, will be lower. It is accordingly hoped that, in the interests of trade and industry, the Government will see to it that such serious defects in the details of the policy are removed without any undue delay.

The table below gives the prices of art silk yarn quoted yesterday, as compared with those on the 10th and 3rd inst.

	16-6-53	10-6-53	3-6-53
	Rs. a.	Rs. a.	Rs. a.
150D May (per case of 200 lbs.) ..	772 0	790 0	—
150D June	777 0	795 0	785 0
150D July	4 5½	—	790 0
120 Japan (per lb.)	4 1	4 6½	4 5½
150 Japan ,, ...	4 2½	4 2	4 2
120 Italy ,, ...	3 14	4 2	4 1½
150 Italy ,, ...	..	3 15½	3 15

OILSEEDS FULLY STEADY

(From Our Own Correspondent)

BOMBAY, 17th *June*

After remaining hesitant during the first two sessions of the week, owing to lack of fresh buying, the oilseeds market put on a cheerful tone during the subsequent sessions. The castorseed section was particularly bright, following reports of good enquiries for oil from Continental countries. In fact, some business (about 300 tons) was reported done at £142 per ton for Commercial oil and £148 10s. for B.S.S. The groundnut section too elicited support from *vanaspati* interests and staged an improvement in values. The improvement was further assisted by firmness in the oil section, thanks to poor arrivals. The linseed and niger seed sections could do no more than react in sympathy with the rest. Kardi seed prices were fully maintained, on expectation that business with Australia was possible at £45 10s. and on scattered support from indigenous crushers. The undertone of the market was fully steady and values on balance disclosed major gains over the week.

In castorseeds futures, there was short-covering induced by encouraging advices from the oil section. September delivery contract, which had receded from Rs. 148-12 to Rs. 143-12 on Friday, on discouraging advices from Brazil and New York, spurted to Rs. 152-4 to-day. Among shorts, F.A.Q. and Madras quality moved up, by a rupee each, to Rs. 32 and Rs. 32-8, respectively. Kanpur quality was higher by As. 4 at Rs. 30. Oil Commercial improved from Rs. 17-4 to Rs. 18-4. Oil B.S.S. and 1st Pressure also staged a rise of As. 12 and As. 10 to Rs. 18-12 and Rs. 18-6, respectively.

While the general sentiment of trading in the castorseeds section is slightly better, the traders appeared to be somewhat intrigued at the growing competition from Brazil and also at the report of the sale of a large quantity—about 500 tons, according to one report—of German castor oil to the U.S. at 17¼ cents c.i.f. July-August delivery. This, it is feared, may result in the possibility of the Continental traders dumping their goods in world markets, thus helping further to widen the gap between Indian and foreign rates.

In the groundnut section, Bold ready, after receding from Rs. 47-8 to Rs. 46-8 on the 12th inst., recovered to finish higher at Rs. 47-12. August-September delivery improved by As. 8 to Rs. 45-10. Coromandel ready rose by a rupee to Rs. 48-8 and Khandesh quality by Re. 1-4 to Rs. 48-8. Groundnut oil ready and railway receipts advanced from Rs. 24-6 and Rs. 24-2, respectively, to Rs. 25-8.

Among linseed, Bold ready gathered Re. 1-5 to Rs. 31-6. June-July delivery improved by Re. 1-8 to Rs. 31-6. August-September delivery was a shade better at Rs. 31-10. Indore improved from Rs. 31-6 to Rs. 31-12. Sutna was fully maintained at Rs. 29, although, at one time, it had receded to Rs. 27-12. Kanpur, on the other hand, was marked down at Rs. 27-14 on Friday, as against Rs. 29, but recovered to close at Rs. 28-8, the net loss over the week being As. 6. Linseed oil was slightly easy at Rs. 16-6, as against Rs. 16-10, in the absence of demand from overseas countries, particularly the U.K., following accumulation of large stocks.

Among other seeds, niger seed F.A.Q. was firm at Rs. 36-8, as against Rs. 35-8, on reports of shortage of floating stocks. Ready Madras was also fully maintained at Rs. 37. Kardi seed Bold ready gained As. 12 to Rs. 25-12 and August-September delivery As. 6 to Rs. 25-10.

PEPPER STEADY

(Messrs. Parekh & Co.)

BOMBAY, 17th *June*

During the earlier part of the week, pepper market exhibited improved tendency in sympathy with New York, where prices advanced, owing to the withdrawal of sellers from Sarawak and Lampong and to some repurchases by Indian interests. Small purchases for June shipment were reported done by New York dealers at prices ranging from $1.38 to $1.40. On hearing that New York is in the market for nearby shipment and that some Indian houses have sold June shipment below cost, pepper growers at Alleppey became stiff sellers and refused to sell below Rs. 3,200. Looking to the present behaviour of the market, it appears that the growers in India would remain free sellers at round about Rs. 3,200.

In the later part, however, when New York reduced its buying limit and refused to pay higher prices, the Indian growers once again began to offer lower quotations but without result, as the prices in India are above New York's quotations. Though the Korean truce seems to have been discounted by the Indian growers, New York market appears to be very sensitive, and at times, moves both ways, as the dealers there, in general, are expecting sizable fall in all the international commodities. With the advance of monsoon, and in view of the poor export enquiries, it will be no wonder, if growers become nervous and come out to press sales in the near future.

Following are to-day's nominal quotations: Ready delivery Rs. 370 per Bengal maund. June delivery Rs. 2,520-50, July delivery Rs. 2,520-50, and August delivery, Rs. 2,450-80 per candy of 5½ cwts.

TEAS IRREGULARLY LOWER

(Messrs. Forbes, Ewart and Figgis, Ltd.)

COCHIN, 13th *June*

The quantity printed for sale 12, which was held on Tuesday, 9th June, amounted to approximately 19,92,000 lbs. Quality amongst the low-grown teas again showed a decline. One or two of the high-grown invoices showed slight improvement and had a touch of flavour. There was a good general demand, although prices were irregularly easier following quality. Commonest kinds were well supported and were half to one anna easier. Low medium teas were irregularly As. 1 to As. 2 easier. Medium brokens showed a decline of fully As. 2, whilst high grown descriptions must be quoted As. 2 to As. 4 lower. There were some withdrawals. Fannings generally were well supported and there was a strong demand for whole leaf grades which were As. 1 to As. 2 dearer.

The following are the quotations:—

	1953 Rs. a. p.
Low grown Travancore B.O.P. ...	1 9 6
Medium Travancore B.O.P. ...	1 10 6
Anaimallais B.O.P.	1 13 0
Best liquoring Nilgiri B.O.P.	2 2 6
Clean black leaf O.P.	2 1 0

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:—

"*Dust Sale L.*—1,50,000 lbs. Good general demand, but market irregular. Milled dusts steady. Better sorts easier."

WOOL QUIET

(Messrs. J. Hardacre & Co.)

BOMBAY, 16th *June*

The Bradford market this week has been rather quiet and showing a somewhat easier tendency with quotations moving in buyer's favour. This results from the sales at Sydney this week which show declines of about 5 per cent. It is pointed out though that there is very little business being done in tops, and also that the offering at Sydney has not been of the best descriptions. A better test will be at Brisbane and Adelaide next week, when we understand, some of the better top making wools will be offered.

The woollen section of the trade is similarly affected, but all round business has been so quiet that the market has not been tested.

The following are to-day's quotations for Bradford oilcombed tops. All prices are c.i.f. Bombay in pence per lb.

48's carded, 86*d.* (September, 1953) and 58's super, 120*d.*, 60's super, 143*d.*, 64's super, 165*d.*, 70's super, 178*d.*, fibro (3D.4") 43½*d.*, and 46/48's scoured clothing wool, 75/76*d.* (August, 1953).

Market tendency.—Merino prices easier, market may fluctuate either way.

ARGENTINE ORDER FOR JUTE GOODS

(From Our Own Correspondent)

CALCUTTA, 16th *June*

An impressive feature of this week's trend in the jute goods markets was the moderate business that was put through in hessian with foreign buyers and the consequent improvement in prices. The long expected order from Argentina was at last placed, and this week about 20,000 tons of hessian were bought for delivery during the three months to September. Argentina is expected to purchase more, and stockists have regained confidence. The anxiety felt by mills following publication of the stock figures as at the end of May, according to which hessians held by the I.J.M.A. mills increased from 46,200 to 48,000 tons, has now disappeared, and it is thought that this month's stock would record a decrease. Shipments to the United States in the coming months, market circles state, would gradually increase in quantity, as the third quarter of the year is generally the period when consumption in America reaches higher levels.

Opening at Rs. 45-8 last Wednesday, ready hessian 40" 10 oz. fractionally receded to Rs. 45-6 on the next day on account of profit-taking but subsequently, on moderate business, the quotation improved to Rs. 46-10. This rate was maintained during yesterday. A recession in arms production in the United States following a cease-fire in Korea is likely, but it is hardly expected that the jute industry would be affected by it as, in view of a limited jute crop, production in mills would almost be below demand.

Sackings were steady, but not much business could be put through. B. twills opened at Rs. 104 and after declining temporarily to Rs. 103-12, rose again to Rs. 105-4. The closure yesterday was, however, Rs. 104.

Although there were no price movements, raw jute was steady. Mills were buyers of a moderate quantity, and Assam bottoms realised Rs. 27 to Rs. 27-8 a maund. Other quotations were: Murshidabad tossa bottoms Rs. 26, Kissanganj Rs. 27, *Bimli* f.a.q. Rs. 22-8, Murliganj Rs. 20-8, and Pakistani jat bottoms Rs. 28. *Pucca* bales, first marks ready, changed hands at Rs. 155 a bale. There were moderate enquiries for the new crop, but traders were reluctant to enter into commitments. The offer of premiums also could not persuade them.

METALS STEADY

(From Our Own Correspondent)

CALCUTTA, 16th *June*

Although conditions in the metal market were steady during the week, quotations were mostly unchanged and nominal in view of lack of moderate business. The change in the Korean situation continued to have no effect on prices. Manufacturers of non-ferrous metal products continued to cover their day-to-day requirements only, but it is expected that they would soon have to cover for Government tenders which would be accepted. Electrolytic copper was unchanged at Rs. 180. Activity was confined mostly to scrap, and dealers were unwilling to release the meagre stocks of the ingots material. Mercury remained quiet, and the trade feels strongly that unless the export duty is abolished or reduced considerably, the outstanding portion of the re-export quota for which the trade so very vociferously demanded, cannot be used. The quotation was Rs. 430 a flask. Star metal antimony was quoted at Rs. 210. Tin opened at Rs. 466, and after moving to Rs. 478 receded to Rs. 476, when it was realised that Singapore advices were rather discouraging. Electrolytic zinc was traded at Rs. 52. Although supplies are comfortable it is noted that imports have declined compared to last year, arrivals during the first five months of this year equalling those in the first quarter of last year. Lead was quiet at Rs. 61.

FOOD STOCKS COMFORTABLE

(From Our Own Correspondent)

HAPUR, 15th *June*

Despite late arrivals of monsoon, the general food situation in the country continues to be satisfactory, except in certain areas where the failure of last year's rains and the fears of late rains

(*Continued on page* 1155)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	5th June, 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,169.62	1,158.88	1,179.81	1,150.65
Notes held in Banking Department	25.05	20.33	31.84	9.76	31.10
Foreign Securities	89.50	613.15	613.15	613.15	603.15
Rupee Securities	57.89	449.86	449.86	449.86	464.63
Banking Department					
Deposits of :					
Government of India	14.89	94.06	103.46	98.58	96.67
Other Governments	...	16.70	16.88	15.58	7.65
Balances held abroad	10.08	98.44	97.63	105.65	82.81
SCHEDULED BANKS					
Demand Liabilities	134.37	520.54	529.01	524.15	555.55
		(11.19)	(10.71)	(10.91)	(14.82)
Time Liabilities	102.84	323.53	322.89	321.72	297.15
Borrowings from		(1.93)	(1.88)	(1.85)	(2.50)
Reserve Bank	...	15.01	17.68	25.83	21.06
		(8.39)†	(9.99)†	(15.54)†	(17.48)†
Borrowings from Imperial Bank	...	10.62	10.78	11.40	4.60
Cash in India	6.71	31.78	31.67	32.13	31.82
Balances with Reserve Bank	25.28	40.29	39.15	38.34	48.96
Excess over statutory limits	15.52	7.34	6.25	5.69	15.24
Balances with other banks in current account in India	...	10.79	11.11	10.97	11.30
Money at call and short notice in India	...	...	15.69	14.27	14.11	18.04
Investments (at book value)	...	300.23	299.76	300.73	296 61
Advances and bills	105.09	529.11	531.32	530.86	536 62
IMPERIAL BANK					
Deposits	87.76	210.62	209.08	208.48	227.88
Investments	51.99	81.30	81.03	81.51	86.88
Advances	30.37	130.96	131.71	135.78	150.95
Cash	14.69	14 58	14.63	13.75	18.06

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	12th June, 1953		5th June 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,18,217	55,17,72,000	2,14,848	51,18,70,000
Calcutta	1,42,032	47,77,70,841	1,37,726	48,23,35,115
Madras	71,758	8,31,63,680	73,325	8,01,58,659
All Centres—				
1951	...	...	1,05,94,122	3180,56,86,359
1952	...	...	1,06,41,941	26,79,51,57,000
Mar., 1953	...	...	27,13,000	6,15,31,00,000
April ,,	...	...	27,36,000	5,86,05,00,000

Reserve Bank of India

Statement of Affairs for the week ended 12th June, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	122,09,47,000
(2) Other Governments	12,50,63,000
(b) Banks	41,38,07,000
(c) Others	56,24,36,000
Bills Payable	3,20,06,000
Other Liabilities	36,31,91,000
Rupees	283,34,55,000

ASSETS	Rs.
Notes	22,46,86,000
Rupee Coin	8,97,000
Subsidiary Coin	6,80,000
Bills Purchased and Discounted—	
(a) Internal	19,10,000
(b) External	
(c) Government Treasury Bills	18,55,14,000
Balances held abroad*	101,85,93,000
Loans and Advances to Governments	3,66,00,000
Other Loans and Advances	37,81,61,000
Investments	89,78,85,000
Other Assets	8,85,30,000
Rupees	283,34,55,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs.10,10,15,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 58,84,18,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	22,46,86,000	
Notes in circulation	1167,48,96,000	
Total Notes issued		1189,95,82,000
Total Liabilities		1189,95,82,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	...	
Foreign Securities	613,15,11,000	
Total of A		653,16,82,000
B. Rupee Coin		86,92,93,000
Government of India Rupee Securities		449,86,07,000
Internal Bills of Exchange and other commercial paper	...	...
Total Assets	...	1189,95,82,000

Ratio of Total of A to Liabilities: 54.890 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 5th June, 1953

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks	11,13,39,000†
(ii) Other demand liabilities	518,40,88,000
2. Time Liabilities in India:	
(i) Borrowings from banks	1,92,50,000†
(ii) Other time liabilities	321,60,58,000
3. Cash in India	31,77,97,000
4. Balances with the Reserve Bank in India	40,29,07,000
5. Balances with other banks in current account in India	10,78,65,000
6. Money at call and short notice in India	15,68,31,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	300,22,53,000
8. Advances in India	470,36,43,000
9. Inland Bills purchased and discounted in India	58,74,64,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

	16th June, 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot. *s.*	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months ... *s.*	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months ... *s.*	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months ... *s.*	1-6 1/16	1-6 1/16
Bombay on New York—		
Sellers T.T. D.D. ... Rs.	475	476
Buyers T.T. ... Rs.	471 1/2	471 1/2
London on New York ... $	2.81 3/16–2.81 5/16	2.81 3/16–2.81 5/16
London on Paris ... Frs.	982½–982¾	983¼–983½
London on Berne ... Sw. Frs.	12.20–12.20¼	12.21–12.21¼
New York on London ... $	2.81¼–2.81 3/16	2.81 3/16–2.81 5/16

NATIONAL INCOME*

Country	Year	Population (In millions)	National income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India	1948	342.12	..	8,730	255
Pakistan	1949	75.04	..	1,671	222
Burma	1951	18.67	Kyats 3,166	317	169
Ceylon	1951	7.74	..	451	582
Japan	1951	84.30	Y. 4,564,400	6,038	716
Philippines	1951	20.25	Ps. 7,586	1,820	856
New Zealand	1951	1.95	£ (N.Z.) 615	820	4,206
Australia	1951	8.41	£ (A.) 3,288	2,454	4,317
U.K.	1951	50.29	£ 11,384	15,179	3,010
U.S.A.	1952	156.98	$ 290,400	138,280	3,808
Canada	1952	14.43	$ 18,307	8,246	5,714
France	1951	42.24	F. Fr. 9,082,000	12,372	2,929
W. Germany	1951	48.11	Dm. 90,200	10,327	2,126
Italy	1951	46.60	Lr. 7,746,000	5,902	1,267
Norway	1952	3.32	Kr. 16,596	1,196	3,331
Sweden	1951	7.07	Kr. 26,800	3,439	4,864
Netherlands	1952	10.38	Fl. 17,550	2,200	2,120
Denmark	1951	4.30	Kr. 20,716	1,439	3,346
Switzerland	1951	4.75	S. Fr. 19,500	2,166	4,556

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source : United Nations Monthly Bulletin of Statistics, April, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 5th June, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	17,72,69,000
(b) Provincial Governments	76,48,000
(c) Banks	27,31,91,000
(d) Others	2,65,55,000
Bills Payable	1,02,01,000
Other Liabilities	6,34,42,000
Rupees	61,83,06,000

ASSETS	Rs.
Notes	7,99,33,000
Rupee Coin	3,000
Subsidiary Coin	7,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	1,29,94,000
(c) Government Treasury Bills	1,83,09,000
Loans and Advances to Governments	3,46,85,000
Provincial Governments Debtor Balances	1,94,25,000
Other Loans and Advances	31,10,39,000
Investments	9,19,20,000
Other Assets	....
Rupees	61,83,06,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs
Notes held in the Banking Department	7,99,33,000	
Notes in circulation	210,45,09,000	
Total Notes issued		218,44,42,000
Total Liabilities		218,44,42,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	...	
Sterling Securities	39,07,87,000	
Government of India Securities	11,87,77,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,96,000	
		88,86,02,000
B. Rupee Coin	6,27,49,000	
Government of Pakistan Securities	119,06,16,000	
Internal bills of exchange and other commercial paper	....	
		125,33,65,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	9,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		218,44,42,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation : 42.49 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment Rs. a. p.	Allotted at minimum rate %
1953					
24th Mar..	1.00	1.02	1.00	2 7 0	100
31st ,, ..	1.00	1.01	1.00	2 7 0	100
7th April ..	1.00	1.35	1.00	2 7 0	100
14th ,, ..	1.00	1.21	1.00	2 7 0	100
21st ,, ..	1.00	1.30	1.00	2 7 0	100
28th ,, ..	1.00	1.01	1.00	2 7 0	100
5th May ..	1.00	1.63	1.00	2 7 0	61
12th ,, ..	1.00	1.03	1.00	2 6 10	58
18th ,, ..	1.00	1.95	1.00	2 6 8	41
26th ,, ..	1.00	2.26	1.00	2 6 6	28
2nd June..	1.00	2.02	1.00	2 6 6	32
9th ,, ..	1.00	2.10	1.00	2 6 5	27
16th ,, ..	1.00	2.23	1.00	2 6 6	28
Total ..	13.00	20.72	13.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria ..	26th March, 1953	5½	5
Belgium ..	18th Dec., 1952	3½	3
Canada ..	17th Oct. 1950	1½	2
Denmark ..	3rd April, 1953	3	2½
Finland ..	16th Dec., 1951	7½	5½
France ..	9th Nov., 1951	2	4
Greece ..	12th July, 1948	10	12
India ..	15th Nov., 1951	3	3½
Italy ..	6th April, 1950	4½	4
Japan ..	1st Oct., 1951	5.11	5.84
Netherlands ..	7th April 1953	3	2½
New Zealand ..	26th July, 1941	2	1½
Norway ..	9th Jan., 1946	3	2½
Portugal ..	12th Jan., 1944	3	2½
South Africa ..	27th Mar., 1952	3½	4
Spain ..	18th Mar., 1949	4½	4
Sweden ..	1st Dec., 1950	3	4
Switzerland ..	26th Nov., 1936	4	3½
Turkey ..	28th Feb., 1951	2	4
United Kingdom ..	12th Mar., 1952	2½	4
U.S.S.R. ..	1st July, 1936	8	4
U.S.A. ..	18th Jan., 1953	1½	2
West Germany ..	8th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	December, 1952	December, 1951	Nine months—April to Dec., 1952	Nine months—April to Dec., 1951
Import Duties :				
Revenue ..	10,65	10,36	84,57	96,24
Protective ..	54	73	5,06	7,90
On surplus disposals ..	..	4	3	23
Total import duties ..	11,19	11,13	90,56	104,37
Export Duties ..	3,05	5,00	42,77	66,29
Land Customs ..	23	40	2,14	2,48
Miscellaneous ..	11	9	92	90
Gross total customs ..	14,58	16,71	136,39	173,90
Refunds and drawbacks ..	19	90	2,18	3,74
Net Customs ..	14,39	16,41	134,21	170,25
Gross excise ..	4,77	6,77	59,00	68,37
Refunds ..	5	13	1,15	1,28
Net Excise ..	4,72	6,64	58,77	67,09
Net total of customs and excise ..	19,11	23,05	192,98	237,34

Imperial Bank of India

Statement of Affairs for the week ended 12th June, 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid ..	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
		5,62,50,000
Reserve Fund and other Reserves ..		4,85,00,000
Deposits and other Accounts ..		205,83,55,000
Borrowings from other Banking Companies Agents		16,50,00,000
Bills Payable		2,14,93,000
Bills for Collection being Bills Receivable as per contra		44,79,000
Acceptances, Endorsements and Other Obligations as per contra		4,63,000
Other Liabilities (including Inter-Office Adjustments)		2,99,10,000
Total .. Rs.		242,74,50,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		10,21,70,000
Balances with other Banks ..		5,49,31,000
Money at Call and Short Notice ..		1,35,89,000
INVESTMENTS—		
Government and other Trustee Securities ..	75,61,65,000	
Other Authorised Investments ..	10,57,36,000	
		86,19,01,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	106,75,38,000	
Bills Discounted and Purchased ..	27,26,59,000	
		134,01,97,000
Bills Receivable being Bills for Collection as per contra		44,79,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra ..		4,63,000
Premises less Depreciation		1,30,41,000
Furniture and Fixtures less Depreciation ..		34,81,000
Other Assets (including Inter-Office Adjustments).		3,31,98,000
Total .. Rs.		242,74,50,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits. Outstandings @	2½% Ten-year Treasury Savings Deposit Certificates ‡	
	5-Year		7-Year		12-Year						
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*
1950-51 ..	2,08	5,01	96	2,40	20,67	50,53	97,80	61,36	— 22,32	5,31	5,31
1951-52 ..	1,76	6,10	77	2,91	22,07	66,81	1,07,55	74,18	— 27,55	13,10	18,39
February 1952	13	5,90	5	2,83	1,64	64,79	8,21	68,27	— 27,02	58	17,70
March ,,	29	5,10	10	2,91	2,53	66,81	15,04	74,18	— 27,55	71	18,39
April ,,	14	6,17	5	2,93	2,23	65,55	10,01	76,52	— 27,91	96	19,32
May ,,	12	6,22	8	2,99	2,12	70,22	9,95	77,85	— 28,25	56	19,86
June ,,	12	6,28	6	3,02	1,82	71,64	9,38	80,08	— 28,57	69	20,55
July ,,	15	5,34	10	3,09	2,03	73,14	10,29	82,54	— 28,91	74	21,29
August ,,	14	6,40	6	3,12	1,76	74,45	8,60	85,75	— 29,15	65	21,89
September ,,	10	6,44	3	3,12	1,84	75,73	8,78	84,89	— 29,40	52	22,28
October ,,	11	6,48	5	3,14	1,71	76,77	8,36	85,24	— 29,68	56	22,43
November ,,	10	6,50	4	3,16	1,71	77,99	8,08	86,51	— 29,98	58	22,94
December ,,	8	6,51	3	3,16	1,86	79,84	8,45	85,92	— 30,22	48	24,48
January 1953 ..	10	6,54	4	3,18	2,02	80,77	8,88	86,06	— 30,50	58	25,06
February ,,	14	6,61	5	3,21	1,86	82,14	8,36	86,33	— 30,75	69	25,54
March ,,	30	6,83	8	3,26	2,64	84,17	10,65	88,27	— 31,03	60	25,93
April ,,	..	..	..	..	..	..	..	..	..	80	26,53

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1948 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June, 1948. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1939=100)

1. All-India

Group and Sub-Group	Week Ended 6-6-'53	30-5-'53	9-5-'53	7-6-'52
(A) Government and Semi Government Securities ‡	**92.2**	**92.3**	**92.2**	**92.1**
1. Government of India Loans	92.4	92.4	92.3	92.1
2. Municipal, Port Trust and Improvement Trust Loans ..	86.9	86.9	86.9	87.5
(B) Fixed Dividend Industrial Securities	**90.8**	**90.9**	**90.4**	**91.4**
1. Electricity	78.2	78.0	77.4	79.6
2. Cotton	128.1	128.2	127.3	129.7
3. Jute	80.1	79.9	79.5	81.3
4. Coal	99.2	98.0	96.3	95.1
5. Iron and Steel ..	84.5	85.0	84.9	83.9
6. Sugar	89.3	89.3	89.3	94.9
7. Paper	88.1	88.1	88.1	90.9
8 Plantations	98 8	98.5	97.4	104.8
(C) Variable Dividend Industrial Securities	**108.3**	**108.3**	**106.4**	**110.5**
1. Banks	103.5	103.3	102 7	104.8
2. Insurance	99.9	143.1	97.2	98.8
3. Investment Trusts ..	143.3	84.0	140.7	143.2
4. Electricity Companies and Tramways ..	84.2	87.1	83 6	83.4
5. Shipping and other Transport Companies	86.7	76.1	85.0	84.7
6. Railways	75.8	76.0	76.0	76 0
7. Plantations	119.4	117.8	116.7	142.5
8. Cotton Woollen and Silk	137.6	138.5	134.4	141.3
9. Jute	74.8	73.9	70.0	84.9
10. Coal	90.4	90.2	88.7	94·8
11. Mining and Oil ..	64.4	64.4	61.7	83.5
12. Iron and Steel ..	144.0	145.1	143.4	133.6
13. General Engineering ..	151.1	150.2	147.0	143.5
14. Sugar	83.0	83.3	80.3	86.7
15. Breweries	72.3	73.8	70.1	92.1
16. Chemicals	136.8	138.7	135.5	141.8
17. Paper	117.0	117.2	114.0	115.4
18. Cement	142.7	143 3	141.2	138.6

II. Regional

Region and Group	Week Ended 6-6-'53	30-5-'53	9-5-'53	7-6-'52
(A) BOMBAY—				
Government and Semi-Government Securities	92.0	92.0	91.9	91.9
Fixed Dividend Industrials	92.9	93.2	92.7	90.8
Variable Dividend Industrials	126.4	127.0	125.7	123.4
(B) CALCUTTA—				
Government and Semi-Government Securities	92.9	92.9	92.8	92.6
Fixed Dividend Industrials	87.4	87.2	86.9	89.2
Variable Dividend Industrials	95.9	95.8	93.6	99.1
(C) MADRAS—				
Government and Semi-Government Securities	91.9	91.9	91.8	91.6
Fixed Dividend Industrials	103.3	103.1	102.3	108.8
Variable Dividend Industrials	123.9	123.8	126.9	138 6

*Source: Department of Research and Statistics, Reserve Bank of India.
‡ Including Part 'B' State Loans.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,983	12,506,704
1951	1,071	691,321	8,948,978
1952* ..	962	809,113	3,335,661
October 1950 ..	78	288,349	2,286,894
November ..	84	58,786	312,497
December ..	68	41,061	168,718
January 1951 ..	120	93,698	370,990
February ..	61	44,025	308,560
March	79	47,778	317,990
April	120	95,747	331,282
May	109	56,604	277,314
June	146	92,446	445,353
July	130	75,454	671,705
August	108	64,684	289,907
September ..	88	24,777	92,109
October	108	87,398	190,761
November ..	125	64,147	189,374
December ..	118	76,196	365,149
January 1952 ..	95	506,831	674,540
February ,, ..	88	63,180	215,607
March ,, ..	87	42,430	142,493
April ,, ..	124	59,437	224,446
May ,, ..	118	80,093	254,885
June ,, ..	101	59,331	257,082
July ,, ..	82	40,754	171,288
August ,, ..	88	48,585	148,533
September ..	96	57,875	460,552
October ,, ..	96	78,181	349,018
November ..	87	48,776	273,242
December* ..	81	27,525	155,017
January 1953*	84	41,183	240,314
February ,, ..	42	23,284(a)	116,398(a)

† Figures for 1952 and 1953 are provisional. * Revised.
(a) Not known in two cases.

ELECTRIC ENERGY : GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51	545	5,279.9	4,225.9
1951-52	573	5,948.1	4,849.0
September 1951 ..	554	494.5	403.4
October ,, ..	556	506.9	412.8
November ,, ..	557	491.7	409.8
December ..	561	500.9	414.8
January 1952 ..	568	500.8	409.7
February ,, ..	571	450.7	391.0
March ,, ..	573	481.8	392.9
April ,, ..	577	488.8	392.8
May ,, ..	581	514.4	413.1
June ,, ..	588	500.1	405.8
July ,, ..	588	534.0	429.7
August ,, ..	592	531.8	429.7
September ,, ..	597	530.3	430.6
October ,, ..	599	548.2	441.5
November ,, ..	605	529.7	436.4
December ,, ..	608	552.2	457.8
January 1953 ..	611	535.5	441.8
February ,, ..	614	493.6	417.4

* Excluding railway, military and factory power stations ; Chola Power Station, being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	30th May, 1953	23rd May 1953	31st May, 1952	April, 1953	April, 1952	Percentage of increase (+) or decrease (—) in April, 1953 as compared with April, 1952	1952	1951
Food Articles	**390.9**	**385.2**	**337.0**	**366.4**	**346.1**	**+ 5.9**	**359.8**	**409.8**
Cereals	462	461	446	437	444	— 1.6	450	488
Pulses	500	494	427	445	436	+ 2.1	482	506
Other	273	265*	199*	256	209	+22.5	225	290
Industrial Raw Materials ..	**467.5**	**479.6**	**414.7**	**448.9R**	**433.5**	**+ 3.6**	**453.8**	**508.2**
Fibres	440	430	405	449	—	— 9.8	454	622
Oil seeds	647	639	415	568	430	+32.1	494	679
Minerals	441	443	494	449	458	— 2.0	458	428
Others	363	358	276	357R	319	+11.9	341	533
Semi-Manufactures	**362.3**	**362.3**	**321.4**	**351.8**	**338.3**	**+ 4.0**	**346.5**	**377.5**
Leather	414	414	417	283*	257	+67.7	245	458
Mineral oils	223	223	218	238	218	+ 2.3	221	197
Vegetable oils	579	569	398	498	435	+14.5	459	679
Cotton yarn	445*	445*	444*	445*	490*	—10.8	466*	488
Metals	235	235	194	226	198	+14.1	211	197
Oil Cakes	440	454	412	411	416	— 1.2	440	500
Others	252	253	261	225	271	—17.0	273	230
Manufactured Articles ..	**370.8**	**369.1**	**370.9**	**365.8R**	**381.2**	**— 4.0**	**377.5**	**385.5**
Textiles	411	408	415	402R	432	— 6.9	423	408
Jute	406*	406*	356	357	548	—34.9	506	803
Cotton	407*	407*	390*	407*R	410*	— 0.7	401*	400*
Rayon and Silk	492	499	564*	488*	427*	+14.3	486*	611*
Woollen	312	312	393	313	392	—20.2	346	276
Metal products	336	336	311	336	311	+ 8.0	321	285
Others	287	287	298	289	300	— 3.7	298	200
Miscellaneous	**626.9**	**621.0**	**588.8**	**601.7**	**598.1**	**+ 0.6**	**635.8**	**729.8**
All Commodities	**402.7**	**399.0**	**365 2**	**384.9R**	**377.8**	**+ 1.9**	**388.9**	**439.3**

* Estimated. R—Revised.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1928	Sholapur January 1939	Kanpur August 1939	Nagpur August 1939	Calcutta August 1936	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
May 1951	—	335	278	314	443	394	374	335	140	176	141	158	166
June ,,	—	337	271	313	447	394	382	337	144	178	138	158	169
July ,,	—	333	270	318	434	394	383	337	145	182	140	155	173
August ,,	—	328	261	322	459	392	387	338	146	181	143	161	171
September ,,	—	325	253	319	470	389	375	340	144	179	150	161	170
October ,,	—	332	254	323	469	393	378	336	144	181	145	165	171
November ,,	146	333	252	325	464	397	374	337	147	182	155	168	168
December ,,	144	331	252	323	449	397	370	337	144	181	159	166	158
January 1952	142	331	246	323	442	393	357	338	142	179	147	162	156
February ,,

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

('000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final	1951-52 Final	1950-51 Final
Rice	tons	73,505	75,975	20,767	20,225
Wheat 3rd ..	tons	22,733†	22,484††	6,239†	5,723††
Jowar ..	tons	33,329	33,419	5,509	5,403
Bajra ..	tons	21,856	22,267	2,153	2,549
Barley 2nd ..	tons	7,670†	7,109††	2,177†	1,738††
Maize ..	tons	8,003	7,794	1,959	1,701
Ragi ..	tons	5,296	5,444	1,167	1,407
Gram ..	tons	16,719	18,709	3,157	3,593
Other millets & pulses ..	tons	39,725	39,770	6,886	6,401
Jute ..	bales	1,834†	1,951††	4,695†	4,678††
Cotton 4th ..	bales	15,039†	15,126††	2,963†	3,042††
Sugarcane 2nd	tons	4,424†	4,326††	5,035†	5,288††
Groundnut ..	tons	11,862†	11,798††	2,894†	3,045††
Linseed ..	tons	3,238	3,447	309	361
Castorseed ..	tons	1,349†	1,428††	107†	166††
Rape and Mustard Seed ..	tons	5,707	5,697	990	748
Sesamum (supjitons		5,751†	5,845††*	451†	435††
Tobacco ..	tons	764	902	225	263
Pepper ..	tons	63†	202††	22†	23††
Ginger ..	tons	46†	47††	14†	15††

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).

† Relates to 1952-1953. †† Relates to 1951-52.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During May, 1953 ..	72.5
	Corresponding month 1952 ..	82.3
	July 1952 to May, 1953 ..	818.5
	Corresponding period 1951-52 ..	870.8
Stocks	At the end of May, 1953 ..	139.1
	Corresponding month 1952 ..	103.8
		(In 000 bags)
Exports(JuteBags)	Week ended 2nd May, 1953 ..	1,07,91
	Corresponding week 1952 ..	1,07,23
	From 1st Jan., to 2nd May, '53 ..	7,51,94
	Corresponding period 1952 ..	17,55,55
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 2nd May, 1953 ..	1,03,24
	Corresponding week 1952 ..	3,20,99
	From 1st Jan., to 2nd May, 1953 ..	38,73,66
	Corresponding period 1952 ..	30,40,66
	RAW JUTE	(In 000 bales)
Exports* ..	Week ended 2nd May, 1953 ..	—
	Corresponding week 1952 ..	—
	Three months ended Jan., 1953 ..	—
	Corresponding period 1952 ..	—
	May, 1953 (in lakh bales) ..	4.20
Consumption by Mills†	Corresponding month 1952 ..	4.77
	Eleven months ended May 1953 ..	47.48
	Corresponding period 1952 ..	50.51

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

		Pig Iron	Steel Ingots	Finished Steel
Year ended	31st March, 1949..	917,800	906,700	671,000
Do.	31st March, 1950..	10,41,700	927,500	720,000
Do.	31st March, 1951..	11,15,200	10,02,100	7,76,500
Do.	31st March, 1952..	11,30,000	10,57,100	7,99,200
Do.	31st March, 1953..	11,58,000	10,61,900	7,91,800
January	1951.. ..	1,01,300	97,900	67,700
February	,, ,, ..	87,700	82,200	66,300
March	,, ,, ..	91,300	86,600	71,400
April	,, ,, ..	81,500	79,600	65,500
May	,, ,, ..	94,300	92,200	66,600
January	1952.. ..	99,800	96,700	71,400
February	,, ,, ..	94,900	82,600	67,000
March	,, ,, ..	1,02,100	92,100	67,400
April	,, ,, ..	93,000	86,500	62,900
May	,, ,, ..	95,000	83,200	61,700
January	1953.. ..	1,02,400	95,500	69,900
February	,, ,, ..	92,400	82,000	61,700
March	,, ,, ..	97,400	88,600	65,500
April	,, ,, ..	97,000	83,100	60,800
May	,, ,, ..	95,900	85,000	62,000

SEA-AND AIR-BORNE TRADE : INDIA

Particulars	February,		Eleven Months, April to Feb.	
	1953	1952	1952-53	1951-52
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :—				
Foodstuffs	7,93	17,99	161,12	226,65
Raw materials ..	10,21	30,14	168,39	232,51
Manufactures ..	20,33	29,53	250,74	311,11
Other items	17	05	5,40	4 59
Total Imports* ..	38,64	78,61	587,05	774,86
Exports :—				
Foodstuffs	10,60	11,52	129,27	145,21
Raw materials ..	12,70	9,22	134,22	126,98
Manufactures ..	14,67	23,78	223,47	373,48
Other Items	29	34	3,73	3,22
Total Exports ..	38,26	44,86	505,69	648,89
Total Re-exports ..	54	81	5,38	13,16
Balance of trade in merchandise ..	+ 16	—32,94	— 75,98	—112,80
Balance of transactions in private treasure ..	— 1	— 2	— 7	— 12
Total Visible Balance of Trade	+ 15	—32,96	—76,05	—112,92
Imports :—				
Total C'wealth Countries.	18,81	22,89	232,26	265,14
Total Foreign Countries ..	19,83	55,72	354,79	509,72
Exports :—				
Total C'wealth Countries.	18,09	22,23	238,26	340,12
Total Foreign Countries ..	20,17	22,63	267,43	308,77

* Excludes value of certain special imports of foodgrains and stores, full particulars of which are not yet available.

LAND-BORNE TRADE : INDIA

Particulars	February,		Eleven Months April to Feb.,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs	Rs. (lakhs)
Exports	51	3,87	18,44	23,61
Imports	52	5,28	18,11†	76,93
Balance of trade in merchandise	‡	— 1,41	‡	—53,32

† Incomplete—Excludes the value of 73,950 tons or 414,120 bales of raw Jute imported during the three months, December, 1952, to February, 1953, awaiting adjustment.

‡ Data Incomplete.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base: 1944—100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	Feb., 1952	Jan., 1953	Feb., 1953	Feb., 1952	Jan., 1953	Feb., 1953	Feb., 1952	Jan., 1953	Feb., 1953	Feb., 1952	Jan., 1953	Feb., 1953	Feb., 1952	Jan., 1953	Feb., 1953	Feb., 1952	Jan., 1953	Feb., 1953	Feb., 1952	Jan., 1953	Feb., 1953
Eastern Zone																					
Bamra	163	212	228†	111	88	90	165	127	125	156	134	136	104	107	107	182	216	216	195	193	193
Maibang	163	x	x	126	x	x	163	x	x	157	x	x	141	x	x	163	x	x	125	x	x
Shankargarh ..	152	154	162	180	187	189	176	152	153	168	160	164	101	97	95	164	141	140	141	144	145
Sonalli	259	179	181	181	167	167	228	188	183	233	183	180	125	125	125	264	199	199	328	278	306†
Northern Zone																					
Multapi	125	131	127	156	158	154	170	169	175	160	161	163	111	133	123†	161	163	166	140	196	199
Nana	293	242	243	275	231	250†	222	200	200	242	212	215	141	117	115	244	205	205	208	189	189
Salamatpur ..	221	229	240†	332	292	287	254	219	216	265	236	235	129	129	129	132	136	137	254	268	278
Southern Zone																					
Krishna	246	193	177†	181	186	183	183	157	156	195	166	162	135	115	121	171	138	136	212	176	175
Lakh	360	374	374	176	192	193	170	126	129	204	182	184	86	86	86	129	138	138	144	131	131
Malur	162	x	x	169	x	x	160	x	x	162	x	x	89	x	x	167	x	x	175	x	x
Munigudu	238	204	206	251	229	222	315	220	220	289	218	218	119	128	128	210	194	186	232	199	199
Kudchi	123	181	181	159	141	139	169	164	159	161	164	160	113	127	127	155	122	122	202	191	191

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 11th June, 1953 ..	29,332
	Corresponding week, 1952 ..	36,659
	1st Sept. 1952 to 11th June, 1953 ..	15,59,425
	Corresponding period, 1951-52 ..	16,37,070
Cotton Exports ..	Week ended 11th June, 1953 ..	6,138
	Corresponding week, 1952 ..	11,747
	1st Sept. 1952 to 11th June, 1953 ..	2,03,650
	Corresponding period, 1951-52 ..	66,990
Mill Consumption ..	1st Sept. 1952 to 11th June, 1953 ..	9,72,744(a)
	Corresponding period, 1951-52 ..	7,84,535
Stock (with exporters dealers and mills) ..	On 11th June, 1953 ..	5,61,554
	Corresponding date, 1952 ..	6,72,197
Karachi (Pakistan)*		
Receipts ..	Week ended 6th June, 1953 ..	—
	Corresponding period 1952 ..	16,502
	1st Sept. 1952 to 6th June, 1953 ..	16,15,767(a)
	Corresponding period, 1951-52 ..	14,72,459
Exports	Week ended 6th June, 1953 ..	—
	Corresponding period, 1952 ..	4,500
	1st Sept. 1952 to 6th June, 1953 ..	12,81,000(a)
	Corresponding period, 1951-52 ..	10,28,500

Particulars	From 1st Sept., '52 to 15th June, 1953 Bales	From 1st Sept., '51 to 15th June, 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom ..	14,375	5,058
Continent	94,675	24,545
China	318	—
Japan	1,44,909	29,624
U.S.A.	34,710	7,497
Other Countries ..	5,386	411
Total to all foreign countries	2,94,179	67,135
Coastal Ports ..	1,13,748	86,271

Period		Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	March, 1953	2,88,878
Foreign		66,998
Indian	Seven months September 1952 to March, 1953	21,00,812
Foreign		4,86,410
Indian	Same Period 1951-52	16,62,127
Foreign		6,38,177
Stocks (Mills and Elsewhere)—		
Indian	As on 31st March 1953 ..	12,57,804
Foreign		2,46,913
Indian	As on 31st March, 1952 ..	14,00,118
Foreign		3,43,026
Cotton Pressed † ..	Week ended 5th June, 1953 ..	5,343
	Corresponding week, 1952 ..	6,543
	1st Sept. 1952 to 5th June, 1953 ..	26,99,527
	Corresponding period, 1951-52 ..	23,17,887

* As reported by the Karachi Cotton Association Ltd. (a) Adjusted. †Incomplete.

GOVERNMENT SECURITIES

TERMINABLE LOANS

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% Loan	1928	9,05,64,000	1955-60	103⅛
4% Bonds	1926-33	63,30,26,000	1960-70	102⅜
3 ½% Loan	1938-39	1,16,17,46,000	1963-65	92⅜
3 ½% Loan	1943	1,14,60,58,000	1953-55	100⅜
3 ½% Loan	1950	30,33,10,000	1964	92⅛
3 ½% Loan	1943	1,10,11,78,000	1966-68	90⅜
3 ½% V. Loan	1944	1,14,06,89,000	1957	98⅜
3 ½% Loan	1945	1,15,05,83,000	1970-75	96¼
3 ½% Loan	1945	1,13,65,64,000	1959-61	96⅛
3 ½% Loan	1951	50,35,63,000	1958	98⅜
2½% Loan	1946	45,63,07,000	1960	93⅛
2½% Loan	1946	57,00,69,000	1961	90⅜
2½% Loan	1946	35,06,06,000	1954	98⅛
2½% Loan	1946	14,77,48,000	1956	93⅞
2½% Loan	1947	75,86,72,000	1962	91⅛
2½% Loan	1948	60,45,01,000	1955	98⅜
3¼% Loan	1953	75,00,00,000	1961	98⅛N

NON-TERMINABLE LOANS

3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice.	82⅛
3 % Loan	1946	248,91,90,000	On September, 1986 or later at option of Government after three months' notice.	82⅛

REPATRIATE STERLING LOANS

3½% Loan	1933	12,88,18,000	1954-59	100⅛
4½% Loan	1928	5,85,20,000	1958-68	105

PROVINCIAL LOANS

3 ½% Bombay	1942	3,54,23,300	18th Sept. 1955	99
3 ½% Bombay	1943	3,50,00,000	14th Sept. 1956	99
3 ½% Bombay	1944	3,44,00,000	15th Aug. 1958	98
3 ½% Bombay	1949	6,00,15,000	1st Aug. 1962	93¼
3 ½% Bombay	1950	3,01,87,700	31st July 1960	95
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	98⅛
4 % Bombay	1952	3,66,72,700	1st Aug. 1964	100⅜
3 ½% Cochin	1943	30,00,000	1st Oct. 1953–55	98
3 ½% Cochin	1945	1,00,00,000	16th Dec. 1955–58	98-⅞
3½% Cochin	1936	70,09,000	1st June 1956–61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95⅛
3 % Madras	1938	1,42,08,300	15th Sept. 1953	100
3 ½% Madras	1939	1,29,76,600	21st June 1959	95⅜
3 ½% Madras	1942	1,23,25,000	18th Sept. 1955	98⅛
3 ½% Madras	1943	1,25,10,000	14th Sept. 1956	98-½
3 ½% Madras	1944	1,08,00,000	15th Aug. 1958	98
3 ½% Madras	1945	2,82,19,000	14th Sept. 1960	94⅛
2½% Madras	1946	3,90,93,200	1st Sept. 1961	90⅜
3 ½% Madras	1950	4,47,00,000	31st July 1960	94⅛
3½% Madras	1951	3,00,00,000	17th Sept. 1962	97⅜
4 % Madras	1952	5,00,00,000	1st Aug. 1964	100⅛
3 ½% Mysore(f)	1933	1,63,44,300	1st Nov. 1955	105⅛
4 ½% Mysore(f)	1933	2,95,85,200	1st Dec. 1953–63	100⅜
3 ½% Mysore(f)	1936	5,99,72,900	30th April 1956–61	98⅛
3 % M.P.	1947	5,08,05,700	25th Jan. 1958	98⅜
3 ½% M.P.	1942	50,00,000	18th Sept. 1955	98⅜
3 ½% M.P.	1943	50,54,200	14th Sept. 1956	98⅜
3 ½% M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 ½% M.P.	1948	2,03,00,000	15th Sept. 1964	91⅛
3 ½% M.P.	1950	1,00,28,800	31st July 1960	94⅛
3½% M.P.	1951	1,00,00,000	17th Sept. 1962	97⅜
3 ½% Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99⅛
3 ½% Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅛
3 ½% Punjab**	1943	2,48,78,300	14th Sept. 1956	99⅛
3 ½% Punjab**	1945	2,95,81,600	14th Sept. 1960	98⅛
3 ½% Travancore	1944	3,00,00,000	15th May 1952–54	98⅜
3½% Travancore	1936	50,00,000	16th Aug. 1956	99⅛
4 % U.P.	1938	1,69,39,800	15th Sept. 1961–66	90⅛
3 ½% U.P.	1944	2,23,96,800	1st Aug. 1958	97
3 ½% U.P.	1945	2,36,31,900	14th Sept. 1960	94⅛
3 ½% U.P.	1946	2,41,19,800	1st Sept. 1961	93N
3 ½% U.P.	1951	2,00,00,000	17th Sept. 1962	97⅛
3 ½% U.P.	1952	2,00,00,000	1st Aug. 1964	100⅜
4 ½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98⅛N
4 ½% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913	1960	D
80,00,000	4	1913	1974	98½N
88,25,000	4	1914	1975	99N
50,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
50,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98⅛
76,90,100	4	1915	1975	98⅛
68,02,300C	3†	1921	1981	79
1,50,00,000C	6¼	1921	1981	144N
1,24,06,300	6	1923	1955–85	105
98,21,600	5¼	1926	1956–86	104⅛
99,84,500B	5	1926	1956–86	103⅛
1,49,49,500B	5	1927	1957–87	103⅛
1,49,00,000	5	1928	1958–88	104⅛
80,00,000	4½	1931	1991	92⅛
21,75,000C	3	1933	1954	99
60,00,000	3	1935	1965	95⅜
25,00,000	3	1938	1963–68	88
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82⅛
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2¾	1947	1977	78⅛
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94⅛
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
1,50,00,000	3¼	1951	1961	97⅛
STERLING LOANS				
£892,600	5	1923	1953–83	£86⅛
£901,000	5	1924	1954–84	£86⅜
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1882	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug. 3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	
STERLING LOAN				
£330,000	5½	1923	1953	£100N

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
50,00,000	4	1905	1965	97⅜
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	97⅜
50,00,000	4	1914	1974	
50,00,000	4	1916	1976	
40,00,000	5	1919	1957–79	113
66,00,000	6	1920	1955–80	
25,00,000	5	1926	1956–86	103⅛
25,00,000	5	1927	1961–70	98
10,00,000	3½	1936	1966	96⅜
STERLING LOANS				
£566,600	4	1909	1969	£95⅜
£333,000	4	1910	1970	£95⅜
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	104
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	100
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	90
20,00,000	3	1938	1963–68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
49,40,000	4	1913–14	1954	100
40,00,000	4	1913–15	1974	100
20,00,000	4	1013–15	1955	100
10,00,000	5	1920	1980	113
1,60,00,000	5	1924	1954	103½
25,00,000	5	1928	1958	105 to 103
26,14,000	5	1929	1949–59	
8,45,500	5	1929	1954–59	
2,54,200	5	1929	1959	85
8,25,00,000	3½	1947	1977	85
2,50,00,000	3½	1949	1979	91⅛
2,50,00,000	3½	1950	1980	100⅜
2,50,00,000	4	1952	1964	96
2,00,00,000	3½	1951	1966	
CALCUTTA				Rs.
34,45,500	6¼	1925	1955	105⅜
84,70,000	6	1925	1955	104
36 00,000	5	1928	1958	103⅜
25,00,000	5	1929	1957	103⅜
25,00,000	5	1928	1958	103⅜
10,00,000	5½	1932	1962	108
33,91,000	3½	1935	1965	99⅜
5,00,000	3	1936	1953	99⅜
60,00,000	3	1936	1966	88⅜
1,46,100	3	1936	1953	99⅜
3,11,400	3	1937	1954	98⅜
4,67,100	3	1937	1954	98⅜
1,62,500	3	1937	1954	98⅜
4,18,100	3	1937	1954	98
47,50,000	3	1938	1968	97⅛
10,67,700	3	1938	1955	99⅜
15,56,800	4	1939	1956	99⅜
15,56,800	4	1940	1957	99⅜
17,64,400	3½	1942	1959	97
21,10,000	3½	1942	1972	96
15,49,000	3½	1951	1960	96
16,31,000	3½	1951	1961	96
66,88,000	3½	1951	1966	99⅜
87,36,000	4	1952	1962	
Rs		**MADRAS**		Rs.
5,00,000	4	1903	1953	101N
5,00,000	6	1923	1953	107N
3,40,000	7	1925	1955	107½N

ABBREVIATIONS.—M = Held by Government of Madras.
B = Taken up by Imperial Bank of India. D = Domestic Loan not marketable.
(a) This includes the amount of loan converted into First Development Loan 1970-75. Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935.
N = Nominal. C = Held by Commissioners. (f) Income-tax free.
J = Various Issues repayable to Government. *Loans held entirely by the Trustees of the Port. A = Held by Government of India.
** Quotations in Pak. Currency.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	132	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6¼	Mar. Sept.	95	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	146	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	117	100
¶East India Distilleries ..	£200,000	1897	7	Jan. July	15¾	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	77	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	75	100
Purtabpore Co. ..	6,00,000	1922	10	Oct. ..	15¼	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	98	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	70	100
South Behar Sugar ..	5,00,000	1936	7(a)	Oct. ..	75N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	6¼	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,60,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	116	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	116xd	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	119xd	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	83xd	10
Equitable	4,00,000	1895	6	Mar. Sept.	119	100
Karanpura Collieries ..	7,50,000	1946	5½(a)	.. ..	85	75(pp)
††Kas Kajora	1,93,000	1931	5	Mar. Sept.	6N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	13	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	113xd	100
COTTON						
Ahmedabad Advance ..	10,00,000	1939	5	Apr. Oct.	108¼	100
Bangalore	6,00,000	1884	6	Jan. July	131½	100
Basanti Cotton	5,00,000	1938	6¼	Nov. ..	8	10
Benares Cotton	1,05,200	1919	7	July Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	122	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	134	100
Do. 'B'	5,00,000	1900	7	Feb. Aug.	85	100
Bradbury	14,75,000	1919	7	June Dec.	325	250
Buckingham & Carnatic ..	21,30,200	1920	7½	Jan. July	141½	100
Cambodias	1,00,000	1

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deffered shares. G=Guaranteed shares. P=Preference shares. P.O.=Preferred Ordinary shares. R=Rebate shares. Y=Accounts published yearly. H=Accounts published Half-yearly. Q=Accounts published once 15 months T=Company has Debentures. R.L.=Reserve Liability on shares. N=Nominal Quotation. i=Interim Dividend. f=Dividend for first half-year, y=Dividend for the year. x=Ex. Dividend c.d.=Cum. Dividend

Shares:—If a company has different classes of shares—as, for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under "Paid-up Per Share."

Accounts:—Figures in the "*Accounts Closed*" column represent the months of the year in which the respective companies close their accounts. 6 and 12 indicate the months of June and December, respectively. "Reserves" includes general and other reserves and all other funds which a company may have as also depreciation on block items, when this is charged to separate account "Block" represents actual cost of land, buildings, machinery and all such other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends:—Dividends for completed years are calculated at per cent. per annum, but, where quoted for portion of a year, they represent percentages of the dividend on the paid-up share value. For companies closing the books half-yearly in the first three months of the year, and for companies closing their books yearly during the first half of the year dividends are shown as for the previous year.

COTTON MILLS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	¶Number Installed Spindles	¶Number Installed Looms	Mill	Latest Available Quotation. Rs.	Paid-up Per Share Rs	Dividends (per cent. 1949	1950	1951	1952	Accounts closed	Reference
BOMBAY CITY AND ISLAND															
50,00,000	59,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	2-14½	2	12½	12½	15⅛	—	12	Y.
40,00,000	96,25,655	1,22,39,883	45,646	B. R. Sons, Ltd. ..	50,828	1,021	Beharilal Ramcharan Cotton Mills	49⅜	100	6	6	—		3	T.P.Y.
2,50,98,000	5,35,82,946	3,76,37,187	1,80,774	Nowrosjee Wadia & Son, Ltd. ..	1,82,072	4,855	Bombay Dyeing, etc.	381½	250	16	7	8	8	12	Y.
10,00,000	68,56,275	52,02,609	2,59,868	Ramnarain Sons, Ltd. ..	38,532	860	Bradbury Mills	742½	250	24	40	40		3	P.Y.
1,09,42,800	3,69,11,265	2,42,52,821	5,30,869	Birla Bros., Ltd	1,09,320	2,706	Century	275½	100	15	18	20	20	12	Y.
49,00,000	76,78,063	1,06,30,358	5,066	V. J. Pilani, Esq. (Chairman) ..	39,408	698	Colaba Land & Mill	72	100	—	—	4		12	Y.
26,90,000	47,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd. ..	27,308	680	Coorla	108⅛	100	7½	7½	7½		3	
16,00,000	64,96,041	63,03,745	76,868	Ramnarain Sons, Ltd.	38,304	..	Dawn	61	50	4	—	12	12	12	Y.
34,00,800	78,85,000	63,06,555	91,036	Puranmal Radhakishan & Co. ..	50,296	928	Edward Textiles	250	200	7½	7½	7½		12	Y.
29,95,700	86,92,517	1,10,04,668	41,862	Chidambaram, Mulraj & Co., Ltd.	44,768	886	Elphinstone	43	50	10	8	—	6	12	Y.
40,00,000	1,32,62,580	80,34,752	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay	320	100	15	15	20	20	12	P.
50,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	71,608	1,259	Hind Mills	—	10	5½	4½	5½		6	P.Y.
12,90,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co. ..	45,752	1,022	Hindustan	3,250	1,000	171½	20	20¾		3	P.Y.
8,00,00,000 'O'	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	9½	10	7⅜	7⅜	10⅛		12	P.Y.
30,00,000 D								1-10½	1	12½	12½	25			
8,65,000	1,33,65,320	98,10,275	7,671	Damodhar Thack. Mooljee & Co.	47,172	1,191	Indian Manufacturing	3,310	1,000	17½	20	20*		3	Y.
33,000								—	500						
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co. ..	77,404	1,517	Khatau Makanjee	183½	100	12	14	10	6	P.Y.	
1,00,00,000	3,45,80,831	2,90,52,252	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor	301½	100	27k	18	25*	18	12	Y.
28,80,000 A								83	100 A	7½	5	6½		6	Y.
3,60,000 B	60,88,538	4,61,890	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	—	20 B						
22,13,050	88,02,988	1,01,00,576	24,034	N. Sirur & Co. Ltd.	33,750	451	Modern Mills	95N	50	14	8	14	10	10	P.T.Y.
51,75,000	1,65,94,653	71,00,015	2,80,686	Piramal Gangadhar & Others ..	60,652	1,650	Morarjee Goculdas	200	100	17	15*	12		6	P.Y.
24,00,000	67,21,958	71,22,987	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay	151½	100	11	12½	15	10	12	Y.
30,00,000	79,78,669	86,82,525	70,277	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Eastern	150	100	6½	10	12½	10	12	Y.
12,70,100	35,74,176	28,92,872	423	Mafatlal Chandulal & Co. ..	33,720	873	New Union	26½	100	—	5	10	12½	12	Y.
48,00,000	1,14,83,245	1,38,66,478	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix	105	100	6	10	10	8	12	Y.
40,00,000	59,51,640	24,14,688	1,25,251	Podar Sons, Ltd.	32,600	930	Podar	123½	100	9	9	10	10	12	P.Y.
3,00,000	27,89,119	21,19,461	3,615	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk ..	25½	10	26½	20	20	12½	12	Y.
25,00,000	59,86,822	41,49,241	21,950	M. G. Investment Corpn.	60,240	1,254	Sassoon Spinning	27⅛	10	—	7½	10	12½	12	Y.
50,00,000	1,02,59,322	78,01,447	8,43,873	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	170	100	12½	14	17½	12½	12	P.Y.
31,50,000	1,00,00,000	76,05,982	50,222	Forbes, Forbes, Campbell & Co., Ltd.	36,116	1,276	Simplex	180	50	28	34	301		3	P.Y.
56,00,000	2,07,23,386	1,18,80,653	2,889	Mafatlal Gagalbhai & Sons ..	53,892	1,633	Standard	305	100	15	15	26 ×	20	12	P.Y.
75,00,000	2,10,92,537	1,57,29,109	91,399	Tata Industries Ltd.	65,040	2,000	Svadeshi	248½	100	14	16	18	16	12	P.Y.
24,00,000	1,20,11,676	65,86,475	5,71,220	James Finlay & Co., Ltd.	35,804	552	Swan	438½	100	20	20	25	30	12	P.Y.
32,54,438	88,66,976	76,66,704	—2,05,128	Tata Industries Ltd.	63,248	1,800	Tata	43	25	8	8	16	4	12	P.T.Y.
12,00,000	1,17,01,933	86,62,657	4,299	Thackersey Mooljee Sons & Co. ..	45,888	1,176	Western India Spinning ..	3,180	1,000	17½	20	20		3	T.Y.
AHMEDABAD															
20,00,000	84,99,543	31,95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	147½	100	8	12	10		6	P.Y.
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Hutheesing & Sons Ltd. ..	42,768	912	Aruna	418⅛	100	13*	15*	20*		12	Y.
21,00,000	2,83,78,675	1,18,76,140	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind	760	100	22½	25	25	25	12	P.Y.
20,00,000	93,85,169	76,03,158	1,11,303	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning	270	200	15	15	17½	7½—1	12	P.Y.
12,00,000	1,63,65,455	81,44,027	1,05,810	Lalbhai Dalpatbhai & Co. ..	37,368	912	Asoka	436½	100	15*	17	22	22*	12	Y.
1,24,77,072	3,38,63,311	3,71,68,168	2,67,053	Karamchand Premchand & Co. ..	1,39,120	2,370	Calico	304	125	8	10	14-2/5	14-2/5	12	Y.
30,00,000	1,20,70,000	88,67,870	4 885	Tricumlal Bhoglilal & Co.	39,316	867	New Commercial	1,055	500	10	11	14	14	12	P.Y.
39,00,000	1 31,07,324	96,79,263	1,795	Mafatlal Chandulal & Co. ..	47,952	864	New Shorrock	560	125	28	28	28	28	12	Y.
5,00,000	79,61,645	43,89,260	4,583	Jagabhai Bhoglilal Nanavati & Co.	24,6401	5281	Nutan	600xd	100	25*	28*	28*	30*	12	Y.
10,00,000	1,49,90,022	73,98,913	3,599	Lalbhai Dalpatbhai & Co. ..	31,120	637	Raipur	727½	100	22½	25	25	25	12	P.Y.
12,00,000	50,40,334	63,41,241	1,09,340	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Rajnagar	160	250	6	6	8		12	Y.
32,50,000	58,29,453	81,93,993	9,867	Lallubhai Gordhandas Ltd. ..	33,156	648	Rohit	126½	100	8	30	9	9	12	P.Y.
19,50,0000	94,78,968	61,33,831	8,070	Mafatlal Chandulal & Co. ..	36,624	720	Shorrock Spinning	315	100	15	15	20	20	12	Y.
2,500D															
24,90,150	1,91,30,172	1,01,07,709	1,23,551	Haribalabhdas Kalidas & Co. ..	73,796	1,383	Shri Ambica Mills	310⅛	50	25	30	36	32	12	P.Y.
28,00,000	79,16,324	91,15,078	16,259	Haridas Acharatlal & Co., Ltd. ..	32,816	776	Vijaya	497½	400	11½*		82*	85*	12	P.Y.
WEST BENGAL															
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agenc Ltd., ...	13,044	356	Basanti Cotton	43	10	—	5	3¼		12	P.T.Y.
7,11,280	22,53,686	37,16,199	32,931	Bengal Textile Agency Ltd. ..	28,448	936	Bengal Luxmi	38N	40	—	7½	7½		3	Y.
6,00,000	74,31,075	77,07,829	—28,432	K. Bullen & Co., Ltd.	42,672	841	Bullen	285	100	—	—	—	—f	6.12	P.Y.
19,00,000	96,49,451	96,66,017	—27,784	K. Bullen & Co., Ltd.	42,944	518	Dunbar	183	100	5½	—	7	—f	6.12	H.
1,20,00,000	3,29,34,362	3,04,36,320	84,976	Birla Bros., Ltd.	69,352	1,990	Kesoram	19½	15	12½	12½	11⅛f		3	P.Y.
6,80,000A									25						
82,96,097B	71,09,841	79,53,833	51,285	Chakravarti Sons & Co.	23,484	442	Mohini	—	10	12½§	7½	7½		12	Y.
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills ..	5	10	9	3	—		12	T.Y.
15 00 000	26,53,246	39,15,375	2,736	Ramlal & Co., Ltd.	50,000	..	Alagappa Textiles	6½	10	—	9	6		12	P.Y.
71,94 400ao	96,26,706	1,90,39,719	18,450	Ind. Trust Fund	19,944	440	Azam Jahi Mills	65½	100	15*	5½‡	61	6	9	Y.
48,50,000	3,00,10,004	2,73,75,544	2,49,801	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	252½	100	14½	17½	20	15	12	P.T.Y.
27,00,000	71,21,986	69,36,823	40,045	Shaw Wallace & Co., Ltd. ..	29,936	782	Bengal Nagpur	14½	10	5	1½	10	5f	6.12	P.Y.
60,00,000	77,87,070	1,03,33,381	11,806	Binodram Balchand	57,312	1,338	Binod Mills	100N	100	17	7	5		12	Y.
15,00,000	1,33,79,264	84,27,674	4,60,089	Birla Bros. Ltd.	39,898	998	Birla Jute	52N	10	25	25	30	3	12	P.Y.
8,47,800	4,09,27,251	5,14,83,572	2,39,790	Binny & Co., Ltd. (Madras) ..	1,19,916	2,781	Buckingham & Carnatic ..	123	100	6½	6½	7½	4	12	P.Y.
20,00,000	32,63,706	30,52,641	93,399	Peirce, Leslie & Co., Ltd. ..	37,536	4	Cambodia	10⅛	10	7½	—	12½	10	12	P.Y.
30,00,000	64,46,347	47,79,878	32,599	Begg Sutherland & Co., Ltd. ..	28,796	591	Cawnpore Textiles	9⅛	5	11½	11½	11½		3	T.Y.
46,87,500	2,25,77,600	2,00,84,126	—16,38,234	Tata Industries Ltd.	1,15,188	2,062	Central India	162	100	6	6	2		6	P.Y.
12,00,000	33,29,999	27,32,848	—1,32,723	R. Reama Nayudu & Co.	28,864	..	Coimbatore Cotton	142N	100	12½	12½	12½	9	12	Y.
20,00,000	17,94,432	20,04,313	9,816	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills ..	110	100	7	6	—		6	Y.
20,76,900	70,83,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg. ..	40½	50	5	10	—		12	Y.
24,34,800	40,26,054	37,58,169	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi	178	100	25	25	20	10	12	Y.
8,89,84,925	3,84,95,614	5,77,14,605	1,63,862	Bharat-Ram, Esq.	75,604	1,830	Delhi Cloth (inc. Lyallpur Mills).	29-14½	25	5	4	10		6	P.Y.
1,00,503								—	2½						
60,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd. ..	52,652	1,198	Elgin	17½	10	12½	11½	15	9	12	P.T.Y.
39,04,700	1,01,50,000	82,22,387	1,03,575	F. Forbes Campbell & Co., Ltd.	72,960	2	Gokak	215	100	15	10	14	17*	12	Y.
30,00,000	84,17,977	1,21,16,721	6,989	Govindram Seksaria (Indore) ..	30,420	1,420	Indore-Malwa United	91½	100	4	4	5		12	Y.
8,00,000	25,82,989	26,01,526	—2,59,911	G. V. Naidu & Co.	23,784	..	Janardhana	58	50	16	10	15	7½	12	P.Y.
6,50,000	17,20,576	40,18,454	7,677	A. L. A. R. A. Chettiar and another	50,304	325	Kalecswarar	301½	100	—	—	—		6	P.Y.
14,00,000	25,50,000	43,66,106	54,377	Kothari & Sons	13,824	..	Kothari	10⅛	10	7	7½	7½		6	P.Y.
32,00,000	1,62,37,879	1,37,67,873	1,99,524	The Bombay Co., Ltd	33,642	1,213	Lakshmi Cotton	568½	250	15	15	20§	15	12	P.T.Y.
35,64,100								80	50						
17,82,050A	90,51,492	78,03,494	7,921	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	38§	25	8	8	10	3	12	Y.
1,75,02,480	5,94,39,299	4,16,07,732	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura	36§	15	17½	15	20	20	12	Y.
12,00,000	20,18,053	24,32,416	—7,468	A. L. A. R. S. Chettiar and 2 others.	21,856	..	Malabar	142	200	7½	4	6	4	12	Y.
60,00,000	1,00,87,062	55,34,648	77,484	W. A. Beardsell & Co., Ltd ..	24,252	603	Mettur Industries	192cd	100	25	12½	12½	4	3	Y.
25,80,884	65,14,240	73,05,250	25,960	N. Sirur & Co. Ltd.	36,416	678	Simplex	100½	100	8*	6	6	6	12	Y.
94,91,850	96,08,512	1,34,73,361	29,643	B. Abirchand Dadabhoy & Co. ..	49,456	952	Model Mills, Nagpur	143§	250	6	3	6	5	12	P.Y.
30,00,000	1,55,94,651	1,33,39,271	7,77,290	Indian Textile Syndicate Ltd. ..	86,318	1,834	Muir	215	100	24§	—	30		12	Y.
5,71,50	4,06,541	20,43,991	—2,16,356	A. Sambha Moorty, Esq.	69	..	Mysore Silk Filatures	2§	10	—	—	7½		12	Y.
19,86,800	1,15,59,739	82,55,416	38,347	N. Sirur & Co., Ltd.	49,632	500	Mysore Spinning	123½	50	20	18*	20*		12	P.Y.
13,61,780	22,98,130	27,85,536	—4,60,000	R. Suryanarayana Rao, Esq ..	6,000	..	Mysore Spun Silk	5	10	5d	6§	—		12	Y.
22,89,882	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd ..	50,228	1,148	New Victoria	1§	2½	—	—	—		12	P.T.Y.
3,97,0950								—	DI						
87,03,800	1,20,94,970	1,58,62,385	17,946	Ind. Trust Fund	30,896	717	Osmanshahi Mills	98¼N	100	14*	5½	6½	7	9	Y.
6,00,000A	21,00,275	26,20,198	3,380	Baghyalakshmi & Co.	22,800	..	Palani Andavar	47	50A	4	10	16	15	12	P.Y.
6,00,000B															
15,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills	65½	100	4	7½	5		12	P.T.Y.
25,30,420	40,80,264	52,63,263	2,062	A. G. G. Naidu & Co.	38,864	200	Radhakrishna	142	100	15	16	16	6	12	P.Y.
15,00,000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	25,896	..	Rajalakshmi	72xd	50	9	9	10		12	P.Y.
5,02,500	31,53,264	35,65,211	11,407	P. S. G. Nayudu & Sons	28,972	88	Ranga Vilas	70	50	9	7	7½		12	P.Y.
10,00,000	89,59,172	1,04,60,739	5,906	Sir J. P. S. & Sons (Rampur), Ltd.	32,580	608	Raza Textiles	6-0½	10	—	—	—		12	P.Y.
6,00,000	1,58,55,370	2,03,31,339	—78,03,793	M. J. Divekar, Esq.	82,992	2,234	Sholapur	1,800	1,000	—	—	—		3	Y.
2,41,300	9,49,500	25,98,011	66,528	Gopaldas Lilladhar & Co., Ltd	15,824	440	Shree Sajjan	1,570	100	6	—	—		3	Y.
7,79,700	17,05,383	21,50,229	3,083	T. R. A. Ayyar & Bros., Ltd.	18,416	416	Sitaram	36§	50	6	—	—		3	Y.
6,69,750	35,96,380	37,42,020	23,257	H. N. Pallegar, Esq., ...	25,200	292	Sri Krishnarajendra Mills ..	43cd	50	8§	8*	5	8*	3	Y.
5,00,000	1,30,50,807	64,96,084	58,49,305	Birla Brothers Ltd.	27,340	992	Sutlej Cotton Mills	40N	10	40	40	40		3	Y.
7,90,000								9½	10	5	5	5		3	P.Y.
18,000P.O.	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,12,216	2,077	Swadeshi (Cawnpore	9½	10P.O.	9	9	9		12	Y.
3,98,630	16,70,493	12,91,002	9,843	M. R. & Sons	16,000	..	Trichinopoly	9§	10	10	10	10	7	12	P.Y.
1,00,000	56,75,811	47,61,131	50,000	R. K. S. Chetty & Bros.	33,704	270	Vasanta	15§	100	7	9	10	12	12	P.Y.
2,00,000	1,34,16,851	1,18,75,996	2,21,881	The Bombay Co., Ltd.	54,280	1,495	Vishnu	157§	100	10	9	10	10	12	P.Y.

Includes Bonus. ‡ On Increased Capital. $ Only Depreciation. ¶ As on 31st August, 1952. †† Does not include depreciation.

x Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46. — Nil Dividend. xd=Ex. Dividend, C.d.=Cum. Dividend

§ Includes Rs. 11·6 paid out of deferred Dividend Amount. N=Nominal. † Subject to tax. §§ Net Block. ‡=As on 1st January, 1953.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	References
ART SILK AND RAYON MILLS													
1,60,42,600	72,66,192	4,27,10,526	38,933	Chinai & Co., Ltd.	National Rayon Corporation	103½	100	—	—	—	—	12	P.Y.
99,92,020	57,16,774	267,67,573	2,34,553	Emcete & Sons (Travancore) Ltd.	Travancore Rayons	5⅛	10	—	—	—	—	12	P.T.Y.
BREWERIES AND DISTILLERIES													
13,28,000	65,17,840	96,16,910	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	24	25	11⅛	11⅛Q	—		5	P.Y.
6,64,000						10	10						
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	6½	5	20	10	—		3	W.
£80,000 'A'	£988,534	£1,122,135	£57,421	Parry's Holdings Ltd.	East india Distilleries and Sugar ..	14½ 'A'	16sh.	10	10	10	10	9	P.Y.
£300,000 'B'						18½ 'B'	20sh.		15	15	15		
34,80,800	8,54,296	7,56,660	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4	10	—	—	—		8	W.
6,00,000	21,13,586	12,13,593	3,951	B. A. Mallya Esq.	United Breweries	157	75	15	10	20		3	W.
CEMENT													
81,19,724	21,33,493	67,56,656	15,850	The Andhra Engineering Co Ltd. ..	Andhra Cement Co.	101	100	8½	9½	7½		12	P.Y.
43,14,600	16,94,310	17,14,992	1,01,035	Eastern Corporation Ltd.	Assam Bengal Cement	4½	10	5	—			3	Y.
4,78,976D						½	1						
10,56,20,438	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.	Associated Cement Companies	170½	100	7	8½	9½	9½	7	Y.
10,56,20,438													
86,49,312	95,24,901	1,45,62,309	61,188	Hari Bros. Ltd.	Dalmia Cement	6½	10	—	5	6½		12	Y.
8,00,000D						5	5						
81,01,180	27,27,600	1,26,09,755	90,853	Essen Ltd.	India Cements Ltd.	16§	25	—	—	5		3	P.Y.
7,50,000D						3½	5D						
75,00,000	1,46,20,109	1,65,80,416	81,840	Martin Burn Ltd.	Sonevalley Portland Cement	7½	5	9	8			12	Y.
CERAMIC; MINING AND QUARRYING													
31,70,655	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2½	2½	2½	5	6½		12	Y.
10,00,000	53,04,035	53,01,488	15,680	Bird & Co.	Biara Stone Lime Co.	28½xdN	10	16§	17½	17½	8f§	3.9	H.
40,01,000	17,91,749	50,93,341	12,332	Ram Kumar Agarwala & Bros. ..	Chrestien Mica Industries	10½	10 O	10	10	10		12	P.Y.
35,20,000D						7½	5 D	15	15	15			
6814,200	81,650,110	81,643,983	£85,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	2–15½	2sh.	12½†	12½†	12½		12	Y.
15,00,00000	39,05,935	43,65,527	1,27,234	Bird & Co., Ltd.	Karanpura Development	13½	10	—	—	—	—	61.2	H.
5,00,000F							10	—	—	—	—	61.2	H.
4,00,000	6,40,199	7,98,882	9,812	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	10cd	10	5§(d)	10	10		3	Y.
10,00,000	37,25,402	31,47,718	74,275	Bird & Co., Ltd.	Orissa Minerals	35§	10	8	10	12½	15f	6.12	H.
6,00,000	24,28,739	25,13,779	27,403	Andrew Yule & Co.	Reliance Firebricks	17	10	10	10	11§		2.8	H.
6,99,390	20,61,475	17,98,676	3 427	Killick Industries Ltd.	Shivrajpur Syndicate	54	10	15	17½	35		11	Y.
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	23,14,270	1 02,937	S. V. S. Iyer, Esq.	Kamp & Co.	265	200

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
£.	£.	£.	£.			s.	s.						
OIL; PETROL, ETC.													
£750,000	£987,630	£257,232	—£718,934	J. C. d. Glass, Esq.	British Burma Petroleum Co., Ltd.	1⅛	4sh.	—	—	—		3	P.Y.
2,50,000	81,89,204	52,69,225	1,85,955	M. C. Alcock, Esq.	British Ceylon Corporation	12⅛	7½	20†	24†	32†		12	P.Y.
1,00,00,000	1,01,18,597	1,04,61,324	4,03,476	Steel Brothers & Co. Ltd	Burma-Shell Petroleum Co., Ltd.	61sd	40	10	10	10	15	12	P.Y.
70,07,475	1,02,93,386	1,52,15,713	10,092	Tata Industries Ltd.	Tata Oil Mills	83	4	6	8	8		3	H.
6,00,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tide Water Oil Co. (India) Ltd.	14⅛	10	15	15	17½	5†	4.10	
PAPER													
45,00,000	1,57,44,079	1,95,77,780	4,69,859	Walmer Lawrie & Co.	Bengal Paper Mills	44½	25	10	10	12½	6½	6.12	P.T.H.
10,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	17⅛	880	7	10	11	5†	3.9	H
35,00,000	48,30,215	47,81,895	52,615	P. R. Balakrishnan, Esq.	Mysore Paper Mills	13⅛	10	5d	7½	10*		3	P.T.H.
41,95,000	2,73,41,080	3,27,84,408	1,51,321	Birla Bros., Ltd.	Orient Paper	34	10	15	25	20	10†	3.9	P.T.H.
30,06,895	1,10,93,378	84,10,902	1,86,914	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	19½	10	9½	11½	15	7½†	6.12	P.T.P.
20,00,000													
10,00,000·A'	58,56,913	76,25,937	9,851	Bajoria & Co.	Star Paper Mills	8½	10	—	—	5	2½	3.9	P.T.P.
4,37,500 PO													
A'56,00,000O	5,15,53,313	4,78,98,548	5,00,114	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co. Ltd.	4½	2½	10	10	10	5†	3.9	P.H
B'56,04,800O						36½ A10	36½ A10	30	17½	20*	10*†	3.9	
						36½	810	20	12½	20*	10*†	3.9	
PLANTING; PRODUCE AND RUBBER													
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	6⅜	3	10	26	20		2	P.Y.
47,70,000	48,44,853	83,16,040	4,37,964	R. C. Paterson, Esq.	Consolidated Coffee Estate	18⅜	10	17	40	18		6	P.Y.
4,90,000	2,29,814	4,49,615	13,981	Associated Planters, Ltd.	Cottanad Plantations	10	10	7½	19	15		3	P.Y.
9,28,950	1,46,503	4,67,078	1,180	A. V. Thomas & Co., Ltd.	Stratford Estates	2⅜	10	—	—	—	—	4	P.Y.
18,00,000	10,03,681	20,78,297	80,797	A. V. Thomas & Co., Ltd.	Highland Produce	9 10xd	10	25	45	45	10	12	P.Y.
4,60,000	9,67,558	7,20,390	43,506	A. V. Thomas & Co., Ltd.	Kaiyotta Estates	18½	10	17½	20	20		4	Y.
4,50,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Malankara Rubber and Produce Co.	103½	10	17½	30	35		3	P.Y.
27,00,000	25,83,648	14,90,888	83,433	A. V. Thomas & Co., Ltd.	Middle Kadam Rubber Co.	10⅜	10	6	12½	15		6	P.Y.
3,35,000	2,06,971	13,28,998	31,378	A. V. George & Co., Ltd.	Neelamony Rubber	9 5cd	10	5	6½	10	6½	12	P.Y.
2,00,000	1,93,721	24,72,600	2,305	Associated Planters, Ltd.	Nilambur Rubber Co.	10	10	6	10	10		10	T.Y.
19,45,980	48,35,083	38,14,428	1,78,110	Peirce, Ille & Co., Ltd.	Ouchterlony Valley Estates	3 5cd	2	75	25	45		6	P.Y.
13,50,000	5,82,973	28,05,590	31,101	A. V. Thomas & Co., Ltd.	Rajagiri Rubber and Produce Co.	10⅞	10	9	12½	15		6	P.T.P.
18,00,000	3,36,390	1,856,824	936	Best India Agencies, Ltd.	Teokoy Rubbers (India) Ltd.	6⅜	10	—	7½	9		3	P.Y.
2,50,000	2,21,854	5,23,488	41,669	A. V. George & Co.	Thamaraparly Rubber	15 cd	10	6½	15	25	25	12	P.Y.
3,05,100	5,01 650	6,03,723	31,510	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co. Ltd.	2½	1	17½	20	25	25	9	Y.
4,00,000	1,17,222	7,46,149	3,953	K. C. Cheriyan, Esq. (Secretary)	Travancore Rubbers	13 cd	10	3½	6	10	6	12	P.Y.
41,00,000	17,71,656	70,05,785	2,79,692	Aspinwall & Co., (Travancore) Ltd.	Travancore Rubber and Tea Co., Ltd.	6½	10	19	25	10	6	12	P.Y.
20,00,000	5,24,135	22,83,995	9,921	P. T. Thomas, Esq.	Tropical Plantations Co.	21⅜	25	10	12½	12½	10	12	Y.
8,20,000	53,026	3,26,408	40,587	A. V. George & Co. Ltd.	Udayagiri Rubber	4½	10	5	5	—		12	P.Y.
4,28,880	2,29,944	7,07,482	33,166	Harrisons & Crossfield Ltd.	Vaikundam (Travancere) Rubber Co., Ltd	14	10	10	12½	20	20	12	Y.
1,66,000	78,624	3,43,636	14,082	M. K. Thomas & Co.	Woodland Estates	7⅜	10	7½	5§	—		3	
PRESSING													
4,61,000	18,78,066	19,01,857	4,322	Andrew Yule & Co.	Calcutta Hydraulic Press	83	100	3	3	5		3	Y.
4,50,000	5,58,036	6,89,525	1,116	Pyne and Sons	Camperdown Pressing	93N	100	4	6	7		7	Y.
8,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Central Hydraulic Press	95	100	3	5	5		6	Y.
PROPERTY AND LAND													
10,00,780	25,11,061	42,65,283	419	S. A. Basil, Esq.	Humayun Properties	10½	10	—	6	6	5	9	P.Y.
60,00,000	34,67,735††	83,61,045**	—	David Sassoon & Co. Ltd.	Fort Canning Land	23½	100	2	1½	1		4	P.W.
94,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co.	Midnapore Zemindary	35½	100	—	3	2		4	
SAW MILLS AND TIMBER													
13,99,998	33,52,773	18 29 998	69,978	Bird & Co.	Assam Saw Mills and Timber	6⅜	3	16½	16½	16½	8½	9	Y.
50,00,000	4,89,22,437	2,47,99,361	1 37,498	Wallace & Co.	Bombay-Burmah Trading	371½	125	12	30	15		5	Y.
42,00,000						136½	50	12	30	18		5	Y.
4,00,000	7,04,037‡	7,80,451	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	45N	100	5	—	—		6	P.Y.
15,00,000	27,06,050	16,83,461	1,70,441	G. Arbuthnot & Co.	Indian Wood Products	34½	10	25	35	35	30	9	Y.
SUGAR (U. P. and Bihar)													
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co.	Bairampur Sugar	7½	5	—	20	—		6	Y.
12,00,000	28,96,740††	15,70,684**	2,81,000	Narang Bros.	Basti Sugar	122N	100	6½	10	—		4	Y.
19,49,050	23,60,462	27,54,525	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	8½	7½	—	15	8½	10	9	Y.
18,00,000	21,11,580	15,38,162	40,743	Cotton Agents Ltd.	Bharat Sugar	16½N	10	10	15	15		6	P.T.Y
32,00,000	1,03,86,777	1,29,41,870	41,747	Gladstone Lyall & Co., Ltd.	Carew & Co.	3½	10	—	—	—		6	P.Y
1,30,69,452	96,28,542	31,891	Begg Sutherland & Co.	Cawnpore Sugar	33½	10	15	20	30	20	10	6	
18,00,000	78,43,538	60,37,156	17,488	Begg Sutherland & Co.	Champarun Sugar	25½	10	15	15	20		6	P.Y.
45,00,000	57,00,000	68,17,572	50,477	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	8 10N	100	5½	4	12*		6	P.Y.
18,00,000						50N	80	—	3	4	—	7	P.Y.
6,00,000	41,78,374	68,10,159	—4,15,271	Kilachand Devchand & Co.	Kesar Sugar	20N	40	10	25	25		6	P.Y.
7,89,100	31,59,777	25,99,076	115,051	Cotton Agents Ltd.	New India Sugar Mills	23½	10	5	6½	5		5	Y.
11,00,000	27,48,180	36,39,370	3,895	Karam Chand Thapar & Bros., Ltd.	New Savan	6½	10	—	—	—		5	
18,59,378	58,13,268	53,06,760	6,81,033	Cotton Agents, Ltd.	New Swadeshi Sugar Mills	18ON	100	15	20	20		6	Y.
						45N	25						
14,00,000	29,31,078	26,43,844	71,500	Narang Bros.	Punjab Sugar Mills	100N	100	—	6	10		10	Y.
12,00,000	12,50,793	13,72,866	19,435	Begg Sutherland & Co.	Purtabpore Company	15	10	10	20	20	10	10	P.Y.
3,00,000	22,46,843	24,15,182	14,410	Begg Sutherland & Co.	Ryam Sugar	20	10	15	25	10	6	6	P.Y.
20,00,000	65,83,352	1,04,50,524	8,86,347	B. N. Elias & Co., Ltd.	Samastipur Central Sugar	16½	10	10	10	20	10	6	P.Y.
14,87,137	4,67,696††	18,52,569**	23,151	S. P. Ogale & Co.	Shree Krishna Gyanodeep Sugar	10½	10	—	3½	10	1	7	P.T.Y.
40,00,000	41,74,953	41,58,536	1,52,611	Parry's Holdings Ltd.	Sirajpore Sugar	6½	10	—	—	5		6	Y.
22,00,000	62,51,61r	1,69,49,507	24,847	G. U. Euthymopulo, Esq.	Swadeshi Sugar Mills	2½	2½	—	—	—		10	
14,00,000	2,29,15,252	3,78,03,905	83,67,941	Sahu Jain Ltd.									
40,00,000	1,53,62,299	1,19,84,861	5,56,552	C. W. Stapheneon, Esq.									
75,00,000	37,17,120	12,11,901	3,56,616	J. E. Waterfield, Esq.									
9,98,380	4,10,547	12,67,855	—59,789	Ogale Brothers Ltd.									

†† Does not include depreciation. * Includes Bonus. ** Net Block C.D.—Cum Dividend. I On Increased Capital.

‡ Only Depreciation. —Nil Dividend. † Loss/income tax (c) For six months ended June, 1949; (d) For nine months ended March, 1950.

z.—For fifteen months ended 31st December, 1952. K—Investments. x.r.—Ex-Right.

TEA COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
ASSAM														
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	450N	100	20	25	—		12	P.Y.
3,50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd.	400½	Anandabag	25½	10	25	40	30		12	Y.
5,50,000	10,64,192	12,05,396	—89,152	McLeod & Co., Ltd.	573	Baghmari	12	10	10	15	—		12	Y.
3,40,000	9,12,883	7,05,721	44,989	Andrew Yule & Co., Ltd.	360	Basmatia	24	10	30	30	25		12	Y.
3,30,600	7,24,887	8,38,278	71,941	Williamson Magor & Co.	556	Bateli	11⅛	5	25	30	10		12	T.Y.
3,20,000	6,19,032	6,72,731	54,942	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	25½	10	20	35	15		12	Y.
16,50,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co.	4,004	Bishnauth	28⅛	10	35	50	5		12	T.Y.
6,00,000	4,80,346	9,78,429	—1,90,802	Octavius Steel & Co., Ltd.	493	Bokakhat	4⅛	10	5	5	—		12	Y.
7,50,000	5,06,959	7,64,836	22,297	McLeod & Co., Ltd.	450	Bormha Jan Tea Co., Ltd.	13½	10	15	15	15		12	Y.
35,00,000	22,18,001	70,96,925	87,990	Brook Bond India Ltd.	2,670	Brooke Bond	10	10	10	10	10		6	P.Y.
1,20,000	3,06,715	3,66,030	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	8½	10	6½	15	—		12	Y.
6,00,000	22,17,578	24,24,301	25,545	Jardine Henderson Ltd.	1,341	Dessai & Parbuttia	225	100	15	30	22½		12	Y.
17,53,440	7,15,393	19,11,105	54,461	James Warren Ltd.	426	Dhelakhat	11⅛	10	10	16	12		12	Y.
4,68,970	8,90,863	13,71,610	25,794	James Finlay & Co., Ltd.	613. 37	Dhunseri	13⅛	10	10	20	10		12	T.Y.
4,50,000	6,57,785	9,86,816	14,389	McLeoud & Co., Ltd.	158	Dibrugarh & Co., Ltd.	8	10	—	10	5		12	Y.
2,36,700	6,75,511	7,95,511	35,408	Williamson Magor & Co., Ltd.	611	Dimakusi	34	10	40	45	15		12	P.Y.
5,60,500	12,72,787	15,08,787	1,01,960	Williamson Magor & Co., Ltd.	669	Duffiashur	37½	10	35	22½	40		12	Y.
10,00,000	10,31,120	18,91,120	45,079	Williamson Magor & Co.	1,157	East India Tea	19⅛	10	20	22½	22½		12	Y.
3,60,000	6,43,852	7,69,087	16,947	Andrew Yule & Co., Ltd.	407	Gillapukri	17	10	10	17½	30		12	Y.
3,38,000	9,01,149	12,09,149	1,11,346	Williamson Magor & Co.	520	Gohpur	29½	10	35	40	30		12	P.T.Y.
4,94,360	17,46,514	17,08,255	82,387	Octavius Steel & Co., Ltd.	1,284	Grob	18½	A 10	35	30	20		12	Y.
2,40,790							9	B 5	10					
2,00,000	8,16,550	5,82,005	58,806	Andrew Yule & Co., Ltd.	436½	Hoograjuli	34	10	30	45	30		12	Y.
4,35,000	15,78,587	17,05,269	35,208	Andrew Yule & Co., Ltd.	1,133	Hoolangocore	295N	100	25	45	17½		12	Y.
7,50,000	7,46,426	11,98,156	29,063	Gillanders Arbuthnot & Co., Ltd.	866	Jutlibari	11⅛	10	2½	12½	5		12	Y.
2,40,000	8,88,549	2,47,119	15,953	Shaw Wallace & Co., Ltd.	1,576	Kingsley Golaghat	198N	100	5	20	—		12	Y.
6,50,000	6,32,416	6,29,717	53,778	Duncan Bros. & Co., Ltd.	1,047½	Ledo	98	10	2½	20	—		12	Y.
4,80,000	1,10,084	8,52,930	286	Duncan Bros. & Co., Ltd.	673	Moheema	38	10	—	—	—		12	P.Y.
1,50,000	6,78,616	7,45,692	2,033	Kettlewell Bullen & Co., Ltd.	433	Mothola	750N	100	40	45	35	—	12	Y.
6,00,000	8,21,124	8,59,324	32,644	Andrew Yule & Co., Ltd.	315	Murphulani	21⅛	10	25	30	20		12	Y.
0,000P.O.							9	5	10		30			
4,00,000	7,00,011	5,75,550	20,262	S. C. Sen, Esq.	539	Naga Hills	13⅛	10	10	22½	22½		12	P.Y.
5,35,000	4,65,893	9,85,893	4,000	Shaw Wallace & Co., Ltd.	810	Numbumradi	8⅛	10	7½	10	—		12	Y.
5,00,000	5,43,275	5,75,520	10,394	Duncan Bros. & Co., Ltd.	940	New Cinnatotliah	72N	100	2½	—	—		12	Y.
2,00,000	6,31,010	5,89,739	29,091	Andrew Yule & Co., Ltd.	337	Rajgarh	22	10	25	30	17½		12	Y.
6,00,000	9,49,606	15,32,152	18,568	James Finlay & Co., Ltd.	878	Sapoi	10	10	7½	15	2½		12	Y.
2,49,000	4,75,319	4,72,319	20,577	Williamson Magor & Co.	547	Seajuli	16⅛	10	35	15	—		12	Y.
3,00,000	8,56,296	9,13,201	35,335	Octavius Steel & Co., Ltd.	512. 71	Teen Ali	21½	10	20	30	17½		12	Y.
5,98,000	6,99,202	9,06,941	23,495	McLeod & Co., Ltd.	495	Teloijan	10½	10	5	17½	10		12	Y.
4,00,000	6,65,541	7,16,227	68,083	Gillanders Arbuthnot & Co., Ltd.	489	Tengapani	21⅛	10	20	30	15		12	Y.
15,86,310	22,86,352	31,23,352	35,915	Shaw Wallace & Co., Ltd.	2,101	Tezpore	17½	10	25	35	7½		12	Y.
3,00,000	80,000	2,99,403	9,851	Daga & Co., Ltd.	350	Tongani	9½	10	15	15	—		12	Y.
5,20,000	15,37,483	17,65,879	15,567	McLeod & Co., Ltd.	1,050	Tyroon	22	10	25	25	20		12	Y.
CACHAR														
3,00,000	3,38,383	5,00,750	—2,77,756	Gillanders Arbuthnot & Co., Ltd.	861	Arcuttipore	3½	10	—	—	—		12	Y.
10,00,000	4,30,000	12,00,105	33,604	Jardine Henderson Ltd.	1,322	Central	55½	100	2½	10	—		12	Y.
2,50,000	1,30,000	2,81,789	7,906	Jardine Henderson Ltd.	626	Chandyapore	55N	100	—	7½	—		12	Y.
3,75,000	2,97,964	7,57,632	—2,73,092	Octavius Steel & Co., Ltd.	949	Eastern	38	10	—	—	—		12	Y.
4,50,000	1,75,305	2,97,260	11,616	Bullion Company, Ltd.	503½	Kalinugger & Khoreel	56N	100	5	5	—		12	Y.
3,60,000	1,19,567	2,40,000	—1,76,871	Duncan Bros. & Co., Ltd.	399.5	Kunchunpore	5½	10	2½	10	—	—	12	Y.
7,00,000	4,72,549	10,04,678	1,733	Duncan Bros. & Co., Ltd.	1,343.75	North-Western	42	100	—	—	—	—	12	Y.
1,83,990	1,03,232	2,72,040	—97,029	Octavius Steel & Co., Ltd.	493	Pathemara	4⅛	10	—	—	—		12	Y.
2,60,000	4,01,297	4,53,953	9,901	McLeod & Co., Ltd.	638	Roopacherra	7½	10	5	15	—		12	Y.
5,25,000	5,54,211	5,96,617	44,198	Duncan Bros. & Co., Ltd.	688	Rungamattee	90N	50	12½	25	—		12	Y.
4,00,000	8,76,460	10,34,510	—70,564	Davenport & Co., Ltd.	650	Sonai River	5½	10	5	17½	—		12	P.Y.
8,75,000	1,51,250	5,06,873	14,309	Daga & Co., Ltd.	1,050	Tilkah	10N	10	—	—	—		12	Y.
CHITTAGONG														
1,25,000	2,16,289	1,25,000	6,877	Kilburn & Co., Ltd.	469	Kodala	10N	10	2½	—			12	Y.
2,40,000	1,34,992	2,40,000	12,622	Kilburn & Co., Ltd.	841	Kernafuli	5½	10	5	—			12	Y.
1,00,000	65,000	1,83,008	7,885	Kilburn & Co., Ltd.	543	Oodaleah	2½	10	2½	—			12	Y.
DARJEELING														
2,79,900	99,997	3,23,944	5,590	Williamson Magor & Co.	403.5	Chamong	8½	10	10	10	2½	—	12	Y.
3,75,900	3,00,000	8,62,312	39,068	Kilburn & Co., Ltd.	988	Darjeeling Tea & Cinchena	76	100	5	7½	—		12	Y.
2,00,000	2,65,992	3,18,465	11,263	Andrew Yule & Co., Ltd.	487.76	Dilaram	112N	100	7½	5	2½		12	Y.
4,00,000	3,75,919	6,82,996	—2,526	Davenport & Co., Ltd.	481	Gielle	6½	10	12½	10	—		12	Y.
10,32,000	3,31,000	9,09,213	4,586	James Warren & Co., Ltd.	725½	Longview	7	10	10	5			12	T.Y.
4,00,000	3,93,272	5,44,508	17,311	McLeod & Co., Ltd.	816	Margaret Hope	7	10	—	2½	—		12	Y.
1,59,000	3,64,014	3,08,152	37,609	Andrew Yule & Co., Ltd.	446	Mim	200	100	25	25	25		12	Y.
2,99,900	2,80,871	3,82,871	30,245	Williamson Magor & Co.	637	Nagri Farm	19	10	35	35	10		12	Y.
1,00,000	—	1,50,000	—31,979	Duncan Bros., & Co., Ltd.	505	Okayti	200N	100	5	12½	—		12	P.Y.
3,30,000	2,55,384	3,84,097	9,913	Kilburn & Co., Ltd.	896	Pashok	6	10	5	7½	—		12	Y.
3,00,000	3,17,301	2,85,000	335	Duncan Bros. & Co., Ltd.	500.43	Poobong	7⅛	10	7½	10	—		12	Y.
2,05,000	2,31,521	4,86,521	3,236	Davenport & Co., Ltd.	562	Pussimbing	9⅛	10	10	10	—		12	P.T.
1,40,000	3,27,000	1,40,000	18,217	Duncan Bros. & Co., Ltd.	341	Rungleee Rungliot	340xdN	100	32½	35	27½		12	Y.
3,00,000	2,32,998	2,96,152	842	Duncan Bros. & Co., Ltd.	389	Seeyok	68N	10	7½	5	—		12	Y.
6,25,000	—	1,459	—1,11,516	Hoare Miller & Co., Ltd.	747	Singell	33	100	—	—	—		12	Y.
9,00,000	93,303	9,89,485	4,915	Goenka & Co.	694	Singtom	4⅜	10	6	6	—		12	Y.
3,00,000	1,81,815	3,11,815	43,516	Williamson Magor & Co.	539	Soom	14	10	15	25	12½		12	Y.
6,25,000	6,95,982	10,84,262	19,301	McLeod & Co., Ltd.	745	Sungma	4½	10	2½	2½	—		12	Y.
3,20,000	5,71,287	5,93,309	43,516	Davenport & Co., Ltd.	718	Teesta Valley	18⅛	10	17½	25	10		12	Y.
3,01,350	6,06,942	14,67,942	48,211	Williamson Magor & Co.	1,705	Tukvar	6	10	5	10	—		12	Y.
DOOARS														
15,00,000	29,65,326	31,02,945	2,84,848	Andrew Yule & Co., Ltd.	2,540	Banarhat	304	100	30½	50	35		12	P.Y.
6,00,000	28,87,980	27,67,218	62,667	Jardine Henderson Ltd.	1,078	Baradighi	30½	10	40	50	30		12	Y.
9,00,000	14,20,295	12,68,226	24,525	McLeod & Co., Ltd.	1,112	Bhatkawa	26⅛	10	17½	50	35		12	Y.
9,00,000	3,87,001	14,04,617	—3,90,222	McLeod & Co., Ltd.	1,368	Birpara	68	100	10	10	—		12	P.
6,00,000	3,01,263	6,65,922	26,271	Duncan Bros. & Co., Ltd.	603	Carron	90N	100	12½	12½	2½		12	Y.
6,00,000	10,93,761	11,28,586	90,853	Andrew Yule & Co., Ltd.	901	Choonabhutti	240	100	20	35	30		12	Y.
3,00,000	1,83,659	3,38,929	—24,794	Duncan Bros. & Co., Ltd.	500	Dilenbarrie	68N	100	—	12½	—		12	Y.
1,20,000	3,41,531	3,23,861	2,763	Andrew Yule & Co., Ltd.	265	Engo	190N	100	12½	25	5		12	Y.
3,50,000	3,58,221	6,52,259	—55,845	Octavius Steel & Co., Ltd.	447	Ethelbarrie	6⅜	10	3	10	—		12	Y.
5,00,000	11,66,502	13,01,963	52,794	Gillanders Arbuthnot & Co., Ltd.	1,259	Gairkata	145N	100	25	50	35		12	Y.
24,00,000	22,43,494	29,93,705	1,52,707	Duncan Bros. & Co., Ltd.	2,427	Hantapara	162	100	12½	25	5		12	Y.
32,00,000	71,32,973	82,53,935	3,41,502	Davenport & Co., Ltd.	4,175.81	Hasimara	28⅛	10	32½	40	15		12	Y.
3,25,000	13,30,237	13,53,087	1,08,098	Davenport & Co., Ltd.	1,386	Holdibari	21⅛	10	17½	35	27½		12	P.Y.
3,50,000	8,99,645	7,60,929	28,895	Andrew Yule & Co., Ltd.	607	Jaybinpara	20⅛	10	12½	10	17½		12	Y.
9,00,000	7,08,701	11,44,014	1,082	Duncan Bros. & Co., Ltd.	936.7	Kilicott	12⅛	10	15	20	2½		12	P.Y.
2,00,000	2,67,048	4,00,640	99	Duncan Bros. & Co., Ltd.	632.9	Manabarrie	100N	100	—	—	7½	—	12	Y.
6,00,000	9,08,130	12,92,419	53,778	Duncan Bros. & Co., Ltd.	1,123	Nagaturia	200N	100	12½	17½	20	2½	12	Y.
8,00,000	18,59,605	11,83,054	1,86,828	Andrew Yule & Co., Ltd.	1,107.6	New Dooars	305	100	34½	45	35		12	P.Y.
3,20,000	1,30,000	2,84,446	12,098	Octavius Steel & Co., Ltd.	576	Oodlabari	23	10	30	40	27½		12	Y.
2,50,000	1,22,558	3,09,477	781	Duncan Bros. & Co., Ltd.	348	Phaskowa	100N	100	10	7½	—		12	Y.
6,00,000	9,95,145	9,37,046	25,072	McLeod & Co., Ltd.	764	Rajabbhat	15⅛	10	5	17½	15		12	Y.
7,65,000	10,80,553	18,80,537	20,652	McLeod & Co., Ltd.	1,635	Ranicherra	7½	10	—	6	—		12	Y.
7,46,400	37,43,594	37,96,387

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
16,00,000 / 14,50,000	1,08,33,956	10,66,174	Allahabad Bank	357 / 175	100 / 50	18‡	18‡	18‡	18‡	12	Y.P.
1,01,000	12,03,000	7,231	Andhra Bank	102 / 51‡	100 / 50	5	6	6	6	6.12	H.
23,99,000				111‡	50						
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	20N	25	12‡	12‡	12‡	12‡	12	Y.
50,00,060	14,00,000	8,667	Bank of Bikaner	156‡	25	..	3	3	3	12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	60‡	50	14	14	14	14	6.12	R.L.Y.
15,30,375	24,00,000	63,200	Bank of Indore	23N	25	12‡	12‡	12‡	12	12	Y.
50,00,000	15,00,000	35,324	Bank of Jaipur	282	50	3	3	3	3	12	Y.
30,00,000	85,00,000	86,297	Bank of Mysore	59½	100	16‡	16‡	16‡	16‡	12	Y.
39,18,600	42,61,693	25,280	Bombay State Co-operative Bank	85	50	5‡	5	5		6	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	85	50	9	9	9	9	12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	9‡	10‡	10‡	10‡	12	Y.P.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	64½ / 65‡	25 / 25	14	14	14	14	12	R.L.Y.
$2,42,375 A				35	50	3	3	3½	3½	12	Y.
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	88	20	6½	10	20	20	12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	11‡	50	—	—	—	—	12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	10½	50	—	—	—	—	12	Y.
50 00,000	1,30,000	1,412	Hindustan Mercantile Bank	105N	100	5	6‡	6‡	5	9	Y.
75,00,000	70,00,000	1 59,127	††Hyderabad State Bank	1,870	500	14	16	16	16	6.12	R.L.H.
3,75,00,000	6,35,00,000	42,07,573	Imperial Bank of India	452‡	125	14	16	16	16	6.12	R.L.H.
1,87,50,000				179	100						
24,00,000				143	80						
16,00,000	73,50,000	1,04,201	Indian Bank	104	55	11‡	12‡	12‡	12‡	6.12	R.L.H.
15,40,000				88	100						
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	75	100(A)	4‡‡	5‡	6	6	6.12	R.L.H.
6,25,000	6,33,939	1,380	Indo-Commercial Bank	18‡	25(B)	9	9	7‡	6	6.12	H.
2,50,000				37‡	50(C)	6	6	6	6		
10,00,000					25	7‡	7			6.12	Y.
4,55,266	30,61,350	60,357	Punjab and Sind Bank	35N	25	6	4	4	6	12	Y.
87,50,000	89,00,000	1,92,605	Punjab National Bank	20	25	—	—	—	—	12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	11‡	25	—	—	—	—	12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	6‡	5	6½	6½	6‡	6‡	12	Y.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank	36	50	3½	4	4	4	6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2-1-7½	£5	12†	14†	14†	16‡†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£6‡	£5	6†	7†	6†	7†	12	R.L.Y.
H.K.$20,000,000	H.K.$96,000,000	H.K.$9,489,174	Hongkong and Shanghai Banking Corporation	£88‡	H.K. $125	5‡*	5*	5*	5*	12	R.L.Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-12-0 / £1-6-3	£1	12‡†	12‡†	12†	12†	12	R.L.Y.
£1,437,296						5‡†	5†	5†	5†	12	R.L.Y.
£375,000				£25‡	A £12½						
£375,000	£1,500,000	£200,143	Mercantile Bank ● India	£25‡	B £12½	12‡†	12†	12†	14†	12	R.L.Y.
£300,000				£11	C £5						
£2,281,250	£3,675,000	£323,703	National Bank of India	£29½	£12½	16‡†	16†	16†	16†	12	L.Y.

‡Includes Bonus. †Less Tax. (P) Pakistan Currency.
‡‡Subject to taxation.

††O.S. Currency.
(I) Interim.
*£ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	5½	1st December and 1st June	Carew & Co. 1938	100	1st June .. .. 1953(b)
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage) 1941	99½	28th February .. 1960(f)
6,00,000	5½	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd. .. 1936	90	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar 1942	103	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New) 1944	91	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries 1941	104	1st April 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New) .. 1944	92	1st November .. 1959-64
COTTON					
6,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd. 1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur 1897	96‡	15th November .. 1956(a)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic 1952	99‡	1st January .. 1967-72
13,68,000	5½		Jayabree Textiles 1949	78‡½	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills	100‡	 1966-71
ELECTRICS					
10,00,000	4½	30th June an. 31st December	Agra Electric Supply Co., Ltd. .. 1950	95	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmadabad Electric Co., Ltd.	101	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co. .. 1940	100‡	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd. 1949	94	31st December .. 1959
2,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd. 1950	101‡	1st January .. 1970
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd. .. 1945	85‡	31st December .. 1970
15,00,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd. 1951	93	30th June .. 1976
7,50,000	5	1st January and 1st July	South Madras Electric Supply 1940	97	 1957-61
4,95,000	3½	1st May and 1st November	South Madras Electric Supply 1939	95	 1954
2,00,000	3½	1st January and 1st July	South Madras Electric Supply	94½	 1953-63
1,00,000	3	1st April and 1st October	South Madras Electric Supply	94	1st July 1957-67
6,63,800	4½	1st April and 1st October	Tata Power 1940	100‡	15th September .. 1951-55(b)
49,23,000	4	1st April and 1st October	Tata Power	92‡	15th September .. 1963-70
1,80,00,000	4	1st April and 1st October			
ENGINEERING					
5,00,000	5	30th June and 31st December	Britannia Engineering 1945	96‡	31st December .. 1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd. 1928	97	30th June 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage) .. 1942	100	1st July 1957-62
£1,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage) 1936	£91‡	31st December .. 1966(B)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd. .. 1946	85	31st May 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive 1950	100‡	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd. .. 1950	94‡	31st December .. 1960
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara 1939	98	31st March .. 1954
6,00,000	4½	30th June and 31st December	Alexandra 1939	95	30th June .. .. 1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd. 1945	91	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd. 1940	97	30th June 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd. 1945	89	30th June 1960
9,00,000	5	31st January and 31st July	Calcutta 1949	90	31st July .. .. 1959(c)
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills 1951	97	30th June 1966
8,86,000	5	30th June and 31st December	Empire 1951	94	15th July 1966
25,00,000	3½	1st January and 1st July	Hukumchand 1947	91½	30th June 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd. 1949	98	31st December .. 1964
25,00,000	5½	30th June and 31st December	Nalhati 1952	99	31st March .. 1967
25,00,000	3½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd. .. 1947	97N	31st March .. 1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd. .. 1939	93	14th May 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd. 1945	86‡	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency 1943	91‡	30th June 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd. 1950	95‡	5th September .. 1965
8,00,000	4½	14th March and 14th September	Soorah Jute 1937	94‡	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union 1937	95‡	30th June .. .. 1957(d)
10,00,000	3½	31st January and 31st July	Waverley 1925	83‡	31st July .. .. 1960(e)
RAILWAYS ; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Baraset-Basirhat Light Railway 1936	84	1st July 1956
6,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co. 1945	99‡	1st November ..
£350,000	4½	1st January and 1st July		1900	£100N	A t 105% at any time on 6 months' notice or at par or every seventh year.
			Calcutta Tramways			
£201,067	5	1st April and 1st October		1933	£102N	1st October .. 1974
3,00,000	3½	30th September and 31st March	Kalighat-Falta Railway 1934	98‡		30th September .. 1953
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway 1945	89		31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway .. 1906	£90‡N		
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	96		1st September .. 1963
PLANTING					
1,20,000	5	31st December and 30th June	Blue Mountain Estates 1943	100	 1945-55
3,66,200	5½	31st March and 30th September	Teekoy Rubber Estates 1944	100	 1948-59
50,00,000	5	30th June and 31st December	Waterfalls Ltd 1943	101‡	 1945-55
MISCELLANEOUS					
15,00,000	5‡	31st March and 30th September	Aluminium Corporation of India Ltd. .. 1946	101	30th September .. 1955
10,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd. .. 1948	98	31st December .. 1965
67,00,000	4½	1st April and 1st October	Associated Hotels of India 1948	86	31st December .. 1962
4,90,580	4½	30th June and 31st December	Bengal Paper Mills 1937	95‡	30th June .. .. 1957(i)
12,00,000	3½	1st February and 1st August	Chowringhee Properties 1913	92	1st February .. 1964
12,60,000	4½	1st July and 1st January	Clive Buildings 1936	88‡	1st July 1986
80,00,000	4	15th March and 15th September	Dalhousie Properties 1946	86	15th September .. 1960
6,30,00,000	5	1st January and 1st July	Dunlop Rubber 1950	101‡	1st January .. 1971
20,00,000	3	15th March and 15th September	Mettur Chemical Industries 1949	97	 1964
89,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes) .. 1946	465 (per note)	30th September .. 1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes) 1947	410 (per note)	31st December .. 1972
75,00,000	4½	1st April and 1st October	Macneill and Barry Ltd. 1951	91‡	1st April 1971
1,20,00,000	4½	31st March	Orient Paper Mills Ltd. 1951	92	31st March .. 1961
1,00,00,000	4	30th June and 31st December	Ruttonjee Industries Ltd. 1945	83‡	31st December .. 1959

Note—See page 1154 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 18th June, 1953.

	Closing quotations 11-6-'53	High	Low	Closing quotations 18-6-'53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	156‡	157	156‡	156‡
Bank of Baroda (50)	111‡	112	111‡	111‡
Central (25)	64‡	64‡	63‡	64
Imperial (P.Pd.) (500)	1,865	1,870	1,863‡	1,865
Imperial (P.Pd.) (125)	452‡	452‡	451‡	452‡
Union Bank (5)	6‡	6‡	6‡	6‡
United Com. (50)	36‡	36‡	35‡	36‡
COTTON MILLS				
Abm. Adv. (100)	147‡	—	—	147‡
Apollo (2)	2–14‡	—	—	2–—
Bombay Dyeing (250)	383‡	385‡	375‡	376‡
Central India (100)	163‡	164	160‡	160‡
Century Mills (100)	274‡	279‡	272	273
Colaba (100)	72	—	—	72
Edward Textile (200)	256‡	253‡	250	250
Elphinstone (50)	43	—	—	43
Finlay (100)	322	323	316	316
Gokak (100)	215‡	215‡	212‡	213
Ind. Untd. Def. (1)	1–11‡	1–11‡	1–10‡	1–—
Ind. Untd. Ord. (10)	10–1‡	10‡	9‡	9‡
Indere Malwa (100)	93‡	93‡	87‡	87‡
Khatau (100)	183‡	—	—	183‡
Kohinoor (100)	300	303‡	299‡	300‡
Lakshmi (250)	572‡	570	558‡	558‡
Madhusudhan (100)	83	—	—	83
M. R. Cotton Mills (100)	49‡	—	—	49‡
Minerva Mills (100)	100‡	—	—	100‡
Model Nagpur (250)	143‡	—	—	143‡
Morarji (100)	195	200	198‡	200
Mysore (50)	123‡	—	—	123‡
New City (100)	151‡	—	—	151‡
New Great (100)	152	152	148	148
Phenix (100)	105	105	102‡	105
Podar Mills (100)	127‡	127‡	123‡	123‡
Sasoon Silk (10)	25‡	—	—	25‡
Sasoon Spg. (10)	27‡	—	—	27‡
Sholapur (1,000)	1,800	—	—	1,800
Simplex (50)	181‡	183	178	179
Svadeshi (100)	250	251‡	246‡	246‡
Swan (100)	440	440	438‡	438‡
Tata Mfg. (25)	40	43‡	42‡	42‡
Vishnu (100)	163‡	163‡	157‡	157‡
Western India (1,000)	3,180	—	—	3,180
ELECTRIC COS.				
Ahmedabad (100)	108 ½	108 ½	107 ½	107 ½
Amalgamated (10)	10 ½	—	—	10 ½
Andhra Valley (1,000)	1,427‡	1,430	1,425	1,425
Bom. Sub-Bl. (100)	126‡	—	—	125‡
Surat (100)	130‡	130‡	130	130‡
Tata Hydro (100)	150	150	149	150
Tata Power (1,000)	1,498‡	1,500	1,485	1,488‡
INSURANCE COS.				
British India (10)	13‡	—	—	13‡
Empire of India (100)	625	—	—	625
Ind. Mercantile (20	38‡	—	—	38‡
Jupiter (15)	7‡	—	—	7‡
New India (15)	41‡	41‡	41	41‡
Oriental (200)	7,175	—	—	7,175
Universal (10)	7 ½	—	—	7 ½
Vulcan (10)	11 ½	—	—	11 ½
STEAMER COS.				
Bom. Steam (25)	—	—	—	—
Scindia (15)	13 ½	13‡	12 ½	12–13
STEEL COS.				
Ind. Iron (10)	25–1‡	25 ½	24 ½	24 ½
Tata Steel Defd. (30)	1,887‡	1,907‡	1,862‡	1,870
Tata Steel Ord. (75)	329‡	332‡	327	329‡
MISCELLANEOUS				
Alcock Ashdown (100)	297‡	297‡	291‡	291‡
Associated Cts. (100)	171	171‡	170	170‡
Belapur Sugar (5)	235‡	235‡	231	231‡
Bom. Burmah (125)	373‡	377‡	370	371‡
Do. (New) (50)	136‡	—	—	136‡
Br. B. Petrol (4 sh.)	1–3‡	1–3‡	8 ½	8–3‡
Br. I. Corpn. (5)	8 ½	8 ½	8 ½	2 ½
Indian Copper (2 sh.)	2–15‡	2–15‡	2 ½	2 ½
Ind. Inv. Tr. (100)	72‡	72‡	72‡	72‡
Ind. Tube (100)	23‡	—	—	23‡
Premier Cos. (30)	82‡	82‡	79‡	79‡
Shivrajpur (10)	54	55‡	54	54
Tata Chemicals (10	9 ½	9–4‡	9–0‡	9–0‡
Tata Oil (25)	33	33	31	31‡
Waichand Ind. (100	138‡	141‡	138‡	141‡
W. I. Match (100)	210	212‡	210	212‡

GOVERNMENT SECURITIES	Rs.	Gross Yield: Earlier Redemption	Later Redemption	Rs.
2½% 1954	98	—	3.31	98‡
2½% 1955	98‡	—	3.24	98‡
2½% 1961	90‡	—	3.88	90‡
2½% 1960	93‡	—	3.80	93‡
2½% 1962	91‡	—	3.87	91‡
2½% 1974	83	—	3.87	83
3 % 1953-55	100 ½	—	2.30	100 ½
3 % 1957	98‡	—	3.49	98 ½
3 % 1958	98‡	—	3.42	96 ½
3 % 1959-61	96 ½	3.69	3.56	96 ½
3 % 1964	92 ½	—	3.86	92 ½
3 % 1963-65	92‡	3.90	3.78	92 ½
3 % 1966-68	90‡	3.94	3.90	89 ½
3 % 1970-75	86 ½	4.11	3.92	82‡
3 % 1986 Con. Loan	82	—	3.96	102‡
3½% 1954-59*	100‡	3.34	3.43	102‡
4 % 1960-70	102 ½	3.60	3.80	103 ½
4½% 1955-60	103 ½	3.06	3.96	103 ½
4½% 1958-68*	105	3.40	4.03	105

BRITISH GOVERNMENT SECURITIES	11-6-53 £	High £	Low £	17-6-53 £
2½% Brit. Consols	61‡	61‡	61‡	61‡
3 % Savings Bonds 1955-65	75	87‡	87‡	87‡
3 % War Loan 1955-59	101‡	101 ½	101‡	101‡
3½% War Loan 1952	82‡	82‡	81‡	81‡
3½% Brit. Iron and Steel 1979-81	92 ½	92 ½	92‡	92‡
4 % Funding Loan 1960-90	100‡	100‡	100	100

xd=Ex-dividend.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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SUGAR IMPORTS

INDIA'S Food Minister, Mr. Rafi Ahmed Kidwai, it must be said to his credit, has acted boldly and quickly this week in his fight against hoarders and speculators in sugar by carrying his three-point programme, announced last week, a step further. One of the three points of this programme, it will be recalled, sought to allow imports of foreign sugar. This point, however, was so vaguely indicated in that programme that it did not have much effect on the trade; in fact, many in market circles thought that Mr. Kidwai was merely bluffing. These circles must have been sorely disappointed now. Mr. Kidwai did not bluff, but meant serious business, for, on Monday this week, the Government reduced the import duty on sugar from the then existing level of Rs. 14-14 per cwt. to Rs. 7 per cwt. and announced that licences for import of sugar would be given by the Chief Controller of Imports, New Delhi to importers, large dealers and establishments consuming sugar. For all practical purposes, sugar is now in the O.G.L. import list. This is undoubtedly a step in the right direction, though a little belated.

The Government's decision to allow imports of sugar is significant in more than one respect. It means that the Government now realises that considerations of foreign exchange should not be given such a high priority as to cause severe hardship to consumers and that the need for ensuring supply of goods to consumers at reasonable prices is equally important. It also means that it is always desirable to allow a certain measure of competition from external sources even in respect of those goods which are produced in the country in quantities sufficient to meet domestic consumption. Both these conclusions will be hotly disputed by planners in this country. They will doubtless decry that policy on the ground that it will result in a waste of foreign exchange. But those who argue thus invariably forget the practical aspects of the problem and the limitations of human beings. There would have been no need to import sugar had a section of the industry and trade not been too greedy or had the Government completely decontrolled the industry in October last. The oft-repeated criticism that controls breed corruption and create artificial shortages is very well borne out by the developments in the sugar industry in recent years.

As was mentioned in these columns last week, the sugar industry was deprotected three years ago. But the then existing level of duty was converted into a revenue duty. The question whether the rate of duty was high or low did not arise, because, in the absence of imports, it was only of academic importance. Now that imports are being allowed and are quite possible, it will be pertinent to raise that question. When the Government decided to import sugar, it found that the old duty at the rate of Rs. 14-14 per cwt. could not be continued, as it raised the cost of foreign sugar to a level well above the domestic prices of sugar and thereby rendered import of sugar an impossibility. A reduction in the rate of duty, therefore, became inevitable. But the reason behind the fixation of the duty at Rs. 7 per cwt. (or about Rs. 5-2 per maund) may not be so obvious to the public. In fact, some may wonder as to why a duty should at all be levied on imports of sugar when the industry is not protected. This latter question is easily answered and that answer itself will explain, to some extent, as to why the authorities have fixed the duty at Rs. 7 per cwt.

Indian sugar, as readers are aware, is subject to a heavy Central excise duty of Rs. 3-12 per maund. Besides, it has to bear the incidence of cess on sugarcane at the rate of As. 3 per maund collected by State Governments. This works out to Re. 1-14 per maund of sugar. Thus, the Central and the State levies amount to no less than Rs. 5-10 per maund. The sugar industry cannot be expected to compete effectively with duty-free imported sugar so long as it is subjected to such a heavy impost. If competition is to be fair, the imported sugar must also be subjected to a duty at a level sufficient to countervail the Central and State imposts. On the basis of this principle, imports should bear a minimum duty of Rs. 5-10 per maund. But, actually, the Government has decided to levy a duty of only Rs. 5-2 per maund. The authorities have thus shown no soft corner for the domestic industry in fixing the level of import duty at this level. The effect of this decision may not be felt by the industry so long as the current prices for imported sugar, to which we shall refer presently, are maintained. If, however, they were to go down, the imports would have a perceptible effect on the industry, unless, of course, the authorities promptly raise the level of duty or stop imports or reduce the rate of excise duty. The necessity for such adjustments in future could have been avoided, had the authorities fixed the import duty at a level at which it counterbalanced the excise duty and the cane cess.

It is the decision of the authorities to allow imports of sugar, more than anything else, that has put an end to the profiteering and speculation that had gathered some momentum in recent months. That there was an artificial boosting of prices is evident from the sharp fall in the price of sugar (for forward delivery) in the Bombay market from Rs. 92, just before the Government's three-point programme was announced, to Rs. 84 per bag on Wednesday this week. During the same period, the price of spot sugar has come down by Rs. 4 per bag to Rs. 88. These rates are doubtless higher than the cost of imported sugar by a substantial margin. We are told on reliable authority that the position of world sugar market is easy and that Formosa, Cuban and Continental sugar is being offered by shippers at rates which are equivalent to Rs. 72 per bag *ex*-godown, Bombay. Thus, the domestic sugar (forward delivery) is still at a premium of Rs. 12 per bag over the imported sugar. This is possibly due to the fact that it will take at least two months for imported sugar to reach Bombay. But it may also be due to a defect in the procedure which the Government proposes to follow for allowing imports.

The Press note issued by the Government on this subject says that "licensing will

way as to allow imports in smaller lots. Such a decision will also be in keeping with the Government's statement that establishments consuming sugar can also import their requirements direct. How many consumer establishments are there which can place orders for a shipload of 6,000 tons at a time?

It may be argued by the Government that, if imports are allowed in big lots of 6,000 tons, the cost will be definitely cheaper than what it will be if they are allowed in small lots. There is, of course, some force in this contention. But we are told that the ex-godown rate of Rs. 72 per bag, referred to above, is based on quotations for small lots and that it is Rs. 5 less than the rate assumed by the Government, perhaps on the basis of a shipload. In short, the contention of market observers is that the Government has been misled by its advisers and that sugar can be imported at rates substantially lower than the rate of Rs. 28 per maund assumed by the Government. It is alleged that, by allowing imports to be concentrated in a few hands, the Government will be facilitating profiteering by importers, inasmuch as the domestic sugar, according to present indications, is not likely to be sold below Rs. 27 per maund. There is also another possibility. And that is that, having obtained foreign sugar at a cheap rate—at current prices in the world sugar markets, they should be able to buy cheaper than Rs. 72 per bag, the rate for small lots—the few importers will be in a position to offer unfair competition with the mills in case a real slump in sugar trade develops. In such an event, the worst sufferers will be the mills in the Deccan and Madras. It is to be hoped that the Food Minister will go into all these points and carefully consider the merits of allowing imports to be spread over a larger number of merchants than he has in view at present.

Two suggestions were made by us last week for solving the sugar tangle. One was imports and the other complete decontrol. The Government has accepted the first suggestion and is vigorously implementing it now. It does not, however, see eye to eye with us in regard to the second, and the more important, suggestion. Nevertheless, it is necessary to emphasise again that, if normalcy is to be restored in sugar trade and industry and if recurrence of crises from time to time is to be prevented, it will be better to free the industry from all controls, including the one on the price of its raw materials. Such a step will, in course of time, automatically eliminate the necessity for importing sugar, as it will enable the industry to grow on healthy lines. In the initial years, there may be a few occasions when conditions may not be quite normal and some hardship be caused, but a change-over from official controls to freedom cannot always be a painless affair. The price is worth paying, because such a change promises to place the industry on an economic footing.

PRIVATE ENTERPRISE

IN India, where private enterprise has for some time past lain under a cloud of suspicion and distrust, there is urgent need to publicise its achievements. This task has never before been performed well enough, presumably because private enterprise has taken its freedom for granted and never found it necessary to vindicate itself before the bar of public opinion. Apparently, it now finds the need to stem the tide of criticism. It is never too late to argue a good cause. And the Employers' Association has attempted a good task by adding to its series of interesting pamphlets on current economic affairs yet another booklet entitled *Achievements of Private Enterprise in* 1947-52. The publication of this pamphlet is in itself a creditable achievement, for much painstaking research has gone into it. But where it errs—and errs grievously—is to make far too many untested assumptions, to derive conclusions not always in consonance with economic realities. Again, a proper appraisal of private enterprise ought to include not merely its assets side but the equally important, even if somewhat disturbing, liabilities side. A balanced account should include both aspects, if only to avoid the trite criticism that private enterprise in this country has developed a blind spot towards its own deficiencies.

Private enterprise in India bases its claim for greater appreciation and better recognition on three grounds: the improvement in the rate of industrial production and increase in installed capacity of existing industries, the setting up of new industries, and the financing of all improvements, expansions, and new installations, at a time when capital was difficult to get. That industrial production during recent years has increased considerably is common knowledge. Between 1947 and 1952, the index number of industrial production rose by nearly 35 points to 140.5 (Base: 1937=100). Among established industries, the cotton mill industry increased its output during the period from 3,762 million yards to 4,609 million yards, cement industry from 1.4 million tons to 3.5 million tons, sugar industry from 0.9 million tons to 1.5 million tons, steel industry from 0.8 million tons to 1.1 million tons. The magnitude of the increase in industrial output dwarfs, in fact, some of the targets under the Five-year Plan. Thus, textile output is already at an annual rate of 5,000 million yards, as against the target of 4,700 million yards set by the Plan.

The performance of private enterprise in new industries too is impressive. The engineering, light and heavy, chemical, rayon and other industries have made "noteworthy" progress. A "phenomenal" increase has been recorded in the production of sewing machines, storage batteries, electric motors, centrifugal pumps, diesel engines, ball and roller bearings, radio receivers, electric fans, transformers, rayon yarn, and capital goods, such as spinning frames and looms, boilers, etc. Self-sufficiency, it is stated, has been attained in a number of chemicals such as alum, aluminium sulphate, ferric sodium and potassium bichromate, sodium and potassium acetate, sodium and potassium citrate, calcium chloride, chlorine liquid, chrome alum, and other chrome compounds, ferrous salts, sulphuric acid, hydrochloric acid and several other chemical products. A beginning has been made in the production of fine chemicals such as calcium lactate.

Private enterprise has achieved the increase in production through augmenting and modernising industrial equipment. Figures have been cited in the pamphlet to convey some idea of the magnitude of machinery imports. Between 1947-48 and 1951-52, India imported over Rs. 441 crores worth of machinery and millwork. During the same period, it imported Rs. 141 crores worth of auxiliary goods, such as machine tools, diesel engines, electrical machinery and boilers. But these figures, as the authors of the pamphlet themselves admit, include the "cost of purchases on account of the Government, railways and non-industrial users." Since no attempt has been made to differentiate between the imports of machinery utilised by private enterprise and those by State-owned undertakings, it is, of course, difficult to give the entire praise for these imports to private enterprise only.

An analysis has been made of the capital invested for securing the increase in industrial capacity during the first quinquennium of India's independence. A sample study of 138 industrial enterprises, made by the Association, reveals that, between 1946 and 1950, there was an increase of Rs. 87 crores in the companies' assets, of which the increase in gross block alone accounted for about Rs. 47 crores, and stocks and stores for Rs. 34 crores. On the "assumption" that the sample study represents 20 per cent. of the total installed capacity in the country, the Association estimates that there was an "increase in the aggregate resources of the industrial sector in 1946-50 of Rs. 430 crores, while expenditure on account of block, stocks and stores and immobilisation of funds in outstandings was Rs. 495 crores." It is difficult to appreciate either the assumption that the total industrial sector is five times the sector covered by the sample study, or the applicability of the results of a sample study to cover the entire sector. From a further analysis of these figures, the Association reaches the conclusion that the annual rate of addition to fixed assets has been 8 per cent. which, according to it, is "creditworthy," considering that the rate of national saving during 1919-38 was only 7 per cent. The analysis by which the figure of 8 per cent. is reached is by no means very clear. And the claim that it is impressive when compared to the 7 per cent. in the 1919-38 period, which covered over a decade of depression years, is a tall one.

The Association has, however, done well to dispell the popular impression that industrial prosperity has not been adequately shared by the workers. Between 1947 and 1951, the number of workers employed in industrial establishments in the private industrial sector rose from 2.01 million (excluding plantation and mine labour) to 2.30 million. As against the increase in the number of workers by 14.2 per cent. in 1947-51, the wage bill of those earning below Rs. 200 per month has risen by as much as 48 per cent. This increase is distinctly higher than the rise in cost of living which, in Bombay and Calcutta, was only 19 and 20 per cent., respectively. Further, this improvement in workers' income does not take into account free medical benefits and other amenities. It is sometimes contended that the increase in income does not compensate the increase in living costs and that there has been a fall in the real income of the workers. Although the Association makes only a passing reference to this issue, there is no truth in the popular view that real income has fallen. This has been brought out, it may be mentioned here, in a recent issue of the *Indian Labour Gazette*. The index of real earnings (of workers below Rs. 200 per month), according to the *Gazette*, rose between 1946 and 1949 from 97.1 to 122.1 (Base: 1944=100). And there is no reason to believe that it has fallen since then.

Impressive as these achievements are, it would nevertheless be wrong to over-estimate them. They are not large as compared with the size of the country, or with what could have been done or still remains to be done. There has been no significant improvement in living standards and, until this happens, the man in the street will not be impressed with all the tall claims of private enterprise. Also, it is a pity that, although the title of the pamphlet indicates that it covers private enterprise in general, it speaks in its inside pages mostly of Indian enterprise, and does not give the necessary credit to foreign private enterprise that has been participating in India's industrial development. Apart from the fact that a substantial part of the old-established industries is still being owned and managed by foreign private enterprise, many new Indian undertakings, notably those connected with dyestuffs, chemicals, non-ferrous metals, light engineering industries, automobiles, cycles and others have been started with the aid of foreign capital.

Any appraisal of the role of private enterprise should take into account not only its achievements but its lapses also. There have been far too many unfortunate instances of anti-social behaviour in this country. The "get-rich-quick" psychology has been the bane of Indian private enterprise. This has resulted in two evils. In the first place, no sustained effort is made to develop new lines, for fear that it may not yield quick and easy profits. This explains why Indian capital is not only willing but often extremely anxious to buy over established foreign undertakings even at fancy prices. The same explanation holds good for the insistent demand by a section of Indian private enterprise that only the most difficult fields of industrial activity should be reserved for foreign capital and that all consumer goods industries, in which the profit-margins are generally fairly large, be kept solely for indigenous capital. Secondly, this psychology engenders an element of fear complex and results in loss of self-confidence. At the slightest turn of fortune, there is a tendency to beat a hasty retreat, to curtail production, or to make frantic appeals to Government for protection. This betrays a certain immaturity which Indian enterprise should learn to outgrow.

Finally, a quantitative achievement, however big it may be, is worse than useless if it is unaccompanied by qualitative improvement. What matters is not how much of a thing is produced or how many are the articles that are produced. How high is the quality of the goods and at what cost are they made available to the consumers are vital considerations. So long as the Tariff Commission is compelled to continue its practice of loading a special quantum of protection to offset the "prejudice" factor, Indian industry cannot lay claim to real achievement. It is true that quality cannot be improved in a day. But it would be wrong to ignore the value of producing quality goods or to make no, or only half-hearted, attempts at establishing sound industrial traditions. All this is not to belittle the heights which Indian enterprise has scaled but to indicate the long way it has still to go. It is to be sincerely hoped that Indian enterprise will not be found wanting in courage to face the challenge of the times.

OPPOSITION TO CONVERSION OF TATA DEFERREDS DWINDLING

OUTLOOK FOR TEA—TROMBAY POWER SCHEME

THURSDAY, 5 P.M.

THE share market is steady but listless. During mid-week, it looked as though the market was likely to experience a fresh downward trend, but towards the close a steady undertone came to prevail. Over the week, a large number of counters have recorded small gains. The volume of business, however, has been small throughout, there being no fresh buying either by speculators or investors. A pleasant feature of the behaviour of the share market during the week is that it has managed to remain unaffected by the continued weakness of the futures section of the cotton market. It is hard to say whether the link between the two markets, referred to in these columns last week, has been cut. If the link is still there and yet the shares have been able to present a steady front, it must be attributed partly to the technical position of the latter and partly to renewed expectations of some developments favourable to the bulls.

MARKET GOSSIP

* * * *

One of the expected developments relates to the issue of retention price for steel which has been hanging fire for a long time now. It is felt by some that the Government's decision on this issue may be known by the end of this month or in the first week of next month, by which time the important Ministers of the Central Government, who are now away, are likely to be back at the Capital. Another development is the possibility of the Tata Iron and Steel Co., Ltd., issuing bonus shares. It is reported that, at the meeting which Mr. J. R. D. Tata had to-day with the members of the Action Committees of the Deferred and Ordinary shareholders, on the question of conversion of Deferred shares, the Chairman threw a hint about this. He made, it is stated, a fervent appeal to these representative shareholders to accept the award of the mediator, Mr. M. C. Setalvad, and said that, by doing so, they would enable the Board to reconstruct the capital structure and raise it by capitalisation of reserves. One report has it that Mr. Tata clearly stated that it was their intention to issue one ordinary bonus share for every two shares. If this report is correct, it means that the management of the Company is offering a bait to the shareholders to agree to the conversion scheme.

* * * *

The majority of those who attended the meeting is reported to be in favour of accepting the mediator's award. At a meeting held a week before, the Action Committee of Ordinary shareholders strongly urged the shareholders of the Company to accept the mediator's award fixing the ratio of conversion of 6:1. No opposition is expected from the industrialist who holds a very large block of Ordinary shares running into several thousands. At one time, it was believed that he might not give his assent to the proposal. And all these days, he took no interest in the work of the Action Committee. Nevertheless, he is said to be absolutely disinterested now, even though he holds some strong views on this subject. The rest of the Ordinary shareholders too may not raise any serious objection. Among the Deferred shareholders, the biggest single holder is also stated to be in no mood to oppose the award. There are, no doubt, a few of them who have been inclined to challenge the award, but, as a result of the bait offered by Mr. Tata to-day, their number may fall still further. Even this fractional minority may finally come round, seeing that the vast majority of shareholders is in favour of accepting the award. Thus, the chances of the Deferred shares conversion scheme going through, without the intervention of the Government, have greatly improved. This, however, does not mean that the Deferred shares will cease to be in existence in a few weeks. The legal formalities to be completed will take several months. One estimate places this period at as many as nine months from the first move made by the management of the Company. This means that, by about May or June next, the Deferred shares may go off the list of the Bombay Stock Exchange.

* * * *

Among the commodity markets, while oilseeds have been ruling quite steady, cotton has slumped further. I.C.C. August, which had gone up to Rs. 683 early in the week from the previous week's closing rate of Rs. 668, has declined to as low as Rs. 660. This recession seems to be due purely to the unhealthy technical position of the contract and to the fear that, in view of the good beginning of the monsoon, trading in new crop Contract may begin at a discount. Although it is too early to say what will be the size of the crop in the coming season, the feeling in market circles at the moment is that it may be a little bigger than the current season crop. Further, it is stated that, generally speaking, no one would like to weigh over cotton during the rainy season, as there would be a loss in weight later when the rains are over and as the quality of cotton tendered would be poor. It is, therefore, believed that the bulls would prefer to square up their outstanding position by selling out rather than by taking delivery of actual cotton.

* * * *

While Indian cotton has thus been losing in value, the cotton market in Karachi has been displaying a remarkably steady trend for several days now, though the turnover is very poor. This steadiness in the face of any new business is due to greater confidence in the statistical position. Stocks by now are probably not more than 400,000 bales and there is time for further reduction before the new crop comes forward in the autumn. There are now some rather adverse crop reports which suggest that output may be affected by a shortage of canal water in Sind and Bahawalpur. Traders treat these reports with some reserve, since it is too early yet to judge crop prospects. Nevertheless, it seems that the statistical position of Pakistan cotton is strengthening.

* * * *

The long-awaited report of the U.K.'s Cotton Import Committee—the Hopkins Committee—has now been published. The Committee, it may be recalled, was appointed to review cotton import arrangements in the U.K. and to suggest modifications, if any. The Committee has suggested "modifications in cover and administrative arrangement for the cover and supply of raw cotton." It agrees that currency and other difficulties in the way of a free market are substantially unchanged from the position 18 months ago. The Committee has recommended the continuance of the dual system of raw cotton purchases, under which spinners are permitted to utilise the services of the Raw Cotton Commission or to make their own arrangements for the purchase of cotton. But it holds that it is intrinsically undesirable that cover for private trading should be provided at the risk of public funds. In the House of Commons, Mr. Peter Thorneycroft, President of the Board of Trade, said that the Government had accepted the Committee's recommendations for continuance of operations and cover and that there would be early discussion with the trade on future cover facilities.

* * * *

This announcement has engendered hopes of the early revival of the Liverpool futures market. The opening of the market will depend on the attitude of spinners who, if they contract out of the Commission, would naturally require cover facilities. The biggest mill group in Lancashire, the Lancashire Cotton Corporation, has announced that it would contract out of the Commission. A free cotton market would, however, mean the existence of free import facilities. But so long as currency difficulties—that is, dollar shortage—last, it is difficult to think of a completely free cotton market in the U.K. It is, however, felt that exchange difficulties may be overcome by September, 1954. Cotton men in that country are inclined to believe that it would be possible to have a futures market some time next year.

* * * *

There has been a good demand for selective tea scrips in recent weeks, which reflects the slight improvement in the outlook for tea. Tea prices are improving. Indeed, latest reports from London indicate that, in the last week's auction, Indian common tea fetched as much as 3s. 6d. per lb., the highest price to be recorded since the resumption of auctions in 1951. This represents an increase of 2s. from the bottom of 1s. 6d. per lb. touched in September last, at which price, Indian tea growers were losers of over 1s. on every pound of tea produced. The present strength of tea is based more on the statistical position of Indian tea than on any other factor. The new North Indian tea crop as at the end of May is stated to be 12 million lbs. less than the output a year ago. South Indian tea production for the first four months of 1953, at 32.01 million lbs. (subject to revision), is 6.15 million lbs. less than that for the corresponding period of 1952. This shortage in supplies is of a temporary nature, as the bulk of the new crop will be available in a few months.

* * * *

It was generally expected that the curtailment of supplies, as a result of the crop restrictions by 50 million lbs. during the current season, would come only a few months later, but weather conditions seem to have already restricted the output. It is also stated that the old season's crop, in which the London market is now dealing, will not be disposed of till the end of August. During July and August, the weekly offerings will be cut to 25,000 packages or about a third of the amount that is now being offered. All these factors would appear to have created a shortage of tea stocks in London.

* * * *

The present level of prices cannot, however, be taken as a measure of the prospects for tea growers during the current year. For these prices relate to the 1952 crop from North India and early 1953 crop from South India. The full weight of the new crop will not be felt by the market till September-October this year and the fortunes of tea growers during 1953 will depend more on the prices that will rule during these months and later. While judging the prospects for the tea industry on the basis of the present market prices for tea, a factor to be taken into consideration is the rising costs of production. Even those who are intimately connected with the tea industry find it difficult to give a forecast of the industry's fortunes. Mr. W. H. Marr, Chairman of Messrs. James Finlay & Co., Ltd., and the Consolidated Tea & Lands Co., Ltd., for instance, says, in his statement to the shareholders of the two companies, that it is very difficult to give any indication of the prospects for the current year. But he enumerates certain factors on which depends the outlook for tea. In the first place, the chances of any substantial reduction in costs of production are extremely remote. Whatever reductions in working costs the tea producers have been able to effect, are at the expense of full maintenance of the properties. Secondly, the International Tea Committee has agreed that member countries' export quotas should not be reduced from 135 per cent. of the standard exports, at least until July, when the matter will be reviewed. But the Government of India has, in the meantime, announced that it will issue export quota on the basis of only 115 per cent. of the standard exports, though this is also subject to review. Thirdly, India, being one of the greatest potential markets for its own tea, the quantity of tea available for export depends on the internal consumption. Fourthly, tea prices do not depend on supplies from India alone. They are also largely influenced by crops of other producing countries.

* * * *

While on the subject of world supplies of tea, it will be interesting to recall here the trend of production since 1946, which provides an interesting background to last year's crisis. The production of tea by the main producers of the world which stood at 905 million lbs. in 1946 rose uninterruptedly to 1,144 million lbs. in 1951, but fell to 1,108 million lbs. in 1952. The following table gives the production in the leading tea producing countries during these years.

(In million lbs.)

	1946	1951	1952
India	592	625	621
Pakistan	—	53	53
Ceylon	283	326	317
Indonesia	—	102	81
Africa	30	38	36
Total	905	1,144	1,108

Mr. W. H. Marr traces the root of the tea crisis in 1952 to the years 1946-47 when Indonesia was again able to produce and export tea and the continuation of the policy of larger output adopted by Indian tea producers during the war years. The system of bulk buying by the U.K. Ministry of Food resulted in a greater emphasis being laid on production of quantity, rather than on quality. There was overproduction of tea. The position was aggravated by tea rationing in the U.K. Mr. Marr is of the opinion that a large part of the losses of production might have been avoided, if the control over tea had been removed early last year, instead of in October, 1952.

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While investors have been awaiting the debenture issue of the Tata Hydro-electric group of companies, there appears to be no indication yet of an announcement, in the near future, of the issue by the Managing Agents of the three companies. For the Bombay Government would appear to have so far not revised its decision, as reported in these columns on 30th May last, to grant permission to the Companies for erecting at Trombay only one power generating unit of 50,000 kw., instead of two units, of 50,000 kw. each applied for by the Companies and agreed to by the Government in the beginning. In their application for licences, the companies had pointed out that the complete power station installation would cost Rs. 11.5 crores, if both the units were installed consecutively and Rs. 7 crores, if only one unit were installed. If the second unit were to follow as a separate installation, the additional costs would approximately be Rs. 50 lakhs, without making allowance for increases in plant prices and construction costs. Besides, it was pointed out that, if the two units were ordered together and if the erection of the second set were to follow that of the first, after an interval of four to six months, the job could be handled economically by the same expert foreign personnel. Moreover, the second unit would enable the station at Trombay to take on generation of most of the thermal energy required in the system, before the Koyna power project goes into commission three years after, namely, 1959. This would reduce the operating costs of the power system and give relief to the over-burdened railways. There were, again, possibilities of effecting further economies in operation costs, as the plant was designed to generate very efficiently at the equivalent of less than 1.15 lbs. of coal per net kw. hr. This, it may be noted, compares with 2.2 lbs. of coal of the 250 lbs. pressure and 1.75 lbs. of coal of the 400 lbs. pressure system plant at Kalyan. Between 1956-57, when Trombay commences operation, and 1959, when the Bombay Government anticipates Koyna supply to commence, the greater efficiency in the production of power at Trombay is expected to effect savings in fuel costs of the order of about Rs. 1.5 crores. In view of these advantages, Tatas requested the Bombay Government to give permission for proceeding with their plan for erecting two units.

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According to Tatas, there would appear to be no doubt at all about the demand for all the energy produced under their scheme. The two oil refineries, the penicillin factory and the Naval Dockyard expansions will require large supplies of power. There will be new demand for power in this region for refrigeration, air-conditioning, housing, refugee rehabilitation, and extensions of suburban railways in addition to continual general increase in the electricity requirements of all classes of consumers supplied from the Tata system. Again, it is believed that the region served by the Bombay-Poona roadway and railway holds great possibilities of industrialisation and development of small towns.

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But the Government of Bombay, which had agreed last year to permit the construction of the power station at Trombay in two units of 50,000 kw. each, seems to have changed its mind subsequently. So far, no statement has been issued by the Government explaining the reasons for this change in its stand. According to an official spokesman, however, the Government seems to be of the view that the total demand for electric

(Continued on page 1203)

SHARE MARKETS RULE DULL

UNDERTONE STEADY

(From Our Own Correspondents)

BOMBAY, 25*th June*

CONDITIONS on the Stock Exchange were far from lively, but, owing to the absence of any big adverse factor to affect the sentiment of operators, the undertone remained steady. Movements in prices were confined to a very narrow groove. The discouraging trend of commodity prices with the onset of the monsoon acted as a damper on trading in shares. There was, however, no setback in prices, because of the corrected technical position of the market. The volume of trading was at a low ebb.

In the steel section, Tata Deferreds opened at Rs. 1,877-8 and advanced to Rs. 1,905 on Monday on higher Calcutta advices and the confused situation in Korea. Profit-taking stalled further advance and in the mild reaction that followed due to adverse trends in bullion, commodity and cotton markets, the shares were taken down to Rs. 1,873-12 yesterday. To-day, there was small buying support on reports that the conversion ratio for Deferred shares would be finalised at the meeting of the deferred and ordinary shareholders scheduled to be held this evening. Consequently, the shares were lifted up to Rs. 1,887-8 at the close. Tata Ordinaries looked up from Rs. 328-4 to Rs. 329-12, before closing at Rs. 329-4. Indian Irons had a mild upturn from Rs. 24-9 to Rs. 25-2½ early in the week, but shed most of its gain to close at Rs. 24-10½.

Dealing in textile shares depicted the same pattern as that of steels and most of the counters were concerned in a moderate advance. Bombay Dyeings came up from Rs. 376-14 to Rs. 382-8, but closed at Rs. 380. Kohinoors continued to be a bright spot of the section with a further advance of Rs. 5 to Rs. 305-8. Central Indias showed no variation at Rs. 160-8. Centurys hardened by Rs. 3 to Rs. 276. Finlays were marked down by Rs. 4 to Rs. 255, but Gokaks were a rupee better at Rs. 214. Indu Ordinaries added As. 7 to close at Rs. 10. Lakshmis reacted by Rs. 11-4 to Rs. 547-6. New Greats put on a rupee to Rs. 149, but Simplex showed no change at Rs. 179. Standards were done Rs. 5 higher at Rs. 306-4 and Svadeshis passed hands, Re. 1-4 better, at Rs. 248. Swans drifted back by Rs. 3-12 to Rs. 435 and Vishnus by Re. 1-4 to Rs. 156-4.

Activity in bank shares was restricted, but the undertone was steady, with some counters revealing fractional advances. Imperials had a rise of Rs. 5 on balance at Rs. 1,870. Centrals put on As. 8 to Rs. 64-8 and the new shares added As. 8 to Rs. 65-8. Bank of Indias gained Re. 1-8 to Rs. 158, but Barodas were maintained at Rs. 111-8.

Sentiment in electricity shares was bright with fair gains in a number of counters. Ahmedabad Electrics were in demand to go up by Re. 1-9 to Rs. 109-11. Poona Electrics rallied from Rs. 121-4 to Rs. 127-8. Surat Electrics hardened by As. 10 to Rs. 131-4. Bombay Suburbans were maintained at Rs. 125-10. Tata Hydros put on Re. 1-8 to Rs. 151-8 and Tata Powers advanced from Rs. 1,488-12 to Rs. 1,502-8, but Andhra Valleys reacted by Rs. 5 to Rs. 1,420.

In the miscellaneous section, Associated Cements were dull at Rs. 170-4. Sugar shares were adversely affected by the Government's announcement allowing imports of sugar. Belapurs lost Rs. 4 before closing at Rs. 227-8 and Walchandnagars Rs. 2-8 at Rs. 138-12. Bombay-Burmahs were affected by the declaration of lower interim dividend. The Directors have decided to make an interim payment of Rs. 5 on each share of Rs. 125 and Rs. 2 on each of the Rs. 50 paid-up shares for the year ended 31st May, 1953. These compare with Rs. 7-8 and Rs. 3, respectively, paid for the previous year. Consequently, the higher value shares dropped Rs. 3-12 to Rs. 367-8. The Rs. 50 paid-ups, however, remained unchanged at Rs. 136-14. B.I.Cs. had a sharp set-back from Rs. 8-8½ to Rs. 8-2 on rumours of a change in management. National Rayons were well held at Rs. 103-8. Tata Chemicals added As. 1½ to Rs. 9-2 and Tata Oils As. 8 to Rs. 32. Wimcos smartly advanced by Rs. 6-4 to Rs. 218-12. Among engineerings, Premier Constructions were marked up by a rupee to Rs. 80-12. Alcock Ashdowns were better by Re. 1-4 at Rs. 292-8. Among mining shares, Indian Coppers were quiet at Rs. 2-14½, but Shivrajpurs put on Re. 1-4 to Rs. 55-8.

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Calcutta Stock Exchange

CALCUTTA, 23*rd June*

In the absence of any fresh incentive, lethargic conditions prevailed on the Calcutta Stock Exchange during the week. Trading remained suspended to-day as a mark of respect to the late Dr. S. P. Mookherjee. Turnover for the week, as a whole, was limited. However, despite profit-taking and a reduction in the number of transactions, the maintenance of recent gains in tea shares was a feature.

The Delhi report that the surplus capacity of ordnance factories would be utilised for producing goods for civilian consumption was a factor which encouraged operators to exercise extreme caution in entering into new commitments in industrials. The problem facing the textile mills in Northern India has to be solved by the Government, and market circles look forward to an early cancellation of the New Delhi edict which restricts production of *saris* and *dhotis* by mills. Developments in this regard are awaited, and it was no surprise that interest in textile shares remained subdued. Some losses, just fractional, were incurred in shares of sugar mills, as an air of uncertainty has been created regarding the future policy of Government on sugar, following the recent increase in the prices of the sweet commodity.

Coals were again quiet, but operators were heartened to note the possibility of Egypt importing Indian coal for the first time. Burrakurs were at one time lower at Rs. 10-1, but soon recovered to the opening level of Rs. 10-3. Bengals were a shade better at Rs. 5-11, while Standards featured with a rise from Rs. 19-9 to Rs. 20-12. East Indians were fractionally better at Rs. 24-3, but Equitables eased from Rs. 44-12 to Rs. 43-4. At Rs. 8-12, Raneegunges lost As. 10.

The heavy decline in sacking prices kept operators away from the jute section, and shares that were transacted recorded declines. Fort Glosters gave way from Rs. 347 to Rs. 341, Nuddeas from Rs. 49-8 to Rs. 47-8, and Agarparas from Rs. 19 to Rs. 18-11. Howrahs were maintained throughout at Rs. 24-6, Champadanies remaining quiet at Rs. 160. Baranagores at Rs. 162 recorded a loss of one point. Kelvins lost as much as Rs. 11 to Rs. 245.

Sugar shares recorded an easing tendency. Darbhangas, at Rs. 10-1, showed a loss of As. 5. From Rs. 25-2, Champarans were pushed down to Rs. 24-11. Cawnpores changed hands at the fractionally lower rate of Rs. 33-6, while Ramnugger Canes were unchanged at Rs. 18-1.

Teas were steady, and not only recent improvements were maintained but further features were provided. At Rs. 109, Teliaparas recorded a further gain of Rs. 4. Central Cachars jumped from Rs. 55-8 to Rs. 60. Bishnauths improved from Rs. 28-10 to Rs. 29-2, Teen Alis from Rs. 21-4, to Rs. 22, and Gillaphukaris from Rs. 16-10 to Rs. 18.

Miscellaneous shares shared the general dullness. Angelo Bros. received attention at Rs. 13-10, while Rohtas Industries showed a two-anna loss at Rs. 9-12. Indian Cables were quiet at Rs. 19-2. Rallis were wanted at Rs. 75, as against Rs. 74-4 earlier. Martin Burns realised Rs. 18-10.

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Madras Stock Exchange

MADRAS, 24*th June*

Sentiment of operators on the Stock Exchange revealed a hardening tendency this week and it looked as though there was a revival of confidence in equities. It was in evidence in textile scrips which came in for good enquiry. The support was attributed to reported recommendation of the Textile Control Committee to abolish all controls over distribution and prices of cotton textiles. Renewed demand for mill yarn too fanned the buying fervour further. Tea scrips also elicited stout support on firm advices from Calcutta and bright outlook for tea. Rubber and coffee shares too were keenly sought. Shares of sugar companies and other miscellaneous scrips could do no more than react in sympathy with the rest. Bank shares, however, were dull, although values were generally fully maintained. On balance, equities recorded handsome gains over a wide front.

The textile section evoked considerable interest. Lakshmis and Pankajas advanced by a rupee each to Rs. 80-8 and Rs. 66-8, respectively. Dhanalakshmis picked up As. 8 to Rs. 178-8. Vasantas and Radhakrishnas also gathered a like amount, the former closing at Rs. 150-8 and the latter at Rs. 142-8. An equal sum was put on by Cannanores to Rs. 100-8, by Coimbatore Kamalas to Rs. 93-8 and by Lakshmi 'A's to Rs. 39-8. Bangalore Woollens were fully steady at Rs. 252-8. Rajalakshmis were unchanged at Rs. 72 and Janardhanas at Rs. 58. Coimbatore Spinnings had deals at Rs. 40-8. Business in Maduras was reported at Rs. 36-12. Cambodias were quoted at Rs. 10-10 and Trichinopolys at Rs. 9-2. Coimbatore Pioneers were transacted at Rs. 115-8 *cum-div.*, as against Rs. 113-8.

In the planting section, tea shares registered sizable improvement. Devasholas were prominent with a rise of Re. 1 to Rs. 16-8. Peermades and Periakaramalais gathered As. 8 each to Rs.29-8 and Rs. 27-8, respectively. Blue Mountains, Chandramalais and Nil Nirgundis were all higher by an anna each at Rs. 2-11, Rs. 2-12 and Rs. 3-13, respectively. United Nilgiris, on the other hand, were neglected, the closing quotation being lower at Rs. 196-8, as against Rs. 198. Chembras and Coorg Teas also were a shade lower. Among rubber shares, Cochin Malabars and Vaikundams added As. 8 to close at Rs. 6-10 and Rs. 14-6. Rajagiris were better by an anna at Rs. 10-8. Thirumbadis were a shade higher at Rs. 2-11-9. Nenmenys were done at Rs. 9-12, as against Rs. 9-14 *cum-div.* Coffee shares received good support. Puthuthottams moved up from Rs. 4-14 to Rs. 5-12. Consolidated Coffees improved by an anna to Rs. 18-12.

Equity values in the banking section were maintained but transactions were very few. Indian Bank Rs. 85 Paids, however, proved an exception and gave way to Rs. 143, as against Rs. 145 last week. Bank of Mysores were another exception with a loss of As. 12 to Rs. 281-4.

Interest in the miscellaneous section centred round certain selected scrips. Mysore Papers were impressive with a gain of As. 10 at Rs. 14-8. Andhra Cements were transacted higher by As. 8 at Rs. 101-8. The Directors of the Company have maintained the dividend for the year ended 31st December, 1952, at 7½ per cent.

BANK OF RAJASTHAN LTD.

The year 1952 was a difficult one for Indian banks, thanks to the adverse business conditions created by the slump in commodities. To banks in Rajasthan, in particular, there was an additional difficulty on account of drought conditions. It is, therefore, not surprising that the profit of the Bank of Rajasthan Ltd. (General Manager: Mr. D. L. Gupta) for that year has suffered a drop from Rs. 2.06 lakhs for the year 1951 to Rs. 84,710. Despite this fall in profits, the Bank has placed a small, but useful, sum to the reserves, before distributing to the shareholders a dividend of 3½ per cent. Though this rate is lower than that of 4½ per cent. paid for the previous year, the sum required for this purpose is higher, consequent on the increase in the paid-up capital of the Bank during the year.

The gross income of the Bank for the year shows a drop from Rs. 8.40 lakhs to Rs. 7.88 lakhs, of which interest and discount account for a decline from Rs. 5.84 lakhs to Rs. 5.63 lakhs and commission and exchange from Rs. 2.38 lakhs to Rs. 1.98 lakhs. Interest paid, on the other hand, has gone up from Rs. 1.72 lakhs to Rs. 2.29 lakhs, due to increase in the Bank's fixed and savings bank deposits. Expenses have risen slightly from Rs. 4.41 lakhs to Rs. 4.63 lakhs. Out of the profit for the year, the Directors have set aside Rs. 17,062 for reserve fund, Rs. 7,500 for investment reserve and Rs. 4,500 for bad debts account. The dividend at 3½ per cent. absorbs Rs. 28,510 as against Rs. 25,698 at 4½ per cent. on a lower capital.

The following comparative table gives an idea of the progress in the Bank's financial position since 1949:

(In lakhs of rupees)

	As at the close of 31st December			
	1952	1951	1950	1949
Capital	9.22	7.45	5.15	5.15
Reserves	4.82	4.56	2.58	1.85
Deposits	150.22	152.81	149.89	136.20
Advances and bills discounted and purchased.. ..	70.23	63.33	49.64	56.15
Investments.. ..	55.81	55.76	47.68	30.77
Cash	48.26	57.32	66.79	60.87
Balance-sheet total..	190.23	197.24	183.39	163.36
Ratio to deposits of—	%	%	%	%
Advances ..	46.7	41.4	33.1	41.2
Investments ..	37.1	36.5	31.8	22.6
Cash	32.1	37.3	44.5	44.7

During the year the paid-up capital of the Bank was raised by Rs. 1.77 lakhs, being the receipt of calls due on the new shares. Reserves also stand strengthened at Rs. 4.82 lakhs. The Bank's deposits in current and contingency accounts show a decline of Rs. 23.83 lakhs to Rs. 70.57 lakhs. This has been offset to the extent of Rs. 21.24 lakhs by the rise in fixed and savings deposits, which together stand at Rs. 79.65 lakhs. Consequently, the total deposits show a contraction of Rs. 2.59 lakhs. As against this decline in the main resources of the Bank, advances have risen by Rs. 6.90 lakhs, so that their ratio to deposits is higher at 46.7 per cent. Of the advances, Rs. 12.74 lakhs represent ways and means advances to the Government of Rajasthan. Investments are more or less unchanged at the previous year's level. The market value of these investments, which consist of only Gilt-edged securities, is lower than the value at cost by Rs. 2.05 lakhs. This depreciation is amply covered by a similar sum provided in the investment reserve. It may be noted that 55.5 per cent. of the Bank's investments are in short-dated securities, 29.5 per cent. of investments have a maturity between 5 to 10 years and the rest have a maturity date ranging between 10 to 15 years. Cash balances are lower by Rs. 9.06 lakhs, at Rs. 48.26 lakhs, but they give a coverage of 32 per cent. to the deposits. Investments and cash together provide as high a liquidity ratio as 69 per cent.

Notice

BHARTIA ELECTRIC STEEL COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-fourth Annual General Meeting of the Shareholders of Bhartia Electric Steel Co., Ltd., will be held at the Registered Office of the Company at No. 42, Shibtolla Street, Calcutta, on Friday the 10th July, 1953, at 4 p.m., to receive the Directors' Report, to pass the Audited Accounts for the year ended 31st December, 1952, to elect Directors, to appoint Auditors and fix their remuneration, to declare Dividend payable on application and to transact any other business that may be brought forward.

The Share Transfer Register of the Company will be closed from 1st July to 10th July, 1953, both days inclusive.

By Order of the Board,
BHARTIA COMPANY LIMITED,
Managing Agents.

42, SHIBTOLLA STREET,
CALCUTTA, 12*th June*, 1953.

NEWS IN BRIEF

THE Pharmaceutical Enquiry Committee assembled at Bangalore on 25th June, 1953, instead of at Hyderabad (Deccan) on 22nd June, 1953, as previously notified.

Gold mining operations in the Kolar Gold Fields, which were suspended early last week, have been resumed with effect from the 23rd inst., consequent on the withdrawal of the 100 per cent. power-cut imposed in that area.

The Trade Agreement between India and Iraq which was signed at Baghdad on 6th May, 1953, has been ratified by both the Governments. The Agreement has come into force with effect from 14th June, 1953, and shall remain in force until 31st December, 1954, and for such successive periods as may be mutually agreed upon before its expiry.

A Rs. 21-crore plan to raise the standard of living of the rural masses under the Five-year Plan has been drawn up by 36,000 village *panchayats* in U.P. The plan will not entail any burden on the State Exchequer, as the village bodies will raise the money from their own resources in the shape of donations, voluntary labour, etc. The plan envisages repair of 73,000 miles of roads, construction of 36,000 *panchayatghars*, 36,000 wells and 18,000 libraries.

According to the Directorate of Economics and Statistics, Ministry of Food and Agriculture, the all-India second estimate of gram for 1952-53 puts the current year's areas and production at 16,008,000 acres and 3,206,000 tons, as against 16,916,000 acres and 3,071,000 tons in the corresponding adjusted estimate for 1951-52. This shows a decrease of 908,000 acres or 5.4 per cent. in area and an increase of 134,000 tons or 4.4 per cent. in production.

There is a great demand for cheap quality bunting cloth, either handloom or mill-made, in New Zealand for use during the forthcoming visit of Queen Elizabeth to that country. It is necessary that goods should be shipped by July, 1953. Samples with firm quotations on c.i.f. basis must be sent by air mail to the leading importers in New Zealand. The width and length of the cloth that would be acceptable are 9"×40 yards.

Under section of 20 of the Air Corporation Act, 1953, every officer or other employee of a company, except a director, managing agent, manager or any other person entitled to manage the whole or a substantial part of the business and affairs of an existing air company under a special arrangement appointed before 1st July, 1952, becomes an employee of the relevant Corporation constituted under the Act on the same terms and conditions on which he was employed in the company.

In pursuance of the recommendation of the Grow-more-food Enquiry Committee, appointed in 1952, the Government of India has decided to form a Standing Expert Committee on Seeds. The functions of the Committee will be: (1) To review every year the steps taken in every State for the evolution, multiplication and distribution of improved strains of seeds of the main food crops, and (2) to make recommendations, from time to time, which will ensure that as large areas as possible are brought under improved seeds.

A preliminary investigation conducted by the Geological Survey of India in the Dehra Dun-Mussorie area has revealed that reserves of limestone and marble in that area may be sufficient to warrant the establishment of a portland cement factory at Dehra Dun. It has, however, recommended further detailed exploration. There is a great demand for limestone of this area for refining sugar and paper pulp. Annually 20 tons of high-grade limestone are exported to Calcutta for the preparation of medical lime.

The Indo-Burmese trade conference, which was originally scheduled to be held in Naini Tal on 22nd June, will now be held in New Delhi towards the end of this month. There seems to have been some delay in the briefing of the Burmese delegates and it is learned that the leader of the Burmese delegation, U Tin, has informed the Government of India that his party would not be able to reach New Delhi before 27th June. The exact date at which the conference is to be inaugurated by the Central Food Minister, Mr. Kidwai, has not yet been fixed, but, in all probability, it will start on 27th June.

The Madras Government has restored the 10 per cent. salary cut imposed on officers under their control drawing over Rs. 300 per month on 1st January this year. This is consequent on the Central Government's refusal to agree to the imposition of the cut on salaries of officers of the all-India services employed in the State. The cut was enforced on the assumption that the Central Government would agree to a similar cut in the case of all-India service officers in the State. The amount so far recovered by the State Government from such cut would be credited into the provident fund account of the officers concerned.

The Uttar Pradesh Government has decided to enhance, by 50 per cent. irrigation rates in the State from the *kharif* season this year, according to a spokesman of the State Government. This would bring to the State exchequer an additional revenue of Rs. 3.3 crores, which will be utilised for various developments schemes, which are either already in progress or to be launched shortly by the Government. Last year the State obtained over Rs. 3.4 crores by way of irrigational charges. A Development Fund is to be shortly constituted from these extra revenues. The Government is, however, not considering at the moment an early proposal for the imposition of a betterment levy.

The Himachal Pradesh Legislative Assembly has passed the Himachal Pradesh Abolition of Big Landed Estates and Land Reforms Bill, 1953. The Bill seeks to fix a ceiling for owning land up to an area for which the assessed land revenue does not exceed Rs. 125 per annum. It enables the State Government to acquire all lands above the ceiling on payment of suitable compensation, in order to distribute those lands among the landless and poor tenants. The Bill also seeks to confer proprietary rights in land on occupancy tenants, and gives an option to the occupancy tenant to surrender one-fourth of his occupancy land to his landlord, in lieu of compensation for the acquisition of proprietary rights in the remaining three-fourths of the land.

The Union Labour Minister, Mr. V. V. Giri, is understood to have submitted a memorandum to the Cabinet, asking for a policy announcement by the Centre on the unemployment position facing the Government, due to rationalisation and lay off. Mr. Giri has suggested that at least 15 days' wages for every year of service should be given to workers involuntarily retrenched. According to Mr. Giri, some measure has to be adopted for providing relief to the retrenched employees. The Industrial Relations Bill, which is scheduled to be introduced in the forthcoming session of Parliament, provides for such relief. Since it will be long before the Bill is passed, Mr. Giri thinks that a policy decision in this regard should be announced which should hold good till the Bill is enacted.

Eighteen minor irrigation and land improvement schemes are being undertaken in Gujerat, utilising a major portion of the Rs. 40 lakh loan from the Government of India. A few more works for execution, with the remaining amount of the Central loan, are under consideration. The 18 works now selected will cost about Rs. 32 lakhs and, when completed, are expected to raise the State's food production by about 7,500 tons. This loan, which is repayable in 15 equated annual instalments of principal and interest, is sanctioned by the Government of India on the recommendations of the central team of officers led by Mr. S. V. Ramamurthy, which toured the scarcity areas of Bombay State, some months ago. On the recommendations of this team, the Central Government had earlier sanctioned a loan of Rs. 117 lakhs, out of which minor irrigation works, mainly in the scarcity areas of Maharashtra and Karnatak, were undertaken.

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From Abroad

The Government of Burma has given formal notice of the acquisition of the undertakings of the Rangoon Electric Tramway and Supply Company, with effect from 1st October next.

Demand for electricity in the U.S. has grown phenomenally. The industry proposes to increase the generating capacity by 50 per cent. by the end of 1956. The cost of such a programme is estimated at $12,000 million.

Steel production in the U.S. during May this year touched 9,998,000 net tons of ingots and castings. This is stated to be the second largest monthly output in the history of the steel industry. The peak was 10,168,000 tons in March last.

The U.S. Government has removed all controls on eight alloying materials, namely, boron, calcium, manganese, silicon titanium, (as an alloying material), tungsten, vanadium and zirconium. The metals are now considered to be in adequate supply.

European coal production can be expected to increase by 12.1 million tons in 1953, that is, from 475.1 million tons to 487.2 million tons, if the efforts made by the producing countries in 1951 and 1952 are continued, according to the findings of the Coal Committee of the O.E.E.C.

Wheat growers in Australia have refused to accept the stabilisation plan for wheat sold for home consumption, agreed upon by the Australian Agricultural Council. If the stabilisation plan collapses, the Wheat Board will control exports and sell locally at prices permitted by the Price Commissioners.

The American Bankers' Association has advised its member-institutions to reappraise their instalment credit policies. The Association's note to member banks is a warning to them to go easy on the financing of new and old cars, either on dealers premises or for purchase by consumers.

The Australian Government is likely to announce a general easing of import restrictions next September. Larger quotas will be applicable from October, the beginning of an import licensing quarter. Import restrictions were imposed in March, 1952, to stop the drain on the country's monetary reserves.

Chile has refused to accept a world price of 30 cents. per pound of copper, generally accepted by other foreign producers, notably Canadian and African. It intends to maintain the price at 35.50 cents, plus transportation charges—a total of 36.50 cents per lb. It has, however, indicated that, if its premium priced copper cannot be disposed of for cash, barter deals might be developed for such essential supplies as machinery.

The U.K. Government has not abandoned hopes of obtaining double taxation agreements with certain countries, particularly India. Negotiations with India started in 1949, but there were a number of technical difficulties in arriving at an agreement. Under these agreements nationals and companies of one country will not be taxed twice, in their own country and in the country of residence.

The establishment of a coffee marketing board in Uganda and greater participation of Africans in marketing and processing the crop are the main recommendations of the *ad hoc* committee appointed by the Uganda Legislative Council, with a view to reorganising the coffee industry. The Committee has also recommended that African growers should, in future, receive world prices and not those laid down under the terms of the Coffee Price Assistance Fund.

The world refinery capacity of crude oil at the end of 1952 amounted to 683 million metric tons (excluding the 25 million capacity of the Anglo-Iranian Plant at Abadan), as compared with the actual production of 640 million tons of petroleum in 1952. American interests owned the largest share, with a capacity of 460 million metric tons, British and associated Dutch interests just over 100 million metric tons and all other nationalities 123 million tons.

Canada has given 110,000 tons of high quality wheat worth $10 million as a gift to Pakistan under the Colombo Plan. Early this spring, the Canadian Cabinet agreed to make a gift of $5 million worth of high quality wheat. Steps were taken to ship 55,000 tons of wheat. Realising the crisis through which Pakistan is passing, the Canadian Government agreed last week to make under the Colombo Plan a further contribution of 55,000 tons. Shipments of this second lot will begin shortly. This month 51,490 tons of Canadian wheat have already arrived in Karachi.

PERSONAL

MR. Ivan Benedictov, Soviet Ambassador-designate to India, has arrived.

Mr. C. C. Desai, Indian High Commissioner in Ceylon, left for Colombo on Thursday this week.

Mr. A. K. Chanda, Secretary, Union Ministry of Production, left for Geneva on Tuesday this week.

Dr. P. W. E. Curtin, Senior Inspector of the Australian Government Commonwealth Public Service Board, has been appointed Director of the Colombo Plan Bureau of Technical Co-operation, in succession to Mr. Geoffrey Wilson of the British Treasury.

Mr. P. M. Lad, Secretary, Legal Department, and Remembrancer of Legal Affairs to the Bombay Government, has been appointed to act as Chief Secretary to the Government, in place of Mr. M. D. Bhansali who is proceding on three months' leave from 1st July.

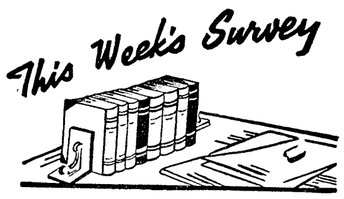
"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 30*th June*

The Oil War Ends

Ere the Indian Tariff Board, which was—if we may say so—switched off from some other important enquiry into which it has delved deep, to hold an investigation into the oil rate war, has had time to report upon the results of its investigation, "the war" between the Royal Dutch Shell group and the Standard Oil Company of New York, waged since September last, has come to an end. This is rather unexpected, nay, to a certain extent, disconcerting, but, nonetheless, welcome. All's well that ends well; and we hail the news of the cessation of hostilities between important oil interests with delight. That an agreement between the Burmah Oil Company, the Royal Dutch Petroleum Company, and the Standard Oil Company, regarding the price of kerosene in India has been reached was inferred in London last week-end from Sir Henri Deterling's statement concerning the purchase of Russian oil. Sir Henri said, at the annual meeting of the Royal Dutch Petroleum Company, that they had reason to hope that further discussions would convince all parties that the principle of compensating the owners of confiscated properties should be upheld in the interests of everyone. He added that the knotty question of purchases in Russia would no longer be handled in public. The terms of agreement, we are told, include an undertaking on the part of the Standard Oil Company to compensate owners of Russian oil properties seized by the Soviet in future contracts for the purchase of Russian oil. The Royal Dutch Petroleum Company is, therefore, likely to receive large compensation. The reader will recollect that, in a recent rejoinder to the criticism of Sir Henri Deterling, the Standard Oil Company of New York characterised the attempt to exclude Russian oil from the Indian market as "uneconomic" and detrimental to the country's real interests. The statement then proceeded to quote the Burmah Oil Company as authority for the well-known fact that India does not, at present, produce enough kerosene to satisfy its own requirements, and suggested that the Russo-American effort to meet this want by means of the Russian product was not only legitimate business but, rightly considered, a most praiseworthy philanthropy. We do not know what view the Government of India took; all we are concerned with, at present, is that it was prevailed upon to remit the Indian oil companies' claim for protection against the Soviet product for immediate enquiry, by the Indian Tariff Board.



AIR TRANSPORT IN RETROSPECT

THE well-worn adage has it that, in economics, what is past is past. It ought to be well, therefore, to forget the nationalisation of air transport, since it has been decided upon by the Government and accepted by Parliament. Even so, it would do grave harm to the cause of free and private enterprise in the country if the impression were allowed to gain ground that the State ownership of air transport was inevitable. Both Mr. J. R. D. Tata, Chairman of Air-India Ltd., and Mr. Tulsidas Kilachand, Chairman of Air Services of India, Ltd., have, therefore, done well, in their addresses—the last of the addresses which they have delivered for several years now—at the recent annual meetings of the shareholders to point out that, if the Government's policy had been consistent from the beginning and if it had agreed to accept its own enquiry committee's findings, there would have been no need for it to take over the industry. Clearly, nationalisation was not inevitable. If it seemed so to the Government, it was less because of any inherent defects in the industry than of the Government's own utter disregard of the industry's interests. It is true that nationalisation is now irrevocable except through another vote of Parliament. But it is necessary to correct the popular view that the Government, in its decision to take over the industry, acted like a mediæval knight-errant engaged in the rescue of some damsel in distress.

The chief causes of the decline in the industry's fortunes were neatly summed up by Mr. Kilachand; they are: "indiscriminate licensing, exorbitant taxation, niggardly mail payment, ever-rising costs, falling revenues." None of these evils were of the industry's own making. Tracing the history of the air transport industry, Mr. Tata pointed out that although Sir Frederick Tymms' original plan for the industry envisaged the setting up of only four companies, the Government lost no time in licensing as many as 14 companies. This proved too much of a good thing. The industry was weighed down by its own weight. There was a scramble for available traffic which was strictly limited. The Government was generous neither in its fares and mail rates policy nor in its tax measures. The fares were fixed at a low level and the mail rates paid to the industry were only Rs. 3 per ton-mile as against Rs. 5 per ton-mile paid to the B.E.A. by the British Government. As if all this was not enough burden, the Government loaded the industry with a tax on petrol which, by any standards, would be adjudged exorbitant. No better indication of the magnitude of this burden can be had than the fact that the revenue from the tax on aviation spirit between 1947 and June, 1953, has amounted to Rs. 6½ crores as against the subsidy of Rs. 1.80 crores distributed by way of petrol rebate. Indeed, Mr. Tata calculated that the revenue collected from the industry during the last seven years actually "exceeds the total price they will now pay for the assets of the entire industry on nationalisation." Here is a curious paradox of an industry which has paid its own purchase price.

Despite all these handicaps from which the industry suffered and the losses which it incurred, it might have rescued itself from the difficulties, not of its creation, if only the Government had chosen to implement the recommendations of the Rajadhyaksha Committee which suggested that the grant of financial aid to the industry. The Committee, on which the industry was not represented, also warned against State ownership of the industry. Its recommendations and its warnings were most unceremoniously rejected by the Government and its closely reasoned document was confined to undeserved oblivion.

When the industry knew the Government's intentions, it put forward, we are told, several concrete plans for amalgamation which, had they been implemented by the Government, would have placed the industry on a sound footing. From all this it is now clear that the Government had made up its mind on nationalisation and that it did not care to have a discussion of the issues connected with so drastic a measure as State ownership of such a complicated field of activity as civil aviation. What is most reprehensible about the whole affair is that the Government has not thought it fit to consult the industry even on the question of compensation. The principles of compensation, now adopted, run counter to all accepted notions of the subject. Neither the world market price for the assets nor their Indian market price, has been taken into account. Nor will any credit be given for the industry's silent and painful efforts in developing the industry. Mr. Tata was certainly not indulging in any exaggeration when he said that the terms of compensation contained an "element of expropriation."

Mr. Tata drew a few morals from the unhappy episode of the nationalisation of airlines. He said that private enterprise should not rush into a new field without making sure that productive capacity will not exceed the available demand, and that the industry will be allowed to function with a reasonable measure of freedom and that the Government will neither go back on its own economic policies nor interfere with the working of statutory authorities. **These are lessons for the future.** There is also one more lesson which we would like industry to learn—the need for the utmost publicity of its own point of view. The air transport industry never sought to publicise its own views on nationalisation, much less to place its alternative proposals before the public. By its failure to take the public into confidence and by treating the entire issue as if it were a private transaction between two individuals, the industry has not only allowed its own excellent case to go by default but also rendered little service to the cause of private enterprise in the country. Free enterprise in this country must know, as its confreres in other countries have known, that eternal vigilance and appeal to people's reason constitute the price that it must pay for economic freedom.

JAPANESE CABLES

The Japanese Cable Investigation Committee has submitted its findings to the Government of India. The report has not been released to the Press yet. From the reported version of the findings, however, it is gathered that the Committee has recommended that, while making purchases of cables, the Government may extend to the Japanese cable manufacturers the same consideration as it has extended to others. This recommendation is based on the view that the construction of the Japanese telephone cables (up to the lead sheath) conforms to that of the cables produced by well-known firms in the U.K. and the Continental countries.

The above view fully vindicates the position and reputation of the Japanese cable manufacturers, Messrs. Furukawa Electric Co., Ltd. It was this firm, it may be noted, which had supplied to the Government of India, some time ago, about 687 miles of paper-insulated armoured underground telephone cables at a cost of Rs. 82 lakhs. This transaction was subjected to vehement criticisms on the ground that the jute covering of the cables were pealing off. This defect was cited as an instance of irregularity and malpractice on the part of the Administration. Following these criticisms, the Post and Telegraphs Department conducted an investigation and expressed the view that, though nothing serious was wrong with the cables, the outer covering of jute had not been up to the standard. The Auditor-General, however, was not satisfied with this view and objected to the Government of India spending a large amount "without knowing how the cables from a new manufacturer would prove in the long run." The Government of India accordingly appointed, in September last year, a committee, with Mr. B. Das, M.P., as Chairman, to enquire into the merits of the transaction. The Committee obtained samples of Japanese cables from various places in India and sent them to the National Physical Laboratory for scientific examination. The cables, it is stated, stood the tests fairly satisfactorily and there is no apprehension that they will not last their normal life.

The investigation has led the Committee to the following three important conclusions:

(1) The Japanese cables were not inferior in any way to the cables supplied by British and Continental manufacturers. The defect in the outer jute covering was due to defective specification. The supply was made strictly in accordance with Government specification.

(2) The Government of India's decision to purchase Japanese cables was made primarily with a view to saving public money, as the tender quoted by Japan was lower by about Rs. 30 lakhs, which is a very substantial amount.

(3) As the purchase was from a new source for the first time, the Government had taken all the necessary precautions to safeguard public interest by insisting on preliminary tests, guarantee for replacement in the event of the cables failing within the period of their normal life which is about 35 years.

It follows from the foregoing observations of the Committee, which included such veteran Parliamentarians and strong critics of irregularities and malpractices in public affairs as Mr. B. Das and Mr. S. Das, that the doubts that had been expressed about the quality of Japanese cables were not well founded. If the quality of Japanese cables compares favourably with that supplied by other countries and if the price also is very much lower, there is no reason why the Government of India should not continue to buy equipment of this type from Japan and thereby introduce a certain element of competition, which, it is alleged, is lacking at present, thanks to "false propaganda made by interested parties for motives of business rivalry." According to a section of importers, all the important manufacturers of telephone cables in the U.K. and the Continent have formed a ring, under which they quote identical prices and that there is, therefore, no element of competition in the trade. The entry of Japan into this business will, it is argued, result in healthy competition and lower prices for telephone cables.

EXPORTS NEED MORE STIMULUS

The figures relating to India's foreign trade during 1952-53 reveal a considerable improvement. Thus the adverse balance for the year amounts to only Rs. 76 crores, as compared with Rs. 147 crores in 1951-52. This performance should prove better still, if the measures for export promotion contemplated by the Commerce and Industry Ministry are implemented promptly. These measures, it may be noted, include legislation for repayment of drawbacks of import duty on raw material used in indigenous manufactures exported abroad, finalising the scheme for appointment of commercial travellers, opening of emporia for marketing handloom products in foreign countries and reorganisation of the Trade Commissioners' service abroad. A step that has already been taken is the appointment of Mr. Karmarkar, Minister for Commerce, as the chief of the export promotion body, so that he could devote undivided attention to the important question of improving India's export trade.

Besides what is contemplated above for stimulating the export trade, there are measures to be taken in certain other directions too. These were spotlighted by Mr. Sankalchand G. Shah, in his presidential address at the quarterly meeting of the All-India Exporters' Association held in the city last week. Production in major industries, as also in a fairly large number of minor industries, has increased but there has not been a corresponding rise in sales both in domestic and export markets. In the result, there has been accumulation of stocks and threat of serious unemployment. In fact, in engineering industries this threat has materialised to a considerable extent. With a view to assisting them, there is need not only to study the export problem of these industries but also to relax, if not to abolish, controls on exports. The Government should address itself to this work, as was emphasised by Mr. Shah. He felt that exports could be fostered by suitable reductions in export duties on a number of items, particularly those on coarse and medium variety of cloth.

Mr. Shah contended that raising the export quotas in the case of certain commodities and placing of several other items on the O.G.L. or under free licensing were needed in order to stimulate exports of Indian merchandise. He was dissatisfied with the tax policies in India which he said were not conducive to expansion of trade. Nor was he satisfied with the policy of railway freights. Apart from the occasional bottlenecks created by delays in the supply of wagons, the rates in many cases were unhelpful to the promotion of export trade in such goods as manganese, kyanite and iron ore.

Another pertinent point made by Mr. Shah was that, as in the case of import trade, export trade also was subjected to great inconvenience for want of co-ordination between the Export Control and Customs authorities. This is stated to have held up exports on many an occasion, as much delay occurred in deciding as to which item of customs tariff a particular commodity belonged and whether it was dutiable or not. These delays, it is needless to add, should be avoided in the interest of the country's export trade.

PROGRESS OF D. V. C.

Much criticism, even some bitter criticism, of the Damodar Valley Corporation (D.V.C.) has been made by several responsible spokesmen on the ground of wasteful expenditure and extravagance. It must, however, be admitted that the D.V.C. has some solid achievements to its credit. The P.T.I. correspondent who toured the D.V.C. areas recently, avows that "one cannot but be impressed about the immensity of the job done or proposed to be done and the enormous benefits these will yield to the people at large in the areas." The Damodar Valley Project envisages construction of four dams—two each across the Damodar River and its tributary, Barakar River. Of these four dams, the Tilayia dam has already been completed and was inaugurated by the Prime Minister recently. As much as 90 per cent. of the progress has been made in regard to the concrete dam in the upper reaches of Konar River; the construction of this dam is expected to be completed by the end of the year. For the present, the dam serves as a storage for the supply of cooling water to the biggest thermal power station at Bokaro. It is proposed to generate power also. According to a plan drawn up, which is awaiting approval of the Government, an underground hydro-electric system is to be set up 450 feet below ground level. The annual capacity of the station is estimated at 40,000 kw.

The third dam, namely, the Maithon dam, is designed primarily for flood control. The dam is 162 feet high and will create a reservoir of 26,000 acres, storing 1.1 million acre-feet of water. It will help irrigate 270,000 acres of land and its attached power house is expected to produce 40,000 kw. of power. The last and the biggest of the D.V.C. dams, the Panchet Hill dam, is also mainly concerned with flood control. The dam, the height of which is 133 feet, is scheduled to be completed by June, 1955. It has already been raised to a considerable height above the foundation level, while the river has been diverted for the purpose of facilitating its further construction.

The Bokaro thermal station will be the principal source of power to the D.V.C. The station is located on the bank of the river Konar, just below its confluence with the Bokaro River. It has three thermal generators with 50,000 kw. power. Of these, one has already been completed and is producing, on an average, 30,000 kw. of power. The other is likely to go into action very shortly. The D.V.C. power transmission system consists of 350 miles of main transmission lines capable of serving an area of 25,000 square miles.

The construction of the D.V.C. dams is in charge of Mr. Komora, the builder of the famous Norris Dam in the U.S. With regard to the economics of the project, the reported observations of Mr. Komora are worth noting. According to him, the return to the Government on the capital investment—the overall estimate is placed at Rs. 89 crores—may run to 4 per cent, on an average and the receipts from irrigation and power will, in the initial stages, be 4.5 per cent. The entire capital will be returned to the public in about 40 years. The direct benefits from the first phase of the D.V.C. project amounts to Rs. 38.26 crores (at current prices) per annum. Of this, the value of additional foodgrains produced accounts for Rs. 30.80 crores and sale of power for Rs. 4.18 crores.

YEAR OF TRANSITION

Once again, the important reference book, *Annual Market Review*, by the well-known firm of share, finance and bullion brokers, Messrs. Premchand Roychand and Sons, Ltd., Bombay, has been brought up to date. The latest issue of this customary annual publication covers the year 1952 which, in the words of its authors, could "best be described as a year of transition." The publication which does not merely record but reviews, in a critical manner, the economic events of the past year, both in India and abroad, devotes its earlier chapters to the description of the changes in the national economies of the U.K., U.S., West European countries and India. These are followed by reviews of the more important of the Indian markets, such as exchange, money, bullion and share markets. These are followed by chapters on the Five-year Plan and on industrial production. The chapter on industrial production discusses the trends in the output of India's chief industries such as cotton textile, sugar, paper, steel and tea. The publication includes much statistical information, arranged in tabular form, relating, among others, to India's

(*Continued on page* 1203)

OFF THE RECORD

(By "ROVER")

THE anxiety of the powers-that-be to establish a closer link with the business community in the country can be easily understood. With the usual and exasperating contrariness of things in general, economic affairs are not moving in the direction the Government wants them to do. Unemployment is rising in spite of the official claim that the Five-year Plan is being implemented satisfactorily. Even though the inflationary pressure from deficit financing of this Plan has not yet begun, prices have risen and the cost of living is mounting up. Though production has remained at a fairly high level, the cost of production is also rising. This cost is likely to rise further, because the full force of the impact of all the wage and welfare policies of the Governments in favour of industrial and agricultural workers has not yet been felt by the producers. Even when profits are pruned to the bare bone, the reduced purchasing capacity of the people will not be able to absorb the whole of this production. On the other hand, the Government dare not suggest to the workers or the producers of raw materials to accept even temporarily, a cut in their wages or price.

The economic *malaise* is complete and vicious, in spite of the unconvincing pose of complacency put on by the Finance Minister about high prices prevailing at present, which he considers as being only a feature of the transition period between the change-over from the sellers' market to a buyers' market. That is what he said at Poona early this week, when he met the Committee of the Mahratta Chamber of Commerce. He dare not engineer a heavy slump now as he did in February-March of 1952. So all that is left to him, with the usual fatality of the Indian mind, is to hope that prices would readjust themselves to a reasonable level. They certainly would and must in the long run, but they would do so only at a heavy cost and sacrifice on the part of large sections of the public. Besides, this talk of prices adjusting themselves automatically, after they have worked their full havoc on the economy of the country in the course of this adjustment ill becomes such an enthusiastic exponent and advocate of controlled economy as Mr. Deshmukh.

But I have no intention of engaging myself in a controversy about the price trends and production. All I know is that the Government has half knowingly and half in the manner of a somnambulist allowed itself to slide easily into what appears to be an ugly economic situation. It is, however, a good sign that the authorities are alive to the need for a closer understanding with the private sector of industry, which after all, is an important factor in the present economic set-up. Three months ago, about the time of the annual meeting of the Federation of Indian Chambers of Commerce and Industry, it certainly looked as if the Government and this sector had come closer than ever before. But the Government, perhaps through some mistaken notion about ministerial prestige or through a false fear of antagonising other interests if it got very cordial with capitalist interests, gradually reverted back to its attitude of coolness, aloofness and superiority.

I was, therefore, heartened when I read that there was a move now, once again, to forge a new link on a less official and more informal basis between those Ministers who are in charge of important economic activities and private industry. The idea appears to be to bring together, without a set agenda, the Ministers for Finance and Commerce and Industries and business men, two or three times a year, when there can be a free and frank exchange of views on broad questions of policy. Would it not be better to include the Ministers for Labour and Railways also in the ministerial team? The emphasis at these peace gatherings would naturally be on securing a higher rate of investment and establishment of new industries of national importance in the private sector.

The idea for this is believed to have originated at the meeting of the Central Advisory Council for Industry held at New Delhi early this month, when Mr. T. T. Krishnamachari, without taking the trouble to acquaint himself with the volume of new and additional capital invested in new and existing industries since 1947, indulged in the Government's usual lament about capital being shy and the industrialists being afraid of competition, in his now familiar forthright manner. Mr. Krishnamachari is possibly one of those people who believe that it is no use being a Minister and having great authority, if one cannot afford to dispense with tact and circumspection and be unpleasant to people who are important but in no position to retaliate. It is quite possible, however, that he may not prove to be so brusque and assertive when one meets him informally and when his utterances are not likely to be reported in the columns of the newspapers the next morning.

In any case, it is a promising scheme, if there is cordiality and a genuine desire to understand the misgivings and difficulties of each other on either side. At the same time, the manner in which it is proposed to establish this contact and to maintain it unbroken is not calculated to secure the desired result. There has been no dearth of contacts, formal and informal, official and off the record, during the six years since independence, between important members of the Central Government and top-ranking industrialists in the country. They have been meeting again and again in committees, conferences, advisory boards individually and in groups to discuss important issues arising from time to time. They have been meeting more frequently at social functions and at individual interviews when exchange of views on the general economic policy as well as on specific issues is bound to take place almost without a break. If contact between ministers, dealing with economic problems, and recognised leaders of industry could bring about a better understanding and realisation of each other's aims, there should have been no misunderstanding and no need for fresh exploration to-day.

But as in politics, so also in business and industry, a stage has gradually been reached, where the leaders in either camp have ceased to represent the views of the large number of smaller men in commerce and industry. Because of the glare of publicity under which political activities are conducted, this gulf between leaders and followers is easily noticed. Helpless and unorganised, back benchers in the legislatures are time and again compelled to vote against their conscience for unpopular policies of Governments at the behest of the Party Whip and under the name of Party discipline. While the same conditions prevail in business organisations, they are not revealed to the general public, because the public is not interested directly in such developments. As a matter of fact, every walk in public life in India to-day is vitiated by this unrepresentative character of the leaders and their arrogant aloofness from their mute and unhappy, at heart, followers. There is a strange irony in the situation where the so-called leaders turn their backs on those whom they are supposed to lead. This allows them to claim with some truth that the crowds, whom they really shun, are really at their back. In terms of space, they are!

The reason why there is such an enervating sense of frustration in the country to-day is reflected in this stragedy of leadership. The so-called top-ranking leaders in commerce and industry are too busy, first, with their own affairs and, secondly, with their manifold public engagements, to maintain an intimate contact with the rank and file of business men. Under a semi-controlled economy, difficulties of smaller units in industry are not the same as those of big concerns controlled by these leaders with their prestige and personal influence helping them to surmount many of these. Similarly, the problems besetting the work of the smaller units are often very much different from big organisations with wide resources and teams of experts at their beck and call. In addition, industries are becoming more and more specialised nowadays and conditions regarding the same problems, such as finance, labour, marketing, rehabilitation, etc., are very different in each industry and even in the same industry for the top and the bottom layers. It is, therefore, impossible for half a dozen selected leaders from the private sector to speak either with full authority or knowledge for all the industries.

What we see at most of the conferences and advisory committees is a band of some 8 or 10 leaders, with very little variation in its composition. Nominating the same set of people on numerous committees and councils naturally fails to secure that intimate and detailed study of affairs, which is necessary to acquaint Government with conditions as they prevail. It is, therefore, very imperative that the Government should cast its net far and wide, while making selections for the personnel of such advisory bodies. There are silent men, studious and well-informed, with neither the knack nor the desire for seeking publicity and emerging into the limelight, in every industry, small or great. In limiting the field of selection to a small but vocal and pushing coterie, Government is not only robbing commerce and industry of real and genuine representation, but depriving itself of a chance to get good and useful advice. It is a pity that the Government has come to regard these important conferences and committee meetings as so many beauty parades for the star performers of the same circus for displaying their charms and talents. If you eat sweets at all meals, even sweets can turn nauseating. I am surprised that men in high places in the Government should be blind to this simple psychological and culinary truth, which every housewife in the country knows so well.

If this new scheme of establishing a closer link with the business community on an informal level is going to be a replica of what happens at all such meetings I can prognosticate without being an astrologer that it will be one more failure added to all the many efforts in this direction in the past. From Press reports, I gather that the selection of men to take part in these informal meetings is to be confined to half a dozen top-ranking leaders of the business community. You and I can predict, with only a very small margin of error, who these six or seven top-ranking representatives are going to be. If the selection is going to be in consultation with the President of the Federation of Indian Chambers of Commerce and Industry, as indicated in sections of the daily Press, such a guess would be easier still.

I am certain that the Ministers who are to take part in these confabulations at intervals of three to four months, will not be in a better position than they are to-day to formulate and revise their economic policies as a result of such talks, because these leaders have said and repeated over and over again all that they could say on any subject of importance. On the other hand, if these Ministers were to make a genuine effort to find not top-ranking leaders but other men equally sound but in closer touch with their fellow business men but who are eclipsed into oblivion by these tall poppies, they might get something more worth their while by way of advice and guidance. If nothing else, they would at least find more entertainment by looking for these contacts farther afield.—*All Rights Reserved.*

CAPITAL GOODS FOR DOMESTIC RESOURCES

GROWING DEMAND FOR BRITISH MACHINERY

(By PHILIP WEATE)

CAPITAL goods have been the heart of Britain's export drive. They have made an exciting and considerable contribution to the United Kingdom's export earnings, and when the trend of world economies is analysed, there is every reason to think that this will continue. The emphasis in practically every country today is on the development of domestic resources and, since these policies require tools and plant and massive machinery if they are to succeed, there has been a steady demand in the post-war world for a wide range of capital goods.

However confidently the economists tell us that it is the capital goods industry which will be most prone to order fluctuations and outlook uncertainties, the business man who makes carpets or cigarette lighters will tell you that his business has been most badly hit by the more or less new phenomenon of recklessly pursued economic self-sufficiency. In short, while it is easy for a country to make consumer goods, it needs capital goods to do it and the U.K. has proved to be one of the most satisfactory sources for this equipment. The same reasoning applies to plant for great development plans.

Before looking at the value and range of U.K. capital goods exports, it will be interesting to consider some of the contracts gained by U.K. companies in the past against international competition.

Sugar Factory Contract

A Manchester firm recently won a 250,000-dollar (Rs. 12.2 lakhs) order for a large open-side milling machine against considerable American and European opposition. The machine was ordered by a Canadian company, and the makers claim that it is the largest of this type ever built. Another engineering order, worth more than four million dollars (Rs. 2 crores) has been landed by a U.K. company to build a sugar factory in Venezuela, a hard currency country. The company was able to satisfy the quick delivery requirements and the factory should be operating on schedule. Delivery of the plant is planned for about November, 1954. Practically all the equipment in the factory will be made in Britain and it is designed to produce 300 tons of sugar a day.

Then in the contracting and road-making plant field, there have been some sizable contracts. A British firm is now working on an order for £150,000 (Rs. 20 lakhs) worth of contracting machinery of various types for the Government of Iraq; a Leicester manufacturer, three-quarters of whose output goes overseas, is supplying most of the gravel washing and crushing plant to Australia for the Wambo River hydro-electric scheme. The same company has delivered £35,000 (Rs. 4.7 lakhs) worth of this type of machinery and spares to Siam well ahead of the contract deadline. Orders for both new equipment and spares are also coming through from India and Malaya.

Market surveys are an important aspect of selling overseas and at least one firm who makes contractors' equipment has been alive to its uses. This company preceded the recent U.K. Government trade mission to the Caribbean and foreseeing the immense amount of work which will be done in this area, set up a permanent representation in Mexico City. The same company made an exhaustive tour of Japan, India and the Far East when trade slackened from Australia and this has produced useful information on the prospects in these areas.

Another of the almost endless types of goods covered by the umbrella heading "capital goods" are wharf cranes and cargo handling equipment. The Auckland New Zealand Harbour Board is spending almost £500,000 (Rs. 67 lakhs) on cranes for some new import wharfs that are being built. The order comprises 18 five-ton cranes to be delivered in 18 months.

Iron and Steel Plant

Looking at the really heavy engineering products, the most recent outstanding contract gained against strong competition is a £6 million (Rs. 8 crores) contract for equipment for the new Spanish iron and steel works at Aviles. A group of U.K. companies has taken this on. Since the first order was announced these companies have been asked to supply the soaking pits and they are confident that they will win many of the orders still to come. This new iron works will double Spain's steel production.

Before the Spanish order, industry in Britain had taken a large part in the steel expansion plans of a number of other countries. The Caen, Normandy, France, steelworks bought £1 million (Rs. 1.3 crores) worth of equipment and a Turkish iron and steel construction project imported almost £500,000 (Rs. 67 lakhs) worth of engineering goods. Another company has made a large contribution to the Norwegian heavy industry expansion plans. More significant is the £1 million (Rs. 1.3 crores) order for a complete iron and steel handling plant in Yugoslavia which was placed with a U.K. company last year. The handling equipment will form part of a completely new iron and steel making plant.

Oil Refining Equipment

These examples sketch something of the work overseas of Britain's heavy industry. Mention should be made of a valuable new industry which has come into its own since World War II —that of oil refining equipment. U.K. manufacturers have been completely at home in this relatively new and difficult field and there are few Middle East refineries built in the last year or so which do not have a large proportion of U.K. plant.

The list is endless, but the following value figures of exports for 1952, with 1951 figures in brackets, show a glimpse of the picture: compressors, mainly to Commonwealth countries, Norway and Brazil £5.3 million (£4.4 million); boilers and plant £7 million (£6.9 million); cement and concrete machinery £3.2 million (£2.7 million); excavating and earth moving £14.3 million (£9.8 million); mechanical handling £15.8 million (£12.5 million).

(Concluded from next column)

privately, Administration spokesmen are still pleading for disinflation, if not for outright deflation. In effect, they want a little unemployment, but not too much, to curb the demands of labour. They talk officially of "adjustments," but they mean recessions in various lines to stop wage increases and price rises which could disrupt the disinflationary policy of the Treasury. Strangely enough, nearly everyone agrees that these officials do not seem to fear the psychological mass reaction of a downturn in business which is so easily transmitted to the volatile American public by all means of communications and which would be extremely difficult to arrest by monetary measures. The best brains here seem to realise that the U.S. economy has been in a precarious balance for so long that the next turn cannot be anything but downward, even marginally so. It behoves countries abroad to recognise this possibility, it seems to me.

Politically, the only bright spot on the horizon is the intervention of Prime Minister Nehru of India in the Korean struggle. American publicists are full of praise over his efforts, even though leaders of the South Korean Republic have, somehow, inhibited peace efforts. Nearly everyone in the Eisenhower Administration has now become an apologist for what has occurred since they took office in January. Despite election promises, tax relief is as far away as ever, the corporate excess profits tax is supposed to be renewed, the European defence community is no nearer a solution as it was before and nobody in this country is better off than he or she was before, even though nothing much has changed since the Truman regime went out of office.

Despite all the criticism and, perhaps, pessimism emanating from the foregoing despatch, the United States should not be sold short at this point. It is at the crossroads. General Eisenhower is still trying to reconcile differences of opinion within his own Party, as he did so successfully as commander of the Allied forces in Europe. Whether he will succeed in the final analysis remains yet to be seen. He still has the complete confidence of the average American, even though there are lots of complaints and disappointments. What is more, the General has the respect of everyone, even of his political opponents.—*All Rights Reserved.*

AMERICAN LETTER

U.S. AT THE CROSSROADS

MONEY MARKET IN UTTER CONFUSION

(From Our Own Correspondent)

NEW YORK, 18*th June*

SERIOUS confusion reigns in the American money market. Even stout Republicans are mad at their own Party and at the Treasury. The latter's decision to issue a 3¼ per cent. bond and meet market terms has led to a complete disruption of all bond values. Outstanding Treasury obligations, carrying lower interest, have declined substantially in price. Thus, substantial book losses in surplus were sustained by thousands of the smaller country banks. The net effect, it seems, is that many Treasury portfolios are virtually frozen. Until prices rise again, many of the smaller institutions dare not sell nor even pledge securities to raise funds for loans. The only alleviating feature, at the moment, is that savings are still rising at an extraordinary rate.

The Federal Reserve system is, however, back in the market buying Treasury securities. Spokesmen say that this is being done merely to keep bank reserves at their present disinflationary levels and not to support prices in a "free market," but the fact is that Federal open market operations have eased bank reserves appreciably and have lifted the Government bond market out of its tail-spin.

The U.S. Treasury is still hard-pressed for money. Its overdraft with the central bank exceeded more than $1,000 million on the 15th June, tax date, and its working cash balance was down to a mere $8 million. As a working account of the United States Government, this is almost ridiculous.

Tax receipts are still lagging and no one in authority seems to know why. One answer is that so many people have been dismissed from the Internal Revenue division of the Treasury that the processing of checks is much slower than heretofore. Unexpected demands are also high, as, for instance, Treasury support of farm prices by the Commodity Credit Corporation which is committed to this course of action by legislation until 1955. Several hundreds of millions of dollars have to be expended under this scheme for price supports, because of bumper crops and falling prices. The supply of mortgage money is drying up, too, not for lack of money, but because rates are pegged by the Government. Thus, lendable funds go into the unpegged private capital markets where handsome yields are now obtainable.

It is a very confusing picture in the midst of record employment and high business activity when the steel industry had no hesitation to increase wages by an average of 8½ cents per hour, when the automotive manufacturers granted increases in pay and when leading oil companies raised the price of crude.

Just as the late Franklin Delano Roosevelt, as incoming President of the United States, surrounded himself with economic purists of the academic world, Eisenhower is now aided by purists of the right wing who find themselves exasperated by the real facts of economic life.

Headed by W. Randolph Burgess, ex-Chairman of the Executive Committee of National City Bank, a former Federal Reserve official who has books on monetary matters to his credit, these purists want to lengthen the public debt and they cannot do it. They raise interest rates to create a "stable dollar" and they have created the greatest financial instability since the depression years. It is an extraordinary situation.

The banking community in the United States is split wide open on the new policy. One group says that, in the interest of the country, these severe measures have to be taken to ensure economic health. The other group has gone on record, time and again, to warn the Treasury that purist ideas will not work. The outlook, at present, is that about $8,000 million of financing will have to be done by the U.S. Treasury for the balance of the year. Under present conditions, it is virtually impossible to raise this amount in any other way but on a short-term basis through the banking system which is inflationary, regardless of what anybody of the purist school of thought says.

Perhaps, the most disturbing aspect for foreign friends of the United States is that,

(Continued in previous column)

PAKISTAN NOTES

SHIPMENTS OF U.S. WHEAT AUTHORISED

EXPERT COMMITTEE FOR COTTON APPOINTED

BY a unanimous vote, after only an hour's debate, the U.S. Senate passed and sent to the House of Representatives President Eisenhower's measure providing for a million-ton wheat aid to Pakistan. This has been warmly welcomed in Pakistan as an indication of the anxiety, on the part of officials and the public in the U.S., to avert a near-famine caused by two years of drought. The proposed legislation seeks to authorise an immediate shipment of 700,000 tons of wheat to meet the Pakistan emergency and a further 300,000 tons for being kept as a working reserve. Mr. Eisenhower has proposed that the first 700,000 tons should be given as gift and the remainder on either a gift or loan basis. For he feels that Pakistan's present grave financial difficulties do not permit repayment of a loan in dollars, or through exchanges in kind. The first 100,000 tons of the proposed gift of wheat to Pakistan is expected to be received by 15th August next.

The aggregate value of the wheat gift plus transportation charges is estimated at $95 million. The proceeds of wheat sale will be put into a special account, to be utilised exclusively for implementing irrigation projects and other works designed to prevent occurrence of famines in future. The wheat that the Pakistan Government receives from the U.S. will be distributed free to those who cannot afford to pay for it. This is in accordance with a specific clause introduced in the Bill by the Senate.

The sizable U.S. wheat aid to Pakistan will certainly avert what Mr. John Foster Dulles, the U.S. Secretary of State, recently characterised as "the heart-rending prospect of starvation." The Government of Pakistan is no doubt making every effort to solve this critical problem. But it has become clear that these efforts and the help rendered by other countries fall far short of bringing enough wheat into Pakistan.

Cotton Trade

A notable event in the sphere of Pakistan cotton recently has been the appointment of a Committee of experts, with Dr. Nazir Ahmad as Chairman, to undertake a study of the cotton market and to examine the many issues relating to the cotton trade. The Committee's terms of reference cover the following: (1) Whether or not there should be hedge contract in the Karachi cotton market and, if hedge trading is to be opened, what adequate safeguards are necessary; (2) whether or not sales on an unfixed basis should be allowed and what measures are necessary for preventing them; (3) whether the present control exercised by the Government through the Cotton Board is adequate or justified or should the functions of the Board be enlarged or curtailed; and (4) whether the existing laws and rules of the Cotton Association are adequate to prevent or reduce, to a minimum, malpractices and, if not, what additional measures are needed to facilitate smooth trading.

It is thus evident that the Committee's terms of reference are comprehensive. The deliberations of the Committee, the recommendations it will make and the Government of Pakistan's decisions thereon will naturally be watched with keen interest by the cotton traders not only in Pakistan but also in the importing countries. This is only to be expected, considering the fact that Pakistan is one of the world's leading suppliers of cotton. Moreover, cotton is a staple earner of foreign exchange. In view of these, the need for maintaining healthy trends of trading in the cotton market cannot be stressed too strongly.

Road Plan

A six-year plan for the development of roads has been drawn up by the Government of Pakistan. The plan envisages the construction of 2,246 miles of new roads and improvement of 8,266 miles of Federal highways at a total cost of Rs. 51 crores. The Provincial road development programme provides for the construction of 11,415 miles of new roads and improvement of 6,047 miles of existing roads at an aggregate cost of Rs. 91.4 crores. This plan is based on the recommendation of the Transport Advisory Council, which, at its session in November, 1950, had emphasised "that a very high priority must be given to roads, as the pace of our industrialisation progress, development and standard of living all depend, to a large extent, on the existence of road."

Government Loans

The public response to the two new loans, viz., 3 per cent. 1958 and 3 per cent. 1961, floated by the Government of Pakistan last week, is reported to have been quite encouraging. Thus, the preliminary figures released by the Government indicate that the subscriptions to the two loans amount to Rs. 46.62 crores. Of this, Rs. 17 crores are in cash and the remainder by conversion of the 2¾ per cent. 1953-54 loan. Of the two loans, subscriptions to the 3 per cent. 1958 loan amount to Rs. 34.56 crores and those to the other to Rs. 12.06 crores.

* * * *

Five experts from Hollywood are arriving in Pakistan shortly to help the film industry to effect improvements and raise its technical and artistic standards. The services of these experts, it is understood, are being secured by the Pakistan Government under the technical aid programme of the U.N. and the U.S. Administration. The experts are expected to impart training and advice for a period of six months to the technicians and semi-technical personnel in the five essential departments, namely, camera, sound recording, processing, editing and production planning.

* * * *

A shipload of 7,500 tons of sugar has arrived in Karachi from Spain. This is the first consignment to arrive after the conclusion of two barter deals with Spain for 15,000 tons of sugar each in return for Pakistan jute and cotton. The balance of 22,500 tons is expected in Karachi in the next two months. With these imports of Spanish sugar, it is stated, the Pakistan Government will have enough supplies to meet the requirements of the country till the end of the year. The Ministry of Food is now understood to be examining the question of enhancing the sugar ration.

* * * *

The Government of Pakistan, in consultation with the Government of India, has agreed to allow, on a reciprocal basis, full rebate of customs duty on aviation spirit uplifted for all international flights from Pakistan to India or to destinations across India.

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vertibility might be bought at the price of increased trade restrictions.

The Bank for International Settlements has issued its Report for 1952-53 at the same time as the Premiers issued their *communique*. "It is doubtful," says the Report, "whether a lasting equilibrium can be achieved so long as commercial and foreign exchange transactions continue to be restricted by administrative regulations which are by their very nature arbitrary." This is a plea for convertibility; but convertibility plus trade restrictions might reduce and not increase the exchange of goods.

Since last autumn, the United Kingdom has increased the list of freely importable items on open general licence from Europe to cover 60 per cent. instead of 44 per cent. of its trade with O.E.E.C. countries. It has also liberated the import of a number of raw materials on the grounds that these would either be re-exported or used for essential production. This, then, is the sort of development which the Commonwealth is looking towards at the moment. It is helped by the fact that, although the May figures showed some worsening in the British balance of payments, delivery dates quoted by British exporters are now far more favourable than they have been in recent years and that the exports are also strongly competitive on price with many dollar goods. This is particularly true for heavy capital equipment. With the slogan, therefore, "Increase trade when and where you can little by little," the Premiers have returned to their respective homes.—*All Rights Reserved.*

COMMONWEALTH ECONOMIC CONFERENCE

CONVERTIBILITY REMOTE

(From Our Own Correspondent)

LONDON, 13*th June*

THE Conference of Commonwealth Premiers which ended this week covered a good deal more ground than the Conference of Finance Ministers last December which was confined to economic problems, but the latter nevertheless formed an important part of the agenda on this occasion and the conclusions were generally awaited with interest.

LONDON LETTER

It is, however, not very surprising that no clear cut line of economic policy in fact emerged, and those Premiers who were looking for guidance had to content themselves with a general conclusion that every member of the Commonwealth would carry on on present lines trying generally to improve their economic position.

But what then are the "present lines"? No particular policy has been enunciated since December, but the British Government has been quietly taking whatever steps were practical to ease import restrictions, and also currency restrictions on a more limited scale, and consequently to expand trade. The Conference *communique*, in terms which might almost be described as platitudinous, did, in fact, say that the Commonwealth should seek to stimulate economic development, to expand exports, and to remove restrictions on trade particularly within the sterling area. Some commentators have seen an ambiguity in these terms, since it is not clear whether exports to the dollar area should be expanded or whether a general expansion is sufficient. If it is dollar income the Commonwealth is after, then removing restrictions on trade within the sterling area would also remove some of the incentives to sell goods outside that area. But is not this ambiguity in fact a practical approach to the problem of developing economic resources as fully as possible? It is all very well to talk of pushing exports to the dollar area, but the dollar area has not helped to make this easier, and, after years of exhortation, the business world can be left to do the best it can with such incentives as, for instance, special allocations of scarce materials for dollar exports afford.

Shift in Emphasis

The Commonwealth Premiers did in fact note the improvement which has been taking place in sterling area reserves and that still greater efforts were needed. But that did not deter them from advocating an expansion of trade within the sterling area. This, indeed, is a change of attitude since last December. Then, the stress was all on convertibility and the need to lift payments restrictions before trade restrictions on the argument that if sterling were made convertible import restrictions in the sterling countries would restrict the supply which would be offered against dollars to manageable proportions. The December *communique* did also recommend increased production of goods for export to the dollar area and increased production of commodities which are dollar savers such as grain, non-ferrous metals, pulp, paper, cotton, etc. This policy, although not specifically reiterated in the present *communique*, remains unchanged; but the reason for the drift away from the stress on convertibility is the lack of response from the U.S. and the International Monetary Fund on matters where their practical co-operation was looked for. The Finance Ministers in December indicated that it would not be enough for them to put their own houses in order but U.S. imports would need to be liberated, America would need to take steps to stabilise her purchases of sterling area raw materials, she would have to increase her overseas investments, and either the U.S.A. or the I.M.F., or both together, would have to give some financial assistance should that be needed in the early stages of convertibility.

Convertibility Remote

Nothing of what was looked for from the U.S.A. has materialised. Furthermore, the O.E.E.C. countries, who have increased the volume of intra-European trade, see in the conversion of sterling into a hard currency the loss for practical purposes of the United Kingdom to the European community. And both Europe and the Commonwealth fear that con-

(Continued in previous column)

CONVERTIBILITY OF CURRENCIES

B.I.S. ADVOCATES ACCELERATION OF PACE

THE desirability of bringing about early convertibility of currencies has been recognised by most countries including the Commonwealth. It cannot, however, be achieved overnight by any push-button methods. For convertibility will not be possible, unless the country wanting it has large reserves of gold and dollars and unless its internal economy is well balanced. Its exportable goods must be competitive and it should not be running a heavy deficit on current account. This means that the country concerned must be prepared to live within its means. But circumstances may be such that some countries may find it necessary to ignore this golden rule and indulge in expenditure beyond their current resources as, for instance, the West European countries that are spending far heavier amounts on defence measures than they can afford and India which has taken in hand a Five-year Plan, requiring much larger resources than it has, with a view to raising the living standards of its people. In such an event, countries with large credit balances on their trade account should come forward and help the countries in deficit by investing a part of their savings in these countries and by facilitating imports from them through liberalisation of customs and trade barriers. The world still seems to be far away from these prerequisites for convertibility of currencies. And yet the Bank for International Settlements (B.I.S.), Basle, is unrealistic enough to say, in its report for 1952-53, that "convertibility of currencies is no longer discussed as a problem of several interesting theoretical possibilities. but as a practical problem of the greatest urgency." This seems to be mere wishful thinking. No country in this hemisphere seems to be in a position to give up exchange controls and restrictions on import-export trade.

Barring the aforesaid assumption, the rest of the report on this subject is an essay on the importance of convertibility and on the urgency of taking steps for accelerating the movement towards early convertibility of currencies. The essential thing, at the present moment, says the report, is to see clearly not only what positive steps need to be taken, but also the very real dangers which would be entailed by excessive delays.

The B.I.S. considers that some of the measures now adopted by the various countries for attaining lasting equilibrium are not efficacious. Restrictions, for instance, on (*a*) commercial, and (*b*) foreign exchange, transactions imposed by administrative regulations, being arbitrary by their very nature, are unlikely to help, in the opinion of the Bank, to establish equilibrium in balance of payments. The Bank directs its main attack against exchange restrictions. It observes that exchange control "is powerless to prevent a crisis from spreading from one country to another, as has so often occurred during recent years," and provides no solution to the monetary problems of various countries. Unless dealings in foreign exchange markets are free, the Bank contends, the existence of free markets which are necessary for expanding trade and for building reserves, is unthinkable. Exchange control means rationing of foreign exchange. And, according to the report, "rationing tends to perpetuate shortages in the case of foreign exchange just as in that of any other commodity. Only through the establishment of wide and effective exchange markets, will it be possible to get back to realities and restore the necessary degree of equilibrium—an equilibrium which will then be constantly safeguarded by the ever-active forces operating in a genuine market."

The Bank sees yet another danger in allowing exchange control to continue. It points out that, if the distrust that so often attaches to non-convertible currencies, is allowed to continue and, at the same time, "a revival of international capital movements is impeded by excessively rigid systems of foreign exchange control, a number of countries are likely to be without resources which they need in order to maintain the rate of economic progress and the level of employment that modern opinion rightly considers to be essential." It contends, in this context, that there is evidence to prove that monetary rehabilitation, whether it be a reform undertaken by individual countries or a reorganisation on an international level, cannot come into being, semi-automatically, as a mere by-product of a physical increase in production.

The Bank does not feel that an international monetary system requires that the same monetary policy should be pursued in every sphere, but it lays stress on the fact that individual countries must abstain from using inflationary methods of financing and see to it that expenditure on consumption and investment does not exceed the currently available resources. It is beginning to be realised, it says, that inflationary investment financing soon defeats its own objects. It points out that even the U.S.S.R. has completely discarded the idea of having recourse to inflationary credit expansion in order to finance investment. On the contrary, the prices for consumer goods have been reduced by special cuts which have at the same time helped to strengthen confidence in the rouble. "There is to-day not a single country," it observes, in which the subject of saving and investment does not give rise to a certain amount of concern; and there is every reason why the authorities should give this whole complex of problems the closest attention."

The Bank is convinced that convertibility of national currencies is the best safeguard for the people of the world against inflation and mismanagement of national economies. Explaining this point, it observes:

"By the very fact of convertibility, countries will be compelled to maintain standards of monetary discipline which will, at one and the same time, give their own people an honest and reliable currency and make it possible for them to become members of an international monetary system. Convertibility is a flexible bond which constitutes the most effective and the least rigid form of integration."

The Bank feels that with the restoration of free trading in staple commodities, one of the elements necessary for currency convertibility is already present. It feels that the movement which has thus begun should not be allowed to lose its momentum but should, on the contrary, be accelerated.

U.S. EXPORT-IMPORT BANK

The U.S. Administration has decided to curtail the volume of new credits granted by its foreign lending agency, the Export-Import Bank. This decision, which is of considerable interests to the countries dependent upon direct financial assistance from the U.S., is the result of the Government's determination to balance its budget. As the disbursements of loans by the Bank are treated as budget expenditure, the Government feels that it can save a part of this expenditure by restricting the lending activity of the Bank. The Bank, we are now told, is primarily meant for facilitating international trade and not for serving as an investment institution. But the previous Administration allowed it to participate in financing development projects also—a function which is the sphere of the International Bank for Reconstruction and Development. In fact, it is stated that the latter had occasions to complain that the Export-Import Bank loans were undercutting the World Bank's efforts to establish sound investment programmes in member-countries.

The Export-Import Bank borrowed its requirements of funds from the Treasury, which, in its turn, borrowed from the public. The Eisenhower Administration has now come to the decision that, by making the Export-Import Bank concentrate on loans to facilitate trade, it can not only improve its position to balance its budget, but it can leave the work of providing investment capital to be done by private agencies.

It is felt that this decision will affect Latin America, since this area has been the major beneficiary of the Export-Import Bank credits.

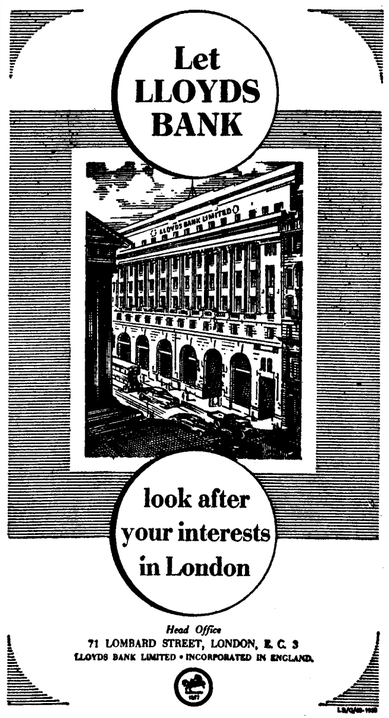
The lending authority of the Export-Import Bank is limited to $4,500 million. At present the Bank has with it $1,000 million which is non-committal and, therefore, available for granting loans. Now that its lending activity has been curtailed, two consequences are expected to follow. First, to the extent to which its loans are curtailed, the world outside the U.S. will be deprived of the availability of dollars. Secondly, there will be, as a sequel to the first, greater pressure on the World Bank than now for accommodation which in turn may lead to higher interest charges. An additional cause for rise in interest rates is the decision of the U.S. Government to raise the rates of interest on Export-Import Bank loans. Hitherto, the Bank has been lending at about 4 per cent. but it is now stated that future loans will be made at about 5 per cent. It will be recalled that, early this spring, the rates of interest on commodity were raised from 2¾ per cent. to 3¼ per cent. The Government's intention in raising the rates of interest thus is to cover the cost of Treasury borrowing and of Export-Import Bank operations. In fine, it is the result of the present Administration's policy of dear money.

I.M.F. ON MONETARY RESERVES

Now that the chances of world peace are better, it is only natural for one to ask: If a recession were to occur, would the individual countries be able to protect themselves against its adverse effects? An analysis of the adequacy of monetary reserves prepared by the International Monetary Fund (I.M.F.), which answers this poser, is revealing. Since internal stability and confidence depend on monetary reserves, the Fund's study examines the actual reserves held by different countries against the background of their annual imports in pre-war and post-war years. According to its calculations, the ratio of gold and foreign exchange reserves held by all countries other than the U.S. to their annual imports has declined from 69 per cent. in 1938 to 39 per cent. in 1951. More or less similar declines are seen in the ratios of some of the leading countries. The decline in the case of the U.S.A. is pronounced in that it has dropped from 592 in 1938 to 191 in 1951. In the case of the U.K. the reserves, expressed in terms of the ratio, had fallen from 63 per cent. to 22 per cent. For the E.P.U. countries, the recession has been from 83 per cent. to 32 per cent. and for Latin America from 51 per cent. to 39 per cent. The only exception is Canada, the reserves of which have risen from 29 per cent. to 43 per cent. The report, however, points out that these figures cannot be taken at their face value; because, world trade in 1938 was lower in volume than that in the post-war year. Nevertheless, the difference is striking enough to support the inference that the reserves of the countries of the non-dollar world are inadequate either to support the general convertibility of currencies or to avoid the effects of depression, if one were to occur.

The Fund's technical experts, however, consider that the non-dollar countries are now in a better position to meet the shortage of reserves than before. For there has been, according to them, a marked improvement in the sources of dollar supply. First, the U.S. has increased its ratio of imports to world imports from 10 per cent. in 1938 to 15 per cent. in 1951. Secondly, dollar supply from sources other than the aid of one kind or another has also been rising every year. In fact, the annual dollar supply from such sources rose (in terms of market prices in 1952) from $14.2 billion in 1950 to $14.7 billion in 1951 and then to $14.8 billion in 1952. Again, between 1946 and 1952, as much as $125,900 million were provided to the outside world. But as expenditure in the non-dollar countries exceeded this total, their reserves dropped to a low of $3,300 million. It is thus argued by the Fund's experts that the dollar problem is not so grave as is feared by some.

From the foregoing assumption, the Fund has proceeded to suggest two courses for the avoidance and cure of depression. One is the desirability to increase the reserves of the countries outside the dollar area. Of course, such increase should be consistent with a progressive relaxation of trade and exchange restrictions and the maintenance of internal financial stability. Secondly, the countries should take steps to stimulate internal demand as well as other defensive measures. At the same time the experts admit that the I.M.F. should also supplement the efforts of these countries by providing assistance on liberal terms and in adequate amounts, subject to a guarantee for their early repayment.



THE BANK OF RAJASTHAN LIMITED

Head Office :—Udaipur *Central Office* :—Jaipur

BALANCE SHEET AS AT 31st DECEMBER 1952.

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
Capital—		
AUTHORISED— 20,000 Shares of Rs. 100 each	20,00,000 0 0	
ISSUED— 20,000 Shares of Rs. 100 each	20,00,000 0 0	
SUBSCRIBED— 18,182 Shares of Rs. 100 each	18,18,200 0 0	
Called and Paid-up Capital—		
300 Shares of Rs. 100 each fully paid up	30,000 0 0	
17,882 Shares of Rs. 100 each, Rs. 50 per share called up	8,94,100 0 0	
	9,24,100 0 0	
LESS—Calls unpaid Rs. 2,325 0 0		
ADD—Forfeited Shares Nil		
	2,325 0 0	
	9,21,775 0 0	
Reserve Fund and Other Reserves—		
Reserve Fund	2,76,000 0 0	
Investment Reserve	2,05,000 0 0	
Provision for Bad Debts Rs. 5,500 0 0		
LESS—Doubtful Debts not shown on the contra 4,630 4 11		
	869 11 1	
	4,81,869 11 1	
Provision for Income-tax	82,354 8 0	
Deposits and Other Accounts—		
Fixed Deposits	50,35,161 4 7	
Savings Bank Deposits	29,29,519 1 5	
Current Accounts, Contingency (unadjusted) Accounts, etc.	70,56,976 10 2½	
Staff Security Deposits	47,421 8 9	
	1,50,69,078 8 11½	
Borrowings from Other Banking Companies, Agents, etc.—		
(a) In India	Nil	
(b) Outside India	Nil	
	Nil	
PARTICULARS— (a) Secured	Nil	
(b) Unsecured	Nil	
Bills Payable	9,66,038 14 6	
Bills for Collection being Bills Receivable as per contra—		
(i) Payable in India	8,35,211 10 9	
(ii) Payable outside India	Nil	
	8,35,211 10 9	
Other Liabilities—		
(a) Unpaid Dividends	3,099 7 6	
(b) Sundry Creditors	1,81,266 15 11	
(c) Currency Notes received for Collection	1,139 0 0	
(d) Branch Adjustments	2,22,923 9 7	
	4,08,429 1 0	
Acceptances, Endorsements and Other Obligations as per contra	2,27,475 0 0	
Profit and Loss Account—		
Balance of last year's profit after appropriation Rs. 28,155 9 4		
LESS—Dividend on Shares 25,698 4 6		
	2,457 4 10	
ADD—Profit for the year brought from Profit and Loss Account.	84,709 9 2	
	87,166 14 0	
LESS—Appropriations— Reserve Fund Rs. 17,092 4 8		
Investment Reserve 7,500 0 0		
Provision for Income-tax 27,000 0 0		
Provision for Bad debts 4,500 0 0		
	56,062 4 8	
	31,104 9 4	
Grand Total .. Rs.	1,90,23,336 15 7¼	

ASSETS AND PROPERTY	Rs. a. p.	Rs. a. p.
Cash—		
(i) In hand and with Reserve Bank and Imperial Bank of India	42,63,954 0 3½	
(ii) Cash in transit	61,000 0 0	
(iii) Currency Notes sent for Exchange	15,766 0 0	
		43,40,720 0 3½
Balance with Other Banks in Current Account—		
(i) In India	4,55,150 7 4	
(ii) Outside India	Nil	
		4,55,150 7 4
Money at Call and Short Notice		30,000 0 0
Investments—		
(i) Securities of Central and State Governments and other Trustee Securities including Treasury Bills of the Central and State Governments of the face value of Rs. 55,47,100, market value Rs. 55,75,824-4-0	55,80,760 1 6	
NOTE 1.—Full provision for the difference between the market value and the cost of the Investment has been made as per contra. 2.—Part of the Securities lodged with the Bankers against overdraft arrangements.		
(ii) Shares	Nil	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold	Nil	
		55,80,760 1 6
Advances (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
(i) Loans, Cash Credits, Overdrafts, etc.		
(a) In India	58,37,661 14 10	
(b) Outside India	Nil	
(ii) Bills discounted and purchased (excluding Treasury Bills of the Central and State Governments)— (Only demand bills purchased in course of collection) Rs. a. p.	58,37,661 14 10	
(i) Payable in India 11,85,409 15 3		
(ii) Payable outside India Nil		
(Particulars as per separate Schedule attached)	11,85,409 15 3	
		70,23,071 14 1
Bills Receivable Being Bills for Collection as per contra—		
(i) Payable in India	8,35,211 10 9	
(ii) Payable outside India	Nil	
		8,35,211 10 9
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		2,27,475 0 0
Additions and Alterations to Bank's Leasehold Property—		
As per last Balance Sheet	12,710 8 9	
ADD—Additions during the year	79 13 0	
	12,790 5 9	
LESS— Rs. a. p.		
Depreciation as per last Balance Sheet 2,171 0 0		
Depreciation during the year 527 0 0		
	2,698 0 0	
		10,092 5 9
Furniture and Fixtures—		
As per last Balance Sheet	1,76,624 1 8	
Additions during the year	21,265 11 5	
	1,97,889 12 8	
LESS— Rs. a. p.		
Depreciation as per last Balance Sheet 40,026 5 9		
Depreciation this year 8,286 12 4		
	49,213 2 1	
		1,48,676 10 7
Other Assets—		
(i) Sundry Debtors	81,203 0 3	
(ii) Stationery	60,560 11 11	
(iii) Stamps	16 0 0	
(iv) Indian Income-tax deducted at source	1,49,015 11 4	
(v) Interest accrued on Investment but not realised	61,086 9 0	
		3,52,782 0 6
Library—as per last Balance Sheet	4,943 0 0	
Additions during the year	803 13 9	
	5,746 13 9	
LESS—Depreciation— Rs. a. p.		
As per last Balance Sheet 1,446 13 0		
Depreciation this year 116 15 11		
	1,563 12 11	
		4,183 0 10
Conveyance (Motor Cars & Tongas).		
As per last Balance Sheet	22,632 8 3	
Additions during the year	533 5 0	
	23,165 13 3	
LESS—Depreciation as per last Balance Sheet Rs. 6,320 8 0		
Depreciation this year 1,631 0 3	7,952 1 3	
		15,213 12 0
Non-Banking Assets Acquired in Satisfaction of Claims	Nil	
Grand Total .. Rs.		1,90,23,336 15 7¼

Schedule of Particulars required by the Banking Companies Act X of 1949 attached to and forming part of the Balance Sheet as at 31st December, 1952.

PARTICULARS OF ADVANCES	Bills discounted & purchased	Loans, Advances, cash credits & overdrafts	Total.
	Rs. a. p.	Rs. a. p.	Rs. a. p.
(i) Debts considered good in respect of which the Bank is fully secured	9,11,698 7 9	41,44,578 12 6	50,56,277 4 3
(ii) Debts considered good for which the Bank holds no other security than the debtors' personal security—			
(a) Ways and Means Advances to Government of Rajasthan	....	12,74,310 15 1	....
(b) Others	2,53,711 7 6	2,946 11 9	15,30,969 2 4
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors :—			
(a) Debts guaranteed by the Govt. of Rajasthan	....	4,12,073 11 3	....
(b) Others	20,000 0 0	3,751 12 3	4,35,825 7 6
(iv) Debts considered doubtful or bad not provided for	Nil.	Nil.	Nil.
	11,85,409 15 3	58,37,661 14 10	70,23,071 14 1

(v) Debts due by Directors or officers of the Banking Company or any of them either severally or jointly with any other person.	....	....
(vi) Debts due by Companies or firms in which the Directors of the Banking Company are interested as Directors, partners or Managing Agents or in case of private Companies, as members	....	2,53,905 4 6
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or officers of the Banking Company or any of them either severally or jointly with any other person	....	2,579 6 6
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or in case of private companies as members	....	3,60,793 12 6
(ix) Due from Banking Company	....	....

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1952.

EXPENDITURE	Rs. a. p.	Rs. a. p.
Interest paid on Deposits, Borrowings, etc.		2,29,548 8 6
Salaries, Allowances and Provident Fund— Rs. a. p.		
General Manager 11,767 8 0		
Other Staff 3,04,985 13 1		
	3,16,753 5 1	
Directors' and Local Committee Members' Fees and Allowances	561 0 0	
Rent, Taxes, Insurance, Lighting, etc.	40,356 11 4	
Law Charges	170 0 0	
Postage, Telegrams and Stamps	34,511 7 7	
Auditors' Fees and Allowances	1,828 12 0	
Depreciation on and Repairing to the Banking Company's Property (Safe, Furniture, Fixtures, Conveyance and Library, etc.)	10,747 1 6	
Stationery, Printing, Advertisement, Subscription to Newspapers and Uniforms for Servants, etc.	23,882 12 3	
Loss from Sale or Dealing with Non-Banking Assets	Nil	
Other Expenditure— Rs. a. p.		
Remittances Charges 18,042 12 9		
Travelling Expenses and Conveyance Charges 17,066 5 3		
Other Miscellaneous Expenses 10,135 8 11		
	45,244 10 11	
Balance of Profit (subject to Income-tax)	54,709 9 2	
Total .. Rs.	7,88,343 14 4	

INCOME	Rs. a. p.
Interest and Discount	5,63,340 3 7
Commission, Exchange and Brokerage	1,98,258 12 9
Rent	Nil
Net Profit on Sale of Investments, Gold and Silver, Land Premises and Other Assets	Nil
Net Profit on Revaluation of Investment, Gold and Silver, Land Premises and Other Assets	Nil
Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
Other Receipts	26,744 14 0
Total .. Rs.	7,88,343 14 4

AUDITORS' REPORT.

We beg to report that we have audited the Balance Sheet of the Bank of Rajasthan Ltd., Udaipur, as at 31st December, 1952, and the relative Profit and Loss Account of the Bank for the year ended on that date as above set forth with Books and Accounts of Udaipur and Jaipur Offices and Returns of Branches and Pay Offices and report that—

(a) We have obtained all the information and explanations we have required and the same were satisfactory.
(b) In our opinion, the above Balance Sheet and Profit and Loss Account are drawn up in conformity with the law.
(c) Such Balance Sheet exhibits a true and correct view of the state of affairs according to the best of our information and explanations given to us and as shown by the books of the Bank. Also such Profit and Loss Account shows a true balance of Profit for the year.
(d) In our opinion, Books of accounts have been kept by the Bank as required by Section 130 of the Indian Companies Act.
(e) All the transactions which came to our notice were within the powers of the Bank.
(f) The Returns received from Branches and Pay Offices for the year ended 31st December, 1952, were accepted as certified by Branch Managers.

B. D. GARGIEYA & CO.,
Chartered Accountants and Auditors, Beawar.

BEAWAR, 23rd March, 1953.

HARISINGH, Chairman.
G. S. PROHIT, AMARSINGH, } Directors.
D. L. GUPTA, Ex-Officio Director and General Manager.

NOTE.—The other Directors have not signed the Balance Sheet and Profit and Loss Account being absent.

WOMEN WORKERS IN TEXTILE INDUSTRY

I.L.O. URGES EQUALITY OF TREATMENT

AN important aspect of the textile industry which has figured prominently in the recent discussions on labour problems relates to the special factors affecting the employment of women. These discussions have centred round the report of the International Labour Office (I.L.O.) and the views expressed thereon by the I.L.O. Textile Committee at the latter's fourth session held at Geneva some time ago. The importance of this study will be evident from the vital role that women play in the textile industry. Thus, according to the I.L.O. report, the textile industry is, in most countries, the manufacturing industry which employs the largest number of women workers and in which the proportion of women in the total labour force is the largest.

The table below gives the number of women workers and their relative importance in the textile industry in the important textile producing countries:

Country	*No. of women*	*Percentage of women in total labour force of the industry*
Finland	28,833	83
Italy	N.A.	74
Denmark ...	19,038	64
Switzerland ...	43,900	62
Japan	1,270,000	59
U.K.	528,000	58
France	344,300	57
W. Germany ...	366,533	56
U.S.A.	553,300	43
Canada	24,247	36
India *	108,068	10

* Figure includes 41,192 women employed in jute industry and 906 in woollen industry—*Census of Manufactures*, 1948.

It will be seen from the above table that, in most of the countries listed, women workers form more than half of the total number of workers. In India, however, the proportion of women to the total labour force is very small. In the cotton industry, the proportion varies from one centre to another, ranging from a bare 2 per cent. in Kanpur to 33 per cent. in Travancore-Cochin. The all-India figure is 10 per cent.

Importance of Female Labour

In recent years, the relative importance of the female labour force in the textile industry has not altered to any considerable extent, although a slight downward trend is noticeable in the textile industry as a whole or in some of its branches in a number of countries. In fact, this trend has been apparent for some decades now in many industrial countries. The relative importance of the female labour force varies according to the mechanisation and modernisation of the industry in the different countries and the period when the industry was established in the country concerned. Within each country, the proportion of the female labour force varies also in the different branches of the textile industry.

The division of labour between women and men in the industry is rather strict in many countries, although men tend to be employed in certain traditional women's occupations and women are being replaced by men in some jobs, particularly those calling for heavy work. Women are mostly employed in textile operations proper, whereas men perform almost exclusively those jobs which require mechanical skill and use of chemicals. While women in many countries are found in skilled occupations, men are largely assigned to semi-skilled and unskilled work. Another characteristic of the female labour force is the employment of a relatively high proportion of women in the middle age groups. These factors and the position of women in the labour market generally account for the fact that women are relatively more affected than men by unemployment in the industry.

This brings us to the problem of recruitment and placement of women in the textile industry, including a survey of the needs of women textile workers as regards welfare facilities and services in relation to recruitment and placement. The basic principle upheld by the I.L.O. is that men and women should have equal opportunities for all jobs for which they are qualified. It is, therefore, emphasised that women and men should be recruited, in principle, on the basis of their individual merit, i.e., by a close matching of their qualifications and aptitudes with the requirement of the jobs "without discrimination on the ground of sex." It is also pointed out that the removal of artificial barriers between the field of men's employment and that of women would be conducive to greater efficiency of the labour force as a whole. Referring to this problem, the I.L.O. says:

"The need is felt for a more rational distribution of the female textile labour force, in view, particularly, of its relative importance in many countries. The recruitment of men and women workers on the sole basis of their qualifications and fitness for the job would promote the efficient utilisation of the labour force in the interests of all parties concerned. The recruitment and placement of women textile workers raise special problems as regards, particularly, young girls, women with home responsibilities and unemployed women. In order to ensure that women really have not only equal opportunities with men as regards employment but also equal possibilities of performing their work under equivalent conditions, attention may be given to improving the conditions of work of women (welfare provisions and maternity protection) and some conditions outside employment proper (provision of adequate social services)."

Vocational Training

The question of recruitment and employment of women workers is closely connected with the problem of vocational training facilities for women. The emphasis on this problem is based on a very important consideration. With the introduction of modern highly mechanised processes in the textile industry, if women and men are not given equal opportunities for training, those without the necessary vocational instruction will be at a disadvantage in doing their work, although there may be no basic difference in their abilities. The question of vocational training for women does not seem to involve special technical problems. The need, however, is apparent for developing adequate training facilities in those occupations in which women are extensively employed and for extending to women the training facilities available to men at every level of skill.

The I.L.O. also lays stress on the need for ensuring equality of remuneration for women and men for work of equal value, for, in its opinion, the absence of such equality is an "artificial obstacle" standing in the way of a rational and efficient distribution of the labour force. This principle, it is suggested, may be applied to the textile industry by various means, including (1) national laws or regulations, (2) legally established or recognised machinery for wage determination, (3) collective agreements between employers and workers and (4) a combination of these various means.

The question of equal remuneration may appropriately be considered against the background of the situation of women's earnings as compared to those of men in the textile industry. A short study of wage differentials by sex, made in the I.L.O. report *Textile Wages*, reveals that, in general, the average hourly earnings of all classes of female workers are substantially lower than those of men. The difference between men's and women's wages range, in most countries, from about 20 per cent. to 40 per cent. of the average for men. And the difference itself, it is stated, is lower now than before the war. "This reduction in gap," to quote the I.L.O., "indirectly improve conditions for the application, at least gradually, of the principle of equal remuneration."

In a number of countries, the above principle has already been applied by legislation. Such legal requirements are, in some cases, included in general labour laws and, in others, in special laws and regulations governing the relation between men's and women's remuneration. The number of countries in which legislation has been promulgated to adopt the principle has increased in recent years. For instance, such legal provisions are now in force in Brazil, Bulgaria, Canada, Chile, China, Czechoslovakia, France, Mexico, Peru, Poland, Rumania, the U.S., the U.S.S.R. and Venezuela. In the U.K., the extent of the application of the principle is fairly wide in the cotton industry. The Royal Commission on Equal Pay, in its report published in 1946, stated that, in cotton weaving (non-automatic looms), men and women workers were engaged on the same work and nominally paid on the same piece-rate list. This held true for beam warping also. Under the Aronson Card and Ring Room Agreement (1947), some jobs in cotton spinning are reserved for men but, in all cases, the wage rates are fixed for each job in terms of duties attached to it.

In the last 10 or 15 years, in most countries, women's earnings in the textile industry have increased to a larger extent than men's. This suggests that, whatever the reasons, the discrepancy between men's and women's wages is decreasing. While the extent to which equality of remuneration obtains in the textile industry is greater than in some other industries and the progress made in recent years has been considerable, it may be considered appropriate to examine the question, in order to accelerate the trend towards greater equality as between men and women textile workers in respect to remuneration for work of equal value. The Equal Remuneration Convention and the Equal Remuneration Recommendation of 1951 afford the basis on which the question should be approached. In addition, a substantial body of experience in the application of the principle in the textile industry now exists which might be used in order to determine the possible ways of tackling the problem in this particular industry.

"TERYLENE"—THE POLYSTER FIBRE

That "Terylene"—the synthetic polyster fibre—possesses vast potentialities of development is clearly borne out by the latest decision of Imperial Chemical Industries (I.C.I.), England, to expand the manufacturing capacity of the plant now under construction at Wilton (Canada). At the end of 1950, it will be recalled, I.C.I. announced that it would spend £10 million on the plant for producing "Terylene." This factory, it was then stated, would go into production at the beginning of 1955 and would have a planned capacity of 11 million lbs. of fibre per annum. I.C.I. has now decided to increase the plant's capacity to 22 million lbs. of fibre a year at a total capital cost of about £21 million. The decision to increase the size of the plant, it is stated, has been taken with a view to satisfying the "big demand" for "Terylene."

"Terylene" is a product of British research. It was first discovered in the laboratories of the Calico Printers' Association which licensed the world rights outside the U.S. to the I.C.I. The U.S. rights were acquired by Du Pont which manufactures and sells the fibre under the name of "Dacron." "Terylene" is a polyster fibre made from polyethylene terephthalate which is derived through various processes from cracking mineral oil. There are two types of "Terylene"—the filament yarn which is very much like silk or nylon and staple fibre which has a wool-like character capable of being processed on the worsted system. At present, yarn and fibre are being produced at the I.C.I.'s pilot spinning plant at Hillhouse near Fleetwood; the rate of output is now estimated at about a million lbs. per annum. About half the current output in staple form is being used for men's stocks, knitted outerwear and underwear. It is also being developed for men's and women's suitings. The filament yarn is being processed into ladies' dress fabrics and men's underwear, shirts and ties. "Terylene" is being used, too, for a number of purposes in the chemical, electrical, steel, textile, rubber and shipping industries.

Several outstanding proportions are claimed for the "Terylene." In domestic use, it is said to be crease-resistant, is easily washable and requires no ironing and is moth- and mildew-proof and immune to attack by insects and bacteria. It has a high resistance to abrasion and weather, and possesses high tenacity. In industrial uses, the fibre possesses outstanding resistance to heat, acids and oxidising agents.

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FUTURE OF COTTON AS TEXTILE RAW MATERIAL

STEADY INCREASE MAINTAINED BY YARN SECTION

(From A Special Correspondent)

MANCHESTER LETTER

MANCHESTER, 16*th June*

CONFIDENCE in the future of raw cotton as a textile raw material was expressed at the end of a two-day conference between a team of ten American cotton experts and representatives of 31 Lancashire cotton organisations last week. The conference—first of a series between the Americans and leaders of European cotton industries—discussed raw cotton cultivation, suitability for varied end-uses, processing in the spinning mill, and quality control.

A statement on the conference said lively discussions had taken place on the papers presented by the American team. Facts and figures had been given to illustrate how the characteristics of raw cotton were being developed by scientific breeding and growing so as to improve the strength and appearance of the finished cloth. Cotton was holding its own in competition with synthetic fibres and in some cases—such as shirtings, dress materials and underwear—was winning back the ground temporarily lost.

"Great emphasis was placed on the keeping down of costs at every stage of growing and manufacturing with an eye to the meeting of a widely-based consumer demand," the statement added. Summing up the conference, Mr. C. Henniker-Heaton, Director of the Master Spinners' Federation, said it had been a stimulus to action. Many of the latest techniques and machines mentioned by the Americans, he believed, were already being tried out or were already in use in Lancashire but the spreading of this knowledge to the great majority of concerns might tend to be slow.

Delivery Problems

The importance attached by overseas buyers to the speedy delivery of textile orders was stressed by Mr. Frank S. Winterbottom, the Chairman, in his speech to the annual meeting of the Cotton and Rayon Merchants' Association, representing 1,000 firms. The question of double day-shift working had raised controversial issues in Lancashire, he said, and an important aspect affecting textile merchants was involved—double-shift production meant almost halving the delivery time to them from the mills. Mr. Winterbottom went on: "This has become particularly important with more competition from other producing countries whose industries, by virtue of shift working, offer quicker delivery than we can."

Because of the quick political and economic changes of the present day, it was inevitable that buyers were forced to pay more regard to delivery than to any other factor. Reviewing the general situation in the cotton and rayon industry, Mr. Winterbottom said it was now brighter than at any time since 1951 but the recovery from the slump had been uneven. In spun rayon goods the conditions of a sellers' market had almost returned again.

Revival in demand for cotton piecegoods during the past 12 months had been almost entirely from the home trade and production figures seemed to indicate the possibility of a shortage of goods developing in the home market, although this could be offset by increased yardage of rayon production as well as by increased imports of cloth.

Yarn Output and Recruitment

In the present state of the cotton trade in Lancashire the manpower situation is as vital a factor as any in assessing the future prospects of increased trading. However wide the use of redeployment and the best systems of working machinery, the labour force itself must eventually have the most direct bearing upon output from the mills. The position has now been reached when doubts are being expressed as to whether the rise in manpower is sufficient to stimulate output to the extent required.

Already, there have been occasional reports that business has been lost because Lancashire cannot provide sufficiently early delivery terms to suit the needs of customers abroad. This can be put down to the labour shortage which is prevalent in particular sections of the industry. The absence of trained key men is also a stumbling-block which must be overcome if Lancashire is to be fully competitive.

At the same time, steady progress is being made in raising output. Yarn production in particular has shown an almost unchecked advance from week to week throughout the year. In the comparable period of 1952 the trend was unhappily in the reverse direction and the labour situation at that time was rapidly going from bad to worse. The table below shows the position in the weeks leading up to the Whitsuntide holiday:—

Week ending	*Yarn Production (In 000 lbs.)*		*Recruitment*	
	1953	1952	1953	1952
March 14	18,210	16,160	+ 45	— 965
,, 21	18,270	15,710	+ 18	—1,065
,, 28	18,450	14,570	+ 43	—1,170
April 4	*14,940	15,280	—279	— 931
,, 11	*15,560	*11,620	+229	—1,013
,, 18	18,850	* 7,010	+353	—1,119
,, 25	19,030	13,760	+ 46	—1,270
May 2	19,030	13,350	+187	—1,245
,, 9	19,090	12,370	+122	—1,127
,, 16	19,240	12,400	+109	—1,109
,, 23	19,270	12,360	— 84	— 962

* Holiday weeks.

During the first two months of this year yarn output was still running at a lower level than in 1952 and in the first ten weeks showed a deficit of nearly 20,000,000 lbs. compared with the quantity of yarn spun in the same period last year. Subsequently, however, the tables have been turned and a very substantially higher output has been secured, so that for the first 21 weeks the aggregate production was nearly 373,000,000 lbs. against 336,000,000 lbs. a year previously.

Recruiting labour for the mills is far from an easy task while the shadow of last year's unemployment still acts as a reminder that no job is a permanency. Yet the spinning mills have continued to attract young workers, although many feel that the flow is not strong enough for the industry's needs.

Rayon and Cloth Recovery

Conditions are not always comparable between the spinning and weaving sections of the industry and just as last year's depression overtook spinning mills earlier than it affected the manufacturing branch, so now spinners seem to have got back into their stride again quicker than the weaving trade. At all events, up to the end of April, production of cotton and rayon cloth was lower than in 1952, whereas yarn output had by then exceeded last year's level.

The following table shows cloth output during the first four months of this year and last, together with the manpower totals for the spinning and weaving trades, as issued by the Cotton Board:

Month	*Production in linear yds., Weekly Average*		*Manpower in Spg., Dblg. & Wvg.*	
	1953	1952	1953	1952
Jan. (5 weeks) ..	46,640,000	55,220,000	274,830	313,030
Feb. (4 ,,) ..	49,100,000	55,480,000	275,340	304,130
Mar. (4 ,,) ..	50,600,000	52,820,000	276,090	293,170
Apr. (5 ,,) ..	48,070,000	42,930,000	277,730	281,370

So far in four months the industry this year has turned out 854,470,000 linear yards of cloth compared with 902,910,000 yards in the same period of 1952. Early in May, the manpower total was roughly equivalent to the numbers employed in the industry 12 months previously.

The marked recovery of the rayon spinning industry from the trading setback in the early part of 1952 was outlined by Mr. W. T. Winterbottom, Chairman, in his address to the annual meeting of the spinners' section of the Rayon Staple Spinners and Doublers' Association.

From a critical trading position in the early months of last year the situation had changed until the present sentiment in the industry was "distinctly aggressive." The improvement during the last six months had been more than maintained and had spread to all sections.

Production of 100 per cent. spun rayon yarns had reached 2,370,000 lbs. weekly in May, against 1,500,000 lbs. in February, 1952, and the peak figure of 1,760,000 lbs. per week reached in November, 1951. The possibilities of further expansion were speculative and were largely bound up with the development of new types and new outlets. "We cannot overlook the fact that the enormous expansion of the last year is to some degree artificial and distorted because of the influence of purchase tax. This tax has given a stimulus to the sale of spun rayon goods, which are favourably treated by the price limits," stated Mr. Winterbottom.

Production of blended yarns of cotton and rayon staple had expanded in an even more striking way, the present level of over 700,000 lbs. weekly being more than double the production before the slump. Yarn stocks were virtually non-existent and order books for 100 per cent. spun rayon yarns extended as far ahead as the raw material position permitted.—*All Rights Reserved.*

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PATTERN OF WORLD COTTON OUTPUT FOR 1953–54 SEASON

MOST COUNTRIES AIM AT INCREASING PER-ACRE YIELDS

ALTHOUGH it is too early yet to assess world cotton production prospects for the 1953-54 season, an attempt has been made by the International Cotton Advisory Committee to indicate, in broad outline, the dominant trends in cotton production in the world's leading cotton producing countries. The June issue of *Cotton*, the Committee's bulletin, carries a series of articles relating to cotton production prospects for the next season. These articles, which are written by the leading cotton men in each of the eight most important cotton-producing countries, Brazil, Egypt, India, Mexico, Peru, Turkey, Uganda and the U.S., will be read with interest. But it would be clearly wrong to overestimate the value of these views, since it will be several months before anything like a clear picture of the cotton output for the next season emerges.

Before assessing the prospects for the 1953-54 cotton season, it is perhaps useful to take another look at the 1952-53 cotton season which is now drawing to a close. World production of cotton during the 1952-53 season is now placed at 35.32 million bales, as against 35.70 million bales in the previous season. The follwing table gives the production statistics for the 1952-53 and 1951-52 seasons:

(In 000 bales of 478 lbs. each)

	1951-52	1952-53
U.S.	16,155	14,950
North Hemisphere	9,096	9,495
Mexico	1,280	1,250
India	3,160	2,900
Pakistan	1,320	1,475
Egypt	1,873	2,015
Turkey	615	760
Sudan	285	400
Uganda	318	265
Syria	225	230
Belgian Congo	220	200
South Hemisphere—		
Brazil	1,950	1,500
Argentina	550	550
Peru	427	450
Others	1,422	1,455
Total Free World	28,600	28,400
U.S.S.R.	4,000	4,000
China	3,000	2,800
E. Europe	96	120
World Total	35,696	35,320

It will be seen from the above table that U.S. production forms a significant proportion of the world output. Any forecast about the 1953-54 level of cotton output for the world must, therefore, primarily take into account the trends in U.S. production. But the first estimate of planted acreage will not be released until July and the official production forecast until August. In the meantime, therefore, the only guide to cotton production prospects lies in the various private acreage surveys which have been made recently and the official weather reports. In his article on cotton output prospects in the U.S., Mr. C. C. Smith estimates that, despite the request of the U.S. Secretary of Agriculture to the farmers for a reduction of the cotton acreage for the 1953-54 crop by 18 per cent., the actual output might turn out to be of the order of 15 to 15½ million bales, since the cotton farmers might not implement the request for acreage reduction. Much will depend on weather conditions, the cotton disease factor, and prices for cotton. The weather is always an uncertain factor. Boll weevil disease could cause much damage to the crop. But, supplies of boll weevil poisons, it is stated, are plentiful for farmers who wish to combat the disease. So far as the price factor is concerned, the present indications, according to Mr. Smith, are that the 90 per cent. support price for cotton from the 1953-54 crop is more attractive than the price for competing crops. Referring to the working of the law of support prices, Mr. Smith says:

"The Secretary of Agriculture must proclaim marketing quotas for the 1954 crop if the 'total supply' exceeds the 'normal supply,' and such proclamation must be made by 15th October, 1953. 'Total supply' is defined in the present law as the carry-over at the beginning of the marketing year, plus the estimated production of the crop and the estimated imports. 'Normal supply' is defined as the estimated domestic consumption of cotton plus the estimated exports, plus 30 per cent. of the sum of such consumption and exports as an allowance for carry-over. Marketing quotas for the 1954 crop seem inevitable unless the per-acre yields of the 1953 crop are much below the five-year average.

"The 1954 crop will be supported at 90 per cent. of the parity price of cotton unless producers have disapproved marketing quotas. The support price for the 1955 and subsequent crops, however, may vary between 75 per cent. and 90 per cent. of parity depending upon the supplies of cotton available to meet domestic consumption and exports. As an example, based upon the present parity price of 34 cents per pound, this would mean that the support price for the 1955 crop might vary between about 26 cents and 32 cents per pound for Middling 15/16" cotton depending upon the supplies of U.S. cotton in the carry-over and the prospective crop at that time. Any changes in the parity price of cotton would be reflected in the support price since the parity price prevailing at the beginning of the marketing year for which the support price is proclaimed will be the applicable parity price."

The next important cotton-producing country is India. Writing on the production prospects for the 1953-54 crop, Mr. Chimanlal B. Parikh, Vice-President, Indian Central Cotton Committee, emphasises the fact that agricultural crops in India, including cotton, are "mainly dependent on the vagaries of the monsoon." He estimates that the land under the new crop might remain "at about 15 million acres or the same as in 1952-53." He places the coming crop at "somewhere near 2.8 million bales" (of 478 lbs. each). But it should be clear that no reliable estimate, as Mr. Parikh himself recognises, could be given in a country like India, where the weather is so unpredictable a factor. Referring to the long-term trends in cotton output, Mr. Parikh says:

"According to my reading, the years 1952-53 and 1953-54 will be the last years with just marginal carry-over of, say, 1.2 million to 1.6 million bales of Indian cotton. This carry-over is almost depleted during the intervening period between the end of the cotton year in September and the movement of new crop in December. During 1954-55, the accumulated efforts of the Government of India and the State Governments are bound to bear fruit. Minor irrigation works all over the country will bring more and more acreage under irrigation. Also, in Punjab, the Bhakra scheme will start giving waters in the canals on the non-perennial basis. This is bound to revolutionise the whole agricultural economy of the country. With the help of irrigation, fertilisers will be used to greater advantage and the present poor yield of 105 pounds per acre will be substantially increased. With the present acreage under cotton, if the yield can be increased by 50 per cent., India can produce 4.5 million to 5 million bales. It will not be surprising if India reaches this figure gradually by 1960, when her major gigantic schemes of irrigation will be mostly completed. An immense quantity of cheap hydro-electric power will also encourage agriculture directly and indirectly.

In Egypt, the Government has decreed that cotton acreage during the next three seasons will be limited to 30 per cent. of the cultivable area. This would mean a reduction of at least 300,000 acres as compared with the 1952-53 cotton acreage. Irrespective of legislation, some reduction in cotton acreage in favour of wheat could be anticipated, in view of the fact that, whereas the guarantee prices for cotton have been reduced, those for wheat have been increased by 67 per cent. over the 1952 level. Mr. Salah El Dine El Gazaar, Deputy Director General, Ministry of Finance, Cairo, says that, in view of the Government's recent decision in regard to cotton acreage, the area under cotton this year might turn out to be about 1.66 million acres. Taking the average yield of 450 lbs. per acre, the prospective crop could be placed at 1.5 million bales. The deciding factor, according to the author, will be the "average yield which depends upon many factors." Egypt's cotton output is important for the world supply of cotton not because this country is a large producer of cotton—it accounts for only 6 per cent. of world output—but because it produces quality cotton; it is responsible for 60 per cent. of the world supply of long-stapled cotton.

Information on prospective production in Brazil, Argentina and Peru, which normally account for about 10 per cent. of the free world cotton output, is not available. It might, however, be noted that among these countries Peru is rapidly increasing its output. In 1934-38, it produced on an average 386,000 bales per year. By 1951-52, its output had gone up to as much as 446,000 bales from its 469,000 acres. In the current season, it is expected to contribute even more, 465,000 bales to be precise, to the world supply. When the important irrigation works which are now under way are completed, cotton output, it is stated, might increase to about 530,000 bales. Peru has very favourable natural conditions for cotton cultivation as is evidenced by the fact that yields per acre, as in Egypt, are the highest in the world.

The acreage sown to 1953-54 cotton in Turkey is estimated, according to the General Director of Agriculture in that country, Mr. Necati Turgay, at 1.6 million acres. No indication about the production prospects for the next season has been given. But the Government has taken in hand several schemes to promote cotton cultivation. A three-year programme has been instituted to classify and establish standards for Turkish cotton. Irrigation projects are being undertaken. Prospective acreage and production for 1956-57 are placed at 1.7 million (acres) and 202,300 tons, respectively.

No serious crop competitor to cotton is visualised in Uganda by Mr. C. C. Spencer, Chairman, Lint Marketing Board, Kampala, who contributes an article on the outlook for cotton production in Uganda. He says that the acreage goal for the season is 1.5 million, which would give a crop of 300,000-320,000 bales. Referring to the yield and output prospects, Mr. Spencer says:

"As a result of improved methods of agriculture which the peasant growers are being persuaded to adopt, and of the extension of seed dusting, it is held by the Agriculture Department that the yield of seed cotton per acre should be increased from 300 to a minimum of 500 pounds per acre within the next three years. If this is achieved on the basis of 1½ million acres, it seems probable that the Uganda crop will increase to half a million bales of lint. . . . Cotton production in Uganda over the next three to five years will undoubtedly be influenced to some extent by the trend of world prices but, as mentioned earlier, the existence of a Price Assistance Fund of £20,000,000, available to subsidise the growers and lessen the impact of any serious decline in world markets upon the cotton grower, will undoubtedly have an encouraging effect upon the industry and prevent any major decline in the volume of production."

Mexican cotton output, according to Mr. J. R. Adame, Director of Price Stabilisation, Mexico, might aggregate 1.2 million bales during the current season. Again, no indication about the 1953-54 output is available. But the author says:

"There is no official acreage goal for cotton but growers and their organisation have a real interest in producing 1,500,000 bales and there are good prospects that this volume will be grown next season if world market prices remain at present or higher levels.

"Indirectly, the Government is interested in the cotton situation since this staple is the most important Mexican export. From January through August, 1952, cotton represented 22 per cent. of total exports.

"The long-term prospects for cotton production will depend mainly on foreign markets as Mexican consumption is only from 380,000 to 400,000 bales. All remaining production will depend on foreign demand which will be subject to the availability of dollars in such importing countries.

"Provided that trade and payment agreements can be arranged in the coming years, the lack of dollars will be circumvented by barter transactions among exporters and importers of the staple. Cotton production, therefore, will depend upon what will happen in foreign markets, since domestic factors will permit Mexico to produce more than 1,500,000 bales."

Such, in broad outline, are the prospects for cotton output in the next and coming seasons. It is true that the account does not give any precise indication of the likely cotton output in the 1953-54 season. But this is understandable in view of the fact that the season has hardly begun. Although the contributors to the journal are the leading authorities in the subject which they have treated in their respective articles, they could not be expected to commit themselves to definite forecasts. Nevertheless, the articles show that, while two of the major producers, such as the U.S. and Egypt, are thinking in terms of reducing the acreage, most other countries, especially the smaller producers, are attempting to increase their cotton output. Another notable feature is that, in almost every cotton-producing country, measures are being adopted in order to step up the pre-acre yield. If these measures succeeded in their objective, significant additions to world cotton output would become a reality.

N.B.—In this review, all quantities are expressed in bales of 478 lbs. net weight, except in the case of the U.S. where they refer to running bales.

The Cotton Price Parity Table, prepared by Mr. Dwarkadas Jivandas and published by Readers' Service (Post Box No. 529, Bombay, price As. 4), is a very useful publication which will enable one to convert the Pakistan cotton prices, within a range of Pak Re. 1 to Rs. 225, into pence per lb., cents per lb., Pak Rs. per candy and Indian Rs. per candy. The table also gives some additional details, such as freight differentials and freight rates, knowledge of which is essential to calculate the import parity. It should, therefore, appeal to all those who are interested in importing Pakistan cotton.

THE WESTERN INDIA LIFE INSURANCE CO., LTD.

DR. M. N. AGASHE'S REVIEW OF BUSINESS PROSPECTS

THE view that the field for insurance business was likely to be widened, due to favourable conditions that would be created by the implementation of the Five-year Plan, Employees' State Insurance Scheme and the Employees' Provident Fund Act and the levy of estate duty, was expressed by Dr. M. N. Agashe, Chairman, the Western India Life Insurance Company, Ltd., in the course of his address at the Annual General Meeting of the Company held on the 21st inst. The following are extracts from Dr. Agashe's speech:

"GENTLEMEN,

"When we met last time a year ago, I had taken a review of the conditions prevailing in the country and sounded a note of caution pointing to the difficulties that lay ahead of us. There was business depression all round and the cost of living did not go down, as expected by all of us. Naturally, business conditions for us were very difficult and trying indeed. Against this background, we have every reason to feel satisfied that we have maintained, although narrowly, our tradition of increasing new business production from year to year. This will be evident from the fact that we could raise slightly the new business figure of about Rs. 2,68,00,000 for the year 1951 to just over Rs. 2,69,00,000 for the year 1952.

Business Prospects

"Although there has been continuous increase in business each year so far, we have never considered it as an end in itself. Great changes in business conditions loom large on the horizon and, I believe, it will not be out of place just to refer to the Government Year Book on the insurance business in India during the year 1951. Life insurance plays an important role in the economy of a man's life and it can well be taken as an indication of his trend of saving. Looking at the Government Year Book from this angle of vision I cannot but say that the picture is not much encouraging. Leaving aside the question of decline in the total new business in 1951, one cannot overlook the fact that the real capacity of the people in general to save systematically is showing signs of gradual decline owing to the high cost of living, with the effect that lapse ratio is gradually increasing. This is a disquieting situation. Along with the high cost of living the tendency to secure business at exorbitant cost is another reason for this situation. This gives no credit to the insurance industry. The craze for new business at suicidal cost should, therefore, stop now. So far as we are concerned, I feel glad that we have scrupulously denied this temptation. The boom period created by inflation has now definitely gone and one has to be content with the natural flow of quality business at low cost. I would commend all those connected with insurance, whether in the office or in the field, to educate the public not to judge a company by the volume of new business written from year to year, but to take into account its financial position, economic management, low lapse ratio, sound investments, steady yield on investment, etc.

"With a view, therefore, to achieving this end of educating the public and to rendering real service to our policyholders, we have already put into action our plans to send well trained and educated young insurance salesmen in the field and the scheme is bearing good fruit.

"I am also glad to point out that the field for insurance business is likely to be soon widened due to favourable business conditions created by the Five-year Plan, Employees' State Insurance Scheme and the Employees' Provident Fund Act. The Estate Duty Bill which is shortly expected to be placed on the Statute Book may facilitate business development still further and I hope all our representatives will try their level best to secure business from this new unexplored field.

"On going through the figures of the annual report, it will be seen that, as a result of the year's working, a sum of over Rs. 55 lakhs has been added to our life assurance fund which now stands at more than Rs. 5 crores and 60 lakhs. This shows the prosperous position of our Company. It may be noted that not only our funds but also our net interest yield have shown a steady increase during the last five years. Our net yield in 1952 came to about 4.27 per cent., which compares favourably with the net interest yield, viz., 3.30 per cent., of all companies taken together for the year 1951.

"Of particular interest to our policyholders is the fact that during 1952 payments by way of claims of over Rs. 26 lakhs were made by us to well over 1,700 policyholders or to their beneficiaries. Out of these, about 1,400 were maturity claims, and the rest were death claims. It is gratifying to note that in respect of death claims our experience is satisfactory and this must be attributed to the great care exercised by the Directors in the selection of the business.

"It is already known to you that we invest a small percentage of our funds in buildings and as loans on house properties with the sole object of securing remunerative rate of interest and securing sufficient accommodation for our growing office and staff. We have already our buildings at Satara, Bombay, Poona, Delhi and Indore. Our magnificent building on Laxmi Road, Poona, yet under construction, is expected to be ready for occupation by the end of September and it will add, it is hoped, greatly to our prestige."

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WORLD SUGAR POSITION

FURTHER RISE IN CONSUMPTION DURING 1952–53 EXPECTED

THE rate at which world consumption of sugar has been increasing in the past few years would appear to have been retarded during the current (1952-53) sugar season, the *net increase* in consumption—in terms of raw value—estimated for this season being only about a million tons, as against 1.4 million tons in 1951-52 and 1.6 million tons in 1950-51. Sugar consumption during the season under review, according to the latest review of the world sugar position by Messrs. B. W. Dyer and Company, New York, might amount to 37.17 million tons, as compared with 36.17 million tons, 34.71 million tons and 33.11 tons in the three preceding seasons, respectively. When compared with consumption during 1938-39, the figure for this season is certainly improving, inasmuch as it is higher than the pre-war figure by no less than 6.01 million tons.

World consumption of sugar has continued to rise despite a marked fall in output. The aggregate production for the current season is estimated at 36.96 million tons, which is lower than the previous season's output by 2 million tons. It is, however, higher than the output of 36.51 million tons in 1950-51, of 32.47 million tons in 1949-50 and of 31.14 million tons (including non-centrifugal sugar) in 1938-39. Incidentally, it may be noted that these figures do not include the production of non-centrifugal sugar, which staged an advance from 6.24 million tons in 1949-50, 6.21 million tons in 1950-51 and 6.59 million tons in 1951-52 to 6.66 million tons (estimated) during the current season. Although sugar production has recorded a decline, the supply position has been quite comfortable, thanks to the huge quantity of 12.49 million tons brought in from the previous season, which compares very favourably with 9.74 million tons, 7.80 million tons and 7.90 million tons in the three preceding years, respectively. The pre-war figure stood at 11.61 million tons.

Stocks of Sugar

The continued increase in consumption, aided by the decline in output, has made the 1952-53 sugar season one of the few post-war years in which there has been no substantial increase in stocks. The following table gives the figures of opening stocks, production, consumption and end-season stocks in the four years ended 1952-53 and in 1938-39:

(Thousand short tons—raw value)

Season	Stocks at beginning of year	Production	Consumption	Stocks at end of year
1938-39	11,609	31,143	31,163	11,589
1949-50	7,999	32,469	33,107	7,796
1950-51	7,796	36,512	34,710	9,739
1951-52	9,739	38,958	36,167	12,486
1952-53	12,486	36,955	37,170	12,271

World production of sugar for the current season is estimated at a lower figure, mainly because the production in Cuba is expected to be cut to 5.07 million tons, as against 7.11 million tons in 1951-52. The trend in output in other countries is, however, expected to remain more or less unchanged. The production of sugar (including *gur*) in India during the current season is estimated at about 4 to 4.5 million tons (raw value).

Thanks to the comfortable sugar supply position, as noted above, the sharp distinction between the dollar and non-dollar sugar markets has largely been wiped out. And there are signs of a development of a new division in world markets. The world pattern now emerging, according to the *Financial Times*, London, seems to be one of the division between the barter trade markets, on the one hand, and commodity prices decided in the U.K. and the U.S., on the other.

The recent events in the world sugar market illustrate the sort of factors involved, although they also apply to cotton, grain and a few other commodities. The British Government recently concluded a special purchase of one million tons of Cuban sugar, with a view to ending rationing. The price at which the purchase was concluded was extremely low and the fact that the U.K. bargaining had been concentrated on this point "can now be seen as highly significant." The quantity of sugar required by Britain could have been secured in other ways. For instance, traders in that country had many offers involving barter business. They also had many opportunities for "triangular barter business," under which sugar will be supplied to other countries under complicated arrangements involving British exports as one facet of the transaction. These offers have been consistently turned down by the authorities as being contrary to the official policy. The traders, for their part, still prefer ordinary business and welcome the progress made towards the resumption of free U.K. sugar market. Yet, if Britain does not accept barter type of business, the other countries will do. In fact, the major sugar-producing countries, such as Cuba, "are apparently going to keep a foot in both trade camps." An indication of this is provided in the reported agreement between Cuba and France involving the sale of 165,000 tons of Cuban sugar. The agreement, it is understood, is on the basis of some kind of barter involving water-supply equipment.

Cuban Sugar

Cuba would appear to have somewhat intrigued at the successful efforts of Peru at entering into a contract with Chile for the supply of 30,000 tons of sugar at a price of 3.7 cents per lb. (f.o.s. Peru), which is higher than the price of 3.6 cents f.a.s. Cuba. There are indications that Cuba will compete strongly to secure business for the remaining 80,000 tons under the Chilean tender. Cuba is also receiving offers from Venezuela. The Venezuelan negotiations are said to be now in Cuba negotiating the purchase of 40,000 tons of sugar.

It may be noted, in this connection, that Cuba holds a special financed quota of 1.75 million tons (Spanish long) of sugar as reserve to be distributed to the U.S. at the rate of 350,000 tons per annum during the years 1954 to 1957. Excluding this reserve, Cuba's surplus stocks at the end of 1952 amounted to only 275,000 tons. The Cuba Sugar Stabilisation Institute announced some time ago that it had authorised a release of 350,000 tons to the U.S.

It seems clear, therefore, that sugar continues to figure prominently in the barter deals between several groups of countries. The precise effect of these deals on sugar prices cannot, of course, be assessed. But an increase in the number of such deals will certainly distort the pattern of sugar markets in a manner which would be difficult to predict.

(Concluded from next column)

Coalfields Committee, for instance, said: "In view of the shortage of transport, it is imperative that increased attention be given to the zonal distribution of coal." Again, the Working Party for the Coal Industry, in its Report (on page 27), observes: "We feel that a stage has come when zonal production should be resorted to in order to achieve rational production and distribution. It is impractical to think that, without taking such steps, the country's transport will be in a position to supply the coal requirements of such States as Assam, Saurashtra and areas of Southern India and North Bihar." These opinions of expert bodies are now being given concrete shape by the Coal Board. Its scheme should, therefore, be given a fair trial.

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ZONAL DISTRIBUTION OF COAL

CENTRAL BOARD'S SCHEME TO OPERATE FROM JULY NEXT

THE Central Coal Board has, after careful consideration, drawn up a scheme for distribution of coal raised in India on a regional basis. This scheme, which is to take effect as from 1st July next, is intended to reduce to the minimum the difficulties in hauling coal from the Bihar and West Bengal collieries to remote corners of the country. According to the scheme, no movement of coal other than selected grades, and coke will be permitted from these important coal-producing regions to the areas mentioned below:

(i) stations beyond Chakradhara Pura on ex-B.N. Railway. Consumers situated in areas outside this area are required to draw their supplies of coal from Vindhya Pradesh coalfields only;

(ii) stations on and south of the line Katni-Bina-Kotah;

(iii) all stations via Nagpur on the Central and Western Railways; and

(iv) all stations via Ujjain on the Central and Western Railways. These three areas are to get their requirements of coal from Madhya Pradesh or Vindhya Pradesh coalfieds;

(v) all stations on Southern railway; and

(vi) all stations south of Balharshah on the Central Railway. Consumers situated in these two areas are to obtain their coal requirements from Madhya Pradesh or Singareni collieries in Hyderabad.

In order to enforce the above regional distribution scheme, the Deputy Coal Commissioner's office has been directed not to accept, under any priority class, programmes which do not conform to the restrictions above, unless specially sanctioned by the Coal Commissioner on the merit of each case represented by State Coal Controllers. It is stated that, in imposing the aforesaid restrictions on movement of coal, the Board has carefully correlated the requirements of particular areas with the production capacity of the respective fields to which such areas have been attached.

The advantages expected to flow from the Coal Board's new region-wise coal distribution scheme are as follows:

(1) the scheme will reduce difficulties of moving coal to Western and Central India through such junctions as Agra East Bank, Cheoki, etc;

(2) it will meet adequately the difficulties created by the chronic shortage of wagons;

(3) it will improve the wagon turnround for the Bengal and Bihar fields;

(4) the necessity of hauling coal over long distances, thereby resulting in high cost of transport to outlying consumers of the country, will be avoided;

(5) consumers requiring selected grades of coal and coke will remain unaffected by it, as these varieties are excluded from the restrictions;

(6) production in Bihar and West Bengal coalfields will not be affected, as coal accumulated at pit's-mouth will be quickly transported with the improvement in the turnround of wagons;

(7) it will give impetus to coal producers in regions other than West Bengal and Bihar coalfields, as they are assured of a market for themselves.

(8) industries in the South which had to depend upon coal from Bihar and West Bengal will be able to effect considerable saving in railway freight on coal; and

(9) it will contribute towards a healthy growth of industrial development in areas situated at a long distance from the North Eastern coalfields.

Some Defects

In view of the foregoing advantages which the country stands to gain from the new distribution scheme, the Board's plan will doubtless receive a large measure of support from all parts of the country. This does not, however, mean that the scheme is free from defects. Some defects will no doubt reveal themselves in the course of its implementation, but they can be eliminated by making suitable adjustments in it. The quality of coal from Raniganj and Jharia mines, for instance, is superior, and the cutting off of this area from the regions mentioned above will mean enforced dependence for the industries in the regions upon the low quality coal raised by the collieries attached to them. This difficulty can be avoided to a great extent by proper gradation and modification of price control in such a way that the consumer pays according to the quality of coal supplied to him. Inconvenience will also be caused by dislocation of long-established contacts between collieries and their old customers. This, however, is an inevitable result of rationalisation and has to be endured. Moreover, this advantage will gradually disappear as and when new contacts are developed.

The new regional scheme should be judged not from the point of view of the inconvenience it causes or the few defects it has, but from the service it renders to the national cause. Regional distribution of coal is a national necessity and has been advocated by the enquiry bodies which went into the problems of the coal industry in recent years. The Indian

(Continued in previous column)

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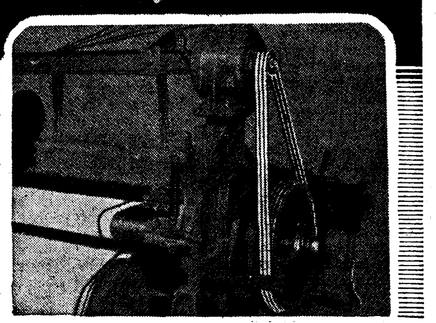

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JUTE GOODS IN AUSTRALIAN MARKET

FURTHER ANALYSIS OF THE DELEGATION'S FINDINGS

IF every industry in India takes the same care and pains in studying its markets abroad as the jute industry has done in the case of the Australian and New Zealand markets, half of the problems relating to the winning of export markets for the products of Indian industries will be solved. The manner in which the report has been prepared and the rapidity with which it has been presented to the industry are worthy of emulation by other industries wishing to conduct surveys of export markets for their manufactures. This is the first impression that one gets as one reads the illuminating report of the I.J.M.A. delegation which visited Australia and New Zealand recently.

The delegation was accompanied by an official of the Government of India also. It is not yet known whether he too has submitted his report to the Government. If the Government and the I.J.M.A. were to exchange their respective reports, both stand to benefit considerably in their successful handling of the industry's export problems. Had the I.J.M.A. delegation which visited the U.S., Canada and the U.K. last year also prepared a comprehensive report similar to the one presented by the delegation to Australia, the country and the jute industry would have possessed a mine of valuable information about the major markets of the country's leading export industry.

The factors affecting the Australian market for jute goods as presented by the report of the delegation, to which a brief reference was made in our last issue, have been clearly brought out. The slump that followed the Korean boom placed Australia in an unenviable position, revealing, as it did, a serious economic disequilibrium. A review of the national economy was, therefore, undertaken and measures were adopted to effect a balance in its foreign trade. Imports were severely restricted, a drastic reduction was effected in the immigration quota and, having found that too much investment had taken place in secondary industries, development plans were reoriented so as to place greater emphasis on primary industries, especially agriculture. It was during this process of adjustment that the jute industry came to suffer most in the Australian market.

Price Factor

In the period referred to above, high international prices for agricultural commodities and raw materials, heavy capital investment in industries and a rapid and large-scale entry of immigrants, accompanied by labour shortage, all contributed to inflation. The result was that, in some directions, the degree of inflation obscured normal economic realities. It was, for instance, generally believed that high prices charged for jute goods by Indian mills were responsible for the setback in the sales of jute goods in Australia. That this has not been the case is now made evident by the report. It says: "The higher prices at which jute goods have sold at various times during the past few years have thus, in many cases, been offset by an even higher level for the commodities such as wool, which are packed in jute and we do not consider that, in these instances where markets have been lost to substitute materials, the price factor has been the main cause of the loss." In other words, what the delegation says is that the high prices secured by producers for their goods enabled them to bear the increase in the cost of jute manufactures. The delegation, therefore, says that in Australia the price factor did not constitute the most important reason for the fall in demand for jute goods in that country. Its conclusion is best expressed in its own words. Thus, it observes:

"It is true that almost everybody with whom we talked emphasised the basic fact about jute goods that, on the long-term view, their continued and widespread use is very largely dependent on their cheapness. Nevertheless, we believe that in the particular circumstances which prevailed, and to some extent still prevail, in Australia, the price of jute goods is not the most important consideration. There are, of course, exceptions to this generalisation, such as the specific fields where competition is being met from paper; but it should be appreciated that, generally speaking, price, while extremely important, is a secondary consideration to the security of supply of jute goods."

Another important economic factor which has a close bearing on sales of jute goods in Australia even now is labour. Labour is very expensive, with the minimum wage fixed at £A.11 15*s.* per week as in New South Wales. It is also scarce, and very powerful under an enlightened labour movement. For these reasons, the most important development in handling and transport of commodities is the adoption of labour-saving devices such as bulk handling methods, particularly in the wheat trade.

Control over jute goods in Australia for safeguarding security of supplies would appear to have been another important cause for restricting the demand for Indian jute bags. There have been numerous other controls for promoting planned development, born of the desire to be self-sufficient, and these too have affected the demand for jute goods. Besides, there are large stocks of jute goods with the Jute Controller, who bought them at high prices. He is distributing them to the consumer at average prices, and this has obscured the current cheapness of jute goods in the Calcutta market. The controlled distribution offers traders and importers a safe and steady return with no risks. Consequently, their initiative and enterprise have been killed, and they seem to be favouring the continuation of controls. When placing orders, the Jute Controller is generally guided by prices and not quality.

Having thus described the general factors affecting the jute trade in Australia, the report next proceeds to deal with the conditions in the markets for commodities which are packed in jute. These commodities include wheat, flour and coarse grains, wool, sugar and fertilisers.

Wheat Trade

Australia is a very large wheat producer and one of the world's principal grain exporting countries. The Australian grain trade has, therefore, provided a very important outlet for jute goods in the past. Despite a diminution suffered by the market, the trade is still a major consumer.

Wheat production in Australia amounted to 218.2 million bushels in 1950. The additional production target to be realised by 1957-58 under its Five-year Plan is 191 million bushels. The demand for jute bags for the movement of this enormous crop has, however, been seriously reduced by bulk handling methods. This is the largest and most serious loss which the jute industry has suffered.

Bulk handling exercises considerable appeal to the wheat trade as a commonsense and scientific method. The adoption of this method reduces the use of labour which is scarce, expensive and highly organised. Bulk handling is considered by Australians as a step towards national self-sufficiency. The fear that jute bags may not be had in adequate quantities and in time seems also to have driven the wheat trade to bulk handling. It is also cheaper in that the handling charges are believed to amount to 4*d.* a bushel as against 7*d.* in the case of bagged wheat. It protects the trader from the vagaries of the weather at harvest time, as wheat goes off the farm quickly, and from rodents and weevils. Bulk handling is suited to Australia because there are few variations within each State in grade or quality.

As against these advantages of bulk handling, there are also certain disadvantages. The construction of bulk handling facilities, for instance, involves large capital. The capital cost is important in installing the equipment on the farm. Trailers, field bins, augers, and bulk lorries all cost money and are outside the scope of many individual farmers. It is largely a static system, as the installations cannot be taken to where the grain is in the same way as bags. There is also a serious loss in moisture content. Wheat becomes extremely dry and must remain so when it is stored in bulk. But bags retain moisture and wheat in bags gains weight. Further, bulk handling is not suited for premium wheat, that is, a type of wheat with high protein content; this wheat must necessarily be packed in bags.

As the conclusions of this study have been given in the last issue of *Commerce*, there is no need to repeat them here. Suffice it to say that, at the present Calcutta prices for cornsacks, it may well be cheaper to continue to handle wheat in bags where they are still used than to engage bulk handling facilities.

Flour Trade

The Australian flour trade still uses jute bags for the packaging of its product. Coarse grains—oats and barley—are not at present handled in bulk because of wide variety of grades and of the limitations caused by the amount of investment that can be devoted to bulk handling installations. State Governments which have to finance the construction of bulk handling installations have not the wherewithal to undertake fresh installations. These grains should, therefore, continue to offer a good market for jute goods.

Wool still depends on jute packing. Ninety per cent. of Australia's wool production is shipped overseas and the packs in which it is contained are lost to the growers. Again, very few packs go back to the growers, as there is always a strong demand for second-hand packs for a multiplicity of uses. Replacements have to be made by fresh purchases. The importance of the wool pack market is thus obvious.

Experiments are taking place in the production of *kenaf* goods for the wool industry. As this is a long-term problem, there is no serious immediate threat from the substitutes so far as this section of the market is concerned.

The sugar industry is satisfied with jute goods, but there are dangers from substitutes such as calico, paper and consumer packaging. There is also the biggest threat from bulk handling. The market requires to be carefully cultivated, if jute is to take the fullest advantage of its opportunities, but the price at which jute goods are supplied counts most in winning the industry from substitutes.

The consumption of jute bags in the fertiliser industry has been seriously affected by shortages and high prices of fertilisers. In this market also, because of the fact that there is competition from substitutes, price takes on an added significance. The companies themselves prefer jute to paper for packing fertilisers, because jute bags are larger, relatively fewer to handle, stand rough handling better and do not dry and lose strength as paper does in hot climates. Again, some farmers prefer supply of fertilisers in jute bags because of the secondary uses of the bag.

FALL IN RAW JUTE OUTPUT EXPECTED

Press reports from Dacca indicate that the jute crop for 1953-54 will be about 3.5 to 4.0 million bales, as the growers have not cultivated jute in the entire licensed area. Mr. Hafizuddin Ahmed, Minister for Agriculture, East Bengal, warned the public and trade last week not to place reliance on any forecasts of next season's jute crop but to wait for the publication of the official preliminary forecast, likely to be released by the middle of July. He had strong reasons to presume that areas sown to jute, far from exceeding the licensed area, would fall far short of it. Besides, the farmer in East Bengal had every incentive to grow paddy rather than jute, considering that the price of the former was, and still continued to be, higher than those of jute. He stated that strict control had been exercised from the beginning of the sowing season over the licensed area for jute.

If the raw jute output is taken at 4 million bales on the basis of the entire licensed area as stated at the outset, the total raw jute supply, along with a carry-over of 2 million bales, for 1953-54 would be of the order of 6 million bales. This compares with about 11 million bales estimated for 1952-53.

Similarly, in India too, production of jute is expected to be low. According to the Union Minister of Agriculture, Dr. Punjabrao Deshmukh, the next season's output is expected to be about 4 million bales, as against 4.67 million bales in 1952-53. The fall is attributed to the low price of raw jute at the sowing time, as compared with the prices of other crops. There is stated to be a substantial reduction in jute acreage in Assam, West Bengal, Bihar and elsewhere.

BIG SPURT IN W. GERMANY'S SACK EXPORTS

Western Germany has entered the export markets for a considerable quantity of jute sacks. The industry's current production is placed far above internal requirements and more than half the annual output has to find markets abroad. From a trickle of 4,489 quintals worth DM.1 million in 1951, exports of jute sacks in 1952 rose to 41,880 metric quintals valued at DM.14.16 million. The Union of South Africa topped the list of importing countries, taking 28,560 quintals. The Netherlands came second with 5,925 quintals, Sweden third with 2,302 and Switzerland fourth with 1,955. Smaller quantities went to France, Norway, Austria and Brazil.

Exports of jute fabrics, which were insignificant in 1951, rose to 181,700 quintals valued at DM.47 million. The U.S.A. was by far the most important country of destination, taking 127,000 quintals. Other destinations were Denmark, 14,650 quintals; Turkey, 9,400; Norway, 8,460; the Netherlands, 7,900; Switzerland, 6,660, while smaller quantities went to Greece, the U.K., Italy, Argentina, Brazil and Austria. Exports of jute yarn came to 4,100 quintals worth DM.736.000, of which one half went to Norway, 1,330 quintals to the Union of South Afrira and the rest to Equador.

Western Germany imported nearly 13,000 metric quintals of jute yarn worth DM.2.85 million. Belgium supplied approximately 9,000 quintals, France 1,800, Denmark 1,700.

Imports of raw jute amounted to 778,329 quintals, valued at DM.111 million. Of this, 739,700 quintals came from Pakistan, 35,774 quintals from Belgian Congo, 1,653 quintals from India and 811 quintals from Persia.

SCOPE FOR INDIAN TEA PROPAGANDA IN THE UNITED STATES

ENQUIRY INTO COST OF PRODUCTION OF COFFEE BEGINS

(From A Special Correspondent)

WHAT is the scope for expansion of the sale of Indian tea in America? This question has been asked many a time in the past, and particularly during the period when tea propaganda was under the control and direction of the International Tea Market Expansion Board. Now that propaganda in the U.S. is going to be conducted directly by the Governments of the important producing countries, there is much speculation as to the extent to which such propaganda can become fruitful in the case of Indian tea.

It is well known that the U.S. is the second largest importer of Indian tea in the world—the first, of course, being the United Kingdom. There is, however, no comparison between the *per capita* consumption of tea in the U.K. and that in the U.S. While the *per capita* consumption in the U.K. is about 9 lbs., that in the U.S. is only a little more than half a pound. The important fact is that, despite all the propaganda that has been carried on in the last 10 years. there has been no significant rise in the *per capita* consumption of tea in the U.S. Our close rival in the matter of tea imports in the U.S. is Ceylon. In 1952, Ceylon accounted for some 44 per cent. of the total U.S. imports of tea, whereas India only accounted for 37 per cent. In one or two previous years, imports of Indian tea had well exceeded those of Ceylon tea, but the position in the last year or two appears to have turned more and more favourable to Ceylon.

Competition With Ceylon Teas

It is believed that the Government of India has been giving consideration to this matter for some time now, and that the causes of the relatively advantageous position of Ceylon are under careful investigation. It is said that the existence of better trade contracts between U.S. and Ceylon, and the better type of packing of Ceylon teas, are two of the main reasons for Ceylon acquiring a more favourable position than India in the U.S. markets. The fact that the steady improvement in the quality of Indian tea in recent months has paid good dividends in the U.S., as is reflected in the greater offtake of Indian tea in that country during the first three months of 1953, as compared with the same period of 1952, bears out this explanation. It is felt that by further maintaining the quality and by keeping prices comparable with those of Ceylon teas, it should be possible to secure an increase in the consumption of Indian tea in the U.S., though it would undoubtedly take a long time to see any substantial rise in the *per capita* consumption of tea in the U.S.

Outlook

Recent improvements in prices of Indian tea in the London and local markets have raised the question whether the improvement can be regarded as a permanent one or is likely only to be a short-lived one. Several well-known spokesmen of the tea industry and trade have recently expressed the view that there is much over-optimism shown over the improvement in tea prices, and that a careful study of the facts will clearly show that the improvement is by no means likely to be permanent. A writer in the *Tea and Rubber Mail* of London suggests that the price improvement was probably largely due to a greater local consumption more than anything else. The Chairman of a planters' association in Travancore said the other day that the improvement was due largely to a shortage of crop and seasonal factors, and that, with rush teas coming into the market just now, a further decline in prices must inevitably occur. There is also a claim that the price improvement that has taken place will hardly cover the actual costs of production in many areas. Some gardens in Cachar and Sylhet, for instance, have been sending to auction attractively made and well-plucked teas but have not been able to realise output costs.

Draft Rules Under Tea Act Awaited

Now that the Tea Bill has been passed by Parliament, the reconstitution of the Tea Board and the abolition of the present Tea Board and the Tea Licensing Committee may be expected to take place at any time. An order just issued by Government extends the life of the present Tea Licensing Committee up to the end of December, 1953, and it is surmised from this that the new Tea Board (which will also include the present Licensing Committee) may be set up not later than the end of 1953. Representatives of tea growers and growers' associations are anxiously looking out for the draft rules to be framed under the Tea Act. They have been told by the Hon. Minister in Parliament that the rules would make provision for some of their representations, including the most important one relating to the method of nomination of growers' representatives on the Board. The extent of representation of the various interests in the new Board is, of course, a matter of special concern to these interests.

The events leading up to the passing of the Tea Act and the difficulties experienced by growers in bringing their points of view to the notice of parliamentarians and the Government have spurred the growers of two other crops, coffee and rubber, to be more vigilant in the case of new legislation affecting those two crops. The Bills seeking to amend the Coffee Market Expansion Act and the Rubber Production and Marketing Act have already been introduced in Parliament some months ago, and it is believed that they will be discussed during the August session. In essence, these Bills seek to confer upon Government the same omnibus powers as those conferred by the Tea Bill, and also to reduce the powers of the Coffee and Rubber Boards drastically. It is understood that growers of coffee and rubber propose to put up very strong objections to many of the provisions of these Bills before the respective Select Committees, if and when these committees are appointed, and also to acquaint the public in general about

(*Continued on page* 1191)

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FUEL AND POWER IN ASIAN AND FAR EASTERN REGION

INCREASE IN ELECTRICITY PRODUCTION

THE level of production of power such as electrical energy in a country, is often a reliable index of its industrial prosperity. Closely allied to power is fuel, the consumption of which also provides a rough and ready index of a nation's economy. It is true that not even the highly industrialised countries produce all their requirements of fuel, that is, coal and petroleum. But they make up a part of the deficiency in fuel production by producing electric power. Generally speaking, the output of fuel and power provides some clue to the understanding of a nation's economy. From this point of view, the essential economic backwardness of the Asian and Far Eastern region might be seen reflected in the low level of the output of coal, petroleum and electricity. The region's share according to the U.N.'s *Economic Survey of Asia and the Far East*, in the world production of coal is no more than 6.81 per cent.; in petroleum, it is no larger than 2.43 per cent. and in electricity, a mere 6.18 per cent. of world output.

The region's share in world coal production, according to the *Survey*, increased from 5.9 per cent. in the first half of 1951 to 6.87 per cent. in the first half of 1952. The contribution of the region to world production of petroleum is still low, but it is rising. Between the second half of 1951 and the first half of 1952, the region's electricity production improved from 5.90 per cent. of world output to 6.18 per cent. The leading coal producers in the region are Japan and India. During the first half of 1952 Japan produced on an average 4.1 million tons and India 3.2 million tons. In several countries of this region new refineries are being established which will enable them to refine locally an increasing proportion of their petroleum requirements. The crude petroleum production in some leading countries is as follows:

Monthly average
(In 000 tons)

	Jan-June 1952
Brunei	429
Burma	9
Indonesia	653
Japan	26
Pakistan	14
Sarawak	4
Total ...	1,134

The region's electricity production figures are significantly influenced by figures of power production in Japan, inasmuch as this country accounts for nearly three-quarters of the electric power capacity of this region. Production of electricity, it is stated, increased throughout the region in the first half of 1952. After the passing of the abnormal drought which affected both Japan and India in the preceding months, the supply of electricity increased in the early part of 1952. In the following table, the monthly average electricity production in the leading countries of the region during the first half of 1952 is compared with that in the first half of 1951 and in the second half of 1951:

Electricity Production
(Monthly averages) (Million kw.h.)

	1951		1952
	Jan-June	July-Dec.	Jan-June
Burma	3	3	..
Cambodia	1	1	1
Ceylon	9	9	9
China (Taiwan)	104	110	108
Hong Kong	28	31	32
India	477	502	494
Japan	8,555	3,297	3,614
Korea, South	16	36	47
Malaya	64	68	79
Pakistan	17	20	22
Philippines	40	43	44
Thailand	5	5	5
Viet-Nam	16	18	19
Total ..	4,335	4,143	4,474

The *Survey* points out that the production of electric power in Japan during the second half of 1951 was severely affected by unusual weather conditions, but recovery was rapid after the new year. Government plans for hydro-electric development are on a very large scale. In June, a law "for the acceleration of electric power resources development" was passed. Under this law, the Electric Power Resources Development Company was established to develop electric power in areas where private companies are inadequate. Over one-half of the authorised capital of 100 billion yen is expected to be Government-subscribed.

In India, similarly, cuts imposed by the irregularity of the monsoon weather were discontinued, and new capacity came into operation, so that the first half of 1952 showed more electricity generated than in the corresponding period of 1951. The increased availability of electricity for rural use is a recent feature in India. The growth of tube-well irrigation in the United Provinces is sustained by power drawn from the Ganga canal stations. Other States in India have also tube-well programmes.

Generating capacity in Pakistan now totals nearly 100,000 kw. or about double the capacity at the time of the Partition, but is well below industrial needs. The development programme includes large hydro-electric projects.

Production in mainland China is reported to have increased from 72 per cent. of the "pre-liberation peak" in 1949 to an expected high of 115 per cent. in 1952. In Taiwan, electricity output shows a steady increase. Rehabilitation is declared to have been completed and a five-year expansion programme instituted, the aim of which is to raise output by 1957 to about double the present level.

The increase in the production of electricity in Korea (south) resulted partly from better weather conditions, but is mainly attributable to rehabilitation and renovation. Industrial consumption, at about 7 million kw.h. per month at present, is less than one-third of what it was four years ago. The increased availability of electric power, according to the *Survey*, is expected to stimulate the further restoration of industrial production.

TUNGABHADRA DAM

The first flow of water from the Tungabhadra Dam, one of the major river valley projects in the South, might commence on 1st July, 1953, it is stated. Simultaneously, on that day, water will be let out through the two main canals of the project, one on the Madras and the other on the Hyderabad side. The Tungabhadra Project, as is well known, is a joint venture of the Governments of Madras and Hyderabad and will serve the famine areas of Rayalaseema in Madras and the adjoining areas of Hyderabad. The masonry dam across the river Tungabhadra, which is a major tributary of the Kistna, is almost nearing completion. The reservoir created by the dam will spread over an area of 133 sq. miles and will have a gross storage capacity of 2.6 million acre-feet. There will be two canals on each side of the river. The right bank canal on the Madras side will be 225 miles long, while the left bank canal on the Hyderabad side will be 127 miles long. Power is proposed to be developed at suitable sites along the canals. The canal system commands an area of 2 million acres, of which 7 lakh acres are proposed to be brought under irrigation in the first stage. The joint cost of the first stage of the project is estimated at Rs. 51.18 crores, of which the share of the Madras Government is Rs. 27.64 crores and that of Hyderabad Rs. 23.54 crores.

The project is being constructed by the Governments of Hyderabad and Madras, each State carrying out the works lying in its own territory. The two Governments have agreed upon a common design for the dam and also on a line of demarcation. A unique feature of the construction of the dam is that it is being built entirely by Indians without any foreign assistance, either technical or financial.

The Hyderabad part of the Tungabhadra Project was inaugurated in 1945 but work actually started in 1948. Within about 3½ years, the dam has almost been completed. An important feature of the work on the Hyderabad side is the concrete lining of the canals which will reduce maintenance cost and eliminate weeds. Most of the main canal and part of the distributary system have been constructed, but full completion will take some more time. At present, a long 3,600-ft. tunnel through which the main canal will pass is under construction. Already 2,700 feet have been dug. The tunnel will be 62 feet in width.

Steel spans required for the dam are being manufactured at a factory specially set up for the purpose on the Madras side of the project. The factory, which was inaugurated by the Prime Minister in September, 1952, has already produced 33 spans each of 60 ft. length, and an equivalent number is expected to be produced within the next year or so. One unique feature of manufacture of spans in this factory, it is claimed, is that no bolts, screws and rivets are used, but the joints are welded. The first weld was operated by the Prime Minister on the inaugural day. In order to ensure that the joints have been properly welded, they have to be X-ray-tested. The new process is 25 per cent. cheaper than the ordinary process of riveting joints and it is twice as fast as in the case of nuts and screws.

PETROLEUM INDUSTRY

The petroleum industry has to face two sets of financial problems. In the first place, it has to meet the needs for replacement of worn-out machinery and also to keep abreast of technical advances in machinery. Secondly, it must provide against the day when the assets, from which it derives its income, namely, the oilfields, become exhausted, so that it could tap new sources of oil. These two aspects of the working of the industry were explained by Sir Frederick Godber, Chairman of the Shell Transport and Trading Company, Ltd., at the recent annual meeting of the Company. He said:

"Keen and active competition forces the industry to direct a continued effort of research and new investment towards increased efficiency and lower costs. Technological advance often brings about an earlier obsolescence of existing plant and equipment. Moreover, as reserves of crude oil are increasingly drawn upon, expenditures on exploration for additional reserves must be accelerated. A considerable proportion of our earnings, derivcd as they are from the use of a wasting asset, must therefore be retained and ventured again in the search for oil, for the future of our business depends largely upon our success in replacing our oil reserves."

Sir Frederick said that of the total world consumption in 1952 of some 635 million tons of oil products, approximately one-third represented new consumption since 1947. He estimated the additional capital which the industry had found since the end of the war at £6,500 million. Referring to world oil conditions in 1952, he said:

"The year was one of uncertainty and consequent hesitation. Nevertheless world consumption of oil products reached a total of some 635 million tons, an increase of almost 7 per cent. over 1951. This compares with increases of 10 per cent. in 1951 and 12 per cent. in 1950. I drew attention last year to the growing preponderance of the demand for fuel oil as compared with other products. In the year 1952, the demand for fuel oil was more greatly affected by the economic circumstances of that year than was the demand for any other main product. In the United States, fuel oil consumption in fact fell while in the rest of the world the rate of increase was well below that of the previous year. A surplus of fuel oil emerged with a depressing effect on the returns for this product and although there has been a slight improvement in the basic price since the end of the year, it is still below that ruling a year ago. During the years that have elapsed since the war the oil industry has been engaged in intensive construction of new plant and other facilities to meet the rapidly growing demand for oil products. This construction overtook, in 1952, the rate of increase of demand which was, as I have indicated, showing signs of pausing. The combined effect of these factors was a much freer supply of oil products. It is against this background that the industry has entered a period of growing competition which may perhaps be looked upon as a return to normal conditions."

RURAL HOUSING

Rural housing has acquired a new impetus in some of the community project areas of Hyderabad where the authorities and the people have embarked on a comprehensive construction programme to make the living conditions in the villages healthy and comfortable. In the Munirabad project area, where nearly 37 villages will be submerged this year by the water-spread of the Tungabhadra Dam, efforts are being made to rehabilitate the villagers in new locations. In that area, the Government, the people and the military have joined hands in what looks like a race against time—before the onrush of the Tungabhadra waters submerge the existing villages. In another project area, namely, Nizam Sagar, in a small village named Durki, nearly 70 houses have been renovated. The old constructions have been pulled down and well-ventilated, bright-looking tenements with red-tiled roofs have sprung up. In the Tungabhadra area, a scheme is on hand whereby the population of these 37 villages would be rehabilitated in 19 model villages and five work centres. Building work has started in all the villages, and in order to expedite construction and transportation of goods and the people the military has lent a helping hand.

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AIR-INDIA LIMITED

MR. J. R. D. TATA'S FAREWELL ADDRESS TO SHAREHOLDERS

"THE nationalisation of air transport brings to a close an era of 21 years, during which from small beginnings the Indian air transport industry grew into the far-flung domestic and international system of to-day," observed Mr. J. R. D. Tata, Chairman of Air-India Limited, addressing the last of the annual general meetings of the Company, held in Bombay, on Monday, 22nd June, 1953. He added: "As it is fashionable in some quarters to decry free enterprise, let it be remembered that the highly developed Indian air transport system which Government are acquiring ready-made and at small cost was built up wholly by private enterprise in spite of the many difficulties and restrictions placed in its path." Paying a tribute to the investors in the air transport industry, Mr. Tata said:

"While giving full credit to all those who, by their hard and devoted work, sometimes at the cost of their lives, were mainly responsible for the growth and splendid record of Indian aviation, let us also remember the investor, the all too often forgotten man without whose support the industry could not have come into being. Judging from some of the speeches made in Parliament and elsewhere there seems to be little awareness that the investing public consists not of a handful of wealthy men but of thousands of simple people of moderate means whose hard-earned savings form the life-blood of private enterprise and have made this industry, amongst others, possible. Ignorance and misunderstanding have so grievously distorted the air transport picture in the post-war period, that I feel I must make an effort on this last occasion to correct it."

Chequered History

Mr. Tata then traced the history of Indian air transport which, he said, could conveniently be divided into two clearly defined periods separated by World War II. The first, from 1932 until 1940, was a hard but satisfying era of pioneering during which the industry, enjoying freedom of decision and action, grew slowly but steadily. "The second period," said the Chairman, "from 1946 to the present day has been marked by tragic mistakes and presents many valuable lessons for both the private and public sectors of industry."

The post-war period was influenced at the start by two important factors. The availability of larger and more efficient transport aircraft and Sir Frederick Tymms' excellent post-war plan of orderly development under State control, which would have been favourable to the industry, were turned into instruments of its ruin. It was also pointed out by Mr. Tata that the fundamental requirements under the Tymms' plan, which contemplated the licensing of only three or four airlines each with adequate route mileage, were rejected by the then Minister for Communications, Mr. Abdur Rab Nishtar, and a ruinous scramble for route licences by a large number of concerns created almost overnight. Instead of three or four strong companies, no less than 14 companies with capital issues far in excess of requirements were initially licensed and sometimes as many as three companies were given licences on the same or substantially the same routes.

As an illustration, Mr. Tata recounted what happened on the vital Bombay/Calcutta route. Government began by licensing two operators on this route, one of them being Air-India, and later added a third. When one of these two collapsed, Government went out of its way to revive the defaulting operator and re-licensed him and when he failed again, licensed a third.

Enquiry Committee

Referring to the glimmer of hope engendered by the appointment of the Air Transport Enquiry Committee in 1949, Mr. Tata said that it was shortlived and the authorities' intention to disregard the Committee's criticisms and recommendations and to continue their previous policies soon became evident.

"By the middle of last year," continued Mr. Tata, "it became obvious that drastic measures would have to be taken if the country's air transport system was to be saved from collapse and placed on a sound footing. It must be said to the credit of Mr. Jagjivan Ram, the present Minister for Communications, that on taking over the portfolio of Communications from his predecessor he quickly appreciated the need for decisive action. Where Government made a serious mistake, in my opinion, was in deciding upon complete nationalisation—and that too without giving the industry a hearing—and in refusing even to consider an alternative plan prepared by your Company. Based on the Air-India International pattern of joint private and State enterprise, it offered, in my opinion, a better and fairer solution of the problem.

"Although no purpose can now be served by discussing the merits or demerits of Government's decision, I should like once and for all to correct the widely held impression that nationalisation was made inevitable by the airlines' inability to operate at a profit or to raise fresh capital for new equipment.

"First of all, with the possible exception of Australia which enjoys unique geographical and air-traffic advantages, the operating costs of Indian airlines, other than in respect of fuel and spare parts over which they have no control, are amongst the lowest in the world. If they are higher than they could or should be, it is mainly because of the low intensity of operation imposed upon them by Government's licensing and other policies to which I have previously referred. The exceptionally low costs achieved by one Indian company which, as I mentioned last year, has been allowed to operate on a high intensity basis, prove this point.

"Taking the industry as a whole, the main causes of its losses are to be found, not in high operating costs, but in the uneconomically low fares and mail rates and the crushing burden of fuel taxation imposed upon it. The level of first class passenger fares in Europe and America is about a third higher than in India, while the mail rates paid by the Indian postal authorities are about 40 per cent. below those paid by the British Post Office to B.E.A. Furthermore, the abnormally low rates and fares enforced in India have remained substantially the same for five years in spite of mounting costs, while charges to the users of every other form of public service in the country have been substantially increased.

"As regards the petrol tax, the amount which Government have collected from the hard-pressed air transport industry over the last seven years, runs into many crores of rupees and actually exceeds the total price which they will now pay for the assets of the entire industry on nationalisation. The so-called subsidy granted by Government since 1949 has been nothing more than a partial and dwindling rebate on the petrol duty borne by the industry, and the relief so provided was, almost as soon as granted, offset by successive increases in fuel prices exceeding the value of the rebate. Even after deducting this rebate, Government collected Rs. 50 to Rs. 60 lakhs from the industry in 1952. In the face of these facts and figures the claim that the industry has been subsidised is difficult to accept. If the efficient and prosperous American air transport industry had to bear the petrol duty imposed on the Indian industry, it would make a loss overnight.

"If only three or four companies had been licensed as initially provided in Government's post-war plan, if passenger fares and mail rates had been fixed at reasonable levels and if the industry had been relieved of its heavy burden of taxation on fuel, it would to-day be in a flourishing condition and quite capable of raising the finance required to purchase new equipment."

Lessons for the Future

"As the dismal chapter closes for ever, I hope that some of its obvious lessons will be appreciated by all concerned and kept in mind for the future: for instance, that private enterprise should not rush into a new field without making sure that the total productive capacity so created will not exceed the available demand and that the industry will be allowed to function with a reasonable measure of freedom; that a detailed economic plan, once accepted by Government, should not be changed arbitrarily without careful consideration at the highest level and without consultation with those concerned; that the appointment of high power commissions does more harm than good if their recommendations are to be disregarded, as happened in the case of the Air Transport Enquiry Committee's Report. Finally, that safeguards instituted in the form of statutory authorities for control or licence purposes should not be allowed to be destroyed by constant interference by the executive, as happened in the case of the Air Transport Licensing Board. From the very date of its establishment, the Board was deprived of its freedom to exercise impartial judgment in its decisions and was subordinated to the wishes and directives of the Ministry. This reached an absurd climax when officials of the Civil Aviation Department were appointed members of the Board. From then on, its proceedings had little meaning."

Valuation

Mr. Tata then turned to discuss the basis of compensation payable by Government to each company under nationalisation, namely, the method of valuing aircraft. He said: "The use of the term 'compensation' in the debate in Parliament and in the Act has created the wrong impression in some quarters that compensation for the loss of business, licences, profits, etc., will be paid to the nationalised companies in addition to a reasonable price for their assets. Such compensation, if payable at all, will be purely nominal—the maximum is fixed at Rs. 10,000—while nothing will be paid towards the heavy development expenditure incurred by the operators in the course of opening new routes, etc.

"The principle of paying the market value for assets compulsorily acquired is an old, well-proven and accepted one which has been invariably adopted by Governments in the acquisition of private property and in the disposal of their own. The fact that the assets may have increased in value since their original purchase or creation by their owner has never upto now been allowed to invalidate this principle, as proved by innumerable instances of acquisition and sale by Governments and public authorities. In the case of the nationalisation of the airlines, however, it has been wholly set aside; in fixing the price payable for aircraft, Government have declined to take into account not only the world market price but even the internal price in India. As stated in the Directors' report, the nationalised companies will receive about one-fifth of the world price for Dakotas, Vikings and Skymasters and about 50 per cent. for Constellations. Even if we ignore world prices, the figures fixed for Dakotas will be about half the Indian market prices. To that extent, therefore, it may legitimately be contended that the terms on which the air transport industry is being taken over contain an element of expropriation.

"Having said this, it is due from me to recognise that once Government had decided on the basis of valuation, the Minister for Communications who piloted the Bill through Parliament and the Finance Minister resisted the pressure brought to bear on them to whittle down still further the amount of compensation. We are grateful for the stand they took.

Chairmanship of A.I.I.

"Before I leave the subject of nationalisation," observed Mr. Tata, "there is one personal matter to which I should like to refer. As you are aware, I have agreed to remain as Chairman at the head of Air-India International after nationalisation. This has given rise in some quarters to the criticism that in thus agreeing to remain associated with an industry after its nationalisation, I have let down free enterprise. Whatever validity there may be in this contention, as a general proposition, it can hardly apply in the case of Air-India International as Government already have a dominant participation in its capital and direction. The main consideration, however, which weighed with me was that I would be lacking in a sense of duty if I refused to continue to make whatever contribution I could to the maintenance of the high standard and prestige which Air-India International has established in India and abroad. This consideration acquired greater force when I found that, in the face of considerable opposition, Government had accepted the recommendation I had made to them, on grounds of efficiency and administrative convenience, to keep the international airline as a separate corporation and to retain intact the name of Air-India International.

"In the circumstances, and having regard to the Minister's assurance that the Board of the Corporation would have the required freedom to manage its activities on business lines and that the interests of the staff would be adequately safeguarded, I believe you will approve of my decision to assume, in an honorary capacity, the somewhat onerous duties of Chairman of the International Corporation."

(*Continued on page* 1191)

INSURANCE LEGISLATION IN DIFFERENT COUNTRIES

MAXIMUM FREEDOM FOR COMPANIES ALLOWED IN U.K.

FOR several decades now most modern countries have accepted the principle that insurance, whether it is undertaken as a profitable or non-profitable enterprise, requires to be controlled in the public interest. This view is based on the ground that the failure or mismanagement of an insurance company is fraught with dangers of a far-reaching character. By ruining the hard-won fortunes of a thrifty public, the failure of an insurer would ruin the confidence of the public in financial and credit institutions beyond repair and would render even the really honest and well-managed companies suspect in the public eye. Although the principle of State interference with, and control of, insurance has thus gained general acceptance, there is, of course, no uniformity in the method, nor in the extent, of State control which varies from country to country. A comparative study of the control over insurers, which prevails in different countries, ought, therefore, to appeal to all students of insurance. It is such a study that has now been presented by Mr. N. T. Raju of the National Insurance Company, Ltd., who, in his paper on "State Interference in Life Insurance," read at the last insurance conference, made a comparative analysis of State regulations relating to insurers in four principal countries, the U.S., Canada, the U.K. and India. Within the compass of hardly 15 pages the author has compressed a great deal of study and comparative analysis so that the paper might justly be called a model of condensation of its kind.

Mr. Raju's introductory remarks were confined to the description of the historical background to the insurance legislation in the countries. This account shows that it took many years of frequent failures of insurers before the principle of State control of insurance was accepted in the West. But these years, painful and fruitless as they were, ended in the vindication of the principle that a certain element of State interference must be accepted in the interests of the common good of all the principal parties concerned—the companies themselves, the policyholders, and the Government which is ultimately responsible for the people's welfare.

The control of the State starts at the very commencement of an insurer's career. In all the four countries the insurance legislation of which Mr. Raju has studied, the law requires that deposits should be made before the companies can commence writing insurance business. In the U.K., "deposits requirement has been replaced by a requirement as to minimum paid-up share capital." In addition, insurance laws require that licences or certificates of registration have to be obtained. The licences or certificates may not be granted nor renewed—they may even be revoked—at the discretion of the State. No such provision, however, exists in the British law. In Canada, as in India, the law requires that a minimum proportion of the directors should be the representatives of policyholders. Several State legislations in the U.S. have restrictions on interlocking directorships and common managements.

The major financial restriction, which is common to the U.K., Canada and India, is that the life fund has to be kept separate from the funds of other classes of insurance business which a company transacts. In Canada, as in India, there is an additional stipulation that the assets of the life fund must be kept separate from all other assets. The control over the investment of a company's funds varies from country to country. In the United Kingdom there is complete freedom for the companies to invest as they think best. In spite of their unchartered freedom, offices in general have been maintaining very high standards in choosing avenues where their funds can be suitably and profitably employed. Investment practice is characterised by conservatism. Many companies sacrifice profitability to security to an extent which may "appear to some as far beyond what is absolutely necessary." In the other three countries, a life company's investments are the subject of detailed regulation and control. In New York State, companies may invest only in Government obligations, corporate obligations with a prescribed earnings and/or dividend record, mortgage loans and some other items enumerated in the insurance law. There are restrictions on the acquisition of real property and on the amounts which may be invested in any one institution. The investment powers of Canadian and Indian companies are restricted on similar, though not identical, lines. In New York and Canada, investments, not permissible under the laws, are ignored while determining the financial condition of a company. In Canada such non-admissible assets are limited to a maximum of three per cent. of the total "ledger assets" of a company. Indian provisions also are along similar lines and a maximum of 15 per cent. of the controlled fund is permitted to be put in unapproved investments.

Both in the U.S. and in India, standard policy forms have to be lodged with the Government before permission to transact business is granted. In India, special clauses are inserted in policies excluding or restricting liability in the event of death occurring in a specified manner, the more familiar of them being the first pregnancy clause in the case of female lives. The New York laws permit no such restrictions except those relating to suicide, war, aviation, occupational and residential risks.

British and Canadian statutes do not prescribe any regulations regarding insurance agents or their remuneration. But the New York and Indian laws have elaborate and detailed control over these aspects of the insurance industry. A noteworthy feature of the New York law is that an applicant for an agency licence has to submit himself to a written examination in order to enable the Superintendent of Insurance to judge his competence to act as an agent. Again, in the New York and Indian law, rebating and the offer of other inducements are strictly forbidden. Similar provisions, however, do not exist in the Canadian and British laws.

In the U.K. there is no specific provision for keeping the expenses of management at a prescribed level. In Canada, the authorities are empowered to investigate the financial position of a company which is suspected of indulging in extravagant expenditure. In the U.S., particularly in New York, as in India, ceilings for expenses are specifically prescribed by law. But the New York laws are flexible. Paying a tribute to the flexibility of the New York laws on insurance, Mr. Raju says:

"While the New York laws prescribe measures conducive to economy in expenses of life offices, set rigid limits on maximum expenses and penalise offending companies, they, at the same time, retain considerable amount of flexibility designed probably indirectly to encourage economic and efficient managements. For instance, as already mentioned, the ceiling on new business may be raised, if a company has been properly and economically conducting its business. Additional remuneration to insurance agents, otherwise than by way of commission, may be allowed with prior approval of the Government, provided the expense limit is not thereby infringed. The value of these provisions in regulating the competitive ability of a company to create an efficient, stable and contented agency force, through efficiency in management, cannot be under-rated and is worthy of serious attention of Indian insurance where high expense ratios are still a major problem and no preferences are shown for achieving economy in expenses. The absence of a limit for the overall expenses of a company before the 1950 Amendment Act and the freedom to appoint and remunerate intermediaries between the agent and the office rendered the restriction on agent's commission in India ineffective. Though the law in this respect has been strengthened, policies are still allowed to be issued at premium rates which do not enable the companies, considered in relation to their experience in the past and probable trends in future, to remain solvent or remain solvent only by eating into the bonus-loading of the with-profit business."

The regulations regarding the valuation of liabilities vary in different countries. In New York, life companies are required to value their liabilities annually, whereas in the U.K. and in Canada, once at least in every five years, and in India, once at least in three years such valuation must be undertaken. Of the valuation surplus, the Canadian companies allot 90 to 97½ per cent. to participating policyholders; in India, the proportion is a minimum of 92½ per cent. There is no restriction regarding the basis of valuation in the U.K. The New York and Canadian laws, however, prescribe the basis of valuation. The Indian law gives freedom to the actuary to choose the basis though the Controller of Insurance is empowered to order revaluation if he finds that the basis adopted by the actuary is faulty.

This brief account of the insurance legislation in the four countries reveals that the extent of State interference in insurance in the U.K. is very much less than in any other country considered in the review. But so pervasive is the influence of traditions and conventions on insurers in the U.K. that they manage their affairs along remarkably sound business lines, notwithstanding the absence of any rigorous legislation. In New York and Canada, there is no doubt stringent legislation in order to control the activities of insurers. But the New York laws, as the quoted passage from Mr. Raju's paper reveals, are flexible in that they allow some exceptions to be made to remedy individual cases of hardship. Perhaps the Indian authorities too will do well to adopt similar practices. What is necessary is to ensure freedom for insurers—not freedom to mismanage their affairs but freedom to manage them on sound lines.

NEW GREAT INSURANCE MAINTAINS PROGRESS

The year ended 31st December, 1952, has proved to be another period of progress in the working of the New Great Insurance Company of India Ltd. (head office: Baroda; General Manager: Mr. M. G. Mody), inasmuch as the improvement in the Company's general insurance business noted in the past few years was maintained in the year under review also. The life business, which had a small recession in 1951, has also recovered. Thus, the aggregate net premium income of the three general departments, namely, fire, accident and miscellaneous and marine, shows an advance from Rs. 36.76 lakhs in 1951 to Rs. 48.91 lakhs in 1952. As in the previous year, the improvement has been shared by all the three departments and more than half of the total business is accounted for by the fire department. The accident and miscellaneous business does not show any marked improvement, as in the case of fire and marine business. This is presumably because the management continues to exercise caution in accepting motor business, which constitutes the bulk of the business in this department and which is unremunerative. In the life section, the number of proposals which resulted into policies has increased from 2,235 to 2,454 and the sum assured has gone up from Rs. 66.90 lakhs to Rs. 77.87 lakhs.

The claims experience has not been uniform. The claims ratio in the fire department, which was a little more favourable in 1951 than in the preceding year, has risen in 1952. But, at 20.3 per cent., it is still lower than in 1950. The claims ratio in accident and miscellaneous business, which had gone up from 44.1 per cent. in 1950 to 52.1 per cent. in 1951, shows a welcome drop to 42.2 per cent. in 1952. A sharp rise in the claims ratio from 52.1 per cent. to 71 per cent. is noted in marine business.

An encouraging feature of the accounts is the further decline in the expense ratio in the fire business, indicating that the management's efforts at bringing down the costs year after year have succeeded. In the accident and miscellaneous business, the expense ratio has been kept at more or less the same level as in 1951. But in the marine business, the expense ratio, which had been declining in the previous two years, has risen during the year under review.

As in the previous year, the Directors have kept the fire and miscellaneous funds at 50 per cent. of their net premium incomes. The marine fund has, however, been raised from 90 per cent. to 100 per cent. of the premium.

A more detailed picture of the Company's working results for 1952, as compared with those for the previous three years, is shown in the following table:

(Value in lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
General Department				
Premium income (net)—				
Fire	24.54	18.49	13.03	11.81
Accident and miscellaneous	11.93	10.38	9.15	10.44
Marine	12.44	7.89	7.26	3.96
Claims paid and outstanding—				
Fire	4.97 (20.3%)	2.93 (15.8%)	3.15 (24.2%)	2.53 (21.4%)
Accident and miscellaneous	5.03 (42.2%)	5.41 (52.1%)	4.04 (44.1%)	4.31 (41.2%)
Marine	8.83 (71%)	4.11 (52.1%)	5.00 (68.9%)	1.22 (30.8%)
Commission and expenses—				
Fire	10.36 (42.2%)	9.02 (48.8%)	7.17 (55.0%)	6.66 (56.4%)
Accident and miscellaneous	5.55 (46.5%)	4.84 (46.2%)	4.28 (46.8%)	4.24 (40.6%)
Marine	4.57 (36.7%)	2.29 (29.0%)	2.32 (31.9%)	1.71 (43.2%)
Fire fund	12.27	9.24	6.51	5.91
Accident and miscellaneous fund	5.96	5.19	4.57	5.22
Marine fund	12.44	7.10	6.17	3.96
Life Department				
New business—				
No. of policies	2,454	2,235	2,363	2,338
Sum assured	77.87	66.90	85.28	75.62
Total business in force	351.33	325.74	298.50	255.14
Total premium	17.01	14.47	14.37	10.95
Claims	0.77	0.64	1.05	0.86
Life fund	46.24	34.64	26.51	18.33

A perusal of the various revenue accounts shows that the fire business has been the most profitable one. The profit of the department amounts to Rs. 6.40 lakhs and compares very favourably with Rs. 3.96 lakhs in 1951. The accident and miscellaneous business has brought a profit of Rs. 68,737, as against Rs. 38,016. The profits of the two departments have been largely offset by the substantial loss of Rs. 6.13 lakhs (as against a profit of Rs. 69,877 in 1951) suffered in marine business. The dividend on the ordinary shares has been maintained at Re. 1 per share of Rs. 20, after paying the 4 per cent. preference shareholders and maintaining the taxation reserve at Rs. 1 lakh.

WESTERN INDIA LIFE'S BUSINESS SATISFACTORY

A small increase in both the new policies effected and the sum assured is disclosed by the accounts of the Western India Life Insurance Company, Ltd. (head office: Satara City; Manager: Mr. K. Y. Joshi), for the year ended 31st December, 1952. The number of proposals which have resulted into policies shows an increase from 11,108 to 11,188 and the sum assured from Rs. 268.52 lakhs to Rs. 269.10 lakhs. This increase has been achieved in the face of "very difficult and trying" business conditions.

The following comparative table shows the progress of the Company in the last three years:

(Value in lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
New business completed—				
No. of policies	11,188	11,108	11,562	11,401
Sum assured	269.10	268.52	263.51	245.47
Premium income	13.25	14.10	13.02	12.75
Life fund at the end of the year	5,60.73	5,05.62	4,60.69	4,15.38
Interest yield on life fund	4.27%	4.42%	3.57%	3.44%
Claims—				
By death	6.77	7.08	6.68	6.43
By maturity	20.10	16.89	14.92	13.23
Expense ratio	23.89%	22.85%	23.08%	23.54%
Investments—				
Book value	4,87.08	4,40.95	3,98.76	3,64.46
Market value	4,62.38	4,18.21	3,96.64	3,64.82
Dividend to shareholders	30%	30%	25%	10%

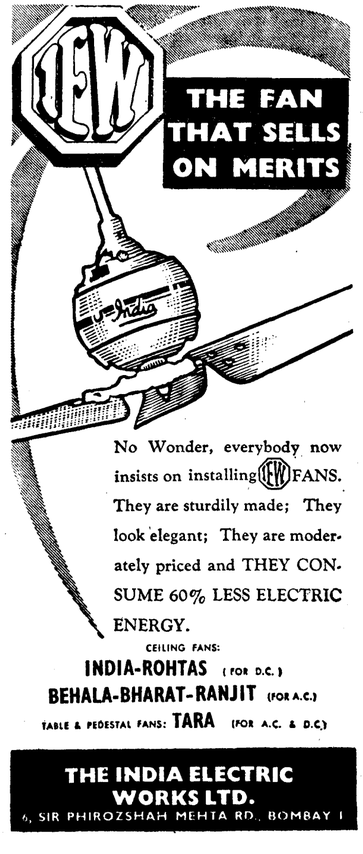
Though the pace of increase in new business has slowed down further during the year 1952, it is gratifying that the Company's tradition of increasing new business from year to year has been kept up. The annual premium income has gone down slightly, despite the small increase in new business, but that may be due to lapses in view of the decline in the saving capacity of the people, following the high cost of living. An increase of Rs. 2.90 lakhs is noted in claims; this is mainly due to the rise in claims by maturity. The experience of the Company in respect of claims by death is satisfactory, reflecting the "great care exercised by the Directors in the selection of business." Expense ratio also has gone up from 22.85 per cent. to 23.89 per cent., but this is in consonance with the general experience of all companies. In the case of Western India, even this higher ratio is stated to be within margin and compares well with the general average of 26.8 per cent. in 1951.

As a result of the year's working, the Company has added a sum of Rs. 55.11 lakhs to its life fund, bringing it to Rs. 5.61 crores. In the last three years alone, the Company has raised its life fund by over Rs. 1.45 crores. The net interest yield on the life fund has declined to 4.27 per cent., but it is substantially higher than the average interest yield of 3.30 per cent. earned by all insurance companies in 1951. The Company's investments, as will be noted from the foregoing table, as at the end of 1952, show a depreciation of Rs. 24.70 lakhs, of which the depreciation in 1952 is said to be Rs. 1.96 lakhs. This is mainly due to the marked fall in prices of debentures and shares of public bodies, public utility concerns and other industrial securities. The prices of Gilt-edged securities have not shown any appreciable fall. The Directors have transferred a sum of Rs. 2 lakhs to the investment reserve, thereby raising the reserve to Rs. 24.75 lakhs, at which level it amply covers the total depreciation. The fall in prices of debentures and ordinary shares has, however, not been an unmixed evil. For, the Chairman points out, "as the new investments are made at the reduced prices, there is an increase in the yield available on these investments, so that the average net yield on our investments continues to be good."

INDIAN LIFE ASSURANCE OFFICES ASSOCIATION

The Silver Jubilee Souvenir (published by the Indian Life Assurance Offices Association, Bombay) gives an account of the genesis of the idea of forming an association of Indian life offices, and the history of its growth and development during the last 25 years of the existence of this Association. The Association, as is well known, has been primarily responsible for promoting *esprit de corps* among its members. But the value of the Association, however, far transcends the limited scope of providing a meeting ground for all its members, for, it has played and continues to play a notable role in shaping the development of insurance in India. From time to time it has represented to the Government the views of insurers in a manner which has compelled the Government to take due notice of its opinions. The *Souvenir*, complied by Mr. K. C. Desai, one of the founders of the Association, and published this year to mark the completion of a quarter of a century of useful existence of the Association, will be read with interest by all those who would like to know the history of Indian insurance.

The *Souvenir* carries several eminently readable articles. Mr. L. S. Vaidyanathan reviews the scope and future of life assurance in India, while Mr. V. H. Vora describes the mechanisation of clerical work in life offices. Mr. R. S. Bhatt analyses the investment problems of life assurance companies. Mr. Vaidyanathan feels that the companies in India have touched only the "fringe of the problem as regards making the population insurance-minded." He has made several constructive suggestions for incorporation in the Estate Duty Bill so as to make it less rigorous in scope so far as the insured are concerned.





VICTORIA MILLS LTD., BOMBAY

CHAIRMAN'S SPEECH AT ANNUAL GENERAL MEETING

THE Fortieth Annual General Meeting of the Victoria Mills Limited, Bombay, was held on *Wednesday, 17th June, 1953*. Mr. Madanmohan Mangaldas, M.L.A., presided and delivered the following speech:

"GENTLEMEN,

"I have great pleasure in welcoming you to the fortieth ordinary general meeting and in placing before you the audited accounts of the Company for the year ended 31st December, 1952, and your Directors' report for the said year.

"From the profit and loss account, you will notice that the Company has made a profit of Rs. 12,16,793 which is smaller by roughly Rs. 8,00,000 than the profit of Rs. 20,02,399 for the year 1951. The reduction in profit is attributable to various factors.

Setback in Demand

"As indicated in the Directors' report, the prices for foreign cotton were extemely high and there was a slump in the demand for cloth. The conditions created by the setback in demand persisted in the market quite a long time and the mills had to dispose of their goods at a discount to prevent over-hoarding.

"In the year 1951, the Government of Bombay had imposed a power cut which continued during the year of accounts practically till June and the consequential reduction in working hours told on production.

"Another factor which affected the profits of the Company adversely was the rise in the prices of store materials and fuel. For the year 1951, the expenditure for stores and fuel had amounted to Rs. 21,58,772; whereas for the year 1952, the aggregate expenditure for these two items turned out to be Rs. 26,57,073 resulting in an increased cost of production, for the latter year by Rs. 5 lakhs.

Working Result Quite Good

"Considering all this, I may be permitted to say that the working result of the Company for the year under review has been quite good. The profit as shown by the profit and loss account gives a yield of 50 per cent. on the amount of the paid-up capital of the Company, which has made possible for your Directors to maintain dividend on the ordinary share capital at Rs. 15 per share and, at the same time, to make necessary provisions for depreciation and taxes.

"If you now refer to the balance-sheet, you will observe that the fixed assets of the Company stand at Rs. 43,73,029. The figure for the same at the end of 1951 stood at Rs. 35,87,825. The various additions made during the year to the plant and machinery of the Mills have been, in the main, mentioned in the Directors' report and I need not repeat them. Similar additions were made also in the years 1951 and 1950 to the extent of approximately Rs. 5½ lakhs and Rs. 3½ lakhs, respectively. This is being done in pursuance of a steady policy adopted by the management to renovate, replace and install such pieces of machinery and bring about such extension to buildings, as may be advisable, from time to time, for the achievement of greater efficiency and better results.

Burden on Industry

"The policy of the Union Government, inclined towards the creation of a Welfare State, has been responsible for imposing ever increasing burden on the industry by way of enacting laws for provident fund, State Health Insurance Scheme and other labour laws; the levy of a cess for subsidisation of the handloom industry and the impost on sales (State law). The cumulative effect of all this is bound to imperil its strength which is necessary to withstand competition from foreign sources.

"Before resuming my seat, gentlemen, let me express, on behalf of my colleagues and myself, our most sincere thanks for your reposement of trust in us, which we endeavour to live upto. I also convey our sincere thanks to all the members of the staff, without whose unflinching devotion to duty and steadfastness, the management would not have been able to achieve all what they have done so far.

"I now beg to move that the Directors' report and the audited balance-sheet and profit and loss account for the year ended 31st December, 1952, be and are hereby adopted."

NEW INDIA ASSURANCE COMPANY, LIMITED

NEED FOR RELAXING INVESTMENT RESTRICTIONS

MR. A. D. SHROFF'S ILLUMINATING SPEECH

PRESIDING over the Thirty-fourth Ordinary General Meeting of the New India Assurance Company, Ltd., held in Bombay on Wednesday, 24th June, 1953, Mr. A. D. Shroff, Chairman of the Company, emphasised, in the course of his speech to the shareholders, the need for a judicious relaxation of the investment restrictions on Indian insurers.

The following are extracts from his speech:

"GENTLEMEN,

"Since I addressed you last year, the economy of the country has been comparatively stable. After the precipitate fall in commodity prices in the first half of 1952, prices have settled down at a little higher level than the lowest seen during the slump. It is only recently that the price trend has firmed up to some extent. Again, on the whole, industrial production in 1952, as compared with 1951, showed a further increase, particularly in our major industries. A number of small industries, however, have been experiencing difficulties in marketing their products with the result that in recent months unemployment has been on the increase. The cotton textile industry has shown a substantial increase in production which cannot be absorbed within the country and, therefore, an intensive drive is called for in the interests of larger exports abroad. Exports in 1952 suffered a sharp setback from Rs. 742 crores to Rs. 586 crores and with imports remaining steady the balance of payments on current account would have shown a very substantial deficit but for the assistance obtained from the U.S.A. Perhaps the most encouraging feature during recent months is the food situation. Except in limited areas due to severe drought, the acute shortage of food has been relieved which will enable the Government in the coming year to reduce substantially the imports of foodstuffs from abroad.

"The Five-year Plan has received increasing attention from all over the country and although no spectacular results have yet been achieved, progress has been made on long-term projects, and if the anticipated financial aid from abroad is forthcoming, the main objectives of the Plan are likely to be reached. The Government have definitely accepted the principle of deficit financing to augment their resources for financing the Five-year Plan and I am of the opinion that within limits and under expert control it should stimulate further economic development.

Tax Structure

"I welcome the appointment by the Government of India of a Commission to inquire into the taxation structure of this country. It is generally hoped that under the able and distinguished chairmanship of Dr. Matthai this Commission will make a thorough, scientific and objective study of the present taxation structure and particularly its implications for the general objective of a large-scale and rapid economic development of the country. In my opinion, the future taxation structure of the country should, in the context of the present economic needs of the country, lay greater emphasis on providing conditions for accelerating capital formation rather than on eliminating inequalities of income and wealth. It was estimated that before the last world war national savings represented about 5 per cent. of the annual national income. With the ever-widening scope of the public sector, a larger and increasing part of the national savings is being diverted in recent years to expenditure in that public sector with the result that the private sector has been finding it increasingly difficult to raise new capital both for expansion of existing industries and for the promotion of new ones. I trust that as a result of this investigation the Government will be able, in future, to evolve a tax structure which will leave a substantial part of the country's savings for economic development through the private sector.

"In regard to the estate duty which will shortly be brought into force, I wish to invite the attention of the Government of India to one particular clause which has reference to insurance. It is proposed to exempt life policies from the estate of a deceased to the extent of only Rs. 5,000. I submit that the present-day value of money being what it is, the amount exempted is inadequate and may prejudicially induce persons intending to insure to reduce the amount of their life policies and with it, the effective protection of the dependents. It may well strike at the very root of the effort which life insurance companies in India are making to foster the growth of the habit of family protection through life assurance policies. I, therefore, earnestly appeal to Government substantially to raise this exemption limit.

Nationalisation

"During the year under review a number of important statements were made suggesting, if not nationalisation, increasing control of insurance business and particularly of the funds of insurance business in this country. Insurance, along with banking and shipping, has played in the past and will continue to play a vital role in the development of India's economy. As a matter of fact, the most effective instrument for mobilising the savings of the people of this country is provided by insurance companies and through this agency for capital formation Indian insurance companies are making a substantial contribution towards the implementation of the Five-year Plan. Whilst I would be the last to assert that the working of all insurance companies in India is on a solid and unimpeachable basis, the service which Indian insurance as a whole offers to-day in the various branches of India's economic life is the result of private enterprise actuated by a strong desire to make Indian insurance part and parcel of the national effort to raise the standard of living in this country. I believe that with a judicious relaxation of the restrictions imposed through section 27A of the Indian Insurance Act, well-managed Indian insurance companies can still make further and progressive contribution towards the rapid building up of the industrial structure of India, and in this connection I would earnestly request the Government of India to remove some of the anomalies inherent in the present restrictions and also to amend some of the restrictive clauses so that Indian insurance companies can be a source of financial assistance, particularly to small industries.

"In order to enable Indian insurance to play its rightful and increasing role in the development of the country's economy, it is an essential pre-requisite that Indian industries should lend their increasing support to Indian insurance. It is rather unfortunate that some large Indian industrial interests should still require to be persuaded to utilise the services of Indian insurance which offer to-day both service and security comparable to any obtainable elsewhere. In this connection, I have read with considerable interest the observations of the Hon'ble Minister for Commerce and Industry before the Associated Chambers of Commerce last December to the effect that foreign business houses in India should extend their patronage to Indian insurance, banking and shipping. Our relationships with non-Indian insurance companies operating in India have been most friendly and we have with a large number of foreign companies extensive arrangements which are operating to the mutual advantage of both parties. It is but fair that non-Indian business interests who, under the Indian Constitution and law, enjoy the same protection and treatment that is accorded to Indian interests should regard it as an obligation to treat Indian insurance companies on a par with foreign companies. This will further cement the friendly ties already existing between Indian and non-Indian business in this country and promote that spirit of reciprocity which will ultimately redound to the benefit of both.

New Types of Business

"Shareholders will be interested to know that, last year, we decided to embark on three new types of business. Your Directors consider that New India owes it to the country that it should provide increasing insurance facilities for types of risk which have not so far been covered in this country. With this object in view, we have made arrangements to start underwriting hull insurance, machinery insurance and cattle insurance. I wish to take this opportunity of expressing our gratitude to the patriotic and farsighted decision of the Directors of the Scindia Steam Navigation Company to place with Indian companies for the first time their entire hull insurance business. We have been able to satisfy Scindias that we are fully equipped to deal with this business and to render as good and efficient a service as they have so far obtained from abroad. I trust other Indian shipping companies will follow the lead given by Scindias.

Machinery Insurance

"Machinery insurance is comparatively new to this country. In this branch of our business which we have only recently started developing, we have been able to secure the assistance and co-operation of Munich Reinsurance and Allianz and Stuttgarter who have placed at our disposal a team of technical men and their fifty years' experience in this line of business. All new activities take time to develop. Our organisation has started educating interested parties both in the desirability and ultimate benefit afforded by this class of insurance, and I am not without hope that in course of time we shall build up a fairly substantial business in this new activity.

"Similarly, your Directors felt that the New India should start providing facilities for cattle insurance. In a country like ours where agriculture will always occupy a predominent position in the national economy, there is great scope for developing cattle insurance and although it is likely to make slow progress in the initial stages, we look forward to making substantial progress ultimately. In the development of these new lines of business we are offering a partnership interest to a number of Indian insurance companies without reserving any special advantage to ourselves and I am glad to say that some insurance companies have already availed themselves of our offer.

"I referred last year to the progress made by the Company in the field of our operations abroad. I am glad to inform you that this progress has continued satisfactorily and that the Company is now represented in 36 different countries either through our own branches or through agencies in those countries. Nearly 9 per cent. of our direct business in 1952 was secured from our operations abroad.

Foreign Branches

"I had the opportunity recently of inspecting our branches in the Far East and South East Asia, at Rangoon, Bangkok, Singapore, Hong Kong and Tokyo. I found all our offices well located and manned by personnel who have succeeded in establishing valuable contacts in those countries. We have recently been investigating the possibilities of opening branches at Manila and at Djakarta. I take this opportunity of expressing our grateful appreciation of the patronage and support we have received in these countries and wish to assure our clientele that the New India is always anxious to provide as adequate and efficient a service to them as may be found anywhere else. Without being unduly optimistic, I am confident that the organisation we have thus built up will prove fully adequate to the needs of our expanding operations in these areas.

"I shall now review the working of the Company in 1952. The results of our operations during the year 1952 were on the whole satisfactory. We secured a total premium income of Rs. 8.10 crores, of which Rs. 3.86 crores was in the general department and Rs. 4.24 crores in the life department as against a total premium income in 1951 of Rs. 7.49 crores made up of Rs. 3.64 crores and Rs. 3.85 crores in the general and life departments respectively. The profit of the general branch amounted to Rs. 41.95 lakhs, being 10.9 per cent. of the total premium income of that branch.

"The disbursements of the year's general premium income under various heads are as follows:

Claims Ratio 48.4 per cent. against 43.3 per cent. last year; commission, expenses and taxes ratio 38.7 per cent. against 32.0 per cent. last year; reserves for unexpired risks—on the basis of standard reserves for unexpired risks—resulted in a strain of 3.1 per cent. against 14.0 per cent. last year. There is thus a strain of 5.1 per cent. on claims, and of 6.7 per cent. on commission, expenses and taxes and a decrease in strain of 10.9 per cent. on reserves.

"In the fire department, premiums amounted to Rs. 229.28 lakhs, and show an increase of Rs. 6.00 lakhs, which is equivalent to 2.7 per cent. of the 1951 premiums. The cost of claims incurred by the department was 38.5 per cent. against 34.9 per cent. in the previous year. The ratio of commission, expenses and taxes to premium income was 46.5 per cent. as against 42.2 per cent. in 1951. After bringing interest to account, the department returned a profit of Rs. 36.4 lakhs, equal to 15.9 per cent. of the premiums, as against Rs. 41.3 lakhs, which was 18.5 per cent. for the preceding year.

"From the year's profit, Rs. 4,000 have been transferred to the reserve for unexpired risks to round off the reserve at Rs. 96 lakhs; Rs. 3 lakhs have been credited to the additional reserve, leaving Rs. 33.39 lakhs for transfer to the profit and loss account. The departmental reserves now amount to Rs. 155 lakhs, being 67.6 per cent. of the year's premium income, as against Rs. 150 lakhs or 67.2 per cent. in 1951.

Miscellaneous Department

"The working of the miscellaneous insurance department for the year has been satisfactory. The premium income amounted to Rs. 65.52 lakhs, registering an increase of Rs. 7.8 lakhs, being an increase of 13.5 per cent. of the 1951 premiums. The claims cost incurred by the department works out at 52.2 per cent. of the premiums, as against 44.7 per cent. for 1951. Commission, expenses and taxes amounted to 36 per cent. of the premiums, as against 28.8 per cent. in 1951. The profit shown by the department, after taking credit for interest, is Rs. 10.97 lakhs, equivalent to 16.7 per cent. of premium income, as against Rs. 7.8 lakhs or 13.6 per cent. respectively in 1951.

"From the year's profit, an amount of Rs. 79,000 has been credited to the reserve for unexpired risks to round it off to Rs. 27 lakhs. Rs. 2 lakhs have been credited to the additional reserve, leaving Rs. 8.17 lakhs for transfer to profit and loss account. The departmental reserves now amount to Rs. 51 lakhs, equalling 78 per cent. of the year's premiums, as against Rs. 46 lakhs, with a ratio of 79.7 per cent. last year.

"The premium income of the marine department for the year was Rs. 91.15 lakhs, and showed an increase of Rs. 8.45 lakhs, representing 12 per cent. of the premiums for 1951. The cost of claims works out at 70.6 per cent. of the premiums, as against 65.1 per cent. last year. Commission, expenses and taxes amounted to 26 per cent. of the year's premium income, as against 17.0 per cent. last year.

"After taking credit for interest and providing a reserve on 99.8 per cent. basis, the department showed a profit of Rs. 30,584, which has been transferred to profit and loss account. The departmental reserves now amount to Rs. 132 lakhs, and represents 144.8 per cent. of the year's premiums. I explained to you last year that it is normally not possible to set up the 100 per cent. reserve from the year's premium income on a substantial increase. The disagreeable profit of the account is, therefore, explained by this phenomenon.

"During the year under review, a loss of Rs. 90,457 was suffered on sale and redemption of securities. This loss has been debited to the profit and loss account. Further, the book value of our investments in the general department is Rs. 471.83 lakhs showed a depreciation of Rs. 8.93 lakhs. We have, therefore, transferred from the investment reserve Rs. 9.0 lakhs to cover this depreciation.

"The progress of the life department for the year has been satisfactory. We issued during the year 53275 policies assuring Rs. 18.04 crores, showing an increase of Rs. 1.35 crores over the previous year, equivalent to 8.1 per cent. of the new life business for the year 1951. The average sum assured per policy was Rs. 3,387 compared with Rs. 3,503 last year.

"The premium income of the department inclusive of consideration for annuities amounted to Rs. 4.24 crores as against Rs. 3.85 crores in 1951. The interest income after deducting income-tax was Rs. 56 lakhs, or 3.54 per cent., as against Rs. 45 lakhs or 3.29 per cent. last year.

"The renewal expense ratio for the year, calculated in accordance with the Insurance Rules, was 14.8 per cent. against 13.1 per cent. last year.

"Death claims for the year amounted to Rs. 30.85 lakhs. The mortality experience for the year has been quite satisfactory, the 'actual claims' working at 50 per cent. of the 'expected claims', compared with 51 per cent. last year.

"Surrenders have practically doubled, the surrender values paid amounting to Rs. 21.38 lakhs against Rs. 10.31 lakhs in 1951. The rate of surrenders is a good index of the stringent financial conditions which the insured as a class are experiencing.

"The lapse ratio was 9.5 per cent. against 6.9 per cent. last year. Your Directors are fully seized of the gravity of this problem and a concentrated drive is being organised to bring the lapse ratio under control.

"We have suffered during the year a loss of Rs. 1,43,318 on the sale of investments, and a further depreciation of about Rs. 30 lakhs. It must be appreciated that the Company's life department is relatively young, and that about Rs. 16 crores have been added to the life assurance fund during the war and post-war years. This period experienced low interest yields and severe inflation, followed by higher interest yields and depressed economic conditions. The net depreciation and loss we have suffered on our investments during the period 1940-52 amounted to Rs. 96 lakhs, which works out at 6 per cent. of the accretion to our life fund from 1st January, 1940, onwards. This compares favourably with the loss and depreciation suffered by other companies of equal standing.

"The life assurance fund now amounts to Rs. 17.01 crores, showing an increase of Rs. 2.27 crores during the year.

"Coming to the profit and loss appropriation account, the balance of profit brought in amounts to Rs. 36.1 lakhs. After transferring Rs. 10.7 lakhs to reserve for taxation, Rs. 10 lakhs to general reserve and Rs. one lakh to the dividend equalisation fund, we have a balance of about Rs. 15.2 lakhs, from which your Board recommend an income-tax-free dividend of Rs. 2 per share. This will absorb roughly Rs. 14.2 lakhs, and leave a balance of Rs. 94,167 to be carried forward to next account.

"The overall result of our operations in 1952 is reflected in a further strengthening of our financial resources by Rs. 2.9 crores with an aggregate total of Rs. 23.2 crores. I am sure shareholders will approve of the policy the Directors have consistently followed in conserving the financial resources of the Company so as to offer an increasing measure of security to our clientele in all departments of the Company's operations.

"I will now deal with some important problems the Company and Indian insurance are facing.

Training Young Men

"Last year, I explained to you that there were immense possibilities for further development for Indian insurance and for the New India. For this development, it is necessary for us to have well-trained men, both on the development and administrative sides of our business. Our main problem is, therefore, to build up a cadre of such men.

"In 1952, we selected 15 apprentices. We are giving them an intensive training on the theoretical and practical sides of our business. You will be interested to know that for training them we have organised a model office, which provides a representative model of a big organisation and its problems. This new training medium is now being tried and readjusted. Once it is perfected, the training of our new men will become far easier and more effective.

"Another important development has been in the field of management research. We have organised a management research department. The functions of this department are: preparation of operational manuals; study and research into administrative procedures with the object of simplification, rationalisation and mechanisation of various operations, and the conduct of operational audits. These activities are absolutely new to the Company, and probably to this country. We, therefore, face the problems every pioneering activity brings forth. However, I am pleased to say we are making good progress.

Private Enterprise

"Perhaps the most important task facing Indian insurance is to place this business on a healthy, sound and profitable basis. Indian insurance has reached its present stage through private enterprise and those engaged in the business are naturally anxious to have freedom to develop it and as little interference as possible in the day-to-day activities of the business. However, it has to be admitted that the management of a number of companies leaves very much to be desired and I should like to stress here that failure to maintain the highest standards of integrity and discipline will not only jeopardise the stability and growth of Indian insurance but will also prove a menace to the continued existence of private enterprise in this field. Apart, therefore, from any action which the Government may ultimately be compelled to take, I most earnestly appeal to all those who have the best interest of Indian insurance at heart to do their utmost to maintain proper standards of conduct in compliance with the provisions of the Insurance Act."

Mr. Shroff concluded by saying that the present set-up of the Insurance Act was sound and practical, and strict and scrupulous compliance with its provisions was bound to place insurance business in the country on a sound and healthy basis. The Executive Committee of the General Insurance Council had now formulated a Code of Conduct for all insurance companies with the primary object of enforcing the provisions of the Insurance Act. This Committee had set up voluntary machinery for inspecting of the working of companies to ensure that the provisions of the Act were duly complied with. A number of companies had resisted this move—an opposition which was difficult to comprehend, as, every company which was honestly resolved to comply with the provisions of the Act had nothing to fear. On the other hand, the machinery of inspection may help in drastically reducing, if not entirely eliminating, the abuses and malpractices which were prevalent at present. He wished to assure the authorities that in their effort to restore health and a high standard of conduct, the New India will extend fullest co-operation and support.

BUSINESS RECORD FOR 1952

GENERAL INSURANCE

	Rs.
Fire Premiums	2,29,28,452
Fire Insurance Fund	1,55,00,000
Marine Premiums	91,14,890
Marine Insurance Fund	1,32,00,000
Miscellaneous Premiums ...	65,51,666
Miscellaneous Insurance Fund ..	51,00,000

LIFE ASSURANCE

First Year Premiums	81,89,123
Renewal Premiums	3,37,66,102
Life Fund	17,00,71,472
New Business	18,04,24,858
Business in Force	83,85,01,092

RURAL RECONSTRUCTION IN INDIA—II

PRIORITY FOR WORK-GIVING PROJECTS NECESSARY

(By Prof. T. R. SHARMA)

THE real problem of rural reconstruction in India is not the rehabilitation of about 12 per cent. landless labourers but of absorbing surplus workers unemployed, partly employed, or unemployable on land. The number of such people is likely to increase much faster with the progress of education and economic development in the near future. Land redistribution offers no solution to this problem, and as such, it has only political significance and little economic importance. It cannot, however, be denied that, as explained earlier, it is desirable, to a limited extent, and that it may be difficult to resist it in certain regions.

How, then, can the problem of rural reconstruction be tackled? The first and the foremost, in my opinion, is the sector of rural education that requires earnest thought and action. As pointed out earlier, education appears to be spreading fast in the rural areas. But the vast majority of the new educational institutions is imparting instruction in the groups of subjects included under Arts or Commerce, because these subjects are the easiest to start and require least expenditure. This education, no doubt, increases literacy and awakening in the countryside, but in no way does it equip the youth for earning his bread. The educated youths are flocking to strictly limited Government posts like moths on a point of light on a hot evening after rain.

The Government has known this weakness of the educational system for quite a considerable period of time. A few years back the Government of Uttar Pradesh tried to make certain improvements in the primary education. Almost all the teachers of the primary schools, young and old, even on the verge of retirement, were almost compelled to attend refresher courses and and learn certain crafts like cardboard and clay work, book-binding, spinning and weaving. But to the dismay of all concerned, when these teachers return to their schools, almost no organising body (a District Board or a Municipal Board) could find funds to provide raw materials for the use of the pupils. Most of the schools had to content themselves by getting some models for demonstration. This is the ultimate shape which has been achieved by the primary education, which was supposed to centre round some craft. The condition in other States may not be very different.

In many States the Governments have tried to introduce agricultural education on a large scale in schools and colleges. In some of the States such as U.P., where an early start was made, almost saturation point has been reached. Agricultural Departments do not require many new recruits now. In the alternative no land is available for starting modern farms on a scientific basis; the family holdings are too small to permit any use of modern technique. As a result, most of the institutions are finding it difficult to maintain the classes in Agriculture for want of students prepared to take up the subject.

U.P. Experiment in Education

The Education Minister of Uttar Pradesh is again worried at the dismal results of the new educational policy, at least so far as the field of employment of the educated youth is concerned. A new scheme is likely to be introduced soon. The first trial will be given in the Government Higher Secondary School in two stages. The first stage will cover classes VI, VII and VIII of the junior high schools. The second stage, the real higher secondary stage, will comprise classes IX to XII as well as the training institutions. According to the scheme, all students are to take part in cleaning the school, dusting the furniture, spinning, digging, fence-making, vegetable and flower-gardening, etc. Besides these, weaving *durree*-making, repairing of cycles, etc., are some of the trades in which junior high school boys will be trained. The students of higher secondary classes will specialise in watch-repairs, electrical work, leather work, etc. School co-operative societies are to be formed to supply the raw materials and to sell the articles.

So far as the scheme is aimed at inculcating the ideals of self-help, social service and the dignity of labour, it is all right. But if we examine the scheme from the point of view of enabling the educated young men to take up some useful productive vocation, other than Government service, there may be many misgivings about it. When we are thinking of introducing certain crafts like leather-working or weaving, are we definite about the type of craft we have in mind? If the intention is to introduce training in existing Indian handicrafts, then probably there will be no dearth of technicians and tools. But then the question is whether the effort will be worthwhile, keeping in mind the condition of the handloom weavers, specially in Madras, and of the other similar craftsmen. On the other hand, if we intend to introduce modern methods of small-scale production on the Japanese model, will we be able to get enough technicians and tools to provide personnel and equipment for all the Government institutions? If such implications are not taken into consideration carefully, such schemes would share the fate of the existing wood work and manual training classes.

Youths in Countryside Helpless

The condition of our youth in rural areas is comparable exactly to the condition of shipwrecked people in the ocean, where nothing but water is to be seen all round; our rural youth sees nothing but deficit agriculture all around him. So far as the idea and thought of any other vocation is concerned, his mind is blank and void. To my mind it appears that it is not so much actual training in certain crafts as *familiarity* with them which arouses the imagination of the youth and prompts him to action. To make the idea a little more explicit, we may take the example of progressive countries. There boys and girls get familiar with most of the modern mechanical appliances from their very childhood. They find many small appliances in their own families and still more bigger appliances all around them. The familiarity impels them to choose one and then training facilities are available to make them expert workers in particular lines and jobs.

This kind of environment is entirely lacking for our youth. Is there anything that can be done to offer them opportunities of familiarising themselves with modern mechnical appliances?

Community Projects

This question leads us to an examination of rural development "community projects." The first pilot project was taken up at Mahewa in the U.P. under the guidance of Mr. Albert Mayers. The success of this project encouraged the Government to initiate similar projects throughout India. Under this scheme 55 projects covering an area of 26,950 square miles in 18,464 villages with a population of 15.19 million, were inaugurated in all the States of India on 2nd October, the birthday of Mahatma Gandhi. The main sectors of rural life on which efforts were concentrated at the pilot project and where substantial success has been achieved are agriculture and animal husbandry, housing and inter-village communication, public health and social life. In agriculture, as a result of supply of better seeds, the use of *sanai* green manuring and chemical fertilisers and improvements in irrigational facilities and agricultural practices, the yield per acre of foodgrains and potatoes is said to have increased from 20 to 25 per cent. In animal husbandry, the use of pedigree bulls, the use of *barseem* for fodder and mass-measures against diseases such as rinderpest have given very encouraging results. In public health measures against malaria, small-pox, cholera and scabies, and the provision of pure drinking water have proved very beneficial.

In the sphere of housing and village environment, the construction of private houses by individuals, and erection of school buildings, widening and paving of village lanes, and construction of some inter-village roads, have been achieved through voluntary and co-operative effort in the form of cash, kind or manual labour. For improving the social life of the villages, the organisation of *panchayats* and co-operative societies, the establishment of night-adult schools, and circulating libraries and the encouragement of folk music, folk dramas and village fairs are praiseworthy.

The Mahewa Centre was established in September, 1948, and these solid achievements during this brief period of four years are really very creditable. But these benefits have been made available only to the rural population of about 79,000 at a cost of over Rs. 15 lakhs. Some critics are very sceptic about the possibility of extending similar benefits to the total rural population throughout India on account of the heavy cost of these projects. When questioned about the period for which this expenditure will have to continue, Mr. Mayer is reported to have replied that it would continue for ever and ever. I feel very much inclined to concur with him, provided such expenditure is supported by a substantial increase in the earnings and production of the villages in the near future, i.e., if this expenditure can act on employment and production in rural areas in the way as the sprinkling of a pound of dry-ice produces masses of rain-giving clouds. An increase of 20 to 25 per cent. in agricultural output per acre is a very encouraging sign in that direction as, in the first place, it provides the first bricks for laying a solid foundation of the expanding modern edifice of rural economic life. Expanding earnings providing increasing additional purchasing power, the magic wand of modern economic progress to the rural masses, are the first sign of the dawn of hope on the dark horizon of rural poverty. In the second place, increased production of raw materials and food also widens the basis of industrial development. The results achieved are worthwhile and justify the intensification and extension of the effort.

A Few Other Problems

Tackling of certain other pressing rural problems such as land and tenancy reforms, reorientation of rural education and the provision of occupations other than agriculture, has not yet been attempted by the organisers of the community projects. Perhaps it is due to the fact that land reforms require legislative action and support; new educational methods cannot be introduced in small patches; and the line of action in the sector of new vocations is very dim. At Mahewa they appear to have tried cottage industries like *gur*-making, brick-burning, oil-pressing, weaving, leather-working, etc., without much success. From the reports, it appears that only brick-burning and *gur*-making could give some satisfactory results. It would not be wrong to suggest that the line of action in this field is yet very obscure. My own feeling is that none of the cottage industries carried on with old technique is likely to succeed. Perhaps we shall have to depend more on small-scale industries using modern technique and tools.

This weakness of the community projects is now being realised by our top-ranking people. Mr. Krishnamachari, Member of the Planning Commission, addressing the Delhi School of Economics some time ago, said that "at present there was a colossal waste of human energy in the rural life of the country. Some work has to be created for them. The national extension service visualised subsidiary and other occupations for the idle season." A very similar current of thought appears to be running at the Ford Foundation training-*cum*-extension project at Bakshi-Ka-Talab near Lucknow, where the officials and workers, who will man the community development projects in the major States of Northern India, commenced their second round of training on 2nd October, 1952. It is being felt that unless small work-giving projects are started and worked side by side with the theoretical and practical, agricultural, social, literary and other types of education which are being given, the problem before quite a sizable percentage of the population of villages will remain unsolved. Their problem is how to find productive work assuring regular earnings in the absence of any land or with only insignificant patches of it in their possession. It is learned that an important aspect of working at the centre, during the second phase, will be starting of small-scale industries providing employment to those who want work. Any specific industries, except the brick-kilns, do not appear to be planned in advance.

Selection of Industries

The problem of selecting industries suitable for rural areas is really a very difficult one. In spite of all efforts it has remained almost insoluble. The only industries which have reached the rural areas are either connected with the processing of agricultural produce, e.g., gins, presses, etc., or with the preparation of heavy housing materials, e.g., brick-kilns, lime kilns, etc. Any industry to be started in the rural areas must fulfil two very important conditions—(1) it must cater to supply some common need of the local people and (2) it must use the local raw materials. After food, cloth is the next commodity which is in universal demand and a considerable section of population throughout the country is dependent on weaving for its livelihood. But it cannot reasonably be hoped that the handloom industry can be sustained for long in modern times and, therefore, it seems desirable that efforts should be made to replace handlooms by powerlooms, wherever electric power has reached the rural areas. In a poor country like India, the cycle is the only road vehicle to become most common for individual conveyance, and the manufacture of spare parts may be encouraged and tried in electrified rural areas. Other similar useful industries can be recommended. The extensive rural electrification and road development programmes of the Government promise to provide congenial environment for small-scale rural industries.

Taking the needs of the local people and the local resources into consideration, it will never be possible to prepare any standardised plans suitable for rural industrialisation of all the regions of the country. Different industries will have to be selected or even devised for different regional environments. Certain regions such as the Eastern districts of the U.P. (Ballia-Ghazipur-Azamgarh) may present almost insoluble problems where there are almost no local industrial resources. In this region, aluminium is perhaps thousands of feet deep and, consequently, there is no trace of any minerals, almost no patches of forests and no important agricultural raw material like cotton. Nearly all cultivators are deficit farmers, not producing even enough for themselves.

It has been decided to start one project in Ballia-Ghazipur-Azamgarh region. This project is likely to put the ingenuity of the best brains to the severest test, and if substantial success is achieved here it will greatly hearten the workers in this field all over the country and will become a place of pilgrimage for these workers, perhaps greater than Mahewa or Nilokheri.

If some groups of small-scale, labour-intensive industries using modern tools and appliances, supplying local needs and as far as possible using local raw materials, come to be associated with the community projects, they may not only give employment to some people but above all may provide opportunities for familiarising our youth with modern appliances with the result that some of them may start their own independent workshops providing employment not only for themselves but, perhaps, for scores of others. The industries found to be successful at particular centres may be propagated through vocational institutions throughout the region concerned. Thus the object of all-round development and reconstruction of rural areas may be ultimately realised through the progress and extension of community projects.

Mr. A. E. Morgan, when he came to India as a member of the University Commission, tried to give most serious thought to the problem of rural reconstruction. He prepared a note on rural education and industrialisation. I had the privilege of going through the note before it was finally incorporated in the Report of the University Commission. It contains some very valuable suggestions on rural education and industrialisation and it is in the fitness of things that some of these suggestions and ideas are given a trial in the scheme of community projects. Finally, the basic aim of all schemes and methods of rural reconstruction should be the enhancement of agricultural production and the provision of employment, more employment, employment in spheres other than agriculture.—*All Rights Reserved.*

(Concluded)

1953

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PREVENTION OF LOCUST INVASION

PLAN FOR INTERNATIONAL CAMPAIGN PROPOSED

THANKS to the early warning given by the Anti-Locust Research Centre in London to India and the Middle East countries of a heavy invasion of desert locusts and large-scale summer breeding, the Government of Bombay is reported to be ready with preparations to destroy the locusts. The State's anti-locust organisation is now keeping a close watch on the situation in Gujerat districts. It has fully armed itself with locust fighting equipment and insecticides to meet all emergencies at very short notice. The organisation is expected to continue to function upto 28th February, 1954.

The precautions taken by the Bombay State are timely, for according to reports, swarms have already appeared in Pakistan, and once they cross the borders, they enter the Bombay State; in fact, a swarm is stated to be moving towards Rewa and Satna districts and another south-east of Rewa. Yet another mile-long swarm which passed over Sambalpur on its way to Badrama Division has, we are told, destroyed trees by settling on them for about half an hour. If these swarms are not exterminated, no crops will be left in these areas for harvesting. It is reported that insecticides, dusters and control equipment have been distributed to the district staff. A sum of Rs. 1,300 has also been sanctioned for preventive measures to be undertaken by the staff in Rewa.

During the past three years, the invasion of India by locusts from the Middle East countries has been a hardy annual. The swarms have been roaming Africa and countries of South-East Asia. They are very mobile, as swarms bred in East African deserts are known to have flown over the Red Sea to Arabia and to Syria, Iraq, Iran and even India. Swarms of Indian origin, in their turn, have flown westwards across Iran, Arabia, and reach African coasts. These swarm movements cover thousands of miles and are to a great extent regular in their seasonal pattern. It is, however, difficult to forecast their exact movement, as such depends on the weather, and there are, according to Mr. P. Uvaro, Director, Anti-Locust Research Centre (A.L.R.C.), no means yet of forecasting the weather some weeks ahead.

Locusts do not always fly; they hatch from eggs laid in sand moistened by rain, as small creatures, and develop wings after a few weeks. This period between hatching the eggs and the creatures developing wings is considered to be the best for destroying the locusts at the source. Unfortunately, the area covered is so vast and the means to fight the swarm so limited that the task of destruction has so far been no more than to warn the countries to be affected by them about the coming danger. Besides, political difficulties in the Middle East countries are stated to be in the way of taking effective measures by one or two countries affected by the locust invasion. The A.L.R.C. has to its credit considerable experience in the field but it feels that, unless the co-operation of all the countries is secured, it will not be possible to overcome the danger of locust invasion.

The Advisory Committee on Desert Locust Control convened by the Food and Agriculture Organisation of the U.N. met at Rome recently and recommended that the F.A.O. should attempt to organise a planned international campaign in Arabia in the 1953-54 winter-spring season. The proposal envisages the creation of a U.N. anti-locust force, comprising some 50 technical officers, 200 vehicles and large supplies of mechanised equipment and insecticides. The total cost of this operation is estimated at £1 million per annum, to be collected by contributions in cash or kind from the countries likely to be benefited by it. In assessing the contribution, it is proposed to take into account both the liability of each country to suffer damage and its ability to pay. Should all countries agree to this scheme, their individual contributions will certainly amount to a very modest insurance premium, but it is not yet

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certain how the scheme will be received by the countries and the F.A.O. Council. Says Mr. Uvaro, mentioned above, in an article to the *Financial Times*, London: "Should this scheme fail, not only the countries round Arabia will be threatened by a plague such as is now remembered only by a few older people, but there will be every reason to expect its further extension over Africa, parts of which, such as French Equatorial, West and North Africa, have, so far, escaped invasion. Should, on the other hand, this experiment in practical international co-operation against locusts be a success, the experience gained will be of great value in planning a more permanent international organisation against the desert locust aiming at a lasting solution of this age-long problem." The case for having an international agency is so logical and convincing that we do not think that any of the affected countries will desist from supporting the scheme. The earlier the agency is brought into being the better for the countries which are suffering considerable losses as a result of the locust invasion.

INDIA'S FOREIGN TRADE IN FEBRUARY

TERMS OF TRADE UNFAVOURABLE

THE release of the February issue of *Foreign Sea- and Air-borne Trade of India* makes available details of the trade for the 11 months of the financial year 1952-53. A study of the accounts for the 11 months as compared with the corresponding period of 1951-52 discloses that the value of the total trade at Rs. 1,098.12 crores, shows a fall of 23.5 per cent. over that of the previous year, valued at Rs. 1,436.92 crores. Of this total, exports accounted for Rs. 511.07 crores, and imports Rs. 587.05 crores, as against Rs. 662.06 crores and Rs. 774.86 crores in the same period in 1951-52. The decline may be attributed to a decline in both volume and value of goods entering the foreign trade of India. There has also been a marked decline in the net unfavourable balance of trade on the sea- and air-borne accounts which at Rs. 75.98 crores represents a fall of 32.7 per cent. over that of the 11-month period of the previous year.

The figures of foreign sea- and airborne trade of India during February, 1953, disclose that the value of India's exports amounted to Rs. 38.80 crores as against Rs. 45.67 crores in February, 1952. Similarly, the value of goods imported also declined from Rs. 78.61 crores in February, 1952, to Rs. 38.64 crores in the month under review. The table below shows the trade of India for February, 1953, as also for the 11-month period, April-February, 1952-53, as compared with the corresponding periods of the preceding year.

(In crores of rupees)

	February		April to February (Eleven Months)	
	1952	1953	1951-52	1952-53
Exports	44.86	38.26	648.90	505.69
Re-exports	0.81	0.54	13.16	5.38
Total Exports	45.67	38.80	662.06	511.07
Total Imports	78.61	38.64	774.86	587.05
Balance of trade + or —	—32.94	+ 0.16	—112.80	—75.98

The indices of declared values of imports and exports of merchandise for January, 1953, the latest month for which these figures are available, reveal that the terms of trade were not generally favourable to India. Thus while the group index number of imports declined by 8.7 points, that is from 129.0 for January, 1952, to 120.3 for the same month this year, the group figure for exports from India dropped, during this period, by as much as 58.9 points, that is from 169.1 to 110.2. The terms of trade as expressed by these figures may be said to be about 6½ times more unfavourable to India. The fall of 8.7 points in the index figure for imports is mainly due to a fall in the groups (*a*) "articles wholly or mainly manufactured," and (*b*) "food, drink and tobacco." The fall would have been higher still, but for a rise of 5.4 points in the index for the group "raw materials and produce," from 139.3 to 144.7.

The fall in the index number of declared values of exports, as stated above, has been accounted for by a decline in all the three groups of export commodities. The decline was pronounced in the group "articles wholly or mainly manufactured" in that the figure dropped from 184.1 to 91.6. The figure for "food, drink and tobacco" receded from 151.8 to 131.3 and that for "raw materials and produce" from 149.3 to 130.

The trend of index number representing the quantum of trade shows that the terms of trade have been unfavourable to India during January, 1953, as compared with those in the same month a year ago. Thus the group index representing the volume of export rose by no more than 1.47 points, that is, from 38.10 to 39.57; but the figure for imports jumped down from 147 to 73.

The quantum indices and the indices of declared values, as noted above, reveal, in a broad sense, that India paid slightly less and received relatively a smaller volume of goods from abroad, while at the same time, the country despatched more or less the same volume of goods and earned comparatively a lower amount of foreign exchange in January, 1953, as compared with the value and volume of goods imported and exported in the same month last year.

An analysis of the principal items of exports during February, 1953, discloses that tea continued, as in the previous month, to top the list, with its exports valued at Rs. 7.41 crores as against Rs. 7.39 crores in January, 1953. Jute goods exports, which came next, amounted to Rs. 5.79 crores as against Rs. 6.83 crores in the preceding month. Cotton piecegoods declined from Rs. 3.93 crores in January to Rs. 3.05 crores in the month under review. Despatches of manganese ore aggregated Rs. 2.15 crores as compared with Rs. 1.72 crores. Shipments of hides and skins were lower at Rs. 2.01 crores as against Rs. 3.39 crores in January. Raw cotton and pepper accounted for Rs. 1.44 crores and Rs. 1.29 crores, respectively, as against Rs. 1.81 crores in each case. But groundnut oil exports in February, at Rs. 1.28 crores, were better than those a month previously by Rs. 87 lakhs. Shipments of iron or steel (old for remanufacture) were valued at Rs. 1.07 crores, as against Rs. 1.70 crores. Exports of castor oil, mica and lac amounted to less than a crore of rupees.

Among principal items of imports, wheat valued at Rs. 5.12 crores, held the first place. But in the previous month, wheat imports ranked second, accounting for Rs. 2.89 crores. Raw cotton imports which amounted to Rs. 4.14 crores in January declined to Rs. 2.47 crores. Petroleum imports remained more or less unchanged at Rs. 1.9 crores. Imports of copper unwrought were of the tune of Rs. 1.56 crores. Kerosene oil imports amounted to Rs. 1.48 crores, as compared with Rs. 1.7 crores. Imports of electric machinery, cashew nuts and fuel oil were all valued at between Rs. 1 crore and Rs. 1.5 crores. Imports of lubricating oil, paper, drugs and medicines and chemicals were in each case less than a crore of rupees.

A country-wise analysis of India's foreign trade discloses that among the countries from which India purchased its goods, the U.K. stood first with its despatches amounting to Rs. 10.80 crores in February as against Rs. 11.61 crores in the previous month. The U.S. came next with shipments valued at Rs. 7.14 crores as against Rs. 7.03 crores. The shares of Canada and Bahrein Islands were Rs. 1.53 crores and Rs. 1.42 crores respectively as against Rs. 1.27 crores and Rs. 1.63 crores. India's purchases from Mozambique and Egypt were of the order of Rs. 1.33 crores and Rs. 1.31 crores, respectively. Italy and Saudi Arabia despatched goods worth Rs. 1.29 crores and Rs. 1.20 crores respectively. The shares of Singapore, Japan and Australia were, in each case, less than a crore of rupees.

Among countries which purchased Indian merchandise, the U.K. proved to be the best market, its share being Rs. 10.21 crores as against Rs. 12.37 crores. The offtake of the U.S.A., which continued to hold second rank, was Rs. 7.46 crores as against Rs. 8.45 crores. Japan continued to occupy the third place by importing Indian goods valued at Rs. 2.70 crores, as against Rs. 3.02 crores in the previous month. Ceylon and Burma lifted goods worth Rs. 1.31 crores and Rs. 1.22 crores, respectively, as against Rs. 1.47 crores and Rs. 1.25 crores respectively. Shipments to Australia were of the order of Rs. 1.10 crores, as against Rs. 53 lakhs. Goods valued at more than Rs. 64 lakhs and below Rs. 1 crore were received by Canada, Singapore, W. Germany, Belgium, Netherlands and Italy.

POWER FOR MICA PRODUCTION IN BIHAR

The Bihar Government's scheme for electrifying the mica belt in two phases appears to be making good progress. The belt is spread over an area of about 1,000 square miles, mostly in the Hazaribagh district and produces about 80 per cent. of the world's mica.

Under the first phase, power supply was arranged by the State Government to the mica town of Jhumri Tilaiya in 1950 and to two mines at Sugti and Charki in 1951 from the diesel power station of the Damodar Valley Corporation at Tilaiya. The programme of supplying power to the Kodarma reserve forest area, Domchanch, Masnodih and Shibsagar has also been taken up under the first phase.

The second phase will be taken up only after the completion of the first. In the Kodarma reserve forest mining area, lines have already been taken right up to the mines which had applied for power but which have not yet been able to make full use of it, as their installations are not ready.

The State Government has suggested that the mine-owners should procure electrical equipment well in advance of the commencement of supply. The Government has also a programme of erecting lines for power supply from the DVC at Gaya as part of the scheme to feed the Nawada and Bihar Sharif areas in connection with the grow-more-food scheme, for which the Central Government has provided necessary funds. As the scheme of irrigation from surface wells by small electrically-worked pumps have been successful, efforts are being made to extend this scheme to irrigate the vegetable belts of Gaya and its neighbouring areas. Power from the DVC is also being taken to Jasidih and Deoghar where there is a prospect of getting over 1,000 k.w. of load.

PAPER INDUSTRY IN INDIA

CHANGE IN STATES' POLICY NEEDED

CONTINUED indifference of State Governments to look after the interests of the Indian paper industry would appear to be responsible for the industry being confronted with the same set of problems year after year. For bamboo and *sabai* grass, which are the principal raw materials of the industry, are forest products. And forests are under the control of States, which appear to be paying no consideration to the industry's appeal for the supply of these materials at reasonable rates. Even the Central Board of Forests, as pointed out in the last issue of *Commerce*, did not consider this question at its meeting. In the circumstances, it is not at all surprising to hear Mr. Brij Mohan Thapar, President, Indian Paper Mills' Association, Calcutta, complaining against the State's unhelpful forest policy in his address at the Association's latest annual meeting held in that city last week. He said that bamboo and *sabai* grass were available in adequate supplies in the country. Drawing attention to the recommendation of the Planning Commission that States should reserve specific forest areas for the paper industry and grant of long-term leases for working such areas, Mr. Brij Mohan observed:

"While the Government of India have accepted and endorsed the Planning Commission's recommendations, some of the State Governments have persistently refused to fall in line with this policy. Immediate revenue appears to be their only concern. They are neither interested in the development of forests nor in the development of the paper industry. If the industry is to maintain the present *tempo* of production and to reach the targets laid down for it under the Plan, it is imperative that paper mills should be assured of adequate supplies of principal raw materials, viz., *sabai* grass and bamboo, and these also at economical rates. It is high time that the State Governments co-ordinated their forest policy with the Central Government, and the latter took suitable measures to ensure adherence to their policy with respect to the grant of long-term lease of forests to the paper industry at reasonable rates of royalty."

It is superfluous to emphasise the importance of the paper industry to the country. Since assistance by State Governments can be of great help to the industry in its efforts to reduce costs, these Governments should change their attitude towards the industry.

The paper industry seems to be considerably handicapped by difficulties in getting adequate railway transport. Mr. Brij Mohan felt that railways should come to the rescue of the industry by stepping up the priority classification for paper and paper-making raw materials in the preferential traffic list. The production in mills would suffer seriously if the railways did not ensure each paper mill getting the supply of the required number of wagons for regular movement of finished paper from the factory to consuming centres and also for timely movement of raw materials and chemicals from their sources of supply to the factory. Besides, the rates of freight charged by the railways, especially for strawboards, were, according to Mr. Brij Mohan, very high. The industry, he revealed, had, therefore, filed a petition before the Railway Rates Tribunal for proper assessment of freight rates.

Commenting on the labour situation, Mr. Brij Mohan remarked that there was lack of willingness on the part of the worker to co-operate with the management in a combined effort to augment production in mills. In order to improve employer and employee relations, Mr. Brij Mohan stressed the need for State and Central mediation and conciliated service designed to promote the principle of free collective negotiations in good faith. He was opposed to compulsory adjudication, for, in his opinion, it was an open invitation to many paralysing evils.

The Planning Commission has recommended modernisation of production techniques to reduce costs. Commenting on this suggestion, Mr. Brij Mohan stated that modernisation required renovation of plant and machinery in most units, which again depended on capital. The paper industry also, as in the case of others, appears to be experiencing difficulties regarding adequate supply of funds.

Given proper assistance, the industry, according to Mr. Brij Mohan, can achieve the target of production fixed by the Planning Commission at 200,000 tons by 1955-56. The production of paper boards reached the peak figure of 137,504 tons in 1952 as against 131,915 tons in 1951. Mr. Brij Mohan expected this to be surpassed in 1953. Already in the first three months of the current year the production amounted to 45,506 tons, or at 182,024 tons per annum.

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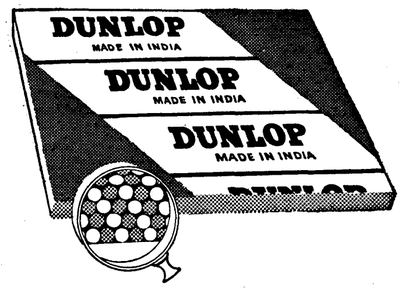

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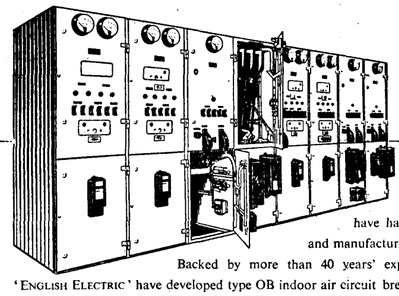

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NATIONALISATION OF AIRLINES

HOLLOWNESS OF GOVERNMENT'S CASE EXPOSED

(By "RUDDERBAR")

AT the end of next month, free enterprise is due to give place in the Indian skies to a State-owned Corporation. This event is to be ushered in by a special commemorative postage stamp. Philatelists will doubtless welcome the issue of another stamp and all will wish the new Corporation well, whatever views may be held on the principles involved in nationalisation. Before the curtain is finally rung down on free enterprise, however, there is a duty to perform. That duty is to expose with facts and figures, the speciousness of the Government's oft-quoted arguments on which the case for nationalisation of the airlines rests.

These arguments can be condensed and set out as follows:—

The present conditions of traffic load and intensity of operations require drastic rationalisation of the industry if proper development is to be attained. In these circumstances, the only possible course is to integrate all the existing domestic operators into one nationalised corporation. Only in this way will the drain on the State's finances, occasioned by the payment of subsidies to the airline companies, be stopped and the industry placed in a position to pay its way. Furthermore, only the acquisition of air transport by the State can ensure the necessary capital required for re-equipment. Finally, the defence aspect of air transport would gain immeasurably.

This, in a nutshell, appears to be the sum of the arguments advanced. Now no one with a knowledge of the present state of affairs will deny that some degree of rationalisation is essential. Indeed, plans were worked out and presented to the Ministry concerned by certain companies which would have achieved the desired result. These plans, however, had, in the eyes of the Government, one fatal defect; they did not envisage State ownership and it was the ideology of nationalisation which was in fact the prime motive behind the Air Corporations Act.

This may be hotly contested but no intelligent person, who has read those paragraphs of the Rajadhyaksha Report which are devoted to the case for and against nationalisation, can possibly ascribe the Government's motives to any other reason.

Result of Government Policies

It is necessary to add that the present adverse circumstances of the air transport industry are more largely the result of Government's policies in the past than the fault of the operators. It is now ancient history, but nonetheless true, that by licensing a far larger number of companies than could possibly exist economically on our domestic routes, the Government created a situation where, logically, only the fittest could survive. This process of attrition has been operative since 1947, when the first victims succumbed, and has in a great measure been instrumental in weakening financially even the strongest units engaged.

Nevertheless, and in spite of these adverse circumstances, this infant industry, starting almost from scratch in 1946, has built up, in the course of seven years, a network of air transport services covering almost all important cities in the country and which annually carries 5,00,000 passengers, 50,000 tons of freight and a large proportion of the country's mail. But, say the protagonists of nationalisation, all this has only been achieved because the Government has paid huge sums of money, not only in the upkeep of aerodromes and other facilities, but in direct subsidy payments to the operators.

Here is a concrete argument which must be demolished. In the first place, every advanced country recognises the obligation of the State to provide and maintain aerodromes, radio facilities, direction-finding aids, etc., on its air routes. Indeed, India being a covenanting party to the I.C.A.O., is bound to provide such facilities for international airlines entering and crossing its territory. Similarly, India's own International Airline enjoys these facilities in other countries on its foreign routes. There can then be little question of the obligation to provide all these facilities.

Nevertheless, every country charges for the facilities provided and India is no exception to that rule. Charges are made for landing, for parking an aircraft on an airfield, for using a hangar, for rental of offices on aerodromes, etc. It is not claimed here that the total fees collected from domestic and foreign operators do in fact cover the total cost of providing all the facilities above mentioned; it is claimed, however, that India collects from operators as fair a proportion of the expenses incurred as does any other comparable country. It must also be remembered that the majority of airports in India (as in some other countries) were built during the war and were acquired by Civil Aviation at a very reduced initial cost.

It is difficult to obtain accurate figures of the amounts realised by the Government on account of landing fees, parking charges, hangar rental, etc., but here are fairly reliable figures for the year 1952, in respect of landing fees only. During that year, the Government of India collected from foreign and domestic operators a sum of Rs. 56,98,000 under that head alone. If we multiply this sum by six, that is to say for the years 1947 to 1952 inclusive, we find that the Government have derived a sum of Rs. 3,41,88,000 from the operating companies over this period and this formidable total takes no account of the substantial amounts also realised under the remaining heads.

Subsidies

Turning to the question of subsidies, which are, in fact, merely rebates of petrol duty paid by the various operators, the figures are even more revealing. In the first place, it was not until the year 1949 that the Government gave any rebate whatsoever. It has been computed that the annual income derived by the Government on the tax of 15 annas 9 pies levied on each gallon of aviation spirit is in the neighbourhood of Rs. 1 crore.

In mid-1949, a rebate of nine annas of this tax was sanctioned and this continued up to 1951, when it was reduced to eight annas and finally to six annas in 1952. In 1953, no rebate whatsoever has been allowed for the half-year upto 30th June. Simple mathematics show then, that, over the period 1947 to 30th June, 1953, the Government has paid in petrol rebate a sum approximating one crore and eighty lakhs of rupees out of its total income from this source of Rs. 6½ crores.

These figures speak for themselves and it must also be remembered that certain State Governments have "cashed in" on aviation by levying a purchase tax ranging from six annas to one anna on each gallon of aviation spirit uplifted in its territory.

It is quite clear from these figures that "private enterprise" air transport, far from being a burden on the country's finances, has, in fact, been a substantial contributor. This, once and for all, disposes of that particular argument for nationalisation.

There remains the question of capital development for re-equipment. Here the ground is, of course, less firm but had private enterprise been given a fairer deal, both in the matter of petrol taxation and mail payment, there is little doubt that, in the first place, the companies would not have been forced to the wall and, in the second place, a reasonable degree of amalgamation would have ensured two or three prosperous units, in which the public would have been ready to invest.

Mail Payment

The question of mail payment requires a little clarification. In India, payment of mail carriage is at the rate of Rs. 3 per ton-mile for first class mail and Rs. 1-12 for second class mail on all domestic routes. These figures should be compared with the 7s. 5d. per ton-mile earned by British European Airways on first class domestic mail and 10s. 2½d. on international transit and foreign mail. It is quite clear that the rates in India are fantastically low; were the same rates paid as in the U.K., our airlines would have earned very substantial additional revenues. For example, Deccan Airways, the night mail operator, carried some 12 lakh ton-miles of mails in 1952. An additional Rs. 2 per ton-mile, that is to say, the difference between our rates and those paid to B.E.A. for domestic carriage, would have earned the Company

(*Continued on page* 1189)

PLIGHT OF MIDDLE CLASSES

THE middle classes are subject to considerable privation and hardship during periods of economic boom as well as of depression. The earning capacity of these classes does not vary with the increase in the price level, whereas, during a period of fall in price level, their employment opportunities get restricted. The results of an enquiry into the living conditions of middle class families in the city of Madras—middle class here covers persons earning an income varying from Rs. 100 to Rs. 599 per month—recently conducted by Dr. B. Natarajan, Economic Adviser to the Madras Government, show how these classes have been adversely affected by the present high price levels. As much as 61 per cent. of the middle class families in the city, we are told, live beyond their means and only 31 per cent. are in a position to save something out of their incomes. Deficit budgets are found in all the strata of the middle class.

The average expenditure per family, according to the Madras enquiry, exceeds the average income in the case of families, the incomes of which range from Rs. 100 to Rs. 399 per month. The extent of over-reaching the income is the highest in the income group between Rs. 100 and Rs. 199 per mensem. As against an average monthly income of Rs. 152-8, the families in this group spend Rs. 169-3. It is not surprising, therefore, that the middle classes generally should always be in debt. The expenditure on debt services alone is said to amount to Rs. 5-14 per month in the income-group of Rs. 100 to Rs. 199 per month, though it is surprising that such expenditure works out to Rs. 22-11 on an average even in the group with an income of Rs. 600 and above. Although this brief account relates only to a very small section of middle classes in India and as such is not fully representative, it may generally be taken as a fair indication of the position existing at present. There is urgent need for improving the conditions of the middle classes. After all, the structure and size of the society depends on the position of these classes. In the interests of social progress, the position and value of the middle classes needs to be conserved, for they have always played an important role in national progress.

To revert to the enquiry. The average income per head (including earners as well as dependents) among middle classes varies from Rs. 40 in the Rs. 100-199 group to Rs. 91 in the highest income group (Rs. 600 and above). The average expenditure per head—this includes expenditure on items of saving, such as insurance premium and provident fund contributions—works out to Rs. 49-9. The average expenditure per head increases with a rise in income, ranging from Rs. 35-13 to Rs. 86-3. The average expenditure per consumption unit—the average number of such units per family works out to 4.6, against the average family strength of 5.8—varies from Rs. 46-5 to Rs. 107-8. The magnitude of the expenditure per consumption unit is a more relevant consideration than expenditure per head in assessing living standards. Viewed thus, the standard of persons earning a monthly income of Rs. 600 and above is more than twice higher than that of the group earning a monthly income of Rs. 100 to Rs. 199.

The details relating to expenditure incurred by the middle classes reveal that food accounts for the largest share in all the income groups, ranging from Rs. 86-6 to Rs. 298 per family. The expenditure on the "miscellaneous" item, which includes education, recreation, domestic services, etc., varies from Rs. 38-6 to Rs. 243-8. Expenditure on housing figures as the third largest item in the lower groups, that is, with a monthly income between Rs. 199 and Rs. 399, while the third place is occupied by the expenditure on clothing in the higher groups.

An interesting feature revealed by the enquiry is that 61.9 per cent. of the families surveyed represent "natural families" (comprising the head of the family his wife and unmarried children), while the remaining account for joint families consisting of a group of relatives or others living together as one household. The average size of the family gets larger with the rise in income, being 4.72 in the Rs. 100-199 group and 8.75 in the Rs. 600 and above group. Another interesting feature is that literacy is very high among the middle classes; it is as high as 75 per cent. Literacy percentage, as is only to be expected, is higher in the three larger income groups, as compared with the lower income groups.

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SIMPLEX MILLS' PROFIT SLIGHTLY LOWER

DIVIDEND REPEATED

A DECLINE of 14.9 per cent. in the profit (after providing for Managing Agents' remuneration), that is, from Rs. 22.32 lakhs to Rs. 18.99 lakhs, is disclosed by the financial results of the Simplex Mills Co.. Ltd. (Managing Agents: Messrs. Forbes Forbes Campbell & Co., Ltd., Bombay) for the year ended 31st March, 1953. This shrinkage in earnings is smaller than that of 24.4 per cent. noted in the profit for 1951-52. This comparatively smaller recession in the profit for 1952-53 is evidently due to the substantial relaxation of control over prices and distribution on textiles during the latter half of 1952. Thus, the major part of the Company's financial year under review must have experienced sufficiently favourable trading conditions, thereby offsetting the adverse trend of trade in the earlier months.

The rate of dividend has been maintained at 30 per cent., but the amount required for this purpose is higher by Rs. 1.05 lakhs. For both the interim (12 per cent.) and final (18 per cent.) dividends for the year under review are on a capital of Rs. 31.50 lakhs, increased in January, 1952, from the then capital of Rs. 21 lakhs. In the previous year, the interim dividend of 10 per cent. was on the capital of Rs. 21 lakhs, whereas the final one of 20 per cent. was on the increased capital. This larger distribution to the shareholders, despite the fall in earnings, has been rendered possible by the E.P.T. post-war refund amounting to Rs. 7.35 lakhs.

The following comparative table indicates the Company's progress during the past three years:

(In thousands of rupees)

	For the year ended 31st March			
	1953	1952	1951	1950
Sale proceeds	2,21,04	2,78,32	1,69,00	1,92,44
Stocks	28,97	37,40	25,68	18,92
Cotton and staple fibre consumed ..	97,80	1,84,67	79,81	78,65
Art silk and other yarn and waste purchased	3,31	5,75	7	4,80
Other expenses ..	89,04	74,27	61,87	72,80
Agents' remuneration ..	3,94	3,57	4,91	4,35
Profit	18,99	22,32	29,53	23,07
E.P.T. refund (net) ..	7,35	..	..	..
Provision for—				
Depreciation	5,00	5,00	5,00	3,00
Taxation	6,00	7,50	11,00	7,00
To reserves	6,00	1,47	6,00	5,97
To staff gratuity fund ..	3	12	65	50
Dividend	9,45 (30%)	8,40* (30%)	7,14 (34%)	5,88 (28%)
Carry forward	36	50	67	94

* The dividend consists of an interim distribution of Rs. 5 per share of Rs. 50 on a paid-up capital of Rs. 21 lakhs and a final dividend of Rs. 10 per share on the capital of Rs. 31.50 lakhs increased in January, 1952.

While on the subject of appropriation of profit, and the E.P.T. refund in particular, it may be recalled that, a little over two months ago, the Directors had made an application to the Controller of Capital Issues for sanction of their proposal to capitalise a sum of Rs. 10.50 lakhs from out of the reserves and distribute bonus shares (*vide* page 668, *Commerce* dated 11th April, 1953). For this purpose, a sum of Rs. 4 lakhs was proposed to be drawn from out of the post-war refund of E.P.T. (Rs. 7.35 lakhs) and Rs. 6.50 lakhs from the machinery renewal reserve which stands at Rs. 37 lakhs. But the Directors have now taken the whole of the E.P.T. refund to the profit and loss appropriation account and have utilised it, along with the profit for the year, as stated above. Presumably, their proposal was not sanctioned by the C.C.I. and the Directors' silence on the proposal (in their report for the year under review) strengthens this belief.

The Company's latest balance-sheet reflects a satisfactory financial position. The reserves and surplus stand at Rs. 49.38 lakhs and supplement the paid-up capital of Rs. 31.50 lakhs. As against a gross block of Rs. 78.77 lakhs, a depreciation fund of Rs. 63.69 lakhs has been built up. The current assets aggregate Rs. 98.70 lakhs and cover the current liabilities, at Rs. 32.90 lakhs, three times.

CALCUTTA ELECTRIC SUPPLY CORPORATION LTD.

For the eleventh year in succession, the Calcutta Electric Supply Corporation Ltd. (Secretary: Mr. I. A. Macpherson, Calcutta) has maintained its dividend at 6 per cent., the latest year for which it has done so being 1952. The Company's gross revenue for the year under review shows an increase of £423,044 to £4,773,561. The net profit is, however, slightly lower at £1,233,916, as compared with £1,358,231 for the previous year. The provision for debenture sinking fund has been raised from £96,337 to £101,089, and for contingency reserve from £62,845 to £65,744. Special appropriations absorb £438,540, which is lower than that of £542,087 set aside last year. The unappropriated surplus carried forward is £161,233, which compares with £170,268 brought in.

In his customary review for the year, accompanying the accounts, Sir James Donald, Chairman of the Company, makes some interesting remarks about the Electricity (Supply) Act, 1948, and the power position in the Calcutta area. Referring to the Electricity Act, Sir James utters a warning that, unless the Act is amended, there may be a shortage of electric power in many parts of India. Explaining this point, the Chairman recalls how the Electricity (Supply) Act limits the return that can be offered to investors, thereby making the creation of new capital difficult, and says that amendment of the law has been repeatedly suggested. "Action in this direction is, I understand, still under consideration," he observes, "but a year has passed and, as nothing has so far seen the light of day, it is unlikely that any change in the law will be effected within another 12 months. Meanwhile many companies, particularly the small ones, will be hampered under the existing provisions in obtaining capital sufficient to procure new generating plant with the result that the areas which they serve are likely to suffer a shortage of power for some years."

Referring to the power position in the Calcutta area, Sir James points out that the demand for electricity does not stand still, but is always on the upward trend, and says: "While there is at the moment sufficient generating capacity to meet present demands and for a few years to come, it will not suffice to meet the anticipated demand from 1956 onwards." Proceeding, Sir James reveals that the C.E.S.C. has gone ahead with its plans to build a new station in South Calcutta, but, while awaiting import licences for the plant, the Damodar Valley Corporation has offered to supply power from their generating station at Bokaro. "The proposal," to quote him, "has its attractions, since if it could be determined that the transmission of current from Bokaro—225 miles from Calcutta—would be adequate and uninterrupted, and, if the price at which the supply could be delivered within our area was comparable with the cost at which we could generate at our own stations, the construction of a new southern station could be deferred. We, therefore, entered into negotiations with the authorities of the Damodar Valley Corporation and, as a result, we have entered into a provisional agreement with them for a supply over a period of years commencing in 1956. The terms of this provisional agreement require the approval and sanction of higher authority. I will not at present comment further on the scheme, except to give a warning that, if there is delay in giving the necessary sanction, there is grave danger that Calcutta may suffer a serious shortage of electricity in 1956."

KAMANI ENGINEERING CORPORATION LTD.

After a break of a year, the Kamani Engineering Corporation Ltd. (Managing Agents: Messrs. Kamani Brothers Ltd., Bombay) has resumed the payment of dividend on its ordinary shares, with a distribution of As. 4 per share of Rs. 10, or 2½ per cent. for the year ended 30th September, 1952, thus restoring it to the level paid for the years 1948-49 and 1949-50. This follows the satisfactory increase in the trading profit for the year from Rs. 17.84 lakhs to Rs. 29.95 lakhs.

The Directors report that the Company succeeded in maintaining its progress in the face of economic recession. The Company successfully undertook engineering activities of specialised nature such as erection of transmission line towers, assembly of railway wagons, erection of heavy electrical plant, etc. The erection of the 10,000 kw. Japanese plant for the Madura thermal scheme has been completed and the erection of the four gigantic Mitsubishi boilers for the Chola power scheme of the Government of Bombay is nearing completion.

As already indicated, the trading profit of the Company for the year under review shows an increase of Rs. 12.11 lakhs to Rs. 29.95 lakhs. A substantial part of this has been offset by the rise of Rs. 10.72 lakhs to Rs. 25.02 lakhs in office establishment and other expenses. A sum of Rs. 1.87 lakhs has been provided for depreciation (as against Rs. 1.96 lakhs in the previous year) and, Rs. 1.30 lakhs (Rs. 1.40 lakhs) for taxation. The addition to the general reserve has been maintained at Rs. 50,000, but that for gratuity reserve has been raised from Rs. 20,000 to Rs. 25,000.

The following is a synopsis of the Company's balance-sheet as on 30th September, 1952.

Liabilities	Rs.	Assets	Rs.
Capital ...	59,96,250	Gross block ...	34,25,936
Reserves and surplus ...	3,18,113	*Less*—Depreciation ...	10,85,581
Reserve for taxation ...	3,16,020	Net block ...	23,40,355
Liabilities ...	1,11,63,392	Stock-in-trade ...	63,07,533
		Stores, raw materials, etc. ...	5,66,506
		Debts, deposits and advances ...	59,73,047
		Investments	11,93,957
		Cash ...	3,79,042
		Assets at Lahore ...	8,33,335
Rs.	1,77,93,775	Rs.	1,77,93,775

SHREE MADHUSUDAN MILLS LTD.

Apropos the report appearing in a section of the daily Press, to the effect that the management of the Shree Madhusudan Mills Ltd., has changed hands, Messrs. Hall and Anderson Ltd., who are the proprietors of the Mills, inform us that the correct position is that the Srinivas Cotton Mills Ltd., Bombay, has purchased the bulk of the ordinary shares of Messrs. Hall and Anderson Ltd. Consequently, there has been a change in the Board of Directors of the Shree Madhusudan Mills. The Board now consists of Messrs. Gokulchand Bangur, Narsingdas Bangur, Sohanlal Jajodia, Pannalal Jajodia, Jugal Kishore Somani and S. M. Bose.

BIRD-HEILGERS GROUP COAL COMPANIES

SETBACK IN EARNINGS

THE financial results of the group of coal companies under the management of Messrs. Bird & Co., Ltd., and Messrs. F. W. Heilgers & Co., Ltd., Calcutta, for the half-year ended 31st December, 1952, reflect the difficult conditions through which the industry passed during that period. Among these, the results of four companies, namely, the Borrea Coal Co., Ltd., Burrakur Coal Co., Ltd., Bhulanbararee Coal Co., Ltd., and Sendra Coal Co., Ltd., are briefly analysed in these columns. All these four companies have suffered a setback in their earnings, as compared with those for the previous half-year, as well as the corresponding period of the previous year. two of them, namely, Bhulanbararee and Sendra, disclosing small losses.

The dividend distributions of these companies for the half-year under review follow the pattern of their earnings. Borrea Coal has cut its distribution to 25 per cent. (including a bonus of 5 per cent.) per annum by reducing to half the bonus part of the payment (10 per cent. per annum) paid for the preceding two half-years. Burrakur has pruned it from 7½ per cent. per annum paid for the previous two half-years to 5 per cent. per annum. Bhulanbararee and Sendra have had to pass over the dividends. Bhulanbararee had paid 5 per cent. per annum for the half-year ended 30th June, 1952, and 7½ per cent. per annum for the six months preceding it. In the case of Sendra, this is the second half-year in succession that the shareholders have had to go without any return.

The main factors that have been responsible for the unfavourable working of the four companies mentioned above are: (1) inadequate and/or erratic wagon supply position, (2) overproduction of coal of all grades in the country (in excess of the actual demand), (3) general increase in stock at pitmouth as a result of the first two factors, (4) contraction of export markets, (5) difficulties in securing suitable outlet for the slack fraction of selected grade raisings and all sizes of lower grade coal, (6) increased tendency for colliery owners to offer their coal for sale at a rebate below the Government-controlled prices, and (7) increase in overall cost of production.

To analyse in brief the results of individual companies. The Borrea Coal Co., Ltd., has earned a gross profit (before making provisions for Managing Agents' commission, taxation and depreciation) of Rs. 2.73 lakhs, as compared with Rs. 4.37 lakhs for the previous half-year and Rs. 4.08 lakhs for the six months ended 31st December, 1951. To this has been added a sum of Rs. 63,743, being the net E.P.T. refund. After making provisions for depreciation and taxation, a sum of Rs. 30,000 has been added to the stock adjustment account and Rs. 30,000 to development reserve. The dividend on 6½ per cent. preference shares absorbs Rs. 13,000 and on ordinary shares Rs. 93,750, leaving Rs. 1.06 lakhs to be carried over.

The gross profit of the Burrakur Coal Co., Ltd., has declined from Rs. 14.99 lakhs for the half-year ended 30th June, 1952, to Rs. 13.92 lakhs. As compared with that for the corresponding six months of 1951, it shows a shrinkage of Rs. 5.05 lakhs. A sum of Rs. 3 lakhs had been placed to the various reserves. After paying Rs. 90,449 on the first and second preference shares and Rs. 2.27 lakhs on the ordinary shares, the surplus left to be carried forward, at Rs. 1.15 lakhs, compares with Rs. 1.55 lakhs brought in.

A gross loss of Rs. 24,706 (as compared with the profit of Rs. 75,386 and Rs. 1.95 lakhs, respectively, for the two previous half-years) is revealed by the results of working of the Bhulanbararee Coal Co., Ltd. This loss has been enlarged to Rs. 47,313 by the provision of Rs. 22,607 for depreciation. This is, however, reduced to a small extent by bringing in Rs. 3,437 from the previous half-year. The loss that has been brought forward to the current half-year amounts to Rs. 43,876.

The Sendra Coal Co., Ltd., reports a gross loss of Rs. 59,114 for the half-year under review, as against a profit of Rs. 22,992 for the previous six months and Rs. 21,383 for the corresponding half-year of 1951. The Directors have made a provision of Rs. 21,736 for depreciation which has enlarged the loss to Rs. 80,850. After taking into account a sum of Rs. 10,379 brought in from the previous half-year, a deficit of Rs. 70,471 has been carried over.

Points From The Chair

Lessons for Private Industry

"AS the dismal chapter closes for ever, I hope that some of its obvious lessons will be appreciated by all concerned and kept in mind for the future; for instance, that private enterprise should not rush into a new field without making sure that the total productive capacity so created will not exceed the available demand and that the industry will be allowed to function with a reasonable measure of freedom; that a detailed economic plan, once accepted by Government, should not be changed arbitrarily without careful consideration at the highest level and without consultation with those concerned; that the appointment of high power commissions does more harm than good if their recommendations are to be disregarded, as happened in the case of the Air Transport Enquiry Committee's Report. Finally, that safeguards instituted in the form of statutory authorities for control or license purposes should not be allowed to be destroyed by constant interference by the executive, as happened in the case of the Air Transport Licensing Board."

J. R. D. TATA,
Air-India Limited.

A Disquieting Situation in Life Insurance

"Life insurance plays an important role in the economy of a man's life and it can well be taken as an indication of his trend of saving. Looking at the *Government Year Book* from this angle of vision, I cannot but say that the picture is not much encouraging. Leaving aside the question of decline in the total new business in 1951, one cannot overlook the fact that the real capacity of the people, in general, to save systematically is showing signs of gradual decline, owing to the high cost of living, with the effect that lapse ratio is gradually increasing. In the case of many insurers a fairly large percentage of the business written during the past three or four years has lapsed. This is disquieting situation. Along with the high cost of living the tendency to secure business at exorbitant cost is another reason for this situation. This gives no credit to the insurance industry. The craze for new business at suicidal cost should, therefore, stop now. So far as we are concerned, I feel glad that we have scrupulously denied this temptation. The boom period created by inflation has now definitely gone and one has to be content with the natural flow of quality business at low cost."

Dr. M. N. AGASHE,
Western India Life Insurance Co., Ltd.

Threat of Nationalisation

"Of course, chemical production must expand, and this is exactly what has taken place in the industry, as a result of the enterprise shown by those in it. My speech to-day emphasises the expansionist policy which I.C.I. has consistently pursued. I.C.I. is meeting every demand for chemical materials made upon it in the United Kingdom, and the average level of prices is lower than that in the U.S.A. and Europe. In addition, its exports have increased very substantially in volume and in value since the war and are now running at over £1,000,000 per week. I can say, without qualification, that no company has a finer record of expansion and enterprise. Why then should public ownership be suggested as a safeguard against possible shortages, which do not exist, and which will never occur, if private enterprise is permitted to go ahead? Surely, the experience of the State-owned industries is convincing evidence that whatever else may be said about State ownership, it is no guarantee that production will keep pace with increasing demand."

J. ROGERS,
Imperial Chemical Industries Ltd.

Indian Cotton Textile Industry

"The Indian cotton textile industry increased its production to a record figure since the separation of Pakistan from the Indian Union and, after deducting exports, it is calculated that the quantity of cloth available for internal consumption was sufficient to distribute about 16 yards per head of the population. Before the last war, when the average price of cloth was very much lower than it is to-day, the consumption *per capita* did not exceed 16 yards and it is, accordingly, doubtful whether the country will be able to absorb the pre-war consumption at the present level of prices. It is very obvious that, if production is to be maintained, exports from India must be increased and the Government of India has reduced the export duty on coarse and medium qualities from 25 per cent. to 10 per cent. with effect from January this year. The three mills in the agency of our Bombay branch had another satisfactory year. Two of them maintained their dividends and the third mill increased the dividend slightly, so that, in our accounts for 1953, the income from this source will be slightly greater. It is always dangerous to make any forecasts for the future but, writing to us at the end of April, the Manager of our Bombay branch indicated that prospects for the current year appeared quite reasonable and that, unless something unforeseen occurred, it was hoped that the mills which we manage in Bombay would again show good results."

W. H. MARR,
James Finlay & Co., Ltd.

Notices

THE METAL BOX COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twentieth Annual Ordinary General Meeting of the Company will be held at 59C, Chowringhee Road, Calcutta, on Thursday the 16th day of July, 1953, at 4-30 p.m., for the following purposes:—

1. To receive the Report of the Directors, the Statement of Accounts for the year ended 31st March, 1953, and the Report of the Auditors thereon.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. To transact any other ordinary business of the Company.

The Ordinary Share Register of the Company will be closed from 1st to 16th July, 1953, both days inclusive.

By Order of the Board,
S. K. CHATTERJIE,
Acting Secretary.

59C, CHOWRINGHEE ROAD,
CALCUTTA, 23*rd June*, 1953.

THE GOUREPORE COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Half-yearly General Meeting of Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Monday the 6th July, 1953, at 3 p.m., for the following purposes:—

(1) To receive and consider the Directors' Report and the Accounts for the half-year ended 31st March, 1953.

(2) To elect Directors.

(3) To appoint Auditors and fix their remuneration.

(4) To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 30th June to 6th July, 1953, both days inclusive.

MACNEILL & BARRY LTD.,
A. W. TAYLOR,
Managing Director,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, 13*th June*, 1953.

MINERVA MILLS, LIMITED

NOTICE OF 18TH DIVIDEND.

NOTICE IS HEREBY GIVEN THAT A DIVIdend of Rs. 5 per share of Rs. 100 for the year ended 31st December, 1952, sanctioned by the Shareholders at the Thirty-third Ordinary General Meeting held on the 19th June, 1953, is made payable at the Central Bank of India, Ltd., Bangalore City, on and after Monday the 29th June, 1953, to those shareholders whose names stood on the Register of Members on the 29th May, 1953, and who have paid all dues to the Company whether in respect of calls on their shares, interest thereon or otherwise.

By Order of the Board,
N. SIRUR & Co. LTD.,
Managing Agents,
V. N. CHANDAVARKAR,
Managing Director.

Registered Office:—
TEMPLE BAR BUILDING,
70, FORBES STREET, FORT,
BOMBAY, 19*th June*, 1953.

SHAW WALLACE AND COMPANY LIMITED

DIVIDEND ON PREFERENCE SHARES

THE DIRECTORS HAVE DECLARED AN Interim Dividend of 3 per cent. less Income-tax on the Company's Preference Shares in respect of the year 1953, payable to Members whose names appear on the Preference Share Register on the 15th July, 1953. Warrants will be posted on or after that date.

The Transfer Register of the Preference Shares will be closed from the 8th to 15th July, 1953, both days inclusive.

By Order of the Board,
J. E. WATERFIELD,
Managing Director.

4, BANKSHALL STREET,
CALCUTTA, 17*th June*, 1953.

LARSEN AND TOUBRO LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighth Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, J.K. Building, Dougall Road, Ballard Estate, Bombay, on Friday the 17th July, 1953, at 5-00 p.m., to transact the following business:—

1. To receive the Directors' Report and the Audited Statement of Accounts for the year ended 31st March, 1953.
2. To sanction the declaration of a Dividend.
3. To elect Directors in place of Mr. H. Holck-Larsen and Mr. Dwarkadas H. Vora, who retire by rotation, but being eligible, offer themselves for re-election.
4. To appoint Auditors for the current year and fix their remuneration.
5. To transact any other business that may be transacted at an Ordinary General Meeting.

By Order of the Board,
P. W. NIELSEN,
Constituted Attorney.

BOMBAY, 27*th June*, 1953.

Note.—If Dividends, as recommended by the Directors, are passed at the Meeting, payment will be made on or after the 27th July, 1953, to those shareholders whose names are on the Company's Register on 17th July, 1953.

(*Concluded from page* 1186)

another Rs. 24 lakhs of revenue, thus completely altering the whole financial aspect of the Company.

Finally, we come to the assertion that nationalisation and integration will benefit the State from the point of view of defence. Now the needs of defence can best be served by a prosperous and progressive industry, employing the largest possible number of aircraft and personnel. This state of affairs can, in the final analysis, be brought about best by healthy competition. The creation of a State-owned monopoly, probably always the Cinderella when State money is to be disbursed, and consequently perennially cramped for finance, faced in the domestic sphere with no competition and, therefore, under no pressure to expand and improve its services, is not likely to add much to the requirements of defence in times of stress and urgency.

All that has now been said would have been unnecessary but for the ignorant, ill-informed and at times irrelevant criticism of the free enterprise operators of Air Transport, which was a feature of the debate on the Air Corporation Bill in Parliament. It remains to be seen how the new Corporations will progress if faced with the same financial burdens of exorbitant petrol tax, low mail carriage rates and fares which have no relation whatsoever to the costs of operation. It would certainly be no surprise if the drain on the State's finances, in succouring the new-fledged domestic corporation, is not, in fact, far heavier than was ever occasioned by so-called subsidies to the present companies.—*All Rights Reserved.*

BENGAL NAGPUR COTTON SUSTAINS LOSS

ASSAM SAW MILL CUTS DIVIDEND BY 50 P.C.

Bengal Nagpur Cotton Mills, Ltd.

THE directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1952.

The Company sustained a loss for the half-year of Rs. 4,24,149 (profit of Rs. 5,79,732), to which has to be added provision for balance of workers' bonus to 30th June, 1952 (since paid) Rs. 1,52,065 (*nil*), making a debit balance of Rs. 5,76,214 (credit balance of Rs. 3,09,732 after providing for taxation). The following credits have been brought to the account:—

Balance brought forward Rs. 40,045 (Rs. 30,708), provision for taxation no longer required Rs. 1,30,000 (*nil*), amount written off cotton stocks in previous periods now written back Rs. 3,00,000 (*nil*), transfer from contingencies reserve Rs. 1,50,000 (Rs. 1,50,000) and transfer for general reserve Rs. 50,000 (Rs. 25,000) leaving a credit balance of Rs. 93,831 (Rs. 1,65,440). Out of this the directors recommend the payment of the following dividends free of income-tax:—

On the preference shares at the rate of 7 (7) per cent. per annum Rs. 10,500 (Rs. 10,500) and on the ordinary shares at the rate of 5 (10) per cent. per annum Rs. 67,500 (Rs. 1,35,000) leaving to be carried forward Rs. 15,831 (Rs. 19,940).

During the half-year further considerable falls in the cotton market were registered and at the close of the period the market value of the cotton stocks, as taken in the accounts, was approximately Rs. 3 lakhs below cost. To counter-balance this loss a further Rs. 3 lakhs has been written back from the cotton reserve created in 1948 for this very purpose.

The serious slump in the cotton market caused Government to bring down the prices of cloth and yarn precipitately with the result that goods manufactured out of cotton purchased at high prices against quotas early in the season were sold at a loss. When Government introduced decontrol in October the situation did not immediately improve owing to the release by dealers of large stocks built up during the control period, resulting in an abnormally high accumulation of finished goods at the mill. Since the beginning of 1953 sales and prices have revived and there has been a steady demand for the Company's cloth and yarn at reasonable rates.

Re-equipment continues and the resultant improvement in quality and lowering of costs contribute to the confidence which the directors feel in the ability of the Company to hold its own in a highly competitive market.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Block ...	20,81,000
Debentures ...	4,00,000	Stocks ...	46,30,973
Reserves ...	22,25,163	Stores ...	6,90,957
Provision for taxation ...	4,05,000	Debts, deposits and advances ...	6,90,533
Liabilities ...	24,54,175	Investments	36,500
Profit and loss account ...	15,831	Cash ...	3,70,206
Rs.	85,00,169	Rs.	85,00,169

Assam Saw Mills and Timber Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th September, 1952.

The profit and loss account, including the credit balance of Rs. 60,887 (Rs. 30,837) brought forward from the previous year and Rs. 19,44,859 (Rs. 28,99,274) insurance claims for damage by earthquake in 1950 and loss due to floods in 1951, and after allowing for sundry charges, depreciation, commissions, taxation, etc., placing Rs. 1,00,000 (Rs. 7,25,000) to reserve for reconstructions, Rs. 53,000 (Rs. 27,500) to reserve for tax contingency, writing off loss of fixed assets to the extent of Rs. 4,967 (Rs. 5,52,628) and charging Rs. 31,642 (Rs. 6,20,876) for adjustments and loss of stocks, stores, etc., shows a credit balance of Rs. 1,86,645 (Rs. 2,94,220) which the directors propose to dispose of in paying a dividend on 4,66,666 ordinary shares at As. 4 (As. 8) per share, without any deduction for income-tax paid by the Company, absorbing Rs. 1,16,667 (Rs. 2,33,333) and in carrying forward Rs. 69,978 (Rs. 60,887).

The year under review has been one of reconstruction and the new Mills at Namsoi were opened for production in October, 1952. Despite the very considerable difficulties involved in setting up a modern factory in an area until recently covered with forest and with very difficult road and river communications, the directors' efforts have met with success and the Company can look forward to a satisfactory production of panels during the current year.

Unfortunately, coincident with the Company's misfortunes, the tea trade has suffered a severe slump and so gardens have tended to use existing stocks and to delay purchase of replacements, and this has made trading very difficult.

It does appear, however, as though the tea trade is recovering from its troubles and although the trading year of 1952-53 is bound to reflect the difficulties of restarting the Mills in a period of slump, the directors expect by 1953-54 to have overcome these difficulties and to have brought down the costs by an increase in production.

The relations with Government have been cordial although the directors have not yet been able to agree about suitable rates of royalty for timber from State and Central Government forests, *which is holding up the signing of the leases.*

In view of the present difficulties it has been decided to concentrate the Company's energies at Namsoi and leave the question of opening up again on the North Bank to await better times. The directors do not, therefore, propose to expand the small saw mills at Jonai at present.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,99,998	Block ...	8,55,100
Reserves ...	28,08,354	Work-in-progress ...	4,30,479
Provision for taxation ...	6,15,523	Stocks ...	1,67,403
Liabilities ...	8,03,268	Stores, etc. ...	16,15,309
Profit and loss account ...	69,978	Debts, deposits and advances ...	25,86,695
		Cash ...	41,635
Rs.	56,97,121	Rs.	56,97,121

United Provinces Sugar Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. James Finlay & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th September, 1952.

The accounts disclose a profit on sugar account of Rs. 5,28,406 (Rs. 8,06,345) and profit on zemindary account of Rs. 50,886 (Rs. 67,632), making a total of Rs. 5,79,292 (Rs. 8,73,977). From which has been deducted provision for Central and State taxation Rs. 3,14,534 (Rs. 4,00,000), leaving a balance of Rs. 2,64,758 (Rs. 3,31,907), to this is added the balance brought forward from last year of Rs. 11,907, leaving a balance available for distribution of Rs. 2,76,665 (Rs. 3,31,907), which the directors recommend to be dealt with as follows:—

Payment of a dividend of 15 (20) per cent. for the year to 30th September, 1952 Rs. 2,40,000 (Rs. 3,20,000) leaving a balance to be carried forward of Rs. 36,665 (Rs. 11,907).

The directors have not considered it necessary on this occasion to utilise any portion of the distributable profits to increase the general reserve which stands at the previous year's figure of Rs. 6,17,875.

Provision for depreciation at usual rates absorbed Rs. 54,096, and no capital expenditure was written off apart from a very small item of Rs. 39 spent on the acquisition of certain leasehold rights. The provision made for taxation fully covers Central and State liabilities on the profits for the year ended 30th September, 1952.

The Company's estates supplied 2,88,351 (3,01,456) maunds of cane and the cost of all cane delivered to the factory was Rs. 2-1-1 (Rs. 2-1-5) per maund. The minimum cane price was the same as in the previous year at Re. 1-12 per maund: cane cess and cane co-operative societies' *commissions* were also unchanged.

The Government control over the sale of sugar continued but larger quantities were allowed for free sale than previously and, late in the year when it was discovered that free market prices had fallen well below controlled rates and the State Government's nominees had declined to take up their allotments, the very large balance of controlled stocks was handed over to the factories to sell on the free market. With a carry over of about 2,00,000 tons from season 1950-51 stocks throughout the year were in excess of requirements and it was not possible to obtain the advantage from free market releases that had materialised in the previous year; furthermore, the balance at the end of the year could only be sold at below controlled rates, which largely accounts for the reduction in the profit figure.

A bonus to sugar factory workers in Uttar Pradesh was agreed upon and paid on the same scale as decreed for the previous year, which worked out in the case of Tamkohi factory at As. 4 per maund of sugar produced.

A canteen for workers was built and there were additions to the hospital, the workers' quarters and the club house; the total cost being Rs. 46,178. The only major capital expenditure on plant and machinery related to the new steel chimney. Results for the year were fairly satisfactory. One tractor was added to the fleet.

Prospects for season 1952-53. A small profit from the sugar factory can be anticipated, but crush and recovery were unsatisfactory due to adverse climatic conditions. The season closed on 7th April, 1953, with a crush of 25,24,444 maunds cane, producing 2,44,069 maunds sugar. Normal conditions were experienced until the 16th January, 1953, when a disastrous hail storm laid waste the district from which Tamkohi's cane supplies are drawn and did great damage to cane and other crops on the Company's estates and in the nearby areas. The quality of cane was very adversely affected, resulting in a recovery of only 9.67 per cent. average for the season. Despite these difficulties, the quality of sugar produced was fully maintained.

The prospects from the Company's farming operations are very poor and a loss must be expected as a result of the reduction in the cane price from Re. 1-12 to Re. 1-5 per maund and poor yields of cane and grain crops due to adverse weather conditions.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,00,000	Block ...	5,70,370
Reserves ...	9,19,618	Stocks ...	19,53,387
Provision for taxation ...	8,66,587	Stores, etc. ...	9,27,299
Liabilities ...	19,88,286	Debts, deposits and advances ...	18,42,429
Profit and loss account ...	36,665	Cash ...	1,17,671
Rs.	54,11,156	Rs.	54,11,156

Bengal-Nagpur Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1952.

After providing Rs. 31,000 (Rs. 7,250) for depreciation and Rs. 15,000 (*nil*) for taxation and transferring Rs. 7,332 (*nil*) to capital reserve, there remains a balance at the credit of profit and loss account of Rs. 19,345 (Rs. 21,372) out of which the directors recommend a dividend of Rs. 3-8 (Rs. 3-8) per share on preference shares Rs. 3,938 (Rs. 3,938) and a dividend of As. 6 (As. 2) per share on ordinary shares Rs. 8,437 (Rs. 11,250) leaving to be carried forward Rs. 6,970 (Rs. 6,184).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,37,500	Block ...	3,55,993
Reserves ...	5,21,767	Stores ...	4,788
Provision for taxation ...	49,592	Debts, deposits and advances ...	6,02,253
Liabilities ...	1,10,313	Cash ...	63,109
Profit and loss account ...	6,971		
Rs.	10,26,143	Rs.	10,26,143

Eastern Manufacturing Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The profit for the year after providing for depeciation Rs. 2,00,000 (Rs. 3,09,500) and bringing in the provision of Rs. 70,184 made in the previous year for possible loss on forward contracts and making sundry adjustments amounted to Rs. 59,794 (Rs. 3,49,107) to which was added the balance brought forward from the previous year of Rs. 16,074 (Rs. 4,467) making a total of Rs. 75,868 (Rs. 3,53,574). The directors transferred to general reserve account Rs. 30,000 (Rs. 3,00,000), leaving a balance of Rs. 45,868 (Rs. 53,574). The directors disposed of this sum in paying a dividend on 2,000 6 per cent. preference shares at Rs. 6 (Rs. 6) per share Rs. 12,000 (Rs. 12,000) and dividend on 8,500 ordinary shares at Rs. 3 (Rs. 3) per share Rs. 25,500 (Rs. 25,500) leaving to be carried forward Rs. 8,368 (Rs. 16,074).

Jute stocks are shown at cost price. Stocks of finished goods sold and unsold have been calculated at contract or market prices. Unfinished goods have been taken at cost price. Buildings, power plant and machinery have been maintained in thorough repair.

In compliance with the Award dated 9th September, 1952, of the special Tribunal which was constituted for these mills on 14th December, 1951, on the issue of temporary workers, the Company declared its permanent complement of workers on the 7th January, 1953 and proceeded with the due implementation of the Award. During the year the labour force remained quiet. The portion of the mill which was engaged in the manufacture of specialities like webbing, carpet, sashcord twine, etc., continued exempted from the working time agreement of the Indian Jute Mills Association.

Craig loom hours—with only 111 looms working out of the registered complement of 396 looms, these 111 looms worked 96 hours per week in terms of clause 10 of the working time agreement. The balance loom hours were sold.

The year started with a serious recession in the webbing trade with little or no orders from the principal overseas markets, particularly the U.K. which was silent until September, 1952, and shipment was suspended for large balances of orders. By the time permission was received from the Tribunal to reduce ribbon looms, large unsold stocks had accumulated which further added to our difficulties. With the fall in jute prices, it was found necessary to make substantial reductions in webbing prices, particularly for the second half of the year but the position improved subsequently. The directors report that most of the unsold stocks have since been cleared and the suspended balances shipped. Although affected by the general recession in the trade, export interest was revived due to the reduction in hessian duty. Sashcord continued to be in good local demand but only small shipments were made to East Africa.

During the period, there has been a steady decline in the prices of raw material and manufactured goods. Towards the latter half, highly speculative and fluctuating markets for raw jute and gunnies made trading difficult. Since the end of the year prices have steadily declined, and Government in an effort to remedy the position reduced sacking export duty on 28th February, 1953, by Rs. 95 per ton. This reduction did not arrest the decline in prices.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,50,000	Block ...	11,63,327
Reserves ...	5,00,000	Stocks ...	13,44,695
Provision for taxation ...	1,51,626	Stores ...	2,15,334
Liabilities ...	15,88,266	Debts, deposits and advances ...	5,15,769
Profit and loss account ...	8,368	Investments	30,600
		Cash ...	28,535
Rs.	32,98,260	Rs.	32,98,260

Mysore Stoneware Pipes and Potteries, Ltd.

The directors of the above Company (Managing Agents: The Mysore Industrial Development Co., Bangalore City) submit the audited accounts of the Company for the year ended 31st March, 1953.

The surplus for the year, after providing a sum of Rs. 35,321 (Rs. 41,117) for depreciation and Rs. 48,000 (Rs. 78,500) for income-tax and surcharge, is Rs. 55,599 (Rs. 1,07,166). With the amount carried over from last year, Rs. 9,812 (Rs. 7,646), the total sum available is Rs. 65,411 (Rs. 1,14,812). The directors recommend a dividend of 7½ (10) per cent. or As. 12 (Re. 1) per share, free of income-tax Rs. 45,000 (Rs. 60,000), transfer to general reserves Rs. 12,500 (Rs. 45,000), and carry over to next year Rs. 7,911 (Rs. 9,812). With the above addition, the general reserves amount to Rs. 2,32,500 (Rs. 2,20,000). The provision so far made towards depreciation on fixed assets is Rs. 4,55,140 (Rs. 4,19,698).

Although there was short supply of coal for two periods during the year and severe curtailment in electric power for two months continuously production was maintained. This necessitated the purchase of the costlier sea-cum-rail-routed coal.

Due to the State and Central Governments not drawing as much as expected, sales fell by 20 per cent. with the result that a heavy stock of finished products has accumulated. To face the competition that has been and the slackness in demand the margin has had to be reduced. Heavy increase in the cost of manufacture due to costlier coal, stores and services was off-set to a considerable extent by maintaining a steady output in spite of other difficulties above mentioned.

Though the acid jars turned out in the factory are of sound quality, further development of this section has had to be deferred on account of competition, and a fall in the general demand. There is, however, a good and growing demand for firebricks, and the expansion of this line of manufacture is under active consideration.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	3,55,148
Reserves ...	2,20,500	Stocks ...	2,15,574
Provision for taxation ...	48,000	Stores and spare parts ...	1,02,890
Liabilities ...	1,83,443	Debts, deposits and advances ...	2,65,735
Profit and loss account ...	65,411	Investments ...	35,000
		Cash ...	1,43,007
Rs.	11,17,354	Rs.	11,17,354

Travancore Ogale Glass Mfg. Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Ogale Brothers, Ltd., Trivandrum) submit the audited accounts of the Company for the year ended 31st December, 1952.

There was a prolonged strike in the factory in February and March, 1952 when there was no production while the establishment charges had to be met. There was a steep fall in production from Rs. 7,10,000 in 1951 to Rs. 5,70,000 in 1952. The result is a loss of Rs. 61,644. In keeping with the general market trend, the prices of glass articles had to be reduced, the working costs remaining at a high level.

Provision has been made for depreciation as usual in the profit and loss account. In addition, initial, extra and additional depreciation is being written off under the existing provisions of the Income-tax Act and the unabsorbed depreciation, carried over, and will be set off against future profits.

Labour conditions are far from satisfactory. Demands put up in November, 1952 are pending settlement. Labour does not realise the changed business conditions, sellers' market having given place to buyers' market and the slump conditions all round.

Out of the loan of Rs. 5,00,000 sanctioned by the Industrial Finance Corporation of India, the first instalment of Rs. 3,00,000 was received towards the end of June, 1952. Most of the necessary equipment has now arrived and as soon as the present electric power cut is restored, the automatic bottle plant will be put into production. This will result in increased production and there will be considerable saving in the cost of production.

Correspondence with the Central Government and the Industrial Finance Corporation of India regarding renewal of the managing agency agreement and alterations in the Articles of Association of the Company is in the final stage and it is hoped that it will be possible to place suitable resolutions before the shareholders at an extraordinary general meeting soon.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,98,380	Block ...	10,07,308
Reserves ...	1,50,000	Stocks ...	24,000
Liabilities ...	4,34,310	Stores ...	1,97,736
		Debts, deposits and advances ...	70,520
		Investments ...	87,924
		Cash ...	1,35,413
		Profit and loss account ...	59,789
Rs.	15,82,690	Rs.	15,82,690

N.B.—Figures within brackets relate to the corresponding period of the previous year.

COMPANY MEETINGS AND DIVIDENDS

DHEMO MAIN COLLIERIES LTD. Half-yearly General Meeting, Calcutta, 29th June, 1953. Dividend: *Nil.* Transfer books closed from 20th to 29th June, 1953, both days inclusive.

HURRILADIH COAL CO., LTD. Half-yearly General Meeting, Calcutta, 29th June, 1953. Dividend: As. 12 per share. Transfer books closed from 20th to 29th June, 1953, both days inclusive.

WEST JAMURIA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 29th June, 1953. Dividend: *Nil.* Transfer books closed from 20th to 29th June, 1953, both days inclusive.

BENGAL-NAGPUR COTTON MILLS LTD. Half-yearly General Meeting, Calcutta, 29th June, 1953. Dividend: As. 4 per share. Transfer books closed from 22nd to 29th June, 1953, both days inclusive.

UNITED PROVINCES SUGAR CO., LTD. Annual General Meeting, Calcutta, 3rd July, 1953. Dividend: Re. 1-8 per share. Transfer books closed from 18th June to 3rd July, 1953, both days inclusive.

AHMADPUR-KATWA RAILWAY CO., LTD. Annual General Meeting, Calcutta, 3rd July, 1953. Dividend: Rs. 2-11 per share, less income-tax. Transfer books closed from 20th June to 3rd July, 1953, both days inclusive.

BANKURA-DAMODAR RIVER RAILWAY CO., LTD. Annual General Meeting, Calcutta, 3rd July, 1953. Dividend: Rs. 2-11 per share, less income-tax. Transfer books closed from 20th June to 3rd July, 1953, both days inclusive.

BURDWAN-CUTWA RAILWAY CO., LTD. Annual General Meeting, Calcutta, 3rd July, 1953. Dividend: Rs. 3-8 per share, less income-tax. Transfer books closed from 20th June to 3rd July, 1953, both days inclusive.

KALIGHAT-FALTA RAILWAY CO., LTD. Annual General Meeting, Calcutta, 3rd July, 1953. Dividend: Rs. 2-11 per share, less income-tax. Transfer books closed from 20th June to 3rd July, 1953, both days inclusive.

KATAKHAL-LALA BAZAR RAILWAY CO., LTD. Annual General Meeting, Calcutta, 3rd July, 1953. Dividend: Rs. 5 per share, less income-tax. Transfer books closed from 20th June to 3rd July, 1953, both days inclusive.

GIELLE TEA CO., LTD. Annual General Meeting, Calcutta, 3rd July, 1953. Dividend: *Nil.* Transfer books closed from 27th June to 3rd July, 1953, both days inclusive.

DILARAM TEA CO., LTD. Annual General Meeting, Calcutta, 3rd July, 1953. Dividend: *Nil.* Transfer books close from 1st to 3rd July, 1953, both days inclusive.

NEW INDIA INVESTMENT CORPORATION LTD. Annual General Meeting, Calcutta, 3rd July, 1953. Dividend: Rs. 2 per share. Transfer books closed from 25th June to 3rd July, 1953, both days inclusive.

NUDDEA MILLS LTD. Half-yearly General Meeting, Calcutta, 6th July, 1953. Transfer books close from 30th June to 6th July, 1953, both days inclusive.

GANGES MANUFACTURING CO., LTD. Half-yearly General Meeting, Calcutta, 6th July, 1953. Transfer books close from 30th June to 6th July, 1953, both days inclusive.

RHOTAS INDUSTRIES LTD. Annual General Meeting, Dalmianagar, 7th July, 1953. Dividend: Re. 1 per share. Transfer books close from 1st to 7th July. 1953, both days inclusive.

SOORAH JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 8th July, 1953. Transfer books closed from 24th June to 8th July, 1953, both days inclusive.

KHARDAH CO., LTD. Half-yearly General Meeting, Calcutta, 8th July, 1953. Dividend: Rs. 15 per share. Transfer books closed from 24th June to 8th July, 1953, both days inclusive.

JESSOP & CO., LTD. Annual General Meeting, Calcutta, 17th July, 1953. Transfer books close from 29th June to 17th July, 1953, both days inclusive.

DALMIA CEMENT (BHARAT) LTD. Annual General Meeting, Dalmiapuram (Dist. Tiruchirapalli), 20th July, 1953. Transfer books close from 1st to 20th July, 1953, both days inclusive.

SEARSOLE COAL CO., LTD. Dividend of As. 10 per share for the year ended 31st January, 1953.

COMPANY REGISTRATIONS

PEDNEKAR INDUSTRIES LTD. (First Director: Mr. S. K. Pednekar.) Business: Manufacturers, Importers, Exporters and Dealers in Sewing Machines, both industrial and domestic. Authorised capital: Rs. 5,00,000. Private company. Address: 80, Girgaon Road, Swadeshi Mill Compound, Bombay, 4.

F. SAKKAR, LTD. (First Director: Fatema Basrai.) Business: Manufacturers, Importers, Exporters and Traders. Authorised capital: Rs. 5,00,000. Private company. Address: Badri Mahal, Hornby Road, Bombay.

AUTOMACHINES (INDIA) LTD. (First Director: Mrs. Meera Brahmwar.) Business: Importers, Exporters and Dealers in Electrical. Industrial and Agricultural Machinery and Accessories, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 111A, Mahatma Gandhi Road, 2nd Floor, Fort, Bombay.

AIR-INDIA LIMITED

(*Concluded from page 1177*)

Bidding farewell to the officers and members of the staff of Air-India, some of whom had been with the Company and its predecessors since the start of operations over 20 years ago, the Chairman said he was happy to know that their services would be retained in the nationalised corporations whose success would now largely depend on their efforts and those of their fellow-workers from other airlines.

"And now my task is done. If I have dwelt at length on past events and misfortunes and if I have been forthright in directing criticism where I felt it was due, it is in no spirit of bitterness or rancour that I have done so. In laying down the stewardship of this Company's affairs, I consider it a duty to place the correct facts before you and to endeavour to draw from them lessons that may be of value in the future. Now that Parliament has expressed its will, we must all accept it in good part and I am sure you will join me in wishing success to the two State Corporations which will henceforth carry the flag of Indian aviation."

The Chairman thanked the shareholders of the Company for the support and confidence they had given the management all these years.

"Grieved as I am that this venture to which I devoted so much thought, energy and time and for the success of which I held such high hopes," concluded Mr. Tata, "has come to this end, my sorrow is tempered by the thought that our 21 years' endeavour has not been in vain, that the work we pioneered is being carried on and that in laying the foundations of Indian air transport and building upon them the greater part of the present edifice, your Company and its predecessors, Tata Sons Limited, served the country well."

PLANTING

(*Concluded from page 1175*)

the undesirability of these provisions. It is pointed out, in this connection, that a great deal of misrepresentation has recently been made about the activities of the Coffee Board and particularly against its marketing policy. The Chairman of a planters' association in a coffee-growing district in South India, in a recent speech, strongly repudiated these charges and pointed out that a great deal of harm to the industry, as well as the consumer, could have been avoided if the Government had paid heed to the advice of the Board in some important respects, and mainly in the matter of exports of coffee. One other spokesman of the coffee planters quite recently stated that, while the Board had been widely blamed, not only by consumers and the trade but also by the Government of India, it appeared open to doubt whether or not the trouble rested on them, at times, uncertain handling of complex economic issues by the Government itself.

Coffee Costs of Production

It seems that the Government of India has decided to carry out its investigation into the cost of production of coffee, and that a Cost Accounts Officer deputed by the Government has arrived in Coorg and started his investigations. Growers of coffee appear to welcome the enquiry, inasmuch as they are confident that it will reveal that the cost of production of coffee is still very high and will not permit of any further reduction in the basic price.

Rubber growers in South India have not yet secured the relief that the Government promised them in the matter of the accumulation of stocks with growers and dealers. The Minister for Industries and Commerce, Government of India, had, it appears, agreed to permit the export of another 1,000 tons of raw rubber to relieve the stock position, but so far, it is pointed out, no action has been taken in the matter.

PROSPECTS OF TEA GROWING IN NEW GUINEA

An overseas tea expert is stated to have reported favourably to the Australian Government on the prospects of growing tea in Papua and New Guinea. According to the expert, there seems to be no reason why yield results similar to those of Ceylon and India should not be possible if suitable technique were followed. The expert visited Papua and New Guinea earlier this year and presented his report to the Territories Minister, Paul Hasluck.

The Government is already growing tea at Garaina in the mountains of the Lae. About 70 acres are under cultivation, with the object of providing seed for new estates and also to provide economic and technical information for commercial tea producers of the future. Garaina seed should provide sufficient material to plant about 400 acres of tea annually. Most recent tea statistics show that the average Australian consumes about 6½ lbs. of tea per year, as compared with 7 lbs. just before the last war.

MONEY EASY

(From Our Own Correspondent)

BOMBAY, 24*th June*

By a coincidence, as it were, the onset of the monsoon in Bombay and other Western India centres, has been followed by an inflow of funds into the short-term money market. This, coupled with fewer borrowers, has brought about comfortable conditions. There has been a drop in the inter-bank call money rate among the Exchange banks and big Indian banks from 2¾ per cent. to 2½ per cent. In fact, on some days during the week, there were lenders of overnight funds even at 2¼ per cent. The rate among the smaller Indian banks, however, remained unchanged at 3 per cent. Short-term deposit rates are quoted at 2½ to 2¾ per cent. for one to three months and 2¼ to 2½ per cent. for four months and over.

Usually the monsoon months witness an easy trend in the short-term money market. But it is doubtful whether this traditional pattern will be repeated this year, even though the commencement of the season has been on traditional lines. The recent Central Government loan and the issue of the Stanvac debentures have already depleted a good part of the public funds and the expected State loans in the coming months will tell considerably on the money market. The volume of floating funds in the money market in the coming months will, therefore, be considerably restricted.

The response to this week's Government of India three months' Treasury Bills was very encouraging. The total amount offered was as high as Rs. 290.25 lakhs, as against Rs. 222.50 lakhs last week, thus maintaining the rising trend in the amount offered noted during the previous two weeks. Incidentally, it may be noted that this is the largest amount offered since the third week of November, 1952, when the offerings amounted to Rs. 291.50 lakhs. But that was against an invitation for Rs. 2 crores. This week's offering is, therefore, the highest since the amount of borrowing was reduced to Rs. 1 crore. The average rate of accepted tenders, however, remained unchanged at Rs. 2-6-6 per cent. per annum.

The slackness in the money market is fully reflected in a contraction of Rs. 13.12 crores in notes in circulation during the week ended 19th June, 1953, following a fall of Rs. 2.13 crores in the preceding week. The Reserve Bank's statement for the week shows an increase of Rs. 16.97 crores in notes held in the Banking Department. The consequent increase of Rs. 3.85 crores in total notes issued is covered by a rise of Rs. 1.85 crores in rupee coin. The rise of Rs. 28.04 crores in the Central Government's deposits, noted in the previous week, has been followed by a further increase of Rs. 8.74 crores during the week under review. Deposits of other Governments are also higher, but by only Rs. 83.38 lakhs. Deposits of banks do not show an increase of more than Rs. 38.02 lakhs. On the assets side, cash balances have risen by Rs. 17 crores, and balances held abroad by Rs. 21.23 lakhs. Loans and advances to Governments are lower by Rs. 36 lakhs and other loans and advances by Rs. 5.29 crores. Of the latter, advances to Scheduled Banks against usance bills account for a decline of Rs. 1.35 crores.

The withdrawal of funds from banks, consequent on the flotation of the Central Government loan, is reflected in the Scheduled Banks' statement for the week ended 12th June, 1953. As compared with that for the previous week, this statement reveals a fall of Rs. 7.53 crores in the Banks' demand deposits. Time deposits are however, better by Rs. 61.63 lakhs. Borrowings from the Reserve Bank show an increase of Rs. 14.20 crores, of which Rs. 10.30 crores are accounted for by borrowings against usance bills. Borrowings from the Imperial Bank also show a rise of Rs. 3.54 crores. Advances have fallen by Rs. 43.77 lakhs, while inland bills purchased and discounted have gone up by Rs. 1.05 crores. Investments are up by Rs. 12.17 crores, indicating the extent of support given by the banks to the new loan of the Government of India. Cash balances, including money at call and short notice, have dropped by Rs. 2.09 crores.

After a three-week spell of easiness, the Gilt-edged market steadied up during the week under review, with moderate gains in short and long-dated issues. The market, having adjusted itself to the new yield pattern of the National Plan Bonds, recovered, the easy conditions in the money market also assisting the process. There was a fair demand for short-dated loans. The short-medium dated loans were not in demand, obviously due to the better investment merits of the new loan. 3 per cent. 1957 hardened by As. 3 to Rs. 98-6 and 3 per cent. 1958 by As. 2 to Rs. 98-3. 3 per cent. 1959-61 recovered to Rs. 96-4, a rise of As. 2 over the week. 3 per cent. 1963-65 and 3 per cent. 1964 showed no change at Rs. 92-7 and Rs. 92-6 respectively. 3 per cent. 1966-68 added As. 2 to stand at Rs. 90-3. 3 per cent. 1970-75 stood at Rs. 86-7. 3 per cent. 1986 Conversion Loan made a sharp rally from Rs. 82-2 to Rs. 82-15, due to short-covering by bears and lack of floating stocks. The 3½ per cent. 1961 National Plan Bonds, which were quoted at Rs. 98-3, closed at Rs. 98-5, that is at a premium of an anna over the issue price.

POOR ARRIVALS OF KIPS

(From Our Own Correspondent)

MADRAS, 22*nd June*

Arrivals of kips have been small and clearance of stocks from the bazaar has been fair-sized. Tanners are probably covering in their earlier orders. Demand from the U.K. for kips has been small. Enquiries are chiefly for lower grade kips and shippers seem to be in an oversold position.

The market for tanned goat and sheep skins has ruled steady and demand has been chiefly for light weight goat and lining sheep. Prices locally are kept up by exporters' purchases daily, despite importers' levels being 6*d.* to 9*d.* below the prices at origin. Raw prices also have maintained, due to tanners' purchases.

BULLION SAGS AT CLOSE

(From Our Own Correspondent)

BOMBAY, 24*th June*

The trend of prices in the bullion market during the week under review was as indecisive as the weather in Bombay. Though movements were erratic, definite signs of easiness came to prevail towards the closing sessions. In silver, after an early quietness, due to slackening demand in the ready position, there was a recovery during the mid-week, on account of purchases by option dealers and the strength of gold. From Monday onwards, however, prices began to sag on liquidation by prominent bulls and option dealers. The bulls were reported to have indulged in sizable sales in the current settlement, with the result that the *budla* rates for the next settlement, which was standing at Rs. 3-2 at the close of last week, narrowed down to Re. 1-7 at the close to-day. The contraction in *budla* rates had a bearish influence on the trading public. Demand for silver in the ready position slackened considerably towards the close, which also acted as a damper.

Gold showed a hardening tendency till Monday on better demand, particularly from Calcutta. But the reports that the power cut in Kolar Gold Fields had been removed, coupled with a fall in demand, imparted an easy tone and prices sagged towards the close.

Silver for forward delivery (30th June settlement) opened at Rs. 160-10 and retreated to Rs. 159-5 on Friday. In the recovery that followed, the white metal touched a high of Rs. 162 on Monday. But this revival having proved to be a short-lived affair for reasons stated above, the trend became downward again and a low of Rs. 158-4 was touched to-day. The closing rate was, however, a shade better at Rs. 158-11.

Business in the next settlement (end of July) commenced officially on Friday at Rs. 157-1 and the closing price stood to-day at Rs. 157-3.

Ready silver (.996 mint) opened at Rs. 161-10 and touched a high of Rs. 162-4 on Monday, before winding up at Rs. 158-15. The floating stocks are placed at 1,000 bars. The daily average offtake was 10 to 15 bars.

Gold for forward delivery (29th June settlement) began at Rs. 90-5 and advanced moderately to Rs. 91-8 on Monday. Later on, it retreated by stages to close at Rs. 89-15.

Trading in the next settlement began on Friday at Rs. 89-3, that is, at a discount of Re. 1-6 below the current settlement, and finished at Rs. 88-12, that is, at Re. 1-3 below the current settlement.

Ready gold (.999 fine) opened at Rs. 91-15 and, after touching Rs. 93-5, closed at Rs. 90-11. The floating stocks of gold are estimated at 20,000 tolas. The daily average arrivals were 3,500 tolas, while the offtake was 4,500 tolas on an average.

The international free market gold showed signs of steadiness during the week. In Europe, the price, which stood at $36.40 on the 16th inst., looked up to $36.55 yesterday.

The following comparative table shows the trend of the market during the week under review:

	24-6-53	Highest	Lowest	17-6-53
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	90 11	93 5	90 10	92 3
Forward	89 15	91 8	89 14	90 5
Sovereign	59 0	59 4	59 0	58 12
SILVER				
Ready (.996 fine Mint)	158 15	162 4	158 8	161 4
Forward	158 11	162 0	158 4	160 4
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½*c.*	—	—	85½*c.*

MILLED DUSTS STEADY

(Messrs. Forbes, Ewart and Figgis, Ltd.)

COCHIN, 20*th June*

The total offerings in dust sale "L" which was held on Tuesday, 16th June, amounted to approximately 1,50,000 lbs. There was a fairly good demand and prices for milled dusts were about steady. Better sorts, however, met with slightly less demand and were As. 1 to As. 2 easier.

London Market.—Strong demand, ½*d.* to 1*d.* throughout.

Colombo Market.—Good demand. Dimbula type brokens lower. Improved quality Uvas slightly dearer. Others firm.

Calcutta Market—Export.—31,000 packages. Good general demand for commonest and whole leaf grades, first flush Darjeelings irregular and plainer types neglected.

Dust.—Market irregular. Commons irregularly half to one anna easier. Residues neglected. New seasons Dooars Darjeeling and best liquoring Assams well supported.

Export Quota.—The market has eased slightly and the present quotation is 22 pies with buyers scarce.

Forthcoming Auctions.—Dust sale "M" will be held on Tuesday, 30th June.

As we go to press, Messrs. Forbes, Ewart and Figgis, Ltd., wire as follows:—

"*Sale* 13,—21,00,000 lbs. Good general demand all round, particularly for low and medium fannings, which are dearer. All others sold well at about last rates, with improved quality showing advances."

SET-BACK IN COTTON

(From Our Own Correspondent)

BOMBAY, 24*th June*

The demoralisation in the forward cotton market is now complete. Even the spot interests have lost their nerve and are prepared to offer their holdings in the August delivery at every rise above Rs. 680. The market has been reduced to playing a game of hide and seek. After the middle of last week, it appeared as if the market was on its legs again and there was an atmosphere of restored confidence in the belief that contracts had then passed into strong hands, who would come forward to sustain the market against speculative selling. But at the opening of this week these very elements started indulging in frantic selling after prices had registered some rise. It is obvious that the forward market is now completely in the hands of speculators who are divorced from spot conditions and on whom the statistical position of Indian cotton, mill consumption, etc., have little tangible effect.

Unless the Government accept the Cotton Advisory Board's recommendation of allowing forward trading at an early date, it is certain that the forward market, which started with a blare of trumpets last December, will end tamely, with all operators turning into buyers when prices go below Rs. 670 and into sellers when they rise above Rs. 680. On the other hand, there are prophets of gloom in the market who hold strongly that prices will end where they began, i.e., around Rs. 620. While this is an extreme view, one must be prepared to concede that the forward market in cotton is quite capable of springing a series of surprises during the course of the next two months, by which time the August contract will expire and there is as much chance of the price touching Rs. 720 as Rs. 620 during the interval.

In spite of this condition of the forward section, the spot market has maintained a comparative steadiness in turnover and prices. Enquiries for selected styles, both in Indian and imported cottons, continue to come in and if the mills are given soon to purchase the extra 5 per cent. quota, as recommended by the Advisory Board, a further demand might materialise. It cannot be repeated too often that the statistical position and the carry-over are all in favour of spot dealers with holdings. Even if the new crop were to be good as expected, consumption during the interval is bound to exert a pressure on the available stocks and the holders would be in a position to dispose of all their cotton of qualities which can be used by mills, before they are required to invest in the 1953-54 cotton. This is about as happy a position as any spot dealer can hope for.

The latest quotations available from the Sewri market are: Bengal *Deshi* Rs. 540, Berar Jarilla Rs. 720; Khandesh Rs. 835; Vijay Rs. 855; Moglai Rs. 665; Oomra *Deshi* Rs. 665.

In the forward market, I.C.C. August opened the week under review at Rs. 669 as against the closing rate of Rs. 668 last week. On persistent support from prominent mills the rate improved to touch a high of Rs. 683½ on 22nd inst. At this high level there was considerable unloading which resulted in a sharp setback in prices. The prices reacted to touch a low of Rs. 665¼, which was also the closing level for the week. The following is the price trend in the forward market for the week ended today.

	Opening	*High*	*Low*	*Closing*
I.C.C. Aug. (Rs.) ..	669	683½	664	665½

Considering the next crop prospects, they appear to be good, so far as can be judged at this early stage. Rainfall has been good, if delayed, in several of the important cotton-producing areas. The acreage is expected to be slightly higher than in 1952-53 and if the monsoon does not play any tricks later in the season, the yield per acre can be reasonably expected to be better than last year, especially with regard to good staple cotton in Gujerat, where the crop was very poor in the last season. If consumption continues anywhere near the rate during this year even this increased output will be readily absorbed by the mills and prices can be maintained at a reasonable and economic level for the producers, provided world prices hold. The only snag in the situation is with regard to mill consumption. Many people doubt if production of cloth can be continued next year at the level of 1953. As competition is bound to increase abroad and purchasing power within the country is steadily going down, there is little hope of the mills being able to reduce cost of production except by way of lower cotton prices. On balance, the prospects for the 1953-54 crop are not very rosy but not very depressing either.

The Cotton Buyers' Association has asked the Government to extend the period of export licences to 30th September. There is no reason to believe that this request will prove unacceptable to the Government. There are, however, no prospects of the export duties on Dholleras, Oomras, etc., being reduced, the licences for which have remained unused so far. At present prices there are no buyers abroad for this cotton. But there is a possibility of internal prices of these varieties going down in view of a good crop next season. Japan and the U.K. might in this case come forward to absorb this cotton. With regard to imports, activity at this time is naturally slack. With the increase in price of Egyptian cotton, demand for it from certain mills with which it is popular has naturally dwindled. There is no move to import cotton against valid licences from the U.S.A.

At Karachi, there is a certain amount of dissatisfaction amongst dealers because they are not being consulted with regard to the cotton marketing policy for 1953-54. During the week under review there have been no development of note apart from a slight hardening of prices.

The latest available quotations from Karachi are: Punjab *Deshi* Rs. 78; 4F Punjab R.G. Rs. 59; S.G. Rs. 64; L.S.S. Punjab R.G. Rs. 62½; S.G. Rs. 68½; N.T.R.G. Rs. 68; S.G. Rs. 74; 289F Punjab R.G. Rs. 71½; S.G. Rs. 77½.

At Alexandria, spot demand has gone down as the season is coming to an end. India, which was one of the main buyers, has been discouraged because the higher discounts for payment in sterling for this cotton are now absent. The premium for entitlement sterling has gone down and the discount offered to buyers like India, who pay in sterling, has ceased to be attractive. The market there is also awaiting the fixation of the basic prices for all varieties other than Karnak and Ashmouni, as well as the price differential for grades for the new crop. Before this is done it is not possible for shippers to offer cotton to foreign buyers. The Ministry of Finance is, however, expected to finalise these at an early date, after which some transactions with the Continent might be expected. The stock position is not such as to cause any anxiety to the authorities and the new crop is not expected to exceed one million bales.

At Kampala, the authorities have provisionally announced the minimum prices for cotton of the 1953-54 season for the growers. These are generally lower than those obtaining last year, but it is expected that they will be reviewed after three months or so, in the light of the developments in the world cotton market.

At New York, fluctuations during the week under review have been on a very limited scale and the market is awaiting indications with regard to the liquidation of the July contract and international political developments. There is a general recession in commodity prices in the U.S.A. and it is feared that when the present tension created by the unexpected step of the South Korean President is relaxed, prices might go down further. This will prevent, for the time being heavy fluctuations either way. But the price trend is likely to be lower if the political situation clears up within the next few days.

The following are the latest available quotations from New York as compared with those of a week and a fortnight before:

(In cents per lb.)

	24-6-53	16-6-53	10-6-53
Spot	34.15	34.15	34.10
July	33.45	33.50	33.50
October	33.85	33.80	33.75
December	33.95	33.88	33.85
March	34.14	34.02	33.87

WEAKNESS IN ART SILK YARN PERSISTS

(From Our Own Correspondent)

BOMBAY, 24*th June*

Under the influence of a spate of bearish factors the art silk yarn market continued to remain depressed this week also. Besides the bulk purchase agreement entered into by the Silk and Art Silk Mills Association with the National Rayon Corporation and Italviscosa—the Italian suppliers—and continued heavy arrivals of imported yarn, additional adverse forces, such as highly discouraging advices from rayon cloth markets, rumours regarding the further grant of Rs. 2 crores worth of yarn import licences to the Association, with permission to import 120 denier bright yarn, and reports of the possibility of a substantial downward revision in Japanese art silk yarn quotations cumulatively joined to induce liquidation by longs. This, coupled with the extremely cautious attitude on the part of buyers, led to a sharp break in yarn values, yesterday's quotations being lower *vis-a-vis* those at the end of last week. To-day the market remained closed as a mark of respect to the memory of the late Dr. Shyama Prasad Mookherjee.

The decline in prices was in marked evidence in the ready section. Thus, 120 Japan and 150 Japan receded by As. 2-6 and As. 2 to Rs. 4-3 and Rs. 3-15, respectively. 150 Italy lost an anna to Rs. 3-13. 120 Italy also was a shade lower at Rs. 4-2. Values in the forward section moved in sympathy. 150D June delivery contract staged a retreat from Rs. 772 to Rs. 759; in unofficial trading to-day, it was quoted even lower at Rs. 750, the lowest level for the past four months. July contract suffered a loss of 16 points to Rs. 761.

The table below gives the prices of art silk yarn quoted yesterday, as compared with those on the 16th and 10th inst.

	23-6-53	16-6-53	10-6-53
	Rs. a.	Rs. a.	Rs. a.
150D June (per case of 200 lbs.) ..	759 0	772 0	790 0
150D July	761 0	777 0	795 0
120 Japan (per lb.)	4 3	4 5½	4 6½
150 Japan ,, ...	3 15	4 1	4 2
120 Italy ,, ...	4 2	4 2½	4 2
150 Italy ,, ...	3 13	3 14	3 15½

Japan, it is reported, is making efforts to promote larger sales of art silk yarn in India, which is now buying largely from European countries, particularly Italy. It is to send a three-man mission which will visit India shortly to carry on negotiations. Italy has built up rayon yarn exports to India on a highly successful co-operative system of bulk marketing which has brought the ruling price to as low as 164 yen, as compared with the Japanese rate of 223 yen. The Japanese traders have now come to believe that, with a similar system and more attention to quality, they can lower prices and recapture the Indian market for art silk yarn.

The Yarn Merchants' Association, Bombay, is shortly making a representation to the Chief Controller of Imports to allow larger imports of 150 and 120 deniers of art silk yarn, as these, in its opinion, are greatly consumed by the handloom weavers. The Association is also meeting the Joint Chief Controller of Imports in connection with a clarification regarding imports of doubling yarns.

In the staple fibre yarn section, owing to cornering of stocks in certain qualities of 2/40s by certain parties, prices have been kept artificially steady for the time being. However, the very wide gap between the June delivery and the delivery for July and onwards, it is stated, is a clear indication of the weak tendency in future and recession in values. This will particularly be so after the large consignments of staple fibre against recent purchases by several cotton mills arrive in the market.

CASTORSEEDS IRREGULAR

(From Our Own Correspondent)

BOMBAY, 24*th June*

The undertone of the oilseeds market continued to be generally steady this week too, and values recorded further gains. The groundnut section received fresh support from crushers and upcountry interests who were eager to cover up their open positions. Linseed ruled strong, ignoring reports of a downward trend in prices in the U.S. and competition from Canada, Uruguay and Latin American countries. Niger seeds also shared the improvement in the sentiment. The castorseeds section, however, proved an exception, in that it depicted an irregular trend. Under a mild tussle between bulls and bears, prices oscillated frequently, with quotations drifting downward towards the close. This happened, despite rumours of a possible reduction in freight on castor oil shipment to the U.S., tight supply position of spot and encouraging advices from the oil section. This was due to lack of support from overseas buyers, as a result of reported supply of castor oil by China (2 per cent.) at £120 c.i.f. delivered weight, and castorseeds at £56. Kardi seeds also were somewhat neglected.

Sustained bull support pushed up prices of groundnuts. Bold ready rose by As. 12 to Rs. 48-8. Coromandel and Khandesh quality put on As. 8 each to Rs. 49. June-July delivery improved by Re. 1-8 to Rs. 49 and August-September delivery by As. 10 to Rs. 46-4. Groundnut oil ready and railway receipts, however, were slightly lower at Rs. 25-4 and Rs. 25-2, respectively.

In the linseed section, Kanpur gained a rupee to Rs. 29-8. Satna registered a rise of As. 10 to Rs. 29-10. Indores gathered As. 2 to Rs. 31-14. August-September contract was fully steady at Rs. 31-10. Bold ready and Bold June-July delivery, on the other hand, were somewhat neglected at Rs. 31-2 each, as against Rs. 31-6. Linseed oil picked up As. 10 to Rs. 17 on Monday, but finished lower at Rs. 16-10 to-day.

Prices of castorseeds and oil witnessed frequent fluctuations, with closing quotation marked lower than what they were at the beginning of the week. Ready F.A.Q. slided down from Rs. 32 to Rs. 31-4. Ready Madras and Kanpur quality were easy, each by As. 4, the former at Rs. 32-4 and the latter at Rs. 29-12. Oil Commercial sagged from Rs. 18-8 to Rs. 17-12. Oil 1st Pressure also lost As. 2 to Rs. 18-4. Castorseeds September delivery, on the other hand, lost Re. 1-8 to Rs. 152-8, although, at one time, it had gone down to Rs. 149-12.

Among other seeds, niger seed ready Madras was higher by As. 8 at Rs. 37-8, while ready F.A.Q. was steady at Rs. 36-8. Kardi seed Bold ready, however, declined by As. 2 to Rs. 25-10 and August-September delivery by As. 4 to Rs. 25-6.

The following table shows the prices of oilseeds and oil on the 24th inst., as compared with those at the end of the previous two weeks.

	24-6-53	17-6-53	10-6-53
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Bold Ready New (per cwt.)	48 8	47 12	47 8
June-July	49 0	47 8	47 0
August-Sept.	46 4	45 10	45 2
Linseed—			
Bold Ready (per cwt.) ..	31 12	31 6	30 12
Castorseeds—			
Sept. (per candy of 5 cwts.).	152 8	152 4	148 12
Madras (per cwt.)	32 4	32 8	31 8
Groundnut oil—			
Ex-mill Ready (per quarter).	25 4	25 8	24 6
Castor Oil—			
Commercial (per quarter)..	17 12	18 8	17 4

SUGAR WEAK

(From Our Own Correspondent)

BOMBAY, 24*th June*

The forward section of the Bombay sugar market, which was stunned last week by the Government of India's decision to import sugar from abroad, collapsed this week, following the announcement of a reduction in import tariff which suggested that Government meant business. Thus, *Shravan* delivery was marked down to Rs. 84 per bag on Tuesday, as against Rs. 92 a fortnight ago. Towards the close, however, there was slight recovery to Rs. 84-12 on profit-taking. But the undertone of the market was distinctly weak, the demand being slack.

In the spot section, buyers were extremely hesitant to enter into commitments, while stockists were eager to reduce their holdings, having become scared by the Government's vigorous steps to permit imports at low prices. Small grain sugar was freely available at Rs. 85, medium grain at Rs. 86 and large grain at Rs. 88 to Rs. 90 per bag. It is anticipated that prices will stabilise at about these levels temporarily, that is, until the imported sugar actually arrives in the market or the U.P. millers become willing sellers at Rs. 27 per maund.

The arrivals of sugar into Bombay market during the month of May amounted to 90,000 bags and during this month (up to the 22nd inst.) to 52,000 bags. The opening stock with the trade on the 22nd inst. was 37,000 bags.

Sugar traders are somewhat intrigued at the Government's decision to grant import licences only to traders and consumers who can import a minimum shipload of 6,000 tons (i.e., 60,000 bags valued at about Rs. 40 lakhs). In their opinion, imports in smaller quantities also should be allowed. Latest reports from overseas markets reveal that Formosa sugar can be had even in small lots at £41. Continental sugar at £41 6*s.* and Cuban sugar at $100 per ton —all quotations are c.i.f. Bombay. In other words, the landed cost of imported sugar works out to about Rs. 72 per bag delivered *ex*-godown in Bombay and/or Madras, a rate Rs. 5 less than the Government's estimated landed cost.

BRADFORD TOPS DEARER

(Messrs. J. Hardacre and Co.)

BOMBAY, 23*rd June*

After initial weakness, the wool market recovered somewhat later in the week, or at least the decline was halted. What is more, there has been a good weight of business in merino tops, and a 64s B, which, on Monday, was down to about 158-160*d.*, could not now be bought under 162*d.*

Sales at Brisbane and Adelaide this week closed, with merino combing wools 3*d.* to 4*d.* per clean lb. dearer. Quotations for cross-bred tops likewise have regained most of the loss and are firm.

The woollen section of the trade is still quiet, as it has been for some weeks, and some of the shorter grades of slips are a shade cheaper.

To-day's quotations (in pence per lb. c.i.f. Bombay, July-August 1953 delivery) for Bradford oil-combed tops are given below:

48s carded 87*d.*, 58s super 119*d.*, 60s super 140*d.*, 64s super 168*d.*, 70s super 179*d.*, fibro (3D 4") 43½*d.* and 46/48s scoured clothing wool 77*d.*

The tendency of the market is very firm.

METALS FEATURELESS

(From Our Own Correspondent)

CALCUTTA, 23*rd June*

The metal market remained featureless during the week. Prices, wherever not maintained, moved down. Consumers were indifferent to replacement, and manufacturers of non-ferrous metal products were inclined to consume even an ounce of scrap available with them before covering their minimum requirements from the market. Electrolytic copper was throughout quoted at Rs. 180, with the fire-refined material remaining unquoted, in view of lack of supplies. Manufacturers believe that the price is bound to fall, and that the expected fresh arrivals would ease the supply situation. News of the price trend in London, following the forthcoming commencement of free trading there, is keenly awaited. However, it should be noted that the new turn in the Korean situation would resist any downward tendency. Wire bars changed hands at Rs. 173. Tin at Rs. 466, showed a loss of 10 points, but the quantity that changed hands was insignificant. Electrolytic zinc was quoted at Rs. 52. Supply exceeded demand. Virgin lead was steady at Rs. 63.

RICE SATISFACTORY POSITION

(From Our Own Correspondent)

HAPUR, 22*nd June*

The Union Food Minister and the Deputy Minister of Food have reiterated the view that the food position in the country is very satisfactory and that it would not be necessary to import rice this year. As regards imports of wheat, 19 lakh tons have so far been imported. The supply position is quite satisfactory.

Foodgrains markets in Uttar Pradesh have remained quiet to bearish, reflecting a very happy state of affairs. The State Government holds adequate stocks to meet rationing commitments and to face any emergency. It is now learned that the Government of India has agreed to take from the U.P. Government the 56,000 tons of imported wheat which has been lying with it. These wheat stocks have been allotted to flour mills for the purpose of making *atta* and *suji*. Since free market wheat prices are generally well below imported wheat prices, the latter's offtake has been virtually closed. Rationing in the U.P. is now confined to only 37 towns having more than one lakh population. There are a few scarcity pockets in the eastern districts of the State. They are being effectively covered by the trade. Wheat arrivals in principal assembling centres in the State have been poor. One suggestion is that big farmers have held back their surpluses in the hope of getting better prices hereafter. Prices, however, have recorded slight decline.

The Rajasthan Food and Civil Supplies Minister, recently toured the scarcity affected divisions. According to him, the overall food position in the State is quite satisfactory and fully under control. It is claimed that Rajasthan's experiment of partial decontrol, abandoning monopoly procurement direct from the cultivators, and continuance of free market system has proved successful and is working satisfactorily. Prices of foodgrains are reported to be very much lower than those in several other States.

The food position in Assam is reported to be quite satisfactory. Sufficient quantity of rice has already been stocked in the Government godowns and it is hoped that it would be possible to cope with any demand from any part of the State. The prospects of the *aus* crop in Assam this year is reported to be very satisfactory.

The Indian Food Minister recently met the West Bengal Chief Minister and Food Minister. The food position in West Bengal, he says, is generally satisfactory. The prices of rice in many districts are now much lower than those in the corresponding period last year. Although this State has produced 4 lakh tons of rice more than last year, the effects of the improved supply posi-

(*Continued on page* 1203)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	12th June, 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,167.49	1,169.62	1,174.83	1,143.59
Notes held in Banking Department	25.05	22.47	20.35	15.19	33.44
Foreign Securities	29.50	613.15	613.15	613.15	603.15
Rupee Securities	87.89	449.86	449.86	449.86	464.63
Banking Department					
Deposits of:					
Government of India	14.89	122.09	94.06	100.71	103.23
Other Governments	..	12.51	16.70	14.28	2.63
Balances held abroad	10.08	101.86	93.44	106.35	79.82
SCHEDULED BANKS					
Demand Liabilities	134.37	521.04	529.54	525.39	559.08
	..	(11.07)	(11.13)	(10.27)	(16.25)
Time Liabilities	102.84	324.15	323.53	322.32	297.51
Borrowings from		(1.93)	(1.93)	(1.85)	(2.71)
Reserve Bank	..	29.21	15.01	23.39	20.54
		(19.19)†	(8.89)†	(14.64)†	(17.86)†
Borrowings from					
Imperial Bank	..	13.57	10.03	11.09	4.24
Cash in India	6.71	32.54	31.78	32.06	32.56
Balances with Reserve Bank	25.28	39.83	40.29	40.58	50.71
Excess over statutory limits	15.52	7.25	7.34	7.86	16.81
Balances with other banks in current account in India.	..	10.49	10.79	11.28	11.58
Money at call and short notice in India	..	13.60	15.69	13.96	20.01
Investments (at book value)	..	312.40	300.23	300.68	296.46
Advances and bills	105.09	529.72	529.11	533.85	532.07
IMPERIAL BANK					
Deposits	..	87.76	208.84	210.02	209.68	226.12
Investments	..	51.99	86.19	81.30	81.31	86.89
Advances	..	30.37	134.02	130.96	134.23	149.05
Cash	..	14.69	15.71	14.58	15.96	19.14

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	19th June, 1953		12th June 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	2,08,542	56,63,36,000	2,18,217	55,17,72,000
Calcutta ..	1,32,403	50,84,37,440	1,42,032	47,77,70,841
Madras ..	72,366	7,99,33,209	71,758	8,31,63,680
All Centres—				
1951	..	..	1,05,94,122	3180,56,86,359
1952	..	..	1,06,41,941	2679,51,67,000
Mar., 1953	..	..	27,13,000	615,31,00,000
April ,,	..	..	27,36,000	5,86,05,00,000

Reserve Bank of India

Statement of Affairs for the week ended 19th June, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		130,83,22,000
(2) Other Governments		13,34,05,000
(b) Banks		42,26,05,000
(c) Others		56,77,26,000
Bills Payable		3,43,75,000
Other Liabilities		37,54,99,000
	Rupees	294,19,54,000

ASSETS	Rs.
Notes	39,44,02,000
Rupee Coin	13,01,000
Subsidiary Coin	6,18,000
Bills Purchased and Discounted—	
(a) Internal	23,10,000
(b) External	....
(c) Government Treasury Bills	17,60,18,000
Balances held abroad*	102,07,16,000
Loans and Advances to Governments	3,30,00,000
Other Loans and Advances	22,32,36,000
Investments	89,73,22,000
Other Assets	9,10,31,000
Rupees	294,19,54,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs.17,84,38,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 60,84,18,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	39,44,02,000	
Notes in circulation	1154,37,13,000	
Total Notes issued		1193,81,15,000
Total Liabilities	....	1193,81,15,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	....	
Foreign Securities	613,15,11,000	
Total of A		653,16,82,000
B. Rupee Coin		90,78,26,000
Government of India Rupee Securities		449,86,07,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1193,81,15,000

Ratio of Total of A to Liabilities: 54.713 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 12th June, 1953

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks	11,06,66,000†
(ii) Other demand liabilities	510,87,48,000
2. Time Liabilities in India:	
(i) Borrowings from banks	1,92,50,000†
(ii) Other time liabilities	322,32,21,000
3. Cash in India	32,54,26,000
4. Balances with the Reserve Bank in India	39,82,83,000
5. Balances with other banks in current account in India	10,48,57,000
6. Money at call and short notice in India	13,60,02,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit receipts	312,39,57,000
8. Advances in India	469,92,66,000
9. Inland Bills purchased and discounted in India	59,79,26,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.
†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

	23rd June, 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot s.	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months s.	1-5⅛	1-5⅛
Buyers T.T. spot to nine months s.	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months s.	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D. Re.	475	475
Buyers T.T. Rs.	471¼	471¼
London on New York $	2.81¼–2.81⅛	2.81¼–2.81⅛
London on Paris Frs.	982¼–982½	982¼–982½
London on Berne Sw. Frs.	12.10–12.10½	12.10–12.10½
New York on London $	2.81¼–2.81⅛	2.81¼–2.81⅛

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (In Millions)		In terms of rupees (Crores)	*Per capita* income (Rs.)
India ..	1948	342.12	..	..	8,730	255
Pakistan ..	1949	75.04	..	..	1,671	223
Burma ..	1951	18.67	Kyats	3,166	317	169
Ceylon ..	1951	7.74	..	..	451	582
Japan ..	1951	84.80	Y.	4,564,400	6,038	716
Philippines..	1951	20.25	Ps.	7,586	1,820	856
New Zealand..	1951	1.95	£ (N.Z.)	615	820	4,206
Australia ..	1951	8.41	£ (A.)	3,288	3,454	4,317
U.K. ..	1951	50.29	£	11,384	15,179	3,010
U.S.A. ..	1952	156.98	$	290,400	138,280	8,808
Canada ..	1952	14.43	$	18,307	8,246	5,714
France ..	1951	42.24	F. Fr.	9,053,000	12,372	2,929
W. Germany..	1951	48.11	Dm.	90,200	10,227	2,125
Italy ..	1951	46.60	Lr.	7,745,000	5,902	1,267
Norway ..	1952	3.32	Kr.	16,596	1,196	3,531
Sweden ..	1951	7.07	Kr.	26,800	3,439	4,864
Netherlands ..	1952	10.28	Fl.	17,550	2,200	2,120
Denmark ..	1951	4.30	Kr.	20,718	1,439	3,346
Switzerland..	1951	4.75	S. Fr.	19,500	2,166	4,556

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, April, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 12th June, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	16,45,67,000
(b) Provincial Governments	57,32,000
(c) Banks	27,04,75,000
(d) Others	2,71,75,000
Bills Payable	1,03,06,000
Other Liabilities	79,79,37,000
Rupees	59,62,42,000

ASSETS	Rs.
Notes	7,42,21,000
Rupee Coin	2,000
Subsidiary Coin	5,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	1,01,92,000
Loans and Advances to Governments.	1,83,00,000
Provincial Governments Debtor Balances	8,89,59,000
Other Loans and Advances	1,89,50,000
Investments	29,57,27,000
Other Assets	8,95,86,000
Rupees	59,62,42,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,42,21,000	
Notes in circulation	210,91,03,000	
Total Notes issued		218,34,14,000
Total Liabilities		218,34,14,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	....	
Sterling Securities	39,07,87,000	
Government of India Securities	11,87,77,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,96,000	
		88,86,02,000
B. Rupee Coin	6,17,21,000	
Government of Pakistan Securities	119,06,16,000	
Internal bills of exchange and other commercial paper	....	
		125,23,37,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		218,34,14,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 42.51 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953				Rs. a. p.	%
31st Mar. ..	1.00	1.01	1.00	2 7 0	100
7th April ..	1.00	1.35	1.00	2 7 0	100
14th ,, ..	1.00	1.21	1.00	2 7 0	100
21st ,, ..	1.00	1.30	1.00	2 7 0	100
28th ,, ..	1.00	1.01	1.00	2 7 0	100
5th May ..	1.00	1.63	1.00	2 7 0	61
12th ,, ..	1.00	1.63	1.00	2 6 10	58
18th ,, ..	1.00	1.95	1.00	2 6 8	41
26th ,, ..	1.00	2.26	1.00	2 6 6	32
2nd June..	1.00	2.02	1.00	2 6 6	32
9th ,, ..	1.00	2.10	1.00	2 6 5	27
16th ,, ..	1.00	2.23	1.00	2 6 6	32
23rd ,, ..	1.00	2.90	1.00	2 6 6	21
Total ..	13.00	22.60	13.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria ..	28th March, 1953	5½	5
Belgium ..	18th Dec., 1952	2½	2
Canada ..	17th Oct., 1950	1½	2
Denmark ..	3rd April, 1953	3	2½
Finland ..	16th Dec., 1951	7	5½
France ..	9th Nov., 1951	5	4
Greece ..	15th July, 1945	10	12
India ..	16th Nov., 1951	3	3½
Italy ..	6th April, 1950	4½	4
Japan ..	1st Oct., 1951	5.11	5.84
Netherlands ..	7th April 1953	3	2½
New Zealand ..	26th July, 1941	2	1½
Norway ..	9th Jan., 1946	3	2½
Portugal ..	18th Jan., 1944	3	2½
South Africa ..	27th Mar., 1952	3½	4
Spain ..	18th Mar., 1949	4½	4
Sweden ..	1st Dec., 1950	2½	3
Switzerland ..	26th Nov., 1936	4	1½
Turkey ..	26th Dec., 1951	3	2
United Kingdom ..	12th Mar., 1952	2½	4
U.S.S.R. ..	1st July, 1936	8	4
U.S.A. ..	16th Jan., 1953	1½	2
West Germany ..	8th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	January, 1953	January, 1952	Ten months—April to Jan., 1952-53	Ten months—April to Jan., 1951-52
Import Duties:				
Revenue	8,40	11,95	92,98	103,19
Protective	52	93	6,48	8,83
On surplus disposals ..	2	1	5	24
Total import duties ..	8,94	12,89	99,51	117,26
Export Duties ..	3,20	7,23	46,56	74,53
Land Customs ..	16	29	2,30	2,72
Miscellaneous ..	8	7	1,00	97
Gross total customs ..	12,38	20,48	149,37	195,48
Refunds and drawbacks ..	17	30	2,35	4,12
Net Customs	12,21	20,10	147,03	191,36
Gross excise	6,13	7,79	67,64	75,16
Refunds	5	13	1,21	1,41
Net Excise	6,08	7,66	66,43	73,75
Net total of customs and excise	18,29	27,76	213,46	265,11

Imperial Bank of India

Statement of Affairs for the week ended 19th June, 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves ..		6,35,00,000
Deposits and other Accounts		207,12,72,000
Borrowings from other Banking Companies Agents		15,50,00,000
Bills Payable		1,92,72,000
Bills for Collection being Bills Receivable as per contra		50,91,000
Acceptances, Endorsements and Other Obligations as per contra		4,63,000
Other Liabilities (including Inter-Office Adjustments)		3,35,97,000
Total .. Rs.		240,44,45,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		10,99,75,000
Balances with other Banks		4,25,55,000
Money at Call and Short Notices ..		1,20,23,000
INVESTMENTS—		
Government and other Trustee Securities	75,49,35,000	
Other Authorised Investments ..	10,70,29,000	
		86,19,64,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	103,51,52,000	
Bills Discounted and Purchased..	28,18,13,000	
		131,69,65,000
Bills Receivable being Bills for Collection as per contra		50,91,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra ..		4,63,000
Premises less Depreciation		1,30,41,000
Furniture and Fixtures less Depreciation ..		34,07,000
Other Assets (including Inter-Office Adjustments).		3,79,71,000
Total .. Rs.		240,44,45,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings@		3½% Ten-year Treasury Savings Deposit Certificates §	
	5-Year		7-Year		12-Year							
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*
1950-51 ..	2,08	5,01	96	2,40	20,67	50,53	97,80	61,36	—	22,82	5,31	5,31
1951-52 ..	1,76	6,10	77	2,91	22,07	66,81	1,07,55	74,18	—	27,55	13,10	18,39
February 1952 ..	13	5,90	5	2,83	1,64	64,79	8,21	68,27	—	27,02	53	17,70
March ,, ..	29	6,10	10	2,91	2,53	66,81	10,04	74,18	—	27,55	71	18,39
April ,, ..	14	6,17	5	2,93	2,28	63,56	10,01	76,52	—	27,91	58	19,33
May ,, ..	12	6,22	6	2,99	2,12	70,22	9,95	77,85	—	28,25	56	19,86
June ,, ..	12	6,23	6	3,02	2,82	71,64	10,38	80,03	—	28,57	69	20,53
July ,, ..	15	6,34	10	3,09	2,03	73,14	10,29	82,54	—	28,91	74	21,25
August ,, ..	14	6,40	8	3,12	1,76	74,45	8,60	83,75	—	29,15	65	21,89
September ,, ..	12	6,44	3	3,12	1,84	75,72	8,76	84,89	—	29,40	52	22,38
October ,, ..	11	6,48	5	3,14	1,71	76,77	8,36	85,24	—	29,58	56	22,92
November ,, ..	10	6,50	4	3,16	1,71	77,99	8,03	85,51	—	29,98	58	23,48
December ,, ..	8	6,51	3	3,16	1,84	79,34	8,45	85,92	—	30,25	48	23,94
January 1953 ..	10	6,54	4	3,18	2,02	80,77	8,38	86,06	—	30,50	58	24,45
February ,, ..	14	6,61	5	3,21	1,86	82,14	8,36	86,33	—	30,75	62	25,03
March ,, ..	30	6,83	6	3,26	2,64	84,17	10,65	88,57	—	31,03	60	25,64
April ,, ..	..	..	..	..	..	..	..	..	..	..	80	26,88

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June, 1948. § Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)

1. All-India

Group and Sub-Group	Week Ended 12-6-'53	6-6-'53	14-5-'53	14-6-'52
(A) Government and Semi Government Securities ‡	92.1	92.2	92.2	92.3
1. Government of India Loans	92.3	92.4	92.3	92.4
2. Municipal, Port Trust and Improvement Trust Loans	86.9	86.9	86.9	87.5
(B) Fixed Dividend Industrial Securities	90.7	90.8	90.5	91.5
1. Electricity	78.7	78.2	77.2	73.9
2. Cotton	127.7	125.1	127.8	129.5
3. Jute	79.6	80.1	79.5	81.6
4. Coal	99.7	99.2	96.3	96.5
5. Iron and Steel	84.1	84.5	85.2	84.2
6. Sugar	89.3	89.3	89.3	93.1
7. Paper	89.1	88.1	88.1	89.5
8 Plantations	99.5	98.8	97.8	105.0
(C) Variable Dividend Industrial Securities	108.0	108.3	107.1	110.3
1. Banks	102.4	103.5	103.0	104.7
2. Insurance	99.3	99.9	98.0	98.0
3. Investment Trusts	143.7	143.3	141.6	142.6
4. Electricity Companies and Tramways	83.9	84.2	83.7	83.5
5. Shipping and Other Transport Companies	87.0	86.7	86.1	85.0
6. Railways	75.8	75.8	76.0	75.9
7. Plantations	122.9	119.4	117.8	141.8
8. Cotton Woollen and Silk	136.9	137.6	135.3	140.3
9. Jute	74.2	74.8	72.0	85.6
10. Coal	90.2	90.4	89.7	94.7
11. Mining and Oil	63.4	64.4	62.1	63.4
12. Iron and Steel	143.4	144.0	144.4	131.7
13. General Engineering	150.8	151.1	148.5	143.8
14. Sugar	83.4	83.0	81.0	86.2
15. Breweries	72.0	72.3	69.6	63.1
16. Chemicals	135.5	136.8	137.0	140.3
17. Paper	116.7	117.0	114.6	114.8
18. Cement	142.6	142.7	141.4	138.2

II. Regional

Region and Group	Week Ended 12-6-'53	6-6-'53	14-5-'53	14-6-'52
(A) BOMBAY—				
Government and Semi-Government Securities	91.9	92.0	91.9	92.2
Fixed Dividend Industrials	92.7	92.9	93.0	91.0
Variable Dividend Industrials	125.7	126.4	126.3	122.9
(B) CALCUTTA—				
Government and Semi-Government Securities	92.8	92.9	92.8	92 8
Fixed Dividend Industrials	87.2	87.4	86.9	89.4
Variable Dividend Industrials	95.8	95.9	94.3	93.9
(C) MADRAS—				
Government and Semi-Government Securities	91.8	91.9	91.8	91.9
Fixed Dividend Industrials	103.6	103.3	102.5	103.3
Variable Dividend Industrials	129.1	123.9	123.1	133.1

*Source: Department of Research and Statistics, Reserve Bank of India.
‡ Including Part 'B' State Loans.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,383	12,806,704
1951	1,071	691,321	8,948,978
1952* ..	962	809,118	9,335,661
October 1950 ..	76	238,349	2,266,884
November ..	84	58,724	813,887
December ..	68	41,061	168,718
January 1951 ..	120	92,698	870,990
February ..	61	44,025	308,067
March	79	47,728	317,869
April	130	95,747	881,232
May	109	56,504	377,514
June	146	98,446	448,258
July	130	72,454	671,705
August	108	64,694	259,907
September ..	88	24,777	98,109
October ..	103	67,396	190,761
November ..	125	64,147	189,274
December ..	113	76,196	365,149
January 1952 ..	95	105,931	674,340
February ..	88	63,180	216,907
March ,, ..	87	42,430	142,493
April ,, ..	134	69,437	234,346
May ,, ..	118	80,092	254,885
June ,, ..	101	59,331	257,062
July ,, ..	82	40,754	171,243
August ,, ..	88	48,585	148,533
September ..	96	57,875	460,552
October	96	78,181	349,823
November ..	87	48,766	273,245
December* ..	81	27,525	155,017
January 1953†*	84	41,183	240,154
February	42	23,284(a)	116,398(a)

† Figures for 1952 and 1953 are provisional. * Revised.
(a) Not known in two cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51	545	5,279.9	4,225.9
1951-52	573	5,948.1	4,849.0
September 1951 ..	554	494.5	403.4
October ,, ..	556	506.9	412.8
November ,, ..	557	491.7	409.8
December ..	561	500.9	414.2
January 1952 ..	568	500.8	409.7
February ,, ..	571	480.7	391.0
March ,, ..	572	481.8	392.2
April ,, ..	577	488.8	392.8
May ,, ..	581	514.4	413.1
June	585	500.1	408.9
July ,, ..	588	534.0	429.7
August ,, ..	592	531.8	428.7
September ,, ..	597	530.3	430.6
October ,, ..	599	548.2	441.5
November ,, ..	605	529.7	436.4
December ,, ..	608	553.2	457.8
January 1953 ..	611	535.5	441.8
February ,, ..	614	493.6	417.4

* Excluding railway, military and factory power stations; Chola Power Station, being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
† At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	6th June, 1953	30th May, 1953	7th June, 1952	May, 1953	May, 1952	Percentage of increase (+) or decrease (—) in May, 1953 as compared with May, 1952	1952	1951
Food Articles	395.9	390.9	337.0	382.0	341.0	+12.0	359.8	409.8
Cereals	467	462	443	455	444	+ 2.5	450	488
Pulses	506	500	423	490	412	+18.9	458	506
Other	277	274R	196	263	203	+29.6	225	290
Industrial Raw Materials ..	483.1	487.5	423.8	477.4	416.4	+14.6	453.8	608.2
Fibres	435*	440	440	432	429	+ 0.7	454	622
Oil seeds	640	647	415	624	421	+48.2	484	679
Minerals	445	441	408	449	454	— 1.1	458	426
Others	357	363	278	355	281	+26.3	341	533
Semi-Manufactures	364.3	362.4R	325.5	360.0R	323.2	+11.4	348.5	377.5
Leather	414	414	296	418	271	+54.2	345	453
Mineral oils	224	224R	218	224R	218	+ 2.8	251	197
Vegetable oils	593*	570	398	593*	410	+44.9	459	679
Cotton yarn	445*	445*	448*	445*	448*	— 0.7	465*	488
Metals	225	225	195	225	196	+14.8	211	197
Oil Cakes	447	440	420	442	418	+ 5.7	449	509
Others	252	252	262	251	264	— 4.9	273	330
Manufactured Articles ..	371.1	370.8	378.0	369.5	371.2	— 0.5	377.5	385.5
Textiles	412	411	424	408	415	— 1.7	423	468
Jute	415	400*	496	390	492	—20.7	508	508
Cotton	407*	407*	497*	390*	497*	— 4.4	401*	400*
Rayon and Silk	486*	402	564*	498*	496*	+ 0.4	485*	611*
Woollen	312	312	393	312	393	—20.6	346	378
Metal products	336	336	311	336	311	+ 8.0	321	285
Others	286	287	298	288	293	— 3.4	298	300
Miscellaneous	658.0	626.9	586.9	619.8	583.0	+ 6.3	625.8	729.8
All Commodities	405.0	402.8R	368.9 -	397.4	367.1	+ 8.3	386.9	438.3

* Estimated. R=Revised.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
May 1951 ..	—	335	278	314	443	394	374	335	140	176	141	158	166
June ,, ..	—	337	271	313	447	394	382	337	144	178	138	158	169
July ,, ..	—	333	270	318	454	394	383	337	143	182	140	155	173
August ,, ..	—	328	261	322	459	392	387	338	146	181	143	161	171
September ,, ..	—	325	251	319	470	389	375	340	144	179	150	161	170
October ,, ..	—	332	254	323	469	398	375	336	144	181	143	165	171
November ,, ..	146	333	252	325	464	397	374	337	147	182	155	168	165
December ,, ..	144	331	252	325	449	397	370	337	144	181	150	166	157
January 1952 ..	142	331	246	323	442	393	357	338	142	179	147	162	156
February ,, ..	140	324	241	318	441	382

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final	1951-52 Final	1950-51 Final
Rice	ton*	74,674†	73,665††	23,424†	20,741††
Wheat 3rd ..	tons	22,733†	22,484††	6,239†	5,673††
Jowar ..	tons	41,945†	39,144††	6,638†	5,044††
Bajra ..	tons	25,282†	22,839††	2,922†	2,299††
Barley 2nd ..	tons	7,676†	7,130††	2,177†	1,738††
Maize ..	tons	8,796†	8,073††	2,607†	2,021††
Ragi ..	tons	5,388†	5,399††	1,235†	1,212††
Gram ..	tons	16,719	18,709	3,157	3,593
Other millets & pulses ..	tons	39,725	39,770	6,386	6,401
Jute ..	bales	1,834†	1,951††	4,695†	4,678††
Cotton 4th ..	bales	15,030†	15,126††	2,908†	3,042††
Sugarcane 2nd	tons	4,245†	4,326††	5,985†	6,288††
Groundnut	tons	11,862†	11,798††	2,894†	3,045††
Linseed ..	tons	3,298	3,447	309	361
Castorseed ..	tons	1,349†	1,428††	107†	105††
Rape and Mustard Seed ..	tons	5,707	5,097	900	748
Sesamum (supp)	tons	5,751†	5,845††	451†	435††
Tobacco ..	tons	764	902	225	263
Pepper ..	tons	203†	202††	22†	23††
Ginger ..	tons	46†	47††	14†	15††

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).

† Relates to 1952-1953. †† Relates to 1951-52.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During May, 1953 ..	72.5
	Corresponding month 1952 ..	82.3
	July 1952 to May, 1953 ..	818.5
	Corresponding period 1951-52 ..	870.8
Stocks	At the end of May, 1953 ..	139.1
	Corresponding month 1952 ..	103.8
		(In 000 bags)
Exports(JuteBags)	Week ended 9th May, 1953 ..	23,84
	Corresponding week 1952 ..	30,14
	From 1st Jan., to 9th May, '53 ..	7,75,78
	Corresponding period 1952 ..	17,92,69
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 9th May, 1953 ..	2,85,75
	Corresponding week 1952 ..	52,99
	From 1st Jan., to 9th May, 1953 ..	41,59,41
	Corresponding period 1952 ..	30,93,65
	RAW JUTE	(In 000 bales)
Exports*	Week ended 9th May, 1953 ..	—
	Corresponding week 1952 ..	—
	Three months ended Feb. 1953 ..	—
	Corresponding period 1952 ..	—
Consumption by Mills† ..	May, 1953 (in lakh bales) ..	4.20
	Corresponding month 1952 ..	4.77
	Eleven months ended May 1953 ..	47.48
	Corresponding period 1952 ..	50.51

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

		Pig Iron	Steel Ingots	Finished Steel
Year ended	31st March, 1949..	917,800	906,700	671,000
Do.	31st March, 1950..	10,41,700	927,500	720,000
Do.	31st March, 1951..	11,15,200	10,62,100	7,76,500
Do.	31st March, 1952..	11,30,000	10,57,100	7,99,200
Do.	31st March, 1953..	11,58,000	10,61,900	7,91,800
January	1951..	1,01,300	97,900	67,700
February	,, ...	87,700	82,200	66,300
March	,, ...	91,300	86,600	71,400
April	,, ...	81,500	79,800	65,000
May	,, ...	94,300	92,200	66,600
January	1952.. ..	99,800	96,700	71,400
February	,, ...	94,000	82,600	67,000
March	,, ...	1,02,100	92,100	67,400
April	,, ...	93,000	86,500	62,900
May	,, ...	95,000	83,200	61,700
January	1953.. ..	1,02,400	96,500	69,900
February	,, ...	92,400	82,000	61,700
March	,, ...	97,400	86,600	65,500
April	,, ...	97,000	83,100	63,800
May	,, ...	95,900	85,000	62,000

SEA-AND AIR-BORNE TRADE : INDIA

Particulars	February,		Eleven Months, April to Feb.	
	1953	1952	1952-53	1951-52
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :—				
Foodstuffs	7,93	17,99	164,12	226,65
Raw materials ..	10,21	30,14	168,39	232,51
Manufactures ..	20,33	29,53	250,74	311,11
Other Items ..	17	95	3,80	4,59
Total Imports* ..	38,64	78,61	587,05	774,86
Exports :—				
Foodstuffs	10,60	11,52	129,27	145,21
Raw materials ..	12,70	9,22	134,22	126,98
Manufactures ..	14,67	23,78	238,47	373,46
Other Items ..	29	34	3,73	3,22
Total Exports ..	38,26	44,86	505,69	648,89
Total Re-exports ..	54	81	5,38	13,16
Balance of trade in merchandise ..	+ 16	—32,94	— 75,98	—112,80
Balance of transactions in private treasure	— 1	— 2	— 7	— 12
Total Visible Balance of Trade	+ 15	—32,96	—76,05	—112,92
Imports :—				
Total C'wealth Countries..	18,81	22,89	232,26	265,14
Total Foreign Countries ..	19,83	55,72	354,79	509,72
Exports :—				
Total C'wealth Countries..	18,09	22,23	238,26	340,12
Total Foreign Countries ..	20,17	22,63	267,43	308,77

* Excludes value of certain special Imports of foodgrains and stores, full particulars of which are not yet available.

LAND-BORNE TRADE : INDIA

Particulars	February,		Eleven Months April to Feb.,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	51	3,87	18,44	23,61
Imports	52	5,28	18,11†	76,93
Balance of trade in merchandise		‡ — 1,41	‡	—53,32

† Incomplete—Excludes the value of 73,960 tons or 414,120 bales of raw Jute imported during the three months, December, 1952, to February, 1953, awaiting adjustment.

‡ Data Incomplete.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base : 1944 = 100)

Name of Centre	Cereals		Pulses		Other articles of food		All articles of food		Fuel and Lighting		Clothing		Miscellaneous	
	Feb., 1952	Jan., 1953	Feb., 1953	Feb., 1952	Jan., 1953	Feb., 1953	Feb., 1952	Jan., 1953	Feb., 1953	Feb., 1952	Jan., 1953	Feb., 1953	Feb., 1952	Jan., 1953	Feb., 1952	Jan., 1953	Feb., 1952
Eastern Zone																	
Banura ..	163	212	228†	111	88	90	165	127	125	156	134	136	104	107	107	182	216	216	195	193	193
Maibang ..	163	x	x	126	x	x	163	x	x	157	x	x	141	x	x	163	x	x	125	x	x
Shankargarh ..	152	164	162	180	187	189	176	152	153	168	160	164	101	97	95	164	141	140	141	144	145
Sonaili ..	259	179	181	181	167	167	228	188	183	233	183	180	125	125	125	264	199	199	328	278	306†
Northern Zone																					
Multapi ..	125	131	127	156	158	154	170	169	175	160	161	163	111	133	123†	161	163	166	149	196	199
Nana ..	293	242	243	275	231	250†	222	200	200	242	212	215	141	117	115	244	205	205	208	189	189
Salamatpur ..	221	229	240†	332	292	287	254	219	216	265	236	235	129	129	129	132	136	137	254	268	278†
Southern Zone																					
Krishna ..	246	193	177†	181	186	183	183	157	156	195	166	162	135	115	121	171	138	136	212	176	175
Lakh ..	360	374	374	176	192	193	170	126	129	204	192	184	86	86	86	129	138	138	144	131	131
Malur ..	162	x	x	169	x	x	160	x	x	162	x	x	89	x	x	407	x	x	175	x	x
Munigunda ..	238	204	206	251	229	222	315	220	220	280	218	218	119	128	128	210	194	186	232	199	199
Kudchi ..	123	181	181	159	141	139	169	164	159	161	164	160	113	127	127	155	122	122	202	191	191

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 18th June, 1953 ..	31,659
	Corresponding week, 1952 ..	33,052
	1st Sept. 1952 to 18th June, 1953 ..	15,91,984
	Corresponding period, 1951-52 ..	16,70,122
Cotton Exports ..	Week ended 18th June, 1953 ..	2,437
	Corresponding week, 1952 ..	15,952
	1st Sept. 1952 to 18th June, 1953 ..	2,99,096
	Corresponding period, 1951-52 ..	82,116
Mill Consumption ..	1st Sept. 1952 to 18th June, 1953 ..	9,97,944(a)
	Corresponding period, 1951-52 ..	8,03,435
Stock (with exporters dealers and mills) ..	On 18th June, 1953 ..	5,55,877
	Corresponding date, 1952 ..	6,72,820
Karachi (Pakistan)*		
Receipts	Week ended 13th June, 1953 ..	3,546
	Corresponding period 1952 ..	11,993
	1st Sept. 1952 to 13th June, 1953 ..	16,25,633(a)
	Corresponding period, 1951-52 ..	14,84,052
Exports	Week ended 13th June, 1953 ..	9,000
	Corresponding period, 1952 ..	5,500
	1st Sept. 1952 to 13th June, 1953 ..	13,25,000(a)
	Corresponding period, 1951-52 ..	10,34,000

Particulars	From 1st Sept., '52 to 22nd June, 1953 Bales	From 1st Sept., '51 to 22nd June, 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom ..	14,659	5,558
Continent	95,674	29,359
China	318	—
Japan	1,48,399	41,013
U.S.A.	35,505	7,497
Other Countries ..	5,686	511
Total to all foreign countries ..	3,00,241	83,938
Coastal Ports ..	1,17,022	87,515

Period		Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	March, 1953	2,88,878
Foreign		66,098
Indian	Seven months September 1952 to March, 1953	21,00,812
Foreign		4,86,410
Indian	Same Period 1951-52 ..	16,62,127
Foreign		6,38,177
Stocks (Mills and Elsewhere)—		
Indian	As on 31st March 1953 ..	12,57,804
Foreign		2,46,018
Indian	As on 31st March, 1952 ..	14,00,118
Foreign		3,45,026
	Week ended 12th June, 1953 ..	5,667
Cotton Pressed † ..	Corresponding week, 1952 ..	7,294
	1st Sept. 1952 to 12th June, 1953 ..	27,75,023
	Corresponding period, 1951-52 ..	28,66,008

* As reported by the Karachi Cotton Association Ltd. (a) Adjusted. †Incomplete

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	103⅜
4% Bonds	1926-33	63,30,26,000	1960-70	102⅜
3½% Loan	1938-39	1,16,17,46,000	1963-65	92⅜
3½% Loan	1943	1,14,60,58,000	1953-55	100⅜
3½% Loan	1950	30,33,10,000	1964	92⅜
3½% Loan	1943	1,10,11,78,000	1966-68	90⅜
3½% V. Loan	1944	1,14,06,89,000	1957	98⅛
3½% Loan	1945	1,15,05,83,000	1970-75	86⅜
3½% Loan	1945	1,13,65,64,000	1959-61	96⅛
3½% Loan	1951	90,35,63,000	1958	98⅛
2½% Loan	1946	45,63,07,000	1960	93⅜
2½% Loan	1946	57,00,69,000	1961	90⅜
2½% Loan	1946	35,06,06,000	1954	98⅛
2½% Loan	1946	14,77,48,000	1976	83
2½% Loan	1947	75,86,72,000	1962	91⅜
2½% Loan	1948	60,45,01,000	1955	96⅛
3¼% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅜
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice.	82⅛
3 % Loan	1946	248,91,90,000	On September, 1986 or later at option of Government after three months' notice.	82⅛
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,88,18,000	1954-59	100⅛
4½% Loan	1928	5,85,20,000	1958-68	105
PROVINCIAL LOANS				
5 % Bombay	1942	3,54,23,300	18th Sept. 1955	99⅜
3½% Bombay	1943	3,50,00,000	14th Sept. 1956	99
3½% Bombay	1944	3,44,00,000	15th Aug. 1958	97⅞
3½% Bombay	1949	6,00,15,000	1st Aug. 1962	93⅛
3½% Bombay	1950	3,01,87,700	31st July 1960	94⅛
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	98⅛
3½% Bombay	1952	3,66,72,700	1st Aug. 1964	100⅛
3 % Cochin	1943	30,00,000	1st Oct. 1953–55	98
3 % Cochin	1945	1,00,00,000	16th Dec. 1955–58	98⅜
3½% Cochin	1936	70,09,000	1st June 1956–61	98
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95⅛
3 % Madras	1938	1,42,08,300	15th Sept. 1953	99⅛
3 % Madras	1939	1,29,76,600	21st June 1959	95⅜
3 % Madras	1942	1,23,25,000	18th Sept. 1955	98⅛
3 % Madras	1943	1,25,10,000	14th Sept. 1956	98–12
3 % Madras	1944	1,08,00,000	15th Aug. 1958	96⅜
3 % Madras	1945	2,82,19,000	14th Sept. 1960	94⅛
2½% Madras	1946	3,90,93,200	1st Sept. 1961	90⅜
3 % Madras	1950	4,47,00,000	31st July 1960	94⅛
3½% Madras	1951	3,00,00,000	17th Sept. 1962	98
4 % Madras	1952	5,00,00,000	1st Aug. 1964	100⅛
3 % Mysore(*f*)	1930	1,63,44,300	1st Nov. 1955	100⅛
3 % Mysore(*f*)	1933	2,95,85,200	1st Dec. 1953–63	100⅛
3 % Mysore(*f*)	1936	5,99,72,900	30th April 1956–61	98⅛
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	99
3 % M.P.	1942	2,00,00,000	18th Sept. 1955	98⅛
3 % M.P.	1943	50,54,200	14th Sept. 1956	98⅛
3 % M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 % M.P.	1948	2,03,00,000	15th Sept. 1964	91⅛
3 % M.P.	1950	1,00,28,800	31st July 1960	94⅛
3½% M.P.	1951	1,00,00,000	17th Sept. 1962	97⅛
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99⅛
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅛
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99⅛
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	98⅛
3 % Travancore	1944	1,00,00,000	15th May 1959–54	98⅛
3½% Travancore	1936	50,00,000	16th Aug. 1956	99⅛
4 % U.P.	1936	1,69,39,800	15th Sept. 1961–66	90⅛
3 % U.P.	1944	2,25,96,800	1st Aug. 1958	97⅛
3 % U.P.	1945	2,36,31,900	14th Sept. 1960	94⅛
3 % U.P.	1946	2,41,19,800	1st Sept. 1961	93N
3 % U.P.	1951	2,00,00,000	17th Sept. 1962	97⅛
3 % U.P.	1952	2,00,00,000	1st Aug. 1964	100⅜
4 % W. Bengal	1951	1,75,00,000	17th Sept. 1962	98½N
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
86,00,000	4	1910	1970	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,800	4	1913*	1960	D
80,00,000	4	1913	1974	98½N
88,25,000	4	1914	1975	
10,00,000	4	1915*	1960	
45,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
50,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98⅛
76,90,100	4	1915	1975	98⅛
68,02,300C	3†	1921	1981	79
1,50,00,000C	6½	1921	1981	144N
1,24,06,300	6	1925	1955–85	105
98,21,600	5½	1926	1956–86	104
99,84,500B	5	1926	1956–86	103⅛
1,49,49,500B	5	1927	1957–87	103⅛
1,49,30,000	5	1928	1958–88	104⅛
80,00,000	4½	1931	1961	92⅛
21,75,000C	3	1933	1954	99
60,00,000	3½	1935	1965	95⅛
25,00,000	3	1938	1963–68	88
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82⅛
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78⅛
1,00,00,000	3	1948	1978	81
50,00,000C	3	1949	1959	94
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1961	97⅛
STERLING LOANS				
£892,600	5	1923	1953–83	£86⅛
£901,000	5	1924	1954–84	£86⅛
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1882	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug.				
3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	
STERLING LOAN				
£330,000	5½	192	1953	£100N

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
30,00,000	4	1903	1963	
50,00,000	4	1904	1964	97½
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	97½
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957–79	113
66,00,000	6	1920	1955–80	
25,00,000	5	1926	1956–86	115
25,00,000	4	1927	1961–70	98
10,00,000	3½	1936	1966	96½
STERLING LOANS				
£566,600	4	1909	1969	£95⅛
£333,000	4	1910	1970	£95⅛
Rs		**CALCUTTA**		Rs.
50,00,000	6	1925	1955	104
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	94
35,00,000	3½	1935	1965	89
30,00,000	3	1936	1966	90
50,00,000	3	1937	1962	98
20,00,000	3	1938	1963–68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
49,40,000	4	1913–14	1954	100
20,60,000	4	1913–14	1954	100
20,00,000	4	1913–15	1955	100
10,00,000	5	1920	1980	113
1,60,00,000	6	1924	1954	103⅛
25,00,000	5	1928	1958	105
26,14,000	5	1929	1949–59	103
8,45,500	5	1929	1954–59	
23,64,200	5	1929	1959	103
8,25,00,000	3½	1947	1977	85
2,50,00,000	3½	1949	1979	92⅛
4,00,00,000	3½	1950	1965	100⅛
2,50,00,000	4	1952	1964	96
2,00,00,000	3½	1951	1966	
Rs.		**CALCUTTA**		Rs.
34,45,500	6½	1925	1955	105⅛
84,00,000	6	1925	1955	104⅛
36,00,000	5	1928	1958	103⅛
25,00,000	5	1929	1957	103⅛
25,00,000	5	1929	1958	103⅛
10,00,000	5½	1932	1962	103⅛
33,91,000	3½	1935	1965	99⅛
5,19,000	3	1936	1966	88⅛
60,00,000	3	1936	1966	89⅛
1,46,100	3	1936	1953	98⅛
3,11,400	3	1937	1954	98⅛
4,67,100	3	1937	1954	98⅛
4,62,500	3	1937	1954	98⅛
4,18,100	3	1937	1954	98
47,50,000	3	1938	1958	97⅛
10,67,700	3	1938	1955	99⅛
15,56,800	4	1939	1956	99⅛
15,56,800	4	1940	1957	99⅛
17,64,400	3½	1941	1959	92⅛
21,10,000	3½	1942	1972	96⅛
15,49,000	3½	1951	1960	96⅛
16,33,000	3½	1951	1966	96⅛
66,68,000	3½	1951	1966	99⅛
87,36,000	4	1952	1962	
Rs.		**MADRAS**		Rs.
5,00,000	4	1903	1953	101⅜
5,00,000	6	1923	1953	107⅛
3,40,000	7	1925	1955	107⅛

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	132	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	95	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	146	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	114½	100
¶East India Distilleries ..	£200,000	1897	7	Jan. July	15⅜cd	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	77	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	75	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15½	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	98	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	70	100
South Behar Sugar ..	5,00,000	1936	7(c)	Oct. ..	75N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	6½	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	116	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	116xd	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	119xd	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	81xd	10
Equitable	4,00,000	1895	6	Mar. Sept.	119	100
Karanpura Collieries ..	7,50,000	1946	5½(a)	.. ..	84½	75(cp)
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	6N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	13	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	113xd	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108½	100
Bangalore	6,00,000	1894	6	Jan. July	131½	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8	10
Benares Cotton	1,05,200	1919	7	July Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	122	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	134	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	85	100
Bradbury	14,75,000	1919	7	June Dec.	325	250
Buckingham & Carnatic ..	21,30,000	1920	7½	Jan. July	141½	100
Cambodias	1,00,000	1928	7	Apr. ..	131½	100
Central India	50,00,000	1912	5	Apr. Oct.	518½	500
Coimbatore Pioneer ..	1,00,000	1935	6½	Nov. ..	130½	100
Elgin	11,00,000	1912	8	May Nov.	145	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	10	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	90xd	100
Kesoram	20,00,000	1919	7	June Dec.	130	100
Khatau Makanji	10,00,000	1925	6	Nov. ..	—	100
Do. (2nd)	29,92,500	1947	4	.. ..	86½	100
Kothari	12,00,000	1937	6	Nov. ..	104

STOCK & SHARE QUOTATIONS

Abbrevations:—D=Deffered shares. G=Guaranteed shares. P=Preference shares. P.O.=Preferred Ordinary shares. R=Rebate shares. Y=Accounts published yearly. H=Accounts published Hal-yearly. Q=Accounts publishe nce 15 months T=Company has Debentures. R.L.=Reserve Liability on shares. N=Nominal Quotation. i=Interim Dividend, f=Dividend for first half-year, y=Dividend for the year. x=Ex. Dividend c.d.=Cum. Dividend

Shares:—If a company[has different classes[of shares—as, for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and B under "Paid-up Per Share."

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12 indicate the months of June and December, respectively, "Reserves ncludes general and other reserves and all other funds which a company may have as also depreciation on block items, when this is charged to separate account "Block" represents actual cost of land, buildings, machinery and all suc other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends:—Dividends for completed years are calculated at per cent. per annum, but, where quoted for portion of a year, they represent percentages of the dividend on the paid-up share value. For companies closing the book alf-yearly in the first three months of the year, and for companies closing their books yearly during the first half of the year dividends are shown as for the previous year.

COTTON MILLS

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	¶Number Installed: Spindles	¶Number Installed: Looms	Mill	Latest Available Quotation.	Paid-up Per Share	Dividends (per cent.): 1949	1950	1951	1952	Accounts closed	Reference
Rs.	Rs.	Rs	Rs.					Rs.	Rs						
BOMBAY CITY AND ISLAND															
50,00,000	59,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	2 3/4	2	12½	12½	15§		12	Y.
40,00,000	96,25,655	1,22,39,883	45,646	B. R. Sons, Ltd.	50,828	1,021	Beharilal Ramcharan Cotton Mills	49§	100	6	6	—		3	T.P.Y
2,59,98,000	5,35,82,946	3,76,37,187	1,80,774	Nowrosjee Wadia & Son, Ltd. ..	1,82,072	4,855	Bombay Dyeing, etc.	380	250	16	7	8	8	12	P.Y
10,00,000	68,56,275	52,02,609	2,59,868	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	740	250	24	40	40		3	P.Y
1,09,42,800	3,69,11,265	2,42,52,821	5,30,869	Birla Bros., Ltd	1,09,320	2,706	Century	276	100	15	18	20	20	12	Y.
49,00,000	76,78,063	1,06,30,358	5,066	V. J. Pilani, Esq. (Chairman) ..	39,408	698	Colaba Land & Mill	70½	100	—	—	4		12	Y.
26,00,000	47,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd. ..	27,308	680	Coorla	108§	100	7½	7½	7½		3	Y.
16,00,000	64,96,041	63,03,745	76,868	Ramnarain Sons, Ltd.	38,304	..	Dawn	61	50	4	—	12	12	12	Y.
34,00,000	78,85,000	63,06,555	91,036	Puranmal Radhakishan & Co. ..	50,296	928	Edward Textiles	255	200	7½	7½	7½		12	Y.
29,95,700	86,92,517	1,10,04,668	41,862	Chidambaram, Mulraj & Co., Ltd.	44,768	886	Elphinstone	40xd	50	10	8	—	6	12	P.
40,00,000	1,32,62,580	80,34,752	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay	315	100	15	15	20	20	12	P.Y.
50,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	71,608	1,259	Hind Mills		10	5§	4§	5§		6	P.Y.
12,00,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co. ..	45,752	1,022	Hindustan	3,250	1,000	17½	20	20§		3	P.Y.
2,90,00,000G	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	9 1§	10	7§	7§	10§		12	P.Y.
30,00,000D								1¼	1	12½	12½	25			
8,65,000	1,33,65,320	98,10,275	7,671	Damodhar Thack. Mooljee & Co.	47,172	1,191	Indian Manufacturing	3,310	1,000	17½	20	20*		3	Y.
35,000								—	500	—	—	—			
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co	77,404	1,517	Khatau Makanjee	183§	100	12	14	10		6	P.Y.
1,00,00,000	3,45,80,831	2,90,52,252	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor	305	100	27k	18	25*	18	12	Y.
28,80,000A	60,88,538	4,61,890	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	83	100A	7½		6§		6	Y.
3,60,000B								—	20B						
22,13,050	88,02,988	1,01,00,576	24,034	N. Sirur & Co. Ltd.	33,750	451	Modern Mills	95N	50	14	8	14	10	10	P.T.Y.
51,75,000	1,65,94,653	71,00,015	2,80,686	Piramal Gangadhar & Others	60,652	1,650	Morarjee Goculdas	200	100	17	15*	12		6	P.Y.
24,00,000	67,21,958	71,22,987	42,053	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay	151½	100	11	12½	15	10	12	P.Y.
20,00,000	79,78,669	86,82,525	70,277	W. H. Brady & Co., Ltd. ..	48,395	1,018	New Great Eastern	149	100	6§	10	12§	10	12	Y.
12,70,100	35,74,176	28,92,872	423	Mafatlal Chandulal & Co. ..	33,720	873	New Union	26§	10	—	5	10	8	12	Y.
48,00,000	1,14,83,245	1,38,66,478	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phœnix	105	100	6	10	10	8	12	P.Y.
40,00,000	59,51,640	24,14,688	1,25,251	Podar Sons, Ltd.	32,600	930	Podar	126§	100	9	9	10	10	12	Y.
5,00,000	27,89,119	21,19,461	3,615	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk ..	24	10	26§	20	20	12§	12	P.Y.
25,00,000	59,86,822	41,49,241	21,950	M. G. Investment Corpn.	60,240	1,254	Sassoon Spinning	27§	10	—	7½	10	12§	12	P.Y.
60,00,000	1,02,59,322	78,01,447	3,43,873	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	170	100	12½	14	17½	12§	12	T.Y.
31,50,000	1,00,00,000	76,05,952	50,222	Forbes, Forbes, Campbell &Co.,Ltd	36,116	1,276	Simplex	179	50	28	34	30†		3	P.Y.
36,00,000	2,07,23,386	1,18,80,653	2,889	Mafatlal Gagalbhai & Sons ..	53,892	1,633	Standard	305	100	15	15	26×	20	12	P.Y.
75,00,000	2,10,92,537	1,57,29,109	91,399	Tata Industries Ltd.	65,040	2,000	Svadeshi	248§	100	14	16	18	16	12	P.Y.
24,00,000	1,20,11,676	65,86,475	5,71,220	James Finlay & Co., Ltd.	35,804	552	Swan	435	100	20	20	25	30	12	P.Y.
32,54,438	88,06,976	76,66,704	—2,05,128	Tata Industries Ltd.	63,248	1,800	Tata	43§	25	8	8	16	4	12	P.T.Y.
12,00,000	1,17,01,933	86,62,657	4,299	Thackersey Mooljee Sons & Co. ..	45,888	1,176	Western India Spinning ..	3,180	1,000	17½	20	20		3	T.Y.
AHMEDABAD															
20,00,000	84,99,543	51,95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	147§	100	8	12	10		6	P.Y.
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Hutheesing & Sons Ltd. ..	42,768	912	Aruna	425	100	13*	15*	20*		12	Y.
21,00,000	2,83,78,675	1,18,76,140	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind	764§	100	22½	25	25	25	12	P.Y.
20,00,000	93,85,169	76,03,158	1,11,303	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning	282§	200	15	15	17½	7½—I	12	Y.
12,00,000	1,63,65,455	81,44,027	1,05,810	Lalbhai Dalpatbhai & Co. ..	37,368	912	Asoka	442§	100	15*	17	22	22*	12	Y.
1,24,77,072	3,38,63,311	3,71,68,168	2,87,005	Karamchand Premchand & Co. ..	1,39,120	2,370	Calico	306	125	8	10	14—2/5	14—2/5	12	P.Y.
30,00,000	1,20,70,000	88,67,870	4 885	Tricumlal Bhogilal & Co.	39,316	867	New Commercial	1,055	500	10	11	14	14	12	P.Y.
39,00,000	1,31,07,324	96,79,263	1,795	Mafatlal Chandulal & Co. ..	47,952	864	New Shorrock	565	125	28	28	28	28	12	Y.
5,00,000	79,61,645	43,89,260	4,583	Jagabhai Bhogilal Nanavati & Co.	24,840‡	5283	Nutan	600xd	100	25*	28*	28*	30*	12	P.Y.
10,00,000	1,49,90,022	73,98,913	3,599	Lalbhai Dalpatbhai & Co. ..	31,120	637	Raipur	730	100	22½	25	25	25	12	P.Y.
12,00,000	50,40,334	63,41,241	1,09,340	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Rajnagar	160	250	6	6	8		12	P.Y.
32,50,000	1,29,49,453	81,93,993	9,867	Lalbhai Dalpatbhai & Co. ..	33,156	648	Rohit	126§	100	8	30	9	9	12	P.Y.
19,50,000O	94,78,968	61,33,831	8,070	Mafatlal Chandulal & Co. ..	36,624	720	Shorrock Spinning	315	100	15	15	20	20	12	Y.
2,500D															
24,90,150	1,91,30,172	1,01,07,709	1,23,551	Haribalabhdas Kalidas & Co. ..	73,796	1,383	Shri Ambica Mills	311	50	25	30	36	32	12	P.Y.
28,00,000	79,16,324	91,15,078	16,259	Haridas Acharatlal & Co., Ltd. ..	32,816	776	Vijaya	497§	100	11§*		8§*	8§*	12	P.
WEST BENGAL															
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agenc Ltd., ...	13,044	356	Basanti Cotton	4§	10	—	5	3§		12	P.T.
7,11,280	22,53,684	17,16,899	32,931	Bengal Textile Agency Ltd. ..	28,448	936	Bengal Luxmi	38 N	40	—	7§	7§	—f	3	P.
6,00,000	74,31,075	77,07,829	—28,432	K. Bullen & Co., Ltd.	42,872	841	Bowreah	285	100	—	—	—	—f	6.12	F.
19,00,000	96,49,451	96,66,017	—27,794	K. Bullen & Co., Ltd.	42,944	514	Dunbar	183	100	5§	—	7	—f	6.12	F.
1,20,00,000	3,29,34,362	3,04,56,320	84,976	Birla Bros., Ltd.	69,352	1,990	Kesoram	19§	15	12§	12½	11§‖		3	
6,80,000A								—	25						
83,96,097B	71,09,841	79,53,833	51,255	Chakravarti Sons & Co.	23,484	442	Mohini		10	12§§	7½	7§		12	
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills ..	5	10	9	3	—		12	T.
15,00,000	26,53,246	59,15,375	2,736	Ramlal & Co., Ltd.	50,000	..	Alagappa Textiles	6§	10	—	9	6		12	Y.
71,94,400‡o	96,26,706	1,90,39,719	18,450	Ind. Trust Fund	19,944	440	Azam Jahi Mills	65§	100	15*	5§‖	61	6	9	
48,50,000	3,00,10,004	2,73,75,544	2,49,801	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	252½	100	14§	17§	20	15	12	P.T.
27,00,000	71,62,108	70,17,945	15,831	Shaw Wallace & Co., Ltd. ..	20,936	782	Bengal Nagpur	140	10	5	12§	5	10	6.12	P.
60,00,000	77,87,070	1,03,33,381	11,806	Binodiram Baldhand	37,312	1,338	Binod Mills	f00N	100	17	15	5	7½	12	P.
15,00,000	1,33,79,264	84,27,674	4,60,089	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	52N	10	25	25	30		3	P.
8,47,800	4,09,27,251	5,14,83,572	2,39,790	Binny & Co., Ltd. (Madras)	1,19,916	2,781	Buckingham & Carnatic ..	122§	100	6§	6§	7§	4	12	
28,00,000	32,63,706	30,52,641	93,399	Peirce, Leslie & Co., Ltd. ..	37,536	4	Cambodia	10§	10	7½	—	12§	10	12	
30,00,000	64,46,347	47,79,878	32,599	Begg Sutherland & Co., Ltd. ..	28,796	591	Cawnpore Textiles	9 5	5	11§	11§	11§		3	
46,87,500	2,25,77,600	2,00,84,126	—16,28,224	Tata Industries Ltd.	1,15,188	2,062	Central India	161	100	6	6	2		6	
12,00,000	33,29,995	27,82,848	—1,32,723	R. Seama Nayudu & Co.	28,864	..	Coimbatore Cotton	142N	100	12½	12½	12½	9	12	
20,00,000	17,94,432	20,04,313	9,816	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills ..	115cd	100	7	6	—		6	
20,76,900	70,83,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg. ..	40	50	5	10	—		6	
24,34,800	40,26,054	37,58,169	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi	178	100	25	25	20	10	12	
8,89,84,925	3,84,95,614	5,77,14,605	1,63,862	Bharat-Ram, Esq.	75,604	1,830	Delhi Cloth (inc. Lyallpur Mills).	30§	25	—	4	10		6	
1,00,503									25‖						
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd. ..	52,652	1,198	Elgin	17½	10	12½	11§	15		9	
39,04,700	1,01,50,000	82,22,587	1,03,575	F. Forbes Campbell & Co., Ltd	72,960	2	Gokak	214	100	15	10	14	17*	12	
90,90,000	84,17,977	1,21,16,721	4,989	Govindram Sakarla (Indore)	30,420	1,420	Indore-Malwa United	86§	100	4	4	5		12	
8,50,000	25,82,989	26,01,126	—2,58,201	G. V. Naidu & Co.	23,784	..	Janardhana	58	50	16	10	15	7½	12	
6,50,000	17,20,576	40,18,454	7,677	A. L. A. R. A. Chettiar and another	50,304	325	Kaleeswarar	301§	100	—	—	—		12	
24,00,000	25,50,000	43,66,106	54,377	Kothari & Sons	13,824	..	Kothari	10§	10	7	7½	7½		12	
32,00,000	1,62,37,879	1,37,67,873	1,99,524	The Bombay Co., Ltd	53,642	1,213	Lakshmi Cotton	552§	250	15	15	20*	15	12	
35,64,100	90,51,492	78,83,494	7,921	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	80§	50	8	8	10		3	
17,82,050A								39	25						
1,75,02,480	5,94,39,299	4,16,07,732	8,90,094	A. & P. Harvey Ltd.	4,64,748	..	Madura	36§	15	17½	15	20	20	12	
12,00,000	20,18,053	24,32,416	—7,468	A. L. A. R. S. Chettiar and 2 others.	21,856	..	Malabar	142	200	7½	4	6	4	12	
60,00,000	1,00,87,062	55,34,648	77,484	W. A. Beardsell & Co., Ltd ..	24,252	603	Mettur Industries	195cd	100	25	12§	12§	12§	12	
29,80,884	65,14,248	71,68,250	25,960	N. Sirur & Co., Ltd.	36,416	678	Minerva	100§	100	8*	6	6	5	12	
94,91,850	96,08,512	1,34,73,361	29,643	B. Abirchand Dadabhoy & Co. ..	49,456	952	Model Mills, Nagpur	142§	250	6	3	3		4	
30,00,000	1,55,94,631	1,53,39,271	7,77,290	Indian Textile Syndicate Ltd. ..	86,318	1,834	Muir	215	100	24§	—	7§		12	
9,71,850	4,06,541	20,43,991	—2,16,536	A. Sambha Moorty, Esq.		69	Mysore Silk Filatures	2	50	—	—	—		2	
18,69,600	1,15,59,739	82,55,416	38,347	N. Sirur & Co., Ltd.	49,632	500	Mysore Spinning	123§	50	20	18*	20§		2	
13,61,780	22,98,130	27,85,556	—4,60,000	R. Suryanarayana Rao, Esq	6,000	..	Mysore Spun Silk	5	10	5d	6½	—		3	
22,89,882	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd	50,228	1,148	New Victoria	1§	2§	—	—	—		12	
8,07,095O								—	D1						
87,03,800	1,20,94,970	1,58,62,385	17,946	Ind. Trust Fund	30,896	717	Osmanabahi Mills	98§N	100	14*	5§‖	6§‖	7	9	
4,00,000A															
6,00,000B	21,00,275	26,20,198	3,380	Baghyalakshmi & Co.	22,800	..	Palani Andavar	47	50A	4	10	16	15	12	
15,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills	66	100	4	7§	5		12	
25,30,420	40,80,284	32,63,263	2,062	A. G. G. Naidu & Co.	38,864	200	Radhakrishna	142	100	15	16	16	6	12	
15,00,000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	25,896	..	Rajalakshmi	72xd	50	9	9	10		12	
15,02,500	31,53,264	35,65,211	11,407	P. S. G. Nayudu & Sons	28,972	88	Ranga Vilas	42§	50	6	7	7		12	
60,00,000	89,59,172	1,04,60,739	5,506	Sir J. P. S. & Sons (Rampur), Ltd.	32,580	600	Raza Textiles	6-0§	10	—	—	—		3	
16,00,000	1,58,55,379	2,05,51,339	—78,03,793	M. J. Divekar, Esq.	82,992	2,234	Sholapur	1,800	1,000	—	—	—		3	
12,41,900	9,49,500	25,98,011	66,528	Gopaldas Liladhar & Co., Ltd	15,824	440	Shree Sajjan	75N	100	6	—	—		3	
17,79,700	17,05,383	21,50,229	3,083	T. R. A. Ayyar & Bros., Ltd.	18,416	416	Sitaram	36§	60	6§	—	5	8*	3	
36,69,700	55,96,380	57,62,020	23,287	H. N. Pallegar, Esq.	25 200	392	Sri Krishnarajendra Mills ..	41xd	50	8*	5*	5*		3	
15,00,000	1,30,50,807	64,96,084	58,49,305	Birla Brothers Ltd.	27,340	992	Sutlej Cotton Mills	40N	10	40	40	40			
17,50,000	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,12,216	2,077	Swadeshi (Cawnpore	9 ½	10	5	5	5		12	
1,97,50,000P.O.								9 ½	10P.O.	9	9	9		12	
13,98,630	16,70,493	12,91,002	9,843	M. R. & Sons	16,000	..	Trichinopoly	9§	10	10	10	10	7	12	
21,00,000	56,75,811	47,61,131	50,000	R. K. S. Chetty & Bros.	33,704	270	Vasanta	150	100	7	9	10	12	12	
32,00,000	1,34,16,851	1,18,73,996	2,21,881	The Bombay Co., Ltd.	54,280	1,495	Vishnu	156§	100	10	9	14*	10	12	

• Includes Loans. ‡ On Increased Capital. ‡ Only Depreciation.

x Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46.

¶ As on 31st[August, 1952.

— Nil Dividend

† Subject to tax.

†† Does not include depreciation.

xd=Ex. Dividend. C.d.=Cum. Dividend

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.): 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
ART SILK AND RAYON MILLS													
1,60,42,600	72,66,192	4,27,10,526	38,933	Chinai & Co., Ltd.	National Rayon Corporation ..	102§	100	—	—	—	—	12	P.Y.
99,92,020	57,16,774	267,67,573	2,34,553	Sincere & Sons (Travancore) Ltd.	Travancore Rayons	5 1§	10	—	—	—	—	12	P.T.Y.
BREWERIES AND DISTILLERIES													
13,28,000	65,17,840	96,16,910	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	24	25	11§	11§Q	—		5	P.Y
6,64,000						10	10						
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries ..	6§	5	20	10	—		3	Y
£80,000'A'	£588,534	£1,122,135	£57,421	Parry's Holdings Ltd.	East india Distilleries and Sugar	14§ 'A'	16sh.	10	10	10	10	9	P.Y
£300,000'B'						20sh.'B'			12	15	15		
14,00,000	8,54,296	7,56,660	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4	10	—	—	—		8	Y.
6,00,000	21,13,586	12,13,593	3,951	B. A. Mallya Esq.	United Breweries	160	75	15	10	20		3	Y.
CEMENT													
81,19,724	21,33,493	67,56,656	15,850	The Andhra Engineering Co Ltd.	Andhra Cement Co.	101	100	3§	3§	7§		12	P.Y.
43,14,600	16,94,310	17,14,992	1,01,035	Eastern Corporation Ltd.	Assam Bengal Cement ..	3 1§	10	5	—			3	Y
4,78,976D						1	1						
10 56,20,438	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.	Associated Cement Companies ..	170§	100	7	8§	9§	9§	7	Y.
10,56,20,438													
86,49,312	95,24,901	1,45,62,309	61,188	Hari Bros. Ltd.	Dalmia Cement	6§	10	—	5	6§		12	Y. A.
8,00,000D						1	1						
41,01,180	27,27,600	1,26,09,755	90,853	Essen Ltd.	India Cements Ltd.	16§	25	—	—	—	5	3	P.Y.
7,50,000D						3§	5D						
178,00,000	1,46,20,109	1,65,80,416	81,840	Martin Burn Ltd.	Sonevalley Portland Cement	7§	5	8	6	8		12	Y.
CERAMIC; MINING AND QUARRYING													
31,70,655	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2 4§	2½	2½	5	6½		12	Y.
10,00,000	53,04,035	53,01,488	15,680	Bird & Co.	Bisra Stone Lime Co.	28½xdN	10	16§	17½	17½	8f§	12	3.9 H
60,00,000	17,91,749	50,93,341	12,332	Ram Kumar Agarwala & Bros.	Chrestien Mica Industries ..	10§	10 O	10	10	10		12	P.Y.
39,00,000D						6§	5 D	15	15	15			
8,14,200	81,650,110	81,643,983	885,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation ..	2-14§	2sh.	12½†	12½†	12½		12	Y.
15,00,000O	39,05,935	43,65,527	1,27,234	Bird & Co., Ltd.	Karanpura Development ..	15 4	10	—	—	—	—	61.2	H.
5,00,000P							10	—	—	—	—	61.2	H.
6,00,000	6,88,139	8,10,287	7,911	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	10cd	10	10	10	7½	3	6.12	H.
10,00,000	37,28,402	31,47,718	74,275	Bird & Co., Ltd.	Orissa Minerals	35§	10	6§	6§	12§	15f	6.12	H.
6,00,000	24,28,739	25,13,779	27,403	Andrew Yule & Co.	Reliance Firebricks	17	10	10	10	11§		2 8	H.
5,99,390	20,61,475	17,98,676	3 427	Killick Industries Ltd.	Shivaipur Syndicate	55	10	13	17½	35		11	Y.
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	23,14,270	1 02,937	K. V. S. Iyer, Esq.	Kemp & Co.	265	200	30	30	10		3	Y.
92,14,870	55,77,268	2,33,78,334	8,595	Tata Sons, Ltd.	Tata Chemicals[..	9 3§	10	—	—	—	—	6	P.Y.
1,12,500	1,38,486	61,178	4,101	B. D. Nagar, Esq	Thompson & Taylor	4§	3	5§	6§			3	Y.
Other Centres													
25,00,000	54,68,041	63,66,814	59,559	Bhailal Amin & Sons., Ltd. ..	Alembic Chemical Works Co. ..	98§	80	—	*	8		12	Y.
62,00,000

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
OIL; PETROL, ETC.													
£750,000	£987,630	£257,232	—£718,934	I. C. H. Glass, Esq.	British Burma Petroleum Co., Ltd.	1–1½	4sh.	—	—	—		3	P.T.Y.
£2,50,000	81,89,204	52,69,225	1,85,955	M. C. Alcock, Esq.	British Cuyuna Corporation	12½	7½	20†	24*	32†		12	P.Y.
1,00,00,000	1,01,18,597	1,04,61,324	4,03,476	Steel Brothers & Co Ltd	Burma-Shell Petroleum Co., Ltd.	61xd	40	10	10	10	15	12	P.Y.
70,07,475	1,02,93,166	1,52,15,713	10,092	Tata Industries Ltd.	Tata Oil Mills	32	25	4	6	8		3	P.Y.
6,00,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tide Water Oil Co. (India) Ltd.	14½	10	15	15	17½	5†	6.13	H.
PAPER													
45,00,000	1,57,44,079	1,95,77,780	4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	44½	25	10	19	12½	6½	6.12	P.T.H
30,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	17½	100	7	18	11	5†	3.9	H.
25,00,000	48,30,215	47,81,895	52,615	P. R. Balakrishnan, Esq.	Mysore Paper Mills	13⅜	10	5d	7½	10*		3	Y.
41,95,000	2,73,41,080	3,27,84,408	1,91,321	Birla Bros., Ltd.	Orient Paper	34	10	15	25	20	10†	3.9	P.T.H.
30,06,895	1,10,93,378	84,10,902	1,86,914	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	19½	10	8½	11½	15	7½†	6.12	P.T.H
20,00,000	58,56,913	76,25,937	9,851	Bajoria & Co.	Star Paper Mills	8½	10	—	—	5	2½†	3.9	P.T.H.
10,00,000'A'													
4,37,500PO						4½	2½	10	13	10	5†	3.9	
A)56,00,000	5,15,53,313	4,78,98,548	5,00,114	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co. Ltd.	36½	A10	20	18½	20*	10*†	3.9	P.H
B)36,04,800						36½	B10	20	18½	20*	10*†	3.9	
PLANTING; PRODUCE AND RUBBER													
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	6⅜	3	10	20	20		2	P.Y.
47,70,000	48,44,853	83,16,040	4,37,964	R. C. Paterson, Esq.	Consolidated Coffee Estate	18½	10	17	20	18		6	P.Y
4,00,000	2,29,854	4,49,625	13,951	Associated Planters, Ltd.	Cottanad Plantations	10½	10	7½	10	15		3	T.Y.
9,28,950	1,46,540	4,67,078	1,389	A. V. Thomas & Co., Ltd.	Pringford Estates	2⅜	12	—	—	—		4	P.Y.
18,00,000	10,03,881	20,78,297	80,797	A. V. Thomas & Co., Ltd.	Highland Produce	10	10	25	15	45	10	12	P.Y.
4,00,000	9,67,358	7,20,390	43,506	A. V. Thomas & Co., Ltd.	Kalpetta Estates	18½	10	17½	20	20		4	Y
6,50,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Malakara Rubber and Produce Co.	103½	20	17½	30	35		3	Y.
27,00,000	25,83,648	14,90,888	83,433	A. V. Thomas & Co., Ltd.	Midland Rubber and Produce Co.	10½	10	6	12½	15		3	P.Y.
3,35,000	2,06,971	13,28,998	31,378	A. V. George & Co., Ltd.	Nenmeni Estate	9½cd	10	5	6½	10	6½	12	P.Y.
2,00,000	1,93,721	24,72,600	2,305	Associated Planters, Ltd.	Nilambur Rubber Co.	9	10	6	10	10		12	P.Y.
19,45,980	25,93,936	32,55,141	1,25,906	Peirce, Leslie & Co., Ltd.	Ouchterlony Valley Estates	32cd	2	25	25	45	10	10	T.Y.
13,50,000	5,82,973	28,05,590	31,101	A. V. Thomas & Co., Ltd.	Rajagiri Rubber and Produce Co.	10½	10	9	12½	15		6	P.Y.
18,00,000	3,36,390	1,856,824	936	East India Agencies, Ltd.	Tseikoy Rubbers (India) Ltd	6½	10	—	7½	9		3	P.T.Y.
2,50,000	2,21,854	5,23,488	41,669	A. V. George & Co.	Thamarapally Rubber	12½xd	10	6½	6½	25	25	12	P.Y.
3,05,100	5,01,650	5,03,723	31,310	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co. Ltd.	2–11½	1	17½	20	25	25	9	Y.
6,00,000	1,17,222	7,40,149	3,953	K. C. Cheriyan, Esq. (Secretary)	Travancore Rubbers	11½xd	10	3½	10	20		12	Y.
41,00,000	17,71,556	70,05,785	2,79,692	Aspinwall & Co., (Travancore) Ltd.	Travancore Rubber and Tea Co., Ltd.	7	10	2½	6	10	6	12	P.Y.
20,00,000	5,24,135	22,83,995	9,921	P. T. Thomas, Esq.	Tropical Plantations Co.	21N	25	10	12½	—	10	12	Y.
6,20,000	53,026	3,26,408	40,587	A. V. George & Co. Ltd.	Udayagiri Rubber	4⅜	10	5	5	—		12	P.Y.
1,25,000	2,79,994	7,07,482	33,166	Harrisons & Crossfield Ltd.	Valkendam (Travancore) Rubber Co., Ltd	14	10	10	12½	20	20	12	Y.
1,42,000	78,624	3,43,636	14,082	M. K. Thomas & Co.	Woodland Estates	7⅛	10	7½	6½	—		3	Y.
PRESSING													
6,00,000	15,78,066	19,01,457	8,322	Andrew Yule & Co.	Calcutta Hydraulic Press	83	100	3	3	5		3	Y.
4,50,000	5,58,036	6,89,525	1,116	Pyne and Sons.	Cameodeen Pressing	93N	100	4	6	7		7	Y.
8,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Central Hydraulic Press	95	100	3	5	5		6	Y.
PROPERTY AND LAND													
10,00,720	25,11,061	42,65,283	419	S. A. Basil, Esq.	Humayan Properties	10½	10	—	6	6	5	9	P.Y
60,00,000	34,67 735††	83,61,045**	—	David Sassoon & Co., Ltd.	Port Canning Land	23½	100	2	1½	1		4	Y
94,00,000	20,60,634	97,99,237	4,608	Andrew Yule & Co.	Midnapore Zemindary	35	100	—	3	2		4	Y
SAW MILLS AND TIMBER													
13,99,998	33,52,773	18,29,998	69,978	Bird & Co.	Assam Saw Mills and Timber	61xd	3	16½	16½	16½	8½	9	Y
50,00,000	4,89,22,437	2,47,99,361	‡ 57,498	Wallace & Co.	Bombay-Burmah Trading	370	125	12	30	18		5	Y.
42,00,000						365	50	12	30	18		5	Y.
1,30,000	7,04,037‡	7,80,451	— 1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	45N	100	5	—	—		6	P.Y.
15,00,000	27,06,050	16,83,461	1,70,441	G. Arbuthnot & Co.	Indian Wood Products	33½	10	25	95	55	30	9	Y
SUGAR (U. P. and Bihar)													
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co	Bairampur Sugar	7⅜	5	—	20	—		6	Y
12,00,000	28,96,740††	15,70,684**	2,81,000	Marang Bros.	Basti Sugar	122N	100	6½	10	—		4	Y
19,49,050	23,60,462	27,54,525	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	8½	10	—	7½	8½	10	9	Y.
18,00,000	21,11,580	15,38,162	40,743	Carton Agents Ltd.	Bharat Sugar	17N	10	10	15	15		6	Y.
32,00,000	1,03,86,777	1,29,41,870	41,747	Gladstone Lyall & Co., Ltd	Carew & Co.	6⅜	10	5	—	30	20	10	P.Y
15,00,000	1,30,69,452	96,28,542	31,891	Begg Sutherland & Co.	Cawapore Sugar	16⅜	10	15	25	30		10	P.Y.
18,00,000	78,43,538	60,37,156	17,488	Begg Sutherland & Co.	Champion Sugar	25½	10	15	15	20		6	
45,00,000	57,00,000	68,17,572	50,477	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	130N	100	5½	6	12*		6	P.Y.
14,00,000						80N	80	—	3	4	—	7	P.Y.
6,00,000	41,78,374	68,10,159	—4,15,271	Kilachand Devchand & Co	Kesar Sugar	20N	40	10	25	25		6	P.Y.
7,89,100	31,59,777	25,99,076	115,051	Cotton Agents Ltd.	New India Sugar Mills	25½	10	5	6½	5		6	Y
11,00,000	27,48,180	36,39,370	3,895	Karam Chand Thapar & Bros., Ltd.	New Swadeshi	61	100						
18,59,378	58,13,266	53,06,760	‡ 81,023	Cotton Agents, Ltd	New Swadeshi Sugar Mills	180N	100	18	20	20		6	Y
14,00,000	29,31,078	26,43,844	71,580	Narang Bros	Punjab Sugar Mills	45N	25						
3,00,000	42,50,793	13,73,808	19,435	Begg Sutherland & Co.	Partabpore Company	100N	100	—	6	10			Y.
8,00,000	26,05,463	24,18,182	15,410	Begg Sutherland & Co.	Ryan Sugar	15	15	—	10	20	10	10	P.Y
11,99,000	38,06,835	36,11,360	23,281	Begg Sutherland & Co.	Samastipur Central Sugar	20	10	15	25	10		6	P.Y.
20,00,000	69,94,641	1,03,56,230	4,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	16½	10	10	20	10		6	
9,99,950	11,66,322	21,41,729	10,162	M. K. Kanoria, Esq & R. N Datta	Shri Ram Sugar	10½	10	10	30	10	1	7	P.T.Y.
6,50,000C	11,94,395	37,92,174	14,73,656	N. K Jain & Co., Ltd	Shri Ram Sugar	8⅞	10	—	—	5		6	Y.
4,75,000C					South Behar Sugar	1N	25	—	—	—	10		Y.
8,00,000	54,46,474	70,75,580	57,216	Cotton Agents, Ltd	Upper Ganges	20N	30	17½	20	20			Y.
(Indian States and Other Centres)													
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Bilaspur Co.	22½	50	16½	25	28	32	9	Y
23,37,350	46,47,856	38,47,284	4,64,518	Govan Bros. (Rampur), Ltd.	Baland Sugar	10N	10	7	7½	10	5	6	Y.
18,91,900	18,53,357	37,63,451	21,012	J.P.Srivastava&Sons(MadhyaBharat)Ld.	Gwalior Sugar Co., Ltd.	45N	100	—	5	3		6	P.Y
10 00 000	44,76,363	24,51,980	3,71,344	India Sugars Agencies Ltd.	India Sugar & Refineries Ltd.	20½	10	12½	15	25	25	9	P.Y
3,00,000						44	10	20*	20	20		6	Y.
81,79,220	1,49,74,559	97,24,107	1,27,396	V. M. Lingiah, Esq.	Mysore Sugar	87½	10	20	16	16	16	9	P.Y.
30,00,000	86,83,468	1,03,94,086	1,18,594	Mathilal, Apte & Kantilal, Ltd.	Phaltan Sugar Works	18⅜	10	15	6	7½	20	8	P.Y.
16,59,820	45,75,389	24,76,150	1,61,652	Anderson Wright Ltd.	Ramnugger Cane & Sugar Co., Ltd.	90N	20	7	14	18	18	9	P.T.Y
20,90,000	68,39,148	74,55,840	1,89,513	Walchand & Co., Ltd.	Ravalgaon Sugar Farm Ltd.	12	10	6	10	12½		5	Y.
19,99,580	50,82,224	42,94,120	4,05,982	Govan Bros. (Rampur), Ltd.	Rana	5	10	—	—	—		7	Y.
30,00,000	23,82,353	58,70,150	20,980	Parry & Co., Ltd	Travancore Sugars	140	100	17½	12	14	14	9	P.T.Y
1,01,00,000	1,29,20,737	1,71,89,516	2,07,926	Premier Construction Co., Ltd	Walchandnagar Industries Ltd.								
UNCLASSIFIED (Bombay)													
1,50,00,000	1,21,10,933	1,47,88,360	—8,27,616	Tata Industries Ltd.	Air-India Ltd.	88	100	—	—	—		12	Y
2,00,000	4,90,364	5,64,538	702	Forbes, Forbes, Campbell & Co., Ltd	Bombay Safe Deposit	660	200	15	18	15	17½	9	Y
89,89,550	2,64,61,962	3,70,82,313	83,007	Scindia Steam Navigation Co., Ltd.	Bombay Steam Navigation Co., Ltd.	—	25	—	—	—		6	P.Y
15,98,860	1,28,267	2,19,255	32,663	Parakh Agencies Ltd.	Bombay Uganda	54N	80	3	3	3		12	Y.
25,00,000	1,50,000	24,37,096(k)	12,787	Dena Bena Ltd.	Dharamsi Morarji Investment Co	91	25	3	3	3		3	Y.
11,98,360	17,39,540	10,69,167	2,579	F. H. Mehta Esq.	Estrela Batteries	23N	99	6	6	5		3	P.Y
99,99,250	18,35,375	1,27,45,383(k)	1,85,257	Premchand Roychand & Sons	Industrial Investment Trust	72½	100	3½	4	4½		12	T.
84,98,865	15,91,304	12,58,924	2,833	K. G Milne, Esq.	Kilnick Industries	149½	100	8	8½	10		6	Y.
2,06,71,500A	65,85,939	2,20,52,503	4,92,797	Aero-Auto Ltd.	Premier Automobiles Ltd.	45	100	—	—	—			Y
10,00,000 B						10	10						
6,39,62,018	9,89,24,387	12,98,97,421	1 58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co., Ltd	13	15	—	—	3½		6	Y.
1,50,000	3,71,437	2,21,590	3,145	R. B Bandekar Esq.	Thacker & Co.	50N	50	10	10	10		3	Y.
10,21,200	17,93,712	14,71,107	36,733	Sir Joseph Kay, K.B.E.	United Motors (India) Ltd.	40	20	7½	10	15	15	12	Y.
2,20,00,000	2 54,09,975	2,16,78,739	4,20,869	T. H. Rydin, Esq.	Western India Match Co., Ldt	213½	100	11*	11*	11*	11*	12	Y.
45,00,000	46,57,108	24,608	41,429	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	350N	150	8-5/6	13½	13½	13½	12	Y
Other Centres													
47,50,000	4,90,364	5,64,538	702	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	4½	10	—	—	—		3	P.T.Y.
2,50,000D						18½	10	10	17½*	25*	12½	8	Y
30,00,000	53,38,668	31,59,164	5,24,909	Turner Morrison & Co., Ltd	Angelo Brothers Ltd.	19½	10	12½	12½*	12½*	12½*	12	Y
20,00,000	32,53,118	42,88,118	1,35,909	T. H. Rydin, Esq.	Assam Match Co., Ltd.	5½	10	7½	12½*	12½*	12½*	12	P.T.Y.
50,00,000	10,63,088	92,32,652	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	292cd	100D	20*	20*	25*	20*	12	Y
30,00,700C	1,20,65,807	53,87,807	5,15,018	O. T. Jenkins, Esq.	Balmer Lawrie & Co. Ltd.		40D	20*	20*	25*	20*	12	
10,00,000D						155	100	5	10	12½	12½	10	P.Y.
20,00,000	1,19,26,323	1,24,61,121	2,04,690	Andrew Yule & Co., Ltd.	Bengal Assam Steamship Co., Ltd.	16½	10	11½	11½	12½	12½	9	W.
20,00,000	8,38,806	54,05,998(K)	1,25,380	Lovelock & Lewes	Birds Investments Ltd.	90	10	3	3	4	5	12	P.Y.
1,00,000	1,45,203	3,00,22,730‡	58,606	Dinshaw Ltd.	Bharat Line	14½	10	12½	12½	12½		12	P.Y.
30,64,680	50,81,266	83,30,736	1,82,277	A. P. Chanda Esq.	Britannia Manufacturing	8-2½	10	5	11½	15	12½	12	P.Y.
3,25,00,000	2,85,61,677	47,78,193**	1,99,112	Sir Robert Menzies Kt., O.B.E.	British India Corporation Ltd.	11½	10	15	15	17½	12½	12	P.Y.
1,60,00,000	3,77,71,321	4,07,06,331	7,01,468	Cecil Stack, Esq.	Dunlop Rubber Co. (India) Ltd.	28½	10	20	20	15-1	15	12	P.Y.
51,26,000	47,57,061	1,26,35,420(K)	3,15,489	Bird & Co., Ltd.	Eastern Investments Ltd.	145	100	8	9	9	9	12	H.
7,00,000	34,47,721	25,07,059	50,793	Mansell & Barry Ltd.	Ganges Rope Co., Ltd.	200xd	100	20	22½	35	10f	3.9	P.Y.
65,00,000	34,13,857	15,62,902	2,07,524	A. J. Elkins, Esq.	Gillanders Arbuthnot & Co., Ltd.	128	100	7½	10	10		3	Y.
30,00,000	37,25,649	60,01,406	6,213	B. P. R. Syndicate	Great Eastern Hotel Co.	252	250	6	6	6		3	Y.
18,42,180	39,42,049	54,49,286	12,214	Birla Brothers, Ltd.	Hind Cables	100N	10	10	7½	7½		12	P.T.Y.
4,96 12,650	39,42,519	2,61,59,292	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	4½	10	—	—	—		3	P.Y.
1,60,00,000	1,59,65,053	3,07,88,193	22,27,867	J. W. E. Johnson, Esq.	Indian Aluminium Co.	109	100	—	31	5	5z	12	P.Y.
1,52,89,220	1,31,92,732	57,92,390	9,29,554	D. J. Mistuch, Esq.	Indian Cables	19½	10	10	10*	10*		3	P.Y.
82,75,000A						3½	20	—	—	—			
15,90,000P	53 00,150	72,86,130	—12,62,971	Govan Bros., Ltd.	Indian National Airways	7	10	—	—	—		12	P.Y.
1,25,000D						1	1	—	—	—			
1,27,976	12,79,385	14,27,460	39,038	George Spencer Moulton & Co. (India).	Indian Rubber Manufacturers	15½	10	10	10	10		3	P.T.Y
8,25,00,000	1,60,38,685	3,87,93,801	2,26,066	Lionel Edwards Ltd.	India Steamship Co., Ltd.	6½	10	—	—	5		9	P.Y
2,40,000	4,33,028	67,247	36,496	G. V. Ewaika, Esq.	Ivan Jones	4½	2	21½	21½	21½		9	Y
2,00,00,000	53,39,843	27,16,440	8,86,448	J. D. K. Brown, Esq.	Jardine Henderson	129½	100	10	10	10		3	Y.
6,54,000	9,97,633	6,91,531	—64,994	James & Co., Ltd.	Macfarlane & Co. Ltd.	1½	5	—	—	—		3	Y.
40,00,0000						137	O 100	10	12½	12½		12	P.Y.
5,00,000D	63,35,248	23,69,220	85,717	A. T. Doig, Esq.	McLeod & Co. Ltd.		D 10	6	7½	7½		12	P.Y.
1,30,55,750	33,32,702	11,34,840	2,31,092	T. Leslie Martin Esq.	Martin Burn Ltd.	18½	10	10	12½	11½	13½	9	Y.
6,35,255	4,41,876	7,74,804	—72,313	Ogale Glass Works Ltd.	Mysore Glass & Enamel Works	4½	10	10	10	—		3	Y
3,75,000	7,74,252	8,79,836	3,646	R. Bharaniah, Esq.	Mysore Lamp Works	17½	10	10	20	—		3	Y
10,00,000	3,95,997	11,45,855	1,11,329	V. S. Arunachalam, Esq.	Mysore Tobacco	10½	10	—	10	10		3	P.Y.
20,00,000	31,92,159	30,16,078	11,043	Associated Ind. Development Co., Ltd.	National Insulated Cable Co., of India Ltd	13½	10	5	5	7½		3	P.T.Y.
79,97,000	65,83,352	1,04,50,524	8,86,347	B. N. Elias & Co., Ltd.	National Tobacco Co.	9½	10	—	2½	5		12	P.Y.
14,87,137	5,67,696††	18,52,560**	23,513	S. P. Ogale & Co.	Ogale Glass Works	3	5	22½	—	—		12	P.Y.
40,00,000	41,74,953	41,58,536	1,52,611	Parry's Holdings Ltd.	Parry & Co.	44cd	2	80-I	32½	15		8	P.Y.
2,25,00,000	62,51,619	1,69,49,507	24,847	G. U. Euthymopulo, Esq.	Rallis India Ltd.	75	100	8	8½	9		8	P.Y.
5,16,00,000	2,29,15,252	3,76,03,905	88,67,941	Babu Jain Ltd.	Rohtas Industries	9½	10	—	—	7½		10	P.Y.
40,00,000	1,33,62,299	1,19,84,861	5,36,552	C. W. Stephenson, Esq.	Scoonoor & Co. Ltd.	14	10	10	10	15		6	P.Y.
75,00,000	37,17,120	12,11,901	3,56,616	J. E. Waterfield, Esq.	Shaw Wallace & Co., Ltd.	12½	10	10	10	10	10	12	Y.
9,98,380	4,10,547	12,67,855	—59,789	Ogale Brothers Ltd.	Travancore Ogale Glass	3½	10	—	4	—		3	Y.

†† Does not include depreciation. * Includes Bonus. ** Net Block. C.D.—Cum Dividend. I On increased Capital.
‡ Only Depreciation. —Nil Dividend. † Loss/income-tax (c) For six months ended June, 1949
Z.—For fifteen months ended 31st December, 1952. K—Investments, X.R.—Ex-Right. (d) For nine months ended March, 1950.

TEA COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
ASSAM														
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	450N	100	20	25	—		12	P.Y.
3,50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd.	400⅓	Anandabag	25½	10	25	40	30		12	Y.
5,50,000	10,64,192	12,05,396	—89,152	McLeod & Co., Ltd.	573	Baghmari	12	10	12½	17½	—		12	Y.
3,40,000	9,12,883	7,05,721	44,989	Andrew Yule & Co., Ltd.	360	Basmatia	27½	10	30	30	25		12	Y.
3,30,600	7,24,887	8,38,278	71,941	Williamson Magor & Co.	556	Bateli	11⅜	5	25	30	10		12	T.Y.
3,20,000	6,19,032	6,72,731	54,942	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	25½	10	20	35	15		12	Y.
16,50,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co.	4,004	Bishnauth	29½	10	35	50	5		12	T.Y.
6,00,000	4,80,346	9,78,429	—1,90,802	Octavius Steel & Co., Ltd.	493	Bokakhat	4½	5	5	5	—		12	Y.
7,50,000	5,06,959	7,64,836	22,297	McLeod & Co., Ltd.	450	Bormia Jan Tea Co., Ltd.	13½	10	15	15	15		12	Y.
35,00,000	22,18,001	70,96,925	87,990	Brook Bond India Ltd.	2,670	Brooke Bond	11½	10	10	10	6		12	P.Y.
1,20,000	3,06,715	3,66,030	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	8½	10	6½	15	—		12	Y.
6,00,000	22,17,578	24,24,301	25,545	Jardine Henderson Ltd.	1,341	Dessai & Parbuttia	228	100	15	30	22½		12	Y.
17,53,440	7,15,393	19,11,103	54,461	James Warren Ltd.	426	Dhelakhat	11½	10	10	16	12		12	Y.
4,68,970	8,90,863	13,71,610	25,794	James Finlay & Co., Ltd.	613 37	Dhunseri	11½	10	10	20	10		12	T.Y.
4,50,000	6,57,785	9,86,816	14,389	McLeod & Co., Ltd.	158	Dibrugarh & Co., Ltd.	8½	10	—	10	5		12	Y.
2,36,700	6,75,511	7,95,511	35,408	Williamson Magor & Co., Ltd.	611	Dimakusi	34	10	40	45	15		12	P.Y.
5,60,500	12,72,787	15,08,787	1,01,960	Williamson Magor & Co., Ltd.	669	Duffla ghur	37½	10	35	22½	40		12	Y.
10,00,000	10,31,120	18,91,120	45,079	Williamson Magor & Co.	1,157	East India Tea	19½	10	20	22½	22½		12	Y.
3,60,000	6,43,852	7,69,087	16,947	Andrew Yule & Co., Ltd.	407	Gillapukri	18	10	10	17½	30		12	
3,38,000	9,01,149	12,09,149	1,11,346	Williamson Magor & Co.	520	Gohpur	29½	10	35	40	30		12	P.T.Y.
4,94,360	17,46,514	17,08,255	82,387	Octavius Steel & Co., Ltd.	1,284	Grob	17½	A	35	—	30	20	12	Y.
2,40,790							9	B	5	10				
4,00,000	8,16,550	5,82,005	58,806	Andrew Yule & Co., Ltd.	436½	Hoograjuli	34	10	30	45	30		12	Y.
4,35,000	15,78,587	17,05,269	35,208	Andrew Yule & Co., Ltd.	1,133	Hoolangooree	29.5N	100	25	25	17½		12	Y.
7,50,000	7,46,426	11,98,156	29,063	Gillanders Arbuthnot & Co., Ltd.	866	Jutlibari	11⅜	10	2½	12½	5		12	Y.
2,40,000	2,67,048	4,00,640	15,953	Shaw Wallace & Co., Ltd.	1,576	Kingsley Golaghat	198N	100	5	20	—		12	Y.
9,60,000	10,93,130	12,92,419	53,778	Duncan Bros. & Co., Ltd.	1,047½	Ledo	8	10	2½	20	2½		12	P.Y.
3,00,000	18,59,605	11,83,054	—1,86,826	Andrew Yule & Co., Ltd.	1,107.6	Mohokema	38	10	—	—	—		12	P.Y.
2,50,000	3,59,955	2,84,446	12,098	Octavius Steel & Co., Ltd.	576	Oodlabari	10N	10	—	—	—		12	
2,50,000	1,22,558	3,09,477	781	Duncan Bros. & Co., Ltd.	348	Phaskowa	19½	10	10	15	15		12	P.Y.
6,00,000	9,95,145	9,37,046	25,072	McLeod & Co., Ltd.	764	Rajabhat	7½	10	5	17½	15		12	
7,65,000	10,80,553	18,80

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
60,00,000	1,02,72,130	95,73,184	3,33,368	879	B. N. Elias & Co., Ltd.	Agarpara	18 ¾	10	10	15	20	10f	3.9	P.T.H.
12,00,000	50,61,739	45,32,316	16,522	498	Sahu Jain Ltd.	Albion	195	100	—	14	30	8f	5.11	P.H.
6,00,000	32,73,570	49,90,030	—1,63,957	446	*McLeod & Co., Ltd.* ..	Alexandra	*190*	100	—	5	5	—	6.12	T.P.H.
30,00,000	88,17,991	1,16,99,580	—11,66,135	1,264	McLeod & Co., Ltd. ..	Alliance	161½	100	—	2½	—	—	6.12	P.H.
49,20,700	2,31,84,144	2,24,03,099	1,44,601	2,561	Duncan Bros. & Co. ..	Anglo-India	232½	100	—	20	20	10f	3.9	P.H.
40,00,000	1,18,83,050	1,31,13,967	71,745	810	Bird & Co., Ltd.	Auckland	133	100	1½	10	10	4f	3.9	P.T.H.
20,00,000	93,29,447	97,37,334	72,634	959	Jardine Henderson & Co. ..	Bally	176xd	100	7	12	1	4	3.9	P.H.
£275,000	£1,680,379	£1,328,460	£91,091	1,890	Jardine Henderson & Co. ..	Barnagore	162	£5	20	20	20	—	3	P.Y.
22,00,000	80,27,627	88,01,241	26,347	820	Andrew Yule & Co.	Belvedere	214	100	13	17	27½	15	6.12	P.H.
45,00,000	78,51,305	51,03,385	4,07,701	600	Soorajmull Nagarmull ..	Bengal	17	10	13½	15	30	—	6	T.P.Y.
30,42,000	3,71,54,151	3,06,60,933	1,38,294	1,373	Birla Bros.	Birla	39¾	10	25	30	30	—	3	P.Y.
96,00,000	98,57,668	1,07,77,342	25,598	991	Andrew Yule & Co., Ltd. ..	Budge-Budge	170	100	7	13	22	6¼f	4.10	H.
7,47,380	30,53,704	39,44,698	34,320	502	Dayaram & Sons	Calcutta Jute Manufacturing	18¾N	10	—	—	20	—	6.12	T.P.H.
18,00,000	65,79,289	75,43,878	32,228	616	Andrew Yule & Co.	Caledonian	169	100	5	14	22	12	5.11	P.H.
89,16,400	2,11,26,602	1,62,21,807	1,35,299	1,400	James Finlay & Co., Ltd. ..	Champdany	160	100	3	10	14	8f	3.9	P.H.
15,95,000	78,33,608	79,40,140	45,839	530	Andrew Yule & Co., Ltd. ..	Cheviot	222	100	13½	16	22	12	5.11	P.H.
10,05,000	88,32,304	58,16,362	1,07,364	500	McLeod & Co.	Chitavalsah	32½	10	12½	15	60	87½	6.12	T.P.H.
16,00,000	80,24,460	77,89,914	1,01,979	969	Shree Krishna Investment Co., Ltd.	Clive	25	10	12½	35	20	—	3	P.H.
31,49,200	1,21,56,497	1,16,59,962	21,356	766	Bird & Co., Ltd.	Dalhousie	145	100	1	11	12	1f	3.9	P.H.
28,00,000	86,63,708	73,72,811	50,826	779	Andrew Yule & Co.	Delta	244	100	11	17½	32½	20	5.11	P.H.
15,00,000	86,18,650	75,63,304	47,730	900	McLeod & Co.	Empire	20 ¾	10	10	20	25	10	6.12	T.P.H.
31,00,000	2,35,23,130	2,62,73,643	1,801	1,884	Kettlewell Bullen & Co. ..	Fort Gloster	341	100	2½	32½	22½	—f	3.9	P.T.H.
14,00,000	48,25,115	60,94,729	—8,32,397	1,014	G. C. Bangur, Esq.	Fort William	260N	100	—	10	—	—	3.9	P.H.
84,32,100	1,37,90,339	2,09,73,148	—8,52,945	1,705	Macneill & Barry Ltd. ..	Ganges	77½	100	—	6½	2½	—	3.9	P.H.
10,80,000	76,50,046	68,12,500	41,193	607	G. Arbuthnot & Co.	Gondalpara	770xd	100	—	15	30	10	12	T.Y.
24,00,000	74,14,915	1,35,90,393	96,381	1,394	Macneill & Barry Ltd. ..	Gourepore	316	100	2½	25	11½	—f	3.9	P.H.
40,00,000	81,93,062	81,94,127	3,06,824	1,078	Bangur Bros. Ltd.	Hastings	233N	100	10	7	10	—	3	P.Y.
16,80,900	58,02,116	64,29,355	64,417	720	G. Arbuthnot & Co.	Hooghly	301	10	10	35	15	—	3	P.Y.
65,62,500	1,60,16,805	1,56,87,560	1,55,027	1,940	Jardine Henderson Ltd. ..	Howrah	24½	10	7½	17½	18½	17½	3.	P.H.
30,00,000	1,74,30,109	2,25,00,109	3,91,968	2,272	Ramdutt Ramkissendas ..	Hukumchand	41½	7½	46½	66½	66½	—	3	T.P.Y
87,00,000	88,97,287	1,11,41,130	77,979	1,076	Mackinnon Mackenzie & Co. ..	India	134	{O. 125 D. 1	5½	10	3½	2½f	3.9	P.H.
24,00,000									5½	5½	3½	2½f	3.9	P.H.
19,20,000'B'	1,36,54,330	1,36,47,095	92,899	1,797	Jardine Henderson Ltd. ..	Kamarhatty	193	100	—	17	22½	14½	6.12	P.H.
11,00,000							182	100						
30,00,000							149	100						
24,00,000'B'	1,04,29,702	1,30,34,859	83,881	1,527	Jardine Henderson Ltd. ..	Kankinarrah	140	100	—	—	12½	10	6.12	P.H
11,00,000	1,16,51,567	92,15,718	1,15,896	703	McLeod & Co.	Kelvin	234	100	10	20	25	15	6.12	P.H.
84,00,000	1,30,67,874	1,60,84,537	4,90,592	1,530	Anderson Wright Ltd. ..	Khardah	182½xd	100	—	25	16	15f	3.9	P.H.
48,00,000	1,94,15,089	2,09,37,751	1,16,651	1,250	F. W. Heilgers & Co. ..	Kinnison	211	100	2½	14	19	7f	3.9	P.T.H.
24,48,000	1,24,25,159	1,33,71,480	40,487	931	Bird & Co., Ltd.	Lansdowne	145½	100	2	21	15	3f	3.9	T.P.H.
24,50,000	1,19,87,748	1,13,73,507	6,954	848	Bird & Co., Ltd.	Lawrence	194	100	6	21½	22	4f	3.9	P.H.
10,00,000	70,30,427	50,24,402	64,167	558	Andrew Yule & Co.	Lothian	250	100	—	15	32½	30	5.11	P.H.
21,65,200	1,38,82,204	1,96,76,907	1,17,533	1,008	Mackinnon Mackenzie & Co.	Megna	107	100	4½	8f	3½	2½f	3.9	H.
29,98,900	1,29,56,303	1,55,85,495	—2,80,351	815	F. W. Heilgers & Co. ..	Nalhati	128	100	—	15	12	—f	3.9	P.T.H.
12,00,000	39,17,880	25,69,085	17,184	425	Howrah Trading Co., Ltd. ..	Nankarpara	16	100	11½	13½	22½	—	4.10	T.H.
55,00,000	50,49,988	27,56,895	45,733	852	Andrew Yule & Co.	National	25½	10	11½	15	25	10f	4.10	P.H.
7,50,000	57,24,098	25,75,900	1,23,783	316	McLeod & Co.	Nellimarla Jute ..	32 ¾	18	25	30	75	30	6.12	T.P.H.
10,50,000	66,36,905	45,98,858	7,738	709	Sahu Jain Ltd.	New Central	250	100	6	14	50	10f	6.12	P.H.
16,79,880	98,33,709	1,59,17,038	5,954	567	Bird & Co., Ltd.	Northbrook	21½	10	—	—	20	24f	3.9	P.T.H.
66,75,500	1,68,36,135	2,12,90,664	30,401	1,092	Macneill & Barry Ltd. ..	Nuddea	47½	50	—	5½	4½	—	3.9	T.H.
24,91,000	70,60,941	70,35,063	81,356	601	Andrew Yule & Co., Ltd. ..	Orient	183	100	9	14	24	7	5.11	H.
25,00,000	64,86,591	80,78,198	—3,93,006	400	McLeod & Co.	Presidency	5	5	—	—	2½	—	6.12	T.H.
30,00,000	7,67,493‡	26,15,293	—3,29,549	305	Macneill & Co.	Rameshwara	6	10	—	1½	—	—	3.9	H.P.
49,50,000	56,55,998	1,23,44,546	48,080	1,276	Jardine Henderson Ltd. ..	Reliance	16 ¼	10	—	—	—	2½	3.9	P.T.H.
£600,000	£1,102,661	£1,203,880	£82,640	2,013	Thomas Duff & Co. (India) Ltd.	Sanmuggur	14½	£1	6‡‡	10‡‡	10‡‡	10	12	P.Y.
90,00,000	68,57,466	95,49,412	87,40,952	911	Bagaria More Co., Ltd. ..	Shree Ambica (Adamjee)	17½	10	—	15	10f	—	3.9	P.H.
7,00,000	45,17,785	48,14,456	2,73,383	401	Hindustan Investment Corpn.	Sorah	135N	10	—	10	—	—	12	P.Y.
25,19,600	1,06,20,961	93,73,041	12,665	650	Bird & Co., Ltd.	Standard	153	100	4	15	16	—	3.9	P.H.
£600,000	£849,927	£990,895	£115,163	1,794	Thomas Duff & Co. (India) Ltd.	Titaghur	14½	£1	6‡‡	10‡‡	10‡‡	10	12	P.Y.
85,98,600	1,80,41,145	1,73,93,324	15,098	1,326	Bird & Co., Ltd.	Union	183	100	2	15	21	1f	3.9	P.T.H.
£400,000	£587,164	£1,059,917	£119,708	1,331	Thomas Duff & Co. (India) Ltd.	Victoria	14½	£1	6‡‡	10‡‡	10‡‡	10	12	Y.H.
2,50,000	35,57,381	56,21,133	—65,636	465	McLeod & Co.	Waverley	6	1	—	5	5	—	6.12	P.T.H.

(t) For ten months ended 31st December, 1951. (For Nazira Coal) ‡‡ Subject to foreign Income-tax. Only Depreciation. * Includes bonus —Nil Dividend.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
25,50,000	61,24,011	64,99,011	25,799	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	21 ¼	10	17½	20	12½	5f	3.9	H.
12,00,000	42,18,417	37,16,954	60,294	Jardine, H. & Co., Ltd.	Bararee Coke	18½	10	14½	13½	14½	7½f	3.9	H.
40,00,000	70,50,712	1,17,79,347	23,814	Sahu Jain Ltd.	Bharat Collieries	5½	10	6½	5½	6½	6	6.12	P.T.Y.
1,00,00,000	3,35,25,103	5,08,61,725	8,02,968	Andrew Yule & Co., Ltd. ..	Bengal	541	200	33½	17½	18½*	10*f	4.10	P.H.
4,49,350	5,94,703	8,49,159	5,169	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee	6¾N	10	2½	2½	2½	2½	6.12	H.
2,25,000	27,50,840	25,85,066	6,970	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	14½	10	22½	16½	10	7½	6.12	P.H.
15,97,900	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	4½	10	—	2½	1½	—	9	Y.
7,15,000	50,27,438	50,94,169	—43,876	F. W. Heilgers & Co., Ltd. ..	Bhutiabararee	13½	10	—	6½	6½	2½	6.12	H.
16,00,000	33,42,567	68,15,834	—1,46,405	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	10½	10	5	—	—	—	6.12	T.H.
7,50,000	43,47,168	4,66,805	1,06,334	F. W. Heilgers & Co., Ltd. ..	Borrea	31	10	20	30	30*	27½*	6.12	P.H.
90,92,480	3,29,07,686	4,03,65,968	1,15,021	Bird & Co., Ltd.	Burrakur	10 ¼	10	10 ¼	7½	7½	6½	6.12	P.T.H.
49,97,000	—	23,16,089	8,776	Hindusthan Investment Corpn., Ltd. ..	Central India	5	10	—	—	—	3	6.12	Y.
8,00,000	45,46,717	49,09,377	2,273	Anderson Wright & Co.	Central Kurkend	15¾N	10	17½	12½	—	—f	6.12	P.H.
6,00,000	1,40,000	7,50,000 (k)	13,973	F. W. Heilgers & Co., Ltd. ..	Churulia	2½	4	6½	4½	1½	1½	6.12	P.H.
16,00,000	26,97,346	45,41,647	24,455	Macneill & Barry Ltd.	Dhemo Main	10	10	10½	10	12½	2½	6.12	H.
£120,000	£1,084,338	£372,414	£78,839	Jardine Henderson Ltd.	East Indian	24 ¼	£1	13½	37½	37½	—	4	Y.
29,63,760	3,25,97,992	3,19,86,409	2,12,912	Macneill & Barry Ltd.	Equitable	43½	10	25	25	25	15f	6.12	H.
10,00,000	4,83,963	8,41,725	66,865	Bhatter's Agency Ltd.	Ghusick and Musalia ..	14xdN	10	20	5	3	—	3	Y.
8,00,000	21,75,778	21,29,494	44,366	Macneill & Barry Ltd.	Hurriladih	15½	10	12½	15	15	15	6.12	H.
3,50,000	11,33,846	12,92,908	30,050	Andrew Yule & Co., Ltd. ..	Kalapahari	44N	10	26½	35	35*	35*	2.8	H.
80,00,000	68,340‡	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries ..	91	100	—	—	—	—	2	Y.
5,00,000	43,58,631	42,50,291	89,822	Andrew Yule & Co., Ltd. ..	Katras Jherriah	42½xd	10	27½	35	37½	40	1.7	H.
1,38,400	3,20,519	11,63,519	1,043	Beriwala Bros.	Khas Kajora	71N	10	11½	10	5f	—	6.12	P.H.
11,00,240	10,81,164	15,87,375	3,411	H. V. Low & Co., Ltd.	Kuardi	65N	10	3½	2½	1½	—	6	Y.
13,50,000	29,43,024	28,41,241	13,549	H. V. Low & Co., Ltd.	Lakurka	12N	10	10	10	1½	—	6	Y.
3,65,750	11,41,667	22,37,077	2,691	Beriwala & Co.	Mandulpoor	10	10	5	7½	7½	—	6.12	H.
7,48,240	30,34,138	11,24,142	14,690	Associated Commercial Co., Ltd.	Nazira	61	10	5	2½	5½	—	6.12	H.
7,00,000	3,77,590	9,53,321	4,597	Amritlal Ojha & Co., Ltd. ..	New Bansdeopur	5N	10	7½	7½	6½	—	3.9	H.
17,76,230	91,68,381	1,16,02,941	55,799	Andrew Yule & Co., Ltd. ..	New Beerbhoom	19½	10	3	6	—	5f	4.10	H.
6,00,000	21,87,920	31,32,540	—7,595	Octavius Steel & Co. Ltd.	New Manbhoom	9½	10	12½	7½	—	—f	3.9	P.H.
2,50,000	6,84,984	5,45,859	1,387	Jatia Bros. Ltd.	North Damuda	4N	2½					3.9	H.
1,15,000	10,81,297	12,56,672	12,237	Andrew Yule & Co., Ltd.	North West	14¼N	10	16½	13½	5	2½f	3.9	H
1,57,500						11N	7½						
7,50,000	12,54,532	3,97,666	1,00,495	F. W. Heilgers & Co., Ltd. ..	Ondal	19¼N	10	12 ½	25	22½*	20	6.12	P.H
10,00,000	14,15,045	32,73,178	46,735	K. C. Thapar Bros. Ltd.	Oriental Coal	13N	10	10	10	10	—	12	T.Y
8,34,000	5,98,486	16,29,203	70,539	Deepchand Kishenlall	Parasea	3½	10	—	—	—f	—	6.12	H.
15,75,000	34,87,649	39,37,649	31,995	Shaw Wallace & Co., Ltd.	Pench Valley	21½	10	16½	12½	10	6½f	2.8	H.
83,99,500	91,95,359	1 09,49,971	—4,53,764	B. N. Elias & Co., Ltd.	Ranegunge	8½	10	—	—	—	—f	3.9	H.
13,50,000	30,62,857	29,87,472	36,004	Shaw Wallace & Co., Ltd.	Rewa	21½	10	8½	12½	10	17½	6.12	H.
80,00,000	15,10,118	28,07,516	165	Jalpuria Sons Ltd.	Samla Collieries	7½	10	—	1½f	—	—	6.12	H.
1,25,000	13,14,667	11,30,351	20,499	Giffanders Arbuthnot & Co., Ltd.	Searsole	10¼N	2½	20	20	20	25	4	P.H.
2,80,000	19,76,795	28,04,096	30,184	Andrew Yule & Co., Ltd.	Seebpore	25½	7	35-5/7	32-1/7	28-4/7	28-4/7	6.12	H.
8,00,000	34,84,308	37,05,977	—70,471	F. W. Heilgers & Co., Ltd. ..	Sendra	9	10	5	5	3½	—	6.12	H.
63,21,450	2,13,85,164	3,04,98,616	23,658	Industrial Trust Fund	Singareni	7½	10	4½	5	5	12	T.Y.
17,50,000	24,10,707	34,29,846	15,868	Bird & Co., Ltd.	South Karanpura	13½	10	18½	10	7½	3½f	2.8	H.
8,00,000	14,24,948	2,90,282	86,379	F. W. Heilgers & Co., Ltd. ..	Standard	20½	10	16½	15	10	15	6.12	Y.
10,00,000	15,41,499	29,34,045	—2,46,174	Villiers Ltd.	Talcher	2½	2½	—	—	—	—	9	Y.
3,50,000	17,36,513	18,94,910	74,927	Williamson Magor & Co., Ltd. ..	Union	25	10	20	27½	27½	12½f	6.12	H.
49,98,000	11,13,461	43,49,365	42,176	Hindusthan Investment Corpn. Ltd. ..	Western Bengal	4½	10	2½	2½	2½	—	3	Y.
7,00,000	26,57,108	40,16,017	5,514	Macneill & Barry Ltd.	West Jamuria	17½	10	15	15	15	—	6.12	H.

* The following explanatory notes relate to the abbreviations and marks shown on page 1204 in the debentures section:—

‡‡ Option to repay on six months' notice, on any interest date after 31st December, 1951, at 102 per cent. Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 102 per cent.

(g) Option of repayment at any time at 3 per cent. premium.

(h) Bearer bonds of Rs. 1,000 each repayable at par.

(c) Bearer bonds of Rs. 1,000 each repayable on 31st July, 1959.

(d) Bearer bonds of Rs. 1,000 each with option of redemption in whole or in part at par on 30th June, 1952, or on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months' notice in each case.

(f) Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ½ per cent. premium as 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March, 1957.

(b) Option of redemption on or after 1st July, 1949, at par.

(f) Option of repayment at any time at par at any time on or after 30th June 1947 on six months' notice

MARKET GOSSIP

(*Concluded from page 1159*)

power in the State will fall far short of the total supply after the Koyna power project is implemented. The Rs. 33-crore Koyna project is designed to supply, in the first stage, only electric power and not water for irrigation. The Government, therefore, seems to have no inclination to permit, beforehand, the setting up of an additional power unit which would subsequently render the Koyna power plant a deadweight on it. How far the Government is right in holding this view can be judged only when all the relevant data, which the Government has in its possession, is made available. In the meanwhile, the management of the Tata Power Companies is believed to have suspended the idea of raising the funds required for financing the Thermal project by way of debentures. It seems to favour the issue of equity capital by offering new ordinary shares at par. The final decision on this question will be taken after the Bombay Government makes up its mind about the size of the scheme.

MARKET REPORTS

(*Concluded from page 1193*)

tion have not lasted long. This is accounted for partly by hoarding and partly by increased consumption of rice substituting wheat. The consumption of wheat and wheat products in the State has gone down by more than 3 lakh tons, as compared with last year.

The Indian Food Minister has given an assurance that sufficient quantity of broken rice and gram will be allotted to Bihar, in order to check the rise in foodgrains prices in the State. Broken rice is likely to be allotted to Bihar from Madhya Pradesh and Orissa and gram from the U.P. or the Punjab. The price of broken rice is not expected to be more than Rs. 12 per maund and of gram about Rs. 13 per maund, whereas the free market prices have risen to Rs. 26 and Rs. 16 per maund, respectively.

Current free market quotations at Hapur are: Wheat Rs. 16 to Rs. 18, gram Rs. 15-12, barley Rs. 11-8, *bejhar* Rs. 11-12, maize Rs. 12-12, *rajra* Rs. 12-8, *jowar* Rs. 12 to Rs. 15-8, *guwar* Rs. 15-8; rice: *basmati* Rs. 35, *hansraj* Rs. 31, *sela* Rs. 23-8 and coarse Rs. 23-8, peas Rs. 14-4, *arhar* Rs. 14-4, *urd* Rs. 22-12, *moong* Rs. 22 to Rs. 23 and *masoor* Rs. 16 to Rs. 19.

GOVERNMENT DECIDES TO IMPORT SUGAR

(From Our Own Correspondent)

HAPUR, *22nd June*

The most important event this week has been the announcement of the Government of India of the measures taken to check the rising spiral of sugar prices in the country, all Governmental warnings notwithstanding. It has been decided to sell sugar at a fixed price from approved shops in important cities throughout the country. The quantity will not, however, be restricted. The supply of sugar released by the mills will be rushed to all parts of the country. About 150 wagons are to be sent out every day. The mills have been asked to keep a reserve of 25 per cent. of the stock and hand over the rest to the Government. This quota, amounting to nearly two and a half lakh tons, will be sold in approved shops. The Government has also decided to import sugar from foreign countries, such as Formosa, Cuba and Britain. This imported sugar, which would be cheaper in price than the internally produced sugar, will be sold in all port towns.

The sugar mills, it is reported, are not utilising all the wagons allotted to them for the transport of sugar to key centres. This lends support to Mr. Kidwai's belief that wagon shortage is not the only sole contributory factor for the sudden rise in sugar prices. There is large-scale hoarding too.

The immediate reaction to the measures announced by the Government of India, stated above, has been a general fall in sugar quotations. Already prices have fallen to the extent of As. 12 to Re. 1 per maund. The offtake has been very small and the hoarder-stockists seem to be anxious to liquidate some of their possessions. It has been authoritatively stated that the total supplies of sugar available for the present season is 17.97 lakh tons. Even assuming that the average monthly consumption of one lakh tons of sugar has increased by 25 per cent., the carry-over stocks at the beginning of 1953-54 will be a minimum of 3 lakh tons.

RAW JUTE DECLINES

(From Our Own Correspondent)

CALCUTTA, *23rd June*

With the outbreak of the monsoon and subsequent moderate rains during the week in the jute-growing districts, prices for the unsold quantities of the old crop left with the stockists were brought down. Mills gave only poor support, but stockists were anxious for business. Another major factor for the decline was the fall in the prices of sacking goods, since jute still unsold to mills is mostly of the inferior varieties and only fit for the production of sacking. Of course, the commencement of rains does not change the expectation that this season's crop would register a decline, but has enabled cultivators to start weeding operations and thus save plants. In certain other districts, where sowing could not take place at the right time, ploughing and sowing were undertaken.

Prices in India are dependent on the market trends in East Bengal, where demand is expected to remain at a moderate level. The poor support which mills gave to the market this week was also due to their reluctance to increase stocks further. Reflecting these factors, Assam bottoms declined to Rs. 26-8 from Rs. 27, Pakistan jat bottoms being quoted at Rs. 28. The following latest quotations also indicate losses of Re. 1-8 each: Murshidabad district tossa Rs. 24-8, Kissangarj Rs. 25-8, Bimli f.a.q. Rs. 21, and Murliganj Rs 19. Assam bottoms new crop was quoted at R. 27 forward.

A further quantity of 10,000 tons of hessian was bought for export to Argentina, and it is expected that further orders would soon be forthcoming. The total quantity required by Argentina is estimated to be 65,000 tons which represents two months' production of mills. Up to date, half of this quantity has been bought. This was the major support this week, and prices were steady on the decline. Hessian ready 40" 10 oz. opened at Rs. 46 last Wednesday. Losses were fractional, and poor enquiries from the United States, coupled with the visible decline in prices for sacking, paved the way for the downward tendency, the quotation closing at Rs. 45-6. However, each day's decline met with strong resistance. Yesterday, the recovery to Rs. 45-14 was a feature. The despatch of hessian *from mills' godowns* during May amounted to 30,502 tons, which was only a little less than the month's output which was 31,900 tons. Sacking goods despatched were 39,312 tons which exceeded output by 1,012 tons. These figures indicate that demand during last month was almost equivalent to production; the expectation for this month is that hessian would show a similar, if not a better, trend, but stocks of sacking goods would indicate an increase.

Demand for sacking during the week was mainly for internal consumption, and bears were only too inclined to avail the opportunity to hammer down prices. Rumours that Burma would be requiring a sizable quantity continued, but orders could only follow the conclusion of the impending trade talks between Burma and India, which have now been postponed more than once. There is the need for expanding India's market for sacking goods, and the detailed report of the I.J.M.A. mission to Australia and New Zealand makes interesting reading. Trade circles feel that joint efforts by the Government and the industry are needed in these two countries to make the suggested publicity campaign a success. From Rs. 102-4, ready B. twills moved back to Rs. 100-2. What the industry needs to-day is a quick increase in exports, as otherwise even output of hessian, which is enjoying a steady demand would be affected, as mills have reduced their sacking production to the irreducible minimum.

The report that the Assam Government, in collaboration with a private *entrepreneur*, would soon establish a jute mill in that State has caused some surprise in market circles. Even the existing mills in this country are unable to function to capacity in view of the lack of adequate demand, and as such they contend that the setting up of another mill would only increase the problems of the industry as a whole, which has in a few years' time to compete with goods produced in East Bengal. No doubt, Assam is the second largest producer of jute in India, but it is felt that its Government could start some other industry in its border, the all-India production of which is unable to meet the country's needs.

LINSEED PRICES ADVANCE

(Messrs. A. Bradley & Co.)

CALCUTTA, *22nd June*

Linseed prices have advanced appreciably during the past week and a generally firmer trend has prevailed in the market. Very little business, however, has been recorded. Owing largely to transport limitations, supplies from up-country have been extremely scarce, and sellers have been reserved for both ready and forward deliveries. Crushers have shown a feeble interest and the turnover has been small. Oil prices have advanced in sympathy with seeds, but conditions remain very dull. No fresh business for export is possible, as long as prices remain at these levels.

Latest quotations are: June Rs. 22 and July-August Rs. 22-6 per maund.

OFFTAKE IN HIDES POOR

(From Our Own Correspondent)

KANPUR, *22nd June*

The hides and skins market remained unchanged during the week under review. Increased arrivals at terminal centres and lower offtake contributed to weaker trend towards the close of the week. As a result, there ensued selling pressure and prices declined, although they recovered afterwards. Following are the latest quotations: Wet salted cow hides, heavy superior Rs. 380 and inferior Rs. 280; light and medium superior Rs. 280 and inferior Rs. 180 per score; buffalo hides, heavy 1 lb. 10 ozs. and medium and light 2 lbs. 6 ozs. per rupee; goat skins, Deshi Rs. 250 and Oudh Rs. 210 per 100 pieces; sheep skins Rs. 300 per 100 pieces.

SURVEY

(*Concluded from page 1163*)

foreign trade, bank returns, crop output, Gilt-edged and semi-Gilt-edged securities.

In discussing the outlook for the current year, the authors warn that the general recession which was in evidence in many countries in the latter part of 1952 may develop as "a major deflationary force, especially if the peak of military expenditure in the U.S. is passed and the industrial output tends to decline in consequence during the course of the year." Peace, however, is not treated as a depressing factor, for the authors claim that "if prospects for peace improve there may be transitional recession, and world economy should speedily turn towards normal conditions." Referring to India, in particular, they emphasise the need for curtailment of Government expendi... the objectives laid down in the Five-yea... are to be achieved and economic stability m... tained. Other points emphasised in the *Review* are: (1) It is unwise to resort to ordinances except in periods of emergency; (2) wages must be linked to output; and (3) estate duty legislation will interfere with capital formation and investment. Finally, the authors make a strong plea for the development of traditions which "will prove a stabilising factor." It is true that the rich traditions in sound business administration, in financial and industrial policies, which

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
16,00,000	1,08,33,956	10,66,174	Allahabad Bank	355	100	18½	18½	18½	18½	12	Y.P.
14,50,000				175	50						
1,01,000	12,03,000	7,231	Andhra Bank	192	100	5	6	6	6	6.12	H
23,99,000				51½	50						
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	111	50	12½	12½	12½	12½	12	Y.
50,00,060	14,00,000	8,667	Bank of Bikaner	20N	25	..	3	3	3	12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	458	50	14	14	14	14	6.12	R.L.Y.
15,30,375	24,00,000	63,200	Bank of Indore	60N	25	12½	12½	12½	12	12	Y.
50,00,000	15,00,000	35,324	Bank of Jaipur	23N	50	3	3	3	3	12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	282	100	16½	16½	16½	16½	12	Y.
59,18,600	42,61,693	25,280	Bombay State Co-operative Bank	55	5	5	5	5	6	12	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	85	50	9	9	9	12	12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	9½	10½	10½	10½	12	Y.P.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	64½	25	14	14	14	14	12	R.L.Y.
$2,42,375 'A'				65½	25						
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	35	50	3	3	3½	3½	12	Y.
1,00,00,000	1,00,00,000	18,10,525	Habib Bank (P)	88	20	6½	10	20	20	12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	10	50	—	—	—	—	12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	10½	50	—	—	—	—	12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105N	100	5	6½	6½	5	9	Y.
3,75,00,000	6,35,00,000	42,07,573	Imperial Bank of India	1,870	500	14	16	16	16	6.12	R.L.H.
1,87,50,000				455	125	14	16	16	16	6.12	R.L.H.
24,00,000				179	100						
16,00,000	73,50,000	1,04,201	Indian Bank	141	80	11½	12½	12½	12½	6.12	R.L.H.
15,40,000				104	55						
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	89	100	4½	5½	6	6	6.12	R.L.H.
6,25,000				75	100(A)	9	9	7½	6		
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18½	25(B)	9	9	7½	6	6.12	H.
10,00,000				37½	50(C)	6	6	6	6		
4,55,266	30,61,350	60,357	Punjab and Sind Bank	35N	25	7½	7	—	—	6.12	Y.
87,50,000	89,00,000	1,92,605	Punjab National Bank	20	25	6	4	4	6	12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	11½	25	—	—	—	—	12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	6¾	5	6½	6½	6½	6½	12	Y.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank	35½	50	3½	4	4	4	6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3 000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2-1-7½	£5	12†	14†	14†	16‡†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£6¼	£5	6†	7†	6†	7†	12	R.L.Y.
H.K.$20,000,000	H.K.$96,000,000	H.K.$9,489,174	Hongkong and Shanghai Banking Corporation	£88¼	H.K. $125	5%*	5%*	5%*	5%*	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-12-6	£1	12½†	12½†	12½†	12½†	12	R.L.Y.
£1,437,296				£1-6-3		5½†	5†*	5†*	5†*	12	R.L.Y.
£375,000	£1,500,000	£200,143	Mercantile Bank o India	£25¼	A £12½	12½†	12†*	12†*	14†*	12	R.L.Y.
£375,000				£25¼	B £12½						
£300,000				£10	C £5						
£2,281,250	£3,675,000	£323,703	National Bank of India	£30½	£12½	16½†	16†*	16†*	16†*	12	L.Y.

‡Includes Bonus. †Less Tax. (P) Pakistan Currency. ††O.S. Currency.
‡‡Subject to taxation. (i) Interim.
*£ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company		Latest Available Quotations (per hundred) Rs. or £	Principal Repayable	
BREWERIES AND SUGAR							
19,50,000	5½	1st December and 1st June	Carew & Co.	1938	100	1st June	1953(b)
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	99½	28th February	1960(f)
6,00,000	5½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd.	1936	99	30th December	1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	103	27th December	1954-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91	1st November	1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	104	1st April	1956-61
85,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	92	1st November	1959-64
COTTON							
6,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April	1964
6,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	96½	15th November	1956(e)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99½	1st January	1967-72
13,68,000	5½		Jayahree Textiles	1949	78N	1st January	1956-59
40,00,000	5	1st June	Tata Mills		100½		1966–71
ELECTRICS							
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	95	31st March	1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		101	14th June	1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100½	1st October	1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December	1964
2,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	101½	1st January	1970-71
25,00,000	4	30th June and 31st December	Goureypore Electric Supply Co., Ltd.	1945	85½	31st December	1970
15,00,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	93	30th June	1976
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	1940	97	..	1956-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	1939	94	..	1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94½	..	1953-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply		94	1st July	1957-67
49,23,000	4	1st April and 1st October	Tata Power	1940	100½	15th September	1951-55(b
1,00,00,000	4	1st April and 1st October	Tata Power		92½	15th September	1965-70
ENGINEERING							
5,00,000	5	30th June and 31st December	Britannia Engineering	1945	96½	31st December	1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	97	30th June	1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	100	1st July	1957-62
£1,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	49½	31st December	1966(f)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	55	31st May	1971
1,30,00,000	5	1st April and 1st October	Tata Locomotive	1950	100½	1st October	1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	94½	31st December	1960
JUTE							
12,00,000	4½	1st October and 1st April	Agarpara	1939	98	31st March	1954
6,00,000	4½	30th June and 31st December	Alexandra	1939	95	30th June	1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1943	91	31st December	1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	97	30th June	1955
4,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	89	30th June	1960
9,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July	1959(e)
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	97	30th June	1966
8,86,900	5	30th June and 31st December	Empire	1951	94	15th July	1966
25,00,000	3½	1st January and 1st July	Hukumchand	1947	91½	30th June	1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1939	98	31st December	1964
25,00,000	5½	30th June and 31st December	Nalhati	1952	99	31st March	1967
5,00,000	3½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1947	97N	31st March	1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May	1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1943	86½	31st December	1964
8,00,000	4	30th June and 31st December	Presidency	1943	91½	30th June	1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	95½	30th September	1965
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	94½	14th September	1957
12,00,000	4½	30th June and 31st December	Union	1937	95½	30th June	1957(d)
10,00,000	3½	31st January and 31st July	Waverley	1925	83½	31st July	1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS							
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1936	84	1st July	1956
6,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	1945	99½	1st November	
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£100N	At 105% at any time on 6 months' notice or at par or every seventh year.	
£201,067	5	1st April and 1st October	Kalighat-Falta Railway	1933	£102N	1st October	1974
3,00,000	3½	30th September and 31st March	Katakhal-Lalabazar Railway	1934	98½	30th September	1953
6,50,000	3½	30th June and 31st December		1945	89	31st December	1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£90½N		
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation		96	1st September	1963
PLANTING							
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943	100	.. ..	1945–55
3,68,200	3½	31st March and 30th September	Teekoy Rubber Estates	1944	100	.. ..	1949–59
30,00,000	5	30th June and 31st December	Waterfalls Ltd	1943	101½	.. ..	1945–55
MISCELLANEOUS							
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	101	30th September	1953
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December	1963
27,60,000	4½	1st April and 1st October	Associated Hotels of India	1948	86	31st December	1962
4 90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	95½	30th June	1957(i)
21,00,000	3½	1st February and 1st August	Chowringhee Properties	1915	92	1st February	1964
22,60,000	4½	1st July and 1st January	Clive Buildings	1936	88½	1st July	1986
20,00,000	5	15th March and 15th September	Dalhousie Properties	1946	86	15th September	1960
4,30,00,000	5	1st January and 1st July	Dunlop Rubber	1950	101½	1st January	1971
20,00,000	5	15th March and 15th September	Metrur Chemical Industries	1949	97		1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	465 (per note)	30th September	1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410 (per note)	31st December	1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd	1951	91N	1st April	1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	92	31st March	1961
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	83½	31st December	1959

Note.—See page 1207 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 25th June, 1953.

	Closing quotations 18-6-53	High	Low	Closing quotations 25-6-53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	156½	158½	157	158
Bank of Baroda (50)	111½	111½	111	111½
Central (25)	64	64½	64	64½
Imperial (F.Pd.) (500)	1,865	1,872½	1,867½	1,870
Imperial (P.Pd.) (125)	452½	455	452	455
Union Bank (5)	6½	6½	6-6½	6½
United Com. (50)	36	36	35½	35½
COTTON MILLS				
Abm. Adv. (100)	147½	—	—	147½
Apollo (2)	2–14½	2–15½	2–14½	2½
Bombay Dyeing (250)	376½	383½	378½	380
Central India (100)	160½	162½	160	160½
Century Mills (100)	273	277½	273	276
Colaba (100)	72	72	70	70
Edward Textile (200)	250	256½	250	255
Elphinstone (50)	43	—	—	43
Finlay (100)	316	320	312	312
Gokak (100)	213	215½	213	214
Ind. Untd. Defd. (1)	1–10½	1–11½	1–10½	1–1
Ind. Untd. Ord. (10)	9⅛	10	9⅛	10
Indore Malwa (100)	87½	91½	86½	86½
Khatau (100)	183½	—	—	183½
Kohinoor (100)	300½	306½	300½	305½
Lakshmi (250)	558½	558½	545	547½
Madhusudhan (100)	83	—	—	83
R. R. Cotton Mfg (100)	49½	49½	47½	47½
Minerva Mills (100)	100½	—	—	100½
Model Nagpur (250)	143½	—	—	142½
Morarji (100)	200	—	—	200
Mysore (50)	123½	—	—	123½
New City (100)	151½	—	—	151½
New Great (100)	148	149	148½	149
Phoenix (100)	105	—	—	105
Podar Mills (100)	123½	126½	125½	126½
Bassoon Silk (10)	25½	—	—	25½
Bassoon Spg. (10)	27½	—	—	27½
Shahpur (1,000)	1,800	—	—	1,800
Singlee (50)	179	181½	178	179
Sradesh (100)	246½	249	246½	248
Swan (100)	438½	438½	433½	435
Tata Mf. (25)	42½	—	—	43½
Vishnu (100)	157½	157½	156½	156½
Western India (1,000)	3,180	—	—	3,180
ELECTRIC COS.				
Ahmedabad (100)	107½	109½	107½	109½
Amalgamated (10)	10⅜	—	—	10½
Andhra Valley (1,000)	1,425	1,425	1,420	1,420
Bom. Sub-El. (100)	125½	126½	125½	125½
Surat (100)	130½	131½	130½	131½
Tata Hydro (100)	150	150	149	150
Tata Power (1,000)	1,488½	1,502½	1,488½	1,502½
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	625	—	—	625
Ind. Mercantile (20	38½	—	—	38½
Jupiter (15)	7½	—	—	7½
New India (15)	41½	42½	40	40½
Oriental (200)	7,175	7,175	7,100	7,170
Universal (10)	7⅛	—	—	7½
Vulcan (10)	11⅛	11⅛	11⅛	11⅛
STEAMER COS.				
Bom. Steam (25)	—	—	—	12½
Scindia (15)	12–13	13–0½	12–13½	
STEEL COS.				
Ind. Iron (10)	24⅜	25–2½	24–9½	
Tata Steel Defd. (30)	1,870	1,905	1,873½	
Tata Steel Ord. (75)	328½	332½	328	
MISCELLANEOUS				
Alcock Ashdown (100)	291½	292½	288½	
Associated Cts. (100)	170½	171	170½	
Belapur Sugar (5)	231½	233½	227	
Bom. Burmah (125)	371½	375	366½	
Do. (New) (50)	136½	—	—	
Br. B. Petrol (4 sh.)	1⅜	1–2½	1–1½	
Br. I. Corps. (5)	8–3½	8⅝	2–14½	
Indian Copper (2 sh.)	2½	2–15½	—	
Ind. Inv. Tr. (100)	72½	—	—	
Port Canning (100)	23½	—	—	
Premier Cem. (30)	79½	81	80	
Shivrajpur (10)	54½	55½	54	
Tata Chemicals (10	9–0½	9–2½	9–0½	
Tata Oil (25)	32½	32½	31½	
Walchand Ind. (100	141½	141½	138½	
W. I. Match (100	212½	218½	213½	
GOVERNMENT SECURITIES	Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	Rs.
2½% 1954	98⅛	—	3.31	98⅛
2½% 1955	98⅛	—	3.24	98⅛
2½% 1961	90⅛	—	3.89	90⅛
2½% 1960	93⅛	—	3.81	93⅛
2½% 1962	91⅛	—	3.87	91⅛
2½% 1976	83	—	3.88	83
3% 1952-55	100⅛	—	2.90	100⅛
3% 1957	98⅛	—	3.47	98⅛
3% 1958	98⅛	—	3.40	98⅛
3% 1959-61	96⅛	3.70	3.55	96⅛
3% 1964	92⅛	—	3.88	92⅛
3% 1963-65	92⅛	3.90	3.78	92⅛
3% 1966-68	90⅛	4.00	3.90	90⅛
3% 1970-75	86⅛	4.10	3.93	86⅛
3% 1986 Con. Loan	82⅛	—	3.93	82⅛
3½% 1954-59*	100⅛	3.34	3.43	100⅛
4% 1960-70	102⅛	3.60	3.80	102⅛
4½% 1955-60	103⅛	3.06	3.96	103⅛
4½% 1958-68*	105	3.40	4.03	105

BRITISH GOVERNMENT SECURITIES	18-6-53 £	High £	Low £	24-6 £
2½% Brit. Consols	61	61	60⅝	
3% Savings Bonds 1955-65	86⅛	86⅛	85½	
3% War Loan 1955-59	101⅛	101⅛	101⅛	
3½% War Loan 1952	81⅛	81⅛	80⅝	
3½% Brit. Iron and Steel 1979-81	91⅛	91⅛	91⅛	
4% Funding Loan 1960-90	100	100	99⅝	

*Gross Redemption Yield.

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